

StanleyBlack&Decker

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 8-K
CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of Earliest Event Reported): October 28, 2021

Stanley Black & Decker, Inc.

(Exact name of registrant as specified in its charter)

CT
(State or other jurisdiction
of incorporation)

1-5224
(Commission
File Number)

06-0548860
(I.R.S. Employer
Identification No.)

**1000 STANLEY DRIVE
NEW BRITAIN, CT 06053**
(Address of principal executive offices, including Zip Code)

Registrant's telephone number, including area code: (860) 225-5111

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title Of Each Class	Trading Symbols	Name Of Each Exchange On Which Registered
Common Stock - \$2.50 Par Value per Share	SWK	New York Stock Exchange
Corporate Units	SWT	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition

On October 28, 2021, Stanley Black & Decker, Inc. issued a press release announcing third quarter 2021 results.

Item 9.01 Financial Statements and Exhibits.

(a) Not applicable

(b) Not applicable

(c) Not applicable

(d) Exhibits

99.1 Press release dated October 28, 2021, issued by Stanley Black & Decker, Inc.

99.2 Financial statements and supporting schedules contained in Stanley Black & Decker, Inc.'s October 28, 2021 press release.

104 Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Stanley Black & Decker, Inc.

October 28, 2021

By: /s/ Janet M. Link

Name: Janet M. Link

Title: Senior Vice President, General Counsel and Secretary

Exhibit Index

Exhibit No.	Description
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99.1	Press release dated October 28, 2021, issued by Stanley Black & Decker, Inc.
99.2	Financial statements and supporting schedules contained in Stanley Black & Decker, Inc.'s October 28, 2021 press release.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

StanleyBlack&Decker

Stanley Black & Decker Reports 3Q 2021 Results

*Record Third Quarter Revenue Driven by Robust Customer Demand Across All Segments Resulting in Double-Digit Organic Revenue Growth**

New Britain, Connecticut, October 28, 2021 ... Stanley Black & Decker (**NYSE: SWK**) today announced third quarter 2021 financial results.

- Record Third Quarter Revenues Of \$4.3 Billion, Up 11% Versus Prior Year; All Segments Contributed To 10% Organic Growth*, Led By Continued Strong Tools Demand
- 3Q'21 Operating Margin Was 11.6%; Excluding Charges 3Q'21 Operating Margin* Was 12.2%, Down Versus Prior Year Reflecting Higher Supply Chain Costs That Accelerated In The Quarter
- 3Q'21 Diluted GAAP EPS Was \$2.56; Excluding Charges, 3Q'21 Diluted EPS* Was \$2.77
- Revising 2021 Diluted GAAP EPS Guidance Range To \$10.20 - \$10.45 (From \$10.80 - \$11.20); Revising Adjusted EPS* To \$10.90 - \$11.10 (From \$11.35 - \$11.65)
- Announced New Pouch Battery, DEWALT POWERSTACK™, DEWALT's Latest Breakthrough Innovation And Lightest And Most Powerful Compact Battery
- Announced BLACK+DECKER™ Brand To Launch reviva™ Power Tools Line Featuring Tritan™ Renew With 50% Certified Recycled Content

"We are pleased to deliver 10% organic growth and record third quarter revenues as customer demand remains robust across the majority of our end markets," stated James M. Loree, Stanley Black & Decker's CEO. "Our multi-year growth story remains compelling given the positive secular demand trends and unique opportunities ahead, which have been further enhanced by our recently-announced MTD and Excel acquisitions. We continue to invest in innovation, manufacturing automation, inventory and our supply chain to fuel our growth, and I am confident that our company is positioned for success and top-quartile performance as a world leading innovator with an elevated commitment to ESG.

"We are prioritizing meeting demand in a universally difficult supply chain environment and are actively addressing the inflationary trends impacting the business with new targeted pricing actions and increased productivity measures.

*Non-GAAP Financial Measure As Further Defined On Page 6

I want to thank our 56,000 employees for their efforts that have enabled us to navigate the dynamic operating environment to serve our customers,” concluded Loree.

3Q'21 Key Points:

- Net sales for the quarter were \$4.3 billion, up 11% versus prior year from volume (+8%), price (+2%) and currency (+1%).
- The gross margin for the quarter was 32.6%. Excluding charges, gross margin* was 32.8%, down 310 basis points from prior year as volume, price, productivity and mix benefits from innovation were more than offset by accelerated commodity, transportation and labor inflation required to meet strong demand.
- Growth investment was deployed across the businesses, with SG&A 21.1% of sales. Excluding charges, SG&A expenses* were 20.5% of sales, relatively consistent versus 2Q'21 and up from 18.3% in 3Q'20.
- The tax rate was (0.1%). Excluding charges, tax rate* was 2.0% versus 17.8% in 3Q'20, due to a benefit associated with the Company's supply chain reorganization.
- Working capital turns for the quarter were 5.7, down 1.3 turns versus prior year due to inventory investments to support the strong demand outlook and longer lead times related to the dynamic global supply chain.

3Q'21 Segment Results

(\$ in M)						
	Sales	Profit	Charges ¹	Profit Ex-Charges*	Profit Rate	Profit Rate Ex-Charges*
Tools & Storage	\$3,186	\$485.8	\$14.2	\$500.0	15.2%	15.7%
Industrial	\$594	\$43.8	\$3.2	\$47.0	7.4%	7.9%
Security	\$484	\$39.6	\$5.0	\$44.6	8.2%	9.2%

¹ See Acquisition-Related And Other Charges On Page 5

*Non-GAAP Financial Measure As Further Defined On Page 6

- Tools & Storage net sales increased 14% versus 3Q'20 driven by volume (+11%), price (+2%) and currency (+1%). All regions delivered organic growth with North America +9%, Europe +20% and emerging markets +28%. Demand was robust across all markets as the secular shifts related to the reconnection with the home and garden and eCommerce were amplified by our industry-leading innovation and strong professional demand. North America reflected retail growth as well as consistently strong commercial and industrial channels. Point-of-sale demand remained at robust levels in U.S. retail and channel inventory ended below historical levels. Europe experienced growth across all major geographies and the commercial, retail brick and mortar, and eCommerce channels. Emerging markets growth was pervasive across all regions and was led by strong professional demand. The Tools & Storage segment profit rate, excluding charges, was 15.7%, down from 21.5% in 3Q'20, as volume, price, productivity and benefits from innovation were more than offset by accelerating transit costs to meet strong demand, commodity inflation and new growth investments.
- Industrial net sales expanded 1% versus 3Q'20 as price (+2%) and currency (+1%) were partially offset by volume (-1%) and an Oil & Gas product line divestiture (-1%). Engineered Fastening organic growth was down 1% as strong general industrial growth was offset by market-driven aerospace declines and lower automotive OEM production resulting from the global semiconductor shortage. Infrastructure organic revenues were up 7% as 16% growth in Attachment Tools was partially offset by lower pipeline project activity in Oil & Gas. The Industrial segment profit rate, excluding charges, was 7.9%, down versus 12.3% in 3Q'20, as the benefits from price and productivity were more than offset by commodity inflation, growth investments and volume declines in higher-margin automotive and aerospace fasteners.
- Security net sales grew 5% versus 3Q'20 as volume (+7%), price (+1%), currency (+1%) and acquisitions (+1%) were partially offset by divestitures (-5%). North America organic growth was 12% driven by strong backlog conversion in commercial electronic security and growth within automatic doors and healthcare. Europe was positive organically led by data-driven product solutions in France which is one of the new Health and Safety growth opportunities. Order rates globally grew 14% in the third quarter resulting in the third consecutive record quarter-end executable backlog. The Security segment profit rate, excluding charges, was 9.2%, down versus the prior year rate of 11.0%, as price and volume gains were more than offset by higher labor costs, pandemic-related inefficiencies and growth investments.

Updated 2021 Outlook

The Company is updating its 2021 EPS outlook to \$10.20 - \$10.45 from \$10.80 - \$11.20 on a GAAP basis, and to \$10.90 - \$11.10 from \$11.35 - \$11.65 on an adjusted basis. Free cash flow is expected to approximate \$1.1 - \$1.3 billion due to an expectation for higher levels of inventory to support the strong demand and to serve our customers.

The following reflects the key assumption changes to the Company's prior EPS outlook:

- Incremental \$230 million in commodity, transit and labor inflation (-~\$1.25)
- Impact from currency (-~\$0.15)
- Lower tax rate and other below the line assumptions (+~\$0.60)
- Margin resiliency, incremental pricing actions and other cost control activity (+~\$0.30)

The difference between 2021 GAAP and adjusted EPS guidance is \$0.65 - \$0.70, consisting of acquisition-related and other charges. These forecasted charges primarily relate to facility moves, deal and integration costs and functional transformation initiatives. GAAP guidance excludes charges associated with MTD and Excel which will be incorporated post closure. If the transactions close before year end, 2021 charges associated with inventory step-up, deal and integration costs are estimated to total \$0.20 - \$0.30.

Donald Allan Jr., President and CFO, commented, "Our updated full year 2021 guidance calls for organic revenue growth of 16% - 17% and, at the midpoint, adjusted EPS expansion of 22% versus prior year and 31% versus 2019. Our new round of price increases and surcharges to address the cost inflation that built rapidly in the third quarter will begin to offset higher costs exiting this year and provides the setup for higher margins and operating profit growth in 2022. We are maintaining our investment levels to support our growth catalysts, accelerate our margin resiliency initiatives and expand the supply chain to deliver significant revenue growth in 2022 and beyond.

"We continue to be focused on shareholder value creation as we drive organic growth and margin expansion while reshaping our portfolio of businesses through acquisitions such as MTD and Excel. We remain well-positioned to deliver above-market organic growth with operating leverage, resulting in strong free cash flow generation that will drive top-quartile shareholder returns over the long-term."

Acquisition-Related And Other Charges

Total pre-tax acquisition-related and other charges in 3Q'21 were \$42.7 million, primarily related to functional transformation initiatives, deal costs, facility-related charges and restructuring. Gross profit included \$5.0 million of these charges while SG&A included \$23.8 million. Other, net and Restructuring included \$8.1 million and \$5.8 million of these charges, respectively.

Conference Call & Webcast

The Company will host a conference call with investors today, October 28, 2021, at 8:00 am ET. A slide presentation which will accompany the call will be available at www.stanleyblackanddecker.com and will remain available after the call.

The call will be accessible by telephone within the U.S. at (877) 930-8285, from outside the U.S. at +1 (253) 336-8297, and via the Internet at www.stanleyblackanddecker.com. To participate, please register on the website at least fifteen minutes prior to the call and download and install any necessary audio software. Please use the conference identification number 9596118. A replay will also be available two hours after the call and can be accessed on the "Investors" section of Stanley Black & Decker's website, or at (855) 859-2056 / +1 (404) 537-3406 using the passcode 9596118. The replay will also be available as a podcast within 24 hours and can be accessed on our website and via iTunes.

About Stanley Black & Decker

Stanley Black & Decker, an S&P 500 company, is a leading \$14.5 billion global diversified industrial with 56,000 employees in more than 60 countries who make the tools, products and solutions to deliver on its Purpose, For Those Who Make The World. The Company operates the world's largest tools and storage business; the world's second largest commercial electronic security company; and is a global industrial leader of highly engineered solutions within its engineered fastening and infrastructure businesses. Learn more at www.stanleyblackanddecker.com.

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Non-GAAP Financial Measures

Organic sales growth is defined as the difference between total current and prior year sales less the impact of companies acquired and divested in the past twelve months and any foreign currency impacts divided by prior year sales. Operating profit is defined as sales less cost of sales and selling, general and administrative expenses. Management uses operating profit and its percentage of net sales as key measures to assess the performance of the Company as a whole, as well as the related measures at the segment level. Free cash flow is defined as cash flow from operations less capital and software expenditures. Management considers free cash flow an important indicator of its liquidity, as well as its ability to fund future growth and to provide a return to the shareowners, and is useful information for investors. Free cash flow does not include deductions for mandatory debt service, other borrowing activity, discretionary dividends on the Company's common and preferred stock and business acquisitions, among other items. Free cash flow conversion is defined as free cash flow divided by net income. The Non-GAAP statement of operations and business segment information, as reconciled to GAAP on pages 12 through 15, is considered relevant to aid analysis of the Company's profit and earnings results aside from the material impact of the acquisition-related and other charges.

CAUTIONARY STATEMENTS
Under the Private Securities Litigation Reform Act of 1995

This document contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact are "forward-looking statements" for purposes of federal and state securities laws, including any projections or guidance of earnings, revenue or other financial items; any statements of the plans, strategies and objectives of management for future operations; any statements concerning proposed new products, services or developments; any statements regarding future economic conditions or performance; any statements of belief; and any statements of assumptions underlying any of the foregoing. Forward-looking statements may include, among others, the words "may," "will," "estimate," "intend," "continue," "believe," "expect," "anticipate" or any other similar words.

Although the Company believes that the expectations reflected in any of its forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in any of its forward-looking statements. The Company's future financial condition and results of operations, as well as any forward-looking statements, are subject to change and to inherent risks and uncertainties, such as those disclosed or incorporated by reference in the Company's filings with the Securities and Exchange Commission.

Important factors that could cause the Company's actual results, performance and achievements, or industry results to differ materially from estimates or projections contained in its forward-looking statements include, among others, the following: (i) successfully developing, marketing and achieving sales from new products and services and the continued acceptance of current products and services; (ii) macroeconomic factors, including global and regional business conditions (such as Brexit), commodity prices, inflation and deflation, and currency exchange rates; (iii) laws, regulations and governmental policies affecting the Company's activities in the countries where it does business, including those related to tariffs, taxation, data privacy, anti-bribery, anti-corruption, government contracts and trade controls such as section 301 tariffs and section 232 steel and aluminum tariffs; (iv) the economic, political, cultural and legal environment of emerging markets, particularly Latin America, Russia, China and Turkey; (v) realizing the anticipated benefits of mergers, acquisitions, joint ventures, strategic alliances or divestitures; (vi) pricing pressure and other changes within competitive markets; (vii) availability and price of raw materials, component parts, freight, energy, labor and sourced finished goods; (viii) the impact the tightened credit markets and change to LIBOR and other benchmark rates may have on the Company or its customers or suppliers; (ix) the extent to which the Company has to write off accounts receivable or assets or experiences supply chain disruptions in connection with bankruptcy filings by customers or suppliers; (x) the Company's ability to identify and effectively execute productivity improvements and cost reductions; (xi) potential business and distribution disruptions, including those related to physical security threats, information technology or cyber-attacks, epidemics, pandemics, sanctions, political unrest, war, terrorism or natural disasters; (xii) the continued consolidation of customers, particularly in consumer channels and the Company's continued reliance on significant customers; (xiii) managing franchisee relationships; (xiv) the impact of poor weather conditions and climate change; (xv) maintaining or improving production rates in the Company's manufacturing facilities, responding to significant changes in customer preferences, product demand and fulfilling demand for new and existing products, and learning, adapting and integrating new technologies into products, services and processes; (xvi) changes in the competitive landscape in the Company's markets; (xvii) the Company's non-U.S. operations, including sales to non-U.S. customers; (xviii) the impact from demand changes within world-wide markets associated with homebuilding and remodeling; (xix) potential adverse developments in new or pending litigation and/or government investigations; (xx) the incurrence of debt and changes in the Company's ability to obtain debt on commercially reasonable terms and at competitive rates; (xxi) substantial pension and other postretirement benefit obligations; (xxii) potential regulatory liabilities, including environmental, privacy, data breach, workers compensation and product liabilities; (xxiii) attracting and retaining key employees, managing a workforce in many jurisdictions, work stoppages or other labor disruptions; (xxiv) the Company's ability to keep abreast with the pace of technological change; (xxv) changes in accounting estimates; (xxvi) the Company's ability to protect its intellectual property rights and associated reputational impacts; (xxvii) the continued adverse effects of the COVID-19 pandemic and an indeterminate recovery period; (xxviii) and the possibility that the Company does not achieve the intended financial benefits from the acquisition of MTD.

Additional factors that could cause actual results to differ materially from forward-looking statements are set forth in the Annual Report on Form 10-K and in the Quarterly Report on Form 10-Q, including under the heading "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and in the Consolidated Financial Statements and the related Notes.

Forward-looking statements in this press release speak only as of the date hereof, and forward-looking statements in documents attached that are incorporated by reference speak only as of the date of those documents. The Company does not undertake any obligation to update or release any revisions to any forward-looking statement or to report any events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except as required by law.

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

	Third Quarter		Year-to-Date	
	2021	2020	2021	2020
NET SALES	\$ 4,263.2	\$ 3,850.2	\$ 12,761.2	\$ 10,127.0
COSTS AND EXPENSES				
Cost of sales	2,871.7	2,473.9	8,261.8	6,714.9
Gross profit	1,391.5	1,376.3	4,499.4	3,412.1
% of Net Sales	32.6 %	35.7 %	35.3 %	33.7 %
Selling, general and administrative	898.8	738.9	2,653.3	2,219.4
% of Net Sales	21.1 %	19.2 %	20.8 %	21.9 %
Operating profit	492.7	637.4	1,846.1	1,192.7
% of Net sales	11.6 %	16.6 %	14.5 %	11.8 %
Other - net	39.5	74.3	152.3	236.1
Loss on sales of businesses	—	—	3.6	—
Restructuring charges	5.8	42.8	22.1	74.6
Income from operations	447.4	520.3	1,668.1	882.0
Interest - net	43.5	50.7	131.9	155.1
EARNINGS BEFORE INCOME TAXES AND EQUITY INTEREST	403.9	469.6	1,536.2	726.9
Income taxes	(0.4)	78.4	192.8	(26.0)
NET EARNINGS BEFORE EQUITY INTEREST	404.3	391.2	1,343.4	752.9
Share of net earnings of equity method investment	9.8	4.0	16.0	14.1
NET EARNINGS	414.1	395.2	1,359.4	767.0
Less: Net (losses) earnings attributable to non-controlling interests	(0.1)	0.3	(1.7)	0.5
NET EARNINGS ATTRIBUTABLE TO STANLEY BLACK & DECKER, INC.	\$ 414.2	\$ 394.9	\$ 1,361.1	\$ 766.5
Less: Preferred stock dividends	—	9.4	14.2	14.1
NET EARNINGS ATTRIBUTABLE TO COMMON SHAREOWNERS	\$ 414.2	\$ 385.5	\$ 1,346.9	\$ 752.4
EARNINGS PER SHARE OF COMMON STOCK				
Basic	\$ 2.60	\$ 2.47	\$ 8.50	\$ 4.91
Diluted	\$ 2.56	\$ 2.44	\$ 8.36	\$ 4.86
DIVIDENDS PER SHARE OF COMMON STOCK	\$ 0.79	\$ 0.70	\$ 2.19	\$ 2.08
WEIGHTED-AVERAGE SHARES OUTSTANDING (in thousands)				
Basic	159,444	156,370	158,494	153,345
Diluted	161,476	157,971	161,031	154,759

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

	October 2, 2021	January 2, 2021
ASSETS		
Cash and cash equivalents	\$ 292.7	\$ 1,381.0
Accounts and notes receivable, net	1,989.0	1,512.2
Inventories, net	4,134.4	2,737.4
Other current assets	460.3	405.4
<i>Total current assets</i>	<u>6,876.4</u>	<u>6,036.0</u>
Property, plant and equipment, net	2,051.3	2,053.8
Goodwill and other intangibles, net	13,837.0	14,093.5
Other assets	1,561.9	1,383.0
<i>Total assets</i>	<u>\$ 24,326.6</u>	<u>\$ 23,566.3</u>
LIABILITIES AND SHAREOWNERS' EQUITY		
Short-term borrowings	\$ 152.2	\$ 1.5
Accounts payable	3,055.7	2,446.4
Accrued expenses	2,372.9	2,110.4
<i>Total current liabilities</i>	<u>5,580.8</u>	<u>4,558.3</u>
Long-term debt	4,246.9	4,245.4
Other long-term liabilities	3,180.7	3,696.2
Stanley Black & Decker, Inc. shareowners' equity	11,316.3	11,059.6
Non-controlling interests' equity	1.9	6.8
<i>Total liabilities and shareowners' equity</i>	<u>\$ 24,326.6</u>	<u>\$ 23,566.3</u>

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

	Third Quarter		Year-to-Date	
	2021	2020	2021	2020
OPERATING ACTIVITIES				
Net earnings	\$ 414.1	\$ 395.2	\$ 1,359.4	\$ 767.0
Depreciation and amortization	144.2	145.3	430.6	431.1
Loss on sales of businesses	—	—	3.6	—
Share of net earnings of equity method investment	(9.8)	(4.0)	(16.0)	(14.1)
Changes in working capital ¹	(456.7)	51.6	(1,373.5)	(667.5)
Other	(87.2)	89.1	(112.9)	83.7
<i>Net cash provided by operating activities</i>	4.6	677.2	291.2	600.2
INVESTING AND FINANCING ACTIVITIES				
Capital and software expenditures	(129.1)	(62.1)	(322.5)	(209.5)
Business acquisitions, net of cash acquired	(9.3)	1.4	(10.8)	(1,300.6)
Purchases of investments	(3.5)	(1.0)	(14.5)	(14.6)
Net investment hedge settlements	(1.3)	—	(53.9)	41.0
Proceeds from debt issuance, net of fees	—	—	—	1,482.6
Stock purchase contract fees	(9.9)	(9.8)	(29.5)	(49.9)
Net short-term borrowings (repayments)	149.6	(712.9)	150.7	(341.8)
Proceeds from issuances of common stock	7.7	42.5	108.1	843.8
Purchases of common stock for treasury	(2.8)	(1.9)	(20.1)	(11.2)
Redemption and conversion of preferred stock	—	—	(750.0)	—
Craftsman deferred purchase price	—	—	—	(250.0)
Craftsman contingent consideration	(7.6)	(6.0)	(21.5)	(39.0)
Termination of forward starting interest rate swaps	—	—	—	(20.5)
Cash dividends on common stock	(126.0)	(109.6)	(347.7)	(321.0)
Cash dividends on preferred stock	—	(9.4)	(18.9)	(9.4)
Effect of exchange rate changes on cash	(15.5)	16.3	(45.9)	(7.9)
Other	(3.0)	(5.2)	(9.6)	(10.7)
<i>Net cash used in investing and financing activities</i>	(150.7)	(857.7)	(1,386.1)	(218.7)
<i>(Decrease) increase in cash, cash equivalents and restricted cash</i>	(146.1)	(180.5)	(1,094.9)	381.5
<i>Cash, cash equivalents and restricted cash, beginning of period</i>	449.5	876.6	1,398.3	314.6
<i>Cash, cash equivalents and restricted cash, end of period</i>	\$ 303.4	\$ 696.1	\$ 303.4	\$ 696.1
Free Cash Flow Computation²				
Net cash provided by operating activities	\$ 4.6	\$ 677.2	\$ 291.2	\$ 600.2
Less: capital and software expenditures	(129.1)	(62.1)	(322.5)	(209.5)
Free cash flow (before dividends)	\$ (124.5)	\$ 615.1	\$ (31.3)	\$ 390.7
Reconciliation of Cash, Cash Equivalents and Restricted Cash				
	October 2, 2021	January 2, 2021		
Cash and cash equivalents	\$ 292.7	\$ 1,381.0		
Restricted cash included in Other current assets	10.7	17.3		
Cash, cash equivalents and restricted cash	\$ 303.4	\$ 1,398.3		

¹ Working capital is comprised of accounts receivable, inventory, accounts payable and deferred revenue.

² 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, and is useful information for investors. Free cash flow does not include deductions for mandatory debt service, other borrowing activity, discretionary dividends on the Company's common and preferred stock and business acquisitions, among other items.

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

	Third Quarter		Year-to-Date	
	2021	2020	2021	2020
NET SALES				
Tools & Storage	\$ 3,185.9	\$ 2,804.1	\$ 9,445.3	\$ 7,072.1
Industrial	593.5	586.6	1,853.4	1,694.8
Security	483.8	459.5	1,462.5	1,360.1
<i>Total</i>	<u>\$ 4,263.2</u>	<u>\$ 3,850.2</u>	<u>\$ 12,761.2</u>	<u>\$ 10,127.0</u>
SEGMENT PROFIT				
Tools & Storage	\$ 485.8	\$ 597.1	\$ 1,772.2	\$ 1,177.0
Industrial	43.8	63.8	207.4	136.7
Security	39.6	39.3	111.1	69.4
<i>Segment Profit</i>	569.2	700.2	2,090.7	1,383.1
Corporate Overhead	(76.5)	(62.8)	(244.6)	(190.4)
<i>Total</i>	<u>\$ 492.7</u>	<u>\$ 637.4</u>	<u>\$ 1,846.1</u>	<u>\$ 1,192.7</u>
Segment Profit as a Percentage of Net Sales				
Tools & Storage	15.2 %	21.3 %	18.8 %	16.6 %
Industrial	7.4 %	10.9 %	11.2 %	8.1 %
Security	8.2 %	8.6 %	7.6 %	5.1 %
<i>Segment Profit</i>	13.4 %	18.2 %	16.4 %	13.7 %
Corporate Overhead	(1.8)%	(1.6)%	(1.9)%	(1.9)%
<i>Total</i>	<u>11.6 %</u>	<u>16.6 %</u>	<u>14.5 %</u>	<u>11.8 %</u>

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)

	Third Quarter 2021		
	GAAP	Acquisition- Related Charges & Other ¹	Non-GAAP ³
Gross profit	\$ 1,391.5	\$ 5.0	\$ 1,396.5
<i>% of Net Sales</i>	32.6 %		32.8 %
Selling, general and administrative	898.8	(23.8)	875.0
<i>% of Net Sales</i>	21.1 %		20.5 %
Operating profit	492.7	28.8	521.5
<i>% of Net Sales</i>	11.6 %		12.2 %
Earnings before income taxes and equity interest	403.9	42.7	446.6
Income taxes	(0.4)	9.3	8.9
Share of net earnings of equity method investment	9.8	—	9.8
Net earnings attributable to common shareowners	414.2	33.4	447.6
Diluted earnings per share of common stock	\$ 2.56	\$ 0.21	\$ 2.77

¹ Acquisition-related and other charges relate primarily to functional transformation initiatives, deal costs, facility-related costs and restructuring.

	Third Quarter 2020		
	GAAP	Acquisition- Related Charges & Other ²	Non-GAAP ³
Gross profit	\$ 1,376.3	\$ 7.0	\$ 1,383.3
<i>% of Net Sales</i>	35.7 %		35.9 %
Selling, general and administrative	738.9	(36.0)	702.9
<i>% of Net Sales</i>	19.2 %		18.3 %
Operating profit	637.4	43.0	680.4
<i>% of Net Sales</i>	16.6 %		17.7 %
Earnings before income taxes and equity interest	469.6	89.0	558.6
Income taxes	78.4	21.0	99.4
Share of net earnings of equity method investment	4.0	2.7	6.7
Net earnings attributable to common shareowners	385.5	70.7	456.2
Diluted earnings per share of common stock	\$ 2.44	\$ 0.45	\$ 2.89

² Acquisition-related charges and other relate primarily to a cost reduction program, Security business transformation and margin resiliency initiatives, and inventory step-up charges.

³ The non-GAAP 2021 and 2020 information, as reconciled to GAAP above, is considered relevant to aid analysis of the Company's profit and earnings results aside from the material impact of the acquisition-related charges and other items.

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)

	Year-to-Date 2021		
	GAAP	Acquisition- Related Charges & Other ¹	Non-GAAP ³
Gross profit	\$ 4,499.4	\$ 12.3	\$ 4,511.7
<i>% of Net Sales</i>	35.3 %		35.4 %
Selling, general and administrative	2,653.3	(67.4)	2,585.9
<i>% of Net Sales</i>	20.8 %		20.3 %
Operating profit	1,846.1	79.7	1,925.8
<i>% of Net Sales</i>	14.5 %		15.1 %
Earnings before income taxes and equity interest	1,536.2	115.6	1,651.8
Income taxes	192.8	27.5	220.3
Share of net earnings of equity method investment	16.0	11.2	27.2
Net earnings attributable to common shareowners	1,346.9	99.3	1,446.2
Diluted earnings per share of common stock	\$ 8.36	\$ 0.62	\$ 8.98

¹ Acquisition-related and other charges relate primarily to functional transformation initiatives, restructuring, deal costs and facility-related costs.

	Year-to-Date 2020		
	GAAP	Acquisition- Related Charges & Other ²	Non-GAAP ³
Gross profit	\$ 3,412.1	\$ 58.7	\$ 3,470.8
<i>% of Net Sales</i>	33.7 %		34.3 %
Selling, general and administrative	2,219.4	(145.0)	2,074.4
<i>% of Net Sales</i>	21.9 %		20.5 %
Operating profit	1,192.7	203.7	1,396.4
<i>% of Net Sales</i>	11.8 %		13.8 %
Earnings before income taxes and equity interest	726.9	320.2	1,047.1
Income taxes	(26.0)	193.5	167.5
Share of net earnings of equity method investment	14.1	6.9	21.0
Net earnings attributable to common shareowners	752.4	133.6	886.0
Diluted earnings per share of common stock	\$ 4.86	\$ 0.86	\$ 5.72

² Acquisition-related charges and other relate primarily to a cost reduction program, inventory step-up charges, deal costs, Security business transformation and margin resiliency initiatives, and a one-time tax benefit related to a supply chain reorganization.

³ The non-GAAP 2021 and 2020 information, as reconciled to GAAP above, is considered relevant to aid analysis of the Company's profit and earnings results aside from the material impact of the acquisition-related charges and other items.

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

	Third Quarter 2021		
	GAAP	Acquisition- Related and Other Charges ¹	Non-GAAP ³
SEGMENT PROFIT			
Tools & Storage	\$ 485.8	\$ 14.2	\$ 500.0
Industrial	43.8	3.2	47.0
Security	39.6	5.0	44.6
<i>Segment Profit</i>	569.2	22.4	591.6
Corporate Overhead	(76.5)	6.4	(70.1)
<i>Total</i>	\$ 492.7	\$ 28.8	\$ 521.5
Segment Profit as a Percentage of Net Sales			
Tools & Storage	15.2 %		15.7 %
Industrial	7.4 %		7.9 %
Security	8.2 %		9.2 %
<i>Segment Profit</i>	13.4 %		13.9 %
Corporate Overhead	(1.8) %		(1.6) %
<i>Total</i>	11.6 %		12.2 %

¹ Acquisition-related and other charges relate primarily to functional transformation initiatives and facility-related costs.

	Third Quarter 2020		
	GAAP	Acquisition- Related and Other Charges ²	Non-GAAP ³
SEGMENT PROFIT			
Tools & Storage	\$ 597.1	\$ 5.6	\$ 602.7
Industrial	63.8	8.4	72.2
Security	39.3	11.1	50.4
<i>Segment Profit</i>	700.2	25.1	725.3
Corporate Overhead	(62.8)	17.9	(44.9)
<i>Total</i>	\$ 637.4	\$ 43.0	\$ 680.4
Segment Profit as a Percentage of Net Sales			
Tools & Storage	21.3 %		21.5 %
Industrial	10.9 %		12.3 %
Security	8.6 %		11.0 %
<i>Segment Profit</i>	18.2 %		18.8 %
Corporate Overhead	(1.6) %		(1.2) %
<i>Total</i>	16.6 %		17.7 %

² Acquisition-related and other charges relate primarily to a cost reduction program, inventory step-up charges, Security business transformation and margin resiliency initiatives.

³ The non-GAAP 2021 and 2020 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 and other charges.

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

	Year-to-Date 2021		
	GAAP	Acquisition- Related and Other Charges ¹	Non-GAAP ³
SEGMENT PROFIT			
Tools & Storage	\$ 1,772.2	\$ 27.6	\$ 1,799.8
Industrial	207.4	9.8	217.2
Security	111.1	16.8	127.9
<i>Segment Profit</i>	<u>2,090.7</u>	<u>54.2</u>	<u>2,144.9</u>
Corporate Overhead	(244.6)	25.5	(219.1)
<i>Total</i>	<u>\$ 1,846.1</u>	<u>\$ 79.7</u>	<u>\$ 1,925.8</u>
Segment Profit as a Percentage of Net Sales			
Tools & Storage	18.8 %		19.1 %
Industrial	11.2 %		11.7 %
Security	7.6 %		8.7 %
<i>Segment Profit</i>	<u>16.4 %</u>		<u>16.8 %</u>
Corporate Overhead	(1.9) %		(1.7) %
<i>Total</i>	<u>14.5 %</u>		<u>15.1 %</u>

¹ Acquisition-related and other charges relate primarily to functional transformation initiatives and facility-related costs.

	Year-to-Date 2020		
	GAAP	Acquisition- Related and Other Charges ²	Non-GAAP ³
SEGMENT PROFIT			
Tools & Storage	\$ 1,177.0	\$ 37.1	\$ 1,214.1
Industrial	136.7	59.4	196.1
Security	69.4	57.5	126.9
<i>Segment Profit</i>	<u>1,383.1</u>	<u>154.0</u>	<u>1,537.1</u>
Corporate Overhead	(190.4)	49.7	(140.7)
<i>Total</i>	<u>\$ 1,192.7</u>	<u>\$ 203.7</u>	<u>\$ 1,396.4</u>
Segment Profit as a Percentage of Net Sales			
Tools & Storage	16.6 %		17.2 %
Industrial	8.1 %		11.6 %
Security	5.1 %		9.3 %
<i>Segment Profit</i>	<u>13.7 %</u>		<u>15.2 %</u>
Corporate Overhead	(1.9) %		(1.4) %
<i>Total</i>	<u>11.8 %</u>		<u>13.8 %</u>

² Acquisition-related and other charges relate primarily to a cost reduction program, inventory step-up charges, Security business transformation and margin resiliency initiatives.

³ The non-GAAP 2021 and 2020 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 and other charges.