

CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS (UNAUDITED)
(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)

For the Periods Ended September 30	Three Months		Nine Months	
	2020	2019	2020	2019
Revenue	\$ 591.2	\$ 711.9	\$1,769.2	\$2,127.3
Costs of revenue	400.6	480.6	1,205.6	1,445.2
Gross profit	190.6	231.3	563.6	682.1
General and administrative expenses	47.1	61.9	148.8	175.3
Sales and marketing expenses	33.4	41.6	110.7	124.5
Research and development expenses	19.7	23.8	61.3	73.1
Asbestos-related costs (benefit), net	141.4	(56.2)	116.7	(31.8)
Restructuring costs	11.5	6.7	42.5	10.9
Asset impairment charges	—	1.0	16.3	1.0
Operating (loss) income	(62.5)	152.5	67.3	329.1
Interest and non-operating expenses (income), net	1.2	(0.4)	4.0	(1.3)
(Loss) income from continuing operations before income tax expense	(63.7)	152.9	63.3	330.4
Income tax (benefit) expense	(16.2)	34.1	(19.6)	73.1
(Loss) income from continuing operations	(47.5)	118.8	82.9	257.3
Income (loss) from discontinued operations, net of tax benefit (expense) of \$0.5, \$0.1, \$(0.2) and \$0.1, respectively	1.2	(0.1)	3.9	(0.2)
Net (loss) income	(46.3)	118.7	86.8	257.1
Less: Income attributable to noncontrolling interests	0.5	0.1	0.8	0.4
Net (loss) income attributable to ITT Inc.	\$ (46.8)	\$ 118.6	\$ 86.0	\$ 256.7
Amounts attributable to ITT Inc.:				
(Loss) income from continuing operations, net of tax	\$ (48.0)	\$ 118.7	\$ 82.1	\$ 256.9
Income (loss) from discontinued operations, net of tax	1.2	(0.1)	3.9	(0.2)
Net (loss) income attributable to ITT Inc.	\$ (46.8)	\$ 118.6	\$ 86.0	\$ 256.7
Earnings (loss) per share attributable to ITT Inc.:				
Basic:				
Continuing operations	\$ (0.55)	\$ 1.35	\$ 0.95	\$ 2.93
Discontinued operations	0.01	—	0.04	—
Net (loss) income	\$ (0.54)	\$ 1.35	\$ 0.99	\$ 2.93
Diluted:				
Continuing operations	\$ (0.55)	\$ 1.34	\$ 0.94	\$ 2.90
Discontinued operations	0.01	—	0.04	—
Net (loss) income	\$ (0.54)	\$ 1.34	\$ 0.98	\$ 2.90
Weighted average common shares – basic	86.4	87.8	86.8	87.7
Weighted average common shares – diluted	86.4	88.7	87.4	88.6

CONSOLIDATED CONDENSED BALANCE SHEETS (UNAUDITED)
(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)

	September 30, 2020	December 31, 2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 782.3	\$ 612.1
Receivables, net	490.2	578.4
Inventories, net	378.5	392.9
Other current assets	171.8	153.4
Total current assets	1,822.8	1,736.8
Plant, property and equipment, net	505.7	531.5
Goodwill	928.9	927.2
Other intangible assets, net	112.2	138.0
Asbestos-related assets	318.4	319.6
Deferred income taxes	182.3	138.1
Other non-current assets	306.1	316.5
Total non-current assets	2,353.6	2,370.9
Total assets	\$ 4,176.4	\$ 4,107.7
Liabilities and Shareholders' Equity		
Current liabilities:		
Commercial paper and current maturities of long-term debt	\$ 118.7	\$ 86.5
Accounts payable	300.5	332.4
Accrued liabilities	446.8	430.8
Total current liabilities	866.0	849.7
Asbestos-related liabilities	856.7	731.6
Postretirement benefits	213.9	213.9
Other non-current liabilities	215.3	234.7
Total non-current liabilities	1,285.9	1,180.2
Total liabilities	2,151.9	2,029.9
Shareholders' equity:		
Common stock:		
Authorized – 250.0 shares, \$1 par value per share		
Issued and outstanding – 86.4 shares and 87.8 shares, respectively	86.4	87.8
Retained earnings	2,341.9	2,372.4
Total accumulated other comprehensive loss	(407.4)	(385.3)
Total ITT Inc. shareholders' equity	2,020.9	2,074.9
Noncontrolling interests	3.6	2.9
Total shareholders' equity	2,024.5	2,077.8
Total liabilities and shareholders' equity	\$ 4,176.4	\$ 4,107.7

CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS (UNAUDITED)
(IN MILLIONS)

For the Nine Months Ended September 30	2020	2019
Operating Activities		
Income from continuing operations attributable to ITT Inc.	\$ 82.1	\$ 256.9
Adjustments to income from continuing operations:		
Depreciation and amortization	82.0	81.1
Equity-based compensation	9.7	12.3
Asbestos-related costs (benefit), net	116.7	(31.8)
Asset impairment charges	16.3	1.0
Other non-cash charges, net	33.5	24.9
Asbestos-related payments, net	(8.9)	(20.1)
Contributions to postretirement plans	(7.2)	(19.7)
Changes in assets and liabilities:		
Change in receivables	77.8	(41.9)
Change in inventories	13.8	(28.2)
Change in contract assets	0.4	(13.4)
Change in contract liabilities	1.7	(9.1)
Change in accounts payable	(34.8)	3.6
Change in accrued expenses	15.2	(7.2)
Change in income taxes	(63.9)	23.3
Other, net	(16.3)	(10.0)
Net Cash – Operating activities	318.1	221.7
Investing Activities		
Capital expenditures	(47.6)	(69.3)
Acquisitions, net of cash acquired	(4.7)	(113.1)
Other, net	1.9	1.6
Net Cash – Investing activities	(50.4)	(180.8)
Financing Activities		
Commercial paper, net borrowings	30.7	11.5
Short-term revolving loans, borrowings	495.8	—
Short-term revolving loans, repayments	(524.7)	—
Long-term debt, issued	1.5	7.1
Long-term debt, repayments	(1.3)	(2.1)
Repurchase of common stock	(83.9)	(38.3)
Proceeds from issuance of common stock	1.7	11.6
Dividends paid	(29.7)	(26.1)
Other, net	—	(0.6)
Net Cash – Financing activities	(109.9)	(36.9)
Exchange rate effects on cash and cash equivalents	12.2	(10.6)
Net Cash – Operating activities of discontinued operations	0.2	1.1
Net change in cash and cash equivalents	170.2	(5.5)
Cash and cash equivalents – beginning of year (includes restricted cash of \$0.8 and \$1.0, respectively)	612.9	562.2
Cash and cash equivalents – end of period (includes restricted cash of \$0.8 and \$1.0, respectively)	\$ 783.1	\$ 556.7
Supplemental Disclosures of Cash Flow Information		
Cash paid during the year for:		
Interest	\$ 2.6	\$ 2.2
Income taxes, net of refunds received	\$ 40.9	\$ 47.9