

ITT Inc.

Q3 2020 Results

10.30.2020



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” 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.

This presentation and the discussion on the accompanying conference call contain certain financial measures that are not prepared under U.S. GAAP. These non-GAAP financial measures supplement our GAAP disclosures and are not meant to be considered in isolation or as a substitute for the most directly comparable measures that are prepared in accordance with GAAP. These measures may not be comparable to similarly titled measures disclosed by other companies. For a reconciliation of these non-GAAP financial measures to the most directly comparable measures disclosed under GAAP, refer to the appendix to this presentation or www.itt.com/investors.

Financial Performance

- **\$0.82** Adj EPS **+44%** vs Q2 Driven by Revenue Growth & Structural Cost Actions
- **16.2%** Adj Seg OI Margin **+360 bps** vs Q2
- **15.4%** Adj OI Margin **+20 bps** vs PY; ITT Record
- **\$271M** Free Cash Flow, **+77%** vs PY; **15.4%** FCF Margin TTM^[1]

Operational Excellence

- **19%** Adj Seg Decremental Margins; **40%** Adj Seg Incremental Margin vs Q2
- **14.1%** IP Adj Op Margin Q3 Record; **+120 bps** vs PY
- **18.5%** MT Adj Op Margin; **(-30) bps** vs PY
- **180 bps** Seg Working Capital Improvement Ex FX vs PY

Customer Centricity

- **+92%** Friction OE Sequential Revenue Growth
- **+14%** Short-Cycle Pump Orders vs Q2 on Strong Parts
- Industry-Leading Global On-Time Pump Delivery Performance; **~95%** SFO Baseline Pumps
- Partnering & Investing in **Co-Development** with A&D Customers for Future Funded Projects

Effective Capital Deployment

- **~\$1.5B** Available Liquidity; Balance Sheet Strength & Liquidity
- FY Free Cash Flow Margin Target Raised to **13% - 15%**
- Capital Expenditures Focused on **Productivity & Innovation**
- Effective Legacy Liability Management: US Pension **Terminated** in October

\$ millions (except EPS)	2020	vs 2019
Total Revenue	\$591	(-17%)
Adj Segment Operating Income	\$96	(-19%)
Adj Operating Income	\$91	(-16%)
Adjusted EPS	\$0.82	(-15%)
Free Cash Flow	\$271	+77%

(-18%) Organic Revenue

- (-14%) Industrial: COVID-19 Impact; Large PY Chemical Pump Project Deliveries
- (-19%) Transportation:
 - (-14%) Friction on Lower Production and Reduced Aftermarket
 - (-36%) Aerospace & Defense on Reduced Air Travel & Platform Delays
 - (-8%) Rail on Global Passenger Traffic Weakness

+77% Free Cash Flow

- \$271M Free Cash Flow Generation
- 180 bps Segment Working Capital Improvement Ex FX
- (-31%) Capital Expenditure Reduction
- 15.4% Free Cash Flow Margin TTM^[1]

(-19%) Adj Segment OI

- COVID-19 Volume Impacts
- 19% Adj Decremental Margin
- Shop Floor Productivity & Supply Chain Efficiency
- Restructuring Benefits
- Incremental Investments in Pump VA/VE^[2] Initiatives

(-15%) Adj EPS

- Adj Segment OI Impacts
- \$5M Corporate Cost Reduction
- (-\$2M) Unfavorable FX
- Higher Tax Rate
- Lower Share Count

\$ millions (except EPS)	Q3	vs Q2
Total Revenue	\$591	+15%
Adj Segment Operating Income	\$96	+48%
Adj Operating Income	\$91	+42%
Adjusted EPS	\$0.82	+44%
Free Cash Flow	\$271	+60%

+12% Organic Revenue

- Strong Sequential Recovery:
 - +92% Friction OE; Outperformance vs +61% Market^[1] Driven by NA & China
 - +41% Pump Projects from Oil & Gas and Chemical
 - +17% Defense Driven by Connectors
- Lower Aerospace & Rail Demand Persists

+48% Adj Segment OI

- 40% Adj Incremental Margin on Structural Cost Actions
- Sequential Volume Growth from Auto Market Recoveries & New Platform Starts
- Negative Mix Offset by Efficiency Step Up at Existing High-Performing Facilities
- Benefits from Restructuring Actions & Product Line Transfers
- Reduced COVID-19 Impacts on Customers

+44% Adj EPS

- Adj Segment OI Growth from Volume and Productivity
- Q2 Environmental Benefit Partially Offset by Q3 Interest & FX Favorability

Q3 2020 Results

\$ millions **2020** vs 2019

Total Revenue **\$272** (-11%)

Adj Segment Operating Income **\$50** (-12%)

(-13%) Organic Revenue

- (-14%) Auto on Lower Production Rates
 - (-1%) Friction OE
- +92% Friction OE Sales Growth vs Q2
 - Strong Outperformance vs Market^[1]
- Strong YTD Outperformance^[1]:
 - Europe: +130 bps
 - China: +1,050 bps
 - NA: +1,010 bps
- Continued COVID-19 Impacts in Rail

(-12%) Adj Op Income

- COVID-19 Impacts on Auto Production
- Negative Mix and Price
- Productivity, Sourcing & Restructuring Savings
- Incremental SmartPad Investments Offset by Government Grant

Highlights

- 18.5% Adj Segment OI Margin
 - (-30) bps vs PY & +630 bps vs Q2
- 21% Adj Decremental Margin
- 36% Adj Sequential Incremental Margin vs Q2
- China & Mexico Friction Margins Near All-Time Highs
- +40 bps Wolverine Margins Despite Double-Digit Revenue Declines
- Friction Share Gain Awards Continue
 - Increased Award Activity Since Q2
 - 15 Global Friction EV Platform Awards
- Wolverine Share Gains in Seals & Gaskets



\$ millions	2020	vs 2019
Total Revenue	\$194	(-19%)
Adj Segment Operating Income	\$27	(-12%)

(-19%) Organic Revenue

- (-34%) Projects: Large PY Chemical and Oil & Gas Shipments
- (-13%) Short-Cycle
 - (-10%) Aftermarket on Parts & Service
 - (-14%) Valves on Lower Industrial Run-Rate Business
 - (-16%) Baseline: Weaker Industrial & Oil & Gas in NA

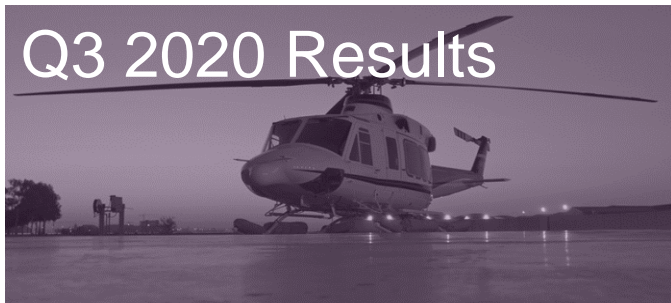
(-12%) Adj Op Income

- Volume Declines Partially Mitigated by Mix & Price
- Strategic Procurement Actions & Materials Savings
- Shop Floor Productivity at SFO
- Cost Containment Actions & Restructuring Benefits
- Innovation Investments & (-\$2M) FX

Highlights

- 14.1% Adj Segment OI Margin
 - +120 bps vs PY; +40 bps vs Q2
- 8% Adj Decremental Margin
- (-17%) Organic Orders
 - (-12%) Short-Cycle
 - (-33%) Projects; Large PY Municipal Order
- +14% Short-Cycle Pump Orders vs Q2
- 800 bps Working Capital Improvement Ex FX
 - Historic Low Working Capital Performance
- Global Footprint Optimization Accelerating
- New Purchasing Organization Drives Supply Chain Savings
- Ai Diagnostics i-Alert® Launched
- VA/VE^[1] Product Redesign Drives New Bookings

Q3 2020 Results



\$ millions **2020** vs 2019

Total Revenue **\$126** (-25%)

Adj Segment Operating Income **\$18** (-40%)

(-26%) Organic Revenue

- (-36%) Aerospace & Defense
 - Boeing & Tier 1 Slowdowns Including Continued 737 MAX Stoppage
 - PY Defense Program Deliveries
- (-2%) Industrial; +3% Connectors Offset by Lower Components
- (-35%) O&G Connectors; NA Market Decline Partially Offset by Share Gains in Middle East

(-40%) Adj Op Income

- Large Aerospace Volume Decline
- Shop Floor Productivity in Nogales & Valencia
- Sourcing Actions & Product Line Transfer Benefits
- Restructuring Benefits from Aggressive Cost Actions

Highlights

- 14.1% Adj Segment OI Margin
 - +300 bps vs Q2
- 28% Adj Decremental Margin
- (-48%) Aero & Defense Organic Orders
- +9% Industrial Connectors Organic Orders
- +2% Sequential Organic Orders vs Q2
 - +19% Commercial Aero
 - +5% Industrial Connectors
- New Leadership Focused on Growth & MT Business Approach Adoption
- Incremental Restructuring Actions
- Product Line Transfers & New Footprint Actions
- Insourcing Opportunities

2020 Cost Reduction Progress



2020 ACTIONS	Progress	Savings Target
▪ <i>Annualized</i> Savings from Entity-Wide Headcount Reductions	Executed	\$70
▪ <i>Annualized</i> Global Footprint Optimization	Tracking	\$10
▪ Discretionary Spend and Supply Chain Productivity	Exceeding	\$35
▪ Reduced Compensation: BOD, CEO & Other Execs & 401(k)	Exceeded	\$10
▪ Planned Reduction in Capital Expenditures vs 2019	Tracking	\$35
TOTAL		\$160

Improved FY 2020 Adj Decremental Margin Target:
21% to 24%

Successful Asbestos Management

- Reduction in Annual Cash Outflow Projections
 - 10-Yr Average Outflow Projection Down to \$25M at Mid-Point
 - Minimal Cash Outlays Projected for 2020 & 2021

- \$100M Insurance Settlements Received in 2020

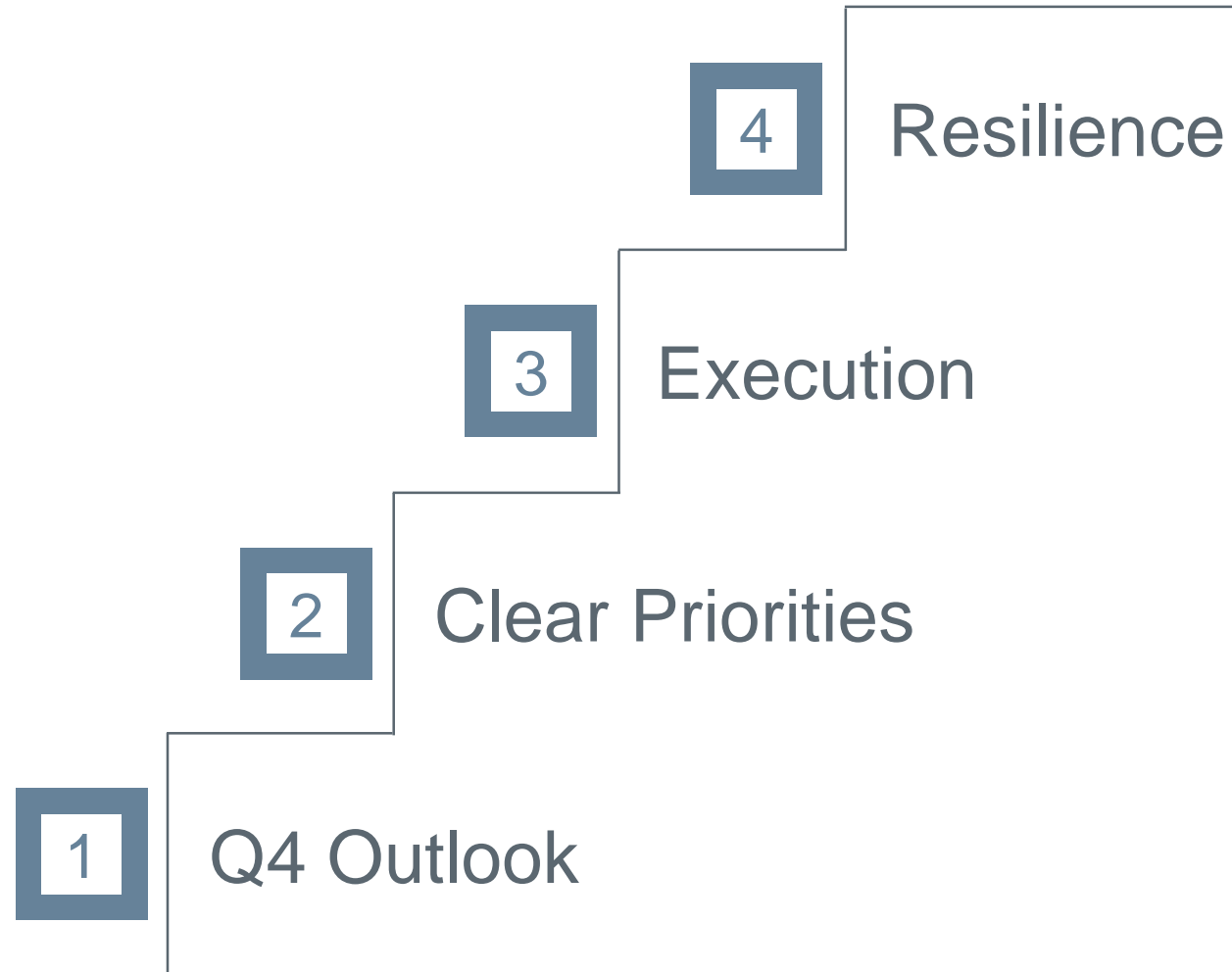
- Full Horizon Transition
 - Increased Stability in Defense Costs & Settlement Payments
 - Positive Litigation Developments & Settlements Increase Visibility & Certainty Regarding Insurance Recoveries
 - Assets and Liabilities Now Estimated Through 2052
 - \$136M One-Time Non-Cash Expense

- (-25%) Reduction in Net Liabilities Since Spin

	12/31/19	Current
Years 1 – 10	\$28M - \$38M	\$20M - \$30M
<i>Projected, Average, Annual, Net^[1], After-Tax Cash Outflows for Defense and Settlement Payments</i>		

\$ millions	12/31/19	9/30/20	Change
Gross Liability	\$ 818	\$ 792	\$ (26)
Asset	(387)	(390)	(3)
Net Liability	\$ 431	\$ 402	\$ (29)
Net Horizon Adjustment	-	136	136
Final Net Liability	\$ 431	\$ 538	\$ 107

More Visibility & Less Volatility



ITT Inc.

Supplemental Data

10.30.2020



Q3 2020 Adjusted Segment Op Margins



(-40) bps Margin Drivers

- Top Line Drivers
 - Reduced Auto Production
 - Lower Industrial Activity & Capital Spend
 - Reduced Air Travel and Aero Production
 - Lower Aftermarket

- Price / Cost & Tariffs
 - IP & CCT Price Gains Offset by Auto
 - Tariff Recovery + CARES Act Benefits

- Operational Execution
 - Cost Structure Actions
 - Shop Floor Productivity & Supply Chain Efficiency
 - Restructuring Benefits
 - Inefficiencies due to COVID-19

- Strategic Investments
 - IP Energy Efficient Power Source & VA/VE ^[1]
 - Government Grant Helps to Offset Continued Friction ITT SmartPad Investments

	vs. PY
Q3 2019 Adjusted Segment Operating Margin	16.6%
Volume, Mix, Price & Other	(-530 bps)
Net Operating Productivity	+550 bps
Operational Margin Subtotal	16.8%
FX	(-40 bps)
Acquisitions	-
Strategic Investments	(-20 bps)
Q3 2020 Adjusted Segment Operating Margin	16.2%

Q3 2020 ITT Adjusted Segment Performance



	Motion Technologies	Industrial Process	Connect & Control Technologies	Total Segments
Q3 2020 Total Revenue vs PY	(-10.7%)	(-19.2%)	(-25.0%)	(-17.0%)
FX	(-2.6%)	0.6%	(-0.6%)	(-1.0%)
Acquisition / Disposition	0.0%	0.0%	0.0%	0.0%
Q3 2020 Organic Revenue vs PY	(-13.3%)	(-18.6%)	(-25.6%)	(-18.0%)
Q3 2019 Adjusted Operating Margin	18.8%	12.9%	17.6%	16.6%
Volume, Mix, Productivity & Other	(-0.2%)	2.7%	(-3.0%)	0.2%
Growth Investments	0.0%	(-0.6%)	0.0%	(-0.2%)
Acquisition/Disposition	0.0%	0.0%	0.0%	0.0%
FX	(-0.1%)	(-0.9%)	(-0.5%)	(-0.4%)
Q3 2020 Adjusted Operating Margin	18.5%	14.1%	14.1%	16.2%

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, and backlog, some of which are calculated on a non-GAAP basis. 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. Some of 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 revenue 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 comparisons of our revenue performance with prior and future periods and to our peers.

Adjusted Operating Income and **Adjusted Segment Operating Income** are defined as total operating income and segment operating income, adjusted to exclude special items that include, but are not limited to, asbestos-related impacts, impairments, restructuring, realignment, certain acquisition-related impacts, and unusual or infrequent operating items. Special items represent charges or credits that impact current results, which management views as unrelated to the Company's ongoing operations and performance. **Adjusted Operating Margin** and **Adjusted Segment Operating Margin** are defined as adjusted operating income or adjusted segment operating income divided by revenue. **Adjusted Segment Decremental or Incremental Operating Margin** is defined as the change in adjusted segment operating income divided by the change in revenue. We believe these financial measures are 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 and **Adjusted EPS** 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 impacts, impairments, restructuring, realignment, pension settlement and curtailment impacts, certain acquisition-related impacts, income tax settlements or adjustments, and unusual or infrequent items. Special items represent 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.

Free Cash Flow and **Free Cash Flow Margin** are defined as the ratio of free cash flow (net cash provided by operating activities less capital expenditures) to revenue. We believe that free cash flow and free cash flow margin provide useful information to investors as they provide insight into a primary cash flow metric used by management to monitor and evaluate cash flows generated by our operations.

Working Capital is defined as the sum of Receivables, net, Inventories, net and Current contract assets less Accounts payable and Current contract liabilities. **Working Capital as a percentage of revenue** is calculated by dividing working capital by the trailing twelve months of revenue. We believe that working capital and working capital as a percentage of revenue provides useful information to investors as it provides insight into both a company's operational efficiency and its short-term financial health.

ITT Inc. Non-GAAP Reconciliation
Reported vs. Organic Revenue / Orders
Third Quarter 2020 & 2019
(In Millions)

	(As Reported - GAAP)				(As Adjusted - Organic)				
	(A)	(B)	(C)		(D)	(E)	(F) = A-D-E	(G) =C-D-E	(H) = G / B
			\$ Change	% Change	Acquisition /	FX Impact	Revenue /	\$ Change	% Change
	Q3 2020	Q3 2019	2020 vs.	2020 vs.	Divestitures		Orders	Adj. 2020	Adj. 2020
			2019	2019	Q3 2020	Q3 2020	Q3 2020	vs. 2019	vs. 2019
Revenue									
ITT Inc.	\$ 591.2	\$ 711.9	\$ (120.7)	(17.0%)	\$ -	\$ 7.1	\$ 584.1	\$ (127.8)	(18.0%)
Motion Technologies	271.8	304.5	(32.7)	(10.7%)	-	7.7	264.1	(40.4)	(13.3%)
Industrial Process	194.1	240.3	(46.2)	(19.2%)	-	(1.5)	195.6	(44.7)	(18.6%)
Connect & Control Technologies	125.9	167.9	(42.0)	(25.0%)	-	1.0	124.9	(43.0)	(25.6%)
Orders									
ITT Inc.	\$ 573.2	\$ 702.1	\$ (128.9)	(18.4%)	\$ -	\$ 7.4	\$ 565.8	\$ (136.3)	(19.4%)
Motion Technologies	270.2	309.0	(38.8)	(12.6%)	-	7.9	262.3	(46.7)	(15.1%)
Industrial Process	193.2	235.0	(41.8)	(17.8%)	-	(1.5)	194.7	(40.3)	(17.1%)
Connect & Control Technologies	110.4	158.8	(48.4)	(30.5%)	-	0.9	109.5	(49.3)	(31.0%)

Note: Excludes intercompany eliminations
Immaterial differences due to rounding

ITT Inc. Non-GAAP Reconciliation
Reported vs Adjusted Segment Operating Income & Operating Margin
Third Quarter 2020 & 2019
(In Millions)

	Q3 2020 As Reported	Q3 2020 Special Items	Q3 2020 As Adjusted	Q3 2019 As Reported	Q3 2019 Special Items	Q3 2019 As Adjusted	% Change As Reported 2020 vs. 2019	% Change As Adjusted 2020 vs. 2019
Revenue:								
Motion Technologies	\$ 271.8		\$ 271.8	\$ 304.5		\$ 304.5	(10.7%)	(10.7%)
Industrial Process	194.1		194.1	240.3		240.3	(19.2%)	(19.2%)
Connect & Control Technologies	125.9		125.9	167.9		167.9	(25.0%)	(25.0%)
Intersegment eliminations	(0.6)		(0.6)	(0.8)		(0.8)		
Total Revenue	<u>\$ 591.2</u>		<u>\$ 591.2</u>	<u>\$ 711.9</u>		<u>\$ 711.9</u>	<u>(17.0%)</u>	<u>(17.0%)</u>
Operating Margin:								
Motion Technologies	18.5%	- BP	18.5%	18.6%	20 BP	18.8%	(10) BP	(30) BP
Industrial Process	8.8%	530 BP	14.1%	9.2%	370 BP	12.9%	(40) BP	120 BP
Connect & Control Technologies	13.0%	110 BP	14.1%	16.9%	70 BP	17.6%	(390) BP	(350) BP
Total Operating Segments	<u>14.2%</u>	<u>200 BP</u>	<u>16.2%</u>	<u>15.0%</u>	<u>160 BP</u>	<u>16.6%</u>	<u>(80) BP</u>	<u>(40) BP</u>
Operating Income:								
Motion Technologies	\$ 50.4	\$ -	\$ 50.4	\$ 56.7	\$ 0.6	\$ 57.3	(11.1%)	(12.0%)
Industrial Process	17.1	10.3	27.4	22.0	9.1	31.1	(22.3%)	(11.9%)
Connect & Control Technologies	16.4	1.3	17.7	28.4	1.1	29.5	(42.3%)	(40.0%)
Total Segment Operating Income	<u>\$ 83.9</u>	<u>\$ 11.6</u>	<u>\$ 95.5</u>	<u>\$ 107.1</u>	<u>\$ 10.8</u>	<u>\$ 117.9</u>	<u>(21.7%)</u>	<u>(19.0%)</u>

Note: Immaterial differences due to rounding.

Special items include, but are not limited to, restructuring and realignment costs, impairment charges, acquisition-related expenses, and other unusual or infrequent items including certain legal matters.

ITT Inc. Non-GAAP Reconciliation
Reported vs. Adjusted Income from Continuing Operations & Adjusted EPS
Third Quarter 2020 & 2019

(In Millions, except per share amounts)

	Q3 2020		Q3 2020	Q3 2019		Q3 2019	2020	2020
	As	Non-GAAP	As	As	Non-GAAP	As	vs. 2019	vs. 2019
	Reported	Adjustments	Adjusted	Reported	Adjustments	Adjusted	As	As
							Adjusted (\$)	Adjusted (%)
Segment Operating Income	\$ 83.9	\$ 11.6 #A	\$ 95.5	\$ 107.1	\$ 10.8 #A	\$ 117.9		
Corporate (Expense)	(146.4)	141.7 #B	(4.7)	45.4	(55.4) #B	(10.0)		
Operating (Loss) Income	(62.5)	153.3	90.8	152.5	(44.6)	107.9		
Interest Income	0.6	-	0.6	0.9	-	0.9		
Other (Expense) Income	(1.8)	1.4 #C	(0.4)	(0.5)	-	(0.5)		
(Loss) Income from Continuing Operations before Tax	(63.7)	154.7	91.0	152.9	(44.6)	108.3		
Income Tax Benefit (Expense)	16.2	(35.2) #D	(19.0)	(34.1)	12.1 #D	(22.0)		
(Loss) Income from Continuing Operations	(47.5)	119.5	72.0	118.8	(32.5)	86.3		
Less: Non Controlling Interest	0.5	-	0.5	0.1	-	0.1		
(Loss) Income from Continuing Operations - ITT Inc.	\$ (48.0)	\$ 119.5	\$ 71.5	\$ 118.7	\$ (32.5)	\$ 86.2		
EPS from Continuing Operations	\$ (0.55) #E	\$ 1.37	\$ 0.82	\$ 1.34	\$ (0.37)	\$ 0.97	\$ (0.15)	(15.5%)

Note: Amounts may not calculate due to rounding.

#A - 2020 includes restructuring and other costs (\$11.6M).

#A - 2019 includes restructuring costs (\$6.7M), acquisition related costs (\$3.3M) and other costs (\$0.8M).

#B - 2020 includes asbestos related expense (\$141.4M) and other costs (\$0.3M).

The net asbestos expense includes remeasurement expense (\$135.9M) to transition to the full horizon, extending the projection through 2052, and other asbestos related costs (\$5.5M).

#B - 2019 includes realignment and other costs (\$0.8M), and asbestos related benefit (\$56.2M).

The net asbestos related benefit includes remeasurement income (\$68.1M), offset by asbestos related expense to maintain a 10 year accrual (\$11.9M), prior to full horizon transition.

#C - 2020 includes pension termination related charges.

#D - 2020 includes various tax-related special items including tax expense for valuation allowance change (\$1.3M), tax expense on future distribution of foreign earnings (\$2.0M), tax benefit on uncertain tax position release (\$3.2M), and the tax impact of other operating special items.

#D - 2019 includes various tax-related special items including tax expense for valuation allowance change (\$1.3M), tax expense on future distribution of foreign earnings (\$1.1M), and the tax impact of other operating special items.

#E - 2020 adjusted EPS is calculated using weighted-average dilutive shares of 86.9, including the dilutive effect of 0.5 equity awards that were excluded from GAAP dilutive EPS due to a net loss.

ITT Inc. Non-GAAP Reconciliation
Free Cash Flow and Free Cash Flow Margin
Trailing Twelve Months (TTM)
(In Millions)

	(A) = (B) + (C) - (D) Q3 2020 TTM	(B) Q3 2020	(C) FY19	(D) Q3 2019	(A) = (B) + (C) - (D) Q3 2019 TTM	(B) Q3 2019	(C) FY18	(D) Q3 2018
Net Cash - Operating Activities #A	\$ 454.1	\$ 318.1	\$ 357.7	\$ 221.7	\$ 346.9	\$ 221.7	\$ 371.8	\$ 246.6
Capital expenditures	69.7	47.6	91.4	69.3	101.0	69.3	95.5	63.8
Free Cash Flow	384.4	270.5	266.3	152.4	245.9	152.4	276.3	182.8
Revenue	\$ 2,488.3	\$ 1,769.2	\$ 2,846.4	\$ 2,127.3	\$ 2,805.7	\$ 2,127.3	\$ 2,745.1	\$ 2,066.7
Free Cash Flow Margin	15.4%		9.4%		8.8%		10.1%	

#A - 2020 TTM includes payments for asbestos (\$10.4M) and restructuring (\$28.4M).

#A - 2019 TTM includes payments for asbestos (\$18.6M) and restructuring (\$10.1M).