



# INVESTOR PRESENTATION

Version 05.03.2022

# Cautionary Statements



This presentation contains “forward-looking statements,” that is, statements that address future, not past events. In this context, forward-looking statements often address our expected future business and financial performance and financial condition, and often contain words such as: “expect,” “anticipate,” “intend,” “plan,” “believe,” “seek,” or “will.” Forward-looking statements by their nature address matters that are, to different degrees, uncertain. These statements are based on assumptions of future events that may not prove accurate. They are also based on our current plans and strategy and such plans and strategy could change in the future. Actual results may differ materially from those projected or implied in any forward-looking statements. Please refer to our most recent SEC filings, including our 2021 Annual Report on Form 10-K, subsequently filed Quarterly reports on Form 10-Q, as well as our other filings with the SEC, for detailed information regarding factors that could cause or contribute to actual results differing materially from those expressed or implied in such forward-looking statements. We do not undertake to update our forward-looking statements. This presentation does not constitute an offer to sell or a solicitation of an offer to buy any securities of Stanley Black & Decker, Inc. (the “Company”). If the Company were to conduct an offering of securities in the future, it would be made under an effective registration statement, and a prospectus relating to that offering could be obtained from the underwriters of that offering or from the Company. Refer to the Appendix included herein for non-GAAP and other financial measures.

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# A Global Leader With World Class Franchises

## STANLEY BLACK & DECKER (NYSE: SWK)

**2021 Revenue: \$15.6B**

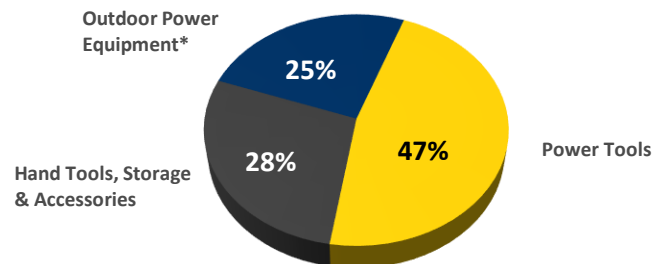
**Market Cap: \$18.5B**

**Cash Dividend Yield: 2.6%**

*Dividend Paid Consecutively For 146 Years; Increased For Past 54 Consecutive Years*

### Tools & Outdoor

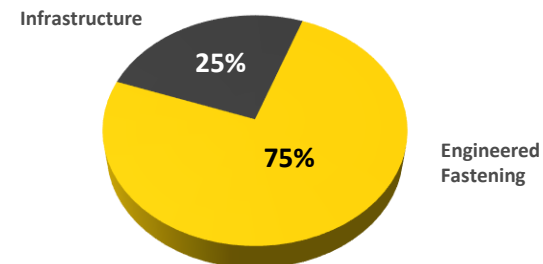
2021 Revenue: \$12.8B



**World-Wide Leader In Tools & Outdoor**

### Industrial

2021 Revenue: \$2.5B



**Platform Of Highly-Engineered B-2-B Businesses**

## Vision

**Known For Innovation**

**Continued High Performance**

**Social Responsibility**

Market Cap & Dividend Yield As Of Market Close 5/02/2022 \$122.81

Dividend Yield Based On 4Q'21 Annualized Dividend & Stock Price As Of Market Close 5/02/2022

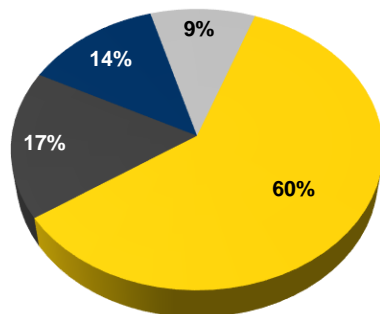
\*Includes ~\$2.8B 2021 Pro Forma Revenue For MTD & Excel Acquisitions | Total Outdoor = \$1.2B + \$2.8B Pro Forma Revenue = ~\$4B | Tools & Outdoor FY'21

Total Pro Forma Revenue = ~\$15.6B



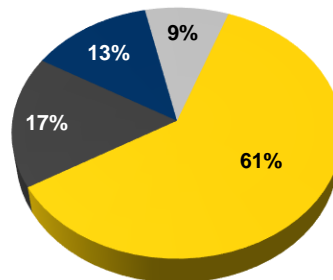
# Expanding Geographic Reach

Stanley Black & Decker

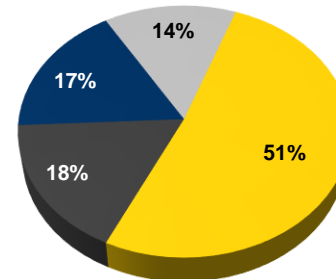


Segments

Tools & Outdoor



Industrial



U.S.

Europe

Emerging Markets

ROW

***Diversified Globally With Approximately 60% Of Our Revenues Generated In The U.S.***

# Strategic & Financial Objectives

## Strategic Framework

### Continue Organic Growth Momentum

- Utilize SBD Operating Model As A Catalyst
- Mix Into Higher Growth, Higher Margin Businesses
- Increase SBD Weighting Of Emerging Markets

### Be Selective And Operate In Markets Where

- Brand Is Meaningful
- Innovation Drives Definable & Sustainable Value Proposition
- Global Cost Leadership Is Achievable

### Pursue Acquisitive Growth

- Build Upon Global Tools & Outdoor Platform
- Expand Industrial Platform (Engineered Fastening | Infrastructure)

## Our Long-Term Financial Goals

### Revenue Growth

- ~4-6% Organic
- ~10-12% Total

### Financial Performance

- ~10-12% EPS Growth\*
- FCF  $\geq$  Net Income
- CFROI In 12-15% Range
- 10+ Working Capital Turns

### Dividend

- Continued Growth

### Credit Rating

- Strong Investment Grade

**Key Themes: Sustain Above-Market Organic Growth And Margin Expansion**

# Global Franchises – Long Term Value Drivers

*A Company That Has Built Well Established, Global Franchises...*

## Business Value Drivers

#1

In Tools &  
Outdoor

- Brands
- Innovation & Outdoor Electrification
- Global Scale
  - » Power & Hand Tools
  - » Construction, DIY, Auto Repair & Industrial
  - » Developed & Developing Market Presence

The Tool &  
Outdoor Company  
To Own



*A Global Leader  
In Engineered  
Fastening*

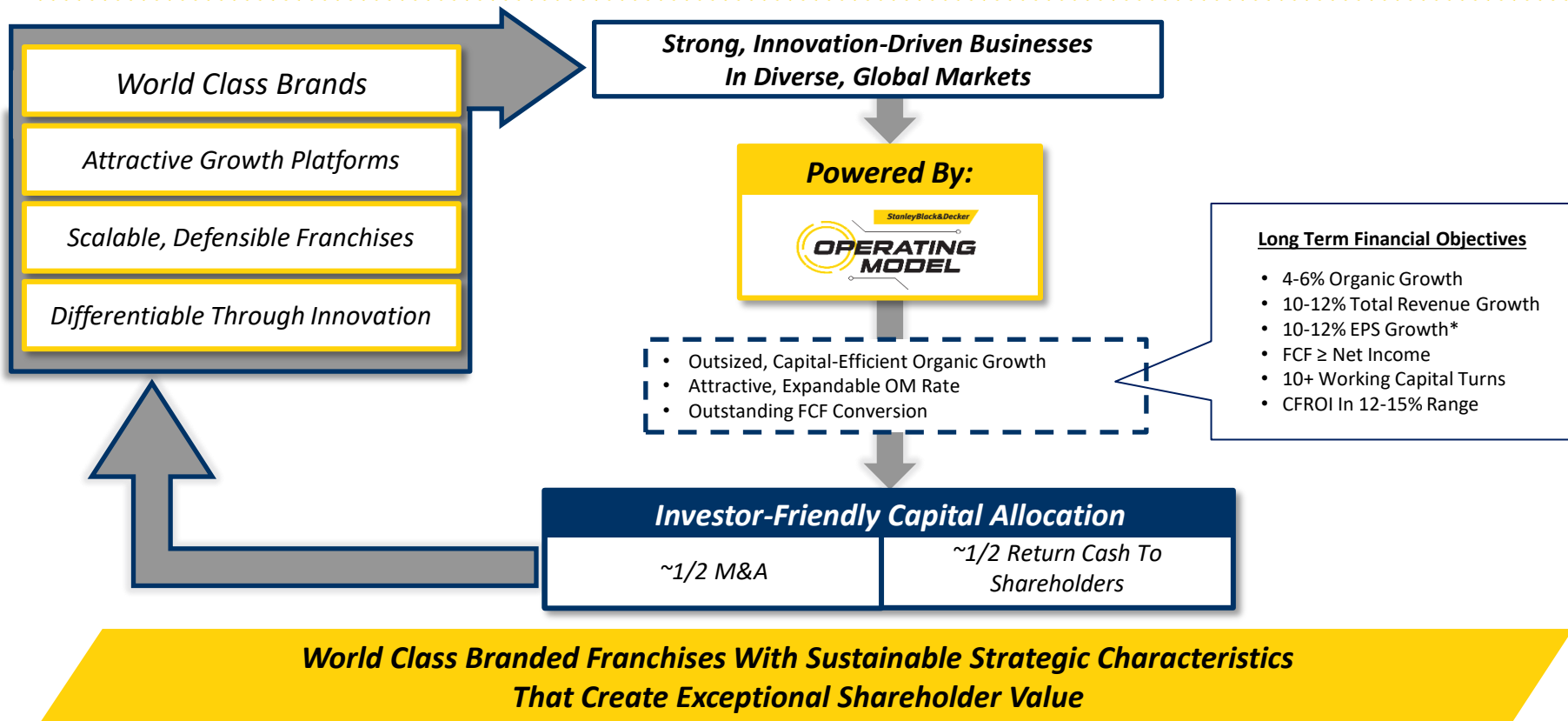
- Highly Engineered, Value-Added Innovative Solutions
- Recurring Revenue Model
- Global Scale

High Profitability;  
GDP + Growth

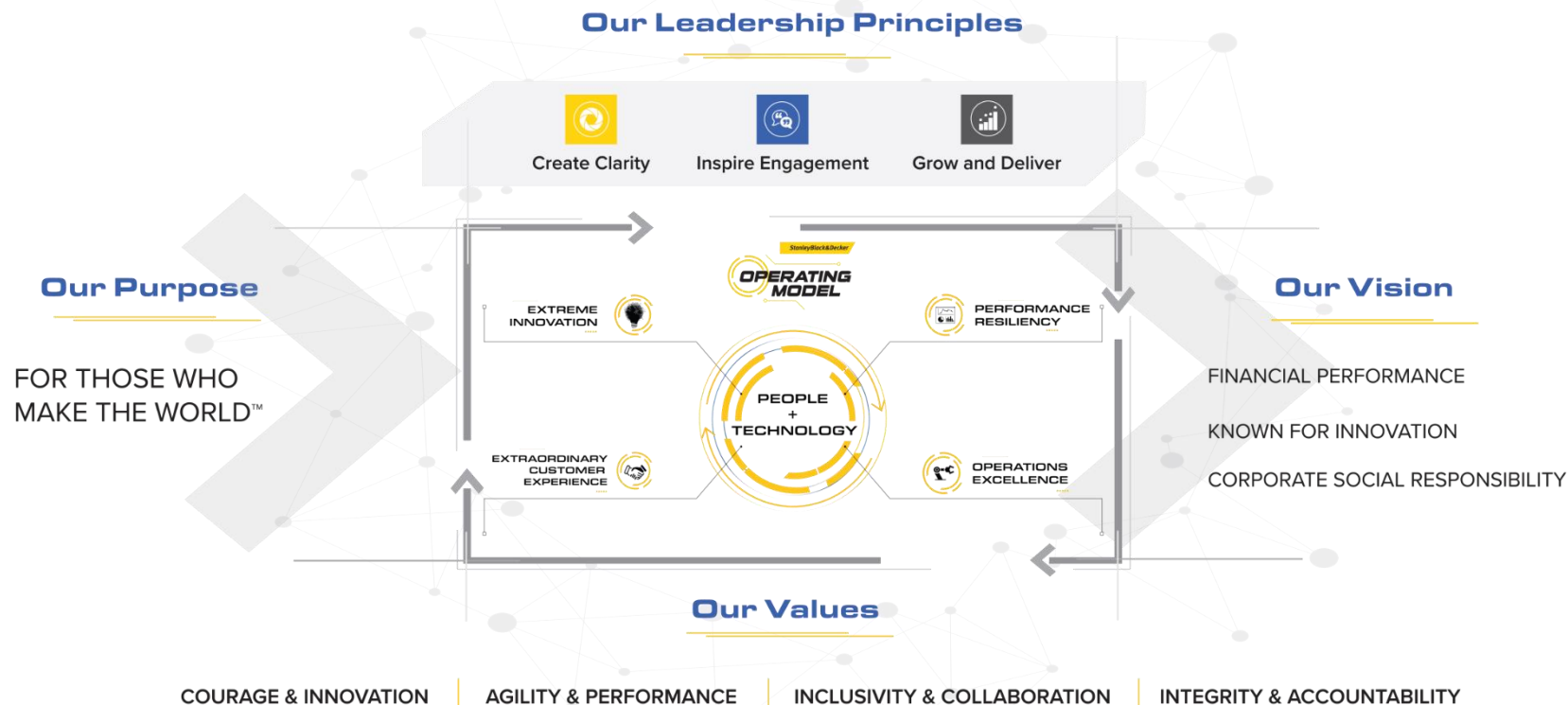
**STANLEY.**

*...With Asset Efficiency And Customer Level Execution Aided By The SBD Operating Model*

# Stanley Black & Decker Value Creation Model



# Our Evolving Operating Model



# Acquisitive Growth

## *Active Pipeline For Potential Acquisition Targets...*

### Acquisition Criteria

- **Strategic Fit**
- **Organizational Capacity**
- **Financial Evaluation**
  - » Organic Growth & Profitability Consistent With Company Targets
  - » Accretive Year 1 Excluding Charges
  - » Achieve 12-15% CFROI, Consistent With Our Long-Term Financial Objectives
  - » Value Creation Opportunity > Share Repurchase

### Acquisitive Growth Areas

**Tool Industry Consolidation**

**Outdoor Expansion**

**Industrial Segment Expansion**

*...Acquisitions Remain An Important Element Of Growth Formula*

# Global Brand Power

*A Powerful Portfolio Of Well Managed Brands*

**STANLEY**



**CRAFTSMAN**

**BOSTITCH**



**LISTA**



*Cub Cadet*





# Global Brand Support



CRISTY LEE



FOOSE  
DESIGN



NASHVILLE  
PREDATORS

McLaren  
FORMULA 1 TEAM



**2.3 Billion +**  
Potential Fan Reach

**404 Million**  
Sponsorship Social Media Followers

**48.6 Million**  
Brand Website Visits

**1.9 Million**  
Brand Mentions

# Our Approach To ESG



Grounded By Stakeholder Capitalism

*Rooted In Our Purpose - For Those Who Make The World™*

ALIGNED TO WORLD ECONOMIC FORUM FRAMEWORK

ENVIRONMENT	SOCIAL	GOVERNANCE	
 <p><b>Planet</b> <i>Protecting The Planet</i></p>	 <p><b>People</b> <i>Furthering Progress At Work</i></p>	 <p><b>Prosperity</b> <i>Fostering Communities</i></p>	 <p><b>Governance</b> <i>Purpose &amp; Progress Against Key ESG Milestones</i></p>

OUR 2030 STRATEGY

 <p><b>EMPOWER MAKERS</b></p> <p><i>Enable 10 million creators and makers to thrive in a changing world</i></p>	 <p><b>INNOVATE WITH PURPOSE</b></p> <p><i>Innovate our products to enhance the lives of 500 million people and improve environmental impacts</i></p>	 <p><b>CREATE A MORE SUSTAINABLE WORLD</b></p> <p><i>Positively impact the environment through our operations</i></p>
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# Leading The Charge

## ESG FOCUS AREAS

### Climate Change

Go Beyond Carbon Neutral By 2030  
Zero Waste to Landfill  
Sustainable Water Use

### DEI & Talent Development

Racial Equity 10 Point Plan  
Gender Parity  
Skillset Development

### Governance

Diverse & Inclusive Board  
Shareholder Rights  
Risk Management & Oversight

## PRODUCT & STRATEGY EXAMPLES

*Electrification // Circular Design // Product Lifecycle*



## ADOPTED LEADING STANDARDS



## HIGHLY RECOGNIZED FOR ESG



FORTUNE



Forbes



### ENVIRONMENT

CDP

4<sup>th</sup> Consecutive Year—CDP A List for Climate Change & Water Security

**DOW JONES SUSTAINABILITY INDEX**

4<sup>th</sup> Consecutive Year—World Index

11<sup>th</sup> Consecutive Year—North America Index

### REPUTATION

FORTUNE

World's Most Admired Companies

**FAST COMPANY**

#41 Best Workplace for Innovators

### DE&I

FORBES

America's Best Large Employers

America's Best Employers for Women

America's Best Companies for Diversity

**CORPORATE EQUALITY INDEX**

Best Places to Work for LGBTQ Equality

# Electrification: We Have A Significant Growth & ESG Opportunity

**Electrification Supports Carbon Reduction And Is A Multibillion Dollar Growth Opportunity**

## ELECTRIC VEHICLES

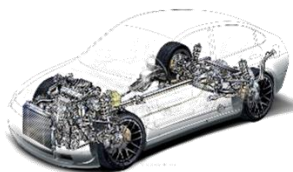
- *Electrification Drives 3x To 6x Higher Content \$ Potential Per Vehicle*
- *EV & Hybrids Are Forecasted To Be The Majority Of Vehicle Production In 2026*

Internal Combustion (ICE) Vehicle  
SBD Average Content

**\$10 Per Car**

Electric & Hybrid-Electric Vehicle  
SBD Projected Content

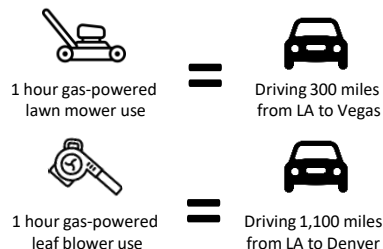
**\$30 - \$60 Per Car**



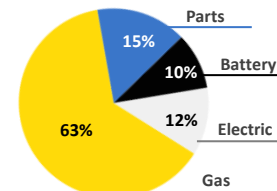
## OUTDOOR PRODUCTS

- *SBD + MTD = Best Position In The World To Achieve*
- *~\$25B Global Outdoor Products Equipment*

### SMOG-FORMING POLLUTION FROM LAWN & GARDEN EQUIPMENT VS. CARS



Source: California Air Resources (CARB)



### GROWTH vs MARKET



# ESG: Measuring Our Progress

## Our 2030 Strategy/Overall Objectives\*

### People

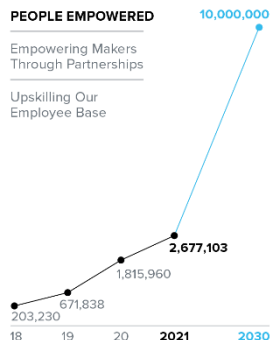
#### EMPOWER MAKERS

Enable 10 million creators and makers to thrive in a changing world

#### PEOPLE EMPOWERED

Empowering Makers Through Partnerships

Upskilling Our Employee Base



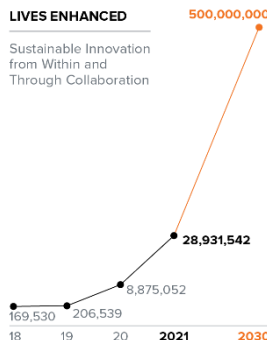
### Product

#### INNOVATE WITH PURPOSE

Innovate our products to enhance the lives of 500 million people

#### LIVES ENHANCED

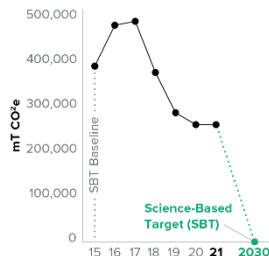
Sustainable Innovation Within and Through Collaboration



### Planet

#### CREATE A MORE SUSTAINABLE WORLD

Positively impact the environment through our operations



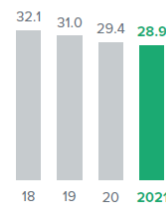
• Scope 1 & 2 Emissions  
SBT trajectory - starting in 2018, maintain an ~8% annual reduction in our absolute carbon emissions from our 2015 baseline



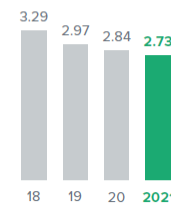
[Link: 2021 Online ESG Report](#)

## Sustainability Performance\*

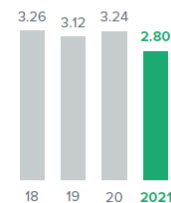
### ENERGY (KBTU/HR)



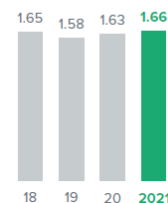
### CARBON (MT/KHR)



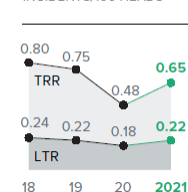
### WATER (GAL/HR)



### WASTE (LBS/HR)



### TOTAL RECORDABLE RATE (TRR) AND LOST TIME RATE (LTR)



We Remain Focused On Our 2030 Goals

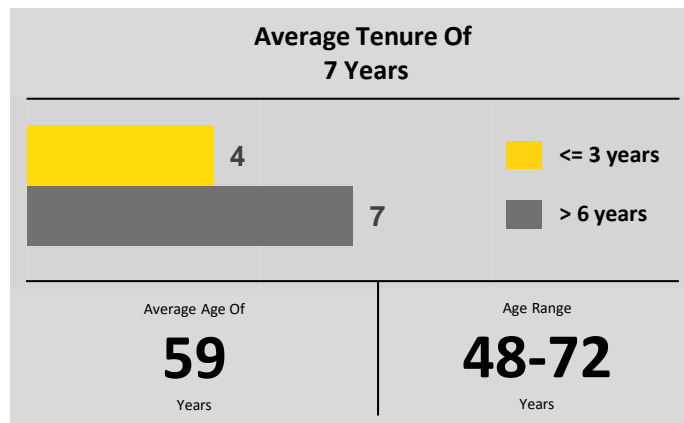
**Elevating & Executing On Our Commitment To Corporate Social Responsibility**

# Corporate Governance

## Board Composition And Governance Features

- ✓ Independent Chairperson
- ✓ 4 New Non-Management Directors In The Last 3 Years
- ✓ Balance Of Institutional Knowledge And Fresh Perspective
- ✓ Key Governance Features:
  - ✓ Proxy Access
  - ✓ Annual Say-On-Pay Vote
  - ✓ Recoupment Policy Relating To Unearned Management Compensation
  - ✓ Robust Stock Ownership Guidelines For Directors & Management

## Board Refreshment And Tenure



## Management Incentives Support Our Long-Term Objectives

Annual Incentives On  
Performance Against:

EPS | Cash Flow Multiple | Gross Margin | Organic Sales Growth

Long-Term Incentives On Pre-Established  
Performance Goals On:

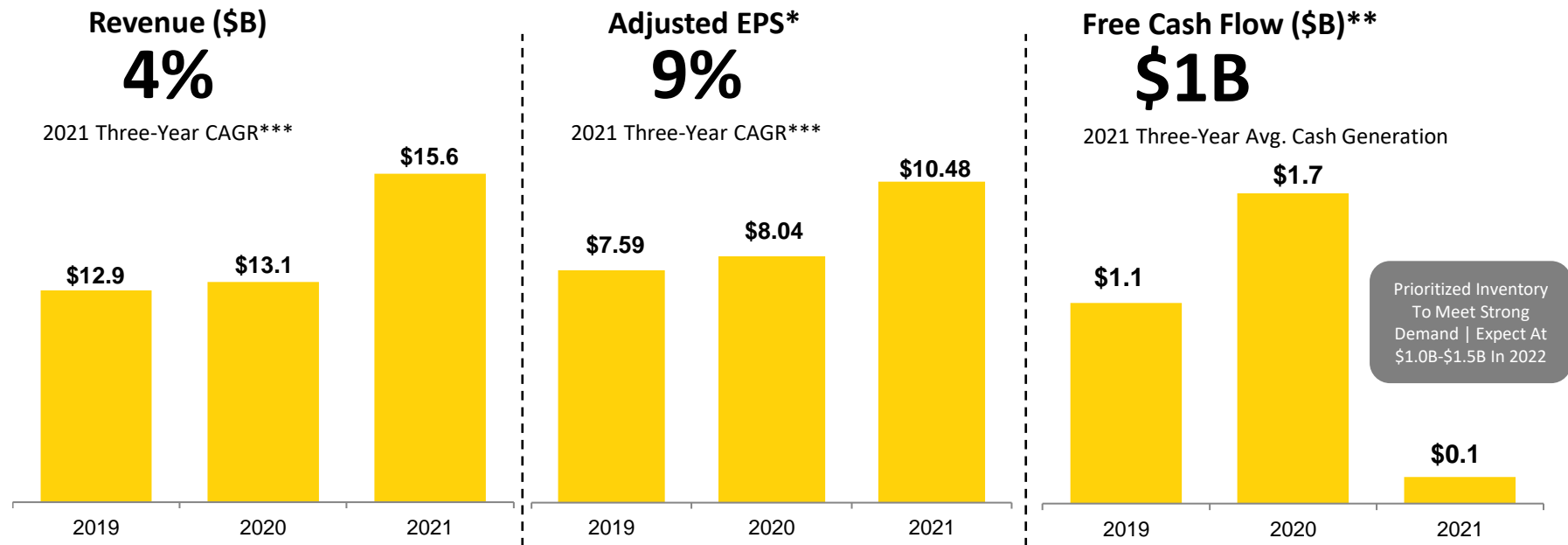
CFROI | EPS | Relative TSR

*In Order To Fully Evaluate The Most Appropriate, Quantifiable Metrics Aligned With Our Long-Term ESG And Broad Company Strategy, We Aim To Further Embed And Monitor ESG Performance In Business Reviews Throughout 2022, As Our Baseline Year, As We Anticipate More Formally Incorporating ESG Within Our Incentive Program In Future Years*

**Corporate Governance Policies That Align The Interests Of Management With Shareholders**

# Historical Performance

## Created World Class Global Franchises...

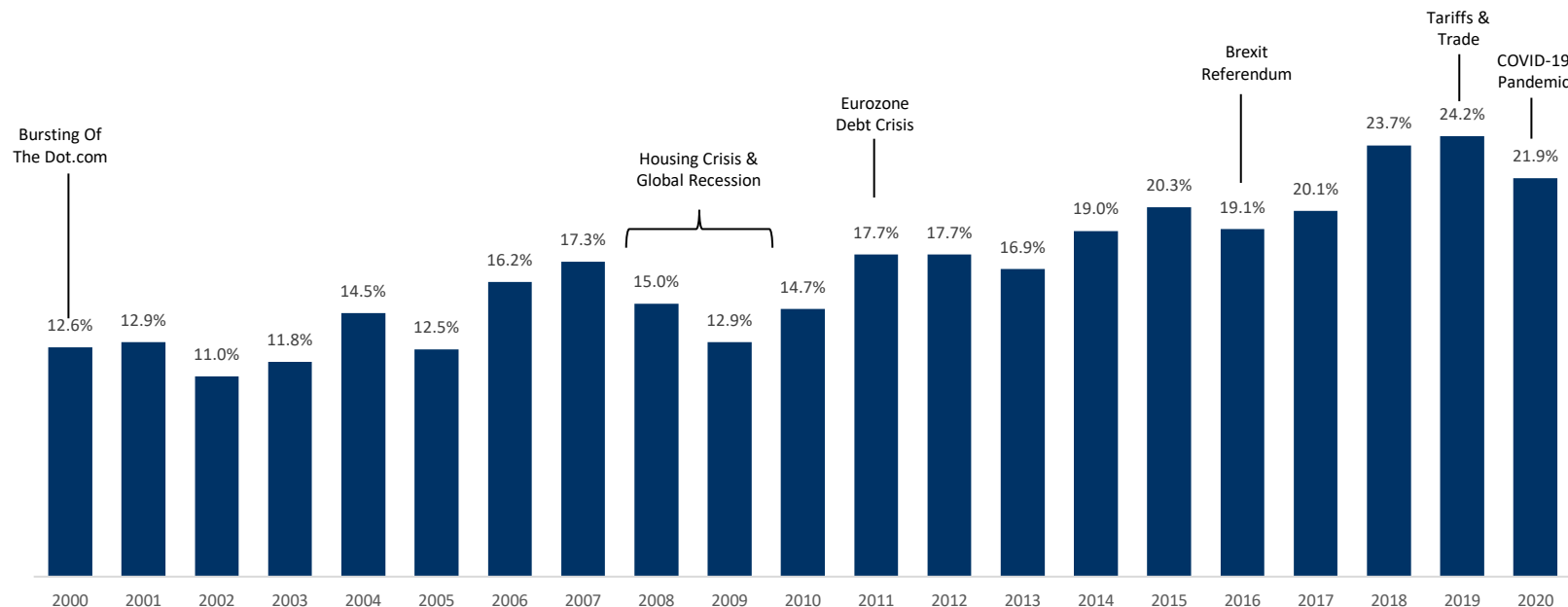


...And Achieved Strong Growth Track Record



# Long Track Record Of Improvement (Return On Operating Assets)

***SBD Operating Model Drives Organic Growth, Margin Improvement, Asset Efficiency And Resiliency...***

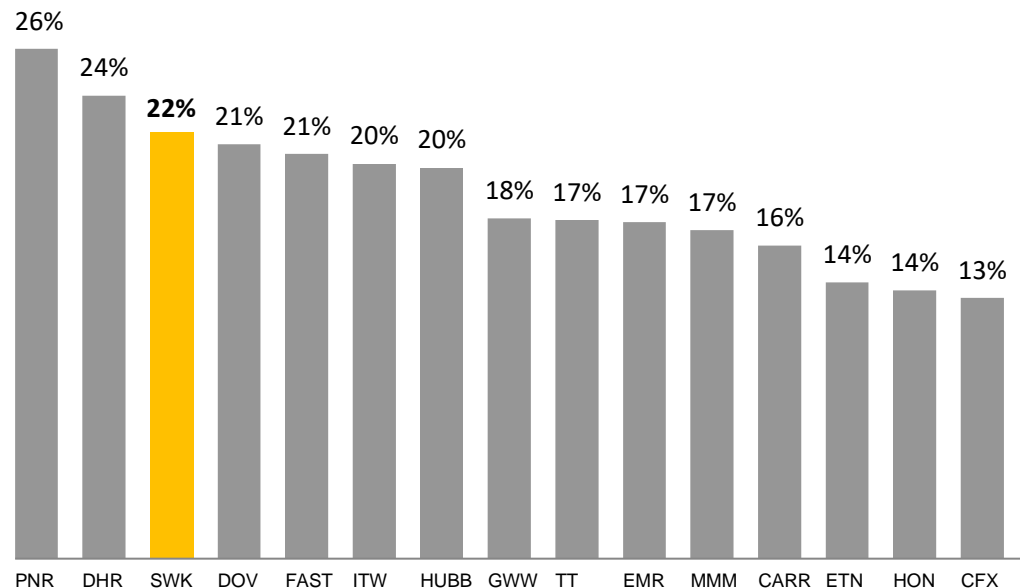


**24.7%**  
Ex. Excess  
Cash  
Balance

***...Improvement Over Two Decades Best In Class In Industrials & In 90<sup>th</sup> Percentile Of S&P 1500***

# Remain A Top Performer (Return On Operating Assets)

## Top Quartile Performance Against Industrial Peers...



### Top Tier Asset Efficiency

- High Working Capital Turns
- Disciplined Capital Expenditures
- Efficient Management Of Cash Balances

### Runway For Continued Margin Expansion

- Operating Leverage
- Margin Resiliency

...With A Runway For Further Improvement

# Balance Sheet & Long-Term Capital Allocation Strategy

**Maintain A Hybrid Model: A Company Focused On Growth...**

## Balance Sheet - 2021 Actual

Free Cash Flow (\$M)*	\$144
-----------------------	-------

Book Debt/EBITDA	2.8x
------------------	------

Book Debt/Capital	36%
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**Target ~2.0X Debt To EBITDA**

## SWK Credit Rating (LT | ST)

S&P:	A   A1
------	--------

Moody's:	Baa1   P2
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Fitch:	A-   F1
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**Remain Committed To Strong Investment Grade  
Credit Rating**

## Capital Allocation Strategy

- Continue To Invest In Our Core Franchises | Capital Expenditures ~3.0%-3.5% Of Net Sales
- Long-Term Capital Allocation Strategy Is To Return ~50% To Shareholders Through Dividends & Share Repurchases
- The Remaining 50% Of Excess Capital Will Be Deployed Towards Acquisitions

## Dividend Policy

- Committed To Continued Dividend Growth
- Target Payout Ratio: 30%-35%, Consistent With Peers

**...That Returns Approximately 50% Of Its Excess Capital To Shareholders**

# Focused Portfolio Positioned For Growth

## Secular Trends & Growth Catalysts

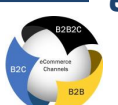
### Reconnection With Home & Garden



### Innovation



### eCommerce



### Electrification



## Outdoor Integration & Advancements



StanleyBlack&Decker



### Electrification & Autonomous

Lead Large Format Gas & Electric Expansion

### Win With The Professional

Apply Innovation Leadership & Dealer Network To Expand Into Higher-End Pro Categories

### Optimize Brand & Channel

Strong Position In Retail & Expansion In Pro Dealer Network

### Parts & Service

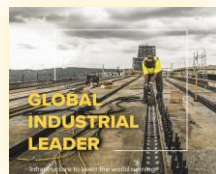
Further Penetrate ~\$4B Global Lawn & Garden Parts & Accessories Category

**Demand Remains Robust | Our Multi-Year Runway For Growth & Margin Expansion Is Compelling**

# Why Invest In Stanley Black & Decker?

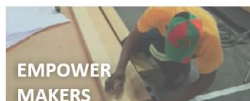
## POWERED BY PURPOSE

*World Class Businesses With A Track Record Of Performance*



*With An ESG Orientation*

### Our 2030 Strategy



Enable 10 million creators and makers to thrive in a changing world



Innovate our products to enhance the lives of 500 million people and improve environmental impacts



Positively impact the environment through our operations

## BUILT TO LAST

*Defined Path For Growth & Margin Expansion*



*Strong Growth & Shareholder Return*



## Vision

**1 Continue Delivering** Top-quartile Financial Performance

**2 Be Recognized** As One Of The World's Most Innovative Companies

**3 Elevate** Our Commitment To Corporate Social Responsibility



**StanleyBlack&Decker**

**2022 OUTLOOK**

# 2022 Guidance

**Expect Mid-Twenties Total Revenue Growth Vs. Prior Year And Adjusted EPS Of \$9.50 To \$10.50\*...**

2022 Updated Outlook			Drivers For Updated Adjusted Diluted EPS*	
Organic Growth & Segments	<b><u>Tools &amp; Outdoor</u></b> Organic: Mid-To-High Single Digits Margin: Pressured YoY By Inflation And Acquisition Mix	<b><u>Industrial</u></b> Organic: High-Single Digits To Low-Double Digits Margin: Flat To Positive YoY	Jan'22 Guidance (Midpoint)	\$12.25
	<b>Mid-Twenties Total Company Revenue Growth</b>		Access Technologies Divestiture	(\$0.30)
P&L And Other	<ul style="list-style-type: none"> <li><b>Diluted EPS:</b> 2022 GAAP EPS \$7.20-\$8.30   2022 Adjusted EPS* \$9.50-\$10.50</li> <li><b>Pretax Acquisition-Related &amp; Other Charges:</b> ~\$460M</li> <li><b>Shares:</b> ~158M</li> <li><b>Tax Rate:</b> ~8.5%</li> <li><b>Free Cash Flow:</b> Expected To Approximate \$1.0-\$1.5 Billion</li> <li>Q2 Expected To Approximate ~21% Of FY Adjusted EPS</li> </ul>		Russia Business Closure	(\$0.15)
			<b>Midpoint After Portfolio Decisions</b>	<b>\$11.80</b>
			Commodity & Transport Inflation	(\$3.50)
			Pricing Actions, 1Q Performance & Other	+\$1.70
			<b>Apr'22 Guidance (Midpoint)</b>	<b>\$10.00</b>

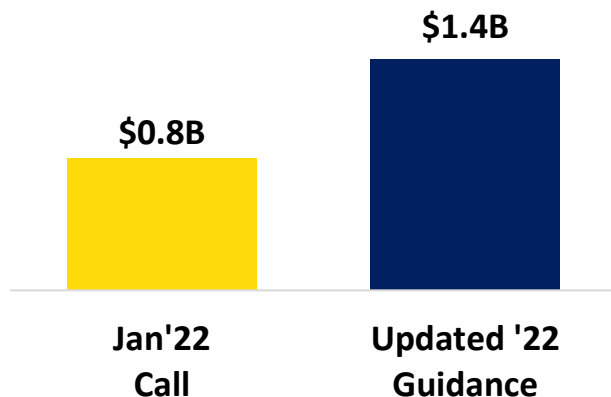
**...Free Cash Flow To Approximate \$1.0-\$1.5 Billion**



# Cost & Actions Update

## Incremental Inflation Headwinds Necessitating Additional Price Actions...

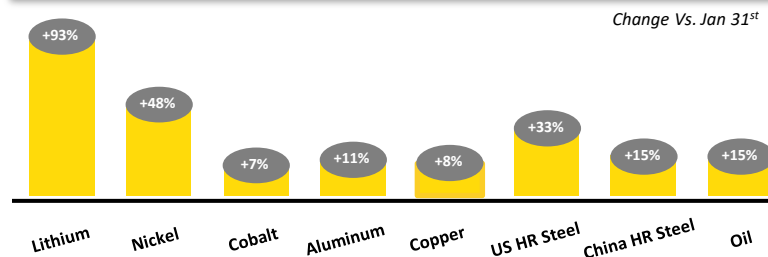
### Incremental Commodity & Transport Inflation Emerged In 2Q...



**FY'22 Headwinds \$1.4B | +\$0.6B Versus Prior Guidance**

### ...Focused Response And Actions To Latest Headwinds

#### Key Commodity Spot Price\* Changes Since Guidance



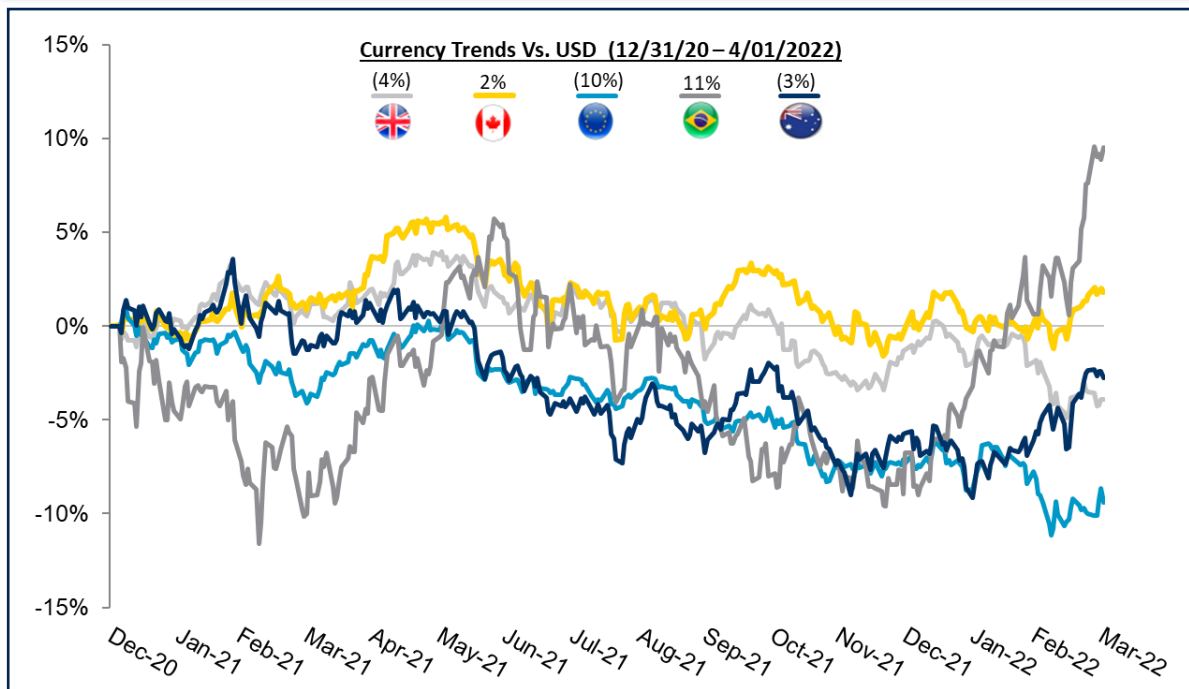
#### Actions To Offset External Headwinds

- Executing Additional Global Price Increases In Response To Incremental Inflation
- Expect Price To Contribute High-Single Digit Growth In 2022
- Productivity Providing Further Support

**...Remain Focused On Recovering 100% Of Headwinds & Restoring Normalized Margin Levels In 2023**

# Currency Impact

## Currency Headwinds Due To Stronger USD...



### Hedging Approach

- Hedge key currency exposures (CAD, EUR, GBP, & AUD, Among Other)
- Intent Is to dampen volatility and allow time for business teams to mitigate fluctuations with cost & Price actions

### Estimated 2022 OM Annual Impact

- CAD 1% Move: \$5.5M - \$6.5M
- EUR 1% Move: \$6.0M - \$7.0M
- GBP 1% Move: \$2.0M - \$3.0M
- BRL 1% Move: \$1.0M - \$2.0M
- AUD 1% Move: \$1.0M - \$2.0M

...With Total FX OM ~\$115M Unfavorable To Prior Year



**StanleyBlack&Decker**

**STANLEY.**

**DEWALT**

**BLACK+  
DECKER**

**BOSTITCH**

**CRAFTSMAN**

**LENOX**

**IRWIN**  
TOOLS

**PROTO**

**MAC**  
TOOLS

**FACOM**

**Vidmar**



**LISTA**

**Powers**  
FASTENING INNOVATIONS



**TOOLS & OUTDOOR**

# Tools & Outdoor

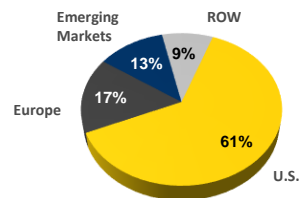
2021 Revenues: \$12.8B

Power Tools | \$7.3B

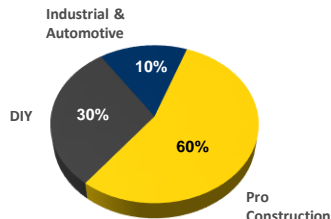
Hand Tools Accessories & Storage | \$4.3B

Outdoor Equipment | \$1.2B

## Revenue



## By Region



## By End Market

## 2021 Results

### Revenue

**\$12.8B**  
20% Organic Growth\*

### Operating Profit

**+16% VPY\***  
**+39% Vs. 2019**

### Operating Margin

**16.9%\***

## 5 Year Scorecard

### Overview

Integrated Acquisitions Worth Over \$5B  
(Craftsman, Irwin/Lenox, MTD, Hustler Brands)

### Revenue Growth

**+11% Revenue CAGR**  
**+10% Average Organic Growth**

### New Product Development

**~\$3B Gross**  
**~\$2B Incremental**

**The World's Largest Tool Company... Well Positioned For Sustained Growth**

# The World's Leading Tool Company

**STANLEY**



**DEWALT**

**CRAFTSMAN**

**IRWIN**

**LENOX**

**FACOM**



## A POWERFUL GROWTH FORMULA:

COMMERCIALIZATION

INNOVATION

BRAND

Across 4 Major  
Product Categories

**POWER TOOLS // HAND TOOLS // ACCESSORIES // STORAGE**

And 4 Major  
Customer Segments

**CONSUMER / DIY**

**AUTO REPAIR**

**CONSTRUCTION**

**INDUSTRIAL**

# Accelerating Core Growth With Strategic Investments

## eCommerce

### Global Expansion

Investing  
+\$75M

New Business  
Models

World Class  
Content

New Talent  
+400

Customer  
Loyalty

Expanded  
Assortment



e-Category  
Captain



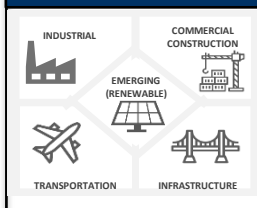
Scale Global  
Marketplaces



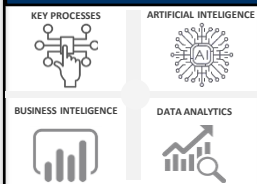
Distribution &  
Fulfillment

## Core Programs

### Total Trade Solutions



### End To End Digital Solutions



### Growth Initiatives

IRWIN | LENOX | 2-Step

Black + Decker

DEWALT 20V System

DEWALT FLEXVOLT

### Brand Strength

DEWALT

CRAFTSMAN

STANLEY

BLACK+DECKER

Investing +\$175M Over Three Years

## Innovation

### PTG



### HTAS

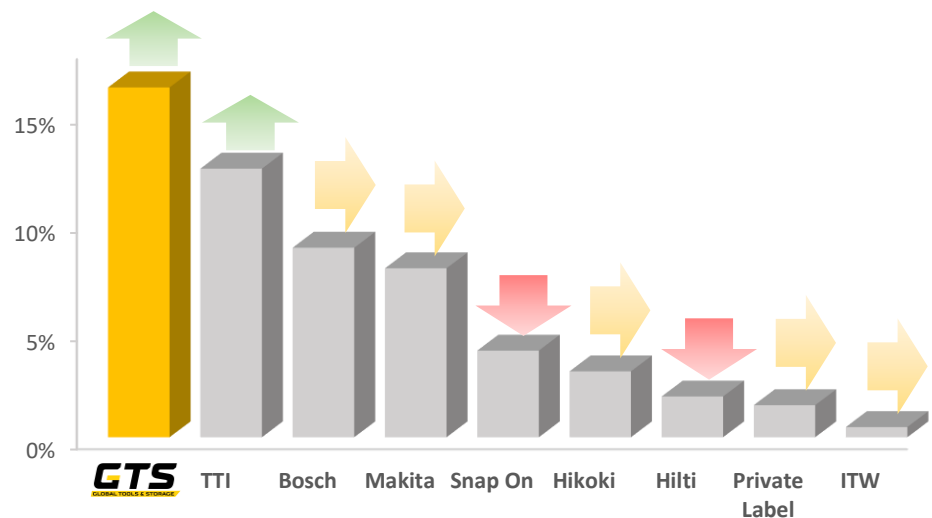


**Investing In Our Internal Capabilities To Drive Sustained Growth And Market Share**

# 2020 Market Position\*

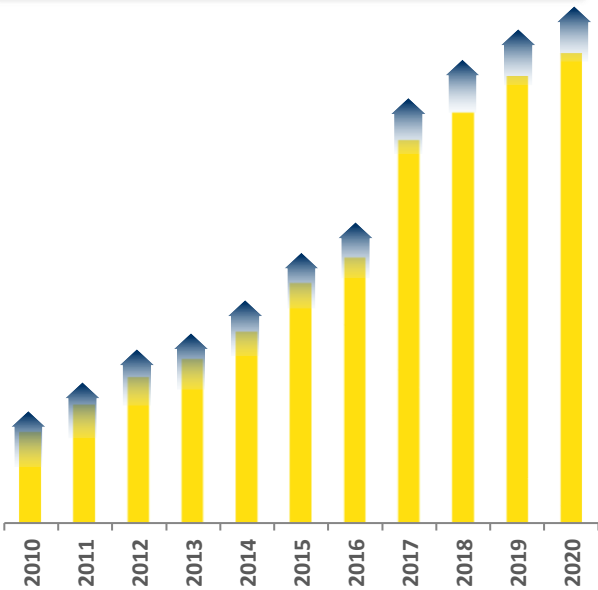
**Global Market Share Leader For 11 Straight Years And Running**

Tools Global Served Market Size ~\$67B\*



\*Other Brands Not Displayed Accounting For ~43% Of Total Tools Market Experienced Declines in 2020 Share

GTS Global Served Market Share



**Positioned Well For Continued Market Share Leadership In 2021**



# Mission: Driving Organic Growth

**To Be The WORLDWIDE LEADER (#1 Or #2 Position) In Defined Market Categories In Which Our Products Compete Through:**



**From \$600M Hand Tool Company To \$10B Diversified Tool Industry Leader**

Key  
Pillars:



**CUSTOMER  
OBSESSION**



**EXTREME  
INNOVATION**



**NEW GLOBAL  
GROWTH**

Enabled  
By:

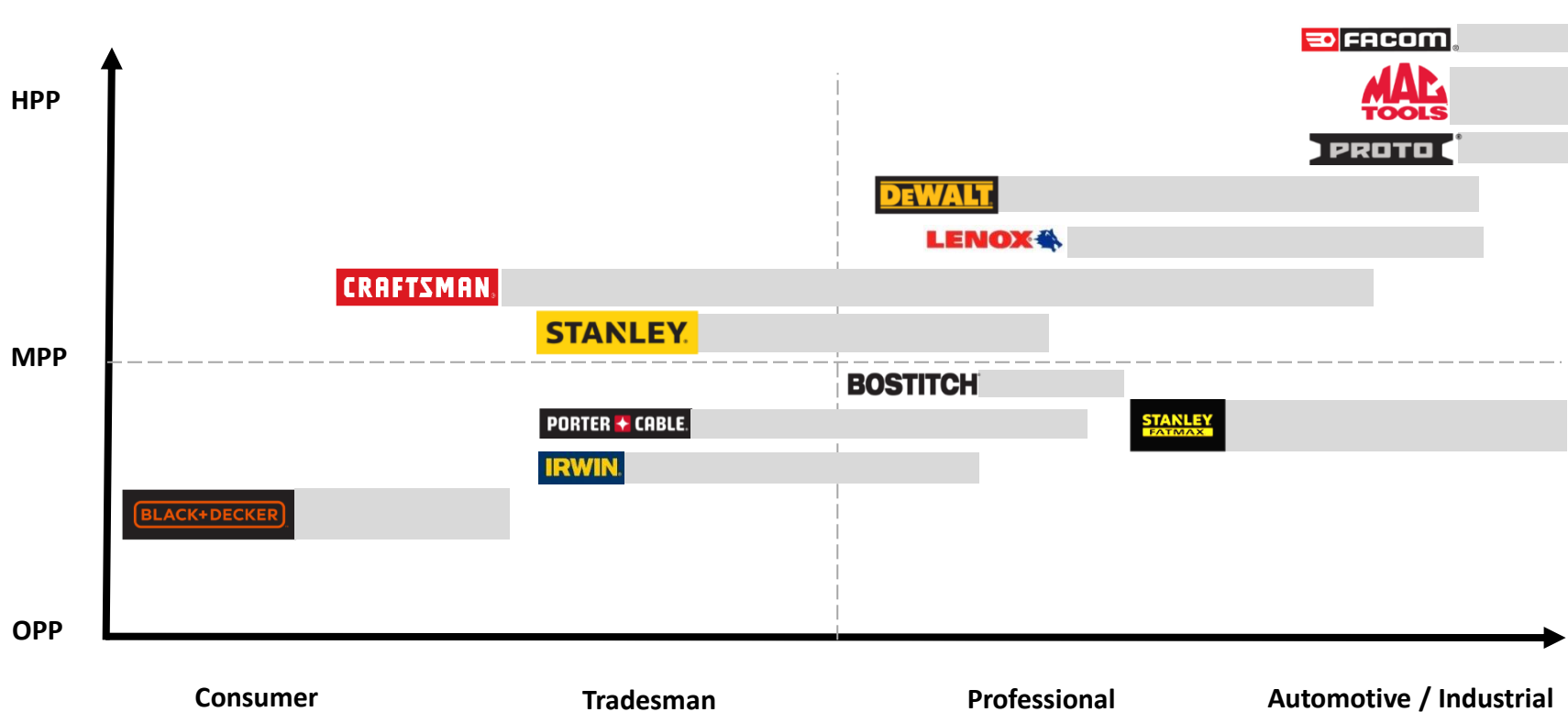


**PEOPLE**  
Diversity, Equity  
& Inclusion



**TECHNOLOGY**  
Digital &  
Data Solutions

# Hand & Power Tool Brand Positioning



# Diversified Innovation Fueled By Customer Insights



22,000 New Products Launched Over 3 Years @ >35% Vitality Rate

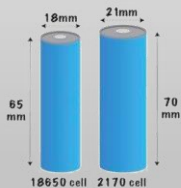
# Investments In Technology

## Electrical

### Motors & Electronics



### Battery Cells



## Charging

### Faster Speed

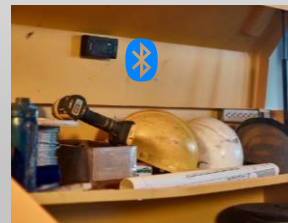


### Multiple Batteries



## Digital

### Asset Tracking



**Most Power Dense Cordless  
Solutions In The Industry**

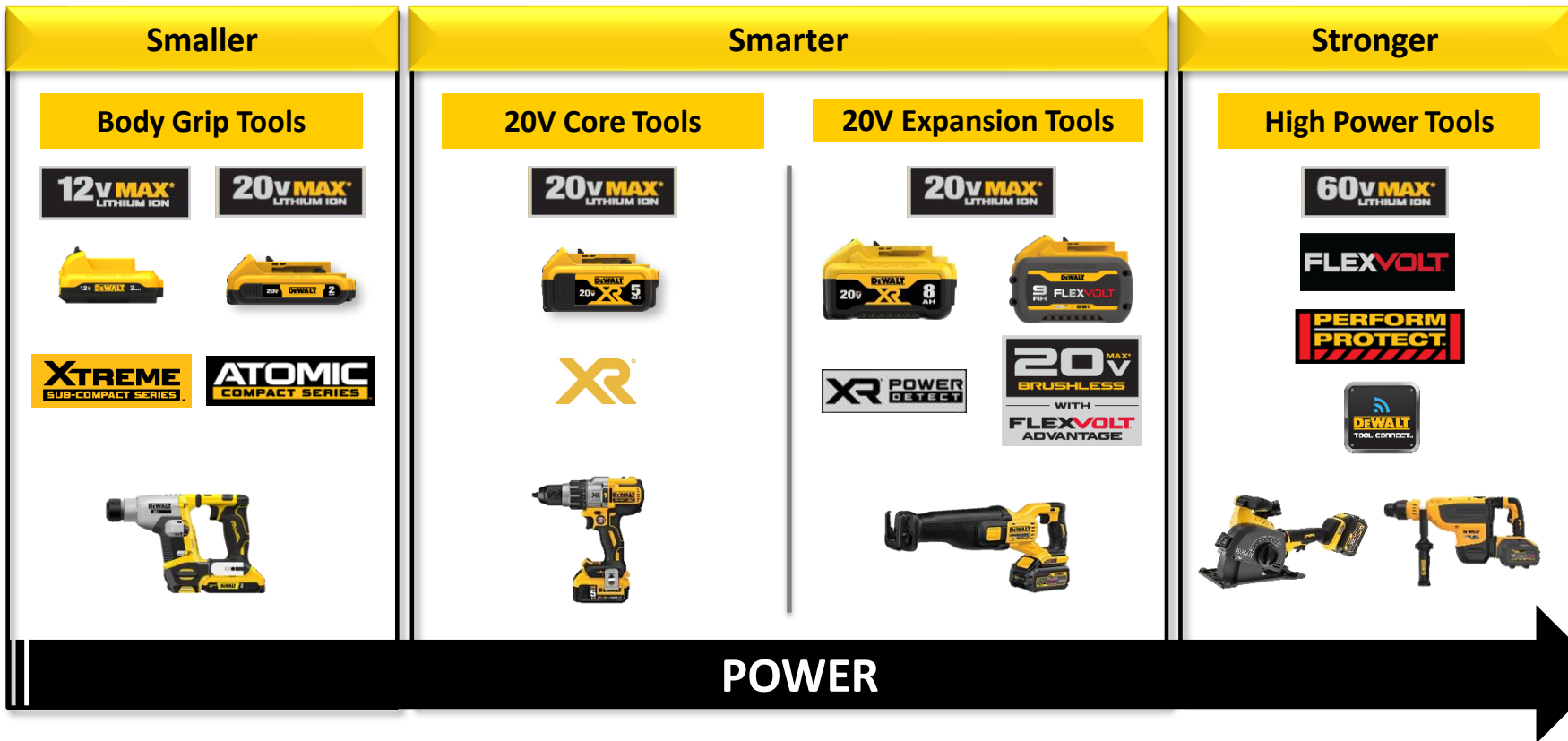


**Broadest Range Of Charging  
Solutions In The Industry**



**Most Comprehensive Loss  
Prevention Solutions  
In The Industry**

# Applying Technology Across Our Cordless Platform



# DEWALT Wave Of Innovation



20V DEWALT FLEXVOLT  
**250+**  
PRODUCTS AND GROWING

125+ New Products

Power Of Cordless Freedom With The Largest PRO Tool Brand In The World



**CRAFTSMAN**

**V20**  
LITHIUM ION

# Cordless System

**V20**  
LITHIUM ION

30  
Tools



85  
Tools

Coming  
Soon



**Fastest Growing Brand In The Industry... \$1B+ In Power Tools**



# Hand Tools, Accessories & Storage Opportunities



**\$4B Global Business...**  
**\$25B Addressable Market**

**#1/#2 In**  
**22+ Categories**

THREE KEY AREAS OF FOCUS TO SERVE EVERY END USER, JOB SITE & AUTO SHOP IN THE WORLD:

## Elite Construction Cutting

Unmatched Cutting Durability Serving The  
World's Toughest Jobsites



## Own The Toolbox

Storage For Every Tool That Does The Job



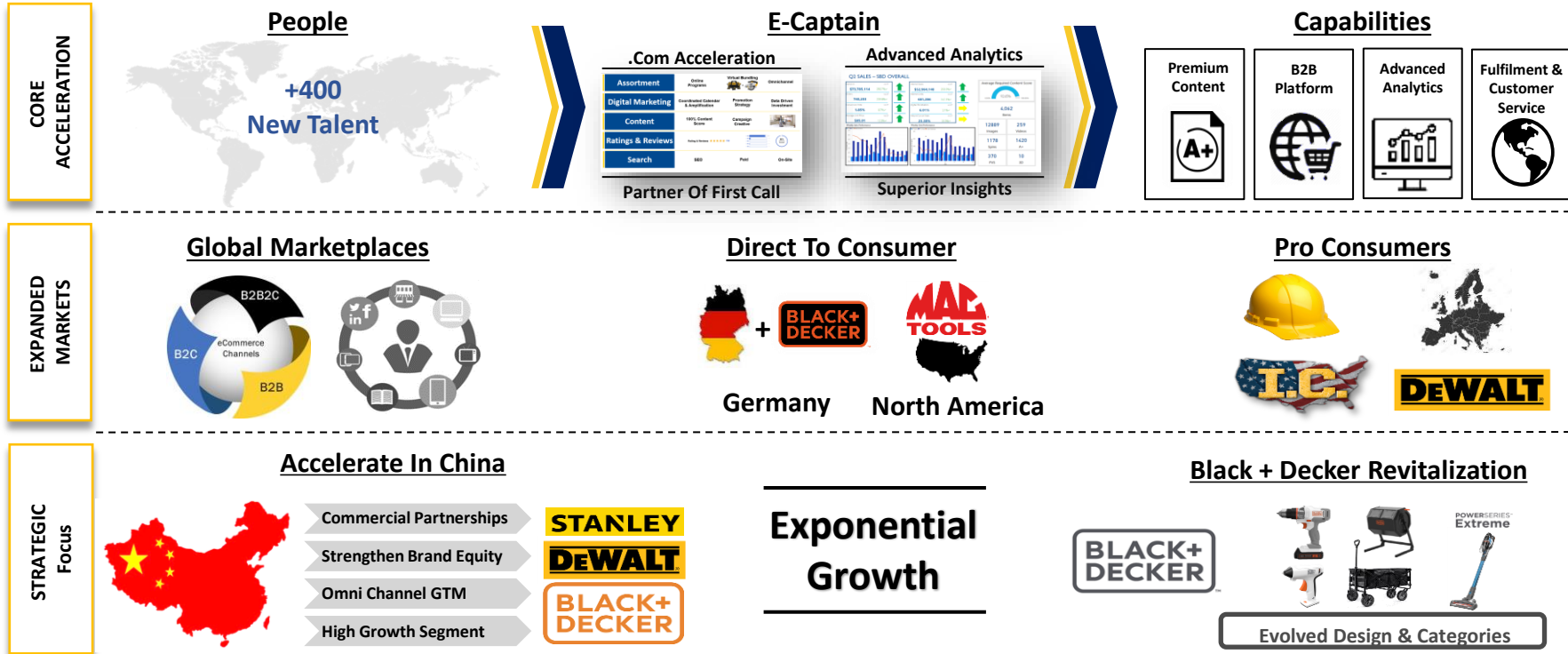
## Mechanics Tools Of The Future

State Of The Art Materials, Coatings And  
Geometry To Capture A Vast End User Market



**100+ Year Innovation Legacy | 35% New Product Vitality**

# eCommerce Hypergrowth Is A Key Strategy



*Investment Across Our Key Pillars Continues To Drive Market Share*

# Growth In Outdoor

## Brand & Product Portfolio Positioned For Growth



**MTD**  
For A Growing World



**Stanley Black & Decker**



**EXCEL**  
INDUSTRIES

**Cub Cadet**

**TROY-BILT**  
BUILT FOR LIFE

**DEWALT**

**CRAFTSMAN**

**HUSTLER**

### Electrification & Autonomous

*Lead Large Format Gas & Electric Expansion*

### Win With The Professional

*Apply Innovation Leadership & Dealer Network To Expand Into Higher-End Pro Categories*

### Optimize Brand & Channel

*Strong Position In Retail & Expansion In Pro Dealer Network*

### Parts & Service

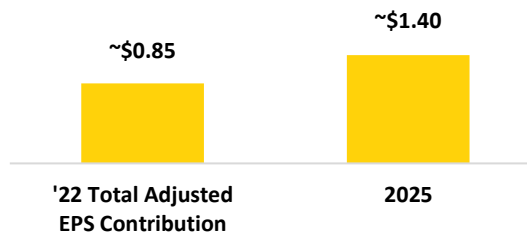
*Further Penetrate ~\$4B Global Lawn & Garden Parts & Accessories Category*

## 2021 Acquisition Pro Forma Results\*

**~\$3B**  
Revenue

**~7-8%**  
Operating Margin

## Adjusted EPS Contribution Ahead Of Expectations



**'22 Total Adjusted EPS Contribution +\$0.20 Vs. Prior Estimate Representing \$0.60 Of YoY Accretion**

**Creating Significant ESG, Growth & Margin Opportunities**

# SBD And MTD Combination - Highly Complementary Capabilities

## Two Industry Leading Companies...



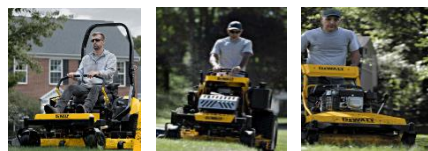
...Together Developing World Class Technical & Commercial Capabilities

# Outdoor Growth Journey Over Next 36 Months

Clear Strategies To Drive Organic Growth And Share Gain...

## Lead Large Format Gas & Electric

A Complete Gas Lineup To Meet The Needs Of The Pro



Electrification of Large Format



To Deliver Cordless Large Format Solutions For All End-Users

## Customer Partnerships

Global Retail & eCommerce Alignments



Commercialization Excellence



Enabling Consumer Reconnection With Lawn & Garden

## Independent Dealer Channel

Expand Into Higher-End Lawn & Garden Professional Products



Assess Existing Network, Dealer Productivity & Value Proposition



Dealer Channel Strategy



Drive Dealer Coverage, Composition And Performance

## Parts & Accessories

Further Penetrate ~\$4B Global OPE Parts & Accessories Category



Improve Channel & End User Experience Through P&A Support



Unique Value Proposition Delivering Margin Accretive Growth

... Supported By Secular Trends In The Lawn & Garden Industry



**StanleyBlack&Decker**

**TUCKER™**

**OPTIA™**

**DUBUIS**

**AVDEL.**

**NELSON®**

**Helicoil®**

**STANLEY.**  
Assembly Technologies

**LaBounty**

**CRC-EVANS**

**COOPERHEAT**

**CAM**

**STANLEY.**  
Engineered Fastening

**NPR®**



**POP®**

**INTEGRA™**



**PALADIN.**  
POWERFUL ATTACHMENT TOOLS

**PENGO®**

**INDUSTRIAL**  
Engineered Fastening  
Infrastructure

# Stanley Industrial Overview

## \$2.5 BILLION - DIVERSIFIED INDUSTRIAL SEGMENT

### Vision



A Global Leader Of Highly Engineered, Application Based Solutions, Where Safety, Reliability & Productivity Are Critical

### Mission

The #1 Innovation Catalyst & Solution Partner For Industrial Customers  
A Scalable, Profitable, High Performing Industrial Segment



### Our Purpose

FOR THOSE WHO MAKE THE WORLD ADVANCE

#### Highly Engineered B2B Businesses

Customer-Trusted Brands

Deep Domain Knowledge & Customer Intimacy

Ability To Differentiate Through Innovation

Leveraging Functional Expertise

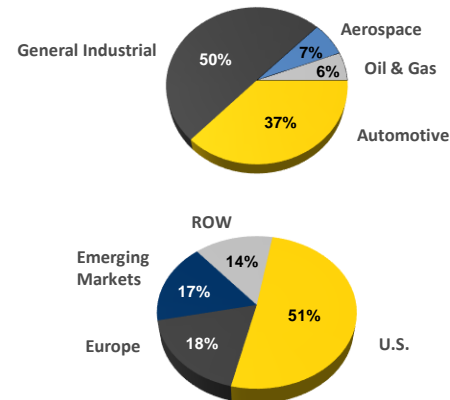
Best Practice Sharing & Professional Development

Infrastructure

25%

75%

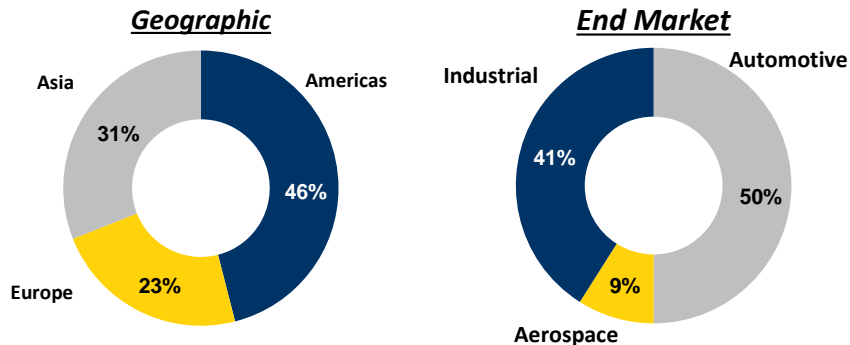
Engineered Fastening



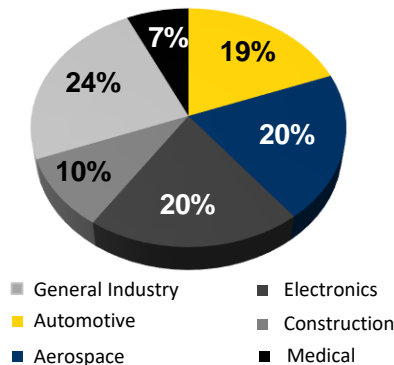
**Platform Of Highly Engineered B2B Businesses, Underpinned By Trusted Brands**

# Engineered Fastening Business Overview

2021 Revenue: ~\$1.8B



Global Fastener Market - \$85B



**~\$29B**  
Value Add  
Market Segments

## Our Competition

Fasteners:



Tools & Fasteners:



**Most Extensive Portfolio Of Assembly Technology & Engineered Solutions**

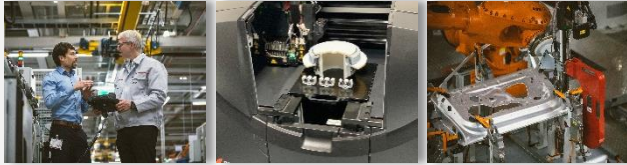


# Engineered Fastening Advantage

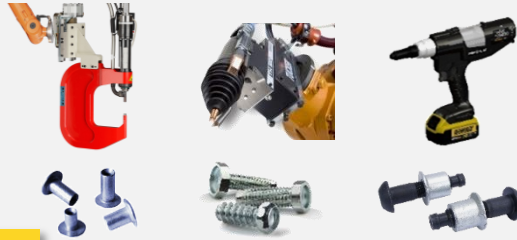
## Vision

*To Be The Worldwide Leader In Highly Engineered Products  
With Opportunities To Grow Organically & Through Acquisitions*

### Engineering Capabilities



### Leading Industry Technologies



### Multi-Vertical Platform



**STANLEY**  
Engineered Fastening

### Global Scale



### Inorganic Growth Strategy

#### Enhance The Core



#### New Fastening Markets & Technologies

#### Build Regional Scale



#### Think Global... Act Local

#### M&A Adjacencies



#### Diverse Engineered Components Business

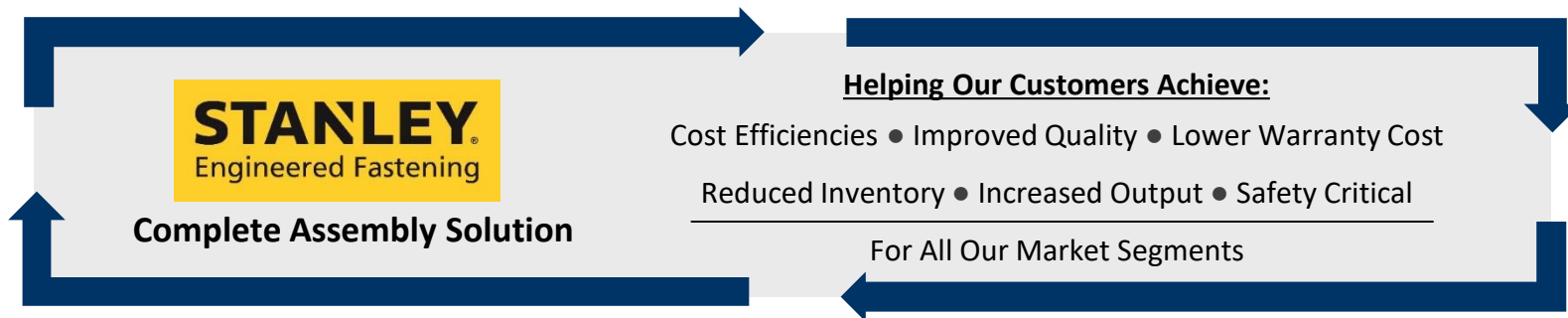
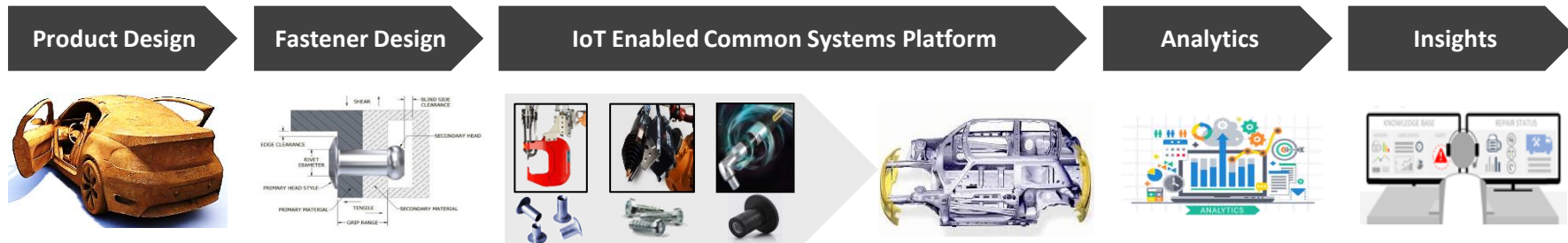
#### Disrupt The Core



#### Patented New Materials

# Customized Value Proposition

**Global Leader In Technology-Based Fasteners + Systems With Data & Analytics Capabilities...**

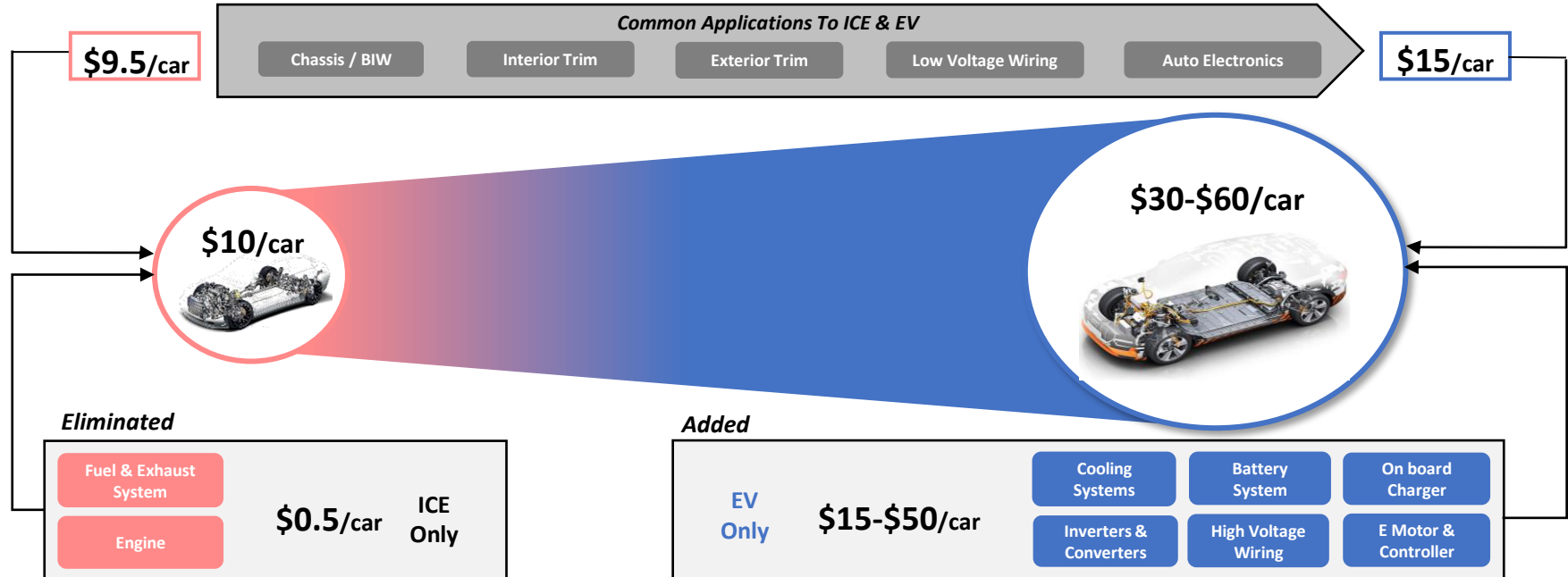


**...And A Recurring Revenue Model Over The Life Of The Program**

# Addressable Market Increases Significantly For EV vs ICE

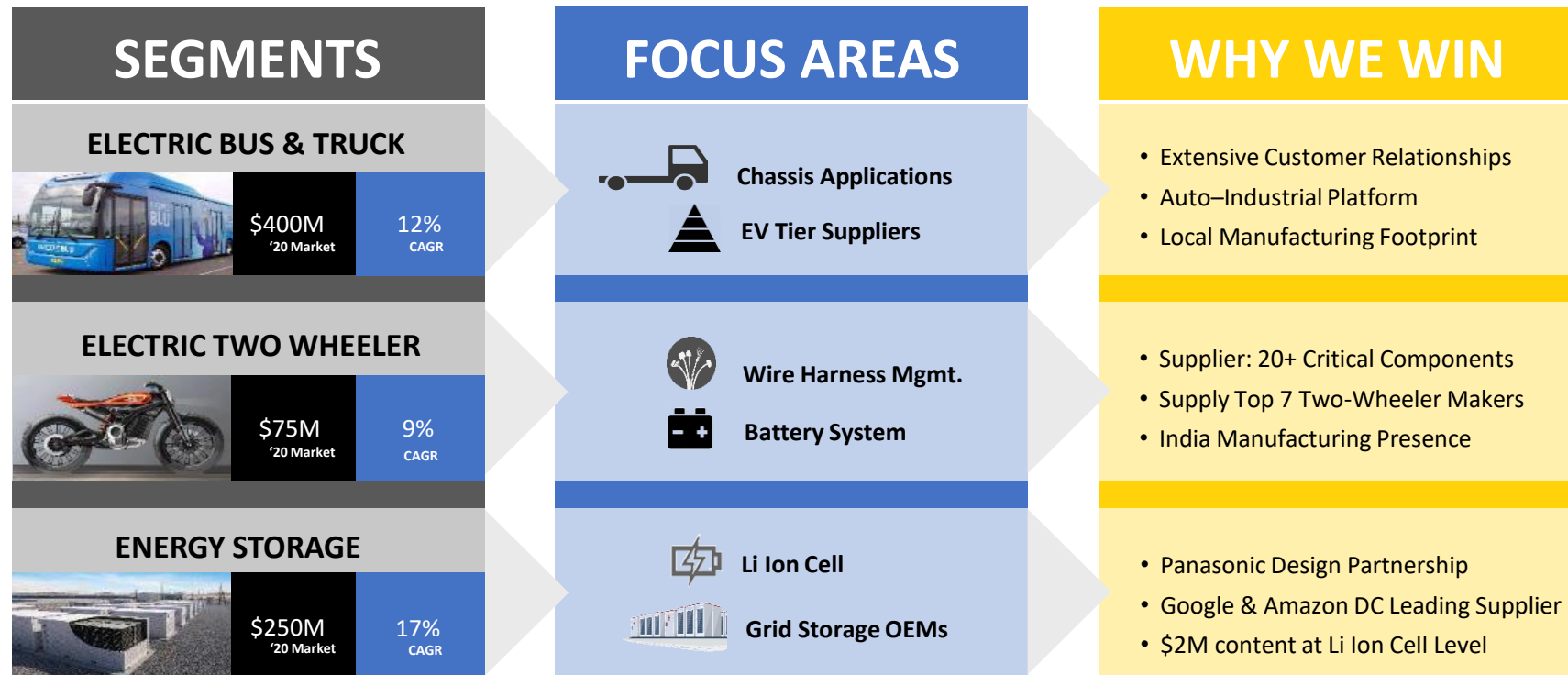
## Internal Combustion (ICE) Vehicle - Average Content

## Fully Electric & Hybrid Electric Vehicle - Projected Content



**Electrification Drives 3x to 6x Higher Content \$ Potential per Vehicle**

# Electrification Opportunities In STANLEY Industrial



*Well Positioned In Attractive Adjacencies With Strong Growth*

# Infrastructure

2021 Revenues: \$621M

## Attachment Tools ~\$480M

- Provider Of Tools For Applications That Build And Maintain The World's Infrastructure
- Leader In Specialized Attachments For Off-Highway Construction Equipment
- IES Attachments Acquisition In 2019 Broadened Offerings & Scale Of Attachment Tools Business → Platform For Growth



Paladin Sweeper,  
Bucket, & Fork



Legend Series Shear  
Jobsite Intelligence



Stanley MB10



## Oil & Gas ~\$140M

- A Niche Market Leader In Oil & Gas Infrastructure & Integrity Services
- A Global Service Company Combining Equipment, Technology, And Field Services To Deliver A Proven Pipeline Construction Process Boosting Efficiency, Reliability, And Productivity
- Comprehensive Product Offerings With Proprietary Technology



NEXRAY  
Digital Radiography



Onshore Pipeline Installation



Wind Turbine Inspection



StanleyBlack&Decker

# OPERATING MODEL



# Operational Excellence: SFS & Customer-Focused Service

***SFS Delivers Breakthrough Value To The Customer As Well As High Asset Efficiency...***

**Operational Excellence**

**Customer-Driven Service Metrics**

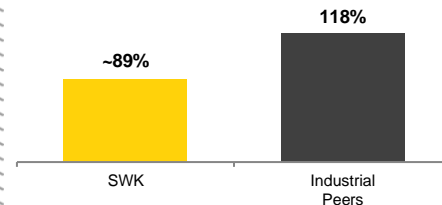
**Agile Supply Chain**

**Lean/Industry 4.0**

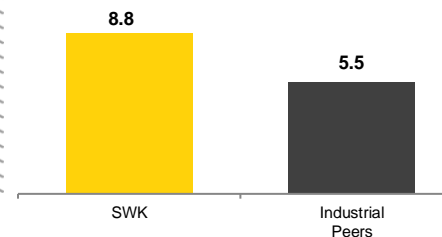
**Make Where We Sell**

**8+ WCT**

**2021 FCF Conversion 5YR-Average\***



**2021 WCT 5YR-Average\*\***



***...Industry 4.0 Adoption To Enhance Capability & Support “Make Where We Sell” Strategy***



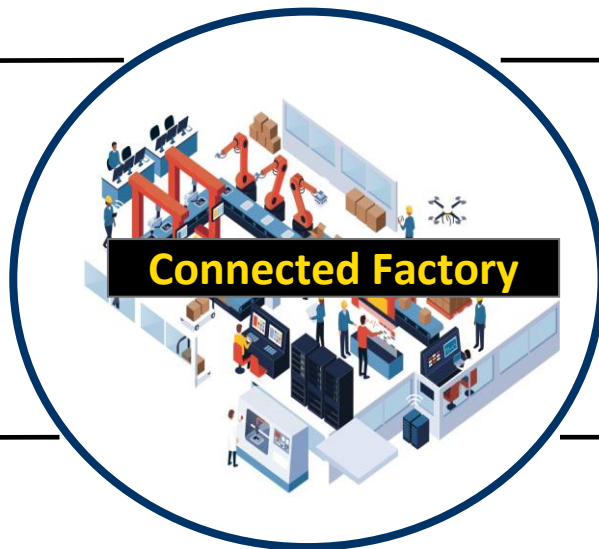
## AI & Machine Learning

- Yield Optimization
- Predictive Algorithms
- Pro-active Maintenance Work



## Digital Apps

- Guided Digital Work  
From Remote Experts



## Robotics

- Eliminate Repetitive Tasks
- Real Time Fault Detection & Resolution



## Digital Twins

- Remote Problem Solving Expertise
- Benchmarking & Optimization

***Prioritized Technology Solutions To Deliver Maximum Value***



# Stanley Production System

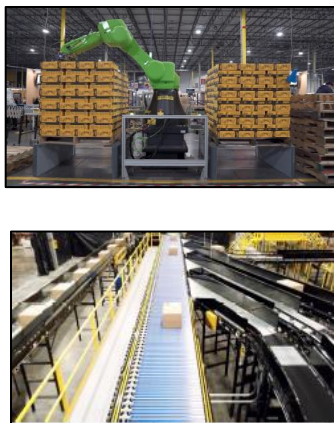
***Our Industry 4.0 Journey Has Accelerated Due To Our COE & Data Capabilities...***

***Connecting Our Factories...***



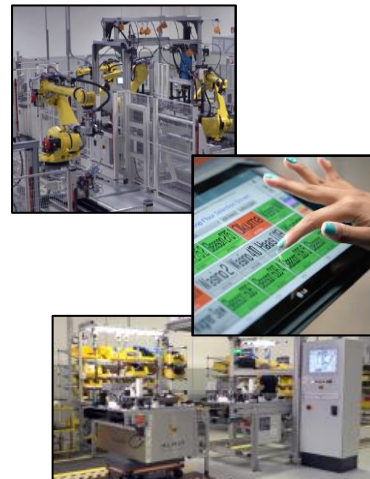
***...To Capture The Data***

***One Standard...***



***...Based Upon Lean Workflow***

***Transformed With Automation...***



***...Fueling "Make Where We Sell"***

Traditional  
Apps & Data  
Sources

Proprietary  
Performance  
Apps

AI-Based  
System  
Driving Real-  
Time Value  
Realization

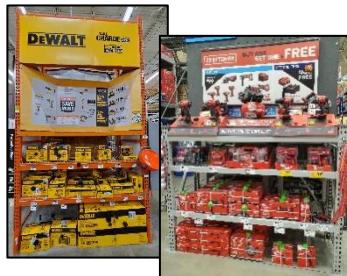
***...Accelerating Our Strategy To Deliver Breakthrough Operations Performance***

# Margin Resiliency Value Pools

***Our Capabilities Have Been Firmly Established In These 4 Focus Areas...***

## Price & Margin Excellence

*Center Of Excellence To Deliver Standardized Digital Tools & Processes*



## Next Generation Procurement

*Integrated Data Structure, AI & Robotics To Enable Flexible, Agile Procurement*



## Supply Chain & Industry 4.0

*Accelerating Make Where We Sell & Digitizing The Factory Floor To Drive Productivity, Efficiency & Optimize Footprint*



## Indirect Cost & Functional Excellence

*Improve Efficiency & Effectiveness Of Indirect Spend While Delivering Sustainable Cost Reductions*



**Process  
Standardization**



**Technology  
Deployment**



**Data  
Analytics**



**Embedded  
Best Practices**

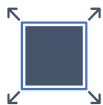
***...And Serve As Foundation Of Our \$100-\$150M Of Annual Margin Opportunity***

# Lifelong Learning

A 2 E  
Essentials



## Individual



New skills  
**15% of jobs will be new,**  
e.g. UX designer



Up-skilling  
**55% of jobs will involve new content,** e.g.  
Marketing



Re-skilling  
**30% of today's jobs will disappear,** e.g. mailman

## Enterprise



Culture of lifelong learning



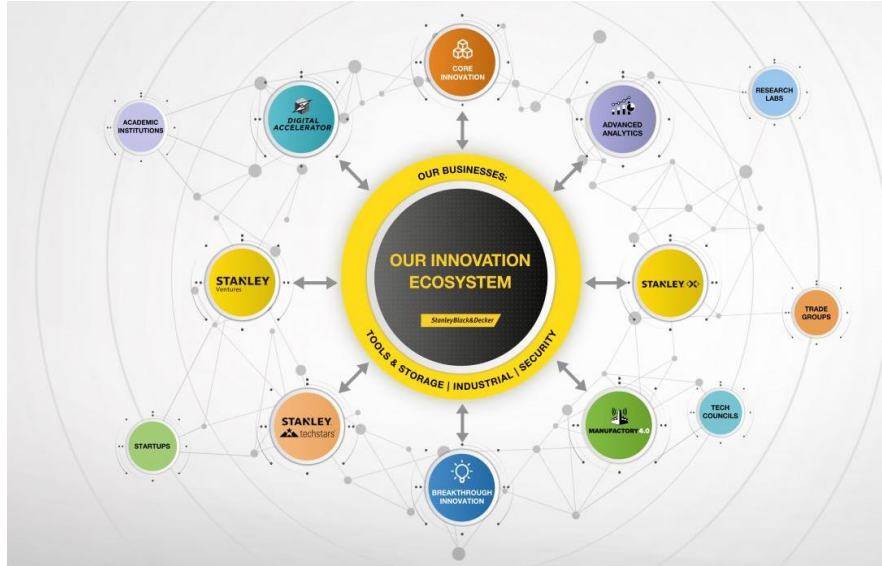
Spirit of experimentation and innovation



Building new organizational capabilities

**Embracing New Ways Of Learning As Talent & Technology Transform Our Future Work & Skillsets**

# Extreme Innovation: Our Ecosystem



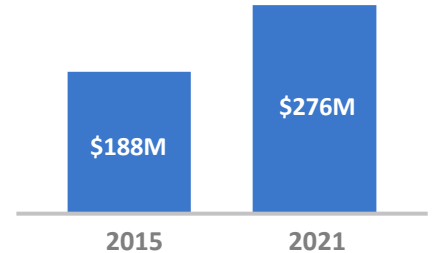
**Innovation Ecosystem Expanding At An Impressive Rate**



**StanleyBlack&Decker**

**3X Market Cap Growth  
2.6X Revenue Growth**

## R&D Spend



**1 Of Only 2 Companies That Qualified As High-leverage Innovators Over 15 Years**

# Extraordinary Customer Experience

*Rapid Changes In Technology & Information Are Changing How We Engage With Our Customers...*

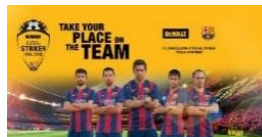
## Commercial Excellence



## Personalized Execution



## Distinctive Brands



## Products & Solutions



## World Class Service



*...Embedding Creative & Deliberate Best In Class Customer Experiences To Drive Profitable Growth*





*StanleyBlack&Decker*

# APPENDIX

# Non-GAAP & Other Financial Measures

////////////////////

This presentation also contains non-GAAP and other financial measures, including organic sales growth, operating profit, free cash flow, working capital turns and cash flow return on investment (“CFROI”).

Organic sales growth is defined as the difference between total current and prior year sales less the impact of companies acquired and divested in the past twelve months and any foreign currency impacts divided by prior year sales.

Operating profit is defined as sales less cost of sales and selling, general and administrative expenses. Management uses operating profit and its percentage of net sales as key measures to assess the performance of the Company as a whole, as well as the related measures at the segment level.

Free cash flow is defined as cash flow from operations less capital and software expenditures. Management considers free cash flow an important indicator of liquidity, as well as its ability to fund future growth and to provide a return to shareholders and is useful information for investors. Free cash flow does not include deductions for mandatory debt service, other borrowing activity, discretionary dividends on the Company’s common and preferred stock and business acquisitions, among other items. Free cash flow conversion is defined as free cash flow divided by net income.

Working capital turns are computed as annualized sales divided by working capital (accounts receivable, inventory, accounts payable, and deferred revenue). Management considers working capital turns important as it measures how efficiently working capital is being used to generate sales.

CFROI is defined as cash flow from operations plus after-tax interest expense divided by a 2-point average of debt and equity. CFROI is considered important as it is a cash-based measure of value creation that ties our strategic focus to returns.

Reconciliations of non-GAAP measures are provided in our quarterly and annual SEC filings announcing financial results and may be found in this appendix. We believe that this information may be informative to investors.

# Reconciliation Of FCF & EBITDA

## Free Cash Flow

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Net Cash Provided By Operating Activities	663	2,022	1,506
Less: Capital And Software Expenditures	(519)	(348)	(425)
Free Cash Flow	144	1,674	1,081

## EBITDA

(MILLIONS OF DOLLARS)	<u>2021</u>	<u>2020</u>	<u>2019</u>
Net earnings before equity interest	\$ 1,580	\$ 1,177	\$ 968
Interest income	(10)	(18)	(52)
Interest expense	185	223	282
Income taxes	61	43	127
Depreciation and amortization	517	514	496
EBITDA	\$ 2,333	\$ 1,939	\$ 1,821
Pre-tax acquisition-related charges and other	195	326	262
Adjusted EBITDA	\$ 2,528	\$ 2,265	\$ 2,083



# End Markets

<b>End Market</b>	<b>Industrial</b>	<b>Tools &amp; Outdoor</b>	<b>SWK</b>
Existing Residential / Repair / DIY	0%	29%	25%
New Residential Construction	0%	23%	20%
Non-Resi. / Commercial Construction	0%	15%	13%
Industrial / Electronics	31%	5%	9%
Retail	0%	3%	2%
Automotive Production	37%	0%	5%
Automotive Aftermarket	0%	4%	3%
Infrastructure	25%	0%	4%
Outdoor	0%	19%	16%
Aerospace	7%	0%	1%
Other	0%	2%	2%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**~28% Exposure To U.S. Residential Construction (~1/2 Existing/Repair/DIY, ~1/2 New)**

**~8% Exposure To U.S. Commercial Construction**

\*2021 Actual Revenue Plus \$~3B Pro Forma Impact From MTD & Excel Acquisitions.  
Comm. Const. Includes Non-Retail, Office Buildings, Arenas/Stadiums, Hotels, Resorts, Cinemas, Etc.  
Industrial Includes Manufacturing, Utilities, Distribution, Power, Rail, Oil & Gas, Etc.  
Infrastructure Includes Pipe Construction And Services & Equipment  
Other Includes Logistics & Transportation, And Hospitality

# Portfolio Transformation

*~\$10B Has Been Invested In Acquisitions Since 2005 To Advance Growth Opportunities*

Tools & Outdoor		
Year	Company	Purchase Price (\$M)
2005	National	\$170
2006	Facom	\$480
2011 / 2012	CribMaster / Lista N.A.	\$120
2012	Powers	\$220
2012 / 2013	Tong Lung, Bajaj, GQ, Emirian (GEM)	~\$100
2017	Craftsman Brand	~\$935
2017	Newell Tools	\$1,860
2019	MTD Products (20% Equity Investment)	\$235
2021	MTD Products (Remaining 80% Option)	~\$1,500
2021	Excel	\$375

Industrial		
Year	Company	Purchase Price (\$M)
2010	CRC-Evans (Infrastructure)	\$445
2013	Infastech (SEF)	\$850
2018	Nelson Fastener Systems (SEF)	\$425
2019	IES Attachments (Infrastructure)	\$655
2020	Consolidated Aerospace Manufacturing (SEF)	\$1,400

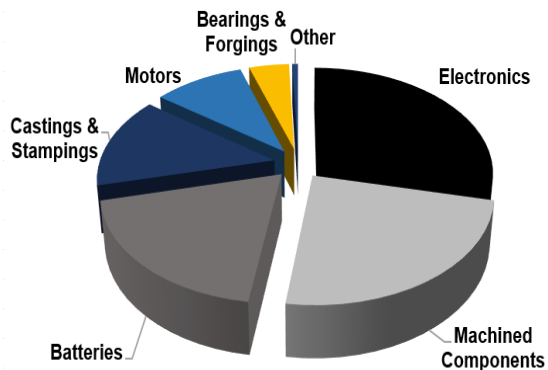
Divestitures		
Year	Company	Purchase Price (\$M)
2012	HHI (Security)	\$1,400
2017	Mechanical Security Businesses (Security)	\$725
2021	Commercial Electronic Security & Healthcare	\$3,200
2022	Stanley Access Technologies	\$900

# Material Spend

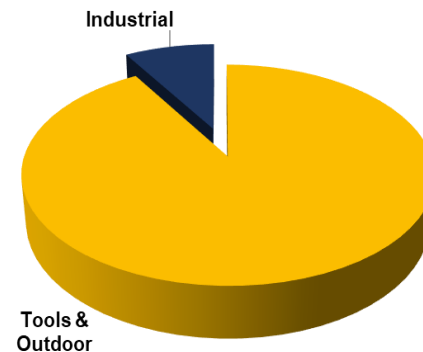
## Direct Material Spend

2021* (\$M)		
Finished Goods	\$2,000	29%
Components	3,300	47%
Steel	570	8%
Resin / Plastic Moldings	640	9%
Packaging	350	5%
Base Metals	100	1%
	\$6,960	

## Components



## Finished Goods



### Top Three Raw Material Exposures

(Finished Goods + Direct + Components)

1. Steel 2. Resin 3. Packaging

# Liquidity

## Near Term Liquidity Sources

March 2022

<b>Cash Position*</b>	\$0.3B
<b>Revolving Credit Facilities</b>	\$7.0B
<b>Credit Revolver Draw</b>	(\$2.3B)
<b>Total Near Term Liquidity</b>	\$5.1B

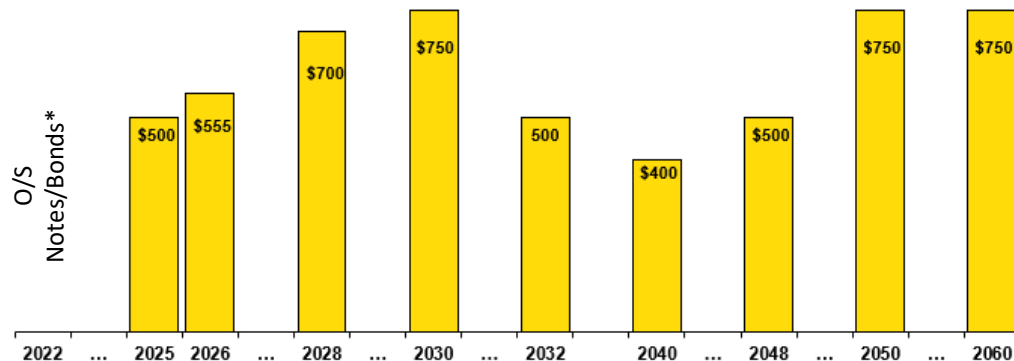
5-Year Agreement – Sep 2026 \$2.5B

364-Day Facility – Sep 2022 \$1.0B

364-Day Facility – Nov 2022 \$1.0B

364-Day Facility – Jan 2023 \$2.5B

## Combined Debt Outstanding (\$M)



**Adequate Liquidity To Meet The Needs Of The Company**

\*As Of 1Q'22. Cash Position includes ~\$151M of cash classified as held for sale.



# INVESTOR PRESENTATION

Version 05.03.2022