

Investor Presentation

Version 5.19.2025

StanleyBlack&Decker

For those who make the world.™



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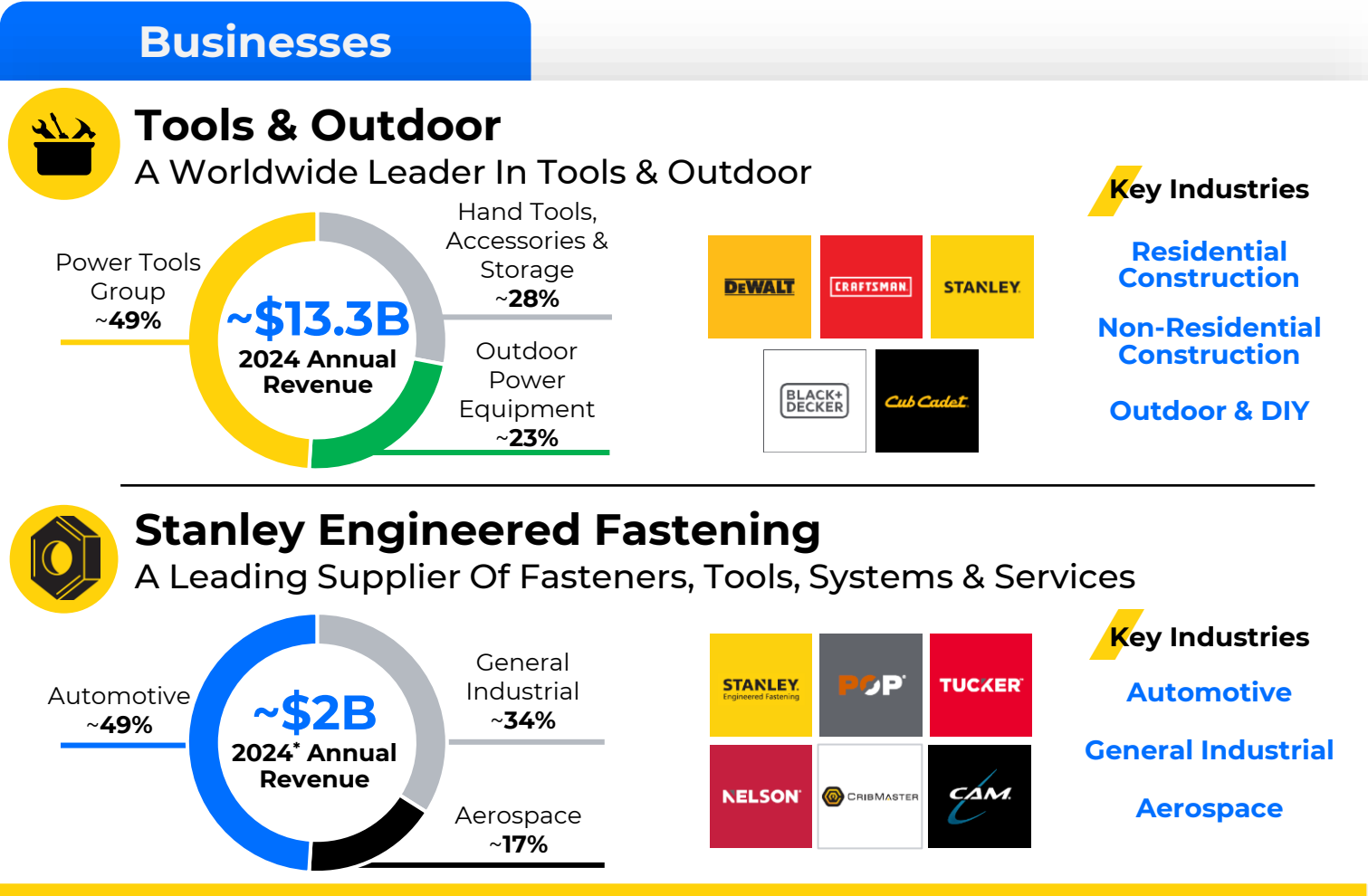
Cautionary Statement

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, projections or guidance of earnings, EPS, income, revenue, margins, cash flow, costs of sales, sales, growth, profitability, market share, credit ratings, SG&A, shareholder value, or other financial items; any statements of the plans, strategies, planning assumptions and scenarios, and objectives of management for future operations including expectations around the Company’s ongoing transformation, run-rate cost savings or debt reduction or liquidity; any statements concerning market share gain, proposed new products, services, developments, investments, or innovation; any statements regarding future economic conditions or performance; any statements concerning future dividends or share repurchases; any statements of beliefs, plans, intentions or expectations 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”, or any other similar words; any statements and assumptions regarding geopolitical events, possible tariff and tariff impact projections (including the timing and materiality thereof) and related mitigation plans or timing; and any statements of assumptions underlying any of the foregoing. 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 and supply chain improvements; changes in macroeconomic conditions, including interest rates and geopolitical events; changes in trade-related regulations and restrictions such as import and export controls and tariffs, and the Company’s ability to predict the timing, extent, materiality or disruptiveness to the Company of such regulations, restrictions and tariffs; the Company’s ability to successfully mitigate or respond to such macroeconomic, geopolitical, or trade and tariff policy changes including, obtaining price increases from customers and repositions of supply chain within anticipated timeframes, reprioritizing resources and successful government engagement efforts; and those factors set forth in the Company’s Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and 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



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

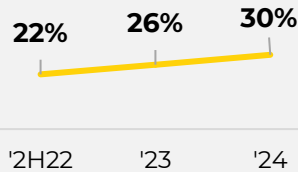
We Have Made Tangible Progress Against Our Strategy Despite Choppy Markets...

>50%

Of Top 70 Leaders
Are New In Role

**Revitalized
Leadership**

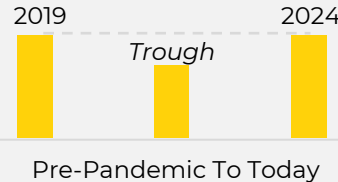
Strategic Upgrades &
Additions To Infuse Org
With Experienced,
Energetic Talent



Adj. Gross Margin*

**Increased
Profitability**

Bolstered By Strong
Supply Chain
Transformation Execution



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

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



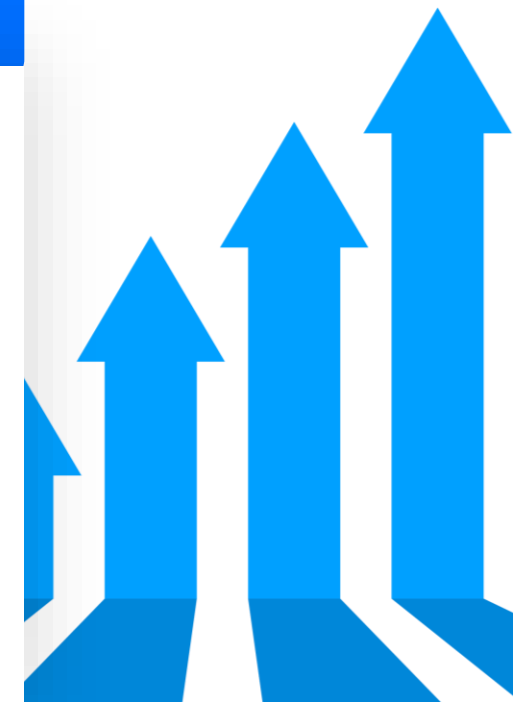
**Innovation To Deliver
End-User Backed Solutions**



**Revolutionary Electrification And
Technology Advancement**



**Engineering And
Manufacturing Leadership**



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

Building An Organic Growth Culture

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



Adjusted SG&A*

% Of Sales



FY25 – FY27 Target

~21% To ~22%

Longer-Term Target

~20% To ~21%

Purposeful & Efficient Investments



**Focused
Brands**



**Innovation
Capabilities**



**Marketplace
Activation**

With Emphasis On Returns-Focused Resource Allocation

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**

Capital Structure & Capital Deployment

Committed To Debt Reduction & Solid Investment Grade Credit Rating

Focused On Achieving $\leq 2.5X$ Net Debt To Adj. EBITDA*

- Supported By Organic Cash Generation
- Assumes $\geq \$0.5B$ Proceeds From Portfolio Pruning

Current Credit Ratings

Agency	LT		ST
S&P	A-		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** $\sim 30\%$ +/- 5pts

Paid Consecutively For 148 Years, Increased For Past 57 Years

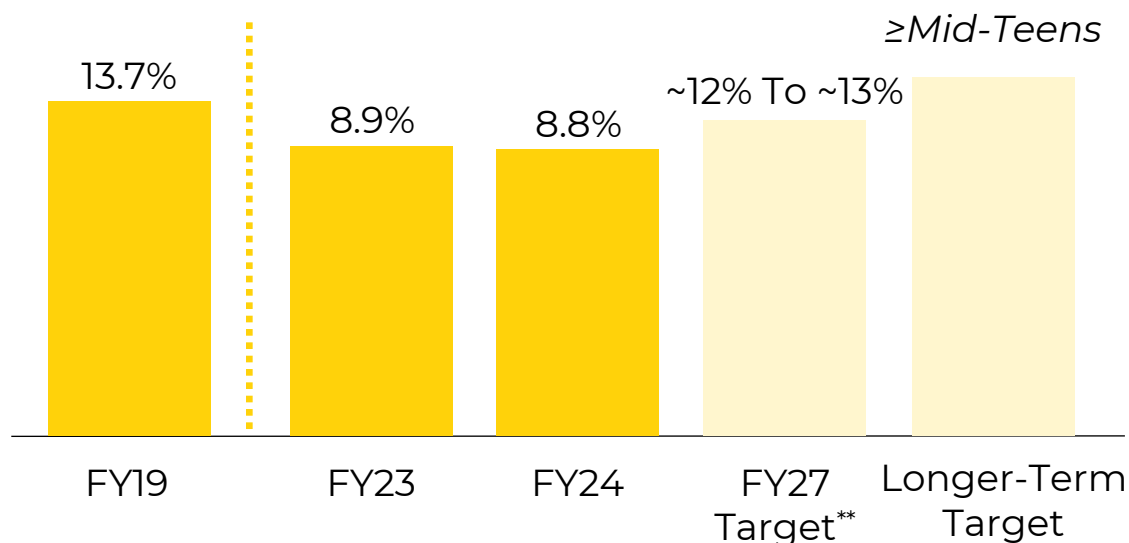
*Non-GAAP Financial Measure. Refer To Appendix For Additional Information On Net Earnings And Other GAAP And Non-GAAP Financial Measures.

**As A Percentage Of GAAP NI

Returns Are A Key Measure Of Our Long Term Success

We Are Focused On Improving Returns To $\geq$ 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.

**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.

Why Invest?

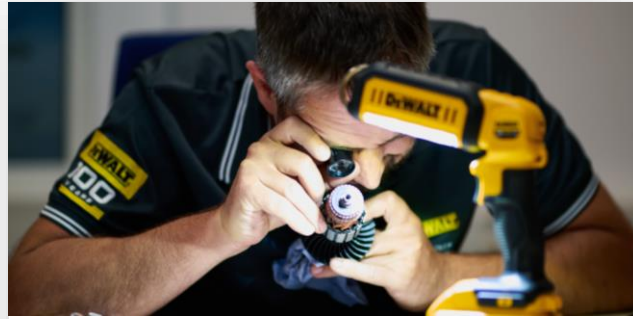
We See Significant Value Creation Potential In The Short, Medium And Long-Term

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 4.30.25 Earnings Call

2025 Planning Scenario

Total Company	FY'25
Total Revenue** VPY	+Low Single Digits
Currency & Divestitures VPY	(-Low Single Digits)
Organic Revenue*	+Low-To-Mid Single Digits
Price	+Mid Single Digits
Volume	(-Low Single Digits)
Adjusted EBITDA Margin*	Positive YoY
Earnings Per Share	\$3.30 (+/- \$0.15)
Adjusted EPS*	~\$4.50
Free Cash Flow*	≥\$500M

U.S. Volume Sensitivity

~\$0.13 Adj. EPS* = 1-Point Of U.S. Volume
Contains Decremental To 20%-25% With Cost Control.
Similar Incremental Net of Growth Investment

Adj. EPS* Scenario Vs February

February Pre-Tariff Midpoint	\$5.25
Tariffs Net Of Price & Supply Chain Mitigation	~(\$0.75)
Lower Volume Offset By SG&A Cost Containment, FX, And Other Below-The-Line Items	Flat
Current Planning Scenario	~\$4.50

Other Planning Assumptions (Largely Consistent With February Assumptions)

Pre-Tax Non-GAAP Adjustments: ~\$195M-\$260M
Other Net*: ~\$285M
Net Interest Expense: ~\$320M
Depreciation*: ~\$365M | **Intangible Amortization:** ~\$150M
Capex: ~\$0.3B
Adjusted Tax Rate*: ~15% | **Shares:** ~153M
2Q'25: Planning For Positive Adjusted Pre-Tax Earnings*

*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 March 2025 Rates And Excludes The Impact Of Acquisitions And Divestitures Not Yet Consummated

Strategy To Successfully Navigate Tariffs

As Presented On 4.30.25 Earnings Call

Take Decisive Actions Designed To Position The Business For Success
With A Focus On Achieving Our Long Term Financial Objectives

Guiding Principles Remain Consistent

- ✓ Serve Our Customers And End Users During A Dynamic Period
- ✓ Implement Price Increases With A Long Term Perspective And To Protect Cash Flow
- ✓ Minimize Cost Increases Through Supply Chain Moves With Focus On Reducing China Supply For The U.S. And Increasing USMCA Compliance
- ✓ Continue Engaging With The U.S. Administration

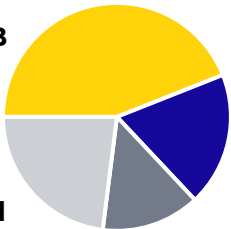
Current Circumstances

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

~\$2.9B - \$3.0B
U.S.

~\$1.5B - \$1.6B
Rest Of World

Top 4 ~75% Of ROW
Taiwan, Vietnam,
Malaysia, Thailand



~\$1.2B - \$1.3B
Mexico
~1/3 USMCA
Compliant

~\$0.9B - \$1.0B
China

**Potential
Incremental Impact**
As Of 04/29/2025

FY25 Net Of
Mitigation: ~(\$0.75) EPS

Assumes (Incr. Tariff)

China: 145%

Mexico: 25%

ROW: 10%

Steel/Aluminum: 25%

Industry Leading North American Footprint (>60% COS)

Mitigation Update

Judicious Approach To Pricing Actions

- High Single Digit Increase Effective in April
- Planning To Introduce Second Increase Effective The Beginning Of The Third Quarter

Accelerating Strategic Adjustments To Supply Chain With The Objective Of Mitigating Tariff Costs Over The Next 12-24 Months

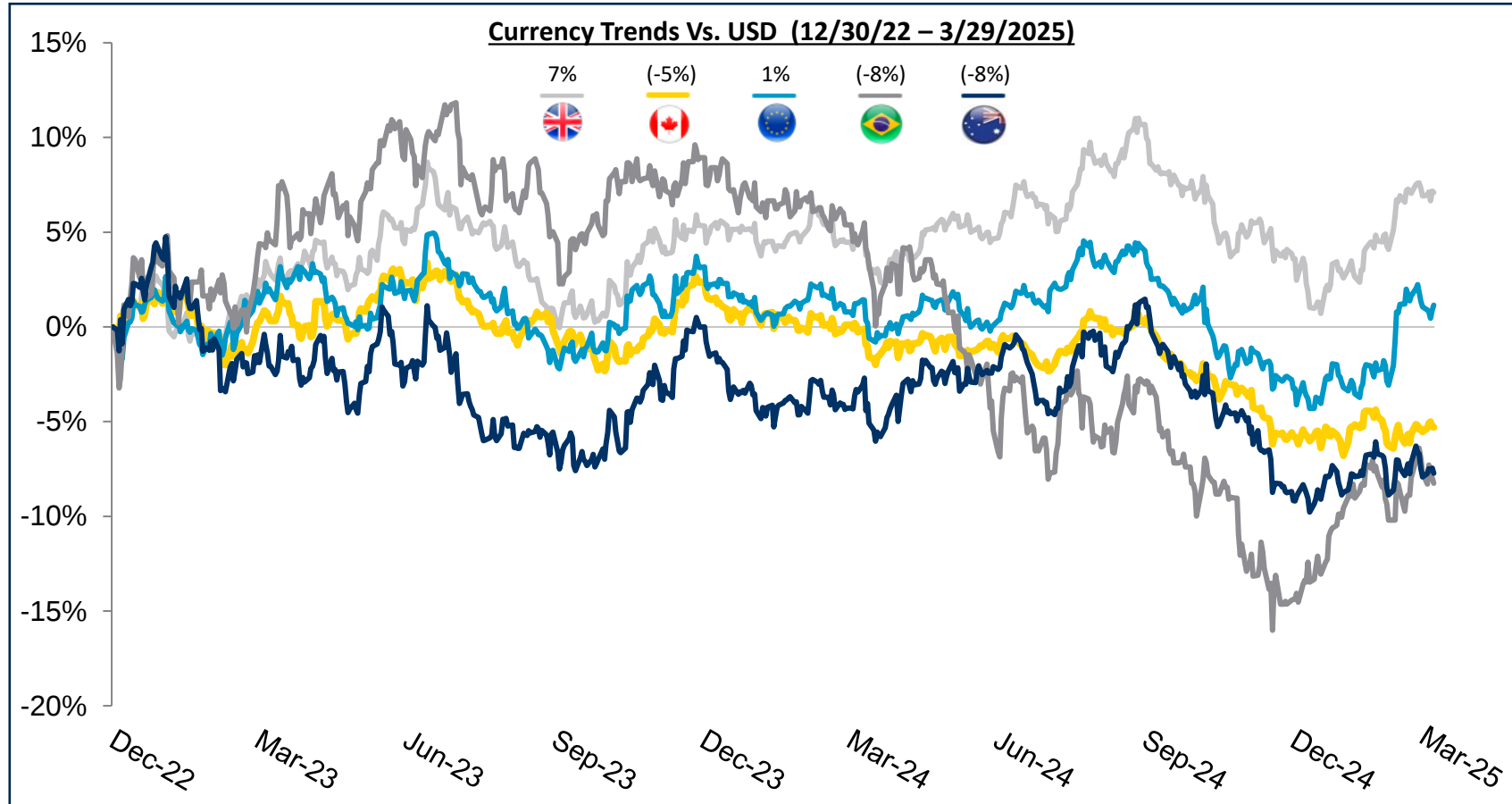
- Reduce Supply For The U.S. Coming From China
- Increase Amount Of Mexico Production That Is USMCA Compliant

**Exploring All Options As We Seek To Minimize The Impact Of Tariffs
On End Users While Balancing The Need To Protect Our Business**

*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.

**2024 Approximate Split Based On 2024 Country Of Origin

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: \$3.0M - \$4.0M
- BRL 1% Move: \$1.5M - \$2.5M
- AUD 1% Move: \$1.0M - \$2.0M

Broad U.S. Dollar Strength Contributes To Currency Headwinds



Tools & Outdoor

A Global Leader In Tools & Outdoor

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

DEWALT



CRAFTSMAN



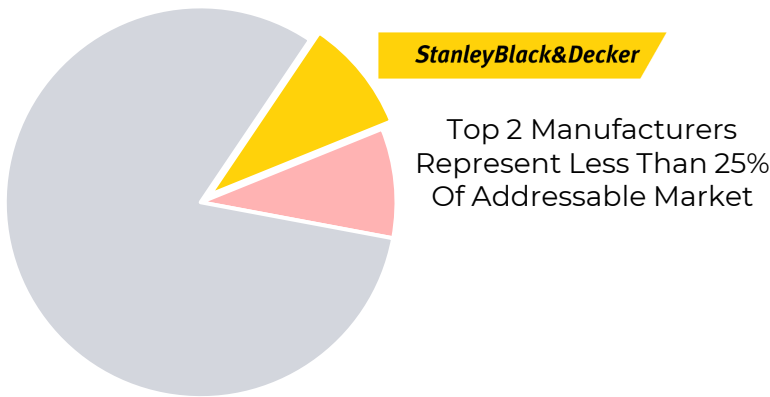
STANLEY



BLACK+
DECKER

Cub Cadet

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



✓ Priority Brands

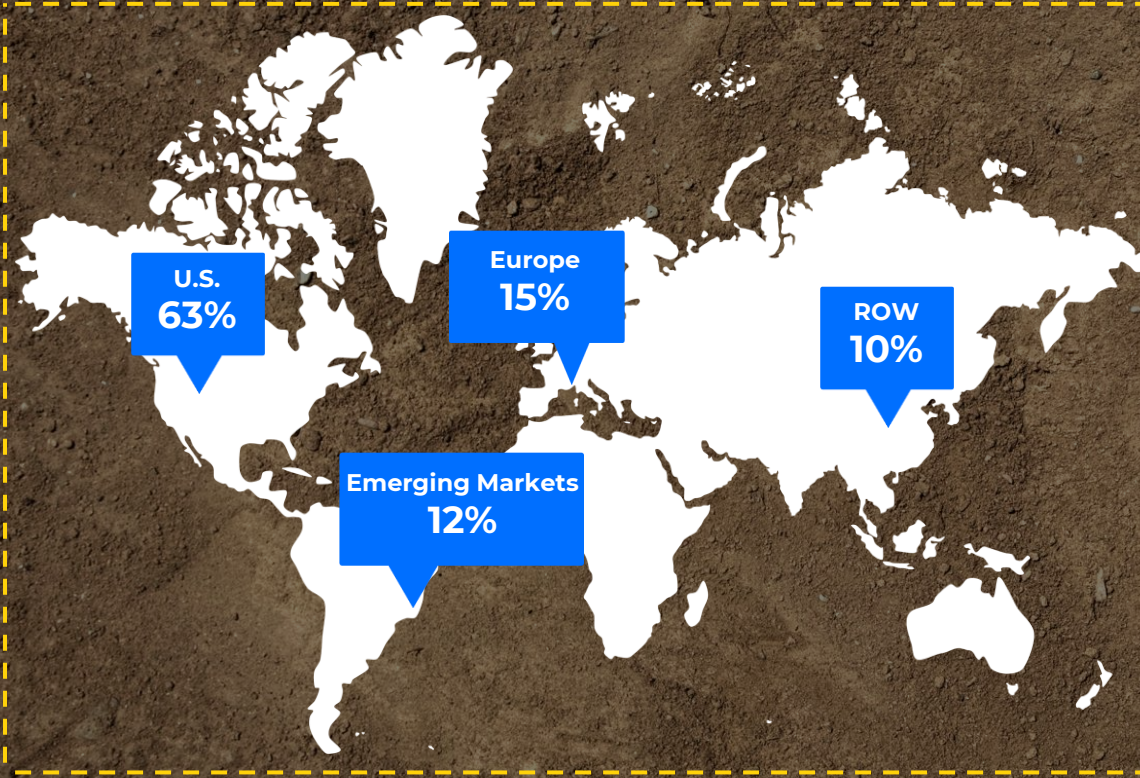
T&O 2024 Annual Revenue \$13.3B

Power Tools
Group
~49%

Hand Tools,
Accessories & Storage
~28%

Outdoor Power
Equipment
~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**

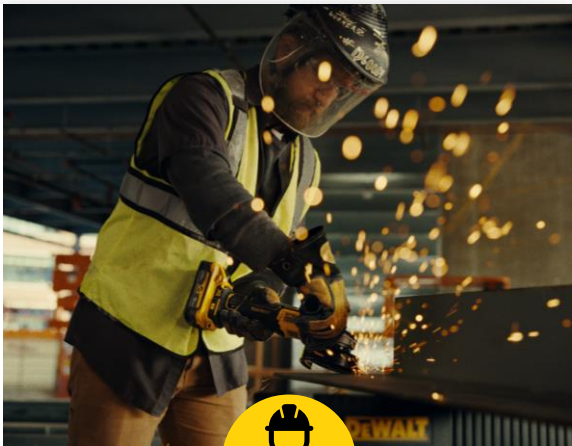


**Operational Excellence
Funds Growth**

...Building On This Solid Foundation To Accelerate Growth

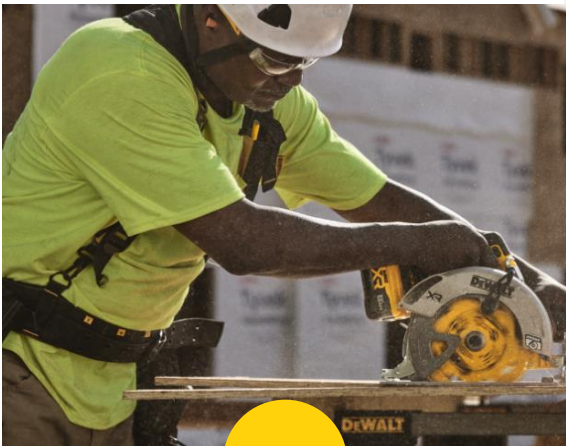
Innovation Addresses Professional End-User Needs

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



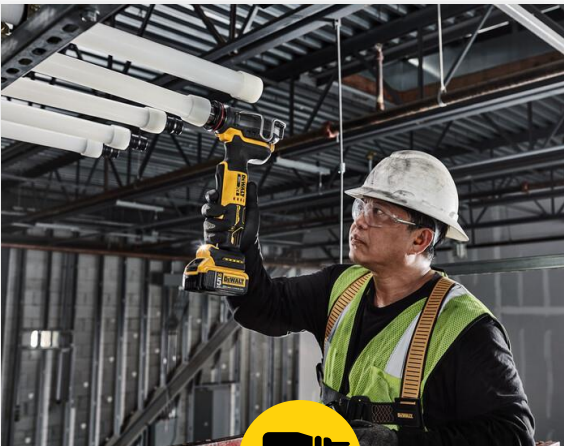
Safety Is Critical To A Productive Jobsite

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



DEWALT

LEADERSHIP
The World's Most Demanding Pros

Strengthen

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



STANLEY

REPUTATION
Resi Construction Professionals

Focus

- Products And Solutions That Are Essential For Small Construction Professionals



CRAFTSMAN

ACCOMPLISHMENT
Ambitious DIY Enthusiast

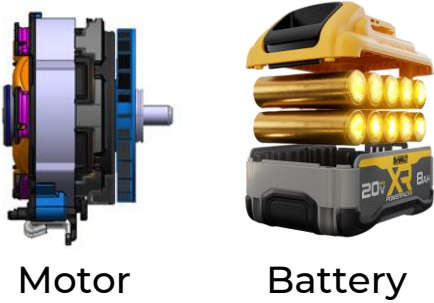
Scale

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

Elevating Our End-User Inspired Innovation Capabilities

Leading Technologies

Core Technology Enablers

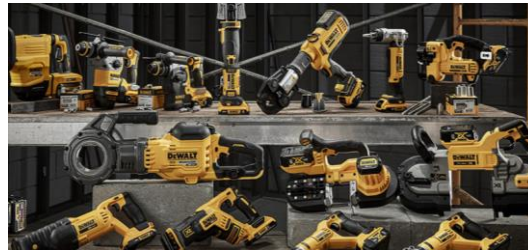


End-To-End Solutions

Total Carpentry Solutions



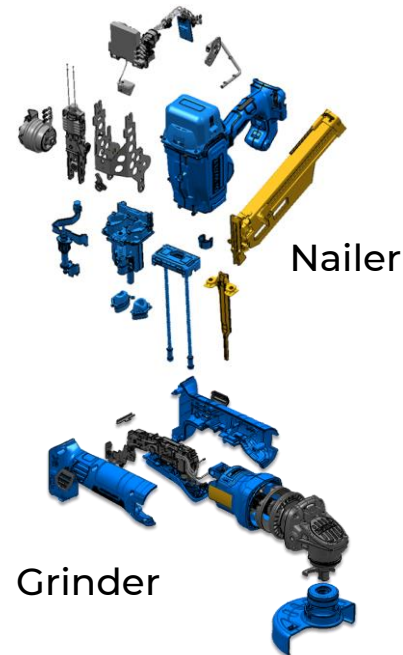
Total Mechanical, Electrical, Plumbing Solutions



Platforming

Drive Modular, Yet Customizable Designs

Product Platforms



Connected Ecosystems

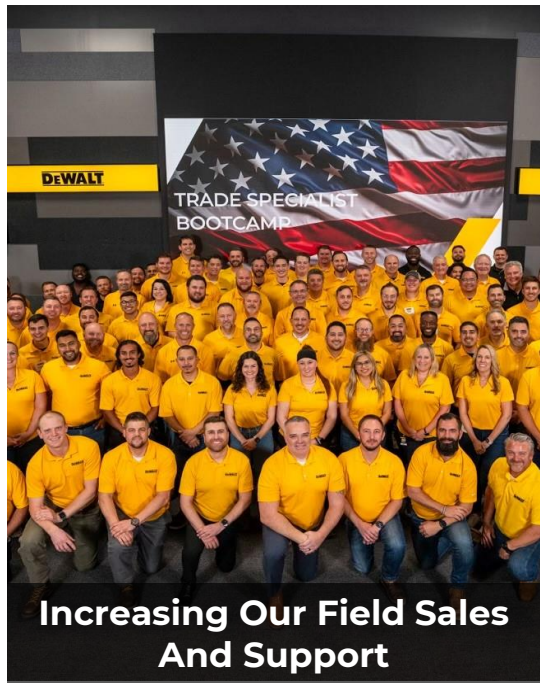
Provide End Users Safety Features & Productivity Through Tool Connectivity & Actionable Data



Multiple Pathways To Foster Growth And Meet End-User Needs

Enhance End-User Engagement

Marketplace Activation



Global Expansion



Access To End Users & Understanding User Needs Critical To Execute

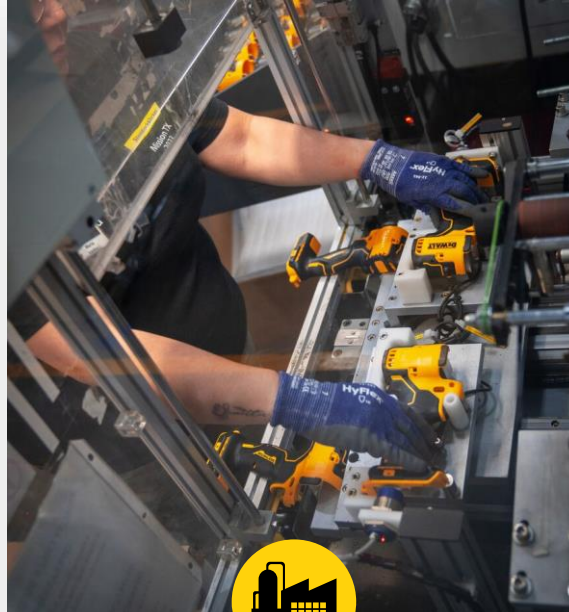
Developing Supply Chain That Delivers Competitive Advantage

An Engine For Future Margin Expansion



Innovation Excellence

Fast, Reliable And
Efficient Innovation +
Design To Value



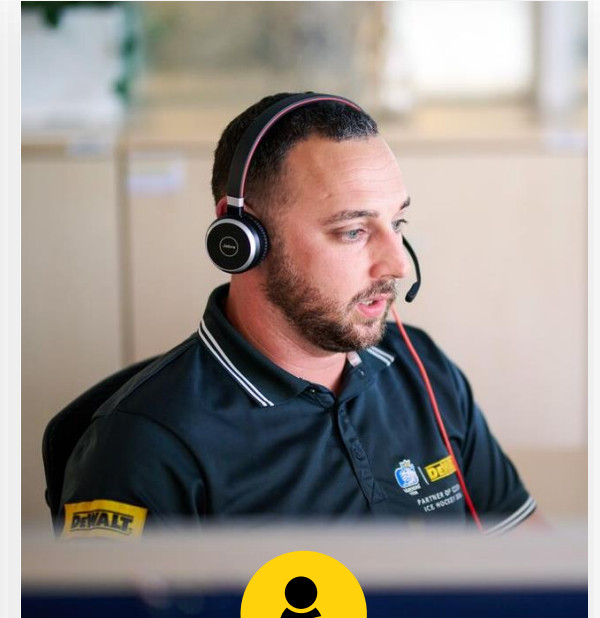
Network Strategy And Agility

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

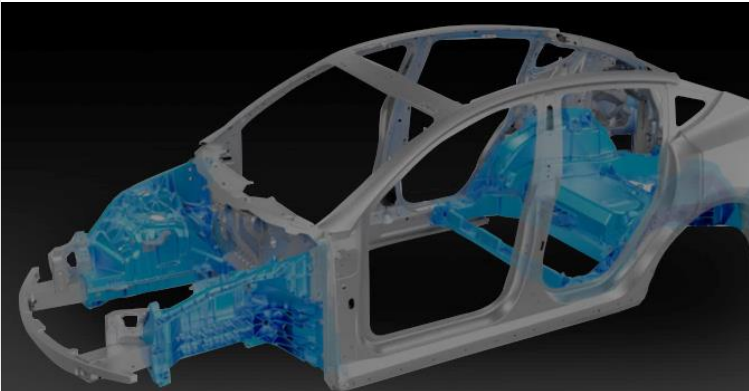


What We Do

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



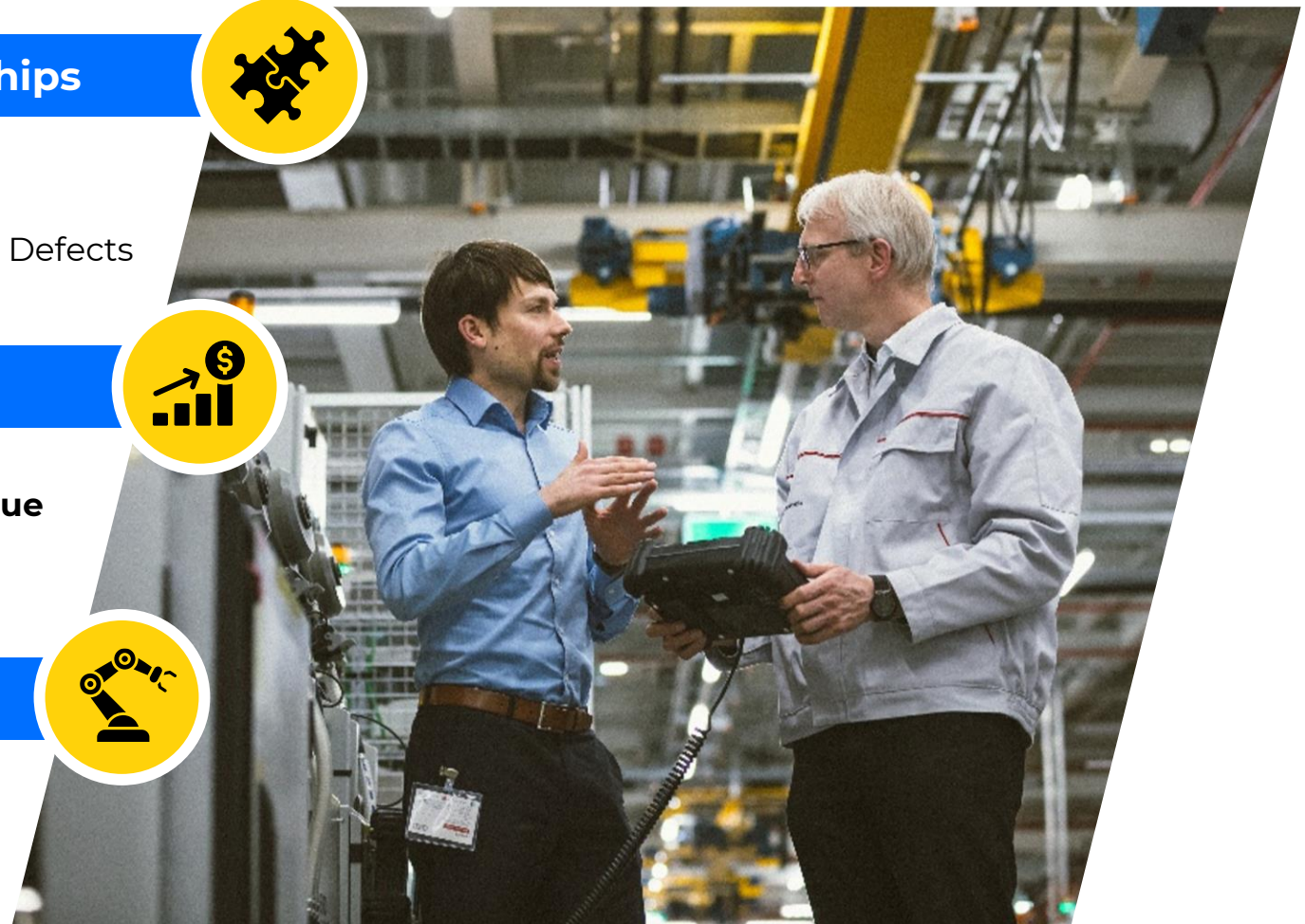
- Combined Technology **Drives Additional Customer Value**
- Clip → Stud → Equipment → Service → Spares

3

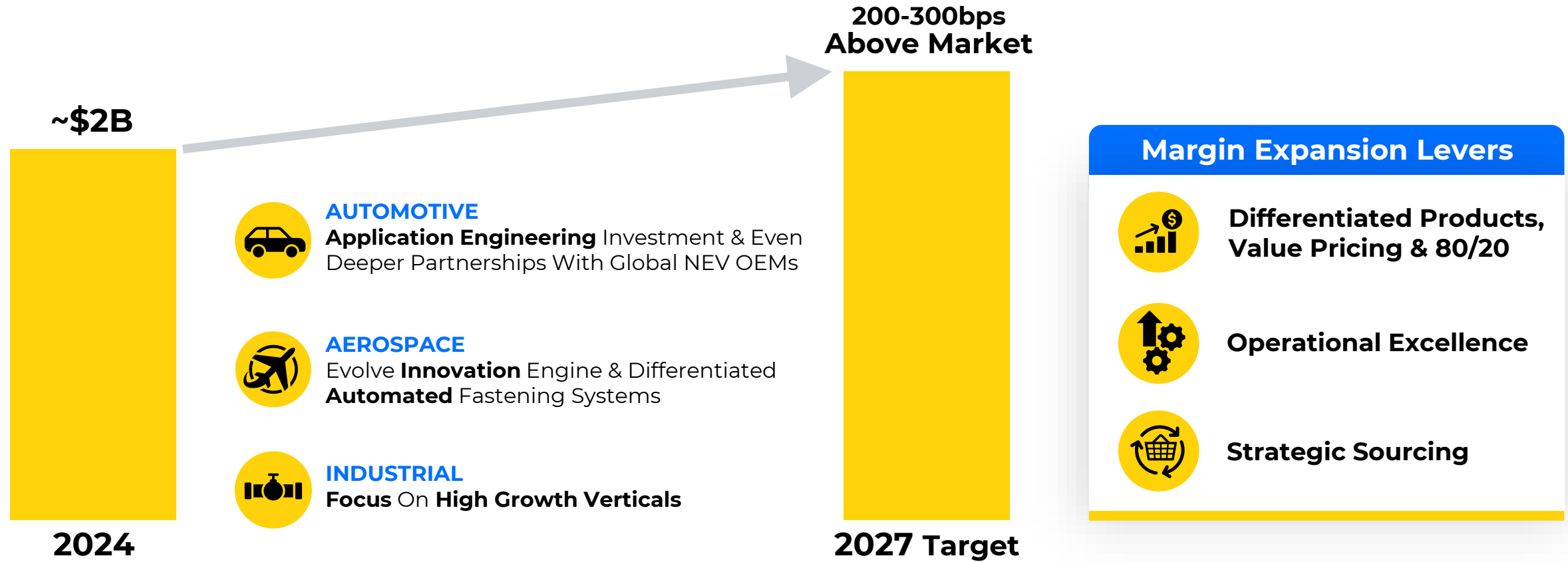
Leadership In Automation



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



Well-Positioned For Profitable Growth



Driving Sustainable Share Growth And Gross Margin Expansion

Appendix



End Categories

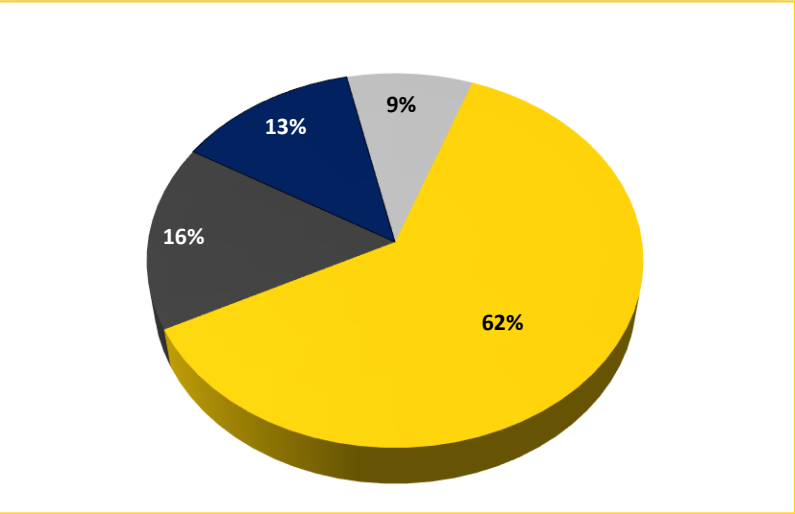
<i>End Categories - % Of Revenue*</i>	<i>Engineered Fastening</i>	<i>Tools & Outdoor</i>	<i>SWK</i>
Existing Residential / Repair / DIY	0%	23%	20%
New Residential Construction	0%	27%	24%
Non-Resi. / Commercial Construction	0%	16%	14%
Industrial & Automotive Repair	34%	11%	14%
Automotive OEM	49%	0%	6%
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.)

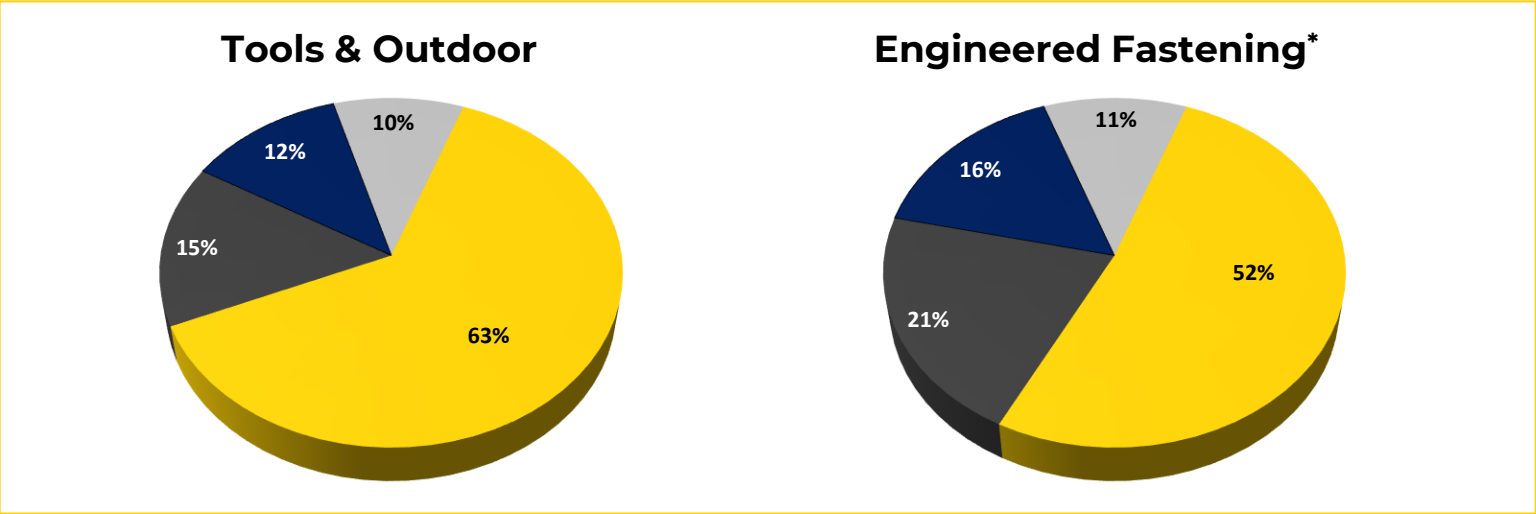
*2024 Actual Revenue Excludes STANLEY Infrastructure Business Which Was Divested On April 1, 2024
 Comm. Const. Includes Non-Retail, Office Buildings, Arenas/Stadiums, Hotels, Resorts, Cinemas, Etc.
 Industrial Includes Manufacturing, Utilities, Distribution, Power, Rail, Auto Repair, Etc.
 Other Includes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

Geographic Reach

Stanley Black & Decker



Segments



U.S. Europe Emerging Markets ROW

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

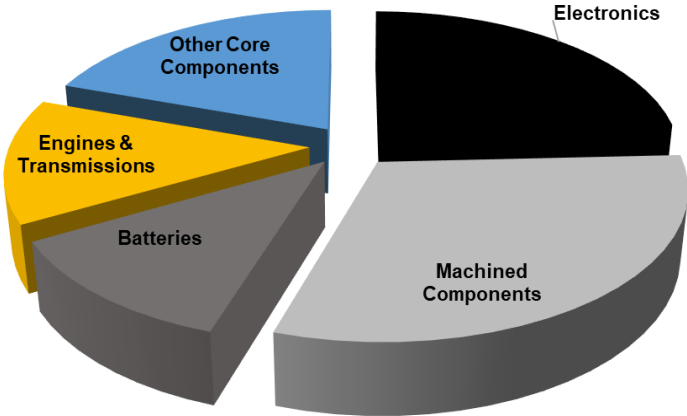
Percentages As Of Fiscal Year 2024 Totals
*Includes STANLEY Infrastructure Business Which Was Divested On April 1, 2024

Material Spend

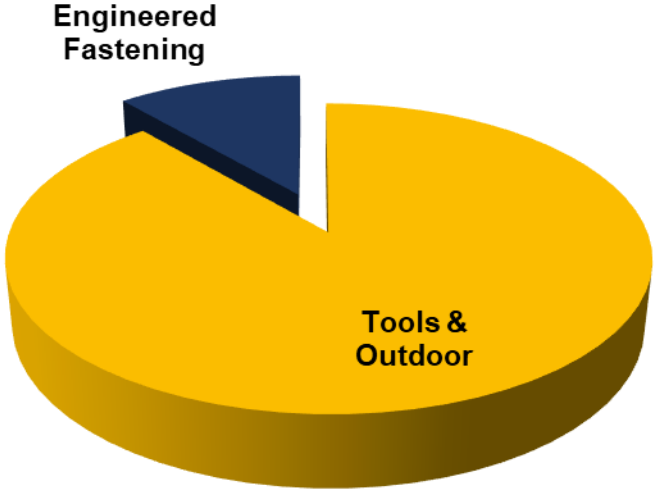
Direct Material Spend*

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

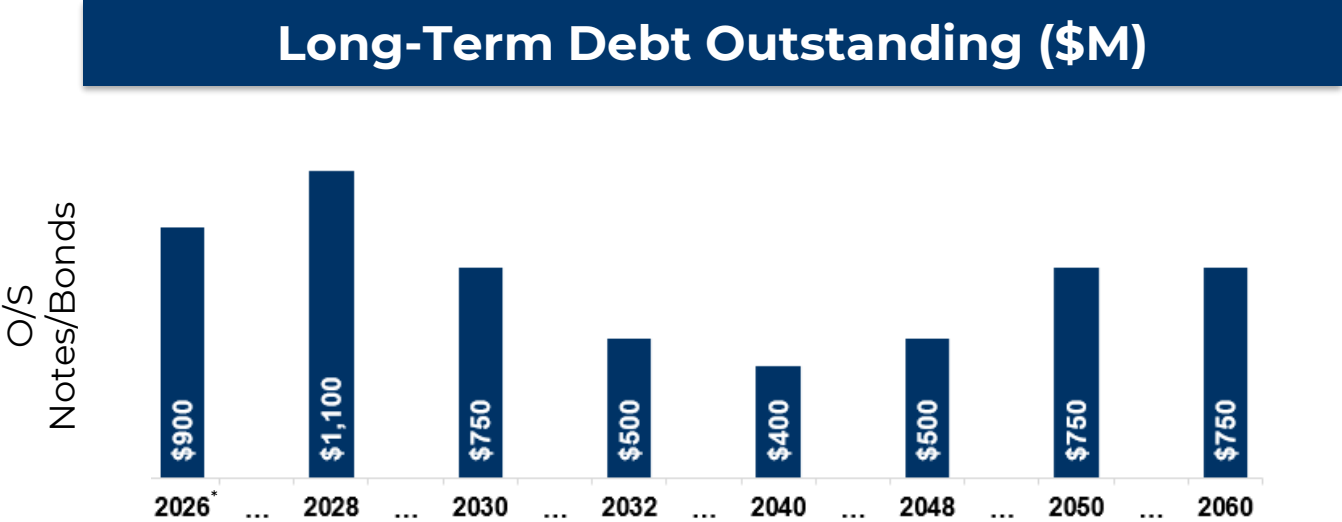
Near Term Liquidity Sources	
March 2025	
Cash Position	\$0.3B
Revolving Credit Facilities	\$3.5B
Total Near-Term Liquidity	\$3.8B

5-Year Agreement – June 2029

\$2.25B

364-Day Facility – June 2025

\$1.25B



Adequate Liquidity To Meet The Needs Of The Company

*~\$850M Of February 2026 Maturities On Balance Sheet Under Current Maturities Of Long-Term Debt, As Of March 29, 2025

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 and any foreign currency impacts. 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 percentage 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 percentage of sales. EBITDA is earnings before interest, taxes, depreciation and amortization. EBITDA margin is EBITDA as a percentage 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, environmental charges, acquisition and divestiture-related items, asset impairments, restructuring, and other adjusting items.

Management considers these metrics as key measures to assess actual, forecasted or targeted performance of the Company as a whole, as well as the applicable 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, forecasted full-year 2025 GAAP EPS excludes the impacts of potential acquisitions and divestitures, potential 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 not yet consummated.

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 generally 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%	+	\$1,793.6 22.1%
	\$22.0	=
FY 2023		
GAAP Gross Profit	Non-GAAP Adjustments	Non-GAAP Gross Profit
\$ 3,932.6 24.9%	+	\$4,099.5 26.0%
	\$166.9	=
FY 2024		
GAAP Gross Profit	Non-GAAP Adjustments	Non-GAAP Gross Profit
\$4,514.4 29.4%	+	\$4,603.2 30.0%
	\$88.8	=

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
	<u>1,687.7</u>	<u>1,485.6</u>	<u>1,359.3</u>
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*	<u>8,491.1</u>	<u>9,385.2</u>	<u>8,888.0</u>
Average Capital	<u>12,348.7</u>	<u>16,702.3</u>	<u>15,527.9</u>
CFROI¹	<u>13.7%</u>	<u>8.9%</u>	<u>8.8%</u>

*2-point average

¹CFROI 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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