

Gabelli Funds 32nd Annual Pump, Valve, and Water Systems Symposium

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Safe Harbor and Non-GAAP Disclosures



Safe Harbor

This presentation contains “forward-looking statements” intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. 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” 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, there can be no assurance that the expectation or belief will occur or that anticipated results will be achieved or accomplished. More information on factors that could cause actual results or events to differ materially from those anticipated is included in the Risk Factors section of the Company’s Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other documents filed from time to time with the Securities and Exchange Commission.

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

Non-GAAP Disclosures

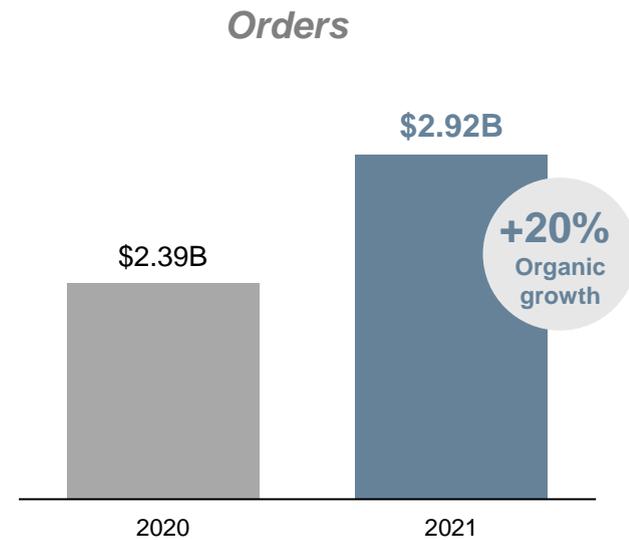
This presentation and the discussion on the accompanying conference call contain certain financial measures that are not prepared under U.S. GAAP. These non-GAAP financial measures supplement our GAAP disclosures and are not meant to be considered in isolation or as a substitute for the most directly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

- 1 Strong execution, resilient against worsening supply disruptions
- 2 +130 bps adj. segment margin expansion to 18.2% in Q4
- 3 +10% organic orders growth in Q4 – broad-based demand continues
- 4 Expect ~10% organic sales growth, ~11% adjusted EPS growth at the midpoint in 2022
- 5 Advancing capital deployment to growth and M&A

	<u>Q4 '21</u>	<u>FY '21</u>
<i>Organic Orders Growth</i>	+10%	+20%
<i>Adjusted Op. Margin Expansion</i>	100 bps	160 bps
<i>Adjusted EPS Growth</i>	+5%	+27%
<i>Adjusted Free Cash Flow Margin</i>		~11%

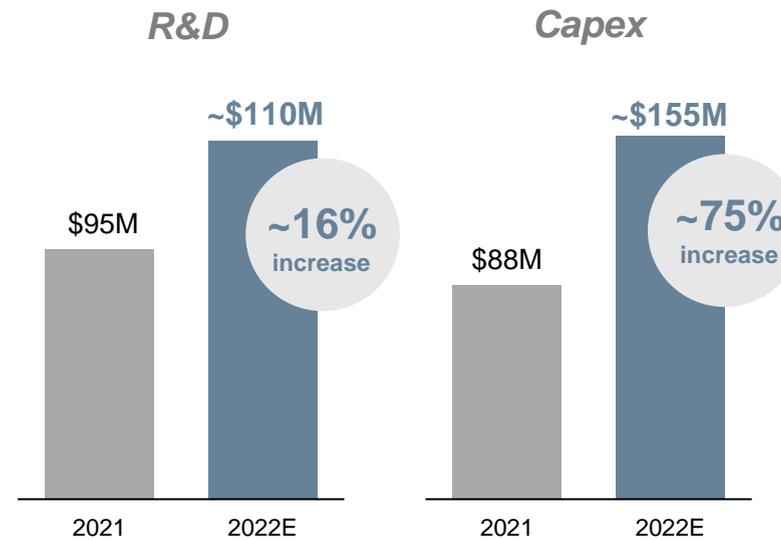
Strong Momentum Entering 2022

Momentum Exiting 2021



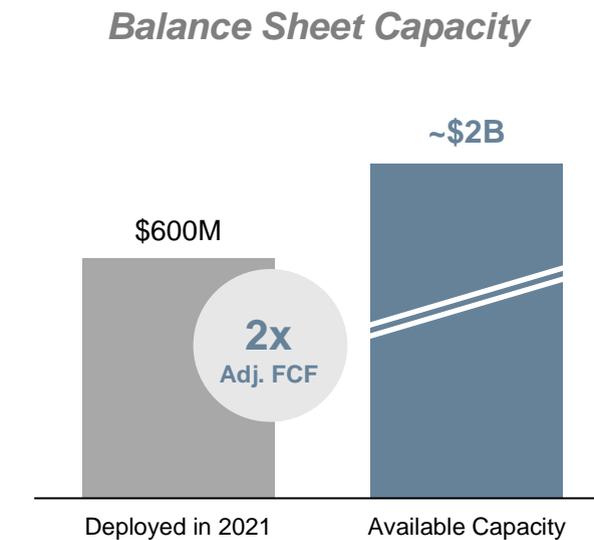
- Auto outperformance and strong industrial short-cycle
- Pump project activity rebounding
- Continued pricing actions
- Execution as a differentiator

Accelerating Innovation



- Investments driving EV share gains
- Pump and connector portfolio VA/VE
- Sustainability investment framework
- Funding disruptive technologies

Deploying Our Capital



- New head of M&A, mature pipeline
- Active deal sourcing and target cultivation
- Deployed **2x** adjusted free cash flow in 2021
- Poised to execute transactions in 2022

Siamo Pronti!

Future Growth Platform



- Awarded content on more than 30 EV platforms
- First KONI Hydroride award for the armored vehicle defense market
- Launched innovative development tool at **Wolverine** for predictive shim performance

Advancing Product Innovation



- **i-ALERT®** monitoring sensor installed over 5,000 miles of pipeline assets
- Bornemann technology deployments for mobile **multiphase pump solution** in Asia and Africa
- Accelerating **product redesign** through **VAVE**

Emerging Connector Growth



- Awarded contract to deliver **Enidine actuators** on Airbus A321neo
- Expanded emerging **EV charger connector platform** (+70% growth)
- Connector supply award for Iveco **Medium Tactical Vehicle (MTV)**

Innovation Driving Customer Wins

- Strong 2021 performance
 - Overcame \$80 million of inflationary headwinds
 - Overcame unprecedented supply chain challenges
- +20% FY 2021 organic orders growth; strong backlog paving the way
- Growth investments (CapEx, R&D) ramping to support customer wins
- Capital deployment firepower, ready to execute M&A

ITT Capital Markets Day Planned for June 16, 2022



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Supplemental Data

Key Performance Indicators & Non-GAAP Measures



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

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

Adjusted Operating Income and **Adjusted Segment Operating Income** are defined, respectively, as total operating income and segment operating income, adjusted to exclude special items that include, but are not limited to, asbestos-related impacts, impairments, restructuring, 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 divided by revenue. **Adjusted Segment Incremental or Decremental Operating Margin** is defined as the change in adjusted segment operating income divided by the change in revenue. We believe these financial measures are useful to investors and other users of our financial statements in evaluating ongoing operating profitability, as well as in evaluating operating performance in relation to our competitors.

Adjusted Income from Continuing Operations and **Adjusted EPS** are defined, respectively, as income from continuing operations attributable to ITT Inc. and income from continuing operations attributable to ITT Inc. per diluted share, adjusted to exclude special items that include, but are not limited to, asbestos-related impacts, impairments, restructuring, pension settlement impact, 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. We believe that adjusted income from continuing operations is useful to investors and other users of our financial statements in evaluating ongoing operating profitability, as well as in evaluating operating performance in relation to our competitors.

Adjusted Free Cash Flow and **Adjusted Free Cash Flow Margin** are defined as free cash flow (net cash provided by operating activities less capital expenditures), adjusted for the divestiture of legacy asbestos assets and liabilities and the ratio of adjusted free cash flow to revenue. We believe that adjusted free cash flow and the adjusted free cash flow margin provides useful information to investors as it provides insight into a primary cash flow metric used by management to monitor and evaluate cash flows generated by our operations.

ITT Inc. Non-GAAP Reconciliation
Reported vs. Organic Revenue / Orders
Fourth Quarter 2021 & 2020
(In Millions)
(all amounts unaudited)

	(As Reported - GAAP)				(As Adjusted - Organic)				
	(A) Q4 2021	(B) Q4 2020	(C) \$ Change 2021 vs. 2020	% Change 2021 vs. 2020	(D) Acquisitions Q4 2021	(E) FX Impact Q4 2021	(F) = A-D-E Revenue / Orders Q4 2021	(G) = C-D-E \$ Change Adj. 2021 vs. 2020	(H) = G / B % Change Adj. 2021 vs. 2020
Revenue									
ITT Inc.	\$ 685.4	\$ 708.6	\$ (23.2)	(3.3%)	\$ -	\$ (8.0)	\$ 693.4	\$ (15.2)	(2.1%)
Motion Technologies	323.6	352.1	(28.5)	(8.1%)	-	(3.2)	326.8	(25.3)	(7.2%)
Industrial Process	216.3	228.3	(12.0)	(5.3%)	-	(3.1)	219.4	(8.9)	(3.9%)
Connect & Control Technologies	145.8	129.0	16.8	13.0%	-	(1.7)	147.5	18.5	14.3%
Orders									
ITT Inc.	\$ 722.2	\$ 665.2	\$ 57.0	8.6%	\$ -	\$ (9.1)	\$ 731.3	\$ 66.1	9.9%
Motion Technologies	325.2	351.9	(26.7)	(7.6%)	-	(3.3)	328.5	(23.4)	(6.6%)
Industrial Process	251.6	183.7	67.9	37.0%	-	(4.2)	255.8	72.1	39.2%
Connect & Control Technologies	145.9	130.0	15.9	12.2%	-	(1.6)	147.5	17.5	13.5%

Note: Excludes intercompany eliminations.
Amounts may not calculate due to rounding.

ITT Inc. Non-GAAP Reconciliation
Reported vs Adjusted Segment Operating Income & Segment Operating Margin
Fourth Quarter 2021 & 2020

(In Millions)
(all amounts unaudited)

	Q4 2021	Q4 2021	Q4 2021	Q4 2020	Q4 2020	Q4 2020	% Change	% Change
	As	Special	As	As	Special	As	As Reported	As Adjusted
	Reported	Items	Adjusted	Reported	Items	Adjusted	2021 vs. 2020	2021 vs. 2020
Revenue:								
Motion Technologies	\$ 323.6		\$ 323.6	\$ 352.1		\$ 352.1	(8.1%)	(8.1%)
Industrial Process	216.3		216.3	228.3		228.3	(5.3%)	(5.3%)
Connect & Control Technologies	145.8		145.8	129.0		129.0	13.0%	13.0%
Intersegment eliminations	(0.3)		(0.3)	(0.8)		(0.8)		
Total Revenue	<u>\$ 685.4</u>		<u>\$ 685.4</u>	<u>\$ 708.6</u>		<u>\$ 708.6</u>	<u>(3.3%)</u>	<u>(3.3%)</u>
Operating Margin:								
Motion Technologies	19.7%	- BP	19.7%	19.9%	(40) BP	19.5%	(20) BP	20 BP
Industrial Process	14.7%	110 BP	15.8%	14.5%	60 BP	15.1%	20 BP	70 BP
Connect & Control Technologies	18.4%	- BP	18.4%	12.6%	40 BP	13.0%	580 BP	540 BP
Total Operating Segments	<u>17.9%</u>	<u>30 BP</u>	<u>18.2%</u>	<u>16.9%</u>	<u>- BP</u>	<u>16.9%</u>	<u>100 BP</u>	<u>130 BP</u>
Operating Income:								
Motion Technologies	\$ 63.9	\$ (0.2)	\$ 63.7	\$ 70.1	\$ (1.3)	\$ 68.8	(8.8%)	(7.4%)
Industrial Process	31.9	2.3	34.2	33.1	1.4	34.5	(3.6%)	(0.9%)
Connect & Control Technologies	26.8	-	26.8	16.3	0.5	16.8	64.4%	59.5%
Total Segment Operating Income	<u>\$ 122.6</u>	<u>\$ 2.1</u>	<u>\$ 124.7</u>	<u>\$ 119.5</u>	<u>\$ 0.6</u>	<u>\$ 120.1</u>	<u>2.6%</u>	<u>3.8%</u>

Note: Amounts may not calculate due to rounding.

Special items include, but are not limited to, restructuring costs, acquisition-related expenses and other unusual or infrequent items.

ITT Inc. Non-GAAP Reconciliation Reported vs. Adjusted Income from Continuing Operations & Adjusted EPS Fourth Quarter 2021 & 2020

(In Millions, except per share amounts)
(all amounts unaudited)

	Q4 2021 As Reported	Non-GAAP Adjustments	Q4 2021 As Adjusted	Q4 2020 As Reported	Non-GAAP Adjustments	Q4 2020 As Adjusted	2021 vs. 2020 As Adjusted (\$)	2021 vs. 2020 As Adjusted (%)
Segment operating income	\$ 122.6	\$ 2.1 #A	\$ 124.7	\$ 119.5	\$ 0.6 #A	\$ 120.1		
Corporate (expense) income	(9.5)	0.1 #B	(9.4)	39.7	(47.7) #B	(8.0)		
Operating income (loss)	113.1	2.2	115.3	159.2	(47.1)	112.1	3.2	2.9%
Total operating margin	16.5%		16.8%	22.5%		15.8%		
Interest income (expense), net	0.4	-	0.4	(0.1)	-	(0.1)		
Other income (expense), net	0.1	-	0.1	(137.2)	137.4 #C	0.2		
Income from continuing operations before tax	113.6	2.2	115.8	21.9	90.3	112.2		
Income tax (expense) benefit	(6.9)	(13.8) #D	(20.7)	(34.9)	11.2 #D	(23.7)		
Income from continuing operations	106.7	(11.6)	95.1	(13.0)	101.5	88.5		
Less: Income attributable to noncontrolling interests	3.7	-	3.7	0.6	-	0.6		
Income from continuing operations - ITT Inc.	\$ 103.0	\$ (11.6)	\$ 91.4	\$ (13.6)	\$ 101.5	\$ 87.9		
EPS from continuing operations	\$ 1.20	\$ (0.14)	\$ 1.06	\$ (0.16) #E	\$ 1.17	\$ 1.01	\$ 0.05	5.0%

Note: Amounts may not calculate due to rounding.

Total Operating Margin is defined as reported operating income or adjusted operating income divided by total revenue.

#A - 2021 includes restructuring costs (\$1.5M) and other costs (\$0.6M).

#A - 2020 includes restructuring costs (\$0.6M).

#B - 2021 includes other costs (\$0.1M).

#B - 2020 includes asbestos related benefit (\$50.4M) and other costs (\$2.7M). The net asbestos benefit is primarily due to an insurance settlement (\$52.1M).

#C - 2020 includes pension termination-related charges.

#D - 2021 includes the net tax benefit of special items #A and #B (\$0.4M), benefit resulting from an uncertain tax position release (\$15.3M), audit settlement expense (\$9.5M) and other tax-related special items.

#D - 2020 includes the net tax benefit of special items #A through #C (\$20.8M), tax expense for valuation allowance impacts (\$21.4M) and other tax-related special items.

#E - 2020 GAAP EPS is calculated using basic average common shares outstanding due to a net loss.



ITT Inc. Non-GAAP Reconciliation
Reported vs. Organic Revenue / Orders
Full Year 2021 & 2020
(In Millions)
(all amounts unaudited)

	(As Reported - GAAP)				(As Adjusted - Organic)				
	(A) FY 2021	(B) FY 2020	(C) \$ Change 2021 vs. 2020	% Change 2021 vs. 2020	(D) Acquisitions FY 2021	(E) FX Impact FY 2021	(F) = A-D-E Revenue / Orders FY 2021	(G) = C-D-E \$ Change Adj. 2021 vs. 2020	(H) = G / B % Change Adj. 2021 vs. 2020
Revenue									
ITT Inc.	\$2,765.0	\$2,477.8	\$ 287.2	11.6%	\$ -	\$ 48.1	\$ 2,716.9	\$ 239.1	9.6%
Motion Technologies	1,368.6	1,121.1	247.5	22.1%	-	39.9	1,328.7	207.6	18.5%
Industrial Process	843.2	843.0	0.2	0.0%	-	6.3	836.9	(6.1)	(0.7%)
Connect & Control Technologies	554.7	516.5	38.2	7.4%	-	1.9	552.8	36.3	7.0%
Orders									
ITT Inc.	\$2,922.4	\$2,391.5	\$ 530.9	22.2%	\$ -	\$ 44.5	\$ 2,877.9	\$ 486.4	20.3%
Motion Technologies	1,377.7	1,108.5	269.2	24.3%	-	38.8	1,338.9	230.4	20.8%
Industrial Process	940.8	798.1	142.7	17.9%	-	4.2	936.6	138.5	17.4%
Connect & Control Technologies	605.7	487.2	118.5	24.3%	-	1.5	604.2	117.0	24.0%

Note: Excludes intercompany eliminations.
Amounts may not calculate due to rounding.

ITT Inc. Non-GAAP Reconciliation

Reported vs Adjusted Segment Operating Income & Segment Operating Margin

Full Year 2021 & 2020

(In Millions)
(all amounts unaudited)

	FY 2021	FY 2021	FY 2021	FY 2020	FY 2020	FY 2020	% Change	% Change
	As	Special	As	As	Special	As	As Reported	As Adjusted
	Reported	Items	Adjusted	Reported	Items	Adjusted	2021 vs. 2020	2021 vs. 2020
Revenue:								
Motion Technologies	\$ 1,368.6		\$ 1,368.6	\$ 1,121.1		\$ 1,121.1	22.1%	22.1%
Industrial Process	843.2		843.2	843.0		843.0	0.0%	0.0%
Connect & Control Technologies	554.7		554.7	516.5		516.5	7.4%	7.4%
Intersegment eliminations	(1.5)		(1.5)	(2.8)		(2.8)		
Total Revenue	<u>\$ 2,765.0</u>		<u>\$ 2,765.0</u>	<u>\$ 2,477.8</u>		<u>\$ 2,477.8</u>	<u>11.6%</u>	<u>11.6%</u>
Operating Margin:								
Motion Technologies	18.9%	30 BP	19.2%	16.4%	110 BP	17.5%	250 BP	170 BP
Industrial Process	15.0%	50 BP	15.5%	9.2%	430 BP	13.5%	580 BP	200 BP
Connect & Control Technologies	<u>14.7%</u>	<u>50 BP</u>	<u>15.2%</u>	<u>11.0%</u>	<u>170 BP</u>	<u>12.7%</u>	<u>370 BP</u>	<u>250 BP</u>
Total Operating Segments	<u>16.9%</u>	<u>30 BP</u>	<u>17.2%</u>	<u>12.9%</u>	<u>230 BP</u>	<u>15.2%</u>	<u>400 BP</u>	<u>200 BP</u>
Operating Income:								
Motion Technologies	\$ 258.2	\$ 3.9	\$ 262.1	\$ 184.0	\$ 12.7	\$ 196.7	40.3%	33.2%
Industrial Process	126.8	3.7	130.5	77.6	36.4	114.0	63.4%	14.5%
Connect & Control Technologies	<u>81.7</u>	<u>2.4</u>	<u>84.1</u>	<u>57.0</u>	<u>8.7</u>	<u>65.7</u>	<u>43.3%</u>	<u>28.0%</u>
Total Segment Operating Income	<u>\$ 466.7</u>	<u>\$ 10.0</u>	<u>\$ 476.7</u>	<u>\$ 318.6</u>	<u>\$ 57.8</u>	<u>\$ 376.4</u>	<u>46.5%</u>	<u>26.6%</u>

Note: Amounts may not calculate due to rounding.

Special items include, but are not limited to, restructuring costs, certain asset impairment charges, acquisition-related expenses, and other unusual or infrequent items.

ITT Inc. Non-GAAP Reconciliation
Reported vs. Adjusted Income from Continuing Operations & Adjusted EPS
Full Year 2021 & 2020

(In Millions, except per share amounts)
(all amounts unaudited)

	FY 2021		FY 2021	FY 2020		FY 2020	2021	2021
	As	Non-GAAP	As	As	Non-GAAP	As	vs. 2020	vs. 2020
	Reported	Adjustments	Adjusted	Reported	Adjustments	Adjusted	As	As
							Adjusted (\$)	Adjusted (%)
Segment operating income	\$ 466.7	\$ 10.0 #A	\$ 476.7	\$ 318.6	\$ 57.8 #A	\$ 376.4		
Corporate (expense) income	37.6	(71.7) #B	(34.1)	(92.1)	71.4 #B	(20.7)		
Operating income (loss)	504.3	(61.7)	442.6	226.5	129.2	355.7	86.9	24.4%
Total operating margin	18.2%		16.0%	9.1%		14.4%		
Interest income (expense), net	1.1	-	1.1	0.7	-	0.7		
Other income (expense), net	3.7	(3.4) #C	0.3	(142.0)	141.6 #C	(0.4)		
Income from continuing operations before tax	509.1	(65.1)	444.0	85.2	270.8	356.0		
Income tax (expense) benefit	(189.6)	100.8 #D	(88.8)	(15.3)	(60.1) #D	(75.4)		
Income from continuing operations	319.5	35.7	355.2	69.9	210.7	280.6		
Less: Income attributable to noncontrolling interests	4.7	-	4.7	1.4	-	1.4		
Income from continuing operations - ITT Inc.	\$ 314.8	\$ 35.7	\$ 350.5	\$ 68.5	\$ 210.7	\$ 279.2		
EPS from continuing operations	\$ 3.64	\$ 0.41	\$ 4.05	\$ 0.78	\$ 2.42	\$ 3.20	\$ 0.85	26.6%

Note: Amounts may not calculate due to rounding.

Total Operating Margin is defined as reported operating income or adjusted operating income divided by total revenue.

#A - 2021 includes restructuring costs (\$9.4M) and other costs (\$0.6M).

#A - 2020 includes restructuring costs (\$40.7M), impairment charges (\$16.3M) and other costs (\$0.8M).

#B - 2021 includes a pre-tax gain on divestiture of asbestos-related assets and liabilities (\$88.8M), asbestos-related expense (\$14.4M), and other costs (\$2.7M).

#B - 2020 includes asbestos-related expense (\$66.3M), restructuring costs (\$2.3M), and other costs (\$2.8M). The net asbestos expense includes remeasurement expense (\$135.9M) to transition to a full horizon, extending the projection through 2052, and other asbestos-related costs (\$30.8M), partially offset by favorable insurance settlements (\$100.4M).

#C - 2021 includes income related to the finalization of pension termination funding.

#C - 2020 includes pension termination-related charges.

#D - 2021 includes the net tax benefit of special items #A through #C (\$5.6M), tax expense on the deferred tax asset write-off resulting from the asbestos sale (\$116.9M) and other tax-related special items.

#D - 2020 includes the net tax benefit of special items #A through #C (\$58.8M), tax benefit for valuation allowance impacts (\$6.2M), tax expense on undistributed foreign earnings (\$6.3M), and other tax-related special items.



ITT Inc. Non-GAAP Reconciliation
Free Cash Flow and Free Cash Flow Margin
Full Year 2021 & 2020
(In Millions)
(all amounts unaudited)

	<u>FY 2021</u>	<u>FY2020</u>
Net Cash - Operating Activities #A	\$ (8.4)	\$ 435.9
Capital expenditures	88.4	63.7
Free Cash Flow	<u>(96.8)</u>	<u>372.2</u>
Asbestos divestiture payment	398.0	-
Adjusted Free Cash Flow	<u>301.2</u>	<u>372.2</u>
Revenue	<u>\$ 2,765.0</u>	<u>\$ 2,477.8</u>
 Adjusted Free Cash Flow Margin	 10.9%	 15.0%

#A - 2021 includes payments for asbestos (\$412.9) and restructuring (\$16.4M).

#A - 2020 includes payments for asbestos (\$9.8M) and restructuring (\$33.0M).