



Second Quarter 2020 Teleconference Supplemental Data



Cautionary Statement

Forward-Looking Information This communication contains forward looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements regarding our financial and business performance and prospects, including the impact of the coronavirus (COVID-19) outbreak on our sales, operating results and cash flows. These statements are based on the current expectations of management. There are a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements. In particular, with respect to the coronavirus, numerous factors will determine the extent of the impact on our business, including the extent to which the COVID-19 pandemic continues to spread; actions by various governments to address the COVID-19 pandemic; scientific advances to combat COVID-19; the time it takes for our key end markets to recover; the financial health of our customers and channel partners; potential supply chain disruptions; and the health and welfare of our employees.

Additional risks and uncertainties are set forth under Item 1A of our most recent Form 10-K, and our other public filings with the SEC and include the effects and duration of the coronavirus (COVID-19) pandemic; the vitality of the markets we serve; the impact of economic factors such as the worldwide economy; our ability to execute key business initiatives; potential information technology infrastructure failures or breaches in data security; our ability to attract, retain and develop high caliber management talent to lead our business; our ability to innovate and to commercialize digital solutions; exposure to global economic, political and legal risks; difficulty in procuring raw materials or fluctuations in raw material costs; and other uncertainties or risks reported from time to time in our reports to the SEC. In light of these risks, uncertainties and factors, the forward-looking events discussed in this communication may not occur. We caution that undue reliance should not be placed on forward-looking statements, which speak only as of the date made. Ecolab does not undertake, and expressly disclaims, any duty to update any forward-looking statement, except as required by law.

Non-GAAP Financial Information This communication includes Company information that does not conform to generally accepted accounting principles (GAAP). Management believes that a presentation of this information is meaningful to investors because it provides insight with respect to ongoing operating results of the Company and allows investors to better evaluate the financial results of the Company. These measures should not be viewed as an alternative to GAAP measures of performance. Furthermore, these measures may not be consistent with similar measures provided by other companies. Reconciliations of our non-GAAP measures included within this presentation are included in the “Non-GAAP Financial Measures” section of this presentation.



2Q 2020 Overview

▲ Sales:

- Reported sales from continuing operations -15%. Acquisition adjusted fixed currency sales -14%.
- Strong growth in the Healthcare and Life Sciences segment was more than offset by a modest Industrial segment decrease and significant declines in the Institutional and Other segments.

▲ Operating Income:

- Reported operating income from continuing operations -59%
- Adjusted fixed currency operating income from continuing operations -39%.
- Strong performances in the Industrial and the Healthcare and Life Sciences segments were offset by the COVID-19 impacted Institutional and Other segments. This drove lower volume, unfavorable business mix, reduced leverage and increased bad debt expense, more than offsetting pricing, lower discretionary spending and cost savings initiatives.

▲ Earnings:

- Reported EPS from continuing operations \$0.44, -63%
- Adjusted diluted EPS from continuing operations \$0.65, -49%.
 - The adjusted EPS decrease reflects COVID-related volume declines and negative operating leverage, as well as certain COVID-related impacts including second quarter equipment lease billing suspensions, distributor inventory reductions and increased bad debt expense.

▲ Free cash flow:

- Cash flow from operating activities of \$387 million (with \$332 million from continuing operations). Free cash flow of \$275 million (with \$229 million from continuing operations).

Ecolab separated the ChampionX business, formerly the Upstream Energy Segment, on June 3, 2020. All results from ChampionX, including operating results, cash flow and balance sheets, special charges associated with the separation and the loss on separation are reported in the line "Net income from discontinued operations (net of tax)". All sales and earnings commentary in this document, unless specifically noted, are regarding the results of our continuing operations and exclude ChampionX.

Please see Ecolab's news release dated July 28, 2020 for additional information, including discussion on the use of certain non-GAAP financial measures.

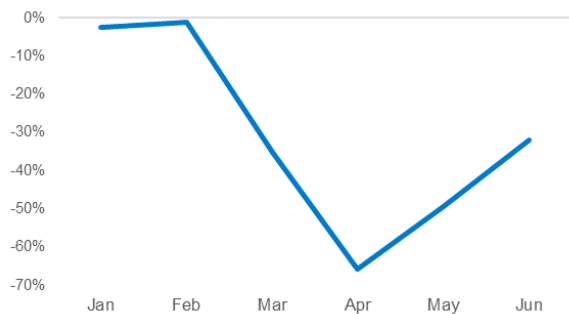


2Q 2020 Environment

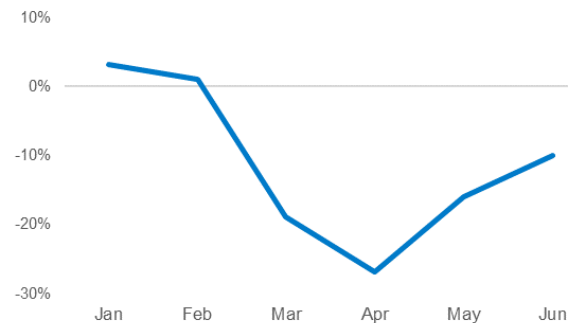
- ▲ **Restaurants and lodging:** Restaurants, hotels, entertainment facilities, etc. traffic has risen from April's deep decline but remain well below year-ago levels as they reflect the slow and uneven global pace of the reopenings.
 - U.S. full service restaurants now ~80% open but operating at ~50% of prior dining capacity.
 - U.S. quickservice restaurant traffic declined less than full service and is also improving, though both are still well below year ago levels.
 - Global lodging rooms sold has risen globally from April lows and is now ~45% of prior year levels.
 - Significantly increased cleaning and sanitizing programs extent and frequency.

Industry data

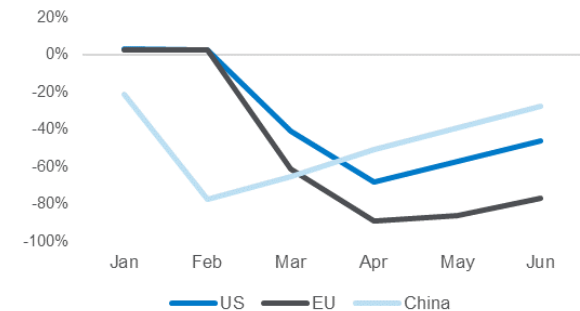
US Full Service Restaurant
Foot Traffic YoY%



US Quick Service Restaurant
Foot Traffic YoY%



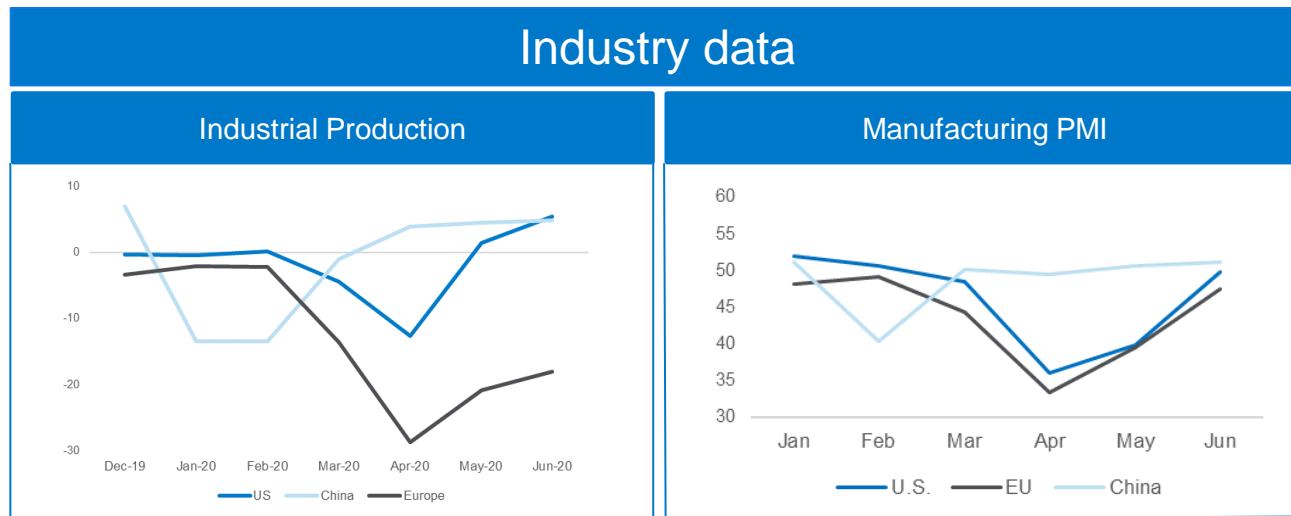
Lodging Rooms Sold



Sources: NPD/Crest, Smith Travel

2Q 2020 Environment

- ▲ **Industrial segment:** Industrial customers are also seeing gradual recovery in operating activity from April lows and partial or full plant closures, with Europe activity lagging.



*Europe June 2020 based on forecast data

- ▲ **Healthcare and Life Sciences segment:** Operations stabilizing as the headwind from delayed elective surgeries has started to ease. Pharma and personal care business remains solid.

2Q 2020 Sales Comments

▲ Demand increased

- **Life Sciences** +53% acquisition adjusted led by strong vapor biodecontamination technology sales. Expect strong growth for full year.
- **Healthcare** +12% acquisition adjusted as increased cleaning and sanitizing more than offset reduced elective surgeries. Expect good full year growth.
- **Specialty** +9% acquisition adjusted as increased cleaning and sanitizing in groceries and quick serve more than offset slower quick service foot traffic. Expect good growth for full year.

▲ Demand similar

- **Food & Beverage** +3% acquisition adjusted as strong trends in food processing, further benefiting from increased cleaning and sanitizing, more than offset COVID-19 related plant and bar closures in beverage/brewing. Expect steady growth for full year.
- **Water** -5% as customer facility slowdowns/closures impacted April; reopenings led to moderate sequential improvement in the balance of the quarter. Expect full year sales to be similar to last year.
- **Paper** flat as board and tissue sales offset lower graphic paper. Expect flat growth for full year.

▲ Demand decreased

- **Institutional** -50% due to global closure of in-unit dining and weak lodging trends; we saw improvement as the quarter progressed as restaurants gradually reopened, while hotels and entertainment facilities are seeing a slower recovery. Expect sales to improve as the year progresses but full year sales will likely show a significant decline.
- **Downstream** -9% reflecting customer facility slowdowns/closures and lower transportation fuel demand in the quarter. Expect full year to show lower sales.
- **Pest** -11% acquisition adjusted as it reflected restaurant and hotel declines and growth in healthcare, quick service and food & beverage. Expect moderately lower sales for full year.



2H 2020 Comments

- ▲ Assuming a gradual, if uneven, recovery from the first half COVID-19 impact, we expect a gradual sequential improvement from second quarter levels through the second half as our product and service innovation, investments in new hygiene and digital technologies, and successful sales initiatives augment a continuing recovery in customer activity.

2Q 2020 Results

Second Quarter Ended June 30						
(unaudited) (millions, except per share)	Reported			Adjusted *		
	Public Currency Rates		%	Public Currency Rates		%
	2020	2019	Change	2020	2019	Change
Net sales	\$2,685.7	\$3,169.1	(15)%	\$2,685.7	\$3,169.1	(15)%
Operating income	192.0	464.4	(59)%	288.4	496.6	(42)%
Net income from continuing operations attributable to Ecolab	128.9	343.4	(62)%	189.7	369.8	(49)%
Diluted earnings per share						
Net income from continuing operations attributable to Ecolab	\$0.44	\$1.18	(63)%	\$0.65	\$1.27	(49)%

	Adjusted *			Adjusted *		
	Fixed Currency Rates *		%	Fixed Currency Rates *		%
	2020	2019	Change	2020	2019	Change
Net sales	\$2,765.0	\$3,172.2	(13)%	\$2,765.0	\$3,172.2	(13)%
Operating income	206.2	465.6	(56)%	302.6	497.8	(39)%

*See "Non-GAAP Financial Measures" section of this presentation for corresponding reconciliations.

Please see Ecolab's news release dated July 28, 2020 for additional information, including discussion on the use of certain non-GAAP financial measures.

2Q 2020 Sales Growth Detail

	Fixed Rate	Acq./Div. Adj.		
	% Change	% Change		% Change
<u>Global Industrial</u>			<u>Consolidated*</u>	
Water	-5%	-5%	Volume & mix	-16%
Food & Beverage	5%	3%	Pricing	2%
Downstream	-9%	-9%	Subtotal	-14%
Paper	0%	0%	Acq./Div.	1%
Total Global Industrial	-2%	-2%	Fixed currency grow	-13%
			Currency impact	-2%
			Total	-15%
<u>Global Institutional</u>				
Institutional	-50%	-50%		
Specialty	15%	9%		
Total Global Institutional	-35%	-36%		
<u>Global Healthcare and Life Sciences</u>				
Healthcare	15%	12%		
Life Sciences	52%	53%		
Total Global Healthcare and Life Sciences				
	22%	20%		
<u>Other</u>				
Pest Elimination	-10%	-11%		
Textile Care	-44%	-44%		
Colloidal Technologies	-22%	-22%		
Total Other	-19%	-20%		
Total	-13%	-14%		

2Q 2020 Income Statement / Margins (cont. ops.)

(\$ millions, unaudited)*	2020	% sales	2019	% sales	% change	Comments**
Gross Profit	\$1,050.0	39.1%	\$1,388.8	43.8%	(24)%	Adjusted gross margins were 40.1% in 2020 and 44.1% in 2019, primarily reflecting the impact of lower volume and unfavorable business mix which more than offset the benefits of pricing, cost savings initiatives.
SG&A	788.6	29.4%	900.0	28.4%	(12)%	The ratio increased reflecting the effects of lower sales and increased bad debt expense, which more than offset the benefits from lower incentive compensation, discretionary expense and cost savings.
Operating Income (fixed FX)						
Global Industrial	283.0	19.2%	220.9	14.7%	28 %	Acquisition adjusted margins were 19.2% in 2020 and 14.7% in 2019, with the increase driven by favorable pricing, lower discretionary spending and cost savings initiatives that more than offset lower volume in the quarter.
Global Institutional	(37.0)	-5.1%	234.4	21.1%	(116)%	Acquisition adjusted margins were -5.3% in 2020 and 21.1% in 2019, reflecting the significant volume decline and reduced operating leverage (which include certain suspended equipment lease billings), unfavorable mix and increased bad debt expense, which more than offset lower discretionary spending and cost savings initiatives.
Global Healthcare and Life Sciences	65.6	21.3%	31.2	12.3%	110 %	Acquisition adjusted margins were 21.7% in 2020 and 12.4% in 2019. Margins increased due to the strong volume gains, favorable mix, improved pricing and lower discretionary spending.
Other	21.3	8.6%	41.8	13.7%	(49)%	Acquisition adjusted fixed currency margins were 8.5% in 2020 vs. 13.7% in 2019. Margins declined due to the lower volume, reduced operating leverage and unfavorable mix, which more than offset lower discretionary spending and cost savings initiatives.
Subtotal at fixed FX	332.9	12.0%	528.3	16.7%	(37)%	
FX	(14.2)		(1.2)			
Corporate Corp. Expense	(30.3)		(30.5)			Nalco intangible amortization.
Special Gains/(Ch.)	(96.4)		(32.2)			2020: Primarily includes the impairment of a minority equity investment, net pay protection for certain employees impacted by the pandemic, loss on disposal of the Holchem Group and the previously announced Healthcare product recall in Europe.
Total Corporate Exp.	(126.7)		(62.7)			
Consolidated Op. Inc.	\$192.0	7.1%	\$464.4	14.7%	(59)%	2020 acquisition adjusted fixed currency operating margins were 11.0% vs. the equivalent 2019 margin of 15.7%. The lower volume, unfavorable business mix, reduced leverage and increased bad debt expense more than offset pricing, lower discretionary spending and cost savings initiatives.

*Public rates of exchange, except where noted.

**See "Non-GAAP Financial Measures" section of this presentation for corresponding reconciliations.



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2Q 2020 Balance Sheet / Cash Flow

Summary Balance Sheet

	June 30			June 30	
	2020	2019		2020	2019
(millions, unaudited)			(millions, unaudited)		
Cash and cash eq.	\$1,369.0	\$15.7	Short-term debt	\$534.9	\$1,069.4
Accounts receivable, net	2,255.5	2,304.9	Accounts payable	1,087.7	1,081.1
Inventories	1,228.7	1,152.7	Other current liabilities	1,605.1	1,618.7
Other current assets	313.0	347.2	Current liabilities of discontinued operations	-	358.5
Current assets of discontinued operations	-	1,033.0	Long-term debt	6,752.0	5,986.7
PP&E, net	3,138.9	3,134.1	Pension/Postretirement	1,055.6	927.2
Goodwill and intangibles	8,779.1	8,532.7	Other liabilities	1,156.9	1,212.5
Other assets	998.2	931.8	Long-term liabilities of discontinued operations	-	304.1
Long-term assets of discontinued operations	-	3,375.5	Total equity	5,890.2	8,269.4
Total assets	\$18,082.4	\$20,827.6	Total liab. and equity	\$18,082.4	\$20,827.6

Selected Cash Flow items

	Six Months Ended	
	2020	2019
(millions, unaudited)		
Cash from op. activities	\$640.2	\$764.3
Depreciation	293.0	281.2
Amortization	103.2	103.5
Capital expenditures	250.6	340.5

Selected Balance Sheet measures

	June 30	
	2020	2019
(unaudited)		
Total Debt/Total Capital	55.3%	46.0%
Net Debt/Total Capital	50.1%	46.0%
Net Debt/EBITDA(*)	2.4	2.7
Net Debt/Adjusted EBITDA(*)	2.2	2.6

* EBITDA and Adjusted EBITDA are non-GAAP measures. EBITDA is defined as the sum of earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA is defined as the sum of EBITDA and special (gains) and charges impacting EBITDA. The inputs to EBITDA reflect the trailing twelve months of activity for the period presented. See "Non-GAAP Financial Measures" section of this presentation corresponding reconciliations.

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ECOLAB 2017-2020 EPS

Restated for Discontinued Operations

Adjusted EPS

	2017	2018	1Q 2019	2Q 2019	3Q 2019	4Q 2019	2019	1Q 2020	2Q 2020
Ecolab incl. Discontinued Operations vs. LY	\$4.68	\$5.25 12%	\$1.03	\$1.42	\$1.71	\$1.66	\$5.82 11%	\$1.13 10%	
Ecolab Continuing Operations vs. LY	\$4.10	\$4.58 12%	\$0.88	\$1.27	\$1.52	\$1.45	\$5.12 12%	\$0.99 13%	\$0.65 -49%

Appendix

Non-GAAP Financial Measures

(unaudited) (millions, except percent)	Second Quarter Ended June 30		Six Months Ended June 30	
	2020	2019	2020	2019
Net sales				
Reported GAAP net sales	\$2,685.7	\$3,169.1	\$5,706.3	\$6,093.8
Effect of foreign currency translation	79.3	3.1	98.5	(2.7)
Non-GAAP fixed currency sales	2,765.0	3,172.2	5,804.8	6,091.1
Effect of acquisitions and divestitures	(40.4)	(0.6)	(64.7)	(1.2)
Non-GAAP acquisition adjusted fixed currency sales	2,724.6	3,171.6	5,740.1	6,089.9
Cost of Sales				
Reported GAAP cost of sales	\$1,635.7	\$1,780.3	\$3,355.9	\$3,455.8
Special (gains) and charges	27.0	7.8	36.1	11.4
Non-GAAP adjusted cost of sales	\$1,608.7	\$1,772.5	\$3,319.8	\$3,444.4
Gross Margin				
Reported GAAP gross margin	39.1 %	43.8 %	41.2 %	43.3 %
Non-GAAP adjusted gross margin	40.1 %	44.1 %	41.8 %	43.5 %
Operating income				
Reported GAAP operating income	\$192.0	\$464.4	\$568.2	\$778.0
Effect of foreign currency translation	14.2	1.2	16.9	0.9
Non-GAAP fixed currency operating income	206.2	465.6	585.1	778.9
Special (gains) and charges	96.4	32.2	121.4	75.3
Non-GAAP adjusted fixed currency operating income	302.6	497.8	706.5	854.2
Effect of acquisitions and divestitures	(2.3)	0.3	(2.0)	0.2
Non-GAAP acquisition adjusted fixed currency operating income	\$300.3	\$498.1	\$704.5	\$854.4
Operating Income Margin				
Reported GAAP operating income margin	7.1 %	14.7 %	10.0 %	12.8 %
Non-GAAP adjusted fixed currency operating income margin	10.9 %	15.7 %	12.2 %	14.0 %
Non-GAAP acquisition adjusted fixed currency operating income margin	11.0 %	15.7 %	12.3 %	14.0 %

Non-GAAP Financial Measures

(unaudited)
(millions, except percent and per share)

	Second Quarter Ended June 30		Six Months Ended June 30	
	2020	2019	2020	2019
Interest expense, net				
Reported GAAP interest expense, net	\$58.7	\$49.2	\$107.0	\$98.5
Special (gains) and charges, after tax	0.70	-	0.7	0.2
Non-GAAP adjusted interest expense, net	\$58.0	\$49.2	\$106.3	\$98.3
Net Income from continuing operations attributable to Ecolab				
Reported GAAP net income from continuing operations attributable to Ecolab	\$128.9	\$343.4	\$420.9	\$595.0
Special (gains) and charges, after tax	83.3	25.2	101.8	57.1
Discrete tax net expense (benefit)	(22.5)	1.2	(44.4)	(26.2)
Non-GAAP adjusted net income from continuing operations attributable to Ecolab	\$189.7	\$369.8	\$478.3	\$625.9
Diluted EPS from continuing operations attributable to Ecolab				
Reported GAAP diluted EPS from continuing operations	\$0.44	\$1.18	\$1.44	\$2.04
Special (gains) and charges, after tax	0.29	0.09	0.35	0.20
Discrete tax net expense (benefit)	(0.08)	0.00	(0.15)	(0.09)
Non-GAAP adjusted diluted EPS from continuing operations	\$0.65	\$1.27	\$1.64	\$2.14
Provision for Income Taxes				
Reported GAAP tax rate	9.5 %	20.4 %	12.4 %	16.4 %
Special gains and charges	1.9	0.1	0.9	0.8
Discrete tax items	9.1	(0.3)	7.2	3.3
Non-GAAP adjusted tax rate	20.5 %	20.2 %	20.5 %	20.5 %
EBITDA (trailing twelve months ended)				
Net income including non-controlling interest	\$1,270.5	\$1,333.1		
Provision for income taxes	231.1	301.1		
Interest expense, net	199.1	207.5		
Depreciation	580.8	554.0		
Amortization	205.9	199.5		
EBITDA	\$2,487.4	\$2,595.2		
Special (gains) and charges impacting EBITDA	214.3	158.8		
Adjusted EBITDA	\$2,701.7	\$2,754.0		

Non-GAAP Financial Measures

Second Quarter Ended June 30						
(millions)	2020			2019		
	Fixed Currency	Impact of Acquisitions and Divestitures	Acquisition Adjusted	Fixed Currency	Impact of Acquisitions and Divestitures	Acquisition Adjusted
Net Sales						
Global Industrial	\$1,475.6	(8.7)	\$1,466.9	\$1,500.7	(0.2)	\$1,500.5
Global Institutional	722.4	(12.9)	709.5	1,112.5	-	1,112.5
Global Healthcare and Life Sciences	307.6	(5.8)	301.8	252.8	(0.4)	252.4
Other	247.1	(0.7)	246.4	306.2	-	306.2
Corporate	12.3	(12.3)	0.0	-	-	-
Subtotal at fixed currency rates	2,765.0	(40.4)	2,724.6	3,172.2	(0.6)	3,171.6
Currency impact	(79.3)			(3.1)		
Consolidated reported GAAP net sales	<u>\$2,685.7</u>			<u>\$3,169.1</u>		
Operating Income						
Global Industrial	\$283.0	(1.0)	\$282.0	\$220.9	0.2	\$221.1
Global Institutional	(37.0)	(0.8)	(37.8)	234.4	-	234.4
Global Healthcare and Life Sciences	65.6	(0.1)	65.5	31.2	-	31.2
Other	21.3	(0.4)	20.9	41.8	0.1	41.9
Corporate	(30.3)	-	(30.3)	(30.5)	-	(30.5)
Adjusted at fixed currency rates	302.6	(2.3)	300.3	497.8	0.3	498.1
Special (gains) and charges	96.4			32.2		
Reported OI at fixed currency rates	206.2			465.6		
Currency impact	(14.2)			(1.2)		
Consolidated reported GAAP operating income	<u>\$192.0</u>			<u>\$464.4</u>		

Non-GAAP Financial Measures

Selected Cash Flow items (millions)	Second Quarter Ended June 30 <u>2020</u>	Six Months Ended June 30 <u>2020</u>
Cash provided by operating activities - continuing operations	\$331.9	\$640.2
Cash provided by operating activities - discontinued operations	54.9	118.4
Cash provided by operating activities	<u>386.8</u>	<u>758.6</u>
Capital expenditures - continuing operations	102.9	250.6
Capital expenditures - discontinued operations	8.6	21.6
Cash provided by operating activities - continuing operations	331.9	640.2
Less: Capital expenditures - continuing operations	<u>(102.9)</u>	<u>(250.6)</u>
Free cash flow - continuing operations	229.0	389.6
Cash provided by operating activities	386.8	758.6
Less: Capital expenditures - continuing operations	(102.9)	(250.6)
Less: Capital expenditures - discontinued operations	(8.6)	(21.6)
Free cash flow	<u>275.3</u>	<u>486.4</u>