



# 2024 | Vertiv Investor Event

November 18, 2024  
Atlanta, Georgia USA  
2:30 – 5 PM



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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; risks associated with information technology disruption or security; risks associated with the implementation and enhancement of information systems; failure to realize the expected benefit from any rationalization, restructuring and improvement efforts; Vertiv's ability to realize cost savings in connection with Vertiv's restructuring program; disruption of, or changes in, Vertiv's independent sales representatives, distributors and original equipment manufacturers; changes to tax law; ongoing tax audits; costs or liabilities associated with product liability; the global scope of Vertiv's operations; risks associated with Vertiv's sales and operations in emerging markets; risks associated with future legislation and regulation of Vertiv's customers' markets both in the U.S. and abroad; Vertiv's ability to comply with various laws and regulations, and the costs associated with legal compliance; adverse outcomes to any legal claims and proceedings filed by or against Vertiv; risks associated with current or potential litigation or claims against Vertiv; Vertiv's ability to protect or enforce its proprietary rights on which its business depends; third-party intellectual property infringement claims; liabilities associated with environmental, health and safety matters; failure to achieve Vertiv's environmental, social, and governance goals; failure to realize the value of goodwill and intangible assets; exposure to fluctuations in foreign currency exchange rates; exposure to increases in interest rates set by central banking authorities; failure to maintain internal controls over financial reporting; the unpredictability of Vertiv's future operational results, including the ability to grow and manage growth profitably; potential net losses in future periods; Vertiv's level of indebtedness and the ability to incur additional indebtedness; Vertiv's ability to comply with the covenants and restrictions contained in our credit agreements including restrictive covenants that restrict operational flexibility; Vertiv's ability to comply with the covenants and restrictions contained in our credit agreements that is not fully within our control; Vertiv's ability to access funding through capital markets; the significant ownership and influence certain stockholders have over Vertiv; resales of Vertiv's securities may cause volatility in the market price of our securities; Vertiv's organizational documents contain provisions that may discourage unsolicited takeover proposals; Vertiv's certificate of incorporation includes a forum selection clause, which could discourage or limit stockholders' ability to make a claim against it; the ability of Vertiv's subsidiaries to pay dividends; the ability of Vertiv to grow and manage growth profitably, maintain relationships with customers and suppliers and retain its management and key employees; Vertiv's ability to manage the succession of its key employees; factors relating to the business, operations and financial performance of Vertiv and its subsidiaries, including: global economic weakness and uncertainty; Vertiv's ability to attract, train and retain key members of its leadership team and other qualified personnel; the adequacy of Vertiv's insurance coverage; a failure to benefit from future corporate transactions; risks associated with Vertiv's limited history of operating as an independent company; and other risks and uncertainties indicated in Vertiv's SEC reports or documents filed or to be filed with the SEC by Vertiv. 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*This presentation also includes certain non-GAAP financial measures 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 in the Appendix of this presentation. Information reconciling certain forward-looking GAAP measures to non-GAAP measures related to full year 2024 guidance and preliminary 2025 guidance 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.*

# 2024 Vertiv Investor Event Agenda

	<i>TOPIC</i>	<i>SPEAKER</i>
2:30 PM	<b>VERTIV VISION &amp; ACCELERATING GROWTH OPPORTUNITIES</b>	GIORDANO ALBERTAZZI
	BREAK	
	<b>FINANCIAL STRENGTH &amp; VALUE CREATION</b>	DAVID FALLON
4:40 PM	<b>Q&amp;A</b>	
	<b>CLOSING REMARKS</b>	GIORDANO ALBERTAZZI
5:00 PM	<b>RECEPTION</b>	



The world depends on data  
we power and cool™



Watch video

# VERTIV VISION & ACCELERATING GROWTH OPPORTUNITIES

Giordano Albertazzi  
CHIEF EXECUTIVE OFFICER

# Vertiv enables the critical digital world to continuously accelerate and perform

Technology underpins and enriches almost every aspect of our lives

Technology drives the global demand for data across the critical digital infrastructure markets



*Data  
Centers*



*Communication  
Networks*



*Commercial  
& Industrial*

**GROWTH • SCALABILITY • EFFICIENCY • EVOLUTION • RESILIENCE • CONTINUITY**



# Vertiv at-a-glance

**~\$7.8B**  
USD revenue<sup>1</sup>

**~30,000**  
employees globally

**23** factories,  
global footprint &  
supply chain

**130+**  
countries served

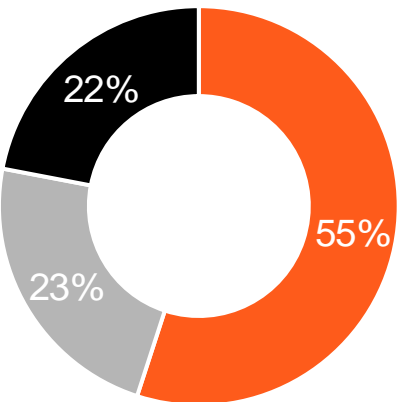
**55+ years**  
in the industry

**~4,000**  
field service engineers

**#1 in thermal**  
management<sup>3</sup>

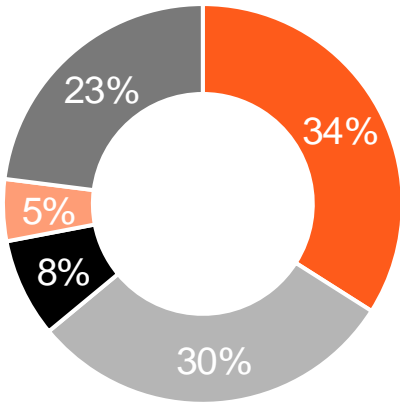
**#1 in power** switching,  
distribution and 3-phase UPS<sup>4</sup>

**Geography<sup>1</sup>**



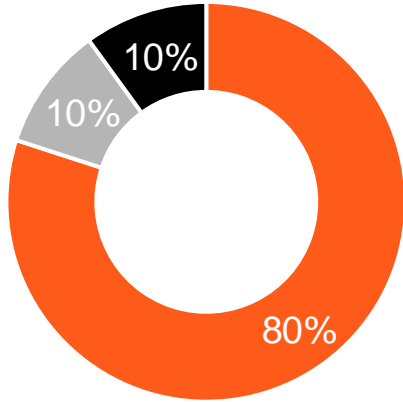
- Americas
- EMEA
- APAC

**Portfolio<sup>1</sup>**



- Power Management
- Thermal Management
- IT Systems
- Infrastructure Solutions
- Services

**Market Segment<sup>1,2</sup>**



- Data Center
- Communication Networks
- Commercial & Industrial

Note: <sup>1</sup>FY 2024 midpoint of sales guidance and associated mix estimates; <sup>2</sup>Market segment rounded to 5%; <sup>3</sup>Dell'Oro Worldwide Data Center Physical Infrastructure Q2-24 report. <sup>4</sup>Omdia Data Center Power Distribution Tracker + Omdia UPS Hardware Market Tracker 2024, >250kva. All else, company information and management estimates as of October 2024.

The reach, scale, and uniquely strong and broad portfolio to support the growth of the digital world

# Focus and momentum as the critical digital infrastructure leader

## Unique, Lasting & Valued Competitive Advantages

- 01 **Application expertise & customer collaboration** to envision and build future-ready infrastructure.
- 02 **Most complete portfolio & continuous innovation** of products, services, and customizable solutions.
- 03 **Proven superior reliability & quality** to deliver continuous and optimal performance.
- 04 **Truly global presence & ability to scale** for our customers' operating flexibility and resilience.
- 05 **Industry-leading global service network** to safeguard uptime and support.

## Positioned for the Future

Lead the industry with technology **enabling AI high-density / high-performance computing infrastructure**

Collaborate with leading chip vendors, hyperscalers, and large colo's to **stretch the limits of the possible**

Further augment our **customize at scale** and **configure at speed superpowers**

Expand **supply chain, manufacturing and service capacity** anticipating the needs of a growing industry

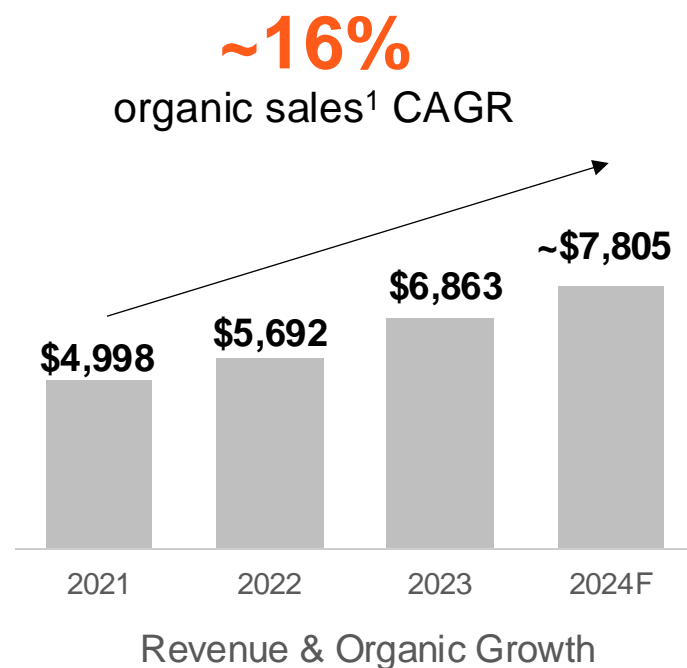
**Uniquely positioned to enable the critical digital world and AI acceleration via unmatched industry focus, technology, and portfolio**



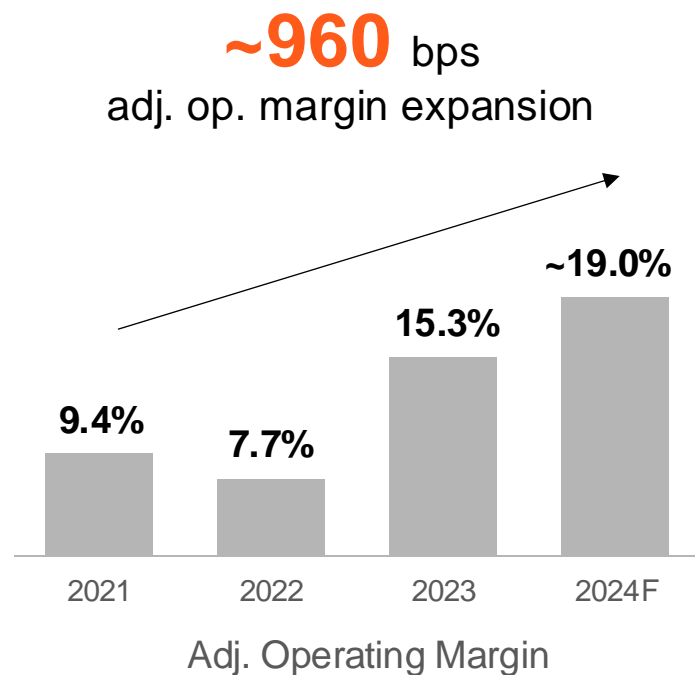
# Multi-year executional strength and momentum

\$Millions, 2024 data represents midpoint of guidance

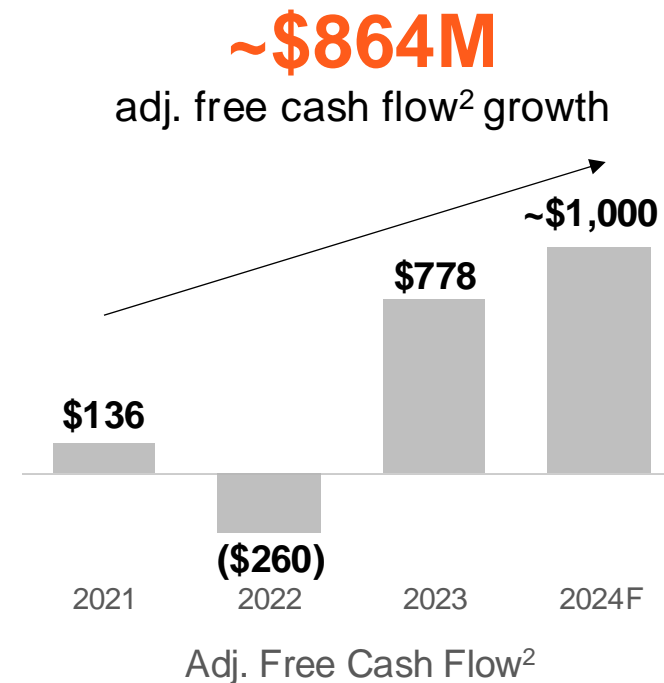
## Top Line Growth



## Margin Expansion



## Cash Generation



Note: see "Non-GAAP Financial Measures" in Appendix. <sup>1</sup> Net Sales adjusted to exclude the impacts of foreign currency exchange rates and M&A, <sup>2</sup> Adjusted free cash flow equals cash from operations less net capital expenditures.

**Strong financial profile and strengthened balance sheet enhancing flexibility  
for additional growth opportunities**

# Enduring executional strength is maturing and still more that can be done

## Pleased with Progress & Accelerating

- ✓ Clear priorities and rigorous operating cadence / discipline
- ✓ Vertiv Operating System (VOS) adoption
- ✓ Strengthened leadership team
- ✓ Increased supply chain resilience and efficiency
- ✓ Short and long-term capacity growth and overall operating efficiency

## In-Flight with Additional Focus Being Applied

- + Capture full AI market expansion in every region
- + Next Level VOS deployment
- + Operational leverage management
- + Commercial execution maturity
- + Working capital improvements opportunity

**Continuous improvement in the pursuit to reach full-potential has created foundational and enduring strength to deliver on commitments**

# Cohesive leadership team aligned to execute

New to role in  
last 12-months

## Leadership Attributes

- Execution mindset
- Bias to velocity
- Sense of urgency
- Strategic mindset
- Innovator posture
- Proven track record
- Accountability focus



**Giordano Albertazzi**  
Chief Executive Officer

**Regions:** Customer collaboration, sales, services, marketing, operations and quality



**Anand Sanghi**  
President,  
Americas



**Karsten Winther**  
President,  
EMEA



**Yibin "Edward" Cui**  
President,  
Greater China



**Subhasis Majumder**  
VP/GM  
India



**Paul Churchill**  
VP/GM  
Asia

**Business units:** Technology,  
product and solutions

**Functions:** Holistic, global view of functional delivery and optimization



**Scott Armul**  
EVP, Global Portfolio  
and Business Units  
*Effective Jan 1, 2025*



**Stephen Liang**  
Chief Technology  
Officer



**David Fallon**  
Chief Financial  
Officer



**Stephanie Gill**  
Chief Legal  
Counsel



**Sheryl Haislet**  
Chief Information  
Officer



**Anders Karlborg**  
EVP Manufacturing,  
Logistics and  
Operational Excellence



**Philip O'Doherty**  
Managing Director,  
E+I Engineering



**Frank Poncheri**  
Chief Human  
Resources  
Officer



**Paul Ryan**  
Chief  
Procurement  
Officer



**Rachel Thompson**  
VP Strategy,  
Planning and  
Chief of Staff

# Reconfirming our aligned focus along five strategic priorities

## VERTIV STRATEGIC PRIORITIES



**FINANCIAL  
STRENGTH**



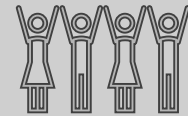
**CUSTOMER  
FOCUS**



**INNOVATION**



**OPERATIONAL  
EXCELLENCE**



**HIGH-  
PERFORMANCE  
CULTURE**

## BEHAVIORS

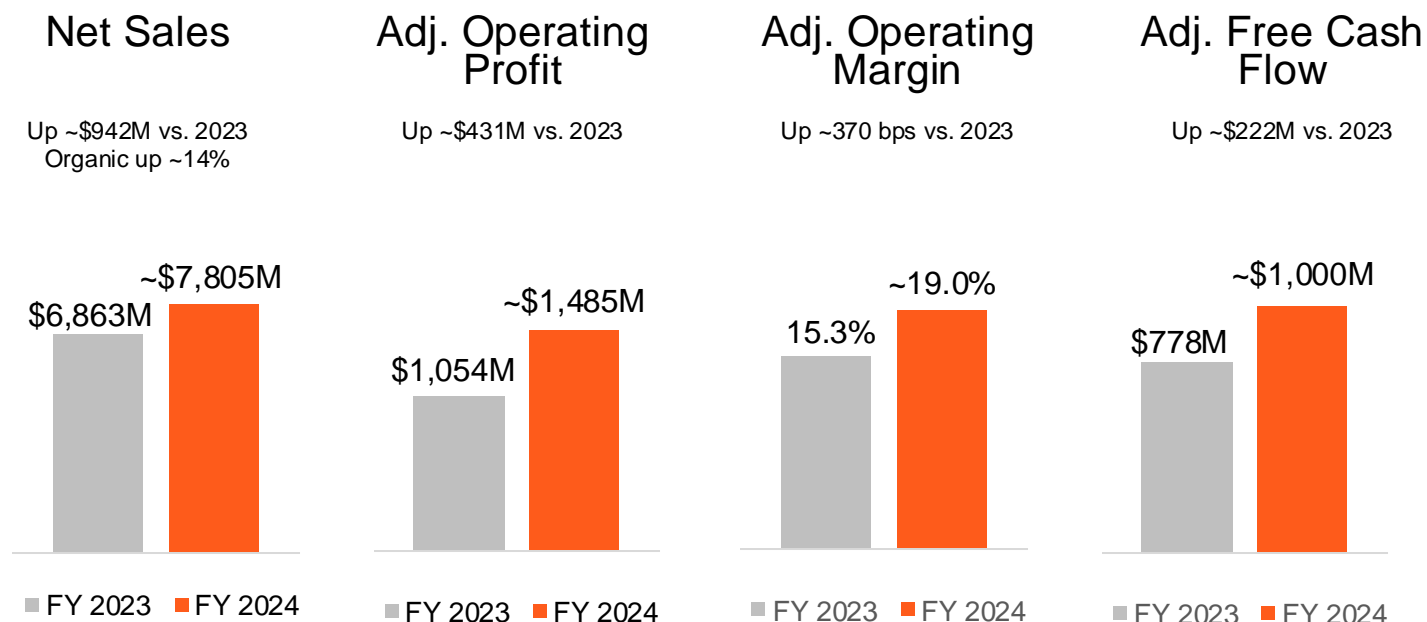
*OWN IT - ACT WITH URGENCY - FOSTER A CUSTOMER-FIRST MINDSET - THINK BIG AND EXECUTE  
LEAD BY EXAMPLE - DRIVE CONTINUOUS IMPROVEMENT - LEARN AND SEEK OUT DEVELOPMENT*

**A far-reaching cultural and business alignment guiding our multi-year actions**

# Driving accelerated performance

## Reaffirming 2024 Full Year Guidance

*\$Millions; midpoint of guidance range unless otherwise specified*



## Net Leverage Ratio<sup>2</sup> of 1.2x

Note: see "Non-GAAP Financial Measures" in Appendix. <sup>1</sup> Adjusted free cash flow as percentage of adjusted net income. <sup>2</sup> Year End Net Leverage = Net Debt / TTM EBITDA

## 2025 Preliminary View

Adjusted EPS  
**~\$3.50 - \$3.60**

Organic Sales Growth  
**~16% - 18%**

Adjusted Operating Margin  
**~20.5% - 21.5%**

Adjusted Free Cash Flow Conversion<sup>1</sup>  
**~88% - 92%**

**Net Leverage Ratio target of  
~1.0x – 2.0x**

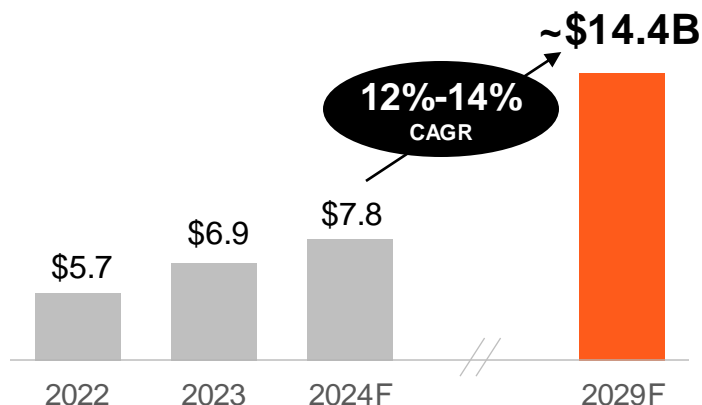
Driving a strong finish to 2024 and enabling further acceleration in 2025

# Acceleration projected to continue long-term

*\$Billions, 2024 data represents midpoint of guidance*

## Top Line Growth

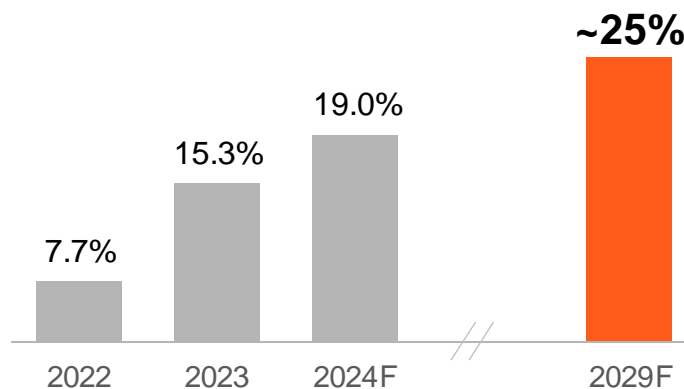
- Above-market growth
- Accelerating offering innovation
- Data center leadership
- Cloud (hyperscale) and colocation position
- Further penetration in C&I



Revenue & Organic Growth

## Margin Expansion

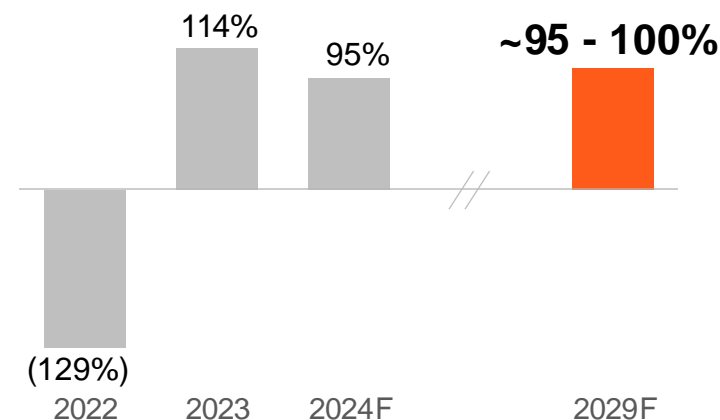
- Operational leverage
- Vertiv Operating System (VOS)
- Manufacturing and procurement productivity
- Strong commercial execution



Adj. Operating Margin

## Cash Generation

- Improved profitability
- Disciplined and focused Capex deployment
- Continuous working capital improvements



Adj. Free Cash Flow Conversion<sup>1</sup>

Note: see "Non-GAAP Financial Measures" in Appendix; <sup>1</sup> Adjusted free cash flow as percentage of adjusted net income

**Continued performance in favorable markets expands top line, margin, and cash flow, solidifying Vertiv readiness to win now and later**



# Vertiv value creation framework is working and shaping our future

in the critical digital infrastructure industry

## REVENUE GROWTH

- 1 Enduring leadership in strong and accelerating markets
- 2 Leading innovator with the most complete portfolio and unique competitive advantages

- 3 Long-standing customer relationships and key industry player collaboration

## OPERATIONAL STRENGTH

- 4 Clear roadmap to operational excellence
- 5 Margin expansion through operational leverage and commercial excellence

- 6 Free cash flow expansion enabling capital allocation agility and selective acquisitions

**Consistent framework reinforced by unique industry expertise, strong secular trends, and underlying business fundamentals**

# Secular trends and signals continuing to create attractive markets

## Key Data Center Market Signals



### Data Growth

**~24%**

Global Data 2023-2028 CAGR<sup>1</sup>



### Server Growth

**~16%**

Global Server Market Spending 2023-2028 CAGR<sup>2</sup>



### Infrastructure Capex Growth

**~8 - 9%**

Global Total Physical Infrastructure Capex 2023-2028 CAGR<sup>3</sup>



### New Power Capacity Added

**~100 GW**

Cumulative Power Added from 2023 to 2029<sup>4</sup>

From **13 GW** to **20 GW**

Annual Power Added Per Year<sup>4</sup>



### External Industry Forces

**Exogenous constraining factors** like power availability, permitting, skilled build and commissioning labor, etc.

Source: <sup>1</sup>IDC Global Data Sphere 2023-2028 CAGR - May 2024; <sup>2</sup>IDC Worldwide Server Market Spending Insights 2023-2028 - Sept 2024; <sup>3</sup>Omdia Data Center Capex 2023-2028 CAGR - April 2024; <sup>4</sup>Managements estimates

**We continue to take a balanced approach in evaluating the market growth potential by considering a broad set of factors and market indicators**

# Served opportunity in data center infrastructure continues to be strong

## Vertiv Opportunity \$ per MW

### Last Year's View

Traditional Compute

**~\$2.5M - \$3M**

*Vertiv Opportunity<sup>1</sup>*

High Density Compute

**~\$3M - \$3.5M**

*Vertiv Opportunity<sup>1</sup>*

### Recent Data Center Trends

- Mixing of traditional and AI high-density workloads
- Redundancy in power and thermal designs for optionality
- Greenfield remains primary deployment means
- Brownfield growth presents also pre-fab solutions and service opportunities

### Current View

Data Center Compute

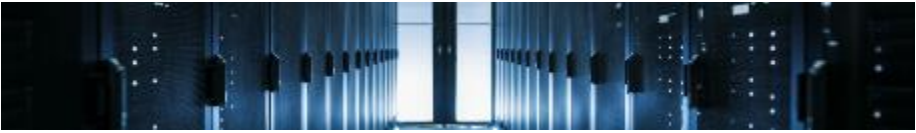


**~\$2.75M - \$3.5M**

*Vertiv Opportunity<sup>1</sup>*

Source: <sup>1</sup>Managements estimates, per MW of IT Power

**Consistent and positive signals that the Vertiv portfolio opportunity remains robust in the current and evolving market**

# Critical digital infrastructure market segments drivers & aligned strengths

					
	TOTAL	DATA CENTERS ~\$39.5B   ~10-13%		COMMUNICATION NETWORKS	COMMERCIAL & INDUSTRIAL
		CLOUD & COLOCATION	ENTERPRISE & DISTRIBUTED IT		
Market Size <sup>1</sup>	~\$52B	~\$21.5B	~\$18B	~\$7.5B	~\$5B
Growth <sup>2</sup>	~9-12%	~15-17%	~4-6%	~2-3%	~3-4%
Market Drivers and Dynamics		<ul style="list-style-type: none"> <li>• Speed and scale of AI deployment acceleration</li> <li>• Increasing complexity and optionality in requirements</li> <li>• Digital sovereignty and associated workload allocation</li> </ul>		<ul style="list-style-type: none"> <li>• Mobile technology deployment</li> <li>• Convergence of mobile networks, IoT and cloud</li> </ul>	<ul style="list-style-type: none"> <li>• Digitalization, automation</li> <li>• Nearshoring and reliable / high-quality power demand</li> </ul>
Aligned With Vertiv Strengths		<ul style="list-style-type: none"> <li>• Technology alignment with AI chip providers roadmaps</li> <li>• Customize at scale</li> <li>• Global operations and service</li> </ul>	<ul style="list-style-type: none"> <li>• Institutional knowledge</li> <li>• Configure at speed</li> <li>• Proven commercial and expanding channel distribution networks</li> </ul>	<ul style="list-style-type: none"> <li>• Unique portfolio of AC and DC power, thermal, services, and solutions</li> <li>• Relationships with major players at the telecom-cloud junction</li> </ul>	<ul style="list-style-type: none"> <li>• Portfolio for IT operations continuity</li> <li>• Experience to support high-stakes C&amp;I applications</li> </ul>

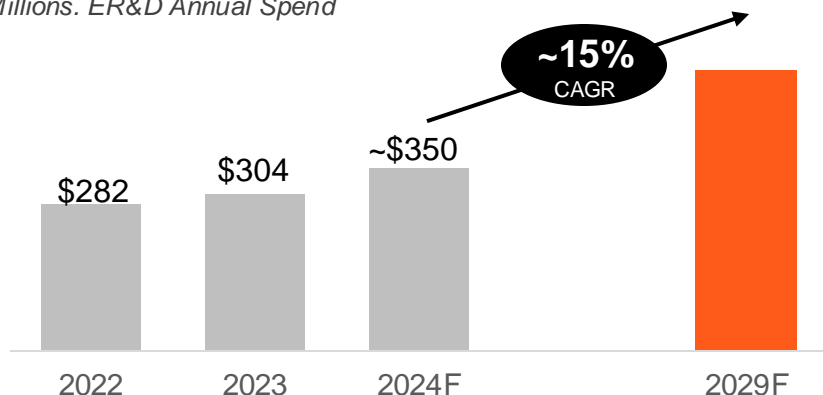
Note: 2023 market baseline forecasts from Nov-23 Investor conference updated with market growth rate actuals and served market expansion taking previously stated ~\$45.5B to ~\$48B; <sup>1</sup> 2024 forecasted Vertiv served market size estimate; <sup>2</sup> 2024-29 CAGR estimate. Source: Managements estimates, Omdia, 451 Research, IDC, and Dell'Oro rounded to nearest 0.5bn

**Market outlook continues to look robust with anticipated market growth up +200bps, at the midpoint, from prior projections. Vertiv strengths well aligned from “giga-campuses” to the extreme edge.**

# Leading innovator expanding efficacy and capacity of innovation

## Innovation Strength

\$Millions. ER&D Annual Spend

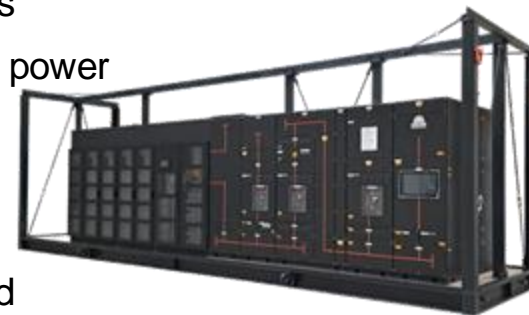


- **Actual and projected spend rate up** vs prior projections
- Reducing new product time-to-market by up to 50% while maintaining executional rigor
- **Advanced technology and innovation roadmap with leading chip and data center operators ahead of NPDI**
- Keen focus on design for manufacturability and serviceability
- **Creating customer value through differentiation and total cost of ownership advantages**

## Delivering New-to-Market Offerings

### Vertiv™ PowerNexus

- It integrates Power Train elements
- Includes Vertiv™ Trinerger™ Large power conversion technology
- Up to 30% space savings<sup>1</sup>
- Dynamic grid support
- Dynamic AI power loads managed



### Vertiv™ CoolChip CDU 2300 kW

- Top of the coolant distribution unit range with 2300 kW cooling capacity
- Industry's highest CDU capacity per square foot
- Ready now to enable multiple AI Pods, e.g., 2x NVIDIA GB200 NVL72, and future ready for increasing peak rack density

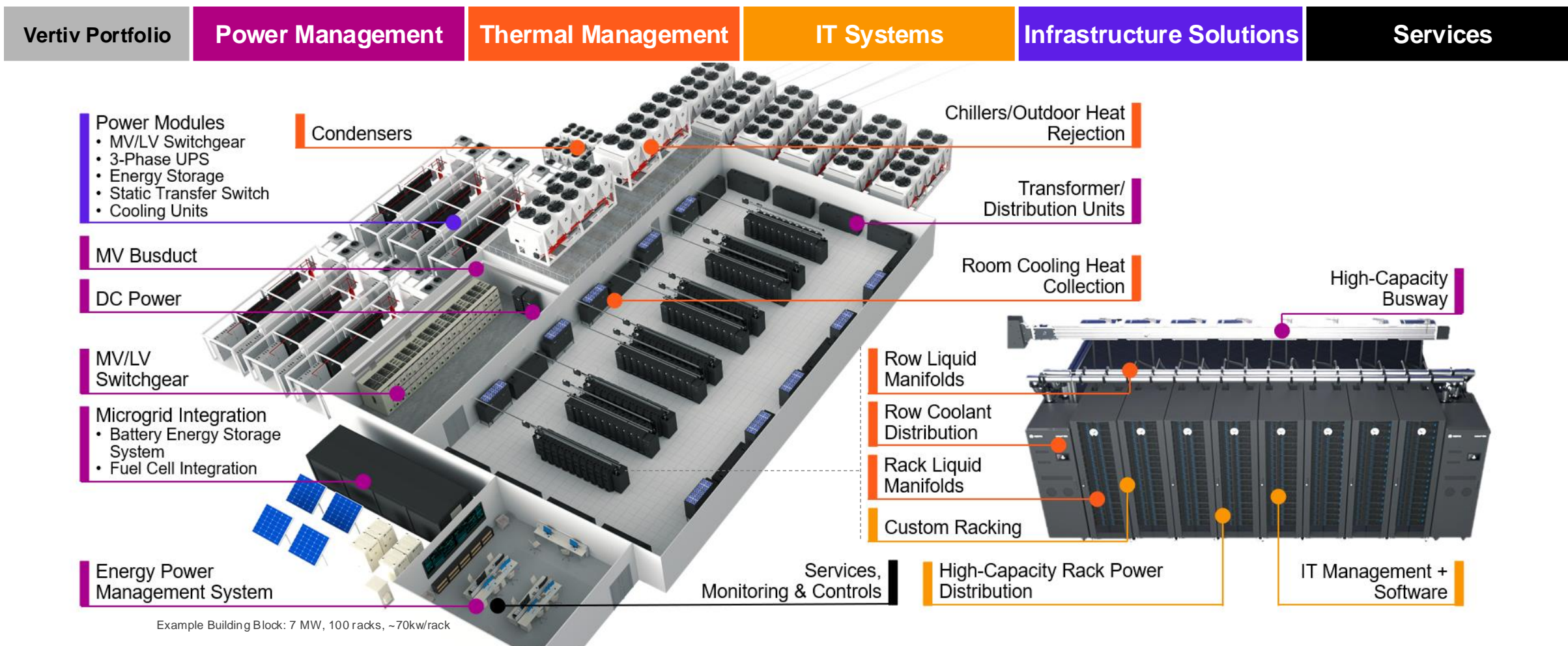


Note: <sup>1</sup> Vertiv PowerNexus prefabricated integrated solution vs separate similar component products

**Constantly expanding the competitive advantage, leveraging unique industry knowledge**



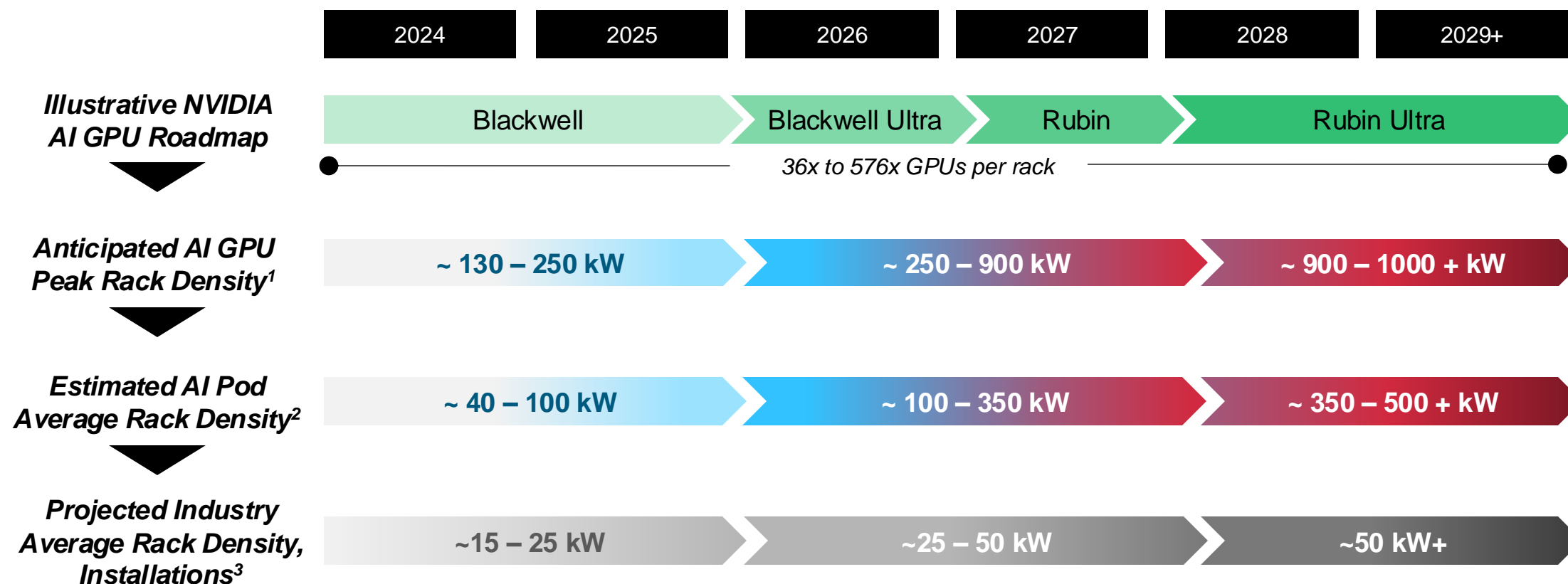
# Data center architecture evolution and enablement covered end-to-end



**The most complete critical digital infrastructure portfolio is shaping the industry's future and accelerating growth**



# Anticipated increases in extreme and overall industry rack densities

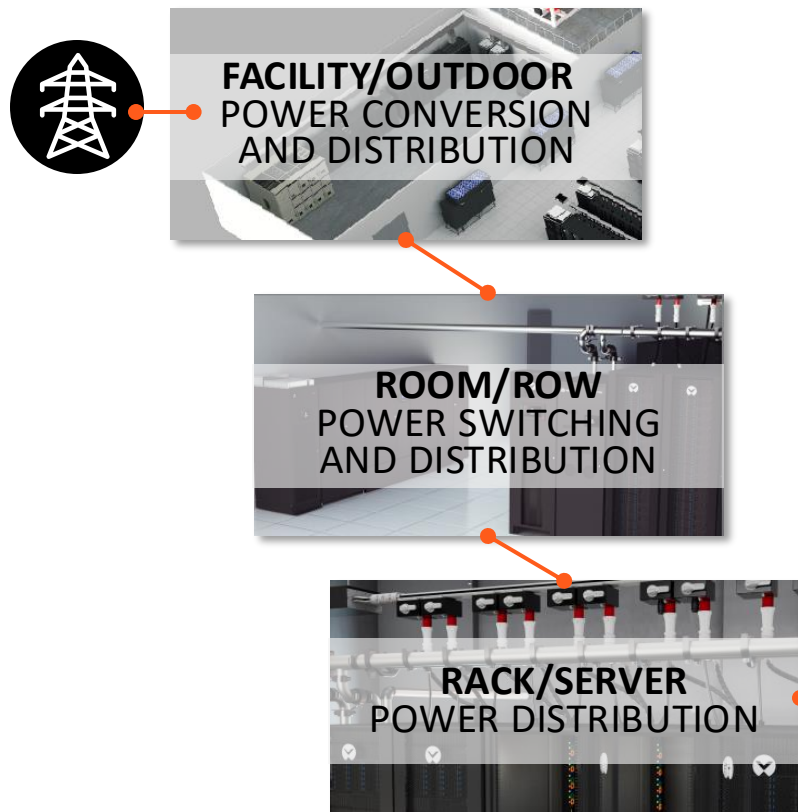


Note: Projections. Rack density varies by application. <sup>1</sup> Management Estimates; <sup>2</sup> Management Estimates, assuming an AI pod consisting of 18 racks (9 per row) including 8 GPU racks at higher peak density and 10 networking racks; <sup>3</sup> Management Estimates; average densities of data center rack installations across Cloud, Colocation and Enterprise/Distributed IT.

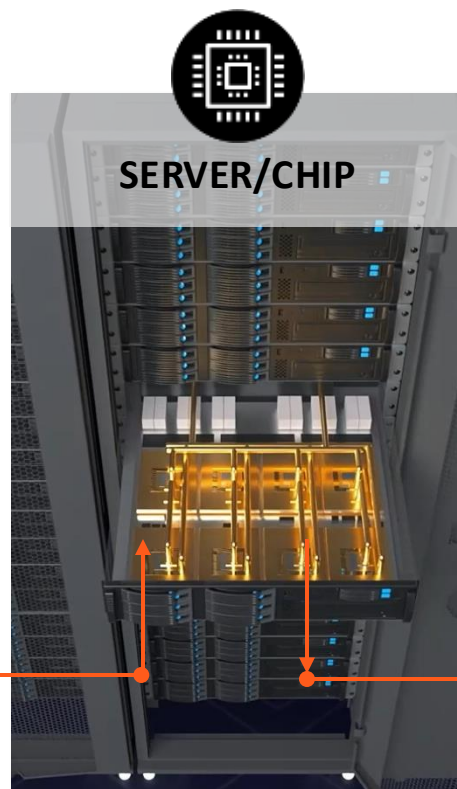
**Densification roadmaps point to extreme peak rack densities of 1MW+ resulting in estimated new build average rack density increasing across varying workload applications and market segments**

Vertiv end-to-end systems and services expertise well positioned to solve the industry increasingly difficult power and cooling challenges

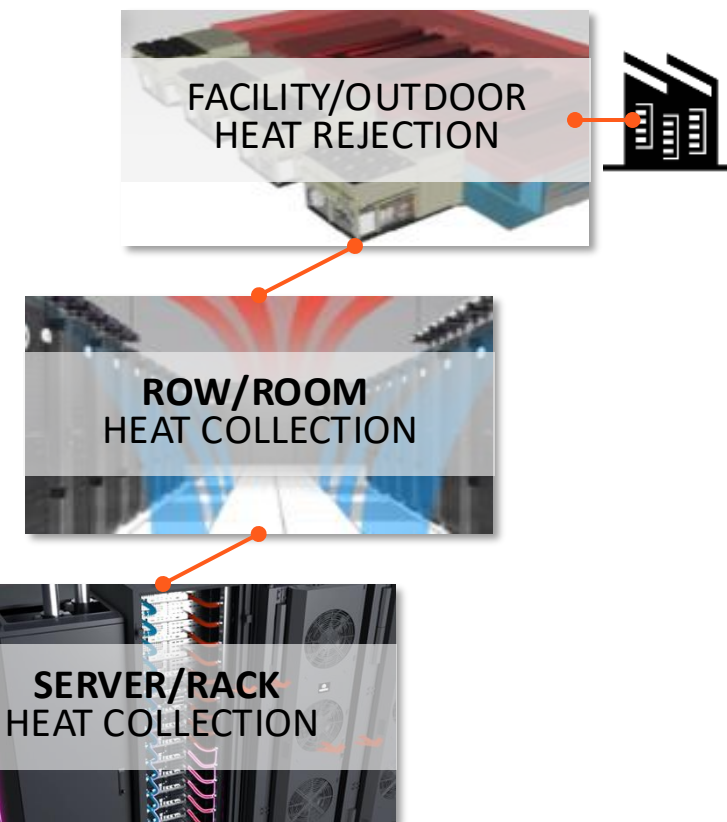
## Power Train



+ Power Management Control Systems & Microgrid Integration



## Thermal Chain



+ Thermal Management Controls, Monitoring, & Protection Systems

**AI infrastructure driving the need for “System” thinking more than ever before.  
Growth opportunities and ability to scale end-to-end is paramount.**

# Tackling technology challenges for the future

## Challenges

- *Growing power demands*
- *GPU load profiles*
- *Power availability and permitting*
- *Cooling technologies to ensure silicon does not overheat*
- *Coolant quality and distribution*
- *Maximizing AI cluster proximity*
- *Retrofit of installed base*
- *Power, cooling and IT interoperability and complexities*
- *Unwavering continuity and uptime*
- *Operators' deployment speed*

## Possible Future Technology

- **High-voltage** power conversion and power distribution
- **Liquid and Air-cooling flexibility** as loads mix changes over time: AI vs. non-AI loads, and increasing density of AI loads
- **Whitespace integration** between IT, Cooling, and Power
- Going **beyond heat rejection physical limits**: footprint, micro-climate, reuse
- Increasing focus on **speed and scale**
- Extreme continuity increases **importance of digitally enabled services**
- **Higher power** capacity blocks
- **Arbitration** across power sources and energy storage systems

Vertiv technology thought leadership is defining and enabling future-ready digital infrastructure

# Vertiv future ready portfolio and extensive commission capabilities

*Featuring Chad Williams, CEO, QTS Realty Trust*



**“The thing that makes Vertiv so different is they were prepared for what was coming with the AI innovation and growth... whether it is in the IT services business, the power business or the thermal business... the wide breadth of services and support ... to have Vertiv scale with us is a huge confidence builder” – Chad Williams**

# Services criticality is on the rise as AI deployment rapidly scales

## Enabling Deployments

### Startup & Commissioning

- Complexity increases the demand for manufacturer start-up
- Thorough system Acceptance testing prior to energization
- Commissioning Services for quality assurance process across deployment phases

### Installation, Integration & Project Management

- Large complex deployments
- Complex interactions and higher stakes

### Consultation, Assessment, & Design

## Enabling Operations

### Lifecycle Services

- Installed base with up to 20-years of useful service life
- Contract annuity management driving recurring revenues
- T&M (time & materials) and spare parts augmenting installed base opportunity

### Digital Monitoring & Diagnostics

- **Vertiv Next Predict:** maximum uptime and reliability through proactive, AI-driven, telemetry enabled maintenance
- 24/7 expert support
- Site-based, embedded Vertiv crews



**Installed base expanding at unprecedented speed, scale and with increased complexity creating an environment for increasing capture rates**

# Vertiv services provide unmatched critical digital infrastructure support

## Uniquely Qualified and Capable to Navigate the Complexities of AI Infrastructure at Scale

### Truly Global Capabilities

Strength in global scale and growth to enable deployment and operations

**24 / 7**

*Support*

**~4,000**

*Field Service Engineers*

**310+**

*Service Centers*

### Unique Training Capacity

Technical training facilities on six continents enable unmatched service capacity growth

**30+**

*Vertiv Academy Locations*

**+45%**

*Training Completions YoY*

**+370%**

*High Density Training YoY*

### Strengthening the Industry

Addressing the latest technology and elements critical for AI Deployment

- Operators' on-site capabilities and capacity for this new technology
- Stakes are significantly higher in the AI IT rack and whitespace
- Complex system and intersection points that are unforgiving with the lack of thermal inertia
- Fluid management and quality are paramount

Note: Company information and management estimates as of October 2024.

**Vertiv long-standing service capabilities and scale are strong and rapidly expanding to enabling AI acceleration and maintain resilience in all corners of the world**



# Infrastructure solutions for rapid, repeatable deployment



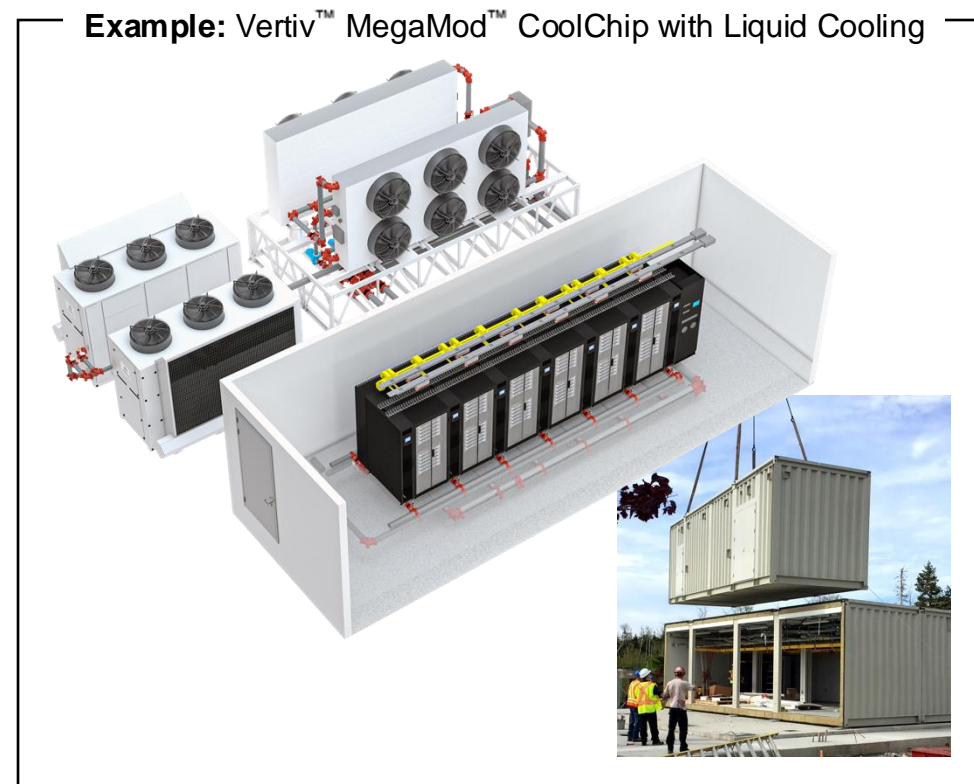
**Solving customer time and expertise constraints while expanding Vertiv served market opportunity**

# Prefabrication enables the AI infrastructure deployment

## A Leading Portfolio of Power Modules, Thermal Modules, IT Modules and full Data Center Prefabricated Solutions to Solve Customer Constraints Now and Enable Rapid Growth

- Enabling fully prefabricated data centers and partial prefabrication with customized Power, thermal and IT modules
- Deployment optionality:
  - ✓ Fully equipped, prefabricated, scalable data center
  - ✓ Modules augmenting an existing data center
  - ✓ Retrofitting an existing data center building
- Enabling up to 50% faster deployment<sup>1</sup>
- Driving space efficiency with up to 30% smaller footprint<sup>2</sup>

Note: <sup>1</sup> Vertiv MegaMod compared to onsite builds; <sup>2</sup> Power Module footprint vs traditional build power room designs



**Delivering superior TCO through faster and simple deployment, consistent quality, optimized footprint**

# Configure at speed

## Enabling Enterprise AI

Revolutionizing the speed enterprise customers can implement AI solutions

- Codeveloped reference architectures with NVIDIA and global leading server manufacturers
- Delivering **end-to-end designs** for our customers
  - ✓ Includes Power, Thermal, IT Systems, Monitoring, etc.
  - ✓ Minimize design and validation time
  - ✓ Minimize supply chain complexity
  - ✓ Accelerate planning and provisioning with Vertiv trained AI Partner Network
  - ✓ Service capabilities reduce deployment cycles for faster operational readiness



Enterprise new and retrofit AI enablement delivered in record time with Vertiv configured designs



# Long-standing relationship and holistic approach keys to value creation

## Deploying Future-Ready Infrastructure with our Customers and Partners

### TECHNOLOGY ADVANCEMENTS



### CUSTOMER COLLABORATION



### APPLICATION EXPERTISE

#### Research & Development Partnerships

- E.g., with leading chip and IT hardware providers



#### Shaping end-to-end digital infrastructure

- Orchestration of products and systems for optimal efficiency
- Joint development enabling customization at scale
- Specialized technical and dedicated teams
- Aligning ops and supply chains with transparency and planning

#### Addressing unmet needs with our customers

- Large scale projects and growth with Hyperscale/cloud providers and leading Colocation operators
- Strength with major retailers, IT Distributors, and critical enterprise players
- Visibility and relationships with Server ODMs

Note: <sup>1</sup> FY2024 forecast, Hyperscale/cloud and colocation sales growth

**Vertiv's deep collaboration with key industry players is shaping the industry's future and accelerating growth**

# Collaboration to truly customize at scale

*Featuring Chris Crosby, Compass Data Centers*



Watch video



**“Our whole system is designed for scale, and Vertiv has been right there alongside us” – Chris Crosby**

Vertiv™ CoolPhase Flex combines air and liquid cooling capabilities in one packaged system that delivers future readiness with low installation cost

## Vertiv™ CoolPhase Flex **First-Of-Its Kind system**

Integrates liquid cooling with refrigerant-based air-cooling technologies and heat rejection in a single packaged system

Quickly deploy air and liquid capabilities in one packaged unit

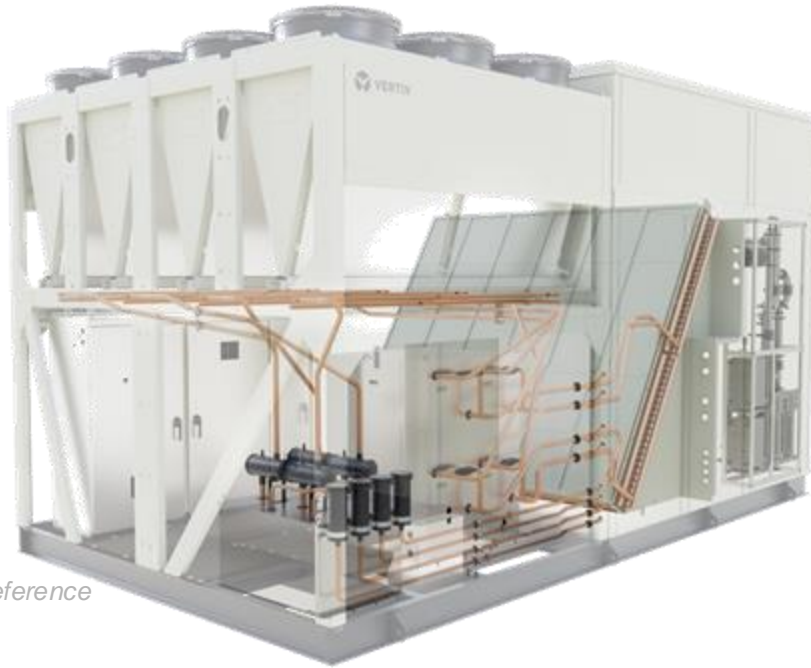
Ability to **flex and modulate between air and liquid cooling** to support changing mix of high-density and traditional density computing

Other benefits:

- The packaged unit ensures ease of data center design + ease and speed of installation
- Uncompromised efficiency, with pumped refrigerant economization
- Outside the Data Center for footprint optimization



Scale Reference



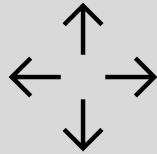
*Faster, Simpler Deployment of High-Density Computing  
Uncompromised Efficiency  
Cost & Space Savings*

**Vertiv™ CoolPhase FLEX seamlessly manages varying mix of liquid and air cooling as loads change during the life-cycle of the data center. This is what future ready means!**



# Progress on our operational excellence roadmap

Operations and Procurement Actions are Yielding Desired Results with Further Opportunities Ahead



## CAPACITY

- Global presence and ability to scale
- The right capacity in the right place
- Rapid demand-change reaction
- Supply base flexibility
- Rigorous capacity growth plans



## RESILIENCY

- Systematic resiliency programs
- Capacity redundancy
- Multi-source supply chain
- Globally optimized operating model



## PRODUCTIVITY

- VOS driving enduring efficiency focus
- Systematic value engineering
- Multi-vendor leverage
- Digital execution and collaboration



Driving Further Improvement in  
**Plant Utilization, Cycle-Times,  
Lead-Times, and Digitalization**



Driving Further Improvement in  
**On-Time Delivery, Quality and  
Customer Experience**



**Margin Expansion** from  
Operational and Procurement  
Productivity

**Operational excellence as a competitive advantage to lead an increasingly demanding industry**

# Executing at scale through capacity and operating efficiency



**Operational and service expansion through capacity, resiliency and productivity roadmap actions are enabling the critical digital world to continuously accelerate and perform**

# Vertiv Operating System (VOS) adoption continues to accelerate

## Driving Excellence Through Scalable Methods, Common Knowledge, and Culture

### Manufacturing Example

#### Tognana, Italy Chillers Production

*Opportunity:* **Demand increase**

*Objective:* Increase chiller **capacity by ~25% within existing footprint**

*Streamlining processes:* Current and future state value stream mapped, and improvements implemented

- One-piece flow
- Refrigerant and electrical subassembly lines optimized
- Throughput time reduction



### Services Example

#### Field Service Optimization

*Opportunity:* Value stream mapping identified **non-value add technician time** on scheduling and driving

*Objective:* **+1,000bps improvement** in technician 'time on unit' as percent of total hours

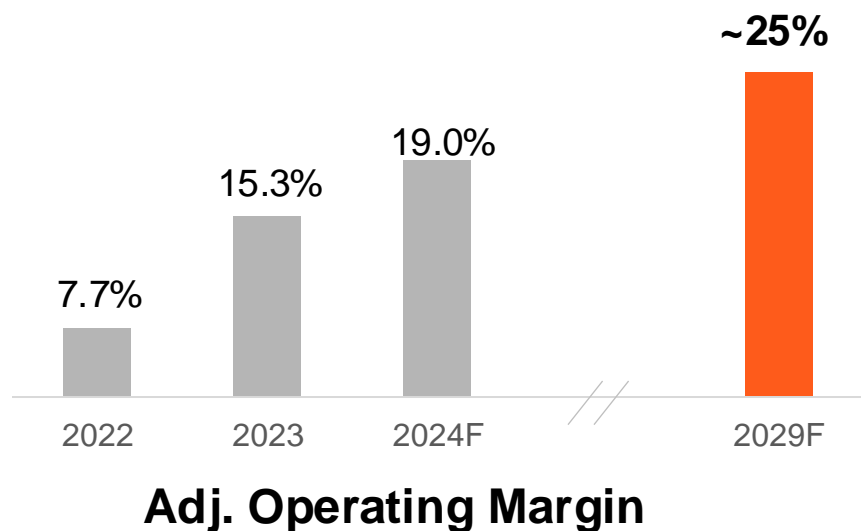
*Streamlining processes and using 'AI in our Business':* Implementing tool for visibility, tracking, optimal scheduling and travel routes

**The way we deliver unmatched customer experience, through shorter cycle times, industry best time-to-market, world-class order and project management, etc., and enduring competitive advantage**

# Margin expansion levers

## Margin Growth Trajectory

*\$Millions. 2024 data represents midpoint of guidance range.*



Note: see "Non-GAAP Financial Measures" in Appendix.

## Expansion Levers

### +4.0% Operational Leverage

- Deepening VOS adoption, functional optimization, and digitalization including AI utilization
- Continuing incremental fixed cost opex investment in growth, technology, and capacity

### +1.0% Productivity

- Further execution of our operational excellence roadmap in manufacturing and procurement

### +1.0% Commercial Execution

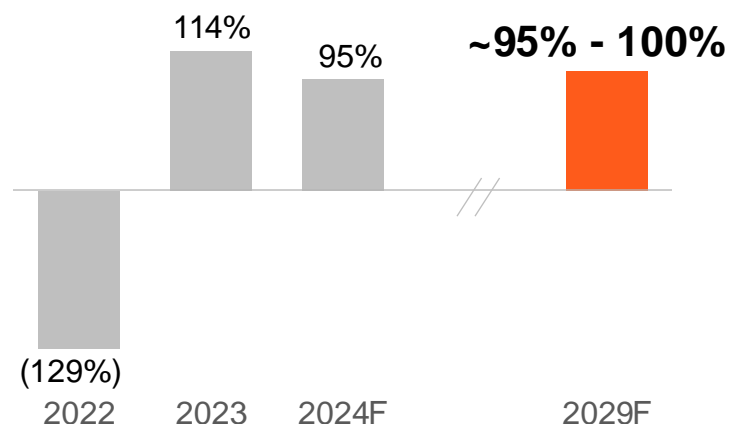
- Excellence to deliver positive price-cost through superior customer value

**Focus on efficiency, value, and commercial execution for high operational leverage delivering margin expansion trajectory**

# Strong free cash flow provides flexibility with capital deployment

## Cash Generation

2024 data represents midpoint of guidance range.



### Adj. Free Cash Flow Conversion<sup>1</sup>

## Capital Allocation Agility

1. Dividends
2. Share Repurchases
3. Additional Capacity at ~1.5x leverage
  - Provides flexibility to focus on:
    - Priority of fueling profitable growth
    - Bolt-on acquisitions
    - Return cash to shareholders

Note: see "Non-GAAP Financial Measures" in Appendix. <sup>1</sup> Adjusted free cash flow as percentage of adjusted net income.

**Free cash flow expansion enabling capital allocation agility and growth accelerating acquisitions**

# M&A strategy fueled by capital agility and future technology focus

## Continuing our Approach



**Bolt-on acquisitions** to strengthen critical digital infrastructure markets portfolio



Accelerate strength in **technologies early in the maturity curve**



**Acquisition playbook** refined, and continuously improving

## Pipeline Selection Criteria

### Strategic

- Market leader/specialized firm
- Differentiated technology
- Fills portfolio or go-to-market
- Complementary adjacency
- Strong customer relationships
- Culture fit

### Financial

- Above industry growth rate
- Accretive gross margin
- Aligned return on capital
- Accretive earnings per share

## Acquisition Performance

### Power Train – E+I Engineering

November 2021

- ✓ Critical power portfolio expansion
- ✓ Integration completion by end 2024
- ✓ Sales synergies executed to ~2x business since acquisition
- ✓ Exceeding acquisition model

### Liquid Cooling – CoolTera

December 2023

- ✓ Aligned with high growth market
- ✓ High IP and expertise
- ✓ Clear sales synergies being executed
- ✓ Scaled technology globally
- ✓ Handily beating the deal case

**M&A pipeline is robust and active. Recent acquisitions strengthen portfolio with future-focused products and capabilities.**



# Confidence in delivering our long-term financial projections

	Prior Investor Conference Projections	On Track to Deliver	New 2029 Horizon Projections
ABOVE MARKET ORGANIC REVENUE GROWTH	8% – 11% (2023-2028F CAGR)	✓	12% – 14% (2024-2029F CAGR)
ADJUSTED OPERATING MARGIN	20%+ (in 2026-2028F)	✓	~25% (2029F)
ADJUSTED FREE CASH FLOW CONVERSION <sup>1</sup>	~95 – 100% (2028F)	✓	~95 – 100% (2029F)
PROJECTED CAPITAL TO DEPLOY	~\$6.5B (2024-2028F)	✓	~\$12.5B (2025-2029F)
NET DEBT LEVERAGE	~1.0x – 2.0x	✓	~1.0x – 2.0x

Note: see “Non-GAAP Financial Measures” in Appendix. <sup>1</sup> Adjusted free cash flow as percentage of adjusted net income.

**Leading position in favorable markets expands top line, margin, and cash flow,  
solidifying Vertiv readiness to win now and later**

# FINANCIAL STRENGTH & VALUE CREATION

David Fallon  
CHIEF FINANCIAL OFFICER

# Strong results with upside opportunity for value creation

## **STRONG EXECUTION DRIVES FINANCIAL PERFORMANCE**

Strong and consistently improving operational execution over past two years. Still significant upside opportunity.

## **ABOVE MARKET ORGANIC GROWTH**

VRT organic growth rate expected to exceed strong market growth – supported by AI-related demand

## **ADJUSTED OPERATING MARGIN EXPANSION**

Multiple levers for continued further expansion of adjusted operating margin to ~25% in 2029

## **ADJUSTED FREE CASH FLOW CONVERSION**

Strong adjusted free cash flow conversion expected with further upside opportunity from trade working capital improvements

## **FLEXIBLE CAPITAL DEPLOYMENT**

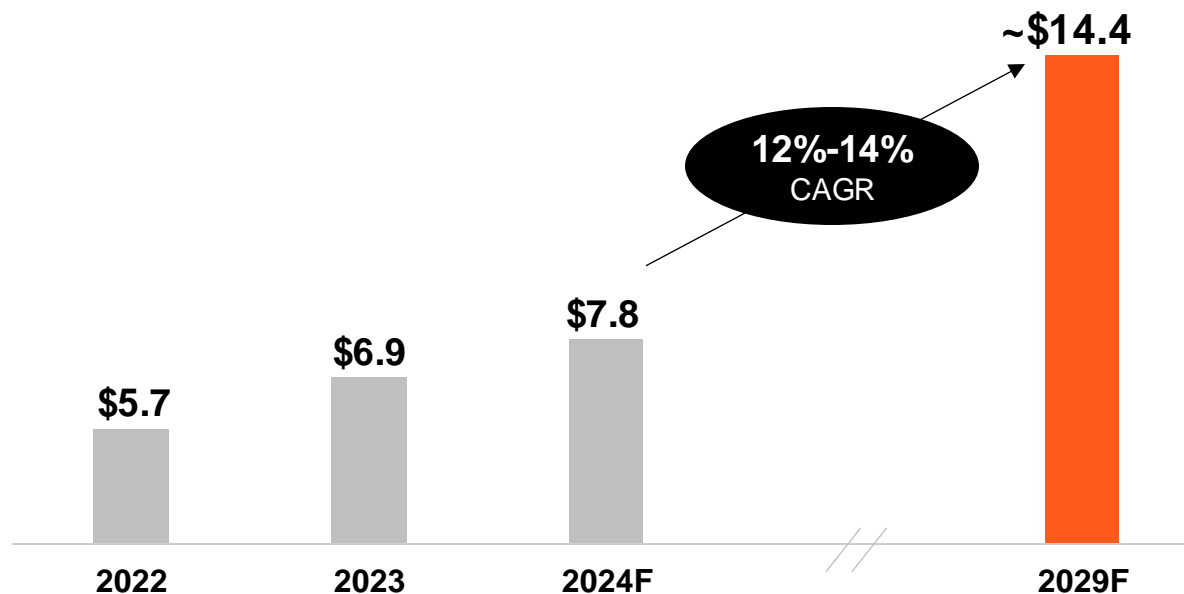
Cash generation enables continued value-creating growth investments and return of capital to shareholders

**Organic sales growth & strong execution translates into profitability, cash generation and flexible capital deployment**

# Organic sales growth expected to exceed market rate

*\$Billions*

## Organic Sales Growth Rate 2024 to 2029



## Organic Sales Growth

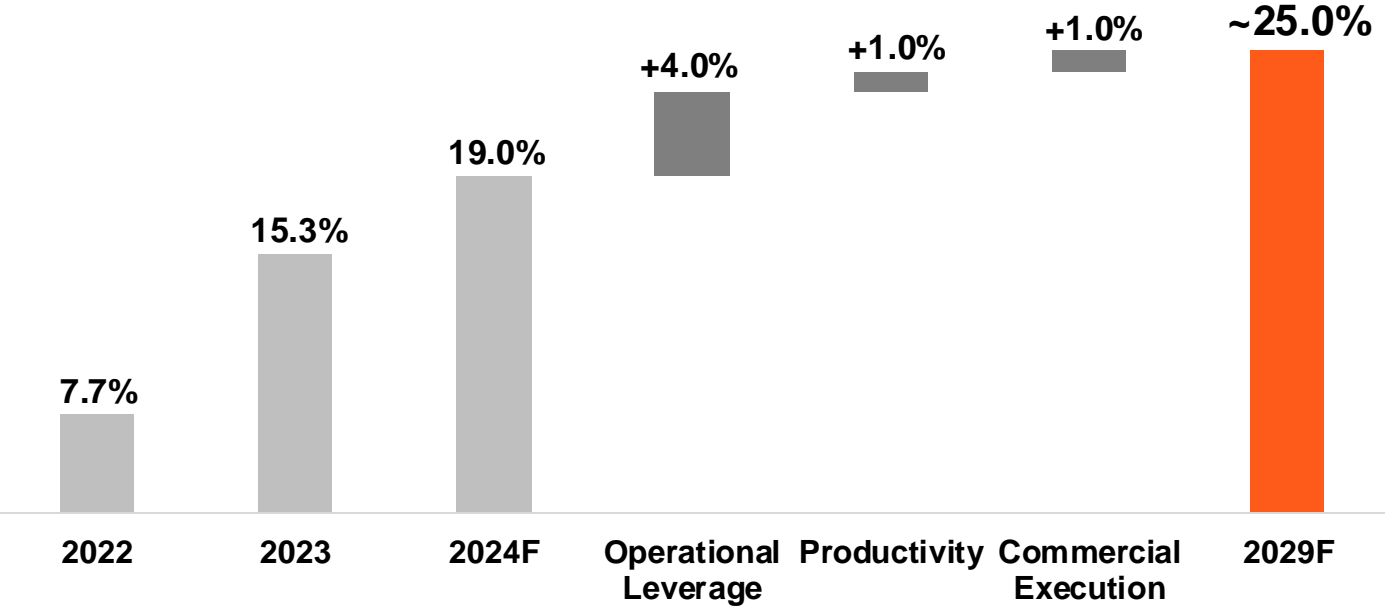
- Organic growth (CAGR) of 12% - 14% expected to be higher than projected market growth
- Market growth (CAGR) estimated at 9% - 12% driven by continued strong data growth and AI-related demand
- Long-term organic growth rates inclusive of pricing, which is expected to be positive and more than offsetting projected inflation going forward

Note: See "Non-GAAP Financial Measures" in the Appendix

**Well-positioned with technology and services capability to drive growth higher than market**

# Path to ~25% adjusted operating margin in 2029

## Adjusted Operating Margin



Note: See "Non-GAAP Financial Measures" in the Appendix

### Operational Leverage

- Operational leverage – driven by Vertiv Operating System (VOS) while continuing incremental fixed cost opex investment of \$150M to \$200M per year in growth, technology and capacity

### Productivity

- Focus on Vertiv Operating System (VOS) including operational excellence and lean principles to drive manufacturing efficiency and productivity
- Significant opportunities to drive procurement cost reductions while leveraging global purchasing footprint

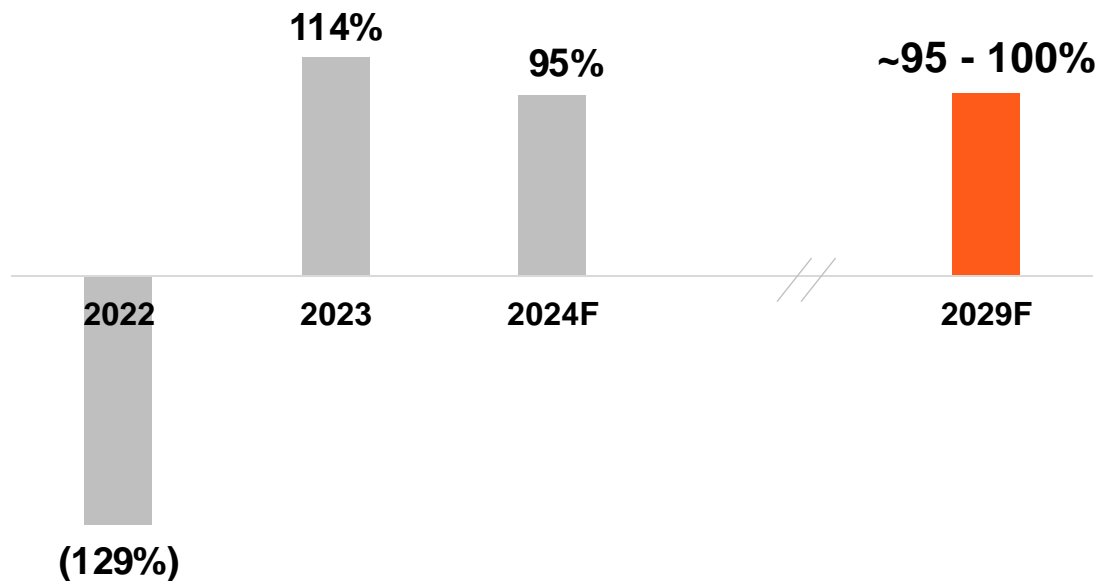
### Commercial Execution

- Expect to be price-inflation positive. Enhancement of global tools and data-driven, strategic approach to pricing. Early warning signals in place for inflation.

**Operational execution expected to drive adjusted operating margin to ~25% in 2029**

# Strong cash generation with upside opportunity

## Adjusted Free Cash Flow Conversion



Adjusted free cash flow as percentage of adjusted net income. TWC = Inventory + A/R – A/P – Deferred Revenue

### Trade Working Capital (TWC)

- Focus on improving inventory turnover, reducing cash collection cycle time, extending supplier terms while continuing to drive advanced customer payments

### Capex

- To support capacity expansion – anticipated to exceed depreciation expense
- Expect annual Capex as % of sales of ~3.0% in 2025 and between 2.5% and 3.0% in 2026 - 2029

### Interest

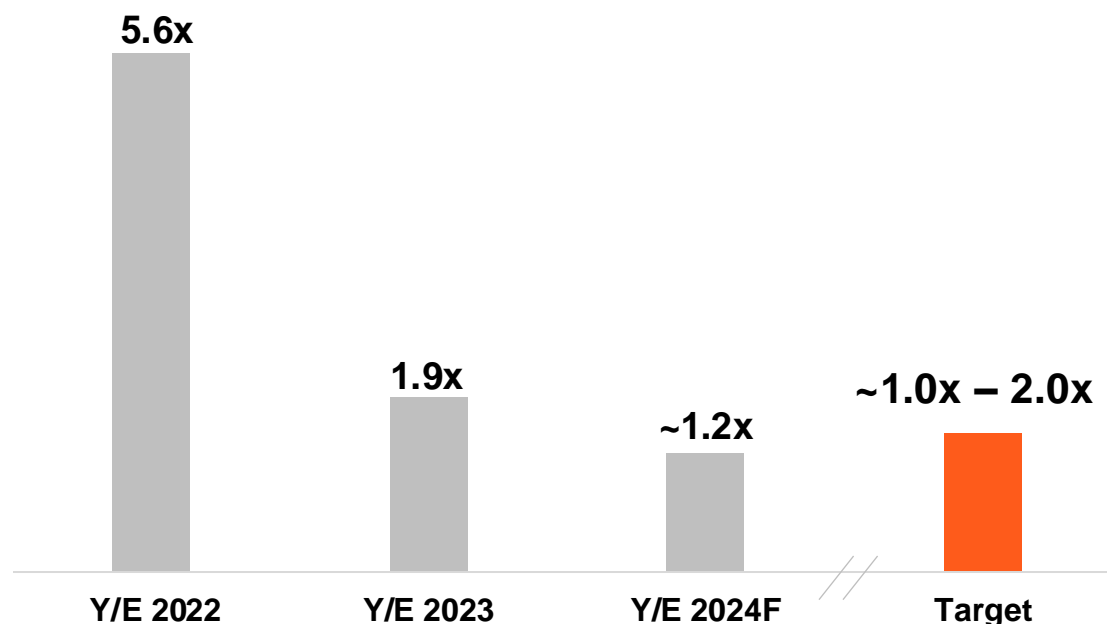
- Cash interest slightly lower than book interest expense due to amortization of debt discount and fees

**Adjusted free cash flow conversion of ~95%-100% in 2029 while to supporting growth investment**



# Target net leverage ratio of ~1.0x to 2.0x

## Net Leverage Ratio



Net Leverage = Net Debt / TTM EBITDA

## Current Debt Structure

- Relatively simple and patient debt structure
- \$850M fixed rate bond at 4.125% - matures October 2028
- ~\$2,100M term loan – matures March 2027
  - \$1,100M at variable rate - ~6.7% currently
  - \$1,000M at fixed rate - ~3.1% through maturity
- \$800M undrawn Asset-Based Lending (ABL) facility

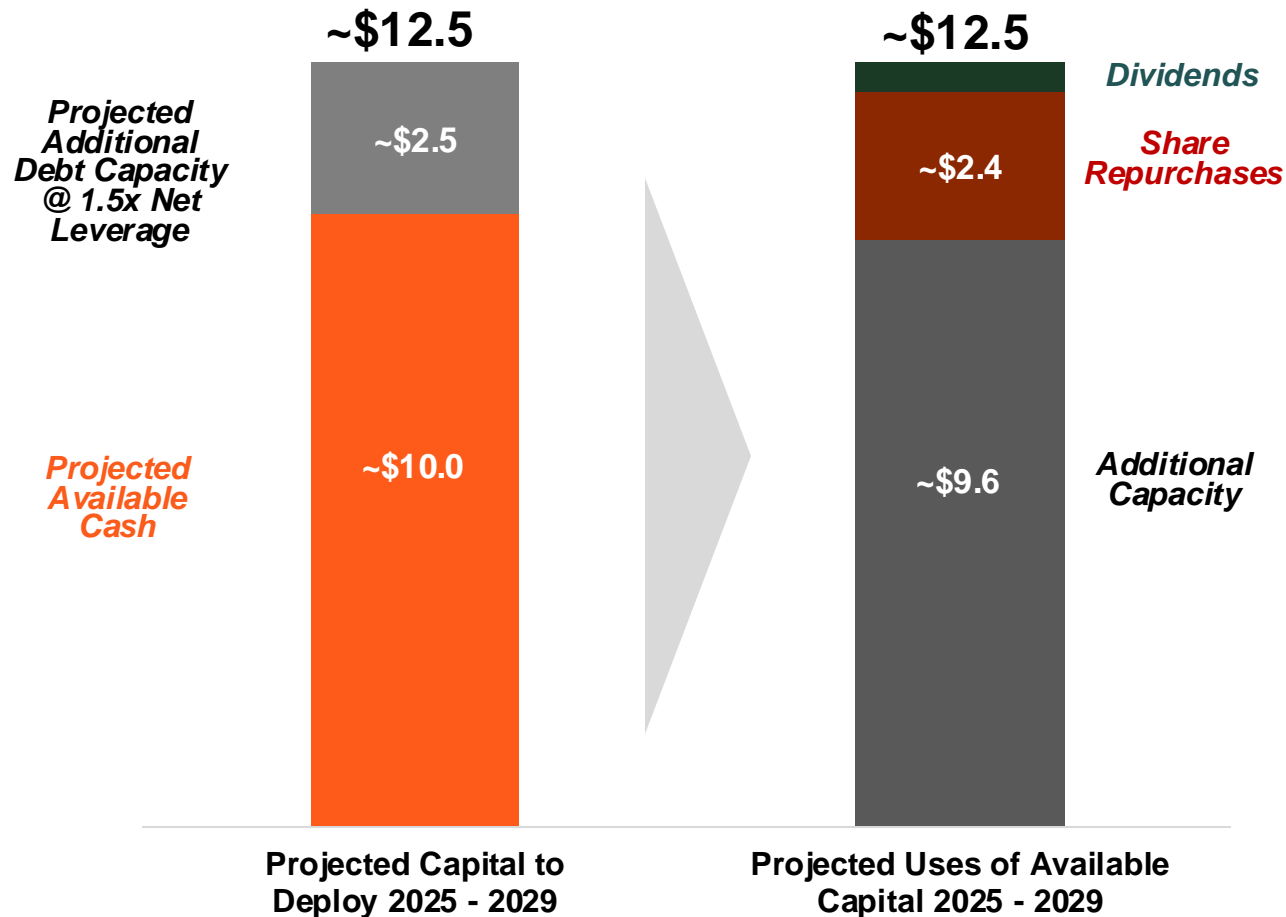
## Target Net Leverage

- Strong expected adjusted free cash flow generation provides flexibility with upper limit of target range
- Debt and cash generation profile supports an investment grade credit rating

**Strong free cash flow generation supports targeted net leverage ratio of ~1.0x to 2.0x**

# Strong free cash flow drives flexible capital deployment

\$Billions



Net Leverage = Net Debt / TTM EBITDA

## Dividends

- In Nov 2024, increased annual dividend from \$0.10 per share to \$0.15 per share (declared and paid quarterly).
- Expect 2029 annual dividend to be ~2x 2025 annual dividend.

## Share Repurchases

- Announced \$3.0B board authorization over four years in November 2023. ~\$600M shares repurchased in 2024.
- Expect to continue to be opportunistic with share repurchases.

## Additional Capacity at 1.5x Leverage

- Additional capacity of ~\$9.6B provides flexibility to focus on bolt-on acquisitions, return cash to shareholders, or support additional organic growth. There is an additional ~\$2.0B deployment capacity at 2.0x net leverage.

Projected capital to deploy based upon adjusted free cash flow which includes investment in R&D. Capex expected at ~3.0% of sales in 2025 and ~2.5% to 3.0% of sales in 2026 - 2029

**Expect ~\$12.5B capital to deploy 2025 – 2029 • ~\$6.0B higher than Nov 2023 Investor Day**

# Preliminary guidance for 2025

## 2025 ADJUSTED EPS

**~\$3.50 - \$3.60**

- ~392M average diluted shares outstanding
- ~26% effective tax rate on GAAP pre-tax income
- Net interest expense of ~\$120M to \$130M

## 2025 ORGANIC SALES GROWTH

**~16% - 18%**

- Expected organic growth above expected market growth
- Americas and EMEA high-teens and APAC low-teens

## 2025 ADJUSTED OPERATING MARGIN

**~20.5% - 21.5%**

- Exceeding prior 20.0% full year long-term target
- Expected AOP: \$1,910M to \$1,960M. ~\$1,935M at mid-point.
- Incremental R&D and capacity investment of ~\$150M to \$200M

## 2025 ADJUSTED FREE CASH FLOW<sup>1</sup> CONVERSION

**~88% - 92%**

- Continue driving trade working capital improvements
- Projecting \$250M to \$300M of Capex to support strong customer demand

Note: See "Non-GAAP Financial Measures" in Appendix. <sup>1</sup> - Adjusted free cash flow as percentage of adjusted net income.

**Expecting strong expansion of adjusted EPS to \$3.55 (at mid-point) driven by 17% (at mid-point) organic sales growth and continued adjusted operating margin improvement**

# Significant opportunity for continued value creation

## ABOVE MARKET ORGANIC GROWTH

Expect organic sales growth above market rate of 9% to 12% (CAGR) including impact from AI

### 5-Year CAGR

**12% - 14%**

*(8% – 11% at Nov 2023 Investor Day)*

## ADJUSTED OPERATING MARGIN EXPANSION

Multiple levers to further expand adjusted operating margin to ~25.0% in 2029

### 2029 Target

**~25.0%**

*(~20%+ at Nov 2023 Investor Day)*

## ADJUSTED FREE CASH FLOW CONVERSION

Underlying structure of business facilities expected strong free cash flow conversion

### 2029 Target

**~95% - 100%**

*(~95 - 100% at Nov 2023 Investor Day)*

## FLEXIBLE CAPITAL DEPLOYMENT

Expected strong cash generation enables significant flexibility for \$12.5B of capital deployment through 2029. *Up from \$6.5B at Nov 2023 Investor Day.*

**Dividends: ~\$0.5B**

**Share Repurchases: ~\$2.4B**

**Additional Capacity: ~\$9.6B**

**Strong organic sales growth translates into profitability, cash generation and flexible capital deployment**

# Q & A



# Vertiv difference creates value through clear strategic intent and execution

## REVENUE GROWTH

1

Enduring leadership  
in strong and  
accelerating markets

2

Leading innovator with the  
most complete portfolio and  
unique competitive advantages

3

Long-standing customer  
relationships and  
key industry player  
collaboration

## OPERATIONAL STRENGTH

4

Clear roadmap  
to operational excellence

5

Margin expansion  
through operational leverage  
and commercial excellence

6

Free cash flow expansion  
enabling capital allocation  
agility and selective  
acquisitions

**Critical digital infrastructure focus and momentum for the future delivers further value creation**





# APPENDIX



# Non-GAAP financial measures: FY 2021 – FY 2023 results

## Net Sales<sup>(1)</sup>

(\$M)	FY21	FY22	FY23
Americas	\$2,187.4	\$2,728.6	\$3,844.5
Asia Pacific	1,609.0	1,601.3	1,527.8
Europe, Middle East & Africa	1,201.7	1,361.6	1,490.9
<b>Total</b>	<b>\$4,998.1</b>	<b>\$5,691.5</b>	<b>\$6,863.2</b>

## Adjusted operating profit (loss)<sup>(2)</sup>

(\$M)	FY21	FY22	FY23
Americas	\$266.2	\$238.2	\$762.4
Asia Pacific	160.0	176.9	147.4
Europe, Middle East & Africa	145.3	156.6	297.7
Corporate <sup>(3)</sup>	(100.5)	(132.5)	(154.0)
<b>Adjusted operating profit (loss) Total</b>	<b>\$471.0</b>	<b>\$439.2</b>	<b>\$1,053.5</b>

## Adjusted operating margins<sup>(4)</sup>

(\$M)	FY21	FY22	FY23
Americas	12.2%	8.7%	19.8%
Asia Pacific	9.9%	11.0%	9.6%
Europe, Middle East & Africa	12.1%	11.5%	20.0%
<b>Vertiv</b>	<b>9.4%</b>	<b>7.7%</b>	<b>15.3%</b>

(1) Segment net sales are presented excluding intercompany sales.

(2) Adjusted operating profit (loss) is only adjusted at the Corporate segment. There are no adjustments at the reportable segment level between operating profit (loss) and adjusted operating profit (loss).

(3) Corporate costs consist of headquarters management costs, stock-based compensation, other incentive compensation, change in fair value of warrant liabilities, asset impairments and costs that support centralized global functions including Finance, Treasury, Risk Management, Strategy & Marketing, and Legal.

(4) Adjusted operating margins calculated as adjusted operating profit (loss) divided by net sales.

# Non-GAAP financial measures: FY 2021 – FY 2023 results

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

(\$M)	FY21	FY22	FY23
Net sales	\$4,998.1	\$5,691.5	\$6,863.2
Operating profit	259.9	223.4	872.2
<b>Operating margin</b>	<b>5.2%</b>	<b>3.9%</b>	<b>12.7%</b>
Amortization of intangibles	144.3	215.8	181.3
Mergers and acquisition costs	48.1	-	-
Litigation settlement costs	18.7	-	-
Adjusted operating profit	471.0	439.2	1,053.5
<b>Adjusted operating margin<sup>(1)</sup></b>	<b>9.4%</b>	<b>7.7%</b>	<b>15.3%</b>

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

(\$M)	FY21	FY22	FY23
Net cash provided by (used for) operating activities	\$210.9	\$(152.8)	\$900.5
Less: Capital expenditures	(73.4)	(100.0)	(127.9)
Less: Investments in capitalized software	(11.2)	(11.0)	(6.7)
Plus: proceeds from disposition of PP&E	9.8	3.9	12.4
<b>Adjusted free cash flow</b>	<b>\$136.1</b>	<b>\$(259.9)</b>	<b>\$778.3</b>

(1) Adjusted operating margins calculated as adjusted operating profit (loss) divided by net sales.

# Non-GAAP financial measures: FY 2021 – FY 2023 results

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

(\$M)	FY21	FY22	FY23
Americas	\$266.2	\$238.2	\$762.4
Asia Pacific	160.0	176.9	147.4
Europe, Middle East & Africa	145.3	156.6	297.7
<b>Total reportable segments</b>	<b>\$571.5</b>	<b>\$571.7</b>	<b>\$1,207.5</b>
Foreign currency gain (loss)	(3.2)	(3.7)	(16.0)
Corporate and other	(164.1)	(128.8)	(138.0)
Total corporate, other and elimination	(167.3)	(132.5)	(154.0)
Amortization of intangibles	(144.3)	(215.8)	(181.3)
<b>Operating profit (loss)</b>	<b>\$259.9</b>	<b>\$223.4</b>	<b>\$872.2</b>
Amortization of intangibles	144.3	215.8	181.3
Mergers and acquisitions costs	48.1	-	-
Litigation settlement costs	18.7	-	-
<b>Adjusted operating profit (loss)</b>	<b>\$471.0</b>	<b>\$439.2</b>	<b>\$1,053.5</b>



# Non-GAAP financial measures: FY 2024 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   FULL YEAR 2024)	Operating profit (loss)	Interest expense, net	Change in warrant liability	Income tax expense	Net income (loss)	Diluted EPS <sup>(1)</sup>
GAAP	\$1,303.4	\$159.0	\$269.0	\$289.0	\$586.4	\$1.52
Amortization of intangibles	181.6	-	-	-	181.6	0.46
Change in warrant liability	-	-	(269.0)	-	269.0	0.70
Non-GAAP Adjusted	\$1,485.0	\$159.0	-	\$289.0	\$1,037.0	\$2.68
Diluted Shares (in millions)						387.0

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

(\$M, except EPS   FULL YEAR 2023)	Operating profit (loss)	Interest expense, net	Change in warrant liability	Extinguishment of debt	Income tax expense	Net income (loss)	Diluted EPS <sup>(2)</sup>
GAAP	\$872.2	\$180.1	\$157.9	\$0.5	\$73.5	\$460.2	\$1.19
Amortization of intangibles	181.3	-	-	-	-	181.3	0.47
Change in warrant liability	-	-	(157.9)	-	-	157.9	0.41
Nonrecurring tax benefit <sup>(3)</sup>	-	-	-	-	115.0	(115.0)	(0.30)
Non-GAAP Adjusted	\$1,053.5	\$180.1	-	\$0.5	\$188.5	\$684.4	\$1.77
Diluted Shares (in millions)							386.2

(1) Diluted EPS and adjusted diluted EPS based on 387.0 million shares (includes 377.0 million basic shares and a weighted average 10.0 million potential dilutive stock options and restricted stock units).

(2) Diluted EPS and adjusted diluted EPS based on 386.2 million shares (includes 380.1 million basic shares and 6.1 million potential dilutive stock options, restricted stock units and performance awards converted into RSUs upon achievement of the related performance target). 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.

(3) Nonrecurring tax benefit includes \$115.0 million of valuation allowance release as a result of the Company's updated assessment of the realization of deferred tax assets in certain countries.

# Non-GAAP financial measures: FY 2025 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   FULL YEAR 2025)	Operating profit (loss)	Interest expense, net	Income tax expense	Net income (loss)	Diluted EPS <sup>(1)</sup>
GAAP	\$1,750.0	\$124.0	\$423.0	\$1,203.0	\$3.07
Amortization of intangibles	184.0	-	-	184.0	0.47
Non-GAAP Adjusted	\$1,934.0	\$124.0	\$423.0	\$1,387.0	\$3.54
Diluted Shares (in millions)					392.0

(1) Diluted EPS and adjusted diluted EPS based on 392.0 million shares (includes 382.0 million basic shares and a weighted average 10.0 million potential dilutive stock options and restricted stock units).

## Other Financial Modeling Assumptions:

- **TAXES:** Anticipate ~26% effective tax rate in 2025 and ramping down to ~24% by 2029
  - Effective tax rate should be calculated using GAAP net income, not adjusted net income
  - Effective tax rate should exclude any gain or loss on change of value of warrant liabilities
- **SHARE COUNT:** Diluted share count expected to be ~392M for full year 2025 excluding any share repurchases
  - Expect ~3M share dilution from employee equity grants each year