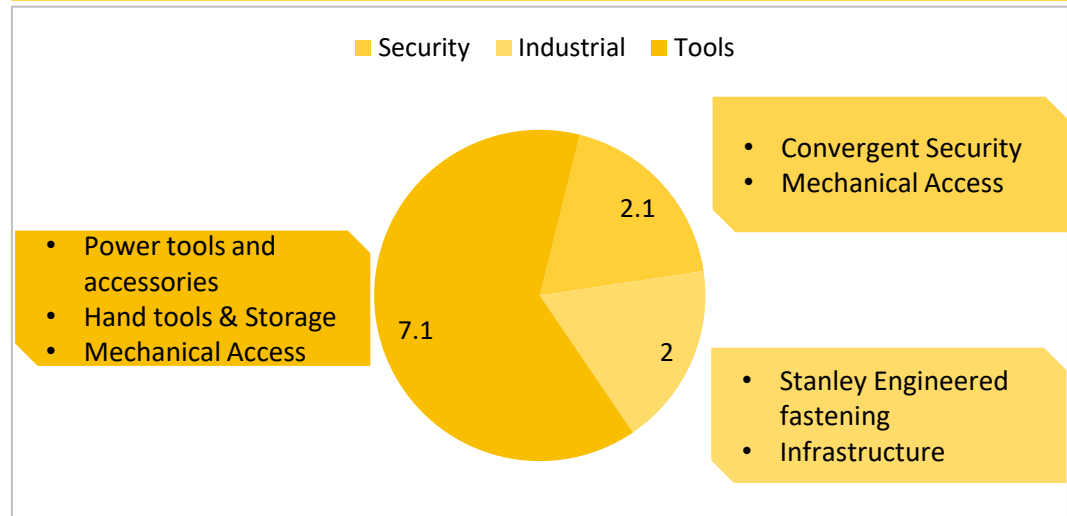


StanleyBlack&Decker

Industry & Company Overview

- A provider of hand tools, power tools and related accessories, mechanical access solutions (automatic doors and commercial locking systems), electronic security and monitoring systems, healthcare solutions, engineered fastening systems, and products and services for various industrial applications
- Established : The company came into existence in 1843 and changed its name to Stanley Black & Decker after its merger with Black & Decker in 2010.
- Revenue in 2015: ~\$11.2B
- Market Capital in 2015: \$16.4B

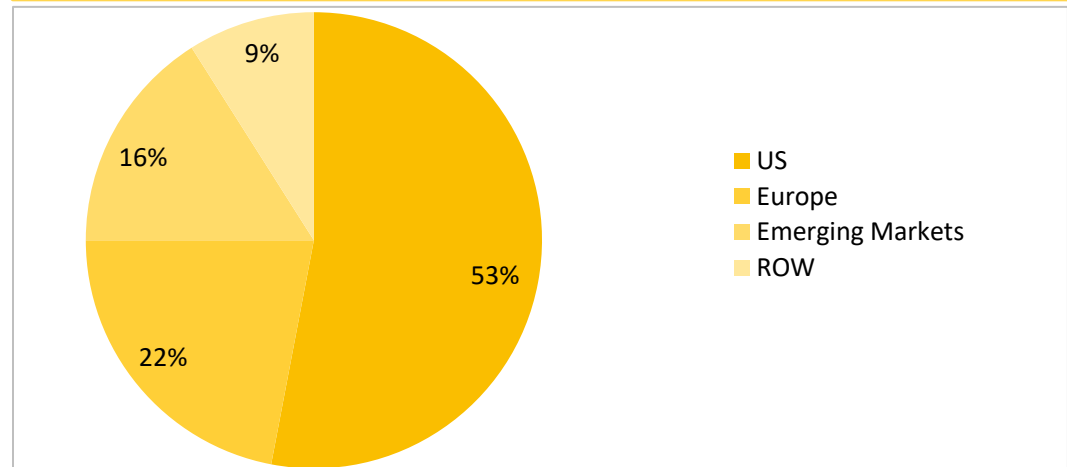
Product & Service Revenue, 2015 (\$ Billion)



Global Brand Power



Global Market Share



End-Markets (Estimates Based on 2015 Revenues)

End Market	Security	Industrial	Tools & Storage	SWK
Existing Residential / Repair / DIY	1%	0%	33%	21%
New Residential Construction	0%	0%	26%	17%
Non-Resi. / Commercial Construction	29%	0%	21%	19%
Industrial / Electronics	6%	37%	11%	14%
Retail	22%	0%	1%	5%
Automotive Production	0%	43%	0%	7%
Automotive Aftermarket	0%	0%	6%	4%
Healthcare	12%	0%	0%	2%
Government	8%	0%	1%	2%
Infrastructure	4%	19%	0%	4%
Financial / Banking	10%	0%	0%	2%
Education	3%	0%	0%	1%
Other	5%	0%	1%	2%
TOTAL	100%	100%	100%	100%

Branding

- The company has launched several campaigns to capitalize on sentiments against the outsourcing of local manufacturing among industrial and automotive companies. These include the American Pride Tour in 13 markets within the US and inviting customers to manufacture Dewalt drills within its factories.
- Customers equate the “Made in the US” tag with quality and trust, enabling the company to sell tools at a premium. The accretion of higher margins makes the proposition of localization possible despite being expensive.
- Global Brand Support:
 - ✓ 200 Billion Brand Impressions
 - ✓ 40 Million Website Visits
 - ✓ 92% Stanley Awareness since 2009
 - ✓ 2 Billion Impressions from Social Media Sites

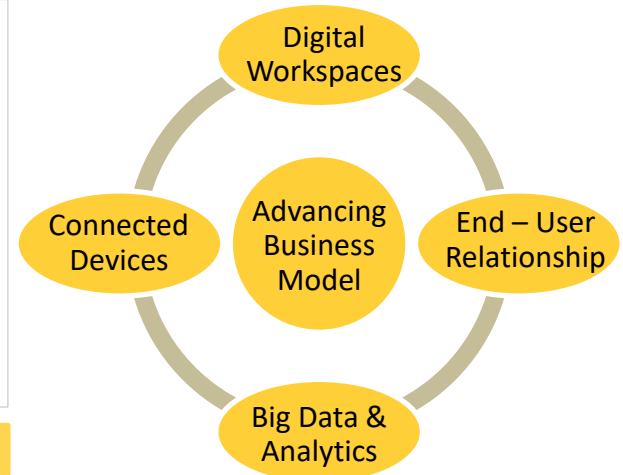
Innovation

- Gives special emphasis on innovation and hence it holds eighth place for the world’s most innovative consumer durables companies
- Planning to launch innovation center in Midtown
- Stanley Fulfillment System management - dedicated for innovation

M&A

Year	Acquired Company
2012	Infastech
2012	AeroScout
2012	Powers Fasteners
2012	Niscayah
2015	Jiangsu Guoqiang Tools Co.

Digital Excellence

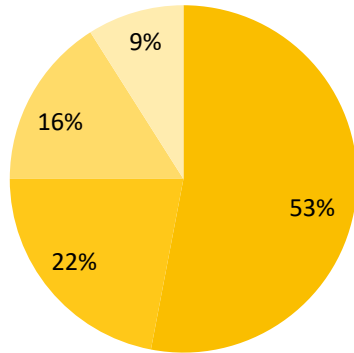


Internal Process

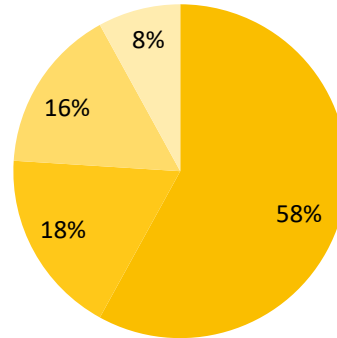
- Strengthened digital product management, Multi-Channel Excellence, Interconnected Supply Chain and e-enabled sales force
- Enhanced automation process

Geographic Reach

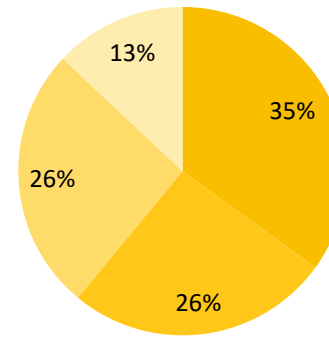
Branding



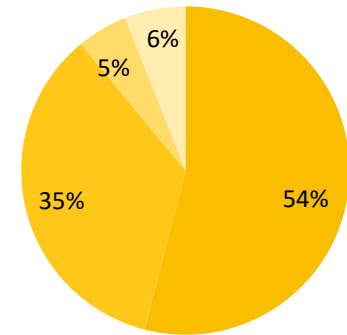
Tools & Storage



Industrial



Security



USA
 EUROPE
 EMERGING MARKETS
 ROW

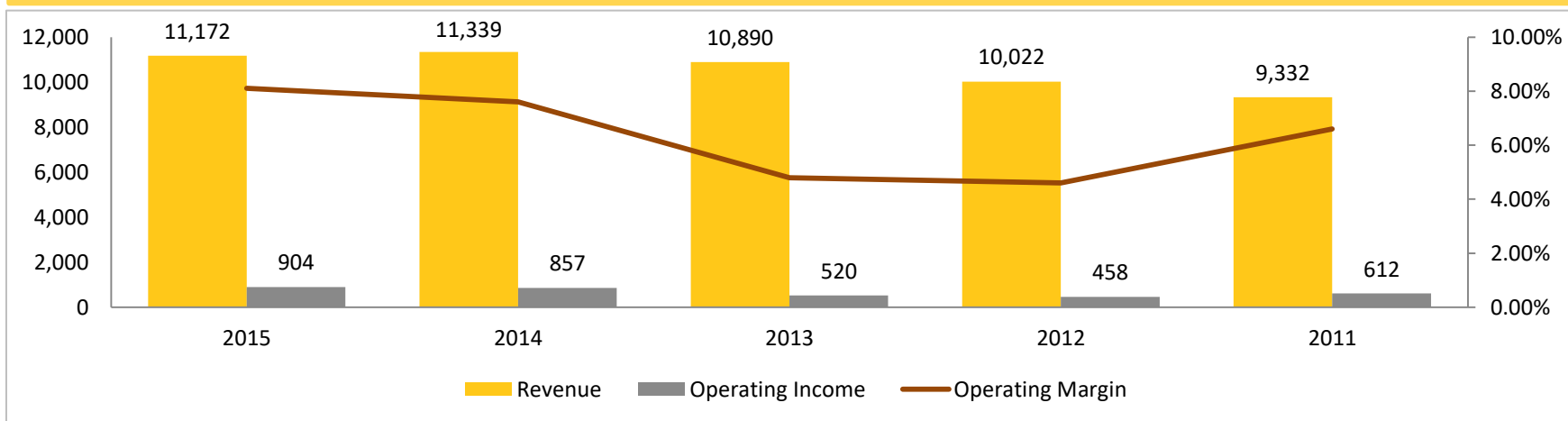
- Emerging markets such as India, China, Russia and Latin America is fueling the growth
- Approx 16% of company's 2015 revenue came from emerging markets and they have a goal to reach more than 20%
- Over half of our revenue generated in the USA

Latest Technological Innovation and Investment

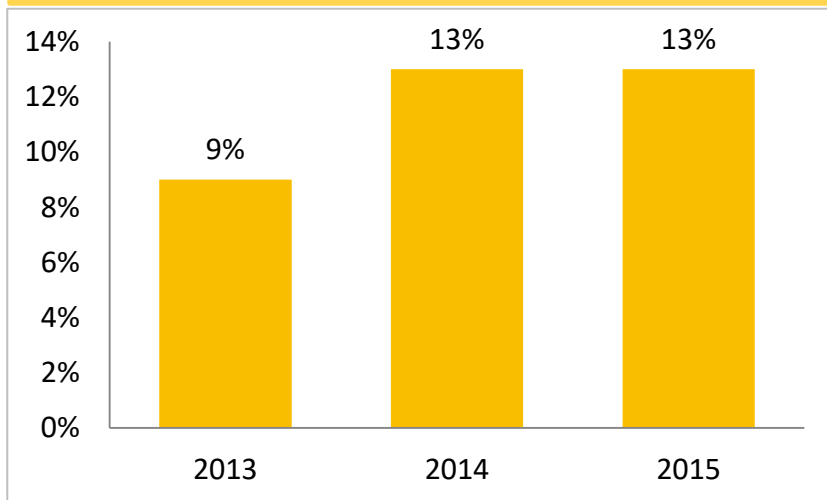
- Used RFID and RTLS technologies both geographically and through incorporation of these technologies into new products
- Invested in Prieto's innovative battery technology
- Launched user –friendly smart measure Pro-tool
- Invests \$7.69 Million To Expand Greenfield, Indiana, Manufacturing Center

Investor overview 2015; <http://source.colostate.edu/prieto-battery-receives-investment-from-stanley-ventures-to-pursue-battery-technology/>;
https://www.sec.gov/Archives/edgar/data/93556/000009355616000051/swk_10k2015.htm#sD50EA2730EF979760D6335AF425BCC61;
<http://www.stanleyhandtoolsmediakit.com/products/measuring/measuring-news/stanleyintroducesuserfriendlysmartmeasureprotool/>; <http://www.areadevelopment.com/newsItems/5-19-2015/stanley-black--decker-expansion-greenfield-indiana893432.shtml>; <http://seekingalpha.com/article/3336245-emerging-markets-could-fuel-growth-at-stanley-black-and-decker>

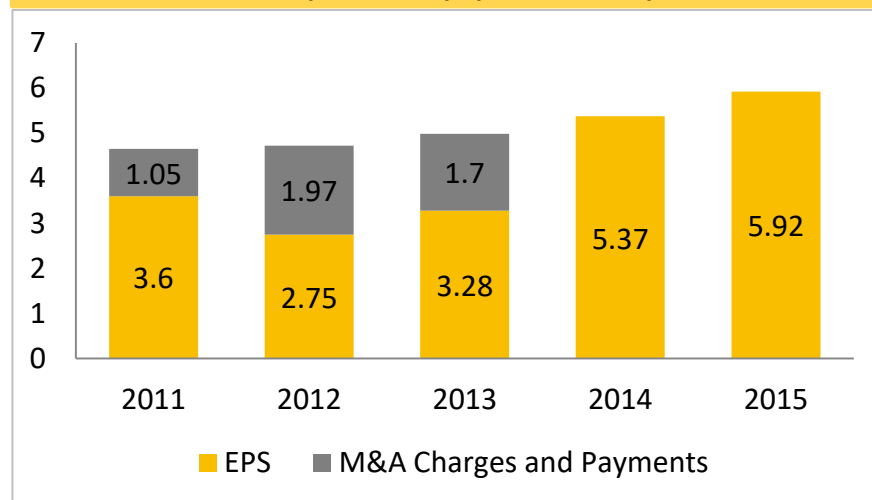
Revenue, Operating Income and Operating Margin (2011-2015)



Cash Flow Return on Investment (2013-2015)



EPS (in dollar) (2011-2015)



Strengths

STRONG BRAND NAME

Having started operations from 1843, it has established itself as a premier name in the industrial tools and domestic hardware category over the years through products that make a daily impact on people's lives.

GLOBAL PRESENCE

By merger and acquisition activities and global expansion activities, the company has operations across USA, Europe & Australia and is constantly seeking further expansion, hence the company is getting wide array of markets and customers

DIVERSE SUPPLY CHAIN NETWORK

As a result of having operations all across the globe, the company has developed a superior network of supply and distribution which it can leverage as per its needs and requirements

M&A

Diversification into various markets and sectors gives it an edge over its competitors with constant expansion

Weakness

ADVANCE TECHNOLOGY

The organization has not done much to incorporate IoT in its operations and products, which its competitors are fast catching with

LEGAL CHALLENGES

Funds set aside for remediation activities of legal and other matters restrains long term growth and smooth functioning of the business as a result of limitation on working capital.

MAJOR PRESENCE OUTSIDE U.S.

This makes it difficult for the company to enforce globalized internal policies and procedures such as complying with U.S. anti-bribery and anti-corruption laws which might not be as prevalent in other areas of its operation

Opportunities		Threats	
EXPANSION THROUGH ACQUISITION	The company can continue its merger and acquisition streak and further its growth in new markets, regions and industries	RISING COST	The company's expansion and diversification plans may result in significant costs and risks for its business and operations
EMERGING MARKET	As a result of expansion, new and diverse markets are opening up to the company which inturn can open up more opportunities for innovation	CHANGING FOREX RATES	About 47% of the company's revenue is generated from outside U.S. This means that a lot of it's earnings are exposed to changing foreign currency exchange rates which might negatively impact profitability
NEW BUSINESS MODEL	Developing new business models can help in sustainability in new markets especially with the advent of Internet of Things changing the conventional way of doing business	MARKET ACCEPTANCE	The company claims to produce 1,000 new products per year. This may result in low demand for new products and hence due to low market acceptance of the new product, it might not meet sales and revenue expectations
		CHANGE IN CUSTOMER PREFERENCE	Evolving industry standards and rapid advancements in technology can result in the company lagging behind in terms of end-user preferences

Customer Satisfaction

Delivering industry leading products and after sales service is one of the primary key challenges to survive in the developed and emerging market

Employee Satisfaction

Promoting professional growth and learning exercise would enrich organizational culture, which improve performance reviews, career development and communications

Data Privacy & Security

Protecting intellectual property and data security is an integral part of company, where an third party industry solution might help to address such challenges

Supply Chain

Proper communication among supply chain system is necessary elements to address potential impact

OSHA Regulation

Ensuring employee friendly and safer working environment is important element to follow industry standard, which requires industry specialist to look into it

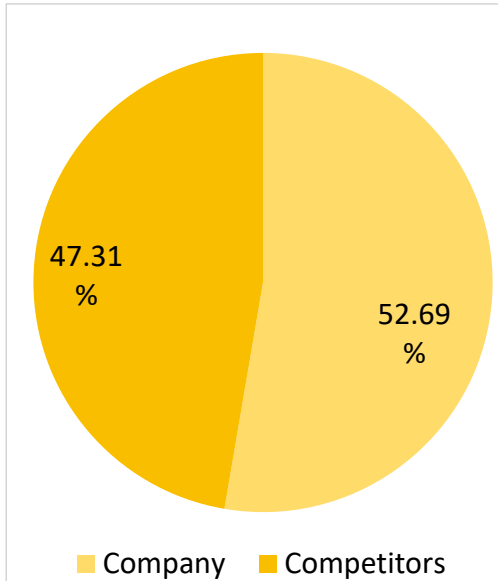
E-commerce Solution

Site navigation solution helps online retailers to connect with relevant products and boost up sales

Stakeholders Relation

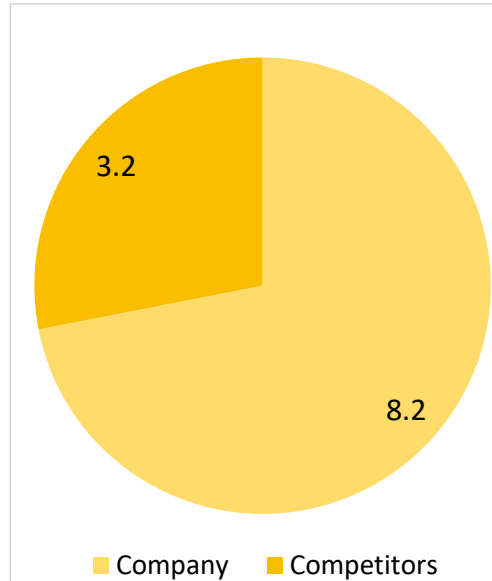
Constant communication build up and partnership development with stakeholders and other companies would require extensive research and communication support

Consumer Products Segment Market Share



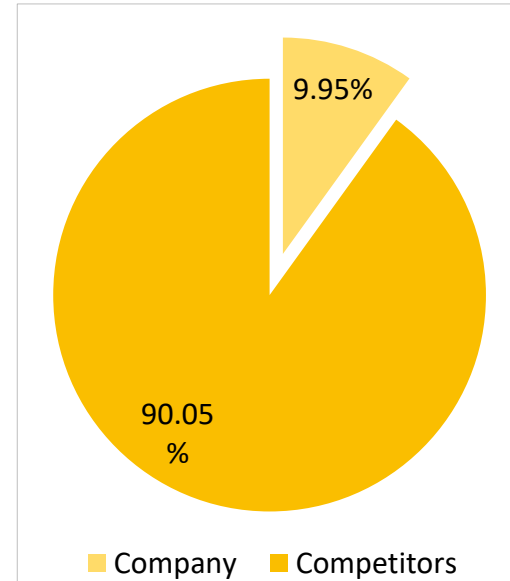
Due to strong revenue growth of 26.47 % in Consumer products Stanley Black & Decker, Inc. improved its market share, to approximate 52.69 %.

Industrial Tool Segment Market Share



Industrial tools segment, revenue fell by -44.67 % and company lost market share, to approximate 18.88 %.

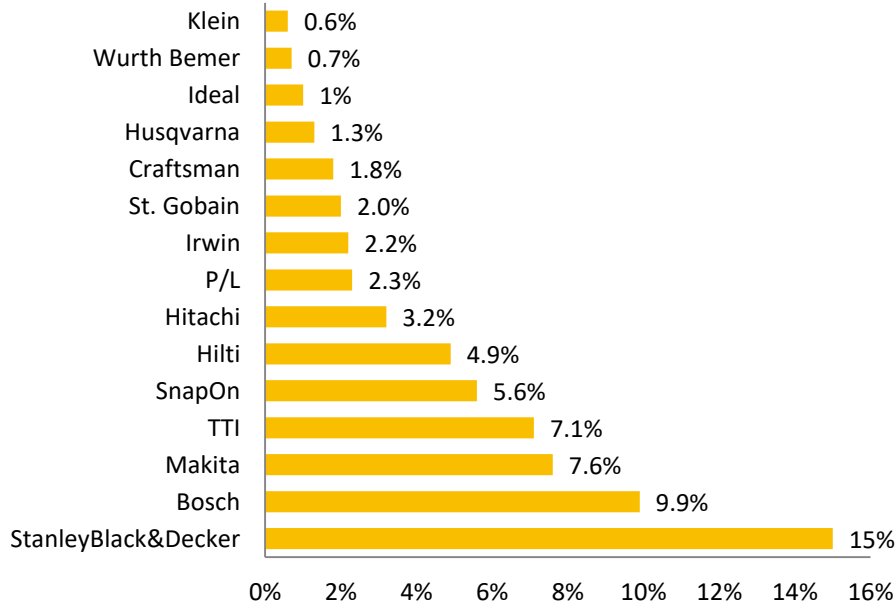
Security Solutions Segment Market Share



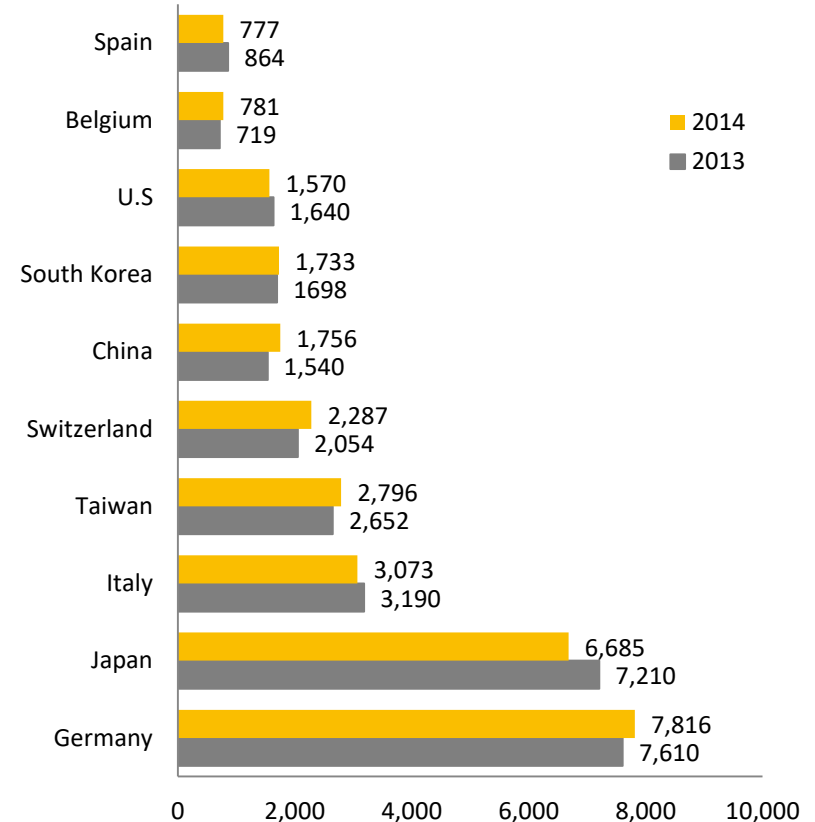
Despite revenue deterioration, Stanley Black & Decker Inc increased its market share in this segment. company increased its market share in this segment to approximate 9.95 %.

- Global Tools & Storage market size is \$48 billion
- Global machine tools market to grow steadily at a CAGR of 6% during the forecast period of 2016-2020
- The machine tool industry is among the five largest branches of the mechanical engineering industry and makes important contributions toward productivity progress in the industry

Global Competitors Market Size, 2015



Global Machine Tools Production Share, 2014



3D Printing

- 3D printing technology reduces material usage by nearly 30% to 70% as compared to traditional techniques. For example, Japanese machine tool manufacturer Yamazaki Mazak has integrated metal 3D printing technology into its computer numerical control (CNC) product line.

Advance Technology

- Electrical discharge machines, ultrasonic, and electronic beam technologies have revolutionized manufacturing technology.
- **Advanced CAM** technology is being used for multi-axis, multi-spindle, and multi-turret machines. Software is increasingly being used in automation of manufacturing and engineering processes

Automation

- Investment in global process automation is continuing to grow at 6% and is projected to reach \$120 billion by 2019.
- The machine tools sector, especially those in mid and small-scale industries, are increasingly using NC and CNC machines rather than manually controlled conventional machines.

Digitalization

- Advanced analytics are aiding in the understanding of market trends and improving demand planning while simultaneously communicating product changes throughout the supply chain
- Investing in digitization opportunities within sales operations, as well, equipping their field sales teams with mobile devices and visual tools rather than printed brochures

IoT Technology

- Companies are incorporating sensors and other machine-to-machine (M2M) technologies, is known as Internet of Things (IoT) to monitor real-time performance, quality management , and rapid response to product failures.

Top 5 Deals in Last 2 Years

Date	Target	Buyer	Type of Buyer	Target Description	Transaction value in \$ million
21/1/15	DMG MORI SEIKI (erswhile, Gildemeister)	DMG MORI	Strategist	German manufacturer of metal-cutting machine tools and a leading manufacturer of CNC-controlled lathe and milling machines	1,380
15/7/14	HOMAG	DURR	Strategist	German manufacturer of woodworking machines for furniture manufacturers, construction component manufacturing and wood construction, offering solutions for complete assembly lines in addition to individual machines	267
15/8/13	KMT	American Industrial Partners	Financial Investor	American manufacturer of waterjet cutting equipment, router systems and precision sanding machines for industries including the automotive industry	111
15/9/13	MAG	FAR FREINO GROUP	Strategist	German manufacturer of lathe machines, horizontal processing centers and machines for gear milling, deburring, and chamfering	100
6/6/15	Peter Wolters	Lapmaster	Strategist	German manufacturer of precision machine tools and systems for fine sanding, lapping, honing and polishing flat parts	49

THANK YOU