

# ITT Acquisition of **Wolverine** ADVANCED MATERIALS

August 31, 2015



# 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 (the “Act”). No forward-looking statement can be guaranteed, and actual results may differ materially from those projected. All forward-looking statements included in this presentation are based on information available to us on the date hereof, and we undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise. The forward-looking statements are not historical facts, but rather are based on current expectations, estimates, assumptions and projections about the business and future financial results of 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 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.

Forward-looking statements in this presentation should be evaluated together with the risks and uncertainties that affect our business, particularly those mentioned 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.

# Wolverine Company Overview

Wolverine Advanced Materials (WAM) is a Leading Global Developer and Manufacturer of Highly Engineered Specialty Materials and Components for the Automotive & Other Harsh Environment Industries

## Brake Shims



- Global Supplier in OE & AM Noise Insulation
- Technical Expertise in Value-Added NVH Solutions
- Engineering Assessment Capabilities for Brake System Performance

## Material Science



- Material Science Capabilities:
  - Rubber Coating
  - Metal Base
- Proprietary Mix & >250 Different Product Solutions
- Material Development Capabilities

## Seals



- Established Sealing Materials and Application Design Capabilities
- Experienced Engineering and Manufacturing Teams

Strategically Important Core & Adjacent Technology

# Wolverine Acquisition Overview

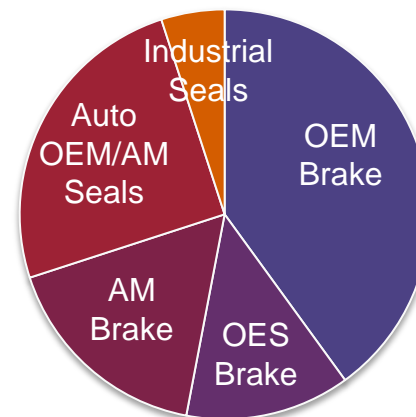
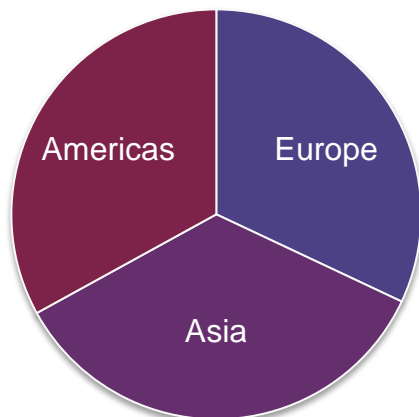
## Strategic Attributes

- Strong Technology & Material Science Expertise
- Leading Global Positions & Brands
- ~40% Aftermarket & Long Term Global Platform Visibility
- Global and Balanced Geography Exposure
- Existing Motion Technologies Supplier

## Transaction Highlights

- ~\$300M Cash Consideration
- ~\$180M 2015E Revenue  
*(Including Intercompany Sales with ITT)*
- ~\$38M 2015E Adjusted EBITDA
- Anticipated Close in Q4 2015,  
Subject to Customary Closing Conditions

## Business Mix



## Attractive Business Mix and Financial Profile



Seals: Primarily Rubber Coated Seals & Gaskets

Brake: Primarily Brake Pad Shims

OEM: Original Equipment Manufacturing; OES: Original Equipment Service; AM: Aftermarket

# ITT Strategic Rationale

## Core Strategic Benefits

- ✓ Creates Powerful, Comprehensive Global Leadership Position in Automotive Friction
  - Combines Essential Brake Components (*MT Friction + MT Backplates + WAM Shims*)
  - Strengthens Friction Design, Testing & Performance Capabilities
- ✓ Leverages Motion Technologies' Elite Manufacturing Capabilities & Operating System that Drives a Premier Customer Experience
- ✓ Vertically Integrates Existing Supplier

## Adjacent Benefits

- ✓ Expands ITT's Growth Platforms with Complementary Material Science Technology
  - Potential Elastomeric Technology Leverage for New Aerospace & Industrial Applications
- ✓ Leverages ITT's Automotive & Industrial Channels to Accelerate Growth in Seals
  - Potential Seals Leverage in Pumping & New Industrial Applications

## Growth Drivers

- ✓ Aligns with Growing Global Demand for Complex Shims & Advanced Sealing
  - Driven by Global Passenger Comfort, Noise Reduction & Environmental Regulations
- ✓ Enhances Global Aftermarket Content & Geographic Diversification

## Financial Benefits

- ✓ Attractive Value Creation Opportunity
  - Adjusted EPS Accretive in the 1<sup>st</sup> Full Year After Closing
  - Solid Historical EBITDA Generation with Future Expansion Opportunities
  - Solid 40% Aftermarket Content
  - Long Term Global Platform Visibility

Strong Strategic Alignment with Our Long-Term Growth Strategy

# Capital Deployment Track Record

