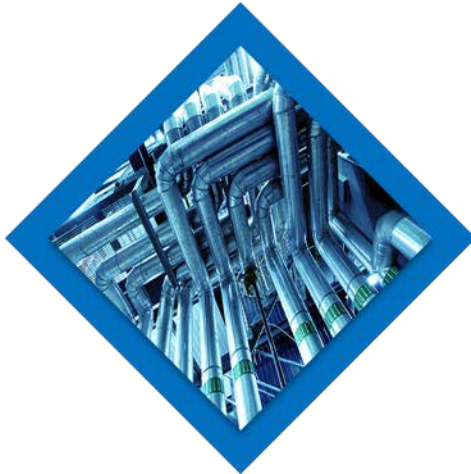




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**ITT Inc.**  
**Q3 2017 Earnings Call**  
November 2, 2017

# 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 are 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,” “guidance” and other similar expressions to identify such forward-looking statements. Forward-looking statements are uncertain and to some extent unpredictable, 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 to update any forward-looking statements, whether as a result of new information, future events or otherwise.



# Q3 Highlights: Gaining Momentum

## Q3 2017 Financial Highlights

**+11%** Total Revenue (+5% Organic); **+15%** Total Orders (+8% Organic)

**+24%** Adjusted Segment Op Income; **+20%** Ex FX

**+14%** Adjusted EPS; **+10%** Ex FX

**Raising** 2017 Total Revenue Growth Guidance to **4% to 5%**

**Raising** 2017 Adjusted EPS Guidance Midpoint to **\$2.52**

## Optimizing Execution

- 95% Adjusted Free Cash Flow Conversion
- IP & CCT Gaining Operational Momentum
  - IP Adj Margins of 8.6% (+490 Bps vs PY)
  - CCT Adj Margins of 13.9% (+130 Bps vs PY)
- MT Produced Record Margins at KONI

## Market Expansion

- 14 New Auto Platform Wins in China (35% Local OEMs)
- \$22M Largest-Ever KONI Award (Multi-Year Defense)
- \$15M New Rotorcraft Platform Award From Bell (Multi-Year)
- 11 EV & Hybrid Friction Platform Wins in 2017
- +288% Growth in NA EV Charging Station Connectors

## Effective Capital Deployment

- MT Friction EV Innovation & Testing Centers in China
- MT NA Friction Facility Produced First Pads in Q3
- \$76M Favorable Asbestos Remeasurement Reflects Effective Management



# Q3 2017 ITT Results

## Continuing Operations (unaudited)

\$ millions, except per share amounts	Q3 2017	vs. 2016
Orders	\$659	+15%
Total Revenue	\$645	+11%
Adjusted Segment Operating Income	\$90	+24%
Adjusted Operating Income	\$78	+7%
Adjusted EPS	\$0.66	+14%

### +5% Organic Revenue

- ▲ +8% Transportation
  - Double-Digit Strength in Auto & Rail, Partially Offset by Aerospace
- ▲ +1% Industrial
  - General Industrial & Chemical, Offset by Mining
- FLAT O&G Lower Projects, Offset by Increased Short-Cycle Demand and ME Connectors

### +8% Organic Orders

- ▲ +16% Friction on Global OEM Share Gains
- ▲ +8% Industrial Connectors and Components
- ▼ (-10%) Pump Projects Due to PY PetroChem Activity

### +24% Adjusted Segment Op Income; +20% Ex FX

- ▲ Strong Volumes, Productivity & IP Project Performance
- ▲ Restructuring Benefits at IP & CCT
- ▲ +\$3M Favorable FX
- ▼ Higher Commodity Costs
  - (-\$7M) Growth Investments, Primarily MT NA Facility

### +14% Adjusted EPS; +10% Ex FX

- ▲ Strong Segment OI Growth
- ▲ Favorable Tax Rate & Share Count
- ▼ Corporate Incentive Comp & PY Insurance Favorability
  - Increased Strategic Investments



# Q3 2017 Adjusted Segment Op Margins

Q3 2017

- ▲ **Top Line Drivers**
  - Volume Driven by Transportation Share Gains in Auto & Rail
  - Favorable Mix and Price at IP
  - MT & CCT Mix and Price Pressures
  
- ▲ **Strong Operational Execution**
  - Improved Project Performance at IP
  - Restructuring Benefits at IP & CCT
  - Productivity Improvements at CCT
  
- ▼ **Commodity Cost Headwinds**
  - **Growth Investments**
    - Global Friction Expansions to Support Long-Term Platform Wins

	vs. PY	
<b>Q3 2016 Adjusted Segment Operating Margin</b>	<b>12.5%</b>	
Volume, Mix, Price & Other	+60 bps	}
Net Operating Productivity & Restructuring Benefits	+210 bps	
	<b>15.2%</b>	<b>+270 bps</b>
<b>Operational Margins Subtotal</b>	<b>15.2%</b>	
FX	+10 bps	
Growth Investments	-100 bps	
Axtone Acquisition	-30 bps	
<b>Q3 2017 Adjusted Segment Operating Margin</b>	<b>14.0%</b>	





# Q3 2017 Industrial Process

Q3

\$ millions (unaudited)

Total Revenue

2017

vs. 2016

\$196

+1%

Adjusted Segment Operating Income

\$17

+133%

## Q3 Results

### FLAT Organic Revenue

- ▲ +4% Short-Cycle Growth
  - +10% Aftermarket Due to +27% Service; +4% Parts
  - +6% Baseline Pumps Driven by O&G
  - Weak BioPharm and General Industry Valves
- ▼ (-14%) Project Decline
  - Midstream O&G and Mining
  - Strong PetroChem and General Industry

### +133% Adjusted Op Income; +110% Ex FX

- ▲ Favorable Aftermarket Mix & Price
- ▲ Improved Project Performance
- ▲ Productivity Partially Offset by Higher Material Costs
- ▲ \$1.7M Favorable FX

### Q3 Highlights

- ▲ +490 Bps of Adj Margin Improvement vs PY
- ▲ +90 Bps Sequential Adj Margin Improvement
- ▲ SG&A Restructuring Actions Completed in Q3
- ▼ (-4%) Organic Orders
  - (-10%) Projects Due to PY PetroChem
  - (-2%) Short Cycle as Parts Timing Offsets Growth in Baseline Pumps in General Industry and Mining
  - FLAT Sequential Orders
- ▲ +3% Year-to-Date Orders on Growth in Short-Cycle O&G, Mining and General Industry
- ▲ \$376M Backlog; +8% vs Q4 2016
- ▲ i-Alert Sensors Gaining Market Momentum
  - Currently Used by Over 100 Fortune 500 Companies





# Q3 2017 Motion Technologies

Q3

\$ millions (unaudited)

Total Revenue

2017

\$300

vs. 2016

+26%

Adjusted Segment Operating Income

\$53

+12%

## Q3 Results

### +12% Organic Revenue

- ▲ +14% Friction
  - Double-Digit OE Growth in China, Europe & N. America
  - +10% AM Growth in Europe
- ▲ +16% KONI Rail in Europe and High Speed Rail Demand in China
- ▲ +3% Wolverine Global Sealing Growth

### +12% Adjusted Op Income; +8% Ex FX

- ▲ Strong Volume Growth & Benefits from Axtone Acq
- ▲ Friction Productivity Improvements
- ▼ Commodity Cost Headwinds and Pricing
  - (-\$4M) Strategic Investments to Fuel Growth

### Q3 Highlights

- ▲ \$300M MT Record Total Revenue Quarter
- ▲ 19.7% Operating Margin (Ex Investments, Axtone, FX)
  - Record KONI Margins
- ▲ +22% Organic Order Growth
  - +16% Friction Due to China, Europe and N. America
  - +95% KONI Due to Large Defense Win
- ▲ EV Innovation & Testing Centers in China
- ▲ Strategic Progress in Key End-Markets
  - 14 China Friction Wins (35% of Volumes with Local OEMs)
  - Advancing High Speed Rail Offerings in China
  - Advancing Smart Pad Development with Key Customers





# Q3 2017 Connect & Control Technologies

Q3

\$ millions (unaudited)

Total Revenue

2017

vs. 2016

\$149

FLAT

Adjusted Segment Operating Income

\$21

+11%

## Q3 Results

### FLAT Organic Revenue

- FLAT General Industrial: Due to Connectors and Actuation Components, Offset by Energy Absorption
- ▲ +28% O&G Connectors on Strong ME Activity
- ▼ (-2%) A&D:
  - Weak Commercial Aerospace
  - Rotorcraft Share Gain & Defense Component Strength

### +11% Adjusted Op Income; +15% Ex FX

- ▲ Net Productivity and Restructuring Benefits
- ▲ Strong Connector Operational Improvements
- ▼ Unfavorable FX

### Q3 Highlights

- ▲ +130 Bps Adj Operating Margin Expansion vs PY
  - \$2M in Restructuring Benefits from CCT Integration
  - Double-Digit Connector Margins
- ▲ +2% Organic Order Growth
  - +8% Industrial: Components & Connectors
  - (-3%) A&D: Weak A&D Connectors & Aero Components, Partially Offset by Defense Components
- ▲ Key Awards Across Multiple Growth Markets
  - \$15M Rotorcraft: Bell 525 Helicopter Award (Multi-Year)
  - EV Charging Station Connector Share Gains in NA
  - Energy Absorption Win for Vehicle Active Barrier System
  - Increased Key Missile Program Activity





# Q3 2017 Asbestos Update

## Q3 Asbestos Remeasurement

- \$76M Pre-Tax Net Benefit
  - Fewer Projected Cases
  - Lower Average Settlement Values
  
- No Change in Net Annual Avg After-Tax Cash Outflow vs Prior Projections
  - Reflects Continued Effective Comprehensive Cash Flow Management

## Significant Progress Since 2012

- (-47%) Decline in Gross Liability
- (-74%) Decline in Outstanding Claims

## Solid Progress in Driving Insurance Recovery Strategies in 2017

### Effective Net Liability Management

\$ millions	12/31/16	9/30/17	Change
Gross Liability	\$ 954	\$ 875	\$ (79)
Asset	(380)	(374)	6
Net Liability	\$ 574	\$ 501	\$ (73)

### Average Annual Cash Projections

\$ millions	Previous	Current
Years 1 – 5	\$15M - \$25M	\$15M - \$25M
Years 6 – 10	\$30M - \$40M	\$30M - \$40M

*Projected, Average, Annual, Net, After-Tax Cash Outflows for Defense and Indemnity*

## Effective Management



# 2017 Guidance Update

## Raising Previous 2017 Total Revenue Guidance

		<u>Comments</u>
Total Revenue	<p>Revised: <b>+4%</b> to <b>+5%</b></p> <p>Previous: Flat to +2%</p>	<ul style="list-style-type: none"> <li>▲ Strong Q3 Year-to-Date Revenue &amp; Order Growth</li> <li>▲ Stabilizing End-Market Dynamics</li> <li>▲ Foreign Exchange Benefits</li> </ul>

## Raising Previous 2017 Adjusted EPS Guidance

Previous 2017 Adjusted EPS Guidance Mid-Point	\$2.45
Higher Volumes and Improved Operational Execution, Net of Higher Commodity Costs	\$0.07
Increase to Previous Mid-Point	\$0.07
New 2017 Adjusted EPS Guidance Midpoint	\$2.52
New 2017 Adjusted EPS Guidance Range	\$2.50 - \$2.55

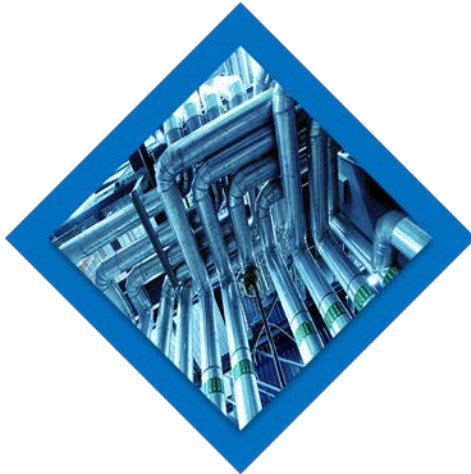
**Revised Adjusted EPS Midpoint +9% vs PY (+10% Ex FX)**





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**Appendix**

# Q3 2017 ITT Segment Performance

	Industrial Process	Motion Technologies	Connect & Control Technologies	Total Segments
<b>Q3 2017 Total Revenue vs PY</b>	<b>0.6%</b>	<b>25.7%</b>	<b>0.3%</b>	<b>10.9%</b>
FX	-0.7%	-5.6%	-0.5%	-2.7%
Acquisition/Disposition	0.0%	-8.2%	0.0%	-3.4%
<b>Q3 2017 Organic Revenue vs PY</b>	<b>-0.1%</b>	<b>11.9%</b>	<b>-0.2%</b>	<b>4.8%</b>
<hr/>				
<b>Q3 2016 Adjusted Operating Margin</b>	<b>3.7%</b>	<b>19.6%</b>	<b>12.6%</b>	<b>12.5%</b>
Volume, Mix, Productivity & Other	5.3%	0.1%	2.3%	2.7%
Growth Investments	-1.3%	-1.3%	-0.5%	-1.0%
Acquisition/Disposition	0.0%	-0.8%	0.0%	-0.3%
FX	0.9%	-0.1%	-0.5%	0.1%
<b>Q3 2017 Adjusted Operating Margin</b>	<b>8.6%</b>	<b>17.5%</b>	<b>13.9%</b>	<b>14.0%</b>



# 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 non-GAAP financial measures. 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. 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.

**Organic Revenue** and **Organic Orders** are defined as revenue and orders, excluding the impacts of foreign currency fluctuations, acquisitions and divestitures. Divestitures include sales of portions of our business that did not meet the criteria for presentation as a discontinued operation. 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 easier comparisons of our revenue performance with prior and future periods and to our peers.

**Adjusted Operating Income, Adjusted Segment Operating Income** and **Adjusted Segment Operating Margin** are defined as total operating income and segment operating income, adjusted to exclude special items that include, but are not limited to, asbestos-related costs, restructuring costs, realignment costs, certain asset impairment charges, certain acquisition-related expenses, and unusual or infrequent operating items. Special items represent significant charges or credits that impact the current results, which management views as unrelated to the Company's ongoing operations and performance. Adjusted segment operating margin is defined as adjusted segment operating income divided by total revenue. We believe that these 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, Adjusted EPS** and **Adjusted EPS Guidance** are defined 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 costs, restructuring costs, realignment costs, certain asset impairment charges, certain acquisition-related expenses, income tax settlements or adjustments, and other unusual and infrequent non-operating items. Special items represent significant 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. 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** is defined as net cash provided by operating activities less capital expenditures, adjusted for cash payments for restructuring costs, realignment actions, net asbestos cash flows and other significant items that impact current results which management views as unrelated to the Company's ongoing operations and performance. Due to other financial obligations and commitments, including asbestos, the entire free cash flow may not be available for discretionary purposes. We believe that adjusted free cash flow 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 / Order Growth**  
**Third Quarter 2017 & 2016**  
(In Millions)

	(As Reported - GAAP)				(As Adjusted - Organic)				
	(A) 3M 2017	(B) 3M 2016	(C) Change 2017 vs. 2016	% Change 2017 vs. 2016	(D) Acquisition / Divestitures 3M 2017	(E) FX Impact 3M 2017	(F) = A-D-E Revenue / Orders 3M 2017	(G) =C-D-E Change Adj. 2017 vs. 2016	(H) = G / B % Change Adj. 2017 vs. 2016
<b>Revenues</b>									
<b>ITT Inc. - Consolidated</b>	<b>645.0</b>	<b>581.7</b>	<b>63.3</b>	<b>10.9%</b>	<b>19.6</b>	<b>15.6</b>	<b>609.8</b>	<b>28.1</b>	<b>4.8%</b>
Industrial Process	196.2	195.0	1.2	0.6%	-	1.4	194.8	(0.2)	(0.1%)
Motion Technologies	300.1	238.7	61.4	25.7%	19.6	13.5	267.0	28.3	11.9%
Connect & Control Technologies	149.4	149.0	0.4	0.3%	-	0.7	148.7	(0.3)	(0.2%)
<b>Orders</b>									
<b>Total Segment Orders</b>	<b>658.6</b>	<b>573.4</b>	<b>85.2</b>	<b>14.9%</b>	<b>21.5</b>	<b>15.8</b>	<b>621.3</b>	<b>47.9</b>	<b>8.4%</b>
Industrial Process	193.3	198.9	(5.6)	(2.8%)	-	1.5	191.8	(7.1)	(3.6%)
Motion Technologies	323.7	236.8	86.9	36.7%	21.5	13.7	288.5	51.7	21.8%
Connect & Control Technologies	142.5	139.1	3.4	2.4%	-	0.6	141.9	2.8	2.0%

Note: Excludes intercompany eliminations  
Immaterial differences due to rounding



**ITT Inc. Non-GAAP Reconciliation**  
**Reported vs Adjusted Segment Operating Income & Operating Margin**  
**Third Quarter 2017 & 2016**  
(In Millions)

	3M 2017	3M 2017	3M 2017	3M 2016	3M 2016	3M 2016	% Change	% Change
	As Reported	Special Items	As Adjusted	As Reported	Special Items	As Adjusted	As Reported 2017 vs. 2016	As Adjusted 2017 vs. 2016
<b>Revenue:</b>								
Industrial Process	196.2		196.2	195.0		195.0	0.6%	0.6%
Motion Technologies	300.1		300.1	238.7		238.7	25.7%	25.7%
Connect & Control Technologies	149.4		149.4	149.0		149.0	0.3%	0.3%
Intersegment eliminations	(0.7)		(0.7)	(1.0)		(1.0)		
<b>Total Revenue</b>	<b>645.0</b>		<b>645.0</b>	<b>581.7</b>		<b>581.7</b>	<b>10.9%</b>	<b>10.9%</b>
<b>Operating Margin:</b>								
Industrial Process	5.0%	360 BP	8.6%	2.2%	150 BP	3.7%	280 BP	490 BP
Motion Technologies	16.4%	110 BP	17.5%	18.9%	70 BP	19.6%	(250) BP	(210) BP
Connect & Control Technologies	11.7%	220 BP	13.9%	11.7%	90 BP	12.6%	- BP	130 BP
<b>Total Operating Segments</b>	<b>11.9%</b>	<b>210 BP</b>	<b>14.0%</b>	<b>11.5%</b>	<b>100 BP</b>	<b>12.5%</b>	<b>40 BP</b>	<b>150 BP</b>
<b>Income (loss):</b>								
Industrial Process	9.9	6.9	16.8	4.3	2.9	7.2	130.2%	133.3%
Motion Technologies	49.1	3.4	52.5	45.2	1.7	46.9	8.6%	11.9%
Connect & Control Technologies	17.5	3.2	20.7	17.4	1.3	18.7	0.6%	10.7%
<b>Total Segment Operating Income</b>	<b>76.5</b>	<b>13.5</b>	<b>90.0</b>	<b>66.9</b>	<b>5.9</b>	<b>72.8</b>	<b>14.3%</b>	<b>23.6%</b>

Note: Immaterial differences due to rounding.

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



**ITT Inc. Non-GAAP Reconciliation**  
**Reported vs. Adjusted Income from Continuing Operations & Adjusted EPS**  
**Third Quarter 2017 & 2016**  
(In Millions, except per share amounts)

	<u>Q3 2017</u> <u>As Reported</u>	<u>Non-GAAP</u> <u>Adjustments</u>	<u>Q3 2017</u> <u>As Adjusted</u>	<u>Q3 2016</u> <u>As Reported</u>	<u>Non-GAAP</u> <u>Adjustments</u>	<u>Q3 2016</u> <u>As Adjusted</u>	<u>2017 vs. 2016</u> <u>As Adjusted</u>	<u>Percent Change</u> <u>2017 vs. 2016</u> <u>As Adjusted</u>
Segment Operating Income	76.5	13.5 #A	90.0	66.9	5.9 #A	72.8		
Corporate (Expense)	51.3	(62.9) #B	(11.6)	67.9	(67.4) #B	0.5		
Operating Income	<u>127.8</u>	<u>(49.4)</u>	<u>78.4</u>	<u>134.8</u>	<u>(61.5)</u>	<u>73.3</u>		
Interest Income (Expense)	(0.4)	-	(0.4)	(0.2)	(0.5) #C	(0.7)		
Other Income (Expense)	0.2	-	0.2	(0.1)	-	(0.1)		
Income from Continuing Operations before Tax	<u>127.6</u>	<u>(49.4)</u>	<u>78.2</u>	<u>134.5</u>	<u>(62.0)</u>	<u>72.5</u>		
Income Tax (Expense)	(40.6)	20.5 #D	(20.1)	(46.1)	25.7 #D	(20.4)		
Income from Continuing Operations	<u>87.0</u>	<u>(28.9)</u>	<u>58.1</u>	<u>88.4</u>	<u>(36.3)</u>	<u>52.1</u>		
Less: Non Controlling Interest	-	-	-	0.1	-	0.1		
Income from Continuing Operations - ITT Inc.	<u>87.0</u>	<u>(28.9)</u>	<u>58.1</u>	<u>88.3</u>	<u>(36.3)</u>	<u>52.0</u>		
EPS from Continuing Operations	<u>0.98</u>	<u>(0.32)</u>	<u>0.66</u>	<u>0.98</u>	<u>(0.40)</u>	<u>0.58</u>	<u>0.08</u>	13.8%

Note: Amounts may not calculate due to rounding.

#A - 2017 includes restructuring and realignment costs (\$6.5M), pension settlement costs (\$3.7), and acquisition related costs (\$3.3M).

#A - 2016 includes restructuring and realignment costs (\$5.3M), acquisition related costs (\$0.6M).

#B - 2017 includes restructuring income (\$0.6M), certain costs associated primarily with sale of excess property and other acquisition related costs (\$0.5M) and asbestos related income (\$62.8M).

Note: (\$62.8M) net asbestos related income includes adjustment to maintain 10 year accrual (\$13.6M) and remeasurement income of (\$76.4M).

#B - 2016 includes realignment costs of (\$0.7M); asbestos related income of (\$68.1M).

Note: (\$68.1M) net asbestos related income includes adjustment to maintain 10 year accrual (\$13.7M) and remeasurement income of (\$81.8M).

#C - 2016 includes interest income for a change in uncertain tax position.

#D -2017 includes various tax-related special items including tax expense on distribution of foreign earnings (\$1.4M), and the tax impact of other operating special items.

#D - 2016 includes various tax-related special items, including tax expense on distribution of foreign earnings (\$1.9M), tax expense on undistributed foreign earnings (\$21.7M), tax benefit on valuation allowance changes (\$4.5M), tax benefit on return to accruals (\$3.9M), tax benefit for changes in uncertain tax positions (\$11.0M), in addition to the tax impact of other operating special items.





**ITT Inc. Non-GAAP Reconciliation**  
**Net Cash - Operating Activities vs. Adjusted Free Cash Flow Conversion**  
**Third Quarter 2017 & 2016**  
(In Millions)

	<u>9M 2017</u>	<u>9M 2016</u>
<b>Net Cash - Operating Activities</b>	<b>178.4</b>	<b>146.7</b>
Capital Expenditures	79.2	68.1
<b>Free Cash Flow</b>	<b><u>99.2</u></b>	<b><u>78.6</u></b>
Realignment Related Cash Payments, including Capex	9.0	4.2
Restructuring Cash Payments	13.8	22.7
Asbestos Cash Payments, net	39.5	24.5
Discretionary Pension Contributions, net of tax	3.2	-
<b>Adjusted Free Cash Flow</b>	<b><u>164.7</u></b>	<b><u>130.0</u></b>
<b>Income from Continuing Operations - ITT Inc.</b>	<b>181.0</b>	<b>158.3</b>
Special Items	(7.6)	7.2
<b>Income from Continuing Operations - ITT Inc., Excluding Special Items</b>	<b><u>173.4</u></b>	<b><u>165.5</u></b>
<b>Adjusted Free Cash Flow Conversion</b>	<b><u>95.0%</u></b>	<b><u>78.5%</u></b>



## ITT Inc. Non-GAAP Reconciliation GAAP vs. Adjusted EPS Guidance Full Year 2017

	<u>2017 Full-Year Guidance</u>	
	<u>Low</u>	<u>High</u>
<b>EPS from Continuing Operations - GAAP</b>	<b>\$ 2.34</b>	<b>\$ 2.45</b>
Estimated Asbestos Related Costs, Net of Tax	<u>(0.13)</u>	<u>(0.13)</u>
	<b>\$ 2.21</b>	<b>\$ 2.32</b>
Estimated Restructuring, Realignment and Other Costs, Net of Tax	0.25	0.21
Acquisition Related Costs, Net of Tax	0.10	0.08
Other Special Tax Items	(0.06)	(0.06)
<b>EPS from Continuing Operations - Adjusted</b>	<b><u>\$ 2.50</u></b>	<b><u>\$ 2.55</u></b>

