

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

	<u>FOURTH QUARTER</u>		<u>YEAR-TO-DATE</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
NET SALES	\$ 3,714.2	\$ 3,634.7	\$ 14,442.2	\$ 13,982.4
COSTS AND EXPENSES				
Cost of sales	2,553.6	2,474.8	9,636.7	9,131.3
Gross margin	1,160.6	1,159.9	4,805.5	4,851.1
<i>% of Net Sales</i>	31.2%	31.9%	33.3%	34.7%
Selling, general and administrative	723.7	781.4	3,041.0	3,171.7
<i>% of Net Sales</i>	19.5%	21.5%	21.1%	22.7%
Operating margin	436.9	378.5	1,764.5	1,679.4
<i>% of Net Sales</i>	11.8%	10.4%	12.2%	12.0%
Other - net	84.4	50.3	267.0	287.0
Loss (gain) on sales of businesses	0.2	-	(17.0)	0.8
Restructuring charges	62.9	102.2	154.1	160.3
<i>Income from operations</i>	289.4	226.0	1,360.4	1,231.3
Interest - net	52.6	55.0	230.4	209.2
EARNINGS BEFORE INCOME TAXES AND EQUITY INTEREST	236.8	171.0	1,130.0	1,022.1
Income taxes	25.3	277.0	160.8	416.3
NET EARNINGS (LOSS) BEFORE EQUITY INTEREST	211.5	(106.0)	969.2	605.8
Share of net losses of equity method investment	(12.4)	-	(11.2)	-
NET EARNINGS (LOSS)	199.1	(106.0)	958.0	605.8
Less: net earnings attributable to non-controlling interests	-	0.8	2.2	0.6
NET EARNINGS (LOSS) ATTRIBUTABLE TO COMMON SHAREOWNERS	<u>\$ 199.1</u>	<u>\$ (106.8)</u>	<u>\$ 955.8</u>	<u>\$ 605.2</u>
EARNINGS (LOSS) PER SHARE OF COMMON STOCK				
Basic	<u>\$ 1.34</u>	<u>\$ (0.72)</u>	<u>\$ 6.44</u>	<u>\$ 4.06</u>
Diluted	<u>\$ 1.32</u>	<u>\$ (0.72)</u>	<u>\$ 6.35</u>	<u>\$ 3.99</u>
DIVIDENDS PER SHARE	<u>\$ 0.69</u>	<u>\$ 0.66</u>	<u>\$ 2.70</u>	<u>\$ 2.58</u>
WEIGHTED-AVERAGE SHARES OUTSTANDING (in thousands)				
Basic	<u>149,016</u>	<u>147,582</u>	<u>148,365</u>	<u>148,919</u>
Diluted	<u>151,244</u>	<u>147,582</u>	<u>150,558</u>	<u>151,643</u>

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

	December 28, 2019	December 29, 2018
<i>ASSETS</i>		
Cash and cash equivalents	\$ 297.7	\$ 288.7
Accounts and notes receivable, net	1,454.6	1,607.8
Inventories, net	2,255.0	2,373.5
Other current assets	449.3	299.4
<i>Total current assets</i>	4,456.6	4,569.4
Property, plant and equipment, net	1,959.5	1,915.2
Goodwill and other intangibles, net	12,859.5	12,441.1
Other assets	1,321.0	482.3
<i>Total assets</i>	\$ 20,596.6	\$ 19,408.0
 <i>LIABILITIES AND SHAREOWNERS' EQUITY</i>		
Short-term borrowings	\$ 337.3	\$ 376.1
Current maturities of long-term debt	3.1	2.5
Accounts payable	2,087.8	2,233.2
Accrued expenses	1,977.5	1,389.8
<i>Total current liabilities</i>	4,405.7	4,001.6
Long-term debt	3,176.4	3,819.8
Other long-term liabilities	3,872.3	3,746.7
Stanley Black & Decker, Inc. shareowners' equity	9,136.3	7,836.2
Non-controlling interests' equity	5.9	3.7
<i>Total liabilities and shareowners' equity</i>	\$ 20,596.6	\$ 19,408.0

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

	FOURTH QUARTER		YEAR-TO-DATE	
	2019	2018	2019	2018
OPERATING ACTIVITIES				
Net earnings (loss)	\$ 199.1	\$ (106.0)	\$ 958.0	\$ 605.8
Depreciation and amortization	139.8	125.5	560.2	506.5
Loss (gain) on sales of businesses	0.2	-	(17.0)	0.8
Share of net losses of equity method investment	12.4	-	11.2	-
Changes in working capital ¹	974.1	779.2	114.9	(237.9)
Other	(82.3)	422.1	(121.6)	385.7
<i>Net cash provided by operating activities</i>	1,243.3	1,220.8	1,505.7	1,260.9
INVESTING AND FINANCING ACTIVITIES				
Capital and software expenditures	(141.2)	(164.7)	(424.7)	(492.1)
(Payments) proceeds from sales of businesses, net of cash sold	(0.1)	-	76.6	(3.0)
Business acquisitions, net of cash acquired	(3.2)	(2.7)	(685.4)	(524.6)
Sales of assets	94.9	26.0	100.1	45.2
Purchases of investments	(2.0)	(5.6)	(260.6)	(21.7)
Payments on long-term debt	(750.0)	(977.5)	(1,150.0)	(977.5)
Proceeds from debt issuances, net of fees	-	990.0	496.2	990.0
Stock purchase contract fees	(10.0)	(10.0)	(40.3)	(40.3)
Net short-term (repayments) borrowings	(1,136.0)	(1,011.9)	(18.1)	433.2
Premium paid on equity options	(19.2)	-	(19.2)	(57.3)
Proceeds from issuance of preferred stock	735.0	-	735.0	-
Proceeds from issuances of common stock	99.9	5.7	146.0	38.5
Purchases of common stock for treasury	(15.6)	(12.6)	(27.5)	(527.1)
Cash dividends on common stock	(104.4)	(98.4)	(402.0)	(384.9)
Effect of exchange rate changes on cash	19.0	0.2	(1.4)	(53.9)
Other	(20.2)	(16.6)	(27.2)	(29.1)
<i>Net cash used in investing and financing activities</i>	(1,253.1)	(1,278.1)	(1,502.5)	(1,604.6)
<i>(Decrease) increase in cash, cash equivalents and restricted cash</i>	(9.8)	(57.3)	3.2	(343.7)
<i>Cash, cash equivalents and restricted cash, beginning of period</i>	324.4	368.7	311.4	655.1
<i>Cash, cash equivalents and restricted cash, end of period</i>	\$ 314.6	\$ 311.4	\$ 314.6	\$ 311.4
Free Cash Flow Computation²				
Operating cash flow	\$ 1,243.3	\$ 1,220.8	\$ 1,505.7	\$ 1,260.9
Less: capital and software expenditures	(141.2)	(164.7)	(424.7)	(492.1)
Free cash flow (before dividends)	\$ 1,102.1	\$ 1,056.1	\$ 1,081.0	\$ 768.8
Reconciliation of Cash, Cash Equivalents and Restricted Cash				
	December 28, 2019	December 29, 2018		
Cash and cash equivalents	\$ 297.7	\$ 288.7		
Restricted cash included in Other current assets	16.9	22.7		
Cash, cash equivalents and restricted cash	\$ 314.6	\$ 311.4		

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. 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.

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

	FOURTH QUARTER		YEAR-TO-DATE	
	2019	2018	2019	2018
NET SALES				
Tools & Storage	\$ 2,609.8	\$ 2,582.4	\$ 10,062.1	\$ 9,814.0
Industrial	597.1	548.5	2,434.7	2,187.8
Security	507.3	503.8	1,945.4	1,980.6
<i>Total</i>	\$ 3,714.2	\$ 3,634.7	\$ 14,442.2	\$ 13,982.4
SEGMENT PROFIT				
Tools & Storage	\$ 417.4	\$ 336.9	\$ 1,533.3	\$ 1,393.1
Industrial	77.7	65.4	334.1	319.8
Security	16.0	28.3	126.6	169.3
<i>Segment Profit</i>	511.1	430.6	1,994.0	1,882.2
Corporate Overhead	(74.2)	(52.1)	(229.5)	(202.8)
<i>Total</i>	\$ 436.9	\$ 378.5	\$ 1,764.5	\$ 1,679.4
Segment Profit as a Percentage of Net Sales				
Tools & Storage	16.0%	13.0%	15.2%	14.2%
Industrial	13.0%	11.9%	13.7%	14.6%
Security	3.2%	5.6%	6.5%	8.5%
<i>Segment Profit</i>	13.8%	11.8%	13.8%	13.5%
Corporate Overhead	(2.0%)	(1.4%)	(1.6%)	(1.5%)
<i>Total</i>	11.8%	10.4%	12.2%	12.0%

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)

	FOURTH QUARTER 2019		
	Reported	Acquisition- Related Charges & Other¹	Normalized⁴
Gross margin	\$ 1,160.6	\$ 17.3	\$ 1,177.9
<i>% of Net Sales</i>	<i>31.2%</i>		<i>31.7%</i>
Selling, general and administrative	723.7	(52.6)	671.1
<i>% of Net Sales</i>	<i>19.5%</i>		<i>18.1%</i>
Operating margin	436.9	69.9	506.8
<i>% of Net Sales</i>	<i>11.8%</i>		<i>13.6%</i>
Earnings before income taxes and equity interest	236.8	164.0	400.8
Income taxes	25.3	38.0	63.3
Share of net losses of equity method investment	(12.4)	5.3	(7.1)
Net earnings attributable to common shareowners	199.1	131.3	330.4
Diluted earnings per share of common stock	\$ 1.32	\$ 0.86	\$ 2.18

¹ Acquisition-related charges and other relates primarily to restructuring, deal and integration costs, charges related to the extinguishment of debt, Security business transformation and margin resiliency initiatives.

	FOURTH QUARTER 2018		
	Reported	Acquisition- Related Charges & Other²	Normalized⁴
Gross margin	\$ 1,159.9	\$ 51.9	\$ 1,211.8
<i>% of Net Sales</i>	<i>31.9%</i>		<i>33.3%</i>
Selling, general and administrative	781.4	(52.3)	729.1
<i>% of Net Sales</i>	<i>21.5%</i>		<i>20.1%</i>
Operating margin	378.5	104.2	482.7
<i>% of Net Sales</i>	<i>10.4%</i>		<i>13.3%</i>
Earnings before income taxes	171.0	212.7	383.7
Income taxes	277.0	(210.8)	66.2
Net (loss) earnings attributable to common shareowners	(106.8)	423.5	316.7
Diluted (loss) earnings per share of common stock ³	\$ (0.72)	\$ 2.83	\$ 2.11

² Acquisition-related charges and other relate primarily to integration and consulting costs, a cost reduction program, an incremental freight charge related to a service provider's bankruptcy, and a tax charge related to the enactment of new U.S. tax legislation.

³ The normalized diluted earnings per share for the fourth quarter of 2018 is calculated using diluted weighted-average shares outstanding of 149.849 million.

⁴ The normalized 2019 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 and other charges.

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 2019		
	Reported	Acquisition- Related Charges & Other ¹	Normalized ³
Gross margin	\$ 4,805.5	\$ 39.7	\$ 4,845.2
<i>% of Net Sales</i>	<i>33.3%</i>		<i>33.5%</i>
Selling, general and administrative	3,041.0	(139.5)	2,901.5
<i>% of Net Sales</i>	<i>21.1%</i>		<i>20.1%</i>
Operating margin	1,764.5	179.2	1,943.7
<i>% of Net Sales</i>	<i>12.2%</i>		<i>13.5%</i>
Earnings before income taxes and equity interest	1,130.0	363.2	1,493.2
Income taxes	160.8	78.1	238.9
Share of net (losses) earnings of equity method investment	(11.2)	24.3	13.1
Net earnings attributable to common shareowners	955.8	309.4	1,265.2
Diluted earnings per share of common stock	\$ 6.35	\$ 2.05	\$ 8.40

¹ Acquisition-related charges and other relates primarily to restructuring, deal and integration costs, charges related to the extinguishment of debt, Security business transformation, margin resiliency initiatives, and a gain on a sale of a business.

	YEAR-TO-DATE 2018		
	Reported	Acquisition- Related Charges & Other ²	Normalized ³
Gross margin	\$ 4,851.1	\$ 65.7	\$ 4,916.8
<i>% of Net Sales</i>	<i>34.7%</i>		<i>35.2%</i>
Selling, general and administrative	3,171.7	(157.8)	3,013.9
<i>% of Net Sales</i>	<i>22.7%</i>		<i>21.6%</i>
Operating margin	1,679.4	223.5	1,902.9
<i>% of Net Sales</i>	<i>12.0%</i>		<i>13.6%</i>
Earnings before income taxes	1,022.1	449.9	1,472.0
Income taxes	416.3	(180.8)	235.5
Net earnings attributable to common shareowners	605.2	630.7	1,235.9
Diluted earnings per share of common stock	\$ 3.99	\$ 4.16	\$ 8.15

² Acquisition-related charges and other relates primarily to inventory step-up, integration and consulting costs, a non-cash fair value adjustment, an environmental remediation settlement, a cost reduction program, an incremental freight charge related to a service provider's bankruptcy, and tax charges related to the enactment of new U.S. tax legislation.

³ The normalized 2019 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 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)

FOURTH QUARTER 2019			
	Reported	Acquisition- Related and Other Charges ¹	Normalized ³
SEGMENT PROFIT			
Tools & Storage	\$ 417.4	\$ 12.8	\$ 430.2
Industrial	77.7	3.7	81.4
Security	16.0	41.0	57.0
<i>Segment Profit</i>	511.1	57.5	568.6
Corporate Overhead	(74.2)	12.4	(61.8)
<i>Total</i>	\$ 436.9	\$ 69.9	\$ 506.8
 Segment Profit as a Percentage of Net Sales			
Tools & Storage	16.0%		16.5%
Industrial	13.0%		13.6%
Security	3.2%		11.2%
<i>Segment Profit</i>	13.8%		15.3%
Corporate Overhead	(2.0%)		(1.7%)
<i>Total</i>	11.8%		13.6%

¹ Acquisition-related and other charges relate primarily to Security business transformation and margin resiliency initiatives.

FOURTH QUARTER 2018			
	Reported	Acquisition- Related and Other Charges ²	Normalized ³
SEGMENT PROFIT			
Tools & Storage	\$ 336.9	\$ 60.4	\$ 397.3
Industrial	65.4	6.9	72.3
Security	28.3	32.3	60.6
<i>Segment Profit</i>	430.6	99.6	530.2
Corporate Overhead	(52.1)	4.6	(47.5)
<i>Total</i>	\$ 378.5	\$ 104.2	\$ 482.7
 Segment Profit as a Percentage of Net Sales			
Tools & Storage	13.0%		15.4%
Industrial	11.9%		13.2%
Security	5.6%		12.0%
<i>Segment Profit</i>	11.8%		14.6%
Corporate Overhead	(1.4%)		(1.3%)
<i>Total</i>	10.4%		13.3%

² Acquisition-related and other charges relate primarily to integration and consulting costs and an incremental freight charge related to a service provider's bankruptcy.

³ The normalized 2019 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 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 2019			
	Reported	Acquisition- Related and Other Charges ¹	Normalized ³
SEGMENT PROFIT			
Tools & Storage	\$ 1,533.3	\$ 44.3	\$ 1,577.6
Industrial	334.1	25.8	359.9
Security	126.6	85.7	212.3
<i>Segment Profit</i>	1,994.0	155.8	2,149.8
Corporate Overhead	(229.5)	23.4	(206.1)
<i>Total</i>	\$ 1,764.5	\$ 179.2	\$ 1,943.7
 <i>Segment Profit as a Percentage of Net Sales</i>			
Tools & Storage	15.2%		15.7%
Industrial	13.7%		14.8%
Security	6.5%		10.9%
<i>Segment Profit</i>	13.8%		14.9%
Corporate Overhead	(1.6%)		(1.4%)
<i>Total</i>	12.2%		13.5%

¹ Acquisition-related and other charges relate primarily to integration costs, Security business transformation and margin resiliency initiatives.

YEAR-TO-DATE 2018			
	Reported	Acquisition- Related and Other Charges ²	Normalized ³
SEGMENT PROFIT			
Tools & Storage	\$ 1,393.1	\$ 142.6	\$ 1,535.7
Industrial	319.8	26.0	345.8
Security	169.3	42.2	211.5
<i>Segment Profit</i>	1,882.2	210.8	2,093.0
Corporate Overhead	(202.8)	12.7	(190.1)
<i>Total</i>	\$ 1,679.4	\$ 223.5	\$ 1,902.9
 <i>Segment Profit as a Percentage of Net Sales</i>			
Tools & Storage	14.2%		15.6%
Industrial	14.6%		15.8%
Security	8.5%		10.7%
<i>Segment Profit</i>	13.5%		15.0%
Corporate Overhead	(1.5%)		(1.4%)
<i>Total</i>	12.0%		13.6%

² Acquisition-related and other charges relate primarily to inventory step-up, integration and consulting costs, a non-cash fair value adjustment, and an incremental freight charge related to a service provider's bankruptcy.

³ The normalized 2019 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 and other charges.