

ITT Inc.

# Q3 2021 Results

November 4, 2021



# Safe Harbor and Non-GAAP Disclosures

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## 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](http://www.itt.com/investors).

# Key Messages

## ▪ Strong sales growth and execution

- Adjusted EPS of \$0.99 +21% vs. 2020, +2% vs. 2019
- 20% organic growth at Motion Technologies (MT), 17% at Connect & Control Technologies (CCT)
- Pricing actions progressing to mitigate raw material and supply chain headwinds

## ▪ +60 bps adjusted segment operating margin expansion

- 16.8% adjusted segment operating margin, +20 bps versus 2019
- Managing raw materials inflation of \$26M (\$0.23) and supply chain disruptions
- All hands on deck to drive productivity and price

## ▪ +27% orders pave way for future outperformance

- +41% CCT organic orders growth; +70% aerospace orders growth
- +26% Industrial Process (IP) organic orders growth; short-cycle and projects strength
- Friction outperformance continues; EV awards feeding long-term growth

## ▪ Raising FY 2021 adjusted EPS guidance

- Adjusted EPS \$4.01 - \$4.06 (up 25% to 27% vs. PY); +\$0.06 increase at the midpoint
- 2021 guidance 6% above 2019 adjusted EPS at the midpoint
- Effective capital deployment; \$50M share repurchases in Q3 (\$112M YTD)

## Q3 Highlights

**27%**

Organic orders growth

**16%**

Organic revenue growth

**18%**

Adjusted operating income growth

**11.4%**

Adjusted TTM Free Cash Flow Margin

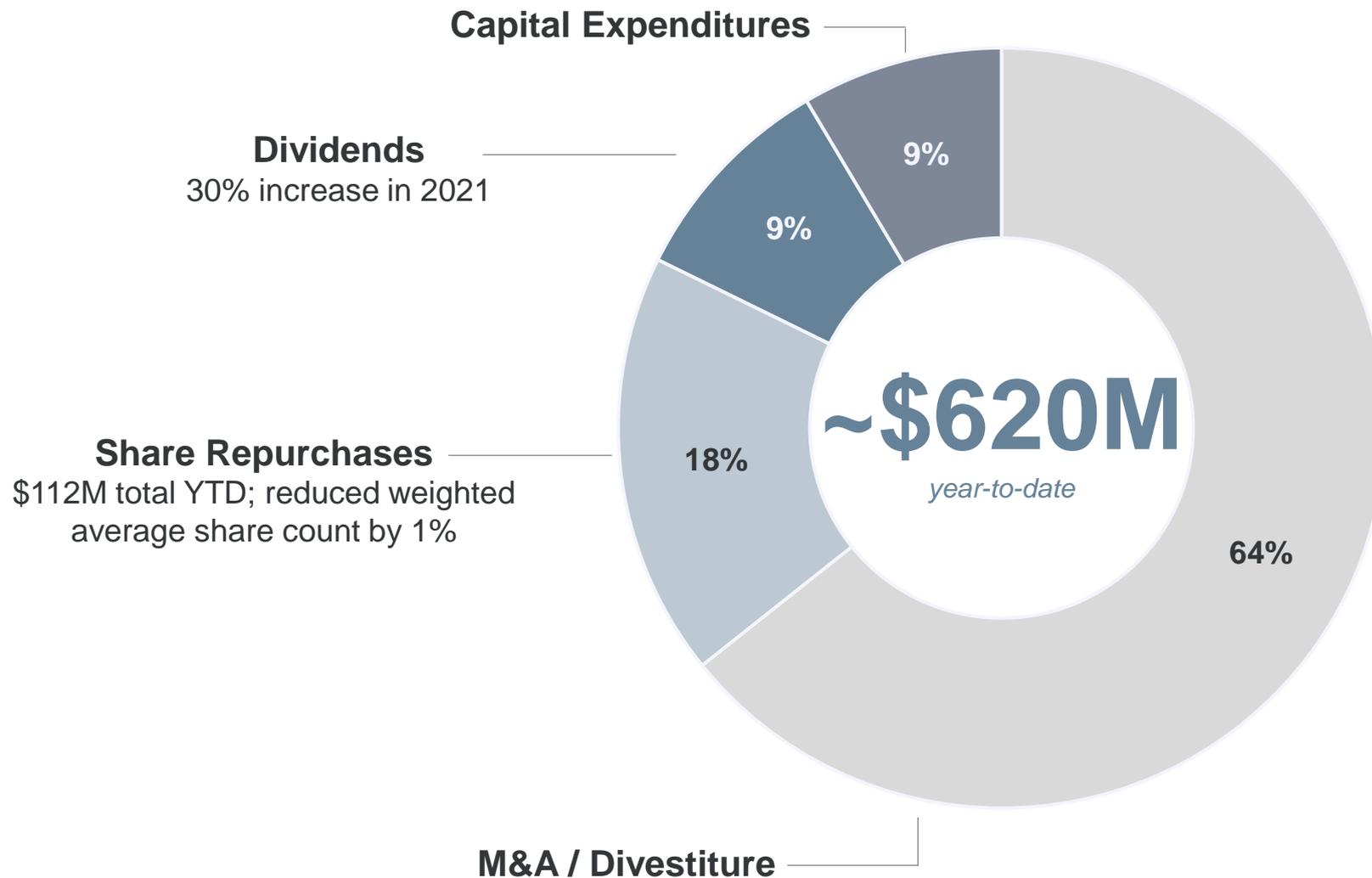
# 2021 Sustainability Report

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- ITT released *SustainabilITTy – 2021 Supplement*, the Company's comprehensive report on its progress towards environmental, social, and governance commitments
- Current **“A” rating** on a scale of AAA-CCC in the Morgan Stanley Capital International (MSCI) ESG assessment
- Key highlights
  - 25 percent reduction in greenhouse gas (GHG) Scope 1 and 2 emissions
  - 23 percent less waste sent to landfills
  - 25 percent fewer workplace incidents
  - Divestiture of all pending and future legacy asbestos liabilities

# Strategic Approach to Capital Deployment



## Commentary

### Capital Expenditures for Growth (9%)

- Represents 3% of revenue YTD in 2021
- Green capex ramping - cogeneration plant and solar lake projects in Barge, Italy
- Friction capacity increase to support EV growth
- IP and CCT VA/VE<sup>[1]</sup> project investments

### Sale of Legacy Asbestos Liabilities (64%)

- Divested all asbestos obligations
- Indemnified for all pending and future claims

### Driving M&A Activity

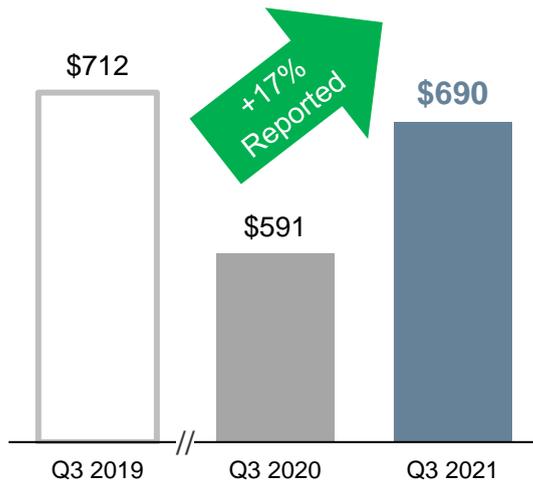
- Bartek Makowiecki appointed as Senior VP, Strategy and Business Development
- Increased pipeline of targets, significant cultivation activity

[1] VA/VE: Value Analysis / Value Engineering

# Q3 Summary Results

\$ in millions, except EPS

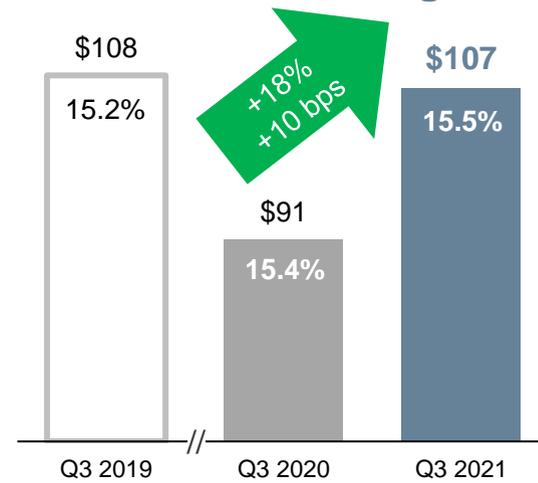
## Revenue



### +16% Organic revenue

- + MT +20% driven by Friction aftermarket; OE outperformance despite chip shortage
- + IP short-cycle (+10%) - parts demand
- + Industrial connectors (+42%) - strength in NA distribution
- ± Flat aerospace shipments, but backlog strengthening (+70% aero orders growth)
- Supply chain disruptions (~350 bps)

## Adjusted Operating Income and Margin



### 15.5% Adjusted op. margin

- + Higher sales volume
- + Shop floor productivity benefits
- + Commercial actions
- Raw materials inflation
- Supply chain disruptions
- Corporate costs
- Strategic long-term investments for growth

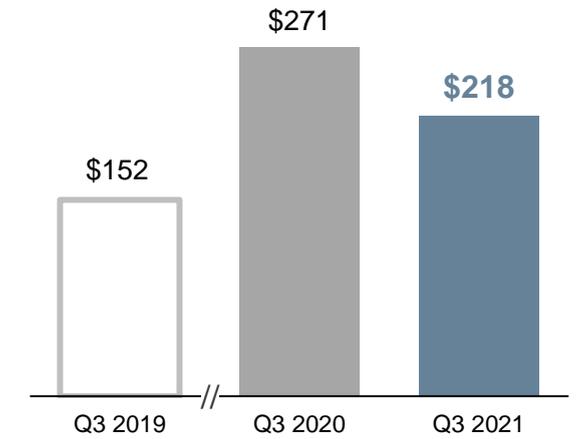
## Adjusted EPS



### \$0.99 Adjusted EPS

- 2% EPS vs 2019 on (3%) less revenue
- + Productivity and commercial actions
- Raw materials inflation
- Supply chain disruptions
- PY temporary cost actions reversal
- + Foreign currency and lower tax rate

## YTD Adjusted Free Cash Flow (FCF)



### \$218M YTD Adjusted FCF

*excluding Q2 \$398M asbestos payment*

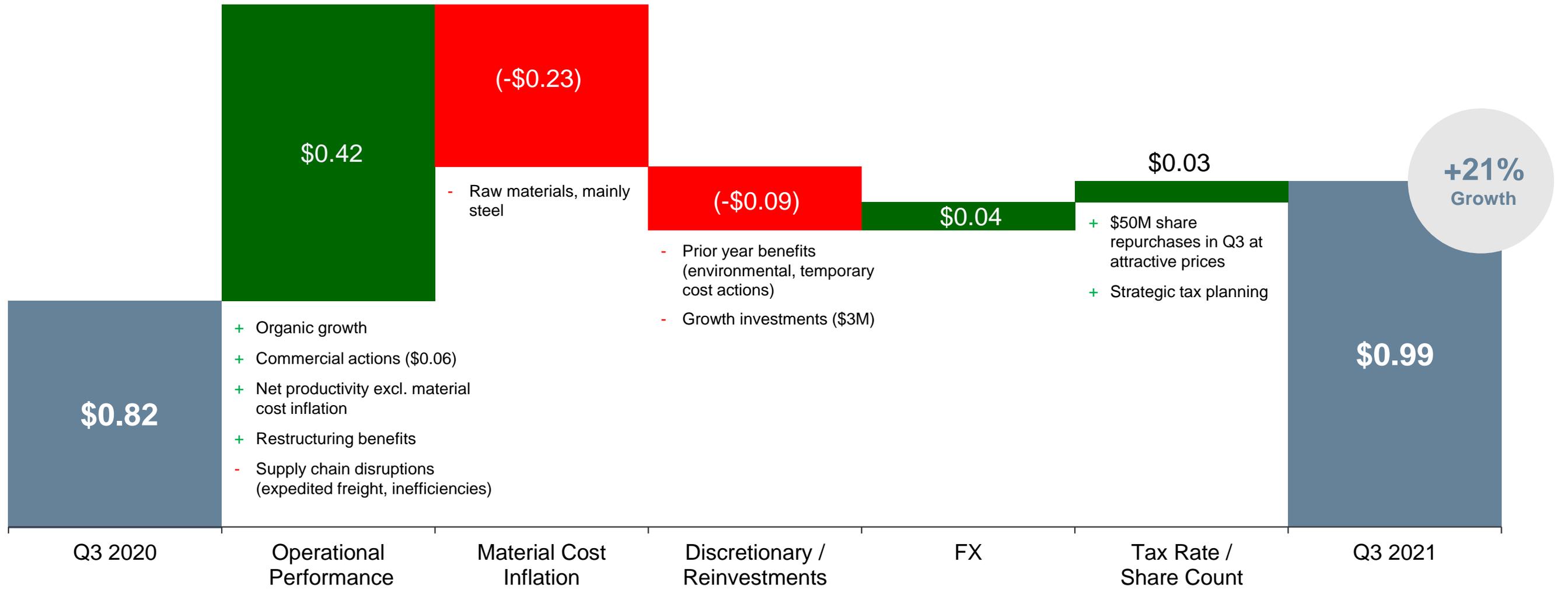
- + Higher segment operating income
- Higher working capital requirements due to ongoing supply chain constraints and to support customer deliveries
- + Adjusted TTM FCF margin of 11.4%
- + Capital deployment - \$50M of share repurchases in Q3 (\$112M YTD)



## Adjusted EPS Above 2019

All results are unaudited. Comparisons to Q3 2020 unless otherwise noted. For non-GAAP reconciliations, refer to appendix and [www.itt.com/investors](http://www.itt.com/investors)

# Q3 Adjusted EPS Bridge



# Q3 Segment Summary Results

## Motion Technologies

\$ millions	2021	vs 2020
Revenue	\$332	+22%
Adjusted Segment Operating Income	\$58	+15%
Adjusted Segment Operating Margin	17.4%	(-110) bps

- +20% organic revenue growth driven by Friction aftermarket (+70%)
  - Continued Friction OE outperformance, despite chip shortage impact
  - Maintaining Friction OE 99%+ on-time performance
  - Exceeded 2019 revenue (+4%)
- 6 electric vehicle (EV) platform wins; building future platform for growth
- +15% rail orders growth
- Adjusted op margin decline driven by expected commodities inflation; partially offset by higher volumes and pricing actions

## Industrial Process

\$ millions	2021	vs 2020
Revenue	\$211	+9%
Adjusted Segment Operating Income	\$33	+20%
Adjusted Segment Operating Margin	15.6%	+150 bps

- +8% organic revenue growth driven by short-cycle demand (+10%), Projects (+1%)
- +26% organic orders growth driven by strength in short-cycle (+23%) and in projects (+36%)
  - +6% sequential orders vs Q2; +3% vs Q3 2019
  - 1.15x book-to-bill
  - Organic backlog up 15% vs. Dec. 31, 2020
- Adjusted op margin expansion driven by higher volume, favorable mix and productivity benefits
- 33% adjusted incremental margin

## Connect & Control Technologies

\$ millions	2021	vs 2020
Revenue	\$147	+17%
Adjusted Segment Operating Income	\$25	+42%
Adjusted Segment Operating Margin	17.1%	+300 bps

- +17% organic revenue growth driven by +29% in connectors
- +41% organic orders driven by connectors (+46%)
  - Aerospace +70%
  - Industrial connectors and distribution both over 50%
  - Organic backlog up 17% vs. Dec. 31, 2020
  - 1.06x book-to-bill
- Adjusted op margin expansion driven by productivity and volume leverage
- 35% adjusted incremental margin

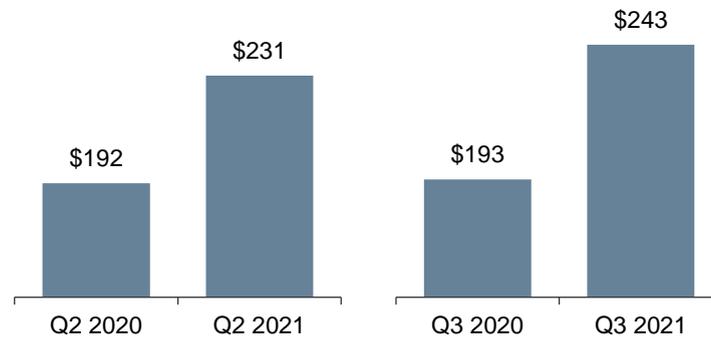
# Growth in Q3 Orders

## Motion Technologies



**+22%**  
Organic growth vs PY

## Industrial Process



**+26%**  
Organic growth vs PY

## Connect & Control Technologies



**+41%**  
Organic growth vs PY

## Commentary

- Organic orders +27% in Q3 after +47% growth in Q2
  - 2% above 2019
- 13% organic growth in backlog vs. year-end 2020 driven primarily by IP (+15%) and CCT (+17%)
- Motion Technologies growth in rail and EV awards outlook
- Short-cycle strength continues in IP and connectors (distribution)
- Pump project activity resuming; recovery in oil & gas accelerating
  - Q3 represents third consecutive quarter of sequential project orders increase
  - Pent up demand entering 2022
- +70% aerospace orders growth in Q3 ... continue to expect 2022 and 2023 recovery

# 2021 Guidance Update

	<i>Previous</i>	<i>Updated</i>
Revenue	+11% to +13% Total ----- +8% to +10% Organic	+11% to +13% Total ----- +8% to +10% Organic
Adjusted segment op margin	16.9% to 17.4% ----- +170 to +220 bps expansion	16.9% to 17.4% ----- +170 to +220 bps expansion
Adjusted EPS	\$3.90 to \$4.05 ----- +22% to +27% Growth	\$4.01 to \$4.06 ----- +25% to +27% Growth
Adjusted free cash flow	\$305M to \$325M <sup>[1]</sup> 11% to 12% margin	\$305M to \$325M <sup>[1]</sup> 11% to 12% margin

## Outlook Assumptions

- Strong YTD performance at all segments
  - Continued Friction OE outperformance and growth in Connectors
  - Organic sales growth +600 bps improvement since original outlook
- Continued challenge in supply chain, raw material inflation
- Adjusted EPS raise of \$0.06 at mid-point
- Revised full-year adjusted EPS outlook \$0.23 (or 6%) above 2019
- Reflects impact of \$112M YTD share repurchases and lower full year effective tax rate (20.75%)

[1] Excludes \$398M one-time, non-recurring cash outflow related to the divestiture of legacy asbestos liabilities



# Summary of Key Messages

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- 1 Strong 2021 performance – continue to outperform
- 2 Resilient business and ITTers able to overcome inflationary headwinds and supply chain disruptions
- 3 Orders strength paving way for future growth
- 4 Heightened focus on M&A pipeline to take advantage of capital flexibility



ITT Inc.

# Supplemental Data



# Q3 Adjusted Segment Operating Margin

+60 bps Expansion	
+	Friction aftermarket
+	Higher volumes in IP and CCT
+	Strategic commercial actions
+	Shop floor productivity
+	Restructuring benefits
-	Materials inflation
-	Supply chain disruptions
-	Strategic growth investments

	vs. PY
Q3'20 adjusted segment operating margin	<b>16.2%</b>
Volume, mix, price and other	+250 bps
Productivity Actions	+280 bps
Cost Inflation	(-470 bps)
Operational margins subtotal	<b>16.8%</b>
FX impact	+40 bps
Strategic investments	(-40 bps)
Q3'21 adjusted segment operating margin	<b>16.8%</b>

# Q3 2021 ITT Adjusted Segment Performance

	Motion Technologies	Industrial Process	Connect & Control Technologies	Total Segments
Q3 2021 Total Revenue vs PY	22.3%	8.6%	16.8%	16.6%
FX	(-2.0%)	(-0.5%)	0.2%	(-1.0%)
Q3 2021 Organic Revenue vs PY	20.3%	8.1%	17.0%	15.6%
Q3 2020 Adjusted Operating Margin	18.5%	14.1%	14.1%	16.2%
Volume, Mix, Productivity & Other	(-1.0%)	1.4%	3.2%	0.6%
Growth Investments	(-0.7%)	(-0.1%)	0.0%	(-0.4%)
FX	0.6%	0.2%	(-0.2%)	0.4%
Q3 2021 Adjusted Operating Margin	17.4%	15.6%	17.1%	16.8%

# Key Performance Indicators & Non-GAAP Measures

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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, realignment, 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, realignment, pension settlement and curtailment impacts, 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 the 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**  
**Third Quarter 2021 & 2020**

(In Millions)  
(all amounts unaudited)

	(As Reported - GAAP)				(As Adjusted - Organic)				
	(A) Q3 2021	(B) Q3 2020	(C) \$ Change 2021 vs. 2020	(C) % Change 2021 vs. 2020	(D) Acquisitions Q3 2021	(E) FX Impact Q3 2021	(F) = A-D-E Revenue / Orders Q3 2021	(G) =C-D-E \$ Change Adj. 2021 vs. 2020	(H) = G / B % Change Adj. 2021 vs. 2020
<b>Revenue</b>									
<b>ITT Inc.</b>	<b>\$ 689.6</b>	<b>\$ 591.2</b>	<b>\$ 98.4</b>	<b>16.6%</b>	<b>\$ -</b>	<b>\$ 5.9</b>	<b>\$ 683.7</b>	<b>\$ 92.5</b>	<b>15.6%</b>
Motion Technologies	332.3	271.8	60.5	22.3%	-	5.3	<b>327.0</b>	55.2	20.3%
Industrial Process	210.7	194.1	16.6	8.6%	-	0.8	<b>209.9</b>	15.8	8.1%
Connect & Control Technologies	147.1	125.9	21.2	16.8%	-	(0.2)	<b>147.3</b>	21.4	17.0%
<b>Orders</b>									
<b>ITT Inc.</b>	<b>\$ 731.5</b>	<b>\$ 573.2</b>	<b>\$ 158.3</b>	<b>27.6%</b>	<b>\$ -</b>	<b>\$ 4.4</b>	<b>\$ 727.1</b>	<b>\$ 153.9</b>	<b>26.8%</b>
Motion Technologies	334.1	270.2	63.9	23.6%	-	5.2	<b>328.9</b>	58.7	21.7%
Industrial Process	242.5	193.2	49.3	25.5%	-	(0.3)	<b>242.8</b>	49.6	25.7%
Connect & Control Technologies	155.4	110.4	45.0	40.8%	-	(0.5)	<b>155.9</b>	45.5	41.2%

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

## ITT Inc. Non-GAAP Reconciliation

### Reported vs. Adjusted Segment Operating Income & Operating Margin

#### Third Quarter 2021 & 2020

(In Millions)  
(all amounts unaudited)

	Q3 2021	Q3 2021	Q3 2021	Q3 2020	Q3 2020	Q3 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
<b>Revenue:</b>								
Motion Technologies	\$ 332.3		\$ 332.3	\$ 271.8		\$ 271.8	22.3%	22.3%
Industrial Process	210.7		210.7	194.1		194.1	8.6%	8.6%
Connect & Control Technologies	147.1		147.1	125.9		125.9	16.8%	16.8%
Intersegment eliminations	(0.5)		(0.5)	(0.6)		(0.6)		
Total Revenue	<u>\$ 689.6</u>		<u>\$ 689.6</u>	<u>\$ 591.2</u>		<u>\$ 591.2</u>	<u>16.6%</u>	<u>16.6%</u>
<b>Operating Margin:</b>								
Motion Technologies	16.1%	130 BP	17.4%	18.5%	- BP	18.5%	(240) BP	(110) BP
Industrial Process	15.4%	20 BP	15.6%	8.8%	530 BP	14.1%	660 BP	150 BP
Connect & Control Technologies	17.1%	- BP	17.1%	13.0%	110 BP	14.1%	410 BP	300 BP
Total Operating Segments	<u>16.1%</u>	<u>70 BP</u>	<u>16.8%</u>	<u>14.2%</u>	<u>200 BP</u>	<u>16.2%</u>	<u>190 BP</u>	<u>60 BP</u>
<b>Operating Income:</b>								
Motion Technologies	\$ 53.6	\$ 4.1	\$ 57.7	\$ 50.4	\$ -	\$ 50.4	6.3%	14.5%
Industrial Process	32.4	0.5	32.9	17.1	10.3	27.4	89.5%	20.1%
Connect & Control Technologies	25.2	(0.1)	25.1	16.4	1.3	17.7	53.7%	41.8%
Total Segment Operating Income	<u>\$ 111.2</u>	<u>\$ 4.5</u>	<u>\$ 115.7</u>	<u>\$ 83.9</u>	<u>\$ 11.6</u>	<u>\$ 95.5</u>	<u>32.5%</u>	<u>21.2%</u>

Note: Amounts may not calculate due to rounding.

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

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

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

	Q3 2021 As Reported	Non-GAAP Adjustments	Q3 2021 As Adjusted	Q3 2020 As Reported	Non-GAAP Adjustments	Q3 2020 As Adjusted	2021 vs. 2020 As Adjusted (\$)	2021 vs. 2020 As Adjusted (%)
Segment operating income	\$ 111.2	\$ 4.5 #A	\$ 115.7	\$ 83.9	\$ 11.6 #A	\$ 95.5		
Corporate (expense) income	(9.5)	0.6 #B	(8.9)	(146.4)	141.7 #B	(4.7)		
Operating income (loss)	101.7	5.1	106.8	(62.5)	153.3	90.8		
Interest income (expense)	0.1	-	0.1	0.6	-	0.6		
Other income (expense)	(0.6)	-	(0.6)	(1.8)	1.4 #C	(0.4)		
Income from continuing operations before tax	101.2	5.1	106.3	(63.7)	154.7	91.0		
Income tax (expense) benefit	(14.1)	(6.3) #D	(20.4)	16.2	(35.2) #D	(19.0)		
Income from continuing operations	87.1	(1.2)	85.9	(47.5)	119.5	72.0		
Less: Income attributable to noncontrolling interests	0.5	-	0.5	0.5	-	0.5		
Income from continuing operations - ITT Inc.	\$ 86.6	\$ (1.2)	\$ 85.4	\$ (48.0)	\$ 119.5	\$ 71.5		
EPS from continuing operations	\$ 1.00	\$ (0.01)	\$ 0.99	\$ (0.55)	\$ 1.37	\$ 0.82	\$ 0.17	20.7%

Note: Amounts may not calculate due to rounding.

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

#A - 2021 includes restructuring costs (\$4.5M).

#A - 2020 includes restructuring and other costs (\$11.6M).

#B - 2021 includes other costs (\$0.6M).

#B - 2020 includes asbestos related expense (\$141.4M) and other costs (\$0.3M). 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 (\$5.5M).

#C - 2020 primarily includes pension termination related charges.

#D - 2021 includes the net tax benefit of special items #A, #B and #C (\$1.6M), tax benefit for valuation allowance impacts (\$1.9M) and other tax related special items.

#D - 2020 includes the net tax benefit of special items #A, #B and #C (\$35.1M), tax benefit on uncertain tax position release (\$3.2M), tax expense on future distribution of foreign earnings (\$2.0M) and other tax related special items.

**ITT Inc.**  
**Adjusted Free Cash Flow and Adjusted Free Cash Flow Margin**  
**Trailing Twelve Months (TTM)**  
(In Millions)  
(all amounts unaudited)

	(A) = (B) + (C) - (D) <b>Q3 2021 TTM</b>	(B) 9M 2021	(C) FY20	(D) 9M 2020	(A) = (B) + (C) - (D) <b>Q3 2020 TTM</b>	(B) 9M 2020	(C) FY19	(D) 9M 2019
<b>Net Cash - Operating Activities #A</b>	<b>\$ (10.1)</b>	\$ (127.9)	\$ 435.9	\$ 318.1	<b>\$ 454.1</b>	\$ 318.1	\$ 357.7	\$ 221.7
Capital expenditures	<b>68.7</b>	52.6	63.7	47.6	<b>69.7</b>	47.6	91.4	69.3
<b>Free Cash Flow</b>	<b>(78.8)</b>	(180.5)	372.2	270.5	<b>384.4</b>	270.5	266.3	152.4
Asbestos divestiture payment	<b>398.0</b>	398.0	-	-	-	-	-	-
<b>Adjusted Free Cash Flow</b>	<b>\$ 319.2</b>	\$ 217.5	\$ 372.2	\$ 270.5	<b>\$ 384.4</b>	\$ 270.5	\$ 266.3	\$ 152.4
<b>Revenue</b>	<b>\$ 2,788.2</b>	\$ 2,079.6	\$ 2,477.8	\$ 1,769.2	<b>\$ 2,488.3</b>	\$ 1,769.2	\$ 2,846.4	\$ 2,127.3
<b>Adjusted Free Cash Flow Margin</b>	<b>11.4%</b>		<b>15.0%</b>		<b>15.4%</b>		<b>9.4%</b>	

#A - 2021 TTM includes payments for asbestos (\$15.8M) and restructuring (\$19.8M).

#A - 2020 TTM includes payments for asbestos (\$10.4M) and restructuring (\$28.4M).

**ITT Inc. Non-GAAP Reconciliation**  
**GAAP vs. Adjusted EPS Guidance**  
**Full Year 2021**  
(Per share amounts)

	2021 Full-Year Guidance	
	Low	High
<b>EPS from Continuing Operations - GAAP</b>	<b>\$ 3.47</b>	<b>\$ 3.54</b>
Net asbestos related costs, net of tax	0.45	0.45
Pension termination funding, net of tax	(0.03)	(0.03)
Estimated restructuring, net of tax	0.10	0.08
Other, net of tax	0.02	0.02
<b>EPS from Continuing Operations - Adjusted</b>	<b>\$ 4.01</b>	<b>\$ 4.06</b>

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 2021 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  
Adjusted Free Cash Flow Guidance  
Full Year 2021**  
(In Millions)

	<u>2021 Full-Year Guidance</u>	
	<u>Low</u>	<u>High</u>
<b>Net Cash - Operating Activities</b>	<b>\$ 7.0</b>	<b>\$ 27.0</b>
Capital expenditures	100.0	100.0
<b>Free Cash Flow</b>	<b>(93.0)</b>	<b>(73.0)</b>
Asbestos divestiture payment	398.0	398.0
<b>Adjusted Free Cash Flow</b>	<b>\$ 305.0</b>	<b>\$ 325.0</b>
<b>Free Cash Flow margin</b>	<b>11%</b>	<b>12%</b>