

StanleyBlack&Decker



Stanley Black & Decker To Acquire 20 Percent Stake In MTD Products For \$234 Million

- Provides Entry Into The Lawn And Garden Sector With Minority Stake In Leading Outdoor Power Equipment Manufacturer
- Option To Acquire Remaining 80 Percent Stake Beginning In 2021

New Britain, Connecticut, September 12, 2018... Stanley Black & Decker (**NYSE: SWK**) today announced that it has entered into a definitive agreement to acquire a 20 percent stake in MTD Products Inc (“MTD”), a privately held global manufacturer of outdoor power equipment, for \$234 million in cash. Under the terms of the agreement, Stanley Black & Decker has the option to acquire the remaining 80 percent of MTD beginning on July 1, 2021.

Stanley Black & Decker's President and CEO James M. Loree commented, “This investment in MTD increases our presence in the \$20 billion global lawn and garden market in a financially and operationally prudent way. We have always viewed outdoor products as an attractive growth category for us to expand our presence beyond handheld electric products. This transaction gives us the opportunity to do that with a world class partner. MTD has a first-rate management team, talented employees and a mission, values and commitment to innovation that are very closely aligned with our own, and we are excited to move forward with them.”

“MTD and Stanley Black & Decker are both proven leaders in our respective industries with iconic brands and world class capabilities,” said MTD’s Chairman and CEO Robert T. Moll. “We’re both passionate about innovation with complementary businesses. Ultimately, this will give us more resources to bring really exciting products to our consumers.”

With 2017 revenues in excess of \$2 billion, MTD manufactures and distributes lawn tractors, zero turn mowers, walk behind mowers, snow throwers, trimmers, chain saws, utility vehicles and other outdoor power equipment for both residential and professional lawn and garden customers. Founded over 85 years ago and headquartered in Valley City, Ohio, MTD's brands include Cub Cadet, Troy-Bilt, and Remington, among others. MTD has state-of-the-art manufacturing facilities in North America, Europe and Asia, and a global distribution network.

This partnership significantly enhances Stanley Black & Decker and MTD's existing commercial relationship, which currently includes the manufacture of select outdoor products under the Craftsman brand. Going forward, the two companies will work together to pursue revenue and cost opportunities, improve operational efficiency and introduce new and innovative products for professional and residential outdoor equipment customers, leveraging their respective portfolios of strong brands.

The transaction, which is expected to close in early 2019, is subject to regulatory approvals and customary closing conditions. In connection with the transaction, Stanley Black & Decker will appoint two representatives to MTD's 11-member Board of Directors. Beginning in 2021, should Stanley Black & Decker choose to exercise its right to acquire the remaining 80 percent stake, the companies have agreed to a valuation multiple based on MTD's expected 2018 EBITDA, with a sharing arrangement for any future EBITDA growth.

Stanley Black & Decker, an S&P 500 company, is a diversified global provider of hand tools, power tools and related accessories, electronic security solutions, healthcare solutions, engineered fastening systems, and more. Learn more at www.stanleyblackanddecker.com.

MTD Products Inc is a worldwide leader in outdoor power equipment. The company's engineering expertise and state-of-the-art facilities are known for innovation and award-winning products under brands such as Cub Cadet, Troy-Bilt, Remington, Robomow, Rover, WOLF-Garten, and Yard Machines. MTD has earned a reputation for excellence in quality, customer service and value; and, seeks to passionately create, build and deliver great products and services that consumers all over the world enjoy using to improve and beautify lawns and gardens. To learn more, visit www.mtdproducts.com.

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Cautionary Note Regarding Forward-Looking Statements

Stanley Black & Decker makes forward-looking statements in this press release which represent its expectations or beliefs about future events and financial performance. Forward-looking statements are identifiable by words such as "believe," "anticipate," "expect," "intend," "plan," "will," "may" and other similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. Forward looking statements made in this press release, include, but are not limited to, statements concerning: the consummation of the initial investment in MTD and Stanley Black & Decker's potential exercise of the right to acquire the remaining 80 percent stake in MTD; MTD's business complementing and expanding Stanley Black & Decker's existing operations; cost and growth synergies; and operational efficiencies.

You are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements are not guarantees of future events and involve known and unknown risks, uncertainties and other factors that may cause actual results and performance to be materially different from any future results or performance expressed or implied by such forward-looking statements, including, but not limited to, the failure to consummate, or a delay in the consummation of, the initial investment in MTD or any future exercise of Stanley Black & Decker's right to acquire the remaining 80 percent stake in MTD for various reasons; failure to successfully collaborate with MTD and achieve expected cost and growth synergies; or the investment-related charges being greater than anticipated.

Forward-looking statements made herein are also subject to risks and uncertainties, described in: Stanley Black & Decker's 2017 Annual Report on Form 10-K, its subsequently filed Quarterly Reports on Form 10-Q; and other filings Stanley Black & Decker makes with the Securities and Exchange Commission. In addition, actual results could differ materially from those suggested by the forward-looking statements. Stanley Black & Decker makes no commitment to revise or update any forward-looking statements to reflect events or circumstances occurring or existing after the date of any forward-looking statement.