Fourth Quarter And Full Year 2021 Overview

February 1, 2022
Participants

Jim Loree  
CEO

Don Allan  
President & CFO

Dennis Lange  
VP, Investor Relations
Cautionary Statements

Certain Statements Contained In This Presentation Are Forward Looking. These Are Based On Assumptions Of Future Events Which May Not Prove To Be Accurate. They Involve Risk And Uncertainty. Actual Results May Differ Materially From Those Expected Or Implied. We Direct You To The Cautionary Statements Detailed In The Corresponding Press Release And Form 8-K And Our Recent ‘34 Act SEC Filings.

The Company’s Results Represent Continuing Operations And Exclude The Commercial Electronic Security & Healthcare Businesses Following The Announced Divestiture In December 2021, Unless Specifically Noted. This Transaction Is Expected To Close In The First Half Of 2022. These Businesses Previously Were Included In The Security Segment And Have Been Recorded As Discontinued Operations.
4Q & FY 2021 Key Messages

Robust Customer Demand Drove Record Full Year Organic Growth* Of 17% & 30% Adjusted EPS* Expansion

- Focused On Serving Robust Demand, Operational Execution, Integrating Acquisitions & Improving Free Cash Flow
- Successfully Implemented Price Increases To Recover Inflation | Actively Addressing A Dynamic Supply Chain
- Created More Focused Portfolio Through Outdoor Power Equipment Acquisitions And Announced Security Business Divestiture
- Approximately $4 Billion Share Repurchase Program Expected To Begin In 1Q
- Confident In Our Multi-Year Growth & Margin Expansion Potential Supported By Secular Trends & Investments In Company Specific Catalysts

FY’21 Key Financials

- Total Revenue: $15.6B
- Organic Growth*: +17%
- Price Realization: 3%
- Adjusted Diluted EPS*: $10.48
- Adjusted Diluted EPS* Expansion: +30%

*Non-GAAP Financial Measures. See Appendix For Reconciliation of GAAP To Non-GAAP Measures Used In This Presentation.
Demand Remains Strong As We Enter 2022

Robust Demand Continues Into 2022...

- Demand In Tools Remains Strong
- Positive Housing & Repair/Remodel Fundamentals
  - Millennial Household Formation
  - Low Existing Inventory
  - Home Value Appreciation
  - Focus On The Home & Remote Work
- Continued Recovery In Non-Residential
- Auto & Aero Cyclical Recovery On The Horizon
- $1.2 Trillion Bipartisan US Infrastructure

...Bolstered By Secular Trends & Growth Catalysts

Reconnection With Home & Garden

Innovation

eCommerce

Electrification

Demand Remains Robust | Our Multi-Year Runway For Growth & Margin Expansion Is Compelling
Growth In Outdoor

Brand & Product Portfolio Positioned For Growth

Electrification & Autonomous
- Lead Large Format Gas & Electric Expansion

Win With The Professional
- Apply Innovation Leadership & Dealer Network To Expand Into Higher-End Pro Categories

Optimize Brand & Channel
- Strong Position In Retail & Expansion In Pro Dealer Network

Parts & Service
- Further Penetrate ~$4B Global Lawn & Garden Parts & Accessories Category

Improved 2022 Revenue & EPS Outlook

Consolidating +$3B In Revenue | Adjusted EPS Contribution Ahead Of Expectations

- '22 Total Adjusted EPS Contribution ~$0.85
- 2025 Total Adjusted EPS Contribution ~$1.40

'C22 Total Adjusted EPS Contribution +$0.20 Vs. Prior Estimate Representing $0.60 Of YoY Accretion

- MTD '21 Revenue & Profit* Above Plan
- Margin Rates On Track – Strong Price Realization
- Focused On Integration & Synergy Capture

Creating Significant ESG, Growth & Margin Opportunities

* Proforma
Positioning Supply Chain For Growth

Implementing Initiatives That Will Improve Throughput Beginning In The Second Quarter...

Investing In Supply Chain Capacity, Efficiency & Resiliency To Serve Our Customers

$1.8B Core Inventory Investment In 2021 To Support The Strong Demand Environment

1. Capacity Expansion
   Make Where We Sell

2. Strategic Sourcing
   Secured Battery Cell Capacity Expansion | Semiconductor Supply To Expand In 2Q

3. Factory Automation
   Flexible Automation Supporting Competitive US Manufacturing

2022 Actions To Reduce Inventory

- Realize Benefits Of Actions To Improve Semiconductor Supply
- Dedicated Team Focused On Reducing In-Transit Levels
- Apply SBD Operating Model To Outdoor Acquisitions

Expect At Least $500 Million Of Inventory Reduction In 2022

...Inventory Optimization Expected To Be A Large Free Cash Flow Opportunity In 2022
4Q’21 Segment Overview

Tools & Storage

4Q’20 4Q’21
Revenue
$3,258 $3,372
+3%
17.0% 16.6% 16.5% 16.8% 21.3% 20.5% 21.2% 19.9% 15.3% 11.4%

4Q’20 4Q’21
Operating Margin**
$10,330 $12,817
+24%
12.1% 16.8% 11.3% 15.5% 11.4%

Pricing Contributed +5% | Volume (8%) Due To Expected Tough Comp From 2020 Holiday Shipment Timing & Supply-Related Volume Constraints

NA Point-Of-Sale Demand Grew High-Single Digits & Channel Inventories Ended The Year Below Historic Levels | Continued Strong Pro Demand In EM

OM Rate* 11.4% | Down VPY As Price Benefits Were More Than Offset By Commodity Inflation, Cost To Serve, Growth Investments & Lower Volume

Industrial

4Q’20 4Q’21
Revenue
$658 $610
(7%)
16.4% 15.0% 13.6% 13.0% 8.6% 12.1% 14.5% 15.7% 10.5% 7.7% 9.3%

4Q’20 4Q’21
Operating Margin**
$2,353 $2,463
+5%
13.9% 15.0% 13.6% 13.0% 8.6% 12.1% 14.5% 15.7% 10.5% 7.7% 9.3%

4Q Organic Growth* (6%)
- (9%) Engineered Fastening
- +3% Infrastructure

FY Organic Growth* +3%
- +5% Engineered Fastening
- (1%) Infrastructure

Pricing Contributed +3%

Engineered Fastening: Strong General Industrial Growth More Than Offset By Market-Driven Aerospace Declines & Lower OEM Auto Production

Infrastructure: Attachment Tools Growth (+18%) Partially Offset By Lower Pipeline Project Activity

OM Rate* 9.3% | Down VPY As Price Benefits More Than Offset By Commodity Inflation & Volume Declines In Higher Margin Auto & Aerospace Fasteners

FY Organic Growth* +20%
- +16% N.A., +27% Europe, +40% EM
- +20% PT, +17% HTAS, +40% OPG

4Q Organic Growth* (3%)
- (5%) N.A., (4%) Europe, +7% EM
- (2%) PT, (6%) HTAS, +3% OPG

*Non-GAAP Financial Measures. See Appendix For Reconciliation of GAAP To Non-GAAP Measures Used in This Presentation.
**Excludes Acquisition & Other Related Charges | Quarters Prior To 1Q20 "As Reported", Exclude The Impact Of Discontinued Operations
Cost & Actions Update

**Implemented 4Q Price Actions To Offset Inflation...**

Inflation & Supply Chain Environment Remain Dynamic...

Cost Headwinds Rapidly Accelerated During 2021

<table>
<thead>
<tr>
<th>FY'21 Headwind</th>
<th>$1.5B Annualized</th>
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<tbody>
<tr>
<td>$75M</td>
<td>$800M</td>
</tr>
<tr>
<td>$190M</td>
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</tr>
<tr>
<td>$415M</td>
<td></td>
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<tr>
<td>$675M</td>
<td></td>
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<tr>
<td>$700M</td>
<td></td>
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<tr>
<td>2021 Actual</td>
<td></td>
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<td>2022 Guide</td>
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...Executing On Multiple Fronts To Support Margin Recovery

**Robust Price Recovery Actions In Place**

<table>
<thead>
<tr>
<th>1Q'21</th>
<th>2Q'21</th>
<th>3Q'21</th>
<th>4Q'21</th>
</tr>
</thead>
<tbody>
<tr>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>5%</td>
</tr>
<tr>
<td>6% To 7%</td>
<td>2022 Guide</td>
<td></td>
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</tr>
</tbody>
</table>

- 2022 Guidance Includes ~$800M Of Headwinds (Currency, Commodity & Higher Costs To Serve)
- Shipping & Transport Rates Remain At Historically High Levels
- Potential Opportunity If Commodities Moderate

- Initial Set Of Price Actions & NA Surcharge Fully Implemented
- Initiating Additional Price Actions In 1Q
- Expect Price To Recover Total Annualized Headwind
- Productivity Providing Further Support

**...Expect Pricing And Productivity To Exceed Carryover Headwinds Supporting Margin Recovery**
### 2022 Guidance

**Expect ~7-8% Organic Growth, GAAP EPS Of $10.10 - $10.70 And Adjusted EPS Of $12.00 To $12.50***...**

#### 2022 Outlook

<table>
<thead>
<tr>
<th>Organic Growth &amp; Segments</th>
<th><strong>Tools &amp; Outdoor</strong></th>
<th><strong>Industrial</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organic: High Single Digits</strong></td>
<td><strong>Organic: High-Single To Low Double Digits</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Margin: Core Positive YoY – Down With Acquisitions</strong></td>
<td><strong>Margin: Positive YoY</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Total Company Organic Growth ~7% - 8%</strong></td>
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</tbody>
</table>

#### P&L And Other

- **Diluted EPS:** 2022 GAAP EPS $10.10-$10.70 | 2022 Adjusted EPS* $12.00-$12.50
- **Pretax Acquisition-Related & Other Charges:** ~$380M
- **Shares:** ~155M
- **Tax Rate:** ~10%
- **Free Cash Flow:** Expected To Approximate $2.0 Billion
- **Q1 Expected To Approximate ~13.5% Of FY Adjusted EPS* | 2H Expected To Approximate ~60% Of FY Adjusted EPS***

#### EPS* Assumptions At The Mid-Point

- **Price To Exceed Carryover Headwinds** | +$1.20 - $1.30
- **Carryover Growth Investments** | ($0.20)
- **Outdoor Acquisition Accretion** | +$0.60
- **2022 Impact Of Share Repurchase Program Offsetting Tax & Other Below-The-Line Items** | +$0.10

**Adjusted EPS* Guidance** | $12.00 - $12.50 | 15%-19% VPY

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* Excludes Acquisition-Related & Other Charges Noted Above
** Assuming Current Input Cost & Demand Environment. Excludes Acquisition-Related & Other Charges

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**Free Cash Flow To Approximate $2.0 Billion**
Summary

Demand Remains Robust & Our Multi-Year Runway For Growth & Margin Expansion Is Compelling...

Strong Record Of Performance

Growth + Margin Expansion

Driven By Our Vision & Purpose

To Be A Force For Good

1. Continue Delivering Top Quartile Long-Term Performance

2. Be Recognized As One Of The World’s Most Innovative Companies

3. Elevate Our Commitment To Corporate Social Responsibility

For Those Who Make The World™

...Performance Driven By Our People & Guided By Our Purpose – For Those Who Make The World

StanleyBlack&Decker

* Excludes Acquisition-Related & Other Charges
Stanley Black & Decker

Q&A

Thank You
## FY 2021 Free Cash Flow*

*Non-GAAP Financial Measure

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### Invested In Inventory To Serve The Robust Demand Environment...

### FY 2021 Free Cash Flow*

<table>
<thead>
<tr>
<th></th>
<th>QTD</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4Q’20</td>
<td>4Q’21</td>
</tr>
<tr>
<td>Net Earnings from</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuing Operations</td>
<td>$447</td>
<td>$292</td>
</tr>
<tr>
<td>Net Earnings from</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discontinued Operations</td>
<td>21</td>
<td>37</td>
</tr>
<tr>
<td>Deprec / Amort</td>
<td>147</td>
<td>147</td>
</tr>
<tr>
<td>Working Capital</td>
<td>537</td>
<td>(117)</td>
</tr>
<tr>
<td>Pre-tax Loss (Gain)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>on Sales of Businesses</td>
<td>14</td>
<td>(3)</td>
</tr>
<tr>
<td>Other</td>
<td>256</td>
<td>16</td>
</tr>
<tr>
<td>Operating CF</td>
<td>1,422</td>
<td>372</td>
</tr>
<tr>
<td>CapEx</td>
<td>(139)</td>
<td>(197)</td>
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<tr>
<td>Free Cash Flow</td>
<td>$1,283</td>
<td>$175</td>
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*Targeting ~$2 Billion Of Free Cash Flow In 2022*
Global Presence

Canada 4Q’21 YTD
Organic (13%) 13%
% SWK 4% 5%

US 4Q’21 YTD
Organic (4%) 13%
% SWK 63% 60%

Emg. Mkt 4Q’21 YTD
Organic 10% 35%
% SWK 13% 13%

Europe 4Q’21 YTD
Organic (9%) 20%
% SWK 15% 17%

Japan 4Q’21 YTD
Organic (12%) 17%
% SWK 3% 3%

Australia 4Q’21 YTD
Organic 13% 13%
% SWK 2% 2%
4Q 2021 Regional Revenue Breakout

**Tools & Storage**

- **N.America**: 69%
- **Europe**: 12%
- **Emerging Markets**: 15%
- **Other**: 4%

Total: $3,372M

**Industrial**

- **N.America**: 56%
- **Europe**: 16%
- **Emerging Markets**: 18%
- **Other**: 10%

Total: $610M
## Reconciliation Of GAAP To Non-GAAP Measures

### Q4 2020

<table>
<thead>
<tr>
<th></th>
<th>GAAP Gross Profit</th>
<th>Acquisition-Related Charges &amp; Other</th>
<th>Non-GAAP Gross Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GAAP Gross Profit</strong></td>
<td>$1,404.3</td>
<td>$9.2</td>
<td>$1,413.5</td>
</tr>
<tr>
<td><strong>35.1%</strong></td>
<td></td>
<td></td>
<td><strong>35.3%</strong></td>
</tr>
<tr>
<td><strong>GAAP Operating Profit</strong></td>
<td>$656.8</td>
<td>$28.5</td>
<td>$685.3</td>
</tr>
<tr>
<td><strong>16.4%</strong></td>
<td></td>
<td></td>
<td><strong>17.1%</strong></td>
</tr>
<tr>
<td><strong>GAAP Diluted EPS</strong></td>
<td>$2.68</td>
<td>$0.34</td>
<td>$3.02</td>
</tr>
<tr>
<td><strong>QTD</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>YTD</strong></td>
<td>$7.16</td>
<td>$0.88</td>
<td>$8.04</td>
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### Q4 2021

<table>
<thead>
<tr>
<th></th>
<th>GAAP Gross Profit</th>
<th>Acquisition-Related Charges &amp; Other</th>
<th>Non-GAAP Gross Profit</th>
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<tbody>
<tr>
<td><strong>GAAP Gross Profit</strong></td>
<td>$1,152.5</td>
<td>$28.2</td>
<td>$1,180.7</td>
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<tr>
<td><strong>28.3%</strong></td>
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<td></td>
<td><strong>29.0%</strong></td>
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<tr>
<td><strong>GAAP Operating Profit</strong></td>
<td>$205.7</td>
<td>$160.4</td>
<td>$366.1</td>
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<tr>
<td><strong>5.1%</strong></td>
<td></td>
<td></td>
<td><strong>9.0%</strong></td>
</tr>
<tr>
<td><strong>GAAP Diluted EPS</strong></td>
<td>$1.77</td>
<td>$0.37</td>
<td>$2.14</td>
</tr>
<tr>
<td><strong>QTD</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>YTD</strong></td>
<td>$9.62</td>
<td>$0.86</td>
<td>$10.48</td>
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</table>
Reconciliation Of GAAP To Non-GAAP Segment Profit

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q4 2020</th>
<th>Q4 2021</th>
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<tbody>
<tr>
<td></td>
<td>GAAP Segment Profit</td>
<td>GAAP Segment Profit</td>
</tr>
<tr>
<td>Tools &amp; Storage</td>
<td>$657.4 20.2%</td>
<td>$235.2 7.0%</td>
</tr>
<tr>
<td></td>
<td>$9.3</td>
<td>$150.8</td>
</tr>
<tr>
<td>Industrial</td>
<td>$87.5 13.3%</td>
<td>$53.7 8.8%</td>
</tr>
<tr>
<td></td>
<td>$7.7</td>
<td>$3.3</td>
</tr>
<tr>
<td>Reconciliation Of GAAP To Non-GAAP Sales Growth</td>
<td></td>
<td></td>
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<tr>
<td>------------------------------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Stanley Black &amp; Decker – Q4’21 YTD</strong></td>
<td><strong>GAAP Sales Growth</strong></td>
<td><strong>Acquisitions</strong></td>
</tr>
<tr>
<td>20%</td>
<td>2%</td>
<td>1%</td>
</tr>
</tbody>
</table>

| **Tools & Storage YTD** | **GAAP Sales Growth** | **Acquisitions** | **Divestitures** | **Currency** | **Non-GAAP Organic Sales Growth** |
| 24% | 2% | 0% | 2% | 20% |

| **Industrial YTD** | **GAAP Sales Growth** | **Acquisitions** | **Divestitures** | **Currency** | **Non-GAAP Organic Sales Growth** |
| 5% | 1% | 0% | 1% | 3% |
### Reconciliation of GAAP to Non-GAAP Sales Growth

<table>
<thead>
<tr>
<th></th>
<th>GAAP Sales Growth</th>
<th>Acquisitions</th>
<th>Divestitures</th>
<th>Currency</th>
<th>Non-GAAP Organic Sales Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stanley Black &amp; Decker – Q4 ’21 QTD</td>
<td>2%</td>
<td>6%</td>
<td>0%</td>
<td>-1%</td>
<td>-3%</td>
</tr>
<tr>
<td>Tools &amp; Storage QTD</td>
<td>3%</td>
<td>7%</td>
<td>0%</td>
<td>-1%</td>
<td>-3%</td>
</tr>
<tr>
<td>Industrial QTD</td>
<td>-7%</td>
<td>0%</td>
<td>0%</td>
<td>-1%</td>
<td>-6%</td>
</tr>
</tbody>
</table>
Non-GAAP Financial Measures

Organic sales growth, or organic growth, is defined as the difference between total current and prior year sales less the impact of companies acquired and divested in the past twelve months and any foreign currency impacts divided by prior year sales. Operating profit is defined as sales less cost of sales and selling, general and administrative expenses. Operating margin is operating profit as a percentage of sales. Operating profit and operating margin are shown both inclusive and exclusive of acquisition-related and other charges. Management uses operating profit and operating margin as key measures to assess the performance of the Company as a whole, as well as the related measures at the segment level. Diluted EPS, excluding charges, or adjusted EPS, is diluted GAAP EPS excluding the impacts of acquisition-related and other charges. Free cash flow is defined as cash flow from operations less capital and software expenditures. Management considers free cash flow an important indicator of its liquidity, as well as its ability to fund future growth and to provide a return to the shareowners, and is useful information for investors. Free cash flow does not include deductions for mandatory debt service, other borrowing activity, discretionary dividends on the Company’s common and preferred stock and business acquisitions, among other items. Free cash flow conversion is defined as free cash flow divided by net income. The Non-GAAP statement of operations and business segment information is reconciled to GAAP on pages 12 through 15. The Company considers the use of the Non-GAAP financial measures above relevant to aid analysis and understanding of the Company’s results, business trends and outlook measures aside from the material impact of acquisition-related and other charges and ensures appropriate comparability to operating results of prior periods.