



FIRST QUARTER 2022 EARNINGS CONFERENCE CALL

MAY 3, 2022



FORWARD-LOOKING STATEMENTS

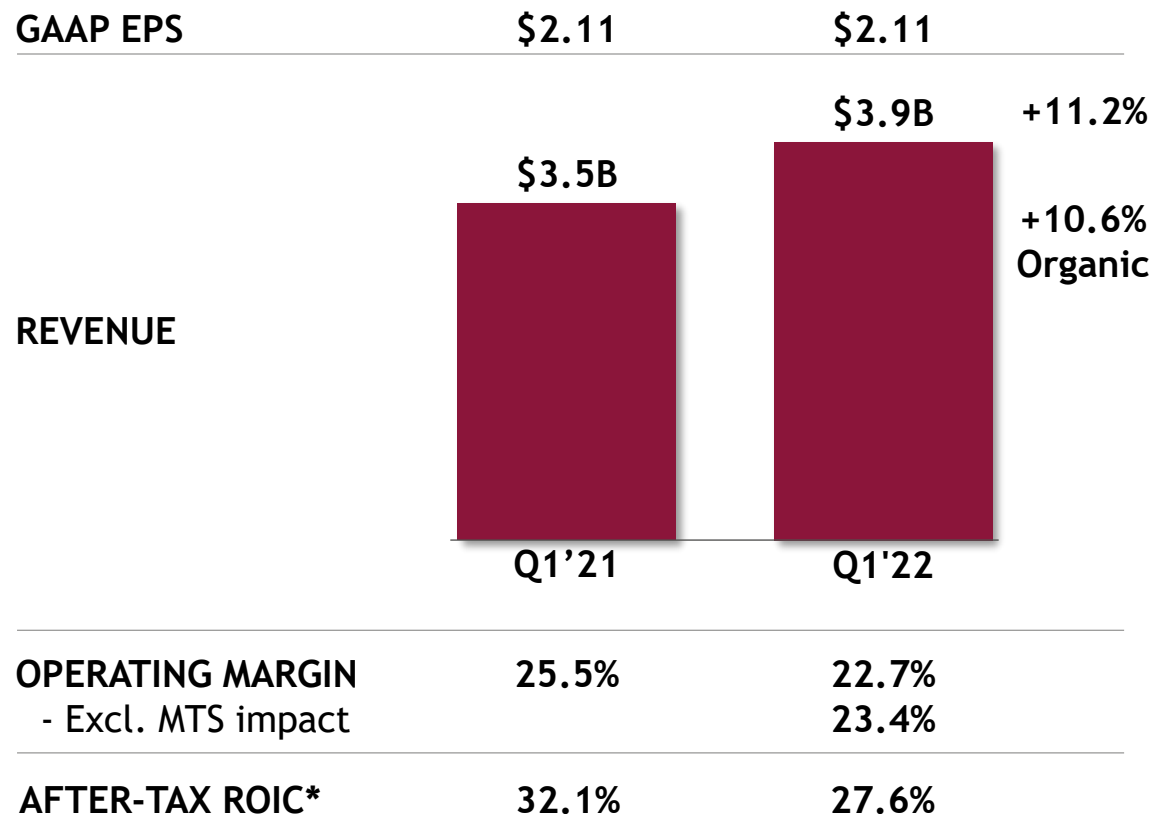
SAFE HARBOR STATEMENT

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 duration and potential effects of the COVID-19 pandemic and global supply chain challenges, related government actions and the Company's strategy in response thereto on the Company's business, expected impact of raw material inflation, 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, expected repatriation of overseas cash, 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, potential acquisitions and divestitures and related impact on financial results, including statements with respect to the impact of the 2021 acquisition of the MTS Test & Simulation business, and the Company's 2022 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 2021.

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 2022, 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 has 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.

Q1'22 FINANCIAL PERFORMANCE



COMMENTARY

- In a challenging and dynamic environment, our teams continue to do an exceptional job of leveraging the performance power of the ITW Business Model
 - Strong broad-based demand supported by ITW's advantaged supply position
 - Executing on our "Win the Recovery" strategy to accelerate profitable market penetration and deliver long term, sustainable organic growth across our portfolio
- Q1'22 results reflect strong momentum in this regard
 - Organic growth of 11% with six of seven segments combining for organic growth of 14%
 - Enterprise initiatives of 90 basis points
 - More than covered inflation on a dollar-for-dollar basis

STRONG OPERATIONAL AND FINANCIAL PERFORMANCE



* See ITW's first quarter 2022 press release for the reconciliation from GAAP to non-GAAP measures.

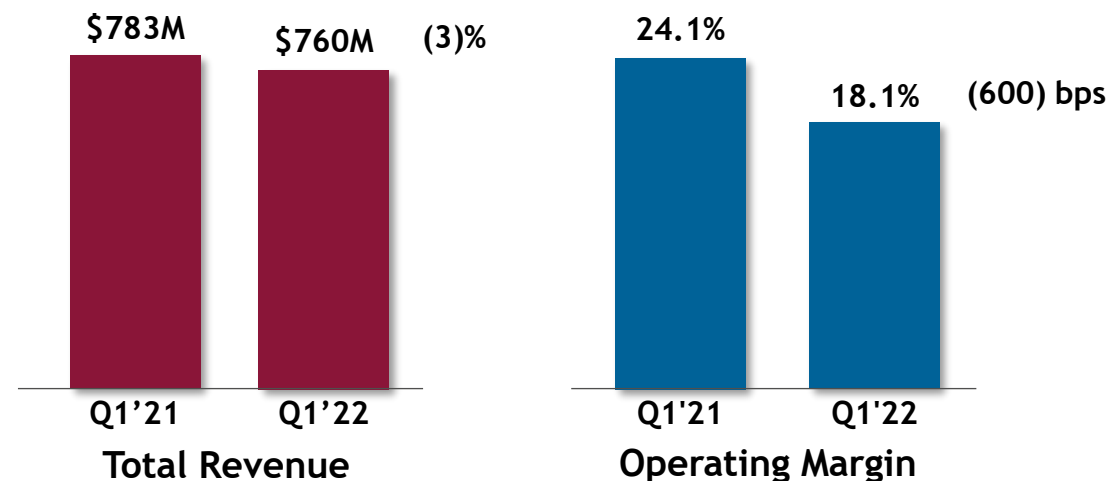
Q1'22 SEGMENT PERFORMANCE

ITW OPERATING MARGIN PERFORMANCE

	Q1'22
Operating Margin	22.7%
Price/Cost	(250) bps
MTS Acquisition	(70) bps
Restructuring	(20) bps
Core Operating Margin	26.1%

CORE OPERATING MARGINS OF 26%+

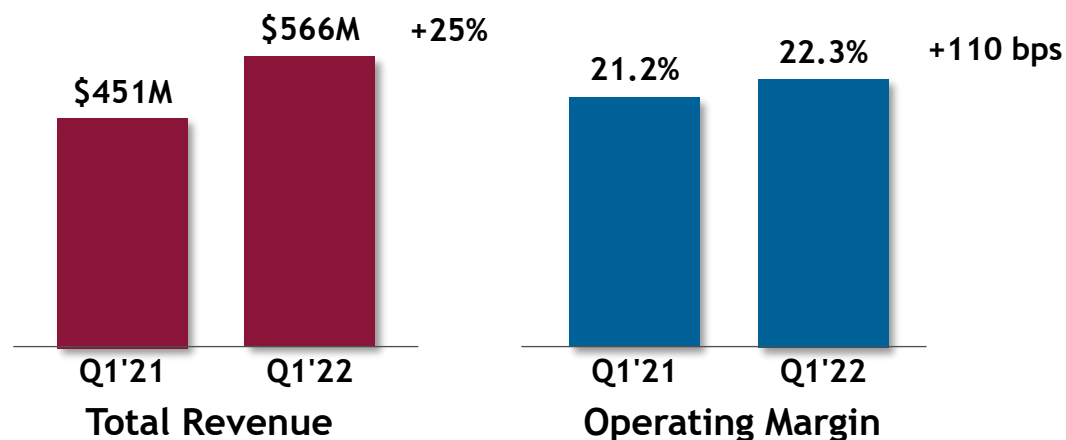
AUTOMOTIVE OEM



- Organic revenue (1)%
- North America 3%
- Europe (11)%
- China 12%

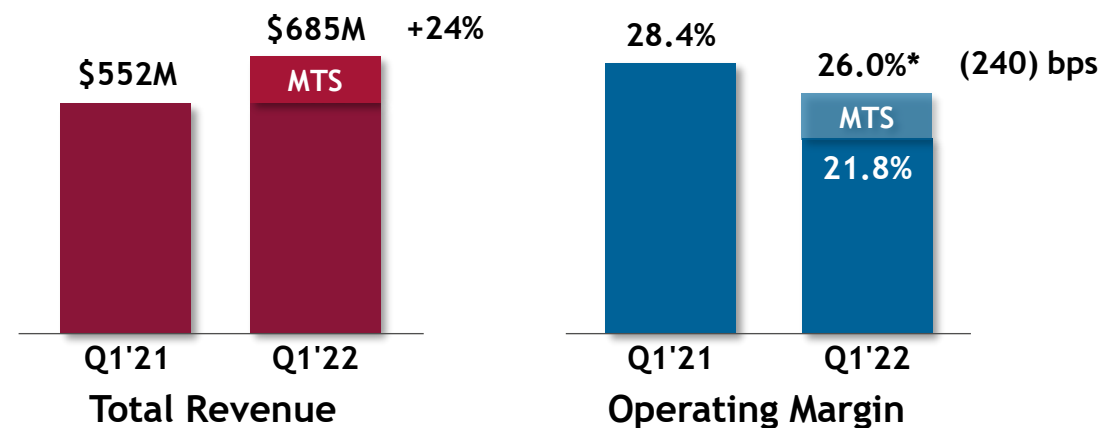
Q1'22 SEGMENT PERFORMANCE

FOOD EQUIPMENT



- Organic revenue 28%
- Equipment 29%, Service 26%
- North America 23%
- International 36%

TEST & MEASUREMENT/ELECTRONICS



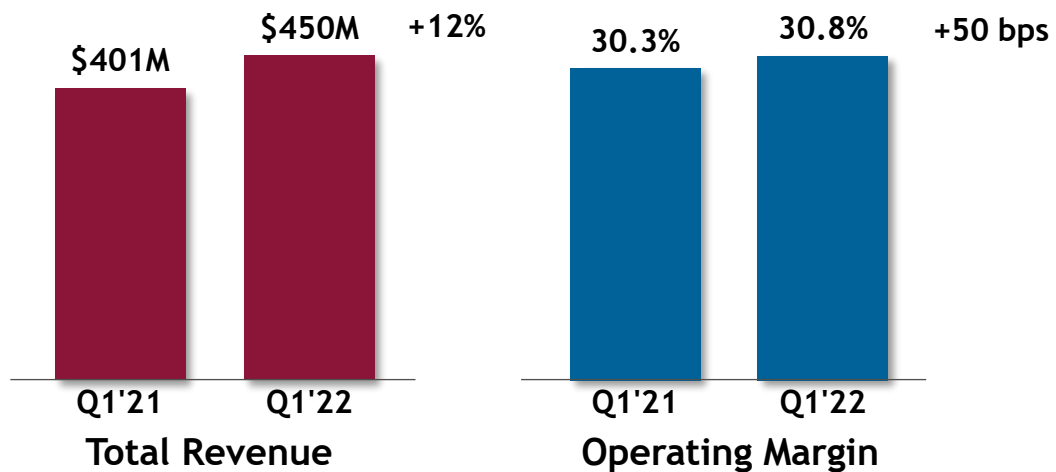
- Organic revenue 8%
- Test & Measurement 10%
- Electronics 6%



* Excludes 420 basis points margin dilution impact from the acquisition of MTS.

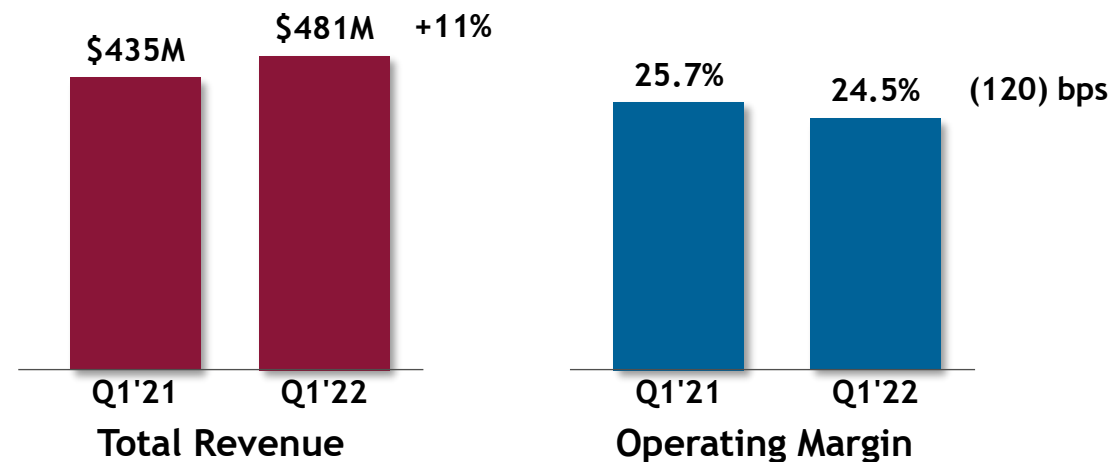
Q1'22 SEGMENT PERFORMANCE

WELDING



- Organic revenue 13%
- Equipment 10%, Consumables 17%
- North America 12%
- International 17%

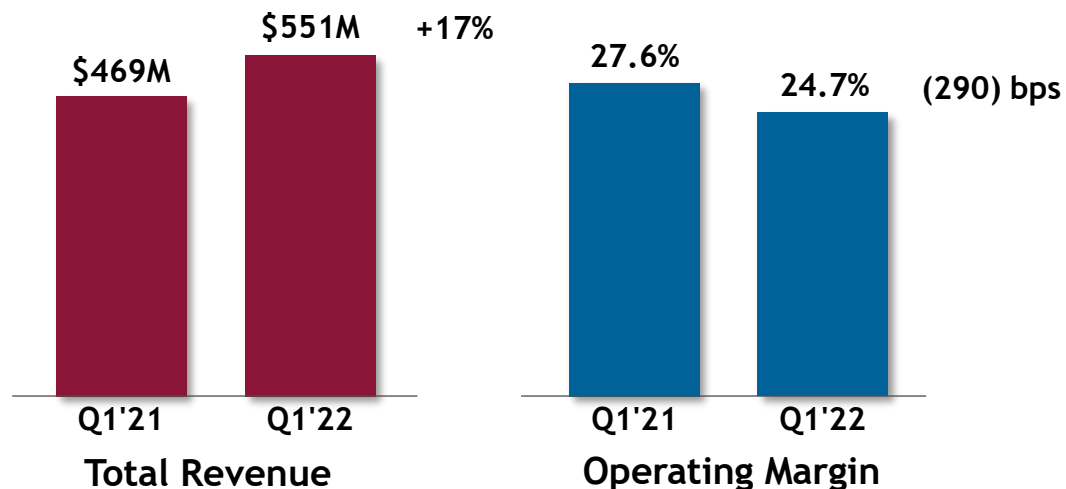
POLYMERS & FLUIDS



- Organic revenue 13%
- Automotive Aftermarket 17%
- Polymers 11%
- Fluids 6%

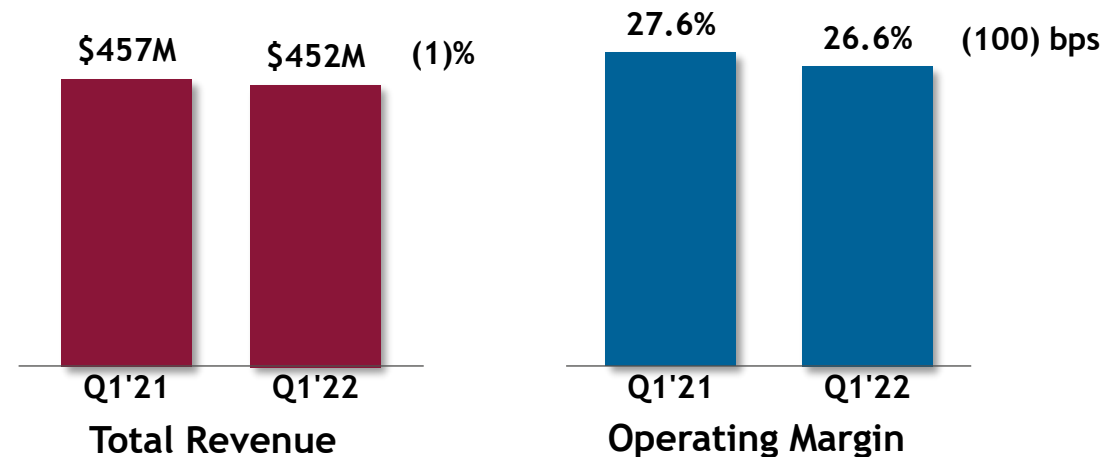
Q1'22 SEGMENT PERFORMANCE

CONSTRUCTION PRODUCTS



- Organic revenue 21%
- North America 32%
- Europe 16%
- Australia/New Zealand 10%

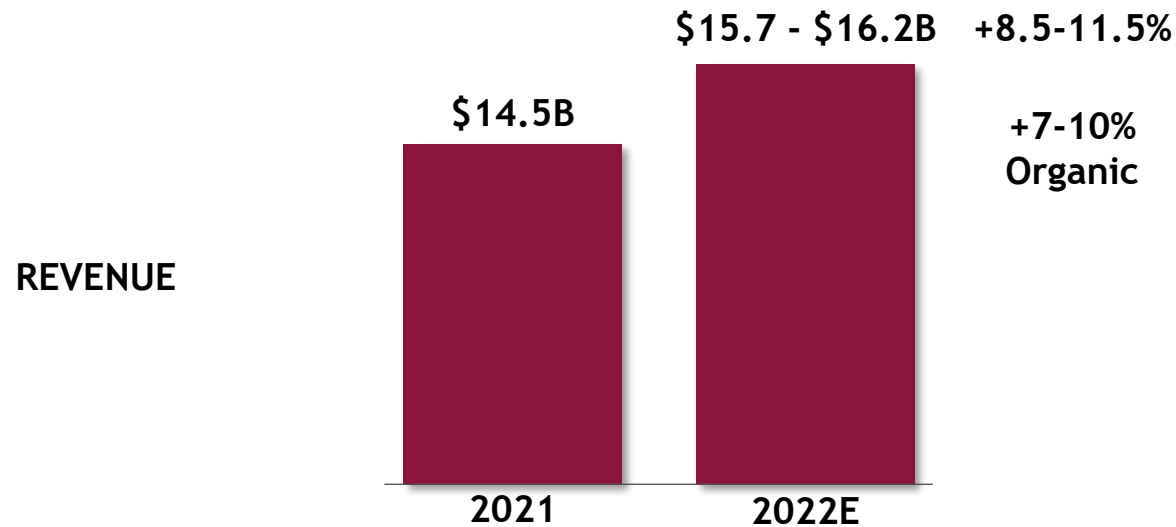
SPECIALTY PRODUCTS



- Organic revenue 1%
- North America 7%
- International (9)%

2022 FINANCIAL GUIDANCE

GAAP EPS	\$8.51	\$9.00 - \$9.40	+11-16%
- Excl. '21 tax items	\$8.09		



OPERATING MARGIN	24.1%	24 - 25%
- Excl. MTS impact		24.5 - 25.5%
AFTER-TAX ROIC*	29.5%	29 - 30%

COMMENTARY

- Raising organic growth guidance to 7 to 10%
 - Based on Q1 results and projecting current levels of demand through the balance of the year
 - MTS acquisition contributes 3%, foreign currency (1.5)%
- Raising GAAP EPS guidance to \$9.00 to \$9.40
- Operating margin expansion; 24.5 to 25.5% excl. MTS
 - Enterprise initiatives contribute 100 basis points
 - More than covering inflation on a dollar-for-dollar basis
- Free cash flow growth of 10 to 20%; 85 to 95% of net income
- Share repurchases of \$1.5 billion



WELL-POSITIONED FOR STRONG FINANCIAL PERFORMANCE IN ANY ENVIRONMENT

* See ITW's first quarter 2022 press release for the reconciliation from GAAP to non-GAAP measures.

Q&A

RECENTLY RELEASED REPORTS

2021 SUSTAINABILITY REPORT



[Link to 2021 Sustainability Report](#)

2021 ANNUAL REPORT



[Link to 2021 Annual Report](#)