



Powerful Brands
Innovative Products
Exceptional People
Operational Excellence



2016 1H Interim Results Presentation

August 18, 2016

Frank Chan

1H 2016 Results

2016 1st Half Results

(US\$ m)	<u>1H 2015</u>	<u>1H 2016</u>	<u>Change</u>	<u>Excl. F/X</u>
Sales	\$2,474	\$2,686	+8.6%	+9.7%
Gross Profit	\$881	\$969	+9.9%	
Gross Margin %	35.6%	36.1%	+50 bps	
EBIT	\$181	\$201	+11.3%	
<i>% of sales</i>	<i>7.3%</i>	<i>7.5%</i>		
Net Profit	\$159	\$177	+11.6%	
<i>% of sales</i>	<i>6.4%</i>	<i>6.6%</i>		
EPS (cents)	8.67¢	9.69¢	+11.7%	
Interim Dividend (HK cents)	16.00¢	20.00¢	+25.0%	

2016 1st Half Segment Results

(US\$ m)		<u>1H 2015</u>	<u>1H 2016</u>	<u>Change</u>	<u>Excl. F/X</u>
<u>Segment</u>					
Power Equip.	Sales	\$1,958	\$2,204	+12.6%	+ 13.6%
	<i>Segment %</i>	79.1%	82.1%		
	Op Profit	\$160	\$185	+15.4%	
	<i>% of sales</i>	8.2%	8.4%		
Floorcare & Appliance	Sales	\$516	\$481	-6.7%	-5.3%
	<i>Segment %</i>	20.9%	17.9%		
	Op Profit	\$21	\$16	-20.8%	
	<i>% of sales</i>	4.0%	3.4%		

2016 1st Half Region Sales

(US\$ m)	<u>1H 2015</u>	<u>1H 2016</u>	<u>Change</u>	<u>Excl. F/X</u>
<u>Region</u>				
North America	\$1,844	\$2,023	+9.7%	+10.1%
<i>Region %</i>	74.6%	75.3%		
EMEA	\$441	\$465	+5.5%	+7.3%
<i>Region %</i>	17.8%	17.3%		
ROW (Rest of World)	\$188	\$197	+4.8%	+11.4%
<i>Region %</i>	7.6%	7.4%		

2016 1st Half Income Statement

(US\$ m)	<u>1H 2015</u>	<u>1H 2016</u>	<u>Change</u>
Sales	\$2,474	\$2,686	+8.6%
Gross Margin	\$881	\$969	+9.9%
<i>% of sales</i>	<i>35.6%</i>	<i>36.1%</i>	
Selling, Distribution, & Advertising	\$359	\$400	+11.3%
Administrative Expenses	\$278	\$299	+7.6%
Research & Development	\$66	\$71	+8.4%
Total SG&A Expenses	\$703	\$770	+9.5%
<i>% of sales</i>	<i>28.4%</i>	<i>28.7%</i>	
Net Finance Cost	\$8	\$8	--
Profit before Income Tax	\$173	\$193	+11.5%
Income Tax Expenses	\$15	\$16	+11.5%
Net Profit	\$159	\$177	+11.6%
<i>% of sales</i>	<i>6.4%</i>	<i>6.6%</i>	

2016 1st Half Financial Position

(US\$ m)	<u>1H 2015</u>	<u>1H 2016</u>	<u>Change</u>
Non-current Assets	\$1,711	\$1,864	+9.0%
Current Assets	\$2,942	\$3,214	+9.3%
Current Liabilities	\$2,092	\$2,236	+6.9%
Net Current Assets	\$850	\$978	+15.2%
Long-term Liabilities	\$511	\$610	+19.3%
Equity	\$2,049	\$2,233	+9.0%
Interest Coverage (x)	20.3x	24.5x	

2016 1st Half Gearing Trend

	<u>1H 2012</u>	<u>1H 2013</u>	<u>1H 2014</u>	<u>1H 2015</u>	<u>1H 2016</u>
Gearing	37.4%	26.2%	22.8%	17.7%	16.0%

2016 1st Half Key Financial Figures

(US\$ m)	<u>1H 2015</u>	<u>1H 2016</u>	<u>Change</u>
Inventory	\$1,131	\$1,341	
<i>Days</i>	83	93	+10 days
Receivables	\$863	\$948	
<i>Days</i>	63	66	+3 days
Payables	\$1,145	\$1,274	
<i>Days</i>	84	89	+5 days
Net Working Capital	\$849	\$1,015	
<i>% of Sales</i>	17.1%	19.3%	
Cash Balance	\$725	\$744	+2.6%
CAPEX	\$67	\$81	+22.2%

2016 1st Half Debt Profile

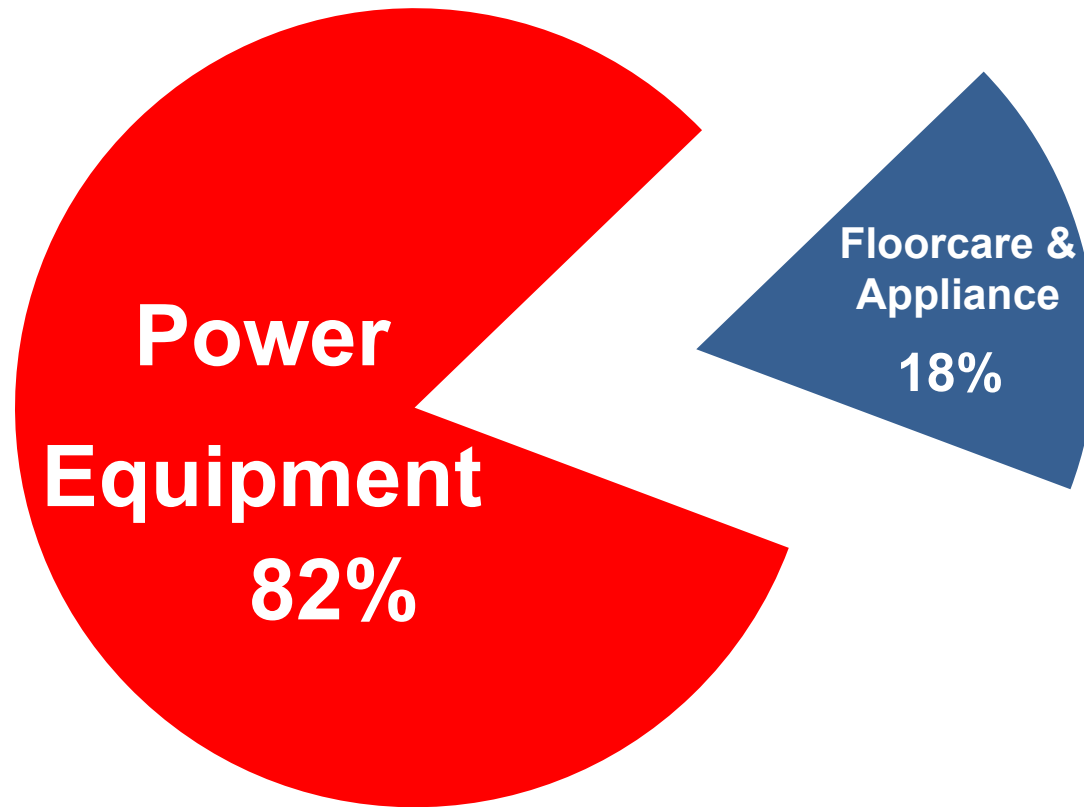
(US\$ m)	<u>1H 2015</u>	<u>1H 2016</u>	<u>Change</u>
Cash Balance	\$725	\$744	+2.6%
<i>Debt with Fixed Maturities</i>	\$552	\$553	+0.3%
<i>Working Capital Financing</i>	\$537	\$547	+1.9%
Total Debt	\$1,089	\$1,100	+1.1%
Total Net Debt	\$364	\$357	-2.0%
Floating Rate	100% \$1,089	100% \$1,100	+1.1%
Fixed Rate	0% \$0	0% \$0	--

Joe Galli

2016 1st Half Sales Growth

(US \$m)	<u>1H 2015</u>	<u>1H 2016</u>
Sales	\$2,474	\$2,686
% chg		+8.6%
% chg Local Curr		+9.7%

2016 Sales



+13.6%

Local Curr

-5.3%

Local Curr

2016 1st Half Results

(US\$ m)	<u>1H 2015</u>	<u>1H 2016</u>	<u>Change</u>	<u>Local Curr</u>
Sales	\$2,474	\$2,686	+8.6%	+9.7%
Gross Margin %	35.6%	36.1%	+50 bps	
EBIT	\$181	\$201	+11.3%	
<i>% of sales</i>	<i>7.3%</i>	<i>7.5%</i>		
Net Profit	\$159	\$177	+11.6%	
<i>% of sales</i>	<i>6.4%</i>	<i>6.6%</i>		
EPS (cents)	8.67¢	9.69¢	+11.7%	

1H Gross Margin Trend

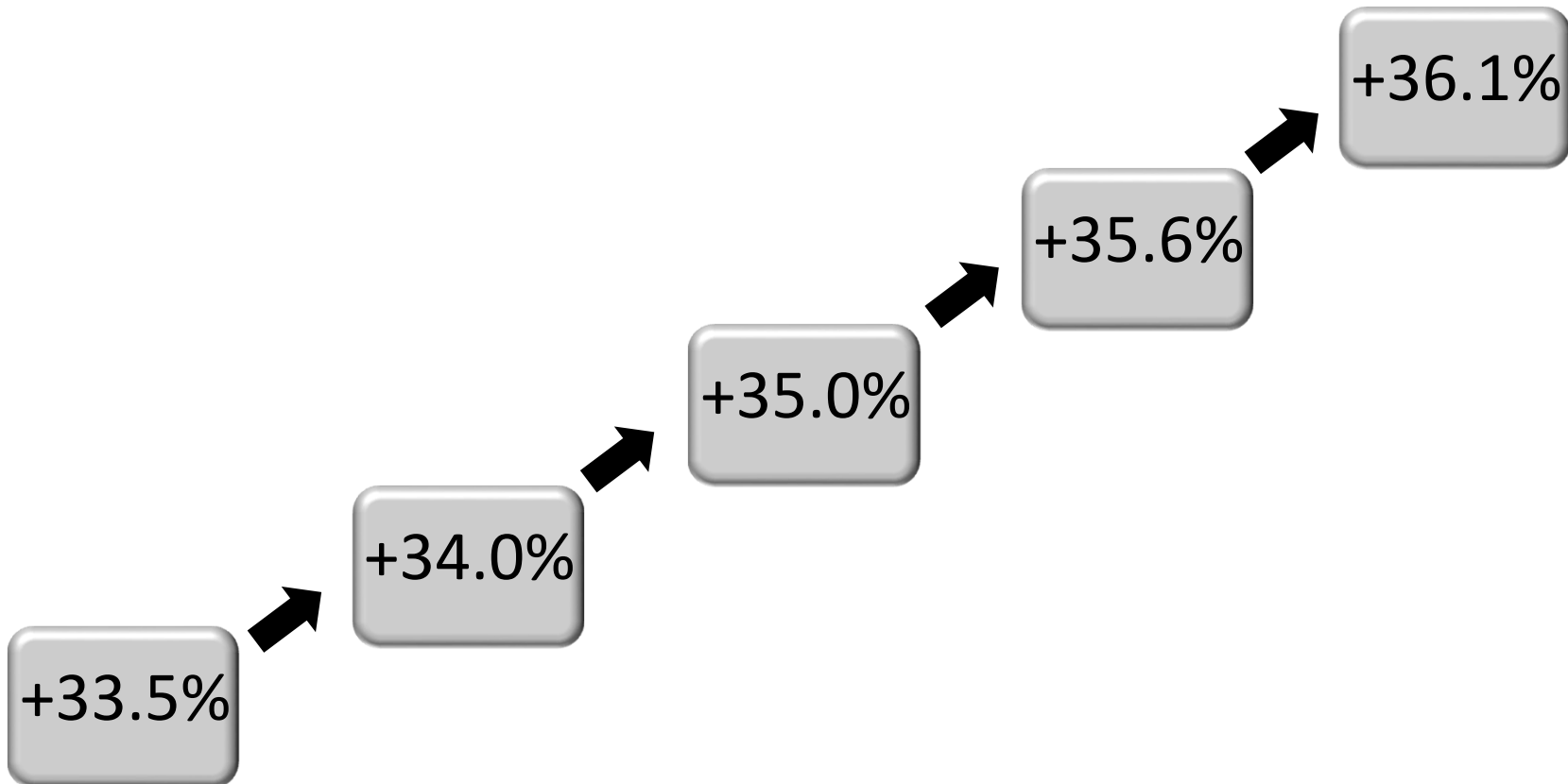
2012

2013

2014

2015

2016



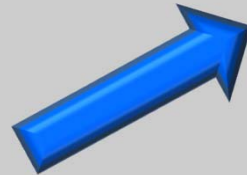
2016 1st Half Working Capital

(US\$ m)	<u>1H 2015</u>	<u>1H 2016</u>	<u>Change</u>
Inventory	\$1,131	\$1,341	
<i>Days</i>	<i>83</i>	<i>93</i>	<i>+10 days</i>
Receivables	\$863	\$948	
<i>Days</i>	<i>63</i>	<i>66</i>	<i>+3 days</i>
Payables	\$1,145	\$1,274	
<i>Days</i>	<i>84</i>	<i>89</i>	<i>+5 days</i>
Net Working Capital	\$849	\$1,015	
WC % of Sales	17.1%	19.3%	

Productivity Progress

Change

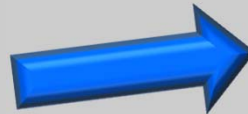
Sales



+9.7%

Local Curr

Headcount



+1.5%

1st Half Sales



+20.2%

Local Curr



1st Half 2016 Sales

REGION	<u>Local Curr</u>
NA	+ 19.9%
EMEA	+ 22.0%
ROW	+ 20.3%

Power Equipment

1st Half 2016 Sales

+13.6%

Local Curr



Milwaukee[®]

The Milwaukee logo is rendered in a white, stylized, gothic-style 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.[™]



**HIGH DEMAND
9.0 BATTERY PACK**

Milwaukee®

The Milwaukee logo is rendered in a white, stylized, italicized font. A white lightning bolt graphic is positioned below the text, extending from the left side of the word 'Milwaukee' towards the right.

M18™ **FUEL**™

DRIVEN TO OUTPERFORM.™

Milwaukee[®]

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

ONE  KEY[™]

UNLOCKING THE DIGITAL JOBSITE[™]

Milwaukee®

The Milwaukee logo is rendered in a white, stylized, italicized font. A white lightning bolt graphic is positioned below the text, extending from the bottom left towards the middle right.

M12™

The M12 logo consists of the letters 'M12' in a bold, sans-serif font. The 'M' is red, and the '12' is black. The entire logo is contained within a white rectangular box with rounded corners. A small trademark symbol (TM) is located at the bottom right of the box.



*HIGH OUTPUT
LIGHTING*

M12

M18

TM

Milwaukee[®]



HAND TOOLS

Milwaukee[®]

The Milwaukee logo is rendered in a white, stylized, italicized font. A white lightning bolt graphic is positioned below the text, extending from the left side of the word 'Milwaukee' towards the right.

LOCKING PLIERS



Milwaukee[®]

The Milwaukee logo is rendered in a white, stylized, italicized font. A white lightning bolt graphic is positioned below the text, extending from the left side of the 'M' towards the right.

REDSTICK[™]
LEVELS

RYOBI®

18v ONE

+
SYSTEM



ORECK®

vax®

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



®

ORECK®

vax[®]



COMMERCIAL

