Participants

Jim Loree  
President & CEO

Don Allan  
Executive VP & CFO

Dennis Lange  
VP, Investor Relations
Cautionary Statements

Certain Statements Contained In This Presentation Are Forward Looking. These Are Based On Assumptions Of Future Events Which May Not Prove To Be Accurate. They Involve Risk And Uncertainty. Actual Results May Differ Materially From Those Expected Or Implied. We Direct You To The Cautionary Statements Detailed In The Corresponding Press Release And Form 8-K And Our Recent ‘34 Act SEC Filings.
Navigating The COVID-19 Pandemic

Aligning The Organization Around Key Priorities...

#1
ENSURE THE HEALTH AND SAFETY OF OUR EMPLOYEES & SUPPLY CHAIN PARTNERS

#2
MAINTAIN BUSINESS CONTINUITY AND FINANCIAL STRENGTH AND STABILITY

#3
SERVING OUR CUSTOMERS AS THEY PROVIDE ESSENTIAL PRODUCTS AND SERVICES TO THE WORLD

#4
DOING OUR PART TO HELP MITIGATE THE IMPACT OF THE VIRUS ACROSS THE GLOBE

...Taking Actions To Protect Our Employees & The Business While Positioning The Company To Thrive
## 2Q’20 Segment Overview

### Tools & Storage

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>Profit*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2Q '19</td>
<td>$2,626</td>
<td>(16%)</td>
</tr>
<tr>
<td>2Q '20</td>
<td>$2,197</td>
<td>(17.0%)</td>
</tr>
</tbody>
</table>

- (15%) Organic Growth
  - (10%) NA, (21%) Europe, (29%) EM
  - (9%) PTE, (23%) HTAS
- All Regions Were Impacted By Reduced Business Activity Related To COVID-19
- N.A.: Inventory Reductions & Reduced Construction Activity | Strong DIY Demand In E-Commerce & US Retail | Record Retail POS & Historically Low Inventory Levels Exiting The Qtr
- Europe & E.M.: Rolling Geographic Lockdowns, Customer Closures | Improved Demand In Europe | EM Remains Choppy

**OM Rate** Flat | Benefits From Productivity, Swift & Effective Cost Control & Price Offset The Impacts From Lower Volume, Tariffs & Currency

### Industrial

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>Profit*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2Q '19</td>
<td>$650</td>
<td>(20%)</td>
</tr>
<tr>
<td>2Q '20</td>
<td>$518</td>
<td>(17.0%)</td>
</tr>
</tbody>
</table>

- (29%) Organic Growth
  - (35%) Engineered Fastening
  - (19%) Infrastructure
- The Trough Of Organic Volume Decline Occurred In April With Modest Sequential Improvement Each Month
- Engineered Fastening: Lower Global Automotive Light Vehicle & General Industrial Production
- Infrastructure: Lower Volumes In Attachment Tools And Oil & Gas

**OM Rate** (760 Bps) | Significant Impact From Volume Declines Was Partially Mitigated By Cost Actions

### Security

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>Profit*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2Q '19</td>
<td>$485</td>
<td>(11%)</td>
</tr>
<tr>
<td>2Q '20</td>
<td>$433</td>
<td>(11.2%)</td>
</tr>
</tbody>
</table>

- (8%) Organic Growth
  - (7%) NA
  - (10%) Europe
- All Businesses Were Impacted By Customer Restrictions Which Were Most Pronounced Early In The Qtr
- Electronic Security Backlog Remains In A Healthy Position Up 16% Supporting An Anticipated Improvement In Installation Revenues In The Second Half

**OM Rate** (160 Bps) | Price & Cost Control Were More Than Offset By Lower Volume

*Excludes M&A Related & Other Charges
Free Cash Flow & Liquidity

**2020 YTD Free Cash Flow**

<table>
<thead>
<tr>
<th></th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2Q'19</td>
</tr>
<tr>
<td>Net Income</td>
<td>$ 528</td>
</tr>
<tr>
<td>Deprec / Amort</td>
<td>280</td>
</tr>
<tr>
<td>Working Capital</td>
<td>(581)</td>
</tr>
<tr>
<td>Pre-tax Gain On Sale</td>
<td>(17)</td>
</tr>
<tr>
<td>Of Business</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>(140)</td>
</tr>
<tr>
<td>Operating CF</td>
<td>70</td>
</tr>
<tr>
<td>CapEx</td>
<td>(187)</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>$(117)</td>
</tr>
</tbody>
</table>

- Free Cash Flow: Lower Earnings & Working Capital Investment Partially Offset By Lower Capital Spending
- Inventory Levels To Support Potential 2H Demand Improvement & Strong NA Tools Retail Trends

**Liquidity Key Points**

- Maintain Strong, Investment Grade Credit Ratings
- $3B Revolving Credit Facilities Backed By A Well Capitalized, Diversified Bank Group
- No Term Debt Maturities Until 4Q 2021 | Next Maturity 4Q 2022
- Capital Deployment Priority Is Debt Repayment | Initiated Capital Conservation Actions
  - Capital Expenditure Reduction
  - Temporarily Suspend M&A And Share Repurchase
  - Priority To Achieve Leverage Targets

**Liquidity Sources As Of 6/27/20**

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash On Hand</td>
<td>$0.9B</td>
</tr>
<tr>
<td>Addl. Commercial Paper Capacity ($3B Max)</td>
<td>$2.3B</td>
</tr>
<tr>
<td><strong>Total Additional Liquidity</strong></td>
<td><strong>$3.2B</strong></td>
</tr>
</tbody>
</table>

Significant Financial Flexibility To Navigate This Environment
### 2H Scenario Planning

#### 2H Planning Assumption Range For Organic Growth

<table>
<thead>
<tr>
<th>Organic Growth 2H'20 Range</th>
<th>Organic Growth Trend June + July MTD(^1) VPY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tools &amp; Storage</td>
<td>-3% To +4%</td>
</tr>
<tr>
<td></td>
<td>+8%</td>
</tr>
<tr>
<td></td>
<td>NA: <img src="#" alt="Red" /></td>
</tr>
<tr>
<td>Industrial</td>
<td>-25% To -15%</td>
</tr>
<tr>
<td></td>
<td>-23%</td>
</tr>
<tr>
<td></td>
<td>EF: <img src="#" alt="Green" /></td>
</tr>
<tr>
<td>Security</td>
<td>-8% To Flat</td>
</tr>
<tr>
<td></td>
<td>-4%</td>
</tr>
<tr>
<td></td>
<td>NA: <img src="#" alt="Green" /></td>
</tr>
</tbody>
</table>

- **Below Segment**
- **Flat To Segment**
- **Above Segment**

### Recent Key Trends

- **U.S. T&S Retail** → POS Growth Currently At ~35% Versus Prior Year For Last 4 Weeks
- **European T&S** → Organic Growth ↑ High-Single Digits For Past 8 Weeks
- **SEF** → Light Vehicle Production Down ~17% For Past 8 Weeks
- **Security** → Organic Growth ↓ Mid-Single Digits For Past 8 Weeks

### Total Company Organic 2H Growth –Scenarios

<table>
<thead>
<tr>
<th></th>
<th>Choppy Case</th>
<th>Base Case</th>
<th>Improved Case</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-7.5%</td>
<td>-3.75%</td>
<td>Flat</td>
</tr>
</tbody>
</table>

### Supply Chain Ready If Recent Trends Continue, But Preparing Cost Structure For A Variety Of Outcomes

\(^1\) Through First 4 Weeks

*Pro Forma Organic Growth*
Cost Reduction Program

Cost Actions

~$1B Total Savings | ~$500M 2020

Indirect Cost
Prof Services, MRO, IT, Marketing, T&E, Etc.

Deflation
Fin. Goods, Components, Commodities & Transport

Compensation
Furloughs, Reductions In Force & Salary Red.

Benefits
Temporary Reductions Implemented

2Q Update

Cost Action Sustainability

• Organization Working To Improve The Sustainability Of Cost Program Heading Into 2021
• Converting A Majority Of Temporary Compensation Savings To Permanent
• Goal For Indirect Spend: 50% – 75% Permanent
• Positive 2021 Carryover Currently ~$150M

Decremental Margins

• Targeting 2020 Decremental Margins, Net Of Cost Savings, Mid-To-High Teens Dependent On Volume
• Stronger Peak-To-Trough Decrementals Possible Through The Downturn
  • ’01 & ’08/’09 Recessions – Peak-To-Trough Decrementals Averaged Mid-To-High Teens

~$175M Benefit Achieved In 2Q
Expecting ~$325M 2H Benefit

Maintaining Strong Operational Foundation With Flexible Approach To Cost Actions
Summary – FY 2020 Financials

**P&L**

- **Revenues:** Given the uncertainties in the global economic outlook, multiple scenarios contemplated.
  - Organic growth planning range: 2H (-7.5% to flat) | FY (-10% to -5%)

- **Cost Structure Considerations:** $180M in cost savings (announced Oct’19) & $500M (announced Apr’20). Tariff & FX headwinds currently $180M, with $115M realized in 1H’20

- **Decremental Margins:** Targeting FY mid-to-high teens net of cost reduction

- **Other Items:** Other, Net: ~$240M | Interest ~$210M | Tax 17% - 18% | Shares 155.5M | M&A and other pretax charges $345M - $370M

**FCF**

- **Priority:** Achieving leverage targets

- **CapEx:** Planning significant reduction versus plan

- **Working Capital:** Supply chain prepared for recent trends | Flexible based on recovery trajectory

- **Share Repurchase & M&A:** Remain temporarily suspended
Summary – Strong 2Q Performance

New Market Trends Are Emerging...

- eCommerce
- Reconnecting With The Home & Garden
- Health & Safety

Global eCommerce

- CRAFTSMAN
- DEWALT
- STANLEY
- BLACK+DECKER
- FLEXVOLT
- XTREME
- ATOMIC

Core & Breakthrough Innovation

...Positioned To Benefit From Improved Demand & Capitalize On Growth Opportunities
Stanley Black & Decker

Q&A

Thank You
Global Presence

Canada
2Q’20 YTD
Organic (13%) (5%)
% SWK 4% 5%

US
2Q’20 YTD
Organic (12%) (10%)
% SWK 64% 61%

Emg Mkt
2Q’20 YTD
Organic (27%) (21%)
% SWK 10% 10%

Europe
2Q’20 YTD
Organic (23%) (15%)
% SWK 18% 20%

Japan
2Q’20 YTD
Organic (14%) (11%)
% SWK 3% 3%

Australia
2Q’20 YTD
Organic (11%) (7%)
% SWK 1% 1%
2Q 2020 Regional Revenue Breakout

Tools & Storage

- N. America: 71%
- Europe: 15%
- Emerging Markets: 10%
- Other: 4%

Total: $2,197M

Industrial

- N. America: 62%
- Europe: 15%
- Emerging Markets: 15%
- Other: 8%

Total: $518M

Security

- N. America: 59%
- Europe: 39%
- Emerging Markets: 2%

Total: $433M
Organic sales growth is defined as total sales growth less the sales of companies acquired and divested in the past twelve months and any foreign currency impacts. Operating margin is defined as sales less cost of sales and selling, general and administrative expenses. Management uses operating margin 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. 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 normalized statement of operations and business segment information, as reconciled to GAAP on pages 12 through 15 of the press release, is considered relevant to aid analysis of the Company’s margin and earnings results aside from the material impact of the M&A related and other charges.