Quarterly Financial Review

First Quarter 2015

Cautionary Statement

- These slides should be read in conjunction with comments from a conference call held on April 23, 2015. The financial statement information included herein is unaudited.

- Statements made during the April 23, 2015 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 are detailed in the corresponding press release and Form 8-K and in Snap-on's recent 1934 Act SEC filings, which are incorporated herein by reference. Snap-on disclaims any responsibility to update any forward-looking statement provided during the April 23, 2015 conference call and/or included in this presentation, except as required by law.

Snap-on Incorporated

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

Nick Pinchuk

Chairman and Chief Executive Officer

Aldo Pagliari

Senior Vice President and Chief Financial Officer

Consolidated Results – 1st Quarter

($ in millions, except per share data - unaudited)	2015 $	2015 %	2014 $	2014 %	Change
Net sales	$ 827.8		$ 787.5		5.1 %
➢ Organic sales	73.9				9.9 %
➢ Acquisitions	4.9				0.6 %
➢ Currency translation	(38.5)				(5.4)%
Gross profit	$ 410.1	49.5 %	$ 378.7	48.1 %	
Operating expenses	272.2	32.8 %	257.0	32.6 %	
Operating earnings before financial services	$ 137.9	16.7 %	$ 121.7	15.5 %	13.3 %
Financial services revenue	$ 57.4		$ 50.2		14.3 %
Financial services operating earnings	40.3		34.4		17.2 %
Operating earnings	$ 178.2	20.1 %	$ 156.1	18.6 %	14.2 %
Net earnings	$ 110.5		$ 95.9		15.2 %
Diluted EPS	$ 1.87		$ 1.62		15.4 %

- Organic sales up 9.9%; excludes $38.5 million of unfavorable foreign currency translation and $4.9 million of acquisition-related sales
- Gross profit up $31.4 million; gross margin of 49.5% increased 140 basis points (bps) primarily due to benefits from higher sales, lower restructuring costs and savings from ongoing Rapid Continuous Improvement ("RCI") initiatives
- Operating expenses of $272.2 million increased $15.2 million primarily due to higher volume-related and other expenses partially offset by savings from RCI initiatives
- Operating earnings before financial services of $137.9 million, including $6.4 million of unfavorable foreign currency effects, increased $16.2 million, and the operating margin improved 120 bps to 16.7%
- Financial services operating earnings of $40.3 million increased $5.9 million or 17.2%

Commercial & Industrial – 1st Quarter

($ in millions - unaudited)	**2015**	**2014**	**Change**
Segment sales	$ 297.5	$ 290.6	2.4 %
➢ Organic sales	26.5		9.8 %
➢ Currency translation	(19.6)		(7.4)%
Gross profit	$ 116.5	$ 112.7	
% of sales	39.2 %	38.8 %	
Operating expenses	$ 72.5	$ 73.6	
% of sales	24.4 %	25.3 %	
Operating earnings	$ 44.0	$ 39.1	12.5 %
% of sales	14.8 %	13.5 %	

- Organic sales up $26.5 million or 9.8%
  - Higher sales to customers in critical industries and in the segment's European-based hand tools business
- Gross profit increased $3.8 million; gross margin of 39.2% increased 40 bps largely due to savings from RCI initiatives, primarily in Europe
- Operating expense margin of 24.4% improved 90 bps primarily due to sales volume leverage
- Operating earnings of $44.0 million, including $1.3 million of unfavorable foreign currency effects, increased $4.9 million, and the operating margin of 14.8% improved 130 bps

Snap-on Tools – 1st Quarter

($ in millions - unaudited)	2015	2014	Change
Segment sales	$ 378.2	$ 343.6	10.1 %
➢ Organic sales	43.3		12.9 %
➢ Currency translation	(8.7)		(2.8)%
Gross profit	$ 166.3	$ 148.0	
% of sales	44.0 %	43.1 %	
Operating expenses	$ 106.5	$ 98.8	
% of sales	28.2 %	28.8 %	
Operating earnings	$ 59.8	$ 49.2	21.5 %
% of sales	15.8 %	14.3 %	

- Organic sales up $43.3 million, or 12.9%, reflecting similar sales increases in both the company's U.S. and international franchise operations
- Gross profit of $166.3 million up $18.3 million; gross margin of 44.0% increased 90 bps primarily due to benefits from higher sales
- Operating expenses increased $7.7 million primarily due to higher volume-related expenses; the operating expense margin of 28.2% improved 60 bps primarily due to sales volume leverage
- Operating earnings of $59.8 million, including $3.0 million of unfavorable foreign currency effects, increased $10.6 million, and the operating margin of 15.8% improved 150 bps

Repair Systems & Information – 1st Quarter

($ in millions - unaudited)	**2015**	**2014**	**Change**
Segment sales	$ 272.3	$ 262.7	3.7 %
➢ Organic sales	15.9		6.3 %
➢ Acquisitions	4.9		2.0 %
➢ Currency translation	(11.2)		(4.6)%
Gross profit	$ 127.3	$ 118.0	
% of sales	46.8 %	44.9 %	
Operating expenses	$ 63.4	$ 59.9	
% of sales	23.3 %	22.8 %	
Operating earnings	$ 63.9	$ 58.1	10.0 %
% of sales	23.5 %	22.1 %	

- Organic sales up $15.9 million or 6.3%
  - Increased sales of undercar equipment, higher sales to OEM dealerships, and increased sales of diagnostic and repair information products to independent repair shop owners and managers

- Gross profit increased $9.3 million; gross margin of 46.8% increased 190 bps primarily due to savings from RCI and other cost reduction initiatives and lower restructuring costs

- Operating expenses of $63.4 million increased $3.5 million primarily due to higher volume-related and other expenses, including operating expenses for Pro-Cut, partially offset by savings from RCI initiatives

- Operating earnings of $63.9 million, including $2.1 million of unfavorable foreign currency effects, increased $5.8 million, and the operating margin of 23.5% improved 140 bps

Financial Services – 1st Quarter

($ in millions - unaudited)	**2015**	**2014**	**Change**
Segment revenue	$ 57.4	$ 50.2	14.3 %
Operating earnings	$ 40.3	$ 34.4	17.2 %
Originations	$ 230.7	$ 202.1	14.2 %

- Originations increased $28.6 million or 14.2%
- Average yield on finance receivables of 17.7% compared to 17.5% in 2014
- Average yield on contract receivables of 9.5% in both periods

Financial Services Portfolio Data

($ in millions - unaudited)	United States		International	
	Extended Credit	**Total**	**Extended Credit**	**Total**
Gross on-book finance portfolio	$ 980.0	$ 1,225.6	$ 129.1	$ 181.7
Portfolio net losses (TTM)	$ 21.9	$ 23.1	$ 1.3	$ 1.7
60+ Delinquency:				
As of 3/31/15	1.1 %	0.9 %	0.6 %	0.5 %
As of 12/31/14	1.3 %	1.1 %	0.6 %	0.5 %
As of 9/30/14	1.2 %	1.0 %	0.6 %	0.6 %

- Gross on-book finance portfolio of $1,407.3 million as of April 4, 2015
    - First quarter 2015 portfolio growth of $22.7 million
- TTM – Trailing twelve months

Cash Flows

($ in millions - unaudited)	1st Quarter 2015	1st Quarter 2014
Net cash provided by operating activities	**$ 78.1**	**$ 88.3**
➢ Net earnings	113.2	98.2
➢ Depreciation and amortization	20.0	19.6
➢ Changes in deferred income taxes	10.7	6.8
➢ Changes in working investment	(19.3)	(42.5)
➢ Changes in accruals and other liabilities	(28.7)	20.5
➢ Changes in all other operating activities	(17.8)	(14.3)
Net increase in finance receivables	$ (38.6)	$ (30.3)
Capital expenditures	$ (18.1)	$ (18.3)
Free cash flow	$ 21.4	$ 39.7
Free cash flow from Operations	**$ 29.9**	**$ 51.2**
Free cash flow from Financial Services	**$ (8.5)**	**$ (11.5)**
Repayment of long-term debt	$ –	$ (100.0)
Decrease in cash	$ (18.5)	$ (89.8)

- 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

($ in millions - unaudited)	April 4, 2015	January 3, 2015
Trade & Other Accounts Receivable - net	$ 548.4	$ 550.8
Days Sales Outstanding	60	61
Finance Receivables - net	$ 1,075.8	$ 1,052.9
Contract Receivables - net	$ 314.9	$ 316.5
Inventory - net	$ 482.3	$ 475.5
Inventory turns - TTM	3.6	3.7
Cash	$ 114.4	$ 132.9
Total debt	$ 943.2	$ 919.3
Net debt	$ 828.8	$ 786.4
Net debt to capital ratio	27.6 %	26.3 %

- Total debt as of April 4, 2015 and January 3, 2015, included $52.5 million and $37.0 million, respectively, of commercial paper borrowings
- In March 2014, Snap-on repaid $100 million of debt at maturity