

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

	THIRD QUARTER		YEAR-TO-DATE	
	2018	2017	2018	2017
NET SALES	\$ 3,494.8	\$ 3,359.4	\$ 10,347.7	\$ 9,502.4
COSTS AND EXPENSES				
Cost of sales	2,256.4	2,106.4	6,656.5	5,970.1
Gross margin	1,238.4	1,253.0	3,691.2	3,532.3
<i>% of Net Sales</i>	35.4%	37.3%	35.7%	37.2%
Selling, general and administrative	798.9	768.9	2,390.3	2,203.4
<i>% of Net Sales</i>	22.9%	22.9%	23.1%	23.2%
Operating margin	439.5	484.1	1,300.9	1,328.9
<i>% of Net Sales</i>	12.6%	14.4%	12.6%	14.0%
Other - net	59.4	60.5	236.7	216.3
Loss (gain) on sales of businesses	-	3.2	0.8	(265.1)
Pension settlement	-	-	-	12.8
Restructuring charges	21.8	19.1	58.1	42.9
<i>Income from operations</i>	358.3	401.3	1,005.3	1,322.0
Interest - net	53.4	46.9	154.2	135.9
EARNINGS BEFORE INCOME TAXES	304.9	354.4	851.1	1,186.1
Income taxes	56.6	79.9	139.3	240.3
NET EARNINGS	248.3	274.5	711.8	945.8
Less: net gain (loss) attributable to non-controlling interests	0.5	-	(0.2)	-
NET EARNINGS ATTRIBUTABLE TO COMMON SHAREOWNERS	\$ 247.8	\$ 274.5	\$ 712.0	\$ 945.8
EARNINGS PER SHARE OF COMMON STOCK				
Basic	\$ 1.67	\$ 1.83	\$ 4.77	\$ 6.33
Diluted	\$ 1.65	\$ 1.80	\$ 4.68	\$ 6.22
DIVIDENDS PER SHARE	\$ 0.66	\$ 0.63	\$ 1.92	\$ 1.79
WEIGHTED-AVERAGE SHARES OUTSTANDING (in thousands)				
Basic	147,964	149,689	149,311	149,464
Diluted	150,599	152,622	152,225	152,106

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

	<u>September 29, 2018</u>	<u>December 30, 2017</u>
ASSETS		
Cash and cash equivalents	\$ 368.7	\$ 637.5
Accounts and notes receivable, net	2,236.2	1,628.7
Inventories, net	2,649.7	2,018.4
Other current assets	300.8	274.4
<i>Total current assets</i>	5,555.4	4,559.0
Property, plant and equipment, net	1,846.2	1,742.5
Goodwill and other intangibles, net	12,554.1	12,283.5
Other assets	492.0	512.7
<i>Total assets</i>	\$ 20,447.7	\$ 19,097.7
 LIABILITIES AND SHAREOWNERS' EQUITY		
Short-term borrowings	\$ 1,408.1	\$ 5.3
Current maturities of long-term debt	979.6	977.5
Accounts payable	2,320.2	2,021.0
Accrued expenses	1,344.1	1,387.7
<i>Total current liabilities</i>	6,052.0	4,391.5
Long-term debt	2,830.6	2,828.2
Other long-term liabilities	3,480.0	3,573.0
Stanley Black & Decker, Inc. shareowners' equity	8,082.2	8,302.2
Non-controlling interests' equity	2.9	2.8
<i>Total liabilities and shareowners' equity</i>	\$ 20,447.7	\$ 19,097.7

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

	THIRD QUARTER		YEAR-TO-DATE	
	2018	2017	2018	2017
OPERATING ACTIVITIES				
Net earnings	\$ 248.3	\$ 274.5	\$ 711.8	\$ 945.8
Depreciation and amortization	129.7	120.7	381.0	338.0
Loss (gain) on sales of businesses	-	3.2	0.8	(265.1)
Changes in working capital ¹	(287.8)	(456.9)	(1,017.1)	(1,253.9)
Other	101.3	174.1	(36.4)	188.5
<i>Net cash provided by (used in) operating activities</i>	191.5	115.6	40.1	(46.7)
INVESTING AND FINANCING ACTIVITIES				
Capital and software expenditures	(109.4)	(91.0)	(327.4)	(277.9)
(Payments) proceeds from sales of businesses, net of cash sold	(1.1)	-	(3.0)	745.3
Business acquisitions, net of cash acquired	(15.1)	(152.0)	(521.9)	(2,582.1)
Net investment hedge settlements	(5.1)	(27.9)	15.2	(31.6)
Proceeds related to deferred purchase price receivable	-	241.3	-	469.1
Stock purchase contract fees	(10.1)	(9.9)	(30.3)	(9.9)
Net short-term borrowings (repayments)	309.5	(64.4)	1,445.1	499.2
Premium paid on equity option	-	-	(57.3)	(25.1)
Proceeds from issuance of preferred stock	-	-	-	727.5
Proceeds from issuances of common stock	10.2	14.6	32.8	47.5
Purchases of common stock for treasury	(301.8)	(0.6)	(514.5)	(16.2)
Cash dividends on common stock	(97.4)	(94.7)	(286.5)	(267.9)
Effect of exchange rate changes on cash	5.8	22.3	(54.1)	81.5
Other	(11.7)	(9.5)	(24.6)	(6.6)
<i>Net cash used in investing and financing activities</i>	(226.2)	(171.8)	(326.5)	(647.2)
<i>Decrease in cash, cash equivalents and restricted cash</i>	(34.7)	(56.2)	(286.4)	(693.9)
<i>Cash, cash equivalents and restricted cash, beginning of period</i>	403.4	539.5	655.1	1,177.2
<i>Cash, cash equivalents and restricted cash, end of period</i>	\$ 368.7	\$ 483.3	\$ 368.7	\$ 483.3
Free Cash Flow Computation²				
Operating cash flow	\$ 191.5	\$ 115.6	\$ 40.1	\$ (46.7)
Less: Capital and software expenditures	(109.4)	(91.0)	(327.4)	(277.9)
Free cash flow (before dividends)	\$ 82.1	\$ 24.6	\$ (287.3)	\$ (324.6)
Impact of recently adopted accounting standards ³		241.3		514.5
Free cash flow (before dividends), as previously reported ³		\$ 265.9		\$ 189.9
Reconciliation of Cash, Cash Equivalents and Restricted Cash				
	September 29, 2018	December 30, 2017		
Cash and cash equivalents	\$ 368.7	\$ 637.5		
Restricted cash included in Other current assets	-	17.6		
Cash, cash equivalents and restricted cash	\$ 368.7	\$ 655.1		

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.

³ Free cash flow as reported in the third quarter of 2017 was an inflow of \$265.9 million and \$189.9 million for the three and nine months ended September 30, 2017, respectively. As a result of the adoption of Accounting Standards Update ("ASU") 2016-15, "Classification of Certain Cash Receipts and Cash Payments" and ASU 2016-18, "Restricted Cash," free cash flow has decreased by \$241.3 million and \$514.5 million for the three and nine months ended September 30, 2017, respectively.

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

	THIRD QUARTER		YEAR-TO-DATE	
	2018	2017	2018	2017
NET SALES				
Tools & Storage	\$ 2,448.0	\$ 2,369.2	\$ 7,231.6	\$ 6,571.5
Industrial	562.0	510.9	1,639.3	1,494.0
Security	484.8	479.3	1,476.8	1,436.9
<i>Total</i>	\$ 3,494.8	\$ 3,359.4	\$ 10,347.7	\$ 9,502.4
SEGMENT PROFIT				
Tools & Storage	\$ 356.2	\$ 394.1	\$ 1,056.2	\$ 1,050.5
Industrial	88.4	92.2	254.4	272.0
Security	47.4	54.0	141.0	156.5
<i>Segment Profit</i>	492.0	540.3	1,451.6	1,479.0
Corporate Overhead	(52.5)	(56.2)	(150.7)	(150.1)
<i>Total</i>	\$ 439.5	\$ 484.1	\$ 1,300.9	\$ 1,328.9
Segment Profit as a Percentage of Net Sales				
Tools & Storage	14.6%	16.6%	14.6%	16.0%
Industrial	15.7%	18.0%	15.5%	18.2%
Security	9.8%	11.3%	9.5%	10.9%
<i>Segment Profit</i>	14.1%	16.1%	14.0%	15.6%
Corporate Overhead	(1.5%)	(1.7%)	(1.5%)	(1.6%)
<i>Total</i>	12.6%	14.4%	12.6%	14.0%

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)

	THIRD QUARTER 2018		
	Reported	Acquisition- Related Charges¹	Normalized³
Gross margin	\$ 1,238.4	\$ 3.3	\$ 1,241.7
<i>% of Net Sales</i>	<i>35.4%</i>		<i>35.5%</i>
Selling, general and administrative	798.9	(63.6)	\$ 735.3
<i>% of Net Sales</i>	<i>22.9%</i>		<i>21.0%</i>
Operating margin	439.5	66.9	506.4
<i>% of Net Sales</i>	<i>12.6%</i>		<i>14.5%</i>
Earnings before income taxes	304.9	85.4	390.3
Income taxes	56.6	19.5	76.1
Net earnings attributable to common shareowners	247.8	65.9	313.7
Diluted earnings per share of common stock	\$ 1.65	\$ 0.43	\$ 2.08

¹ Acquisition-related charges relate primarily to inventory step-up, integration and consulting costs, and a non-cash fair value adjustment.

	THIRD QUARTER 2017		
	Reported	Acquisition- Related Charges & Other²	Normalized³
Gross margin	\$ 1,253.0	\$ 9.6	\$ 1,262.6
<i>% of Net Sales</i>	<i>37.3%</i>		<i>37.6%</i>
Selling, general and administrative	768.9	(7.4)	\$ 761.5
<i>% of Net Sales</i>	<i>22.9%</i>		<i>22.7%</i>
Operating margin	484.1	17.0	501.1
<i>% of Net Sales</i>	<i>14.4%</i>		<i>14.9%</i>
Earnings before income taxes	354.4	33.3	387.7
Income taxes	79.9	9.3	89.2
Net earnings attributable to common shareowners	274.5	24.0	298.5
Diluted earnings per share of common stock	\$ 1.80	\$ 0.15	\$ 1.96

² Acquisition-related charges and other relates primarily to inventory step-up, integration and consulting costs, and gains or losses on sales of businesses.

³ The normalized 2018 and 2017 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 charges, non-cash fair value adjustment, and gains or losses on sales of businesses, as applicable.

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 2018		
	Reported	Acquisition- Related Charges & Other ¹	Normalized ³
Gross margin	\$ 3,691.2	\$ 13.8	\$ 3,705.0
<i>% of Net Sales</i>	<i>35.7%</i>		<i>35.8%</i>
Selling, general and administrative	2,390.3	(105.5)	\$ 2,284.8
<i>% of Net Sales</i>	<i>23.1%</i>		<i>22.1%</i>
Operating margin	1,300.9	119.3	1,420.2
<i>% of Net Sales</i>	<i>12.6%</i>		<i>13.7%</i>
Earnings before income taxes	851.1	237.2	1,088.3
Income taxes	139.3	30.0	169.3
Net earnings attributable to common shareowners	712.0	207.2	919.2
Diluted earnings per share of common stock	\$ 4.68	\$ 1.36	\$ 6.04

¹ 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, and a tax charge related to recently enacted U.S. tax legislation.

	YEAR-TO-DATE 2017		
	Reported	Acquisition- Related Charges & Other ²	Normalized ³
Gross margin	\$ 3,532.3	\$ 42.5	\$ 3,574.8
<i>% of Net Sales</i>	<i>37.2%</i>		<i>37.6%</i>
Selling, general and administrative	2,203.4	(26.8)	\$ 2,176.6
<i>% of Net Sales</i>	<i>23.2%</i>		<i>22.9%</i>
Operating margin	1,328.9	69.3	1,398.2
<i>% of Net Sales</i>	<i>14.0%</i>		<i>14.7%</i>
Earnings before income taxes	1,186.1	(134.9)	1,051.2
Income taxes	240.3	8.8	249.1
Net earnings attributable to common shareowners	945.8	(143.7)	802.1
Diluted earnings per share of common stock	\$ 6.22	\$ (0.95)	\$ 5.27

² Acquisition-related charges and other relates primarily to inventory step-up, integration and consulting costs and gains or losses on sales of businesses.

³ The normalized 2018 and 2017 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 charges, non-cash fair value adjustment, gain or loss on sales of businesses, environmental remediation settlement, and a tax charge related to recently enacted U.S. tax legislation, as applicable.

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 2018			
	Reported	Acquisition-Related Charges¹	Normalized²
SEGMENT PROFIT			
Tools & Storage	\$ 356.2	\$ 49.7	\$ 405.9
Industrial	88.4	6.2	94.6
Security	47.4	6.6	54.0
<i>Segment Profit</i>	492.0	62.5	554.5
Corporate Overhead	(52.5)	4.4	(48.1)
<i>Total</i>	\$ 439.5	\$ 66.9	\$ 506.4
 Segment Profit as a Percentage of Net Sales			
Tools & Storage	14.6%		16.6%
Industrial	15.7%		16.8%
Security	9.8%		11.1%
<i>Segment Profit</i>	14.1%		15.9%
Corporate Overhead	(1.5%)		(1.4%)
<i>Total</i>	12.6%		14.5%

THIRD QUARTER 2017			
	Reported	Acquisition-Related Charges¹	Normalized²
SEGMENT PROFIT			
Tools & Storage	\$ 394.1	\$ 16.8	\$ 410.9
Industrial	92.2	-	92.2
Security	54.0	-	54.0
<i>Segment Profit</i>	540.3	16.8	557.1
Corporate Overhead	(56.2)	0.2	(56.0)
<i>Total</i>	\$ 484.1	\$ 17.0	\$ 501.1
 Segment Profit as a Percentage of Net Sales			
Tools & Storage	16.6%		17.3%
Industrial	18.0%		18.0%
Security	11.3%		11.3%
<i>Segment Profit</i>	16.1%		16.6%
Corporate Overhead	(1.7%)		(1.7%)
<i>Total</i>	14.4%		14.9%

¹ Acquisition-related charges relate primarily to inventory step-up, integration and consulting costs, and a non-cash fair value adjustment, as applicable.

² The normalized 2018 and 2017 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 charges and non-cash fair value adjustment, as applicable.

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 2018			
	Reported	Acquisition- Related Charges ¹	Normalized ²
SEGMENT PROFIT			
Tools & Storage	\$ 1,056.2	\$ 82.2	\$ 1,138.4
Industrial	254.4	19.1	273.5
Security	141.0	9.9	150.9
<i>Segment Profit</i>	1,451.6	111.2	1,562.8
Corporate Overhead	(150.7)	8.1	(142.6)
<i>Total</i>	\$ 1,300.9	\$ 119.3	\$ 1,420.2
 Segment Profit as a Percentage of Net Sales			
Tools & Storage	14.6%		15.7%
Industrial	15.5%		16.7%
Security	9.5%		10.2%
<i>Segment Profit</i>	14.0%		15.1%
Corporate Overhead	(1.5%)		(1.4%)
<i>Total</i>	12.6%		13.7%

YEAR-TO-DATE 2017			
	Reported	Acquisition- Related Charges ¹	Normalized ²
SEGMENT PROFIT			
Tools & Storage	\$ 1,050.5	\$ 68.2	\$ 1,118.7
Industrial	272.0	-	272.0
Security	156.5	0.9	157.4
<i>Segment Profit</i>	1,479.0	69.1	1,548.1
Corporate Overhead	(150.1)	0.2	(149.9)
<i>Total</i>	\$ 1,328.9	\$ 69.3	\$ 1,398.2
 Segment Profit as a Percentage of Net Sales			
Tools & Storage	16.0%		17.0%
Industrial	18.2%		18.2%
Security	10.9%		11.0%
<i>Segment Profit</i>	15.6%		16.3%
Corporate Overhead	(1.6%)		(1.6%)
<i>Total</i>	14.0%		14.7%

¹ Acquisition-related charges relate primarily to inventory step-up, integration and consulting costs, and a non-cash fair value adjustment, as applicable.

² The normalized 2018 and 2017 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 charges and non-cash fair value adjustment, as applicable.