



Snap-on[®]



Quarterly Financial Review

Third Quarter 2024

Who We Are

OUR MISSION

The most valued productivity solutions in the world

BELIEFS

We deeply believe in:

Non-negotiable Product and Workplace Safety
Uncompromising Quality
Passionate Customer Care
Fearless Innovation
Rapid Continuous Improvement

VALUES

Our behaviors define our success:

We demonstrate Integrity.
We tell the Truth.
We respect the Individual.
We promote Teamwork.
We Listen.

VISION

To be acknowledged as the:

Brands of Choice
Employer of Choice
Franchisor of Choice
Business Partner of Choice
Investment of Choice

Cautionary Statement

- These slides should be read in conjunction with comments from the October 17, 2024 conference call. The financial statement information included herein is unaudited.
- Statements made during the October 17, 2024 conference call and/or information included in this presentation may contain statements, including earnings projections, that are forward-looking in nature and, accordingly, are subject to risks and uncertainties regarding Snap-on's expected results; actual results may differ materially from those described or contemplated in these forward-looking statements. Factors that may cause actual results to differ materially from those contained in the forward-looking statements, including those found in Snap-on's reports filed with the Securities and Exchange Commission, and the information under "Safe Harbor" and "Risk Factors" headings in its most recent Annual Report on Form 10-K, which are incorporated herein by reference. Snap-on disclaims any responsibility to update any forward-looking statement provided during the October 17, 2024 conference call and/or included in this presentation, except as required by law.
- This presentation includes certain non-GAAP measures of financial performance, which are not meant to be considered in isolation or as a substitute for their GAAP counterparts. Additional information regarding these non-GAAP measures is included in Snap-on's October 17, 2024 press release and Form 8-K, which can be found on the company's website in the investors section at www.snapon.com.



Nick Pinchuk
Chairman and
Chief Executive Officer



Aldo Pagliari
Senior Vice President and
Chief Financial Officer

Consolidated Results

(\$ in millions, except per share data - unaudited)	Q3 2024		Q3 2023		Change
	\$	%	\$	%	
Net sales	\$ 1,147.0		\$ 1,159.3		(1.1)%
➤ Organic sales	(19.2)				(1.7)%
➤ Acquisitions	7.2				0.7 %
➤ Currency translation	(0.3)				(0.1)%
Gross profit	\$ 587.8	51.2 %	\$ 578.2	49.9 %	
Operating expenses	335.4	29.2 %	333.0	28.7 %	
Operating earnings before financial services	\$ 252.4	22.0 %	\$ 245.2	21.2 %	2.9 %
Financial services revenue	\$ 100.4		\$ 94.9		5.8 %
Financial services operating earnings	71.7		69.4		3.3 %
Operating earnings	\$ 324.1	26.0 %	\$ 314.6	25.1 %	3.0 %
Diluted EPS – as reported	\$ 4.70		\$ 4.51		4.2 %

- Net sales of \$1,147.0 million in the third quarter represented a decrease of \$12.3 million, or 1.1%, from 2023 levels, reflecting a 1.7% organic sales decline and \$0.3 million of unfavorable foreign currency translation, partially offset by \$7.2 million of acquisition-related sales
- Gross margin improved 130 basis points (“bps”) to 51.2% from 49.9% last year reflecting increased sales in higher-gross-margin businesses, benefits from the company’s Rapid Continuous Improvement (“RCI”) initiatives, and lower material and other costs
- Operating expenses as a percentage of net sales rose 50 bps to 29.2% from 28.7% last year primarily due to the lower sales volumes
- As a percentage of net sales, operating earnings before financial services improved 80 bps to 22.0% from 21.2% last year

Commercial & Industrial

<i>(\$ in millions - unaudited)</i>	Q3 2024	Q3 2023	Change
Segment sales	\$ 365.7	\$ 366.4	(0.2)%
➤ Organic sales	(7.8)		(2.1)%
➤ Acquisition	7.2		1.9 %
➤ Currency translation	(0.1)		0.0 %
Gross profit	\$ 150.8	\$ 143.0	
% of sales	41.2 %	39.0 %	
Operating expenses	\$ 89.8	\$ 84.9	
% of sales	24.5 %	23.1 %	
Operating earnings	\$ 61.0	\$ 58.1	
% of sales	16.7 %	15.9 %	80 bps

- Organic sales decline of \$7.8 million, or 2.1%, primarily due to a double-digit reduction in the power tools operation and a mid single-digit decline in the European-based hand tools business, partially offset by a gain in sales to customers in critical industries, including a high single-digit increase in specialty torque
- Gross margin improved 220 bps from 2023, primarily reflecting increased sales volumes in higher-gross-margin critical industry sectors, lower material and other costs, savings from RCI initiatives, and 50 bps of benefits from acquisitions; these improvements were partially offset by 30 bps of unfavorable foreign currency effects
- Operating expenses as a percentage of sales rose 140 bps from last year primarily due to increased personnel and other costs, and a 50 bps impact from acquisitions
- Operating earnings of \$61.0 million compared to \$58.1 million in 2023; the operating margin improved 80 bps to 16.7% from 15.9% last year

Snap-on Tools

<i>(\$ in millions - unaudited)</i>	Q3 2024	Q3 2023	Change
Segment sales	\$ 500.5	\$ 515.4	(2.9)%
➤ Organic sales	(15.8)		(3.1)%
➤ Currency translation	0.9		0.2 %
Gross profit	\$ 236.5	\$ 238.6	
% of sales	47.3 %	46.3 %	
Operating expenses	\$ 128.2	\$ 125.2	
% of sales	25.7 %	24.3 %	
Operating earnings	\$ 108.3	\$ 113.4	
% of sales	21.6 %	22.0 %	(40) bps

- Organic sales decline of \$15.8 million, or 3.1%, reflecting a mid single-digit decline in the U.S., partially offset by a low single-digit gain in the segment's international operations
- Gross margin improved 100 bps from last year primarily due to lower material and other costs, and benefits from RCI initiatives
- Operating expenses as a percentage of sales rose 140 bps compared to 2023 primarily reflecting the lower sales volumes
- Operating earnings of \$108.3 million compared to \$113.4 million last year; the operating margin of 21.6% compared to 22.0% in 2023

Repair Systems & Information

(\$ in millions - unaudited)	Q3 2024	Q3 2023	Change
Segment sales	\$ 422.7	\$ 431.8	(2.1)%
➤ Organic sales	(8.2)		(1.9)%
➤ Currency translation	(0.9)		(0.2)%
Gross profit	\$ 200.5	\$ 196.6	
% of sales	47.4 %	45.5 %	
Operating expenses	\$ 93.2	\$ 91.7	
% of sales	22.0 %	21.2 %	
Operating earnings	\$ 107.3	\$ 104.9	
% of sales	25.4 %	24.3 %	110 bps

- Organic sales decline of \$8.2 million, or 1.9%, due to a mid single-digit decline in sales of undercar equipment and a low single-digit reduction in activity with OEM dealerships, partially offset by a low single-digit gain in sales of diagnostic and information products to independent repair shop owners and managers
- Gross margin improved 190 bps from last year primarily reflecting increased sales of higher-gross-margin products
- Operating expenses as a percentage of sales rose 80 bps from 2023 primarily due to the lower sales volumes and increased personnel and other costs
- Operating earnings of \$107.3 million compared to \$104.9 million in 2023; the operating margin improved 110 bps to 25.4% from 24.3% last year

Financial Services

<i>(\$ in millions - unaudited)</i>	Q3 2024	Q3 2023	Change
Segment revenue	\$ 100.4	\$ 94.9	5.8 %
Operating earnings	\$ 71.7	\$ 69.4	3.3 %
Originations	\$ 288.0	\$ 305.2	(5.6)%

- Originations decreased \$17.2 million or 5.6%
- Average yield on finance receivables was 17.7% in both periods
- Average yields on contract receivables were 9.1% in 2024 and 8.8% in 2023

Financial Services Portfolio Data

(\$ in millions - unaudited)	United States		International	
	Extended Credit	Total	Extended Credit	Total
Gross finance portfolio	\$ 1,756.1	\$ 2,197.9	\$ 248.6	\$ 344.3
Portfolio net losses (TTM)	\$ 58.0	\$ 59.5	\$ 4.3	\$ 4.9
60+ Delinquency:				
As of 09/30/24	1.9 %	1.5 %	0.9 %	0.8 %
As of 06/30/24	1.6 %	1.3 %	0.8 %	0.7 %
As of 03/31/24	1.8 %	1.5 %	0.9 %	0.8 %
As of 12/31/23	1.8 %	1.5 %	0.8 %	0.7 %
As of 09/30/23	1.5 %	1.2 %	0.7 %	0.8 %

- Gross finance portfolio of \$2,542.2 million as of Q3 2024
 - Q3 portfolio growth of \$29.1 million
 - YTD portfolio growth of \$74.9 million

- TTM – Trailing twelve months

Cash Flows

(\$ in millions - unaudited)	3 rd Quarter		September YTD	
	2024	2023	2024	2023
Net cash provided by operating activities	\$ 274.2	\$ 285.4	\$ 924.0	\$ 857.3
➤ Net earnings	257.5	249.1	804.7	773.3
➤ Depreciation and amortization	24.6	24.6	73.7	74.3
➤ Changes in deferred income taxes	(2.8)	(7.3)	(7.2)	(16.5)
➤ Changes in working investment	(25.1)	(2.6)	14.1	(55.0)
➤ Changes in accrued and other liabilities	(17.4)	0.8	(45.8)	(7.7)
➤ Changes in all other operating activities	37.4	20.8	84.5	88.9
Net increase in finance receivables	\$ (20.6)	\$ (35.1)	\$ (102.0)	\$ (153.3)
Capital expenditures	\$ (20.4)	\$ (25.1)	\$ (65.4)	\$ (73.9)
Free cash flow	\$ 233.2	\$ 225.2	\$ 756.6	\$ 630.1
Free cash flow from Operations	\$ 206.6	\$ 231.4	\$ 702.8	\$ 651.2
Free cash flow from Financial Services	\$ 26.6	\$ (6.2)	\$ 53.8	\$ (21.1)
Increase in cash	\$ 80.6	\$ 88.0	\$ 311.8	\$ 202.1

- Changes in working investment – Net changes in trade and other accounts receivable, inventory and accounts payable
- Free cash flow – Net cash provided by operating activities less net change in finance receivables and capital expenditures
- Free cash flow from operations – Net cash provided by operating activities, exclusive of financial services, less capital expenditures
- Free cash flow from financial services – Net cash provided by financial services operating activities, less net change in finance receivables and capital expenditures

Balance Sheet

<i>(\$ in millions - unaudited)</i>	September 28, 2024	December 30, 2023
Trade & Other Accounts Receivable – net	\$ 796.4	\$ 791.3
Days Sales Outstanding	61	60
Finance Receivables – net	\$ 1,933.7	\$ 1,878.3
Contract Receivables – net	\$ 544.2	\$ 528.7
Inventories – net	\$ 995.8	\$ 1,005.9
Inventory turns – TTM	2.3	2.3
Cash	\$ 1,313.3	\$ 1,001.5
Total debt	\$ 1,199.6	\$ 1,200.2
Net debt	\$ (113.7)	\$ 198.7
Net debt to capital ratio	(2.1)%	3.8 %



MAKERS
FIXERSTM