

Stanley Black & Decker Reaffirms 2021 Guidance And Provides Strategic Update At Growth Summit

May 13, 2021

NEW BRITAIN, Conn., May 13, 2021 /PRNewswire/ -- Stanley Black & Decker (NYSE: SWK) hosted a virtual growth summit with investors today.

At the event, Stanley Black & Decker's leadership team provided an update on its growth catalysts and margin resiliency initiative, and detailed how each is critical to achieving the Company's long-term vision.

Stanley Black & Decker's CEO James M. Loree commented, "We have built a great company with a people-oriented culture that is powered by the SBD Operating Model and grounded by a dedication to performance, innovation and social responsibility. As we look to the future, we have an array of extraordinary growth opportunities in 2021 and beyond. We are harnessing powerful market trends and investing across the businesses to deliver sustained above-market organic growth and margin expansion."

Key messages from the day included:

- The Company is well-positioned for growth and margin expansion and expects to benefit from several key market demand trends which have been accelerated and amplified by the pandemic: the consumer reconnection with the home and garden, eCommerce, electrification and health and safety. At the event, management reviewed several revenue growth catalysts to capitalize on these trends, including the option to acquire the remaining 80% of MTD, which becomes available in July.
- The Company provided an update on its margin resiliency initiative, a technology-enabled transformative program that is expected to generate \$300 - \$500 million in cost savings over a 3-year period.
- The Company reinforced its commitment to corporate social responsibility, emphasizing its positive impact on society and the Company's performance. Management provided details on how the Company is addressing climate change in its operations, creating a culture that fosters diversity and inclusion, playing a role in addressing societal needs, pursuing responsible governance, and integrating ESG into its business strategies and products.

2021 Guidance:

Management reaffirmed its updated full year 2021 guidance as provided on April 28, 2021. The Company continues to expect its 2021 EPS outlook to be \$10.15 - \$10.55 on a GAAP basis and \$10.70 - \$11.00 on an adjusted basis. The Company also reiterated that it expects free cash flow to approximate GAAP net income.

The difference between 2021 GAAP and adjusted EPS guidance is \$0.45 - \$0.55, consisting of acquisition-related and other charges. These forecasted charges primarily relate to facility moves, deal and integration costs and functional transformation initiatives.

Donald Allan, Jr., President and CFO, commented, "Stanley Black & Decker's outlook for 2021 and beyond remains positive. We will continue to leverage the SBD Operating Model and margin resiliency to help us drive growth and margin expansion across our businesses. We are confident we have positioned the Company to deliver sustained above-market growth with operating leverage, strong free cash flow conversion and top-quartile shareholder returns over the long-term."

A video replay of the event will be available later today in the "Investors" section of the company's website at www.stanleyblackanddecker.com and will be available for 90 days.

[Stanley Black & Decker](http://www.stanleyblackanddecker.com), an S&P 500 company, is a leading \$14.5 billion global diversified industrial with 53,000 employees in more than 60 countries. The Company operates the world's largest tools and storage business; the world's second largest commercial electronic security company; and is a global industrial leader of highly engineered solutions within its engineered fastening and infrastructure businesses.

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CAUTIONARY STATEMENTS

Under the Private Securities Litigation Reform Act of 1995

This document 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 statements other than statements of historical fact are "forward-looking statements" for purposes of federal and state securities laws, including any projections or guidance of earnings, revenue or other financial items; any statements of the plans, strategies and objectives of management for future operations; any statements concerning proposed new products, services or developments; any statements regarding future economic conditions or performance; any statements of belief; and any statements of assumptions underlying any of the foregoing. Forward-looking statements may include, among other, the words "may," "will," "estimate," "intend," "continue," "believe," "expect," "anticipate" or any other similar words.

Although the Company believes that the expectations reflected in any of its forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in any of its forward-looking statements. The Company's future financial condition and results of operations, as well as any forward-looking statements, are subject to change and to inherent risks and uncertainties, such as those disclosed or incorporated by reference in the Company's filings with the Securities and Exchange Commission.

Important factors that could cause the Company's actual results, performance and achievements, or industry results to differ materially from estimates or projections contained in its forward-looking statements include, among others, the following: (i) successfully developing, marketing and achieving sales from new products and services and the continued acceptance of current products and services; (ii) macroeconomic factors, including global and regional business conditions (such as Brexit), commodity prices, inflation and deflation, and currency exchange rates; (iii) laws, regulations and governmental policies affecting the Company's activities in the countries where it does business, including those related to tariffs, taxation, data privacy, anti-bribery, anti-corruption, government contracts and trade controls such as section 301 tariffs and section 232 steel and aluminum tariffs; (iv) the economic, political, cultural and legal environment of emerging markets, particularly Latin America, Russia, China and Turkey; (v) realizing the anticipated benefits of mergers, acquisitions, joint ventures, strategic alliances or divestitures, including the successful integration of the CAM acquisition into the Company; (vi) pricing pressure and other changes within competitive markets; (vii) availability and price of raw materials, component parts, freight, energy, labor and sourced finished goods; (viii) the impact the tightened credit markets and change to LIBOR and other benchmark rates may have on the Company or its customers or suppliers; (ix) the extent to which the Company has to write off accounts receivable or assets or experiences supply chain disruptions in connection with bankruptcy filings by customers or suppliers; (x) the Company's ability to identify and effectively execute productivity improvements and cost reductions; (xi) potential business and distribution disruptions, including those related to physical security threats, information technology or cyber-attacks, epidemics, pandemics, sanctions, political unrest, war, terrorism or natural disasters; (xii) the continued consolidation of customers, particularly in consumer channels and the Company's continued reliance on significant customers; (xiii) managing franchisee relationships; (xiv) the impact of poor weather conditions and climate change; (xv) maintaining or improving production rates in the Company's manufacturing facilities, responding to significant changes in customer preferences, product demand and fulfilling demand for new and existing products, and learning, adapting and integrating new technologies into products, services and processes; (xvi) changes in the competitive landscape in the Company's markets; (xvii) the Company's non-U.S. operations, including sales to non-U.S. customers; (xviii) the impact from demand changes within world-wide markets associated with homebuilding and remodeling; (xix) potential adverse developments in new or pending litigation and/or government investigations; (xx) the incurrence of debt and changes in the Company's ability to obtain debt on commercially reasonable terms and at competitive rates; (xxi) substantial pension and other postretirement benefit obligations; (xxii) potential regulatory liabilities, including environmental, privacy, data breach, workers compensation and product liabilities; (xxiii) attracting and retaining key employees, managing a workforce in many jurisdictions, work stoppages or other labor disruptions; (xxiv) the Company's ability to keep abreast with the pace of technological change; (xxv) changes in accounting estimates; (xxvi) the Company's ability to protect its intellectual property rights and associated reputational impacts; and (xxvii) the continued adverse effects of the COVID-19 pandemic and an indeterminate recovery period.

Additional factors that could cause actual results to differ materially from forward-looking statements are set forth in the Annual Report on Form 10-K and in the Quarterly Report on Form 10-Q, including under the heading "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and in the Consolidated Financial Statements and the related Notes.

Forward-looking statements in this press release speak only as of the date hereof, and forward-looking statements in documents attached that are incorporated by reference speak only as of the date of those documents. The Company does not undertake any obligation to update or release any revisions to any forward-looking statement or to report any events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except as required by law.

The logo for StanleyBlack&Decker, featuring the company name in a bold, black, sans-serif font. The text is set against a yellow background that is shaped like a diagonal banner or a stylized 'S'.

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