

Stanley Black & Decker Reports 3Q 2025 Results

Solid Third Quarter Execution Amid Dynamic Operating Environment with Continued Growth in DEWALT and Year Over Year Gross Margin Expansion

New Britain, Connecticut, November 4, 2025 ... Stanley Black & Decker (**NYSE: SWK**), a worldwide leader in tools and outdoor, today announced third quarter 2025 financial results.

- Third Quarter Revenues of \$3.8 Billion, In Line With the Prior Year as Price and Currency Gains Were Offset by Anticipated Lower Volume
- Third Quarter Gross Margin Was 31.4% and Adjusted Gross Margin* Was 31.6%
- Third Quarter EPS Was \$0.34 and Adjusted EPS* Was \$1.43 Inclusive of a Tax Rate Benefit (Full Year Tax Rate* Unchanged)
- Third Quarter Cash From Operating Activities Was \$221 Million; Free Cash Flow* Was \$155 Million
- Company Updates Full-Year 2025 Planning Assumption

Christopher J. Nelson, Stanley Black & Decker's President & CEO, commented, "Stanley Black & Decker delivered solid third quarter results, despite prevailing macroeconomic uncertainty. Our performance included continued growth in our DEWALT brand, year over year gross margin expansion and solid free cash flow. The gross margin progress achieved during the third quarter illustrates our rapid and effective response to tariffs and our commitment to achieving our long-term financial objectives.

"Our goal is to build a world class, branded industrial company by solving our end users' most pressing and complex challenges. We have nearly reached a critical milestone on this journey, with our multiyear global cost reduction program on track to achieve targeted 2025 and full-program savings. The proficiency we have developed through this transformation allows us to serve our customers and end users with greater effectiveness and improved profitability. We will continue to build upon the foundation established by our transformation and drive continuous improvement, as we execute our strategic imperatives of activating our brands with purpose, driving operational excellence and accelerating innovation. We remain focused on driving towards the goals outlined during our November 2024 capital markets day.

“We are well positioned for profitable growth and are focused on creating significant value from our powerful brands and businesses to generate long term revenue growth, margin expansion, cash generation and shareholder return.”

Third Quarter 2025 Key Points:

- Net sales were \$3.8 billion, in line with the prior year as price (+5%) and currency (+1%) were offset by volume (-6%).
- Gross margin was 31.4%, up 150 basis points versus the prior year rate. Adjusted gross margin* was 31.6%, up 110 basis points versus the prior year. The year over year changes for gross margin and adjusted gross margin* were primarily due to benefits from our pricing strategies, and supply chain transformation efficiencies, partially offset by tariffs, lower volume, and inflation.
- SG&A expenses were 21.1% of sales versus 21.2% in the prior year. Excluding charges, adjusted SG&A expenses* were 21.0% of sales, up versus 20.8% in the prior year. Both measures of SG&A as a percentage of sales are relatively flat, consistent with our strategy to continue funding growth investments while exercising disciplined and targeted cost management.
- Non-cash asset impairment charges of \$169 million, stemming from the Company’s annual third quarter long-term strategic planning reviews. Its updated brand prioritization impacted the Lenox, Troy-Bilt, and Irwin trade names, and its ongoing portfolio assessment resulted in the write down of certain minority investments associated with legacy corporate ventures.
- The tax rate was (-44.4%) for the quarter and the adjusted tax rate* was 14.0% for the quarter. These include an effective audit settlement.
- Net earnings were 1.4% of sales versus 2.4% in the prior year. Third quarter EBITDA* as a percentage of sales was 6.5% versus 8.6% in the prior year. Third quarter adjusted EBITDA* was 12.3% of sales versus 10.8% of sales in the prior year.

*Non-GAAP Financial Measure As Further Defined On Page 6

3Q'25 Segment Results

(\$ in M)						
	Sales	Segment Profit	Charges ¹	Adjusted Segment Profit*	Segment Margin	Adjusted Segment Margin*
Tools & Outdoor	\$3,256	\$383.2	\$6.8	\$390.0	11.8%	12.0%
Engineered Fastening²	\$501	\$59.8	\$4.1	\$63.9	11.9%	12.8%

¹ See Non-GAAP adjustments on page 15.

² Formerly known as "Industrial." Refer to page 12 for further information.

- Tools & Outdoor net sales were in line with the third quarter 2024, as price (+5%), currency (+1%) and a product line transfer from Engineered Fastening (+1%) were offset by volume (-7%). Organic revenues* were down (-2%), driven by expected tariff related promotional reductions and a soft consumer backdrop, partially offset by continued DEWALT growth. Regional total revenue growth was: North America (-2%), Europe (+6%) and rest of world (-1%). Regional organic revenues* were: North America (-2%), Europe (flat) and rest of world (-1%). The Tools & Outdoor segment margin was 11.8%, up 180 basis points versus prior year rate of 10.0%. Adjusted segment margin* was 12.0%, up 90 basis points versus the prior year rate of 11.1%. The year over year change in both segment margin and adjusted segment margin was primarily due to price, supply chain transformation efficiencies, partially offset by tariffs, lower volume, and inflation.
- Engineered Fastening net sales were up (+3%) versus third quarter 2024 as volume (+4%), price (+1%), and currency (+1%) were partially offset by a product line transfer to Tools & Outdoor (-3%). Organic revenues* were up (+5%), supported by the stronger than anticipated automotive market and continued strength in aerospace, partially offset by lower industrial volume. The Engineered Fastening segment margin was 11.9% versus the prior year rate of 14.4%. Adjusted segment margin* was 12.8% versus the prior year rate of 13.9%. The year over year change in segment margin and adjusted segment margin reflects elevated production costs in relation to a tough prior year comparable. However, third quarter segment margin expanded by 470 basis points and adjusted segment margin expanded by 200 basis points sequentially versus the second quarter as the automotive market improved.

*Non-GAAP Financial Measure As Further Defined On Page 6

Global Cost Reduction Program On Track To Deliver Targeted Results

The Global Cost Reduction Program generated approximately \$120 million of incremental pre-tax run-rate cost savings in the third quarter 2025. Since the inception of the program in mid-2022, it has generated approximately \$1.9 billion of the targeted \$2.0 billion pre-tax run-rate cost savings. These initiatives are designed to support continued margin enhancement as the Company remains focused on achieving its long term adjusted gross margin* target of 35+%.

2025 Planning Assumptions

Patrick D. Hallinan, Executive Vice President and CFO, commented, "During the third quarter, we prioritized meeting the needs of our end users, while executing targeted commercial strategies and supply chain adjustments to mitigate tariffs. We continue to focus on achieving our long-term margin and cash flow objectives while enhancing earnings power and strengthening the balance sheet. Progress on these objectives is allowing us to continue funding investments in innovation and brand activation to drive profitable growth and support the Company's focus on long-term value creation."

The 2025 EPS for management's base planning scenario is revised to \$2.55 to \$2.70 on a GAAP basis (From \$3.45 (+/- \$0.10)) incorporating the third quarter pre-tax non-cash asset impairment charges of \$169 million. The Company is expecting the base planning scenario for 2025 adjusted EPS* of approximately \$4.55, revised from approximately \$4.65, reflecting higher production costs that we expect to adjust back to targeted levels during the fourth quarter. The Company is targeting free cash flow* to approximate \$600 million, unchanged from last quarter.

The difference between the 2025 GAAP and the adjusted EPS* planning assumption range is approximately \$1.85 to \$2.00, consisting primarily of charges related to the supply chain transformation under the Global Cost Reduction Program, non-cash asset impairment charges, and other cost actions.

Non-GAAP Adjustments

Total pre-tax non-GAAP adjustments in the third quarter of 2025 were \$217.6 million, primarily related to non-cash asset impairment charges and footprint actions related to the supply chain transformation. Gross profit included \$8.0 million of charges, while SG&A included \$4.1 million. Other, net included \$4.3 million of charges, and Restructuring included \$32.1 million of charges. In addition, the Company recognized \$169.1 million of non-cash asset impairment charges in the third quarter of 2025.

Earnings Webcast

Stanley Black & Decker will host a webcast with investors today, November 4, 2025, at 8:00 am ET. A slide presentation, which will accompany the call, will be available on the "Investors" section of the Company's website at www.stanleyblackanddecker.com/investors and will remain available after the call.

The call will be available through a live, listen-only webcast or teleconference. Links to access the webcast, register for the teleconference, and view the accompanying slide presentation will be available on the "Investors" section of the Company's website, www.stanleyblackanddecker.com/investors under the subheading "News & Events." A replay will also be available two hours after the call and can be accessed on the "Investors" section of Stanley Black & Decker's website.

About Stanley Black & Decker

Founded in 1843 and headquartered in the USA, Stanley Black & Decker (**NYSE: SWK**) is a worldwide leader in Tools and Outdoor, operating manufacturing facilities globally. The Company's approximately 48,000 employees produce innovative end-user inspired power tools, hand tools, storage, digital jobsite solutions, outdoor and lifestyle products, and engineered fasteners to support the world's builders, tradespeople and DIYers. The Company's world class portfolio of trusted brands includes DEWALT®, CRAFTSMAN®, STANLEY®, BLACK+DECKER®, and Cub Cadet®. To learn more visit: www.stanleyblackanddecker.com or follow Stanley Black & Decker on [Facebook](#), [Instagram](#), [LinkedIn](#) and [X](#).

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Non-GAAP Financial Measures

Organic revenue or organic sales 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, foreign currency fluctuations, and transfers of product lines between segments. Organic revenue growth, organic sales growth or organic growth is organic revenue or organic sales divided by prior year sales. Gross profit is defined as sales less cost of sales. Gross margin is gross profit as a percent of sales. Segment profit is defined as sales less cost of sales and selling, general and administrative ("SG&A") expenses (aside from corporate overhead expense). Segment margin is segment profit as a percent of sales. EBITDA is earnings before interest, taxes, depreciation and amortization. EBITDA margin is EBITDA as a percent of sales. Gross profit, gross margin, SG&A, segment profit, segment margin, earnings, EBITDA and EBITDA margin are adjusted for certain gains and charges, such as supply chain transformation costs, asset impairments, voluntary retirement program costs, environmental charges, acquisition and divestiture-related items, restructuring, and other adjusting items. Management uses these metrics as key measures to assess the performance of the Company as a whole, as well as the related measures at the segment level. Adjusted earnings per share or adjusted EPS, is diluted GAAP EPS excluding certain gains and 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 stock and business acquisitions, among other items. Free cash flow conversion is defined as free cash flow divided by net income. The Non-GAAP financial measures are reconciled to GAAP on pages 13 through 18 and in the appendix to the earnings conference call slides available at <http://www.stanleyblackanddecker.com/investors>. 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 certain gains and charges and ensures appropriate comparability to operating results of prior periods.

The Company provides expectations for the non-GAAP financial measures of full-year 2025 adjusted EPS, presented on a basis excluding certain gains and charges, as well as 2025 free cash flow. Forecasted full-year 2025 adjusted EPS is reconciled to forecasted full-year 2025 GAAP EPS under "2025 Planning Assumptions". Consistent with past methodology, the forecasted full-year 2025 GAAP EPS excludes the impacts of potential acquisitions and divestitures, future regulatory changes or strategic shifts that could impact the Company's contingent liabilities or intangible assets, respectively, potential future cost actions in response to external factors that have not yet occurred, and any other items not specifically referenced under "2025 Planning Assumptions". A reconciliation of forecasted free cash flow to its most directly comparable GAAP estimate is not available without unreasonable effort due to high variability and difficulty in predicting items that impact cash flow from operations, which could be material to the Company's results in accordance with U.S. GAAP. The Company believes such a reconciliation would also imply a degree of precision that is inappropriate for this forward-looking measure.

The Company also provides multi-year strategic goals for the non-GAAP financial measures of adjusted gross margin, presented on a basis excluding certain gains and charges. A reconciliation for these non-GAAP measures is not available without unreasonable effort due to the inherent difficulty of forecasting the timing and/or amount of various items that have not yet occurred, including the high variability and low visibility with respect to certain gains or charges that would generally be excluded from non-GAAP financial measures and which could be material to the Company's results in accordance with U.S. GAAP. Additionally, estimating such GAAP measures and providing a meaningful reconciliation consistent with the Company's accounting policies for future periods requires a level of precision that is unavailable for these future multi-year periods and cannot be accomplished without unreasonable effort. The Company believes such a reconciliation would also imply a degree of precision that is inappropriate for these forward-looking measures.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This document contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact are “forward-looking statements” for purposes of federal and state securities laws, including, but not limited to, any goals, projections, guidance or planning assumptions or scenarios regarding earnings, EPS, income, revenue, margins or margin expansion, costs and cost savings, sales, sales growth, profitability, cash flow or other financial items; any statements of the plans, strategies and objectives of management for future operations, including expectations around our ongoing transformation and future operational strategies following completion of the transformation; future market share gain, shareholder returns, any statements concerning proposed new products, services or developments and brand prioritization strategies; any statements regarding future economic conditions or performance; any statements of beliefs, plans, intentions or expectations; any statements and assumptions or scenarios regarding possible tariff and tariff impact projections and related mitigation plans (including price actions, supply chain adjustments and timing expectations related to such plans); and any statements of assumptions underlying any of the foregoing. Forward-looking statements may include, among others, the words “may,” “will,” “estimate,” “intend,” “could,” “project,” “plan,” “continue,” “believe,” “expect,” “anticipate,” “run-rate,” “annualized,” “forecast,” “commit,” “goal,” “target,” “design,” “on track,” “position or positioning,” “guidance,” “aim,” “looking forward,” “multi-year” or any other similar words.

Although the Company believes that the expectations reflected in any of its forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in any of its forward-looking statements. The Company’s future financial condition and results of operations, as well as any forward-looking statements, are subject to change and to inherent risks and uncertainties, such as those disclosed or incorporated by reference in the Company’s filings with the Securities and Exchange Commission.

Important factors that could cause the Company’s actual results, performance and achievements, or industry results to differ materially from estimates or projections contained in its forward-looking statements include, among others, the following: (i) successfully developing, marketing and achieving sales from new products and services and the continued acceptance of current products and services as well as successful execution of, and realization of expected benefits from, the Company’s brand prioritization and investment strategy, including potential licensing initiatives and related restructuring efforts, and its ability to estimate and mitigate negative consequences from the same including, but not limited to, reduced ability to generate sales; (ii) macroeconomic factors, including global and regional business conditions, commodity availability and prices, inflation and deflation, interest rate volatility, currency exchange rates, and uncertainties in the global financial markets; (iii) laws, regulations and governmental policies affecting the Company’s activities in the countries where it does business or sources supply inputs, including those related to, taxation, data privacy, anti-bribery, anti-corruption, government contracts, and trade controls, including but not limited to, tariffs, import and export controls, raw material and rare earth related controls and other monetary and non-monetary trade regulations or barriers; (iv) the Company’s ability to predict the timing and extent of any trade related regulations, clearances, restrictions, including but not limited to, trade barriers, tariffs, raw material and rare earth related controls, as well as its ability to successfully assess the impact to its business of, and mitigate or respond to, such macroeconomic or trade, tariff and raw material and rare earth import/export control changes or policies (including, but not limited to, the Company’s ability to obtain price increases from its customers and complete effective supply chain adjustments within anticipated time frames and ability to obtain rare earth related supply clearances); (v) the economic, political, cultural and legal environment in Europe and the emerging markets in which the Company generates sales, particularly Latin America and China; (vi) realizing the anticipated benefits of mergers, acquisitions, joint ventures, strategic alliances or divestitures; (vii) pricing pressure and other changes within competitive markets; (viii) availability and price of raw materials, rare earth materials, component parts, freight, energy, labor and sourced finished goods; (ix) the impact that the tightened credit markets may have on the Company or its customers or suppliers; (x) the extent to which the Company has to write off accounts receivable, inventory or other assets or experiences supply chain disruptions in connection with bankruptcy filings by customers or suppliers; (xi) the Company’s ability to identify and effectively execute productivity improvements and cost reductions; (xii) potential business, supply chain and distribution disruptions, including those related to physical security threats, information technology or cyber-attacks, epidemics, natural disasters or pandemics, sanctions, political unrest, war or terrorism, including the conflicts between Russia and Ukraine, and Israel and Hamas, and tensions or conflicts in South Korea, China, Taiwan and the Middle East; (xiii) the continued consolidation of customers, particularly in consumer channels, and the Company’s continued reliance on significant customers; (xiv) managing franchisee relationships; (xv) the impact of poor weather conditions and climate change and risks related to the transition to a lower-carbon economy, such as the Company’s ability to successfully adopt new technology, meet market-driven demands for carbon neutral and renewable energy technology, or to comply with changes in environmental regulations or requirements, which may be more stringent and complex, impacting its manufacturing facilities and business operations as well as remediation plans and costs relating to any of its current or former locations or other sites; (xvi) maintaining or improving production rates in the Company’s manufacturing facilities (including leveraging its North American footprint in connection with tariff mitigation), responding to significant changes in customer preferences or expectations, product demand and fulfilling demand for new and existing products, and learning, adapting and integrating new technologies into products, services and processes; (xvii) changes in the competitive landscape in the Company’s markets; (xviii) the Company’s non-U.S. operations, including sales to non-U.S. customers; (xix) the Company’s ability to predict the extent or timing of, and impact from, demand changes within domestic or world-wide markets associated with construction, homebuilding and remodeling, aerospace, outdoor, engineered fastening, automotive and other markets which the Company serves; (xx) potential adverse developments in new or pending litigation and/or government investigations; (xxi) the incurrence of debt and changes in the Company’s ability to obtain debt on commercially reasonable terms and at competitive rates; (xxii) substantial pension and other postretirement benefit obligations; (xxiii) potential regulatory liabilities, including environmental, privacy, data breach, workers compensation and product liabilities; (xxiv) attracting, developing and retaining senior management and other key employees, managing a workforce in many jurisdictions, labor shortages, work stoppages or other labor disruptions; (xxv) the Company’s ability to keep abreast with the pace of technological change; (xxvi) changes in accounting estimates; (xxvii) the Company’s ability to protect its intellectual property rights and to maintain its public reputation and the strength of its brands; (xxviii) critical or

negative publicity, including on social media, whether or not accurate, concerning the Company's brands, products, culture, key employees or suppliers, or initiatives, and the Company's handling of divergent stakeholder expectations regarding the same, and (xxix) the Company's ability to implement, and achieve the expected benefits (including cost savings and reduction in working capital) from its Global Cost Reduction Program including: continuing to advance innovation, electrification and global market penetration to achieve mid-single digit organic revenue growth; streamlining and simplifying the organization, and investing in initiatives that more directly impact the Company's customers and end users; returning adjusted gross margins* to historical 35%+ levels by accelerating the supply chain transformation to leverage material productivity, drive operational excellence, rationalize manufacturing and distribution networks, including consolidating facilities and optimizing the distribution network, and reduce complexity of the product portfolio; improving fill rates and matching inventory with customer demand; prioritizing cash flow generation and inventory optimization; delivering operational excellence through efficiency, simplified organizational design; and reducing complexity through platforming products and implementing initiatives to drive a SKU reduction.

Additional factors that could cause actual results to differ materially from forward-looking statements are set forth in the Annual Report on Form 10-K and in the Quarterly Reports on Form 10-Q, including under the headings "Risk Factors," and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and in the Consolidated Financial Statements and the related Notes, and other filings with the Securities and Exchange Commission.

Forward-looking statements in this press release speak only as of the date hereof, and forward-looking statements in documents that are incorporated by reference herein speak only as of the date of those documents. The Company does not undertake any obligation or intention to update or revise any forward-looking statements, whether as a result of future events or circumstances, new information or otherwise, except as required by law.

STANLEY BLACK & DECKER, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited, Millions of Dollars Except Per Share Amounts)

	THIRD QUARTER		YEAR-TO-DATE	
	2025	2024	2025	2024
NET SALES	\$ 3,756.0	\$ 3,751.3	\$ 11,445.8	\$ 11,645.2
COSTS AND EXPENSES				
Cost of sales	<u>2,576.9</u>	<u>2,630.7</u>	<u>8,079.4</u>	<u>8,274.9</u>
Gross profit	<u>1,179.1</u>	<u>1,120.6</u>	<u>3,366.4</u>	<u>3,370.3</u>
% of Net Sales	31.4%	29.9%	29.4%	28.9%
Selling, general and administrative	<u>791.0</u>	<u>797.1</u>	<u>2,531.1</u>	<u>2,477.5</u>
% of Net Sales	21.1%	21.2%	22.1%	21.3%
Other - net	<u>72.2</u>	<u>86.4</u>	<u>187.4</u>	<u>392.9</u>
Loss on sale of business	<u>-</u>	<u>-</u>	<u>0.3</u>	<u>-</u>
Asset impairment charges	<u>169.1</u>	<u>46.9</u>	<u>169.1</u>	<u>72.4</u>
Restructuring charges	<u>32.1</u>	<u>22.1</u>	<u>52.1</u>	<u>66.9</u>
Income from operations	<u>114.7</u>	<u>168.1</u>	<u>426.4</u>	<u>360.6</u>
Interest - net	<u>79.1</u>	<u>78.6</u>	<u>236.5</u>	<u>244.9</u>
EARNINGS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	35.6	89.5	189.9	115.7
Income taxes on continuing operations	<u>(15.8)</u>	<u>(1.6)</u>	<u>(53.8)</u>	<u>24.3</u>
NET EARNINGS FROM CONTINUING OPERATIONS	<u>\$ 51.4</u>	<u>\$ 91.1</u>	<u>\$ 243.7</u>	<u>\$ 91.4</u>
Gain on Security sale before income taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>10.4</u>
Income taxes on discontinued operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>2.4</u>
NET EARNINGS FROM DISCONTINUED OPERATIONS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8.0</u>
NET EARNINGS	<u>\$ 51.4</u>	<u>\$ 91.1</u>	<u>\$ 243.7</u>	<u>\$ 99.4</u>
BASIC EARNINGS PER SHARE OF COMMON STOCK				
Continuing operations	<u>\$ 0.34</u>	<u>\$ 0.61</u>	<u>\$ 1.61</u>	<u>\$ 0.61</u>
Discontinued operations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 0.05</u>
Total basic earnings per share of common stock	<u><u>\$ 0.34</u></u>	<u><u>\$ 0.61</u></u>	<u><u>\$ 1.61</u></u>	<u><u>\$ 0.66</u></u>
DILUTED EARNINGS PER SHARE OF COMMON STOCK				
Continuing operations	<u>\$ 0.34</u>	<u>\$ 0.60</u>	<u>\$ 1.61</u>	<u>\$ 0.60</u>
Discontinued operations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 0.05</u>
Total diluted earnings per share of common stock	<u><u>\$ 0.34</u></u>	<u><u>\$ 0.60</u></u>	<u><u>\$ 1.61</u></u>	<u><u>\$ 0.66</u></u>
DIVIDENDS PER SHARE OF COMMON STOCK	<u>\$ 0.83</u>	<u>\$ 0.82</u>	<u>\$ 2.47</u>	<u>\$ 2.44</u>
WEIGHTED-AVERAGE SHARES OUTSTANDING (in thousands)				
Basic	<u>151,341</u>	<u>150,580</u>	<u>151,195</u>	<u>150,405</u>
Diluted	<u><u>151,958</u></u>	<u><u>151,465</u></u>	<u><u>151,800</u></u>	<u><u>151,183</u></u>

STANLEY BLACK & DECKER, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited, Millions of Dollars)

	September 27, 2025	December 28, 2024
ASSETS		
Cash and cash equivalents	\$ 268.3	\$ 290.5
Accounts and notes receivable, net	1,419.6	1,153.7
Inventories, net	4,442.6	4,536.4
Other current assets	370.1	397.1
<i>Total current assets</i>	<u>6,500.6</u>	<u>6,377.7</u>
Property, plant and equipment, net	1,970.7	2,034.3
Goodwill and other intangibles, net	11,557.5	11,636.4
Other assets	1,725.1	1,800.5
<i>Total assets</i>	<u><u>\$ 21,753.9</u></u>	<u><u>\$ 21,848.9</u></u>
LIABILITIES AND SHAREOWNERS' EQUITY		
Short-term borrowings	\$ 1,355.0	\$ -
Current maturities of long-term debt	554.8	500.4
Accounts payable	2,163.0	2,437.2
Accrued expenses	1,789.7	1,979.3
<i>Total current liabilities</i>	<u>5,862.5</u>	<u>4,916.9</u>
Long-term debt	4,702.8	5,602.6
Other long-term liabilities	2,211.3	2,609.5
Shareowners' equity	8,977.3	8,719.9
<i>Total liabilities and shareowners' equity</i>	<u><u>\$ 21,753.9</u></u>	<u><u>\$ 21,848.9</u></u>

STANLEY BLACK & DECKER, INC. AND SUBSIDIARIES
SUMMARY OF CASH FLOW ACTIVITY
(Unaudited, Millions of Dollars)

	THIRD QUARTER		YEAR-TO-DATE	
	2025	2024	2025	2024
OPERATING ACTIVITIES				
Net earnings	\$ 51.4	\$ 91.1	\$ 243.7	\$ 99.4
Depreciation	92.9	113.9	276.7	327.3
Amortization	37.3	40.8	112.0	122.6
Gain on sale of discontinued operations	-	-	-	(10.4)
Loss on sale of business	-	-	0.3	-
Asset impairment charges	169.1	46.9	169.1	72.4
Changes in working capital ¹	(38.7)	(60.8)	(380.1)	(22.8)
Other	(90.8)	53.9	(406.2)	(160.7)
<i>Net cash provided by operating activities</i>	<u>221.2</u>	<u>285.8</u>	<u>15.5</u>	<u>427.8</u>
INVESTING AND FINANCING ACTIVITIES				
Capital and software expenditures	(65.9)	(86.5)	(210.5)	(239.4)
Proceeds from sales of businesses, net of cash sold	-	-	5.0	735.6
Payments on long-term debt	(350.1)	-	(850.4)	-
Net short-term commercial paper borrowings (repayments)	287.9	(121.5)	1,325.9	(692.3)
Cash dividends on common stock	(125.8)	(123.6)	(374.3)	(367.2)
Other	0.7	11.9	5.2	10.3
<i>Net cash used in investing and financing activities</i>	<u>(253.2)</u>	<u>(319.7)</u>	<u>(99.1)</u>	<u>(553.0)</u>
Effect of exchange rate changes on cash	(5.8)	14.1	68.3	(28.5)
<i>Decrease in cash, cash equivalents and restricted cash</i>	<u>(37.8)</u>	<u>(19.8)</u>	<u>(15.3)</u>	<u>(153.7)</u>
<i>Cash, cash equivalents and restricted cash, beginning of period</i>	<u>315.3</u>	<u>320.7</u>	<u>292.8</u>	<u>454.6</u>
<i>Cash, cash equivalents and restricted cash, end of period</i>	<u>\$ 277.5</u>	<u>\$ 300.9</u>	<u>\$ 277.5</u>	<u>\$ 300.9</u>
Free Cash Flow Computation²				
Net cash provided by operating activities	\$ 221.2	\$ 285.8	\$ 15.5	\$ 427.8
Less: capital and software expenditures	(65.9)	(86.5)	(210.5)	(239.4)
Free cash flow (before dividends)	<u>\$ 155.3</u>	<u>\$ 199.3</u>	<u>\$ (195.0)</u>	<u>\$ 188.4</u>
Reconciliation of Cash, Cash Equivalents and Restricted Cash				
	September 27, 2025	December 28, 2024		
Cash and cash equivalents	\$ 268.3	\$ 290.5		
Restricted cash included in Other current assets	9.2	2.3		
Cash, cash equivalents and restricted cash	<u>\$ 277.5</u>	<u>\$ 292.8</u>		

¹ Working capital is comprised of accounts receivable, inventory, accounts payable and deferred revenue.

² Free cash flow is defined as cash flow from operations less capital and software expenditures. Management considers free cash flow an important measure 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 stock and business acquisitions, among other items.

STANLEY BLACK & DECKER, INC. AND SUBSIDIARIES
BUSINESS SEGMENT INFORMATION
(Unaudited, Millions of Dollars)

	THIRD QUARTER		YEAR-TO-DATE	
	2025	2024	2025	2024
NET SALES				
Tools & Outdoor	\$ 3,255.5	\$ 3,263.3	\$ 9,997.8	\$ 10,076.6
Engineered Fastening ¹	500.5	488.0	1,448.0	1,568.6
<i>Total</i>	<u>\$ 3,756.0</u>	<u>\$ 3,751.3</u>	<u>\$ 11,445.8</u>	<u>\$ 11,645.2</u>
SEGMENT PROFIT				
Tools & Outdoor	\$ 383.2	\$ 327.5	\$ 910.5	\$ 899.3
Engineered Fastening ¹	\$ 59.8	\$ 70.2	\$ 133.8	\$ 202.2
CORPORATE OVERHEAD²	\$ (54.9)	\$ (74.2)	\$ (209.0)	\$ (208.7)
Segment Profit as a Percentage of Net Sales				
Tools & Outdoor	11.8%	10.0%	9.1%	8.9%
Engineered Fastening ¹	11.9%	14.4%	9.2%	12.9%

¹ In the first quarter of 2025, the Industrial segment was renamed “Engineered Fastening” as a result of a more focused portfolio following recent divestitures. The Engineered Fastening segment name change is to the name only and had no impact on the Company’s consolidated financial statements or segment results. The 2024 amounts shown above for the Engineered Fastening segment include the results of the Infrastructure business through the date of sale of April 1, 2024.

² The corporate overhead element of SG&A, which is not allocated to the business segments for purposes of determining segment profit, consists of the costs associated with the executive management team and expenses related to centralized functions that benefit the entire Company but are not directly attributable to the business segments, such as legal and corporate finance functions, as well as expenses for the world headquarters facility.

STANLEY BLACK & DECKER, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP EARNINGS FINANCIAL MEASURES TO CORRESPONDING
NON-GAAP FINANCIAL MEASURES
(Unaudited, Millions of Dollars Except Per Share Amounts)

	THIRD QUARTER 2025		
	GAAP	Non-GAAP Adjustments	Non-GAAP ¹
Gross profit	\$ 1,179.1	\$ 8.0	\$ 1,187.1
<i>% of Net Sales</i>	<i>31.4%</i>		<i>31.6%</i>
Selling, general and administrative	791.0	(4.1)	786.9
<i>% of Net Sales</i>	<i>21.1%</i>		<i>21.0%</i>
Earnings from continuing operations before income taxes	35.6	217.6	253.2
Income taxes on continuing operations ²	(15.8)	51.3	35.5
Net earnings from continuing operations	51.4	166.3	217.7
Diluted earnings per share of common stock - Continuing operations	\$ 0.34	\$ 1.09	\$ 1.43

	THIRD QUARTER 2024		
	GAAP	Non-GAAP Adjustments	Non-GAAP ¹
Gross profit	\$ 1,120.6	\$ 24.8	\$ 1,145.4
<i>% of Net Sales</i>	<i>29.9%</i>		<i>30.5%</i>
Selling, general and administrative	797.1	(15.1)	782.0
<i>% of Net Sales</i>	<i>21.2%</i>		<i>20.8%</i>
Earnings from continuing operations before income taxes	89.5	105.9	195.4
Income taxes on continuing operations ²	(1.6)	12.0	10.4
Net earnings from continuing operations	91.1	93.9	185.0
Diluted earnings per share of common stock - Continuing operations	\$ 0.60	\$ 0.62	\$ 1.22

¹ The Non-GAAP 2025 and 2024 information, as reconciled to GAAP above, is considered relevant to aid analysis and understanding of the Company's results and business trends aside from the material impact of certain gains and charges and ensures appropriate comparability to operating results of prior periods. See further detail on Non-GAAP adjustments on page 17.

² Income taxes attributable to Non-GAAP adjustments are determined by calculating income taxes on pre-tax earnings, both inclusive and exclusive of Non-GAAP adjustments, taking into consideration the nature of the Non-GAAP adjustments and the applicable statutory income tax rates.

STANLEY BLACK & DECKER, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP EARNINGS FINANCIAL MEASURES TO CORRESPONDING
NON-GAAP FINANCIAL MEASURES
(Unaudited, Millions of Dollars Except Per Share Amounts)

	YEAR-TO-DATE 2025		
	GAAP	Non-GAAP Adjustments	Non-GAAP ¹
Gross profit	\$ 3,366.4	\$ 44.7	\$ 3,411.1
<i>% of Net Sales</i>	<i>29.4%</i>		<i>29.8%</i>
Selling, general and administrative	2,531.1	(78.7)	2,452.4
<i>% of Net Sales</i>	<i>22.1%</i>		<i>21.4%</i>
Earnings from continuing operations before income taxes	189.9	332.1	522.0
Income taxes on continuing operations ²	(53.8)	80.6	26.8
Net earnings from continuing operations	243.7	251.5	495.2
Diluted earnings per share of common stock - Continuing operations	\$ 1.61	\$ 1.65	\$ 3.26

	YEAR-TO-DATE 2024		
	GAAP	Non-GAAP Adjustments	Non-GAAP ¹
Gross profit	\$ 3,370.3	\$ 72.7	\$ 3,443.0
<i>% of Net Sales</i>	<i>28.9%</i>		<i>29.6%</i>
Selling, general and administrative	2,477.5	(62.8)	2,414.7
<i>% of Net Sales</i>	<i>21.3%</i>		<i>20.7%</i>
Earnings from continuing operations before income taxes	115.7	416.7	532.4
Income taxes on continuing operations ²	24.3	74.4	98.7
Net earnings from continuing operations	91.4	342.3	433.7
Diluted earnings per share of common stock - Continuing operations	\$ 0.60	\$ 2.27	\$ 2.87

¹ The Non-GAAP 2025 and 2024 information, as reconciled to GAAP above, is considered relevant to aid analysis and understanding of the Company's results and business trends aside from the material impact of certain gains and charges and ensures appropriate comparability to operating results of prior periods. See further detail on Non-GAAP adjustments on page 17.

² Income taxes attributable to Non-GAAP adjustments are determined by calculating income taxes on pre-tax earnings, both inclusive and exclusive of Non-GAAP adjustments, taking into consideration the nature of the Non-GAAP adjustments and the applicable statutory income tax rates.

STANLEY BLACK & DECKER, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP SEGMENT PROFIT FINANCIAL MEASURES TO CORRESPONDING
NON-GAAP FINANCIAL MEASURES
(Unaudited, Millions of Dollars)

THIRD QUARTER 2025				
	GAAP	Non-GAAP Adjustments ¹	Non-GAAP ²	
SEGMENT PROFIT				
Tools & Outdoor	\$ 383.2	\$ 6.8	\$	390.0
Engineered Fastening	\$ 59.8	\$ 4.1	\$	63.9
CORPORATE OVERHEAD	\$ (54.9)	\$ 1.2	\$	(53.7)
Segment Profit as a Percentage of Net Sales				
Tools & Outdoor	11.8%			12.0%
Engineered Fastening	11.9%			12.8%
THIRD QUARTER 2024				
	GAAP	Non-GAAP Adjustments ¹	Non-GAAP ²	
SEGMENT PROFIT				
Tools & Outdoor	\$ 327.5	\$ 35.5	\$	363.0
Engineered Fastening	\$ 70.2	\$ (2.6)	\$	67.6
CORPORATE OVERHEAD	\$ (74.2)	\$ 7.0	\$	(67.2)
Segment Profit as a Percentage of Net Sales				
Tools & Outdoor	10.0%			11.1%
Engineered Fastening	14.4%			13.9%

¹ Non-GAAP adjustments for the business segments relate primarily to footprint actions and other costs associated with the supply chain transformation, as further discussed on page 17. Non-GAAP adjustments for Corporate overhead in 2024 primarily consist of transition services costs related to previously divested businesses.

² The Non-GAAP 2025 and 2024 business segment and corporate overhead information, as reconciled to GAAP above, is considered relevant to aid analysis and understanding of the Company's results and business trends aside from the material impact of certain gains and charges and ensures appropriate comparability to operating results of prior periods.

STANLEY BLACK & DECKER, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP SEGMENT PROFIT FINANCIAL MEASURES TO CORRESPONDING
NON-GAAP FINANCIAL MEASURES
(Unaudited, Millions of Dollars)

YEAR-TO-DATE 2025				
	GAAP	Non-GAAP Adjustments ¹	Non-GAAP ²	
SEGMENT PROFIT				
Tools & Outdoor	\$ 910.5	\$ 70.2	\$	980.7
Engineered Fastening	\$ 133.8	\$ 29.1	\$	162.9
CORPORATE OVERHEAD	\$ (209.0)	\$ 24.1	\$	(184.9)
Segment Profit as a Percentage of Net Sales				
Tools & Outdoor	9.1%			9.8%
Engineered Fastening	9.2%			11.3%
YEAR-TO-DATE 2024				
	GAAP	Non-GAAP Adjustments ¹	Non-GAAP ²	
SEGMENT PROFIT				
Tools & Outdoor	\$ 899.3	\$ 111.0	\$	1,010.3
Engineered Fastening	\$ 202.2	\$ 3.4	\$	205.6
CORPORATE OVERHEAD	\$ (208.7)	\$ 21.1	\$	(187.6)
Segment Profit as a Percentage of Net Sales				
Tools & Outdoor	8.9%			10.0%
Engineered Fastening	12.9%			13.1%

¹ Non-GAAP adjustments for the business segments relate primarily to separation benefit costs associated with a voluntary retirement program as well as footprint actions and other costs associated with the supply chain transformation, as further discussed on page 17. Non-GAAP adjustments for Corporate overhead primarily consist of voluntary retirement program costs and transition services costs related to previously divested businesses.

² The Non-GAAP 2025 and 2024 business segment and corporate overhead information, as reconciled to GAAP above, is considered relevant to aid analysis and understanding of the Company's results and business trends aside from the material impact of certain gains and charges and ensures appropriate comparability to operating results of prior periods.

STANLEY BLACK & DECKER, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP EARNINGS TO EBITDA
(Unaudited, Millions of Dollars)

	THIRD QUARTER		YEAR-TO-DATE	
	2025	2024	2025	2024
Net earnings from continuing operations	\$ 51.4	\$ 91.1	\$ 243.7	\$ 91.4
<i>% of Net Sales</i>	<i>1.4%</i>	<i>2.4%</i>	<i>2.1%</i>	<i>0.8%</i>
Interest - net	79.1	78.6	236.5	244.9
Income taxes on continuing operations	(15.8)	(1.6)	(53.8)	24.3
Depreciation	92.9	113.9	276.7	327.3
Amortization	37.3	40.8	112.0	122.6
EBITDA¹	\$ 244.9	\$ 322.8	\$ 815.1	\$ 810.5
<i>% of Net Sales</i>	<i>6.5%</i>	<i>8.6%</i>	<i>7.1%</i>	<i>7.0%</i>
Non-GAAP adjustments before income taxes	217.6	105.9	332.1	416.7
Less: Accelerated depreciation included in Non-GAAP adjustments before income taxes	1.5	22.3	6.2	48.9
Adjusted EBITDA¹	\$ 461.0	\$ 406.4	\$ 1,141.0	\$ 1,178.3
<i>% of Net Sales</i>	<i>12.3%</i>	<i>10.8%</i>	<i>10.0%</i>	<i>10.1%</i>

¹ EBITDA is earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA represents EBITDA excluding certain gains and charges, as summarized below. EBITDA and Adjusted EBITDA, both Non-GAAP measures, are considered relevant to aid analysis and understanding of the Company's operating results and ensures appropriate comparability to prior periods.

SUMMARY OF NON-GAAP ADJUSTMENTS BEFORE INCOME TAXES
(Unaudited, Millions of Dollars)

	THIRD QUARTER		YEAR-TO-DATE	
	2025	2024	2025	2024
Supply Chain Transformation Costs:				
Footprint Rationalization ²	\$ 4.6	\$ 25.4	\$ 16.6	\$ 57.8
Material Productivity & Operational Excellence	3.9	(1.0)	11.9	12.4
Voluntary retirement program ³	-	-	11.9	-
Other (gains) charges	(0.5)	0.4	4.3	2.5
Gross profit	<u>\$ 8.0</u>	<u>\$ 24.8</u>	<u>\$ 44.7</u>	<u>\$ 72.7</u>
Supply Chain Transformation Costs:				
Footprint Rationalization ²	\$ 4.0	\$ 13.4	\$ 15.1	\$ 34.0
Complexity Reduction & Operational Excellence ⁴	4.4	2.0	24.9	6.2
Transition services costs related to previously divested businesses	-	4.6	8.4	14.8
Voluntary retirement program ³	-	-	33.5	(0.1)
Other (gains) charges	(4.3)	(4.9)	(3.2)	7.9
Selling, general and administrative	<u>\$ 4.1</u>	<u>\$ 15.1</u>	<u>\$ 78.7</u>	<u>\$ 62.8</u>
Income related to providing transition services to previously divested businesses	\$ -	\$ (4.6)	\$ (10.3)	\$ (14.8)
Voluntary retirement program ³	-	-	6.2	-
Environmental charges ⁵	-	(1.7)	(1.1)	152.1
Deal-related costs and other ⁶	4.3	3.3	(7.6)	4.6
Other, net	<u>\$ 4.3</u>	<u>\$ (3.0)</u>	<u>\$ (12.8)</u>	<u>\$ 141.9</u>
Loss on sale of business	\$ -	\$ -	\$ 0.3	\$ -
Asset impairment charges ⁷	169.1	46.9	169.1	72.4
Restructuring charges	32.1	22.1	52.1	66.9
Non-GAAP adjustments before income taxes	<u>\$ 217.6</u>	<u>\$ 105.9</u>	<u>\$ 332.1</u>	<u>\$ 416.7</u>

² Footprint Rationalization costs primarily relate to site transformation and re-configuration costs of \$26.7 million and \$31.3 million in 2025 and 2024, respectively, as well as accelerated depreciation of manufacturing and distribution center equipment of \$45.2 million in 2024. Facility exit costs related to site closures are reported in Restructuring charges.

³ In June 2025, the Company implemented a voluntary retirement program ("VRP") to right-size the Company's corporate and support functions to align with a more focused portfolio following recent divestitures and more streamlined operations as part of the supply chain transformation. The costs associated with the VRP relate to separation benefits provided to eligible employees who voluntarily retired from the Company.

⁴ Complexity Reduction & Operational Excellence costs in 2025 primarily relate to third-party consulting fees to provide expertise in identifying business model changes and quantifying related cost savings opportunities within the Company's Engineered Fastening business, developing a detailed program and related governance, and assisting the Company with the implementation of actions necessary to achieve the identified objectives.

⁵ The \$152.1 million pre-tax environmental charges in 2024 related primarily to a reserve adjustment for the non-active Centredale Superfund site as a result of regulatory changes and revisions to remediation alternatives.

⁶ Includes an \$8.1 million gain on sale of a distribution center in the second quarter of 2025 as part of the supply chain transformation.

⁷ The asset impairment charges in 2025 were primarily driven by updates to the Company's brand prioritization strategy impacting the Lenox, Troy-Bilt, and Irwin trade names, and the write down of certain minority investments pertaining to legacy corporate ventures. The asset impairment charges in 2024 were primarily related to the Lenox trade name and the Infrastructure business.

STANLEY BLACK & DECKER, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP REVENUE GROWTH TO NON-GAAP ORGANIC GROWTH
(Unaudited)

	THIRD QUARTER 2025					
	GAAP Revenue Growth	Less: Acquisitions	Plus: Divestitures	Less: Product Line Transfer	Less: Currency	Non-GAAP Organic Growth¹
Stanley Black & Decker	- %	- %	- %	- %	1%	-1%
Tools & Outdoor	- %	- %	- %	1%	1%	-2%
<i>North America</i>	-2%	- %	- %	- %	- %	-2%
<i>Europe</i>	6%	- %	- %	- %	6%	- %
<i>Rest of World</i>	-1%	- %	- %	- %	- %	-1%
Engineered Fastening	3%	- %	- %	-3%	1%	5%

¹ Non-GAAP Organic Growth, as reconciled to GAAP Revenue Growth above, is utilized to describe the change in the Company's net sales excluding the impacts of foreign currency fluctuations, acquisitions during their initial 12 months of ownership, divestitures, and transfers of product lines between segments. Organic growth is also referred to as organic sales growth and organic revenue growth.