



# Quarterly Financial Review

**Third Quarter 2025**



# Who We Are

## OUR MISSION

The most valued productivity solutions in the world

### **BELIEFS**

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**We deeply believe in:**

Non-negotiable Product and Workplace Safety  
Uncompromising Quality  
Passionate Customer Care  
Fearless Innovation  
Rapid Continuous Improvement

### **VALUES**

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**Our behaviors define our success:**

We demonstrate Integrity.  
We tell the Truth.  
We respect the Individual.  
We promote Teamwork.  
We Listen.

### **VISION**

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**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 October 16, 2025 conference call. The financial statement information included herein is unaudited.
- Statements made during the October 16, 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 October 16, 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 October 16, 2025 press release and Form 8-K, which can be found on the company's website in the investors section at [www.snapon.com](http://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)	Q3 2025		Q3 2024		Change
	\$	%	\$	%	
Net sales	\$ 1,190.8		\$ 1,147.0		3.8 %
➤ Organic sales	34.8				3.0 %
➤ Currency translation	9.0				0.8 %
Gross profit	\$ 605.9	50.9 %	\$ 587.8	51.2 %	
Operating expenses	327.4	27.5 %	335.4	29.2 %	
Operating earnings before financial services	\$ 278.5	23.4 %	\$ 252.4	22.0 %	10.3 %
Financial services revenue	\$ 101.1		\$ 100.4		0.7 %
Financial services operating earnings	68.9		71.7		(3.9)%
Operating earnings	\$ 347.4	26.9 %	\$ 324.1	26.0 %	7.2 %
Diluted EPS – as reported	\$ 5.02		\$ 4.70		6.8 %

- Net sales of \$1,190.8 million in the third quarter of 2025 represented an increase of \$43.8 million from 2024 levels, reflecting a \$34.8 million, or 3.0%, organic gain and \$9.0 million of favorable foreign currency translation
- Gross margin decreased 30 basis points (“bps”) to 50.9% from 51.2% last year primarily reflecting 20 bps of unfavorable foreign currency effects; the impact of tariffs was largely offset by the higher sales volumes and benefits from the company’s Rapid Continuous Improvement (“RCI”) initiatives
- Operating expenses as a percentage of net sales improved 170 bps to 27.5% from 29.2% last year primarily reflecting a 190 bps benefit from the settlement of a legal matter (the “legal settlement”)
- As a percentage of net sales, operating earnings before financial services were 23.4% compared to 22.0% last year

# Commercial & Industrial

(\$ in millions - unaudited)	Q3 2025	Q3 2024	Change
Segment sales	\$ 367.7	\$ 365.7	0.5 %
➤ Organic sales	(2.8)		(0.8)%
➤ Currency translation	4.8		1.3 %
Gross profit	\$ 150.5	\$ 150.8	
% of sales	40.9 %	41.2 %	
Operating expenses	\$ 93.0	\$ 89.8	
% of sales	25.3 %	24.5 %	
Operating earnings	\$ 57.5	\$ 61.0	
% of sales	15.6 %	16.7 %	(110) bps

- Organic sales decrease of \$2.8 million, or 0.8%, includes a mid single-digit reduction in the segment's Asia Pacific business, partially offset by low single-digit gains with customers in the critical industry arena and in the specialty torque operation
- Gross margin decreased 30 bps from last year due to 30 bps of unfavorable foreign currency effects; higher material and other costs were offset by increased sales volumes in the higher-gross-margin critical industry sectors and savings from the segment's RCI initiatives
- Operating expenses as a percentage of net sales rose 80 bps as compared to 2024 primarily reflecting the impact of lower sales in the Asia Pacific business, as well as increased personnel and other costs
- Operating earnings of \$57.5 million compared to \$61.0 million in 2024; the operating margin of 15.6% compared to 16.7% in 2024

# Snap-on Tools

(\$ in millions - unaudited)	Q3 2025	Q3 2024	Change
Segment sales	\$ 506.0	\$ 500.5	1.1 %
➤ Organic sales	4.9		1.0 %
➤ Currency translation	0.6		0.1 %
Gross profit	\$ 236.8	\$ 236.5	
% of sales	46.8 %	47.3 %	
Operating expenses	\$ 126.9	\$ 128.2	
% of sales	25.1 %	25.7 %	
Operating earnings	\$ 109.9	\$ 108.3	
% of sales	21.7 %	21.6 %	10 bps

- Organic sales gain of \$4.9 million, or 1.0%, was due to a low single-digit rise in the segment's international operations and slightly higher sales in the U.S. business
- Gross margin decreased 50 bps from last year primarily due to a year-over-year shift in product mix
- Operating expenses as a percentage of net sales improved 60 bps from 2024 primarily reflecting the higher sales volumes
- Operating earnings of \$109.9 million compared to \$108.3 million in 2024; the operating margin of 21.7% compared to 21.6% last year



# Repair Systems & Information

(\$ in millions - unaudited)	Q3 2025	Q3 2024	Change
Segment sales	\$ 464.8	\$ 422.7	10.0 %
➤ Organic sales	38.1		8.9 %
➤ Currency translation	4.0		1.1 %
Gross profit	\$ 218.6	\$ 200.5	
% of sales	47.0 %	47.4 %	
Operating expenses	\$ 77.4	\$ 93.2	
% of sales	16.6 %	22.0 %	
Operating earnings	\$ 141.2	\$ 107.3	
% of sales	30.4 %	25.4 %	500 bps

- Organic sales gain of \$38.1 million, or 8.9%, 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 low single-digit decline in sales of undercar equipment
- Gross margin decreased 40 bps from last year primarily reflecting increased sales of lower-gross-margin products, higher material and other costs, and 20 bps of unfavorable foreign currency effects, partially offset by savings from the segment's RCI initiatives
- Operating expenses included a \$22.0 million benefit from the legal settlement; segment operating expenses as a percentage of net sales improved 540 bps from last year primarily due to a 480 bps benefit from the legal settlement, as well as from the higher sales volumes
- Operating earnings of \$141.2, including a \$22.0 million benefit from the legal settlement, compared to \$107.3 million in 2024; the operating margin of 30.4% compared to 25.4% last year

# Financial Services

<i>(\$ in millions - unaudited)</i>	<b>Q3 2025</b>	<b>Q3 2024</b>	<b>Change</b>
Segment revenue	\$ 101.1	\$ 100.4	0.7 %
Operating earnings	\$ 68.9	\$ 71.7	(3.9)%
Originations	\$ 274.1	\$ 288.0	(4.8)%

- Originations decreased \$13.9 million or 4.8%
- Average yield on finance receivables was 17.7% in both periods
- Average yield on contract receivables was 9.1% in both periods

# Financial Services Portfolio Data

(\$ in millions - unaudited)	United States		International	
	Extended Credit	Total	Extended Credit	Total
Gross finance portfolio	\$ 1,733.7	\$ 2,174.5	\$ 257.3	\$ 359.9
Portfolio net losses (TTM)	\$ 66.5	\$ 68.4	\$ 4.9	\$ 5.7
60+ Delinquency:				
As of 09/30/25	2.0 %	1.7 %	1.0 %	0.9 %
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 %

- Gross finance portfolio of \$2,534.4 million as of Q3 2025
  - Compares to \$2,540.8 million as of Q2 2025
  - YTD portfolio growth of \$8.2 million
- TTM – Trailing twelve months

# Cash Flows

(\$ in millions - unaudited)	3 <sup>rd</sup> Quarter		September YTD	
	2025	2024	2025	2024
<b>Net cash provided by operating activities</b>	<b>\$ 277.9</b>	<b>\$ 274.2</b>	<b>\$ 813.6</b>	<b>\$ 924.0</b>
➤ Net earnings	271.8	257.5	775.3	804.7
➤ Depreciation and amortization	24.8	24.6	73.2	73.7
➤ Changes in deferred income taxes	(0.8)	(2.8)	(0.7)	(7.2)
➤ Changes in working investment	(113.5)	(25.1)	(141.4)	14.1
➤ Changes in accrued and other liabilities	53.4	(17.4)	4.6	(45.8)
➤ Changes in all other operating activities	42.2	37.4	102.6	84.5
Net increase in finance receivables	\$ (1.3)	\$ (20.6)	\$ (35.9)	\$ (102.0)
Capital expenditures	\$ (19.9)	\$ (20.4)	\$ (62.5)	\$ (65.4)
Free cash flow	\$ 256.7	\$ 233.2	\$ 715.2	\$ 756.6
<b>Free cash flow from Operations</b>	<b>\$ 210.9</b>	<b>\$ 206.6</b>	<b>\$ 581.0</b>	<b>\$ 702.8</b>
<b>Free cash flow from Financial Services</b>	<b>\$ 45.8</b>	<b>\$ 26.6</b>	<b>\$ 134.2</b>	<b>\$ 53.8</b>
Increase in cash	\$ 75.8	\$ 80.6	\$ 173.6	\$ 311.8

- 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>	<b>September 27, 2025</b>	<b>December 28, 2024</b>
Trade & Other Accounts Receivable – net	\$ 925.7	\$ 815.6
Days Sales Outstanding	71	62
Finance Receivables – net	\$ 1,916.6	\$ 1,922.3
Contract Receivables – net	\$ 549.5	\$ 538.3
Inventories – net	\$ 1,024.5	\$ 943.4
Inventory turns – TTM	2.3	2.4
Cash	\$ 1,534.1	\$ 1,360.5
Total debt	\$ 1,207.5	\$ 1,199.2
Net debt	\$ (326.6)	\$ (161.3)
Net debt to capital ratio	(5.9)%	(3.1)%

