

REFINITIV

DELTA REPORT

10-Q

VERTIV HOLDINGS CO

10-Q - SEPTEMBER 30, 2023 COMPARED TO 10-Q - JUNE 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	1345
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 CHANGES	278
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 DELETIONS	312
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 ADDITIONS	755
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-Q

☐ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly period ended **June 30, 2023** **September 30, 2023**

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from __ to __

Commission File No. 001-38518

Vertiv Holdings Co

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation
or organization)

81-2376902
(I.R.S Employer
Identification No.)

505 N. Cleveland Ave., Westerville, Ohio 43082

(Address of principal executive offices including zip code)

614-888-0246

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, \$0.0001 par value per share	VRT	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☐ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in 12b-2 of the Exchange Act).

Yes ☐ No ☐

As of **July 31, 2023** **October 23, 2023**, there were **880,527,755** **381,441,500** shares of the Company's Class A common stock, par value \$0.0001, issued and outstanding.

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PART I. FINANCIAL INFORMATION

ITEM 1. UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS (LOSS) VERTIV HOLDINGS CO (Dollars in millions except for per share data)

		Three months ended June 30, 2023	Three months ended June 30, 2022	Six months ended June 30, 2023	Six months ended June 30, 2022		Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Net sales	Net sales					Net sales				
Net sales - products	Net sales - products	\$ 1,360.4	\$ 1,055.0	\$ 2,546.9	\$ 1,904.4	Net sales - products	\$ 1,381.3	\$ 1,135.4	\$ 3,928.2	\$ 3,039.8
Net sales - services	Net sales - services	373.7	344.4	708.3	651.4	Net sales - services	361.3	345.7	1,069.6	997.1
Net sales	Net sales	1,734.1	1,399.4	3,255.2	2,555.8	Net sales	1,742.6	1,481.1	4,997.8	4,036.9
Costs and expenses	Costs and expenses					Costs and expenses				

Cost of sales - products	Cost of sales - products	912.9	807.4	1,732.4	1,463.2	Cost of sales - products	894.2	838.5	2,626.6	2,301.7
Cost of sales - services	Cost of sales - services	227.2	220.5	433.3	417.5	Cost of sales - services	220.8	213.3	654.1	630.8
Cost of sales	Cost of sales	1,140.1	1,027.9	2,165.7	1,880.7	Cost of sales	1,115.0	1,051.8	3,280.7	2,932.5
Operating expenses	Operating expenses					Operating expenses				
Selling, general and administrative expenses	Selling, general and administrative expenses	327.6	287.6	636.3	579.8	Selling, general and administrative expenses	327.2	295.2	963.5	875.0
Amortization of intangibles	Amortization of intangibles	45.4	55.8	90.6	113.5	Amortization of intangibles	45.5	54.2	136.1	167.7
Restructuring costs	Restructuring costs	9.1	0.8	22.2	1.6	Restructuring costs	1.3	(1.5)	23.5	0.1
Foreign currency (gain) loss, net	Foreign currency (gain) loss, net	7.5	2.9	10.6	1.6	Foreign currency (gain) loss, net	2.7	0.2	13.3	1.8
Other operating expense (income)	Other operating expense (income)	(1.4)	(1.8)	(6.3)	(2.4)	Other operating expense (income)	—	1.2	(6.3)	(1.2)
Operating profit (loss)	Operating profit (loss)	205.8	26.2	336.1	(19.0)	Operating profit (loss)	250.9	80.0	587.0	61.0
Interest expense, net	Interest expense, net	46.9	33.4	93.7	62.7	Interest expense, net	43.5	38.8	137.2	101.5
Change in fair value of warrant liabilities	Change in fair value of warrant liabilities	46.0	(38.9)	41.8	(133.8)	Change in fair value of warrant liabilities	61.6	9.8	103.4	(124.0)
Income (loss) before income taxes	Income (loss) before income taxes	112.9	31.7	200.6	52.1	Income (loss) before income taxes	145.8	31.4	346.4	83.5
Income tax expense	Income tax expense	29.7	11.4	67.1	23.3	Income tax expense	51.7	10.2	118.8	33.5
Net income (loss)	Net income (loss)	\$ 83.2	\$ 20.3	\$ 133.5	\$ 28.8	Net income (loss)	\$ 94.1	\$ 21.2	\$ 227.6	\$ 50.0
Earnings (loss) per share:	Earnings (loss) per share:					Earnings (loss) per share:				
Basic	Basic	\$ 0.22	\$ 0.05	\$ 0.35	\$ 0.08	Basic	\$ 0.25	\$ 0.06	\$ 0.60	\$ 0.13
Diluted	Diluted	\$ 0.22	\$ 0.05	\$ 0.35	\$ (0.28)	Diluted	\$ 0.24	\$ 0.06	\$ 0.59	\$ (0.20)
Weighted-average shares outstanding:	Weighted-average shares outstanding:					Weighted-average shares outstanding:				
Basic	Basic	379,938,365	376,594,660	379,039,072	376,285,196	Basic	380,899,419	377,016,981	379,666,002	376,531,805
Diluted	Diluted	382,351,210	377,257,854	381,116,189	378,493,214	Diluted	388,240,664	377,444,002	383,832,268	378,038,809

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
VERTIV HOLDINGS CO
(Dollars in millions)

		Three months ended June 30, 2023	Three months ended June 30, 2022	Six months ended June 30, 2023	Six months ended June 30, 2022		Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Net income (loss)	Net income (loss) \$	83.2	\$ 20.3	\$ 133.5	\$ 28.8	Net income (loss) \$	94.1	\$ 21.2	\$ 227.6	\$ 50.0
Other comprehensive income (loss), net of tax:	Other comprehensive income (loss), net of tax:					Other comprehensive income (loss), net of tax:				
Foreign currency translation	Foreign currency translation	(1.4)	(149.9)	40.0	(186.2)	Foreign currency translation	(63.5)	(146.1)	(23.5)	(332.3)
Interest rate swaps	Interest rate swaps	10.6	22.0	(3.3)	76.2	Interest rate swaps	4.1	30.9	0.8	107.1
Pension	Pension	(0.1)	—	(0.3)	0.1	Pension	(0.2)	0.1	(0.5)	0.2
Other comprehensive income (loss), net of tax	Other comprehensive income (loss), net of tax	9.1	(127.9)	36.4	(109.9)	Other comprehensive income (loss), net of tax	(59.6)	(115.1)	(23.2)	(225.0)
Comprehensive income (loss)	Comprehensive income (loss) \$	92.3	(107.6)	169.9	(81.1)	Comprehensive income (loss) \$	34.5	(93.9)	204.4	(175.0)

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements

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UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
VERTIV HOLDINGS CO
(Dollars in millions)

		June 30, 2023	December 31, 2022		September 30, 2023	December 31, 2022
ASSETS	ASSETS			ASSETS		
Current assets:	Current assets:			Current assets:		
Cash and cash equivalents	Cash and cash equivalents	\$ 274.9	\$ 260.6	Cash and cash equivalents	\$ 500.0	\$ 260.6
Accounts receivable, less allowances of \$24.5 and \$18.4, respectively	Accounts receivable, less allowances of \$24.5 and \$18.4, respectively	2,022.6	1,888.8	Accounts receivable, less allowances of \$26.6 and \$18.4, respectively	2,020.7	1,888.8
Inventories	Inventories	920.2	822.0	Inventories	921.7	822.0
Other current assets	Other current assets	160.6	187.3	Other current assets	178.6	187.3
Total current assets	Total current assets	3,378.3	3,158.7	Total current assets	3,621.0	3,158.7
Property, plant and equipment, net	Property, plant and equipment, net	503.3	489.4	Property, plant and equipment, net	508.6	489.4
Other assets:	Other assets:			Other assets:		
Goodwill	Goodwill	1,299.4	1,284.7	Goodwill	1,284.3	1,284.7
Other intangible assets, net	Other intangible assets, net	1,746.8	1,816.1	Other intangible assets, net	1,674.1	1,816.1
Deferred income taxes	Deferred income taxes	48.2	46.4	Deferred income taxes	46.7	46.4
Right-of-use assets, net	Right-of-use assets, net	160.1	166.4	Right-of-use assets, net	157.1	166.4
Other	Other	120.5	134.0	Other	122.5	134.0
Total other assets	Total other assets	3,375.0	3,447.6	Total other assets	3,284.7	3,447.6

Total assets	Total assets	\$ 7,256.6	\$ 7,095.7	Total assets	\$ 7,414.3	\$ 7,095.7
LIABILITIES AND EQUITY	LIABILITIES AND EQUITY			LIABILITIES AND EQUITY		
Current liabilities:	Current liabilities:			Current liabilities:		
Current portion of long-term debt	Current portion of long-term debt	\$ 21.8	\$ 21.8	Current portion of long-term debt	\$ 21.8	\$ 21.8
Accounts payable	Accounts payable	941.9	984.0	Accounts payable	931.9	984.0
Deferred revenue	Deferred revenue	520.0	358.7	Deferred revenue	543.3	358.7
Accrued expenses and other liabilities	Accrued expenses and other liabilities	538.4	513.7	Accrued expenses and other liabilities	555.4	513.7
Income taxes	Income taxes	33.4	19.7	Income taxes	49.1	19.7
Total current liabilities	Total current liabilities	2,055.5	1,897.9	Total current liabilities	2,101.5	1,897.9
Long-term debt, net	Long-term debt, net	2,927.4	3,169.1	Long-term debt, net	2,923.1	3,169.1
Deferred income taxes	Deferred income taxes	184.7	176.5	Deferred income taxes	177.8	176.5
Warrant liabilities	Warrant liabilities	78.9	58.7	Warrant liabilities	140.5	58.7
Long-term lease liabilities	Long-term lease liabilities	127.6	132.0	Long-term lease liabilities	125.9	132.0
Other long-term liabilities	Other long-term liabilities	224.4	219.6	Other long-term liabilities	231.6	219.6
Total liabilities	Total liabilities	5,598.5	5,653.8	Total liabilities	5,700.4	5,653.8
Equity	Equity			Equity		
Preferred stock, \$0.0001 par value, 5,000,000 shares authorized, none issued and outstanding	Preferred stock, \$0.0001 par value, 5,000,000 shares authorized, none issued and outstanding	—	—	Preferred stock, \$0.0001 par value, 5,000,000 shares authorized, none issued and outstanding	—	—
Common stock, \$0.0001 par value, 700,000,000 shares authorized, 380,365,639 and 377,368,837 shares issued and outstanding at June 30, 2023 and December 31, 2022, respectively	Common stock, \$0.0001 par value, 700,000,000 shares authorized, 380,365,639 and 377,368,837 shares issued and outstanding at June 30, 2023 and December 31, 2022, respectively	—	—	Common stock, \$0.0001 par value, 700,000,000 shares authorized, 381,349,156 and 377,368,837 shares issued and outstanding at September 30, 2023 and December 31, 2022, respectively	—	—
Additional paid-in capital	Additional paid-in capital	2,677.0	2,630.7	Additional paid-in capital	2,698.3	2,630.7
Accumulated deficit	Accumulated deficit	(1,009.1)	(1,142.6)	Accumulated deficit	(915.0)	(1,142.6)
Accumulated other comprehensive income (loss)	Accumulated other comprehensive income (loss)	(9.8)	(46.2)	Accumulated other comprehensive income (loss)	(69.4)	(46.2)
Total equity	Total equity	1,658.1	1,441.9	Total equity	1,713.9	1,441.9
Total liabilities and equity	Total liabilities and equity	\$ 7,256.6	\$ 7,095.7	Total liabilities and equity	\$ 7,414.3	\$ 7,095.7

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

VERTIV HOLDINGS CO
(Dollars in millions)

	Six months ended June 30, 2023	Six months ended June 30, 2022
Cash flows from operating activities:		
Net income (loss)	\$ 133.5	\$ 28.8
Adjustments to reconcile net income (loss) to net cash used for operating activities:		
Depreciation	35.7	35.5
Amortization	98.2	120.7
Deferred income taxes	1.6	(9.2)
Amortization of debt discount and issuance costs	4.7	4.8
Change in fair value of warrant liabilities	41.8	(133.8)
Changes in operating working capital	(35.5)	(377.8)
Stock-based compensation	12.3	13.8
Payment of contingent consideration	—	(8.7)
Other	3.3	(12.0)
Net cash provided by (used for) operating activities	295.6	(337.9)
Cash flows from investing activities:		
Capital expenditures	(53.6)	(38.2)
Investments in capitalized software	(2.5)	(6.7)
Acquisition of business, net of cash acquired	—	(5.0)
Proceeds from disposition of property, plant and equipment	12.4	—
Net cash provided by (used for) investing activities	(43.7)	(49.9)
Cash flows from financing activities:		
Borrowings from ABL revolving credit facility and short-term borrowings	159.7	447.6
Repayments of ABL revolving credit facility and short-term borrowings	(394.7)	(254.7)
Repayment of long-term debt	(16.4)	(10.9)
Payment of tax receivable agreement	—	(12.5)
Payment of contingent consideration	—	(12.8)
Exercise of employee stock options	10.0	1.1
Employee taxes paid from shares withheld	(2.5)	(4.3)
Net cash provided by (used for) financing activities	(243.9)	153.5
Effect of exchange rate changes on cash and cash equivalents	(1.0)	(7.5)
Increase (decrease) in cash, cash equivalents and restricted cash	7.0	(241.8)
Beginning cash, cash equivalents and restricted cash	273.2	447.1
Ending cash, cash equivalents and restricted cash	\$ 280.2	\$ 205.3
Changes in operating working capital		
Accounts receivable	\$ (128.9)	\$ (169.8)
Inventories	(96.5)	(187.1)
Other current assets	7.4	(10.0)
Accounts payable	(36.6)	20.6
Deferred revenue	161.3	39.5
Accrued expenses and other liabilities	27.5	(54.1)
Income taxes	30.3	(16.9)
Total changes in operating working capital	\$ (35.5)	\$ (377.8)

	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Cash flows from operating activities:		

Net income (loss)	\$	227.6	\$	50.0
Adjustments to reconcile net income (loss) to net cash used for operating activities:				
Depreciation		54.6		53.3
Amortization		147.5		178.6
Deferred income taxes		(0.7)		(22.0)
Amortization of debt discount and issuance costs		6.3		7.4
Change in fair value of warrant liabilities		103.4		(124.0)
Changes in operating working capital		(17.8)		(448.0)
Stock-based compensation		18.8		20.1
Payment of contingent consideration		—		(8.7)
Other		4.6		(40.2)
Net cash provided by (used for) operating activities		544.3		(333.5)
Cash flows from investing activities:				
Capital expenditures		(80.1)		(61.7)
Investments in capitalized software		(3.4)		(8.0)
Acquisition of business, net of cash acquired		—		(5.0)
Proceeds from disposition of property, plant and equipment		12.4		—
Net cash provided by (used for) investing activities		(71.1)		(74.7)
Cash flows from financing activities:				
Borrowings from ABL revolving credit facility and short-term borrowings		224.6		578.4
Repayments of ABL revolving credit facility and short-term borrowings		(459.6)		(281.5)
Repayment of long-term debt		(21.8)		(10.9)
Debt issuance costs		—		(0.5)
Payment of tax receivable agreement		—		(25.0)
Payment of contingent consideration		—		(12.8)
Exercise of employee stock options		22.9		1.3
Employee taxes paid from shares withheld		(2.8)		(4.3)
Net cash provided by (used for) financing activities		(236.7)		244.7
Effect of exchange rate changes on cash and cash equivalents		(4.7)		(14.9)
Increase (decrease) in cash, cash equivalents and restricted cash		231.8		(178.4)
Beginning cash, cash equivalents and restricted cash		273.2		447.1
Ending cash, cash equivalents and restricted cash	\$	505.0	\$	268.7
Changes in operating working capital				
Accounts receivable	\$	(136.7)	\$	(257.0)
Inventories		(101.5)		(202.3)
Other current assets		28.5		(4.2)
Accounts payable		(44.9)		42.2
Deferred revenue		184.6		35.8
Accrued expenses and other liabilities		45.5		(51.5)
Income taxes		6.7		(11.0)
Total changes in operating working capital	\$	(17.8)	\$	(448.0)

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
VERTIV HOLDINGS CO
(Dollars in millions)

	Share Capital							Share Capital						
				Accumulated							Accumulated			
				Additional	Accumulated	Other				Additional	Accumulated	Other		
	Shares	Amount	Capital	Deficit	Income (Loss)	Total		Shares	Amount	Capital	Deficit	Income (Loss)	Total	
Balance at December 31, 2021	Balance at December 31, 2021	375,801,857	\$ —	\$ 2,597.5	\$ (1,215.4)	\$ 35.6	\$ 1,417.7	Balance at December 31, 2021	375,801,857	\$ —	\$ 2,597.5	\$ (1,215.4)	\$ 35.6	\$ 1,417.7
Net income (loss)	Net income (loss)	—	—	—	8.5	—	8.5	Net income (loss)	—	—	—	8.5	—	8.5
Exercise of employee stock options	Exercise of employee stock options	89,566	—	1.0	—	—	1.0	Exercise of employee stock options	89,566	—	1.0	—	—	1.0
Stock-based compensation	Stock-based compensation	—	—	6.6	—	—	6.6	Stock-based compensation	—	—	6.6	—	—	6.6
Employee 401K match with Vertiv stock	Employee 401K match with Vertiv stock	100,541	—	2.3	—	—	2.3	Employee 401K match with Vertiv stock	100,541	—	2.3	—	—	2.3
Other comprehensive income (loss), net of tax	Other comprehensive income (loss), net of tax	—	—	—	—	18.0	18.0	Other comprehensive income (loss), net of tax	—	—	—	—	18.0	18.0
Balance at March 31, 2022	Balance at March 31, 2022	375,991,964	\$ —	\$ 2,607.4	\$ (1,206.9)	\$ 53.6	\$ 1,454.1	Balance at March 31, 2022	375,991,964	\$ —	\$ 2,607.4	\$ (1,206.9)	\$ 53.6	\$ 1,454.1
Net income (loss)	Net income (loss)	—	\$ —	\$ —	\$ 20.3	\$ —	\$ 20.3	Net income (loss)	—	\$ —	\$ —	\$ 20.3	\$ —	\$ 20.3
Exercise of employee stock options	Exercise of employee stock options	4,279	—	0.1	—	—	0.1	Exercise of employee stock options	4,279	—	0.1	—	—	0.1
Stock-based compensation, net of withholding for tax ⁽¹⁾	Stock-based compensation, net of withholding for tax ⁽¹⁾	563,597	—	2.9	—	—	2.9	Stock-based compensation, net of withholding for tax ⁽¹⁾	563,597	—	2.9	—	—	2.9
Employee 401K match with Vertiv stock	Employee 401K match with Vertiv stock	161,333	—	2.2	—	—	2.2	Employee 401K match with Vertiv stock	161,333	—	2.2	—	—	2.2
Other comprehensive income (loss), net of tax	Other comprehensive income (loss), net of tax	—	—	—	—	(127.9)	(127.9)	Other comprehensive income (loss), net of tax	—	—	—	—	(127.9)	(127.9)
Balance at June 30, 2022	Balance at June 30, 2022	376,721,173	\$ —	\$ 2,612.6	\$ (1,186.6)	\$ (74.3)	\$ 1,351.7	Balance at June 30, 2022	376,721,173	\$ —	\$ 2,612.6	\$ (1,186.6)	\$ (74.3)	\$ 1,351.7
Net income (loss)	Net income (loss)	—	—	—	21.2	—	21.2	Net income (loss)	—	—	\$ —	\$ 21.2	\$ —	\$ 21.2
Exercise of employee stock options	Exercise of employee stock options	20,649	—	0.2	—	—	0.2	Exercise of employee stock options	20,649	—	0.2	—	—	0.2
Stock-based compensation	Stock-based compensation	—	—	6.3	—	—	6.3	Stock-based compensation	—	—	6.3	—	—	6.3
Employee 401K match with Vertiv stock	Employee 401K match with Vertiv stock	316,905	—	2.8	—	—	2.8	Employee 401K match with Vertiv stock	316,905	—	2.8	—	—	2.8

Other comprehensive income (loss), net of tax									Other comprehensive income (loss), net of tax								
Balance at September 30, 2022									Balance at September 30, 2022								

Stock-based compensation, net of withholding for tax ⁽⁵⁾	Stock-based compensation, net of withholding for tax ⁽⁵⁾	6,465	—	6.2	—	—	6.2
Employee 401K match with Vertiv stock	Employee 401K match with Vertiv stock	85,022	—	2.2	—	—	2.2
Other comprehensive income (loss), net of tax	Other comprehensive income (loss), net of tax	—	—	—	—	(59.6)	(59.6)
Balance at September 30, 2023	Balance at September 30, 2023	381,349,156	\$ —	\$ 2,698.3	\$ (915.0)	\$ (69.4)	\$ 1,713.9

(1) Net stock compensation activity includes 876,358 vested shares offset by 312,761 shares withheld for taxes valued at \$4.3 and stock-based compensation of \$7.2.

(2) Net stock compensation activity includes 14,730 shares withheld for taxes valued at \$0.1 and stock-based compensation of \$5.5.

(3) On February 24, 2023, GS Sponsor LLC elected to exercise 5,266,666 warrants on a cashless basis pursuant to the agreement governing the warrants, in exchange for which the Company issued 1,368,194 shares of Class A common stock.

(4) Net stock compensation activity includes 562,320 vested shares offset by 197,265 shares withheld for taxes valued at \$2.4 and stock-based compensation of \$6.8.

(5) Net stock compensation activity includes 10,707 vested shares offset by 4,242 shares withheld for taxes valued at \$0.3 and stock-based compensation of \$6.5.

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements

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Vertiv Holdings Co

Notes to Condensed Consolidated Financial Statements (Unaudited)

(Dollars in millions, except per share amounts)

(1) DESCRIPTION OF BUSINESS

Vertiv Holdings Co ("Holdings Co", and together with its majority-owned subsidiaries, "Vertiv", "we", "our", or "the Company"), formerly known as GS Acquisition Holdings Corp, provides mission-critical infrastructure technologies and life cycle services for data centers, communication networks, and commercial and industrial environments. Vertiv's offerings include AC and DC power management products, thermal management products, integrated rack systems, modular solutions, management systems for monitoring and controlling digital infrastructure, and services. Vertiv manages and reports results of operations for three reportable segments: Americas; Asia Pacific; and Europe, Middle East & Africa.

(2) BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") in the U.S. and the rules and regulations of the Securities and Exchange Commission ("SEC") and include the accounts of the Company and its subsidiaries in which the Company has a controlling interest. These unaudited condensed consolidated interim financial statements do not include all of the information and footnotes required for complete financial statements. In management's opinion, these financial statements reflect all adjustments of a normal, recurring nature necessary for a fair presentation of the results for the interim periods presented. The presentation of certain prior period amounts have been reclassified to conform with current year presentation.

The preparation of financial statements in conformity with GAAP requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from the estimates. On an ongoing basis, management reviews its estimates based on currently available information. Changes in facts and circumstances may result in revised estimates. Results for these interim periods are not necessarily indicative of results to be expected for the full year due to, among other reasons, the continued uncertainty of general economic conditions that have impacted, and may continue to impact, the Company's sales channels, supply chain, manufacturing operations, workforce, or other key aspects of the Company's operations.

The notes included herein should be read in conjunction with the Company's audited consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC on February 27, 2023.

Accounting Pronouncements

In March 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") 2020-04: Reference Rate Reform (Topic 848) *Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. This ASU provides optional expedients and exceptions to ease the potential burden in accounting for contracts,

hedging relationships and other transactions that reference the London Interbank Offered Rate ("LIBOR") or another reference rate expected to be discontinued as part of reference rate reform. The amendments became effective March 12, 2020 and can generally be applied through December 31, 2024.

On April 18, 2023, the Company transitioned **our its** interest rate swaps from LIBOR to the Secured Overnight Financing Rate ("SOFR") effective July 2, 2023. **With respect to that certain** The Term Loan Credit Agreement, dated as of March 2, 2020 (as amended), by and among (i) Vertiv Group Corporation, as borrower, (ii) Vertiv Intermediate Holding II Corporation, (iii) the administrative agent and (iv) the lenders, relating to a term loan due in 2027 (the "Term Loan Credit Agreement"), **was amended** on June 22, 2023, **to allow for** the Company amended the Term Loan Credit Agreement, pursuant to which the interest rate under the Term Loan Credit Agreement **transitioned, transition,** effective July 1, 2023, from the LIBOR available for borrowings under the Term Loan Credit Agreement and related LIBOR-based mechanics to an interest rate based on the SOFR and related SOFR-based mechanics. The Company adopted ASU 2020-04 and elected to apply the optional expedient to consider the amended swap contracts as a continuation of the existing arrangements. The application of this ASU did not have a material impact on the Condensed Consolidated Financial Statements.

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In March 2023, the FASB issued ASU 2023-01: Leases (Topic 842) *Common Control Arrangements*. This ASU provides amendments that require leasehold improvements associated with common control leases be amortized over the useful life of the leasehold improvements to the common control group as long as the lessee controls the underlying asset through a lease. The amendments are effective in fiscal years beginning after December 15, 2023. The Company does not expect the adoption **of this ASU** to have a material impact on its **Condensed** Consolidated Financial Statements.

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(3) REVENUE

The Company recognizes revenue from the sale of manufactured products and services when control of promised goods or services are transferred to customers in an amount that reflects the consideration the Company expects to be entitled to receive in exchange for those goods or services.

Disaggregation of Revenues

The following table disaggregates revenue by business segment, product and service offering and timing of transfer of control:

		Three months ended June 30, 2023				Three months ended September 30, 2023				
		Americas		Europe, Middle East, & Africa		Americas		Europe, Middle East, & Africa		Total
Sales by Product and Service Offering:	Sales by Product and Service Offering:					Sales by Product and Service Offering:				
Critical infrastructure & solutions	Critical infrastructure & solutions	\$ 636.0	\$ 234.3	\$ 250.9	\$ 1,121.2	Critical infrastructure & solutions	\$ 670.8	\$ 244.3	\$ 223.2	\$ 1,138.3
Services & spares	Services & spares	207.9	110.1	86.2	404.2	Services & spares	206.2	103.1	84.0	393.3
Integrated rack solutions	Integrated rack solutions	115.5	51.4	41.8	208.7	Integrated rack solutions	126.2	41.2	43.6	211.0
Total	Total	\$ 959.4	\$ 395.8	\$ 378.9	\$ 1,734.1	Total	\$ 1,003.2	\$ 388.6	\$ 350.8	\$ 1,742.6
Timing of revenue recognition:	Timing of revenue recognition:					Timing of revenue recognition:				
Products and services transferred at a point in time	Products and services transferred at a point in time	\$ 739.3	\$ 304.6	\$ 249.4	\$ 1,293.3	Products and services transferred at a point in time	\$ 772.8	\$ 296.0	\$ 210.4	\$ 1,279.2
Products and services transferred over time	Products and services transferred over time	220.1	91.2	129.5	440.8	Products and services transferred over time	230.4	92.6	140.4	463.4

Total	Total	\$ 959.4	\$ 395.8	\$ 378.9	\$ 1,734.1	Total	\$ 1,003.2	\$ 388.6	\$ 350.8	\$ 1,742.6
Three months ended June 30, 2022						Three months ended September 30, 2022				
Sales by Product and Service Offering:	Sales by Product and Service Offering:	Americas Asia Pacific Europe, Middle East, & Africa Total				Sales by Product and Service Offering:	Americas Asia Pacific Europe, Middle East, & Africa Total			
Critical infrastructure & solutions	Critical infrastructure & solutions	\$ 368.9	\$ 243.0	\$ 234.8	\$ 846.7	Critical infrastructure & solutions	\$ 417.3	\$ 265.7	\$ 224.3	\$ 907.3
Services & spares	Services & spares	187.6	112.9	68.7	369.2	Services & spares	203.6	113.3	71.1	388.0
Integrated rack solutions	Integrated rack solutions	90.7	51.3	41.5	183.5	Integrated rack solutions	91.7	57.1	37.0	185.8
Total	Total	\$ 647.2	\$ 407.2	\$ 345.0	\$ 1,399.4	Total	\$ 712.6	\$ 436.1	\$ 332.4	\$ 1,481.1
Timing of revenue recognition:						Timing of revenue recognition:				
Products and services transferred at a point in time	Products and services transferred at a point in time	\$ 452.4	\$ 328.5	\$ 247.7	\$ 1,028.6	Products and services transferred at a point in time	\$ 492.7	\$ 343.4	\$ 231.8	\$ 1,067.9
Products and services transferred over time	Products and services transferred over time	194.8	78.7	97.3	370.8	Products and services transferred over time	219.9	92.7	100.6	413.2
Total	Total	\$ 647.2	\$ 407.2	\$ 345.0	\$ 1,399.4	Total	\$ 712.6	\$ 436.1	\$ 332.4	\$ 1,481.1
						Nine months ended September 30, 2023				
						Americas Asia Pacific Europe, Middle East, & Africa Total				
Sales by Product and Service Offering:										
Critical infrastructure & solutions						\$ 1,868.2 \$ 646.9 \$ 699.1 \$ 3,214.2				
Services & spares						602.5 317.3 248.3 1,168.1				
Integrated rack solutions						354.2 133.2 128.1 615.5				
Total						\$ 2,824.9 \$ 1,097.4 \$ 1,075.5 \$ 4,997.8				
Timing of revenue recognition:										
Products and services transferred at a point in time						\$ 2,164.2 \$ 830.6 \$ 716.1 \$ 3,710.9				
Products and services transferred over time						660.7 266.8 359.4 1,286.9				
Total						\$ 2,824.9 \$ 1,097.4 \$ 1,075.5 \$ 4,997.8				

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Six months ended June 30, 2023					
Americas Asia Pacific Europe, Middle East, & Africa Total					
Sales by Product and Service Offering:					
Critical infrastructure & solutions					
Services & spares					
Integrated rack solutions					
Total					
\$ 1,197.4 \$ 402.6 \$ 475.9 \$ 2,075.9					
396.3 214.2 164.3 774.8					
228.0 92.0 84.5 404.5					

Total	\$	1,821.7	\$	708.8	\$	724.7	\$	3,255.2
Timing of revenue recognition:								
Products and services transferred at a point in time	\$	1,391.4	\$	534.6	\$	505.7	\$	2,431.7
Products and services transferred over time		430.3		174.2		219.0		823.5
Total	\$	1,821.7	\$	708.8	\$	724.7	\$	3,255.2

		Six months ended June 30, 2022					Nine months ended September 30, 2022			
		Americas	Asia Pacific	Europe, Middle East, & Africa	Total		Americas	Asia Pacific	Europe, Middle East, & Africa	Total
Sales by Product and Service Offering:	Sales by Product and Service Offering:					Sales by Product and Service Offering:				
Critical infrastructure & solutions	Critical infrastructure & solutions	\$ 663.2	\$ 426.8	\$ 421.6	\$ 1,511.6	Critical infrastructure & solutions	\$ 1,080.5	\$ 692.5	\$ 642.6	\$ 2,415.6
Services & spares	Services & spares	352.3	217.5	133.6	703.4	Services & spares	555.9	330.8	208.0	1,094.7
Integrated rack solutions	Integrated rack solutions	166.8	95.7	78.3	340.8	Integrated rack solutions	258.5	152.8	115.3	526.6
Total	Total	\$ 1,182.3	\$ 740.0	\$ 633.5	\$ 2,555.8	Total	\$ 1,894.9	\$ 1,176.1	\$ 965.9	\$ 4,036.9
Timing of revenue recognition:	Timing of revenue recognition:					Timing of revenue recognition:				
Products and services transferred at a point in time	Products and services transferred at a point in time	\$ 830.5	\$ 584.9	\$ 452.7	\$ 1,868.1	Products and services transferred at a point in time	\$ 1,323.3	\$ 909.5	\$ 681.9	\$ 2,914.7
Products and services transferred over time	Products and services transferred over time	351.8	155.1	180.8	687.7	Products and services transferred over time	571.6	266.6	284.0	1,122.2
Total	Total	\$ 1,182.3	\$ 740.0	\$ 633.5	\$ 2,555.8	Total	\$ 1,894.9	\$ 1,176.1	\$ 965.9	\$ 4,036.9

The opening and closing balances of current and long-term contract assets and current and long-term deferred revenue as of June 30, 2023 September 30, 2023 and December 31, 2022 were as follows:

		Balances at June 30, 2023	Balances at December 31, 2022		Balances at September 30, 2023	Balances at December 31, 2022
Deferred revenue - current	Deferred revenue - current	\$ 520.0	\$ 358.7	Deferred revenue - current	\$ 543.3	\$ 358.7
Deferred revenue - noncurrent ⁽¹⁾	Deferred revenue - noncurrent ⁽¹⁾	51.6	49.5	Deferred revenue - noncurrent ⁽¹⁾	55.9	49.5

(1) Noncurrent deferred revenue is recorded within "Other long-term liabilities" on the Unaudited Condensed Consolidated Balance Sheets.

Deferred revenue - noncurrent consists primarily of maintenance, extended warranty and other service contracts. The Company expects to recognize noncurrent deferred revenue of \$27.7, \$14.2, \$31.1, \$14.4 and \$9.7 \$10.4 in the next 13 to 24 months, the next 25 to 36 months, and thereafter, respectively.

(4) RESTRUCTURING COSTS

Restructuring costs include expenses associated with the Company's efforts to continually improve operational efficiency and reposition its assets to remain competitive on a worldwide basis. Plant closing and other costs include costs of moving fixed assets, employee training, relocation, and facility costs. These Severance and benefits, plant closing and other costs are recorded in "Restructuring costs" on the Unaudited Condensed Consolidated Statement of Earnings (Loss).

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Restructuring costs by business segment were as follows:

		Three months ended June 30, 2023	Three months ended June 30, 2022	Six months ended June 30, 2023	Six months ended June 30, 2022		Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Americas	Americas	\$ 0.3	\$ 0.5	\$ 1.2	\$ 1.0	Americas	\$ 0.6	\$ 0.4	\$ 1.8	\$ 1.4
Asia Pacific	Asia Pacific	6.0	—	10.4	—	Asia Pacific	0.6	(1.7)	11.0	(1.7)
Europe, Middle East & Africa	Europe, Middle East & Africa	0.1	0.3	3.6	0.7	Europe, Middle East & Africa	0.3	(0.1)	3.9	0.6
Corporate	Corporate	2.7	—	7.0	(0.1)	Corporate	(0.2)	(0.1)	6.8	(0.2)
Total	Total	\$ 9.1	\$ 0.8	\$ 22.2	\$ 1.6	Total	\$ 1.3	\$ (1.5)	\$ 23.5	\$ 0.1

The current liability and non-current liability for estimated restructuring costs is recorded in "Accrued expenses and other liabilities" and "Other long-term liabilities", respectively, on the Unaudited Condensed Consolidated Balance Sheets. The change in the current liability for the restructuring costs during the **six** **nine** months ended **June 30, 2023** **September 30, 2023** were as follows:

		December 31, 2022	Expense	Paid/Utilized	June 30, 2023		December 31, 2022	Expense	Paid/Utilized	September 30, 2023
Severance and benefits	Severance and benefits	\$ 15.3	\$ 21.8	\$ (6.0)	\$ 31.1	Severance and benefits	\$ 15.3	\$ 22.9	\$ (11.9)	\$ 26.3
Plant closing and other	Plant closing and other	0.1	0.4	(0.4)	0.1	Plant closing and other	0.1	0.6	(0.6)	0.1
Total	Total	\$ 15.4	\$ 22.2	\$ (6.4)	\$ 31.2	Total	\$ 15.4	\$ 23.5	\$ (12.5)	\$ 26.4

The change in the current liability for the restructuring costs during the **six** **nine** months ended **June 30, 2022** **September 30, 2022** were as follows:

		December 31, 2021	Expense	Paid/Utilized	June 30, 2022		December 31, 2021	Expense	Paid/Utilized	September 30, 2022
Severance and benefits	Severance and benefits	\$ 33.8	\$ 0.1	\$ (13.5)	\$ 20.4	Severance and benefits	\$ 33.8	\$ (1.7)	\$ (15.7)	\$ 16.4
Plant closing and other	Plant closing and other	0.2	1.5	(1.5)	0.2	Plant closing and other	0.2	1.8	(1.8)	0.2
Total	Total	\$ 34.0	\$ 1.6	\$ (15.0)	\$ 20.6	Total	\$ 34.0	\$ 0.1	\$ (17.5)	\$ 16.6

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(5) DEBT

Long-term debt, net, consisted of the following as of **June 30, 2023** **September 30, 2023** and December 31, 2022:

		June 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Term Loan due 2027 at 7.94% and 6.89% at June 30, 2023 and December 31, 2022, respectively		\$ 2,128.9	\$ 2,139.8		
Senior Secured Notes due 2028 at 4.125% at both June 30, 2023 and December 31, 2022		850.0	850.0		
Term Loan due 2027 at 8.19% and 6.89% at September 30, 2023 and December 31, 2022, respectively				\$ 2,123.4	\$ 2,139.8
Senior Secured Notes due 2028 at 4.125% at both September 30, 2023 and December 31, 2022				850.0	850.0
ABL Revolving Credit Facility	ABL Revolving Credit Facility	—	235.0	—	235.0

Unamortized discount and issuance costs	Unamortized discount and issuance costs	(29.7)	(33.9)	Unamortized discount and issuance costs	(28.5)	(33.9)
		2,949.2	3,190.9		2,944.9	3,190.9
Less: Current Portion	Less: Current Portion	(21.8)	(21.8)	Less: Current Portion	(21.8)	(21.8)
Total long-term debt, net of current portion	Total long-term debt, net of current portion	\$ 2,927.4	\$ 3,169.1	Total long-term debt, net of current portion	\$ 2,923.1	\$ 3,169.1
<i>Term Loan Amendment</i>						

On June 22, 2023, Citibank, N.A., as administrative agent (in such capacity, the "Administrative Agent") entered into an Amendment no. 2 to Term Loan Credit Agreement (the "Amendment"), which amends that certain Term Loan Credit Agreement. Refer to further information in "Note 2 — Basis of Presentation and Summary of Significant Accounting Policies".

Pursuant to the Amendment, the interest rate under the Term Loan Credit Agreement transitioned, effective July 1, 2023, from the LIBOR available for borrowings under the credit agreement and related LIBOR-based mechanics to an interest rate based on the SOFR and related SOFR-based mechanics.

ABL Revolving Credit Facility

At **June 30, 2023** **September 30, 2023**, Vertiv Group Corporation (a wholly-owned subsidiary of the Company), as Borrower, and certain subsidiaries of the Borrower as co-borrowers (the "Co-Borrowers"), had **\$550.5** **\$545.9** of availability under the Asset Based Revolving Credit Facility (the "ABL Revolving Credit Facility") (subject to customary conditions, and subject to separate sublimits for letters of credit, swingline borrowings and borrowings made to certain non-U.S. Co-Borrowers), net of letters of credit outstanding in the aggregate principal amount of **\$17.4**, **\$17.0**, and taking into account the borrowing base limitations set forth in the ABL Revolving Credit Facility. At **June 30, 2023** **September 30, 2023**, there was no outstanding balance on the ABL Revolving Credit Facility. At December 31, 2022, there was a \$235.0 balance on the ABL Revolving Credit Facility with a weighted-average borrowing rate of 5.85%.

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(6) INCOME TAXES

The Company's effective tax rate was **26.3%** **35.5%**, **33.4%** **34.3%**, **36.0%** **32.5%** and **44.7%** **40.1%** for the three and **six** **nine** months ended **June 30, 2023** **September 30, 2023** and 2022, respectively. The effective tax rate in the three and **six** **nine** months ended **June 30, 2023** **September 30, 2023** is primarily influenced by the mix of income between the Company's U.S. and non-U.S. operations, net of changes in valuation allowances and reflect the negative impacts of non-deductible changes in the fair value of the warrant liabilities and changes in our indefinite reinvestment liability. The effective rate for the comparative three and **six** **month period referenced above** **nine** months ended **September 30, 2022** was primarily influenced by the mix of income between the Company's U.S. and non-U.S. operations, net of changes in valuation allowances offset by the positive impact of **non-deductible or** non-taxable changes in fair value of the warrant liabilities.

The Company provided U.S. federal income taxes and foreign withholding taxes on all temporary differences attributed to basis differences in foreign subsidiaries that are not considered indefinitely reinvested. As of **June 30, 2023** **September 30, 2023**, the Company has certain earnings of certain foreign affiliates that continue to be indefinitely reinvested, but it was not practicable to estimate the associated deferred tax liability, due to interaction with other tax laws and regulations in the year of inclusion.

(7) RELATED PARTY TRANSACTIONS

Transactions with Affiliates of Advisors

On August 8, 2023 (the "Stock Sale Transaction date"), VPE Holdings, LLC, an affiliate of Platinum Equity Advisors, LLC (the "Vertiv Stockholder") completed the sale of 20,000,000 shares of Class A common stock of the Company (the "Stock Sale Transaction"). Subsequent to the Stock Sale Transaction, the Vertiv Stockholder holds less than 5% of the outstanding Class A common stock of the Company and as such is no longer considered a related person of the Company for purposes of Item 404 of Regulation S-K by virtue of its ownership in the Company.

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The Company purchased and sold goods in the ordinary course of business with affiliates of Platinum Equity Advisors, LLC. For the **three** **Vertiv Stockholder**. Purchases from the start of the current quarter and **six** **months ended June 30, 2023** current year through the Stock Sale Transaction date were \$11.6 and 2022 purchases were \$31.5, \$62.6, \$34.4, and \$69.3, \$74.1, respectively. For the three and **six** **nine** months ended **June 30, 2023** **September 30, 2022** purchases were \$34.4 and 2022 \$103.6, respectively. Sales from the start of the current quarter and current year through the Stock Sale Transaction date were \$6.7 and \$89.5, respectively. For the three and nine months ended **September 30, 2022** sales were \$47.2, \$82.8, \$30.3 \$36.5 and \$61.5, \$98.1, respectively. Accounts payable were **\$1.3** and **\$3.8** as of **June 30, 2023** and December 31, 2022, respectively. Accounts receivable were \$39.6 and \$33.3 as of **June 30, 2023** and December 31, 2022, respectively.

Tax Receivable Agreement

In 2021, the Company and an affiliate of Platinum Equity Advisors (the "Vertiv Stockholder") the Vertiv Stockholder agreed to amend and supplement the tax receivable agreement entered into by the Company and the Vertiv Stockholder on February 7, 2020, (the "Tax Receivable Agreement"), to replace the Company's remaining payment obligations under the Tax Receivable Agreement with an obligation to pay \$100.0 in cash in two equal installments. The first two installment payment was payments were scheduled to be on or before June 15, 2022 and the second payment was scheduled to be due on or before September 15, 2022, respectively. On June 15, 2022, the Company and the Vertiv Stockholder agreed to further amend the payment schedule under the Tax Receivable Agreement into three installment payments, wherein the first installment payment of \$12.5 became due and was paid on June 15, 2022, the second installment of \$12.5 became due and was paid on September 15, 2022, and the third installment of \$75.0 became due and was paid on November 30, 2022. The Tax Receivable Agreement terminated on November 30, 2022 upon receipt of final payment.

(8) OTHER FINANCIAL INFORMATION

		June 30, 2023	December 31, 2022		September 30, 2023	December 31, 2022
<u>Reconciliation of cash, cash equivalents, and restricted cash</u>	<u>Reconciliation of cash, cash equivalents, and restricted cash</u>			<u>Reconciliation of cash, cash equivalents, and restricted cash</u>		
Cash and cash equivalents	Cash and cash equivalents	\$ 274.9	\$ 260.6	Cash and cash equivalents	\$ 500.0	\$ 260.6
Restricted cash included in other current assets	Restricted cash included in other current assets	5.3	12.6	Restricted cash included in other current assets	5.0	12.6
Total cash, cash equivalents, and restricted cash	Total cash, cash equivalents, and restricted cash	\$ 280.2	\$ 273.2	Total cash, cash equivalents, and restricted cash	\$ 505.0	\$ 273.2
		June 30, 2023	December 31, 2022		September 30, 2023	December 31, 2022
<u>Inventories</u>	<u>Inventories</u>			<u>Inventories</u>		
Finished products	Finished products	\$ 297.7	\$ 276.5	Finished products	\$ 280.3	\$ 276.5
Raw materials	Raw materials	452.3	377.2	Raw materials	476.4	377.2
Work in process	Work in process	170.2	168.3	Work in process	165.0	168.3
Total inventories	Total inventories	\$ 920.2	\$ 822.0	Total inventories	\$ 921.7	\$ 822.0
					September 30, 2023	December 31, 2022
<u>Property, plant and equipment, net</u>						
Machinery and equipment					\$ 441.0	\$ 405.4
Buildings					332.4	312.4
Land					40.6	41.0
Construction in progress					45.3	41.5
Property, plant and equipment, at cost					859.3	800.3
Less: Accumulated depreciation					(350.7)	(310.9)
Property, plant and equipment, net					\$ 508.6	\$ 489.4

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	June 30, 2023	December 31, 2022
<u>Property, plant and equipment, net</u>		
Machinery and equipment	\$ 431.6	\$ 405.4
Buildings	327.3	312.4
Land	41.1	41.0
Construction in progress	42.9	41.5
Property, plant and equipment, at cost	842.9	800.3
Less: Accumulated depreciation	(339.6)	(310.9)
Property, plant and equipment, net	\$ 503.3	\$ 489.4

	September 30, 2023	December 31, 2022
<u>Accrued expenses and other liabilities</u>		
Accrued payroll and other employee compensation	\$ 143.4	\$ 132.6
Restructuring (see Note 4)	26.4	15.4
Operating lease liabilities	42.3	45.2
Product warranty	24.0	25.6
Other	319.3	294.9
Total	<u>\$ 555.4</u>	<u>\$ 513.7</u>

	June 30, 2023	December 31, 2022
<u>Accrued expenses and other liabilities</u>		
Accrued payroll and other employee compensation	\$ 129.1	\$ 132.6
Restructuring (see Note 4)	31.2	15.4
Operating lease liabilities	43.3	45.2
Product warranty	23.9	25.6
Other	310.9	294.9
Total	<u>\$ 538.4</u>	<u>\$ 513.7</u>

	Six months ended June 30, 2023	Six months ended June 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
<u>Change in product warranty accrual</u>				
Balance at the beginning of the period	\$ 25.6	\$ 30.0	\$ 25.6	\$ 30.0
Provision charge to expense	11.1	5.8	15.1	10.8
Paid/utilized	(12.8)	(9.5)	(16.7)	(16.5)
Balance at the end of the period	<u>\$ 23.9</u>	<u>\$ 26.3</u>	<u>\$ 24.0</u>	<u>\$ 24.3</u>

(9) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

In accordance with ASC 820, the Company uses a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. Observable inputs are from sources independent of the Company. Unobservable inputs reflect the Company's assumptions about the factors market participants would use in valuing the asset or liability developed based upon the best information available in the circumstances. These tiers include the following:

Level 1 — inputs include observable unadjusted quoted prices in active markets for identical assets or liabilities

Level 2 — inputs include other than quoted prices in active markets that are either directly or indirectly observable

Level 3 — inputs include unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions

In determining fair value, the Company uses various valuation techniques and prioritizes the use of observable inputs. The availability of observable inputs varies from instrument to instrument and depends on a variety of factors including the type of instrument, whether the instrument is actively traded, and other characteristics particular to the instrument. For many financial instruments, pricing inputs are readily observable in the market, the valuation methodology used is widely accepted by market participants, and the valuation does not require significant management judgment. For other financial instruments, pricing inputs are less observable in the marketplace and may require management judgment.

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Recurring fair value measurements

A summary of the Company's financial instruments recognized at fair value, and the fair value measurements used are as follows:

As of June 30, 2023	As of September 30, 2023
---------------------	--------------------------

		Balance Sheet Location	Total	Quoted prices in active markets for identical assets (Level 1)			Other observable inputs (Level 2)	Unobservable inputs (Level 3)			Balance Sheet Location	Total	Quoted prices in active markets for identical assets (Level 1)			Other observable inputs (Level 2)	Unobservable inputs (Level 3)
Assets:	Assets:										Assets:						
Interest rate swaps	Interest rate swaps	Other current assets	\$ 41.4	\$ —	\$ 41.4		\$ —				Interest rate swaps	\$ 41.6	\$ —	\$ 41.6		\$ —	
Interest rate swaps	Interest rate swaps	Other noncurrent assets	65.4	—	65.4		—				Interest rate swaps	69.3	—	69.3		—	
Total assets	Total assets		\$ 106.8	\$ —	\$ 106.8		\$ —				Total assets	\$ 110.9	\$ —	\$ 110.9		\$ —	
Liabilities:	Liabilities:										Liabilities:						
Private warrants	Private warrants	Warrant liabilities	\$ 78.9	\$ —	\$ 78.9		\$ —				Private warrants	\$ 140.5	\$ —	\$ 140.5		\$ —	
Total liabilities	Total liabilities		\$ 78.9	\$ —	\$ 78.9		\$ —				Total liabilities	\$ 140.5	\$ —	\$ 140.5		\$ —	

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As of December 31, 2022									
	Balance Sheet Location	Total	Quoted prices in active markets for identical assets (Level 1)			Other observable inputs (Level 2)	Unobservable inputs (Level 3)		
Assets:									
Interest rate swaps	Other current assets	\$ 36.9	\$ —	\$ 36.9		\$ —			
Interest rate swaps	Other noncurrent assets	73.3	—	73.3		—			
Total assets		\$ 110.2	\$ —	\$ 110.2		\$ —			
Liabilities:									
Private warrants	Warrant liabilities	\$ 58.7	\$ —	\$ 58.7		\$ —			
Total liabilities		\$ 58.7	\$ —	\$ 58.7		\$ —			

Interest rate swaps — From time to time the Company may enter into derivative financial instruments designed to hedge the variability in interest expense on floating rate debt. Derivatives are recognized as assets or liabilities in the Unaudited Condensed Consolidated Balance Sheets at their fair value. When the derivative instrument qualifies as a cash flow hedge changes in the fair value are deferred through other comprehensive income depending on the effectiveness of the instrument.

The Company uses interest rate swaps to manage the interest rate **mix** risk of the Company's total debt portfolio and related overall cost of borrowing. At **June 30, 2023** and **September 30, 2023**, the interest rate swap agreements designated as cash flow hedges effectively swapped a notional amount of \$1,000.0 of SOFR-based floating rate debt for fixed rate debt. At December 31, 2022, interest rate swap agreements designated as cash flow hedges effectively swapped a notional amount of \$1,000.0 of LIBOR-based floating rate debt for fixed rate debt. The Company's interest rate swaps mature in March 2027. During the three and **six** nine months ended **June 30, 2023** **September 30, 2023** and 2022, the Company recognized **\$9.5, \$17.6, \$(1.7) \$10.8, \$28.4, \$(1.6), and \$(4.3), \$2.7**, respectively, within "Interest expense, net" on the Unaudited Condensed Consolidated Statements of Earnings (Loss). At **June 30, 2023** **September 30, 2023**, the Company expects that approximately **\$41.4 \$41.6** of pre-tax net gains on cash flow hedges will be reclassified from accumulated other comprehensive income (loss) into earnings during the next twelve months.

The interest rate swaps are valued using the SOFR yield curves at the reporting date. Counterparties to these contracts are highly rated financial institutions. The fair values of the Company's interest rate swaps are adjusted for nonperformance risk and creditworthiness of the counterparty through the Company's credit valuation adjustment ("CVA"). The CVA is calculated at the counterparty level utilizing the fair value exposure at each payment date and applying a weighted probability of the appropriate survival and marginal default percentages. On April 18, 2023, the Company transitioned its interest rate swaps from LIBOR to SOFR effective July 2, 2023. As mentioned previously, the Company transitioned its Term Loan due 2027 to SOFR effective July 1, 2023.

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Private warrants — The fair value of the private warrants is considered a Level 2 valuation and is determined using the Black-Sholes-Merton valuation model. On February 24, 2023, GS Sponsor LLC elected to exercise 5,266,666 warrants on a cashless basis pursuant to the agreement governing the warrants, in exchange for which the Company issued 1,368,194 shares of Class A common stock. For the **six nine** months ended **June 30, 2023** **September 30, 2023**, the Company recognized a gain of \$7.7 in "Change in the fair value of warrant liabilities" on the Unaudited Condensed Consolidated Statement of Earnings (Loss) associated with the exercise of these private warrants. The Company recognized a loss of **\$46.0** **\$61.6** and **\$49.5** **\$111.1**, respectively, for the three and **six nine** months ended **June 30, 2023** **September 30, 2023** in "Change in the fair value of warrant liabilities" on the Unaudited Condensed Consolidated Statement of Earnings (Loss) associated with the mark-to-market adjustment on the remaining 5,266,667 outstanding private warrants. The Company recognized a **loss of \$9.8** and a gain of **\$38.9** and **\$133.8**, **\$124.0**, respectively, for the three and **six nine** months ended **June 30, 2022** **September 30, 2022** in "Change in the fair value of warrant liabilities" on the Unaudited Condensed Consolidated Statement of Earnings (Loss) associated with the mark-to-market adjustment on the 10,533,333 then outstanding private warrants.

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The significant assumptions which the Company used in the model are:

Warrant valuation inputs	Warrant valuation inputs	June 30, 2023		December 31, 2022		Warrant valuation inputs	September 30, 2023		December 31, 2022	
Stock price	Stock price	\$	24.77	\$	13.66	Stock price	\$	37.20	\$	13.66
Strike price	Strike price	\$	11.50	\$	11.50	Strike price	\$	11.50	\$	11.50
Remaining life	Remaining life		1.61		2.10	Remaining life		1.36		2.10
Volatility	Volatility		64.0 %		56.0 %	Volatility		60.0 %		56.0 %
Interest rate ⁽¹⁾	Interest rate ⁽¹⁾		3.97 %		4.39 %	Interest rate ⁽¹⁾		5.31 %		4.39 %
Dividend yield ⁽²⁾	Dividend yield ⁽²⁾		0.04 %		0.07 %	Dividend yield ⁽²⁾		0.03 %		0.07 %

(1) Interest rate determined from a constant maturity treasury yield.

(2) **June 30, 2023** **September 30, 2023** and December 31, 2022 dividend yield assumes \$0.01 per share per annum.

Net investment hedge — From time to time the Company designates certain intercompany debt to hedge a portion of its investment in foreign subsidiaries and affiliates. The net impact of translation adjustments from these hedges was **\$9.5** **\$(1.5)** and **\$21.1** **\$19.5** for the three and **six nine** months ended **June 30, 2023** **September 30, 2023**, respectively, and are included in "Foreign currency translation" in the Unaudited Condensed Consolidated Statement of Other Comprehensive Income (Loss). The net impact of translation adjustments from these hedges was **\$6.8** **\$13.6** for both the three and **six nine** months ended **June 30, 2022** **September 30, 2022**. As of **June 30, 2023** **September 30, 2023** and December 31, 2022, **\$298.3** **\$202.6** and \$233.6, respectively, of the Company's intercompany debt was designated to hedge investments in certain foreign subsidiaries and affiliates.

Other fair value measurements

The Company determines the fair value of debt using Level 2 inputs based on quoted market prices. The following table presents the estimated fair value and carrying value of long-term debt, including the current portion of long-term debt as of **June 30, 2023** **September 30, 2023** and December 31, 2022.

		June 30, 2023		December 31, 2022			September 30, 2023		December 31, 2022	
		Fair Value	Par Value ⁽¹⁾	Fair Value	Par Value ⁽¹⁾		Fair Value	Par Value ⁽¹⁾	Fair Value	Par Value ⁽¹⁾
Term Loan	Term Loan					Term Loan				
due 2027	due 2027	\$ 2,124.9	\$ 2,128.9	\$ 2,062.4	\$ 2,139.8	due 2027	\$ 2,122.1	\$ 2,123.4	\$ 2,062.4	\$ 2,139.8
Senior	Senior					Senior				
Secured	Secured					Secured				
Notes due	Notes due					Notes due				
2028	2028	767.3	850.0	726.1	850.0	2028	751.1	850.0	726.1	850.0
ABL	ABL					ABL				
Revolving	Revolving					Revolving				
Credit	Credit					Credit				
Facility due	Facility due					Facility due				
2025	2025	—	—	235.0	235.0	2025	—	—	235.0	235.0

(1) See "Note 5 — Debt" for additional information.

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(10) ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Activity in accumulated other comprehensive income (loss) is as follows:

		Three months ended June 30, 2023	Three months ended June 30, 2022	Six months ended June 30, 2023	Six months ended June 30, 2022		Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Foreign currency translation, beginning	Foreign currency translation, beginning	\$ (115.6)	\$ 3.5	\$ (157.0)	\$ 39.8	Foreign currency translation, beginning	\$ (117.0)	\$ (146.4)	\$ (157.0)	\$ 39.8
Other comprehensive income (loss)	Other comprehensive income (loss)	(1.4)	(149.9)	40.0	(186.2)	Other comprehensive income (loss)	(63.5)	(146.1)	(23.5)	(332.3)
Foreign currency translation, ending	Foreign currency translation, ending	(117.0)	(146.4)	(117.0)	(146.4)	Foreign currency translation, ending	(180.5)	(292.5)	(180.5)	(292.5)
Interest rate swaps, beginning	Interest rate swaps, beginning	96.3	62.9	110.2	8.7	Interest rate swaps, beginning	106.9	84.9	110.2	8.7
Unrealized gain (loss) deferred during the period (1)	Unrealized gain (loss) deferred during the period (1)	10.6	22.0	(3.3)	76.2	Unrealized gain (loss) deferred during the period (1)	4.1	30.9	0.8	107.1
Interest rate swaps, ending	Interest rate swaps, ending	106.9	84.9	106.9	84.9	Interest rate swaps, ending	111.0	115.8	111.0	115.8
Pension, beginning	Pension, beginning	0.4	(12.8)	0.6	(12.9)	Pension, beginning	0.3	(12.8)	0.6	(12.9)
Actuarial gain (losses) recognized during the period, net of income taxes	Actuarial gain (losses) recognized during the period, net of income taxes	(0.1)	—	(0.3)	0.1	Actuarial gain (losses) recognized during the period, net of income taxes	(0.2)	0.1	(0.5)	0.2
Pension, ending	Pension, ending	0.3	(12.8)	0.3	(12.8)	Pension, ending	0.1	(12.7)	0.1	(12.7)
Accumulated other comprehensive income (loss)	Accumulated other comprehensive income (loss)	\$ (9.8)	\$ (74.3)	\$ (9.8)	\$ (74.3)	Accumulated other comprehensive income (loss)	\$ (69.4)	\$ (189.4)	\$ (69.4)	\$ (189.4)

(1) During the three and ~~six~~ **nine** months ended **June 30, 2023** **September 30, 2023** and 2022, **\$9.5, \$17.6, \$(1.7) \$10.8, \$28.4, \$(1.6)** and **~~\$(4.3)~~ \$2.7**, respectively, was reclassified into earnings.

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(11) SEGMENT INFORMATION

Operating profit (loss) is the primary income measure the Company uses to assess segment performance and make operating decisions. Segment performance is assessed exclusive of Corporate and other costs, foreign currency gain (loss), and amortization of intangibles. Corporate and other costs primarily include stock-based compensation, other incentive compensation, change in fair value of warrant liabilities, asset impairments, and costs that support centralized global functions including Finance, Treasury, Risk Management, Strategy & Marketing, IT, Legal, and global product platform development and offering management.

The Company determines its reportable segments based on how operations are managed internally for the products and services sold to customers, including how the results are reviewed by the chief operating decision maker, which includes determining resource allocation methodologies used for reportable segments.

Summarized information about the Company's results of operations by reportable segment and product and service offering follows:

Americas includes products and services sold for applications within the data center, communication networks and commercial and industrial markets in North America and Latin America. This segment's principal product and service offerings include:

- **Critical infrastructure & solutions** includes AC and DC power management, thermal management, low/medium voltage switchgear, busway, and integrated modular solutions.
- **Integrated rack solutions** includes racks, rack power, rack power distribution, rack thermal systems, configurable integrated solutions, and hardware for managing I.T. equipment.

- **Services & spares** includes preventative maintenance, acceptance testing, engineering and consulting, performance assessments, remote monitoring, training, spare parts, and critical digital infrastructure software.

Asia Pacific includes products and services sold for applications within the data center, communication networks and commercial and industrial markets throughout Greater China, Australia & New Zealand, South East Asia, and India. Products and services offered are similar to the Americas segment.

Europe, Middle East & Africa includes products and services sold for applications within the data center, communication networks and commercial and industrial markets in Europe, Middle East & Africa. Products and services offered are similar to the Americas segment.

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Reportable Segments

		Three months ended June 30, 2023	Three months ended June 30, 2022	Six months ended June 30, 2023	Six months ended June 30, 2022		Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
<u>Sales</u>	<u>Sales</u>					<u>Sales</u>				
Americas	Americas	\$ 968.3	\$ 654.3	\$ 1,840.3	\$ 1,203.3	Americas	\$ 1,014.5	\$ 722.5	\$ 2,854.8	\$ 1,925.8
Asia Pacific	Asia Pacific	412.8	436.6	749.0	790.4	Asia Pacific	411.3	460.3	1,160.3	1,250.7
Europe, Middle East & Africa	Europe, Middle East & Africa	439.9	397.6	812.6	715.6	Europe, Middle East & Africa	423.3	381.1	1,235.9	1,096.7
		1,821.0	1,488.5	3,401.9	2,709.3		1,849.1	1,563.9	5,251.0	4,273.2
Eliminations	Eliminations	(86.9)	(89.1)	(146.7)	(153.5)	Eliminations	(106.5)	(82.8)	(253.2)	(236.3)
Total	Total	\$ 1,734.1	\$ 1,399.4	\$ 3,255.2	\$ 2,555.8	Total	\$ 1,742.6	\$ 1,481.1	\$ 4,997.8	\$ 4,036.9

		Three months ended June 30, 2023	Three months ended June 30, 2022	Six months ended June 30, 2023	Six months ended June 30, 2022		Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
<u>Intersegment sales⁽¹⁾</u>	<u>Intersegment sales⁽¹⁾</u>					<u>Intersegment sales⁽¹⁾</u>				
Americas	Americas	\$ 8.9	\$ 7.1	\$ 18.6	\$ 21.0	Americas	\$ 11.3	\$ 9.9	\$ 29.9	\$ 30.9
Asia Pacific	Asia Pacific	17.0	29.4	40.2	50.4	Asia Pacific	22.7	24.2	62.9	74.6
Europe, Middle East & Africa	Europe, Middle East & Africa	61.0	52.6	87.9	82.1	Europe, Middle East & Africa	72.5	48.7	160.4	130.8
Total	Total	\$ 86.9	\$ 89.1	\$ 146.7	\$ 153.5	Total	\$ 106.5	\$ 82.8	\$ 253.2	\$ 236.3

(1) Intersegment selling prices approximate market prices.

	Three months ended June 30, 2023	Three months ended June 30, 2022	Six months ended June 30, 2023	Six months ended June 30, 2022
<u>Operating profit (loss)</u>				
Americas	\$ 239.8	\$ 82.5	\$ 430.4	\$ 140.4
Asia Pacific	62.6	68.5	101.7	110.0
Europe, Middle East & Africa	100.6	61.8	165.5	95.0
Total reportable segments	403.0	212.8	697.6	345.4
Foreign currency gain (loss)	(7.5)	(2.9)	(10.6)	(1.6)
Corporate and other	(144.3)	(127.9)	(260.3)	(249.3)
Total corporate, other and eliminations	(151.8)	(130.8)	(270.9)	(250.9)
Amortization of intangibles	(45.4)	(55.8)	(90.6)	(113.5)
Operating profit (loss)	\$ 205.8	\$ 26.2	\$ 336.1	\$ (19.0)

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	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
<u>Operating profit (loss)</u>				
Americas	\$ 254.0	\$ 115.2	\$ 684.4	\$ 255.6
Asia Pacific	74.1	83.3	175.8	193.3
Europe, Middle East & Africa	96.9	57.4	262.4	152.4
Total reportable segments	425.0	255.9	1,122.6	601.3
Foreign currency gain (loss)	(2.7)	(0.2)	(13.3)	(1.8)
Corporate and other	(125.9)	(121.5)	(386.2)	(370.8)
Total corporate, other and eliminations	(128.6)	(121.7)	(399.5)	(372.6)
Amortization of intangibles	(45.5)	(54.2)	(136.1)	(167.7)
Operating profit (loss)	\$ 250.9	\$ 80.0	\$ 587.0	\$ 61.0

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(12) EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share is computed by dividing net income (loss) by the weighted-average number of common shares outstanding during the period. Diluted earnings (loss) per share is computed by dividing net income (loss) adjusted for the gain on fair value of warrant liability, if the warrants are in-the-money and the impact is dilutive, by the weighted-average number of common shares outstanding during the period increased by the number of additional shares that would have been outstanding related to potentially dilutive equity-based compensation and warrants.

The details of the earnings per share calculations for the three and six nine months ended **June 30, 2023** **September 30, 2023** and 2022 are as follows:

		Three months ended June 30, 2023	Three months ended June 30, 2022	Six months ended June 30, 2023	Six months ended June 30, 2022		Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
<i>(In millions, except share and per share amounts)</i>	<i>(In millions, except share and per share amounts)</i>					<i>(In millions, except share and per share amounts)</i>				
Basic earnings (loss) per share computation:	Basic earnings (loss) per share computation:					Basic earnings (loss) per share computation:				
Net income (loss)	Net income (loss)	\$ 83.2	\$ 20.3	\$ 133.5	\$ 28.8	Net income (loss)	\$ 94.1	\$ 21.2	\$ 227.6	\$ 50.0
Weighted- average number of shares outstanding - basic	Weighted- average number of shares outstanding - basic	379,938,365	376,594,660	379,039,072	376,285,196	Weighted- average number of shares outstanding - basic	380,899,419	377,016,981	379,666,002	376,531,805
Basic earnings per share	Basic earnings per share	\$ 0.22	\$ 0.05	\$ 0.35	\$ 0.08	Basic earnings per share	\$ 0.25	\$ 0.06	\$ 0.60	\$ 0.13
Diluted earnings (loss) per share computation:	Diluted earnings (loss) per share computation:					Diluted earnings (loss) per share computation:				
Net income (loss)	Net income (loss)	83.2	\$ 20.3	\$ 133.5	\$ 28.8	Net income (loss)	94.1	\$ 21.2	\$ 227.6	\$ 50.0
Gain on fair value of warrant liabilities (1)	Gain on fair value of warrant liabilities (1)	—	—	—	(133.8)	Gain on fair value of warrant liabilities (1)	—	—	—	(124.0)
Net income (loss) adjusted for the gain on fair value of warrant liabilities	Net income (loss) adjusted for the gain on fair value of warrant liabilities	\$ 83.2	\$ 20.3	\$ 133.5	\$ (105.0)	Net income (loss) adjusted for the gain on fair value of warrant liabilities	\$ 94.1	\$ 21.2	\$ 227.6	\$ (74.0)

Weighted-average number of shares outstanding - basic	Weighted-average number of shares outstanding - basic	379,938,365	376,594,660	379,039,072	376,285,196	Weighted-average number of shares outstanding - basic	380,899,419	377,016,981	379,666,002	376,531,805
Dilutive effect of private warrants	Dilutive effect of private warrants	—	—	—	2,208,018	Dilutive effect of private warrants	—	—	—	1,507,004
Dilutive effect of equity-based compensation	Dilutive effect of equity-based compensation	2,412,845	663,194	2,077,117	—	Dilutive effect of equity-based compensation	7,341,245	427,021	4,166,266	—
Weighted-average number of shares outstanding - diluted	Weighted-average number of shares outstanding - diluted	382,351,210	377,257,854	381,116,189	378,493,214	Weighted-average number of shares outstanding - diluted	388,240,664	377,444,002	383,832,268	378,038,809
Diluted earnings (loss) per share	Diluted earnings (loss) per share	\$ 0.22	\$ 0.05	\$ 0.35	\$ (0.28)	Diluted earnings (loss) per share	\$ 0.24	\$ 0.06	\$ 0.59	\$ (0.20)

(1) For the three months ended September 30, 2022, the warrants were out of the money and therefore the net income is not adjusted for the gain on fair value of warrant liabilities to calculate diluted earnings (loss) per share.

The dilutive effect of equity-based compensation awards was 2.47.3 million and 2.14.2 million shares, respectively, during the three and six nine months ended June 30, 2023 September 30, 2023. Additional equity-based compensation awards and warrants were also outstanding during the three and six nine months ended June 30, 2023 September 30, 2023, but were not included in the computation of diluted earnings (loss) per share because the effect would be anti-dilutive. Such anti-dilutive equity-based compensation awards and warrants represent 8.30.3 million and 1.73.4 million shares for the three months ended June 30, 2023 September 30, 2023, respectively, and 8.34.0 million and 1.82.7 million shares for the six nine months ended June 30, 2023 September 30, 2023, respectively.

The dilutive effect of equity-based compensation awards was 0.70.4 million shares during the three months ended June 30, 2022 September 30, 2022. The dilutive effect of private warrants was 2.21.5 million shares during the six nine months ended June 30, 2022 September 30, 2022. Additional equity-based compensation awards and warrants were also outstanding during the three and six nine months ended June 30, 2022 September 30, 2022, but were not included in the computation of diluted earnings (loss) per share because the effect would be anti-dilutive. Such anti-dilutive equity-based compensation awards represent 20.3 million and 7.815.0 million shares for the three and six nine months ended June 30, 2022 September 30, 2022, respectively.

(13) COMMITMENTS AND CONTINGENCIES

The Company is a party to a number of pending legal proceedings and claims, including those involving general and product liability and other matters. The Company accrues for such liabilities when it is probable that future costs will be incurred and such costs can be reasonably estimated. Accruals are based on developments to date; management's estimates of the outcomes of these matters; the Company's experience in contesting, litigating and settling similar matters; and any related insurance coverage. While the Company believes that a material adverse impact is unlikely, given the inherent uncertainty of litigation, a future development in these matters could have a material adverse impact on the Company. The Company is unable to estimate any additional loss or range of loss that may result from the ultimate resolution of these matters, other than those described below.

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On August 3, 2021, an American Arbitration Association arbitration hearing commenced with respect to a 2018 claim filed by Vertiv against SVO Building One, LLC ("SVO") alleging damages of approximately \$12.0 with respect to (i) unremitted payment for work and materials in connection with the design, engineering, procurement, installation, construction, and commissioning of a data center located in Sacramento, California and (ii) damages and injunctive relief relating to SVO's unauthorized use of Vertiv's intellectual property and work product. SVO filed a counterclaim in 2018 alleging damages of approximately \$18.0 relating to (i) allegations that Vertiv was not a duly licensed contractor at all times during the project in violation of California's contractor license regulations, (ii) breach of warranty, and (iii) gross negligence. On September 3, 2021, the arbitrator issued an interim phase one ruling finding (1) that Vertiv was in violation of California contractor license regulations and was barred from recovery of approximately \$9.0 for work performed and equipment delivered in connection with the project, as well as requiring disgorgement plus interest of \$10.0, (2) SVO was not in violation of California's contractor license regulations, and (3) Vertiv and SVO agreed to a traditional baseball arbitration provision under the terms and conditions for the project, wherein each party is required to submit a proposed final award to the arbitrator for consideration, and the arbitrator is required to select one of the proposed awards submitted by the parties as the final award in the arbitration and is prohibited from issuing an alternative award. On December 31, 2021, the parties entered into a settlement agreement on ordinary and customary terms, settling all of the disputes between them. As of June 30, 2023 and December 31, 2022 the settlement was recorded in "Accrued expenses and other liabilities" on the Unaudited Condensed Consolidated Balance Sheet. The settlement is anticipated to be paid in the third quarter of 2023.

On May 3, 2022, a putative securities class action, *In re Vertiv Holdings Co Securities Litigation*, 22-cv-3572, was filed against Vertiv, certain of the Company's officers and directors, and other defendants in the Southern District of New York. Plaintiffs filed an amended complaint on September 16, 2022. The amended complaint alleges that certain of the Company's public statements were materially false and/or misleading with respect to inflationary and supply chain pressures and pricing issues, and asserts claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended, and Sections 11, 12(a)(2), and 15 of the Securities Act of 1933, as amended. These claims are asserted on behalf of a putative class of all persons and entities that (i) purchased Vertiv securities between February 24, 2021 and February 22, 2022; and/or (ii) purchased Vertiv securities in or traceable to the November 4, 2021 secondary public offering by a selling stockholder pursuant to a resale registration statement.

On June 9, 2023, two Vertiv shareholders, Matthew Sullivan and Jose Karlo Ocampo Avenido, brought a derivative lawsuit, *Sullivan v. Johnson, et al.*, C.A. No. 2023-0608, against Vertiv (as nominal defendant only) and certain of the Company's directors and officers in Delaware Court of Chancery for breach of fiduciary duty. The complaint alleges that certain of the named directors and officers caused the Company to issue materially false and/or misleading public statements with respect to inflationary and supply chain pressures and pricing issues, and that the Company suffered damages as a result.

Defendants believe they have meritorious defenses against the plaintiffs' claims in these lawsuits, which are at the preliminary stages, but the Company is unable at this time to predict the outcome of these disputes or the amount of any cost associated with their resolution.

At [June 30, 2023](#) [September 30, 2023](#), other than as described above, there were no known contingent liabilities (including guarantees, taxes and other claims) that management believes were or will be material in relation to the Company's Unaudited Condensed Consolidated Financial Statements, nor were there any material commitments outside the normal course of business.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Unless the context otherwise indicates or requires, references to (1) "the Company," "Vertiv," "we," "us" and "our" refer to Vertiv Holdings Co, a Delaware corporation, and its consolidated subsidiaries. In addition, dollar amounts are stated in millions, except for per share amounts. You should read the following discussion and analysis of our financial condition and results of operations in conjunction with the unaudited condensed consolidated financial statements and the notes thereto included elsewhere in this Quarterly Report on Form 10-Q (this "Form 10-Q") and the audited consolidated financial statements and the notes thereto in our Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC on February 27, 2023 (the "2022 Form 10-K").

Cautionary Note Regarding [Forward-looking](#) [Forward-Looking](#) Statements

This Form 10-Q, and other statements that Vertiv may make, may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, and as such are not historical facts. Such statements may include, without limitation, those regarding Vertiv's future financial performance or position, capital structure, indebtedness, business performance, strategy and plans, and expectations and objectives of Vertiv management for future operations and financial performance. These statements constitute projections, forecasts and forward-looking statements, and are not guarantees of results of performance. Vertiv cautions that [such](#) forward-looking statements are subject to numerous assumptions, risks and uncertainties, which may change over time. Such statements can be identified by the fact that they do not relate strictly to historical or current facts. When used in this Form 10-Q, words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "strive," "would" and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. When Vertiv discusses its strategies or plans, it is making projections, forecasts or forward-looking statements. Such statements are based on the beliefs of, as well as assumptions made by and information currently available to, Vertiv's [management](#). [management at the time of such statements](#).

The forward-looking statements contained in this Form 10-Q are based on current expectations and beliefs concerning future developments and their potential effects on Vertiv. There can be no assurance that future developments affecting Vertiv will be those that Vertiv has anticipated. Forward-looking statements included in this Form 10-Q speak only as of the date of this filing or any earlier date specified for such statements. Vertiv undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws. All subsequent written or oral forward-looking statements attributable to Vertiv or persons acting on Vertiv's behalf are qualified in their entirety by this Cautionary Note Regarding Forward-Looking Statements.

These forward-looking statements involve a number of risks, uncertainties (some of which are beyond Vertiv's control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. Should one or more of these risks or uncertainties materialize, or should any of the assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. Vertiv has previously disclosed risk factors in its Securities and Exchange Commission ("SEC") reports, including those set forth in the 2022 Form 10-K. These risk factors and those identified elsewhere in this Form 10-Q, among others, could cause actual results to differ materially from historical performance and include, but are not limited to: risks relating to the continued growth of Vertiv's customers' markets; disruption of Vertiv's customers' orders or Vertiv's customers' markets; less favorable contractual terms with large customers; risks associated with governmental contracts; failure to mitigate risks associated with long-term fixed price contracts; competition in the infrastructure technologies industry; failure to obtain performance and other guarantees from financial institutions; failure to realize sales expected from Vertiv's backlog of orders and contracts; failure to properly manage Vertiv's supply chain or difficulties with third-party manufacturers; our ability to forecast changes in prices, including due to inflation in material, freight and/or labor costs, and timely implement measures necessary to mitigate the impacts of any such changes; risks associated with our significant backlog, including that the impacts of any measures taken to mitigate inflation will not be reflected in our financial statements immediately; failure to meet or anticipate technology changes; risks associated with information technology disruption or security; risks associated with the implementation and enhancement of information systems; failure to realize the expected benefit from any rationalization, restructuring and improvement efforts; Vertiv's ability to realize cost savings in connection with Vertiv's restructuring program; disruption of, or changes in, Vertiv's independent sales representatives, distributors and original equipment manufacturers; changes to tax law; ongoing tax audits; costs or liabilities associated with product liability; the global scope of Vertiv's operations; risks associated with Vertiv's sales and

operations in emerging markets; risks associated with future legislation and regulation of Vertiv's customers' markets both in the U.S. and abroad; Vertiv's ability to comply with various laws and regulations and the costs associated with legal compliance; adverse outcomes to any legal claims and proceedings filed by or against Vertiv; risks associated with current or potential litigation or claims against Vertiv; Vertiv's ability to protect or enforce its proprietary rights on which its

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business depends; third party intellectual property infringement claims; liabilities associated with environmental, health and safety matters, including risks associated with the COVID-19 pandemic; failure to achieve environmental, social and governance goals; failure to realize the value of goodwill and intangible assets; exposure to fluctuations in foreign currency exchange rates; exposure to increases in interest rates set by central banking authorities; failure to maintain internal controls over financial reporting; the unpredictability of Vertiv's future operational results, including the ability to grow and manage growth profitably; potential net losses in future periods; Vertiv's level of indebtedness and the ability to incur additional indebtedness; Vertiv's ability to comply with the covenants and restrictions contained in our credit agreements, including restrictive covenants that restrict operational flexibility; Vertiv's ability to comply with the covenants and restrictions contained in our credit agreements that is not fully within our control; Vertiv's ability to access funding through capital markets; the significant ownership and influence certain stockholders have over Vertiv; resales of Vertiv's securities may cause volatility in the market price of our securities; Vertiv's organizational documents contain provisions that may discourage unsolicited takeover proposals; Vertiv's certificate of incorporation includes a forum selection clause, which could discourage or limit stockholders' ability to make a claim against it; the ability of Vertiv's subsidiaries to pay dividends; the ability of Vertiv to grow and manage growth profitably, maintain relationships with customers and suppliers and retain its management and key employees; Vertiv's ability to manage the succession of its key employees; factors relating to the business, operations and financial performance of Vertiv and its subsidiaries, including: global economic weakness and uncertainty; Vertiv's ability to attract, train and retain key members of its leadership team and other qualified personnel; the adequacy of Vertiv's insurance coverage; a failure to benefit from future corporate transactions; risks associated with Vertiv's limited history of operating as an independent company; and other risks and uncertainties indicated in Vertiv's SEC reports or documents filed or to be filed with the SEC by Vertiv.

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Overview

We are a global leader in the design, manufacturing and servicing of critical digital infrastructure technology that powers, cools, deploys, secures and maintains electronics that process, store and transmit data. We provide this technology to data centers, communication networks and commercial and industrial environments worldwide. We aim to help create a world where critical technologies always work, and where we empower the vital applications of the digital world.

Outlook and Trends

Below is a summary of trends and events that are currently affecting, or may in the future affect, our business, operations and short-term outlook:

- Supply Chain Constraints and Cost Increases: In the first half nine months of 2023, we saw pockets of inflation in key areas, such as materials and labor, and we anticipate that this trend will continue for the balance of 2023. Despite continued strong market demand, we expect that certain supply chain challenges and inflationary pressures will continue throughout in the fourth quarter of 2023. However, at this time, the need for spot buys at increased costs and premium freight to meet customer commitments has been greatly reduced compared to the second half of 2022, 2022 due to improved availability to materials. Logistical challenges which previously hampered deliveries and pressured the top and bottom line have abated. We continue to take proactive actions to improve our ability to forecast inflationary headwinds and reflect anticipated cost increases in our prices and will continue to take actions to address shortages and inflationary pressures. We anticipate continued pricing realization in for the remainder of 2023 as a result of the pricing actions that we previously implemented, and which we will continue to implement in 2023.
- Inventory Build: During the past year, fourth quarter. Moving into 2024 we saw an increase in inventory build in order to anticipate supply chains to support upcoming customer demand continue to stabilize as supplier delivery performance improves and large projects lead times reduce in addition to working through our significant backlog. We have launched several working capital initiatives and as a result expect to optimize our inventory levels reductions in 2023, commodity pricing.
- Order Normalization: Recent supply chain constraints have had a direct impact on lead-times and ordering behavior. During the first half nine months of 2023 we have observed certain improvements in the overall supply chain environment and customer orders have started to normalize as a result of improved lead times.
- Artificial Intelligence ("AI"): Increased focus in AI is a trend impacting the data center and telecommunications industry and could lead to increased demand in the future. We expect have invested in capacity expansion to see continued order normalization improve our ability to better align with our current meet anticipated additional customer demands throughout the remainder of 2023. demand.

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RESULTS OF OPERATIONS

Comparison of the Three Months Ended June 30, 2023 September 30, 2023 and Three Months Ended June 30, 2022 September 30, 2022

(Dollars in millions)	(Dollars in millions)	Three months ended June 30, 2023	Three months ended June 30, 2022	\$ Change	% Change	(Dollars in millions)	Three months ended September 30, 2023	Three months ended September 30, 2022	\$ Change	% Change
Net sales	Net sales	\$ 1,734.1	\$ 1,399.4	\$ 334.7	23.9 %	Net sales	\$ 1,742.6	\$ 1,481.1	\$ 261.5	17.7 %
Cost of sales	Cost of sales	1,140.1	1,027.9	112.2	10.9	Cost of sales	1,115.0	1,051.8	63.2	6.0
Gross profit	Gross profit	594.0	371.5	222.5	59.9	Gross profit	627.6	429.3	198.3	46.2
Selling, general and administrative expenses	Selling, general and administrative expenses	327.6	287.6	40.0	13.9	Selling, general and administrative expenses	327.2	295.2	32.0	10.8
Amortization of intangibles	Amortization of intangibles	45.4	55.8	(10.4)	(18.6)	Amortization of intangibles	45.5	54.2	(8.7)	(16.1)
Restructuring costs	Restructuring costs	9.1	0.8	8.3	1,037.5	Restructuring costs	1.3	(1.5)	2.8	(186.7)
Foreign currency (gain) loss, net	Foreign currency (gain) loss, net	7.5	2.9	4.6	158.6	Foreign currency (gain) loss, net	2.7	0.2	2.5	1,250.0
Other operating expense (income)	Other operating expense (income)	(1.4)	(1.8)	0.4	(22.2)	Other operating expense (income)	—	1.2	(1.2)	(100.0)
Operating profit (loss)	Operating profit (loss)	205.8	26.2	179.6	685.5	Operating profit (loss)	250.9	80.0	170.9	213.6
Interest expense, net	Interest expense, net	46.9	33.4	13.5	40.4	Interest expense, net	43.5	38.8	4.7	12.1
Change in fair value of warrant liabilities	Change in fair value of warrant liabilities	46.0	(38.9)	84.9	(218.3)	Change in fair value of warrant liabilities	61.6	9.8	51.8	528.6
Income tax expense	Income tax expense	29.7	11.4	18.3	160.5	Income tax expense	51.7	10.2	41.5	406.9
Net income (loss)	Net income (loss)	\$ 83.2	\$ 20.3	\$ 62.9	309.9 %	Net income (loss)	\$ 94.1	\$ 21.2	\$ 72.9	343.9 %

Net Sales

Net sales were \$1,734.1, \$1,742.6 in the second third quarter of 2023, an increase of \$334.7, \$261.5, or 23.9% 17.7%, compared with \$1,399.4, \$1,481.1 in the second third quarter of 2022. The increase in sales was primarily driven by higher sales volumes and price realization of \$125.0, \$120.0 compared to the prior year, partially offset by and the negative positive impacts from foreign currency of \$17.8, \$6.1. By product offering, critical infrastructure & solutions sales increased \$274.5, \$231.0, including the positive impacts from foreign currency of \$15.2. Integrated rack solutions sales increased \$25.2, including the positive impacts from foreign currency of \$2.6. Services & spares sales increased \$5.3, including the negative impacts from foreign currency of \$10.0. Services & spares sales increased \$35.0 including the negative impacts from foreign currency of \$5.0. Integrated rack solutions sales increased \$25.2 including the negative impacts from foreign currency of \$2.8, \$11.7.

Excluding intercompany sales, net sales were \$959.4, \$1,003.2 in the Americas, \$395.8, \$388.6 in Asia Pacific and \$378.9, \$350.8 in Europe, Middle East & Africa. Movements in net sales by segment and offering are each detailed in the Business Segments section below.

Cost of Sales

Cost of sales were \$1,140.1, \$1,115.0 in the second third quarter of 2023, an increase of \$112.2, \$63.2, or 10.9% 6.0% compared to the second third quarter of 2022. The increase in cost of sales was primarily driven by the impact of higher volumes. Gross profit was \$594.0, \$627.6 in the second third quarter of 2023, or 34.3% 36.0% of sales, compared to \$371.5, \$429.3, or 26.5% 29.0% of sales in the second third quarter of 2022. The margin expansion in the second third quarter of 2023 was driven by price realization, which more than offset the inflation for the period.

Selling, General and Administrative Expenses

Selling, general and administrative expenses ("SG&A") were \$327.6, \$327.2 in the second third quarter of 2023, an increase of \$40.0, \$32.0 compared to the second quarter of 2022. SG&A as a percentage of sales were 18.9% in the second quarter of 2023 compared with 20.6% in the second third quarter of 2022. The increase in SG&A was primarily driven by \$19.4, \$20.3 of higher commissions as a result of increased sales volume and \$5.7 of higher compensation costs due to increased bonus and long-term incentive costs and \$16.3 of higher commissions costs. SG&A as a result percentage of increased sales volume, were 18.8% in the third quarter of 2023 compared with 19.9% in the third quarter of 2022.

Other Operating Expense

The remaining other operating expenses includes amortization of intangibles, restructuring costs, foreign currency (gain) loss, asset impairments, and other operating expense (income). These remaining operating expenses were \$60.6, \$49.5 for the second third quarter of 2023, which was a \$2.9 increase, \$4.6 decrease from the second third quarter of 2022. The increase decrease was primarily due to a \$8.3 increase in foreign currency loss and a \$4.6 increase in restructuring costs, offset by a \$8.7 decrease in

amortization of intangibles of \$10.4 associated with the acquisition of E&I on November 1, 2021, slightly offset by a \$2.8 increase in restructuring costs and a \$2.5 increase in foreign currency loss.

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Change in Fair Value of Warrant Liabilities

Change in fair value of warrant liabilities represents the mark-to-market fair value adjustments to the outstanding warrants issued in connection with the initial public offering of our predecessor GS Acquisition Holdings Corp ("Private Placement Warrants"). The change in fair value of the outstanding warrants Private Placement Warrants during the second third quarter of 2023 and 2022 resulted in a loss of \$46.0 \$61.6 and a gain of \$38.9, \$9.8, respectively. The change in fair value of these warrants is the result of changes in market prices of our common stock and other observable inputs deriving the value of the financial instruments. As of June 30, 2023 September 30, 2023 and 2022, there were 5,266,667 and 10,533,333 of Private Placement Warrants outstanding, respectively.

Interest Expense

Interest expense, net, was \$46.9 \$43.5 in the second third quarter of 2023 compared to \$33.4 \$38.8 in the second third quarter of 2022. The \$13.5 \$4.7 increase is primarily driven by a \$22.9 \$16.6 increase related to the Term Loan due 2027, and a \$3.0 increase related to the ABL Revolving Credit Facility borrowings during the quarter, partially offset by a \$11.2 \$9.2 decrease due to net settlement payments on our interest rate swaps as described in "Note 9 — Financial Instruments and Risk Management" to the Unaudited Condensed Consolidated Financial Statements. Statements and a \$2.0 decrease related to the ABL Revolving Credit Facility borrowings during the quarter. As interest rates increase, our interest expense will increase although the effect will be mitigated by our interest rate swaps.

Income Taxes

Income tax expense was \$29.7 \$51.7 in the second third quarter of 2023 compared to \$11.4 \$10.2 in the second third quarter of 2022. The \$18.3 \$41.5 increase is primarily due to the change in mix of income in the countries in which we operate and increased business performance. The effective rate in the second third quarter of 2023 was primarily influenced by the mix of income between our U.S. and non-U.S. operations, net of valuation allowances, and reflects the negative impact of non-deductible changes in fair value of the warrant liabilities. For the second third quarter of 2022, income tax expense was primarily influenced by the mix of income between our U.S. and non-U.S. operations, net of valuation allowances, and reflects the positive negative impact of non-taxable non-deductible changes in fair value of the warrant liabilities.

Business Segments

The following is detail of business segment results for the three months ended June 30, 2023 September 30, 2023 compared to the three months ended June 30, 2022 September 30, 2022. Segment profitability is defined as operating profit (loss). Segment margin represents segment operating profit (loss) expressed as a percentage of segment net sales. For reconciliations of segment net sales and earnings to our consolidated results, see "Note 11 — Segment Information," of our Unaudited Condensed Consolidated Financial Statements. Segment net sales are presented excluding intercompany sales.

Americas

(Dollars in millions)	(Dollars in millions)	Three months ended June 30, 2023	Three months ended June 30, 2022	\$ Change	% Change	(Dollars in millions)	Three months ended September 30, 2023	Three months ended September 30, 2022	\$ Change	% Change
Net sales	Net sales	\$ 959.4	\$ 647.2	\$ 312.2	48.2	Net sales	\$ 1,003.2	\$ 712.6	\$ 290.6	40.8
Operating profit (loss)	Operating profit (loss)	239.8	82.5	157.3	190.7	Operating profit (loss)	254.0	115.2	138.8	120.5
Margin	Margin	25.0	12.7		%	Margin	25.3	16.2		%

Americas net sales of \$959.4 \$1,003.2 in the second third quarter of 2023 increased \$312.2, \$290.6, or 48.2% 40.8%, from the second third quarter of 2022. The increase in sales was primarily driven by higher sales volume than prior year and price realization. By product offering, net sales increased in critical infrastructure & solutions by \$267.1 \$253.5 driven primarily by strong growth in Thermal, integrated rack solutions increased \$24.8, \$34.5, and service & spares increased by \$20.3 \$2.6 due to improved customer site availability. price realization. Americas net sales were positive positively impacted by foreign currency of approximately \$1.2, \$5.2.

Operating profit (loss) in the second third quarter of 2023 was \$239.8, \$254.0, an increase of \$157.3 \$138.8 compared with the second third quarter of 2022. Margin increased primarily due to higher sales volumes and pricing actions exceeding inflationary in addition to leveraging our fixed costs.

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Asia Pacific

(Dollars in millions)	(Dollars in millions)	Three months ended June 30, 2023	Three months ended June 30, 2022	\$ Change	% Change	(Dollars in millions)	Three months ended September 30, 2023	Three months ended September 30, 2022	\$ Change	% Change
Net sales	Net sales	\$ 395.8	\$ 407.2	\$ (11.4)	(2.8)	Net sales	\$ 388.6	\$ 436.1	\$ (47.5)	(10.9)

Operating profit (loss)	Operating profit (loss)	62.6		68.5		(5.9)	(8.6)	Operating profit (loss)	74.1		83.3		(9.2)	(11.0)
Margin	Margin	15.8	%	16.8	%			Margin	19.1	%	19.1	%		

Asia Pacific net sales of ~~\$395.8~~ ~~\$388.6~~ in the ~~second~~ ~~third~~ quarter of 2023 decreased ~~\$11.4~~, ~~\$47.5~~, or ~~2.8%~~ ~~10.9%~~, from the ~~second~~ ~~third~~ quarter of 2022. Sales decreases were primarily driven by slower than expected economic recovery in China and the negative impact of foreign currency of approximately ~~\$20.6~~ ~~\$16.6~~ which were partially offset by stronger sales in India, throughout the rest of Asia Pacific. By product offering, net sales decreased in critical infrastructure & solutions by ~~\$8.7~~, ~~\$21.4~~, integrated rack solutions by ~~\$15.9~~, and service & spares by ~~\$2.8~~, offset by an increase of ~~\$0.1~~ in integrated rack solutions, ~~\$10.2~~.

Operating profit (loss) in the ~~second~~ ~~third~~ quarter of 2023 was ~~\$62.6~~ ~~\$74.1~~, a decrease of ~~\$5.9~~ ~~\$9.2~~ compared with the ~~second~~ ~~third~~ quarter of 2022 mainly driven by ~~decreased volume and~~ the negative impact of foreign currency partially offset by improved price realization.

Europe, Middle East & Africa

(Dollars in millions)	(Dollars in millions)	Three months ended June 30, 2023	Three months ended June 30, 2022	\$ Change	% Change	(Dollars in millions)	Three months ended September 30, 2023	Three months ended September 30, 2022	\$ Change	% Change
Net sales	Net sales	\$ 378.9	\$ 345.0	\$ 33.9	9.8	Net sales	\$ 350.8	\$ 332.4	\$ 18.4	5.5
Operating profit (loss)	Operating profit (loss)	100.6	61.8	38.8	62.8	Operating profit (loss)	96.9	57.4	39.5	68.8
Margin	Margin	26.6	17.9			Margin	27.6	17.3		

Europe, Middle East & Africa net sales of ~~\$378.9~~ ~~\$350.8~~ in the ~~second~~ ~~third~~ quarter of 2023, increased ~~\$33.9~~, ~~\$18.4~~, or ~~9.8%~~ ~~5.5%~~, from the ~~second~~ ~~third~~ quarter of 2022. Sales increases were primarily due to higher selling prices and ~~increased the positive impact of foreign currency of approximately \$17.5~~, partially offset by a decrease in volume. By product offering, net sales increased by ~~\$17.5~~ ~~\$12.9~~ in service & spares ~~\$16.1~~ and ~~\$6.6~~ in integrated rack solutions, offset by a decrease of ~~\$1.1~~ in critical infrastructure & solutions, and ~~\$0.3~~ in integrated rack solutions. Europe, Middle East & Africa net sales were positively impacted by foreign currency of approximately ~~\$1.6~~.

Operating profit (loss) in the ~~second~~ ~~third~~ quarter of 2023 was ~~\$100.6~~ ~~\$96.9~~, an increase of ~~\$38.8~~ ~~\$39.5~~ compared with the ~~second~~ ~~third~~ quarter of 2022. Margin increased primarily due to price realization ~~more than offsetting inflationary pressure~~ in addition to ~~volume leverage~~, leveraging our fixed costs which more than offset inflationary pressures.

Vertiv Corporate and Other

Corporate and other costs include costs associated with our headquarters located in Westerville, Ohio, as well as centralized global functions including Finance, Treasury, Risk Management, Strategy & Marketing, IT, Legal, and global product platform development and offering management. Corporate and other costs were ~~\$151.8~~ ~~\$128.6~~ and ~~\$130.8~~ ~~\$121.7~~ in the ~~second~~ ~~third~~ quarter of 2023 and 2022, respectively. Corporate and other costs increased ~~\$21.0~~ ~~\$6.9~~ compared to the ~~second~~ ~~third~~ quarter of 2022 primarily due to higher compensation costs ~~primarily due attributable to increased bonus and long-term incentive costs of \$8.2~~, ~~\$4.2~~ and foreign currency loss of ~~\$4.6~~, and restructuring charges of ~~\$2.7~~, ~~\$2.5~~.

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Comparison of the ~~Six~~ ~~Nine~~ Months Ended ~~June 30, 2023~~ ~~September 30, 2023~~ and ~~Six~~ ~~Nine~~ Months Ended ~~June 30, 2022~~ ~~September 30, 2022~~

(Dollars in millions)	(Dollars in millions)	Six months ended June 30, 2023	Six months ended June 30, 2022	\$ Change	% Change	(Dollars in millions)	Nine months ended September 30, 2023	Nine months ended September 30, 2022	\$ Change	% Change
Net sales	Net sales	\$ 3,255.2	\$ 2,555.8	\$ 699.4	27.4	Net sales	\$ 4,997.8	\$ 4,036.9	\$ 960.9	23.8
Cost of sales	Cost of sales	2,165.7	1,880.7	285.0	15.2	Cost of sales	3,280.7	2,932.5	348.2	11.9
Gross profit	Gross profit	1,089.5	675.1	414.4	61.4	Gross profit	1,717.1	1,104.4	612.7	55.5
Selling, general and administrative expenses	Selling, general and administrative expenses	636.3	579.8	56.5	9.7	Selling, general and administrative expenses	963.5	875.0	88.5	10.1
Amortization of intangibles	Amortization of intangibles	90.6	113.5	(22.9)	(20.2)	Amortization of intangibles	136.1	167.7	(31.6)	(18.8)
Restructuring costs	Restructuring costs	22.2	1.6	20.6	1,287.5	Restructuring costs	23.5	0.1	23.4	23,400.0
Foreign currency (gain) loss, net	Foreign currency (gain) loss, net	10.6	1.6	9.0	562.5	Foreign currency (gain) loss, net	13.3	1.8	11.5	638.9

Other operating expense (income)	Other operating expense (income)	(6.3)	(2.4)	(3.9)	162.5	Other operating expense (income)	(6.3)	(1.2)	(5.1)	425.0
Operating profit (loss)	Operating profit (loss)	336.1	(19.0)	355.1	(1,868.9)	Operating profit (loss)	587.0	61.0	526.0	862.3
Interest expense, net	Interest expense, net	93.7	62.7	31.0	49.4	Interest expense, net	137.2	101.5	35.7	35.2
Change in fair value of warrant liabilities	Change in fair value of warrant liabilities	41.8	(133.8)	175.6	(131.2)	Change in fair value of warrant liabilities	103.4	(124.0)	227.4	(183.4)
Income tax expense	Income tax expense	67.1	23.3	43.8	188.0	Income tax expense	118.8	33.5	85.3	254.6
Net income (loss)	Net income (loss)	\$ 133.5	\$ 28.8	\$ 104.7	363.5 %	Net income (loss)	\$ 227.6	\$ 50.0	\$ 177.6	355.2 %

Net Sales

Net sales were \$3,255.2 \$4,997.8 in the first six nine months of 2023, an increase of \$699.4, \$960.9, or 27.4% 23.8%, compared with \$2,555.8 \$4,036.9 in the first six nine months of 2022. The increase in sales was primarily driven by higher sales volumes and price realization of approximately \$230.0 \$350.0 compared to the prior year, partially offset by the negative impacts from foreign currency of \$60.5, \$54.4. By product offering, critical infrastructure & solutions sales increased \$564.3, \$798.6, which included negative impacts from foreign currency of \$30.1. Services & spares sales increased \$71.4, which included negative impacts from foreign currency of \$26.3, \$14.9. Integrated rack solutions sales increased \$63.7, \$88.9, which included the negative impacts from foreign currency of \$4.1, \$1.5. Services & spares sales increased \$73.4, which included negative impacts from foreign currency of \$38.0.

Excluding intercompany sales, net sales were \$1,821.7 \$2,824.9 in the Americas, \$708.8 \$1,097.4 in Asia Pacific and \$724.7 \$1,075.5 in Europe, Middle East & Africa. Movements in net sales by segment and offering are each detailed in the "Business Segments" section below.

Cost of Sales

Cost of sales were \$2,165.7 \$3,280.7 in the first six nine months of 2023, an increase of \$285.0, \$348.2, or 15.2% 11.9%, compared to the first six nine months of 2022. The increase in cost of sales was primarily driven by the impact of higher volumes and increased commodity and logistic costs. Gross profit was \$1,089.5 \$1,717.1 in the first six nine months of 2023, or 33.5% 34.4% of sales, compared to \$675.1, \$1,104.4, or 26.4% 27.4% of sales, in the first six nine months of 2022. Margin increased primarily due to higher sales volumes and pricing actions exceeding inflationary costs.

Selling, General and Administrative Expenses

Selling, General and Administrative ("SG&A") &A expenses were \$636.3 \$963.5 in the first six nine months of 2023, an increase of \$56.5 \$88.5 compared to the first six nine months of 2022. SG&A as a percentage of sales was 19.5% for the six months ended June 30, 2023 compared with 22.7% in the six months ended June 30, 2022. The increase in SG&A was primarily driven by \$34.6 \$54.9 of higher sales commissions as a result of increased order volume, and \$13.3 \$19.0 higher compensation costs due to increased bonus, long-term incentive, and one-time employee separation costs. SG&A as a percentage of sales was 19.3% for the nine months ended September 30, 2023 compared with 21.7% in the nine months ended September 30, 2022.

Other Operating Expenses

The remaining other operating expenses include amortization of intangibles, restructuring costs, foreign currency (gain) loss, asset impairments, and other operating expense (income). These remaining other expenses were \$117.1 \$166.6 for the first six nine months of 2023, which was a \$2.8 an increase \$1.8 decrease from the first six nine months of 2022. The increase decrease was primarily due to a \$20.6 \$23.4 increase in restructuring costs, and a \$9.0 \$11.5 increase in foreign currency loss, and offset by decreased amortization of intangibles of \$22.9, \$31.6 and a one-time favorable settlement of a contractual obligation.

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Change in Fair Value of Warrant Liabilities

Change in fair value of warrant liabilities represents the mark-to-market fair value adjustments to the outstanding warrants issued in connection with the initial public offering of our predecessor, GS Acquisition Holdings Corp. Private Placement Warrants. The change in fair value of the outstanding warrant liability during the first six nine months of 2023 and 2022 resulted in a loss of \$41.8 \$103.4 and a gain of \$133.8, \$124.0, respectively. The change in fair value of stock these warrants was the result of changes in market prices of our common stock and other observable inputs deriving the value of the financial instruments and the exercise of 5,266,666 of the Private Placement Warrants in February 2023 by GS Sponsor LLC. As of June 30, 2023 September 30, 2023 and 2022, there were 5,266,667 and 10,533,333 Private Placement Warrants that remained outstanding, respectively.

Interest Expense

Interest expense, net, was \$93.7 \$137.2 in the first six nine months of 2023 compared to \$62.7 \$101.5 in the first six nine months of 2022. The \$31.0 \$35.7 increase reflects a \$46.3 \$62.9 increase due to the Term Loan due 2027 and a \$7.4 \$5.4 increase due to borrowings in 2023 on the ABL Revolving Credit Facility, due 2025, partially offset by a \$21.9 \$31.1 decrease due to net settlement payments on our interest rate swaps as described in "Note 9 — Financial Instruments and Risk Management" to the Unaudited

Condensed Consolidated Financial Statements. To the extent interest rates continue to increase, our interest expense will increase as well, although we expect the effect of such increase **will to** be mitigated by our interest rate swaps.

Income Taxes

Income tax expense was **\$67.1** **\$118.8** in the first **six nine** months of 2023 compared to **\$23.3** **\$33.5** in the first **six nine** months of 2022. The **\$43.8** **\$85.3** increase is primarily due to the change in mix of income in the countries in which we operate and increased business performance. The effective rate in the first **six nine** months of 2023 was primarily influenced by the mix of income between our U.S. and non-U.S. operations, net of changes in valuation allowances and the negative impacts of non-deductible changes in fair value of the warrant liabilities and changes in our indefinite reinvestment liability. In the first **six nine** months of 2022, income tax expense was primarily influenced by the mix of income between our U.S. and non-U.S. operations, net of changes in valuation allowances, which is offset by **the positive impact of** non-taxable changes in fair value of the warrant liabilities.

Business Segments

The following is detail of business segment results for the **six nine** months ended **June 30, 2023** **September 30, 2023** compared to the **six nine** months ended **June 30, 2022** **September 30, 2022**. Segment profitability is defined as operating profit (loss). Segment margin represents segment operating profit (loss) expressed as a percentage of segment net sales. For reconciliations of segment net sales and earnings to our consolidated results, see "Note 11 — Segment Information," of our Unaudited Condensed Consolidated Financial Statements. Segment net sales are presented excluding intercompany sales.

Americas

(Dollars in millions)	(Dollars in millions)	Six months ended June 30, 2023	Six months ended June 30, 2022	\$ Change	% Change	(Dollars in millions)	Nine months ended September 30, 2023	Nine months ended September 30, 2022	\$ Change	% Change
Net sales	Net sales	\$ 1,821.7	\$ 1,182.3	\$ 639.4	54.1	Net sales	\$ 2,824.9	\$ 1,894.9	\$ 930.0	49.1
Operating profit (loss)	Operating profit (loss)	430.4	140.4	290.0	206.6	Operating profit (loss)	684.4	255.6	428.8	167.8
Margin	Margin	23.6 %	11.9 %			Margin	24.2 %	13.5 %		

Americas net sales of **\$1,821.7** **\$2,824.9** in the first **six nine** months of 2023 increased **\$639.4** **\$930.0**, or **54.1%** **49.1%** from the first **six nine** months of 2022. The increase in sales was primarily driven by higher sales volumes and price realization compared to prior year. By product offering, net sales increased in critical infrastructure & solutions by **\$534.2** **\$787.7**, integrated rack solutions increased by **\$61.2** **\$95.7**, and service & spares increased by **\$44.0** **\$46.6** due to improved customer site availability. Americas net sales were **negatively positively** impacted by foreign currency of approximately **\$0.1** **\$5.1**.

Operating profit (loss) in the first **six nine** months of 2023 was **\$430.4** **\$684.4**, an increase of **\$290.0** **\$428.8** compared with the first **six nine** months of 2022. Margin increased primarily due to higher sales volumes and pricing actions **exceeding inflationary** in addition to **leveraging our fixed** costs.

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Asia Pacific

(Dollars in millions)	(Dollars in millions)	Six months ended June 30, 2023	Six months ended June 30, 2022	\$ Change	% Change	(Dollars in millions)	Nine months ended September 30, 2023	Nine months ended September 30, 2022	\$ Change	% Change
Net sales	Net sales	\$ 708.8	\$ 740.0	\$ (31.2)	(4.2)	Net sales	\$ 1,097.4	\$ 1,176.1	\$ (78.7)	(6.7)
Operating profit (loss)	Operating profit (loss)	101.7	110.0	(8.3)	(7.5)	Operating profit (loss)	175.8	193.3	(17.5)	(9.1)
Margin	Margin	14.3 %	14.9 %			Margin	16.0 %	16.4 %		

Asia Pacific net sales were **\$708.8** **\$1,097.4** in the first **six nine** months of 2023, a decrease of **\$31.2** **\$78.7**, or **4.2%** **6.7%**, from the first **six nine** months of 2022. Sales decreases were primarily driven by **slower than expected economic recovery in China** and the negative impact of foreign currency of approximately **\$43.2** **\$59.8** which were partially offset by the impact of stronger sales **in India, throughout the rest of Asia Pacific**. By product offering, net sales weakened in critical infrastructure & solutions by **\$24.2** **\$45.6**, in integrated rack solutions by **\$3.7** **\$19.6**, and in service & spares by **\$3.3** **\$13.5**.

Operating profit (loss) in the first **six nine** months of 2023 was **\$101.7** **\$175.8**, a decrease of **\$8.3** **\$17.5** compared with the first **six nine** months of 2022 mainly driven by **decreased volume and** the negative impact of foreign currency and partially offset by improved price realization.

Europe, Middle East & Africa

(Dollars in millions)	(Dollars in millions)	Six months ended June 30, 2023	Six months ended June 30, 2022	\$ Change	% Change	(Dollars in millions)	Nine months ended September 30, 2023	Nine months ended September 30, 2022	\$ Change	% Change
Net sales	Net sales	\$ 724.7	\$ 633.5	\$ 91.2	14.4	Net sales	\$ 1,075.5	\$ 965.9	\$ 109.6	11.3

Operating profit (loss)	Operating profit (loss)	165.5		95.0		70.5		74.2	Operating profit (loss)	262.4		152.4		110.0		72.2
Margin	Margin	22.8	%	15.0	%				Margin	24.4	%	15.8	%			

Europe, Middle East & Africa net sales were \$724.7, \$1,075.5 in the first six nine months of 2023, an increase of \$91.2, \$109.6, or 14.4% 11.3%, from the first six nine months of 2022. Sales increases were evenly driven by higher selling prices and increased volume. By product offering, net sales improved across all offerings, including \$54.3 \$56.5 in critical infrastructure & solutions, \$30.7 \$40.3 in service & spares, and \$6.2 \$12.8 in integrated rack solutions. Additionally, Europe, Middle East & Africa net sales were negatively positively impacted by foreign currency of approximately \$17.2, \$0.3.

Operating profit (loss) in the first six nine months of 2023 was \$165.5, \$262.4, an increase of \$70.5 \$110.0 compared with the first six nine months of 2022. Margin improved increased primarily due to price realization more than offsetting inflationary pressure in addition to volume leverage, leveraging our fixed costs which more than offset inflationary pressures.

Vertiv Corporate and Other

Corporate and other costs include costs associated with our headquarters located in Westerville, Ohio, as well as centralized global functions including Finance, Treasury, Risk Management, Strategy & Marketing, IT, Legal, and global product platform development and offering management. Corporate and other costs were \$270.9 \$399.5 and \$250.9 \$372.6 in the first six nine months of 2023 and 2022, respectively. Corporate and other costs increased \$20.0 \$26.9 compared to the second third quarter of 2022 primarily due to increased foreign currency loss of \$9.0, higher compensation costs primarily due to bonus and long-term incentive costs of \$8.5, \$12.7, increased foreign currency loss of \$11.5, and restructuring charges of \$7.1, and \$7.0, partially offset by decreased professional service fees.

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Capital Resources and Liquidity

Our primary future cash needs relate to working capital, operating activities, capital spending, strategic investments and debt service.

Capital Expenditures: Our capital expenditures are primarily related to the maintenance of our long-term assets, as well as the investment in projects that support growth and innovation to further our enterprise strategy. Our capital expenditures (including capitalized software) were approximately \$56.1 \$83.5 during the first six nine months of 2023. We expect to have capital expenditures (including capitalized software) of approximately \$150 for the full year 2023.

We have additional obligations as part of our ordinary course of business, beyond those committed for capital expenditures, which consist of debt obligations and other financial instruments. Refer below, as well as to "Note 5 — Debt" and "Note 13 — Commitments and Contingencies" of the Unaudited Condensed Consolidated Financial Statements for more information. In addition, we have certain uncertain tax positions that are further discussed in "Note 6 — Income Taxes" of the Unaudited Condensed Consolidated Financial Statements. We anticipate payments for lease obligations of approximately \$60 for the full year 2023. We do not have any guarantees or other off-balance sheet financing arrangements, including variable interest entities, which could materially impact our financial condition or liquidity.

We, through our subsidiaries, are party to certain indebtedness arrangements, including the Senior Secured Notes due 2028, with an outstanding principal amount of \$850.0 as of June 30, 2023 September 30, 2023 (the "Notes"), the Term Loan due 2027, with an outstanding principal amount of \$2,128.9, \$2,123.4, as of June 30, 2023 September 30, 2023 (the "Term Loan"), and the ABL Revolving Credit Facility due 2025, providing up to \$570.0 of revolving borrowings, and for which none was outstanding as of June 30, 2023 September 30, 2023 (the "ABL Revolving Credit Facility" and collectively with the Term Loan, the "Senior Secured Credit Facilities"). See "Note 5 — Debt" of the Unaudited Condensed Consolidated Financial Statements for more detailed discussion of the material terms of the Notes and the Senior Secured Credit Facilities.

At June 30, 2023 September 30, 2023, we had \$274.9 \$500.0 in cash and cash equivalents, which includes amounts held outside of the U.S., primarily in Europe and Asia. Non-U.S. cash is generally available for repatriation without legal restrictions, subject to certain taxes, mainly withholding taxes. We are not asserting indefinite reinvestment of cash or outside basis for our non-U.S. subsidiaries due to the outstanding debt obligations in instances where alternative repatriation options, other than dividends, are not available. Our ABL Revolving Credit Facility provides for up to \$570.0 of revolving borrowings, with separate sublimits for letters of credit and swingline borrowings and an uncommitted accordion of up to \$30.0. At June 30, 2023 September 30, 2023, Vertiv had \$550.5 \$545.9 of availability (subject to customary borrowing base and other conditions) under the ABL Revolving Credit Facility, net of letters of credit outstanding in the aggregate principal amount of \$17.4, \$17.0, and taking into account the borrowing base limitations set forth in the ABL Revolving Credit Facility.

We believe our current cash and cash equivalent levels, augmented by availability under the ABL Revolving Credit Facility, will provide adequate near-term liquidity for the next 12 months of independent operations, as well as the resources necessary to invest for growth in existing businesses and manage our capital structure on a short- and long-term basis. We expect to continue to opportunistically access the capital and financing markets from time to time. Access to capital and the availability of financing on acceptable terms in the future will be affected by many factors, including our credit rating, economic conditions, and the overall liquidity of capital markets. There can be no assurance that we will continue to have access to the capital and financing markets on acceptable terms.

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Summary Statement of Cash Flows

Six Nine Months Ended June 30, 2023 September 30, 2023 and 2022

<i>(Dollars in millions)</i>	<i>(Dollars in millions)</i>	2023	2022	\$ Change	% Change	<i>(Dollars in millions)</i>	2023	2022	\$ Change	% Change
Net cash provided by (used for) operating activities	Net cash provided by (used for) operating activities	\$ 295.6	\$ (337.9)	\$ 633.5	(187.5) %	Net cash provided by (used for) operating activities	\$ 544.3	\$ (333.5)	\$ 877.8	(263.2) %
Net cash used for investing activities	Net cash used for investing activities	(43.7)	(49.9)	6.2	12.4	Net cash used for investing activities	(71.1)	(74.7)	3.6	4.8
Net cash provided by (used for) financing activities	Net cash provided by (used for) financing activities	(243.9)	153.5	(397.4)	(258.9)	Net cash provided by (used for) financing activities	(236.7)	244.7	(481.4)	(196.7)
Capital expenditures	Capital expenditures	(53.6)	(38.2)	(15.4)	(40.3)	Capital expenditures	(80.1)	(61.7)	(18.4)	(29.8)
Investments in capitalized software	Investments in capitalized software	(2.5)	(6.7)	4.2	62.7	Investments in capitalized software	(3.4)	(8.0)	4.6	57.5

Net Cash provided by (used for) Operating Activities

Net cash provided by operating activities was \$295.6 \$544.3 in the first six nine months of 2023, a \$633.5 an \$877.8 increase in cash generation compared to the first six nine months of 2022. Net income from operations of \$133.5 \$227.6 included \$194.3 \$329.9 of net non-cash expense items, consisting of depreciation and amortization of \$133.9, \$202.1, a loss on the change in fair value of warrant liabilities of \$41.8, \$103.4, non-cash stock-based compensation expense of \$12.3, \$18.8, amortization of debt discount and issuance costs of \$4.7, \$6.3, and deferred taxes of \$1.6, \$0.7. Trade working capital used \$35.5 \$17.8 in the first six nine months of 2023 in comparison to \$377.8 \$448.0 in the first six nine months of 2022, primarily as a result of trade working capital initiatives.

Net Cash used for Investing Activities

Net cash used for investing activities was \$43.7 \$71.1 in the first six nine months of 2023 compared to net cash used for investing activities of \$49.9 \$74.7 in the first six nine months of 2022. The lower use of cash over the comparable period was primarily driven by increased capital expenditures of \$15.4, \$18.4, partially offset by increased proceeds from the disposition of property, plant and equipment of \$12.4, and a decrease in investments of capitalized software of \$4.2, \$4.6.

Net Cash provided by (used for) Financing Activities

Net cash used for financing activities was \$243.9 \$236.7 in the first six nine months of 2023 compared to \$153.5 \$244.7 provided by financing activities in the first six nine months of 2022. The change was primarily the result of the year over year year-over-year net repayments of \$427.9 \$531.9 on the ABL Revolving Credit Facility, and \$5.5 \$10.9 increase of repayments on the Term Loan in the first six nine months of 2023, partially offset by the decrease of \$12.8 payment of contingent consideration, \$12.5 of a \$25.0 decrease in the payment under the Tax Receivable Agreement and \$10.7 \$23.1 increase in net cash received associated with equity-based compensation activity.

Critical Accounting Policies and Estimates

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the Unaudited Condensed Consolidated Financial Statements, and income and expenses during the periods reported. Actual results could materially differ from those estimates. The preceding discussion and analysis of our consolidated results of operations and financial condition should be read in conjunction with our Unaudited Condensed Consolidated Financial Statements included elsewhere in this Quarterly Report on Form 10-Q. The 2022 financial statements, as part of the 2022 Form 10-K, includes additional information about us, our operations, our financial condition, our critical accounting policies and accounting estimates, and should be read in conjunction with this Quarterly Report on Form 10-Q. Our significant accounting policies are described in "Note 1 - Summary of Significant Accounting Policies" of the 2022 Form 10-K.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There has been no material changes in our quantitative and qualitative market risk disclosures from those described in our 2022 Form 10-K.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company maintains (a) disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), and (b) internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act).

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The Company's management, with the participation of its Chief Executive Officer and its Chief Financial Officer, conducted an evaluation of the effectiveness of the Company's disclosure controls and procedures as of [June 30, 2023](#) [September 30, 2023](#) (the end of

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the period covered by this Quarterly Report on Form 10-Q). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that, as of [June 30, 2023](#) [September 30, 2023](#), the Company's disclosure controls and procedures were effective in ensuring that material information for the Company, including its consolidated subsidiaries, required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that it is accumulated and communicated to management, including our principal executive and financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There have not been any changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended [June 30, 2023](#) [September 30, 2023](#), that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

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PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

With the exception of the below, the Company [The information required by this item](#) is not a party to any material, pending legal proceedings or claims at June 30, 2023. From time-to-time, the Company may be a party to, or otherwise involved [set forth](#) in legal proceedings arising in the normal course of business. The nature of the Company's business ordinarily results in a certain amount of pending as well as threatened claims, litigation, investigations, regulatory ["Note 13 — Commitments and legal and administrative cases, matters and proceedings, all of which are considered incidental to the normal conduct of business. When the Company determines that it has meritorious defenses to the claims asserted, the Company vigorously defends itself. The Company considers settlement of cases when, in management's judgment, it is in the best interests of both the Company and its shareholders to do so."](#)

On May 3, 2022, a putative securities class action, *In re Vertiv Holdings Co Securities Litigation*, 22-cv-3572 (the "Securities Litigation"), was filed against Vertiv, certain of the Company's officers and directors, and other defendants in the Southern District of New York. Plaintiffs filed an amended complaint on September 16, 2022. The amended complaint alleges that certain of the Company's public statements were materially false and/or misleading with respect to inflationary and supply chain pressures and pricing issues, and asserts claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended, and Sections 11, 12(a)(2), and 15 of the Securities Act of 1933, as amended. These claims are asserted on behalf of a putative class of all persons and entities that (i) purchased Vertiv securities between February 24, 2021 and February 22, 2022; and/or (ii) purchased Vertiv securities in or traceable to the November 4, 2021 secondary public offering by a selling stockholder pursuant to a resale registration statement.

On June 9, 2023, two Vertiv shareholders, Matthew Sullivan and Jose Karlo Ocampo Avenido, brought a derivative lawsuit, *Sullivan v. Johnson, et al.*, C.A. No. 2023-0608 (the "Derivative Lawsuit"), against Vertiv (as nominal defendant only) and certain of the Company's directors and officers in Delaware Court of Chancery for breach of fiduciary duty. Similar to the Securities Litigation, the complaint alleges that certain of the named directors and officers caused the Company to issue materially false and/or misleading public statements with respect to inflationary and supply chain pressures and pricing issues, and that the Company suffered damages as a result.

Defendants believe they have meritorious defenses against the plaintiffs' claims in the Securities Litigation and the Derivative Lawsuit, which are at the preliminary stages, but the Company is unable at this time to predict the outcome of these disputes or the amount of any cost associated with their resolution.

On April 3, 2023, the Company filed a petition under the caption *In re Vertiv Holdings Co*, C.A. No. 2023-0390-LWW in the Delaware Court of Chancery pursuant to Section 205 of the Delaware General Corporation Law ("DGCL"), which permits the Court of Chancery, in its discretion, to validate potentially defective corporate acts due to developments regarding potential interpretations of the DGCL stemming from the Court's recent decision in *Garfield v. Boxed, Inc.*, 2022 WL 17959766 (Del. Ch. Dec. 27, 2022). The *Garfield* decision held that a SPAC with a charter similar [Contingencies](#) to the Company's charter has classes of common stock, instead of series of common stock, and therefore was required to hold separate votes for each class [Unaudited Condensed Consolidated Financial Statements included](#) in order to expand the number of outstanding shares issued in connection with going public [Part I, Item 1 "Financial Statements"](#), which is incorporated by merger with a special purpose acquisition company. On April 24, 2023, the Court of Chancery granted our petition, validating and declaring effective (i) our Second Amended and Restated Certificate of Incorporation and (ii) the shares issued in reliance thereon, each as of the date and time of the original issuance of such shares in connection with our business combination with GS Acquisition Holdings Corp in February 2020 through which we became a publicly-traded company (the "Business Combination").

The Company continues to believe that, notwithstanding the relief the Delaware Court of Chancery granted to the Company under Section 205, its circumstances are distinct from those applicable in the *Garfield* decision, and that a separate vote of the holders of the Company's then outstanding Class A and Class B common stock was not required in connection with the Business Combination. However, the Company elected to file the petition as a precautionary measure to avoid any future challenges associated with the *Garfield* decision. [reference herein](#).

ITEM 1A. RISK FACTORS

Item 1A. Risk Factors

The Company's risk factors, as of June 30, 2023 September 30, 2023, have not materially changed from those described in Part 1, Item 1A of our 2022 Form 10-K for the fiscal year ended December 31, 2022.

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ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

A) Recent Sales of Unregistered Securities

None.

B) Use of Proceeds from our Initial Public Offering of Common Stock

Not applicable.

C) Repurchases of Shares or of Company Equity Securities

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

During the fiscal quarter covered by this Quarterly Report on Form 10-Q, no director or Karsten Winther, President EMEA an officer of the Company adopted or terminated any a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K. The Rule 10b5-1 trading arrangement, adopted by Mr. Winther on September 7, 2023, provides for the sale of up to 44,924 shares and will remain in effect until the earlier of (1) December 31, 2024; (2) the first date on which all trades have been executed or all orders relating to such trades have expired; (3) upon written notice by Mr. Winther or the broker to terminate or modify the Rule 10b5-1 trading arrangement.

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ITEM 6. EXHIBITS

EXHIBIT INDEX

Exhibit No.	Description
10.1	Form of Amended and Restated Vertiv Annual Incentive Plan Holding Co Executive Employment Policy.
10.2	Amendment No. 2 to Term Loan Credit Form of Restricted Stock Unit Agreement dated as for Certain Recently Hired or Promoted Officers' under the 2020 Stock Incentive plan of June 23, 2023, by Vertiv Holdings Co and among Vertiv Intermediate Holding II Corporation as Holdings, Vertiv Group Corporation, as borrower, the several banks and other financial institutions or entities from time to time party thereto, Citibank, N.A., as administrative agent and the other persons party thereto, incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed with the SEC on June 23, 2023, its Affiliates.
31.1	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
31.2	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
32.1	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
32.2	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
99.1	Petition filed by Vertiv Holdings Co. in the Delaware Court of Chancery on April 3, 2023, incorporated by reference to Exhibit 99.1 to Current Report on Form 8-K filed with the SEC on April 14, 2023.
101.INS	The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023 September 30, 2023 , formatted in Inline XBRL: (i) Unaudited Condensed Consolidated Statements of Earnings (Loss), (ii) Unaudited Condensed Consolidated Statements of Comprehensive Income (Loss), (iii) Unaudited Condensed Consolidated Balance Sheets, (iv) Unaudited Condensed Consolidated Statements of Cash Flows, and (v) Notes to Unaudited Condensed Consolidated Financial Statements, tagged as blocks of text and including detailed tags
101.SCH	Inline XBRL Taxonomy Extension Schema (filed herewith)
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase (filed herewith)
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase (filed herewith)
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase (filed herewith)
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase (filed herewith)
104	Cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023 September 30, 2023 , formatted in Inline XBRL (and contained in Exhibit 101)

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: **August 2, 2023** **October 27, 2023**

Vertiv Holdings Co

/s/ Giordano Albertazzi

Name: Giordano Albertazzi

Title: Chief Executive Officer

/s/ David Fallon

Name: David Fallon

Title: Chief Financial Officer

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EXHIBIT 10.1

Form of Annual Incentive Plan AMENDED AND RESTATED

Dear Vertiv Incentive Plan Eligible Participant, VERTIV HOLDINGS CO

We are pleased to share the following details regarding the Vertiv Incentive Plan (VIP) for fiscal []. EXECUTIVE EMPLOYMENT POLICY

The VIP is an annual compensation program designed to recognize individual performance as a contribution to Vertiv's (or the "Company's") overall business performance and shareholder value. Effective September 12, 2023

Three criteria determine the award amount at the end of the year: Financial Performance, [Discretionary Allocation, and Individual Performance]1. 1 Purpose. Below This Executive Employment Policy (the "Policy") is an overview maintained by Vertiv Holdings Co (the "Company"). The purpose of each this Policy is to set forth the terms and conditions which shall govern the employment of certain eligible executives by the Company following the Transaction (as defined below).

• 2. Financial Performance: The plan is designed around a common set of Company financial goals2 Effective Date. The actual performance against these financial metrics defines terms and conditions of this Policy shall become effective as to an executive upon the base funding executive's entry into an offer letter incorporating the Policy (such date, the "Effective Date"). On the Effective Date, this Policy shall supersede and replace all employment agreements previously entered into by the executive with the Company for VIP payout, the benefit of its executives.

• 3. [Application] Discretionary Allocation: The plan also ensures we can consider circumstances such as business unit performance, market conditions, and/or extraordinary or unforeseeable events when determining payout funding. This Policy applies solely to individuals who are eligible executives of the Company.

• 4. [Individual Performance] Employment: In keeping with Vertiv's Pay for Performance philosophy, Subject to all the Individual Performance multiplier factors into each participant's contributions terms and conditions of this Policy and an executive's offer letter, the same way as the annual individual performance process.]

Your participation details employment relationship shall continue to be at will, terminable by either party at any time and for any given plan year will be characterized by: reason, with or without cause.

• 5. Effective Date: January 1 (or date of hire) Position and Duties.

• Annual Target Opportunity (% of Base Salary): Varies per employee*

• (a) Financial Alignment: Global/Corporate Plan or Regional Plan**

• Actual Payout: Generally speaking, actual payouts can range from 0% to 200%3 of your annual target

*Please contact your HR Business Partner Employment with any questions regarding your specific target amounts.

**[Financial performance metrics may vary each year.]

General Terms:

Timing the Company. Payouts, if any, will Executives shall be determined and paid in the first quarter of the following year.

Eligibility. You will only be eligible for a VIP payment for the applicable year if you remain an active employee in good standing on the payment date and meet any other administrative requirements determined by the Company. Your participation in the VIP is not a guarantee that you will receive a payment. Eligibility for, or payment of, an incentive under the VIP for any year does not guarantee eligibility to participate or receive incentive payments in future years or create any right to continued employment for any period of time. In order to receive a payout for any given year, you must be eligible for the VIP before November 1 of that year.

Payments. Any VIP payments will be paid in cash unless otherwise determined employed by the Company and will shall perform the duties and responsibilities of their position and such other duties and responsibilities as the Chief Executive Officer of the Company shall assign them from time to time, including duties and responsibilities relating to the Company's wholly-owned and partially owned subsidiaries, and other affiliates; provided, that such duties and responsibilities of the Chief Executive Officer shall be assigned by the Board of Directors of the Company (the "Board").

(b) Performance of Duties and Responsibilities; Location. Executives shall observe and comply with all applicable policies of the Company and directives promulgated from time to time by the Board that are not inconsistent with this Policy. Without limiting the foregoing, executives are subject to the Company's stock ownership guidelines as in effect from time to time.

Executives shall serve the Company faithfully and to the best of their ability and shall devote full working time, attention and efforts to the business of the Company during their employment with the Company hereunder. While executives are employed by the Company, they shall report to the Chief Executive Officer, except that the Chief Executive Officer of the Company shall report to the Board. No executive shall be under any contractual or legal commitments that would prevent them from fulfilling his or her duties and responsibilities as set forth in this Policy. During his or her employment with the Company, no executive shall accept other employment or engage in other material business activity, except as may be approved in

writing by the Board. Executives may participate in charitable activities and personal investment activities to a reasonable extent, and may serve as directors of business organizations as approved by the Board, so long as such activities and directorships are consistent with the Company's Corporate Governance Guidelines, as amended from time to time, and do not interfere with the performance of their duties and responsibilities hereunder. The principal office location of each executive shall be the Company's offices or such other location as specified in the executive's offer letter.

(c) Board. The Board may appoint certain executives to serve as members of the Board. Thereafter, during the term of an executive's employment and subject to the annual approval of the Corporate Governance and Nominating Committee of the Board in accordance with its duties and responsibilities, such executives may be nominated for election to the Board, subject to meeting certain conditions as set forth by the Board or the Corporate Governance and Nominating Committee of the Board. An executive's service as a member of the Board shall terminate automatically upon the termination of the executive's employment with the Company for any reason. As a condition to any executive's appointment to the Board, the executive shall submit an irrevocable resignation letter pursuant to which the executive shall agree to resign from the Board and all applicable committees thereof (and all applicable subsidiary boards and committees) effective automatically and immediately upon the termination of his or her employment with the Company for any reason.

6. Compensation.

(a) Incentive Bonus and Equity Awards.

(i) Sign-On Equity Awards. Subject to the approval of the Board or a committee thereof, an eligible executive may be eligible to receive restricted stock unit awards or stock options ("Sign-On Equity Grants") upon hire under the Company's 2020 Stock Incentive Plan (the "Omnibus Plan"). Any Sign-On Equity Grants shall be subject to all applicable tax the terms and conditions of the Omnibus Plan and forms of award agreements attached hereto as Exhibit A.

(ii) Equity Awards. Eligible executives shall be entitled to participate in such equity-based-compensation plans of the Company and its affiliates in effect from time to time as approved by and at the discretion of the Compensation Committee of the Board (the "Committee"). All such awards shall be granted pursuant to the Company's standard form of equity-award agreements as used under the Omnibus Plan from time to time, in each case, as approved by the Committee.

(iii) Annual Performance-Based Bonus. Eligible executives shall be eligible to earn an annual bonus under the Company's Annual Incentive Plan (the "Annual Bonus") based upon the achievement of such corporate and individual performance goals and other withholding requirements. Awards will criteria that are established by the Committee. The Annual Bonus, if earned, shall be paid in accordance with Company practices and any guidelines issued for that given Annual Bonus year. The Annual Bonus, if earned, shall be pro-rated if one or more for any partial years of employment.

(b) Benefits. Executives shall be entitled to participate in all employee benefit plans and programs of the following events occur during Company that are available to executive officers generally to the year: (i) employee becomes VIP eligible after January 1, but before November 1; (ii) change in incentive target; or (iii) change in VIP plan/region.

extent that they meet the eligibility requirements for each individual plan or program. The Company provides no assurance as to the adoption or continuance of any particular employee benefit plan or program, and any executive's participation in any such plan or program shall be subject to the provisions, rules and regulations applicable thereto. In addition, the executives recognize that the Company has the right, in its sole discretion, to amend, modify or terminate any employee benefit plan or program in accordance with its terms.

Administration (c) Expenses. The Company reserves shall reimburse executives for all reasonable and necessary out-of-pocket business, travel and entertainment expenses incurred by executives in the right performance of their duties and responsibilities hereunder, subject to amend the Company's normal policies and procedures for expenses, expense verification and documentation.

(d) Vacations and Holidays. Executives shall be entitled to such vacation and holiday benefits as the Company establishes by policy from time to time. Executives shall coordinate their vacation schedule with the Company so as not to impose an undue burden on the Company.

7. Subsidiaries. As used in this Policy, "Company" shall include the Company and each corporation, limited liability company, partnership, or terminate other entity that is controlled by the VIP Company (in each case "control" meaning the direct or indirect ownership of 50% or more of all outstanding equity interests), *provided, however*, that an executive's title need not be identical for each of the affiliated entities nor the same as that for the Company.

8. Confidential Information and Other Agreements. During an executive's employment and following any termination of the executive's employment for whatever reason thereafter, each executive shall strictly maintain the confidentiality of the Company's proprietary information concerning its business, customers and clients (the "Proprietary Information"), however stored or memorialized. Such Proprietary Information includes, without limitation, trade secrets, marketing, financial information, product plans, customer lists, marketing plans, strategic planning, systems, manuals, and other proprietary or other information which is not generally known to the public. All Proprietary Information which the executive has or will become familiar with and acquire knowledge of as a result of his or her employment by the Company are the property of the Company, and following the termination of the executive's employment for any reason, all Proprietary Information shall be considered to be owned by the Company and kept as the private records of the Company and will not be divulged to any firm, individual, or institution, or used to the detriment of the Company. Should the disclosure of any Proprietary Information be required of an executive (i) in response to any summons or subpoena, (ii) in connection with any litigation, or (iii) in order to comply with any law, order, regulation, request of any government or regulatory agency or ruling applicable to an executive, prior to making any disclosure the executive agrees to inform the Company of any such request or compelled disclosure as soon as possible, and, to the extent possible, afford the Company the opportunity to contest such disclosure. Notwithstanding, pursuant to the Defend Trade Secrets Act of 2016, an individual may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. Further, an

individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the employer's trade secrets to the attorney and use the trade secret information in the court proceeding if the individual: (i) files any document containing the trade secret under seal; and (ii) does not disclose the trade secret, except pursuant to court order. Additionally, nothing in this Policy prohibits an executive from reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation. Each executive acknowledges that he or she does not need the prior authorization of the Company to make any such reports or disclosures and that he or she is not required to notify the Company that he or she has made such reports or disclosures.

9. Restrictive Covenants.

(a) Non-Compete. During an executive's employment and for the shorter of (i) twelve (12) months or (ii) the length of the period of time corresponding to the executive's position within the Company at the date of termination, as set forth in Schedule 1 hereto ("Applicable Continuation Period") following any termination of the executive's employment for whatever reason, no executive shall directly or indirectly own any interest in, manage, control, participate in, consult with, render services for, be employed in an executive, managerial or administrative capacity, or perform services for, or in any manner engage in any Competing Business in any geographic territory in which the Business has been conducted in the two (2) year period preceding the executive's termination. Nothing herein shall prohibit any executive from (i) being a passive owner of not more than two percent (2%) of the outstanding stock of any class of a corporation that is publicly traded, so long as Executive has no active participation in the business of such corporation; or (ii) accepting employment with any federal or state government or governmental subdivision or agency in an executive, managerial or administrative capacity

(b) Definitions. For purposes of this Policy:

(i) "Business" means the provision of mission critical equipment for vital applications in data centers, communication networks, and commercial and industrial environments throughout the United States and abroad through various Subsidiaries, including, but not limited to, design, engineering, manufacturing, and sales of products, services and software to Customers throughout the world;

(ii) "Competing Business" means any individual, including an executive covered by this Policy, corporation, limited liability company, partnership, joint venture, association or other entity, regardless of form, that is directly engaged in whole or in relevant part in any business or enterprise that is the same as, or substantially the same as, the Business, or that is taking material steps to engage in such business at the time of an executive's termination; and

(iii) "Customers" means those individuals, companies, or other entities for whom the Company (including its predecessor in the Transaction) or any Subsidiary has

provided or does provide products or services in connection with the Business in the one (1) year period preceding an executive's termination.

(c) Non-Solicit. During an executive's employment and, following any termination of an executive's employment for whatever reason thereafter, for the shorter of

(i) twelve (12) months or (ii) the length of the Applicable Continuation Period, no executive shall directly or indirectly through another Person (A) induce or attempt to induce any employee of the Company to leave the employ of the Company, or in any way interfere with the relationship between the Company and any employee thereof; (B) hire any Person who was an employee of the Company at any time. [The time during the twelve-month period immediately following the termination of the executive's employment with the Company; or (C) induce or attempt to induce any customer, supplier, licensee or other business relation of the Company to cease or materially reduce doing business with the Company, or in any way interfere with the relationship between any such customer, supplier, licensee or business relation and the Company (including, without limitation, making any negative or disparaging statements or communications regarding the Company, its products or its personnel). Notwithstanding the foregoing, nothing in this Policy shall prohibit an executive from employing an individual (1) with the consent of the Company or

(2) who responds to general solicitations in publications or on websites, or through the use of search firms, so long as such general solicitations or search firm activities are not targeted specifically at an employee (or former employee, as described above) of the Company.

(d) Non-disparagement. No executive shall make, directly or indirectly, to any person or entity including, but not limited to, present or former employees of the Company and/or the press, any disparaging oral or written statements about the Company, or their products or services. No executive shall post any such statements on the internet or any blog or social networking site. The Company shall not (via any authorized public statement) and shall cause its executive officers and members of the Board to not make, directly or indirectly, to any person or entity including, but not limited to, present or former employees of the Company and/or the press, any disparaging oral or written statements about any executive or their performance with the Company. The Company shall not, and shall direct its executive officers, members of the Board, or any executive, respectively, to not, post any such statements on the internet or any blog or social networking site. The foregoing shall not be violated by (i) truthful statements by the Company, any executive or the executive officers or members of the Board in response to an internal investigation, legal process, governmental investigation, inquiry, request for information, testimony or filings, or administrative, court or arbitral proceedings (including, without limitation, depositions in connection with such proceedings), (ii) the Company, any executive or the executive officers or members of the Board rebutting false or misleading statements made by others, (iii) actions taken by any executive or the executive officers or members of the Board, or statements made by any executive or the executive officers or members of Board, in the good faith performance of their respective duties to the Company, or (iv) any disclosure made by the Company in a filing required to be made with the Securities and Exchange Commission. Nothing in this Section 9(d) or any other provision of this Policy shall be construed or enforced in a manner that would interfere with any executive's or the Company's (or executive officers' or members of the Board's) rights under the National Labor Relations Act, if any, to discuss or comment on the terms and conditions of any executive's employment.

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(e) Extension of Applicable Continuation Period. Notwithstanding any other provision hereof, the Compensation Committee may, delegate administration at the request of the VIP Chief Executive Officer of the Company, extend the Applicable Continuation Period as to an executive.

(f) Reasonableness of Scope and Duration. The covenants in this Section 9 are, taken as a whole, reasonable with respect to participants who the activities covered and their geographic scope and duration, and no executive shall raise any issue

of the reasonableness of the areas, activities or duration of any such covenants in any proceeding to enforce any such covenants. No executive shall be obligated to seek other employment or otherwise take steps to mitigate or reduce the amounts payable or arrangements provided for under this Policy, and the obtaining of any such other employment shall not reduce any of the Company's obligations under this Policy.

(g) Enforceability. The Company may not be adequately compensated by damages for a breach of any of the covenants contained in this Section 9, and the Company shall, in addition to all other remedies, be entitled to injunctive relief and specific performance. The covenants contained in this Section 9 shall be construed as separate covenants, and if any court shall finally determine that the restraints provided for in such covenants are too broad as to the area, activity or time covered, said area, activity or time covered may be reduced to whatever extent the court deems reasonable, and such covenants shall be enforced as to such reduced area, activity or time.

10. Intellectual Property.

(a) Disclosure and Assignment. Each executive shall transfer and assign to the Company (or its designee) all of his or her rights, titles, and interests in and to every idea, concept, invention, trade secret and improvement (whether patented, patentable or not) conceived or reduced to practice by the executive whether solely or in collaboration with others while the executive is employed by the Company, whether or not conceived or reduced to practice during the regular hours of the executive's employment (collectively, "Creations") and all copyrighted or copyrightable matter created by the executive officers, whether solely or in collaboration with others while the executive is employed by the Company that relates to the Company's business (collectively, "Works") whether or not created during the regular hours of the executive's employment. Each executive shall communicate promptly and disclose to the Company, in such form as the Company may request, all information, details, and data pertaining to each Work and Creation. Every copyrightable Work, regardless of whether copyright protection is sought or preserved by the Company, shall be a "work made for hire" as defined in 17 U.S.C. § 101, and the Company shall own all rights in and to such matter throughout the world, without the payment of any royalty or other consideration to any executive or anyone claiming through any executive.

(b) Trademarks. All right, title, and interest in and to any and all trademarks, trade names, service marks, and logos adopted, used, or considered for use by the Company during any executive's employment (whether or not developed by the executive) to identify the Company's business or other goods or services (collectively, the "Marks"), together with the goodwill appurtenant thereto, and all other materials, ideas, or other property conceived, created, developed, adopted, or improved by any executive solely or jointly during the executive's employment by the Company and relating to its business shall be owned exclusively by the

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Company. No executive shall have, and will not claim to have, any right, title, or interest of any kind in or to the Marks or such other property.

(c) Documentation. Each executive shall execute and deliver to the Company such formal transfers and assignments and such other documents as the Company may request to permit the Company (or its designee) to file and prosecute, defend and enforce such registration applications and other documents it deems useful to protect or enforce its rights hereunder.

11. Termination of Employment.

(a) An executive's employment with the Company shall terminate immediately upon:

(i) the executive's receipt of written notice from the Company of the termination of their employment;

(ii) the Company's receipt of the executive's written resignation from the Company, which shall be delivered to the Company at least ninety (90) days prior to such resignation;

(iii) the executive's Disability (as defined in the Omnibus Plan); or

(iv) the executive's death.

(b) The date upon which an executive's termination of employment with the Company occurs shall be the executive's "Termination Date."

12. Payments upon Termination of Employment.

(a) If an executive's employment with the Company is terminated for any reason, the Company shall pay to the executive any accrued but unpaid Base Salary through the Termination Date and any other benefits to which the executive may be entitled under any applicable Company policy, plan or procedure (without duplication of benefits) through the Termination Date, and reimbursement of the executive's expenses incurred through the Termination Date in accordance with Section 6(c), (collectively, "Accrued Obligations").

(b) Except in the case of a termination in connection with a "Change of Control" (as defined under the Company's Change of Control Plan (the "Change of Control Plan"), a form of which is attached hereto as Exhibit C), which is governed by and results in payments under the Change of Control Plan, if an executive's employment with the Company is terminated by the Company pursuant to Section 11(a)(i) for any reason other than for Cause or by the executive for Good Reason, then the Company shall provide to the executive, subject to Section 12(i) of this Policy, the following:

(i) the Accrued Obligations;

(ii) a cash payment equal to the sum of (A) the executive's annual rate

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of base salary immediately prior to the termination of employment (the "Base Salary"), multiplied by the multiplier corresponding to the executive's position within the Company at the date of termination, as set forth in Schedule 1 hereto (the "Applicable Severance Factor"), and (B) an amount equal to the target Annual Bonus in effect for the year in which the Termination Date occurs multiplied by a fraction, the numerator of which is the number of days from the beginning of the calendar year through the Termination Date and the denominator of which is the number of days in the calendar year in which the Termination Date occurs; provided that the amount determined by the sum of (A) and (B) shall be paid in installments over the Applicable Continuation Period in accordance with the Company's normal payroll policies;

(iii) any earned and unpaid Annual Bonus for the fiscal year preceding the fiscal year in which the Termination Date occurs to be paid in accordance with Company practices and any guidelines issued for that given Annual Bonus year;

(iv) the Long-Term Incentive Awards previously granted to the executive that are unvested as of the Termination Date ("Unvested Equity Awards") shall vest in accordance with, and otherwise be governed by, the terms of each equity award

agreement to which the executive is subject; and

(v) in the event that the executive timely elects medical and dental coverage under the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), the Company shall reimburse the executive for his or her cost of COBRA coverage for the shorter of (i) twelve (12) months or (ii) the length of the Applicable Continuation Period following the Termination Date.

For purposes of this Section 12(b), "Long-Term Incentive Award" shall mean any award of stock or restricted stock, stock options, restricted stock units, phantom stock, performance awards or stock appreciation rights, the vesting of which is subject to the passage of time of more than twelve (12) months or the achievement of any performance criteria measured over a performance period of more than twelve (12) months.

(c) A termination by an executive for "Good Reason" shall mean a termination based on:

(i) the assignment to the executive of different job responsibilities that results in a material decrease in the level of responsibility (including reporting responsibilities);

(ii) in the case of the Chief Executive Officer of the Company, removal from, or a failure to nominate the executive for election (and re-election) to, the Board;

(iii) a material reduction by the Company in the executive's Base Salary and/or target Annual Bonus opportunity;

(iv) the requirement that the executive be based more than fifty (50) miles from where the executive's office is then located, except for required travel on Company business; or

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(v) the failure by the Company to obtain from any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company ("Successor") its agreement to all protections in this Policy.

Provided, however, that the foregoing events shall not be deemed to constitute Good Reason unless (x) the executive has notified the Company in writing of the occurrence of such event(s) within sixty (60) days of such occurrence, (y) the Company has failed to have cured such event(s) (if curable) within thirty (30) days of its receipt of such written notice, and (z) the executive terminates employment within thirty (30) days of the expiration of the time within which the Company has to cure and such occurrence is uncured.

(d) If an executive's employment with the Company is terminated by reason of the executive's death or Disability, the Company shall pay to the executive or the executive's beneficiary or estate, as the case may be, the Accrued Obligations, any earned and unpaid Annual Bonus for the fiscal year preceding the fiscal year in which the Termination Date occurs, and a pro-rata portion of the executive's Annual Bonus for the fiscal year in which the Termination Date occurs, subject to the achievement of applicable performance measures and paid at the same time as bonuses are paid to other executives generally but in no event later than March 15th following the year in which the Termination Date occurs.

(e) "Cause" hereunder shall mean:

(i) gross negligence, willful failure to perform, or willful misconduct in connection with the performance of an executive's duties that results in material harm to the business of the Company;

(ii) conviction of a criminal offense (other than minor traffic offenses);

(iii) material breach of any term of any agreement between an executive and the Company, including any employment, consulting or other services, confidentiality, intellectual property, non-competition or non-disparagement agreement;

(iv) violation in any material respect of the code of conduct generally applicable to executive officers, including, but not limited to, the Company's Code of Ethics and Business Conduct;

(v) acts or omissions involving willful or intentional malfeasance or misconduct that is materially injurious to the Company, its business, reputation, prospects, or otherwise; or

(vi) commission of any act of fraud, willful destruction of Company property, or embezzlement against the Company.

(f) "Disability" hereunder shall have the same meaning as contained in the Omnibus Plan.

(g) Notwithstanding any other provision hereof, the Company shall not be obligated to make any payments under Section 12 of this Policy other than for the payment of Base Salary through the Termination Date unless the terminating executive has signed a full release of claims against the Company substantially in the form attached hereto as Exhibit B, all applicable consideration periods and rescission periods provided by law shall have expired, and the executive is in strict compliance with the terms of this Policy and any other agreements with the Company as of the dates of the payments. Within five (5) business days of the Termination Date, the Company shall deliver to the terminating executive the release for the executive to execute. The terminating executive will forfeit all rights to the payments provided pursuant to Section 12, other than for the payment of the Accrued Obligations, and any equity acceleration provided in any equity award agreements to which the executive is subject unless the executive executes and delivers to the Company the release within thirty (30) days of delivery of the release by the Company to the executive and such release has become irrevocable by virtue of the expiration of the revocation period without the release having been revoked (the first such date, the "Release Effective Date"). The Company shall have no obligation to provide the payments pursuant to Section 12(b) or any acceleration of equity prior to the Release Effective Date. Payments will commence with the next regular payroll date that occurs more than three (3) business days after the Release Effective Date, with any payment that would have been made but for the Release Effective Date not having occurred being made at that time, provided, however, that if the length of the five (5) business day release delivery date, plus the thirty (30) day or any other applicable review period, plus any revocation period, each as described above or in the release described above, begins in one taxable year and ends in the next taxable year, the Release Effective Date will not occur until the next taxable year.

(h) With respect to payments provided pursuant to Section 12, and subject to the terminating executive's execution and non-revocation of a full release of claims as set forth in Section 12(g), in no event shall a terminating executive be obliged to seek other employment or take any other action by way of mitigation of the amounts payable to the executive under any of the provisions of this Policy, nor shall the amount of any payment hereunder be reduced by any compensation earned by the executive as a result of employment by another employer.

(i) To the extent a terminating executive would be subject to the additional 20% tax imposed on certain deferred compensation arrangements pursuant to Section 409A ("Section 409A") of the Internal Revenue Code of 1986, as amended (the "Code"), as a result of any provision of this Policy, such provision shall be deemed amended to the minimum extent necessary to avoid application of such tax and preserve to the maximum extent possible the original intent and economic benefit to the executive and the Company, and the parties shall promptly execute any amendment reasonably necessary to implement this Section 12(i).

(i) For purposes of Section 409A, a terminating executive's right to receive installment payments pursuant to this Policy including, without limitation, each severance shall be treated as a right to receive a series of separate and distinct payments.

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(ii) A terminating executive will be deemed to have a Termination Date for purposes of determining the timing of any payments or benefits hereunder that are classified as deferred compensation only upon a "separation from service" within the meaning of Section 409A.

(iii) Notwithstanding any other provision hereof, to the extent a terminating executive is a "specified employee" as defined in Section 409A and the final regulations promulgated thereunder, and any portion of the executive's severance pay is not exempt from Section 409A, but would otherwise be payable within the first six (6) months following the date of the executive's date of termination, such severance pay will not be paid to the executive until the first payroll date of the seventh (7th) month following the date of termination.

(iv) (A) Any amount that a terminating executive is entitled to be reimbursed under this Policy will be reimbursed to the executive as promptly as practical and in any event not later than the last day of the fiscal year after the fiscal year in which the expenses are incurred, (B) any right to reimbursement or in kind benefits will not be subject to liquidation or exchange for another benefit, and (C) the amount of the expenses eligible for reimbursement during any taxable year will not affect the amount of expenses eligible for reimbursement in any other taxable year.

(v) Whenever a payment under this Policy specifies a payment period with reference to a number of days (e.g., "payment shall be made within thirty (30) days following the date of termination"), the actual date of payment within the specified period shall be within the sole discretion of the Company.

13. **Return of Property.** Upon termination of a terminating executive's employment with the Company, the executive shall deliver promptly to the Company all records, files, manuals, books, forms, documents, letters, memoranda, data, customer lists, tables, photographs, video tapes, audio tapes, computer disks and other computer storage media, and copies thereof, that are the property of the Company, or that relate in any way to the business, products, services, personnel, customers, prospective customers, suppliers, practices, or techniques of the Company, and all other property of the Company (such as, for example, computers, cellular telephones, pagers, credit cards, and keys), whether or not containing Confidential Information, that are in the executive's possession or under the executive's control.

14. **Remedies.** In the event of any actual or threatened breach of this Policy, the Company shall, in addition to any other remedies it may have, be entitled to injunctive and other equitable relief to enforce such provisions, and such relief may be granted without the necessity of proving actual monetary damages. Any such action shall only be brought in a court of competent jurisdiction in Delaware, and the parties consent to the jurisdiction, venue and convenience of such courts.

15. **IRC 280G "Net Best".** Notwithstanding anything to the contrary in this Policy, to the extent that the payment and benefits to be provided under this Policy and any payments and benefits provided to any executive or for any executive's benefit under any other Company plan or agreement (collectively, the "Payments") would be subject to the excise tax (the "Excise Tax") imposed under Code Section 4999, the Payments shall be reduced to the extent necessary so that no portion thereof shall be subject to the Excise Tax, but only if, by reason of such reduction, the net after-tax benefit (taking all income, employment and excise taxes into account) received by the executive shall exceed the net after-tax benefit that would be received by the executive if no such reduction was made.

16. Miscellaneous.

(a) Governing Law. This Policy shall be governed by, subject to, and construed in accordance with the laws of Delaware without regard to conflict of law principles.

(b) Dispute Resolution. To the extent permitted by law, any dispute arising between any executive and the Company, including whether any provision of this Policy has been breached, shall be resolved through confidential mediation, or confidential binding arbitration in accordance with an Arbitration Agreement to be entered into in the form attached hereto as Exhibit D ("Arbitration Agreement"). Any such dispute shall initially be submitted for resolution to a neutral mediator, mutually selected by the parties. If you such dispute is not resolved to the satisfaction of the parties, or the parties cannot agree upon a mediator, then it shall be submitted for resolution in accordance with the Arbitration Agreement. The parties agree to keep confidential both the fact that any mediation/arbitration has or will take place between them, all facts related thereto, and any resolution thereunder. Any resolution reached via mediation or award of an arbitrator shall be final and binding on the parties.

(c) Indemnification Agreement. Executives shall enter into the Company's customary Indemnification Agreement for directors and officers in the form attached hereto as Exhibit E.

(d) Amendments. No amendment or modification of this Policy shall be deemed effective unless made in writing and signed by the parties hereto.

(e) No Waiver. No term or condition of this Policy shall be deemed to have been waived, except by a statement in writing signed by the party against whom enforcement of the waiver is sought. Any written waiver shall not be deemed a continuing waiver unless specifically stated, shall operate only as to the specific term or condition waived and shall not constitute a waiver of such term or condition for the future or as to any questions regarding act other than that specifically waived.

(f) Assignment. The Company may assign its rights and obligations under this Policy (i) to any entity with which the VIP, please contact your HR Business Partner. Company may merge or consolidate, or (ii) to any corporation or other person or business entity to which the Company may sell or transfer all or substantially all of its assets. After any assignment by the Company pursuant to this Section 16(f), the Company shall be discharged from all further liability hereunder and such assignee shall thereafter be deemed to be the "Company" for purposes of all terms and conditions of this Policy. In the meantime, we event of an executive's death, all amounts due to the executive (including under Section 12, subject in such event to the legal representative of the executive's estate satisfying the requirement of a full release of claims provided in Section 12(g) if the executive had not done so) shall be paid to the executive's estate or beneficiary, as the case may be.

(g) Deductions and Withholdings. Any amount payable to an executive pursuant to this Policy shall be subject to deductions and withholdings as required by applicable law.

(h) Severability. To the extent that any portion of any provision of this Policy shall be invalid or unenforceable, it shall be considered deleted herefrom and the remainder of such provision and of this Policy shall be unaffected and shall continue to look forward to your contributions towards Vertiv's future success. in full force and effect.

Thank you for all you do!

1 (i) Survival. The Compensation Committee may determine that Discretionary Allocation does not apply, terms and may limit the Individual Performance factor, for executive officers or otherwise.

2 Each year, the Compensation Committee may adopt different performance metrics, including but not limited to those conditions set forth in Sections 5(c), 8, 9, 10, 13, 14, 15 and 16 of this letter Policy, and any other provision that continues by its terms, shall survive the termination of an executive's employment for any reason.

(j) Captions and Headings. The captions and paragraph headings used in this Policy are for convenience of reference only and shall not affect the construction or interpretation of this Policy or any of the provisions hereof.

(k) Notices. Any notice required or permitted to be given under this Policy shall be sufficient if in writing and either delivered in person or sent by first class certified or registered mail,

postage prepaid, if to the Company, to Chief Human Resources Officer at the Company's principal place of business, and if to an executive, at the executive's home address most recently filed with the Company, or to such other address or addresses as either party shall have designated in writing to the other party hereto.

POLICY ACKNOWLEDGMENT AND RECEIPT

I have received a copy of the Executive Employment Policy, have read and been informed about the contents, requirements and expectations set forth therein, and agree to abide by the policy guidelines as a condition of my employment with the Company.

EXECUTIVE

By:

[Name]

Schedule 1

Title	Applicable Severance Factor	Applicable Continuation Period
Chief Executive Officer	1	12 months
Other Executives	1	12 months

Schedule - 1

Exhibit A

Forms of Award Agreement

A-1

Exhibit B

Form of Separation Agreement

B-1

Exhibit C

Change of Control Plan

C-1

Exhibit D

Form of Arbitration Agreement

D-1

Exhibit E

Form of Indemnification Agreement

E-1

EXHIBIT 10.2

**2020 STOCK INCENTIVE PLAN
OF VERTIV HOLDINGS CO AND ITS AFFILIATES**

**RESTRICTED STOCK UNIT AGREEMENT
FOR CERTAIN RECENTLY HIRED OR PROMOTED OFFICERS' LONG-TERM INCENTIVE (LTI) AWARD**

RESTRICTED STOCK UNIT AGREEMENT made in Columbus, Ohio, as of the following (whether "Grant Date", between Vertiv Holdings Co (the "Company") and the following employee ("Participant").

Participant:	<div></div>
Grant Date:	<div></div>
Vesting Start Date:	<div></div>
Number of Restricted Stock Units:	<div></div>

- 1. Grant of Award.** The Company has granted you these Restricted Stock Units, subject to the provisions of this Agreement and the 2020 Stock Incentive Plan of Vertiv Holdings Co and its Affiliates, as may be amended from time to time (the "Plan"). The Company will hold the Restricted Stock Units and Additional Restricted Stock Units (as defined in Section 2) in a bookkeeping account on your behalf until they become payable or are forfeited or cancelled.
- 2. Dividend Equivalents.** Except as otherwise determined by the Compensation Committee (the "Committee"), in its sole discretion, you will earn Dividend Equivalents in an amount equal to the value of any cash or stock dividends paid by the Company upon one Share of Common Stock for each unvested Restricted Stock Unit or Additional Restricted Stock Unit (as defined below) credited to your bookkeeping account on a dividend record date. In the case of cash dividends, the Company shall credit to your bookkeeping account, on each dividend payment date, an additional number of Restricted Stock Units ("Additional Restricted Stock Units") equal to (a) divided by (b), where (a) equals the total number of unvested Restricted Stock Units and Additional Restricted Stock Units, if any, subject to this Agreement on such date multiplied by the dollar amount of the cash dividend paid per Share of Common Stock on such date, and (b) equals the Fair Market Value of a Share on such date. If a dividend is paid to holders of Common Stock in Shares, the Company shall credit to you, on each dividend payment date, Additional Restricted Stock Units equal to the total number of unvested Restricted Stock Units and Additional Restricted Stock Units subject to this Agreement on such date multiplied by the Share dividend paid per Share of Common Stock on such date. Additional Restricted Stock Units are subject to the same restrictions, including but not limited to vesting, transferability and payment restrictions, that apply to the Restricted Stock Units to which they relate.
- 3. Payment Amount.** Each Restricted Stock Unit and Additional Restricted Stock Unit represents one (1) Share of Common Stock.
- 4. Vesting.** Except as otherwise provided herein, the Restricted Stock Units and Additional Restricted Stock Units will vest in cumulative installments of [] [annually] on each of the [] anniversaries of the Vesting Start Date (each such date, a "Vesting Date").
- 5. Form and Timing of Payment.** Vested Restricted Stock Units will be redeemed solely for Shares. Except as otherwise determined by the Company, in its sole discretion, vested Additional Restricted Stock Units will be redeemed solely for Shares. Except as otherwise provided in Section 7(b) below, payment of vested Restricted Stock Units and Additional Restricted Stock Units will be made as soon as practicable following the applicable vesting date but in no event later than thirty (30) days following the vesting date.

6. **Termination of Employment.** Except as otherwise provided in this Agreement, any Restricted Stock Units and Additional Restricted Stock Units that have not vested as of your Termination of Employment will immediately be forfeited, and your rights with respect to these Restricted Stock Units and Additional Restricted Stock Units will end.

7. **Retirement, Death or Disability.**

a. **Vesting.** If your Termination of Employment occurs due to death, or you incur a Disability before the vesting date described in Section 4 of this Agreement, all of your unvested Restricted Stock Units and Additional Restricted Stock Units will vest as of your Termination of Employment or Disability, as applicable. If you are deceased, the Company will make a payment to your estate only after the Company has determined that the payee is the duly appointed executor or administrator of your estate, subject to Section 7.14 of the Plan.

If your Termination of Employment occurs (other than for Cause) at a time when you (i) have attained age 65, and (ii) have ten (10) years of service with the Company ("Retirement"), and such Retirement occurs before the vesting date described in Section 4 of this Agreement, all Restricted Stock Units and Additional Restricted Stock Units that have not vested as of the date of the Retirement will vest on the scheduled dates specified in Section 4.

b. **Payment.** If your Termination of Employment occurs due to death, Retirement or you incur a Disability before the vesting date described in Section 4 of this Agreement, payment for vested Restricted Stock Units and Additional Restricted Stock Units will be made as soon as practicable, but in no event later than thirty (30) days following the vesting date.

8. **Company Policy.** To the extent you are subject to the terms of the Vertiv Holdings Co Executive Change of Control Policy, you will enjoy the benefits provided for under the applicable Policy.

9. **Withholdings; Delay for Specified Employees.** The Company shall be entitled to require a cash payment by or on your behalf in respect of any sums required or permitted by federal, state or local tax law to be withheld with respect to the vesting of the Restricted Stock Units; provided, that, notwithstanding the foregoing, the Committee may permit you to satisfy the applicable tax obligations in accordance with the terms of Section 7.2 of the Plan. If you are a "specified employee" (within the meaning of Section 409A(2)(B) of the Code) as of the date of your separation from service (as determined pursuant to Section 409A of the Code), any portion of the Restricted Stock Units subject to Section 409A of the Code payable to you as a result of your separation from service within six (6) months following your separation from service shall instead be paid on the first business day of the first calendar month that begins after the six-month anniversary of the date of the separation from service, or, if earlier, the date of your death.

10. **Transfer of Award.** You may not transfer the Restricted Stock Units, Additional Restricted Stock Units or any interest in such Units except by will or the laws of descent and distribution or except as permitted by the Committee and as specified in the Plan. Any other attempt to dispose of your interest will be null and void.

11. **Requirements for and Forfeiture of Award.**

a. **General.** The Award is expressly contingent upon you complying with the terms and conditions contained in any agreement that governs your noncompetition with the Company, your nonsolicitation of the Company's employees, customers, suppliers, business partners and vendors, and/or your conduct with respect to the Company's trade secrets and proprietary and confidential information (such agreement, the "Restrictive Covenant Agreement").

b. **Remedies.**

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1. You expressly agree and acknowledge that the forfeiture provisions of subsection 11.b.2. of this Agreement shall apply if you are found to violate the terms of your Restrictive Covenant Agreement.

2. In addition to the relief described in the Restrictive Covenant Agreement, if the Company determines, in its sole judgment, that you have violated the terms of such Restrictive Covenant Agreement, (i) any Restricted Stock Units and Additional Restricted Stock Units that have not vested under this Agreement shall immediately be cancelled, and you shall forfeit any rights you have with respect to such Units as of the date of the Company's determination, and (ii) you shall immediately deliver to the Company Shares equal in value to the Restricted Stock Units and Additional Restricted Stock Units you received during the period beginning twelve (12) months prior to your Termination of Employment and ending on the date of the Company's determination.
3. Notwithstanding anything in the Plan or this Agreement to the contrary, you acknowledge that the Company may be entitled or required by law, Company policy or the requirements of an exchange on which the Shares are listed for trading, to recoup compensation paid to you pursuant to the Plan, and you agree to comply with any Company request or demand for recoupment.

12. **Restrictions on Payment of Shares.** Payment of Shares for your Restricted Stock Units and Additional Restricted Stock Units is subject to the conditions that, to the extent required at the time of exercise, (i) the Shares underlying the Restricted Stock Units and Additional Restricted Stock Units will be duly listed, upon official notice of redemption, upon the New York Stock Exchange, and (ii) a Registration Statement under the Securities Act of 1933 with respect to the Shares will be effective. The Company will not be required to deliver any Common Stock until all applicable federal and state laws and regulations have been complied with and all legal matters in connection with the issuance and delivery of the Shares have been approved by counsel for the Company.

13. **Disposition of Securities.** By accepting the Award, you acknowledge that you have read and understand the Company's applicable policies regarding, and are aware of and understand your obligations under applicable securities laws in respect of, trading in the Company's securities. The Company will have the right to recover, or receive reimbursement for, any compensation or profit you realize on the disposition of Shares received for Restricted Stock Units or Additional Restricted Stock Units to the extent that the Company has a right of recovery or reimbursement under applicable securities laws.

14. **Limitations Applicable to Section 16 Persons.** Notwithstanding any other provision of the Plan or this Agreement, if Participant is subject to Section 16 of the Exchange Act, the Plan, this Agreement and the RSUs will be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3) that are requirements for the application of such exemptive rule. To the extent applicable laws permit, this Agreement will be deemed amended as necessary to conform to such applicable exemptive rule.

15. **Plan Terms Govern.** The vesting and redemption of Restricted Stock Units or Additional Restricted Stock Units, the disposition of any Shares received for Restricted Stock Units or Additional Restricted Stock Units, the treatment of gain on the disposition of these Shares, and the treatment of Dividend Equivalents are subject to the provisions of the Plan and any rules that the Committee may prescribe. The Plan document, as may be amended from time to time, is incorporated into this Agreement. Capitalized terms used in this Agreement have the meaning set forth in the Plan, unless otherwise stated in this Agreement. In the event of any conflict between the terms of the Plan and the terms of this Agreement, the Plan will control. By accepting the Award, you acknowledge that the Plan and the Plan prospectus, as in effect on the date of this Agreement, have been made available to you for your review.

16. **Personal Data.**

- a. By entering into this Agreement, and as a condition of the grant of the Restricted Stock Units, you expressly consent to the collection, use, and transfer of personal data as described in this Section to the full extent permitted by and in full compliance with applicable law.

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- b. You understand that your local employer holds, by means of an automated data file, certain personal information about you, including, but not limited to, name, home address and telephone number, date of birth, social insurance number, salary, nationality, job title, any shares or directorships held in the Company, details of all restricted units or other entitlement to shares awarded, canceled, exercised, vested, unvested, or outstanding in your favor, for the purpose of managing and administering the Plan ("Data").
- c. You further understand that part or all of your Data may be also held by the Company or its Affiliates, pursuant to a transfer made in the past with your consent, in respect of any previous grant of restricted units or awards, which was made for the same purposes of managing and administering of previous award/incentive plans, or for other purposes.

- d. You further understand that your local employer will transfer Data to the Company or its Affiliates among themselves as necessary for the purposes of implementation, administration, and management of your participation in the Plan, and that the Company or its Affiliates may transfer data among themselves, and/or each, in turn, further transfer Data to any third parties assisting the Company in the implementation, administration, and management of the Plan ("Data Recipients").
- e. You understand that the Company or its Affiliates, as well as the Data Recipients, are or may be located in your country of residence or elsewhere, such as the United States. You authorize the Company or its Affiliates, as well as the Data Recipients, to receive, possess, use, retain, and transfer Data in electronic or other form, for the purposes of implementing, administering, and managing your participation in the Plan, including any transfer of such Data, as may be required for the administration of the Plan and/or the subsequent holding of Shares on your behalf, to a broker or third party with whom the Shares may be deposited.
- f. You understand that you may show your opposition to the processing and transfer of your Data, and, may at any time, review the Data, request that any necessary amendments be made to it, or withdraw your consent herein in writing by contacting the Company. You further understand that withdrawing consent may affect your ability to participate in the Plan.

17. Discretionary Nature and Acceptance of Award. By accepting this Award, you agree to be bound by the terms of this Agreement and acknowledge that:

- a. The Company (and not your local employer) is granting your Restricted Stock Units. Furthermore, this Agreement is not derived from any preexisting labor relationship between you and the Company, but rather from a mercantile relationship.
- b. The Company may administer the Plan from outside your country of residence and United States law will govern all Restricted Stock Units granted under the Plan.
- c. Benefits and rights provided under the Plan are wholly discretionary and, although provided by the Company, do not constitute regular or periodic payments.
- d. The benefits and rights provided under the Plan are not to be considered part of your salary or compensation under your employment with your local employer for purposes of calculating any severance, resignation, redundancy or other end of service payments, vacation, bonuses, long-term service awards, indemnification, pension or retirement benefits, or any other payments, benefits or rights of any kind. You waive any and all rights to compensation or damages as a result of the termination of employment with your local employer for any reason whatsoever insofar as those rights result, or may result, from the loss or diminution in value of such rights under the Plan or your ceasing to have any rights under, or ceasing to be entitled to any rights under, the Plan as a result of such termination.
- e. The grant of Restricted Stock Units hereunder, and any future grant of Restricted Stock Units under the Plan, is entirely voluntary, and at the complete discretion of the Company. Neither the grant of the Restricted Stock Units, nor any future grant by the Company will be deemed to create any obligation to make any future grants, whether or not such a reservation is explicitly stated at the time of such a grant.

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The Company has the right, at any time and/or on an absolute annual basis, to amend, suspend or relative basis): net earnings (or loss) terminate the Plan; provided, however, that no such amendment, suspension, or net income (or loss); operating profit (or loss) or operating earnings (or loss); pretax earnings or income (or loss) before income taxes; earnings (or loss) per share (or adjusted); adjusted operating profit (or loss); operating profit as a % of sales; adjusted operating profit as a % of sales; share price, including growth measures and total stockholder return, and appreciation in and/or maintenance of the price of the shares of stock or any publicly traded securities of the Company; earnings (or losses), including earnings or losses before taxes, earnings (or losses) before interest and taxes (EBIT); earnings (or losses) before interest, taxes, and depreciation (EBITDA); bookings, orders, sales, or revenue, or growth in these measures, whether in general, by type of product or product line, by service, or by customer or type of customer; net income (or loss) before or after taxes and before or after allocation of corporate overhead and bonus; gross or operating margins; gross profit; return measures, including return on assets, capital, investment, equity, sales, or revenue; cash flow, including operating cash flow, free cash flow, cash flow return on equity, cash flow return on investment, and cash flow per share; productivity ratios; expense targets or improvement in or attainment of expense levels or cost reductions; market share; financial ratios; working capital targets; cash or equivalents; implementation, completion, or attainment of measurable objectives with respect to research, development, products, or projects, recruiting and maintaining personnel, and strategic or operational objectives; completion of acquisitions of businesses or companies; completion of divestitures and asset sales; and any combination of any of the foregoing business criteria and/or on a per share basis, termination will adversely affect your rights hereunder.

The maximum payout may be adjusted each year by the Compensation Committee. Further, the VIP may incorporate an Individual Performance Factor, which may result in an individual payout above or below the participant's annual target.

- f. The Plan will not be deemed to constitute, and will not be construed by you to constitute, part of the terms and conditions of employment. Neither the Company nor your local employer will incur any liability of any kind to you as a result of any change or amendment, or any cancellation, of the Plan at any time.
- g. Participation in the Plan will not be deemed to constitute, and will not be deemed by you to constitute, an employment or labor relationship of any kind with the Company.

- 18. **Limitations.** Nothing in this Agreement or the Plan gives you any independent right to continue in the employ of the Company or any of its Affiliates or to interfere in any way with the right of the Company or any Affiliate to terminate your employment at any time. Payment of your Restricted Stock Units and Additional Restricted Stock Units is not secured by a trust, insurance contract or other funding medium, and you do not have any interest in any fund or specific asset of the Company by reason of this Award or the account established on your behalf. You have no rights as a shareowner of the Company pursuant to the Restricted Stock Units or Additional Restricted Stock Units until Shares are actually delivered to you.
- 19. **Incorporation of Other Agreements.** This Agreement and the Plan constitute the entire understanding between you and the Company regarding the Restricted Stock Units. This Agreement supersedes any prior agreements, commitments or negotiations concerning the Restricted Stock Units and the Additional Restricted Stock Units.
- 20. **Severability.** The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of the other provisions of the Agreement, which will remain in full force and effect. Moreover, if any provision is found to be excessively broad in duration, scope or covered activity, the provision will be construed so as to be enforceable to the maximum extent compatible with applicable law.
- 21. **Governing Law.** The Plan, this Agreement, and all determinations made and actions taken under the Plan or this Agreement shall be governed by the internal substantive laws, and not the choice of law rules, of the State of Delaware and construed accordingly, to the extent not superseded by applicable federal law.
- 22. **Agreement Changes.** The Company reserves the right to change the terms of this Agreement and the Plan without your consent to the extent necessary or desirable to comply with the requirements of Code section 409A, the Treasury regulations and other guidance thereunder.
- 23. **Acknowledgements and Acceptance.** By accepting this Agreement, you agree that: (i) you have carefully read, fully understand and agree to all of the terms and conditions described in this Agreement, the Plan, the Plan's prospectus and all accompanying documentation; and (ii) you understand and agree that this Agreement and the Plan constitute the entire understanding between you and the Company regarding the Award, and that any prior agreements, commitments, or negotiations concerning the Award are replaced and superseded.

Participant: _____

Company: _____

Signature: _____

Signature: _____

Date: _____

Date: _____

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EXHIBIT 31.1

CERTIFICATION PURSUANT TO
SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Giordano Albertazzi, certify that:

- 1. I have reviewed this Quarterly Report on Form 10-Q of Vertiv Holdings Co;
- 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 2, 2023 October 27, 2023

/s/ Giordano Albertazzi

Name: Giordano Albertazzi

Title: Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION PURSUANT TO
SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, David Fallon, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Vertiv Holdings Co;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

- (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
- (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 2, 2023 October 27, 2023

/s/ David Fallon

Name: David Fallon

Title: Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Vertiv Holdings Co (the "Company") on Form 10-Q for the quarterly period ended June 30, 2023 September 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Giordano Albertazzi, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 2, 2023 October 27, 2023

/s/ Giordano Albertazzi

Name: Giordano Albertazzi

Title: Chief Executive Officer

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Vertiv Holdings Co (the "Company") on Form 10-Q for the quarterly period ended June 30, 2023 September 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David Fallon, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350,

as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: ~~August 2, 2023~~ October 27, 2023

/s/ David Fallon

Name: David Fallon

Title: Chief Financial Officer

DISCLAIMER

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