



VERTIV™

Second Quarter 2021 Results

July 28, 2021

Architects of Continuity™

VRT
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NYSE

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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: competition; the ability of the Company to grow and manage growth profitably; maintain relationships with customers and suppliers; retain its management and key employees; factors relating to the business, operations and financial performance of Vertiv and its subsidiaries, including: global economic weakness, uncertainty and volatility; risks relating to the continued growth of Vertiv's customers' markets; failure to meet or anticipate technology changes; the unpredictability of Vertiv's future operational results, including the ability to grow and manage growth profitably; 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; risks associated with information technology disruption or security; risks associated with the implementation and enhancement of information systems; failure to properly manage Vertiv's supply chain or difficulties with third-party manufacturers; competition in the infrastructure technologies industry; failure to realize the expected benefit from any rationalization and improvement efforts; disruption of, or changes in, Vertiv's independent sales representatives, distributors and original equipment manufacturers; failure to obtain performance and other guarantees from financial institutions; failure to realize sales expected from Vertiv's backlog of orders and contracts; changes to tax law and the costs and liabilities associated with such changes and any tax audits that may arise; risks associated with future legislation and regulation of Vertiv's customers' markets both in the United States and abroad; costs or liabilities associated with product liability; 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 acquisitions; failure to realize the value of goodwill and intangible assets; the global scope of Vertiv's operations; risks associated with Vertiv's sales and operations in emerging markets; exposure to fluctuations in foreign currency exchange rates; Vertiv's ability to comply with various laws and regulations, including but not limited to, laws and regulations relating to environmental, data protection, data privacy, anti-corruption and international trade and the costs associated with legal compliance; 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; risks associated with litigation or claims against Vertiv; Vertiv's limited history of operating as an independent company; potential net losses in future periods; failure to remediate internal controls over financial reporting; our ability to realize cost savings in connection with our restructuring program; 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 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 pre-Business Combination tax assets and attributes; 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; Vertiv's ability to maintain its listing on the NYSE and comply with listing requirements; risks associated with the failure of industry analysts to provide coverage of Vertiv's business or securities 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, adjusted operating profit, adjusted operating profit margin, adjusted 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 15-22 of this presentation and our current earnings release dated July 28, 2021, which are available on the Company's website at www.vertiv.com. Information reconciling certain forward-looking GAAP measures to non-GAAP measures related to Q3 and full year 2021 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.

Second quarter 2021 key messages

Demand continues to be strong with second quarter 2021 net sales up 25.3% and orders up 24.4% from second quarter 2020

Second quarter adjusted operating profit of \$134M up \$31M (+30%) and adjusted operating margin up 40 bps from second quarter 2020

Second quarter free cash flow of \$41M. Year-to-date free cash flow of \$84M is \$225M higher than same period last year.

Pricing actions in place to recover market based commodity and freight inflation and premiums for spot buys of electronic parts. Pricing actions lag inflation but fully offset inflation in Q4 and provide tailwind in 2022.

Prioritizing customer pursuit and capture despite challenging supply chain. Full year 2021 outlook versus prior guidance: net sales +\$100M and adjusted operating profit +\$5M.

Demand remains strong • supply environment challenging • investing for the future

Market environment

SEGMENT	Vertiv Sales Exposure ¹	 AMERICAS		 APAC		 EMEA	
		Apr-21	Jul-21	Apr-21	Jul-21	Apr-21	Jul-21
CLOUD / HYPERSCALE	~20%						
COLOCATION							
ENTERPRISE / SMALL & MEDIUM BUSINESS	~50%						
COMMUNICATION NETWORKS	~20%						
COMMERCIAL & INDUSTRIAL	~10%						

Note: ¹Sales Revenue FY2020 estimated by customer segments

All markets in all regions remain steady. Cloud and colocation markets continue to be robust and enterprise/SMB market continuing to progress.

Demand and growth investment update

CUSTOMER DEMAND

- Overall market demand remains robust. Second quarter orders up ~25% compared to same period last year.
- Continued strength in cloud and colocation markets with larger project-based orders. Enterprise segment continues to develop as expected.
- Backlog increases to new record level of \$2.3B, ~\$525M higher (+30%) than end of second quarter 2020
- Seizing the opportunity to capture long-term customer commitments. Satisfying current customer demand by investing in spot buys to procure electronic parts.

GROWTH INVESTMENTS

IT Channel Acceleration:

- Seeing revenue growth in all regions
- Active reseller base up 50% from Q2 of 2020
- New reseller base up 400% from Q2 of 2020
- End to end digital efforts continue ramping (web portals, augmented reality sales tools, etc)

VPD Initiatives Yielding Benefits:



Vertiv and Green Mountain Raise the Bar for Data Centre Sustainability

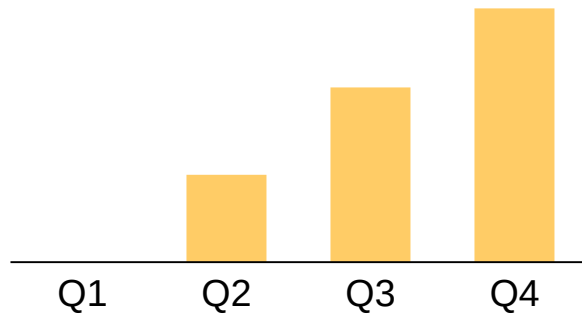
- 100% renewable hydropower data center
- Vertiv chosen for the highly efficient Vertiv Liebert PWC chilled water thermal solution and EXL S1 three-phase UPS with Li-ion batteries

Robust demand environment continues. Prioritizing customers for long-term success despite supply chain constraints. Some short-term, incremental costs being added for these initiatives.

Pricing and supply chain update

PRICING

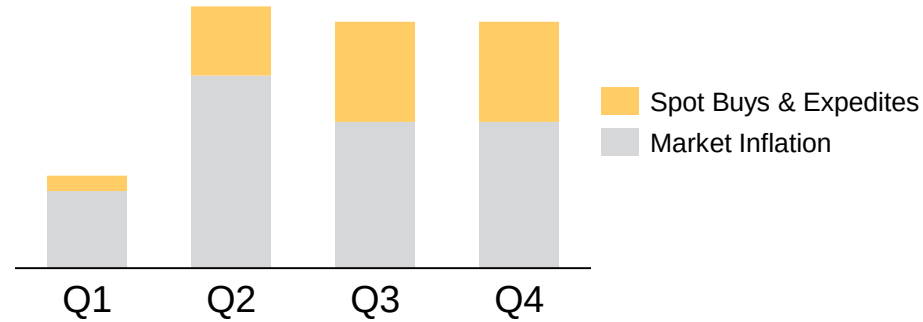
\$ increase from prior year



- Targeting ~\$65M full year pricing benefit vs. prior year
- Multiple list prices and freight increases implemented. Additional actions to be launched in 3Q.
- Tightening exception controls
- Pricing actions should benefit full year 2022

MATERIAL & FREIGHT INFLATION

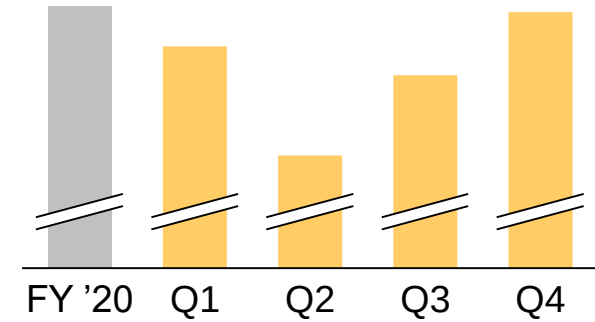
\$ increase from prior year



- Expect ~\$110M full year impact vs. prior year
 - ~\$60M materials inflation primarily metals (steel, copper, aluminum) with largest impact in AMER
 - ~\$15M freight inflation driven by shipments to (ocean, air) and within AMER and EMEA
 - ~\$35M spot buys (largely electronics) and expedited freight (including channel inventory) to protect customer delivery; in some cases parts not available at any price causing delivery delays.
- Expect cost impacts to ramp down in 2022 driving net tailwind

CONTRIBUTION MARGIN %

Implied in updated July guidance



- Timing of pricing actions vs. inflation causing dip in Q2
- Pricing actions accelerate in Q3 driving margin recovery
- Anticipate full recovery by Q4 as headwinds stabilize and pricing plan fully implemented
- Anticipate net tailwind in 2022

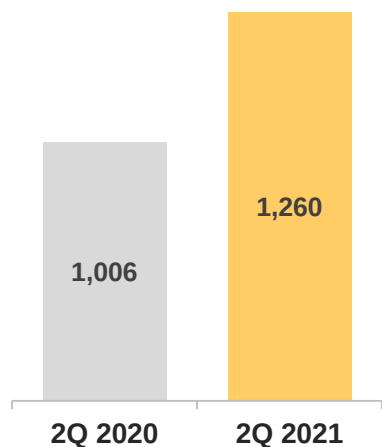
Pricing actions in place with timing lag due to project backlog. Contribution margin recovery in Q4.

Second quarter 2021 financial results

\$Millions

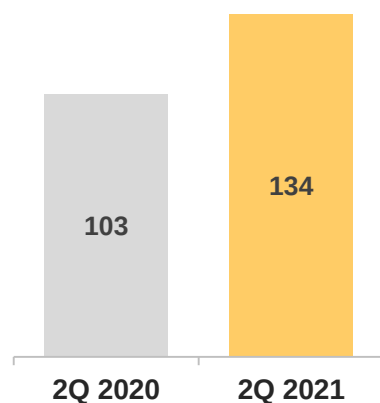
Net Sales

Up 25.3%
Organic +20.4%



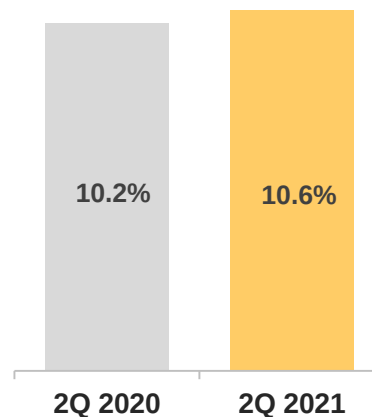
Adj. Operating Profit

Up 30%



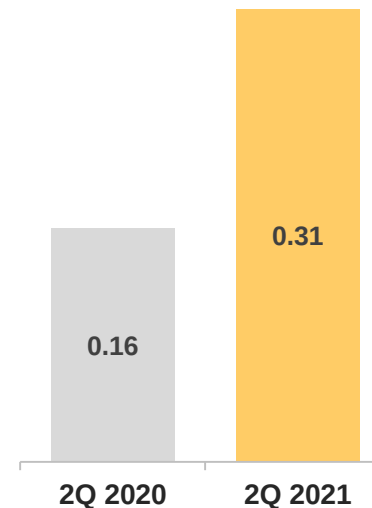
Adj. Operating Margin

Up 40 bps



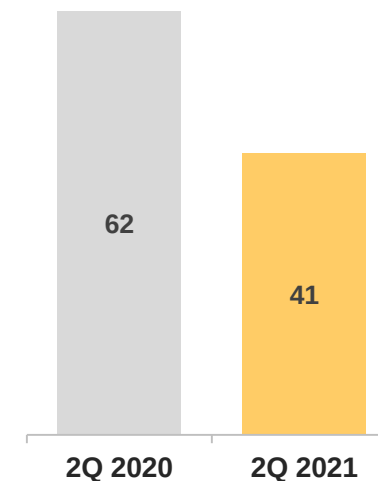
Adjusted EPS

Up \$0.15



Free Cash Flow

Down (\$21M)



- + EMEA organic sales increase of +42%
- + AMER and APAC organic sales increased ~15% each
- + ~\$50M FX tailwind
- + Orders +24% with increases in all regions (led by AMER and EMEA)

- + ~\$45M higher contribution margin:
 - + ~\$80M organic volume growth
 - ~(\$35M) primarily material and freight inflation partially offset by pricing
- ~(\$20M) incremental fixed costs:
 - ~(\$30M) headwind from Q2 2020 from COVID actions
 - ~(\$20M) growth and ER&D investment
- + ~\$20M fixed cost savings (including net restructuring benefits)
- + \$12M benefit from 2020 capitalized software write-off

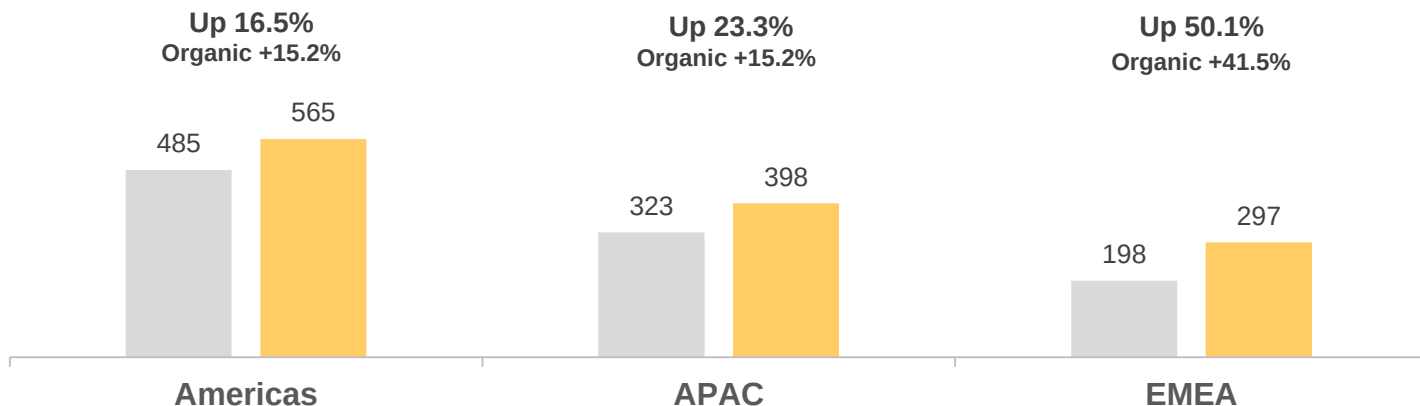
- + \$0.18 from operations
- + \$0.04 lower income taxes
- + \$0.03 lower interest expense
- + \$0.03 Q2 2020 software write-off
- (\$0.08) Q2 2020 COVID actions
- (\$0.06) growth/ER&D investment

- + \$31M higher adj. operating profit
- + \$7M lower cash interest
- (\$20M) higher cash taxes
- (\$18M) inventory build
- (\$7M) higher capex
- (\$14M) other

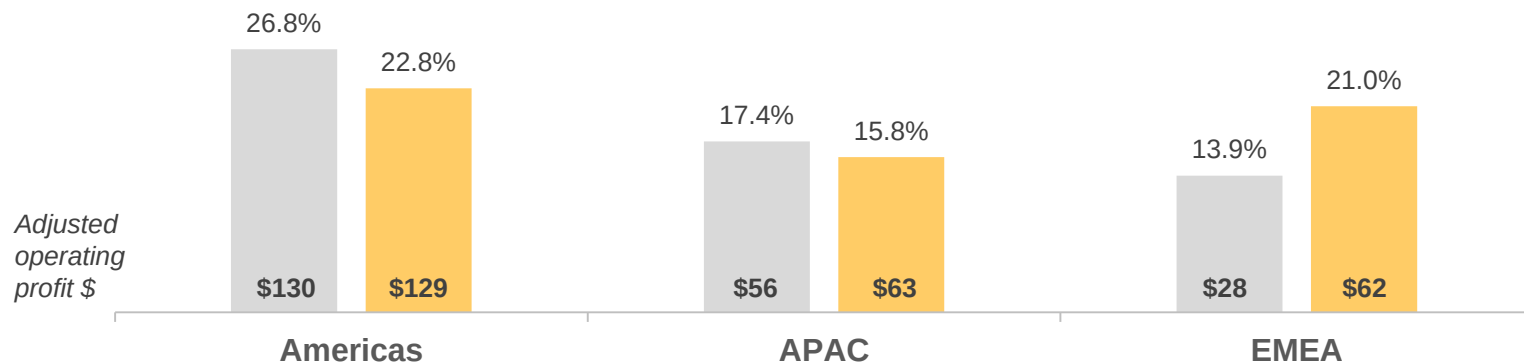
Second quarter 2021 segment results

\$Millions

Net sales



Adjusted operating margin



Three months ended Jun 30, 2020 Jun 30, 2021



Note: see "Non-GAAP Financial Measures" beginning on Slide 15 of the Appendix.

Americas

- Sales growth strong across all product groups led by critical infrastructure and solutions demand
- Supply chain headwinds challenge contribution margins. Fixed cost reductions offset impact of 2020 COVID cost actions.

APAC

- Strong sales recovery from COVID in telecom, channel and service business (especially in India and SE Asia).
- Volume leverage offset by headwind from 2020 COVID cost actions (including one-time government subsidies).

EMEA

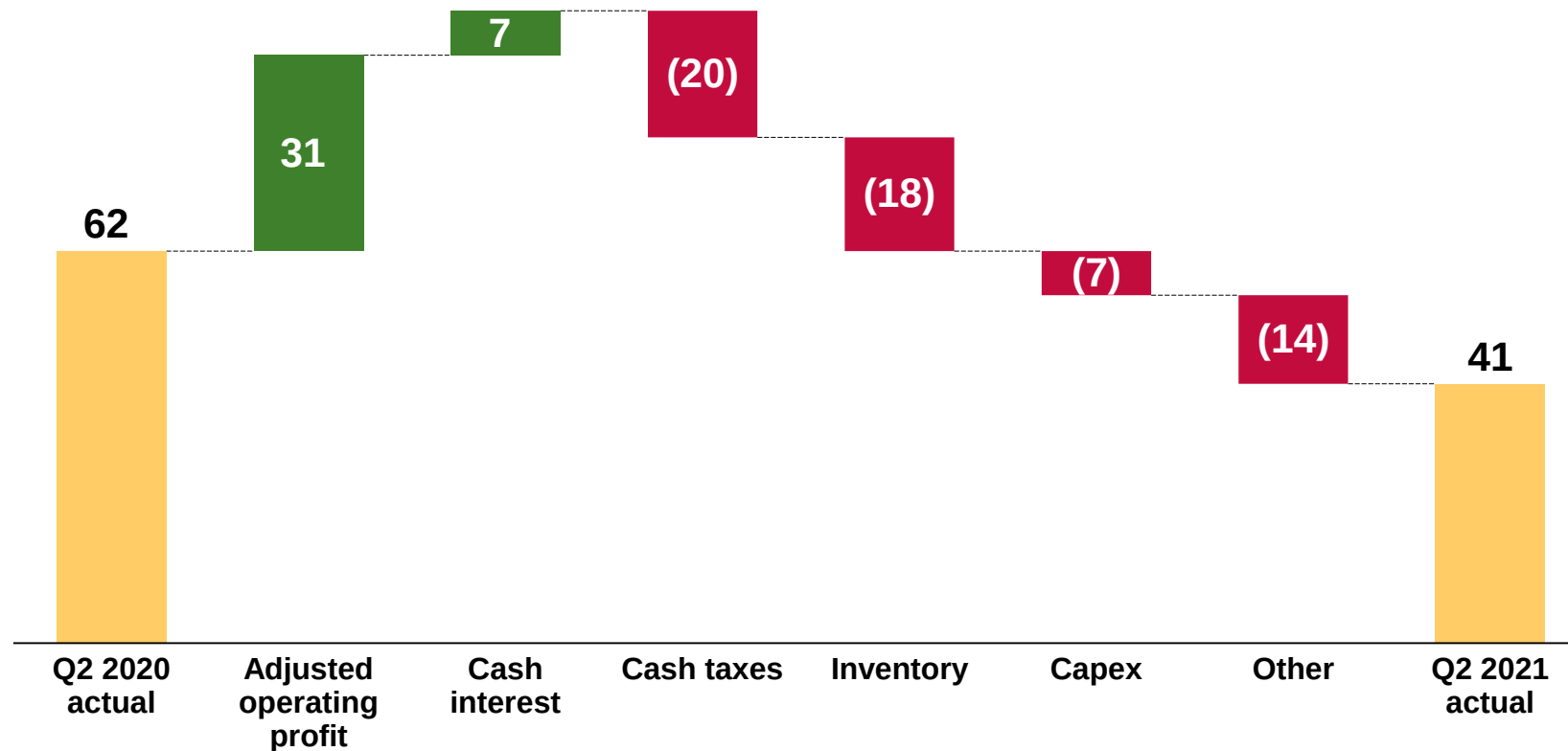
- Strong business recovery from 2020 lockdowns. Large colocation customers expanding in Tier 2 countries.
- Sales leverage, restructuring programs and other fixed cost reductions more than offset material and freight headwinds

Corporate

- Corporate fixed costs slightly higher due to one-time COVID related savings in Q2 2020 and incremental R&D investments

Second quarter 2021 free cash flow & liquidity

\$Millions



- Liquidity of \$1,140M at quarter end
➤ 2.2x net leverage
- Cash interest lower due to lower interest rates and debt paydown
- Cash taxes higher driven by timing and higher expected full year 2021 earnings compared to 2020
- Larger inventory build in Q2 2021 to protect customer deliveries given parts availability challenges
- Capex increase due to abnormally low spending level in Q2 2020 due to COVID-19
- Second quarter 2021 free cash flow negatively impacted by timing of ~\$25M cash disbursement expected at the end of Q1 2021 that disbursed early in Q2. Excluding this impact, second quarter 2021 free cash flow in line with prior year.

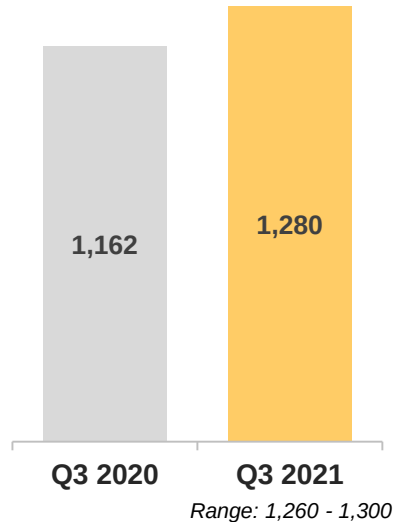
Second quarter free cash flow (\$21M) lower than prior year. Year-to-date free cash flow of \$84M is \$225M higher than same period in 2020.

Third quarter 2021 financial guidance

\$Millions; midpoint of guidance range unless otherwise specified

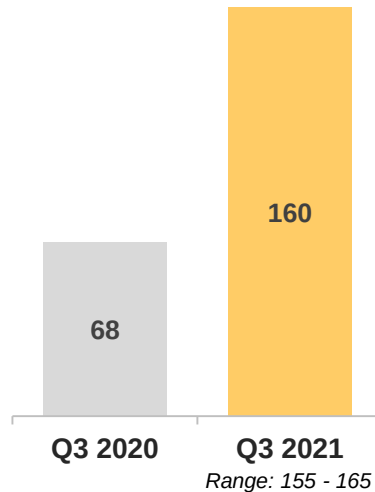
Net Sales

Up 10%
Organic +8%



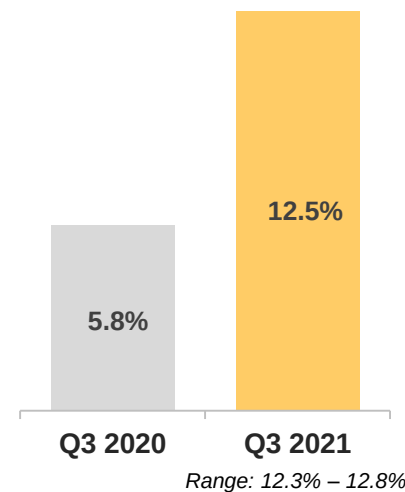
Adj. Operating Profit

Up ~135%



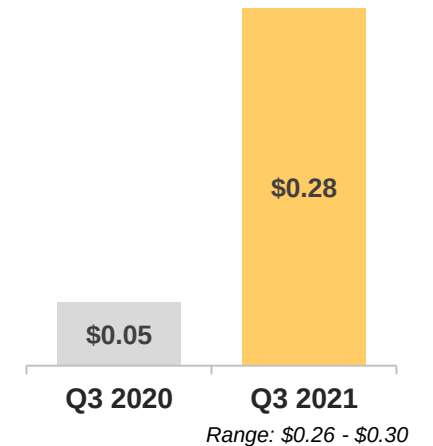
Adj. Operating Margin

Up 670 bps



Adjusted EPS

Up \$0.23



- + Expecting organic growth in all regions led by double-digit growth in EMEA
- + ~\$25M FX tailwind
- + Includes ~\$25M of pricing benefit vs. 3Q 2020

- + ~\$10M higher contribution margin:
 - + ~\$30M organic volume growth
 - ~(\$20M) largely material and freight inflation partially offset by pricing
- + ~\$70M lower fixed costs:
 - + ~\$80M benefit from 2020 restructuring reserve and asset write-off
 - + ~\$20M lower fixed costs (including restructuring benefits)
 - ~(\$30M) 2020 COVID cost actions and growth/ER&D investments

- + \$0.22 restructuring / asset impairment
- + \$0.08 from operations
- + \$0.04 FX
- (\$0.06) growth/ER&D investment
- (\$0.03) Q3 2020 COVID actions
- (\$0.02) taxes, interest, and other

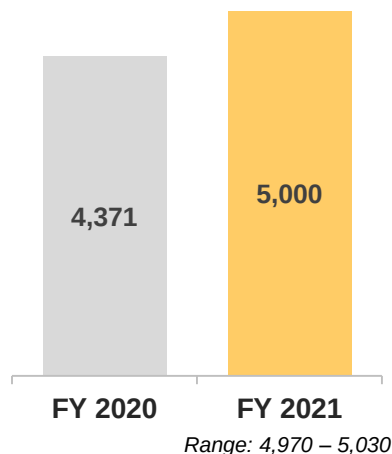
Projecting double-digit top line and strong adjusted operating profit growth compared to 2020

Updated full year 2021 financial guidance

\$Millions; midpoint of guidance range unless otherwise specified

Net Sales

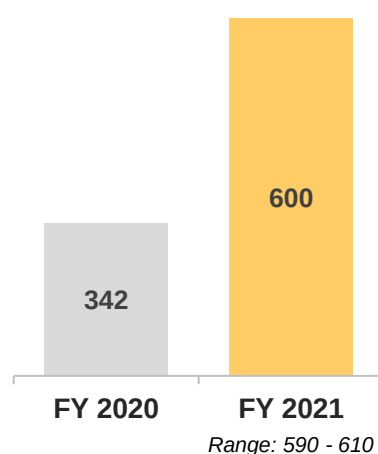
Up 14% vs. 2020
(+12% organic)
Up \$100M vs. prior guidance



- + Double digit organic growth in all regions
- + ~\$110M tailwind from FX
- + \$100M guidance increase:
 - \$45M volume
 - \$40M pricing
 - \$15M FX

Adj. Operating Profit

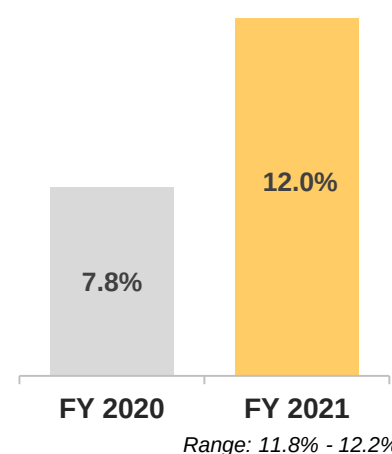
Up 75% vs. 2020
Up \$5M vs. prior guidance



- + \$185M favorable organic volume impact
- + \$113M 2020 pro-forma adjustments : restructuring (\$71M), asset impairment (\$21M), SPAC transaction costs (\$21M)
- + \$105M restructuring benefits, FX, and other
- (\$60M) growth and ER&D investment
- (\$45M) inflation net of pricing offsets
- (\$40M) one-time COVID savings actions in 2020

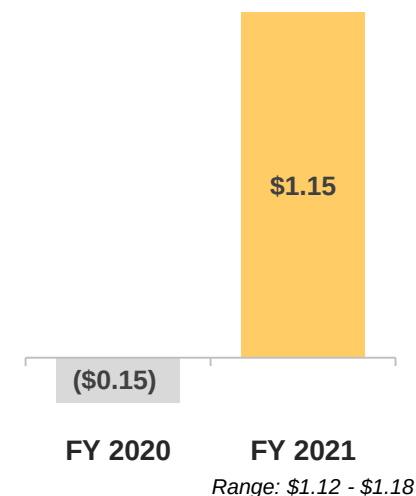
Adj. Operating Margin

Up 420 bps vs. 2020
Down 10 bps vs. prior guidance



Adjusted EPS

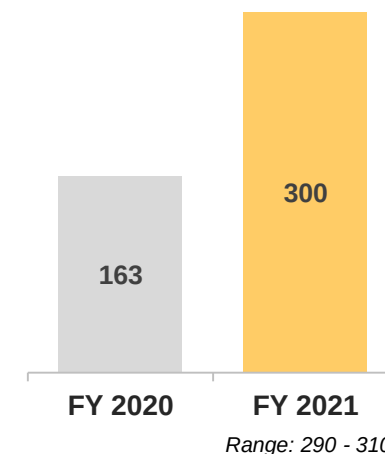
Up \$1.30 vs. 2020
Up \$0.04 vs. prior guidance



- + \$0.79 2020 pro-forma adjustments
- + \$0.56 from operations
- + \$0.18 lower interest expense
- + \$0.12 FX
- (\$0.17) growth/ER&D investment
- (\$0.11) 2020 COVID actions
- (\$0.06) higher income taxes

Free Cash Flow

Up \$137M vs. 2020
Flat vs. prior guidance

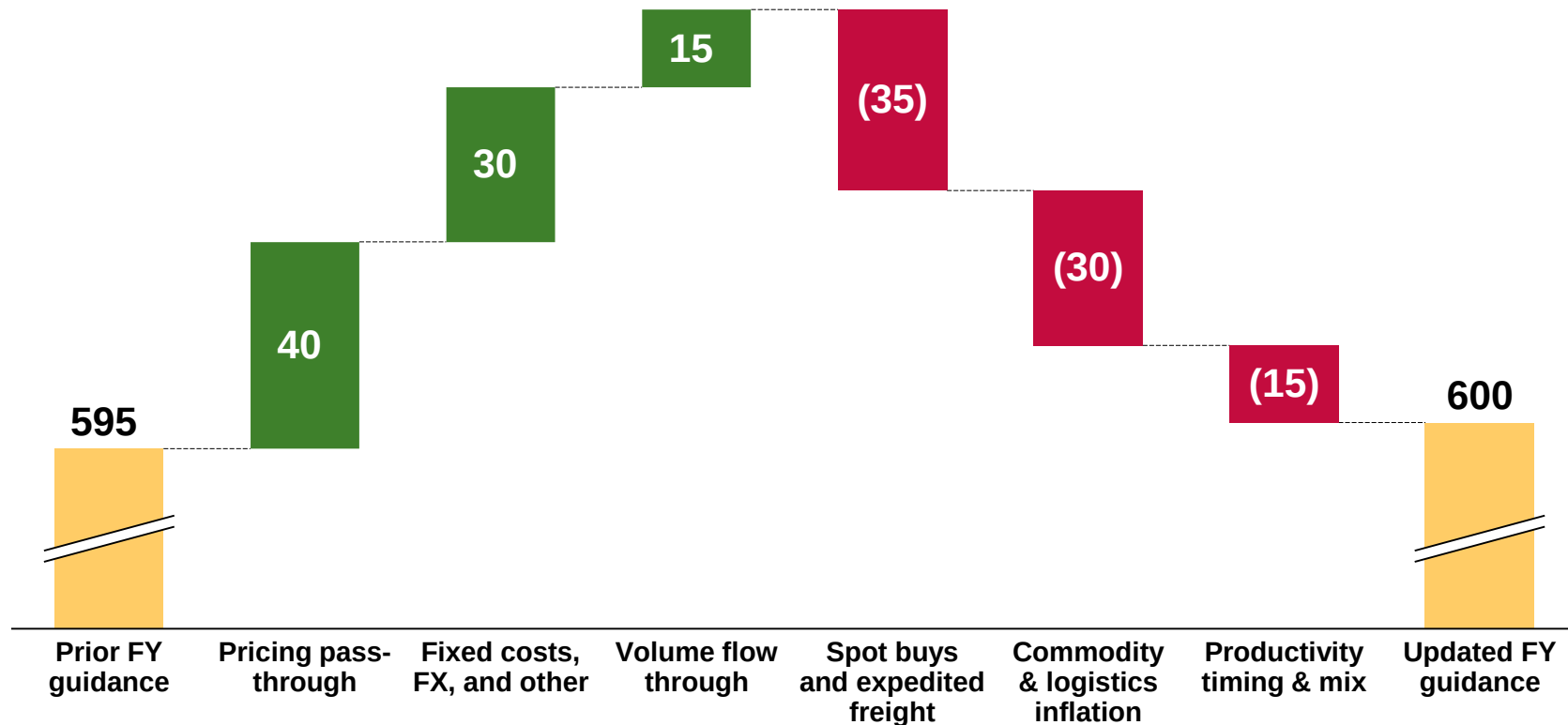


- + \$145M higher adj. operating profit vs 2020 pro forma
- + \$90M lower cash interest
- + \$21M SPAC transaction costs
- ~\$50M higher capex
- ~\$35M higher cash taxes
- ~\$20M restructuring payments

Projecting strong top line, adjusted operating profit and free cash flow growth compared to 2020

Full year guidance bridge to prior guidance

\$Millions adjusted operating profit



- Additional pricing actions implemented to offset commodity and logistics inflation
- Fixed cost reductions (excluding R&D) implemented to partially offset transitory supply chain headwinds
- Incremental sales growth of \$100M includes \$45M volume, \$40M pricing and \$15M FX tailwind. Volume benefit to adjusted operating profit of \$15M.
- Parts availability driving some incremental cost (spot buys and expedited freight) to protect customer deliveries
- Material inflation accelerated in Q2 and expected to persist through year end
- Prioritizing securing supply and satisfying customer deliveries over cost reductions pushes planned productivity benefits out of 2021

Full year sales guidance improves +\$100M to \$5.0B and adjusted operating profit +\$5M to \$600M

Second quarter 2021 key messages

Demand continues to be strong with second quarter 2021 net sales up 25.3% and orders up 24.4% from second quarter 2020

Second quarter adjusted operating profit of \$134M up \$31M (+30%) and adjusted operating margin up 40 bps from second quarter 2020

Second quarter free cash flow of \$41M. Year-to-date free cash flow of \$84M is \$225M higher than same period last year.

Pricing actions in place to recover market based commodity and freight inflation and premiums for spot buys of electronic parts. Pricing actions lag inflation but fully offset inflation in Q4 and provide tailwind in 2022.

Prioritizing customer pursuit and capture despite challenging supply chain. Full year 2021 outlook versus prior guidance: net sales +\$100M and adjusted operating profit +\$5M.

Demand remains strong • supply environment challenging • investing for the future

Non-GAAP financial reconciliations



Non-GAAP financial measures - second quarter results

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

(\$M 2 nd QUARTER)	2Q21	2Q20
Americas	\$128.6	\$130.0
Asia Pacific	62.8	56.1
Europe, Middle East & Africa	62.4	27.5
Total reportable segments	\$253.8	\$213.6
Foreign currency gain (loss)	(4.1)	(2.8)
Corporate and other	(115.6)	(108.0)
Total corporate, other and elimination	(119.7)	(110.8)
Amortization of intangibles	(31.9)	(32.2)
Operating profit (loss)	\$102.2	\$70.6
Amortization of intangibles	31.9	32.2
Adjusted operating profit (loss)	\$134.1	\$102.8

Reconciliation of Net Sales to Organic Net Sales

(\$M 2 nd QUARTER)	2Q21	2Q20	Δ%	Organic Δ%
Americas	\$564.9	\$484.7	16.5%	15.2%
APAC	398.0	322.8	23.3%	15.2%
EMEA	297.4	198.2	50.1%	41.5%
Total	\$1,260.3	\$1,005.7	25.3%	20.4%

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

(\$M 2 nd QUARTER)	2Q21	2Q20	Δ
Net sales	\$1,260.3	\$1,005.7	\$254.6
Operating profit	102.2	70.6	31.6
Operating margin	8.1%	7.0%	1.1%
Amortization of intangibles	31.9	32.2	(0.3)
Adjusted operating profit	134.1	102.8	31.3
Adjusted operating margin	10.6%	10.2%	0.4%

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

(\$M 2 nd QUARTER)	2Q21	2Q20	1H21	1H20
Net cash provided by (used for) operating activities	\$59.3	\$73.0	\$120.1	(\$121.7)
Less: Capital expenditures	(13.6)	(6.5)	(30.4)	(13.2)
Less: Investments in capitalized software	(4.3)	(4.4)	(5.4)	(6.2)
Free cash flow	\$41.4	\$62.1	\$84.2	(\$141.1)

Note: Segment operating profit (loss) is the measure of profitability disclosed in Note 12 to the unaudited condensed consolidated financial statements for the quarter ended June 30, 2021.



Source: Management estimates

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

Second quarter 2021 reflects midpoint of guidance range

Reconciliation of GAAP diluted EPS to Non-GAAP adjusted diluted EPS and operating profit (loss) to adjusted operating profit (loss)

(\$M, except EPS 2 nd QUARTER 2021)	Operating profit (loss)	Interest expense, net	Change in warrant liability	Income tax expense	Net income (loss)	Diluted EPS ⁽¹⁾
GAAP	\$102.2	\$20.0	71.2	\$1.3	\$9.7	\$0.03
Intangible amortization	31.9	-	-	-	31.9	0.09
Change in warrant liability	-	-	(71.2)	-	71.2	0.20
Pro forma share count ⁽¹⁾	-	-	-	-	-	(0.01)
Non-GAAP Adjusted	\$134.1	\$20.0	-	\$1.3	\$112.8	\$0.31
(\$M, except EPS 2 nd QUARTER 2020)	Operating profit (loss)	Interest expense, net	Change in warrant liability	Income tax expense	Net income (loss)	Diluted EPS ⁽²⁾
GAAP	\$70.6	\$30.1	\$82.2	\$14.3	(\$56.0)	(\$0.17)
Intangible amortization	32.2	-	-	-	32.2	0.10
Change in warrant liability	-	-	(82.2)	-	82.2	0.25
Pro forma share count ⁽²⁾	-	-	-	-	-	(0.02)
Non-GAAP Adjusted	\$102.8	\$30.1	-	\$14.3	\$58.4	\$0.16

(1) GAAP Diluted EPS based on 356.7 million shares (includes 352.2 million basic shares and 4.5 million potential dilutive stock options and restricted stock units). Non-GAAP Adjusted EPS based on pro forma share count of 362.1 million diluted shares (includes 352.2 million basic shares and 9.9 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 warrant liability accounting and the associated impact on diluted share count.

(2) GAAP Diluted EPS based on 328.4 million shares. Non-GAAP Adjusted EPS based on pro forma share count of 362.0 million diluted shares (includes basic shares and potential dilutive warrants, stock options and restricted stock units). We believe that this presentation facilitates comparison to the current period due to the impact of the reverse merger.

Non-GAAP financial measures – third quarter guidance

Third quarter 2021 reflects midpoint of guidance range

Reconciliation of GAAP diluted EPS to Non-GAAP adjusted diluted EPS and operating profit (loss) to adjusted operating profit (loss)

(\$M, except EPS 3 rd QUARTER 2021 ⁽³⁾)	Operating profit (loss)	Interest expense, net	Change in warrant liability	Income tax expense	Net income (loss)	Diluted EPS ⁽¹⁾
GAAP	\$128.0	\$21.0	-	\$37.0	\$70.0	\$0.19
Intangible amortization	32.0	-	-	-	32.0	0.09
Change in warrant liability	-	-	-	-	-	-
Non-GAAP Adjusted	\$160.0	\$21.0	-	\$37.0	\$102.0	\$0.28
(\$M, except EPS 3 rd QUARTER 2020)	Operating profit (loss)	Interest expense, net	Change in warrant liability	Income tax expense	Net income (loss)	Diluted EPS ⁽²⁾
GAAP	\$35.1	\$26.4	\$87.7	\$24.5	(\$103.5)	(\$0.32)
Intangible amortization	32.5	-	-	-	32.5	0.10
Change in warrant liability	-	-	(87.7)	-	87.7	0.27
Pro forma share count ⁽²⁾	-	-	-	-	-	-
Non-GAAP Adjusted	\$67.6	\$26.4	-	\$24.5	\$16.7	\$0.05

(1) GAAP Diluted EPS and non-GAAP adjusted EPS based on 363.8 million shares (includes ~352.2 million basic shares and ~11.6 million potential dilutive warrants, stock options and restricted stock units).

(2) GAAP Diluted EPS based on 328.4 million shares. Non-GAAP Adjusted EPS based on pro forma share count of 362.0 million diluted shares (includes basic shares and potential dilutive warrants, stock options and restricted stock units). We believe that this presentation facilitates comparison to the current period due to the impact of the reverse merger.

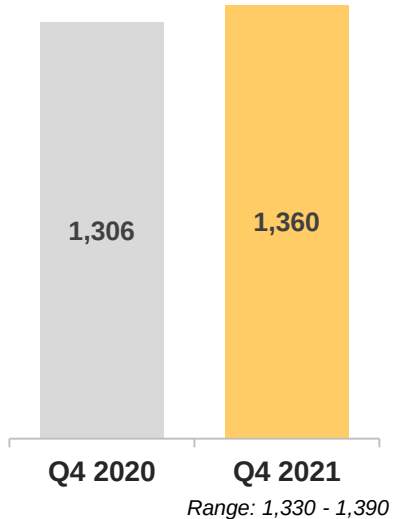
(3) Information reconciling certain forward-looking GAAP measures to non-GAAP measures related to Q3 2021 guidance, including organic net sales growth and free cash flow, is not available without unreasonable effort due to high variability, complexity and uncertainty with respect to forecasting and quantifying 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.

Fourth quarter 2021 financial guidance

\$Millions; midpoint of guidance range unless otherwise specified

Net Sales

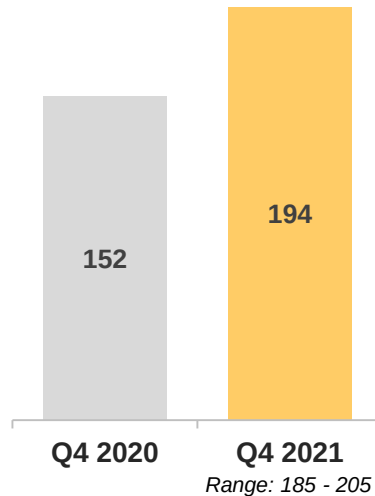
Up 4%
Organic +4%



- + Single digit growth in all regions
- + ~\$10M FX tailwind
- + Includes ~\$35M of pricing benefit vs. 4Q 2020

Adj. Operating Profit

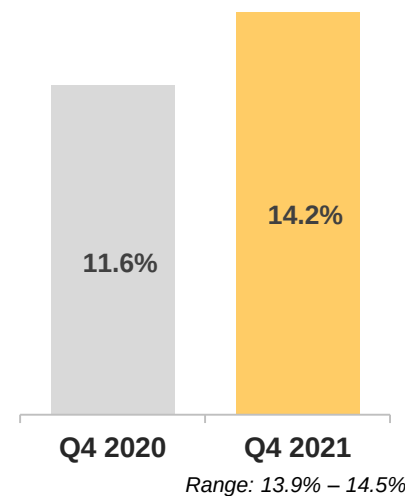
Up ~28%



- + ~\$35M higher contribution margin:
 - + ~\$5M organic volume growth
 - + ~\$30M pricing, productivity and other offset by material and freight inflation
- ~(\$5M) higher fixed costs:
 - + ~\$10M fixed cost savings (including restructuring benefits)
 - ~(\$15M) growth and ER&D investment

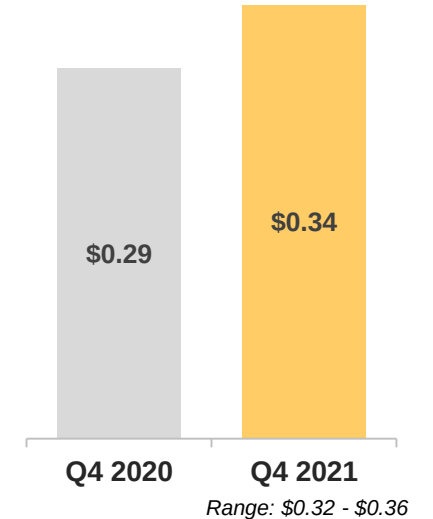
Adj. Operating Margin

Up 260 bps



Adjusted EPS

Up \$0.05



- + \$0.12 from operations
- + \$0.03 FX
- + \$0.01 lower interest expense
- (\$0.04) growth/ER&D investment
- (\$0.07) higher income taxes

Significant margin enhancement as pricing actions gain traction

Non-GAAP financial measures –fourth quarter guidance

Fourth quarter 2021 reflects midpoint of guidance range

Reconciliation of GAAP diluted EPS to Non-GAAP adjusted diluted EPS and operating profit (loss) to adjusted operating profit (loss)

(\$M, except EPS 4 th QUARTER 2021 ⁽³⁾)	Operating profit (loss)	Interest expense, net	Change in warrant liability	Income tax expense	Net income (loss)	Diluted EPS ⁽¹⁾
GAAP	\$163.0	\$21.9	-	\$47.7	\$93.4	\$0.26
Intangible amortization	31.3	-	-	-	31.3	0.08
Change in warrant liability	-	-	-	-	-	0.01
Non-GAAP Adjusted	\$194.3	\$21.9	-	\$47.7	\$124.7	\$0.35
(\$M, except EPS 4 th QUARTER 2020)	Operating profit (loss)	Interest expense, net	Change in warrant liability	Income tax expense	Net income (loss)	Diluted EPS ⁽²⁾
GAAP	\$120.1	\$25.0	\$34.4	\$20.2	\$40.5	\$0.12
Intangible amortization	31.6	-	-	-	31.6	0.10
Change in warrant liability	-	-	34.4	-	34.4	0.10
Pro forma share count ⁽²⁾	-	-	-	-	-	(0.03)
Non-GAAP Adjusted	\$151.7	\$25.0	-	\$20.2	\$106.5	\$0.29

(1) GAAP Diluted EPS and non-GAAP adjusted EPS based on 364.6 million shares (includes ~352.2 million basic shares and ~12.3 million potential dilutive warrants, stock options and restricted stock units).

(2) GAAP Diluted EPS based on 333.3 million shares. Non-GAAP Adjusted EPS based on pro forma share count of 362.0 million diluted shares (includes basic shares and potential dilutive warrants, stock options and restricted stock units). We believe that this presentation facilitates comparison to the current period due to the impact of the reverse merger.

(3) Information reconciling certain forward-looking GAAP measures to non-GAAP measures related to Q4 2021 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.



Source: Management estimates

Non-GAAP financial measures – updated full year guidance

Full year 2021 at midpoint of guidance range

Reconciliation of GAAP diluted EPS to Non-GAAP adjusted diluted EPS and operating profit (loss) to adjusted operating profit (loss)

(\$M, except EPS FULL YEAR 2021 ⁽³⁾)	Operating profit (loss)	Interest expense, net	Loss on extinguishment of debt	Change in warrant liability	Income tax expense	Net income (loss)	Diluted EPS ⁽¹⁾
GAAP	\$473.0	\$87.0	\$0.4	\$84.8	\$96.0	\$204.8	\$0.57
Intangible amortization	127.0	-	-	-	-	127.0	0.35
Change in warrant liability	-	-	-	(84.8)	-	84.8	0.23
Non-GAAP Adjusted	\$600.0	\$87.0	\$0.4	-	\$96.0	\$416.6	\$1.15
(\$M, except EPS FULL YEAR 2020)	Operating profit (loss)	Interest expense, net	Loss on extinguishment of debt	Change in warrant liability	Income tax expense	Net income (loss)	Diluted EPS ⁽²⁾
GAAP	\$213.5	\$150.4	\$174.0	\$143.7	\$72.7	(\$327.3)	(\$1.07)
Intangible amortization	128.7	-	-	-	-	128.7	0.42
Change in warrant liability	-	-	-	(143.7)	-	143.7	0.47
Pro forma share count ⁽²⁾	-	-	-	-	-	-	0.03
Non-GAAP Adjusted	\$342.2	\$150.4	\$174.0	-	\$72.7	(\$54.9)	(\$0.15)

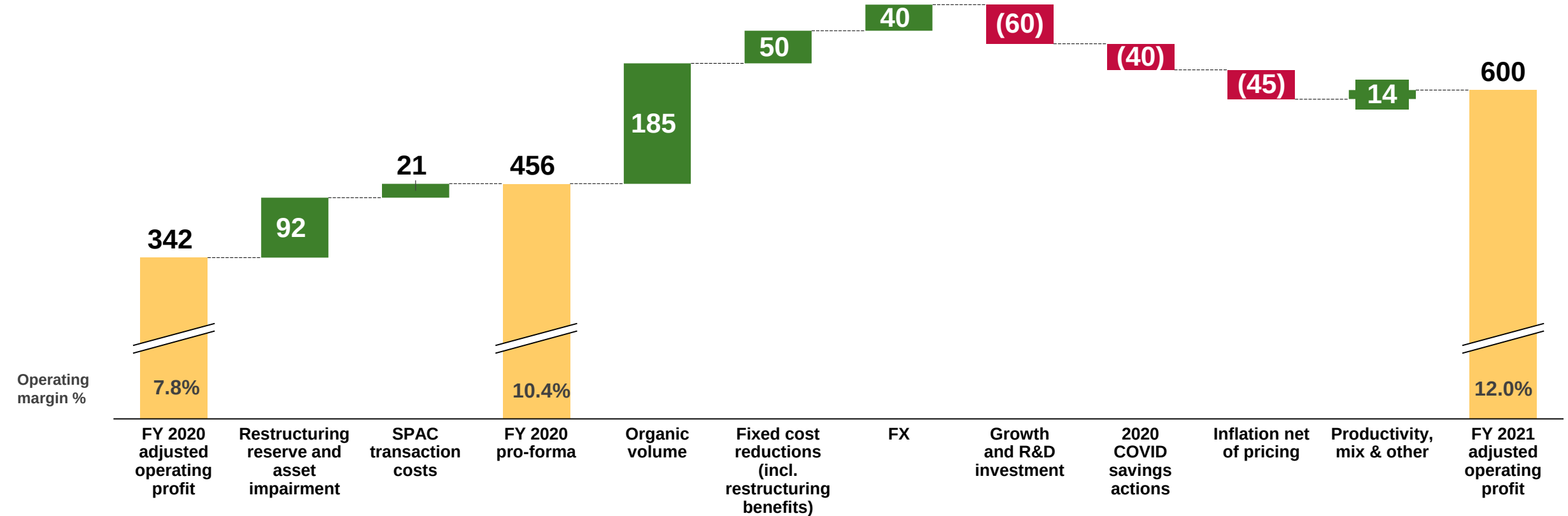
(1) GAAP Diluted EPS and non-GAAP adjusted EPS based on 362.3 million shares (includes ~351.6 million basic shares and ~10.7 million potential dilutive warrants, stock options and restricted stock units).

(2) GAAP Diluted EPS based on 307.1 million shares. Non-GAAP Adjusted EPS based on pro forma share count of 362.0 million diluted shares (includes basic shares and potential dilutive warrants, stock options and restricted stock units). We believe that this presentation facilitates comparison to the current period due to the impact of the reverse merger.

(3) Information reconciling certain forward-looking GAAP measures to non-GAAP measures related to FY 2021 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.

Adjusted operating profit bridge: full year 2021 guidance

\$Millions



- Incremental sales growth of \$100M vs. prior guidance includes \$45M volume, \$40M pricing and \$15M FX tailwind. Volume benefit of \$15M adj. OP.
- Unfavorable commodity and freight headwinds, product mix and spot buys partially offset by incremental pricing actions combine to reduce contribution margin by (\$40M) compared to prior guidance

Full year 2021 inflation and pricing evolution

\$Millions favorable / (unfavorable) vs. prior year

	February Guidance (adj. OP = \$575M)	April Guidance (adj. OP = \$595M)	July Guidance (adj. OP = \$600M)
Material and freight inflation	(\$20)	(\$45)	(\$110)
Pricing actions	15	25	65
Net material and freight inflation	(\$5)	(\$20)	(\$45)

- Reflects the year over year change in contribution margin attributable to material & freight inflation and pricing actions
- Material and freight inflation includes market impacts (higher commodity prices, freight rates, etc.) as well as premiums paid for spot-buys and expedited shipments due to parts availability challenges
- Pricing includes items such as list price increases, discount and rebate reductions, pass through pricing (lead) and pricing recovery on outbound freight

