



**VERTIV™**

# Third Quarter 2023 Results

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October 25, 2023

Architects of Continuity™

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# Cautionary Statement Regarding Forward-Looking Statements

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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 achieve Vertiv's environmental, social, and governance goals; failure to realize the value of goodwill and intangible assets; exposure to fluctuations in foreign currency exchange rates; exposure to increases in interest rates set by central banking authorities; failure to maintain internal controls over financial reporting; the unpredictability of Vertiv's future operational results, including the ability to grow and manage growth profitably; potential net losses in future periods; Vertiv's level of indebtedness and the ability to incur additional indebtedness; Vertiv's ability to comply with the covenants and restrictions contained in our credit agreements including restrictive covenants that restrict operational flexibility; Vertiv's ability to comply with the covenants and restrictions contained in our credit agreements that is not fully within our control; Vertiv's ability to access funding through capital markets; the significant ownership and influence certain stockholders have over Vertiv; resales of Vertiv's securities may cause volatility in the market price of our securities; Vertiv's organizational documents contain provisions that may discourage unsolicited takeover proposals; Vertiv's certificate of incorporation includes a forum selection clause, which could discourage or limit stockholders' ability to make a claim against it; the ability of Vertiv's subsidiaries to pay dividends; the ability of Vertiv to grow and manage growth profitably, maintain relationships with customers and suppliers and retain its management and key employees; Vertiv's ability to manage the succession of its key employees; factors relating to the business, operations and financial performance of Vertiv and its subsidiaries, including: global economic weakness and uncertainty; Vertiv's ability to attract, train and retain key members of its leadership team and other qualified personnel; the adequacy of Vertiv's insurance coverage; a failure to benefit from future corporate transactions; risks associated with Vertiv's limited history of operating as an independent company; and other risks and uncertainties indicated in Vertiv's SEC reports or documents filed or to be filed with the SEC by Vertiv. 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 on pages 15-22 of this presentation and our current earnings release dated October 25, 2023, which are available on the Company's website at [investors.vertiv.com](https://investors.vertiv.com). Information reconciling certain forward-looking GAAP measures to non-GAAP measures related to fourth quarter and full year 2023 guidance, including organic net sales growth, adjusted operating margin, and adjusted 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 2023 key messages

**Organic net sales up 17% compared to last year's third quarter driven by continued strong growth in Americas, partially offset by headwinds in APAC.**

**Orders were higher than expected, up ~11%<sup>1</sup> from last year's third quarter and up ~16%<sup>1</sup> from second quarter 2023. Book-to-bill ratio of ~1.1x. Order flow continues to build as demand accelerates, notably in North America.**

**Third quarter adjusted operating profit of \$296M was up \$162M from last year's third quarter driven by higher sales volume and more favorable contribution margin. Adjusted operating margin of 17.0% up 790 bps vs. prior year.**

**Adjusted free cash flow of \$221M in the third quarter, up \$241M from last year's third quarter. Raising full-year guidance by \$75M to \$600M - \$650M. Net leverage at ~2.4x at end of third quarter and expected ~2.1x exiting 2023.**

**Projecting fourth quarter net sales of ~\$1,840M and adjusted operating profit in the range of \$295M - \$305M, an increase of ~11% for organic net sales and ~43% for adjusted operating profit compared to the same quarter last year.**

**Raising full year adjusted operating profit guidance by ~\$75M to \$1,020M - \$1,030M, supported by an increase in adjusted operating profit margin.**

**Continued positive momentum through third quarter • Raising full year guidance • Strong cash generation**



1 – Adjusted for foreign exchange

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

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# Market Environment

| SEGMENT                                 |  AMERICAS |                                                                                      |  APAC |                                                                                      |  EMEA |                                                                                      |
|-----------------------------------------|----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
|                                         | Aug-23                                                                                       | Oct-23                                                                               | Aug-23                                                                                   | Oct-23                                                                               | Aug-23                                                                                   | Oct-23                                                                               |
| CLOUD / HYPERSCALE                      |           |   |       |   |       |   |
| COLOCATION                              |           |   |       |   |       |   |
| ENTERPRISE /<br>SMALL & MEDIUM BUSINESS |           |   |       |   |       |   |
| COMMUNICATION NETWORKS                  |           |   |       |   |       |   |
| COMMERCIAL & INDUSTRIAL                 |          |  |      |  |      |  |

Underlying market demand remains strong • Continued acceleration in Cloud & Colocation

# Customer demand and supply chain update

## CUSTOMER DEMAND & PRODUCTION CAPACITY

- **Third quarter orders exceeded expectations**, up ~11%<sup>1</sup> from prior year and up ~16% sequentially from second quarter 2023. Book-to-bill ratio of ~1.1x.
- **Backlog at end of third quarter (\$5.0B) up ~5%** vs. prior quarter.
- **Anticipating further orders growth in fourth quarter 2023** versus last year's fourth quarter and sequentially as customers plan for 2024 projects and global pipelines build momentum.
- **Continued signs that AI-related demand will provide a tailwind on pipeline and sales in 2024+.**
- **Investing in capacity expansion** across thermal, UPS, switchgear, and busbar product lines to capture demand growth and potential AI uplift.

## SUPPLY CHAIN & INFLATION UPDATE

- **Supply chains continue to stabilize** as availability and supplier delivery performance improves and lead-times reduce. Significant reduction in spot buys driven by improved material availability.
- **Continued focus on building supply chain resiliency** as we proactively multi-source key components, reinforce risk identification processes, and strengthen mitigation plans.
- **Procurement productivity** tailwinds driven by direct and indirect savings and lower negotiated freight rates.
- **Expecting metals to be relatively stable year-on-year**, with commodity pricing continuing to soften in 1H 2024, but some tightening again in 2025/2026.
- **Industry crossover (Electric Vehicle, Wind, Solar)** of key components will continue to be a longer-term supply challenge

**Sustained orders growth in 4Q • Supply continues to improve • Lead-times and spot buys reducing**



# Ready Capacity for 2024+

- **Global footprint in place today**
  - 22 manufacturing facilities globally - dedicated to critical infrastructure
- **Demonstrated ability to scale manufacturing footprint**
  - New Thermal Management plants online and operational in Mexico and India
  - Expansions currently underway at existing facilities – thermal, UPS, power distribution, switchgear, bus bars and modular solutions
  - Buffer capacity in-place today across our global footprint supporting growth scenarios for 2024 and beyond
- **Additional capacity levers being implemented**
  - Utilization and productivity opportunities, combined with equipment marginal investment further liberate capacity for future growth
  - Vertiv Operating System (VOS) being vigorously deployed across all key manufacturing sites
  - New executive leadership role assigned – EVP Manufacturing, Logistics, Operational Excellence (Anders Karlborg) – focus area to leverage existing global footprint

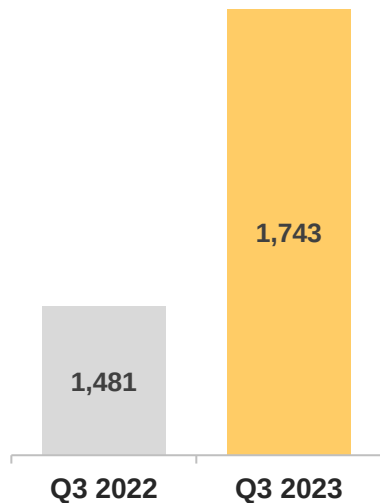
**Capital investments to support growth scenarios not changing our cash flow profile significantly**

# Third quarter 2023 financial results

\$Millions; deltas to midpoint of guidance range

## Net Sales

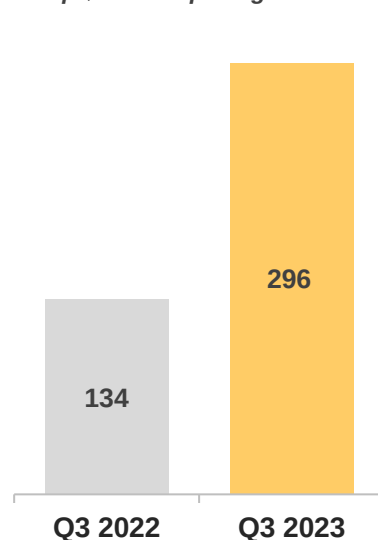
Up ~18%  
Organic up ~17%  
Down \$7M vs. prior guidance



- + ~\$135M higher volume
- + ~\$120M pricing benefit
- + ~\$5M FX translation

## Adj. Operating Profit

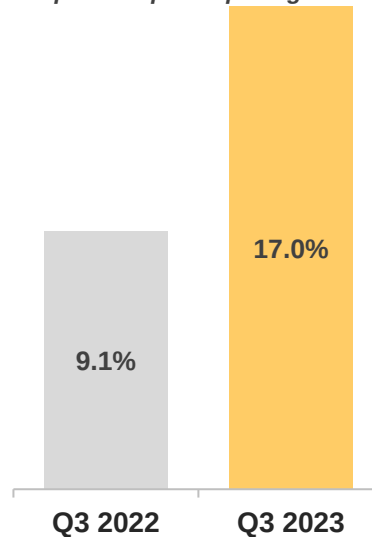
Up \$162M  
Up \$43M vs. prior guidance



- + ~\$120M pricing benefit
- + ~\$45M higher volume
- + ~\$18M productivity & other
- + ~\$7M one-time commercial concession
- + ~\$2M FX translation
- ~(\$20M) material, freight & labor inflation
- ~(\$10M) capacity and R&D investments

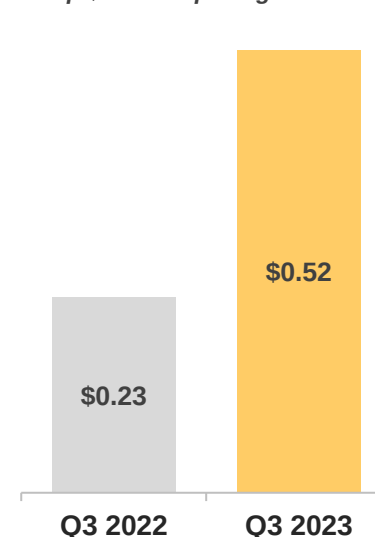
## Adj. Operating Margin

Up ~790 bps  
Up ~260 bps vs. prior guidance



## Adj. Diluted EPS

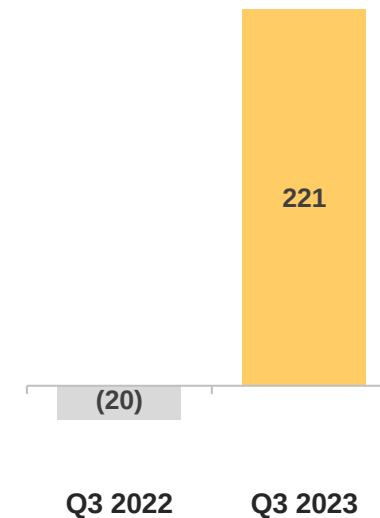
Up \$0.29  
Up \$0.09 vs. prior guidance



- + ~\$0.43 higher adj. operating profit
- ~(\$0.11) higher income taxes
- ~(\$0.01) higher interest expense
- ~(\$0.01) higher share count

## Adj. Free Cash Flow

Up ~\$241M



- + ~\$162M higher adj. op. profit
  - + ~\$141M working capital & other
  - ~(\$51M) higher cash taxes
  - ~(\$9M) higher cash interest
  - ~(\$3M) higher net capex
- Liquidity: ~\$1.0B  
Net leverage: ~2.4x Q3 actual  
~2.1x Y/E outlook

**Strong third quarter financial results driven by organic sales growth and price-cost discipline**



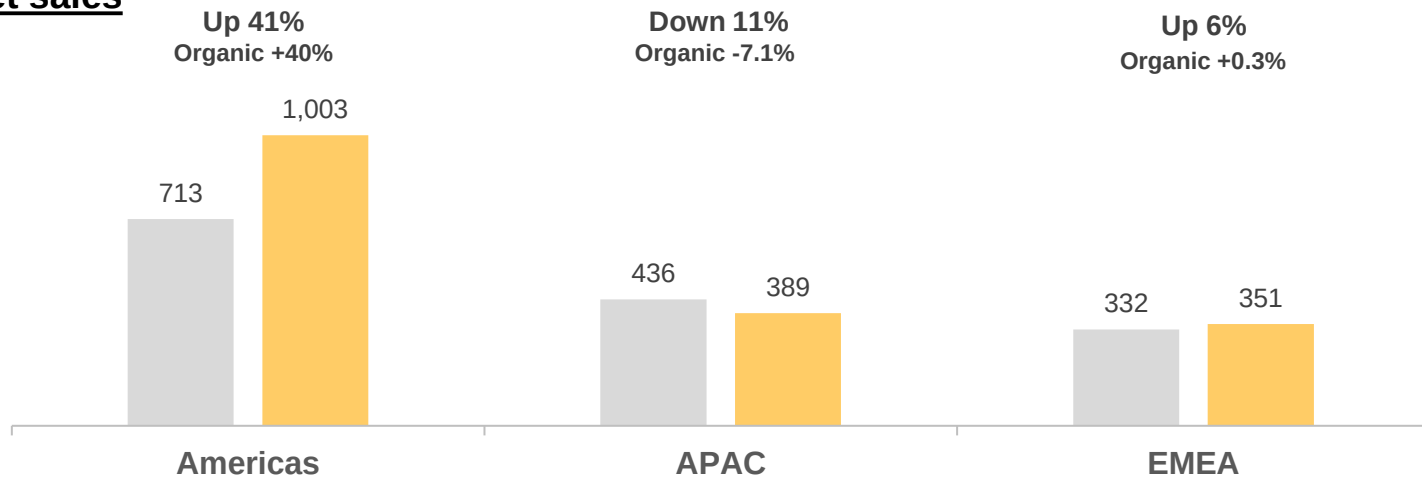
Note: see "Non-GAAP Financial Measures" beginning on slide 15 of the Appendix. Adjusted free cash flow equals cash from operations less net capital expenditures.

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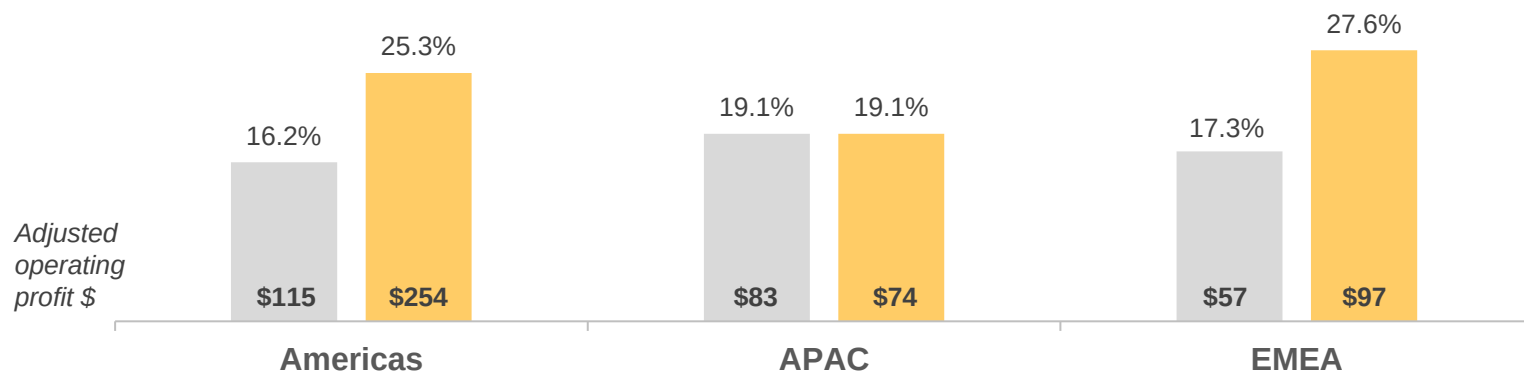
# Third quarter 2023 segment results

\$Millions

## Net sales



## Adjusted operating margin



Three months ended Sept 30, 2022 Sept 30, 2023



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

### Americas

- Organic growth driven by both volume and strong year-over-year price increases. High growth across product portfolio.
- Stronger operating margins driven by favorable price-cost and fixed cost leverage.

### APAC

- Sales decline driven by project delays and slower-than-expected macroeconomic recovery in China.
- Flat margins driven by favorable price-cost and lower fixed costs.

### EMEA

- Organic growth driven by year-over-year price increases; volume relatively flat.
- Margins remain strong as prices hold while inflation tampers down; improved E&I performance; mix is flat.
- Includes \$7M one-time commercial concession benefit

### Corporate

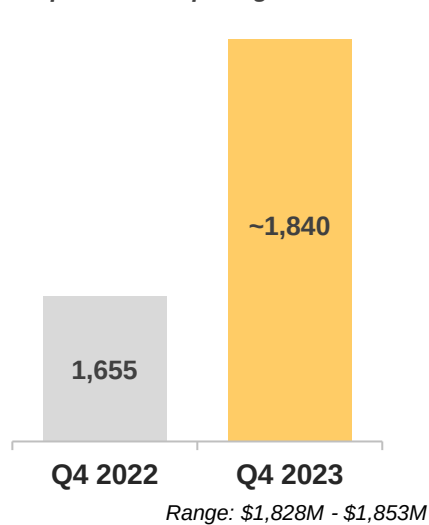
- Slightly higher corporate costs driven by higher R&D costs, IT expense and FX transaction loss.

# Fourth quarter 2023 financial guidance

\$Millions; midpoint of guidance range unless otherwise specified

## Net Sales

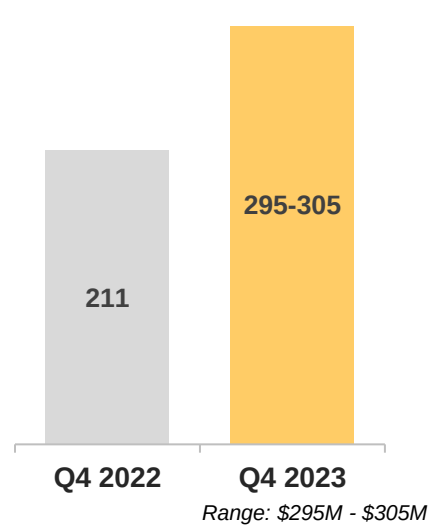
Up ~\$185M  
Organic up ~11%  
Up ~\$35M vs. prior guidance



- + ~\$110M pricing benefit
- + ~\$80M higher volume
- ~\$5M FX translation

## Adj. Operating Profit

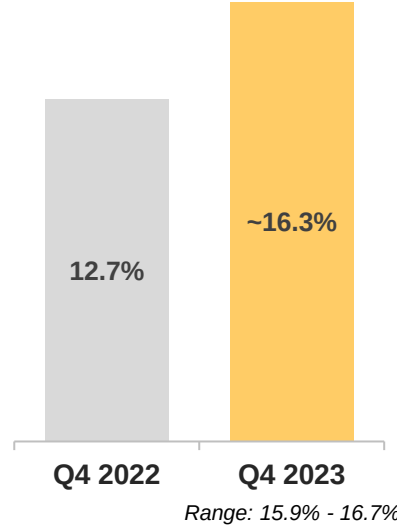
Up ~\$85M - \$95M  
Up ~\$25M - \$35M vs. prior guidance



- + ~\$110M pricing benefit
- + ~\$25M higher volume
- + ~\$9M productivity, FX & other
- ~(\$40M) material, freight & labor inflation
- ~(\$13M) capacity and R&D investments

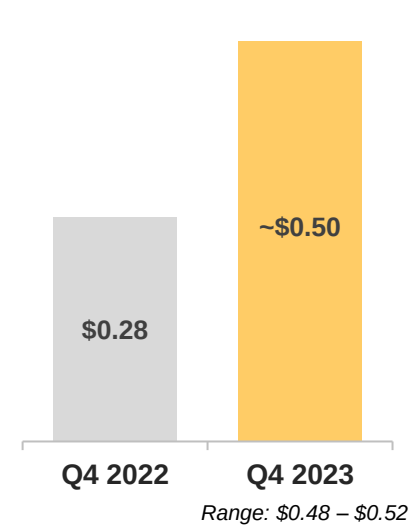
## Adj. Operating Margin

Up ~360 bps  
Up ~130 bps vs. prior guidance



## Adj. Diluted EPS

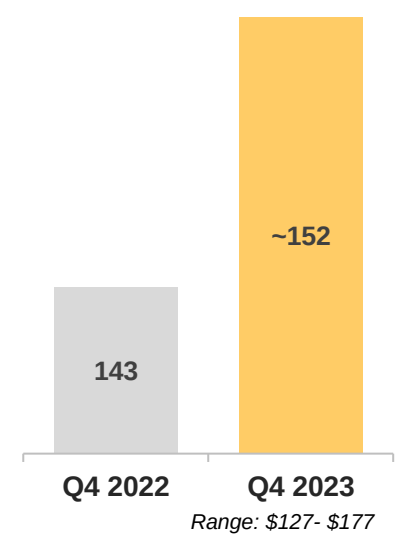
Up ~\$0.22  
Up \$0.05 vs. prior guidance



- + ~\$0.24 higher adj. op. profit
- + ~\$0.01 lower net interest expense
- ~(\$0.02) higher income taxes
- ~(\$0.01) higher share count

## Adj. Free Cash Flow

Up ~\$9M



- + ~\$90M higher adj. op. profit
- ~(\$23M) more working capital use
- ~(\$30M) higher cash taxes
- ~(\$23M) higher net capex
- ~(\$2M) higher cash interest

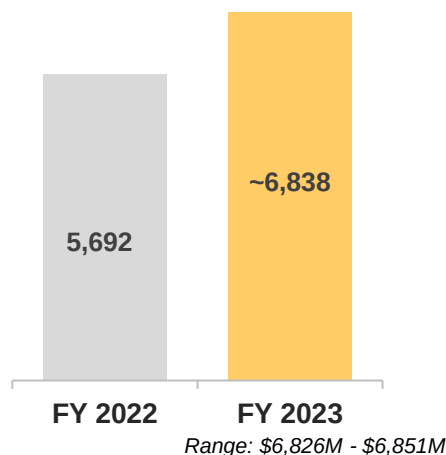
Projected organic sales growth and margin expansion as strong momentum continues in 4Q

# Full year 2023 financial guidance

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

## Net Sales

Up ~\$1.1B  
Organic up ~21%  
Up ~\$30M vs. prior guidance

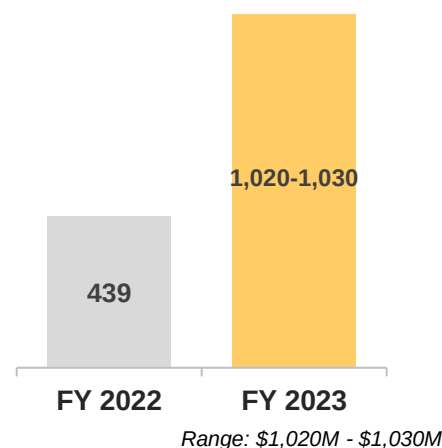


- + ~\$740M volume
- + ~\$460M pricing
- + ~(\$60M) FX translation

**Organic growth ~21%**

## Adj. Operating Profit

Up ~\$581M - \$591M  
Up ~\$70M - \$80M vs. prior guidance

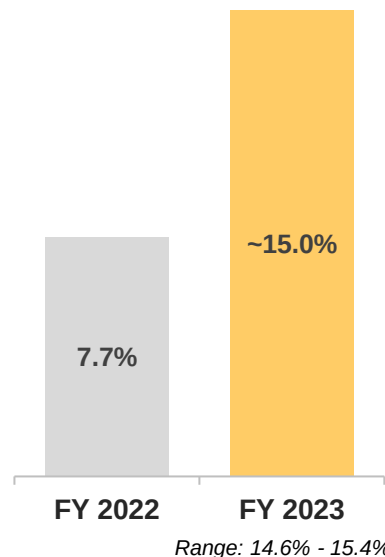


- + ~\$460M pricing
- + ~\$235M volume
- + ~\$70M productivity & other
- ~(\$130M) material, freight & labor inflation
- ~(\$44M) capacity & R&D investments
- ~(\$5M) FX

**AOP up >130%+ and AOP% up ~730 bps**

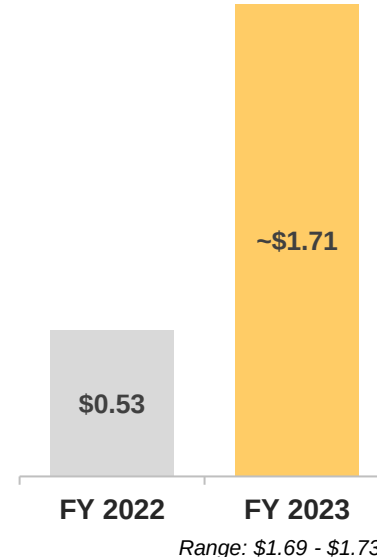
## Adj. Operating Margin

Up ~730 bps  
Up ~100 bps vs. prior guidance



## Adj. Diluted EPS

Up ~\$1.17  
Up \$0.12 vs. prior guidance

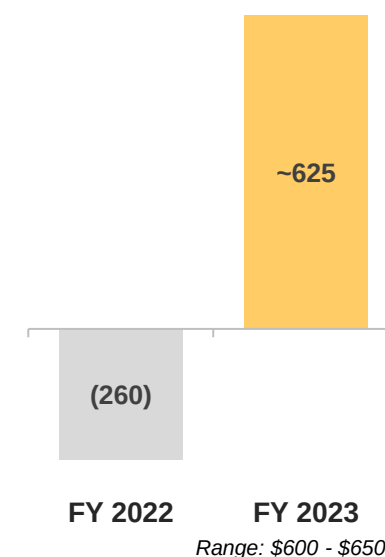


- + ~\$1.54 higher adj. operating profit
- ~(\$0.24) higher income tax expense
- ~(\$0.09) higher interest expense
- ~(\$0.03) higher share count

**EPS >3X vs. 2022**

## Adj. Free Cash Flow

Up ~\$885M  
Up \$75M vs. prior guidance



- + ~\$584M higher adj. op. profit
  - + ~\$450M less working capital use
  - ~(\$70M) higher cash taxes
  - ~(\$40M) higher cash interest
  - ~(\$40M) higher net capex
- Net Leverage: ~2.1 Y/E outlook

**Adj FCF improves \$885+**

**Raising full year 2023 adjusted operating profit guidance to \$1,020M - \$1,030M**

# Early thoughts on 2024

## TAILWINDS

- End markets remain historically strong; data center segment continues to accelerate
- Incremental AI-driven demand gains traction
- Supply chain stabilization, softening commodity prices
- Favorable price-cost relationship
- Initiatives to improve working capital performance ongoing
- Strong free cash flow generation & lower leverage
- Continue to drive innovation supported by incremental R&D investment

## HEADWINDS

- Slower-than-expected economic recovery in China
- 2023 order timing drives sales weighted to back half of 2024; returning to historical seasonality

**Expecting 2024 to build on positive momentum generated in 2023**

# 2023 Investor Conference topics of discussion

Vertiv's vision and corporate strategy outlook

Accelerating growth opportunities to support AI-driven demand

Vertiv Operating System (VOS): how we execute at scale

Financial overview, including multi-year outlook

Capital allocation priorities & framework

Q&A with leadership team



# Key takeaways

Exceeded profitability expectations for 3Q 2023. Strong performance expected to continue through end of year.

Third quarter 2023 orders up 11% vs. 2022 with book-to-bill ratio ~1.1x. Orders growth supports 2024 growth plans.

17.0% adj. operating margin in third quarter 2023 and expecting ~16.3% at mid-point of guidance in fourth quarter 2023.

Raising full year net sales guidance to \$6,826M - \$6,851M (~\$30M vs. prior guidance).

Raising full year adjusted operating profit guidance to \$1,020M - \$1,030M (~\$75M vs. prior guidance).

Raising full year adjusted free cash flow guidance to \$600M - \$650M (~\$75M vs. prior guidance).

**Overdelivered in third quarter • Revising FY guidance for all metrics • Strong cash generation**

# 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 <sup>rd</sup> QUARTER)         | 3Q23           | 3Q22           |
|-----------------------------------------|----------------|----------------|
| Americas                                | \$254.0        | \$115.2        |
| Asia Pacific                            | 74.1           | 83.3           |
| Europe, Middle East & Africa            | 96.9           | 57.4           |
| <b>Total reportable segments</b>        | <b>\$425.0</b> | <b>\$255.9</b> |
| Foreign currency gain (loss)            | (2.7)          | (0.2)          |
| Corporate and other                     | (125.9)        | (121.5)        |
| Total corporate, other and elimination  | (128.6)        | (121.7)        |
| Amortization of intangibles             | (45.5)         | (54.2)         |
| <b>Operating profit (loss)</b>          | <b>\$250.9</b> | <b>\$80.0</b>  |
| Amortization of intangibles             | 45.5           | 54.2           |
| <b>Adjusted operating profit (loss)</b> | <b>\$296.4</b> | <b>\$134.2</b> |

## Net Sales and Organic Net Sales Change by Segment<sup>(1)</sup>

| (\$M   3 <sup>rd</sup> QUARTER) | 3Q23             | 3Q22             | Δ%           | Organic Δ%   |
|---------------------------------|------------------|------------------|--------------|--------------|
| Americas                        | \$1,003.2        | \$712.6          | 40.8%        | 40.1%        |
| APAC                            | 388.6            | 436.1            | (10.9)%      | (7.1)%       |
| EMEA                            | 350.8            | 332.4            | 5.5%         | 0.3%         |
| <b>Total</b>                    | <b>\$1,742.6</b> | <b>\$1,481.1</b> | <b>17.7%</b> | <b>17.2%</b> |

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

| (\$M   3 <sup>rd</sup> QUARTER)  | 3Q23         | 3Q22        | Δ           |
|----------------------------------|--------------|-------------|-------------|
| Net sales                        | \$1,742.6    | \$1,481.1   | \$261.5     |
| Operating profit                 | 250.9        | 80.0        | 170.9       |
| <b>Operating margin</b>          | <b>14.4%</b> | <b>5.4%</b> | <b>9.0%</b> |
| Amortization of intangibles      | 45.5         | 54.2        | (8.7)       |
| Adjusted operating profit        | 296.4        | 134.2       | 162.2       |
| <b>Adjusted operating margin</b> | <b>17.0%</b> | <b>9.1%</b> | <b>7.9%</b> |

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

| (\$M   3 <sup>rd</sup> QUARTER)                      | 3Q23         | 3Q22            |
|------------------------------------------------------|--------------|-----------------|
| Net cash provided by (used for) operating activities | \$248.7      | \$4.4           |
| Less: Capital expenditures                           | (26.5)       | (23.5)          |
| Less: Investments in capitalized software            | (0.9)        | (1.3)           |
| Plus: proceeds for disposition of PP&E               | -            | -               |
| <b>Adjusted free cash flow</b>                       | <b>221.3</b> | <b>\$(20.4)</b> |

Note: Segment operating profit (loss) is the measure of profitability disclosed in Note 11 to the unaudited condensed consolidated financial statements for the quarter ended September 30, 2023.

(1) Refer to the reconciliation on Slide 22 for the change in net sales to the change in organic net sales.



Source: Management estimates

# 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 <sup>rd</sup> QUARTER 2023) | Operating profit (loss) | Interest expense, net | Change in warrant liability | Income tax expense | Net income (loss) | Diluted EPS <sup>(1)</sup> |
|--------------------------------------------------|-------------------------|-----------------------|-----------------------------|--------------------|-------------------|----------------------------|
| GAAP                                             | \$250.9                 | \$43.5                | \$61.6                      | \$51.7             | \$94.1            | \$0.24                     |
| Intangible amortization                          | 45.5                    | -                     | -                           | -                  | 45.5              | 0.12                       |
| Change in warrant liability                      | -                       | -                     | (61.6)                      | -                  | 61.6              | 0.16                       |
| Non-GAAP Adjusted                                | \$296.4                 | \$43.5                | -                           | \$51.7             | \$201.2           | \$0.52                     |
| (\$M, except EPS   3 <sup>rd</sup> QUARTER 2022) | Operating profit (loss) | Interest expense, net | Change in warrant liability | Income tax expense | Net income (loss) | Diluted EPS <sup>(2)</sup> |
| 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                     |

(1) Diluted EPS and adjusted diluted EPS based on 388.2 million shares (includes 380.9 million basic shares and 7.3 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 377.4 million shares (includes 377.0 million basic shares and 0.4 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 warrant liability accounting and the associated impact on diluted share count.

# Non-GAAP financial measures – fourth 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   4 <sup>th</sup> QUARTER 2023 <sup>(1)</sup> ) | Operating profit (loss) | Interest expense, net | Change in warrant liability | Income tax expense | Net income (loss) | Diluted EPS <sup>(2)</sup> |
|------------------------------------------------------------------|-------------------------|-----------------------|-----------------------------|--------------------|-------------------|----------------------------|
| GAAP                                                             | \$258.5                 | \$42.4                | \$ -                        | \$64.3             | \$151.8           | \$0.39                     |
| Intangible amortization                                          | 41.5                    | -                     | -                           | -                  | 41.5              | 0.11                       |
| Non-GAAP Adjusted                                                | \$300.0                 | \$42.4                | \$ -                        | \$64.3             | \$193.3           | \$0.50                     |

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

| (\$M, except EPS   4 <sup>th</sup> QUARTER 2022) | Operating profit (loss) | Interest expense, net | Change in warrant liability | Income tax expense | Net income (loss) | Diluted EPS <sup>(3)</sup> |
|--------------------------------------------------|-------------------------|-----------------------|-----------------------------|--------------------|-------------------|----------------------------|
| 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                     |

(1) Information reconciling certain forward-looking GAAP measures to non-GAAP measures related to FY 2023 guidance, including organic net sales growth, adjusted operating margin and adjusted free cash flow, is not available without unreasonable effort due to high variability, complexity and uncertainty with respect to forecasting and quantifying certain amounts that are necessary for such reconciliations. For the same reasons, we are unable to compute the probable significance of the unavailable information, which could have a potentially unpredictable, and potentially significant, impact on our future GAAP financial results.

(2) Diluted EPS and adjusted diluted EPS based on 389.7 million shares (includes 381.7 million basic shares and a weighted average 8.0 million potential dilutive stock options and restricted stock units).

(3) Diluted EPS and adjusted diluted EPS based on 378.4 million shares (includes 377.3 million basic shares and 1.1 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.



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 <sup>(1)</sup> ) | Operating profit (loss) | Interest expense, net | Change in warrant liability | Income tax expense | Net income (loss) | Diluted EPS <sup>(2)</sup> |
|----------------------------------------------------|-------------------------|-----------------------|-----------------------------|--------------------|-------------------|----------------------------|
| GAAP                                               | \$845.6                 | \$179.5               | \$103.4                     | \$183.0            | \$379.7           | \$0.98                     |
| Intangible amortization                            | 177.6                   | -                     | -                           | -                  | 177.6             | 0.46                       |
| Change in warrant liability                        | -                       | -                     | (103.4)                     | -                  | 103.4             | 0.27                       |
| Non-GAAP Adjusted                                  | \$1023.2                | \$179.5               | \$ -                        | \$183.0            | \$660.7           | \$1.71                     |

## 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 | Change in warrant liability | Income tax expense | Net income (loss) | Diluted EPS <sup>(3)</sup> |
|------------------------------------|-------------------------|-----------------------|-----------------------------|--------------------|-------------------|----------------------------|
| 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                     |

(1) Information reconciling certain forward-looking GAAP measures to non-GAAP measures related to 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.

(2) Diluted EPS and adjusted diluted EPS based on 386.1 million shares (includes 380.2 million basic shares and a weighted average 5.9 million potential dilutive stock options and restricted stock units).

(3) 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.



# Non-GAAP financial measures: Q1 2022 – Q3 2023 results

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

| (\$M)        | 1Q22             | 2Q22             | 3Q22             | 4Q22             | FY22             | 1Q23             | 2Q23             | 3Q23             |
|--------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Americas     | \$535.1          | \$647.2          | \$712.6          | \$833.7          | \$2,728.6        | \$862.3          | \$959.4          | \$1,003.2        |
| APAC         | 332.8            | 407.2            | 436.1            | 425.2            | 1,601.3          | 313.0            | 395.8            | 388.6            |
| EMEA         | 288.5            | 345.0            | 332.4            | 395.7            | 1,361.6          | 345.8            | 378.9            | 350.8            |
| <b>Total</b> | <b>\$1,156.4</b> | <b>\$1,399.4</b> | <b>\$1,481.1</b> | <b>\$1,654.6</b> | <b>\$5,691.5</b> | <b>\$1,521.1</b> | <b>\$1,734.1</b> | <b>\$1,742.6</b> |

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

| (\$M)                                         | 1Q22          | 2Q22          | 3Q22           | 4Q22           | FY22 <sup>(5)</sup> | 1Q23           | 2Q23           | 3Q23           |
|-----------------------------------------------|---------------|---------------|----------------|----------------|---------------------|----------------|----------------|----------------|
| Americas                                      | \$57.9        | \$82.5        | \$115.2        | \$170.5        | \$426.1             | \$190.6        | \$239.8        | \$254.0        |
| Asia Pacific                                  | 41.5          | 68.5          | 83.3           | 81.1           | 274.4               | 39.1           | 62.6           | 74.1           |
| Europe, Middle East & Africa                  | 33.2          | 61.8          | 57.4           | 82.2           | 234.6               | 64.9           | 100.6          | 96.9           |
| Corporate <sup>(3)</sup>                      | (120.1)       | (130.8)       | (121.7)        | (123.3)        | (495.9)             | (119.1)        | (151.8)        | (128.6)        |
| <b>Adjusted operating profit (loss) Total</b> | <b>\$12.5</b> | <b>\$82.0</b> | <b>\$134.2</b> | <b>\$210.5</b> | <b>\$439.2</b>      | <b>\$175.5</b> | <b>\$251.2</b> | <b>\$296.4</b> |

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

| (\$M)                        | 1Q22        | 2Q22        | 3Q22        | 4Q22         | FY22        | 1Q23         | 2Q23         | 3Q23         |
|------------------------------|-------------|-------------|-------------|--------------|-------------|--------------|--------------|--------------|
| Americas                     | 10.8%       | 12.7%       | 16.2%       | 20.5%        | 15.6%       | 22.1%        | 25.0%        | 25.3%        |
| Asia Pacific                 | 12.5%       | 16.8%       | 19.1%       | 19.1%        | 17.1%       | 12.5%        | 15.8%        | 19.1%        |
| Europe, Middle East & Africa | 11.5%       | 17.9%       | 17.3%       | 20.8%        | 17.2%       | 18.8%        | 26.6%        | 27.6%        |
| <b>Vertiv</b>                | <b>1.1%</b> | <b>5.9%</b> | <b>9.1%</b> | <b>12.7%</b> | <b>7.7%</b> | <b>11.5%</b> | <b>14.5%</b> | <b>17.0%</b> |

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

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

(3) Corporate costs consist of headquarters management costs, stock-based compensation, other incentive compensation, change in fair value of warrant liabilities, asset impairments, and costs that support centralized global functions including Finance, Treasury, Risk Management, Strategy & Marketing, 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 2022 – Q3 2023 results

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

| (\$M)                                          | 1Q22          | 2Q22        | 3Q22        | 4Q22         | FY22        | 1Q23         | 2Q23         | 3Q23         |
|------------------------------------------------|---------------|-------------|-------------|--------------|-------------|--------------|--------------|--------------|
| Net sales                                      | \$1,156.4     | \$1,399.4   | \$1,481.1   | \$1,654.6    | \$5,691.5   | \$1,521.1    | \$1,734.1    | \$1,742.6    |
| Operating profit                               | (45.2)        | 26.2        | 80.0        | 162.4        | 223.4       | 130.3        | 205.8        | 250.9        |
| <b>Operating margin</b>                        | <b>(3.9%)</b> | <b>1.9%</b> | <b>5.4%</b> | <b>9.8%</b>  | <b>3.9%</b> | <b>8.6%</b>  | <b>11.9%</b> | <b>14.4%</b> |
| Amortization of intangibles                    | 57.7          | 55.8        | 54.2        | 48.1         | 215.8       | 45.2         | 45.4         | 45.5         |
| Adjusted operating profit                      | 12.5          | 82.0        | 134.2       | 210.5        | 439.2       | 175.5        | 251.2        | 296.4        |
| <b>Adjusted operating margin<sup>(1)</sup></b> | <b>1.1%</b>   | <b>5.9%</b> | <b>9.1%</b> | <b>12.7%</b> | <b>7.7%</b> | <b>11.5%</b> | <b>14.5%</b> | <b>17.0%</b> |

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

| (\$M)                                                | 1Q22             | 2Q22             | 3Q22            | 4Q22           | FY22             | 1Q23          | 2Q23           | 3Q23           |
|------------------------------------------------------|------------------|------------------|-----------------|----------------|------------------|---------------|----------------|----------------|
| Net cash provided by (used for) operating activities | \$(132.2)        | \$(205.7)        | \$4.4           | \$180.7        | \$(152.8)        | \$42.0        | 253.6          | 248.7          |
| Less: Capital expenditures                           | (15.1)           | (23.1)           | (23.5)          | (38.3)         | (100.0)          | (27.8)        | (25.8)         | (26.5)         |
| Less: Investments in capitalized software            | (3.1)            | (3.6)            | (1.3)           | (3.0)          | (11.0)           | (2.0)         | (0.5)          | (0.9)          |
| Plus: proceeds from disposition of PP&E              | -                | -                | -               | 3.9            | 3.9              | 12.4          | -              | -              |
| <b>Adjusted free cash flow</b>                       | <b>\$(150.4)</b> | <b>\$(232.4)</b> | <b>\$(20.4)</b> | <b>\$143.3</b> | <b>\$(259.9)</b> | <b>\$24.6</b> | <b>\$227.3</b> | <b>\$221.3</b> |

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

# Non-GAAP financial measures: Q1 2022 – Q3 2023 results

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

| (\$M)                                   | 1Q22            | 2Q22           | 3Q22           | 4Q22           | FY22           | 1Q23           | 2Q23           | 3Q23           |
|-----------------------------------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Americas                                | \$57.9          | \$82.5         | \$115.2        | \$170.5        | \$426.1        | \$190.6        | \$239.8        | \$254.0        |
| Asia Pacific                            | 41.5            | 68.5           | 83.3           | 81.1           | 274.4          | 39.1           | 62.6           | 74.1           |
| Europe, Middle East & Africa            | 33.2            | 61.8           | 57.4           | 82.2           | 234.6          | 64.9           | 100.6          | 96.9           |
| <b>Total reportable segments</b>        | <b>\$132.6</b>  | <b>\$212.8</b> | <b>\$255.9</b> | <b>\$333.8</b> | <b>\$935.1</b> | <b>\$294.6</b> | <b>\$403.0</b> | <b>\$425.0</b> |
| Foreign currency gain (loss)            | 1.3             | (2.9)          | (0.2)          | (1.9)          | (3.7)          | (3.1)          | (7.5)          | (2.7)          |
| Corporate and other                     | (121.4)         | (127.9)        | (121.5)        | (121.4)        | (492.2)        | (116.0)        | (144.3)        | (125.9)        |
| Total corporate, other and elimination  | (120.1)         | (130.8)        | (121.7)        | (123.3)        | (495.9)        | (119.1)        | (151.8)        | (128.6)        |
| Amortization of intangibles             | (57.7)          | (55.8)         | (54.2)         | (48.1)         | (215.8)        | (45.2)         | (45.4)         | (45.5)         |
| <b>Operating profit (loss)</b>          | <b>(\$45.2)</b> | <b>\$26.2</b>  | <b>\$80.0</b>  | <b>\$162.4</b> | <b>\$223.4</b> | <b>\$130.3</b> | <b>\$205.8</b> | <b>\$250.9</b> |
| Amortization of intangibles             | 57.7            | 55.8           | 54.2           | 48.1           | 215.8          | 45.2           | 45.4           | 45.5           |
| <b>Adjusted operating profit (loss)</b> | <b>\$12.5</b>   | <b>\$82.0</b>  | <b>\$134.2</b> | <b>\$210.5</b> | <b>\$439.2</b> | <b>\$175.5</b> | <b>\$251.2</b> | <b>\$296.4</b> |

## Net Sales and Organic Net Sales Change by Segment <sup>(1)</sup>

| (\$M   3 <sup>rd</sup> QUARTER) | 1Q23             | 1Q22             | Δ%           | Organic Δ%   | 2Q23             | 2Q22             | Δ%           | Organic Δ%   | 3Q23             | 3Q22             | Δ%           | Organic Δ%   |
|---------------------------------|------------------|------------------|--------------|--------------|------------------|------------------|--------------|--------------|------------------|------------------|--------------|--------------|
| Americas                        | \$862.3          | \$535.1          | 61.1%        | 61.4%        | \$959.4          | \$647.2          | 48.2%        | 48.1%        | \$1,003.2        | \$712.6          | 40.8%        | 40.1%        |
| APAC                            | 313.0            | 332.8            | (5.9)%       | 0.8%         | 395.8            | 407.2            | (2.8)%       | 2.3%         | 388.6            | 436.1            | (10.9)%      | (7.1)%       |
| EMEA                            | 345.8            | 288.5            | 19.9%        | 26.4%        | 378.9            | 345.0            | 9.8%         | 9.4%         | 350.8            | 332.4            | 5.5%         | 0.3%         |
| <b>Total</b>                    | <b>\$1,521.1</b> | <b>\$1,156.4</b> | <b>31.5%</b> | <b>35.2%</b> | <b>\$1,734.1</b> | <b>\$1,399.4</b> | <b>23.9%</b> | <b>25.2%</b> | <b>\$1,742.6</b> | <b>\$1,481.1</b> | <b>17.7%</b> | <b>17.2%</b> |

(1) Refer to the reconciliation on Slide 22 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 $\Delta$ | FX $\Delta$    | Organic growth | Organic $\Delta$ % <sup>(1)</sup> |
|---------------------------------|--------------------|----------------|----------------|-----------------------------------|
| (\$M   1 <sup>st</sup> QUARTER) |                    |                |                |                                   |
| Americas:                       | \$327.2            | \$1.3          | \$328.5        | 61.4%                             |
| Asia Pacific:                   | (19.8)             | 22.6           | 2.8            | 0.8%                              |
| EMEA:                           | 57.3               | 18.8           | 76.1           | 26.4%                             |
| <b>Total:</b>                   | <b>\$364.7</b>     | <b>\$42.7</b>  | <b>\$407.4</b> | <b>35.2%</b>                      |
|                                 |                    |                |                |                                   |
|                                 | Net Sales $\Delta$ | FX $\Delta$    | Organic growth | Organic $\Delta$ % <sup>(1)</sup> |
| (\$M   2 <sup>nd</sup> QUARTER) |                    |                |                |                                   |
| Americas:                       | \$312.2            | \$(1.2)        | \$311.0        | 48.1%                             |
| Asia Pacific:                   | (11.4)             | 20.6           | 9.2            | 2.3%                              |
| EMEA:                           | 33.9               | (1.6)          | 32.3           | 9.4%                              |
| <b>Total:</b>                   | <b>\$334.7</b>     | <b>\$17.8</b>  | <b>\$352.5</b> | <b>25.2%</b>                      |
|                                 |                    |                |                |                                   |
|                                 | Net Sales $\Delta$ | FX $\Delta$    | Organic growth | Organic $\Delta$ % <sup>(1)</sup> |
| (\$M   3 <sup>rd</sup> QUARTER) |                    |                |                |                                   |
| Americas:                       | \$290.6            | \$(5.2)        | \$285.4        | 40.1%                             |
| Asia Pacific:                   | (47.5)             | 16.6           | (30.9)         | (7.1)%                            |
| EMEA:                           | 18.4               | (17.5)         | 0.9            | 0.3%                              |
| <b>Total:</b>                   | <b>\$261.5</b>     | <b>\$(6.1)</b> | <b>\$255.4</b> | <b>17.2%</b>                      |

(1) Organic growth percentage change is calculated as organic growth divided by net sales.

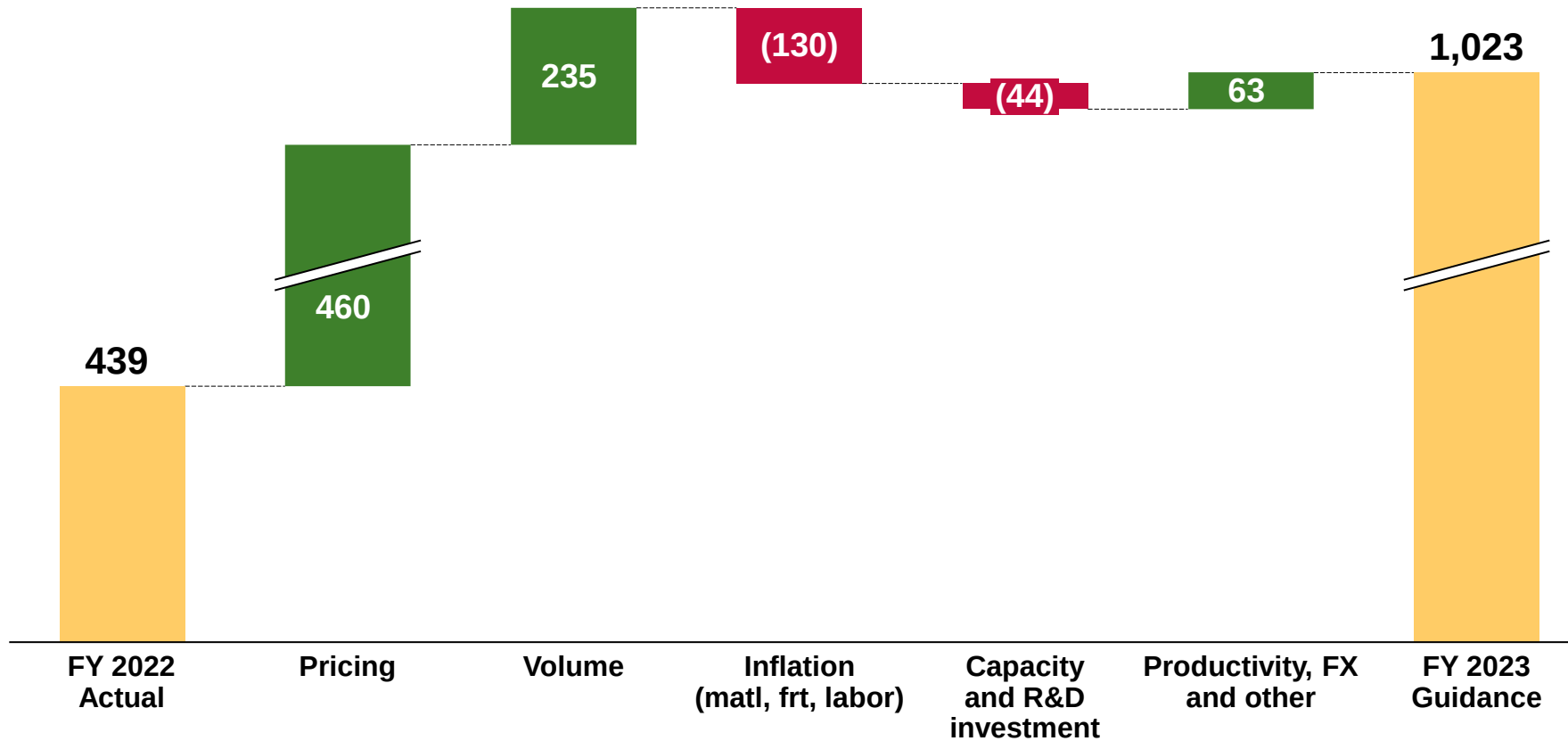
# Third quarter orders growth from prior year

*\$Millions unless otherwise specified*

| Third quarter orders growth |           |
|-----------------------------|-----------|
| Overall                     | 12%       |
| FX headwind                 | <u>1%</u> |
| Total excluding FX          | 11%       |
|                             |           |
| Pricing                     | 6%        |
| Volume                      | <u>5%</u> |
| Total excluding FX          | 11%       |

# Full year 2023 projected adjusted operating profit vs. 2022

\$Millions; FY 2023 at midpoint of guidance



- Volume benefit of ~\$740M higher sales
- Assumes material and freight inflation of ~\$40M and labor inflation of ~\$90M
- Investments in R&D and capacity support growth in and beyond 2023
- Other includes purchasing savings, VAVE and other productivity initiatives. FX translation provides a small headwind.

# Key FX rates and other modeling assumptions

*\$Millions unless otherwise specified*

|           | 4Q<br>Assumption |
|-----------|------------------|
| CNY / USD | 7.29             |
| USD / EUR | \$1.06           |
| USD / GBP | \$1.22           |
| INR / USD | 83.19            |
|           |                  |
| 1-mo SOFR | 5.39%            |

| FY Sales FX Exposure by Currency |            |
|----------------------------------|------------|
| EUR                              | 12%        |
| CNY                              | 12%        |
| GBP                              | 7%         |
| INR                              | 5%         |
| Other non-USD                    | 15%        |
| <b>Total non-USD</b>             | <b>50%</b> |
| USD                              | 50%        |

## FX translation impact<sup>1</sup> 2023 vs. 2022

|         | Q1    | Q2    | Q3 | Q4   | FY    |
|---------|-------|-------|----|------|-------|
| Sales   | (~40) | (~20) | ~5 | (~5) | (~60) |
| Adj. OP | (~4)  | (~1)  | ~2 | (~1) | (~5)  |

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

