

CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS (UNAUDITED)

(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)

For the Three Months Ended March 31	2019	2018
Revenue	\$ 695.5	\$ 689.3
Costs of Revenue	476.7	465.1
Gross profit	218.8	224.2
General and administrative expenses	51.9	65.1
Sales and marketing expenses	40.2	43.5
Research and development expenses	23.5	24.7
Asbestos-related costs (benefit), net	12.6	(19.7)
Operating income	90.6	110.6
Interest and non-operating (income) expenses, net	(0.5)	1.8
Income from continuing operations before income tax	91.1	108.8
Income tax expense	19.7	7.6
Income from continuing operations	71.4	101.2
Income from discontinued operations, net of tax	—	0.1
Net income	71.4	101.3
Less: Income attributable to noncontrolling interests	0.1	0.1
Net income attributable to ITT Inc.	\$ 71.3	\$ 101.2
Amounts attributable to ITT Inc.:		
Income from continuing operations, net of tax	\$ 71.3	\$ 101.1
Income from discontinued operations, net of tax	—	0.1
Net income	\$ 71.3	\$ 101.2
Earnings per share attributable to ITT Inc.:		
Basic:		
Continuing operations	\$ 0.81	\$ 1.15
Net income	\$ 0.81	\$ 1.15
Diluted:		
Continuing operations	\$ 0.80	\$ 1.14
Net income	\$ 0.80	\$ 1.14
Weighted average common shares – basic	87.6	88.0
Weighted average common shares – diluted	88.6	89.0

CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(IN MILLIONS)

	March 31, 2019	December 31, 2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 554.0	\$ 561.2
Receivables, net	582.7	540.0
Inventories, net	396.2	380.5
Other current assets	146.0	163.4
Total current assets	1,678.9	1,645.1
Plant, property and equipment, net	513.2	518.8
Goodwill	872.5	875.9
Other intangible assets, net	131.7	136.1
Asbestos-related assets	302.5	309.6
Deferred income taxes	161.7	164.5
Other non-current assets	276.6	196.8
Total non-current assets	2,258.2	2,201.7
Total assets	\$ 3,937.1	\$ 3,846.8
Liabilities and Shareholders' Equity		
Current liabilities:		
Commercial paper and current maturities of long-term debt	\$ 114.4	\$ 116.2
Accounts payable	344.4	339.2
Accrued liabilities	401.7	416.7
Total current liabilities	860.5	872.1
Asbestos-related liabilities	771.4	775.1
Postretirement benefits	205.7	208.2
Other non-current liabilities	228.2	166.5
Total non-current liabilities	1,205.3	1,149.8
Total liabilities	2,065.8	2,021.9
Total ITT Inc. shareholders' equity	1,868.6	1,822.4
Noncontrolling interests	2.7	2.5
Total shareholders' equity	1,871.3	1,824.9
Total liabilities and shareholders' equity	\$ 3,937.1	\$ 3,846.8

CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS (UNAUDITED)

(IN MILLIONS)

For the Year to Date Period Ended March 31	2019	2018
Operating Activities		
Income from continuing operations attributable to ITT Inc.	\$ 71.3	\$ 101.1
Adjustments to income from continuing operations		
Depreciation and amortization	26.4	27.6
Equity-based compensation	4.5	4.5
Non-cash lease expense	5.0	—
Asbestos-related costs (benefit), net	12.6	(19.7)
Asbestos-related payments, net	(9.9)	(12.8)
Changes in assets and liabilities:		
Change in receivables	(47.1)	(13.3)
Change in inventories	(17.3)	(20.7)
Change in accounts payable	18.8	10.4
Change in accrued expenses	(29.5)	(31.2)
Change in income taxes	9.5	0.1
Other, net	(2.2)	(3.6)
Net Cash – Operating activities	42.1	42.4
Investing Activities		
Capital expenditures	(29.2)	(28.7)
Other, net	0.4	0.5
Net Cash – Investing activities	(28.8)	(28.2)
Financing Activities		
Commercial paper, net (repayments) borrowings	—	(162.4)
Short-term revolving loans, borrowings	—	246.5
Long-term debt issued	7.1	—
Long-term debt, repaid	(0.2)	(1.5)
Repurchase of common stock	(19.9)	(55.3)
Proceeds from issuance of common stock	5.1	0.6
Dividends paid	(13.2)	(0.2)
Other, net	0.1	—
Net Cash – Financing activities	(21.0)	27.7
Exchange rate effects on cash and cash equivalents	0.7	8.2
Net cash from discontinued operations – operating activities	(0.4)	(1.2)
Net change in cash and cash equivalents	(7.4)	48.9
Cash and cash equivalents – beginning of year	562.2	391.0
Cash and Cash Equivalents – End of Period	\$ 554.8	\$ 439.9
Supplemental Cash Flow Disclosures		
Cash paid (received) during the year for:		
Interest	\$ 1.0	\$ 1.0
Income taxes, net of refunds received	9.3	7.0