MUELLER Mueller Water Products

Where Intelligence Meets Infrastructure®

Earnings Conference Call

2023 Fourth Quarter September 30, 2023

December 14, 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 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 of Directors and committee composition plans, long-term strategies and the execution or acceleration thereof, operational improvements, inventory positions, the benefits of capital investments, financial or operating performance including improving sales growth and driving increased margins, capital allocation and growth strategy plans, the Company's product portfolio positioning 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, including, without limitation, the ongoing assessment and remediation of the cybersecurity incident announced on October 28, 2023, including; legal, reputational, audit and financial risks resulting therefrom and the effectiveness of the Company's business continuity plans related thereto, as well as the Company's ability to recover under its cybersecurity insurance policies; logistical challenges and supply chain disruptions, geopolitical conditions, including the Israel-Hamas war, public health crises, or other events; inventory and in-stock positions of our distributors and end customers; 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 reorganization and related strategic realignment activities; an inability to attract or retain a skilled and diverse workforce, including executive officers, increased competition related to the workforce and labor markets; an inability to protect the Company's information systems against further 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; foreign exchange rate fluctuations; the impact of warranty charges and claims, and related accommodations; the strength of our brands and reputation; 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 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.

Fourth Quarter and Full Year Highlights

- Executed well to finish the year despite a challenging external environment, and Q4 net sales exceeded expectations
- Experienced a mid-teens year-over-year decrease in volumes due to ongoing channel and customer inventory destocking reflecting normalized lead times, mainly for iron gate valves and hydrants
- Continued benefits from price realization and improved execution by our operations and supply chain teams led to higher gross margins compared with the prior year
- Water Flow Solutions' specialty valve operations had an outstanding quarter and improved production for service brass products and better flow through for iron gate valves also contributed
- Water Management Solutions' improved execution helped offset lower volumes and a warranty charge in the quarter
- Increased adjusted EBITDA margin to 18.4% for Q4FY23, including benefits from lower SG&A spending from our previously announced cost actions
- On track to deliver the remaining portion of the $25M cost savings program in 2024
- Improved free cash flow by >$60M in 2023, exceeding our expectations, as inventories declined sequentially, and we normalized our capital spending

Fiscal 2023 Performance vs. Prior Year

	Q4	Full Year
Net Sales	-9.1%	2.3%
Gross Margin (1)	+350 bps.	+50 bps.
Adjusted EBITDA (2)	+43.5%	+3.9%
Free Cash Flow (2)	+$27.5M	+$63.8M
Adjusted Net Income per Diluted Share (2)	+90.0%	+8.6%

(1) Q4FY23 and FY23 includes a $5.7M warranty charge in connection with warranty obligations in Water Management Solutions.
(2) See Appendix for reconciliation of non-GAAP measures to their corresponding GAAP measures.

Update on Cybersecurity Incident Announced on October 28, 2023

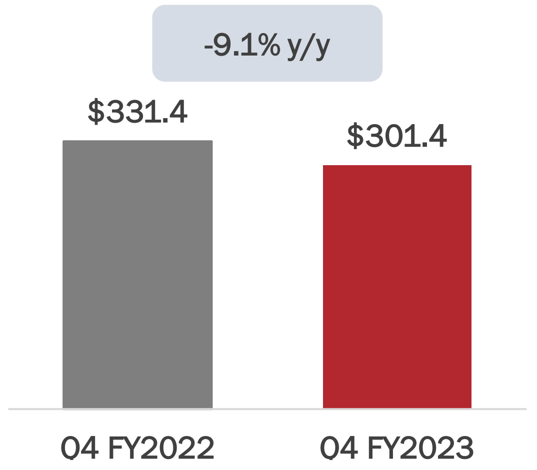
- Team members across the organization have worked tirelessly to support customers and restore operations
- Largely restored impacted applications and systems, with the help of leading third-party cybersecurity specialists
- All of our facilities are operational and unauthorized activity has been contained
- Investigation and remediation efforts remain ongoing, including the analysis of data accessed, exfiltrated or otherwise impacted
- Teams continue to focus on closing the gap on our ongoing business processes, while also addressing additional work associated with the incident
- Worked closely with customers, vendors and employees throughout this process and have been able to take orders and ship products
- Expect a minor impact on our consolidated net sales in Q1FY24
- Appreciate patience and understanding of customers and vendors as we have worked through the restoration process, and of course, that of the investment community

Considerations for 2024

- Focused on delivering benefits from strategic capital investments in specialty and large gate valves, and service brass products, which are poised to benefit from the increased federal infrastructure funding beyond fiscal 2024
- Continued to make progress on ramp-up of new brass foundry again this quarter
  - Expect to install remaining foundry equipment over coming months, which will allow us to complete the new tooling, while ramping up the volume of finished parts
  - Utilizing both brass foundries throughout the year to prioritize channel partners and end customers, deliver elevated backlog, and ensure we complete the ramp up of the new foundry by the end of calendar 2024
- Remains a meaningful level of uncertainty in the macroeconomic environment with our end users as they continue to adjust to higher interest rates and elevated project costs
- Israel-Hamas war creating headwinds for global supply chain and operations in Israel through our Krausz repair products business
  - Repair products account for slightly less than 10% of our consolidated sales
  - Worked closely with teams and experts to ensure first the safety of our employees, and to continue operations effectively; normally carry an elevated level of finished goods inventory for repair products
  - Due to the extent of the war, made incremental operational investments to continue to help ensure we meet customer demand; cost of these investments will impact Q1FY24 results and are likely to continue for the foreseeable future
- Grateful for all of our team members' dedication to and passion for the business and thank them for helping us to deliver results quarter after quarter, as we focus on continuing to improve our productivity and efficiency while strengthening our customer relationships

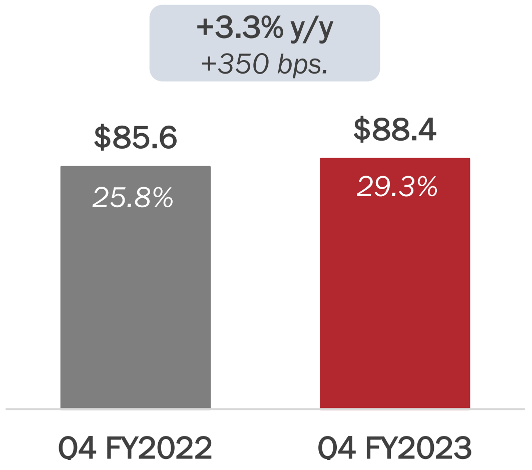
Consolidated GAAP Results (Q4 Fiscal 2023)

Net Sales ($M)



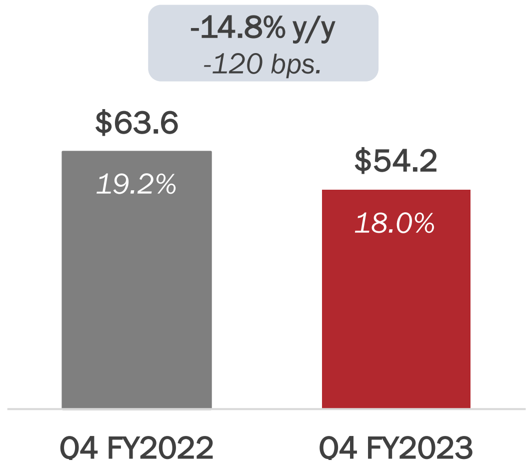
- Decreases at both Water Flow Solutions (-10.0% y/y) and Water Management Solutions (-8.0% y/y)
- Decrease primarily due to lower volumes, mainly in iron gate valves and hydrants, partially offset by higher pricing across most of our product lines
- Fiscal 2023 net sales increased 2.3% driven by higher pricing across most product lines partially offset by lower volumes, mainly in iron gate valves and service brass products

Gross Profit ($M)
% of Net Sales



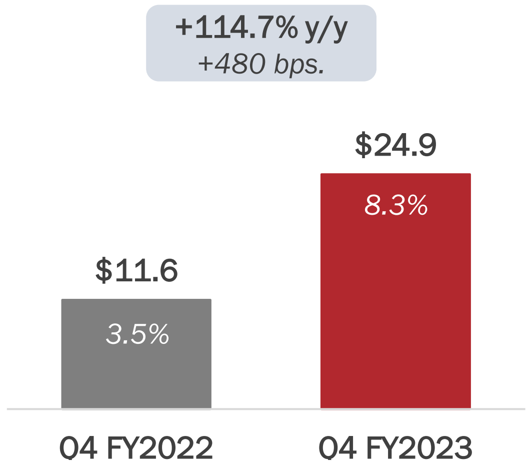
- Gross margin increased 350 bps. primarily due to higher pricing, improved manufacturing performance and lower freight costs more than offsetting lower volumes and warranty charge
- Excl. warranty charge, gross margin of 31.2% increased 540 bps. compared with the prior year
- Benefits from price realization sequentially lower in quarter lapping price increases from prior year with inflationary pressures lessening

SG&A ($M)
% of Net Sales



- Decreased $9.4M compared with prior year and $6.4M lower than Q3
- Decrease vs. prior year driven by lower personnel-related and incentive costs, favorable foreign exchange expense, and reduced third-party fees, partially offset by inflationary pressures

Operating Income ($M)
% of Net Sales



- Increased $13.3M primarily due to benefits from higher pricing and lower SG&A expenses which more than offset lower volumes
- Includes $9.3M of strategic reorganization and other charges, consisting of expenses associated with the leadership transition, and restructuring costs related to severance, and a $5.7M warranty charge at Water Management Solutions

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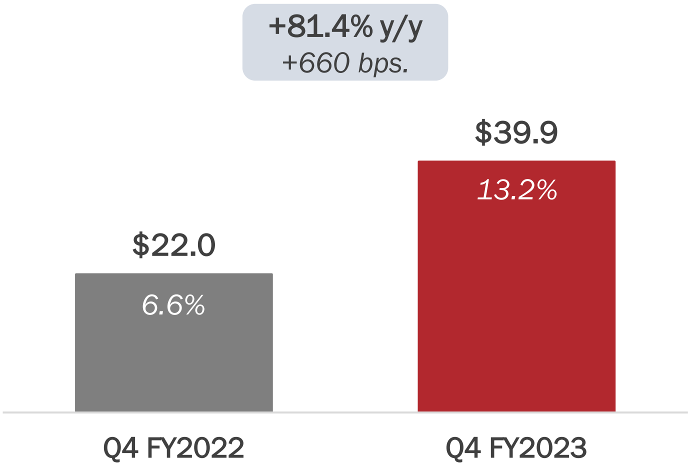
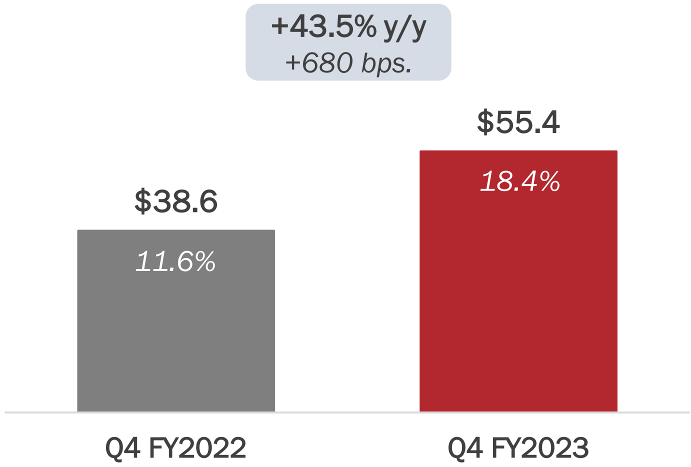
Consolidated Non-GAAP Results (Q4 Fiscal 2023) (1)

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



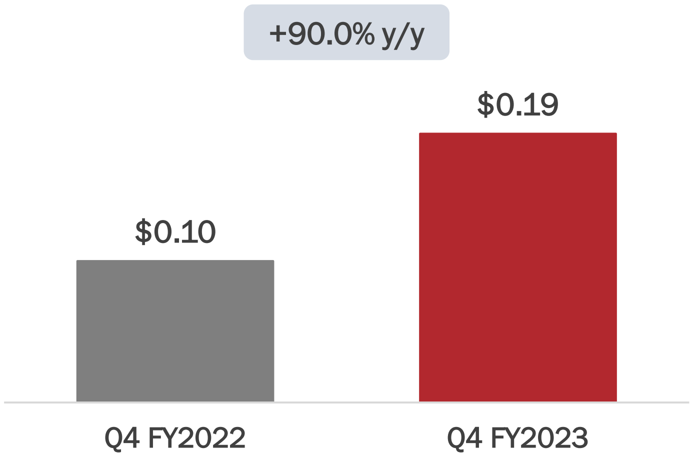
- Increased $17.9M primarily due to benefits from higher pricing, lower SG&A expenses and favorable manufacturing performance, which more than offset lower volumes
- Includes improvements at both Water Flow Solutions (+$7.0M, or 34.1% y/y) and Water Management Solutions (+$8.1M, or 58.7% y/y)

Adj. EBITDA ($M)
% of Net Sales



- Increase $16.8M with adj. EBITDA margin of 18.4% compared with 11.6% in the prior year
- Includes $0.9M of pension expense other than service compared with a benefit of $1.0M in the prior year quarter
- Fiscal 2023 adj. EBITDA increased $7.6M, or 3.9% y/y, to $202.1M, with 15.8% margin vs. 15.6% in the prior year

Adj. Net Income per Diluted Share

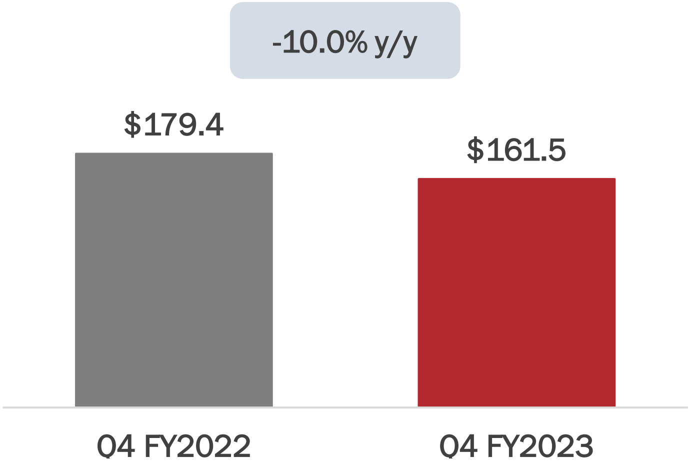


- Net interest expense declined $0.6M to $3.3M primarily due to higher interest income
- Fiscal 2023 effective tax rate was 21.6% compared with 22.3% in prior year
- Adj. net income per diluted share increased 90.0% y/y to $0.19 with fiscal 2023 adj. net income per diluted share of increasing 8.6% y/y to $0.63

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

Water Flow Solutions Segment Results (Q4 Fiscal 2023)

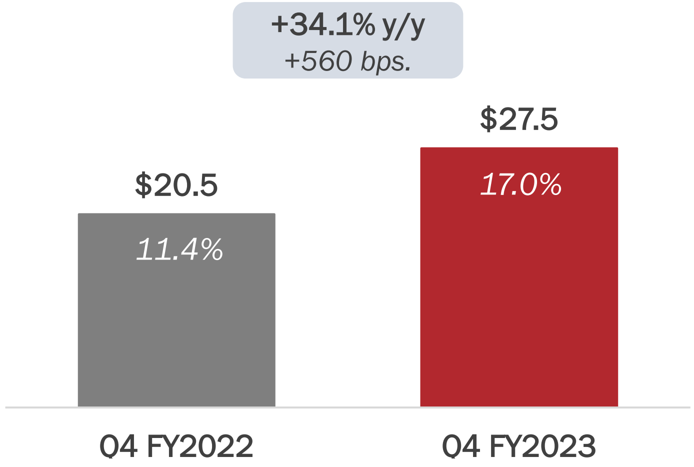
Net Sales ($M)



- Decreased 10.0% as lower volumes in iron gate valves were partially offset by higher pricing across most of the segment's product lines
- Specialty brass products saw a double-digit increase in net sales compared with the prior year
- Net sales for iron gate valves down double-digits compared with the prior year, primarily due to channel and customer inventory destocking reflecting normalized lead times and lower end market demand

Adj. Operating Income ($M) (1)

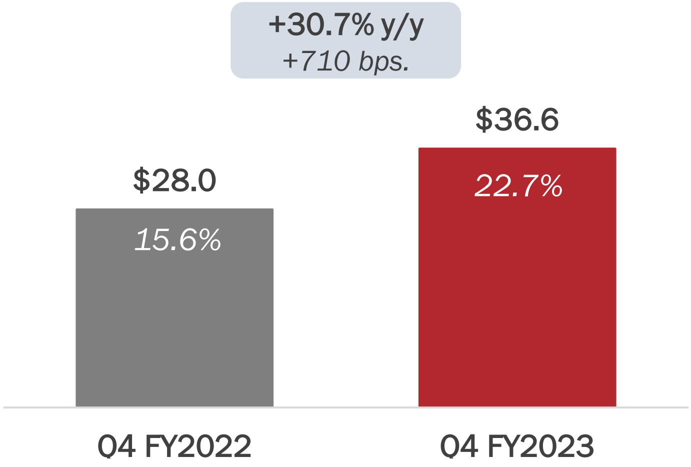
% of Net Sales



- Benefits from higher pricing, favorable manufacturing performance and lower SG&A expense more than offset lower volumes
- Fiscal 2023 adj. Operating Income margin decreased 500 bps. to 12.5%, primarily due to lower volumes, unfavorable manufacturing performance and inflation, partially offset by higher pricing

Adj. EBITDA ($M) (1)

% of Net Sales



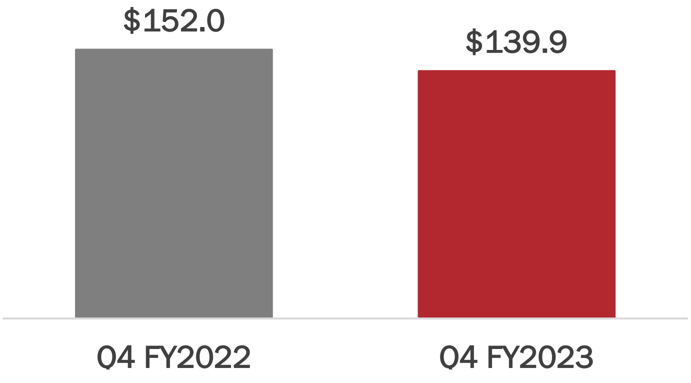
- Increased $8.6M due to same drivers as adj. Operating Income
- Adj. EBITDA margin increased 710 bps. to 22.7%
- Fiscal 2023 adj. EBITDA margin decreased 400 basis points to 17.7% due to same drivers as adj. Operating Income

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

Water Management Solutions Segment Results (Q4 Fiscal 2023)

Net Sales ($M)

-8.0% y/y

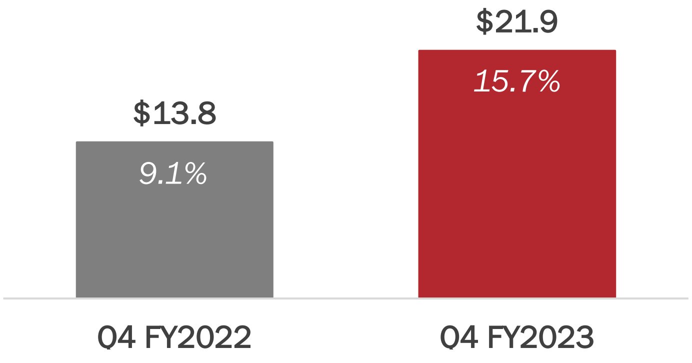


- Decreased 8.0% as lower volumes in hydrants and water applications were partially offset by higher pricing across most of the segment's product lines
- Repair products saw double-digit increase in net sales compared with the prior year
- Hydrants down double-digits compared with the prior year, primarily due to channel and customer inventory destocking reflecting normalized lead times and lower end market demand

Adj. Operating Income ($M) (1)

% of Net Sales

+58.7% y/y
+660 bps.

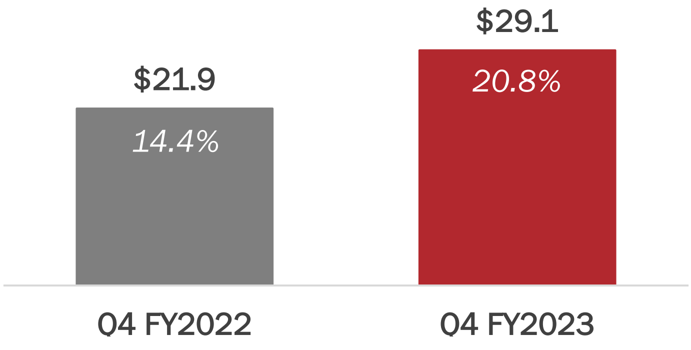


- Benefits from higher pricing, lower SG&A expense and lower freight costs more than offset lower volumes
- Fiscal 2023 adj. Operating Income margin increased 760 bps. to 17.7%, primarily due to higher pricing and increased volumes, partially offset by unfavorable manufacturing performance and inflation

Adj. EBITDA ($M) (1)

% of Net Sales

+32.9% y/y
+640 bps.

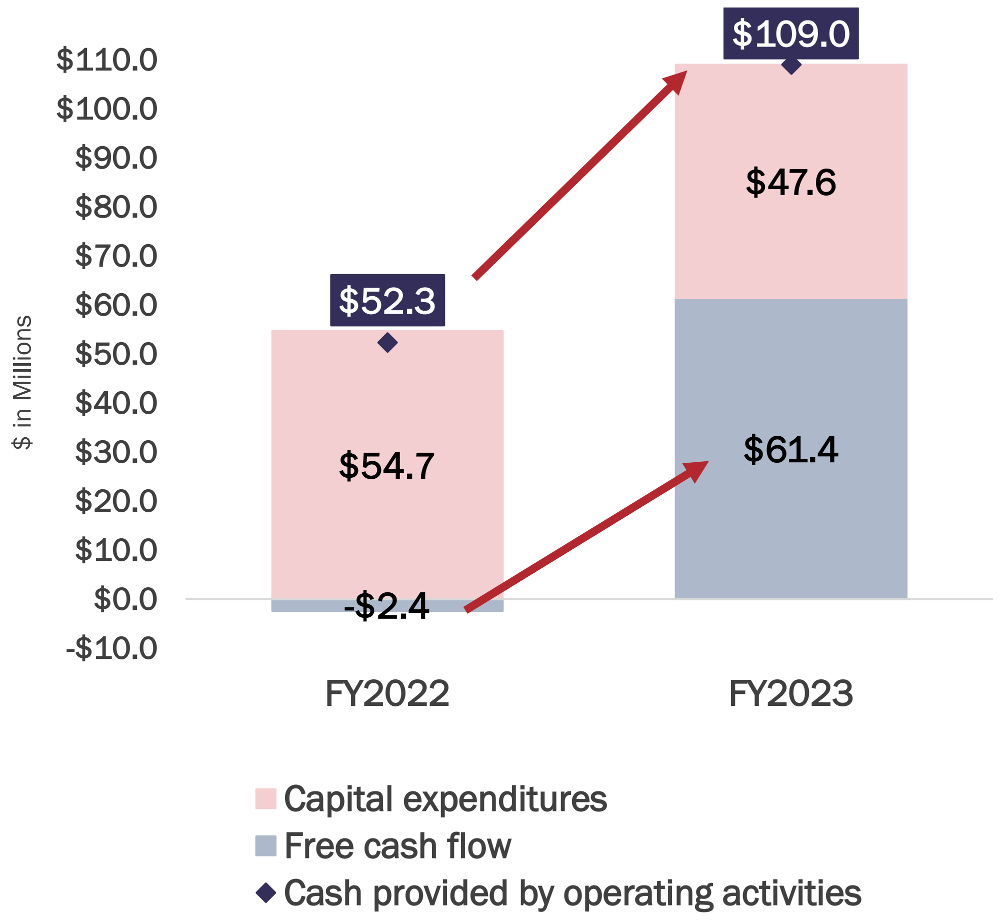


- Increased $7.2M due to same drivers as adj. Operating Income
- Adj. EBITDA margin increased 640 bps. to 20.8%
- Fiscal 2023 adj. EBITDA margin increased 660 basis points to 22.3% due to same drivers as adj. Operating Income

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

Free Cash Flow (Fiscal 2023)

- Increased net cash provided by operating activities for fiscal 2023 by $56.7M to $109.0M compared with prior year
  - Increase driven by improvements in working capital
  - Inventories decreased $14.8M in Q4 to $297.9M, which is $19.2M higher than Q4FY22
- Invested $47.6M in capital expenditures for fiscal 2023, $7.1M lower compared with prior year
- Increased free cash flow $63.8M to $61.4M for fiscal 2023 compared with prior year, with free cash flow 62.7% of adjusted net income, which exceeded expectations
- Repurchased $10M of common stock in Q4, and as of September 30, 2023, had $90M 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.

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Strong Balance Sheet and Liquidity

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 (SOFR + 10 bps. + 200 to 225 bps.) with none outstanding (matures July 2025)
Net Debt Leverage & Liquidity	• $287.1M net debt with total debt of $447.4M and total cash of $160.3M (1) • Net debt leverage improved to 1.4x at September 30, 2023 • No debt financing maturities prior to June 2029 • $322.7M of total liquidity including $162.4M of excess availability under the ABL, based on data as of September 30, 2023
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

Debt Maturities

(1) 4.0% Senior Notes include $3.9M of deferred financing costs.

Fiscal 2024 Outlook (1)

- Anticipate channel and customer inventory levels will be substantially normalized by the end of Q1FY24
- Consolidated backlog declined about $400M during the year and was approximately $326M at end of fiscal 2023, primarily due to our short-cycle products, mainly iron gate valves and hydrants
- Backlogs for iron gate valves and hydrants have normalized, while the backlog for service brass products remains elevated
- Anticipate consolidated net sales will decrease between 3% and 8% in fiscal 2024 after emerging from the significantly elevated backlog levels of prior years and expectation for a lower demand environment
- Consolidated net sales seasonality expected to be closer to pre-pandemic patterns (e.g., net sales for the first half of the fiscal year annually averaged approximately 45% of consolidated net sales for the 5-year period from 2015 to 2019)
- Anticipate consolidated net sales to range between $245M and $255M in Q1FY24, which is in line with our expectation that we will return to historical seasonality levels
- Continue to evaluate the business, financial and related impacts of the cybersecurity incident, and, at this time, the full costs of the incident have not yet been determined
- Anticipate incident will negatively impact results; however, expect margins to improve in the second half of the year primarily due to continued operational and supply chain productivity improvements

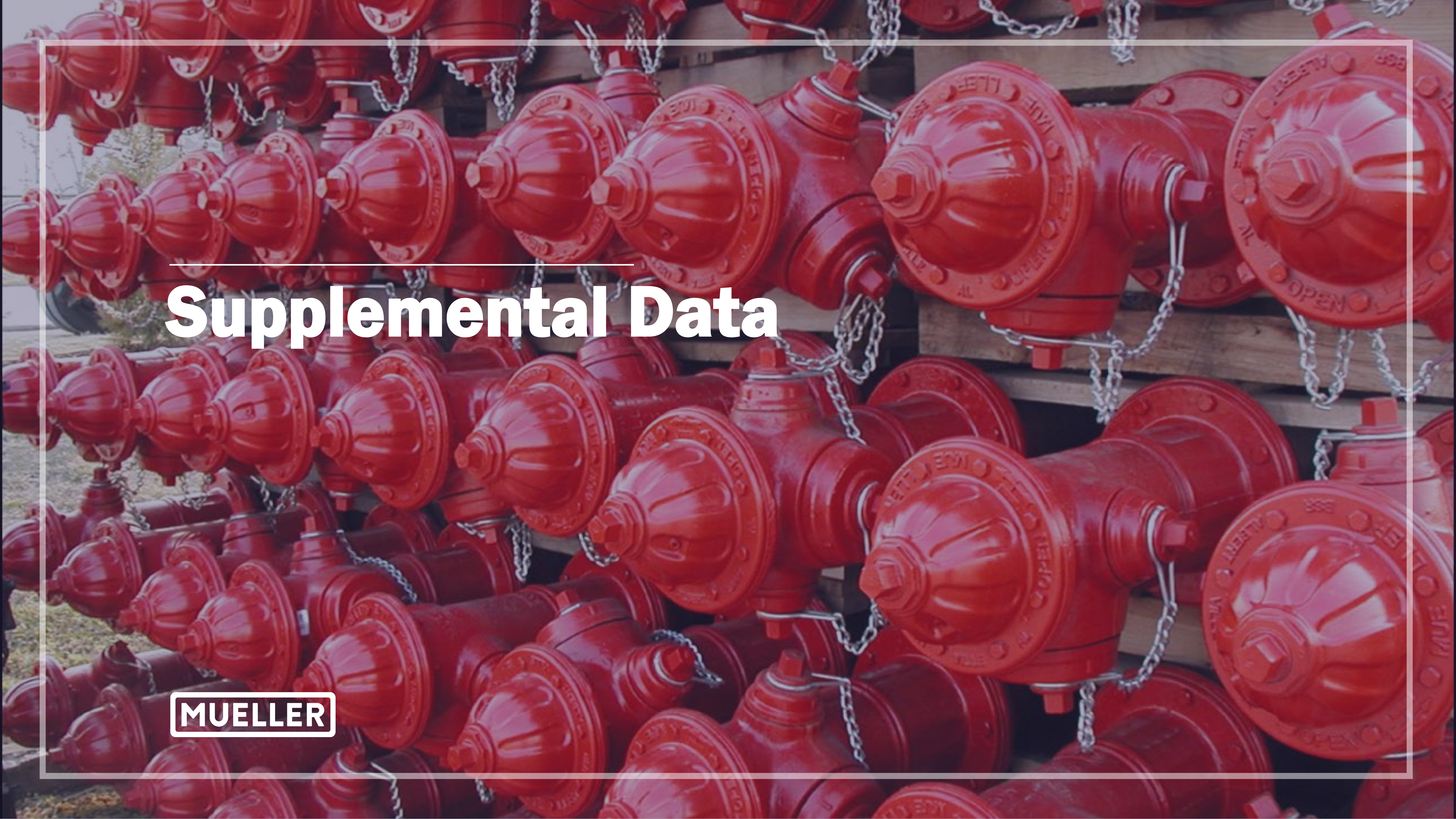
Fiscal 2024 Metrics (1)	
Consolidated Net Sales y/y (2)	-3% to -8%
Total SG&A Expenses	$240M to $245M
Net Interest Expense	$14M to $15M
Effective Income Tax Rate	23% to 25%
Depreciation and Amortization	$64M to $65M
Pension Expense Other than Service	≈$4M
Capital Expenditures	$45M to $50M

(1) Provided with Q4FY23 earnings press release on December 13, 2023.
(2) For Q1FY24, consolidated net sales expected to range between $245M and $255M.

Closing Comments

- Strong foundation built on talented and committed employees, industry-leading brands, and deep distribution channel and end customer relationships
- Broad portfolio of products and solutions allows us to play a critical role in addressing the challenges and opportunities facing the water infrastructure industry
- Inflection point with strategic investments and operational improvements, and despite the current external headwinds, well-positioned to deliver long-term sustainable organic growth and margin improvements
- Municipal water end market poised to benefit from increased attention and investment towards aging water infrastructure while water utilities face a growing set of challenges requiring trusted partners
- Products and solutions positioned to benefit from the Infrastructure bill once funds begin to flow
- Strong balance sheet, liquidity and cash flow allow us to continue to deliver shareholder value by reinvesting in our operations and returning cash to shareholders
  - Allocated $48.1M to shareholders through share repurchases and quarterly dividend, which was recently increased for the eighth time since 2014
- Confident actions we are taking to execute our strategy will further strengthen Mueller for the long term

Q&A



Supplemental Data

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

	Quarter ended September 30, 2023			
	Water Flow Solutions	Water Management Solutions	Corporate	Consolidated
	(dollars in millions, except per share amounts)			
Net sales	$ 161.5	$ 139.9	$ —	$ 301.4
Gross profit [(1)]	$ 47.5	$ 40.9	$ —	$ 88.4
Selling, general and administrative expenses	20.0	24.7	9.5	54.2
Strategic reorganization and other (benefits) charges [(2)]	(0.1)	0.5	8.9	9.3
Operating income (loss)	$ 27.6	$ 15.7	$ (18.4)	$ 24.9
Operating margin	17.1 %	11.2 %		8.3 %
Capital expenditures	$ 10.3	$ 4.9	$ —	$ 15.2
Reconciliation of non-GAAP to GAAP performance measures:				
Net income				$ 17.2
Warranty charge [(1)]				5.7
Strategic reorganization and other charges [(2)]				9.3
Income tax benefit of adjusting items				(2.5)
Adjusted net income				$ 29.7
Weighted average diluted shares outstanding				157.0
Adjusted net income per diluted share				$ 0.19

(1) Gross profit includes a charge of $5.7M in connection with warranty obligations in Water Management Solutions.
(2) Strategic reorganization and other (benefits) charges primarily relate to expenses associated with the leadership transition and other restructuring charges related to severance.

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

	Quarter ended September 30, 2023			
	Water Flow Solutions	Water Management Solutions	Corporate	Consolidated
	(dollars in millions, except per share amounts)			
Net income				$ 17.2
Income tax expense (3)				3.5
Interest expense, net (3)				3.3
Pension expense other than service (3)				0.9
Operating income (loss)	$ 27.6	$ 15.7	$ (18.4)	24.9
Warranty charge (1)	—	5.7	—	5.7
Strategic reorganization and other (benefits) charges (2)	(0.1)	0.5	8.9	9.3
Adjusted operating income (loss)	27.5	21.9	(9.5)	39.9
Pension expense other than service (3)	—	—	(0.9)	(0.9)
Depreciation and amortization	9.1	7.2	0.1	16.4
Adjusted EBITDA	$ 36.6	$ 29.1	$ (10.3)	$ 55.4
Adjusted operating margin	17.0 %	15.7 %		13.2 %
Adjusted EBITDA margin	22.7 %	20.8 %		18.4 %
Reconciliation of free cash flow to net cash provided by operating activities:				
Net cash provided by operating activities				$ 56.5
Less capital expenditures				15.2
Free cash flow				$ 41.3

(1) Gross profit includes a charge of $5.7M in connection with warranty obligations in Water Management Solutions.
(2) Strategic reorganization and other (benefits) charges primarily relate to expenses associated with the leadership transition and other restructuring charges related to severance.
(3) The Company does not allocate interest, income taxes or pension expense other than service to its segments.

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

	Quarter ended September 30, 2022			
	Water Flow Solutions	Water Management Solutions	Corporate	Consolidated
	(dollars in millions, except per share amounts)			
Net sales	$ 179.4	$ 152.0	$ —	$ 331.4
Gross profit	$ 42.5	$ 43.1	$ —	$ 85.6
Selling, general and administrative expenses	22.0	29.3	12.3	63.6
Strategic reorganization and other charges [1]	0.2	0.2	3.2	3.6
Goodwill impairment	6.8	—	—	6.8
Operating income (loss)	$ 13.5	$ 13.6	$ (15.5)	$ 11.6
Operating margin	7.5 %	8.9 %		3.5 %
Capital expenditures	$ 13.8	$ 4.2	$ —	$ 18.0
Reconciliation of non-GAAP to GAAP performance measures:				
Net income				$ 7.1
Strategic reorganization and other charges [1]				3.6
Goodwill impairment				6.8
Income tax benefit of adjusting items				(1.9)
Adjusted net income				$ 15.6
Weighted average diluted shares outstanding				157.0
Adjusted net income per diluted share				$ 0.10

(1) Strategic reorganization and other charges primarily relate to transaction expenses.

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

	Quarter ended September 30, 2022			
	Water Flow Solutions	Water Management Solutions	Corporate	Consolidated
	(dollars in millions, except per share amounts)			
Net income				$ 7.1
Income tax expense [2]				1.6
Interest expense, net [2]				3.9
Pension benefit other than service [2]				(1.0)
Operating income (loss)	$ 13.5	$ 13.6	$ (15.5)	11.6
Strategic reorganization and other charges [1]	0.2	0.2	3.2	3.6
Goodwill impairment	6.8	—	—	6.8
Adjusted operating income (loss)	20.5	13.8	(12.3)	22.0
Pension benefit other than service [2]	—	—	1.0	1.0
Depreciation and amortization	7.5	8.1	—	15.6
Adjusted EBITDA	$ 28.0	$ 21.9	$ (11.3)	$ 38.6
Adjusted operating margin	11.4 %	9.1 %		6.6 %
Adjusted EBITDA margin	15.6 %	14.4 %		11.6 %
Reconciliation of free cash flow to net cash provided by operating activities:				
Net cash provided by operating activities				$ 31.8
Less capital expenditures				18.0
Free cash flow				$ 13.8

(1) Strategic reorganization and other charges primarily relate to transaction expenses.
(2) The Company does not allocate interest, income taxes or pension benefit other than service to its segments.

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

	Year ended September 30, 2023			
	Water Flow Solutions	Water Management Solutions	Corporate	Consolidated
	(dollars in millions, except per share amounts)			
Net sales	$ 634.4	$ 641.3	$ —	$ 1,275.7
Gross profit [1]	$ 164.9	$ 214.6	$ —	$ 379.5
Selling, general and administrative expenses	85.3	106.9	49.7	241.9
Strategic reorganization and other charges [2]	—	1.7	8.5	10.2
Operating income (loss)	$ 79.6	$ 106.0	$ (58.2)	$ 127.4
Operating margin	12.5 %	16.5 %		10.0 %
Capital expenditures	$ 33.4	$ 14.2	$ —	$ 47.6
Reconciliation of non-GAAP to GAAP performance measures:				
Net income				$ 85.5
Warranty charge [1]				5.7
Strategic reorganization and other charges [2]				10.2
Income tax benefit of adjusting items				(3.4)
Adjusted net income				$ 98.0
Weighted average diluted shares outstanding				156.8
Adjusted net income per diluted share				$ 0.63

(1) Gross profit includes a charge of $5.7M in connection with warranty obligations in Water Management Solutions.
(2) Strategic reorganization and other charges includes expenses associated with the leadership transition, other restructuring charges related to severance in addition to certain transaction-related expenses.

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

	Year ended September 30, 2023			
	Water Flow Solutions	Water Management Solutions	Corporate	Consolidated
	(dollars in millions, except per share amounts)			
Net income				$ 85.5
Income tax expense (3)				23.5
Interest expense, net (3)				14.7
Pension expense other than service (3)				3.7
Operating income (loss)	$ 79.6	$ 106.0	$ (58.2)	127.4
Warranty charge (1)	—	5.7	—	5.7
Strategic reorganization and other charges (2)	—	1.7	8.5	10.2
Adjusted operating income (loss)	79.6	113.4	(49.7)	143.3
Pension expense other than service (3)	—	—	(3.7)	(3.7)
Depreciation and amortization	32.8	29.5	0.2	62.5
Adjusted EBITDA	$ 112.4	$ 142.9	$ (53.2)	$ 202.1
Adjusted operating margin	12.5 %	17.7 %		11.2 %
Adjusted EBITDA margin	17.7 %	22.3 %		15.8 %
Reconciliation of net debt to total debt (end of period):				
Current portion of long-term debt				$ 0.7
Long-term debt				446.7
Total debt				$ 447.4
Less cash and cash equivalents				160.3
Net debt				$ 287.1
Net debt leverage (net debt divided by trailing twelve months' adjusted EBITDA)				1.4x
Reconciliation of free cash flow to net cash provided by operating activities:				
Net cash provided by operating activities				$ 109.0
Less capital expenditures				47.6
Free cash flow				$ 61.4

(1) Gross profit includes a charge of $5.7M in connection with warranty obligations in Water Management Solutions.
(2) Strategic reorganization and other charges includes expenses associated with the leadership transition, other restructuring charges related to severance in addition to certain transaction-related expenses.
(3) The Company does not allocate interest, income taxes or pension expense other than service to its segments.

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

	Year ended September 30, 2022			
	Water Flow Solutions	Water Management Solutions	Corporate	Consolidated
	(dollars in millions, except per share amounts)			
Net sales	$ 714.1	$ 533.3	$ —	$ 1,247.4
Gross profit [1]	$ 212.4	$ 151.9	$ —	$ 364.3
Selling, general and administrative expenses	87.1	102.8	48.8	238.7
Strategic reorganization and other charges [2]	0.2	0.4	6.6	7.2
Goodwill Impairment	6.8	—	—	6.8
Operating income (loss)	$ 118.3	$ 48.7	$ (55.4)	$ 111.6
Operating margin	16.6 %	9.1 %		8.9 %
Capital expenditures	$ 43.4	$ 11.3	$ —	$ 54.7
Reconciliation of non-GAAP to GAAP performance measures:				
Net income				$ 76.6
Warranty charge [1]				4.5
Strategic reorganization and other charges [2]				7.2
Goodwill impairment				6.8
Income tax benefit of adjusting items				(4.1)
Adjusted net income				$ 91.0
Weighted average diluted shares outstanding				158.0
Adjusted net income per diluted share				$ 0.58

(1) Gross profit includes a charge of $4.5M in connection with warranty obligations in Water Management Solutions.
(2) Strategic reorganization and other charges primarily relate to transaction expenses, plant closures in Aurora, Illinois and British Columbia, Canada, and the Albertville tragedy.

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

	Year ended September 30, 2022			
	Water Flow Solutions	Water Management Solutions	Corporate	Consolidated
	(dollars in millions, except per share amounts)			
Net income				$ 76.6
Income tax expense (3)				22.0
Interest expense, net (3)				16.9
Pension benefit other than service (3)				(3.9)
Operating income (loss)	$ 118.3	$ 48.7	$ (55.4)	111.6
Warranty charge (1)	—	4.5	—	4.5
Strategic reorganization and other charges (2)	0.2	0.4	6.6	7.2
Goodwill impairment	6.8	—	—	6.8
Adjusted operating income (loss)	125.3	53.6	(48.8)	130.1
Pension benefit other than service (3)	—	—	3.9	3.9
Depreciation and amortization	30.0	30.3	0.2	60.5
Adjusted EBITDA	$ 155.3	$ 83.9	$ (44.7)	$ 194.5
Adjusted operating margin	17.5 %	10.1 %		10.4 %
Adjusted EBITDA margin	21.7 %	15.7 %		15.6 %
Reconciliation of net debt to total debt (end of period):				
Current portion of long-term debt				$ 0.8
Long-term debt				446.1
Total debt				446.9
Less cash and cash equivalents				146.5
Net debt				$ 300.4
Net debt leverage (net debt divided by trailing twelve months' adjusted EBITDA)				1.5x
Reconciliation of free cash flow to net cash provided by operating activities:				
Net cash provided by operating activities				$ 52.3
Less capital expenditures				54.7
Free cash flow				$ (2.4)

(1) Gross profit includes a charge of $4.5M in connection with warranty obligations in Water Management Solutions.
(2) Strategic reorganization and other charges primarily relate to transaction expenses, plant closures in Aurora, Illinois and British Columbia, Canada, and the Albertville tragedy.
(3) The Company does not allocate interest, income taxes or pension expense other than service to its segments.

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