



Fourth Quarter 2021 Financial Results

February 2, 2022



CAUTIONARY STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT

Forward-Looking Statements

This presentation contains “forward-looking statements” that are subject to Cautionary Statement on Forward-Looking Statements contained in the press release we issued on February 1, 2022 and which is available on our website. The forward-looking statements are based on our current expectations and beliefs, but there can be no assurance that events or outcomes will occur as anticipated, and the statements are subject to a number of risks and uncertainties, including those disclosed in our Transition Report on Form 10-K and other filings with the Securities and Exchange Commission, that may cause actual results or performance to be materially different than expressed or implied.

Certain of the financial measures included in this presentation, including core growth, adjusted EBITDA, and free cash flow, have not been prepared in accordance with generally accepted accounting principles, or “GAAP”, and constitute “non-GAAP financial measures” as defined by the rules of the Securities and Exchange Commission. We have included these non-GAAP measures because we believe they provide an additional tool for investors to use in evaluating the financial performance and prospects of Zurn. These non-GAAP measures should not be considered in isolation from, or as an alternative to, financial measures determined in accordance with GAAP. In addition, these non-GAAP financial measures may differ from non-GAAP financial measures with comparable names used by other companies. Our earnings release and SEC filings contain additional information about these non-GAAP measures, why we use them and why we believe they are helpful to investors and also contain reconciliations to GAAP data.

Except as required by law, we do not undertake any obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

Performance Update

Strategic Developments

- Completed RMT transaction on October 4, 2021
- Zurn Water Solutions (ZWS) now a stand-alone pure-play water management business
- PMC segment reported as discontinued operations
- Completed the bolt-on acquisition of Wade Drains

Q4 Zurn Results

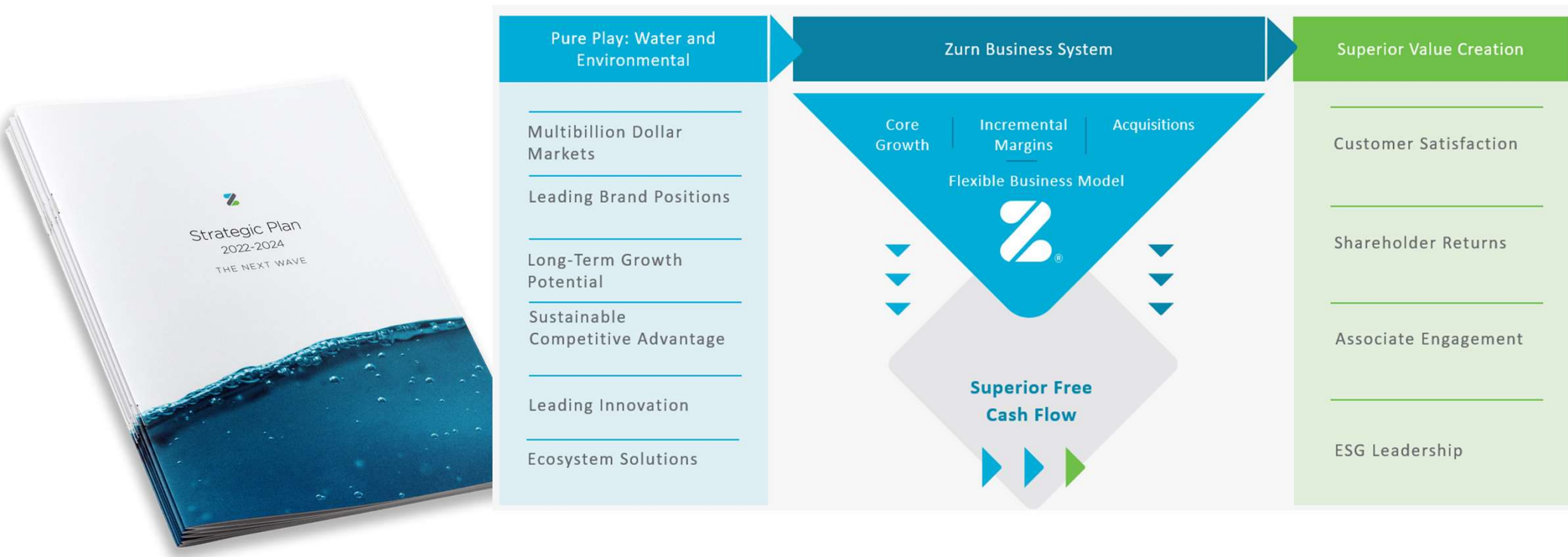
- 4Q net sales increased +23% year over year – core sales⁽¹⁾ +16%, M&A +7%
- Adjusted EBITDA⁽¹⁾ margin of 24% (excluding corporate expenses)
- FCF of \$26M in the quarter (excluding RMT related fees)

CY 2021 Results

- Net sales increased +22% year over year – core sales⁽¹⁾ +13%, M&A +8, FX +1%
- Adjusted EBITDA⁽¹⁾ grows 18% year over year to \$235M (excluding corporate expenses)
- Ending leverage at 2.0x (proforma for \$20M of annual corporate expenses)

(1) Non-GAAP measure defined, reconciled, and discussed in the earnings release included in the Form 8-K filed with the Securities and Exchange Commission on February 1, 2022.

CY2022 – 2024 Strategic Plan ... The Next Wave



Inaugural Zurn Sustainability Report



Sustainably Inspired

Stand-alone Zurn
report to be issued
in coming weeks

Continued progress
on our ESG
initiatives

Report includes specific targets/goals around:

- Commitments to reduce greenhouse gas emissions
- Goals around energy usage reduction
- Goals for diversity among leadership and suppliers
- Commitments around health and safety of associates
- Targeting giving to philanthropic initiatives

4Q 2021 Results

Consolidated Results:

\$ in millions	4Q 2021	4Q 2020	Change
Net Sales	\$232	\$188	23%
<i>Growth from:</i>			
Core ⁽¹⁾			16%
Acquisitions			7%
Adjusted EBITDA ⁽¹⁾	\$45	\$36	27%
% of Sales	19.4%	18.9%	+50 bps

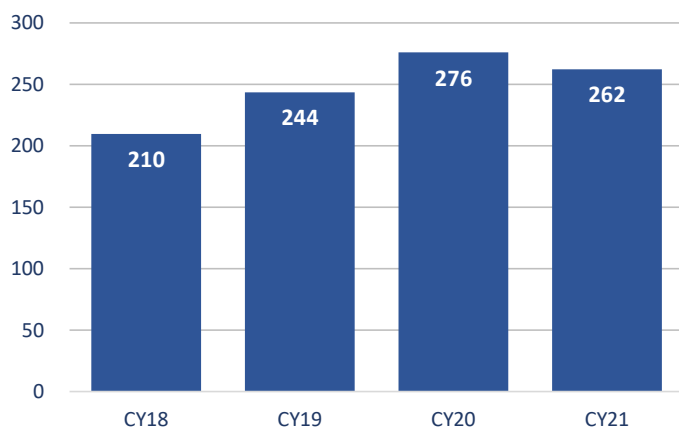
Excluding Corporate Costs:

\$ in millions	4Q 2021	4Q 2020	Change
Net Sales	\$232	\$188	23%
<i>Growth from:</i>			
Core ⁽¹⁾			16%
Acquisitions			7%
Adjusted EBITDA ⁽¹⁾	\$56	\$46	21%
% of Sales	24.0%	24.5%	-50 bps

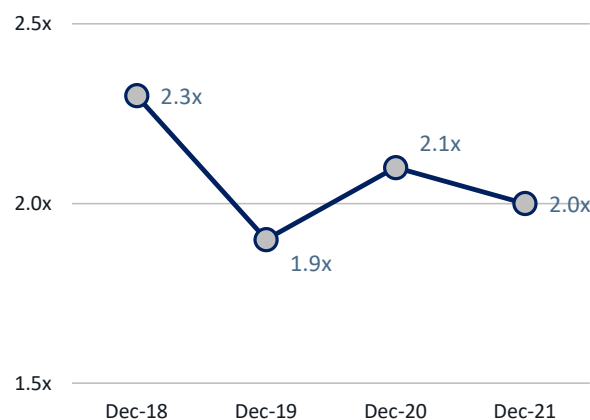
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Cash Flow & Balance Sheet

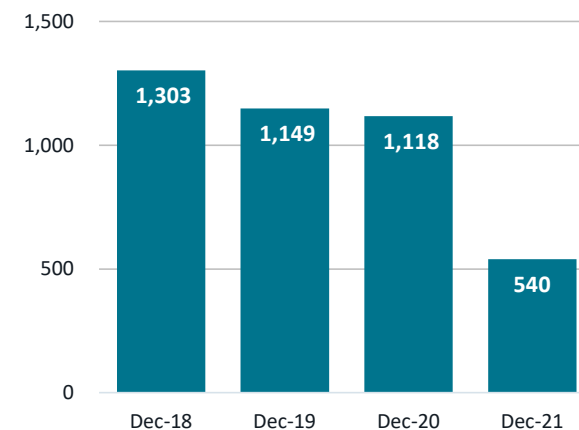
Free Cash Flow (\$ millions) ⁽¹⁾



Net Debt Leverage Ratio ⁽²⁾



Total Debt (\$ millions)



(1) Free Cash Flow is defined as Cash from Operations less Capital Expenditures, and is a Non-GAAP measure defined, reconciled, and discussed in the earnings release included in the Form 8-K filed with the Securities and Exchange Commission on February 1, 2022. CY2021 Free cash flow excludes fees associated with closing RMT transaction.

(2) Net Debt Leverage is defined as the ratio of total debt less cash to pro forma L12M Adjusted EBITDA. LTM adjusted EBITDA in 2021 shown proforma for \$20M of annual corporate costs.

Zurn Outlook

March Quarter (1Q)

- Total sales to increase by high-teens percentage year over year
- Adjusted EBITDA⁽¹⁾ margin in the 24.0% – 24.5% range (excludes corporate expenses)⁽²⁾
- Corporate expense of ~\$7 million
- Interest expense of ~\$5 million
- Stock compensation expense of ~\$5 million
- Depreciation & amortization of ~\$6 million
- Adjusted tax rate ~26.5 – 27.5%

CY22 Outlook

- Double digit core growth year over year
- Adjusted EBITDA⁽¹⁾ margin consistent with 2021 (excludes corporate expenses)⁽²⁾
- Interest expense of ~\$21 million
- Stock compensation expense of ~\$17 million
- Depreciation & amortization of ~\$18 million
- Adjusted tax rate ~26.5 – 27.5%
- Diluted shares outstanding of ~130 – 131 million shares

(1) Non-GAAP measure defined, reconciled, and discussed in the earnings release included in the Form 8-K filed with the Securities and Exchange Commission on February 1, 2022.

(2) Forward-looking information and a non-GAAP measure. Although Zurn can quantify certain elements, it is not able to quantify all variances from GAAP without unreasonable efforts because certain factors are unknown at this time and out of Zurn's control.



Thank You

