

**Release: IMMEDIATE****Snap-on Announces Second Quarter 2019 Results**

*Q2 2019 diluted EPS of \$3.22,  
up 3.2% from Q2 2018*

*Q2 2019 operating margin before financial services of 20.0%*

KENOSHA, Wis. — July 18, 2019 — 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 second quarter of 2019.

- Net sales of \$951.3 million decreased \$3.3 million, or 0.3%, from 2018 levels, reflecting a \$15.1 million, or 1.6%, organic sales increase and \$1.1 million of acquisition-related sales, more than offset by \$19.5 million of unfavorable foreign currency translation.
- Operating earnings before financial services for the quarter of \$189.9 million, or 20.0% of sales, including \$5.9 million of unfavorable foreign currency effects, compared to \$193.1 million, or 20.2% of sales, last year.
- Financial services revenue of \$84.1 million in the second quarter of 2019 increased \$2.1 million from 2018 levels; financial services operating earnings of \$60.6 million increased \$2.8 million from \$57.8 million last year.
- Consolidated operating earnings of \$250.5 million, including \$6.3 million of unfavorable currency effects, compared to \$250.9 million last year. As a percentage of revenues (net sales plus financial services revenue), consolidated operating earnings were 24.2% in both years.
- The second quarter effective income tax rate of 23.6% compared to 23.8% last year. In 2018, the effective income tax rate included a benefit of 20 basis points, or \$0.5 million, related to the implementation of U.S. tax legislation (the “tax benefit”). Excluding the tax benefit, the effective tax rate, as adjusted, was 24.0% last year.
- Net earnings of \$180.4 million, or \$3.22 per diluted share, compared to \$178.7 million, or \$3.12 per diluted share, a year ago. Excluding the above-mentioned tax benefit, net earnings, as adjusted, were \$178.2 million in 2018, or \$3.11 per diluted share.

See “Non-GAAP Measures” below for a definition of, and further explanation about, organic sales and measures, as adjusted, excluding the tax benefit.

“We are encouraged by our second quarter 2019 results. While sales were mixed in the period, we did experience clear sales gains to customers across our U.S. operations and delivered overall organic growth, overcoming the variation and the turbulence,” said Nick Pinchuk, Snap-on chairman and chief executive officer. “The quarter did see continuing headwinds related to particularly challenged geographies and to

unfavorable currency, but the effectiveness of our Snap-on Value Creation Processes drove strength in our operating earnings margins and yet another year-over-year increase in earnings per diluted share. Despite the challenges of this period, we believe the overall macro-economic environment for the vehicle repair and the critical industries markets we serve generally remain robust and provide continuing opportunities to make work easier for serious professionals. Finally, our results are only possible with the ongoing capability and contributions from our franchisees and associates, and I thank them for their dedication and commitment.”

### **Segment Results**

**Commercial & Industrial Group** segment sales of \$335.0 million in the quarter decreased \$2.8 million, or 0.8%, from 2018 levels, reflecting a \$6.2 million, or 1.9%, organic sales gain and \$1.1 million of acquisition-related sales, more than offset by \$10.1 million of unfavorable foreign currency translation. The organic sales increase includes higher sales in the segment’s specialty tools and European hand tools businesses, as well as increases with customers in critical industries.

Operating earnings of \$48.9 million in the period, including \$0.9 million of unfavorable foreign currency effects, compared to \$49.0 million in 2018, while the operating margin (operating earnings as a percentage of segment sales) of 14.6% compared to 14.5% a year ago.

**Snap-on Tools Group** segment sales of \$405.8 million in the quarter decreased \$6.1 million, or 1.5%, from 2018 levels, reflecting a \$1.0 million, or 0.2%, organic sales decline and \$5.1 million of unfavorable foreign currency translation. The organic sales decrease includes lower sales in the segment’s international operations, partially offset by higher sales in the U.S. franchise operations.

Operating earnings of \$71.3 million in the period, including \$3.8 million of unfavorable foreign currency effects, decreased \$7.7 million from 2018 levels, and the operating margin of 17.6% compared to 19.2% last year.

**Repair Systems & Information Group** segment sales of \$348.9 million in the quarter increased \$5.8 million, or 1.7%, from 2018 levels, reflecting an \$11.7 million, or 3.5%, organic sales gain, partially offset by \$5.9 million of unfavorable foreign currency translation. The organic sales increase primarily reflects higher sales to OEM dealerships.

Operating earnings of \$88.6 million in the period, including \$1.2 million of unfavorable foreign currency effects, compared to \$88.7 million in 2018, while the operating margin of 25.4% compared to 25.9% a year ago.

**Financial Services** operating earnings of \$60.6 million on revenue of \$84.1 million in the quarter compared to operating earnings of \$57.8 million on revenue of \$82.0 million a year ago. Originations of \$263.4 million in the second quarter decreased \$12.7 million, or 4.6%, from 2018 levels.

**Corporate** expenses of \$18.9 million in the quarter compared to \$23.6 million last year.

### **Outlook**

Snap-on expects to make continued progress in 2019 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, Snap-on expects that capital expenditures in 2019 will be in a range of \$90 million to \$100 million, of which \$48.2 million was incurred in the first six months of the year.

Snap-on currently anticipates that its full year 2019 effective income tax rate will be comparable to its full year 2018 effective tax rate of 24.0%.

### **Conference Call and Webcast on July 18, 2019, at 9:00 a.m. Central Time**

A discussion of this release will be webcast on Thursday, July 18, 2019, 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 document 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, customer base and geographic expansion, new product development and/or pricing, and excludes sales contributions from acquired operations the company did not own as of the comparable prior-year reporting period. The company’s organic sales disclosures 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 our businesses and facilitates comparisons of our sales performance with prior periods.

For the six months ended June 29, 2019, the company is including operating earnings before financial services, consolidated operating earnings, net earnings, diluted earnings per share and its effective tax rate, all as adjusted to exclude the impact of an \$11.6 million benefit (\$8.7 million after tax) from a legal settlement that occurred in the three months ended March 30, 2019.

For the three and six months ended June 30, 2018, the company is including net earnings, diluted earnings per share and its effective tax rate, all as adjusted, to exclude the impact of a \$0.5 million benefit and \$2.1 million charge, respectively, related to the implementation of U.S. tax legislation. In addition, for the six months ended June 30, 2018, the company is including net earnings and diluted earnings per share, both as adjusted to exclude a net gain of \$5.5 million (\$4.1 million after tax) associated with a treasury lock settlement gain of \$13.3 million related to the issuance of debt, partially offset by a \$7.8 million expense related to the early extinguishment of debt.

Management believes that these are unusual events and therefore the non-GAAP financial measures adjusted to exclude them provide more meaningful year-over-year comparisons of the company’s 2019 operating performance. For a reconciliation of the adjusted metrics, see “Reconciliation of Non-GAAP Financial Measures” below.

### **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. Products and services include hand and power tools, tool storage, diagnostics software, information and

management systems, shop equipment and other solutions for vehicle dealerships and repair centers, as well as for customers in industries, including aviation and aerospace, agriculture, construction, government and military, mining, natural resources, power generation and technical education. Snap-on also derives income from various financing programs to facilitate the sales of its products and support its franchise business. Products and services are sold through the company's franchisee, company-direct, distributor and internet channels. Founded in 1920, Snap-on is a \$3.7 billion, S&P 500 company 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 29, 2018, 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		Six Months Ended	
	June 29, 2019	June 30, 2018	June 29, 2019	June 30, 2018
<b>Net sales</b>	\$ 951.3	\$ 954.6	\$ 1,873.0	\$ 1,890.1
Cost of goods sold	(477.5)	(467.5)	(927.6)	(931.4)
<b>Gross profit</b>	473.8	487.1	945.4	958.7
Operating expenses	(283.9)	(294.0)	(568.1)	(587.9)
<b>Operating earnings before financial services</b>	189.9	193.1	377.3	370.8
<b>Financial services revenue</b>	84.1	82.0	169.7	165.0
Financial services expenses	(23.5)	(24.2)	(47.0)	(50.3)
<b>Operating earnings from financial services</b>	60.6	57.8	122.7	114.7
<b>Operating earnings</b>	250.5	250.9	500.0	485.5
Interest expense	(12.4)	(12.0)	(24.9)	(25.6)
Other income (expense) – net	2.1	(0.6)	3.6	2.2
<b>Earnings before income taxes and equity earnings</b>	240.2	238.3	478.7	462.1
Income tax expense	(55.6)	(55.8)	(112.5)	(113.4)
<b>Earnings before equity earnings</b>	184.6	182.5	366.2	348.7
Equity earnings, net of tax	0.3	0.2	0.8	0.8
<b>Net earnings</b>	184.9	182.7	367.0	349.5
Net earnings attributable to noncontrolling interests	(4.5)	(4.0)	(8.7)	(7.8)
<b>Net earnings attributable to Snap-on Inc.</b>	<u>\$ 180.4</u>	<u>\$ 178.7</u>	<u>\$ 358.3</u>	<u>\$ 341.7</u>
<b>Net earnings per share attributable to Snap-on Inc.:</b>				
Basic	\$ 3.27	\$ 3.17	\$ 6.47	\$ 6.04
Diluted	3.22	3.12	6.38	5.93
<b>Weighted-average shares outstanding:</b>				
Basic	55.2	56.4	55.4	56.6
Effect of dilutive securities	0.8	0.9	0.8	1.0
Diluted	<u>56.0</u>	<u>57.3</u>	<u>56.2</u>	<u>57.6</u>

# SNAP-ON INCORPORATED

## Supplemental Segment Information

(Amounts in millions)  
(unaudited)

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>June 29, 2019</u>	<u>June 30, 2018</u>	<u>June 29, 2019</u>	<u>June 30, 2018</u>
<b>Net sales:</b>				
Commercial & Industrial Group	\$ 335.0	\$ 337.8	\$ 657.5	\$ 669.4
Snap-on Tools Group	405.8	411.9	816.0	816.6
Repair Systems & Information Group	348.9	343.1	676.8	680.1
<b>Segment net sales</b>	<u>1,089.7</u>	<u>1,092.8</u>	<u>2,150.3</u>	<u>2,166.1</u>
Intersegment eliminations	(138.4)	(138.2)	(277.3)	(276.0)
<b>Total net sales</b>	<u>\$ 951.3</u>	<u>\$ 954.6</u>	<u>\$ 1,873.0</u>	<u>\$ 1,890.1</u>
Financial Services revenue	84.1	82.0	169.7	165.0
<b>Total revenues</b>	<u>\$ 1,035.4</u>	<u>\$ 1,036.6</u>	<u>\$ 2,042.7</u>	<u>\$ 2,055.1</u>
<b>Operating earnings:</b>				
Commercial & Industrial Group	\$ 48.9	\$ 49.0	\$ 95.4	\$ 95.5
Snap-on Tools Group	71.3	79.0	138.5	147.9
Repair Systems & Information Group	88.6	88.7	172.2	174.5
Financial Services	60.6	57.8	122.7	114.7
<b>Segment operating earnings</b>	<u>269.4</u>	<u>274.5</u>	<u>528.8</u>	<u>532.6</u>
Corporate	(18.9)	(23.6)	(28.8)	(47.1)
<b>Operating earnings</b>	<u>\$ 250.5</u>	<u>\$ 250.9</u>	<u>\$ 500.0</u>	<u>\$ 485.5</u>
Interest expense	(12.4)	(12.0)	(24.9)	(25.6)
Other income (expense) – net	2.1	(0.6)	3.6	2.2
<b>Earnings before income taxes and equity earnings</b>	<u>\$ 240.2</u>	<u>\$ 238.3</u>	<u>\$ 478.7</u>	<u>\$ 462.1</u>

**SNAP-ON INCORPORATED**  
**Condensed Consolidated Balance Sheets**  
(Amounts in millions)  
(unaudited)

	<u>June 29, 2019</u>	<u>December 29, 2018</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 164.0	\$ 140.9
Trade and other accounts receivable – net	684.1	692.6
Finance receivables – net	529.0	518.5
Contract receivables – net	91.5	98.3
Inventories – net	725.8	673.8
Prepaid expenses and other assets	112.2	92.8
Total current assets	<u>2,306.6</u>	<u>2,216.9</u>
Property and equipment – net	506.4	495.1
Operating lease right-of-use assets	55.4	-
Deferred income tax assets	53.9	64.7
Long-term finance receivables – net	1,089.0	1,074.4
Long-term contract receivables – net	347.5	344.9
Goodwill	907.0	902.2
Other intangibles – net	227.9	232.9
Other assets	51.7	42.0
<b>Total assets</b>	<u>\$ 5,545.4</u>	<u>\$ 5,373.1</u>
<b>Liabilities and Equity</b>		
Notes payable	\$ 168.2	\$ 186.3
Accounts payable	215.3	201.1
Accrued benefits	42.4	52.0
Accrued compensation	62.2	71.5
Franchisee deposits	69.5	67.5
Other accrued liabilities	373.2	373.6
Total current liabilities	<u>930.8</u>	<u>952.0</u>
Long-term debt	947.9	946.0
Deferred income tax liabilities	45.4	41.4
Retiree health care benefits	30.5	31.8
Pension liabilities	136.6	171.3
Operating lease liabilities	35.7	-
Other long-term liabilities	109.8	112.0
Total liabilities	<u>2,236.7</u>	<u>2,254.5</u>
<b>Equity</b>		
<b>Shareholders' equity attributable to Snap-on Inc.</b>		
Common stock	67.4	67.4
Additional paid-in capital	371.7	359.4
Retained earnings	4,556.1	4,257.6
Accumulated other comprehensive loss	(500.7)	(462.2)
Treasury stock at cost	(1,206.4)	(1,123.4)
Total shareholders' equity attributable to Snap-on Inc.	<u>3,288.1</u>	<u>3,098.8</u>
Noncontrolling interests	20.6	19.8
Total equity	<u>3,308.7</u>	<u>3,118.6</u>
<b>Total liabilities and equity</b>	<u>\$ 5,545.4</u>	<u>\$ 5,373.1</u>

**SNAP-ON INCORPORATED**  
**Condensed Consolidated Statements of Cash Flows**

(Amounts in millions)

(unaudited)

	<b>Three Months Ended</b>	
	<b>June 29, 2019</b>	<b>June 30, 2018</b>
<b>Operating activities:</b>		
Net earnings	\$ 184.9	\$ 182.7
Adjustments to reconcile net earnings to net cash provided (used) by operating activities:		
Depreciation	17.6	17.6
Amortization of other intangibles	5.4	6.4
Provision for losses on finance receivables	11.9	13.6
Provision for losses on non-finance receivables	3.7	3.5
Stock-based compensation expense	6.8	7.9
Deferred income tax provision (benefit)	7.0	(4.5)
Loss on sales of assets	0.3	0.2
Changes in operating assets and liabilities, net of effects of acquisitions:		
Increase in trade and other accounts receivable	(10.9)	(10.7)
Increase in contract receivables	(3.1)	(6.7)
Increase in inventories	(19.6)	(14.3)
(Increase) decrease in prepaid and other assets	(7.3)	6.4
Increase in accounts payable	14.8	15.9
Decrease in accruals and other liabilities	(66.0)	(31.1)
<b>Net cash provided by operating activities</b>	<b>145.5</b>	<b>186.9</b>
<b>Investing activities:</b>		
Additions to finance receivables	(220.6)	(231.1)
Collections of finance receivables	191.6	190.8
Capital expenditures	(28.0)	(20.6)
Acquisitions of businesses, net of cash acquired	(8.0)	-
Disposals of property and equipment	0.2	0.1
Other	(0.4)	(2.9)
<b>Net cash used by investing activities</b>	<b>(65.2)</b>	<b>(63.7)</b>
<b>Financing activities:</b>		
Net increase (decrease) in other short-term borrowings	25.6	(16.1)
Cash dividends paid	(52.5)	(46.3)
Purchases of treasury stock	(60.1)	(55.2)
Proceeds from stock purchase and option plans	19.8	16.8
Other	(5.9)	(4.5)
<b>Net cash used by financing activities</b>	<b>(73.1)</b>	<b>(105.3)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>0.4</b>	<b>(3.1)</b>
<b>Increase in cash and cash equivalents</b>	<b>7.6</b>	<b>14.8</b>
Cash and cash equivalents at beginning of period	156.4	97.5
<b>Cash and cash equivalents at end of period</b>	<b>\$ 164.0</b>	<b>\$ 112.3</b>
<b>Supplemental cash flow disclosures:</b>		
Cash paid for interest	\$ (1.8)	\$ (1.5)
Net cash paid for income taxes	(73.8)	(86.0)



**SNAP-ON INCORPORATED**  
**Condensed Consolidated Statements of Cash Flows**

(Amounts in millions)

(unaudited)

	Six Months Ended	
	June 29, 2019	June 30, 2018
<b>Operating activities:</b>		
Net earnings	\$ 367.0	\$ 349.5
Adjustments to reconcile net earnings to net cash provided (used) by operating activities:		
Depreciation	34.8	35.0
Amortization of other intangibles	10.8	13.0
Provision for losses on finance receivables	24.4	29.4
Provision for losses on non-finance receivables	8.7	5.5
Stock-based compensation expense	14.1	14.6
Deferred income tax provision (benefit)	12.4	(4.1)
Loss on sales of assets	0.6	0.1
Loss on early extinguishment of debt	-	7.8
Changes in operating assets and liabilities, net of effects of acquisitions:		
(Increase) decrease in trade and other accounts receivable	3.9	(9.1)
(Increase) decrease in contract receivables	3.0	(4.5)
Increase in inventories	(52.8)	(24.5)
(Increase) decrease in prepaid and other assets	(27.0)	6.4
Increase in accounts payable	16.6	25.4
Decrease in accruals and other liabilities	(69.7)	(25.7)
<b>Net cash provided by operating activities</b>	<b>346.8</b>	<b>418.8</b>
<b>Investing activities:</b>		
Additions to finance receivables	(431.1)	(436.7)
Collections of finance receivables	383.5	379.9
Capital expenditures	(48.2)	(38.6)
Acquisitions of businesses, net of cash acquired	(9.3)	(3.0)
Disposals of property and equipment	0.4	0.5
Other	0.8	(2.9)
<b>Net cash used by investing activities</b>	<b>(103.9)</b>	<b>(100.8)</b>
<b>Financing activities:</b>		
Proceeds from issuance of long-term debt	-	395.4
Repayments of long-term debt	-	(457.8)
Repayment of notes payable	-	(16.8)
Net decrease in other short-term borrowings	(18.2)	(37.2)
Cash dividends paid	(105.3)	(92.8)
Purchases of treasury stock	(107.5)	(98.7)
Proceeds from stock purchase and option plans	24.6	28.3
Other	(14.3)	(16.2)
<b>Net cash used by financing activities</b>	<b>(220.7)</b>	<b>(295.8)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>0.9</b>	<b>(1.9)</b>
<b>Increase in cash and cash equivalents</b>	<b>23.1</b>	<b>20.3</b>
Cash and cash equivalents at beginning of year	140.9	92.0
<b>Cash and cash equivalents at end of period</b>	<b>\$ 164.0</b>	<b>\$ 112.3</b>
<b>Supplemental cash flow disclosures:</b>		
Cash paid for interest	\$ (23.4)	\$ (27.8)
Net cash paid for income taxes	(92.2)	(97.4)

## 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 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 were 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	
	June 29, 2019	June 30, 2018	June 29, 2019	June 30, 2018
<b>Net sales</b>	\$ 951.3	\$ 954.6	\$ -	\$ -
Cost of goods sold	(477.5)	(467.5)	-	-
<b>Gross profit</b>	473.8	487.1	-	-
Operating expenses	(283.9)	(294.0)	-	-
<b>Operating earnings before financial services</b>	189.9	193.1	-	-
<b>Financial services revenue</b>	-	-	84.1	82.0
Financial services expenses	-	-	(23.5)	(24.2)
<b>Operating earnings from financial services</b>	-	-	60.6	57.8
<b>Operating earnings</b>	189.9	193.1	60.6	57.8
Interest expense	(12.3)	(11.9)	(0.1)	(0.1)
Intersegment interest income (expense) – net	17.8	17.2	(17.8)	(17.2)
Other income (expense) – net	2.1	(0.7)	-	0.1
<b>Earnings before income taxes and equity earnings</b>	197.5	197.7	42.7	40.6
Income tax expense	(44.5)	(45.2)	(11.1)	(10.6)
<b>Earnings before equity earnings</b>	153.0	152.5	31.6	30.0
<b>Financial services – net earnings</b>				
<b>attributable to Snap-on</b>	31.6	30.0	-	-
Equity earnings, net of tax	0.3	0.2	-	-
<b>Net earnings</b>	184.9	182.7	31.6	30.0
Net earnings attributable to noncontrolling interests	(4.5)	(4.0)	-	-
<b>Net earnings attributable to Snap-on</b>	<u>\$ 180.4</u>	<u>\$ 178.7</u>	<u>\$ 31.6</u>	<u>\$ 30.0</u>

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

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

	<b>Operations*</b>		<b>Financial Services</b>	
	<b>Six Months Ended</b>		<b>Six Months Ended</b>	
	<b>June 29, 2019</b>	<b>June 30, 2018</b>	<b>June 29, 2019</b>	<b>June 30, 2018</b>
<b>Net sales</b>	\$ 1,873.0	\$ 1,890.1	\$ -	\$ -
Cost of goods sold	(927.6)	(931.4)	-	-
<b>Gross profit</b>	945.4	958.7	-	-
Operating expenses	(568.1)	(587.9)	-	-
<b>Operating earnings before financial services</b>	377.3	370.8	-	-
<b>Financial services revenue</b>	-	-	169.7	165.0
Financial services expenses	-	-	(47.0)	(50.3)
<b>Operating earnings from financial services</b>	-	-	122.7	114.7
<b>Operating earnings</b>	377.3	370.8	122.7	114.7
Interest expense	(24.8)	(25.4)	(0.1)	(0.2)
Intersegment interest income (expense) – net	35.5	36.1	(35.5)	(36.1)
Other income (expense) – net	3.6	2.1	-	0.1
<b>Earnings before income taxes and equity earnings</b>	391.6	383.6	87.1	78.5
Income tax expense	(89.9)	(93.0)	(22.6)	(20.4)
<b>Earnings before equity earnings</b>	301.7	290.6	64.5	58.1
<b>Financial services – net earnings</b>				
<b>attributable to Snap-on</b>	64.5	58.1	-	-
Equity earnings, net of tax	0.8	0.8	-	-
<b>Net earnings</b>	367.0	349.5	64.5	58.1
Net earnings attributable to noncontrolling interests	(8.7)	(7.8)	-	-
<b>Net earnings attributable to Snap-on</b>	<u>\$ 358.3</u>	<u>\$ 341.7</u>	<u>\$ 64.5</u>	<u>\$ 58.1</u>

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

**SNAP-ON INCORPORATED**  
**Non-GAAP Supplemental Consolidating Data - Supplemental Condensed Balance Sheets**  
(Amounts in millions)  
(unaudited)

	Operations*		Financial Services	
	June 29, 2019	December 29, 2018	June 29, 2019	December 29, 2018
<b>Assets</b>				
Cash and cash equivalents	\$ 163.9	\$ 140.5	\$ 0.1	\$ 0.4
Intersegment receivables	13.4	15.1	-	-
Trade and other accounts receivable – net	683.4	692.1	0.7	0.5
Finance receivables – net	-	-	529.0	518.5
Contract receivables – net	6.6	6.6	84.9	91.7
Inventories – net	725.8	673.8	-	-
Prepaid expenses and other assets	112.8	100.2	7.5	0.5
Total current assets	<u>1,705.9</u>	<u>1,628.3</u>	<u>622.2</u>	<u>611.6</u>
Property and equipment – net	504.8	493.5	1.6	1.6
Operating lease right-of-use assets	53.7	-	1.7	-
Investment in Financial Services	334.2	329.5	-	-
Deferred income tax assets	34.9	45.8	19.0	18.9
Intersegment long-term notes receivable	723.0	701.3	-	-
Long-term finance receivables – net	-	-	1,089.0	1,074.4
Long-term contract receivables – net	13.7	11.9	333.8	333.0
Goodwill	907.0	902.2	-	-
Other intangibles – net	227.9	232.9	-	-
Other assets	61.9	51.9	0.1	0.1
<b>Total assets</b>	<u>\$ 4,567.0</u>	<u>\$ 4,397.3</u>	<u>\$ 2,067.4</u>	<u>\$ 2,039.6</u>
<b>Liabilities and Equity</b>				
Notes payable	\$ 168.2	\$ 186.3	\$ -	\$ -
Accounts payable	214.1	199.6	1.2	1.5
Intersegment payables	-	-	13.4	15.1
Accrued benefits	42.4	52.0	-	-
Accrued compensation	59.5	66.8	2.7	4.7
Franchisee deposits	69.5	67.5	-	-
Other accrued liabilities	352.9	355.4	28.4	26.1
Total current liabilities	<u>906.6</u>	<u>927.6</u>	<u>45.7</u>	<u>47.4</u>
Long-term debt and intersegment long-term debt	-	-	1,670.9	1,647.3
Deferred income tax liabilities	45.4	41.4	-	-
Retiree health care benefits	30.5	31.8	-	-
Pension liabilities	136.6	171.3	-	-
Operating lease liabilities	34.3	-	1.4	-
Other long-term liabilities	104.9	106.6	15.2	15.4
Total liabilities	<u>1,258.3</u>	<u>1,278.7</u>	<u>1,733.2</u>	<u>1,710.1</u>
<b>Total shareholders' equity attributable to Snap-on</b>	3,288.1	3,098.8	334.2	329.5
Noncontrolling interests	20.6	19.8	-	-
Total equity	<u>3,308.7</u>	<u>3,118.6</u>	<u>334.2</u>	<u>329.5</u>
<b>Total liabilities and equity</b>	<u>\$ 4,567.0</u>	<u>\$ 4,397.3</u>	<u>\$ 2,067.4</u>	<u>\$ 2,039.6</u>

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

**SNAP-ON INCORPORATED**  
**Reconciliation of Non-GAAP Financial Measures**  
(Amounts in millions, except per share data)  
(unaudited)

<b>AS REPORTED</b>	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>June 29, 2019</b>	<b>June 30, 2018</b>	<b>June 29, 2019</b>	<b>June 30, 2018</b>
<b>Benefit related to the settlement of a litigation matter ("legal settlement")</b>				
Pre-tax legal settlement	\$ -	\$ -	\$ 11.6	\$ -
Income tax expense	-	-	(2.9)	-
Legal settlement, after tax	\$ -	\$ -	\$ 8.7	\$ -
<b>Weighted-average shares outstanding - diluted</b>	56.0	57.3	56.2	57.6
<b>Diluted EPS - legal settlement</b>	\$ -	\$ -	\$ 0.15	\$ -
<b>Debt-related items ("net debt items")</b>				
<b>Gain on settlement of treasury lock (A)</b>				
Gain on settlement of treasury lock	\$ -	\$ -	\$ -	\$ 13.3
Income tax expense	-	-	-	(3.3)
Gain on settlement of treasury lock, after tax	\$ -	\$ -	\$ -	\$ 10.0
<b>Weighted-average shares outstanding - diluted</b>	56.0	57.3	56.2	57.6
<b>Diluted EPS - gain on settlement of treasury lock</b>	\$ -	\$ -	\$ -	\$ 0.17
<b>Loss on early extinguishment of debt (B)</b>				
Loss on early extinguishment of debt	\$ -	\$ -	\$ -	\$ (7.8)
Income tax benefit	-	-	-	1.9
Loss on early extinguishment of debt, after tax	\$ -	\$ -	\$ -	\$ (5.9)
<b>Weighted-average shares outstanding - diluted</b>	56.0	57.3	56.2	57.6
<b>Diluted EPS - loss on early extinguishment of debt</b>	\$ -	\$ -	\$ -	\$ (0.10)
<b>Net debt items (A + B)</b>				
Net debt items	\$ -	\$ -	\$ -	\$ 5.5
Income tax expense	-	-	-	(1.4)
Net debt items, after tax	\$ -	\$ -	\$ -	\$ 4.1
<b>Weighted-average shares outstanding - diluted</b>	56.0	57.3	56.2	57.6
<b>Diluted EPS - net debt items</b>	\$ -	\$ -	\$ -	\$ 0.07
<b>Adjustments related to implementation of tax legislation ("tax benefit/charge")</b>				
Tax benefit/(charge)	\$ -	\$ 0.5	\$ -	\$ (2.1)
<b>Weighted-average shares outstanding - diluted</b>	56.0	57.3	56.2	57.6
<b>Diluted EPS - tax benefit/(charge)</b>	\$ -	\$ 0.01	\$ -	\$ (0.04)

**SNAP-ON INCORPORATED**  
**Reconciliation of Non-GAAP Financial Measures (continued)**  
(Amounts in millions, except per share data)  
(unaudited)

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>June 29, 2019</b>	<b>June 30, 2018</b>	<b>June 29, 2019</b>	<b>June 30, 2018</b>
<b><u>ADJUSTED INFORMATION - NON-GAAP</u></b>				
<b>1) Operating earnings before financial services</b>				
As reported	\$ 189.9	\$ 193.1	\$ 377.3	\$ 370.8
Legal settlement	-	-	(11.6)	-
As adjusted	<u>\$ 189.9</u>	<u>\$ 193.1</u>	<u>\$ 365.7</u>	<u>\$ 370.8</u>
<b>Operating earnings before financial services as a percentage of sales</b>				
As reported	20.0%	20.2%	20.1%	19.6%
As adjusted	20.0%	20.2%	19.5%	19.6%
<b>2) Operating earnings</b>				
As reported	\$ 250.5	\$ 250.9	\$ 500.0	\$ 485.5
Legal settlement	-	-	(11.6)	-
As adjusted	<u>\$ 250.5</u>	<u>\$ 250.9</u>	<u>\$ 488.4</u>	<u>\$ 485.5</u>
<b>Operating earnings as a percentage of revenue</b>				
As reported	24.2%	24.2%	24.5%	23.6%
As adjusted	24.2%	24.2%	23.9%	23.6%
<b>3) Net earnings attributable to Snap-on Incorporated</b>				
As reported	\$ 180.4	\$ 178.7	\$ 358.3	\$ 341.7
Legal settlement, after tax	-	-	(8.7)	-
Net debt items, after tax	-	-	-	(4.1)
Tax (benefit)/charge	-	(0.5)	-	2.1
As adjusted	<u>\$ 180.4</u>	<u>\$ 178.2</u>	<u>\$ 349.6</u>	<u>\$ 339.7</u>
<b>4) Diluted EPS</b>				
As reported	\$ 3.22	\$ 3.12	\$ 6.38	\$ 5.93
Legal settlement, after tax	-	-	(0.15)	-
Net debt items, after tax	-	-	-	(0.07)
Tax (benefit)/charge	-	(0.01)	-	0.04
As adjusted	<u>\$ 3.22</u>	<u>\$ 3.11</u>	<u>\$ 6.23</u>	<u>\$ 5.90</u>
<b>5) Effective tax rate</b>				
As reported	23.6%	23.8%	23.9%	25.0%
Tax benefit/(charge)	-	0.2%	-	-0.5%
As adjusted	<u>23.6%</u>	<u>24.0%</u>	<u>23.9%</u>	<u>24.5%</u>