



**VERTIV**<sup>TM</sup>

# First Quarter 2022 Results

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April 27, 2022

Architects of Continuity<sup>TM</sup>

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# Cautionary Statement Regarding Forward-Looking Statements

*This presentation, and other statements that Vertiv Holdings Co. ("Company") may make in connection therewith, may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act. This includes, without limitation, statements regarding the financial position, capital structure, indebtedness, business strategy and plans and objectives of Company management for future operations, as well as statements regarding growth, anticipated demand for our products and services and our business prospects, as well as expected cost savings associated with our restructuring program. These statements constitute projections, forecasts and forward-looking statements, and are not guarantees of performance. Company cautions that forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. Words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "strive," "would" and similar expressions may identify forward-looking statements. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.*

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These risk factors and those identified elsewhere in this presentation, among others, could cause actual results to differ materially from historical performance and include, but are not limited to: risks relating to the continued growth of Vertiv's customers' markets; disruption of Vertiv's customers' orders or Vertiv's customers' markets; less favorable contractual terms with large customers; risks associated with governmental contracts; failure to mitigate risks associated with long-term fixed price contracts; competition in the infrastructure technologies industry; failure to obtain performance and other guarantees from financial institutions; failure to realize sales expected from Vertiv's backlog of orders and contracts; failure to properly manage Vertiv's supply chain or difficulties with third-party manufacturers; our ability to forecast changes in prices, including due to inflation in material, freight and/or labor costs, and timely implement measures necessary to mitigate the impacts of any such changes; risks associated with our significant backlog, including that the impacts of any measures taken to mitigate inflation will not be reflected in our financial statements immediately; failure to meet or anticipate technology changes associated with information technology disruption or security; risks associated with the implementation and enhancement of information systems; failure to realize the expected benefit from any rationalization and improvement efforts; our ability to realize cost savings in connection with our restructuring program; disruption of, or changes in, Vertiv's independent sales representatives, distributors and original equipment manufacturers; changes to tax law; ongoing tax audits; costs or liabilities associated with product liability; the global scope of Vertiv's operations; risks associated with Vertiv's sales and operations in emerging markets; risks associated with future legislation and regulation of Vertiv's customers' markets both in the United States and abroad; Vertiv's ability to comply with various laws and regulations, and the costs associated with legal compliance; risks associated with current or potential litigation or claims against Vertiv; adverse outcomes to any legal claims and proceedings filed by or against us; Vertiv's ability to protect or enforce its proprietary rights on which its business depends; third-party intellectual property infringement claims; liabilities associated with environmental, health and safety matters, including risks associated with the COVID-19 pandemic; failure to realize the value of goodwill and intangible assets; exposure to fluctuations in foreign currency exchange rates; failure to maintain internal controls over financial reporting; the ability of the Company to grow and manage growth profitably and maintain relationships with customers and suppliers; the unpredictability of Vertiv's future operational results, including the ability to grow and manage growth profitably; potential net losses in future periods; Vertiv's level of indebtedness and the ability to incur additional indebtedness; Vertiv's ability to comply with the covenants and restrictions contained in our credit agreements including restrictive covenants that restrict operational flexibility; Vertiv's ability to comply with the covenants and restrictions contained in our credit agreements that is not fully within our control; Vertiv's ability to access funding through capital markets; the significant ownership and influence certain stockholders have; risks associated with Vertiv's obligations to pay portions of the tax benefits relating to tax assets and attributes prior to our business combination with subsidiaries of GS Acquisition Holdings Corp; resales of Vertiv's securities may cause volatility in the market price of our securities; Vertiv's organizational documents contain provisions that may discourage unsolicited takeover proposals; Vertiv's certificate of incorporation includes a forum selection clause, which could discourage or limit stockholders' ability to make a claim against it; the ability of Vertiv's subsidiaries to pay dividends; volatility in Vertiv's stock price due to various market and operational factors; risks associated with the failure of industry analysts to provide coverage of Vertiv's business or securities; factors relating to the business, operations and financial performance of Vertiv and its subsidiaries, including: global economic weakness, uncertainty and volatility; Vertiv's ability to attract, train and retain key members of its leadership team and other qualified personnel and retain its management and key employees; the adequacy of Vertiv's insurance coverage; a failure to benefit from future acquisitions; Vertiv's limited history of operating as an independent company; and other risks and uncertainties indicated in Vertiv's SEC reports or documents filed or to be filed with the SEC by Vertiv.*

*This presentation also includes certain non-GAAP financial measures, such as organic net sales growth, adjusted operating profit, adjusted operating margin, adjusted diluted EPS and free cash flow, that may not be directly comparable to other similarly titled measures used by other companies and therefore may not be comparable among companies. The Company has provided reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures and our reconciliations on pages 14-20 of this presentation and our current earnings release dated April 27, 2022, which are available on the Company's website at [www.vertiv.com](http://www.vertiv.com). Information reconciling certain forward-looking GAAP measures to non-GAAP measures related to Q2, Q3, Q4, second half and full year 2022 guidance, including organic net sales growth, adjusted operating margin, and free cash flow and certain E&I and Heavy Industrial UPS metrics, is not available without unreasonable effort due to high variability, complexity and uncertainty with respect to forecasting and quantifying certain amounts that are necessary for such reconciliations. For the same reasons, we are unable to compute the probable significance of the unavailable information, which could have a potentially unpredictable, and potentially significant, impact on our future GAAP financial results.*

# First quarter 2022 key messages

First quarter organic sales flat to prior year as supply chain constraints limited customer deliveries. Underlying market demand remains strong with first quarter orders up 34% notwithstanding impact of aggressive price actions.

First quarter adjusted operating profit of \$13M is down \$99M from last year's first quarter driven largely by \$45M inflation net of pricing, lower volume due to supply constraints and fixed cost investments

Price-cost \$25M favorable to prior first quarter guidance but we are increasing our full year expectation for inflation by \$10M. Additional pricing actions have been executed to mitigate risk.

Projected second quarter sales of \$1,335M and adjusted operating profit range of \$70M - \$90M slightly reduced from prior guidance due to pull ahead of some sales into Q1 and expected shipment delays caused by China lockdowns

Supply chain challenges – notably with electronic parts and fans – remain uncertain but expected to continue into second half of 2022. Logistics cost increases slightly worse than prior expectation on higher fuel costs & surcharges.

Overall, we remain on track with full year plans, and we expect to deliver a very good second half 2022. We believe Vertiv is well positioned for a strong 2023.

**Demand remains high • supply environment challenging • pricing actions expected to deliver strong 2H22**

# Market Environment

SEGMENT	 AMERICAS		 APAC		 EMEA	
	Feb-22	April-22	Feb-22	April-22	Feb-22	April-22
CLOUD / HYPERSCALE						
COLOCATION						
ENTERPRISE / SMALL & MEDIUM BUSINESS						
COMMUNICATION NETWORKS						
COMMERCIAL & INDUSTRIAL						

Orders remain strong but moderating with price actions and supply constraints

# Customer demand and supply chain update

## CUSTOMER DEMAND & PRICING UPDATE

- Overall market demand remains robust. **First quarter orders up 34% compared to same period last year.**
- Continued strength in cloud and colocation markets with larger project-based orders. Enterprise segment continues to strengthen
- **Backlog a new record level of \$4.1B** at end of March, ~29% higher than end of 2021
- ~\$40M (~4%) price realization in first quarter was \$10M higher than guidance primarily driven by higher cost pass-through (freight, batteries) and timing of channel price increases
- Actual pricing embedded in first quarter orders drives confidence in delivery of expected second half 2022 price realization of \$240M

## SUPPLY CHAIN & INFLATION UPDATE

- Supply chain challenges show no improvement in the first quarter, and we expect continued challenges throughout 2022
  - Commodity outlook trending unfavorable (Ukraine, etc.)
  - Critical part shortages driving spot buys and customer delivery challenges
  - Continue to validate new suppliers, redesign products to use available components and localize the supply base in-region, for-region
- Materials inflation in 1Q slightly favorable to plan; however, freight inflation (particularly in the Americas) higher than expected in the quarter
- Anticipating slightly higher full-year inflation than prior guidance and executing additional pricing actions to recover

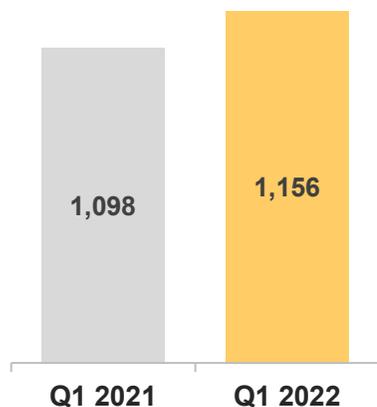
**Market demand continues to be strong. However, supply chain constraints limit delivery.**

# First quarter 2022 financial results

\$Millions

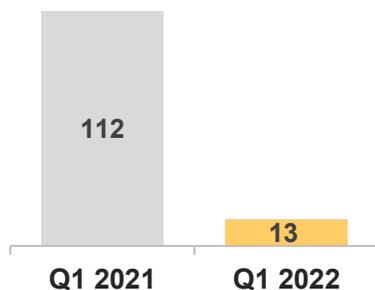
## Net Sales

Up 5.3%  
Organic up 0.4%



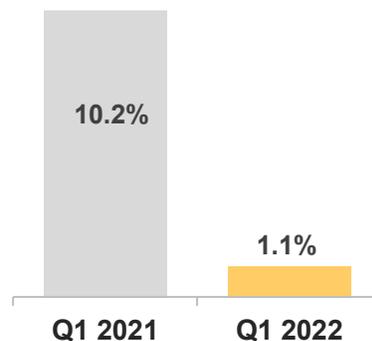
## Adj. Operating Profit

Down \$99M



## Adj. Operating Margin

Down 910 bps



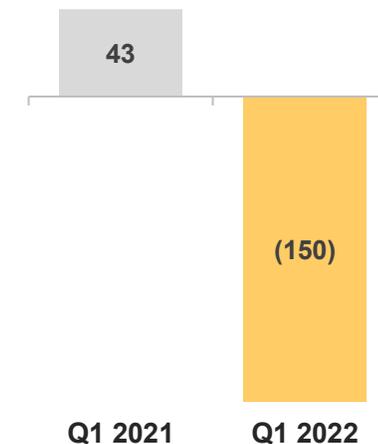
## Adj. Diluted EPS

Down \$0.29



## Free Cash Flow

Down \$193M



- + ~\$88M acquired sales from E&I
- + ~\$40M pricing benefit
- ~(\$35M) lower volume
- ~(\$20M) FX translation
- ~(\$15M) divested sales

- + ~\$40M pricing benefit
- + ~\$9M acquired adjusted operating profit from E&I
- ~(\$85M) material and freight inflation
- ~(\$38M) FX and other
- ~(\$15M) lower volume
- ~(\$10M) ER&D investment

- (\$0.13) inflation net of pricing
- (\$0.07) other operating items
- (\$0.04) lower volume
- (\$0.03) ER&D investment
- (\$0.02) FX

**Net E&I impact ~neutral**

- (\$99M) lower adj. op. profit
- (\$92M) higher inventory build
- (\$9M) ELI legal settlement<sup>1</sup>

Liquidity: \$720M  
Net leverage: 5.6x Q1 actual  
~4x Y/E outlook

(1) Total of \$21.5M includes \$12.8M in financing



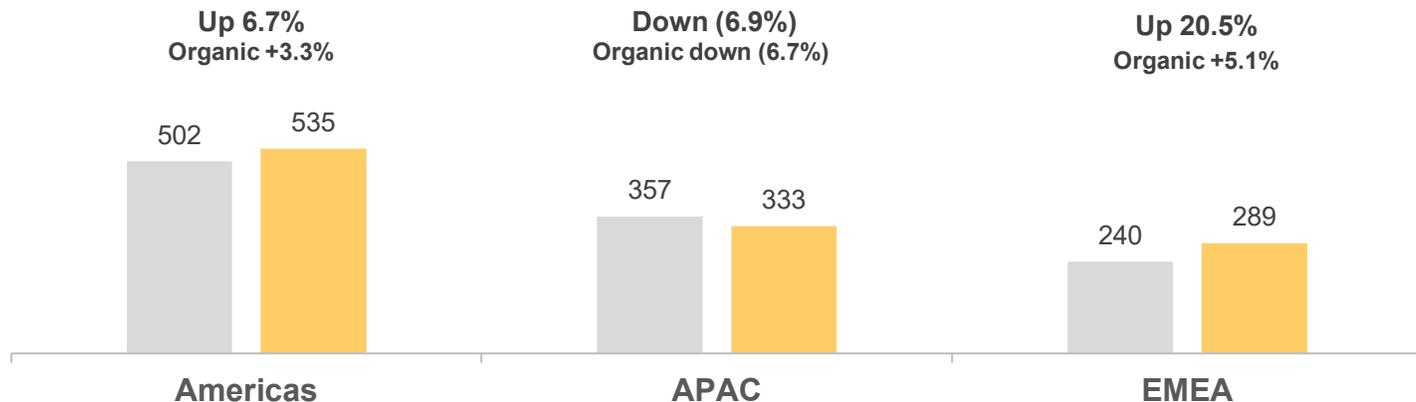
Note: see "Non-GAAP Financial Measures" beginning on slide 15 of the Appendix. Free cash flow equals cash from operations less net capital expenditures.

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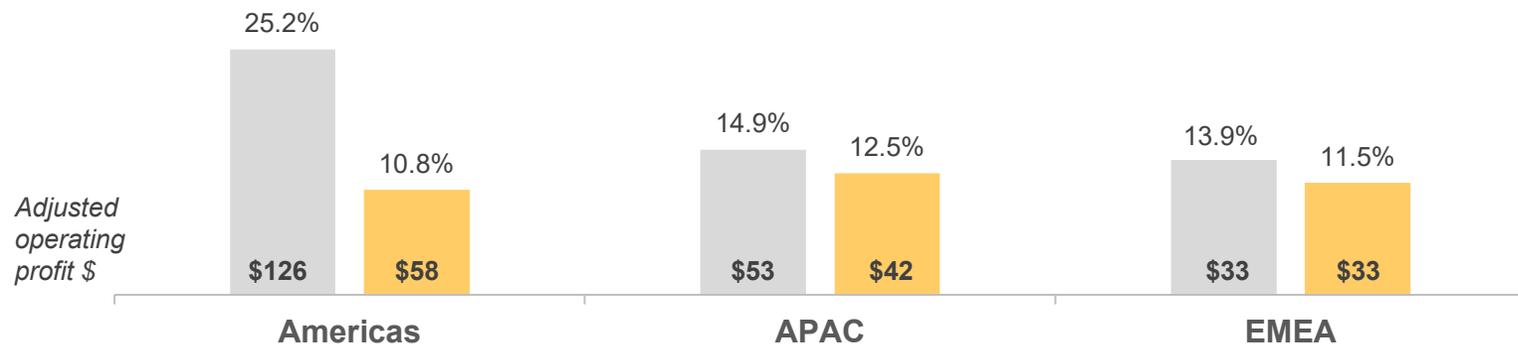
# First quarter 2022 segment results

\$Millions

## Net sales



## Adjusted operating margin



Three months ended ■ Mar 31, 2021 ■ Mar 31, 2022

### Americas

- Organic growth driven by price realization with volume relatively flat. E&I added ~\$17M.
- Operating margins unfavorable due largely to materials and freight inflation outpacing price realization

### APAC

- Sales decline driven by lower sales of Wind Power (timing of government subsidies) and lock-downs in China partially offset by recovery in Asia and India
- Operating margin reduced on volume deleveraging and unfavorable mix. Price-cost ~neutral in APAC.

### EMEA

- Organic growth driven primarily by price realization with volume relatively flat, acquired sales from E&I of ~\$70M and divested sales of ~\$15M.
- Operating margin reduced as price realization did not fully offset impacts of materials and freight inflation.

### Corporate

- Corporate fixed costs up \$13M driven largely by ~\$10M ER&D investment
- \$6M headwind from lower FX gain compared to first quarter 2021

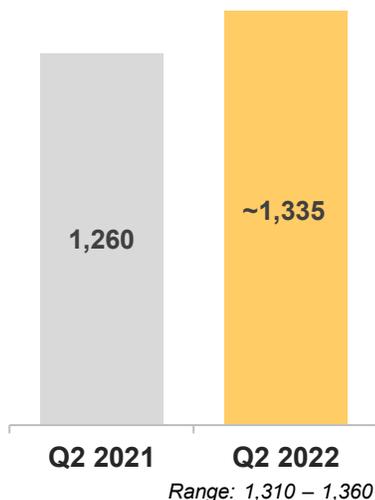


# Second quarter 2022 financial guidance

\$Millions; midpoint of guidance range unless otherwise specified

## Net Sales

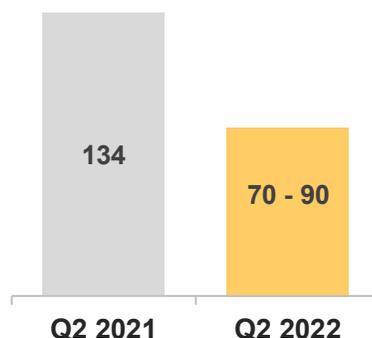
Up 6%  
Organic ~flat



- + ~\$115M acquired sales from E&I
- + ~\$80M pricing benefit
- ~(\$80M) lower volume
- ~(\$25M) FX translation
- ~(\$15M) divested sales

## Adj. Operating Profit

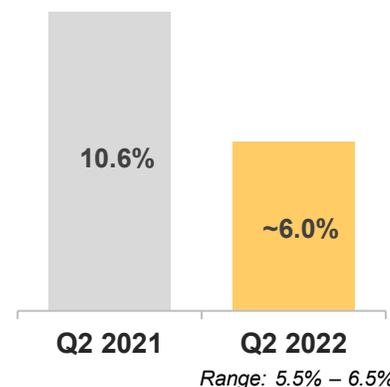
Down \$44M - \$64M



- + ~\$80M pricing benefit
- + ~\$15M acquired adjusted operating profit from E&I
- ~(\$80M) material and freight inflation
- ~(\$30M) lower volume
- ~(\$25M) FX and other
- ~(\$15M) fixed costs investments (R&D and operations / capacity)

## Adj. Operating Margin

Down 460 bps



## Adj. Diluted EPS

Down \$0.21



- ~(\$0.14) lower adj. operating profit
- ~(\$0.04) interest expense
- ~(\$0.02) income taxes
- ~(\$0.01) share count

**Net E&I impact ~\$0.01 benefit**

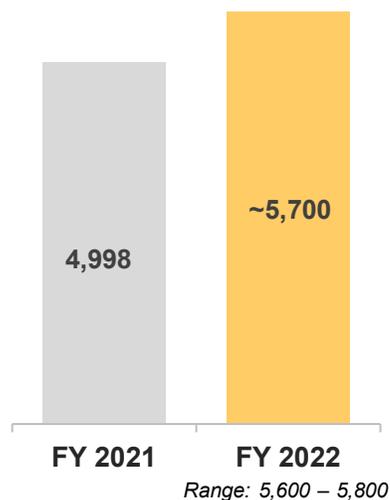
**Q2 expected to set stage for significant improvement in second half of 2022**

# Full year 2022 financial guidance

\$Millions; midpoint of guidance range unless otherwise specified

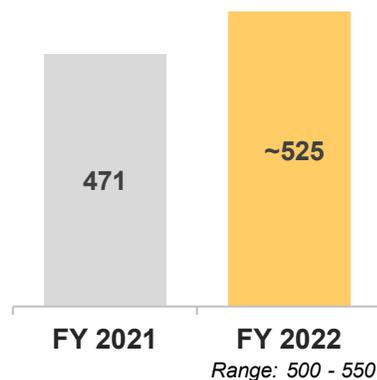
## Net Sales

Up 14%  
Organic +9%



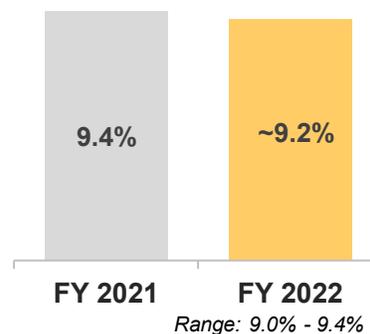
## Adj. Operating Profit

Up 11%



## Adj. Operating Margin

Down 20 bps



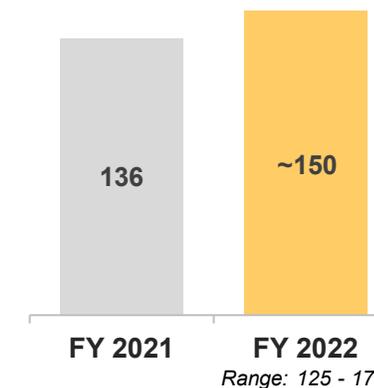
## Adj. Diluted EPS

Down \$0.04



## Free Cash Flow

Up \$14M



- + ~\$470M 2022 E&I sales
- + ~\$360M pricing
- + ~\$75M volume
- ~(\$60M) FX headwind
- ~(\$80M) divested sales
- ~(\$65M) 2021 E&I sales

- + ~\$360M pricing
- + ~\$70M net adjusted operating profit E&I (~\$80M FY 2022 less \$7M FY 2021)
- + ~\$25M volume
- ~(\$270M) material & freight inflation
- ~(\$45M) FX, divestitures and other
- ~(\$45M) one-time fixed cost benefits in 2021
- ~(\$40M) fixed costs investments (incl. \$20M R&D)

- + ~\$0.14 higher adj. operating profit
- ~(\$0.12) interest expense
- ~(\$0.04) income taxes
- ~(\$0.03) share count

**Net E&I impact ~\$0.02 benefit**

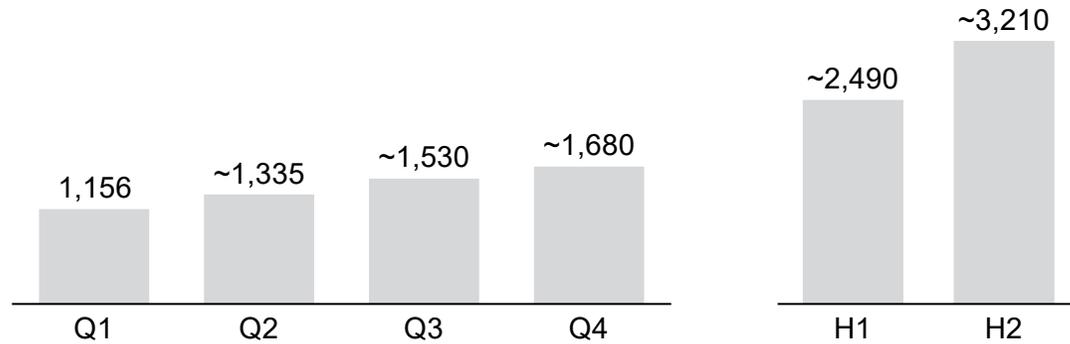
- + ~\$65M higher EBITDA
- + ~\$40M 2021 M&A costs
- + ~\$20M working capital & other
- ~(\$50M) higher cash interest
- ~(\$40M) higher net capex
- ~(\$10M) higher cash taxes
- ~(\$9M) ELI litigation settlement

**No significant changes compared to prior guidance**

# 2022 financial guidance by quarter

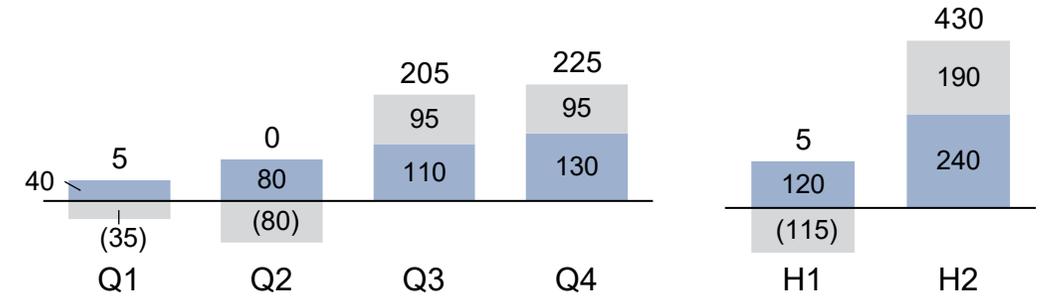
\$Millions; midpoint of guidance range unless otherwise specified

## Updated Guidance – Net Sales

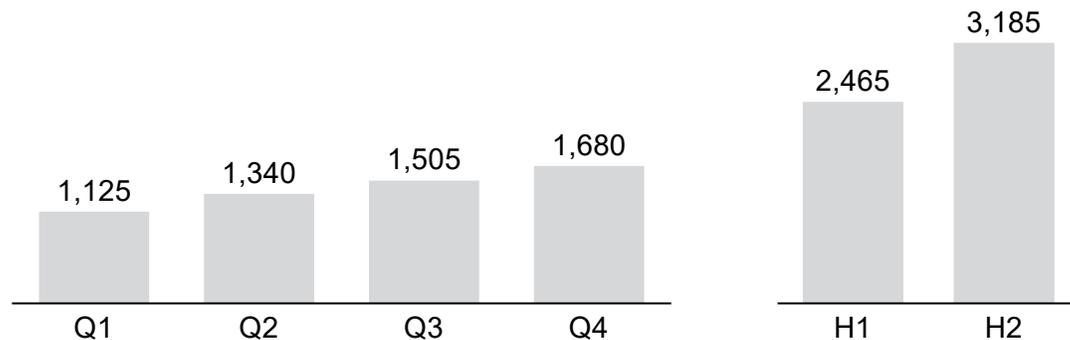


## Updated Guidance – Organic Sales Growth from 2021

	Q1	Q2	Q3	Q4	H1	H2
Volume	(3%)	(6%)	+8%	+7%	(5%)	+7%
Pricing	+4%	+6%	+9%	+9%	+5%	+9%



## February Guidance – Net Sales



## February Guidance – Organic Sales Growth from 2021

	Q1	Q2	Q3	Q4	H1	H2
Volume	(4%)	(5%)	+5%	+7%	(5%)	+6%
Pricing	+3%	+6%	+10%	+9%	+5%	+9%

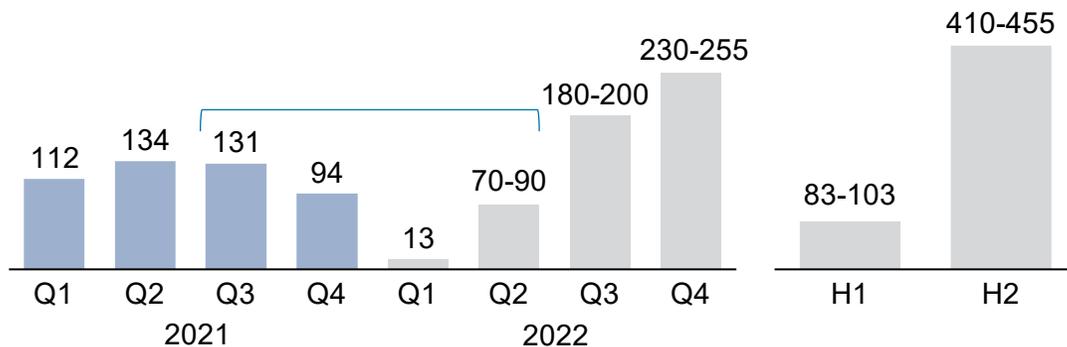


**Full year sales expected to be slightly higher than prior guidance**

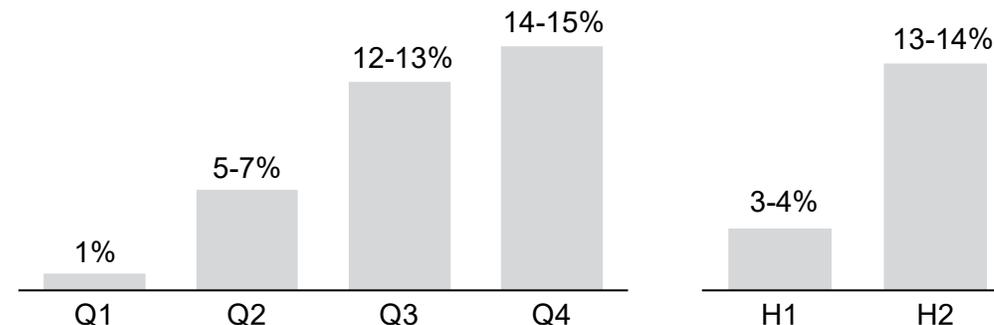
# 2022 financial guidance by quarter

\$Millions; midpoint of guidance range unless otherwise specified

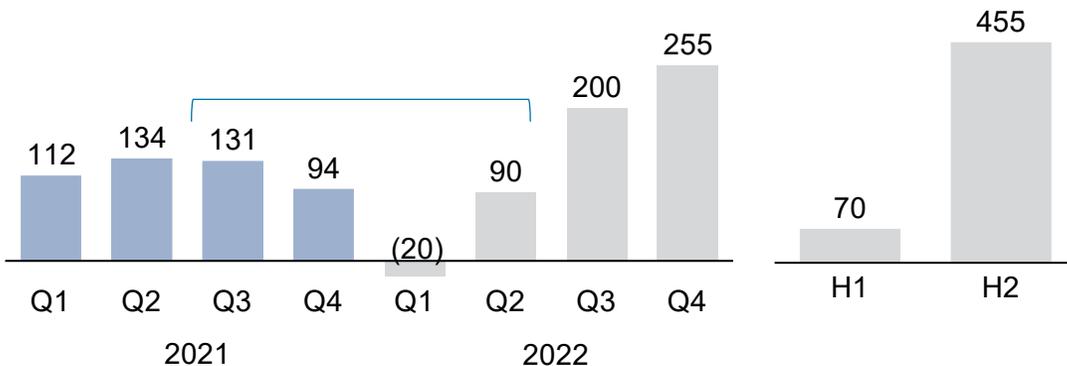
## Updated Guidance - Adjusted Operating Profit



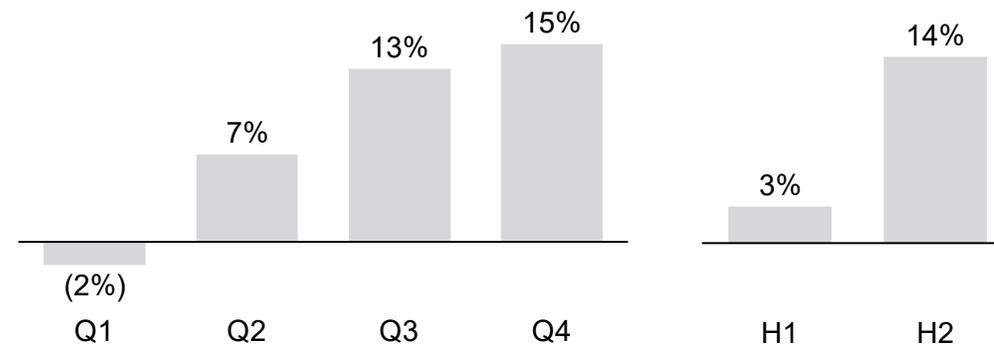
## Updated Guidance - Adjusted Operating Margin



## February Guidance - Adjusted Operating Profit



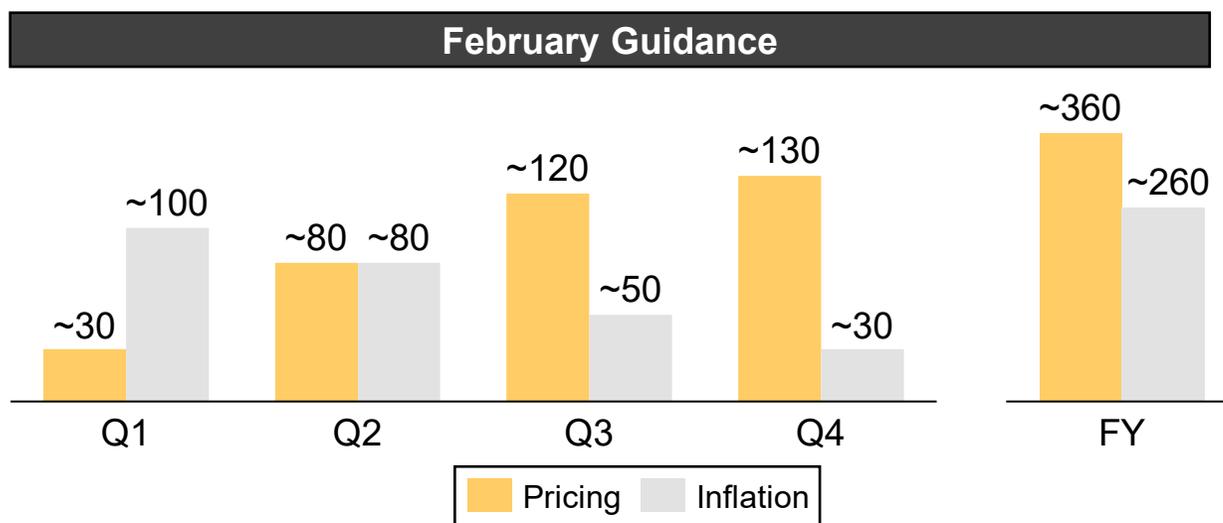
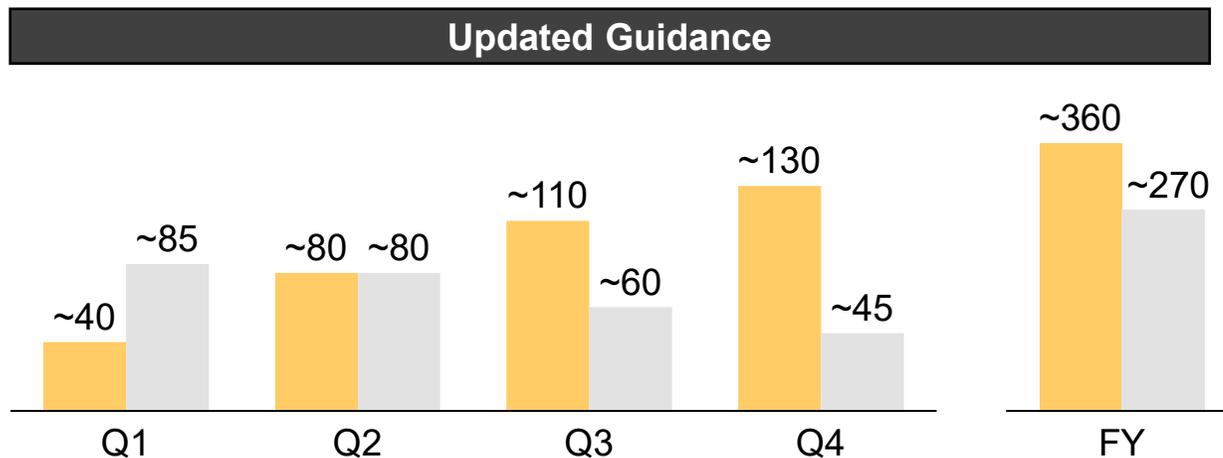
## February Guidance - Adjusted Operating Margin



**Full year adjusted operating profit unchanged from prior guidance**

# 2022 pricing and inflation guidance by quarter

\$Millions – year-over-year impact excluding E&I



- First quarter inflation was favorable to plan as new materials increases were lower than expected partially offset by higher than planned freight costs
- First quarter pricing was favorable driven by higher cost pass-through (freight, batteries) and timing of channel price increases
- Guidance includes slight uptick in inflation assumption given uncertainty in global commodity and freight markets due in part to Ukraine conflict
- Pricing actions taken to provide offset and protect Q4 run rate but impact in year minimal due to backlog

**Pricing ramps throughout 2022 as share of sales from year-end backlog falls**

# First quarter 2022 key messages

First quarter organic sales flat to prior year as supply chain constraints limited customer deliveries. Underlying market demand remains strong with first quarter orders up 34% notwithstanding impact of aggressive price actions.

First quarter adjusted operating profit of \$13M is down \$99M from last year's first quarter driven largely by \$45M inflation net of pricing, lower volume due to supply constraints and fixed cost investments

Price-cost \$25M favorable to prior first quarter guidance but we are increasing our full year expectation for inflation by \$10M. Additional pricing actions have been executed to mitigate risk.

Projected second quarter sales of \$1,335M and adjusted operating profit range of \$70M - \$90M slightly reduced from prior guidance due to pull ahead of some sales into Q1 and expected shipment delays caused by China lockdowns

Supply chain challenges – notably with electronic parts and fans – remain uncertain but expected to continue into second half of 2022. Logistics cost increases slightly worse than prior expectation on higher fuel costs & surcharges.

Overall, we remain on track with full year plans, and we expect to deliver a very good second half 2022. We believe Vertiv is well positioned for a strong 2023.

**Demand remains high • supply environment challenging • pricing actions expected to deliver strong 2H22**

# Non-GAAP financial reconciliations



# Non-GAAP financial measures – first quarter results

## Reconciliation of segment operating profit (loss) to operating profit (loss) and adjusted operating profit (loss)

(\$M   1 <sup>st</sup> QUARTER)	1Q22	1Q21
Americas	\$57.9	\$126.4
Asia Pacific	41.5	53.1
Europe, Middle East & Africa	33.2	33.4
<b>Total reportable segments</b>	<b>\$132.6</b>	<b>\$212.9</b>
Foreign currency gain (loss)	1.3	6.9
Corporate and other	(121.4)	(108.2)
Total corporate, other and elimination	(120.1)	(101.3)
Amortization of intangibles	(57.7)	(31.8)
<b>Operating profit (loss)</b>	<b>(\$45.2)</b>	<b>\$79.8</b>
Amortization of intangibles	57.7	31.8
<b>Adjusted operating profit (loss)</b>	<b>\$12.5</b>	<b>\$111.6</b>

## Reconciliation of Net Sales to Organic Net Sales

(\$M   1 <sup>st</sup> QUARTER)	1Q22	1Q21	Δ%	Organic Δ%
Americas	\$535.1	\$501.5	6.7%	3.3%
APAC	332.8	357.4	(6.9)%	(6.7)%
EMEA	288.5	239.5	20.5%	5.1%
<b>Total</b>	<b>\$1,156.4</b>	<b>\$1,098.4</b>	<b>5.3%</b>	<b>0.4%</b>

## Reconciliation from operating profit (loss) margin to adjusted operating profit (loss) margin

(\$M   1 <sup>st</sup> QUARTER)	1Q22	1Q21	Δ
Net sales	\$1,156.4	\$1,098.4	\$58.0
Operating profit	(45.2)	79.8	(125.0)
<b>Operating margin</b>	<b>(3.9)%</b>	<b>7.3%</b>	<b>(11.2)%</b>
Amortization of intangibles	57.7	31.8	25.9
Adjusted operating profit	12.5	111.6	(99.1)
<b>Adjusted operating margin</b>	<b>1.1%</b>	<b>10.2%</b>	<b>(9.1)%</b>

## Reconciliation of Net cash provided by (used for) operating activities to Free Cash Flow

(\$M   1 <sup>st</sup> QUARTER)	1Q22	1Q21
Net cash provided by (used for) operating activities	\$(132.2)	\$60.7
Less: Capital expenditures	(15.1)	(16.8)
Less: Investments in capitalized software	(3.1)	(1.1)
<b>Free cash flow</b>	<b>\$(150.4)</b>	<b>\$42.8</b>

Note: Segment operating profit (loss) is the measure of profitability disclosed in Note 13 to the unaudited condensed consolidated financial statements for the quarter ended March 31, 2022.

# Non-GAAP financial measures – first quarter results (cont.)

## Reconciliation of diluted EPS to adjusted diluted EPS and operating profit (loss) to adjusted operating profit (loss)

(\$M, except EPS   1 <sup>st</sup> QUARTER 2022)	Operating profit (loss)	Interest expense, net	Loss on extinguishment of debt	Change in warrant liability	Income tax expense	Net income (loss)	Diluted EPS <sup>(1)</sup>
GAAP	\$(45.2)	\$29.3	-	\$(94.9)	\$11.9	\$8.5	\$(0.23)
Intangible amortization	57.7	-	-	-	-	57.7	0.15
Change in warrant liability	-	-	-	94.9	-	(94.9)	-
Non-GAAP Adjusted	\$12.5	\$29.3	-	-	\$11.9	\$(28.7)	\$(0.08)

(\$M, except EPS   1 <sup>st</sup> QUARTER 2021)	Operating profit (loss)	Interest expense, net	Loss on extinguishment of debt	Change in warrant liability	Income tax expense	Net income (loss)	Diluted EPS <sup>(2)</sup>
GAAP	\$79.8	\$24.1	\$0.4	\$13.6	\$10.0	\$31.7	\$0.09
Intangible amortization	31.8	-	-	-	-	31.8	0.09
Change in warrant liability	-	-	-	(13.6)	-	13.6	0.04
Pro forma share count <sup>(2)</sup>	-	-	-	-	-	-	(0.01)
Non-GAAP Adjusted	\$111.6	\$24.1	\$0.4	-	\$10.0	\$77.1	\$0.21

(1) Diluted EPS and adjusted diluted EPS are based on 379.7 million shares (includes 376.0 million basic shares and 3.7 million potential dilutive stock options and restricted stock units). Diluted EPS and adjusted diluted EPS includes an adjustment to exclude \$94.9M from net income which is attributable to the warrants as they were dilutive in the period. We believe that this presentation is more representative of operating results by removing the impact of warrant liability accounting and the associated impact on diluted share count.

(2) Diluted EPS based on 353.4 million shares. (includes 349.6 million basic shares and 3.8 million potential dilutive stock options and restricted stock units). Adjusted diluted EPS based on pro-forma share count 358.8 million shares (includes 349.6 million basic shares and 9.2 million potential dilutive warrants, stock options and restricted stock units). We believe that this presentation is more representative of operating results by removing the impact of merger and acquisition related costs, warrant liability accounting, and the associated impact on diluted share count.

# Non-GAAP financial measures – 2022 guidance

At midpoint of guidance range

## Reconciliation of diluted EPS to adjusted diluted EPS and operating profit (loss) to adjusted operating profit (loss)

(\$M, except EPS   2 <sup>nd</sup> QUARTER 2022 <sup>(1)</sup> )	Operating profit (loss)	Interest expense, net	Change in warrant liability	Income tax expense	Net income (loss)	Diluted EPS <sup>(2)</sup>
GAAP	\$23.3	\$33.0	\$ -	\$10.0	(\$19.7)	(\$0.05)
Intangible amortization	56.7	-	-	-	56.7	0.15
Non-GAAP Adjusted	\$80.0	\$33.0	\$ -	\$10.0	\$37.0	\$0.10

(\$M, except EPS   FULL YEAR 2022 <sup>(1)</sup> )	Operating profit (loss)	Interest expense, net	Change in warrant liability	Income tax expense	Net income (loss)	Diluted EPS <sup>(3)</sup>
GAAP	\$303.0	\$134.0	(\$94.9)	\$115.0	\$148.9	\$0.39
Change in warrant liability	-	-	94.9	-	(94.9)	(0.25)
Intangible amortization	222.0	-	-	-	222.0	0.58
Non-GAAP Adjusted	\$525.0	\$134.0	\$ -	\$115.0	\$276.0	\$0.72

(1) Information reconciling certain forward-looking GAAP measures to non-GAAP measures related to 2022 guidance, including organic net sales growth and free cash flow, is not available without unreasonable effort due to high variability, complexity and uncertainty with respect to forecasting and quantifying certain amounts that are necessary for such reconciliations. For the same reasons, we are unable to compute the probable significance of the unavailable information, which could have a potentially unpredictable, and potentially significant, impact on our future GAAP financial results.

(2) Diluted EPS and adjusted diluted EPS based on ~381.7 million shares (includes ~376.9 million basic shares and a weighted average of ~4.8 million potential dilutive stock options and restricted stock units)

(3) Diluted EPS and adjusted diluted EPS based on ~380.8 million shares (includes ~377.1 million basic shares and a weighted average of ~3.7 million potential dilutive stock options and restricted stock units)



# Non-GAAP financial measures – 2022 guidance continued

At midpoint of guidance range

## Reconciliation of diluted EPS to adjusted diluted EPS and operating profit (loss) to adjusted operating profit (loss)

(\$M, except EPS   3 <sup>rd</sup> QUARTER 2022 <sup>(1)</sup> )	Operating profit (loss)	Interest expense, net	Income tax expense	Net income (loss)	Diluted EPS <sup>(2)</sup>
GAAP	\$133.0	\$36.0	\$37.0	\$60.0	\$0.16
Intangible amortization	57.0	-	-	57.0	0.15
Non-GAAP Adjusted	\$190.0	\$36.0	\$37.0	\$117.0	\$0.31

(\$M, except EPS   4 <sup>th</sup> QUARTER 2022 <sup>(1)</sup> )	Operating profit (loss)	Interest expense, net	Income tax expense	Net income (loss)	Diluted EPS <sup>(3)</sup>
GAAP	\$191.9	\$35.7	\$56.1	\$100.1	\$0.26
Intangible amortization	\$50.6	-	-	\$50.6	\$0.13
Non-GAAP Adjusted	\$242.5	\$35.7	\$56.1	\$150.7	\$0.39

(1) Information reconciling certain forward-looking GAAP measures to non-GAAP measures related to 2022 guidance, including organic net sales growth and free cash flow, is not available without unreasonable effort due to high variability, complexity and uncertainty with respect to forecasting and quantifying certain amounts that are necessary for such reconciliations. For the same reasons, we are unable to compute the probable significance of the unavailable information, which could have a potentially unpredictable, and potentially significant, impact on our future GAAP financial results.

(2) Diluted EPS and adjusted diluted EPS based on ~382.3 million shares (includes ~377.5 million basic shares and a weighted average of ~4.8 million potential dilutive stock options and restricted stock units)

(3) Diluted EPS and adjusted diluted EPS based on ~382.8 million shares (includes ~377.9 million basic shares and a weighted average of ~4.9 million potential dilutive stock options and restricted stock units)



# Non-GAAP financial measures – 2022 guidance continued

At midpoint of guidance range

## Reconciliation of diluted EPS to adjusted diluted EPS and operating profit (loss) to adjusted operating profit (loss)

(\$M, except EPS   1 <sup>st</sup> HALF 2022 <sup>(1)</sup> )	Operating profit (loss)	Interest expense, net	Change in warrant liability	Income tax expense	Net income (loss)	Diluted EPS <sup>(2)</sup>
GAAP	(\$21.9)	\$62.3	(\$94.9)	\$21.9	(\$11.2)	(\$0.03)
Change in warrant liability	-	-	94.9	-	(94.9)	(0.25)
Intangible amortization	114.4	-	-	-	114.4	0.30
Non-GAAP Adjusted	\$92.5	\$62.3	\$ -	\$21.9	\$8.3	\$0.02

(\$M, except EPS   2 <sup>nd</sup> HALF 2022 <sup>(1)</sup> )	Operating profit (loss)	Interest expense, net	Change in warrant liability	Income tax expense	Net income (loss)	Diluted EPS <sup>(3)</sup>
GAAP	\$324.9	\$71.7	\$ -	\$93.1	\$160.1	\$0.42
Intangible amortization	107.6	-	-	-	107.6	\$0.28
Non-GAAP Adjusted	\$432.5	\$71.7	\$ -	\$93.1	\$267.7	\$0.70

(1) Information reconciling certain forward-looking GAAP measures to non-GAAP measures related to 2022 guidance, including organic net sales growth and free cash flow, is not available without unreasonable effort due to high variability, complexity and uncertainty with respect to forecasting and quantifying certain amounts that are necessary for such reconciliations. For the same reasons, we are unable to compute the probable significance of the unavailable information, which could have a potentially unpredictable, and potentially significant, impact on our future GAAP financial results.

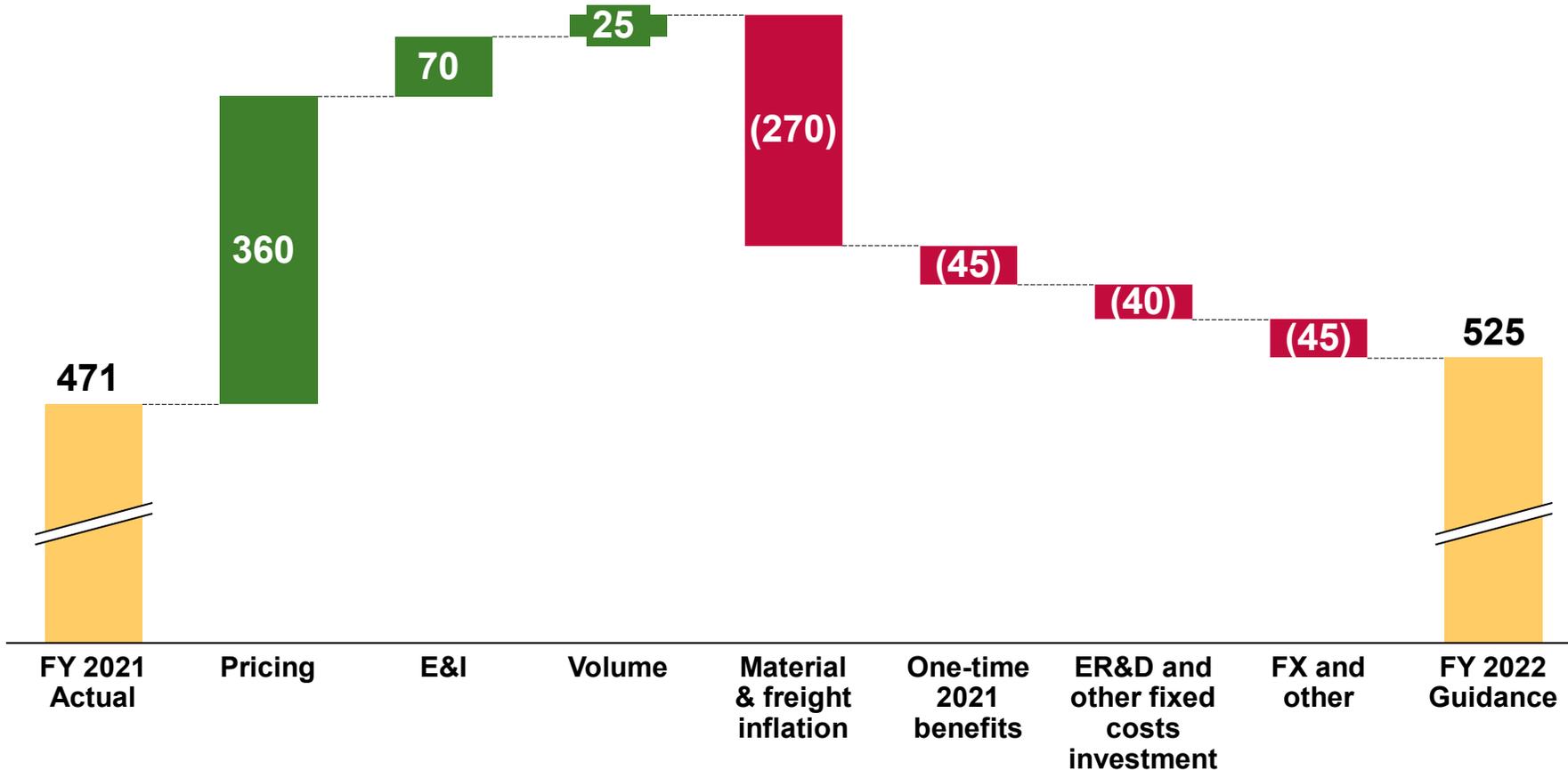
(2) Diluted EPS and adjusted diluted EPS based on ~380.1 million shares (includes ~376.4 million basic shares and a weighted average of ~3.7 million potential dilutive stock options and restricted stock units)

(3) Diluted EPS and adjusted diluted EPS based on ~382.5 million shares (includes ~377.7 million basic shares and a weighted average of ~4.8 million potential dilutive stock options and restricted stock units)



# Full year 2022 adjusted operating profit vs. 2021

\$Millions; FY 2022 at midpoint of guidance



- Pricing includes ~\$40M actual, ~\$155M in Q1 2022 backlog and ~\$165M in expected book and ship orders
- E&I 2022 adjusted operating profit of ~\$80M less ~\$7M in 2021
- Volume benefit of ~\$75M higher sales
- Material and freight inflation assumes wrap around of Dec 2021 run rate (~\$160M) plus \$110M of new 2022 cost increases
- 2021 one-time benefits include lower than target bonus expense, hiring freeze and other non-recurring items
- Fixed costs investments primarily in R&D (~\$20M) and operations (~\$20M) to support growth in and beyond 2022
- Other includes ~\$15M FX headwind, divestiture of Heavy Industrial UPS business, unfavorable mix in APAC and labor inflation

