



Powerful Brands
Innovative Products
Exceptional People
Operational Excellence



2015 Annual Results Presentation

March 16, 2016

Frank Chan

2015 Full Year Results

(US\$ m)	<u>2014</u>	<u>2015</u>	<u>Change</u>	<u>Excl. F/X</u>
Sales	\$4,753	\$5,038	+6.0%	+10.5%
Gross Profit	\$1,673	\$1,798	+7.4%	
Gross Margin %	35.2%	35.7%	+50bps	
EBIT	\$351	\$400	+14.0%	
<i>% of sales</i>	<i>7.4%</i>	<i>7.9%</i>		
Net Profit	\$300	\$354	+18.0%	
<i>% of sales</i>	<i>6.3%</i>	<i>7.0%</i>		
EPS (cents)	16.41¢	19.37¢	+18.0%	
Final Dividend (HK cents)	19.00¢	23.25¢	+22.4%	

2015 Segment Results

(US\$ m)		<u>2014</u>	<u>2015</u>	<u>Change</u>	<u>Excl. F/X</u>
<u>Segment</u>					
Power Equip.	Sales	\$3,553	\$3,972	+11.8%	+16.8%
	<i>Segment %</i>	<i>74.7%</i>	<i>78.8%</i>		
	Op Profit	\$292	\$379	+29.7%	
	<i>% of sales</i>	<i>8.2%</i>	<i>9.5%</i>		
Floor Care	Sales	\$1,200	\$1,066	-11.2%	-8.1%
	<i>Segment %</i>	<i>25.3%</i>	<i>21.2%</i>		
	Op Profit	\$58	\$21	-64.6%	
	<i>% of sales</i>	<i>4.8%</i>	<i>2.0%</i>		

2015 Region Sales

(US\$ m)	<u>2014</u>	<u>2015</u>	<u>Change</u>	<u>Excl. F/X</u>
<u>Region</u>				
North America	\$3,393	\$3,772	+11.2%	+12.1%
<i>Region %</i>	71.4%	74.9%		
EMEA	\$969	\$861	-11.1%	+5.1%
<i>Region %</i>	20.4%	17.1%		
ROW (Rest of World)	\$391	\$405	+3.5%	+18.9%
<i>Region %</i>	8.2%	8.0%		

2015 Income Statement

(US\$ m)	<u>2014</u>	<u>2015</u>	<u>Change</u>
Sales	\$4,753	\$5,038	+6.0%
Gross Margin	\$1,673	\$1,798	+7.4%
<i>% of sales</i>	<i>35.2%</i>	<i>35.7%</i>	
Selling, Distribution, & Advertising	\$644	\$697	+8.4%
Administrative Expenses	\$564	\$578	+2.4%
Research & Development	\$118	\$128	+8.3%
Total SG&A Expenses	\$1,326	\$1,403	+5.8%
<i>% of sales</i>	<i>27.9%</i>	<i>27.9%</i>	
Net Finance Cost	\$25	\$13	-48.8%
Profit before Income Tax	\$325	\$387	+19.0%
Income Tax Expenses	\$26	\$33	+27.8%
Net Profit	\$300	\$354	+18.0%
<i>% of sales</i>	<i>6.3%</i>	<i>7.0%</i>	

2015 Financial Position

(US\$ m)	<u>2014</u>	<u>2015</u>	<u>Change</u>
Non-current Assets	\$1,616	\$1,809	+12.0%
Current Assets	\$2,736	\$2,993	+9.4%
Current Liabilities	\$1,947	\$2,069	+6.3%
Net Current Assets	\$788	\$924	+17.2%
Long-term Liabilities	\$437	\$578	+32.2%
Equity	\$1,967	\$2,156	+9.6%
Interest Coverage (x)	13.0x	24.8x	

2015 Gearing Ratio

(Net Debt / Equity)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Gearing	59.3%	25.8%	10.6%	10.0%	13.4%*

* 9.9% excluding \$70M Corporate Office purchase

2015 Key Financial Figures

(US\$ m)	<u>2014</u>	<u>2015</u>	<u>Change</u>
Inventory	\$1,056	\$1,190	
<i>Days</i>	<i>81</i>	<i>86</i>	<i>+5 days</i>
Receivables	\$773	\$828	
<i>Days</i>	<i>59</i>	<i>60</i>	<i>+1 day</i>
Payables	\$1,135	\$1,160	
<i>Days</i>	<i>87</i>	<i>84</i>	<i>-3 days</i>
Net Working Capital	\$694	\$858	
<i>% of Sales</i>	<i>14.6%</i>	<i>17.0%</i>	
Cash Balance	\$690	\$775	+12.2%
CAPEX	\$154	\$162	+4.7%

2015 Debt Profile

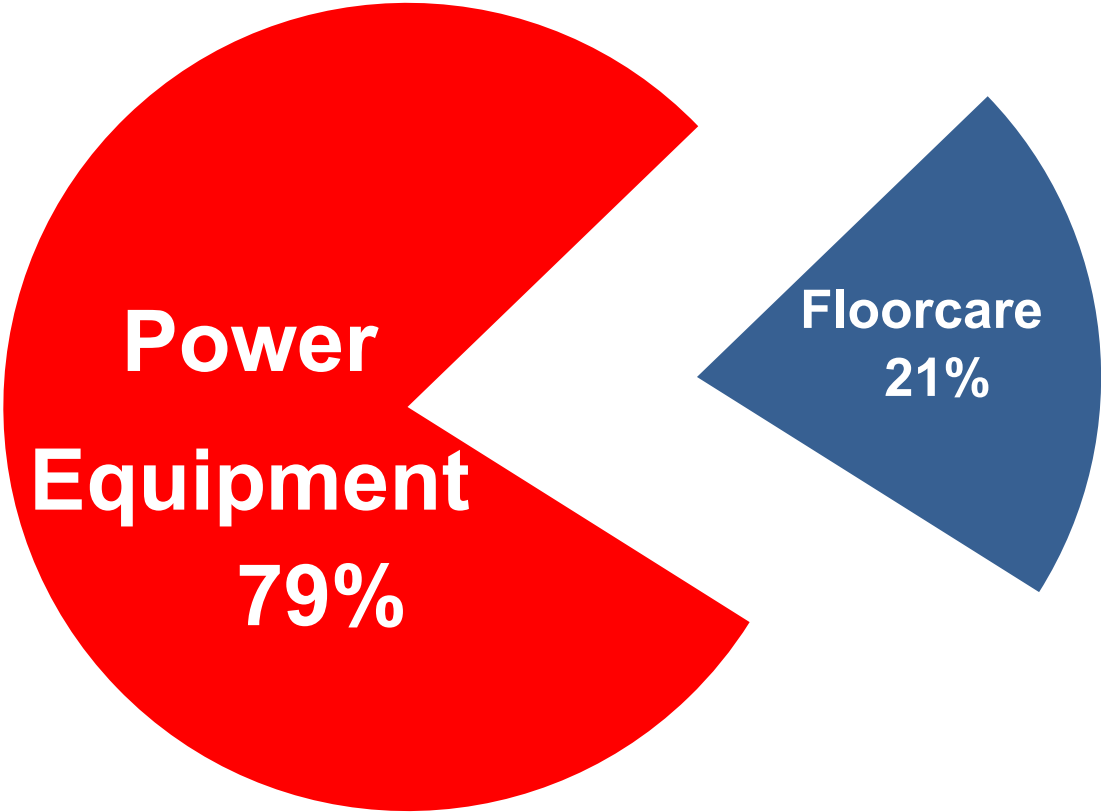
(US\$ m)		<u>2014</u>	<u>2015</u>	<u>Change</u>
Cash Balance		\$690	\$775	+12.3%
<i>Debt with Fixed Maturities</i>		\$550	\$498	-9.5%
<i>Working Capital Financing</i>		\$338	\$566	+67.6%
Total Debt		\$888	\$1,064	+19.8%
Total Net Debt		\$198	\$289	+46.3%
Floating Rate	89%	\$792	100% \$1,064	+34.3%
Fixed Rate	11%	\$96	0% \$0	N/A

Joe Galli

2015 Full Year Sales

(US \$m)	<u>2014</u>	<u>2015</u>
Sales	\$4,753	\$5,038
% chg		+6.0%
% chg excluding F/X		+10.5%

2015 Sales



+16.8%
Excl. F/X

-8.1%
Excl. F/X

2015 Sales

REGION (US \$m)	<u>Sales</u>	<u>Excl. F/X</u>
NA	\$3,772	+12.1%
EMEA	\$861	+5.1%
ROW	\$405	+18.9%

2015 Full Year Results

(US \$m)	<u>2014</u>	<u>2015</u>	<u>Change</u>	<u>Excl. F/X</u>
Sales	\$4,753	\$5,038	+6.0%	+10.5%
Gross Margin %	35.2%	35.7%	+50bps	
EBIT	\$351	\$400	+14.0%	
<i>% of sales</i>	<i>7.4%</i>	<i>7.9%</i>		
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EPS (cents)	16.41¢	19.37¢	+18.0%	

Gross Margin Trend

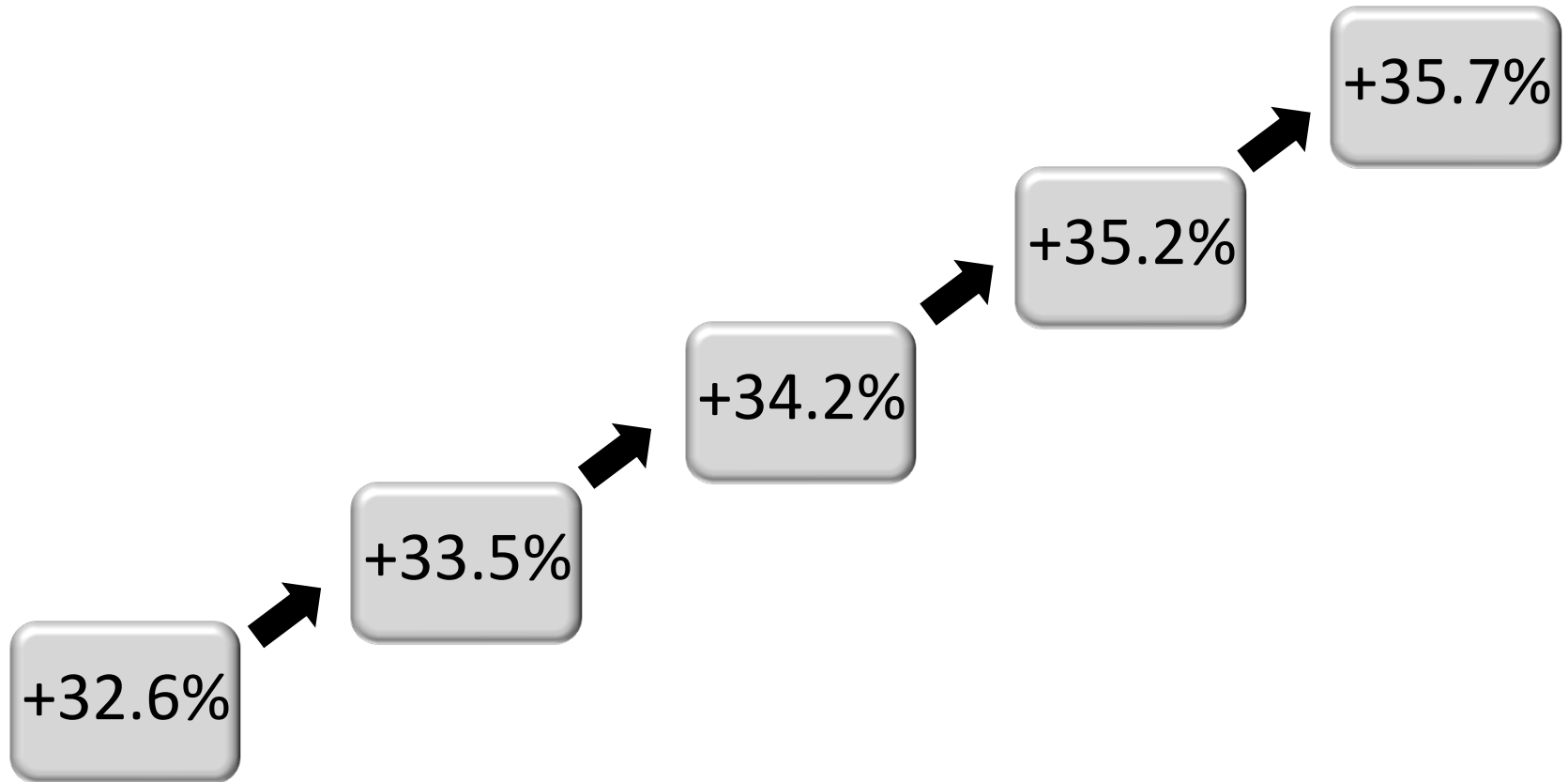
2011

2012

2013

2014

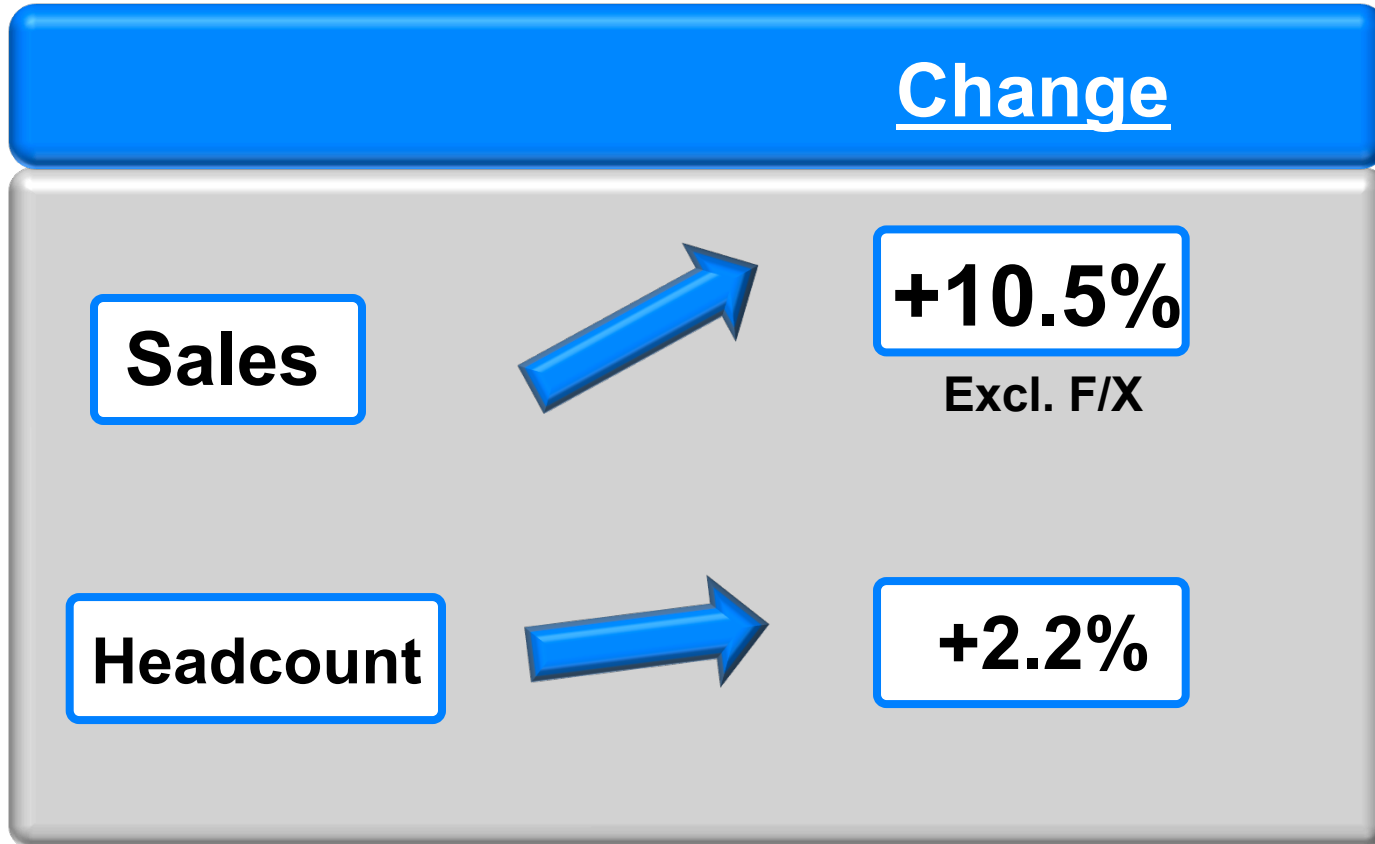
2015



2015 Working Capital

(US\$ m)	<u>2014</u>	<u>2015</u>	<u>Change</u>
Inventory	\$1,056	\$1,190	
<i>Days</i>	81	86	+5 days
Trade Rec	\$773	\$828	
<i>Days</i>	59	60	+1 day
Trade Payables	\$1,135	\$1,160	
<i>Days</i>	87	84	-3 days
Net Working Capital	\$694	\$858	
WC % of Sales	14.6%	17.0%	

Productivity Progress



2015 Sales



+23.7%

Excl. F/X



2015 Sales

REGION	<u>Excl. F/X</u>
NA	+24.6%
EMEA	+24.0%
ROW	+15.5%

Power Equipment

2015 Sales

+16.8%

Excl. F/X



Milwaukee[®]

The Milwaukee logo is rendered in a white, stylized, gothic-style script font. A white lightning bolt graphic is positioned below the text, extending from the left side of the 'M' towards the right, passing under the 'w' and 'a'.

FUEL[™]
DRIVEN TO OUTPERFORM.[™]

Milwaukee[®]

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M18™ **FUEL**™

DRIVEN TO OUTPERFORM.™

FINISH NAILERS

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M12™ **FUEL**™

DRIVEN TO OUTPERFORM.™

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M18™ **FUEL**™
DRIVEN TO OUTPERFORM.™

ONE  KEY™
UNLOCKING THE DIGITAL JOBSITE.™

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ELECTRICAL SOLUTIONS

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SHOCKWAVE  **IMPACT DUTY** TM

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TAPE MEASURES

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CHALK REELS

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WORK GLOVES



**HAND TOOLS
PLUMBING SOLUTIONS**

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INKZALL MARKERS

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HAND TOOLS

Empire  [®]

AEG
POWERTOOLS



18VLITHIUM



18V LITHIUM

OUTDOOR PRODUCTS



40VLITHIUM

OUTDOOR PRODUCTS



OUTDOOR PRODUCTS
PRESSURE WASHERS



ORECK®

vax®

**Dirt
Devil**®
A red graphic element resembling a stylized swirl or a vacuum cleaner's suction head, positioned below the word 'Devil'.



®

cordless

vax[®]
CORDLESS



COMMERCIAL

