

PENTAIR INC
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PENTAIR
PENTAIR
Investor Presentation
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Chairman and Chief Executive Officer
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FORWARD-LOOKING STATEMENTS

Caution Concerning Forward-Looking Statements

This communication may contain certain statements about Pentair, Inc. (Pentair), Tyco Flow Control International Ltd. (Tyco Flow) and the proposed merger of Pentair and Tyco Flow (the Merger), Pentair's and Tyco Flow's anticipated standalone or combined financial results and all other statements in this document that are forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. The forward-looking statements about the expected effects on Pentair, Tyco Flow and Tyco of the proposed merger of Pentair and Tyco Flow (the Merger), Pentair's and Tyco Flow's anticipated standalone or combined financial results and all other statements in this document that are preceded or followed by or that include the words targets , plans , believes , expects , intends , will , would , expect , positioned , strategy , future or words, phrases or terms of similar substance or the negative thereof are forward-looking statements. These forward-looking statements are based on the current expectations of the management of Pentair, Tyco Flow and Tyco (as the case may be) and are subject to uncertainties that could cause actual results to differ materially from those expressed or implied in such forward-looking statements.

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PENTAIR

WINNING RIGHT

Well Positioned for Future Success & Sustainable Growth

Clear Growth Agenda

Targeted Investments, Focused Resource Allocation and Prioritized Investments

Positioning to Win in the New

New World

Growing Population & Wealth of Developing Economies Create Tremendous Opportunity for Pentair

Increasing Presence in Fast Growth Regions

Pentair Integrated Management System Key to Value Creation

Operational Excellence, Lean Improvements and Repositioning Benefits

One-Year Anniversary of Rapid Growth Process

Well Positioned for Sustainable, Profitable Growth in 2012 & Beyond

Focused on Generating Strong, Sustainable Shareholder Returns

PENTAIR
4
Making
Significant
Progress
Towards
Vision
A
diversified
industrial
growth
company

A
global
enterprise
and
responsible
citizen
known
for
operational
excellence,
innovation,
top
talent
and
growing
by
serving
customers
well

Delivering
superior
long-term
shareholder
value

OUR VISION

PENTAIR

5

A Decade of Positive Transformation

~

20%

20%

of Sales

in Fast Growth

Region

~

5%

5%

of Sales
in
Fast Growth
Regions
Expanded Tech
Product Offerings,
Acquired
~
\$200M
in Sales
~
17%+
17%+
ROS
Tech Product
Business
Today
Today
Early
Early
2000 s
2000 s
Mid-
Mid-
2000 s
2000 s
Tools Largest
Business
Sold Tools,
Acquired >\$1B in
Water Revenues
Portfolio of ~25
Smaller Businesses;
Manufacturing
Oriented
Global Water
Business,
Product Focus
More Global Filtration
Sales, Acquired
A
Leading
Leading
Membrane
Membrane
Technology
Technology
Company
Began Lean
Enterprise in

Tech Products
A HISTORY OF CHANGE
Announced Pending
Merger with
Tyco Flow Control
Tyco Flow Control

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More than a Decade of Differentiated Performance

A HISTORY OF PERFORMANCE

*Total shareholder return of Pentair and S&P 500 from close on 12/31/2000 through close on 3/31/2012

TOTAL SHAREHOLDER RETURN* OF PENTAIR AND S&P 500

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SALES BY PLATFORM

SALES BY PLATFORM

SALES BY GEOGRAPHY

SALES BY GEOGRAPHY

SALES BY VERTICAL

SALES BY VERTICAL

~2/3 Water & Fluid;

~1/3 Technical Products

Balanced Portfolio with
Attractive Growth Prospects

Leading Brands; Solid
Distributor Network
Diverse Businesses, Geographies, & Vertical Markets

Fast Growth Region Mix Up
from ~9% in 2005

Key Growth Regions include
China, Latin America,
India & Middle East

Strength in Diversity of
Verticals Served

More Advanced Water
Systems Across Verticals

United

States

(61%)

Developed

Non-US

(21%)

Fast

Growth*

(18%)

Residential

(~36%)

Commercial

(~11%)

Industrial &

Agriculture

(~44%)

Infrastructure

(~9%)

US ~2/3

Non US ~1/3

Technical

Products

Flow

Treatment /

Process

Aquatic

Water &

Fluid Solutions

A

DIVERSE,

GLOBAL

COMPANY
2011
REVENUE
OF
\$3.5B

* Fast Growth Regions include China, Latin America, India, SE Asia, Eastern Europe, the Middle East and Africa

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2009

2010

2011

2011 PERFORMANCE

A RECORD YEAR

2009

2010

2011

2009

2010

2011

RECORD SALES

Adj.

ROS

*

9.6%

ROS

11.0%

\$2.7

\$3.0

\$1.47

\$2.00

Strong Year

Well Positioned for Future Growth

Broad-Based Growth Across

Diverse Portfolio

Productivity Initiatives Driving

Operating Margins Higher

Continuing to Deliver Strong

Earnings Growth

\$3.5

Adj.

ROS

*

11.7%

\$2.41

SALES

(\$B)

ADJ. OPERATING INCOME

*

(\$M)

ADJ. DILUTED EPS

*

(\$)

+13%

2-YR CAGR

+25%

2-YR CAGR

\$258

\$334

\$404

STRONG PROFITS

RECORD EARNINGS

+28%

2-YR CAGR

* Results are adjusted and from continuing operations; see reconciliations in appendix.

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\$0.88

\$0.01

1976

1985

1995

2005

2012

Pentair Has Increased Dividends for 36 Consecutive Years

*Dividends adjusted for splits and stock adjustments. **All results are on an adjusted basis. See reconciliation in appendix.

2009

2010

2011

Adj. NI

FCF in excess of Adj. NI

Free Cash Flow Conversion

Consistently >100% of Adj.

Net Income

\$207M

\$211M

\$248M

STRONG CASH FLOW GENERATION

FREE CASH FLOW

**

ANNUALIZED DIVIDENDS

*

Strong Free Cash Flow Conversion

Fuels Dividend Growth

Dividend

Payout Ratio

Currently >30%

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Adj. Op Income Up 10%

Adj. Op Margins 11.3%

Up 20 bps

Volume/Acq.

(0.8 pts.)

Price/Productivity

+3.0 pts.

Inflation
(2.0 pts.)
Adj. EPS Up 23%

Adj. Effective Tax Rate ~20%
(ETR ~29% excl. discrete tax item benefit)

Adj. Interest Up ~\$7M
Q1 Free Cash Flow of (\$82M)

Normal Seasonality and Timing

On Track to Deliver FY FCF >100% of NI

* All year-over-year comparisons against 2011 adjusted results.

** CPT refers to the acquisition of Norit's Clean Process Technologies Business; Closed May 12, 2011

FINANCIAL HIGHLIGHTS

SUMMARY

Sales Up 9%
(Incl. +9 pts from CPT
**
& (1 pt) from FX)

Water & Fluid Up 14%

Technical Products Down (1%)

Western Europe Plus Lower Flood-Related Pump
Sales Negatively Impacted Top-Line

Double Digit Growth in Industrial, Energy,
Agriculture and Pool

Pricing, Lean & Repositioning Drove Margins
up YoY, Despite Acquisition Impact

Below the Op Line, Lower Taxes YoY More than
Offset Higher Interest and Diluted Shares
Strong Execution Drove Double Digit Adj. Op Income Growth

Q1 '12 PENTAIR RESULTS

*

as presented on April 24, 2012

Q1 '12

Q1 '11

Sales

\$858M

\$790M

Op Income

(Rpt.)

\$85M

\$86M

Op Income

(Adj.)

\$97M

\$88M

ROS

(Adj.)

11.3%

11.1%

EPS

(Rpt.)

\$0.61

\$0.51

EPS

(Adj.)

\$0.64

\$0.52

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Flow (~40% of Water & Fluid Solutions Sales Mix)

-

Expect W. Europe & Municipal Headwinds to Continue
in 1H; Easier Comparisons in 2H

Treatment/Process (~38% of Sales Mix)

-

Expect Industrial/Energy to Remain Strong;
Stabilized US Residential with Easier 2H Comparisons

-
Expect W. Europe Headwinds to Continue; Expect Fast
Growth Regions Sales to Improve

Aquatic (~22% of Sales Mix)

-
Significant Pool Installed Base; Expect Good Demand
with Eco-Select Products Growing Beyond Market

-
Brazil Acquisition Expected to Benefit Sales >\$10M

SALES

GROWTH

EXPECTATIONS

(FY

2012)

as

presented

on

April

24,

2012

Nice Growth in Many Verticals

Mitigating W. Europe & Muni Headwinds

Water &

Fluid

Solutions,

69%

Technical

Products,

31%

Industrial

37%

Communications

20%

Energy

11%

General Electronics

11%

Commercial

7%

Infrastructure

6%

Other

8%

WATER & FLUID SOLUTIONS (FY 12)

TECHNICAL PRODUCTS (FY 12)

SALES MIX BY SEGMENT

Strength in [Breadth of Portfolio](#)

&

Alignment with [Global Mega Trends](#)

Expect Attractive Growth in
Industrial and Energy

Softness in
Electronics and Communications
Expected to Continue

Lumpy Telecom Program Impact 1H ~\$15M YOY

Solid Growth in
Commercial and Infrastructure
Expected to Continue

Residential

52%

US

68%

Non-US

32%

Industrial

18%

Commercial

13%

Municipal

11%

Agriculture

6%

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FY 12 FINANCIAL OUTLOOK

KEY HIGHLIGHTS

New Products, Expanded Distribution and Fast
Growth Regions Expected to Fuel Growth

Expect Better Price/Cost, More Productivity
and Prioritized Investments to Expand Margins

Expect to Generate FCF > Net Income, with

Disciplined Allocation

Integration Planning & Leadership is Critical

Tyco Flow Deal Not Reflected in this Outlook

Growth and Productivity Strategies In Place

Well Positioned in 2012

FULL YEAR 2012 PENTAIR OUTLOOK

*

as presented on April 24, 2012

FY 12

FY 11

Sales

~\$3.7B

\$3.46B

Op Income

(Rpt.)

\$433M -

\$458M

\$169M

Op Income

(Adj.)

\$445M -

\$470M

\$404M

ROS

(Adj.)

up 50 bps -

80 bps

11.7%

EPS

(Rpt.)

\$2.62 -

\$2.77

\$0.34

EPS

(Adj.)

\$2.65 -

\$2.80

\$2.41

Adj. Op Income Up 10% -

16%

Adj. Op Margins Up 50 bps -

80 bps

Water & Fluid Margins, Up ~50 bps

Technical Products Margins, Up ~100 bps

Adj. FY EPS Up 10% -

16%

Adj. Tax Rate 26% -
27%

Adj. Interest Up ~\$8M YoY
Sales Up 6% -
8%
(incl. ~3pts from CPT Acq.)

Water & Fluid Up 8% -
10%

Technical Products Up 2% -
4%

*
2012
full
yearoutlook
does
not
include
any
future
impact
from
Tyco
Flow
Deal;
All
year-over-year
comparisons
against
2011
adjusted
results.
FY 12 Free Cash Flow ~\$270M

Expect >100% Net Income Conversion

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POSITIONED TO SERVE THE NEW
NEW WORLD

Breadth and Expertise to Serve the New
New World

Industrialization

Infrastructure

Resource Scarcity

Quality of Life

>4 Billion Reaching

Middle Class Globally

Needs and Wants Are
Driving Demand
Increasing Population and Wealth
of the New
New World
Food
Infrastructure/Industry
(Transportation and Manufacturing)
Energy

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CLEAR VISION, CONSISTENT STRATEGY

Clear Path Forward for Growth and Value Creation

Invest in **Innovative Technology**
& Application Expertise

Innovate
Around Scarcity, Energy
Efficiency and Sustainability

Continue to Build Scale in **Fast**
Growth Regions

Taking PIMS to the Next Level
and Leveraging New **Rapid**
Growth
Tool

STRATEGIC PRIORITIES

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15
\$57
\$62
\$58
\$67
\$78
1.7%
1.9%
2.1%
2.2%
2.3%

2007

2008

2009

2010

2011

(\$M)

% of Sales

Salt-less Water Softener,
featuring Hybrid
Deionization Technology

Liquid Natural

Gas Filtration

System

High Capacity

In-Row Cooling

Units

Investing in Pentair's Future and Growth

INVESTING IN INNOVATION

Beer Membrane Filtration

Award-Winning Fish Friendly

Pump

RESEARCH AND DEVELOPMENT

Qingdao Enclosure Design Center

O₂

Gehaltemeter

for Optimizing

Beverage Quality

Energy-Efficient IntelliFlo

Variable Speed Pool Pump

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Building Global Scale and Enhancing Growth Prospects

Fast Growth

*

9%

Developed

Non-US

18%

Fast Growth

*

18%

Developed
Non-US
21%
2005 Sales
\$2.9B
United
States
73%
United
States
61%

Addressing the Growing
Demands of the New
New World

Broad Array of Solutions
with Growing Application
Expertise and Regional
Focus

More Advanced
Production Capabilities &
Expanded Capacity

2011 Sales
\$3.5B

GEOGRAPHIC SALES MIX

INCREASING OUR GLOBAL PRESENCE

* Fast Growth Regions include China, Latin America, India, SE Asia, Eastern Europe, the Middle East and Africa

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Safety, Quality, Delivery, Cost and Cash Focus

Attracting and Developing Top Talent

Prioritizing Investments & Innovation

Building Growth Capabilities

GLOBAL

TALENT

SYSTEM

PeopleSoft

Staffing

Performance

Rewards

Development

PeopleSoft

Staffing

Performance

Rewards

Development

LEAN

ENTERPRISE

EXECUTING OUR PROVEN STRATEGY

PIMS Roadmap Is Key to Value Creation

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Well-Positioned to Serve the New
New World

-

Growing Population and Wealth of Developing Economies
A World-Leading ~\$7.7B

*

Industrial Growth Company

-

A Global Leader in Flow, Filtration and Equipment Protection
PENDING PENTAIR & TYCO FLOW MERGER, **Previously Announced**

A Great Industrial Combination
Strong from the Start

-

More Global, More Diverse and More Scale
Stronger in the Future

-

Projected ~\$0.40 Accretive to 2013 EPS; Expect 2015 EPS of >\$5.00

-

Expect ~\$200M annual operational cost synergies with full realization by Yr 3

-

Expect Debt/Proforma 2013 EBITDA of ~1.3x

1

2

3

4

* Combined projected 2012 pro forma revenues. Tyco Flow financials calendarized to December.
As Presented on March 28, 2012

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Two Global Leaders

A Powerful Combination

A Global Leader in Industrial

Valves and Controls

Strong Regional Leader in Water
and Environmental Solutions

A Global Leader in Industrial

Heat Management Solutions

Strong Lean/Six Sigma Journey

Strong Cash Flow Generation

Broad Global Reach

PENDING PENTAIR & TYCO FLOW CONTROL COMBINATION

Emerging Presence in Industrial

Fluid Processing Solutions

A Global Leader in Water Flow
and Filtration Applications

A Global Leader in Equipment
Protection Solutions

Proven Operational Excellence
and Lean Discipline

Strong Cash Flow Generation

Building Global Presence

STRENGTHENS FLUID

PROCESS SOLUTIONS

EXTENDS WATER

OFFERINGS

ADVANCES THERMAL

CAPABILITIES

ENHANCES

GROWTH POTENTIAL

As Presented on March 28, 2012

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Water & Environ.

Water & Fluid

Thermal Controls

Technical Products

Valves & Controls

Flow Control

STRONG STRATEGIC FIT

Complementary Capabilities to Best Serve Customers

PENTAIR

SALES BY SEGMENT

TYCO FLOW

SALES BY SEGMENT

COMBINED COMPANY SALES

2012 *pro forma* PROJECTED SALES ~\$7.7B*

Water &

Fluid

Solutions,

~70%

Technical

Products,

~30%

Valves &

Controls,

~60%

Water &

Environ.,

~20%

Thermal

Controls,

~20%

Projected 2012 Sales: ~\$3.7B

Projected 2012 Sales: ~\$4.0B*

Technical

Products,

~30%

EP

FC

W&F

Water &

Fluid

Solutions,

~45%

Equipment

Protection

Solutions,

~25%

Flow

Control,

~30%

* Tyco Flow financials calendarized to December.

As Presented on March 28, 2012

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SERVING HIGHLY ATTRACTIVE GROWTH SECTORS

Driven By Strong Secular Growth Trends

Increased Scale in Attractive Growth Sectors

Sales Mix: Estimated 35% Project

DIVERSE VERTICALS

COMBINED 2012 *pro forma* PROJECTED SALES MIX

Industrial,

~35%

Energy,

~25%

Infrastructure,

~10%

Comm 1,

~10%

Industrial

Performance & Quality

Efficiency

Hazardous

Energy

Efficiency

Unconventional

Technology

Global Water

Scarcity

Regulation

Sustainability

Infrastructure

Aging

Capacity Needs

Urbanization

SECULAR TRENDS DRIVING DEMAND

Residential,

~20%

As Presented on March 28, 2012

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EXPANDED GLOBAL REACH

Fast Growth Regions ~25% of Combined Sales

~40%

US & CANADA

~35%

DEVELOPED

REST OF WORLD

WORLDWIDE

>100 Manufacturing Facilities

>90 Service Centers

>30,000 Employees
Significant US Residential
Installed Base
US Industrial Sector
Strength
Continued Increase in
Demand for Oil and Gas,
Power
Broader Offering,
Recognized Brands, Plus
Service Centers in Large,
Fragmented Market
Rising GDP and
Urbanization Driving
Infrastructure, Energy
& Water Demands
Robust Industrial Sector
Greater Scale in Fast
Growth Regions Across
All Businesses
~25%

**FAST GROWTH
REGIONS**

As Presented on March 28, 2012

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Operating/G&A Cost Synergies: ~\$160M

Direct/Indirect Sourcing Opportunities

Lean/PIMS in Factories: Deploy in Tyco Flow

IT/Finance/HR Standardization

Management and Regional Business Integration

Day One

Cost Avoidance: ~\$40M

~\$80M Public Company Corporate Cost Avoidance,
Net of ~\$40M Integration/Corporate Investments

Day One

Annualized Tax Rate of ~24-26%
(Below the Operating Line)

Expect Annualized Tax Rate of ~24-26%

Revenue Synergies
All Upside Potential

Cross-Selling of Channels, Verticals, Products and Services

Not Assumed in Accretion and Cash Flow Forecasts

VALUE CREATION POTENTIAL

Corp Cost

Avoidance

Tax

Synergies

Cost

Synergies

~\$1B in Value Day 1 from Corp Cost Avoidance + Taxes

RUN-RATE SYNERGY

Estimated One Time Costs of \$230M

(~1/3 is Non-Cash Inventory Step-Up Costs)

~\$200M of

Operational

Synergies

pre-tax

ANTICIPATED PRE-TAX SYNERGIES

As Presented on March 28, 2012

Expected

Annualized

Tax Rate of

~24-26%

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Direct/Indirect Sourcing

Benefit from Global Procurement and Indirect
Sourcing Capabilities

Leverage Company-Wide Standard Vendor Lists

Insource/Resource Common Buys

Operations / Lean

PIMS Works

Proven Processes Utilizing

Standard Work and Cultural Influence

Global Structure

Significant Opportunity

Drive to Standard Systems and Processes in

IT/Finance/HR to Reduce G&A

Integrate and Leverage Regional Sales and Service

Locations

Focus in Fast Growth Regions

Pentair G&A ~7.5% of Sales

Tyco Flow SpinCo

>10.5%

No Reductions in R&D

COST SYNERGY DRIVERS

Expected Annual Cost Synergies of ~\$200M by 2015

2013

2014

2015

~\$90M

~\$150M

~\$200M

Direct/

Indirect

Sourcing

Ops/

Lean

Global

Structure:

G&A,

Selling/

Mkting

EXPECTED Operational Cost SYNERGIES

As Presented on March 28, 2012

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VALUE CREATION ROADMAP

Clear Strategy, Focused Execution and Proven Framework

CLEAR VISION,

CONSISTENT STRATEGY

PERFORM AT A

HIGHER LEVEL

EXECUTE OUR

PROVEN STRATEGY

LEVERAGE COMBINED

STRENGTHS

Focus on Key **Value**

Creation

Metrics:

-
Organic Sales Growth +
Key Acquisitions

-
Op Margin Expansion

-
Prioritized Growth

-
Cash Flow > NI

-
ROIC

Based on the Pentair
Integrated Management
System (**PIMS**)

-
Lean Enterprise

-
Talent Process

-
New Product
Development Roadmap

-
Rapid Growth Process
Shared Vision and
Win-Right

Culture

Leverage Process and
Cash Flow Disciplines
Strong Customer-Centric
Business Models

Clear, Simple, Global
Vision

based on New

New World

Shareholder Value

Creation Has Always
Been Our #1 Goal

NEW

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INTEGRATION LEADERSHIP

Valves &

Controls

Thermal

Water &

Environ.

Pentair

Dedicated Resources to Capture Synergistic Potential

Leaders by Function

Business

Process
Sourcing/
Indirect
Lean/RE
Logistics
Finance/IT
Selling/
Marketing
HR/
Culture
Legal/
Compliance
Executive/
Board

INTEGRATION TEAM

Reporting Directly to Chairman/CEO

INTEGRATION LEADER

Program Management Office (PMO)

Integration Team Will Consist of

~25

40 Proven Leaders

Primary Focus on Structure,
Standardization, Indirect
Spend, Direct Materials and
On-Boarding

Function and Geographic
Region Focus

Pentair + Tyco Flow
Leadership

Supported by PMO Office

First 100 Days Plan Already
Underway

As Presented on March 28, 2012

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Mega Trends in Favor
of Combination

Complementary
Extension of Product
Offerings & Solutions
More Scale, More Global and More Diverse

Broader Global Reach

Fast Growth Region
Sales ~25%

Global Service and
Sales Coverage

Increased Scale in High
Growth Applications

Enhanced Product
Offerings and Solutions

Diverse Customer Base

US and
Canada,
~40%

Fast Growth
Regions,
~25%

Western
Europe,
~20%

COMBINED PENTAIR AND TYCO FLOW

Equipment

Protection
Solutions,
~25%

Flow Control,
~30%

Water &
Fluid
Solutions,
~45%

BY APPLICATION

COMBINED 2012 *pro forma* PROJECTED SALES MIX

BY PLATFORM

COMBINED 2012 *pro forma* PROJECTED SALES MIX

BY GEOGRAPHY

COMBINED 2012 *pro forma* PROJECTED SALES MIX

Energy,
~25%

Infrastructure,
~10%

Comm 1,
~10%

Residential,
~20%

Industrial,
~35%

Developed

Non-US,

~15%

As Presented on March 28, 2012

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APPENDIX
GAAP to Non-GAAP Measurements & Reconciliations

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REPORTED TO ADJUSTED 2012 RECONCILIATION

Pentair, Inc. and Subsidiaries

Reconciliation of the GAAP "As Reported" year ending December 31, 2012 to the "Adjusted" non-GAAP
excluding the effect of 2012 adjustments (Unaudited)

Total Pentair

First Quarter

Year

In millions, except per-share data

2012

2012

Net sales

858.2

\$

approx \$3.700

Operating income - as reported

85.0

approx 433 - 458

% of net sales

9.9%

approx. 12%

Adjustments:

Deal related costs

11.8

11.8

Operating income - as adjusted

96.8

approx 445 - 470

% of net sales

11.3%

approx. 12%+

Net income attributable to Pentair, Inc. - as reported

60.8

approx 265 - 281

Interest expense

(1.2)

(1.2)

Adjustments net of tax

4.4

4.4

Net income from continuing operations attributable

to Pentair, Inc. - as adjusted

64.0

approx 268 - 284

Continuing earnings per common share attributable to Pentair, Inc. - diluted

Diluted earnings per common share - as reported

0.61

\$

\$2.62 - \$2.77

Adjustments

0.03

0.03

Diluted earnings per common share - as adjusted

0.64

\$

\$2.65 - \$2.80

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Pentair, Inc. and Subsidiaries

Reconciliation of the GAAP "As Reported" years ending December 31, 2011, December 31, 2010 and December 31, 2009 to the "Adjusted" non-GAAP excluding the effect of adjustments (Unaudited)

Year

Year

Year

In millions, except per-share data

2011

2010

2009

Net sales

3,456.7

\$

3,030.8

\$

2,692.5

\$

Operating income - as reported

168.5

\$

334.2

\$

219.9

\$

% of net sales

4.9%

11.0%

8.2%

Adjustments:

CPT deal related costs

8.3

Restructuring and asset impairment

12.9

37.9

Inventory step-up and customer backlog

13.4

Goodwill impairment

200.5

Operating income - as adjusted

403.6

334.2

257.8

% of net sales

11.7%

11.0%

9.6%

Net income from continuing operations attributable
to Pentair, Inc. - as reported

34.2

197.8

115.5

Adjustments net of tax

206.5

26.2

Bond tender

3.2

Net income from continuing operations attributable
to Pentair, Inc. - as adjusted

240.7

197.8

144.9

Continuing earnings per common share attributable to Pentair, Inc. - diluted

Diluted earnings per common share - as reported

0.34

\$

2.00

\$

1.17

\$

Adjustments

2.07

0.30

Diluted earnings per common share - as adjusted

2.41

\$

2.00

\$

1.47

\$

REPORTED TO ADJUSTED RECONCILIATIONS (2011, 2010, 2009)

PENTAIR

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Note: Inventory step-up and customer backlog reflect amortization of fair market value step-up associated with inventory and
REPORTED TO ADJUSTED 2011 RECONCILIATION

Pentair, Inc. and Subsidiaries

Reconciliation of the GAAP "As Reported" year ending December 31, 2011 to the "Adjusted" non-GAAP
excluding the effect of 2011 adjustments (Unaudited)

Total Pentair

First Quarter

Second Quarter

Third Quarter

Fourth Quarter

Year

In millions, except per-share data

2011

2011

2011

2011

2011

Net sales

790.3

\$

910.2

\$

890.5

\$

865.7

\$

3,456.7

\$

Operating income - as reported

86.2

109.4

92.9

(120.0)

168.5

% of net sales

10.9%

12.0%

10.4%

(13.9%)

4.9%

Adjustments:

CPT deal related costs

1.7

6.1

0.5

8.3

Restructuring

2.1

10.8

12.9

Inventory step-up and customer backlog

0.2

5.3

5.8

2.2

13.5

Goodwill impairment

200.5

200.5

Operating income - as adjusted

88.1

120.8

100.8

94.0

403.7

% of net sales

11.1%

13.3%

11.3%

10.9%

11.7%

Net income attributable to Pentair, Inc. - as reported

50.5

66.7

51.1

(134.1)

34.2

Adjustments net of tax

1.3

8.8

6.6

189.8

206.5

Net income from continuing operations attributable
to Pentair, Inc. - as adjusted

51.8

75.5

57.7

55.7

240.7

Continuing earnings per common share attributable to Pentair, Inc. - diluted

Diluted earnings per common share - as reported

0.51

\$

0.67

\$

0.51

\$

(1.36)

\$

0.34

\$

Adjustments

0.01

0.08

0.07

1.92

2.07

Diluted earnings per common share - as adjusted

0.52

\$

0.75

\$

0.58

\$

0.56

\$

2.41

\$

PENTAIR

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GAAP TO NON-GAAP RECONCILIATION

Pentair, Inc. and Subsidiaries

Reconciliation of Free Cash Flows for the years ending December 31, 2011, December 31, 2010 and December 31, 2009
(Unaudited)

In millions

2011

2010

2009

Free Cash Flow

Net cash provided by (used for) continuing operations

320.2

\$

270.4

\$

259.9

\$

Capital expenditures

(73.3)

\$

(59.5)

\$

(54.1)

\$

Proceeds from sale of property and equipment

1.3

\$

0.3

\$

1.2

\$

Free cash flow

248.2

\$

211.2

\$

207.0

\$

Pentair, Inc. and Subsidiaries

Reconciliation of Free Cash Flows for the three months ending March 31, 2012 and April 2, 2011

(Unaudited)

In millions

2012

2011

Free Cash Flow

Net cash provided by (used for) operating activities

(67.5)

\$

(48.2)

\$

Capital expenditures

(15.6)

\$

(13.3)

\$

Proceeds from sale of property and equipment

1.5

\$

0.1

\$

Free cash flow

(81.6)

\$

(61.4)

\$