



VERTIV™

Fourth Quarter and Full Year 2022 Results

February 22, 2023

Architects of Continuity™

VRT
LISTED
NYSE

Cautionary Statement Regarding Forward-Looking Statements

This presentation, and other statements that Vertiv Holdings Co. ("Company") may make in connection therewith, may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to Vertiv's future financial or business performance, strategies or expectations, and as such are not historical facts. This includes, without limitation, statements regarding Vertiv's financial position, capital structure, indebtedness, business strategy and plans and objectives of Vertiv management for future operations, as well as statements regarding growth, anticipated demand for our products and services and our business prospects during 2023 and future years, as well as expected impacts from our pricing actions, and our guidance for first quarter and full year 2023. These statements constitute projections, forecasts and forward-looking statements, and are not guarantees of performance. Vertiv cautions that forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. Such statements can be identified by the fact that they do not relate strictly to historical or current facts. When used in this presentation, 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, but the absence of these words does not mean that a statement is not forward-looking.

The forward-looking statements contained or incorporated by reference in this presentation are based on current expectations and beliefs concerning future developments and their potential effects on Vertiv. There can be no assurance that future developments affecting Vertiv will be those that Vertiv has anticipated. Vertiv 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. These forward looking statements involve a number of risks, uncertainties (some of which are beyond Vertiv's control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward looking statements. Should one or more of these risks or uncertainties materialize, or should any of the assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. Vertiv has previously disclosed risk factors in its Securities and Exchange Commission ("SEC") reports, including those set forth in Vertiv's Annual Report on Form 10-K, for the fiscal year ended December 31, 2021. 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 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; 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; 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. 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 adjusted 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 17-26 of this presentation and our current earnings release dated February 22, 2023, 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 first quarter and full year 2023 guidance, including organic net sales growth 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.

Fourth quarter 2022 key messages

Organic net sales up 22% compared to last year's fourth quarter with strong growth in Americas and EMEA. Demand remained strong with orders (adjusted for FX) up ~7% from third quarter 2022. **Record backlog of \$4.8B** at year-end.

Fourth quarter adjusted operating profit was a **record quarterly high of \$211M**, slightly below guidance range primarily driven by ~\$40M lower than expected sales in China with COVID wave significantly limiting production, and a weaker than expected quarter at E&I primarily due to cost overruns on several larger projects and negative mix.

Consistent with expectations, delivered \$80M of positive price-cost in the fourth quarter. Aggressive price actions **generated \$365M full year 2022 benefit** versus prior year.

Fourth quarter **adjusted free cash flow was ~\$150M higher than fourth quarter 2021** but below expectations in part driven by timing of China cash collections due to COVID impact, and higher than expected inventory influenced by continued supply chain uncertainty and execution gaps while delivering record high quarterly sales.

2023 full year sales expected to be \$6,450M - \$6,600M (~15% organic growth at midpoint). **2023 full year adjusted operating profit guidance to \$750M - \$800M**. Increase from 2022 driven largely by volume and positive price-cost.

First quarter net sales expected to be \$1,350M - 1,450M (~25% organic growth at midpoint). **First quarter adjusted operating profit expected to be \$115M - \$135M**, increase from 2022 primarily driven by volume and price.

2023 full year adjusted free cash flow expected to be \$300M - \$400M, \$610M higher than 2022 driven by adjusted operating profit and improvement in working capital utilization, partially offset by higher taxes, interest and capex.

Market Environment

SEGMENT	 AMERICAS		 APAC		 EMEA	
	Oct-22	Feb-23	Oct-22	Feb-23	Oct-22	Feb-23
CLOUD / HYPERSCALE						
COLOCATION						
ENTERPRISE / SMALL & MEDIUM BUSINESS						
COMMUNICATION NETWORKS						
COMMERCIAL & INDUSTRIAL						

Underlying market demand remains strong despite some short-term headwinds

Customer demand and supply chain update

CUSTOMER DEMAND & PRICING UPDATE

- Overall market demand remains strong, but growth rate is slowing
- Fourth quarter orders (adjusted for FX) **declined ~15%** from prior year primarily due to significant Americas order volume in last year's fourth quarter and a return to a normal buying cycle this year
- Anticipating double-digit percentage point decline in Q1 2023 orders versus Q1 2022 orders as the normalization of order patterns continues
- **Backlog a new record level of \$4.8B** at end of 2022, ~49% higher than end of 2021 – despite ~\$170M of order cancellations from a large hyperscale customer
- ~\$135M (~10%) price realization in fourth quarter was consistent with prior guidance and an all-time record high
- **Pricing environment remains favorable** in many of our product segments

SUPPLY CHAIN & INFLATION UPDATE

- Inflation is moderating but still expecting year over year headwinds – especially in EMEA
- Metals (Steel, Copper & Aluminum) commodities all projecting lower levels than 2022 peak but still above early 2021 and 2020 levels
- Some improvement in supply of electronic components with pockets of resistance in power semiconductors
- Fan supply remains constrained through 2023 due to lack of availability of analog semiconductors but the expansion of our fan supply base is performing well and helping to cover supply gaps
- Seeing significant reductions in air and ocean freight rates from historic highs with ground costs remaining steady

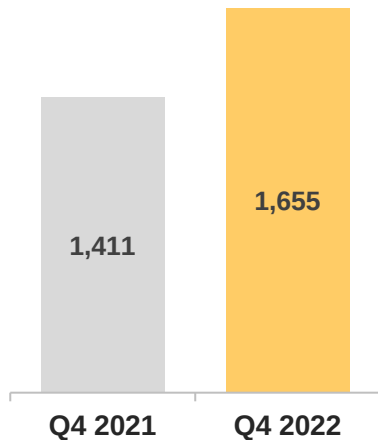
Despite some mixed signals, market demand continues to be strong and supply environment improving

Fourth quarter 2022 financial results

\$Millions

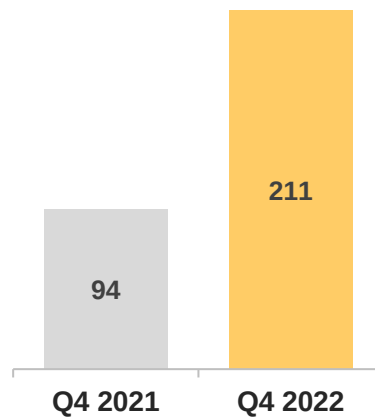
Net Sales

Up 17%
Organic +22%



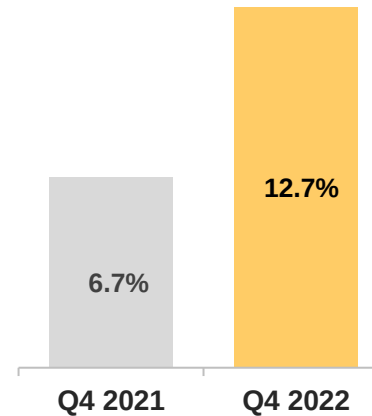
Adj. Operating Profit

Up \$117M



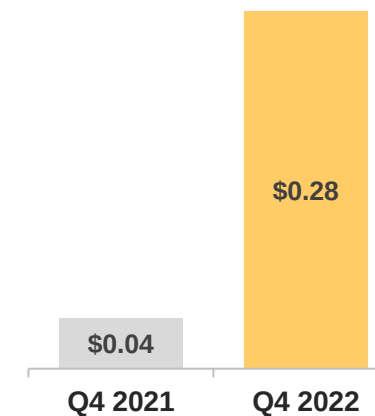
Adj. Operating Margin

Up 600 bps



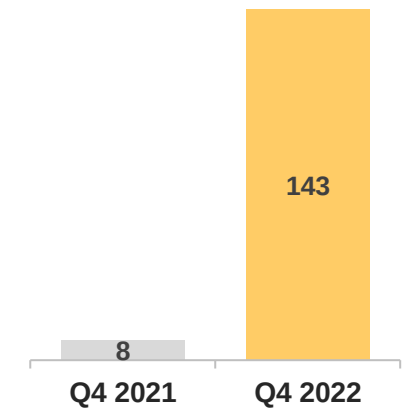
Adj. Diluted EPS

Up \$0.24



Adj. Free Cash Flow

Up \$135M



- + ~\$165M higher volume
- + ~\$135M pricing benefit
- + ~\$120M 2022 E&I sales
- ~(\$90M) FX translation
- ~(\$65M) 2021 E&I sales
- ~(\$20M) divested sales

- + ~\$135M pricing benefit
- + ~\$50M higher volume
- + ~\$20M mix and other
- ~(\$55M) material and freight inflation
- ~(\$15M) FX translation
- ~(\$15M) one-time fixed cost benefits in 2021
- ~(\$3M) lower adjusted operating profit from E&I

- + ~\$0.21 positive price-cost
 - + ~\$0.14 higher volume
 - ~(\$0.01) income tax expense
 - ~(\$0.04) FX translation
 - ~(\$0.06) interest expense
- Net E&I impact ~(\$0.03) dilutive**

- + ~\$118M higher adj. op. profit
- + ~\$30M 2021 M&A costs
- + ~\$25M deferred revenue
- + ~\$20M payroll timing
- ~(\$30M) higher cash interest
- ~(\$25M) trade working capital
- ~(\$10M) higher capex

Liquidity: \$578M

Q4 delivers step-change in profitability vs. Q3 and provides strong exit run-rate



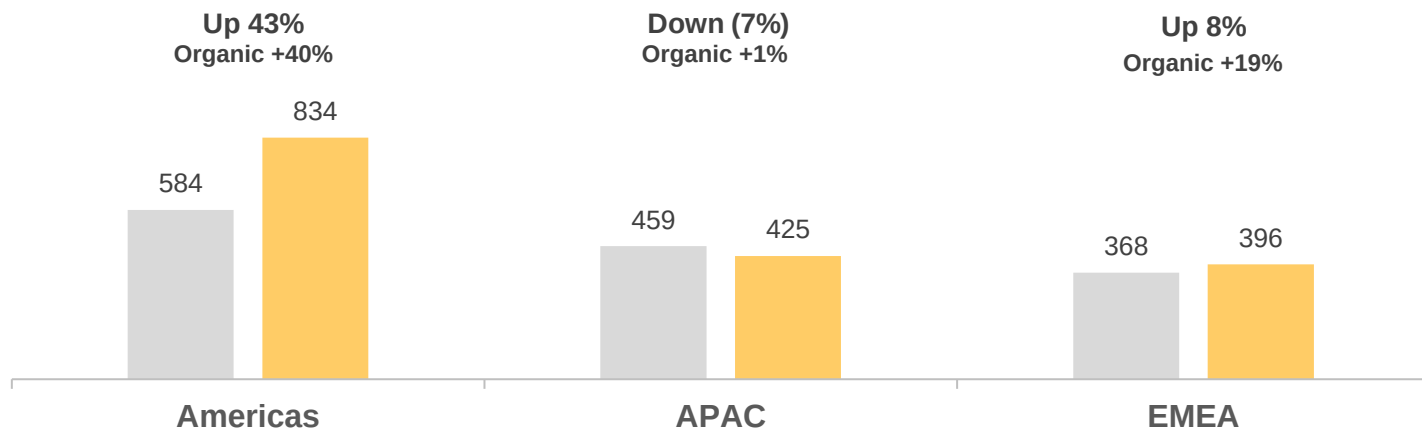
Note: see "Non-GAAP Financial Measures" beginning on slide 17 of the Appendix. Adjusted free cash flow equals cash from operations less net capital expenditures.

Confidential. Property of Vertiv.

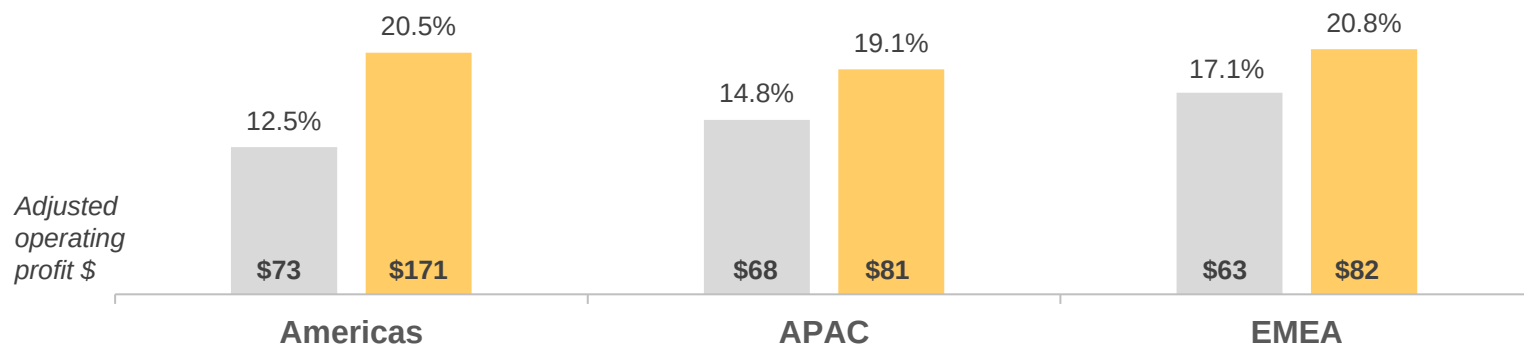
Fourth quarter 2022 segment results

\$Millions

Net sales



Adjusted operating margin



Three months ended Dec 31, 2021 Dec 31, 2022



Note: see "Non-GAAP Financial Measures" beginning on slide 17 of the Appendix.

Americas

- Organic growth driven by higher volume (~2/3) and pricing (~1/3). E&I added ~\$16M. FX headwind (~\$2M).
- Adjusted operating margin improved driven primarily by favorable price-cost and significant volume leverage

APAC

- Organic growth driven by pricing partially offset by slightly lower volumes driven by the impact of Covid restrictions in Greater China. FX headwind (~\$38M).
- Adjusted operating margin improved due to favorable price-cost

EMEA

- Organic growth driven by higher volume (~1/3) and pricing (~2/3). Incremental sales from E&I of ~\$26M and divested sales of ~\$19M. FX headwind of (~\$50M).
- Adjusted operating margin improved driven primarily by favorable price-cost and volume leverage

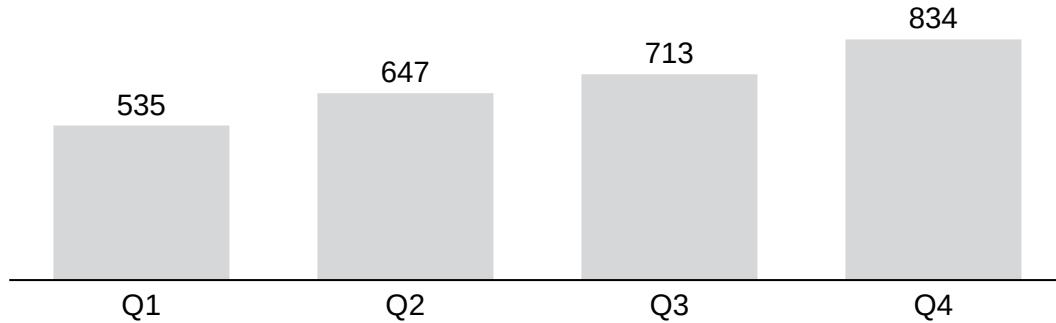
Corporate

- Corporate fixed costs (\$13M) unfavorable to prior year driven primarily by one-time benefits in 2021 and incremental R&D investment
- Higher FX (loss) provided ~(\$1M) headwind

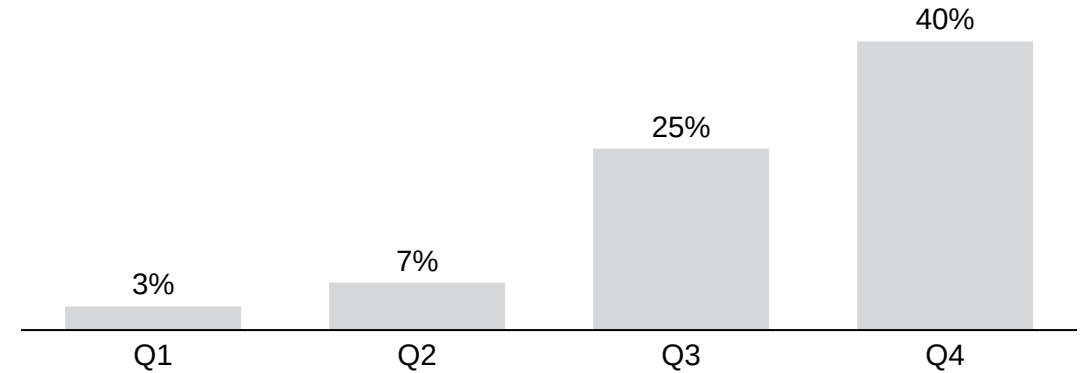
2022 Americas segment performance by quarter

\$Millions

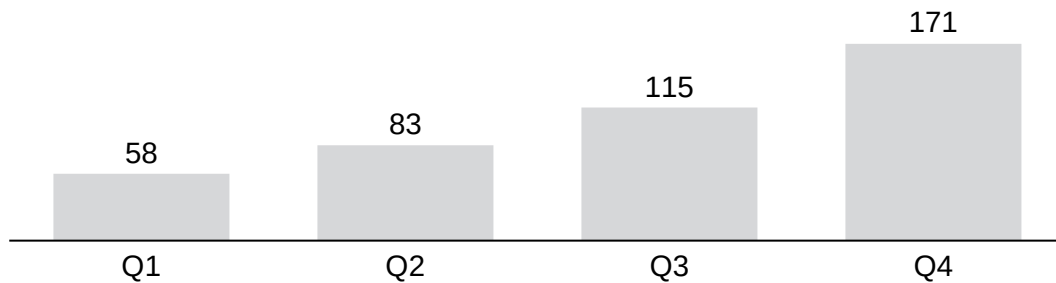
Net Sales



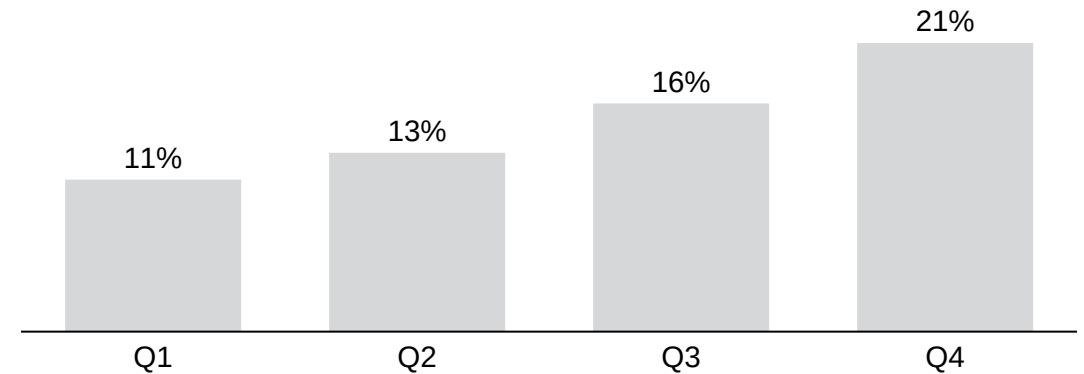
Organic Sales Growth from same quarter in 2021



Adjusted Operating Profit



Adjusted Operating Margin



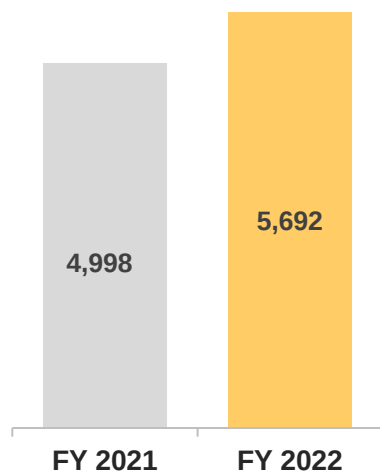
Delivered strong turnaround of the Americas business through 2022

Full year 2022 financial results

\$Millions

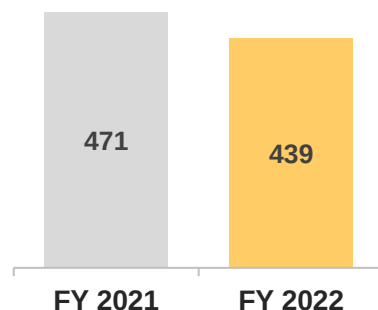
Net Sales

Up 14%
Organic +13%



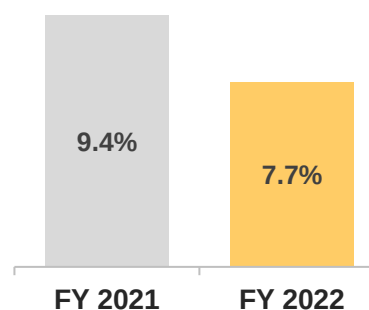
Adj. Operating Profit

Down (7%)



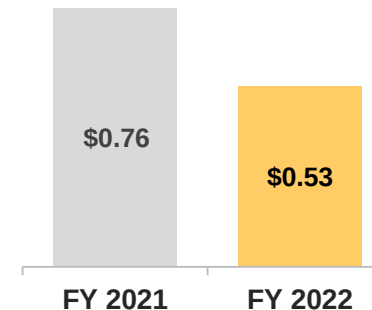
Adj. Operating Margin

Down 170 bps



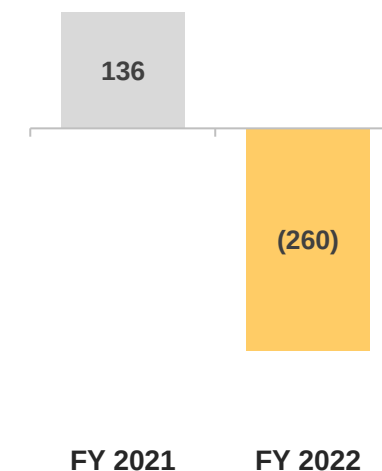
Adj. Diluted EPS

Down \$0.23



Adj. Free Cash Flow

Down (396)



- + ~\$435M 2022 E&I sales
- + ~\$365M pricing
- + ~\$285M volume
- ~(\$250M) FX headwind
- ~(\$80M) divested sales
- ~(\$65M) 2021 E&I sales

- + ~\$365M pricing
- + ~\$100M volume
- + ~\$45M net adjusted operating profit E&I (~\$52M FY '22 less ~\$7M FY '21)
- ~(\$305M) material & freight inflation
- ~(\$95M) FX, divestitures & other
- ~(\$95M) fixed costs including operations/capacity & R&D investments
- ~(\$45M) one-time fixed cost benefits in 2021

- + ~\$0.03 lower income taxes
- ~(\$0.15) interest expense
- ~(\$0.09) lower adj. operating profit
- ~(\$0.02) share count

Net E&I impact ~(\$0.01) dilutive

- + ~\$40M 2021 M&A costs
- + ~\$25M payroll accrual timing
- + ~\$15M lower restructuring payout
- ~(\$340M) trade working capital
- ~(\$60M) higher cash interest
- ~(\$30M) higher net capex
- ~(\$30M) lower EBITDA
- ~(\$10M) higher cash taxes

Transition year to enhance operations in light of inflation and supply chain challenges



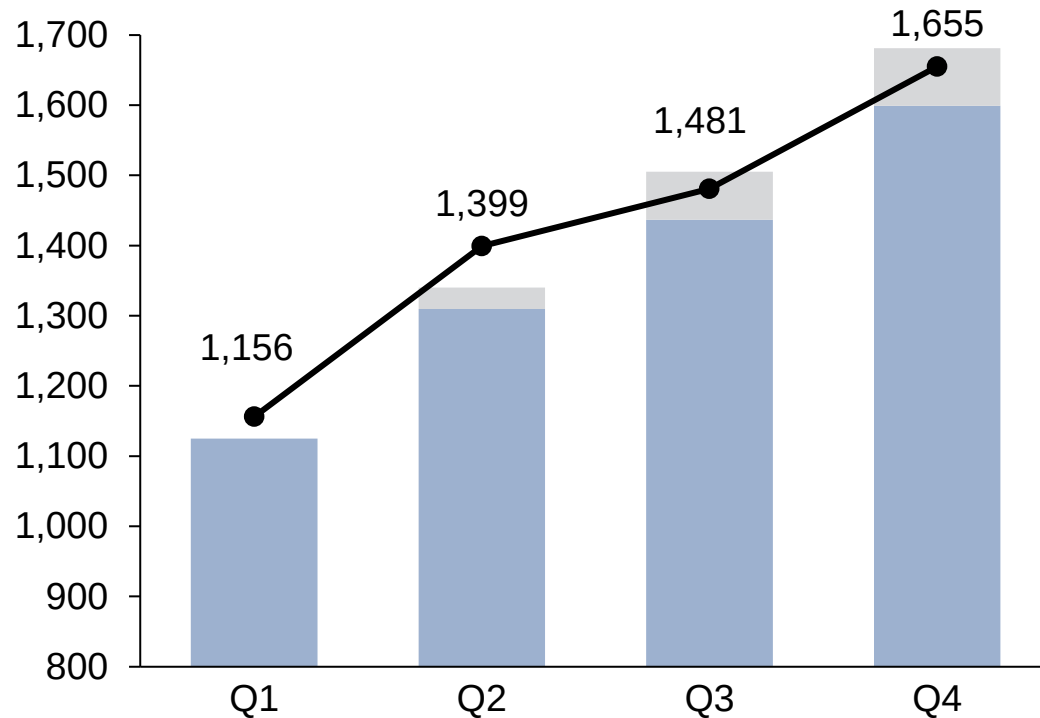
Note: see "Non-GAAP Financial Measures" beginning on slide 17 of the Appendix. Adjusted free cash flow equals cash from operations less net capital expenditures.

Confidential. Property of Vertiv.

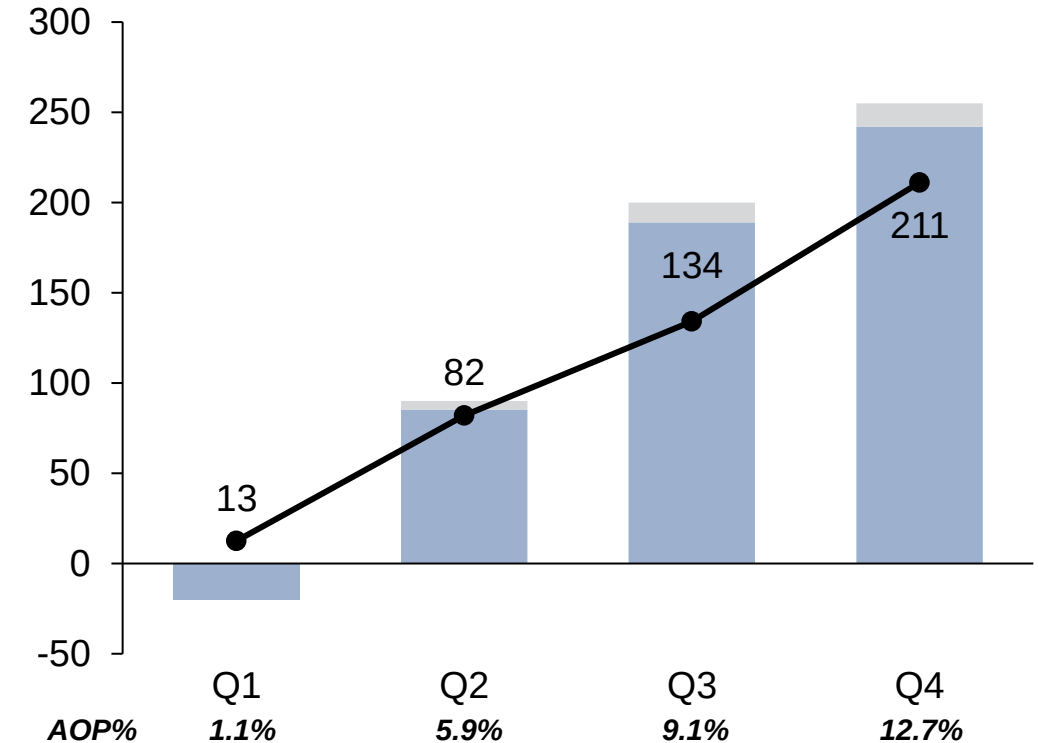
Net sales and AOP profile consistent with initial guidance

\$Millions; midpoint of guidance range unless otherwise specified

Net Sales



Adj. Operating Profit



—●— Actual ■ FX impact ■ Feb guidance (adjusted for FX)

Sequential improvement in every quarter provides strong momentum into 2023

2023 outlook

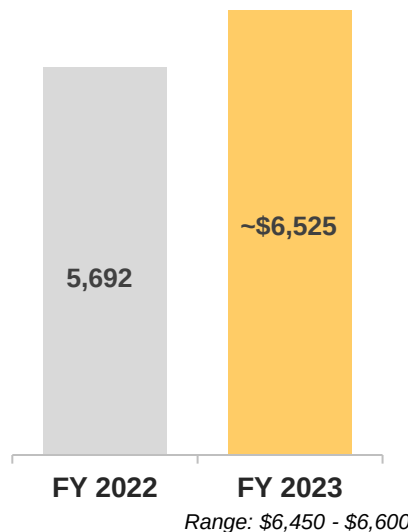


Full year 2023 financial guidance

\$Millions; midpoint of guidance range unless otherwise specified

Net Sales

Up ~15%
Organic up ~15%

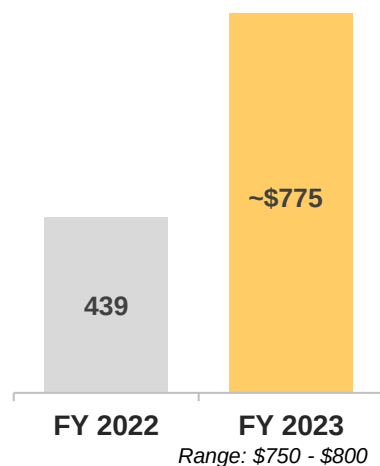


- + ~\$600M volume
- + ~\$275M pricing
- ~(\$40M) FX translation

Organic growth ~15%

Adj. Operating Profit

Up ~\$336M

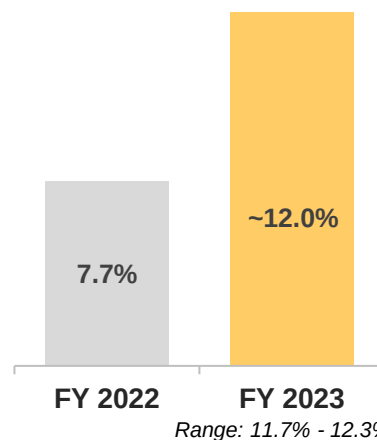


- + ~\$275M pricing
- + ~\$195M volume
- + ~\$85M productivity & other
- ~(\$175M) material, freight & labor inflation
- ~(\$40M) capacity & R&D investments
- ~(\$5M) FX translation

AOP up 75%+ and AOP% up 430 bps

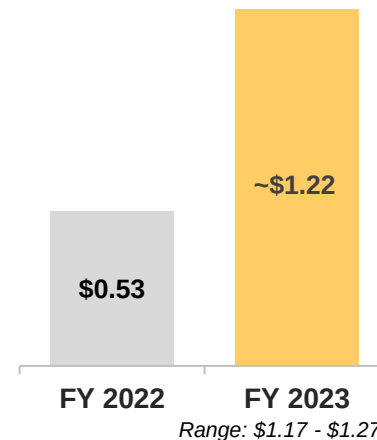
Adj. Operating Margin

Up ~430 bps



Adj. Diluted EPS

Up \$0.69



- + ~\$0.88 higher adj. operating profit
- ~(\$0.09) higher income tax expense
- ~(\$0.09) higher interest expense

EPS ~2X vs. 2022

Adj. Free Cash Flow

Up \$610M



- + ~\$370M less working capital usage
- + ~\$335M higher adj. oper. profit
- ~(\$40M) higher cash interest
- ~(\$35M) higher net capex
- ~(\$20M) higher cash taxes

FCF improves \$600M+

Increasing FY adjusted operating profit guidance to \$750M - \$800M ♦ Expect \$600M+ higher FCF vs. 2022



Note: see "Non-GAAP Financial Measures" beginning on slide 17 of the Appendix. Adjusted free cash flow equals cash from operations less net capital expenditures.

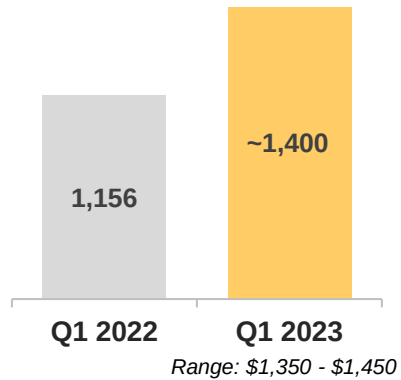
Confidential. Property of Vertiv. 12

First quarter 2023 financial guidance

\$Millions; midpoint of guidance range unless otherwise specified

Net Sales

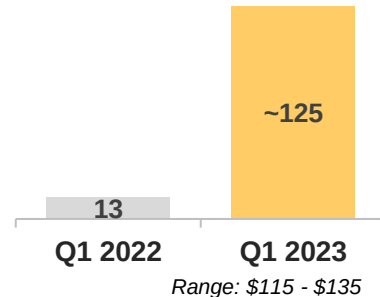
Up ~21%
Organic up ~25%



- + ~\$185M higher volume
- + ~\$105M pricing benefit
- ~(\$45M) FX translation

Adj. Operating Profit

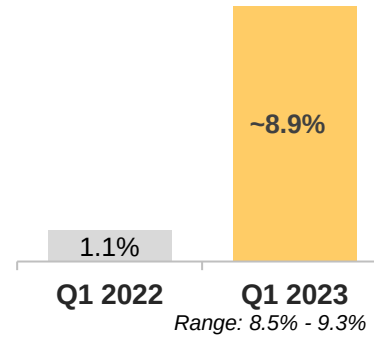
Up ~\$112M



- + ~\$105M pricing benefit
- + ~\$60M higher volume
- + ~\$15M productivity & other
- ~(\$50M) material, freight & labor inflation
- ~(\$15M) capacity and R&D investments
- ~(\$5M) FX translation

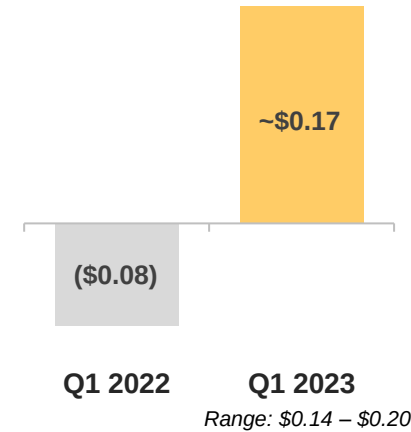
Adj. Operating Margin

Up ~780 bps



Adj. Diluted EPS

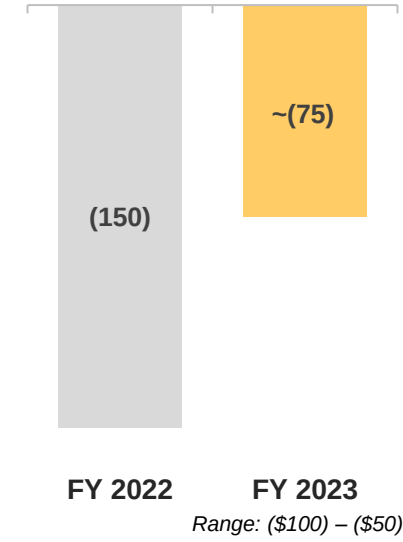
Up ~\$0.25



- + ~\$0.30 higher adj. operating profit
- ~(\$0.05) higher interest expense

Adj. Free Cash Flow

Up \$75M



- + ~\$112M higher adj. op. profit
- + ~\$15M working capital & other
- ~(\$20M) payroll timing
- ~(\$20M) higher cash interest
- ~(\$10M) capex timing

First quarter guidance continues trajectory from 2022 with expected improvement in all metrics

Well positioned to deliver significant improvement in 2023

ADJUSTED OPERATING PROFIT

- Backlog coverage significantly improved from prior year end with backlog of \$4.8B covering ~70% of forecasted FY 2023 sales
- Underlying demand environment remains strong with fourth quarter 2022 book-to-bill ratio at 115%
- Supply environment improved with additional qualified suppliers and reduced need for spot buys
- Margins consistent with Q4 2022 run-rate – no variable margin expansion assumed in guidance
- Material and freight inflation assumptions conservative compared to third party commodity and freight cost forecasts

ADJUSTED FREE CASH FLOW

See Appendix Page 33

- Adjusted free cash flow of \$350M (at mid-point of guidance) supported by \$775M of adjusted operating profit
- Cash outflow from interest (\$175M), income taxes (\$125M) and net capex (\$140M) considered low-risk of significant variance
- Cash outflow from change in working capital of (\$75M) includes favorable impact of trade working reduction initiatives:
 - Cycle time reductions to lower inventory
 - Reduction in A/R terms and past due balances
 - Focus on advanced payments from customers
 - Increase in supplier payment terms

2023 full year guidance supported by strong action plans

Focus areas for 2023

- We have defined strategic priorities around Customer Focus, Operational Excellence, Innovation and Financial Performance
- Started to foster a high-performance culture around delivering on commitments and clear accountability
- Implemented rigorous management process, established tools and cadence across the organization driving productivity
- Continuing to exercise pricing muscle combining it with new and vigorous efficiency programs for holistic approach to margin expansion
- Focusing on multi-sourcing and supply chain footprint for short- and long-term business resilience while expanding capacity for the short- and long-term.
- Developed robust trade working capital reduction programs by region and by business and rigorously following up on them

Non-GAAP financial reconciliations



Non-GAAP financial measures –fourth quarter results

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

(\$M 4 th QUARTER)	4Q22	4Q21
Americas	\$170.5	\$72.8
Asia Pacific	81.1	68.1
Europe, Middle East & Africa	82.2	62.8
Total reportable segments	\$333.8	\$203.7
Foreign currency gain (loss)	(1.9)	(1.1)
Corporate and other	(121.4)	(157.5)
Total corporate, other and elimination	(123.3)	(158.6)
Amortization of intangibles	(48.1)	(49.0)
Operating profit (loss)	\$162.4	\$(3.9)
Amortization of intangibles	48.1	49.0
Merger and acquisition costs	-	30.1
Litigation settlement costs	-	18.7
Adjusted operating profit (loss)	\$210.5	\$93.9

Net Sales and Organic Net Sales Change by Segment⁽¹⁾

(\$M 4 th QUARTER)	4Q22	4Q21	Δ%	Organic Δ%
Americas	\$833.7	\$583.9	42.8%	40.3%
APAC	425.2	458.9	(7.3)%	0.9%
EMEA	395.7	367.7	7.6%	19.3%
Total	\$1,654.6	\$1,410.5	17.3%	22.0%

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

(\$M 4 th QUARTER)	4Q22	4Q21	Δ
Net sales	\$1,654.6	\$1,410.5	\$244.1
Operating profit	162.4	(3.9)	166.3
Operating margin	9.8%	(0.3)%	10.1%
Amortization of intangibles	48.1	49.0	(0.9)
Mergers and acquisitions costs	-	30.1	(30.1)
Litigation settlement costs	-	18.7	(18.7)
Adjusted operating profit	210.5	93.9	111.6
Adjusted operating margin	12.7%	6.7%	6.0%

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

(\$M 4 th QUARTER)	4Q22	4Q21
Net cash provided by (used for) operating activities	\$180.7	\$36.5
Less: Capital expenditures	(38.3)	(30.1)
Less: Investments in capitalized software	(3.0)	(1.7)
Plus: proceeds for disposition of PP&E	3.9	3.7
Adjusted free cash flow	\$143.3	\$8.4

Note: Segment operating profit (loss) is the measure of profitability disclosed in Note 14 to the unaudited condensed consolidated financial statements for the year ended December 31, 2022.

(1) Refer to the reconciliation on Slide 26 for the change in net sales to the change in organic net sales.



Source: Management estimates

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

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

(\$M, except EPS 4 th 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	\$162.4	\$45.8	-	\$33.1	\$56.9	\$26.6	\$0.07
Intangible amortization	48.1	-	-	-	-	48.1	0.13
Change in warrant liability	-	-	-	(33.1)	-	33.1	0.09
Non-GAAP Adjusted	\$210.5	\$45.8	-	-	\$56.9	\$107.8	\$0.28
(\$M, except EPS 4 th 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	\$(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
Litigation settlement costs	18.7	-	-	-	-	18.7	0.05
Gain on tax receivable agreement	-	-	59.2	-	-	(59.2)	(0.16)
Nonrecurring tax benefit ⁽⁴⁾	-	-	-	-	55.2	(55.2)	(0.15)
Merger and acquisition costs ⁽³⁾	30.1	-	-	-	-	30.1	0.08
Pro forma share count ⁽²⁾	-	-	-	-	-	-	-
Non-GAAP Adjusted	\$93.9	\$24.1	-	-	\$54.8	\$15.0	\$0.04

(1) Diluted EPS and adjusted diluted EPS is based on 378.4 million shares (includes 377.3 million basic shares, 1.1 million potential dilutive 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 warrant liability accounting and the associated impact on diluted share count.

(2) Diluted EPS based on 372.2 million shares (includes 377.3 million basic shares, 4.5 million potential dilutive stock options and restricted stock units). Non-GAAP Adjusted diluted EPS based on pro-forma share count 377.9 million shares (includes 377.3 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 warrant liability accounting.

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

(4) 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.

Non-GAAP financial measures –full year results

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

(\$M FULL YEAR)	FY22	FY21
Americas	\$426.1	\$441.2
Asia Pacific	274.4	253.4
Europe, Middle East & Africa	234.6	217.6
Total reportable segments	\$935.1	\$912.2
Foreign currency gain (loss)	(3.7)	(3.2)
Corporate and other	(492.2)	(504.8)
Total corporate, other and elimination	(495.9)	(508.0)
Amortization of intangibles	(215.8)	(144.3)
Operating profit (loss)	\$223.4	\$259.9
Amortization of intangibles	215.8	144.3
Litigation settlement costs	-	18.7
Merger and acquisition costs	-	48.1
Adjusted operating profit (loss)	\$439.2	\$471.0

Net Sales and Organic Net Sales Change by Segment⁽¹⁾

(\$M FULL YEAR)	FY22	FY21	Δ%	Organic Δ%
Americas	\$2,728.6	\$2,187.4	24.7%	19.4%
APAC	1,601.3	1,609.0	(0.5)%	4.5%
EMEA	1,361.6	1,201.7	13.3%	13.7%
Total	\$5,691.5	\$4,998.1	13.9%	13.3%

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

(\$M FULL YEAR)	FY22	FY21	Δ
Net sales	\$5,691.5	\$4,998.1	693.4
Operating profit	223.4	259.9	(36.5)
Operating margin	3.9%	5.2%	(1.3)%
Amortization of intangibles	215.8	144.3	71.5
Litigation settlement costs	-	18.7	(18.7)
Mergers and acquisitions costs	-	48.1	(48.1)
Adjusted operating profit	439.2	471.0	(31.8)
Adjusted operating margin	7.7%	9.4%	(1.7)%

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

(\$M FULL YEAR)	FY22	FY21
Net cash provided by (used for) operating activities	\$(152.8)	\$210.9
Less: Capital expenditures	(100.0)	(73.4)
Less: Investments in capitalized software	(11.0)	(11.2)
Plus: proceeds for disposition of PP&E	3.9	9.8
Adjusted free cash flow	\$(259.9)	\$136.1

Note: Segment operating profit (loss) is the measure of profitability disclosed in Note 14 to the unaudited condensed consolidated financial statements for the year ended December 31, 2022.

(1) Refer to the reconciliation on Slide 26 for the change in net sales to the change in organic net sales.



Source: Management estimates

Non-GAAP financial measures – full year results (cont.)

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

(\$M, except EPS FULL YEAR 2022)	Operating profit (loss)	Interest expense, net	Loss on extinguishment of debt	Change in warrant liability	Gain on tax receivable agreement	Income tax expense	Net income (loss)	Diluted EPS ⁽¹⁾
GAAP	\$223.4	\$147.3	-	\$(90.9)	-	\$90.4	\$76.6	\$(0.04)
Intangible amortization	215.8	-	-	-	-	-	215.8	0.57
Change in warrant liability	-	-	-	90.9	-	-	(90.9)	-
Non-GAAP Adjusted	\$439.2	\$147.3	-	-	-	\$90.4	\$201.5	\$0.53
(\$M, except EPS FULL YEAR 2021)	Operating profit (loss)	Interest expense, net	Loss on extinguishment of debt	Change in warrant liability	Gain on tax receivable agreement	Income tax expense	Net income (loss)	Diluted EPS ⁽²⁾
GAAP	\$259.9	\$90.6	\$0.4	\$61.9	\$(59.2)	\$46.6	\$119.6	\$0.33
Intangible amortization	144.3	-	-	-	-	-	144.3	0.40
Change in warrant liability	-	-	-	(61.9)	-	-	61.9	0.17
Merger and acquisition costs ⁽³⁾	48.1	-	-	-	-	-	48.1	0.13
Litigation settlement costs	18.7	-	-	-	-	-	18.7	0.05
Gain on tax receivable agreement	-	-	-	-	59.2	-	(59.2)	(0.16)
Nonrecurring tax benefit ⁽⁴⁾	-	-	-	-	-	55.2	(55.2)	(0.15)
Pro forma share count ⁽²⁾	-	-	-	-	-	-	-	(0.01)
Non-GAAP Adjusted	\$471.0	\$90.6	\$0.4	-	-	\$101.8	\$278.2	\$0.76

(1) Diluted EPS and adjusted diluted EPS is based on 378.2 million shares (includes 376.7 million basic shares, 1.5 million dilutive warrants). 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 is based on 360.1 million shares (includes 355.5 million basic shares and 4.6 million potential dilutive stock options and restricted stock units). Non-GAAP Adjusted EPS based on pro forma share count of 365.9 million diluted shares (includes shares outstanding of 355.5 million and 10.3 million potential dilutive warrants, stock options and restricted stock units). We believe that this presentation is more representative of operating results by removing the impact of merger and acquisition related costs, warrant liability accounting, and the associated impact on diluted share count.

(3) Includes \$39.4 million of expenses primarily related to the E&I acquisition, and \$8.7 million asset impairment related to the Heavy Industrial UPS business.

(4) 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.



Source: Management estimates

Non-GAAP financial measures – first quarter 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 1 st QUARTER 2023 ⁽¹⁾)	Operating profit (loss)	Interest expense, net	Change in warrant liability	Income tax expense	Net income (loss)	Diluted EPS ⁽²⁾
GAAP	\$79.0	\$47.0	\$ -	\$13.0	\$19.0	\$0.05
Intangible amortization	46.0	-	-	-	46.0	\$0.12
Non-GAAP Adjusted	\$125.0	\$47.0	\$ -	\$13.0	\$65.0	\$0.17

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

(\$M, except EPS 1 st QUARTER 2022)	Operating profit (loss)	Interest expense, net	Change in warrant liability	Income tax expense	Net income (loss)	Diluted EPS ⁽³⁾
GAAP	\$(45.2)	\$29.3	\$ (94.9)	\$11.9	\$8.5	\$(0.23)
Intangible amortization	57.7	-	-	-	57.7	\$0.15
Change in warrant liability	-	-	94.9	-	(94.9)	-
Non-GAAP Adjusted	\$12.5	\$29.3	\$ -	\$11.9	\$(28.7)	\$(0.08)

(1) Information reconciling certain forward-looking GAAP measures to non-GAAP measures related to 2022 guidance, including organic net sales growth 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 ~379.9 million shares (includes ~378.4 million basic shares and a weighted average of ~1.5 million potential dilutive stock options and restricted stock units)

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



Source: Management estimates

Non-GAAP financial measures –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 FULL YEAR 2023 ⁽¹⁾)	Operating profit (loss)	Interest expense, net	Change in warrant liability	Income tax expense	Net income (loss)	Diluted EPS ⁽²⁾
GAAP	\$593.0	\$183.0	\$ -	\$125.0	\$285.0	\$0.75
Intangible amortization	182.0	-	-	-	182.0	\$0.47
Non-GAAP Adjusted	\$775.0	\$183.0	\$ -	\$125.0	\$467.0	\$1.22

(1) Information reconciling certain forward-looking GAAP measures to non-GAAP measures related to 2022 guidance, including organic net sales growth 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 ~381.6 million shares (includes ~380.0 million basic shares and a weighted average of ~1.6 million potential dilutive stock options and restricted stock units)



Non-GAAP financial measures: Q1 2021 – Q4 2022 results

Net Sales⁽¹⁾

(\$M)	1Q21	2Q21	3Q21	4Q21	FY21	1Q22	2Q22	3Q22	4Q22	FY22
Americas	\$501.5	\$564.9	\$537.2	\$583.9	\$2,187.4	\$535.1	\$647.2	\$712.6	\$833.7	\$2,728.6
APAC	357.4	398.0	394.6	458.9	1,609.0	332.8	407.2	436.1	425.2	1,601.3
EMEA	239.5	297.4	297.1	367.7	1,201.7	288.5	345.0	332.4	395.7	1,361.6
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	\$1,654.6	\$5,691.5

Adjusted operating profit (loss)⁽²⁾

(\$M)	1Q21	2Q21	3Q21	4Q21	FY21	1Q22	2Q22	3Q22	4Q22	FY22 ⁽⁵⁾
Americas	\$126.4	\$128.6	\$113.4	\$72.8	\$441.2	\$57.9	\$82.5	\$115.2	\$170.5	\$426.1
Asia Pacific	53.1	62.8	69.4	68.1	253.4	41.5	68.5	83.3	81.1	274.4
Europe, Middle East & Africa	33.4	62.4	59.0	62.8	217.6	33.2	61.8	57.4	82.2	234.6
Corporate ⁽³⁾	(101.3)	(119.7)	(110.4)	(109.8)	(441.2)	(120.1)	(130.8)	(121.7)	(123.3)	(495.9)
Adjusted operating profit (loss) Total	\$111.6	\$134.1	\$131.4	\$93.9	\$471.0	\$12.5	\$82.0	\$134.2	\$210.5	\$439.2

Adjusted operating margins⁽⁴⁾

(\$M)	1Q21	2Q21	3Q21	4Q21	FY21	1Q22	2Q22	3Q22	4Q22	FY22
Americas	25.2%	22.8%	21.1%	12.5%	20.2%	10.8%	12.7%	16.2%	20.5%	15.6%
Asia Pacific	14.9%	15.8%	17.6%	14.8%	15.7%	12.5%	16.8%	19.1%	19.1%	17.1%
Europe, Middle East & Africa	13.9%	21.0%	19.9%	17.1%	18.1%	11.5%	17.9%	17.3%	20.8%	17.2%
Vertiv	10.2%	10.6%	10.7%	6.7%	9.4%	1.1%	5.9%	9.1%	12.7%	7.7%

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

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

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



Source: Management estimates

Non-GAAP financial measures: Q1 2021 – Q4 2022 results

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

(\$M)	1Q21	2Q21	3Q21	4Q21	FY21	1Q22	2Q22	3Q22	4Q22	FY22
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	\$1,654.6	\$5,691.5
Operating profit	79.8	102.2	81.8	(3.9)	259.9	(45.2)	26.2	80.0	162.4	223.4
Operating margin	7.3%	8.1%	6.7%	(0.3)%	5.2%	(3.9%)	1.9%	5.4%	9.8%	3.9%
Amortization of intangibles	31.8	31.9	31.6	49.0	144.3	57.7	55.8	54.2	48.1	215.8
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	210.5	439.2
Adjusted operating margin⁽¹⁾	10.2%	10.6%	10.7%	6.7%	9.4%	1.1%	5.9%	9.1%	12.7%	7.7%

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

(\$M)	1Q21	2Q21	3Q21	4Q21	FY21	1Q22	2Q22	3Q22	4Q22	FY22
Net cash provided by (used for) operating activities	\$60.7	\$59.3	\$54.4	\$36.5	\$210.9	(\$132.2)	(\$205.7)	\$4.4	\$180.7	(\$152.8)
Less: Capital expenditures	(16.8)	(13.6)	(12.9)	(30.1)	(73.4)	(15.1)	(23.1)	(23.5)	(38.3)	(100.0)
Less: Investments in capitalized software	(1.1)	(4.3)	(4.1)	(1.7)	(11.2)	(3.1)	(3.6)	(1.3)	(3.0)	(11.0)
Plus: proceeds from disposition of PP&E	-	-	6.1	3.7	9.8	-	-	-	3.9	3.9
Adjusted free cash flow	\$42.8	\$41.4	\$43.5	\$8.4	\$136.1	(\$150.4)	(\$232.4)	(\$20.4)	\$143.3	(\$259.9)

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

Non-GAAP financial measures: Q1 2021 – Q4 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	Q422	FY22
Americas	\$126.4	\$128.6	\$113.4	\$72.8	\$441.2	\$57.9	\$82.5	\$115.2	\$170.5	\$426.1
Asia Pacific	53.1	62.8	69.4	68.1	253.4	41.5	68.5	83.3	81.1	274.4
Europe, Middle East & Africa	33.4	62.4	59.0	62.8	217.6	33.2	61.8	57.4	82.2	234.6
Total reportable segments	212.9	253.8	\$241.8	\$203.7	\$912.2	\$132.6	\$212.8	\$255.9	\$333.8	\$935.1
Foreign currency gain (loss)	6.9	(4.1)	(4.9)	(1.1)	(3.2)	1.3	(2.9)	(0.2)	(1.9)	(3.7)
Corporate and other	(108.2)	(115.6)	(123.5)	(157.5)	(504.8)	(121.4)	(127.9)	(121.5)	(121.4)	(492.2)
Total corporate, other and elimination	(101.3)	(119.7)	(128.4)	(158.6)	(508.0)	(120.1)	(130.8)	(121.7)	(123.3)	(495.9)
Amortization of intangibles	(31.8)	(31.9)	(31.6)	(49.0)	(144.3)	(57.7)	(55.8)	(54.2)	(48.1)	(215.8)
Operating profit (loss)	\$79.8	\$102.2	\$81.8	(\$3.9)	\$259.9	(\$45.2)	\$26.2	\$80.0	\$162.4	\$223.4
Amortization of intangibles	31.8	31.9	31.6	49.0	144.3	57.7	55.8	54.2	48.1	215.8
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	\$210.5	\$439.2

Net Sales and Organic Net Sales Change by Segment ⁽¹⁾

(\$M 1 st QUARTER)	1Q22	1Q21	Δ%	Organic Δ%	2Q22	2Q21	Δ%	Organic Δ%	3Q22	3Q21	Δ%	Organic Δ%	4Q22	4Q21	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%	\$833.7	\$583.9	42.8%	40.3%
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%	425.2	458.9	(7.3)%	0.9%
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%	395.7	367.7	7.6%	19.3%
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%	\$1,654.6	\$1,410.5	17.3%	22.0%

(1) Refer to the reconciliation on Slide 26 for the change in net sales to the change in organic net sales.

Non-GAAP financial measures – organic growth reconciliation

Reconciliation of change in net sales to organic change in net sales

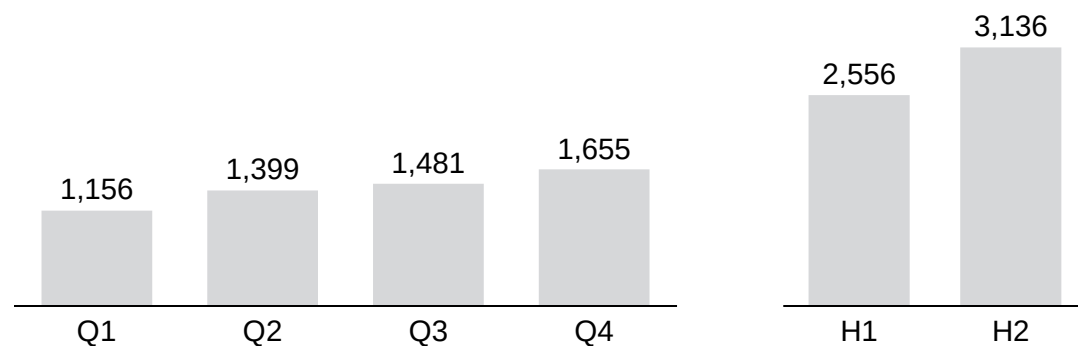
	Net Sales Δ	FX Δ	Acquisition Divestiture Δ	Organic growth	Organic Δ % ⁽⁶⁾
(\$M 1 st QUARTER)					
Americas:	\$33.6	\$0.1	\$(17.1)	\$16.6	3.3%
Asia Pacific:	(24.6)	0.6	-	(24.0)	(6.7)%
EMEA:	49.0	17.6	(54.5)	12.1	5.1%
Total:	\$58.0	\$18.3	\$(71.6) ⁽¹⁾	\$4.7	0.4%
(\$M 2 nd QUARTER)					
Americas:	\$82.3	\$1.8	\$(47.0)	\$37.1	6.6%
Asia Pacific:	9.2	14.2	-	23.4	5.9%
EMEA:	47.6	42.6	(50.6)	39.6	13.3%
Total:	\$139.1	\$58.6	\$(97.6) ⁽²⁾	\$100.1	7.9%
(\$M 3 rd QUARTER)					
Americas:	\$175.4	\$2.5	\$(41.9)	\$136.0	25.3%
Asia Pacific:	41.5	27.2	-	68.7	17.4%
EMEA:	35.3	55.9	(48.6)	42.6	14.3%
Total:	\$252.2	\$85.6	\$(90.5) ⁽³⁾	\$247.3	20.1%
(\$M 4 th QUARTER)					
Americas:	\$249.8	\$2.1	\$(16.4)	\$235.5	40.3%
Asia Pacific:	(33.7)	37.7	-	4.0	0.9%
EMEA:	28.0	49.6	(6.7)	70.9	19.3%
Total:	\$244.1	\$89.4	\$(23.1) ⁽⁴⁾	\$310.4	22.0%
(\$M FULL YEAR)					
Americas:	\$541.2	\$6.3	\$(122.3)	\$425.2	19.4%
Asia Pacific:	(7.7)	79.8	-	72.1	4.5%
EMEA:	159.9	165.7	(160.5)	165.1	13.7%
Total:	\$693.4	\$251.8	\$(282.8) ⁽⁵⁾	\$662.4	13.3%

- (1) The change in acquisition and divestiture sales includes E&I sales for the three months ended March 31, 2022 of \$17.1 and \$70.4 included in Americas; and Europe, Middle East & Africa reportable segments, respectively, partially offset by the divested heavy industrial UPS business sales for the three months ended March 31, 2021 of \$15.9 included in the Europe, Middle East & Africa reportable segment.
- (2) The change in acquisition and divestiture sales includes E&I sales for the three months ended June 30, 2022 of \$47.0 and \$67.2 included in Americas; and Europe, Middle East & Africa reportable segments, respectively, partially offset by the divested heavy industrial UPS business sales for the three months ended June 30, 2021 of \$16.6 included in the Europe, Middle East & Africa reportable segment.
- (3) The change in acquisition and divestiture sales includes E&I sales for the three months ended September 30, 2022 of \$41.9 and \$73.3 included in Americas; and Europe, Middle East & Africa reportable segments, respectively, partially offset by the divested heavy industrial UPS business sales for the three months ended September 30, 2021 of \$24.7 included in the Europe, Middle East & Africa reportable segment.
- (4) The change in acquisition and divestiture sales excludes E&I sales for the month ended October 31, 2022 of \$16.4 and \$26.0 included in Americas; and Europe, Middle East & Africa reportable segments, respectively, partially offset by the divested heavy industrial UPS business sales for the three months ended December 31, 2021 of \$19.3 included in the Europe, Middle East & Africa reportable segment.
- (5) The change in acquisition and divestiture sales excludes E&I sales for the ten months ended October 31, 2022 of \$122.3 and \$236.9 included in Americas; and Europe, Middle East & Africa reportable segments, respectively, partially offset by the divested heavy industrial UPS business sales for the year ended December 31, 2021 of \$76.4 included in the Europe, Middle East & Africa reportable segment.
- (6) Organic growth percentage change is calculated as organic growth divided by net sales.

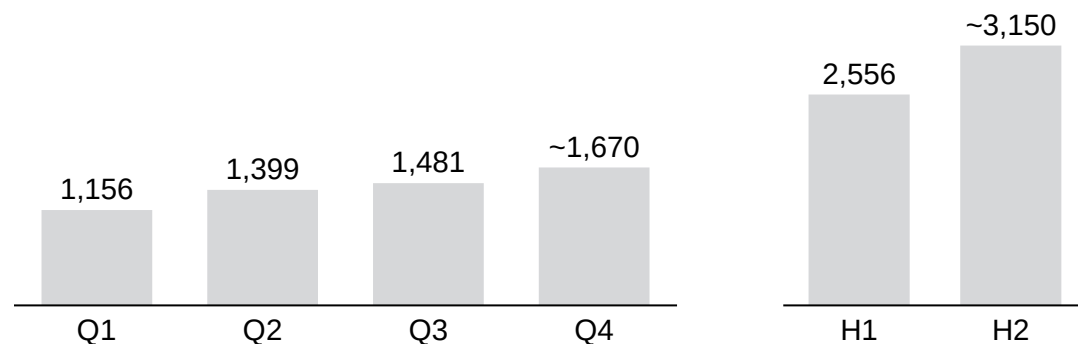
2022 actuals by quarter

\$Millions; midpoint of guidance range unless otherwise specified

Actual – Net Sales

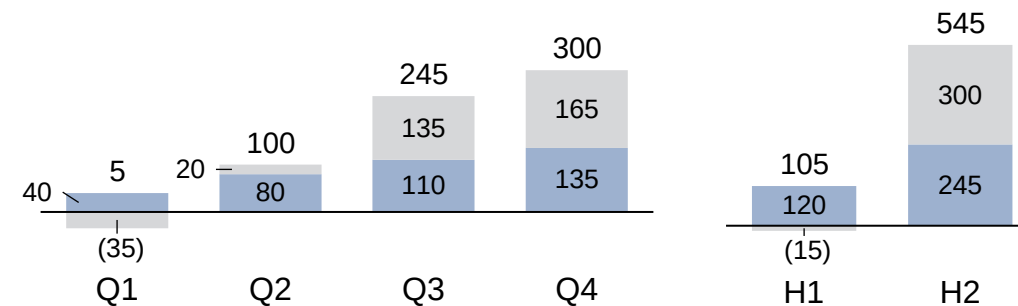


October Guidance – Net Sales



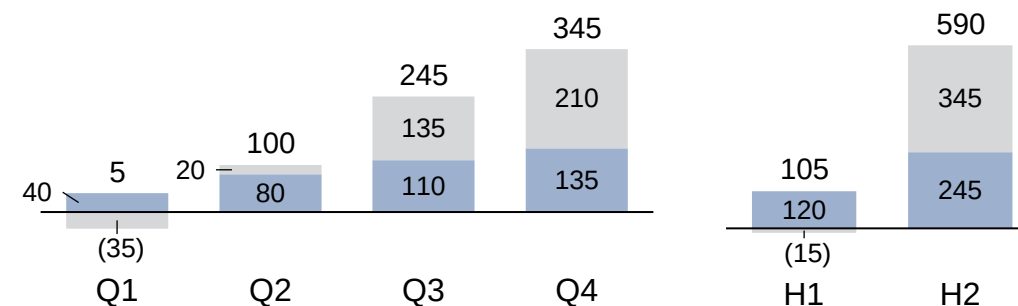
Actual – Organic Sales Growth from 2021

Volume	(3%)	+2%	+11%	+12%	(1%)	+12%
Pricing	+4%	+6%	+9%	+10%	+5%	+10%



October Guidance – Organic Sales Growth from 2021

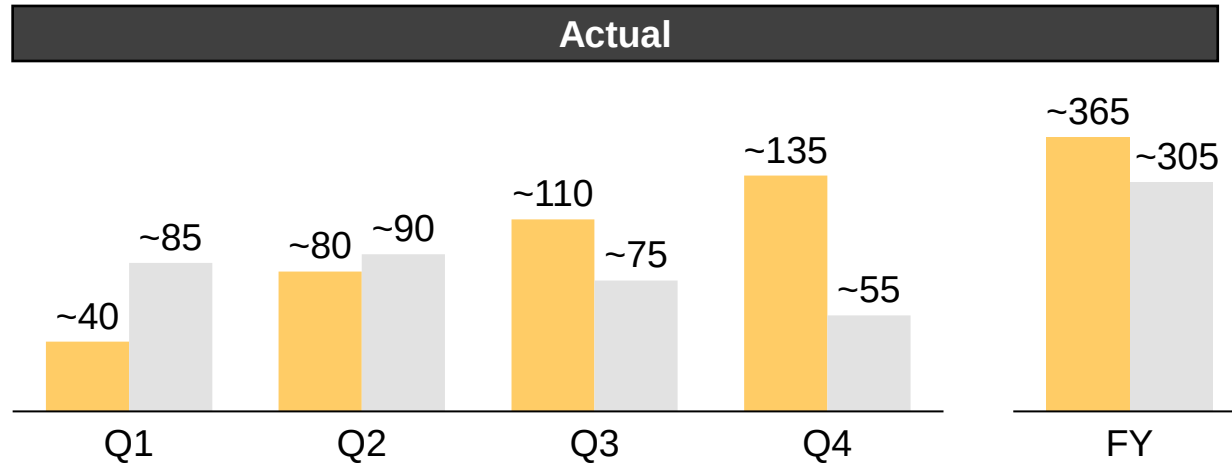
Volume	(3%)	+2%	+11%	+16%	(1%)	+13%
Pricing	+4%	+6%	+9%	+10%	+5%	+10%



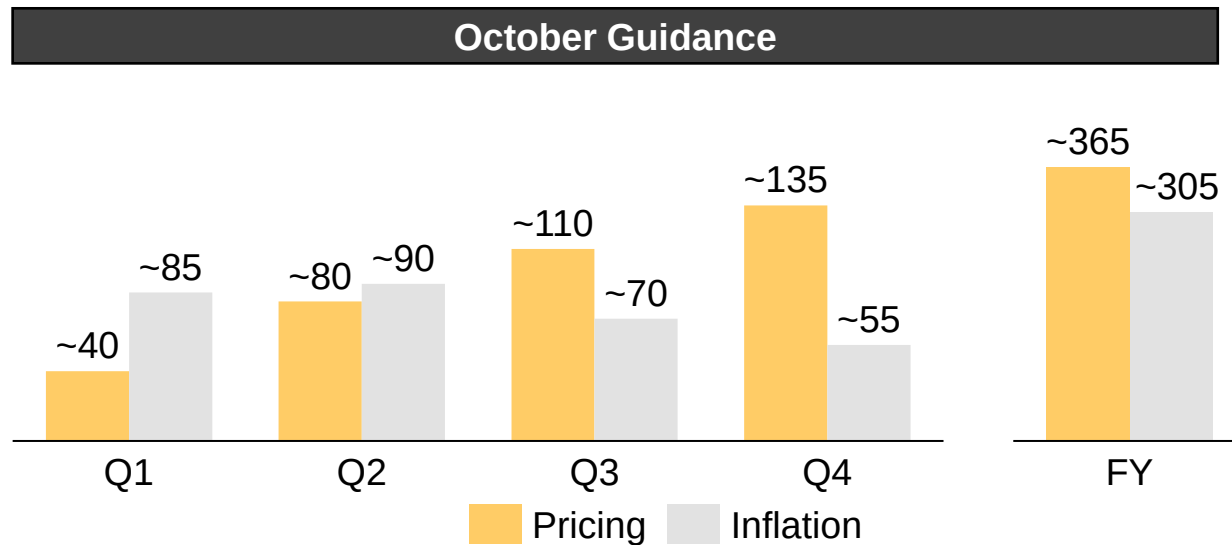
Sequential improvement in pricing and volume in all quarters

2022 pricing and inflation by quarter

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



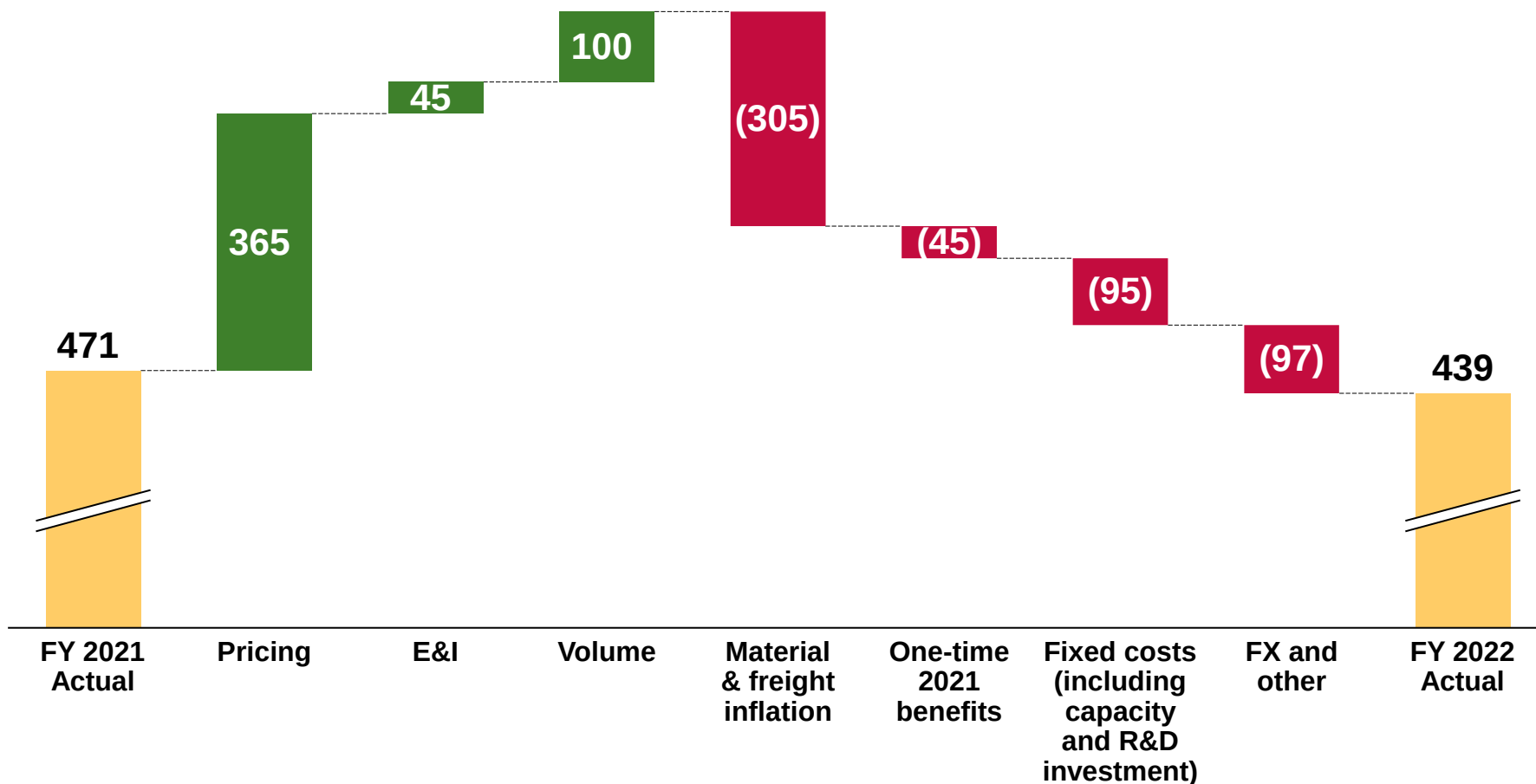
- Fourth quarter pricing of \$135M (+10%) consistent with prior guidance
- Fourth quarter inflation of \$55M consistent with prior guidance



Price-cost in the fourth quarter consistent with prior guidance

Full year 2022 adjusted operating profit vs. 2021

\$Millions; FY 2022 at midpoint of guidance



- E&I 2022 adjusted operating profit of ~\$52M less ~\$7M in 2021
- Volume benefit of ~\$285M 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 (~\$25M) and capacity to support growth in and beyond 2022
- Other includes ~\$40M FX translation headwind, divestiture of Heavy Industrial UPS business, unfavorable mix, labor inflation and other cost headwinds

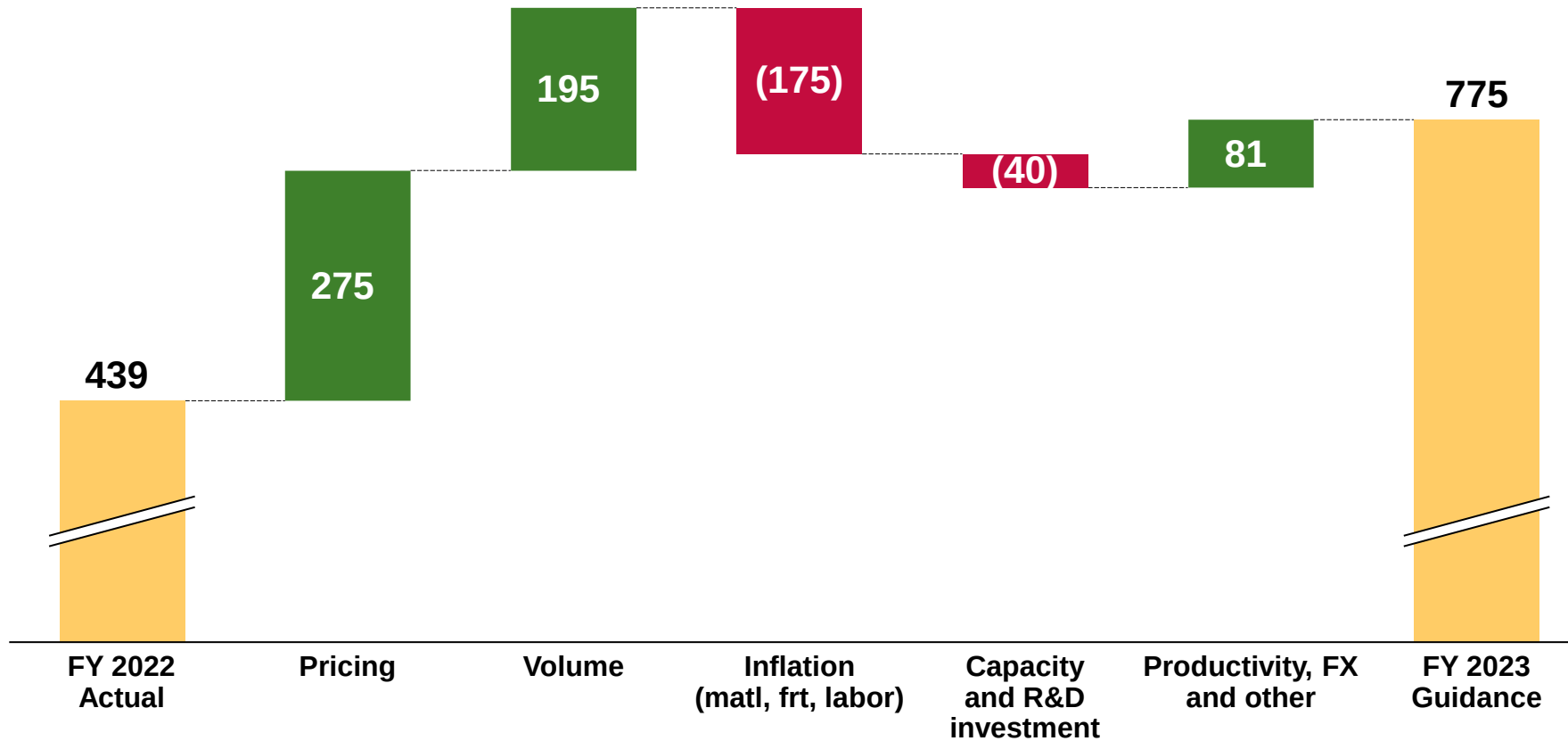
Fourth quarter orders growth from prior year

\$Millions unless otherwise specified

Fourth quarter orders growth	
Overall	(19%)
FX headwind	<u>(4%)</u>
Total excluding FX	(15%)
Pricing	8%
Volume	(22%)
Divestiture	<u>(1%)</u>
Total excluding FX	(15%)

Full year 2023 projected adjusted operating profit vs. 2022

\$Millions; FY 2023 at midpoint of guidance



- Volume benefit of ~\$600M higher sales
- Assumes material and freight inflation of ~\$100M and labor inflation of ~\$75M
- Pricing assumes ~\$200M carryover benefit and ~\$75M of new pricing actions
- Investments in R&D and capacity support growth in and beyond 2023
- Other includes ~\$80M favorable productivity and other initiatives, ~\$4M benefit from 2021 FX loss partially offset by ~\$5M FX translation headwind,

Key FX rates and other modeling assumptions

\$Millions unless otherwise specified

	Avg 2022	2023 Plan
CNY / USD	6.70	6.90
USD / EUR	\$1.05	\$1.07
USD / GBP	\$1.23	\$1.21
INR / USD	78.7	82.6
1-mo SOFR + CRA		4.95%

Sales FX Translation Exposure by Currency	
CNY	14%
EUR	14%
GBP	6%
INR	5%
Other non-USD	13%
Total non-USD	52%
USD	48%

FX translation impact¹ 2022 vs. 2021

	Q1	Q2	Q3	Q4	FY
Sales	(~20)	(~60)	(~85)	(~90)	(~255)
Adj. OP	(~2)	(~9)	(~14)	(~15)	(~40)

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

FX translation impact¹ 2023 vs. 2022

	Q1	FY
Sales	(~45)	(~40)
Adj. OP	(~5)	(~5)

Additional 2023 guidance assumptions

SEGMENT EXPECTATIONS¹

	 AMERICAS	 APAC	 EMEA
NET SALES	\$3,100 - \$3,300	\$1,650 - \$1,800	\$1,500 - \$1,600
ORGANIC GROWTH	Upper-teens	Low double digits	Mid-teens

ADJUSTED FREE CASH FLOW

	<u>FY 2023</u>	<u>FY 2022</u>	<u>B/(W)</u>
Adjusted operating profit	775	439	336
D&A	90	87	3
Adjusted EBITDA	865	526	339
Change in working capital	(75)	(441)	366
Cash taxes	(125)	(105)	(20)
Cash interest	(175)	(133)	(42)
Net cash (used) from operations	490	(153)	643
Net capital expenditures	(140)	(107)	(33)
Adjusted free cash flow	350	(260)	610

(1) Includes unfavorable FX impact on net sales of ~\$5M in Americas and ~\$35M in APAC

