



ITT

TD Cowen 46th Annual Aerospace & Defense Conference

February 12, 2025

Shown: Habonim actuators deployed in a harsh environment LNG application.

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. In addition, the accompanying conference call may include, and officers and representatives of ITT may from time to time make and discuss, projections, goals, assumptions, and statements that may constitute “forward-looking statements”. 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, 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,” “believe,” “continue,” “could,” “estimate,” “expect,” “future,” “guidance,” “intend,” “may,” “plan,” “potential,” “project,” “should,” “target,” “will,” “would,” 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. 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.

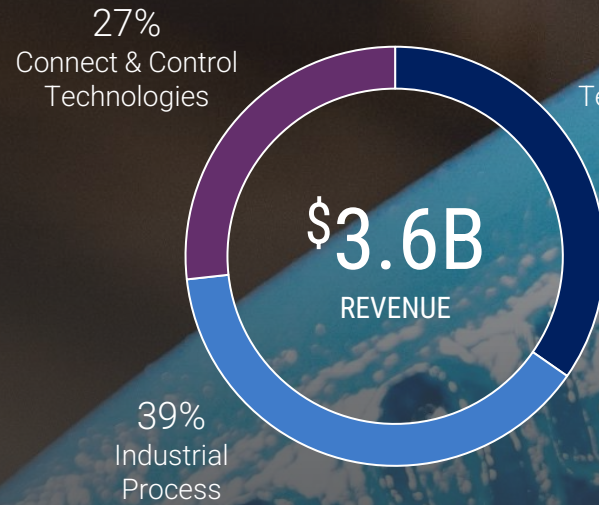
Non-GAAP Disclosures

This presentation and the discussion on the accompanying conference call contain certain financial measures that are not prepared under U.S. Generally Accepted Accounting Principles (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 investors.itt.com.

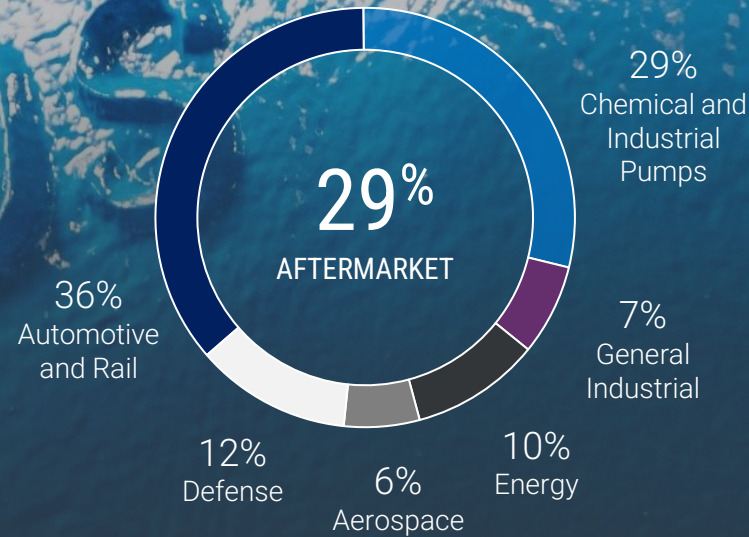
ITT AT A GLANCE



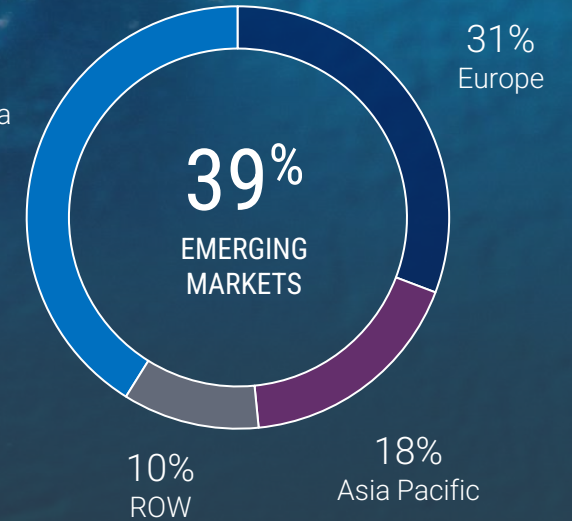
BUSINESSES



END MARKETS



GEOGRAPHY



Represents composition of pro forma revenue for 2024 to include recent acquisitions and divestitures

Leading manufacturer of critical components for harsh environment applications

Outperforming in attractive end markets

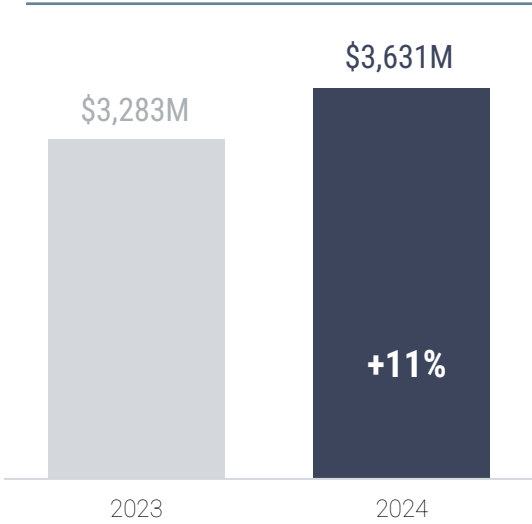
Differentiation through operational excellence and innovation

Value creation through growth and margin expansion

2024 RESULTS



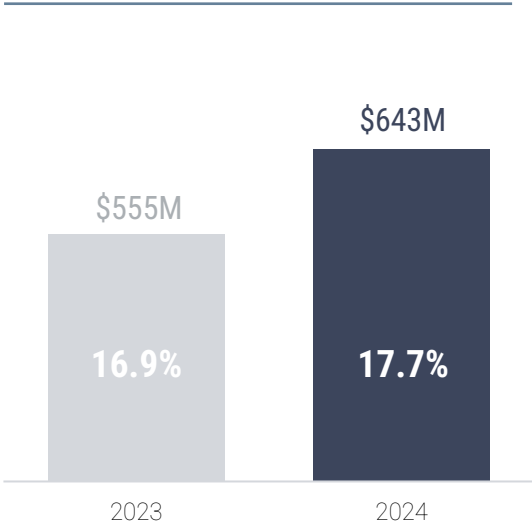
REVENUE



+7%

Organic revenue growth

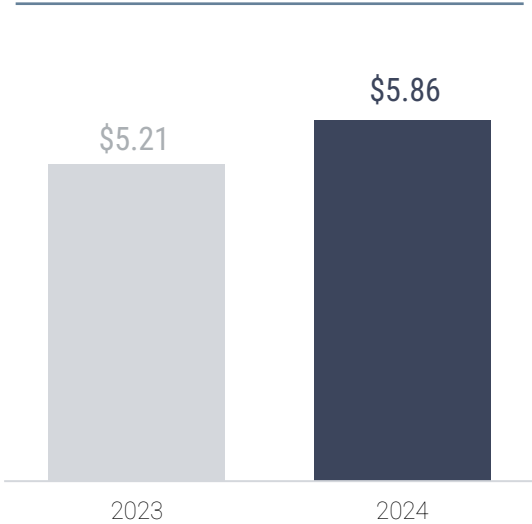
ADJUSTED OPERATING INCOME AND MARGIN



+80 bps

Adjusted operating margin expansion

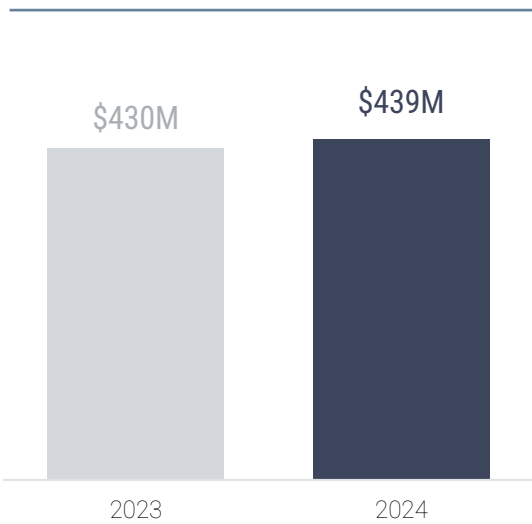
ADJUSTED EPS



+12%

Adjusted EPS growth

FREE CASH FLOW



12.1%

Free cash flow margin

2025 OUTLOOK

VALUE CREATION IN THE CORE...

- Converting robust \$1.6B backlog (+34% total, +8% organic)
- Conversion of large pump project awards, with further share gains
- Expect continued outperformance in Friction, rail and connectors
- Sustaining differentiation through execution and innovation

...PLUS ACQUISITION CONTRIBUTION RAMPING

- Svanehøj share gains on new fuel vessels
- kSARIA large program awards on blue-chip defense platforms
- Expect >20c EPS contribution vs prior year from Svanehøj and kSARIA
- Active M&A pipeline, focused on flow and connectors



GUIDANCE

Revenue growth **+3% to +5% organic**
+2% to +4% total

Adjusted operating margin **18.1% to 19.0%**
+40 bps to +130 bps

Adjusted EPS **\$6.10 to \$6.50**
+4% to +11% growth

Free cash flow **\$450M to \$500M**
12% to 13% margin

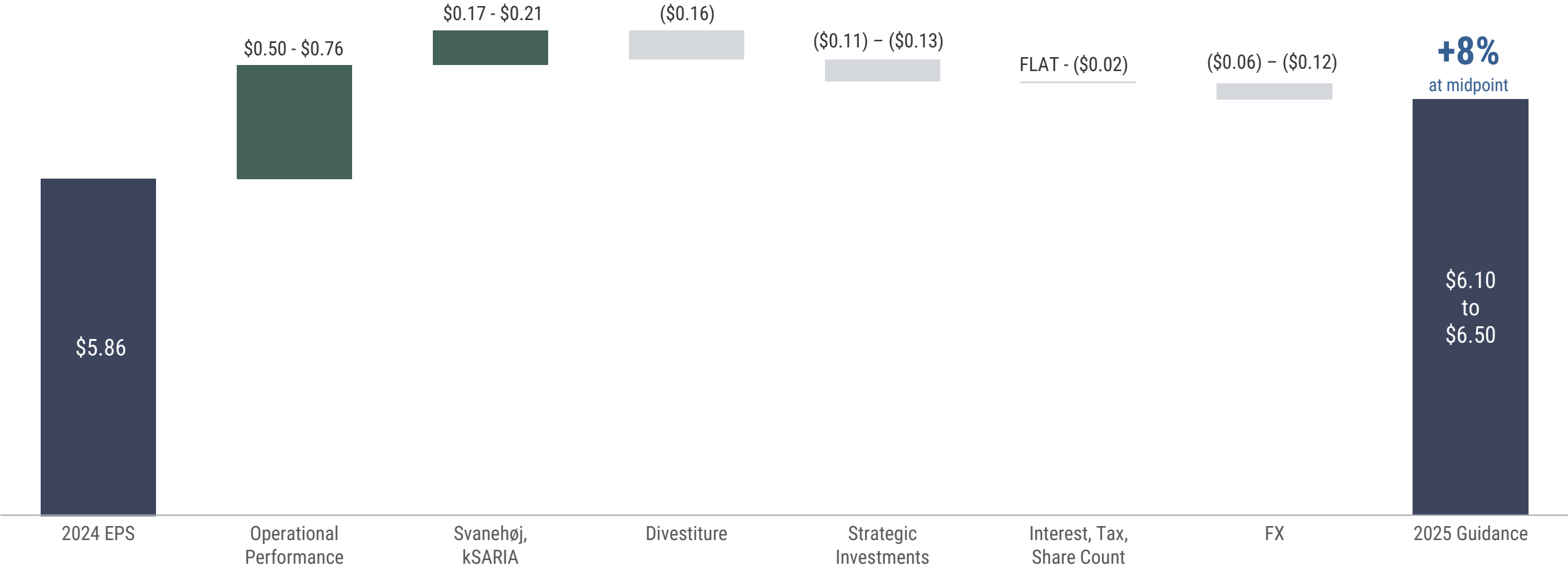
~17c impact from temporary intangible amortization

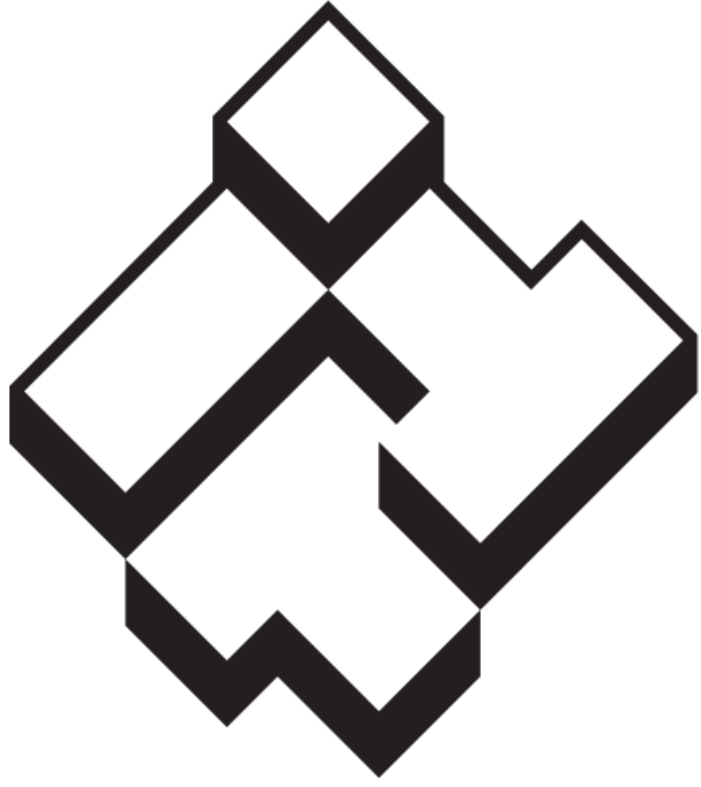
~9c incremental FX headwind given strengthening USD

All results unaudited. Comparisons to FY 2024 unless otherwise noted. For non-GAAP reconciliations, refer to appendix.

2025 ADJUSTED EPS OUTLOOK

9% GROWTH AT MIDPOINT EXCLUDING FX IMPACT





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KEY PERFORMANCE INDICATORS & NON-GAAP MEASURES



Management reviews a variety of key performance indicators including revenue, operating income and margin, earnings per share, order growth, and backlog. 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, acquisitions, and divestitures that may or may not qualify as discontinued operations. Current year activity from acquisitions is excluded for twelve months following the closing date of acquisition. The period-over-period change resulting from foreign currency fluctuations is estimated using a fixed exchange rate for both the current and prior periods. Prior year revenue and orders are adjusted to exclude activity during the comparable period for twelve months post-closing date for divestitures that do not qualify as discontinued operations. We believe that reporting organic revenue and organic orders provide 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 is defined as operating income adjusted to exclude special items that include, but are not limited to, restructuring, certain asset impairment charges, certain acquisition- and divestiture-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** is defined as adjusted operating income divided by 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 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- and divestiture-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 and the tax deductibility under local tax rules. **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.

Free Cash Flow is defined as net cash provided by operating activities less capital expenditures. **Free Cash Flow Margin** is defined as free cash flow divided by revenue. We believe that free cash flow and free cash flow margin provide 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 Statements

(In millions; all amounts unaudited)



Reconciliation of Revenue to Organic Revenue

	Full Year 2024				
	MT	IP	CCT	Elim	Total
2024 Revenue	\$ 1,447.8	\$ 1,361.0	\$ 825.1	\$ (3.2)	\$ 3,630.7
Less: Acquisitions	-	156.2	73.9	-	230.1
Less: FX	(9.7)	(13.0)	(2.0)	-	(24.7)
2024 Organic revenue	\$ 1,457.5	\$ 1,217.8	\$ 753.2	\$ (3.2)	\$ 3,425.3
2023 Revenue	\$ 1,457.8	\$ 1,129.6	\$ 699.4	\$ (3.8)	\$ 3,283.0
Less: Divestitures	68.7	-	10.2	0.1	79.0
2023 Organic revenue	\$ 1,389.1	\$ 1,129.6	\$ 689.2	\$ (3.9)	\$ 3,204.0
Organic Revenue Growth - \$	\$ 68.4	\$ 88.2	\$ 64.0		\$ 221.3
Organic Revenue Growth - %	4.9%	7.8%	9.3%		6.9%
Reported Revenue Growth - \$	\$ (10.0)	\$ 231.4	\$ 125.7		\$ 347.7
Reported Revenue Growth - %	(0.7%)	20.5%	18.0%		10.6%

Reconciliation of Orders to Organic Orders

	Full Year 2024				
	MT	IP	CCT	Elim	Total
2024 Orders	\$ 1,471.6	\$ 1,484.6	\$ 833.0	\$ (3.5)	\$ 3,785.7
Less: Acquisitions	-	206.0	61.8	-	267.8
Less: FX	(8.6)	(7.6)	(2.1)	-	(18.3)
2024 Organic orders	1,480.2	1,286.2	773.3	(3.5)	3,536.2
2023 Orders	1,487.5	1,227.0	738.3	(3.3)	3,449.5
Less: Divestitures	68.7	-	7.3	-	76.0
2023 Organic orders	\$ 1,418.8	\$ 1,227.0	\$ 731.0	\$ (3.3)	\$ 3,373.5
Organic Orders Growth - \$	\$ 61.4	\$ 59.2	\$ 42.3		\$ 162.7
Organic Orders Growth - %	4.3%	4.8%	5.8%		4.8%
Reported Orders Growth - \$	\$ (15.9)	\$ 257.6	\$ 94.7		\$ 336.2
Reported Orders Growth - %	(1.1%)	21.0%	12.8%		9.7%

Note: Immaterial differences due to rounding.



ITT Inc. Non-GAAP Reconciliation Statements

(In millions; all amounts unaudited)

Reconciliations of Operating Income/Margin to Adjusted Operating Income/Margin

	Full Year 2024					Full Year 2023				
	MT	IP	CCT	Corporate	ITT	MT	IP	CCT	Corporate	ITT
Reported Operating Income	\$ 314.6	\$ 276.3	\$ 146.1	\$ (61.0)	\$ 676.0	\$ 230.8	\$ 243.6	\$ 107.5	\$ (53.7)	\$ 528.2
(Gain) loss on sale of businesses	(47.8)	-	-	-	(47.8)	-	-	15.3	-	15.3
Restructuring costs	2.7	3.0	2.4	-	8.1	4.0	4.6	1.3	-	9.9
Impacts related to Russia-Ukraine war	(0.6)	-	-	-	(0.6)	1.3	1.2	-	-	2.5
Acquisition and divestiture related costs	-	4.2	2.8	-	7.0	-	-	2.4	-	2.4
Other special items [a]	-	-	-	-	-	0.1	-	(0.1)	(3.7)	(3.7)
Adjusted Operating Income	\$ 268.9	\$ 283.5	\$ 151.3	\$ (61.0)	\$ 642.7	\$ 236.2	\$ 249.4	\$ 126.4	\$ (57.4)	\$ 554.6
Change in Operating Income	36.3%	13.4%	35.9%	13.6%	28.0%					
Change in Adjusted Operating Income	13.8%	13.7%	19.7%	6.3%	15.9%					
Reported Operating Margin	21.7%	20.3%	17.7%		18.6%	15.8%	21.6%	15.4%		16.1%
Impact of special item adjustments	-310 bps	50 bps	60 bps		-90 bps	40 bps	50 bps	270 bps		80 bps
Adjusted Operating Margin	18.6%	20.8%	18.3%		17.7%	16.2%	22.1%	18.1%		16.9%
Change in Operating Margin	590 bps	-130 bps	230 bps		250 bps					
Change in Adjusted Operating Margin	240 bps	-130 bps	20 bps		80 bps					

[a] 2023 includes income from a recovery of costs associated with the 2020 lease termination of a legacy site.

Note: Immaterial differences due to rounding.



ITT Inc. Non-GAAP Reconciliation Statements

(In millions, except earnings per share; all amounts unaudited)

Reconciliation of Reported vs. Adjusted Income from Continuing Operating and Diluted EPS

	Income from Continuing Operations			Diluted Earnings per Share		
	FY 2024	FY 2023	% Change	FY 2024	FY 2023	% Change
Reported	\$ 518.4	\$ 411.4	26.0%	\$ 6.30	\$ 4.97	26.8%
Special Items Expense / (Income):						
(Gain) loss on sale of businesses [a]	(47.8)	15.3		(0.58)	0.19	
Restructuring costs	8.1	9.9		0.09	0.12	
Acquisition and divestiture related costs	7.0	2.4		0.08	0.03	
Impacts related to Russia-Ukraine war	(0.6)	2.5		(0.01)	0.03	
Other pre-tax special items [b]	-	(2.3)		-	(0.04)	
Net tax benefit of pre-tax special items	(3.3)	(6.2)		(0.04)	(0.07)	
Other tax-related special items [c] [d]	0.5	(2.0)		0.02	(0.02)	
Adjusted	\$ 482.3	\$ 431.0	11.9%	\$ 5.86	\$ 5.21	12.5%

Note: Amounts may not calculate due to rounding.

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

- [a] The (gain) loss on sale of businesses reflects the divestiture of Wolverine in Q3 2024 and the divestiture of Matrix in Q4 2023.
- [b] FY 2023 primarily includes income of \$3.7 from a recovery of costs associated with the 2020 lease termination of a legacy site, partially offset by interest expense of \$1.4 related to a tax audit settlement in Italy.
- [c] Q4 2024 includes tax benefit from valuation allowance impacts of (\$8.9), tax benefit on undistributed foreign earnings (\$7.6), tax expense on distributions of \$7.1, tax expense from tax rate change impacts of \$1.9, and other tax expense items totaling \$0.8. Full year 2024 includes tax expense on distributions of \$12.5, tax benefit from valuation allowance impacts of (\$6.7), tax benefit on undistributed foreign earnings of (\$5.7), tax benefit related to the Micro-Mode acquisition of (\$2.2), tax expense from tax rate change impacts of \$1.6, and other tax expense items totaling \$1.0.
- [d] Q4 2023 tax-related special items include expense (benefits) from the tax impact on distributions of \$5.9, return to accrual adjustments of \$(1.8), a change in uncertain tax positions of \$(1.5) and other tax special items of \$(0.8). FY 2023 tax-related special items include expense (benefits) from valuation allowance reversals of \$(16.4), settlements of \$14.4 primarily related to a tax audit in Italy, the tax impact on distributions of \$7.5, an amendment of our federal tax return of \$(4.9), and other tax special items of \$(2.6).



ITT Inc. Non-GAAP Reconciliation Statements

(In millions, except earnings per share; all amounts unaudited)

Reconciliation of GAAP vs Adjusted EPS Guidance - Full Year 2025

	2025 Full-Year Guidance	
	Low	High
EPS from Continuing Operations - GAAP	\$ 6.05	\$ 6.45
Estimated restructuring	0.05	0.05
Other special items	0.01	0.01
Other tax on special Items	(0.01)	(0.01)
EPS from Continuing Operations - Adjusted	\$ 6.10	\$ 6.50

Note: The Company has provided forward-looking non-GAAP financial measures for organic revenue growth and adjusted operating margin. It is not possible, without unreasonable efforts, to estimate the impacts of foreign currency fluctuations, acquisitions, divestitures and certain other special items that may occur in 2025 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 operating margin to the most directly comparable GAAP financial measures without unreasonable efforts and accordingly has not provided reconciliations for these forward looking non-GAAP financial measures.



ITT Inc. Non-GAAP Reconciliation Statements

(In millions, except earnings per share; all amounts unaudited)

Reconciliation of Cash from Operating Activities to Free Cash Flow

	Full Year		FY 2025 Guidance	
	12/31/2024	12/31/2023	Low	High
Net Cash - Operating Activities	\$ 562.6	\$ 538.0	\$ 575	\$ 625
Less: Capital expenditures	123.9	107.6	125	125
Free Cash Flow	\$ 438.7	\$ 430.4	\$ 450	\$ 500
Revenue	\$ 3,630.7	\$ 3,283.0	\$ 3,720	\$ 3,720 [a]
Operating Cash Flow Margin	15.5%	16.4%	15%	17%
Free Cash Flow Margin	12.1%	13.1%	12%	13%

[a] Revenue included in the full year 2025 free cash flow margin guidance represents the expected revenue growth mid-point.