



ITT

Citi Global Industrial Tech and Mobility Conference

February 22, 2024



Shown: A Liquefied Natural Gas (LNG) tanker anchored. ITT's recent acquisition, Svanehøj, holds a leadership position in three of the four verticals in which it operates, including LNG.

SAFE HARBOR AND NON-GAAP DISCLOSURES

Safe Harbor

This presentation contains “forward-looking statements” intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. In addition, the accompanying conference call may include, and officers and representatives of ITT may from time to time make and discuss, projections, goals, assumptions, and statements that may constitute “forward-looking statements”. These forward-looking statements are not historical facts, but rather represent only a belief regarding future events based on current expectations, estimates, assumptions and projections about our business, future financial results, the industry in which we operate, and other legal, regulatory and economic developments. These forward-looking statements include, but are not limited to, future strategic plans and other statements that describe the company’s business strategy, outlook, objectives, plans, intentions or goals, and any discussion of future events and future operating or financial performance.

We use words such as “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe,” “target,” “future,” “may,” “will,” “could,” “should,” “potential,” “continue,” “guidance,” and other similar expressions to identify such forward-looking statements. Forward-looking statements are uncertain, and, by their nature, many are inherently unpredictable and outside of ITT’s control, and involve known and unknown risks, uncertainties and other important factors that could cause actual results to differ materially from those expressed or implied in, or reasonably inferred from, such forward-looking statements.

Where in any forward-looking statement we express an expectation or belief as to future results or events, such expectation or belief is based on current plans and expectations of our management, expressed in good faith and believed to have a reasonable basis. However, we cannot provide any assurance that the expectation or belief will occur or that anticipated results will be achieved or accomplished. More information on factors that could cause actual results or events to differ materially from those anticipated is included in the Risk Factors section of the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other documents filed from time to time with the Securities and Exchange Commission.

The forward-looking statements included in this presentation speak only as of the date hereof. We undertake no obligation (and expressly disclaim any obligation) to update any forward-looking statements, whether written or oral, as a result of new information, future events or otherwise.

Non-GAAP Disclosures

This presentation and the discussion on the accompanying conference call contain certain financial measures that are not prepared under U.S. GAAP. These non-GAAP financial measures supplement our GAAP disclosures and are not meant to be considered in isolation or as a substitute for the most directly comparable measures that are prepared in accordance with GAAP. These measures may not be comparable to similarly titled measures disclosed by other companies. For a reconciliation of these non-GAAP financial measures to the most directly comparable measures disclosed under GAAP, refer to the supplemental data to this presentation or investors.itt.com.

STRONG 2023



| Driving profitable growth

- Orders +7% organic
- Revenue +8% organic
- Margin expansion +100 bps
- Free cash flow margin ~13%

| Share gains

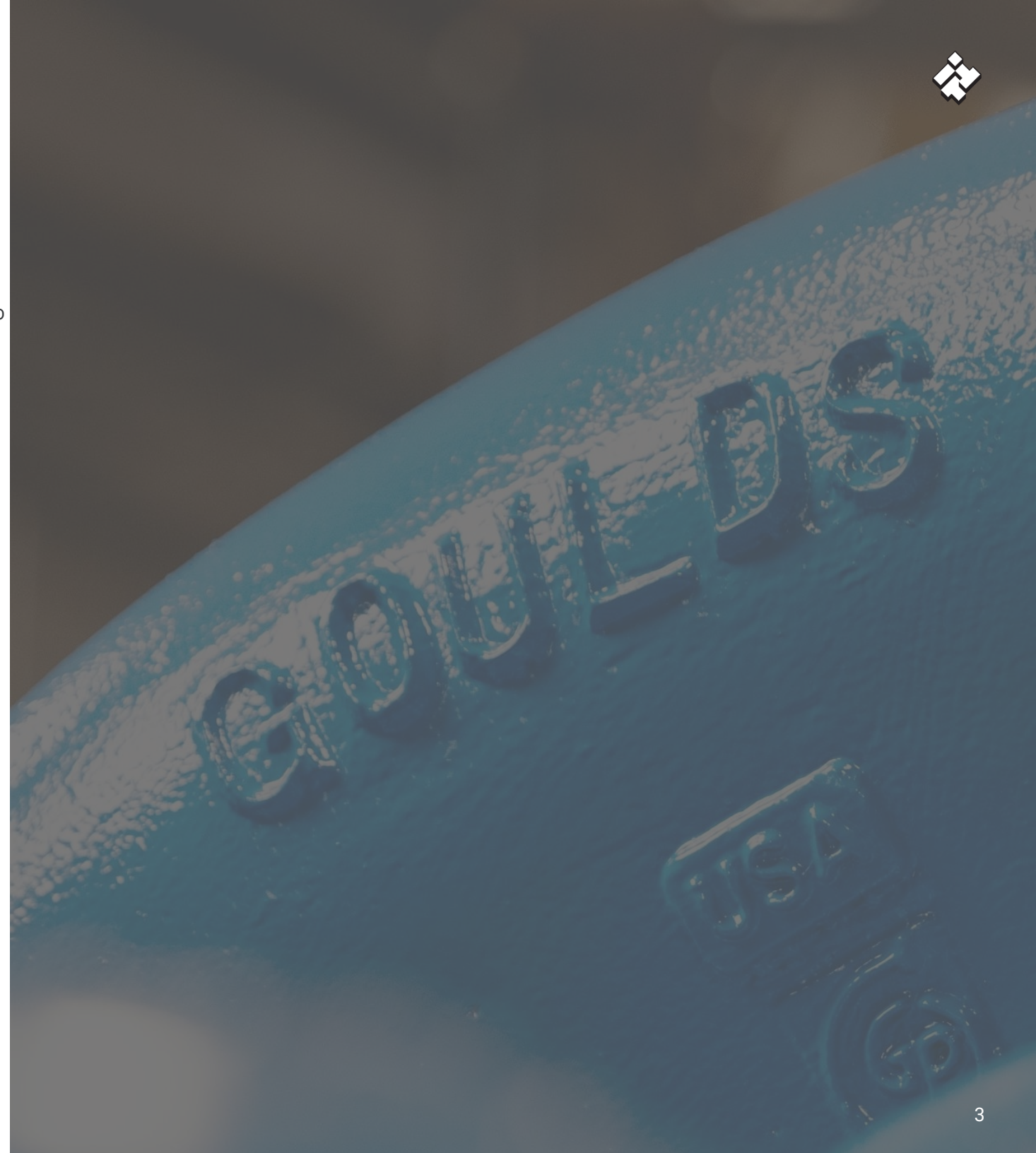
- ~\$80M ExxonMobil award
- OE share +100 bps to 29%
- China Friction OE +23%
- Green project awards ~\$85M

| Innovation

- Disruptive technology investments: EMD, Smart Pad®
- Technologies for energy transition, decarbonization and electrification

| Strategic capital deployment

- >\$750M of capital deployed across all priorities
- Completed two acquisitions, two strategic divestitures



FY 2023 SUMMARY RESULTS



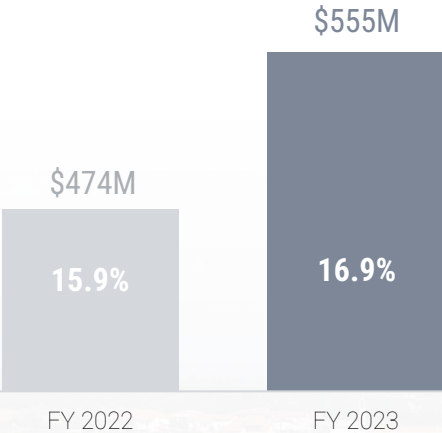
REVENUE



+8%

Organic revenue growth

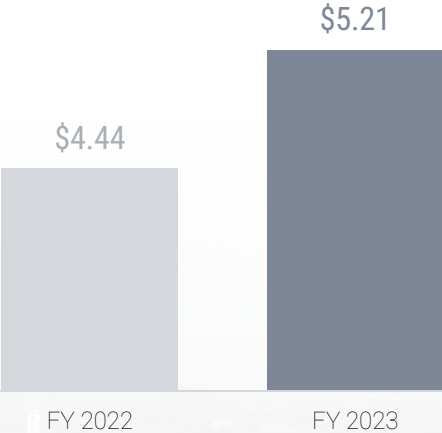
ADJUSTED OPERATING INCOME AND MARGIN



+17%

Adjusted operating income growth

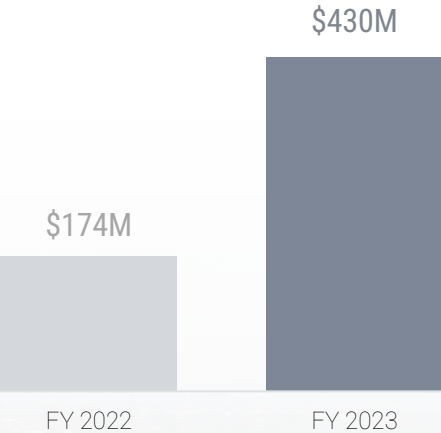
ADJUSTED EPS



+17%

Adjusted EPS growth

FREE CASH FLOW



13.1%

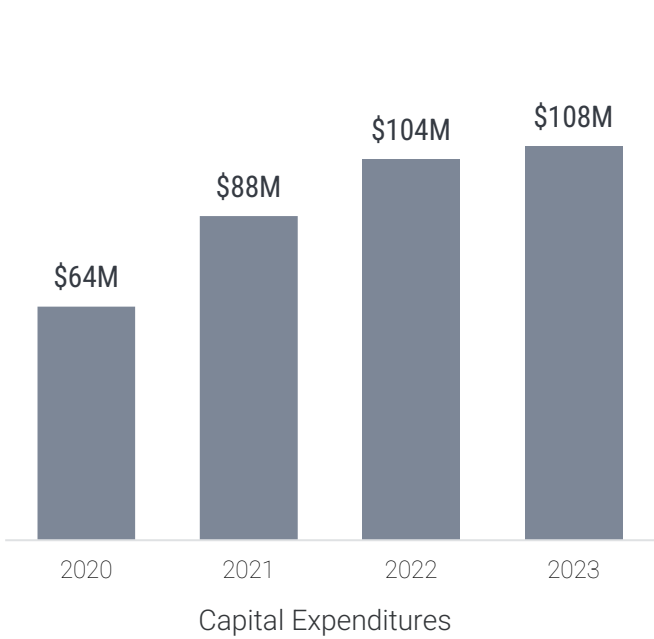
Free cash flow margin



EFFECTIVE CAPITAL DEPLOYMENT | \$2.5B+ SINCE 2019



#1 ORGANIC GROWTH AT ATTRACTIVE RETURNS



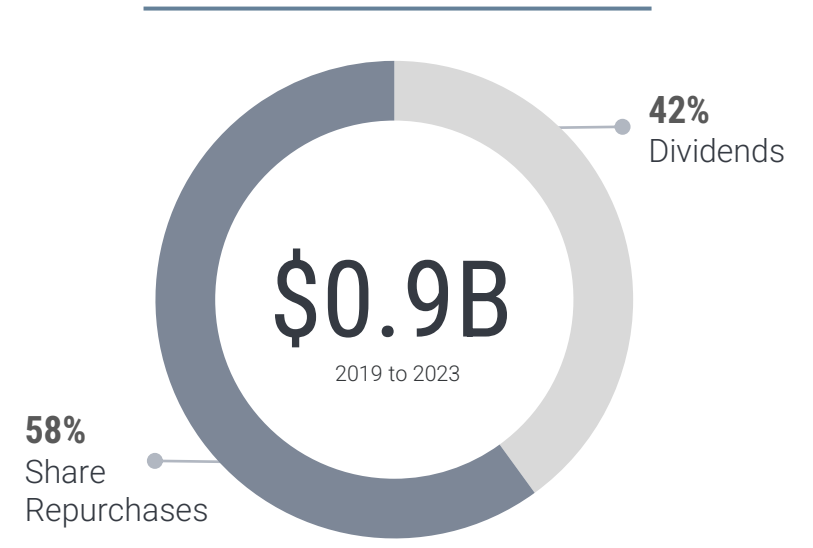
- Friction capacity expansion and R&D
- Shop floor automation and productivity
- Expanding pump testing capabilities globally
- Funding innovation and technology to drive long-term outperformance

#2 STRATEGIC ACQUISITIONS

	Purchase price
SVANEHØJ	\$410M
Micro-Mode	\$80M
HABONIM <small>An ITT Company</small>	\$140M
Delticus Group Asbestos Liability Sale	\$398M

- Focused and disciplined approach
- Close to core acquisitions in pumps, valves and connectors
- High-quality, actionable pipeline
- Up to \$2.5B of capacity still to deploy

#3 STRONG SHAREHOLDER RETURN



- 16% CAGR dividend per share (including 10% increase in 2024)
- ~7% reduction in weighted average share count
- \$1B share repurchase program authorized in October 2023

GROWTH | ACQUISITION OF SVANEHØJ

DIFFERENTIATED CRYOGENIC PUMP MANUFACTURER

- | Leading pump and service provider for ammonia / liquefied petroleum gas (LPG) and liquefied natural gas (LNG) in highly-regulated marine sector
- | Complementary, highly engineered products with attractive cryogenic applications and patentable features; large installed base with recurring aftermarket and service revenue
- | Double-digit multi-year growth outlook aligned to decarbonization and global energy transition and; supported by strong backlog, broad installed base, long-standing customer relationships and high aftermarket retention
- | Long-standing reputation for highest quality pump solutions capable of processing all future energy transition fuels
- | Purchase price multiple <12x estimated 2023 EBITDA



- | ~\$160M revenue expected in 2024
- | ~400 employees globally
- | #1 position in Ammonia / LPG cargo and LNG fuel pumps

STRONG 2023 . . .

| Driving profitable growth

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| Innovation

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. . . MOMENTUM INTO 2024



| Entering 2024 with largest backlog ever

- Targeting 9% to 12% total revenue growth
- Expecting ~110 bps of margin expansion excl. Svanehøj

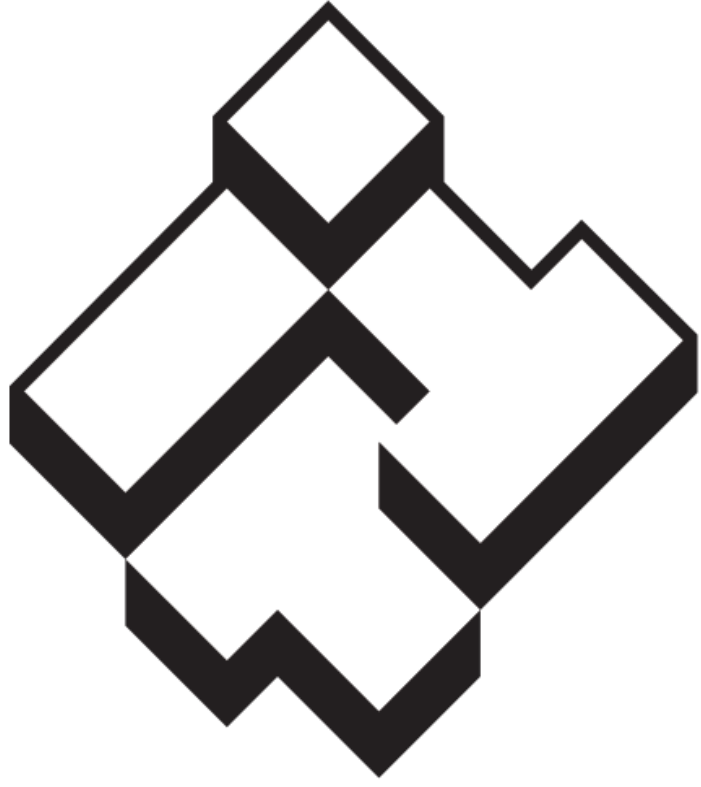
| January highlights

- Good orders and revenue growth to start Q1
- Industrial connector demand better than expected

| M&A activity accelerating

- Rich, healthy pipeline in pumps, valves and connectors
- Over \$2B of capacity to deploy

| Progress on long-term financial targets



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KEY PERFORMANCE INDICATORS & NON-GAAP MEASURES

Management reviews a variety of key performance indicators including revenue, segment operating income and margins, earnings per share, order growth, and backlog, some of which are calculated on a non-GAAP basis. In addition, we consider certain measures to be useful to management and investors when evaluating our operating performance for the periods presented. These measures provide a tool for evaluating our ongoing operations and management of assets from period to period. This information can assist investors in assessing our financial performance and measures our ability to generate capital for deployment among competing strategic alternatives and initiatives, including, but not limited to, acquisitions, dividends, and share repurchases. Some of these metrics, however, are not measures of financial performance under accounting principles generally accepted in the United States of America (GAAP) and should not be considered a substitute for measures determined in accordance with GAAP. We consider the following non-GAAP measures, which may not be comparable to similarly titled measures reported by other companies, to be key performance indicators for purposes of our reconciliation tables.

Organic Revenues and **Organic Orders** are defined, respectively, as revenue and orders, excluding the impacts of foreign currency fluctuations and acquisitions. The period-over-period change resulting from foreign currency fluctuations is estimated using a fixed exchange rate for both the current and prior periods. We believe that reporting organic revenue and organic orders provides useful information to investors by helping identify underlying trends in our business and facilitating comparisons of our revenue performance with prior and future periods and to our peers.

Adjusted Operating Income is defined as operating income adjusted to exclude special items that include, but are not limited to, restructuring, divestiture-related costs, certain asset impairment charges, certain acquisition-related impacts, and unusual or infrequent operating items. Special items represent charges or credits that impact current results, which management views as unrelated to the Company's ongoing operations and performance. **Adjusted Operating Margin** is defined as adjusted operating income divided by revenue. We believe these financial measures are useful to investors and other users of our financial statements in evaluating ongoing operating profitability, as well as in evaluating operating performance in relation to our competitors.

Adjusted Income from Continuing Operations is defined as income from continuing operations attributable to ITT Inc. adjusted to exclude special items that include, but are not limited to, restructuring, divestiture-related costs, certain asset impairment charges, certain acquisition-related impacts, income tax settlements or adjustments, and unusual or infrequent items. Special items represent charges or credits, on an after-tax basis, that impact current results, which management views as unrelated to the Company's ongoing operations and performance. The after-tax basis of each special item is determined using the jurisdictional tax rate of where the expense or benefit occurred. **Adjusted income from continuing operations per diluted share (adjusted EPS)** is defined as adjusted income from continuing operations divided by diluted weighted average common shares outstanding. We believe that adjusted income from continuing operations and adjusted EPS are useful to investors and other users of our financial statements in evaluating ongoing operating profitability, as well as in evaluating operating performance in relation to our competitors.

Free Cash Flow is defined as net cash provided by operating activities less capital expenditures. **Free Cash Flow Margin** is defined as free cash flow divided by revenue. We believe that free cash flow and free cash flow margin provides useful information to investors as it provides insight into a primary cash flow metric used by management to monitor and evaluate cash flows generated by our operations.

ITT Inc. Non-GAAP Reconciliation Statements

(In millions; all amounts unaudited)

Reconciliation of Revenue to Organic Revenue

	Fourth Quarter 2023					Full Year 2023				
	MT	IP	CCT	Elim	Total	MT	IP	CCT	Elim	Total
Revenue	\$ 364.7	\$ 289.7	\$ 175.6	\$ (0.9)	\$ 829.1	\$ 1,457.8	\$ 1,129.6	\$ 699.4	\$ (3.8)	\$ 3,283.0
Less: Acquisitions	-	-	5.6	-	5.6	-	15.0	15.5	-	30.5
Less: FX	10.0	3.0	1.3	-	14.3	17.0	4.7	1.4	-	23.1
CY Organic Revenue	354.7	286.7	168.7	(0.9)	809.2	1,440.8	1,109.9	682.5	(3.8)	3,229.4
Less: PY Revenue	330.4	280.7	164.6	(1.1)	774.6	1,374.0	971.0	645.6	(2.9)	2,987.7
Organic Revenue Growth - \$	\$ 24.3	\$ 6.0	\$ 4.1		\$ 34.6	\$ 66.8	\$ 138.9	\$ 36.9		\$ 241.7
Organic Revenue Growth - %	7.4%	2.1%	2.5%		4.5%	4.9%	14.3%	5.7%		8.1%
Reported Revenue Growth - \$	\$ 34.3	\$ 9.0	\$ 11.0		\$ 54.5	\$ 83.8	\$ 158.6	\$ 53.8		\$ 295.3
Reported Revenue Growth - %	10.4%	3.2%	6.7%		7.0%	6.1%	16.3%	8.3%		9.9%

Reconciliation of Orders to Organic Orders

	Fourth Quarter 2023					Full Year 2023				
	MT	IP	CCT	Elim	Total	MT	IP	CCT	Elim	Total
Orders	\$ 373.0	\$ 285.9	\$ 183.1	\$ (0.9)	\$ 841.1	\$ 1,487.5	\$ 1,227.0	\$ 738.3	\$ (3.3)	\$ 3,449.5
Less: Acquisitions	-	-	6.8	-	6.8	-	13.8	16.4	-	30.2
Less: FX	10.8	2.4	0.8	-	14.0	18.6	2.2	0.4	-	21.2
CY Organic Orders	362.2	283.5	175.5	(0.9)	820.3	1,468.9	1,211.0	721.5	(3.3)	3,398.1
Less: PY Orders	337.4	271.1	168.6	(0.9)	776.2	1,376.6	1,101.9	701.3	(3.5)	3,176.3
Organic Orders Growth - \$	\$ 24.8	\$ 12.4	\$ 6.9		\$ 44.1	\$ 92.3	\$ 109.1	\$ 20.2		\$ 221.8
Organic Orders Growth - %	7.4%	4.6%	4.1%		5.7%	6.7%	9.9%	2.9%		7.0%
Reported Orders Growth - \$	\$ 35.6	\$ 14.8	\$ 14.5		\$ 64.9	\$ 110.9	\$ 125.1	\$ 37.0		\$ 273.2
Reported Orders Growth - %	10.6%	5.5%	8.6%		8.4%	8.1%	11.4%	5.3%		8.6%

Note: Immaterial differences due to rounding.

ITT Inc. Non-GAAP Reconciliation Statements

(In millions, except earns per share; all amounts unaudited)

Reconciliation of Reported vs. Adjusted Income from Continuing Operating and Diluted EPS

	Income from Continuing Operations						Diluted Earnings per Share					
	Q4 2023	Q4 2022	% Change	FY 2023	FY 2022	% Change	Q4 2023	Q4 2022	% Change	FY 2023	FY 2022	% Change
Reported	\$ 92.4	\$ 115.2	(19.8%)	\$ 411.4	\$ 368.3	11.7%	\$ 1.12	\$ 1.39	(19.4%)	\$ 4.97	\$ 4.40	13.0%
Special Items Expense / (Income):												
Loss on sale of business	15.3	-		15.3	-		0.19	-		0.19	-	
Restructuring costs	7.1	0.3		9.9	3.8		0.09	-		0.12	0.05	
Impacts related to Russia-Ukraine war	(1.2)	(0.3)		2.5	7.9		(0.01)	-		0.03	0.09	
Acquisition and divestiture related costs	0.8	0.2		2.4	3.7		0.01	-		0.03	0.04	
(Gain) on sale of long-lived assets	-	(15.5)		-	(15.5)		-	(0.19)		-	(0.19)	
Asset impairment charges	-	-		-	1.7		-	-		-	0.02	
Other [a] [b]	0.1	0.4		(2.3)	4.2		(0.01)	0.01		(0.04)	0.06	
Tax impact of special items [c]	(5.4)	4.5		(6.2)	(0.3)		(0.07)	0.05		(0.07)	-	
Other tax special items [d] [e]	1.8	2.6		(2.0)	(2.3)		0.02	0.03		(0.02)	(0.03)	
Adjusted	\$ 110.9	\$ 107.4	3.3%	\$ 431.0	\$ 371.5	16.0%	\$ 1.34	\$ 1.29	3.9%	\$ 5.21	\$ 4.44	17.3%

Note: Amounts may not calculate due to rounding

Per share amounts are based on diluted weighted average common shares outstanding.

[a] Q4 2022 primarily reflects severance costs.

[b] FY 2023 primarily includes income of \$3.7 from a recovery of costs associated with the 2020 lease termination of a legacy site, partially offset by interest expense of \$1.4 related to a tax audit settlement in Italy. FY 2022 primarily includes severance costs.

[c] The tax impact of each adjustment is determined using the jurisdictional tax rate of where the expense or benefit occurred.

[d] Q4 2023 tax-related special items include expense (benefits) from the tax impact on distributions of \$5.9, return to accrual adjustments of \$(1.8), a change in uncertain tax positions of \$(1.5) and other tax special items of \$(0.8). Q4 2022 tax-related special items include a tax on future distribution of foreign earnings of \$5.5, the tax impact on distributions of \$2.0, return to accrual adjustments of \$(4.2), settlements of \$(2.1), and other tax special items of \$1.4.

[e] FY 2023 tax-related special items include expense (benefits) from valuation allowance reversals of \$(16.0), settlements of \$14.4 primarily related to a tax audit in Italy, the tax impact on distributions of \$7.5, an amendment of our federal tax return of \$(4.9), and other tax special items of \$(3.0). FY 2022 tax-related special items include a change in deferred tax asset valuation allowance of \$(1.2), a change in uncertain tax positions of \$(0.7), a tax on future distribution of foreign earnings of \$(0.3), and other tax special items of \$(0.1).

ITT Inc. Non-GAAP Reconciliation Statements

(In millions, except earns per share; all amounts unaudited)

Reconciliation of GAAP vs Adjusted EPS Guidance - Full Year 2024

	2024 Full-Year Guidance	
	Low	High
EPS from Continuing Operations - GAAP	\$ 5.37	\$ 5.82
Estimated restructuring	0.05	0.05
Other special items	0.05	0.05
Tax on special Items	(0.02)	(0.02)
EPS from Continuing Operations - Adjusted	\$ 5.45	\$ 5.90

Note: The Company has provided forward-looking non-GAAP financial measures for organic revenue growth and adjusted operating margin. It is not possible, without unreasonable efforts, to estimate the impacts of foreign currency fluctuations, acquisitions and certain other special items that may occur in 2024 as these items are inherently uncertain and difficult to predict. As a result, the Company is unable to quantify certain amounts that would be included in a reconciliation of organic revenue growth and adjusted operating margin to the most directly comparable GAAP financial measures without unreasonable efforts and accordingly has not provided reconciliations for these forward looking non-GAAP financial measures.

Reconciliation of Cash from Operating Activities to Free Cash Flow

	Q4 2023	Q4 2022	FY 2023	FY 2022	FY 2024 Guidance	
					Low	High
Net Cash - Operating Activities	\$ 170.4	\$ 162.5	\$ 538.0	\$ 277.7	\$ 580.0	\$ 620.0
Less: Capital expenditures	39.1	30.2	107.6	103.9	145.0	145.0
Free Cash Flow	\$ 131.3	\$ 132.3	\$ 430.4	\$ 173.8	\$ 435.0	\$ 475.0
Revenue	\$ 829.1	\$ 774.6	\$ 3,283.0	2,987.7	\$ 3,625.0	\$ 3,625.0
Free Cash Flow Margin	15.8%	17.1%	13.1%	5.8%	12%	13%