

**STANLEY BLACK & DECKER, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited, Millions of Dollars Except Per Share Amounts)

	<b>FIRST QUARTER</b>	
	<b>2018</b>	<b>2017</b>
<b>NET SALES</b>	\$ 3,209.3	\$ 2,856.3
<b>COSTS AND EXPENSES</b>		
Cost of sales	2,043.6	1,790.3
Gross margin	1,165.7	1,066.0
<i>% of Net Sales</i>	36.3%	37.3%
Selling, general and administrative	785.6	690.3
<i>% of Net Sales</i>	24.5%	24.2%
Operating margin	380.1	375.7
<i>% of Net Sales</i>	11.8%	13.2%
Other - net	58.0	100.5
Gain on sales of businesses	-	(269.2)
Pension settlement	-	12.5
Restructuring charges	22.9	15.8
<i>Income from operations</i>	299.2	516.1
Interest - net	47.4	42.7
<b>EARNINGS BEFORE INCOME TAXES</b>	251.8	473.4
Income taxes	81.7	79.7
<b>NET EARNINGS</b>	170.1	393.7
Less: net loss attributable to non-controlling interests	(0.5)	-
<b>NET EARNINGS ATTRIBUTABLE TO COMMON SHAREOWNERS</b>	\$ 170.6	\$ 393.7
<b>EARNINGS PER SHARE OF COMMON STOCK</b>		
Basic	\$ 1.13	\$ 2.64
Diluted	\$ 1.11	\$ 2.60
<b>DIVIDENDS PER SHARE</b>	\$ 0.63	\$ 0.58
<b>WEIGHTED-AVERAGE SHARES OUTSTANDING (in thousands)</b>		
Basic	150,612	149,208
Diluted	153,905	151,526

**STANLEY BLACK & DECKER, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Unaudited, Millions of Dollars)

	<b>March 31, 2018</b>	<b>December 30, 2017</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 405.6	\$ 637.5
Accounts and notes receivable, net	1,986.1	1,628.7
Inventories, net	2,350.3	2,018.4
Other current assets	335.9	274.4
<i>Total current assets</i>	5,077.9	4,559.0
Property, plant and equipment, net	1,770.2	1,742.5
Goodwill and other intangibles, net	12,325.1	12,283.5
Other assets	510.0	512.7
<i>Total assets</i>	\$ 19,683.2	\$ 19,097.7
 <b>LIABILITIES AND SHAREOWNERS' EQUITY</b>		
Short-term borrowings	\$ 399.3	\$ 5.3
Current maturities of long-term debt	978.2	977.5
Accounts payable	2,172.7	2,021.0
Accrued expenses	1,260.0	1,387.7
<i>Total current liabilities</i>	4,810.2	4,391.5
Long-term debt	2,827.6	2,828.2
Other long-term liabilities	3,603.6	3,573.0
Stanley Black & Decker, Inc. shareowners' equity	8,439.2	8,302.2
Non-controlling interests' equity	2.6	2.8
<i>Total liabilities and shareowners' equity</i>	\$ 19,683.2	\$ 19,097.7

**STANLEY BLACK & DECKER, INC. AND SUBSIDIARIES**  
**SUMMARY OF CASH FLOW ACTIVITY**  
(Unaudited, Millions of Dollars)

	<b>FIRST QUARTER</b>	
	<b>2018</b>	<b>2017</b>
<b>OPERATING ACTIVITIES</b>		
Net earnings	\$ 170.1	\$ 393.7
Depreciation and amortization	123.6	101.5
Gain on sales of businesses	-	(269.2)
Changes in working capital <sup>1</sup>	(544.3)	(533.3)
Other	(98.8)	(6.8)
<i>Net cash used in operating activities</i>	(349.4)	(314.1)
<b>INVESTING AND FINANCING ACTIVITIES</b>		
Capital and software expenditures	(106.3)	(64.7)
Proceeds from issuances of common stock	13.1	17.3
(Payments) proceeds from sales of businesses, net of cash sold	(0.2)	744.8
Business acquisitions, net of cash acquired	(1.2)	(2,435.4)
Net short-term borrowings	382.0	1,156.7
Net investment hedge settlements	(17.5)	20.7
Cash dividends on common stock	(94.9)	(86.7)
Purchases of common stock for treasury	(11.4)	(13.5)
Premium paid on equity option	(57.3)	-
Proceeds related to deferred purchase price receivable	-	123.1
Effect of exchange rate changes on cash	27.9	38.1
Other	(16.7)	14.5
<i>Net cash provided by (used in) investing and financing activities</i>	117.5	(485.1)
<i>Decrease in cash, cash equivalents, and restricted cash</i>	(231.9)	(799.2)
<i>Cash, cash equivalents, and restricted cash, beginning of period</i>	655.1	1,177.2
<i>Cash, cash equivalents, and restricted cash, end of period</i>	\$ 423.2	\$ 378.0
<b>Free Cash Flow Computation<sup>2</sup></b>		
Operating cash outflow	\$ (349.4)	\$ (314.1)
Less: Capital and software expenditures	(106.3)	(64.7)
Free cash outflow (before dividends)	\$ (455.7)	\$ (378.8)
Impact of recently adopted accounting standards <sup>3</sup>		168.5
Free cash outflow (before dividends), as previously reported <sup>3</sup>		\$ (210.3)
<b>Reconciliation of Cash, Cash Equivalents and Restricted Cash</b>		
	March 31, 2018	December 30, 2017
Cash and cash equivalents	\$ 405.6	\$ 637.5
Restricted cash included in Other current assets	17.6	17.6
Cash, cash equivalents and restricted cash	\$ 423.2	\$ 655.1

<sup>1</sup> Working capital is comprised of accounts receivable, inventory, accounts payable and deferred revenue.

<sup>2</sup> Free cash flow is defined as cash flow from operations less capital and software expenditures. Management considers free cash flow an important measure of its liquidity, as well as its ability to fund future growth and to provide a return to the shareowners. Free cash flow does not include deductions for mandatory debt service, other borrowing activity, discretionary dividends on the Company's common stock and business acquisitions, among other items.

<sup>3</sup> Free cash flow as reported in the first quarter of 2017 was an outflow of \$210.3 million. As a result of the adoption of Accounting Standards Update ("ASU") 2016-15, "Classification of Certain Cash Receipts and Cash Payments" and ASU 2016-18, "Restricted Cash," first quarter 2017 free cash flow has decreased by \$168.5 million.

**STANLEY BLACK & DECKER, INC. AND SUBSIDIARIES**  
**BUSINESS SEGMENT INFORMATION**  
(Unaudited, Millions of Dollars)

	<b>FIRST QUARTER</b>	
	<b>2018</b>	<b>2017</b>
<b>NET SALES</b>		
Tools & Storage	\$ 2,215.8	\$ 1,894.9
Industrial	504.2	479.7
Security	489.3	481.7
<i>Total</i>	\$ 3,209.3	\$ 2,856.3
 <b>SEGMENT PROFIT</b>		
Tools & Storage	\$ 301.4	\$ 284.5
Industrial	80.5	85.1
Security	45.5	50.7
<i>Segment Profit</i>	427.4	420.3
Corporate Overhead	(47.3)	(44.6)
<i>Total</i>	\$ 380.1	\$ 375.7
 <b>Segment Profit as a Percentage of Net Sales</b>		
Tools & Storage	13.6%	15.0%
Industrial	16.0%	17.7%
Security	9.3%	10.5%
<i>Segment Profit</i>	13.3%	14.7%
Corporate Overhead	(1.5%)	(1.6%)
<i>Total</i>	11.8%	13.2%

**STANLEY BLACK & DECKER, INC. AND SUBSIDIARIES**  
**RECONCILIATION OF GAAP EARNINGS FINANCIAL MEASURES TO CORRESPONDING**  
**NON-GAAP FINANCIAL MEASURES**  
(Unaudited, Millions of Dollars Except Per Share Amounts)

	<b>FIRST QUARTER 2018</b>		
	<b>Reported</b>	<b>Acquisition- Related Charges &amp; Other<sup>1</sup></b>	<b>Normalized<sup>3</sup></b>
Gross margin	\$ 1,165.7	\$ 1.7	\$ 1,167.4
<i>% of Net Sales</i>	<i>36.3%</i>		<i>36.4%</i>
Selling, general and administrative	785.6	(16.4)	\$ 769.2
<i>% of Net Sales</i>	<i>24.5%</i>		<i>24.0%</i>
Operating margin	380.1	18.1	398.2
<i>% of Net Sales</i>	<i>11.8%</i>		<i>12.4%</i>
Earnings before income taxes	251.8	25.1	276.9
Income taxes	81.7	(18.0)	63.7
Net earnings attributable to common shareowners	170.6	43.1	213.7
Diluted earnings per share of common stock	\$ 1.11	\$ 0.28	\$ 1.39

<sup>1</sup> Acquisition-related charges and other relates primarily to facility-related charges, integration and consulting costs, and a tax charge related to recently enacted U.S. tax legislation.

	<b>FIRST QUARTER 2017</b>		
	<b>Reported</b>	<b>Acquisition- Related Charges &amp; Other<sup>2</sup></b>	<b>Normalized<sup>3</sup></b>
Gross margin	\$ 1,066.0	\$ 6.8	\$ 1,072.8
<i>% of Net Sales</i>	<i>37.3%</i>		<i>37.6%</i>
Selling, general and administrative	690.3	(10.7)	\$ 679.6
<i>% of Net Sales</i>	<i>24.2%</i>		<i>23.8%</i>
Operating margin	375.7	17.5	393.2
<i>% of Net Sales</i>	<i>13.2%</i>		<i>13.8%</i>
Earnings before income taxes	473.4	(211.2)	262.2
Income taxes	79.7	(14.1)	65.6
Net earnings attributable to common shareowners	393.7	(197.1)	196.6
Diluted earnings per share of common stock	\$ 2.60	\$ (1.30)	\$ 1.30

<sup>2</sup> Acquisition-related charges and other relates primarily to inventory step-up, integration and consulting costs and gain on sales of businesses.

<sup>3</sup> The normalized 2017 and 2018 information, as reconciled to GAAP above, is considered relevant to aid analysis of the Company's margin and earnings results aside from the material impact of the acquisition-related charges, gain on sales of businesses, and a tax charge related to recently enacted U.S. tax legislation, as applicable.

**STANLEY BLACK & DECKER, INC. AND SUBSIDIARIES**  
**RECONCILIATION OF GAAP SEGMENT PROFIT FINANCIAL MEASURES TO CORRESPONDING**  
**NON-GAAP FINANCIAL MEASURES**  
(Unaudited, Millions of Dollars)

	<b>FIRST QUARTER 2018</b>		
	<b>Reported</b>	<b>Acquisition- Related Charges<sup>1</sup></b>	<b>Normalized<sup>2</sup></b>
<b>SEGMENT PROFIT</b>			
Tools & Storage	\$ 301.4	\$ 14.7	\$ 316.1
Industrial	80.5	2.0	82.5
Security	45.5	1.3	46.8
<i>Segment Profit</i>	427.4	18.0	445.4
Corporate Overhead	(47.3)	0.1	(47.2)
<i>Total</i>	\$ 380.1	\$ 18.1	\$ 398.2

**Segment Profit as a Percentage of Net Sales**

Tools & Storage	13.6%	14.3%
Industrial	16.0%	16.4%
Security	9.3%	9.6%
<i>Segment Profit</i>	13.3%	13.9%
Corporate Overhead	(1.5%)	(1.5%)
<i>Total</i>	11.8%	12.4%

	<b>FIRST QUARTER 2017</b>		
	<b>Reported</b>	<b>Acquisition- Related Charges<sup>1</sup></b>	<b>Normalized<sup>2</sup></b>
<b>SEGMENT PROFIT</b>			
Tools & Storage	284.5	\$ 17.3	\$ 301.8
Industrial	85.1	-	85.1
Security	50.7	0.2	50.9
<i>Segment Profit</i>	420.3	17.5	437.8
Corporate Overhead	(44.6)	-	(44.6)
<i>Total</i>	\$ 375.7	\$ 17.5	\$ 393.2

**Segment Profit as a Percentage of Net Sales**

Tools & Storage	15.0%	15.9%
Industrial	17.7%	17.7%
Security	10.5%	10.6%
<i>Segment Profit</i>	14.7%	15.3%
Corporate Overhead	(1.6%)	(1.6%)
<i>Total</i>	13.2%	13.8%

<sup>1</sup> Acquisition-related charges relate primarily to facility-related charges, integration and consulting costs.

<sup>2</sup> The normalized 2017 and 2018 business segment information, as reconciled to GAAP above, is considered relevant to aid analysis of the Company's segment profit results aside from the material impact of the acquisition-related charges.