



Snap-on[®]



Quarterly Financial Review

First 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 April 18, 2024 conference call. The financial statement information included herein is unaudited.
- Statements made during the April 18, 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 April 18, 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 April 18, 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)	Q1 2024		Q1 2023		Change
	\$	%	\$	%	
Net sales	\$ 1,182.3		\$ 1,183.0		(0.1)%
➤ Organic sales	(9.9)				(0.8)%
➤ Acquisitions	6.7				0.5 %
➤ Currency translation	2.5				0.2 %
Gross profit	\$ 596.7	50.5 %	\$ 589.6	49.8 %	
Operating expenses	325.8	27.6 %	329.8	27.8 %	
Operating earnings before financial services	\$ 270.9	22.9 %	\$ 259.8	22.0 %	4.3 %
Financial services revenue	\$ 99.6		\$ 92.6		7.6 %
Financial services operating earnings	68.3		66.3		3.0 %
Operating earnings	\$ 339.2	26.5 %	\$ 326.1	25.6 %	4.0 %
Diluted EPS – as reported	\$ 4.91		\$ 4.60		6.7 %

- Net sales of \$1,182.3 million in the first quarter represented a decrease of \$0.7 million, or 0.1%, from 2023 levels, reflecting a 0.8% organic sales decline, \$6.7 million of acquisition-related sales and \$2.5 million of favorable foreign currency translation
- Gross margin improved 70 basis points (bps) to 50.5% from 49.8% last year primarily due to lower material and other costs, and benefits from the company's Rapid Continuous Improvement ("RCI") initiatives
- Operating expenses, operating earnings before financial services, and operating earnings include an \$11.3 million benefit for payments received associated with a legal matter (the "legal payment"); net earnings includes an \$8.8 million, or \$0.16 per diluted share, after-tax benefit from the legal payment
- Operating expenses as a percentage of net sales improved 20 bps to 27.6% from 27.8% last year primarily reflecting the benefit from the legal payment, partially offset by increased personnel and other costs
- As a percentage of net sales, operating earnings before financial services of 22.9% compared to 22.0% last year

Commercial & Industrial

<i>(\$ in millions - unaudited)</i>	Q1 2024	Q1 2023	Change
Segment sales	\$ 359.9	\$ 363.8	(1.1)%
➤ Organic sales	(9.2)		(2.5)%
➤ Acquisition	6.7		1.8 %
➤ Currency translation	(1.4)		(0.4)%
Gross profit	\$ 146.7	\$ 141.3	
% of sales	40.8 %	38.8 %	
Operating expenses	\$ 91.3	\$ 85.5	
% of sales	25.4 %	23.5 %	
Operating earnings	\$ 55.4	\$ 55.8	
% of sales	15.4 %	15.3 %	10 bps

- Organic sales decline of \$9.2 million, or 2.5%, primarily due to a double-digit reduction in the segment's power tools business and a high single-digit decline in the segment's Asia-Pacific operations, partially offset by a mid single-digit gain in sales to customers in critical industries
- Gross margin improved 200 bps from 2023 primarily reflecting increased sales volumes in the higher-gross-margin critical industry sector, lower material and other costs, savings from RCI initiatives, and 50 bps of benefits from acquisitions
- Operating expenses as a percentage of sales rose 190 bps from last year primarily due to the effects of lower sales volumes, increased personnel and other costs, and a 70 bps impact from acquisitions
- Operating earnings of \$55.4 million compared to \$55.8 million in 2023; the operating margin of 15.4% compared to 15.3% last year

Snap-on Tools

<i>(\$ in millions - unaudited)</i>	Q1 2024	Q1 2023	Change
Segment sales	\$ 500.1	\$ 537.0	(6.9)%
➤ Organic sales	(37.5)		(7.0)%
➤ Currency translation	0.6		0.1 %
Gross profit	\$ 241.1	\$ 253.9	
% of sales	48.2 %	47.3 %	
Operating expenses	\$ 123.8	\$ 122.2	
% of sales	24.7 %	22.8 %	
Operating earnings	\$ 117.3	\$ 131.7	
% of sales	23.5 %	24.5 %	(100) bps

- Organic sales decline of \$37.5 million, or 7.0%, reflecting a high single-digit decline in the U.S., partially offset by a mid single-digit gain in the segment's international operations
- Gross margin improved 90 bps from last year primarily reflecting decreased sales of lower-gross-margin products
- Operating expenses as a percentage of sales rose 190 bps compared to 2023 primarily due to the lower sales volumes
- Operating earnings of \$117.3 million compared to \$131.7 million last year; the operating margin of 23.5% compared to 24.5% last year

Repair Systems & Information

(\$ in millions - unaudited)	Q1 2024	Q1 2023	Change
Segment sales	\$ 463.8	\$ 446.6	3.9 %
➤ Organic sales	14.7		3.3 %
➤ Currency translation	2.5		0.6 %
Gross profit	\$ 208.9	\$ 194.4	
% of sales	45.0 %	43.5 %	
Operating expenses	\$ 96.0	\$ 89.8	
% of sales	20.7 %	20.1 %	
Operating earnings	\$ 112.9	\$ 104.6	
% of sales	24.3 %	23.4 %	90 bps

- Organic sales gain of \$14.7 million, or 3.3%, reflecting a high single-digit increase in activity with OEM dealerships and low single-digit gains in sales of undercar equipment
- Gross margin improved 150 bps from last year primarily due to lower material and other costs, and savings from RCI initiatives
- Operating expenses as a percentage of sales rose 60 bps from 2023 primarily reflecting increased personnel and other costs
- Operating earnings of \$112.9 million reflected an increase of \$8.3 million, or 7.9%, from \$104.6 million in 2023; the operating margin of 24.3% compared to 23.4% last year

Financial Services

<i>(\$ in millions - unaudited)</i>	Q1 2024	Q1 2023	Change
Segment revenue	\$ 99.6	\$ 92.6	7.6 %
Operating earnings	\$ 68.3	\$ 66.3	3.0 %
Originations	\$ 301.7	\$ 300.9	0.3 %

- Originations increased \$0.8 million or 0.3%
- Average yield on finance receivables was 17.7% in both periods
- Average yields on contract receivables were 9.0% and 8.7% in 2024 and 2023, respectively

Financial Services Portfolio Data

(\$ in millions - unaudited)	United States		International	
	Extended Credit	Total	Extended Credit	Total
Gross finance portfolio	\$ 1,737.1	\$ 2,171.7	\$ 228.2	\$ 316.9
Portfolio net losses (TTM)	\$ 50.2	\$ 51.6	\$ 3.9	\$ 4.5
60+ Delinquency:				
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 %
As of 06/30/23	1.3 %	1.1 %	0.8 %	0.9 %
As of 03/31/23	1.5 %	1.2 %	0.9 %	1.0 %

- Gross finance portfolio of \$2,488.6 million as of Q1 2024
 - Q1 portfolio growth of \$21.3 million

- TTM – Trailing twelve months

Cash Flows

(\$ in millions - unaudited)	First Quarter	
	2024	2023
Net cash provided by operating activities	\$ 348.7	\$ 301.6
➤ Net earnings	269.6	254.3
➤ Depreciation and amortization	24.5	24.9
➤ Changes in deferred income taxes	1.6	(0.2)
➤ Changes in working investment	(2.5)	(36.6)
➤ Changes in accrued and other liabilities	30.3	28.1
➤ Changes in all other operating activities	25.2	31.1
Net increase in finance receivables	\$ (40.2)	\$ (49.6)
Capital expenditures	\$ (21.8)	\$ (23.0)
Free cash flow	\$ 286.7	\$ 229.0
Free cash flow from Operations	\$ 263.5	\$ 212.9
Free cash flow from Financial Services	\$ 23.2	\$ 16.1
Increase in cash	\$ 119.5	\$ 76.6

- 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>	March 30, 2024	December 30, 2023
Trade & Other Accounts Receivable – net	\$ 827.5	\$ 791.3
Days Sales Outstanding	63	60
Finance Receivables – net	\$ 1,895.5	\$ 1,878.3
Contract Receivables – net	\$ 530.2	\$ 528.7
Inventories – net	\$ 970.5	\$ 1,005.9
Inventory turns – TTM	2.4	2.3
Cash	\$ 1,121.0	\$ 1,001.5
Total debt	\$ 1,200.1	\$ 1,200.2
Net debt	\$ 79.1	\$ 198.7
Net debt to capital ratio	1.5 %	3.8 %



MAKERS
FIXERSTM