



ITT

ENGINEERED FOR LIFE



ITT Inc.
2018 Baird Global Industrial Conference
November 7th, 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.



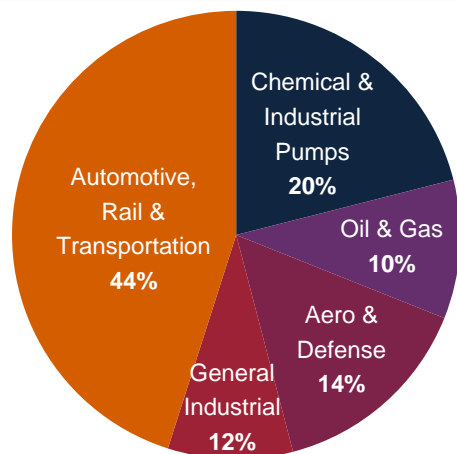
ITT: Engineered for Growth

ITT is a diversified leading manufacturer of **highly engineered critical components and customized technology solutions** for the transportation, industrial, and oil & gas markets

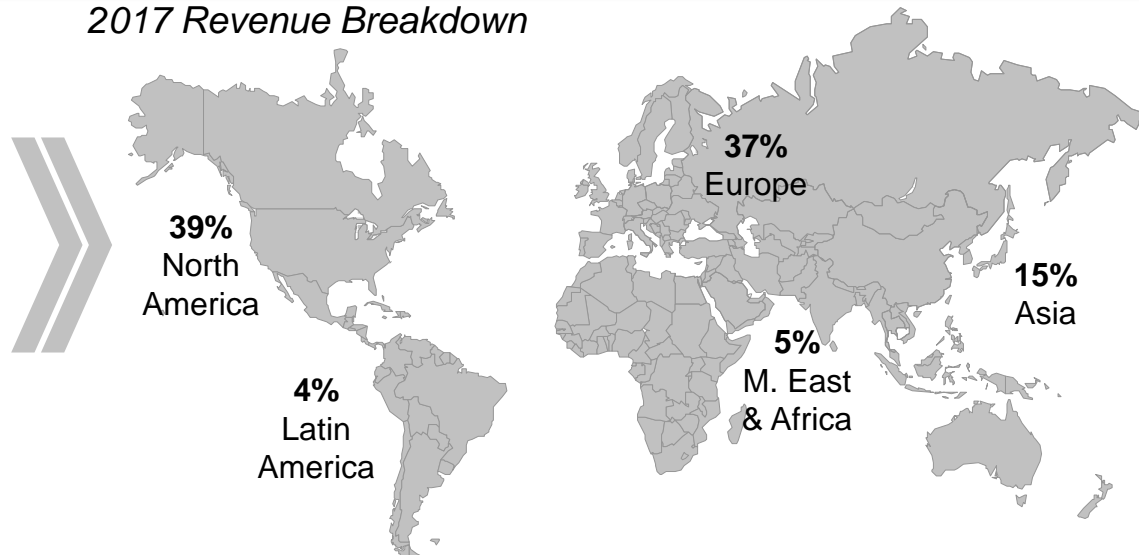
Strong Foundation

- ✓ Highly engineered, customized products & services
- ✓ Leading positions in attractive end markets
- ✓ Balanced geographies & cycles
- ✓ Longstanding brands and operating history
- ✓ Maintaining a healthy, high-performing culture

Portfolio Strength & Balanced Diversification



2017 Revenue Breakdown



2018 Strategic Overview



Execution

- Driving World-Class Operational Capabilities Across ITT
 - Expanding LEAN Across All 3 Segments
 - Supply Chain and Working Capital Rationalization
- Exceptional Q3 Execution:
 - ✓ Record 15.7% Segment OI Margins
 - ✓ +110bps Working Capital
 - ✓ +38% Cash from Operations

**+21%
Adjusted EPS Growth***



Innovation

- Align with Customer & Macro Trends
- New Technologies & Geographic Expansion
- Disruptive Technology Initiative
- Significant 2018 Progress:
 - ✓ SmartPad
 - ✓ Rotorcraft
 - ✓ EV Charging Stations
 - ✓ High Speed Rail

**+4% of Sales Invested
in R&D**



Growth

- Global Market Share Gains from Execution
- Capitalize on Stabilizing Global Markets
- Focused Growth in Targeted Niche Markets
- Share Gains in Key End Markets:
 - ✓ Out-Growing Global Auto Production by 4X
 - ✓ Global Chemical
 - ✓ Execution Drives Connector Growth

**+4.5%
Organic Sales Growth***



Cap Deployment

- Maintain Investment Grade Balance Sheet
- Focused Strategic Investments
 - Global Friction Expansion to Meet Awarded Customer Volumes
- Major 2018 Accomplishments:
 - ✓ 10% Reduction in Net Asbestos
 - ✓ \$38M Gain on Property Sale
 - ✓ Successful Euro CP Launch

**+4% of Sales Invested
in CapEx**



*Growth Rates Aligned with Full Year 2018 Guidance Provided on 11/2/18

Strategic Focus Areas & Capital Deployment

Capital Deployment Philosophy

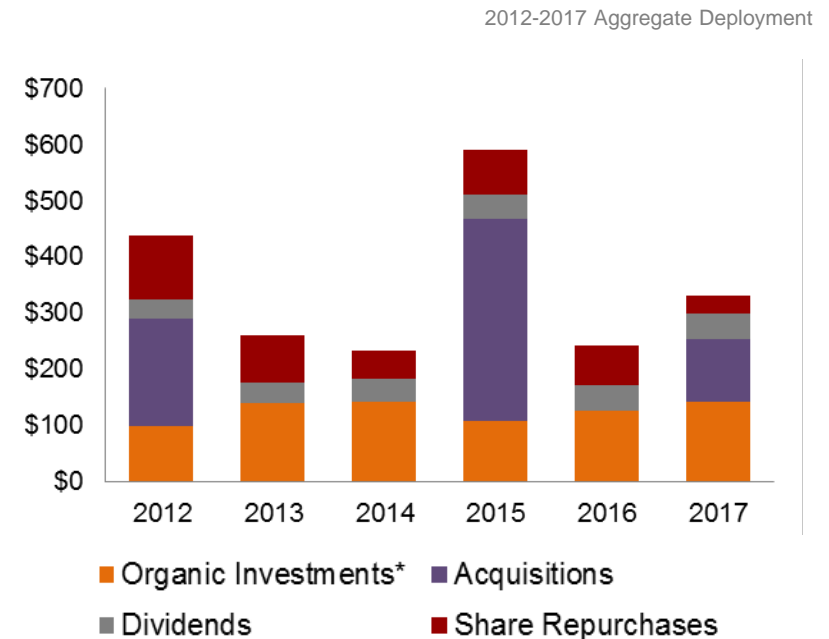
- **Maintain Investment Grade Balance Sheet**
- **Fund Organic Investments**
 - Capital Expenditures That Drive ROIC Expansion
 - Fund Geographic Expansion
 - Investments In Auto for Awarded Platforms
- **Targeted Acquisitions**
 - Financial Metrics Delivered
 - Close-to-Core & Selected Adjacencies
 - All VCs Ready for Inorganic Growth
 - Intensified Cultivation of Targets
- **Growth Dividend**
 - Growth Company Yield At or Below 1%

Balanced Deployment Track Record

~\$700M
in acquisitions

~\$700M
in repurchases and
dividends

~\$800M
in organic
investments



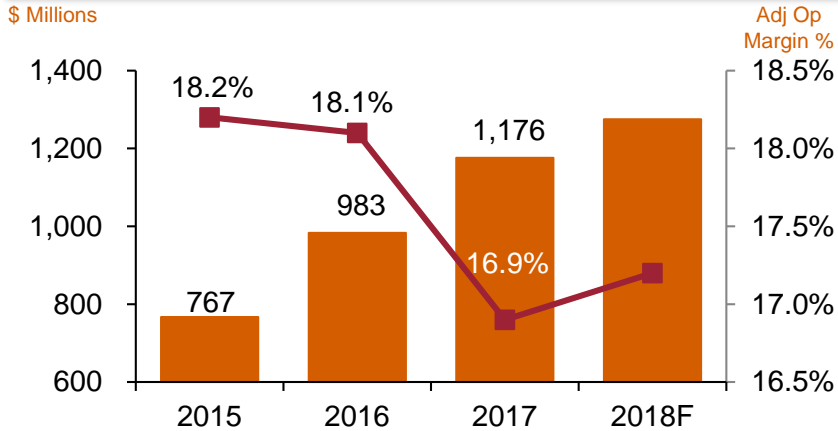
*Includes Both Capital Expenditures & Strategic Investments





Motion Technologies

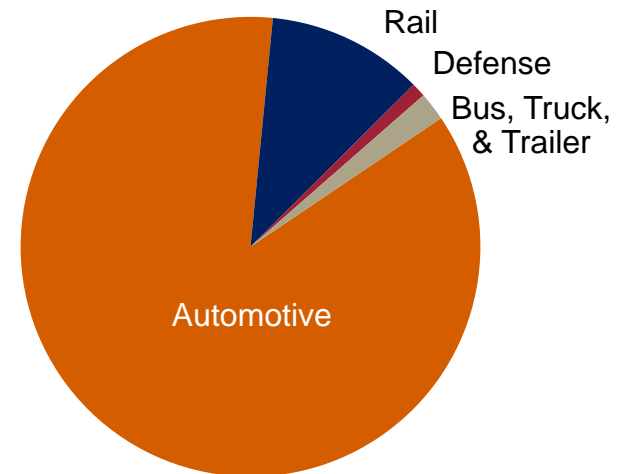
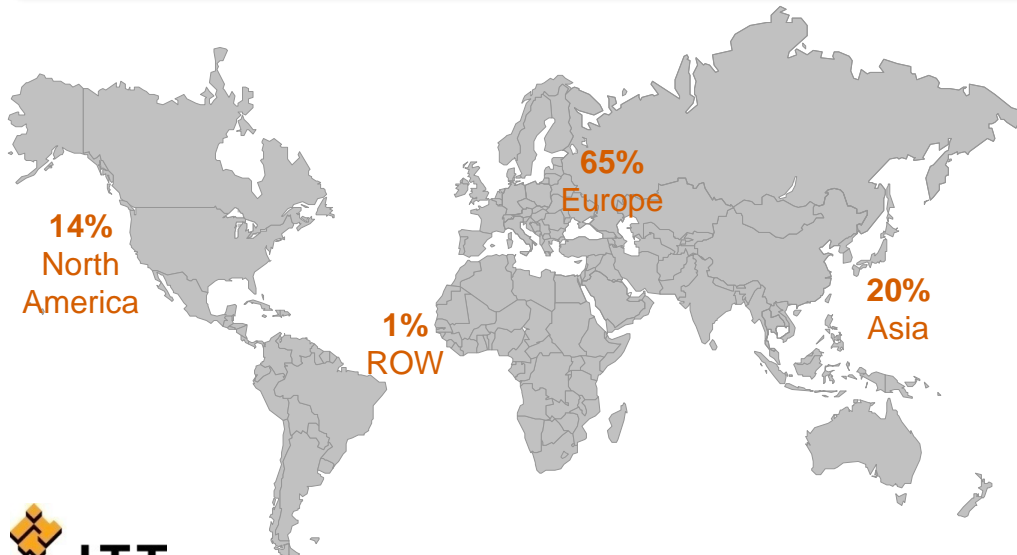
Revenue



Long-Term Growth Drivers

- ◆ Growing Global Transportation Powerhouse
 - Significant Long-Term Global Growth Drivers
 - Long-Term Platform Visibility & 36% Aftermarket
- ◆ Differentiated World-Class Manufacturing & R&D
- ◆ ITT Smart Pad - A Revolutionary Sensor-Enabled Active Braking Technology
- ◆ Diversification Through M&A : Wolverine (Material Science) & Axtone (Rail)

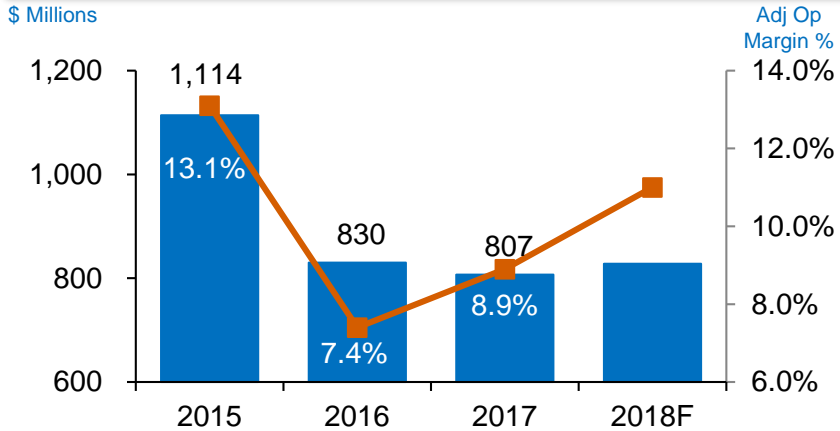
2017 Revenue Breakdown





Industrial Process

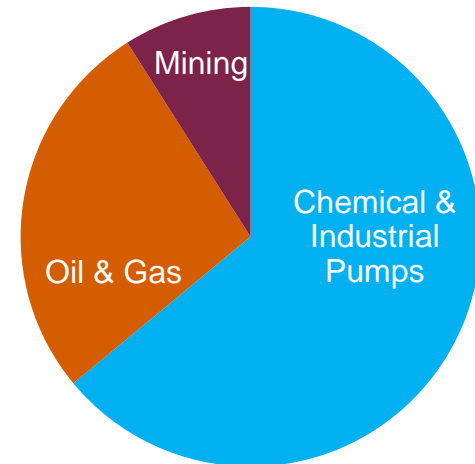
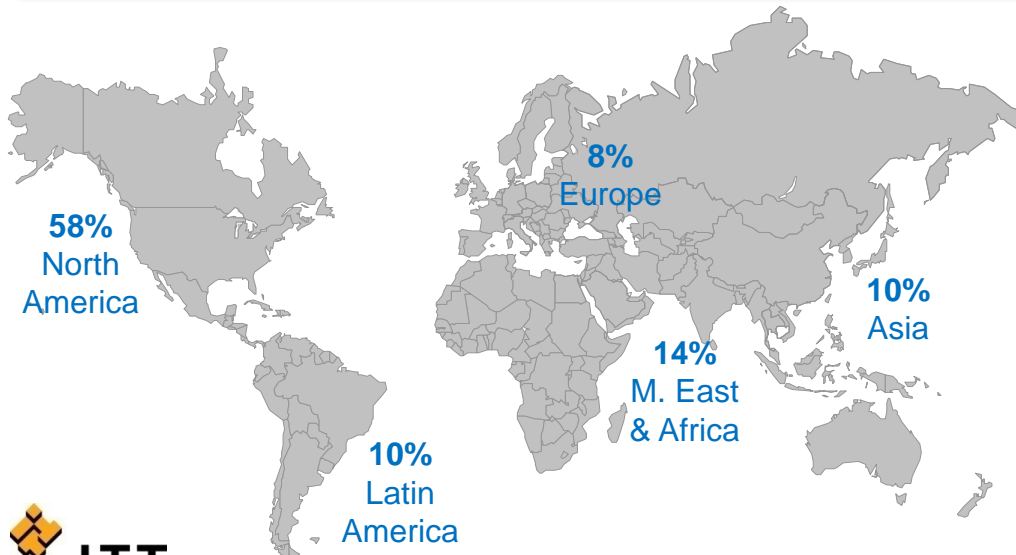
Revenue



Long-Term Growth Drivers

- ◆ Strong Goulds Pumps Brand & Reputation
- ◆ Leader in North American Chemical & GI Markets
- ◆ Innovative Equipment Monitoring Technologies
- ◆ >40% Aftermarket Revenues
- ◆ Driving Global Execution
 - Targeting Triple-Digit Margin Expansion in 2018

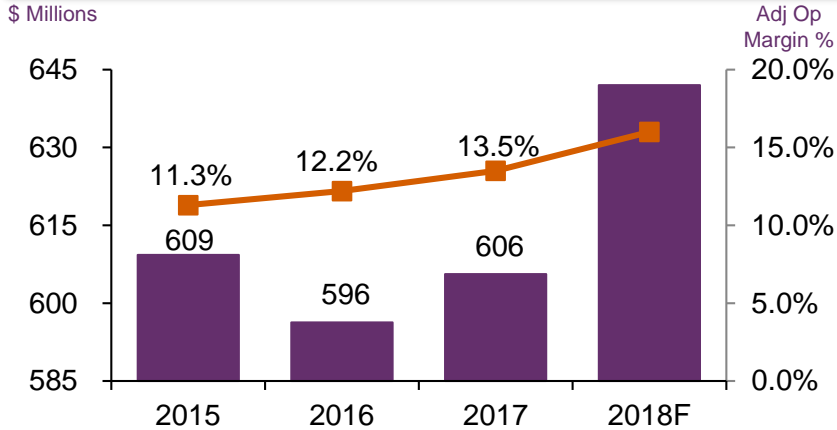
2017 Revenue Breakdown





Connect & Control Technologies

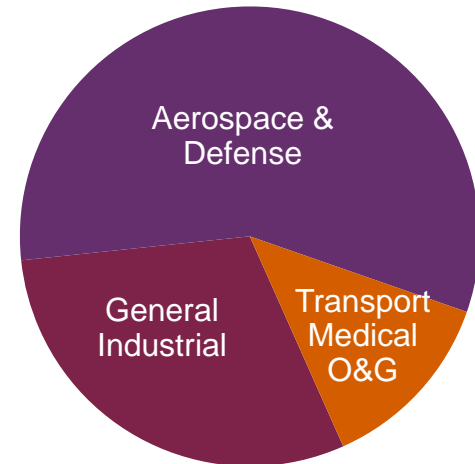
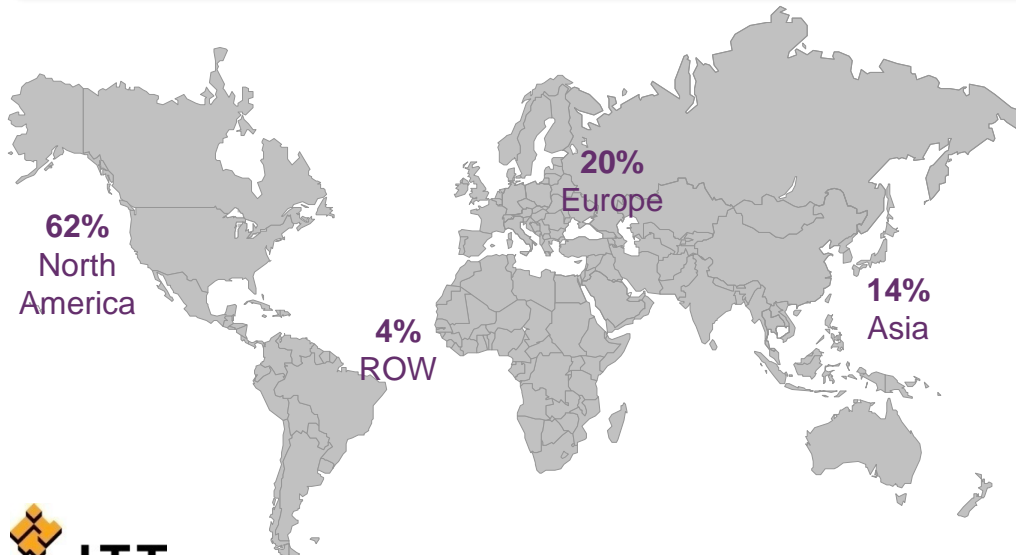
Revenue



Long-Term Growth Drivers

- ◆ ~60% Aerospace & Defense
 - Expand Rotorcraft, Composite & Aftermarket Portfolio
 - Leverage Scale at Manufacturing Centers of Excellence
- ◆ ~40% Gen Industrial, Transportation, Medical, O&G
 - Enhanced Product Offerings, Including Medical, Electric Vehicle and O&G Connectors
- ◆ Driving Triple-Digit Margin Expansion in 2018

2017 Revenue Breakdown





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Q&A