



Third Quarter 2026 Earnings Conference Call

October 27, 2026

Never **stronger**. Never **better positioned** for the future.

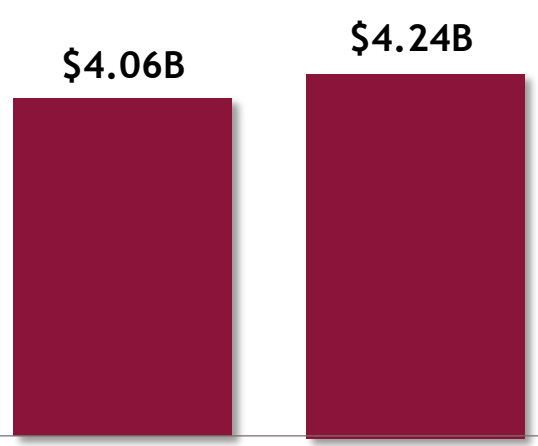
Forward-Looking Statements

This presentation and related conference call contain forward-looking statements within the meaning of U.S. federal securities laws, including the Private Securities Litigation Reform Act of 1995. Such statements may include, without limitation, statements regarding supply chain challenges, expected impact of inflation including raw material inflation and rising interest rates, the potential impact of tariffs, the Company's projected pricing actions, the impact of enterprise initiatives, future financial and operating performance, free cash flow and free cash flow to net income conversion rate, organic and total revenue, contribution from Customer-Back Innovation to revenue growth, operating and incremental margin, price/cost impact, statements regarding diluted earnings per share, after-tax return on average invested capital, effective tax rates, exchange rates, expected timing and amount of share repurchases, end market economic and regulatory conditions, and the Company's 2026 guidance. These statements are subject to certain risks, uncertainties, assumptions, and other factors, which could cause actual results to differ materially from those anticipated. Important risks that could cause actual results to differ materially from the Company's expectations include those that are detailed in ITW's Annual Report on Form 10-K for the fiscal year ended December 31, 2025, and subsequent reports filed with the U.S. Securities and Exchange Commission. Except as required by law, the Company undertakes no obligation to update or revise any forward-looking statement to reflect new information, future events, changed circumstances, or otherwise.

Non-GAAP Financial Measures

This presentation contains certain non-GAAP financial measures in discussing the Company's performance. The reconciliation of these measures to the most directly comparable GAAP measures is detailed in ITW's press release for the third quarter of 2026, which is available on our website at www.itw.com, and should be reviewed together with this presentation. The estimated guidance of free cash flow to net income conversion rate and after-tax return on average invested capital are based on assumptions that are difficult to predict. Accordingly estimated guidance for the most directly comparable GAAP measures and a reconciliation of these forward-looking estimates to their most directly comparable GAAP estimates have been omitted due to the unreasonable efforts required in connection with such a reconciliation and the lack of reliable forward-looking cash flow and operating information. For the same reason, the Company is unable to address the potential significance of the unavailable information, which could be material to future results.

Q3'26 Financial Performance

GAAP EPS	\$2.81	\$3.00	+7%
Revenue			+4%
	Q3'25	Q3'26	+4% Organic
Operating Margin	27.4%	27.8%	+40 bps
After-tax ROIC*	29.8%	30.3%	+50 bps

COMMENTARY

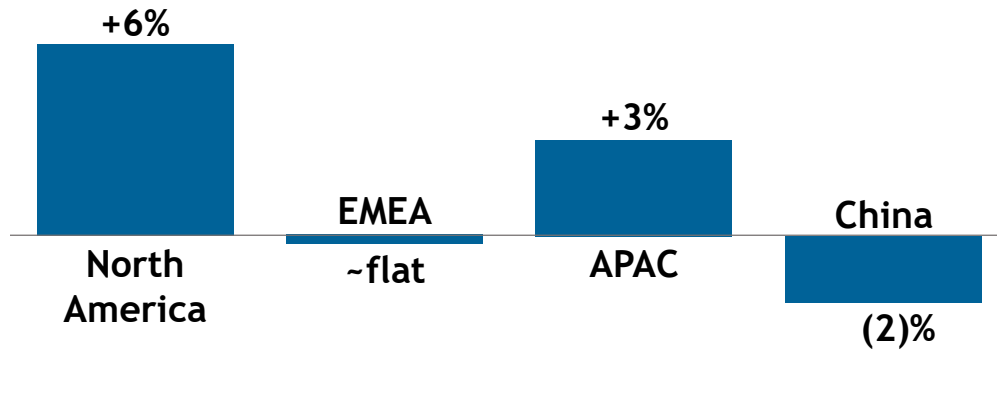
- **Accelerating demand momentum in Test & Measurement/ Electronics and Welding; Strength in Polymers & Fluids**
 - Organic growth of +5% ex-Welding tornado impact
 - Meaningful increase in contribution from new products
- **Disciplined operational execution; margins +40 bps**
 - Enterprise initiatives contribution +130 bps
 - Favorable price/cost on an income and margin basis
- **Free cash flow* conversion of 100% of net income**
 - Share repurchases of \$1.3B year-to-date
 - Dividend +7%; 63rd consecutive year of increases
- **GAAP EPS of \$3.00, an increase of +7%**
 - Record quarterly operating income of \$1.18B, +6%

STRONG OPERATIONAL AND FINANCIAL PERFORMANCE HIGHLIGHTED BY ORGANIC GROWTH OF +4%

* See ITW's Q3'26 press release for the reconciliation from GAAP to non-GAAP measures

Q3'26 Financial Performance

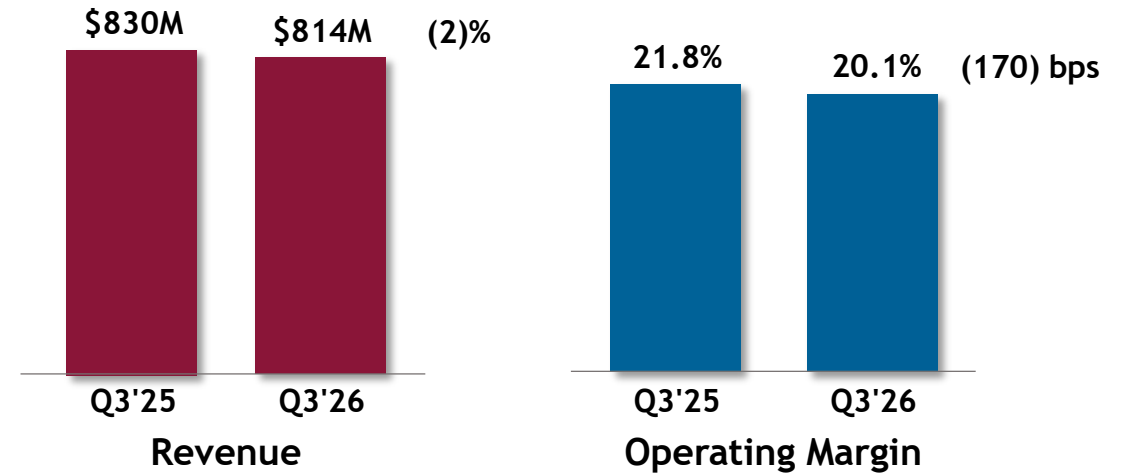
ORGANIC GROWTH BY GEOGRAPHY



REVENUE BY GEOGRAPHY

- North America 53%
- EMEA 24%
- APAC 20%
- China 8%

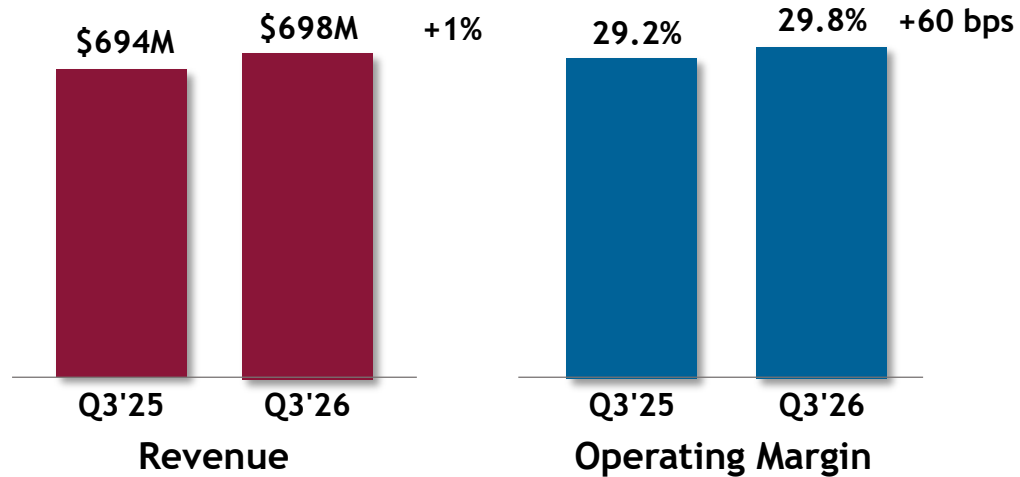
AUTOMOTIVE OEM



- Organic revenue (2)%
- North America (1)%
- Europe (7)%
- China (1)%

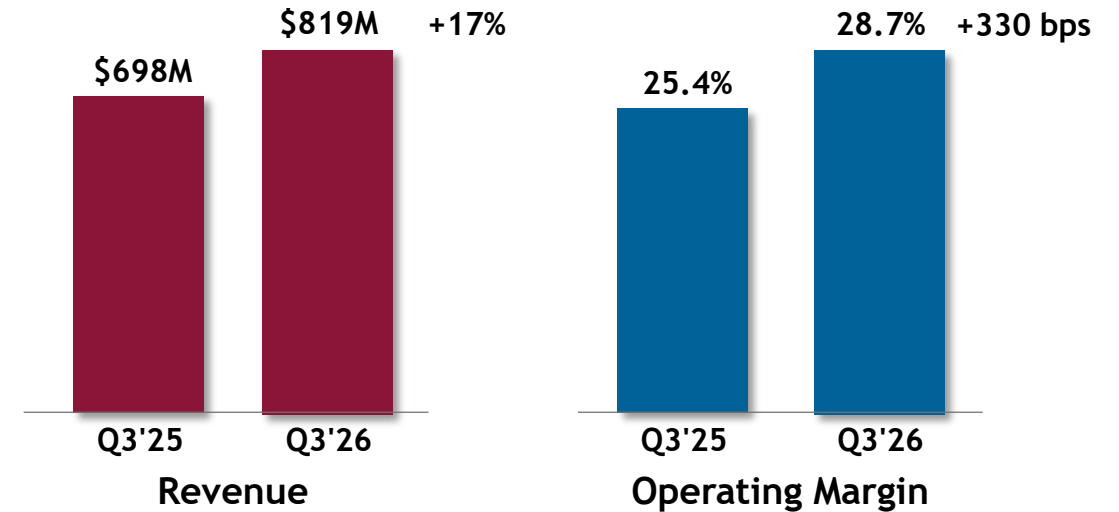
Q3'26 Financial Performance

FOOD EQUIPMENT



- Organic revenue 1%
- Equipment (2)%, Service 5%
- North America (3)%
- International 5%

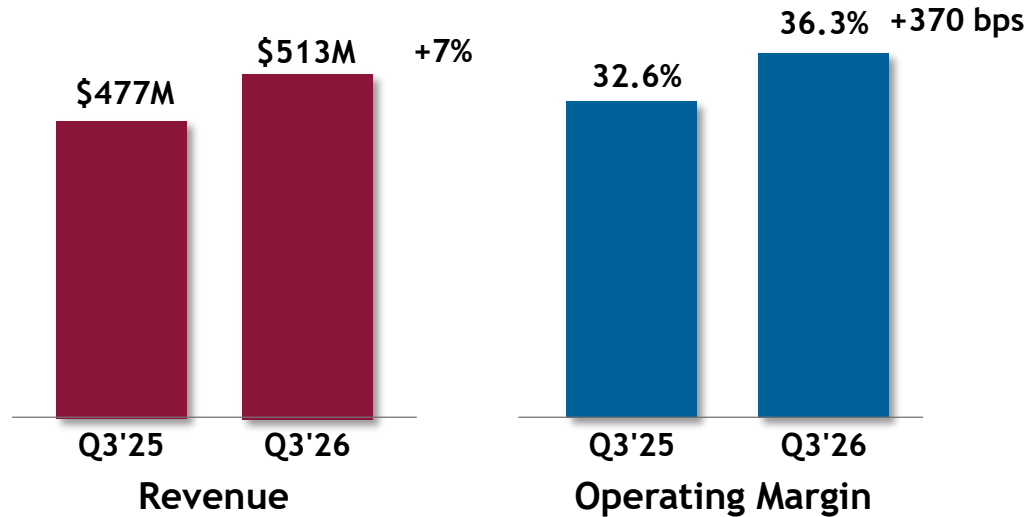
TEST & MEASUREMENT/ELECTRONICS



- Organic revenue 16%
- Test & Measurement 8%
- Electronics 31%

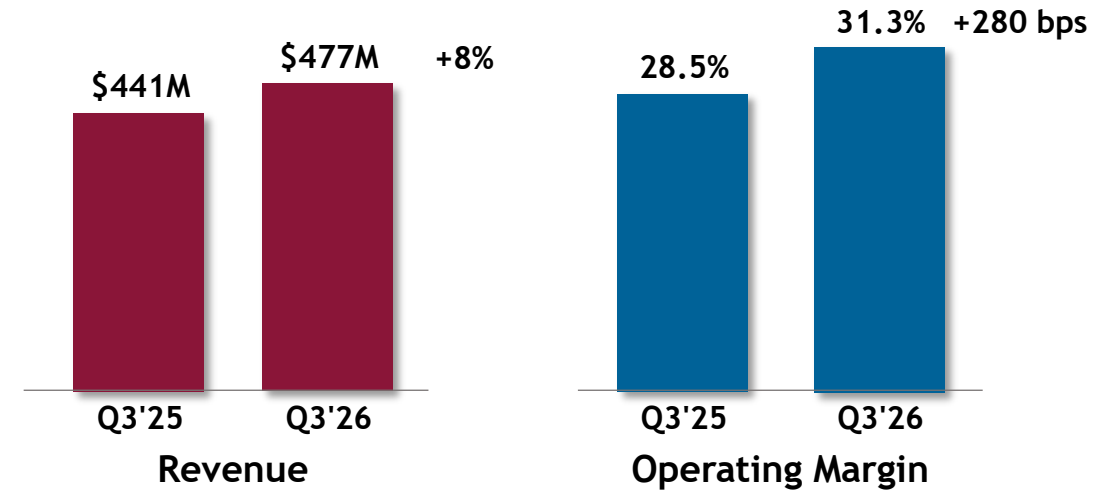
Q3'26 Financial Performance

WELDING



- Organic revenue 7%; 15% ex-tornado impact
- Equipment 5%, Consumables 10%
- North America 8%
- International 3%

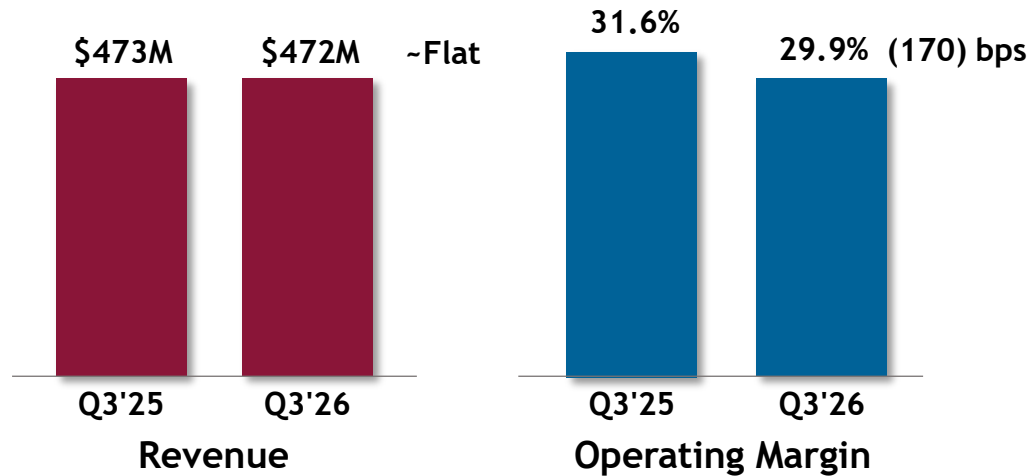
POLYMERS & FLUIDS



- Organic revenue 8%
- Automotive Aftermarket 6%
- Polymers 12%
- Fluids 9%

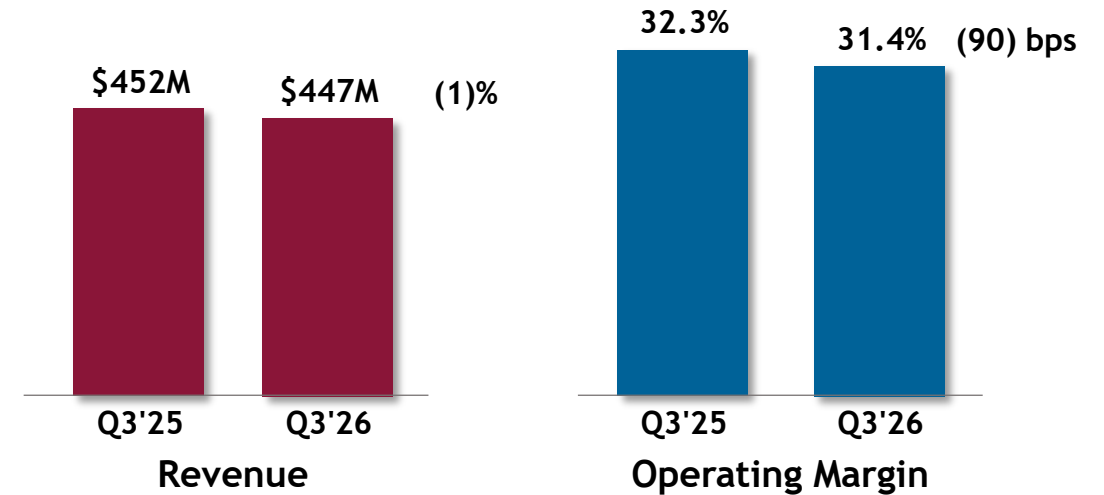
Q3'26 Financial Performance

CONSTRUCTION PRODUCTS



- Organic revenue (1)%
- North America ~flat
- Europe (2)%
- Australia/New Zealand 1%

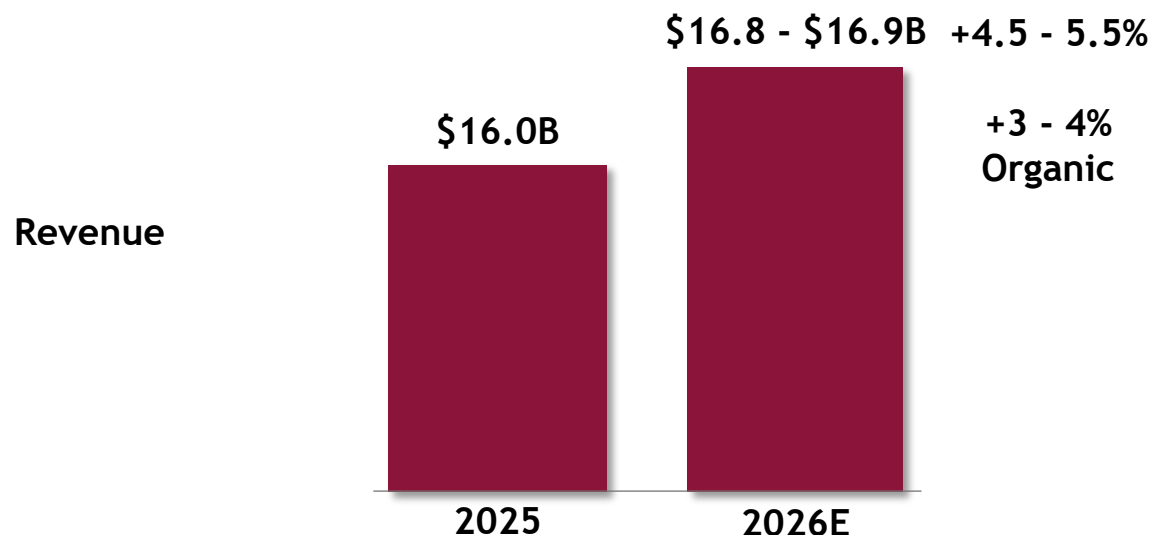
SPECIALTY PRODUCTS



- Organic revenue (1)%
- North America 3%
- International (8)%

2026 Financial Guidance

GAAP EPS	\$10.49	\$11.45 - \$11.55	+9 - 10%
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Operating Margin	26.3%	26.5 - 27.5%
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After-tax ROIC*	29.3%	30%+
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COMMENTARY

- Raised GAAP EPS guidance by \$0.05 at mid-pt and narrowed range; +10% growth YoY at mid-pt of \$11.50
- Accelerating capex demand momentum and meaningful increase in contribution from new products (CBI)
 - Implied organic growth of 5%+ in Q4
 - 2026 CBI contribution of approx. 3%+ (vs. 2.4% in 2025)
- Disciplined operational execution and margin expansion
 - Enterprise initiatives contribution of 100+ bps
 - Favorable price/cost on an income basis & margin neutral
- Free cash flow conversion of approx. 100% of net income
- Share repurchases of approx. \$1.5B

STRONG OPERATIONAL AND FINANCIAL PERFORMANCE AS GROWTH MOMENTUM ACCELERATES

Never **stronger**. Never **better positioned** for the future.

* See ITW's Q3'26 press release for the reconciliation from GAAP to non-GAAP measures.



Q&A