

REFINITIV

# DELTA REPORT

## 10-Q

PENTAIR PLC

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	966
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 CHANGES	219
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 DELETIONS	415
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 ADDITIONS	332
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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 **September 30, 2023** **March 31, 2024**

OR

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

Commission file number: **001-11625**

 Pentair\_Logo\_Color\_RGB.jpg

**Pentair plc**

(Exact name of Registrant registrant as specified in its charter)

**Ireland**

**98-1141328**

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

**Regal House, 70 London Road,**

**Twickenham,**

**London,**

**TW13QS**

**United Kingdom**

(Address of principal executive offices)

Registrant's telephone number, including area code: **44-74-9421-6154**

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Ordinary Shares, nominal value \$0.01 per share	PNR	New York Stock Exchange

Indicate by check mark whether the Registrant 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 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 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 ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

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 registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

On **September 30, 2023** **March 31, 2024**, **165,298,959** **166,024,623** shares of Registrant's registrant's common stock were outstanding.

**Pentair plc and Subsidiaries**

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**PART I FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS**

Pentair plc and Subsidiaries								
Condensed Consolidated Statements of Operations and Comprehensive Income (Unaudited)								
		Three months ended		Nine months ended				
		Three months ended		Three months ended				
		Three months ended						
<i>In millions, except per-share data</i>	<i>In millions, except per-share data</i>	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	<i>In millions, except per-share data</i>	March 31, 2024	March 31, 2023
Net sales	Net sales	\$ 1,008.8	\$ 1,055.1	\$ 3,119.9	\$ 3,118.9			
Cost of goods sold	Cost of goods sold	637.0	707.0	1,966.8	2,079.1			
Gross profit	Gross profit	371.8	348.1	1,153.1	1,039.8			
Selling, general and administrative expenses	Selling, general and administrative expenses	166.2	177.3	504.6	487.0			
Research and development expenses	Research and development expenses	25.5	23.7	76.3	69.1			
Operating income	Operating income	180.1	147.1	572.2	483.7			
Other (income) expense								

Operating income					
Operating income					
Other expense					
Gain on sale of businesses		—	(0.2)	—	(0.2)
Net interest expense	Net interest expense	27.5	19.3	91.7	34.2
Other (income) expense		(0.3)	0.3	(4.4)	0.5
Net interest expense					
Net interest expense					
Other expense					
Income from continuing operations before income taxes	Income from continuing operations before income taxes	152.9	127.7	484.9	449.2
Provision for income taxes	Provision for income taxes	20.8	12.3	70.1	62.3
Net income from continuing operations	Net income from continuing operations	132.1	115.4	414.8	386.9
Loss from discontinued operations, net of tax		—	—	(0.1)	(1.0)
(Loss) income from discontinued operations, net of tax					
Net income					
Net income					
Net income	Net income	\$ 132.1	\$ 115.4	\$ 414.7	\$ 385.9
Comprehensive income, net of tax	Comprehensive income, net of tax				
Comprehensive income, net of tax					
Comprehensive income, net of tax					
Net income					
Net income					
Net income	Net income	\$ 132.1	\$ 115.4	\$ 414.7	\$ 385.9
Changes in cumulative translation adjustment	Changes in cumulative translation adjustment	(24.0)	(59.0)	(14.1)	(113.2)
Changes in market value of derivative financial instruments, net of tax	Changes in market value of derivative financial instruments, net of tax	18.5	45.5	11.0	83.5

Changes in market value of derivative financial instruments, net of tax						
Changes in market value of derivative financial instruments, net of tax						
Comprehensive income	Comprehensive income	\$	126.6	\$	101.9	\$ 411.6 \$ 356.2
Earnings (loss) per ordinary share						
Earnings per ordinary share						
Basic	Basic					
Basic						
Basic						
Continuing operations						
Continuing operations						
Continuing operations	Continuing operations	\$	0.80	\$ 0.70	\$ 2.51	\$ 2.35
Discontinued operations	Discontinued operations		—	—	—	(0.01)
Basic earnings per ordinary share	Basic earnings per ordinary share	\$	0.80	\$ 0.70	\$ 2.51	\$ 2.34
Diluted	Diluted					
Continuing operations	Continuing operations	\$	0.79	\$ 0.70	\$ 2.50	\$ 2.33
Continuing operations						
Continuing operations						
Discontinued operations	Discontinued operations		—	—	—	(0.01)
Diluted earnings per ordinary share	Diluted earnings per ordinary share	\$	0.79	\$ 0.70	\$ 2.50	\$ 2.32
Weighted average ordinary shares outstanding						
Basic	Basic		165.2	164.5	165.0	164.8
Basic						
Basic						
Diluted	Diluted		166.6	165.2	166.2	165.8

See accompanying notes to condensed consolidated financial statements.

		September December		Pentair plc and Subsidiaries		
				Condensed Consolidated Balance Sheets (Unaudited)		
		30, 2023	31, 2022	March 31, 2024	Assets	December 31, 2023
In millions, except per-share data						
<b>Current assets</b>	<b>Current assets</b>					

assets	assets		
Cash and cash equivalents	Cash and cash equivalents	\$ 137.0	\$ 108.9
Accounts receivable, net of allowances of \$10.7 and \$10.8, respectively		507.0	531.5
Cash and cash equivalents			
Cash and cash equivalents			
Accounts receivable, net of allowances of \$12.0 and \$11.2, respectively			
Inventories	Inventories	712.6	790.0
Other current assets	Other current assets	142.8	128.1
Total current assets	Total current assets	1,499.4	1,558.5
Total current assets			
Total current assets			
Property, plant and equipment, net	Property, plant and equipment, net	350.5	344.5
Other assets	Other assets		
Goodwill			
Goodwill			
Goodwill	Goodwill	3,242.5	3,252.6
Intangibles, net	Intangibles, net	1,051.7	1,094.6
Other non-current assets	Other non-current assets	266.9	197.3
Total other assets			
Total other assets			
Total other assets	Total other assets	4,561.1	4,544.5
Total assets	Total assets	\$ 6,411.0	\$ 6,447.5

#### Liabilities and Equity

Current liabilities	Current liabilities		
Accounts payable	Accounts payable	\$ 286.1	\$ 355.0
Accounts payable			
Accounts payable			
Employee compensation and benefits	Employee compensation and benefits	117.5	106.0
Other current liabilities	Other current liabilities	598.3	602.1
Total current liabilities	Total current liabilities	1,001.9	1,063.1
Total current liabilities			

Total current liabilities			
Other liabilities	Other liabilities		
Long-term debt			
Long-term debt			
Long-term debt	Long-term debt	1,993.6	2,317.3
Pension and other post-retirement compensation and benefits	Pension and other post-retirement compensation and benefits	68.9	70.8
Deferred tax liabilities	Deferred tax liabilities	40.9	43.3
Other non-current liabilities	Other non-current liabilities	264.8	244.9
Total liabilities	Total liabilities	3,370.1	3,739.4
Commitments and contingencies (Note 16)			
Total liabilities			
Total liabilities			
Commitments and contingencies (Note 15)			
Equity	Equity		
Ordinary shares \$0.01 par value, 426.0 authorized, 165.3 and 164.5 issued at September 30, 2023 and December 31, 2022, respectively		1.7	1.7
Equity			
Equity			
Ordinary shares \$0.01 par value, 426.0 authorized, 166.0 and 165.3 issued at March 31, 2024 and December 31, 2023, respectively			
Ordinary shares \$0.01 par value, 426.0 authorized, 166.0 and 165.3 issued at March 31, 2024 and December 31, 2023, respectively			
Ordinary shares \$0.01 par value, 426.0 authorized, 166.0 and 165.3 issued at March 31, 2024 and December 31, 2023, respectively			
Additional paid-in capital			
Additional paid-in capital			
Additional paid-in capital	Additional paid-in capital	1,585.2	1,554.9

paid-in capital	paid-in capital		
Retained earnings	Retained earnings	1,696.1	1,390.5
Accumulated other comprehensive loss	Accumulated other comprehensive loss	(242.1)	(239.0)
<b>Total equity</b>	<b>Total equity</b>	<b>3,040.9</b>	<b>2,708.1</b>
<b>Total liabilities and equity</b>	<b>Total liabilities and equity</b>	<b>\$ 6,411.0</b>	<b>\$ 6,447.5</b>

See accompanying notes to condensed consolidated financial statements.

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

		Nine months ended			Three months ended	
		September 30, 2023	September 30, 2022		March 31, 2024	March 31, 2023
<i>In millions</i>	<i>In millions</i>			<i>In millions</i>		
<b>Operating activities</b>	<b>Operating activities</b>					
Net income	Net income	\$ 414.7	\$ 385.9			
Loss from discontinued operations, net of tax		0.1	1.0			
Net income						
Net income						
Loss (income) from discontinued operations, net of tax						
<b>Adjustments to reconcile net income from continuing operations to net cash provided by (used for) operating activities</b>	<b>Adjustments to reconcile net income from continuing operations to net cash provided by (used for) operating activities</b>					
Adjustments to reconcile net income from continuing operations to net cash provided by (used for) operating activities						



Equity income of unconsolidated subsidiaries			
Equity income of unconsolidated subsidiaries			
Equity income of unconsolidated subsidiaries	Equity income of unconsolidated subsidiaries	(2.1)	(1.2)
Depreciation	Depreciation	44.3	39.9
Amortization	Amortization	41.5	31.4
Deferred income taxes	Deferred income taxes	(45.0)	(37.5)
Gain on sale of businesses		—	(0.2)
Share-based compensation			
Share-based compensation			
Share-based compensation	Share-based compensation	21.3	20.6
Asset impairment and write-offs	Asset impairment and write-offs	6.2	—
Amortization of bridge financing fees		—	9.0
Gain on sale of assets		(3.4)	(2.3)
Changes in assets and liabilities, net of effects of business acquisitions	Changes in assets and liabilities, net of effects of business acquisitions		
Changes in assets and liabilities, net of effects of business acquisitions			
Changes in assets and liabilities, net of effects of business acquisitions			
Accounts receivable			
Accounts receivable			
Accounts receivable	Accounts receivable	23.9	24.3
Inventories	Inventories	67.8	(170.6)
Other current assets	Other current assets	(14.7)	(27.1)
Accounts payable	Accounts payable	(63.8)	(36.7)
Employee compensation and benefits	Employee compensation and benefits	11.7	(34.9)
Other current liabilities	Other current liabilities	(0.2)	79.8
Other non-current assets and liabilities	Other non-current assets and liabilities	—	(9.9)

Net cash provided by operating activities of continuing operations		502.3	271.5
Net cash used for operating activities of continuing operations			
Net cash used for operating activities of discontinued operations	Net cash used for operating activities of discontinued operations	(1.6)	(1.0)
Net cash provided by operating activities		500.7	270.5
Net cash used for operating activities			
<b>Investing activities</b>	<b>Investing activities</b>		
Capital expenditures	Capital expenditures	(54.8)	(63.2)
Capital expenditures			
Capital expenditures			
Proceeds from sale of property and equipment	Proceeds from sale of property and equipment	5.4	3.0
Settlement of net investment hedges		—	8.8
Acquisitions, net of cash acquired	Acquisitions, net of cash acquired	(0.6)	(1,592.8)
Other		4.1	0.3
Acquisitions, net of cash acquired			
Acquisitions, net of cash acquired			
Net cash used for investing activities			
Net cash used for investing activities			
Net cash used for investing activities	Net cash used for investing activities	(45.9)	(1,643.9)
<b>Financing activities</b>	<b>Financing activities</b>		
Net (repayments) borrowings of revolving long-term debt		(320.0)	256.1
Proceeds from long-term debt		—	1,391.3
Net borrowings of revolving long-term debt			
Net borrowings of revolving long-term debt			

Net borrowings of revolving long-term debt			
Repayments of long-term debt	Repayments of long-term debt	(6.3)	(88.3)
Debt issuance costs		—	(15.7)
Repayments of long-term debt			
Repayments of long-term debt			
Shares issued to employees, net of shares withheld	Shares issued to employees, net of shares withheld	9.0	(4.0)
Repurchases of ordinary shares		—	(50.0)
Shares issued to employees, net of shares withheld			
Shares issued to employees, net of shares withheld			
Dividends paid	Dividends paid	(108.9)	(104.1)
Receipts upon the maturity of cross currency swaps		—	0.2
Dividends paid			
Dividends paid			
	Net cash (used for) provided by financing activities	(426.2)	1,385.5
Net cash provided by financing activities			
Net cash provided by financing activities			
Net cash provided by financing activities			
Effect of exchange rate changes on cash and cash equivalents			
Effect of exchange rate changes on cash and cash equivalents			
Effect of exchange rate changes on cash and cash equivalents	Effect of exchange rate changes on cash and cash equivalents	(0.5)	12.2
Change in cash and cash equivalents	Change in cash and cash equivalents	28.1	24.3
Cash and cash equivalents, beginning of period	Cash and cash equivalents, beginning of period	108.9	94.5
Cash and cash equivalents, end of period	Cash and cash equivalents, end of period	\$ 137.0	\$ 118.8

See accompanying notes to condensed consolidated financial statements.

Pentair plc and Subsidiaries

**Condensed Consolidated Statements of Changes in Equity (Unaudited)**

In millions	In millions	Ordinary shares		Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss		Total	Total
		Number	Amount						
<b>Balance - December 31, 2022</b>		164.5	\$ 1.7	\$ 1,554.9	\$ 1,390.5	\$ (239.0)	\$ 2,708.1		<b>Total</b>
In millions	In millions	Ordinary shares		Additional paid-in capital	Retained earnings	Accumulated other comprehensive (loss) income		Total	Total
		Number	Amount						
<b>Balance - December 31, 2023</b>									
<b>Balance - December 31, 2023</b>									
<b>Balance - December 31, 2023</b>									
Net income	Net income	—	—	—	129.7	—	129.7		
Other comprehensive income, net of tax	Other comprehensive income, net of tax	—	—	—	—	4.9	4.9		
Dividends declared, \$0.22 per share	Dividends declared, \$0.22 per share	—	—	—	(36.3)	—	(36.3)		
Dividends declared, \$0.23 per share	Dividends declared, \$0.23 per share								
Exercise of options, net of shares tendered for payment	Exercise of options, net of shares tendered for payment								
Exercise of options, net of shares tendered for payment	Exercise of options, net of shares tendered for payment								
Exercise of options, net of shares tendered for payment	Exercise of options, net of shares tendered for payment	0.1	—	2.5	—	—	2.5		
Issuance of restricted shares, net of cancellations	Issuance of restricted shares, net of cancellations	0.5	—	(2.3)	—	—	(2.3)		
Shares surrendered by employees to pay taxes	Shares surrendered by employees to pay taxes	(0.1)	—	(4.3)	—	—	(4.3)		
Share-based compensation	Share-based compensation	—	—	7.2	—	—	7.2		
<b>Balance - March 31, 2023</b>		165.0	\$ 1.7	\$ 1,558.0	\$ 1,483.9	\$ (234.1)	\$ 2,809.5		
Net income	Net income	—	—	—	152.9	—	152.9		
Other comprehensive loss, net of tax	Other comprehensive loss, net of tax	—	—	—	—	(2.5)	(2.5)		
Dividends declared, \$0.22 per share	Dividends declared, \$0.22 per share	—	—	—	(36.4)	—	(36.4)		
<b>Balance - March 31, 2024</b>									
Exercise of options, net of shares tendered for payment	Exercise of options, net of shares tendered for payment	0.1	—	6.3	—	—	6.3		
Shares surrendered by employees to pay taxes	Shares surrendered by employees to pay taxes	—	—	(1.4)	—	—	(1.4)		

Share-based compensation	—	—	6.9	—	—	6.9
<b>Balance - June 30, 2023</b>	165.1	\$ 1.7	\$ 1,569.8	\$1,600.4	\$ (236.6)	\$2,935.3
Net income	—	—	—	132.1	—	132.1
Other comprehensive loss, net of tax	—	—	—	—	(5.5)	(5.5)
Dividends declared, \$0.22 per share	—	—	—	(36.4)	—	(36.4)
Exercise of options, net of shares tendered for payment	0.2	—	8.4	—	—	8.4
Shares surrendered by employees to pay taxes	—	—	(0.2)	—	—	(0.2)
Share-based compensation	—	—	7.2	—	—	7.2
<b>Balance - September 30, 2023</b>	165.3	\$ 1.7	\$ 1,585.2	\$1,696.1	\$ (242.1)	\$3,040.9

In millions	In millions	Ordinary shares		Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss		Total	In millions	Ordinary shares		Additional paid-in capital	Retained earnings	Accumulated other comprehensive (loss) income		Total
		Number	Amount							Number	Amount					
<b>Balance - December 31, 2021</b>		165.1	\$	1.7	\$ 1,582.7	\$1,051.4	\$	(213.9)	\$2,421.9							
<b>Balance - December 31, 2022</b>																
Net income	Net income	—	—	—	117.6	—	—	117.6								
Other comprehensive loss, net of tax		—	—	—	—	—	(0.8)	(0.8)								
Dividends declared, \$0.21 per share		—	—	—	(36.4)	—	—	(36.4)								
Other comprehensive income, net of tax																
Other comprehensive income, net of tax																
Other comprehensive income, net of tax																
Dividends declared, \$0.22 per share																
Exercise of options, net of shares tendered for payment																
Exercise of options, net of shares tendered for payment																
Exercise of options, net of shares tendered for payment	Exercise of options, net of shares tendered for payment	—	—	0.5	—	—	—	0.5								

Issuance of restricted shares, net of cancellations	Issuance of restricted shares, net of cancellations	0.4	—	(2.2)	—	—	(2.2)
Shares surrendered by employees to pay taxes	Shares surrendered by employees to pay taxes	(0.1)	—	(3.6)	—	—	(3.6)
Share-based compensation	Share-based compensation	—	—	6.9	—	—	6.9
<b>Balance - March 31, 2022</b>		165.4	\$ 1.7	\$ 1,584.3	\$ 1,132.6	\$ (214.7)	\$ 2,503.9
Net income		—	—	—	152.9	—	152.9
Other comprehensive loss, net of tax		—	—	—	—	(15.4)	(15.4)
Dividends declared, \$0.21 per share		—	—	—	(34.6)	—	(34.6)
Share repurchases		(0.9)	—	(50.0)	—	—	(50.0)
Exercise of options, net of shares tendered for payment		—	—	0.2	—	—	0.2
Shares surrendered by employees to pay taxes		—	—	(0.3)	—	—	(0.3)
Share-based compensation		—	—	6.3	—	—	6.3
<b>Balance - June 30, 2022</b>		164.5	\$ 1.7	\$ 1,540.5	\$ 1,250.9	\$ (230.1)	\$ 2,563.0
Net income		—	—	—	115.4	—	115.4
Other comprehensive loss, net of tax		—	—	—	—	(13.5)	(13.5)
Dividends declared, \$0.21 per share		—	—	—	(34.5)	—	(34.5)
Exercise of options, net of shares tendered for payment		—	—	1.4	—	—	1.4
<b>Balance - March 31, 2023</b>							
Share-based compensation		—	—	7.4	—	—	7.4
<b>Balance - September 30, 2022</b>		164.5	\$ 1.7	\$ 1,549.3	\$ 1,331.8	\$ (243.6)	\$ 2,639.2

See accompanying notes to condensed consolidated financial statements.

#### Pentair plc and Subsidiaries

#### Notes to condensed consolidated financial statements (unaudited)

#### 1. Basis of Presentation and Responsibility for Interim Financial Statements

The accompanying unaudited condensed consolidated financial statements of Pentair plc and its subsidiaries ("we," "us," "our," "Pentair," or the "Company") have been prepared following the requirements of the United States ("U.S.") Securities and Exchange Commission for interim reporting. As permitted under those rules, certain footnotes or other financial information that are normally required by accounting principles generally accepted in the United States of America ("GAAP") can be condensed or omitted.

We are responsible for the unaudited condensed consolidated financial statements included in this document. The financial statements include all normal recurring adjustments that are considered necessary for the fair presentation of our financial position and operating results. As these are condensed financial statements, one should also read our consolidated financial statements and notes thereto, which are included in our Annual Report on Form 10-K for the year ended **December 31, 2022** **December 31, 2023**.

Revenues, expenses, cash flows, assets and liabilities can and do vary during each quarter of the year. Therefore, the results and trends in these interim financial statements may not be indicative of those for a full year.

Our fiscal year ends on December 31. We report our interim quarterly periods on a calendar quarter basis.

#### Recent U.S. Securities and Exchange Commission ("SEC") final rules

In March 2024, the SEC issued the final rules under SEC Release No. 33-11275, The Enhancement and Standardization of Climate-Related Disclosures for Investors. In April 2024, the SEC voluntarily stayed the new rules as a result of pending legal challenges. These rules, if adopted, will require registrants to disclose certain climate-related information, including Scope 1 and Scope 2 greenhouse gas emissions and other climate-related topics, in registration statements and annual reports, when material. Disclosure requirements, absent the results of pending legal challenges, will begin phasing in with our annual reporting for the year ending December 31, 2025. We are currently evaluating the impact the rules will have on our disclosures.

## 2. Revenue

We disaggregate our revenue from contracts with customers by segment, geographic location and vertical market, as we believe these best depict how the nature, amount, timing and uncertainty of our revenue and cash flows are affected by economic factors. Refer to Note **15** **14** for revenue disaggregated by segment.

Geographic net sales information, based on geographic destination of the sale, was as follows:

		Three months ended		Nine months ended			
		Three months ended		Three months ended		Three months ended	
		September		September		September	
		30,		30,		30,	
		2023		2022		2023	
In millions	In millions					In millions	
U.S.	U.S.	\$ 696.6	\$ 752.1	\$ 2,170.0	\$ 2,215.1		
Western	Western						
Europe	Europe	114.7	97.9	362.0	331.7		
Developing	Developing						
(1)	(1)	142.8	140.3	406.4	378.3		
Other	Other						
Developed (2)	Developed (2)	54.7	64.8	181.5	193.8		
Consolidated	Consolidated						
net sales	net sales	\$ 1,008.8	\$ 1,055.1	\$ 3,119.9	\$ 3,118.9		

(1) Developing includes China, Eastern Europe, Latin America, the Middle East and Southeast Asia.

(1) Developing includes China, Eastern Europe, Latin America, the Middle East and Southeast Asia.

(1) Developing includes China, Eastern Europe, Latin America, the Middle East and Southeast Asia.

(2) Other Developed includes Australia, Canada and Japan.

(2) Other Developed includes Australia, Canada and Japan.

(2) Other Developed includes Australia, Canada and Japan.

Vertical market net sales information was as follows:

		Three months ended		Nine months ended	
		Three months ended		Three months ended	
		Three months ended		Three months ended	

		September						
		30,	30,	30,	30,		March 31,	March 31,
In millions	In millions	2023	2022	2023	2022	In millions	2024	2023
Residential	Residential	\$ 513.1	\$ 637.0	\$ 1,615.5	\$ 2,050.1			
Commercial	Commercial	295.2	241.7	913.3	553.3			
Industrial	Industrial	200.5	176.4	591.1	515.5			
Consolidated net sales	Consolidated net sales	\$ 1,008.8	\$ 1,055.1	\$ 3,119.9	\$ 3,118.9			

#### Pentair plc and Subsidiaries

#### Notes to condensed consolidated financial statements (unaudited)

#### Performance obligations

On September 30, 2023 As of March 31, 2024, we had \$122.4 million \$103.8 million of remaining performance obligations on contracts with an original expected duration of one year or more. We expect to recognize the majority of our remaining performance obligations on these contracts within the next 12 to 18 months.

#### Pentair plc and Subsidiaries

#### Notes to condensed consolidated financial statements (unaudited)

#### Contract assets and liabilities

Contract assets and liabilities consisted of the following:

		September											
		30,	31,	\$	%		March 31,	December 31,					
In millions	In millions	2023	2022	Change	Change	In millions	2024	2023	\$ Change	% Change			
Contract assets	Contract assets	\$ 65.6	\$ 48.4	\$ 17.2	35.5 %	Contract assets	\$ 69.9	\$ 70.8	\$ (0.9)	(1.3)	(1.3)	%	
Contract liabilities	Contract liabilities	60.8	58.1	2.7	4.6 %	Contract liabilities	46.8	53.7	(6.9)	(6.9)	(12.8)	(12.8) %	
Net contract assets (liabilities)		\$ 4.8	\$ (9.7)	\$ 14.5	(149.5) %								
Net contract assets						Net contract assets	\$ 23.1	\$ 17.1	\$ 6.0	35.1	%		

The \$14.5 million \$6.0 million increase in net contract assets from December 31, 2022 December 31, 2023 to September 30, 2023 March 31, 2024 was primarily the result of timing of milestone payments. Approximately 85% 60% of our contract liabilities at December 31, 2022 December 31, 2023 were recognized in revenue in the first nine months quarter of 2023, 2024.

### 3. Acquisitions

In July 2022, as part of our Water Solutions reporting segment, we acquired the issued and outstanding equity securities of certain subsidiaries of Welbilt, Inc. ("Welbilt") and certain other assets, rights, and properties, and assumed certain liabilities, comprising Welbilt's Manitowoc Ice business ("Manitowoc Ice"), for approximately \$1.6 billion in cash.

Manitowoc Ice is a designer, manufacturer and distributor of commercial ice machines. The acquisition of Manitowoc Ice allows us to enhance and deliver our total water management offerings to an expanded network of channel partners and customers.

The purchase price has been allocated based on the fair value of assets acquired and liabilities assumed at the date of the Manitowoc Ice acquisition. The purchase price allocation was completed in the third quarter of 2023.

The following table summarizes the fair values of the assets acquired and liabilities assumed in the Manitowoc Ice acquisition as previously reported as of December 31, 2022 and revised as of September 30, 2023:

In millions	As Previously Reported	As Revised
Cash	\$ 33.8	\$ 33.8
Accounts receivable	36.7	36.7



Inventories		66.5	66.7
Other current assets		3.9	3.9
Property, plant and equipment		21.6	21.6
Identifiable intangible assets		728.3	728.3
Goodwill		790.5	789.7
Other assets		1.8	0.7
Current liabilities		(66.5)	(62.7)
Other liabilities		(3.3)	(4.8)
Purchase price	\$	1,613.3	\$ 1,613.9

#### Pentair plc and Subsidiaries

#### Notes to condensed consolidated financial statements (unaudited)

The excess of purchase price over tangible net assets and identified intangible assets acquired has been allocated to goodwill in the amount of \$789.7 million, all of which is expected to be deductible for income tax purposes. Goodwill recognized from the Manitowoc Ice acquisition primarily reflects the future economic benefit resulting from synergies of our combined operations.

Identifiable intangible assets acquired as part of the Manitowoc Ice acquisition include \$78.4 million of indefinite-lived trade name intangible assets, \$588.4 million of definite-lived customer relationships with a weighted-average estimated useful life of 20 years, \$47.1 million of definite-lived proprietary technology intangible assets with a weighted-average estimated useful life of 10 years and \$14.4 million of other definite-lived intangible assets with a weighted-average estimated useful life of four months. The fair values of trade names and proprietary technology acquired in the acquisition were determined using a relief-from-royalty method, and customer relationships and other definite-lived intangible assets acquired were determined using a multi-period excess earnings method. These methods utilize unobservable inputs that are significant to these fair value measurements and thus classified as Level 3 of the fair value hierarchy described in Note 11.

The following table presents unaudited pro forma financial information as if the Manitowoc Ice acquisition had occurred on January 1, 2021:

In millions, except per share data	Three months ended		Nine months ended	
	September 30, 2022		September 30, 2022	
Pro forma net sales	\$	1,084.6	\$	3,325.7
Pro forma net income from continuing operations		131.9		417.8
<b>Pro forma earnings per ordinary share - continuing operations</b>				
Basic	\$	0.80	\$	2.53
Diluted		0.80		2.52

The unaudited pro forma net income from continuing operations includes Manitowoc Ice's identifiable intangible asset amortization expense of \$8.5 million for the three months ended September 30, 2022, and \$25.6 million for the nine months ended September 30, 2022. The unaudited pro forma net income from continuing operations for the three and nine months ended September 30, 2022 excludes the impact of \$18.8 million and \$34.2 million, respectively, of transaction-related charges, acquisition-related bridge financing costs and non-recurring expense related to the fair value adjustment to acquisition-date inventory.

The pro forma condensed consolidated financial information has been prepared for comparative purposes only and includes certain adjustments, as noted above. The adjustments are estimates based on currently available information and actual amounts may differ materially from these estimates. They do not reflect the effect of costs or synergies that would have been expected to result from the integration of the Manitowoc Ice acquisition. The pro forma information does not purport to be indicative of the results of operations that actually would have resulted had the Manitowoc Ice acquisition occurred on January 1, 2021.

#### Pentair plc and Subsidiaries

#### Notes to condensed consolidated financial statements (unaudited)

#### 4. Share Plans

Total share-based compensation expense for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 was as follows:

	Three months ended	Nine months ended
Three months ended		
Three months ended		
Three months ended		

		September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022		March 31, 2024	March 31, 2023
In millions	In millions					In millions		
Restricted stock units	Restricted stock units	\$ 3.9	\$ 4.1	\$ 11.3	\$ 11.0			
Stock options	Stock options	1.1	1.1	3.2	3.0			
Performance share units	Performance share units	2.2	2.2	6.8	6.6			
Total share-based compensation expense	Total share-based compensation expense	\$ 7.2	\$ 7.4	\$ 21.3	\$ 20.6			

In the first quarter of 2023, 2024, we issued our annual share-based compensation grants under the Pentair plc 2020 Share and Incentive Plan to eligible employees. The total number of awards issued was approximately 0.9 million 0.5 million, of which 0.3 million 0.2 million were restricted stock units ("RSUs"), 0.4 million 0.2 million were stock options and 0.2 million 0.1 million were performance share units ("PSUs"). The weighted-average grant date fair value of the RSUs, stock options and PSUs issued was \$51.11, \$14.03, \$75.70, \$25.10 and \$46.39, \$71.83, respectively.

We estimated the fair value of each stock option award issued in the annual share-based compensation grant using a Black-Scholes option pricing model, modified for dividends and using the following assumptions:

	2023	2024
	Annual Grant	
Risk-free interest rate	4.00	4.44 %
Expected dividend yield	2.02	1.43 %
Expected share price volatility	30.40	30.90 %
Expected term (years)	6.1	6.5

These estimates require us to make assumptions based on historical results, observance of trends in our share price, changes in option exercise behavior, future expectations and other relevant factors. If other assumptions had been used, share-based compensation expense, as calculated and recorded under the accounting guidance, could have been affected. We based the expected life assumption on historical experience as well as the terms and vesting periods of the options granted. For purposes of determining expected share price volatility, we considered a rolling average of historical volatility measured over a period approximately equal to the expected option term. The risk-free interest rate for periods that coincide with the expected life of the options is based on the U.S. Treasury Department yield curve in effect at the time of grant.

## 5.

### Pentair plc and Subsidiaries

#### Notes to condensed consolidated financial statements (unaudited)

## 4. Restructuring and Transformation Program

In 2021, we launched and committed resources to a program designed to accelerate growth and drive margin expansion through transformation of our business model to drive operational excellence, reduce complexity and streamline our processes (the "Transformation Program"). The Transformation Program is structured in multiple phases and is expected to empower us to work more efficiently and optimize our business to better serve our customers while meeting our financial objectives.

During the nine three months ended September 30, 2023 March 31, 2024, we initiated and continued execution of our Transformation Program as well as certain business restructuring initiatives aimed at reducing our fixed cost structure and realigning our business. In addition, we have continued to execute certain initiatives associated with the Restructuring and Transformation Program. These Program initiatives included a reduction in hourly and salaried headcount of approximately 350 100 employees during the nine three months ended September 30, 2023 March 31, 2024.

### Pentair plc and Subsidiaries

#### Notes to condensed consolidated financial statements (unaudited)

Restructuring and transformation-related costs included within *Cost of goods sold* and *Selling, general and administrative expenses* in the Condensed Consolidated Statements of Operations and Comprehensive Income included the following:

Three months ended	Nine months ended
--------------------	-------------------

		Three months ended					
		Three months ended					
		Three months ended					
		September	September	September	September		
		30,	30,	30,	30,		
<i>In millions</i>	<i>In millions</i>	2023	2022	2023	2022	<i>In millions</i>	
March 31,							
2024							
March 31,							
2023							
Restructuring Initiatives							
Severance and related costs	Severance and related costs	\$ 1.1	\$ 8.5	\$ 4.5	\$ 11.2		
Other restructuring costs and related adjustments <sup>(1)</sup>							
Other restructuring costs and related adjustments <sup>(1)</sup>							
Other restructuring costs and related adjustments <sup>(1)</sup>	Other restructuring costs and related adjustments <sup>(1)</sup>	1.6	2.4	2.1	2.6		
Total restructuring costs	Total restructuring costs	2.7	10.9	6.6	13.8		
Transformation Program							
Severance and related costs	Severance and related costs	2.9	3.1	5.1	3.1		
Other transformation costs <sup>(2)</sup>	Other transformation costs <sup>(2)</sup>	11.0	7.0	23.3	17.7		
Total transformation costs	Total transformation costs	13.9	10.1	28.4	20.8		
Total restructuring and transformation costs	Total restructuring and transformation costs	\$ 16.6	\$ 21.0	\$ 35.0	\$ 34.6		

(1)	Other restructuring costs and related adjustments primarily consist of certain accruals, various contract termination costs, asset impairments and inventory write-offs associated with business and product line exits.	(1) Other restructuring costs and related adjustments primarily consist of certain accruals, various contract termination costs, asset impairments and inventory write-offs associated with business and product line exits.	(1) Other restructuring costs and related adjustments primarily consist of certain accruals, various contract termination costs, asset impairments and inventory write-offs associated with business and product line exits.
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(2) Other transformation costs primarily consist of professional services, project management related costs and asset impairments, partially offset by gain on sale of assets.

(2)	Other transformation costs primarily consist of professional services and project management related costs.	(2) Other transformation costs primarily consist of professional services and project management related costs.
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Restructuring and transformation costs by reportable segment were as follows:

		Three months ended		Nine months ended			
		Three months ended		Three months ended		Three months ended	
		September 30, 2023		September 30, 2022		March 31, 2024	
In millions	In millions	2023	2022	2023	2022	2024	2023
Industrial & Flow Technologies		\$ 1.6	\$ 0.3	\$ 2.8	\$ 1.5		
Flow							
Water Solutions	Water Solutions	2.7	8.7	1.6	9.1		
Pool	Pool	1.7	3.3	6.9	4.7		
Other	Other	10.6	8.7	23.7	19.3		
Consolidated	Consolidated \$	16.6	21.0	35.0	34.6		

Activity related to accrued severance and related costs recorded in *Other current liabilities* in the Condensed Consolidated Balance Sheets is summarized as follows for the nine three months ended September 30, 2023 March 31, 2024:

		September 30, 2023	March 31, 2024
In millions			
Beginning balance	\$	23.2	13.4
Costs incurred		9.6	4.4
Cash payments and other		(19.2)	(3.1)
Ending balance	\$	13.6	14.7

## Pentair plc and Subsidiaries

### Notes to condensed consolidated financial statements (unaudited)

## 5. Earnings Per Share

Basic and diluted earnings per share were calculated as follows:

		Three months ended		Nine months ended			
		Three months ended		Three months ended			
		Three months ended		Three months ended			
		Three months ended		Three months ended			
In millions, except per-share data	In millions, except per-share data	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	In millions, except per-share data	
Net income	Net income	\$ 132.1	\$ 115.4	\$ 414.7	\$ 385.9		March 31, 2024
Net income from continuing operations	Net income from continuing operations	\$ 132.1	\$ 115.4	\$ 414.8	\$ 386.9		March 31, 2023
Weighted average ordinary shares outstanding	Weighted average ordinary shares outstanding						
Basic	Basic	165.2	164.5	165.0	164.8		
Dilutive impact of stock options, restricted stock units and performance share units	Dilutive impact of stock options, restricted stock units and performance share units	1.4	0.7	1.2	1.0		
Diluted	Diluted	166.6	165.2	166.2	165.8		
Earnings (loss) per ordinary share							
Earnings per ordinary share							
Basic	Basic						
Basic							
Basic							
Continuing operations							

Continuing operations						
Continuing operations	Continuing operations	\$	0.80	\$	0.70	\$ 2.51 \$ 2.35
Discontinued operations	Discontinued operations		—		—	(0.01)
Basic earnings per ordinary share	Basic earnings per ordinary share	\$	0.80	\$	0.70	\$ 2.51 \$ 2.34
<b>Diluted</b>	<b>Diluted</b>					
Continuing operations	Continuing operations	\$	0.79	\$	0.70	\$ 2.50 \$ 2.33
Continuing operations						
Continuing operations						
Discontinued operations	Discontinued operations		—		—	(0.01)
Diluted earnings per ordinary share	Diluted earnings per ordinary share	\$	0.79	\$	0.70	\$ 2.50 \$ 2.32
Anti-dilutive stock options excluded from the calculation of diluted earnings per share	Anti-dilutive stock options excluded from the calculation of diluted earnings per share		0.2		1.0	0.3 0.7

## 7. 6. Accounts Receivable

All trade receivables are reported on our Condensed Consolidated Balance Sheets at the outstanding principal amount adjusted for any allowance for credit losses and write-offs, net of recoveries. We record an allowance for credit losses, reducing our receivables balance to an amount we estimate is collectible from our customers. Estimates used in determining the allowance for credit losses are based on current trends, aging of accounts receivable, periodic credit evaluations of our customers' financial condition, and historical collection experience as well as reasonable and supportable forecasts of future economic conditions. Write-offs are recorded at the time all collection efforts have been exhausted. We generally do not require collateral. We review our allowance for credit losses on a quarterly basis.

Activity related to our allowance for credit losses is summarized as follows for the **nine three** months ended **September 30, 2023** **March 31, 2024**:

		September 30, March 31,	
		2023	2024
<i>In millions</i>			
Beginning balance		\$ 10.8	11.2
Bad debt expense (benefit)		0.3	(0.9)
Other <sup>(1)</sup>		1.1	0.5
Ending balance		\$ 10.7	12.0

(1) Other amounts are primarily the effects of changes in currency translation and the impact of allowance for credits.

## Pentair plc and Subsidiaries

### Notes to condensed consolidated financial statements (unaudited)

## 8. 7. Supplemental Balance Sheet Information

	September December				
	30,	31,	March 31,	December 31,	
<i>In millions</i>	<i>In millions</i>	2023	2022	2024	2023
<b>Inventories</b>	<b>Inventories</b>				
Raw materials and supplies					

Raw materials and supplies			
Raw materials and supplies	Raw materials and supplies	\$ 378.6	\$ 404.1
Work-in-process	Work-in-process	97.8	95.6
Finished goods	Finished goods	236.2	290.3
Total inventories	Total inventories	\$ 712.6	\$ 790.0
<b>Other current assets</b>			
Cost in excess of billings	Cost in excess of billings	\$ 65.6	\$ 48.4
Cost in excess of billings			
Cost in excess of billings			
Prepaid expenses	Prepaid expenses	71.1	74.8
Other current assets	Other current assets	6.1	4.9
Other current assets			
Other current assets			
Total other current assets	Total other current assets	\$ 142.8	\$ 128.1
<b>Property, plant and equipment, net</b>			
Land and land improvements			
Land and land improvements			
Land and land improvements	Land and land improvements	\$ 31.5	\$ 32.3
Buildings and leasehold improvements	Buildings and leasehold improvements	221.5	200.7
Machinery and equipment	Machinery and equipment	646.1	639.2
Capitalized software	Capitalized software	70.9	68.8
Construction in progress	Construction in progress	58.2	60.6
Total property, plant and equipment	Total property, plant and equipment	1,028.2	1,001.6
Accumulated depreciation and amortization	Accumulated depreciation and amortization	677.7	657.1

Total property, plant and equipment, net	Total property, plant and equipment, net	\$	350.5	\$	344.5
<b>Other non-current assets</b>	<b>Other non-current assets</b>				
Right-of-use lease assets	Right-of-use lease assets	\$	96.0	\$	78.6
Right-of-use lease assets					
Right-of-use lease assets					
Deferred income taxes					
Deferred income taxes					
Deferred income taxes	Deferred income taxes		65.2		26.0
Deferred compensation plan assets	Deferred compensation plan assets		23.5		21.7
Other non-current assets	Other non-current assets		82.2		71.0
Other non-current assets					
Other non-current assets					
Total other non-current assets	Total other non-current assets	\$	266.9	\$	197.3
<b>Other current liabilities</b>	<b>Other current liabilities</b>				
Dividends payable					
Dividends payable					
Dividends payable	Dividends payable	\$	36.4	\$	36.2
Accrued warranty	Accrued warranty		67.3		63.1
Accrued rebates and incentives	Accrued rebates and incentives		200.6		200.1
Accrued freight	Accrued freight		30.1		39.4
Billings in excess of cost	Billings in excess of cost		52.7		43.8
Current lease liability	Current lease liability		26.2		29.3
Income taxes payable	Income taxes payable		41.6		21.8
Accrued restructuring	Accrued restructuring		13.6		23.2
Interest payable	Interest payable		18.8		32.9
Other current liabilities	Other current liabilities		111.0		112.3



Total other current liabilities	Total other current liabilities	\$	598.3	\$	602.1
Other non-current liabilities	Other non-current liabilities				
Long-term lease liability	Long-term lease liability	\$	72.0	\$	52.4
Long-term lease liability					
Long-term lease liability					
Income taxes payable	Income taxes payable		34.5		35.1
Self-insurance liabilities	Self-insurance liabilities		52.8		52.1
Deferred compensation plan liabilities	Deferred compensation plan liabilities		23.5		21.7
Foreign currency contract liabilities	Foreign currency contract liabilities		50.0		52.2
Other non-current liabilities	Other non-current liabilities		32.0		31.4
Total other non-current liabilities	Total other non-current liabilities	\$	264.8	\$	244.9

#### Pentair plc and Subsidiaries

#### Notes to condensed consolidated financial statements (unaudited)

### 9. 8. Goodwill and Other Identifiable Intangible Assets

The changes in the carrying amount of goodwill by reportable segment were as follows:

In millions	In millions	December 31, 2022	Purchase Accounting Adjustments	Foreign Currency Translation	September 30, 2023
Industrial & Flow Technologies					
		\$ 747.6	\$ —	\$ (6.8)	\$ 740.8
In millions					
Flow					
Water Solutions	Water Solutions	1,398.1	(0.8)	(2.5)	1,394.8
Pool	Pool	1,106.9	—	—	1,106.9
Total goodwill	Total goodwill	\$ 3,252.6	\$ (0.8)	\$ (9.3)	\$ 3,242.5

Identifiable intangible assets consisted of the following:

September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
--------------------	-------------------	----------------	-------------------

<i>In millions</i>	<i>In millions</i>	Cost	Accumulated amortization	Net	Cost	Accumulated amortization	Net	<i>In millions</i>	Cost	Accumulated amortization	Net	Cost	Accumulated amortization	Net
<b>Definite-life intangibles</b>	<b>Definite-life intangibles</b>													
Customer relationships	Customer relationships	\$1,097.9	\$ (342.5)	\$ 755.4	\$1,100.9	\$ (308.9)	\$ 792.0							
	Customer relationships													
	Customer relationships													
Proprietary technology and patents	Proprietary technology and patents	89.0	(40.9)	48.1	89.3	(35.6)	53.7							
Other		—	—	—	14.4	(14.4)	—							
Total definite-life intangibles		1,186.9	(383.4)	803.5	1,204.6	(358.9)	845.7							
Total finite-life intangibles														
Total finite-life intangibles														
Total finite-life intangibles														
<b>Indefinite-life intangibles</b>	<b>Indefinite-life intangibles</b>													
Trade names	Trade names	248.2	—	248.2	248.9	—	248.9							
	Trade names													
	Trade names													
Total intangibles	Total intangibles	\$1,435.1	\$ (383.4)	\$1,051.7	\$1,453.5	\$ (358.9)	\$1,094.6							

Identifiable intangible asset amortization expense was \$13.8 million \$13.5 million and \$18.5 million \$13.8 million for the three months ended September 30, 2023 March 31, 2024 and 2022 and \$41.5 million and \$31.4 million for the nine months ended September 30, 2023 and 2022, 2023, respectively.

Estimated future amortization expense for identifiable intangible assets during the remainder of 2023 2024 and the next five years is as follows:

	Q4					
	2023	2024	2025	2026	2027	2028
Estimated amortization expense	\$ 13.6	\$ 53.9	\$ 53.9	\$ 52.7	\$ 51.4	\$ 48.9

	Q2-Q4					
	2024	2025	2026	2027	2028	2029
Estimated amortization expense	\$ 40.5	\$ 54.0	\$ 52.7	\$ 51.5	\$ 48.9	\$ 48.5

#### Pentair plc and Subsidiaries

Notes to condensed consolidated financial statements (unaudited)

#### 10. 9. Debt

Debt and the average interest rates on debt outstanding were as follows:

<i>In millions</i>	<i>In millions</i>	Average interest rate as of September 30, 2023	Maturity Year	September 30, 2023	December 31, 2022	<i>In millions</i>	Average interest rate as of March 31, 2024	Maturity Year	March 31, 2024	December 31, 2023

Revolving credit facility (Senior Credit Facility)					
Revolving credit facility (Senior Credit Facility)					
Revolving credit facility (Senior Credit Facility)	Revolving credit facility (Senior Credit Facility)	6.619%	2026	\$ —	\$ 320.0
Term Loan Facility	Term Loan Facility	6.809%	2023 - 2027	993.8	1,000.0
Term loans (Senior Credit Facility)	Term loans (Senior Credit Facility)	6.634%	2024	200.0	200.0
Senior notes - fixed rate <sup>(1)</sup>	Senior notes - fixed rate <sup>(1)</sup>	4.650%	2025	19.3	19.3
Senior notes - fixed rate <sup>(1)</sup>	Senior notes - fixed rate <sup>(1)</sup>	4.500%	2029	400.0	400.0
Senior notes - fixed rate <sup>(1)</sup>	Senior notes - fixed rate <sup>(1)</sup>	5.900%	2032	400.0	400.0
Unamortized debt issuance costs and discounts	Unamortized debt issuance costs and discounts	N/A		(19.5)	(22.0)
Total debt	Total debt			\$ 1,993.6	\$ 2,317.3

<sup>(1)</sup> Senior notes are guaranteed as to payment by Pentair plc.

<sup>(1)</sup> Senior notes are guaranteed as to payment by Pentair plc.

<sup>(1)</sup> Senior notes are guaranteed as to payment by Pentair plc.

Pentair, Pentair Finance S.à r.l. ("PFSA" "PFSA") and Pentair, Inc. are parties to a credit agreement (the "Senior Credit Facility"), with Pentair as guarantor and PFSA and Pentair, Inc. as borrowers, which was amended and restated in December 2021 and further amended in December 2022, providing for a \$900.0 million senior unsecured revolving credit facility and a \$200.0 million senior unsecured term loan facility. The revolving credit facility has a maturity date of December 16, 2026 and the term loan facility has a maturity date of December 16, 2024. Borrowings under the Senior Credit Facility bear interest at a rate equal to an alternate base rate, adjusted term secured overnight financing rate, adjusted euro interbank offered rate, adjusted daily simple secured overnight financing rate or central bank rate, plus, in each case, an applicable margin. The applicable margin is based on, at PFSA's election, Pentair's leverage level or PFSA's public credit rating.

As of September 30, 2023 March 31, 2024, total availability under the Senior Credit Facility was \$900.0 million \$798.6 million. In addition, PFSA has the option to request to increase the revolving credit facility and/or to enter into one or more additional tranches of term loans in an aggregate amount of up to \$300.0 million, subject to customary conditions, including the commitment of the participating lenders.

In March 2022, in contemplation of the acquisition of Manitowoc Ice, addition, Pentair and PFSA entered into are parties to a Loan Agreement among PFSA, as borrower, Pentair, as guarantor, and the lenders and agents party thereto, providing for a \$600.0 million senior unsecured term loan facility (the "Term Loan Facility"). In June 2022, the Term Loan Facility was amended to increase the facility by \$400.0 million to , with PFSA, as borrower, Pentair, as guarantor, providing for an aggregate principal amount of \$1.0 billion. The Term Loan Facility has a maturity date of July 28, 2027, with required quarterly installment payments of \$6.3 million that which began on the last day of the third quarter of 2023 and increase to \$12.5 million beginning with the last day of the third quarter of 2024. The Term Loan Facility bears interest at a rate equal to an alternate base rate, adjusted term secured overnight financing rate, or adjusted daily simple secured overnight financing rate, plus, in each case, an applicable margin. The applicable margin is based on, at PFSA's election, Pentair's leverage level or PFSA's public credit rating.

In July 2022, in contemplation of the acquisition of Manitowoc Ice, Pentair, as guarantor, and PFSA, as issuer, completed a public offering of \$400.0 million aggregate principal amount of 5.900% Senior Notes due 2032 ("2032 Senior Notes").

We used the net proceeds from the Term Loan Facility and the issuance of the 2032 Senior Notes to finance a portion of the Manitowoc Ice acquisition purchase price and to pay related fees and expenses.

Our debt agreements contain various financial covenants, but the most restrictive covenants are contained in the Senior Credit Facility and the Term Loan Facility. The Senior Credit Facility and the Term Loan Facility contain covenants requiring us not to permit (i) the ratio of our consolidated debt (net of our consolidated unrestricted cash and cash equivalents in excess of \$5.0 million but not to exceed \$250.0 million) to our consolidated net income (excluding, among other things, non-cash gains and losses)

before interest, taxes, depreciation, amortization and non-cash share-based compensation expense ("EBITDA") on the last day of any period of four consecutive fiscal quarters (each, a "testing period") to exceed 3.75 to 1.00 (or, at PFSA's election and subject to certain conditions, 4.25 to 1.00 for four testing periods in connection with certain material acquisitions) (the "Leverage Ratio") and (ii) the ratio of our EBITDA to our consolidated interest expense, for the same period to be less than

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Notes to condensed consolidated financial statements (unaudited)

3.00 to 1.00 as of the end of each fiscal quarter. For purposes of the Leverage Ratio, the Senior Credit Facility and the Term Loan Facility provide for the calculation of EBITDA giving pro forma effect to certain acquisitions, divestitures and liquidations during the period to which such calculation relates.

In addition to the Senior Credit Facility and the Term Loan Facility, we have various other credit facilities with an aggregate availability of \$20.8 million, of which there were no outstanding borrowings at September 30, 2023 March 31, 2024. Borrowings under these credit facilities bear interest at variable rates.

We have \$31.3 million \$43.8 million of Term Loan Facility payments and \$200.0 million of payments under the senior unsecured term loan facility, associated with the Senior Credit Facility, due in the next twelve months. We classified this debt as long-term as of September 30, 2023

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March 31, 2024 as we have the intent and ability to refinance such obligation on a long-term basis under the revolving credit facility under the Senior Credit Facility.

Debt outstanding, excluding unamortized issuance costs and discounts, at September 30, 2023 March 31, 2024 matures on a calendar year basis as follows:

In millions	Q4									Q2 - Q4								
	In millions	2023	2024	2025	2026	2027	2028	Thereafter	Total	In millions	2024	2025	2026	2027	2028	2029	Thereafter	Total
Contractual debt obligation maturities	Contractual debt obligation maturities	\$6.3	\$237.5	\$69.3	\$50.0	\$850.0	\$ —	\$ 800.0	\$2,013.1									

11. 10. Derivatives and Financial Instruments  
Derivative financial instruments

We are exposed to market risk related to changes in foreign currency exchange rates and interest rates on our variable rate indebtedness. To manage the volatility related to these exposures, we periodically enter into a variety of derivative financial instruments. Our objective is to reduce, where it is deemed appropriate to do so, fluctuations in earnings and cash flows associated with changes in foreign currency exchange rates or variable interest rates. The derivative contracts contain credit risk to the extent that our bank counterparties may be unable to meet the terms of the agreements. The amount of such credit risk is generally limited to the unrealized gains, if any, in such contracts. Such risk is minimized by limiting those counterparties to major financial institutions of high credit quality.

Foreign currency contracts

We conduct business in various locations throughout the world and are subject to market risk due to changes in the value of foreign currencies in relation to our reporting currency, the U.S. dollar. We manage our economic and transaction exposure to certain market-based risks through the use of foreign currency derivative financial instruments. Our objective in holding these derivatives is to reduce the volatility of net earnings and cash flows associated with changes in foreign currency exchange rates. The majority of our foreign currency contracts have an original maturity date of less than one year.

At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, we had outstanding foreign currency derivative contracts with gross notional U.S. dollar equivalent amounts of \$22.8 million \$21.3 million and \$9.4 million \$23.9 million, respectively. The impact of these contracts on the Condensed Consolidated Statements of Operations and Comprehensive Income was not material for any period presented.

Cross currency swaps

At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, we had outstanding cross currency swap agreements with a combined notional amount of \$739.6 million \$917.1 million and \$746.3 million \$940.2 million, respectively. The agreements are accounted for as either cash flow hedges, to hedge foreign currency fluctuations on certain intercompany debt, or as net investment hedges to manage our exposure to fluctuations in the Euro-U.S. Dollar exchange rate. We had deferred foreign currency losses of \$38.6 million \$33.4 million and \$40.3 million \$51.6 million at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively, recorded in Accumulated other comprehensive loss associated with our cross currency swap activity. The periodic interest settlements related to our cross currency swap agreements are classified as operating activities. The cash flows that relate to principal balances are classified as financing activities for the cash flow hedges on intercompany debt and investing activities for the net investment hedges.

Hedging of variable interest rates

On March 31, 2023, we entered into floating-to-fixed. We manage our exposure to certain interest rate swap risks related to our variable rate debt through the use of interest rate swaps and collars. We enter into these agreements to hedge the variability of interest rate movements related expense and cash flows attributable to a portion changes in interest rates of our variable rate debt. The swaps have a combined As of March 31, 2024, we had an aggregate notional amount of \$300.0 million and an average fixed one-month U.S. Dollar secured overnight financing rate ("SOFR") of 3.795%. They have an effective date of April 4, 2023 and settle monthly through April 2026.

#### **Pentair plc and Subsidiaries**

#### **Notes to condensed consolidated financial statements (unaudited)**

On April 3, 2023, we entered into five-year interest rate collar agreements with a combined notional value of \$200.0 million to hedge the cash flows related to the interest rate movements on our variable rate debt. In these collar agreements, the Company and counterparty financial institutions agreed to a one-month U.S. Dollar SOFR floor of 1.875% and a cap of 5.000%. The collars have an effective date of April 4, 2023 and settle monthly through April 2028.

The interest rate swaps and collars, were respectively, that are designated as cash flow hedges.

Unrealized gains and losses related to the fair value of the interest rate swaps are recorded in *Accumulated other comprehensive loss* on our Condensed Consolidated Balance Sheets. We had a gain unrealized gains of \$9.4 \$4.8 million and \$0.3 million at September 30, 2023 March 31, 2024 and December 31, 2023, respectively, recorded in *Accumulated other comprehensive loss* associated with our interest rate swap and collar activity. The periodic interest settlements related to our interest rate swaps and collars are classified as operating activities.

#### **Pentair plc and Subsidiaries**

#### **Notes to condensed consolidated financial statements (unaudited)**

#### **Fair value measurements**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Assets and liabilities measured at fair value are classified using the following hierarchy, which is based upon the transparency of inputs to the valuation as of the measurement date:

- Level 1: Valuation is based on observable inputs such as quoted market prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2: Valuation is based on inputs such as quoted market prices for similar assets or liabilities in active markets or other inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3: Valuation is based upon other unobservable inputs that are significant to the fair value measurement.

In making fair value measurements, observable market data must be used when available. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement.

#### **Fair value of financial instruments**

The following methods were used to estimate the fair values of each class of financial instrument:

- *short-term financial instruments (cash and cash equivalents, accounts and notes receivable, accounts payable and variable-rate debt)* — recorded amount approximates fair value because of the short maturity period;
- *long-term fixed-rate debt, including current maturities* — fair value is based on market quotes available for issuance of debt with similar terms, which are inputs that are classified as Level 2 in the valuation hierarchy defined above;
- *foreign currency contracts, interest rate swap and collar agreements* — fair values are determined through the use of models that consider various assumptions, including time value, yield curves, as well as other relevant economic measures, which are inputs that are classified as Level 2 in the valuation hierarchy defined above; and
- *deferred compensation plan assets (mutual funds, common/collective trusts and cash equivalents for payment of certain non-qualified benefits for retired, terminated and active employees)* — fair value of mutual funds and cash equivalents are based on quoted market prices in active markets that are classified as Level 1 in the valuation hierarchy defined above; fair value of common/collective trusts are valued at net asset value ("NAV"), which is based on the fair value of the underlying securities owned by the fund and divided by the number of shares outstanding.

#### **Pentair plc and Subsidiaries**

#### **Notes to condensed consolidated financial statements (unaudited)**

The recorded amounts and estimated fair values of total debt, excluding unamortized issuance costs and discounts, were as follows:

September 30, 2023						December 31, 2022					
March 31, 2024						March 31, 2024					
December 31, 2023											
In millions	In millions	Recorded Amount	Fair Value	Recorded Amount	Fair Value	In millions	Recorded Amount	Fair Value	Recorded Amount	Fair Value	
Variable rate debt	Variable rate debt	\$ 1,193.8	\$1,193.8	\$ 1,520.0	\$1,520.0						
Fixed rate debt	Fixed rate debt	819.3	777.7	819.3	789.3						
Total debt	Total debt	\$ 2,013.1	\$1,971.5	\$ 2,339.3	\$2,309.3						

#### Pentair plc and Subsidiaries

#### Notes to condensed consolidated financial statements (unaudited)

Financial assets and liabilities measured at fair value on a recurring and nonrecurring basis were as follows:

		September 30, 2023						March 31, 2024					
		Level 1 Level Level NAV Total						Level 1 Level 2 Level 3 NAV Total					
In millions	In millions	1	2	3	NAV	Total	In millions	Level 1	Level 2	Level 3	NAV	Total	
Recurring fair value measurements	Recurring fair value measurements												
Interest rate contract assets	Interest rate contract assets	\$ —	\$ 9.4	\$ —	\$ —	\$ 9.4							
Interest rate contract assets	Interest rate contract assets												
Foreign currency contract assets	Foreign currency contract assets												
Foreign currency contract liabilities	Foreign currency contract liabilities	—	(50.0)	—	—	(50.0)							
Deferred compensation plan assets	Deferred compensation plan assets												
Deferred compensation plan assets	Deferred compensation plan assets	11.0	—	—	12.5	23.5							
Total recurring fair value measurements	Total recurring fair value measurements	\$11.0	\$(40.6)	\$ —	\$12.5	\$(17.1)							
		December 31, 2022						December 31, 2023					
		Level 1 Level Level NAV Total						Level 1 Level 2 Level 3 NAV Total					
In millions	In millions	1	2	3	NAV	Total	In millions	Level 1	Level 2	Level 3	NAV	Total	

Recurring fair value measurements	Recurring fair value measurements				
Interest rate contract assets					
Interest rate contract assets					
Interest rate contract assets					
Foreign currency contract assets					
Foreign currency contract liabilities	Foreign currency contract liabilities	\$	—	\$(52.2)	\$ — \$ — \$(52.2)
Deferred compensation plan assets	Deferred compensation plan assets	10.5	—	—	11.2 21.7
Total recurring fair value measurements	Total recurring fair value measurements	\$10.5	\$(52.2)	\$ —	\$11.2 \$(30.5)

## 12. 11. Income Taxes

We manage our affairs so that we are centrally managed and controlled in the United Kingdom ("U.K.") and therefore have our tax residency in the U.K. The provision for income taxes consists of provisions for the U.K. and international income taxes. We operate in an international environment with operations in various locations outside the U.K. Accordingly, the consolidated income tax rate is a composite rate reflecting the earnings in the various locations and the applicable rates.

The effective income tax rate for the **nine** **three** months ended **September 30, 2023** **March 31, 2024** was **14.5%** **13.0%**, compared to **13.9%** **14.6%** for the **nine** **three** months ended **September 30, 2022** **March 31, 2023**. We continue to actively pursue initiatives to reduce our effective tax rate. The tax rate in any quarter can be affected positively or negatively by the mix of global earnings or adjustments that are required to be reported in the specific quarter of resolution.

The total gross liability for uncertain tax positions was **\$37.2** **\$38.3** million and **\$39.6 million** **\$38.6 million** at **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, respectively. We record penalties and interest related to unrecognized tax benefits in *Provision for income taxes* and *Net interest expense*, respectively, on the Condensed Consolidated Statements of Operations and Comprehensive Income, which is consistent with our past practices.

The Organization for Economic Co-operation and Development Pillar Two Model Rules ("Pillar Two") for a global 15.0% minimum tax are in the process of being adopted by a number of jurisdictions in which we operate. In particular, the U.K. completed passage of legislation to comply with the Pillar Two framework which became effective on January 1, 2024. For the three months ended March 31, 2024, the impact of Pillar Two on our condensed consolidated financial statements was not material.

## Pentair plc and Subsidiaries

### Notes to condensed consolidated financial statements (unaudited)

## 13. 12. Benefit Plans

Components of net periodic benefit expense for our pension plans for the three **and nine** months ended **September 30, 2023** **March 31, 2024** and **2022** **2023** were as follows:

		Three months ended		Nine months ended			
		Three months ended		Three months ended			
		Three months ended		Three months ended			
		September 30, 2023		September 30, 2022			
In millions	In millions	30, 2023	30, 2022	30, 2023	30, 2022	In millions	In millions
Service cost	Service cost	\$ 0.4	\$ 0.6	\$ 1.2	\$ 1.8		
Interest cost	Interest cost	1.0	0.6	3.0	1.8		

Expected return on plan assets	Expected return on plan assets	(0.2)	(0.1)	(0.6)	(0.3)
Net periodic benefit expense	Net periodic benefit expense	\$ 1.2	\$ 1.1	\$ 3.6	\$ 3.3

Net periodic benefit expense

Net periodic benefit expense

Components of net periodic benefit expense for our other post-retirement plans for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 were not material.

### 14. 13. Shareholders' Equity

#### Share repurchases

In December 2020, the Board of Directors authorized the repurchase of our ordinary shares up to a maximum dollar limit of \$750.0 million. The authorization expires on December 31, 2025. During the three and nine months ended September 30, 2023 March 31, 2024, no ordinary shares were repurchased. As of September 30, 2023 March 31, 2024, we had \$600.0 million available for share repurchases under this authorization.

#### Dividends payable

On September 18, 2023 February 19, 2024, the Board of Directors declared a quarterly cash dividend of \$0.22 \$0.23 per share, payable on November 3, 2023 May 3, 2024 to shareholders of record at the close of business on October 20, 2023 April 19, 2024. As a result, the balance of dividends payable included in *Other current liabilities* on our Condensed Consolidated Balance Sheets was \$36.4 million \$38.2 million at September 30, 2023 March 31, 2024, compared to \$36.2 million \$38.0 million at December 31, 2022 December 31, 2023.

### 15. 14. Segment Information

Effective January 1, 2023, we reorganized our reporting segments to reflect how we are managing our business and to help us accelerate our efforts to improve customer experience, differentiate our products and drive profitability for our shareholders. All prior period amounts related to the segment change have been retrospectively reclassified to conform to the new presentation. As part of this reorganization, the legacy Consumer Solutions segment was divided into a Pool segment and a Water Solutions segment. The Industrial & Flow Technologies segment remains the same. We classify our operations into the following reporting segments:

- **Industrial & Flow Technologies** — The focus of this segment is to deliver water where it is needed, when it is needed and more efficiently and transforming waste into value. This segment designs, manufactures and sells a variety of fluid treatment and pump products and systems, including pressure vessels, gas recovery solutions, membrane bioreactors, wastewater reuse systems and advanced membrane filtration, separation systems, water disposal pumps, water supply pumps, fluid transfer pumps, turbine pumps, solid handling pumps, and agricultural spray nozzles, while serving the global residential, commercial and industrial markets. These products and systems are used in a range of applications, including fluid delivery, ion exchange, desalination, food and beverage, separation technologies for the oil and gas industry, residential and municipal wells, water treatment, wastewater solids handling, pressure boosting, circulation and transfer, fire suppression, flood control, agricultural irrigation and crop spray.
- **Water Solutions** — The focus of this segment is to provide great tasting, higher-quality water and ice while helping end-users use water more productively. This segment designs, manufactures and sells commercial and residential water treatment products and systems including pressure tanks, control valves, activated carbon products, commercial ice machines, conventional filtration products, and point-of-entry and point-of-use water treatment systems. These water treatment products and systems are used in residential whole home water filtration, drinking water filtration and water softening solutions in addition to commercial total water management and filtration in foodservice operations. In addition, our water solutions business also provides installation and preventative services for water management solutions for commercial operators.

#### Pentair plc and Subsidiaries

#### Notes to condensed consolidated financial statements (unaudited)

- **Pool** — The focus of this segment is to provide innovative, energy-efficient pool solutions to help end-users more sustainably enjoy water. This segment designs, manufactures and sells a complete line of energy-efficient residential and commercial pool equipment and accessories including pumps, filters, heaters, lights, automatic controls, automatic cleaners, maintenance equipment and pool accessories. Applications for our pool products include residential and commercial pool maintenance, pool repair, renovation, service and construction and aquaculture solutions.

We evaluate performance based on net sales and segment income (loss) and use a variety of ratios to measure performance of our reporting segments. These results are not necessarily indicative of the results of operations that would have occurred had each segment been an independent, stand-alone entity during the periods presented.



Financial information by reportable segment is as follows:

### ***Pentair plc and Subsidiaries***

The following table presents a reconciliation of consolidated segment income to consolidated income from continuing operations before income taxes:

		September 30,		September 30,					
		2023	2022	2023	2022				
<i>In millions</i>									
Segment income	\$	212.1	\$	206.9	\$	657.3	\$	584.9	
Deal-related costs and expenses		—	(13.4)		—		(21.4)		
Inventory step-up		—	(5.8)		—		(5.8)		
Asset impairment and write-offs									
Asset impairment and write-offs									
Asset impairment and write-offs	Asset impairment and write-offs	(1.8)		—	(6.2)		—		
Restructuring and other	Restructuring and other	(1.6)	(12.5)		(5.1)		(15.7)		
Transformation costs	Transformation costs	(13.5)	(10.1)		(28.0)		(20.8)		
Intangible amortization	Intangible amortization	(13.8)	(18.5)		(41.5)		(31.4)		
Gain on sale of businesses		—	0.2		—		0.2		
Russia business exit impact		—	0.8		—		(5.1)		
Legal accrual adjustments and settlements									
Legal accrual adjustments and settlements									
Legal accrual adjustments and settlements	Legal accrual adjustments and settlements	—		—	(2.2)		0.2		
Interest expense, net	Interest expense, net	(27.5)	(19.3)		(91.7)		(34.2)		
Other (expense) income		(1.0)	(0.6)		2.3		(1.7)		
Other expense									
Income from continuing operations before income taxes	Income from continuing operations before income taxes	\$	152.9	\$	127.7	\$	484.9	\$	449.2

#### **Pentair plc and Subsidiaries**

#### **Notes to condensed consolidated financial statements (unaudited)**

#### **16. 15. Commitments and Contingencies**

##### **Warranties**

We provide service and warranty policies on our products. Liability under service and warranty policies is based upon a review of historical warranty and service claim experience. Adjustments are made to accruals as claim data and historical experience warrant.

The changes in the carrying amount of service and product warranties from continuing operations for the **nine three** months ended **September 30, 2023** **March 31, 2024** were as follows:

		September 30, 2023	March 31, 2024
In millions			
Beginning balance	\$	63.1	65.0
Service and product warranty provision		72.1	24.0
Payments		(67.6)	(17.1)
Foreign currency translation		(0.3)	(0.2)
Ending balance	\$	67.3	71.7

#### Stand-by letters of credit, bank guarantees and bonds

In the ordinary course of business, we are required to commit to bonds, letters of credit and bank guarantees that require payments to our customers for any non-performance. The outstanding face value of these instruments fluctuates with the value of our projects in process and in our backlog. In addition, we issue financial stand-by letters of credit primarily to secure our performance to third parties under self-insurance programs.

As of September 30, 2023, March 31, 2024 and December 31, 2022, December 31, 2023, the outstanding value of bonds, letters of credit and bank guarantees totaled \$106.9 million, \$111.1 million and \$99.7 million, \$124.3 million, respectively.

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

### Forward-looking Statements

This report contains statements that we believe to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, are forward-looking statements. Without limitation, any statements preceded or followed by or that include the words "targets," "plans," "believes," "expects," "intends," "will," "likely," "may," "anticipates," "estimates," "projects," "should," "would," "could," "positioned," "strategy," or "future" or words, phrases, or terms of similar substance or the negative thereof are forward-looking statements. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, assumptions and other factors, some of which are beyond our control, which could cause actual results to differ materially from those expressed or implied by such forward-looking statements. These factors include the overall global economic and business conditions impacting our business, including the strength of housing and related markets and conditions relating to international hostilities; supply, demand, logistics, competition and pricing pressures related to and in the markets we serve; the ability to achieve the benefits of our restructuring plans, cost reduction initiatives and Transformation Program; the impact of raw material, logistics and labor costs and other inflation; volatility in currency exchange rates and interest rates; failure of markets to accept new product introductions and enhancements; the ability to successfully identify, finance, complete and integrate acquisitions; risks associated with operating foreign businesses; the impact of seasonality of sales and weather conditions; our ability to comply with laws and regulations; the impact of changes in laws, regulations and administrative policy, including those that limit U.S. tax benefits or impact trade agreements and tariffs; the outcome of litigation and governmental proceedings; and the ability to achieve our long-term strategic operating and ESG goals, environmental, social and governance ("ESG") goals and targets. Additional information concerning these and other factors is contained in our filings with the U.S. Securities and Exchange Commission, including this Form 10-Q and our Annual Report on Form 10-K for the year ended December 31, 2022, December 31, 2023. All forward-looking statements speak only as of the date of this report. Pentair assumes no obligation, and disclaims any obligation, to update the information contained in this report.

### Overview

The terms "us," "we," "our" or "Pentair" refer to Pentair plc and its consolidated subsidiaries. At Pentair, we believe the health of our world depends on reliable access to clean water. We deliver a comprehensive range of smart, sustainable water solutions to homes, businesses and industries around the world. Our industry-leading and proven portfolio of solutions enables our customers to access clean, safe water; reduce water consumption; and recover and reuse water. Whether it's moving, improving moving or helping people enjoy water, we help manage the world's life's most precious essential resource. We are comprised composed of three reporting segments: Industrial & Flow, Technologies, Water Solutions and Pool. For the first nine three months of 2023, 2024, the Industrial & Flow, Technologies, Water Solutions and Pool segments represented approximately 39% 38%, 29% 27% and 32% 35% of total revenues, respectively. We classify our operations into reporting segments based primarily on types of products offered and markets served:

- Industrial & Flow Technologies** — The focus of this segment is to deliver water where it is needed, when it is needed, and more efficiently and transforming to transform waste into value. This segment designs, manufactures and sells a variety of fluid treatment and pump products and systems, including pressure vessels, gas recovery solutions, membrane bioreactors, wastewater reuse systems and advanced membrane filtration, separation systems, water disposal pumps, water supply pumps, fluid transfer pumps, turbine pumps, solid handling pumps and agricultural spray nozzles, while serving the global residential, commercial and industrial markets. These products and systems are used in a range of applications, including fluid delivery, ion exchange, desalination, food and beverage, separation technologies for the oil and gas industry, residential and municipal wells, water treatment, wastewater solids handling, pressure boosting, circulation and transfer, fire suppression, flood control, agricultural irrigation and crop spray.
- Water Solutions** — The focus of this segment is to provide great tasting, great-tasting, higher-quality water and ice while helping end-users people use water more productively. This segment designs, manufactures and sells commercial and residential water treatment products and systems including pressure tanks, control valves, activated carbon products, commercial ice machines, conventional filtration products, and point-of-entry and point-of-use water treatment systems. These

water treatment products and systems are used in residential whole home water filtration, drinking water filtration and water softening solutions in addition to commercial total water management and filtration in foodservice operations. In addition, our water solutions business also provides installation and preventative services for water management solutions for commercial operators.

- **Pool** — The focus of this segment is to provide innovative, energy-efficient pool solutions to help end-users people more sustainably enjoy water. This segment designs, manufactures and sells a complete line of energy-efficient residential and commercial pool equipment and accessories including pumps, filters, heaters, lights, automatic controls, automatic cleaners, maintenance equipment and pool accessories. Applications for our pool products include residential and commercial pool maintenance, pool repair, renovation, service, and construction and aquaculture solutions.

In July 2022, as part of our Water Solutions reporting segment, we acquired the issued and outstanding equity securities of certain subsidiaries of Welbilt, Inc. ("Welbilt") and certain other assets, rights, and properties, and assumed certain liabilities, comprising Welbilt's Manitowoc Ice business ("Manitowoc Ice"), for approximately \$1.6 billion in cash.

#### Key Trends and Uncertainties Regarding Our Existing Business

The following trends and uncertainties affected our financial performance in the first nine three months of 2023 2024 and are reasonably likely to impact our results in the future:

- In 2021, we created a transformation office and launched and committed resources to the Transformation Program designed to accelerate growth and drive margin expansion by driving operational excellence, reducing complexity and streamlining our processes. During 2022 2023 and the first nine three months of 2023, 2024, we made strategic progress on our Transformation Program initiatives with a focus on our four key themes of pricing excellence, strategic sourcing, operations excellence and organizational effectiveness. We expect to continue to execute on our key Transformation Program initiatives to drive margin expansion and to continue to incur transformation costs throughout the remainder of 2023 2024 and beyond.
- During 2022 2023 and the first nine three months of 2023, 2024, we executed certain business restructuring initiatives aimed at reducing our fixed cost structure and realigning our business. We expect these actions to continue throughout the remainder of 2023 2024 and to drive margin growth.
- During 2023 and the first nine three months of 2023, 2024, we continued to experience supply chain challenges and experienced inflationary cost increases of for certain raw materials due materials. The current volatile market for commodities has the potential to availability constraints and high demand. continue to drive price increases in our supply chain. While we have taken pricing actions and implemented transformation initiatives that we expect to improve productivity and offset these cost increases, we expect anticipate supply chain pressures and inflationary cost increases to continue for the remainder of 2023, which may continue thereafter and could negatively impact our results of operations.
- During the second half of 2022 and the first nine months of 2023, we have seen inventory correcting within our residential distributor channels. We anticipate channel inventories to approach more normalized levels by the end of 2023. 2024.
- The Organization for Economic Co-operation and Development Pillar Two Model Rules ("Pillar Two") for a global 15.0% minimum tax are in the process of being adopted by a number of jurisdictions in which we operate. In particular, the United Kingdom has completed passage of legislation to comply with the Pillar Two framework which becomes effective beginning in 2024. Pillar Two could has negatively impact impacted our effective tax rate beginning in 2024. We are continuing That impact could change in the future as we continue to evaluate the impact of proposed and enacted legislative changes and as new guidance becomes available.
- We have identified specific product and geographic market opportunities that we find attractive and continue to pursue, both within and outside the U.S. We expect to continue investing in our businesses to drive these opportunities through research and development and additional sales and marketing resources. Unless we successfully penetrate these markets, our core sales growth will likely be limited or may decline.

In 2023, 2024, our operating objectives focus on delivering our core and building our future. We expect to execute these objectives by:

- Delivering profitable revenue growth and productivity for customers and shareholders;
- Continuing to focus on capital allocation through:
  - Committing to maintain our investment grade rating;
  - Focusing on reducing our long-term debt;
  - Returning cash to shareholders through dividends and share repurchases; and

- Accelerating our performance with strategically aligned mergers and acquisitions;
- Focusing growth initiatives that accelerate our investments in digital, **innovation**, technology and **services expansion**; **ESG**;
- Continuing to implement our Transformation Program initiatives that will drive operational excellence, reduce complexity and improve our organizational structure; and
- Building a **high-performance** **high performance** growth culture and delivering on our commitments while living our Win Right values.

## CONSOLIDATED RESULTS OF OPERATIONS

The consolidated results of operations for the three months ended **September 30, 2023** **March 31, 2024** and **2022** **March 31, 2023** were as follows:

In millions	Three months ended			
	September 30, 2023	September 30, 2022	\$ Change	% / Point Change
Net sales	\$ 1,008.8	\$ 1,055.1	\$ (46.3)	(4.4) %
Cost of goods sold	637.0	707.0	(70.0)	(9.9) %
Gross profit	371.8	348.1	23.7	6.8 %
% of net sales	36.9 %	33.0 %		3.9 pts
Selling, general and administrative	166.2	177.3	(11.1)	(6.3) %
% of net sales	16.5 %	16.8 %		(0.3) pts
Research and development	25.5	23.7	1.8	7.6 %
% of net sales	2.5 %	2.2 %		0.3 pts
Operating income	180.1	147.1	33.0	22.4 %
% of net sales	17.9 %	13.9 %		4.0 pts
Gain on sale of businesses	—	(0.2)	0.2	N.M.
Other (income) expense	(0.3)	0.3	(0.6)	N.M.
Net interest expense	27.5	19.3	8.2	42.5 %
Income from continuing operations before income taxes	152.9	127.7	25.2	19.7 %
Provision for income taxes	20.8	12.3	8.5	69.1 %
Effective tax rate	13.6 %	9.6 %		4.0 pts

N.M. Not Meaningful

The consolidated results of operations for the nine months ended **September 30, 2023** and **September 30, 2022** were as follows:

Nine months ended	Three months ended
Three months ended	Three months ended

		September 30, 2023	September 30, 2022	\$ Change	% / Point Change		March 31, 2024	March 31, 2023	\$ Change	% / Point Change		
In millions	In millions					In millions						
Net sales	Net sales	\$3,119.9	\$3,118.9	\$ 1.0	— %	Net sales	\$1,017.2	\$ 1,028.6	\$ (11.4)	(1.1)	(1.1)%	
Cost of goods sold	Cost of goods sold	1,966.8	2,079.1	(112.3)	(5.4) %	Cost of goods sold	627.1	646.8	(19.7)	(19.7)	(3.0)	(3.0)%
Gross profit	Gross profit	1,153.1	1,039.8	113.3	10.9 %	Gross profit	390.1	381.8	8.3	8.3	2.2	2.2 %
% of net sales	% of net sales	37.0 %	33.3 %		3.7 pts	% of net sales	38.4 %	37.1 %			1.3	pts
Selling, general and administrative expenses	Selling, general and administrative expenses											
Selling, general and administrative expenses	Selling, general and administrative expenses											
Selling, general and administrative expenses	Selling, general and administrative expenses	504.6	487.0	17.6	3.6 %		185.2	173.3	11.9	6.9	6.9 %	
% of net sales	% of net sales	16.2 %	15.6 %		0.6 pts	% of net sales	18.2 %	16.8 %			1.4	pts
Research and development expenses	Research and development expenses	76.3	69.1	7.2	10.4 %	Research and development expenses	24.1	24.9	(0.8)	(0.8)	(3.2)	(3.2)%
% of net sales	% of net sales	2.4 %	2.2 %		0.2 pts	% of net sales	2.4 %	2.4 %			—	pts
Operating income	Operating income	572.2	483.7	88.5	18.3 %							
Operating income	Operating income						180.8	183.6	(2.8)	(1.5)%		
% of net sales	% of net sales	18.3 %	15.5 %		2.8 pts	% of net sales	17.8 %	17.8 %			—	pts
Gain on sale of businesses		—	(0.2)	0.2	N.M.							
Other (income) expense		(4.4)	0.5	(4.9)	N.M.							
Other expense												
Other expense												
Other expense							0.1	0.7	(0.6)	N.M.		
Net interest expense	Net interest expense	91.7	34.2	57.5	N.M.	Net interest expense	27.3	32.4	(5.1)	(5.1)	(15.7)	(15.7)%
Income from continuing operations before income taxes	Income from continuing operations before income taxes	484.9	449.2	35.7	7.9 %							
Income from continuing operations before income taxes	Income from continuing operations before income taxes						153.4	150.5	2.9	1.9 %		
Provision for income taxes	Provision for income taxes	70.1	62.3	7.8	12.5 %	Provision for income taxes	19.9	22.0	(2.1)	(2.1)	(9.5)	(9.5)%
Effective tax rate	Effective tax rate	14.5 %	13.9 %		0.6 pts	Effective tax rate	13.0 %	14.6 %			(1.6)	pts

N.M. Not Meaningful

#### Net sales

The components of the consolidated net sales change from the prior period were as follows:

	Three months ended September 30, 2023 over the prior year period	Nine months ended September 30, 2023 over the prior year period
Volume	(12.6)%	(13.0)%

Price	5.3	7.3
Core growth	(7.3)	(5.7)
Acquisition/Divestitures	2.3	5.9
Currency	0.6	(0.2)
Total	(4.4)%	— %

Three months ended March 31, 2024

over the prior year period

Volume	(3.9)%
Price	2.8
Total	(1.1)%

The 4.4 1.1 percent decrease in net sales in the third first quarter of 2023 2024 from 2022 2023 was primarily driven by:

- decreased sales volume in our residential flow business within our Industrial & Flow Technologies segment compared to the prior year;

- decreased sales volume in and our residential business within our Water Solutions segment driven by lower demand compared to the same period of the prior year and certain business exits announced in the second half of 2022; and year;

- sales volume decreases in our Pool segment primarily due to higher channel inventory and lower demand compared to the prior year.

This decrease was partially offset by:

- increases in selling prices to mitigate a rise in inflationary costs and lower rebates and incentives in our Pool segment;
- increased sales within our Water Solutions segment from the acquisition of Manitowoc Ice, which was completed in the third quarter of 2022;
- higher decreased sales volume in our commercial business within our Water Solutions segment driven by higher the completion of a large project in 2023 that did not recur in the first three months of 2024; and
- decreased sales volume in our Pool segment primarily due to lower demand and easing of supply chain pressures, which allowed compared to the prior year.

This decrease was partially offset by:

- increased production and delivery selling prices to market; mitigate inflationary cost increases; and
- increased sales volume in our commercial flow and industrial solutions businesses business within our Industrial & Flow Technologies segment compared to the prior year.

Net sales were flat in the first nine months same period of 2023 from 2022, primarily driven by:

- sales volume decreases in our Pool segment primarily due to higher channel inventory and lower demand compared to the prior year;
- decreased sales volume in our residential business within our Water Solutions segment driven by lower demand compared to the prior year and certain business exits announced in the second half of 2022;
- increased sales within our Water Solutions segment from the acquisition of Manitowoc Ice, which was completed in the third quarter of 2022;
- higher sales volume in our commercial business within our Water Solutions segment driven by higher demand and easing of supply chain pressures which allowed increased production and delivery to market; and
- increases in selling prices to mitigate a rise in inflationary costs and lower rebates and incentives in our Pool segment, year.

### Gross profit

The 3.9 and 3.7 1.3 percentage point increases increase in gross profit as a percentage of net sales in the third first quarter and first nine months, respectively, of 2024 from 2023 from 2022 were was primarily driven by:

- increases in selling prices to mitigate impacts of inflationary costs and lower rebates and incentives in our Pool segment;
- increased productivity within our Water Solutions segment as a result of certain transformation and restructuring initiatives; and costs;
- increased productivity in our Industrial & Flow Technologies segment and Water Solutions segments mainly driven by manufacturing leverage and transformation initiatives. initiatives; and

These increases were • asset impairment and write-offs of \$0.8 million recorded in the first quarter of 2024, compared to \$3.9 million in the first quarter of 2023.

This increase was partially offset by:

- inflationary cost increases related to labor costs and certain raw materials; and
- inventory impairments and write-offs of \$1.4 million in the third quarter of 2023 and \$5.3 million in the first nine months of 2023. materials.

### Selling, general and administrative expenses ("SG&A")

The 0.3 percentage point decrease in SG&A as a percentage of net sales in the third quarter of 2023 from 2022 was primarily driven by:

- identifiable intangible asset amortization expense of \$13.8 million in the third quarter of 2023, compared to \$18.5 million in the third quarter of 2022;

- restructuring and other costs of \$1.6 million in the third quarter of 2023, compared to \$12.5 million in the third quarter of 2022; and
- no deal-related costs and expenses in the third quarter of 2023, compared to \$13.4 million in the third quarter of 2022.

The decrease was partially offset by:

- transformation costs of \$13.5 million in the third quarter of 2023, compared to \$10.1 million in the third quarter of 2022; and
- higher employee compensation costs compared to the same period of the prior year.

The 0.6 1.4 percentage point increase in SG&A as a percentage of net sales in the first nine months quarter of 2023 2024 from 2022 2023 was primarily driven by:

- increased identifiable intangible asset amortization expense transformation costs of \$12.7 million \$17.0 million in the first nine months of 2023 related to the addition of Manitowoc Ice's definite-lived intangible assets in the third quarter of 2022;
- transformation costs of \$28.0 million 2024, compared to \$8.5 million in the first nine months quarter of 2023, compared to \$20.8 million in the first nine months of 2022; 2023; and
- higher employee compensation restructuring and other costs of \$4.6 million in the first quarter of 2024, compared to \$2.9 million in the first quarter of 2023.

### Net interest expense

The 15.7 percent decrease in net interest expense in the first quarter of 2024 from 2023 was primarily driven by:

- lower variable debt compared to the same period of the prior year.

The This increase decrease was partially offset by:

- no deal-related costs and expenses in the first nine months of 2023, compared to \$21.4 million in the first nine months of 2022; and
- restructuring and other costs of \$5.1 million in the first nine months of 2023, compared to \$15.7 million in the first nine months of 2022.

### Net interest expense

The increases in net interest expense in the third quarter and first nine months, respectively, of 2023 from 2022 were primarily driven by:

- increased variable interest rates compared to the same periods period of the prior year; and
- increased debt due to the acquisition of Manitowoc Ice in the third quarter of 2022.

These increases were partially offset by:

- the amortization of debt issuance costs of \$1.3 million during the third quarter of 2022 and \$9.0 million during the first nine months of 2022 related to financing commitments for a bridge loan facility established in connection with the acquisition of Manitowoc Ice that did not recur in the first nine months of 2023. year.



Provision for income taxes

The 4.0 and 0.6 1.6 percentage point increases decrease in the effective tax rate in the third first quarter and first nine months, respectively, of 2024 from 2023 from 2022 were was primarily driven by:

- the favorable impact of discrete items that occurred during the first quarter of 2024 that did not occur in the same period of the prior year.

This decrease was partially offset by:

- the unfavorable mix of global earnings.

These increases were partially offset by:

- the impact of favorable discrete items that occurred during the third quarter and first nine months of 2023 that did not occur in 2022.

SEGMENT RESULTS OF OPERATIONS

The summary that follows provides a discussion of the results of operations of our three reportable segments (Industrial & Flow Technologies, (Flow, Water Solutions and Pool). Each of these segments is comprised of comprises various product offerings that serve multiple end users.

We evaluate performance based on net sales and segment income and use a variety of ratios to measure performance of our reporting segments. Segment income represents equity income of unconsolidated subsidiaries and operating income exclusive of intangible amortization, certain acquisition related expenses, costs of restructuring and transformation activities, impairments, legal accrual adjustments and settlements and other unusual non-operating items.

Industrial & Flow Technologies

The net sales and segment income for Industrial & Flow Technologies were as follows:

		Three months ended			Nine months ended						
		Three months ended			Three months ended						
		Three months ended			Three months ended						
		Three months ended			Three months ended						
In millions											
In millions											
In	In	September 30, 2023	September 30, 2022	% / Point Change	September 30, 2023	September 30, 2022	% / Point Change	March 31, 2024	March 31, 2023		% / Point Change
Net sales	Net sales	\$ 400.2	\$ 389.5	2.7%	\$1,203.6	\$1,125.0	7.0%	Net sales	\$ 384.3	\$ 391.8	(1.9) %
Segment income	Segment income	77.5	65.7	18.0%	217.3	177.0	22.8%	Segment income	77.3	65.0 65.0	18.9 %
% of net sales	% of net sales	19.4 %	16.9 %	2.5 pts	18.1 %	15.7 %	2.4 pts	% of net sales	20.1 %	16.6 %	3.5 pts

Net sales

The components of the change in Industrial & Flow Technologies net sales from the prior period were as follows:

		Three months ended September 30, 2023	Nine months ended September 30, 2023
		over the prior year period	over the prior year period
Volume		(3.8)%	(1.2)%
Price		4.9	8.3
Core growth		1.1	7.1
Currency		1.6	(0.1)
Total		2.7 %	7.0 %

Three months ended March 31, 2024

over the prior year period

Volume	(4.3)%
Price	2.2
Core growth	(2.1)
Currency	0.2
Total	(1.9)%

The 2.7 and 7.0 1.9 percent ~~increases~~ decrease in net sales for Industrial & Flow Technologies in the third quarter and first nine months, respectively, of 2023 from 2022 were primarily driven by:

- increases in selling prices to mitigate inflationary cost increases;
- increased sales volume in our commercial flow and industrial solutions businesses compared to the prior year; and
- favorable foreign currency effects compared to the third quarter of the prior year.

These increases were partially offset 2024 from 2023 was primarily driven by:

- decreased sales volume in our residential flow business compared to the same period of the prior year.

This decrease was partially offset by:

- increased sales volume in our commercial flow business compared to the same period of the prior year; and
- increased selling prices to mitigate inflationary cost increases.

### Segment income

The components of the change in Industrial & Flow Technologies segment income as a percentage of net sales from the prior period were as follows:

	Three months ended September 30, 2023 over the prior year period	Nine months ended September 30, 2023 over the prior year period
Growth/Price	4.2 pts	6.5 pts
Currency	(0.2)	(0.1)
Inflation	(6.1)	(6.1)
Productivity	4.6	2.1
Total	2.5 pts	2.4 pts

Three months ended March 31, 2024

over the prior year period

Growth/Price	3.2 pts
Inflation	(2.3)
Productivity	2.6
Total	3.5 pts

The 2.5 and 2.4 3.5 percentage point ~~increases~~ increase in segment income for Industrial & Flow Technologies as a percentage of net sales in the third first quarter and first nine months, respectively, of 2024 from 2023 from 2022 were was primarily driven by:

- increases in increased selling prices to mitigate impacts of inflation; inflation and favorable mix; and
- increased productivity mainly driven by manufacturing leverage and transformation initiatives.

These increases were This increase was partially offset by:

- inflationary cost increases related to labor costs and certain raw materials; and materials.

- unfavorable foreign currency effects compared to the prior year.

## Water Solutions

The net sales and segment income for Water Solutions were as follows:

		Three months ended			Nine months ended						
		Three months ended			Three months ended						
		Three months ended			Three months ended						
		Three months ended			Three months ended						
In millions											
In millions											
In millions	In millions	September 30, 2023	September 30, 2022	% / Point Change	September 30, 2023	September 30, 2022	% / Point Change	March 31, 2024	March 31, 2023		
Net sales	Net sales	\$ 299.4	\$ 275.3	8.8%	\$ 907.6	\$ 703.3	29.0%	Net sales	\$ 273.1	\$ 272.0	0.4 %
Segment income	Segment income	68.8	49.3	39.6%	196.0	104.0	88.5%	Segment income	55.6	52.4	6.1 %
% of net sales	% of net sales	23.0 %	17.9 %	5.1 pts	21.6 %	14.8 %	6.8 pts	% of net sales	20.4 %	19.3 %	1.1 pts

## Net sales

The components of the change in Water Solutions net sales from the prior period were as follows:

		Three months ended September 30, 2023 over the prior year period		Nine months ended September 30, 2023 over the prior year period	
Volume		(3.1)%		(0.2)%	
Price		2.9		3.5	
Core growth		(0.2)		3.3	
Acquisition/Divestitures		8.7		26.2	
Currency		0.3		(0.5)	
Total		8.8 %		29.0 %	

		Three months ended March 31, 2024 over the prior year period	
Volume		(0.8)%	
Price		1.6	
Core growth		0.8	
Currency		(0.4)	
Total		0.4 %	

The 8.8 and 29.0 0.4 percent increases increase in net sales for Water Solutions in the third first quarter and first nine months, respectively, of 2024 from 2023 from 2022 were was primarily driven by:

- increased sales as a result of the acquisition of Manitowoc Ice, which was completed in the third quarter of 2022;
- higher sales volume selling prices in our commercial business driven by higher demand and easing of supply chain pressures, which allowed increased production and delivery to market; and

- increases in selling prices to mitigate inflationary cost increases.

These increases were This increase was partially offset by:

- decreased sales volume in our residential commercial business driven by lower demand compared to the prior year and certain business exits announced completion of a large project in 2023 that did not recur in the second half first three months of 2022; 2024;
- decreased sales volume in our residential business as a result of lower demand; and
- unfavorable foreign currency effects compared to the first nine months same period of the prior year.

Segment income

The components of the change in Water Solutions segment income as a percentage of net sales from the prior period were as follows:

	Three months ended September 30, 2023 over the prior year period	Nine months ended September 30, 2023 over the prior year period
Growth/Price/Acquisition/Divestitures	7.2 pts	9.6 pts
Currency	(0.7)	(0.5)
Inflation	(5.1)	(5.4)
Productivity	3.7	3.1
Total	5.1 pts	6.8 pts

Three months ended March 31, 2024  
over the prior year period

Growth/Price	2.6 pts
Currency	(0.5)
Inflation	(2.6)
Productivity	1.6
Total	1.1 pts

The 5.1 and 6.8 1.1 percentage point increases increase in segment income for Water Solutions as a percentage of net sales in the third first quarter and first nine months, respectively, of 2024 from 2023 from 2022 were was primarily driven by:

- increased sales as a result of the Manitowoc Ice acquisition;
- increases selling prices in selling prices our commercial business to mitigate impacts of inflation; inflation and favorable mix; and
- increased productivity in the residential business as a result of certain mainly driven by manufacturing leverage and transformation and restructuring initiatives.

These increases were This increase was partially offset by:

- inflationary cost increases related to labor costs and certain raw materials; and
- unfavorable foreign currency effects compared to the first quarter of the prior year.

Pool

The net sales and segment income for Pool were as follows:

	Three months ended			Nine months ended					
	Three months ended			Three months ended					
	Three months ended			Three months ended					
	Three months ended			Three months ended					
In millions									
In millions									
In	September	September	% /	September	September	% /	March 31,	March 31,	
millions	30,	30,	Point	30,	30,	Point	2024	2023	% / Point Change
	2023	2022	Change	2023	2022	Change			

Net sales	Net sales	\$ 308.8	\$ 390.0	(20.8)%	\$1,007.4	\$1,289.4	(21.9)%	Net sales	\$ 359.5	\$ 364.3	(1.3)	(1.3) %
Segment income	Segment income	90.6	109.3	(17.1)%	311.9	362.3	(13.9)%	Segment income	110.8	116.2	(4.6)	(4.6) %
% of net sales	% of net sales	29.3 %	28.0 %	1.3 pts	31.0 %	28.1 %	2.9 pts	% of net sales	30.8 %	31.9 %	(1.1)	(1.1) pts

#### Net sales

The components of the change in Pool net sales from the prior period were as follows:

	Three months ended September 30, 2023 over the prior year period	Nine months ended September 30, 2023 over the prior year period
Volume	(28.1)%	(30.4)%
Price	7.3	8.6
Core growth	(20.8)	(21.8)
Currency	—	(0.1)
Total	(20.8)%	(21.9)%

	Three months ended March 31, 2024 over the prior year period
Volume	(5.7)%
Price	4.4
Total	(1.3)%

The 20.8 and 21.9 1.3 percent decreases decrease in net sales for Pool in the third first quarter and first nine months, respectively, of 2024 from 2023 from 2022 were was primarily driven by:

- decreased sales volume decreases primarily due to higher channel inventory and lower demand compared to the prior year.

These decreases were This decrease was partially offset by:

- increases in increased selling prices to mitigate inflationary cost increases and lower rebates and incentives, increases.

#### Segment income

The components of the change in Pool segment income as a percentage of net sales from the prior period were as follows:

	Three months ended September 30, 2023 over the prior year period	Nine months ended September 30, 2023 over the prior year period
Growth/Price	3.1 pts	6.1 pts
Inflation	(3.5)	(3.0)
Productivity	1.7	(0.2)
Total	1.3 pts	2.9 pts

	Three months ended March 31, 2024 over the prior year period
Growth/Price	2.7 pts
Inflation	(1.7)
Productivity	(2.1)
Total	(1.1) pts

The 1.3 and 2.9 1.1 percentage point increases decrease in segment income for Pool as a percentage of net sales in the third first quarter and first nine months, respectively, of 2024 from 2023 from 2022 were was primarily driven by:

- increases in selling prices decreased productivity due to mitigate impacts of inflation and lower rebates and incentives;
- positive impact to margin associated with benefits realized from our transformation initiatives; and
- cost management initiatives associated with decreased sales volume, volume and investments to drive future growth; and

These increases were partially offset by:

- inflationary cost increases related to labor costs and certain raw materials.

This decrease was partially offset by:

- increased selling prices to mitigate impacts of inflation.

#### BACKLOG OF ORDERS BY SEGMENT

In millions	In millions	September 30, 2023		December 31, 2022		In millions	March 31, 2024		December 31, 2023		\$ Change	% Change
		\$	%	\$	%		\$	%	\$	%		
Industrial & Flow Technologies		\$ 404.6		\$ 512.1	\$(107.5) (21.0) %							
Flow						Flow	\$ 365.8		\$ 390.1		\$(24.3)	(6.2) %
Water Solutions	Water Solutions	137.0		193.5	(56.5) (29.2) %	Water Solutions	113.2		108.5		4.7	4.3 %
Pool	Pool	126.4		289.6	(163.2) (56.4) %	Pool	96.7		239.7		(143.0)	(59.7) %
Total	Total	\$ 668.0		\$ 995.2	\$(327.2) (32.9) %	Total	\$ 575.7		\$ 738.3		\$(162.6)	(22.0) %

The majority of our backlog is short cycle in nature with shipments within one year from when a customer places an order and a substantial portion of our revenues has historically resulted from orders received and products delivered in the same month. A portion of our backlog, particularly from orders for major capital projects, can take more than one year from order to delivery depending on the size and type of order. We record, as part of our backlog, all orders from external customers, which represent firm commitments, and are supported by a purchase order or other legitimate contract. Our backlog of orders is dependent upon when customers place orders and is not necessarily an indicator of our expected results for our 2023 2024 net sales.

The decrease in our overall backlog from December 31, 2022 December 31, 2023 was primarily driven by backlog in our backlog Flow and Pool segments trending down to more historical levels as a result of increased manufacturing capacity and improved lead times.

#### LIQUIDITY AND CAPITAL RESOURCES

We generally fund cash requirements for working capital, capital expenditures, equity investments, acquisitions, debt repayments, dividend payments and share repurchases from cash generated from operations, availability under existing committed revolving credit facilities and in certain instances, public and private debt and equity offerings. Our primary revolving credit facility has generally been adequate for these purposes, although we have negotiated additional credit facilities or completed debt and equity offerings as needed to allow us to complete acquisitions.

We experience seasonal cash flows primarily due to seasonal demand in a number of markets. Consistent with historical trends, we experienced seasonal cash usage in the first quarter of 2023 2024 and drew on our revolving credit facility to fund our operations. This cash usage reversed typically reverses in the second quarter of 2023 as the seasonality of our businesses peaked peak. We expect historical seasonal patterns to continue and generated the second quarter of 2024 to generate significant cash to fund our operations.

End-user demand for pool equipment in the Pool segment, water solution products in the Water Solutions segment, and certain pumping equipment residential water supply and agricultural products within the Flow segment follows warm weather trends, and historically is at with seasonal highs from April to August. September. The magnitude of the sales spike typically is partially mitigated by employing some advance sale "early buy" programs (generally including extended payment terms and/or additional discounts). Demand for residential and agricultural water systems is also impacted by weather patterns, particularly by temperature, heavy flooding and droughts.

We expect to continue to have sufficient cash and borrowing capacity to support working capital needs and capital expenditures, to pay interest and service debt and to pay dividends to shareholders quarterly. We believe our existing liquidity position, coupled with our currently anticipated operating cash flows, will be sufficient to meet our cash needs arising in the ordinary course of business for the next twelve months.

#### Summary of cash flows

Nine months ended	
Three months ended	Three months ended

	September 30,			March 31,	March 31,
In millions	In millions	2023	2022	2024	2023
Net cash provided by (used for):	Net cash provided by (used for):				
Operating activities of continuing operations	Operating activities of continuing operations	\$ 502.3	\$ 271.5		
Operating activities of continuing operations	Operating activities of continuing operations				
Investing activities	Investing activities	(45.9)	(1,643.9)		
Financing activities	Financing activities	(426.2)	1,385.5		

#### Operating activities

The \$502.3 million in net cash provided by used for operating activities of continuing operations in the first nine three months of 2023 2024 primarily reflects \$506.8 million a cash outflow of \$287.9 million as a result of changes in net working capital, primarily due to an increase in accounts receivable largely related to certain advance sale programs in anticipation of our distributors' peak sales season in the second and third quarters. The outflow related to net working capital was partially offset by net income from continuing operations, net of non-cash depreciation, definite-lived intangible amortization and asset impairment, of \$162.7 million.

The \$271.5 million in net cash provided by used for operating activities of continuing operations in the first nine three months of 2022 2023 primarily reflects \$458.2 million of net income from continuing operations, net of non-cash depreciation and definite-lived intangible amortization. Additionally, we had a cash outflow of \$165.2 million \$262.6 million as a result of changes in net working capital, primarily due to increased inventory balances compared an increase in accounts receivable largely related to December 31, 2021. certain advance sale programs in anticipation of our distributors' peak sales season in the second and third quarters. The inventory balance outflow related to net working capital was higher due to inflationary impacts partially offset by net income from continuing operations, net of non-cash depreciation, definite-lived intangible amortization, and continued supply chain inefficiencies, asset impairment, of \$161.1 million.

#### Investing activities

Net cash used for investing activities in the first nine three months of 2023 primarily 2024 reflects capital expenditures of \$54.8 million, partially offset by proceeds from the sale of property and equipment of \$5.4 million \$19.3 million.

Net cash used for investing activities in the first nine three months of 2022 2023 primarily reflects the net cash paid of \$1,591.5 million for the Manitowoc Ice acquisition and capital expenditures of \$63.2 million, partially offset by cash received upon the settlement of net investment hedges of \$8.8 million \$16.6 million.

#### Financing activities

Net cash used for provided by financing activities in the first nine three months of 2023 2024 primarily relates to net repayments borrowings of revolving long-term debt of \$320.0 million and \$101.4 million, partially offset by dividend payments of \$108.9 million \$38.0 million.

Net cash provided by financing activities in the first nine three months of 2022 2023 primarily relates to net borrowings of revolving long-term debt of \$256.1 million and net proceeds received from the Term Loan Facility and issuance of the 2032 Senior Notes of \$1,391.3 million used to finance the Manitowoc Ice acquisition, \$173.6 million, partially offset by dividend payments of \$104.1 million, repayment of \$88.3 million senior fixed notes, share repurchases of \$50.0 million and payments of debt issuance costs of \$15.7 million \$36.2 million.

#### Free cash flow

In addition to measuring our cash flow generation or usage based upon operating, investing and financing classifications included in the Condensed Consolidated Statements of Cash Flows, we also measure our free cash flow. We have a long-term goal to consistently generate free cash flow that is equal to 100 percent conversion of net income. Free cash flow is a non-U.S. GAAP financial measure that we use to assess our cash flow performance. We believe free cash flow is an important measure of

liquidity because it provides us and our investors a measurement of cash generated from operations that is available to pay dividends, repurchase shares and repay debt. In addition, free cash flow is used as a criterion to measure and pay compensation-based incentives. Our measure of free cash flow may not be comparable to similarly titled measures reported by other companies.

The following table is a reconciliation of free cash flow:

In millions	In millions	Nine months ended		Three months ended	
		September 30, 2023	September 30, 2022	In millions	March 31, 2024 March 31, 2023
Net cash provided by operating activities of continuing operations		\$ 502.3	\$ 271.5		
Net cash used for operating activities of continuing operations					
Capital expenditures of continuing operations	Capital expenditures of continuing operations	(54.8)	(63.2)		
Proceeds from sale of property and equipment of continuing operations	Proceeds from sale of property and equipment of continuing operations	5.4	3.0		
<b>Free cash flow from continuing operations</b>	<b>Free cash flow from continuing operations</b>	452.9	211.3		
Net cash used for operating activities of discontinued operations	Net cash used for operating activities of discontinued operations	(1.6)	(1.0)		
<b>Free cash flow</b>	<b>Free cash flow</b>	\$ 451.3	\$ 210.3		
<b>Free cash flow</b>					
<b>Free cash flow</b>					

#### Debt and capital

Pentair, Pentair Finance S.à r.l. ("PFSA" PFSA) and Pentair, Inc. are parties to a credit agreement (the "Senior Credit Facility"), with Pentair as guarantor and PFSA and Pentair, Inc. as borrowers, which was amended and restated in December 2021 and further amended in December 2022, providing for a \$900.0 million senior unsecured revolving credit facility and a \$200.0 million senior unsecured term loan facility. The revolving credit facility has a maturity date of December 16, 2026 and the term loan facility has a maturity date of December 16, 2024. Borrowings under the Senior Credit Facility bear interest at a rate equal to an alternate base rate, adjusted term secured overnight financing rate, adjusted euro interbank offered rate, adjusted daily simple secured overnight financing rate or central bank rate, plus, in each case, an applicable margin. The applicable margin is based on, at PFSA's election, Pentair's leverage level or PFSA's public credit rating.

As of September 30, 2023 March 31, 2024, total availability under the Senior Credit Facility was \$900.0 million \$798.6 million. In addition, PFSA has the option to request to increase the revolving credit facility and/or to enter into one or more additional tranches of term loans in an aggregate amount of up to \$300.0 million, subject to customary conditions, including the commitment of the participating lenders.

In March 2022, in contemplation of the acquisition of Manitowoc Ice, addition, Pentair and PFSA entered into are parties to a Loan Agreement among PFSA, as borrower, Pentair, as guarantor, and the lenders and agents party thereto, providing for a \$600.0 million senior unsecured term loan facility (the "Term Loan Facility"). In June 2022, the Term Loan Facility was amended to increase the facility by \$400.0 million to , with PFSA, as borrower, Pentair, as guarantor, providing for an aggregate principal amount of \$1.0 billion. The Term Loan Facility has a maturity date of July 28, 2027, with required quarterly installment payments of \$6.3 million that which began on the last day of the third quarter of 2023 and increase to \$12.5 million beginning with the last day of the third quarter of 2024. The Term Loan Facility bears interest at a rate equal to an alternate base rate, adjusted term secured overnight financing rate, or adjusted daily simple secured overnight financing rate, plus, in each case, an applicable margin. The applicable margin is based on, at PFSA's election, Pentair's leverage level or PFSA's public credit rating.

In July 2022, in contemplation of the acquisition of Manitowoc Ice, Pentair, as guarantor, and PFSA, as issuer, completed a public offering of \$400.0 million aggregate principal amount of 5.900% Senior Notes due 2032 ("2032 Senior Notes").

We used the net proceeds from the Term Loan Facility and the issuance of the 2032 Senior Notes to finance a portion of the Manitowoc Ice acquisition purchase price and to pay related fees and expenses.

Our debt agreements contain various financial covenants, but the most restrictive covenants are contained in the Senior Credit Facility and the Term Loan Facility. The Senior Credit Facility and the Term Loan Facility contain covenants requiring us not to permit (i) the ratio of our consolidated debt (net of our consolidated unrestricted cash and cash equivalents in excess of \$5.0 million but not to exceed \$250.0 million) to our consolidated net income (excluding, among other things, non-cash gains and losses)



before interest, taxes, depreciation, amortization and non-cash share-based compensation expense ("EBITDA") on the last day of any period of four consecutive fiscal quarters (each, a "testing period") to exceed 3.75 to 1.00 (or, at PFSA's election and subject to certain conditions, 4.25 to 1.00 for four testing periods in connection with certain material acquisitions) (the "Leverage Ratio") and (ii) the ratio of our EBITDA to our consolidated interest expense, for the same period to be less than 3.00 to 1.00 as of the end of each fiscal quarter. For purposes of the Leverage Ratio, the Senior Credit Facility and the Term Loan Facility provide for the calculation of EBITDA giving pro forma effect to certain acquisitions, divestitures and liquidations during the period to which such calculation relates.

In addition to the Senior Credit Facility and the Term Loan Facility, we have various other credit facilities with an aggregate availability of \$20.8 million, of which there were no outstanding borrowings at **September 30, 2023** **March 31, 2024**. Borrowings under these credit facilities bear interest at variable rates.

We have **\$31.3** **\$43.8** million of Term Loan Facility payments and **\$200.0 million** of payments under the senior unsecured term loan facility, associated with the Senior Credit Facility, due in the next twelve months. We classified this debt as long-term as of **September 30, 2023** **March 31, 2024** as we have the intent and ability to refinance such obligation on a long-term basis under the revolving credit facility under the Senior Credit Facility.

As of **September 30, 2023** **March 31, 2024**, we had **\$93.1 million** **\$89.1 million** of cash held in certain countries in which the ability to repatriate is limited due to local regulations or significant potential tax consequences.

#### Share repurchases

In December 2020, the Board of Directors authorized the repurchase of our ordinary shares up to a maximum dollar limit of \$750.0 million. **The** **This** authorization expires on December 31, 2025. During the three **and nine** months ended **September 30, 2023** **March 31, 2024**, no ordinary shares were repurchased. As of **September 30, 2023** **March 31, 2024**, we had \$600.0 million available for share repurchases under this authorization.

#### Dividends payable

On **September 18, 2023** **February 19, 2024**, the Board of Directors declared a quarterly cash dividend of **\$0.22** **\$0.23** per share, payable on **November 3, 2023** **May 3, 2024** to shareholders of record at the close of business on **October 20, 2023** **April 19, 2024**. As a result, the balance of dividends payable included in *Other current liabilities* on our Condensed Consolidated Balance Sheets was **\$36.4 million** **\$38.2 million** at **September 30, 2023** **March 31, 2024**, compared to **\$36.2 million** **\$38.0 million** at **December 31, 2022** **December 31, 2023**.

We paid dividends in the first **nine** **three** months of **2023** **2024** of **\$108.9 million** **\$38.0 million**, or **\$0.66** **\$0.23** per ordinary share compared with **\$104.1 million** **\$36.2 million**, or **\$0.63** **\$0.22** per ordinary share, in the prior year period.

Under Irish law, the payment of future cash dividends and repurchases of shares may be paid only out of Pentair plc's "distributable reserves" on its statutory balance sheet. Pentair plc is not permitted to pay dividends out of share capital, which includes share premiums. Distributable reserves may be created through the earnings of the Irish parent company and through a reduction in share capital approved by the Irish High Court. Distributable reserves are not linked to a U.S. generally accepted accounting principles ("GAAP") reported amount (e.g., retained earnings). Our distributable reserve balance was **\$7.1 billion** **\$6.9 billion** as of **December 31, 2022** **December 31, 2023**.

#### Supplemental guarantor information

Pentair plc (the "Parent Company Guarantor"), fully and unconditionally, guarantees the senior notes of PFSA (the "Subsidiary Issuer"). The Subsidiary Issuer is a Luxembourg private limited liability company and 100 percent-owned subsidiary of the Parent Company Guarantor.

The Parent Company Guarantor is a holding company established to own directly and indirectly substantially all of its operating and other subsidiaries. The Subsidiary Issuer is a holding company formed to own directly and indirectly substantially all of its operating and other subsidiaries and to issue debt securities, including the senior notes. The Parent Company Guarantor's principal source of cash flow, including cash flow to make payments on the senior notes pursuant to the guarantees, is dividends from its subsidiaries. The Subsidiary Issuer's principal source of cash flow is interest income from its subsidiaries. None of the subsidiaries of the Parent Company Guarantor or the Subsidiary Issuer is under any direct obligation to pay or otherwise fund amounts due on the senior notes or the guarantees, whether in the form of dividends, distributions, loans or other payments. In addition, there may be statutory and regulatory limitations on the payment of dividends from certain subsidiaries of the Parent Company Guarantor or the Subsidiary Issuer. If such subsidiaries are unable to transfer funds to the Parent Company Guarantor or the Subsidiary Issuer and sufficient cash or liquidity is not otherwise available, the Parent Company Guarantor or the Subsidiary Issuer may not be able to make principal and interest payments on their outstanding debt, including the senior notes or the guarantees.

The following table presents summarized financial information as of **September 30, 2023**, **March 31, 2024** and **December 31, 2022**, **December 31, 2023** for the Parent Company Guarantor and Subsidiary Issuer on a combined basis after elimination of (i) intercompany transactions and balances among the guarantors and issuer and (ii) equity in earnings from and investments in any subsidiary that is a non-guarantor or issuer.

	<b>September December</b>					
		<b>30,</b>	<b>31,</b>		<b>March 31,</b>	<b>December 31,</b>
In millions	In millions	<b>2023</b>	<b>2022</b>	In millions	<b>2024</b>	<b>2023</b>
Current assets <sup>(1)</sup>						
Current assets <sup>(1)</sup>						
Current assets <sup>(1)</sup>						
Current assets <sup>(1)</sup>						
Current assets <sup>(1)</sup>						
Current assets <sup>(1)</sup>						
Current assets <sup>(1)</sup>						
Current assets <sup>(1)</sup>						
Current assets <sup>(1)</sup>						
Current assets <sup>(1)</sup>						
Current assets <sup>(1)</sup>						
Current assets <sup>(1)</sup>	Current assets <sup>(1)</sup>	\$      0.5	\$      2.4			
Noncurrent assets <sup>(2)</sup>	Noncurrent assets <sup>(2)</sup>	2,682.9	2,677.4			
Current liabilities <sup>(3)</sup>	Current liabilities <sup>(3)</sup>	1,519.2	1,068.6			
Noncurrent liabilities <sup>(4)</sup>	Noncurrent liabilities <sup>(4)</sup>	2,310.8	2,640.3			

	(2) Includes assets due from non-guarantor subsidiaries of \$2,660.7 million and \$2,664.7 million as of September 30, 2023 and December 31, 2022, respectively.	(3) Includes liabilities due to non-guarantor subsidiaries of \$1,455.9 million and \$989.8 million as of September 30, 2023 and December 31, 2022, respectively.	(4) Includes liabilities due to non-guarantor subsidiaries of \$255.8 million and \$259.8 million as of September 30, 2023 and December 31, 2022, respectively.
(1) No assets due from non-guarantor subsidiaries were included as of September 30, 2023 and December 31, 2022, respectively.			

(1) No assets due from non-guarantor subsidiaries were included as of March 31, 2024 and December 31, 2023, respectively.	(1) No assets due from non-guarantor subsidiaries were included as of March 31, 2024 and December 31, 2023, respectively.
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(2)	Includes assets due from non-guarantor subsidiaries of \$2,554.6 million and \$2,673.3 million as of March 31, 2024 and December 31, 2023, respectively.	(2) Includes assets due from non-guarantor subsidiaries of \$2,554.6 million and \$2,673.3 million as of March 31, 2024 and December 31, 2023, respectively.
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(3) Includes liabilities due to non-guarantor subsidiaries of \$1,115.7 million and \$1,583.6 million as of March 31, 2024 and December 31, 2023, respectively.	(3) Includes liabilities due to non-guarantor subsidiaries of \$1,115.7 million and \$1,583.6 million as of March 31, 2024 and December 31, 2023, respectively.
(4) Includes liabilities due to non-guarantor subsidiaries of \$157.1 million and \$268.4 million as of March 31, 2024 and December 31, 2023, respectively.	(4) Includes liabilities due to non-guarantor subsidiaries of \$157.1 million and \$268.4 million as of March 31, 2024 and December 31, 2023, respectively.

The Parent Company Guarantor and Subsidiary Issuer do not have material results of operations on a combined basis.

## CRITICAL ACCOUNTING POLICIES

We have adopted various accounting policies to prepare the consolidated financial statements in accordance with GAAP. Certain of our accounting policies require the application of significant judgment by management in selecting the appropriate assumptions for calculating financial estimates. In our Annual Report on Form 10-K for the year ended **December 31, 2022** **December 31, 2023**, we identified the critical accounting policies that affect our more significant estimates and assumptions used in preparing our consolidated financial statements. There have been no material changes to our critical accounting policies and estimates from those disclosed in our Annual Report on Form 10-K for the year ended **December 31, 2022** **December 31, 2023**.

## ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in our market risk during the quarter ended **September 30, 2023** **March 31, 2024**. For additional information refer to Item 7A of our Annual Report on Form 10-K for the year ended **December 31, 2022** **December 31, 2023**.

## ITEM 4. CONTROLS AND PROCEDURES

### (a) Evaluation of Disclosure Controls and Procedures

We maintain a system of disclosure controls and procedures designed to provide reasonable assurance as to the reliability of our published financial statements and other disclosures included in this report. Our management evaluated, with the participation of our Chief Executive Officer and our Chief Financial Officer, the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the quarter ended **September 30, 2023** **March 31, 2024** pursuant to Rule 13a-15(b) of the Securities Exchange Act of 1934 (the "Exchange Act"). Based upon their evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures were effective, at the reasonable assurance level, as of the end of the quarter ended **September 30, 2023** **March 31, 2024** to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms, and to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosures.

### (b) Changes in Internal Control over Financial Reporting

As part of our ongoing integration activities after the Manitowoc Ice acquisition we are continuing to incorporate our controls and procedures into the Manitowoc Ice business and to augment our company-wide controls. There was no other change in our internal control over financial reporting that occurred during the quarter ended **September 30, 2023** **March 31, 2024** that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## PART II OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

We have been, and in the future may be, made parties to a number of actions filed or have been, and in the future may be, given notice of potential claims relating to the conduct of our business, including those relating to commercial, contractual or regulatory disputes with suppliers, customers, authorities or parties to acquisitions and divestitures; intellectual property matters; environmental, asbestos, safety and health matters; product liability claims; claims relating to the use or installation of our products; consumer and consumer protection matters; and employment and labor matters.

### ITEM 1A. RISK FACTORS

There have been no material changes from the risk factors previously disclosed in Item 1A. of our Annual Report on Form 10-K for the year ended **December 31, 2022** **December 31, 2023**.

### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS AND ISSUER PURCHASES OF EQUITY SECURITIES

The following table provides information with respect to purchases we made of our ordinary shares during the **third** **first** quarter of **2023**: **2024**:

Period	(a) Total number of shares purchased	(b) Average price paid per share	(c) Total number of shares purchased as part of publicly announced plans or programs	(d) Dollar value of shares that may yet be purchased under the plans or programs
July 1 - July 29	2,332	\$ 68.86	—	\$ 600,002,203
July 30 - August 26	1,848	68.86	—	600,002,203
August 27 - September 30	557	70.41	—	600,002,203
Total	4,737		—	

Period	(a) Total number of shares purchased	(b) Average price paid per share	(c) Total number of shares purchased as part of publicly announced plans or programs	(d) Dollar value of shares that may yet be purchased under the plans or programs
January 1 - January 27	25,441	\$ 68.73	—	\$ 600,002,203
January 28 - February 24	54,486	74.60	—	600,002,203
February 25 - March 31	43,085	78.30	—	600,002,203
Total	123,012		—	

- (a) The purchases in this column include **2,332** **25,441** shares for the period **July** **January 1 - July 29**, **1,848** **January 27**, **54,486** shares for the period **July 30** **January 28 - August 26** **February 24** and **557** **43,085** shares for the period **August 27** **February 25 - September 30** **March 31** deemed surrendered to us by participants in our equity incentive plans to satisfy the exercise price or withholding of tax obligations related to the exercise of stock options and vesting of restricted and performance shares.
- (b) The average price paid in this column includes shares deemed surrendered to us by participants in our equity incentive plans to satisfy the exercise price for the exercise price of stock options and withholding tax obligations due upon stock option exercises and vesting of restricted and performance shares.
- (c) The number of shares in this column represents the number of shares repurchased as part of our publicly announced plans to repurchase our ordinary shares up to the maximum dollar limit authorized by the Board of Directors, discussed below.
- (d) In December 2020, the Board of Directors authorized the repurchase of our ordinary shares up to a maximum dollar limit of \$750.0 million. **The** **This** authorization expires on December 31, 2025. As of **September 30, 2023** **March 31, 2024**, we had \$600.0 million **available** **remaining availability** for **share** repurchases under this authorization. From time to time, we may enter into a Rule 10b5-1 trading plan for the purpose of repurchasing shares under this authorization.

## ITEM 5. OTHER INFORMATION

(c) During the **third first** quarter of **2023, 2024**, none of our directors or Section 16 officers adopted or terminated 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), **except as set forth in the table below.**

Name and Title	Action Taken	Date	Type of Trading Arrangement (1)	Duration of Trading Arrangement (2)	Aggregate Number of Shares to be Sold
T. Michael Glenn, Director	Adoption	08/17/2023	Rule 10b5-1 trading arrangement	12/06/2024	Up to 6,268 shares issuable upon the exercise of options to acquire shares pursuant to the trading arrangement
David A. Jones, Director	Adoption	08/17/2023	Rule 10b5-1 trading arrangement	12/15/2023	Up to 2,260 shares issuable upon the exercise of options to acquire shares pursuant to the trading arrangement
Phil M. Rolchigo, Executive Vice President and Chief Technology Officer	Adoption	08/10/2023	Rule 10b5-1 trading arrangement	02/07/2024	Up to 2,427 shares issuable upon the exercise of options to acquire shares pursuant to the trading arrangement

(1) Each trading arrangement marked as a Rule 10b5-1 trading arrangement is intended to satisfy the affirmative defense of Rule 10b5-1(c).

(2) Each trading arrangement permits transactions through and including the earlier to occur of the completion of all sales under the trading arrangement or the date listed in the table.

## ITEM 6. EXHIBITS

The exhibits listed in the following Exhibit Index are filed as part of this Quarterly Report on Form 10-Q.

### Exhibit Index to Form 10-Q for the Period Ended **September 30, 2023** **March 31, 2024**

<b>22</b>	List of Guarantors and Subsidiary Issuers of Guaranteed Securities. (Incorporated by reference to Exhibit 22 to the Quarterly Report on Form 10-Q of Pentair plc for the quarter ended September 30, 2022 (File No. 001-11625)).
<b>31.1</b>	Certification of Chief Executive Officer.
<b>31.2</b>	Certification of Chief Financial Officer.
<b>32.1</b>	Certification of Chief Executive Officer, Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
<b>32.2</b>	Certification of Chief Financial Officer, Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
<b>101</b>	The following materials from Pentair plc's Quarterly Report on Form 10-Q for the quarter ended <b>September 30, 2023</b> <b>March 31, 2024</b> are filed herewith, formatted in iXBRL (Inline Extensible Business Reporting Language): (i) the Condensed Consolidated Statements of Operations and Comprehensive Income for the three <b>and nine</b> months ended <b>September 30, 2023</b> <b>March 31, 2024</b> and <b>2022, 2023</b> , (ii) the Condensed Consolidated Balance Sheets as of <b>September 30, 2023</b> <b>March 31, 2024</b> and <b>December 31, 2022</b> <b>December 31, 2023</b> , (iii) the Condensed Consolidated Statements of Cash Flows for the <b>nine</b> <b>three</b> months ended <b>September 30, 2023</b> <b>March 31, 2024</b> and <b>2022, 2023</b> , (iv) the Condensed Consolidated Statements of Changes in Equity for the three <b>and nine</b> months ended <b>September 30, 2023</b> <b>March 31, 2024</b> and <b>2022, and 2023</b> , (v) Notes to Condensed Consolidated Financial <b>Statements, Statements, and</b> (vi) <b>the information included in Part II, Item 5(c).</b> The instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document.
<b>104</b>	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

## 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, on **October 24, 2023** **April 23, 2024**.

Pentair plc

Registrant

By /s/ Robert P. Fishman

Robert P. Fishman

Executive Vice President, Chief Financial Officer and Chief  
Accounting Officer

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**Exhibit 31.1**

## Certification

I, John L. Stauch, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Pentair plc;
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; and
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: **October 24, 2023** **April 23, 2024**

/s/ John L. Stauch

John L. Stauch

President and Chief Executive Officer

### Certification

I, Robert P. Fishman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Pentair plc;
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; and
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: **October 24, 2023** **April 23, 2024**

/s/ Robert P. Fishman

Robert P. Fishman

Executive Vice President, Chief Financial Officer and Chief Accounting Officer

### Certification of CEO 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 Pentair plc (the "Company") on Form 10-Q for the period ended **September 30, 2023** **March 31, 2024** as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John L. Stauch, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350,

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

- (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 result of operations of the Company.

Date: **October 24, 2023** April 23, 2024

/s/ John L. Stauch

John L. Stauch

President and Chief Executive Officer

Exhibit 32.2

**Certification of CFO 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 Pentair plc (the "Company") on Form 10-Q for the period ended **September 30, 2023** March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Robert P. Fishman, Executive Vice President, Chief Financial Officer and Chief Accounting Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that based on my knowledge:

- (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 result of operations of the Company.

Date: **October 24, 2023** April 23, 2024

/s/ Robert P. Fishman

Robert P. Fishman

Executive Vice President, Chief Financial Officer and Chief Accounting Officer



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