

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

	FIRST QUARTER	
	2019	2018
NET SALES	\$ 3,333.6	\$ 3,209.3
COSTS AND EXPENSES		
Cost of sales	2,228.0	2,043.6
Gross margin	1,105.6	1,165.7
<i>% of Net Sales</i>	33.2%	36.3%
Selling, general and administrative	778.9	785.6
<i>% of Net Sales</i>	23.4%	24.5%
Operating margin	326.7	380.1
<i>% of Net Sales</i>	9.8%	11.8%
Other - net	65.4	58.0
Restructuring charges	8.7	22.9
<i>Income from operations</i>	252.6	299.2
Interest - net	57.8	47.4
EARNINGS BEFORE INCOME TAXES AND EQUITY INTEREST	194.8	251.8
Income taxes	24.7	81.7
NET EARNINGS BEFORE EQUITY INTEREST	170.1	170.1
Share of net earnings of equity method investment	0.3	-
NET EARNINGS	170.4	170.1
Less: net gain (loss) attributable to non-controlling interests	0.5	(0.5)
NET EARNINGS ATTRIBUTABLE TO COMMON SHAREOWNERS	\$ 169.9	\$ 170.6
EARNINGS PER SHARE OF COMMON STOCK		
Basic	\$ 1.15	\$ 1.13
Diluted	\$ 1.13	\$ 1.11
DIVIDENDS PER SHARE	\$ 0.66	\$ 0.63
WEIGHTED-AVERAGE SHARES OUTSTANDING (in thousands)		
Basic	147,863	150,612
Diluted	149,908	153,905

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

	March 30, 2019	December 29, 2018
	<hr/>	<hr/>
ASSETS		
Cash and cash equivalents	\$ 281.8	\$ 288.7
Accounts and notes receivable, net	1,882.1	1,607.8
Inventories, net	2,791.6	2,373.5
Other current assets	298.4	299.4
<i>Total current assets</i>	<hr/> 5,253.9	<hr/> 4,569.4
Property, plant and equipment, net	1,927.4	1,915.2
Goodwill and other intangibles, net	13,028.3	12,441.1
Other assets	1,250.7	482.3
<i>Total assets</i>	<hr/> <hr/> \$ 21,460.3	<hr/> <hr/> \$ 19,408.0
 LIABILITIES AND SHAREOWNERS' EQUITY		
Short-term borrowings	\$ 1,780.7	\$ 376.1
Current maturities of long-term debt	3.1	2.5
Accounts payable	2,264.3	2,233.2
Accrued expenses	1,718.1	1,389.8
<i>Total current liabilities</i>	<hr/> 5,766.2	<hr/> 4,001.6
Long-term debt	3,909.4	3,819.8
Other long-term liabilities	3,848.0	3,746.7
Stanley Black & Decker, Inc. shareowners' equity	7,932.5	7,836.2
Non-controlling interests' equity	4.2	3.7
<i>Total liabilities and shareowners' equity</i>	<hr/> <hr/> \$ 21,460.3	<hr/> <hr/> \$ 19,408.0

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

	FIRST QUARTER	
	2019	2018
OPERATING ACTIVITIES		
Net earnings	\$ 170.4	\$ 170.1
Depreciation and amortization	137.8	123.6
Share of net earnings of equity method investment	(0.3)	-
Changes in working capital ¹	(616.8)	(544.3)
Other	(122.4)	(98.8)
<i>Net cash used in operating activities</i>	(431.3)	(349.4)
INVESTING AND FINANCING ACTIVITIES		
Capital and software expenditures	(89.6)	(106.3)
Business acquisitions, net of cash acquired	(676.2)	(1.2)
Purchases of investments	(245.4)	(4.0)
Net investment hedge settlements	3.9	(17.5)
Payment on long-term debt	(400.0)	-
Proceeds from debt issuance, net of fees	496.9	-
Stock purchase contract fees	(10.1)	(10.1)
Net short-term borrowings	1,419.9	382.0
Premium paid on equity option	-	(57.3)
Cash dividends on common stock	(97.6)	(94.9)
Effect of exchange rate changes on cash	4.8	27.9
Other	(0.9)	(1.1)
<i>Net cash provided by investing and financing activities</i>	405.7	117.5
<i>Decrease in cash, cash equivalents, and restricted cash</i>	(25.6)	(231.9)
<i>Cash, cash equivalents, and restricted cash, beginning of period</i>	311.4	655.1
<i>Cash, cash equivalents, and restricted cash, end of period</i>	\$ 285.8	\$ 423.2
Free Cash Flow Computation²		
Operating cash flow	\$ (431.3)	\$ (349.4)
Less: capital and software expenditures	(89.6)	(106.3)
Free cash flow (before dividends)	\$ (520.9)	\$ (455.7)
Reconciliation of Cash, Cash Equivalents and Restricted Cash		
	March 30, 2019	December 29, 2018
Cash and cash equivalents	\$ 281.8	\$ 288.7
Restricted cash included in Other current assets	4.0	22.7
Cash, cash equivalents and restricted cash	\$ 285.8	\$ 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)

	FIRST QUARTER	
	2019	2018
<i>NET SALES</i>		
Tools & Storage	\$ 2,292.3	\$ 2,215.8
Industrial	555.0	504.2
Security	486.3	489.3
<i>Total</i>	\$ 3,333.6	\$ 3,209.3
 <i>SEGMENT PROFIT</i>		
Tools & Storage	\$ 265.8	\$ 301.4
Industrial	71.0	80.5
Security	39.5	45.5
<i>Segment Profit</i>	376.3	427.4
Corporate Overhead	(49.6)	(47.3)
<i>Total</i>	\$ 326.7	\$ 380.1
 <i>Segment Profit as a Percentage of Net Sales</i>		
Tools & Storage	11.6%	13.6%
Industrial	12.8%	16.0%
Security	8.1%	9.3%
<i>Segment Profit</i>	11.3%	13.3%
Corporate Overhead	(1.5%)	(1.5%)
<i>Total</i>	9.8%	11.8%

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)

	FIRST QUARTER 2019		
	Reported	Acquisition- Related and Other Charges¹	Normalized³
Gross margin	\$ 1,105.6	\$ 6.4	\$ 1,112.0
<i>% of Net Sales</i>	33.2%		33.4%
Selling, general and administrative	778.9	(23.0)	\$ 755.9
<i>% of Net Sales</i>	23.4%		22.7%
Operating margin	326.7	29.4	356.1
<i>% of Net Sales</i>	9.8%		10.7%
Earnings before income taxes and equity interest	194.8	52.6	247.4
Income taxes	24.7	12.4	37.1
Share of net earnings of equity method investment	0.3	3.4	3.7
Net earnings attributable to common shareowners	169.9	43.6	213.5
Diluted earnings per share of common stock	\$ 1.13	\$ 0.29	\$ 1.42

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

	FIRST QUARTER 2018		
	Reported	Acquisition- Related Charges & Other²	Normalized³
Gross margin	\$ 1,165.7	\$ 1.7	\$ 1,167.4
<i>% of Net Sales</i>	36.3%		36.4%
Selling, general and administrative	785.6	(16.4)	\$ 769.2
<i>% of Net Sales</i>	24.5%		24.0%
Operating margin	380.1	18.1	398.2
<i>% of Net Sales</i>	11.8%		12.4%
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

² Acquisition-related charges and other relates primarily to facility-related charges, integration and consulting costs, and a tax charge related to the enactment of new U.S. tax legislation.

³ The normalized 2018 and 2019 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)

SEGMENT PROFIT	FIRST QUARTER 2019		
	Reported	Acquisition- Related and Other Charges¹	Normalized³
Tools & Storage	\$ 265.8	\$ 12.6	\$ 278.4
Industrial	71.0	6.0	77.0
Security	39.5	10.8	50.3
<i>Segment Profit</i>	376.3	29.4	405.7
Corporate Overhead	(49.6)	-	(49.6)
<i>Total</i>	\$ 326.7	\$ 29.4	\$ 356.1
Segment Profit as a Percentage of Net Sales			
Tools & Storage	11.6%		12.1%
Industrial	12.8%		13.9%
Security	8.1%		10.3%
<i>Segment Profit</i>	11.3%		12.2%
Corporate Overhead	(1.5%)		(1.5%)
<i>Total</i>	9.8%		10.7%

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

SEGMENT PROFIT	FIRST QUARTER 2018		
	Reported	Acquisition- Related Charges²	Normalized³
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%

² Acquisition-related charges relate primarily to facility-related charges, integration and consulting costs.

³ The normalized 2018 and 2019 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.