Stanley Black & Decker, Inc. (SWK)

Updated February 7th, 2026, by Nathan Parsh

Key Metrics

Current Price:	$89	**5 Year Annual Expected Total Return:**	8.6%	**Market Cap:**	$13.8 B
Fair Value Price:	$80	**5 Year Growth Estimate:**	8.0%	**Ex-Dividend Date:**	03/04/26[1]
% Fair Value:	112%	**5 Year Valuation Multiple Estimate:**	-2.2%	**Dividend Payment Date:**	03/18/26[2]
Dividend Yield:	3.7%	**5 Year Price Target**	$117	**Years Of Dividend Growth:**	58
Dividend Risk Score:	B	**Sector:**	Industrials	**Rating:**	Hold

Overview & Current Events

Stanley Black & Decker is a world leader in power tools, hand tools, and related items. The company holds the top global position in tools and storage sales. Stanley Black & Decker is second in the world in the areas of commercial electronic security and engineered fastening. Stanley Works and Black & Decker merged in 2010 to form the current company, thought the company can trace its history back to 1843. Black & Decker was founded in Baltimore, MD in 1910 and manufactured the world's first portable power tool. The company is one of just 55 Dividend Kings.

On February 4th, 2026, Stanley Black & Decker announced fourth quarter and full year results for the period ending December 31st, 2025. For the quarter, revenue was unchanged at $3.7 billion, but this was $80 million below estimates. Adjusted earnings-per-share of $1.41 compared to $1.49 in the prior year, but this was $0.13 better than expected. For the year, revenue fell 2% to $15.1 billion while adjusted earnings-per-share of $4.67 compared to $4.36 in 2024.

Companywide organic growth declined 3% for the quarter and was lower by 1% for the year. Organic sales for Tools & Outdoor, the largest segment within the company, was lower by 4% for the quarter. North America was down 5%, Europe decreased 3%, and the rest of the world fell 4%. Results were pressured by power tool demand in retail channels in North America and a weak economic backdrop in several markets. Outdoor products performed well. The Industrial segment grew 8% as volume was up 2% and pricing and currency translation both added 1%. A product line transfer to the Tools & Outdoor segment was a 3% headwind. Aerospace was very strong with sales up 35%. The adjusted gross margin expanded 210 basis points to 33.3% for the period. The company generated ~$120 million of pre-tax run-rate cost savings during the quarter. Stanley Black & Decker has achieved $2.1 billion of cost savings since starting the program. The company announced in December that it had agreed to sell its Consolidated Aerospace Manufacturing business to Howmet Aerospace (HWM) for $1.8 billion in cash. Proceeds will be used to pay down debt.

Stanley Black & Decker provided guidance for 2026 as well. The company expects adjusted earnings-per-share to be in a range of $4.90 to $5.70 for the year. We have initiated our forecast accordingly.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$6.51	$7.43	$8.15	$8.40	$9.04	$11.20	$4.62	$1.45	$4.36	$4.67	***$5.30***	***$7.79***
DPS	$2.26	$2.42	$2.58	$2.76	$2.78	$2.98	$3.18	$3.22	$3.26	$3.30	***$3.32***	***$3.67***
Shares[3]	153	154	152	153	157	159	148	150	151	151	***151***	***145***

Stanley Black & Decker's earnings-per-share have declined 3.6% annually over the last decade and 13.9% over the last five years. The company remained profitable over the Great Recession, but saw earnings decline 15% in 2008 and 20% in 2009. In the years since, Stanley Black & Decker had generally seen its earnings-per-share rise consistently before 2022. The company did return to year-over-year growth in 2024 and has guided towards a meaningful gain this year.

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[1] Estimated ex-dividend date
[2] Estimated dividend payment date
[3] Share count in millions
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We reaffirm our expectation that the company to grow earnings-per-share at a rate of 8% annually going forward as Stanley Black & Decker's results are starting from a low base. Combined with the leading brands that the company offers, this should help propel growth once supply chain constraints and higher inflationary pressures ease. That said, we reaffirm our dividend growth forecast of 2% annually as the company works through its present challenges.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	17.2	19.1	17.5	16.9	17.6	16.8	16.3	67.7	18.4	15.9	***16.8***	***15.0***
Avg. Yld.	2.0%	1.7%	1.8%	1.9%	1.9%	1.6%	4.2%	3.3%	4.1%	4.4%	***3.7%***	***3.1%***

Shares of Stanley Black & Decker have increased $21, or 30.9%, since our November 10th, 2025 update. Based on our earnings estimate for 2026, the stock now trades with a price-to-earnings ratio, or P/E, of 16.8. The average multiple over the last decade is more than 22 times earnings, but we believe the P/E ratio for 2023 to be an outlier. Excluding that year, the average P/E was 15.6 over this period. We reaffirm our target P/E of 15. If shares were to revert to our target P/E by 2031, then multiple contraction would reduce annual returns by 2.2% over this period. We again note that Stanley Black & Decker's yield remains near the high end of its range over the past decade.

Safety, Quality, Competitive Advantage, & Recession Resiliency

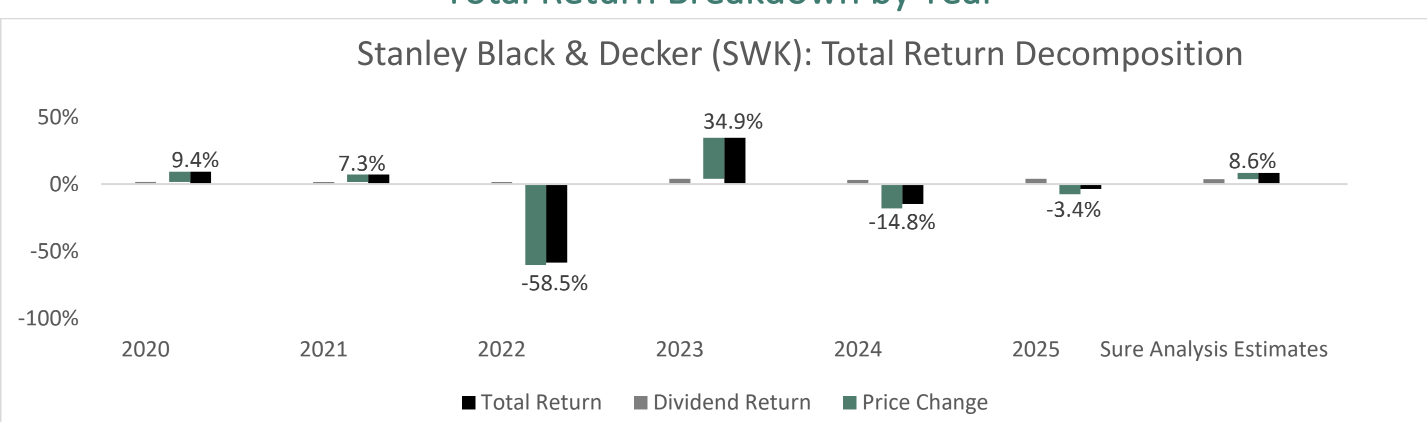
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	35%	33%	32%	33%	31%	27%	69%	222%	75%	71%	***63%***	***47%***

As seen during the 2008/2009-time period, Stanley Black & Decker is not recession-proof, but investors who were willing to hold shares of the company from the 2008 lows have seen their shares grow enormously. The company's typically low payout ratio does make it likely that dividends will continue rising even through a serious economic downturn. Stanley Black & Decker's key competitive advantage is that its products are well-known and respected by customers. This was why the company has been able to increase prices in certain product categories over the years and not see a decline in sales. Stanley Black & Decker has also been very active in making strategic acquisitions to help grow the company. For example, adding the Craftsman Brand has been a meaningful contributor to results since the 2017 acquisition.

Final Thoughts & Recommendation

Stanley Black & Decker is now expected to produce an annual return of 8.6% though 2031, down from our prior estimate of 11.6%. This projection stems from an 8% earnings growth and a starting yield of 3.7%, offset by a low single-digit percentage. Stanley Black & Decker continues to work through the challenges in its business, including tariffs, but cost reductions have been beneficial to the company. We continue to view shares of Stanley Black & Decker as a hold as the stock now trades above our fair value price.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	11,407	12,967	13,982	12,913	13,058	15,281	16,947	15,781	15,366	15,130
Gross Profit	4,289	4,834	4,899	4,268	4,455	5,079	4,103	4,100	4,601	4,588
Gross Margin	37.6%	37.3%	35.0%	33.1%	34.1%	33.2%	24.2%	26.0%	29.9%	30.3%
SG&A Exp.	2,602	2,983	3,144	2,542	2,600	3,193	3,356	3,282	3,311	3,333
D&A Exp.	408	461	507	560	578	577	572	625	590	512
Operating Profit	1,665	1,872	1,885	1,771	1,949	2,070	914	909	1,350	1,015
Operating Margin	14.6%	14.4%	13.5%	13.7%	14.9%	13.5%	5.4%	5.8%	8.8%	6.7%
Net Profit	965	1,227	606	958	1,188	1,552	172	(282)	286	402
Net Margin	8.5%	9.5%	4.3%	7.4%	9.1%	10.2%	1.0%	-1.8%	1.9%	2.7%
Free Cash Flow	1,138	226	769	1,081	1,674	144	(1990)	853	753	688
Income Tax	261	301	416	127	43	55	(132)	(94)	(45)	16

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	15,635	19,098	19,408	20,597	23,566	28,180	24,963	23,664	21,849	21,244
Cash & Equivalents	1,132	655	311	315	1,259	150	405	454	293	287
Accounts Receivable	1,200	1,466	1,485	1,328	1,099	1,378	1,136	1,048	932	920
Inventories	1,478	2,018	2,374	2,255	2,639	5,420	5,861	4,739	4,536	4,157
Goodwill & Int. Ass.	8,994	12,284	12,441	12,860	11,924	13,286	12,978	11,946	11,636	10,375
Total Liabilities	9,261	10,793	11,568	11,454	12,500	16,588	15,249	14,608	13,129	12,189
Accounts Payable	1,640	2,021	2,233	2,088	2,320	3,424	2,344	2,299	2,437	2,163
Long-Term Debt	3,823	3,806	3,822	3,575	4,585	4,679	5,681	6,481	6,468	5,258
Shareholder's Equity	6,367	7,552	7,086	7,636	9,689	10,970	9,712	9,056	8,720	
LTD/E Ratio	0.60	0.46	0.54	0.44	0.42	0.61	0.81	0.85	0.76	0.65

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	6.3%	7.1%	3.1%	4.8%	5.4%	6.0%	0.6%	-1.2%	1.3%	1.9%
Return on Equity	15.8%	16.7%	7.5%	11.3%	11.8%	13.7%	1.6%	-3.0%	3.2%	4.5%
ROIC	9.7%	11.0%	5.0%	7.6%	8.2%	9.0%	0.9%	-1.6%	1.8%	2.7%
Shares Out.	153	154	152	153	157	159	148	150	151	151
Revenue/Share	76.97	85.06	92.21	82.57	80.39	92.60	114.38	105.38	101.56	99.62
FCF/Share	7.68	1.48	5.07	6.91	10.31	0.87	(13.43)	5.69	4.98	4.53

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.