

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended June 30, 2020

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 001-38265

nVent Electric plc

(Exact name of Registrant as specified in its charter)

Ireland

98-1391970

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification number)

The Mille, 1000 Great West Road, 8th Floor (East), London, TW8 9DW, United Kingdom

(Address of principal executive offices)

Registrant's telephone number, including area code: 44-20-3966-0279

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol	Name of each exchange on which registered
Ordinary Shares, nominal value \$0.01 per share	NVT	New York Stock Exchange

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§223.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

On June 30, 2020, 169,929,586 shares of Registrant's common stock were outstanding.

nVent Electric plc

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PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

nVent Electric plc Condensed Consolidated Statements of Income and Comprehensive Income (Unaudited)

	Three months ended		Six months ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
<i>In millions, except per-share data</i>				
Net sales	\$ 447.2	\$ 539.5	\$ 968.1	\$ 1,077.5
Cost of goods sold	286.9	327.3	612.5	655.4
Gross profit	160.3	212.2	355.6	422.1
Selling, general and administrative	104.3	113.1	227.4	233.2
Research and development	10.7	12.1	22.6	24.4
Operating income	45.3	87.0	105.6	164.5
Net interest expense	9.4	11.9	19.3	22.4
Other expense	0.7	1.0	1.5	1.9
Income before income taxes	35.2	74.1	84.8	140.2
Provision for income taxes	9.4	13.2	40.4	22.9
Net income	\$ 25.8	\$ 60.9	\$ 44.4	\$ 117.3
Comprehensive income, net of tax				
Net income	\$ 25.8	\$ 60.9	\$ 44.4	\$ 117.3
Changes in cumulative translation adjustment	6.6	3.2	(16.9)	6.2
Changes in market value of derivative financial instruments, net of tax	(4.8)	12.7	12.2	6.5
Comprehensive income	\$ 27.6	\$ 76.8	\$ 39.7	\$ 130.0
Earnings per ordinary share				
Basic	\$ 0.15	\$ 0.36	\$ 0.26	\$ 0.67
Diluted	\$ 0.15	\$ 0.35	\$ 0.26	\$ 0.67
Weighted average ordinary shares outstanding				
Basic	169.9	171.5	169.9	174.0
Diluted	170.4	173.0	170.7	175.6
Cash dividends paid per ordinary share	\$ 0.175	\$ 0.175	\$ 0.35	\$ 0.35

See accompanying notes to condensed consolidated financial statements.

nVent Electric plc
Condensed Consolidated Balance Sheets (Unaudited)

<i>In millions, except per-share data</i>	June 30, 2020	December 31, 2019
Assets		
Current assets		
Cash and cash equivalents	\$ 235.0	\$ 106.4
Accounts and notes receivable, net of allowances of \$6.5 and \$5.4, respectively	300.2	334.3
Inventories	247.5	244.7
Other current assets	100.4	113.3
Total current assets	883.1	798.7
Property, plant and equipment, net	276.8	284.5
Other assets		
Goodwill	2,297.3	2,279.1
Intangibles, net	1,139.6	1,160.5
Other non-current assets	115.6	117.5
Total other assets	3,552.5	3,557.1
Total assets	\$ 4,712.4	\$ 4,640.3
Liabilities and Equity		
Current liabilities		
Current maturities of long-term debt and short-term borrowings	\$ 20.0	\$ 17.5
Accounts payable	134.9	187.1
Employee compensation and benefits	61.5	71.9
Other current liabilities	169.8	185.7
Total current liabilities	386.2	462.2
Other liabilities		
Long-term debt	1,187.6	1,047.1
Pension and other post-retirement compensation and benefits	211.0	207.2
Deferred tax liabilities	253.8	237.8
Other non-current liabilities	95.6	93.5
Total liabilities	2,134.2	2,047.8
Equity		
Ordinary shares \$0.01 par value, 400.0 authorized, 169.9 and 169.5 issued at June 30, 2020 and December 31, 2019, respectively	1.7	1.7
Additional paid-in capital	2,508.3	2,502.7
Retained earnings	171.5	186.7
Accumulated other comprehensive loss	(103.3)	(98.6)
Total equity	2,578.2	2,592.5
Total liabilities and equity	\$ 4,712.4	\$ 4,640.3

See accompanying notes to condensed consolidated financial statements.

nVent Electric plc
Condensed Consolidated Statements of Cash Flows (Unaudited)

<i>In millions</i>	Six months ended	
	June 30, 2020	June 30, 2019
Operating activities		
Net income	\$ 44.4	\$ 117.3
Adjustments to reconcile net income to net cash provided by (used for) operating activities		
Depreciation	19.0	17.2
Amortization	32.0	30.2
Deferred income taxes	26.2	(2.2)
Share-based compensation	6.1	8.4
Changes in assets and liabilities, net of effects of business acquisitions		
Accounts and notes receivable	31.9	(7.6)
Inventories	(2.9)	(19.7)
Other current assets	10.0	(7.5)
Accounts payable	(49.3)	(44.0)
Employee compensation and benefits	(9.4)	(11.9)
Other current liabilities	(16.5)	(21.5)
Other non-current assets and liabilities	(1.0)	(0.9)
Net cash provided by (used for) operating activities	90.5	57.8
Investing activities		
Capital expenditures	(17.2)	(17.6)
Proceeds from sale of property and equipment	1.4	6.1
Acquisitions, net of cash acquired	(27.0)	—
Net cash provided by (used for) investing activities	(42.8)	(11.5)
Financing activities		
Net receipts of revolving long-term debt	150.0	119.0
Repayments of long-term debt	(7.5)	(5.0)
Dividends paid	(59.5)	(61.5)
Shares issued to employees, net of shares withheld	2.7	5.2
Repurchases of ordinary shares	(3.2)	(235.7)
Net cash provided by (used for) financing activities	82.5	(178.0)
Effect of exchange rate changes on cash and cash equivalents	(1.6)	(2.0)
Change in cash and cash equivalents	128.6	(133.7)
Cash and cash equivalents, beginning of period	106.4	159.0
Cash and cash equivalents, end of period	\$ 235.0	\$ 25.3

See accompanying notes to condensed consolidated financial statements.

nVent Electric plc
Condensed Consolidated Statements of Changes in Equity (Unaudited)

<i>In millions</i>	Ordinary shares		Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Total
	Number	Amount				
Balance - December 31, 2019	169.5	\$ 1.7	\$ 2,502.7	\$ 186.7	\$ (98.6)	\$ 2,592.5
Net income	—	—	—	18.6	—	18.6
Other comprehensive income (loss), net of tax	—	—	—	—	(6.5)	(6.5)
Dividends declared	—	—	—	(29.8)	—	(29.8)
Share repurchases	(0.2)	—	(3.2)	—	—	(3.2)
Exercise of options, net of shares tendered for payment	0.3	—	6.4	—	—	6.4
Issuance of restricted shares, net of cancellations	0.3	—	—	—	—	—
Shares surrendered by employees to pay taxes	(0.1)	—	(3.3)	—	—	(3.3)
Share-based compensation	—	—	1.9	—	—	1.9
Balance - March 31, 2020	169.8	\$ 1.7	\$ 2,504.5	\$ 175.5	\$ (105.1)	\$ 2,576.6
Net income	—	—	—	25.8	—	25.8
Other comprehensive income (loss), net of tax	—	—	—	—	1.8	1.8
Dividends declared	—	—	—	(29.8)	—	(29.8)
Exercise of options, net of shares tendered for payment	—	—	0.2	—	—	0.2
Issuance of restricted shares, net of cancellations	0.1	—	—	—	—	—
Shares surrendered by employees to pay taxes	—	—	(0.6)	—	—	(0.6)
Share-based compensation	—	—	4.2	—	—	4.2
Balance - June 30, 2020	169.9	\$ 1.7	\$ 2,508.3	\$ 171.5	\$ (103.3)	\$ 2,578.2

<i>In millions</i>	Ordinary shares		Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Total
	Number	Amount				
Balance - December 31, 2018	177.2	\$ 1.8	\$ 2,709.7	\$ 83.4	\$ (107.8)	\$ 2,687.1
Net income	—	—	—	56.4	—	56.4
Other comprehensive income (loss), net of tax	—	—	—	—	(3.2)	(3.2)
Dividends declared	—	—	—	(30.6)	—	(30.6)
Share repurchases	(3.0)	(0.1)	(79.8)	—	—	(79.9)
Exercise of options, net of shares tendered for payment	0.3	—	3.6	—	—	3.6
Issuance of restricted shares, net of cancellations	0.3	—	—	—	—	—
Shares surrendered by employees to pay taxes	(0.1)	—	(2.6)	—	—	(2.6)
Share-based compensation	—	—	4.3	—	—	4.3
Balance - March 31, 2019	174.7	\$ 1.7	\$ 2,635.2	\$ 109.2	\$ (111.0)	\$ 2,635.1
Net income	—	—	—	60.9	—	60.9
Other comprehensive income (loss), net of tax	—	—	—	—	15.9	15.9
Dividends declared	—	—	—	(29.6)	—	(29.6)
Share repurchases	(5.9)	—	(152.8)	—	—	(152.8)
Exercise of options, net of shares tendered for payment	0.3	—	4.8	—	—	4.8
Shares surrendered by employees to pay taxes	—	—	(0.6)	—	—	(0.6)
Share-based compensation	—	—	4.1	—	—	4.1
Balance - June 30, 2019	169.1	\$ 1.7	\$ 2,490.7	\$ 140.5	\$ (95.1)	\$ 2,537.8

See accompanying notes to condensed consolidated financial statements.

1. Basis of Presentation and Responsibility for Interim Financial Statements

Business

nVent Electric plc ("nVent," "we," "us," "our" or the "Company") is a leading global provider of electrical connection and protection solutions. The Company is comprised of three reporting segments: Enclosures, Thermal Management and Electrical & Fastening Solutions.

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.

Separation from Pentair

On April 30, 2018, Pentair plc ("Pentair" or "former Parent") 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 is an independent publicly-traded company and began "regular way" trading under the symbol "NVT" on the New York Stock Exchange on May 1, 2018.

Basis of presentation

The accompanying unaudited condensed consolidated financial statements of nVent have been prepared following the requirements of the Securities and Exchange Commission ("SEC") for interim reporting. As permitted under those rules, certain footnotes or other financial information that are normally required by accounting principles generally accepted in the United States of America ("GAAP") can be condensed or omitted.

We are responsible for the unaudited condensed consolidated financial statements included in this document. The financial statements include all normal recurring adjustments that are considered necessary for the fair presentation of our financial position and operating results. As these are condensed financial statements, one should also read our consolidated and combined financial statements and notes thereto, which are included in our Annual Report on Form 10-K for the year ended December 31, 2019.

Revenues, expenses, cash flows, assets and liabilities can and do vary during each quarter of the year. Additionally, in March 2020, the World Health Organization declared novel coronavirus 2019 ("COVID-19") a pandemic. The effects of the COVID-19 pandemic have had and may continue to have an unfavorable impact on our business. The broader implication of COVID-19 on our results of operations and overall financial performance remains uncertain. We may experience reduced customer demand or constrained supply that could materially adversely impact our business, financial condition, results of operations and overall financial performance in future periods. Therefore, the results and trends in these interim financial statements may not be indicative of those for a full year.

Adoption of new accounting standards

In March 2020, the SEC amended Rule 3-10 of Regulation S-X regarding financial disclosure requirements for registered debt offerings involving subsidiaries as either issuers or guarantors. This amended rule narrows the circumstances that require separate financial statements or summarized financial disclosures of subsidiary issuers and guarantors and simplifies the summarized disclosures required in lieu of those statements. As a result of this amended rule, we have included narrative disclosures in lieu of separate financial statements and summarized financial disclosures as amounts presented would not be material because the guarantor and subsidiary issuer do not have material independent assets and operations unrelated to investments in consolidated subsidiaries.

nVent Electric plc
Notes to condensed consolidated financial statements (unaudited)
2. Revenue
Disaggregation of revenue

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

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

Three months ended June 30, 2020					
<i>In millions</i>	Enclosures	Thermal Management	Electrical & Fastening Solutions	Total	
U.S. and Canada	\$ 140.8	\$ 51.2	\$ 100.6	\$	292.6
Developed Europe ⁽¹⁾	55.5	24.0	21.4		100.9
Developing ⁽²⁾	19.6	16.4	6.3		42.3
Other Developed ⁽³⁾	3.4	4.2	3.8		11.4
Total	\$ 219.3	\$ 95.8	\$ 132.1	\$	447.2

Six months ended June 30, 2020					
<i>In millions</i>	Enclosures	Thermal Management	Electrical & Fastening Solutions	Total	
U.S. and Canada	\$ 314.9	\$ 121.8	\$ 203.1	\$	639.8
Developed Europe ⁽¹⁾	117.4	53.6	48.6		219.6
Developing ⁽²⁾	39.0	33.3	15.0		87.3
Other Developed ⁽³⁾	6.5	7.6	7.3		21.4
Total	\$ 477.8	\$ 216.3	\$ 274.0	\$	968.1

Three months ended June 30, 2019					
<i>In millions</i>	Enclosures	Thermal Management	Electrical & Fastening Solutions	Total	
U.S. and Canada	\$ 186.1	\$ 73.4	\$ 109.6	\$	369.1
Developed Europe ⁽¹⁾	47.5	30.2	28.2		105.9
Developing ⁽²⁾	23.6	21.9	9.5		55.0
Other Developed ⁽³⁾	2.8	3.3	3.4		9.5
Total	\$ 260.0	\$ 128.8	\$ 150.7	\$	539.5

Six months ended June 30, 2019					
<i>In millions</i>	Enclosures	Thermal Management	Electrical & Fastening Solutions	Total	
U.S. and Canada	\$ 366.5	\$ 157.3	\$ 207.0	\$	730.8
Developed Europe ⁽¹⁾	98.4	65.3	54.8		218.5
Developing ⁽²⁾	45.3	42.9	19.6		107.8
Other Developed ⁽³⁾	5.3	8.4	6.7		20.4
Total	\$ 515.5	\$ 273.9	\$ 288.1	\$	1,077.5

⁽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.

nVent Electric plc
Notes to condensed consolidated financial statements (unaudited)

Vertical net sales information was as follows:

Three months ended June 30, 2020					
<i>In millions</i>	Enclosures	Thermal Management	Electrical & Fastening Solutions	Total	
Industrial	\$ 133.6	\$ 35.7	\$ 25.9	\$	195.2
Commercial & Residential	23.7	32.8	72.1		128.6
Energy	18.5	26.1	15.4		60.0
Infrastructure	43.5	1.2	18.7		63.4
Total	\$ 219.3	\$ 95.8	\$ 132.1	\$	447.2

Six months ended June 30, 2020					
<i>In millions</i>	Enclosures	Thermal Management	Electrical & Fastening Solutions	Total	
Industrial	\$ 290.1	\$ 82.2	\$ 51.9	\$	424.2
Commercial & Residential	55.4	72.6	154.2		282.2
Energy	45.3	58.7	30.4		134.4
Infrastructure	87.0	2.8	37.5		127.3
Total	\$ 477.8	\$ 216.3	\$ 274.0	\$	968.1

Three months ended June 30, 2019					
<i>In millions</i>	Enclosures	Thermal Management	Electrical & Fastening Solutions	Total	
Industrial	\$ 154.8	\$ 54.7	\$ 29.9	\$	239.4
Commercial & Residential	26.7	39.9	87.9		154.5
Energy	26.2	31.9	14.7		72.8
Infrastructure	52.3	2.3	18.2		72.8
Total	\$ 260.0	\$ 128.8	\$ 150.7	\$	539.5

Six months ended June 30, 2019					
<i>In millions</i>	Enclosures	Thermal Management	Electrical & Fastening Solutions	Total	
Industrial	\$ 309.9	\$ 113.4	\$ 56.6	\$	479.9
Commercial & Residential	49.3	84.4	167.8		301.5
Energy	52.1	72.0	28.2		152.3
Infrastructure	104.2	4.1	35.5		143.8
Total	\$ 515.5	\$ 273.9	\$ 288.1	\$	1,077.5

Contract balances

Contract assets and liabilities consisted of the following:

<i>In millions</i>	June 30, 2020	December 31, 2019	\$ Change	% Change
Contract assets	\$ 56.1	\$ 69.4	\$ (13.3)	(19.2)%
Contract liabilities	13.1	13.7	(0.6)	(4.4)%
Net contract assets	\$ 43.0	\$ 55.7	\$ (12.7)	(22.8)%

nVent Electric plc
Notes to condensed consolidated financial statements (unaudited)

The \$12.7 million decrease in net contract assets from December 31, 2019 to June 30, 2020 was primarily the result of timing of milestone payments. The majority of our contract liabilities at December 31, 2019 were recognized in revenue during the six months ended June 30, 2020. There were no material impairment losses recognized on our contract assets for the three months or six months ended June 30, 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 June 30, 2020, we had \$98.5 million of remaining performance obligations on contracts with an 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 12 to 18 months.

3. Restructuring

During the six months ended June 30, 2020 and the year ended December 31, 2019, we initiated and continued execution of certain business restructuring initiatives aimed at reducing our fixed cost structure and realigning our business. Specifically in the first six months of 2020, certain initiatives were executed in response to the decrease in expected demand attributed to the effect of the COVID-19 pandemic and significant decline in oil and gas prices. Restructuring initiatives during the six months ended June 30, 2020 included the reduction in hourly and salaried headcount of approximately 200 employees.

Restructuring related costs included in *Selling, general and administrative expense* in the Condensed Consolidated Statements of Income and Comprehensive Income included costs for severance and other restructuring costs as follows:

<i>In millions</i>	Three months ended		Six months ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Severance and related costs	\$ 2.7	\$ 0.7	\$ 6.2	\$ 3.5
Other	0.3	0.4	1.1	1.2
Total restructuring costs	\$ 3.0	\$ 1.1	\$ 7.3	\$ 4.7

Other restructuring costs primarily consist of asset impairment and various contract termination costs.

Restructuring costs by reportable segment were as follows:

<i>In millions</i>	Three months ended		Six months ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Enclosures	\$ 1.1	\$ 0.1	\$ 4.2	\$ 0.1
Thermal Management	1.5	0.8	2.6	2.8
Electrical & Fastening Solutions	0.1	0.1	0.1	1.0
Other	0.3	0.1	0.4	0.8
Total	\$ 3.0	\$ 1.1	\$ 7.3	\$ 4.7

Activity related to accrued severance and related costs recorded in *Other current liabilities* in the Condensed Consolidated Balance Sheets is summarized as follows for the six months ended June 30, 2020:

<i>In millions</i>	
Beginning balance	\$ 9.5
Costs incurred	6.2
Cash payments and other	(6.7)
Ending balance	\$ 9.0

4. Earnings Per Share

Basic and diluted earnings per share were calculated as follows:

	Three months ended		Six months ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
<i>In millions, except per-share data</i>				
Net income	\$ 25.8	\$ 60.9	\$ 44.4	\$ 117.3
Weighted average ordinary shares outstanding				
Basic	169.9	171.5	169.9	174.0
Dilutive impact of stock options, restricted stock units and performance share units	0.5	1.5	0.8	1.6
Diluted	170.4	173.0	170.7	175.6
Earnings per ordinary share				
Basic earnings per ordinary share	\$ 0.15	\$ 0.36	\$ 0.26	\$ 0.67
Diluted earnings per ordinary share	\$ 0.15	\$ 0.35	\$ 0.26	\$ 0.67
Anti-dilutive stock options excluded from the calculation of diluted earnings per share	4.5	2.1	3.4	2.0

5. Acquisitions

On August 30, 2019, we completed the acquisition of Eldon Holding AB ("Eldon") for \$127.8 million, net of cash acquired. Eldon, now part of our Enclosures segment, is an innovative European based manufacturer of enclosures that protect sensitive electrical, electronic and data and telecommunications components.

The excess purchase price over tangible net assets and identified intangible assets acquired has been preliminarily allocated to goodwill in the amount of \$50.6 million, none of which is expected to be deductible for income tax purposes. Identifiable intangible assets acquired included \$46.7 million of definite-lived customer relationships with an estimated useful life of 17 years. The preliminary purchase price allocation is subject to further refinement, primarily related to the impacts associated with income taxes and other accruals.

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 & 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 \$13.8 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.

The pro forma impact of these acquisitions is not material.

6. Goodwill and Other Identifiable Intangible Assets

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

<i>In millions</i>	December 31, 2019	Acquisitions/ divestitures	Foreign currency translation/other	June 30, 2020
Enclosures	\$ 315.4	\$ 5.6	\$ 0.4	\$ 321.4
Thermal Management	925.5	—	(1.6)	923.9
Electrical & Fastening Solutions	1,038.2	13.8	—	1,052.0
Total goodwill	\$ 2,279.1	\$ 19.4	\$ (1.2)	\$ 2,297.3

Identifiable intangible assets consisted of the following:

<i>In millions</i>	June 30, 2020			December 31, 2019		
	Cost	Accumulated amortization	Net	Cost	Accumulated amortization	Net
Definite-life intangibles						
Customer relationships	\$ 1,207.0	\$ (356.9)	\$ 850.1	\$ 1,197.9	\$ (326.1)	\$ 871.8
Proprietary technology and patents	16.3	(8.1)	8.2	14.8	(7.4)	7.4
Total definite-life intangibles	1,223.3	(365.0)	858.3	1,212.7	(333.5)	879.2
Indefinite-life intangibles						
Trade names	281.3	—	281.3	281.3	—	281.3
Total intangibles	\$ 1,504.6	\$ (365.0)	\$ 1,139.6	\$ 1,494.0	\$ (333.5)	\$ 1,160.5

Identifiable intangible asset amortization expense was \$16.0 million and \$15.1 million for the three months ended June 30, 2020 and 2019, respectively and \$32.0 million and \$30.2 million for the six months ended June 30, 2020 and 2019, respectively.

Estimated future amortization expense for identifiable intangible assets during the remainder of 2020 and the next five years is as follows:

<i>In millions</i>	Q3-Q4					
	2020	2021	2022	2023	2024	2025
Estimated amortization expense	\$ 32.0	\$ 63.0	\$ 62.9	\$ 62.7	\$ 62.1	\$ 62.1

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Notes to condensed consolidated financial statements (unaudited)
7. Supplemental Balance Sheet Information

<i>In millions</i>	June 30, 2020	December 31, 2019
Inventories		
Raw materials and supplies	\$ 71.6	\$ 67.1
Work-in-process	25.8	25.6
Finished goods	150.1	152.0
Total inventories	\$ 247.5	\$ 244.7
Other current assets		
Contract assets	\$ 56.1	\$ 69.4
Prepaid expenses	32.3	32.5
Prepaid income taxes	9.4	9.0
Other current assets	2.6	2.4
Total other current assets	\$ 100.4	\$ 113.3
Property, plant and equipment, net		
Land and land improvements	\$ 39.8	\$ 40.6
Buildings and leasehold improvements	177.3	181.6
Machinery and equipment	450.5	440.4
Construction in progress	17.6	16.5
Total property, plant and equipment	685.2	679.1
Accumulated depreciation and amortization	408.4	394.6
Total property, plant and equipment, net	\$ 276.8	\$ 284.5
Other non-current assets		
Deferred compensation plan assets	\$ 16.3	\$ 17.3
Lease right-of-use assets	47.3	44.2
Deferred tax assets	24.8	40.9
Other non-current assets	27.2	15.1
Total other non-current assets	\$ 115.6	\$ 117.5
Other current liabilities		
Dividends payable	\$ 29.7	\$ 29.7
Accrued rebates	31.5	44.1
Contract liabilities	13.1	13.7
Accrued taxes payable	19.2	24.8
Current lease liabilities	14.4	14.7
Other current liabilities	61.9	58.7
Total other current liabilities	\$ 169.8	\$ 185.7
Other non-current liabilities		
Income taxes payable	\$ 34.3	\$ 31.9
Deferred compensation plan liabilities	16.3	17.3
Non-current lease liabilities	37.1	33.7
Other non-current liabilities	7.9	10.6
Total other non-current liabilities	\$ 95.6	\$ 93.5

8. 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 in relation to our reporting currency, the U.S. dollar. We manage our economic and transaction exposure to certain market-based risks through the use of foreign currency derivative financial instruments. 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.

At June 30, 2020 and December 31, 2019, we had outstanding foreign currency derivative contracts with gross notional U.S. dollar equivalent amounts of \$38.4 million and \$34.5 million, respectively. The impact of these contracts on the Condensed Consolidated Statements of Income and Comprehensive Income was not material for any period presented.

Cross currency swaps

At both June 30, 2020 and December 31, 2019, we had outstanding cross currency swap agreements with a combined notional amount of \$303.5 million. The agreements are accounted for as either cash flow hedges, to hedge foreign currency fluctuations on certain intercompany debt, or as net investment hedges, to manage our exposure to fluctuations in the Euro-U.S. Dollar exchange rate. At June 30, 2020 and December 31, 2019, we had deferred foreign currency gains of \$14.1 million and \$1.9 million, respectively, in *Accumulated other comprehensive loss* associated with our cross currency swap activity.

Fair value of financial instruments

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

- *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;
- *foreign currency contract 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 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 underlying securities owned by the fund divided by the number of shares outstanding.

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Notes to condensed consolidated financial statements (unaudited)

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

<i>In millions</i>	June 30, 2020		December 31, 2019	
	Recorded Amount	Fair Value	Recorded Amount	Fair Value
Variable rate debt	\$ 412.1	\$ 412.1	\$ 269.6	\$ 269.6
Fixed rate debt	800.0	897.6	800.0	863.5
Total debt	\$ 1,212.1	\$ 1,309.7	\$ 1,069.6	\$ 1,133.1

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

Recurring fair value measurements

<i>In millions</i>	June 30, 2020				
	Level 1	Level 2	Level 3	NAV	Total
Foreign currency contract liabilities	\$ —	\$ (0.1)	\$ —	\$ —	\$ (0.1)
Foreign currency contract assets	—	14.6	—	—	14.6
Deferred compensation plan assets	12.0	—	—	4.3	16.3
Total recurring fair value measurements	\$ 12.0	\$ 14.5	\$ —	\$ 4.3	\$ 30.8

Recurring fair value measurements

<i>In millions</i>	December 31, 2019				
	Level 1	Level 2	Level 3	NAV	Total
Foreign currency contract liabilities	\$ —	\$ (3.4)	\$ —	\$ —	\$ (3.4)
Foreign currency contract assets	—	7.6	—	—	7.6
Deferred compensation plan assets	12.8	—	—	4.5	17.3
Total recurring fair value measurements	\$ 12.8	\$ 4.2	\$ —	\$ 4.5	\$ 21.5

9. Debt

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

<i>In millions</i>	Average interest rate at June 30, 2020	Maturity Year	June 30, 2020	December 31, 2019
Revolving credit facility	1.559%	2023	\$ 284.6	\$ 134.6
Senior notes - fixed rate	3.950%	2023	300.0	300.0
Senior notes - fixed rate	4.550%	2028	500.0	500.0
Term loan facility	1.555%	2023	127.5	135.0
Unamortized debt issuance costs and discounts	N/A	N/A	(4.5)	(5.0)
Total debt			1,207.6	1,064.6
Less: Current maturities and short-term borrowings			(20.0)	(17.5)
Long-term debt			\$ 1,187.6	\$ 1,047.1

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" and, collectively with the 2023 Notes, the "Notes"). Interest on the Notes is payable semi-annually in arrears on April 15 and October 15 of each year.

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Notes to condensed consolidated financial statements (unaudited)

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 SEC.

Senior credit facilities

In March 2018, nVent Finance entered into a credit agreement with a syndicate of banks providing for a five-year \$200.0 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"). We have 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.

In March 2020, as a proactive measure to maximize our liquidity in response to the effect of the COVID-19 pandemic, we drew down \$150.0 million on our Revolving Credit Facility. The proceeds remain available to be used for working capital, general corporate or other purposes. Total availability under the Revolving Credit Facility was \$315.4 million as of June 30, 2020.

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 to exceed 3.75 to 1.00 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 June 30, 2020, 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, excluding unamortized issuance costs and discounts, at June 30, 2020 matures on a calendar year basis as follows:

In millions	Q3-Q4							
	2020	2021	2022	2023	2024	2025	Thereafter	Total
Contractual debt obligation maturities	\$ 10.0	\$ 20.0	\$ 20.0	\$ 662.1	\$ —	\$ —	\$ 500.0	\$ 1,212.1

10. Income Taxes

The effective income tax rate for the six months ended June 30, 2020 was 47.6%, compared to 16.3% for the six months ended June 30, 2019. The liability for uncertain tax positions was \$19.4 million and \$17.0 million at June 30, 2020 and December 31, 2019, respectively. We record penalties and interest related to unrecognized tax benefits in *Provision for income taxes* and *Net interest expense*, respectively, on the Condensed Consolidated Statements of Income and Comprehensive Income, which is consistent with our past practices.

Valuation allowances are recorded to reduce the amount of deferred tax assets in jurisdictions where, based on the weight of information available to us, we determine that it is more likely than not the related tax benefits will not be realized. In the six-month period ended June 30, 2020, as a result of the assessment of the available information, we established a valuation allowance of \$19.4 million on certain foreign deferred tax assets.

On March 27, 2020, the United States enacted the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") in response to the COVID-19 pandemic. The CARES Act contains numerous income tax provisions, such as relaxing limitations on the deductibility of interest and the ability to carryback net operating losses arising in taxable years from 2018 through 2020. The CARES Act provisions provided a permanent cash benefit of \$7.5 million, offset by base erosion and anti-abuse tax of \$1.1 million related to 2019 that was recorded as a discrete tax item in the first quarter of 2020.

In April 2020, the Internal Revenue Service released final regulations as part of the Tax Cuts and Jobs Act of 2017 that place limitations on the deductibility of certain interest expense for U.S. tax purposes retroactively to 2019. These regulations resulted in a discrete tax expense of approximately \$4.5 million in the second quarter of 2020.

11. Shareholders' Equity

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 and 2019 Authorizations expire on July 23, 2021.

During the six months ended June 30, 2020, we repurchased 0.2 million of our ordinary shares for \$3.2 million under the 2018 Authorization. During the six months ended June 30, 2019, we repurchased 9.0 million of our ordinary shares for \$232.7 million, respectively, under the 2018 Authorization.

As of June 30, 2020, we have \$585.1 million available for share repurchases under the combined 2018 and 2019 Authorizations which total \$880.0 million.

In March 2020, to enhance our liquidity position in response to the COVID-19 pandemic, we elected to temporarily suspend any share repurchases under our existing share repurchase program. In July 2020, we lifted the temporary suspension of share repurchases. The existing program remains authorized by the Board of Directors and we may resume share repurchases in the future at any time, depending upon market conditions, our capital needs and other factors.

Dividends payable

On May 14, 2020, the Board of Directors declared a quarterly cash dividend of \$0.175 per ordinary share payable on August 7, 2020, to shareholders of record at the close of business on July 24, 2020. The balance of dividends payable included in *Other current liabilities* on our Condensed Consolidated Balance Sheets was \$29.7 million at both June 30, 2020 and December 31, 2019.

12. Segment Information

We evaluate performance based on 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, acquisition related expenses, costs of restructuring activities, impairments and other unusual non-operating items.

Financial information by reportable segment is as follows:

<i>In millions</i>	Three months ended		Six months ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Net sales				
Enclosures	\$ 219.3	\$ 260.0	\$ 477.8	\$ 515.5
Thermal Management	95.8	128.8	216.3	273.9
Electrical & Fastening Solutions	132.1	150.7	274.0	288.1
Total	\$ 447.2	\$ 539.5	\$ 968.1	\$ 1,077.5
Segment income (loss)				
Enclosures	\$ 28.2	\$ 48.2	\$ 69.1	\$ 93.8
Thermal Management	14.4	25.3	34.7	59.6
Electrical & Fastening Solutions	34.7	41.6	68.2	72.8
Other	(9.0)	(10.3)	(22.2)	(25.2)
Total	\$ 68.3	\$ 104.8	\$ 149.8	\$ 201.0

The following table presents a reconciliation of segment income to income before income taxes:

<i>In millions</i>	Three months ended		Six months ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Segment income	\$ 68.3	\$ 104.8	\$ 149.8	\$ 201.0
Intangible amortization	(16.0)	(15.1)	(32.0)	(30.2)
Restructuring and other	(6.2)	(2.7)	(10.5)	(6.3)
Acquisition transaction and integration costs	(0.8)	—	(1.7)	—
Net interest expense	(9.4)	(11.9)	(19.3)	(22.4)
Other expense	(0.7)	(1.0)	(1.5)	(1.9)
Income before income taxes	\$ 35.2	\$ 74.1	\$ 84.8	\$ 140.2

nVent Electric plc
Notes to condensed consolidated financial statements (unaudited)
13. 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 three months ended June 30, 2020 and June 30, 2019, rent expense was \$5.0 million and \$4.9 million, respectively. During the six months ended June 30, 2020 and June 30, 2019, rent expense was \$10.1 million and \$9.1 million, respectively. Rent expense figures are 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. The weighted average remaining lease term and weighted average discount rate were as follows:

	June 30, 2020	June 30, 2019
Weighted average remaining lease term		
Operating leases	5 years	5 years
Weighted average discount rate		
Operating leases	3.8 %	4.5 %

Future lease payments under non-cancelable operating leases as of June 30, 2020 were as follows:

In millions

Remainder of 2020	\$	8.8
2021		14.3
2022		10.1
2023		6.5
2024		4.8
2025		4.2
Thereafter		9.8
Total lease payments	\$	58.5
Less imputed interest		(7.0)
Total reported lease liability	\$	51.5

As of June 30, 2020, we have no material additional operating leases that have not yet commenced.

Supplemental cash flow information related to operating leases were as follows:

	Six months ended	
	June 30, 2020	June 30, 2019
Cash paid for amounts included in the measurement of lease liabilities	\$ 9.2	\$ 8.5
Lease right-of-use assets obtained in exchange for new lease liabilities	6.9	3.6

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

<i>In millions</i>	Classification	June 30, 2020		December 31, 2019	
Assets					
Lease right-of-use assets	Other non-current assets	\$	47.3	\$	44.2
Liabilities					
Current lease liabilities	Other current liabilities	\$	14.4	\$	14.7
Non-current lease liabilities	Other non-current liabilities		37.1		33.7
Total lease liabilities		\$	51.5	\$	48.4

14. 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 June 30, 2020 and December 31, 2019 was not material.

Stand-by letters of credit, bank guarantees and bonds

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 June 30, 2020 and December 31, 2019, the outstanding value of bonds, letters of credit and bank guarantees totaled \$69.4 million and \$70.0 million, respectively.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-looking Statements

This report contains statements that we believe to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact are forward-looking statements. Without limitation, any statements preceded or followed by or that include the words "targets," "plans," "believes," "expects," "intends," "will," "likely," "may," "anticipates," "estimates," "projects," "should," "would," "positioned," "strategy," "future," "forecast" or words, phrases or terms of similar substance or the negative thereof, are forward-looking statements. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, assumptions and other factors, some of which are beyond our control, which could cause actual results to differ materially from those expressed or implied by such forward-looking statements. These factors include adverse effects on our business operations or financial results, including due to the impact of the novel coronavirus 2019 ("COVID-19") pandemic; overall global economic and business conditions impacting our business; the ability to achieve the benefits of our restructuring plans; the ability to successfully identify, finance, complete and integrate acquisitions; competition and pricing pressures in the markets we serve, including the impacts of tariffs; volatility in currency exchange rates and commodity prices; inability to generate savings from excellence in operations initiatives consisting of lean enterprise, supply management and cash flow practices; increased risks associated with operating foreign businesses; the ability to deliver backlog and win future project work; failure of markets to accept new product introductions and enhancements; the impact of changes in laws and regulations, including those that limit U.S. tax benefits; the outcome of litigation and governmental proceedings; and the ability to achieve our long-term strategic operating goals. Additional information concerning these and other factors is contained in our filings with the U.S. Securities and Exchange Commission (the "SEC"), including this Quarterly Report on Form 10-Q and ITEM 1A. of our Annual Report on Form 10-K for the year ended December 31, 2019. All forward-looking statements speak only as of the date of this report. nVent Electric plc assumes no obligation, and disclaims any obligation, to update the information contained in this report.

Overview

The terms "us," "we," "our," "the Company" or "nVent" refer to nVent Electric plc. nVent 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.

We classify our operations into business segments based primarily on types of products offered and markets served. We operate across three segments: Enclosures, Thermal Management and Electrical & Fastening Solutions, which represented approximately 50%, 22% and 28% of total revenues during the first six months of 2020, respectively.

- **Enclosures**—The Enclosures segment provides innovative solutions to connect and protect critical controls 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, aerospace and defense applications in industrial, infrastructure, energy and commercial verticals.
- **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 de-icing 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.
- **Electrical & Fastening Solutions**—The Electrical & Fastening Solutions segment provides fastening solutions that connect and protect electrical and mechanical systems and civil structures. Its engineered electrical and fastening products are innovative cost efficient and labor saving connections that are used across a wide range of verticals, including commercial, industrial, infrastructure and energy.

On April 30, 2018, Pentair plc ("Pentair" or "former Parent") 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 is an independent publicly-traded company and began regular way trading under the symbol "NVT" on the New York Stock Exchange on May 1, 2018.

On August 30, 2019, as part of our Enclosures segment, we completed the acquisition of Eldon Holding AB ("Eldon") for \$127.8 million, net of cash acquired. Eldon is an innovative European based manufacturer of enclosures that protect sensitive electrical, electronic and data and telecommunications components.

On February 10, 2020, we acquired substantially all of the assets of WBT LLC ("WBT") for approximately \$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 & Fastening Solutions segment and nVent HOFFMAN product line within our Enclosures segment.

COVID-19

In March 2020, the World Health Organization declared COVID-19 a pandemic. COVID-19 has resulted, and is likely to continue to result, in significant economic disruption and has adversely affected, and is likely to 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. Significant uncertainty exists concerning the duration and magnitude of the impact of the COVID-19 pandemic on our business, but the effects of the COVID-19 pandemic have had an unfavorable impact on our business, and we anticipate that the global health crisis and related actions will negatively impact business activity globally.

Our top priority remains the safety and well-being of our employees. We have implemented safety and hygiene processes at our manufacturing and distribution locations to help keep our employees safe, including separation of shifts and workstations, temperature monitoring in most locations, and other recommended practices. We have also taken actions to help keep our non-manufacturing employees safe, including: directing employees to work from home, wherever possible, limiting and screening visitors to our facilities, travel restrictions, canceling events that involve large groups of people, encouraging social distancing best practices, and enhanced cleaning in our facilities. All of our facilities have a COVID-19 readiness plan, and we have also launched updated wellness programs for employees. We expect to continue to implement these measures until we determine that the COVID-19 pandemic is adequately contained for purposes of our business, and we may take further actions as government authorities require or recommend, or as we determine to be in the best interests of our employees.

We also remain focused on continuing to serve our customers and support critical industries and essential infrastructure such as medical, data centers and networking solutions, energy and defense, among others. Government mandated measures providing for business curtailments or shutdowns have generally excluded certain essential businesses and services, including businesses that manufacture and sell products or services that are considered essential to daily lives, or otherwise operate in essential or critical sectors. While substantially all of our facilities are considered essential and have remained operational, we have experienced intermittent partial or full factory closures at certain facilities as a result of these measures or the need to sanitize the facilities and address employee well-being. As of the date of this filing, all of our manufacturing sites are operational and we have not experienced any significant disruptions to our supply chain. We have experienced and expect to continue to experience reductions in customer demand in several end-markets across our business segments. In the second quarter of 2020, organic sales declined by approximately 22%, which was primarily attributable to the adverse impacts of the pandemic.

In response to the adverse effects of the pandemic, we have taken, and expect to continue to take, actions to lower costs, preserve our liquidity and manage cash flow. These actions include, but are not limited to:

- Limiting discretionary spending across the organization;
- Reducing payroll costs, including through employee furloughs and temporarily reducing salaries for executive officers and other senior leaders;
- Temporarily reducing certain discretionary employee benefits;
- Aligning our cost structure to meet demand;
- Reducing capital expenditures;

- Optimizing working capital through inventory reduction initiatives across business segments and focused actions to optimize customer and vendor payment terms; and
- Deferring payment of income and payroll taxes and utilizing job retention subsidies in certain jurisdictions where such opportunities are available.

In addition to actions taken to lower costs, preserve our liquidity and manage cash flow, we remain focused on enhancing our digital and technological capabilities. Our shift to working virtually where possible is allowing us to accelerate our digital initiatives as we collaborate with customers and distribution partners to enhance our websites and improve our digital product content. We are also continuing to invest in our technological capabilities, with new product launches in the first six months of 2020, and more expected to be launched during the balance of this year.

We will continue to actively monitor the impacts of the pandemic 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.

Key Trends and Uncertainties Regarding our Existing Business

The following trends and uncertainties affected our financial performance in 2019 and the first six months of 2020 and will likely 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, its effect on the demand for the Company's 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. In addition, the recent significant decline in oil and gas prices could lead to a potential sustained downturn in the energy industry.
- We have identified specific product, vertical and geographic 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.
- We have experienced material and other cost inflation. We strive for productivity improvements, and we implement increases in selling prices to help mitigate this inflation. We expect the current economic environment, including the impacts of tariffs, will result in continuing price volatility for many of our raw materials and purchased components, and we are uncertain as to the timing and impact of these market changes.
- During 2019 and the first six months of 2020, we continued execution of certain business restructuring initiatives aimed at reducing our fixed cost structure and realigning our business. Specifically in the first six months of 2020, certain initiatives were executed in response to the decrease in demand attributed to the effect of the COVID-19 pandemic.

In addition to the actions and objectives discussed in the *Overview* and *COVID-19* sections above, our operating objectives in 2020 also include the following:

- Achieving differentiated revenue growth through new products and solutions and vertical expansion in key developing regions;
- Driving operating excellence through lean enterprise initiatives, with specific focus on sourcing and supply management, cash flow management and lean operations;
- Optimizing our technological capabilities to increasingly generate innovative new and connected products and advance digital transformation; and
- Focusing on developing global talent in light of our global presence.

CONSOLIDATED RESULTS OF OPERATIONS

The consolidated results of operations for the three months ended June 30, 2020 and 2019 were as follows:

<i>In millions</i>	Three months ended			
	June 30, 2020	June 30, 2019	\$ change	% / point change
Net sales	\$ 447.2	\$ 539.5	\$ (92.3)	(17.1)%
Cost of goods sold	286.9	327.3	(40.4)	(12.3)%
Gross profit	160.3	212.2	(51.9)	(24.5)%
<i>% of net sales</i>	35.8 %	39.3 %		(3.5)%
Selling, general and administrative	104.3	113.1	(8.8)	(7.8)%
<i>% of net sales</i>	23.3 %	21.0 %		2.3 %
Research and development	10.7	12.1	(1.4)	(11.6)%
<i>% of net sales</i>	2.4 %	2.2 %		0.2 %
Operating income	45.3	87.0	(41.7)	(47.9)%
<i>% of net sales</i>	10.1 %	16.1 %		(6.0)%
Net interest expense	9.4	11.9	(2.5)	N.M.
Other expense	0.7	1.0	(0.3)	N.M.
Income before income taxes	35.2	74.1	(38.9)	(52.5)%
Provision for income taxes	9.4	13.2	(3.8)	(28.8)%
<i>Effective tax rate</i>	26.7 %	17.8 %		8.9 %

N.M. Not Meaningful

The consolidated results of operations for the six months ended June 30, 2020 and June 30, 2019 were as follows:

<i>In millions</i>	Six months ended			
	June 30, 2020	June 30, 2019	\$ change	% / point change
Net sales	\$ 968.1	\$ 1,077.5	\$ (109.4)	(10.2)%
Cost of goods sold	612.5	655.4	(42.9)	(6.5)%
Gross profit	355.6	422.1	(66.5)	(15.8)%
<i>% of net sales</i>	36.7 %	39.2 %		(2.5)%
Selling, general and administrative	227.4	233.2	(5.8)	(2.5)%
<i>% of net sales</i>	23.5 %	21.6 %		1.9 %
Research and development	22.6	24.4	(1.8)	(7.4)%
<i>% of net sales</i>	2.3 %	2.3 %		— %
Operating income	105.6	164.5	(58.9)	(35.8)%
<i>% of net sales</i>	10.9 %	15.3 %		(4.4)%
Net interest expense	19.3	22.4	(3.1)	N.M.
Other expense	1.5	1.9	(0.4)	N.M.
Income before income taxes	84.8	140.2	(55.4)	(39.5)%
Provision for income taxes	40.4	22.9	17.5	76.4 %
<i>Effective tax rate</i>	47.6 %	16.3 %		31.3 %

N.M. Not Meaningful

Net sales

The components of the consolidated net sales were as follows:

	Three months ended June 30, 2020 over the prior year period	Six months ended June 30, 2020 over the prior year period
Volume	(21.3)%	(14.7)%
Price	(0.3)	0.1
Organic growth	(21.6)	(14.6)
Acquisition	5.5	5.5
Currency	(1.0)	(1.1)
Total	(17.1)%	(10.2)%

The 17.1 and 10.2 percentage point decreases in net sales in the second quarter and first half of 2020 from 2019, respectively were primarily the result of:

- slowdown in capital spending, including from the effects of the COVID-19 pandemic, resulting in organic sales decline of approximately 10.5% and 7.5% from our industrial business in the second quarter and first half of 2020 from 2019, respectively, and approximately 6.0% and 3.0% from our commercial & residential business in the second quarter and first half of 2020 from 2019, respectively; and
- unfavorable foreign currency effects.

These decreases were partially offset by:

- sales of \$29.8 and \$58.8 million in the second quarter and first half of 2020, respectively, as a result of the Eldon and WBT acquisitions.

Gross profit

The 3.5 and 2.5 percentage point decreases in gross profit as a percentage of net sales in the second quarter and first half of 2020 from 2019, respectively was primarily the result of:

- lower sales volume resulting in decreased leverage on fixed expenses in cost of goods sold; and
- inflationary increases related to certain raw materials, labor and freight costs.

These decreases were partially offset by:

- actions taken to lower costs in response to the adverse effects of the COVID-19 pandemic, including temporarily reducing labor costs and limiting discretionary spending for purchased services and travel; and
- savings generated from our lean and supply management practices.

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

The 2.3 and 1.9 percentage point increases in SG&A expense as a percentage of net sales in the second quarter and first half of 2020 from 2019, respectively were primarily the result of:

- lower sales volume resulting in decreased leverage on fixed operating expenses; and
- inflationary increases impacting our labor costs.

These increases were partially offset by:

- actions taken to lower costs in response to the adverse effects of the COVID-19 pandemic, including temporarily reducing labor costs and limiting discretionary spending for purchased services and travel; and
- savings generated from restructuring and other lean initiatives.

Provision for income taxes

The 8.9 and 31.3 percentage point increases in the effective tax rate in the second quarter and first half of 2020 from 2019, respectively were primarily the result of:

- a \$19.4 million non-cash charge related to the establishment of a valuation allowance on certain foreign deferred tax assets recorded in the first quarter of 2020;
- a discrete tax charge of \$4.5 million related to the finalization of U.S. tax regulations in April 2020 that impacted the deductibility of certain interest expenses; and
- non-recurring adjustments related to the implementation of the March 2020 Coronavirus Aid, Relief, and Economic Security Act.

SEGMENT RESULTS OF OPERATIONS

The summary that follows provides a discussion of the results of operations of each of our three reportable segments (Enclosures, Thermal Management and Electrical & Fastening Solutions). Each of these segments comprises various product offerings that serve multiple end users.

We evaluate performance based on sales and segment income and use a variety of ratios to measure performance of our reporting segments. Segment income represents operating income exclusive of intangible amortization, acquisition related expenses, costs of restructuring activities, impairments and other unusual non-operating items.

Enclosures

The net sales, segment income and segment income as a percentage of net sales for Enclosures were as follows:

In millions	Three months ended			% / point change	Six months ended			% / point change
	June 30, 2020	June 30, 2019			June 30, 2020	June 30, 2019		
Net sales	\$ 219.3	\$ 260.0	(15.7) %		\$ 477.8	\$ 515.5	(7.3) %	
Segment income	28.2	48.2	(41.5) %		69.1	93.8	(26.3) %	
% of net sales	12.9 %	18.5 %	(5.6) pts		14.5 %	18.2 %	(3.7) pts	

Net sales

The components of the change in Enclosures net sales were as follows:

	Three months ended June 30, 2020 over the prior year period	Six months ended June 30, 2020 over the prior year period
Volume	(23.3)%	(15.8)%
Price	(1.4)	(0.7)
Organic growth	(24.7)	(16.5)
Acquisition	9.9	10.2
Currency	(0.9)	(1.0)
Total	(15.7)%	(7.3)%

The 15.7 and 7.3 percent decreases in Enclosures net sales in the second quarter and first half of 2020 from 2019, respectively were primarily the result of:

- slowdown in capital spending, including the effects of the COVID-19 pandemic, resulting in organic sales decline of approximately 14.0% and 9.5% from our industrial business in the second quarter and first half of 2020 from 2019, respectively, and approximately 4.0% and 1.5% from our commercial & residential business in the second quarter and first half of 2020 from 2019, respectively; and
- unfavorable foreign currency effects.

These decreases were partially offset by:

- sales of \$25.6 million and \$52.4 million in the second quarter and first half of 2020, respectively, as a result of the Eldon acquisition.

Segment income

The components of the change in Enclosures segment income as a percentage of net sales from the prior period were as follows:

	Three months ended June 30, 2020 over the prior year period	Six months ended June 30, 2020 over the prior year period
Growth/acquisition	(5.4) pts	(3.2) pts
Price	(1.1)	(0.6)
Currency	0.9	0.6
Net productivity	—	(0.5)
Total	(5.6) pts	(3.7) pts

The 5.6 and 3.7 percentage point decreases in segment income for Enclosures as a percentage of net sales in the second quarter and first half of 2020 from 2019, respectively were primarily the result of:

- lower sales volume resulting in decreased leverage on fixed expenses; and
- inflationary increases related to certain raw materials, labor and freight costs.

These decreases were partially offset by:

- actions taken to lower costs in response to the adverse effects of the COVID-19 pandemic, including temporarily reducing labor costs and limiting discretionary spending for purchased services and travel; and
- savings generated from restructuring and lean initiatives.

Thermal Management

The net sales, segment income and segment income as a percentage of net sales for Thermal Management were as follows:

In millions	Three months ended			% / point change	Six months ended			% / point change
	June 30, 2020	June 30, 2019			June 30, 2020	June 30, 2019		
Net sales	\$ 95.8	\$ 128.8	(25.6) %		\$ 216.3	\$ 273.9	(21.0) %	
Segment income	14.4	25.3	(43.1) %		34.7	59.6	(41.8) %	
% of net sales	15.0 %	19.6 %	(4.6) pts		16.0 %	21.8 %	(5.8) pts	

Net sales

The components of the change in Thermal Management net sales were as follows:

	Three months ended June 30, 2020 over the prior year period	Six months ended June 30, 2020 over the prior year period
Volume	(24.0)%	(19.9)%
Price	—	0.3
Organic growth	(24.0)	(19.6)
Currency	(1.6)	(1.4)
Total	(25.6)%	(21.0)%

The 25.6 and 21.0 percent decreases in Thermal Management net sales in the second quarter and first half of 2020 from 2019, respectively were primarily the result of:

- slowdown in capital spending, including the effects of the COVID-19 pandemic and significant decline in oil and gas prices, resulting in organic sales decline of approximately 14.0% and 11.0% from our industrial business in the second quarter and first half of 2020 from 2019, respectively, and approximately 5.0% and 4.0% from our commercial & residential business in the second quarter and first half of 2020 from 2019, respectively; and
- unfavorable foreign currency effects.

Segment income

The components of the change in Thermal Management segment income as a percentage of net sales from the prior period were as follows:

	Three months ended June 30, 2020 over the prior year period	Six months ended June 30, 2020 over the prior year period
Growth	(7.3) pts	(6.3) pts
Price	—	0.3
Net productivity	2.7	0.2
Total	(4.6) pts	(5.8) pts

The 4.6 and 5.8 percentage point decreases in segment income for Thermal Management as a percentage of net sales in the second quarter and first half of 2020 from 2019, respectively were primarily the result of:

- lower sales volume resulting in decreased leverage on fixed expenses; and
- inflationary increases related to certain raw materials, labor and freight costs.

These decreases were partially offset by:

- actions taken to lower costs in response to the adverse effects of the COVID-19 pandemic, including temporarily reducing labor costs and limiting discretionary spending for purchased services and travel; and
- savings generated from restructuring and lean initiatives.

Electrical & Fastening Solutions

The net sales, segment income and segment income as a percentage of net sales for Electrical & Fastening Solutions were as follows:

In millions	Three months ended			Six months ended		
	June 30, 2020	June 30, 2019	% / point change	June 30, 2020	June 30, 2019	% / point change
Net sales	\$ 132.1	\$ 150.7	(12.3) %	\$ 274.0	\$ 288.1	(4.9) %
Segment income	34.7	41.6	(16.6) %	68.2	72.8	(6.3) %
% of net sales	26.3 %	27.6 %	(1.3) pts	24.9 %	25.3 %	(0.4) pts

Net sales

The components of the change in Electrical & Fastening Solutions net sales from the prior period were as follows:

	Three months ended June 30, 2020 over the prior year period	Six months ended June 30, 2020 over the prior year period
Volume	(15.4)%	(7.6) %
Price	1.2	1.4
Organic growth	(14.3)	(6.2)
Acquisition	2.7	2.2
Currency	(0.7)	(0.9)
Total	(12.3)%	(4.9) %

The 12.3 and 4.9 percent decreases in Electrical & Fastening Solutions net sales in the second quarter and first half of 2020 from 2019, respectively were primarily the result of:

- slowdown in capital spending, including the effects of the COVID-19 pandemic, resulting in organic sales decline of approximately 10.0% and 4.5% from our commercial & residential business in the second quarter and first half of 2020 from 2019, respectively, and approximately 2.5% and 1.5% from our industrial business in the second quarter and first half of 2020 from 2019, respectively; and
- unfavorable foreign currency effects.

These decreases were partially offset by:

- sales of \$4.1 million and \$6.4 million in the second quarter and first half of 2020, respectively, as a result of the WBT acquisition; and
- selective increases in selling prices to mitigate inflationary cost increases.

Segment income

The components of the change in Electrical & Fastening Solutions segment income as a percentage of net sales from the prior period were as follows:

	Three months ended June 30, 2020	Six months ended June 30, 2020
	over the prior year period	over the prior year period
Growth/acquisition	(4.4) pts	(2.5) pts
Price	0.8	1.0
Currency	0.1	0.1
Net productivity	2.2	1.0
Total	(1.3) pts	(0.4) pts

The 1.3 and 0.4 percentage point decreases in segment income for Electrical & Fastening Solutions as a percentage of net sales in the second quarter and first half of 2020 from 2019, respectively were primarily the result of:

- lower sales volume resulting in decreased leverage on fixed expenses; and
- inflationary increases related to certain raw materials, labor and freight costs.

These decreases were partially offset by:

- actions taken to lower costs in response to the adverse effects of the COVID-19 pandemic, including temporarily reducing labor costs and limiting discretionary spending for purchased services and travel; and
- selective increases in selling prices to mitigate inflationary cost increases.

LIQUIDITY AND CAPITAL RESOURCES

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. We are focused on increasing our cash flow, while continuing to fund our research and development, sales and marketing and capital investment initiatives. Our intent is to maintain investment grade metrics and a solid liquidity position.

In March 2020, as a proactive measure to maximize our liquidity in response to the effect of the COVID-19 pandemic, we drew down \$150.0 million on our revolving credit facility. The proceeds remain available to be used for working capital, general corporate or other purposes. As of June 30, 2020, we had \$235.0 million of cash on hand, of which only \$9.2 million is held in certain countries in which the ability to repatriate is limited due to local regulations or significant potential tax consequences.

We experience seasonal cash flows primarily due to increased demand for Thermal Management products and services during the fall and winter months in the Northern Hemisphere and increased demand for Electrical & Fastening Solutions products during the spring and summer months in the Northern Hemisphere.

Operating activities

Net cash provided by operating activities was \$90.5 million in the first six months of 2020, compared to net cash provided by operating activities of \$57.8 million in the first six months of 2019. Net cash provided by operating activities in the first six months of 2020 primarily reflects net income of \$121.6 million, net of non-cash depreciation, amortization and changes in deferred taxes, offset by a negative impact of \$36.2 million as a result of increases in net working capital.

Investing activities

Net cash used for investing activities was \$42.8 million in the first six months of 2020, compared to \$11.5 million in the first six months of 2019. Net cash used for investing activities in the first six months of 2020 primarily reflects capital expenditures of \$17.2 million and cash paid for the WBT acquisition of \$27.0 million.

Net cash used for investing activities of \$11.5 million in the first six months of 2019 relates primarily to capital expenditures of \$17.6 million, partially offset by the sale of property and equipment of \$6.1 million.

Financing activities

Net cash provided by financing activities of \$82.5 million in the first six months of 2020 primarily relates to net receipts of revolving credit facility of \$150.0 million, offset by dividends paid of \$59.5 million.

Net cash used for financing activities of \$178.0 million in the first six months of 2019 primarily relates to share repurchases of \$235.7 million and dividends paid of \$61.5 million, offset by net receipts of revolving credit facility of \$119.0 million.

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" and, collectively with the 2023 Notes, the "Notes"). Interest on the Notes is payable semi-annually in arrears on April 15 and October 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 SEC.

Senior credit facilities

In March 2018, nVent Finance entered into a credit agreement with a syndicate of banks providing for a five-year \$200.0 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"). We have the option to request to increase the Revolving Credit Facility in an aggregate amount of up to \$300.0 million. Total availability under the Revolving Credit Facility was \$315.4 million as of June 30, 2020.

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 to exceed 3.75 to 1.00 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 June 30, 2020, 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.

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 and 2019 Authorizations expire on July 23, 2021.

During the six months ended June 30, 2020, we repurchased 0.2 million of our ordinary shares for \$3.2 million under the 2018 Authorization. During the six months ended June 30, 2019, we repurchased 9.0 million of our ordinary shares for \$232.7 million under the 2018 Authorization. As of June 30, 2020, we have \$585.1 million available for share repurchases under the combined 2018 and 2019 Authorizations, which total \$880.0 million.

In March 2020, to enhance our liquidity position in response to the COVID-19 pandemic, we elected to temporarily suspend any share repurchases under our existing share repurchase program. In July 2020, we lifted the temporary suspension of share repurchases. The existing program remains authorized by the Board of Directors and we may resume share repurchases in the future at any time, depending upon market conditions, our capital needs and other factors.

Dividends

During the six months ended June 30, 2020, we paid dividends of \$59.5 million, or \$0.35 per ordinary share. During the six months ended June 30, 2019, we paid dividends of \$61.5 million, or \$0.35 per ordinary share.

On May 14, 2020, the Board of Directors declared a quarterly cash dividend of \$0.175 per ordinary share payable on August 7, 2020, to shareholders of record at the close of business on July 24, 2020. The balance of dividends payable included in *Other current liabilities* on our Condensed Consolidated Balance Sheets was \$29.7 million at both June 30, 2020 and December 31, 2019.

Other financial measures

In addition to measuring our cash flow generation or usage based upon operating, investing and financing classifications included in the Condensed Consolidated Statements of Cash Flows, we also measure our free cash flow. Free cash flow is a non-GAAP financial measure that we use to assess our cash flow performance. We believe free cash flow is an important measure of liquidity because it provides us and our investors a measurement of cash generated from operations that is available to pay dividends, make acquisitions, repay debt and repurchase shares. In addition, free cash flow is used as a criterion to measure and pay compensation-based incentives. Our 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:

<i>In millions</i>	Six months ended	
	June 30, 2020	June 30, 2019
Net cash provided by (used for) operating activities	\$ 90.5	\$ 57.8
Capital expenditures	(17.2)	(17.6)
Proceeds from sale of property and equipment	1.4	6.1
Free cash flow	\$ 74.7	\$ 46.3

NEW ACCOUNTING STANDARDS

See Note 1 of the Notes to Condensed Consolidated Financial Statements for information pertaining to recently adopted accounting standards or accounting standards to be adopted in the future.

CRITICAL ACCOUNTING POLICIES

We have adopted various accounting policies to prepare the consolidated financial statements in accordance with GAAP. Certain of our accounting policies require the application of significant judgment by management in selecting the appropriate assumptions for calculating financial estimates. In our 2019 Annual Report on Form 10-K, we identified the critical accounting policies which affect our more significant estimates and assumptions used in preparing our consolidated and combined financial statements.

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 fair value of each reporting unit is determined using a discounted cash flow analysis and market approach. Projecting discounted future cash flows requires us to make significant estimates regarding future revenues and expenses, projected capital expenditures, changes in working capital and the appropriate discount rate. Use of the market approach consists of comparisons to comparable publicly-traded companies that are similar in size and industry. Actual results may differ from those used in our valuations.

In connection with our 2019 annual impairment test, the percentages of excess fair value over carrying value of our Thermal Management and Electrical & Fastening Solutions reporting units were approximately 21% and 11%, respectively.

As a result of the changes in the current economic environment related to the COVID-19 pandemic, we evaluated whether current circumstances and market conditions indicate that it is more likely than not that either of these reporting units may be impaired and require an impairment test as of June 30, 2020. Our evaluation included consideration of changes in business performance assumptions compared to those used in our 2019 annual impairment test, such as estimates regarding future revenues and expenses, projected capital expenditures and income tax rates. We also considered changes in market-based inputs such as estimated market multiples, costs of invested capital and the most recent price of our ordinary shares. Based on our evaluation of these factors, we do not believe it is more likely than not that the Thermal Management or Electrical & Fastening Solutions reporting units may be impaired. As a result, we determined that an impairment test was not required as of June 30, 2020.

There is a risk that changes in economic and operating conditions affecting the assumptions used in our evaluation, including changes due to the evolving nature of the COVID-19 pandemic, could adversely affect future estimates or fair value and result in goodwill asset impairment charges in the future.

There have been no additional material changes to our critical accounting policies and estimates from those previously disclosed in our 2019 Annual Report on Form 10-K for the year ended December 31, 2019.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Except for the broad effects of the COVID-19 pandemic as a result of its negative impact on the global economy and major financial markets, there have been no material changes in our market risk during the quarter ended June 30, 2020. For additional information, refer to our 2019 Annual Report on Form 10-K for the year ended December 31, 2019.

ITEM 4. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

We maintain a system of disclosure controls and procedures designed to provide reasonable assurance as to the reliability of our published financial statements and other disclosures included in this report. Our management evaluated, with the participation of our Chief Executive Officer and our Chief Financial Officer, the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the quarter ended June 30, 2020 pursuant to Rule 13a-15(b) of the Securities Exchange Act of 1934 (the "Exchange Act"). Based upon their evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures were effective, at the reasonable assurance level, as of the end of the quarter ended June 30, 2020 to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms, and to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosures.

(b) Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting that occurred during the quarter ended June 30, 2020 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

There have been no material developments with respect to the legal proceedings previously disclosed in Item 3 of our 2019 Annual Report on Form 10-K for the year ended December 31, 2019.

ITEM 1A. RISK FACTORS

There have been no additional material changes from the risk factors previously disclosed in our 2019 Annual Report on Form 10-K for the year ended December 31, 2019, except for the addition of the risk factor set forth below.

Our business, results of operations and financial condition may be materially adversely affected by global public health epidemics, including the strain of coronavirus known as COVID-19

Our business, consolidated results of operations and financial condition 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 the Company, 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.

The global spread of the COVID-19 pandemic has created significant volatility, uncertainty and economic disruption, which is likely to continue and could cause a global recession. While we have taken certain actions in response to the COVID-19 pandemic to lower costs, preserve our liquidity and manage cash flow, the extent to which the COVID-19 pandemic will continue to impact our business, results of operations, liquidity and financial condition 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;
- 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 in our Annual Report on Form 10-K for the fiscal year ended December 31, 2019, and could materially adversely affect our business, financial condition and results of operations.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table provides information with respect to purchases we made of our ordinary shares during the second quarter of 2020:

	(a)	(b)	(c)	(d)
	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Dollar value of shares that may yet be purchased under the plans or programs
April 1 - April 25, 2020	12,685	\$ 17.67	—	\$ 585,149,838
April 26 - May 23, 2020	12,901	16.57	—	585,149,838
May 24 - June 30, 2020	4,726	17.19	—	585,149,838
Total	30,312		—	

- (a) The purchases in this column include shares repurchased as part of our publicly announced plans and shares deemed surrendered to us by participants in the nVent Electric plc 2018 Omnibus Incentive Plan (the "2018 Plan") and earlier Pentair stock incentive plans that are now outstanding under the 2018 Plan (collectively the "Plans") to satisfy the exercise price or withholding of tax obligations related to the exercise of stock options, vesting of restricted shares and vesting of performance shares.
- (b) The average price paid in this column includes shares repurchased as part of our publicly announced plans and shares deemed surrendered to us by participants in the Plans to satisfy the exercise price of stock options and withholding tax obligations due upon stock option exercises and vesting of restricted and performance shares.
- (c) The number of shares in this column represents the number of shares repurchased as part of our publicly announced plans to repurchase our ordinary shares up to a maximum dollar limit authorized by the Board of Directors, discussed below.
- (d) On July 23, 2018, our 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 2019 Authorizations expire on July 23, 2021. As of June 30, 2020, we have \$585.1 million available for share repurchases under the combined 2018 and 2019 Authorizations.

ITEM 6. EXHIBITS

The exhibits listed in the following Exhibit Index are filed as part of this Quarterly Report on Form 10-Q.

Exhibit Index to Form 10-Q for the Period Ended June 30, 2020

<u>10.1</u>	nVent Electric plc 2018 Omnibus Incentive Plan (Incorporated by reference to Appendix B to the Company's Definitive Proxy Statement on Schedule 14A filed on March 31, 2020 (File No. 001-38265)).
<u>10.5</u>	Description of nVent Electric plc Management Incentive Plan.
<u>10.8</u>	nVent Electric plc Employee Stock Purchase and Bonus Plan, as amended and restated May 14, 2020.
<u>10.9</u>	Description of an Amendment to the nVent Management Company Non-Qualified Deferred Compensation Plan.
<u>22</u>	Guarantors and Subsidiary Issuers of Guaranteed Securities. (Incorporated by reference to Exhibit 22 in the Quarterly Report on Form 10-Q of nVent Electric plc filed with the Commission on April 29, 2020 (File No. 001-38265)).
<u>31.1</u>	Certification of Chief Executive Officer.
<u>31.2</u>	Certification of Chief Financial Officer.
<u>32.1</u>	Certification of Chief Executive Officer, Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
<u>32.2</u>	Certification of Chief Financial Officer, Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following materials from nVent Electric plc's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020 are filed herewith, formatted in iXBRL (Inline Extensible Business Reporting Language): (i) the Condensed Consolidated Statements of Income and Comprehensive Income for the three and six months ended June 30, 2020 and 2019, (ii) the Condensed Consolidated Balance Sheets as of June 30, 2020 and December 31, 2019, (iii) the Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2020 and 2019, (iv) the Condensed Consolidated Statements of Changes in Equity for the three and six months ended June 30, 2020 and 2019, and (v) Notes to Condensed Consolidated Financial Statements. The instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on July 31, 2020.

nVent Electric plc
Registrant

By /s/ Sara E. Zawoyski

Sara E. Zawoyski

Executive Vice President and Chief Financial Officer

By /s/ Randolph A. Wacker

Randolph A. Wacker

Senior Vice President, Chief Accounting Officer and Treasurer

Description of nVent Electric plc Management Incentive Plan

Management Incentive Plan Overview

The following text outlines the plan provisions for the Management Incentive Plan (“MIP”) for nVent Electric plc (the “Company”), which is governed by the nVent Electric plc 2018 Omnibus Incentive Plan, the terms of which will be incorporated into the MIP. The MIP provides a discretionary cash incentive opportunity for our business leaders based on current year financial performance against plan. Eligibility to participate in this plan is determined by the Compensation Committee (for officers) and the Executive Vice President & Chief Human Resources Officer (for all other participants) and will be communicated to participants in the first quarter of every plan year.

Performance Measures

MIP performance measures reflect the overall financial and strategic goals for the Company, support value creation for our shareholders and are aligned with our Annual Operating Plan (AOP). These performance measures are determined each year and may be different from year to year.

The calculation of results on the MIP performance measures against actual plan results of the business will periodically require certain adjustments, including, but not limited to the following:

- Acquisition pro-forma adjustments
- Foreign exchange adjustments
- Adjustments to take into account the effect of accounting changes or to achieve consistency in measuring year-over-year results
- Other adjustments as established by the Compensation Committee (for officers) or the Executive Vice President & Chief Human Resources Officer (for all non-officer participants)

Weighting of Performance Measures

The opportunity and weight of each measure may vary. For officer participants, the Compensation Committee sets the weight for each measure based on its assessment of the Company as a whole. For non-officer participants, the Executive Vice President & Chief Human Resources Officer sets the weight for each measure.

Performance Targets and Thresholds

Specific MIP performance goals are established by the Compensation Committee for officer participants. The Executive Vice President & Chief Human Resources Officer establishes performance goals for all other participants. Participants will receive a separate communication outlining the performance goals for their MIP award at the target, threshold and maximum levels.

Performance levels are measured by applying generally accepted accounting principles used by the Company in preparing its financial statements. The final MIP calculations are subject to the review and approval of the Compensation Committee for officer participants and by the Executive Vice President & Chief Human Resources Officer for all other participants.

Target Incentive Opportunities

The target incentive opportunities (a percentage of base salary) are assigned by job level. The total incentive target opportunity for a participant is determined by multiplying the participant's monthly base salary in effect on December 1 by the number of eligible months and the participant's target opportunity percentage. If the participant's target opportunity level changes during the year, the participant's payout calculations will be prorated for the period of time at each level. Target opportunities are determined by the Compensation Committee for officers and by the Executive Vice President & Chief Human Resources Officer, for all other participants.

How MIP Awards are calculated

The amount of a participant's MIP award payout is based on the actual results measured against the target goals for each performance measure, subject to the participant's compliance with the terms of the MIP and the Company's discretion. Unless otherwise specified for a given year, ***threshold performance pays 50%, target performance pays 100%, and maximum performance pays 200% of the target incentive opportunity.*** The amount of the payout is interpolated between threshold, target, and maximum performance levels.

Formulas generate multipliers for actual performance that falls between pay-out ranges. Multipliers cannot exceed 200%. Achieving the threshold performance level is required before any incentive is payable for a performance measure. In addition, since the bonus is discretionary, the Company reserves the right to reduce the payout amount (including to \$0) in its sole discretion.

Determination of Payouts

The Compensation Committee (for officers) and the Executive Vice President & Chief Human Resources Officer (for all other participants) will review and approve incentive payouts and will retain the right, in its sole discretion, to reduce or eliminate payouts that it believes are not in keeping with the objectives of the MIP.

Timing of Payouts

Incentives are normally paid out by March 15th of the year immediately following the performance year, and will be paid no later than the end of the first quarter immediately following the performance year-end.

Eligibility for Payouts

Subject to compliance with applicable law, a participant must be actively employed on the date of payout to be eligible for an award, unless otherwise specified in following chart. In addition, there are certain circumstances when a participant's payout will be pro-rated, as explained in the chart.

Change in Employment Status	Resulting Change in Participant's Annual Bonus Award
Retirement*	A prorated annual bonus award will be paid on the regular payout date. The bonus amount will be calculated using the participant's monthly base salary as in effect on the date of termination (if prior to December 1).
Permanent Disability or Death	A prorated annual bonus award will be paid on the regular payout date. The bonus amount will be calculated using the participant's monthly base salary as in effect on the date of termination (if prior to December 1)
New Hires	Annual bonus awards are prorated based on length of service. The participant must be actively employed on or before December 1 (or the following business day if December 1 falls on a weekend) to be eligible
Transfer to Another Segment / Bonus Plan	A participant's bonus will be prorated based on the effective date of the change.
Change to Bonus Target	A participant's bonus will be prorated based on the effective date of the change.
Involuntary (for other than cause**) or other Covered Termination	A prorated bonus award will be paid on the regular payout date. The bonus amount will be calculated using the participant's monthly base salary as in effect on the date of termination (if prior to December 1)

Participants should consult their HR business partner regarding any changes in employment status not addressed above.

Pro-ration will reflect the period of time the participant was not actively working during the performance year. For this purpose, any period of vacation or other regular paid time off, such as holidays, any period a participant is on FMLA leave, and any period a participant is on short-term disability, will be treated as a period of active work.

* Whether termination is treated as a "Retirement" will be determined by the Compensation Committee (for officers) or the Executive Vice President & Chief Human Resources Officer (for all other participants), subject to local statutory requirements. In no event, however, will a participant be considered to have retired if he or she leaves the Company to work for a competitor.

**Cause will be determined by the Compensation Committee (for officers) or the Executive Vice President & Chief Human Resources Officer (for all other participants). In addition, if termination of employment is for another reason, but facts come to light after termination that would have given the company cause to terminate a participant's employment, no bonus will be paid.

General Provisions

1. The MIP is considered an Annual Incentive Award under the nVent Electric plc 2018 Omnibus Stock and Incentive Plan. The terms of such plan is incorporated into the MIP. Capitalized terms not defined in the MIP will have the meanings given in the plan. In case of conflict, the terms of the plan and any action approved by the Compensation Committee (for officers) or the Executive Vice President & Chief Human Resources Officer (for all other participants) control over the terms and explanations in this MIP document.

2. This MIP document does not limit or affect in any manner or degree the normal and usual powers of management, including the right at any time to terminate the employment of any participant or remove him or her from participating in the MIP.
 3. Entitlement to and payment of an incentive (regardless of the performance level achieved) is conditioned upon the participant's sustained satisfactory performance during the period for which the incentive payout is calculated.
 4. No participant has any earned or vested entitlement to any incentive payout under the MIP. Any and all incentive payments are made at the sole discretion of the Compensation Committee (for officers) and the Executive Vice President & Chief Human Resources Officer (for all other participants), and the Company reserves the right to deny the participation of, or payout of an incentive to, a participant, at its sole discretion, with or without notice or cause.
 5. The Company reserves the right to retroactively or prospectively modify or terminate the MIP, in whole or in part.
 6. The Compensation Committee has full and complete authority to administer the MIP with respect to officer decisions. The Executive Vice President & Chief Human Resources Officer has full and complete authority to administer the MIP with respect to non-officer participants. The decisions of the Compensation Committee and Executive Vice President & Chief Human Resources Officer are final, conclusive and binding upon all officers and employees of the Company and its Affiliates, respectively, and on their heirs, personal representatives and assigns.
 7. In the event of death, any payments due under the MIP will be paid to the participant's estate.
 8. A participant does not have the right to assign, transfer, encumber or dispose of any incentive payout under the MIP until it is paid. All payments of incentives are subject to tax and other withholdings as required by law.
 9. This summary provides a brief description of the MIP. *The information contained in this document is intended to be accurate for most employees. However, in some cases, certain modifications to the plan may be necessary and modifications may not be reflected in these materials. All plan provisions are subject to local-country laws and statutory requirements. Bonus awards are treated as ordinary income and subject to local-country tax laws. Questions regarding the plan should be directed to the participant's HR Business Partner.*
-

The MIP is discretionary in nature and may be amended or terminated by the Compensation Committee (for officer participants) and by the Executive Vice President & Chief Human Resources Officer (for all other participants) any time. Payment of any bonus award is voluntary and occasional and does not create any contractual or other right to receive future payments. All decisions with respect to any or all bonus award payments will be at the sole discretion of the Company. Participation in the plan shall not create a right to further employment with a participant's employer and shall not interfere with the ability of a participant's employer to terminate the participant's employment relationship at any time, with or without cause. Bonus awards are not part of normal or expected compensation or salary for any purposes, including but not limited to calculating any severance, redundancy, future bonus awards, long service awards, pension or retirement benefits, or similar payments.

Notwithstanding the formula described in this plan, the Company reserves the right to make appropriate adjustments in determining annual bonus awards and any payouts under the plan for individual and / or plan participants.

NVENT ELECTRIC PLC
EMPLOYEE STOCK PURCHASE AND BONUS PLAN

As Amended and Restated May 14, 2020

SECTION 1
HISTORY AND BACKGROUND

The Company adopted this nVent Electric plc Employee Stock Purchase and Bonus Plan (the “Plan”), effective as of April 30, 2018, to provide to employees of the Company and its designated divisions and subsidiaries the opportunity to purchase shares of the Company’s common stock. The Company amended and restated this Plan effective as of January 1, 2019 and further amended and restated this Plan effective as of May 14, 2020.

The following sections of the Plan (other than Appendix A) shall apply to the U.S. and Canadian employees of the Company and its participating divisions and subsidiaries. The terms and conditions set forth in Appendix A shall apply exclusively to the non-U.S. employees (other than Canadian employees) of the Company’s participating international branches and subsidiaries.

SECTION 2
DEFINITIONS

Unless the context clearly requires otherwise, when capitalized the terms listed below shall have the following meanings when used in this Section or other parts of the Plan.

(1) “**Account**” is an account established with the Plan Agent and into which Stock purchased with accumulated Participant contributions, employer matching contributions made on behalf of a Participant, and cash dividends paid with respect to such Stock (as applicable), are held on behalf of each Participant under the Plan. A Participant’s rights with respect to his or her Account shall be subject to the terms and conditions established by the Plan Agent from time to time.

(2) “**Affiliated Company**” is (a) any corporation or business located in and organized under the laws of one of the United States which is a member of a controlled group of corporations or businesses (within the meaning of Code section 414(b) or (c)) that includes the Company, but only during the periods such affiliation exists, or (b) any other entity in which the Company may have a significant ownership interest, and which the Plan Administrator determines shall be an Affiliated Company for purposes of the Plan.

(3) “**Code**” is the Internal Revenue Code of 1986, as amended.

(4) “**Company**” is nVent Electric plc, an Irish company, or any successor thereto.

(5) “**Compensation**” is a Participant’s base wages or salary (i.e., exclusive of overtime or bonus payments) or the equivalent thereof, including, by way of example, vacation,

jury duty or shift differential pay, paid to or on behalf of a Participant for services rendered to the Company or a Participating Employer.

(6) “**Effective Date**” is April 30, 2018, the date this Plan became effective.

(7) “**Eligible Employee**” is an Employee, except those Employees:

(i) who are included in a unit of Employees covered by a collective bargaining agreement between Employee representatives and a Participating Employer, unless and to the extent such agreement provides that such Employees shall be covered by the Plan, or the Participating Employer and the Plan Administrator have otherwise agreed to extend coverage under the Plan to such Employees;

(ii) who, as determined by the Plan Administrator in its sole discretion, are not regular or permanent full- or part-time Employees, including, without limitation interns or other temporary Employees;

(iii) who are covered under Appendix A;

(iv) whose Employer is not a Participating Employer; or

(v) who are not treated as Employees by the Company or a Participating Employer for purposes of the Plan even though they may be so treated or considered under applicable law, including Code section 414(n), the Federal Insurance Contribution Act or the Fair Labor Standards Act (e.g., individuals treated as employees of a third party or as self-employed).

(8) “**Employee**” is an individual who is an employee of the Company or an Affiliated Company.

(9) “**Participant**” is an Eligible Employee who has met the age requirement for Plan participation and properly completed and submitted the authorization form necessary for participation.

(10) “**Participating Employer**” is an Affiliated Company that is making, or has agreed to make, contributions under the Plan with respect to some or all of its Eligible Employees, but only during the period such agreement to contribute remains in effect. The Company must approve each Participating Employer.

(11) “**Plan**” is the nVent Electric plc Employee Stock Purchase and Bonus Plan as described in this plan document and as it may be amended from time to time.

(12) “**Plan Administrator**” is the Company, and may include an employee or committee of employees of the Company or any subsidiary thereof that has been appointed by the Company to serve as the plan administrator of the Plan.

(13) “**Plan Agent**” is the financial services firm or other entity duly appointed by the Plan Administrator to (i) receive funds contributed by Participants and Participating Employers,

(ii) purchase shares of Stock with funds contributed by Participants and Participating Employers, and (iii) maintain Participant Accounts.

(14) **“Prospectus”** is the prospectus, as in effect from time to time, which describes the Plan and which is delivered to eligible Participants with respect to the purchase of Stock under the Plan.

(15) **“Stock”** is the ordinary shares of nVent Electric plc, nominal value \$0.01 per share.

SECTION 3 ELIGIBILITY

All Eligible Employees of a Participating Employer may elect to participate in the Plan after the Effective Date upon the attainment of age eighteen (18).

SECTION 4 PARTICIPATION

4.1 **General.** Plan participation is voluntary and Eligible Employees do not automatically become Participants upon meeting the Plan’s eligibility requirements. An Eligible Employee, who has met the Plan’s eligibility requirements as described in Section 3, may commence Plan participation after the Effective Date by delivering an authorization for deductions from such individual’s Compensation, in accordance with procedures established by the Plan Administrator.

4.2 **Withdrawal from Participation.** A Participant may elect to cease participation under the Plan at any time, even though he or she remains an Eligible Employee of the Company or a Participating Employer, by giving written notice of withdrawal in accordance with procedures established by the Plan Administrator. Such an individual may elect to resume participation in the Plan at any time in accordance with procedures established by Plan Administrator, provided he or she is an Eligible Employee at the time participation resumes.

SECTION 5 CONTRIBUTIONS

5.1 **Participant Contributions.** A Participant may authorize his or her employer to make a deduction from each paycheck for purposes of purchasing Stock as a percentage of Compensation, in accordance with Section 4.1. The minimum deduction allowed is 0.01% of Compensation per pay period; the maximum deduction allowed is \$12,000 per calendar year, which may be implemented on an annual, per month or per payroll period basis (including as a maximum percentage of Compensation) as determined by the Company in its discretion. A Participant may change the amount of his or her payroll deduction at any time in accordance with procedures established by the Plan Administrator, and such change shall be effective as soon as practicable thereafter. Until such contributions are transferred to the Plan Agent for purposes of purchasing Stock under the Plan at the time or times determined by the Plan Administrator and in accordance with Section 6, the amounts so collected may be commingled with the general assets of the Company and used for general purposes and no interest shall be paid in connection with such amounts.

5.2 **Employer Bonus Contribution.** At the time or times determined by the Plan Administrator, the Company and Participating Employers shall pay to the Plan Agent on behalf of each Participant employed by such employer an amount equal to twenty-five percent (25%) of the contributions made by such Participant through payroll deductions from Compensation.

5.3 **Dividends.** Cash dividends paid on Stock held in a Participant's Account shall, as elected by the Participant in accordance with procedures established by the Plan Administrator, be used by the Plan Agent to purchase additional shares of Stock on behalf of such Participant or paid directly to the Participant in cash.

5.4 **Suspension of Contributions.** Notwithstanding any other provision herein to the contrary, the Company may, through action of the Compensation Committee of its Board of Directors, in its discretion, suspend Participant payroll deductions and/or Company and Participating Employer bonus contributions, and re-commence such contributions, at such times as the Compensation Committee may determine, in its sole discretion.

SECTION 6 PURCHASE OF STOCK

6.1 **Participant Accounts.** The Plan Agent shall establish for each Participant an Account to hold the Stock purchased on behalf of such Participant. All Stock and other amounts allocated to such Account shall at all times be fully vested and nonforfeitable.

6.2 **Purchasing Stock.** The Plan Agent shall use all Participant and employer contributions, and including cash dividends (if so elected in accordance with Section 5.3), to purchase Stock on the open market. The Plan Agent shall make all such purchases on a single business day or over a number of business days in the month, as agreed to by the Plan Agent and the Plan Administrator. The Stock so purchased shall be allocated to the Participant's Account on behalf of whom purchases were made based on (i) the actual purchase price for such Stock, in such case where the Plan Agent makes a single purchase of Stock under the Plan in one day or (ii) an average purchase price, as determined by the Plan Administrator and the Plan Agent, in the case where multiple purchases are made on one or more than one day. No interest shall be paid on cash amounts (if any) held by the Plan Agent regardless of whether such cash is being held in anticipation of the date on which Stock purchases shall be made or held pending a refund to a terminating Participant.

SECTION 7 ENDING PARTICIPATION

7.1 **General.** A Participant may elect to discontinue Plan participation even though he or she remains an Eligible Employee of the Company or a Participating Employer. In addition, a Participant may cease Plan participation by reason of becoming an Employee of an Affiliated Company that is not a Participating Employer, by joining a group of Employees who are not Eligible Employees, or by qualifying for benefits under a long-term disability plan maintained by the Company or a Participating Employer. At such time as a Participant shall cease employment with the Company and all Affiliated Companies, Plan participation shall cease. In accordance with procedures established by the Plan Administrator, any contributions made by a Participant prior to discontinuing participation in the Plan shall be used to purchase Stock in accordance with Section 6 hereunder.

7.2 **Discontinuing Participation**. An individual may, in accordance with procedures established by the Plan Administrator, elect to cease making contributions under the Plan, even though he or she remains an Eligible Employee of the Company or a Participating Employer. In addition, a Participant who ceases earning Compensation (as determined by the Plan Administrator), for example, a Participant who commences an unpaid leave of absence or other type of leave under which he or she no longer earns compensation that has been determined by the Plan Administrator to be Compensation for purposes under the Plan, shall automatically cease making contributions under the Plan.

7.3 **Ceasing to be an Eligible Employee**. Participants who cease to be Eligible Employees but remain Employees of the Company or an Affiliated Company shall automatically cease making contributions under the Plan effective as soon as administratively feasible.

SECTION 8 DISPOSITION OF ACCOUNTS

The Participant shall be eligible to receive a distribution of his or her Account in accordance with procedures established by the Plan Agent.

SECTION 9 ADMINISTRATION

9.1 **Term of Plan**. This Plan is effective on April 30, 2018, and shall remain in effect for a period of ten (10) years after such effective date, unless the Plan is earlier terminated as provided in Section 10.6.

9.2 **Prospectus**. Upon completing the eligibility requirements described in Section 3, an Eligible Employee shall receive from the Plan Administrator or its delegate a copy of the Prospectus, which describes the Plan.

9.3 **Reporting**. The Plan Agent shall provide to each Participant quarterly, or at such other intervals as may be necessary or appropriate, the following information:

- (a) the total amount contributed to each Participant's Account for such quarter, whether by payroll deduction, or the Participant's employer;
- (b) the number of shares of Stock purchased on behalf of the Participant with all of such contributions; and
- (c) the total number of shares of Stock then allocated to the Participant's Account.

9.4 **Voting of Stock in Accounts**. Participants will not have any voting, dividend or other rights of a shareholder with respect to shares of Stock subject to this Plan until such shares have been delivered to the Participant's Account. Once the Stock is delivered to the Participant's Account, he or she will be entitled to all notices and correspondence provided to any shareholder of record who is not a Participant, including proxy statements. The Plan Agent shall be responsible for soliciting and receiving proxy instructions from each Participant and shall vote the Stock allocated to each Participant's Account in accordance with the instructions, if any, provided by such Participant.

9.5 **Fees and Commissions.** Unless otherwise determined by the Plan Administrator, the Company shall pay commissions, service charges or other costs incurred with respect to the purchase of Stock for purposes of the Plan. Unless otherwise determined by the Plan Administrator, when any such Stock in an Account is sold or the Participant ceases to be an Employee of the Company or an Affiliate Company, the Participant is responsible for payment of any commissions, service charges or other costs incurred on account of such sale or ongoing administration of his or her Account.

SECTION 10 MISCELLANEOUS

10.1 **Voluntary Participation.** Participation in the Plan is entirely voluntary, and by maintaining the Plan the Company is not making a recommendation as to whether any Eligible Employee should invest in Stock. Investment in any stock involves risk, and each Eligible Employee must decide whether to accept the risk of investing in Stock.

10.2 **Employee Rights.** The right of the Company or an Affiliated Company to discipline or discharge Employees, or to exercise rights related to the tenure of any individual's employment, shall not be affected in any manner by reason of the existence of the Plan or any action taken pursuant to the Plan.

10.3 **Construction.** The Plan Administrator shall have full power and authority to interpret and construe the Plan, to adopt rules and regulations not inconsistent with the Plan for purposes of administering the Plan with respect to matters not specifically covered in the Plan document and to amend and revoke any rules and regulations so adopted. Except as otherwise provided in the Plan, any interpretation of the Plan and any decision on any matter within the discretion of the Plan Administrator which is made in good faith by the Plan Administrator shall be final and binding.

10.4 **Interpretation.** Section and subsection headings are for convenience of reference and not part of this Plan, and shall not influence its interpretation. Wherever any words are used in the Plan in the singular, masculine, feminine or neuter form, they shall be construed as though they were also used in the plural, feminine, masculine or non-neuter form, respectively, in all cases where such interpretation is reasonable.

10.5 **Plan Amendment.** The Company may, by written resolution of its Board of Directors or through action of the Compensation Committee of such Board (or their delegate), at any time and from time to time, amend the Plan in whole or in part.

10.6 **Plan Termination.** The Company may, by written resolution of its Board of Directors or through action of the Compensation Committee of such Board, terminate the Plan at any time. In the event the Plan terminates, the Participant's Account shall be handled in the same manner as if the Participant had terminated employment with the Company and all Affiliated Companies.

10.7 **Choice of Law.** To the extent not preempted by applicable federal law, the construction and interpretation of the Plan shall be made in accordance with the laws of the State of Minnesota, but without regard to any choice or conflict of laws provisions thereof.

10.8 **Acceptance of Terms.** By electing to participate in the Plan, each Participant shall be deemed to have accepted all of the provisions of the Plan, and the terms and conditions set forth by the Plan Agent, and to have agreed to be fully bound thereby.

10.9 **Computational Errors.** In the event mathematical, accounting, or similar errors are made in maintaining Participant Accounts, the Plan Administrator or the Plan Agent, as the case may be, may make such equitable adjustments as it deems appropriate to correct such errors.

10.10 **Communications.** The Company, a Participating Employer or the Plan Agent may, unless otherwise prescribed by any applicable state or federal law or regulation, provide the Prospectus and any notices, forms or reports by using either paper or electronic means.

APPENDIX A

NVENT ELECTRIC PLC

INTERNATIONAL STOCK PURCHASE AND BONUS PLAN Effective April 30, 2018

SECTION 1 BACKGROUND AND PURPOSE

1.1 **Background.** See “Section 1 – History and Background” of the Plan.

1.2 **Purpose.** The purpose of the terms and conditions of the Plan set forth in this Appendix A (the “International Plan”) is to assist the Company and its international subsidiaries in attracting and retaining personnel of outstanding abilities, to motivate employees to dedicate their maximum productive effort on behalf of the Company and its international branches and subsidiaries and to encourage long-term ownership of the Company’s common stock by such employees.

SECTION 2 DEFINITIONS

Unless the context clearly requires otherwise, (1) when capitalized, the terms listed below shall have the meanings given below when used in this Section or other parts of the International Plan and (2) when capitalized, terms used in the International Plan that are not defined in the International Plan shall have the meanings given in the other parts of the Plan.

(a) **“Account”** is the account maintained by the Company or the Plan Agent for each Participant to hold shares of Stock purchased in accordance with the International Plan, together with any other funds belonging to the Participant. A Participant’s rights with respect to his or her Account shall be subject to the terms and conditions established by the Committee or the Plan Agent from time to time and any applicable local laws.

(b) **“Alternate Currency”** is any currency other than United States dollars.

(c) **“Board”** is the Board of Directors of the Company.

- (d) **“Committee”** is the International Stock Plan Committee, which is a committee of employees of the Company or its affiliates as appointed from time to time by the Board to administer the International Plan, or its designated agent.
- (e) **“Company”** is nVent Electric plc, an Irish company, and any successor thereto.
- (f) **“Eligible Employee”** is each regular or permanent full- or part-time employee of a Participating International Affiliate, as determined by the Committee in its sole discretion, who is at least eighteen (18) years of age and who is not covered by the parts of the Plan other than this Appendix A.
- (g) **“International Plan”** is the nVent Electric plc International Stock Purchase and Bonus Plan, as described in this Appendix A effective April 30, 2018, and as it may be amended from time to time thereafter.
- (h) **“Participant”** is an Eligible Employee who is enrolled in the International Plan.
- (i) **“Participating International Affiliate”** is any branch office of the Company, and any corporation or other form of business or association owned or controlled, directly or indirectly, by the Company, whose Eligible Employees are, by action of the Committee (or delegate thereof), permitted to participate in the International Plan. The Company shall maintain a list of Participating International Affiliates.
- (j) **“Plan”** is the nVent Electric plc Employee Stock Purchase and Bonus Plan as described in this plan document and as it may be amended from time to time.
- (k) **“Plan Agent”** is the financial services firm or other entity duly appointed by the Committee to (i) receive funds contributed by Participants and Participating International Affiliates, (ii) purchase shares of Stock with funds contributed by Participants and Participating International Affiliates, and (iii) maintain Participant Accounts.
- (l) **“Stock”** is the ordinary shares of nVent Electric plc, nominal value \$0.01 per share.

SECTION 3 ADMINISTRATION

3.1 **Administrator.** The International Plan shall be administered by the Committee (or its delegate), which shall have full power and authority to interpret and construe any provision of the International Plan, to adopt rules and regulations not inconsistent with the International Plan for carrying out the purposes of the International Plan with respect to matters not specifically covered herein, to amend and revoke any rules or regulations so adopted and to appoint agents, including a custodian. Except as otherwise provided herein or to the extent required by law, any interpretation of the International Plan and any decision on any matter within the discretion of the Committee, which is made by the Committee in good faith, is binding

on all persons. The Company may delegate its duties under the International Plan to its agents or to the Committee.

3.2 Rulemaking Authority. The Committee shall, to the extent necessary or desirable, establish any special rules for Eligible Employees, former employees, or Participants located in a particular country. Such rules shall be set forth in Appendices to this International Plan, which shall be deemed incorporated into the International Plan. Notwithstanding the foregoing, the Committee and the Plan Agent, as applicable, may, in their discretion, establish special administrative rules and procedures related to a Participant located in a particular country or such Participant's Account, as necessary under applicable local law.

SECTION 4 PARTICIPATION

Each Eligible Employee may participate in the International Plan at any time after the Effective Date by delivering an authorization for deductions from such individual's compensation, in accordance with procedures established by the Committee or the Plan Agent.

Participation in the International Plan by Eligible Employees is entirely voluntary. After the Effective Date, participation in the International Plan will begin as soon as practicable after the required authorization is received and processed and continue until the Participant ceases to be an Eligible Employee, the Company terminates the participation of the Participant pursuant to Section 9 or written termination by the Participant of his or her participation in the International Plan is received and processed in accordance with procedures established by the Committee or the Plan Agent.

SECTION 5 PARTICIPANT CONTRIBUTIONS

Participants may make contributions for the purchase of Stock under the International Plan in accordance with the following:

5.1 Participant Contributions. Participants may authorize the relevant Participating International Affiliate to make periodic payroll deductions from the Participant's compensation for the purpose of purchasing Stock, in accordance with procedures established by the Committee or its agent. The deductions shall be forwarded to the Company or the Plan Agent, as applicable, on behalf of the Participant. The minimum deduction allowed is 0.01% of Compensation per payroll period; the maximum deduction allowed is \$12,000 USD per calendar year, which may be implemented on an annual, per month or per payroll period basis (including as a maximum percentage of Compensation) as determined by the Company in its discretion. A payroll deduction may be decreased or increased (subject to the above limitations) at any time by the Participant, in accordance with procedures established by the Committee or the Plan Agent, and such change shall be effective as soon as practicable thereafter. A payroll deduction may be terminated at any time by the Participant giving notice in accordance with procedures established by the Committee or the Plan Agent, and such change shall be effective as soon as practicable thereafter. A Participant who terminates his or her payroll deduction may re-enroll in the International Plan at any time by completing and returning the appropriate payroll deduction authorization in accordance with procedures established by the Committee or the Plan Agent, provided such individual is then an Eligible Employee, and such change shall be effective as soon as practicable thereafter.

5.2 **Currency Conversion.** The Company or the Plan Agent may convert all funds received from Participants in an Alternate Currency into United States dollars in accordance with procedures established by the Committee.

5.3 **Suspension of Participant Contributions.** Notwithstanding any other provision herein to the contrary, the Company may, through action of the Compensation Committee of its Board of Directors, in its discretion, suspend Participant payroll deductions, and re-commence such contributions, at such times as the Compensation Committee may determine, in its sole discretion.

SECTION 6 BONUS CONTRIBUTIONS

6.1 **Employer Contributions.** At the time or times determined by the Committee, the Participating International Affiliate that employs the Participant will forward to the Company or the Plan Agent, as applicable, for such Participant's Account a bonus amount equal to twenty-five percent (25%) of the amount contributed by such Participant in the form of payroll deductions pursuant to Section 5.1, subject to the limitations set forth therein.

6.2 **Taxation.** The Participant is responsible for the payment of all income taxes, employment, social insurance, welfare and other taxes under applicable law relating to the bonus contributions made by the relevant Participating International Affiliate, the purchase and sale of Stock pursuant to this International Plan and the distribution of Stock or cash to the Participant in accordance with this International Plan. The Participating International Affiliate is authorized to make appropriate withholding deductions from each Participant's compensation, which shall be in addition to any payroll deductions made pursuant to Section 5, and to pay such amounts to the appropriate tax authorities in the relevant country or countries in satisfaction of any of the above tax liabilities of the Participant, as required under applicable law. All such payments of applicable withholding tax in any relevant jurisdiction shall be the obligation of the relevant Participating International Affiliate and not the Company.

6.3 **Suspension of Bonus Contributions.** Notwithstanding any other provision herein to the contrary, the Company may, through action of the Compensation Committee of its Board of Directors, in its discretion, suspend Participating International Affiliate contributions made pursuant to this Section 6, and re-commence such contributions, at such times as the Compensation Committee may determine, in its sole discretion.

SECTION 7 PURCHASES OF STOCK; DISPOSITION OF ACCOUNT

7.1 **Forwarding Funds.** All funds deducted from a Participant's compensation by the relevant Participating International Affiliate and the bonus contributions made by the relevant Participating International Affiliate shall be forwarded to the Company or the Plan Agent, together with a list of Participants and the amounts allocable to their respective Accounts, in accordance with procedures established by the Committee. Subject to applicable local law, until such contributions are transferred to the Plan Agent for purposes of purchasing Stock under the International Plan, the amounts so collected may be commingled with the general assets of the Company or the Participating International Affiliate and used for general purposes and no interest shall be paid in connection with such amounts.

7.2 **Purchasing Stock.** Upon receipt of funds from the Participating International Affiliates, the Company or the Plan Agent shall, as promptly as practicable, purchase Stock on the open market for such Participant's Account. The relevant Participating International Affiliate shall pay commissions on the purchases of such Stock and such other related charges as may be agreed from time to time. The Plan Agent shall make all such purchases on a single business day or over a number of business days in the month, as agreed to by the Plan Agent and the Committee. The Stock so purchased shall be allocated to the Participant's Account on behalf of whom purchases were made based on (i) the actual purchase price for such Stock, in such case where the Plan Agent makes a single purchase of Stock under the Plan in one day or (ii) an average purchase price, as determined by the Committee and the Plan Agent, in the case where multiple purchases are made on one or more than one day. No interest shall be paid on cash amounts (if any) held by the Plan Agent regardless of whether such cash is being held in anticipation of the date on which Stock purchases shall be made or held pending a refund to a terminating Participant.

7.3 **Distribution of Account.** A Participant shall be eligible to receive a distribution of his or her Account in accordance with the rules and procedures established by the Committee or the Plan Agent from time to time.

SECTION 8 ACCOUNTS AND REPORTS

Each Participant shall receive quarterly, or at such other intervals as may be necessary or appropriate, a statement of activity from the Plan Agent, which may include the following information:

- (a) the amount contributed for the period by the Participant and the relevant Participating International Affiliate pursuant to the International Plan;
- (b) the number of shares purchased for the Participant's Account during the period;
- (c) the total number of shares held in the Participant's Account; and
- (d) such other information as required from time to time.

SECTION 9 ENDING PARTICIPATION

9.1 **Termination of Participation.** A Participant may voluntarily terminate participation in the International Plan at any time by giving written notice in accordance with procedures established by the Committee or the Plan Agent. In addition, a Participant's participation in the International Plan may be automatically terminated if the Participant dies or terminates employment with the relevant Participating International Affiliate for any reason. A Participant whose participation in the International Plan terminates may reenter the International Plan at any time in accordance with the procedures established under Section 5.1, provided he or she is then an Eligible Employee.

9.2 **Disposition of Account Upon Termination of Participation.** Upon termination of participation, a participant shall be eligible to receive a distribution of his or her Account in accordance with the rules and procedures established by the Committee or the Plan Agent from time to time.

SECTION 10 RIGHTS AS A STOCKHOLDER

10.1 **Voting and Other Rights.** Participants will not have any voting, dividend or other rights of a shareholder with respect to shares of Stock subject to this International Plan until such shares have been delivered to the Participant's Account. Once the Stock is delivered to the Participant's Account, he or she will be entitled to all notices and correspondence provided to any shareholder of record who is not a Participant, including proxy statements, in accordance with applicable law. The Company or Plan Agent, as applicable, shall be responsible for soliciting and receiving proxy instructions from each Participant and shall vote the Stock allocated to each Participant's Account in accordance with the instructions, if any, provided by such Participant.

10.2 **Dividends and Other Proceeds.** Subject to any requirements under applicable local law, cash dividends paid on Stock held in a Participant's Account shall, as elected by the Participant in accordance with procedures established by the Committee, be used by the Plan Agent to purchase additional shares of Stock on behalf of such Participant or paid directly to the Participant in cash.

SECTION 11 TRANSFER OF RIGHTS

A Participant's right, if any, to transfer, mortgage, alienate, sell, assign, pledge, encumber or charge assets in his or her Account shall be subject to the rules and procedures established by the Plan Agent and applicable local law. Further, the Participant's Account shall only be disposed of and distributed by the Plan Agent to the legal representative of the Participant's estate in accordance with applicable law.

SECTION 12 MISCELLANEOUS

12.1 **Term of International Plan.** This International Plan shall be effective April 30, 2018, and shall remain in effect for a period of ten (10) years after such effective date, unless earlier terminated as provided in Section 12.2(b).

12.2 Amendment and Termination.

(a) **Plan Amendment.** The Company may, by written resolution of the Board or through action of the Compensation Committee of such Board, at any time and from time to time, amend the International Plan in whole or in part.

(b) **Plan Termination.** The Company may, at any time, by written resolution of the Board or through action of the Compensation Committee of such Board, terminate the International Plan. In addition, the Board or the Compensation Committee of the Board

may at any time terminate this International Plan as to any individual Participating International Affiliate.

12.3 **Employment Relationship.**

(a) **Tenure of Employment.** Nothing in this International Plan shall confer on any Participant any express or implied right to employment or continued employment by the Company or any Participating International Affiliate, whether for the duration of the International Plan or otherwise.

(b) **Contract of Employment.** This International Plan shall not form part of any contract of employment between the Company or any of the Participating International Affiliates nor shall this International Plan amend, abrogate or affect any existing employment contract between the Company or any of the Participating International Affiliates and their respective employees. Nothing in this International Plan shall confer on any person any legal or equitable right against the Company or any of its affiliates, directly or indirectly, or give rise to any cause of action at law or in equity against the Company or any of its affiliates.

(c) **Severance.** Neither the Stock purchased hereunder, any bonus contributions made hereunder nor other benefits conferred hereby shall form any part of the wages or salary of any Eligible Employees for purposes of severance pay or termination indemnities, irrespective of the reason for termination of employment. Under no circumstances shall any person ceasing to be an employee of the Company or any of its affiliates be entitled to any compensation for any loss of any right or benefit under this International Plan which such employee might otherwise have enjoyed but for ceasing to be an employee, whether such compensation is claimed by way of damages for wrongful or unfair dismissal, breach of contract or otherwise.

12.4 **Voluntary Participation.** Participation in the International Plan is entirely voluntary, and by maintaining the International Plan the Company is not making a recommendation as to whether any Eligible Employee should invest in Stock. Investment in any stock involves risk, and each Eligible Employee must decide whether to accept the risk of investing in Stock.

12.5 **Communications.** The Company or a Participating International Affiliate may, unless otherwise prescribed by applicable laws or regulations, provide the prospectus and any notices, forms or reports by using either paper or electronic means.

12.6 **Acceptance of Terms.** By participating in the International Plan, each Participant shall be deemed to have accepted all the conditions of the International Plan and the terms and conditions of any rules and regulations adopted by the Committee or the Company and shall be fully bound thereby.

Exhibit A
Special Rules - Germany

These special rules, adopted pursuant to Section 3.2 of the nVent Electric plc International Stock Purchase and Bonus Plan, modify the terms of such Plan as in effect in Germany as follows:

The following section is added to Section 11, Transfer of Rights, of the International Plan:

11.3 **Provisions Applicable in Germany**. Notwithstanding the foregoing, if prior to the transfer of the Stock in a Participant's Account to such Participant's designated beneficiary the Company or its agent receives a certified copy of a Certificate of Heirship ("Erbschein"), then the Company or its agent shall transfer the relevant shares of Stock to only the person or persons named in such Certificate, without regard to whether such person demands the sale of Stock and payment in cash and without any further obligation on the part of the Company or its agent to investigate such transferees' rights. If the Company or its agent transfers the Stock to a designated beneficiary or a person named in the Erbschein, the Company or its agent shall be released from all obligations to the Participant and the Participant's successors, assigns, and other persons who may have an interest in the Participant's Account.

Description of Amendment to the nVent Management Company Non-Qualified Deferred Compensation Plan

Effective June 1, 2020, a new Section 4.2(c) was added to the nVent Management Company Non-Qualified Deferred Compensation Plan to read as follows:

(c) Suspension of Matching Contribution for 2020. Notwithstanding anything herein to the contrary, no Employer Matching Contribution shall be made for any Employee with respect to the 2020 Plan Year.

Certification

I, Beth A. Wozniak, certify that:

1. I have reviewed this quarterly report on Form 10-Q of nVent Electric plc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 31, 2020

/s/ Beth A. Wozniak

Beth A. Wozniak

Chief Executive Officer

Certification

I, Sara E. Zawoyski, certify that:

1. I have reviewed this quarterly report on Form 10-Q of nVent Electric plc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 31, 2020

/s/ Sara E. Zawoyski

Sara E. Zawoyski

Executive Vice President and Chief Financial Officer

**Certification of CEO Pursuant To
18 U.S.C. Section 1350,
As Adopted Pursuant To
Section 906 Of The Sarbanes-Oxley Act Of 2002**

In connection with the Quarterly Report on Form 10-Q of nVent Electric plc (the “Company”) for the period ended June 30, 2020 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Beth A. Wozniak, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that based on my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 31, 2020

/s/ Beth A. Wozniak

Beth A. Wozniak

Chief Executive Officer

**Certification of CFO Pursuant To
18 U.S.C. Section 1350,
As Adopted Pursuant To
Section 906 Of The Sarbanes-Oxley Act Of 2002**

In connection with the Quarterly Report on Form 10-Q of nVent Electric plc (the “Company”) for the period ended June 30, 2020 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Sara E. Zawoyski, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that based on my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 31, 2020

/s/ Sara E. Zawoyski

Sara E. Zawoyski

Executive Vice President and Chief Financial Officer