



Quarterly Financial Review

First Quarter 2025



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 17, 2025 conference call. The financial statement information included herein is unaudited.
- Statements made during the April 17, 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 April 17, 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 April 17, 2025 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 2025		Q1 2024		Change
	\$	%	\$	%	
Net sales	\$ 1,141.1		\$ 1,182.3		(3.5)%
➤ Organic sales	(27.3)				(2.3)%
➤ Currency translation	(13.9)				(1.2)%
Gross profit	\$ 578.5	50.7 %	\$ 596.7	50.5 %	
Operating expenses	335.4	29.4 %	325.8	27.6 %	
Operating earnings before financial services	\$ 243.1	21.3 %	\$ 270.9	22.9 %	(10.3)%
Financial services revenue	\$ 102.1		\$ 99.6		2.5 %
Financial services operating earnings	70.3		68.3		2.9 %
Operating earnings	\$ 313.4	25.2 %	\$ 339.2	26.5 %	(7.6)%
Diluted EPS – as reported	\$ 4.51		\$ 4.91		(8.1)%

- Net sales of \$1,141.1 million in the first quarter represented a decrease of \$41.2 million, or 3.5%, from 2024 levels, reflecting a 2.3% organic decline and \$13.9 million of unfavorable foreign currency translation
- Gross margin improved 20 basis points (“bps”) to 50.7% from 50.5% last year primarily reflecting benefits from the company’s Rapid Continuous Improvement (“RCI”) initiatives
- Operating expenses as a percentage of net sales rose 180 bps to 29.4% from 27.6% last year primarily due to a 90 bps non-recurring benefit for payments received associated with a legal matter (the “legal payments”) in 2024 and the effects of lower sales volumes, partially offset by savings from RCI initiatives
- As a percentage of net sales, operating earnings before financial services were 21.3% compared to 22.9% last year, which included the 90 bps benefit from the 2024 legal payments

Commercial & Industrial

<i>(\$ in millions - unaudited)</i>	Q1 2025	Q1 2024	Change
Segment sales	\$ 343.9	\$ 359.9	(4.4)%
➤ Organic sales	(10.4)		(2.9)%
➤ Currency translation	(5.6)		(1.5)%
Gross profit	\$ 146.5	\$ 146.7	
% of sales	42.6 %	40.8 %	
Operating expenses	\$ 93.3	\$ 91.3	
% of sales	27.1 %	25.4 %	
Operating earnings	\$ 53.2	\$ 55.4	
% of sales	15.5 %	15.4 %	10 bps

- Organic sales decline of \$10.4 million, or 2.9%, includes a low single-digit decrease in activity with customers in critical industries, where lower sales to the military more than offset gains in other critical industry sectors, and a low single-digit decline in the European-based hand tools business
- Gross margin improved 180 bps from last year primarily reflecting lower material and other costs, increased volumes in the higher-gross-margin sectors of critical industries, and savings from RCI initiatives
- Operating expenses as a percentage of net sales rose 170 bps as compared to 2024 primarily due to the impact of lower sales volumes
- Operating earnings of \$53.2 million compared to \$55.4 million in 2024; the operating margin of 15.5% compared to 15.4% in 2024

Snap-on Tools

<i>(\$ in millions - unaudited)</i>	Q1 2025	Q1 2024	Change
Segment sales	\$ 462.9	\$ 500.1	(7.4)%
➤ Organic sales	(33.6)		(6.8)%
➤ Currency translation	(3.6)		(0.6)%
Gross profit	\$ 214.5	\$ 241.1	
% of sales	46.3 %	48.2 %	
Operating expenses	\$ 122.1	\$ 123.8	
% of sales	26.3 %	24.7 %	
Operating earnings	\$ 92.4	\$ 117.3	
% of sales	20.0 %	23.5 %	(350) bps

- Organic sales decline of \$33.6 million, or 6.8%, is due to a high single-digit decline in the U.S., partially offset by a low single-digit gain in the segment's international operations
- Gross margin decreased 190 bps from last year primarily due to a year-over-year shift in product mix, as well as a result of the reduced volumes
- Operating expenses as a percentage of net sales rose 160 bps from 2024 primarily reflecting the lower sales volumes
- Operating earnings of \$92.4 million compared to \$117.3 million in 2024; the operating margin of 20.0% compared to 23.5% last year

Repair Systems & Information

(\$ in millions - unaudited)	Q1 2025	Q1 2024	Change
Segment sales	\$ 475.9	\$ 463.8	2.6 %
➤ Organic sales	17.0		3.7 %
➤ Currency translation	(4.9)		(1.1)%
Gross profit	\$ 217.5	\$ 208.9	
% of sales	45.7 %	45.0 %	
Operating expenses	\$ 95.4	\$ 96.0	
% of sales	20.0 %	20.7 %	
Operating earnings	\$ 122.1	\$ 112.9	
% of sales	25.7 %	24.3 %	140 bps

- Organic sales gain of \$17.0 million, or 3.7%, includes a double-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 mid single-digit decline in sales of undercar equipment
- Gross margin improved 70 bps from last year primarily reflecting increased sales of higher-gross-margin products and benefits from RCI initiatives, partially offset by higher material and other costs
- Operating expenses as a percentage of net sales improved 70 bps from 2024 primarily due to the higher sales volumes and savings from RCI initiatives
- Operating earnings of \$122.1 million compared to \$112.9 million in 2024; the operating margin of 25.7% compared to 24.3% last year

Financial Services

<i>(\$ in millions - unaudited)</i>	Q1 2025	Q1 2024	Change
Segment revenue	\$ 102.1	\$ 99.6	2.5 %
Operating earnings	\$ 70.3	\$ 68.3	2.9 %
Originations	\$ 268.7	\$ 301.7	(10.9)%

- Originations decreased \$33.0 million or 10.9%
- Average yields on finance receivables were 17.6% in 2025 and 17.7% in 2024
- Average yields on contract receivables were 9.1% in 2025 and 9.0% in 2024

Financial Services Portfolio Data

(\$ in millions - unaudited)	United States		International	
	Extended Credit	Total	Extended Credit	Total
Gross finance portfolio	\$ 1,748.6	\$ 2,182.4	\$ 241.2	\$ 337.3
Portfolio net losses (TTM)	\$ 62.9	\$ 64.8	\$ 4.9	\$ 5.5
60+ Delinquency:				
As of 03/31/25	2.0 %	1.6 %	1.1 %	1.0 %
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 %

- Gross finance portfolio of \$2,519.7 million as of Q1 2025
 - Compares to \$2,526.2 million as of Q4 2024

- TTM – Trailing twelve months

Cash Flows

(\$ in millions - unaudited)	First Quarter	
	2025	2024
Net cash provided by operating activities	\$ 298.5	\$ 348.7
➤ Net earnings	246.7	269.6
➤ Depreciation and amortization	24.0	24.5
➤ Changes in deferred income taxes	3.7	1.6
➤ Changes in working investment	(17.9)	(2.5)
➤ Changes in accrued and other liabilities	20.0	30.3
➤ Changes in all other operating activities	22.0	25.2
Net increase in finance receivables	\$ (8.2)	\$ (40.2)
Capital expenditures	\$ (22.9)	\$ (21.8)
Free cash flow	\$ 267.4	\$ 286.7
Free cash flow from Operations	\$ 203.4	\$ 263.5
Free cash flow from Financial Services	\$ 64.0	\$ 23.2
Increase in cash	\$ 74.4	\$ 119.5

- 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 29, 2025	December 28, 2024
Trade & Other Accounts Receivable – net	\$ 852.7	\$ 815.6
Days Sales Outstanding	66	62
Finance Receivables – net	\$ 1,916.7	\$ 1,922.3
Contract Receivables – net	\$ 536.5	\$ 538.3
Inventories – net	\$ 961.2	\$ 943.4
Inventory turns – TTM	2.4	2.4
Cash	\$ 1,434.9	\$ 1,360.5
Total debt	\$ 1,203.9	\$ 1,199.2
Net debt	\$ (231.0)	\$ (161.3)
Net debt to capital ratio	(4.4)%	(3.1)%

