

***StanleyBlack&Decker***

# STANLEY BLACK & DECKER

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Don Allan – Senior Vice President & CFO

Raymond James 36th Annual Institutional Investors Conference  
Monday, March 2, 2015



# Cautionary Statements

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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 2014 Annual Report on Form 10-K 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 also contains non-GAAP financial information, including CFROI. 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 other non-GAAP measures are provided in our annual SEC filings announcing financial results. We use this information in our internal analysis of results and believe that this information may be informative to investors.

# A Diversified Global Leader

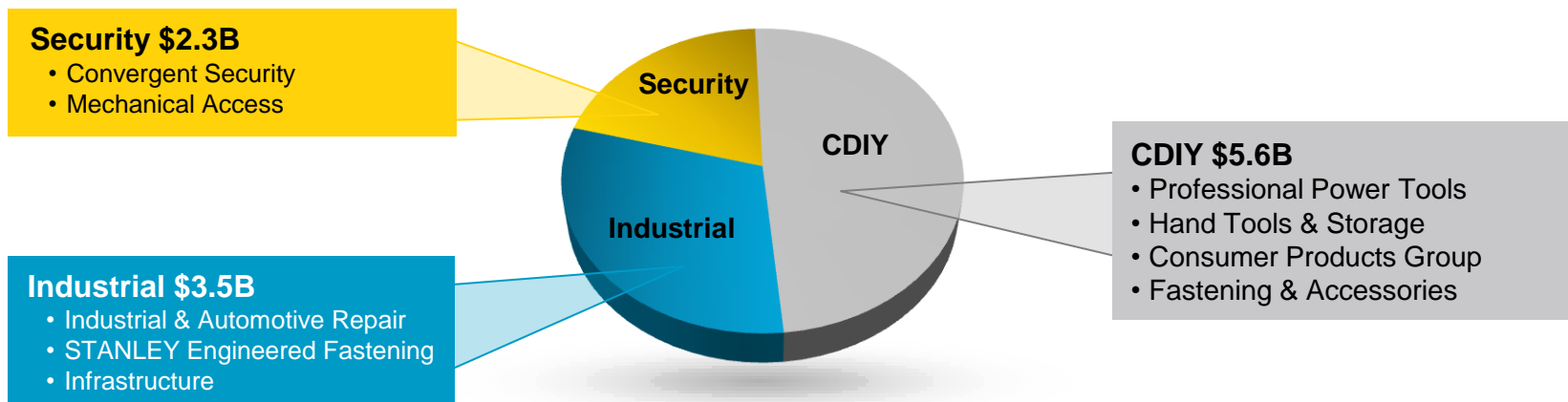
## Stanley Black & Decker (NYSE: SWK)

2014 Revenue: ~\$11.3B

Market Cap: \$15.6B

Cash Dividend Yield: 2.1%

Dividend Paid Consecutively For 138 Years; Increased For Past 47 Consecutive Years



**Building World Class Branded Franchises With Sustainable Strategic Characteristics That Create Exceptional Shareholder Value**

# Full Year 2014 Highlights

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- Revenues Up 4% | +5% Organically Driven By CDIY (+7%) & Industrial (+5%)
- 2014 Diluted EPS Of \$5.67\* (+14% VPY) | GAAP EPS Of \$5.37
- OM Up 90 Bps VPY To 13.6%\* | Price & Cost Management More Than Offset \$85M Currency Headwinds
- Achieved Record FCF Of ~\$1B | Working Capital Turns Expanded To 9.2T (+1.1T)
- Cash Flow Return On Investment (CFROI) Improved 390 Bps To ~13%
- In Summary:
  - Strong Organic Growth Supported By Innovation And 2013 Investments
  - Europe Security Continues To Make Progress On Its Multi-Year Transformation
  - Deleveraging Targets Met & Commenced Share Repurchase Program

***Significant Progress Made In 2014 Towards Our Long-Term Financial Objectives***

# Global Franchises – Long-Term Value Drivers

**A Company With Established, Global Franchises With A Portfolio Of Well Managed Brands**

Business Value Drivers	
<p><b>#1 In Tools &amp; Storage</b></p> <p>- CDIY - IAR</p>	<ul style="list-style-type: none"> <li>• Brands</li> <li>• Innovation</li> <li>• Global Scale                             <ul style="list-style-type: none"> <li>– Power <u>AND</u> Hand Tools</li> <li>– Construction <u>AND</u> Industrial</li> <li>– Developed &amp; Developing Market Products</li> </ul> </li> </ul> <p><b>The Tool Company To Own</b></p>
<p><b>#2 In Engineered Fastening</b></p>	<ul style="list-style-type: none"> <li>• Highly Engineered, High Value Added Solutions</li> <li>• Recurring Revenue Model</li> <li>• Global Scale</li> </ul> <p><b>High Profitability; GDP+ Growth</b></p>
<p><b>#2 In Commercial Electronic Security Services</b></p>	<ul style="list-style-type: none"> <li>• Electronic And Mechanical</li> <li>• High Value Added Vertical Market Solutions</li> <li>• Recurring Revenue Model</li> <li>• CapEx Light Vs. Resi Model</li> <li>• Global Footprint</li> </ul> <p><b>Europe Provides Large Margin Accretion Opportunity Longer Term</b></p>

**Asset Efficiency And Customer Level Execution Aided By Stanley Fulfillment System**

# Strategic Framework

## Continue Portfolio Transition Momentum

- Accelerate Organic Growth
- Mix Into Higher Growth, Higher Margin Businesses
- Increase Relative Weighting Of Emerging Markets (Goal = 20%+)

## Be Selective And Operate In Markets Where:

- Brand Is Meaningful
- Value Proposition Is Definable And Sustainable Through Innovation
- Global Cost Leadership Is Achievable

## Pursue Acquisitive Growth On Multiple Fronts

- Opportunistically Consolidate Tool Industry And Strengthen The Core
- Expand Industrial Platform (Engineered Fastening | Infrastructure)

## Accelerate Progress Via Stanley Fulfillment System

# Summary

## What's Next?

### Focus Areas

- Strong Organic Growth Levels Versus Market
- Operating Leverage | Margin Expansion
  - Security Turnaround
  - Tight Cost Controls
  - Price Management
- Continued Dividend Growth
- Near Term Repurchases
- Resumption Of Acquisitions - Late 2015 / Early 2016

### Long-Term Goals

- 4 – 6% Organic Growth
- 15%+ Operating Margin
- 10 Working Capital Turns
- 20%+ From Emerging Markets
- 12 – 15% CFROI

***Growth | Expanding Margins | Increasing Cash Flow***

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