



ITT

ENGINEERED FOR LIFE



ITT Inc.
Q1 2018 Earnings Call
May 4, 2018

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.



Q1 2018 ITT Highlights



Financial Highlights

- **\$689M** Total Revenue, **+10%**
- **\$761M** Total Orders, **+14%**
- **+22%** Adj Segment Op Income
- **+140 bps** Adj Segment Op Income Margins to **15%**
- **\$0.77** Adj EPS, **+20%**



Execution

- Record ITT Orders, Revenue, Adj Segment OI, and Adj EPS
- +140 bps Adj Segment OI Margin, Led by +320 bps IP and +290 bps CCT
- Strong Productivity Gains Offset Commodity Cost Increases
- 90 bps Improvement in Working Capital % of Sales, Ex FX



Growth & Innovation

- Strong MT Friction Wins with Chinese OEMs
- Increased Front Axle & Copper Free Share Gains
 - New Platform Wins in North America with 2 Major OEMs
- Record CCT Orders; EV Connectors +199% & Rotorcraft +76%
- \$14M O&G Project Win in April



Capital Deployment

- \$50M in Share Repurchases Completed in Q1
- MT NA Friction Facility Ramping Production
- Increased Investment in Revolutionary ITT Smart Pad Technology
- \$32M Asbestos Insurance Settlement Income*

* Settlement Income Excluded from Adjusted Results



Q1 2018 ITT Results

Continuing Operations (unaudited)

\$ millions, except per share amounts

	Q1 2018	vs. 2017
Total Orders	\$761	+14%
Total Revenue	\$689	+10%
Adjusted Segment Operating Income	\$103	+22%
Adjusted Operating Income	\$92	+16%
Adjusted EPS	\$0.77	+20%

+4% Organic Orders

- ▲ +8% Organic Orders, Excluding \$26M PY O&G Order
- ▲ +5% Auto Friction Due to Global OEM Strength, Partially Offset by Aftermarket Phasing
- ▲ +9% CCT Orders From Strong Aerospace Components & Connectors and Oil & Gas Connectors
- ▼ (-17%) Pump Projects; +44% Ex Large PY O&G Project on Petrochemical, Mining & Industrial Demand Strength

+2% Organic Revenue

- ▲ +5% Transportation on Solid Growth in Rail & Aero and +9.5% OEM Friction
- ▲ +4% Industrial Due to +25% Pulp & Paper & 15% Mining
- ▼ (-10%) Oil & Gas Due to Projects



+22% Adjusted Segment Op Income

- ▲ Higher Motion Technologies Volume
- ▲ Net Operating Productivity, Including Restructuring Benefits
- ▲ Operational Improvements at Wolverine
- ▲ Favorable FX, Partially Offset by Higher Commodity Costs
 - (-\$5M) Growth Investments, Primarily MT NA Facility & ITT Smart Pad

+20% Adjusted EPS

- ▲ Strong Segment Execution
- ▼ Higher Environmental & Corporate Costs
- ▲ \$0.03 Tax Favorability (23.8%) vs PY (26.5%), Primarily Due to Italian Rate Reduction Actions

Q1 2018 Adjusted Segment Op Margins

Q1 2018

- ▲ **Top Line Drivers**
 - OEM Auto, Rail & General Industrial Volume, Partially Offset by Price
 - Unfavorable MT Aftermarket Mix

- ▲ **Strong Operational Execution**
 - Productivity, Including Supply Chain & Restructuring Actions Across All Segments
 - Benefits from MT Operating System Implementation at Wolverine
 - Improved Project Execution at IP

- ▼ **Higher Commodity Costs**
 - Growth Investments
 - Demand-Driven Expansions in China
 - Production Ramp at MT NA Facility
 - ITT Smart Pad Advancement

	vs. PY
Q1 2017 Adjusted Segment Operating Margin	13.6%
Volume, Mix, Price & Other	+0 bps
Net Operating Productivity & Restructuring Benefits	+160 bps
Operational Margins Subtotal	15.2%
FX	+60 bps
Growth Investments	-70 bps
Axtone Acquisition	-10 bps
Q1 2018 Adjusted Segment Operating Margin	15.0%





Motion Technologies

Q1 2018 Results

\$ millions (unaudited)	2018	vs. 2017
Total Revenue	\$342	+19%
Adjusted Segment Operating Income	\$63	+13%

+4% Organic Revenue

- ▲ +5% Friction Growth
 - +9.5% Friction OEM vs Global Market Production of (-1%)
 - Aftermarket Due to Phasing & Destocking in Europe
- ▲ Rail Share Gains Driven by Emerging Markets
 - Triple-Digit High-Speed Rail Growth in China
- ▲ Solid Wolverine Sales Led by Strong OEM in Europe & Asia

+13% Adjusted Op Income

- ▲ Strong Operational Productivity
- ▲ Wolverine (WAM) Productivity Improvements
 - +200 bps WAM Margins
- ▲ Favorable FX, Offsets Higher Commodity Costs and \$4M Strategic Investments
- ▼ Unfavorable Aftermarket Mix & Price

Q1 Highlights

- ▲ +10% Organic Order Growth
 - Solid OEM Friction Growth Due to North America & China
 - Axtone Rail & KONI Defense Strength
- ▲ Continued Share Gains in Strategic Markets
 - +19% NA Friction Revenue Growth vs (-3%) Market
 - +17% China Revenue on Strength in Friction & High Speed Rail
 - 4 Hybrid/EV Awards in China
 - Front Axle & Copper Free Wins With 2 Major NA OEMs
- ▲ Ramping Brake Pads Production in New NA Facility
- Strategic Investments to Drive Long-Term Growth
 - ITT Smart-Pad Advancing On-Board Opportunities
 - R&D Capabilities in China & Italy





Industrial Process

Q1 2018 Results

\$ millions (unaudited)	2018	vs. 2017
Total Revenue	\$190	+2%
Adjusted Segment Operating Income	\$17	+57%

FLAT Organic Revenue

- Flat Short-Cycle Businesses
 - +6% Aftermarket Due to +19% Service; +1% Parts
 - +1% Valves Driven by Strengthening General Industry & Chemical Markets
 - (-10%) Baseline Pumps Primarily Due to Soft O&G Activity in Asia
- ▼ (-1%) Projects on Strong Global Petrochem and General Industrial, Offset by O&G Weakness in NA

+57% Adjusted Op Income

- ▲ Increased Productivity, Supply Chain & Restructuring Benefits
- ▲ Continued Project Execution Improvement
 - Price Offsets Material Cost Increases
 - Strategic Investments in LEAN Initiatives

Q1 Highlights

- ▲ +320 Bps of Adj Segment Margin Improvement vs PY
- ▲ 220 bps Improvement in Working Capital as % Sales
- ▼ (-7%) Organic Orders Due to \$26M PY O&G Order
- ▲ +7% Sequential Organic Orders vs Q4 2017
- ▲ +5% Organic Orders, Ex \$26M PY O&G Order
 - +44% Projects, Ex PY O&G Project
 - (-4%) Short-Cycle Due to Prior Year Comparisons
 - Parts Due to Large PY Spare Parts Orders
 - Strength in Industrial & O&G Valves
 - +6% Sequential Growth vs Q4 2017
- ▲ \$14M O&G Project Order Received in April
- ▲ Strong Order Growth in Chemical +18% & Mining +14%
 - Shipped Largest ITT Vertical Twin-Screw Pump





Connect & Control Technologies

Q1 2018 Results

\$ millions (unaudited)	2018	vs. 2017
Total Revenue	\$158	+3%
Adjusted Segment Operating Income	\$23	+28%

FLAT Organic Revenue

- ▲ +4% Aerospace Led by +178% Rotorcraft and +12% Commercial Aero Connectors, Partially Offset by AM
- ▲ +1% General Industrial on Solid Global Energy Absorption & EV Charging Infrastructure Demand
- ▲ +3% O&G on Strength in the Middle East
- ▼ (-6%) Defense Due to Connectors, Partially Offset by Components Strength

+28% Adjusted Op Income

- ▲ Significant Productivity Gains in Operations & Supply Chain
- ▲ \$2M in Restructuring Benefits Driven by CCT Integration
- ▼ Material Cost Headwinds

Q1 Highlights

- ▲ +290 bps of Adj Margin Improvement vs PY
 - +530 bps Margin Improvement in Components
 - +70 bps Margin Improvement in Connectors
- ▲ +9% Organic Order Growth - Record Orders
 - +6% Sequentially vs Q4 2017; Strong Book:Bill at 1.2x
 - +23% Commercial Aerospace Due to Components, Aftermarket, Rotorcraft and +32% ECS Order Growth
 - +20% O&G Led by Middle East & North America
 - +199% EV Connector on Global Strength
- ▲ Share Gains Across Key Growth Markets
 - Multi-Year 787 Interiors Award Win
 - Rescue Helicopter Valves Award



2018 Guidance Updates

Updated 2018 Adjusted EPS Guidance

Previous 2018 Adjusted EPS Guidance Range	\$2.85 - \$3.15
Q1 Operational Execution	\$0.05
Increase to Previous Mid-Point	\$0.05
New 2018 Adjusted EPS Guidance Midpoint	\$3.05
New 2018 Adjusted EPS Guidance Range	\$2.95 - \$3.15



Raising Mid-Point of Previous 2018 Adjusted EPS Range



ITT

ENGINEERED FOR LIFE



**ITT Inc. Supplemental Q1 2018
Financial Data**

Q1 2018 ITT Adj Segment Performance

	Industrial Process	Motion Technologies	Connect & Control Technologies	Total Segments
Q1 2018 Total Revenue vs PY	2.0%	19.1%	3.0%	10.1%
FX	-2.2%	-12.8%	-2.6%	-7.1%
Acquisition/Disposition	0.0%	-1.9%	0.0%	-0.9%
Q1 2018 Organic Revenue vs PY	(-0.2%)	4.4%	0.4%	2.1%
<hr/>				
Q1 2017 Adjusted Operating Margin	5.8%	19.5%	11.9%	13.6%
Volume, Mix, Productivity & Other	3.4%	-0.5%	3.1%	1.6%
Growth Investments	-0.5%	-1.0%	-0.3%	-0.7%
Acquisition/Disposition	0.0%	-0.4%	0.0%	-0.1%
FX	0.3%	0.8%	0.1%	0.6%
Q1 2018 Adjusted Operating Margin	9.0%	18.4%	14.8%	15.0%



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, adjusted free cash flow, and backlog, some of which are non-GAAP. 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 for purposes of our reconciliation tables.

Organic Revenues and **Organic Orders** are defined as revenues 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 acquisitions-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 adjusted segment operating income 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 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, pension settlement and other curtailment costs, certain acquisition-related expenses, income tax settlements or adjustments, and 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. 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 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
First Quarter 2018 & 2017
(In Millions)

	(As Reported - GAAP)				(As Adjusted - Organic)				
	(A)	(B)	(C)		(D)	(E)	(F) = A-D-E	(G) =C-D-E	(H) = G / B
	3M 2018	3M 2017	Change 2018 vs. 2017	% Change 2018 vs. 2017	Acquisition / Divestitures 3M 2018	FX Impact 3M 2018	Revenue / Orders 3M 2018	Change Adj. 2018 vs. 2017	% Change Adj. 2018 vs. 2017
Revenue									
ITT Inc.	689.3	625.8	63.5	10.1%	5.5	44.7	639.1	13.3	2.1%
Industrial Process	189.8	186.1	3.7	2.0%	-	4.0	185.8	(0.3)	(0.2%)
Motion Technologies	342.2	287.3	54.9	19.1%	5.5	36.7	300.0	12.7	4.4%
Connect & Control Technologies	157.9	153.3	4.6	3.0%	-	4.0	153.9	0.6	0.4%
Orders									
Total Segment Orders	761.2	670.6	90.6	13.5%	17.7	45.9	697.6	27.0	4.0%
Industrial Process	210.1	221.8	(11.7)	(5.3%)	-	4.5	205.6	(16.2)	(7.3%)
Motion Technologies	369.9	287.2	82.7	28.8%	17.7	37.1	315.1	27.9	9.7%
Connect & Control Technologies	181.8	162.4	19.4	11.9%	-	4.2	177.6	15.2	9.4%

Note: Excludes intercompany eliminations
Immaterial differences due to rounding



ITT Inc. Non-GAAP Reconciliation
Reported vs Adjusted Segment Operating Income & Operating Margin
First Quarter 2018 & 2017
(In Millions)

	3M 2018	3M 2018	3M 2018	3M 2017*	3M 2017	3M 2017	% Change	% Change
	As Reported	Special Items	As Adjusted	As Reported	Special Items	As Adjusted	As Reported	As Adjusted
							2018 vs. 2017	2018 vs. 2017
Revenue:								
Industrial Process	189.8		189.8	186.1		186.1	2.0%	2.0%
Motion Technologies	342.2		342.2	287.3		287.3	19.1%	19.1%
Connect & Control Technologies	157.9		157.9	153.3		153.3	3.0%	3.0%
Intersegment eliminations	(0.6)		(0.6)	(0.9)		(0.9)		
Total Revenue	<u>689.3</u>		<u>689.3</u>	<u>625.8</u>		<u>625.8</u>	<u>10.1%</u>	<u>10.1%</u>
Operating Margin:								
Industrial Process	8.9%	10 BP	9.0%	4.4%	140 BP	5.8%	450 BP	320 BP
Motion Technologies	18.1%	30 BP	18.4%	19.1%	40 BP	19.5%	(100) BP	(110) BP
Connect & Control Technologies	14.6%	20 BP	14.8%	10.9%	100 BP	11.9%	370 BP	290 BP
Total Operating Segments	<u>14.8%</u>	<u>20 BP</u>	<u>15.0%</u>	<u>12.8%</u>	<u>80 BP</u>	<u>13.6%</u>	<u>200 BP</u>	<u>140 BP</u>
Income (loss):								
Industrial Process	16.9	0.1	17.0	8.1	2.7	10.8	108.6%	57.4%
Motion Technologies	61.9	1.0	62.9	55.0	0.9	55.9	12.5%	12.5%
Connect & Control Technologies	23.0	0.4	23.4	16.7	1.6	18.3	37.7%	27.9%
Total Segment Operating Income	<u>101.8</u>	<u>1.5</u>	<u>103.3</u>	<u>79.8</u>	<u>5.2</u>	<u>85.0</u>	<u>27.6%</u>	<u>21.5%</u>

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.

*2017 As Reported Operating Income was adjusted to reflect the adoption of ASU 2017-07 which amends the Statement of Operations presentation for the components of net periodic benefit cost for entities that sponsor defined benefit pension and other postretirement plans.

The 2017 adjustments to Segment Operating Income in the 2017 As Reported column were as follows:

Industrial Process	0.8
Motion Technologies	0.1
Connect & Control Technologies	0.4
Total Segment Operating Income	<u>1.3</u>



ITT Inc. Non-GAAP Reconciliation
Reported vs. Adjusted Income from Continuing Operations & Adjusted EPS
First Quarter 2018 & 2017
(In Millions, except per share amounts)

	Q1 2018 As Reported	Non-GAAP Adjustments	Q1 2018 As Adjusted	Q1 2017 As Previously Reported	ASU 2017-07 Adjustments (1)	Non-GAAP Adjustments	Q1 2017 As Adjusted	2018 vs. 2017 As Adjusted	Percent Change 2018 vs. 2017 As Adjusted
Segment Operating Income	101.8	1.5 #A	103.3	78.5	1.3	5.2 #A	85.0		
Corporate (Expense)	8.8	(19.9) #B	(11.1)	(22.9)	0.1	17.6 #B	(5.2)		
Operating Income	<u>110.6</u>	<u>(18.4)</u>	<u>92.2</u>	<u>55.6</u>	<u>1.4</u>	<u>22.8</u>	<u>79.8</u>		
Interest Income (Expense)	(0.7)	-	(0.7)	(0.4)	-	-	(0.4)		
Other Income (Expense)	(1.1)	-	(1.1)	(0.4)	(1.4)	-	(1.8)		
Income from Continuing Operations before Tax	<u>108.8</u>	<u>(18.4)</u>	<u>90.4</u>	<u>54.8</u>	<u>-</u>	<u>22.8</u>	<u>77.6</u>		
Income Tax (Expense)	(7.6)	(13.9) #C	(21.5)	(9.1)	-	(11.5) #C	(20.6)		
(Loss) income from Continuing Operations	<u>101.2</u>	<u>(32.3)</u>	<u>68.9</u>	<u>45.7</u>	<u>-</u>	<u>11.3</u>	<u>57.0</u>		
Less: Non Controlling Interest	0.1	-	0.1	(0.4)	-	-	(0.4)		
(Loss) income from Continuing Operations - ITT Inc.	<u>101.1</u>	<u>(32.3)</u>	<u>68.8</u>	<u>46.1</u>	<u>-</u>	<u>11.3</u>	<u>57.4</u>		
EPS from Continuing Operations	<u>1.14</u>	<u>(0.37)</u>	<u>0.77</u>	<u>0.52</u>	<u>-</u>	<u>0.12</u>	<u>0.64</u>	<u>0.13</u>	20.3%

Note: Amounts may not calculate due to rounding.

#A - 2018 includes restructuring costs (\$0.9M) and acquisition related costs (\$0.6M).

#A - 2017 includes restructuring and realignment costs (\$4.5M) and acquisition related costs of (\$0.7M).

#B - 2018 includes asbestos related benefit of (\$19.7M) and certain income associated primarily with the sale of excess property (\$0.2M).

Note: (\$19.7M) net asbestos related benefit includes a favorable settlement agreement (\$32.1M) offset by asbestos related expense to maintain 10 year accrual (\$12.4M).

#B - 2017 includes restructuring costs (\$0.6M), certain costs associated primarily with sale of excess property (\$2.1M), asbestos related expense (\$14.9M).

#C - 2018 includes various tax-related special items including tax benefit for valuation allowance change (\$22.1M), tax expense for tax law changes (\$0.5M), tax expense on future distribution of foreign earnings (\$3.7M), and the tax impact of other operating special items.

#C - 2017 includes various tax-related special items including tax benefit on excess stock based compensation of (\$1.1M), tax benefit for tax rate changes (\$1.3M), and the tax impact of other operating special items.

(1) The adjustments in March 2017 reflect the adoption of ASU 2017-07 which amends the Statement of Operations presentation for the components of net periodic benefit cost for entities that sponsor defined benefit pension and other postretirement plans.



ITT Inc. Non-GAAP Reconciliation
Net Cash - Operating Activities vs. Adjusted Free Cash Flow Conversion
First Quarter 2018 & 2017
(In Millions)

	<u>3M 2018</u>	<u>3M 2017</u>
Net Cash - Operating Activities *	42.4	26.9
Capital expenditures	28.7	36.7
Free Cash Flow	<u>13.7</u>	<u>(9.8)</u>
Insurance settlement agreement	(19.0)	-
Asbestos cash payments, net	12.8	13.0
Restructuring cash payments	2.4	5.4
Realignment-related cash (receipt) payments	(0.2)	4.5
Adjusted Free Cash Flow	<u>9.7</u>	<u>13.1</u>
Income from Continuing Operations - ITT Inc.	101.1	46.1
Special Items, net of tax	(32.3)	11.3
Income from Continuing Operations - ITT Inc., Excluding Special Items	<u>68.8</u>	<u>57.4</u>
Adjusted Free Cash Flow Conversion	<u>14.1%</u>	<u>22.8%</u>

* 2017 revised to reflect the new standard ASU 2016-18 regarding presentation of the changes in restricted cash.



ITT Inc. Non-GAAP Reconciliation GAAP vs. Adjusted EPS Guidance Full Year 2018

	2018 Full-Year Guidance	
	Low	High
EPS from Continuing Operations - GAAP	\$ 3.05	\$ 3.26
Estimated Asbestos Related Costs, Net of Tax	0.19	0.19
	\$ 3.24	\$ 3.45
Estimated Gain on Sale of Excess Property, Net of Tax	(0.33)	(0.34)
Estimated Restructuring, Realignment and Other Costs, Net of Tax	0.22	0.22
Acquisition Related Costs, Net of Tax	0.03	0.03
Other Special Tax Items	(0.21)	(0.21)
EPS from Continuing Operations - Adjusted	\$ 2.95	\$ 3.15



ITT Inc. Non-GAAP Reconciliation
Adjusted Segment Operating Income & Operating Margin
Restated to Align with New Pension Presentation Requirements*
Quarterly Historical Data 2017
(In Millions)

	Q1	Q2	Q3	Q4	FY 2017
Restated Adjusted Segment Income (loss):					
Industrial Process	10.8	15.4	17.5	28.0	71.7
Motion Technologies	55.9	52.8	52.6	37.6	198.9
Connect & Control Technologies	18.3	21.1	21.2	20.9	81.5
Total Adjusted Segment Operating Income	85.0	89.3	91.3	86.5	352.1
Adjusted Segment Operating Margin:					
Industrial Process	5.8%	8.0%	8.9%	12.0%	8.9%
Motion Technologies	19.5%	18.2%	17.5%	12.6%	16.9%
Connect & Control Technologies	11.9%	14.1%	14.2%	13.6%	13.5%
Total Adjusted Operating Segments	13.6%	14.2%	14.2%	12.7%	13.6%

* The 2017 Adjusted Segment Income was restated as are required under the FASB issued ASU 2017-07 which amends the Statement of Operations presentation for the components of net periodic benefit cost for entities that sponsor defined benefit pension and other postretirement plans.

