MUELLER Mueller Water Products

Where Intelligence Meets Infrastructure®

Earnings Conference Call For The Second Quarter Ended March 31, 2021

May 4, 2021

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 in evaluating the Company's underlying performance on a consistent basis across periods and in making 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 in evaluating its capital management, and the investment community commonly uses them as measures of indebtedness. The Company presents free cash flow because management believes it is commonly used by the investment community to measure the Company's ability to create liquidity.

The calculations of these non-GAAP measures and reconciliations to GAAP results are included as an attachment to this press release and have been posted online at www.muellerwaterproducts.com. The Company does not reconcile forward-looking adjusted EBITDA to the comparable GAAP measure, as permitted by Regulation S-K, because certain items, e.g., expenses related to corporate development activities, pension 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 Private Securities Litigation Reform Act of 1995. 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, trend descriptions, the COVID-19 pandemic, go-to-market strategies, operational excellence, acceleration of new product development, end market performance, net sales performance, adjusted operating income and adjusted EBITDA performance, margins, capital expenditure plans, litigation outcomes, capital allocation and growth strategies, restructuring efficiencies and warranty charges. 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 the extent, duration and severity of the impact of the COVID-19 pandemic on the Company’s operations and results, including effects on the financial health of customers (including collections), the Company and the financial/capital markets, government-mandated facility closures, COVID-19 related facility closures and other manufacturing restrictions, logistical challenges and supply chain interruptions, potential litigation and claims emanating from the COVID-19 pandemic, and health, safety and employee/labor issues in Company facilities around the world; unexpected or greater than expected increases in costs of raw materials and purchased parts; regional, national or global political, economic, market and competitive conditions; cyclical and changing demand in core markets such as municipal spending; government monetary or fiscal policies; residential and non-residential construction, and natural gas distribution; manufacturing and product performance; expectations for changes in volumes, continued execution of cost productivity initiatives and improved pricing; warranty exposures (including the adequacy of warranty reserves); the Company’s ability to successfully resolve significant legal proceedings, claims, lawsuits or government investigations; compliance with environmental, trade and anti-corruption laws and regulations; changing regulatory, trade and tariff conditions; failure to achieve expected cost savings, net sales expectations, profitability expectations and manufacturing efficiencies from restructuring and consolidation activities and our large capital investments in Chattanooga and Kimball, Tennessee and Decatur, Illinois; the failure to integrate and/or realize any of the anticipated benefits of recent acquisitions or divestitures; and other factors that are described in the section entitled “RISK FACTORS” in Item 1A of the Annual Report on Form 10-K (all of which risks may be amplified by the COVID-19 outbreak).

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.

Second Quarter Highlights

- Delivered solid second quarter performance despite continuing and new challenges from COVID-19 and inflation
- Consolidated net sales exceeded our expectations as we reported a 3.8% increase in quarter
  - Increased net sales 1.5%, excluding $6.0 million benefit from the elimination of Krausz Industries' one-month reporting lag
  - Sequentially improved 12.7% and compares with a 10.1% increase in net sales in second quarter of last year
  - End markets improved during the quarter as municipal spending continues to recover from the pandemic and residential construction continues to see strong demand for single-family homes
- Experienced accelerating raw material inflation during the quarter leading us to implement additional price increases during the quarter for the majority of our products, which will help margins moving forward
- Improved gross margin 50 bps. excluding inventory write-down associated with recently announced restructuring plans, despite near-term headwind from accelerating inflation
- Generated $50.7M in adjusted EBITDA with adjusted EBITDA margin of 19.4%(1) with benefits from favorable manufacturing performance and higher pricing partially offset by accelerating inflation and anticipated increase in SG&A expenses
- Pleased with cash generation leading to $72.4M increase in free cash flow through the first six months
- Believe end market demand will support further growth this year
- Raising annual guidance for both consolidated net sales and adjusted EBITDA growth for 2021 for the second consecutive quarter

(1) For 2Q21, the denominator in the adjusted margin calculations shown for Infrastructure and Consolidated excludes net sales of $6.0M associated with the elimination of the one-month reporting lag.

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Consolidated GAAP Results

- Net sales of $267.5M increased $9.8M, or 3.8%, driven by the benefit of eliminating the one-month reporting lag, higher pricing and increased volumes at Technologies
- Gross profit was $88.4M with a gross margin of 33.0%, and gross margin decreased 40 basis points versus the prior year
  - Excluding the $2.4M inventory write-down associated with recently announced restructuring plans, gross margin increased 50 basis points
  - Benefits from favorable manufacturing performance, higher sales and eliminating one-month reporting lag were partially offset by higher costs associated with inflation and approximately $1.2M of additional expenses related to the pandemic
  - Total material costs increased approximately 10% year-over-year in the quarter primarily driven by higher raw materials
  - Price-cost relationship was negative this quarter given the rapidly rising inflation, particularly for raw materials; expect additional price increases will help offset anticipated inflation in the second half of the year
- SG&A expenses of $54.2M increased $4.9M primarily due to higher personnel-related costs and an additional month of results due to the elimination of the reporting lag, which were partially offset by reduced expenses related to travel, trade shows and events as a result of the pandemic
- Operating income of $33.4M decreased compared to $35.8M; includes $2.4M inventory write-down, a $1.4M benefit from eliminating the one-month reporting lag and $0.8M of strategic reorganization and other charges in the quarter

Second Quarter	**2021**	**2020**
Net sales	$ 267.5	$ 257.7
Gross profit	$ 88.4	$ 86.0
Gross margin	33.0%	33.4%
SG&A	$ 54.2	$ 49.3
SG&A % of net sales	20.3%	19.1%
Operating income	$ 33.4	$ 35.8
Net income per diluted share	$ 0.13	$ 0.15

$ in millions except per share amounts

Consolidated Non-GAAP Results

- Generated $35.2M of adjusted operating income compared to the prior year
- Higher costs associated with inflation and higher SG&A expenses were partially offset by benefits from favorable manufacturing performance and higher sales
- Estimated expense impact from the pandemic was a benefit of about $0.6M in the quarter
- Reported adjusted EBITDA of $50.7M with adjusted EBITDA margin of 19.4%(1)
- For the last twelve months, adjusted EBITDA was $196.8M, or 19.8% of net sales(1)
- Adjusted net income per share of $0.14 compared with $0.15 in the prior year

Second Quarter	**2021**	**2020**
Adj. operating income	$ 35.2	$ 36.7
Adj. operating margin(1)	13.5%	14.2%
Adj. EBITDA	$ 50.7	$ 51.8
Adj. EBITDA margin(1)	19.4%	20.1%
Adj. net income per share	$ 0.14	$ 0.15

$ in millions except per share amounts

2Q21 results exclude $2.4M inventory restructuring write-down, $1.4M benefit of one-month results related to elimination of reporting lag, strategic and reorganization and other charges of $0.8M, and tax benefits of $0.5M

2Q20 results exclude strategic reorganization and other charges of $0.9M and tax benefits of $0.2M

(1) For 2Q21, the denominator in the adjusted margin calculations shown for Infrastructure and Consolidated excludes net sales of $6.0M associated with the elimination of the one-month reporting lag.

Infrastructure Results

- Net sales of $246.9M increased $7.0M, or 2.9%, primarily due to eliminating the one-month reporting lag and higher pricing
- Adjusted operating income of $52.9M increased $2.2M, or 4.3%, primarily due to favorable manufacturing performance and higher pricing, partially offset by higher costs associated with inflation, primarily for raw materials
- Estimated expense impact from the COVID-19 pandemic was a net benefit of $0.5M in the quarter as $1.5M of lower SG&A expenses, attributed to reduced travel and trade show expense, were partially offset by $1.0M of additional manufacturing expenses
- Adjusted EBITDA of $65.6M increased $2.8M, or 4.5%, leading to 27.2% adjusted EBITDA margin(1) and conversion margin of >200%

Second Quarter	2021	2020
Net sales	$ 246.9	$ 239.9
Adj. operating income	$ 52.9	$ 50.7
Adj. operating margin(1)	22.0%	21.1%
Adj. EBITDA	$ 65.6	$ 62.8
Adj. EBITDA margin(1)	27.2%	26.2%

$ in millions

2Q21 results exclude $2.4M inventory restructuring write-down, $1.4M benefit of one-month results related to elimination of reporting lag and $0.7M benefit from strategic and reorganization and other charges

(1) For 2Q21, the denominator in the adjusted margin and conversion margin calculations shown for Infrastructure and Consolidated excludes net sales of $6.0M associated with the elimination of the one-month reporting lag.

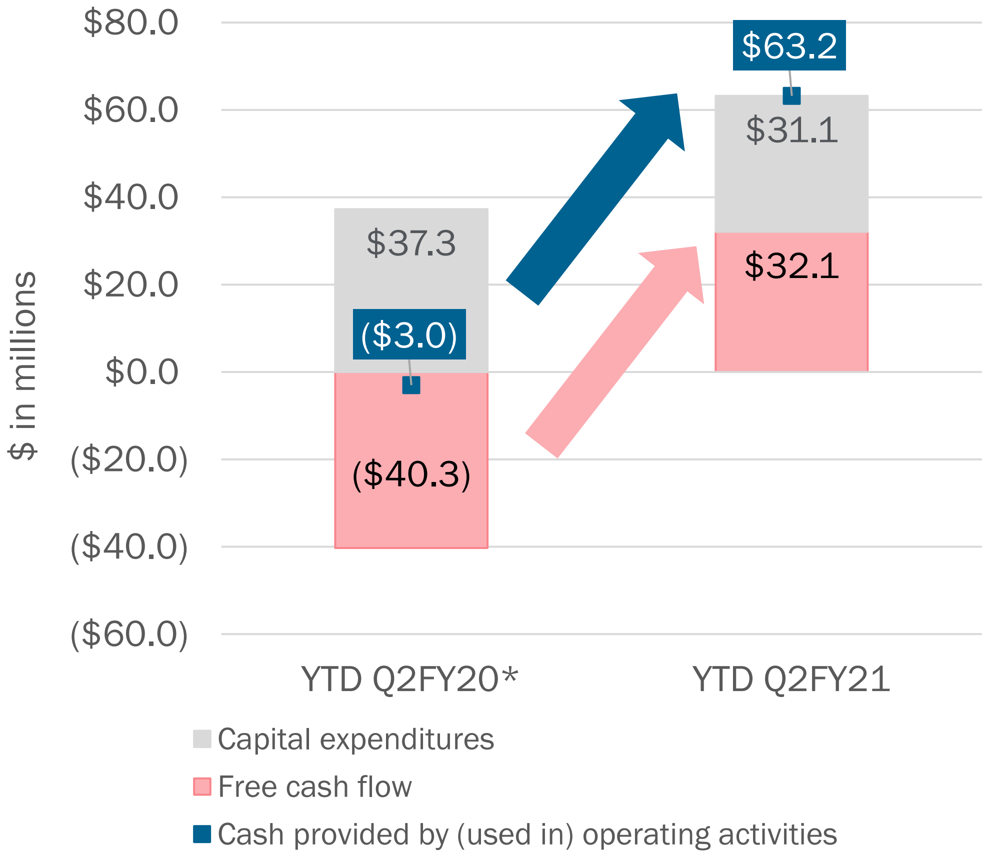
Technologies Results

- Net sales of $20.6M increased $2.8M, or 15.7%, primarily due to increased volumes and higher pricing
- Adjusted operating loss of $4.6M was flat in the quarter as higher sales were offset by unfavorable manufacturing performance, higher SG&A expenses, and higher costs associated with inflation
- Estimated expense impact from the pandemic was a net benefit of $0.1M in the quarter as $0.3M of lower SG&A expenses, were partially offset by additional manufacturing expenses in the quarter
- Adjusted EBITDA was essentially flat with a loss of $2.6M as compared with a loss of $2.5M in the prior year quarter

Second Quarter	**2021**	**2020**
Net sales	$ 20.6	$ 17.8
Adj. operating income / (loss)	$ (4.6)	$ (4.6)
Adj. operating margin	(22.3%)	(25.8%)
Adj. EBITDA	$ (2.6)	$ (2.5)
Adj. EBITDA margin	(12.6%)	(14.0%)

$ in millions

Free Cash Flow



- Net cash provided by operating activities for six month period improved $66.2M to $63.2M, primarily driven by improvements in working capital management
- First quarter 2020 included the $22.0M payment associated with the Walter Energy payment*
- Invested $31.1M in capital expenditures during six month period compared to the $37.3M in prior year period
- Free cash flow for the six month period improved $72.4M to $32.1M compared with negative free cash flow of $40.3M for the same period of the prior year

* Both cash used in operating activities and free cash flow for YTD Q2FY20 include the pre-tax $22.0M payment (FY20 impact of $16.6M net of the tax benefit) associated with the Walter Energy tax settlement

Strong Balance Sheet and Ample Liquidity

Well-Prepared to Deal with Ongoing Challenges from Pandemic

Credit Rating

- Moody's: Ba2 Corporate Rating, Ba3 Notes Rating, Stable Outlook
- S&P: BB Corporate and Notes Ratings, Stable Outlook

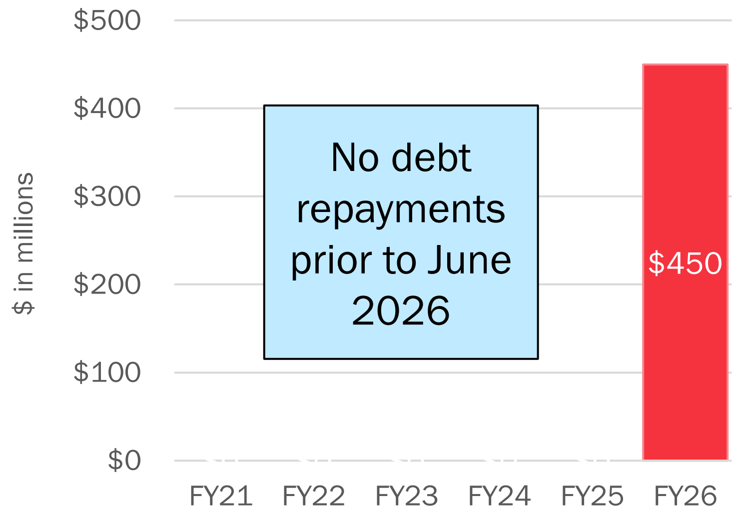
Debt Structure

- $450M of 5.5% Senior Unsecured Notes (matures June 2026)
- Asset based lending agreement ("ABL") provides up to $175M revolving credit facility subject to borrowing base (LIBOR + 200 basis points) with none outstanding (terminates July 29, 2025)

Net Debt Leverage & Liquidity

- $219.4M net debt with total debt of $447.6M* and total cash of $228.2M
- Net debt leverage was 1.1x at March 31, 2021 vs. 1.6x at March 31, 2020
- No debt maturities prior to June 2026
- $382.6M of total liquidity including $154.4M of excess availability under the ABL, based on March 31, 2021 data

Debt Maturities



Financial Covenants

- No financial maintenance covenants on Senior Unsecured 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

* 5.5% Senior Unsecured Notes include $4.5M of deferred financing costs

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Key Strategies, End Markets, and Full-Year Fiscal 2021 Outlook

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Key Strategies

Raw Material Inflation and Price Actions	• Raw material inflation accelerated during the second quarter impacting gross margins • Due to the magnitude of the inflationary increases, especially raw materials, and the lag between pricing actions and realization, experienced unfavorable price-cost impact during the quarter • Taken additional pricing actions beyond initial price increases in December, which will help price-cost position in the second half of the year • While magnitude of inflation will impact conversion margins for rest of the year, expect to get more price realization in our third and fourth quarters, which will carry over into 2022 • Remain focused on improving our conversion margin through price realization and productivity initiatives to help offset the expected inflation in the second half of the year • Similar to the 2017-2018 inflation cycle, we will benefit from the multiple pricing actions after the cycle peaks • Goal to get price to more than cover inflationary pressures over the entire cycle, which we expect to continue into 2022
Recently Announced Restructuring Plans	• Announced additional plans to close two facilities in Aurora, IL, and Surrey, British Columbia, with most activities consolidated into the new facility in Kimball, TN; Begun to implement and expect to substantially complete by Q3 FY22 • Actions will help accelerate product development, drive additional operational efficiencies, reduce duplicative expenses and aid us in advancing our environmental initiatives • Kimball facility one of the three transformational projects, along with the new brass foundry in Decatur and large casting foundry in Chattanooga • Due to the pandemic's impact on the project-related portion of our valve business re-evaluated the timeline for the sales ramp-up of existing and new products • New restructuring initiative will help us to achieve our overall gross margin expectations upon completion of the three large projects, once they are at full run rate • In total, continue to anticipate these three projects will contribute $30M in cumulative gross profit benefiting from cost savings and increased sales, after all are complete and at full run rate

End Market Update

- End markets improved during the quarter as municipal spending continues to recover from the pandemic and residential construction continues to see strong demand for single-family homes
- For the first half of the year, increased consolidated net sales 6.1%, excluding the one-month reporting lag, which compares with 10.2% net sales increase in the first half of last year
- Distributors increased inventory levels during the first half of this year, resulting from both anticipated demand and the timing of pricing actions
- Believe overall end market growth is in the mid-single digit range

Residential Construction	• Residential construction end market very strong in the quarter • Single-family housing starts increased 20% in the quarter leading to over a million starts over the last twelve months • Believe residential construction end market will continue to experience strong growth this year • Anticipate level of growth will start to moderate later this year as we lap the strong growth in the prior year and supply challenges push out new lot development
Municipal Water Repair and Replacement	• View on the municipal end market similar to last quarter • Seeing some delays in the project-portion of the market, which we expect to continue to varying degrees • Infrastructure bill mentioning water investments is a positive for our industry; will take some time for the final bill to be approved and a number of years for the federal dollars to reach the municipalities • Over 90% of water utility funding comes from state and local sources; expect the pace of recovery of the project business to move more slowly than the repair and maintenance portion, which remains relatively resilient • Over long term believe any federal infrastructure funding efforts will help municipalities address their aging distribution networks at a faster pace and highlight need for investment in our aging infrastructure

Full-Year Fiscal 2021 Outlook*

- Demand remained strong throughout the second quarter and we finished the quarter with an all-time high backlog
- For 2021, continue to expect that strong growth in the residential construction end market will more than offset any temporary delays in the project-related portions of the municipal end market caused by the pandemic
- Based on expectations for our end markets, sales backlog, pricing and inflation for the rest of the year, now anticipate:
  - Consolidated net sales growth 8-10% range as compared to previous guidance for 4-6% increase in net sales
  - Adjusted EBITDA growth in 9-12% range compared to previous guidance for 5-8% growth in adjusted EBITDA
  - Continue to expect to generate healthy free cash flow for the rest of the year
- Other items include:
  - Total SG&A expenses between $215M and $220M
  - Interest expense, net between $24M and $25M
  - Effective income tax rate between 24% and 26%
  - Depreciation and amortization between $60M and $62M
  - Capital expenditures between $80M and $85M

* Expectations for other financial metrics for full-year 2021 provided with Q2FY21 earnings press release on May 3, 2021.

Remain Focused on Executing Key Strategies to Grow and Enhance Our Business

Accelerate Development of New Products Through Improved Ideation, Engineering & Commercialization Processes

Drive Continuously Towards Operational Excellence & Execute Key Capital Projects

Develop & Implement an Intelligent Infrastructure Testing, Monitoring and Control Platform

Implement Sales Organization Initiatives and Channel Strategies to Execute Growth

Where Intelligence Meets Infrastructure®

Mueller is committed to manufacturing innovative products and creating smart solutions that will solve future challenges, whether it's at the source, at the plant, below the ground, on the street or in the cloud. Every day, we help deliver safe, clean drinking water to millions of people.

Our Commitment to Sustainability

As we look to the future, our commitment to advancing our environmental, social and governance (ESG) goals will remain at the forefront of how we operate our business and positively impact our world.

OUR CORE VALUES: RESPECT | INTEGRITY | TRUST | SAFETY | INCLUSION

Q&A

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Supplemental Data

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

	Quarter ended March 31, 2021			
	Infrastructure	Technologies	Corporate	Consolidated
	(dollars in millions, except per share amounts)			
Net sales (1)	$ 246.9	$ 20.6	$ —	$ 267.5
Gross profit	$ 86.3	$ 2.1	$ —	$ 88.4
Selling, general and administrative expenses	34.4	6.7	13.1	54.2
Strategic reorganization and other (credits) charges (2)	(0.7)	—	1.5	0.8
Operating income (loss) (1)	$ 52.6	$ (4.6)	$ (14.6)	$ 33.4
Operating margin	21.3 %	(22.3)%		12.5 %
Capital expenditures	$ 14.8	$ 0.7	$ —	$ 15.5
Reconciliation of non-GAAP to GAAP performance measures:				
Net income				$ 20.9
Strategic reorganization and other charges				0.8
Inventory restructuring write-down				2.4
Benefit of one-month results related to elimination of reporting lag				(1.4)
Income tax benefit of adjusting items				(0.5)
Adjusted net income				$ 22.2
Weighted average diluted shares outstanding				159.1
Adjusted net income per diluted share				$ 0.14

(1) As a result of the elimination of the one-month lag, the three month period ended March 31, 2021 includes an additional $6.0 million of net sales, and an additional $1.4 million in operating income in Infrastructure and Consolidated.
(2) For the three month period ended March 31, 2021, Cost of sales includes $2.4 million in Inventory write-downs and Strategic reorganization and other charges include $0.9 million in termination benefits, both associated with the announced closures of our facilities in Aurora, Illinois, and Surrey, British Columbia, Canada.
(3) For the three month period ended March 31, 2021, the denominator in the adjusted margin calculations shown for Infrastructure and Consolidated excludes net sales of $6.0 million associated with the elimination of the one-month reporting lag.
(4) We do not allocate interest, income taxes or pension benefit (expense) other than service to our segments.

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

	Quarter ended March 31, 2021			
	Infrastructure	Technologies	Corporate	Consolidated
	(dollars in millions, except per share amounts)			
Net income				$ 20.9
Income tax expense (4)				7.2
Interest expense, net(4)				6.1
Pension benefit other than service (4)				(0.8)
Operating income (loss)	$ 52.6	$ (4.6)	$ (14.6)	$ 33.4
Strategic reorganization and other charges	(0.7)	—	1.5	0.8
Inventory restructuring write-down	2.4	—	—	2.4
Benefit of one-month results related to elimination of reporting lag	(1.4)	—	—	(1.4)
Adjusted operating income (loss)	52.9	(4.6)	(13.1)	35.2
Pension benefit other than service	—	—	0.8	0.8
Depreciation and amortization	12.7	2.0	—	14.7
Adjusted EBITDA	$ 65.6	$ (2.6)	$ (12.3)	$ 50.7
Adjusted operating margin (3)	22.0 %	(22.3)%		13.5 %
Adjusted EBITDA margin (3)	27.2 %	(12.6)%		19.4 %
Adjusted EBITDA	$ 65.6	$ (2.6)	$ (12.3)	$ 50.7
Three prior quarters' adjusted EBITDA	179.6	(0.9)	(32.6)	146.1
Trailing twelve months' adjusted EBITDA	$ 245.2	$ (3.5)	$ (44.9)	$ 196.8
Reconciliation of net debt to total debt (end of period):				
Current portion of long-term debt				$ 1.0
Long-term debt				446.6
Total debt				447.6
Less cash and cash equivalents				228.2
Net debt				$ 219.4
Net debt leverage (net debt divided by trailing twelve months' adjusted EBITDA)				1.1x
Reconciliation of free cash flow to net cash provided by operating activities:				
Net cash provided by operating activities				$ 29.1
Less capital expenditures				(15.5)
Free cash flow				$ 13.6

(1) As a result of the elimination of the one-month lag, the three month period ended March 31, 2021 includes an additional $6.0 million of net sales, and an additional $1.4 million in operating income in Infrastructure and Consolidated.
(2) For the three month period ended March 31, 2021, Cost of sales includes $2.4 million in Inventory write-downs and Strategic reorganization and other charges include $0.9 million in termination benefits, both associated with the announced closures of our facilities in Aurora, Illinois, and Surrey, British Columbia, Canada.
(3) For the three month period ended March 31, 2021, the denominator in the adjusted margin calculations shown for Infrastructure and Consolidated excludes net sales of $6.0 million associated with the elimination of the one-month reporting lag.
(4) We do not allocate interest, income taxes or pension benefit (expense) other than service to our segments.

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

	Quarter ended March 31, 2020			
	Infrastructure	Technologies	Corporate	Consolidated
	(dollars in millions, except per share amounts)			
Net sales [1]	$ 239.9	$ 17.8	$ —	$ 257.7
Gross profit [1]	$ 84.1	$ 1.9	$ —	$ 86.0
Selling, general and administrative expenses	33.4	6.5	9.4	49.3
Strategic reorganization and other charges	0.4	—	0.5	0.9
Operating income (loss)	$ 50.3	$ (4.6)	$ (9.9)	$ 35.8
Operating margin	21.0 %	(25.8)%		13.9 %
Capital expenditures	$ 21.2	$ 0.7	$ 0.2	$ 22.1
Reconciliation of non-GAAP to GAAP performance measures:				
Net income				$ 23.8
Strategic reorganization and other charges				0.9
Income tax benefit of adjusting items				(0.2)
Adjusted net income				$ 24.5
Weighted average diluted shares outstanding				158.7
Adjusted net income per diluted share				$ 0.15

(1) Net sales and gross profit associated with certain products have been reclassified as Technologies segment items to conform to the current period presentation.
(2) We do not allocate interest, income taxes or pension benefit (expense) other than service to our segments.

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

	Quarter ended March 31, 2020			
	Infrastructure	Technologies	Corporate	Consolidated
	(dollars in millions, except per share amounts)			
Net income				$ 23.8
Income tax expense (2)				6.8
Interest expense, net (2)				6.0
Pension benefit other than service (2)				(0.8)
Operating income (loss)	$ 50.3	$ (4.6)	$ (9.9)	$ 35.8
Strategic reorganization and other charges	0.4	—	0.5	0.9
Adjusted operating income (loss)	50.7	(4.6)	(9.4)	36.7
Pension benefit other than service	—	—	0.8	0.8
Depreciation and amortization	12.1	2.1	0.1	14.3
Adjusted EBITDA	$ 62.8	$ (2.5)	$ (8.5)	$ 51.8
Adjusted operating margin	21.1 %	(25.8)%		14.2 %
Adjusted EBITDA margin	26.2 %	(14.0)%		20.1 %
Adjusted EBITDA	$ 62.8	$ (2.5)	$ (8.5)	$ 51.8
Three prior quarters' adjusted EBITDA	184.9	2.8	(28.0)	159.7
Trailing twelve months' adjusted EBITDA	$ 247.7	$ 0.3	$ (36.5)	$ 211.5
Reconciliation of net debt to total debt (end of period):				
Current portion of long-term debt				$ 1.1
Long-term debt				446.2
Total debt				447.3
Less cash and cash equivalents				111.3
Net debt				$ 336.0
Net debt leverage (net debt divided by trailing twelve months' adjusted EBITDA)				1.6x
Reconciliation of free cash flow to net cash provided by operating activities:				
Net cash provided by operating activities				$ 9.4
Less capital expenditures				(22.1)
Free cash flow				$ (12.7)

(1) Net sales and gross profit associated with certain products have been reclassified as Technologies segment items to conform to the current period presentation.
(2) We do not allocate interest, income taxes or pension benefit (expense) other than service to our segments.

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

	Six months ended March 31, 2021			
	Infrastructure	Technologies	Corporate	Consolidated
	(dollars in millions, except per share amounts)			
Net sales (1)	$ 462.8	$ 42.1	$ —	$ 504.9
Gross profit	$ 160.0	$ 6.8	$ —	$ 166.8
Selling, general and administrative expenses	66.4	12.9	24.1	103.4
Strategic reorganization and other (credits) charges (2)	(0.6)	—	2.8	2.2
Operating income (loss) (1)	$ 94.2	$ (6.1)	$ (26.9)	$ 61.2
Operating margin	20.4 %	(14.5)%		12.1 %
Capital expenditures	$ 29.5	$ 1.5	$ 0.1	$ 31.1
Reconciliation of non-GAAP to GAAP performance measures:				
Net income				$ 37.6
Strategic reorganization and other charges				2.2
Inventory restructuring write-down				2.4
Benefit of one-month results related to elimination of reporting lag				(1.4)
Income tax benefit of adjusting items				(0.8)
Adjusted net income				$ 40.0
Weighted average diluted shares outstanding				159.0
Adjusted net income per diluted share				$ 0.25

(1) As a result of the elimination of the one-month lag, the six month period ended March 31, 2021 includes an additional $6.0 million of net sales, and an additional $1.4 million in operating income in Infrastructure and Consolidated.
(2) For the six month period ended March 31, 2021, Cost of sales includes $2.4 million in Inventory write-downs and Strategic reorganization and other charges include $0.9 million in termination benefits, both associated with the announced closures of our facilities in Aurora, Illinois, and Surrey, British Columbia, Canada.
(3) For the six month period ended March 31, 2021, the denominator in the adjusted margin calculations shown for Infrastructure and Consolidated excludes net sales of $6.0 million associated with the elimination of the one-month reporting lag.
(4) We do not allocate interest, income taxes or pension benefit (expense) other than service to our segments.

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

	Six months ended March 31, 2021			
	Infrastructure	Technologies	Corporate	Consolidated
	(dollars in millions, except per share amounts)			
Net income				$ 37.6
Income tax expense (4)				13.0
Interest expense, net (4)				12.2
Pension benefit other than service (4)				(1.6)
Operating income (loss)	$ 94.2	$ (6.1)	$ (26.9)	$ 61.2
Strategic reorganization and other charges	(0.6)	—	2.8	2.2
Inventory restructuring write-down	2.4	—	—	2.4
Benefit of one-month results related to elimination of reporting lag	(1.4)	—	—	(1.4)
Adjusted operating income (loss)	94.6	(6.1)	(24.1)	64.4
Pension benefit other than service	—	—	1.6	1.6
Depreciation and amortization	25.2	4.1	0.1	29.4
Adjusted EBITDA	$ 119.8	$ (2.0)	$ (22.4)	$ 95.4
Adjusted operating margin (3)	20.7 %	(14.5)%		12.9 %
Adjusted EBITDA margin (3)	26.2 %	(4.8)%		19.1 %

Reconciliation of free cash flow to net cash provided by operating activities:	
Net cash provided by operating activities	$ 63.2
Less capital expenditures	(31.1)
Free cash flow	$ 32.1

(1) As a result of the elimination of the one-month lag, the six month period ended March 31, 2021 includes an additional $6.0 million of net sales, and an additional $1.4 million in operating income in Infrastructure and Consolidated.
(2) For the six month period ended March 31, 2021, Cost of sales includes $2.4 million in Inventory write-downs and Strategic reorganization and other charges include $0.9 million in termination benefits, both associated with the announced closures of our facilities in Aurora, Illinois, and Surrey, British Columbia, Canada.
(3) For the six month period ended March 31, 2021, the denominator in the adjusted margin calculations shown for Infrastructure and Consolidated excludes net sales of $6.0 million associated with the elimination of the one-month reporting lag.
(4) We do not allocate interest, income taxes or pension benefit (expense) other than service to our segments.

MUELLER Mueller Water Products

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

	Six months ended March 31, 2020			
	Infrastructure	Technologies	Corporate	Consolidated
	(dollars in millions, except per share amounts)			
Net sales (1)	$ 432.2	$ 38.1	$ —	$ 470.3
Gross profit (1)	$ 152.1	$ 6.5	$ —	$ 158.6
Selling, general and administrative expenses	65.9	12.9	20.4	99.2
Strategic reorganization and other charges	0.4	—	2.9	3.3
Operating income (loss)	$ 85.8	$ (6.4)	$ (23.3)	$ 56.1
Operating margin	19.9 %	(16.8)%		11.9 %
Capital expenditures	$ 35.7	$ 1.3	$ 0.3	$ 37.3
Reconciliation of non-GAAP to GAAP performance measures:				
Net income				$ 34.1
Walter Energy accrual				0.2
Strategic reorganization and other charges				3.3
Income tax benefit of adjusting items				(0.8)
Adjusted net income				$ 36.8
Weighted average diluted shares outstanding				158.7
Adjusted net income per diluted share				$ 0.23

(1) Net sales and gross profit associated with certain products have been reclassified as Technologies segment items to conform to the current period presentation.
(2) We do not allocate interest, income taxes or pension benefit (expense) other than service to our segments.

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

	Six months ended March 31, 2020			
	Infrastructure	Technologies	Corporate	Consolidated
	(dollars in millions, except per share amounts)			
Net income				$ 34.1
Income tax expense (2)				9.9
Interest expense, net (2)				13.4
Walter Energy accrual				0.2
Pension benefit other than service (2)				(1.5)
Operating income (loss)	$ 85.8	$ (6.4)	$ (23.3)	$ 56.1
Strategic reorganization and other charges	0.4	—	2.9	3.3
Adjusted operating income (loss)	86.2	(6.4)	(20.4)	59.4
Pension benefit other than service	—	—	1.5	1.5
Depreciation and amortization	24.1	4.1	0.1	28.3
Adjusted EBITDA	$ 110.3	$ (2.3)	$ (18.8)	$ 89.2
Adjusted operating margin	19.9 %	(16.8)%		12.6 %
Adjusted EBITDA margin	25.5 %	(6.0)%		19.0 %

Reconciliation of free cash flow to net cash used in operating activities:	
Net cash used in operating activities	$ (3.0)
Less capital expenditures	(37.3)
Free cash flow	$ (40.3)

(1) Net sales and gross profit associated with certain products have been reclassified as Technologies segment items to conform to the current period presentation.
(2) We do not allocate interest, income taxes or pension benefit (expense) other than service to our segments.