

# Investor Presentation

Version 08.29.2023

**StanleyBlack&Decker**



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# Cautionary Statement

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 2022 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.

# More Streamlined Company With Great Franchises

## StanleyBlack&Decker

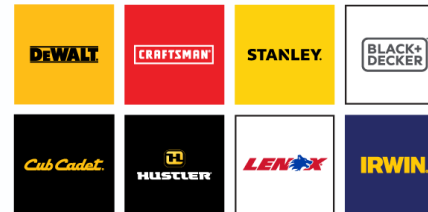
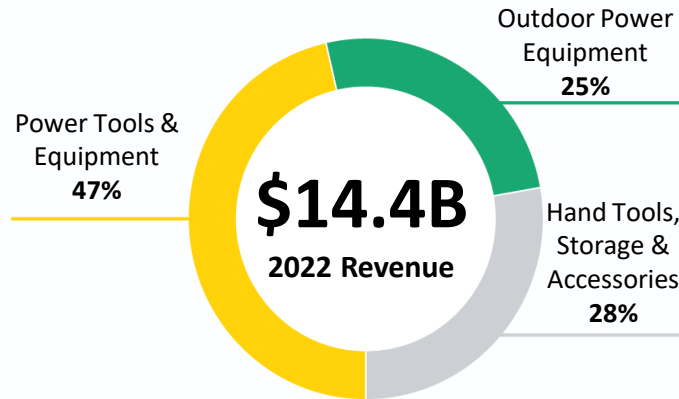
2022 Revenue<sup>1</sup>: \$16.9B

Market Cap: ~\$15B

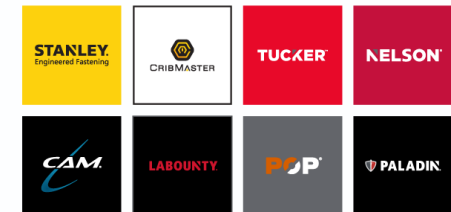
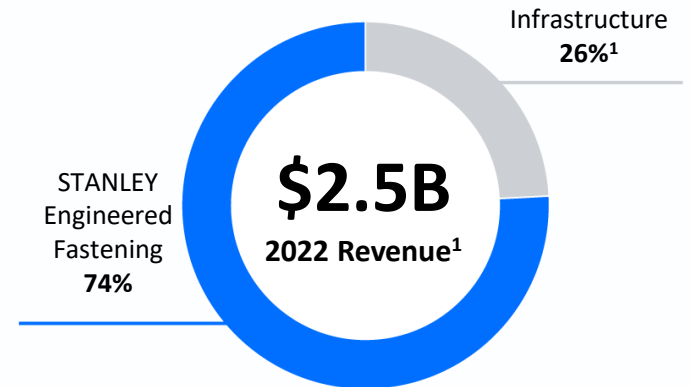
Cash Dividend Yield: 3.2%

*Dividend Paid Consecutively For 147  
Years; Increased For Past 56  
Consecutive Years<sup>2</sup>  
(NYSE: SWK)*

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



## Industrial Highly-Engineered B-2-B Businesses



## Core Capabilities

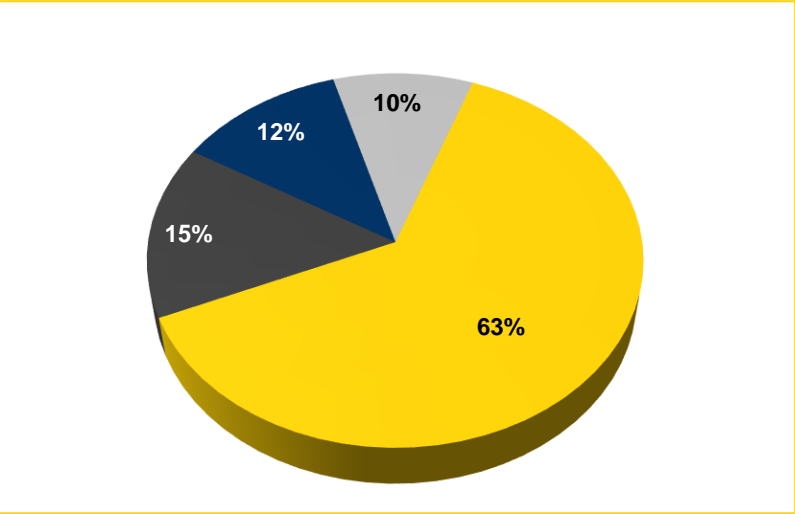
- 1 Portfolio Of Iconic Brands**
- 2 Powerful Innovation**
- 3 Broadest Category & Channel Coverage**
- 4 Leverage SBD Operating Model**

*Powered By Our People And Guided By Our Purpose – For Those Who Make The World*

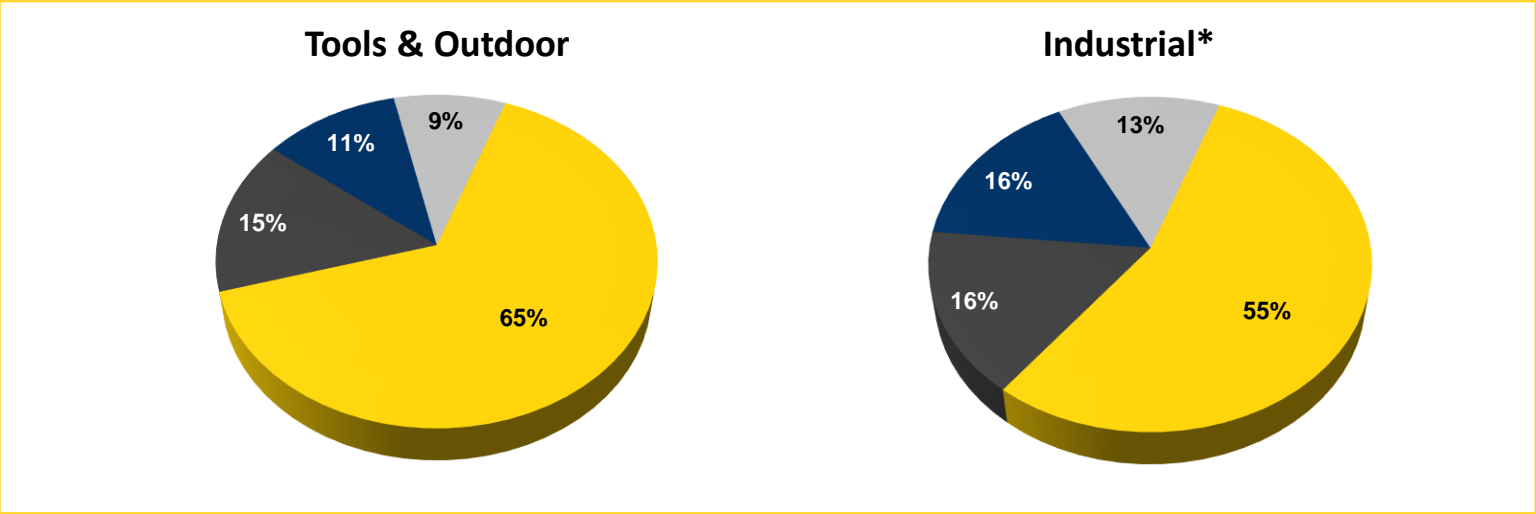


# Geographic Reach

Stanley Black & Decker



Segments



U.S. Europe Emerging Markets ROW

*Diversified Globally With 60%-65% Of Our Revenues Generated In The U.S.*

# Transforming To Accelerate Organic Growth

*Executing On Our Clear Vision And Strategy For Long-Term Success...*

**Reduce Complexity –  
~\$2B 3-Year Cost Savings**

**OPTIMIZE**  
CORPORATE STRUCTURE

**FOCUS**  
OPERATING MODEL

**TRANSFORM**  
SUPPLY CHAIN

**Invest In Core Growth  
\$300M - \$500M**



INNOVATION



ELECTRIFICATION



MARKET LEADERSHIP



MORE RESPONSIVE  
SUPPLY CHAIN

**Enhance  
Shareholder Return**

Organic Revenue  
Growth\* 2-3X Market

35%+ Adjusted Gross Margin\*  
By 2025

100%+ Free Cash Flow\*  
Conversion

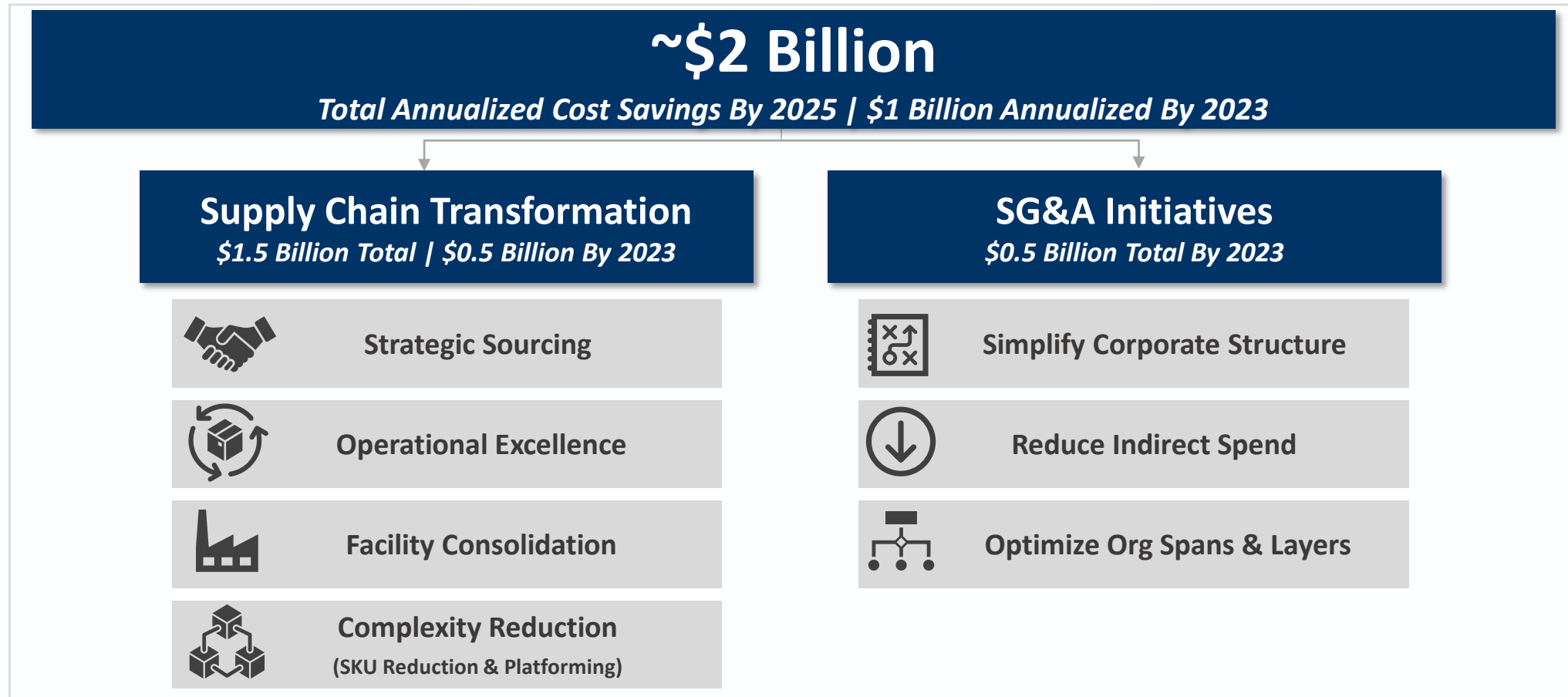
Powerful Innovation

Customer Fill Rate  
Improvement

*...As A More Focused, Purpose Driven Company*

# Global Cost Reduction Plan

***Rapidly Aligning Organization & Operating Model Around More Focused Portfolio...***



***...Improving Our Cost Position And Enabling Reinvestment In Core Businesses***

# Business Streamlining & Transformation On-Track

**On-Track For \$2.0 Billion Annualized Savings By 2025...**

## Progress Achieved

Cost Savings (As Of 2Q'23)

**\$230M**

2Q'23 Pre-Tax  
Run-Rate Savings

**\$660M**

Pre-Tax Run-Rate Savings  
Program-To-Date

## Supply Chain Transformation



**Complexity Reduction**  
(SKU Reduction & Platforming)



**Strategic Sourcing**



**Facility Consolidation**



**Ops Excellence**

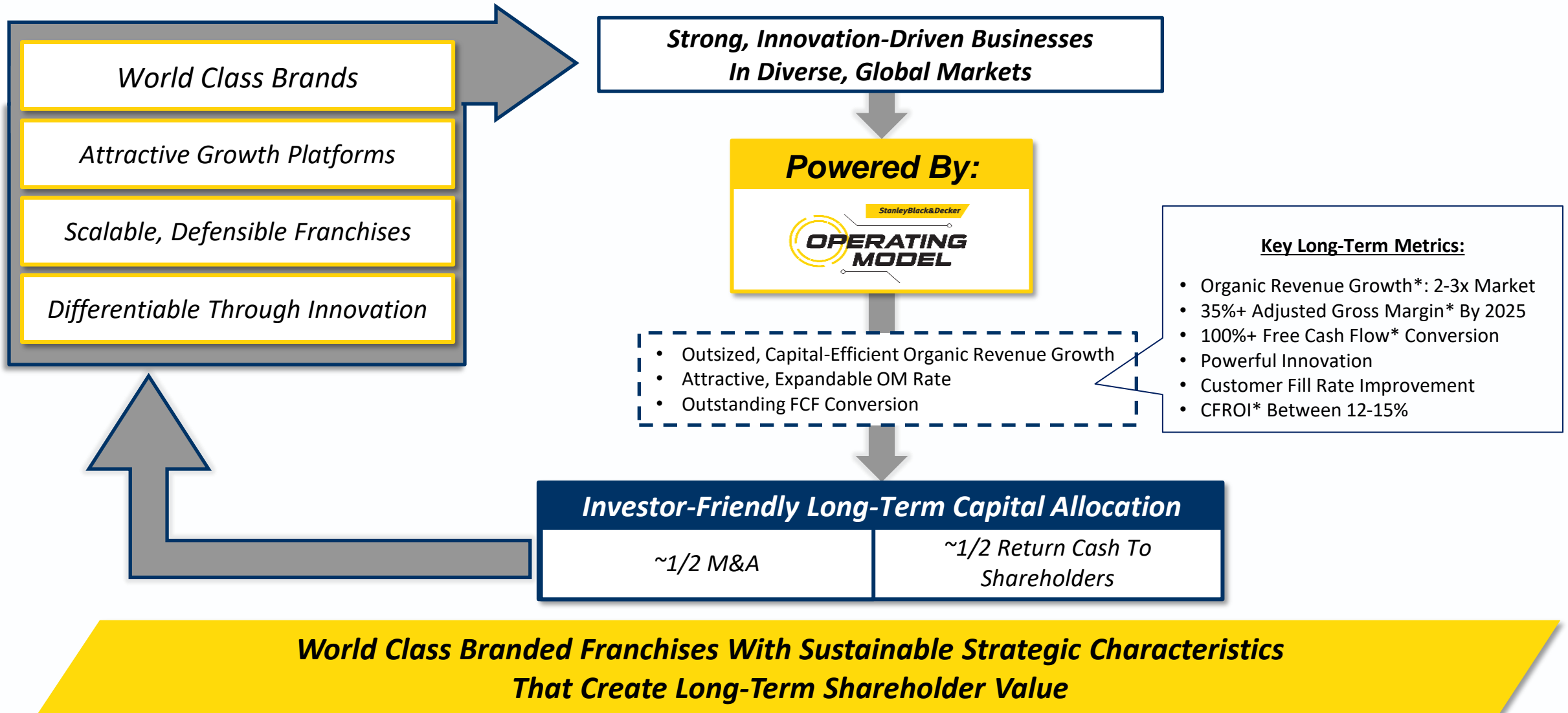
## Cost Reduction Program Updates (As Of 2Q'23)

- **Strategic Sourcing Traction** Executing Wave 1 Implementation & Wave 2 RFPs
- **Expanding Lean/Kaizen Reactivation** Across Our Manufacturing Footprint
- Manufacturing Site Expansions, Transformations And Consolidations **On-Track With Expectations** | New Distribution Centers Ramped Up In 2Q
- **SKU Due Diligence Continues** | Program-To-Date 70K SKUs Approved | 20K+ Complete

**...Enabling \$300 - \$500 Million Growth Investment And 35%+ Adjusted Gross Margins\***



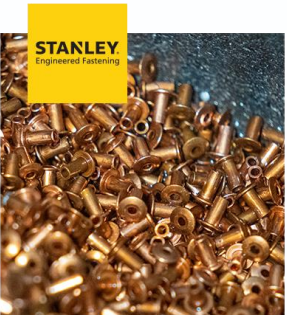
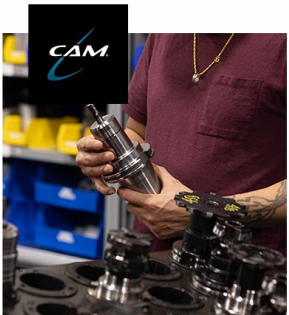
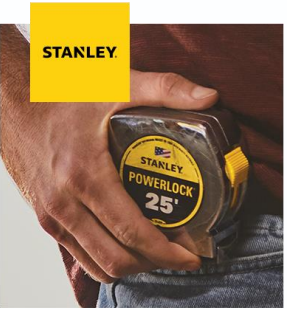
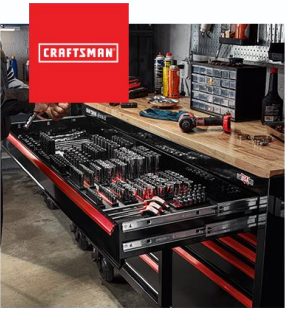
# Stanley Black & Decker Value Creation Model



# Global Brand Power

## A Powerful Portfolio Of Well Managed Brands

The Tools And Innovative Solutions Trusted  
To Get The Job Done — Since 1843.



# Balance Sheet & Liquidity

## 2022 Actuals

4Q'22 Free Cash Flow (\$M)*	\$521
Book Debt/FY'22 EBITDA*	8.3x   4.9x**
Book Debt/Capital	43%
Target ~2.0X Debt To EBITDA	

## SWK Credit Rating (LT | ST)

S&P	A-   A2
Moody's	Baa2   P2
Fitch	BBB+   F2
Remain Committed To Investment Grade Credit Ratings	

## Liquidity Key Points

- Maintain Investment Grade Credit Ratings
- \$4.5B In Credit Facilities Backed By A Well Capitalized, Diversified Bank Group
- No Term Debt Maturities Until 1Q 2025 | Next Maturity 1Q 2026

## Liquidity Sources As Of 6/30/23

Cash On Hand	\$0.4B
Addl. Commercial Paper Capacity (\$3.5B Max)	\$1.7B
Addl. Credit Facility Capacity	\$1.0B
<b>Total Additional Liquidity</b>	<b>\$3.1B</b>

Focused On Debt Reduction In 2023 & Beyond

**Financial Flexibility In A Challenging And Dynamic Environment**



# 2023 Guidance

**StanleyBlack&Decker**



# 2023 Guidance

**2023 EPS Guidance Range To Be GAAP (\$1.25)-(\$0.50) And Adjusted\* \$0.70-\$1.30 | Free Cash Flow\* \$0.6B-\$0.9B**

## 2023 Guidance Assumptions

FY'23 Organic Growth\*

Down Mid-Single Digits

Tools & Outdoor

Down Mid-To-High Single Digits

Industrial

Flat-To-Low Single Digit Growth

Normalized Production

Fourth Quarter 2023

Investments

Targeting \$100M - \$150M Annualized

Adj. Operating Margins\*

2H Mid-To-High Single Digits

3Q Dynamic

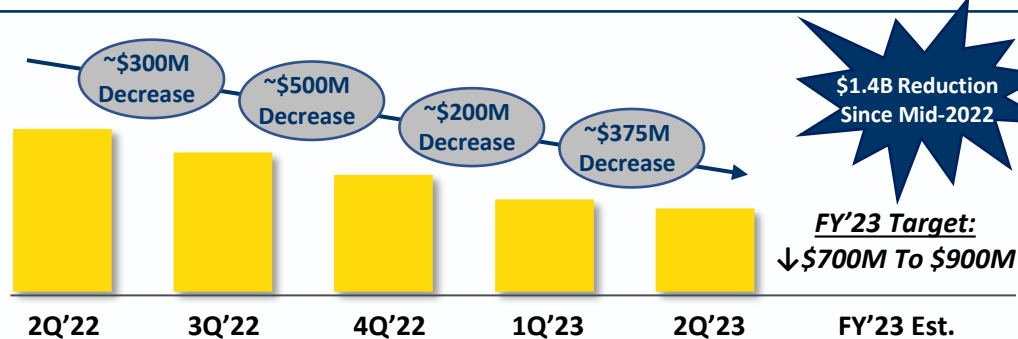
3Q Adj. Operating Profit\*: Expect Continued Sequential Improvement  
3Q Adj. EPS\*\*: ~80% Of The Full Year At The Midpoint

Pre-Tax Acquisition-Related & Other Charges: \$300M - \$325M

# Inventory & Gross Margin Update (From 2Q Earnings Call)

## Continued Inventory Reduction And Gross Margin Improvement In The Second Quarter...

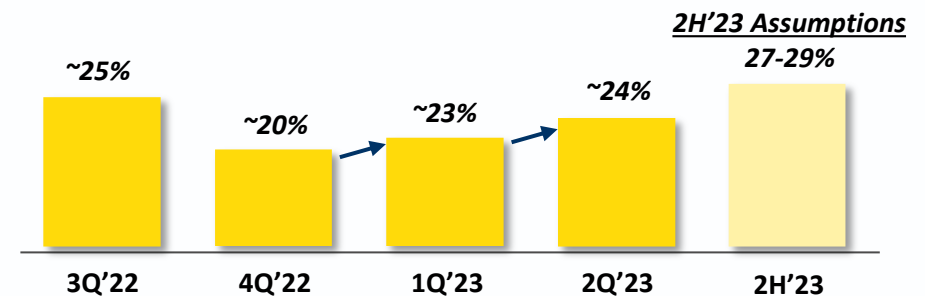
### On-Track To Deliver \$700 Million To \$900 Million Inventory Reduction In 2023



- \$375M Reduction Across Finished Goods, In Transit And Raw Materials
- ~\$575M 1H'23 Inventory Reduction Compares Favorably To The Average Pre-Pandemic 1H Inventory Build Of ~\$400M\*\*
- Free Cash Flow\* In The Second Quarter Was ~\$200 Million Primarily Driven By Inventory Reduction

2023 Free Cash Flow\* To  
Approximate \$0.6 Billion To \$0.9 Billion

### Continued Adjusted Gross Margin\* Improvement



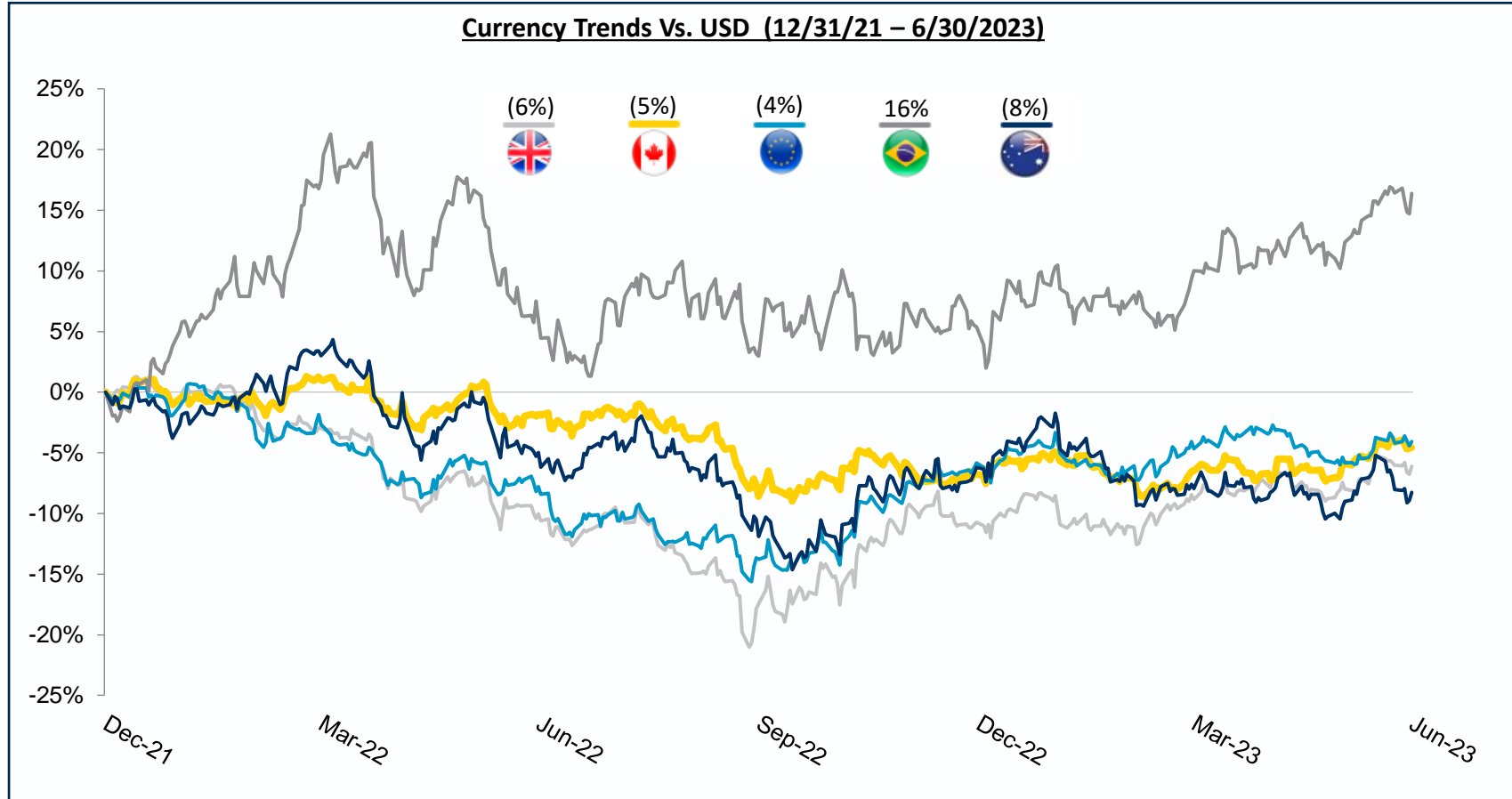
- Second Consecutive Quarter Of Sequential Adj. Gross Margin\* Improvement
- The Adverse Margin Impact From Destocking And Targeted Production Curtailments Are Expected To Minimize In The Coming Quarters
- Cost Savings Capture Aiding Second Half Margin Improvement

Long Term Target: 35%+ Adjusted Gross Margins\*

...Prioritizing Cash Generation, Profitability Improvement And Balance Sheet Strength



# Currency Impact



## 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 2023 OM Annual Impact

- CAD 1% Move: \$4.5M - \$5.5M
- EUR 1% Move: \$3.0M - \$4.0M
- GBP 1% Move: \$2.0M - \$3.0M
- BRL 1% Move: \$1.0M - \$2.0M
- AUD 1% Move: \$1.0M - \$2.0M

**2022 Currency Headwinds From Stronger US Dollar Against Major Currencies**

# Tools & Outdoor

**StanleyBlack&Decker**

**DEWALT**

**CRAFTSMAN**

**STANLEY**

**BLACK+  
DECKER**

*Cub Cadet*

**IRWIN**

**LENX**

**HUSTLER**

**TROY-BILT**

**MAC  
TOOLS**

**PROTO**

**FACOM**

**BOSTITCH**

**PORTER + CABLE**

**WOLF Garten**

**USAG**

**ROVER**

**SIDCHROME**

**Vidmar**

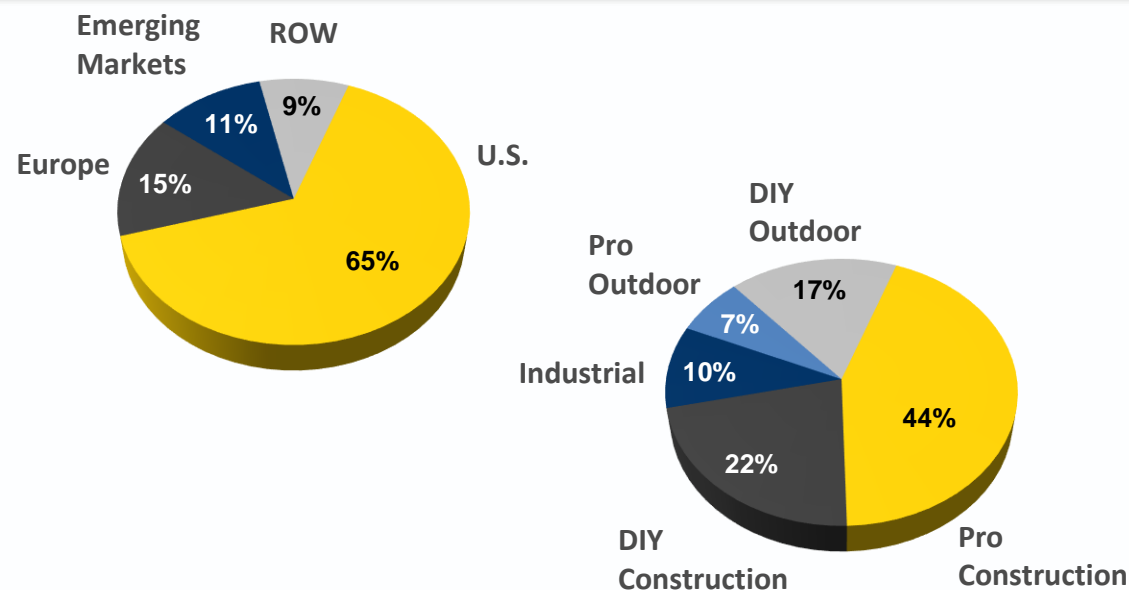
**LISTA**

# Tools & Outdoor

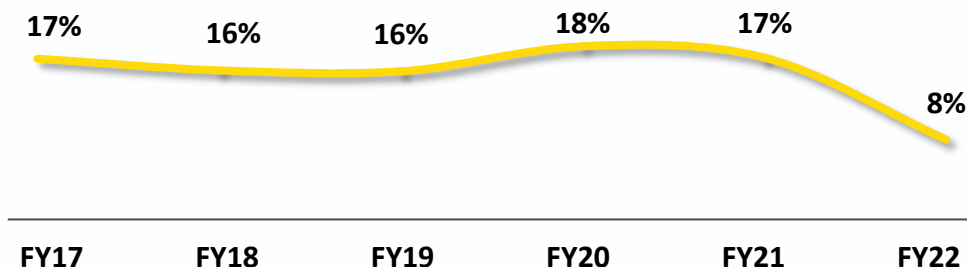
2022 Revenues: \$14.4B

Power Tools: \$6.7B | Hand Tools Accessories & Storage: \$4.0B | Outdoor Equipment: \$3.7B

2022 Revenue Profile



Segment Adjusted Operating Margins\*



*Significant Margin Expansion Opportunity From Supply Chain Transformation Over Next Three Years*

Strategic Sourcing

Facility Optimization

Operational Excellence

Complexity Reduction

**Worldwide Leader In Tools And Outdoor... Well Positioned For Sustained Growth**

# The World's Leading Tools & Outdoor Company

*Proven Market Outperformance Driven By Our Powerful Growth Formula...*



## A POWERFUL GROWTH FORMULA:

COMMERCIALIZATION

INNOVATION

BRAND

Across 5 Major  
Product Categories

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

And 4 Major  
Customer Segments

**CONSUMER / DIY**

**OUTDOOR PRODUCTS**

**CONSTRUCTION**

**INDUSTRIAL & AUTO REPAIR**

*...Well Positioned For A Multi-Year Runway For Growth & Margin Expansion*

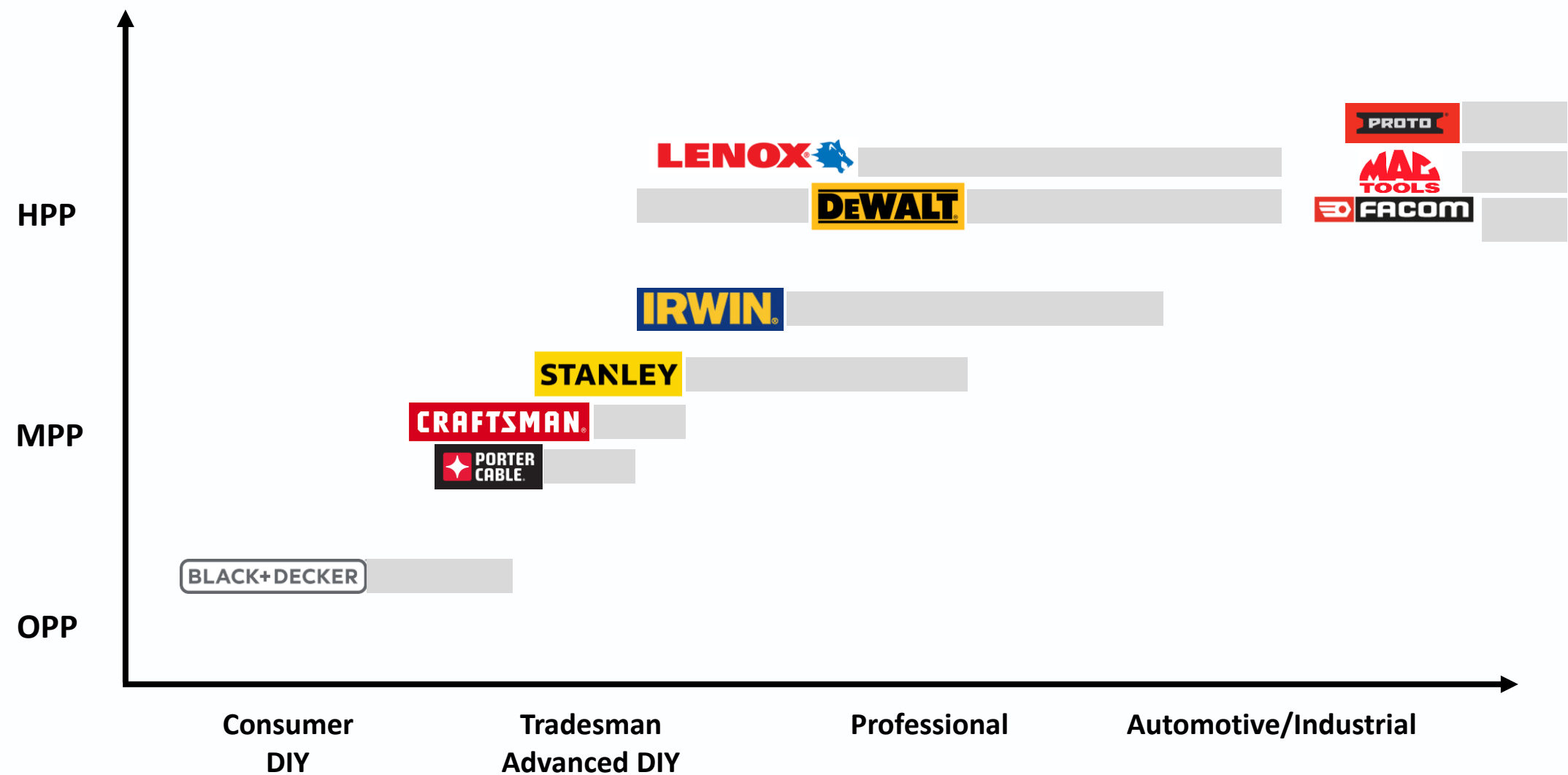
# Mission: Driving Organic Growth

**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 \$14B Diversified Tools And Outdoor Industry Leader**

# Hand & Power Tool Brand Positioning





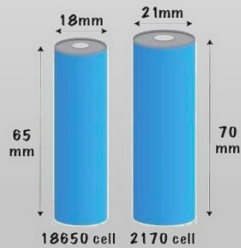
# Investments In Technology

## Electrical

### Motors & Electronics



### Battery Cells



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

## Charging

### Faster Speed



### Multiple Batteries



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

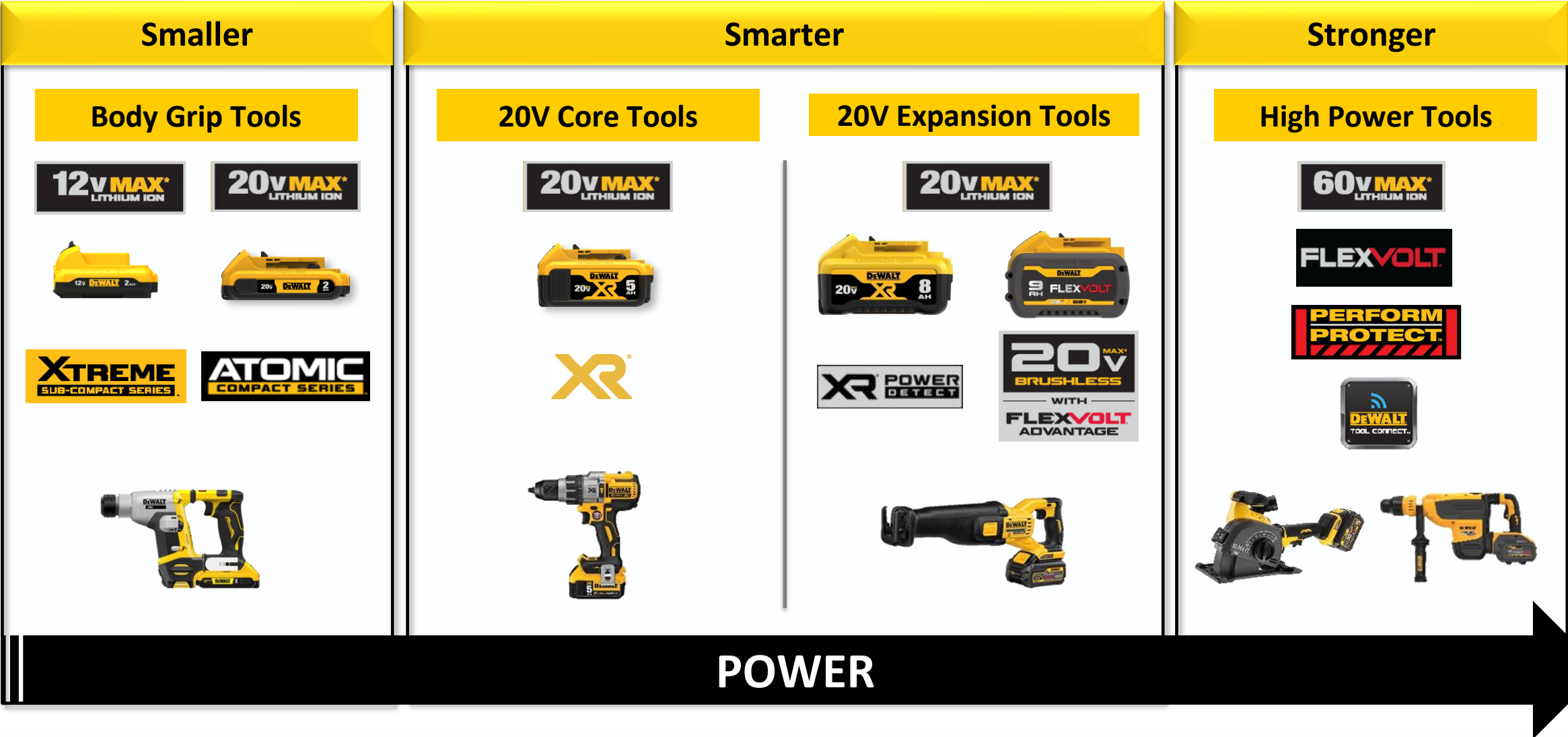
## Digital

### Asset Tracking



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

# Applying Technology Across Our Cordless Platform



# DEWALT Wave Of Innovation

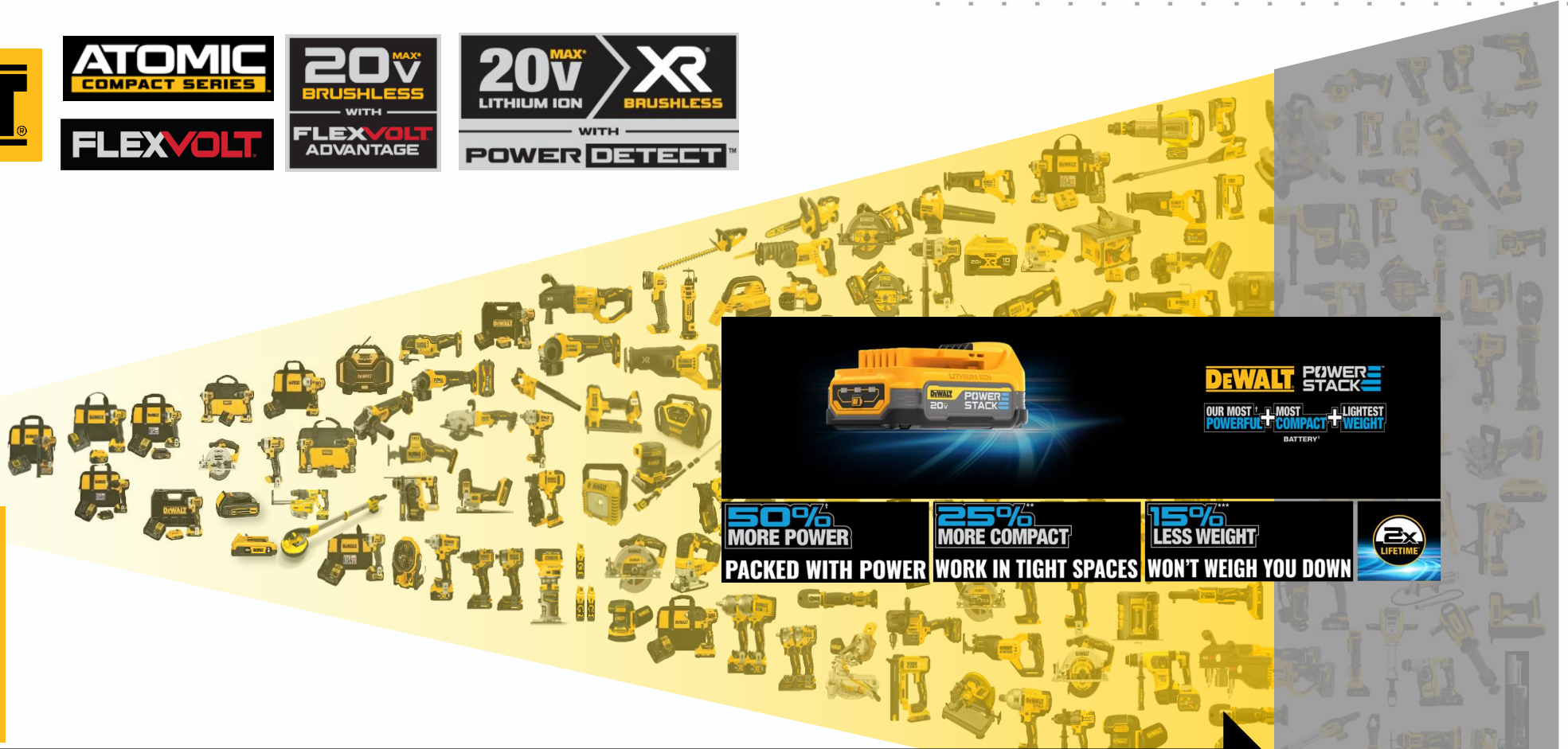


**ATOMIC**  
COMPACT SERIES

**FLEXVOLT**

**20V<sup>MAX</sup>**  
BRUSHLESS  
WITH  
**FLEXVOLT**  
ADVANTAGE

**20V<sup>MAX</sup>**  
LITHIUM ION  
WITH  
**POWER DETECT**  
**XR<sup>®</sup>**  
BRUSHLESS



**300+**  
**20V<sup>MAX</sup>** 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

**BRUSHLESS RP™**

MORE RUNTIME. BETTER PERFORMANCE.™

**V20**  
LITHIUM ION

30  
Products



~95  
Products

Coming  
Soon



**Focused On Increased Penetration Through Expanding The Cordless Power Tools System**



# Hand Tools, Accessories & Storage Opportunities



**\$4B Global Business...**  
**\$42B Total Market - \$34B Addressable**

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

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

## Elite Series Accessories

Unmatched Performance Serving The World's  
Toughest Jobsites



## Own The Toolbox

Storage For Every Tool That Does The Job



## Mechanics Tools Of The Future

Disruptive Innovation in Access, Precision, and  
Gripping Technology To Capture A Vast End  
User Market



**100+ Year Legacy Of Innovation**

# Outdoor Growth Opportunity

**Completed Two Major Complementary Acquisitions In 4Q 2021...**

**~\$3.7 Billion Lawn & Garden Platform With Broad Coverage Across \$25B+ Outdoor Category**



**MTD & Excel Acquisitions Provide Compelling Capacity Expansion & Multi-Year Runway For Growth**

**1**

**Electrification & Autonomous**

*Lead Large Format Gas & Electric Expansion*

**2**

**Win With The Professional**

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

**3**

**Optimize Brand & Channel**

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

**4**

**Parts & Service**

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

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



# Industrial

Engineered Fastening  
Infrastructure

**StanleyBlack&Decker**

**STANLEY.**  
Engineered Fastening

**NELSON**

**CAM.**

**POP**

**TUCKER**

**CRIBMASTER**

**PALADIN**

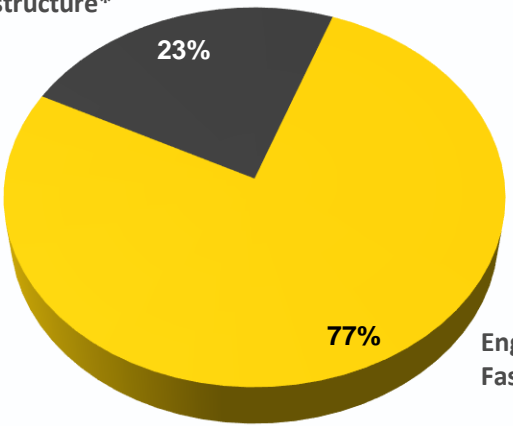
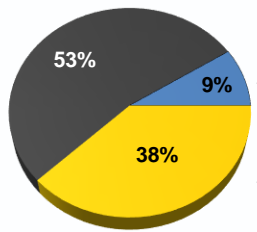
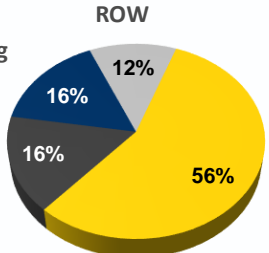
**PENGO**

**LABOUNTY**

# Stanley Industrial Overview

## \$2.4 BILLION - DIVERSIFIED INDUSTRIAL SEGMENT\*

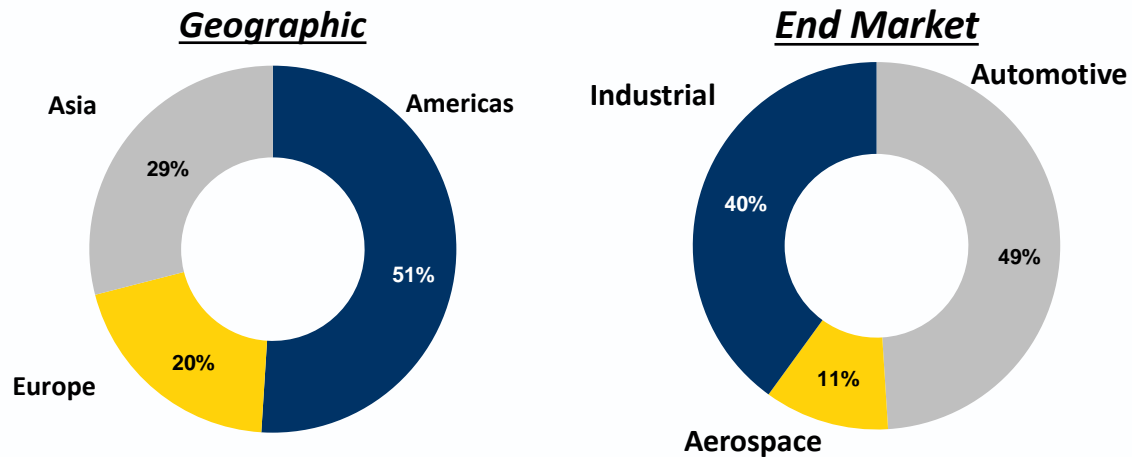
Vision	Mission	Our Purpose
 <p>A Global Leader Of Highly Engineered, Application Based Solutions, Where Safety, Reliability &amp; Productivity Are Critical</p>	<p>The #1 Innovation Catalyst &amp; Solution Partner For Industrial Customers</p> <p>A Scalable, Profitable, High Performing Industrial Segment</p> 	<p>FOR THOSE WHO MAKE THE WORLD <u>ADVANCE</u></p>

<div>Highly Engineered B2B Businesses</div> <div>Customer-Trusted Brands</div> <div>Deep Domain Knowledge &amp; Customer Intimacy</div> <div>Ability To Differentiate Through Innovation</div> <div>Leveraging Functional Expertise</div> <div>Best Practice Sharing &amp; Professional Development</div>	<p>Infrastructure*</p>  <p>Engineered Fastening</p>	 <p>General Industrial</p> <p>Aerospace</p> <p>Automotive</p>  <p>U.S.</p> <p>Europe</p> <p>Emerging Markets</p> <p>ROW</p>
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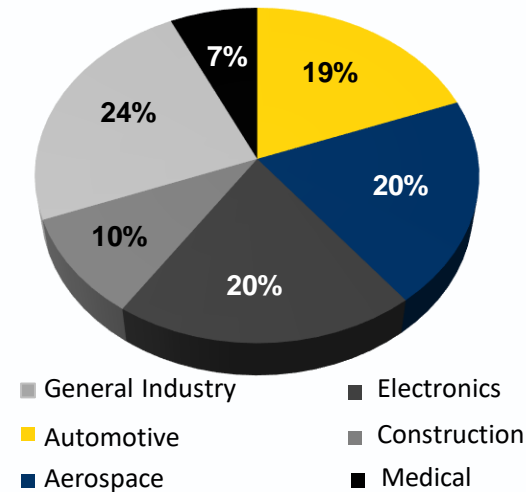
**Platform Of Highly Engineered B2B Businesses, Underpinned By Trusted Brands**

# Engineered Fastening Business Overview

2022 Revenue: ~\$1.9B



Global Fastener Market - \$85B



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

## Our Competition

Fasteners:



Tools & Fasteners:



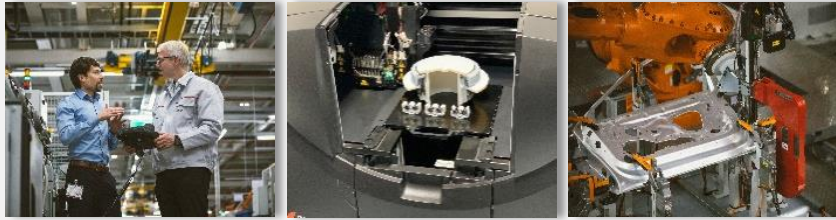
***Most Extensive Portfolio Of Assembly Technology & Engineered Solutions***

# Engineered Fastening Advantage

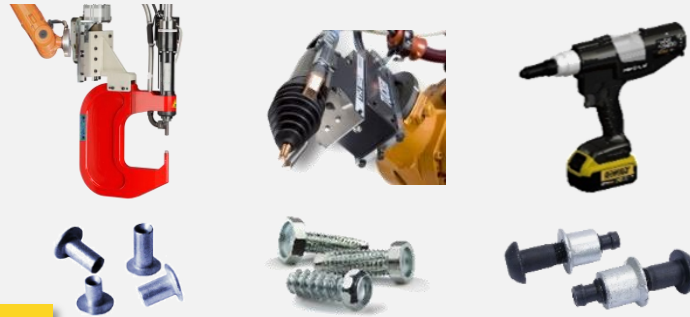
## Vision

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

## Engineering Capabilities



## Leading Industry Technologies



## 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

## Multi-Vertical Platform



**STANLEY**  
Engineered Fastening

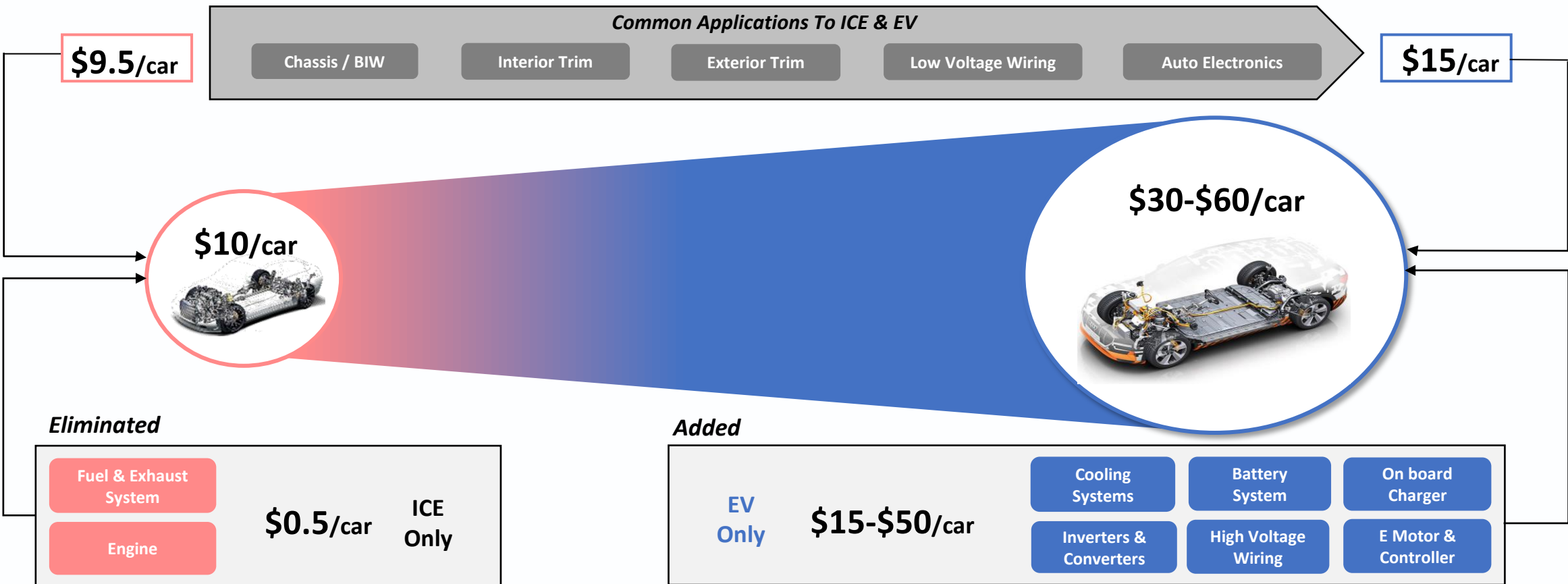
## Global Scale



# Addressable Market Increases Significantly For EV vs ICE

## Internal Combustion (ICE) Vehicle - Average Content

## Fully Electric & Hybrid Electric Vehicle - Projected Content

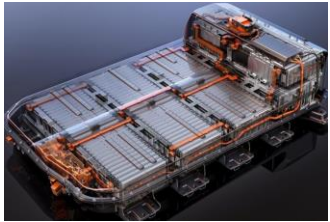


**Electrification Drives 3x To 6x Higher Content \$ Potential Per Vehicle**

# Electrification Opportunities In STANLEY Industrial

## Electrification Across The Industrial Platform

### Auto



#### Thermal Management

Solutions For EV  
Battery Makers

### Attachment Tools



#### Cordless Rail Drill

Supporting End-user  
Demand For Cordless  
Technology

### Industrial



#### Heavy Equip Transfer

Cordless Tool Replaces  
+500lbs Of Hydraulic  
Equipment

## Why We Win

Customer Intimacy	Deep Design Integration With Major OEMs
Technology Leadership	Most Credible Full Systems Partner (Fasteners, Tools, Automation, Services & Software)
Supply Chain Excellence	Engineering & Manufacturing Hubs Close To Customer

## Focus Areas



Chassis  
Applications



EV Tier  
Suppliers



Wire Harness  
Mgmt.



EV Battery  
System And  
Safety



Li Ion Cell



Grid Storage  
OEMs



Cordless  
Industrial  
Products



Cordless  
Welding

**Well Positioned To Address The Electrification Market Transformation**



# Attachment Tools

## Segment Overview

- 2022 Revenues: \$550M
- Leader In Specialized Attachments For Off-Highway Construction Equipment That Build And Maintain The World's Infrastructure
- Focused On Professional End-Users And Applications Where Safety, Productivity, And Reliability Are Drivers For Our Customers' Businesses
- Innovation Leader In Electrification Of Tools Historically Powered By Hydraulics



# Appendix

**StanleyBlack&Decker**



# Non-GAAP & Other Financial Measures

This presentation also contains non-GAAP and other financial measures, including organic sales growth, operating profit, free cash flow, 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.

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/or may be found in this appendix. We believe that this information may be informative to investors.

# Reconciliation Of FCF & EBITDA

## Free Cash Flow

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Net Cash (Used In) Provided By Operating Activities	(1,460)	663	2,022
Less: Capital And Software Expenditures	(530)	(519)	(348)
Free Cash Flow	(1,990)	144	1,674

## EBITDA\*

(MILLIONS OF DOLLARS)	<u>2022</u>	<u>2021</u>	<u>2020</u>
Net earnings before equity interest	\$ 170	\$ 1,532	\$ 1,146
Interest income	(55)	(10)	(18)
Interest expense	339	185	223
Income taxes	(132)	55	38
Depreciation and amortization	572	514	512
EBITDA	\$ 894	\$ 2,277	\$ 1,900
Pre-tax acquisition-related charges and other	642	194	314
Adjusted EBITDA	\$ 1,536	\$ 2,471	\$ 2,214



# End Markets

<b>End Market - % Of Revenue*</b>	<b>Industrial</b>	<b>Tools &amp; Outdoor</b>	<b>SWK</b>
Existing Residential / Repair / DIY	0%	22%	19%
New Residential Construction	0%	26%	23%
Non-Resi. / Commercial Construction	0%	16%	13%
Industrial & Automotive Repair	31%	10%	13%
Automotive OEM	37%	0%	5%
Infrastructure	23%	0%	3%
Aerospace	9%	0%	1%
Outdoor Professional	0%	7%	6%
Outdoor Consumer / DIY	0%	17%	15%
Other	0%	2%	2%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**~40% Exposure To Residential Construction (~30% U.S.) And ~20% Exposure To The Outdoor Pro And Consumer**



# 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

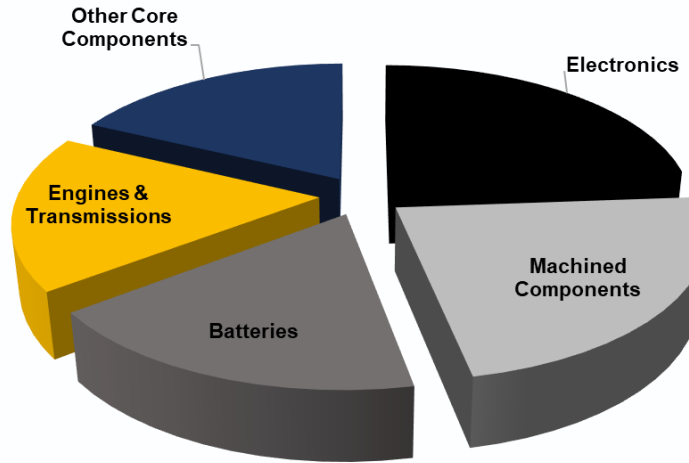
Year	Company	Purchase Price (\$M)
2012	HHI (Security)	\$1,400
2017	Mechanical Security Businesses (Security)	\$725
2022	Commercial Electronic Security & Healthcare	\$3,200
2022	Stanley Access Technologies	\$900

# Material Spend

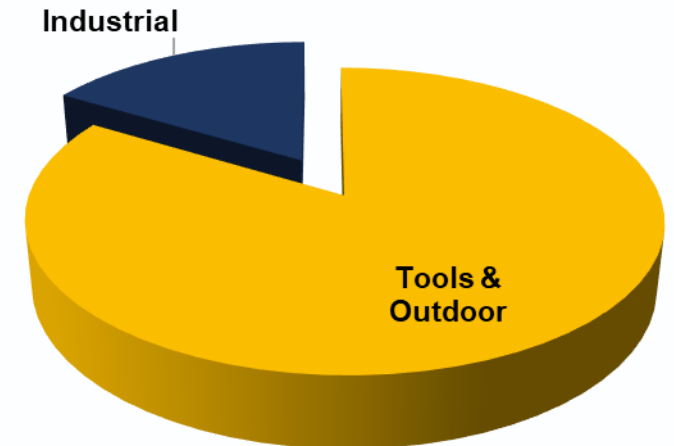
## Direct Material Spend\*

2022 (\$M)		
Finished Goods	\$1,840	25%
Components	3,900	52%
Steel	690	9%
Resin / Plastic Moldings	530	7%
Packaging	350	5%
Base Metals	130	2%
	\$7,440	

## Components



## Finished Goods



**Top Three Raw Material Exposures**  
 (Finished Goods + Direct + Components)  
 1. Steel    2. Resin    3. Packaging

# Liquidity

## Near Term Liquidity Sources

December 2022

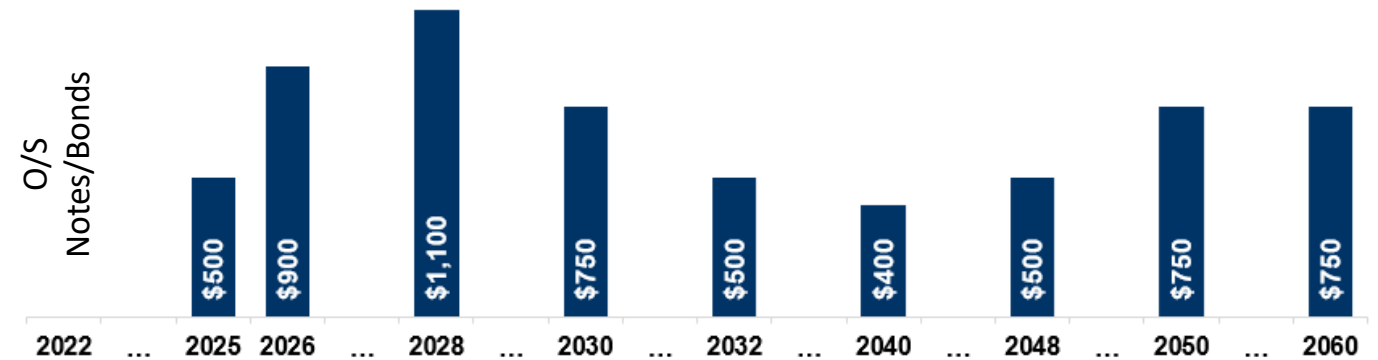
Cash Position	\$0.4B
Revolving Credit Facilities	\$4.5B
<b>Total Near-Term Liquidity</b>	<b>\$4.9B</b>

5-Year Agreement – Sep 2026 \$2.5B

364-Day Facility – Sep 2023 \$1.5B

364-Day Facility – Sep 2023 \$0.5B

## Long-Term Debt Outstanding (\$M)



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

# Investor Presentation

Version 08.29.2023

**StanleyBlack&Decker**

