Snap-On Inc. (SNA)

Updated April 27th, 2026, by Josh Arnold

Key Metrics

Current Price:	$378	**5 Year CAGR Estimate:**	7.2%	**Market Cap:**	$20 B
Fair Value Price:	$337	**5 Year Growth Estimate:**	7.0%	**Ex-Dividend Date:**	05/24/26
% Fair Value:	112%	**5 Year Valuation Multiple Estimate:**	-2.3%	**Dividend Payment Date:**	06/10/26
Dividend Yield:	2.6%	**5 Year Price Target**	$472	**Years Of Dividend Growth:**	16
Dividend Risk Score:	B	**Sector:**	Industrials	**Rating:**	Hold

Overview & Current Events

Snap-On Inc. was founded in the early 1920's and since that time, has grown from a fledgling direct sales distributor of sockets to a full-service, global distributor of a wide array of common and specialty tools, diagnostics equipment, repair information and system solutions instruments. Snap-On also operates a financial services business that finances its customers' purchases in-house. The company's market capitalization is $20 billion, and it should generate around $4.9 billion in revenue this year.

Snap-On posted first quarter earnings on April 23rd, 2026, and results were mixed. Earnings-per-share came to $4.69, but that missed estimates by six cents. Revenue was up 6.1% year-over-year to $1.21 billion, beating estimates by $30 million. Tools segment sales were up 5% year-over-year, while organic sales contributed 3.4% of that. Commercial and Industrial sales were 11% higher to $381 million, led by demand from critical industries and specialty torque products. Repaid systems and information group sales were up 2% to $485 million.

Gross margin was 50.4% of revenue, including 40 basis points of unfavorable currency impact, which was off from 50.7% a year earlier.

Net income was $247 million, up from $240.5 million a year earlier. Consolidated operating margin was 24.4% of revenue, down from 25.2% a year ago. Forex translation was responsible for half of the decline in operating margin.

Operating cash flow was $369 million, up from $299 million a year ago, and Snap-On had $1.75 billion in cash as of the end of the quarter.

We now see $19.80 in adjusted earnings-per-share, down slightly from prior, after Q1 results.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$9.20	$10.12	$11.81	$12.41	$11.63	$14.92	$16.82	$18.76	$19.19	$18.88	***$19.80***	***$27.77***
DPS	$2.54	$2.95	$3.41	$3.93	$4.47	$5.11	$5.88	$6.72	$7.72	$8.86	***$9.76***	***$15.02***
Shares[1]	58	57	57	55	54	54	53	53	53	52	***52***	***50***

Except for 2020 and 2025, Snap-On has produced materially higher earnings every year in the past decade. The company's constant focus on acquisitions, as well as its own organic revenue growth in concert with a rapidly growing financial services business, has created a growth profile that is tough to rival. The company continues to buy back its stock as well, albeit in small amounts, providing another tailwind for earnings-per-share. Indeed, it has managed to compound earnings at an average rate of about 10% annually in the past decade.

However, we are forecasting a 7% annual growth rate going forward as Snap-On grapples with its already-sizable scale, making further revenue and margin growth more difficult. We note that the company returned to growth from the pandemic slowdown more quickly than anticipated, however, but 2025 saw lower earnings compared to 2024. Financial services fundamentals are still quite good, and making up for relative weakness in the tools business.

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[1] Share count in millions

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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The dividend should keep increasing at high rates as the payout ratio is still low. Snap-On produces more cash than it can use to profitably invest in the business, so shareholders should see the benefit. We see the dividend rising to potentially more than $15 per share annually by 2031.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2026	Now	2031
Avg. P/E	17.1	16.3	13.7	12.9	12.7	14.6	13.6	15.4	17.7	18.3	***19.1***	***17.0***
Avg. Yld.	1.6%	1.8%	2.1%	2.5%	3.0%	2.3%	2.6%	2.3%	2.3%	2.6%	***2.6%***	***3.2%***

Snap-On's price-to-earnings multiple spent several years in the mid-teens, but in recent years, has been more like 13. Today, shares trade for 19.1 times 2026 earnings, and reiterate our fair value estimate at 17 times earnings. This implies a modest negative impact from the valuation in the coming years.

We see the yield rising from 2.6% to 3.2% in the coming years, which is dependent upon the valuation declining back to our estimate of fair value. When coupled with its decent current yield, Snap-On is a nice choice for dividend growth investors, as well as income investors. We think the double-digit growth in the payout of recent years may moderate given the elevated payout ratio, and lower earnings growth.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	28%	29%	29%	32%	38%	34%	35%	36%	40%	47%	***49%***	***54%***

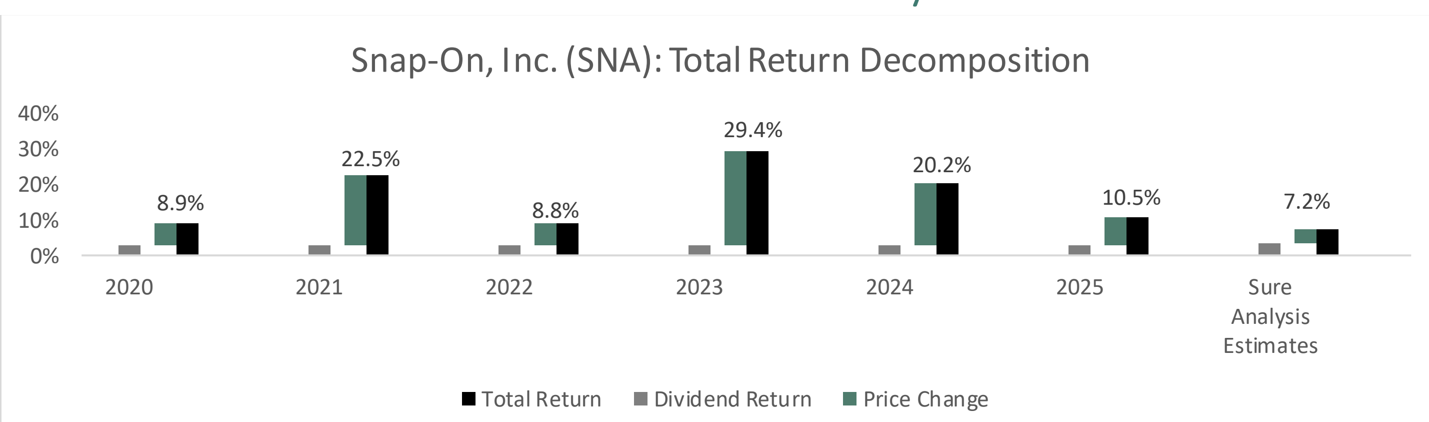
The payout ratio is still manageable and should remain that way unless management decides to ramp up its dividend growth strategy, which we view as unlikely at this point given already-strong growth rates. We see the recent pace of dividend increases likely moderating, and keeping the payout ratio near 50% of earnings. However, we see no risk of Snap-On being able to afford its dividend at any time, even with high rates of dividend increases.

Snap-On's main competitive advantage is in its very broad and deep assortment of all kinds of specialty tools. In addition, its global reach and in-house financing is a unique combination not found elsewhere. The financing business could pose a problem during a recession as customers may become past due on their accounts, so this would be the principal risk for Snap-On during the next economic downturn. Earnings suffered during the Great Recession.

Final Thoughts & Recommendation

Snap-On's recent price action has it overvalued still. We now forecast total annual return potential of 7.2% going forward, consisting of the 2.6% current yield, 7% earnings growth, and a modest headwind from the valuation. We remain at a hold rating on Snap-On.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	3712	4000	4070	4068	3,942	4,602	4,842	5,108	4,707	5,156
Gross Profit	1908	2042	2100	2090	1,997	2,383	2,447	2,620	2,378	2,667
Gross Margin	51.4%	51.1%	51.6%	51.4%	50.7%	51.8%	50.5%	51.3%	50.5%	51.7%
D&A Exp.	86	93	94	92	97	105	100	99	98	99
Operating Profit	854	882	956	962	881	1,124	1,207	1,310	1,069	1,329
Operating Margin	23.0%	22.0%	23.5%	23.7%	22.3%	24.4%	26.9%	25.6%	22.7%	25.8%
Net Profit	546	558	680	694	627	821	912	1,011	1,044	1,042
Net Margin	14.7%	13.9%	16.7%	17.0%	15.9%	17.8%	20.3%	19.8%	22.2%	20.2%
Free Cash Flow	502	527	674	575	943	897	591	1,059	1,134	1,006
Income Tax	244	251	214	212	189	247	269	293	304	294

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	4723	5249	5373	5694	6,557	6,760	6,973	7,545	7897	8,412
Cash & Equivalents	78	92	141	185	923	780	757	1,002	1,361	1,625
Accounts Receivable	1071	1181	1211	1325	1,283	682	762	791	816	1,602
Inventories	531	639	674	760	747	804	1,033	1,006	943	1,025
Goodwill & Int. Ass.	1080	1178	1135	1158	1,243	1,418	1,321	1,366	1,324	1,380
Total Liabilities	2088	2277	2255	2263	2,711	2,556	2,469	2,452	2,480	2,456
Accounts Payable	171	178	201	199	223	278	287	238	266	229
Long-Term Debt	1010	1187	1132	1150	1,451	1,200	1,201	1,200	1,199	1,250
Shareholder's Equity	2617	2954	3099	3409	3,825	4,182	4,481	5,071	5,394	5,932
LTD/E Ratio	0.39	0.40	0.37	0.34	0.38	0.29	0.27	0.24	0.22	0.22

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	12.1%	11.2%	12.8%	12.5%	10.2%	12.3%	13.3%	13.9%	13.5%	12.8%
Return on Equity	21.7%	20.0%	22.5%	21.3%	17.3%	20.5%	21.0%	21.1%	19.9%	18.3%
ROIC	15.7%	14.3%	16.2%	15.7%	12.7%	15.3%	16.4%	16.9%	16.2%	14.9%
Shares Out.	58	57	57	55	54	54	54	54	54	53
Revenue/Share	62.49	68.26	71.04	72.77	71.94	83.67	89.35	94.77	87.99	97.28
FCF/Share	8.45	8.98	11.76	10.29	17.21	16.30	10.90	19.65	21.20	18.98

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