

STANLEY BLACK & DECKER, INC.

Form 10-Q

October 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 September 30, 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

153,351,694 shares of the registrant's common stock were outstanding as of October 19, 2017.

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PART I — FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

STANLEY BLACK & DECKER, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017 AND OCTOBER 1, 2016

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

	Third Quarter		Year-to-Date	
	2017	2016	2017	2016
Net Sales	\$3,298.6	\$2,882.0	\$9,333.7	\$8,486.5
Costs and Expenses				
Cost of sales	\$2,046.5	\$1,797.9	\$5,804.1	\$5,295.9
Selling, general and administrative	758.4	643.8	2,168.8	1,923.9
Provision for doubtful accounts	5.0	1.6	18.0	16.2
Other, net	65.5	56.8	232.0	150.6
Loss (gain) on sales of businesses	3.2	—	(265.1)	—
Pension settlement	—	—	12.8	—
Restructuring charges	19.1	9.1	42.9	27.3
Interest expense	57.2	50.2	164.5	145.2
Interest income	(10.3)	(5.1)	(28.6)	(16.4)
	\$2,944.6	\$2,554.3	\$8,149.4	\$7,542.7
Earnings before income taxes	354.0	327.7	1,184.3	943.8
Income taxes	79.8	78.7	239.8	234.7
Net earnings	\$274.2	\$249.0	\$944.5	\$709.1
Less: Net earnings (loss) attributable to non-controlling interests	—	0.1	—	(0.7)
Net Earnings Attributable to Common Shareowners	\$274.2	\$248.9	\$944.5	\$709.8
Total Comprehensive Income Attributable to Common Shareowners	\$377.8	\$278.3	\$1,246.9	\$722.2
Earnings per share of common stock:				
Basic	\$1.83	\$1.71	\$6.32	\$4.88
Diluted	\$1.80	\$1.68	\$6.21	\$4.81
Dividends per share of common stock	\$0.63	\$0.58	\$1.79	\$1.68
Weighted-average shares outstanding (in thousands):				
Basic	149,689	145,410	149,464	145,547
Diluted	152,622	147,975	152,106	147,717

See Notes to (Unaudited) Condensed Consolidated Financial Statements.

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STANLEY BLACK & DECKER, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED BALANCE SHEETS
 SEPTEMBER 30, 2017 AND DECEMBER 31, 2016

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

	September 30, 2017	December 31, 2016
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 483.3	\$ 1,131.8
Accounts and notes receivable, net	2,009.8	1,302.8
Inventories, net	2,247.4	1,478.0
Assets held for sale	—	523.4
Other current assets	288.2	352.5
Total Current Assets	5,028.7	4,788.5
Property, Plant and Equipment, net	1,677.3	1,451.2
Goodwill		