

STANLEY BLACK & DECKER, INC.

Form 10-Q

July 25, 2017

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended July 1, 2017.

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from [ ] to [ ]

Commission File Number 001-05224

STANLEY

BLACK &

DECKER,

INC.

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

CONNECTICUT

06-0548860

(STATE OR OTHER JURISDICTION OF

(I.R.S. EMPLOYER

INCORPORATION OR ORGANIZATION)

IDENTIFICATION NUMBER)

1000 STANLEY DRIVE

06053

NEW BRITAIN, CONNECTICUT

(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES) (ZIP CODE)

(860)

225-5111

(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company)

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

153,152,509 shares of the registrant's common stock were outstanding as of July 17, 2017.

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## PART I — FINANCIAL INFORMATION

## ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## STANLEY BLACK &amp; DECKER, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

THREE AND SIX MONTHS ENDED JULY 1, 2017 AND JULY 2, 2016

(Unaudited, Millions of Dollars, Except Per Share Amounts)

	Second Quarter		Year-to-Date	
	2017	2016	2017	2016
Net Sales	\$3,229.5	\$2,932.4	\$6,035.1	\$5,604.5
Costs and Expenses				
Cost of sales	\$2,017.3	\$1,803.5	\$3,757.6	\$3,498.0
Selling, general and administrative	733.9	659.7	1,410.4	1,280.1
Provision for doubtful accounts	4.8	7.2	13.0	14.6
Other, net	60.3	47.6	166.5	93.8
Loss (gain) on sales of businesses	0.9	—	(268.3 )	—
Pension settlement	0.3	—	12.8	—
Restructuring charges	8.0	10.2	23.8	18.2
Interest expense	56.0	47.7	107.3	95.0
Interest income	(9.7 )	(5.5 )	(18.3 )	(11.3 )
	\$2,871.8	\$2,570.4	\$5,204.8	\$4,988.4
Earnings before income taxes	357.7	362.0	830.3	616.1
Income taxes	80.5	90.5	160.0	156.0
Net earnings	\$277.2	\$271.5	\$670.3	\$460.1
Less: Net loss attributable to non-controlling interests	—	—	—	(0.8 )
Net Earnings Attributable to Common Shareowners	\$277.2	\$271.5	\$670.3	\$460.9
Total Comprehensive Income Attributable to Common Shareowners	\$362.5	\$174.7	\$869.1	\$443.9
Earnings per share of common stock:				
Basic	\$1.85	\$1.87	\$4.49	\$3.17
Diluted	\$1.82	\$1.84	\$4.41	\$3.12
Dividends per share of common stock	\$0.58	\$0.55	\$1.16	\$1.10
Weighted-average shares outstanding (in thousands):				
Basic	149,514	145,135	149,353	145,583
Diluted	152,226	147,263	151,862	147,543

See Notes to (Unaudited) Condensed Consolidated Financial Statements.

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STANLEY BLACK & DECKER, INC. AND SUBSIDIARIES  
 CONDENSED CONSOLIDATED BALANCE SHEETS  
 JULY 1, 2017 AND DECEMBER 31, 2016

(Unaudited, Millions of Dollars, Except Per Share Amounts)

	July 1,	December 31,
	2017	2016

ASSETS

Current Assets

Cash and cash equivalents	\$ 539.5	\$ 1,131.8
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Accounts and notes receivable, net	1,927.9	1,302.8
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Inventories, net	2,078.0	1,478.0
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Assets held for sale	—	523.4
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Other current assets	293.7	352.5
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Total Current Assets	4,839.1	4,788.5
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Property, Plant and Equipment, net	1,649.8	1,451.2
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Goodwill