

First Quarter 2023 Overview

May 4, 2023

StanleyBlack&Decker



Participants



Don Allan

President & CEO



Pat Hallinan

Executive Vice President, CFO



Dennis Lange

Vice President, Investor Relations

Cautionary Statement

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.

1Q 2023 Key Messages

Continued Momentum As We Make Progress Towards Streamlining And Optimizing Stanley Black & Decker

- Global Cost Reduction Program Delivered \$230 Million Of Pre-Tax Run-Rate Savings In The First Quarter 2023; On-Track For Expected \$1 Billion Annualized Savings By End Of 2023
- Adjusted Gross Margin* Improved 360 Bps Versus Fourth Quarter 2022 Expected Trough
- Strong Progress On Inventory Reduction, With \$200 Million Improvement In The First Quarter; Approximately \$1 Billion Inventory Reduction Since Mid-2022
- Delivered 1Q'23 Revenues Of \$3.9 Billion, Down Versus Prior Year Due To Lower Consumer & DIY Volume, Currency And Strategic Divestiture
- 1Q'23 Adjusted Diluted EPS* Was (\$0.41), A Result Of Prioritizing 2023 Inventory Reduction And Cash Generation
- Reiterating 2023 Full Year Adjusted Diluted EPS* Guidance Range Of \$0.00 To \$2.00 | Free Cash Flow* To Approximate \$0.5 Billion To \$1 Billion
- Positioning The Business For Long-Term Growth And Share Gain, Investing Behind Our Strong, Iconic Brands, Innovation Engine, Electrification And Commercial Activation

1Q'23 Key Financials

\$3.9B

Total Revenue

(9%)

Organic Revenue*

+2%

Price Realization

+360 Bps

Adj. Gross Margin* vs. 4Q'22

(\$0.41)

Adjusted Diluted EPS*

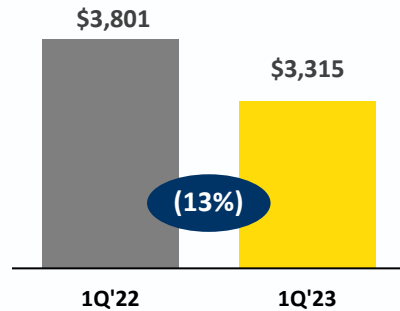
1Q 2023 Segment Overview

Stable Demand Trends Led By Strength In Pro And Industrial | Transformation On-Track

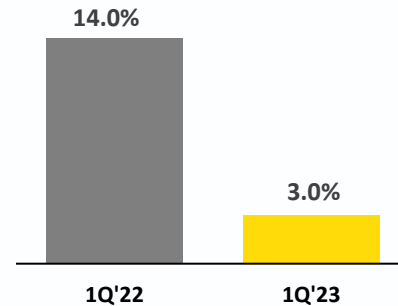
Tools & Outdoor

Revenue

\$M



Adjusted Operating Margin*



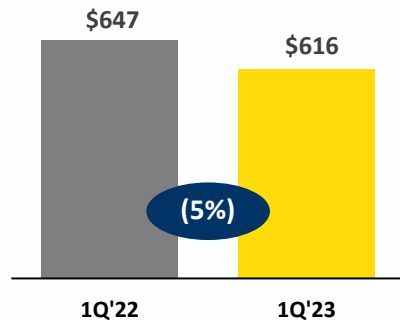
- **1Q Organic Growth* (11%)**
 - (12%) N.A., (12%) Europe, (2%) EM (+6% Excluding Russia)
 - (12%) PT, (6%) HTAS, (16%) OPG
- **Price Contributed +2% Which Was More Than Offset By Organic Volume Declines As A Result Of Lower Consumer & DIY Market Demand, A Slow Start To The Retail Outdoor Season Due To A Cold March And Modestly Reduced Channel Inventory**
- **U.S. Retail Point-Of-Sale Demand For The Quarter Remained In A Growth Position Versus 2019 Levels, Supported By Price Increases And Professional Demand**

Adj. OM Rate* 3.0% | Down VPY As Price Realization Was More Than Offset By Inflation, Higher Supply Chain Costs, Production Curtailments & Lower Volume

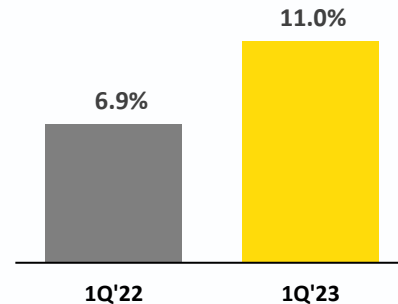
Industrial

Revenue

\$M



Adjusted Operating Margin*



- **1Q Organic Growth* +3%**
 - +3% Engineered Fastening | +5% Attachment Tools
- **Price Contributed +5% Which Was More Than Offset By O&G Divestiture, Currency, And Volume**
- **Engineered Fastening: Double Digit Growth In Aerospace And High-Single Digit Growth In Automotive Which Was Partially Offset By Industrial Markets**
- **Attachment Tools Growth Driven By Strong Price Realization**

Adj. OM Rate* 11.0% | Up VPY As Price Realization And Productivity Were Partially Offset By Inflation

Transforming To Accelerate Organic Growth

Executing On Our Clear Vision And Strategy For Long-Term Success...

**Reduce Complexity –
~\$2B 3-Year Cost Savings**

OPTIMIZE
CORPORATE STRUCTURE

FOCUS
OPERATING MODEL

TRANSFORM
SUPPLY CHAIN

**Invest In Core Growth
\$300M - \$500M**



INNOVATION



ELECTRIFICATION



MARKET LEADERSHIP



MORE RESPONSIVE
SUPPLY CHAIN

**Enhance
Shareholder Return**

Organic Revenue
Growth* 2-3X Market

35%+ Adjusted Gross Margin*
By 2025

100%+ Free Cash Flow*
Conversion

Powerful Innovation

Customer Fill Rate
Improvement

...As A More Focused, Purpose Driven Company

Business Streamlining & Transformation On-Track

Supply Chain Transformation Expected To Deliver ~\$1.5B Annualized Savings By 2025 Enabling 35% Adj. Gross Margins*...

Supply Chain Transformation Progress



SKU Reduction & Product Platforming

- Approved ~60K SKU Reduction Of Which 16K Fully Decommissioned
- Customer Conversions In Process



Strategic Sourcing

- Wave 1 Update: \$2 Billion RFPs Received And Tracking To Generate Target Savings
- Achieving Savings While Managing Change Complexity
- Intend To Increase Geographic Diversification



Facility Consolidation

- Initial Announcement In March 2023: Manufacturing Site Expansions, Transformations, And Consolidations On-Track With Expectations



Ops Excellence

- SBD Operating Model And LEAN/Kaizen Accelerations Held At 4 Sites In 1Q'23
- Kicked-Off At 9 Additional Sites In March

Benefits From SG&A Actions

~\$120M 1Q'23 Program Savings

- ✓ Simplify Corporate & Investment Prioritization
 - ~\$200 Million Annualized
- ✓ New Organizational Structure Largely In Place (Spans & Layers)
 - ~\$100 Million Annualized
- ✓ Reduce Indirect Spend
 - Targeting \$200 Million By YE'23

\$500 Million Annualized Pre-Tax Savings By YE'23 Supporting Reinvestment To Drive Organic Growth

...\$0.5B Annualized SG&A Actions Broadly Complete With Indirect Benefits Continuing To Build

Advancing Innovation & Electrification

Spring 2023 Outdoor Products Designed To Deliver The Runtime And Performance Users Demand...

DEWALT, CRAFTSMAN And BLACK+DECKER Products
Recognized Winners For Eight 2023 Popular Mechanics Yard & Garden Awards

CRAFTSMAN



V20 LITHIUM ION **BRUSHLESS RP**
 // RUNTIME • PERFORMANCE //

MORE RUNTIME: Powerful Performance With Extended Runtime
LIGHTWEIGHT DESIGN: Compact Designs That Are Lighter Than Gas
NOISE REDUCTION: Electrification Benefit Of Less Noise Than Gas

DEWALT



Select 2023 Popular Mechanics Yard & Garden Award Winners

DEWALT 60V MAX**
 Attachment Capable String
 Trimmer Kit
**Best String Trimmer For
 Contractors**

DEWALT 20V MAX*
 Brushless Cordless
 Pruning Chainsaw
**Best Contractor
 Pruning Saw**

**BLACK+
DECKER**



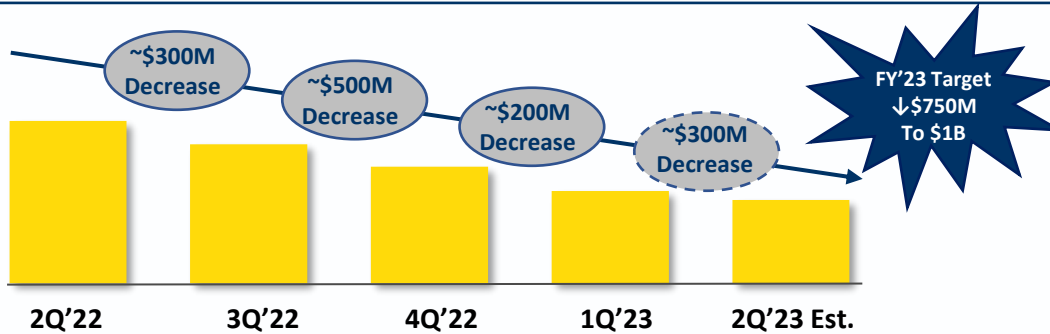
BLACK+DECKER
 20V MAX* Pruning
 Chainsaw
**Best Light-Duty
 Chainsaw For Pruning**

...Developing Best-In-Class Products And Solutions For Our Customers And End-Users

Inventory & Gross Margin Update

Prioritizing Inventory Optimization And Free Cash Flow Generation Throughout 2023...**

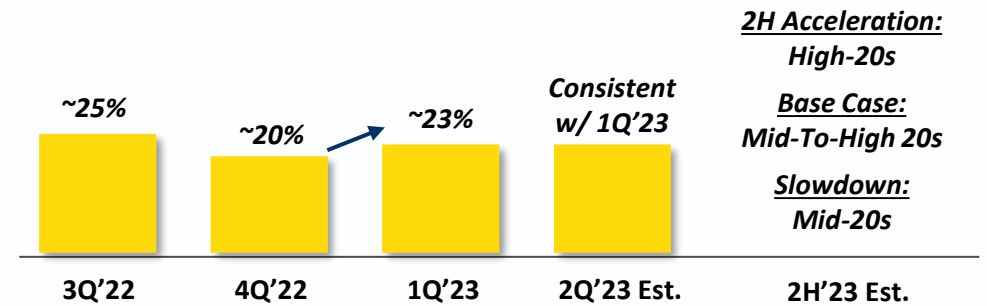
On-Track To Deliver \$750 Million To \$1 Billion Inventory Reduction In 2023



- \$200M Reduction From Existing Inventory Consumption As Well As Raw Material And In-Bound Declines
- 1Q'23 FCF** Outflow Of ~\$360M, Better Than The Historical 5-Year Average
- Target: ~\$0.3B 2Q'23 Inventory Decline With Continued 2H'23 Improvement

**\$200 Million Inventory Reduction In 1Q'23
Totaling \$1 Billion Reduction Since Mid-2022**

Adjusted Gross Margin* Improvement Trajectory



- 360 Bps Adjusted Gross Margin* Improvement From Expected 4Q'22 Trough
- The Adverse Margin Impact From Targeted Production Curtailments And Destocking Will Continue To Decrease In The Coming Quarters
- Demand Levels In 2H A Key Assumption That Impacts Pace Of Destock And Gross Margin Recovery

**Returning Adjusted Gross Margins* To Historical 35%+
Is A Primary Area Of Strategic Focus**

...Improving Gross Margin And Positioning The Company For Long-Term Value Creation

2023 Guidance Scenario Planning

2023 EPS Guidance Range To Be GAAP (\$1.65)-\$0.60 And Adjusted* \$0.00-\$2.00 | Free Cash Flow* \$0.5B-\$1.0B

2023 Guidance Scenarios	Deeper Slowdown	Base Case	2H Acceleration
Organic Growth* <i>Tools & Outdoor</i> <i>Industrial</i>	Down Mid-Single Digits	Down Low-To-Mid Single Digits <i>Down Low-To-Mid Single Digits</i> <i>Low-Single Digit Growth</i>	Relatively Flat
Normalized Production	Exiting 2023	Exiting 3Q'23	Mid-Year
Investments	Minimal	Measured	Accelerated
Adj. Operating Margins*	1H Low-Single Digits 2H Low-To-Mid-Single Digits	1H Low-Single Digits 2H Mid-To-High-Single Digits	1H Low-Single Digits 2H High-Single Digits
2Q Dynamic <i>(Base Case)</i>	2Q Adj. Operating Profit*: Expect Improvement Versus 1Q'23 1H Inventory Reduction: ~\$0.5 Billion 2Q Adj. EPS**: ~(-\$0.40) Midpoint		
Pretax Acquisition-Related & Other Charges: \$275M - \$325M			

Focused Company With Great Franchises

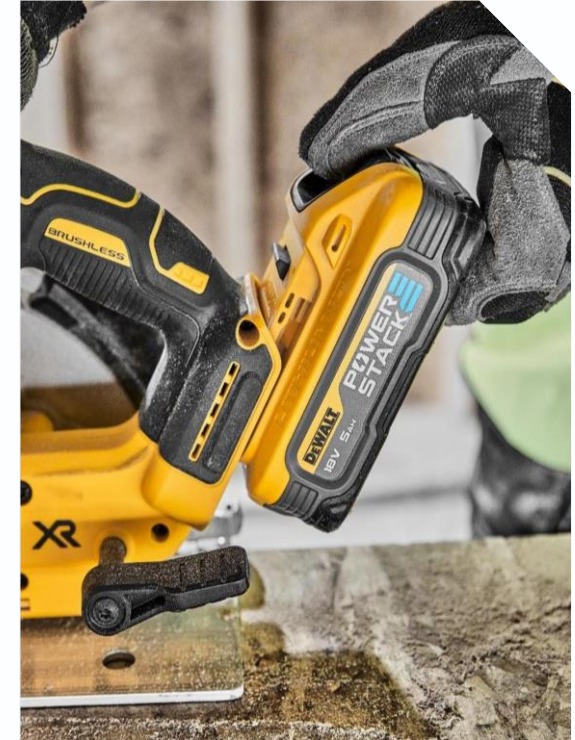
Centered Around Our Core Market Leadership Positions And Built Upon The Strength Of Our People And Culture



Talented People



Iconic Brands



Powerful Innovation

Q&A



StanleyBlack&Decker

Free Cash Flow* & Liquidity

1Q'23 Free Cash Flow

	QTD		
	1Q'22	1Q'23	V\$
<i>\$M</i>			
Net Earnings (Loss) from Continuing Operations	\$ 155	\$ (188)	\$ (343)
Net Earnings from Discontinued Operations	20	-	(20)
Deprec / Amort	144	161	17
Working Capital	(1,336)	(181)	1,155
Pre-tax Loss on Sales of Businesses	-	8	8
Other	(224)	(86)	138
Operating CF	(1,241)	(286)	955
CapEx	(140)	(69)	71
Free Cash Flow*	\$(1,381)	\$ (355)	\$ 1,026

- **1Q'23 Free Cash Flow:** At The Favorable End Of Historical 1Q Range And Better Than 5-Year Average Outflow Of ~(\$0.6B)

Liquidity Key Points

- Maintain Strong, Investment Grade Credit Ratings
- \$4.5B In Credit Facilities Backed By A Well Capitalized, Diversified Bank Group
- No Term Debt Maturities Until 1Q 2025 | Next Maturity 1Q 2026

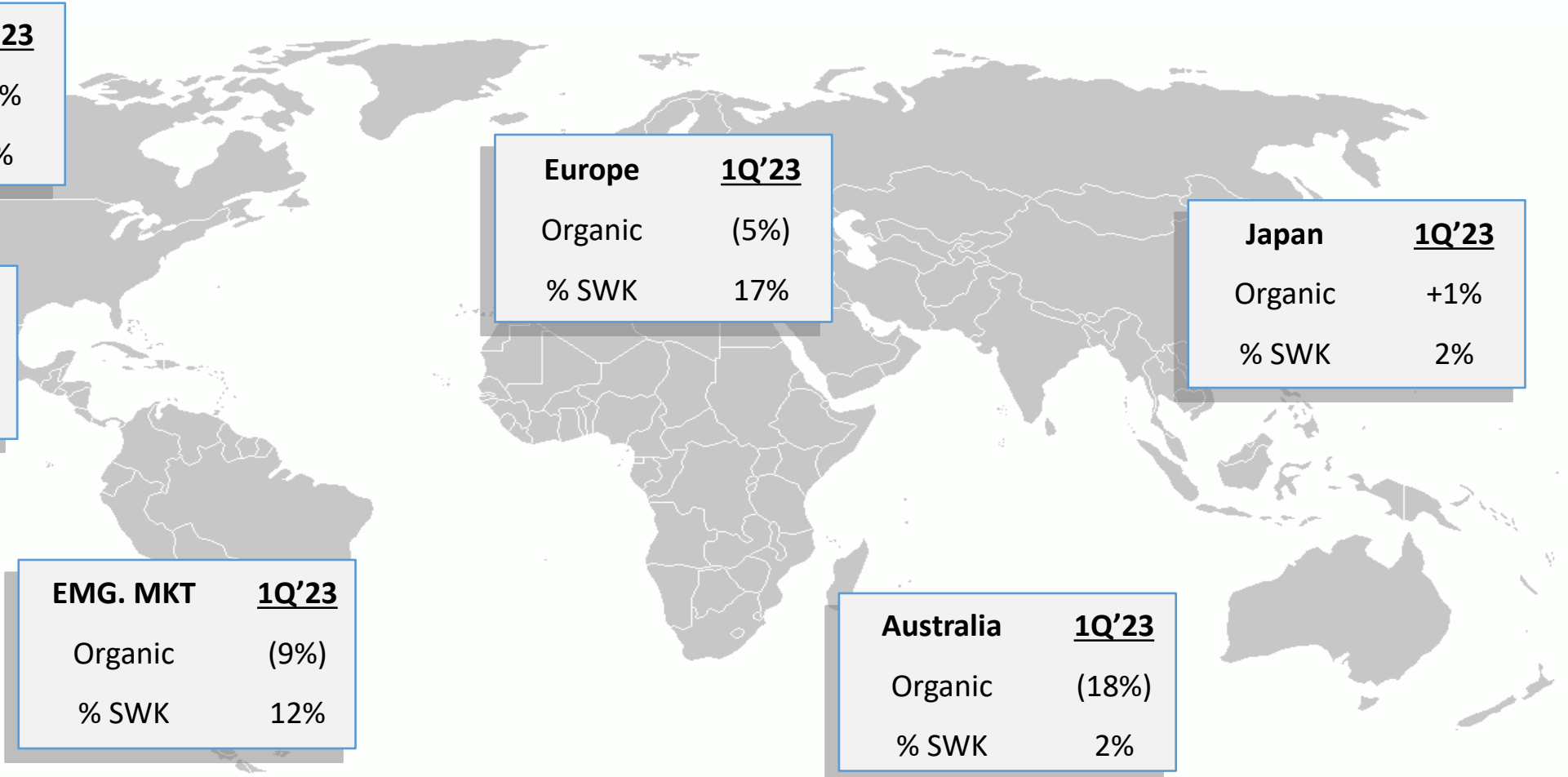
Liquidity Sources As Of 3/31/23

Cash On Hand	\$0.4B
Addl. Commercial Paper Capacity (\$3.5B Max)	\$1.7B
Addl. Credit Facility Capacity	\$1.0B
Total Additional Liquidity	\$3.1B

Focused On Debt Reduction In 2023 & Beyond

Financial Flexibility In A Challenging And Dynamic Environment

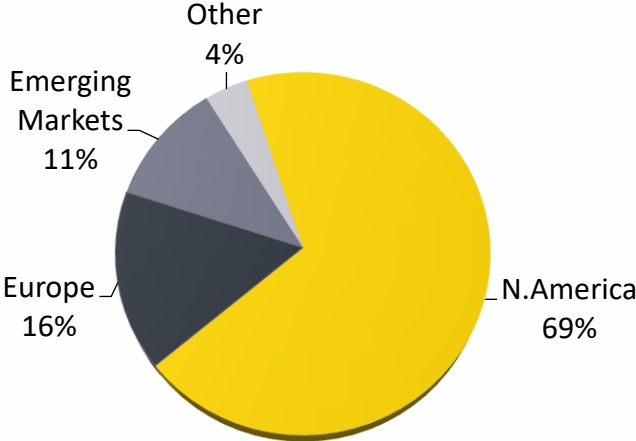
Global Presence



1Q 2023 Regional Revenue Breakout

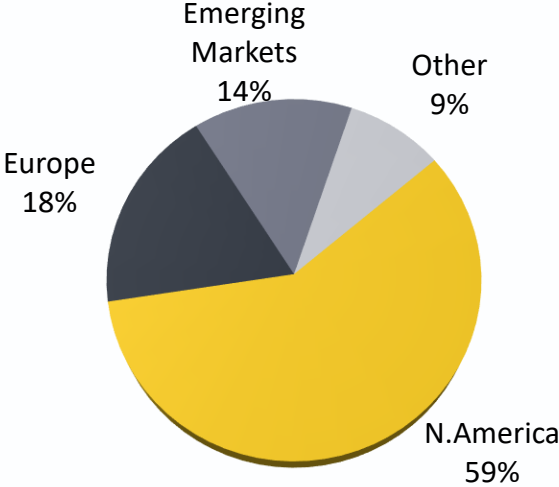
Tools & Outdoor

\$3,315M



Industrial

\$616M



Reconciliation Of GAAP To Non-GAAP Measures

Stanley Black &
Decker
In Millions, Except EPS

Q4 2022		
GAAP Gross Profit	+	Acquisition-Related Charges & Other
\$753.5 18.9%		\$24.5
	=	Non-GAAP Gross Profit
		\$778.0 19.5%

Q1 2023		
GAAP Gross Profit	+	Acquisition-Related Charges & Other
\$835.5 21.2%		\$73.4
	=	Non-GAAP Gross Profit
		\$908.9 23.1%
GAAP Diluted EPS	+	Acquisition-Related Charges & Other
\$(1.26)		\$0.85
	=	Non-GAAP Diluted EPS
		\$(0.41)

Reconciliation Of GAAP To Non-GAAP Segment Profit

	Q1 2022			Q1 2023		
	<i>In Millions</i>					
Tools & Outdoor	GAAP Segment Profit	Acquisition-Related Charges & Other	Non-GAAP Segment Profit	GAAP Segment Profit	Acquisition-Related Charges & Other	Non-GAAP Segment Profit
	\$378.5 10.0%	\$153.7	\$532.2 14.0%	\$18.7 0.6%	\$79.2	\$97.9 3.0%
Industrial	GAAP Segment Profit	Acquisition-Related Charges & Other	Non-GAAP Segment Profit	GAAP Segment Profit	Acquisition-Related Charges & Other	Non-GAAP Segment Profit
	\$41.3 6.4%	\$3.5	\$44.8 6.9%	\$67.4 10.9%	\$0.3	\$67.7 11.0%

Reconciliation Of GAAP To Non-GAAP Sales Growth

Stanley Black & Decker – Q1 2023	GAAP Sales Growth		Acquisitions		Divestitures		Currency		Non-GAAP Organic Sales Growth
	-12%	-	0%	+	1%	-	-2%	=	-9%
Tools & Outdoor Q1 2023	GAAP Sales Growth		Acquisitions		Divestitures		Currency		Non-GAAP Organic Sales Growth
	-13%	-	0%	+	0%	-	-2%	=	-11%
Industrial Q1 2023	GAAP Sales Growth		Acquisitions		Divestitures		Currency		Non-GAAP Organic Sales Growth
	-5%	-	0%	+	5%	-	-3%	=	3%

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 and 13 of the press release. 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.

The Company provides expectations for the non-GAAP financial measures of gross profit, adjusted gross margin, adjusted diluted EPS, free cash flow and organic growth, which are presented on a basis excluding acquisition-related and other charges. A reconciliation of the differences between the non-GAAP expectations and the corresponding GAAP for these measures generally is not available without unreasonable effort due to potentially high variability, complexity and low visibility as to the items that would be excluded from the GAAP measure in the relevant future period. The Company believes such reconciliations would also imply a degree of precision that is inappropriate for these forward-looking measures.