

## Stanley Black & Decker Reaches Agreement To Sell Majority Of Its Mechanical Security Businesses To dormakaba For \$725 Million In Cash

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NEW BRITAIN, Conn., Dec. 21, 2016 /PRNewswire/ -- Stanley Black & Decker (**NYSE: SWK**), an S&P 500 global diversified industrial company, announced today that it has entered into a definitive agreement to sell the majority of its Mechanical Security businesses to dormakaba for \$725 million in cash. The sale includes the commercial hardware brands of BEST Access, phi Precision and GMT, which together represented LTM revenues and EBITDA of approximately \$270 million and \$52 million, respectively. The transaction is expected to close in the first quarter of 2017, subject to customary closing conditions including required regulatory approvals. The remaining part of the Mechanical Security businesses, Sargent and Greenleaf (LTM revenues of approximately \$50 million), was not included in the sale.

Stanley Black & Decker also announced that it intends to retain for the long-term its commercial electronic security (LTM revenues of approximately \$1.5 billion) and automatic doors (LTM revenues of approximately \$0.3 billion) businesses.

President and Chief Executive Officer James M. Loree commented, "After an extensive evaluation of our Security business, we are sharpening our focus on areas within our portfolio which are strategically attractive. While BEST Access, phi Precision and GMT are healthy and profitable businesses, they are a better fit in dormakaba's portfolio and their divestiture will allow us to deploy capital in a more accretive and growth oriented manner. With this transaction and our decision to retain the electronic security and automatic doors businesses, we have concluded our previously announced Security portfolio assessment."

Loree continued, "The commercial electronic security business, with its inherent linkage to the digital world provides both a stable recurring revenue stream and an opportunity to develop and market high value, high growth customer solutions incorporating IOT, cloud, advanced analytics and other emerging technologies. Our scale and global footprint in this business is an excellent platform to build upon, both organically and inorganically. Our automatic doors business also represents an attractive growth opportunity for market expansion through both core and breakthrough innovation. We remain focused on applying the principles of our proven operating system, SFS 2.0, to enhance the growth, profitability and asset efficiency of these businesses."

This tax-efficient sale transaction is expected to generate net after-tax cash proceeds of approximately \$700 million, with capital loss carryforwards offsetting the majority of taxes otherwise due. The company expects the 2017 earnings per share impact of this transaction (estimated full year dilution of \$0.20) to be more than offset by accretion from the recently announced Newell Tools acquisition, newly identified low-interest financing strategies related to such acquisition, and the potential redeployment of excess cash proceeds for opportunistic share repurchases. The impact of the aforementioned items is expected to result in net earnings accretion of at least \$0.05 per share in 2017. Further information relating to the estimated 2017 Stanley Black & Decker earnings per share impact will be provided upon the closing of these transactions. In regards to the timing of the Newell Tools closing, we have received antitrust clearance under the Hart-Scott-Rodino Act in the U.S. and subject to receiving other regulatory approvals outside the U.S., expect to close the transaction during the first quarter of 2017.

Stanley Black & Decker, an S&P 500 company, is a diversified global provider of hand tools, power tools and related accessories, mechanical access solutions and electronic security solutions, healthcare solutions, engineered fastening systems, and more. Learn more at [www.stanleyblackanddecker.com](http://www.stanleyblackanddecker.com).

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### **Cautionary Note Regarding Forward-Looking Statements**

Stanley Black & Decker makes forward-looking statements in this press release which represent its expectations or beliefs about future events and financial performance. Forward-looking statements are identifiable by words such as "believe," "anticipate," "expect," "intend," "plan," "will," "may" and other similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or

circumstances are forward-looking statements. Forward looking statements made in this press release, include, but are not limited to, statements concerning: consummation of the transaction; opportunities for future growth; net proceeds from and tax treatment of the transaction; and accretion to earnings per share.

You are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements are not guarantees of future events and involve risks, uncertainties and other known and unknown factors that may cause actual results and performance to be materially different from any future results or performance expressed or implied by such forward-looking statements, including, but not limited to, the failure to consummate, or a delay in the consummation of, the transaction for various reasons; the failure to consummate, or a delay in the consummation of, the Newell Tools transaction for various reasons (including but not limited to failure to receive required regulatory approvals); and failure to realize the expected benefits of the recently announced Newell Tools acquisition.

Forward-looking statements made herein are also subject to risks and uncertainties, described in: Stanley Black & Decker's 2015 Annual Report on Form 10-K, its subsequently filed Quarterly Reports on Form 10-Q; and other filings Stanley Black & Decker makes with the Securities and Exchange Commission. In addition, actual results could differ materially from those suggested by the forward-looking statements, and therefore you should not place undue reliance on the forward-looking statements. Stanley Black & Decker makes no commitment to revise or update any forward-looking statements to reflect events or circumstances occurring or existing after the date of any forward-looking statement.

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