

Snap-on Incorporated – Consolidated Statements of Earnings

(Amounts in millions, except per share data)

	2019	2018	2017
Net sales	\$ 3,730.0	\$ 3,740.7	\$ 3,686.9
Cost of goods sold	(1,886.0)	(1,870.7)	(1,861.0)
Gross profit	1,844.0	1,870.0	1,825.9
Operating expenses	(1,127.6)	(1,144.0)	(1,161.3)
Operating earnings before financial services	716.4	726.0	664.6
Financial services revenue	337.7	329.7	313.4
Financial services expenses	(91.8)	(99.6)	(95.9)
Operating earnings from financial services	245.9	230.1	217.5
Operating earnings	962.3	956.1	882.1
Interest expense	(49.0)	(50.4)	(52.4)
Other income (expense) – net	8.8	4.2	(7.8)
Earnings before income taxes and equity earnings	922.1	909.9	821.9
Income tax expense	(211.8)	(214.4)	(250.9)
Earnings before equity earnings	710.3	695.5	571.0
Equity earnings, net of tax	0.9	0.7	1.2
Net earnings	711.2	696.2	572.2
Net earnings attributable to noncontrolling interests	(17.7)	(16.3)	(14.5)
Net earnings attributable to Snap-on Incorporated	\$ 693.5	\$ 679.9	\$ 557.7
Net earnings per share attributable to Snap-on Incorporated:			
Basic	\$ 12.59	\$ 12.08	\$ 9.72
Diluted	12.41	11.87	9.52
Weighted-average shares outstanding:			
Basic	55.1	56.3	57.4
Effect of dilutive securities	0.8	1.0	1.2
Diluted	55.9	57.3	58.6

See Notes to Consolidated Financial Statements.

Snap-on Incorporated – Consolidated Balance Sheets

	Fiscal Year End	
	2019	2018
<i>(Amounts in millions, except share data)</i>		
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 184.5	\$ 140.9
Trade and other accounts receivable – net	694.6	692.6
Finance receivables – net	530.1	518.5
Contract receivables – net	100.7	98.3
Inventories – net	760.4	673.8
Prepaid expenses and other assets	110.2	92.8
Total current assets	2,380.5	2,216.9
Property and equipment – net	521.5	495.1
Operating lease right-of-use assets	55.6	—
Deferred income tax assets	52.3	64.7
Long-term finance receivables – net	1,103.5	1,074.4
Long-term contract receivables – net	360.1	344.9
Goodwill	913.8	902.2
Other intangibles – net	243.9	232.9
Other assets	62.3	42.0
Total assets	\$ 5,693.5	\$ 5,373.1
LIABILITIES AND EQUITY		
Current liabilities:		
Notes payable	\$ 202.9	\$ 186.3
Accounts payable	198.5	201.1
Accrued benefits	53.3	52.0
Accrued compensation	53.9	71.5
Franchisee deposits	68.2	67.5
Other accrued liabilities	370.8	373.6
Total current liabilities	947.6	952.0
Long-term debt	946.9	946.0
Deferred income tax liabilities	69.3	41.4
Retiree health care benefits	33.6	31.8
Pension liabilities	122.1	171.3
Operating lease liabilities	37.5	—
Other long-term liabilities	105.7	112.0
Total liabilities	2,262.7	2,254.5
Commitments and contingencies (Note 15)		
Equity		
Shareholders' equity attributable to Snap-on Incorporated:		
Preferred stock (authorized 15,000,000 shares of \$1 par value; none outstanding)	—	—
Common stock (authorized 250,000,000 shares of \$1 par value; issued 67,423,106 and 67,415,091 shares, respectively)	67.4	67.4
Additional paid-in capital	379.1	359.4
Retained earnings	4,779.7	4,257.6
Accumulated other comprehensive loss	(507.9)	(462.2)
Treasury stock at cost (12,772,882 and 11,804,310 shares, respectively)	(1,309.2)	(1,123.4)
Total shareholders' equity attributable to Snap-on Incorporated	3,409.1	3,098.8
Noncontrolling interests	21.7	19.8
Total equity	3,430.8	3,118.6
Total liabilities and equity	\$ 5,693.5	\$ 5,373.1

See Notes to Consolidated Financial Statements.

Snap-on Incorporated – Consolidated Statements of Cash Flows

<i>(Amounts in millions)</i>	2019	2018	2017
Operating activities:			
Net earnings	\$ 711.2	\$ 696.2	\$ 572.2
Adjustments to reconcile net earnings to net cash provided (used) by operating activities:			
Depreciation	70.1	68.8	65.6
Amortization of other intangibles	22.3	25.3	27.6
Provision for losses on finance receivables	49.9	57.5	54.6
Provision for losses on non-finance receivables	18.3	12.8	10.5
Stock-based compensation expense	23.8	27.2	30.3
Deferred income tax provision	34.2	13.7	12.3
Loss (gain) on sales of assets	0.9	0.5	(0.2)
Settlement of treasury lock	—	—	14.9
Loss on early extinguishment of debt	—	7.8	—
Changes in operating assets and liabilities, net of effects of acquisitions:			
Trade and other accounts receivable	(15.7)	(47.7)	(55.5)
Contract receivables	(20.9)	(30.9)	(41.8)
Inventories	(97.0)	(38.6)	(76.0)
Prepaid and other assets	(22.2)	10.4	(10.0)
Accounts payable	(2.6)	27.5	(2.2)
Accruals and other liabilities	(97.7)	(66.0)	6.2
Net cash provided by operating activities	674.6	764.5	608.5
Investing activities:			
Additions to finance receivables	(841.9)	(865.6)	(892.0)
Collections of finance receivables	754.3	747.7	712.7
Capital expenditures	(99.4)	(90.9)	(82.0)
Acquisitions of businesses, net of cash acquired	(38.6)	(3.0)	(82.9)
Disposals of property and equipment	1.7	0.7	1.5
Other	1.8	0.9	1.3
Net cash used by investing activities	(222.1)	(210.2)	(341.4)
Financing activities:			
Proceeds from issuance of long-term debt	—	395.4	297.8
Repayments of long-term debt	—	(457.8)	(150.0)
Proceeds from notes payable	—	—	16.8
Repayments of notes payable	—	(16.8)	(4.5)
Net increase in other short-term borrowings	17.6	21.7	18.3
Cash dividends paid	(216.6)	(192.0)	(169.4)
Purchases of treasury stock	(238.4)	(284.1)	(287.9)
Proceeds from stock purchase and option plans	51.4	55.5	46.2
Other	(23.4)	(24.1)	(23.4)
Net cash used by financing activities	(409.4)	(502.2)	(256.1)
Effect of exchange rate changes on cash and cash equivalents	0.5	(3.2)	3.4
Increase in cash and cash equivalents	43.6	48.9	14.4
Cash and cash equivalents at beginning of year	140.9	92.0	77.6
Cash and cash equivalents at end of year	\$ 184.5	\$ 140.9	\$ 92.0
Supplemental cash flow disclosures:			
Cash paid for interest	\$ (46.3)	\$ (51.5)	\$ (51.2)
Net cash paid for income taxes	(191.2)	(188.0)	(228.1)

See Notes to Consolidated Financial Statements.