Fourth Quarter And Full Year 2025 Overview

February 4, 2026

StanleyBlack&Decker

For those who make the world.™

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This Presentation and related discussions contain “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 such 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 statements of goals, targets, priorities, projections, or guidance, of earnings, EPS, planning assumptions or scenarios regarding earnings, EPS, income, revenue, profit, margins, cash flow, costs of sales, sales, growth, profitability, demand volume, market share, credit ratings, SG&A, shareholder value or other financial items; any statements of the plans, strategies and objectives of management for future operations including expectations around the Company’s productivity and efficiency goals and future operational strategies following completion of the Company’s transformation, run-rate cost savings, leverage ratios or debt reduction; any statements concerning market share gain, proposed new products, services, developments, investments, or innovation and brand prioritization strategies; any statements regarding future economic conditions or performance; any statements concerning future dividends, share repurchases or shareholder returns,; any statements and assumptions regarding geopolitical events, possible tariff and tariff impact projections (including the amount, timing and materiality thereof) and related mitigation plans including obtaining price increases and supply chain adjustments, and related mitigation timing and anticipated benefits; any statements concerning the consummation of the CAM sale transaction, the Company’s ability to maximize value for shareholders through active portfolio management and the impact of the transaction to fund debt reduction and support the Company’s capital allocation strategy; any statements of beliefs, plans, intentions or expectations; and any assumptions underlying any of the foregoing; and any such statements may include, among others, the words “may,” “will,” “estimate,” “intend,” “could,” “project,” “plan,” “continue,” “believe,” “expect,” “anticipate”, “run-rate”, “annualized”, “forecast”, “commit”, “design”, “positioned or positioning”, “guidance” “looking forward”, “future”, “vision”, “strategy”, “long-term”, “on-track” or any other similar words. You are cautioned not to rely on these forward-looking statements, which are based on the Company’s current expectations and assumptions of future events. Each of the forward-looking statements involves risks and uncertainties that could cause actual results to differ materially from those expressed or implied in these forward-looking statements. Factors that might cause actual results, performance and achievements to differ materially from estimates or projections contained in forward-looking statements include, but are not limited to: the Company’s continued success with its productivity and efficiency initiatives post-transformation, complexity reduction, cost containment, and supply chain improvements; changes in macroeconomic conditions, including interest rates and geopolitical events; changes in trade-related regulations and restrictions such as import and export controls, tariffs, raw material and rare earth related clearances or controls and other monetary and non-monetary trade regulations or barriers, and the Company’s ability to predict the timing, extent, materiality, impact or disruptiveness to the Company of such regulations, restrictions, tariffs and import/export controls or clearances; the Company’s ability to successfully mitigate or respond to such macroeconomic, geopolitical, or trade, tariff and rare earth policy changes including, obtaining price increases from customers, repositions of supply chain, reprioritizing resources all within estimated time frames and costs and successful government engagement efforts; the Company 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; the failure to consummate, or a delay in the consummation of, the CAM sale transaction for various reasons (including but not limited to failure to receive, or delay in receiving, required regulatory approvals and meet customary closing conditions), and failure to realize the expected benefits of the Company’s value creation, debt reduction and capital allocation strategy; and those factors set forth in the Company’s corresponding Press Release and Form 8-K and its Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and its other filings with the SEC. Forward-looking statements in this Presentation and related discussions 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 undertakes no obligation or intention to update or revise any forward-looking statements, whether because of future events or circumstances, new information or otherwise, except as required by law.

Additionally, Non-GAAP Financial Measures Are Referenced In This Presentation And Related Discussions. For Applicable Reconciliations To The Related GAAP Financial Measure And Additional Information, As Applicable, Please Refer To The Appendix Of These Materials And The Corresponding Press Release Which Are Available On Our Website Under The “Investors” Heading.

2025 Year in Review

Stanley Black & Decker delivered solid results across key focus areas in 2025...

By The Numbers...

~$15.1B Net Sales | **~(-1%)** Organic Revenue*	Led by growth in DEWALT and Aerospace fasteners
30.7% Adjusted Gross Margin*	+70 bps YoY driven by price and supply chain transformation efficiencies, muted by tariffs
~$1.6B Adj. EBITDA* | **10.8%** Adj. EBITDA Margin*	+70 bps YoY from gross margin expansion while investing for market share gains
$4.67 Adjusted EPS*	Pricing strategies, tariff mitigation, and productivity drove YoY Adj. EPS* growth
~$0.7B Free Cash Flow* | **+$1.8B** Agreement to Sell CAM	Supported dividend, debt reduction, progress toward leverage ratio target, and growth investments

...And remains committed to achieving our long-term financial goals

*Non-GAAP financial measure: Refer to appendix for additional information on all non-GAAP financial measures.

4Q 2025 Key Messages

Solid fourth quarter execution delivered year-over-year gross margin expansion amid dynamic operating environment…

- Net sales of $3.7 billion, down 1% YoY and down 3% on an organic basis* as price (+4%) and currency (+2%) were more than offset by volume (-7%)
- Adjusted gross margin* of 33.3%, up 210 basis points YoY driven by higher pricing, tariff mitigation, and supply chain cost reductions
- EPS of $1.04; Adjusted EPS* of $1.41
- Cash from operating activities of $956 million; Free cash flow* of $883 million

4Q'25 Key Financials

$3.7 Billion
Total Net Sales

(-3%)
Organic Revenue*

33.3%
Adj. Gross Margin*

Fourth Quarter	Program-To-Date
$120M	**$2.1B**

Pre-Tax Run-Rate Cost Savings

$1.41
Adjusted EPS*

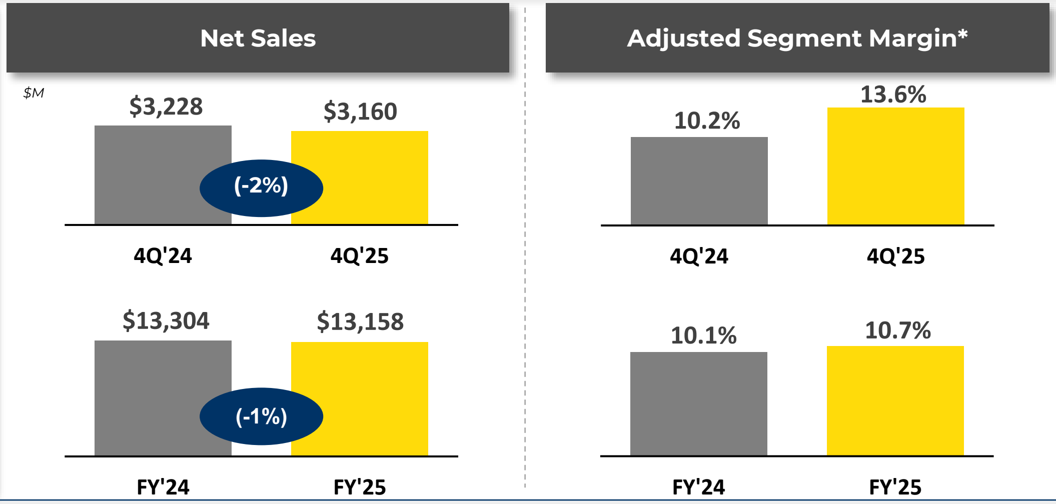
…Committed to disciplined execution and continuous improvement, enabling us to protect and grow our market share at attractive margins and returns

*Non-GAAP financial measure: Refer to appendix for additional information on all non-GAAP financial measures.

4Q and FY 2025 Segment Overview

Thoughtful execution resulted in solid operational outcomes

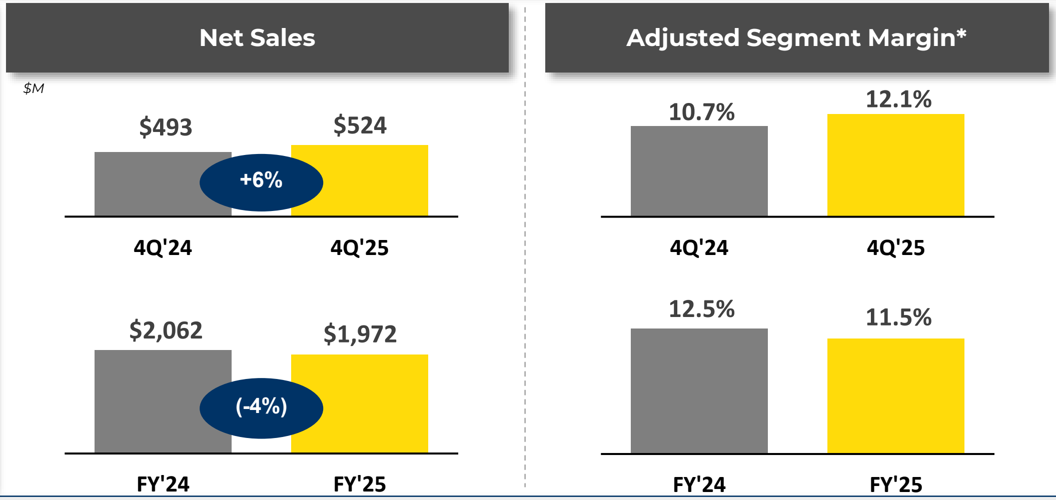
Tools & Outdoor



- **4Q Organic Revenue* (-4%) with PT (-8%), HTAS Flat, OPG +2%**
  - N.A. (-5%), Europe (-3%), Rest of World (-4%)
  - Price (+5%) and currency (+2%) were more than offset by volume (-9%)
  - Net sales pressured primarily by power tool demand dynamics in retail channels in North America and a soft market backdrop in several developed markets, offset partially by growth in outdoor products
- **FY Organic Revenue* (-2%) with PT (-3%), HTAS (-1%), OPG (-1%)**
  - N.A. (-2%), Europe (-1%), Rest of World (-2%)
  - Price (+3%) and currency (+1%) were more than offset by volume (-5%)
  - Low-single digit organic growth* in DEWALT

4Q'25 Adj. segment margin rate* 13.6% | Up YoY from higher pricing, tariff mitigation, and supply chain cost reductions

Engineered Fastening



- **4Q Organic Revenue* +8% with Aerospace +35%, All Other Engineered Fastening +3%**
  - Volume (+7%), price (+1%), and currency (+1%) were partially offset by a product line transfer to Tools & Outdoor (-3%)
  - Supported by strong demand in Aerospace and Automotive
- **FY Organic Revenue* +3% with Aerospace +25%, All Other Engineered Fastening (-2%)**
  - Volume (+2%), price (+1%), and currency (+1%) were more than offset by a product line transfer to Tools & Outdoor (-3%) and the Infrastructure business divestiture (-5%)
  - Driven by growth in Aerospace partially offset by Industrial and Automotive

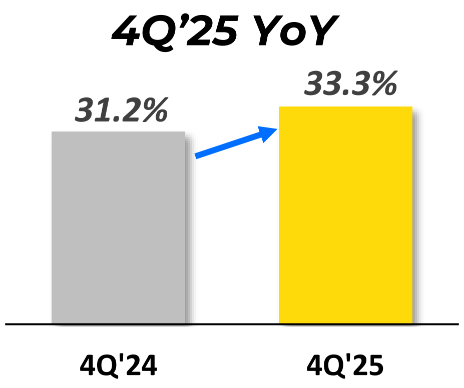
4Q'25 Adj. segment margin rate* 12.1% | Up YoY from higher volumes, modest price increases, and strong cost controls

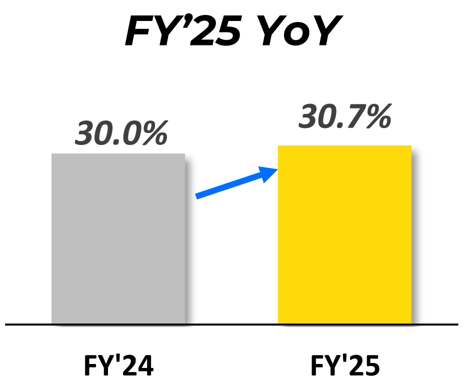
*Non-GAAP financial measure: Refer to appendix for additional information on all non-GAAP financial measures.

Adjusted Gross Margin* Expansion and Improved Financial Position

Executing our strategic plans to attain our near-term and long-term margin and cash flow objectives

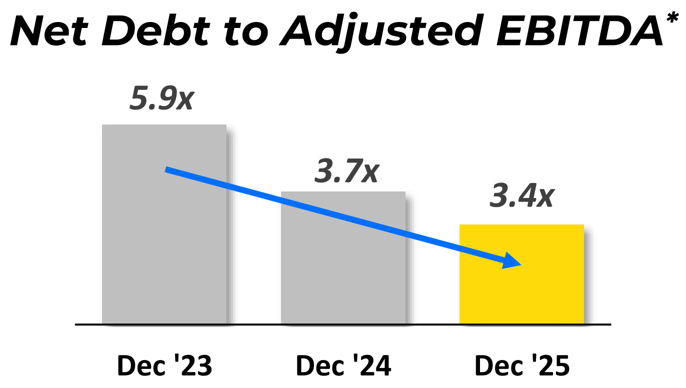
Adjusted Gross Margin* Expansion Year Over Year





- AGM* improvement driven by benefits from higher pricing, tariff mitigation, and supply chain cost reductions
- Driving annual productivity beyond the transformation to fuel investments
- Long-Term target: 35%+ Adjusted gross margin*

Year-End Leverage Ratio Improved



- $688M FY'25 free cash flow* supported debt reduction and shareholder returns
- Proceeds from announced CAM divestiture expected to drive meaningful debt leverage reduction in 2026

Returning cash to shareholders through our dividend, while also supporting incremental growth investments to accelerate brand building and innovation

*Non-GAAP financial measure: Refer to appendix for additional information on all non-GAAP financial measures.

2026 Planning Assumptions

Total Company

Total Net Sales YoY**	*+Low Single Digits*
*Organic Revenue**	*+LSD*
Currency	*+LSD*
*CAM Divestiture (2H) & Licensing OPG Gas Walk Behind****	*-LSD*
Adjusted EBITDA Margin*	Positive YoY
EPS | Adjusted EPS*	$3.15 to $4.35 | $4.90 to $5.70
Free Cash Flow*	~$700M to $900M

Segments

Tools & Outdoor

*Organic Revenue**	*+Low Single Digits*
*Adj. Segment Margin**	*Positive YoY*

Engineered Fastening

*Organic Revenue**	*+Mid Single Digits* *MSD w/ CAM (1H) | +LSD w/o CAM (2H)*
*Adj. Segment Margin**	*Positive YoY*

Other Planning Assumptions

Pre-Tax Non-GAAP Adjustments: ~$270M-$345M (~20% non-cash)

Other Net*: ~$250M

Net Interest Expense: ~$300M

Depreciation*: ~$350M | **Intangible Amortization:** ~$110M

Capex: ~$0.3B

Adjusted Tax Rate*: ~19% | **Shares:** ~153M

Tariff Disclaimer: Assumes Current Tariff Landscape

1Q'26: ~$3.7B Net Sales; ~$0.55-$0.60 Adj. EPS*

CAM Divestiture Framework

First half 2026 expectations for CAM are included in the planning assumptions, including:

- **Quarterly Net Sales Range:** $110M to $120M
- **Quarterly Segment Profit Range:** $10M to $20M
  - *Includes expected corporate and segment allocations*
  - *Segment Profit is defined as sales minus cost of sales and SG&A (aside from corporate overhead expenses)*

*Non-GAAP financial measure: Refer to appendix for additional information on all non-GAAP financial measures.

**Forecasted total net sales reflects the impact of forecasted foreign currency, assuming the end of December 2025 rates, and excludes the impact of acquisitions and divestitures not yet consummated

***Reflects strategic decision to transition from manufacturing gas-powered walk-behind products to a licensing model. Expect 2026 impact of $120M-$140M

Building a World Class, Branded Industrial Company

Delivering long-term value by solving our end users' most pressing and complex challenges

Strategic Imperatives

ACTIVATE
Brands with Purpose

DRIVE
Operational Excellence

ACCELERATE
Innovation

Long-Term Financial Goals – Expect To Reflect In 2028 Financials**	
Organic Revenue Growth*:	MSD in an LSD market
Adj. Gross Margin*:	35% to 37%
Adj. EBITDA*:	Mid-to-High Teens % of sales
Free Cash Flow Conversion*:	~100% +/- 10pts of GAAP NI in any given year
CFROI*:	Low-to-Mid Teens by 2028 ≥Mid-Teens beyond 2028
Credit Rating:	Solid Investment Grade

Focused on organic growth*, margin expansion, cash generation, and shareholder return; Committed to achieving 35% AGM* and a solid investment grade balance sheet

*Non-GAAP financial measure: Refer to appendix for additional information on all non-GAAP financial measures.
**These goals assume the current tariff landscape, low single digit market growth, and inflation around 2% per year

Q&A

Liquidity and Free Cash Flow Reconciliation

Free Cash Flow

$M	Fourth Quarter 2024	Fourth Quarter 2025	Fourth Quarter V$	Year-to-Date 2024	Year-to-Date 2025	Year-to-Date V$
Net Earnings	$ 195	$ 158	$ (37)	$ 294	$ 402	$ 108
Deprec / Amort	140	124	(16)	590	512	(78)
Working Capital	344	540	196	322	159	(163)
Other	0	134	134	(99)	(102)	(3)
Cash From Operating Activities	**679**	**956**	**277**	**1,107**	**971**	**(136)**
CapEx	(114)	(73)	41	(354)	(283)	71
Free Cash Flow	**$ 565**	**$ 883**	**$ 318**	**$ 753**	**$ 688**	**$ (65)**

Liquidity Key Points

- Target: Maintain solid investment grade credit ratings
- $3.5B in credit facilities backed by a well capitalized, diversified bank group which supports the commercial paper program
- Upcoming debt maturity March 2026: $500M

Liquidity Sources as of Fiscal Year End

Cash on hand	$0.3B
Addl. commercial paper capacity ($3.5B Max)	$2.9B
Total additional liquidity	**$3.2B**

Debt reduction remains a top priority

Financial flexibility in a challenging and dynamic environment

Reconciliation of GAAP to Non-GAAP Measures

	FOURTH QUARTER 2025		
	GAAP	Non-GAAP Adjustments	Non-GAAP[1]
Gross profit	$ 1,221.9	$ 5.9	$ 1,227.8
% of Net Sales	*33.2%*		*33.3%*
Diluted earnings per share of common stock - Continuing operations	$ 1.04	$ 0.37	$ 1.41

	YEAR-TO-DATE 2025		
	GAAP	Non-GAAP Adjustments	Non-GAAP[1]
Gross profit	$ 4,588.3	$ 50.6	$ 4,638.9
% of Net Sales	*30.3%*		*30.7%*
Diluted earnings per share of common stock - Continuing operations	$ 2.65	$ 2.02	$ 4.67

	FOURTH QUARTER 2024		
	GAAP	Non-GAAP Adjustments	Non-GAAP[1]
Gross profit	$ 1,144.1	$ 16.1	$ 1,160.2
% of Net Sales	*30.8%*		*31.2%*

	YEAR-TO-DATE 2024		
	GAAP	Non-GAAP Adjustments	Non-GAAP[1]
Gross profit	$ 4,514.4	$ 88.8	$ 4,603.2
% of Net Sales	*29.4%*		*30.0%*

[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.

Reconciliation of GAAP to Non-GAAP Segment Profit

	FOURTH QUARTER 2025		
	GAAP	Non-GAAP Adjustments[1]	Non-GAAP[2]
SEGMENT PROFIT			
Tools & Outdoor	$ 418.3	$ 11.4	$ 429.7
Engineered Fastening	$ 63.2	$ 0.2	$ 63.4
CORPORATE OVERHEAD	$ (61.4)	$ 2.2	$ (59.2)
Segment Profit as a Percentage of Net Sales			
Tools & Outdoor	13.2%		13.6%
Engineered Fastening	12.1%		12.1%

	FOURTH QUARTER 2024		
	GAAP	Non-GAAP Adjustments[1]	Non-GAAP[2]
SEGMENT PROFIT			
Tools & Outdoor	$ 298.1	$ 32.1	$ 330.2
Engineered Fastening	$ 52.7	$ 0.2	$ 52.9
CORPORATE OVERHEAD	$ (61.9)	$ 2.3	$ (59.6)
Segment Profit as a Percentage of Net Sales			
Tools & Outdoor	9.2%		10.2%
Engineered Fastening	10.7%		10.7%

1 Non-GAAP adjustments for the Tools & Outdoor segment relate primarily to footprint actions and other costs associated with the supply chain transformation.

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.

Reconciliation of GAAP to Non-GAAP Segment Profit

	YEAR-TO-DATE 2025		
	GAAP	Non-GAAP Adjustments[1]	Non-GAAP[2]
SEGMENT PROFIT			
Tools & Outdoor	$ 1,328.8	$ 81.6	$ 1,410.4
Engineered Fastening	$ 197.0	$ 29.3	$ 226.3
CORPORATE OVERHEAD	$ (270.4)	$ 26.3	$ (244.1)
Segment Profit as a Percentage of Net Sales			
Tools & Outdoor	10.1%		10.7%
Engineered Fastening	10.0%		11.5%

	YEAR-TO-DATE 2024		
	GAAP	Non-GAAP Adjustments[1]	Non-GAAP[2]
SEGMENT PROFIT			
Tools & Outdoor	$ 1,197.4	$ 143.1	$ 1,340.5
Engineered Fastening	$ 254.9	$ 3.6	$ 258.5
CORPORATE OVERHEAD	$ (270.6)	$ 23.4	$ (247.2)
Segment Profit as a Percentage of Net Sales			
Tools & Outdoor	9.0%		10.1%
Engineered Fastening	12.4%		12.5%

[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. 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.

Reconciliation of GAAP to Non-GAAP Measures

	FOURTH QUARTER 2025					
	GAAP Revenue Growth	Less: Acquisitions	Plus: Divestitures	Less: Product Line Transfer	Less: Currency	Non-GAAP Organic Growth[1]
Stanley Black & Decker	-1%	- %	- %	- %	2%	-3%
Tools & Outdoor	-2%	- %	- %	- %	2%	-4%
PT	-7%	- %	- %	- %	1%	-8%
HTAS	3%	- %	- %	- %	3%	- %
OPG	3%	- %	- %	- %	1%	2%
North America	-4%	- %	- %	1%	- %	-5%
Europe	5%	- %	- %	1%	7%	-3%
Rest of World	-2%	- %	- %	- %	2%	-4%
Engineered Fastening	6%	- %	- %	-3%	1%	8%
All Other Engineered Fastening	0%	- %	1%	-4%	2%	3%
Aerospace	35%	- %	- %	- %	- %	35%

	YEAR-TO-DATE 2025					
	GAAP Revenue Growth	Less: Acquisitions	Plus: Divestitures	Less: Product Line Transfer	Less: Currency	Non-GAAP Organic Growth[1]
Stanley Black & Decker	-2%	- %	1%	- %	- %	-1%
Tools & Outdoor	-1%	- %	- %	- %	1%	-2%
PT	-3%	- %	- %	- %	- %	-3%
HTAS	- %	- %	- %	- %	1%	-1%
OPG	-1%	- %	- %	- %	- %	-1%
North America	-2%	- %	- %	- %	- %	-2%
Europe	3%	- %	- %	- %	4%	-1%
Rest of World	-3%	- %	- %	- %	-1%	-2%
Engineered Fastening	-4%	- %	5%	-3%	1%	3%
All Other Engineered Fastening	-10%	- %	6%	-3%	1%	-2%
Aerospace	25%	- %	- %	- %	- %	25%

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.

EBITDA Reconciliation

	YEAR-TO-DATE 2025	2024	2023
Net earnings (loss) from continuing operations	**$ 401.9**	$ 286.3	$ (281.7)
% of Net Sales	***2.7%***	*1.9%*	*-1.8%*
Interest - net	**317.9**	319.5	372.5
Income taxes on continuing operations	**16.0**	(45.2)	(94.0)
Depreciation	**365.6**	426.3	432.4
Amortization	**146.8**	163.2	192.7
EBITDA[1]	**$ 1,248.2**	$ 1,150.1	$ 621.9
% of Net Sales	***8.2%***	*7.5%*	*3.9%*
Non-GAAP adjustments before income taxes	**396.2**	466.0	566.2
Less: Accelerated depreciation included in Non-GAAP adjustments before income taxes	**6.1**	59.5	50.0
Adjusted EBITDA[1]	**$ 1,638.3**	$ 1,556.6	$ 1,138.1
% of Net Sales	***10.8%***	*10.1%*	*7.2%*

1 EBITDA is earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA represents EBITDA excluding certain gains and charges. 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

	FOURTH QUARTER 2025	FOURTH QUARTER 2024	YEAR-TO-DATE 2025	YEAR-TO-DATE 2024
Supply Chain Transformation Costs:				
Footprint Rationalization[1]	$ 2.4	$ 8.5	$ 19.0	$ 66.3
Material Productivity & Operational Excellence	3.4	6.2	15.3	18.6
Voluntary retirement program[2]	(0.4)	-	11.5	-
Other charges	0.5	1.4	4.8	3.9
Gross profit	$ 5.9	$ 16.1	$ 50.6	$ 88.8
Supply Chain Transformation Costs:				
Footprint Rationalization[1]	$ 6.2	$ 8.5	$ 21.3	$ 42.5
Complexity Reduction & Operational Excellence[3]	2.9	2.5	27.8	8.7
Transition services costs related to previously divested businesses	-	4.8	8.4	19.6
Voluntary retirement program[2]	(2.4)	-	31.1	(0.1)
Other charges (gains)	1.2	2.7	(2.0)	10.6
Selling, general and administrative	$ 7.9	$ 18.5	$ 86.6	$ 81.3
Income related to providing transition services to previously divested businesses	$ -	$ (4.8)	$ (10.3)	$ (19.6)
Voluntary retirement program[2]	-	-	6.2	-
Environmental charges[4]	(2.8)	(8.9)	(3.9)	143.2
Deal-related costs and other[5]	(4.3)	(4.6)	(11.9)	-
Other, net	$ (7.1)	$ (18.3)	$ (19.9)	$ 123.6
Loss on sale of business	$ -	$ -	$ 0.3	$ -
Asset impairment charges[6]	20.4	-	189.5	72.4
Restructuring charges	37.0	33.0	89.1	99.9
Non-GAAP adjustments before income taxes	$ 64.1	$ 49.3	$ 396.2	$ 466.0

[1] Footprint Rationalization costs primarily relate to site transformation and re-configuration costs in 2025 and 2024, as well as accelerated depreciation of manufacturing and distribution center equipment in 2024. Facility exit costs related to site closures are reported in Restructuring charges.

[2] 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.

[3] 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.

[4] The $143.2 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.

[5] Deal-related costs and other in 2025 include an $8.1 million gain on sale of a distribution center as part of the supply chain transformation and a $14.3 million gain related to a favorable patent infringement settlement, partially offset by deal costs associated with the announced divestiture of the CAM business.

[6] Asset impairment charges in 2025 include: (a) $108.4 million driven by updates to the Company's brand prioritization strategy impacting the Lenox, Troy-Bilt, and Irwin trade names, (b) $43.9 million related to the write-down of certain minority investments pertaining to legacy corporate ventures, (c) $17.1 million related to the write-down of assets due to the exit of certain Outdoor product lines, and (d) $20.1 million related to a small business in the Tools & Outdoor segment. Asset impairment charges in 2024 include: (a) $41.0 million related to the Lenox trade name, (b) $25.5 million related to the Infrastructure business, and (c) $5.9 million related to a small business in the Engineered Fastening segment.

Non-GAAP Financial Measures

The Company has provided a discussion of its results both inclusive and exclusive of certain gains and charges. The results and measures, including gross profit, SG&A, Other, net, Income taxes, and segment profit, on a basis excluding certain gains and charges, free cash flow, organic revenue and organic growth are 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. 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.

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. Cash Flow Return On Investment ("CFROI") is computed as cash from operations plus after-tax interest expense, divided by the two-point average of debt and equity. Net debt to adjusted EBITDA is total debt less cash on hand divided by adjusted EBITDA. The Non-GAAP financial measures are reconciled to GAAP on pages 13 through 18 of the press release and in slides 12 through 16. 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 2026 adjusted EPS, presented on a basis excluding certain gains and charges, as well as 2026 organic revenue growth and free cash flow. Forecasted full-year 2026 adjusted EPS and 2026 organic revenue growth are reconciled to forecasted full-year 2026 GAAP EPS and total 2026 revenue growth, respectively, on slide 8. Consistent with past methodology, the forecasted full-year 2026 GAAP EPS excludes the impacts of potential acquisitions and divestitures (unless otherwise noted), 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 on slide 8. Forecasted 2026 organic revenue growth assumes the impact of foreign currency using historical rates and excludes the impacts of potential acquisitions and divestitures.

In addition to 2026 adjusted EPS and 2026 organic revenue growth, the Company also provides additional expectations for forward-looking non-GAAP financial measures, presented on a basis excluding certain gains and charges, as well as forecasted free cash flow (slide 8). 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 and adjusted EBITDA margin, presented on a basis excluding certain gains and charges, as well as organic growth, free cash flow conversion, and CFROI. 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.