



Quarterly Financial Review

Second 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 July 17, 2025 conference call. The financial statement information included herein is unaudited.
- Statements made during the July 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 July 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 July 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)	Q2 2025		Q2 2024		Change
	\$	%	\$	%	
Net sales	\$ 1,179.4		\$ 1,179.4		0.0 %
➤ Organic sales	(8.6)				(0.7)%
➤ Currency translation	8.6				0.7 %
Gross profit	\$ 595.5	50.5 %	\$ 597.3	50.6 %	
Operating expenses	336.4	28.5 %	317.0	26.8 %	
Operating earnings before financial services	\$ 259.1	22.0 %	\$ 280.3	23.8 %	(7.6)%
Financial services revenue	\$ 101.7		\$ 100.5		1.2 %
Financial services operating earnings	68.2		70.2		(2.8)%
Operating earnings	\$ 327.3	25.5 %	\$ 350.5	27.4 %	(6.6)%
Diluted EPS – as reported	\$ 4.72		\$ 5.07		(6.9)%

- Net sales of \$1,179.4 million in the second quarter of 2025 were unchanged from 2024 levels, reflecting an \$8.6 million, or 0.7%, organic decline, offset by \$8.6 million of favorable foreign currency translation
- Gross margin decreased 10 basis points (“bps”) to 50.5% from 50.6% last year primarily reflecting 50 bps of unfavorable foreign currency effects, partially offset by benefits from the company’s Rapid Continuous Improvement (“RCI”) initiatives
- Operating expenses as a percentage of net sales rose 170 bps to 28.5% from 26.8% last year primarily due to a 100 bps non-recurring benefit for the final payments received in 2024 associated with a legal matter (the “legal payments”), and increased personnel and other costs
- As a percentage of net sales, operating earnings before financial services were 22.0% compared to 23.8% last year, which included a 100 bps benefit from the legal payments

Commercial & Industrial

(\$ in millions - unaudited)	Q2 2025	Q2 2024	Change
Segment sales	\$ 347.8	\$ 372.0	(6.5)%
➤ Organic sales	(28.7)		(7.6)%
➤ Currency translation	4.5		1.1 %
Gross profit	\$ 139.2	\$ 155.3	
% of sales	40.0 %	41.7 %	
Operating expenses	\$ 92.3	\$ 93.1	
% of sales	26.5 %	25.0 %	
Operating earnings	\$ 46.9	\$ 62.2	
% of sales	13.5 %	16.7 %	(320) bps

- Organic sales decline of \$28.7 million, or 7.6%, includes double-digit decreases in the segment's Asia Pacific and European-based hand tools businesses, and a mid single-digit decline in activity with customers in critical industries, partially offset by a high single-digit rise in the specialty torque operation
- Gross margin decreased 170 bps from last year primarily due to lower sales volumes and 50 bps of unfavorable foreign currency effects, partially offset by savings from the segment's RCI initiatives
- Operating expenses as a percentage of net sales rose 150 bps as compared to 2024 primarily reflecting the impact of lower sales volumes, as well as increased personnel and other costs
- Operating earnings of \$46.9 million compared to \$62.2 million in 2024; the operating margin of 13.5% compared to 16.7% in 2024

Snap-on Tools

(\$ in millions - unaudited)	Q2 2025	Q2 2024	Change
Segment sales	\$ 491.0	\$ 482.0	1.9 %
➤ Organic sales	7.8		1.6 %
➤ Currency translation	1.2		0.3 %
Gross profit	\$ 237.2	\$ 235.2	
% of sales	48.3 %	48.8 %	
Operating expenses	\$ 120.5	\$ 120.4	
% of sales	24.5 %	25.0 %	
Operating earnings	\$ 116.7	\$ 114.8	
% of sales	23.8 %	23.8 %	— bps

- Organic sales increase of \$7.8 million, or 1.6%, is due to a low single-digit rise in the U.S., while activity in the segment's international operations was essentially flat
- Gross margin decreased 50 bps from last year primarily due to 40 bps of unfavorable foreign currency effects
- Operating expenses as a percentage of net sales improved 50 bps from 2024 primarily reflecting the higher sales volumes
- Operating earnings of \$116.7 million compared to \$114.8 million in 2024; the operating margin of 23.8% was unchanged from last year

Repair Systems & Information

(\$ in millions - unaudited)	Q2 2025	Q2 2024	Change
Segment sales	\$ 468.6	\$ 454.8	3.0 %
➤ Organic sales	10.7		2.3 %
➤ Currency translation	3.1		0.7 %
Gross profit	\$ 219.1	\$ 206.8	
% of sales	46.8 %	45.5 %	
Operating expenses	\$ 99.3	\$ 93.2	
% of sales	21.2 %	20.5 %	
Operating earnings	\$ 119.8	\$ 113.6	
% of sales	25.6 %	25.0 %	60 bps

- Organic sales gain of \$10.7 million, or 2.3%, includes a double-digit increase in activity with OEM dealerships and a high single-digit gain in sales of diagnostic and repair information products to independent repair shop owners and managers, partially offset by a high single-digit decline in sales of undercar equipment
- Gross margin improved 130 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, and 40 bps of unfavorable foreign currency effects
- Operating expenses as a percentage of net sales rose 70 bps from 2024 primarily due to increased personnel and other costs
- Operating earnings of \$119.8 million compared to \$113.6 million in 2024; the operating margin of 25.6% compared to 25.0% last year

Financial Services

<i>(\$ in millions - unaudited)</i>	Q2 2025	Q2 2024	Change
Segment revenue	\$ 101.7	\$ 100.5	1.2 %
Operating earnings	\$ 68.2	\$ 70.2	(2.8)%
Originations	\$ 293.0	\$ 308.1	(4.9)%

- Originations decreased \$15.1 million or 4.9%
- Average yields on finance receivables were 17.5% in 2025 and 17.7% in 2024
- Average yields on contract receivables were 9.1% in 2025 and 8.9% in 2024

Financial Services Portfolio Data

(\$ in millions - unaudited)	United States		International	
	Extended Credit	Total	Extended Credit	Total
Gross finance portfolio	\$ 1,753.4	\$ 2,185.0	\$ 255.1	\$ 355.8
Portfolio net losses (TTM)	\$ 64.6	\$ 66.7	\$ 4.9	\$ 5.6
60+ Delinquency:				
As of 06/30/25	1.8 %	1.5 %	1.0 %	0.9 %
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 %

- Gross finance portfolio of \$2,540.8 million as of Q2 2025
 - Q2 portfolio growth of \$21.1 million
 - YTD portfolio growth of \$14.6 million
- TTM – Trailing twelve months

Cash Flows

(\$ in millions - unaudited)	2 nd Quarter		June YTD	
	2025	2024	2025	2024
Net cash provided by operating activities	\$ 237.2	\$ 301.1	\$ 535.7	\$ 649.8
➤ Net earnings	256.8	277.6	503.5	547.2
➤ Depreciation and amortization	24.4	24.6	48.4	49.1
➤ Changes in deferred income taxes	(3.6)	(6.0)	0.1	(4.4)
➤ Changes in working investment	(10.0)	41.7	(27.9)	39.2
➤ Changes in accrued and other liabilities	(68.8)	(58.7)	(48.8)	(28.4)
➤ Changes in all other operating activities	38.4	21.9	60.4	47.1
Net increase in finance receivables	\$ (26.4)	\$ (41.2)	\$ (34.6)	\$ (81.4)
Capital expenditures	\$ (19.7)	\$ (23.2)	\$ (42.6)	\$ (45.0)
Free cash flow	\$ 191.1	\$ 236.7	\$ 458.5	\$ 523.4
Free cash flow from Operations	\$ 166.7	\$ 232.7	\$ 370.1	\$ 496.2
Free cash flow from Financial Services	\$ 24.4	\$ 4.0	\$ 88.4	\$ 27.2
Increase in cash	\$ 23.4	\$ 111.7	\$ 97.8	\$ 231.2

- Changes in working investment – Net changes in trade and other accounts receivable, inventories 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>	June 28, 2025	December 28, 2024
Trade & Other Accounts Receivable – net	\$ 842.4	\$ 815.6
Days Sales Outstanding	65	62
Finance Receivables – net	\$ 1,934.5	\$ 1,922.3
Contract Receivables – net	\$ 538.5	\$ 538.3
Inventories – net	\$ 997.7	\$ 943.4
Inventory turns – TTM	2.4	2.4
Cash	\$ 1,458.3	\$ 1,360.5
Total debt	\$ 1,203.7	\$ 1,199.2
Net debt	\$ (254.6)	\$ (161.3)
Net debt to capital ratio	(4.7)%	(3.1)%

