



# First Quarter 2026 Earnings Conference Call

April 30, 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 first quarter of 2026, which is available at [www.itw.com](http://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.

# Q1'26 Financial Performance

GAAP EPS	\$2.38	\$2.66	+12%
Revenue	\$3.84B	\$4.02B	+5%
Operating Margin	24.8%	25.4%	+60 bps
Operating Income	\$951M	\$1.02B	+7%

## COMMENTARY

- Revenue growth of +5% outpacing end markets; positive demand trends continued in capex-related segments
  - Organic growth +0.4%, FX/Acquisition +4.2%
  - PLS and Middle East impact ~(1)%
- Disciplined “Do What We Say” execution; margins +60 bps
  - Enterprise initiatives contribution +120 bps
  - Solid progress on Customer-Back Innovation
- Free cash flow\* of \$0.5B, an increase of +6%
  - Share repurchases of \$375M
- GAAP EPS of \$2.66, an increase of +12%
  - Effective tax rate of 20.6%

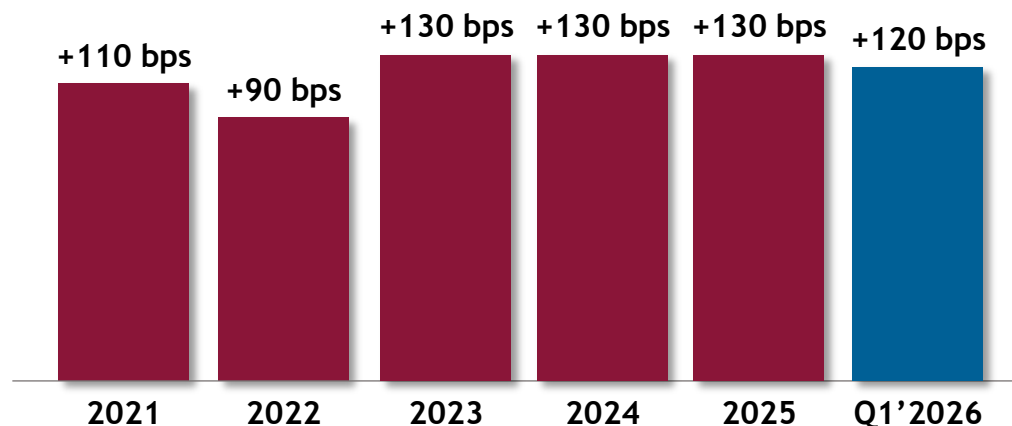
**ITW DELIVERED A SOLID START TO THE YEAR WITH REVENUE +5% AND GAAP EPS +12%**

\* See ITW's Q1'26 press release for the reconciliation from GAAP to non-GAAP measures

# Q1'26 Financial Performance

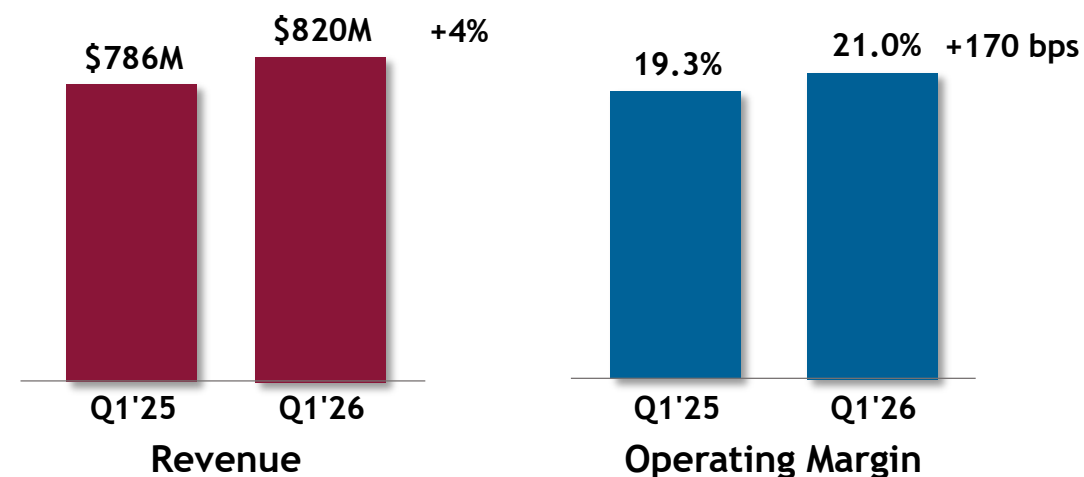
## ENTERPRISE INITIATIVES

### CONTRIBUTION TO OPERATING MARGIN



- On track for positive margin impact of ~100 bps in 2026, independent of volume
- Continued contribution from Enterprise Initiatives through 2030
  - 80/20 FTB
  - Strategic Sourcing

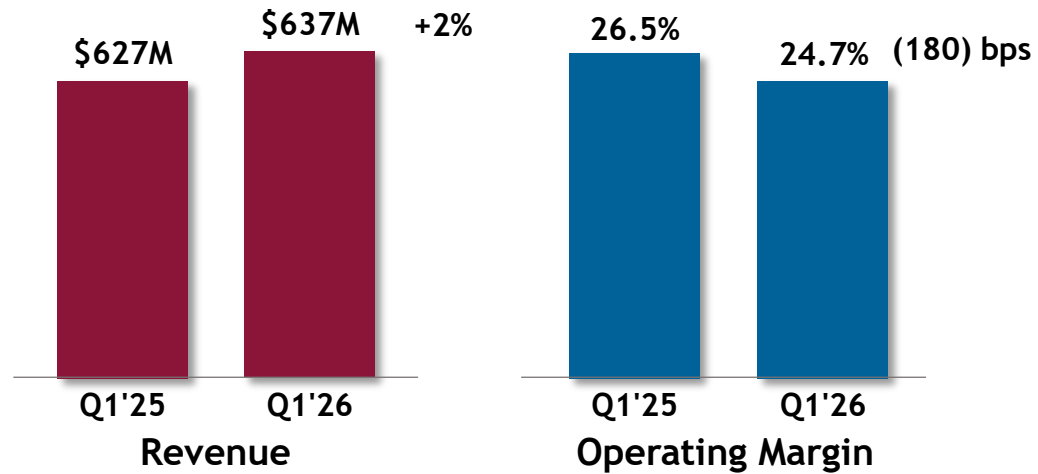
## AUTOMOTIVE OEM



- Organic revenue (1)%
- North America (5)%
- Europe flat
- China (3)%

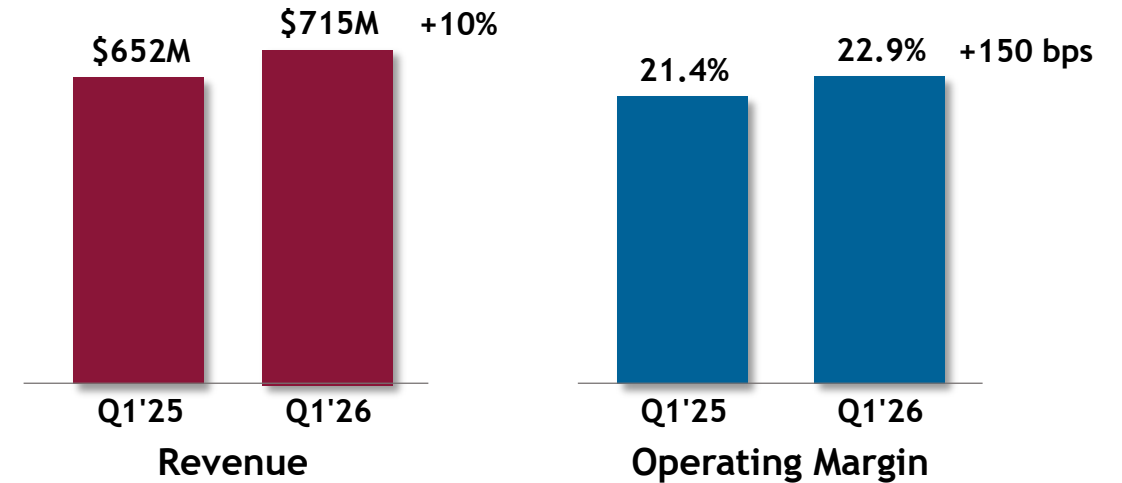
# Q1'26 Financial Performance

## FOOD EQUIPMENT



- Organic revenue (3)%
- Equipment (6)%, Service 3%
- North America (5)%
- International flat

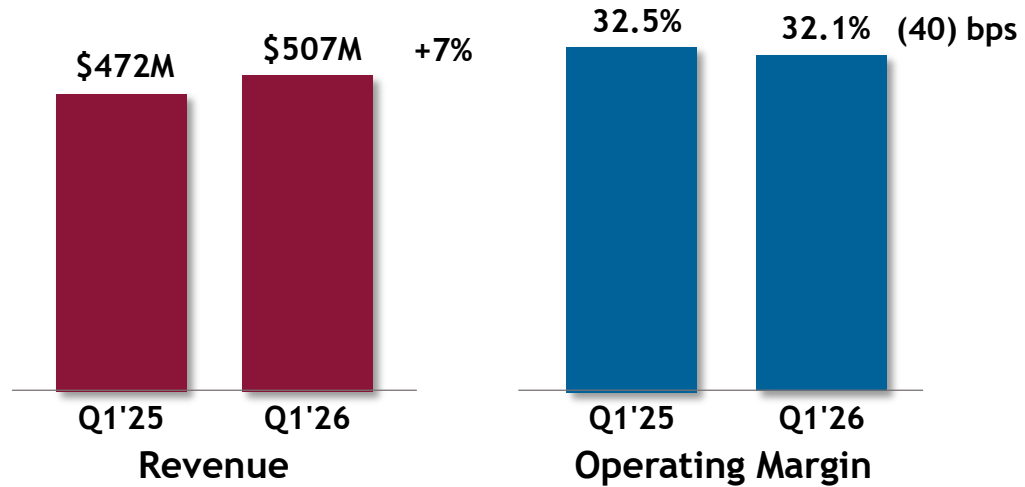
## TEST & MEASUREMENT/ELECTRONICS



- Organic revenue 5%
- Test & Measurement 1%
- Electronics 10%

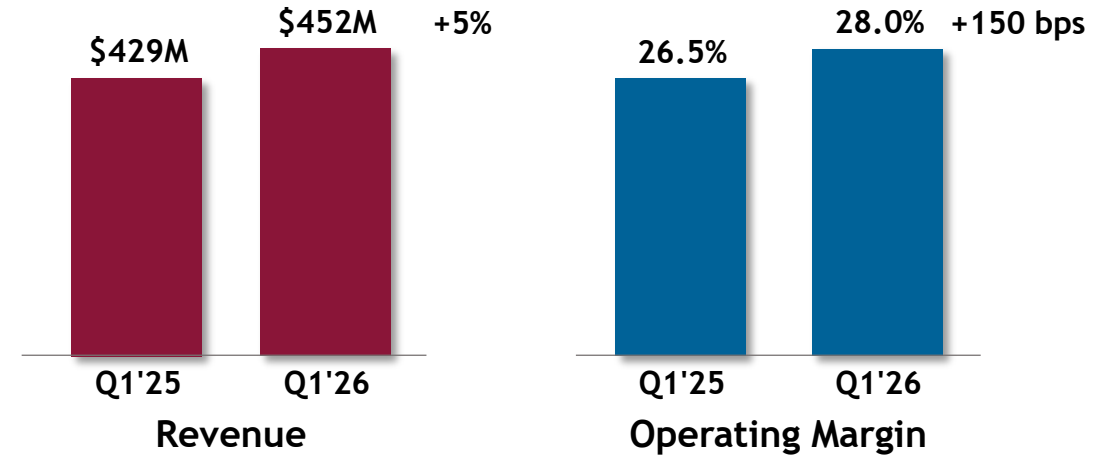
# Q1'26 Financial Performance

## WELDING



- Organic revenue 6%
- Equipment 8%, Consumables 2%
- North America 8%
- International (6)%

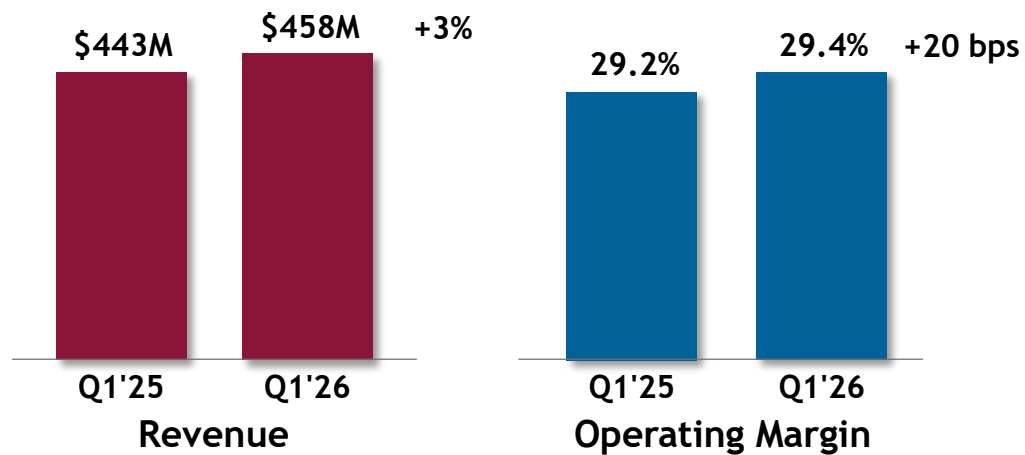
## POLYMERS & FLUIDS



- Organic revenue 2%
- Automotive Aftermarket 3%
- Fluids flat
- Polymers flat

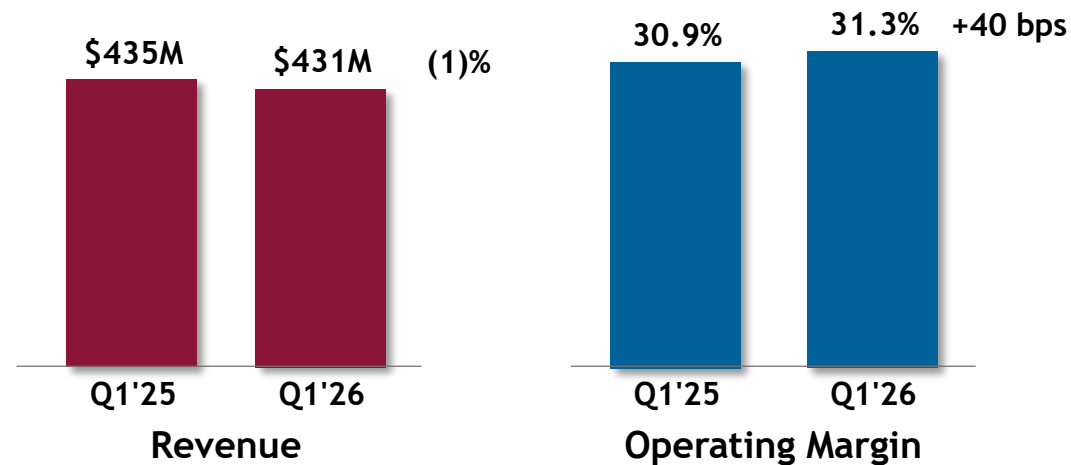
# Q1'26 Financial Performance

## CONSTRUCTION PRODUCTS



- Organic revenue (1)%
- North America flat
- Europe (3)%
- Australia/New Zealand (2)%

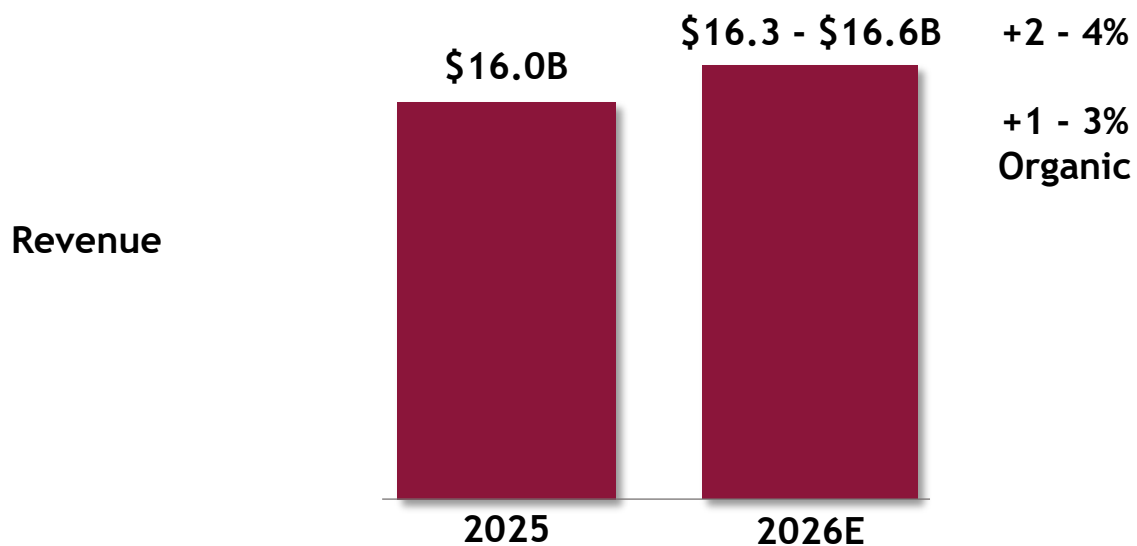
## SPECIALTY PRODUCTS



- Organic revenue (5)%
  - PLS and Middle East Impact ~(3)%
- North America (6)%
- International (2)%

# 2026 Financial Guidance

GAAP EPS	\$10.49	\$11.10 - \$11.50	+6 - 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

- **Well-positioned to outperform our end markets**
  - Positive demand trends in capex-related segments
  - Solid progress on Customer-Back Innovation
- **Disciplined ‘Do What We Say’ execution on the controllables delivering margin expansion of ~100 bps**
  - Enterprise initiatives contribution of ~100 bps
  - All seven segments projected to expand margins
- **Free cash flow conversion of 100%+ of net income**
  - Share repurchases of ~\$1.5B
- **FY GAAP EPS Guidance range raised by +\$0.10**
  - Projected effective tax rate of 23 to 24%

**ON TRACK TO DELIVER ROBUST FINANCIAL PERFORMANCE IN 2026**

\* See ITW’s Q1’26 press release for the reconciliation from GAAP to non-GAAP measures.



# Q&A