**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**
**WASHINGTON, D.C. 20549**

# FORM 10-Q

(Mark One)

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

**For the quarterly period ended July 1, 2023**

**or**

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

**For the transition period from to**

**Commission File Number: 001-05672**

# ITT INC.

| | |
|---|---|
| **Indiana** | **81-1197930** |
| *(State or Other Jurisdiction of Incorporation or Organization)* | *(I.R.S. Employer Identification Number)* |

**100 Washington Boulevard, 6th Floor, Stamford, CT 06902**
*(Principal Executive Office)*

**Telephone Number: (914) 641-2000**

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

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| Common Stock, par value $1.00 per share | ITT | 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 (§232.405 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, a 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. (Check one):

☑ 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 ☑

As of August 1, 2023, there were 82.1 million shares of Common Stock (par value $1.00 per share) of the issuer outstanding.

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## WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the U.S. Securities and Exchange Commission (the SEC). The SEC maintains a website at www.sec.gov on which you may access our SEC filings. In addition, we make available free of charge at www.investors.itt.com copies of materials we file with, or furnish to, the SEC as soon as reasonably practical after we electronically file or furnish these reports, as well as other important information that we disclose from time to time. Information contained on our website, or that can be accessed through our website, does not constitute a part of this Quarterly Report on Form 10-Q (this Report). We have included our website address only as an inactive textual reference and do not intend it to be an active link to our website.

Our corporate headquarters are located at 100 Washington Boulevard, 6th Floor, Stamford, CT 06902 and the telephone number of this location is (914) 641-2000.

## FORWARD-LOOKING AND CAUTIONARY STATEMENTS

Some of the information included herein includes forward-looking statements intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. 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 and 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.

Among the factors that could cause our results to differ materially from those indicated by forward-looking statements are risks and uncertainties inherent in our business including, without limitation:

- volatility in raw material prices and our suppliers’ ability to meet quality and delivery requirements;
- uncertain global economic and capital markets conditions, which have been influenced by the COVID-19 pandemic, the Russia-Ukraine war, inflation, changes in monetary policies, slowing growth and the threat of a possible global economic recession, trade disputes between the U.S. and its trading partners, political and social unrest, instability in the global banking system and the availability and fluctuations in prices of energy and commodities, including steel, oil, copper and tin;
- impacts on our business stemming from continued supply chain disruptions and raw material shortages, which have resulted in increased costs and reduced availability of key commodities and other necessary services;
- our inability to hire or retain key personnel;
- fluctuations in foreign currency exchange rates and the impact of such fluctuations on our revenues, customer demand for our products and on our hedging arrangements;
- failure to manage the distribution of products and services effectively;
- fluctuations in interest rates and the impact of such fluctuations on customer behavior and on our cost of debt;
- failure to compete successfully and innovate in our markets;
- failure to protect our intellectual property rights or violations of the intellectual property rights of others;
- the extent to which there are quality problems with respect to manufacturing processes or finished goods;

- the risk of cybersecurity breaches or failure of any information systems used by the Company, including any flaws in the implementation of any enterprise resource planning systems, as well as similar breaches or failures affecting our business partners or service providers;
- loss of or decrease in sales from our most significant customers;
- risks due to our operations and sales outside the U.S. and in emerging markets, including the imposition of tariffs and trade sanctions;
- fluctuations in demand or customers' levels of capital investment and maintenance expenditures, especially in the energy, chemical and mining markets;
- the impacts on our business from Russia's war with Ukraine, and the global response to it;
- the risk of material business interruptions, particularly at our manufacturing facilities;
- risk of liabilities from past divestitures and spin-offs;
- failure of portfolio management strategies, including cost-saving initiatives, to meet expectations;
- risks related to government contracting, including changes in levels of government spending and regulatory and contractual requirements applicable to sales to the U.S. government;
- fluctuations in our effective tax rate, including as a result of the passage of the Inflation Reduction Act of 2022 and other possible tax reform legislation in the U.S. and other jurisdictions;
- changes in environmental laws or regulations, discovery of previously unknown or more extensive contamination, or the failure of a potentially responsible party to perform;
- increased scrutiny from investors, lenders and other market participants regarding our environmental, social and governance and sustainability responsibilities, which could expose us to additional costs and adversely impact our reputation, business, financial performance and growth;
- failure to comply with the U.S. Foreign Corrupt Practices Act (or other applicable anti-corruption legislation), export controls and trade sanctions;
- risk of product liability claims and litigation; and
- changes in laws relating to the use and transfer of personal and other information.

More information on factors that could cause actual results or events to differ materially from those anticipated is included in Part II, Item 1A, "Risk Factors" herein, as well as in our reports filed with the SEC, including our Annual Report on Form 10-K for the year ended December 31, 2022 (particularly under the caption "Risk Factors"), our Quarterly Reports on Form 10-Q and in other documents we file from time to time with the SEC.

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

## PART I. FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

### CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS (UNAUDITED)

(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | **July 1, 2023** | July 2, 2022 | **July 1, 2023** | July 2, 2022 |
| Revenue | **$ 833.9** | $ 733.3 | **$ 1,631.8** | $ 1,459.5 |
| Cost of revenue | **553.9** | 511.1 | **1,089.9** | 1,018.9 |
| Gross profit | **280.0** | 222.2 | **541.9** | 440.6 |
| General and administrative expenses | **68.4** | 57.0 | **136.7** | 117.4 |
| Sales and marketing expenses | **43.9** | 40.4 | **86.8** | 78.8 |
| Research and development expenses | **25.7** | 24.3 | **52.1** | 49.3 |
| Operating income | **142.0** | 100.5 | **266.3** | 195.1 |
| Interest and non-operating expense, net | **2.5** | 0.5 | **6.0** | 0.3 |
| Income from continuing operations before income tax expense | **139.5** | 100.0 | **260.3** | 194.8 |
| Income tax expense | **30.6** | 24.0 | **50.7** | 43.5 |
| Income from continuing operations | **108.9** | 76.0 | **209.6** | 151.3 |
| Loss from discontinued operations, net of tax benefit of $0.0, $0.4, $0.0, and $0.4, respectively | **—** | (1.2) | **—** | (1.2) |
| Net income | **108.9** | 74.8 | **209.6** | 150.1 |
| Less: Income attributable to noncontrolling interests | **0.7** | 0.2 | **1.4** | 0.7 |
| Net income attributable to ITT Inc. | **$ 108.2** | $ 74.6 | **$ 208.2** | $ 149.4 |
| | | | | |
| **Amounts attributable to ITT Inc.:** | | | | |
| Income from continuing operations | **$ 108.2** | $ 75.8 | **$ 208.2** | $ 150.6 |
| Loss from discontinued operations, net of tax | **—** | (1.2) | **—** | (1.2) |
| Net income attributable to ITT Inc. | **$ 108.2** | $ 74.6 | **$ 208.2** | $ 149.4 |
| | | | | |
| **Earnings (loss) per share attributable to ITT Inc.:** | | | | |
| Basic: | | | | |
| Continuing operations | **$ 1.31** | $ 0.91 | **$ 2.52** | $ 1.79 |
| Discontinued operations | **—** | (0.01) | **—** | (0.01) |
| Net income | **$ 1.31** | $ 0.90 | **$ 2.52** | $ 1.78 |
| Diluted: | | | | |
| Continuing operations | **$ 1.31** | $ 0.91 | **$ 2.51** | $ 1.79 |
| Discontinued operations | **—** | (0.02) | **—** | (0.02) |
| Net income | **$ 1.31** | $ 0.89 | **$ 2.51** | $ 1.77 |
| | | | | |
| Weighted average common shares – basic | **82.4** | 83.1 | **82.5** | 84.0 |
| Weighted average common shares – diluted | **82.6** | 83.4 | **82.8** | 84.3 |

The accompanying Notes to the Consolidated Condensed Financial Statements are an integral part of the Statements of Operations.

**CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)**
(IN MILLIONS)

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | **July 1, 2023** | July 2, 2022 | **July 1, 2023** | July 2, 2022 |
| Net income | **$ 108.9** | $ 74.8 | **$ 209.6** | $ 150.1 |
| Other comprehensive (loss): | | | | |
| Net foreign currency translation adjustment | **(10.2)** | (70.8) | **(4.2)** | (82.5) |
| Net change in postretirement benefit plans, net of tax impacts of $0.3, $0.2, $2.1 and $0.3, respectively | **(1.1)** | (0.2) | **(0.7)** | (0.5) |
| Other comprehensive (loss) | **(11.3)** | (71.0) | **(4.9)** | (83.0) |
| Comprehensive income | **97.6** | 3.8 | **204.7** | 67.1 |
| Less: Comprehensive income attributable to noncontrolling interests | **0.7** | 0.2 | **1.4** | 0.7 |
| Comprehensive income attributable to ITT Inc. | **$ 96.9** | $ 3.6 | **$ 203.3** | $ 66.4 |
| | | | | |
| **Disclosure of reclassification adjustments to postretirement benefit plans:** | | | | |
| Amortization of prior service benefit, net of tax expense of $0.4, $0.3, $0.7 and $0.6, respectively | **$ (1.1)** | $ (0.9) | **$ (2.3)** | $ (1.9) |
| Amortization of net actuarial loss, net of tax benefit of $0.0, $0.1, $0.0 and $0.3, respectively | **0.1** | 0.7 | **0.2** | 1.4 |
| **Other adjustments to postretirement benefit plans:** | | | | |
| Deferred tax asset valuation allowance reversal | **(0.1)** | — | **1.4** | — |
| Net change in postretirement benefit plans, net of tax | **$ (1.1)** | $ (0.2) | **$ (0.7)** | $ (0.5) |

The accompanying Notes to the Consolidated Condensed Financial Statements are an integral part of the Statements of Comprehensive Income.

**CONSOLIDATED CONDENSED BALANCE SHEETS (UNAUDITED)**
(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)

| As of the Period Ended | July 1, 2023 | December 31, 2022 |
|---|---|---|
| **Assets** | | |
| Current assets: | | |
| Cash and cash equivalents | **$ 462.1** | $ 561.2 |
| Receivables, net | **689.3** | 628.8 |
| Inventories | **573.2** | 533.9 |
| Other current assets | **104.6** | 112.9 |
| Total current assets | **1,829.2** | 1,836.8 |
| Non-current assets: | | |
| Plant, property and equipment, net | **528.7** | 526.8 |
| Goodwill | **1,009.3** | 964.8 |
| Other intangible assets, net | **136.2** | 112.8 |
| Other non-current assets | **382.0** | 339.1 |
| Total non-current assets | **2,056.2** | 1,943.5 |
| Total assets | **$ 3,885.4** | $ 3,780.3 |
| **Liabilities and Shareholders' Equity** | | |
| Current liabilities: | | |
| Commercial paper and current maturities of long-term debt | **$ 396.5** | $ 451.0 |
| Accounts payable | **406.3** | 401.1 |
| Accrued and other current liabilities | **371.3** | 333.4 |
| Total current liabilities | **1,174.1** | 1,185.5 |
| Non-current liabilities: | | |
| Postretirement benefits | **137.5** | 137.2 |
| Other non-current liabilities | **216.2** | 200.2 |
| Total non-current liabilities | **353.7** | 337.4 |
| Total liabilities | **1,527.8** | 1,522.9 |
| Shareholders' equity: | | |
| Common stock: | | |
| Authorized – 250.0 shares, $1 par value per share | | |
| Issued and outstanding – 82.1 shares and 82.7 shares, respectively | **82.1** | 82.7 |
| Retained earnings | **2,614.0** | 2,509.7 |
| Accumulated other comprehensive income (loss): | | |
| Postretirement benefits | **2.9** | 3.6 |
| Cumulative translation adjustments | **(352.1)** | (347.9) |
| Total accumulated other comprehensive loss | **(349.2)** | (344.3) |
| Total ITT Inc. shareholders' equity | **2,346.9** | 2,248.1 |
| Noncontrolling interests | **10.7** | 9.3 |
| Total shareholders' equity | **2,357.6** | 2,257.4 |
| Total liabilities and shareholders' equity | **$ 3,885.4** | $ 3,780.3 |

The accompanying Notes to the Consolidated Condensed Financial Statements are an integral part of the Balance Sheets.

**CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS (UNAUDITED)**
(IN MILLIONS)

| For the Six Months Ended | | **July 1, 2023** | | July 2, 2022 |
|---|---|---|---|---|
| **Operating Activities** | | | | |
| Income from continuing operations attributable to ITT Inc. | **$** | **208.2** | $ | 150.6 |
| Adjustments to income from continuing operations: | | | | |
| Depreciation and amortization | | **53.8** | | 55.3 |
| Equity-based compensation | | **10.1** | | 8.7 |
| Gain on sale of business | | **(7.2)** | | — |
| Other non-cash charges, net | | **16.6** | | 17.3 |
| Changes in assets and liabilities: | | | | |
| Change in receivables | | **(58.6)** | | (77.6) |
| Change in inventories | | **(31.4)** | | (106.5) |
| Change in contract assets | | **(2.9)** | | (10.9) |
| Change in contract liabilities | | **12.0** | | 18.7 |
| Change in accounts payable | | **8.9** | | 65.3 |
| Change in accrued expenses | | **15.5** | | (33.0) |
| Change in income taxes | | **(8.1)** | | (3.5) |
| Other, net | | **(19.1)** | | (30.2) |
| Net Cash – Operating Activities | | **197.8** | | 54.2 |
| **Investing Activities** | | | | |
| Capital expenditures | | **(46.3)** | | (47.5) |
| Proceeds from sale of business | | **10.5** | | — |
| Acquisitions, net of cash acquired | | **(79.3)** | | (146.9) |
| Payments to acquire interest in unconsolidated subsidiaries | | **(1.4)** | | (25.1) |
| Other, net | | **(3.3)** | | 1.1 |
| Net Cash – Investing Activities | | **(119.8)** | | (218.4) |
| **Financing Activities** | | | | |
| Commercial paper, net borrowings | | **(61.0)** | | 364.6 |
| Share repurchases under repurchase plan | | **(60.0)** | | (240.9) |
| Payments for taxes related to net share settlement of stock incentive plans | | **(6.4)** | | (8.5) |
| Dividends paid | | **(48.1)** | | (44.3) |
| Other, net | | **(0.8)** | | (0.4) |
| Net Cash – Financing Activities | | **(176.3)** | | 70.5 |
| Exchange rate effects on cash and cash equivalents | | **(0.4)** | | (28.1) |
| Net cash – operating activities of discontinued operations | | **(0.2)** | | — |
| Net change in cash and cash equivalents | | **(98.9)** | | (121.8) |
| Cash and cash equivalents – beginning of year (includes restricted cash of $0.7 and $0.8, respectively) | | **561.9** | | 648.3 |
| Cash and Cash Equivalents – End of Period (includes restricted cash of $0.9 and $0.8, respectively) | **$** | **463.0** | $ | 526.5 |
| **Supplemental Disclosures of Cash Flow Information** | | | | |
| Cash paid during the year for: | | | | |
| Interest | **$** | **8.5** | $ | 2.6 |
| Income taxes, net of refunds received | **$** | **52.8** | $ | 45.2 |

The accompanying Notes to the Consolidated Condensed Financial Statements are an integral part of the Statements of Cash Flows.

## CONSOLIDATED CONDENSED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)

(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)

| As of and for the Three Months Ended July 1, 2023 | Common Stock (Shares) | Common Stock (Dollars) | Retained Earnings | Accumulated Other Comprehensive Loss | Noncontrolling Interest | Total Shareholders' Equity |
|---|---|---|---|---|---|---|
| **April 1, 2023** | **82.4** | **$ 82.4** | **$ 2,554.7** | **$ (337.9)** | **$ 10.0** | **$ 2,309.2** |
| Net income | — | — | 108.2 | — | 0.7 | 108.9 |
| Shares issued and activity from stock incentive plans | — | — | 5.4 | — | — | 5.4 |
| Shares repurchased under repurchase plan | (0.3) | (0.3) | (30.2) | — | — | (30.5) |
| Shares withheld related to net share settlement of stock incentive plans | — | — | (0.1) | — | — | (0.1) |
| Dividends declared ($0.290 per share) | — | — | (24.0) | — | — | (24.0) |
| Dividends to noncontrolling interest | — | — | — | — | (0.1) | (0.1) |
| Net change in postretirement benefit plans, net of tax | — | — | — | (1.1) | — | (1.1) |
| Net foreign currency translation adjustment | — | — | — | (10.2) | — | (10.2) |
| Other | — | — | — | — | 0.1 | 0.1 |
| **July 1, 2023** | **82.1** | **$ 82.1** | **$ 2,614.0** | **$ (349.2)** | **$ 10.7** | **$ 2,357.6** |

| As of and for the Six Months Ended July 1, 2023 | Common Stock (Shares) | Common Stock (Dollars) | Retained Earnings | Accumulated Other Comprehensive Loss | Noncontrolling Interest | Total Shareholders' Equity |
|---|---|---|---|---|---|---|
| **December 31, 2022** | **82.7** | **$ 82.7** | **$ 2,509.7** | **$ (344.3)** | **$ 9.3** | **$ 2,257.4** |
| Net income | — | — | 208.2 | — | 1.4 | 209.6 |
| Shares issued and activity from stock incentive plans | 0.2 | 0.2 | 10.3 | — | — | 10.5 |
| Shares repurchased under repurchase plan | (0.7) | (0.7) | (59.8) | — | — | (60.5) |
| Shares withheld related to net share settlement of stock incentive plans | (0.1) | (0.1) | (6.3) | — | — | (6.4) |
| Dividends declared ($0.580 per share) | — | — | (48.1) | — | — | (48.1) |
| Dividends to noncontrolling interest | — | — | — | — | (0.1) | (0.1) |
| Net change in postretirement benefit plans, net of tax | — | — | — | (0.7) | — | (0.7) |
| Net foreign currency translation adjustment | — | — | — | (4.2) | — | (4.2) |
| Other | — | — | — | — | 0.1 | 0.1 |
| **July 1, 2023** | **82.1** | **$ 82.1** | **$ 2,614.0** | **$ (349.2)** | **$ 10.7** | **$ 2,357.6** |

| As of and for the Three Months Ended July 2, 2022 | Common Stock | | | Retained Earnings | | Accumulated Other Comprehensive Loss | | Noncontrolling Interest | | Total Shareholders' Equity |
|---|---|---|---|---|---|---|---|---|---|---|
| **April 2, 2022** | **83.6** | **$** | **83.6** | **$** | **2,334.6** | **$** | **(333.3)** | **$** | **5.3** | **$** | **2,090.2** |
| Net income | — | | — | | 74.6 | | — | | 0.2 | | 74.8 |
| Shares issued and activity from stock incentive plans | — | | — | | 5.0 | | — | | — | | 5.0 |
| Share repurchases under repurchase plan | (0.9) | | (0.9) | | (62.1) | | — | | — | | (63.0) |
| Shares withheld related to net share settlement of stock incentive plans | — | | — | | (0.1) | | — | | — | | (0.1) |
| Dividends declared ($0.264 per share) | — | | — | | (22.0) | | — | | — | | (22.0) |
| Purchase of noncontrolling interest | — | | — | | — | | — | | 2.7 | | 2.7 |
| Net change in postretirement benefit plans, net of tax | — | | — | | — | | (0.2) | | — | | (0.2) |
| Net foreign currency translation adjustment | — | | — | | — | | (70.8) | | — | | (70.8) |
| Other | — | | — | | (0.1) | | — | | 0.1 | | — |
| **July 2, 2022** | **82.7** | **$** | **82.7** | **$** | **2,329.9** | **$** | **(404.3)** | **$** | **8.3** | **$** | **2,016.6** |

| As of and for the Six Months Ended July 2, 2022 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **December 31, 2021** | **85.5** | **$** | **85.5** | **$** | **2,461.6** | **$** | **(321.3)** | **$** | **4.9** | **$** | **2,230.7** |
| Net income | — | | — | | 149.4 | | — | | 0.7 | | 150.1 |
| Shares issued and activity from stock incentive plans | 0.3 | | 0.3 | | 9.1 | | — | | — | | 9.4 |
| Share repurchased under repurchase plan | (3.0) | | (3.0) | | (237.9) | | — | | — | | (240.9) |
| Shares withheld related to net share settlement of stock incentive plans | (0.1) | | (0.1) | | (8.4) | | — | | — | | (8.5) |
| Dividends declared ($0.528 per share) | — | | — | | (43.9) | | — | | — | | (43.9) |
| Purchase of noncontrolling interest | — | | — | | — | | — | | 2.7 | | 2.7 |
| Net change in postretirement benefit plans, net of tax | — | | — | | — | | (0.5) | | — | | (0.5) |
| Net foreign currency translation adjustment | — | | — | | — | | (82.5) | | — | | (82.5) |
| **July 2, 2022** | **82.7** | **$** | **82.7** | **$** | **2,329.9** | **$** | **(404.3)** | **$** | **8.3** | **$** | **2,016.6** |

The accompanying Notes to the Consolidated Condensed Financial Statements are an integral part of the Statements of Changes in Shareholders’ Equity.

**NOTES TO THE CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**
**(DOLLARS AND SHARES (EXCEPT PER SHARE AMOUNTS) IN MILLIONS, UNLESS OTHERWISE STATED)**

## NOTE 1
## DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

***Description of Business***

ITT Inc. is a diversified manufacturer of highly engineered critical components and customized technology solutions for the transportation, industrial, and energy markets. Unless the context otherwise indicates, references herein to "ITT," "the Company," and such words as "we," "us," and "our" include ITT Inc. and its subsidiaries. ITT operates through three reportable segments: Motion Technologies (MT), consisting of friction and shock and vibration equipment; Industrial Process (IP), consisting of industrial flow equipment and services; and Connect & Control Technologies (CCT), consisting of electronic connectors, fluid handling, motion control, composite materials and noise and energy absorption products. Financial information for our segments is presented in Note 3, Segment Information.

*Business Combination*

On May 2, 2023, we completed the acquisition of Micro-Mode Products, Inc. (Micro-Mode) for a purchase price of $79.3, net of cash acquired. Subsequent to the acquisition, Micro-Mode's results have been reported within our CCT segment. Refer to Note 18, Acquisitions and Investments, for more information.

*Russia-Ukraine War*

In February 2022, the United States and other leading nations announced targeted economic sanctions on Russia and certain Russian citizens in response to Russia's war with Ukraine, which has increased regional instability and global economic and political uncertainty.

During the six months ended July 1, 2023 and July 2, 2022, we recorded total pre-tax charges of $3.2 and $8.0, respectively, primarily related to accounts receivable and inventory write-downs due to the suspension of business in Russia stemming from the Russia-Ukraine war. For further discussion of risks stemming from the Russia-Ukraine war, see Part I, Item IA, "Risk Factors" in our 2022 Annual Report for the fiscal year ended December 31, 2022.

***Basis of Presentation***

The unaudited consolidated condensed financial statements have been prepared pursuant to the rules and regulations of the SEC and, in the opinion of management, reflect all known adjustments (which consist primarily of normal, recurring accruals, estimates and assumptions) necessary to state fairly the financial position, results of operations, and cash flows for the periods presented. The Consolidated Condensed Balance Sheet as of December 31, 2022, presented herein, has been derived from our audited balance sheet included in our Annual Report on Form 10-K (2022 Annual Report) for the year ended December 31, 2022, but does not include all disclosures required by accounting principles generally accepted in the United States (GAAP). We consistently applied the accounting policies described in the 2022 Annual Report in preparing these unaudited financial statements. These financial statements should be read in conjunction with the financial statements and notes thereto included in our 2022 Annual Report.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Estimates are revised as additional information becomes available. Estimates and assumptions are used for, but not limited to, revenue recognition, unrecognized tax benefits, deferred tax valuation allowances, projected benefit obligations for postretirement plans, accounting for business combinations, goodwill and other intangible asset impairment testing, environmental liabilities and assets, allowance for credit losses and inventory valuation. Actual results could differ from these estimates.

ITT's quarterly financial periods end on the Saturday that is closest to the last day of the calendar quarter, except for the last quarterly period of the fiscal year, which ends on December 31st. ITT's second quarter for 2023 and 2022 ended on July 1, 2023 and July 2, 2022, respectively.

Certain prior year amounts have been reclassified to conform to the current year presentation.

## NOTE 2
## RECENT ACCOUNTING PRONOUNCEMENTS

The Company considers the applicability and impact of all accounting standard updates (ASUs). ASUs not listed below were assessed and determined to be either not applicable or are not expected to have a material impact on our consolidated condensed financial statements.

In October 2021, the FASB issued ASU 2021-08*, Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*, which requires contract assets and contract liabilities acquired in a business combination to be recognized and measured by the acquiror on the acquisition date in accordance with Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers (*ASC 606*)*, as if it had originated the contracts. Under the previous guidance, such assets and liabilities were recognized by the acquiror at fair value as of the acquisition date. ASU 2021-08 is effective for fiscal years beginning after December 15, 2022. Early adoption is permitted. We have adopted and applied this guidance in connection with the Habonim and Micro-Mode acquisitions. The adoption of this guidance did not have a significant impact on our operating results, financial position, or cash flows.

## NOTE 3
## SEGMENT INFORMATION

The Company's segments are reported on the same basis used by our Chief Executive Officer, who is also our chief operating decision maker, for evaluating performance and for allocating resources. Our three reportable segments are referred to as Motion Technologies, Industrial Process, and Connect & Control Technologies.

*Motion Technologies* manufactures brake components and specialized sealing solutions, shock absorbers and damping technologies primarily for the global automotive, truck and trailer, public bus and rail transportation markets.

*Industrial Process* manufactures engineered fluid process equipment serving a diversified mix of customers in global industries such as chemical, energy, mining, and other industrial process markets and is a provider of plant optimization and efficiency solutions and aftermarket services and parts.

*Connect & Control Technologies* manufactures harsh-environment connector solutions, critical energy absorption, flow control components, and composite materials for the aerospace and defense, general industrial, medical, and energy markets.

Assets of our reportable segments exclude general corporate assets, which principally consist of cash, investments, deferred taxes, and certain property, plant and equipment. These assets are included within Corporate and Other, which is described further below.

Corporate and Other consists of corporate office expenses including compensation, benefits, occupancy, depreciation, and other administrative costs, as well as charges related to certain matters, including environmental liabilities, that are managed at a corporate level and are not included in segment results when evaluating performance or allocating resources. In addition, Corporate and Other includes research and development-related expenses associated with a subsidiary that does not constitute a reportable segment.

The following table presents our revenue, operating income, and operating margin for each segment.

| For the Three Months Ended | Revenue | | Operating Income | | Operating Margin | |
|---|---|---|---|---|---|---|
| | **July 1, 2023** | July 2, 2022 | **July 1, 2023** | July 2, 2022 | **July 1, 2023** | July 2, 2022 |
| Motion Technologies | **$ 368.8** | $ 331.3 | **$ 57.7** | $ 47.0 | **15.6 %** | 14.2 % |
| Industrial Process | **293.6** | 239.6 | **66.4** | 39.1 | **22.6 %** | 16.3 % |
| Connect & Control Technologies | **172.2** | 163.2 | **28.4** | 28.2 | **16.5 %** | 17.3 % |
| Eliminations | **(0.7)** | (0.8) | **—** | — | **—** | — |
| Total segment results | **833.9** | 733.3 | **152.5** | 114.3 | **18.3 %** | 15.6 % |
| Corporate and Other | **—** | — | **(10.5)** | (13.8) | **—** | — |
| Total | **$ 833.9** | $ 733.3 | **$ 142.0** | $ 100.5 | **17.0 %** | 13.7 % |

| For the Six Months Ended | Revenue | | Operating Income | | Operating Margin | |
|---|---|---|---|---|---|---|
| | **July 1, 2023** | July 2, 2022 | **July 1, 2023** | July 2, 2022 | **July 1, 2023** | July 2, 2022 |
| Motion Technologies | **$ 733.6** | $ 701.4 | **$ 111.1** | $ 106.7 | **15.1 %** | 15.2 % |
| Industrial Process | **560.1** | 441.8 | **121.7** | 59.5 | **21.7 %** | 13.5 % |
| Connect & Control Technologies | **339.8** | 317.8 | **57.8** | 53.9 | **17.0 %** | 17.0 % |
| Eliminations | **(1.7)** | (1.5) | **—** | — | **—** | — |
| Total segment results | **1,631.8** | 1,459.5 | **290.6** | 220.1 | **17.8 %** | 15.1 % |
| Corporate and Other | **—** | — | **(24.3)** | (25.0) | **—** | — |
| Total | **$ 1,631.8** | $ 1,459.5 | **$ 266.3** | $ 195.1 | **16.3 %** | 13.4 % |

The following table presents our total assets, capital expenditures, and depreciation & amortization expense for each segment.

| As of and for the Six Months Ended | Total Assets | | Capital Expenditures | | Depreciation & Amortization | |
|---|---|---|---|---|---|---|
| | **July 1, 2023** | December 31, 2022 | **July 1, 2023** | July 2, 2022 | **July 1, 2023** | July 2, 2022 |
| Motion Technologies | **$ 1,327.0** | $ 1,311.9 | **$ 29.9** | $ 34.7 | **$ 32.3** | $ 31.0 |
| Industrial Process | **1,288.2** | 1,218.6 | **7.1** | 4.9 | **11.1** | 12.6 |
| Connect & Control Technologies | **874.4** | 751.6 | **8.3** | 4.2 | **9.2** | 9.7 |
| Corporate and Other | **395.8** | 498.2 | **1.0** | 3.7 | **1.2** | 2.0 |
| Total | **$ 3,885.4** | $ 3,780.3 | **$ 46.3** | $ 47.5 | **$ 53.8** | $ 55.3 |

## NOTE 4
## REVENUE

The following tables present our revenue disaggregated by end market.

| For the Three Months Ended July 1, 2023 | Motion Technologies | Industrial Process | Connect & Control Technologies | Eliminations | Total |
|---|---|---|---|---|---|
| Auto and rail | **$ 360.0** | **$ —** | **$ —** | **$ —** | **$ 360.0** |
| Chemical and industrial pumps | **—** | **226.5** | **—** | **—** | **226.5** |
| Aerospace and defense | **2.0** | **—** | **94.1** | **—** | **96.1** |
| General industrial | **6.8** | **—** | **64.2** | **(0.7)** | **70.3** |
| Energy | **—** | **67.1** | **13.9** | **—** | **81.0** |
| Total | **$ 368.8** | **$ 293.6** | **$ 172.2** | **$ (0.7)** | **$ 833.9** |
| **For the Six Months Ended July 1, 2023** | | | | | |
| Auto and rail | **$ 716.0** | **$ —** | **$ —** | **$ —** | **$ 716.0** |
| Chemical and industrial pumps | **—** | **444.5** | **—** | **—** | **444.5** |
| Aerospace and defense | **3.9** | **—** | **181.0** | **—** | **184.9** |
| General industrial | **13.7** | **—** | **134.7** | **(1.7)** | **146.7** |
| Energy | **—** | **115.6** | **24.1** | **—** | **139.7** |
| Total | **$ 733.6** | **$ 560.1** | **$ 339.8** | **$ (1.7)** | **$ 1,631.8** |
| For the Three Months Ended July 2, 2022 | | | | | |
| Auto and rail | $ 320.3 | $ — | $ — | $ — | $ 320.3 |
| Chemical and industrial pumps | — | 196.6 | — | — | 196.6 |
| General industrial | 8.5 | — | 74.5 | (0.8) | 82.2 |
| Aerospace and defense | 2.5 | — | 78.3 | — | 80.8 |
| Energy | — | 43.0 | 10.4 | — | 53.4 |
| Total | $ 331.3 | $ 239.6 | $ 163.2 | $ (0.8) | $ 733.3 |
| For the Six Months Ended July 2, 2022 | | | | | |
| Auto and rail | $ 680.7 | $ — | $ — | $ — | $ 680.7 |
| Chemical and industrial pumps | — | 363.8 | — | — | 363.8 |
| General industrial | 16.7 | — | 144.2 | (1.5) | 159.4 |
| Aerospace and defense | 4.0 | — | 153.2 | — | 157.2 |
| Energy | — | 78.0 | 20.4 | — | 98.4 |
| Total | $ 701.4 | $ 441.8 | $ 317.8 | $ (1.5) | $ 1,459.5 |

*Contract Assets and Liabilities*

Contract assets consist of unbilled amounts where revenue recognized exceeds customer billings, net of allowances for credit losses. Contract assets are included in other current assets and other non-current assets in our Consolidated Condensed Balance Sheets. Contract liabilities consist of advance customer payments and billings in excess of revenue recognized. Contract liabilities are included in accrued liabilities and other non-current liabilities in our Consolidated Condensed Balance Sheets.

The following table represents our net contract assets and liabilities.

| As of the Period Ended | | **July 1, 2023** | | December 31, 2022 |
|---|---|---|---|---|
| Current contract assets, net | **$** | **28.1** | $ | 26.3 |
| Non-current contract assets, net | | **2.3** | | 1.2 |
| Current contract liabilities | | **(83.2)** | | (70.2) |
| Non-current contract liabilities | | **(4.4)** | | (4.4) |
| Net contract liabilities | **$** | **(57.2)** | $ | (47.1) |

During the three and six months ended July 1, 2023, we recognized revenue of $19.2 and $40.1, related to contract liabilities as of December 31, 2022. The aggregate amount of the transaction price allocated to unsatisfied or partially satisfied performance obligations as of July 1, 2023 was $1,215.8. Of this amount, we expect to recognize approximately $750 to $770 of revenue during the remainder of 2023.

## NOTE 5
## INCOME TAXES

The following table summarizes our income tax expense and effective tax rate.

| | Three Months Ended | | | | Six Months Ended | | | |
|---|---|---|---|---|---|---|---|---|
| | | **July 1, 2023** | | July 2, 2022 | | **July 1, 2023** | | July 2, 2022 |
| Income tax expense | **$** | **30.6** | $ | 24.0 | **$** | **50.7** | $ | 43.5 |
| Effective tax rate | | **21.9 %** | | 24.0 % | | **19.5 %** | | 22.3 % |

The effective tax rate (ETR) for the three months ended July 1, 2023 was lower than the prior period primarily due to higher permanent tax benefits related to research and development incentives in both foreign and U.S. jurisdictions. For the six months ended July 1, 2023 the ETR was lower than the prior year as ITT recognized benefits of $16.3 from valuation allowance reversals on deferred tax assets in Germany. ITT also recognized tax benefits of $4.9 as a result of filing an amended 2017 consolidated federal tax return, which were partially offset by an expense of $14.1 relating to an Italian tax audit settlement covering tax years 2016-2022.

The Company operates in various tax jurisdictions and is subject to examination by tax authorities in these jurisdictions. The Company is currently under examination in several jurisdictions including China, Czechia, Germany, India, Italy, and the U.S. The estimated tax liability calculation for unrecognized tax benefits considers uncertainties in the application of complex tax laws and regulations in various tax jurisdictions. Due to the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is materially different from the current estimate of the unrecognized tax benefit. Over the next 12 months, the net amount of the tax liability for unrecognized tax benefits in foreign and domestic jurisdictions could decrease by approximately $0.6 due to changes in audit status, expiration of statutes of limitations and other events.

## NOTE 6
## EARNINGS PER SHARE DATA

The following table provides a reconciliation of the data used in the calculation of basic and diluted earnings per share from continuing operations attributable to ITT.

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | **July 1, 2023** | July 2, 2022 | **July 1, 2023** | July 2, 2022 |
| Basic weighted average common shares outstanding | **82.4** | 83.1 | **82.5** | 84.0 |
| Add: Dilutive impact of outstanding equity awards | **0.2** | 0.3 | **0.3** | 0.3 |
| Diluted weighted average common shares outstanding | **82.6** | 83.4 | **82.8** | 84.3 |
| Anti-dilutive shares[a] | **0.2** | 0.2 | **0.2** | — |

(a) Anti-dilutive shares related to equity stock unit awards excluded from the computation of diluted earnings per share.

## NOTE 7
## RECEIVABLES AND ALLOWANCE FOR CREDIT LOSSES

The following table summarizes our receivables and associated allowance for credit losses.

| As of the Period Ended | **July 1, 2023** | December 31, 2022 |
|---|---|---|
| Trade accounts receivable | **$ 671.9** | $ 614.0 |
| Notes receivable | **20.1** | 8.2 |
| Other | **12.9** | 18.3 |
| Receivables, gross | **704.9** | 640.5 |
| Less: Allowance for credit losses - receivables | **(15.6)** | (11.7) |
| Receivables, net | **$ 689.3** | $ 628.8 |

The following table displays our allowance for credit losses for receivables and for contract assets, which are recorded within Receivables, net and Other current or non-current assets, respectively, within our Consolidated Condensed Balance Sheets.

| As of the Period Ended | **July 1, 2023** | December 31, 2022 |
|---|---|---|
| Allowance for credit losses - receivables | **$ 15.6** | $ 11.7 |
| Allowance for credit losses - contract assets | **0.5** | 0.5 |
| Total allowance for credit losses | **$ 16.1** | $ 12.2 |

The following table displays a rollforward of our total allowance for credit losses.

| | July 1, 2023 | July 2, 2022 |
|---|---|---|
| Total allowance for credit losses - January 1 | **$ 12.2** | $ 12.5 |
| Charges to income[(a)] | **3.6** | 4.7 |
| Write-offs | **(0.4)** | (0.4) |
| Foreign currency and other | **0.7** | 0.1 |
| Total allowance for credit losses - ending balance | **$ 16.1** | $ 16.9 |

(a) We recognized bad debt expense of $1.2 and $1.9 relating to impacts stemming from the Russia-Ukraine war during the six months ended July 1, 2023 and July 2, 2022, respectively. See Note 1, Description of Business and Basis of Presentation, for further information.

## NOTE 8
## INVENTORIES

The following table summarizes our inventories.

| As of the Period Ended | July 1, 2023 | December 31, 2022 |
|---|---|---|
| Raw materials | **$ 375.5** | $ 342.7 |
| Work in process | **108.5** | 104.6 |
| Finished goods | **89.2** | 86.6 |
| Inventories[(a)] | **$ 573.2** | $ 533.9 |

(a) We recorded inventory write-downs of $1.2 and $5.7 related to inventories held by entities impacted by the Russia-Ukraine war during the six months ended July 1, 2023 and July 2, 2022, respectively. See Note 1, Description of Business and Basis of Presentation, for further information.

*Government Assistance (ASU 2021-10)*

Since the start of the COVID-19 pandemic, energy prices have been increasing around the world, particularly in Europe. These increases have prompted governments to put in place measures to shield businesses and consumers from the direct impact of rising prices. These measures include granting subsidies to help offset the high energy prices.

ASU 2021-10 requires entities to provide information about the nature of transactions, related policies and effect of government grants on an entity's financial statements. In particular, to qualify for an energy subsidy in Italy, a company must apply for and receive a certificate attesting that the company is an "energy and gas consuming company" (high energy consumption connected to the production cycle). The amount of subsidies granted is calculated based on a percentage of actual consumption, ranging from 20% to 45%. One of our Italian subsidiaries within our MT segment obtained this certificate and was granted energy subsidies from the Italian government beginning in April 2022. Based on the energy consumption, we recognized a benefit of $2.4 and $6.3 for the three and six months ended July 1, 2023. These energy subsidies are recorded within Costs of revenue in our Consolidated Statements of Operations. Energy subsidies for the three and six months ended July 2, 2022 were not material. There was no other material government assistance received by the Company or any of our subsidiaries during the periods.

## NOTE 9
## OTHER CURRENT AND NON-CURRENT ASSETS

The following table summarizes our other current and non-current assets.

| As of the Period Ended | | **July 1, 2023** | | December 31, 2022 |
|---|---|---|---|---|
| Advance payments and other prepaid expenses | **$** | **43.1** | $ | 45.0 |
| Current contract assets, net | | **28.1** | | 26.3 |
| Prepaid income taxes | | **11.2** | | 25.1 |
| Other | | **22.2** | | 16.5 |
| Other current assets | **$** | **104.6** | $ | 112.9 |
| Other employee benefit-related assets | **$** | **124.4** | $ | 119.8 |
| Operating lease right-of-use assets[a] | | **86.8** | | 73.8 |
| Deferred income taxes[b] | | **74.5** | | 54.7 |
| Equity-method and other investments | | **45.3** | | 42.9 |
| Capitalized software costs | | **10.2** | | 12.4 |
| Environmental-related assets | | **7.3** | | 9.6 |
| Other | | **33.5** | | 25.9 |
| Other non-current assets | **$** | **382.0** | $ | 339.1 |

(a) The increase in the operating lease right-of-use asset balance from December 31, 2022 to July 1, 2023 is primarily driven by the renewal of an operating facility lease in Irvine, California and by the current period acquisition of Micro-Mode.

(b) The increase in deferred income taxes from December 31, 2022 to July 1, 2023 is primarily due to benefits of $16.3 from valuation allowance reversals on deferred tax assets in Germany.

## NOTE 10
## PLANT, PROPERTY AND EQUIPMENT, NET

The following table summarizes our property, plant, and equipment, net of accumulated depreciation.

| | Useful life (in years) | | **July 1, 2023** | | December 31, 2022 |
|---|---|---|---|---|---|
| Machinery and equipment | 2 - 10 | **$** | **1,272.0** | $ | 1,208.3 |
| Buildings and improvements | 5 - 40 | | **284.5** | | 277.6 |
| Furniture, fixtures and office equipment | 3 - 7 | | **82.4** | | 80.5 |
| Construction work in progress | | | **73.9** | | 86.9 |
| Land and improvements | | | **29.1** | | 29.3 |
| Other | | | **3.1** | | 3.3 |
| Plant, property and equipment, gross | | | **1,745.0** | | 1,685.9 |
| Less: Accumulated depreciation | | | **(1,216.3)** | | (1,159.1) |
| Plant, property and equipment, net | | **$** | **528.7** | $ | 526.8 |

The following table summarizes our depreciation expense.

| | Three Months Ended | | | | Six Months Ended | | | |
|---|---|---|---|---|---|---|---|---|
| | | **July 1, 2023** | | July 2, 2022 | | **July 1, 2023** | | July 2, 2022 |
| Depreciation expense | **$** | **20.4** | $ | 21.0 | **$** | **41.1** | $ | 42.0 |

## NOTE 11
## GOODWILL AND OTHER INTANGIBLE ASSETS, NET

*Goodwill*

The following table provides a rollforward of the carrying amount of goodwill by segment.

| | Motion Technologies | Industrial Process | Connect & Control Technologies | Total |
|---|---|---|---|---|
| Goodwill - December 31, 2022 | $ 287.7 | $ 398.7 | $ 278.4 | $ 964.8 |
| Acquired | — | — | 43.4 | 43.4 |
| Allocated to divestiture of business[(a)] | — | — | (2.4) | (2.4) |
| Foreign exchange translation | 2.7 | 0.5 | 0.3 | 3.5 |
| Goodwill - July 1, 2023 | **$ 290.4** | **$ 399.2** | **$ 319.7** | **$ 1,009.3** |

(a) During the second quarter of 2023, we completed the sale of a product line within our CCT segment to a third party for $10.5. The Company determined that the product line met the definition of a business per ASC 805, *Business Combinations*. As a result of the transaction, we recognized a gain on sale of $7.2, which is included in the General and administrative expenses line on our Consolidated Statements of Operations for the three and six months ended July 1, 2023. Goodwill of $2.4 was allocated to the divestiture.

*Other Intangible Assets, Net*

The following table summarizes our other intangible assets, net of accumulated amortization.

| | **July 1, 2023** | | | December 31, 2022 | | |
|---|---|---|---|---|---|---|
| | **Gross Carrying Amount** | **Accumulated Amortization** | **Net Intangibles** | Gross Carrying Amount | Accumulated Amortization | Net Intangibles |
| Customer relationships | **$ 215.5** | **$ (134.6)** | **$ 80.9** | $ 191.5 | $ (127.1) | $ 64.4 |
| Proprietary technology | **64.2** | **(33.1)** | **31.1** | 59.2 | (30.8) | 28.4 |
| Patents and other | **20.8** | **(17.1)** | **3.7** | 17.6 | (16.6) | 1.0 |
| Finite-lived intangible total | **300.5** | **(184.8)** | **115.7** | 268.3 | (174.5) | 93.8 |
| Indefinite-lived intangibles | **20.5** | **—** | **20.5** | 19.0 | — | 19.0 |
| Other intangible assets | **$ 321.0** | **$ (184.8)** | **$ 136.2** | $ 287.3 | $ (174.5) | $ 112.8 |

The following table summarizes our amortization expense related to finite-lived intangible assets.

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | **July 1, 2023** | July 2, 2022 | **July 1, 2023** | July 2, 2022 |
| Amortization expense | **$ 5.1** | $ 5.8 | **$ 9.8** | $ 10.0 |

The preliminary fair values of intangible assets acquired in connection with the purchase of Micro-Mode total $34.8. Refer to Note 18, Acquisitions and Investments, for further information.

## NOTE 12
## ACCRUED AND OTHER CURRENT AND NON-CURRENT LIABILITIES

The following table summarizes our accrued liabilities and other non-current liabilities.

| As of the Period Ended | | **July 1, 2023** | | December 31, 2022 |
|---|---|---|---|---|
| Compensation and other employee-related benefits | **$** | **143.9** | $ | 134.4 |
| Contract liabilities and other customer-related liabilities | | **118.0** | | 92.2 |
| Accrued income taxes and other tax-related liabilities | | **27.1** | | 27.1 |
| Operating lease liabilities | | **18.7** | | 19.0 |
| Accrued warranty costs | | **14.2** | | 14.3 |
| Environmental liabilities and other legal matters | | **6.4** | | 5.7 |
| Accrued restructuring costs | | **2.7** | | 3.9 |
| Other | | **40.3** | | 36.8 |
| Accrued and other current liabilities | **$** | **371.3** | $ | 333.4 |
| Operating lease liabilities[a] | **$** | **72.3** | $ | 58.9 |
| Environmental liabilities | | **51.5** | | 53.1 |
| Deferred income taxes and other tax-related liabilities | | **35.1** | | 31.1 |
| Compensation and other employee-related benefits | | **26.8** | | 25.0 |
| Non-current maturities of long-term debt | | **6.8** | | 7.7 |
| Other | | **23.7** | | 24.4 |
| Other non-current liabilities | **$** | **216.2** | $ | 200.2 |

(a) The increase in the non-current operating lease liabilities balance from December 31, 2022 to July 1, 2023 is primarily driven by the renewal of an operating facility lease in Irvine, California, and by the current period acquisition of Micro-Mode.

## NOTE 13
## DEBT

The following table summarizes our outstanding debt obligations.

| As of the Period Ended | | **July 1, 2023** | | December 31, 2022 |
|---|---|---|---|---|
| Commercial paper | **$** | **393.8** | $ | 448.3 |
| Current maturities of long-term debt and finance leases | | **2.2** | | 2.2 |
| Other short-term notes payable | | **0.5** | | 0.5 |
| Commercial paper and current maturities of long-term debt | | **396.5** | | 451.0 |
| Non-current maturities of long-term debt[(a)] | | **6.8** | | 7.7 |
| Total debt and finance leases | **$** | **403.3** | $ | 458.7 |

(a) Our long-term debt is primarily related to outstanding Italian government loans.

*Commercial Paper*

The following table presents our outstanding commercial paper borrowings and associated weighted average interest rates as of July 1, 2023 and December 31, 2022.

| As of the Period Ended | | **July 1, 2023** | | December 31, 2022 |
|---|---|---|---|---|
| Commercial Paper Outstanding - U.S. Program | **$** | **80.0** | $ | 299.2 |
| Commercial Paper Outstanding - Euro Program | | **313.8** | | 149.1 |
| Total Commercial Paper Outstanding | **$** | **393.8** | | 448.3 |
| Weighted Average Interest Rate - U.S. Program | | **5.45 %** | | 4.92 % |
| Weighted Average Interest Rate - Euro Program | | **3.82 %** | | 2.31 % |

Outstanding commercial paper for both periods had maturity terms less than three months from the date of issuance.

*Short-term Loans*

On August 5, 2021, we entered into a revolving credit facility agreement with a syndicate of third party lenders including Bank of America, N.A., as administrative agent (the 2021 Revolving Credit Agreement). Upon its effectiveness, this agreement replaced our existing $500 revolving credit facility due November 2022 (the 2014 Revolving Credit Agreement). The 2021 Revolving Credit Agreement matures in August 2026 and provides for an aggregate principal amount of up to $700. The 2021 Revolving Credit Agreement provides for a potential increase of commitment of up to $350 for a possible maximum of $1,050 in aggregate commitments at the request of the Company and with the consent of the institutions providing such increase of commitments.

On May 10, 2023, we entered into the First Amendment (the Amendment) to the Company’s 2021 Revolving Credit Agreement. In connection with the phase out of LIBOR as a reference interest rate, the Amendment replaced LIBOR as a benchmark for United States Dollar revolving borrowings with the term secured overnight funding rate (Term SOFR), and replaced LIBOR as a benchmark for Euro swing line borrowings with the euro overnight short-term rate (ESTR). The Amendment did not have a significant impact on the Company’s consolidated financial statements.

Since the Amendment, the interest rate per annum on the 2021 Revolving Credit Agreement is based on the term SOFR of the currency we borrow in, plus a margin of 1.1%. As of July 1, 2023 and December 31, 2022, we had no outstanding borrowings under the 2021 Revolving Credit Agreement. There is a 0.15% fee per annum applicable to the commitments under the 2021 Revolving Credit Agreement. The margin and fees are subject to adjustment should the Company’s credit ratings change.

The 2021 Revolving Credit Agreement contains customary affirmative and negative covenants that, among other things, will limit or restrict our ability to: incur additional debt or issue guarantees; create certain liens; merge or consolidate with another person; sell, transfer, lease or otherwise dispose of assets; liquidate or dissolve; and enter into restrictive covenants. Additionally, the 2021 Revolving Credit Agreement requires us not to permit the ratio of consolidated total indebtedness to consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) (leverage ratio) to exceed 3.50 to 1.00, with a qualified acquisition step up immediately following such qualified acquisition of 4.00 to 1.00 for four quarters, 3.75 to 1.00 for two quarters thereafter, and returning to 3.50 to 1.00 thereafter.

As of July 1, 2023, all financial covenants (e.g., leverage ratio) associated with the 2021 Revolving Credit Agreement were within the prescribed thresholds.

## NOTE 14
## LONG-TERM INCENTIVE EMPLOYEE COMPENSATION

Our long-term incentive plan (LTIP) costs are primarily recorded within general and administrative expenses in our Consolidated Condensed Statements of Operations. The following table summarizes our LTIP costs.

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | **July 1, 2023** | July 2, 2022 | **July 1, 2023** | July 2, 2022 |
| Equity-based awards | **$ 5.4** | $ 5.0 | **$ 10.1** | $ 8.7 |
| Liability-based awards | **—** | 0.1 | **0.8** | 0.7 |
| Total share-based compensation expense | **$ 5.4** | $ 5.1 | **$ 10.9** | $ 9.4 |

As of July 1, 2023, there was $36.2 of total unrecognized compensation cost related to non-vested equity awards. This cost is expected to be recognized ratably over a weighted-average period of 2.1 years. Additionally, unrecognized compensation cost related to liability-based awards was $2.6, which is expected to be recognized ratably over a weighted-average period of 2.2 years.

*Year-to-Date 2023 LTIP Activity*

The majority of our LTIP awards are granted during the first quarter of each year and have three-year service periods. These awards either vest equally each year or at the completion of the three-year service period. During the six months ended July 1, 2023, we granted the following LTIP awards as provided in the table below:

| | # of Awards Granted | Weighted Average Grant Date Fair Value Per Share |
|---|---|---|
| Restricted stock units (RSUs) | 0.2 | $ 92.12 |
| Performance stock units (PSUs) | 0.1 | $ 112.31 |

During the six months ended July 1, 2023 and July 2, 2022, a nominal amount of non-qualified stock options were exercised resulting in proceeds of $0.4 and $0.7, respectively. During the six months ended July 1, 2023 and July 2, 2022, RSUs of 0.1 and 0.1, respectively, vested and were issued. During the six months ended July 1, 2023 and July 2, 2022, PSUs of 0.1 and 0.1 that vested on December 31, 2022 and 2021, respectively, were issued.

## NOTE 15
## CAPITAL STOCK

On October 30, 2019, the Board of Directors approved an indefinite term $500 open-market share repurchase program (the 2019 Plan). During the six months ended July 1, 2023 and July 2, 2022, the Company repurchased and retired 0.7 and 3.0 shares of common stock for $60.5 and $240.9, respectively.

Separate from the open-market share repurchase program, the Company withholds shares of common stock in settlement of employee tax withholding obligations due upon the vesting of equity-based compensation awards. During the six months ended July 1, 2023 and July 2, 2022, the Company withheld 0.1 and 0.1 shares of common stock for $6.4 and $8.5, respectively.

## NOTE 16
## COMMITMENTS AND CONTINGENCIES

From time to time, we are involved in litigation, claims, government inquiries, investigations and proceedings, including but not limited to those relating to environmental exposures, intellectual property matters, personal injury claims, product liabilities, regulatory matters, commercial and government contract issues, employment and employee benefit matters, commercial or contractual disputes, and securities matters.

Although the ultimate outcome of any legal matter cannot be predicted with certainty, based on present information, including our assessment of the merits of the particular claim, as well as our current reserves and insurance coverage, we do not expect that such legal proceedings will have any material adverse impact on our financial statements, unless otherwise noted below. However, there can be no assurance that an adverse outcome in any of the proceedings described below will not result in material fines, penalties or damages, changes to the Company's business practices, loss of (or litigation with) customers or a material adverse effect on our financial statements.

***Environmental Matters***

In the ordinary course of business, we are subject to federal, state, local, and foreign environmental laws and regulations. We are responsible, or are alleged to be responsible, for ongoing environmental investigation and site remediation. These sites are in various stages of investigation or remediation and in many of these proceedings our liability is considered de minimis. We have received notification from the U.S. Environmental Protection Agency, and from similar state and foreign environmental agencies, that a number of sites formerly or currently owned or operated by ITT, and other properties or water supplies that may be or have been impacted from those operations, contain disposed or recycled materials or wastes and require environmental investigation or remediation. These sites include instances where we have been identified as a potentially responsible party under federal and state environmental laws and regulations.

The following table provides a rollforward of our estimated environmental liability.

| | | **July 1, 2023** | | July 2, 2022 |
|---|---|---|---|---|
| Environmental liability - beginning balance | **$** | **57.1** | $ | 54.1 |
| Change in estimates for pre-existing accruals: | | | | |
| Continuing operations | | **0.7** | | — |
| Discontinued operations[(a)] | | **—** | | 5.4 |
| Accruals added during the period for new matters | | **—** | | 0.1 |
| Payments | | **(2.3)** | | (2.7) |
| Foreign currency | | **0.1** | | (0.3) |
| Environmental liability - ending balance | **$** | **55.6** | $ | 56.6 |

(a) During the six months ended July 2, 2022, we increased the estimated environmental liability for a former site of ITT by $5.4 and recognized an insurance-related asset of $4.3. The resulting net pre-tax expense of $1.1 has been presented as a loss from discontinued operations within the Consolidated Condensed Statements of Operations.

Environmental-related assets, including a Qualified Settlement Fund and estimated recoveries from insurance providers and other third parties, were $11.4 and $14.5 as of July 1, 2023 and July 2, 2022, respectively.

The following table illustrates the reasonably possible high range of estimated liability and number of active sites.

| As of the Period Ended | | **July 1, 2023** | | July 2, 2022 |
|---|---|---|---|---|
| High-end estimate of environmental liability | **$** | **90.6** | $ | 100.0 |
| Number of open environmental sites | | **25** | | 27 |

As actual costs incurred at identified sites in future periods may vary from our current estimates given the inherent uncertainties in evaluating environmental exposures, management believes it is possible that the outcome of these uncertainties may have a material adverse effect on our financial statements.

## NOTE 17
## DERIVATIVE FINANCIAL INSTRUMENTS

The Company is exposed to various market risks relating to its ongoing business operations. From time to time, we use derivative financial instruments to mitigate our exposure to certain of these risks, including foreign exchange rate and commodity price fluctuations. By using derivatives, the Company is further exposed to credit risk. Our exposure to credit risk includes the counterparty's failure to fulfill its financial obligations under the terms of the derivative contract. The Company attempts to minimize its exposure by avoiding concentration risk among its counterparties and by entering into transactions with creditworthy counterparties.

*Foreign Currency Derivative Contracts*

The Company enters into foreign currency forward or option contracts to mitigate foreign currency risk associated with transacting with international customers, suppliers, and subsidiaries. The notional amounts and fair values of our outstanding foreign currency derivative contracts, which are recorded within Other current assets in our Consolidated Condensed Balance Sheets, were as follows:

| As of the Period Ended | **July 1, 2023** | December 31, 2022 |
|---|---|---|
| Notional amount (U.S. dollar equivalent) | **$ 86.0** | $ 136.5 |
| Fair value of foreign currency derivative contracts[(a)] | **$ 0.6** | $ 1.7 |

(a) Our foreign currency derivative contracts are classified within Level 2 of the fair value hierarchy because these contracts are not actively traded and the valuation inputs are based on market observable data of similar instruments.

Gains or losses arising from changes in fair value of our foreign currency derivative contracts are recorded within General and administrative expenses in our Consolidated Condensed Statements of Operations, and were as follows:

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | **July 1, 2023** | July 2, 2022 | **July 1, 2023** | July 2, 2022 |
| (Loss) gain on foreign currency derivative contracts[(b)] | **$ (2.1)** | $ 3.3 | **$ (3.2)** | $ 5.6 |

(b) None of our derivative contracts were designated as hedging instruments under ASC 815 - *Derivatives & Hedging*.

The cash flow impact upon settlement of our foreign currency derivative contracts is included in operating activities in our Consolidated Condensed Statements of Cash Flows. During the six months ended July 1, 2023 and July 2, 2022, net cash inflows from foreign currency derivative contracts were $4.8 and $1.8, respectively.

## NOTE 18
## ACQUISITIONS AND INVESTMENTS

*Acquisition of Micro-Mode Products, Inc. (Micro-Mode)*

On May 2, 2023, we completed the acquisition of Micro-Mode for a purchase price of $79.3, net of cash acquired. Micro-Mode is a specialty designer and manufacturer of high-bandwidth radio frequency (RF) connectors for harsh environment defense and space applications. Micro-Mode has a single manufacturing site near San Diego, California and generated approximately $26 in sales in 2022. Subsequent to the acquisition, Micro-Mode's results have been reported within our CCT segment.

The primary areas of the purchase price allocations that are not yet finalized relate to the valuation of certain tangible and intangible assets, liabilities, income tax, and residual goodwill, which represents the excess of the purchase price over the fair value of the net tangible and other intangible assets acquired. We expect to obtain the information necessary to finalize the fair value of the net assets and liabilities during the measurement period, not to exceed one year from the acquisition date. Changes to the preliminary estimates of the fair value during the measurement period will be recorded as adjustments to those assets and liabilities with a corresponding adjustment to goodwill in the period they occur. The goodwill arising from these acquisitions is not expected to be deductible for income tax purposes.

| ***Preliminary Allocation of Purchase Price*** | | |
|---|---|---|
| Receivables | $ | 2.5 |
| Inventory | | 5.6 |
| Plant, property and equipment | | 3.2 |
| Goodwill | | 43.4 |
| Other intangible assets | | 34.8 |
| Other assets | | 2.7 |
| Accounts payable and accrued liabilities | | (2.1) |
| Other liabilities | | (10.8) |
| **Net assets acquired** | **$** | **79.3** |

Pro forma results of operations have not been presented because the acquisition was not deemed significant as of the acquisition date.

*Acquisition of Habonim Industrial Valves and Actuators Ltd (Habonim)*

On April 4, 2022, we completed the acquisition of 100% of the privately held stock of Habonim for a purchase price of $139.9. Habonim is a designer and manufacturer of valves, valve automation and actuation for gas distribution (including liquified natural gas), biotech and harsh application service sectors. Habonim sells directly to original equipment manufacturers and integrators for customized solutions. Habonim has operations in Israel, the U.S., and the Netherlands, and has a workforce of approximately 200 employees. Subsequent to the acquisition, Habonim's results have been reported within our IP segment. The allocation of the purchase price to the assets acquired and liabilities assumed was completed as of April 1, 2023.

*Investments in CRP Technology and CRP USA (CRP)*

During the second quarter of 2022, we purchased a minority investment of 46% in CRP Technology Srl and 33% in CRP USA LLC (collectively "CRP") for $23.0. CRP is a manufacturer of reinforced composite materials for 3D printing for the aerospace, defense, premium automotive, and motorsports industries. CRP's Windform® high-performance materials enable engineers to develop complex, customized designs while providing lightweight and exceptionally durable products. In May 2023, ITT purchased an additional 9% share of CRP USA LLC for $1.4. This additional investment brings ITT's direct share ownership in CRP USA LLC to 42% as of July 1, 2023. The CRP investments are accounted for as equity method investments.

*Other*

During the second quarter of 2022, we purchased all production assets and proprietary technology related to an energy absorption product line for high-cycle applications in industrial automation. The product line was acquired for $7.0 from Clippard Instrument Laboratory, Inc., which is a U.S. manufacturer of electronic and pneumatic components. These assets are included within the CCT segment.

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

*(In millions, except per share amounts, unless otherwise stated)*

## OVERVIEW

ITT Inc. is a diversified manufacturer of highly engineered critical components and customized technology solutions for the transportation, industrial, and energy markets. We manufacture components that are integral to the operation of systems and manufacturing processes in these key markets. Our products enable functionality for applications where reliability and performance are critically important to our customers and the users of their products.

Our businesses share a common, repeatable operating model centered on our engineering capabilities. Each business applies its technology and engineering expertise to solve our customers’ most pressing challenges. Our applied engineering provides a valuable business relationship with our customers given the critical nature of their applications. This in turn provides us with unique insight to our customers’ requirements and enables us to develop solutions to assist our customers in achieving their business goals. Our technology and customer intimacy produce opportunities to capture recurring revenue streams, aftermarket opportunities and long-lived platforms from original equipment manufacturers (OEMs).

Our product and service offerings are organized into three reportable segments: Motion Technologies (MT), Industrial Process (IP), and Connect & Control Technologies (CCT). See Note 3, Segment Information, in this Report for a summary description of each segment. Additional information is also available in our 2022 Annual Report within Part I, Item 1, “Description of Business.”

All comparisons included within Management’s Discussion and Analysis of Financial Condition and Results of Operations refer to the comparable three and six months ended July 2, 2022, unless stated otherwise.

### *Macroeconomic Conditions*

During the second quarter of 2023, there has been continued uncertainty in the global economy, which has been, and will continue to be, influenced by a number of external factors, which are described below.

*Russia-Ukraine War*

In February 2022, the United States and other leading nations announced targeted economic sanctions on Russia and certain Russian citizens in response to Russia’s war with Ukraine, which has increased regional instability and global economic and political uncertainty.

During the six months ended July 1, 2023 and July 2, 2022, we recorded total pre-tax charges of $3.2 and $8.0, respectively, primarily related to accounts receivable and inventory write-downs due to the suspension of business in Russia stemming from the Russia-Ukraine war. For further discussion of risks stemming from the Russia-Ukraine war, see Part I, Item IA, “Risk Factors” in our 2022 Annual Report for the fiscal year ended December 31, 2022.

*COVID-19 Pandemic*

Challenges resulting from the COVID-19 pandemic have adversely impacted, and may continue to adversely impact, our business and financial results. For additional discussion of risks related to COVID-19, see Part I, Item IA, “Risk Factors” in our 2022 Annual Report.

*Inflationary Pressures*

Since 2020, the cost of energy and of raw materials we use in our production processes, including commodities such as steel, oil, copper, and tin, have significantly increased. The rising prices are mainly a result of reduced supply caused by supply chain disruptions primarily as a result of the COVID-19 pandemic and the Russia-Ukraine war.

Beginning in 2022, central banks around the world have been raising interest rates to counter inflation. Rising interest rates have increased our cost of debt and have contributed to instability in the global banking system, which may adversely impact consumer behavior, including demand for our products.

The manufacturing industry continues to experience a skilled labor shortage, which has created difficulties in attracting and retaining factory employees and has resulted in higher labor costs.

These global macroeconomic conditions have contributed to a strengthening of the U.S. dollar relative to foreign currencies, which has created volatility in our reported results stemming from unfavorable foreign currency translation impacts.

Global macroeconomic conditions have led and may continue to lead to decreased demand for our products, increased costs, and reduced operating margins. We have been able to offset most of these negative impacts through pricing actions and productivity savings, which we continue to pursue. Future impacts on our business and financial results as a result of these conditions are not estimable at this time, and depend, in part, on the extent to which these conditions improve or worsen, which remains uncertain. For additional discussion of the risks related to global macroeconomic conditions, see Part I, Item IA, “Risk Factors” in our 2022 Annual Report.

## EXECUTIVE SUMMARY

The following table provides a summary of key performance indicators for the second quarter of 2023 as compared to the second quarter of 2022.

| Revenue | Segment Operating Income | Segment Operating Margin | EPS |
|---|---|---|---|
| $834<br>14% Increase | $153<br>33% Increase | 18.3%<br>270bp Increase | $1.31<br>44% Increase |
| **Organic Revenue** | **Adjusted Segment Operating Income** | **Adjusted Segment Operating Margin** | **Adjusted EPS** |
| $825<br>12% Increase | $156<br>34% Increase | 18.7%<br>280bp Increase | $1.33<br>36% Increase |

Further details related to these results are contained elsewhere in the Discussion of Financial Results section. Refer to the section titled "Key Performance Indicators and Non-GAAP Measures" for definitions and reconciliations between GAAP and non-GAAP metrics.

Our second quarter 2023 results are summarized below:

- Revenue of $833.9 increased by $100.6 due to higher sales volume and pricing actions, particularly within IP's pump project, baseline pumps and aftermarket businesses, MT's Friction business, and CCT's components business. In addition, revenue was favorably impacted by foreign currency translation of $5.1 and by the acquisition of Micro-Mode, which contributed $3.9 to total revenue growth.
- Segment operating income of $152.5, increased by $38.2 despite unfavorable foreign currency impacts of $8.9. The increase was due to productivity savings, pricing actions, and higher sales volume. In addition, the current period benefited from a gain of $7.2 on the sale of a product line within our CCT segment and income of $3.7 from a recovery of costs associated with the 2020 lease termination of a legacy site. The increase in segment operating income was partially offset by higher raw material, labor and overhead costs stemming from continued supply chain challenges and cost inflation.
- Income from continuing operations was $1.31 per diluted share, an increase of $0.40 as compared to the prior year, primarily due to higher segment operating income, as discussed above. Adjusted income from continuing operations was $1.33 per diluted share, an increase of $0.35 as compared to the prior year.

With respect to capital deployment, on May 2, 2023, we acquired Micro-Mode Products, Inc. (Micro-Mode) for a purchase price of $79.3, net of cash acquired. See Note 18, Acquisitions and Investments, for more information. In addition, during the second quarter of 2023, we repurchased 0.4 shares of common stock on the open market for $30.5 and declared a dividend of $0.29 per share, which was a 10% increase from the quarterly dividend of $0.264 in 2022.

## DISCUSSION OF FINANCIAL RESULTS

| | Three Months Ended | | | Six Months Ended | | |
|---|---|---|---|---|---|---|
| | **July 1, 2023** | July 2, 2022 | Change | **July 1, 2023** | July 2, 2022 | Change |
| Revenue | **$ 833.9** | $ 733.3 | 13.7 % | **$ 1,631.8** | $ 1,459.5 | 11.8 % |
| Gross profit | **280.0** | 222.2 | 26.0 % | **541.9** | 440.6 | 23.0 % |
| Operating expenses | **138.0** | 121.7 | 13.4 % | **275.6** | 245.5 | 12.3 % |
| Operating income | **142.0** | 100.5 | 41.3 % | **266.3** | 195.1 | 36.5 % |
| Interest and non-operating expenses, net | **2.5** | 0.5 | 400.0 % | **6.0** | 0.3 | 1,900.0 % |
| Income tax expense | **30.6** | 24.0 | 27.5 % | **50.7** | 43.5 | 16.6 % |
| Net income attributable to ITT Inc. | **108.2** | 74.6 | 45.0 % | **208.2** | 149.4 | 39.4 % |

| | | | | | | |
|---|---|---|---|---|---|---|
| Gross margin | **33.6 %** | 30.3 % | 330 bp | **33.2 %** | 30.2 % | 300 bp |
| Operating expense to revenue ratio | **16.5 %** | 16.6 % | (10)bp | **16.9 %** | 16.8 % | 10 bp |
| Operating margin | **17.0 %** | 13.7 % | 330 bp | **16.3 %** | 13.4 % | 290 bp |
| Effective tax rate | **21.9 %** | 24.0 % | (210)bp | **19.5 %** | 22.3 % | (280)bp |

### REVENUE

The following table illustrates the revenue derived from each of our segments.

| For the Three Months Ended | **July 1, 2023** | July 2, 2022 | Change | Organic Growth[(a)] |
|---|---|---|---|---|
| Motion Technologies | **$ 368.8** | $ 331.3 | 11.3 % | 9.7 % |
| Industrial Process | **293.6** | 239.6 | 22.5 % | 22.6 % |
| Connect & Control Technologies | **172.2** | 163.2 | 5.5 % | 3.1 % |
| Eliminations | **(0.7)** | (0.8) | | |
| Total Revenue | **$ 833.9** | $ 733.3 | 13.7 % | 12.5 % |

| For the Six Months Ended | **July 1, 2023** | July 2, 2022 | Change | Organic Growth[(a)] |
|---|---|---|---|---|
| Motion Technologies | **$ 733.6** | $ 701.4 | 4.6 % | 5.8 % |
| Industrial Process | **560.1** | 441.8 | 26.8 % | 23.9 % |
| Connect & Control Technologies | **339.8** | 317.8 | 6.9 % | 6.3 % |
| Eliminations | **(1.7)** | (1.5) | | |
| Total Revenue | **$ 1,631.8** | $ 1,459.5 | 11.8 % | 11.4 % |

(a) See the section titled "Key Performance Indicators and Non-GAAP Measures" for a definition and reconciliation of organic revenue.

***Motion Technologies***

MT revenue increased by $37.5 and $32.2 for the three and six months ended July 1, 2023, respectively, primarily driven by higher sales volume and pricing actions. Specifically, the increases in sales volume were driven by growth in our Friction business of 13% and 8%, respectively, due to strong OE growth, partially offset by declines in our Wolverine business of 11% and 9%, respectively, primarily attributable to sealing materials. In addition, the three-month period benefited from favorable foreign currency translation of $5.3, while the six-month period was negatively impacted by unfavorable foreign currency translation of $8.3 and impacts from the Russia-Ukraine war. Excluding the impact of foreign currency translation, organic revenue during the three- and six-month periods grew $32.2 and $40.5, respectively.

In March 2023, our Friction business signed a 10-year agreement, effective on January 1, 2024, for the supply of ITT aftermarket brake pads to Continental AG. The agreement is expected to generate over $1 billion in revenue over the term of the agreement.

### *Industrial Process*

IP revenue for the three and six months ended July 1, 2023 increased by $54.0 and $118.3, respectively, primarily driven by higher sales volume and pricing actions. Specifically, the increases in both periods were driven by growth in pump project sales of 101% and 72%, respectively, primarily attributable to the energy market, and growth in baseline pumps, aftermarket parts and service. The six-month period also benefited by $15.0 from the acquisition of Habonim, which occurred in the second quarter of 2022. The increases in both periods were partially offset by unfavorable foreign currency translation of $0.2 and $2.4, respectively. Excluding the impact from Habonim and unfavorable foreign currency translation, organic revenue increased by $54.2 and $105.7, respectively.

The level of order and shipment activity at IP can vary significantly from period to period due to pump projects which are highly engineered, customized to customer needs, and have longer lead times. Total orders during the three and six months ended July 1, 2023 were $343.0 and $670.3, increases of 15% and 20%, respectively, versus the comparable prior year periods. Backlog as of July 1, 2023 was $688.8, an increase of $108.8, or 19%, as compared to December 31, 2022. Our backlog represents firm orders that have been received, acknowledged, and entered into our production systems.

### *Connect & Control Technologies*

CCT revenue for the three and six months ended July 1, 2023 increased by $9.0 and $22.0, respectively, primarily driven by pricing actions and the second quarter acquisition of Micro-Mode, which had current period revenue of $3.9. The six-month period also benefited from higher sales volume, partially offset by unfavorable foreign currency translation of $2.0. Specifically, the increases in both periods were driven by growth in component sales of 26% and 21%, respectively, particularly within the aerospace and defense markets. Excluding the impact from acquisitions and foreign currency translation, organic revenue increased $5.0 and $20.1, respectively.

## GROSS PROFIT

Gross profit for the three months ended July 1, 2023 and July 2, 2022 was $280.0 and $222.2, respectively, reflecting a gross margin of 33.6% and 30.3%. Gross profit for the six months ended July 1, 2023 and July 2, 2022 was $541.9 and $440.6, respectively, reflecting a gross margin of 33.2% and 30.2%. The increases in gross profit for both periods was primarily driven by increases in revenue, as described above, and productivity savings. In addition, the current six-month period benefited from lower charges related to the Russia-Ukraine war. The increases in gross profit for both periods were partially offset by increases in raw material and labor costs, which were driven by inflationary pressures as discussed above. See section titled, "Macroeconomic Conditions", for further information.

## OPERATING EXPENSES

The following table summarizes our operating expenses, including by segment.

| | Three Months Ended | | | Six Months Ended | | |
|---|---|---|---|---|---|---|
| | **July 1, 2023** | July 2, 2022 | Change | **July 1, 2023** | July 2, 2022 | Change |
| General and administrative expenses | **$ 68.4** | $ 57.0 | 20.0 % | **$ 136.7** | $ 117.4 | 16.4 % |
| Sales and marketing expenses | **43.9** | 40.4 | 8.7 % | **86.8** | 78.8 | 10.2 % |
| Research and development expenses | **25.7** | 24.3 | 5.8 % | **52.1** | 49.3 | 5.7 % |
| Total operating expenses | **$ 138.0** | $ 121.7 | 13.4 % | **$ 275.6** | $ 245.5 | 12.3 % |
| Total operating expenses by segment: | | | | | | |
| Motion Technologies | **$ 42.6** | $ 32.7 | 30.3 % | **$ 86.4** | $ 73.9 | 16.9 % |
| Industrial Process | **53.1** | 46.0 | 15.4 % | **101.7** | 86.9 | 17.0 % |
| Connect & Control Technologies | **31.7** | 29.2 | 8.6 % | **63.1** | 59.8 | 5.5 % |
| Corporate & Other | **10.6** | 13.8 | (23.2)% | **24.4** | 24.9 | (2.0)% |

General and administrative (G&A) expenses increased $11.4 and $19.3 for the three and six months ended July 1, 2023. The increases in both periods were primarily driven by unfavorable foreign currency impacts, higher personnel and incentive-based compensation costs, and higher strategic M&A-related costs to support the acquisition of Micro-Mode. The increases were partially offset by a gain of $7.2 resulting from the sale of a product line within our CCT segment, income of $3.7 from a recovery of costs associated with the 2020 lease termination of a legacy site, lower restructuring and asset impairment charges, and higher corporate-owned life insurance gains.

Sales and marketing expenses increased $3.5 and $8.0 for the three and six months ended July 1, 2023, primarily driven by higher personnel and other sales-related costs to support higher sales activity.

Research and development expenses increased $1.4 and $2.8 for the three and six months ended July 1, 2023, primarily driven by higher personnel costs and continued strategic investments in innovation and new product development to drive future growth.

## OPERATING INCOME

The following table summarizes our operating income and margin by segment.

| | Three Months Ended | | | Six Months Ended | | |
|---|---|---|---|---|---|---|
| | **July 1, 2023** | July 2, 2022 | Change | **July 1, 2023** | July 2, 2022 | Change |
| Motion Technologies | **$ 57.7** | $ 47.0 | 22.8 % | **$ 111.1** | $ 106.7 | 4.1 % |
| Industrial Process | **66.4** | 39.1 | 69.8 % | **121.7** | 59.5 | 104.5 % |
| Connect & Control Technologies | **28.4** | 28.2 | 0.7 % | **57.8** | 53.9 | 7.2 % |
| Segment operating income | **152.5** | 114.3 | 33.4 % | **290.6** | 220.1 | 32.0 % |
| Corporate and Other | **(10.5)** | (13.8) | (23.9) % | **(24.3)** | (25.0) | (2.8) % |
| Total operating income | **$ 142.0** | $ 100.5 | 41.3 % | **$ 266.3** | $ 195.1 | 36.5 % |
| Operating margin: | | | | | | |
| Motion Technologies | **15.6 %** | 14.2 % | 140 bp | **15.1 %** | 15.2 % | (10)bp |
| Industrial Process | **22.6 %** | 16.3 % | 630 bp | **21.7 %** | 13.5 % | 820 bp |
| Connect & Control Technologies | **16.5 %** | 17.3 % | (80)bp | **17.0 %** | 17.0 % | — bp |
| Segment operating margin | **18.3 %** | 15.6 % | 270 bp | **17.8 %** | 15.1 % | 270 bp |
| Consolidated operating margin | **17.0 %** | 13.7 % | 330 bp | **16.3 %** | 13.4 % | 290 bp |

MT operating income for the three and six months ended July 1, 2023 increased $10.7 and $4.4, respectively, primarily due to productivity savings as well as from higher revenue, as discussed above. The six-month period also benefited from lower charges related to the Russia-Ukraine war.

The increases in operating income for both periods were partially offset by higher raw material and labor costs and unfavorable foreign currency impacts. The increase related to the six-month period was also partially offset by higher overhead costs and unfavorable sales mix.

IP operating income for the three and six months ended July 1, 2023 increased $27.3 and $62.2, respectively, primarily driven by higher revenue, as discussed above, and productivity savings. The six-month period also benefited from lower charges related to the Russia-Ukraine war. The increases in operating income for both periods were partially offset by higher raw material and labor costs, unfavorable sales mix, and unfavorable foreign currency impacts.

CCT operating income for the three and six months ended July 1, 2023 increased $0.2 and $3.9, respectively, primarily driven by higher revenue, as discussed above, productivity savings, and a gain of $7.2 resulting from the sale of a product line. The increase in operating income was partially offset by higher raw material, labor and overhead costs, higher strategic growth investment, and unfavorable foreign currency impacts.

Other corporate costs for the three and six months ended July 1, 2023 decreased $3.3 and $0.7, respectively, primarily driven by income of $3.7 from a recovery of costs associated with the 2020 lease termination of a legacy site as well as by higher corporate-owned life insurance gains, partially offset by higher personnel costs.

**INTEREST AND NON-OPERATING EXPENSE (INCOME), NET**

The following table summarizes our interest and non-operating expense (income), net.

| | Three Months Ended | | | Six Months Ended | | |
|---|---|---|---|---|---|---|
| | **July 1, 2023** | July 2, 2022 | Change | **July 1, 2023** | July 2, 2022 | Change |
| Interest expense | **$ 4.5** | $ 1.8 | 150.0 % | **$ 11.2** | $ 2.7 | 314.8 % |
| Interest income | **(2.0)** | (0.9) | 122.2 % | **(4.6)** | (1.8) | 155.6 % |
| Miscellaneous income, net | **(0.1)** | (0.7) | (85.7)% | **(0.9)** | (1.4) | (35.7)% |
| Non-operating postretirement costs, net | **0.1** | 0.3 | (66.7)% | **0.3** | 0.8 | (62.5)% |
| Interest and non-operating expense (income), net | **$ 2.5** | $ 0.5 | 400.0 % | **$ 6.0** | $ 0.3 | 1,900.0 % |

The increases in interest and non-operating expense (income), net for the three and six months ended July 1, 2023 were primarily driven by higher interest expense associated with higher weighted average interest rates on our commercial paper borrowings. The six-month period also included interest expense of $1.4 related to a tax audit settlement in Italy, as discussed in the income tax expense section below.

**INCOME TAX EXPENSE**

The following table summarizes our income tax expense and effective tax rate.

| | Three Months Ended | | | Six Months Ended | | |
|---|---|---|---|---|---|---|
| | **July 1, 2023** | July 2, 2022 | Change | **July 1, 2023** | July 2, 2022 | Change |
| Income tax expense | **$ 30.6** | $ 24.0 | 27.5% | **$ 50.7** | $ 43.5 | 16.6 % |
| Effective tax rate | **21.9 %** | 24.0 % | (210)bp | **19.5 %** | 22.3 % | (280)bp |

The effective tax rate (ETR) for the three months ended July 1, 2023 was lower than the prior period primarily due to higher permanent tax benefits related to research and development incentives in both foreign and U.S. jurisdictions. For the six months ended July 1, 2023 the ETR was lower primarily due to benefits of $16.3 from valuation allowance reversals on deferred tax assets in Germany. ITT also recognized tax benefits of $4.9 as a result of filing an amended 2017 consolidated federal tax return, which were partially offset by an expense of $14.1 relating to an Italian tax audit settlement covering tax years 2016-2022.

We are closely monitoring the potential changes in tax laws resulting from the Organization for Economic Cooperation and Development's (OECD) multi-jurisdictional plan of action to address base erosion and profit shifting, which could adversely impact our effective tax rate.

See Note 5, Income Taxes, to the Consolidated Condensed Financial Statements for further information.

## LIQUIDITY AND CAPITAL RESOURCES

### *Funding and Liquidity Strategy*

We monitor our funding needs and execute strategies to meet overall liquidity requirements, including the management of our capital structure, on both a short- and long-term basis. Significant factors that affect our overall management of liquidity include our cash flow from operations, credit ratings, the availability of commercial paper, access to bank lines of credit, term loans, and the ability to attract long-term capital on satisfactory terms. We assess these factors along with current market conditions on a continuous basis, and as a result, may alter the mix of our short- and long-term financing when it is advantageous to do so. We expect to have enough liquidity to fund operations for at least the next 12 months and beyond.

We manage our worldwide cash requirements considering available funds among the many subsidiaries through which we conduct business and the cost effectiveness with which those funds can be accessed. We support our growth and expansion in markets outside of the U.S. through the enhancement of existing products and development of new products, increased capital spending, and potential foreign acquisitions. We look for opportunities to access cash balances in excess of local operating requirements to meet our global liquidity needs in a cost-efficient manner. We transfer cash between certain international subsidiaries and the U.S. when it is cost effective to do so. During the six months ended July 1, 2023, we had net cash distributions from foreign countries to the U.S. of $300.5. During the year ended December 31, 2022, we had net cash distributions from foreign countries to the U.S. of $74.0. The timing and amount of any additional future distributions will be evaluated based on our jurisdictional cash needs.

The amount and timing of dividends payable on our common stock are within the sole discretion of our Board of Directors and will be based on, and affected by, several factors, including our financial position and results of operations, available cash, expected capital spending plans, prevailing business conditions, and other factors the Board of Directors deems relevant. Therefore, we cannot provide any assurance as to what level of dividends, if any, will be paid in the future. In the second quarter of 2023, we declared a dividend of $0.290 per share for shareholders of record on June 9, 2023, which was a 10% increase from the quarterly dividends declared of $0.264 in 2022. Dividend payments during the six months ended July 1, 2023 amounted to $48.1.

During the six months ended July 1, 2023 and July 2, 2022, we spent $60.5 and $240.9, respectively, on open-market share repurchases under our share repurchase programs. All repurchased shares are retired immediately following the repurchases. See Part II, Item 2, Unregistered Sales of Equity Securities and Use of Proceeds, for additional information.

### *Commercial Paper*

When available and economically feasible, we have accessed the commercial paper market through programs in place in the U.S. and Europe to supplement cash flows generated internally and to provide additional short-term funding.

The following table presents our outstanding commercial paper borrowings.

| | **July 1, 2023** | December 31, 2022 |
|---|---|---|
| Commercial Paper Outstanding - U.S. Program | **$ 80.0** | $ 299.2 |
| Commercial Paper Outstanding - Euro Program | **313.8** | 149.1 |
| Total Commercial Paper Outstanding | **$ 393.8** | 448.3 |

From December 31, 2022 to July 1, 2023, we substantially reduced our borrowings under the U.S. commercial paper program and increased our borrowings under the Euro program to reduce our cost of debt given the lower interest rates under the Euro program. See Note 13, Debt, to the Consolidated Condensed Financial Statements for further information.

All outstanding commercial paper for both periods had maturity terms of less than three months from the date of issuance.

***Revolving Credit Agreement***

On August 5, 2021, we entered into a revolving credit facility agreement with a syndicate of third party lenders including Bank of America, N.A., as administrative agent (the 2021 Revolving Credit Agreement). The 2021 Revolving Credit Agreement matures in August 2026 and provides for an aggregate principal amount of up to $700 of (i) revolving extensions of credit (the revolving loans) outstanding at any time, and (ii) letters of credit for a face amount of up to $100 at any time outstanding. Subject to certain conditions, we are permitted to terminate permanently the total commitments and reduce commitments by a minimum aggregate amount of $10 or any whole multiple of $1 in excess thereof. Borrowings under the credit facility are available in U.S. dollars, Euros, British pound sterling or any other currency that may be requested by us, subject to the approval of the administrative agent and each lender. We are permitted to request that lenders increase the commitments under the facility by up to $350 for a maximum aggregate principal amount of $1,050; however, this is subject to certain conditions and therefore may not be available to us. As of July 1, 2023 and December 31, 2022, we had no outstanding borrowings under the 2021 Revolving Credit Agreement.

On May 10, 2023, entered into the First Amendment (the Amendment) to the Company's 2021 Revolving Credit Agreement. In connection with the phase out of LIBOR as a reference interest rate, the Amendment replaced LIBOR as a benchmark for United States Dollar revolving borrowings with the term secured overnight funding rate (Term SOFR), and replaced LIBOR as a benchmark for Euro swing line borrowings with the euro overnight short-term rate (ESTR). The Amendment did not have a significant impact on the Company's consolidated financial statements.

See Note 13, Debt, to the Consolidated Condensed Financial Statements for further information.

***Sources and Uses of Liquidity***

Our principal source of liquidity is our cash flow generated from operating activities, which provides us with the ability to meet the majority of our short-term funding requirements. The following table summarizes net cash provided by or used in operating, investing, and financing activities from continuing operations, as well as net cash from discontinued operations.

| For the Six Months Ended | | **July 1, 2023** | | July 2, 2022 |
|---|---|---|---|---|
| Operating activities | **$** | **197.8** | $ | 54.2 |
| Investing activities | | **(119.8)** | | (218.4) |
| Financing activities | | **(176.3)** | | 70.5 |
| Foreign exchange | | **(0.4)** | | (28.1) |
| Total net cash from continuing operations | | **(98.7)** | | (121.8) |
| Net cash from discontinued operations | | **(0.2)** | | — |
| Net change in cash and cash equivalents | **$** | **(98.9)** | $ | (121.8) |

*Operating Activities*

The increase in net cash from operating activities of $143.6 was primarily due to an increase in segment operating income, lower incentive-based compensation payments related to the prior year, and favorable year-over-year net working capital impacts primarily due to improved inventory management.

*Investing Activities*

The decrease in net cash used in investing activities of $98.6 is mainly driven by our acquisition and equity-method investment activity. On May 2, 2023, we completed the acquisition of Micro-Mode for a purchase price of $79.3, net of cash. In the prior year, we acquired Habonim for a purchase price of $139.9 and we purchased a minority investment in CRP Technology Srl and CRP USA LLC for $23.0. Refer to Note 18, Acquisitions and Investments, for further information. In addition, during the second quarter of 2023, we received proceeds of $10.5 from the sale of a product line within our CCT segment to a third party.

*Financing Activities*

The decline in net cash from financing activities of $246.8 was due to a decrease of $425.6 in cash flows related to commercial paper borrowings, partially offset by a decrease of $180.9 in open-market repurchases of ITT common stock.

## KEY PERFORMANCE INDICATORS AND NON-GAAP MEASURES

Management reviews a variety of key performance indicators including revenue, segment operating income and margins, and earnings per share, some of which are calculated with accounting principles other than those generally accepted in the United States of America (GAAP). 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 GAAP and should not be considered a substitute for measures determined in accordance with GAAP. We consider the following non-GAAP measures to be key performance indicators. These measures may not be comparable to similarly titled measures reported by other companies.

- “Organic revenue” is defined as revenue, 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 provides useful information to investors by facilitating comparisons of our revenue performance with prior and future periods and to our peers.

The following tables include a reconciliation of revenue to organic revenue by segment.

| Three Months Ended July 1, 2023 | Motion Technologies | Industrial Process | Connect & Control Technologies | Eliminations | Total ITT |
|---|---|---|---|---|---|
| 2023 Revenue | $ 368.8 | $ 293.6 | $ 172.2 | $ (0.7) | $ 833.9 |
| Acquisitions | — | — | (3.9) | — | (3.9) |
| Foreign currency translation | (5.3) | 0.2 | (0.1) | 0.1 | (5.1) |
| 2023 Organic revenue | $ 363.5 | $ 293.8 | $ 168.2 | $ (0.6) | $ 824.9 |
| 2022 Revenue | $ 331.3 | $ 239.6 | $ 163.2 | $ (0.8) | $ 733.3 |
| Organic growth | $ 32.2 | $ 54.2 | $ 5.0 | $ 0.2 | $ 91.6 |
| Percentage change | 9.7 % | 22.6 % | 3.1 % | | 12.5 % |

| Six Months Ended July 1, 2023 | Motion Technologies | Industrial Process | Connect & Control Technologies | Eliminations | Total ITT |
|---|---|---|---|---|---|
| 2023 Revenue | $ 733.6 | $ 560.1 | $ 339.8 | $ (1.7) | $ 1,631.8 |
| Acquisitions | — | (15.0) | (3.9) | — | (18.9) |
| Foreign currency translation | 8.3 | 2.4 | 2.0 | 0.1 | 12.8 |
| 2023 Organic revenue | $ 741.9 | $ 547.5 | $ 337.9 | $ (1.6) | $ 1,625.7 |
| 2022 Revenue | $ 701.4 | $ 441.8 | $ 317.8 | $ (1.5) | $ 1,459.5 |
| Organic growth | $ 40.5 | $ 105.7 | $ 20.1 | $ (0.1) | $ 166.2 |
| Percentage change | 5.8 % | 23.9 % | 6.3 % | | 11.4 % |

- “Adjusted operating income” and “Adjusted segment operating income” are defined as operating income and segment operating income, adjusted to exclude special items that include, but are not limited to, restructuring, 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” and “Adjusted segment operating margin” are defined as adjusted operating income or adjusted segment operating income, respectively, divided by revenue. We believe that these financial measures are useful to investors and other users of our financial statements in evaluating ongoing operating profitability, as well as evaluating operating performance in relation to our competitors.

  The following tables include a reconciliation of operating income to adjusted operating income by segment.

| Three Months Ended July 1, 2023 | Motion Technologies | Industrial Process | Connect & Control Technologies | Total Segment | Corporate | Total ITT |
|---|---|---|---|---|---|---|
| Operating income | $ 57.7 | $ 66.4 | $ 28.4 | $ 152.5 | $ (10.5) | $ 142.0 |
| Restructuring costs | 0.1 | 0.4 | 0.1 | 0.6 | — | 0.6 |
| Impacts related to Russia-Ukraine war | 1.1 | 0.3 | — | 1.4 | — | 1.4 |
| Acquisition-related net expenses | — | — | 1.8 | 1.8 | — | 1.8 |
| Other[(a)] | — | — | (0.1) | (0.1) | (3.7) | (3.8) |
| Adjusted operating income | $ 58.9 | $ 67.1 | $ 30.2 | $ 156.2 | $ (14.2) | $ 142.0 |
| Operating margin | 15.6 % | 22.6 % | 16.5 % | 18.3 % | | 17.0 % |
| Adjusted operating margin | 16.0 % | 22.9 % | 17.5 % | 18.7 % | | 17.0 % |
| **Six Months Ended July 1, 2023** | | | | | | |
| Operating income | $ 111.1 | $ 121.7 | $ 57.8 | $ 290.6 | $ (24.3) | $ 266.3 |
| Impacts related to Russia-Ukraine war | 1.4 | 1.8 | — | 3.2 | — | 3.2 |
| Restructuring costs | 0.4 | 0.3 | 0.2 | 0.9 | — | 0.9 |
| Acquisition-related net expenses | — | — | 1.6 | 1.6 | — | 1.6 |
| Other[(a)] | — | — | (0.1) | (0.1) | (3.7) | (3.8) |
| Adjusted operating income | $ 112.9 | $ 123.8 | $ 59.5 | $ 296.2 | $ (28.0) | $ 268.2 |
| Operating margin | 15.1 % | 21.7 % | 17.0 % | 17.8 % | | 16.3 % |
| Adjusted operating margin | 15.4 % | 22.1 % | 17.5 % | 18.2 % | | 16.4 % |

(a) Includes income from a recovery of costs associated with the 2020 lease termination of a legacy site.

| Three Months Ended July 2, 2022 | Motion Technologies | Industrial Process | Connect & Control Technologies | Total Segment | Corporate | Total ITT |
|---|---|---|---|---|---|---|
| Operating income | $ 47.0 | $ 39.1 | $ 28.2 | $ 114.3 | $ (13.8) | $ 100.5 |
| Impacts related to Russia-Ukraine war | (0.5) | (0.3) | — | (0.8) | — | (0.8) |
| Restructuring costs | 1.5 | 0.8 | (0.1) | 2.2 | — | 2.2 |
| Asset impairment charges | — | — | — | — | 1.7 | 1.7 |
| Other[(b)] | 0.2 | 0.6 | — | 0.8 | 0.3 | 1.1 |
| Adjusted operating income | $ 48.2 | $ 40.2 | $ 28.1 | $ 116.5 | $ (11.8) | $ 104.7 |
| | | | | | | |
| Operating margin | 14.2 % | 16.3 % | 17.3 % | 15.6 % | | 13.7 % |
| Adjusted operating margin | 14.5 % | 16.8 % | 17.2 % | 15.9 % | | 14.3 % |
| **Six Months Ended July 2, 2022** | | | | | | |
| Operating income | $ 106.7 | $ 59.5 | $ 53.9 | $ 220.1 | $ (25.0) | $ 195.1 |
| Impacts related to Russia-Ukraine war | 3.7 | 4.3 | — | 8.0 | — | 8.0 |
| Restructuring costs | 1.5 | 1.0 | — | 2.5 | — | 2.5 |
| Asset impairment charges | — | — | — | — | 1.7 | 1.7 |
| Other[(b)] | 1.1 | 1.2 | — | 2.3 | 1.2 | 3.5 |
| Adjusted operating income | $ 113.0 | $ 66.0 | $ 53.9 | $ 232.9 | $ (22.1) | $ 210.8 |
| | | | | | | |
| Operating margin | 15.2 % | 13.5 % | 17.0 % | 15.1 % | | 13.4 % |
| Adjusted operating margin | 16.1 % | 14.9 % | 17.0 % | 16.0 % | | 14.4 % |

(b) Includes severance charges and accelerated amortization of an intangible asset.

- “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, 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.

  The following table includes reconciliations of income from continuing operations to adjusted income from continuing operations.

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | **July 1, 2023** | July 2, 2022 | **July 1, 2023** | July 2, 2022 |
| Income from continuing operations attributable to ITT Inc. | **$ 108.2** | $ 75.8 | **$ 208.2** | $ 150.6 |
| Tax-related special items expense (benefit)[(a)] | **2.0** | 3.1 | **(4.1)** | 1.9 |
| Impacts related to Russia-Ukraine war, net of tax expense (benefit) of $0.0, $0.0, $0.5 and $(1.7), respectively | **1.4** | (0.8) | **3.7** | 6.3 |
| Restructuring costs, net of tax benefit of $(0.1), $(0.6), $(0.2) and $(0.7) respectively | **0.5** | 1.6 | **0.7** | 1.8 |
| Asset impairment charges, net of tax benefit of $0.0, $(0.4), $0.0 and $(0.4), respectively | **—** | 1.3 | **—** | 1.3 |
| Acquisition-related costs, net of tax benefit of $(0.3), $(0.1), $(0.3) and $(0.1), respectively | **1.5** | — | **1.3** | — |
| Other special items, net of tax benefit of $0.0, $(0.4), $(0.3) and $(0.8) respectively[(b)] | **(3.8)** | 0.6 | **(2.7)** | 2.6 |
| Adjusted income from continuing operations | **$ 109.8** | $ 81.6 | **$ 207.1** | $ 164.5 |
| Income from continuing operations attributable to ITT Inc. per diluted share (EPS) | **$ 1.31** | $ 0.91 | **$ 2.51** | $ 1.79 |
| Adjusted EPS | **$ 1.33** | $ 0.98 | **$ 2.50** | $ 1.95 |

(a) Year-to-date period of 2023 tax-related special items primarily reflect benefits from valuation allowance reversals ($17.5) and the amendment of our federal tax return ($4.9), partially offset by a settlement expense related to a tax audit in Italy ($14.3) and tax on future distribution of foreign earnings ($2.9). Year-to-date period of 2022 tax-related special items primarily reflect tax on future distribution of foreign earnings ($2.0) and the write-down of a tax receivable ($2.1) partially offset by a benefit from valuation allowance reversals ($1.9).

(b) 2023 other special items primarily consist of income from a recovery of costs associated with the 2020 lease termination of a legacy site. 2022 other special items primarily consist of severance costs.

## RECENT ACCOUNTING PRONOUNCEMENTS

See Note 2, Recent Accounting Pronouncements, to the Consolidated Condensed Financial Statements for information on recent accounting pronouncements.

## CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. The Company believes the most complex and sensitive judgments, because of their significance to the Consolidated Condensed Financial Statements, result primarily from the need to make estimates about the effects of matters that are inherently uncertain. Management's Discussion and Analysis of Financial Condition and Results of Operations in the 2022 Annual Report describes the critical accounting estimates that are used in the preparation of the Consolidated Condensed Financial Statements. Actual results in these areas could differ from management's estimates. There have been no material changes concerning the Company's critical accounting estimates as described in our 2022 Annual Report.

## ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There has been no material change in the information concerning market risk as stated in our 2022 Annual Report. See Note 17, Derivative Financial Instruments, to the Consolidated Condensed Financial Statements for information on the Company's use of derivative financial instruments to mitigate exposure from foreign currency exchange rate fluctuations and commodity price fluctuations.

## ITEM 4. CONTROLS AND PROCEDURES

### Evaluation of Disclosure Controls and Procedures

The Chief Executive Officer and Chief Financial Officer of the Company have evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the Exchange Act) as of the end of the period covered by this Report. Based on such evaluation, such officers have concluded that, as of the end of the period covered by this Report, the Company's disclosure controls and procedures were effective.

### Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting during the period covered by this Report that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

## PART II. OTHER INFORMATION

## ITEM 1. LEGAL PROCEEDINGS

From time to time, we are involved in legal proceedings that are incidental to the operation of our business. For a discussion of legal proceedings, see Note 16, Commitments and Contingencies, to the Consolidated Condensed Financial Statements.

## ITEM 1A. RISK FACTORS

Reference is made to the risk factors set forth in Part I, Item 1A, “Risk Factors”, of our 2022 Annual Report, which are incorporated by reference herein. Other than as set forth below, there have been no material changes with regard to the risk factors disclosed in such report.

***Our operations could be disrupted and our business could be materially and adversely affected by cybersecurity incidents.***

The efficient operation of our business is dependent on information technology (IT) systems, some of which are owned or managed by third parties. In the ordinary course of business, we collect and store confidential information, including proprietary business information belonging to us, our customers, suppliers, business partners and other third parties, as well as personally identifiable information of our employees and others.

Our information technology systems and those of third-party service providers may be susceptible to damage, disruptions or shutdowns due to power outages, hardware failures, telecommunication failures, cybersecurity incidents and user errors. Although we actively manage the risks to our information technology systems that are within our control, we can provide no assurance that our actions or those of our third-party service providers will always be successful in eliminating or mitigating risks to our systems, networks or data. Even the most well-protected information technology systems are vulnerable to internal and external cybersecurity incidents including, but not limited to, those by employees and by computer hackers and other threat actors utilizing techniques such as phishing, ransomware or denial of service attacks. If we experience a disruption in our information technology systems, it could result in the loss of sales and customers and significant incremental costs, which could materially adversely affect our business. In addition, as a provider of products and services to government and commercial customers, and particularly as a government contractor, we are subject to a heightened risk of cybersecurity incidents caused by computer viruses, illegal break-ins or hacking, sabotage, or acts of vandalism, including by foreign governments, hackers and cyber terrorists. Furthermore, information technology security threats are increasing in sophistication, intensity and frequency. A cybersecurity incident may occur, including breaches that we may be unable to detect in a timely manner. The unavailability of our information technology systems, the failure of these systems to perform as anticipated for any reason, or any significant breach of security could cause significant disruption to our business or could result in decreased performance and increased costs.

On May 31, 2023, Progress Software Corporation, the developer of MOVEit Transfer (“MOVEit”), a managed file transfer solution used by organizations (including us) to transfer data, announced a critical vulnerability in MOVEit that allowed unauthorized third parties to access MOVEit customers’ user environments. We subsequently learned that we had been affected by the MOVEit data incident and that an unauthorized third party was able to gain access to certain data that we maintain. Once we discovered that our IT systems had been affected, we promptly undertook responsive measures, including patching the software according to MOVEit's published protocols and launching an internal investigation in partnership with outside independent cybersecurity forensic experts. Our investigation did not identify any threat actor activity on other IT systems outside of our MOVEit environment. Our investigation has found certain data, including potential personally identifiable information, has been obtained by the unauthorized third party. Based on the investigation and information currently known at this time, we do not expect that this incident will have a material impact on our operations or financial results. However, we have incurred, and may continue to incur, expenses related to this incident, and we remain subject to risks and uncertainties as a result of the incident.

We continue to monitor data security regulations in the jurisdictions in which we operate. The processing and storage of certain information is increasingly subject to privacy and data security regulations, and many such regulations are country-specific. The interpretation and application of data protection laws in the U.S., Europe, and elsewhere are uncertain, evolving and may be inconsistent across jurisdictions. Compliance with these various laws may be onerous and require us to incur substantial costs or to change our business practices in a manner that adversely affects our business, while failure to comply with such laws may subject us to substantial penalties.

If we are unable to protect sensitive information, our customers or governmental authorities could question the adequacy of our security processes and procedures and our compliance with evolving privacy and data security regulations and government cybersecurity requirements for government contractors, potentially causing us to lose business. A breach could also result in the loss of our intellectual property, potentially impacting our long-term capability to compete for sales of affected products. In addition, a breach of security of our information technology systems could result in litigation, regulatory action and potential liability, as well as increased costs to implement further information security measures. If we are unable to prevent, detect or adequately respond to cybersecurity incidents, our operations could be disrupted, our reputation could be harmed and our business could be materially and adversely affected.

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

On October 30, 2019, the Board of Directors approved an indefinite term $500 share repurchase program (the 2019 Plan). Share repurchase activity during the three months ended July 1, 2023 is shown in the table below.

***Purchases of equity securities by the issuer and affiliated purchasers***

| PERIOD | TOTAL NUMBER OF SHARES PURCHASED[(1)] | AVERAGE PRICE PAID PER SHARE[(2)] | TOTAL NUMBER OF SHARES PURCHASED AS PART OF PUBLICLY ANNOUNCED PLANS OR PROGRAMS | APPROXIMATE DOLLAR VALUE OF SHARES THAT MAY YET BE PURCHASED UNDER THE PLANS OR PROGRAMS (IN MILLIONS) |
|---|---|---|---|---|
| 4/2/2023 - 4/29/2023 | 177 | $ 83.46 | — | $ 108.8 |
| 4/30/2023 - 5/27/2023 | 858 | $ 81.91 | — | $ 108.8 |
| 5/28/2023 - 7/1/2023 | 368,244 | $ 81.53 | 368,037 | $ 78.8 |

(1) Includes shares withheld in settlement of employee tax withholding obligations due upon the vesting of restricted stock unit and performance stock unit awards. Amounts are in whole numbers.

(2) Average price paid per share is calculated on a settlement basis and includes commissions.

## ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

## ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

## ITEM 5. OTHER INFORMATION

**Disclosure pursuant to Section 219 of the Iran Threat Reduction & Syria Human Rights Act (ITRA)**

This disclosure is made pursuant to Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012 which added subsection (r) to Section 13 of the Exchange Act (Section 13(r)). Section 13(r) requires an issuer to disclose in its annual or quarterly reports whether it or any of its affiliates have knowingly engaged in certain activities, transactions or dealings relating to Iran. Disclosure of such activities, transactions or dealings is required even when conducted outside the United States by non-U.S. persons in compliance with applicable law, and whether or not such activities are sanctionable under U.S. law.

In its 2012 Annual Report, ITT described its acquisition of all the shares of Joh. Heinr. Bornemann GmbH (Bornemann) in November 2012, as well as certain activities of Bornemann in Iran and the wind down of those activities in accordance with a General License issued on December 26, 2012 by the Office of Foreign Assets Control (the General License). As permitted by the General License, on or before March 8, 2013, Bornemann completed the wind-down activities and ceased all activities in Iran. As required to be disclosed by Section 13(r), the gross revenues and operating income to Bornemann from its Iranian activities subsequent to its acquisition by ITT were €2.2 million euros and €1.5 million euros, respectively. Prior to its acquisition by ITT, Bornemann issued a performance bond to its Iranian customer in the amount of €1.3 million euros (the Bond). Bornemann requested that the Bond be canceled prior to March 8, 2013; however, the former customer refused this request and as a result the Bond remains outstanding. Bornemann did not receive gross revenues or operating income, or pay interest, with respect to the Bond in any subsequent periods through July 1, 2023, however, Bornemann did pay fees of approximately €3 thousand euros during the six months ended July 1, 2023 and approximately €7 thousand euros during 2022 to the German financial institution which is maintaining the Bond.

**Rule 10b5-1 Trading Plans**

During the second quarter ended July 1, 2023, none of the Company’s directors or executive officers adopted or terminated any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any “non-Rule 10b5-1 trading arrangement.”

## ITEM 6. EXHIBITS

| EXHIBIT NUMBER | DESCRIPTION |
|---|---|
| (10.1) | RSU Agreement - 2023 Non-Employee Directors |
| (31.1) | Certification pursuant to Rule 13a-14(a)/15d-14 (a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| (31.2) | Certification pursuant to Rule 13a-14(a)/15d-14 (a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| (32.1) | Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| (32.2) | Certification 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 ITT Inc.'s Quarterly Report on Form 10-Q for the quarter ended July 1, 2023, formatted in Inline XBRL (Inline Extensible Business Reporting Language): (i) Consolidated Condensed Statements of Operations, (ii) Consolidated Condensed Statements of Comprehensive Income, (iii) Consolidated Condensed Balance Sheets, (iv) Consolidated Condensed Statements of Cash Flows, (v) Consolidated Condensed Statements of Changes in Shareholders' Equity, (vi) Notes to Consolidated Condensed Financial Statements, and (vii) Cover Page |
| (104) | The cover page from the Quarterly Report on Form 10-Q for the quarter ended July 1, 2023, formatted in Inline XBRL (included in Exhibit 101). |

## SIGNATURE

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.

ITT Inc.

(Registrant)

By: /s/ CHERYL DE MESA GRAZIANO

Cheryl de Mesa Graziano

Vice President and Chief Accounting Officer

(Principal Accounting Officer)

August 3, 2023

**ITT INC.**
2011 OMNIBUS INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT
Non-Employee Director

NOTICE OF RESTRICTED STOCK UNIT AWARD

ITT Inc. (the "Company") grants to the Director named below, in accordance with the terms of the ITT 2011 Omnibus Incentive Plan (the "Plan") and this Restricted Stock Unit award agreement (this "Agreement"), the number of Restricted Stock Units (the "Restricted Stock Units" or the "Award") provided as follows:

| | | |
|---|---|---|
| DIRECTOR | **Director Name** | |
| RESTRICTED STOCK UNITS GRANTED | x,xxx | |
| DATE OF GRANT | **May 10, 2023** | |
| VESTING SCHEDULE | Except as provided in Section 3 of this Agreement, the Restricted Stock Units will vest on the following date(s), subject to the Director's continued service as a director of the Company: | |
| | Vesting Date(s) | Restricted Stock Units Vesting |
| | the Business Day immediately prior to the ITT Inc. **2024** Annual Meeting. | 100% of Award |

AGREEMENT

1. Grant of Award. The Company hereby grants to the Director the Restricted Stock Units, subject to the terms, definitions and provisions of the Plan and this Agreement. All terms, provisions, and conditions applicable to the Restricted Stock Units set forth in the

Plan and not set forth herein are incorporated by reference. To the extent any provision hereof is inconsistent with a provision of the Plan the provisions of the Plan will govern. All capitalized terms that are used in this Agreement and not otherwise defined herein shall have the meanings ascribed to them in the Plan.

2. Vesting and Settlement of Award.

   a. Right to Award. This Award shall vest in accordance with the vesting schedule set forth above (the "Vesting Schedule") and with the applicable provisions of the Plan and this Agreement.

   b. Settlement of Award. Except as otherwise provided in a deferral agreement duly executed by the Director on a form prescribed by the Company for such elections and timely filed with the Company, the vested portion of this Award shall be settled (and any related dividend equivalents shall be paid) on or as soon as practicable (and no later than 30 days) following the vesting date set forth in the Vesting Schedule or in Section 3 of this Agreement, as the case may be.

      The Company may require the Director to furnish or execute such documents as the Company shall reasonably deem necessary (i) to evidence such settlement and (ii) to comply with or satisfy the requirements of the Securities Act of 1933, as amended, the Exchange Act or any applicable laws. If the Director dies before the settlement of all or a portion of the Award, the vested but unsettled portion of the Award may be settled by delivery of Shares (and payment of related dividend equivalents) to the Participant's designated beneficiary or, if no such beneficiary has been designated, the Participant's estate.

   c. Method of Settlement. The Company shall deliver to the Director one Share for each vested Restricted Stock Unit in book entry form.

   d. Dividend Equivalents. If a cash dividend is declared on the Shares, the Director shall be credited with a dividend equivalent in an amount of cash equal to the number of Restricted Stock Units held by the Director as of the dividend payment date, multiplied by the amount of the cash dividend paid per Share. Any such dividend equivalents shall be paid if and when the underlying Restricted Stock Units are settled. Dividend equivalents shall not accrue interest.

3. Separation from Service. The Award shall become 100% vested prior to the vesting date set forth in the Vesting Schedule above upon the Director's separation from service for any of the following reasons:

   a. the Director's death;

   b. the Director's Disability (as defined below);

   c. the Director's retirement from the Board at or after age 75; or

   d. the Director's separation from service on account of the acceptance by the Director of a position (other than an honorary position) in the government of the

United States, any State or any municipality or any subdivision thereof or any organization performing any quasi-governmental function.

If the Director's service on the Board terminates for any reason other than one listed above prior to the vesting date set forth in the Vesting Schedule above, the Award shall be forfeited immediately after such termination with respect to the number of Restricted Stock Units for which the Award is not yet vested.

For purposes of this Agreement, the term "Disability" means the complete and permanent inability of the Director to perform all of his or her duties as a member of the Board, as determined by the Nominating and Governance Committee (the "Committee") upon the basis of such evidence, including independent medical reports and data, as the Committee deems appropriate or necessary.

4. Transferability of Award.

   The Award may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated.

5. Acceleration Event. Upon an Acceleration Event, the Committee may, in its discretion, (a) accelerate vesting and/or settlement of the Award, (b) change the method of settlement to cash, (c) cancel the Award, or (d) take any other action it determines to be appropriate; provided, however, that the Committee shall not change the time or form of payment in a manner that would result in additional tax being imposed under Section 409A of the Code.

6. Miscellaneous Provisions.

   a. Rights as a Stockholder. The Director shall have no rights as a stockholder with respect to any Shares subject to this Award, except as provided in Paragraph 2(d), until the Award has vested and Shares, if any, have been issued.

   b. Compliance with Federal Securities Laws and Other Applicable Laws. Notwithstanding anything to contrary in this Agreement or in the Plan, to the extent permitted by Section 409A of the Code and any treasury regulations or other applicable guidance promulgated with respect thereto, the issuance or delivery of any Shares pursuant to this Agreement may be delayed if the Company reasonably anticipates that the issuance or delivery of the Shares will violate Federal securities laws or other applicable law; provided that delivery or issuance of the Shares shall be made at the earliest date at which the Company reasonably anticipates that such delivery or issuance will not cause a violation.

   c. Choice of Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Connecticut, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction.

d. Modification or Amendment. This Agreement may only be modified or amended by written agreement executed by the parties hereto; provided, however, that the adjustments permitted pursuant to Section 4.2 of the Plan may be made without such written agreement.

e. Severability. In the event any provision of this Agreement shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions of this Agreement, and this Agreement shall be construed and enforced as if such illegal or invalid provision had not been included.

f. References to Plan. All references to the Plan shall be deemed references to the Plan as may be amended from time to time.

g. Headings. The captions used in this Agreement are inserted for convenience and shall not be deemed a part of this Award for construction or interpretation.

h. Interpretation. Any dispute regarding the interpretation of this Agreement shall be submitted by the Director or by the Company forthwith to the Committee, which shall review such dispute at its next regular meeting. If the Director is a member of the Committee, the Director shall not participate in such review. The resolution of such dispute by the Committee shall be final and binding on all persons.

i. Section 409A of the Code. The provisions of this Agreement and any payments made herein are intended to comply with, and should be interpreted consistent with, the requirements of Section 409A of the Code, and any related regulations or other effective guidance promulgated thereunder by the U.S. Department of the Treasury or the Internal Revenue Service.

j. Signature in Counterparts. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

**ITT Inc.**

/s/ Luca Savi

Date: **May 10, 2023**

The Director represents that s/he is familiar with the terms and provisions thereof, and hereby accepts this Agreement subject to all of the terms and provisions thereof. The Director has reviewed the Plan and this Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Agreement and fully understands all provisions of this Agreement. The Director hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan or this Agreement.

Signed:______________________________
Director
(Online acceptance constitutes agreement)

Dated:___________________________________

**EXHIBIT 31.1**

**CERTIFICATION OF LUCA SAVI PURSUANT TO SEC. 302**
**OF THE SARBANES-OXLEY ACT OF 2002**

I, Luca Savi, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended July 1, 2023 of ITT Inc.;

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.

/s/ Luca Savi

Luca Savi
Chief Executive Officer

Date: August 3, 2023

**EXHIBIT 31.2**

## CERTIFICATION OF EMMANUEL CAPRAIS PURSUANT TO SEC. 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Emmanuel Caprais, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended July 1, 2023 of ITT Inc.;

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.

/s/ Emmanuel Caprais

Emmanuel Caprais
Senior Vice President and
Chief Financial Officer

Date: August 3, 2023

**EXHIBIT 32.1**

## CERTIFICATION 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 of ITT Inc. (the “Company”) on Form 10-Q for the period ended July 1, 2023 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Luca Savi, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(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.

/s/ Luca Savi

Luca Savi
Chief Executive Officer

August 3, 2023

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**EXHIBIT 32.2**

# CERTIFICATION 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 of ITT Inc. (the “Company”) on Form 10-Q for the period ended July 1, 2023 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Emmanuel Caprais, Senior Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(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.

/s/ Emmanuel Caprais

Emmanuel Caprais
Senior Vice President and
Chief Financial Officer

August 3, 2023

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.