

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 March 31, 2021

☐ 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 March 31, 2021, 167,677,815 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	
	March 31, 2021	March 31, 2020
<i>In millions, except per-share data</i>		
Net sales	\$ 548.9	\$ 520.9
Cost of goods sold	339.9	325.6
Gross profit	209.0	195.3
Selling, general and administrative	117.2	123.1
Research and development	11.4	11.9
Operating income	80.4	60.3
Net interest expense	8.1	9.9
Other expense	0.6	0.8
Income before income taxes	71.7	49.6
Provision for income taxes	6.3	31.0
Net income	\$ 65.4	\$ 18.6
Comprehensive income, net of tax		
Net income	\$ 65.4	\$ 18.6
Changes in cumulative translation adjustment	3.0	(23.5)
Changes in market value of derivative financial instruments, net of tax	19.3	17.0
Comprehensive income	\$ 87.7	\$ 12.1
Earnings per ordinary share		
Basic	\$ 0.39	\$ 0.11
Diluted	\$ 0.39	\$ 0.11
Weighted average ordinary shares outstanding		
Basic	167.7	169.8
Diluted	168.8	171.0
Cash dividends paid per ordinary share	\$ 0.175	\$ 0.175

See accompanying notes to condensed consolidated financial statements.

nVent Electric plc
Condensed Consolidated Balance Sheets (Unaudited)

<i>In millions, except per-share data</i>	March 31, 2021	December 31, 2020
Assets		
Current assets		
Cash and cash equivalents	\$ 104.9	\$ 122.5
Accounts and notes receivable, net of allowances of \$5.8 and \$6.2, respectively	351.7	313.8
Inventories	237.9	235.2
Other current assets	104.5	92.9
Total current assets	799.0	764.4
Property, plant and equipment, net	282.7	289.4
Other assets		
Goodwill	2,094.3	2,098.2
Intangibles, net	1,088.7	1,105.5
Other non-current assets	133.3	108.6
Total other assets	3,316.3	3,312.3
Total assets	\$ 4,398.0	\$ 4,366.1
Liabilities and Equity		
Current liabilities		
Current maturities of long-term debt and short-term borrowings	\$ 20.0	\$ 20.0
Accounts payable	176.9	171.1
Employee compensation and benefits	76.3	70.4
Other current liabilities	190.6	188.5
Total current liabilities	463.8	450.0
Other liabilities		
Long-term debt	923.2	928.0
Pension and other post-retirement compensation and benefits	228.7	237.9
Deferred tax liabilities	229.4	230.1
Other non-current liabilities	102.9	110.3
Total liabilities	1,948.0	1,956.3
Equity		
Ordinary shares \$0.01 par value, 400.0 authorized, 167.7 and 168.2 issued at March 31, 2021 and December 31, 2020, respectively	1.7	1.7
Additional paid-in capital	2,464.5	2,482.6
Retained earnings	56.7	20.7
Accumulated other comprehensive loss	(72.9)	(95.2)
Total equity	2,450.0	2,409.8
Total liabilities and equity	\$ 4,398.0	\$ 4,366.1

See accompanying notes to condensed consolidated financial statements.

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

<i>In millions</i>	Three months ended	
	March 31, 2021	March 31, 2020
Operating activities		
Net income	\$ 65.4	\$ 18.6
Adjustments to reconcile net income to net cash provided by (used for) operating activities		
Depreciation	9.7	9.6
Amortization	15.9	16.0
Deferred income taxes	(1.5)	26.0
Share-based compensation	(0.2)	1.9
Changes in assets and liabilities, net of effects of business acquisitions		
Accounts and notes receivable	(42.2)	(2.6)
Inventories	(6.2)	(6.1)
Other current assets	(12.6)	(5.7)
Accounts payable	10.1	(33.3)
Employee compensation and benefits	7.1	(9.3)
Other current liabilities	2.5	(8.6)
Other non-current assets and liabilities	1.9	0.2
Net cash provided by (used for) operating activities	49.9	6.7
Investing activities		
Capital expenditures	(9.9)	(10.2)
Proceeds from sale of property and equipment	0.1	1.1
Acquisitions, net of cash acquired	(3.9)	(27.0)
Net cash provided by (used for) investing activities	(13.7)	(36.1)
Financing activities		
Net receipts of revolving long-term debt	—	150.0
Repayments of long-term debt	(5.0)	(3.8)
Dividends paid	(29.4)	(29.7)
Shares issued to employees, net of shares withheld	2.0	3.0
Repurchases of ordinary shares	(20.0)	(3.2)
Net cash provided by (used for) financing activities	(52.4)	116.3
Effect of exchange rate changes on cash and cash equivalents	(1.4)	(5.4)
Change in cash and cash equivalents	(17.6)	81.5
Cash and cash equivalents, beginning of period	122.5	106.4
Cash and cash equivalents, end of period	\$ 104.9	\$ 187.9

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, 2020	168.2	\$ 1.7	\$ 2,482.6	\$ 20.7	\$ (95.2)	2,409.8
Net income	—	—	—	65.4	—	65.4
Other comprehensive income, net of tax	—	—	—	—	22.3	22.3
Dividends declared	—	—	—	(29.4)	—	(29.4)
Share repurchases	(0.9)	—	(20.0)	—	—	(20.0)
Exercise of options, net of shares tendered for payment	0.2	—	4.1	—	—	4.1
Issuance of restricted shares, net of cancellations	0.3	—	—	—	—	—
Shares surrendered by employees to pay taxes	(0.1)	—	(2.0)	—	—	(2.0)
Share-based compensation	—	—	(0.2)	—	—	(0.2)
Balance - March 31, 2021	167.7	\$ 1.7	\$ 2,464.5	\$ 56.7	\$ (72.9)	2,450.0

<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

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, Electrical & Fastening Solutions and Thermal Management.

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

Basis of presentation

The 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, 2020.

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.

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:

<i>In millions</i>	Three months ended March 31, 2021			
	Enclosures	Electrical & Fastening Solutions	Thermal Management	Total
U.S. and Canada	\$ 175.7	\$ 103.9	\$ 63.8	\$ 343.4
Developed Europe ⁽¹⁾	73.4	30.8	30.5	134.7
Developing ⁽²⁾	24.4	9.0	27.0	60.4
Other Developed ⁽³⁾	3.5	4.2	2.7	10.4
Total	\$ 277.0	\$ 147.9	\$ 124.0	\$ 548.9

<i>In millions</i>	Three months ended March 31, 2020			
	Enclosures	Electrical & Fastening Solutions	Thermal Management	Total
U.S. and Canada	\$ 174.1	\$ 102.5	\$ 70.6	\$ 347.2
Developed Europe ⁽¹⁾	61.9	27.2	29.6	118.7
Developing ⁽²⁾	19.4	8.7	16.9	45.0
Other Developed ⁽³⁾	3.1	3.5	3.4	10.0
Total	\$ 258.5	\$ 141.9	\$ 120.5	\$ 520.9

⁽¹⁾ Developed Europe includes Western Europe and Eastern Europe included in European Union.

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

⁽³⁾ Other Developed includes Australia and Japan.

Vertical net sales information was as follows:

<i>In millions</i>	Three months ended March 31, 2021			
	Enclosures	Electrical & Fastening Solutions	Thermal Management	Total
Industrial	\$ 172.1	\$ 24.4	\$ 50.6	\$ 247.1
Commercial & Residential	28.6	75.9	44.3	148.8
Infrastructure	55.6	43.6	3.8	103.0
Energy	20.7	4.0	25.3	50.0
Total	\$ 277.0	\$ 147.9	\$ 124.0	\$ 548.9

<i>In millions</i>	Three months ended March 31, 2020			
	Enclosures	Electrical & Fastening Solutions	Thermal Management	Total
Industrial	\$ 156.5	\$ 21.0	\$ 46.6	\$ 224.1
Commercial & Residential	31.7	73.1	39.7	144.5
Infrastructure	47.1	43.4	4.0	94.5
Energy	23.2	4.4	30.2	57.8
Total	\$ 258.5	\$ 141.9	\$ 120.5	\$ 520.9

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

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

Contract balances

Contract assets and liabilities consisted of the following:

<i>In millions</i>	March 31, 2021		December 31, 2020		\$ Change	% Change
Contract assets	\$	44.8	\$	45.6	\$ (0.8)	(1.8) %
Contract liabilities		12.8		11.3	1.5	13.3 %
Net contract assets	\$	32.0	\$	34.3	\$ (2.3)	(6.7) %

The \$2.3 million decrease in net contract assets from December 31, 2020 to March 31, 2021 was primarily the result of timing of milestone payments. The majority of our contract liabilities at December 31, 2020 were recognized in revenue during the three months ended March 31, 2021. There were no material impairment losses recognized on our contract assets for the three months ended March 31, 2021 and 2020.

Remaining performance obligations

We have elected the practical expedient to disclose only the value of remaining performance obligations for contracts with an original expected length of one year or more. On March 31, 2021, we had \$95.1 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 three months ended March 31, 2021 and the year ended December 31, 2020, we initiated and continued execution of certain business restructuring initiatives aimed at reducing our fixed cost structure and realigning our business. We executed certain initiatives in response to the decrease in demand attributed to the effect of the COVID-19 pandemic.

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	
	March 31, 2021	March 31, 2020
Severance and related costs	\$ 0.2	\$ 3.5
Other	0.6	0.8
Total restructuring costs	\$ 0.8	\$ 4.3

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	
	March 31, 2021	March 31, 2020
Enclosures	\$ 1.0	\$ 3.1
Electrical & Fastening Solutions	0.2	—
Thermal Management	0.2	1.1
Other	(0.6)	0.1
Total	\$ 0.8	\$ 4.3

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 three months ended March 31, 2021:

<i>In millions</i>	
Beginning balance	\$ 6.6
Costs incurred	0.2
Cash payments and other	(3.2)
Ending balance	\$ 3.6

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Notes to condensed consolidated financial statements (unaudited)
4. Earnings Per Share

Basic and diluted earnings per share were calculated as follows:

<i>In millions, except per-share data</i>	Three months ended	
	March 31, 2021	March 31, 2020
Net income	\$ 65.4	\$ 18.6
Weighted average ordinary shares outstanding		
Basic	167.7	169.8
Dilutive impact of stock options, restricted stock units and performance share units	1.1	1.2
Diluted	168.8	171.0
Earnings per ordinary share		
Basic earnings per ordinary share	\$ 0.39	\$ 0.11
Diluted earnings per ordinary share	\$ 0.39	\$ 0.11
Anti-dilutive stock options excluded from the calculation of diluted earnings per share	2.0	2.9

5. Acquisitions

On February 10, 2020, we acquired substantially all of the assets of WBT LLC ("WBT") for \$29.9 million in cash. The U.S. based WBT business manufactures high-quality cable tray systems that we market 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 was 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.

On April 1, 2021, we acquired substantially all of the assets of Vynckier Enclosure Systems, Inc. ("Vynckier") for approximately \$26.9 million in cash, subject to purchase price adjustments and holdback arrangements. Vynckier is a U.S. based manufacturer of high-quality non-metallic enclosures that we will market as part of the nVent HOFFMAN product line within our Enclosures segment.

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, 2020	Acquisitions/ divestitures	Foreign currency translation/other	March 31, 2021
Enclosures	\$ 332.1	\$ —	\$ (4.7)	\$ 327.4
Electrical & Fastening Solutions	1,051.9	0.1	—	1,052.0
Thermal Management	714.2	—	0.7	714.9
Total goodwill	\$ 2,098.2	\$ 0.1	\$ (4.0)	\$ 2,094.3

Identifiable intangible assets consisted of the following:

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

<i>In millions</i>	March 31, 2021			December 31, 2020		
	Cost	Accumulated amortization	Net	Cost	Accumulated amortization	Net
Definite-life intangibles						
Customer relationships	\$ 1,213.7	\$ (405.2)	\$ 808.5	\$ 1,214.5	\$ (389.6)	\$ 824.9
Proprietary technology and patents	16.3	(9.2)	7.1	16.3	(8.8)	7.5
Total definite-life intangibles	1,230.0	(414.4)	815.6	1,230.8	(398.4)	832.4
Indefinite-life intangibles						
Trade names	273.1	—	273.1	273.1	—	273.1
Total intangibles	\$ 1,503.1	\$ (414.4)	\$ 1,088.7	\$ 1,503.9	\$ (398.4)	\$ 1,105.5

Identifiable intangible asset amortization expense was \$15.9 million and \$16.0 million for the three months ended March 31, 2021 and 2020, respectively.

Estimated future amortization expense for identifiable intangible assets during the remainder of 2021 and the next five years is as follows:

<i>In millions</i>	Q2-Q4					
	2021	2022	2023	2024	2025	2026
Estimated amortization expense	\$ 47.5	\$ 63.3	\$ 63.1	\$ 62.5	\$ 62.5	\$ 62.5

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

<i>In millions</i>	March 31, 2021	December 31, 2020
Inventories		
Raw materials and supplies	\$ 69.9	\$ 67.3
Work-in-process	26.8	24.4
Finished goods	141.2	143.5
Total inventories	\$ 237.9	\$ 235.2
Other current assets		
Contract assets	\$ 44.8	\$ 45.6
Prepaid expenses	45.5	29.8
Prepaid income taxes	10.5	13.4
Other current assets	3.7	4.1
Total other current assets	\$ 104.5	\$ 92.9
Property, plant and equipment, net		
Land and land improvements	\$ 40.3	\$ 41.0
Buildings and leasehold improvements	181.7	185.5
Machinery and equipment	465.2	461.4
Construction in progress	27.0	30.3
Total property, plant and equipment	714.2	718.2
Accumulated depreciation and amortization	431.5	428.8
Total property, plant and equipment, net	\$ 282.7	\$ 289.4
Other non-current assets		
Deferred compensation plan assets	\$ 18.9	\$ 20.0
Lease right-of-use assets	49.1	45.6
Deferred tax assets	30.4	29.8
Other non-current assets	34.9	13.2
Total other non-current assets	\$ 133.3	\$ 108.6
Other current liabilities		
Dividends payable	\$ 29.3	\$ 29.4
Accrued rebates	43.3	40.5
Contract liabilities	12.8	11.3
Accrued taxes payable	24.6	32.8
Current lease liabilities	14.2	14.2
Other current liabilities	66.4	60.3
Total other current liabilities	\$ 190.6	\$ 188.5
Other non-current liabilities		
Income taxes payable	\$ 30.1	\$ 31.7
Deferred compensation plan liabilities	18.9	20.0
Non-current lease liabilities	39.2	35.7
Other non-current liabilities	14.7	22.9
Total other non-current liabilities	\$ 102.9	\$ 110.3

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 March 31, 2021 and December 31, 2020, we had outstanding foreign currency derivative contracts with gross notional U.S. dollar equivalent amounts of \$28.8 million and \$41.8 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 March 31, 2021 and December 31, 2020, we had outstanding cross currency swap agreements with a combined notional amount of \$316.0 million and \$329.0 million, respectively. The agreements are accounted for as either cash flow hedges, to hedge foreign currency fluctuations on certain intercompany debt, or as net investment hedges, to manage our exposure to fluctuations in the Euro-U.S. Dollar exchange rate. At March 31, 2021 and December 31, 2020, we had deferred foreign currency gains of \$9.1 million and \$6.9 million, respectively, in *Accumulated other comprehensive loss* associated with our cross currency swap activity.

Interest rate swaps

We are also exposed to interest rate risk fluctuations in connection with the planned issuance of long-term debt. To manage the volatility related to this exposure, we may use forward starting interest rate swaps to fix a portion of the interest cost associated with anticipated future financings. In 2020, we entered into a forward starting interest rate swap to hedge the variability of cash flows attributable to changes in the benchmark swap interest rate (London Inter-Bank Offer Rate) associated with the anticipated refinancing of the 2023 Notes (as defined below). The interest rate swap contract has a notional amount of \$200.0 million and is expected to mature in 2023. The interest rates swaps are accounted for as cash flow hedges since they hedge the risk of an increase in treasury rates for the forecasted interest payments of an anticipated fixed-rate debt issuance. At March 31, 2021 and December 31, 2020, we had deferred gains of \$19.3 million and \$2.1 million, respectively, in *Accumulated other comprehensive loss* associated with our interest rate 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 and interest rate swap agreements* — fair values are determined through the use of models that consider various assumptions, including time value, yield curves, as well as other relevant economic measures, which are 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

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Notes to condensed consolidated financial statements (unaudited)

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.

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

<i>In millions</i>	March 31, 2021		December 31, 2020	
	Recorded Amount	Fair Value	Recorded Amount	Fair Value
Variable rate debt	\$ 147.1	\$ 147.1	\$ 152.1	\$ 152.1
Fixed rate debt	800.0	898.8	800.0	915.2
Total debt	\$ 947.1	\$ 1,045.9	\$ 952.1	\$ 1,067.3

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

Recurring fair value measurements

<i>In millions</i>	March 31, 2021				
	Level 1	Level 2	Level 3	NAV	Total
Foreign currency contract liabilities	\$ —	\$ (5.7)	\$ —	\$ —	\$ (5.7)
Foreign currency contract assets	—	3.5	—	—	3.5
Interest rate swap assets	—	19.3	—	—	19.3
Deferred compensation plan assets	14.5	—	—	4.4	18.9
Total recurring fair value measurements	\$ 14.5	\$ 17.1	\$ —	\$ 4.4	\$ 36.0

Recurring fair value measurements

<i>In millions</i>	December 31, 2020				
	Level 1	Level 2	Level 3	NAV	Total
Foreign currency contract liabilities	\$ —	\$ (14.3)	\$ —	\$ —	\$ (14.3)
Foreign currency contract assets	—	0.9	—	—	0.9
Interest rate swap assets	—	2.1	—	—	2.1
Deferred compensation plan assets	15.6	—	—	4.4	20.0
Total recurring fair value measurements	\$ 15.6	\$ (11.3)	\$ —	\$ 4.4	\$ 8.7

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

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

<i>In millions</i>	Average interest rate at March 31, 2021	Maturity Year	March 31, 2021	December 31, 2020
Revolving credit facility	1.484%	2023	\$ 34.6	\$ 34.6
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	1.484%	2023	112.5	117.5
Unamortized debt issuance costs and discounts	N/A	N/A	(3.9)	(4.1)
Total debt			943.2	948.0
Less: Current maturities and short-term borrowings			(20.0)	(20.0)
Long-term debt			\$ 923.2	\$ 928.0

Senior notes

In March 2018, nVent Finance S.à r.l. ("nVent Finance" or "Subsidiary Issuer"), a 100-percent owned subsidiary of nVent, issued \$300.0 million aggregate principal amount of 3.950% senior notes due 2023 (the "2023 Notes") and \$500.0 million aggregate principal amount of 4.550% senior notes due 2028 (the "2028 Notes" 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, subject to customary conditions, including the commitment of the participating lenders. Total availability under the Revolving Credit Facility was \$565.4 million as of March 31, 2021.

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

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 March 31, 2021, we were in compliance with all financial covenants in our debt agreements, and there is no material uncertainty about our ongoing ability to meet those covenants.

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

<i>In millions</i>	Q2-Q4							Total
	2021	2022	2023	2024	2025	2026	Thereafter	
Contractual debt obligation maturities	\$ 15.0	\$ 20.0	\$ 412.1	\$ —	\$ —	\$ —	\$ 500.0	\$ 947.1

10. Income Taxes

The effective income tax rate for the three months ended March 31, 2021 was 8.8%, compared to 62.5% for the three months ended March 31, 2020. The liability for uncertain tax positions was \$15.5 million and \$17.1 million at March 31, 2021 and December 31, 2020, 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.

In the three months ended March 31, 2021, we recorded a \$5.2 million discrete tax benefit related to a foreign subsidiary.

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 three months ended March 31, 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.

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 three months ended March 31, 2021, we repurchased 0.9 million of our ordinary shares for \$20.0 million under the 2018 Authorization. During the three months ended March 31, 2020, we repurchased 0.2 million of our ordinary shares for \$3.2 million under the 2018 Authorization. As of March 31, 2021, we have \$525.1 million available for share repurchases under the combined 2018 and 2019 Authorizations, which total \$880.0 million.

Dividends payable

On February 22, 2021, the Board of Directors declared a quarterly cash dividend of \$0.175 per ordinary share payable on May 7, 2021, to shareholders of record at the close of business on April 23, 2021. The balance of dividends payable included in *Other current liabilities* on our Condensed Consolidated Balance Sheets was \$29.3 million and \$29.4 million at March 31, 2021 and December 31, 2020, respectively.

nVent Electric plc
Notes to condensed consolidated financial statements (unaudited)
12. Segment Information

We evaluate performance based on net sales and segment income 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 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	
	March 31, 2021	March 31, 2020
Net sales		
Enclosures	\$ 277.0	\$ 258.5
Electrical & Fastening Solutions	147.9	141.9
Thermal Management	124.0	120.5
Total	\$ 548.9	\$ 520.9
Segment income (loss)		
Enclosures	\$ 48.8	\$ 40.9
Electrical & Fastening Solutions	39.2	33.5
Thermal Management	21.0	20.3
Other	(11.9)	(13.2)
Total	\$ 97.1	\$ 81.5

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

<i>In millions</i>	Three months ended	
	March 31, 2021	March 31, 2020
Segment income	\$ 97.1	\$ 81.5
Intangible amortization	(15.9)	(16.0)
Restructuring and other	(0.8)	(4.3)
Acquisition transaction and integration costs	—	(0.9)
Net interest expense	(8.1)	(9.9)
Other expense	(0.6)	(0.8)
Income before income taxes	\$ 71.7	\$ 49.6

13. 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.

nVent Electric plc

Notes to condensed consolidated financial statements (unaudited)

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 March 31, 2021 and December 31, 2020 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 March 31, 2021 and December 31, 2020, the outstanding value of bonds, letters of credit and bank guarantees totaled \$44.9 million and \$43.8 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," "forecasts," "should," "would," "positioned," "strategy," "future," "are confident," 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 and potential impairment of goodwill and trade names; 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, 2020. 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, Electrical & Fastening Solutions and Thermal Management, which represented approximately 50%, 27% and 23% of total revenues during the first three months of 2021, 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.
- **Electrical & Fastening Solutions**—The Electrical & Fastening Solutions segment provides solutions that connect and protect electrical and mechanical systems and civil structures. Its engineered electrical and fastening products are innovative cost efficient and time saving connections that are used across a wide range of verticals, including commercial, industrial, infrastructure and energy.
- **Thermal Management**—The Thermal Management segment provides electric thermal solutions that connect and protect critical buildings, infrastructure, industrial processes and people. Its thermal management systems include heat tracing, floor heating, fire-rated and specialty wiring, sensing and snow melting and 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.

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 we will market as part of the nVent CADDY product line within our Electrical & Fastening Solutions segment and nVent HOFFMAN product line within our Enclosures segment.

On April 1, 2021, we acquired substantially all of the assets of Vynckier Enclosure Systems, Inc. ("Vynckier") for approximately \$26.9 million in cash, subject to purchase price adjustments and holdback arrangements. The U.S. based Vynckier business manufactures high-quality non-metallic enclosures that we will market as part of the nVent HOFFMAN product line within our Enclosures segment.

COVID-19 Update

In March 2020, the World Health Organization declared COVID-19 a pandemic. The COVID-19 pandemic has resulted, and is likely to continue to result, in significant economic disruption and has adversely affected, and 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. The effects of the COVID-19 pandemic have had and may continue to have an unfavorable impact on our business.

Beginning in March 2020, we experienced significant reductions in customer demand in several end-markets across our business segments. However, economic activity in many of the end-markets in which we operate began to stabilize and recover in the second half of 2020, and continued to increase in the first quarter of 2021. Our organic sales have increased sequentially in each of the last three quarters beginning with the third quarter of 2020.

In response to the adverse effects of the pandemic, we executed a number of temporary cash and cost-savings measures, which were largely implemented in 2020. As our business has seen continuous, sequential improvement in our financial results and improved outlook for many end-markets since the third quarter of 2020, we have eliminated certain of the temporary cash and cost savings measures put in place. However, we plan to continue to execute on certain measures to align costs with the anticipated gradual recovery in customer demand.

As of the date of this filing, all of our manufacturing sites are currently operational, with additional precautions in place to ensure the safety of our employees. While we have not encountered any significant disruptions in our supply chain, we have experienced intermittent issues with transportation and availability of certain components, which in certain cases has resulted in higher costs and delays, both for obtaining raw materials and shipping finished goods to customers.

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

Key Trends and Uncertainties Regarding our Existing Business

The following trends and uncertainties affected our financial performance in 2020 and the first three months of 2021 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, rates of vaccinations, the pandemic's 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.
- 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 through 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 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 2020 and the first three months of 2021, we continued execution of certain business restructuring initiatives aimed at reducing our fixed cost structure and realigning our business. We executed certain initiatives in response to the decrease in demand attributed to the effect of the COVID-19 pandemic.

In 2021, our operating objectives include following:

- Executing our social responsibility strategy focused on People, Products and Planet;
- Enhancing and supporting employee engagement and development;
- Achieving differentiated revenue growth through new products and solutions and expansion in higher growth verticals and key developing regions;
- Optimizing our technological capabilities to increasingly generate innovative new and connected products and advance digital transformation;
- Driving operating excellence through lean enterprise initiatives, with specific focus on sourcing and supply management, cash flow management and lean operations;
- Optimizing working capital through inventory reduction initiatives across business segments and focused actions to optimize customer and vendor payment terms; and
- Deploying capital strategically to drive growth and value creation.

CONSOLIDATED RESULTS OF OPERATIONS

The consolidated results of operations for the three months ended March 31, 2021 and 2020 were as follows:

<i>In millions</i>	Three months ended			
	March 31, 2021	March 31, 2020	\$ change	% / point change
Net sales	\$ 548.9	\$ 520.9	\$ 28.0	5.4 %
Cost of goods sold	339.9	325.6	14.3	4.4 %
Gross profit	209.0	195.3	13.7	7.0 %
<i>% of net sales</i>	38.1 %	37.5 %		0.6 %
Selling, general and administrative	117.2	123.1	(5.9)	(4.8)%
<i>% of net sales</i>	21.4 %	23.6 %		(2.2)%
Research and development	11.4	11.9	(0.5)	(4.2)%
<i>% of net sales</i>	2.1 %	2.3 %		(0.2)%
Operating income	80.4	60.3	20.1	33.3 %
<i>% of net sales</i>	14.6 %	11.6 %		3.0 %
Net interest expense	8.1	9.9	(1.8)	N.M.
Other expense	0.6	0.8	(0.2)	N.M.
Income before income taxes	71.7	49.6	22.1	44.6 %
Provision for income taxes	6.3	31.0	(24.7)	(79.7)%
<i>Effective tax rate</i>	8.8 %	62.5 %		(53.7)%

N.M. Not Meaningful

Net sales

The components of the change in consolidated net sales from the prior period were as follows:

	Three months ended March 31, 2021 over the prior year period
Volume	0.6 %
Price	1.4
Organic growth	2.0
Acquisition	0.3
Currency	3.1
Total	5.4 %

The 5.4 percent increase in net sales in the first quarter of 2021 from 2020 was primarily the result of:

- organic sales growth contribution of approximately 3.0% and 1.0% from our industrial and infrastructure businesses, respectively, which includes selective increases in selling prices; and
- favorable foreign currency effects.

This increase was partially offset by:

- a slowdown in capital spending resulting in organic sales decline of approximately 2.0% from our energy business.

Gross profit

The 0.6 percentage point increase in gross profit as a percentage of net sales in the first quarter of 2021 from 2020 was primarily the result of:

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

This increase was partially offset by:

- inflationary increases related to certain raw materials, labor and freight costs; and
- the impact of unfavorable product mix.

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

The 2.2 percentage point decrease in SG&A expense as a percentage of net sales in the first quarter of 2021 from 2020 was primarily the result of:

- increased sales volume resulting in increased leverage on fixed operating expenses; and
- savings generated from restructuring and other lean initiatives.

This decrease was partially offset by:

- inflationary increases impacting our labor costs.

Provision for income taxes

The difference in the effective tax rates in the first quarter of 2021 from 2020 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; and
- a \$5.2 million discrete benefit recorded in the first quarter of 2021 related to a foreign subsidiary.

SEGMENT RESULTS OF OPERATIONS

The summary that follows provides a discussion of the results of operations of each of our three reportable segments (Enclosures, Electrical & Fastening Solutions and Thermal Management). 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 (loss) 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:

<i>In millions</i>	Three months ended		% / point change
	March 31, 2021	March 31, 2020	
Net sales	\$ 277.0	\$ 258.5	7.2 %
Segment income	48.8	40.9	19.3 %
<i>% of net sales</i>	<i>17.6 %</i>	<i>15.8 %</i>	<i>1.8 pts</i>

Net sales

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

	Three months ended March 31, 2021 over the prior year period
Volume	2.7 %
Price	1.6
Organic growth	4.3
Currency	2.9
Total	7.2 %

The 7.2 percent increase in Enclosures net sales in the first quarter of 2021 from 2020 was primarily the result of:

- organic sales growth contribution of approximately 4.0% and 2.5% from our industrial and infrastructure businesses, respectively, which includes selective increases in selling prices; and
- favorable foreign currency effects.

This increase was partially offset by:

- a slowdown in capital spending resulting in organic sales decline of approximately 1.5% and 1.0% from our commercial & residential and energy businesses, respectively.

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 March 31, 2021 over the prior year period
Growth/acquisition	(1.0) pts
Price	1.3
Net productivity	1.5
Total	1.8 pts

The 1.8 percentage point increase in segment income for Enclosures as a percentage of net sales in the first quarter of 2021 from 2020 was primarily the result of:

- higher sales volume resulting in increased leverage on fixed expenses; and
- savings generated from restructuring and lean initiatives.

This increase was partially offset by:

- inflationary increases related to certain raw materials, labor and freight costs.

Electrical & Fastening Solutions

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

	Three months ended			
In millions	March 31, 2021	March 31, 2020		% / point change
Net sales	\$ 147.9	\$ 141.9		4.2 %
Segment income	39.2	33.5		17.1 %
% of net sales	26.5 %	23.6 %		2.9 pts

Net sales

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

**Three months ended March 31, 2021
over the prior year period**

Volume	(1.0) %
Price	1.7
Organic growth	0.7
Acquisition	1.1
Currency	2.4
Total	4.2 %

The 4.2 percent increase in Electrical & Fastening Solutions net sales in the first quarter of 2021 from 2020 was primarily the result of:

- organic sales growth contribution of approximately 1.5% and 1.0% from our industrial and commercial & residential businesses, respectively, which include selective increases in selling prices; and
- favorable foreign currency effects.

This increase was partially offset by:

- a slowdown in capital spending resulting in organic sales decline of approximately 1.5% from our infrastructure business.

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 March 31, 2021
over the prior year period**

Growth/acquisition	(1.7) pts
Price	1.3
Currency	0.1
Net productivity	3.2
Total	2.9 pts

The 2.9 percentage point increase in segment income for Electrical & Fastening Solutions as a percentage of net sales in the first quarter of 2021 from 2020 was primarily the result of:

- savings generated from restructuring and lean initiatives; and
- selective increases in selling prices to mitigate inflationary cost increases.

This increase was partially offset by:

- the impact of unfavorable product mix; and
- inflationary increases related to certain raw materials, labor and freight costs.

Thermal Management

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

<i>In millions</i>	Three months ended		% / point change
	March 31, 2021	March 31, 2020	
Net sales	\$ 124.0	\$ 120.5	2.9 %
Segment income	21.0	20.3	3.4 %
% of net sales	16.9 %	16.8 %	0.1 pts

Net sales

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

	Three months ended March 31, 2021 over the prior year period
Volume	(2.0) %
Price	0.8
Organic growth (decline)	(1.2)
Currency	4.1
Total	2.9 %

The 2.9 percent increase in Thermal Management net sales in the first quarter of 2021 from 2020 was primarily the result of:

- organic sales growth contribution of approximately 2.0% from both our industrial and commercial & residential businesses, which includes selective increases in selling prices; and
- favorable foreign currency effects.

This increase was partially offset by:

- a slowdown in capital spending resulting in organic sales decline of approximately 5.0% from our energy business.

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 March 31, 2021 over the prior year period
Growth	(3.1) pts
Price	0.7
Currency	0.2
Net productivity	2.3
Total	0.1 pts

The 0.1 percentage point increase in segment income for Thermal Management as a percentage of net sales in the first quarter of 2021 from 2020 was primarily the result of:

- savings generated from restructuring and lean initiatives.

This increase was partially offset by:

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

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. As of March 31, 2021, we had \$104.9 million of cash on hand, of which only \$17.4 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 Electrical & Fastening Solutions products during the spring and summer months in the Northern Hemisphere and increased demand for Thermal Management products and services during the fall and winter months in the Northern Hemisphere.

Operating activities

Net cash provided by operating activities was \$49.9 million in the first three months of 2021, compared to net cash provided by operating activities of \$6.7 million in the first three months of 2020. Net cash provided by operating activities in the first three months of 2021 primarily reflects net income of \$89.5 million, net of non-cash depreciation, amortization and changes in deferred taxes, partially offset by a \$41.3 million increase in working capital.

Investing activities

Net cash used for investing activities of \$13.7 million in the first three months of 2021 relates primarily to capital expenditures of \$9.9 million.

Net cash used for investing activities of \$36.1 million in the first three months of 2020 relates primarily to capital expenditures of \$10.2 million and cash paid for the WBT acquisition of \$27.0 million.

Financing activities

Net cash used for financing activities of \$52.4 million in the first three months of 2021 primarily relates to dividends paid of \$29.4 million and share repurchases of \$20.0 million.

Net cash used for financing activities of \$116.3 million in the first three months of 2020 primarily relates to net receipts of revolving long-term debt of \$150.0 million, offset by dividends paid of \$29.7 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 \$565.4 million as of March 31, 2021.

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 March 31, 2021, we were in compliance with all financial covenants in our debt agreements, and there is no material uncertainty about our ongoing ability to meet those covenants.

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 three months ended March 31, 2021, we repurchased 0.9 million of our ordinary shares for \$20.0 million under the 2018 Authorization. During the three months ended March 31, 2020, we purchased 0.2 million of our ordinary shares for \$3.2 million under the 2018 Authorization. As of March 31, 2021, we have \$525.1 million available for share repurchases under the combined 2018 and 2019 Authorizations, which total \$880.0 million.

Dividends

During the three months ended March 31, 2021, we paid dividends of \$29.4 million, or \$0.175 per ordinary share. During the three months ended March 31, 2020, we paid dividends of \$29.7 million, or \$0.175 per ordinary share.

On February 22, 2021, the Board of Directors declared a quarterly cash dividend of \$0.175 per ordinary share payable on May 7, 2021, to shareholders of record at the close of business on April 23, 2021. The balance of dividends payable included in *Other current liabilities* on our Condensed Consolidated Balance Sheets was \$29.3 million and \$29.4 million at March 31, 2021 and December 31, 2020, respectively.

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>	Three months ended	
	March 31, 2021	March 31, 2020
Net cash provided by (used for) operating activities	\$ 49.9	\$ 6.7
Capital expenditures	(9.9)	(10.2)
Proceeds from sale of property and equipment	0.1	1.1
Free cash flow	\$ 40.1	\$ (2.4)

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 2020 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.

There have been no material changes to our critical accounting policies and estimates from those previously disclosed in our 2020 Annual Report on Form 10-K for the year ended December 31, 2020.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in our market risk during the quarter ended March 31, 2021. For additional information, refer to our 2020 Annual Report on Form 10-K for the year ended December 31, 2020.

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 March 31, 2021 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 March 31, 2021 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 March 31, 2021 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 2020 Annual Report on Form 10-K for the year ended December 31, 2020.

ITEM 1A. RISK FACTORS

There have been no additional material changes from the risk factors previously disclosed in our 2020 Annual Report on Form 10-K for the year ended December 31, 2020.

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 first quarter of 2021:

	(a)	(b)	(c)	(d)
Period	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
January 1 - January 30, 2021	614,432	\$ 22.86	579,084	\$ 531,878,280
January 31 - February 27, 2021	294,666	22.87	294,003	525,149,844
February 28 - March 31, 2021	48,614	27.53	—	525,149,844
Total	957,712		873,087	

- (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 March 31, 2021, we have \$525.1 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 March 31, 2021

- [10.1](#) Form of Executive Officer Performance Stock Unit Award Agreement with Stock Price Vesting.*
- [22](#) 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)).
- [31.1](#) Certification of Chief Executive Officer.
- [31.2](#) Certification of Chief Financial Officer.
- [32.1](#) 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.
- [32.2](#) 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 March 31, 2021 are filed herewith, formatted in iXBRL (Inline Extensible Business Reporting Language): (i) the Condensed Consolidated Statements of Income and Comprehensive Income for the three months ended March 31, 2021 and 2020, (ii) the Condensed Consolidated Balance Sheets as of March 31, 2021 and December 31, 2020, (iii) the Condensed Consolidated Statements of Cash Flows for the three months ended March 31, 2021 and 2020, (iv) the Condensed Consolidated Statements of Changes in Equity for the three months ended March 31, 2021 and 2020, 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).

*Denotes a management contract or compensatory plan or arrangement.

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 April 29, 2021.

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

NVENT ELECTRIC PLC
2018 OMNIBUS INCENTIVE PLAN
PERFORMANCE STOCK UNIT AWARD AGREEMENT

Pursuant to the notice of grant (the “Grant Notice”) and this Performance Stock Unit Award Agreement, including any country-specific terms in the applicable addendum hereto (the “Addendum”) (together, this “Award Agreement”), nVent Electric plc (the “Company”) has granted to you Performance Stock Units (“PSUs”) with respect to the number of ordinary shares of the Company (“Shares”) specified in the Grant Notice. Capitalized terms not defined in this Award Agreement but defined in the nVent Electric plc 2018 Omnibus Incentive Plan, as may be amended or restated from time to time (the “Plan”) shall have the same definitions as in the Plan. Unless you decline this Award Agreement within 90 days, you agree to be bound by all of the provisions contained in this Award Agreement and the Plan.

1. Vesting. Except as otherwise provided in the Plan or this Award Agreement, the PSUs will vest as provided in the Grant Notice.

2. Settlement of PSUs. The Company shall deliver to you a whole number of Shares equal to the number of PSUs (if any) that vest pursuant to this Award Agreement, subject to withholding of any Tax-Related Items (as defined in Section 6 below). Such delivery shall take place (i) as soon as practicable following the date the Committee certifies the achievement of the performance goal(s) described in the Grant Notice (or other communication to you), if applicable, but in no event more than 75 days after the end of the performance period, or (ii) within 30 days after the vesting date if such certification is not necessary.

Notwithstanding the foregoing, if you are resident or provide services outside of the United States, the Company, in its sole discretion, may provide for the settlement of the PSUs in the form of:

(a) a cash payment in an amount equal to the Fair Market Value of the Shares as of the vesting date that correspond to the number of vested PSUs, to the extent that settlement in Shares (i) is prohibited under local law, (ii) would require you, the Company or any of its Affiliates to obtain the approval of any governmental or regulatory body in your country of residence (or country of employment, if different), (iii) would result in adverse tax consequences for you, the Company or any of its Affiliates or (iv) is administratively burdensome; or

(b) Shares, but require you to sell such Shares immediately or within a specified period following your termination of service (in which case, you hereby agree that the Company shall have the authority to issue sale instructions in relation to such Shares on your behalf).

3. No Fractional Shares. Only whole Shares will be issuable pursuant to the PSUs; any fractional Share otherwise issuable under the PSUs will be rounded up to the nearest whole Share.

4. Effect of Termination of Service. Unless otherwise provided in the Grant Notice or the Plan, in the event of termination of your service with the Company or any of its Affiliates

for any reason (whether voluntarily or involuntarily), all your unvested PSUs will be cancelled and forfeited. Exceptions are made for termination of service due to death, Retirement, Disability or a Covered Termination, as follows:

(a) If you are a Board-appointed officer either at the beginning of the performance period (or date of grant of this award, if later) or at the date of your termination, then the terms of the Plan apply to your PSUs.

(b) If you are not a Board-appointed officer as described above, then:

(i) If your termination is due to death or Disability, then the PSUs will be considered vested as if the target performance goals had been met as of the date of such termination; or

(ii) If your termination is due to Retirement or a Covered Termination, then the PSUs will be considered vested as if the target performance goals had been met as of the date of such termination, but pro-rated based on the portion of the performance period during which you were employed.

For purposes of the PSUs, your service will be considered terminated as of the date you cease active service with the Company or any of its Affiliates (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you provide services or the terms of your employment or service agreement, if any), and unless otherwise expressly provided in this Award Agreement or determined by the Company in its sole discretion, your right to vest in the PSUs under the Plan, if any, will terminate as of such date and will not be extended by any notice period (e.g., your period of service would not include any contractual notice period or any period of “garden leave” or similar period mandated under employment laws in the jurisdiction where you provide services or the terms of your employment or service agreement, if any). The Company shall have the exclusive discretion to determine when you have ceased active service for purposes of your PSU grant (including whether you may still be considered to be providing services while on a leave of absence).

5. Dividend Equivalent Units. With respect to record dates occurring from and after the Date of Grant until the date that the PSUs are settled, you will be entitled to a cash payment equal to any cash dividend or cash distribution that would have been paid on the PSUs had the PSUs been issued and outstanding Shares on the record date for such dividend or distribution. Dividend Equivalent Units are not eligible for dividend reinvestment during the vesting period. Dividend Equivalent Units will accrue on your unvested PSUs over the vesting period, and you will be paid in cash at the same time the related PSUs vest. If you forfeit your unvested PSUs, then the related accrued Dividend Equivalent Units will also be forfeited.

6. Tax Withholding. You acknowledge that, regardless of any action taken by the Company or, if different, the Affiliate that employs you (the “Employer”), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you or deemed by the Company or the Employer in their discretion to be an appropriate charge to you even if legally applicable to the Company or the Employer (“Tax-Related Items”), is and remains your

responsibility and may exceed the amount actually withheld by the Company or the Employer, if any. You further acknowledge that the Company and/or the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the PSUs, including, but not limited to, the grant, vesting or settlement of the PSUs, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends or dividend equivalents; and (b) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the PSUs to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you are subject to Tax-Related Items in more than one jurisdiction between the date of grant and the date of any relevant taxable or tax withholding event, as applicable, you acknowledge that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the relevant taxable or tax withholding event, as applicable, you agree to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, you authorize the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following: (i) withholding from your wages or other cash compensation paid to you by the Company and/or the Employer; (ii) withholding from the proceeds of the sale of Shares acquired upon vesting of the PSUs either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf pursuant to this authorization without further consent); (iii) withholding from the Shares to be delivered upon settlement of the PSUs that number of Shares having a Fair Market Value equal to the amount required by law to be withheld; or (iv) permitting you to tender back to the Company a number of Shares delivered upon settlement of the PSUs or Shares previously owned by you having a Fair Market Value equal to the amount required by law to be withheld. For purposes of the foregoing, no fractional Share will be withheld or issued pursuant to the grant of the PSUs and the issuance of Shares hereunder. Notwithstanding the foregoing, if you are a Section 16 Participant, your withholding obligations shall be satisfied as described in clause (iii) above, unless the Committee approves another form of payment for such Tax-Related Items.

Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable statutory withholding rates (as determined by the Company in good faith and in its sole discretion) or other applicable withholding rates, including maximum applicable rates, in which case you will receive a refund of any over-withheld amount from the relevant taxing authority in cash and will have no entitlement to the share equivalent. If the obligation for Tax-Related Items is satisfied by withholding from the Shares to be delivered upon vesting of the PSUs, for tax purposes, you are deemed to have been issued the full number of Shares subject to the vested PSUs, notwithstanding that a number of Shares are held back solely for the purpose of paying the Tax-Related Items.

You agree to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver Shares or proceeds from the sale of Shares until arrangements satisfactory to the Administrator have been made in connection with the Tax-

Related Items. You will have no further rights with respect to any Shares that are retained by the Company pursuant to this provision.

7. Recoupment. The PSUs (and any compensation paid or Shares issued under the PSUs) are subject to recoupment in accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act and any implementing regulations thereunder, any clawback policy adopted by the Company and any compensation recovery policy or practice otherwise required by applicable law. The Company shall have the right to offset against any other amounts due from the Company to you the amount owed by you hereunder.

8. Confidentiality, Non-Competition, Non-Solicitation and Non-Disparagement. As a condition to the receipt of the PSUs, you expressly agree to the terms and conditions in the Confidentiality, Non-Competition, Non-Solicitation and Non-Disparagement Agreement attached hereto as Exhibit A. In addition to any remedies available to the Company under Section 5 of Exhibit A, any violation of the terms and conditions of Exhibit A will result in a rescission of the PSUs made under this Award Agreement and a forfeiture of rights you have with respect thereto.

9. Securities Law Compliance. The grant of the PSUs and the issuance of Shares are subject to all applicable laws, rules and regulations and to such approvals by any governmental agencies or securities exchange as may be required. Notwithstanding any provision of this Award Agreement or the Plan, the Company has no liability to deliver any Shares under the Plan or make any payment unless such delivery or payment would comply with all laws and the applicable requirements of any governmental agency, securities exchange or similar entity, and unless and until you have taken all actions required by the Company in connection with the PSUs. The Company may impose such restrictions on any Shares issued under the Plan as the Company determines necessary or desirable to comply with all applicable laws, rules and regulations or requirements.

10. Transferability. The PSUs shall not be transferable in any manner (including without limitation, sale, alienation, anticipation, pledge, encumbrance, or assignment) other than transfer by will or by the laws of descent and distribution, unless otherwise determined by the Committee in accordance with the terms of the Plan. All rights with respect to the PSUs shall be exercisable during your lifetime only by you or your guardian or legal representative or permitted transferee.

11. Shareholder Rights. You shall not have any voting rights or any other rights and privileges of a shareholder of the Company unless and until Shares (if any) are issued upon settlement of the PSUs. Prior to actual payment of any PSUs, such PSUs will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company.

12. Insider Trading and/or Market Abuse. By participating in the Plan, you agree to comply with the Company's policy on insider trading (to the extent that it is applicable to you). You further acknowledge that, depending on your or your broker's country of residence or where the Shares are listed, you may be subject to insider trading restrictions and/or market abuse laws which may affect your ability to accept, acquire, sell or otherwise dispose of Shares, rights to Shares (e.g., PSUs) or rights linked to the value of Shares, during such times you are considered to have "inside information" regarding the Company as defined by the laws or regulations in your country. Local insider trading laws and regulations may prohibit the cancellation or amendment of orders you place before you possessed inside information. Furthermore, you could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. You understand that third parties include fellow employees. Any restriction under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. You acknowledge that it is your responsibility to comply with any applicable restrictions, and that you should therefore consult your personal advisor on this matter.

13. Code Section 409A. For U.S. taxpayers, it is the intent that the PSUs as set forth in this Award Agreement shall qualify for exemption from or comply with the requirements of Section 409A of the Code, and any ambiguities herein will be interpreted to so qualify or comply. Notwithstanding the foregoing, if it is determined that the PSUs fail to satisfy the requirements of the short-term deferral period exemption and are otherwise deferred compensation subject to Section 409A of the Code, and if you are a "specified employee" as of the date of your "separation from service" (as those terms are defined in the Plan or Section 409A of the Code), then the issuance of any Shares that would otherwise be made upon the date of your separation from service or within the first six (6) months thereafter will not be made on the originally scheduled date and will instead be issued in a lump sum on the date that is six (6) months and one day after the date of your separation from service, but only if such delay in the issuance of the Shares is necessary to avoid the imposition of additional taxation on you in respect of the Shares under Section 409A of the Code. The Company reserves the right, to the extent the Company deems necessary or advisable in its sole discretion, to unilaterally amend or modify this Award Agreement as may be necessary to ensure that all payments provided for under this Award Agreement are made in a manner that qualifies for exemption from or complies with Section 409A of the Code; provided, however, that the Company makes no representation that the grant, vesting, or settlement of PSUs provided for under this Award Agreement will be exempt from or comply with Section 409A of the Code and makes no undertaking to preclude Section 409A of the Code from applying to the grant, vesting or settlement of PSUs provided for under this Award Agreement. The Company will have no liability to you or any other party if the PSUs, the delivery of Shares upon settlement of the PSUs or other payment hereunder that is intended to be exempt from, or compliant with, Section 409A of the Code, is not so exempt or compliant or for any action taken by the Company with respect thereto.

14. Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an online or electronic system established and maintained by the

Company or a third party designated by the Company. You also agree that all online acknowledgements shall have the same force and effect as a written signature.

15. Nature of Grant. In accepting the PSUs, you acknowledge and agree that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company, in its sole discretion, at any time (subject to any limitations set forth in the Plan);

(b) the grant of PSUs is voluntary and occasional and does not create any contractual or other right to receive future grants of PSUs, or benefits in lieu of PSUs, even if PSUs or other awards have been granted in the past;

(c) all decisions with respect to future awards, if any, will be at the sole discretion of the Company;

(d) your participation in the Plan is voluntary;

(e) the PSUs and your participation in the Plan shall not create a right to employment or be interpreted as forming an employment or service contract with the Company or any of its Affiliates and shall not interfere with the ability of the Company, any of its Affiliates or the Employer, as applicable, to terminate your employment or service relationship (as otherwise may be permitted under local law);

(f) the PSUs and the Shares, and the income and value of the same, are not intended to replace any pension rights or compensation;

(g) the PSUs and any Shares acquired under the Plan and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, the Employer or any Affiliate;

(h) the future value of the underlying Shares is unknown, indeterminable, and cannot be predicted with certainty;

(i) no claim or entitlement to compensation or damages shall arise from forfeiture of the PSUs resulting from termination of your service (for any reason whatsoever and whether or not in breach of local labor laws or later found invalid), and in consideration of the grant of the PSUs to which you are otherwise not entitled, you irrevocably agree never to institute any claim against the Company, any of its Affiliates, or the Employer, waive your ability, if any, to bring any such claim, and release the Company, its Affiliates and the Employer, from any such claim;

(j) the PSUs and the benefits evidenced by this Award Agreement do not create any entitlement not otherwise specifically provided for in the Plan or provided by the Company in its discretion, to have the PSUs or any such benefits transferred to, or assumed by,

another company, nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares; and

(k) if you are employed or providing services outside of the United States, neither the Company nor any of its Affiliates shall be liable for any foreign exchange rate fluctuation between your local currency and the U.S. dollar that may affect the value of the PSUs or any amounts due to you pursuant to the settlement of the PSUs or the subsequent sale of any Shares acquired upon settlement of the PSUs.

16. Data Privacy. *You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Award Agreement, the Grant Notice and any other PSU grant materials by and among, as necessary and applicable, the Company or any of its Affiliates, for the exclusive purpose of implementing, administering and managing your participation in the Plan. If there is a conflict between this Section 16 and the Company's existing policies and/or data protection charters, the terms of this Section 16 will prevail with respect to issues related to the PSUs and the Plan.*

You understand that the Company and/or the Employer may hold certain personal information about you, including, but not limited to, your name, home address, email address and telephone number, date of birth, social security or insurance number, passport number or other identification number, salary, nationality, and any Shares or directorships held in the Company, and details of the PSUs or any other entitlement to Shares, canceled, exercised, vested, unvested or outstanding in your favor ("Data"), for the purpose of implementing, administering and managing the Plan.

You understand that Data will be transferred to Fidelity Stock Plan Services LLC and its affiliates, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. You understand that the recipients of Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than your country. If you are employed outside the United States, you understand that you may request a list with the names and addresses of any potential recipients of Data by contacting your local human resources representative. You authorize the Company, Fidelity Stock Plan Services LLC and any other possible recipients that may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. If you are employed outside the United States, you understand that you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local human resources representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your service status and career will not be affected; the only consequence of refusing or withdrawing your consent is that the Company would not be able to grant you PSUs or other

equity awards or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan.

For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

Finally, upon request of the Company or the Employer, you agree to provide an executed data privacy consent form to the Company and/or the Employer (or any other agreements or consents that may be required by the Company and/or the Employer) that the Company and/or the Employer may deem necessary to obtain from you for the purpose of administering your participation in the Plan in compliance with the data privacy laws in your country, either now or in the future. You understand and agree that you will not be able to participate in the Plan if you fail to provide any such consent or agreement requested by the Company and/or the Employer.

17. Not a Public Offering. If you are a resident outside of the United States, the grant of the PSUs is not intended to be a public offering of securities in your country of residence (or country of service, if different). The Company has not submitted any registration statement, prospectus or other filings with the local securities authorities (unless otherwise required under local law), and the grant of the PSUs is not subject to the supervision of the local securities authorities.

18. Language. If you are resident in a country where English is not an official language, you acknowledge and agree that it is your express intent that this Award Agreement and the Plan and all other documents, notices and legal proceedings entered into, given or instituted pursuant to the PSUs be drawn up in English. If you have received this Award Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

19. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying Shares. You are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

20. Repatriation; Compliance with Law. If you are resident or provide services outside the United States, you agree to repatriate all payments attributable to Shares and/or cash acquired under the Plan in accordance with applicable foreign exchange rules and regulations in your country of residence (and country of service, if different). In addition, you agree to take any and all actions, and consent to any and all actions taken by the Company and its Affiliates, as may be required to allow the Company and its Affiliates to comply with local laws, rules and/or regulations in your country of residence (and country of service, if different). Finally, you agree to take any and all actions as may be required to comply with your personal obligations under local laws, rules and/or regulations in your country of residence and country of service, if different).

21. Addendum. Notwithstanding any provisions in this Award Agreement, the PSUs shall be subject to any special terms and conditions set forth in the Addendum to this Award

Agreement, as set forth in Exhibit B. Moreover, if you transfer to one of the countries included in such Addendum, the special terms and conditions for such country will apply to you, to the extent the Company determines that the application of such terms and conditions is necessary or advisable to comply with local law or facilitate the administration of the Plan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate your transfer). The Addendum constitutes part of this Award Agreement.

22. Imposition of Other Requirements. The Company reserves the right to impose other requirements on your participation in the Plan, on the PSUs, and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

23. Notices. Any notices provided for in the Grant Notice, this Award Agreement or the Plan shall be given in writing (including electronically) and shall be deemed effectively given upon receipt or, in the case of notices delivered via post by the Company to you, five (5) days after deposit in the mail, postage prepaid, addressed to you at the last address you provided to the Company.

24. Governing Plan Document. The PSUs are subject to the Grant Notice, this Award Agreement and all the provisions of the Plan, the provisions of which are hereby made a part of this Award Agreement, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan. In the event of any conflict between the provisions of the Grant Notice, this Award Agreement and those of the Plan, the provisions of the Plan shall control. By accepting the PSUs, you confirm that you have read and understood the Award Agreement, the Plan, the Plan prospectus and related information provided to you and that you accept the terms of those documents accordingly.

25. Administrator Authority. You expressly understand that the Administrator is authorized to administer, construe, and make all determinations necessary or appropriate for the administration of the Award Agreement and the Plan, and that any interpretation or determination made by the Administrator under the Award Agreement or the Plan, will be final, binding and conclusive.

26. Governing Law and Venue. The PSUs and the provisions of this Award Agreement are governed by, and subject to, the laws of the state of Minnesota, U.S.A. without regard to the conflict of law provisions. For purposes of any action, lawsuit or other proceedings brought to enforce this Award Agreement, relating to it, or arising from it, the parties hereby submit to and consent to the sole and exclusive jurisdiction of the United States District Court for the District of Minnesota or any of the courts of the state of Minnesota, U.S.A..

27. Severability. If any provision of this Award Agreement is held to be unenforceable for any reason, it shall be adjusted rather than voided, if possible, in order to achieve the intent of the parties to the extent possible. In any event, all other provisions of this Award Agreement shall be deemed valid and enforceable to the full extent possible.

28. Waiver. The waiver by the Company with respect to your (or any other Participant's) compliance of any provision of this Award Agreement shall not operate or be construed as a waiver of any other provision of this Award Agreement, or of any subsequent breach by such party of a provision of this Award Agreement.

* * * *

EXHIBIT A

INVENT ELECTRIC PLC CONFIDENTIALITY, NON-COMPETITION, NON-SOLICITATION AND NON-DISPARAGEMENT AGREEMENT

As a result of your intimate familiarity with proprietary and confidential information of the Company, the Award Agreement is subject to the restrictions set forth below. Any violation of these provisions will result in a rescission of the PSUs made under the Award Agreement and a forfeiture of any rights you have with respect thereto, as well as the remedies that are described in Section 5 hereof.

1. Confidentiality. You agree that you will treat during employment and thereafter, as private and privileged, any information, data, figures, projections, estimates, marketing plans, customer lists, lists of contract workers, tax records, personnel records, accounting procedures, formulas, contracts, business partners, alliances, ventures and all other confidential information you acquire while working for the Company or any of its Affiliates. You agree that you will not release any such information to any person, firm, corporation or other entity at any time, except as may be required by law, or as agreed to in writing by the Company. You acknowledge that any violation of this non-disclosure provision shall entitle the Company to appropriate injunctive relief and to any damages which it may sustain due to the improper disclosure. However, you shall not be held in breach of this provision if you disclose confidential information to a federal, state or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law.

2. Non-Solicitation. You agree that, for a 12 month period (24 month period, if you are a Section 16 Participant at the time of your termination of employment) following your termination (voluntary or involuntary) from the Company or any of its Affiliates, you will not, for yourself or any third party, directly or indirectly, (i) solicit or accept competitive business from any customer of the Company or its Affiliates, or (ii) solicit any employee of the Company or its Affiliates for the purpose of hiring such person or otherwise entice, induce or encourage, directly or indirectly, any such employee to leave their employment.

You agree that engaging in any of the following activities will be a violation of the above paragraph: (1) soliciting for a hire or soliciting for retainer as an independent consultant or as contingent worker any employee of the Company or its Affiliates; (2) participating in the recruitment of any employee of the Company or its Affiliates; (3) serving as a reference for an employee of the Company or its Affiliates; (4) offering an opinion regarding the candidacy as a potential employee, independent consultant or contingent worker of an individual employed by the Company or its Affiliates; (5) assisting or encouraging any third party to pursue an employee of the Company or its Affiliates for potential employment, independent consulting or contingent worker opportunities; or (6) assisting or encouraging any employee of the Company or its Affiliates to leave their current position in order to be an employee, independent consultant or contingent worker for a third party.

3. Non-Competition. You agree that, for a 12 month period (24 month period, if you are a Section 16 Participant at the time of your termination of employment) following your termination (voluntary or involuntary) from the Company or its Affiliates, you will not, for yourself or for any third party, directly or indirectly, in whole or in part, provide services,

whether as an employee, employer, owner, operator, manager, advisor, consultant, agent, partner, director, shareholder, officer, volunteer, intern, or any other similar capacity, to any entity anywhere in the world engaged in a business that is competitive with the Company or its Affiliates. Notwithstanding the prior sentence, you are not prohibited from providing services to a competing entity if: (i) the duties and services provided by you to the competitor are not, in whole or in part, substantially similar to the duties and services you provided to the Company or its Affiliates; and (ii) the duties and services provided by you to the competitor are not reasonably likely to cause you to reveal trade secrets, know-how, customer lists, customer contracts, customer needs, business strategies, marketing strategies, product development, proprietary information and confidential information concerning the business of the Company or its Affiliates. Nothing in this Award Agreement prohibits you from purchasing or owning less than five percent (5%) of the publicly traded securities of any corporation, provided that your ownership represents a passive investment and that you are not a controlling person of, or a member of a group that controls, the corporation.

4. Non-Disparagement. You agree that you will not make disparaging remarks of any sort or otherwise communicate any disparaging comments to any other person or entity, about the Company and any of its divisions, subsidiaries, predecessors and successors, and any affiliated entities and persons, and all of their respective past and present employees, agents, insurers, officials, officers and directors. However, you shall not be held in breach of this provision if you disclose confidential information to a federal, state or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law.

5. Effect of Breach. By accepting the PSUs, you agree that in light of the award conferred to you under this Award Agreement, the narrow and restrictive covenants imposed above are reasonable and will not result in any hardship to you. Further, you acknowledge and agree that a breach of any obligation under this Award Agreement will result in irreparable injury to the Company and that such harm may not be compensable entirely with monetary damages. The Company reserves all rights to seek any and all remedies and damages permitted under law, including, but not limited to, injunctive relief, equitable relief and compensatory damages. In connection with any suit at law or in equity under this Award Agreement, the Company shall be entitled to an accounting, and to the repayment of all profits, compensation, commissions, fees, or other remuneration which you or any other entity or person has either directly or indirectly realized on its behalf or on behalf of another and/or may realize, as a result of, growing out of, or in connection with the violation which is the subject of the suit. Further, in the event of your breach of the above sections, you shall disgorge the value of all payments and benefits conferred to you by virtue of this Award Agreement, including, but not limited to, the cash or Shares awarded. In addition to the foregoing, the Company shall be entitled to collect from you any reasonable attorney's fees and costs occurred in bringing any action against you or otherwise to enforce the terms of this Award Agreement.

EXHIBIT B

[ADDENDUM TO PERFORMANCE SHARE UNIT AWARD AGREEMENT]

[COUNTRY-SPECIFIC TERMS AND CONDITIONS]

APPENDIX

Performance Goals and Performance Period

The number of Performance Share Units earned will be based on the achievement of share price goals for the ordinary shares of nVent electric plc (the “Company”) during the performance period from _____ until _____ (the “Performance Period”) as well as continuous service during the Performance Period. The share price goal (the “Stock Price Hurdle), which represents an increase over the average closing share price of the Company’s ordinary shares over the ____ trading days immediately preceding the grant date of your Performance Share Units (the “Baseline Price”), and the continuous service requirement are as follows:

Share Price Percentage Increase Over the Baseline Price	Stock Price Hurdle	Minimum Years of Continuous Service From the Grant Date

A closing share price above the Stock Price Hurdle must be maintained for ____ consecutive days during the Performance Period to be deemed achieved for purposes of determining the Performance Share Units earned.

Any Performance Share Units that are earned based on performance will be earned on the date that the Administrator approves the achievement of the applicable share price and service requirement. Any Performance Share Units that are not earned by the end of the Performance Period shall be forfeited.

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: April 29, 2021

/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: April 29, 2021

/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 March 31, 2021 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: April 29, 2021

/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 March 31, 2021 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: April 29, 2021

/s/ Sara E. Zawoyski

Sara E. Zawoyski

Executive Vice President and Chief Financial Officer