



***StanleyBlack&Decker***

2015 INVESTOR DAY

## A LOOK BACK AND A LOOK AHEAD

John Lundgren  
Chairman & CEO

# Today's Speakers

## Our Businesses – A Look Back And A Look Ahead

10 +



**JOHN LUNDGREN**  
Chairman & CEO

15



**JIM LOREE**  
President & COO

15



**DON ALLAN**  
SVP & CFO

15



**JEFF ANSELL**  
SVP & GE, GTS

10 +



**JIM CANNON**  
President,  
Stanley Security

15 +



**JAIME RAMIREZ**  
SVP & President,  
Global Emerging Markets

4+



**JOANNA SOHOVICH**  
President,  
Stanley Engineered  
Fastening

## A Blueprint For The Future – SFS. 2.0

10 +

**JOHN COWLEY**  
President, EANZ, GTS

10 +

**ROBERT RAFF**  
President, NA Commercial, GTS

30 +

**BILL TAYLOR**  
President, Power Tools, GTS

20 +

**FRANK MANNARINO**  
President, Professional Products, GTS

15 +

**STEVE STAFSTROM**  
VP, Operations, GTS & Emerging Markets

5+

**JOHN WYATT**  
President, Global Sales & Marketing, GTS

20 +

**JAMES O'SULLIVAN**  
President, NA Retail, GTS

4+

**STEPHEN SUBASIC**  
VP, Human Resources, GTS

# A Diversified Global Leader

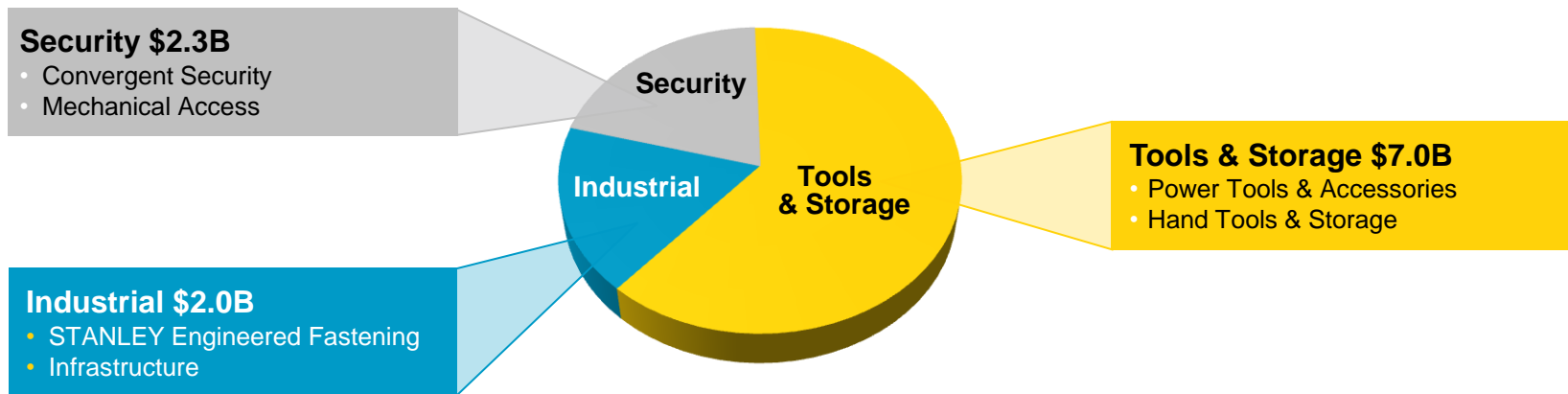
## Stanley Black & Decker (NYSE: SWK)

2014 Revenue: ~\$11.3B

Market Cap: \$15.9B

Cash Dividend Yield: 2.0%

Dividend Paid Consecutively For 138 Years; Increased For Past 47 Consecutive Years

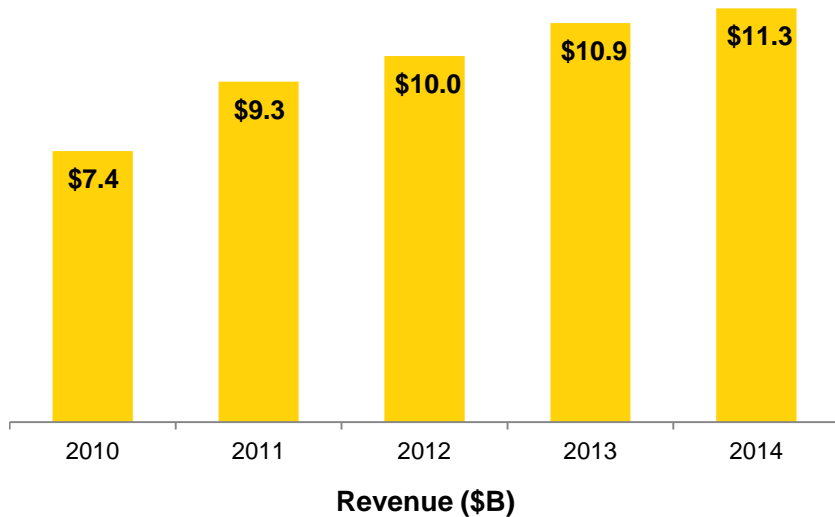


**Building World Class Branded Franchises With Sustainable Strategic Characteristics That Create Shareholder Value**

# 5 Year Revenue & FCF History

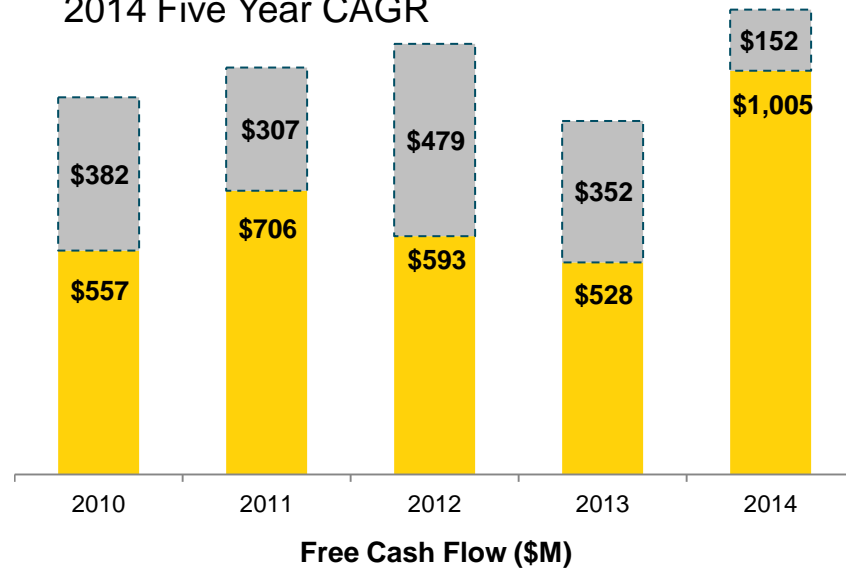
**27%**

2014 Five Year CAGR



**21%\***

2014 Five Year CAGR



**Execution Of Our Strategy Has Developed Scalable Franchises With Strong FCF Generation**

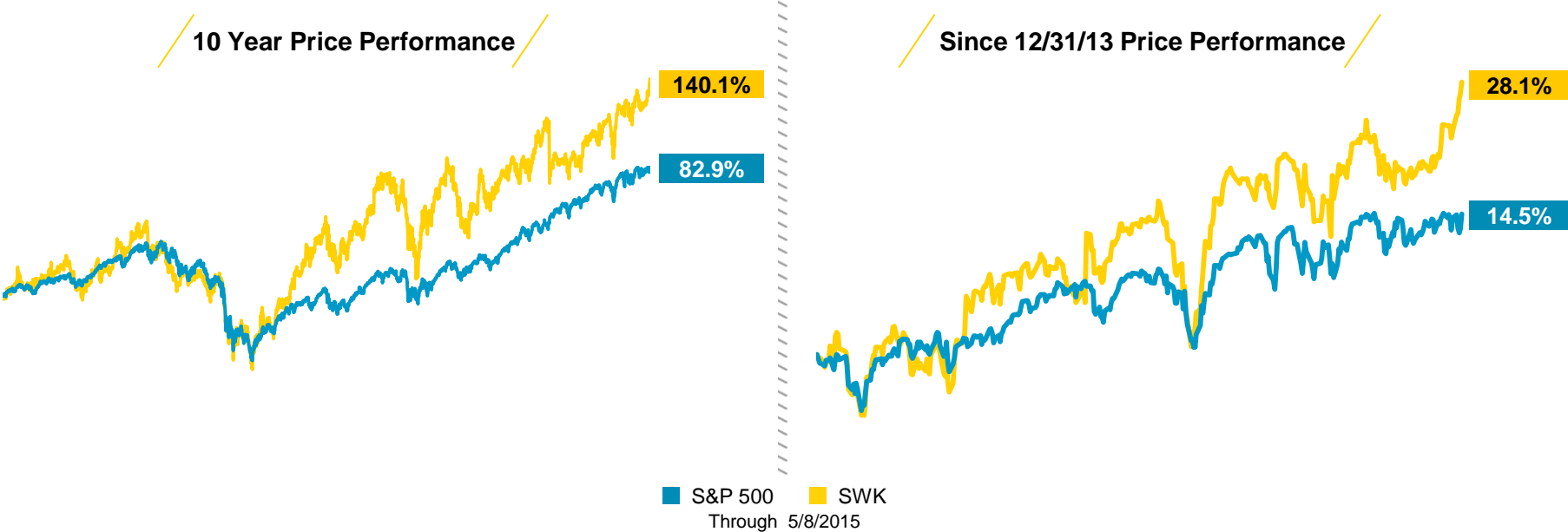
# Long-Term Financial Objectives With 5 Year History

	Long-Term Target	Results 2010 – 2014
<b>Revenue Growth</b>	<ul style="list-style-type: none"> <li>• ~10-12% Total</li> <li>• 4-6% Organic</li> </ul>	<ul style="list-style-type: none"> <li>• 27% CAGR</li> <li>• 4% Organic</li> </ul>
<b>Financial Performance</b>	<ul style="list-style-type: none"> <li>• Mid-Teens % EPS Growth</li> <li>• FCF ≥ Net Income</li> <li>• CFROI In 12-15% Range</li> </ul>	<ul style="list-style-type: none"> <li>• 17% CAGR*</li> <li>• &gt;125% Avg. Conversion*</li> <li>• 13% In 2014</li> </ul>
<b>Dividend</b>	<ul style="list-style-type: none"> <li>• Continued Growth</li> </ul>	<ul style="list-style-type: none"> <li>• Up 53%</li> <li>• Increased Every Year</li> </ul>
<b>Credit Rating</b>	<ul style="list-style-type: none"> <li>• Strong Investment Grade</li> </ul>	<ul style="list-style-type: none"> <li>• S&amp;P: A</li> <li>• Moody's: Baa1</li> <li>• Fitch: A-</li> </ul>

**Strong Performance Against Long-Term Financial Targets**

# Stock Price Performance Vs. S&P 500

**SWK Has Outperformed The Market Over The Near & Long-Term...**



**...Plus, Strong Dividend Growth Has Enhanced Total Return**

# Global Franchises

## A Company That Has Built Well Established, Global Franchises

#1 In Tools & Storage



#2 In Engineered Fastening



#2 In Commercial Electronic Security Services



## A Powerful Portfolio Of Well Managed Brands

# Security

## Security Is A Business That Aligns With Our Strategic Framework...

### Historical Financial Performance Consistent With Corporate Targets\*

Revenue **\$0.2B → \$1.8B**

Organic Growth **Low- To Mid-  
Single Digits**

Average OM% **~ 18% +**

# Of Acquisitions **50 +**

Commercial  
Electronic  
Market Share **# 2**

- Business Value Drivers
  - » Mid-To High-Teens Operating Margins Through Most Of Its History
  - » High Value Added Vertical Market Solutions | Enabler To Growing Within 4-6% Organic Range
  - » Attractive Recurring Revenue Model
  - » Fragmented Global Market Enables Roll-Up Acquisition Opportunities
  - » Capital Expenditure Light
- Performance During 2008-2009 Downturn Enabled Black & Decker Acquisition

**...However, Must Prove Again It Can Meet Growth And Profitability Thresholds**



# Security Europe Transformation

***We Have A Track Record Of Fixing Underperforming Businesses...***

Challenges As We Integrated Niscayah	Business Priorities
<ul style="list-style-type: none"><li>• Leadership &amp; Management Talent</li><li>• Lack Of Commercial Capabilities</li><li>• Non-Existent Attrition Processes</li><li>• Operational Inefficiencies</li><li>• High Cost Structure</li></ul>	<ul style="list-style-type: none"><li>• Profitable Growth<ul style="list-style-type: none"><li>» Attrition Management &amp; Growing RMR</li><li>» New Product Offerings &amp; Vertical Solutions</li></ul></li><li>• Operational Excellence<ul style="list-style-type: none"><li>» Implement Processes To Improve Field &amp; Service Efficiency</li><li>» Right-Size Cost Structure</li></ul></li><li>• People &amp; Performance<ul style="list-style-type: none"><li>» Talent Upgrades</li><li>» Metric Based Management</li></ul></li></ul>

- Hypothesis That Security Can Return To Mid-Teens Margins And Demonstrate Consistent Organic Growth
- Mid-To-Late 2016 The Right Time To Reevaluate Recovery Progress And Portfolio Fit

***...And Exiting Those With Strategic Challenges | Below Company Average Financial Performance***

# SFS Operating Model - Core Competencies

*Consistent Leverage Of Core Competencies Creates Shareholder Value...*

**Operational  
Excellence**

**Leadership  
Agility**

**Acquisition  
Integration**

**World Class  
Brands**

**Innovation**

**Organic Growth  
Culture**

**UNDER CONSTRUCTION**

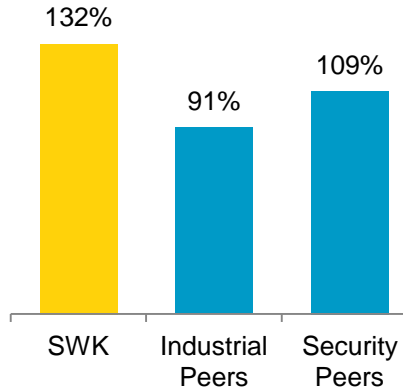
*...And Is The Foundation For The Future*

# Stanley Fulfillment System (SFS)

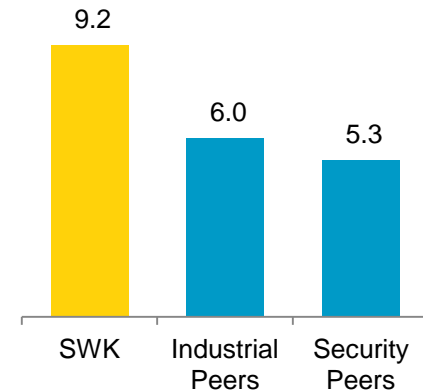
**SFS Delivers Breakthrough Value To The Customer As Well As High Asset Efficiency...**



## 2014 FCF Conversion



## 2014 WCT



**...The Model Is Evolving Beyond A Supply Chain/Customer Fulfillment Mindset To SFS 2.0**

# Why Invest In Stanley Black & Decker?

*There Is A Strong Foundation Of Tenured Leadership Supported By Our Core Capabilities...*

**World Class Franchises**

**“Self Help” Margin Opportunity**

**Poised For Growth**

**Strong FCF Generation &  
Shareholder Friendly Capital Allocation**

*...And A Consistent & Proven Strategy That Has Produced Outperformance Over The Long-Term*