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PRESENTATION

Nigel Edward Coe - *Wolfe Research, LLC - MD & Senior Research Analyst*

Good afternoon. Thanks for joining us. My name is Nigel Coe from Wolfe Research, and I'm pleased to introduce Stanley Black & Decker to our 14th Annual Global Industrials and Transports Conference. Very pleased to introduce Don Allan, our President and CFO, with Stanley Black & Decker; and Lee McChesney, who is VP of Treasury and CFO of Tools & Storage Group. Sorry, Lee, I'm not sure if you're SVP or VP, so I apologize if I got that wrong.

So Don is going to make some prepared remarks for the first 5, 10 minutes. Before I hand over to Don, just a reminder that if you have any questions, please lock those questions in the box. And I'll start partway through and take any questions.

So Don, over to you. Thank you.

Donald Allan - *Stanley Black & Decker, Inc. - President & CFO*

Great. Thank you, Nigel. So I'm going to walk through 3 pages for probably about 10 minutes max, and then we'll get to Q&A. But just a little bit of a refresher on Stanley Black & Decker. And then we also had a Growth Summit about 2 weeks ago virtually, which we were really able to walk through all the significant growth catalysts that we see for our company going forward. And so I'd like to do a little bit of a refresher on that in a couple of pages as well.

So if we move to the next page in the presentation, probably past the cautionary statements. It's an overview of the company, looking at the 3 different segments of tools and storage, industrial and security. I'm talking slow so we can move the slides, but we have a little malfunction. So I'll just keep going.

So many of you have seen this slide before. It's an overview of our 3 segments, shows market cap, shows our dividend yield and revenue numbers by the segments. And it really is making the point that we think we've created a set of platforms across Stanley Black & Decker that really allow us to differentiate versus our competitors while creating a vision when Jim became the CEO on top of the strategy of really kind of 3 pillars we wanted to almost double down strategically.

One is to become known for innovation beyond our industry, really be known across the business community as a company that's highly innovative. The second is continuing our top quartile performance, which we've had a long track record. And I showed that in the Growth Summit, some of the significant performances versus our peers in the market over the last 20 years in different time frames. And then being a company that has always been socially responsible but really enhancing that even further and making sure we're building upon our ESG initiatives and mission as a company.

So if we flip to the next page. As I mentioned, we had a really exciting Growth Summit about 2 weeks ago, which was a little more than 3 hours of time, and the key messages we wanted people to take from this is that we really believe we've built an outstanding company that is a people-oriented culture. It's very dedicated to performance, innovation and social responsibility, as you saw in the first page.

We also have demonstrated a strong track record of performance and shareholder return. We are well positioned to benefit from trends accelerated during the pandemic with an array of revenue growth catalyst, which I'll touch on in the next page. And we have developed a substantial tech-enabled program to support sustainable margin expansion in addition to the revenue growth opportunities that are in front of us. And we want people to take away that there's many organic revenue growth opportunities in our company for the next 3 to 4 years and beyond, but there's also a significant margin expansion opportunities that go along with that.

So if we shift to those revenue growth opportunities on the next page, you can see what these secular drivers are that we've been talking about for about 6 to 9 months externally. First is in our Tools & Storage business, which is e-commerce and the acceleration of e-commerce and the opportunities that we have to build upon the strong platform that we've created globally in e-commerce, not just in the United States, but globally. And then we have the Black & Decker initiative being overseen and led by Jeff Ansell with his amazing track record of really accelerating growth around some of our key brands, like you did with the Craftsman brand when we acquired that. Now he's going to try to do something and reinvigorate the Black & Decker brand. And I think he'll be incredibly successful with the team that he's built around him.

And then the reconnection with the Home & Garden, which has become a big part of what's emerged out of the pandemic, and we don't believe this is a short-term cycle. It's something that's going to continue for an extended period of time because our homes are going to be a center for many of us. So even as the vaccines around the world become more and more effective, many companies, including our own, is looking at hybrid models of returning to the office. And so that means you'll have many people that still will be spending a large amount of their time at home. And therefore, they're going to want to make sure that home is a very comfortable situation for not only their personal lives, but also what they have to do there professionally.

Electrification is the third area, which Graham Robinson did a great job at the Growth Summit, walking through the opportunity in engineered fastening as the automotive industry continues to shift towards electric cars. And then John Wyatt did an outstanding job talking about the outdoor opportunity to electrify many of the gas products that will come with the MTD acquisition, which we hope to complete by the end of this year and as we execute on the 80% option that we have out there. That is available for us to do that starting in July of 2021.

And then last but certainly not least, health and safety. In our security business, the security team has done a wonderful job of creating various solutions and products over the last 3 or 4 years that are very directed towards health and safety of employees or patients that's in a health care setting. These products and solutions are very relevant to a pandemic and post-pandemic world. And so they've created a lot of energy, and we believe they're going to demonstrate some really robust growth in the remaining 3 quarters of 2021 to show you how those particular initiatives are gaining traction within their world.

So we are excited about these growth catalysts. We think that they are going to be quite significant. I laid out a road map of over $1 billion of revenue opportunities on an annual basis coming from these different initiatives, building off a wonderful base from 2020 of $14.5 billion in revenue. And so we are incredibly excited about these growth catalysts. We think we're well positioned to capture and build upon these trends and accelerate them coming out of the pandemic.

So those are all my opening comments. Nigel, and I'll pass it back to you to open up to Q&A.

QUESTIONS AND ANSWERS

Nigel Edward Coe - *Wolfe Research, LLC - MD & Senior Research Analyst*

Great. Thanks, Don. That's was a good way to set things up. Maybe before I into my prepared questions, I thought maybe just pick up on some of the comments you made there. Now e-commerce, you talked about, I think, 20% of Tools & Storage sales go through e-commerce channels today. It's always struck me that e-comm could be a tremendous way to penetrate an emerging markets need. You referred to, I think, Latin America is one area where that's really taken hold. I'm just wondering pits like Southeast Asia, even China, to what extent is e-commerce really driving growth in those categories?

Donald Allan - *Stanley Black & Decker, Inc. - President & CFO*

Well, that's what's really interesting about the situation is that a lot of the growth that we have experienced in the short-term is really coming from mature markets, European markets, the North American market and some of the Latin American markets, too. But the opportunity going forward is not only to build upon those strong positions in mature markets, but how do we really double down or even triple down our efforts in certain emerging markets in Asia, such as China, such as Indonesia, India. And then there could be opportunities in Russia and some other Middle Eastern and northern African countries as well.

And then there's mature markets that maybe haven't really been penetrated very well by us, such as Germany and Japan, that we don't have large market shares where e-commerce can be a wonderful opportunity for us to really accelerate growth.

So when we look at all those different markets, we think the next 3 to 5 years, not only building upon the big base we have in the mature markets, the regions that I mentioned, but also focusing on all these other countries where we have relatively low market share. And the opportunity is not so much we're worried about disrupting the channel that we already have a large base, because we don't have a large base, we have a relatively small to midsized base. The opportunity is chasing this new e-commerce platform that really is more direct to the consumer versus a B2B platform.

Nigel Edward Coe - *Wolfe Research, LLC - MD & Senior Research Analyst*

And how do your e-com margins compare? I mean so obviously, you have to distinguish between where you maybe go through an e-com channel with the existing partner versus a direct-to-consumer. But when you got direct-to-consumer thereby certain venting traditional channels, how do those margins compare to sort of overall Tools & Storage margins?

Donald Allan - *Stanley Black & Decker, Inc. - President & CFO*

They're high. I mean as you might expect, they're -- it depends on the country. It depends on the product line. It depends on the brand, and it also depends on the distribution model. We have to make sure that we have a certain type of distribution model to get the product to the end consumer in the time frame that is expected in an e-commerce world. And so -- but given all that, it's still higher than it would be going through the more traditional channels and -- which is why we're really excited about this opportunity.

Nigel Edward Coe - *Wolfe Research, LLC - MD & Senior Research Analyst*

Great. So it's good to see you're getting some good momentum with the Black & Decker brand because that is an all-star brand that just hasn't been -- kind of hasn't found its, I guess, its momentum. What is the size of that brand today? And where do you think it can go? And I'm just thinking here about the way that Dewalt has grown from when you acquired it back in 2010 to where it's now. Just curious where you see the potential for Black & Decker to be in maybe 5 years' time?

Donald Allan - *Stanley Black & Decker, Inc. - President & CFO*

Yes. It's an interesting question because -- and I'll ask Lee and Dennis to give you the current size of the brand when I'm done with my comments. But the -- this could be a massive opportunity. It really could, because Black & Decker is a really powerful global brand. And folks in the U.S. don't always recognize it. They recognize it as a really strong U.S. brand that goes across so many different categories, small appliances, tools, outdoor products, et cetera. But when you get outside the United States, it could be a tradesman brand. It can be a consumer brand. And sometimes, it can even be a pro brand depending on the country that you're talking about. So it's even broader when you get outside the United States. And the opportunity is quite significant as a result.

And you -- to your point, it fits really the e-commerce channel incredibly well. And so because it has that breadth and it has that opportunity to go to so many different potential users of the products. It's why we're so excited about it. And I could guess at how big this could be, but I really think it's something that, over a long period of time, could be $5 billion, could be $10 billion. It's just -- it really depends how far you want to go and how broad you want to go with the brand, because Jeff is not looking at just tools. He's looking at really the centering around the home and how do you make this a lifestyle brand. And so it's about tools. It's about appliances. It's about outdoor equipment. It's all these different things that -- some of which we've seen before and some of which we haven't seen before this brand on. It's really known as a home brand in many markets around the globe, and that's why I think it could potentially be of that magnitude. Now it might take a decade or more to get to those types of numbers, but we'll see. How big is the brand today, folks?

Lee B. McChesney - *Stanley Black & Decker, Inc. - VP Corporate Finance & CFO of Tools & Storage*

It's pretty close to $1 billion.

Donald Allan - *Stanley Black & Decker, Inc. - President & CFO*

Yes. I was going to say that.

Lee B. McChesney - *Stanley Black & Decker, Inc. - VP Corporate Finance & CFO of Tools & Storage*

In Jeff's Growth story, if you go back and watch that video, when we started, we had about $1 billion, we've ended about $1 billion. It has had some ups and downs. And in some cases, we've built a business and then maybe purposely moved it to a different brand. So it's not a case of a net loss or in equation to Stanley Black & Decker. But to Don's point, what we've also seen is since we brought focus to Black & Decker, and really, it's only, I'll say, 9 months, now that really Jeff's formed his team and dove in, we've seen robust growth, so I think at or above what you've seen from Stanley Black & Decker. So early days.

But to Don's point, really excited with just even with what we started with, and that really hasn't brought forward the product road map that Don highlighted and some of the things we want to do across the globe. Black & Decker will be an important part of our e-commerce strategy around the world as we go forward here. So it will grow as a brand. We'll still do those traditionally, but it will be a very significant e-commerce brand as well.

Nigel Edward Coe - *Wolfe Research, LLC - MD & Senior Research Analyst*

If it takes 5 to 10 years, if you get to those kinds of numbers, that's still a meaningful contribution. So it feels like Black & Decker is going to be at least a couple of points, 2 or 3 points of growth over the next 5, 10 years. And then just thinking about that $1 billion of opportunities you talked about, Don, I just want to clarify that, that is for 2022. So if that's the case, you've got 5 or 6 points of kind of growth potential over and above whatever the market does in '22. Is that the right way to think about it?

Donald Allan - *Stanley Black & Decker, Inc. - President & CFO*

Exactly the right way to think about it. That's the way we're trying to position it is that make your prediction on what you think the market is going to do. If you're a bull and you think the market is going to continue to be strong, this would be on top of that. If it's -- you think there's going to be a bit of a retraction and some of this has been a bubble and this might help ensure that we maintain our base revenue performance in -- that we experienced here in 2021. And that was really the message we want to get across to everybody.

Nigel Edward Coe - *Wolfe Research, LLC - MD & Senior Research Analyst*

Right. Well, we'll definitely come back to '22 in a moment, but I just want to maybe if we could just switch attention to 2Q trends in terms of what we're seeing Q-to-date You gave some pretty specific ranges for 2Q. Just wondered if you maybe give us an update on what you're seeing so far.

Donald Allan - *Stanley Black & Decker, Inc. - President & CFO*

Yes. We're still aligned with those ranges. We're continuing to see strong demand in POS in our Tools & Storage business, which is aligned with the 30%, 40% range we gave for tools for the second quarter. And so we feel good about our ability to be within that range, maybe gravitating towards the high end of the range, but definitely in the range. And so trends are very positive from that perspective.

Globally, outside of the United States, we are seeing strength everywhere in our tools business. So this is -- as we saw in the first quarter, we're seeing the same dynamics. Emerging markets are strong, European markets are strong, and so is North America as well. And so that's a good sign as well that we're not seeing weakening in certain pockets. Now we do have countries like India that are experiencing some really horrible challenges, and so that market is certainly slower than we saw in the first quarter. But overall, when you look at emerging markets, still some powerful growth.

The other businesses, like industrial and security, we had -- we came out of the gate in April, in line with expectations, and so we feel good with how both those businesses are performing. We know we have some challenges within the industrial portfolio because there's different industries that are -- like the automotive production industry and the OEMs are really struggling with supply chain issues. So those have been some things that we had baked into our guidance that are really progressing along the lines we expected.

And security, that came out strong in the beginning of the quarter and demonstrated some really solid growth in line with what we're expecting for Q2. So overall, feel pleased with where we are. We're pretty much in the middle of the quarter right now.

Nigel Edward Coe - *Wolfe Research, LLC - MD & Senior Research Analyst*

Okay. Maybe one more on the quarter trends. Anything to note on inventory levels? Obviously, we heard from Lowe's and Home Depot last week. It seems like inventory is entering. May is still quite low relative to demand. So I'm wondering if you've seen any movements on inventories during the quarter.

And then the challenge that suggests Pro is off the scale strong and DIY is starting to moderate. Number one, do you concur with that? And secondly, is that a good mix for Stanley in terms of margin and pricing?

Lee B. McChesney - *Stanley Black & Decker, Inc. - VP Corporate Finance & CFO of Tools & Storage*

Sure. Okay. A couple of questions there. So Nigel, let's start with inventory levels, similar to what you heard last week for Depot and Lowe's, that's what we see so far. We really haven't made progress on inventory recovery. Now I would count that with product is getting to our channel partners, and then it's going out just as fast. So it's not going up. It's not going down. So that's still an opportunity, and it's part of our guidance for the back half of the year. As we said, we do hope to restock an inventory in the back half of the year across the globe. Now that will be subject to, obviously, the demand queues that are coming. And to Don's point earlier, we're certainly on a good trajectory right now through the second quarter. And indications to say that probably will continue, but we'll have to see in July where we are with that.

In terms of the trendness, I mean it's interesting. Certainly, the pro market, the industrial market continues to be very strong. As a reminder, that market really didn't start improving until the fourth quarter of last year. So in many cases, it's as strong as it's ever been in terms of going through the recovery right now. Projects that were held up for various reasons could be COVID-related, could be just a cautiousness. Those projects are now green lit. People know how to navigate in a COVID world with proper COVID restrictions, how to run jobs sites, how to run programs. So we're seeing really some of the strongest order levels we've seen before.

Yes. I mean, I think we are coming off to some more challenging comps. But right now, the dollars are still either, I'd say, maintaining or still slightly going up. So it's not a case of something is falling back. It's just a more challenging comp. I mean net-net, yes, there's some subtleties and differences in margins around the world. But right now with the type of volume we're talking about and then you mix it with all the actions we do around price and margin, there's not a material impact. It's -- frankly, it all nets to a positive. It's very much in line with the margin outlook we gave with our guidance in the second quarter.

Nigel Edward Coe - *Wolfe Research, LLC - MD & Senior Research Analyst*

Okay. That's great. And then obviously, margins, top of everyone's mind. I know it's questions you feel every day. So I apologize for training all ground here. But the 2Q sort of implied margin, I think, I don't want to get 2Q here, but it does imply that you're stepping down roughly a point or so Q-on-Q. And if I'm mistaken there, please correct me. Just wondering, what are some of the major moving pieces that we're seeing Q to Q? Because this feels like some of that raw material pressure is not in until the second half of the year. So just curious what you've seen in terms of cost inflation Q-to-Q and maybe some pricing as well.

Donald Allan - *Stanley Black & Decker, Inc. - President & CFO*

Yes. You're kind of hitting it right on the mark there, Nigel. You've got -- we're starting to see the impact at the end of the quarter here of inflation beginning to hit us. And so it's flowing into our P&L, and we'll get a full -- almost a full quarter impact of that in the third quarter and the fourth quarter, obviously. The pricing actions are well underway, and I'll have Lee articulate that in a little more detail. But those things -- those take times. There'll be a little bit of a timing issue associated with that as well.

Now there's an opportunity. We're being very aggressive with price. And so -- but we have to balance that against the relationships we have with our partners. But we're really looking at to saying this is a significant wave, what appears to be a sustainable wave inflation. And therefore, if it's sustainable, we should be really be looking at aggressive price actions across the globe. This is not unique to just our major partners in the North American markets. It relates to every customer across the globe. And so we've taken an approach of really looking at it saying, "Okay, if inflation is going to be this on an annualized basis based on what we're seeing in the current pricing, we should be looking at price actions that are reasonably close to that. If not, completely offset it, knowing that you may have some breakage and some things that result in maybe not getting full recovery over a period of time."

We're trying to break the dynamic of what we've seen historically where we may only get 30%, 50% in year 1 on price recovery. And then we cover the rest of it through other actions, whether it's additional productivity, cost reductions and those types of things. We're trying to make that percentage higher, but we've assumed that lower percentage in our guidance. And so the opportunity in the back half is really, do we have that big of a step down? Or does that step down really not occur because we're able to get the pricing actions in sooner than we really expected when we put guidance together?

Lee, maybe talk a little bit about how we're going about price and the approach we're taking.

Lee B. McChesney - *Stanley Black & Decker, Inc. - VP Corporate Finance & CFO of Tools & Storage*

Yes. Sure. I have several comments there. So as Don particularly there, this is a phenomena that everyone's dealing with, right? So first, you have to -- if you have supply in this very crazy demand environment, that's certainly an opportunity. And then you mix it, obviously, just the net impact of this inflation pressure.

We've been having these conversations going back now for about 45 days. Really, it could be the retail channels in the U.S. It could be the emerging markets and obviously everything in between. In some of those scenarios, the price changes is very quick. It's within 30 days. In some cases, it could be a 60-, 90-day window it takes to go into effect. Our goal with all of our communications is that by early in the third quarter that the abundance of our price actions will be in place in the marketplace, and that's something we're actively working through now. But I go back to Don's, but this is a time line like any other to have -- we've had these type of dollars in terms of the pace of it and then frankly, how wide -- how the breadth of it across the globe is an opportunity for us to leverage.

And also to Don's point on -- we gave guidance out kind of obviously can pick the midpoint. If we end up a little bit of the higher volume side, there's opportunity, frankly, to not have as much of a step-up we put into our guidance as well. We'll have to see how the quarter plays out that way on the revenue side.

Nigel Edward Coe - *Wolfe Research, LLC - MD & Senior Research Analyst*

Okay. But it sounds like the 30% to 50% is pretty much what you've had historically. And it sounds like you're trying to be more aggressive with those price actions than you've been historically. So that puts the 30% in context. Okay.

Donald Allan - *Stanley Black & Decker, Inc. - President & CFO*

Nigel, I'd also remind you, we do have our margin resiliency initiative, which we talked about always. So we have still $100 million of margin resiliency actions that were not part of that guidance, that 1/3 to 50%. Those are active projects. We talked quite a bit also in our growth initiative what we're doing there. And that's another area of opportunity to take that with those ratios and get it into the higher end of 50% as well. And we'll do that if we have to. If we can't get all the price you're looking for, and then there's also some potential dollars, some additional investment to do in this environment as well.

Nigel Edward Coe - *Wolfe Research, LLC - MD & Senior Research Analyst*

Great. Moving on to 2022. And again, doing some mental math here. You're looking for a down 3% or so in the second half of the year within Tools & Storage, I think, down those low digits is the number, which if you look at the year over 2 years, so taking the second half versus 2019 second half is roughly 6% to 8% per annum growth from that level, which would be very much in line with your trends. So my question is really assuming that COVID never happens and so you had a nice trend from 2019 to 2021, are you confident that once we get beyond the tough comps in 1Q '22, so there is a path to growth in the second half of 2022 in Tools?

Donald Allan - *Stanley Black & Decker, Inc. - President & CFO*

Absolutely. I feel pretty confident at this stage. I mean it's still early in 2021. But I think as we get deeper into this year, we're going to begin to realize that these market trends that we're experiencing, and I've been talking about it today a little bit in kind of 3 different categories. There's the do-it-yourself trend that's been going on. That is continuing, and I think there is a tail to that. And who knows how long that tail is. But there's a scenario where it does trickle in to some stage of next year.

Then there's the -- this surging proactivity that's quite significant both on the residential and commercial side. As you see more and more residential activity, construction activity happening, you're seeing this kind of reconfiguring of all these office spaces to hybrid collaboration centers that require a significant construction work and activity as well. We're experiencing that in our own buildings on our campus right now here in Connecticut. And so that's kind of that second wave of things that are happening.

And then there's this third likely wave that maybe doesn't emerge until next year, is what happens with the infrastructure build here in the United States and some other countries that are also looking at those types of investments for their infrastructure. And we don't know exactly how this is going to play out, but there seems to be alignment around both parties and doing something. The question is what's the magnitude? And is it $1 trillion? Is it below $1 trillion? Is it closer to the $1.7 trillion or $9 trillion that's being proposed currently. That is a significant kind of additional wave for us that really will emerge in 2022. And I think it's likely that, that could be the case.

And so when you think about those 3 ways, yes, you've got some comps that you're dealing with that are really kind of crazy in the first half of next year. But if the back half plays out with the current guide, then I think you position yourself with the opportunity to really minimize the challenge you have to overcome in the first half and demonstrate some stronger growth in the back half, which positions you for growth for the full year.

Nigel Edward Coe - *Wolfe Research, LLC - MD & Senior Research Analyst*

We got a question in the queue here, but if we do get infrastructure build along the lines of sort of what's out there in the open, how do you benefit? How do you see Stanley benefiting across these 3 segments?

Donald Allan - *Stanley Black & Decker, Inc. - President & CFO*

Do you want to take that, Lee?

Lee B. McChesney - *Stanley Black & Decker, Inc. - VP Corporate Finance & CFO of Tools & Storage*

Yes. Sure. So we've taken a look at that. We certainly like the investment side of the infrastructure, but I would say it's early in the development here. But I mean there's benefits really in all of our businesses with the infrastructure bill. So to Don's point, whether it's bridges and highways, things like that, that's certainly going to play out well in our global Tools & Storage business. If you think about electrification and the interest there, and we highlighted very well, Graham did in the Growth Summit with what -- how electrification could help our Engineered Fastening business, it could really, frankly, help bring some of the trends we've seen and accelerate them in the marketplace. And then certainly, where the security team plays, infrastructure could go in many places there and helpfully frankly just increase the opportunities for growth in that business.

But that's just scratching the surface on what we know now. Obviously, a lot more to be detailed. But to Don's point, that frankly hasn't been quantified yet as an additional opportunity for 2022 and beyond.

Nigel Edward Coe - *Wolfe Research, LLC - MD & Senior Research Analyst*

Right. I can't believe we're out of time almost. But one final question. I can't have a Q&A without mentioning MTD. So I mean, obviously, you're not -- it seems that you're committed to your exercise option. Question is, why wouldn't you exercise that on July 1, so that we have a full year in 2022? And my question really is to what extent are there alternative uses of capital between now and year-end? So any thoughts there would be helpful.

Donald Allan - *Stanley Black & Decker, Inc. - President & CFO*

Yes. I think the probability of us executing the option is very, very high. We've been messaging that for a while. We think it's time. We believe they've made the progress we were hoping they would make around the profitability of the business and getting it very close to 10%. It's probably going to end this year somewhere around 8% or 9%, maybe get to 10%. We'll see how that plays out. So we look at it and say, "Okay, we feel good about the progress that the MTD management team has really made along the lines that were pretty much what we expected at this stage."

Then it's like, okay, well, what would be the benefit of -- to us of not acquiring? And why would that make sense? And it's hard to really come up with a good reason to say let's let it linger for a year or 2, unless there was a really big capital allocation need that could drive significant strategic value for Stanley Black & Decker. And as of now, we don't really see that on the horizon. There's certainly capital allocation questions as should we buy back some of our stock and those types of things. But I think we can manage through that without significantly deferring MTD.

And so the probability is pretty high that we will acquire it, and I personally feel it's time for us to own it because when I look at it and start to get -- think about all the things that you heard at the Growth Summit 2 weeks ago and the wonderful opportunities that are in front of us, the margin enhancement improvement opportunities that exist with this business. And now maybe someday, you're looking at a platform that's somewhere between $5 billion to $10 billion in size, depending on what other acquisitions we do in the space, certainly leaning towards the $10 billion. We get really excited about it and say, "Hey, this is another significant growth catalyst for Stanley Black & Decker in addition to the organic ones we talked about at the Summit a few weeks ago. So I can't really come up with a rationale at this point that I would say we're going to defer it, and so it seems highly probable that we executed in July. It's got to go through the process that's required by the contract, the regulatory authorities, which means it probably closes sometime in the fourth quarter.

Nigel Edward Coe - *Wolfe Research, LLC - MD & Senior Research Analyst*

Great. Well, gents, thanks for the discussion. We're out of time, so we have to leave it there. But again, Don, Lee, thanks for your time, and we'll catch up soon. Thanks a lot.

Donald Allan - *Stanley Black & Decker, Inc. - President & CFO*

Yes. Good to see you, Nigel. Bye-bye.