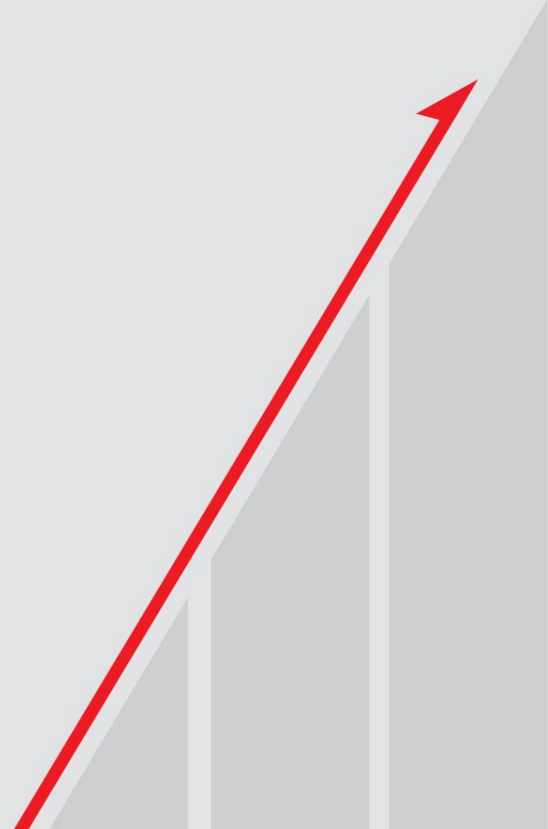




Snap-on

Quarterly Financial Review

First Quarter 2023



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 20, 2023 conference call. The financial statement information included herein is unaudited.
- Statements made during the April 20, 2023 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 20, 2023 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 20, 2023 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 2023		Q1 2022		Change
	\$	%	\$	%	
Net sales	\$ 1,183.0		\$ 1,097.8		7.8 %
➤ Organic sales	109.2				10.2 %
➤ Currency translation	(24.0)				(2.4)%
Gross profit	\$ 589.6	49.8 %	\$ 534.3	48.7 %	
Operating expenses	329.8	27.8 %	311.2	28.4 %	
Operating earnings before financial services	\$ 259.8	22.0 %	\$ 223.1	20.3 %	16.5 %
Financial services revenue	\$ 92.6		\$ 87.7		5.6 %
Financial services operating earnings	66.3		70.4		(5.8)%
Operating earnings	\$ 326.1	25.6 %	\$ 293.5	24.8 %	11.1 %
Diluted EPS – as reported	\$ 4.60		\$ 4.00		15.0 %

- Net sales in the period increased 7.8% from \$1,097.8 million in 2022, reflecting a 10.2% organic sales gain, and \$24.0 million of unfavorable foreign currency translation
- Gross margin of 49.8% improved 110 basis points (bps) from 48.7% last year primarily due to increased sales volumes and pricing actions, and benefits from the company's Rapid Continuous Improvement ("RCI") initiatives, partially offset by the effects of higher material and other costs and 20 bps of unfavorable foreign currency
- Operating expenses as a percentage of sales of 27.8% improved 60 bps from 28.4% last year primarily due to the higher sales volumes
- As a percentage of net sales, operating earnings before financial services of 22.0% improved 170 bps from 20.3% last year

Commercial & Industrial

<i>(\$ in millions - unaudited)</i>	Q1 2023	Q1 2022	Change
Segment sales	\$ 363.8	\$ 340.1	7.0 %
➤ Organic sales	36.2		11.1 %
➤ Currency translation	(12.5)		(4.1)%
Gross profit	\$ 141.3	\$ 123.7	
% of sales	38.8 %	36.4 %	
Operating expenses	\$ 85.5	\$ 78.0	
% of sales	23.5 %	23.0 %	
Operating earnings	\$ 55.8	\$ 45.7	
% of sales	15.3 %	13.4 %	190 bps

- Organic sales up \$36.2 million, or 11.1%, primarily reflecting double-digit gains in sales to customers in critical industries and in the segment's specialty tools business, as well as a low single-digit increase in the segment's European-based hand tools business
- Gross margin of 38.8% improved 240 bps from 2022 primarily due to higher sales volumes, including increased activity in higher gross margin critical industries, pricing actions, and benefits from RCI initiatives, partially offset by the effects of higher material and other costs
- Operating expenses as a percentage of sales of 23.5% increased 50 bps from 23.0% last year primarily due to increased sales in higher-expense businesses
- Operating earnings of \$55.8 million, including \$2.0 million of unfavorable foreign currency effects, increased \$10.1 million, or 22.1%, compared to \$45.7 million in 2022; the operating margin of 15.3% improved 190 bps from last year

Snap-on Tools

<i>(\$ in millions - unaudited)</i>	Q1 2023	Q1 2022	Change
Segment sales	\$ 537.0	\$ 512.1	4.9 %
➤ Organic sales	32.0		6.3 %
➤ Currency translation	(7.1)		(1.4)%
Gross profit	\$ 253.9	\$ 233.2	
% of sales	47.3 %	45.5 %	
Operating expenses	\$ 122.2	\$ 117.2	
% of sales	22.8 %	22.8 %	
Operating earnings	\$ 131.7	\$ 116.0	
% of sales	24.5 %	22.7 %	180 bps

- Organic sales up \$32.0 million, or 6.3%, reflecting a high single-digit gain in the U.S. franchise business and a low single-digit increase in the segment's international operations
- Gross margin of 47.3% improved 180 bps from 45.5% last year primarily due to increased sales volumes and pricing actions, lower material and other costs, and benefits from the segment's RCI initiatives, partially offset by 80 bps of unfavorable foreign currency effects
- Operating expenses as a percentage of sales of 22.8% was unchanged from last year
- Operating earnings of \$131.7 million, including \$6.1 million of unfavorable foreign currency effects, increased \$15.7 million, or 13.5%, from 2022; the operating margin of 24.5% improved 180 bps from last year

Repair Systems & Information

(\$ in millions - unaudited)	Q1 2023	Q1 2022	Change
Segment sales	\$ 446.6	\$ 398.2	12.2 %
➤ Organic sales	54.4		13.9 %
➤ Currency translation	(6.0)		(1.7)%
Gross profit	\$ 194.4	\$ 177.4	
% of sales	43.5 %	44.6 %	
Operating expenses	\$ 89.8	\$ 85.8	
% of sales	20.1 %	21.6 %	
Operating earnings	\$ 104.6	\$ 91.6	
% of sales	23.4 %	23.0 %	40 bps

- Organic sales up \$54.4 million, or 13.9%, reflecting double-digit increases in sales of undercar equipment and in activity with OEM dealerships, and a mid single-digit gain in sales of diagnostic and repair information products to independent repair shop owners and managers
- Gross margin of 43.5% declined 110 bps from last year primarily due to increased sales in lower gross margin businesses and the effects of higher material and other costs; these declines were partially offset by benefits from pricing actions and savings from RCI initiatives, as well as 30 bps of favorable foreign currency effects
- Operating expenses as a percentage of sales of 20.1% improved 150 bps from last year primarily due to benefits from sales volume leverage, higher activity in lower-expense businesses, and savings from RCI initiatives
- Operating earnings of \$104.6 million, including \$0.5 million of favorable foreign currency effects, increased \$13.0 million, or 14.2%, from \$91.6 million in 2022; the operating margin of 23.4% compared to 23.0% last year

Financial Services

<i>(\$ in millions - unaudited)</i>	Q1 2023	Q1 2022	Change
Segment revenue	\$ 92.6	\$ 87.7	5.6 %
Operating earnings	\$ 66.3	\$ 70.4	(5.8)%
Originations	\$ 300.9	\$ 245.6	22.5 %

- Originations increased \$55.3 million or 22.5%
- Average yields on finance receivables were 17.7% and 17.6% in 2023 and 2022, respectively
- Average yields on contract receivables were 8.7% and 8.5% in 2023 and 2022, respectively

Financial Services Portfolio Data

(\$ in millions - unaudited)	United States		International	
	Extended Credit	Total	Extended Credit	Total
Gross finance portfolio	\$ 1,629.0	\$ 2,033.8	\$ 202.9	\$ 282.3
Portfolio net losses (TTM)	\$ 41.9	\$ 43.2	\$ 3.2	\$ 3.7
60+ Delinquency:				
As of 3/31/23	1.5 %	1.2 %	0.9 %	1.0 %
As of 12/31/22	1.6 %	1.3 %	0.8 %	1.1 %
As of 9/30/22	1.5 %	1.3 %	0.8 %	1.0 %
As of 6/30/22	1.4 %	1.1 %	0.8 %	0.9 %
As of 3/31/22	1.6 %	1.3 %	0.8 %	0.9 %

- Gross finance portfolio of \$2,316.1 million as of Q1 2023
 - Q1 portfolio growth of \$37.9 million

- TTM – Trailing twelve months

Cash Flows

(\$ in millions - unaudited)	1 st Quarter	
	2023	2022
Net cash provided by operating activities	\$ 301.6	\$ 193.9
➤ Net earnings	254.3	222.7
➤ Depreciation and amortization	24.9	25.7
➤ Changes in deferred income taxes	(0.2)	2.3
➤ Changes in working investment	(36.6)	(90.7)
➤ Changes in accruals and other liabilities	28.1	5.9
➤ Changes in all other operating activities	31.1	28.0
Net (increase) decrease in finance receivables	\$ (49.6)	\$ 10.1
Capital expenditures	\$ (23.0)	\$ (20.2)
Free cash flow	\$ 229.0	\$ 183.8
Free cash flow from Operations	\$ 212.9	\$ 107.6
Free cash flow from Financial Services	\$ 16.1	\$ 76.2
Increase in cash	\$ 76.6	\$ 81.1

- 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>	April 1, 2023	December 31, 2022
Trade & Other Accounts Receivable - net	\$ 782.4	\$ 761.7
Days Sales Outstanding	62	61
Finance Receivables - net	\$ 1,769.2	\$ 1,733.0
Contract Receivables - net	\$ 493.6	\$ 493.7
Inventories - net	\$ 1,049.1	\$ 1,033.1
Inventory turns - TTM	2.4	2.5
Cash	\$ 833.8	\$ 757.2
Total debt	\$ 1,202.2	\$ 1,201.0
Net debt	\$ 368.4	\$ 443.8
Net debt to capital ratio	7.4 %	9.0 %



Snap-on[®]

MAKERS
+
FIXERS[™]