

***StanleyBlack&Decker***

# STANLEY BLACK & DECKER

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Jim Loree, President & COO

Bernstein Strategic Decisions Conference

Wednesday, May 28, 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

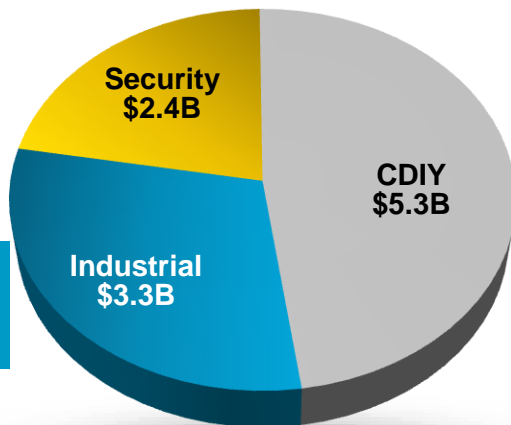
Market Cap: \$13.4B

Cash Dividend Yield: 2.4%

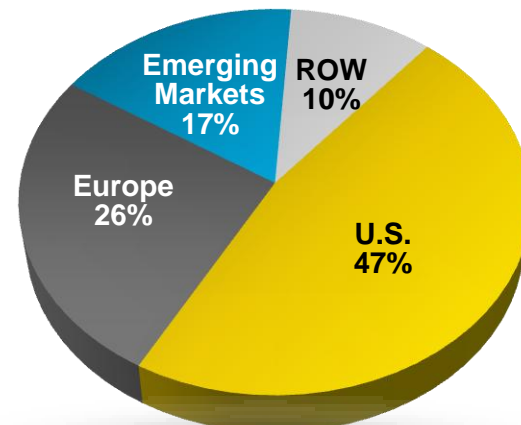
Dividend Paid Consecutively For 137 Years; Increased For Past 46 Consecutive Years

- 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> <ul style="list-style-type: none"> <li>- CDIY</li> <li>- IAR</li> </ul>	<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**

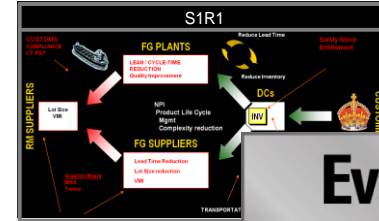
# How SFS Drives Efficiency & Customer Facing Execution

## S&OP

- Demand And Supply Synchronization
- Capacity Planning And Decisions



## Operational Lean



**Every  
Every DAY**

## Order-To-Cash Excellence

- Receivables Management

## Complexity Reduction

- SKU Efficiency
- Product Platforms



## Global Supply Management

- Strong Supplier Relationships
- Social And Environmental Responsibility

# Consistent Long-Term Strategic Framework

## Continue Portfolio Transition Momentum

- Accelerate Organic Growth
- Mix Into Higher Growth, Higher Margin Businesses
- Increase Relative Weighting Of Emerging Markets (Goal = 20%+ By 2016/2017)

## 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 (Security And Engineered Fastening)
- Develop Infrastructure Growth Platform

## Accelerate Progress Via Stanley Fulfillment System

# Revving Up Organic Growth

***A Major Initiative Is Well Underway Which Yields 3 Pts Of Incremental Growth...***

Emerging Markets	\$350M
Advanced Industrial Solutions	\$100M
Vertical Penetration	\$150M
Offshore Oil & Gas Pipeline Services	\$100M
Acquisition Revenue Synergies	\$150M
Total: \$850M	

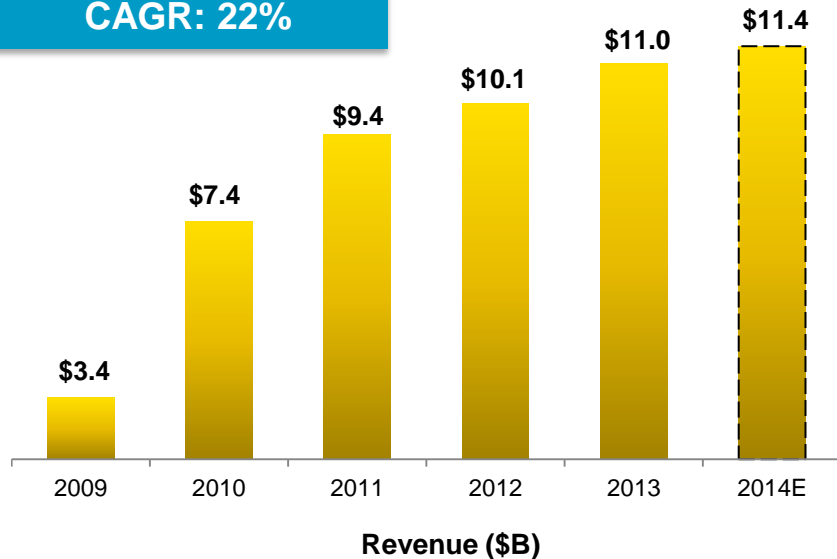
- Initiated To Drive Growth Toward Long-Term Objectives With No Help From The Macro Environment
  - Kicked Off In 2012 | Investments Placed In 2013
  - Delivering 2 Points Of Organic Growth In 2013/14
- Managed With Acquisition Integration Methodology And Rigor
  - Senior Executive Oversight
  - Robust Scorecard & Tracking Tools
- Building A Culture Oriented Toward Growth

***...Drives \$200M+ OM & Enables Strong Performance Against Target***

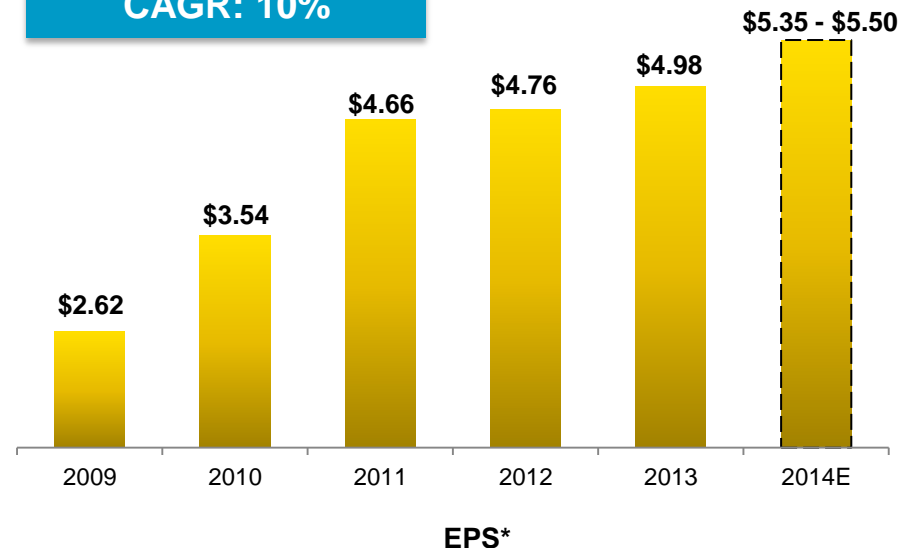
# Revenue & EPS: Historical & Projected Performance

**Merger With Black & Decker Drove Step Function Increase In Size**

2013 Five Year  
CAGR: 22%



2013 Five Year  
CAGR: 10%



**Solid EPS Growth Track Record... \$5.35 – \$5.50 EPS Guided For 2014**



# Summary

## *Continued Journey To Driving Value Creation*

### What To Expect

- 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

***Positioned For Strong Execution Despite Muted/Volatile Operating Environment***

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