

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

	SECOND QUARTER		YEAR-TO-DATE	
	2019	2018	2019	2018
NET SALES	\$ 3,761.3	\$ 3,643.6	\$ 7,094.9	\$ 6,852.9
COSTS AND EXPENSES				
Cost of sales	2,461.5	2,356.5	4,689.5	4,400.1
Gross margin	1,299.8	1,287.1	2,405.4	2,452.8
<i>% of Net Sales</i>	34.6%	35.3%	33.9%	35.8%
Selling, general and administrative	782.3	805.8	1,561.2	1,591.4
<i>% of Net Sales</i>	20.8%	22.1%	22.0%	23.2%
Operating margin	517.5	481.3	844.2	861.4
<i>% of Net Sales</i>	13.8%	13.2%	11.9%	12.6%
Other - net	62.2	119.3	127.6	177.3
(Gain) loss on sales of businesses	(17.2)	0.8	(17.2)	0.8
Restructuring charges	8.5	13.4	17.2	36.3
<i>Income from operations</i>	464.0	347.8	716.6	647.0
Interest - net	60.3	53.4	118.1	100.8
EARNINGS BEFORE INCOME TAXES AND EQUITY INTEREST	403.7	294.4	598.5	546.2
Income taxes	51.6	1.0	76.3	82.7
NET EARNINGS BEFORE EQUITY INTEREST	352.1	293.4	522.2	463.5
Share of net earnings of equity method investment	5.3	-	5.6	-
NET EARNINGS	357.4	293.4	527.8	463.5
Less: net gain (loss) attributable to non-controlling interests	1.1	(0.2)	1.6	(0.7)
NET EARNINGS ATTRIBUTABLE TO COMMON SHAREOWNERS	\$ 356.3	\$ 293.6	\$ 526.2	\$ 464.2
EARNINGS PER SHARE OF COMMON STOCK				
Basic	\$ 2.41	\$ 1.96	\$ 3.56	\$ 3.09
Diluted	\$ 2.37	\$ 1.93	\$ 3.50	\$ 3.03
DIVIDENDS PER SHARE	\$ 0.66	\$ 0.63	\$ 1.32	\$ 1.26
WEIGHTED-AVERAGE SHARES OUTSTANDING (in thousands)				
Basic	148,099	149,748	147,982	150,101
Diluted	150,358	152,494	150,139	153,124

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

	June 29, 2019	December 29, 2018
ASSETS		
Cash and cash equivalents	\$ 310.7	\$ 288.7
Accounts and notes receivable, net	1,823.9	1,607.8
Inventories, net	2,863.2	2,373.5
Other current assets	347.4	299.4
<i>Total current assets</i>	5,345.2	4,569.4
Property, plant and equipment, net	1,933.3	1,915.2
Goodwill and other intangibles, net	12,954.9	12,441.1
Other assets	1,290.2	482.3
<i>Total assets</i>	\$ 21,523.6	\$ 19,408.0
 LIABILITIES AND SHAREOWNERS' EQUITY		
Short-term borrowings	\$ 1,461.6	\$ 376.1
Current maturities of long-term debt	3.1	2.5
Accounts payable	2,323.8	2,233.2
Accrued expenses	1,864.6	1,389.8
<i>Total current liabilities</i>	5,653.1	4,001.6
Long-term debt	3,909.1	3,819.8
Other long-term liabilities	3,728.1	3,746.7
Stanley Black & Decker, Inc. shareowners' equity	8,228.0	7,836.2
Non-controlling interests' equity	5.3	3.7
<i>Total liabilities and shareowners' equity</i>	\$ 21,523.6	\$ 19,408.0

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

	SECOND QUARTER		YEAR-TO-DATE	
	2019	2018	2019	2018
OPERATING ACTIVITIES				
Net earnings	\$ 357.4	\$ 293.4	\$ 527.8	\$ 463.5
Depreciation and amortization	141.7	127.7	279.5	251.3
(Gain) loss on sales of businesses	(17.2)	0.8	(17.2)	0.8
Share of net earnings of equity method investment	(5.3)	-	(5.6)	-
Changes in working capital ¹	35.9	(185.0)	(580.9)	(729.3)
Other	(11.5)	(38.9)	(133.9)	(137.7)
<i>Net cash provided by (used in) operating activities</i>	501.0	198.0	69.7	(151.4)
INVESTING AND FINANCING ACTIVITIES				
Capital and software expenditures	(97.2)	(111.7)	(186.8)	(218.0)
Proceeds (payments) from sales of businesses, net of cash sold	76.7	(1.7)	76.7	(1.9)
Business acquisitions, net of cash acquired	0.2	(505.6)	(676.0)	(506.8)
Purchases of investments	(8.3)	(6.3)	(253.7)	(10.3)
Net investment hedge settlements	-	37.8	3.9	20.3
Payments on long-term debt	-	-	(400.0)	-
Proceeds from debt issuance, net of fees	(0.7)	-	496.2	-
Stock purchase contract fees	(10.1)	(10.1)	(20.2)	(20.2)
Net short-term (repayments) borrowings	(330.6)	753.6	1,089.3	1,135.6
Premium paid on equity option	-	-	-	(57.3)
Proceeds from issuances of common stock	14.4	9.5	24.6	22.6
Purchases of common stock for treasury	(1.1)	(201.3)	(9.2)	(212.7)
Cash dividends on common stock	(97.7)	(94.2)	(195.3)	(189.1)
Effect of exchange rate changes on cash	0.2	(87.8)	5.0	(59.9)
Other	(7.7)	-	(10.7)	(2.6)
<i>Net cash used in investing and financing activities</i>	(461.9)	(217.8)	(56.2)	(100.3)
<i>Increase (decrease) in cash, cash equivalents and restricted cash</i>	39.1	(19.8)	13.5	(251.7)
<i>Cash, cash equivalents and restricted cash, beginning of period</i>	285.8	423.2	311.4	655.1
<i>Cash, cash equivalents and restricted cash, end of period</i>	\$ 324.9	\$ 403.4	\$ 324.9	\$ 403.4
Free Cash Flow Computation²				
Operating cash flow	\$ 501.0	\$ 198.0	\$ 69.7	\$ (151.4)
Less: capital and software expenditures	(97.2)	(111.7)	(186.8)	(218.0)
Free cash flow (before dividends)	\$ 403.8	\$ 86.3	\$ (117.1)	\$ (369.4)
Reconciliation of Cash, Cash Equivalents and Restricted Cash				
	June 29, 2019	December 29, 2018		
Cash and cash equivalents	\$ 310.7	\$ 288.7		
Restricted cash included in Other current assets	14.2	22.7		
Cash, cash equivalents and restricted cash	\$ 324.9	\$ 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)

	SECOND QUARTER		YEAR-TO-DATE	
	2019	2018	2019	2018
NET SALES				
Tools & Storage	\$ 2,626.0	\$ 2,567.8	\$ 4,918.3	\$ 4,783.6
Industrial	649.9	573.1	1,204.9	1,077.3
Security	485.4	502.7	971.7	992.0
<i>Total</i>	\$ 3,761.3	\$ 3,643.6	\$ 7,094.9	\$ 6,852.9
SEGMENT PROFIT				
Tools & Storage	\$ 440.0	\$ 398.6	\$ 705.8	\$ 700.0
Industrial	95.1	85.5	166.1	166.0
Security	38.0	48.1	77.5	93.6
<i>Segment Profit</i>	573.1	532.2	949.4	959.6
Corporate Overhead	(55.6)	(50.9)	(105.2)	(98.2)
<i>Total</i>	\$ 517.5	\$ 481.3	\$ 844.2	\$ 861.4
Segment Profit as a Percentage of Net Sales				
Tools & Storage	16.8%	15.5%	14.4%	14.6%
Industrial	14.6%	14.9%	13.8%	15.4%
Security	7.8%	9.6%	8.0%	9.4%
<i>Segment Profit</i>	15.2%	14.6%	13.4%	14.0%
Corporate Overhead	(1.5%)	(1.4%)	(1.5%)	(1.4%)
<i>Total</i>	13.8%	13.2%	11.9%	12.6%

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)

	SECOND QUARTER 2019		
	Reported	Acquisition- Related Charges & Other¹	Normalized³
Gross margin	\$ 1,299.8	\$ 10.7	\$ 1,310.5
<i>% of Net Sales</i>	<i>34.6%</i>		<i>34.8%</i>
Selling, general and administrative	782.3	(26.6)	755.7
<i>% of Net Sales</i>	<i>20.8%</i>		<i>20.1%</i>
Operating margin	517.5	37.3	554.8
<i>% of Net Sales</i>	<i>13.8%</i>		<i>14.8%</i>
Earnings before income taxes and equity interest	403.7	32.9	436.6
Income taxes	51.6	(0.9)	50.7
Share of net earnings of equity method investment	5.3	10.2	15.5
Net earnings attributable to common shareowners	356.3	44.0	400.3
Diluted earnings per share of common stock	\$ 2.37	\$ 0.29	\$ 2.66

¹ Acquisition-related charges and other relates primarily to restructuring, deal and integration costs, Security business transformation and margin enhancement initiatives, a gain on a sale of a business, and inventory step-up amortization.

	SECOND QUARTER 2018		
	Reported	Acquisition- Related Charges & Other²	Normalized³
Gross margin	\$ 1,287.1	\$ 8.8	\$ 1,295.9
<i>% of Net Sales</i>	<i>35.3%</i>		<i>35.6%</i>
Selling, general and administrative	805.8	(25.5)	780.3
<i>% of Net Sales</i>	<i>22.1%</i>		<i>21.4%</i>
Operating margin	481.3	34.3	515.6
<i>% of Net Sales</i>	<i>13.2%</i>		<i>14.2%</i>
Earnings before income taxes	294.4	126.7	421.1
Income taxes	1.0	28.5	29.5
Net earnings attributable to common shareowners	293.6	98.2	391.8
Diluted earnings per share of common stock	\$ 1.93	\$ 0.64	\$ 2.57

² Acquisition-related charges and other relates primarily to inventory step-up, integration and consulting costs, and an environmental remediation settlement.

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 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 & Other¹	Normalized³
Gross margin	\$ 2,405.4	\$ 17.1	\$ 2,422.5
<i>% of Net Sales</i>	<i>33.9%</i>		<i>34.1%</i>
Selling, general and administrative	1,561.2	(49.6)	1,511.6
<i>% of Net Sales</i>	<i>22.0%</i>		<i>21.3%</i>
Operating margin	844.2	66.7	910.9
<i>% of Net Sales</i>	<i>11.9%</i>		<i>12.8%</i>
Earnings before income taxes and equity interest	598.5	85.5	684.0
Income taxes	76.3	11.5	87.8
Share of net earnings of equity method investment	5.6	13.6	19.2
Net earnings attributable to common shareowners	526.2	87.6	613.8
Diluted earnings per share of common stock	\$ 3.50	\$ 0.59	\$ 4.09

¹ Acquisition-related charges and other relates primarily to restructuring, deal and integration costs, Security business transformation and margin enhancement initiatives, a gain on a sale of a business, and inventory step-up amortization.

	YEAR-TO-DATE 2018		
	Reported	Acquisition- Related Charges & Other²	Normalized³
Gross margin	\$ 2,452.8	\$ 10.5	\$ 2,463.3
<i>% of Net Sales</i>	<i>35.8%</i>		<i>35.9%</i>
Selling, general and administrative	1,591.4	(41.9)	1,549.5
<i>% of Net Sales</i>	<i>23.2%</i>		<i>22.6%</i>
Operating margin	861.4	52.4	913.8
<i>% of Net Sales</i>	<i>12.6%</i>		<i>13.3%</i>
Earnings before income taxes	546.2	151.8	698.0
Income taxes	82.7	10.5	93.2
Net earnings attributable to common shareowners	464.2	141.3	605.5
Diluted earnings per share of common stock	\$ 3.03	\$ 0.92	\$ 3.95

² Acquisition-related charges and other relates primarily to inventory step-up, integration and consulting costs, an environmental remediation settlement, and a tax charge 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)

SECOND QUARTER 2019			
	Reported	Acquisition- Related and Other Charges ¹	Normalized ³
SEGMENT PROFIT			
Tools & Storage	\$ 440.0	\$ 7.5	\$ 447.5
Industrial	95.1	11.3	106.4
Security	38.0	16.3	54.3
<i>Segment Profit</i>	573.1	35.1	608.2
Corporate Overhead	(55.6)	2.2	(53.4)
<i>Total</i>	\$ 517.5	\$ 37.3	\$ 554.8
 Segment Profit as a Percentage of Net Sales			
Tools & Storage	16.8%		17.0%
Industrial	14.6%		16.4%
Security	7.8%		11.2%
<i>Segment Profit</i>	15.2%		16.2%
Corporate Overhead	(1.5%)		(1.4%)
<i>Total</i>	13.8%		14.8%

¹ Acquisition-related and other charges relates primarily to inventory step-up amortization, integration costs, and Security business transformation and margin enhancement initiatives.

SECOND QUARTER 2018			
	Reported	Acquisition- Related Charges ²	Normalized ³
SEGMENT PROFIT			
Tools & Storage	\$ 398.6	\$ 17.8	\$ 416.4
Industrial	85.5	10.9	96.4
Security	48.1	2.0	50.1
<i>Segment Profit</i>	532.2	30.7	562.9
Corporate Overhead	(50.9)	3.6	(47.3)
<i>Total</i>	\$ 481.3	\$ 34.3	\$ 515.6
 Segment Profit as a Percentage of Net Sales			
Tools & Storage	15.5%		16.2%
Industrial	14.9%		16.8%
Security	9.6%		10.0%
<i>Segment Profit</i>	14.6%		15.4%
Corporate Overhead	(1.4%)		(1.3%)
<i>Total</i>	13.2%		14.2%

² Acquisition-related charges relate primarily to inventory step-up and integration and consulting costs.

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)

SEGMENT PROFIT	YEAR-TO-DATE 2019		
	Reported	Acquisition- Related and Other Charges¹	Normalized³
	Tools & Storage	\$ 705.8	\$ 20.1
Industrial	166.1	17.3	183.4
Security	77.5	27.1	104.6
<i>Segment Profit</i>	949.4	64.5	1,013.9
Corporate Overhead	(105.2)	2.2	(103.0)
<i>Total</i>	\$ 844.2	\$ 66.7	\$ 910.9
Segment Profit as a Percentage of Net Sales			
Tools & Storage	14.4%		14.8%
Industrial	13.8%		15.2%
Security	8.0%		10.8%
<i>Segment Profit</i>	13.4%		14.3%
Corporate Overhead	(1.5%)		(1.5%)
<i>Total</i>	11.9%		12.8%

¹ Acquisition-related and other charges relates primarily to inventory step-up amortization, integration costs, and Security business transformation and margin enhancement initiatives.

SEGMENT PROFIT	YEAR-TO-DATE 2018		
	Reported	Acquisition- Related Charges²	Normalized³
	Tools & Storage	\$ 700.0	\$ 32.5
Industrial	166.0	12.9	178.9
Security	93.6	3.3	96.9
<i>Segment Profit</i>	959.6	48.7	1,008.3
Corporate Overhead	(98.2)	3.7	(94.5)
<i>Total</i>	\$ 861.4	\$ 52.4	\$ 913.8
Segment Profit as a Percentage of Net Sales			
Tools & Storage	14.6%		15.3%
Industrial	15.4%		16.6%
Security	9.4%		9.8%
<i>Segment Profit</i>	14.0%		14.7%
Corporate Overhead	(1.4%)		(1.4%)
<i>Total</i>	12.6%		13.3%

² Acquisition-related charges relate primarily to inventory step-up and integration and consulting costs.

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.