



VERTIV™

Third Quarter 2022 Results

October 26, 2022

Architects of Continuity™

VRT
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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, including risks associated with the COVID-19 pandemic; failure to realize the value of goodwill and intangible assets; exposure to fluctuations in foreign currency exchange rates; 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; 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; risks associated with the failure of industry analysts to provide coverage of Vertiv's business or securities; the ability of Vertiv to grow and manage growth profitably, maintain relationships with customers and suppliers and retain its management and 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 and manage the succession of its key employees; the adequacy of Vertiv's insurance coverage; a failure to benefit from future acquisitions; 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. Forward-looking statements included in this presentation speak only as of the date of this presentation or any earlier date specified for such statements. All subsequent written or oral forward-looking statements attributable to Vertiv or persons acting on Vertiv's behalf may be qualified in their entirety by this Cautionary Statement Regarding Forward-Looking Statements.

This presentation also includes certain non-GAAP financial measures, such as organic net sales growth, adjusted operating profit, adjusted operating margin, adjusted diluted EPS and free cash flow, that may not be directly comparable to other similarly titled measures used by other companies and therefore may not be comparable among companies. The Company has provided reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures and our reconciliations on pages 16-22 of this presentation and our current earnings release dated October 26, 2022, which are available on the Company's website at investors.vertiv.com. Information reconciling certain forward-looking GAAP measures to non-GAAP measures related to Q4, full year 2022 and 2023 guidance, including organic net sales growth, adjusted operating margin, 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.

Third quarter 2022 key messages

Organic net sales up 20% compared to last year's third quarter with strong growth across all geographic regions. Third quarter orders up 15% from prior year adjusted for the impact of foreign exchange.

Third quarter adjusted operating profit of \$134M within guidance range. Up \$3M from last year's third quarter primarily driven by higher volume, favorable price-cost and the E&I acquisition largely offset by one-time fixed costs benefits in 2021, investments in R&D and operations, and FX.

Although slightly behind prior expectations, delivered \$35M of positive price-cost in the third quarter. Already implemented price actions expected to deliver \$365M full year 2022 benefit versus prior year.

Overall material supply has improved in the last 90 days on some electronic components, fans and circuit breakers. Alternate fan suppliers fully qualified and providing volume production parts. We expect power semiconductors will remain constrained through first half 2023.

Fourth quarter free cash flow expected to be record high of \$250M - \$300M. Still managing challenges with inventory planning notably in the Americas. Reducing full year expectation for free cash flow to range of (\$150M) – (\$100M), but working capital actions should set-up strong 2023 free cash flow.

Confirming fourth quarter adjusted operating profit guidance at \$220M - \$240M and full year adjusted operating profit guidance of approximately \$450M - \$470M. We believe a strong fourth quarter will position us well for 2023.

Market Environment

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

Market demand remains strong notwithstanding continued aggressive pricing actions

Customer demand and supply chain update

CUSTOMER DEMAND & PRICING UPDATE

- Overall market demand remains robust. ***Third quarter orders up ~15% (adjusted for FX) compared to same period last year including ~14% from higher price.***
- Anticipating double-digit percentage point decline in Q4 orders as we return to a more normal order flow environment
- Continued strength in cloud and colocation markets with larger project-based orders
- ***Backlog a new record level of \$4.7B*** at end of Sept, ~46% higher than end of 2021
- ~\$110M (~9%) price realization in third quarter was consistent with prior guidance
- ~80% of fourth quarter pricing is included in the current backlog with ~20% to be realized on book and ship orders from price actions already in place

SUPPLY CHAIN & INFLATION UPDATE

- Supply chain challenges – notably for electronic components – continued in third quarter. Expect continued pressure into first half 2023.
- Alternate fan supplier fully qualified and providing volume production fans to Vertiv facilities as per previous guidance
- Commodity and freight outlook trending favorably, but spot buys for electronic components continue and incurring higher costs for alternative supply
- Net price-cost slightly unfavorable to prior guidance due in part to sales shift into higher inflationary geographies as well as some slightly higher inflation and lower than expected realization on backlog surcharges in EMEA

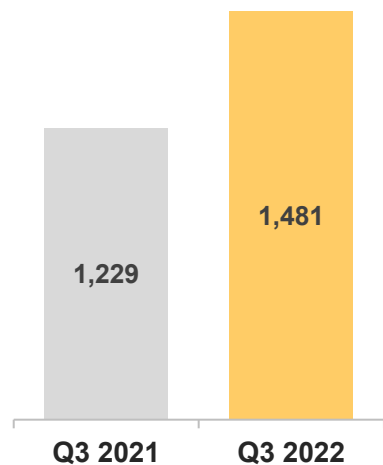
Market demand continues to be strong and alternate supply coming on-line to drive Q4 volume growth

Third quarter 2022 financial results

\$Millions

Net Sales

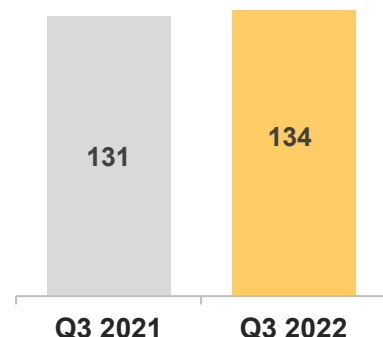
Up 21%
Organic up 20%



- + ~\$135M higher volume
- + ~\$110M pricing benefit
- + ~\$115M acquired sales from E&I
- ~(\$85M) FX translation
- ~(\$25M) divested sales

Adj. Operating Profit

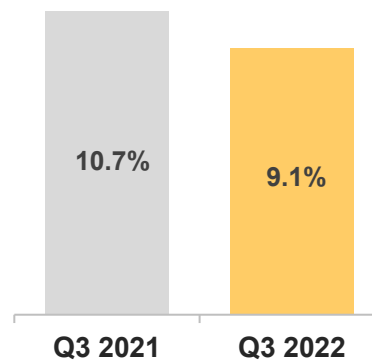
Up \$3M



- + ~\$110M pricing benefit
- + ~\$50M higher volume
- + ~\$20M acquired adjusted operating profit from E&I
- ~(\$75M) material and freight inflation
- ~(\$50M) FX and other
- ~(\$30M) one-time fixed cost benefits in 2021
- ~(\$25M) fixed costs (including operations/capacity and R&D investments)

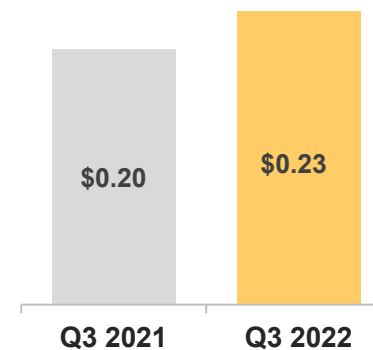
Adj. Operating Margin

Down 160 bps



Adj. Diluted EPS

Up \$0.03

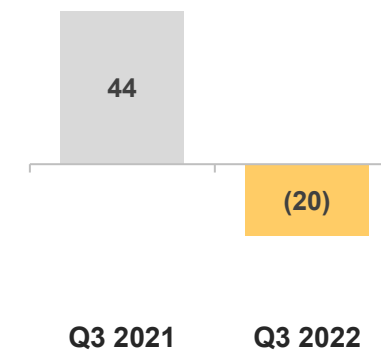


- + ~\$0.07 tax expense timing
- + ~\$0.01 higher adj. op. profit
- ~(\$0.04) interest expense
- ~(\$0.01) share count

Net E&I ~\$0.01 accretive

Free Cash Flow

Down \$64M



- ~(\$50M) higher A/R
- ~(\$25M) accrued expense timing
- ~(\$15M) higher net capex
- ~(\$5M) higher cash interest
- + ~\$25M lower inventory build
- + ~\$10M higher A/P

Liquidity: \$531M

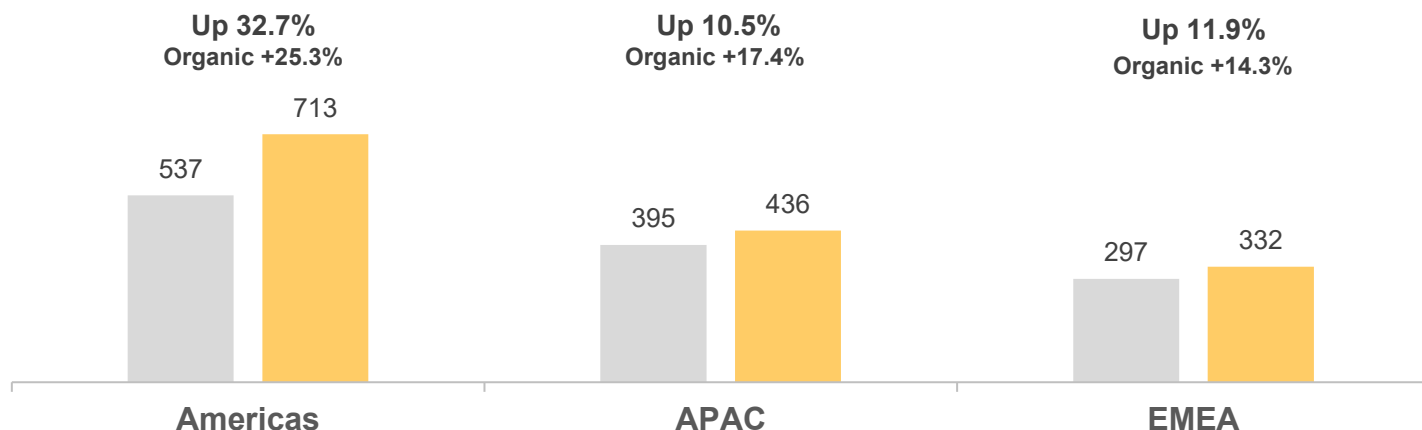


Note: see "Non-GAAP Financial Measures" beginning on slide 16 of the Appendix. Free cash flow equals cash from operations less net capital expenditures.

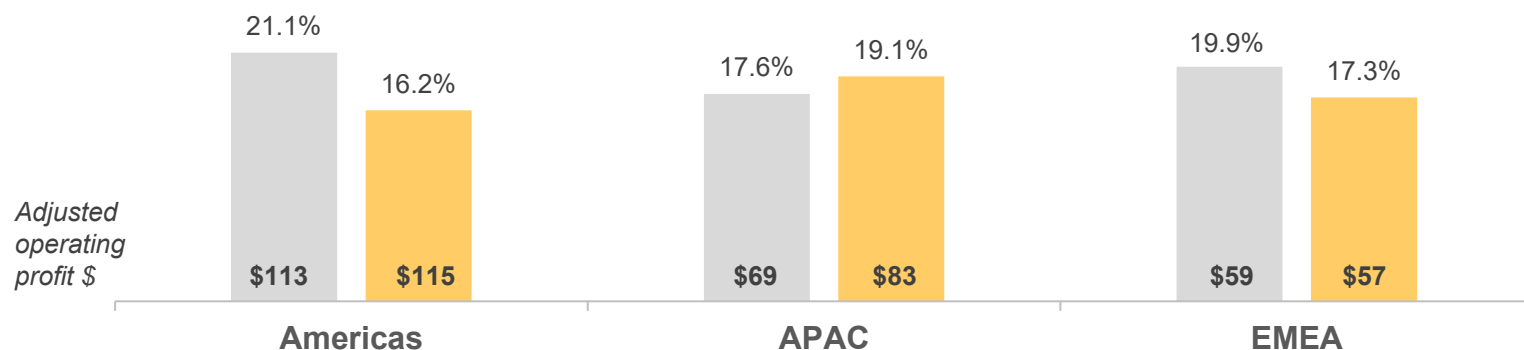
Third quarter 2022 segment results

\$Millions

Net sales



Adjusted operating margin



Three months ended Sep 30, 2021 Sep 30, 2022



Note: see "Non-GAAP Financial Measures" beginning on slide 16 of the Appendix.

Americas

- Organic growth driven roughly equally by higher volume and pricing. E&I added ~\$42M. FX headwind (~\$3M).
- Operating margins lower due to higher fixed costs (including capacity investments) and other cost headwinds partially offset by favorable price-cost

APAC

- Organic growth driven by higher volume (~2/3) and pricing (~1/3). FX headwind (~\$27M).
- Operating margin improved due to favorable price-cost and some volume leverage

EMEA

- Organic growth driven by price realization with volume up modestly. Acquired sales from E&I of ~\$73M and divested sales of ~\$25M. FX headwind of (~\$56M).
- Operating margin reduced as price realization did not fully offset impacts of inflation and higher fixed costs

Corporate

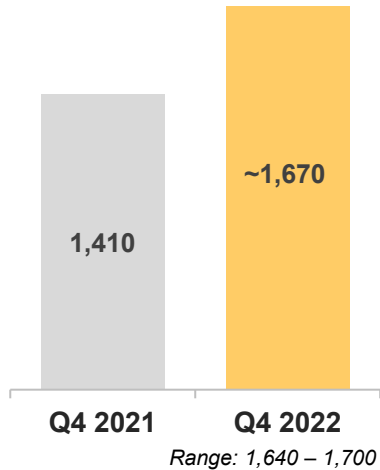
- Corporate fixed costs relatively flat to prior year with headwind from 2021 one-time fixed cost actions offsetting tailwind from M&A costs
- Lower FX (loss) provided ~\$5M tailwind

Fourth quarter 2022 financial guidance

\$Millions; midpoint of guidance range unless otherwise specified

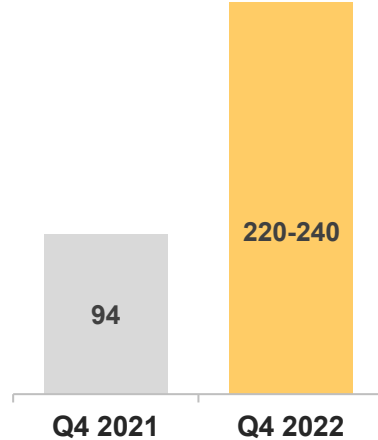
Net Sales

Up ~18%
Organic up ~26%



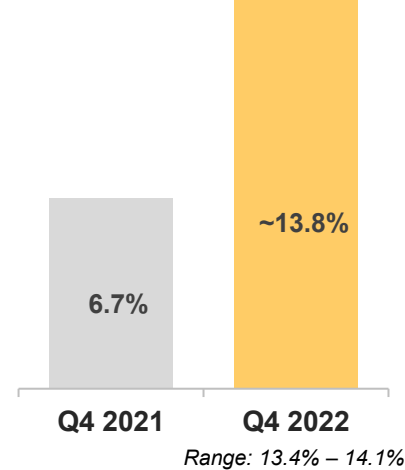
Adj. Operating Profit

Up ~\$126M - \$146M



Adj. Operating Margin

Up ~710 bps



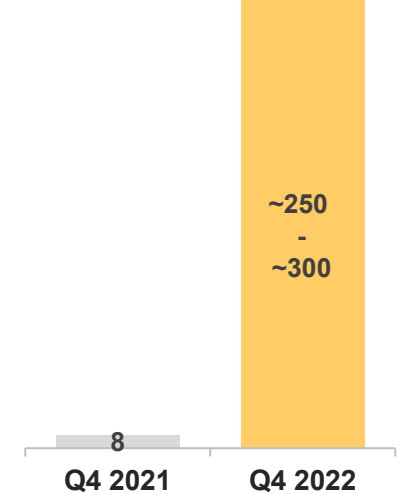
Adj. Diluted EPS

Up ~\$0.28



Free Cash Flow

Up \$242M - \$292M



- + ~\$210M higher volume
- + ~\$135M pricing benefit
- + ~\$120M 2022 E&I sales
- ~(\$120M) FX translation
- ~(\$65M) 2021 E&I sales
- ~(\$20M) divested sales

- + ~\$135M pricing benefit
- + ~\$65M higher volume
- + ~\$20M mix and other
- + ~\$15M incremental adjusted operating profit from E&I
- ~(\$55M) material and freight inflation
- ~(\$25M) FX translation
- ~(\$15M) one-time fixed cost benefits in 2021
- ~(\$5M) fixed costs (including operations/capacity and R&D investments)

- + ~\$0.21 positive price-cost
- + ~\$0.17 higher volume
- + ~\$0.04 other operating drivers
- ~(\$0.06) FX translation
- ~(\$0.05) interest expense
- ~(\$0.03) income tax timing

Net E&I impact ~\$0.01 accretive

- + ~\$140M working capital / other
- + ~\$135M higher adj. op. profit
- + ~\$30M 2021 M&A costs
- ~(\$30M) higher cash interest

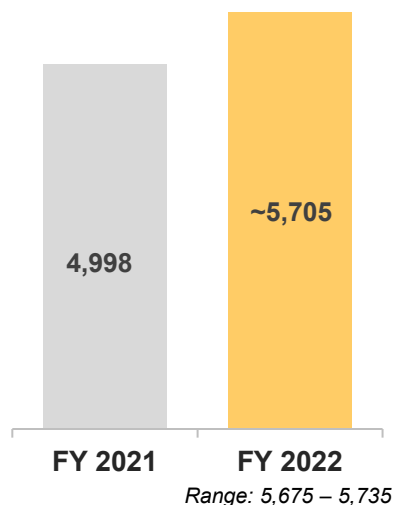
Q4 expected to show step-change in profitability vs. Q3 as we build toward strong 2022 exit run-rate

Full year 2022 financial guidance

\$Millions; midpoint of guidance range unless otherwise specified

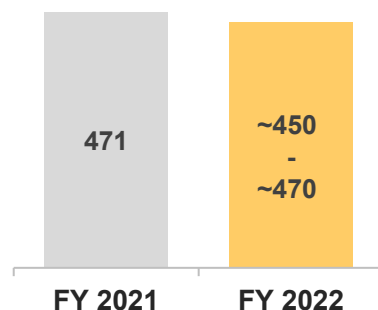
Net Sales

Up 14%
Organic +14%



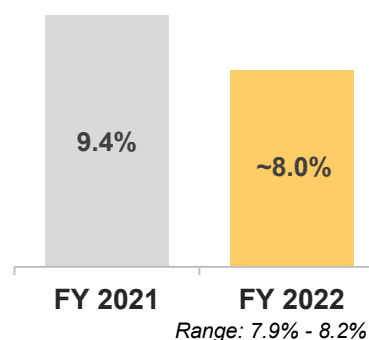
Adj. Operating Profit

Down (4%) to ~Flat



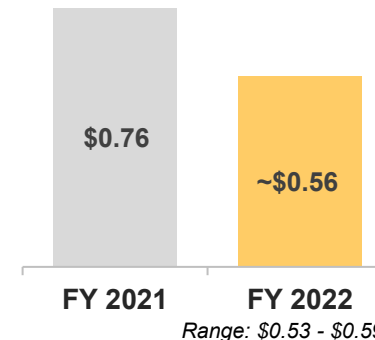
Adj. Operating Margin

Down 140 bps



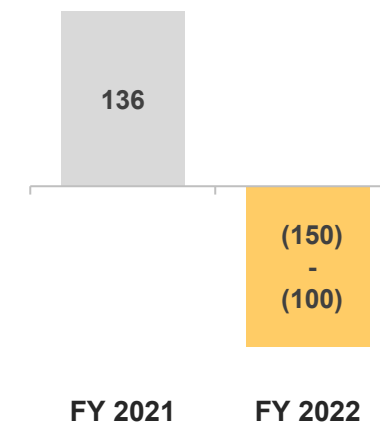
Adj. Diluted EPS

Down \$0.20



Free Cash Flow

Down (286) - (236)



- + ~\$435M 2022 E&I sales
- + ~\$365M pricing
- + ~\$330M volume
- ~(\$280M) FX headwind
- ~(\$80M) divested sales
- ~(\$65M) 2021 E&I sales

- + ~\$365M pricing
- + ~\$115M volume
- + ~\$60M net adjusted operating profit E&I (~\$67M FY '22 less ~\$7M FY '21)
- ~(\$305M) material & freight inflation
- ~(\$120M) FX, divestitures & other
- ~(\$80M) fixed costs including operations/capacity & R&D investments
- ~(\$45M) one-time fixed cost benefits in 2021

- ~(\$0.15) interest expense
- ~(\$0.03) lower adj. operating profit
- ~(\$0.02) share count

Net E&I impact ~\$0.02 accretive

- + ~\$40M 2021 M&A costs
- ~(\$180M) working capital / other
- ~(\$60M) higher cash interest
- ~(\$25M) higher net capex
- ~(\$15M) higher cash taxes
- ~(\$10M) lower EBITDA
- ~(\$9M) ELI litigation settlement

Confirming FY adjusted operating profit guidance range at \$450 - \$470M



Note: see "Non-GAAP Financial Measures" beginning on slide 16 of the Appendix. Free cash flow equals cash from operations less net capital expenditures.

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Sequential Q3 to Q4 bridge

\$Millions; midpoint of guidance range unless otherwise specified

	<u>Net Sales</u>	<u>AOP</u>
Q3 Actual	\$ 1,481	\$ 134
FX translation	~(40)	~(10)
Volume	~185	~65
Pricing	~40	~40
E&I	~5	~2
Other	(1)	(1)
	<u>189</u>	<u>96</u>
Q4 Guidance	<u>\$ 1,670</u>	<u>\$ 230</u>

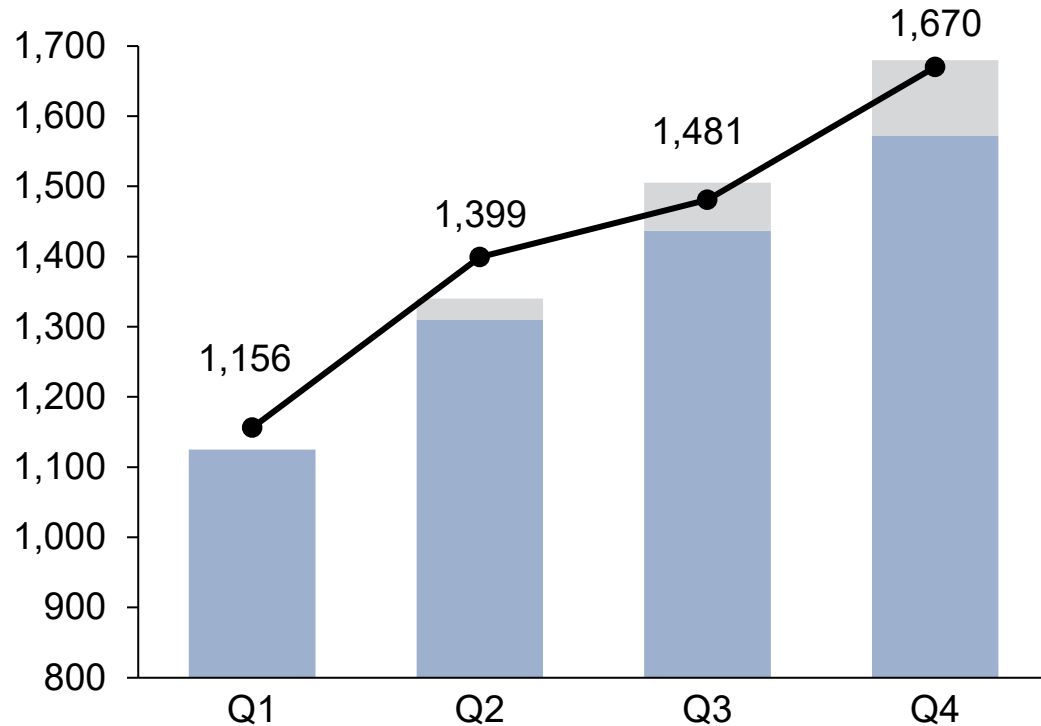
- Strengthening of the US dollar throughout Q3 drives a sequential FX translation headwind
- Volume increase driven by improved supply and ramp of Monterrey, Mexico facility in AMER as well as normal seasonality in China and EMEA
- Pricing benefits accelerate in Q4 as a larger portion of the sales are from orders taken in 2022 at higher pricing
- E&I volumes slightly higher from improved supply with additional margin benefit due to improved price-cost position
- Material and freight costs reasonably flat from Q3 to Q4

Sequential improvement from Q3 driven largely by increased volumes and executed price increases

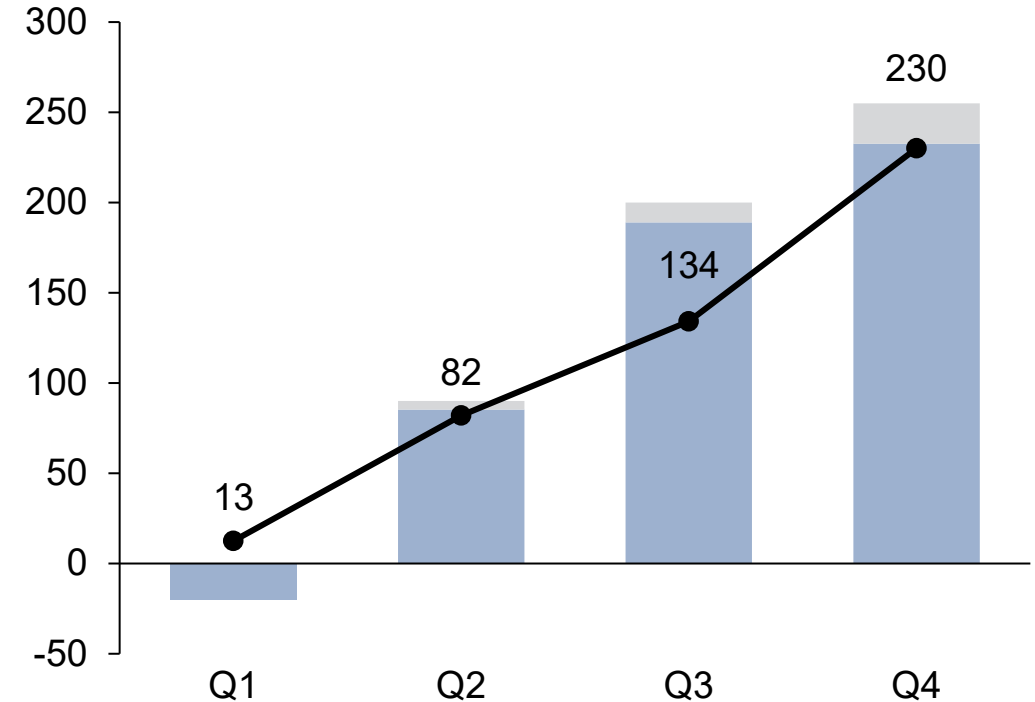
Net sales and AOP profile consistent with initial guidance

\$Millions; midpoint of guidance range unless otherwise specified

Net Sales



Adj. Operating Profit



—●— Actual / Q4 guidance FX impact Feb guidance (adjusted for FX)

Quarterly profile and expected Q4 exit rate consistent with initial 2022 guidance from February (adj. FX)

Introduction to Giordano Albertazzi

BIOGRAPHY

- Named Chief Operating Officer, October 2022
- President of Vertiv in the Americas, March 2022
- Joined Vertiv/Emerson Network Power in 1998
- Roles at Vertiv include plant manager, EMEA marketing and product management, managing director of the Italian market, VP of services for EMEA, VP sales in EMEA, president of EMEA
- BS, Mechanical Engineering, Politecnico di Milano
- MS, Management, Stanford University Graduate School of Business

AMERICAS TRANSFORMATION

- Adjusted operating margin improved from ~11% in Q1 to ~16% in Q3 with further improvements expected in Q4
- Completed assessment and initial transformation focused on leadership & talent, governance & communication, systems, processes and operations
- Improvements in SIOP process, systems and people driving step-function change in predictability on sales and profit delivery
- Realigned and simplified organizational structure to drive increased ownership and speed of execution
- Driving a high-performance culture including revamp of annual review process and return-to-office initiative to improve collaboration and communication

Experienced industry executive with a track record of driving operational improvements

Initial focus areas for 2023

- Establishing an immediate sense of urgency – especially with intense focus on operational execution
- Focus is on profitable growth with continuous margin enhancement
- Drive immediate actions to enhance free cash flow generation. Reduce working capital.
- Institute a high-performance culture with clear accountability
- Return-to-office on a global basis – already complete in U.S. – to foster collaboration and execution
- In-depth review of 2023 operating plans including holding fixed costs constant

Transforming to a high-performance culture to drive operational excellence

Early thoughts on 2023

TAILWINDS

- Expected year-end backlog up ~50% from last year
- End markets remain historically strong
- Taking orders with strong embedded pricing
- Alternate supply of key components online
- Global commodities and freight costs are moderating
- Focus on working capital to unlock significant free cash flow
- Targeted actions expected to reduce inventory
- SIOP improvements and other process changes in the Americas

HEADWINDS

- Supply challenges expected to persist through 2023 in certain categories
- Energy inflation and availability (especially in EMEA)
- Global currency devaluations vs. U.S. dollar
- Potential global recession could negatively impact certain parts of our business

Strong Q4 exit rate is expected to deliver 2023 adjusted operating profit of \$730M - \$750M

Non-GAAP financial reconciliations



Non-GAAP financial measures –third quarter results

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

(\$M 3 rd QUARTER)	3Q22	3Q21
Americas	\$115.2	\$113.4
Asia Pacific	83.3	69.4
Europe, Middle East & Africa	57.4	59.0
Total reportable segments	\$255.9	\$241.8
Foreign currency gain (loss)	(0.2)	(4.9)
Corporate and other	(121.5)	(123.5)
Total corporate, other and elimination	(121.7)	(128.4)
Amortization of intangibles	(54.2)	(31.6)
Operating profit (loss)	\$80.0	\$81.8
Amortization of intangibles	54.2	31.6
Merger and acquisition costs	-	18.0
Adjusted operating profit (loss)	\$134.2	\$131.4

Reconciliation of Net Sales to Organic Net Sales

(\$M 3 rd QUARTER)	3Q22	3Q21	Δ%	Organic Δ%
Americas	\$712.6	\$537.2	32.7%	25.3%
APAC	436.1	394.6	10.5%	17.4%
EMEA	332.4	297.1	11.9%	14.3%
Total	\$1,481.1	\$1,288.9	20.5%	20.1%

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

(\$M 3 rd QUARTER)	3Q22	3Q21	Δ
Net sales	\$1,481.1	\$1,228.9	\$252.2
Operating profit	80.0	81.8	(1.8)
Operating margin	5.4%	6.7%	(1.3)%
Amortization of intangibles	54.2	31.6	22.6
Mergers and acquisitions costs	-	18.0	(18.0)
Adjusted operating profit	134.2	131.4	2.8
Adjusted operating margin	9.1%	10.7%	(1.6)%

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

(\$M 3 rd QUARTER)	3Q22	3Q21
Net cash provided by (used for) operating activities	\$4.4	\$54.4
Less: Capital expenditures	(23.5)	(12.9)
Less: Investments in capitalized software	(1.3)	(4.1)
Plus: proceeds for disposition of PP&E	-	6.1
Free cash flow	\$(20.4)	\$43.5

Note: Segment operating profit (loss) is the measure of profitability disclosed in Note 13 to the unaudited condensed consolidated financial statements for the quarter ended September 30, 2022.

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

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

(\$M, except EPS 3 rd QUARTER 2022)	Operating profit (loss)	Interest expense, net	Loss on extinguishment of debt	Change in warrant liability	Income tax expense	Net income (loss)	Diluted EPS ⁽¹⁾
GAAP	\$80.0	\$38.8	-	\$9.8	\$10.2	\$21.2	\$0.06
Intangible amortization	54.2	-	-	-	-	54.2	0.14
Change in warrant liability	-	-	-	(9.8)	-	9.8	0.03
Non-GAAP Adjusted	\$134.2	\$38.8	-	-	\$10.2	\$85.2	\$0.23
(\$M, except EPS 3 rd QUARTER 2021)	Operating profit (loss)	Interest expense, net	Loss on extinguishment of debt	Change in warrant liability	Income tax expense	Net income (loss)	Diluted EPS ⁽²⁾
GAAP	\$81.8	\$22.4	-	\$(32.5)	35.7	\$56.2	\$0.15
Intangible amortization	31.6	-	-	-	-	31.6	0.09
Change in warrant liability	-	-	-	32.5	-	(32.5)	(0.09)
Merger and acquisition costs ⁽³⁾	18.0	-	-	-	-	18.0	0.05
Pro forma share count ⁽²⁾	-	-	-	-	-	-	-
Non-GAAP Adjusted	\$131.4	\$22.4	-	-	\$35.7	\$73.3	\$0.20

(1) Diluted EPS and adjusted diluted EPS based on 377.4 million shares (includes 377.0 million basic shares and 0.4 million dilutive 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) Diluted EPS and adjusted diluted EPS based on 363.2 million shares (includes 352.2 million basic shares and 4.7 million potential dilutive stock options and restricted stock units). We believe that this presentation is more representative of operating results by removing the impact of merger and acquisition related costs, warrant liability accounting, and the associated impact on diluted share count.

(3) Includes \$9.3 million of expenses related to the E&I acquisition and \$8.7 million asset impairment related to the Heavy Industrial UPS business.

Non-GAAP financial measures – 2022 guidance

At approximate midpoint of guidance range

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

(\$M, except EPS 4 th QUARTER 2022 ⁽¹⁾)	Operating profit (loss)	Interest expense, net	Change in warrant liability	Income tax expense	Net income (loss)	Diluted EPS ⁽²⁾
GAAP	\$182.3	\$43.8	\$ -	\$66.4	\$72.1	\$0.19
Intangible amortization	47.7	-	-	-	47.7	0.13
Non-GAAP Adjusted	\$230.0	\$43.8	\$ -	\$66.4	\$119.8	\$0.32

(\$M, except EPS FULL YEAR 2022 ⁽¹⁾)	Operating profit (loss)	Interest expense, net	Change in warrant liability	Income tax expense	Net income (loss)	Diluted EPS ⁽³⁾
GAAP	\$243.0	\$145.3	(\$124.0)	\$100.0	\$121.7	\$0.32
Change in warrant liability	-	-	124.0	-	(124.0)	(0.33)
Intangible amortization	215.4	-	-	-	215.4	0.57
Non-GAAP Adjusted	\$458.4	\$145.3	\$ -	\$100.0	\$213.1	\$0.56

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

(2) Diluted EPS and adjusted diluted EPS based on ~378.0 million shares (includes ~377.4 million basic shares and a weighted average of ~0.6 million potential dilutive stock options and restricted stock units)

(3) Diluted EPS and adjusted diluted EPS based on ~377.9 million shares (includes ~376.7 million basic shares and a weighted average of ~1.2 million potential dilutive stock options and restricted stock units)

Non-GAAP financial measures – 2H 2022 and FY 2023 guidance

At midpoint of guidance range

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

(\$M, except EPS 2 nd HALF 2022 ⁽¹⁾)	Operating profit (loss)	Interest expense, net	Change in warrant liability	Income tax expense	Net income (loss)	Diluted EPS ⁽²⁾
GAAP	\$262.0	\$82.7	\$ -	\$76.7	\$102.6	\$0.27
Intangible amortization	102.0	-	-	-	102.0	\$0.27
Non-GAAP Adjusted	\$364.0	\$82.7	\$ -	\$76.7	\$204.6	\$0.54

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

(\$M, except EPS FULL YEAR 2023 ⁽¹⁾)	Operating profit (loss)
GAAP	\$540.0
Intangible amortization	200.0
Non-GAAP Adjusted	\$740.0

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

(2) Diluted EPS and adjusted diluted EPS based on ~377.7 million shares (includes ~377.2 million basic shares and a weighted average of ~0.5 million potential dilutive stock options and restricted stock units)



Source: Management estimates

Non-GAAP financial measures: Q1 2021 – Q3 2022 results

Net Sales⁽¹⁾

(\$M)	1Q21	2Q21	3Q21	4Q21	FY21	1Q22	2Q22	3Q22
Americas	\$501.5	\$564.9	\$537.2	\$583.9	\$2,187.4	\$535.1	\$647.2	\$712.6
APAC	357.4	398.0	394.6	458.9	1,609.0	332.8	407.2	436.1
EMEA	239.5	297.4	297.1	367.7	1,201.7	288.5	345.0	332.4
Total	\$1,098.4	\$1,260.3	\$1,228.9	\$1,410.5	\$4,998.1	\$1,156.4	\$1,399.4	\$1,481.1

Adjusted operating profit (loss)

(\$M)	1Q21	2Q21	3Q21	4Q21	FY21	1Q22	2Q22	3Q22
Americas	\$126.4	\$128.6	\$113.4	\$72.8	\$441.2	\$57.9	\$82.5	\$115.2
Asia Pacific	53.1	62.8	69.4	68.1	253.4	41.5	68.5	83.3
Europe, Middle East & Africa	33.4	62.4	59.0	62.8	217.6	33.2	61.8	57.4
Corporate ⁽²⁾	(101.3)	(119.7)	(110.4)	(109.8)	(441.2)	(120.1)	(130.8)	(121.7)
Adjusted operating profit (loss) Total	\$111.6	\$134.1	\$131.4	\$93.9	\$471.0	\$12.5	\$82.0	\$134.2

Adjusted operating margins⁽³⁾

(\$M)	1Q21	2Q21	3Q21	4Q21	FY21	1Q22	2Q22	3Q22
Americas	25.2%	22.8%	21.1%	12.5%	20.2%	10.8%	12.7%	16.2%
Asia Pacific	14.9%	15.8%	17.6%	14.8%	15.7%	12.5%	16.8%	19.1%
Europe, Middle East & Africa	13.9%	21.0%	19.9%	17.1%	18.1%	11.5%	17.9%	17.3%
Vertiv	10.2%	10.6%	10.7%	6.7%	9.4%	1.1%	5.9%	9.1%

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

(2) 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, IT, Legal, and global product platform development and offering management.

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

(4) Table may not cross-foot due to rounding.

Non-GAAP financial measures: Q1 2021 – Q3 2022 results

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

(\$M)	1Q21	2Q21	3Q21	4Q21	FY21	1Q22	2Q22	3Q22
Net sales	\$1,098.4	\$1,260.3	\$1,228.9	\$1,410.5	\$4,998.1	\$1,156.4	\$1,399.4	\$1,481.1
Operating profit	79.8	102.2	81.8	(3.9)	259.9	(45.2)	26.2	80.0
Operating margin	7.3%	8.1%	6.7%	(0.3)%	5.2%	(3.9%)	1.9%	5.4%
Amortization of intangibles	31.8	31.9	31.6	49.0	144.3	57.7	55.8	54.2
Mergers and acquisitions costs	-	-	18.0	30.1	48.1	-	-	-
Litigation settlement costs	-	-	-	18.7	18.7	-	-	-
Adjusted operating profit	111.6	134.1	131.4	93.9	471.0	12.5	82.0	134.2
Adjusted operating margin⁽¹⁾	10.2%	10.6%	10.7%	6.7%	9.4%	1.1%	5.9%	9.1%

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

(\$M)	1Q21	2Q21	3Q21	4Q21	FY21	1Q22	2Q22	3Q22
Net cash provided by (used for) operating activities	\$60.7	\$59.3	\$54.4	\$36.5	\$210.9	(\$132.2)	(\$205.7)	\$4.4
Less: Capital expenditures	(16.8)	(13.6)	(12.9)	(30.1)	(73.4)	(15.1)	(23.1)	(23.5)
Less: Investments in capitalized software	(1.1)	(4.3)	(4.1)	(1.7)	(11.2)	(3.1)	(3.6)	(1.3)
Plus: proceeds from disposition of PP&E	-	-	6.1	3.7	9.8	-	-	-
Free cash flow	\$42.8	\$41.4	\$43.5	\$8.4	\$136.1	(\$150.4)	(\$232.4)	(\$20.4)

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

Non-GAAP financial measures: Q1 2021 – Q3 2022 results

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

(\$M)	1Q21	2Q21	3Q21	4Q21	FY21	1Q22	2Q22	3Q22
Americas	\$126.4	\$128.6	\$113.4	\$72.8	\$441.2	\$57.9	\$82.5	\$115.2
Asia Pacific	53.1	62.8	69.4	68.1	253.4	41.5	68.5	83.3
Europe, Middle East & Africa	33.4	62.4	59.0	62.8	217.6	33.2	61.8	57.4
Total reportable segments	212.9	253.8	\$241.8	\$203.7	\$912.2	\$132.6	\$212.8	\$255.9
Foreign currency gain (loss)	6.9	(4.1)	(4.9)	(1.1)	(3.2)	1.3	(2.9)	(0.2)
Corporate and other	(108.2)	(115.6)	(123.5)	(157.5)	(504.8)	(121.4)	(127.9)	(121.5)
Total corporate, other and elimination	(101.3)	(119.7)	(128.4)	(158.6)	(508.0)	(120.1)	(130.8)	(121.7)
Amortization of intangibles	(31.8)	(31.9)	(31.6)	(49.0)	(144.3)	(57.7)	(55.8)	(54.2)
Operating profit (loss)	\$79.8	\$102.2	\$81.8	(\$3.9)	\$259.9	(\$45.2)	\$26.2	\$80.0
Amortization of intangibles	31.8	31.9	31.6	49.0	144.3	57.7	55.8	54.2
Mergers and acquisitions costs	-	-	18.0	30.1	48.1	-	-	-
Litigation settlement costs	-	-	-	18.7	18.7	-	-	-
Adjusted operating profit (loss)	\$111.6	\$134.1	\$131.4	\$93.9	\$471.0	\$12.5	\$82.0	\$134.2

Reconciliation of Net Sales to Organic Net Sales

(\$M 1 st QUARTER)	1Q22	1Q21	Δ%	Organic Δ%	2Q22	2Q21	Δ%	Organic Δ%	3Q22	3Q21	Δ%	Organic Δ%
Americas	\$535.1	\$501.5	6.7%	3.3%	\$647.2	\$564.9	14.6%	6.6%	\$712.6	\$537.2	32.7%	25.3%
APAC	332.8	357.4	(6.9)%	(6.7)%	407.2	398.0	2.3%	5.9%	436.1	394.6	10.5%	17.4%
EMEA	288.5	239.5	20.5%	5.1%	345.0	297.4	16.0%	13.3%	332.4	297.1	11.9%	14.3%
Total	\$1,156.4	\$1,098.4	5.3%	0.4%	\$1,399.4	\$1,260.3	11.0%	7.9%	\$1,481.1	\$1,228.9	20.5%	20.1%

Non-GAAP financial measures – 4th quarter 2021

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)	Operating profit (loss)	Interest expense, net	Gain on tax receivable agreement	Change in warrant liability	Income tax expense	Net income (loss)	Diluted EPS ⁽¹⁾
GAAP	\$(3.9)	\$24.1	\$(59.2)	\$9.6	\$(0.4)	\$22.0	\$0.06
Intangible amortization	49.0	-	-	-	-	49.0	0.13
Change in warrant liability	-	-	-	(9.6)	-	9.6	0.03
Merger and acquisitions costs ⁽²⁾	30.1	-	-	-	-	30.1	0.08
Litigation settlement costs	18.7	-	-	-	-	18.7	0.05
Gain on tax receivable agreement	-	-	59.2	-	-	(59.2)	(0.16)
Nonrecurring tax benefit ⁽³⁾	-	-	-	-	55.2	(55.2)	(0.15)
Pro forma share count ⁽¹⁾	-	-	-	-	-	-	-
Non-GAAP Adjusted	\$93.9	\$24.1	-	-	\$54.8	\$15.0	\$0.04

(1) GAAP Diluted and Non-GAAP Adjusted EPS based on 372.2 million shares (includes 367.7 million basic shares, 4.5 million potential dilutive stock options and restricted stock units). Non-GAAP Adjusted EPS based on pro-forma share count 377.9 million shares (includes 367.7 million basic shares and 10.2 million potential dilutive warrants, stock options and restricted stock units). We believe that this Non-GAAP Adjusted EPS presentation is more representative of operating results by removing the impact of merger and acquisition related costs and warrant liability accounting.

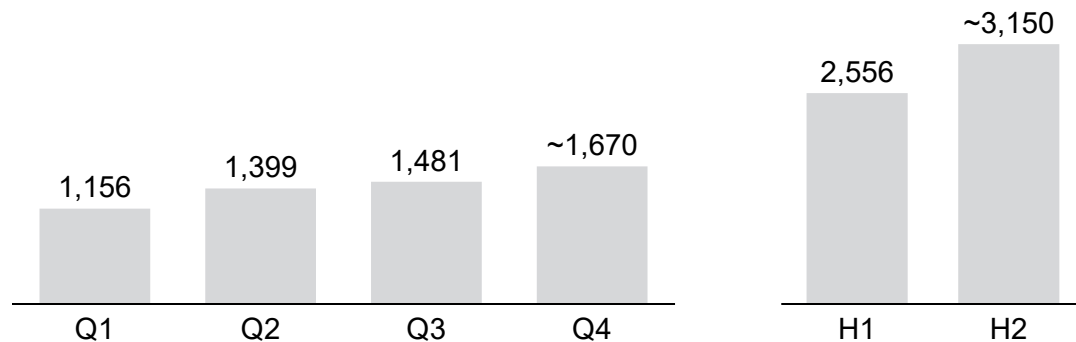
(2) Includes \$30.1 million of expenses primarily related to the E&I acquisition.

(3) Includes \$31.7 million of valuation allowance release as a result of E&I U.S. subsidiaries joining our federal tax group, and \$23.5 million of tax benefit related to an intercompany transfer of assets.

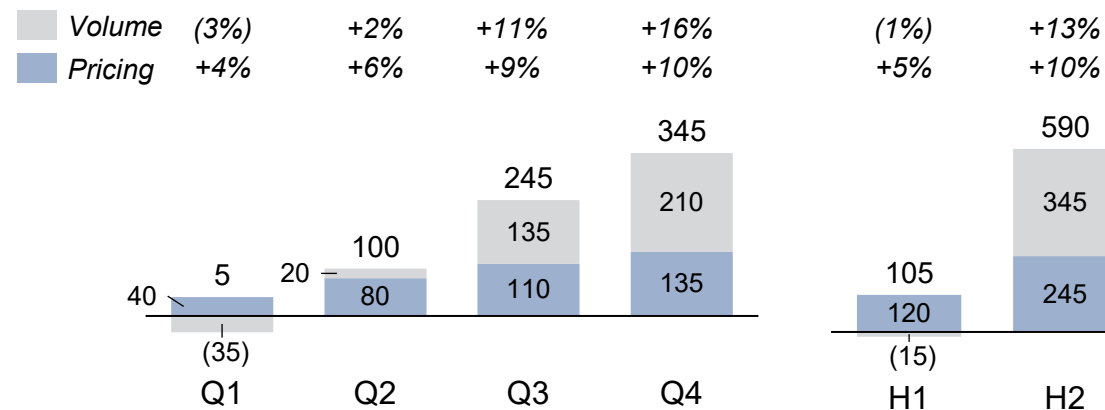
2022 financial guidance by quarter

\$Millions; midpoint of guidance range unless otherwise specified

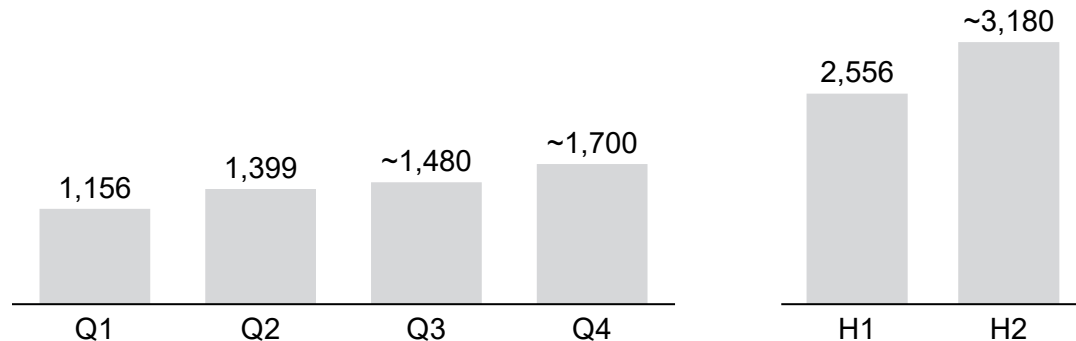
Updated Guidance – Net Sales



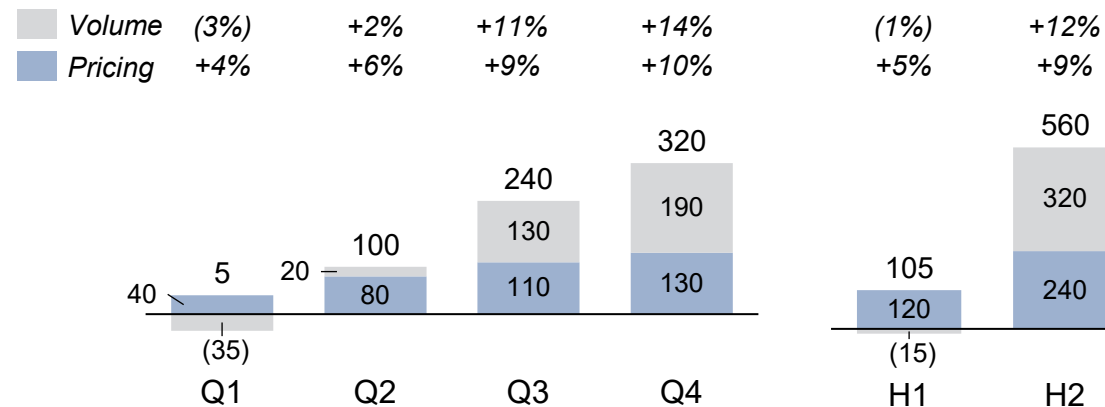
Updated Guidance – Organic Sales Growth from 2021



August Guidance – Net Sales



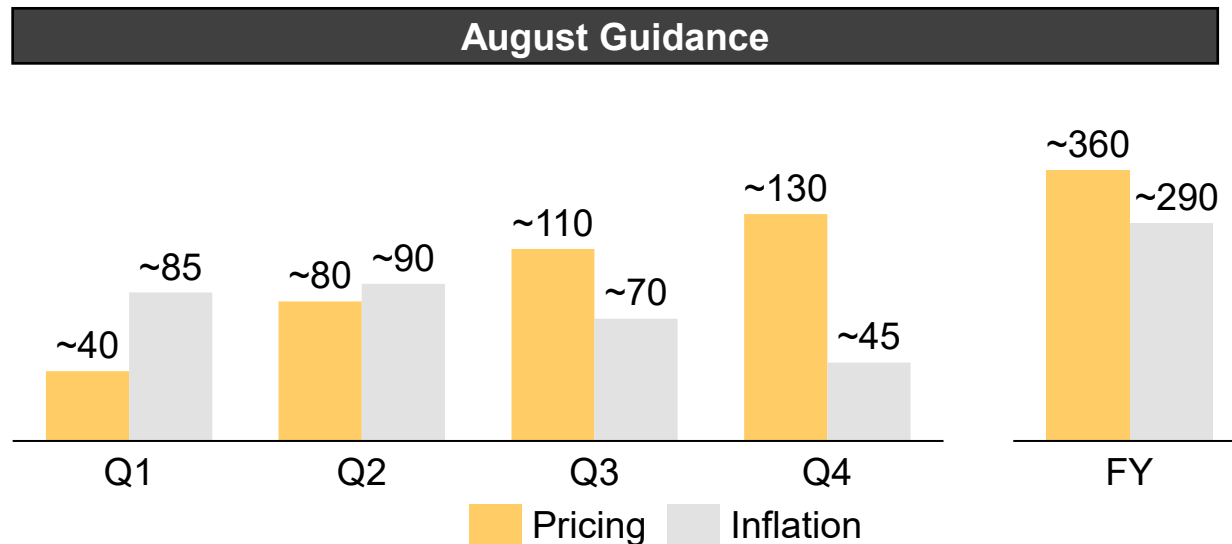
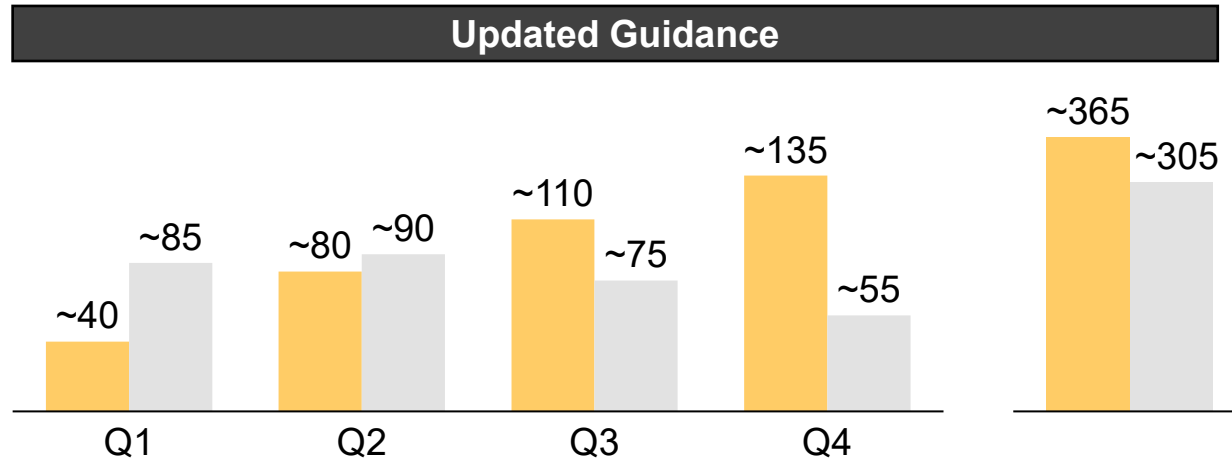
August Guidance – Organic Sales Growth from 2021



Second half sales down slightly as FX headwind more than offsets incremental volume growth

2022 pricing and inflation guidance by quarter

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

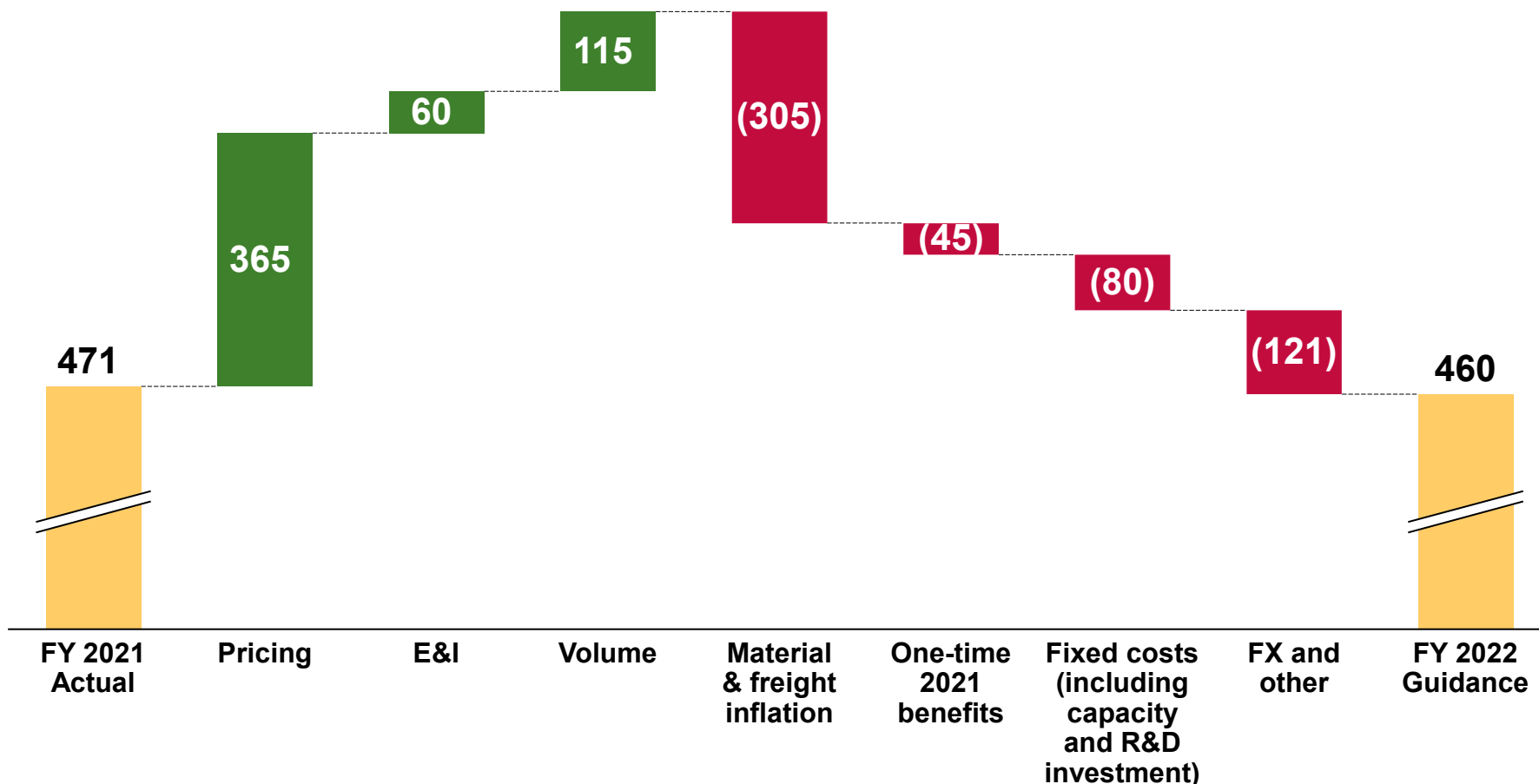


- Third quarter pricing of \$110M (+9%) was consistent with prior guidance
- Second half pricing slightly higher driven largely by regional sales mix shifts partially offset by lower than expected realization of anticipated backlog surcharges in EMEA
- Second half inflation slightly higher driven largely by regional sales mix shifts and slightly higher inflation in EMEA
- ~80% of fourth quarter pricing is included in the current backlog with ~20% resulting from already implemented price actions on our Q4 book and ship business

Pricing benefit expected to accelerate in fourth quarter as share of sales from year-end 2021 backlog falls

Full year 2022 adjusted operating profit vs. 2021

\$Millions; FY 2022 at midpoint of guidance



- Pricing includes ~\$230M actual, ~\$105M in backlog and ~\$30M in expected book and ship orders in the fourth quarter
- E&I 2022 adjusted operating profit of ~\$67M less ~\$7M in 2021
- Volume benefit of ~\$330M higher sales
- Material and freight inflation assumes wrap around of Dec 2021 run rate (~\$160M) plus ~\$145M of new 2022 cost increases
- 2021 one-time benefits include lower than target bonus expense, hiring freeze and other non-recurring items
- Fixed costs includes investments in R&D (\$20M+) and capacity to support growth in and beyond 2022
- Other includes ~\$50M FX translation headwind, divestiture of Heavy Industrial UPS business, unfavorable mix, labor inflation and other cost headwinds

Key FX rates and other modeling assumptions

\$Millions unless otherwise specified

Q4 Assumptions	
USD / CNY	\$0.1383
USD / EUR	\$0.9966
USD / GBP	\$1.1471
USD / INR	\$0.0121
1-mo LIBOR (Q4)	3.6%

Sales FX Translation Exposure by Currency	
CNY	15%
EUR	12%
GBP	8%
INR	6%
Other non-USD	15%
Total non-USD	56%
USD	44%

FX translation impact¹ vs. prior year

	Q1	Q2	Q3	Q4	FY
Sales	(~20)	(~60)	(~85)	(~115)	(~280)
Adj. OP	(~2)	(~9)	(~14)	(~23)	(~48)

1) Excludes FX transaction gain / (loss) within regions

FX translation impact¹ vs. Aug guidance

	Q1	Q2	Q3	Q4	FY
Sales	-	-	(~15)	(~45)	(~60)
Adj. OP	-	-	(~4)	(~10)	(~13)

Third quarter orders growth from prior year

\$Millions unless otherwise specified

Third quarter orders growth	
Overall	9%
FX headwind	<u>(6%)</u>
Total excluding FX	15%
Pricing	14%
Volume	2%
Divestiture	<u>(1%)</u>
Total excluding FX	15%

