

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 8-K  
CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) July 20, 2017

**Snap-on Incorporated**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**1-7724**

(Commission File Number)

**39-0622040**

(I.R.S. Employer Identification No.)

**2801 80th Street, Kenosha, Wisconsin 53143-5656**

(Address of principal executive offices)

Registrant's telephone number, including area code: (262) 656-5200

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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Item 2.02      Results of Operations and Financial Condition

On July 20, 2017, Snap-on Incorporated (the “Corporation”) issued a press release entitled “Snap-on Announces Second Quarter 2017 Results; *Diluted EPS of \$2.60 increases 10.2%; Operating earnings before financial services of 19.9% of sales up 80 basis points; Reported net sales up 5.6%; Organic net sales up 2.7%.*” The text of the press release is furnished herewith as Exhibit 99 and incorporated herein by reference.

The press release contains cautionary statements identifying important factors that could cause actual results of the Corporation to differ materially from those described in any forward-looking statement of the Corporation.

The press release also contains information concerning the impacts of foreign currency translation on certain items of reported results, and this information may include non-GAAP financial measures. The Corporation presents information in this manner to show changes in these items of reported results apart from those related to the quarterly volatility of foreign currency changes.

Item 9.01      Financial Statements and Exhibits (furnished pursuant to Item 2.02).

(d) Exhibits

99              Press Release of Snap-on Incorporated, dated July 20, 2017

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SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, Snap-on Incorporated has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SNAP-ON INCORPORATED

Date: July 20, 2017

By: /s/ Aldo J. Pagliari

Aldo J. Pagliari, Principal Financial Officer,  
Senior Vice President - Finance and  
Chief Financial Officer

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## EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
99	Press Release of Snap-on Incorporated, dated July 20, 2017

**Snap-on Announces Second Quarter 2017 Results*****Diluted EPS of \$2.60 increases 10.2%;******Operating earnings before financial services of 19.9% of sales up 80 basis points;******Reported net sales up 5.6%; Organic net sales up 2.7%***

KENOSHA, Wis.--(BUSINESS WIRE)--July 20, 2017--Snap-on Incorporated (NYSE: SNA), a leading global innovator, manufacturer and marketer of tools, equipment, diagnostics, repair information and systems solutions for professional users performing critical tasks, today announced operating results for the second quarter of 2017.

- Net sales of \$921.4 million increased \$49.1 million, or 5.6%, from 2016 levels, reflecting a \$23.2 million, or 2.7%, organic sales gain and \$38.4 million of acquisition-related sales, partially offset by \$12.5 million of unfavorable foreign currency translation. (See “Non-GAAP Measures” below for a definition of, and further explanation about, organic sales.)
- Operating earnings before financial services of \$183.7 million improved 80 basis points to 19.9% of sales as compared to \$166.4 million, or 19.1% of sales, last year.
- Financial services revenue of \$77.7 million increased \$8.4 million from 2016 levels; financial services operating earnings of \$54.6 million increased from \$49.5 million last year.
- Consolidated operating earnings of \$238.3 million improved 100 basis points to 23.9% of revenues (net sales plus financial services revenue) as compared to \$215.9 million, or 22.9% of revenues, last year.
- The second quarter effective income tax rate was 30.6% in 2017 and 31.0% in 2016.
- Net earnings of \$153.2 million, or \$2.60 per diluted share, compared to net earnings of \$140.1 million, or \$2.36 per diluted share, a year ago.

“We believe diluted earnings per share growth of 10.2% and a net sales increase of 5.6%, including an organic sales rise of 2.7%, represent encouraging results for the second quarter and confirm our success in serving serious professionals performing critical tasks,” said Nick Pinchuk, Snap-on chairman and chief executive officer. “Our year-over-year improvement in operating margin before financial services reflects ongoing progress through our Snap-on Value Creation Processes. At the same time, these results also demonstrate continued advancement along our strategic runways for growth, as indicated by the notable increase in activity in the quarter. Despite some sales headwinds in the quarter for the Snap-on Tools Group, we believe the vehicle repair markets in which we operate remain robust and afford significant ongoing opportunity. Furthermore, our acquisition of Norbar Torque Tools in the second quarter adds to our expanding product offering to customers in critical industries. Finally, these results would not have been possible without the dedication and capability of our franchisees and associates worldwide; I thank them for their extraordinary commitment and ongoing contributions.”

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## **Segment Results**

**Commercial & Industrial Group** segment sales of \$310.0 million in the quarter increased \$24.3 million, or 8.5%, from 2016 levels, reflecting a \$13.3 million, or 4.7%, organic sales gain, \$15.9 million of acquisition-related sales, and \$4.9 million of unfavorable foreign currency translation. The organic sales increase primarily includes gains in the segment's European-based hand tools business and higher sales to customers in critical industries.

Operating earnings of \$42.7 million in the period increased \$3.4 million from 2016 levels, and the operating margin (operating earnings as a percentage of segment sales) was 13.8% in both periods.

**Snap-on Tools Group** segment sales of \$413.8 million in the quarter decreased \$2.9 million, or 0.7%, from 2016 levels, reflecting a \$2.1 million, or 0.5%, organic sales gain and \$5.0 million of unfavorable foreign currency translation.

Operating earnings of \$80.6 million in the period, including \$3.2 million of unfavorable foreign currency effects, increased \$4.3 million from 2016 levels, and the operating margin of 19.5% improved 120 basis points from 18.3% a year ago.

**Repair Systems & Information Group** segment sales of \$338.1 million in the quarter increased \$42.9 million, or 14.5%, from 2016 levels, reflecting a \$24.1 million, or 8.3%, organic sales gain, \$22.5 million of acquisition-related sales and \$3.7 million of unfavorable foreign currency translation. The organic sales gain includes higher sales of diagnostics and repair information products to independent repair shop owners and managers, increased sales to OEM dealerships, and higher sales of undercar equipment.

Operating earnings of \$81.9 million in the period, including \$1.2 million of unfavorable foreign currency effects, increased \$7.4 million from 2016 levels, and the operating margin of 24.2% compared to 25.2% a year ago.

**Financial Services** operating earnings of \$54.6 million on revenue of \$77.7 million in the quarter compared to operating earnings of \$49.5 million on revenue of \$69.3 million a year ago. Originations of \$270.6 million in the second quarter decreased \$10.4 million, or 3.7%, from 2016 levels.

**Corporate** expenses of \$21.5 million in the quarter compared to \$23.7 million last year, primarily due to lower pension expense.

## **Outlook**

Snap-on expects to make continued progress in 2017 along its defined runways for coherent growth, leveraging capabilities already demonstrated in the automotive repair arena and developing and expanding its professional customer base, not only in automotive repair, but in adjacent markets, additional geographies and other areas, including extending in critical industries, where the cost and penalties for failure can be high. In pursuit of these initiatives, Snap-on expects that capital expenditures in 2017 will be in a range of \$80 million to \$90 million, of which \$34.4 million was expended in the first six months of the year. Snap-on also anticipates that its full year 2017 effective income tax rate will be comparable to its 2016 full year rate.

## **Conference Call and Webcast on July 20, 2017, at 9:00 a.m. Central Time**

A discussion of this release will be webcast on Thursday, July 20, 2017, at 9:00 a.m. Central Time, and a replay will be available for at least 10 days following the call. To access the webcast, visit <http://www.snapon.com/sna> and click on the link to the webcast. The slide presentation accompanying the call can be accessed under the Downloads tab in the webcast viewer, as well as on the Snap-on website under the tabs Investor Information / Investor Events / Company Presentations.

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## **Non-GAAP Measures**

References in this document to “organic sales” refer to sales from continuing operations calculated in accordance with generally accepted accounting principles in the United States (“GAAP”), adjusted to exclude acquisition-related sales and the impact of foreign currency translation. Management evaluates the company’s sales performance based on organic sales growth, which primarily reflects growth from the company’s existing businesses as a result of increased output, customer base and geographic expansion, new product development and/or pricing, and excludes sales contributions from acquired operations the company did not own as of the comparable prior-year reporting period. The company’s organic sales disclosures also exclude the effects of foreign currency translation as foreign currency translation is subject to volatility that can obscure underlying business trends. Management believes that the non-GAAP financial measure of organic sales is meaningful to investors as it provides them with useful information to aid in identifying underlying growth trends in our businesses and facilitating comparisons of our sales performance with prior periods.

## **About Snap-on**

Snap-on Incorporated is a leading global innovator, manufacturer and marketer of tools, equipment, diagnostics, repair information and systems solutions for professional users performing critical tasks. Products and services include hand and power tools, tool storage, diagnostics software, information and management systems, shop equipment and other solutions for vehicle dealerships and repair centers, as well as for customers in industries, including aviation and aerospace, agriculture, construction, government and military, mining, natural resources, power generation and technical education. Snap-on also derives income from various financing programs to facilitate the sales of its products and support its franchise business. Products and services are sold through the company’s franchisee, company-direct, distributor and internet channels. Founded in 1920, Snap-on is a \$3.4 billion, S&P 500 company headquartered in Kenosha, Wisconsin.

## **Forward-looking Statements**

*Statements in this news release that are not historical facts, including statements that (i) are in the future tense; (ii) include the words “expects,” “anticipates,” “intends,” “approximates,” or similar words that reference Snap-on or its management; (iii) are specifically identified as forward-looking; or (iv) describe Snap-on’s or management’s future outlook, plans, estimates, objectives or goals, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Snap-on cautions the reader that this news release may contain statements, including earnings projections, that are forward-looking in nature and were developed by management in good faith and, accordingly, are subject to risks and uncertainties regarding Snap-on’s expected results that could cause (and in some cases have caused) actual results to differ materially from those described or contemplated in any forward-looking statement. Factors that may cause the company’s actual results to differ materially from those contained in the forward-looking statements include those found in the company’s reports filed with the Securities and Exchange Commission, including the information under the “Safe Harbor” and “Risk Factors” headings in its Annual Report on Form 10-K for the fiscal year ended December 31, 2016, which are incorporated herein by reference. Snap-on disclaims any responsibility to update any forward-looking statement provided in this news release, except as required by law.*

*For additional information, please visit [www.snapon.com](http://www.snapon.com).*

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**SNAP-ON INCORPORATED**  
**Condensed Consolidated Statements of Earnings**  
(Amounts in millions, except per share data)  
(unaudited)

	Three Months Ended		Six Months Ended	
	July 1, 2017	July 2, 2016	July 1, 2017	July 2, 2016
<b>Net sales</b>	\$ 921.4	\$ 872.3	\$ 1,808.5	\$ 1,706.5
Cost of goods sold	(458.4)	(441.0)	(897.5)	(859.9)
<b>Gross profit</b>	463.0	431.3	911.0	846.6
Operating expenses	(279.3)	(264.9)	(557.8)	(524.8)
<b>Operating earnings before financial services</b>	183.7	166.4	353.2	321.8
<b>Financial services revenue</b>	77.7	69.3	154.5	135.6
Financial services expenses	(23.1)	(19.8)	(47.4)	(39.1)
<b>Operating earnings from financial services</b>	54.6	49.5	107.1	96.5
<b>Operating earnings</b>	238.3	215.9	460.3	418.3
Interest expense	(13.0)	(12.9)	(25.7)	(26.0)
Other income (expense) – net	(1.9)	1.2	(3.6)	0.5
<b>Earnings before income taxes and equity earnings</b>	223.4	204.2	431.0	392.8
Income tax expense	(67.3)	(62.2)	(129.9)	(119.8)
<b>Earnings before equity earnings</b>	156.1	142.0	301.1	273.0
Equity earnings, net of tax	0.7	1.4	0.8	1.7
<b>Net earnings</b>	156.8	143.4	301.9	274.7
Net earnings attributable to noncontrolling interests	(3.6)	(3.3)	(7.1)	(6.3)
<b>Net earnings attributable to Snap-on Inc.</b>	<u>\$ 153.2</u>	<u>\$ 140.1</u>	<u>\$ 294.8</u>	<u>\$ 268.4</u>
<b>Net earnings per share attributable to Snap-on Inc.:</b>				
Basic	\$ 2.65	\$ 2.41	\$ 5.09	\$ 4.62
Diluted	2.60	2.36	4.98	4.52
<b>Weighted-average shares outstanding:</b>				
Basic	57.8	58.1	57.9	58.1
Effect of dilutive securities	1.2	1.3	1.3	1.3
Diluted	<u>59.0</u>	<u>59.4</u>	<u>59.2</u>	<u>59.4</u>

**SNAP-ON INCORPORATED**  
**Supplemental Segment Information**  
(Amounts in millions)  
(unaudited)

	Three Months Ended		Six Months Ended	
	July 1, 2017	July 2, 2016	July 1, 2017	July 2, 2016
<b>Net sales:</b>				
Commercial & Industrial Group	\$ 310.0	\$ 285.7	\$ 608.7	\$ 572.7
Snap-on Tools Group	413.8	416.7	823.2	819.2
Repair Systems & Information Group	338.1	295.2	656.9	574.0
<b>Segment net sales</b>	1,061.9	997.6	2,088.8	1,965.9
Intersegment eliminations	(140.5)	(125.3)	(280.3)	(259.4)
<b>Total net sales</b>	\$ 921.4	\$ 872.3	\$ 1,808.5	\$ 1,706.5
Financial Services revenue	77.7	69.3	154.5	135.6
<b>Total revenues</b>	\$ 999.1	\$ 941.6	\$ 1,963.0	\$ 1,842.1
<b>Operating earnings:</b>				
Commercial & Industrial Group	\$ 42.7	\$ 39.3	\$ 84.3	\$ 80.4
Snap-on Tools Group	80.6	76.3	150.9	143.0
Repair Systems & Information Group	81.9	74.5	160.6	143.5
Financial Services	54.6	49.5	107.1	96.5
<b>Segment operating earnings</b>	259.8	239.6	502.9	463.4
Corporate	(21.5)	(23.7)	(42.6)	(45.1)
<b>Operating earnings</b>	\$ 238.3	\$ 215.9	\$ 460.3	\$ 418.3
Interest expense	(13.0)	(12.9)	(25.7)	(26.0)
Other income (expense) – net	(1.9)	1.2	(3.6)	0.5
<b>Earnings before income taxes and equity earnings</b>	\$ 223.4	\$ 204.2	\$ 431.0	\$ 392.8

**SNAP-ON INCORPORATED**  
**Condensed Consolidated Balance Sheets**  
(Amounts in millions)  
(unaudited)

	<u>July 1,</u> <u>2017</u>	<u>December 31,</u> <u>2016</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 89.0	\$ 77.6
Trade and other accounts receivable – net	645.3	598.8
Finance receivables – net	496.5	472.5
Contract receivables – net	82.4	88.1
Inventories – net	601.4	530.5
Prepaid expenses and other assets	119.5	116.5
Total current assets	2,034.1	1,884.0
Property and equipment – net	463.4	425.2
Deferred income tax assets	71.8	72.8
Long-term finance receivables – net	998.6	934.5
Long-term contract receivables – net	299.4	286.7
Goodwill	899.2	895.5
Other intangibles – net	256.3	184.6
Other assets	44.3	39.9
<b>Total assets</b>	<b>\$ 5,067.1</b>	<b>\$ 4,723.2</b>
<b>Liabilities and Equity</b>		
Notes payable and current maturities of long-term debt	\$ 350.2	\$ 301.4
Accounts payable	202.3	170.9
Accrued benefits	43.7	52.8
Accrued compensation	69.5	89.8
Franchisee deposits	65.7	66.7
Other accrued liabilities	342.4	307.9
Total current liabilities	1,073.8	989.5
Long-term debt	755.6	708.8
Deferred income tax liabilities	21.9	13.1
Retiree health care benefits	35.1	36.7
Pension liabilities	213.9	246.5
Other long-term liabilities	93.8	93.4
Total liabilities	2,194.1	2,088.0
<b>Equity</b>		
<b>Shareholders' equity attributable to Snap-on Inc.</b>		
Common stock	67.4	67.4
Additional paid-in capital	337.1	317.3
Retained earnings	3,597.0	3,384.9
Accumulated other comprehensive loss	(397.0)	(498.5)
Treasury stock at cost	(749.6)	(653.9)
Total shareholders' equity attributable to Snap-on Inc.	2,854.9	2,617.2
Noncontrolling interests	18.1	18.0
Total equity	2,873.0	2,635.2
<b>Total liabilities and equity</b>	<b>\$ 5,067.1</b>	<b>\$ 4,723.2</b>

**SNAP-ON INCORPORATED**  
**Condensed Consolidated Statements of Cash Flows**  
(Amounts in millions)  
(unaudited)

	<b>Three Months Ended</b>	
	<b>July 1, 2017</b>	<b>July 2, 2016</b>
<b>Operating activities:</b>		
Net earnings	\$ 156.8	\$ 143.4
Adjustments to reconcile net earnings to net cash provided (used) by operating activities:		
Depreciation	16.3	15.5
Amortization of other intangibles	6.5	6.2
Provision for losses on finance receivables	12.8	10.3
Provision for losses on non-finance receivables	2.4	1.5
Stock-based compensation expense	7.0	8.4
Deferred income tax provision	(4.3)	(15.1)
Changes in operating assets and liabilities, net of effects of acquisitions:		
Increase in trade and other accounts receivable	(24.9)	(1.0)
Increase in contract receivables	(3.5)	(5.8)
Increase in inventories	(31.0)	(2.1)
Increase in prepaid and other assets	(2.4)	(9.3)
Increase in accounts payable	7.4	9.1
Increase (decrease) in accruals and other liabilities	(16.0)	1.0
<b>Net cash provided by operating activities</b>	<b>127.1</b>	<b>162.1</b>
<b>Investing activities:</b>		
Additions to finance receivables	(231.8)	(244.2)
Collections of finance receivables	179.1	167.3
Capital expenditures	(15.8)	(20.6)
Acquisitions of businesses, net of cash acquired	(70.7)	-
Disposals of property and equipment	(0.1)	1.2
Other	0.7	1.0
<b>Net cash used by investing activities</b>	<b>(138.6)</b>	<b>(95.3)</b>
<b>Financing activities:</b>		
Net increase in other short-term borrowings	83.0	3.8
Cash dividends paid	(41.1)	(35.5)
Purchases of treasury stock	(86.7)	(35.4)
Proceeds from stock purchase and option plans	20.5	18.5
Other	0.9	(4.0)
<b>Net cash used by financing activities</b>	<b>(23.4)</b>	<b>(52.6)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>0.9</b>	<b>(0.6)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(34.0)</b>	<b>13.6</b>
Cash and cash equivalents at beginning of period	123.0	106.3
<b>Cash and cash equivalents at end of period</b>	<b>\$ 89.0</b>	<b>\$ 119.9</b>
<b>Supplemental cash flow disclosures:</b>		
Cash paid for interest	\$ (0.9)	\$ (1.6)
Net cash paid for income taxes	(85.8)	(88.8)

**SNAP-ON INCORPORATED**  
**Condensed Consolidated Statements of Cash Flows**  
(Amounts in millions)  
(unaudited)

	<b>Six Months Ended</b>	
	<b>July 1, 2017</b>	<b>July 2, 2016</b>
<b>Operating activities:</b>		
Net earnings	\$ 301.9	\$ 274.7
Adjustments to reconcile net earnings to net cash provided (used) by operating activities:		
Depreciation	32.3	30.4
Amortization of other intangibles	13.6	12.3
Provision for losses on finance receivables	25.8	19.6
Provision for losses on non-finance receivables	4.6	4.7
Stock-based compensation expense	14.4	14.2
Deferred income tax provision (benefit)	3.1	(5.7)
Gain on sales of assets	(0.2)	-
Settlement of treasury lock	14.9	-
Changes in operating assets and liabilities, net of effects of acquisitions:		
Increase in trade and other accounts receivable	(26.8)	(5.8)
Increase in contract receivables	(5.6)	(5.5)
Increase in inventories	(48.3)	(12.0)
Increase in prepaid and other assets	(9.9)	(24.8)
Increase in accounts payable	27.7	24.1
Decrease in accruals and other liabilities	(28.0)	(22.5)
<b>Net cash provided by operating activities</b>	<b>319.5</b>	<b>303.7</b>
<b>Investing activities:</b>		
Additions to finance receivables	(458.8)	(475.1)
Collections of finance receivables	352.9	341.4
Capital expenditures	(34.4)	(40.1)
Acquisitions of businesses, net of cash acquired	(80.2)	-
Disposals of property and equipment	0.9	1.4
Other	(0.7)	(2.5)
<b>Net cash used by investing activities</b>	<b>(220.3)</b>	<b>(174.9)</b>
<b>Financing activities:</b>		
Proceeds from issuance of long-term debt	297.8	-
Repayment of long-term debt	(150.0)	-
Repayments of notes payable	-	(0.8)
Net increase (decrease) in other short-term borrowings	(52.7)	7.4
Cash dividends paid	(82.3)	(70.9)
Purchases of treasury stock	(122.5)	(58.5)
Proceeds from stock purchase and option plans	34.6	28.4
Other	(14.9)	(7.5)
<b>Net cash used by financing activities</b>	<b>(90.0)</b>	<b>(101.9)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>2.2</b>	<b>0.2</b>
<b>Increase in cash and cash equivalents</b>	<b>11.4</b>	<b>27.1</b>
Cash and cash equivalents at beginning of year	77.6	92.8
<b>Cash and cash equivalents at end of period</b>	<b>\$ 89.0</b>	<b>\$ 119.9</b>
<b>Supplemental cash flow disclosures:</b>		
Cash paid for interest	\$ (24.9)	\$ (25.5)
Net cash paid for income taxes	(99.8)	(106.5)

## Non-GAAP Supplemental Data

The following non-GAAP supplemental data is presented for informational purposes to provide readers with insight into the information used by management for assessing the operating performance of Snap-on Incorporated's ("Snap-on") non-financial services ("Operations") and "Financial Services" businesses.

The supplemental Operations data reflects the results of operations and financial position of Snap-on's tools, diagnostic and equipment products, software and other non-financial services operations with Financial Services on the equity method. The supplemental Financial Services data reflects the results of operations and financial position of Snap-on's U.S. and international financial services operations. The financing needs of Financial Services are met through intersegment borrowings and cash generated from Operations; Financial Services is charged interest expense on intersegment borrowings at market rates. Income taxes are charged to Financial Services on the basis of the specific tax attributes generated by the U.S. and international financial services businesses. Transactions between the Operations and Financial Services businesses were eliminated to arrive at the Condensed Consolidated Financial Statements.

**SNAP-ON INCORPORATED**  
**Non-GAAP Supplemental Consolidating Data - Condensed Statements of Earnings**  
**(Amounts in millions)**  
**(unaudited)**

	<b>Operations*</b>		<b>Financial Services</b>	
	<b>Three Months Ended</b>		<b>Three Months Ended</b>	
	<b>July 1, 2017</b>	<b>July 2, 2016</b>	<b>July 1, 2017</b>	<b>July 2, 2016</b>
<b>Net sales</b>	\$ 921.4	\$ 872.3	\$ -	\$ -
Cost of goods sold	(458.4)	(441.0)	-	-
<b>Gross profit</b>	463.0	431.3	-	-
Operating expenses	(279.3)	(264.9)	-	-
<b>Operating earnings before financial services</b>	183.7	166.4	-	-
<b>Financial services revenue</b>	-	-	77.7	69.3
Financial services expenses	-	-	(23.1)	(19.8)
<b>Operating earnings from financial services</b>	-	-	54.6	49.5
<b>Operating earnings</b>	183.7	166.4	54.6	49.5
Interest expense	(12.9)	(12.8)	(0.1)	(0.1)
Intersegment interest income (expense) – net	17.9	18.3	(17.9)	(18.3)
Other income (expense) – net	(1.9)	1.2	-	-
<b>Earnings before income taxes and equity earnings</b>	186.8	173.1	36.6	31.1
Income tax expense	(53.7)	(50.7)	(13.6)	(11.5)
<b>Earnings before equity earnings</b>	133.1	122.4	23.0	19.6
<b>Financial services – net earnings attributable to Snap-on</b>	23.0	19.6	-	-
Equity earnings, net of tax	0.7	1.4	-	-
<b>Net earnings</b>	156.8	143.4	23.0	19.6
Net earnings attributable to noncontrolling interests	(3.6)	(3.3)	-	-
<b>Net earnings attributable to Snap-on</b>	\$ 153.2	\$ 140.1	\$ 23.0	\$ 19.6

\* Snap-on with Financial Services on the equity method.

**SNAP-ON INCORPORATED**  
**Non-GAAP Supplemental Consolidating Data - Condensed Statements of Earnings**  
(Amounts in millions)  
(unaudited)

	<b>Operations*</b>		<b>Financial Services</b>	
	<b>Six Months Ended</b>		<b>Six Months Ended</b>	
	<b>July 1, 2017</b>	<b>July 2, 2016</b>	<b>July 1, 2017</b>	<b>July 2, 2016</b>
<b>Net sales</b>	\$ 1,808.5	\$ 1,706.5	\$ -	\$ -
Cost of goods sold	(897.5)	(859.9)	-	-
<b>Gross profit</b>	911.0	846.6	-	-
Operating expenses	(557.8)	(524.8)	-	-
<b>Operating earnings before financial services</b>	353.2	321.8	-	-
<b>Financial services revenue</b>	-	-	154.5	135.6
Financial services expenses	-	-	(47.4)	(39.1)
<b>Operating earnings from financial services</b>	-	-	107.1	96.5
<b>Operating earnings</b>	353.2	321.8	107.1	96.5
Interest expense	(25.5)	(25.8)	(0.2)	(0.2)
Intersegment interest income (expense) – net	35.4	35.6	(35.4)	(35.6)
Other income (expense) – net	(3.6)	0.5	-	-
<b>Earnings before income taxes and equity earnings</b>	359.5	332.1	71.5	60.7
Income tax expense	(103.4)	(97.4)	(26.5)	(22.4)
<b>Earnings before equity earnings</b>	256.1	234.7	45.0	38.3
<b>Financial services – net earnings attributable to Snap-on</b>	45.0	38.3	-	-
Equity earnings, net of tax	0.8	1.7	-	-
<b>Net earnings</b>	301.9	274.7	45.0	38.3
Net earnings attributable to noncontrolling interests	(7.1)	(6.3)	-	-
<b>Net earnings attributable to Snap-on</b>	\$ 294.8	\$ 268.4	\$ 45.0	\$ 38.3

\* Snap-on with Financial Services on the equity method.

**SNAP-ON INCORPORATED**  
**Non-GAAP Supplemental Consolidating Data - Condensed Balance Sheets**  
**(Amounts in millions)**  
**(unaudited)**

	<b>Operations*</b>		<b>Financial Services</b>	
	<b>July 1, 2017</b>	<b>December 31, 2016</b>	<b>July 1, 2017</b>	<b>December 31, 2016</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 88.9	\$ 77.5	\$ 0.1	\$ 0.1
Intersegment receivables	19.8	15.0	-	-
Trade and other accounts receivable – net	644.6	598.2	0.7	0.6
Finance receivables – net	-	-	496.5	472.5
Contract receivables – net	8.0	7.9	74.4	80.2
Inventories – net	601.4	530.5	-	-
Prepaid expenses and other assets	125.3	122.4	1.4	1.1
<b>Total current assets</b>	<b>1,488.0</b>	<b>1,351.5</b>	<b>573.1</b>	<b>554.5</b>
Property and equipment – net	461.9	423.8	1.5	1.4
Investment in Financial Services	302.7	288.7	-	-
Deferred income tax assets	46.6	49.1	25.2	23.7
Intersegment long-term notes receivable	508.4	584.7	-	-
Long-term finance receivables – net	-	-	998.6	934.5
Long-term contract receivables – net	11.3	11.2	288.1	275.5
Goodwill	899.2	895.5	-	-
Other intangibles – net	256.3	184.6	-	-
Other assets	52.8	47.9	0.1	0.1
<b>Total assets</b>	<b>\$ 4,027.2</b>	<b>\$ 3,837.0</b>	<b>\$ 1,886.6</b>	<b>\$ 1,789.7</b>
<b>Liabilities and Equity</b>				
Notes payable and current maturities of long-term debt	\$ 100.2	\$ 151.4	\$ 250.0	\$ 150.0
Accounts payable	201.6	170.3	0.7	0.6
Intersegment payables	-	-	19.8	15.0
Accrued benefits	43.7	52.8	-	-
Accrued compensation	67.0	85.7	2.5	4.1
Franchisee deposits	65.7	66.7	-	-
Other accrued liabilities	317.7	292.1	31.9	22.8
<b>Total current liabilities</b>	<b>795.9</b>	<b>819.0</b>	<b>304.9</b>	<b>192.5</b>
Long-term debt and intersegment long-term debt	-	-	1,264.0	1,293.5
Deferred income tax liabilities	21.9	13.1	-	-
Retiree health care benefits	35.1	36.7	-	-
Pension liabilities	213.9	246.5	-	-
Other long-term liabilities	87.4	86.5	15.0	15.0
<b>Total liabilities</b>	<b>1,154.2</b>	<b>1,201.8</b>	<b>1,583.9</b>	<b>1,501.0</b>
<b>Total shareholders' equity attributable to Snap-on</b>	<b>2,854.9</b>	<b>2,617.2</b>	<b>302.7</b>	<b>288.7</b>
Noncontrolling interests	18.1	18.0	-	-
<b>Total equity</b>	<b>2,873.0</b>	<b>2,635.2</b>	<b>302.7</b>	<b>288.7</b>
<b>Total liabilities and equity</b>	<b>\$ 4,027.2</b>	<b>\$ 3,837.0</b>	<b>\$ 1,886.6</b>	<b>\$ 1,789.7</b>

\* Snap-on with Financial Services on the equity method.

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