FIRST QUARTER 2023
EARNINGS CONFERENCE CALL

MAY 2, 2023

ITW

FORWARD-LOOKING STATEMENTS

SAFE HARBOR STATEMENT

This presentation and related conference call contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements may include, without limitation, statements regarding global supply chain challenges, expected impact of inflation including raw material inflation and rising interest rates, enterprise initiatives, future financial and operating performance, free cash flow and free cash flow conversion rate, organic and total revenue, operating and incremental margin, price/cost impact, statements regarding diluted income per share, restructuring expenses and related benefits, expected dividend payments, after-tax return on invested capital, effective tax rates, exchange rates, expected access to liquidity sources, expected capital allocation, expected timing and amount of share repurchases, end market economic and regulatory conditions, the impact of recent or potential acquisitions and/or divestitures and the Company's 2023 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 Form 10-K for 2022.

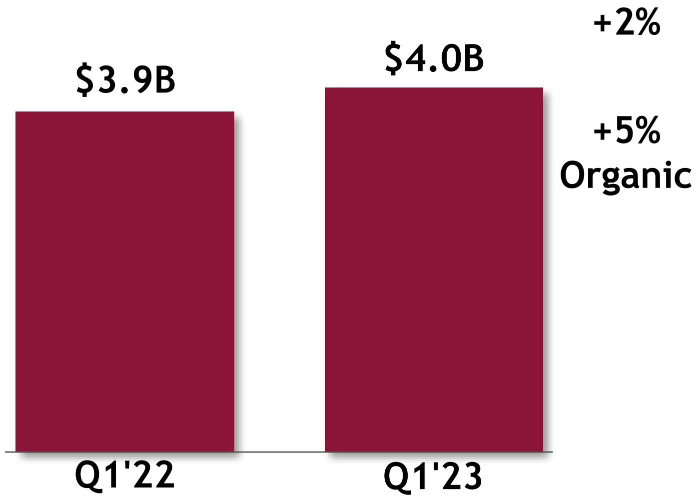
NON-GAAP MEASURES

The Company uses certain non-GAAP measures in discussing the Company's performance. The reconciliation of those measures to the most directly comparable GAAP measures is detailed in ITW's press release for the first quarter of 2023, which is available at www.itw.com, together with this presentation. The estimated guidance of free cash flow conversion rate and after-tax return on average invested capital are based on assumptions that are difficult to predict, and 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 availability of reliable forward-looking cash flow and operating information.

Q1'23 FINANCIAL PERFORMANCE

GAAP EPS	$2.11	$2.33	+10%

REVENUE



OPERATING MARGIN	22.7%	24.2%	+150 bps
AFTER-TAX ROIC*	27.6%	29.4%	+180 bps

HIGHLIGHTS

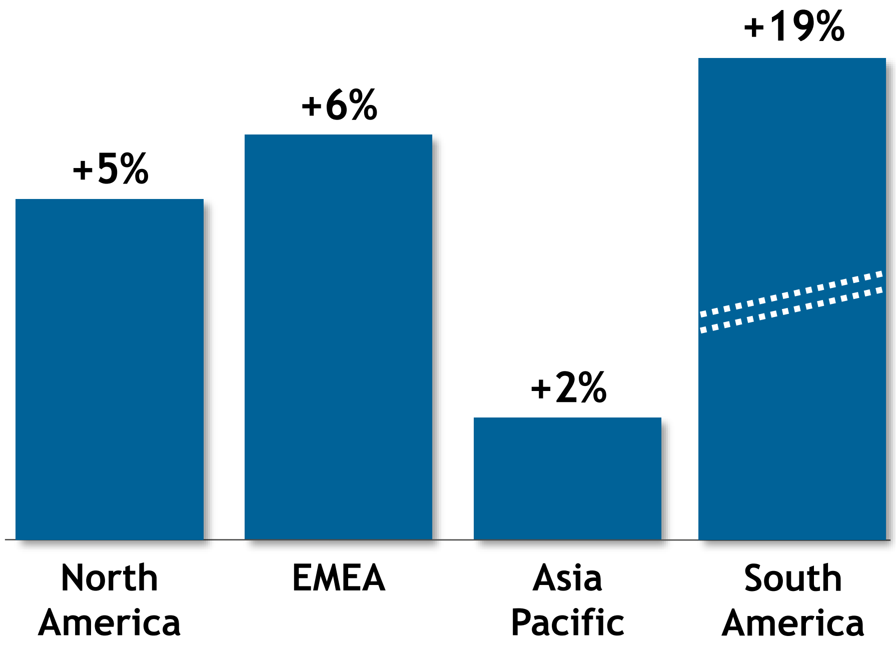
- **Solid start to the year as ITW continues to demonstrate the performance power of its proprietary business model and the resilience of its high-quality business portfolio**
  - Organic growth of +5%. Positive organic growth in 4 of 7 segments and all major geographies. FX translation and divestiture impact of (3)%.
  - Operating margin expansion of +150 bps with enterprise initiatives contributing +100 bps. Price/cost accretive to EPS and margins.
- **Record first quarter GAAP EPS of $2.33, +10%**
  - Foreign currency translation impact of $(0.06)
  - Effective tax rate of 22.6%
- **Free cash flow* of $615M, +147%**
  - 86% of Net Income

EXCELLENT OPERATIONAL EXECUTION AND RECORD GAAP EPS PERFORMANCE

* See ITW's first quarter 2023 press release for the reconciliation from GAAP to non-GAAP measures.

Q1'23 PERFORMANCE

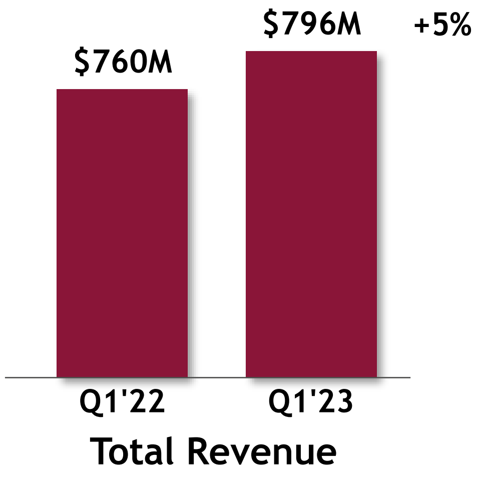
ORGANIC GROWTH BY MAJOR GEOGRAPHY

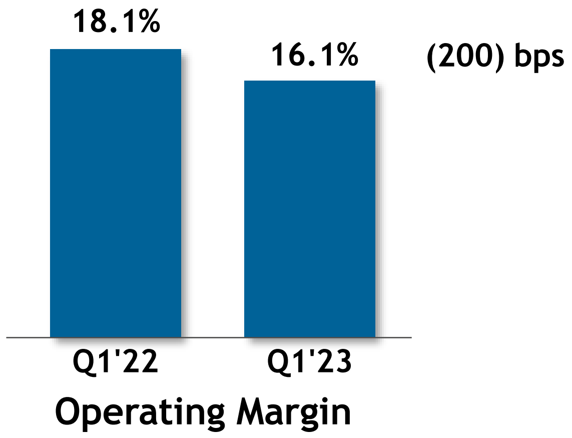


% of ITW Revenue	55%	26%	17%	2%

- Total ITW organic revenue growth of 5%

AUTOMOTIVE OEM



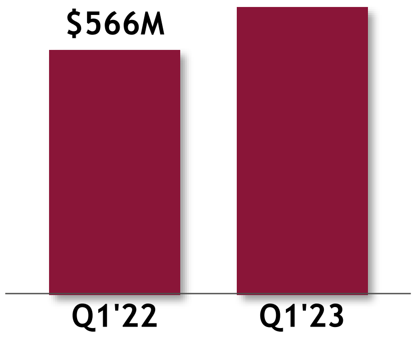


- Organic revenue 8%
- North America 3%
- Europe 16%
- China (5)% due to COVID related impact

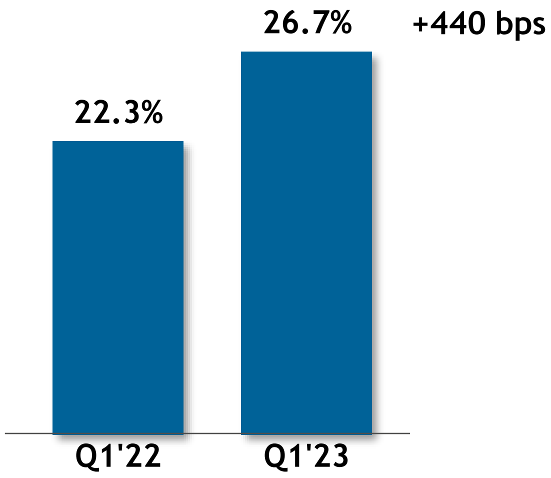
ITW
DELTAR
ITW Global Automotive

Q1’23 SEGMENT PERFORMANCE

FOOD EQUIPMENT



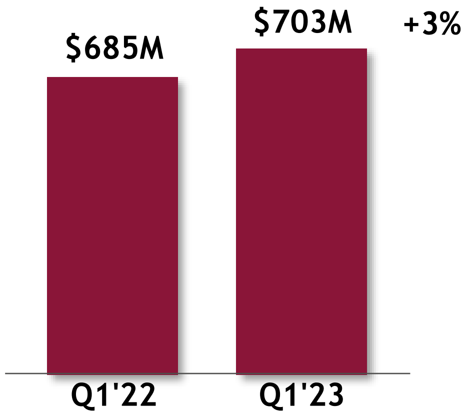
Total Revenue



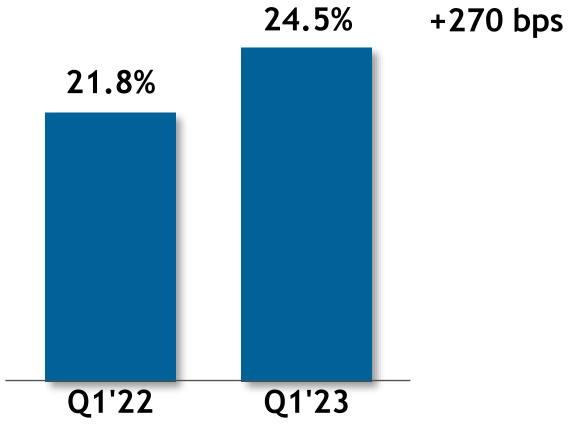
Operating Margin

- Organic revenue 16%
- Equipment 16%, Service 19%
- North America 21%
- International 9%

TEST & MEASUREMENT/ELECTRONICS



Total Revenue

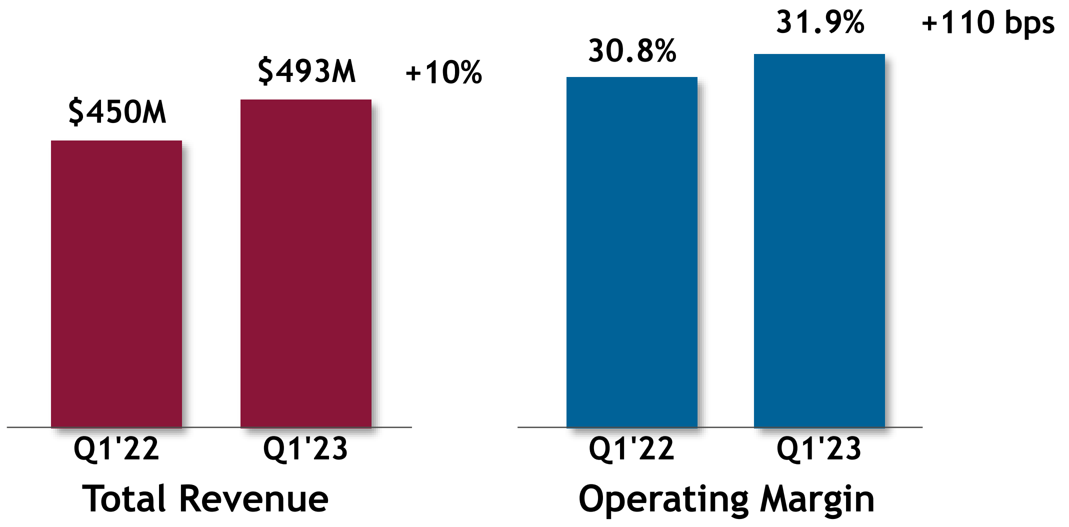


Operating Margin

- Organic revenue 6%
- Test & Measurement 12%
- Electronics (4)%

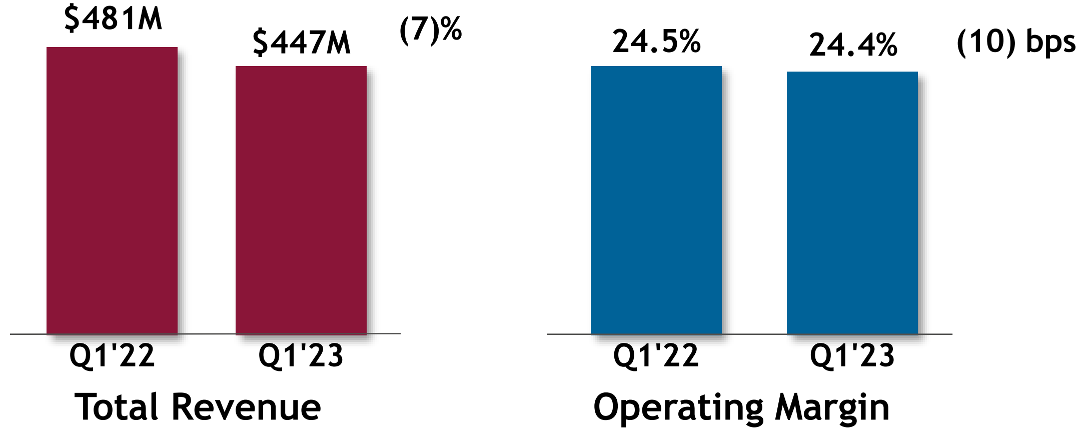
Q1'23 SEGMENT PERFORMANCE

WELDING



- Organic revenue 10%
- Equipment 10%, Consumables 11%
- North America 10%
- International 12%

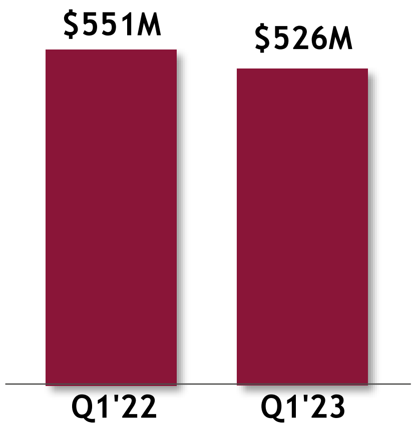
POLYMERS & FLUIDS



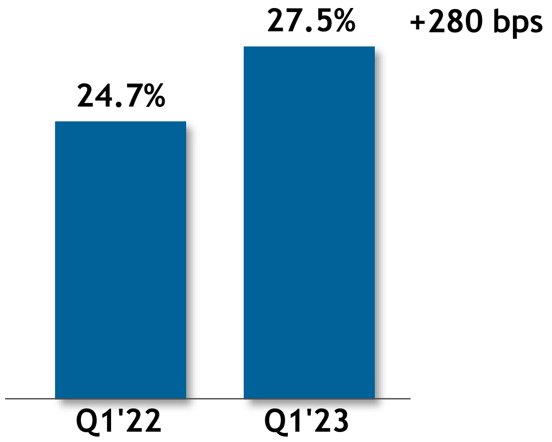
- Organic revenue flat, divestiture impact (5)%
- Automotive Aftermarket (1)%
- Polymers 1%
- Fluids 1%

Q1'23 SEGMENT PERFORMANCE

CONSTRUCTION PRODUCTS



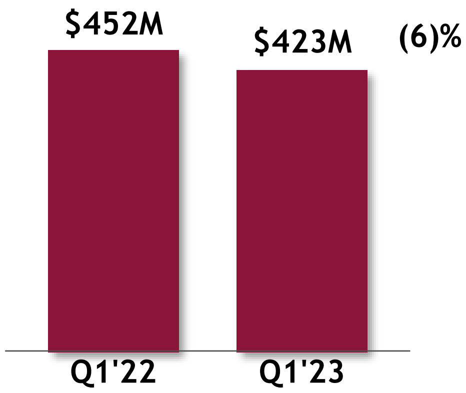
Total Revenue



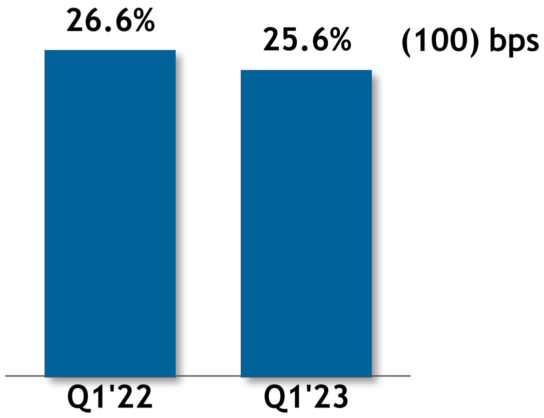
Operating Margin

- Organic revenue (1)%
- North America flat
- Europe (9)%
- Australia/New Zealand 3%

SPECIALTY PRODUCTS



Total Revenue



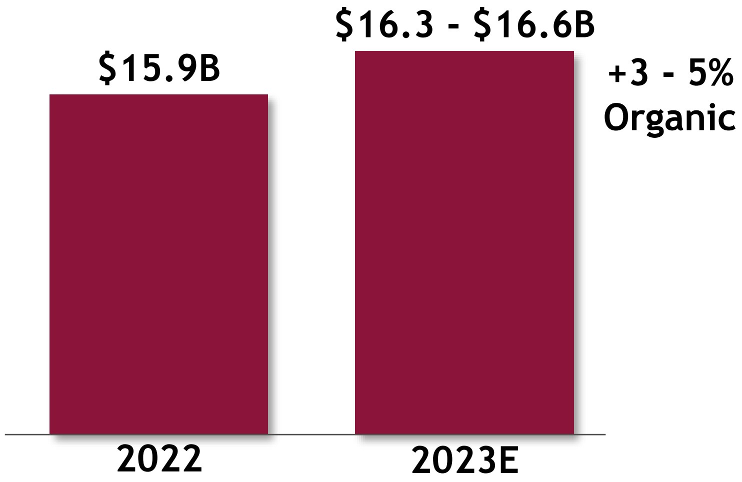
Operating Margin

- Organic revenue (5)%, Product Line Simplification (3)%
- North America (4)%
- International (6)%

2023 FINANCIAL GUIDANCE

GAAP EPS	**$9.77**	**$9.45 - $9.85**
-Ex. '22 Divestiture gains	$9.17	**+3 - 7%**

REVENUE



OPERATING MARGIN	**23.8%**	**24.5 - 25.5%**
AFTER-TAX ROIC*	**29.1%**	**30%+**

HIGHLIGHTS

- **While the near-term economic outlook continues to be uncertain, ITW remains well positioned to deliver best-in-class performance in any environment**
  - Projecting organic growth of 3 to 5% based on current levels of demand and anticipated further slowing in certain end markets. Combined FX translation and divestiture impact of (1)%.
  - Expect 100 bps+ of margin improvement. Enterprise initiatives contribute ~100 bps. Price/cost accretive to EPS and margins.
- **Raising GAAP EPS guidance +$0.05 to $9.45 to $9.85**
  - Effective tax rate of 23.5 to 24%
- **Free cash flow 100%+ of net income**
  - Share repurchases of ~$1.5 billion

POSITIONED TO DELIVER BEST-IN-CLASS PERFORMANCE IN ANY ENVIRONMENT

* See ITW's first quarter 2023 press release for the reconciliation from GAAP to non-GAAP measures.

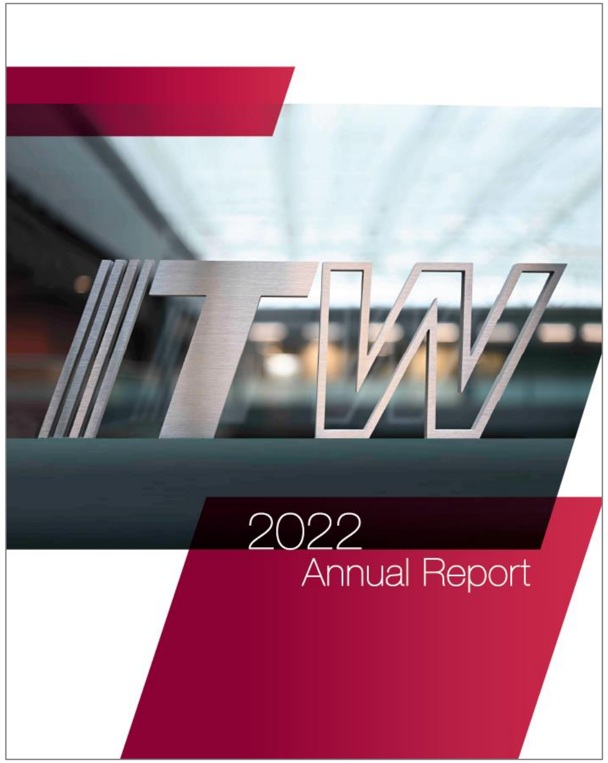
Q&A

RECENTLY RELEASED REPORTS

2022 SUSTAINABILITY REPORT

Link to 2022 Sustainability Report

2022 ANNUAL REPORT



Link to 2022 Annual Report

SAVE THE DATE

ITW 2023 Investor Day

Thursday, May 18, 2023
1:00 pm EDT
Boston

ITW Strategy Update

A link to the live webcast will be available on our website: investor.itw.com