

First Quarter 2023 Financial Results

April 26, 2023



CAUTIONARY STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT

Forward-Looking Statements

This presentation includes "forward-looking statements" within the meaning of the federal securities laws that involve risks and uncertainties. Forward-looking statements include statements we make concerning our plans, objectives, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs and other information that is not historical information. All forward-looking statements are based upon information available to us on the date of this presentation. These forward-looking statements are subject to risks, uncertainties and other factors, many of which are outside of our control, that could cause actual results to differ materially from the results discussed or implied in the forward-looking statements, including, among other things: the risks and uncertainties associated with the integration of Elkay Manufacturing Company; our competitive environment; the broader economic and business conditions, and our exposure to customers in cyclical industries; increases in cost of our raw materials, including as a result of tariffs, trade wars and other trade protection matters; the effects of the Covid-19 pandemic; and the other factors described under "Cautionary Notice Regarding Forward-Looking Statements" and "Risk Factors" in our 2022 Annual Report on Form 10-K filed with the Securities and Exchange Commission and subsequent reports filed with the SEC on Forms 10-Q and 8-K, all of which are available on our website at [Zurn-Elkay.com](https://www.zurn-elkay.com).

Certain of the financial measures included in this presentation, including core sales, 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 Elkay. 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 filed with the SEC under Form 8-K on April 25, 2023 and other 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

- ✓ Repurchased \$37M of shares in 1Q
- ✓ Launched awareness campaign around safe drinking water in the U.S.

1Q Results

- ✓ 1Q net sales increased +55% year over year
 - ✓ Core sales⁽¹⁾ +3% ...FX -1%
 - ✓ Proforma Core sales^{(1) (2)} +5%
- ✓ Adjusted EBITDA⁽¹⁾ margin of 19.5%
- ✓ FCF⁽¹⁾ break-even in the quarter
- ✓ Ending leverage at 1.6x...inclusive of \$37M share repurchases

(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 April 25, 2023.

(2) 1Q CY22 pro forma sales of \$357 million (1Q CY22 ZWS reported sales + 1Q CY22 Elkay sales less \$28M impact of product line exits).

1Q Zurn Elkay 2023 Results

Consolidated Results

\$ in millions	1Q 2023	1Q 2022	Change
Net Sales	\$372	\$240	55%
<i>Growth from:</i>			
Core ⁽¹⁾			3%
Pro forma Core ⁽²⁾			5%
Acquisitions			53%
FX			(1%)
Adjusted EBITDA ⁽¹⁾	\$72	\$52	39%
% of Sales	19.5%	21.7%	-220 bps

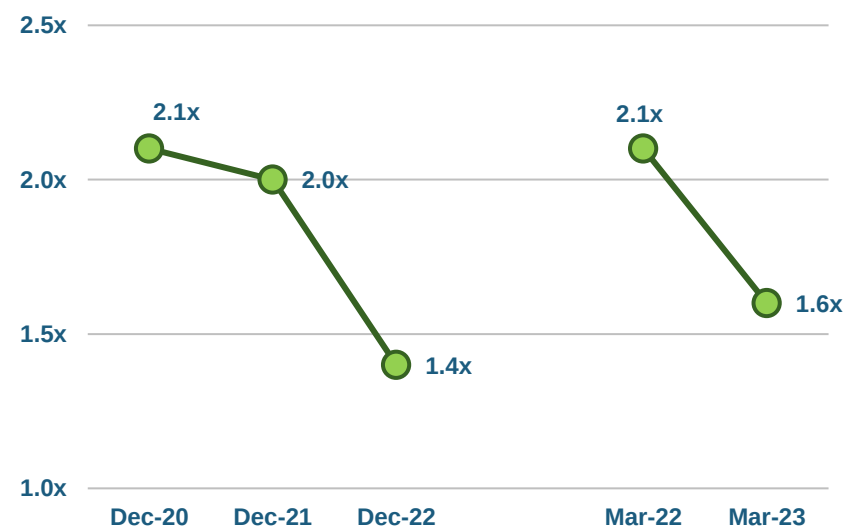


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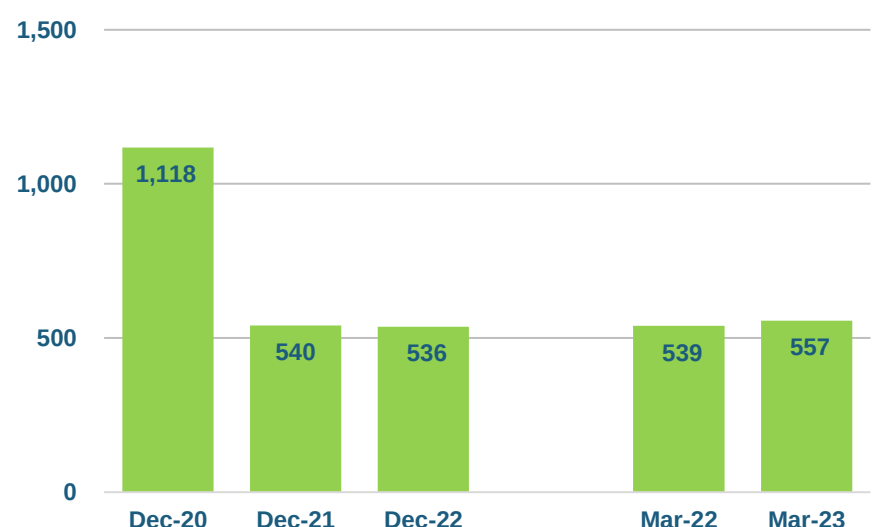
(2) 1Q CY22 pro forma sales of \$357 million (1Q CY22 ZWS reported sales + 1Q CY22 Elkay sales less \$28M impact of product line exits).

Zurn Elkay Leverage and Debt

Net Debt Leverage Ratio⁽¹⁾



Total Debt (\$ millions)



(1) Net Debt Leverage is defined as the ratio of total debt less cash to pro forma LTM Adjusted EBITDA.

More States Fighting for Clean Water



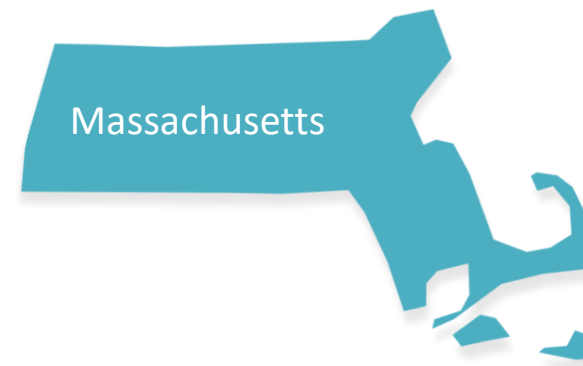
California Safe Drinking Water AB 229

Introduced: March 2023
of K12 Schools: ~9,000



Healthy and Safe School Water Plan H.B. No. 1123

Introduced: December 2022
of K12 Schools: ~8,150



Safe Drinking Water in Schools Bill H.851

Introduced: January 2023
of K12 Schools: ~1,750

Awareness Campaign Launched

Kids aren't
filtered.



But their
drinking water
should be.



Across the U.S. kids
are exposed to

**HIGH
LEVELS OF
LEAD**

in their schools'
drinking water.



Bring **SAFER** drinking
water to your school.

ELKAY
will show you how.

**SCAN TO LEARN MORE and
SPREAD THE WORD!**



Fountains for Youth

- ✓ We are supporting schools and communities around the country by donating filtered Elkay ezH2O bottle filling stations
- ✓ Charitable contributions focused on states with large drinking water lead exposure levels

- ✓ Los Angeles, CA
- ✓ Benton Harbor, MI
- ✓ Milwaukee, WI



1Q ESG/Sustainability Impact



SUSTAINABLE PRODUCTS

74%

% revenue from products with sustainable attributes in 1Q 2023

WASTE REDUCTION

4.6 Billion

Single use plastic water bottles eliminated in 1Q 2023

BOARD DIVERSITY

30%

of the board of directors is female; 40% diversity overall

ENERGY / GHG REDUCTION

8 Projects

New GHG reduction focused projects identified at facilities across the U.S.

COMMUNITY DONATIONS

\$1M

Of cash/in-kind donations/associate volunteer hours

SUSTAINABLE PRODUCTS

8 Billion

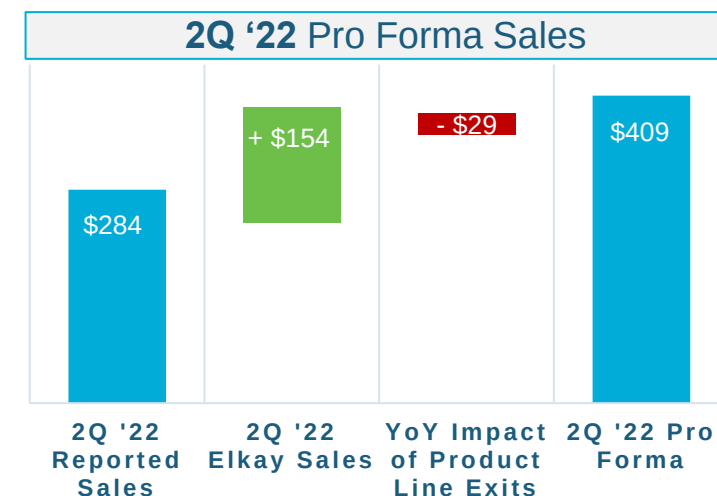
Gallons of water saved in 1Q 2023 from our products

Zurn Elkay Outlook

Full Year outlook unchanged

June Quarter (2Q)

- ✓ *Total net sales between \$385 million and \$395 million... pro forma 2Q outlook assumes:*
 - ✓ *Non-residential sales growth -1% to -4%...impacted by prior year backlog reduction...positive order growth year over year*
 - ✓ *Residential sales growth approximately -15%*
- ✓ *Total Adjusted EBITDA⁽¹⁾ margin in the 21.0% – 21.5% range⁽²⁾*
 - ✓ *Inclusive of ~100 bps drag on margin from sell-through of higher cost inventory*
- ✓ *Interest expense of ~\$10 million*
- ✓ *Stock compensation expense of ~\$11 million*
- ✓ *Depreciation & amortization of ~\$23 million*
- ✓ *Adjusted tax rate ~27.0 – 28.0%*
- ✓ *Diluted shares outstanding of ~177 million*



(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 April 25, 2023.

(2) Forward-looking information and a non-GAAP measure. Although Zurn Elkay 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 Elkay's control.

Thank You

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