20220713325#8

ÅRSREDOVISNING

2021-01-01 – 2021-12-31

för

Eldon Holding Aktiebolag

5565698-2773

FASTSTÄLLELSEINTYG

Undertecknad styrelseledamot intygar härmed, dels att denna kopia av årsredovisningen och revisionsberättelsen stämmer överens med originalet, dels att resultaträkningen och balansräkningen för moderföretaget samt koncernresultaträkningen och koncernbalansräkningen har fastställts på årsstämma den 30/6 2022. Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition

Jönköping den 30/6 2022

Mustafa Karabuz

Ordförande

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Eldon Holding AB

Org.nr 556598-2773

Årsredovisning

Räkenskapsår 2021-01-01 – 2021-12-31

20220713332550

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Om inte annat särskilt anges, redovisas alla belopp i tusental kronor (tkr).

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Förvaltningsberättelse

Information om verksamheten
Bolaget äger och förvaltar aktier samt därmed förenlig verksamhet och har sitt säte i Jönköping.

Eldon utvecklar, tillverkar, säljer och distribuerar elkapslingar som används för att skydda elektronik och elektrisk utrustning från fukt, damm och andra skadliga substanser i många olika miljöer. En kapsling skyddar också människor från att komma i kontakt med utrustning däri som kan orsaka skador.

Eldons breda sortiment omfattar golvskåp och väggmonterade skåp i stålplåt och rostfritt stål, pulpeter, skåp i polyester, utomhusskåp, och kopplingslådor. Eldon kan leverera kundspecifika lösningar, antingen via centrallager och en tjänst kallad Express Customization™, eller direkt från fabrik då det gäller längre serier eller mer omfattande modifieringar.

Eldon arbetar med panelbyggare, systemintegratörer och slutkunder inom branscher som bygg, infrastruktur, tillverkning, process samt el, värme och vatten. Elfördelning, automation och kontroll är typiska applikationer.

Eldon grundades 1922 i Nässjö och har gått igenom många intressanta utvecklingsfaser. Sedan 2000 har Eldon enbart haft fokus på elkapslingar.

Väsentliga händelser under räkenskapsåret
I december 2021 fick Eldon Holding AB en utdelning från Eldon Holding Espana på 666 879 sek.

Dotterbolagen

Eldon Holding AB är moderbolag i Eldonkoncernen. I koncernen ingår den 31 december 2021 förutom moderbolaget sex helägda dotterbolag i sex länder.

Försäljningen av dotterbolagens produkter sker genom helägda dotterbolag eller via lokala distributörer. Koncernens produkter marknadsförs till övervägande del på den europeiska marknaden. Största delen av koncernens produktion är förlagd till den helägda fabriksanläggningen i Rumänien, medan en del, avsedd för den indiska marknaden, tillverkas i ett joint venture i Indien.

Ägarförhållanden
Bolaget är sedan augusti 2019 ett helägt dotterbolag till nVent Holding B.V. (Nederländerna). Övergripande moderbolag i koncernen är nVent Electric plc (Irland).

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Flerårsöversikt
(tkr)

	2021	**2020**	**2019**	**2018**	**2017**
Nettoomsättning	7 738	20 392	48 554	52 303	45 413
Resultat efter finansiella poster	666 788	44 530	6 470	8 507	13 496
Balansomslutning	805 019	218 705	195 685	210 791	206 290
Soliditet	98,10%	92,80%	59,90%	55,60%	56,20%
Antal anställda	0	1	2	2	3

Förändring av eget kapital

	Aktiekapital	**Uppskrivn-fond**	**Överkurs-fond**	**Balanserat resultat**	**Årets resultat**	**Totalt**
Belopp vid årets ingång	**61 890**	**0**	**139 975**	**-37 506**	**34 765**	**199 124**
Disp enligt beslut av årsstämma		-139 975		174 740	-34 765	
Utdelning				-80 000		-80 000
Upplösning av uppskrivningsfond		0				0
Årets resultat					666 788	666 788
Belopp vid årets utgång	**61 890**	**-**	**0**	**57 234**	**666 788**	**785 912**

Förslag till vinstdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (kronor)

Balanserat resultat	57 234 957
Årets resultat	666 788 000
	724 022 957

Styrelsen föreslår att

till aktieägarna utdelas	655 000 000
i ny räkning balanseras	69 022 957
	724 022 957

Företages resultat och ställning i övrigt framgår av efterföljande resultat och balansräkning med noter.

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Resultaträkning

Tkr	Not	2021-01-01 2021-12-31	2020-01-01 2020-12-31
Nettoomsättning	2	7 738	20 392
Kostnad för sålda varor		-	
Bruttoresultat		**7 738**	**20 392**
Administrationskostnader	3,4,5,6	-7 828	-13 983
Summa rörelsens kostnader		**-7 828**	**-13 983**
Rörelseresultat		**-89**	**6 409**
Resultat från andelar i koncernföretag	7	0	38 714
Utdelning från Eldon Hold Espana	8	666 879	0
Finansiella intäkter	8	13	7 529
Finansiella kostnader	9	-15	-8 122
		666 877	**38 121**
Resultat efter finansiella poster		**666 788**	**44 530**
Bokslutsdispositioner	10	0	-8 879
Resultat före skatt		**666 788**	**35 651**
Skatt	11	0	-886
Årets resultat		**666 788**	**34 765**

Balansräkning

Tkr	Not	2021-12-31	2020-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Immateriella anläggningstillgångar	12		
Balanserade utgifter för utvecklingsarbeten och liknande		0	502
		0	**502**
Materiella anläggningstillgångar			
Inventarier, verktyg och installationer	13	1 483	1 995
		1 483	**1 995**
Finansiella anläggninstillgångar			
Andelar i koncernföretag	14	126 263	126 263
Fordringar hos koncernföretag	15	670 445	84 093
		796 708	**210 356**
Summa anläggningstillgångar		**798 191**	**212 853**
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		3 638	1 607
Aktuella skattefordringar		455	1 299
Övriga fordringar		2 185	1 870
Förutbetalda kostnader och upplupna intäkter		549	1 076
		6 828	**5 852**
Kassa och Bank		0	0
Summa omsättningstillgångar		**6 828**	**5 852**
SUMMA TILLGÅNGAR		**805 019**	**218 705**

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Balansräkning

Tkr		2021-12-31	2020-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital		61 890	61 890
Uppskrivningsfond	16		
		61 890	**61 890**
Fritt eget kapital			
Överkursfond		-	139 975
Balanserat resultat		57 234	-37 506
Årets resultat		666 788	34 765
		724 022	**137 234**
Summa eget kapital		**785 912**	**199 124**
Obeskattade reserver	17	**4 950**	**4 950**
Långfristiga skulder			
Skulder till koncernföretag		0	0
Summa långfristiga skulder		**0**	**0**
Kortfristiga skulder			
Leverantörsskulder		218	929
Skulder till koncernföretag		13 400	13 400
Övriga skulder		0	0
Upplupna kostnader och förutbetalda intäkter	18	539	302
Summa kortfristiga skulder		**14 157**	**14 631**
SUMMA EGET KAPITAL OCH SKULDER		**805 019**	**218 705**

Noter

Not 1 Redovisningsprinciper- och värderingsprinciper

Allmänna upplysningar
Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1. Årsredovisning och koncernredovisning (K3).

Omräkning av utländsk valuta
Fordringar och skulder i utländsk valuta har värderats till balanskursdagens kurs. Kursvinster och kursförluster på rörelsefordingar och rörelseskulder redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finasiella poster.

Intäktsredovisning
Intäkter har tagits upp till verkligt värde av vad som erhållits eller kommer att erhållas och redovisas i den omfattning det är sannolikt att de ekonomiska fördelarna kommer att tillgodogöras bolaget och intäkterna kan beräknas på ett tillförlitligt sätt.

Anläggningstillgångar
Immateriella och materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar enligt plan och eventuella nedskrivningar.

Avskrivning sker linjärt över den förväntade nyttjandeperioden med hänsyn till väsentligt restvärde.

Följande avskrivningsprocent tillämpas:

Maskiner och inventarier	3-5 år

Koncernförhållanden
Företaget är moderföretag men med hänvisning undantagsreglema i årsredovisning slagen 7 kap 2§ upprättas ingen egen koncemredovisnlng. Det överordnade moderföretaget nVent Electric plc, med säte i London, England upprättar koncemredovisning.

Nyckeltafsdefinitioner
Nettoomsättning
Rörelsens huvudintäkfer, fakturerade kostnader, sidointäkter samt intäktskorrigeringar.

Resuftat efter finansiella poster
Resultat efter finansiella intäkter och kostnader men före bokslutsdfspositloner och skatter.

Balansomslutning
Företagets samlade tillgångar.

Soliditet (%)
Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutning

Antal anställda
Medelantal anställda under räkenskapsåret.

Finansiella instrument
Kundfordringar/kortfristiga fordringar
Kundfordringar och kortfristiga fordringar redovisas som omsättningstillgångar till det belopp som förväntas bli inbetalt efter avdrag för individuellt bedömna osäkra fordringar.

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Not 2 Nettoomsättning

Moderbolagets nettoomsättning motsvarar i sin helhet omsättning till verksamhetsbolaget Eldon AB och utgörs av vidarefakturerade kostnader, i huvudsak datakostnader.

Not 3 Administrationskostnader

I nedanstående tabell framgår väsentliga kostnadsslag ingående i administrationskostnader:

	2021	**2020**
Avskrivningar på materiella anläggningstillgångar	-1 102	- 1 548
IT-kostnader	-6 589	-10 077
Övrigt	- 136	-2 358
Summa	**-7 827**	**-13 983**

Not 4 Operationell leasing

Årets leasingkostnader avseende leasingavtal, uppgår till 1 570tkr (2 332tkr)

Framtida minimileasingavgifter avseende ej uppsägningsbara operationell lesingavtal	**2021**	**2020**
Att betalas inom ett år	243	694
Att betalas mellan 1-5 år	6	480
Att betalas senare än 5 år	-	-
	249	**1 174**

Not 5 Anställda och personalkostnader

	2021	**2020**
Medelantalet anställda		
Män	0	1
Löner och andra ersättningar		
Styrelse och verkställande direktör	0	0
Övriga anställda	0	801
	0	**801**
Sociala kostnader		
Pensionskostnader för styrelse och verkställande direktör	0	0
Pensionskostnader för övriga anställda	1	404
Övriga sociala avgifter enligt lag och avtal	0	265
	1	**669**
Totala löner, ersättningar, sociala kostnader och pensionskostnader	**1**	**1 470**

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Not 6 Ersättning till revisorer

	2021	2020
Deloitte		
Revisionsuppdraget [1)]	25	25
Revisionsverksamhet utöver revisionsuppdraget	-	-
Övriga tjänster	-	-
Summa	**25**	**25**

[1)] Med revisionsuppdraget avses arvode för den lagstadgade revisionen, d v s sådant arbete som varit nödvändigt för att avge revisionsberättelsen samt så kallad revisionsrådgivning som lämnas i samband med revisionsuppdraget.

Not 7 Resultat från andelar i koncernföretag

	2021	2020
Resultat vid avyttring av koncernföretag	-	38 714
Nedskrivning	-	-
Summa	**0**	**38 714**

Not 8 Finansiella intäkter

	2021	2020
Ränteintäkter, koncernföretag	-	7 155
Kursdifferens, koncernföretag	12	-
Kursdifferens, övriga	1	374
Summa	**13**	**7 529**

Not 9 Finansiella kostnader

Räntekostnader, koncernföretag	- 3	-
Räntekostnader, övriga	- 9	-32
Kursdifferenser, koncernföretag	- 3	-7 513
Kursdifferenser, övriga	- 0	-553
Övriga finansiella kostnader	-0	-24
Summa	**-15**	**-8 122**

Not 10 Bokslutsdispositioner

	2021	2020
Avsättning periodiseringsfond	-	-1 379
Förändring avskrivningar över plan	-	-
Koncernbidrag	-	-7 500
Summa	**0**	**-8 879**

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Not 11 Skatt

	2021	2020
Aktuell skatt:		
Aktuell skatt/fordran på årets resultat	0	-886
Summa aktuell skatt	**0**	**-886**
Summa skatt	**0**	**-886**

Avstämning av effektiv skatt

	2021	2020
	Belopp	**Belopp**
Redovisat resultat före skatt	666 788	35 651
Skatt enligt gällande skattesats (20,6%)	-137 358	-7 629
Ej avdragsgilla kostnader	-63	-24
Schablonitäkt från p-fond	- 6	-5
Ej skattepliktiga intäkter	666 879	6 772
Redovisad effektiv skatt	**0**	**886**

Not 12 Balanserade utgifter för utvecklingsarbeten och liknande

	2021-12-31	2020-12-31
Ingående anskaffningsvärden	-	-
Nyanskaffningar	-	502
Utgående ackumulerade anskaffningsvärden	**0**	**502**
Ingående ackumulerade avskrivningar	-	-
Utgående ackumulerade avskrivningar	-	-
Redovisat värde vid årets slut	**0**	**502**

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Not 13 Inventarier, verktyg och installationer

	2021-12-31	2020-12-31
Ingående ackumulerade anskaffningsvärden	**38 108**	**37 880**
Nyanskaffningar	590	228
Utgående ackumulerade anskaffningsvärden	**38 698**	**38 108**
Ingående ackumulerade avskrivningar	**-36 113**	**-34 565**
	-	-
Årets avskrivningar	-1 102	- 1 548
Utgående ackumulerade avskrivningar	**-37 215**	**-36 113**
Redovisat värde vid årets slut	**1 483**	**1 995**

Not 14 Andelar i koncernföretag

	2021-12-31	2020-12-31
Ingående redovisat värde	126 263	142 735
Avyttring koncernföretag		-16 472
Utgående redovisat värde	**126 263**	**126 263**

Dotterföretagen förtecknas i tabellen nedan:

Koncernföretag	**Antal andelar**	**Kapital/ röster (%)**	**2021-12-31**	**2020-12-31**
Eldon Holding España SLU		100/100	81 783	81 783
Eldon España SAU		100/100		
Eldon SRL		100/100		
Eldon CS		58/58		
Eldon A/S		100/100	650	650
Eldon AB		100/100	2 528	2 528
Eldon Austria GmbH		100/100	360	360
Eldon NV		100/100	18 842	18 842
Eldon Electric Ltd		100/100	22 100	22 100
Eldon GmbH		100/100	-	0
Eldon International SA		100/100	-	0
Bokfört värde			**126 263**	**126 263**

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Koncernföretag	Org. Nr.	Säte
Eldon Holding España SLU		Madrid, Spanien
Eldon España SAU		Martos, Spanien
Eldon SRL		Brasov, Rumänien
Eldon CS		Mumbai, Indien
Eldon A/S		Skårer, Norge
Eldon AB	556368-110	Jönköping, Sverige
Eldon Austria GmbH		Guntramsdorf, Österrike
Eldon NV		Drachten, Holland
Eldon Electric Ltd		Rotherham, Storbritannien
Eldon GmbH		Neuss, Tyskland
Eldon International SA		Sint-Stevens-Woluwe, Belgien

Not 15 Fordringar hos koncernföretag

	2021-12-31	2020-12-31
Ingående redovisat värde	84 093	30 064
Förändring koncernfordringar	586 352	54 029
Utgående redovisat värde	**670 445**	**84 093**

Not 16 Uppskrivningsfond

	2021-12-31	2020-12-31
Belopp vid årets ingång	0	6 472
Omföring till balanserat resultat	0	-6 472
Belopp vid årets utgång	**0**	**0**

Not 17 Obeskattade reserver

	2021-12-31	2020-12-31
Ackumulerade avskrivningar över/under plan	-929	-929
Periodiseringsfond, avsatt 2017	3 000	3 000
Periodiseringsfond, avsatt 2018	1 500	1500
Periodiseringsfond, avsatt 2020	1 379	1 379
Summa	**4 950**	**4 950**

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Not 18 Upplupna kostnader och förutbetalda intäkter

	2021-12-31	2020-12-31
Upplupna lönekostnader	0	0
Upplupna konsultkostnader	87	83
Upplupna räntekostnader	0	0
Övriga poster	452	219
Summa	**539**	**302**

Not 19 Väsentliga händelser efter räkenskapsårets slut

Efter räkenskapsårets slut har omvärldsförutsättningarna ändrats till följd av kriget i Ukraina. Det är i nuläget inte möjligt att bedöma omfattningen av de direkta och indirekta effekter som denna händelse kan leda till varför det utgör en osäkerhetsfaktor för bolaget. Hittills under det innevarande räkenskapsåret är dock koncernens resultat och finansiella utveckling tillfredställande samtidigt som bolaget ingår i en koncern med en stabil finansiell situation. Mot bakgrund av detta bedöms ingen risk föreligga att bolaget inte klarar den fortsatta driften.

Eldon Holding AB
556598-2773

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Årsredovisningen kommer att föreläggas årsstämman den 30/6 2022 för fastställelse.

2022-06-02
Mustafa Karabuz
Ordförande

2022-06-06
Marek Tapsik

2022-06-10
Roman Zubinski

Vår revisionsberättelse har avlämnats 2022-06-21
Deloitte AB

Pernilla Rehnberg
Auktoriserad revisor

20220713225254

20220713325365

Deloitte.

REVISIONSBERÄTTELSE

Till bolagsstämman i Eldon Holding Aktiebolag
organisationsnummer 556598-2773

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Eldon Holding Aktiebolag för räkenskapsåret 2021-01-01 - 2021-12-31.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Eldon Holding Aktiebolags finansiella ställning per den 31 december 2021 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Eldon Holding Aktiebolag enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som den bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. Den upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.

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- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning för Eldon Holding Aktiebolag för räkenskapsåret 2021-01-01 - 2021-12-31 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till moderbolaget enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Jönköping 2022-06-21

Deloitte AB

Pernilla Rehnberg
Auktoriserad revisor

9445349/22 e.h.

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nVent

2021 Irish Statutory Accounts

NVENT ELECTRIC PUBLIC LIMITED COMPANY

Directors' Report and Consolidated Financial Statements

For the Year Ended December 31, 2021

Company Registration Number: 605257

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DIRECTORS' REPORT

For the Year Ended December 31, 2021

The directors present their report, audited consolidated financial statements for the year ended December 31, 2021, which are set out on pages 1 to 73, and audited parent company financial statements for the year ended December 31, 2021, which are set out on pages 74 to 81.

nVent Electric plc, is a public limited company, incorporated in the Republic of Ireland under the Companies Act 2014 on May 30, 2017.

The directors have elected to prepare the consolidated financial statements of nVent Electric plc in accordance with Section 279 of the Companies Act 2014, which provides that a true and fair view of the assets and liabilities, financial position and profit or loss may be given by preparing the financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") to the extent that the use of those principles in the preparation of the financial statements does not contravene any provision of Part 6 of the Companies Act 2014.

The directors have elected to prepare the nVent Electric plc parent company financial statements in accordance with generally accepted accounting practice in Ireland ("Irish GAAP"), comprising Financial Reporting Standard 102 ("FRS 102"), the Financial Reporting Standard applicable in the U.K. and Republic of Ireland, together with the Companies Act 2014.

History and development

On April 30, 2018, Pentair plc ("Pentair") completed the separation of its Water business and its Electrical business into two independent, publicly-traded companies (the "separation"). To effect the separation, Pentair distributed to its shareholders one ordinary share of nVent for every ordinary share of Pentair held as of the record date of April 17, 2018. As a result of the distribution, nVent became an independent publicly-traded company and began trading under the symbol "NVT" on the New York Stock Exchange on May 1, 2018.

Although our jurisdiction of organization is Ireland, we manage our affairs so that we are centrally managed and controlled in the United Kingdom (the "U.K.") and have our tax residency in the U.K.

Our roots within Pentair trace back to the acquisition of Federal-Hoffman Corporation in 1988, which included the nVent HOFFMAN enclosures brand. From that starting point, we have grown both organically and via acquisition. Our Enclosures business first applied lean principles within the organization in the 1990s, leveraging its culture of customer service and operational excellence. In 2012, Pentair merged with Tyco International Ltd.'s Flow Control division, which included our Thermal Management business and the nVent RAYCHEM brand, a global leader in heat tracing solutions. In 2015, Pentair acquired ERICO Global Company, a leading global manufacturer of superior engineered electrical and fastening products, which operates as our Electrical & Fastening Solutions business, broadening our product offering and enabling us to provide additional global solutions to our combined customers.

Our registered address is 10 Earlsfort Terrace, Dublin, D02 T380, Ireland. Our executive office is located at The Mille, 1000 Great West Road, 8th Floor (East), London, TW8 9DW, United Kingdom. Our management office in the United States ("U.S.") is located at 1665 Utica Ave, Suite 700, Minneapolis, Minnesota.

Basis of presentation

The accompanying financial statements reflect the consolidated operations of the parent company (nVent Electric plc, or the "Company") and its subsidiaries (nVent Electric plc and all its subsidiaries, hereinafter referred to as "nVent," "we," "us," "our," or the "Group").

We report our results on a calendar year basis.

Principal activities

nVent Electric plc is a leading global provider of electrical connection and protection solutions. We believe our inventive electrical solutions enable safer systems and ensure a more secure world. We design, manufacture, market, install and service high performance products and solutions that connect and protect some of the world's most sensitive equipment, buildings and critical processes. We offer a comprehensive range of enclosures, electrical connections and fastening and thermal management solutions across industry-leading brands that are recognized globally for quality, reliability and innovation.

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nVent strategy

We are "One nVent", with a unified focus on commercial excellence, digital transformation, scaled and integrated technology, and global presence and capabilities. As we continue scaling our capabilities under our umbrella brand of nVent, we expect to expand our products and solutions and to continue to differentiate our company by creating solutions that solve problems for our customers.

Our Spark management system defines how we operate. The five elements of Spark are People, Growth, Lean, Digital and Velocity. Together, they provide the mindset and operating system to propel the success of our new company. Spark supports the high performance culture we are building at nVent.

- ***People*** are at the core of Spark, positively impacting our business and growing their careers.
- ***Growth*** is the foundation of Spark, driving shareholder, customer and employee value.
- ***Lean*** is the relentless pursuit of eliminating waste and increasing velocity.
- ***Digital*** transforms our products and how we do business, improving both customer and employee experiences.
- ***Velocity*** is increasing speed in all we do for each other and our customers.

Business and products

We operate across three segments: Enclosures, Electrical & Fastening Solutions and Thermal Management. The following is a brief description of each of the Company's reportable segments and business activities.

Enclosures

Our Enclosures business provides innovative solutions to connect and protect critical electronics, communication, control and power equipment. We are a leader in the enclosures sector, and our key brands, nVent HOFFMAN and SCHROFF, have a long history of solving customers' problems by providing high quality solutions.

nVent HOFFMAN provides trusted enclosure solutions for challenging operating environments and is one of the largest brands of enclosures in North America and a leader globally. The offerings connect and protect through reliable solutions that protect, power and cool equipment used by panel builders, original equipment manufacturers and directly by other end-users, including customized products. The nVent HOFFMAN brand is over 75 years old and is recognized for delivering superior design, testing, certification and overall product quality. nVent HOFFMAN's product customization and global footprint, along with reputation, have helped it garner long-standing relationships with many of the world's largest industrial companies.

nVent SCHROFF provides highly-customized and technologically-advanced enclosures. These products connect and protect mission-critical electronics and communications equipment by providing a wide range of innovative standard products and customized solutions. nVent SCHROFF's innovation is demonstrated by its constant flow of new product designs, including a focus on smart products capable of providing connectivity and remote management. The nVent SCHROFF brand is a leader due to its product flexibility and customer-first focus.

Electrical & Fastening Solutions

Our Electrical & Fastening Solutions business provides fastening solutions that connect and protect electrical and mechanical systems and civil structures.

We are a global leader in fastening solutions with spring steel and specialty metal fixings and reinforced steel connections, and our products are primarily marketed under the nVent CADDY brand. Our products reduce total installed cost by ease of installation, provide design flexibility and increase structural integrity in electrical and mechanical fastening applications through inventive products and solutions and customer intimacy. These products are targeted towards commercial and industrial verticals with applications in fire & seismic, data & telecommunications, electrical fastening and heating, ventilation & air conditioning. These products are primarily used by electricians, telecommunications installers and roof top contractors.

We are also a global leader in bonding, grounding, lightning protection and low voltage power distribution products and solutions. These products are primarily marketed under the nVent ERICO brand. We offer a comprehensive range of facility electrical connection and protection solutions to protect against electrical transients to improve safety and reliability of electrical systems. Our products reduce total cost of ownership and provide design flexibility by offering maintenance free and reliable products and global end-user application expertise and intimacy. These products are targeted towards commercial, infrastructure and industrial verticals with applications in telecommunication, power distribution and facility electrical protection. These products and solutions are primarily used by electricians, panel builders, energy contractors and lightning protection installers.

Thermal Management

Our Thermal Management business provides electric thermal solutions that connect and protect critical buildings, infrastructure, industrial processes and people. Its highly reliable and easy-to-install solutions lower total cost of ownership to building owners, facility managers, operators and end users. Thermal Management's products have been installed in some of the world's most iconic buildings.

For industrial and energy, we provide industrial heat-tracing and wiring, control and monitoring, sensing, engineering and construction services under industry leading nVent RAYCHEM and TRACER brands, primarily serving chemical and other industries. Products and solutions include heat tracing for freeze protection and process temperature maintenance, temperature control and monitoring systems, heat-traced tubing bundles, instrument winterization and tank heating systems. For commercial, residential and infrastructure, we provide products and services primarily under our nVent RAYCHEM brand. Applications include pipe freeze protection, roof and gutter deicing, surface snow melting, hot water temperature maintenance, floor heating, fire rated wiring and leak detection for healthcare, recreation, hospitality, commercial offices and education facilities.

Impacts of the Covid-19 Pandemic

There are many uncertainties regarding the COVID-19 pandemic, including the anticipated duration and severity of the pandemic and the extent of worldwide social, political and economic disruption it may cause. The magnitude of the impact of the pandemic on our financial condition, liquidity and results of operations cannot be determined at this time, and ultimately will be affected by a number of evolving factors including the length of time that the pandemic continues, the ability of vaccines to protect against variant strains of COVID-19, the pandemic's effect on the demand for our products and services and the supply chain, as well as the impact of governmental regulations imposed in response to the pandemic including potential business curtailments and shutdowns impacting our factories.

Supply chain disruption

During 2021, we experienced supply chain challenges, including increased lead times, and inflationary increases of raw materials, logistics and labor costs due to availability constraints and high demand. While we have taken pricing actions and we strive for productivity improvements that could help offset these cost increases, we expect supply chain pressures and inflationary cost increases to continue into 2022, and could negatively impact our results of operations.

Key performance indicators

Management evaluates performance based on turnover growth and segment income and utilizes free cash flow to assess cash flow performance. The segment income and free cash flow measures discussed below are considered "non-U.S. GAAP" financial measures and should be considered supplemental to and not a substitute for financial information prepared in accordance with U.S. GAAP.

Turnover increased by $463.4 million, or 23.2%, from $1,998.6 million in 2020 to $2,462.0 million in 2021. Segment income increased by 25.4% from $347.6 million in 2020 to $435.8 million in 2021. Segment income represents operating profit exclusive of intangible amortization, costs of restructuring activities, "mark-to-market" gain/loss for pension and other post-retirement plans, impairments and other unusual non-operating items. Management utilizes this adjusted financial measure to assess the run-rate of its operations against those of prior periods without the distortion of certain unusual, non-recurring or non-operational items.

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The below table presents a reconciliation of profit (loss) before taxation to segment income:

In millions	Years ended December 31 2021	2020
Profit (loss) before taxation	$ 320.7	$ (9.5)
Adjustments:		
Restructuring and other	8.8	22.0
Loss on early extinguishment of debt	15.2	—
Pension and other post-retirement mark-to-market (gain) loss	(15.1)	8.7
Impairment of goodwill	—	212.3
Impairment of trade names	—	8.2
Acquisition transaction and integration costs	4.1	2.5
Intangible asset amortization	67.5	64.2
Interest expense, net	32.3	36.4
Other expense	2.3	2.8
Segment income	$ 435.8	$ 347.6

Free cash flow increased by $28.4 million, or 9.3%, from $306.0 million in 2020 to $334.4 million in 2021. We believe free cash flow is an important measure of liquidity because it provides the Group and its investors a measurement of cash generated that is available to pay dividends, make acquisitions and repurchase shares. In addition, free cash flow is used as criterion to measure and pay compensation-based incentives. Free cash flow represents cash flows from operating activities less capital expenditures and proceeds from the sale of tangible assets. The Group's measure of free cash flow may not be comparable to similarly titled measures reported by other companies.

The following table is a reconciliation of free cash flow:

In millions	Years ended December 31 2021	2020
Net cash provided by (used for) operating activities	$ 373.3	$ 344.0
Capital expenditures	(39.5)	(40.0)
Proceeds from sale of property and equipment	0.6	2.0
Free cash flow	$ 334.4	$ 306.0

The Group believes that these non-GAAP financial measures will be useful to investors in order to assess the strength of the Group's underlying operations.

Non-Financial Information

For the purpose of complying with European Union (Disclosure of Non-Financial and Diversity Information by Certain Large Undertakings and Groups) Regulations 2017, Statutory Instrument No. 360 of 2017, as amended by Statutory Instrument No. 410 of 2018, the table below and the information referred to therein is intended to help stakeholders understand our position on key nonfinancial matters, in addition to the information disclosed herein. The information referenced below is from our 2021 Social Responsibility Report ("SRR") which was published in July 2021 covering the 2020 calendar year. We anticipate publishing a report for the 2021 calendar year in the summer of 2022, which will provide more information regarding our progress during 2021. The SRR is available on our Company website (www.nVent.com).

This Non-Financial Information includes reference to policies such as our Code of Business Conduct and Ethics ("Code of Conduct"), Suppliers Code of Conduct, Environmental, Health and Safety and Conflict Minerals policies. Certain of these and other policies pertaining to our business are also available on our Company website.

Reporting Requirements	Policies and Governing Standards	Additional Information / Risk Management
Environmental Matters (including climate-related information)	Global Environmental, Health & Safety Policy and Guiding Principles	Our Approach to Social Responsibility, Products, Planet (SRR pages 5, 18-23)
Social and Employee Matters	Code of Conduct Global Environmental, Health & Safety Policy and Guiding Principles	About nVent (SRR page 3) Employee Safety, Employee Engagement and Training (SRR pages 10 & 14)
Human Rights Matters	Code of Conduct UK Modern Slavery Act Global Human Rights Policy Global Supplier Guide and Supplier Code of Conduct Global Data Privacy Policy	Good Governance & Business Ethics (SRR pages 6-8)
Anti-Corruption and Anti-Bribery	Code of Conduct Anti-Bribery & Corruption Policy	Good Governance & Business Ethics (SRR pages 6-8)
Supply Chain Matters and Conflict Minerals	Supplier Code of Conduct Conflict Minerals Policy	Good Governance & Business Ethics (SRR page 8)
Inclusion and Diversity	Win Right Values	Inclusion and Diversity (SRR pages 11-13)
Description of Principal Risks and Impact of Business Activity		*Principal risks and uncertainties* section on pages 13-24 of this Directors' Report
Description of the Business Model		Pages 1-4 of this Directors' Report
Non-Financial Key Performance Indicators		Pages 1-4 of this Directors' Report

Our Approach to Environmental, Social and Governance ("ESG") Matters

We believe that safer systems ensure a more secure world. With this at the center of our mission, we embrace the opportunity and the responsibility in our role as an inventive, engaged corporate citizen. Our Executive Leadership Team has the responsibility, with oversight from our Board and its respective committees, to manage our ESG strategy, initiatives and risk-management processes. The charter of our Board's Governance and Social Responsibility Committee was updated in 2021 to describe its role in overseeing our ESG matters. The charter of our Compensation and Human Capital Committee was also updated to define its role in overseeing our human resources and compensation strategies and goals, including those related to company culture, inclusion and diversity.

Our ESG efforts are centered on three areas – people, products and the planet. We live social responsibility every day – through our employees, our operations and our communities.

People

Our employees are at the core of our business. We are focused on building our culture, and on employee safety, engagement, and inclusion and diversity. More information on Social and Employee Matters can be found on pages 6-8.

Integrity is one of our values and is critical to our success. We offer our employees training and resources on our values and the principles detailed in our Code of Conduct. More details on our Code of Conduct training can be found on page 8.

Through the nVent Foundation and our nVent in Action program, we connect with communities by supporting quality education programs for youth and charitable causes championed by our employees.

Products

We help the world stay connected and protected. Our products are designed with safety, quality and efficiency in mind. Our customers rely on us to help keep their critical systems up and running, from data centers to renewable energy applications to pipe freeze or surge protection and more.

Planet

Our sustainability programs focus on continuous improvement of our operations to protect our natural resources and add value to our customers and surrounding communities. We use smart conservation measures to drive reductions in our energy and water usage. Our materials management process helps us reduce and eliminate waste and maximize the use of natural resources.

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Environmental Matters

Extreme weather, flooding, and harsh conditions threaten the security of essential infrastructure management systems. From enclosures that protect sensitive equipment to fire protection and leak detection technologies, our products maintain and protect customers' critical processes and equipment, helping to keep people, communities and the environment safe.

As a global company and manufacturer of goods, we are subject to environmental laws and regulations and exposed to risks related to climate change. We have adopted global Environmental, Health and Safety Policy and Guiding Principles reflecting our commitment to designing, manufacturing and distributing our products and providing services to our customers in a safe and responsible manner. Our sustainability programs focus on continuous improvement of our operations and products in ways that protect our natural resources and add value to our customers and communities. This includes:

- Managing our water use.
- Driving energy efficiency and investing in renewable energy.
- Waste reduction and materials use performance.

Managing our Water Use

We address the threat of water scarcity by monitoring and managing our operational impacts. Water consumption is closely measured and managed across our facilities by extracting data from utility bills monthly and tracking overall consumption through Environmental, Health and Safety ("EHS") scorecards. Each nVent site operations team is tasked with identifying, developing and implementing water conservation measures, including water recycling in some locations, with assistance from the corporate EHS department.

Driving Energy Efficiency

We use smart conservation measures to drive reduction in our energy use. Our facilities gather energy use data from utility invoices and track performance on EHS scorecards monthly. With support from our corporate EHS department, each site operations team is responsible for identifying, developing and implementing energy use reduction programs. We regularly communicate with site employees to improve awareness of, and support for, energy-saving initiatives and related process changes.

Waste Reduction and Materials Use Performance

Our materials management process helps us reduce and eliminate waste and maximize the use of natural resources. All of our manufacturing sites identify and track operational waste, and develop plans to reduce waste. Each site reports its results monthly and tracks progress via EHS scorecards. In addition, we have policies, processes and assessment tools in place to ensure and maintain the safe handling and disposal of materials of concern, and conduct compliance and risk assessments as needed. Labeling, storage, handling, and transportation of hazardous goods is guided by legal requirements based on country, state and municipal regulations.

Key Actions and Achievements

We use what we call "Environmental Treasure Hunt" activities at our facilities around the world to solicit and implement local improvement ideas. Employee-led teams work to identify operational efficiencies and cost savings, and are provided organizational support and funding to execute their ideas.

Social and Employee Matters

As of December 31, 2021, we employed approximately 9,900 people worldwide, of which approximately 33% are located in the U.S. A small portion of our U.S employees are unionized while outside the U.S., we have employees in certain countries, particularly in Europe, that are represented by an employee representative organization, such as a union, works council or employee association.

Inclusion and Diversity

We aspire to be an equitable, inclusive and diverse company. We believe that the unique contributions of individuals with varying backgrounds and experiences will benefit our businesses. Guided by our Win Right values, we are committed to creating a workplace culture where everyone is included and respected. Our Code of Conduct outlines our commitment to equal opportunity and fair treatment for all. We do not tolerate acts of harassment, including any conduct or statements made on the basis of protected status that are intimidating, hostile or abusive.

Our leaders actively support and encourage employee development and engagement, including through our CEO Inclusion Council and an active Inclusion & Diversity Advisory Council. These councils promote inclusion across all dimensions of diversity.

We also support our Employee Resource Groups ("ERGs"), which were created organically by our employees and which provide a support system to foster awareness, promote inclusion and respect and provide a sounding board on strategic initiatives for nVent. Open to all employees, the ERGs are designed to create connections and opportunities for development, training and community involvement. In 2021, we had approximately 800 members globally in our ERGs.

In 2021, we expanded our training programs by offering Diversity 101 training in employees' native languages in which all of our people managers attended. We also introduced a new People and Culture Scorecard performance metric to our annual incentive compensation plan for management employees. The Scorecard focuses on five quantitative metrics to help drive year-over-year improvement in the following categories:

- Inclusion Index score from our quarterly employee pulse survey
- Employee Resource Group membership
- Diverse candidate slates
- Global gender representation for our professional and management populations
- U.S. racial representation for our professional and management populations

Additional details on our People and Culture Scorecard will be provided in our annual Proxy Statement for our 2022 annual general meeting of shareholders.

All executive officers developed diversity action plans for their business segments and functions, highlighting focused efforts on improving human capital metrics, engagement and a deeper awareness of inclusion & diversity.

Global Gender Diversity In The Workplace, as based on EEO-1 Report categories (as of December 31, 2021):

- 44% of our executive leadership team are female; 56% are male
- 26% of our global management team are female; 74% are male
- 25% of all other employees are female; 75% are male

We also launched, established baseline metrics, and trained over 400 internal stakeholders on a formal Supply Diversity program in 2021.

Compensation and Benefits
We strive to offer our employees across the world comprehensive benefit programs that reflect the market practices in their country of employment. We participate in and review remuneration surveys from leading, independent consultants for all of our countries so that we have the information to set competitive wages and salaries.

We are dedicated to providing equitable compensation as a commitment to our people. By focusing on equitable pay, we enhance our ability to grow, retain and motivate diverse employees on our team. We believe diverse teams drive innovation, connection and growth for our employees.

As part of this commitment to our people, we conduct pay parity reviews of our compensation systems. The goal of these reviews is to ensure internal pay alignment and equitable treatment for employees, as well as providing competitive and performance-based pay.

Employee Engagement and Development
We believe it is important to hear from our employees to learn about what we are doing well, and where we can become stronger. During 2021, we conducted four pulse surveys with questions focused on our Inclusion Index and employee satisfaction. As discussed under "Inclusion and Diversity," the Inclusion Index is one of the metrics used in the People and Culture Scorecard for our annual incentive compensation plan for management. Results from each of the pulse surveys were shared with people managers, who were encouraged to discuss results and potential improvement areas with their teams. In 2021, as part of our annual goal planning process, all of our people managers were assigned a people manager goal focused on engaging and developing their employees. Action items in the people manager goal included: completing all performance processes including goal setting, mid-year, and annual reviews on time; creating an action plan from the 2020 employee engagement survey results; supporting an increase in the diversity of our candidate slates; and helping to ensure that people managers and their direct reports completed all ethics and compliance training on time.

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We are also focused on recognizing our employees. Employee recognition was identified as an area of focus following our 2020 employee engagement survey. In 2021, we launched a global, digitized recognition platform, which allows employees to publicly appreciate one another as well as managers to give monetary and non-monetary forms of recognition to their employees around the globe.

As part of our continued efforts to develop our people, we launched a leadership series that had over 500 participants, launched a formalized mentoring program, and refreshed our Culture program and delivered it to employees around the globe. Our professional employees were asked to create individual development plans identifying key competencies to continue to grow or develop. With the goal of aligning development with retention, we also encourage our employees to regularly engage with their managers to discuss their performance, development and career aspirations.

Code of Conduct Training
Our Code of Conduct training was offered in 12 different languages to employees in 34 countries. Topics included nVent's Code of Business Conduct & Ethics, Preventing Bribery, Use of Social Media, Dignity and Respect in the Workplace and Data Privacy and Cybersecurity. In 2021, we completed the training with 100% completion rate among professional employees. Additionally we launched role-based training in the areas of Bribery, Kickbacks and Conflicts of Interest. In 2021, we continued rolling out our live Code of Conduct training program for our offline, factory team members to multiple sites in North America, China and Europe.

We provide multiple ways for employees to ask for help and report misconduct and illegal or unethical behavior, including doing so anonymously. A Helpline is available on our website (www.nventethics.com) and is available 24/7 and accessible in over 200 languages. We are committed to investigating and responding to reported concerns. nVent prohibits retaliation against anyone who raises concerns or makes good-faith reports regarding possible breaches of law, policy or ethical violations.

Workplace Health and Safety
The safety and well-being of our employees is our top priority. We are committed to preventing workplace injuries and maintaining a positive, healthy work environment. We encourage our employees to put safety first, speak up when they observe unsafe conditions or behaviors and follow all safety practices. We expect our employees to maintain a workplace free from illegal or controlled substances, weapons or potentially dangerous devices, and we strive for all nVent locations to meet or exceed all applicable EHS requirements. We utilize a common safety standard identified within our EHS Lean Assessment highlighting expectations surrounding management commitment, employee engagement, metrics, regulatory compliance and hazard control.

We monitor and track health and safety data, including employee injuries, environmental releases and regulatory inspections. Additionally, we assess the EHS maturity of our locations by measuring progress against nVent's EHS Lean Assessment and Standards and Region-specific regulatory compliance evaluations, as well as nVent's employee driven risk notification program. Results are reviewed monthly to reduce recordable injury rates and to drive improvement within our EHS programs. Globally, we have adopted guidelines from the Occupational Safety and Health Administration ("OSHA") in the United States to determine recordable injuries.

We have achieved a strong safety track record through employee engagement, behavior based safety and proactive risk management.

Human Rights Matters
We are committed to conducting business with integrity, which includes combating modern slavery and human trafficking in our supply chain. As a global company, nVent is committed to complying with all applicable laws and regulations, including the UK Modern Slavery Act.

nVent's Code of Conduct requires all employees to act with the highest levels of ethics and integrity and to treat others in a fair and equitable manner with zero tolerance for human rights abuses. All employees are expected to abide by the Code of Conduct, which sets clear expectations about ethical behavior and compliance with laws. Employees are also expected to abide by our Global Human Rights Policy, which reinforces our commitment to upholding and protecting human rights and treating people with dignity and respect in the workplace and in the communities where we do business.

We expect our suppliers to adhere to our Suppliers Code of Conduct, which prohibits forced labor, child labor and discrimination. It also prescribes the key principles under which suppliers are required to operate, including compliance with applicable laws regarding human trafficking and slavery. As part of our Suppliers Code of Conduct, we may audit suppliers

with respect to any potential non-conformance with the policy, and may require corrective action from any supplier, or terminate the business relationship, if necessary. In 2021, we continued providing awareness training to our supply team on modern slavery.

Doing Business with Integrity

Our reputation depends on doing business honestly. We forbid bribery, believe in fair competition and respect the laws of international trade. The standards of conduct established by nVent's Code of Conduct are obligatory for all employees worldwide. Additional policies include:

- *Conflicts of Interest* - mandates that decisions are made based on business needs instead of personal interests
- *Gifts and Business Entertainment* - requires that business gifts and entertainment practices are reasonable and consistent with other policies, industry codes and local laws
- *Doing Business with Integrity* - promotes doing business honestly and in accordance with applicable laws, such as forbidding bribery, respecting international trade regulations and engaging in fair competition
- *Financial Integrity* - calls for honest financial practices, complete and accurate financial recording of our business dealings and prohibits insider trading
- *Protecting and Managing Property, Information, and Records* - directs that physical assets, intellectual property and private records of our company, business partners, customers and employees are protected

We believe management is a role model for demonstrating its commitment to doing business with integrity through its attitudes and actions. Management is responsible for implementing training for employees and helping employees make ethical decisions. We also have measures in place to deter non-compliance and reduce exposure to unethical opportunities.

Anti-Bribery and Corruption

We have a global policy prohibiting all forms of bribery applicable to all our employees, as well as for third parties that conduct business on our behalf. Employees are required to know the third parties and business partners who conduct business on our behalf and are prohibited from doing business with parties who pose an unreasonable corruption risk to us. Third parties are screened and evaluated for corruption risk through an online application. Additional due diligence is performed on all medium and high-risk third parties identified based on risk (geography, industry, relation to government, transactional volume, compensation and discount structure).

Managers are responsible for demonstrating our commitment to doing business ethically and adhering to our strict Anti-Corruption Policy. In addition, they are responsible for supporting and implementing training and processes to mitigate our corruption risks and to help employees make ethical decisions. Anti-bribery and corruption training is required for targeted professional employees annually and for all professional employees upon hire. In addition, our employees are required to keep accurate books and records. Other trainings are provided as needed, based on identified risks and audit findings and upon request.

Supply Chain

Values such as environmental stewardship, safety and social responsibility guide how we conduct business. We manage our global operations with care for the health, safety and prosperity of our employees, customers, communities and the environment.

We value diversity in our workforce, supplier base and customers. As a global company, we believe that diversity contributes to the success of our business. We seek business partners, suppliers and contractors who share our commitment to socially responsible business practices. In 2021, we launched our Supplier Diversity program with an initial scope covering our U.S. indirect services and materials requirements. We promote a diverse supplier base and increased opportunities for certificated businesses owned and operated by traditionally underserved and underrepresented individuals or groups.

The principal materials we use in manufacturing our products are mild steel, stainless steel, electronic components, plastics (resins, fiberglass, epoxies), copper and paint (powder and liquid). In addition to the purchase of raw materials, we purchase some finished goods for distribution through our sales channels.

nVent's Conflict Minerals policy requires adherence with Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and the related rules and regulations issued by the U.S. Securities and Exchange Commission.

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Conflict Minerals are widely used in many products and throughout many industries. The metals in our products come to us through multiple sources of supply, and since we do not procure these metals directly from the mines or smelters, we rely heavily on information from our suppliers to determine the origin of the minerals. We are committed to identifying the source of the Conflict Minerals contained in our products, and we expect each of our suppliers to cooperate with the Conflict Minerals reporting process as part of doing business with us.

As part of the Conflict Minerals reporting process, we have developed cross-functional teams to ensure timely implementation and execution of our review process, and have tasked global business units with implementing compliance. We expect our suppliers to take all commercially reasonable measures to supply materials from "conflict-free" mines.

CONSOLIDATED RESULTS OF OPERATIONS

The Consolidated Balance Sheets of the Group are disclosed on page 35.

The consolidated results were as follows:

	Years ended December 31		% / point change
In millions	**2021**	**2020**	**2021 vs 2020**
Turnover	$ 2,462.0	$ 1,998.6	23.2%
Cost of goods sold	1,520.1	1,249.2	21.7%
Gross profit	941.9	749.4	25.7%
% of turnover	*38.3%*	*37.5%*	*0.8 pts*
Selling, general and administrative	537.9	447.0	20.3%
% of turnover	*21.8%*	*22.4%*	*(0.6 pts)*
Research and development	48.6	43.5	11.7%
% of turnover	*2.0%*	*2.2%*	*(0.2 pts)*
Impairment of goodwill and trade names	—	220.5	N.M.
Operating profit	355.4	38.4	825.5%
% of turnover	*14.4%*	*1.9%*	*12.5 pts*
Net interest expense	32.3	36.4	N.M.
Loss on early extinguishment of debt	15.2	—	N.M.
Other expense (income)	(12.8)	11.5	N.M.
Profit (loss) before taxation	320.7	(9.5)	N.M.
Taxation	47.8	37.7	26.8%
Effective tax rate	*14.9%*	*(396.8%)*	N.M.
Profit (loss) of the group for the year	272.9	(47.2)	678.2%

N.M. Not Meaningful

COVID-19

In March 2020, the World Health Organization declared COVID-19 a pandemic. The COVID-19 pandemic has resulted, and is likely to continue to result, in significant economic disruption and has adversely affected, and may continue to adversely affect, our business. Governments around the world have implemented measures to help control the spread of the virus, including business curtailments and shutdowns, isolating residents to their places of residence and restricting travel. The effects of the COVID-19 pandemic have had and may continue to have an unfavorable impact on our business.

Beginning in March 2020, we experienced significant reductions in customer demand in several end-markets across our business segments. However, economic activity in many of the end-markets in which we operate began to stabilize and recover in the second half of 2020, and continued to increase in 2021. Our organic sales increased 18.4% in 2021 as compared to 2020.

In response to the adverse effects of the pandemic, we executed a number of temporary cash and cost-savings measures, which were largely implemented in 2020. As our business has seen significant improvement in our financial results and improved outlook for many end-markets. We eliminated in 2021 many of the temporary cash and cost savings measures put in place.

While our facilities remained operational during 2021, we continue to experience various degrees of higher manufacturing cost pressures and inflation as a result of supply chain challenges and high demand. Although we regularly monitor the financial health and operations of companies in our supply chain, and use alternative suppliers when necessary and available, supply chain constraints could cause a disruption in our ability to obtain raw materials or components required to manufacture our products and adversely affect our operations. As the COVID-19 conditions have improved and economic activity has increased, we have experienced supply chain challenges, including increased lead times, as well as inflation of raw materials, logistics and labor costs due to availability constraints and high demand. We expect the inflationary trends and supply chain pressures to continue in 2022.

We continue to actively monitor the impacts of the pandemic and global efforts to respond to it, and may take further actions that alter our business operations as may be required by governments in the jurisdictions where we operate, or that we determine are in the best interests of our employees, customers, suppliers and shareholders.

Turnover

The components of the change in turnover were as follows:

	% Change
Volume	11.3%
Price	7.1
Organic growth	18.4
Acquisition	2.8
Currency	2.0
Total	23.2%

The 23.2 percent increase in turnover in 2021 from 2020 was primarily the result of:

- organic sales growth contribution of approximately 9.0%, 4.5% and 3.0% from our industrial, commercial & residential and infrastructure businesses, respectively, in 2021 from 2020, which includes increases in selling prices;
- sales of $54.5 million as a result of the CIS Global and Vynckier acquisitions; and
- favorable foreign currency effects.

Gross profit

The 0.8 percentage point increase in gross profit as a percentage of turnover in 2021 from 2020 was primarily the result of:

- increased sales volume resulting in increased leverage on fixed expenses in cost of goods sold;
- increases in selling prices to mitigate inflationary cost increases; and
- savings generated from our lean and supply management practices.

This increase was partially offset by:

- supply chain challenges, including increased lead times, and inflationary increases of raw materials, logistics and labor costs due to availability constraints and high demand compared to 2020.

Selling, general and administrative ("SG&A")

The 0.6 percentage point decrease in SG&A expense as a percentage of turnover in 2021 from 2020 was primarily the result of:

- increased sales volume resulting in increased leverage on fixed operating expenses;
- restructuring and other costs of $8.8 million in 2021, compared to $22.0 million in 2020; and
- savings generated from restructuring and other lean initiatives.

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This decrease was partially offset by:

- inflationary increases impacting our labor costs compared to 2020;
- temporary actions taken in 2020 to lower costs in response to the adverse effects of the COVID-19 pandemic, including reducing labor costs and limiting discretionary spending for purchased services and travel; and
- higher employee incentive compensation expense compared to 2020.

Impairment of goodwill and trade names
In 2020, as a result of the adverse market and economic conditions attributed to the COVID-19 pandemic, combined with significant volatility in oil and gas prices leading to a potential sustained downturn in the energy industry, we recognized pre-tax, non-cash impairment expense of $220.5 million, which primarily relates to a $212.3 million impairment of goodwill in the Thermal Management reporting unit. In 2020, we also recognized pre-tax, non-cash impairment expense of $8.2 million related to trade names.

Loss on early extinguishment of debt
In 2021, we issued $300.0 million of 2.750% fixed rate senior notes due 2031 and utilized the proceeds to redeem $300.0 million of 3.950% fixed rate senior notes due 2023. The $15.2 million premium paid on the early extinguishment was recorded as *Loss on the early extinguishment of debt.*

Taxation
The difference in the effective tax rate in 2021 from 2020 was primarily the result of:

- the unfavorable tax rate impact of the 2020 non-cash impairment expense of $220.5 million related primarily to goodwill;
- a $19.4 million non-cash charge related to the establishment of a valuation allowance on certain foreign deferred tax assets recorded in 2020; and
- a $5.5 million one-time benefit recorded in 2021 to reflect an anticipated worthless stock deduction on an investment in a foreign subsidiary.

Key trends and uncertainties regarding our existing business
The following trends and uncertainties affected our financial performance in 2021 and 2020, and are reasonably likely to impact our results in the future:

- There are many uncertainties regarding the COVID-19 pandemic, including the anticipated duration and severity of the pandemic and the extent of worldwide social, political and economic disruption it may cause. The magnitude of the impact of the pandemic on our financial condition, liquidity and results of operations cannot be determined at this time, and ultimately will be affected by a number of evolving factors including the length of time that the pandemic continues, the ability of vaccines to protect against variant strains of COVID-19, the pandemic's effect on the demand for our products and services and the supply chain, as well as the impact of governmental regulations imposed in response to the pandemic including potential business curtailments and shutdowns impacting our factories.
- We have identified specific product, vertical and geographic market opportunities that we find attractive and continue to pursue, both within and outside the U.S. We are positioning our businesses to more effectively address these opportunities through research and development and additional sales and marketing resources. Unless we successfully penetrate these markets, our organic sales growth will likely be limited or may decline.
- During 2021, we experienced supply chain challenges, including increased lead times, and inflationary increases of raw materials, logistics and labor costs due to availability constraints and high demand. While we have taken pricing actions and we plan for productivity improvements that could help offset these cost increases, we expect supply chain pressures and inflationary cost increases to continue into 2022, and could negatively impact our results of operations.
- During 2021 and 2020, we continued execution of certain business restructuring initiatives aimed at reducing our fixed cost structure and realigning our business.

In 2022, our operating objectives include the following:

- Executing our ESG strategy focused on People, Products and Planet;

- Enhancing and supporting employee engagement, development and retention;
- Achieving differentiated revenue growth through new products and innovation and expansion in higher growth verticals across all regions globally;
- Optimizing our technological capabilities to increasingly generate innovative new and connected products and advance digital transformation;
- Driving operational excellence through lean and agile, with specific focus on our digital transformation and supply chain resiliency;
- Optimizing working capital through inventory reduction initiatives across business segments and focused actions to optimize customer and vendor payment terms; and
- Deploying capital strategically to drive growth and value creation.

Principal risks and uncertainties

Investors should carefully consider all of the information in this document and the following risk factors before making an investment decision regarding our securities. Any of the following risks could materially and adversely affect our business, financial condition, results of operations, cash flows and the actual outcome of matters as to which forward-looking statements are made in this document.

Risks Relating to the COVID-19 Pandemic

Our business, financial condition, results of operations and cash flows may be materially adversely affected by global public health epidemics, including the current global COVID-19 pandemic.

Our business, financial condition, results of operations and cash flows may be adversely affected if a global public health pandemic, including the current global COVID-19 pandemic, interferes with the ability of our employees, vendors and customers to perform our and their respective responsibilities and obligations relative to the conduct of our business. The COVID-19 pandemic has significantly impacted economic activity and markets around the world, and it has had, and could continue to have, a material negative impact on our business in numerous ways, including but not limited to those outlined below:

- The risk that we or our employees, vendors or customers may be prevented from conducting business activities for an indefinite period of time, including shutdowns that may be requested or mandated by governmental authorities or that we determine are appropriate to sanitize our facilities.
- Restrictions on travel to or from locations where we provide services, or restrictions on shipping products from certain jurisdictions where they are produced or into certain jurisdictions where customers are located.
- Inability to meet our customers' needs and achieve costs targets due to disruptions in our manufacturing and supply arrangements caused by the loss or disruption of essential manufacturing and supply elements such as raw materials or other finished product components, transportation, workforce or other manufacturing and distribution capability.
- Failure of third parties on which we rely, including our suppliers, distributors, contractors and commercial banks, to meet their obligations to us, or significant disruptions in their ability to do so, which may be caused by their own financial or operational difficulties and may adversely impact our operations.
- Significant reductions in demand or significant volatility in demand for one or more of our products and a global economic recession that could further reduce demand and/or pricing for our products, resulting from actions taken by governments, businesses and/or the general public in an effort to limit exposure to and spreading of such infectious diseases, such as travel restrictions, quarantines and business shutdowns or slowdowns. Deteriorating economic and political conditions caused by the COVID-19 pandemic, such as increased unemployment, decreases in capital spending, business shutdowns or economic recessions, could cause a further decrease in demand for our products.
- Delays or modifications to our strategic plans, initiatives and goals due to disruptions or uncertainties related to the COVID-19 pandemic for a sustained period of time.
- An impairment in the carrying value of goodwill or intangible assets or a change in the useful life of definite-lived intangible assets could occur if there are sustained changes in consumer purchasing behaviors, government restrictions, financial results, or a deterioration of macroeconomic conditions.
- Actions we have taken or may take, or decisions we have made or may make as a consequence of the COVID-19 pandemic may result in legal claims or litigation against us.

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- Vaccine mandates that may be implemented in jurisdictions in which our business operates which could adversely affect our workforce retention and hiring.

The global COVID-19 pandemic has created significant volatility, uncertainty and economic disruption, may continue and could cause a global recession. The extent to which the COVID-19 pandemic will continue to impact our business, financial condition, results of operations, and cash flows is uncertain and will depend on numerous evolving factors that we may not be able to accurately predict, including:

- the duration and scope of the pandemic;
- the ability of vaccines to protect against variant strains of COVID-19;
- governmental, business and individual actions taken in response to the pandemic and the impact of those actions on global economic activity;
- the actions taken in response to economic disruption;
- the impact of business disruptions on our customers and the resulting impact on their demand for our products and services; and
- our customers' ability to pay for our products and services.

Any of these factors could cause or contribute to the risks and uncertainties identified below and could materially adversely affect our business, financial condition, results of operations, and cash flows.

Risks Relating to Our Business

General global economic and business conditions affect demand for our products.
We compete in various geographic regions and product markets around the world. Among these, the most significant are global industrial markets and commercial markets. We expect to experience fluctuations in revenues and results of operations due to economic and business cycles. Important factors for our business and the businesses of our customers include the overall strength of the economy and our customers' confidence in the economy, industrial and governmental capital spending, the strength of the commercial real estate market, unemployment rates, availability of commercial financing, interest rates and energy and commodity prices. The businesses of many of our industrial customers are to varying degrees cyclical and have experienced periodic downturns. While we attempt to minimize our exposure to economic or market fluctuations by serving a balanced mix of end markets and geographic regions, any of the above factors, individually or in the aggregate, or a significant or sustained downturn in a specific end market or geographic region could reduce demand for our products and services, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We compete in attractive markets with a high level of competition, which may result in pressure on our profit margins and limit our ability to maintain or increase the market share of our products.
The markets for our products and services are geographically diverse and highly competitive. We compete against large and well-established national and global companies, as well as regional and local companies and lower-cost manufacturers. We compete based on technical expertise, reputation for quality and reliability, timeliness of delivery, previous installation history, contractual terms and price. Some of our competitors, in particular smaller companies, attempt to compete based primarily on price, localized expertise and local relationships, especially with respect to products and applications that do not require a great deal of engineering or technical expertise. In addition, during economic downturns average selling prices tend to decrease as market participants compete more aggressively on price. If we are unable to continue to differentiate our products, services and solutions, or if we are forced to cut prices or to incur additional costs to remain competitive, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our future growth is dependent upon our ability to adapt our products, services and organization to meet the demands of local markets in both developed and emerging economies and by developing or acquiring new technologies that achieve market acceptance with acceptable margins.
We operate in global markets that are characterized by customer demand that is often global in scope but localized in delivery. We compete with thousands of smaller regional and local companies that may be positioned to offer products produced at lower cost than ours, or to capitalize on highly localized relationships and knowledge that are difficult for us to replicate. Also, in several emerging markets potential customers prefer local suppliers, in some cases because of existing relationships and in other cases because of local legal restrictions or incentives that favor local businesses. Accordingly, our future success depends upon a number of factors, including our ability to adapt our products, services, organization, workforce and sales strategies to fit localities throughout the world, particularly in high-growth emerging markets; identify emerging technological and other trends in our target end markets; and develop or acquire competitive products and services and bring them to market quickly and cost-

effectively. The failure to effectively adapt our products or services could have a material adverse effect on our business, financial condition, results of operations and cash flows.

A sustained downturn in the energy industry, due to oil and gas prices decreasing or otherwise, could decrease demand for some of our products and services.

A portion of our revenue historically has been generated by end-users in the oil and gas markets where we serve customers in the petroleum industry—primarily midstream transportation and downstream refining. The businesses of most of our customers in the energy industry are, to varying degrees, cyclical and historically have experienced periodic downturns. Profitability in the energy industry is highly sensitive to supply and demand cycles and commodity prices, which historically have been volatile, and our customers in this industry have tended to delay large capital projects, including expensive maintenance and upgrades, during industry downturns. Customer project delays and cancellations may limit our ability to realize value from our backlog as expected and cause fluctuations in the timing or the amount of revenue earned and the profitability of our business in a particular period. In addition, such delays and cancellations may lead to significant fluctuations in results of operations from quarter to quarter, making it difficult to predict our financial performance on a quarterly basis.

Demand for a portion of our products and services depends upon the level of capital expenditure by companies in the energy industry, which depends, in part, on energy prices. Prices of oil and gas are volatile and within recent years, the price of crude oil has declined significantly. We have experienced suspensions or delays in large capital projects within the energy sector, especially in the upstream exploration and production sector, and most notably in Canada. A sustained downturn in the capital expenditures of our customers, whether due to a decrease in the market price of oil and gas or otherwise, may delay projects, decrease demand for our products and services and cause downward pressure on the prices we charge, which, in turn, could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We may not be able to identify, finance and complete suitable acquisitions and investments, and any completed acquisitions and investments could be unsuccessful or consume significant resources.

Our business strategy includes acquiring businesses and making investments that complement our existing business. We expect to analyze and evaluate the acquisition of strategic businesses or product lines with the potential to extend or strengthen our industry position or enhance our existing set of product and service offerings. We may not be able to identify suitable acquisition candidates, obtain financing or have sufficient cash necessary for acquisitions or successfully complete acquisitions in the future. Acquisitions and investments may involve significant cash expenditures, debt incurrences, equity issuances, operating losses and expenses. Acquisitions involve numerous other risks, including:

- diversion of management time and attention from daily operations;
- difficulties integrating acquired businesses, technologies and personnel into our business;
- difficulties in obtaining and verifying the financial statements and other business information of acquired businesses;
- inability to obtain required regulatory approvals;
- potential loss of key employees, key contractual relationships or key customers of acquired companies or of ours;
- assumption of the liabilities and exposure to unforeseen liabilities of acquired companies; and
- dilution of interests of holders of nVent ordinary shares through the issuance of equity securities or equity-linked securities.

It may be difficult for us to complete transactions quickly and to integrate acquired operations efficiently into our business operations. Any acquisitions or investments may not be successful and may ultimately result in impairment charges and have a material adverse effect on our business, financial condition, results of operations and cash flows.

We may not achieve some or all of the expected benefits of our business initiatives.

During 2021, 2020 and 2019, we continued execution of certain business restructuring initiatives aimed at reducing our fixed cost structure and realigning our business. In order to align our resources with our growth strategies, operate more efficiently and control costs, we may periodically announce in the future restructuring plans, which may include workforce reductions, global plant closures and consolidations, asset impairments and other cost reduction initiatives. As these plans and actions are complex, we may not be able to achieve the operating efficiencies to reduce costs or realize benefits that were anticipated in connection with these initiatives. If we are unable to execute these initiatives as planned, we may not realize all or any of the anticipated benefits, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

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Our backlog may fluctuate and material amounts of cancellations or reductions of orders or a failure to deliver our backlog on time could affect our future sales.

Our backlog is comprised of the portion of firm signed purchase orders or other written contractual commitments received from customers that we have not recognized as revenue. Backlog may increase or decrease based on the addition of large multi-year projects and their subsequent completion. Backlog may also be favorably or unfavorably affected by foreign currency rate fluctuations. The dollar amount of backlog as of December 31, 2021 was $558.5 million. The timing of our recognition of revenue out of our backlog is subject to a variety of factors that may cause delays, many of which, including fluctuations in our customers' delivery schedules, are beyond our control. Such delays may lead to significant fluctuations in results of operations from quarter to quarter, making it difficult to predict our financial performance on a quarterly basis. Further, while we have historically experienced few order cancellations and the amount of order cancellations has not been material compared to our total contract volume, if we were to experience a significant amount of cancellations of or reductions in purchase orders, it would reduce our backlog and, consequently, our future sales and could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our future revenue depends in part on our ability to bid and win new contracts.

Our future revenue and overall results of operations require us to successfully bid on new contracts and, in particular, contracts for large greenfield projects, which are frequently subject to competitive bidding processes. Our revenue from major projects depends in part on the level of capital expenditures in some of our principal end markets, including the energy, chemical processing and power generation industries. The number of such projects we win in any year fluctuates, and is dependent upon the number of projects available and our ability to bid successfully for such projects. Contract proposals and negotiations are complex and frequently involve a lengthy bidding and selection process, which is affected by a number of factors, such as competitive position, market conditions, financing arrangements and required governmental approvals. If negative market conditions arise, or if we fail to secure adequate financial arrangements or required governmental approvals, we may not be able to pursue particular projects or win new contracts, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We are exposed to political, regulatory, economic and other risks that arise from operating a multinational business.

Sales outside of the U.S. for the year ended December 31, 2021 accounted for approximately 43% of our net sales. Further, our business obtains some products, components and raw materials from non-U.S. suppliers. Accordingly, our business is subject to the political, regulatory, economic and other risks that are inherent in operating in numerous countries. These risks include:

- the imposition of tariffs, exchange controls or other trade restrictions;
- changes in general economic and political conditions in countries where we operate, particularly in emerging markets;
- relatively more severe economic conditions in some international markets than in the U.S.;
- the difficulty of enforcing agreements and collecting receivables through non-U.S. legal systems;
- the difficulty of communicating and monitoring standards and directives across our global facilities;
- trade protection measures and import or export licensing requirements and restrictions;
- the possibility of terrorist action or military conflict affecting us or our operations;
- the threat of nationalization and expropriation;
- difficulty in staffing and managing widespread operations in non-U.S. labor markets;
- changes in tax treaties, laws or rulings that could have a material adverse impact on our effective tax rate;
- limitations on repatriation of earnings;
- the difficulty of protecting intellectual property in non-U.S. countries; and
- changes in and required compliance with a variety of non-U.S. laws and regulations.

Our success depends in part on our ability to anticipate and effectively manage these and other risks. We cannot assure you that these and other factors will not have a material adverse effect on our international operations or on our business as a whole.

A disruption in the availability, price or quality of products or materials that we manufacture and source from various countries throughout the world could have a material adverse effect on our results of operations.

Our business is subject to risks associated with global manufacturing and sourcing. We use a variety of raw materials in the production of our products including steel, copper, aluminum, paints and resins. We also purchase certain electrical and electronic components and packaging materials from a number of suppliers. During 2021, we experienced supply chain challenges, including increased lead times, due to availability constraints and high demand, and we expect supply chain

pressures to continue in 2022. Although we regularly monitor the financial health and operations of companies in our supply chain, and use alternative suppliers when necessary and available, supply chain constraints could cause a disruption in our ability to obtain raw materials or components required to manufacture our products and adversely affect our operations. Significant shortages in the availability of these materials or price increases could increase our operating costs and adversely impact the competitive positions of our products. We rely on materials, components and finished goods that are sourced from or manufactured outside the U.S., including Mexico, China and other countries, and these countries may experience political or trade instability, which could disrupt our supply of products or materials. We rely on our suppliers to produce high quality materials, components and finished goods according to our specifications. Although we have quality control procedures in place, there is a risk that products may not meet our specifications which could impact our ability to ship quality products to our customers on a timely basis.

Our Thermal Management segment's dependence on subcontractors and third party suppliers and manufacturers with respect to projects could have a material adverse effect on us.

Our Thermal Management segment often relies on third party subcontractors as well as third party suppliers and manufacturers to complete projects. To the extent that we cannot engage subcontractors or acquire supplies or materials from third parties for these projects, our ability to complete a project in a timely fashion or at a profit may be impaired. If the amount we are required to pay for these goods and services exceeds the amount we have estimated in bidding for fixed-price contracts, we could experience losses on these contracts. In addition, if a subcontractor, supplier or manufacturer is unable to deliver its services or materials according to the negotiated contract terms for any reason, including the deterioration of its financial condition or over-commitment of its resources, we may be required to purchase the services or materials from another source at a higher price. This may reduce the profit to be realized or result in a loss on a project for which the services or materials were needed.

We may experience material cost and other inflation.

During 2021, we experienced inflationary increases of raw materials, logistics and labor costs due to availability constraints and high demand, and we expect inflationary cost increases to continue in 2022. We strive for productivity improvements and implement increases in selling prices to help mitigate cost increases in raw materials, freight, energy, wage and other costs such as pension, health care and insurance. We continue to implement operational initiatives in order to mitigate the impact of this inflation and continuously reduce our costs. However, these actions may not be successful in managing our costs or increasing our productivity. Continued cost inflation or failure of our initiatives to increase prices, generate cost savings or improve productivity could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Intellectual property challenges may hinder our ability to develop, engineer and market our products.

Patents, non-compete agreements, proprietary technologies, customer relationships, trademarks, trade names and brand names are important to our business. Intellectual property protection, however, may not preclude competitors from developing products similar to ours or from challenging our names or products. Our pending patent applications, and our pending copyright and trademark registration applications, may not be allowed or competitors may challenge the validity or scope of our patents, copyrights or trademarks. In addition, our patents, copyrights, trademarks and other intellectual property rights may not provide us a significant competitive advantage. Over the past few years, we have noticed an increasing tendency for participants in our markets to use challenges to intellectual property as a means to compete. Patent and trademark challenges increase our costs to develop, engineer and market our products. We may need to spend significant resources monitoring our intellectual property rights and we may or may not be able to detect infringement by third parties. If we fail to successfully enforce our intellectual property rights or register new patents, our competitive position could suffer, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We have significant goodwill and intangible assets and future impairment of our goodwill and intangible assets could have a material adverse effect on our results of operations.

We test goodwill and other indefinite-lived intangible assets for impairment on at least an annual basis, and more frequently if circumstances warrant, by comparing the estimated fair value of our reporting unit to its respective carrying values on its balance sheets. As of December 31, 2021, our goodwill and intangible assets were $3.3 billion and represented 71% of our total assets. Changes in economic and operating conditions impacting the assumptions used in our impairment tests could result in future goodwill and intangible asset impairment expense.

Risks Relating to Legal, Regulatory and Compliance Matters

Changes in U.S. and foreign government administrative policy, including changes to existing trade agreements and U.S. government sanctions, could have a material adverse effect on us.

As a result of changes to U.S. and foreign government administrative policy, there may be changes to existing trade agreements, greater restrictions on free trade generally, significant increases in tariffs on goods imported into the U.S. particularly tariffs on products manufactured in China, Canada and Mexico, among other possible changes.

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In addition, from time to time, the U.S. government has imposed sanctions restricting U.S. companies from conducting business with specified non-U.S. individuals and companies. For example, the U.S. government has imposed sanctions through several executive orders and legislation restricting U.S. companies from conducting business with specified Russian and Ukrainian individuals and companies. The sanctions imposed by the U.S. government may be expanded in the future to restrict or further restrict us from engaging with customers or vendors. If we are unable to conduct business with new or existing customers or vendors or pursue business opportunities in Russia or Ukraine, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Changes in U.S. social, political, regulatory and economic conditions or in laws and policies governing foreign trade, manufacturing, development and investment in the territories and countries where we currently manufacture and sell products, and any resulting negative sentiments towards the U.S. as a result of such changes, could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Violations of the U.S. Foreign Corrupt Practices Act and similar anti-corruption laws outside the U.S. or international trade compliance regulations could have a material adverse effect on us.

The U.S. Foreign Corrupt Practices Act and similar anti-corruption laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments to government officials or other persons for the purpose of obtaining or retaining business. We operate in many parts of the world that are recognized as having governmental and commercial corruption and in certain circumstances, strict compliance with anti-bribery laws may conflict with local customs and practices. Because many of our customers and end users are involved in infrastructure construction and energy production, they are often subject to increased scrutiny by regulators.

Further, our global operations require importing and exporting goods and technology across international borders on a regular basis. Certain of the products we manufacture are "dual use" products, which are products that may have both civil and military applications, or may otherwise be involved in weapons proliferation, and are often subject to more stringent export controls. From time to time, we may obtain or receive information alleging improper activity in connection with imports or exports.

Our policies mandate strict compliance with applicable laws and regulations, including those pertaining to anti-corruption, anti-bribery and trade. However, even when we are in strict compliance with law and our policies, we may suffer reputational damage if certain of our products are sold through various intermediaries to entities operating in sanctioned countries. We cannot assure that our internal control policies and procedures will always protect us from reckless or criminal acts committed by our employees or third-party intermediaries. In the event that we believe or have reason to believe that our employees or agents have or may have violated applicable laws, we may be required to investigate or have outside counsel investigate the relevant facts and circumstances, which can be expensive and require significant time and attention from senior management. Violations of these laws may require self-disclosure to governmental agencies and result in criminal or civil sanctions, which could disrupt our business, cause denial of import or export privileges, and result in a material adverse effect on our reputation, business, financial condition, results of operations and cash flows.

We are exposed to potential environmental laws, liabilities and litigation.

We are subject to U.S. federal, state, local and non-U.S. laws and regulations governing our environmental practices, public and worker health and safety, and the indoor and outdoor environment. Compliance with these environmental, health and safety regulations could require us to satisfy environmental liabilities, increase the cost of manufacturing our products or otherwise have a material adverse effect on our business, financial condition, results of operations and cash flows. Any violations of these laws by us could cause us to incur unanticipated liabilities. We are also required to comply with various environmental laws and maintain permits, some of which are subject to renewal from time to time, for many of our businesses and we could suffer if we are unable to renew existing permits or to obtain any additional permits that we may require. Compliance with environmental requirements also could require significant operating or capital expenditures or result in significant operational restrictions. We cannot assure you that we have been or will be at all times in compliance with environmental and health and safety laws. If we violate these laws, we could be fined, criminally charged or otherwise sanctioned by regulators.

We have been named as defendant, target or a potentially responsible party ("PRP") in a number of environmental cleanups relating to our current or former business units. We may be named as a PRP at other sites in the future for existing business units, as well as both divested and acquired businesses. In addition to clean-up actions brought by governmental authorities, private parties could bring personal injury or other claims due to the presence of, or exposure to, hazardous substances. Certain environmental laws impose liability on current or previous owners or operators of real property for the cost of removal or remediation of hazardous substances at their properties or at properties at which they have disposed of hazardous substances. The cost of clean-up and other environmental liabilities can be difficult to accurately predict. In addition, environmental requirements change and tend to become more stringent over time. Our eventual environmental clean-up costs and liabilities could exceed the amount of our current reserves.

We may incur significant costs in our efforts to successfully avoid, manage, defend and litigate intellectual property matters. From time to time, we receive notices from third parties alleging intellectual property infringement. Any dispute or litigation involving intellectual property could be costly and time-consuming due to the complexity and the uncertainty of intellectual property litigation. Our intellectual property portfolio may not be useful in asserting a counterclaim, or negotiating a license, in response to a claim of infringement or misappropriation. In addition, as a result of such claims, we may lose our rights to utilize critical technology, may be required to pay substantial damages or license fees with respect to the infringed rights or may be required to redesign our products at a substantial cost, any of which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We are exposed to certain regulatory and financial risks related to climate change and other sustainability matters. Climate change is receiving ever increasing attention worldwide. Many scientists, legislators and others attribute global warming to increased levels of greenhouse gases, which has led to significant legislative and regulatory efforts to limit greenhouse gas emissions. The U.S. Environmental Protection Agency ("EPA") has published findings that emissions of carbon dioxide, methane, and other greenhouse gases ("GHGs") present an endangerment to public health and the environment because emissions of such gases are, according to the EPA, contributing to the warming of the earth's atmosphere and other climate changes. Based on these findings, the EPA has implemented regulations that require reporting of GHG emissions, or that limit emissions of GHGs from certain mobile or stationary sources. In addition, the U.S. Congress and federal and state regulatory agencies have considered other legislation and regulatory proposals to reduce emissions of GHGs, and many states have already taken legal measures to reduce emissions of GHGs, primarily through the development of GHG inventories, GHG permitting and/or regional GHG cap-and-trade programs. It is uncertain whether, when and in what form a federal mandatory carbon dioxide emissions reduction program, or other state programs, may be adopted. Similarly, certain countries have adopted the Kyoto Protocol and in February 2021 the U.S. rejoined the Paris Accord, and these and other existing international initiatives or those under consideration could affect our international operations. To the extent our customers, particularly our energy and industrial customers, are subject to any of these or other similar proposed or newly enacted laws and regulations, we are exposed to risks that the additional costs incurred by customers to comply with such laws and regulations could impact their ability or desire to continue to operate at similar levels in certain jurisdictions as historically seen or as currently anticipated, which could negatively impact their demand for our products and services. These actions could also increase costs associated with our operations, including costs for raw materials and transportation. Because it is uncertain what laws will be enacted, we cannot predict the potential impact of such laws on our future financial condition, results of operations and cash flows.

In addition, as part of our strategy regarding climate change and sustainability matters, we have set and may set additional targets aimed at reducing our impact on the environment and climate change and/or targets relating to other sustainability matters. It is possible that we may not be able to achieve such targets or our desired impact, which may cause us to suffer from reputational damage or our business or financial condition could be adversely affected. It is also possible that actions we take to achieve our strategy or targets could result in increased costs to our operations. In addition, investors and other stakeholders are increasingly focused on ESG matters, and as stakeholder ESG expectations and standards are evolving, our failure to sufficiently response to these evolving standards and expectations may cause us to suffer from reputational damage or our business or financial condition could be adversely affected.

Increased information technology security threats and computer crime pose a risk to our systems, networks, products and services, and we are exposed to potential regulatory, financial and reputational risks relating to the protection of our data. We rely upon information technology systems and networks in connection with a variety of business activities, some of which are managed by third parties. Additionally, we collect and store data that is sensitive to us and our employees, customers, distributors and suppliers. As our business increasingly interfaces with employees, customers, distributors and suppliers using information technology systems and networks, we are subject to an increased risk to the secure operation of these systems and networks and to additional laws and regulatory requirements regarding data privacy, including the European Union General Data Protection Regulation. The secure operation of these information technology systems and networks, and the processing and maintenance of this data is critical to our business operations and strategy. Information technology security threats are increasing in frequency and sophistication. These threats pose a risk to the security of our systems and networks and the confidentiality, availability and integrity of the data we process and maintain and pose a risk of theft to our assets. Establishing systems and processes to address these threats and changes in legal requirements relating to data collection and storage may increase our costs. We have experienced data breaches, and, although we have determined such data breaches to be immaterial and such data breaches have not had a material adverse effect on our financial condition, results of operations or cash flows, there can be no assurance of similar results in the future. Should future attacks succeed in the theft of assets, exporting sensitive data or financial information or controlling sensitive systems or networks, it could expose us and our employees, customers, distributors and suppliers to the theft of assets, misuse of information or systems, the compromising of confidential information, manipulation and destruction of data, defective products, production downtimes and operations disruptions, and breach of privacy, which may require notification under data privacy and other applicable laws. The occurrence of any of these events could have a material adverse effect on our reputation, business, financial condition, results of operations and cash flows. In

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addition, such breaches in security could result in litigation, regulatory action and potential liability and the costs and operational consequences of implementing further data protection measures.

We may be negatively impacted by litigation, including product liability claims.
We are currently, and may in the future, become subject to litigation and other claims. We have been made parties to a number of actions filed or have been given notice of potential claims relating to the conduct of our business, including those pertaining to commercial disputes, product liability, asbestos, environmental, safety and health, patent infringement and employment matters. The outcome of such legal proceedings cannot be predicted with certainty and some may be disposed of unfavorably to us. Our business exposes us to potential litigation, such as product liability claims relating to the design, manufacture and sale of our products. While we currently maintain what we believe to be suitable product liability insurance, we may not be able to maintain this insurance on acceptable terms and this insurance may not provide adequate protection against potential or previously existing liabilities. In addition, we self-insure a portion of product liability claims. Successful claims against us for significant amounts could have a material adverse effect on our reputation, business, financial condition, results of operations and cash flows.

If the distribution from Pentair fails to qualify as a tax-free transaction for U.S. federal income tax purposes, then we and our shareholders could be subject to significant tax liability or tax indemnity obligations.
Pentair received an IRS Ruling from the IRS substantially to the effect that, among other things, the distribution and certain related transactions qualify as tax-free under Section 355 and related provisions of the Code. The tax-free nature of the distribution was conditioned on the continued validity of the IRS Ruling, as well as on receipt of a tax opinion, substantially to the effect that, among other things, the distribution would qualify as a tax-free transaction under Section 355 and related provisions of the Code, and certain transactions related to the transfer of assets and liabilities to us in connection with the separation and distribution would not result in the recognition of any gain or loss to Pentair, us or our shareholders. The IRS ruling and the tax opinion relied on certain facts and assumptions, certain representations from Pentair and us regarding the past and future conduct of both businesses and other matters, and the tax opinion relies on the IRS Ruling. Notwithstanding the IRS ruling and tax opinion, the IRS could determine on audit that the distribution should be treated as a taxable transaction if it determines that any of these facts, assumptions, representations or undertakings is not correct or has been violated, or that the distribution should be taxable for other reasons, including as a result of a significant change in stock or asset ownership after the distribution, or if the IRS were to disagree with the conclusions of the tax opinion that are not covered by the IRS ruling. If the distribution is ultimately determined to be taxable, the distribution could be treated as a taxable dividend to you for U.S. federal income tax purposes, and you could incur significant U.S. federal income tax liability. In addition, Pentair and/or we could incur significant U.S. federal income tax liabilities or tax indemnification obligations, whether under applicable law or the tax matters agreement that we entered into with Pentair, if it is ultimately determined that certain related transactions undertaken in anticipation of the distribution are taxable. To the extent we incur any tax liability or indemnification obligation under applicable law or the tax matters agreement, there could be a material adverse effect on our business, financial condition, and results of operations and cash flows in future reporting periods.

Risks Relating to Financial Markets and Our Debt and Liquidity

Volatility in currency exchange rates could have a material adverse effect on our financial condition, results of operations and cash flows.
Sales outside of the U.S. for the year ended December 31, 2021 accounted for approximately 43% of our net sales. Our financial statements reflect translation of items denominated in non-U.S. currencies to U.S. dollars. Therefore, if the U.S. dollar strengthens in relation to the principal non-U.S. currencies from which we derive revenue as compared to a prior period, our U.S. dollar-reported revenue and income will effectively be decreased to the extent of the change in currency valuations and vice-versa. For the year ended December 31, 2021, foreign currency translations had a 2% positive impact on our net sales. Fluctuations in foreign currency exchange rates, most notably the strengthening of the U.S. dollar against the euro, could have a material adverse effect on our reported revenue and income in future periods.

Disruptions in the financial markets could adversely affect us, our customers and our suppliers by increasing funding costs or reducing availability of credit.

In the normal course of our business, we may access credit markets for general corporate purposes, which may include repayment of indebtedness, acquisitions, additions to working capital, repurchase of shares, capital expenditures and investments in our subsidiaries. Although we expect to have sufficient liquidity to meet our foreseeable needs, our access to and the cost of capital could be negatively impacted by disruptions in the credit markets, which have occurred in the past and made financing terms for borrowers unattractive or unavailable. These factors may make it more difficult or expensive for us to access credit markets if the need arises. In addition, these factors may make it more difficult for our suppliers to meet demand for their products or for prospective customers to commence new projects, as customers and suppliers may experience increased costs of debt financing or difficulties in obtaining debt financing. Disruptions in the financial markets in the past have had adverse effects on other areas of the economy and have led to a slowdown in general economic activity that may adversely affect our businesses. One or more of these factors could adversely affect our business, financial condition, results of operations and cash flows.

Covenants in our debt instruments may adversely affect us.

Our credit agreements and indentures contain customary financial covenants, including those that limit the amount of our debt, which may restrict the operations of our business and our ability to incur additional debt to finance acquisitions. Our ability to meet the financial covenants can be affected by events beyond our control, and we cannot provide assurance that we will meet those tests. A breach of any of these covenants could result in a default under our credit agreements or indentures. Upon the occurrence of an event of default under any of our credit facilities or indentures, the lenders or trustees could elect to declare all amounts outstanding thereunder to be immediately due and payable and, in the case of credit facility lenders, terminate all commitments to extend further credit. If the lenders or trustees accelerate the repayment of borrowings, we cannot provide assurance that we will have sufficient assets to repay our credit facilities and our other indebtedness. Furthermore, acceleration of any obligation under any of our material debt instruments will permit the holders of our other material debt to accelerate their obligations, which could have a material adverse effect on our financial condition.

Our indebtedness, and any future increase in debt or raising of additional capital, could affect our financial condition, and may decrease our profitability.

As of December 31, 2021, we had $1.0 billion of total debt outstanding. If we are not able to repay or refinance our debt as it becomes due, we may be forced to sell assets or take other disadvantageous actions, including (i) reducing financing in the future for working capital, capital expenditures and general corporate purposes or (ii) dedicating an unsustainable level of our cash flow from operations to the payment of principal and interest on our indebtedness. The lenders who hold such debt could also accelerate amounts due, which could potentially trigger a default or acceleration of any of our other debt.

Further, we may increase our debt or raise additional capital in the future, subject to restrictions in our debt agreements. If our cash flow from operations is less than we anticipate, if our cash requirements are more than we expect, or if we intend to finance acquisitions, we may require more financing. However, debt or equity financing may not be available to us on acceptable terms, if at all. If we incur additional debt or raise equity through the issuance of additional capital shares, the terms of the debt or capital shares issued may give the holders rights, preferences and privileges senior to those of holders of our ordinary shares, particularly in the event of liquidation. The terms of the debt may also impose additional and more stringent restrictions on our operations than we currently have. If we raise funds through the issuance of additional equity, the percentage ownership of existing shareholders in our company would decline. If we are unable to raise additional capital when needed, our financial condition could be adversely affected. Unfavorable changes in the ratings that rating agencies assign to our debt may ultimately negatively impact our access to the debt capital markets and increase the costs we incur to borrow funds. If ratings for our debt are downgraded, our access to the debt capital markets may become restricted. Additionally, our credit agreements generally include an increase in interest rates if the ratings for our debt are downgraded.

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Risks Relating to Our Jurisdiction of Incorporation in Ireland and Tax Residency in the U.K.

We are subject to changes in law and other factors that may not allow us to maintain a worldwide effective corporate tax rate that is competitive in our industry.

While we believe that we should be able to maintain a worldwide effective corporate tax rate that is competitive in our industry, we cannot give any assurance as to what our effective tax rate will be in the future, because of, among other things, uncertainty regarding the tax policies of the jurisdictions where we operate. Our actual effective tax rate may vary from our expectation and that variance may be material. Also, the tax laws of the U.S., the U.K., Ireland and other jurisdictions could change in the future, and such changes could cause a material change in our worldwide effective corporate tax rate. In particular, legislative action could be taken by the U.S., the U.K., Ireland or the European Union which could override tax treaties or modify tax statutes or regulations upon which we expect to rely and adversely affect our effective tax rate. We cannot predict the outcome of any specific legislative proposals. If proposals were enacted that had the effect of disregarding our incorporation in Ireland or limiting our ability as an Irish company to maintain tax residency in the U.K. and take advantage of the tax treaties among the U.S., the U.K. and Ireland, we could be subject to increased taxation, which could materially adversely affect our financial condition, results of operations, cash flows or our effective tax rate in future reporting periods.

A change in our tax residency could have a negative effect on our future profitability, and may trigger taxes on dividends or exit charges.

We are incorporated in Ireland and we are an Irish tax resident under Irish domestic law unless we are regarded as being resident elsewhere (and not Ireland) under the terms of a double tax treaty. Under domestic U.K. law, a company that is centrally managed and controlled in the U.K. is regarded as resident in the U.K. for taxation purposes unless it is treated as resident in another jurisdiction pursuant to any appropriate double tax treaty with the U.K. Other jurisdictions may also seek to assert taxing jurisdiction over us.

Effective for tax periods beginning on or after November 1, 2019, where a company is treated as tax resident under the domestic laws of both the U.K. and Ireland, the Double Tax Convention between the U.K. and Ireland (the "Convention") signed on June 2, 1976, and as modified by paragraph 1 of Article 4 of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (the "Multilateral Instrument" or "MLI") provides that the residence of a dual-resident entity should be determined by way of mutual agreement between the Irish Revenue Commissioners and Her Majesty's Revenue Commissioners. The tie-breaker test provides that, in cases of dual residence, the competent authorities of the two states shall determine by mutual agreement the territory of which the person shall be deemed to be resident for purposes of the Convention.

Our application under the Mutual Agreement Procedure provided for in Article 24 of the Convention (as amended pursuant to the MLI) seeking confirmation that we will continue to be tax resident solely in the U.K. was approved by the competent authorities of the U.K. and Ireland effective December 31, 2019.

It is possible that in the future, whether as a result of a change in law or the practice of any relevant tax authority or as a result of any change in the conduct of our affairs, we could become, or be regarded as having become, resident in a jurisdiction other than the U.K. If we cease to be resident in the U.K. and become resident in another jurisdiction, we may be subject to U.K. exit charges, and could become liable for additional tax charges in the other jurisdiction (including dividend withholding taxes or corporate income tax charges). If we were to be treated as resident in more than one jurisdiction, we could be subject to taxation in multiple jurisdictions. If, for example, we were considered to be a tax resident of Ireland, we could become liable for Irish corporation tax and any dividends paid by us could be subject to Irish dividend withholding tax.

Legislative action in the U.S. could materially adversely affect us.

Legislative or administrative action may be taken by the U.S. Congress or U.S. Treasury which, if ultimately enacted or finalized, could limit the availability of tax benefits or deductions that we currently claim, override tax treaties upon which we rely, or otherwise affect the taxes that the U.S. imposes on our worldwide operations. Such changes could materially adversely affect our effective tax rate and/or require us to take further action, at potentially significant expense, to seek to preserve our effective tax rate.

Irish law differs from the laws in effect in the U.S. and may afford less protection to holders of our securities.
It may not be possible to enforce court judgments obtained in the U.S. against us in Ireland based on the civil liability provisions of the U.S. federal or state securities laws. In addition, there is some uncertainty as to whether the courts of Ireland would recognize or enforce judgments of U.S. courts obtained against us or our directors or officers based on the civil liabilities provisions of the U.S. federal or state securities laws or hear actions against us or those persons based on those laws. We have been advised that the U.S. currently does not have a treaty with Ireland providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any U.S. federal or state court based on civil liability, whether or not based solely on U.S. federal or state securities laws, would not automatically be enforceable in Ireland.

As an Irish company, we are governed by the Companies Act 2014, which differs in some material respects from laws generally applicable to U.S. corporations and shareholders, including, among others, differences relating to interested director and officer transactions and shareholder lawsuits. Likewise, the duties of directors and officers of an Irish company generally are owed to the company only. Shareholders of Irish companies generally do not have a personal right of action against directors or officers of the company and may exercise such rights of action on behalf of the company only in limited circumstances. Accordingly, holders of our securities may have more difficulty protecting their interests than would holders of securities of a corporation incorporated in a jurisdiction of the U.S.

In addition, our articles of association provide that the Irish courts have exclusive jurisdiction to determine any and all derivative actions in which a holder of nVent ordinary shares asserts a claim in the name of nVent, actions asserting a claim of breach of a fiduciary duty of any of the directors of nVent and actions asserting a claim arising pursuant to any provision of Irish law or our articles of association. Under Irish law, the proper claimant for wrongs committed against nVent, including by our directors, is considered to be nVent itself. Irish law permits a shareholder to initiate a lawsuit on behalf of a company such as nVent only in limited circumstances and requires court permission to do so.

Transfers of nVent ordinary shares may be subject to Irish stamp duty.
Transfers of nVent ordinary shares effected by means of the transfer of book entry interests in the Depository Trust Company ("DTC") will not be subject to Irish stamp duty. However, if you hold your nVent ordinary shares directly, rather than beneficially through DTC, any transfer of your nVent ordinary shares could be subject to Irish stamp duty (currently at the rate of 1 percent of the higher of the price paid or the market value of the shares acquired). Payment of Irish stamp duty is generally a legal obligation of the transferee.

We currently intend to pay (or cause one of our affiliates to pay) stamp duty in connection with share transfers made in the ordinary course of trading by a seller who holds shares directly to a buyer who holds the acquired shares beneficially. In other cases we may, in our absolute discretion, pay (or cause one of our affiliates to pay) any stamp duty. Our constitution provides that, in the event of any such payment, we (i) may seek reimbursement from the buyer, (ii) will have a lien against the shares acquired by such buyer and any dividends paid on such shares and (iii) may set-off the amount of the stamp duty against future dividends on such shares. Parties to a share transfer may assume that any stamp duty arising in respect of a transaction in nVent ordinary shares has been paid unless one or both of such parties is otherwise notified by us.

nVent ordinary shares, received by means of a gift or inheritance, could be subject to Irish capital acquisitions tax.
Irish capital acquisitions tax ("CAT") could apply to a gift or inheritance of nVent ordinary shares irrespective of the place of residence, ordinary residence or domicile of the parties. This is because nVent ordinary shares will be regarded as property situated in Ireland. The person who receives the gift or inheritance has primary liability for CAT. Gifts and inheritances passing between spouses are exempt from CAT. Children have a tax-free threshold which Irish Revenue typically updates annually in respect of taxable gifts or inheritances received from their parents.

General Risk Factors

Our share price may fluctuate significantly.
We cannot predict the prices at which nVent ordinary shares may trade. The market price of nVent ordinary shares may fluctuate widely, depending on many factors, some of which may be beyond our control, including:

- actual or anticipated fluctuations in our results of operations due to factors related to our business;
- success or failure of our business strategy;
- our quarterly or annual earnings, or those of other companies in our industry;
- our ability to obtain third-party financing as needed;

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- announcements by us or our competitors of significant acquisitions or dispositions;
- changes in accounting standards, policies, guidance, interpretations or principles;
- changes in earnings estimates by us or securities analysts or our ability to meet those estimates;
- the operating and share price performance of other comparable companies;
- investors' perceptions of us;
- natural or other environmental disasters that investors believe may affect us;
- overall market fluctuations;
- results from any material litigation, including government investigations or environmental liabilities;
- changes in laws and regulations affecting our business; and
- general economic conditions and other external factors.

Stock markets in general have experienced volatility that has often been unrelated to the operating performance of a particular company. These broad market fluctuations could have a material adverse effect on our share price.

Our success depends on attracting and retaining qualified personnel.
Our ability to sustain and grow our business requires us to hire, retain and develop a highly skilled and diverse management team and workforce. Failure to ensure that we have the depth and breadth of personnel with the necessary skill set and experience, or the loss of key employees, could impede our ability to deliver our growth objectives and execute our strategy.

Catastrophic and other events beyond our control may disrupt operations at our manufacturing facilities and those of our suppliers, which could cause us to be unable to meet customer demands or increase our costs or reduce customer spending.
If operations at any of our manufacturing facilities or those of our suppliers were to be disrupted as a result of significant equipment failures, natural disasters, earthquakes, power outages, fires, explosions, terrorism, adverse weather conditions, labor disputes, public health epidemics or other catastrophic events or events outside of our control, we may be unable to fill customer orders and otherwise meet customer demand for our products. In addition, these types of events may negatively impact consumer, commercial and industrial spending in impacted regions or, depending on the severity, globally. As a result, any of such events could have a material adverse effect our business, financial condition, results of operations and cash flows. Interruptions in production, in particular at our manufacturing facilities, could increase our costs and reduce our sales. Any interruption in production capability could require us to make substantial capital expenditures to fill customer orders. We maintain property damage insurance that we believe to be adequate to provide for reconstruction of facilities and equipment, as well as business interruption insurance to mitigate losses resulting from any production interruption or shutdown caused by an insured loss. However, any recovery under our insurance policies may not offset the lost sales or increased costs that may be experienced during the disruption of operations, which could have a material adverse effect our business, financial condition, results of operations and cash flows.

Financial risk management
Interest rate risk
Our debt portfolio as of December 31, 2021 was comprised of debt denominated in U.S. dollars. This debt portfolio is comprised of approximately 80% fixed-rate debt and 20% variable-rate debt. Changes in interest rates have different impacts on the fixed and variable-rate portions of our debt portfolio. A change in interest rates on the fixed portion of the debt portfolio impacts the fair value, but has no impact on interest incurred or cash flows. A change in interest rates on the variable portion of the debt portfolio impacts the interest incurred and cash flows but does not impact the net financial instrument position.

We are also exposed to interest rate risk in connection with the planned issuance of long-term debt. To manage the volatility related to this exposure, we may use forward starting interest rate swaps to fix a portion of the interest cost associated with anticipated financings. We designate these financial instruments as cash flow hedges at the time the agreements are executed.

Based on the fixed-rate debt included in our debt portfolio, as of December 31, 2021, a 100 basis point increase or decrease in interest rates would result in a $56.0 million decrease or a $60.7 million increase in fair value, respectively.

Based on the variable-rate debt included in our debt portfolio as of December 31, 2021, a 100 basis point increase or decrease in interest rates would result in a $2.0 million increase or decrease in interest incurred.

Foreign currency risk
We conduct business in various locations throughout the world and are subject to market risk due to changes in the value of foreign currencies in relation to our reporting currency, the U.S. dollar. Periodically, we use derivative financial instruments to manage these risks. The functional currencies of our foreign operating locations are generally the local currency in the country of domicile. We manage these operating activities at the local level and revenues, costs, assets and liabilities are generally denominated in local currencies, thereby mitigating the risk associated with changes in foreign exchange. However, our results of operations and assets and liabilities are reported in U.S. dollars and thus will fluctuate with changes in exchange rates between such local currencies and the U.S. dollar.

From time to time, we may enter into foreign currency contracts to hedge certain foreign currency risks. As the majority of our foreign currency contracts have an original maturity date of less than one year, there is no material risk of fluctuations in the value of these contracts. Counterparties to all derivative contracts are major financial institutions. All instruments are entered into for other than trading purposes.

At December 31, 2021 and 2020, we had outstanding foreign currency derivative contracts, including those related to cross currency swaps that qualify as a hedge of future cash flows, with gross notional U.S. dollar equivalent amounts of $482.2 million and $297.3 million, respectively. Changes in the fair value of all derivatives that do not qualify as a hedge of future cash flows are recognized immediately in income. Gains and losses related to a hedge are deferred and recorded in the Consolidated Balance Sheets as a component of *Accumulated other comprehensive profit (loss)* and subsequently recognized in the Consolidated Profit and Loss Account and Statement of Comprehensive Profit (Loss) when the hedged item affects earnings.

At December 31, 2021 and 2020, we had a gross notional U.S. dollar equivalent amount of $68.1 million and $73.5 million designated as a net investment hedge for a portion of our net investment in our Euro denominated subsidiaries. The hedge is intended to reduce, but will not eliminate, the impact on our financial results of changes in the exchange rate between the Euro and the U.S. dollar. The currency risk related to the net investment hedge is measured by estimating the potential impact of a 10% change in the value of the U.S. dollar relative to the Euro. The rates used to perform this analysis were based on the market exchange rates in effect on December 31, 2021. A 10% appreciation or depreciation of the U.S. dollar relative to the Euro would result in a $6.2 million net increase or $7.6 million net decrease, respectively, in *Accumulated other comprehensive profit (loss)*. However, these increases and decreases in *Accumulated other comprehensive profit (loss)* would be offset by decreases or increases in the hedged net investments on our balance sheet due to currency translation.

As of December 31, 2021, we have $20.8 million of cash held in certain countries in which the ability to repatriate is limited due to local regulations or significant potential tax consequences.

Acquisition of own shares
On July 23, 2018, the Board of Directors authorized the repurchase of our ordinary shares up to a maximum dollar limit of $500.0 million (the "2018 Authorization"). On February 19, 2019, the Board of Directors authorized the repurchase of our ordinary shares up to a maximum dollar limit of $380.0 million (the "2019 Authorization"). The 2018 and the 2019 Authorizations expired on July 23, 2021.

On May 14, 2021, the Board of Directors authorized the repurchase of our ordinary shares up to a maximum dollar limit of $300.0 million (the "2021 Authorization"). The 2021 Authorization began on July 23, 2021 upon expiration of the 2018 Authorization and the 2019 Authorization, and expires on July 22, 2024.

During the year ended December 31, 2021, we repurchased 3.5 million of our ordinary shares for $116.1 million under the 2018 Authorization and the 2021 Authorization. During the year ended December 31, 2020, we repurchased 2.3 million of our ordinary shares for $43.2 million under the 2018 Authorization. As of December 31, 2021, we had $203.9 million available for repurchases under the 2021 Authorization. All shares repurchased were subsequently canceled in the year acquired. Further information is included in Note 5 to the parent company financial statements.

The repurchase of our ordinary shares under these authorizations from the Board of Directors vary from time to time, based on market conditions, allow management to return excess cash to enhance shareholder value.

Dividends
Dividends on our ordinary shares or reductions of share capital for distribution to shareholders, if any, must be approved by our Board of Directors for payment out of distributable reserves on our parent company statutory balance sheet.

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On December 13, 2021, the Board of Directors declared a quarterly cash dividend of $0.175 that was paid on February 4, 2022 to shareholders of record at the close of business on January 21, 2022. The balance of dividends payable included in *Other current liabilities* on our Consolidated Balance Sheets was $30.5 million and $29.4 million at December 31, 2021 and 2020, respectively.

On February 21, 2022, the Board of Directors declared a quarterly cash dividend of $0.175 per ordinary share payable on May 6, 2022 to shareholders of record at the close of business on April 22, 2022.

Under Irish law, the payment of future cash dividends and repurchases of shares may be paid only out of nVent Electric plc's "distributable reserves" on its statutory balance sheet. nVent Electric plc is not permitted to pay dividends out of share capital, which includes share premiums. Distributable reserves may be created through the earnings of the Irish parent company and through a reduction in share capital approved by the Irish High Court. Distributable reserves in nVent Electric plc are not linked to a generally accepted accounting principles in the United States of America ("GAAP") reported amount (e.g., retained earnings). The distributable reserve balance of nVent Electric plc was $2.9 billion and $3.1 billion as of December 31, 2021 and 2020, respectively.

Company accounting records

We are responsible for ensuring that the Company keeps adequate accounting records and appropriate accounting systems. The measures taken by the directors to ensure compliance with the Company's obligation to keep adequate accounting records are the use of appropriate systems and procedures and the employment of competent persons. We have appointed a Chief Financial Officer who makes regular reports to us and ensures compliance with the requirements of Sections 281-285 of the Companies Act 2014. The Company also has a Chief Accounting Officer, who works closely with the Chief Financial Officer and who makes regular reports to our Audit Committee. In addition, the Company's Director of Internal Audit and the Company's Vice President of Corporate Law and Compliance each make regular reports to our Audit Committee regarding fraud and other financial-related irregularities. Our Audit Committee, in turn, briefs us on significant financial matters arising from reports of the Chief Financial Officer, the Chief Accounting Officer, the Director of Internal Audit, the external auditor and the Vice President of Corporate Law and Compliance.

The accounting records of nVent Electric plc are maintained at the Company's executive office at 43 London Wall, London, EC2M 5TF, United Kingdom and are readily accessible at nVent Electric plc's registered address of Arthur Cox, 10 Earlsfort Terrace, Dublin, D02 T380, Ireland.

Directors

Beth A. Wozniak, Jerry W. Burris, Susan M. Cameron, Michael L. Ducker, Randall J. Hogan, Ronald L. Merriman, Nicola Palmer, Herbert K. Parker, and Jacqueline Wright served as directors of nVent Electric plc throughout 2021. Greg Scheu was appointed as a director on February 26, 2021. Each of the directors terms expire at the 2022 annual general meeting of shareholders.

Directors and Secretary's interests in shares

No director, the general counsel and secretary, or any member of their immediate family had any interest in shares or debentures of any subsidiary. Directors' remuneration is set forth in Note 25 to the consolidated financial statements. The interests of the directors and company secretary holding office at the year-end in the ordinary share capital of nVent Electric plc at the beginning of the financial year, or date of appointment if later, and at the end of the financial year were as follows:

	Ordinary shares of $0.01 each			
	December 31, 2021		January 1, 2021	
	Shares [1]	Options	Shares [1]	Options
Directors				
Beth A. Wozniak	168,868	899,149	135,349	699,449
Jerry W. Burris	41,082	22,017	35,712	28,324
Susan M. Cameron	16,145	—	11,417	—
Michael L. Ducker	22,639	—	17,269	—
Randall J. Hogan	683,995	829,807	811,041	1,243,193
Ronald L. Merriman	43,725	28,324	38,344	28,324
Nicola Palmer	10,923	—	5,279	—
Herbert K. Parker	22,639	—	17,269	—
Greg Scheu [2]	5,591	—	—	—
Jacqueline Wright	12,294	—	6,703	—
General Counsel and Secretary				
Jon D. Lammers	30,174	153,305	32,244	122,739

(1) The amounts in this column include ordinary shares owned by the director, both directly and indirectly, and unvested restricted stock units.

(2) Appointed director on February 26, 2021 and having no interest in the company at the date of appointment.

Audit Committee

In accordance with Section 167 of the Companies Act 2014, the Company has established an audit committee for the full financial year.

Disclosure of Information to Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 330 of the Companies Act 2014.

Directors' Compliance Statement

As required by Section 225 of the Companies Act 2014, the directors acknowledge that they are responsible for securing nVent Electric plc's compliance with its "relevant obligations" (as defined in that legislation). The directors further confirm that a compliance policy statement has been drawn up, and that appropriate arrangements and structures have been put in place that are, in the directors' opinion, designed to secure material compliance with the relevant obligations. A review of those arrangements and structures has been conducted in the financial year to which this report relates. In discharging their responsibilities under Section 225, the directors relied on the advice of persons who the directors believe have the requisite knowledge and experience to advise nVent Electric plc on compliance with its relevant obligations.

Political donations

No political contributions that require disclosure under Irish law were made during the current financial year or prior financial year.

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Subsidiary companies
Information regarding subsidiary undertakings is provided in Note 28 to the consolidated financial statements.

Research and development
We conduct research and development ("R&D") activities primarily in our own facilities, which consist primarily of the development of new products, product applications and manufacturing processes. We expense R&D costs as incurred. R&D expenditures during 2021 and 2020 were $48.6 million and $48.2 million, respectively.

Going concern
Note 1 of the consolidated Group financial statements provides details of directors evaluation of going concern. The directors have a reasonable expectation that the nVent Electric plc Group and Company have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Auditor
The auditor, Deloitte Ireland LLP, Chartered Accountants and Statutory Audit Firm, continues in office in accordance with Section 383(2) of the Companies Act 2014.

On behalf of the Directors

/s/ Beth A. Wozniak
Director

/s/ Ronald M. Merriman
Director

February 25, 2022

NVENT ELECTRIC PLC
DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the directors' report and the financial statements in accordance with the Companies Act 2014.

Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the group financial statements in accordance with accounting principles generally accepted in the United States of America ("US GAAP"), as defined in Section 279 of the Companies Act 2014 to the extent that the use of those principles in preparation of the group financial statements does not contravene any provision of Part 6 of the Companies Act 2014, and the parent company financial statements in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council ("relevant financial reporting framework"). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the group and the company as at the financial year end date and of the profit or loss of the group for the financial year and otherwise comply with the Companies Act 2014.

In preparing the group and company financial statements, the directors are required to:

- select suitable accounting policies for the group and the parent company financial statements and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting record which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the group and company to be determined with reasonable accuracy, enable them to ensure that the group and company financial statements and directors' report comply with the Companies Act 2014 and enable financial statements to be audited. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

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Independent auditor's report to the members of nVent Electric plc (the "Group")

Report on the audit of the financial statements

Opinion on the financial statements of nVent Electric plc

In our opinion the Group and Parent Company financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Group and Parent Company as at 31 December 2021 and of the profit of the group for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting frameworks and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

the Group financial statements:

- the Consolidated Profit and Loss Account and Statement of Comprehensive Profit (Loss);
- the Consolidated Balance Sheet;
- the Consolidated Statement of Cash Flows;
- the Consolidated Statement of Changes in Equity; and
- the related notes 1 to 28, including a summary of significant accounting policies as set out in note 1.

the Parent Company financial statements:

- the Company Balance Sheet;
- the Company Statement of Cash Flow;
- the Company Statement of Changes in Equity; and
- the related notes 1 to 10, including a summary of significant accounting policies as set out in note 1.

The relevant financial reporting framework that has been applied in the preparation of the group financial statements is the Companies Act 2014 and US Generally Accepted Accounting Principles ("US GAAP"), as defined in Section 279 of the Companies Act 2014, to the extent that the use of those principles in the preparation of the financial statements does not contravene any provision of Part VI of the Companies Act 2014 ("the relevant financial reporting framework").

The relevant financial reporting framework that has been applied in the preparation of the parent company financial statements is the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council ("the relevant financial reporting framework").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the "*Auditor's responsibilities for the audit of the financial statements*" section of our report.

We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of our audit approach

Key audit matter	The key audit matter that we identified in the current year was: • Goodwill - Thermal Management Reporting Unit
Materiality	The materiality that we used in the Group and Parent Company financial statements in the current year was $21,000,000, which was determined on the basis of profit before tax.
Scoping	We determined the scope of our audit by obtaining an understanding of the Group and Parent Company and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level.
Significant changes in our approach	No significant changes to note.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the Group and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Evaluating the cash flow forecast prepared by the Group and Parent Company, including considering whether key assumptions used in the preparation of the forecast are reasonable and whether the forecast reflects the estimated economic impacts of risks relating to the business;
- Assessing the financing facilities available to the Group and Parent Company, the nature of the facilities, the repayment terms of those facilities and the financial covenants in debt agreements;
- Performing sensitivity analysis on the cash flow forecast;
- Assessing the amount of headroom available in respect of both the cash forecast and debt covenant compliance;
- Evaluating management's ability to forecast accurately based on assessment of the historical accuracy of budgets.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively , may cast significant doubt on the Group and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorized for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the financial statements of the current financial year and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including that which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key audit matters considered in the prior year included *Income Taxes – Uncertain Tax Positions* which is no longer relevant for the current financial year.

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Goodwill - Thermal Management Reporting Unit	
Key audit matter description	The Company's evaluation of goodwill for impairment involves the comparison of the fair value of each reporting unit to its carrying value. The Company determines the fair value of its reporting units using income and market approaches. The determination of the fair value using an income approach involves the use of a discounted cash flow model that requires management to make significant estimates and assumptions related to future revenues and expenses, projected capital expenditures, changes in working capital and discount rates. The determination of the fair value using the market approach requires management to make significant assumptions related to earnings before interest, taxes, depreciation, and amortization (EBITDA) multiples. The goodwill balance for the Thermal Management reporting unit was $714.3 million as of December 31, 2021 and no impairments was recognized related to goodwill as the fair value of the reporting unit exceeded its carrying value as of the measurement date. Given the significant judgments made by management to estimate the fair value of the reporting unit and the difference between its fair value and carrying value, performing audit procedures to evaluate the reasonableness of management's estimates and assumptions related to selection of the discount rate, EBITDA multiples, and forecasts of future revenues and operating margins, required a high degree of auditor judgment and an increased extent of effort, including the need to involve fair value specialists. Refer to note 1 (accounting policy for goodwill) and note 6 in the financial statements.
How the scope of our audit responded to the key audit matter	Our audit procedures related to significant estimates and assumptions for the Thermal Management reporting unit included the following, among others: • We tested the effectiveness of controls over goodwill, including those over the underlying assumptions to forecast future revenue and operating margins, the selection of the discount rate, and the selection of the EBITDA multiples. • We evaluated management's ability to accurately forecast future revenues and operating margins by comparing actual results to management's historical forecasts. • We evaluated the reasonableness of management's forecasts by comparing the forecasts to (1) historical results, (2) internal communications to management and the Board of Directors, and (3) forecasted information included in Company press releases, analyst and industry reports of the Company and companies in its peer group. • With the assistance of our fair value specialists, we evaluated the discount rate, including testing the underlying source information and the mathematical accuracy of the calculations, and developing a range of independent estimates and comparing those to the discount rate selected by management. • With the assistance of our fair value specialists, we evaluated the EBITDA multiples used in estimating fair value, including testing the underlying source information and mathematical accuracy of the calculations, and comparing the multiples selected by management to its guideline companies. • With the assistance of our fair value specialists, we compared the aggregated fair value estimates of the Company's reporting units to the Company's market capitalization and evaluated the implied control premium.
Key observations	Based on the evidence obtained, we found that the data and assumptions used by management to evaluate the goodwill balance for the Thermal Management reporting unit for impairment are within a range we consider reasonable.

Our audit procedures relating to this matter was designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the financial statements is not modified with respect to any of the risks described above, and we do not express an opinion on this individual matters.

Our application of materiality

We define materiality as the magnitude of misstatement that makes it probable that the economic decisions of a reasonably knowledgeable person, relying on the financial statements, would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the Group to be $21,000,000 which is approximately 7% of adjusted profit before tax. We have considered adjusted profit before tax to be the critical component for determining materiality because it is of the most importance to the principle external users of the financial statements.

As nVent Electric plc, the Company, is a component that is consolidated into nVent Electric plc and subsidiaries, the materiality determination for the Group audit as noted above was utilized for the audit of the Company Financial Statements as component materiality cannot exceed Group materiality.

We agreed with the Audit Committee that we would report to them any audit differences in excess of $1,050,000 as well as differences below that threshold which, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

We determined the scope of our audit by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level. Based on that assessment, we focused our Group audit scope primarily on the audit work of six components, which were subject to a full scope audit. The six significant components represent the principal business units and account for at least 74% of the Group's working capital assets and 74% of the Group's revenue. They were also selected to provide an appropriate basis for undertaking audit work to address the risks of material misstatement identified above. Our audit work at the six components was executed at levels of materiality applicable to each individual component which were lower than Group materiality and ranged from $8,400,000 to $11,500,000.

The Parent Company is audited directly by the Group audit team.

We leveraged Deloitte component auditors in the United States, Germany, Canada, Romania, Belgium and Mexico.

Other information

The other information comprises the information included in the Directors' Report and Consolidated Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Director's Report and Consolidated Financial Statements.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and Parent Company or to cease operations, or have no realistic alternative but to do so.

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Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Parent Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity (or where relevant, the group) to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the group to express an opinion on the consolidated financial statements. The group auditor is responsible for the direction, supervision and performance of the group audit. The group auditor remains solely responsible for the audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

For listed entities and public interest entities, the auditor also provides those charged with governance with a statement that the auditor has complied with relevant ethical requirements regarding independence, including the Ethical Standard for Auditors (Ireland), and communicates with them all relationships and other matters that may reasonably be thought to bear on the auditor's independence, and where applicable, related safeguards.

Where the auditor is required to report on key audit matters, from the matters communicated with those charged with governance, the auditor determines those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. The auditor describes these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, the auditor determines that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Parent Company were sufficient to permit the financial statements to be readily and properly audited.
- The Parent Company balance sheet are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements and the directors' report has been prepared in accordance with the Companies Act 2014.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the company has not provided the information required by Regulation 5(2) to 5(7) of the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017 (as amended) for the financial year. We have nothing to report in this regard.

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

/s/ Gerard Casey
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House
Earlsfort Terrace
Dublin 2
Date: February 25, 2022

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nVent Electric plc
Consolidated Profit and Loss Account and Statement of Comprehensive Profit (Loss)

In millions, except per-share data	Note	Financial years ended December 31 2021	2020
Turnover	2 & 14	$ 2,462.0	$ 1,998.6
Cost of goods sold		1,520.1	1,249.2
Gross profit		941.9	749.4
Selling, general and administrative		537.9	447.0
Research and development		48.6	43.5
Impairment of goodwill and trade names	6	—	220.5
Operating profit		355.4	38.4
Net interest payable and similar expenses	17	32.3	36.4
Loss on early extinguishment of debt		15.2	—
Other income (expense)		(12.8)	11.5
Profit (loss) before taxation		320.7	(9.5)
Taxation	11	47.8	37.7
Profit (loss) of the group for the year		$ 272.9	$ (47.2)
Comprehensive profit (loss), net of tax			
Profit (loss) of the group for the year		$ 272.9	$ (47.2)
Changes in cumulative translation adjustment		4.4	(3.7)
Changes in market value of derivative financial instruments, net of tax		7.6	7.1
Comprehensive profit (loss)		$ 284.9	$ (43.8)
Earnings (loss) per ordinary share			
Basic	4	$ 1.63	$ (0.28)
Diluted	4	$ 1.61	$ (0.28)
Weighted average ordinary shares outstanding			
Basic	4	167.9	169.6
Diluted	4	169.7	169.6

See accompanying notes to consolidated financial statements.

nVent Electric plc
Consolidated Balance Sheets

In millions	Note	December 31 2021	2020
Fixed assets			
Intangible assets	6	$ 3,330.5	$ 3,203.7
Tangible assets	19	291.1	289.4
Financial assets	22	21.4	20.0
Right-of-use assets	15	79.1	45.6
Total fixed assets		3,722.1	3,558.7
Current assets			
Stocks	8	321.9	235.2
Debtors	23	580.7	449.7
Cash at bank and in hand		49.5	122.5
Total current assets		952.1	807.4
Creditors (amounts falling due within one year)	20	633.9	443.4
Net current assets		318.2	364.0
Total assets less current liabilities		4,040.3	3,922.7
Creditors (amounts falling due after more than one year)	21	1,123.4	1,038.3
Provisions for liabilities	24	420.8	474.6
Net assets		$ 2,496.1	$ 2,409.8
Capital and Reserves			
Called-up share capital presented as equity	13	$ 1.7	$ 1.7
Share premium account		59.4	36.5
Other reserves		2,343.7	2,446.1
Profit and loss account		174.5	20.7
Accumulated other comprehensive loss	7	(83.2)	(95.2)
Total shareholders' funds		$ 2,496.1	$ 2,409.8

See accompanying notes to consolidated financial statements.

Approved by the Board of Directors on February 25, 2022 and signed on its behalf by:

/s/ Beth A. Wozniak
Director

/s/ Ronald L. Merriman
Director

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nVent Electric plc
Consolidated Statements of Cash Flows

In millions	Financial years ended December 31 2021	2020
Operating activities		
Profit (loss) of the group for the year	$ 272.9	$ (47.2)
Adjustments to reconcile profit of the group to net cash provided by (used for) operating activities		
Depreciation	40.9	38.4
Amortization	67.5	64.2
Deferred taxation	(18.8)	(2.9)
Share-based compensation	16.6	13.9
Loss on early extinguishment of debt	15.2	—
Impairment of goodwill and trade names	—	220.5
Pension and other post-retirement expense (income)	(9.5)	17.2
Pension and other post-retirement contributions	(6.5)	(6.8)
Changes in assets and liabilities, net of effects of business acquisitions		
Trade debtors	(104.2)	28.3
Stocks	(74.0)	18.3
Trade creditors	73.7	(18.6)
Non-trade creditors	102.9	(2.7)
Other	(3.4)	21.4
Net cash provided by (used for) operating activities	373.3	344.0
Investing activities		
Capital expenditures	(39.5)	(40.0)
Proceeds from sale of tangible assets	0.6	2.0
Acquisitions, net of cash acquired	(235.1)	(27.0)
Net cash provided by (used for) investing activities	(274.0)	(65.0)
Financing activities		
Net receipts (repayments) of revolving credit facility	72.1	(100.0)
Proceeds from long-term debt	300.0	—
Repayment of long-term debt	(318.7)	(17.5)
Debt issuance costs	(5.4)	—
Premium paid on early extinguishment of debt	(15.2)	—
Settlement of interest rate swap	9.6	—
Dividends paid	(117.7)	(119.0)
Shares issued to employees, net of shares surrendered	20.0	7.2
Repurchases of ordinary shares	(111.5)	(43.2)
Net cash provided by (used for) financing activities	(166.8)	(272.5)
Effect of exchange rate changes on cash at bank and in hand	(5.5)	9.6
Change in cash at bank and in hand	(73.0)	16.1
Cash at bank and in hand, beginning of year	122.5	106.4
Cash at bank and in hand, end of year	$ 49.5	$ 122.5
Supplemental cash flow information		
Cash paid for interest, net	$ 43.0	$ 47.1
Cash paid for income taxes, net	$ 61.3	$ 39.2

See accompanying notes to consolidated financial statements.

nVent Electric plc
Consolidated Statements of Changes in Equity

In millions	Called-up & fully paid share capital		Other reserves				
	Number	Amount	Share premium account	Other reserves	Profit and loss account	Accumulated other comprehensive profit (loss) (note 7)	Total
Balance - December 31, 2019	169.5	$ 1.7	$ 25.2	$ 2,477.5	$ 186.7	$ (98.6)	$ 2,592.5
Loss after taxation	—	—	—	—	(47.2)	—	(47.2)
Other comprehensive profit, net of tax	—	—	—	—	—	3.4	3.4
Dividends declared	—	—	—	—	(118.8)	—	(118.8)
Share repurchases	(2.3)	—	—	(43.2)	—	—	(43.2)
Exercise of options, net of shares tendered for payment	0.7	—	11.3	—	—	—	11.3
Issuance of restricted shares, net of cancellations	0.5	—	—	—	—	—	—
Shares surrendered by employees to pay taxes	(0.2)	—	—	(4.1)	—	—	(4.1)
Share-based compensation	—	—	—	15.9	—	—	15.9
Balance - December 31, 2020	168.2	$ 1.7	$ 36.5	$ 2,446.1	$ 20.7	$ (95.2)	$ 2,409.8
Profit after taxation	—	—	—	—	272.9	—	272.9
Other comprehensive profit, net of tax	—	—	—	—	—	12.0	12.0
Dividends declared	—	—	—	—	(119.1)	—	(119.1)
Share repurchases	(3.5)	—	—	(116.1)	—	—	(116.1)
Exercise of options, net of shares tendered for payment	1.2	—	22.9	—	—	—	22.9
Issuance of restricted shares, net of cancellations	0.3	—	—	—	—	—	—
Shares surrendered by employees to pay taxes	(0.1)	—	—	(2.9)	—	—	(2.9)
Share-based compensation	—	—	—	16.6	—	—	16.6
Balance - December 31, 2021	166.1	$ 1.7	$ 59.4	$ 2,343.7	$ 174.5	$ (83.2)	$ 2,496.1

See accompanying notes to consolidated financial statements.

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1. Basis of Presentation and Summary of Significant Accounting Policies

Business

nVent Electric plc ("nVent," "we," "us," "our" or the "Company") a public company limited by shares and incorporated in the Republic of Ireland and having its registered offices at 10 Earlsfort Terrace, Dublin, D02 T380, Ireland. Its registered number is 605257.

nVent is a leading global provider of electrical connection and protection solutions. The Company is comprised of three reporting segments: Enclosures, Electrical & Fastening Solutions and Thermal Management.

The Company was incorporated in Ireland on May 30, 2017. Although our jurisdiction of organization is Ireland, we manage our affairs so that we are centrally managed and controlled in the United Kingdom (the "U.K.") and have tax residency in the U.K.

Basis of presentation

The directors have elected to prepare the consolidated financial statements in accordance with the Companies Act 2014 which provides that a true and fair view of the assets and liabilities, financial position and profit or loss may be given by preparing the financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP"), as defined in Section 279 of the Companies Act 2014 to the extent that the use of those principles in the preparation of the financial statements does not contravene any provisions of Part 6 of the Companies Act 2014 ("the relevant financial reporting framework").

These consolidated financial statements were prepared in accordance with Irish company law, to present to shareholders and file with the Companies Registration Office in Ireland. Accordingly, these consolidated financial statements include disclosures and other presentational and measurement amendments required by the Republic of Ireland's Companies Act 2014 in addition to those required under GAAP.

Going concern

The primary source of liquidity for our business is cash flows provided by operations. We expect to continue to have cash requirements to support working capital needs and capital expenditures, to pay interest and service debt and to pay dividends to shareholders quarterly. We believe we have the ability and sufficient capacity to meet these cash requirements by using available cash, internally generated funds and borrowing under committed credit facilities.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Financial year

Our financial year ends on December 31.

Use of estimates

The preparation of our consolidated financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the amounts reported in these consolidated financial statements and accompanying notes, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates include our accounting for valuation of goodwill and indefinite lived intangible assets, estimated losses on accounts receivable, estimated realizable value on excess and obsolete inventory, over-time revenue recognition, assets acquired and liabilities assumed in acquisitions, contingent liabilities, income taxes and pension and other post-retirement benefits. Actual results could differ from our estimates.

Turnover recognition

Turnover is recognized when control of the promised goods or services is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to in exchange for transferring those goods or providing services. We account for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable.

When determining whether the customer has obtained control of the goods or services, we consider any future performance obligations. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer, and is the unit of account in Accounting Standards Codification 606 - Revenue from Contracts with Customers. Generally, there is no post-shipment obligation on product sold other than warranty obligations in the normal and ordinary course of business, except where our products are utilized in projects where additional services such as installation are performed.

Contract transaction price is allocated to each distinct performance obligation and recognized as turnover when, or as, the performance obligation is satisfied. The majority of our contracts have a single performance obligation as the promise to transfer the individual goods or services is not separately identifiable from other promises in the contracts and, therefore, not distinct. For contracts with multiple performance obligations, stand-alone selling price is generally readily observable.

Our performance obligations are satisfied at a point in time or over time as work progresses. Turnover from products and services transferred to customers at a point in time accounted for 73% and 75% of our turnover for the years ended December 31, 2021 and 2020, respectively. Turnover on these contracts is recognized when obligations under the terms of the contract with our customer are satisfied; generally this occurs with the transfer of control upon shipment.

Turnover from products and services transferred to customers over time accounted for 27% and 25% of our turnover for the years ended December 31, 2021 and 2020, respectively. For the majority of our turnover recognized over time, we use an input measure to determine progress towards completion. Under this method, sales and gross profit are recognized as work is performed generally based on the relationship between the actual costs incurred and the total estimated costs at completion ("the cost-to-cost method") or based on efforts for measuring progress towards completion in situations in which this approach is more representative of the progress on the contract than the cost-to-cost method. Contract costs include labor, material, overhead and, when appropriate, general and administrative expenses. Changes to the original estimates may be required during the life of the contract and such estimates are reviewed on a regular basis. Sales and gross profit are adjusted using the cumulative catch-up method for revisions in estimated total contract costs. These reviews have not resulted in adjustments that were significant to our results of operations. For performance obligations related to long-term contracts, when estimates of total costs to be incurred on a performance obligation exceed total estimates of turnover to be earned, a provision for the entire loss on the performance obligation is recognized in the period the loss is determined.

We use an output method to measure progress towards completion for certain of our Enclosures businesses, as this method appropriately depicts performance towards satisfaction of the performance obligation. Under the output method, turnover is recognized based on number of units produced.

We apply a practical expedient to expense incremental costs of obtaining a contract when incurred because the amortization period would be less than one year. These costs primarily relate to sales commissions and are recorded in *Selling, general and administrative* in the Consolidated Profit and Loss Account and Statement of Comprehensive Profit (Loss). Further, we do not adjust the promised amount of consideration for the effects of a significant financing component if we expect, at contract inception, that the period between when we transfer a promised good or service to a customer and when the customer pays for that good or service will be less than one year.

Sales returns
The right of return may exist explicitly or implicitly with our customers. Our return policy allows for customer returns only upon our authorization. Goods returned must be product we continue to market and must be in salable condition. When the right of return exists, we adjust the transaction price for the estimated effect of returns. We estimate the expected returns based on historical sales levels, the timing and magnitude of historical sales return levels as a percent of sales, type of product, type of customer and a projection of this experience into the future.

Pricing and sales incentives
Our sales contracts may give customers the option to purchase additional goods or services priced at a discount. This can come in many forms, such as customer programs and incentive offerings including pricing arrangements, promotions and other volume-based incentives.

We reduce the transaction price for certain customer programs and incentive offerings including pricing arrangements, promotions and other volume-based incentives that represent variable consideration. Sales incentives given to our customers are recorded using either the expected value method or most likely amount approach for estimating the amount of consideration to which nVent shall be entitled. The expected value is the sum of probability-weighted amounts in a range of possible consideration amounts. An expected value is an appropriate estimate of the amount of variable consideration when there are a large number of contracts with similar characteristics. The most likely amount is the single most likely amount in a range of possible consideration amounts (that is, the single most likely outcome of the contract). The most likely amount is an appropriate estimate of the amount of variable consideration if the contract has limited possible outcomes (for example, an entity either achieves a performance bonus or does not).

Pricing is established at or prior to the time of sale with our customers and we record sales at the agreed-upon net selling price. However, certain of our businesses allow customers to apply for a refund of a percentage of the original purchase price if they can demonstrate sales to a qualifying end customer. We use the expected value method to estimate the anticipated refund to be paid based on historical experience and the transaction price is reduced for the probable cost of the discount.

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Volume-based incentives involve rebates that are negotiated at or prior to the time of sale with the customer and are redeemable only if the customer achieves a specified cumulative level of sales or sales increase. Under these incentive programs, at the time of sale, we estimate the anticipated rebate to be paid based on forecasted sales levels. These forecasts are updated at least quarterly for each customer and the transaction price is reduced for the anticipated cost of the rebate. If the forecasted sales for a customer changes, the accrual for rebates is adjusted to reflect the new amount of rebates expected to be earned by the customer.

Shipping and handling costs
Amounts billed to customers for shipping and handling activities after the customer obtains control are treated as a promised service performance obligation and recorded in *Turnover* in the accompanying Consolidated Profit and Loss Account and Statement of Comprehensive Profit (Loss). Shipping and handling costs incurred by nVent for the delivery of goods to customers are considered a cost to fulfill the contract and are included in *Cost of goods sold* in the accompanying Consolidated Profit and Loss Account and Statement of Comprehensive Profit (Loss).

Contract assets and liabilities
Contract assets consist of unbilled amounts resulting from sales under long-term contracts when the cost-to-cost method of turnover recognition is utilized and turnover recognized exceeds the amount billed to the customer, such as when the customer retains a small portion of the contract price until completion of the contract. We typically receive interim payments on sales under long-term contracts as work progresses, although for some contracts, we may be entitled to receive an advance payment. Contract liabilities consist of advanced payments and billings in excess of costs incurred and deferred revenue.

Contract assets are recorded within *Debtors* and contract liabilities are recorded within *Creditors (amounts falling due within one year)* in the Consolidated Balance Sheets.

Research and development
We conduct research and development ("R&D") activities primarily in our own facilities, which consist primarily of the development of new products, product applications and manufacturing processes.

Cash equivalents
We consider highly liquid investments with original maturities of three months or less at the date of acquisition to be cash equivalents.

Trade debtors and concentration of credit risk
We record an allowance for doubtful accounts, reducing our debtors balance to an amount we estimate is collectible from our customers. Estimates used in determining the allowance for doubtful accounts are based on current trends, aging of trade debtors, periodic credit evaluations of our customers' financial condition, and historical collection experience. We generally do not require collateral. No customer receivable balances exceeded 10% of total net receivable balances as of December 31, 2021 or 2020.

Stocks
Stocks are stated at the lower of cost or net realizable value with substantially all stocks recorded using the first-in, first-out cost method.

Tangible assets
Tangible assets are stated at historical cost. We compute depreciation by the straight-line method based on the following estimated useful lives:

	Years
Land improvements	5 to 20
Buildings and leasehold improvements	5 to 50
Machinery and equipment	3 to 15

Significant improvements that add to productive capacity or extend the lives of properties are capitalized. Costs for repairs and maintenance are charged to expense as incurred. When property is retired or otherwise disposed of, the recorded cost of the assets and their related accumulated depreciation are removed from the Consolidated Balance Sheets and any related gains or losses are included in income.

We review the recoverability of long-lived assets to be held and used, such as tangible assets, when events or changes in circumstances occur that indicate the carrying value of the asset or asset group may not be recoverable. The assessment of possible impairment is based on our ability to recover the carrying value of the asset or asset group from the expected future

pre-tax cash flows (undiscounted and without interest charges) of the related operations. If these cash flows are less than the carrying value of such asset or asset group, an impairment loss is recognized for the difference between estimated fair value and carrying value. Impairment losses on long-lived assets held for sale are determined in a similar manner, except that fair values are reduced for the cost to dispose of the assets. The measurement of impairment requires us to estimate future cash flows and the fair value of long-lived assets. We recorded no material impairment expense in 2021 or 2020 related to long-lived assets.

The following table presents geographic *Tangible assets* by region as of December 31:

In millions	2021	2020
U.S. & Canada	$ 159.1	$ 159.0
Mexico	37.2	39.6
EMEA [1]	72.1	78.8
Rest of World [2]	22.7	12.0
Consolidated	$ 291.1	$ 289.4

[1] EMEA includes Europe, Middle East and Africa

[2] Rest of World includes Latin America and Asia-Pacific

Goodwill and identifiable intangible assets

Goodwill

Goodwill represents the excess of the cost of acquired businesses over the net of the fair value of identifiable tangible net assets and identifiable intangible assets purchased and liabilities assumed. Irish company law requires goodwill and indefinite-lived intangible assets to be amortized. However, nVent does not believe this gives a true and fair view because not all goodwill and intangible assets decline in value. In addition, since goodwill that does decline in value rarely does so on a straight-line basis, straight-line amortization of goodwill over an arbitrary period does not reflect the economic reality. Therefore, in order to present a true and fair view of the economic reality, under US GAAP, goodwill and certain other intangible assets are considered indefinite-lived and are not amortized. If goodwill were amortized, the impact on the financial statements would be an additional expense in the Consolidated Profit and Loss Account and Statement of Comprehensive Profit (Loss) and a corresponding decrease to the carrying value of the asset.

Goodwill is tested annually for impairment as of the first day of the fourth quarter, and is tested for impairment more frequently if events or changes in circumstances indicate that the asset might be impaired. The impairment test is performed by comparing the fair value of each reporting unit with its carrying amount, and recognizing an impairment expense for the amount by which the carrying amount exceeds the reporting unit's fair value, not to exceed the total amount of goodwill allocated to the reporting unit.

The fair value of each reporting unit is determined using a discounted cash flow analysis and market approach. Determining the fair value of the reporting units required the use of significant judgment, including assumptions about future revenues and expenses, capital expenditures and changes in working capital and discount rates, which are based on our annual operating plan and long-term business plan. These plans take into consideration numerous factors including historical experience, anticipated future economic conditions, including the impacts from the COVID-19 pandemic and growth expectations for the industries and end markets in which the reporting unit participates. The level of judgment and estimation is inherently high. We have evaluated numerous factors and made significant assumptions, which include the severity and duration of the business disruption, the potential impact on customer demand, the timing and degree of economic recovery and ultimately, the combined effect of these assumptions on our future operating results and cash flows. Inputs used to estimate these fair values included significant unobservable inputs that reflect the Company's assumptions about the inputs that market participants would use and, therefore, the fair value assessments are classified within Level 3 of the fair value hierarchy defined by the accounting guidance.

In estimating fair value using the market approach, we identify a group of comparable publicly-traded companies for each reporting unit that are similar in terms of size and product offering. These groups of comparable companies are used to develop multiples based on total market-based invested capital as a multiple of earnings before interest, taxes, depreciation and amortization ("EBITDA"). We determine our estimated values by applying these comparable EBITDA multiples to the operating results of our reporting units. The ultimate fair value of each reporting unit is determined considering the results of both valuation methods.

In 2020, we recognized a pre-tax, non-cash goodwill impairment expense of $212.3 million related to the Thermal Management reporting unit. The impairment resulted in a $21.6 million income tax benefit associated with the proportionate share of tax

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deductible goodwill. The impairment expense is included in *Impairment of goodwill and trade names* on the Consolidated Profit and Loss Account and Statement of Comprehensive Profit (Loss). There was no impairment expense recorded in 2021 related to goodwill.

Identifiable intangible assets
Our primary identifiable intangible assets include customer relationships, trade names, proprietary technologies and patents. Identifiable intangibles with definite lives are amortized and those identifiable intangibles with indefinite lives are not amortized. Identifiable intangible assets that are subject to amortization are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Identifiable intangible assets not subject to amortization are tested for impairment annually or more frequently if events warrant. We complete our annual impairment test during the fourth quarter each year for those identifiable assets not subject to amortization.

The impairment test for trade names consists of a comparison of the fair value of the trade name with its carrying value. Fair value is measured using the relief-from-royalty method. This method assumes the trade name has value to the extent that the owner is relieved of the obligation to pay royalties for the benefits received from them. This method requires us to estimate the future revenue for the related brands, the appropriate royalty rate and the weighted average cost of capital. The non-recurring fair value measurement is a Level 3 measurement under the fair value hierarchy described below.

In 2020, we recognized a pre-tax, non-cash impairment expense of $8.2 million related to trade names. The impairment expense was recorded in *Impairment of goodwill and trade names* in our Consolidated Profit and Loss Account and Statement of Comprehensive Profit (Loss). There was no impairment expense recorded in 2021 related to identifiable intangible assets.

We compute amortization by the straight-line method based on the following estimated useful lives:

	Years
Customer relationships	5 to 20
Trade names	5 to 10
Proprietary technologies	5 to 20
Patents	5 to 20

Income taxes
We use the asset and liability approach to account for income taxes. Under this method, deferred tax assets and liabilities are recognized for the expected future tax consequences of differences between the carrying amounts of assets and liabilities and their respective tax bases using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period when the change is enacted. We maintain valuation allowances unless it is more likely than not that all or a portion of the deferred tax assets will be realized. Changes in valuation allowances from period to period are included in our tax provision in the period of change. We recognize the effect of income tax positions only if those positions are more likely than not to be sustained. Recognized income tax positions are measured at the largest amount that is more likely than not to be realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

Pension and other post-retirement plans
We sponsor defined-benefit pension plans and a post-retirement health plan. The pension and other post-retirement benefit costs for these plans are determined from actuarial assumptions and methodologies, including discount rates and expected returns on plan assets. These assumptions are updated annually and are disclosed in Note 12.

We recognize changes in the fair value of plan assets and net actuarial gains or losses for pension and other post-retirement benefits annually in the fourth quarter each year ("mark-to-market adjustment") and, if applicable, in any quarter in which an interim remeasurement is triggered. Net actuarial gains and losses occur when the actual experience differs from any of the various assumptions used to value our pension and other post-retirement plans or when assumptions change, as they may each year. The remaining components of pension expense, including service and interest costs and estimated return on plan assets, are recorded on a quarterly basis.

Earnings (loss) per ordinary share
Basic earnings (loss) per share are computed by dividing profit attributable to nVent Electric plc by the weighted-average number of ordinary shares outstanding. Diluted earnings (loss) per share are computed by dividing profit attributable to nVent Electric plc by the weighted-average number of ordinary shares outstanding including the dilutive effects of ordinary share equivalents.

Derivative financial instruments
We recognize all derivatives, including those embedded in other contracts, as either assets or liabilities at fair value in our Consolidated Balance Sheets. If the derivative is designated and is effective as a cash-flow hedge, the effective portion of changes in the fair value of the derivative are recorded in *Accumulated other comprehensive profit (loss)* ("AOCI") as a separate component of shareholders' funds in the Consolidated Balance Sheets and is recognized in the Consolidated Profit and Loss Account and Statement of Comprehensive Profit (Loss) when the hedged item affects earnings. If the underlying hedged transaction ceases to exist or if the hedge becomes ineffective, all changes in fair value of the related derivatives that have not been settled are recognized in current earnings. For a derivative that is not designated as or does not qualify as a hedge, changes in fair value are reported in earnings immediately.

Gains and losses on net investment hedges are included in AOCI as a separate component of equity in the Consolidated Balance Sheets.

We use derivative instruments for the purpose of hedging interest rate and currency exposures, which exist as part of ongoing business operations. We do not hold or issue derivative financial instruments for trading or speculative purposes. All other contracts that contain provisions meeting the definition of a derivative also meet the requirements for the normal purchases and normal sales scope exception. Our policy is not to enter into contracts with terms that cannot be designated as normal purchases or sales. From time to time, we may enter into short duration foreign currency contracts to hedge foreign currency risks.

Fair value measurements
Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Assets and liabilities measured at fair value are classified using the following hierarchy, which is based upon the transparency of inputs to the valuation as of the measurement date:

Level 1: Valuation is based on observable inputs such as quoted market prices (unadjusted) for identical assets or liabilities in active markets.

Level 2: Valuation is based on inputs such as quoted market prices for similar assets or liabilities in active markets or other inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3: Valuation is based upon other unobservable inputs that are significant to the fair value measurement.

In making fair value measurements, observable market data must be used when available. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement.

Foreign currency translation
The financial statements of subsidiaries located outside of the U.S. are generally measured using the local currency as the functional currency, except for certain corporate entities outside of the U.S. which are measured using USD. Assets and liabilities of these subsidiaries are translated at the rates of exchange at the balance sheet date. Income and expense items are translated at average monthly rates of exchange. The resultant translation adjustments are included in AOCI as a separate component of shareholders' funds.

Adoption of new accounting standards
Effective January 1, 2020, we adopted Accounting Standards Update No. 2017-04, "Intangibles-Goodwill and Other (Topic 350)". The new standard simplifies the subsequent measurement of goodwill by eliminating the second step of the goodwill impairment test. Instead, an entity should perform its annual or interim goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount and recognize an impairment expense for the amount by which the carrying amount exceeds the reporting unit's fair value, not to exceed the total amount of goodwill allocated to the reporting unit.

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2. Turnover

Disaggregation of turnover

We disaggregate our turnover from contracts with customers by geographic location and market, as we believe these best depict how the nature, amount, timing and uncertainty of our turnover and cash flows are affected by economic factors.

Geographic turnover information, based on geographic destination of the sale, was as follows:

	Year ended December 31, 2021			
In millions	Enclosures	Electrical & Fastening Solutions	Thermal Management	Total
U.S. and Canada	$ 792.6	$ 464.2	$ 305.5	$ 1,562.3
Developed Europe [1]	309.4	133.3	125.7	568.4
Developing [2]	125.1	41.7	113.9	280.7
Other Developed [3]	17.7	18.3	14.6	50.6
Total	$ 1,244.8	$ 657.5	$ 559.7	$ 2,462.0

	Year ended December 31, 2020			
In millions	Enclosures	Electrical & Fastening Solutions	Thermal Management	Total
U.S. and Canada	$ 618.7	$ 416.1	$ 260.2	$ 1,295.0
Developed Europe [1]	238.2	104.8	128.7	471.7
Developing [2]	82.3	33.3	74.1	189.7
Other Developed [3]	13.7	14.9	13.6	42.2
Total	$ 952.9	$ 569.1	$ 476.6	$ 1,998.6

[1] Developed Europe includes Western Europe and Eastern Europe included in European Union.

[2] Developing includes China, Eastern Europe not included in European Union, Latin America, Middle East and Southeast Asia.

[3] Other Developed includes Australia and Japan.

Vertical turnover information was as follows:

	Year ended December 31, 2021			
In millions	Enclosures	Electrical & Fastening Solutions	Thermal Management	Total
Industrial	$ 739.2	$ 67.8	$ 255.4	$ 1,062.4
Commercial & Residential	143.5	339.2	194.6	677.3
Infrastructure	267.7	223.4	23.4	514.5
Energy	94.4	27.1	86.3	207.8
Total	$ 1,244.8	$ 657.5	$ 559.7	$ 2,462.0

	Year ended December 31, 2020			
In millions	Enclosures	Electrical & Fastening Solutions	Thermal Management	Total
Industrial	$ 582.3	$ 54.8	$ 215.6	$ 852.7
Commercial & Residential	111.1	299.3	161.0	571.4
Infrastructure	187.0	192.0	22.9	401.9
Energy	72.5	23.0	77.1	172.6
Total	$ 952.9	$ 569.1	$ 476.6	$ 1,998.6

During 2021, based on benchmarking of industry peers and for purposes of how we assess performance, we determined that revenue in our power utilities, datacom and renewables sub-verticals was better aligned with the infrastructure vertical, rather than the industrial, commercial & residential and energy verticals, where it was previously reported. Further, we determined that revenue in our chemical and petrochemical sub-verticals was better aligned with the industrial vertical, rather than the energy vertical, where it was previously reported. For comparability, we have reclassified revenue for the year ended December 31, 2020 to conform to the new presentation. This reclassification of revenue by vertical had no impact on our consolidated financial results.

Contract balances

Contract assets and liabilities consisted of the following:

In millions	December 31, 2021	December 31, 2020	$ Change	% Change
Contract assets	$ 48.9	$ 45.6	$ 3.3	7.2%
Contract liabilities	17.8	11.3	6.5	57.5%
Net contract assets	$ 31.1	$ 34.3	$ (3.2)	(9.3%)

In millions	December 31, 2020	December 31, 2019	$ Change	% Change
Contract assets	$ 45.6	$ 69.4	$ (23.8)	(34.3%)
Contract liabilities	11.3	13.7	(2.4)	(17.5%)
Net contract assets	$ 34.3	$ 55.7	$ (21.4)	(38.4%)

The $3.2 million and the $21.4 million decreases in net contract assets in 2021 and 2020, respectively, were primarily the result of timing of milestone payments. The majority of our contract liabilities at December 31, 2020 and 2019 were recognized in turnover as of December 31, 2021 and 2020, respectively. There were no material impairment losses recognized on our contract assets for the twelve months ended December 31, 2021 and 2020.

Remaining performance obligations

We have elected the practical expedient to disclose only the value of remaining performance obligations for contracts with an original expected length of one year or more. On December 31, 2021, we had $36.1 million of remaining performance obligations on contracts with original expected duration of one year or more. We expect to recognize the majority of our remaining performance obligations on these contracts within the next twelve to eighteen months.

3. Restructuring

During 2021 and 2020, we initiated and continued execution of certain business restructuring initiatives aimed at reducing our fixed cost structure and realigning our business. Additionally in 2020, we initiated certain actions in response to the decrease in expected demand attributed to the effects of the COVID-19 pandemic and significant volatility in oil and gas prices. Restructuring initiatives during the years ended December 31, 2021 and 2020 included a reduction in hourly and salaried headcount of approximately 85 and 500 employees, respectively.

Restructuring related costs included in *Selling, general and administrative* in the Consolidated Profit and Loss Account and Statement of Comprehensive Profit (Loss) included costs for severance and other restructuring costs as follows:

	Financial years ended December 31	
In millions	2021	2020
Severance and related costs	$ 4.9	$ 15.0
Other	3.9	2.7
Total restructuring costs	$ 8.8	$ 17.7

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Restructuring costs by reportable segment were as follows:

In millions	Financial years ended December 31 2021	2020
Enclosures	$ 6.0	$ 8.5
Electrical & Fastening Solutions	0.7	1.0
Thermal Management	1.4	6.2
Other	0.7	2.0
Consolidated	$ 8.8	$ 17.7

Activity related to accrued severance and related costs recorded in *Provisions for liabilities* in the Consolidated Balance Sheets is summarized as follows:

In millions	Financial years ended December 31 2021	2020
Beginning balance	$ 6.6	$ 9.5
Costs incurred	4.9	15.0
Cash payments and other	(9.1)	(17.9)
Ending balance	$ 2.4	$ 6.6

4. Earnings (Loss) Per Share

Basic and diluted earnings (loss) per share were calculated as follows:

In millions, except per share data	Financial years ended December 31 2021	2020
Profit (loss) of the group for the year	$ 272.9	$ (47.2)
Weighted average ordinary shares outstanding		
Basic	167.9	169.6
Dilutive impact of stock options, restricted stock units and performance share units	1.8	—
Diluted	169.7	169.6
Earnings (loss) per ordinary share		
Basic earnings (loss) per ordinary share	$ 1.63	$ (0.28)
Diluted earnings (loss) per ordinary share	$ 1.61	$ (0.28)
Anti-dilutive stock options excluded from the calculation of diluted earnings (loss) per share	0.6	4.2

As a result of the Company's net loss during the year ended December 31, 2020, 0.7 million of outstanding stock options, restricted stock units and performance share units were not included in the computation of diluted earnings (loss) per share because the effect would have been anti-dilutive.

5. Acquisitions

On February 10, 2020, we acquired substantially all of the assets of WBT LLC ("WBT") for $29.9 million in cash. The U.S. based WBT business manufactures high-quality cable tray systems that will be marketed as part of the nVent CADDY product line within our Electrical and Fastening Solutions segment and nVent HOFFMAN product line within our Enclosures segment.

The excess purchase price over tangible net assets and identified intangible assets acquired has been preliminarily allocated to goodwill in the amount of $13.7 million, substantially all of which is expected to be deductible for income tax purposes. Identifiable intangible assets acquired included $11.3 million of definite-lived customer relationships with an estimated useful life of 12 years.

On April 1, 2021, we acquired substantially all of the assets of Vynckier Enclosure Systems, Inc. ("Vynckier") for approximately $27.0 million in cash. Vynckier is a U.S. based manufacturer of high-quality non-metallic enclosures that we market as part of the nVent HOFFMAN product line within our Enclosures segment.

The excess purchase price over tangible net assets and identified intangible assets acquired has been preliminarily allocated to goodwill in the amount of $13.5 million, substantially all of which is expected to be deductible for income tax purposes. Identifiable intangible assets acquired included $6.1 million of definite-lived customer relationships with an estimated useful life of 11 years. The preliminary purchase price allocation is subject to further refinement and may require adjustments to arrive at the final purchase price allocation, primarily related to the impacts associated with income taxes and other accruals.

On June 30, 2021, we acquired CIS Global LLC ("CIS Global") for approximately $202.4 million in cash. The CIS Global business is a leading provider of intelligent rack power distribution and server slides products, and operates within our Enclosures segment. The purchase price was funded primarily through borrowings under our Revolving Credit Facility (as defined in Note 9).

The excess purchase price over tangible net assets and identified intangible assets acquired has been preliminarily allocated to goodwill in the amount of $83.3 million, of which $30.9 million is expected to be deductible for income tax purposes. Identifiable intangible assets acquired included $78.0 million of definite-lived customer relationships with an estimated useful life of 16 years and $24.5 million of developed technology with an estimated useful life of 9 years to 12 years. The preliminary purchase price allocation is subject to further refinement and may require significant adjustments to arrive at the final purchase price allocation, primarily related to the impacts associated with income taxes and certain working capital accounts.

The pro forma impact of these acquisitions is not material individually or in the aggregate.

6. Intangible Assets

The changes in the carrying amount of goodwill by reportable segment were as follows:

In millions	December 31, 2020	Acquisitions/ divestitures	Foreign currency translation/other	December 31, 2021
Enclosures	$ 332.1	$ 97.0	$ (8.7)	$ 420.4
Electrical & Fastening Solutions	1,051.9	0.1	—	1,052.0
Thermal Management	714.2	—	0.1	714.3
Total goodwill	$ 2,098.2	$ 97.1	$ (8.6)	$ 2,186.7

In millions	December 31, 2019	Acquisitions/ divestitures	Impairment	Foreign currency translation/other	December 31, 2020
Enclosures	$ 315.4	$ 6.4	$ —	$ 10.3	$ 332.1
Electrical & Fastening Solutions	1,038.2	13.7	—	—	1,051.9
Thermal Management	925.5	—	(212.3)	1.0	714.2
Total goodwill	$ 2,279.1	$ 20.1	$ (212.3)	$ 11.3	$ 2,098.2

In 2020, we recognized pre-tax, non-cash impairment expense of $212.3 million related to goodwill in the Thermal Management reporting unit. There was no impairment expense recorded in 2021 related to goodwill.

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Identifiable intangible assets consisted of the following at December 31:

	2021			2020		
In millions	Cost	Accumulated amortization	Net	Cost	Accumulated amortization	Net
Definite-life intangibles						
Customer relationships	$ 1,295.4	$ (454.0)	$ 841.4	$ 1,214.5	$ (389.6)	$ 824.9
Proprietary technologies and patents	40.8	(11.5)	29.3	16.3	(8.8)	7.5
Total finite-life intangibles	1,336.2	(465.5)	870.7	1,230.8	(398.4)	832.4
Indefinite-life intangibles						
Trade names	273.1	—	273.1	273.1	—	273.1
Total intangibles	$ 1,609.3	$ (465.5)	$ 1,143.8	$ 1,503.9	$ (398.4)	$ 1,105.5

Identifiable intangible asset amortization expense in 2021 and 2020 was $67.5 million and $64.2 million, respectively. In 2020, we recognized pre-tax, non-cash impairment expense of $8.2 million related to trade names. There was no impairment expense recorded in 2021 related to trade names.

Estimated future amortization expense for identifiable intangible assets during the next five years is as follows:

In millions	2022	2023	2024	2025	2026
Estimated amortization expense	$ 71.1	$ 70.9	$ 70.3	$ 70.3	$ 70.3

7. Accumulated Other Comprehensive Profit (Loss)

Components of AOCI consist of the following at December 31:

In millions	2021	2020
Cumulative translation adjustments	$ (99.8)	$ (104.2)
Cumulative change in market value of derivative financial instruments, net of tax	16.6	9.0
Accumulated other comprehensive profit (loss)	$ (83.2)	$ (95.2)

8. Stocks

Stocks consisted of the following at December 31:

In millions	2021	2020
Raw materials and supplies	$ 104.5	$ 67.3
Work-in-process	33.3	24.4
Finished goods	184.1	143.5
Total stocks	$ 321.9	$ 235.2

Aggregate reductions in the carrying value of stocks that were still on hand at December 31, 2021 and 2020, that were deemed to be excess, obsolete, slow-moving or in excess of market, were $33.5 million and $32.4 million, respectively.

9. Debt

Debt is initially recorded at that amount of consideration received net of debt issuance costs. Debt issuance costs are amortized over their term using the effective interest method. Amortization of these debt issuance costs is included in interest expense.

Debt and the average interest rates on debt outstanding were as follows:

In millions	Average interest rate at December 31, 2021	Maturity year	December 31 2021	December 31 2020
Revolving credit facility	1.353%	2026	$ 106.7	$ 34.6
Senior notes - fixed rate	2.750%	2031	300.0	—
Senior notes - fixed rate	N/A	Redeemed in 2021	—	300.0
Senior notes - fixed rate	4.550%	2028	500.0	500.0
Term loan facility	1.352%	2026	98.8	117.5
Unamortized issuance costs and discounts	N/A	N/A	(6.3)	(4.1)
Total debt			999.2	948.0
Less: Current maturities and short-term borrowings (note 20)			(5.0)	(20.0)
Long-term debt (note 21)			$ 994.2	$ 928.0

Senior notes

In March 2018, nVent Finance S.à r.l. ("nVent Finance" or "Subsidiary Issuer"), a 100-percent owned subsidiary of nVent, issued $300.0 million aggregate principal amount of 3.950% senior notes due 2023 (the "2023 Notes") and $500.0 million aggregate principal amount of 4.550% senior notes due 2028 (the "2028 Notes").

In November 2021, nVent Finance issued $300.0 million aggregate principal amount of 2.750% senior notes due 2031 (the "2031 Notes" and, collectively with the 2028 Notes, the "Notes"). In December 2021, we redeemed the $300 million aggregate principal amount of the 2023 Notes. We incurred costs of $15.2 million related to the early extinguishment of the 2023 Notes, which was recorded as *Loss on the early extinguishment of debt* in the Consolidated Profit and Loss Account and Statement of Comprehensive Profit (Loss).

Interest on the 2028 Notes is payable semi-annually in arrears on April 15 and October 15 of each year, and interest on the 2031 Notes is payable semi-annually in arrears on May 15 and November 15 of each year.

The Notes are fully and unconditionally guaranteed as to payment by nVent (the "Parent Company Guarantor"). There are no subsidiaries that guarantee the Notes. The Parent Company Guarantor is a holding company that has no independent assets or operations unrelated to its investments in consolidated subsidiaries. The Subsidiary Issuer is a holding company that has no independent assets or operations unrelated to its investments in consolidated subsidiaries and the issuance of the Notes and other external debt. The Parent Company Guarantor's principal source of cash flow, including cash flow to make payments on the Notes pursuant to the guarantees, is dividends from its subsidiaries. The Subsidiary Issuer's principal source of cash flow is interest income from its subsidiaries. None of the subsidiaries of the Parent Company Guarantor or the Subsidiary Issuer is under any direct obligation to pay or otherwise fund amounts due on the Notes or the guarantees, whether in the form of dividends, distributions, loans or other payments. In addition, there may be statutory and regulatory limitations on the payment of dividends from certain subsidiaries of the Parent Company Guarantor or the Subsidiary Issuer. If such subsidiaries are unable to transfer funds to the Parent Company Guarantor or the Subsidiary Issuer and sufficient cash or liquidity is not otherwise available, the Parent Company Guarantor or the Subsidiary Issuer may not be able to make principal and interest payments on their outstanding debt, including the Notes or the guarantees.

The Notes constitute general unsecured senior obligations of the Subsidiary Issuer and rank equally in right of payment with all existing and future unsubordinated and unsecured indebtedness and liabilities of the Subsidiary Issuer. The guarantees of the Notes by the Parent Company Guarantor constitute general unsecured obligations of the Parent Company Guarantor and rank equally in right of payment with all existing and future unsubordinated and unsecured indebtedness and liabilities of the Subsidiary Issuer. Subject to certain qualifications and exceptions, the indenture pursuant to which the Notes were issued contains covenants that, among other things, restrict nVent's, nVent Finance's and certain subsidiaries' ability to merge or consolidate with another person, create liens or engage in sale and lease-back transactions.

There are no significant restrictions on the ability of nVent to obtain funds from its subsidiaries by dividend or loan. None of the assets of nVent or its subsidiaries represents restricted net assets pursuant to the guidelines established by the Securities and Exchange Commission.

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Senior credit facilities

In March 2018, the Company and its subsidiaries nVent Finance and Hoffman Schroff Holdings, Inc. entered into a credit agreement with a syndicate of banks providing for a five-year $200.0 million senior unsecured term loan facility and a five-year $600.0 million senior unsecured revolving credit facility.

In September 2021, the Company and its subsidiaries nVent Finance and Hoffman Schroff Holdings, Inc. entered into an amended and restated credit agreement (the "Credit Agreement") with a syndicate of banks providing for a five-year $300.0 million senior unsecured term loan facility (the "Term Loan Facility") and a five-year $600.0 million senior unsecured revolving credit facility (the "Revolving Credit Facility" and, together with the Term Loan Facility, the "Senior Credit Facilities"), which amended and restated the March 2018 credit agreement. Borrowings under the Term Loan Facility are permitted on a delayed draw basis during the first year of the five-year term of the Term Loan Facility, and borrowings under the Revolving Credit Facility are permitted from time to time during the full five-year term of the Revolving Credit Facility. nVent Finance has the option to request to increase the Revolving Credit Facility in an aggregate amount of up to $300.0 million, subject to customary conditions, including the commitment of the participating lenders.

Borrowings under the Senior Credit Facilities bear interest at a rate equal to an adjusted base rate, London Interbank Offered Rate ("LIBOR"), Euro Interbank Offer Rate ("EURIBOR") or Sterling Overnight Index Average ("SONIA"), plus, in each case, an applicable margin. The applicable margin will be based on, at nVent Finance's election, the Company's leverage level or public credit rating.

As of December 31, 2021, the borrowing capacity under the Term Loan Facility on a delayed draw basis was $200.0 million, and the borrowing capacity under the Revolving Credit Facility was $493.3 million.

Our debt agreements contain certain financial covenants, the most restrictive of which are in the Senior Credit Facilities, including that we may not permit (i) the ratio of our consolidated debt (net of our consolidated unrestricted cash in excess of $5.0 million but not to exceed $250.0 million) to our consolidated net income (excluding, among other things, non-cash gains and losses) before interest, taxes, depreciation, amortization and non-cash share-based compensation expense ("EBITDA") on the last day of any period of four consecutive fiscal quarters (each, a "testing period") to exceed 3.75 to 1.00 (or, at nVent Finance's election and subject to certain conditions, 4.25 to 1.00 for four testing periods in connection with certain material acquisitions) and (ii) the ratio of our EBITDA to our consolidated interest expense for the same period to be less than 3.00 to 1.00. In addition, subject to certain qualifications and exceptions, the Senior Credit Facilities also contain covenants that, among other things, restrict our ability to create liens, merge or consolidate with another person, make acquisitions and incur subsidiary debt. As of December 31, 2021, we were in compliance with all financial covenants in our debt agreements, and there is no material uncertainty about our ongoing ability to meet those covenants.

Debt outstanding at December 31, 2021, excluding unamortized issuance costs and discounts, matures on a calendar year basis as follows:

In millions	2022	2023	2024	2025	2026	Thereafter	Total
Contractual debt obligation maturities	$ 5.0	$ 5.0	$ 5.7	$ 7.5	$ 182.3	$ 800.0	$ 1,005.5

10. Derivatives and Financial Instruments

Derivative financial instruments

We are exposed to market risk related to changes in foreign currency exchange rates. To manage the volatility related to this exposure, we periodically enter into a variety of derivative financial instruments. Our objective is to reduce, where it is deemed appropriate to do so, fluctuations in earnings and cash flows associated with changes in foreign currency exchange rates. The derivative contracts contain credit risk to the extent that our bank counterparties may be unable to meet the terms of the agreements. The amount of such credit risk is generally limited to the unrealized gains, if any, in such contracts. Such risk is minimized by limiting those counterparties to major financial institutions of high credit quality.

Foreign currency contracts

We conduct business in various locations throughout the world and are subject to market risk due to changes in the value of foreign currencies. We manage our economic and transaction exposure to certain market-based risks through the use of derivative instruments. These derivative instruments primarily consist of forward foreign currency contracts used to mitigate foreign currency exposure for certain foreign currency assets and liabilities. Our objective in holding these derivatives is to reduce the volatility in net earnings and cash flows associated with changes in foreign currency rates. The majority of our

foreign currency contracts have an original maturity date of less than one year. These foreign currency contracts are not designated as hedging instruments; accordingly, changes in the fair value are recorded in current period earnings.

At December 31, 2021 and 2020, we had outstanding foreign currency derivative contracts with gross notional U.S. dollar equivalent amounts of $180.1 million and $41.8 million, respectively. The impact of these contracts on the Consolidated Profit and Loss Account and Statement of Comprehensive Profit (Loss) was not material for any period presented.

Cross currency swaps
At December 31, 2021 and 2020, we had outstanding cross currency swap agreements with a combined notional amount of $369.1 million and $329 million, respectively. The agreements are accounted for as either cash flow hedges, to hedge foreign currency fluctuations on certain intercompany debt, or as net investment hedge, to manage our exposure to fluctuations in the Euro-U.S. Dollar exchange rate. At December 31, 2021 and 2020, we had deferred foreign currency gains of $16.7 million and $6.9 million, respectively, in *Accumulated other comprehensive loss* associated with our cross currency swap activity.

Interest rate swaps
We are also exposed to interest rate risk fluctuations in connection with the planned issuance of long-term debt. To manage the volatility related to this exposure, we may use forward starting interest rate swaps to fix a portion of the interest cost associated with anticipated future financings. In 2020, we entered into a forward starting interest rate swap to hedge the variability of cash flows attributable to changes in the benchmark swap interest rate (London Inter-Bank Offer Rate) associated with the anticipated refinancing of the 2023 Notes. The interest rate swap contract had a notional amount of $200 million, and was settled in the fourth quarter of 2021 in conjunction with the issuance of the 2031 Notes. Accordingly, cash flows of $9.6 million relating to the settlement of interest rate swaps hedging the forecasted issuance of debt have been reflected as a component of financing cash flows. The resulting gain from the settlement is deferred to *Accumulated other comprehensive loss*, and is being reclassified to interest expense over the term of the 2031 Notes (underlying debt). This reclassification of the deferred gain impacts the interest expense recognized on the underlying debt that was hedged, and is therefore reflected as a component of operating cash flows in periods subsequent to settlement.

Fair value of financial instruments
The following methods were used to estimate the fair values of each class of financial instrument:

- *short-term financial instruments (cash and cash equivalents, accounts and notes receivable, accounts and notes payable and variable-rate debt)* — recorded amount approximates fair value because of the short maturity period;
- *long-term fixed-rate debt, including current maturities* — fair value is based on market quotes available for issuance of debt with similar terms, which are inputs that are classified as Level 2 in the valuation hierarchy defined by the accounting guidance;
- *cross currency swap, foreign currency contract and interest rate swap agreements* — fair values are determined through the use of models that consider various assumptions, including time value, yield curves, as well as other relevant economic measures, which are observable inputs that are classified as Level 2 in the valuation hierarchy defined by the accounting guidance; and
- *deferred compensation plan assets (mutual funds, common/collective trusts and cash equivalents for payment of certain non-qualified benefits for retired, terminated and active employees)* — fair value of mutual funds and cash equivalents are based on quoted market prices in active markets that are classified as Level 1 in the valuation hierarchy defined by the accounting guidance; fair value of common/collective trusts are valued at net asset value ("NAV"), which is based on the fair value of the underlying securities owned by the fund divided by the number of shares outstanding.

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The recorded amounts and estimated fair values of total debt, excluding unamortized issuance costs and discounts, at December 31 were as follows:

	2021		2020	
In millions	Recorded Amount	Fair Value	Recorded Amount	Fair Value
Variable rate debt	$ 205.5	$ 205.5	$ 152.1	$ 152.1
Fixed rate debt	800.0	866.8	800.0	915.2
Total debt	$ 1,005.5	$ 1,072.3	$ 952.1	$ 1,067.3

Financial assets and liabilities measured at fair value on a recurring basis at December 31 were as follows:

Recurring fair value measurements	2021				
In millions	Level 1	Level 2	Level 3	NAV	Total
Cross currency swap liabilities	$ —	$ (1.7)	$ —	$ —	$ (1.7)
Cross currency swap assets	—	9.5	—	—	9.5
Foreign currency contract liabilities	—	(0.2)	—	—	(0.2)
Foreign currency contract assets	—	0.4	—	—	0.4
Deferred compensation plan assets (note 22)	15.5	—	—	5.9	21.4
Total recurring fair value measurements	$ 15.5	$ 8.0	$ —	$ 5.9	$ 29.4

Recurring fair value measurements	2020				
In millions	Level 1	Level 2	Level 3	NAV	Total
Cross currency swap liabilities	$ —	$ (14.3)	$ —	$ —	$ (14.3)
Foreign currency contract assets	—	0.9	—	—	0.9
Interest rate swap assets	—	2.1	—	—	$ 2.1
Deferred compensation plan assets (note 22)	15.6	—	—	4.4	20.0
Total recurring fair value measurements	$ 15.6	$ (11.3)	$ —	$ 4.4	$ 8.7

11. Taxation

Profit (loss) before taxation consisted of the following for the years ended December 31:

In millions	2021	2020
Federal [1]	$ (23.7)	$ (1.7)
International [2]	344.4	(7.8)
Profit (loss) before taxation	$ 320.7	$ (9.5)

(1) "Federal" reflects U.K. income (loss) before income taxes.
(2) "International" reflects non-U.K. income (loss) before income taxes.

Taxation consisted of the following for the years ended December 31:

In millions	2021	2020
Current		
International [1]	$ 66.2	$ 51.8
Total current taxation	66.2	51.8
Deferred		
Federal [2]	0.1	0.2
International [1]	(18.5)	(14.3)
Total deferred taxation	(18.4)	(14.1)
Total taxation	$ 47.8	$ 37.7

(1) "International" represents non-U.K. taxes.
(2) "Federal" represents U.K. taxes.

Reconciliations of the federal taxation at the statutory rate to the Group's effective tax rate on ordinary activities were as follows for the years ended December 31:

Percentages	2021	2020
Federal statutory income tax rate [1]	19.0%	19.0%
Tax effect of international operations [2]	(6.7)	153.1
Change in valuation allowances	2.1	(308.0)
Withholding taxes	0.7	(14.3)
Excess tax benefits on stock-based compensation	(0.2)	1.2
Tax effect of goodwill impairment	—	(247.8)
Effective tax rate [3]	14.9%	(396.8%)

(1) The statutory rate for 2021 and 2020 reflects the U.K. statutory rate of 19.0%.
(2) The tax effect of international operations consists of non-U.K. jurisdictions.
(3) The Company's effective tax rate for the period ended December 31, 2020 is negative due to the loss before income taxes, resulting primarily from the impairment of goodwill, compared to the net tax expense recorded for the period.

Reconciliations of the Group's beginning and ending gross unrecognized tax benefits were as follows for the years ended December 31:

In millions	2021	2020
Beginning balance	$ 17.1	$ 17.0
Gross increases for tax positions in prior periods	0.5	0.3
Gross decreases for tax positions in prior periods	(0.9)	(1.4)
Gross increases based on tax positions related to the current year	1.1	1.1
Gross decreases related to settlements with taxing authorities	(1.4)	(2.5)
Reductions due to statute expiration	(0.3)	(0.5)
Gross increases (decreases) due to currency fluctuations	(0.5)	0.3
Gross increases due to acquisitions	—	2.8
Ending balance	$ 15.6	$ 17.1

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We record gross unrecognized tax benefits in *Creditors (amounts falling due within one year)* and *Creditors (amounts falling due after more than one year)* in the Consolidated Balance Sheets. Included in the $15.6 million of total gross unrecognized tax benefits as of December 31, 2021 was $14.3 million of tax benefits that, if recognized, would impact the effective tax rate. It is reasonably possible that the gross unrecognized tax benefits as of December 31, 2021 may decrease by a range of zero to $1.6 million during 2022, primarily as a result of the resolution of non-U.K. examinations, including U.S. federal and state examinations, and the expiration of various statutes of limitations.

Based on the outcome of these examinations, or as a result of the expiration of statute of limitations for specific jurisdictions, it is reasonably possible that certain unrecognized tax benefits for tax positions taken on previously filed tax returns will materially change from those recorded as liabilities in our financial statements. A number of tax periods from 2014 to present are under audit by tax authorities in various jurisdictions, including Canada, France, India, and Germany and certain U.S. states. Certain nVent entities are subject to IRS audit in the U.S. for 2018 tax periods prior to the separation. We anticipate that several of these audits may be concluded in the foreseeable future.

We record penalties and interest related to unrecognized tax benefits in *Taxation* and *Interest payable and similar charges*, respectively, in the Consolidated Profit and Loss Account and Statement of Comprehensive Profit (Loss). As of December 31, 2021 and 2020, we have liabilities of $2.1 million and $2.3 million, respectively, for the possible payment of penalties and $2.9 million and $3.5 million, respectively, for the possible payment of interest expense, which are recorded in *Creditors (amounts falling due within one year)* in the Consolidated Balance Sheets.

For 2021, we consider substantially all foreign earnings to be indefinitely reinvested. These earnings relate to ongoing operations and have been reinvested in active business operations. It is not practicable to estimate the amount of tax that might be payable if such earnings were to be remitted. Deferred taxes, if necessary, have been provided on earnings of non-U.S. affiliates whose earnings are not indefinitely reinvested.

Deferred taxation arises because of different treatment between financial statement accounting and tax accounting, known as "temporary differences." We record the tax effect of these temporary differences as "deferred tax assets" (generally items that can be used as a tax deduction or credit in future periods) and "deferred tax liabilities" (generally items for which we received a tax deduction but the tax impact has not yet been recorded in the Consolidated Profit and Loss Account and Statement of Comprehensive Profit (Loss)).

Deferred taxation was recorded in the Consolidated Balance Sheets at December 31 as follows:

In millions	2021	2020
Debtors: Deferred taxation (amounts falling due after more than one year) (note 23)	$ 14.6	$ 29.8
Provisions for liabilities (note 24)	210.3	230.1
Net deferred taxation	$ 195.7	$ 200.3

The tax effects of the major items recorded as deferred tax assets and liabilities at December 31 were as follows:

In millions	2021	2020
Deferred tax assets		
Accrued liabilities and reserves	$ 13.8	$ 8.5
Pension and other post-retirement compensation and benefits	36.1	41.4
Employee compensation and benefits	22.1	16.1
Tax loss and credit carryforwards	128.2	137.8
Interest limitation	23.9	15.8
Other assets	13.9	10.1
Total deferred tax assets	238.0	229.7
Valuation allowance	147.6	154.5
Deferred tax assets, net of valuation allowance	90.4	75.2
Deferred tax liabilities		
Tangible assets	17.6	17.1
Goodwill and other intangibles	246.1	240.2
Other liabilities	22.4	18.2
Total deferred tax liabilities	286.1	275.5
Net deferred taxation	$ 195.7	$ 200.3

Included in tax loss and credit carryforwards in the table above is a deferred tax asset of $3.1 million as of both December 31, 2021 related to foreign tax credit carryover from the tax period ended December 31, 2017 and related to transition taxes. The entire amount is subject to a valuation allowance. The foreign tax credit is eligible for carryforward until the tax period ending December 31, 2027.

As of December 31, 2021, tax loss carryforwards of $471.7 million were available to offset future income. A valuation allowance of $114.3 million exists for deferred income tax benefits related to the tax loss carryforwards which may not be realized. We believe sufficient taxable income will be generated in the respective jurisdictions to allow us to fully recover the remainder of the tax losses. The tax losses relate to non-U.S. carryforwards which are subject to varying expiration periods. Non-U.S. carryforwards of $381.0 million are located in jurisdictions with unlimited tax loss carryforward periods, while the remainder will begin to expire in 2022.

12. Benefit Plans

Pension and other post-retirement plans

We sponsor U.S. and non-U.S. defined-benefit pension and other post-retirement plans. The defined benefit pension plans cover certain non-U.S. employees and retirees, and the pension benefits are based principally on an employee's years of service and/or compensation levels near retirement. In addition, we provide certain post-retirement health care and life insurance benefits. Generally, the post-retirement health care and life insurance plans require contributions from retirees.

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Obligations and funded status

The following tables present reconciliations of plan benefit obligations, fair value of plan assets and the funded status of pension plans and other post-retirement plans as of and for the years ended December 31:

	Pension plans		Post-retirement health plan	
In millions	**2021**	**2020**	**2021**	**2020**
Change in benefit obligations				
Benefit obligation beginning of year	$ 241.4	$ 210.8	$ 18.5	$ 17.3
Service cost	3.2	6.7	0.1	0.1
Interest cost	2.8	3.5	0.4	0.5
Plan settlements	—	(0.2)	—	—
Actuarial loss (gain)	(12.5)	11.0	(1.2)	1.6
Foreign currency translation	(16.4)	20.6	—	—
Benefits paid	(5.1)	(6.8)	(0.9)	(1.0)
Plan curtailment gain	—	(4.2)	—	—
Benefit obligation end of year	$ 213.4	$ 241.4	$ 16.9	$ 18.5
Change in plan assets				
Fair value of plan assets beginning of year	$ 31.2	$ 28.7	$ —	$ —
Actual return on plan assets	2.4	1.9	—	—
Company contributions	5.6	5.7	0.9	1.1
Plan settlements	—	(0.3)	—	—
Foreign currency translation	(1.0)	2.0	—	—
Benefits paid	(5.1)	(6.8)	(0.9)	(1.1)
Fair value of plan assets end of year	$ 33.1	$ 31.2	$ —	$ —
Funded status				
Fair value of plan assets end of year	$ 33.1	$ 31.2	$ —	$ —
Benefit obligation end of year	213.4	241.4	16.9	18.5
Benefit obligations in excess of the fair value of plan assets	$ (180.3)	$ (210.2)	$ (16.9)	$ (18.5)

In 2020, we amended a defined benefit pension plan in Germany, which triggered a curtailment and required a remeasurement of the benefit obligation. The remeasurement resulted in a curtailment gain (decrease in the benefit obligation) of $4.2 million, which is reflected in *Other expense* in the Consolidated Profit and Loss Account and Statement of Comprehensive Profit (Loss).

The actuarial gain during 2021 is primarily attributable to the increase in discount rates from 2020.

Benefit obligations in excess of the fair value of plan assets recognized on the Consolidated Balance Sheets for the Group's defined benefit plans were as follows:

	Pension plans		Post-retirement health plan	
In millions	**2021**	**2020**	**2021**	**2020**
Amount to be received after one year	$ 4.2	$ 2.1	$ —	$ —
Amount to be settled within one year	(4.2)	(4.3)	—	(1.2)
Amount to be settled after one year	(180.3)	(208.0)	(16.9)	(17.3)
Benefit obligations in excess of the fair value of plan assets	$ (180.3)	$ (210.2)	$ (16.9)	$ (18.5)

The accumulated benefit obligation for all defined benefit plans was $208.5 million and $234.9 million at December 31, 2021 and 2020, respectively.

Information for pension plans with an accumulated benefit obligation or projected benefit obligation in excess of plan assets as of December 31 was as follows:

	Projected benefit obligation exceeds the fair value of plan assets		Accumulated benefit obligation exceeds the fair value of plan assets	
In millions	**2021**	**2020**	**2021**	**2020**
Projected benefit obligation	$ 200.4	$ 227.7	$ 199.3	$ 227.7
Fair value of plan assets	15.9	15.3	14.9	15.3
Accumulated benefit obligation	N/A	N/A	194.6	221.2

Components of net periodic benefit expense for our pension plans were as follows for the years ended December 31:

In millions	**2021**	**2020**
Service cost	$ 3.2	$ 6.7
Interest cost	2.8	3.5
Expected return on plan assets	(1.1)	(1.3)
Net actuarial loss (gain)	(13.7)	10.3
Plan curtailment gain	—	(4.2)
Net periodic benefit expense (income)	$ (8.8)	$ 15.0

Components of net periodic benefit expense for our post-retirement health plan for the years ended December 31, 2021 and 2020 were not material.

Assumptions

Weighted-average assumptions used to determine benefit obligations as of December 31 were as follows:

	Pension plans		Post-retirement health plan	
Percentages	**2021**	**2020**	**2021**	**2020**
Discount rate	1.55 %	1.26 %	2.65 %	2.17 %
Rate of compensation increase	2.96 %	2.96 %	—	—

Weighted-average assumptions used to determine net periodic benefit expense for years ended December 31 were as follows:

	Pension plans		Post-retirement health plan	
Percentages	**2021**	**2020**	**2021**	**2020**
Discount rate	1.26 %	1.54 %	2.17 %	3.08 %
Expected long-term return on plan assets	3.64 %	3.91 %	—	—
Rate of compensation increase	2.96 %	2.97 %	—	—

Uncertainty in the securities markets and U.S. economy could result in investment returns less than those assumed. Should the securities markets decline or medical and prescription drug costs increase at a rate greater than assumed, we would expect increasing annual combined net pension and other post-retirement costs for the next several years. Should actual experience differ from actuarial assumptions, the projected pension benefit obligation and net pension cost and accumulated other post-retirement benefit obligation and other post-retirement benefit cost would be affected in future years.

Discount rates

The discount rate reflects the current rate at which the pension liabilities could be effectively settled at the end of the year based on our December 31 measurement date. The discount rates on our pension plans ranged from 0.25% to 3.25% and 0.00% to 2.75% in 2021 and 2020, respectively. The discount rates are determined by matching high-quality, fixed-income debt instruments with maturities corresponding to the expected timing of benefit payments as of the annual measurement date for

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each of the various plans. There are no known or anticipated changes in our discount rate assumptions that will materially impact our pension expense in 2022.

Expected rates of return

The expected rates of return on our pension plan assets ranged from 1.00% to 4.50% and 1.00% to 5.00% in 2021 and 2020, respectively. The expected rate of return is designed to be a long-term assumption that may be subject to considerable year-to-year variance from actual returns. In developing the expected long-term rate of return, we considered our historical returns, with consideration given to forecasted economic conditions, our asset allocations, input from external consultants and broader longer-term market indices. Any difference in the expected rate and actual returns will be included with the actuarial gain or loss recorded in the fourth quarter when our plans are remeasured.

Pension plans assets

Objective

The primary objective of our investment strategy is to meet the pension obligation to our employees at a reasonable cost to us. This is primarily accomplished through growth of capital and safety of the funds invested.

Asset allocation

The majority of our pension plan assets are invested in fixed income and equity securities which is consistent with our investment policy goals. Actual investments for our pension plans as of December 31 were as follows:

Percentages	**2021**	**2020**
Equity Securities	47%	43%
Fixed income	38%	41%
Alternative investments	12%	12%
Cash equivalents	3%	4%

Fair value measurement

The fair values of our pension plan assets as of December 31 were as follows:

In millions	**2021**	**2020**
Cash equivalents	$ 1.0	$ 1.3
Fixed income:		
Corporate and Non U.S. government	12.5	12.7
Other investments (alternative investments)	4.1	3.8
Total investments at fair value	$ 17.6	$ 17.8
Investments measured at net asset value (equity securities)	15.5	13.4
Total	$ 33.1	$ 31.2

Valuation methodologies used for investments measured at fair value, each of which is classified as Level 2 in the fair value hierarchy, were as follows:

- *cash equivalents* — Cash equivalents consist of investments in commingled funds valued based on observable market data.
- *fixed income* — Investments in corporate bonds, government securities, mortgages and asset backed securities were valued based upon quoted market prices for similar securities and other observable market data. Investments in commingled funds were generally valued at the net asset value of units held at the end of the period based upon the value of the underlying investments as determined by quoted market prices or by a pricing service.
- *other investments* — Other investments include investments in commingled funds with diversified investment strategies. Investments in commingled funds were valued at the net asset value of units held at the end of the period based upon the value of the underlying investments as determined by quoted market prices or by a pricing service.

Cash flows of Direct Plans

Contributions

Pension and post-retirement plan contributions totaled $6.5 million and $6.8 million in 2021 and 2020, respectively. The 2022 expected contributions will equal or exceed our minimum funding requirements of $6.9 million.

Estimated future benefit payments

The following benefit payments, which reflect expected future service or payout from termination, as appropriate, are expected to be paid by the plans in each of the next five fiscal years and in the aggregate for the five fiscal years thereafter are as follows:

In millions	Pension plans	Post-retirement health plan
2022	$ 5.4	$ 1.2
2023	5.4	1.2
2024	5.9	1.2
2025	7.2	1.1
2026	6.5	1.1
2027-2031	41.3	4.9

Savings plan

nVent is the plan sponsor of a 401(k) retirement plan (nVent Management Company Retirement Savings and Incentive Plan or "401(k) plan") and employee share ownership plan (nVent Electric plc Employee Stock Purchase and Bonus Plan). The 401(k) plan covers certain union and all non-union U.S. employees who met certain age requirements. Under the 401(k) plan, eligible U.S. employees could voluntarily contribute a percentage of their eligible compensation and we match contributions made by employees who met certain eligibility and service requirements. During the first half of 2020, the matching contribution was 100% of eligible employee contributions for the first 5% of eligible contributions contributed as pre-tax contribution. In response to the adverse effects of the COVID-19 pandemic, effective July 1, 2020, the employer matching contributions were reduced to 50% of the first 5% of eligible compensation contributed as pre-tax contribution. On January 1, 2021, the Company increased the employer matching contributions to 60% of the first 5% of eligible compensation, and on July 1, 2021, the Company increased the employer matching contributions back to 100% of the first 5% of eligible compensation. Expense for the 401(k) plan was $8.6 million and $8.8 million in 2021 and 2020, respectively.

13. Shareholders' Funds

Authorized share capital

Our authorized share capital consists of 400.0 million ordinary shares of $0.01 par value and 25,000 deferred shares of €1 par value. All issued share capital has been called up and fully paid. There were no changes in the authorized share capital since the prior financial year end.

Share repurchases

On July 23, 2018, the Board of Directors authorized the repurchase of our ordinary shares up to a maximum dollar limit of $500.0 million (the "2018 Authorization"). On February 19, 2019, the Board of Directors authorized the repurchase of our ordinary shares up to a maximum dollar limit of $380.0 million (the "2019 Authorization"). The 2018 Authorization and the 2019 Authorization expired on July 23, 2021.

On May 14, 2021, the Board of Directors authorized the repurchase of our ordinary shares up to a maximum dollar limit of $300.0 million (the "2021 Authorization"). The 2021 Authorization began on July 23, 2021 upon expiration of the 2018 Authorization and the 2019 Authorization, and expires on July 22, 2024.

During the year ended December 31, 2021, we repurchased 3.5 million of our ordinary shares for $116.1 million under the 2018 Authorization and the 2021 Authorization. During the year ended December 31, 2020, we repurchased 2.3 million of our ordinary shares for $43.2 million under the 2018 Authorization. All shares repurchased were subsequently canceled in the year acquired. As of December 31, 2021 and 2020, outstanding share repurchases recorded in *Other current liabilities* were $4.6 million and zero, respectively. Further information is included in Note 5 to the parent company financial statements.

As of December 31, 2021, we had $203.9 million available for repurchases under the 2021 Authorization.

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Dividends
Dividends paid per ordinary share were $0.70 for both the years ended December 31, 2021 and 2020.

On December 13, 2021, the Board of Directors declared a quarterly cash dividend of $0.175 that was paid on February 4, 2022 to shareholders of record at the close of business on January 21, 2022. The balance of dividends payable included in *Other current liabilities* on our Consolidated Balance Sheets was $30.5 million and $29.4 million at December 31, 2021 and 2020, respectively. See Note 5 of the Company financial statements for shareholders' funds activity of the Company.

On February 21, 2022, the Board of Directors declared a quarterly cash dividend of $0.175 per ordinary share payable on May 6, 2022 to shareholders of record at the close of business on April 22, 2022.

14. Segment Information

We classify our operations into the following business segments based primarily on types of products offered and markets served:

- *Enclosures* — The Enclosures segment provides innovative solutions to connect, protect, power and cool critical control systems, electronics, data and electrical equipment. From metallic and non-metallic enclosures to cabinets, subracks and backplanes, it offers the physical infrastructure to host, connect and protect server and network equipment, as well as indoor and outdoor protection for test and measurement and aerospace and defense applications in industrial, infrastructure, commercial and energy verticals.

- *Electrical & Fastening Solutions* — The Electrical & Fastening Solutions segment provides solutions that connect and protect electrical and mechanical systems and civil structures. Its engineered electrical and fastening products are innovative cost efficient and time saving connections that are used across a wide range of verticals, including commercial, industrial, infrastructure and energy.

- *Thermal Management* — The Thermal Management segment provides electric thermal solutions that connect and protect critical buildings, infrastructure, industrial processes and people. Its thermal management systems include heat tracing, floor heating, fire-rated and specialty wiring, sensing and snow melting and deicing solutions for use in industrial, commercial & residential, energy and infrastructure verticals. It's highly reliable and easy to install solutions lower total cost of ownership to building owners, facility managers, operators and end users.

- *Other* — Other is primarily composed of unallocated corporate expenses, our captive insurance subsidiary and intermediate finance companies.

The accounting policies of our reporting segments are the same as those described in the summary of significant accounting policies. We evaluate performance based on the net sales and segment income (loss) and use a variety of ratios to measure performance of our reporting segments. These results are not necessarily indicative of the results of operations that would have occurred had each segment been an independent, stand-alone entity during the periods presented. Segment income (loss) represents operating income exclusive of intangible amortization, separation costs, costs of restructuring activities, "mark-to-market" gain/loss for pension and other post-retirement plans, impairments and other unusual non-operating items.

Financial information by reportable segment is included in the following summary:

	Turnover		Segment income (loss)	
In millions	**2021**	**2020**	**2021**	**2020**
Enclosures	$ 1,244.8	$ 952.9	$ 202.1	$ 148.5
Electrical & Fastening Solutions	657.5	569.1	181.5	150.2
Thermal Management	559.7	476.6	121.2	93.9
Other	—	—	(69.0)	(45.0)
Consolidated	$ 2,462.0	$ 1,998.6	$ 435.8	$ 347.6

No customer accounted for more than 10% of turnover in 2021 and 2020.

In millions	Identifiable assets 2021	Identifiable assets 2020	Depreciation 2021	Depreciation 2020
Enclosures	$ 1,192.9	$ 785.9	$ 19.4	$ 18.4
Electrical & Fastening Solutions	2,121.6	2,111.8	10.1	10.2
Thermal Management	1,275.3	1,271.3	7.2	7.0
Other	84.4	197.1	4.2	2.8
Consolidated	$ 4,674.2	$ 4,366.1	$ 40.9	$ 38.4

In millions	Capital expenditures 2021	Capital expenditures 2020
Enclosures	$ 18.3	$ 17.7
Electrical & Fastening Solutions	11.6	10.7
Thermal Management	5.3	6.2
Other	4.3	5.4
Consolidated	$ 39.5	$ 40.0

The following table presents a reconciliation of consolidated segment income to consolidated profit before taxation for the years ended December 31:

In millions	2021	2020
Segment income	$ 435.8	$ 347.6
Impairment of goodwill	—	(212.3)
Impairment of trade names	—	(8.2)
Loss on early extinguishment of debt	(15.2)	—
Restructuring and other	(8.8)	(22.0)
Intangible amortization	(67.5)	(64.2)
Pension and other post-retirement mark-to-market gain (loss)	15.1	(8.7)
Acquisition transaction and integration costs	(4.1)	(2.5)
Interest expense, net	(32.3)	(36.4)
Other expense	(2.3)	(2.8)
Profit (loss) before taxation	$ 320.7	$ (9.5)

15. Leases

We have operating leases for office space, production facilities, distribution centers, warehouses, sales offices, fleet vehicles and equipment. In accordance with our accounting policy, leases with an initial term of 12 months or less are not recognized on the balance sheet; we recognize lease expense for these leases on a straight-line basis over the lease term. We elected the practical expedient for all leases to include both lease and non-lease components within our lease assets and lease liabilities.

Our lease agreements do not contain any material residual value guarantees, any material bargain purchase options or material restrictive covenants. We have no material sublease arrangements with third parties or lease transactions with related parties.

During the years ended December 31, 2021 and 2020, rent expense was $19.9 million and $20.3 million, respectively, primarily related to operating lease costs. Costs associated with short-term leases, variable rent and subleases were immaterial.

Our leases have remaining lease terms of one to ten years, some of which include options to extend the leases for up to five years. Renewal options that are reasonably certain to be exercised are included in the lease term. The incremental borrowing rate is used in determining the present value of lease payments, unless an implicit rate is specified. Incremental borrowing rates on a collateralized basis are determined based on the economic environment in which leases are denominated and the lease term.

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The weighted average remaining lease term and weighted average discount rate were as follows:

	December 31, 2021	December 31, 2020
Weighted average remaining lease term		
Operating leases	6 years	5 years
Weighted average discount rate		
Operating leases	4.0 %	3.5 %

Future lease payments under non-cancelable operating leases as of December 31, 2021 were as follows:

In millions	
2022	$ 20.8
2023	17.1
2024	14.3
2025	12.3
2026	11.1
Thereafter	21.5
Total lease payments	$ 97.1
Less imputed interest	(13.2)
Total reported lease liability	$ 83.9

Supplemental cash flow information related to operating leases for the financial years ended December 31 was as follows:

In millions		2021		2020
Cash paid for amounts included in the measurement of lease liabilities	$	22.1	$	17.4
Lease right-of-use assets obtained in exchange for new lease liabilities		49.3		16.2

Supplemental balance sheet information related to operating leases as of December 31 was as follows:

In millions	Classification		2021		2020
Assets					
Lease right-of-use assets	Right-of-use assets	$	79.1	$	45.6
Liabilities					
Current lease liabilities	Creditors (amounts falling due within one year) (note 20)	$	17.4	$	14.2
Non-current lease liabilities	Creditors (amounts falling due after more than one year) (note 21)		66.5		35.7
Total lease liabilities		$	83.9	$	49.9

16. Commitments and Contingencies

Warranties and guarantees

In connection with the disposition of our businesses or product lines, we may agree to indemnify purchasers for various potential liabilities relating to the sold business, such as pre-closing tax, product liability, warranty, environmental, or other obligations. The subject matter, amounts and duration of any such indemnification obligations vary for each type of liability indemnified and may vary widely from transaction to transaction.

Generally, the maximum obligation under such indemnifications is not explicitly stated and as a result, the overall amount of these obligations cannot be reasonably estimated. Historically, we have not made significant payments for these indemnifications. We believe that if we were to incur a loss in any of these matters, the loss would not have a material effect on our financial position, results of operations or cash flows.

We recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee.

We provide service and warranty policies on our products. Liability under service and warranty policies is based upon a review of historical warranty and service claim experience. Adjustments are made to accruals as claim data and historical experience warrant. Our liability for service and product warranties as of December 31, 2021 and 2020 was not material.

Stand-by letters of credit, bank guarantees and bonds

In disposing of assets or businesses, we often provide representations, warranties and indemnities to cover various risks including unknown damage to the assets, environmental risks involved in the sale of real estate, liability to investigate and remediate environmental contamination at waste disposal sites and manufacturing facilities and unidentified tax liabilities and legal fees related to periods prior to disposition. We do not have the ability to reasonably estimate the potential liability due to the inchoate and unknown nature of these potential liabilities. However, we have no reason to believe that these uncertainties would have a material adverse effect on our financial position, results of operations or cash flows.

In the ordinary course of business, we are required to commit to bonds, letters of credit and bank guarantees that require payments to our customers for any non-performance. The outstanding face value of these instruments fluctuates with the value of our projects in process and in our backlog. In addition, we issue financial stand-by letters of credit primarily to secure our performance to third parties under self-insurance programs.

As of December 31, 2021 and 2020, the outstanding value of bonds, letters of credit and bank guarantees totaled $38.2 million and $43.8 million, respectively.

Other matters

We are subject to disputes, administrative proceedings and other claims arising out of the normal conduct of our business. These matters generally relate to disputes arising out of the use or installation of our products, product liability litigation, personal injury claims, commercial and contract disputes and employment related matters. On the basis of information currently available, management does not believe that existing proceedings and claims will have a material impact on our Consolidated Financial Statements. However, litigation is unpredictable, and we could incur judgments or enter into settlements for current or future claims that could adversely affect our financial statements.

17. Net Interest Payable and Similar Expenses

Net interest payable and similar expenses were comprised of the following at December 31:

In millions	2021	2020
Loans and drafts from credit institutions	$ 39.5	$ 43.1
Other	4.6	5.3
Interest income	(11.8)	(12.0)
Total net interest payable and similar expenses	$ 32.3	$ 36.4

18. Loss Attributable to nVent Electric plc

In accordance with Section 304(2) of the Companies Act 2014, the Company is availing of the exemption from presenting and filing its individual profit and loss account. nVent Electric plc's loss for the financial years ended December 31, 2021 and 2020 as determined in accordance with FRS 102, the Financial Reporting Standard applicable in the U.K. and Republic of Ireland, was $19 million and $14 million, respectively.

19. Tangible Assets

Tangible assets at cost and accumulated depreciation consisted of the following at December 31:

In millions	2021	2020
Land and land improvements	$ 39.8	$ 41.0
Buildings and leasehold improvements	184.5	185.5
Machinery and equipment	488.5	461.4
Construction in progress	25.5	30.3
Total tangible assets	738.3	718.2
Accumulated depreciation and amortization	447.2	428.8
Total tangible assets, net	$ 291.1	$ 289.4

Depreciation expense was $40.9 million and $38.4 million in financial years 2021 and 2020, respectively.

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Tangible assets activity for 2021 and 2020 were as follows:

In millions	Land and land improvements	Buildings and leasehold improvements	Machinery and equipment	Construction in progress	Total Tangible Assets
Cost:					
December 31, 2019	$ 40.6	$ 181.6	$ 440.4	$ 16.5	$ 679.1
Additions	0.1	1.8	21.0	16.3	39.2
Disposals	(0.5)	(1.7)	(14.0)	—	(16.2)
Acquisitions	—	0.6	1.7	—	2.3
Transfers / Other	(0.3)	(1.0)	2.8	(3.0)	(1.5)
Currency translation	1.1	4.2	9.5	0.5	15.3
December 31, 2020	$ 41.0	$ 185.5	$ 461.4	$ 30.3	$ 718.2
Additions	0.1	4.5	40.1	(3.1)	41.6
Disposals	(0.1)	(0.6)	(13.6)	(1.1)	(15.4)
Acquisitions	—	2.1	7.0	0.6	9.7
Transfers / Other	—	(0.9)	1.6	(0.9)	(0.2)
Currency translation	(1.2)	(6.1)	(8.0)	(0.3)	(15.6)
December 31, 2021	$ 39.8	$ 184.5	$ 488.5	$ 25.5	$ 738.3

Tangible asset accumulated depreciation activity for financial year 2021 was as follows:

In millions	December 31, 2020	Depreciation expense	Disposals	Other	Currency translation	December 31, 2021
Accumulated depreciation	$ 428.8	40.9	(13.3)	—	(9.2)	$ 447.2

20. Creditors (amounts falling due within one year)

Creditors (amounts falling due within one year) consisted of the following at December 31:

In millions	2021	2020
Current maturities of long-term debt and short-term borrowings (note 9)	$ 5.0	$ 20.0
Trade creditors	261.0	171.1
Employee compensation and benefits	113.9	70.4
Dividends payable	30.5	29.4
Contract liabilities	17.8	11.3
Accrued rebates	88.2	40.5
Accrued taxes payable	32.4	32.8
Interest payable	6.0	11.2
Current lease liabilities (note 15)	17.4	14.2
Other creditors	61.7	42.5
Total creditors falling due within one year	$ 633.9	$ 443.4

21. Creditors (amounts falling due after more than one year)

Creditors (amounts falling due after more than one year) consisted of the following at December 31:

In millions		2021		2020
Long-term debt (note 9)	$	994.2	$	928.0
Deferred compensation plan liabilities		21.4		20.0
Income taxes payable		30.3		31.7
Non-current lease liabilities (note 15)		66.5		35.7
Other creditors falling due after one year		11.0		22.9
Total creditors falling due after one year	$	1,123.4	$	1,038.3

22. Financial Assets

The Group's financial assets consisted of the following at December 31:

In millions		2021		2020
Assets held by Rabbi Trust	$	21.4	$	20.0
Total financial assets	$	21.4	$	20.0

23. Debtors

Debtors consisted of the following at December 31:

In millions		2021		2020
Amounts falling due within one year				
Trade debtors and notes receivable, net of allowances	$	438.1	$	313.8
Prepaid income taxes		2.2		13.4
Prepaid expenses		49.6		29.8
Contract assets		48.9		45.6
Other debtors		1.3		4.1
Total debtors falling due within one year	$	540.1	$	406.7
Amounts falling due after more than one year				
Deferred taxation (note 11)	$	14.6	$	29.8
Other debtors		26.0		13.2
Total debtors falling due after more than one year	$	40.6	$	43.0
Total debtors	$	580.7	$	449.7

24. Provisions for Liabilities

Provisions for liabilities consisted of the following at December 31:

In millions		2021		2020
Pension and other post-retirement compensation and benefits (note 12)	$	208.1	$	237.9
Deferred taxation (note 11)		210.3		230.1
Restructuring (note 3)		2.4		6.6
Total provisions for liabilities	$	420.8	$	474.6

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25. Directors' Remuneration

Directors' remuneration is set forth in the tables below. Ms. Wozniak, the Company's Chairman and Chief Executive Officer, is not compensated for her services as director. Accordingly, the amounts below include compensation for Ms. Wozniak's services as Chief Executive Officer for the year ended December 31, 2021 and 2020.

In millions	December 31 2021	2020
Aggregate emoluments paid to or received by directors in respect of qualifying service	$ 3.9	$ 2.1
Money or value of other assets, including shares but excluding share options, paid to or receivable by the directors under long-term incentive schemes	7.4	4.7
Money or value of other assets, in relation to share options, paid to or receivable by the directors under long-term incentive schemes	1.2	1.1

	December 31			
	2021		2020	
In millions, except number of directors	Number of directors	Amount	Number of directors	Amount
Aggregate contributions paid, treated as paid or payable during the financial year to a retirement benefit scheme in respect of qualifying services of directors				
Defined contribution schemes	1	$ —	1	$ —
Defined benefit schemes	1	—	1	—

Amounts paid or payable to past directors of the Company or of its' subsidiary undertakings were as follows:

In millions	December 31 2021	2020
For retirement benefits in relation to services as director	$ —	$ —
For other retirement benefits	—	—
Total for retirement benefits (paid or payable)	$ —	$ —

26. Auditor's Remuneration

Auditor's remuneration was as follows:

In millions	December 31 2021	2020
Audit of the group accounts[1]	$ 0.2	$ 0.2
Other assurance services	—	—
Tax advisory services	—	—
Other non-audit services	—	—
Total auditor's remuneration	$ 0.2	$ 0.2

(1) The Group incurred additional fees of $6.7 million in 2021 and $5.2 million in 2020 payable to affiliates of Deloitte Ireland LLP. These additional amounts reflect fees for professional services rendered, including audit fees payable to Deloitte & Touche LLP in the U.S. for the audit of the Group's consolidated annual financial statements and the effectiveness of internal controls over financial reporting and reviews of the Group's quarterly consolidated financial statements.

27. Employees

The average number of persons, including executive directors, employed by the Group during the financial year was as follows:

	2021	2020
Manufacturing	6,809	6,590
Selling and marketing	1,393	1,353
Research and development	435	378
General and administrative	735	785
Total average employees	9,372	9,106

Total employee costs expensed to the Consolidated Profit and Loss Account and Statement of Comprehensive Profit (Loss) was as follows for the financial years ended December 31:

In millions	2021	2020
Wages and salaries	$ 669.9	$ 602.4
Social insurance costs	64.5	63.4
Restructuring costs	8.8	17.7
Other retirement benefit costs	12.5	14.7
Total employee costs	$ 755.7	$ 698.2

28. Subsidiary Undertakings

As of December 31, 2021, the Group had the following subsidiary undertakings:

Company name	Percentage owned	Business purpose	Registered office address
Alberta Electronic Company Limited	100%	Sales & Marketing	Suite 1106-8, 11/F, Tai Yau Building, No. 181 Johnston Road, Wanchai, Hong Kong
Asia Pacific CIS (Thailand) Co., Ltd.	100%	Manufacturing	No. 511 Lad Krabang Road, Kad Krabang Sub-district, Lad Krabang District, Bangkok
Asia Pacific CIS (Wuxi) Co., Ltd.	100%	Manufacturing	Standard Factory Building 2 3 11 Xikun Road Wuxi, 214028 China
CIS Global LLC	100%	Sales & Marketing	1601 W. Commerce Ct, Tucson, AZ 85746
CIS Hong Kong Limited	100%	Sales & Marketing	20th Floor, Tung Wai Commercial Building, 109-111 Gloucester Road, Wan Chai, Hong Kong
CIS USA, LLC	100%	Holding Company	1601 W. Commerce Ct, Tucson, AZ 85746
CISWW Engineering India Private Limited	100%	Manufacturing	Plot No. 62, Hi-Tech Defence and Aerospace Park Near Bial , BENGALURU, Bengaluru (Bangalore)Urban, Karnataka, 560064, India
CoolIT Systems Inc	7.02%	JV - Manufacturing	#10, 2928 Sunridge Way N.E., Calgary, Alberta, T1Y 7H9
Eldon AB	100%	Sales & Marketing	Tranformatorgatan 1, 721 37 Västerås, Västerås, Sweden
Eldon AS	100%	Sales & Marketing	Salesoffice Jessheim, Energivegen 8 2080, Jessheim Norge, Norway
Eldon Austria GmbH	100%	Sales & Marketing	Rathaus Viertel 3, Top 322 A-2353 Guntramsdorf, Austria
Eldon Electric Limited	100%	Sales & Marketing	Hellaby Industrial Estate, Rother Way, Rotherham, South Yorkshire, S66 8QN, United Kingdom
Eldon España, S.A.U.	100%	Sales & Marketing	Eldon Holding España, S.L.U., Calle Esteban Ramirez Martinez, 2-3 A23009, Jaen, Spain
Eldon GmbH	100%	Sales & Marketing	Darmstädterstraße 59, 64572, Büttelborn, Germany
Eldon Holding AB	100%	Holding Company	Batterivägen 2 Falkenberg, Sweden
Eldon Holding España, S.L.U	100%	Holding Company	Eldon Holding España, S.L.U., Calle Esteban Ramirez Martinez, 2-3 A23009, Jaen, Spain
Eldon NV	100%	Sales & Marketing	Tussendiepen 64 66, 9206 AE Drachten, Netherlands

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Company name	Percentage owned	Business purpose	Registered office address
Eldon SRL	100%	Manufacturing	Eldon SRL, Prejmer Village, 4 Bruxelles Street, Prejmer Commune, Brasov County, Romania
Electronic Enclosures, LLC	100%	Holding Company	1665 Utica Ave, Ste 700, Minneapolis MN 55416, United States
Enclosures Inc.	100%	Holding Company	1665 Utica Ave, Ste 700, Minneapolis MN 55416, United States
ERICO Canada Inc.	100%	Sales & Marketing	c/o McMillan LLP, 181 Bay Street, , Suite 4400, Toronto ON M5J 3T4, Canada
ERICO Chile Comercial e Industrial Ltda.	100%	Manufacturing, Sales, and Marketing	Alcantara 200, piso 6, of. 25a las condes, Santiago, Chile
ERICO del Pacifico Comercial e Industrial Ltda.	100%	Dormant	Alcantara 200, piso 6, of. 25a las condes, Santiago, Chile
ERICO do Brasil Comercio e Industria Ltda.	100%	Design, Manufacture, and Marketing	Avenida José Bonifácio Coutinho nogueira, 150, térreo, sala , Campinas Galleria Plaza – Jardim Madalena, Cidade de Campinas - Estado de São Paulo, Brasil, 13091-611, Brazil
ERICO Europe B.V.	100%	Sales & Marketing	Jules Verneweg 75, 5015 BG, Tilburg, Netherlands
ERICO France Sarl	100%	Manufacturing	rue Charles Dalliere, BP 31, 42161, Andrezieux-Boutheon, France
ERICO GLOBAL COMPANY	100%	Holding Company	1665 Utica Ave, Ste 700, Minneapolis MN 55416, United States
ERICO International Corporation	100%	Manufacturing	31700 Solon Road, Solon OH 44139, United States
ERICO Italia S.r.l.	100%	Sales & Marketing	16, via Lorenzo Valla, 20141, Milano, Italy
ERICO Limited	100%	Sales & Marketing	Room 2309, 23/F. Peninsula Tower, 538 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong
ERICO Ltd.	100%	Sales & Marketing	21F Innovation Building, #1009 Yishan Road, Xuhui District, Shanghai, 200233, China
ERICO Mexico, S.A. de C.V.	100%	Sales & Marketing	Av. Melchor Ocampo Torre A, #193, Veronica Anzures, Miguel Hidalgo, Distrito Federal, 11330, Mexico
ERICO Poland SP. Z.o.o.	100%	Sales & Marketing	ul. Strefowa, 10, 58-200, Dzierzoniow, Poland
ERICO Products Australia Pty. Ltd	100%	Sales & Marketing	323 Parramatta Road, Auburn NSW 2144, Australia
ERICO US Holding LLC	100%	Holding Company	1665 Utica Ave, Ste 700, Minneapolis MN 55416, United States
GCP CIS Blocker Inc.	100%	Holding Company	1601 W. Commerce Ct, Tucson AZ 85746
GCP CIS Holdings, LLC	100%	Holding Company	1601 W. Commerce Ct, Tucson AZ 85746
Greenspan Singapore Private Limited	100%	Dormant	390 Havelock #04-02, King's Centre, Singapore, 169662, Singapore
Hoffman Enclosures (Mex.), LLC	100%	Holding Company	1665 Utica Ave, Ste 700, Minneapolis MN 55416, United States
Hoffman Enclosures Mexico, S. de R.L. de C.V.	100%	Sales & Marketing	Av. Industrial Falcón, Lotes 6 al 8 S/N, Parque Industrial del Norte, CP, Reynosa, Tamaulipas, 88730, Mexico
Hoffman Enclosures Inc.	100%	Manufacturing	2100 Hoffman Way, Anoka MN 55303, United States
Hoffman Schroff Asia Pte Ltd	100%	Holding Company	390 Havelock #04-02, King's Centre, Singapore, 169662, Singapore
Hoffman Schroff de Mexico	100%	Holding Company	Regus Business Center, 26, Boulevard Royal, Grand-Duchy of Luxembourg, L-2449, Luxembourg
Hoffman Schroff GmbH	100%	Manufacturing	Mühlenstrasse 26 8200 Schaffhausen, Switzerland, Switzerland
Hoffman Schroff Holdings, Inc.	100%	Holding Company	1665 Utica Ave, Ste 700, Minneapolis MN 55416, United States
Hoffman Schroff Manufacturing S. de R.L. de C.V.	100%	Manufacturing	Manuel Escandon, 106 Altos, Modulo 2000, C.P. 88600, Reynosa Tamaulipas, Mexico

Company name	Percentage owned	Business purpose	Registered office address
Hoffman Schroff Poland Sp.z.o.o.	100%	Manufacturing	Ul. Strefowa 10, Dzierzoniow 58-200 , Poland
Hoffman Schroff PTE Ltd	100%	Sales & Marketing	390 Havelock #04-02, King's Centre, Singapore, 169662, Singapore
Hoffman Schroff Sales S. de R.L. de C.V.	100%	Manufacturing, Sales, and Marketing	Manuel Escandon, 106 Altos, Modulo 2000, C.P. 88600, Reynosa Tamaulipas, Mexico
Limited Liability Company nVent Rus	100%	Sales & Marketing	"Country Park" Business Centre, Panphilova str., estate 19, bld. 1, Khimki, 141407, Moscow Region, Russian Federation
Lionel Acquisition Co.	100%	Holding Company	1665 Utica Ave, Ste 700, Minneapolis MN 55416, United States
nVent Armaturen Holding GmbH	100%	Holding Company	Langenalber Strasse 96-100, 75334, Straubenhardt, Germany
nVent do Brasil Eletrometalurgica Ltda.	100%	Sales & Marketing	Rua Joao Marcon 165, Centro-Boituva, Sao Paulo, 18555-000, Brazil
nVent EFS Investments 1, LLC	100%	Holding Company	1665 Utica Ave, Ste 700, Saint Louis Park MN 55416, United States
nVent EFS Investments 2, LLC	100%	Holding Company	1665 Utica Ave, Ste 700, Saint Louis Park MN 55416, United States
nVent EFS Investments LP	100%	Holding Company	1665 Utica Ave, Ste 700, Saint Louis Park MN 55416, United States
nVent Electric plc	100%	Holding Company	The Mille 8/F East, 100 Great West Road, Brentford, TW8 9HH
nVent Electrical Products (Shanghai) Co., Ltd.	100%	Sales & Marketing	21F Innovation Building, #1009 Yishan Road, Xuhui District, Shanghai, 200233, China
nVent Electrical Products China Co., Ltd.	100%	Manufacturing	Airport Industrial Zone - ShuangYuan Road South, Chengyang District, Qingdao, PC 266108, China
nVent Electrical Products India Private Limited	100%	Sales & Marketing	#10C, 2nd Phase, Peenya, Bangalore, Karnataka, 560058, India
nVent Enclosures India Private Limited	100%	Sales & Marketing	6th Floor, Jolly Board Tower, D - Wing, , I - Think Techno Campus, Kanjurmarg - East, Mumbai, Maharashtra , 400042, India
nVent Finance Group GmbH	100%	Financing Company	Muhlenstrasse 26, 8200, Schaffhausen, Switzerland
nVent Finance NL B.V.	100%	Financing Company	Van Heuven Goedhartlaan 117, 1181, Amstelveen, Netherlands
nVent Finance S.a.r.l.	100%	Financing Company	Regus Business Center, 26, Boulevard Royal, Grand-Duchy of Luxembourg, L-2449, Luxembourg
nVent Finland Oy	100%	Sales & Marketing	Pappilankatu 25 , Hyvinge, 05800 , Finland
nVent Global S.a.r.l.	100%	Holding Company	Regus Business Center, 26, Boulevard Royal, Grand-Duchy of Luxembourg, L-2449, Luxembourg
nVent Holding NL B.V.	100%	Holding Company	Van Heuven Goedhartlaan 117, 1181, Amstelveen, Netherlands
nVent Holdings C.V.	100%	Holding Company	Jules Verneweg 75, 5015 BG, Tilburg, Netherlands
nVent Holdings S.A.	100%	Holding Company	Z.I. 4 rue du Marais, Boîte Postale 16, 67660, Betschdorf, France
nVent Holdings, Inc.	100%	Holding Company	1665 Utica Ave, Ste 700, Minneapolis MN 55416, United States
nVent International (UK) Ltd.	100%	Holding Company	8th Floor, the Mille, 1000 Great West Road, Brentford TW8 9DW, UK
nVent International Holding S.a.r.l.	100%	Holding Company	Regus Business Center, 26, Boulevard Royal, Grand-Duchy of Luxembourg, L-2449, Luxembourg
nVent International Holdings, Inc.	100%	Holding Company	1665 Utica Ave, Ste 700, Minneapolis MN 55416, United States
nVent Investments 1, LLC	100%	Holding Company	1665 Utica Ave, Ste 700, Minneapolis MN 55416, United States

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Company name	Percentage owned	Business purpose	Registered office address
nVent Investments 2, LLC	100%	Holding Company	1665 Utica Ave, Ste 700, Minneapolis MN 55416, United States
nVent Investments LP	100%	Holding Company	1665 Utica Ave, Ste 700, Minneapolis MN 55416, United States
nVent Italy S.r.l.	100%	Sales & Marketing	Centro Direzionale Milanofiori Strada 3 Palazzo B11, 20090 , Assago, Milano, Italy
nVent Japan Co., Ltd.	100%	Sales & Marketing	YS Shin-Yokohama Building 3rd Floor,, 15-10, Shin-Yokohama 2-chome, Kohoku-ku, Yokohama, Japan
nVent Luxembourg S.a.r.l.	100%	Holding Company	Regus Business Center, 26, Boulevard Royal, Grand-Duchy of Luxembourg, L-2449, Luxembourg
nVent Management Company	100%	Management Services Company	1665 Utica Ave, Ste 700, Minneapolis MN 55416, United States
nVent Middle East FZE	100%	Sales & Marketing	Jebel Ali Free Zone, Jafza One, POBOX 16970, Office 2517-2518, Dubai, United Arab Emirates
nVent Nordic AP	100%	Sales & Marketing	Flöjelbergsgatan 20B, 43137, Mölndal, Sweden
nVent Project Services Canada, Inc.	100%	Service Company	504 Iroquois Shore, Oakville, Ontario L6H 3K4, CANADA, Canada
nVent Services Canada Limited	100%	Financing Company	Brookfield Place, 181 Bay Street, Suite 4400, Toronto ON M5J 2T3, Canada
nVent Services GmbH	100%	IP Company	Muhlenstrasse 26, 8200, Schaffhausen, Switzerland
nVent Services Holding GmbH	100%	Holding Company	Muhlenstrasse 26, 8200, Schaffhausen, Switzerland
nVent Solutions (UK) Limited	100%	Sales & Marketing	3 Rutherford Road, Stephenson Industrial Estate, Washington, Tyne and Wear, NE37 3HX, United Kingdom
nVent Teknoloji Sistemleri Ticaret Limited Sirketi	100%	Sales & Marketing	FSM Mah. Poligon Cad. no. 8 Buyaka 2 Sitesi 3 , no'lu Blok, daire: 90 , Tepeüstü-Ümraniye, Istanbul, Turkey
nVent Thermal (Shanghai) Co., Ltd.	100%	Sales & Marketing	20/F Innovation Building, No. 1009 Yi Shan Road, Shanghai, 200233, China
nVent Thermal (Shanghai) Engineering Co., Ltd.	100%	Service Company	20/F Innovation Building, No. 1009 Yi Shan Road, Shanghai, 200233, China
nVent Thermal Belgium NV	100%	Sales & Marketing	Romeinse Straat 14, 3001 Leuven (Heverlee), Belgium
nVent Thermal Canada Ltd.	100%	Manufacturing	1500 Royal Centre, 1055 West Georgia Street, P.O. Box 11117, Vancouver BC V6E 4N7, Canada
nVent Thermal Europe GmbH	100%	Holding Company	Muhlenstrasse 26, 8200, Schaffhausen, Switzerland
nVent Thermal France SAS	100%	Sales & Marketing	21-23 rue du Petit Albi, 95800, Cergy Saint Christophe, France
nVent Thermal Germany GmbH	100%	Sales & Marketing	Birlenbacher Str. 19-21, 57078, Siegen, Germany
nVent Thermal India Private Limited	100%	Manufacturing	6th Floor, Jolly Board Tower, D - Wing, I - Think Techno Campus, Opp. Crompton Greaves Plant, Kanjurmarg - East, Mumbai, Maharashtra, 400042, India
nVent Thermal Korea Ltd.	100%	Sales & Marketing	(Samseong-dong, Hyunjuk Building), 5F, 7, Seolleung-ro 94-gil, Gangnam-gu,, Seoul, , Korea, Republic of
nVent Thermal KZ LLP	100%	Sales & Marketing	4 "a" Smagulova Street, Atyrau, 060005, Kazakhstan
nVent Thermal LLC	100%	Manufacturing	899 Broadway Street, Redwood City CA 94063-3104, United States
nVent Thermal Netherlands B.V.	100%	Sales & Marketing	Van Heuven Goedhartlaan 117, 1181, Amstelveen, Netherlands
nVent Thermal Norway AS	100%	Sales & Marketing	Post Boks 7, 0622 Oslo, Norway
nVent Thermal Polska Sp. z.o.o.	100%	Sales & Marketing	ul. Cybernetyki, 19, 02-677, Warsaw, Poland
nVent Thermal Romania S.R.L.	100%	Sales & Marketing	Bulevardul Bucuresti, 39A, 3th floor, Ploiesti, Prahova, 100028, Romania

Company name	Percentage owned	Business purpose	Registered office address
nVent UK Holdings Limited	100%	Holding Company	8th Floor , The Mille, 1000 Great West Road, Brentford London, TW8 9DW, United Kingdom
Productos ERICO S.A.	100%	Sales & Marketing	Rambla Exposicio, No 61-69, Edificio Neapolis, Vilanova i la Geltru, 08800, Barcelona, Spain
Schroff Co. Ltd. Taiwan	100%	Dormant	13F-5 NO. 1, FU HSING N. Road , Taipei, ROC, Taiwan
Schroff GmbH	100%	Manufacturing	Langenalber Strasse 96-100, 75334, Straubenhardt, Germany
Schroff Holdings Germany GmbH	100%	Holding Company	Langenalber Strasse 96-100, 75334, Straubenhardt, Germany
Schroff SAS	100%	Manufacturing	Z.I. 4 rue du Marais, Boîte Postale 16, 67660, Betschdorf, France
Schroff, Inc.	100%	Manufacturing	170 Commerce Drive, Warwick RI 02886, United States
Steinhauer GmbH	100%	Manufacturing	St. Jobser Straße 47A, 52146 , Würselen, Germany
Tonka Bay Insurance Company	100%	Insurance Company	100 Bank Street, Suite 610, Burlington VT 05401, United States
Torgoterm AD	19%	Manufacturing	Eldon SRL, Prejmer Village, 4 Bruxelles Street, Prejmer Commune, Brasov County, Romania
Tracer Construction LLC	100%	Service Company	7433 Harwin Drive, Houston TX 77036, United States
Tracer Industries Canada Limited	100%	Service Company	11004 174th Street, Edmonton AB T5S 2P3, Canada
Tracer Industries Management LLC	100%	Service Company	7433 Harwin Drive, Houston TX 77036, United States
Tracer Industries, Inc.	100%	Holding Company	7433 Harwin Drive, Houston TX 77036, United States
Yabaida Electronics (Shenzhen) Company Limited	100%	Dormant	BEI QU 25# 2 LOU, Hi Tech Park, Nanshan District, Shenzhen, Guangdong, China

NVENT ELECTRIC PUBLIC LIMITED COMPANY

Company Financial Statements
For the financial year ended 31 December 2021

nVent Electric plc
Company Balance Sheet

In millions	Note	31 December 2021	31 December 2020
Financial assets			
Shares in group undertakings	3	$ 3,172	$ 3,155
Total financial assets		3,172	3,155
Current assets			
Prepaid expenses and other current assets		3	—
Amounts due from group undertakings		3	10
Total current assets		6	10
Creditors (amounts falling due within one year)			
Amounts owed to group undertakings		225	—
Other creditors		7	2
Total creditors (amounts falling due within one year)		232	2
Net current assets (liabilities)		(226)	8
Total assets less current liabilities		2,946	3,163
Net assets		$ 2,946	$ 3,163
Capital and reserves			
Called-up share capital presented as equity	5	$ 2	$ 2
Share premium account		59	36
Profit and loss account		2,841	3,095
Other reserves		44	30
Total shareholders' funds		$ 2,946	$ 3,163

The Company reported losses for the financial years ended 31 December 2021 and 2020 of $19 million and $14 million, respectively.

Approved by the Board of Directors on 2/25/2022 and signed on its behalf by:

/s/ Beth A. Wozniak
Director

/s/ Ronald L. Merriman
Director

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nVent Electric plc
Company Statement of Cash Flows

In millions	Financial year ended 31 December 2021	31 December 2020
Operating activities		
Net loss for the financial year	$ (19)	$ (14)
Change in debtors	(5)	2
Change in creditors	(1)	(2)
Change in amounts owed to and due from group undertakings	235	(64)
Net cash flows provided by (used in) operating activities	210	(78)
Investing activities		
Dividends received from subsidiaries	—	233
Net cash flows provided by (used in) investing activities	—	233
Financing activities		
Dividends paid	(118)	(119)
Repurchases of ordinary shares	(112)	(43)
Proceeds from shares issued to employees, net of shares withheld	20	7
Net cash flows provided by (used in) financing activities	(210)	(155)
Change in cash at bank and in hand	—	—
Cash at bank and in hand, beginning of the year	—	—
Cash at bank and in hand, end of the year	$ —	$ —

nVent Electric plc
Company Statement of Changes in Equity

In millions	Called up & fully paid share capital	Share premium account	Capital redemption reserve	Profit and loss account	Other reserves	Total
Balance - 31 December 2019	$ 2	$ 25	$ —	$ 3,271	$ 19	$ 3,317
Loss for the financial year	—	—	—	(14)	—	(14)
Repurchase of shares	—	—	—	(43)	—	(43)
Share-based compensation	—	—	—	—	15	15
Exercise of options, net of shares tendered for payment	—	11	—	—	—	11
Share surrendered by employees to pay taxes	—	—	—	—	(4)	(4)
Dividends paid	—	—	—	(119)	—	(119)
Balance - 31 December 2020	$ 2	$ 36	$ —	$ 3,095	$ 30	$ 3,163
Loss for the financial year	—	—	—	(19)	—	(19)
Repurchase of shares	—	—	—	(116)	—	(116)
Share-based compensation	—	—	—	—	17	17
Exercise of options, net of shares tendered for payment	—	23	—	—	—	23
Share surrendered by employees to pay taxes	—	—	—	—	(3)	(3)
Dividends paid	—	—	—	(119)	—	(119)
Balance - 31 December 2021	$ 2	$ 59	$ —	$ 2,841	$ 44	$ 2,946

In the prior year, the Board of Directors declared and paid dividends of $0.175 per share in each quarter of 2020, resulting in total dividends declared of $0.70 per share, or $119 million in 2020. Additionally, on 14 December 2020 the Board of Directors declared a quarterly cash dividend of $0.175 that was paid on 5 February 2021 to shareholders of record at the close of business on 22 January 2021. As this dividend was not approved by shareholders as of 31 December 2020, it did not meet the criteria to be provided for as a liability in the Company Balance Sheet. The amount paid on 5 February 2021 related to this dividend was $29 million.

In the current year, the Board of Directors declared and paid dividends of $0.175 per share in each quarter of 2021, resulting in total dividends declared of $0.70 per share, or $119 million in 2021. Additionally, on 13 December 2021 the Board of Directors declared a quarterly cash dividend of $0.175 that was paid on 4 February 2022 to shareholders of record at the close of business on 21 January 2022. As this dividend was not approved by shareholders as of 31 December 2021, it did not meet the criteria to be provided for as a liability in the Company Balance Sheet. The amount paid on 4 February 2021 related to this dividend was $31 million.

Note 13 of the consolidated Group financial statements provides additional details regarding Group shareholders' funds.

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1. Basis of Presentation and Summary of Significant Accounting Policies

General information and basis of accounting

nVent Electric plc ("nVent," "we," "us," "our" or the "Company") a public company limited by shares and is incorporated in the Republic of Ireland with its registered offices at 10 Earlsfort Terrace, Dublin, D02 T380, Ireland. Its registered number is 605257. The nature of the Company's operations and its principal activities are set out in the directors' report on page 1.

The parent company financial statements of the Company for the financial year ended 31 December 2021 and 2020 have been prepared in accordance with Financial Reporting Standards 102 ("FRS 102"), the Financial Reporting Standard applicable in the UK and Republic of Ireland ("relevant financial reporting framework") and the Companies Act 2014. These financial statements are prepared under FRS 102 as they are prepared specifically to comply with Irish legislative requirements and represent the results and financial position of the Company, which is incorporated and registered in the Ireland.

Functional currency

Items included in these financial statements are measured using the currency of the primary economic environment in which nVent Electric plc operates (the "functional currency"). The financial statements are presented in United States ("U.S.") dollars, which is the Company's functional and presentation currency.

Currency translation

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in profit or loss in the year in which they arise except for:

- exchange differences on transactions entered into to hedge certain foreign currency risks (see above); and
- exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive profit.

Shares in group undertakings

nVent Electric plc's investment in nVent Finance S.à r.l. ("NFSA") was recorded at fair value on 30 April 2018. The fair value was based on the Company's market capitalization at that date. This initial valuation became nVent Electric plc's cost basis for its investment in NFSA. The investment is tested for impairment if circumstances or indicators suggest that impairment may exist. The amount of impairment is the excess of the the asset's carrying amount over the higher of the value in use or the fair value less cost to sell.

Dividends

Dividends may only be declared and paid out of the profits available for distribution in accordance with applicable Irish company law. Any dividends, if and when declared, will be declared and paid in U.S. dollars. Total dividends paid during 2021 were $118 million, representing $0.70 per share, compared with $119 million, or $0.70 per share in 2020.

Redemption of Shares

Repurchase of the company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments.

Share-based compensation

The Company applies the requirements of FRS 102 Section 26 Share-Based Payment in accounting for all share-based compensation, consequently, the measurement and recognition of compensation expense for all share-based payment awards made to employees and directors is based on estimated fair values.

The Company issues equity-settled share options to certain employees of its subsidiaries. Equity-settled share-based payment transactions are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. Where this expense is not recharged by the Company to its subsidiaries, it is accounted for as a capital contribution included in Shares in group undertakings as reflected in Note 3.

Going concern

Note 1 of the consolidated Group financial statements provides details of directors evaluation of going concern. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Critical accounting judgments and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described above, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Given the nature of the company's operations and recorded transactions, the directors are of the opinion that there are no areas of critical judgment or key sources of estimation uncertainty in preparing the company financial statements.

2. Post Balance Sheet Events

There have been no post balance sheet events affecting the Company since the financial year end.

3. Shares in Group Undertakings

nVent plc owns 100% of the ordinary share capital of NFSA, which owns 100% of the ordinary share capital of nVent International Holding S.à r.l. The principal activity of nVent International Sa.r.l. is an investment Holding company. The Company's investment in NFSA was recorded at fair value on the date of the separation based on the Company's market capitalization at the date. This initial valuation became the Company's cost basis in nVent Electric plc. The table below presents a rollforward of activity during the financial years ended 31 December 2021 and 2020 within the investment in subsidiary account.

In millions

At 31 December 2019, at cost	**$**	3,374
Return of capital from NFSA		(233)
Investment in subsidiary undertakings - share based payments		14
At 31 December 2020, at cost	**$**	3,155
Return of capital from NFSA		—
Investment in subsidiary undertakings - share based payments		17
At 31 December 2021, at cost	**$**	3,172

In 2020, NFSA made a return of capital of $233 million to nVent Electric plc that were utilized to pay down amounts owed by nVent Electric plc to NFSA, primarily for dividend payments on ordinary shares and repurchases of ordinary shares.

The $17 million and $14 million of investments in subsidiary undertakings during 2021 and 2020, respectively, represents equity-settled share-based payment transactions not recharged to subsidiaries and recorded as a capital contribution for the financial years ended 31 December 2021 and 2020.

4. Guarantees and Contingencies

Indemnifications of officers and directors

The Company has indemnification agreements with the members of its Board of Directors to indemnify them to the extent permitted by law against any and all liabilities, costs, expenses, amounts paid in settlement and damages incurred by any director as a result of any lawsuit or any judicial, administrative or investigative proceeding brought against such director as a result of their service as a member of the Company's Board of Directors.

Debt

As of 31 December 2021, NFSA has drawn $107 million of $600 million available on the unsecured revolving credit facility expiring in 2026, $99 million of term loan facility outstanding due in 2026, and $800 million aggregate principal amount of senior notes outstanding comprised of the following: $500 million of 4.55% notes due in 2028 and $300 million of 2.75% notes due in 2031.

The Company is party to the revolving credit facility, term loan facility and senior notes are unconditionally guaranteed joint and severally on a senior unsecured basis by nVent Electric plc and its subsidiaries.

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Guarantees

In disposing of assets or businesses, the company often provides representations, warranties and indemnities to cover various risks including unknown damage to the assets, environmental risks involved in the sale of real estate, liability to investigate and remediate environmental contamination at waste disposal sites and manufacturing facilities and unidentified tax liabilities and legal fees related to periods prior to disposition. The company does not have the ability to reasonably estimate the potential liability due to the inchoate and unknown nature of these potential liabilities. However, we have no reason to believe that these uncertainties would have a material adverse effect on our financial position, results of operations or cash flows.

In the ordinary course of business, the company is required to commit to bonds, letters of credit and bank guarantees that require payments to our customers for any non-performance. The outstanding face value of these instruments fluctuates with the value of our projects in process and in our backlog. In addition, we issue financial stand-by letters of credit primarily to secure our performance to third parties under self-insurance programs.

As of 31 December 2021 and 2020, the outstanding value of bonds, letters of credit and bank guarantees totaled $38 million and $44 million, respectively.

5. Called up Share Capital Presented as Equity

Our authorized share capital consists of 400.0 million ordinary shares of $0.01 par value and 25,000 deferred shares of €1 par value. All issued share capital has been called up and fully paid. There were no changes in the authorized share capital since the prior financial year end.

Called up and fully paid share capital activity of the Company for the financial years ended 31 December 2021 and 2020 was as follows:

	Ordinary Shares	Deferred Ordinary Shares
Balance - 31 December 2019	169,492,538	24,999
Ordinary shares canceled upon repurchase	(2,284,061)	—
Exercise of options, net shares tendered for payment	701,282	—
Ordinary shares of $.01 par value issued for share-based compensation activity	447,546	—
Shares surrendered by employees to pay taxes	(175,258)	—
Balance - 31 December 2020	168,182,047	24,999
Ordinary shares canceled upon repurchase	(3,478,921)	—
Exercise of options, net shares tendered for payment	1,163,811	—
Ordinary shares of $.01 par value issued for share-based compensation activity	315,909	—
Shares surrendered by employees to pay taxes	(106,042)	—
Balance - 31 December 2021	166,076,804	24,999

Share repurchases

On 23 July 2018, the Board of Directors authorized the repurchase of our ordinary shares up to a maximum dollar limit of $500.0 million (the "2018 Authorization"). On 19 February 2019, the Board of Directors authorized the repurchase of our ordinary shares up to a maximum dollar limit of $380.0 million (the "2019 Authorization"). The 2018 Authorization and the 2019 Authorization expired on 23 July 2021.

On 14 May 2021, the Board of Directors authorized the repurchase of our ordinary shares up to a maximum dollar limit of $300.0 million (the "2021 Authorization"). The 2021 Authorization began on July 23, 2021 upon expiration of the 2018 Authorization and the 2019 Authorization, and expires on July 22, 2024.

During the year ended 31 December 2021, we repurchased 3.5 million of our ordinary shares (approximately 2.1% of our outstanding shares at 31 December 2021) for $116.1 million under the 2018 Authorization and 2021 Authorization, at prices ranging from $22 to $38 per share. During the year ended 31 December 2020, we repurchased 2.3 million of our ordinary shares for $43.2 million under the 2018 Authorization and 2021 Authorization, at prices ranging from $17 to $20 per share. All shares repurchased were subsequently canceled in the year acquired.

As of 31 December 2021, we had $203.9 million available for repurchases under the 2021 Authorization.

The repurchase of our ordinary shares under these authorizations from the Board of Directors vary from time to time, based on market conditions, allow management to return excess cash to enhance shareholder value.

6. Loss Attributable to nVent Electric plc

In accordance with Section 304(2) of the Companies Act 2014, the Company is availing of the exemption from presenting and filing its individual profit and loss account. The Company's loss for the financial years ended 31 December 2021 and 2020 as determined in accordance with FRS 102, the financial reporting standard applicable in the United Kingdom and Republic of Ireland, was $19 million and $14 million, respectively.

7. Directors' Remuneration

Note 25 of the consolidated Group financial statements provides details of directors' remuneration borne by the Company.

8. Auditor's Remuneration

Auditor's remuneration for the financial years ended 31 December 2021 and 2020 was as follows:

In millions	2021	2020
Audit of the entity financial statements	$ —	$ —
Other assurance services	0.2	0.2
Tax advisory services	—	—
Other non-audit services	—	—
Total auditor's remuneration	$ 0.2	$ 0.2

Note 26 of the consolidated Group financial statements provides additional details of fees paid by the Group.

9. Related Party Transactions

The Company has availed of the exemption provided in FRS 102 Section 33, Related Party Disclosures, for disclosure of transactions with subsidiary undertakings, 100% of whose voting rights are controlled within the Group. Consequently, the financial statements do not contain disclosures of such transactions with entities in the nVent Electric plc group.

The directors have determined that key management are the director group. Remuneration related to key management personnel is disclosed in Note 25 of the consolidated Group financial statements.

10. Subsidiary Undertakings

nVent Electric plc owns 100% of the ordinary share capital of NFSA, which owns 100% of the ordinary share capital of nVent International Holding S.à r.l. The principal activity of nVent International S.à r.l. is an investment holding company. All of nVent International Holding S.à r.l.'s subsidiaries are included in Note 28 of the consolidated Group financial statements.