



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



# **2017**

# **Annual Results**

# **Presentation**

March 14, 2018

**Frank Chan**

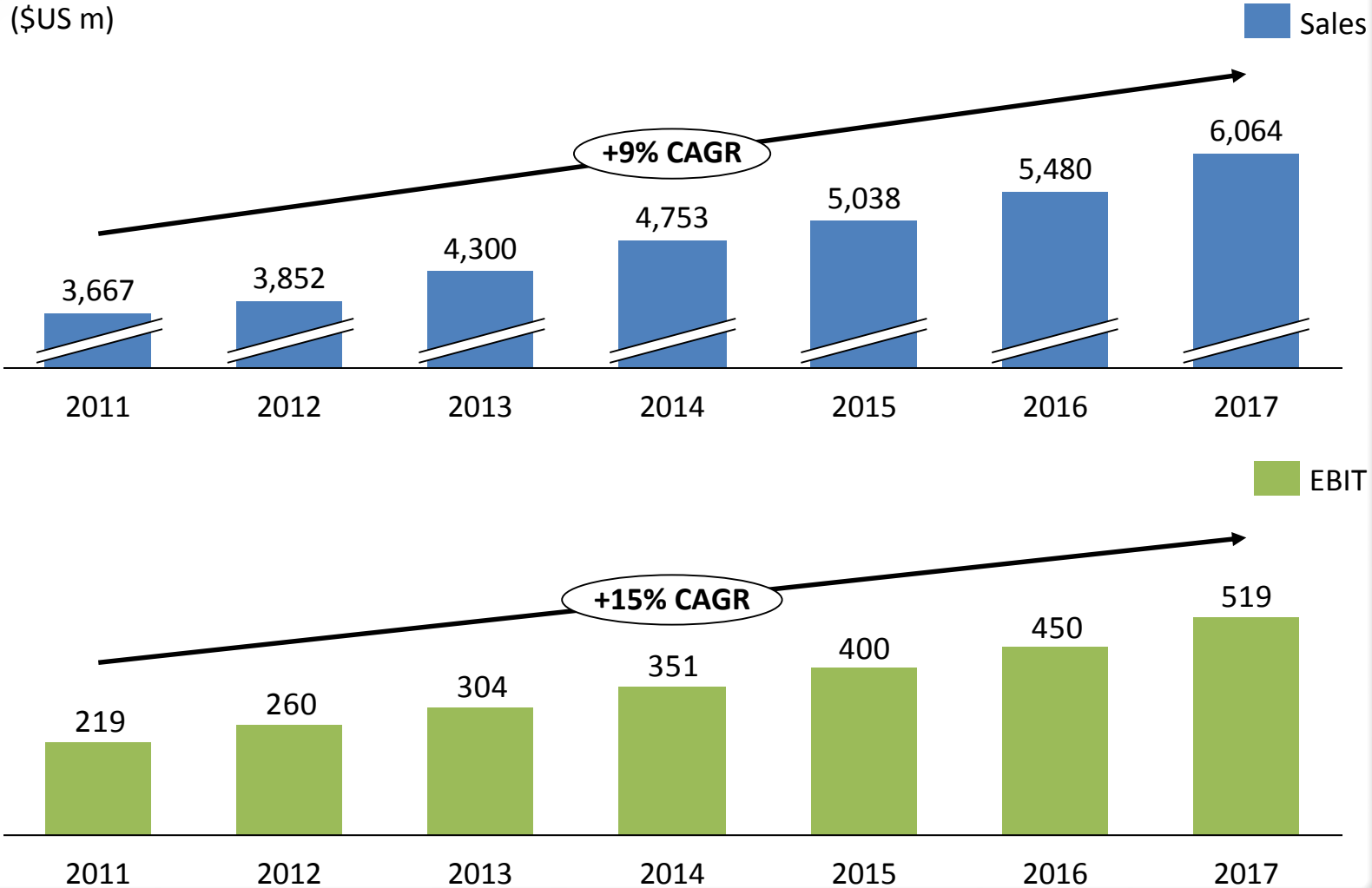
# 2017 Full Year Results

(US\$ m)	<u>2016</u>	<u>2017</u>	<u>Change</u>
Sales	\$5,480	\$6,064	+10.6%
Gross Profit	\$1,985	\$2,226	+12.1%
Gross Margin %	36.2%	36.7%	+50 bps
EBIT	\$450	\$519	+15.3%
<i>% of sales</i>	<i>8.2%</i>	<i>8.6%</i>	
Net Profit	\$409	\$470	+15.0%
<i>% of sales</i>	<i>7.5%</i>	<i>7.8%</i>	
EPS (cents)	22.32¢	25.66¢	+15.0%
Final Dividend (HK cents)	30.00¢	39.75¢	+32.5%

# Sales and EBIT

## 7 Year Performance Trend

(\$US m)



# 2017 Segment Results

(US\$ m)		<u>2016</u>	<u>2017</u>	<u>Change</u>
<b><u>Segment</u></b>				
<b>Power Equip.</b>	<b>Sales</b>	<b>\$4,470</b>	<b>\$5,138</b>	<b>+14.9%</b>
	<i>Segment %</i>	<i>81.6%</i>	<i>84.7%</i>	
	<b>Op Profit</b>	<b>\$430</b>	<b>\$512</b>	<b>+18.9%</b>
	<i>% of sales</i>	<i>9.6%</i>	<i>10.0%</i>	
<b>Floorcare &amp; Appliance</b>	<b>Sales</b>	<b>\$1,010</b>	<b>\$926</b>	<b>-8.3%</b>
	<i>Segment %</i>	<i>18.4%</i>	<i>15.3%</i>	
	<b>Op Profit</b>	<b>\$20</b>	<b>\$7</b>	<b>-62.4%</b>
	<i>% of sales</i>	<i>2.0%</i>	<i>0.8%</i>	

# 2017 Region Sales

(US\$ m)	<u>2016</u>	<u>2017</u>	<u>Change</u>
<b><u>Region</u></b>			
<b>North America</b>	<b>\$4,161</b>	<b>\$4,626</b>	<b>+11.2%</b>
<i>Region %</i>	<i>75.9%</i>	<i>76.3%</i>	
<b>Europe</b>	<b>\$889</b>	<b>\$919</b>	<b>+3.3%</b>
<i>Region %</i>	<i>16.2%</i>	<i>15.1%</i>	
<b>ROW (Rest of World)</b>	<b>\$430</b>	<b>\$519</b>	<b>+20.8%</b>
<i>Region %</i>	<i>7.9%</i>	<i>8.6%</i>	

# 2017 Income Statement

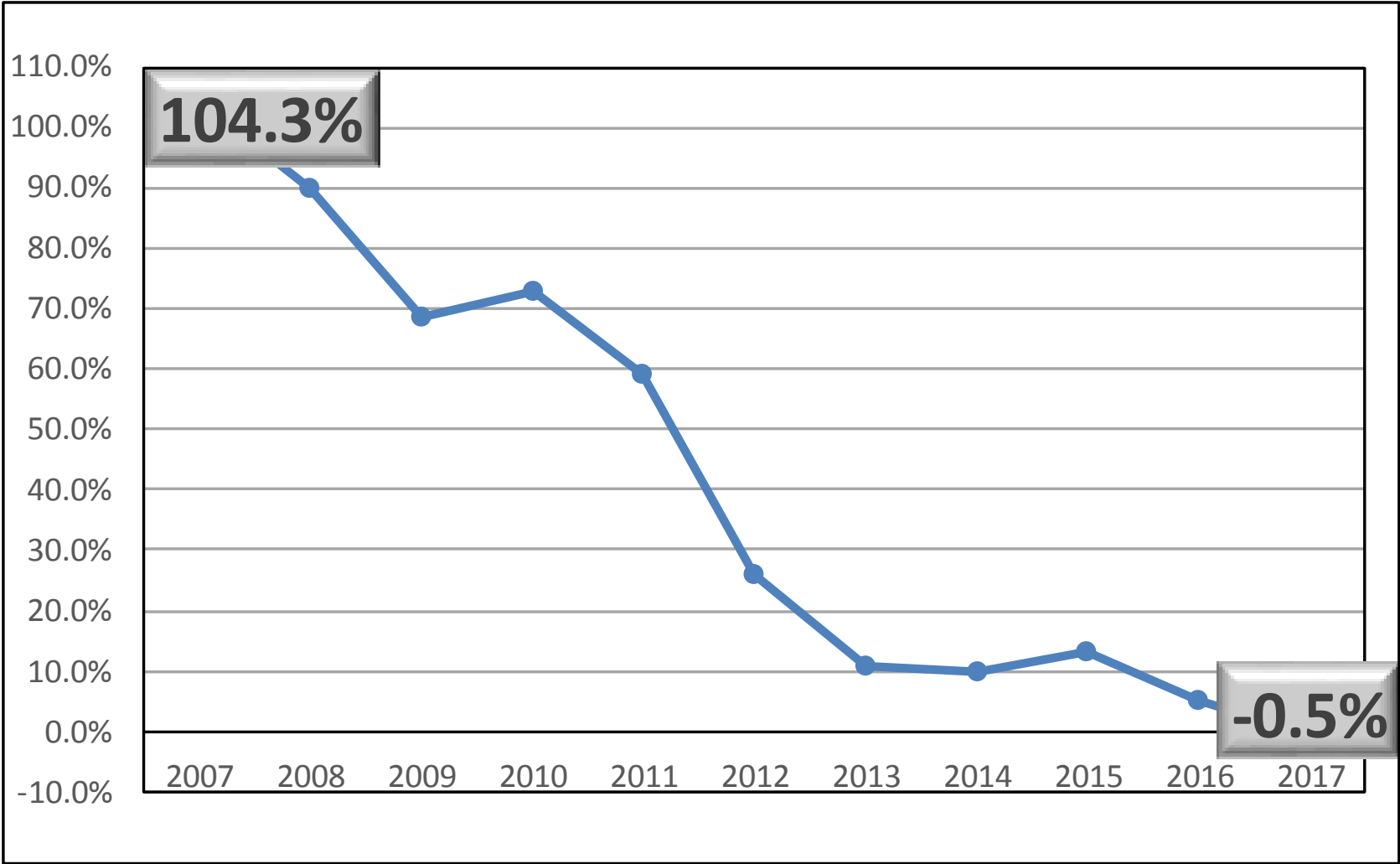
(US\$ m)	<u>2016</u>	<u>2017</u>	<u>Change</u>
<b>Sales</b>	\$5,480	<b>\$6,064</b>	+10.6%
<b>Gross Profit</b>	\$1,985	<b>\$2,226</b>	+12.1%
<i>% of sales</i>	<i>36.2%</i>	<i>36.7%</i>	
Selling, Distribution, & Advertising	\$794	<b>\$925</b>	+16.5%
Administrative Expenses	\$598	<b>\$624</b>	+4.2%
Research & Development	\$147	<b>\$163</b>	+11.1%
<b>Total SG&amp;A Expenses</b>	<b>\$1,540</b>	<b>\$1,712</b>	+11.2%
<i>% of sales</i>	<i>28.1%</i>	<i>28.2%</i>	
Net Finance Cost	\$10	<b>\$14</b>	+35.0%
<b>Profit before Income Tax</b>	<b>\$440</b>	<b>\$505</b>	+14.9%
Income Tax Expenses	\$31	<b>\$35</b>	+11.9%
<b>Net Profit</b>	<b>\$409</b>	<b>\$470</b>	+15.0%
<i>% of sales</i>	<i>7.5%</i>	<i>7.8%</i>	

# 2017 Financial Position

(US\$ m)	<u>2016</u>	<u>2017</u>	<u>Change</u>
Non-current Assets	\$1,923	\$1,964	+2.2%
Current Assets	\$3,197	\$3,634	+13.7%
Current Liabilities	\$2,070	\$2,145	+3.7%
Net Current Assets	\$1,128	\$1,489	+32.0%
Long-term Liabilities	\$652	\$712	+9.3%
Equity	\$2,400	\$2,741	+14.2%



# 2017 Gearing Trend



# 2017 Key Financial Figures

(US\$ m)	<u>2016</u>	<u>2017</u>	<u>Change</u>
<b>Inventory</b>	\$1,296	<b>\$1,467</b>	
<i>Days</i>	86	88	+2 days
<b>Receivables</b>	\$935	<b>\$1,106</b>	
<i>Days</i>	62	67	+5 days
<b>Payables</b>	\$1,331	<b>\$1,574</b>	
<i>Days</i>	89	95	+6 days
<b>Net Working Capital</b>	\$900	<b>\$999</b>	
<i>% of Sales</i>	16.4%	16.5%	
<b>Cash Balance</b>	\$805	<b>\$864</b>	+7.3%
<b>CAPEX</b>	\$190	<b>\$205</b>	+7.8%

# 2017 Debt Profile

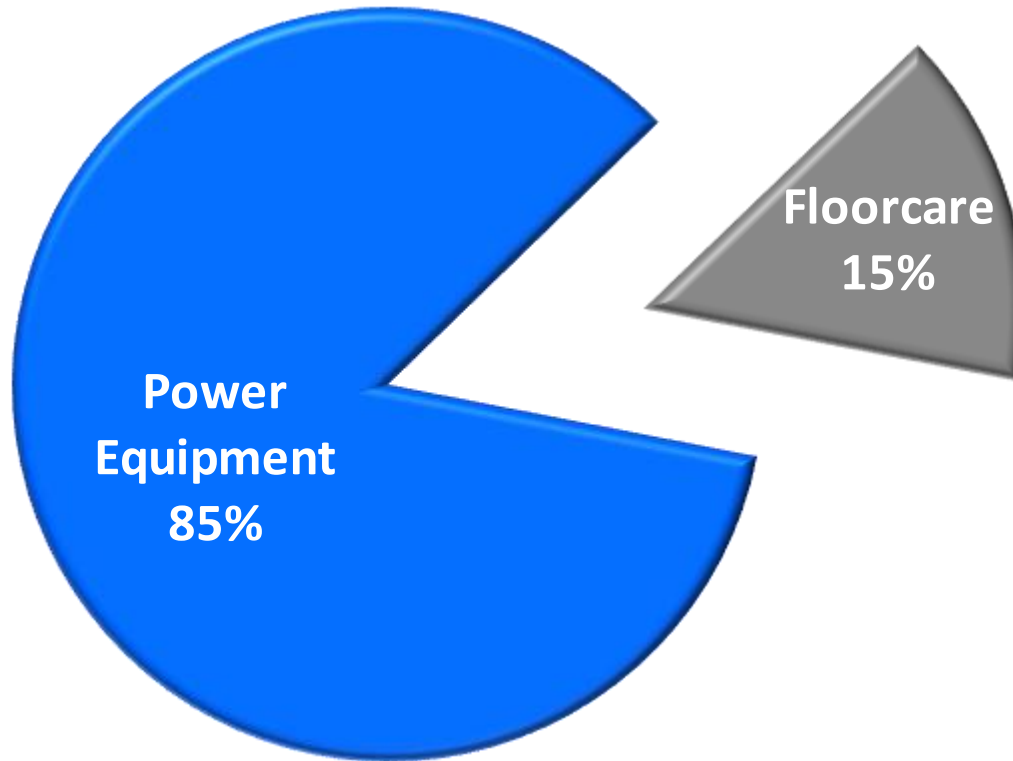
(US\$ m)		<u>2016</u>		<u>2017</u>	<u>Change</u>
Cash Balance		\$805		\$864	+7.3%
<i>Debt with Fixed Maturities</i>		\$554		\$564	+1.8%
<i>Working Capital Financing</i>		\$375		\$285	-24.0%
<b>Total Debt</b>		<b>\$929</b>		<b>849</b>	<b>-8.6%</b>
<b>Total Net Debt</b>		<b>\$124</b>		<b>-\$15</b>	<b>-111.8%</b>
Floating Rate	100%	\$929	88%	\$744	-19.9%
Fixed Rate	0%	\$0	12%	\$105	N/A
LT Debts - due after 1 year	53%	491	66%	\$564	+14.9%
ST Debts - due within 1 year	47%	438	34%	\$285	-35.0%

**Joe Galli**

# 2017 Full Year Sales

(US \$m)	<u>2016</u>	<u>2017</u>
Sales	\$5,480	\$6,064
% chg		+10.6%

# 2017 Sales



**+14.9%**

*% Reported Growth*

**-8.3%**

*% Reported Growth*

# 2017 Full Year Results

(US \$m)	<u>2016</u>	<u>2017</u>	<u>Change</u>
Sales	\$5,480	\$6,064	+10.6%
Gross Margin %	36.2%	36.7%	+50 bps
EBIT	\$450	\$519	+15.3%
<i>% of sales</i>	<i>8.2%</i>	<i>8.6%</i>	
Net Profit	\$409	\$470	+15.0%
<i>% of sales</i>	<i>7.5%</i>	<i>7.8%</i>	

# Gross Margin Trend

2008

2009

2010

2011

2012

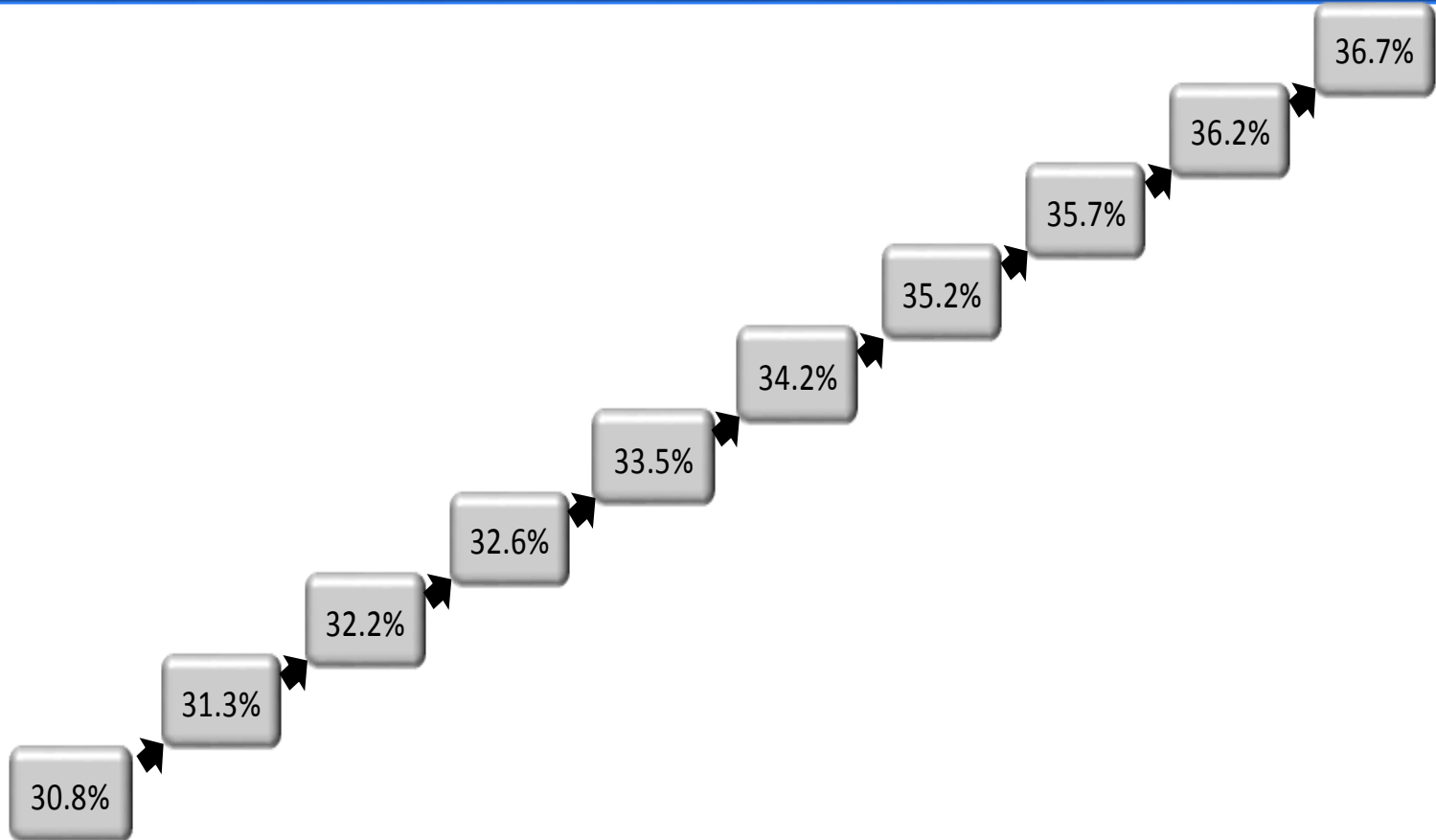
2013

2014

2015

2016

2017



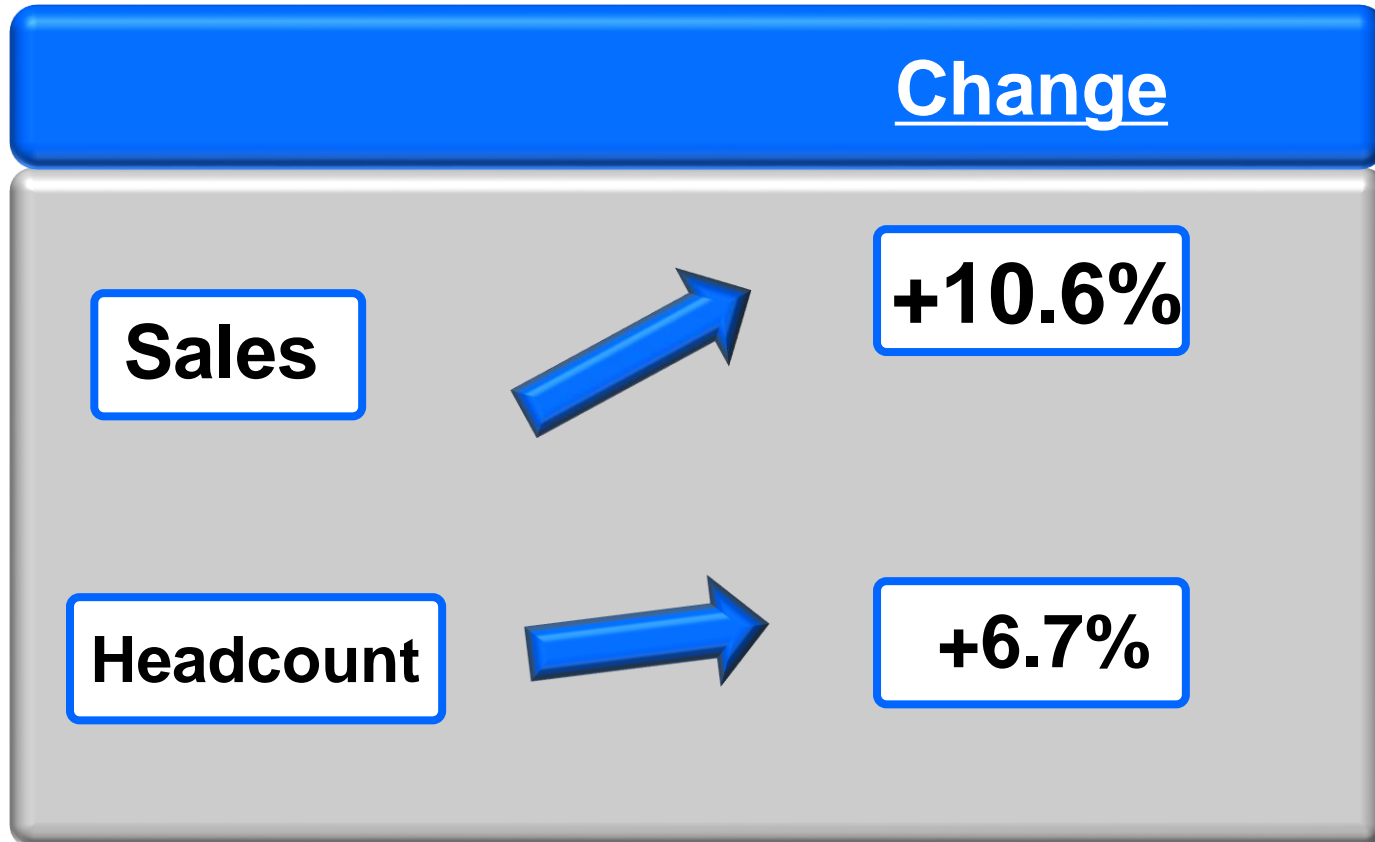
**9 years of Gross Margin improvement**



# 2017 Working Capital

(US\$ m)	<u>2016</u>	<u>2017</u>	<u>Change</u>
<b>Inventory</b>	<b>\$1,296</b>	<b>\$1,467</b>	
<i>Days</i>	<i>86</i>	<i>88</i>	<i>+2 days</i>
<b>Receivables</b>	<b>\$935</b>	<b>\$1,106</b>	
<i>Days</i>	<i>62</i>	<i>67</i>	<i>+5 days</i>
<b>Payables</b>	<b>\$1,331</b>	<b>\$1,574</b>	
<i>Days</i>	<i>89</i>	<i>95</i>	<i>+6 days</i>
<b>WC % of Sales</b>	<b>+16.4%</b>	<b>+16.5%</b>	
<b>2017 Free Cash Flow</b>		<b>\$334M</b>	

# 2017 Productivity Progress



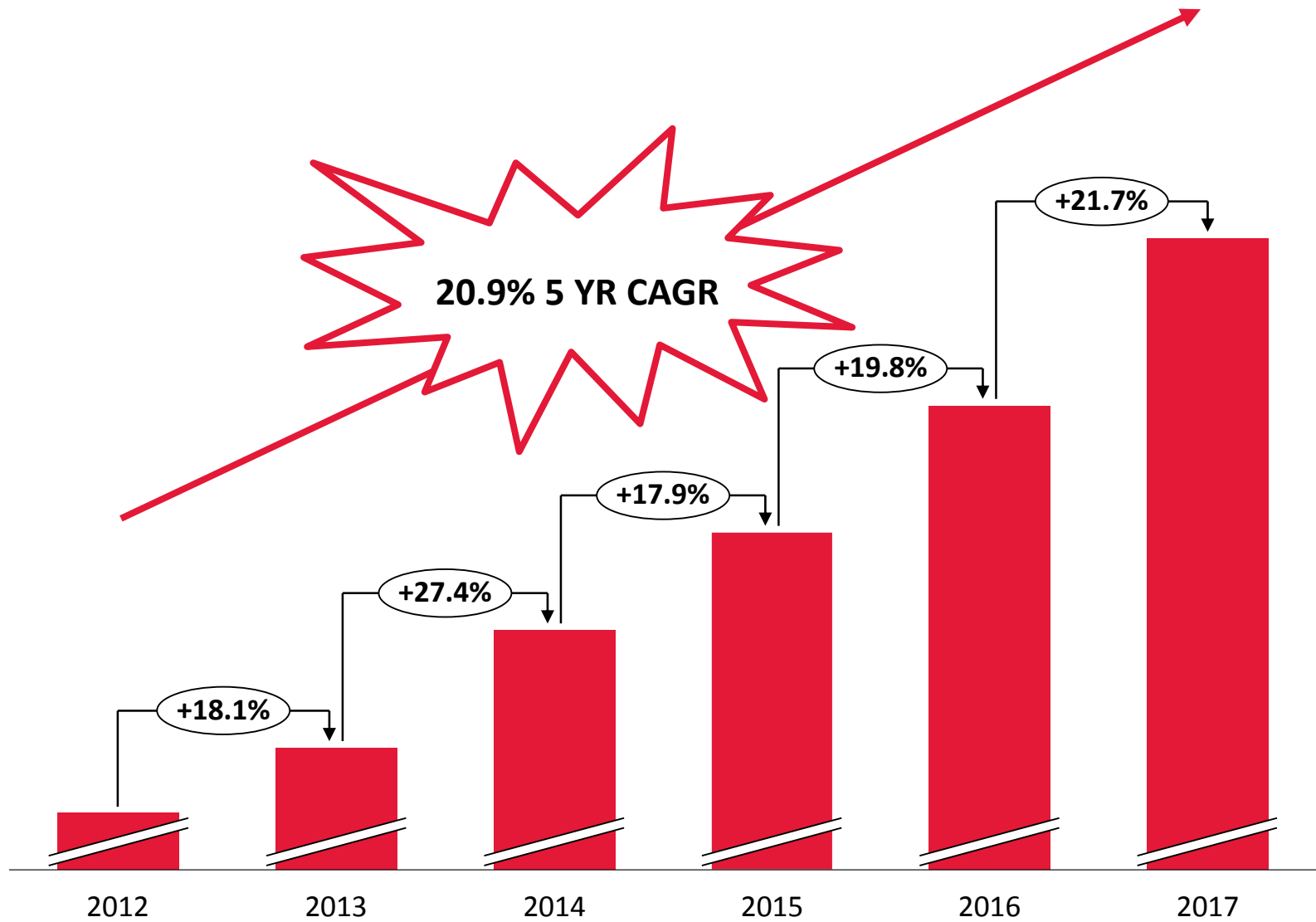
# 2017 Sales



**+21.7%**

*% Reported Growth*

# Global Milwaukee Sales Growth %



*Note: Results based on actual rate*



# 2017 Sales Growth

REGION	<u>% Growth</u>
NA	+20.5%
Europe	+23.7%
ANZ	+33.6%
ROW	+24.0%

# Global Served Market – 2022

**\$50B**

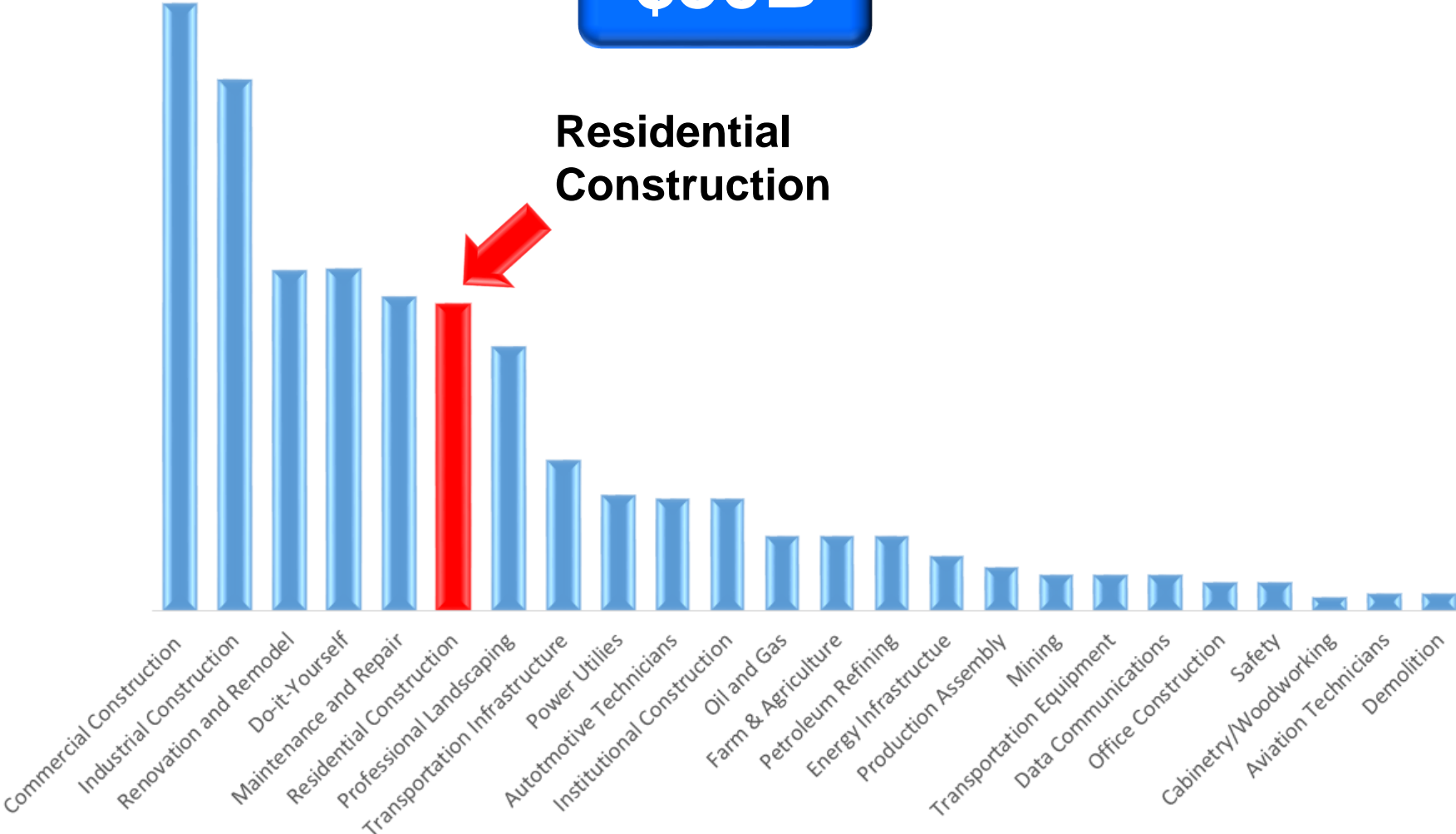
**PRO**

**DIY**

# Served Market - 2022

\$50B

Residential  
Construction



**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'.

**M12 FUEL<sup>™</sup>**

**NEXT GENERATION FUEL DRILLS &  
IMPACT DRIVER**



**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 contained within a white rectangular box with rounded corners. A small 'TM' trademark symbol is located at the bottom right of the box.

**COMPACT INFLATOR**

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

**RIVET TOOL**

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

**M18** FUEL<sup>™</sup>

**OUTDOOR POWER EQUIPMENT**

**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** **M18**

The text 'M12' and 'M18' are displayed in a bold, black, sans-serif font. Each is contained within a white rectangular box with rounded corners. Small 'TM' symbols are located at the bottom right of each box.

***DRAIN*CLEANING**  
E Q U I P M E N T

The text 'DRAIN CLEANING' is written in a bold, italicized, sans-serif font. Below it, the word 'EQUIPMENT' is written in a regular, spaced-out, sans-serif font. A thin horizontal line is positioned between the two lines of text.



**SITE LIGHT WITH  
FLOOD MODE**

**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'.

**RADIUS<sup>™</sup> ROVER<sup>™</sup> ROCKET<sup>™</sup>**

**HIGH OUTPUT 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, passing under the 'w' and 'a'.

**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 rounded rectangular border. A small 'TM' trademark symbol is located at the bottom right corner of the border.

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

**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. 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 under the 'w' and 'a'.

**HOLE  
DOZER<sup>™</sup>**

**CARBIDE TEETH**

*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, passing under the 'e'.

**DUST**  
**TRAP**<sup>™</sup>



**STORAGE**

*Milwaukee*<sup>®</sup>

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 of the 'M' towards the right, passing under the word.

**PACKOUT**<sup>™</sup>  
MODULAR STORAGE SYSTEM

*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 'w' and 'a'.

**DATA COMM TOOLS**

*Milwaukee<sup>®</sup>*

The Milwaukee logo consists of 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 towards the right, with its tip pointing towards the end of the word. The entire logo is set against a solid red background.

**MECHANICS TOOLS**

**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, passing under the word.

**REDSTICK<sup>™</sup>**  
**CONCRETE LEVELS**

**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, passing under the word 'Milwaukee'.

**HAND TOOLS**



**RYOBI®**

**18V ONE**

**+**  
**SYSTEM**



# **EVERCHARGE STICK VACUUM**



# PROJECT VACUUM



**DEVOUR  
DEBRIS SWEEPER**



**POOL VACUUM**



**CORDLESS CLEANING**



**LIGHTING**



**18V**LITHIUM **40V**LITHIUM

**CORDLESS MOWER RANGE**





**18V**LITHIUM    **40V**LITHIUM



®

**CORDLESS STICK VACS**



®

**SmartWash**  
**CARPET CLEANER**

**ORECK** **pod**™

TECHNOLOGY —

**vax**

**BLADE**

**CORDLESS**

