



***Snap-on***<sup>®</sup>



# Quarterly Financial Review

## Fourth 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 February 6, 2025 conference call. The financial statement information included herein is unaudited.
- Statements made during the February 6, 2025 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 February 6, 2025 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 February 6, 2025 press release and Form 8-K, which can be found on the company's website in the investors section at [www.snapon.com](http://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)	Q4 2024		Q4 2023		Change
	\$	%	\$	%	
Net sales	\$ 1,198.7		\$ 1,196.6		0.2 %
➤ Organic sales	2.0				0.2 %
➤ Acquisition	2.1				0.2 %
➤ Currency translation	(2.0)				(0.2)%
Gross profit	\$ 596.1	49.7 %	\$ 577.6	48.3 %	
Operating expenses	330.9	27.6 %	319.7	26.7 %	
Operating earnings before financial services	\$ 265.2	22.1 %	\$ 257.9	21.6 %	2.8 %
Financial services revenue	\$ 100.5		\$ 97.2		3.4 %
Financial services operating earnings	66.7		67.9		(1.8)%
Operating earnings	\$ 331.9	25.5 %	\$ 325.8	25.2 %	1.9 %
Diluted EPS – as reported	\$ 4.82		\$ 4.75		1.5 %

- Net sales of \$1,198.7 million in the fourth quarter represented an increase of \$2.1 million, or 0.2%, from 2023 levels, reflecting a 0.2% organic gain and \$2.1 million of acquisition-related sales, partially offset by \$2.0 million of unfavorable foreign currency translation
- Gross margin improved 140 basis points (“bps”) to 49.7% from 48.3% last year primarily due to increased sales in higher-gross-margin businesses and benefits from the company’s Rapid Continuous Improvement (“RCI”) initiatives
- Operating expenses as a percentage of net sales rose 90 bps to 27.6% from 26.7% last year primarily reflecting increased corporate and other operating costs
- As a percentage of net sales, operating earnings before financial services improved 50 bps to 22.1% from 21.6% last year

# Commercial & Industrial

<i>(\$ in millions - unaudited)</i>	<b>Q4 2024</b>	<b>Q4 2023</b>	<b>Change</b>
Segment sales	\$ 379.2	\$ 363.9	4.2 %
➤ Organic sales	14.2		3.9 %
➤ Acquisition	2.1		0.6 %
➤ Currency translation	(1.0)		(0.3)%
Gross profit	\$ 155.4	\$ 142.6	
% of sales	41.0 %	39.2 %	
Operating expenses	\$ 91.9	\$ 88.5	
% of sales	24.3 %	24.3 %	
Operating earnings	\$ 63.5	\$ 54.1	
% of sales	16.7 %	14.9 %	180 bps

- Organic sales increase of \$14.2 million, or 3.9%, primarily due to a gain in sales to customers in critical industries, including a high single-digit increase in specialty torque
- Gross margin improved 180 bps from 2023, primarily reflecting increased sales volumes in the higher-gross-margin critical industry sectors and savings from RCI initiatives
- Operating expenses as a percentage of sales was unchanged from last year
- Operating earnings of \$63.5 million compared to \$54.1 million in 2023; the operating margin improved 180 bps to 16.7% from 14.9% last year

# Snap-on Tools

<i>(\$ in millions - unaudited)</i>	<b>Q4 2024</b>	<b>Q4 2023</b>	<b>Change</b>
Segment sales	\$ 506.6	\$ 513.3	(1.3)%
➤ Organic sales	(7.3)		(1.4)%
➤ Currency translation	0.6		0.1 %
Gross profit	\$ 226.1	\$ 232.1	
% of sales	44.6 %	45.2 %	
Operating expenses	\$ 119.2	\$ 121.1	
% of sales	23.5 %	23.6 %	
Operating earnings	\$ 106.9	\$ 111.0	
% of sales	21.1 %	21.6 %	(50) bps

- Organic sales decline of \$7.3 million, or 1.4%, due to a low single-digit decline in the U.S., partially offset by a mid single-digit gain in the segment's international operations
- Gross margin declined 60 bps from last year primarily due to the decreased volumes and the effects of increased sales of lower-gross-margin products
- Operating expenses as a percentage of sales improved 10 bps from 2023
- Operating earnings of \$106.9 million compared to \$111.0 million last year; the operating margin of 21.1% compared to 21.6% in 2023



# Repair Systems & Information

(\$ in millions - unaudited)	Q4 2024	Q4 2023	Change
Segment sales	\$ 456.6	\$ 450.8	1.3 %
➤ Organic sales	7.3		1.6 %
➤ Currency translation	(1.5)		(0.3)%
Gross profit	\$ 214.6	\$ 202.9	
% of sales	47.0 %	45.0 %	
Operating expenses	\$ 93.2	\$ 89.6	
% of sales	20.4 %	19.9 %	
Operating earnings	\$ 121.4	\$ 113.3	
% of sales	26.6 %	25.1 %	150 bps

- Organic sales gain of \$7.3 million, or 1.6%, includes a mid single-digit increase in activity with OEM dealerships and a low single-digit gain in sales of diagnostic and repair information products to independent repair shop owners and managers, partially offset by a low single-digit decline in sales of undercar equipment
- Gross margin improved 200 bps from last year primarily reflecting increased sales of higher-gross-margin products and benefits from RCI initiatives
- Operating expenses as a percentage of sales rose 50 bps from 2023 primarily due to increased personnel and other costs
- Operating earnings of \$121.4 million compared to \$113.3 million in 2023; the operating margin improved 150 bps to 26.6% from 25.1% last year

# Financial Services

<i>(\$ in millions - unaudited)</i>	<b>Q4 2024</b>	<b>Q4 2023</b>	<b>Change</b>
Segment revenue	\$ 100.5	\$ 97.2	3.4 %
Operating earnings	\$ 66.7	\$ 67.9	(1.8)%
Originations	\$ 285.1	\$ 303.1	(5.9)%

- Originations decreased \$18.0 million or 5.9%
- Average yields on finance receivables were 17.7% in 2024 and 17.8% in 2023
- Average yields on contract receivables were 9.1% in 2024 and 8.9% in 2023

# Financial Services Portfolio Data

(\$ in millions - unaudited)	United States		International	
	Extended Credit	Total	Extended Credit	Total
Gross finance portfolio	\$ 1,760.7	\$ 2,200.8	\$ 234.0	\$ 325.4
Portfolio net losses (TTM)	\$ 61.6	\$ 63.5	\$ 4.7	\$ 5.3
60+ Delinquency:				
As of 12/31/24	2.0 %	1.6 %	1.0 %	0.9 %
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 %

- Gross finance portfolio of \$2,526.2 million as of Q4 2024
  - Compares to \$2,542.2 million as of Q3 2024
  - Full year portfolio growth of \$58.9 million
  
- TTM – Trailing twelve months

# Cash Flows

(\$ in millions - unaudited)	Fourth Quarter		Full Year	
	2024	2023	2024	2023
<b>Net cash provided by operating activities</b>	<b>\$ 293.5</b>	<b>\$ 296.9</b>	<b>\$ 1,217.5</b>	<b>\$ 1,154.2</b>
➤ Net earnings	264.2	261.3	1,068.9	1,034.6
➤ Depreciation and amortization	24.3	25.0	98.0	99.3
➤ Changes in deferred income taxes	(1.0)	(2.2)	(8.2)	(18.7)
➤ Changes in working investment	(30.2)	(15.0)	(16.1)	(70.0)
➤ Changes in accrued and other liabilities	5.8	(4.5)	(40.0)	(12.2)
➤ Changes in all other operating activities	30.4	32.3	114.9	121.2
Net increase in finance receivables	\$ (26.2)	\$ (42.2)	\$ (128.2)	\$ (195.5)
Capital expenditures	\$ (18.1)	\$ (21.1)	\$ (83.5)	\$ (95.0)
Free cash flow	\$ 249.2	\$ 233.6	\$ 1,005.8	\$ 863.7
<b>Free cash flow from Operations</b>	<b>\$ 219.2</b>	<b>\$ 229.2</b>	<b>\$ 922.0</b>	<b>\$ 880.4</b>
<b>Free cash flow from Financial Services</b>	<b>\$ 30.0</b>	<b>\$ 4.4</b>	<b>\$ 83.8</b>	<b>\$ (16.7)</b>
Increase in cash	\$ 47.2	\$ 42.2	\$ 359.0	\$ 244.3

- 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>	<b>December 28, 2024</b>	<b>December 30, 2023</b>
Trade & Other Accounts Receivable – net	\$ 815.6	\$ 791.3
Days Sales Outstanding	62	60
Finance Receivables – net	\$ 1,922.3	\$ 1,878.3
Contract Receivables – net	\$ 538.3	\$ 528.7
Inventories – net	\$ 943.4	\$ 1,005.9
Inventory turns – TTM	2.4	2.3
Cash	\$ 1,360.5	\$ 1,001.5
Total debt	\$ 1,199.2	\$ 1,200.2
Net debt	\$ (161.3)	\$ 198.7
Net debt to capital ratio	(3.1)%	3.8 %



**MAKERS**  
**FIXERS**<sup>TM</sup>