

Release: IMMEDIATE

Snap-on Announces Third Quarter 2023 Results

***Sales of \$1,159.3 million up 5.2% from Q3 2022, organic sales up 4.7%;
Operating margin before financial services of 21.2% reflects an increase of 90 basis points;
Diluted EPS of \$4.51 represents a gain from Q3 2022 of 8.9%***

KENOSHA, Wis. — October 19, 2023 — Snap-on Incorporated (NYSE: SNA), a leading global innovator, manufacturer and marketer of tools, equipment, diagnostics, repair information and systems solutions for professional users performing critical tasks, today announced operating results for the third quarter of 2023.

- Net sales of \$1,159.3 million in the third quarter of 2023 represented an increase of \$56.8 million, or 5.2%, from 2022 levels, reflecting a \$52.4 million, or 4.7%, organic sales gain and \$4.4 million of favorable foreign currency translation.
- Operating earnings before financial services for the quarter of \$245.2 million compared to \$223.5 million in 2022. As a percentage of net sales, operating earnings before financial services were 21.2% in the third quarter compared to 20.3% last year, reflecting an improvement of 90 basis points.
- Financial services revenue in the quarter of \$94.9 million compared to \$87.3 million in 2022; financial services operating earnings of \$69.4 million compared to \$66.4 million last year.
- Consolidated operating earnings for the quarter of \$314.6 million, or 25.1% of revenues (net sales plus financial services revenue), compared to \$289.9 million, or 24.4% of revenues, last year.
- The third quarter effective income tax rate was 22.6% in 2023 and 21.6% in 2022.
- Net earnings in the quarter of \$243.1 million, or \$4.51 per diluted share, compared to net earnings of \$223.9 million, or \$4.14 per diluted share, a year ago.

See “Non-GAAP Measures” below for a definition of, and further explanation about, organic sales.

“We’re encouraged by our third quarter as it reflects ongoing advancement in sales, profitability, and earnings in a continually changing environment, and it demonstrates the wide-ranging and considerable strengths that mark each of our operating segments,” said Nick Pinchuk, Snap-on chairman and chief executive officer. “Achieved in a period of variability, we believe our performance confirms the resilience of our markets and illustrates the diverse opportunities along our runways for growth, in both our activities within automotive repair and with those outside the garage, particularly in our businesses serving critical industries, which continue to display significant progress. At the same time, we are maintaining and fortifying our decisive advantages by leveraging our Snap-on Value Creation Processes. In that regard, we were again honored with product awards from both *Motor Magazine* and *Professional Tool & Equipment News*. Period after period, the innovations identified by our sales organizations through customer connection and developed by our engineering teams solve essential tasks, create excitement for our customers, reinforce the strength of the Snap-on brand, and help drive our unrelenting improvement. As always, I want to thank our franchisees and associates worldwide for their notable contributions, their steadfast dedication, and their unwavering confidence in our future.”

Segment Results

Commercial & Industrial Group segment sales of \$366.4 million in the quarter compared to \$356.8 million last year, reflecting an \$11.2 million, or 3.2%, organic sales gain, partially offset by \$1.6 million of unfavorable foreign currency translation. The organic increase is primarily due to higher activity with customers in critical industries, partially offset by lower sales in the segment's Asia Pacific operations.

Operating earnings of \$58.1 million in the period, including \$2.9 million of unfavorable foreign currency effects, compared to \$52.3 million in 2022. The operating margin (operating earnings as a percentage of segment sales) improved 120 basis points to 15.9% in the quarter from 14.7% last year.

Snap-on Tools Group segment sales of \$515.4 million in the quarter compared to \$496.6 million last year, reflecting an \$18.3 million, or 3.7%, organic sales increase and \$0.5 million of favorable foreign currency translation. The organic gain is comprised of higher sales in both the international and U.S. operations.

Operating earnings of \$113.4 million in the period, including \$2.7 million of unfavorable foreign currency effects, compared to \$102.2 million in 2022. The operating margin improved 140 basis points to 22.0% in the quarter from 20.6% a year ago.

Repair Systems & Information Group segment sales of \$431.8 million in the quarter compared to \$414.0 million last year, reflecting a \$13.0 million, or 3.1%, organic sales increase and \$4.8 million of favorable foreign currency translation. The organic gain includes higher sales of undercar equipment and increased sales of diagnostic and repair information products to independent repair shop owners and managers, partially offset by lower activity with OEM dealerships.

Operating earnings of \$104.9 million in the period, including \$0.2 million of favorable foreign currency effects, compared to \$95.4 million in 2022. The operating margin improved 130 basis points to 24.3% in the quarter from 23.0% last year.

Financial Services operating earnings of \$69.4 million on revenue of \$94.9 million in the quarter compared to operating earnings of \$66.4 million on revenue of \$87.3 million a year ago. Originations of \$305.2 million in the period represented an increase of \$5.0 million, or 1.7%, from 2022 levels.

Corporate expenses in the third quarter of \$31.2 million compared to \$26.4 million last year.

Outlook

We believe that our markets and our operations possess and have demonstrated continuing and considerable resilience against the uncertainties of the current environment. For the remainder of 2023, Snap-on expects to make ongoing progress along its defined runways for coherent growth, leveraging capabilities already demonstrated in the automotive repair arena and developing and expanding its professional customer base, not only in automotive repair, but in adjacent markets, additional geographies and other areas, including extending in critical industries, where the cost and penalties for failure can be high. In pursuit of these initiatives, we project that capital expenditures in 2023 will approximate \$100 million, of which \$73.9 million was incurred in the first nine months of the year.

Snap-on currently anticipates that its full-year 2023 effective income tax rate will approximate 23%.

Conference Call and Webcast on October 19, 2023, at 9:00 a.m. Central Time

A discussion of this release will be webcast on Thursday, October 19, 2023, at 9:00 a.m. Central Time, and a replay will be available for at least 10 days following the call. To access the webcast, visit <https://www.snapon.com/EN/Investors/Investor-Events> and click on the link to the call. The slide presentation accompanying the call can be accessed under the Downloads tab in the webcast viewer, as well as on the Snap-on website at <https://www.snapon.com/EN/Investors/Financial-Information/Quarterly-Earnings>.

Non-GAAP Measures

References in this release to “organic sales” refer to sales from continuing operations calculated in accordance with generally accepted accounting principles in the United States (“GAAP”), adjusted to exclude acquisition-related sales and the impact of foreign currency translation. Management evaluates the company’s sales performance based on organic sales growth, which primarily reflects growth from the company’s existing businesses as a result of increased output, expanded customer base, geographic expansion, new product development and pricing changes, and excludes sales contributions from acquired operations the company did not own as of the comparable prior-year reporting period. Organic sales also exclude the effects of foreign currency translation as foreign currency translation is subject to volatility that can obscure underlying business trends. Management believes that the non-GAAP financial measure of organic sales is meaningful to investors as it provides them with useful information to aid in identifying underlying growth trends in the company’s businesses and facilitates comparisons of its sales performance with prior periods.

About Snap-on

Snap-on Incorporated is a leading global innovator, manufacturer, and marketer of tools, equipment, diagnostics, repair information and systems solutions for professional users performing critical tasks including those working in vehicle repair, aerospace, the military, natural resources, and manufacturing. From its founding in 1920, Snap-on has been recognized as the mark of the serious and the outward sign of the pride and dignity working men and women take in their professions. Products and services are sold through the company’s network of widely recognized franchisee vans, as well as through direct and distributor channels, under a variety of notable brands. The company also provides financing programs to facilitate the sales of its products and to support its franchise business. Snap-on, an S&P 500 company, generated sales of \$4.5 billion in 2022, and is headquartered in Kenosha, Wisconsin.

Forward-looking Statements

Statements in this news release that are not historical facts, including statements that (i) are in the future tense; (ii) include the words “expects,” “anticipates,” “intends,” “approximates,” or similar words that reference Snap-on or its management; (iii) are specifically identified as forward-looking; or (iv) describe Snap-on’s or management’s future outlook, plans, estimates, objectives or goals, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Snap-on cautions the reader that this news release may contain statements, including earnings projections, that are forward-looking in nature and were developed by management in good faith and, accordingly, are subject to risks and uncertainties regarding Snap-on’s expected results that could cause (and in some cases have caused) actual results to differ materially from those described or contemplated in any forward-looking statement. Factors that may cause the company’s actual results to differ materially from those contained in the forward-looking statements include those found in the company’s reports filed with the Securities and Exchange Commission, including the information under the “Safe Harbor” and “Risk Factors” headings in its Annual Report on Form 10-K for the fiscal year ended December 31, 2022, which are incorporated herein by reference. Snap-on disclaims any responsibility to update any forward-looking statement provided in this news release, except as required by law.

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SNAP-ON INCORPORATED
Condensed Consolidated Statements of Earnings
(Amounts in millions, except per share data)
(unaudited)

| | Three Months Ended | | Nine Months Ended | |
|---|-----------------------|--------------------|-----------------------|--------------------|
| | September 30, 2023 | October 1, 2022 | September 30, 2023 | October 1, 2022 |
| Net sales | \$ 1,159.3 | \$ 1,102.5 | \$ 3,533.6 | \$ 3,336.9 |
| Cost of goods sold | (581.1) | (569.9) | (1,762.1) | (1,716.5) |
| Gross profit | 578.2 | 532.6 | 1,771.5 | 1,620.4 |
| Operating expenses | (333.0) | (309.1) | (989.5) | (927.2) |
| Operating earnings before financial services | 245.2 | 223.5 | 782.0 | 693.2 |
| Financial services revenue | 94.9 | 87.3 | 280.9 | 261.4 |
| Financial services expenses | (25.5) | (20.9) | (78.3) | (59.3) |
| Operating earnings from financial services | 69.4 | 66.4 | 202.6 | 202.1 |
| Operating earnings | 314.6 | 289.9 | 984.6 | 895.3 |
| Interest expense | (12.4) | (11.8) | (37.4) | (35.1) |
| Other income (expense) – net | 18.0 | 13.1 | 50.0 | 30.7 |
| Earnings before income taxes | 320.2 | 291.2 | 997.2 | 890.9 |
| Income tax expense | (71.1) | (61.7) | (223.9) | (201.5) |
| Net earnings | 249.1 | 229.5 | 773.3 | 689.4 |
| Net earnings attributable to noncontrolling interests | (6.0) | (5.6) | (17.5) | (16.6) |
| Net earnings attributable to Snap-on Inc. | \$ 243.1 | \$ 223.9 | \$ 755.8 | \$ 672.8 |
| Net earnings per share attributable to Snap-on Inc.: | | | | |
| Basic | \$ 4.60 | \$ 4.21 | \$ 14.29 | \$ 12.62 |
| Diluted | 4.51 | 4.14 | 14.00 | 12.41 |
| Weighted-average shares outstanding: | | | | |
| Basic | 52.8 | 53.2 | 52.9 | 53.3 |
| Effect of dilutive securities | 1.1 | 0.9 | 1.1 | 0.9 |
| Diluted | 53.9 | 54.1 | 54.0 | 54.2 |

SNAP-ON INCORPORATED
Supplemental Segment Information
(Amounts in millions)
(unaudited)

| | Three Months Ended | | Nine Months Ended | |
|-------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | September 30, 2023 | October 1, 2022 | September 30, 2023 | October 1, 2022 |
| Net sales: | | | | |
| Commercial & Industrial Group | \$ 366.4 | \$ 356.8 | \$ 1,094.4 | \$ 1,056.0 |
| Snap-on Tools Group | 515.4 | 496.6 | 1,575.5 | 1,529.3 |
| Repair Systems & Information Group | 431.8 | 414.0 | 1,330.4 | 1,229.0 |
| Segment net sales | <u>1,313.6</u> | <u>1,267.4</u> | <u>4,000.3</u> | <u>3,814.3</u> |
| Intersegment eliminations | (154.3) | (164.9) | (466.7) | (477.4) |
| Total net sales | <u>1,159.3</u> | <u>1,102.5</u> | <u>3,533.6</u> | <u>3,336.9</u> |
| Financial Services revenue | 94.9 | 87.3 | 280.9 | 261.4 |
| Total revenues | <u><u>\$ 1,254.2</u></u> | <u><u>\$ 1,189.8</u></u> | <u><u>\$ 3,814.5</u></u> | <u><u>\$ 3,598.3</u></u> |
| Operating earnings: | | | | |
| Commercial & Industrial Group | \$ 58.1 | \$ 52.3 | \$ 172.0 | \$ 149.7 |
| Snap-on Tools Group | 113.4 | 102.2 | 382.8 | 342.6 |
| Repair Systems & Information Group | 104.9 | 95.4 | 319.9 | 282.7 |
| Financial Services | 69.4 | 66.4 | 202.6 | 202.1 |
| Segment operating earnings | <u>345.8</u> | <u>316.3</u> | <u>1,077.3</u> | <u>977.1</u> |
| Corporate | (31.2) | (26.4) | (92.7) | (81.8) |
| Operating earnings | <u>314.6</u> | <u>289.9</u> | <u>984.6</u> | <u>895.3</u> |
| Interest expense | (12.4) | (11.8) | (37.4) | (35.1) |
| Other income (expense) – net | 18.0 | 13.1 | 50.0 | 30.7 |
| Earnings before income taxes | <u><u>\$ 320.2</u></u> | <u><u>\$ 291.2</u></u> | <u><u>\$ 997.2</u></u> | <u><u>\$ 890.9</u></u> |

SNAP-ON INCORPORATED
Condensed Consolidated Balance Sheets

(Amounts in millions)
(unaudited)

| | <u>September 30,</u> <u>2023</u> | <u>December 31,</u> <u>2022</u> |
|--|-------------------------------------|------------------------------------|
| Assets | | |
| Cash and cash equivalents | \$ 959.3 | \$ 757.2 |
| Trade and other accounts receivable – net | 776.8 | 761.7 |
| Finance receivables – net | 597.5 | 562.2 |
| Contract receivables – net | 119.6 | 109.9 |
| Inventories – net | 1,032.9 | 1,033.1 |
| Prepaid expenses and other assets | 118.9 | 144.8 |
| Total current assets | <u>3,605.0</u> | <u>3,368.9</u> |
| Property and equipment – net | 524.8 | 512.6 |
| Operating lease right-of-use assets | 68.7 | 61.5 |
| Deferred income tax assets | 75.6 | 70.0 |
| Long-term finance receivables – net | 1,245.9 | 1,170.8 |
| Long-term contract receivables – net | 399.9 | 383.8 |
| Goodwill | 1,035.9 | 1,045.3 |
| Other intangible assets – net | 263.0 | 275.6 |
| Pension assets | 72.7 | 70.6 |
| Other assets | 12.8 | 13.7 |
| Total assets | <u>\$ 7,304.3</u> | <u>\$ 6,972.8</u> |
| Liabilities and Equity | | |
| Notes payable | \$ 17.3 | \$ 17.2 |
| Accounts payable | 284.3 | 287.0 |
| Accrued benefits | 57.5 | 58.6 |
| Accrued compensation | 96.1 | 98.6 |
| Franchisee deposits | 76.0 | 73.8 |
| Other accrued liabilities | 450.7 | 436.4 |
| Total current liabilities | <u>981.9</u> | <u>971.6</u> |
| Long-term debt | 1,184.4 | 1,183.8 |
| Deferred income tax liabilities | 72.8 | 82.1 |
| Retiree health care benefits | 21.8 | 23.4 |
| Pension liabilities | 57.7 | 78.6 |
| Operating lease liabilities | 50.6 | 44.7 |
| Other long-term liabilities | 82.7 | 85.1 |
| Total liabilities | <u>2,451.9</u> | <u>2,469.3</u> |
| Equity | | |
| Shareholders' equity attributable to Snap-on Inc. | | |
| Common stock | 67.5 | 67.4 |
| Additional paid-in capital | 531.7 | 499.9 |
| Retained earnings | 6,792.3 | 6,296.2 |
| Accumulated other comprehensive loss | (563.3) | (528.3) |
| Treasury stock at cost | (1,998.0) | (1,853.9) |
| Total shareholders' equity attributable to Snap-on Inc. | <u>4,830.2</u> | <u>4,481.3</u> |
| Noncontrolling interests | 22.2 | 22.2 |
| Total equity | <u>4,852.4</u> | <u>4,503.5</u> |
| Total liabilities and equity | <u>\$ 7,304.3</u> | <u>\$ 6,972.8</u> |

SNAP-ON INCORPORATED
Condensed Consolidated Statements of Cash Flows
(Amounts in millions)
(unaudited)

| | Three Months Ended | |
|--|-----------------------|--------------------|
| | September 30, 2023 | October 1, 2022 |
| Operating activities: | | |
| Net earnings | \$ 249.1 | \$ 229.5 |
| Adjustments to reconcile net earnings to net cash provided (used) by operating activities: | | |
| Depreciation | 17.8 | 17.2 |
| Amortization of other intangible assets | 6.8 | 7.2 |
| Provision for losses on finance receivables | 12.8 | 9.5 |
| Provision for losses on non-finance receivables | 6.2 | 4.6 |
| Stock-based compensation expense | 11.0 | 8.1 |
| Deferred income tax benefit | (7.3) | (7.0) |
| Gain on sales of assets | (0.3) | (0.1) |
| Changes in operating assets and liabilities: | | |
| Trade and other accounts receivable | (7.6) | (36.6) |
| Contract receivables | (25.0) | (21.7) |
| Inventories | (7.6) | (100.4) |
| Prepaid expenses and other assets | 16.1 | (4.5) |
| Accounts payable | 12.6 | 4.4 |
| Accruals and other liabilities | 0.8 | 19.7 |
| Net cash provided by operating activities | <u>285.4</u> | <u>129.9</u> |
| Investing activities: | | |
| Additions to finance receivables | (243.5) | (234.1) |
| Collections of finance receivables | 208.4 | 195.9 |
| Capital expenditures | (25.1) | (20.0) |
| Disposals of property and equipment | 0.5 | 0.2 |
| Other | — | 0.1 |
| Net cash used by investing activities | <u>(59.7)</u> | <u>(57.9)</u> |
| Financing activities: | | |
| Net decrease in other short-term borrowings | (0.3) | (0.2) |
| Cash dividends paid | (85.6) | (75.7) |
| Purchases of treasury stock | (51.8) | (50.2) |
| Proceeds from stock purchase and option plans | 9.9 | 12.2 |
| Other | (7.5) | (6.8) |
| Net cash used by financing activities | <u>(135.3)</u> | <u>(120.7)</u> |
| Effect of exchange rate changes on cash and cash equivalents | <u>(2.4)</u> | <u>(4.9)</u> |
| Increase (decrease) in cash and cash equivalents | 88.0 | (53.6) |
| Cash and cash equivalents at beginning of period | 871.3 | 812.9 |
| Cash and cash equivalents at end of period | <u>\$ 959.3</u> | <u>\$ 759.3</u> |
| Supplemental cash flow disclosures: | | |
| Cash paid for interest | \$ (13.8) | \$ (13.9) |
| Net cash paid for income taxes | (76.8) | (58.2) |

SNAP-ON INCORPORATED
Condensed Consolidated Statements of Cash Flows
(Amounts in millions)
(unaudited)

| | Nine Months Ended | |
|--|-------------------------------|----------------------------|
| | September 30, 2023 | October 1, 2022 |
| Operating activities: | | |
| Net earnings | \$ 773.3 | \$ 689.4 |
| Adjustments to reconcile net earnings to net cash provided (used) by operating activities: | | |
| Depreciation | 53.6 | 53.9 |
| Amortization of other intangible assets | 20.7 | 21.6 |
| Provision for losses on finance receivables | 40.7 | 24.9 |
| Provision for losses on non-finance receivables | 15.0 | 11.3 |
| Stock-based compensation expense | 31.4 | 25.6 |
| Deferred income tax benefit | (16.5) | (14.1) |
| Gain on sales of assets | (0.6) | (3.0) |
| Changes in operating assets and liabilities, net of effects of acquisitions: | | |
| Trade and other accounts receivable | (38.3) | (110.3) |
| Contract receivables | (27.9) | (11.3) |
| Inventories | (21.0) | (223.8) |
| Prepaid expenses and other assets | 30.3 | (27.9) |
| Accounts payable | 4.3 | 46.5 |
| Accruals and other liabilities | (7.7) | (18.2) |
| Net cash provided by operating activities | 857.3 | 464.6 |
| Investing activities: | | |
| Additions to finance receivables | (779.8) | (703.7) |
| Collections of finance receivables | 626.5 | 622.1 |
| Capital expenditures | (73.9) | (61.5) |
| Acquisitions of businesses, net of cash acquired | — | 0.5 |
| Disposals of property and equipment | 1.5 | 4.4 |
| Other | (1.5) | (0.1) |
| Net cash used by investing activities | (227.2) | (138.3) |
| Financing activities: | | |
| Net increase in other short-term borrowings | — | 2.6 |
| Cash dividends paid | (257.6) | (227.1) |
| Purchases of treasury stock | (233.8) | (132.8) |
| Proceeds from stock purchase and option plans | 94.5 | 41.4 |
| Other | (27.0) | (23.3) |
| Net cash used by financing activities | (423.9) | (339.2) |
| Effect of exchange rate changes on cash and cash equivalents | (4.1) | (7.8) |
| Increase (decrease) in cash and cash equivalents | 202.1 | (20.7) |
| Cash and cash equivalents at beginning of year | 757.2 | 780.0 |
| Cash and cash equivalents at end of period | \$ 959.3 | \$ 759.3 |
| Supplemental cash flow disclosures: | | |
| Cash paid for interest | \$ (36.1) | \$ (36.3) |
| Net cash paid for income taxes | (224.5) | (187.4) |

Non-GAAP Supplemental Data

The following non-GAAP supplemental data is presented for informational purposes to provide readers with insight into the information used by management for assessing the operating performance of Snap-on Incorporated's ("Snap-on") non-financial services ("Operations") and Financial Services businesses.

The supplemental Operations data reflects the results of operations and financial position of Snap-on's tools, diagnostic and equipment products, software and other non-financial services operations with Financial Services presented on the equity method. The supplemental Financial Services data reflects the results of operations and financial position of Snap-on's U.S. and international financial services operations. The financing needs of Financial Services are met through intersegment borrowings and cash generated from Operations; Financial Services is charged interest expense on intersegment borrowings at market rates. Income taxes are charged to Financial Services on the basis of the specific tax attributes generated by the U.S. and international financial services businesses. Transactions between the Operations and Financial Services businesses are eliminated to arrive at the Condensed Consolidated Financial Statements.

SNAP-ON INCORPORATED

Non-GAAP Supplemental Consolidating Data - Supplemental Condensed Statements of Earnings

(Amounts in millions)

(unaudited)

| | Operations* | | Financial Services | |
|--|-----------------------|--------------------|-----------------------|--------------------|
| | Three Months Ended | | Three Months Ended | |
| | September 30, 2023 | October 1, 2022 | September 30, 2023 | October 1, 2022 |
| Net sales | \$ 1,159.3 | \$ 1,102.5 | \$ — | \$ — |
| Cost of goods sold | (581.1) | (569.9) | — | — |
| Gross profit | 578.2 | 532.6 | — | — |
| Operating expenses | (333.0) | (309.1) | — | — |
| Operating earnings before financial services | 245.2 | 223.5 | — | — |
| Financial services revenue | — | — | 94.9 | 87.3 |
| Financial services expenses | — | — | (25.5) | (20.9) |
| Operating earnings from financial services | — | — | 69.4 | 66.4 |
| Operating earnings | 245.2 | 223.5 | 69.4 | 66.4 |
| Interest expense | (12.4) | (11.7) | — | (0.1) |
| Intersegment interest income (expense) – net | 16.1 | 14.7 | (16.1) | (14.7) |
| Other income (expense) – net | 17.9 | 13.0 | 0.1 | 0.1 |
| Earnings before income taxes and equity earnings | 266.8 | 239.5 | 53.4 | 51.7 |
| Income tax expense | (57.3) | (48.4) | (13.8) | (13.3) |
| Earnings before equity earnings | 209.5 | 191.1 | 39.6 | 38.4 |
| Financial services – net earnings attributable to Snap-on | 39.6 | 38.4 | — | — |
| Net earnings | 249.1 | 229.5 | 39.6 | 38.4 |
| Net earnings attributable to noncontrolling interests | (6.0) | (5.6) | — | — |
| Net earnings attributable to Snap-on | \$ 243.1 | \$ 223.9 | \$ 39.6 | \$ 38.4 |

* Snap-on with Financial Services presented on the equity method.

SNAP-ON INCORPORATED

Non-GAAP Supplemental Consolidating Data - Supplemental Condensed Statements of Earnings (Amounts in millions) (unaudited)

| | Operations* | | Financial Services | |
|--|-----------------------|--------------------|-----------------------|--------------------|
| | Nine Months Ended | | Nine Months Ended | |
| | September 30, 2023 | October 1, 2022 | September 30, 2023 | October 1, 2022 |
| Net sales | \$ 3,533.6 | \$ 3,336.9 | \$ — | \$ — |
| Cost of goods sold | (1,762.1) | (1,716.5) | — | — |
| Gross profit | 1,771.5 | 1,620.4 | — | — |
| Operating expenses | (989.5) | (927.2) | — | — |
| Operating earnings before financial services | 782.0 | 693.2 | — | — |
| Financial services revenue | — | — | 280.9 | 261.4 |
| Financial services expenses | — | — | (78.3) | (59.3) |
| Operating earnings from financial services | — | — | 202.6 | 202.1 |
| Operating earnings | 782.0 | 693.2 | 202.6 | 202.1 |
| Interest expense | (37.4) | (35.0) | — | (0.1) |
| Intersegment interest income (expense) – net | 47.9 | 44.5 | (47.9) | (44.5) |
| Other income (expense) – net | 49.8 | 30.5 | 0.2 | 0.2 |
| Earnings before income taxes and equity earnings | 842.3 | 733.2 | 154.9 | 157.7 |
| Income tax expense | (183.8) | (160.9) | (40.1) | (40.6) |
| Earnings before equity earnings | 658.5 | 572.3 | 114.8 | 117.1 |
| Financial services – net earnings attributable to Snap-on | 114.8 | 117.1 | — | — |
| Net earnings | 773.3 | 689.4 | 114.8 | 117.1 |
| Net earnings attributable to noncontrolling interests | (17.5) | (16.6) | — | — |
| Net earnings attributable to Snap-on | <u>\$ 755.8</u> | <u>\$ 672.8</u> | <u>\$ 114.8</u> | <u>\$ 117.1</u> |

* Snap-on with Financial Services presented on the equity method.

SNAP-ON INCORPORATED

Non-GAAP Supplemental Consolidating Data - Supplemental Condensed Balance Sheets

(Amounts in millions)
(unaudited)

| | Operations* | | Financial Services | |
|---|-----------------------|----------------------|-----------------------|----------------------|
| | September 30, 2023 | December 31, 2022 | September 30, 2023 | December 31, 2022 |
| Assets | | | | |
| Cash and cash equivalents | \$ 959.1 | \$ 757.1 | \$ 0.2 | \$ 0.1 |
| Intersegment receivables | 17.7 | 13.4 | — | — |
| Trade and other accounts receivable – net | 776.0 | 761.1 | 0.8 | 0.6 |
| Finance receivables – net | — | — | 597.5 | 562.2 |
| Contract receivables – net | 5.7 | 5.9 | 113.9 | 104.0 |
| Inventories – net | 1,032.9 | 1,033.1 | — | — |
| Prepaid expenses and other assets | 124.8 | 149.2 | 5.7 | 5.8 |
| Total current assets | 2,916.2 | 2,719.8 | 718.1 | 672.7 |
| Property and equipment – net | 521.9 | 510.7 | 2.9 | 1.9 |
| Operating lease right-of-use assets | 67.6 | 60.1 | 1.1 | 1.4 |
| Investment in Financial Services | 386.0 | 363.9 | — | — |
| Deferred income tax assets | 51.8 | 48.4 | 23.8 | 21.6 |
| Intersegment long-term notes receivable | 745.8 | 635.9 | — | — |
| Long-term finance receivables – net | — | — | 1,245.9 | 1,170.8 |
| Long-term contract receivables – net | 8.9 | 9.6 | 391.0 | 374.2 |
| Goodwill | 1,035.9 | 1,045.3 | — | — |
| Other intangible assets – net | 263.0 | 275.6 | — | — |
| Pension assets | 72.7 | 70.6 | — | — |
| Other assets | 28.1 | 27.1 | 0.2 | 0.1 |
| Total assets | \$ 6,097.9 | \$ 5,767.0 | \$ 2,383.0 | \$ 2,242.7 |
| Liabilities and Equity | | | | |
| Notes payable | \$ 17.3 | \$ 17.2 | \$ — | \$ — |
| Accounts payable | 283.3 | 285.8 | 1.0 | 1.2 |
| Intersegment payables | — | — | 17.7 | 13.4 |
| Accrued benefits | 57.5 | 58.6 | — | — |
| Accrued compensation | 93.2 | 95.6 | 2.9 | 3.0 |
| Franchisee deposits | 76.0 | 73.8 | — | — |
| Other accrued liabilities | 434.4 | 420.8 | 27.9 | 25.8 |
| Total current liabilities | 961.7 | 951.8 | 49.5 | 43.4 |
| Long-term debt and intersegment long-term debt | — | — | 1,930.2 | 1,819.7 |
| Deferred income tax liabilities | 72.8 | 82.1 | — | — |
| Retiree health care benefits | 21.8 | 23.4 | — | — |
| Pension liabilities | 57.7 | 78.6 | — | — |
| Operating lease liabilities | 49.8 | 43.6 | 0.8 | 1.1 |
| Other long-term liabilities | 81.7 | 84.0 | 16.5 | 14.6 |
| Total liabilities | 1,245.5 | 1,263.5 | 1,997.0 | 1,878.8 |
| Total shareholders' equity attributable to Snap-on | 4,830.2 | 4,481.3 | 386.0 | 363.9 |
| Noncontrolling interests | 22.2 | 22.2 | — | — |
| Total equity | 4,852.4 | 4,503.5 | 386.0 | 363.9 |
| Total liabilities and equity | \$ 6,097.9 | \$ 5,767.0 | \$ 2,383.0 | \$ 2,242.7 |

* Snap-on with Financial Services presented on the equity method.