



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



# **2017 1H Interim Results Presentation**

August 17th, 2017

**Frank Chan**

# 1H 2017 Results

# 2017 1<sup>st</sup> Half Results

(US\$ m)	<u>1H 2016</u>	<u>1H 2017</u>	<u>Change</u>	<u>Local Curr</u>
Sales	\$2,686	\$2,882	+7.3%	+8.1%
Gross Profit	\$969	\$1,056	+9.0%	
Gross Margin %	36.1%	36.6%	+50 bps	
EBIT	\$201	\$233	+15.4%	
<i>% of sales</i>	<i>7.5%</i>	<i>8.1%</i>		
Net Profit	\$177	\$204	+15.5%	
<i>% of sales</i>	<i>6.6%</i>	<i>7.1%</i>		
EPS (cents)	9.69¢	11.17¢	+15.3%	
Interim Dividend (HK cents)	20.00¢	27.75¢	+38.8%	

# 2017 1<sup>st</sup> Half Segment Results

(US\$ m)		<u>1H 2016</u>	<u>1H 2017</u>	<u>Change</u>	<u>Local Curr</u>
<b><u>Segment</u></b>					
<b>Power Equip.</b>	<b>Sales</b>	\$2,204	<b>\$2,467</b>	+11.9%	+12.5%
	<i>Segment %</i>	82.1%	85.6%		
	<b>Op Profit</b>	\$185	<b>\$232</b>	+25.6%	
	<i>% of sales</i>	8.4%	9.4%		
<b>Floorcare &amp; Appliance</b>	<b>Sales</b>	\$481	<b>\$415</b>	-13.8%	-12.1%
	<i>Segment %</i>	17.9%	14.4%		
	<b>Op Profit</b>	\$16	<b>\$1</b>	-97.8%	
	<i>% of sales</i>	3.4%	0.1%		

# 2017 1<sup>st</sup> Half Region Sales

(US\$ m)	<u>1H 2016</u>	<u>1H 2017</u>	<u>Change</u>	<u>Local Curr</u>
<b><u>Region</u></b>				
<b>North America</b>	<b>\$2,023</b>	<b>\$2,201</b>	<b>+8.8%</b>	<b>+9.0%</b>
<i>Region %</i>	<i>75.3%</i>	<i>76.4%</i>		
<b>EMEA</b>	<b>\$465</b>	<b>\$446</b>	<b>-4.1%</b>	<b>+0.8%</b>
<i>Region %</i>	<i>17.3%</i>	<i>15.5%</i>		
<b>ROW (Rest of World)</b>	<b>\$197</b>	<b>\$235</b>	<b>+19.0%</b>	<b>+16.5%</b>
<i>Region %</i>	<i>7.4%</i>	<i>8.1%</i>		

# 2017 1<sup>st</sup> Half Income Statement

(US\$ m)	<u>1H 2016</u>	<u>1H 2017</u>	<u>Change</u>
<b>Sales</b>	\$2,686	<b>\$2,882</b>	+7.3%
<b>Gross Profit</b>	\$969	<b>\$1,056</b>	+9.0%
<i>% of sales</i>	<i>36.1%</i>	<i>36.6%</i>	
Selling, Distribution, & Advertising	\$400	<b>\$431</b>	+7.7%
Administrative Expenses	\$299	<b>\$318</b>	+6.4%
Research & Development	\$71	<b>\$77</b>	+8.6%
<b>Total SG&amp;A Expenses</b>	<b>\$770</b>	<b>\$826</b>	+7.3%
<i>% of sales</i>	<i>28.7%</i>	<i>28.7%</i>	
Net Finance Cost	\$8	<b>\$9</b>	+13.7%
<b>Profit before Income Tax</b>	<b>\$193</b>	<b>\$223</b>	+15.5%
Income Tax Expenses	\$16	<b>\$19</b>	+15.6%
<b>Net Profit</b>	<b>\$177</b>	<b>\$204</b>	+15.5%
<i>% of sales</i>	<i>6.6%</i>	<i>7.1%</i>	

# 2017 1<sup>st</sup> Half Financial Position

(US\$ m)	<u>1H 2016</u>	<u>1H 2017</u>	<u>Change</u>
Non-current Assets	\$1,864	\$1,943	+4.2%
Current Assets	\$3,214	\$3,481	+8.3%
Current Liabilities	\$2,236	\$2,187	-2.2%
Net Current Assets	\$978	\$1,294	+32.3%
Long-term Liabilities	\$610	\$705	+15.6%
Equity	\$2,233	\$2,532	+13.4%



# 2017 1<sup>st</sup> Half Gearing Trend

	<u>1H 2013</u>	<u>1H 2014</u>	<u>1H 2015</u>	<u>1H 2016</u>	<u>1H 2017</u>
<b>Gearing</b>	<b>26.2%</b>	<b>22.8%</b>	<b>17.7%</b>	<b>16.0%</b>	<b>8.8%</b>

# 2017 1<sup>st</sup> Half Key Financial Figures

(US\$ m)	<u>1H 2016</u>	<u>1H 2017</u>	<u>Change</u>
<b>Inventory</b>	\$1,341	<b>\$1,415</b>	
<i>Days</i>	91	88	-3 days
<b>Receivables</b>	\$948	<b>\$1,108</b>	
<i>Days</i>	64	69	+5 days
<b>Payables</b>	\$1,274	<b>\$1,403</b>	
<i>Days</i>	86	87	+1 days
<b>Net Working Capital</b>	\$1,015	<b>\$1,119</b>	
<i>% of Sales</i>	18.8%	19.1%	
<b>Cash Balance</b>	\$744	<b>\$818</b>	+10.0%
<b>CAPEX</b>	\$81	<b>\$72</b>	-11.3%

# 2017 1<sup>st</sup> Half Debt Profile

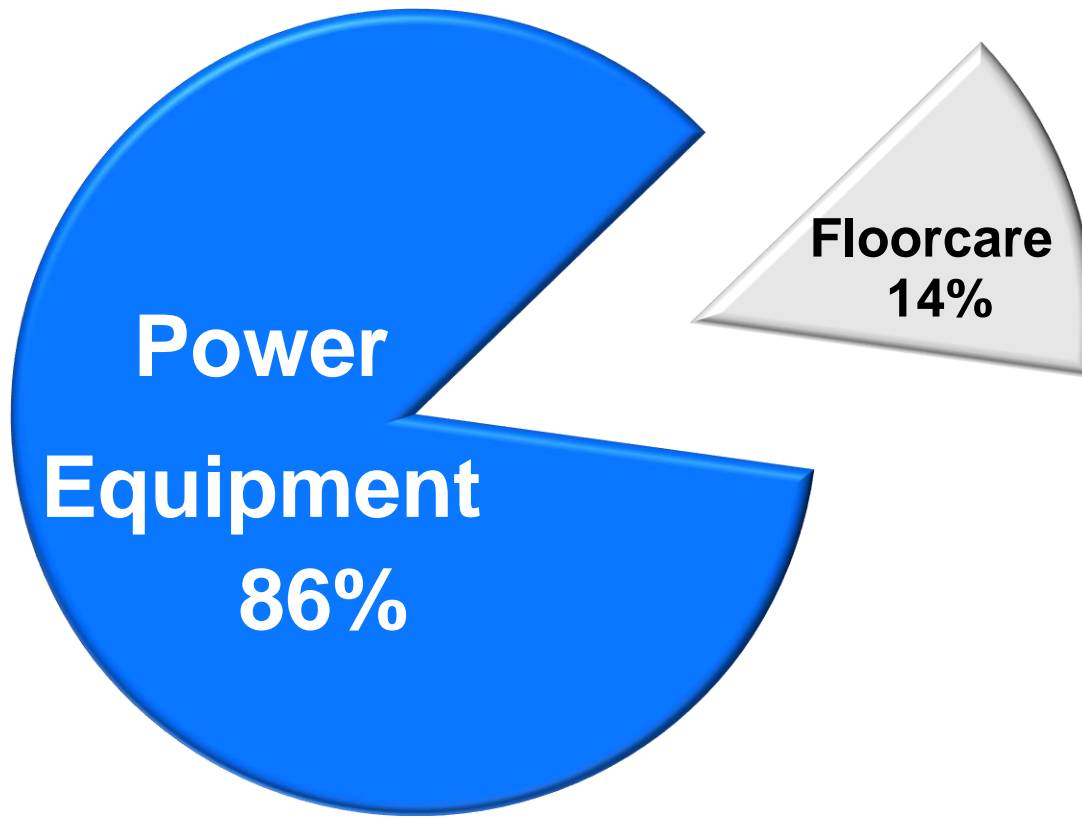
(US\$ m)	<u>1H 2016</u>		<u>1H 2017</u>		<u>Change</u>
Cash Balance		\$744		\$818	+10%
<i>Debt with Fixed Maturities</i>		\$553		\$558	+1%
<i>Working Capital Financing</i>		\$547		\$484	-12%
<b>Total Debt</b>		<b>\$1,100</b>		<b>\$1,042</b>	<b>-5%</b>
<b>Total Net Debt</b>		<b>\$357</b>		<b>\$224</b>	<b>-37%</b>
Floating Rate	100%	\$1,100	90%	\$937	-15%
Fixed Rate	0%	\$0	10%	\$105	N/A

**Joe Galli**

# 2017 1<sup>st</sup> Half Sales Growth

(US \$m)	<u>1H 2016</u>	<u>1H 2017</u>
Sales	\$2,686	\$2,882
% chg		+7.3%
% chg Local Curr		+8.1%

# 2017 1<sup>st</sup> Half Segment Sales



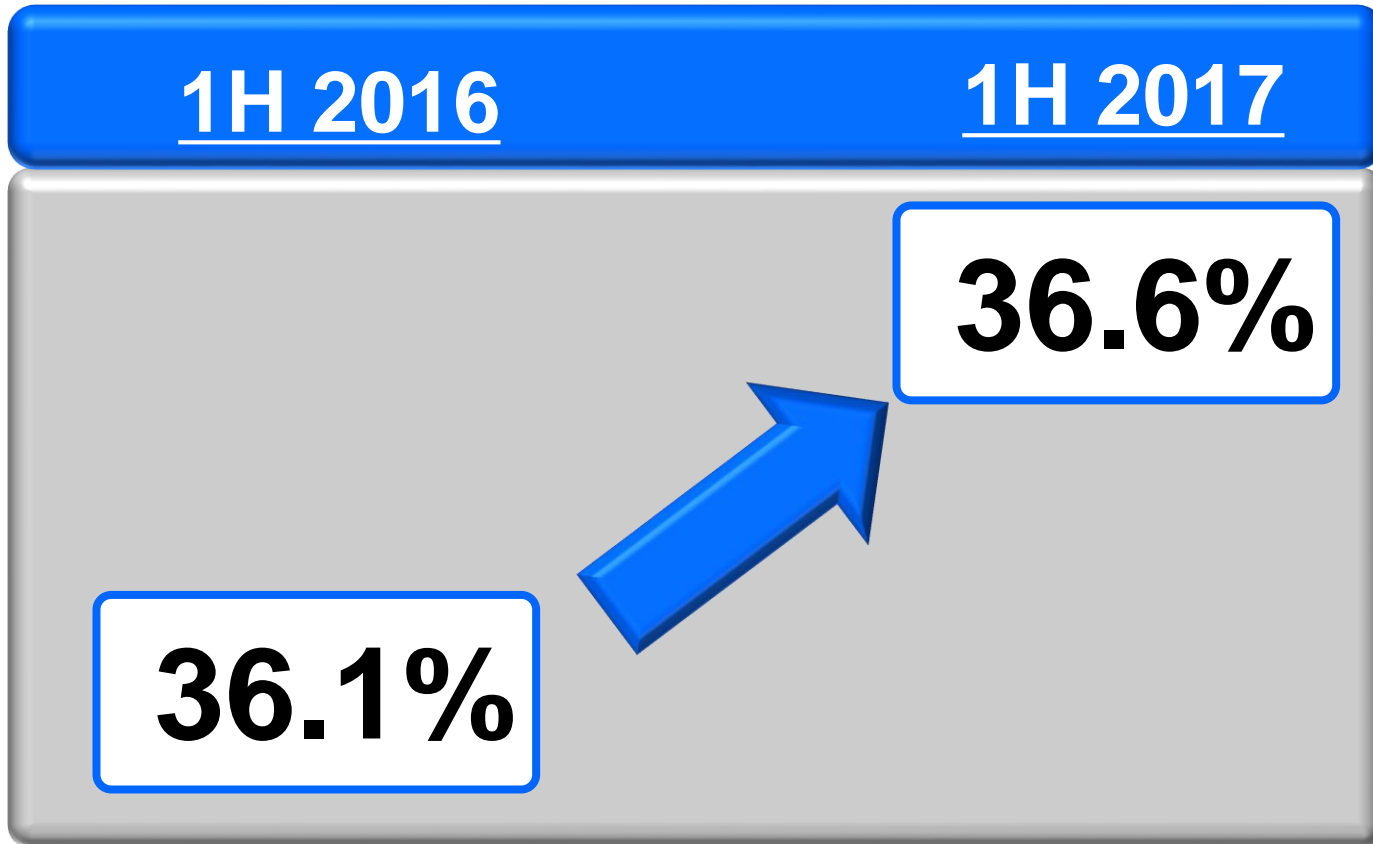
**+12.5%**

**-12.1%**

# 2017 1<sup>st</sup> Half Results

(US \$m)	<u>1H 2016</u>	<u>1H 2017</u>	<u>Change</u>	<u>Local Curr</u>
<b>Sales</b>	\$2,686	\$2,882	<b>+7.3%</b>	<b>+8.1%</b>
<b>Gross Margin %</b>	36.1%	36.6%	<b>+50bps</b>	
<b>EBIT</b>	\$201	\$233	<b>+15.4%</b>	
<i>% of sales</i>	<i>7.5%</i>	<i>8.1%</i>		
<b>Net Profit</b>	\$177	\$204	<b>+15.5%</b>	
<i>% of sales</i>	<i>6.6%</i>	<i>7.1%</i>		

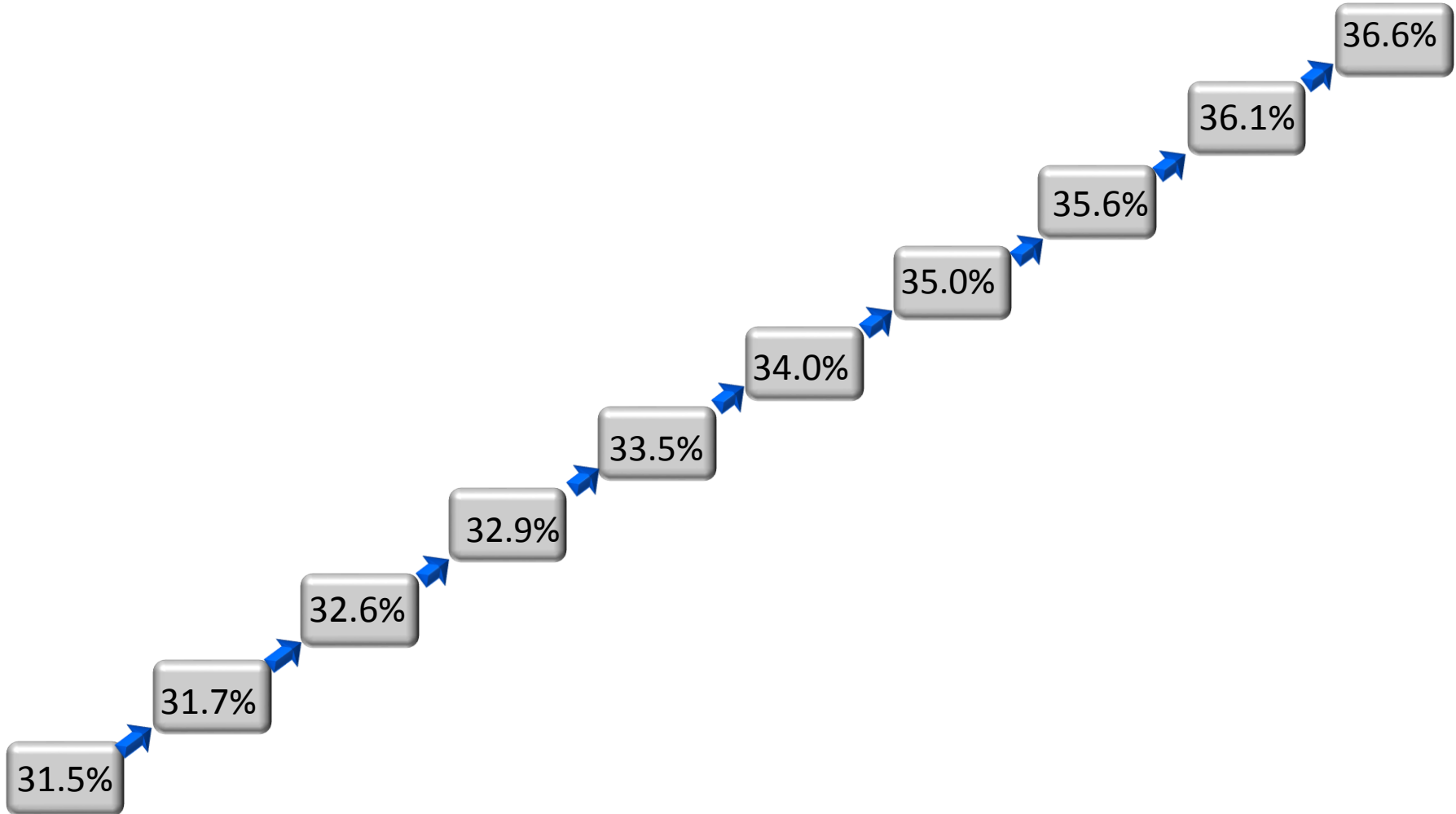
# 2017 1<sup>st</sup> Half Gross Margin



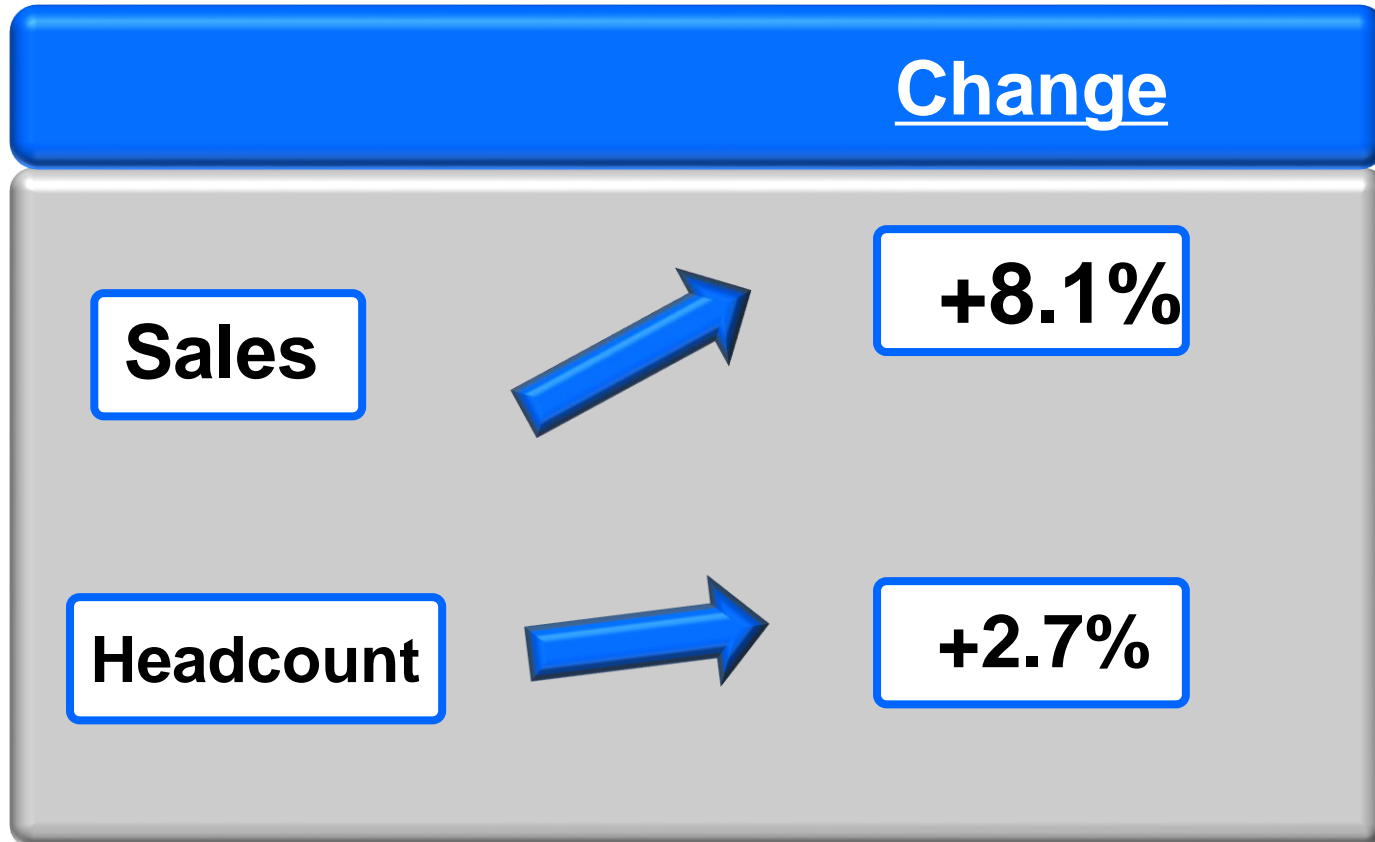


# 1<sup>st</sup> Half Gross Margin

2008   2009   2010   2011   2012   2013   2014   2015   2016   2017



# 2017 1<sup>st</sup> Half Productivity Progress



# 2017 1<sup>st</sup> Half Sales

<b>Power Equipment</b>	<b><u>Growth %</u></b>
<b>North America</b>	<b>+11.9%</b>
<b>EMEA</b>	<b>+13.8%</b>
<b>ROW</b>	<b>+16.5%</b>

# 1<sup>st</sup> Half Sales



**+20.1%**



# 2017 1<sup>st</sup> Half Sales

<u>Growth %</u>	
North America	+19.4%
EMEA	+22.1%
ROW	+23.0%

# 2017 1<sup>st</sup> Half Sales Growth

Power Equipment

Growth %

**RYOBI**<sup>®</sup>

10.4%

**AEG**

9.8%

**Milwaukee**<sup>®</sup>

20.1%

**Total:**

12.5%

**RYOBI®**

**18V ONE**

**+**  
SYSTEM



# DUAL BATTERY MITER SAW





**4-1/2" ANGLE GRINDER**



**CIRCULAR SAW**



# **18-GAUGE OFFSET SHEAR**



## **23 - GAUGE PIN NAILER**



**25FT DRAIN AUGUR**



**BOLT CUTTER**



**50 QT COOLING COOLER**



**NEW PRODUCTS**





**18V OUTDOOR**

**RYOBI**®

**18v ONE**

**+**  
SYSTEM



**40V NEW PRODUCTS**



**40V OUTDOOR**



**CORDLESS RIDING MOWER**



**CORDLESS MOWER RANGE**



**18V ONE+ Stick Vac**



**18V ONE+ Wet/Dry Vac**



Milwaukee<sup>®</sup>

The Milwaukee logo is rendered in a white, stylized, cursive 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™

**Milwaukee<sup>®</sup>**

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<sup>™</sup>**

**HIGH TORQUE  
IMPACT WRENCHES**

**Milwaukee<sup>®</sup>**

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**M18 FUEL<sup>™</sup>**

**HIGH TORQUE  
IMPACT WRENCHES**

**Milwaukee<sup>®</sup>**

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**M12 M18 FUEL<sup>™</sup>**

**IMPACT WRENCHES**

**Milwaukee<sup>®</sup>**

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**M18 FUEL<sup>™</sup>**

**7-1/4" DUAL BEVEL  
SLIDING MITER SAW**

**Milwaukee<sup>®</sup>**

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<sup>™</sup>**

**HACKZALL RECIP SAW**

**Milwaukee<sup>®</sup>**

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<sup>™</sup>**

**MUD MIXER**

**Milwaukee<sup>®</sup>**

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**M18<sup>™</sup>**

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.

**COMPACT HEAT GUN**



*Milwaukee<sup>®</sup>*

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, underlining the brand name.

**M18<sup>™</sup>**

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

**Milwaukee<sup>®</sup>**

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.

**M12 FUEL<sup>™</sup>**

**RATCHETS**

**Milwaukee<sup>®</sup>**

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<sup>™</sup>**

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 rounded rectangular border.

**STAPLER**

**Milwaukee<sup>®</sup>**

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.

**M12<sup>™</sup>**

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 enclosed in a white rectangular box with rounded corners.

**SOLDERING IRON**

Milwaukee<sup>®</sup>

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, underlining the word.

**M12**<sup>™</sup>

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

**Milwaukee<sup>®</sup>**

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 behind the letters.

**M12<sup>™</sup>**

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 enclosed in a white rectangular border with rounded corners. A small 'TM' trademark symbol is located at the bottom right of the border.

**AIR SNAKE DRAIN  
CLEANING AIR GUN**

**Milwaukee<sup>®</sup>**

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<sup>™</sup>**

**DRAIN SNAKE w/  
CABLE DRIVE**

**Milwaukee<sup>®</sup>**

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<sup>™</sup>**

**SWITCHPACK SECTIONAL  
DRUM SYSTEM**





**DRAIN CLEANING**

**Milwaukee**<sup>®</sup>

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

**M18**<sup>™</sup>

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

**ONE**  **KEY**<sup>™</sup>

The ONE KEY logo features the words 'ONE' and 'KEY' in a bold, sans-serif font. The letter 'E' in 'ONE' is replaced by a white key icon. Above the key icon are three white curved lines representing a signal or Wi-Fi symbol. The entire logo is white.

**RADIUS SITE LIGHT  
CHARGER**

**Milwaukee<sup>®</sup>**

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<sup>™</sup>**

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 rounded rectangular border.

**UNDERHOOD LIGHT**

**Milwaukee<sup>®</sup>**

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 behind the letters.

**M12** **M18**

**HIGH OUTPUT LIGHTING**



**PERSONAL LIGHTING**

**Milwaukee<sup>®</sup>**

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'.

**CARBIDE  
AX & TORCH BLADES**

*Milwaukee<sup>®</sup>*

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 'e'.

**PACKOUT STORAGE**

**Milwaukee<sup>®</sup>**

The Milwaukee logo consists of the word "Milwaukee" in a stylized, white, italicized font. Below the text is a white lightning bolt graphic that extends from the bottom left towards the right, passing under the letters.

**Screwdriver Range**





**Tape Measures**



**Hand Tools**



®

REACT™

**vax<sup>TM</sup>**

