



# Quarterly Financial Review

**Fourth 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 February 5, 2026 conference call. The financial statement information included herein is unaudited.
- Statements made during the February 5, 2026 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 February 5, 2026 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 February 5, 2026 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)	Q4 2025		Q4 2024		Change
	\$	%	\$	%	
Net sales	\$ 1,231.9		\$ 1,198.7		2.8 %
➤ Organic sales	17.6				1.4 %
➤ Currency translation	15.6				1.4 %
Gross profit	\$ 605.5	49.2 %	\$ 596.1	49.7 %	
Operating expenses	340.3	27.7 %	330.9	27.6 %	
Operating earnings before financial services	\$ 265.2	21.5 %	\$ 265.2	22.1 %	—
Financial services revenue	\$ 108.0		\$ 100.5		7.5 %
Financial services operating earnings	74.4		66.7		11.5 %
Operating earnings	\$ 339.6	25.3 %	\$ 331.9	25.5 %	2.3 %
Diluted EPS – as reported	\$ 4.94		\$ 4.82		2.5 %

- Net sales of \$1,231.9 million in the fourth quarter of 2025 represented an increase of \$33.2 million, or 2.8%, from 2024 levels, reflecting a \$17.6 million, or 1.4%, organic gain and \$15.6 million of favorable foreign currency translation
- Gross margin decreased 50 basis points (“bps”) to 49.2% from 49.7% last year primarily due to higher material and other costs, partially offset by benefits from the company’s Rapid Continuous Improvement (“RCI”) initiatives
- Operating expenses as a percentage of net sales rose 10 bps from last year
- As a percentage of net sales, operating earnings before financial services were 21.5% compared to 22.1% last year

# Commercial & Industrial

(\$ in millions - unaudited)	Q4 2025	Q4 2024	Change
Segment sales	\$ 398.1	\$ 379.2	5.0 %
➤ Organic sales	11.0		2.8 %
➤ Currency translation	7.9		2.2 %
Gross profit	\$ 153.5	\$ 155.4	
% of sales	38.6 %	41.0 %	
Operating expenses	\$ 92.9	\$ 91.9	
% of sales	23.4 %	24.3 %	
Operating earnings	\$ 60.6	\$ 63.5	
% of sales	15.2 %	16.7 %	(150) bps

- Organic sales increase of \$11.0 million, or 2.8%, is primarily due to a mid single-digit rise in activity with customers in critical industries, a double-digit gain in the power tools operation, and a mid single-digit increase in specialty torque, partially offset by lower sales to U.S. markets by the Asia Pacific business
- Gross margin decreased 240 bps from last year primarily reflecting higher material and other costs, increased sales volumes in lower-gross-margin businesses, and 30 bps of unfavorable foreign currency effects, partially offset by savings from the segment's RCI initiatives
- Operating expenses as a percentage of net sales improved 90 bps from 2024 primarily due to a net benefit of \$4.5 million related to the refinement of the segment's footprint and aspects of its go-to-market strategy, including the sale of a building for a net gain of \$15.9 million, the retirement of certain trademarks at a cost of \$8.9 million, and restructuring charges of \$2.5 million
- Operating earnings of \$60.6 million compared to \$63.5 million in 2024; the operating margin of 15.2% compared to 16.7% last year

# Snap-on Tools

(\$ in millions - unaudited)	Q4 2025	Q4 2024	Change
Segment sales	\$ 505.0	\$ 506.6	(0.3)%
➤ Organic sales	(3.4)		(0.7)%
➤ Currency translation	1.8		0.4 %
Gross profit	\$ 232.6	\$ 226.1	
% of sales	46.1 %	44.6 %	
Operating expenses	\$ 125.3	\$ 119.2	
% of sales	24.9 %	23.5 %	
Operating earnings	\$ 107.3	\$ 106.9	
% of sales	21.2 %	21.1 %	10 bps

- Organic sales decrease of \$3.4 million, or 0.7%, is due to a low single-digit decline in the U.S., partially offset by a high single-digit gain in the segment's international operations
- Gross margin improved 150 bps from last year primarily due to a year-over-year shift in product mix and savings from the segment's RCI initiatives
- Operating expenses as a percentage of net sales rose 140 bps from 2024 primarily reflecting increased brand-building and other costs
- Operating earnings of \$107.3 million compared to \$106.9 million in 2024; the operating margin of 21.2% compared to 21.1% last year



# Repair Systems & Information

(\$ in millions - unaudited)	Q4 2025	Q4 2024	Change
Segment sales	\$ 467.8	\$ 456.6	2.5 %
➤ Organic sales	4.8		1.0 %
➤ Currency translation	6.4		1.5 %
Gross profit	\$ 219.4	\$ 214.6	
% of sales	46.9 %	47.0 %	
Operating expenses	\$ 101.7	\$ 93.2	
% of sales	21.7 %	20.4 %	
Operating earnings	\$ 117.7	\$ 121.4	
% of sales	25.2 %	26.6 %	(140) bps

- Organic sales increase of \$4.8 million, or 1.0%, includes low single-digit gains in activity with OEM dealerships and in sales of diagnostic and repair information products to independent repair shop owners and managers, while sales of undercar equipment were essentially flat
- Gross margin decreased 10 bps from last year
- Operating expenses as a percentage of net sales rose 130 bps from 2024 primarily due to increased activity in higher-expense businesses and a rise in other costs
- Operating earnings of \$117.7 million compared to \$121.4 million in 2024; the operating margin of 25.2% compared to 26.6% last year

# Financial Services

<i>(\$ in millions - unaudited)</i>	<b>Q4 2025</b>	<b>Q4 2024</b>	<b>Change</b>
Segment revenue	\$ 108.0	\$ 100.5	7.5 %
Operating earnings	\$ 74.4	\$ 66.7	11.5 %
Originations	\$ 285.1	\$ 285.1	—

- Originations were unchanged from last year
- Average yields on finance receivables were 17.6% in 2025 and 17.7% in 2024
- 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	\$ 1,706.6	\$ 2,150.2	\$ 255.9	\$ 359.3
Portfolio net losses (TTM)	\$ 67.2	\$ 69.0	\$ 4.9	\$ 5.7
60+ Delinquency:				
As of 12/31/25	2.1 %	1.7 %	1.0 %	0.9 %
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 %

- Gross finance portfolio of \$2,509.5 million as of Q4 2025
  - Compares to \$2,534.4 million as of Q3 2025
  - Compares to \$2,526.2 million as of Q4 2024
  
- TTM – Trailing twelve months

# Cash Flows

(\$ in millions - unaudited)	Fourth Quarter		Full Year	
	2025	2024	2025	2024
<b>Net cash provided by operating activities</b>	<b>\$ 268.1</b>	<b>\$ 293.5</b>	<b>\$ 1,081.7</b>	<b>\$ 1,217.5</b>
➤ Net earnings	267.0	264.2	1,042.3	1,068.9
➤ Depreciation and amortization	25.3	24.3	98.5	98.0
➤ Changes in deferred income taxes	3.2	(1.0)	2.5	(8.2)
➤ Changes in working investment	(7.2)	(30.2)	(148.6)	(16.1)
➤ Changes in accrued and other liabilities	(38.9)	5.8	(34.3)	(40.0)
➤ Changes in all other operating activities	18.7	30.4	121.3	114.9
Net (increase) decrease in finance receivables	\$ 11.2	\$ (26.2)	\$ (24.7)	\$ (128.2)
Capital expenditures	\$ (13.5)	\$ (18.1)	\$ (76.0)	\$ (83.5)
Free cash flow	\$ 265.8	\$ 249.2	\$ 981.0	\$ 1,005.8
<b>Free cash flow from Operations</b>	<b>\$ 201.3</b>	<b>\$ 219.2</b>	<b>\$ 782.3</b>	<b>\$ 922.0</b>
<b>Free cash flow from Financial Services</b>	<b>\$ 64.5</b>	<b>\$ 30.0</b>	<b>\$ 198.7</b>	<b>\$ 83.8</b>
Increase in cash	\$ 90.4	\$ 47.2	\$ 264.0	\$ 359.0

- 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>January 3, 2026</b>	<b>December 28, 2024</b>
Trade & Other Accounts Receivable – net	\$ 881.4	\$ 815.6
Days Sales Outstanding	67	62
Finance Receivables – net	\$ 1,889.0	\$ 1,922.3
Contract Receivables – net	\$ 553.1	\$ 538.3
Inventories – net	\$ 1,025.2	\$ 943.4
Inventory turns – TTM	2.4	2.4
Cash	\$ 1,624.5	\$ 1,360.5
Total debt	\$ 1,202.6	\$ 1,199.2
Net debt	\$ (421.9)	\$ (161.3)
Net debt to capital ratio	(7.7)%	(3.1)%

