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ITT

2021 Results and 2022 Outlook

February 10, 2022



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.

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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.

Strong execution, resilient against worsening supply disruptions

- Q4 Adjusted EPS of \$1.06, +5% vs. 2020
- Executed pricing actions to mitigate \$34M of raw material inflation in Q4
- FY adjusted EPS of \$4.05, +27% vs. 2020, +6% vs. 2019

+130 bps adj. segment margin expansion to 18.2% in Q4

- +140 bps sequential margin improvement; +280 bps vs. 2019
- +250 bps price, including repricing impact in Motion Technologies

+10% organic orders growth in Q4

- 18% full year organic backlog growth supporting strong 2022 position
- 33 electric vehicle (EV) awards in 2021

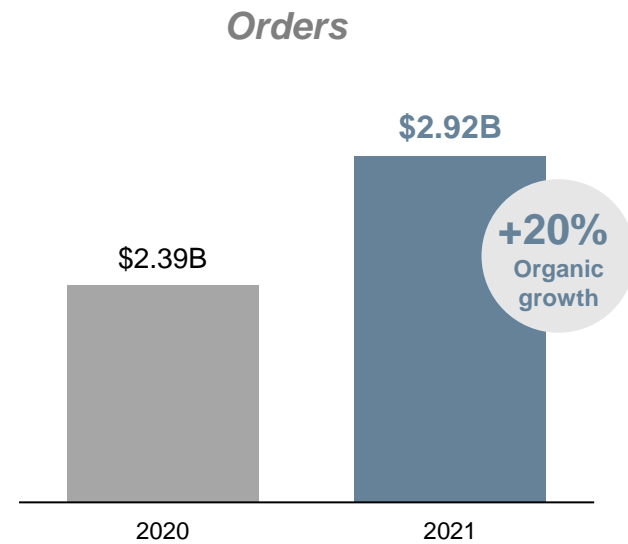
2022 adj. EPS outlook of \$4.30 to \$4.70; advancing capital deployment

- ~10% organic sales growth, +11% adjusted EPS growth at midpoint vs. 2021
- 20% dividend increase, ~\$100M share repurchases; poised to execute M&A

	Q4	FY
<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%

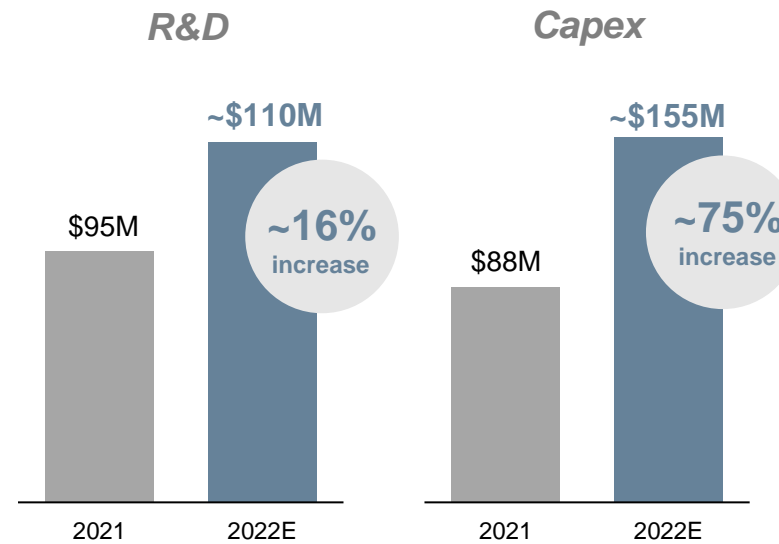
Strong Momentum Entering 2022

Momentum Exiting 2021



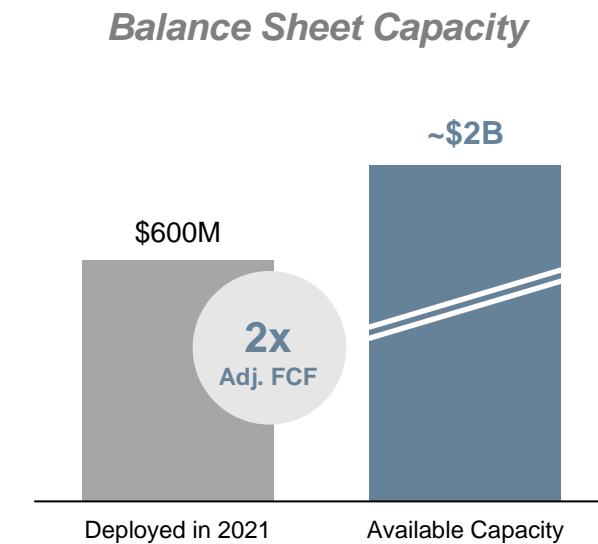
- Auto outperformance and strong industrial short-cycle
- Pump project activity rebounding
- Continued pricing actions
- Execution as a differentiator

Accelerating Innovation



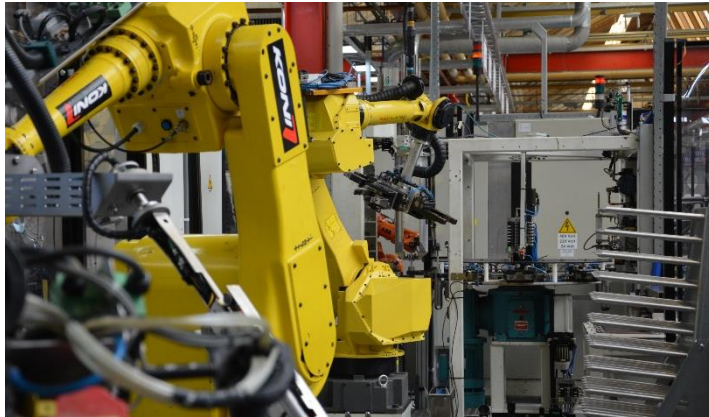
- Investments driving EV share gains
- Pump and connector portfolio VA/VE
- Sustainability investment framework
- Funding disruptive technologies

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

Future Growth Platform



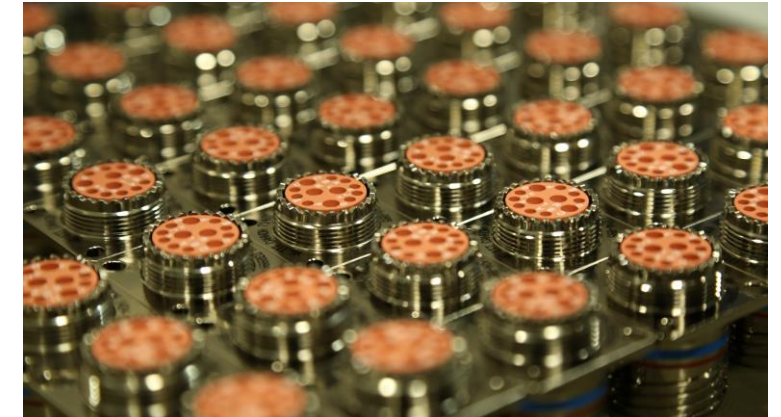
- Awarded content on more than 30 EV platforms
- First KONI Hydride award for the armored vehicle defense market
- Launched innovative development tool at **Wolverine** for predictive shim performance

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)**

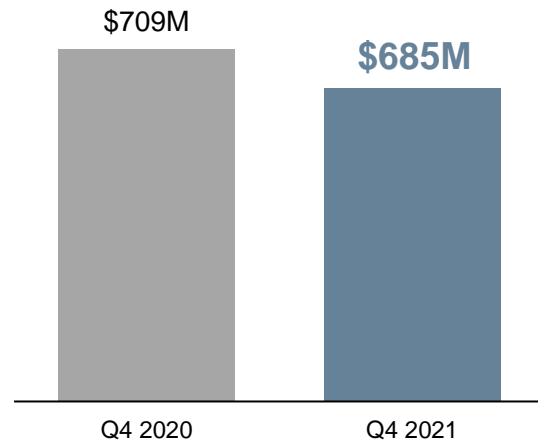
Innovation Driving Customer Wins

Q4 Summary Results



\$ in millions, except EPS

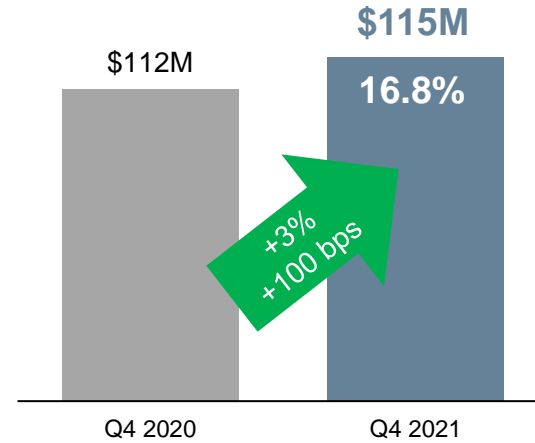
Revenue



(-2%) Organic revenue

- MT (-7%) driven by OEM chip shortage and tough prior year comparison in Friction OE
- Lower IP project shipments offset by strong short-cycle deliveries and service demand
- + Connectors (+26%) driven by strength in distribution, robust backlog; growth in CCT aerospace (+11%)
- + Strong pricing execution - additional actions in progress
- Supply chain disruptions ~450 bps impact to revenue growth, mainly in IP

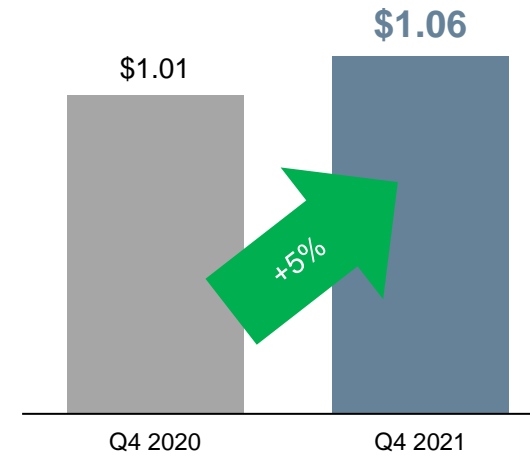
Adjusted Operating Income and Margin



16.8% Adjusted operating margin

- + Productivity benefits
- + Commercial actions (including retroactive impacts)
- Continued elevated raw material prices
- Lower volume due to supply chain disruptions
- Higher corporate costs
- ± Strategic long-term investments for growth

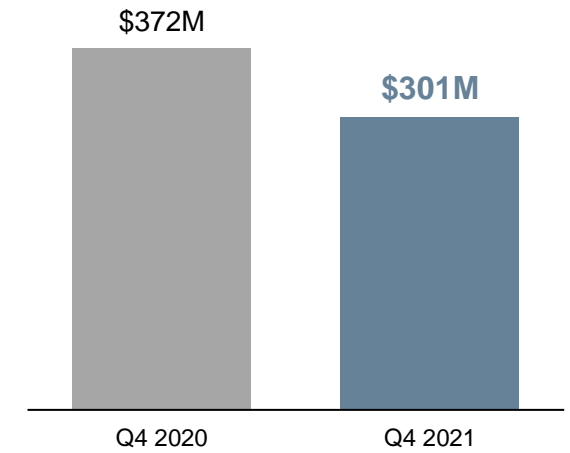
Adjusted EPS



\$1.06 Adjusted EPS

- + 7% growth vs. 2019 on (-5%) less revenue
- + 100 bps adjusted margin expansion
- Lower volumes
- + Foreign currency hedging, lower tax rate
- + Share repurchases ~\$117M for full year

Adjusted Free Cash Flow



\$301M Adjusted Free Cash Flow

excluding Q2 \$398M asbestos payment

- + Higher segment operating income
- Higher working capital requirements due to ongoing supply chain constraints and to support customer operations
- + Adjusted FCF margin of ~11%

260 bps Adj. Operating Margin Expansion vs. Q4 2019

Q4 Segment Summary Results



Motion Technologies

\$ millions	2021	vs 2020
Revenue	\$324	(-8%)
Adjusted Segment Operating Income	\$64	(-7%)
Adjusted Segment Operating Margin	19.7%	+20 bps

- (-7%) organic revenue decline driven by Friction OE (-15%) from lower vehicle production and tough prior year comparison (+19% organic in Q4 2020)
 - Friction OE 100% on-time performance
 - Exceeded 2019 pre-pandemic revenue (+3%)
 - +4% rail orders growth (+9% full year)
- 8 electric vehicle (EV) platform wins; continuing to build and expand future platform for growth
- Margin expansion driven by strategic pricing actions, productivity and gain on asset sale; partially offset by commodities inflation (-790 bps) and lower volume

Industrial Process

\$ millions	2021	vs 2020
Revenue	\$216	(-5%)
Adjusted Segment Operating Income	\$34	(-1%)
Adjusted Segment Operating Margin	15.8%	+70 bps

- +39% organic orders growth driven by strength in short-cycle (+20%) and projects (over 150%)
 - 1.16x book-to-bill
 - Organic backlog up 25% vs. PY
- (-4%) organic revenue decline driven by supply chain disruptions and labor constraints
- Continued strong short-cycle demand (+10% revenue growth) across products
- Adjusted op. margin expansion driven by productivity and favorable mix; partially offset by material inflation and lower volume

Connect & Control Technologies

\$ millions	2021	vs 2020
Revenue	\$146	+13%
Adjusted Segment Operating Income	\$27	+60%
Adjusted Segment Operating Margin	18.4%	+540 bps

- +13% organic orders growth; +24% full year
 - Aerospace +72%; industrial connectors +19%
 - Over 55% growth in distribution orders for full year
 - Organic backlog up 16% vs. prior year
- +14% organic revenue growth driven by connectors (+26%) due to industrial and distribution
- Adjusted op. margin expansion driven by productivity, volume leverage and price
- 60% adjusted incremental margin

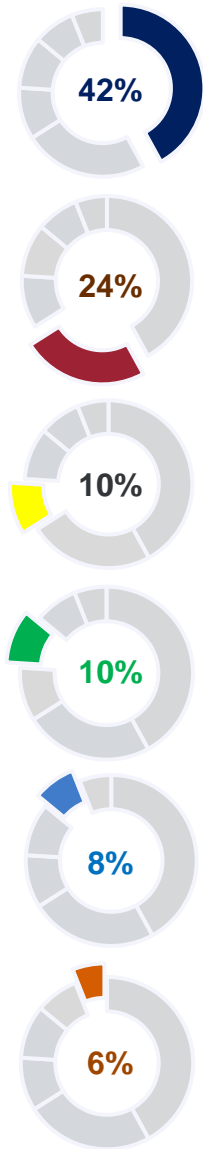
Resiliency Drives Margin Expansion in Tough Environment

2022 End Market and ITT Outlook



% of 2021 Revenue

'22 Demand Trends 1H Outlook



Segment	'22 Demand Trends	1H Outlook	Key Points
Automotive	Green	Yellow	<ul style="list-style-type: none"> Inventory levels at historic lows in NA, Europe; OE chip shortage limits pace of rebound Persistent, high raw material prices will impact 1H adjusted segment margin
Chemical & Industrial Pumps	Green	Red	<ul style="list-style-type: none"> Long-term demand intact, growth limited by near-term supply disruptions Strong parts activity driven by higher capacity utilization
General Industrial	Green	Green	<ul style="list-style-type: none"> Labor and supply chain shortages limit industrial production increase in 2022 Pulp & paper conversions to packaging; EV adoption drives charging infrastructure build
Aerospace & Defense	Green	Yellow	<ul style="list-style-type: none"> Commercial air traffic recovery accelerates in 2H'22 (still below pre-pandemic levels) Solid commercial aftermarket growth; military growing double digits
Energy	Green	Yellow	<ul style="list-style-type: none"> Increasing NOC investment in Middle East; U.S. shale capex rebound; oil prices over \$80/bbl Entering 2022 with robust project backlog
Rail	Green	Yellow	<ul style="list-style-type: none"> Stable performance in EU rail freight; KONI & Axtone growth across major OEMs Potential benefits from U.S. infrastructure bill and European Green New Deal

Right Portfolio Over the Long-Term

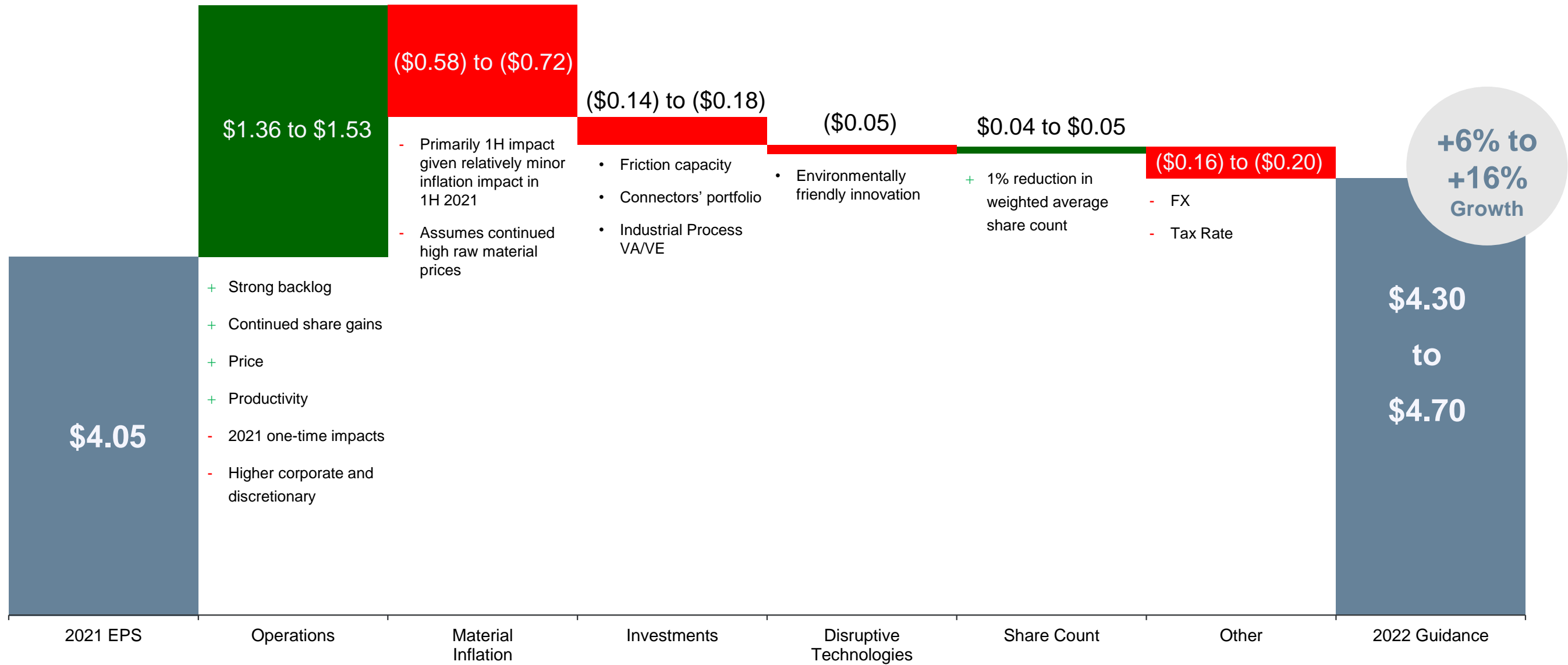
Assumptions

Revenue	<p>+9% to +11% Organic</p> <hr/> <p>+7% to +9% Total</p>
Adjusted segment op margin	<p>17.6% to 18.5%</p> <hr/> <p>+40 to +130 bps expansion</p>
Adjusted EPS	<p>\$4.30 to \$4.70</p> <hr/> <p>+6% to +16% Growth</p>
Free cash flow	<p>\$300M to \$325M</p> <hr/> <p>10% to 11% margin</p>

- Supply chain disruptions in 1H, expect 2022 topline constraints
- Raw material prices remain at inflated levels in 1H 2022
- Aero recovery further accelerates in 2H and into 2023
- Higher project shipments in 2022 impact IP margin expansion
- ~1% share count reduction
- Other key assumptions include:
 - ~\$155M capex (~75% increase vs. 2021)
 - ~\$1.13 € exchange rate
 - ~\$45M - \$50M corporate expense
 - ~\$3M interest and other expense
 - ~21.5% tax rate

Continue to Deliver and Improve

2022 Adjusted EPS Bridge



+11% Adj. EPS Growth at Midpoint
 +16% Excl. FX and Tax Impacts

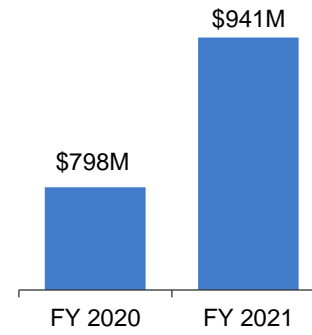
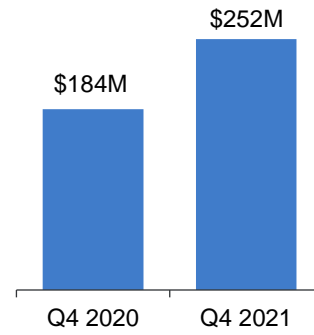
- Strong 2021 performance
 - Overcame \$80 million of inflationary headwinds
 - Overcame unprecedented supply chain challenges
- +20% FY 2021 organic orders growth; strong backlog paving the way
- Capital deployment firepower, on every front and ready to execute M&A

ITT Capital Markets Day Planned for June 16, 2022



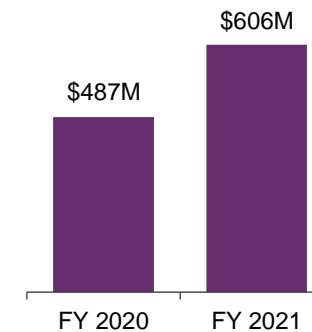
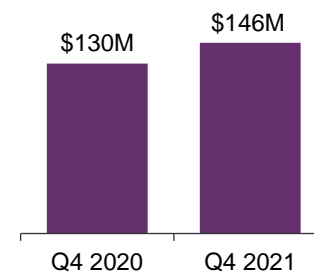
Supplemental Data

Industrial Process



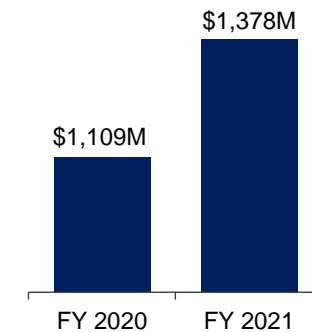
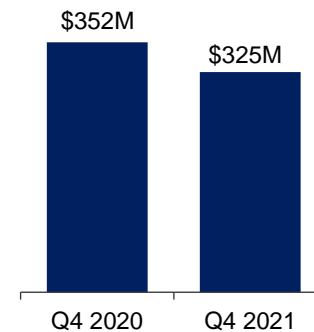
+17%
FY organic growth

Connect & Control Technologies



+24%
FY organic growth

Motion Technologies



+21%
FY organic growth

Highlights

- Organic orders **+10% in Q4** after **+27% in Q3** and **+47% in Q2**
 - 18% organic growth in backlog
 - Driven primarily by IP (+25%) and CCT (+16%)
- IP sequential orders growth every quarter in 2021**
 - Strong short-cycle demand and pump project activity
- CCT aerospace orders growth +72% in Q4**
 - Still below pre-COVID levels (expect prolonged recovery)
 - Strong connectors demand
- MT continued growth in rail and EV awards**
 - Tough prior year comparison in Friction OE (Q4 2020)

+20% Organic Orders Growth in 2021

Q4 Adjusted Segment Operating Margin



+130 bps Expansion

- + Shop floor productivity
- + Footprint rationalization
- + Strategic commercial actions
- + Favorable non-recurring items
- Raw material inflation
- Lower volume due to execution challenges
- Strategic growth investments

Q4'20 adjusted segment operating margin

Volume, mix, price and other

Productivity Actions

Cost Inflation

Operational margins subtotal

FX impact

Strategic investments

Q4'21 adjusted segment operating margin

vs. PY

16.9%

+250 bps

+350 bps

(-500 bps)

17.9%

+70 bps

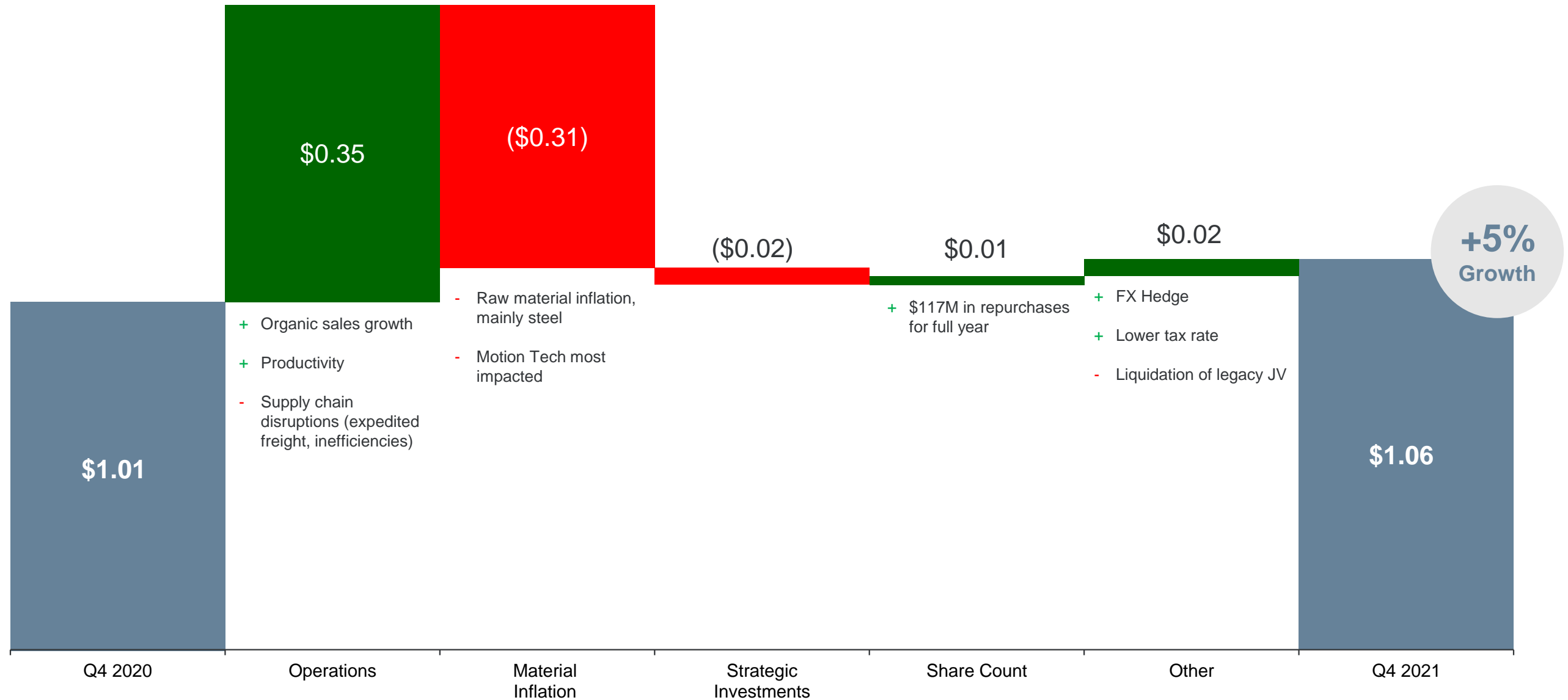
(-40 bps)

18.2%

+100 bps
operational
margin
expansion

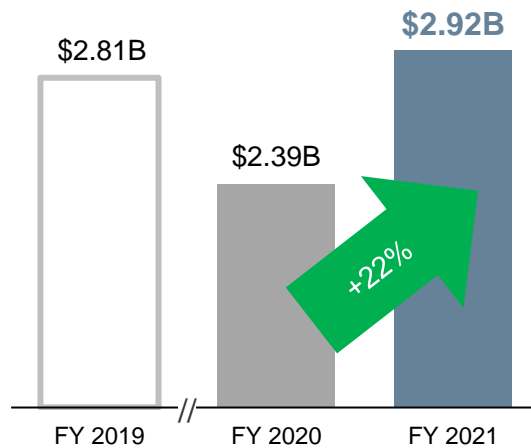
>18% Adj. Segment Operating Margin

Q4 Adjusted EPS Bridge



Resilient through Supply Chain Challenges

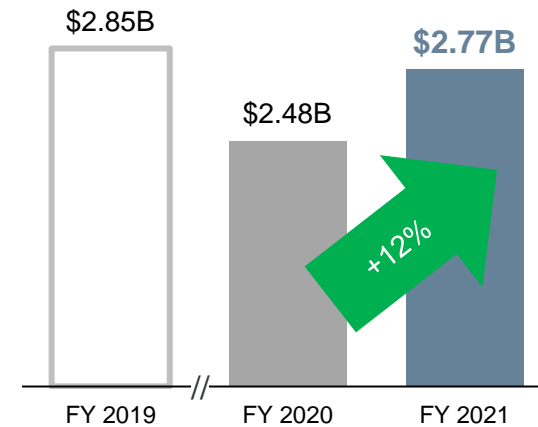
Orders



+20% Organic orders

- + CCT (+24%) driven by strong industrial connectors demand (+41%); growth in CCT aerospace (+30%)
- + MT (+21%) growth in auto and rail
- + IP (17%): short-cycle strength (+15%); pump project activity recovering (+26%)
- + +18% organic backlog increase; 1.06x book-to-bill

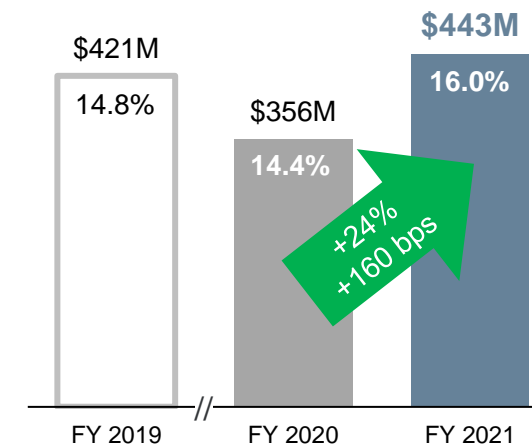
Revenue



+10% Organic revenue

- + MT (+19%) driven by Auto (+21%) despite OEM chip shortage in second half
- + Connectors (+20%) driven by increased industrial demand
- Aerospace (-14%) weak demand, as expected
- Lower project pump shipments; short-cycle flat
- + Pricing actions to offset higher inflation

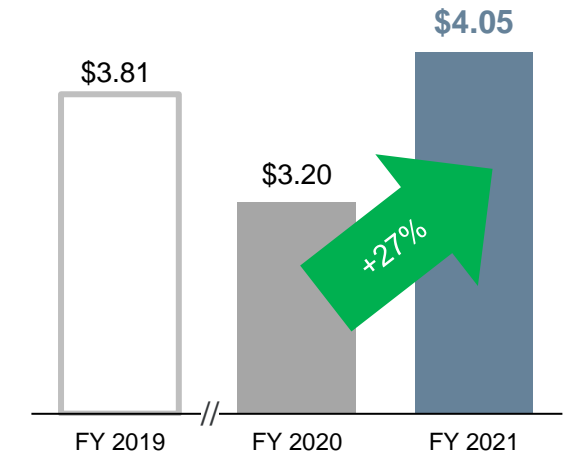
Adjusted Operating Income and Margin



16.0% Adjusted operating margin

- + Leverage on higher volume
- + Shop floor productivity
- + Commercial actions (including retroactive impacts)
- + 2020 cost action benefits
- Raw material inflation
- PY temporary cost actions
- ± Strategic long-term investments for growth

Adjusted EPS

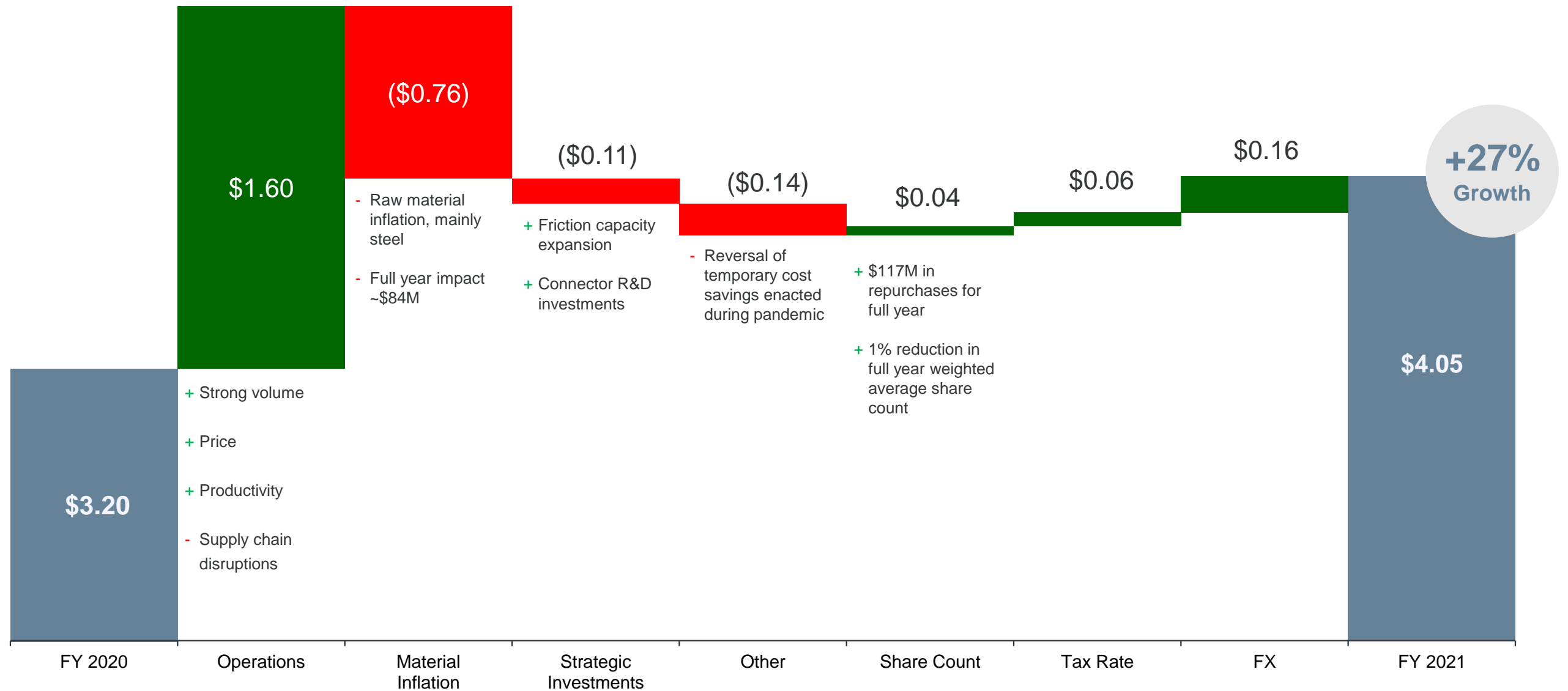


\$4.05 Adjusted EPS

- + Higher revenue
- + Net productivity and commercial actions
- Raw material inflation
- PY temporary cost actions
- + Foreign currency benefit (+\$0.16)
- + Lower tax rate (+\$0.06)
- + Lower share count (+\$0.04)

Surpassed 2019 Orders, Adj. Operating Income and Adj. EPS

Full Year Adjusted EPS Bridge



Resiliency and Growth

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		Q4 2021	Q4 2020		Q4 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	\$ 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	(96.8)	372.2
Asbestos divestiture payment	398.0	-
Adjusted Free Cash Flow	301.2	372.2
Revenue	\$ 2,765.0	\$ 2,477.8
 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).

**ITT Inc. Non-GAAP Reconciliation
GAAP vs. Adjusted EPS Guidance
Full Year 2022**

(Per share amounts)
(all amounts unaudited)

	<u>2022 Full-Year Guidance</u>	
	<u>Low</u>	<u>High</u>
EPS from Continuing Operations - GAAP	\$ 4.22	\$ 4.66
Estimated restructuring, net of tax	0.05	0.02
Other special items, net of tax	0.03	0.02
EPS from Continuing Operations - Adjusted	<u>\$ 4.30</u>	<u>\$ 4.70</u>

Note: The Company has provided forward-looking non-GAAP financial measures for organic revenue growth and adjusted segment operating margin. It is not possible, without unreasonable efforts, to estimate the impacts of foreign currency fluctuations, acquisitions and certain other special items that may occur in 2022 as these items are inherently uncertain and difficult to predict. As a result, the Company is unable to quantify certain amounts that would be included in a reconciliation of organic revenue growth and adjusted segment operating margin to the most directly comparable GAAP financial measures without unreasonable efforts and has not provided reconciliations for these forward looking non-GAAP financial measures.

**ITT Inc. Non-GAAP Reconciliation
Free Cash Flow Guidance
Full Year 2022**

(In Millions)
(all amounts unaudited)

	2022 Full-Year Guidance	
	Low	High
Net Cash - Operating Activities	\$ 455.0	\$ 480.0
Capital expenditures	155.0	155.0
Free Cash Flow	300.0	325.0
Revenue #A	\$ 2,986.0	\$ 2,986.0
Free Cash Flow margin	10.0%	10.9%

#A Represents the midpoint of the revenue range provided of 7% to 9%.