

STANLEY B&D NYSE-SWK				RECENT PRICE	81.35	P/E RATIO	16.3 (Trailing: 21.5 Median: 18.0)	RELATIVE P/E RATIO	0.91	DIV'D YLD	4.1%	VALUE LINE
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TIMELINESS 4 Lowered 11/15/24	High: 92.8 97.7 111.2 126.7 170.9 176.6 169.5 195.0 225.0 196.5 104.2 110.9	Low: 73.8 75.0 90.1 88.7 114.9 106.4 115.0 70.0 167.7 70.2 73.1 77.7	Target Price Range 2027 2028 2029
SAFETY 3 Lowered 7/10/20	LEGENDS — 11.0 x "Cash Flow" p sh Relative Price Strength Options: Yes Shaded area indicates recession		
TECHNICAL 3 Lowered 1/3/25			
BETA 1.35 (1.00 = Market)			

18-Month Target Price Range			
Low-High Midpoint (% to Mid)			
\$65-\$127 \$96 (20%)			
2027-29 PROJECTIONS			
Price Gain Ann'l Total			
High Low 190 (+135%) 26%			
Low 130 (+60%) 15%			
Institutional Decisions			
10/2024 20/2024 30/2024			
to Buy 326 335 400			
to Sell 379 384 348			
Hld's(000) 136467 135922 146559			
Percent shares traded			
30 20 10			
% TOT. RETURN 11/24			
THIS STOCK VL ARITH. INDEX			
1 yr. 5.5 32.1			
3 yr. -41.3 28.2			
5 yr. -32.7 88.1			

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	© VALUE LINE PUB. LLC	27-29
56.12	46.36	50.29	61.20	63.59	70.70	72.03	72.57	74.77	82.75	92.41	94.08	90.42	95.62	110.78	102.73	100.10	104.30	Sales per sh ^A	155.15
5.77	5.20	5.58	7.67	7.64	7.92	8.30	8.56	9.00	10.36	11.52	11.82	11.14	12.76	7.11	4.67	6.95	8.50	"Cash Flow" per sh	14.50
3.41	2.72	3.96	5.24	4.67	4.98	5.36	5.92	6.51	7.45	8.17	8.40	9.04	10.85	4.53	1.45	4.15	5.60	Earnings per sh ^B	10.00
1.26	1.30	1.34	1.64	1.80	1.98	2.04	2.14	2.26	2.42	2.58	2.70	2.78	2.98	3.18	3.22	3.26	3.30	Div'ds Decl'd per sh ^C	3.72
1.79	.90	.99	1.78	2.41	2.35	1.85	2.02	2.27	2.87	3.25	2.77	2.17	3.18	3.47	2.20	2.75	2.85	Cap'l Spending per sh	3.10
21.40	24.95	42.28	41.68	41.98	44.22	41.37	37.75	41.73	49.00	46.83	49.75	59.47	67.17	63.48	58.95	57.25	58.95	Book Value per sh ^D	68.95
78.88	80.62	167.21	169.55	160.25	155.61	157.41	153.94	152.56	154.04	151.30	153.51	160.75	163.33	152.98	153.62	152.00	151.00	Common Shs Outst'g ^E	145.00
12.9	14.1	14.7	12.9	15.2	16.3	16.2	17.1	17.2	19.1	17.5	16.9	16.5	18.3	25.1	NMF	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	16.0
.78	.94	.94	.81	.97	.92	.85	.86	.90	.96	.95	.90	.85	.99	1.45	NMF			Relative P/E Ratio	.90
2.9%	3.4%	2.3%	2.4%	2.5%	2.4%	2.3%	2.1%	2.0%	1.7%	1.8%	1.9%	1.9%	1.6%	2.7%	3.7%			Avg Ann'l Div'd Yield	2.3%

CAPITAL STRUCTURE as of 9/28/24				11339	11172	11407	12747	13982	14442	14535	15617	16947	15781	15215	15750	Sales (Smill) ^A	22500
Total Debt \$6491.7 mill. Due in 5 Yrs \$6154.4 mill.				17.4%	18.1%	18.2%	18.4%	13.6%	15.7%	16.0%	16.3%	9.4%	7.9%	16.5%	17.0%	Operating Margin	19.0%
LT Debt \$5604.1 mill. LT Interest \$105.0 mill.				449.8	414.0	408.0	460.7	506.5	560.2	376.5	374.0	369.7	432.4	425	435	Depreciation (Smill)	650
(Total interest coverage: 4.7x)				857.2	903.8	965.3	1135.5	1236.2	1254.3	1433.0	1728.9	723.7	284.5	630	845	Net Profit (Smill)	1450
(39% of Capital)				20.9%	21.6%	21.3%	20.0%	16.0%	16.0%	15.1%	6.9%	6.9%	25.0%	18.0%	18.0%	Income Tax Rate	21.0%
Leases, Uncapitalized Annual rentals \$144.0 mill.				7.6%	8.1%	8.5%	8.9%	8.8%	8.7%	9.9%	11.1%	4.3%	1.8%	4.1%	5.4%	Net Profit Margin	6.4%
Pension Assets-12/23 \$1810.2 mill.				1116.8	859.5	1981.0	204.3	567.8	50.9	1477.7	d241.0	1405.5	1134.1	1400	1500	Working Cap'l (Smill)	1500
Oblig. \$2089.4 mill.				3839.8	3836.6	3815.3	2843.0	3819.8	3176.4	4245.4	4353.6	5352.9	6101.0	5600	5400	Long-Term Debt (Smill)	4000
Preferred Stock None				6511.9	5811.6	6367.0	8297.1	7836.2	9136.3	11060	11591	9712.1	9056.1	8700	8900	Shr. Equity (Smill) ^D	10000
Common Stock 154,163,874 shares as of 10/24/24				9.1%	10.2%	10.4%	11.2%	11.8%	11.3%	10.1%	11.4%	5.9%	3.7%	4.5%	6.0%	Return on Total Cap'l	10.5%
MARKET CAP: \$12.5 billion (Large Cap)				13.2%	15.6%	15.2%	13.7%	15.8%	13.7%	13.0%	14.9%	7.5%	3.1%	7.0%	9.5%	Return on Shr. Equity	14.5%
CURRENT POSITION 2022 2023 9/28/24				8.2%	10.0%	10.0%	10.2%	12.0%	11.2%	10.3%	11.3%	2.6%	NMF	4.5%	6.0%	Retained to Com Eq	10.5%
(SMILL.)				37%	35%	34%	32%	31%	32%	31%	29%	65%	NMF	79%	59%	All Div'ds to Net Prof	37%

Cash Assets	395.6	449.4	298.7
Receivables	1231.0	1302.0	1503.1
Inventory (LIFO)	5861.1	4738.6	4630.0
Other	487.0	527.3	399.1
Current Assets	7974.7	7017.3	6830.9
Accts Payable	2344.4	2298.9	2405.2
Debt Due	2104.1	1072.9	887.6
Other	2120.7	2511.4	1999.5
Current Liab.	6569.2	5883.2	5292.3

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '21-'23 to '27-'29			
of change (per sh)			
Sales	4.5%	4.5%	7.0%
"Cash Flow"	.5%	-4.5%	10.0%
Earnings	1.0%	-5.5%	11.0%
Dividends	5.5%	5.5%	3.0%
Book Value	4.0%	6.5%	4.0%

Cal-endar	QUARTERLY SALES (\$ mill.) ^A				Full Year
	Mar.Per	Jun.Per	Sep.Per	Dec.Per	
2021	3803	3880	3865	4068	15617
2022	4448	4393	4119	3986	16947
2023	3931	4158	3953	3736	15781
2024	3869	4024	3751	3571	15215
2025	3800	4000	4000	3950	15750

Cal-endar	EARNINGS PER SHARE ^{AB}				Full Year
	Mar.Per	Jun.Per	Sep.Per	Dec.Per	
2021	3.13	3.08	2.77	2.14	10.85
2022	2.10	1.77	.76	d.10	4.53
2023	d.41	d.11	1.05	.92	1.45
2024	.56	1.09	1.22	1.28	4.15
2025	1.20	1.30	1.55	1.55	5.60

Cal-endar	QUARTERLY DIVIDENDS PAID ^{CM}				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2020	.69	.69	.70	.70	2.78
2021	.70	.70	.79	.79	2.98
2022	.79	.79	.80	.80	3.18
2023	.80	.80	.81	.81	3.22
2024	.81	.81	.82	.82	

(A) Year ends on Saturday closest to Dec. 31st	(B) Based on diluted shares. Quarterly EPS may not sum due to rounding. Excludes non-recurring gains/(losses): '08, 51¢; '09, 34¢; '10, (\$2.64). Next earnings report due Feb. 5th.	(C) Div'd. historically paid in late March, June, Sept., and Dec. ■ Dividend reinvestment plan available. (D) Includes intangibles. At 12/31/23:	\$11945.5 mill., \$77.67 a share. (E) In millions.
Company's Financial Strength A Stock's Price Stability 50 Price Growth Persistence 30 Earnings Predictability 30			

Stanley Black & Decker likely posted a strong bottom-line turnaround in the recently completed year. In the September interim, the company posted earnings of \$1.22 a share, two cents higher than our estimate and a 16% improvement on the year-ago result, on a 5% drop in sales, with price increases (+1%) offset by volume (-3%), currency (-1%), and the Infrastructure business divestiture (-2%). As has been the case of late, Stanley Black & Decker's fortunes continue to feel the effects of a challenging macroeconomic environment, which has tempered consumer demand. Nevertheless, adjusted gross margin was up 290 basis points versus the prior year. As a result, we remain confident that the company ended 2024 with earnings of about \$4.15 a share, and we look for a strong year-over-year bottom-line improvement this year.

Yet, investors do not seem enthused by the company's prospects. Indeed, SWK stock has tumbled about 24% in value since our early October review, versus a 1% uptick in the S&P 500 Index over the same period.

The company's global cost-reduction

program continues to bear fruit. Stanley Black & Decker is focused on a series of initiatives that are expected to generate \$1.5 billion of pre-tax run-rate cost savings by the end of the recently completed year, with \$2 billion in such savings expected by the end of 2025. We look for a lion's share of the savings to be delivered through a supply chain transformation that leverages strategic sourcing, consolidates facilities and optimizes the company's distribution network, and reduces the complexity of the product portfolio.

Stanley Black & Decker stock has slipped a notch in Timeliness since our early October review. Based on recent price and earnings momentum, the issue is now ranked to underperform the broader market averages over the next six to 12 months.

Investors with a long-term bent may wish to consider staking a position here. Given the aforementioned drop in its value, the equity now offers above-average capital appreciation potential three to five years hence. The strong dividend yield only sweetens the pot.

Kenneth A. Nugent
January 3, 2025

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