



**POWERFUL BRANDS
INNOVATIVE PRODUCTS
EXCEPTIONAL PEOPLE
OPERATIONAL EXCELLENCE**



2015 1H Interim Results Presentation

August 20, 2015

Frank Chan

1H 2015 Results

2015 1st Half Results

(US\$ m)	<u>1H 2014</u>	<u>1H 2015</u>	<u>Change</u>
Sales	\$2,250	\$2,474	+10.0%
Gross Profits	\$787	\$881	+12.0%
Gross Margin %	35.0%	35.6%	+60 bps
EBIT	\$162	\$181	+12.1%
<i>% of sales</i>	<i>7.2%</i>	<i>7.3%</i>	
Net Profit	\$136	\$159	+16.5%
<i>% of sales</i>	<i>6.1%</i>	<i>6.4%</i>	
EPS (cents)	7.45¢	8.67¢	+16.4%

2015 1st Half Segment Results

(US\$ m)		<u>1H 2014</u>	<u>1H 2015</u>	<u>Change</u>
<u>Segment</u>				
Power Equip.	Sales	\$1,678	\$1,958	+16.7%
	<i>Segment %</i>	<i>74.6%</i>	<i>79.1%</i>	
	Op Profit	\$136	\$160	+18.1%
	<i>% of sales</i>	<i>8.1%</i>	<i>8.2%</i>	
Floorcare	Sales	\$572	\$516	-9.7%
	<i>Segment %</i>	<i>25.4%</i>	<i>20.9%</i>	
	Op Profit	\$25	\$21	-17.5%
	<i>% of sales</i>	<i>4.4%</i>	<i>4.0%</i>	

2015 1st Half Region Sales

(US\$ m)	<u>1H 2014</u>	<u>1H 2015</u>	<u>Change</u>
<u>Region</u>			
North America	\$1,585	\$1,844	+16.4%
<i>Region %</i>	<i>70.4%</i>	<i>74.5%</i>	
EMEA	\$491	\$441	-10.2%
<i>Region %</i>	<i>21.8%</i>	<i>17.8%</i>	
ROW (Rest of World)	\$174	\$188	+8.5%
<i>Region %</i>	<i>7.7%</i>	<i>7.6%</i>	

2015 1st Half Income Statement

(US\$ m)	<u>1H 2014</u>	<u>1H 2015</u>	<u>Change</u>
Sales	\$2,250	\$2,474	+10.0%
Gross Margin	\$787	\$881	+12.0%
<i>% of sales</i>	<i>35.0%</i>	<i>35.6%</i>	
Selling, Distribution, & Advertising	\$319	\$359	+12.5%
Administrative Expenses	\$251	\$278	+10.6%
Research & Development	\$57	\$66	+15.6%
Total SG&A Expenses	\$627	\$703	+12.0%
<i>% of sales</i>	<i>27.9%</i>	<i>28.4%</i>	
Net Finance Cost	\$13	\$8	-39.9%
Profit before Income Tax	\$148	\$173	+17.0%
Income Tax Expenses	\$13	\$15	+17.0%
Net Profit	\$136	\$159	+16.5%
<i>% of sales</i>	<i>6.1%</i>	<i>6.4%</i>	

2015 1st Half Financial Position

(US\$ m)	<u>1H 2014</u>	<u>1H 2015</u>	<u>Change</u>
Non-current Assets	\$1,588	\$1,711	+7.7%
Current Assets	\$2,735	\$2,942	+7.5%
Current Liabilities	\$2,013	\$2,092	+3.9%
Net Current Assets	\$722	\$850	+17.6%
Long-term Liabilities	\$489	\$511	+4.5%
Equity	\$1,821	\$2,050	+12.5%
Interest Coverage (x)	11.5x	20.3x	

2015 1st Half Gearing Trend

	<u>1H 2011</u>	<u>1H 2012</u>	<u>1H 2013</u>	<u>1H 2014</u>	<u>1H 2015</u>
Gearing	66.1%	37.4%	26.2%	22.8%	17.7%

2015 1st Half Key Financial Figures

(US\$ m)	<u>1H 2014</u>	<u>1H 2015</u>	<u>Change</u>
Inventory	\$1,025	\$1,131	
<i>Days</i>	83	83	+0 days
Receivables	\$846	\$863	
<i>Days</i>	69	63	-6 days
Payables	\$1,043	\$1,145	
<i>Days</i>	84	84	+0 days
Net Working Capital	\$828	\$849	
<i>% of Sales</i>	18.4%	17.1%	
Cash Balance	\$656	\$725	+10.6%
CAPEX	\$64	\$67	+4.3%

2015 1st Half Debt Profile

(US\$ m)	<u>1H 2014</u>		<u>1H 2015</u>		<u>Change</u>
Cash Balance		\$656		\$725	+10.6%
<i>Debt with Fixed Maturities</i>		\$574		\$552	-3.8%
<i>Working Capital Financing</i>		\$496		\$537	+8.4%
Total Debt		\$1,069		\$1,089	+1.8%
Total Net Debt		\$414		\$364	-12.1%
Floating Rate	<i>91%</i>	\$974	<i>100%</i>	\$1,089	+11.8%
Fixed Rate	<i>9%</i>	\$96	<i>0%</i>	\$0	N/A

Joe Galli

2015 1st Half Sales Growth

(US \$m)	<u>1H 2014</u>	<u>1H 2015</u>
Sales	\$2,250	\$2,474
% chg		+10.0%

2015 1st Half Sales Growth

(US \$m)	<u>1H 2014</u>	<u>1H 2015</u>
Sales	\$2,250	\$2,474
% chg		+10.0%
% chg excluding F/X		+14.4%

2015 1st Half Results

(US\$ m)	<u>1H 2014</u>	<u>1H 2015</u>	<u>Change</u>
Sales	\$2,250	\$2,474	+10.0%
Gross Margin %	35.0%	35.6%	+60 bps
EBIT	\$162	\$181	+12.1%
<i>% of sales</i>	<i>7.2%</i>	<i>7.3%</i>	
Net Profit	\$136	\$159	+16.5%
<i>% of sales</i>	<i>6.1%</i>	<i>6.4%</i>	
EPS (cents)	7.45¢	8.67¢	+16.4%

1H Gross Margin Trend

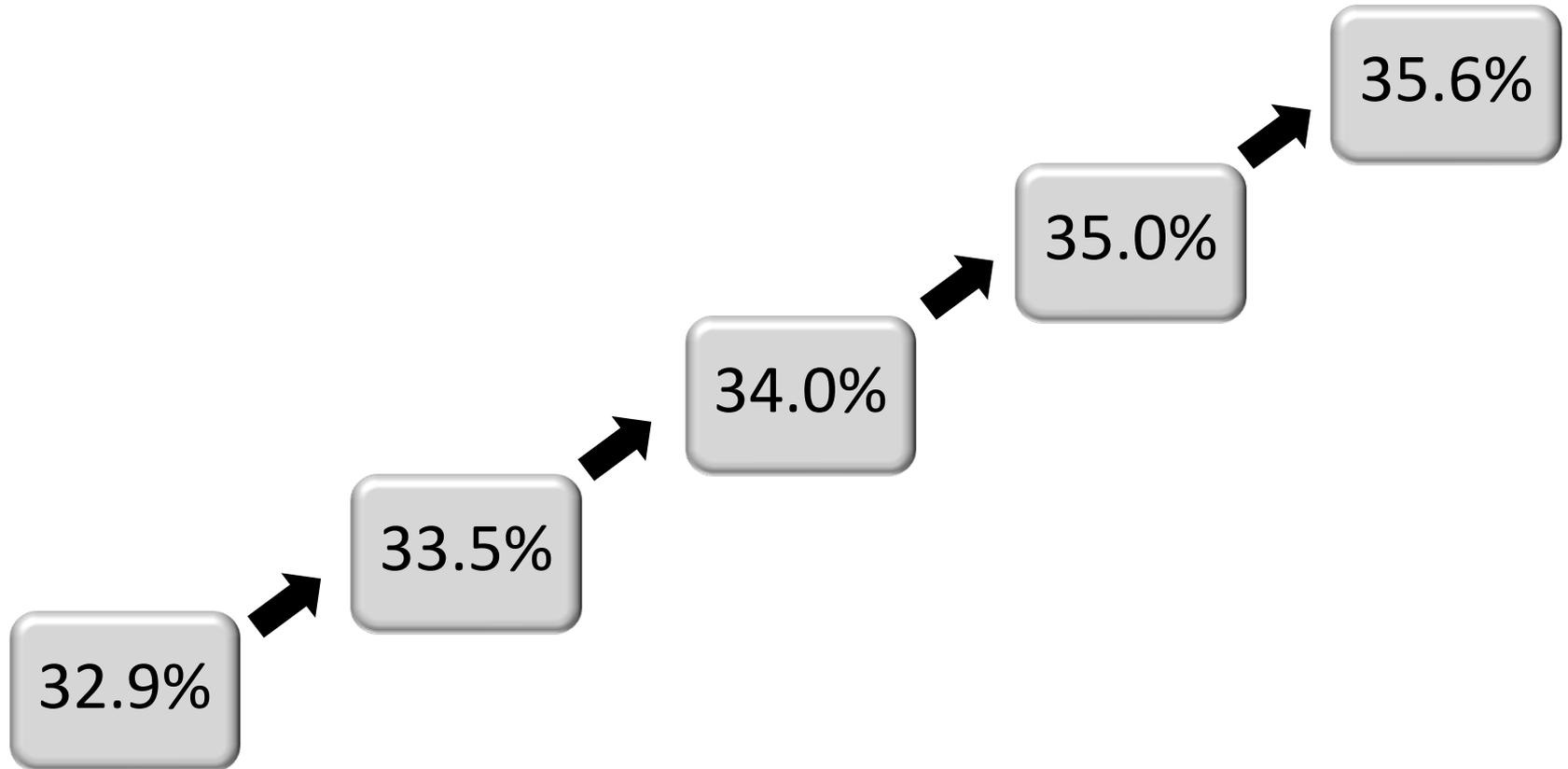
2011

2012

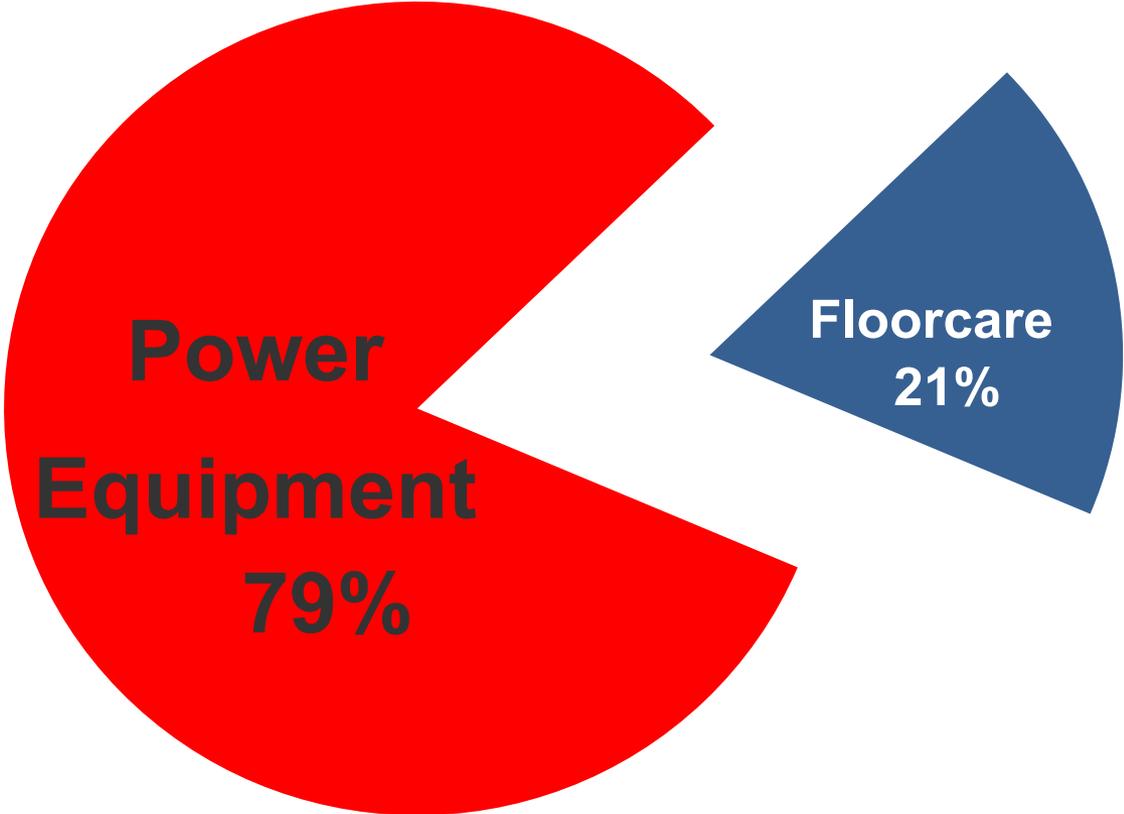
2013

2014

2015



2015 1st Half Sales



+16.7%

+21.5%
Excl. F/X

-9.7%

-6.6%
Excl. F/X

2015 1st Half Sales

REGION	<u>1H 2014</u>	<u>1H 2015</u>	<u>Change</u>
NA	\$1,585	\$1,844	+16.4%
EMEA	\$491	\$441	-10.2%
ROW	\$174	\$188	+8.5%

2015 1st Half Sales

REGION	<u>Sales</u>	<u>% chg</u>	<u>Excl. F/X</u>
NA	\$1,844	+16.4%	+16.7%
EMEA	\$441	-10.2%	+4.9%
ROW	\$188	+8.5%	+19.4%

2015 1st Half Working Capital

(US\$ m)	<u>1H 2014</u>	<u>1H 2015</u>	<u>Change</u>
Inventory	\$1,025	\$1,131	
<i>Days</i>	83	83	+0 days
Receivables	\$846	\$863	
<i>Days</i>	69	63	-6 days
Payables	\$1,043	\$1,145	
<i>Days</i>	84	84	+0 days
Net Working Capital	\$828	\$849	
WC % of Sales	18.4%	17.1%	

1H Working Capital Trend

2011

2012

2013

2014

2015

22.1%

18.9%

18.4%

18.4%

17.1%

Productivity Progress

	<u>1H 2014</u>	<u>1H 2015</u>	<u>Change</u>
Sales	\$2,250	\$2,474	+10.0%
Headcount	20,355	20,964	+3.0%

Milwaukee[®]

The Milwaukee logo is rendered in a white, stylized, italicized font against a solid red background. The word "Milwaukee" is written in a bold, blocky script with sharp, pointed edges. Below the text, a white lightning bolt graphic extends horizontally across the width of the word, starting from the left and ending at the right, with a jagged, multi-pointed tip in the center.

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[®]

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'.

M18™ **FUEL**™

DRIVEN TO OUTPERFORM.™

Milwaukee[®]

The Milwaukee logo is rendered in a white, stylized, gothic-style font. Below the text is a white lightning bolt graphic that starts under the 'M' and extends to the right, ending under the 'e'.

ONE  KEY[™]

The text 'ONE KEY' is in a bold, sans-serif font. The letter 'I' in 'KEY' is replaced by a white Wi-Fi symbol consisting of three curved lines above a keyhole shape.

UNLOCKING THE DIGITAL JOBSITE.[™]

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'.

FORCELOGIC[™]

Milwaukee[®]



SHOCKWAVE  **IMPACT DUTY** TM

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'.

HAND TOOLS

Empire  [®]

HART®



18VLITHIUM



18V LITHIUM

OUTDOOR PRODUCTS



40VLITHIUM

OUTDOOR PRODUCTS

vax[®]
CORDLESS



®

cordless



COMMERCIAL

ORECK®

