

Stanley Black & Decker

14:22 20 Jul 2018

Stanley Black & Decker beats 2Q earnings estimates but environmental settlement weighs on guidance

Stanley Black & Decker Inc (NYSE:SWK) topped analyst estimates in its second quarter but a settlement with the US Environmental Protection Agency weighed down GAAP earnings for the year ahead.

The tool company reported earnings of US\$1.93 per share on revenue of US\$3.64bn compared with US\$1.82 EPS on revenue of US\$3.28bn in the previous year's second quarter.

The Connecticut-based company beat Wall Street estimates of US\$2.03 EPS on revenue of \$3.49bn.

"Total revenues were up 11%, with each business contributing. Organic growth accelerated to 7%, headlined by an impressive 10% growth from tools & storage as well as Industrial outperforming our expectations," said CEO James M. Loree in a press release.

For the year ahead, the S&P 500 company maintained its guidance, expecting full-year earnings to be in the range of US\$8.30 to US\$8.50 per share.

However, its GAAP earnings guidance was lowered to US\$7 to US\$7.20 from US\$7.40 to US\$7.60 due to a settlement with the EPA.

Two of its subsidiaries, Emhart Industries Inc and Black & Decker, agreed to a US\$42m settlement after a federal court found the companies liable for hazardous waste and contaminated soil on a site in Rhode Island, as per an EPA press **release**.

As per the agreement, the settlement also includes future costs incurred while cleaning up the site. It is estimated to cost approximately US\$100m.

Shares of Stanley Black & Decker were up more than 2.5% to US\$143.53 in pre-market trading Friday. In the regular session, shares added 3.63% to US\$144.71.

Price: 178.01

Market Cap: \$28.42 billion

1 Year Share Price Graph



October 2019 April 2020 October 2020

Share Information

Code: SWK

Listing: NYSE

52 week **High** **Low**
 180.25 70

Sector: **Manufacturing & engineering**

Website: www.stanleyblackanddecker.com

Company Synopsis:

Stanley Black & Decker, Inc. operates in three segments: Construction & Do-It-Yourself (CDIY), Security, and Industrial. CDIY segment manufactures hand tools, corded and cordless electric power tools and equipment, lawn and garden products, consumer portable power products, home products, accessories and attachments for power tools, consumer mechanics tools, storage systems, and pneumatic tools and fasteners.

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