Investor Presentation

Version 11.10.2025







StanleyBlack&Decker

For those who make the world.™

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Cautionary Statement

This Presentation contains “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, guidance, or planning assumptions or scenarios regarding earnings, EPS, EBITDA, income, revenue, 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 ongoing transformation and future operational strategies following completion of the transformation, run-rate cost savings or debt reduction or liquidity; 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 or share repurchases; 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) or timing; statements of beliefs, plans, intentions or expectations and any statements of assumptions underlying any of the foregoing and 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 ongoing transformation, complexity reduction, cost containment, and supply chain improvements (including leveraging its North American footprint and reducing China production) and disciplined capital deployment; changes in macroeconomic conditions, including interest rates and geopolitical events; changes in trade-related regulations and restrictions such as import and export controls, tariffs, trade barriers, clearances and 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 barriers, clearances and controls; 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 and ability to obtain rare earth related supply clearances reprioritizing resources, all within anticipated timeframes 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, and those factors set forth in the Company’s Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, the section of its Quarterly Earnings Releases entitled “cautionary Statements Concerning Forward Looking Statements” and in its other filings with the SEC. Forward-looking statements in this Presentation 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

Non-GAAP financial measures are referenced in this Presentation. Refer to the Appendix included herein for applicable GAAP reconciliations and additional information, as applicable, regarding the use of non-GAAP and other financial measures.

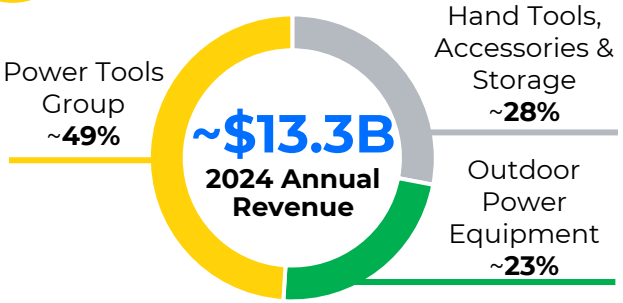
We Are Now A More Focused Company

Well-Positioned Businesses In Attractive Industries That Are Forecasted To Grow Over A Multi-Year Period

Businesses

Tools & Outdoor

A Worldwide Leader In Tools & Outdoor



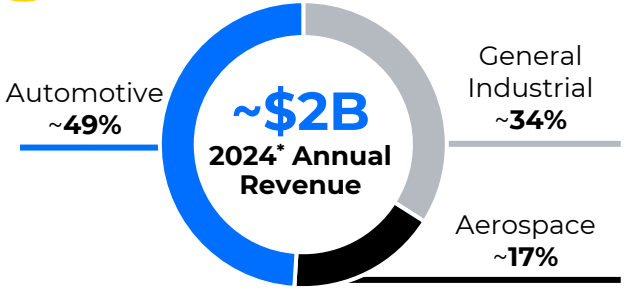
DEWALT · CRAFTSMAN · STANLEY · BLACK+DECKER · Cub Cadet

Key Industries

- Residential Construction
- Non-Residential Construction
- Outdoor & DIY

Stanley Engineered Fastening

A Leading Supplier Of Fasteners, Tools, Systems & Services



STANLEY Engineered Fastening · POP · TUCKER · NELSON · CribMaster · CAM

Key Industries

- Automotive
- General Industrial
- Aerospace

StanleyBlack&Decker

For those who make the world.™
Since 1843

2024 Revenue

~$15.4B

Product Line Percentages As Of 2024 Revenue
*2024 Revenue Excludes STANLEY Infrastructure Business Which Was Divested On April 1, 2024

Transforming To Accelerate Organic Growth

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

Reduce Complexity – ~$2B Savings By End Of '25**

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

- **MSD Organic Revenue* Growth (2-3X Market)**
- **35%+ Adjusted Gross Margin***
- **~100% Free Cash Flow* Conversion**
- **Powerful Innovation**
- **Customer Fill Rate Improvement**

...As A More Focused, Purpose Driven Company

*Non-GAAP Financial Measures. Refer To Appendix For Additional Information On Revenue, Gross Margin, Cash From Operating Activities And Other GAAP And Non-GAAP Financial Measures
**$2 Billion Pre-Tax Run-Rate Cost Savings Expected By The End Of 2025

Solid Execution Against Our Operational Priorities Set In 2022

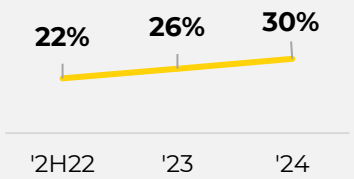
We Have Made Tangible Progress Against Our Strategy Despite Choppy Markets...

>50%

Of Top 70 Leaders Are New In Role

Revitalized Leadership

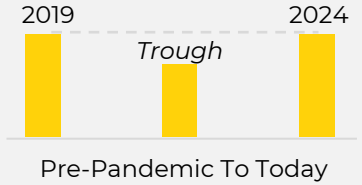
Strategic Upgrades & Additions To Infuse Org With Experienced, Energetic Talent



Adj. Gross Margin*

Increased Profitability

Bolstered By Strong Supply Chain Transformation Execution



Pre-Pandemic To Today

Service Levels

Stabilized Operations

Increased Customer Confidence, Improved Safety, Reduced Complexity

$2.6B

Revenue Divested

On 2019 basis

Simplified Portfolio

Oil & Gas, Security, Infrastructure

$250M

Redeployed Funding

Since Mid-2022

Prioritized Investments

Focused On Building A Growth Culture

>$2B

Debt Reduction

3Q'22 – 4Q'24

Improved Balance Sheet

Supported By Strong Cash Flow Generation & Strategic Portfolio Pruning

Metrics As Of 4Q'24

...Establishing A Strong Foundation As We Remain Focused On Achieving Our Vision

*Non-GAAP Financial Measures. Refer To Appendix For Additional Information On Gross Margin And Other GAAP And Non-GAAP Financial Measures

Focused On Successful Completion Of The Transformation

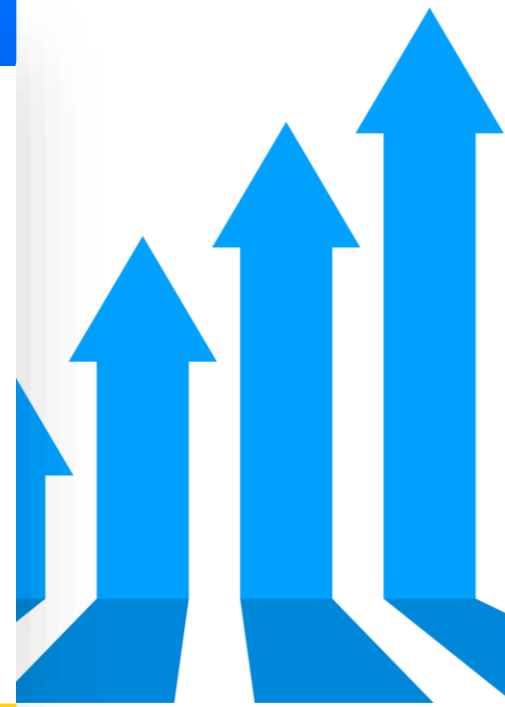
Building A Solid Foundation And Cultivating A Growth Culture: Operational Excellence | Share Growth | Balance Sheet Health

Deliver Sustainable 35%+ Adjusted Gross Margins*

- Material Productivity
- Ops Excellence
- Complexity Reduction
- Footprint Rationalization

Accelerate Our Organic Growth Engine

- Pro-Focused Market Activation
- Innovation To Deliver End-User Backed Solutions
- Revolutionary Electrification And Technology Advancement
- Engineering And Manufacturing Leadership



To Better Serve Customers, Accelerate Growth, And Deliver Strong Shareholder Value

*Non-GAAP Financial Measures. Refer To Appendix For Additional Information On Gross Margin And Other GAAP And Non-GAAP Financial Measures

Building An Organic Growth Culture

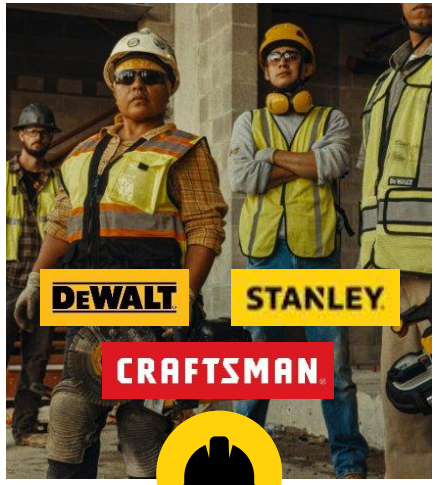
Prioritizing & Protecting Investments For Brand Health & Acceleration Of Organic Growth

Adjusted SG&A*

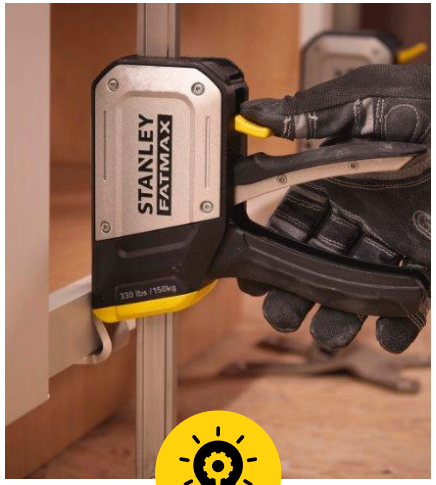
% Of Sales

FY25 – FY27 Target	Longer-Term Target
~21% To ~22%	~20% To ~21%

Purposeful & Efficient Investments



Focused Brands



Innovation Capabilities



Marketplace Activation

With Emphasis On Returns-Focused Resource Allocation

*Non-GAAP Financial Measure. Refer To Appendix For Additional Information On SG&A And Other GAAP And Non-GAAP Financial Measures.

Long Term Financial Targets - Multi-Year Vision Beyond 2027

We Believe There Is A Multi-Year Runway For Growth & Margin Accretion Beyond The Transformation

Strategic Criteria

- Markets With An Attractive Growth Profile
- Attractive Market Structure Where Brand Matters
- Differentiate Through Rapid Innovation And Delivering Productivity To Customers
- Ability To Achieve Scale

Long-Term Value Creation Algorithm (Beyond 2027)

Revenue Growth:	MSD Organic Growth* % (200-300bps Ahead Of LSD Market)
Adj. Gross Margin*:	>35% To 37%
Operating Leverage*:	20% To 25%
Adj. EBITDA*:	16% To 19% Of Sales
CFROI*:	≥Mid-Teens
Free Cash Flow Conversion*:	~100% +/- 10pts Of GAAP NI
Net Debt To Adj. EBITDA*	~2.0x To ~2.5x

Assumptions

- LSD Real GDP CAGR%
- Relatively Stable Inflation/Deflation
- Geopolitics Not Materially Disruptive Or Any New Incident Mitigated Within 12-24 Months**

*Non-GAAP Financial Measures. Refer To Appendix For Additional Information On Revenue, Gross Margin, Net Earnings, Cash From Operating Activities And Other GAAP And Non-GAAP Financial Measures
**Assumes Any New Tariffs That Have Been And May Be Implemented Can Be Mitigated Within 12-24 Months, And Any Other Geopolitics Are Not Materially Disruptive.

Capital Structure & Capital Deployment

Committed To Debt Reduction & Solid Investment Grade Credit Rating

Focused On Achieving ≤ 2.5X Net Debt To Adj. EBITDA*

- Supported By Organic Cash Generation And Future Proceeds From Additional Portfolio Optimization Opportunities In The Near-Term

Current Credit Ratings

Agency	LT	|	ST
S&P	BBB+	|	A2
Moody's	Baa3	|	P3
Fitch	BBB+	|	F2

Disciplined Capital Deployment Priorities

1. Transformation & Organic Growth Investments
2. Support A Strong & Growing Dividend
3. Deploying Excess Capital:
   - Deleverage To Target Levels (Current Focus)
   - Preference Toward Share Repurchase (Beyond)

Dividend Policy

- Committed To Continued Growth
- Target Long-Term Payout** ~30% +/- 5pts

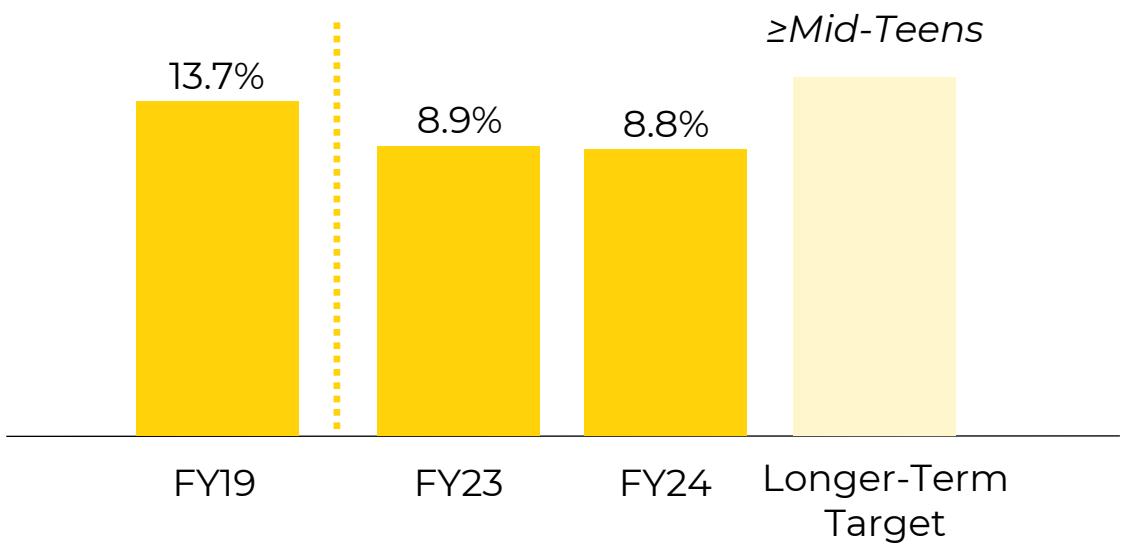
Paid Consecutively For 149 Years, Increased For Past 58 Years

*Non-GAAP Financial Measure. Refer To Appendix For Additional Information On Net Earnings And Other GAAP And Non-GAAP Financial Measures.
**As A Percentage Of GAAP NI

Returns Are A Key Measure Of Our Long Term Success

We Are Focused On Improving Returns To ≥ Mid-Teens Level

Cash Flow Return On Investment*



Contributing Factors

Asset Efficiency
- Inventory Of 120-130 DSI
- Disciplined CAPEX

Margin Improvement & Growth
- Transformation Program Savings Captured
- Organic Growth With Operating Leverage

Judicious Capital Allocation
- Debt Reduction To Target Levels
- Share Repurchase
- Opportunistic M&A

With Multiple Defined Pathways For Improvement

*Non-GAAP Financial Measure. Refer To Appendix For Additional Information On Cash From Operating Activities And Other GAAP And Non-GAAP Financial Measures..

Why Invest?

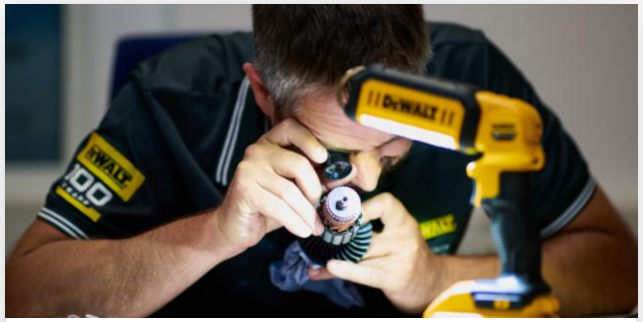
We See Significant Value Creation Potential In The Short, Medium And Long-Term

Well-Positioned In Attractive & Growing Industries



COMPLETING TRANSFORMATION

Earnings Power & Margin Achievement Confidence Intact



ACTIVATING A GROWTH CULTURE WITH OPERATIONS EXCELLENCE

Consistent Share Gain With Margin Expansion



DEPLOYING CAPITAL WITH DISCIPLINE

Accretive To Shareholder Value & Returns

Powered By The Talent Of Our Team, Strength Of Our Brands & Impact Of Our Innovation



2025 Planning Assumptions

2025 Planning Assumptions *As Presented On 11.4.25 Earnings Call*

Total Company

Total Revenue** VPY	Flat To (-1%)
Currency & Divestitures VPY	*Net Neutral*
*Organic Revenue**	*Flat To (-1%)*
Adjusted EBITDA Margin*	Positive YoY
Earnings Per Share	$2.55 - $2.70
Adjusted EPS*	~$4.55
Free Cash Flow*	~$600M

Segments

Tools & Outdoor

*Organic Revenue**	*~(-1%)*
*Adj. Segment Margin**	*Positive YoY*

Engineered Fastening

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

Other Planning Assumptions

Pre-Tax Non-GAAP Adjustments: ~$370M-$400M, ~45% Being Non-Cash, Driven By 3Q Trade Name Impairment Charges And Write Down Of Certain Minority Investments Associated With Legacy Corporate Ventures

Other Net*: ~$270M

Net Interest Expense: ~$320M

Depreciation*: ~$365M | **Intangible Amortization:** ~$150M

Capex: ~$0.3B

Adjusted Tax Rate*: ~15% | **Shares:** ~152M

4Q'25 Adj. EPS*: ~$1.29 EPS

*Non-GAAP Financial Measures. Refer To Appendix For Additional Information On EPS, Cash From Operating Activities, Revenue, Earnings And Other GAAP And Non-GAAP Financial Measures

**Forecasted Total Revenue Reflects The Impact Of Forecasted Foreign Currency Assuming The End Of September 2025 Rates And Excludes The Impact Of Acquisitions And Divestitures Not Yet Consummated

Building A World Class, Branded Industrial Company

As Presented On 11.4.25 Earnings Call

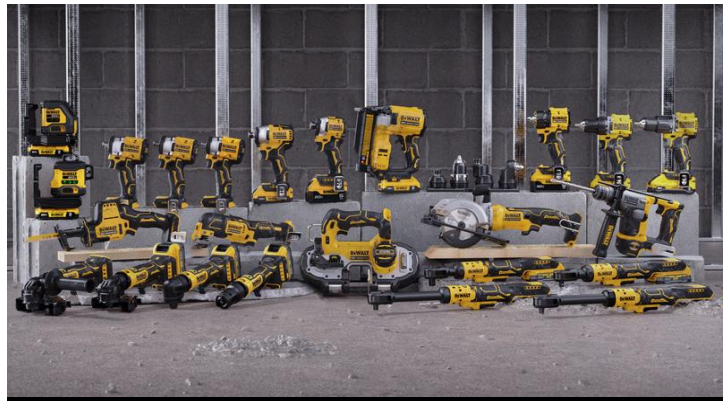
Delivering Long-Term Value By Solving Our End Users' Most Pressing And Complex Challenges



Activating Brands With Purpose



Driving Operational Excellence



Accelerating Innovation

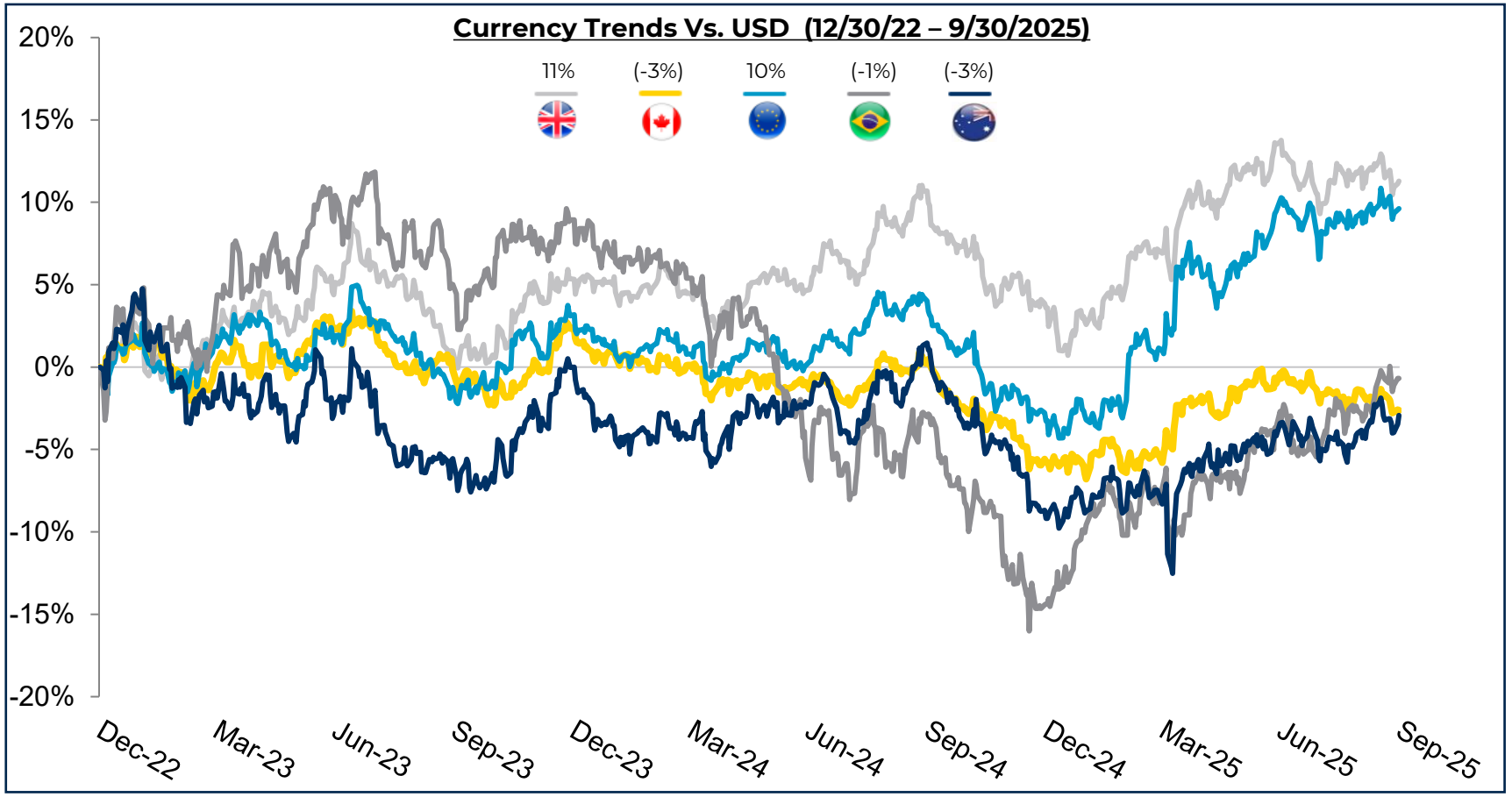
Competing To Win In Industries Positioned For Long-Term Growth

Focused On Organic Growth*, Margin Expansion, Cash Generation & Shareholder Return;

Committed To Achieving 35% AGM* And A Solid Investment Grade Balance Sheet

*Non-GAAP Financial Measures. Refer To Appendix For Additional Information On Revenue, Gross Margin And Other GAAP And Non-GAAP Financial Measures

Currency Impact



Hedging Approach

- Partially 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 2025 OM Annual Impact

- CAD 1% Move: $4.5M - $5.5M
- EUR 1% Move: $1.5M - $2.5M
- GBP 1% Move: $3.5M - $4.5M
- BRL 1% Move: $1.5M - $2.5M
- AUD 1% Move: $1.5M - $2.5M

Broad U.S. Dollar Strength Contributes To Currency Headwinds

As of 9/30/25. FY Impact Using September Month End Rates.



Tools & Outdoor

A Global Leader In Tools & Outdoor

Five Brands Represent ~80% Of Our T&O Segment

DEWALT ✓ CRAFTSMAN ✓ STANLEY ✓

BLACK+DECKER Cub Cadet

T&O Total Addressable Market Represents >$100B*

StanleyBlack&Decker

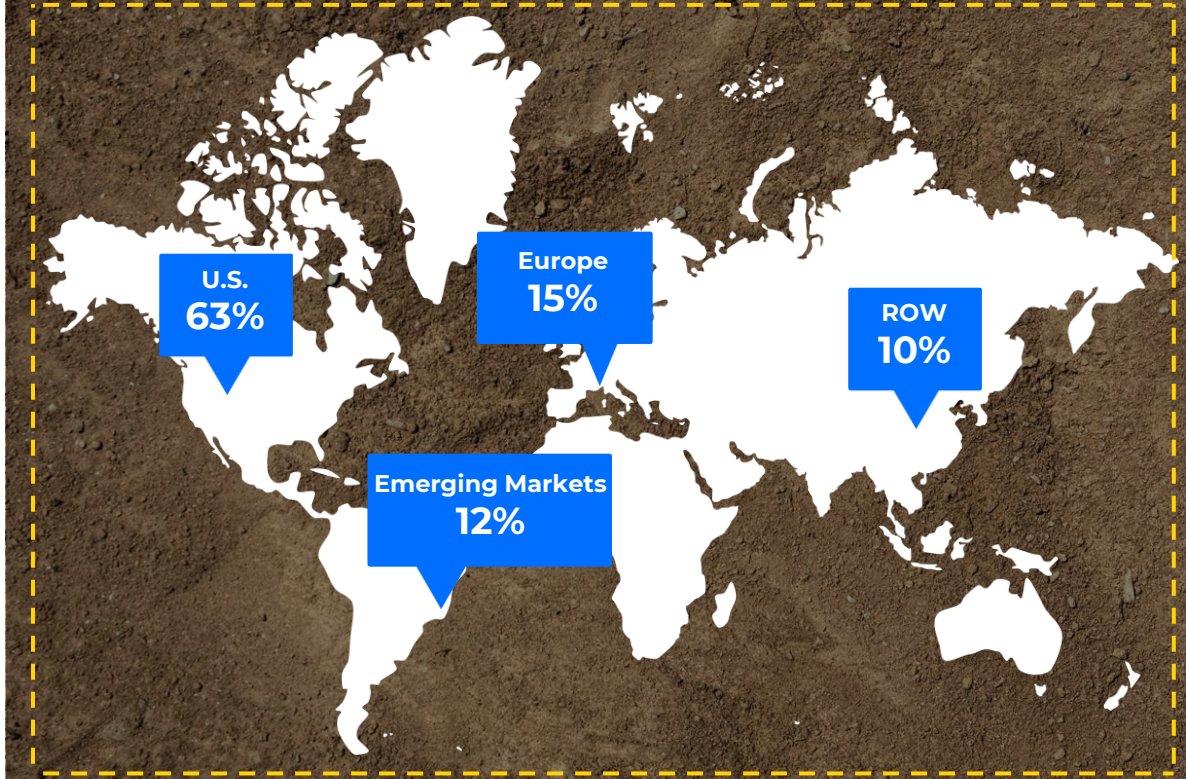
Top 2 Manufacturers Represent Less Than 25% Of Addressable Market

✓ Priority Brands

T&O 2024 Annual Revenue $13.3B

Power Tools Group	Hand Tools, Accessories & Storage	Outdoor Power Equipment
~49%	~28%	~23%

% Of 2024 Revenue



*__Source__: 2023 Reported Company Results, Euromonitor.
The Share Numbers Presented May Not Accurately Reflect The Full Competitive Landscape & May Fluctuate Significantly Year-to-year Due To Industry Developments.

What It Takes To Win In The Tools & Outdoor Industry

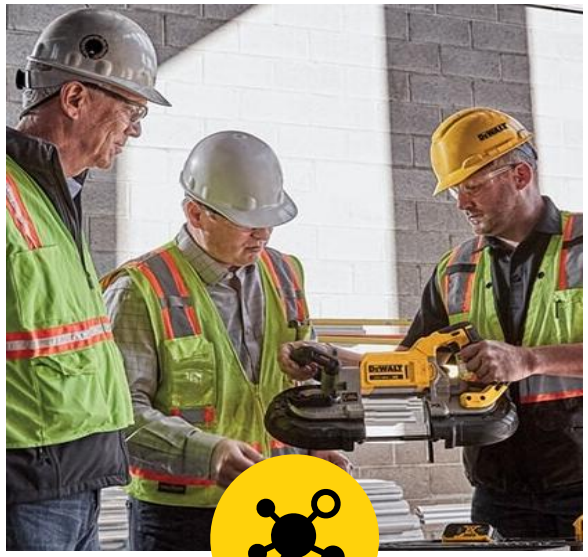
Starting From A Position Of Strength...



Iconic Brands



Rapid Innovation Focused On End-User Needs



Broad Channel & Geographical Coverage

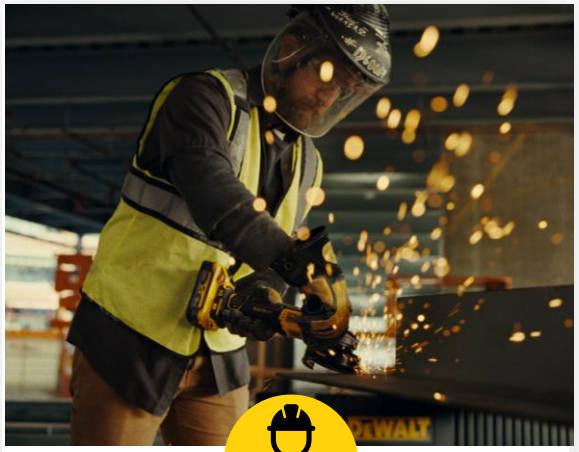


Operational Excellence Funds Growth

...Building On This Solid Foundation To Accelerate Growth

Innovation Addresses Professional End-User Needs

Research Suggests >50% Of New Tool Purchasers Are Trading Up For Innovation...



Safety Is Critical To A Productive Jobsite

Safety



Product Quality Drives Reliability | Uptime On The Jobsite

Quality



End Users Willing To Pay A Premium For More Productive Tools

Productivity



Platform Integration | Tech Enablement

Innovation

...With >60% Of Respondents Valuing Safety, Quality, And Brand Reputation As The Most Important Key Buying Factor*

*Source: Expert Interviews And Tool Purchaser Survey

Focused Brands | Targeted Users

Clear Differentiation Across Our Core Brands



Strengthen

- Develop End-To-End Workflow Solutions
- Strengthen The DEWALT Ecosystem



Focus

- Products And Solutions That Are Essential For Small Construction Professionals



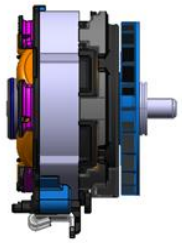
Scale

- Win In DIY Verticals With DIY Enthusiasts
- Focus On Margin Expansion

Elevating Our End-User Inspired Innovation Capabilities

Leading Technologies

Core Technology Enablers



Motor



Battery



End-To-End Solutions

Total Carpentry Solutions



Total Mechanical, Electrical, Plumbing Solutions



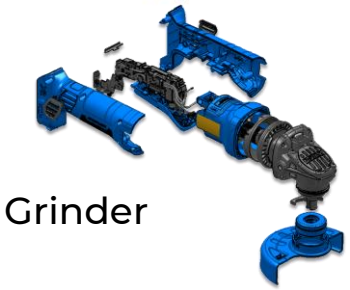
Platforming

Drive Modular, Yet Customizable Designs

Product Platforms



Nailer



Grinder

Connected Ecosystems

Provide End Users Safety Features & Productivity Through Tool Connectivity & Actionable Data

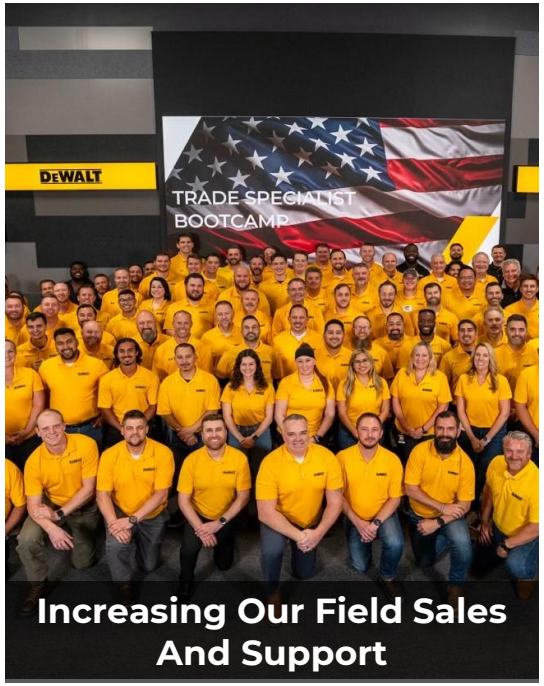


PERFORM PROTECT | DUAL TRIGGER

Multiple Pathways To Foster Growth And Meet End-User Needs

Enhance End-User Engagement

Marketplace Activation



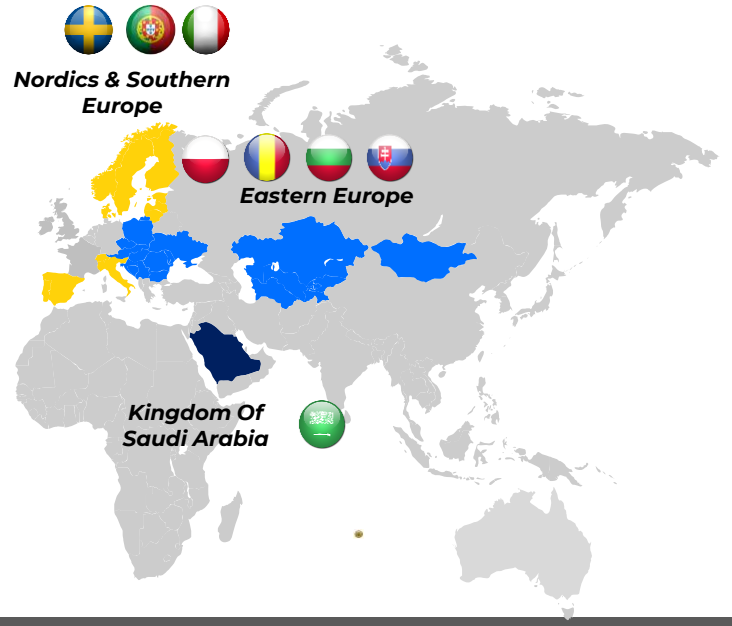
Increasing Our Field Sales And Support





Customer Innovation Center Revitalization

Global Expansion



High Growth

Emerging

Core Markets

Drive Growth In International Markets

Access To End Users & Understanding User Needs Critical To Execute

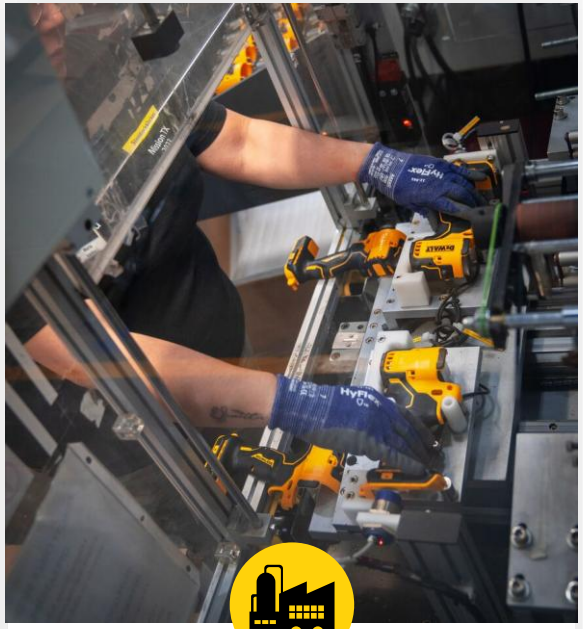
Developing Supply Chain That Delivers Competitive Advantage

An Engine For Future Margin Expansion



Innovation Excellence

Fast, Reliable And Efficient Innovation + Design To Value



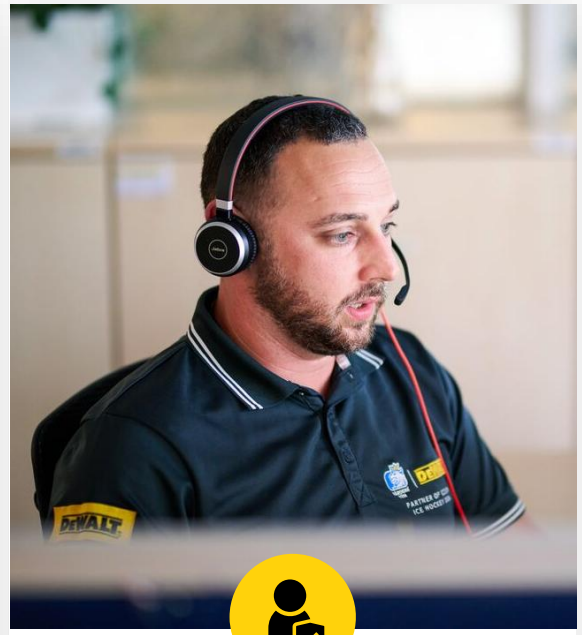
Network Strategy And Agility

Cost And Cash Efficiency + Low-Cost Manufacturing



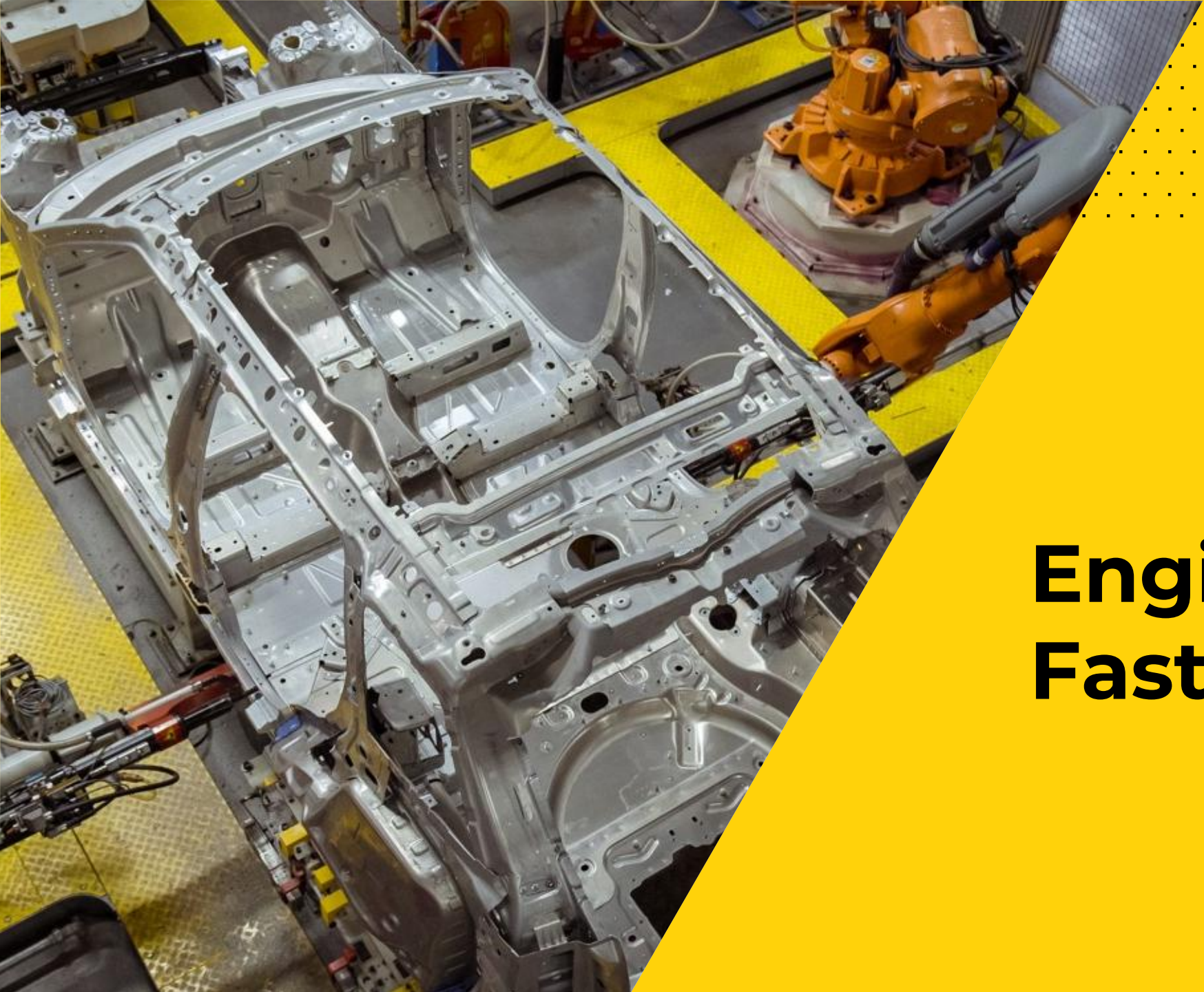
Material Productivity Leadership

Supply Chain Program + Platforming + Sustainable Productivity



Service Excellence

Supplier Of Choice



Engineered Fastening

STANLEY Engineered Fastening

A Global Leader In Fastening Systems

A Leading Supplier Of Fasteners, Tools, Systems & Services With A **Total System Approach** To Fastening & Joining Applications And **Deep Engineering Expertise**



Blind & Threaded Fastening



Plastics & Engineered Components



Installation Equipment

Broad Portfolio: Fastener + Equipment

Where We Play

	Revenue 2024	Industry	Share Trend
Automotive	$1.0B	$10B	↑
Aerospace	$0.3B	$4B	↑
Industrial	$0.7B	$11B	↑
Segment	~$2B	$25B	

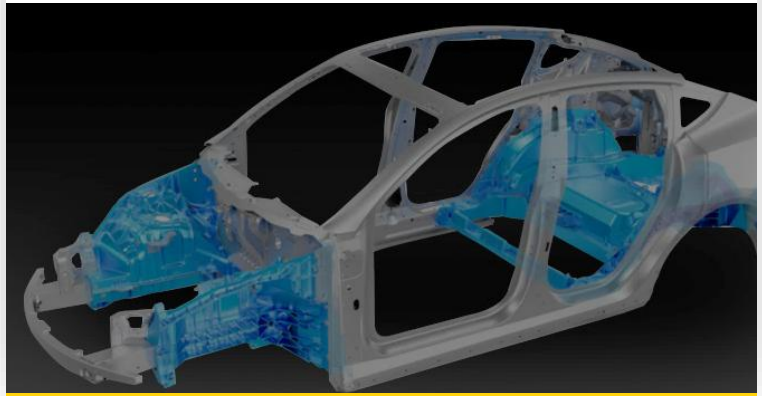
Industry Players

ITW · NIFCO · lisi · A Raymond · SFS · PEM PennEngineering · BÖLLHOFF · HOWMET AEROSPACE · Atlas Copco

What We Do

We Aim To Solve The Most Critical Challenges Of Our Customers...

Light Weighting



Automotive

Safety



Aerospace

Productivity



Industrial

How We Win

1 Deeply Embedded Design Partnerships

- **Application Engineering & Manufacturing** Expertise
- Technology Leadership In **Automation** Striving For Zero Defects

2 Connected Value Streams

- Combined Technology **Drives Additional Customer Value**
- Clip → Stud → Equipment → Service → Spares

3 Leadership In Automation

- **Productivity** - Driving Workflow Efficiency
- **Profitability** - Optimized Total Cost Of Ownership



Well-Positioned For Profitable Growth



Margin Expansion Levers

- **Differentiated Products, Value Pricing & 80/20**
- **Operational Excellence**
- **Strategic Sourcing**

Driving Sustainable Share Growth And Gross Margin Expansion

Appendix


DEWALT
SWK
NYSE
WORKING FOR THE TRADES SINCE 1924.
100
YEARS
DEWALT

End Categories

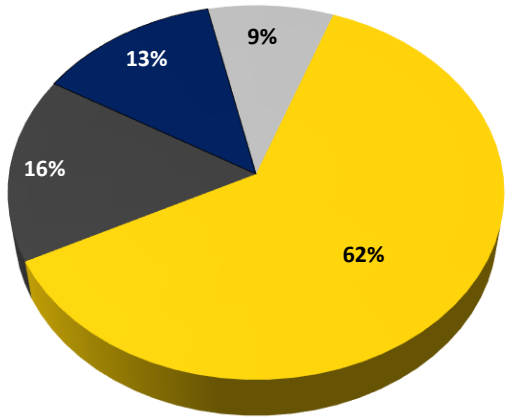
*End Categories - % Of Revenue**	*Engineered Fastening*	*Tools & Outdoor*	*SWK*
Existing Residential / Repair / DIY	0%	23%	20%
New Residential Construction	0%	27%	24%
Non-Resi. / Commercial Construction	0%	16%	14%
Industrial & Automotive Repair	34%	11%	14%
Automotive OEM	49%	0%	6%
Aerospace	17%	0%	2%
Outdoor Professional	0%	6%	5%
Outdoor Consumer / DIY	0%	17%	15%
Total	**100%**	**100%**	**100%**

~40%-45% Exposure To Residential Construction (~30% U.S.)

*2024 Actual Revenue Excludes STANLEY Infrastructure Business Which Was Divested On April 1, 2024
Comm. Const. Includes Non-Retail, Office Buildings, Arenas/Stadiums, Hotels, Resorts, Cinemas, Etc.
Industrial Includes Manufacturing, Utilities, Distribution, Power, Rail, Auto Repair, Etc.
Other Includes Logistics & Transportation, And Hospitality

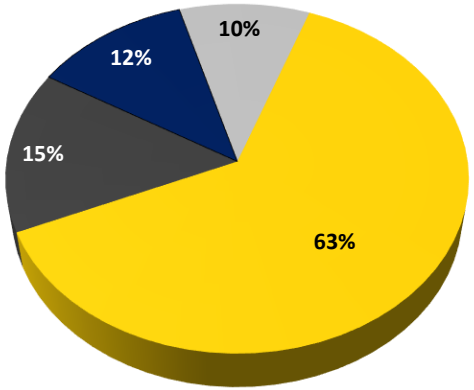
Geographic Reach

Stanley Black & Decker

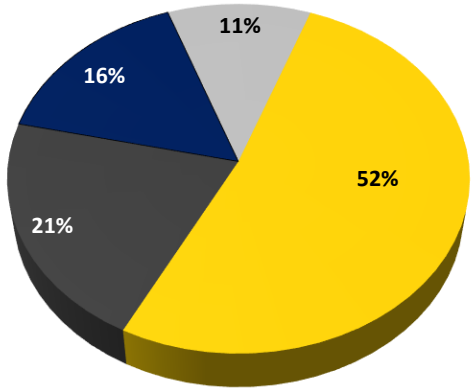


Segments

Tools & Outdoor



Engineered Fastening*



U.S. Europe Emerging Markets ROW

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

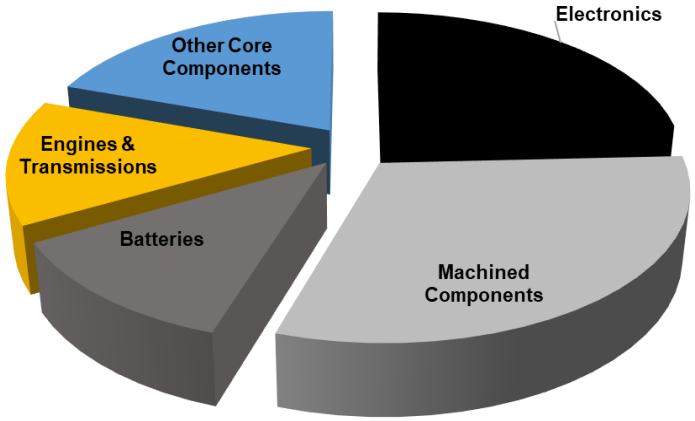
Percentages As Of Fiscal Year 2024 Totals
*Includes STANLEY Infrastructure Business Which Was Divested On April 1, 2024

Material Spend

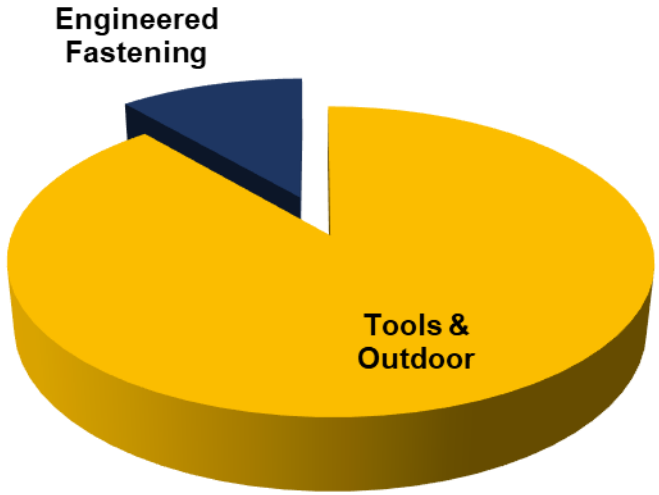
Direct Material Spend*

2024 ($M)		
Finished Goods	1,660	27%
Components	3,430	56%
Steel	370	6%
Resin / Plastic Moldings	260	4%
Packaging	250	4%
Base Metals	160	3%
	$6,130	

Components



Finished Goods



Top Three Raw Material Exposures

(Finished Goods + Direct + Components)

1. Steel 2. Resin 3. Packaging

For Directional Analysis Only
*Raw Material Spend Includes Conversion Costs

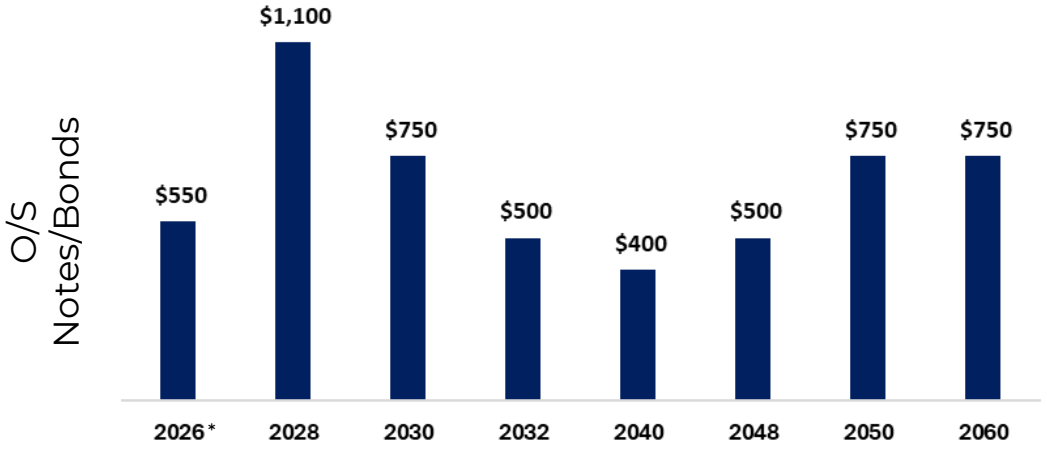
Liquidity

Near Term Liquidity Sources

Sep 2025	
Cash Position	$0.3B
Revolving Credit Facilities	$3.5B
Total Near-Term Liquidity	$3.8B

5-Year Agreement – June 2029	$2.25B
364-Day Facility – June 2026	$1.25B

Long-Term Debt Outstanding ($M)



Adequate Liquidity To Meet The Needs Of The Company

*The 2026 Maturities Are On The Balance Sheet Under Current Maturities Of Long-Term Debt, As Of September 27, 2025

Strategy To Successfully Navigate Tariffs

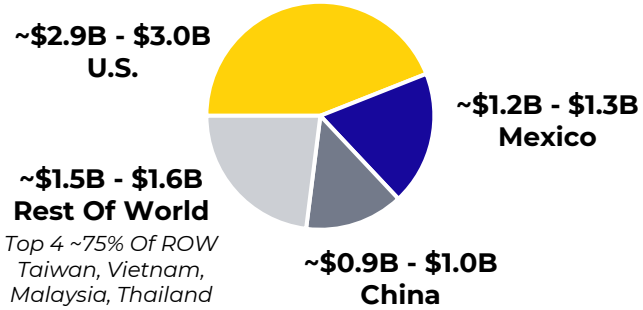
Consistent With Prior Disclosure With 2024 Total Company U.S. Supply

Guiding Principles

- **Serve Our Customers And End Users During A Dynamic Period**
- **Minimize Cost Increases Through Supply Chain Moves With Focus On Leveraging North American Footprint & Reducing China Production For The U.S. By 2026 Or Early 2027**
- **Implement Price Increases With A Long Term Perspective And To Protect Cash Flow**
- **Continue To Proactively Engage With The U.S. Administration**

2024 Total Company U.S. Supply

~$6.8B U.S. Adjusted Cost Of Sales* Based On Country Of Origin**



Industry Leading North American Footprint (>60% COS)

*Non-GAAP Financial Measure. GAAP Consolidated Cost Of Sales Was $10,851.3 Million For The Year Ended December 28, 2024. Excluding Certain Gains And Charges Of $88.8 Million, Consolidated Adjusted Cost Of Sales was $10,762.5 Million. Of the $88.8 Million Of Non-GAAP adjustments, Approximately $76 Million Related To The U.S. Refer To Appendix For Additional Information On EPS And Other GAAP And Non-GAAP Financial Measures
**2024 Approximate Split Based On 2024 Country Of Origin

Non-GAAP & Other Financial Measures

This presentation may include the following Non-GAAP 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. Cost of sales, gross profit, gross margin, SG&A, depreciation, segment profit, segment margin, other, net, earnings, EBITDA (also referred to as earnings power) and EBITDA margin are adjusted for certain gains and charges, which may include 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 defined as cash from operations plus after-tax interest expense, divided by the two-point average (beginning and end of the year) of debt plus equity. Operating leverage is the change in pre-tax adjusted earnings divided by the change in sales. Net Debt to Adjusted EBITDA is total debt less cash on hand divided by adjusted EBITDA. 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 2025 adjusted EPS, presented on a basis excluding certain gains and charges, as well as 2025 organic revenue growth. Forecasted full-year 2025 adjusted EPS and 2025 organic revenue growth are reconciled to forecasted full-year 2025 GAAP EPS and total 2025 revenue growth, respectively, on slide 14. Consistent with past methodology, the forecasted full-year 2025 GAAP EPS excludes the impacts of potential acquisitions and divestitures, 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 14. Forecasted 2025 organic revenue growth assumes the impact of foreign currency using historical rates and excludes the impacts of potential acquisitions and divestitures.

In addition to 2025 adjusted EPS and 2025 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, (slides 5, 7-11, 14) as well as forecasted free cash flow, free cash flow conversion, and CFROI (slide 5, 9, 11, 14). 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. A reconciliation of the differences between other forward-looking non-GAAP measures and the most directly comparable 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 periods and cannot be accomplished without unreasonable effort. The Company believes such reconciliations would also imply a degree of precision that is inappropriate for these forward-looking measures

Reconciliation Of GAAP To Non-GAAP Measures

2H 2022

GAAP Gross Profit		Non-GAAP Adjustments		Non-GAAP Gross Profit
$1,771.6 *21.9%*	+	$22.0	=	$1,793.6 *22.1%*

FY 2023

GAAP Gross Profit		Non-GAAP Adjustments		Non-GAAP Gross Profit
$ 3,932.6 *24.9%*	+	$166.9	=	$4,099.5 *26.0%*

FY 2024

GAAP Gross Profit		Non-GAAP Adjustments		Non-GAAP Gross Profit
$4,514.4 *29.4%*	+	$88.8	=	$4,603.2 *30.0%*

Reconciliation Of GAAP To Non-GAAP Measures

CASH FLOW RETURN ON INVESTMENT ("CFROI")
(Millions of Dollars)

	FY 2019	FY 2023	FY 2024
Cash Flow From Operations	1,505.7	1,191.3	1,106.9
Interest Expense (After-Tax)	182.0	294.3	252.4
	1,687.7	1,485.6	1,359.3
Long-Term Debt*	3,498.1	5,727.0	5,851.8
Short-Term Borrowings*	356.7	1,588.9	537.4
Current Portion of Long-Term Debt*	2.8	1.2	250.7
Equity*	8,491.1	9,385.2	8,888.0
Average Capital	12,348.7	16,702.3	15,527.9
CFROI[1]	13.7%	8.9%	8.8%

*2-point average

[1]CFROI is computed as cash flow from operations plus after-tax interest expense, divided by the 2-point average of debt and equity (i.e. beginning and end of year).

Investor Presentation







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