Mueller Water Products

Where Intelligence Meets Infrastructure®

Earnings Conference Call

2023 First Quarter Ended December 31, 2022

February 3, 2023

These slides are not intended to be a stand-alone presentation, but are for use in conjunction with the earnings call

Non-GAAP Financial Measures

In an effort to provide investors with additional information regarding the Company's results as determined by accounting principles generally accepted in the United States ("GAAP"), the Company also provides non-GAAP information that management believes is useful to investors. These non-GAAP measures have limitations as analytical tools, and securities analysts, investors and other interested parties should not consider any of these non-GAAP measures in isolation or as a substitute for analysis of the Company's results as reported under GAAP. These non-GAAP measures may not be comparable to similarly titled measures used by other companies.

The Company presents adjusted net income, adjusted net income per diluted share, adjusted operating income, adjusted operating margin, adjusted EBITDA and adjusted EBITDA margin as performance measures because management uses these measures to evaluate the Company's underlying performance on a consistent basis across periods and to make decisions about operational strategies. Management also believes these measures are frequently used by securities analysts, investors and other interested parties in the evaluation of the Company's recurring performance.

The Company presents net debt and net debt leverage as performance measures because management uses them to evaluate its capital management and its financial position, and the investment community commonly uses them as measures of indebtedness. The Company presents free cash flow to assist management and investors in analyzing the Company's ability to generate liquidity from its operating activities.

The calculations of these non-GAAP measures and reconciliations to GAAP results are included as an attachment to this presentation, which has been posted online at www.muellerwaterproducts.com. The Company does not reconcile forward-looking non-GAAP measures to the comparable GAAP measures, as permitted by Regulation S-K, as certain items, e.g., expenses related to corporate development activities, transactions, pension expenses/(benefits) and corporate restructuring, may have not yet occurred, are out of the Company's control and/or cannot be reasonably predicted without unreasonable efforts. Additionally, such reconciliation would imply a degree of precision and certainty regarding relevant items that may be confusing to investors. Such items could have a substantial impact on GAAP measures of the Company's financial performance.

Forward-Looking Statements

This presentation contains certain statements that may be deemed "forward-looking statements" within the meaning of the federal securities laws. All statements that address activities, events or developments that the Company intends, expects, plans, projects, believes or anticipates will or may occur in the future are forward-looking statements, including, without limitation, statements regarding outlooks, projections, forecasts, expectations, commitments, trend descriptions and the ability to capitalize on trends, value creation, Board and committee composition plans, long-term strategies and the execution or acceleration thereof, operational improvements and excellence, the benefits of capital investments, financial or operating performance including improving sales growth and driving increased margins, capital allocation and growth strategy plans, positioning the Company's product portfolio and the demand for the Company's products. Forward-looking statements are based on certain assumptions and assessments made by the Company in light of the Company's experience and perception of historical trends, current conditions and expected future developments.

Actual results and the timing of events may differ materially from those contemplated by the forward-looking statements due to a number of factors, without limitation, including the future impact of the COVID-19 pandemic on the Company's operations and results, including effects on the financial health of customers (including collections); logistical challenges and supply chain disruptions, geopolitical conditions, or other events; an inability to realize the anticipated benefits from our operational initiatives, including our large capital investments in Chattanooga and Kimball, Tennessee, and Decatur, Illinois, plant closures, and our reorganization and related strategic realignment activities; an inability to attract or retain a skilled and diverse workforce, increased competition related to the workforce and labor markets; an inability to protect the Company's information systems against service interruption, misappropriation of data or breaches of security; failure to comply with personal data protection and privacy laws; cyclical and changing demand in core markets such as municipal spending, residential construction, and natural gas distribution; government monetary or fiscal policies; the impact of adverse weather conditions; the impact of manufacturing and product performance; the impact of wage, commodity and materials price inflation; the impact of warranty claims; an inability to successfully resolve significant legal proceedings or government investigations; compliance with environmental, trade and anti-corruption laws and regulations; climate change and legal or regulatory responses thereto; changing regulatory, trade and tariff conditions; the failure to integrate and/or realize any of the anticipated benefits of recent acquisitions or divestitures; an inability to achieve some or all of our Environmental, Social, and Governance goals; and other factors that are described in the section entitled "RISK FACTORS" in Item 1A of the Company's most recent Annual Report on Form 10-K and later filings on Form 10-Q, as applicable.

Forward-looking statements do not guarantee future performance and are only as of the date they are made. The Company undertakes no duty to update its forward-looking statements except as required by law. Undue reliance should not be placed on any forward-looking statements. You are advised to review any further disclosures the Company makes on related subjects in subsequent Forms 10-K, 10-Q, 8-K and other reports filed with the U.S. Securities and Exchange Commission.

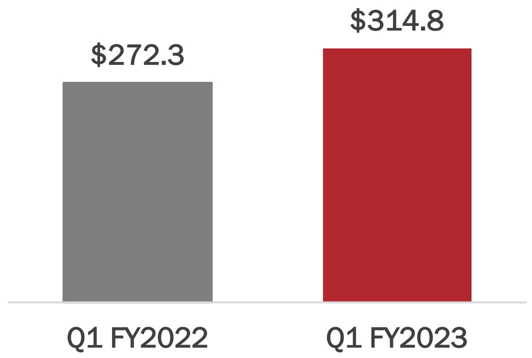
First Quarter Highlights

- Generated a double-digit increase in consolidated net sales (+15.6% y/y)
  - Benefited from past pricing actions taken to help offset inflationary pressures
  - Improved price realization was partially offset by modest decrease in overall volumes in the quarter
  - Although brass production levels improved sequentially, lower production levels compared with the prior year contributed to the decrease in volumes
- Believe municipal repair and replacement market remained resilient and helped partially offset the slowdown in residential construction activity
  - As end markets evolve in this economic environment, working closely with channel partners to manage inventories and order levels
- Sequentially improved gross margins in the quarter as higher price realization combined with a lower level of inflation and better manufacturing performance more than offset lower volumes
  - Inflationary pressures still elevated compared with the prior year, leading us to implement additional price increases
- Teams remain focused on delivering the benefits from our large capital projects, particularly the ramp-up of our new brass foundry
  - Seeing operational improvements at Kimball facility as specialty valve products delivered the strongest year-over-year growth in the quarter
- Believe we are on track to achieve the operational improvements needed to increase margins in the second half of this year
- Pleased with first quarter results; however, remain vigilant in this environment, reiterating annual guidance

Consolidated GAAP Results

Net Sales ($M)

+15.6% y/y

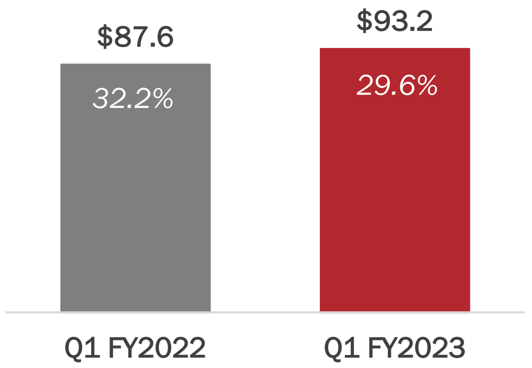


- Increased net sales in Water Flow Solutions (+6.9% y/y) and Water Management Solutions (+27.1% y/y)
- Growth primarily due to higher pricing across most product lines in both segments and volume growth across most products in Water Management Solutions, which were more than offset by a decrease in volumes at Water Flow Solutions

Gross Profit ($M)

% of Net Sales

+6.4% y/y
-260 bps.

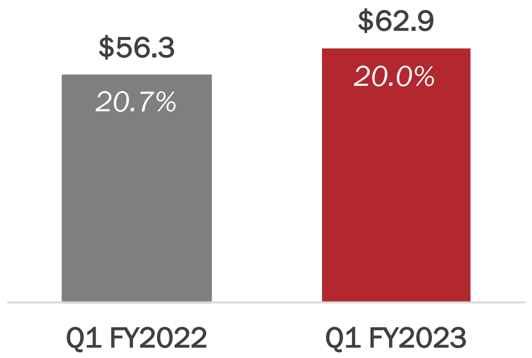


- Gross margin decreased 260 bps. as benefits from higher pricing were more than offset by increased costs associated with unfavorable manufacturing performance, primarily driven by our foundry operations, inflation and lower volumes
- Sequentially improved gross margin by 380 basis points in the quarter

SG&A ($M)

% of Net Sales

+11.7 y/y
-70 bps.

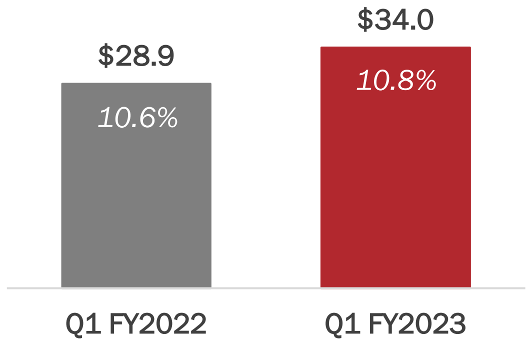


- Increase primarily driven by personnel costs, third-party services, inflation and T&E expenses, partially offset by foreign exchange gains
- SG&A as a percent of net sales decreased to 20.0% in the quarter compared with 20.7% in the prior year

Operating Income ($M)

% of Net Sales

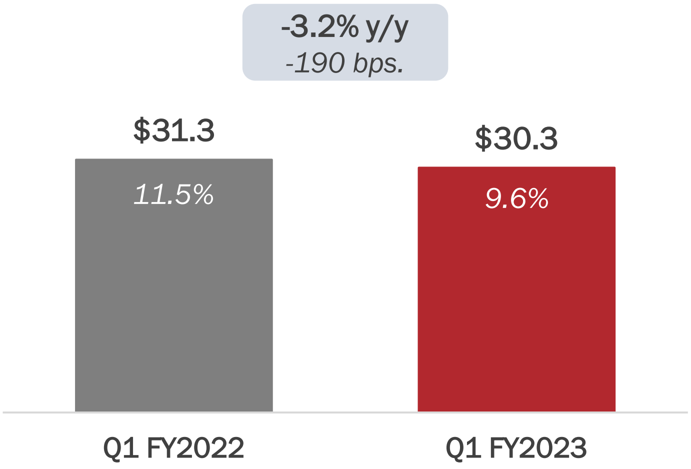
+17.6% y/y
+20 bps.



- Higher pricing and a net benefit from strategic reorganization and other charges more than offset increased costs associated with unfavorable manufacturing performance, inflation, additional SG&A expenses and lower volumes
  - Net benefit from strategic reorganization and other charges primarily consisted of $4.0M pretax gain from the sale of the Aurora, Illinois, facility, partially offset by transaction-related expenses

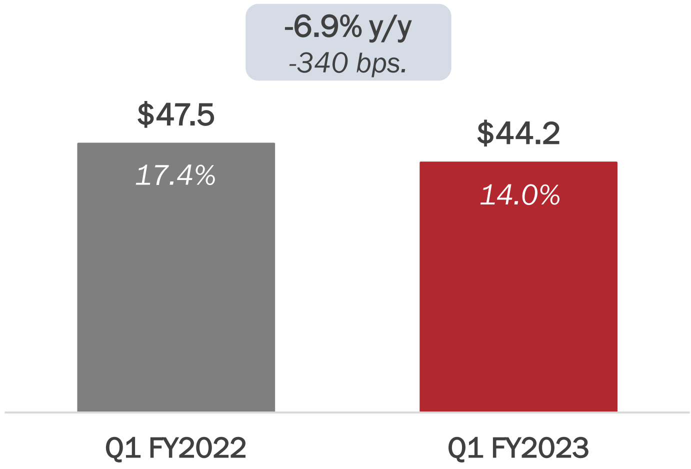
Consolidated Non-GAAP Results (1)

Adj. Operating Income ($M)
% of Net Sales



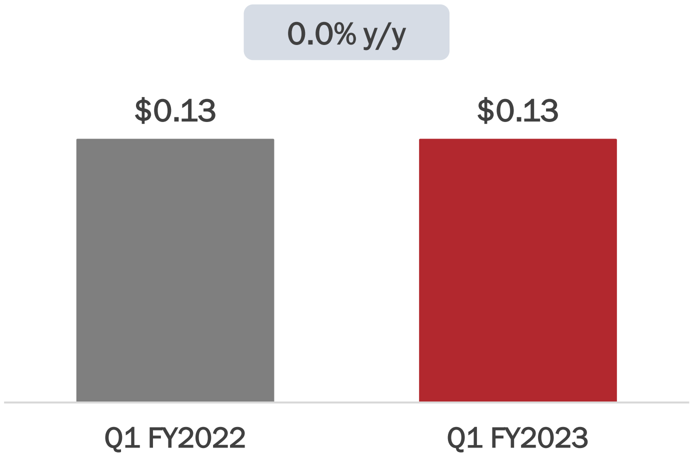
- Decreased $1.0M as benefits from higher pricing were more than offset by increased costs associated with unfavorable manufacturing performance, inflation, additional SG&A expenses and lower volumes

Adj. EBITDA ($M)
% of Net Sales



- Decreased $3.3M with adjusted EBITDA margin of 14.0% decreasing 340 bps. from prior year
- Adjusted EBITDA was also impacted by a year-over-year increase in pension expense of $1.9 million in the quarter
- LTM adjusted EBITDA was $191.2M, or 14.8% of net sales

Adj. Net Income per Share

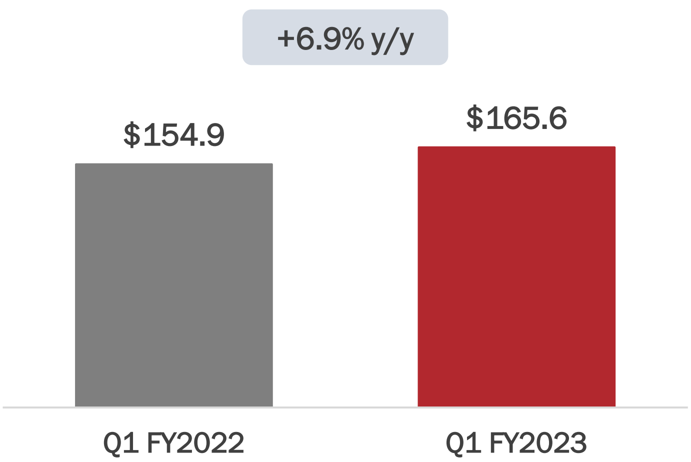


- Net interest expense declined $0.6M to $3.7M primarily due to higher interest income
- Effective tax rate was 23.5% as compared with 24.2% in prior year quarter
- Adjusted net income per share of $0.13 flat to prior year

(1) See Appendix for reconciliation of non-GAAP measures to their corresponding GAAP measures.

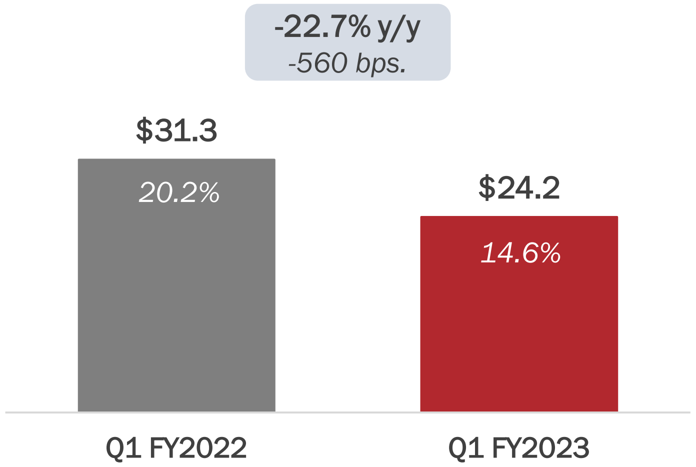
Water Flow Solutions Segment Results

Net Sales ($M)



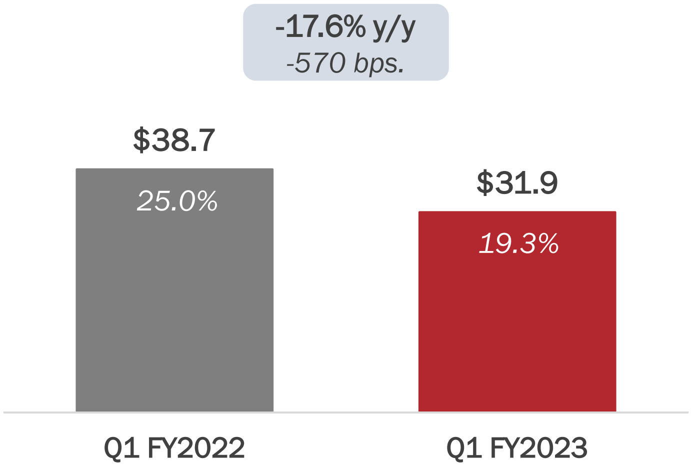
- Increased 6.9% primarily due to higher pricing across most of the segment's product lines
- Experienced lower volumes primarily for iron gate valve and service brass products, partially offset by volume growth in specialty valve products

Adj. Operating Income ($M) [1]
% of Net Sales



- Benefits from higher pricing were more than offset by increased costs associated with unfavorable manufacturing performance, primarily at our foundry operations, lower volumes and inflation
- Adjusted Operating Income margin decreased 560 bps. to 14.6% compared with 20.2% in prior year

Adj. EBITDA ($M) [1]
% of Net Sales



- Decreased $6.8M due to same drivers as adjusted Operating Income
- Adjusted EBITDA margin decreased 570 bps. to 19.3% compared with 25.0% in prior year

(1) See Appendix for reconciliation of non-GAAP measures to their corresponding GAAP measures.

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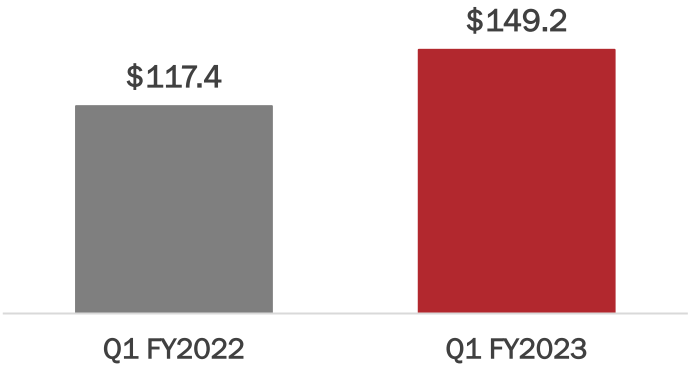
Water Management Solutions Segment Results

Net Sales ($M)

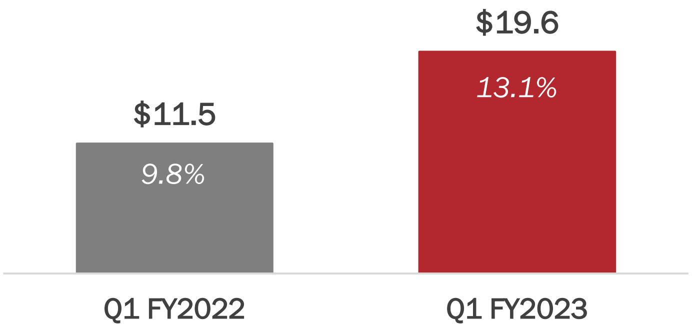
+27.1% y/y



- Increased 27.1% primarily due to higher pricing across most of the segment's product lines and increased volumes mainly in hydrant and water application products

Adj. Operating Income ($M) (1)
% of Net Sales

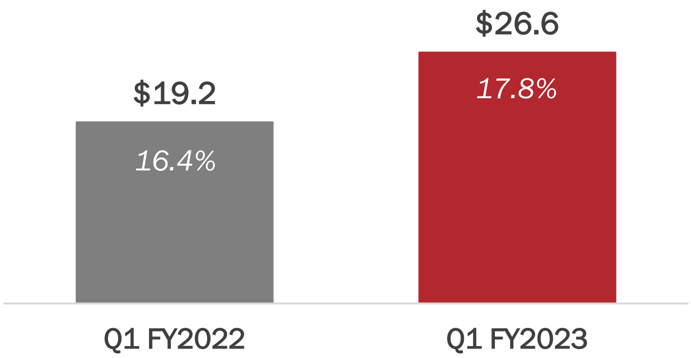
+70.4% y/y
+330 bps.



- Benefits from higher pricing and volumes more than offset increased costs associated with unfavorable manufacturing performance, primarily at our foundry operations, inflation and additional SG&A expenses
- Adjusted Operating Income margin increased 330 bps. to 13.1% compared with 9.8% in prior year

Adj. EBITDA ($M) (1)
% of Net Sales

+38.5% y/y
+140 bps.

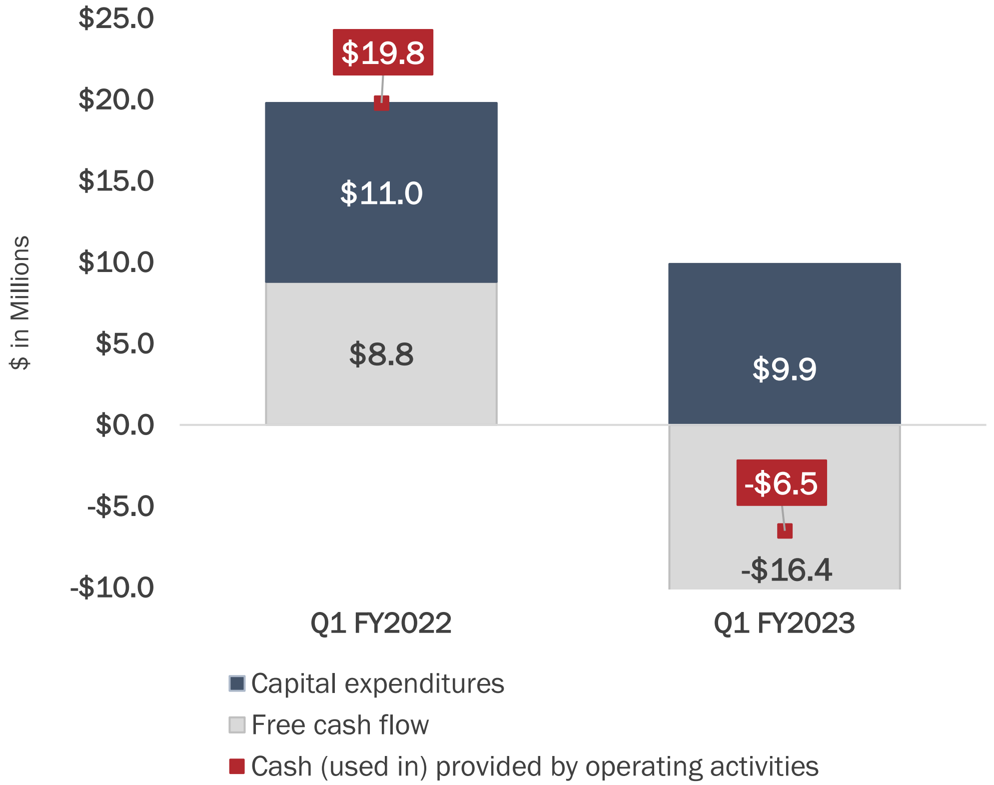


- Increased $7.4M due to same drivers as adjusted Operating Income
- Adjusted EBITDA margin increased 140 basis points to 17.8% compared with 16.4% in prior year

(1) See Appendix for reconciliation of non-GAAP measures to their corresponding GAAP measures.

Free Cash Flow

- Net cash used in operating activities for Q1 FY2023 was $6.5M compared with net cash provided by operating activities of $19.8M in prior year
  - Decrease was primarily due to an increase in inventories
  - Average net working capital, using the 5-point method, as a percent of net sales increased to 28.2% compared with 25.4% in the prior year primarily due to higher inventory levels
- Invested $9.9M in capital expenditures in Q1 FY2023 compared to $11.0M in prior year
- Free cash flow was negative $16.4M for Q1 FY2023, primarily due to decrease in cash provided by operating activities, partially offset by lower capital expenditures
- Did not repurchase any common stock in Q1 FY2023, and as of Dec. 31, 2022, had $100.0 million remaining under share repurchase authorization



(1) Average Net Working Capital defined as the average of Net Receivables + Net Inventories – Accounts Payable for last 5 quarters.

Balance Sheet and Liquidity

Continue to have ample capacity to support our strategic priorities, including acquisitions

Credit Rating

- Moody’s: Ba1 Corporate Rating, Ba1 Notes Rating, Stable Outlook
- S&P: BB Corporate and Notes Ratings, Stable Outlook

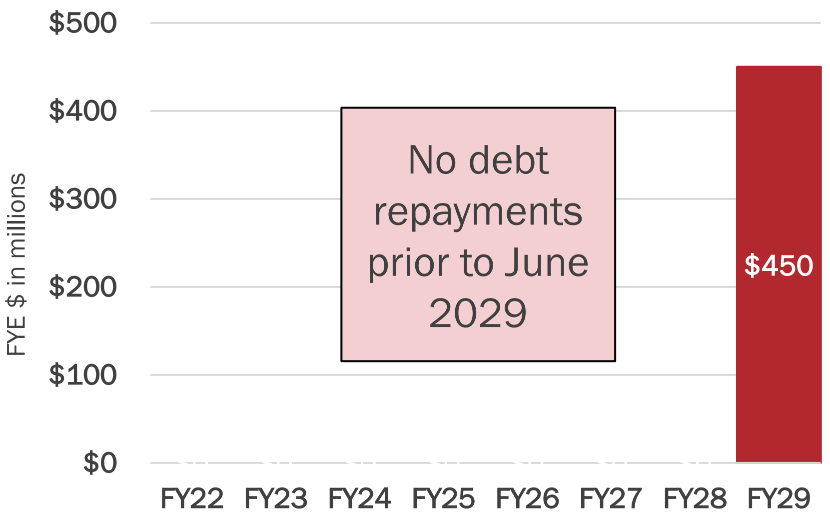
Debt Structure

- $450M of 4.0% Senior Notes (mature June 2029)
- Asset based lending agreement (“ABL”) provides up to $175M revolving credit facility subject to borrowing base (LIBOR + 200 to 225 bps.) with none outstanding (terminates July 2025)

Net Debt Leverage & Liquidity

- $321.4M net debt with total debt of $447.0M and total cash of $125.6M [(1)]
- Net debt leverage was 1.7x at Dec. 31, 2022
- No debt maturities prior to June 2029
- $288.0M of total liquidity including $162.4M of excess availability under the ABL, based on data as of Dec. 31, 2022

Debt Maturities



Financial Covenants

- No financial maintenance covenants on 4.0% Senior Notes
- ABL not subject to any financial maintenance covenants unless excess availability is less than the greater of $17.5M and 10% of the Loan Cap; consolidated Fixed Charge Ratio permitted to be <1x unless threshold is triggered

(1) 4.0% Senior Notes include $4.4M of deferred financing costs.

Key Updates:

First Quarter Performance, End Markets and Full-Year 2023 Outlook

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First Quarter Performance

- Continue to be pleased with price realization, which more than offset inflationary pressures for the fourth consecutive quarter
- As expected, unfavorable manufacturing performance, primarily at foundries, partially offset benefits from higher pricing
  - Unfavorable manufacturing performance impacted by lower production, primarily at Chattanooga and Decatur foundries, leading to under-absorption of labor and overhead (Chattanooga foundry delivered lower volumes due to fewer production days relative to the prior year, and Decatur foundry brass melt production increased sequentially; however, was more than 30% below the prior year)
  - Teams made progress on operational challenges at brass foundry with improved machine uptimes contributing to sequential increase in melt production
- Ramp-up of our new brass foundry well underway with two lines working through the production parts approval process, prioritizing highest volume parts, including parts used in hydrants and gate valves
  - Working through new casting and machining processes and expect to begin shipping initial parts using new alloy in second quarter of this year
  - Pleased to share that Mueller product utilizing components manufactured at new foundry will continue to be certified under NSF 61 for drinking water system components, through Underwriters Laboratories, which is crucial to ship products containing parts with the new alloy to customers
- Continue to experience higher costs year-over-year primarily related to outsourcing materials, machining and maintenance
  - Expect these headwinds to carry on into the second quarter as well as the second half of the year
  - Increasing brass production levels from both foundries will ultimately allow us to bring some production back in-house and lower costs
  - As backlog levels normalize and new brass foundry begins shipping product, anticipate decreasing the use of outsourcing
  - Working to add shifts at Albertville foundry to increase internal production for key hydrant parts
- With the sale of the Aurora, Illinois, facility, completed the divestment of all the locations from which operations have transitioned to the new Kimball facility
  - Specialty and large valve capex investments are continuing to ramp up this year and expect the margin benefits to follow accordingly
  - During first quarter, specialty valve products delivered strongest year-over-year growth of all product lines, which resulted in a sequential and year-over-year improvement in gross margin

End Markets

- Believe the municipal repair and replacement market remains resilient, helping partially offset the slowdown in residential construction activity
- Municipal Repair and Replacement End Market
  - Remain excited about benefits of the federal infrastructure bill starting to take effect later this year
  - First wave of distributions have taken place with additional guidelines from the Environmental Protection Agency (“EPA”) regarding the Build America, Buy America (“BABA”) domestic sourcing requirements
  - Further supports strategic rationale for all three large capital projects
  - As domestic sourcing requirements for iron and steel products increase, believe we will be well positioned with increased domestic capacity for larger valve and service brass products
- New Residential Construction End Market
  - Total housing starts were down 15.6% y/y during first quarter with around a 1.4M seasonally adjusted annual rate in December 2022
  - Expect construction activity to pick up in the Spring relative to first quarter, which is typical seasonality of core products
  - For fiscal 2023, continue to forecast that total housing starts will be in the 1.3M to 1.4M range
  - Believe lot inventories remain relatively low; however, expect higher interest rates and economic uncertainty to continue to impact residential construction

Full-Year Fiscal 2023 Outlook*

- With product lead times and project timelines improving, anticipate backlog levels could normalize over the coming quarters depending on end market activity
  - Expect to get clearer sense of sell-through, channel inventory plans and order levels as we move into upcoming spring construction season
- Reiterating guidance for 2023, provided with Q4FY22 earnings
- Consolidated net sales increase between 6% and 8%
  - Backlog at end of first quarter and expected realization from higher pricing position us to deliver net sales growth in 2023
- Adjusted EBITDA increase between 10% and 14%
  - Benefits from higher price realization and operational improvements in the second half of the year support adjusted EBITDA growth
  - Adjusted EBITDA includes headwind from pension expense of $7.7M increase vs. prior year ($3.8M expense vs. $3.9M benefit in the prior year)
  - Adjusted operating income, which excludes impact of pension expense, expected to increase more than 20% vs. the prior year
- Free cash flow to increase vs. prior year driven by improved cash flow from operations with free cash flow as a percentage of adjusted net income between 40% and 60%
- Other items:
  - Total SG&A expense between $255M and $265M
  - Net interest expense between $17M and $18M
  - Effective income tax rate between 23% and 25%
  - Depreciation and amortization between $61M and $63M
  - Capital expenditures between $70M and 80M

* Complete full-year fiscal 2023 outlook provided with Q1FY23 earnings press release on February 2, 2023.

Key Takeaways

- Teams continue to focus on maintaining strong customer relationships while executing top priorities for the year
  - Achieving operational improvements
  - Delivering benefits from large domestic capital investments
  - Accelerating development and commercialization of new products
  - Generating ongoing price realization
- On track with ramp-up of new brass foundry, which will have significantly more capacity, to deliver the best long-term manufacturing solutions and advance sustainability initiatives with new lead-free brass alloy
- Transformational period for Mueller, with large capital projects in various stages of ramping up
  - Believe benefits from these projects and ongoing operational improvements will greatly enhance position in the market
  - Investments especially important as water utilities increase needed repair and replacement projects supported by the federal infrastructure bill and requirements for domestically manufactured products
  - Broad portfolio of products and solutions enables us to help water utilities address growing challenges from the aging infrastructure, climate change and workforce demographics
- Much more resilient organization, supported by a strong balance sheet, managing increased uncertainty from the external environment
  - Liquidity and capacity to continue to reinvest in our business while returning cash to shareholders, primarily through our quarterly dividend
- Confident that growth strategies, capital investments and operational initiatives will deliver further net sales growth and a return to pre-pandemic margins in 2025

Q&A

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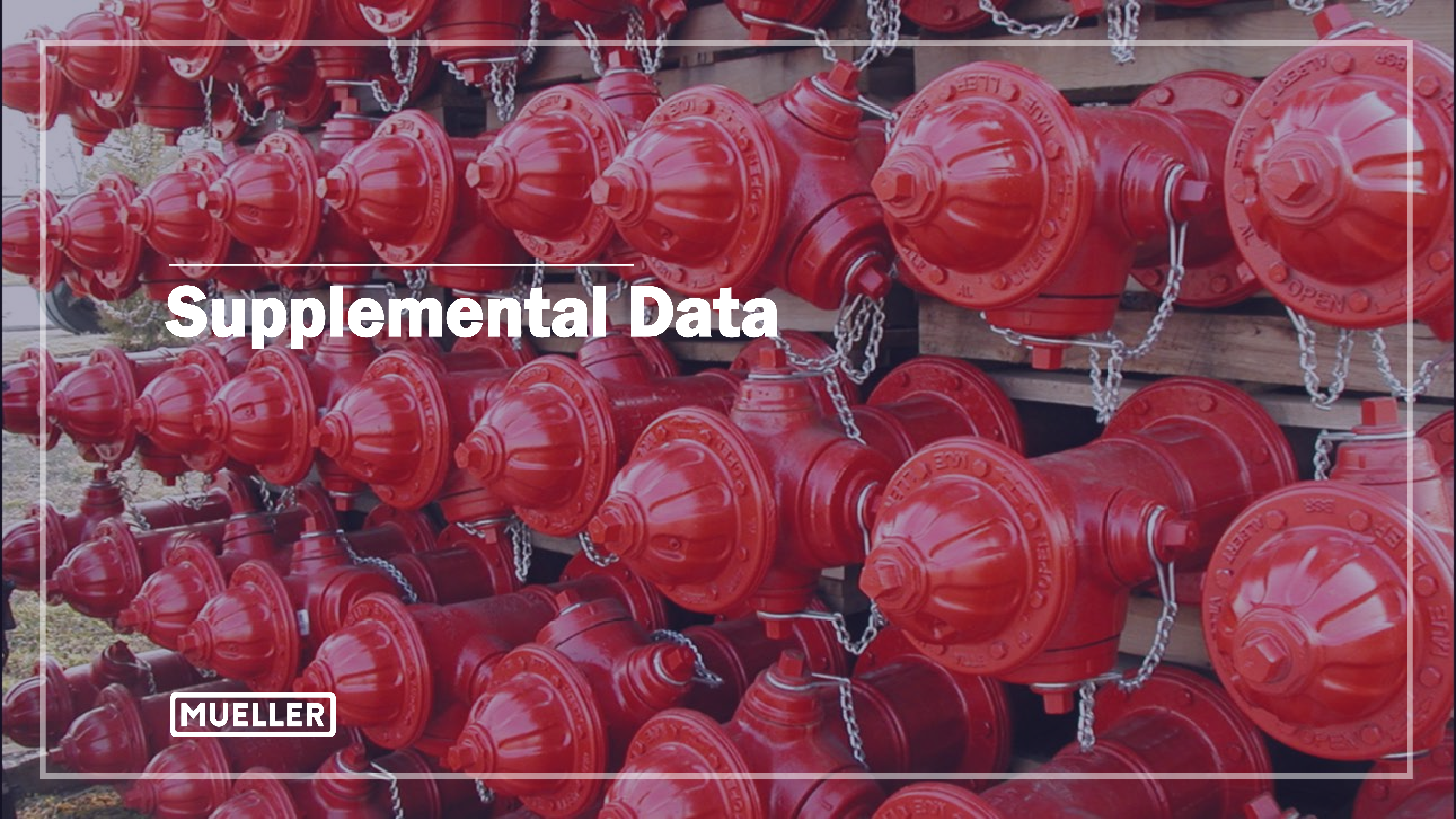

Supplemental Data

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Segment Results and Reconciliation of Non-GAAP to GAAP Performance Measures (UNAUDITED)

	Three months ended December 31, 2022			
	Water Flow Solutions	Water Management Solutions	Corporate	Consolidated
	(dollars in millions, except per share amounts)			
Net sales	$ 165.6	$ 149.2	$ —	$ 314.8
Gross profit	$ 46.6	$ 46.6	$ —	$ 93.2
Selling, general and administrative expenses	22.4	27.0	13.5	62.9
Strategic reorganization and other (benefits) (1)	—	—	(3.7)	(3.7)
Operating income (loss)	$ 24.2	$ 19.6	$ (9.8)	$ 34.0
Operating margin	14.6 %	13.1 %		10.8 %
Capital expenditures	$ 7.8	$ 2.1	$ —	$ 9.9
Reconciliation of non-GAAP to GAAP performance measures:				
Net income				$ 22.5
Strategic reorganization and other (benefits)				(3.7)
Income tax expense of adjusting items				0.9
Adjusted net income				$ 19.7
Weighted average diluted shares outstanding				157.0
Adjusted net income per diluted share				$ 0.13

(1) Strategic reorganization and other benefits primarily relate to a gain from the sale of our facility in Aurora, Illinois, partially offset by transaction expenses.

Segment Results and Reconciliation of Non-GAAP to GAAP Performance Measures (UNAUDITED)

	Three months ended December 31, 2022			
	Water Flow Solutions	Water Management Solutions	Corporate	Consolidated
	(dollars in millions, except per share amounts)			
Net income				$ 22.5
Income tax expense [1]				6.9
Interest expense, net [1]				3.7
Pension expense other than service [1]				0.9
Operating income (loss)	$ 24.2	$ 19.6	$ (9.8)	34.0
Strategic reorganization and other (benefits)	—	—	(3.7)	(3.7)
Adjusted operating income (loss)	24.2	19.6	(13.5)	30.3
Pension expense other than service	—	—	(0.9)	(0.9)
Depreciation and amortization	7.7	7.0	0.1	14.8
Adjusted EBITDA	$ 31.9	$ 26.6	$ (14.3)	$ 44.2
Adjusted operating margin	14.6 %	13.1 %		9.6 %
Adjusted EBITDA margin	19.3 %	17.8 %		14.0 %
Adjusted EBITDA	$ 31.9	$ 26.6	$ (14.3)	$ 44.2
Three prior quarters' adjusted EBITDA	116.6	64.7	(34.3)	147.0
Trailing twelve months' adjusted EBITDA	$ 148.5	$ 91.3	$ (48.6)	$ 191.2
Reconciliation of net debt to total debt (end of period):				
Current portion of long-term debt				$ 0.9
Long-term debt				446.1
Total debt				$ 447.0
Less cash and cash equivalents				125.6
Net debt				$ 321.4
Net debt leverage (net debt divided by trailing twelve months' adjusted EBITDA)				1.7x
Reconciliation of free cash flow to net cash used in operating activities:				
Net cash used in operating activities				$ (6.5)
Less capital expenditures				(9.9)
Free cash flow				$ (16.4)

(1) The Company does not allocate interest, income taxes or pension benefit (expense) other than service to its segments.

Segment Results and Reconciliation of Non-GAAP to GAAP Performance Measures (UNAUDITED)

	Three months ended December 31, 2021			
	Water Flow Solutions	Water Management Solutions	Corporate	Consolidated
	(dollars in millions, except per share amounts)			
Net sales	$ 154.9	$ 117.4	$ —	$ 272.3
Gross profit	$ 52.1	$ 35.5	$ —	$ 87.6
Selling, general and administrative expenses	20.8	24.0	11.5	56.3
Strategic reorganization and other charges	—	0.1	2.3	2.4
Operating income (loss)	$ 31.3	$ 11.4	$ (13.8)	$ 28.9
Operating margin	20.2 %	9.7 %		10.6 %
Capital expenditures	$ 9.4	$ 1.6	$ —	$ 11.0
Reconciliation of non-GAAP to GAAP performance measures:				
Net income				$ 19.4
Strategic reorganization and other charges				2.4
Income tax benefit of adjusting items				(0.6)
Adjusted net income				$ 21.2
Weighted average diluted shares outstanding				158.9
Adjusted net income per diluted share				$ 0.13

Segment Results and Reconciliation of Non-GAAP to GAAP Performance Measures (UNAUDITED)

	Three months ended December 31, 2021			
	Water Flow Solutions	Water Management Solutions	Corporate	Consolidated
	(dollars in millions, except per share amounts)			
Net income				$ 19.4
Income tax expense [(1)]				6.2
Interest expense, net [(1)]				4.3
Pension benefit other than service [(1)]				(1.0)
Operating income (loss)	$ 31.3	$ 11.4	$ (13.8)	28.9
Strategic reorganization and other charges	—	0.1	2.3	2.4
Adjusted operating income (loss)	31.3	11.5	(11.5)	31.3
Pension benefit other than service	—	—	1.0	1.0
Depreciation and amortization	7.4	7.7	0.1	15.2
Adjusted EBITDA	$ 38.7	$ 19.2	$ (10.4)	$ 47.5
Adjusted operating margin	20.2 %	9.8 %		11.5 %
Adjusted EBITDA margin	25.0 %	16.4 %		17.4 %
Adjusted EBITDA	$ 38.7	$ 19.2	$ (10.4)	$ 47.5
Three prior quarters' adjusted EBITDA	123.3	73.2	(37.6)	158.9
Trailing twelve months' adjusted EBITDA	$ 162.0	$ 92.4	$ (48.0)	$ 206.4
Reconciliation of net debt to total debt (end of period):				
Current portion of long-term debt				$ 1.0
Long-term debt				445.9
Total debt				$ 446.9
Less cash and cash equivalents				207.3
Net debt				$ 239.6
Net debt leverage (net debt divided by trailing twelve months' adjusted EBITDA)				1.2x
Reconciliation of free cash flow to net cash provided by operating activities:				
Net cash provided by operating activities				$ 19.8
Less capital expenditures				(11.0)
Free cash flow				$ 8.8

(1) The Company does not allocate interest, income taxes or pension benefit (expense) other than service to its segments.

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