

Stanley Black & Decker, Inc. Announces Pricing of Equity Units Offering

November 8, 2019

NEW BRITAIN, Conn., Nov. 7, 2019 /PRNewswire/ -- Stanley Black & Decker, Inc. (NYSE: SWK) (the "Company") announced today that it priced its offering of 6,750,000 Equity Units (the "Units"). The Company has granted to the underwriters an option to purchase up to an additional 750,000 Units to cover over-allotments. The offering is being made under the Company's existing shelf registration statement previously filed with the Securities and Exchange Commission (the "SEC") and is expected to close on November 13, 2019.

The Units will initially consist of an aggregate of 675,000 shares of 0% Series D Cumulative Perpetual Convertible Preferred Stock (the "Convertible Preferred Stock"), with an aggregate liquidation preference of \$675 million, and contracts to purchase, for an aggregate of \$675 million, shares of the Company's common stock (the "Common Stock"). The Common Stock is expected to be delivered upon settlement of the purchase contracts in November 2022 (subject to early settlement in certain circumstances). Quarterly contract adjustment payments equivalent to 5.25% per year will be made on the stated amount of \$100 per Unit, subject to the Company's right to defer contract adjustment payments.

The Convertible Preferred Stock will have an initial conversion rate of 5.2263 shares of the Common Stock per share of the Convertible Preferred Stock, equivalent to an initial conversion price of approximately \$191.34, subject to adjustment. The initial conversion price represents a premium of approximately 20% above the closing price of the Common Stock on November 7, 2019. The Convertible Preferred Stock will initially not bear any dividends and the liquidation preference of the Convertible Preferred Stock will not accrete. Each share of Convertible Preferred Stock may be converted only after being separated from the Units and, prior to November 2022, only upon the occurrence of certain fundamental change events. Upon any such conversion, the Company will pay or deliver, as the case may be, cash, shares of Common Stock or a combination of cash and shares of Common Stock, at the Company's election, unless the Company has previously irrevocably elected a settlement method to apply. The Convertible Preferred Stock is expected to be remarketed in November 2022, unless the Company elects to remarket the Convertible Preferred Stock earlier, during a period beginning on and including August 10, 2022 and ending on and including October 27, 2022, at which time the conversion rate and/or the dividend rate may be increased and certain other terms of the Convertible Preferred Stock may change. The Company may pay contract adjustment payments on the Units and dividend payments on the Convertible Preferred Stock (if the dividend rate of the Convertible Preferred Stock is increased upon successful remarketing) in cash, shares of the Common Stock or a combination of cash and shares of the Common Stock, at the Company's election, unless the Company has previously irrevocably elected a contract adjustment payment method to apply, and may defer contract adjustment payments on the Units and dividend payments on the Convertible Preferred Stock (if the dividend rate of the Convertible Preferred Stock is increased upon successful remarketing). The Convertible Preferred Stock is perpetual, but the Company may redeem all or any portion of the outstanding Convertible Preferred Stock from and after December 2022, at a redemption price equal to 100% of the liquidation preference thereof, plus any accumulated and unpaid dividends (if the dividend rate of the Convertible Preferred Stock is increased upon successful remarketing).

The Company will receive gross proceeds of \$675 million from the sale of the Units, before deducting the underwriters' discounts and commissions and offering expenses (excluding any exercise of the over-allotment option).

The Company intends to use the net proceeds from the offering, together with cash on hand, to redeem its existing 5.75% Junior Subordinated Debentures due 2052. The Company also intends to use a portion of the net proceeds of the offering, together with cash on hand, to purchase options on the Common Stock from counterparties, which may include certain of the underwriters and their affiliates. These option transactions are generally expected to provide an economic offset to dilution upon settlement of the Convertible Preferred Stock if the transactions are exercised and the price per share of the Common Stock, as measured under the terms of the option transactions, is greater than the \$191.3400 lower strike price of the options, which corresponds to the initial conversion price for the Convertible Preferred Stock, subject to a cap price of \$207.2850 (in each case subject to adjustment), which is 30% above the closing price of the Common Stock on November 7, 2019.

Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC and Wells Fargo Securities, LLC are acting as joint book-running managers of this offering.

This press release does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sales of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The offering of the Equity Units will be made only by means of a prospectus and a related prospectus supplement. This press release also does not constitute a notice of redemption of the Company's existing 5.75% Junior Subordinated Debentures due 2052.

The offering of these securities may be made only by means of a prospectus and a related prospectus supplement. Before you invest, you should read the prospectus, the related prospectus supplement and the other documents the Company has filed with the SEC for more complete information about the Company and the offering. Copies of the final prospectus supplement for the offering may be obtained by visiting EDGAR on the SEC's website at <http://www.sec.gov>. Alternatively, copies may be obtained by contacting Citigroup Global Markets Inc., c/o Broadridge Financial Solutions, 1155 Long Island Avenue, Edgewood, New York 11717 or by calling toll-free at 1-800-831-9146; Credit Suisse Securities (USA) LLC, Attention: Prospectus Department, One Madison Avenue, New York, New York 10010, by email at newyork.prospectus@credit-suisse.com or by calling 1-800-221-1037 and Wells Fargo Securities, LLC, 608 2nd Avenue South, Suite 1000, Attention: WFS Customer Service, Minneapolis, Minnesota 55402, or by emailing at wfscustomerservice@wellsfargo.com or by calling at (800) 645-3751.

About Stanley Black & Decker

Stanley Black & Decker, an S&P 500 company, is a diversified global provider of hand tools, power tools and related accessories, electronic security solutions, healthcare solutions, engineered fastening systems, and more.

Statements in this press release that are not historical, including but not limited to those regarding the Company's: (i) planned offering of the Units; (ii) anticipated use of the net proceeds; and (iii) expected results of the option transactions; , are "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and subject to risk and uncertainty. No assurance can be given that the offering will be consummated

on the terms described above or at all. Consummation of the offering and the terms thereof are subject to numerous conditions, many of which are beyond the control of the Company, including: the prevailing conditions in the public and private capital markets; interest rates; and economic, political and market factors affecting trading volumes, securities prices or demand for the Company's stock.

For a discussion of risks and uncertainties, which could cause actual results to differ materially from those contained in the forward-looking statements, see "Risk Factors" in the Company's Annual Report on Form 10-K for the most recently ended fiscal year.

Investor Contacts

Dennis Lange
Vice President, Investor Relations
860-827-3833
dennis.lange@sbdinc.com

Cort Kaufman
Director, Investor Relations
(860) 515-2741
cort.kaufman@sbdinc.com

The logo for Stanley Black & Decker, featuring the company name in a bold, black, sans-serif font. The text is set against a bright yellow background that has a diagonal cut on the right side, creating a dynamic, angular shape.

 View original content to download multimedia: <http://www.prnewswire.com/news-releases/stanley-black--decker-inc-announces-pricing-of-equity-units-offering-300954571.html>

SOURCE Stanley Black & Decker