

**CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS (UNAUDITED)**  
(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)

For the Periods Ended June 30	Three Months		Six Months	
	2020	2019	2020	2019
Revenue	\$ 514.7	\$ 719.9	\$1,178.0	\$1,415.4
Costs of revenue	351.1	487.9	805.0	964.6
Gross profit	163.6	232.0	373.0	450.8
General and administrative expenses	44.6	62.6	101.7	113.4
Sales and marketing expenses	35.7	42.7	77.3	82.9
Research and development expenses	18.9	25.8	41.6	49.3
Asbestos-related costs (benefit), net	16.0	11.8	(24.7)	24.4
Restructuring costs	27.9	3.1	31.0	4.2
Asset impairment charges	—	—	16.3	—
Operating income	20.5	86.0	129.8	176.6
Interest and non-operating expenses (income), net	2.2	(0.4)	2.8	(0.9)
Income from continuing operations before income tax expense	18.3	86.4	127.0	177.5
Income tax (benefit) expense	(28.1)	19.3	(3.4)	39.0
Income from continuing operations	46.4	67.1	130.4	138.5
Income (loss) from discontinued operations, net of tax expense of \$0.3, \$0.0, \$0.7 and \$0.0, respectively	1.6	(0.1)	2.7	(0.1)
Net income	48.0	67.0	133.1	138.4
Less: Income attributable to noncontrolling interests	—	0.2	0.3	0.3
Net income attributable to ITT Inc.	\$ 48.0	\$ 66.8	\$ 132.8	\$ 138.1
<b>Amounts attributable to ITT Inc.:</b>				
Income from continuing operations, net of tax	\$ 46.4	\$ 66.9	\$ 130.1	\$ 138.2
Income from discontinued operations, net of tax	1.6	(0.1)	2.7	(0.1)
Net income attributable to ITT Inc.	\$ 48.0	\$ 66.8	\$ 132.8	\$ 138.1
<b>Earnings per share attributable to ITT Inc.:</b>				
Basic:				
Continuing operations	\$ 0.54	\$ 0.76	\$ 1.50	\$ 1.58
Discontinued operations	0.02	—	0.03	—
Net income	\$ 0.56	\$ 0.76	\$ 1.53	\$ 1.58
Diluted:				
Continuing operations	\$ 0.53	\$ 0.75	\$ 1.49	\$ 1.56
Discontinued operations	0.02	—	0.03	—
Net income	\$ 0.55	\$ 0.75	\$ 1.52	\$ 1.56
Weighted average common shares – basic	86.3	87.8	87.0	87.7
Weighted average common shares – diluted	86.8	88.7	87.6	88.6

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

	June 30, 2020	December 31, 2019
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 819.1	\$ 612.1
Receivables, net	463.2	578.4
Inventories, net	384.6	392.9
Other current assets	159.9	153.4
<b>Total current assets</b>	<b>1,826.8</b>	<b>1,736.8</b>
Plant, property and equipment, net	505.4	531.5
Goodwill	920.3	927.2
Other intangible assets, net	115.9	138.0
Asbestos-related assets	319.4	319.6
Deferred income taxes	161.4	138.1
Other non-current assets	302.1	316.5
<b>Total non-current assets</b>	<b>2,324.5</b>	<b>2,370.9</b>
<b>Total assets</b>	<b>\$ 4,151.3</b>	<b>\$ 4,107.7</b>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Short-term debt and current maturities of long-term debt	\$ 247.5	\$ 86.5
Accounts payable	271.0	332.4
Accrued liabilities	429.1	430.8
<b>Total current liabilities</b>	<b>947.6</b>	<b>849.7</b>
Asbestos-related liabilities	717.9	731.6
Postretirement benefits	212.9	213.9
Other non-current liabilities	217.9	234.7
<b>Total non-current liabilities</b>	<b>1,148.7</b>	<b>1,180.2</b>
<b>Total liabilities</b>	<b>2,096.3</b>	<b>2,029.9</b>
Shareholders' equity:		
Common stock:		
Authorized – 250.0 shares, \$1 par value per share		
Issued and outstanding – 86.3 shares and 87.8 shares, respectively	86.3	87.8
Retained earnings	2,398.2	2,372.4
Total accumulated other comprehensive loss	(432.7)	(385.3)
<b>Total ITT Inc. shareholders' equity</b>	<b>2,051.8</b>	<b>2,074.9</b>
Noncontrolling interests	3.2	2.9
<b>Total shareholders' equity</b>	<b>2,055.0</b>	<b>2,077.8</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 4,151.3</b>	<b>\$ 4,107.7</b>

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

For the Six Months Ended June 30	2020	2019
<b>Operating Activities</b>		
Income from continuing operations attributable to ITT Inc.	\$ 130.1	\$ 138.2
Adjustments to income from continuing operations:		
Depreciation and amortization	54.5	53.0
Equity-based compensation	5.8	8.4
Asbestos-related (benefit) costs, net	(24.7)	24.4
Asset impairment charges	16.3	—
Other non-cash charges, net	23.5	15.6
Asbestos-related payments, net	(7.6)	(15.8)
Changes in assets and liabilities:		
Change in receivables	97.2	(52.9)
Change in inventories	2.0	(27.4)
Change in accounts payable	(62.3)	11.4
Change in accrued expenses	5.7	(28.1)
Change in income taxes	(17.5)	3.7
Other, net	(19.9)	(29.4)
<b>Net Cash – Operating activities</b>	<b>203.1</b>	<b>101.1</b>
<b>Investing Activities</b>		
Capital expenditures	(34.3)	(45.8)
Acquisitions, net of cash acquired	(4.7)	(87.3)
Other, net	1.9	0.8
<b>Net Cash – Investing activities</b>	<b>(37.1)</b>	<b>(132.3)</b>
<b>Financing Activities</b>		
Commercial paper, net borrowings	51.0	33.7
Short-term revolving loans, borrowings	495.8	—
Short-term revolving loans, repayments	(406.2)	—
Long-term debt, issued	—	7.1
Long-term debt, repayments	(1.2)	(2.0)
Repurchase of common stock	(83.7)	(20.0)
Proceeds from issuance of common stock	0.1	8.3
Dividends paid	(14.6)	(26.1)
Other, net	—	(0.6)
<b>Net Cash – Financing activities</b>	<b>41.2</b>	<b>0.4</b>
Exchange rate effects on cash and cash equivalents	(0.2)	0.6
Net Cash – Operating activities of discontinued operations	0.1	1.2
Net change in cash and cash equivalents	207.1	(29.0)
Cash and cash equivalents – beginning of year (includes restricted cash of \$0.8 and \$1.0, respectively)	612.9	562.2
<b>Cash and cash equivalents – end of period (includes restricted cash of \$0.9 and \$1.3, respectively)</b>	<b>\$ 820.0</b>	<b>\$ 533.2</b>
<b>Supplemental Disclosures of Cash Flow Information</b>		
Cash paid during the year for:		
Interest	\$ 1.2	\$ 1.7
Income taxes, net of refunds received	\$ 10.7	\$ 33.7