

First Quarter 2024 Financial Results

April 24, 2024

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WATER SOLUTIONS

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: 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; and the other factors described under "Cautionary Notice Regarding Forward-Looking Statements" and "Risk Factors" in our 2023 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 [ZurnElkay.com](https://www.ZurnElkay.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 23, 2024 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

- ✓ Share repurchases of \$19M (~620k shares)
- ✓ Published our 2023 Sustainability Report

1Q Results

- ✓ Proforma Core sales⁽¹⁾ ⁽²⁾ +4%
- ✓ Adjusted EBITDA⁽¹⁾ margin of 24.1% ... up 460 bps or 24% over prior year Q1
- ✓ FCF⁽¹⁾ of \$50M in the quarter
- ✓ Ending net debt leverage at 0.9x

(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 23, 2024.

(2) 1Q CY23 proforma core sales of \$360 million (1Q CY23 ZWS reported sales less \$12M impact of product line exits).

1Q Zurn Elkay 2024 Results

Consolidated Results

\$ in millions	1Q 2024	1Q 2023	Change
Net Sales	\$374	\$372	0%
<i>Growth from:</i>			
Core ⁽¹⁾			0%
Pro forma Core ⁽²⁾			4%
Adjusted EBITDA ⁽¹⁾	\$90	\$72	24%
% of Sales	24.1%	19.5%	+460 bps

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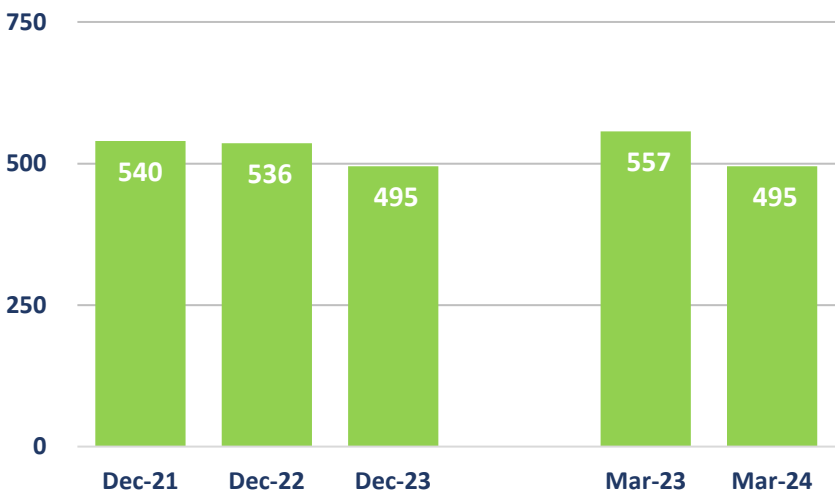


Zurn Elkay Leverage and Debt

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.

Innovation Driving Share Gains



Reliable, Sustainable Performance

Hydro•X Power® technology powers renewable, uninterrupted hydropower for no unplanned downtime.



Low Maintenance

Solenoid-free gear-driven ceramic cartridge that is less susceptible to debris and buildup for less maintenance.



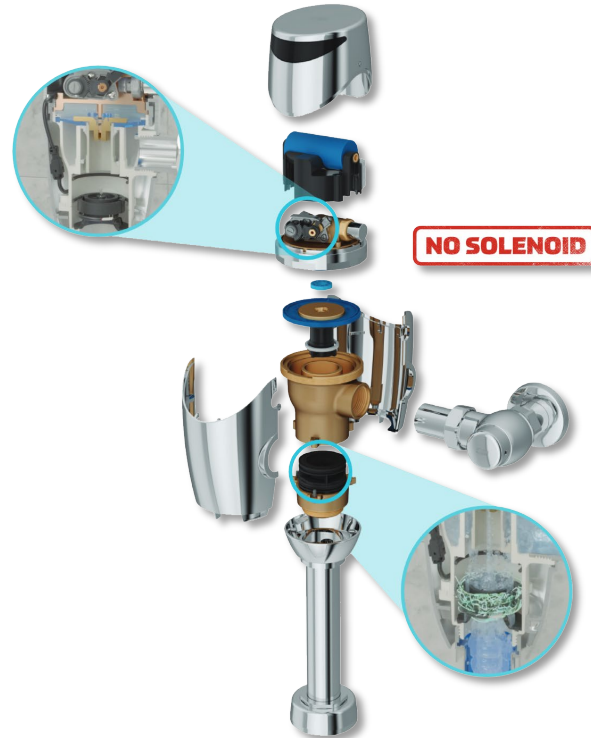
Industry-leading Diaphragm

Triple-filtered AquaVantage® diaphragm, gaskets and seals last 8-10 times longer than traditional rubber.



Sensor Activated

Automatic, touchless sensor activation can help reduce germs.



1Q Sustainability Impact

SUSTAINABLE PRODUCTS

86%

Revenue from products with sustainable attributes

PEOPLE

94%

Response rate on most recent Associate engagement survey

SUSTAINABLE PRODUCTS

7.6 billion

Gallons of water saved from our products

PEOPLE

9,700

Training hours for associates

SUSTAINABLE PRODUCTS

450 million

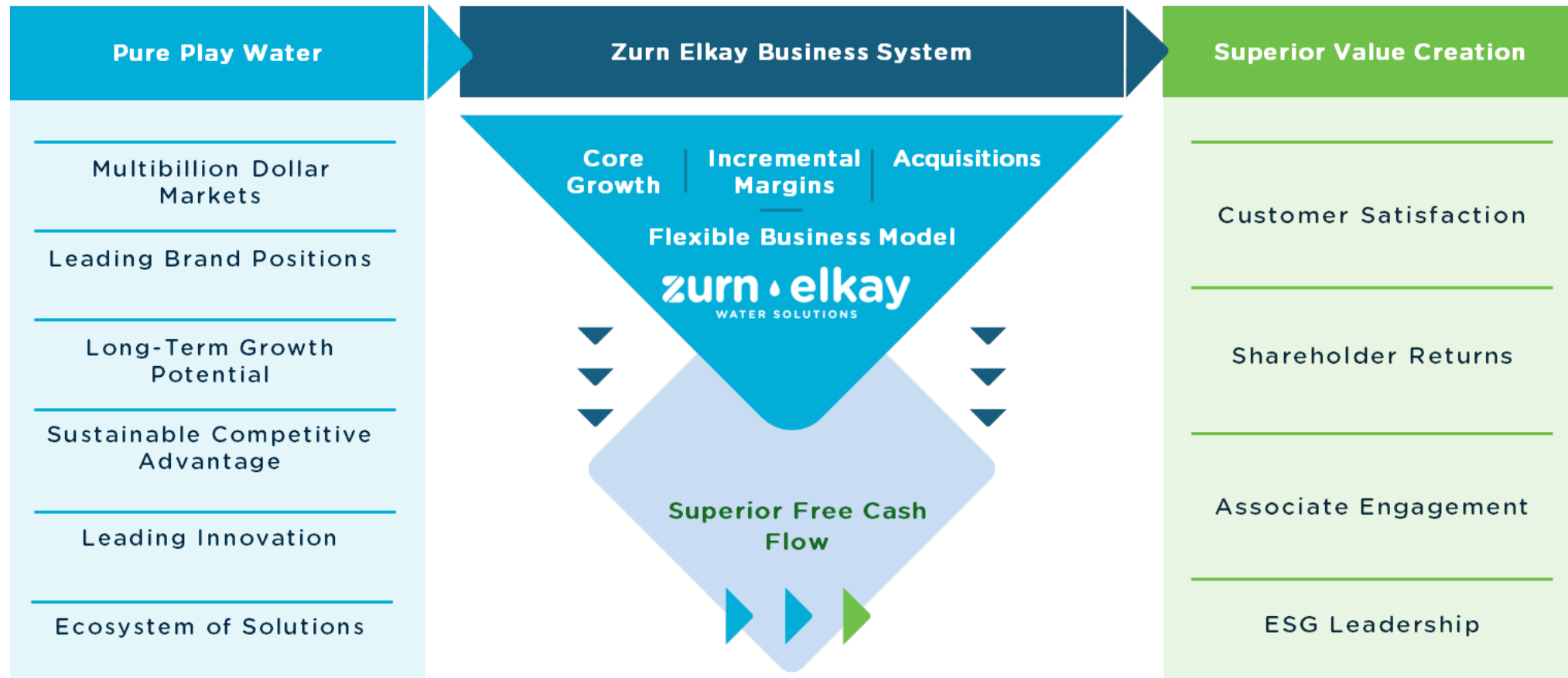
Gallons of safer, cleaner filtered water delivered by our filters

WASTE REDUCTION

4.5 billion

Single-use plastic water bottles prevented

ZWS Business Model



Zurn Elkay Outlook

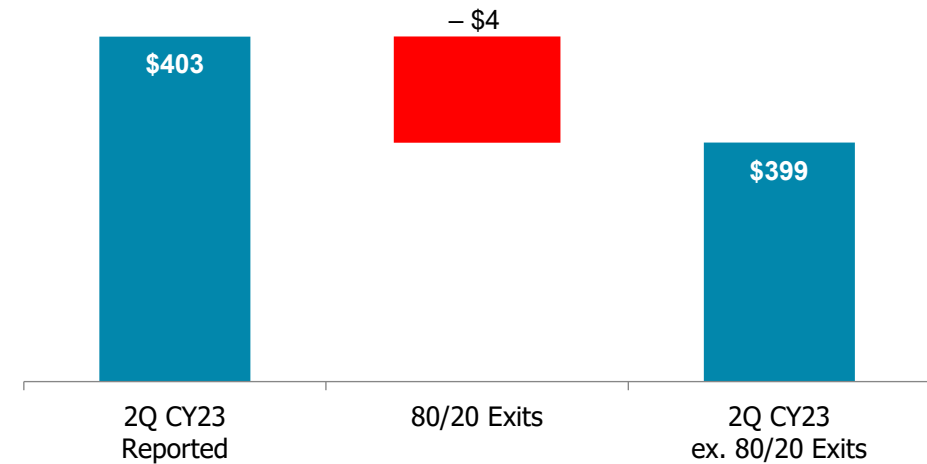
June Quarter (2Q) Outlook

- Proforma core sales growth⁽¹⁾ up +LSD
- Adjusted EBITDA⁽¹⁾ margin between 24.5% and 25.0%⁽²⁾
- Below the line assumptions:
 - Interest expense of ~\$9 million
 - Stock compensation expense of ~\$10 million
 - Depreciation & amortization of ~\$22 million
 - Adjusted tax rate ~26.5% - 27.5%
 - Diluted shares outstanding of ~176 million (assumption with no additional share repurchases)

2024 Outlook

- No change to revenue expectation ... expecting core growth
- Increasing Adjusted EBITDA⁽¹⁾ margin expectation ... YoY Adjusted EBITDA margin to expand 150 bps to ~200 bps

2Q CY23 to 2Q CY23 Proforma Sales



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(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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