



Second Quarter 2026 Earnings Conference Call

July 28, 2026

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

Forward-Looking Statements

Safe Harbor Statement

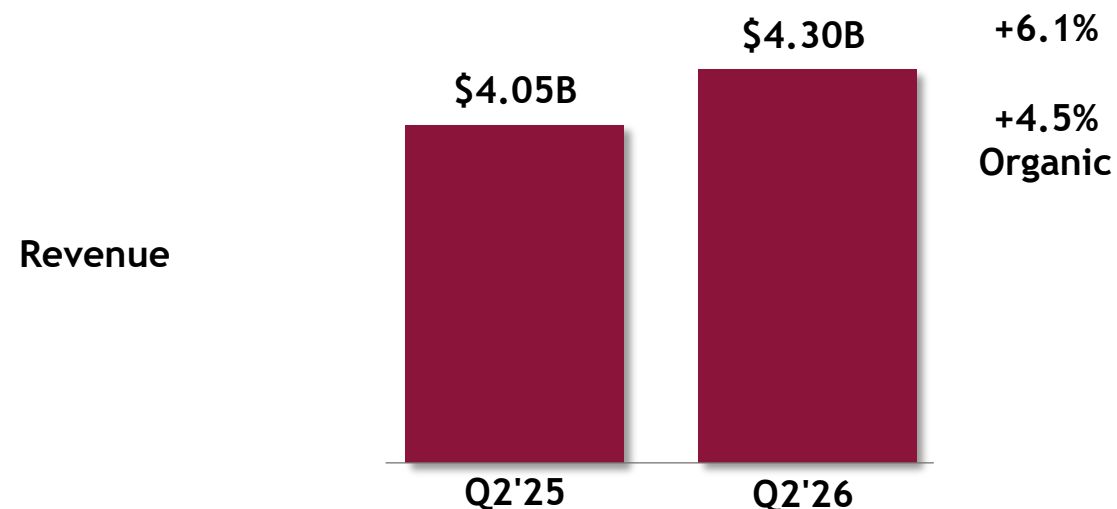
This presentation and related conference call contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements may include, without limitation, statements regarding the potential impact of tariffs, the Company's projected pricing actions, 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, operating and incremental margin, price/cost impact, statements regarding diluted earnings per share, after-tax return on 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 Form 10-K for 2025 and subsequent reports filed with the SEC.

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 second quarter of 2026, which is available at www.itw.com, 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, 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.

Q2'26 Financial Performance

GAAP EPS	\$2.58	\$2.84	+10.1%
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Operating Margin	26.3%	26.7%	+40 bps
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After-tax ROIC*	29.4%	29.7%	+30 bps
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COMMENTARY

- **Meaningful organic growth acceleration to +4.5% in Q2**
 - Strong capex demand trends; double-digit organic growth in Welding and Test & Measurement/Electronics
 - Significantly higher contribution from new products (CBI)
- **Disciplined operational execution; margins +40 bps**
 - Enterprise initiatives contribution +120 bps
 - Price/cost favorable on \$-basis, modestly margin dilutive
- **Free cash flow* growth of +41%; 77% conversion**
 - Share repurchases of \$750M
- **GAAP EPS of \$2.84, an increase of +10.1%**
 - All-time record operating income of \$1.15B, +7.4%
 - Effective tax rate of 24.4%

STRONG OPERATIONAL AND FINANCIAL PERFORMANCE HIGHLIGHTED BY ORGANIC GROWTH OF +4.5%

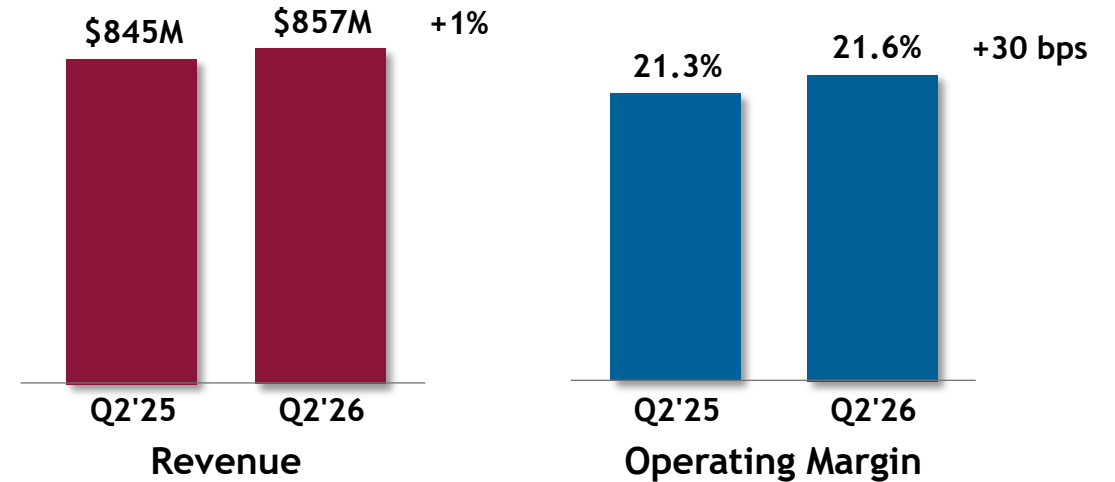
* See ITW's Q2'26 press release for the reconciliation from GAAP to non-GAAP measures

Q2'26 Financial Performance

SEQUENTIAL GROWTH (FROM Q1 TO Q2)

GAAP EPS	\$2.66	\$2.84	+7%
Revenue	\$4.02B	\$4.30B	+7%
	Q1'26	Q2'26	
Operating Margin	25.4%	26.7%	+130 bps
Operating Income	\$1.02B	\$1.15B	+12%

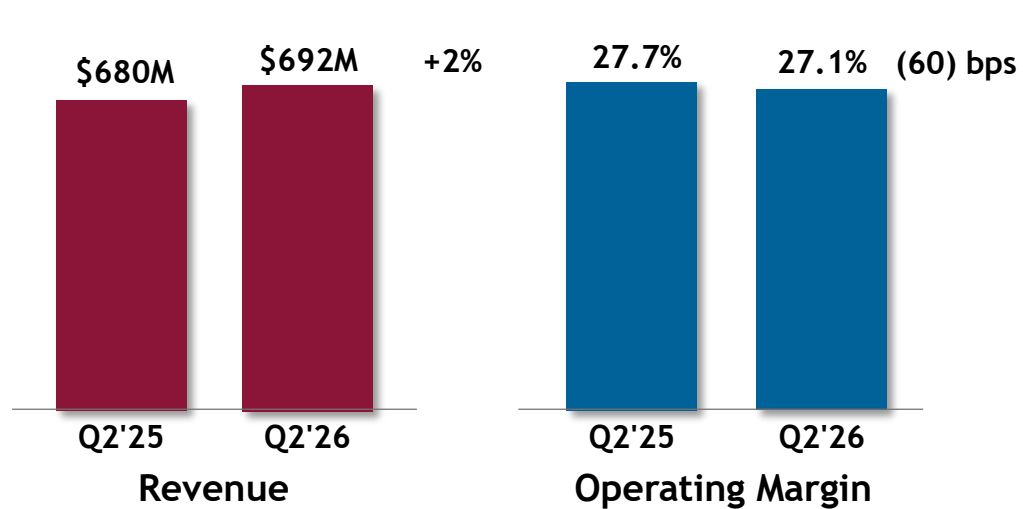
AUTOMOTIVE OEM



- Organic revenue ~flat
- North America 1%
- Europe (5)%
- China 1%

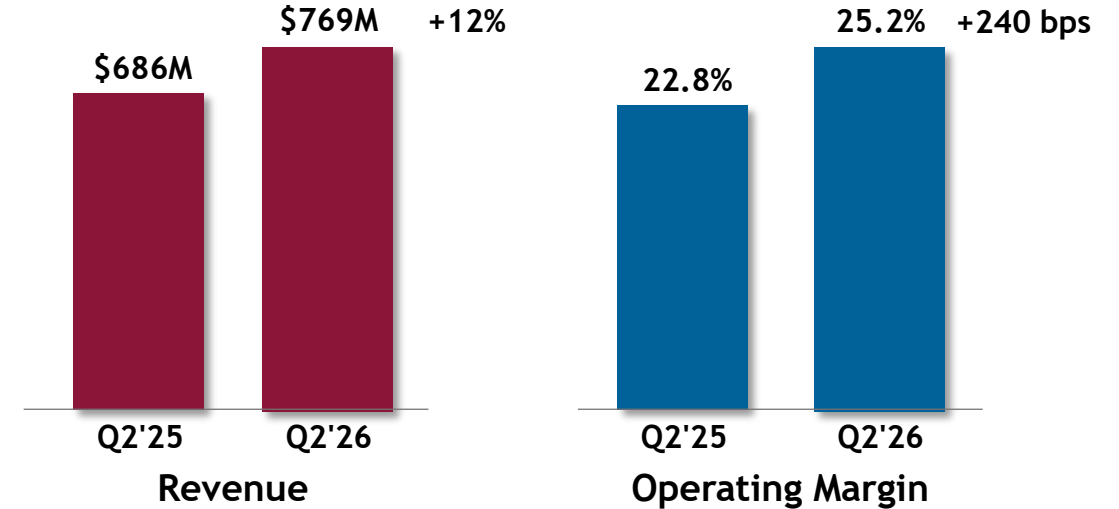
Q2'26 Financial Performance

FOOD EQUIPMENT



- Organic revenue flat
- Equipment (2)%, Service 5%
- North America (4)%
- International 6%

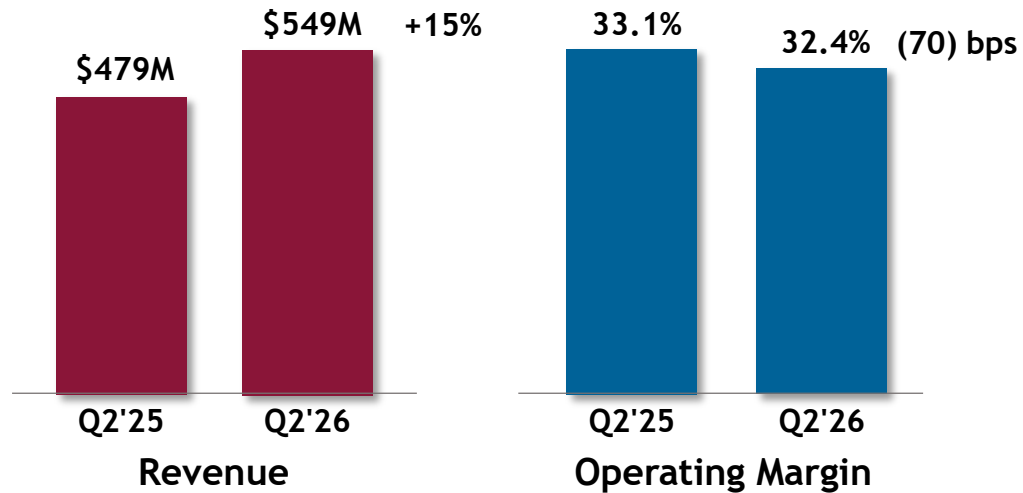
TEST & MEASUREMENT/ELECTRONICS



- Organic revenue 10%
- Test & Measurement 4%
- Electronics 21%

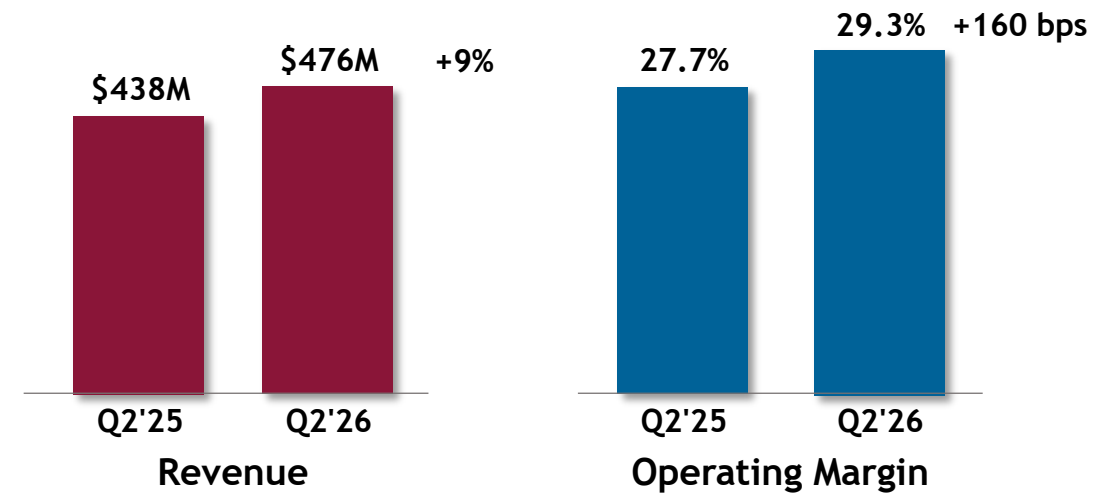
Q2'26 Financial Performance

WELDING



- Organic revenue 14%
- Equipment 19%, Consumables 6%
- North America 19%
- International (6)%

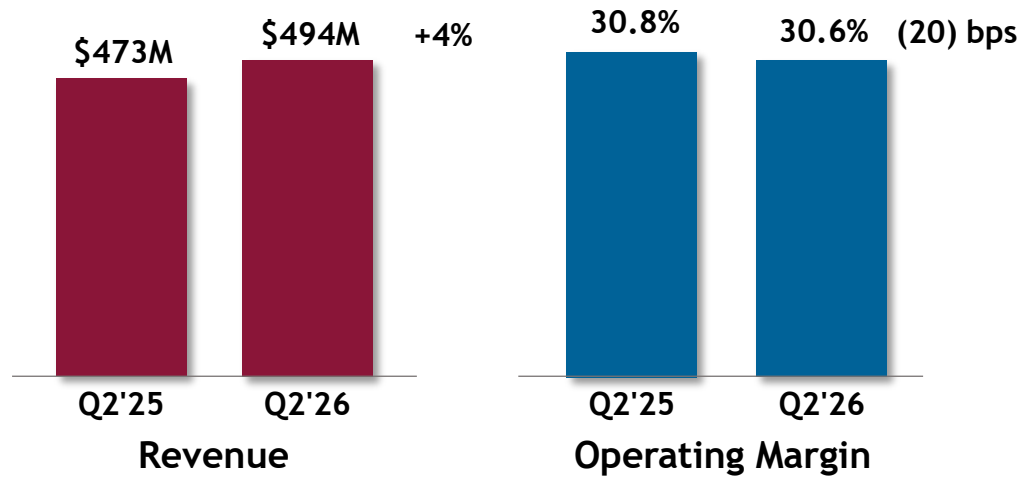
POLYMERS & FLUIDS



- Organic revenue 7%
- Automotive Aftermarket 7%
- Fluids 8%
- Polymers 7%

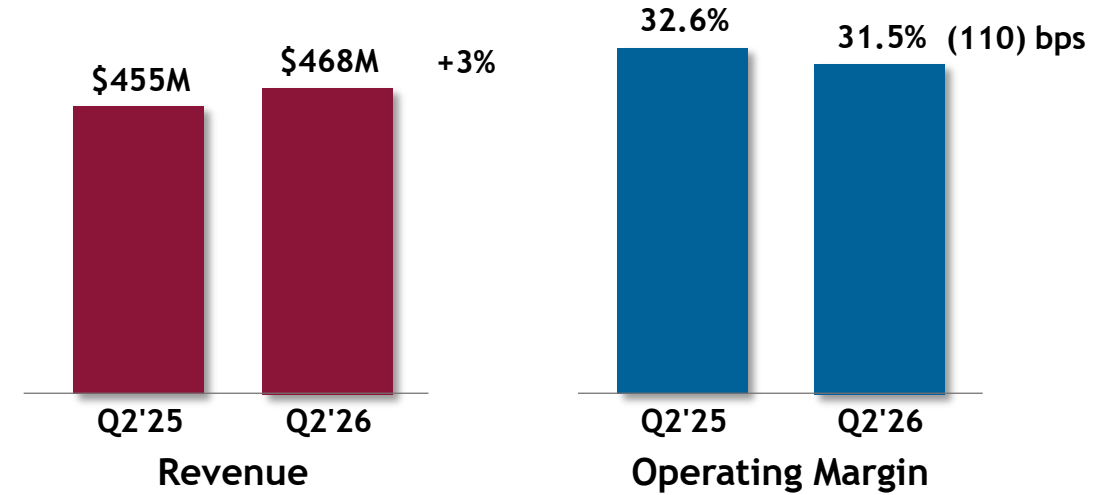
Q2'26 Financial Performance

CONSTRUCTION PRODUCTS



- Organic revenue 2%
- North America 2%
- Europe 1%
- Australia/New Zealand 2%

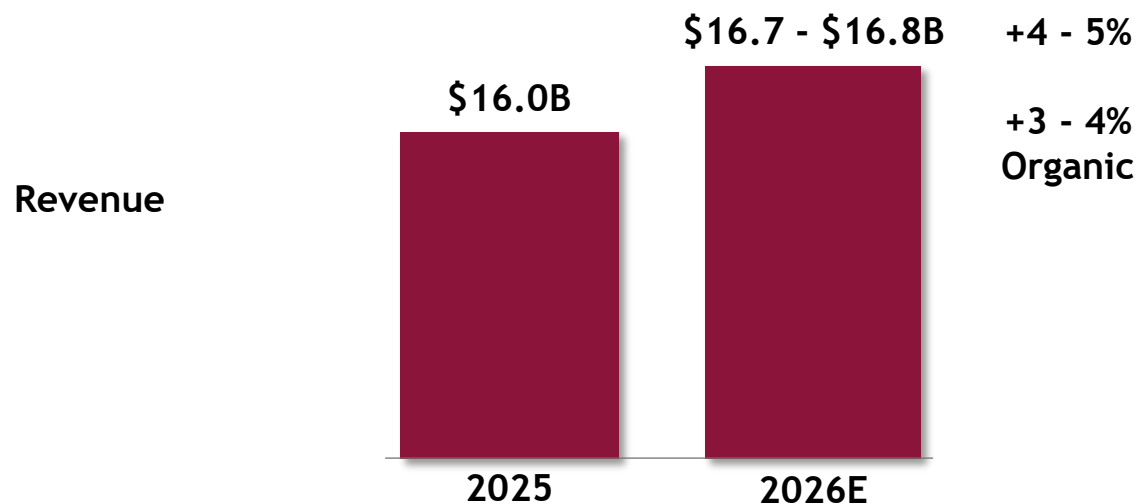
SPECIALTY PRODUCTS



- Organic revenue 2%
- North America 2%
- International 1%

2026 Financial Guidance

GAAP EPS	\$10.49	\$11.35 - \$11.55	+7 - 11%
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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

- Raising top and bottom-line guidance due to strong demand trends + increased contribution from new products (CBI)
 - Organic growth: +1.5%-pts. to new mid-pt. of +3.5%
 - Implied second half 2026 organic growth of +4.5%
 - GAAP EPS: +\$0.15 to new mid-pt. of \$11.45; +9% YoY growth
- Strong operational execution
 - Enterprise initiatives contribution of 100+ bps
 - Incremental margins of approx. 40%
- Free cash flow conversion of 100%+ to net income
- Share repurchases of approx. \$1.5B

STRONG OPERATIONAL PERFORMANCE HIGHLIGHTED BY ORGANIC GROWTH OF +3.5% AT MID-PT.

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* See ITW's Q2'26 press release for the reconciliation from GAAP to non-GAAP measures.



Q&A