# Illinois Tool Works Inc.

**ITW**

NYSE; manufacturing; SIC 3560, General Industrial Machinery & Equipment; CIK 0000049826

**D**

**fourth fifth of 255 graded peers in manufacturing**

rank 190 of 255; percentile 74.4; sampling error 3.0 points; lower is stronger

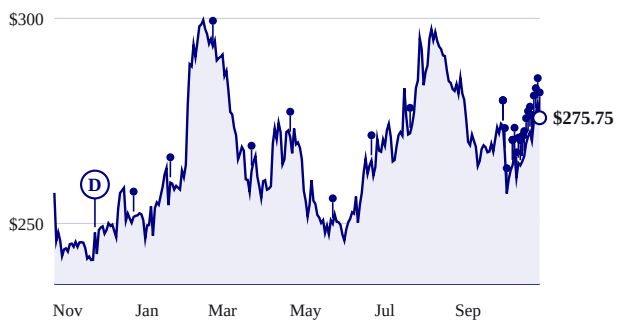
A B C D E

**D, the sloth**



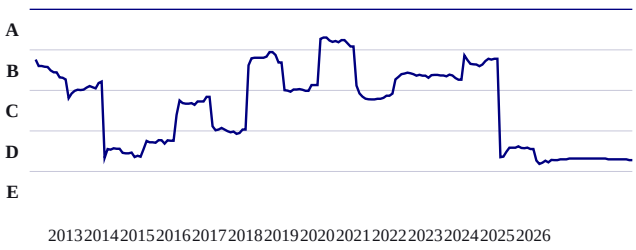
| Scoreboard | |
|---|---|
| **Profitability** | C<br>percentile 55.3 |
| **Solvency** | C/D<br>percentile 62.8 |
| **Growth and financing** | C<br>percentile 51.6 |
| **Reliability** | 0.94 AUC<br>filers with over $2.67B assets; 95% interval 0.88 to 0.97; 61 events, 2020 to 2025 |
| **Peer failure rate** | 0.52% a year<br>Item 1.03 bankruptcies, same asset band, 2012 to 2025 |
| **Size band** | over $2.67B assets<br>total assets $16.1B |
| **Standard universe** | inside<br>revenue above $1M and assets above $10M |
| **Warnings** | none triggered<br>not computable: distress |
| **Inputs computable** | 9 of 14 |
| **Graded from** | filings received through Feb 13, 2026<br>253 days before the rescan; latest periodic filing 10-Q received Aug 6, 2026 |
| **Last close** | $275.77<br>2026-10-23; market equity $78.5B; no price enters the letter |

**Share price, twelve months to the rescan**




*Split-adjusted close. Each lollipop is a rescan and carries the letter held then.*

**Letter at every rescan, 2012 to 2026**




*Sector percentile at each rescan, stronger toward the top; facts filed by each date only.*

## Business, in the company's words

*opening of Item 1 of the 10-K received Feb 13, 2026*

Illinois Tool Works Inc. (the "Company" or "ITW") was founded in 1912 and incorporated in 1915. The Company's ticker symbol is ITW. The Company is a global manufacturer of a diversified range of industrial products and equipment with 88 divisions in 49 countries. As of December 31, 2025, the Company employed approximately 43,000 people. The Company's operations are organized and managed based on similar product offerings and end markets, and are reported to senior management as the following seven segments: Automotive OEM; Food Equipment; Test & Measurement and Electronics; Welding; Polymers & Fluids; Construction Products; and Specialty Products.

## The fourteen inputs

*lower percentile is stronger; sleeves and inputs within a sleeve carry equal weight*

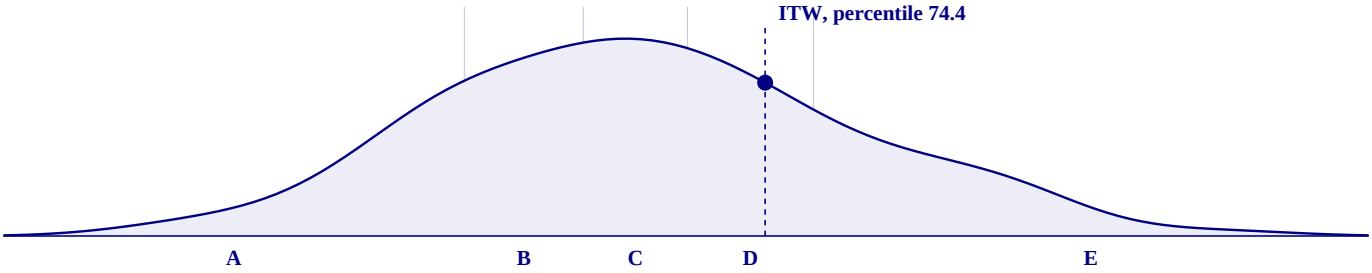
| Input | Value | Peer median | Percentile, 0 to 100 | Pct | Peers | Period end |
|---|---|---|---|---|---|---|
| **Profitability, sleeve percentile 55.3** | | | | | | |
| Gross profitability | 52.6% | 21.9% | | 3.3 | 275 | 2025-12-31 |
| Return on invested capital | not computable | 9.7% | | | | |

Not investment advice. Informational and educational only. Data from SEC EDGAR, may contain errors, is not warranted. The grade ranks reported financial condition and is not a return forecast.

| | | | | | | |
|---|---|---|---|---|---|---|
| *latest aligned inputs end 2023-12-31; latest annual assets end 2025-12-31* | | | | | | |
| Accruals ratio | (0.4%) | (3.5%) | | 77.1 | 307 | 2025-12-31 |
| Gross margin stability, five years | 5.5 pts | 2.1 pts | | 85.5 | 229 | 2025-12-31 |
| **Solvency, sleeve percentile 62.8** | | | | | | |
| Twelve-month failure probability | not computable | 0.04% | | | | |
| *liabilities and a nearby cover-page share count are required at 2026-06-30* | | | | | | |
| Altman Z double-prime | not computable | 3.66 | | | | |
| *one or more required annual facts are missing* | | | | | | |
| Net debt to EBITDA | 1.51x | 1.78x | | 40.8 | 121 | 2025-12-31 |
| Interest coverage | not computable | 5.09x | | | | |
| *latest aligned inputs end 2023-12-31; latest annual assets end 2025-12-31* | | | | | | |
| Current ratio | 1.21x | 2.25x | | 84.8 | 324 | 2025-12-31 |
| **Growth and financing, sleeve percentile 51.6** | | | | | | |
| Revenue growth, three-year compound | 0.2% | 2.2% | | 60.8 | 269 | 2025-12-31 |
| Free cash flow growth, three-year compound | 11.8% | 13.7% | | 56.8 | 140 | 2025-12-31 |
| Reinvestment rate | not computable | 26.1% | | | | |
| *latest aligned inputs end 2023-12-31; latest annual assets end 2025-12-31* | | | | | | |
| Asset growth, three years | 1.5% | 4.3% | | 63.2 | 278 | 2025-12-31 |
| Net share issuance, one year | (1.8%) | 0.01% | | 25.7 | 242 | 2026-01-31 |

## Among 255 peers

*manufacturing; letters are fifths of this list*




*Composite score of every graded peer, smoothed; vertical rules are the letter band edges; stronger to the left.*

| Rank | Company | Percentile | Letter | Warnings |
|---|---|---|---|---|
| 185 | Columbus Mckinnon Corp. (CMCO) | 72.4 | D | |
| 186 | Loar Holdings Inc. (LOAR) | 72.8 | D | |
| 187 | Axon Enterprise, Inc. (AXON) | 73.2 | D | |
| 188 | Trimas Corp. (TRS) | 73.6 | D | |
| 189 | Nike, Inc. (NKE) | 74.0 | D | |
| 190 | Illinois Tool Works Inc. (ITW) | 74.4 | D | |
| 191 | RTX Corp. (RTX) | 74.8 | D | |
| 192 | Entegris Inc. (ENTG) | 75.2 | D | |
| 193 | Crown Holdings, Inc. (CCK) | 75.6 | D | |
| 194 | Johnson Controls International plc (JCI) | 76.0 | D | |
| 195 | Brunswick Corp. (BC) | 76.6 | D | |

## What the price implies

*at the 2026-10-23 close; none of these enters the grade*

| Measure | Value | Peer median | Percentile |
|---|---|---|---|
| Twelve-month price change, skipping the latest month | 7.6% | 13.7% | 43 |
| Distance from 52-week high | (8.0%) | (26.9%) | 90 |
| EBIT to enterprise value | 4.9% | 4.3% | 58 |
| Free cash flow yield | 3.4% | 3.4% | 50 |

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| | | | |
|---|---|---|---|
| Book value to price | 0.04 | 0.36 | 5 |
| Sales to price | 0.20 | 0.54 | 14 |
| Composite equity issuance, five years | (23.4%) | (9.5%) | 16 |
| Relative strength against the sector, log excess return | (0.06) | (0.00) | 43 |

## Diagnostics

*shown on every report; none enters the grade*

| Measure | Value |
|---|---|
| **Piotroski F-score 6 of 9, period end 2025-12-31** | |
| Return on assets above zero | pass |
| Operating cash flow above zero | pass |
| Return on assets improved | fail |
| Operating cash flow exceeds net income | pass |
| Long-term leverage fell | fail |
| Current ratio improved | fail |
| No new shares issued | pass |
| Gross margin improved | pass |
| Asset turnover improved | pass |
| **Cash, filings, liquidity** | |
| Cash and equivalents | $839.0M |
| Operating cash flow, four quarters | $3.3B |
| Months of runway | not finite |
| Days since last periodic filing | 79 (10-Q received Aug 6, 2026) |
| Median daily dollar volume, 63 sessions | $304.7M |

## Sources

*every fact behind the inputs; each row links to its filing index on sec.gov*

| # | Concept | XBRL tag | Value | Period end | Received | Form | Accession |
|---|---|---|---|---|---|---|---|
| 1 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $16.0B | 2025-12-31 | 2026-02-13 | 10-K | 26-000008 |
| 2 | cost of revenue | us-gaap:CostOfRevenue | $7.6B | 2025-12-31 | 2026-02-13 | 10-K | 26-000008 |
| 3 | assets | us-gaap:Assets | $16.1B | 2025-12-31 | 2026-02-13 | 10-K | 26-000008 |
| 4 | operating income | us-gaap:OperatingIncomeLoss | $4.0B | 2023-12-31 | 2026-02-13 | 10-K | 26-000008 |
| 5 | pretax income | us-gaap:IncomeLossFromContinuingOperationsBeforeInc... | $3.8B | 2023-12-31 | 2024-02-09 | 10-K | 24-000008 |
| 6 | income tax | us-gaap:IncomeTaxExpenseBenefit | $866.0M | 2023-12-31 | 2026-02-13 | 10-K | 26-000008 |
| 7 | total debt | us-gaap:LongTermDebt | $7.7B | 2023-12-31 | 2025-02-14 | 10-K | 25-000007 |
| 8 | book equity | us-gaap:StockholdersEquityIncludingPortionAttributableT... | $3.0B | 2023-12-31 | 2026-02-13 | 10-K | 26-000008 |
| 9 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $1.1B | 2023-12-31 | 2025-02-14 | 10-K | 25-000007 |
| 10 | total debt | us-gaap:LongTermDebt | $6.7B | 2022-12-31 | 2024-02-09 | 10-K | 24-000008 |
| 11 | book equity | us-gaap:StockholdersEquityIncludingPortionAttributableT... | $3.1B | 2022-12-31 | 2026-02-13 | 10-K | 26-000008 |
| 12 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $708.0M | 2022-12-31 | 2024-02-09 | 10-K | 24-000008 |
| 13 | net income | us-gaap:ProfitLoss | $3.1B | 2025-12-31 | 2026-02-13 | 10-K | 26-000008 |
| 14 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $3.1B | 2025-12-31 | 2026-02-13 | 10-K | 26-000008 |
| 15 | assets | us-gaap:Assets | $15.1B | 2024-12-31 | 2026-02-13 | 10-K | 26-000008 |
| 16 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $15.9B | 2024-12-31 | 2026-02-13 | 10-K | 26-000008 |
| 17 | cost of revenue | us-gaap:CostOfRevenue | $7.6B | 2024-12-31 | 2026-02-13 | 10-K | 26-000008 |
| 18 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $16.1B | 2023-12-31 | 2026-02-13 | 10-K | 26-000008 |
| 19 | cost of revenue | us-gaap:CostOfGoodsAndServicesSold | $9.3B | 2023-12-31 | 2026-02-13 | 10-K | 26-000008 |
| 20 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $15.9B | 2022-12-31 | 2025-02-14 | 10-K | 25-000007 |
| 21 | cost of revenue | us-gaap:CostOfGoodsAndServicesSold | $9.4B | 2022-12-31 | 2025-02-14 | 10-K | 25-000007 |
| 22 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $14.5B | 2021-12-31 | 2024-02-09 | 10-K | 24-000008 |
| 23 | cost of revenue | us-gaap:CostOfGoodsAndServicesSold | $8.5B | 2021-12-31 | 2024-02-09 | 10-K | 24-000008 |
| 24 | total debt | us-gaap:LongTermDebt | $7.7B | 2025-12-31 | 2026-02-13 | 10-K | 26-000008 |
| 25 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $851.0M | 2025-12-31 | 2026-02-13 | 10-K | 26-000008 |
| 26 | operating income | us-gaap:OperatingIncomeLoss | $4.2B | 2025-12-31 | 2026-02-13 | 10-K | 26-000008 |

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| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 27 | depreciation amortization | us-gaap:Depreciation | $317.0M | 2025-12-31 | 2026-02-13 | 10-K | 26-000008 |
| 28 | interest expense | us-gaap:InterestExpense | $266.0M | 2023-12-31 | 2024-02-09 | 10-K | 24-000008 |
| 29 | current assets | us-gaap:AssetsCurrent | $6.2B | 2025-12-31 | 2026-02-13 | 10-K | 26-000008 |
| 30 | current liabilities | us-gaap:LiabilitiesCurrent | $5.1B | 2025-12-31 | 2026-02-13 | 10-K | 26-000008 |
| 31 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $419.0M | 2025-12-31 | 2026-02-13 | 10-K | 26-000008 |
| 32 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $3.3B | 2024-12-31 | 2026-02-13 | 10-K | 26-000008 |
| 33 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $437.0M | 2024-12-31 | 2026-02-13 | 10-K | 26-000008 |
| 34 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $3.5B | 2023-12-31 | 2026-02-13 | 10-K | 26-000008 |
| 35 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $455.0M | 2023-12-31 | 2026-02-13 | 10-K | 26-000008 |
| 36 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $2.3B | 2022-12-31 | 2025-02-14 | 10-K | 25-000007 |
| 37 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $412.0M | 2022-12-31 | 2025-02-14 | 10-K | 25-000007 |
| 38 | depreciation amortization | us-gaap:Depreciation | $282.0M | 2023-12-31 | 2026-02-13 | 10-K | 26-000008 |
| 39 | current assets | us-gaap:AssetsCurrent | $6.2B | 2023-12-31 | 2025-02-14 | 10-K | 25-000007 |
| 40 | current liabilities | us-gaap:LiabilitiesCurrent | $4.7B | 2023-12-31 | 2025-02-14 | 10-K | 25-000007 |
| 41 | current assets | us-gaap:AssetsCurrent | $6.3B | 2022-12-31 | 2024-02-09 | 10-K | 24-000008 |
| 42 | current liabilities | us-gaap:LiabilitiesCurrent | $4.5B | 2022-12-31 | 2024-02-09 | 10-K | 24-000008 |
| 43 | assets | us-gaap:Assets | $15.5B | 2023-12-31 | 2025-02-14 | 10-K | 25-000007 |
| 44 | assets | us-gaap:Assets | $15.4B | 2022-12-31 | 2025-02-14 | 10-K | 25-000007 |
| 45 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 288,200,000 | 2026-01-31 | 2026-02-13 | 10-K | 26-000008 |
| 46 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 293,500,000 | 2025-01-31 | 2025-02-14 | 10-K | 25-000007 |

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