



**Powerful Brands
Innovative Products
Exceptional People
Operational Excellence**



2018 Annual Results Presentation

March 7th, 2019

Frank Chan

2018 Full Year Results

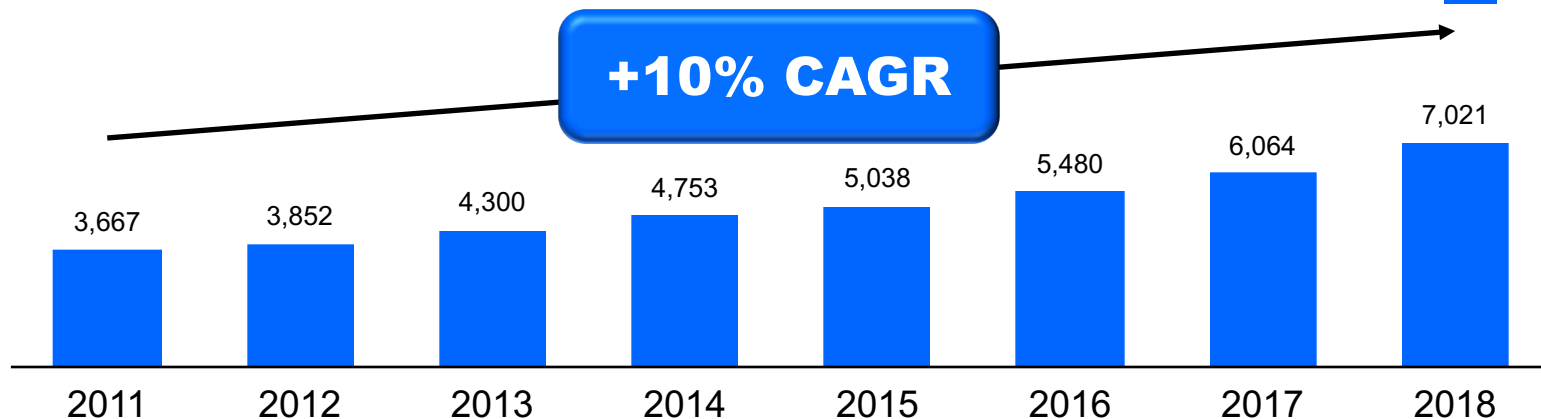
(US\$ m)	<u>2017</u>	<u>2018</u>	<u>Change</u>
Sales	\$6,064	\$7,021	+15.8%
Gross Profit	\$2,226	\$2,615	+17.4%
Gross Margin %	36.7%	37.2%	+50 bps
EBIT	\$519	\$607	+17.0%
<i>% of sales</i>	<i>8.6%</i>	<i>8.7%</i>	
Net Profit	\$470	\$552	+17.4%
<i>% of sales</i>	<i>7.8%</i>	<i>7.9%</i>	
EPS (cents)	25.66¢	30.16¢	+17.5%
Final Dividend (HK cents)	39.75¢	50.00¢	+25.8%

Sales and EBIT

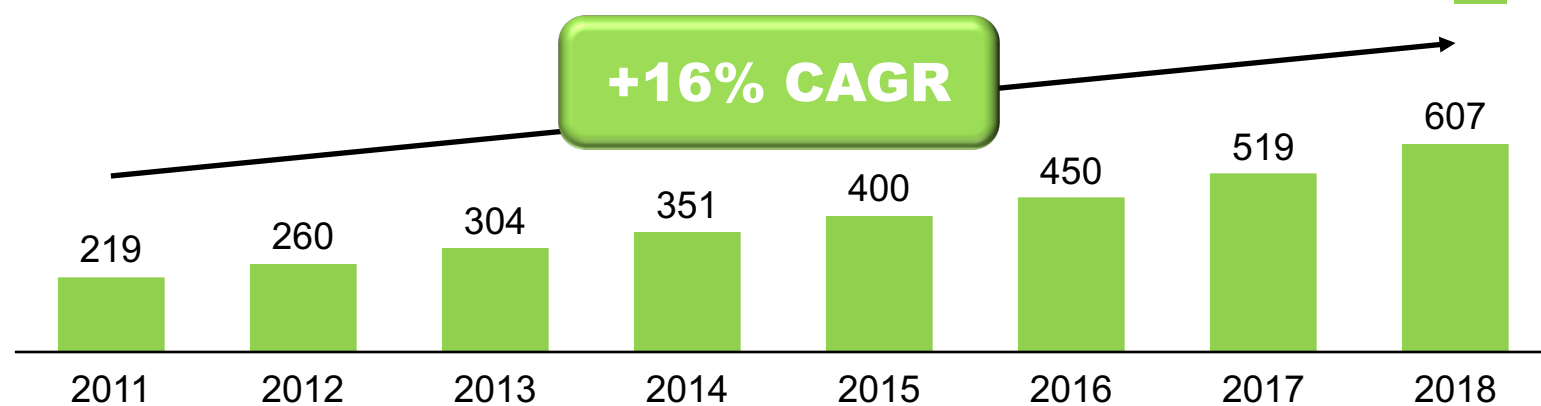
8 Year Performance Trend

(US\$ m)

■ Sales



■ EBIT



2018 Segment Results

(US\$ m)		<u>2017</u>	<u>2018</u>	<u>Change</u>
<u>Segment</u>				
Power Equip.	Sales	\$5,138	\$6,009	+17.0%
	<i>Segment %</i>	<i>84.7%</i>	<i>85.6%</i>	
	EBIT	\$512	\$598	+16.9%
	<i>% of sales</i>	<i>10.0%</i>	<i>10.0%</i>	
Floorcare & Appliance	Sales	\$926	\$1,012	+9.3%
	<i>Segment %</i>	<i>15.3%</i>	<i>14.4%</i>	
	EBIT	\$7	\$9	+22.9%
	<i>% of sales</i>	<i>0.8%</i>	<i>0.9%</i>	

2018 Region Sales

(US\$ m)	<u>2017</u>	<u>2018</u>	<u>% Growth</u>
<u>Region</u>			
North America	\$4,626	\$5,372	+16.1%
<i>Region %</i>	<i>76.3%</i>	<i>76.5%</i>	
EMEA	\$919	\$1,071	+16.6%
<i>Region %</i>	<i>15.1%</i>	<i>15.3%</i>	
ROW	\$519	\$578	+11.4%
(Rest of World)			
<i>Region %</i>	<i>8.6%</i>	<i>8.2%</i>	

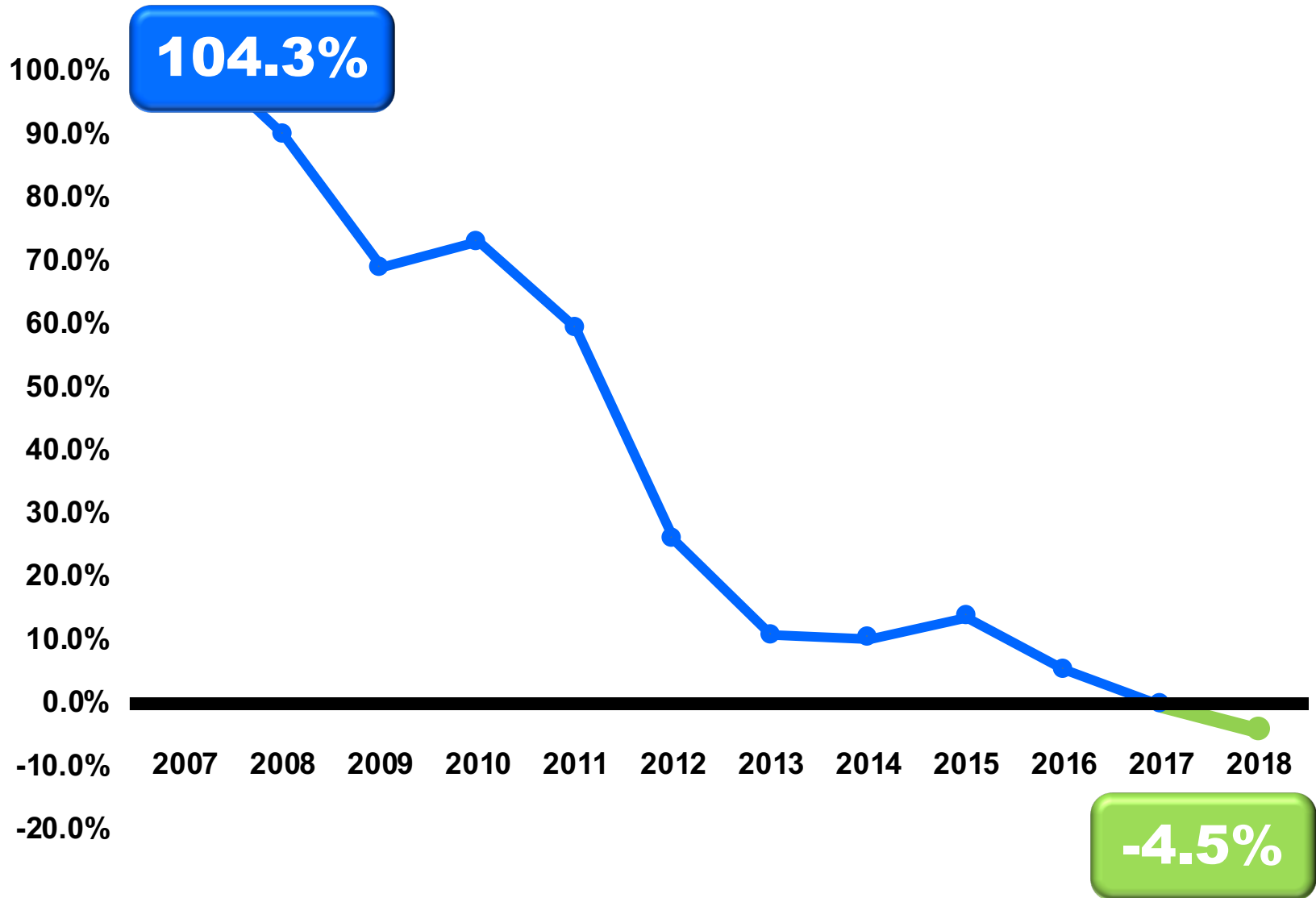
2018 Income Statement

(US\$ m)	<u>2017</u>	<u>2018</u>	<u>Change</u>
Sales	\$6,064	\$7,021	+15.8%
Gross Profit	\$2,226	\$2,615	+17.4%
<i>% of sales</i>	<i>36.7%</i>	<i>37.2%</i>	
Selling, Distribution, & Advertising	\$925	\$1,103	+19.3%
Administrative Expenses	\$624	\$708	+13.5%
Research & Development	\$163	\$203	+23.8%
Total SG&A Expenses	\$1,712	\$2,014	+17.6%
<i>% of sales</i>	<i>28.2%</i>	<i>28.7%</i>	
Net Finance Cost	\$14	\$13	-6.2%
Profit before Income Tax	\$505	\$595	+17.6%
Income Tax Expenses	\$35	\$42	+20.3%
Net Profit	\$470	\$552	+17.4%
<i>% of sales</i>	<i>7.8%</i>	<i>7.9%</i>	

2018 Financial Position

(US\$ m)	<u>2017</u>	<u>2018</u>	<u>Change</u>
Non-current Assets	\$1,964	\$2,124	+8.1%
Current Assets	\$3,634	\$4,225	+16.3%
Current Liabilities	\$2,145	\$2,616	+21.9%
Net Current Assets	\$1,489	\$1,609	+8.1%
Long-term Liabilities	\$712	\$676	-5.2%
Equity	\$2,741	\$3,057	+11.6%

2018 Gearing Trend



2018 Key Financial Figures

(US\$ m)	<u>2017</u>	<u>2018</u>	<u>Change</u>
Inventory	\$1,467	\$1,767	
<i>Days</i>	88	92	+4 days
Receivables	\$1,106	\$1,089	
<i>Days</i>	67	57	-10 days
Payables	\$1,574	\$1,922	
<i>Days</i>	95	100	+5 days
Net Working Capital	\$999	\$934	
<i>% of Sales</i>	16.5%	13.3%	
Cash Balance	\$864	\$1,104	+27.8%
CAPEX	\$205	\$259	+26.3%

2018 Debt Profile

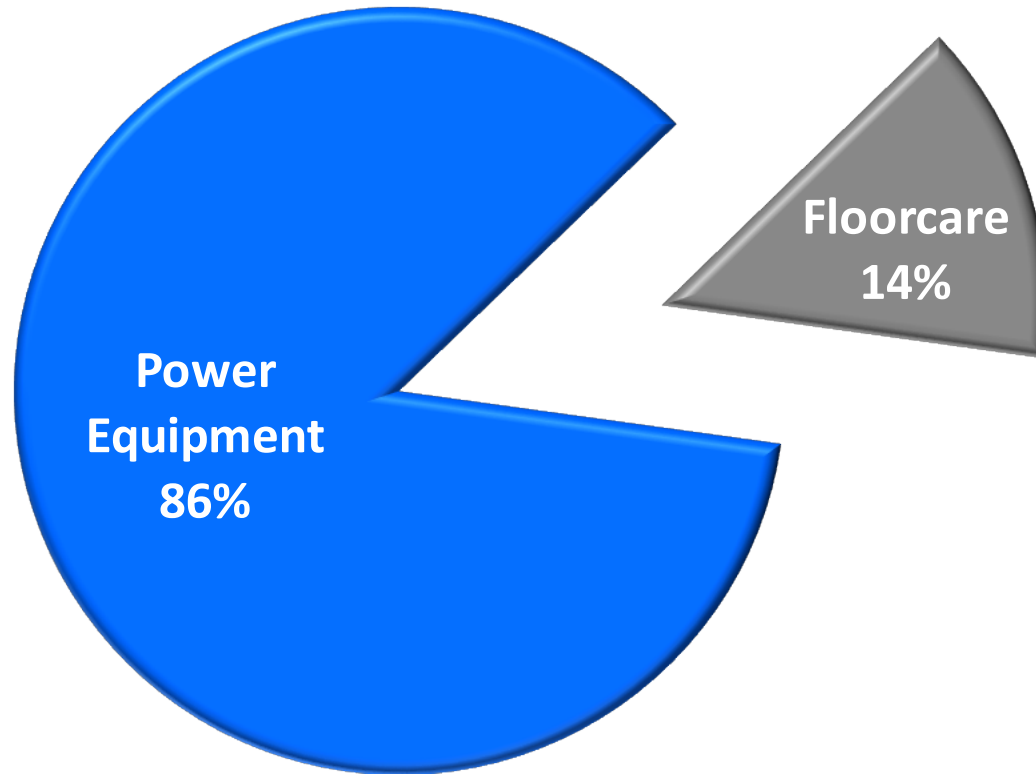
(US\$ m)		<u>2017</u>	<u>2018</u>	<u>Change</u>
Cash Balance		\$864	\$1,104	+27.8%
<i>Debt with Fixed Maturities</i>		\$564	\$566	+0.3%
<i>Working Capital Financing</i>		\$285	\$399	+40.1%
Total Debt		\$849	\$965	+13.6%
Total Net Cash		\$15	\$139	+858.1%
Floating Rate	88%	\$744	89% \$860	15.6%
Fixed Rate	12%	\$105	11% \$105	-0.2%
LT Debts - due after 1 year	66%	\$564	56% \$540	-4.0%
ST Debts - due within 1 year	34%	\$285	44% \$425	49.0%

Joe Galli

2018 Full Year Sales

(US \$m)	<u>2017</u>	<u>2018</u>
Sales	\$6,064	\$7,021
% chg		+15.8%

2018 Sales



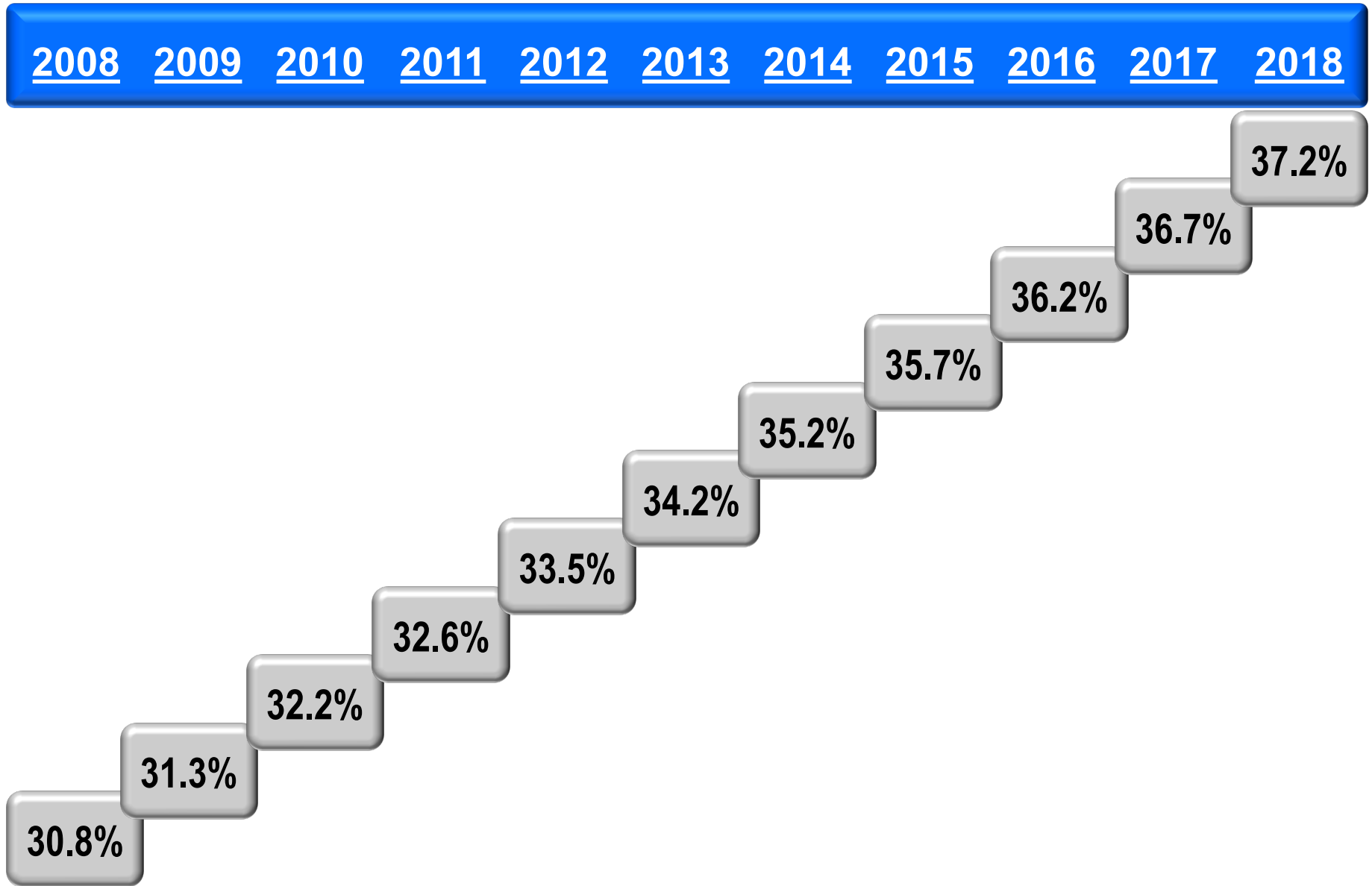
+17.0%

+9.3%

2018 Full Year Results

(US \$m)	<u>2017</u>	<u>2018</u>	<u>Change</u>
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SG&A %	28.2%	28.7%	+50 bps
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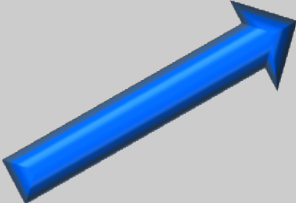
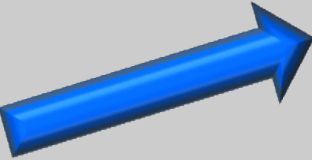
Gross Margin Trend



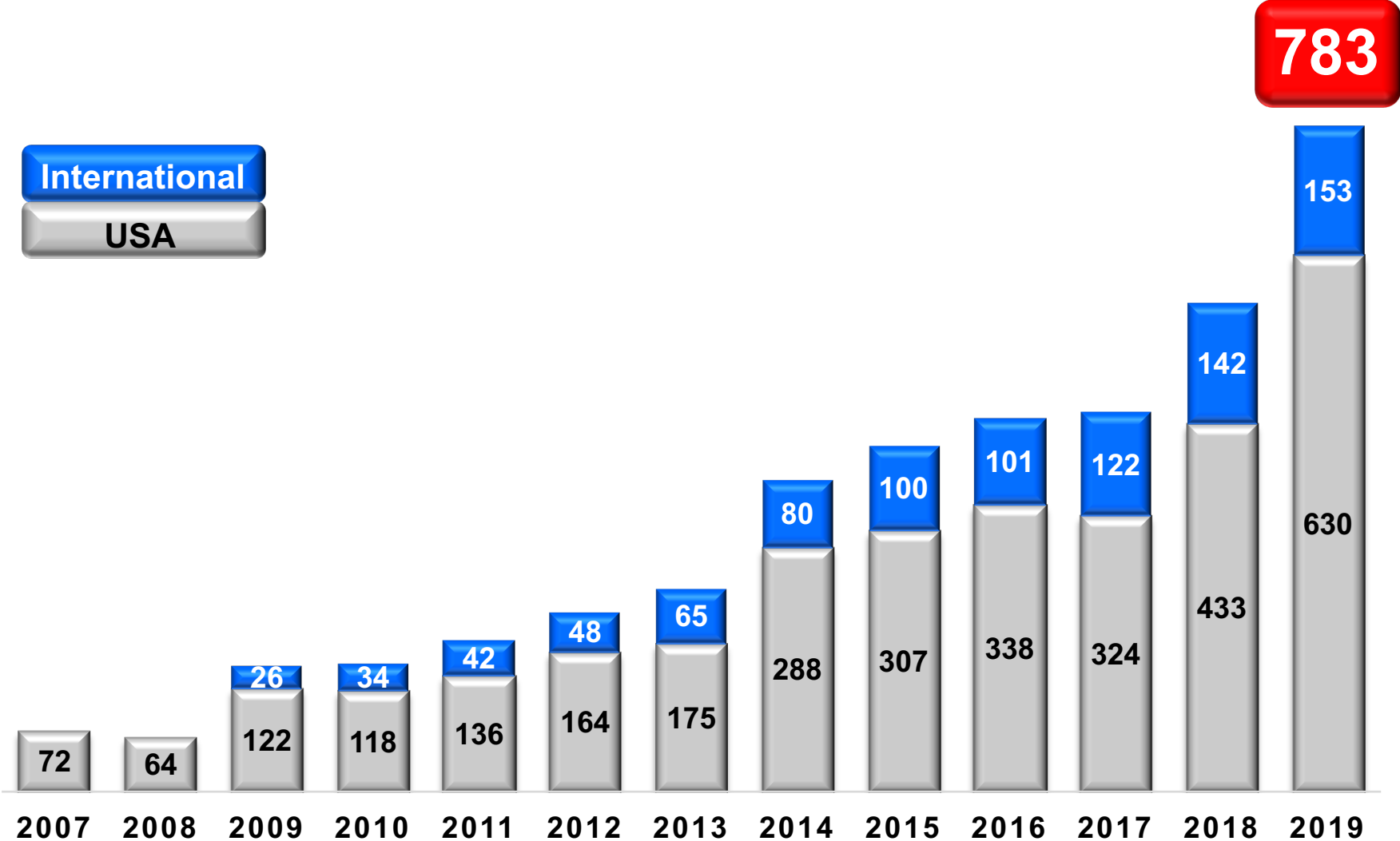
2018 Working Capital

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Receivables	\$1,106	\$1,089	
<i>Days</i>	67	57	-10 days
Payables	\$1,574	\$1,922	
<i>Days</i>	95	100	+5 days
WC % of Sales	+16.5%	+13.3%	
+\$65M Cash			

Productivity Progress

	<u>Dec 2017</u>		<u>Dec 2018</u>	<u>Change</u>
Sales	\$6,064		\$7,021	+15.8%
Headcount	22,033		23,279	+5.7%

Campus Hires – LDP





®

ONE
PWR™
S Y S T E M

CORDLESS

RYOBI®

18v ONE

+
SYSTEM



18VLITHIUM

40VLITHIUM

OUTDOOR

Milwaukee[®]



Nothing but **HEAVY DUTY.**[®]

Milwaukee[®]

The Milwaukee logo is rendered in a white, stylized, jagged 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'.

M12[™] **M18[™]**

CORDLESS REVOLUTION

Milwaukee[®]

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

M18 FUEL[™]

ONE  KEY[™]

PIPE THREADER

Milwaukee[®]

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

M18 FUEL[™]

ONE  KEY[™]

1" HIGH TORQUE IMPACT WRENCH

Milwaukee[®]

The Milwaukee logo is rendered in a white, stylized, italicized font. A large, white lightning bolt graphic is positioned below the text, extending from the left side towards the right, passing behind the letters.

M18 FUEL[™]

ONE  KEY[™]

**7/16" UTILITY HIGH TORQUE
IMPACT WRENCH**

Milwaukee[®]

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

M12[™] **M18[™]**

CORDLESS IMPACT WRENCHES

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, ending under the 'e'.

M18 FUEL[™]

4-1/2" – 6" BRAKING GRINDER

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.

M18 FUEL[™]

CORDLESS GRINDERS

Milwaukee[®]

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

M18[™]

The M18 logo consists of the letters 'M18' in a bold, sans-serif font. The 'M' is red, and the '18' is black. The entire logo is contained within a white rectangular box with rounded corners. A small 'TM' trademark symbol is located at the bottom right of the box.

**SWITCH TANK[™] SPRAYER &
WATER SUPPLY SYSTEM**

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.

M18 FUEL[™]

QUIK-LOK[™] ATTACHMENT SYSTEM

Milwaukee[®]

The Milwaukee logo is rendered in a white, stylized, jagged 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'.

M18[™]

The M18 logo consists of the letters 'M18' in a bold, sans-serif font. The 'M' is red, and the '18' is black. The entire logo is contained within a white rounded rectangular border.

OUTDOOR

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, ending under the 'e'.

HIGH OUTPUT LIGHTING

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, passing under the 'w' and 'a'.

CORDLESS



**CORDLESS TOOLS PER CORE
TRADESMAN**

Milwaukee[®]

The Milwaukee logo is rendered in a white, stylized, italicized 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'.

PACKOUT[™]



ELECTRICIAN • PLUMBER
HVAC • MRO • REMODELER
MECHANICAL
TRANSPORTATION MAINTENANCE
POWER UTILITY

Milwaukee[®]

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

POWER UTILITY

