

***StanleyBlack&Decker***

# STANLEY BLACK & DECKER

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Don Allan, SVP & CFO

Morgan Stanley Laguna Conference

Tuesday, September 16, 2014



# 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 2013 Annual Report on Form 10-K, subsequently filed Quarterly Reports on Form 10-Q, as well as our other filings with the Securities and Exchange Commission, 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. Reconciliations of non-GAAP measures are provided in our quarterly press releases 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)

2013 Revenue: ~\$11.0B

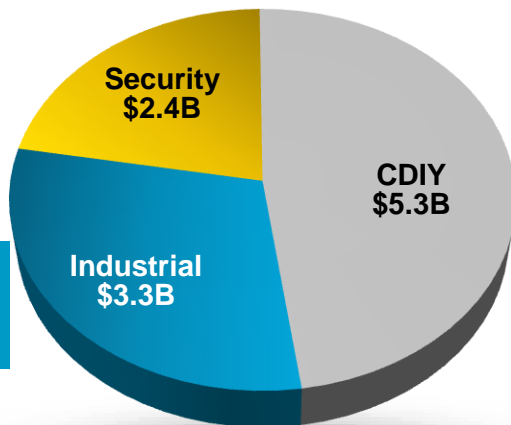
Market Cap: \$14.4B

Cash Dividend Yield: 2.3%

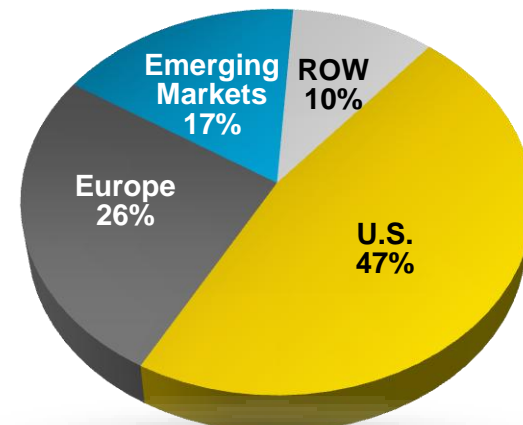
Dividend Paid Consecutively For 138 Years; Increased For Past 47 Consecutive Years

- Convergent Security
- Mechanical Access
- Healthcare

- IAR
- Engineered Fastening
- Infrastructure



- Professional Power Tools
- Hand Tools & Storage
- Consumer Products Group
- Fastening & Accessories



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

# 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>Niscayah Situation Provides Large Margin Accretion Opportunity</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 – **Moratorium:**

- Opportunistically Consolidate Tool Industry And Strengthen The Core
- Build On Existing Growth Platforms (Engineered Fastening And Security)
- Develop Infrastructure Growth Platform

## 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
- Continued Dividend Growth
- Near Term Repurchases & Modest Deleveraging
- Resumption Of Acquisitions Post M&A Moratorium

### 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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