



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



# **2018 1H Interim Results Presentation**

August 16, 2018

**Frank Chan**

# 1H 2018 Results

# 2018 1<sup>st</sup> Half Results

(US \$m)	<u>1H 2017</u>	<u>1H 2018</u>	<u>Change</u>
Sales	\$2,882	\$3,431	+19.1%
Gross Profit	\$1,056	\$1,274	+20.6%
Gross Margin %	36.6%	37.1%	+50 bps
EBIT	\$233	\$281	+20.7%
<i>% of sales</i>	<i>8.1%</i>	<i>8.2%</i>	
Net Profit	\$204	\$255	+24.6%
<i>% of sales</i>	<i>7.1%</i>	<i>7.4%</i>	
EPS (cents)	11.17¢	13.89¢	+24.4%
Interim Dividend (HK cents)	27.75¢	38.00¢	+36.9%

# 2018 1<sup>st</sup> Half Segment Results

(US \$m)		<u>1H 2017</u>	<u>1H 2018</u>	<u>Change</u>
<b><u>Segment</u></b>				
<b>Power Equip.</b>	<b>Sales</b>	\$2,467	<b>\$2,962</b>	+20.1%
	<i>Segment %</i>	85.6%	86.3%	
	<b>Op Profit</b>	\$232	<b>\$280</b>	+20.7%
	<i>% of sales</i>	9.4%	9.5%	
<b>Floorcare &amp; Appliance</b>	<b>Sales</b>	\$415	<b>\$469</b>	+12.9%
	<i>Segment %</i>	14.4%	13.7%	
	<b>Op Profit</b>	\$0.4	<b>\$0.6</b>	+57.7%
	<i>% of sales</i>	0.1%	0.1%	

# 2018 1<sup>st</sup> Half Region Sales

(US \$m)	<u>1H 2017</u>	<u>1H 2018</u>	<u>Change</u>
<b><u>Region</u></b>			
<b>North America</b>	\$2,201	<b>\$2,599</b>	<b>+18.1%</b>
<i>Region %</i>	<i>76.4%</i>	<i>75.8%</i>	
<b>Europe</b>	\$446	<b>\$555</b>	<b>+24.3%</b>
<i>Region %</i>	<i>15.5%</i>	<i>16.2%</i>	
<b>ROW (Rest of World)</b>	\$235	<b>\$277</b>	<b>+17.9%</b>
<i>Region %</i>	<i>8.1%</i>	<i>8.0%</i>	

# 2018 1<sup>st</sup> Half Income Statement

(US \$m)	<u>1H 2017</u>	<u>1H 2018</u>	<u>Change</u>
<b>Sales</b>	\$2,882	\$3,431	+19.1%
<b>Gross Profit</b>	\$1,056	\$1,274	+20.6%
<i>% of sales</i>	<i>36.6%</i>	<i>37.1%</i>	
Selling, Distribution, & Advertising	\$431	\$522	+21.4%
Administrative Expenses	\$318	\$375	+17.8%
Research & Development	\$77	\$99	+28.4%
<b>Total SG&amp;A Expenses</b>	\$826	\$996	+20.7%
<i>% of sales</i>	<i>28.7%</i>	<i>29.0%</i>	
Net Finance Cost	\$9	\$5	-41.6%
<b>Profit before Income Tax</b>	\$223	\$275	+23.3%
Income Tax Expenses	\$19	\$21	+8.8%
<b>Net Profit</b>	\$204	\$255	+24.6%
<i>% of sales</i>	<i>7.1%</i>	<i>7.4%</i>	

# 2018 1<sup>st</sup> Half Financial Position

(US \$m)	<u>1H 2017</u>	<u>1H 2018</u>	<u>Change</u>
Non-current Assets	\$1,943	\$1,975	+1.7%
Current Assets	\$3,481	\$3,898	+12.0%
Current Liabilities	\$2,187	\$2,266	+3.6%
Net Current Assets	\$1,294	\$1,632	+26.1%
Long-term Liabilities	\$705	\$700	-0.7%
Equity	\$2,532	\$2,907	+14.8%

# 2018 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>	<u>1H 2018</u>
<b>Gearing</b>	26.2%	22.8%	17.7%	16.0%	8.8%	1.8%

# 2018 1<sup>st</sup> Half Key Financial Figures

(US \$m)	<u>1H 2017</u>	<u>1H 2018</u>	<u>Change</u>
<b>Inventory</b>	\$1,415	<b>\$1,578</b>	
<i>Days</i>	<i>88</i>	<i>88</i>	<i>+0 days</i>
<b>Receivables</b>	\$1,108	<b>\$1,203</b>	
<i>Days</i>	<i>69</i>	<i>67</i>	<i>-2 days</i>
<b>Payables</b>	\$1,403	<b>\$1,665</b>	
<i>Days</i>	<i>87</i>	<i>93</i>	<i>+6 days</i>
<b>Net Working Capital</b>	\$1,119	<b>\$1,115</b>	
<i>% of Sales</i>	<i>19.1%</i>	<i>17.0%</i>	
<b>Cash Balance</b>	\$818	<b>\$863</b>	<b>+5.5%</b>
<b>CAPEX</b>	\$72	<b>\$86</b>	<b>+18.5%</b>

# 2018 1<sup>st</sup> Half Debt Profile

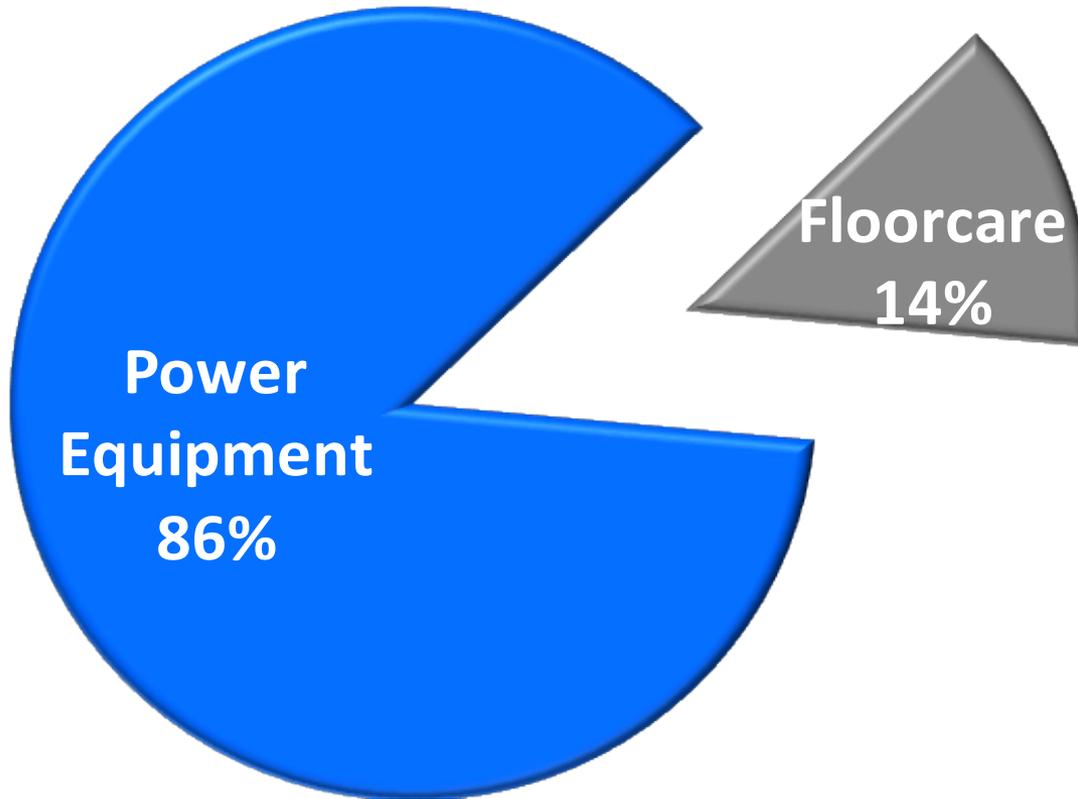
(US \$m)		<u>1H 2017</u>		<u>1H 2018</u>	<u>Change</u>
Cash Balance		\$818		\$863	+5.5%
<i>Debt with Fixed Maturities</i>		\$558		\$565	+1.3%
<i>Working Capital Financing</i>		\$484		\$349	-27.9%
<b>Total Debt</b>		<b>\$1,042</b>		<b>\$914</b>	<b>-12.3%</b>
<b>Total Net Debt</b>		<b>\$224</b>		<b>\$51</b>	<b>-77.2%</b>
Floating Rate	90%	\$937	89%	\$809	-13.6%
Fixed Rate	10%	\$105	11%	\$105	--
LT Debts - due after 1 year	52%	\$542	61%	\$553	+2.0%
ST Debts - due within 1 year	48%	\$500	39%	\$361	-27.8%

**Joe Galli**

# 2018 1<sup>st</sup> Half Sales Growth

(US \$m)	<u>1H 2017</u>	<u>1H 2018</u>
Sales	\$2,882	\$3,431
% chg		+19.1%

# 2018 1<sup>st</sup> Half Sales



**+20.1%**

*% Reported Growth*

**+12.9%**

*% Reported Growth*

# 2018 1<sup>st</sup> Half Results

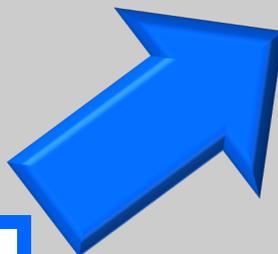
(US \$m)	<u>1H 2017</u>	<u>1H 2018</u>	<u>Change</u>
Sales	\$2,882	\$3,431	+19.1%
Gross Margin %	36.6%	37.1%	+50 bps
EBIT	\$233	\$281	+20.7%
<i>% of sales</i>	<i>8.1%</i>	<i>8.2%</i>	
Net Profit	\$204	\$255	+24.6%
<i>% of sales</i>	<i>7.1%</i>	<i>7.4%</i>	

# 2018 1<sup>st</sup> Half Gross Margin

1H 2017

1H 2018

**36.6%**

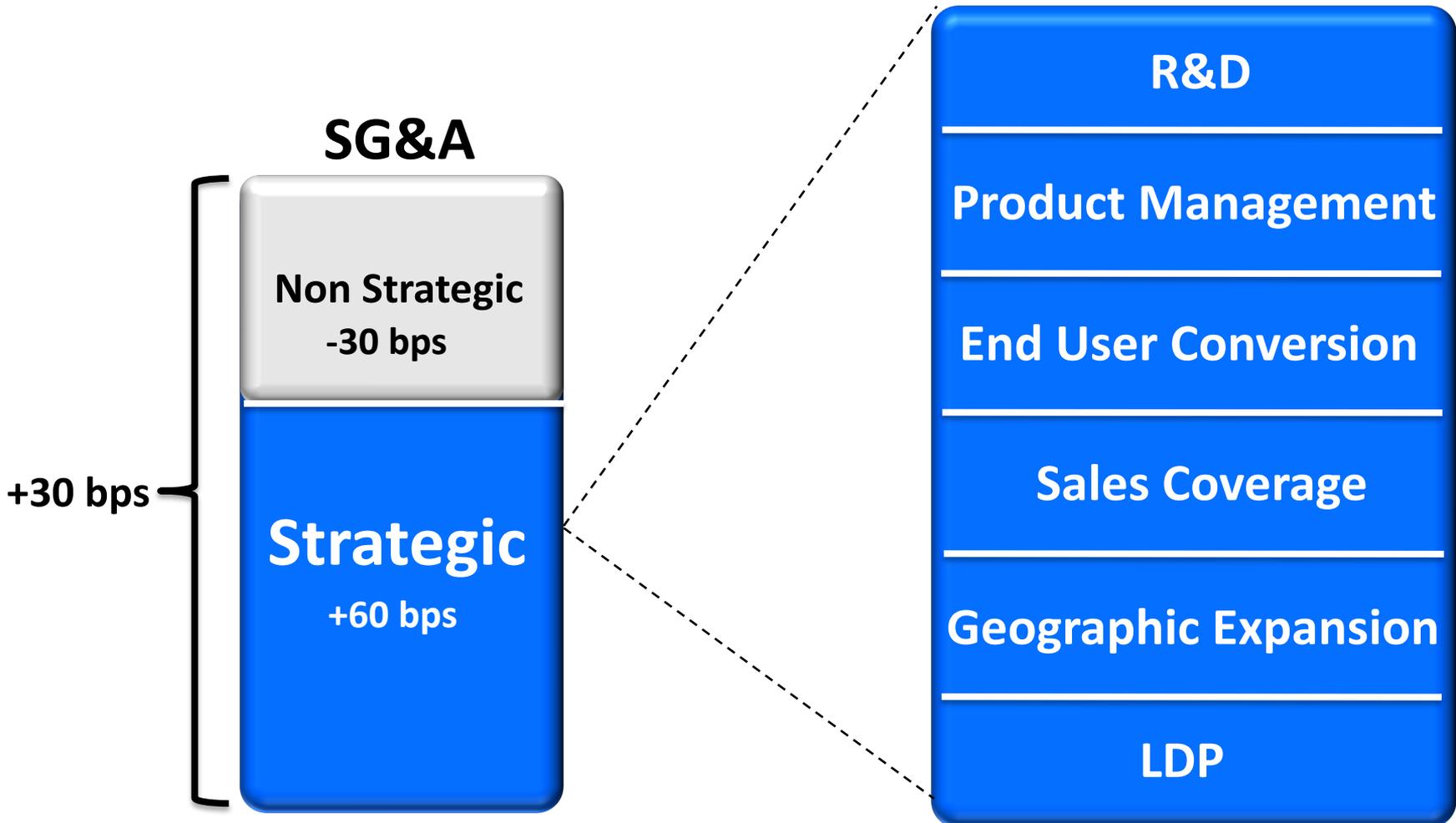


**37.1%**

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

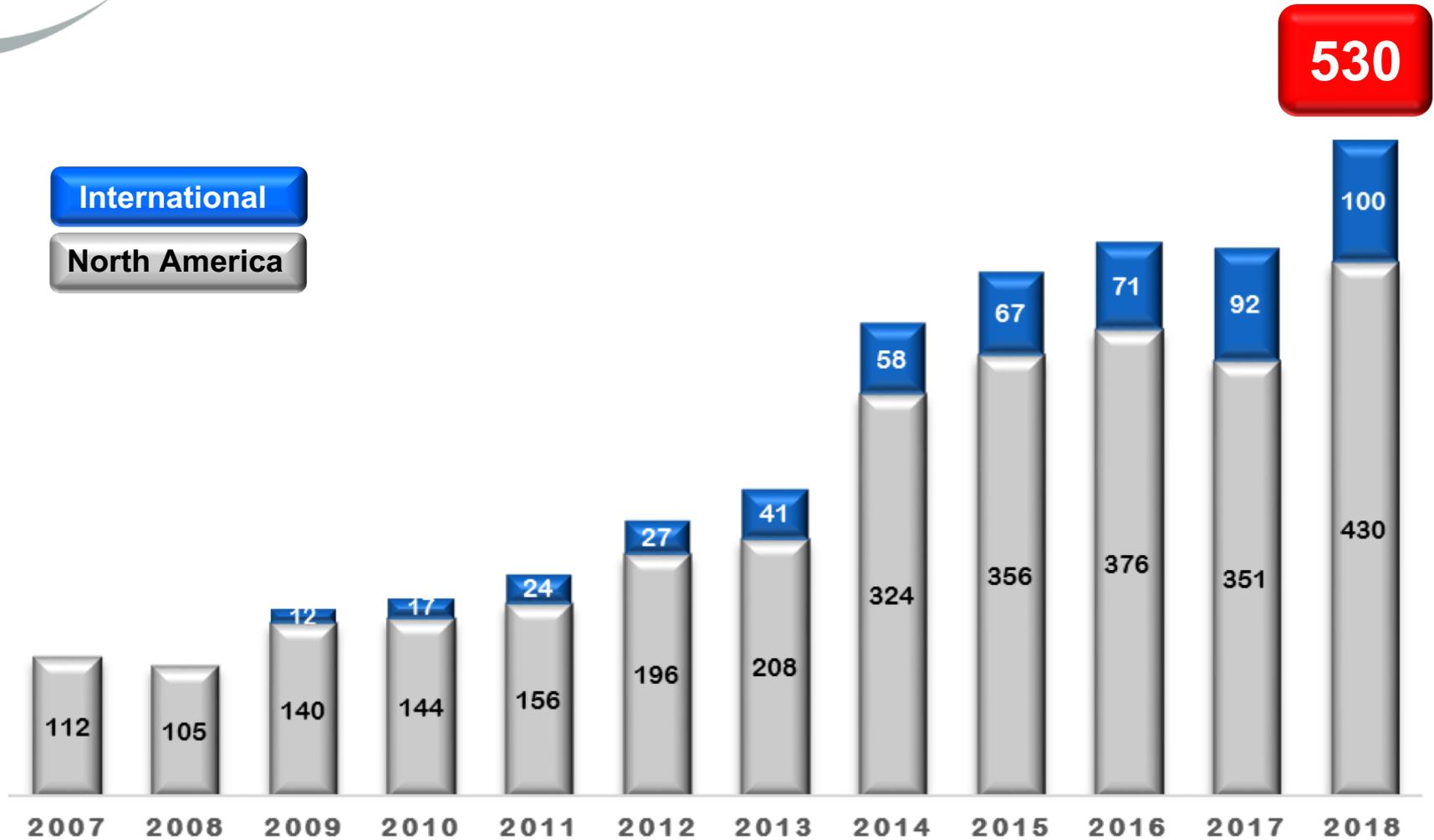


# 2018 1<sup>st</sup> Half SG&A Strategic Investment





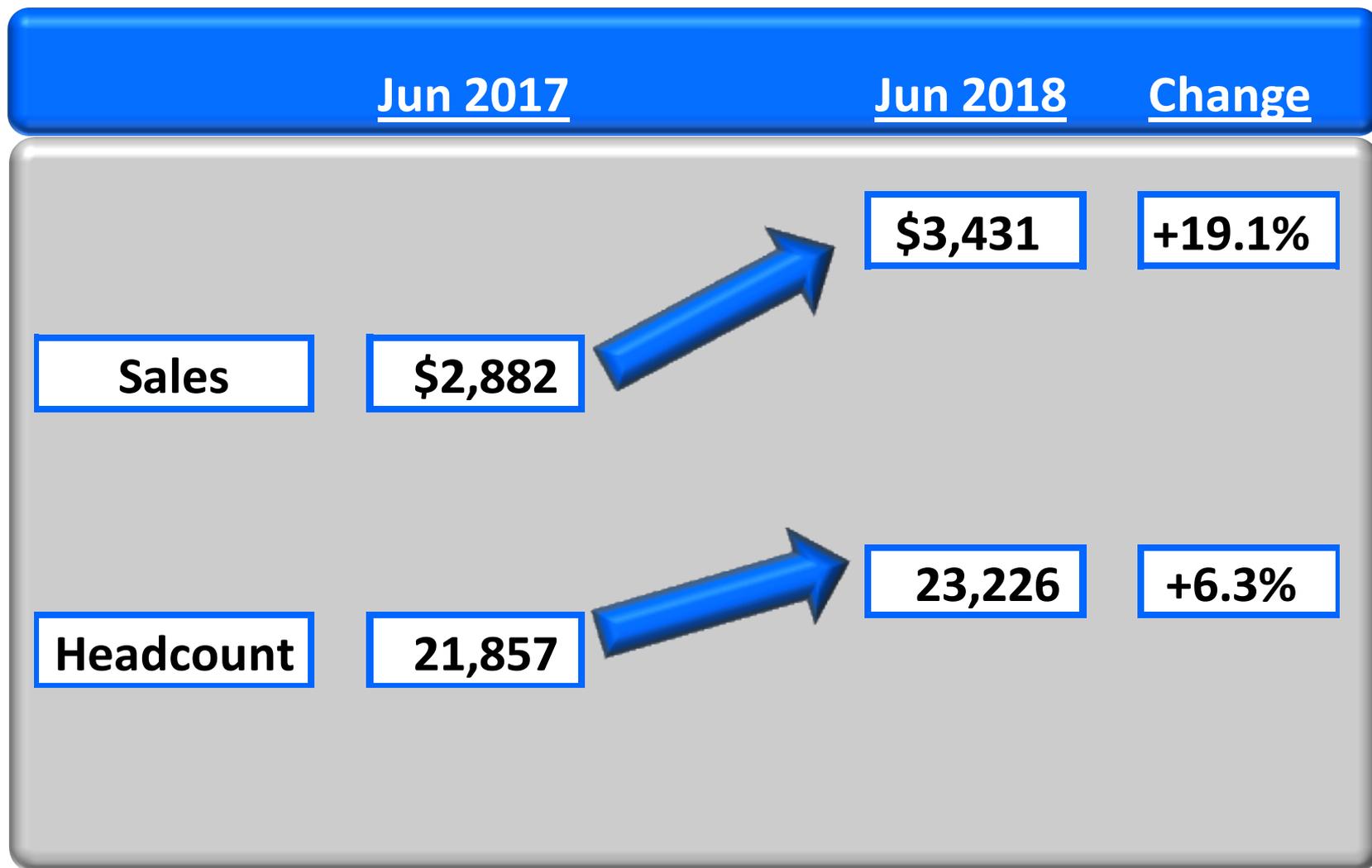
# Campus Hires – LDP



International Hiring commenced 2009

# 2018 1<sup>st</sup> Half Productivity Progress

	<u>Jun 2017</u>	<u>Jun 2018</u>	<u>Change</u>
<b>Sales</b>	<b>\$2,882</b>	<b>\$3,431</b>	<b>+19.1%</b>
<b>Headcount</b>	<b>21,857</b>	<b>23,226</b>	<b>+6.3%</b>



# 2018 1<sup>st</sup> Half Sales



**+29.8%**



## 2018 1<sup>st</sup> Half Sales Growth

REGION	<u>% Growth</u>
NA	+27.3%
Europe	+43.0%
ROW	+29.8%

Milwaukee<sup>®</sup>

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. 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'.

Milwaukee<sup>®</sup>

The Milwaukee logo is written in a white, stylized, cursive font. Below the text is a white lightning bolt graphic that extends from the bottom of the 'M' and points towards the right.

**M18** FUEL<sup>™</sup>  
GENERATION III

**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>**

**1/2" HAMMER DRILL/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.

**M18 FUEL<sup>™</sup>**

**1/4" HEX IMPACT DRIVER**

Milwaukee<sup>®</sup>

**M18** FUEL<sup>™</sup>

HIGH PERFORMANCE  
BREAKTHROUGH

**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 towards the right, passing under the letters.

**M18 FUEL<sup>™</sup>**

**HIGH OUTPUT HD12.0  
BATTERY PACK**

**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 'w' and 'a'.

**M18 FUEL<sup>™</sup>**

**SUPER SAWZALL 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>**

**7-1/4" CIRCULAR 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>**

**8-1/4" TABLE SAW w/ ONE KEY**

**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>**

**7"/9" LARGE ANGLE GRINDER**

**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 'w' and 'a'.

**M18 FUEL<sup>™</sup>**

**16" CHAINSAW**

**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 'w' and 'a'.

**M18 FUEL<sup>™</sup>**

**3-in-1 BACKPACK VACUUM**

**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.

**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.

**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.

**HEATED AXIS<sup>™</sup>  
JACKETS & VESTS**

**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 contained within a white rounded rectangular border.

**RIVET TOOL**

**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'.

**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, 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.

**SOLDERING IRON**

*Milwaukee*<sup>®</sup>

The Milwaukee logo is written 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.

**M12** FUEL<sup>™</sup>

**RATCHETS**

**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>**

**1/4" STUBBY IMPACT WRENCH**

**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>**

**3/8" STUBBY IMPACT WRENCH**

**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'.

**M12 FUEL<sup>™</sup>**

**COMPACT 3" CUT OFF**

**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.

**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 white and the '12' is black, all contained within a white rectangular border with rounded corners. A small trademark symbol (TM) is located at the bottom right of the border.

**ROCKET  
DUAL POWER TOWER LIGHT**

**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'.

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

**HIGH OUTPUT LIGHTING**



**PERSONAL LIGHTING**



**DRAIN CLEANING EQUIPMENT  
VERTICAL**



**POWER UTILITY VERTICAL**



**TRANSPORTATION  
VERTICAL**



**MECHANICS HAND TOOLS**



**STUD™**  
**TAPE MEASURES**



**MEASURING PRODUCTS**

*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, underlining the word.

**HAMMERS**



**CARBIDE TEETH CUTTING  
ACCESSORIES**

**Milwaukee<sup>®</sup>**

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

**CIRCULAR SAW BLADES**

**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 bottom left towards the middle right, partially overlapping the letters.

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



**PORTABLE AIR  
COMPRESSOR**



**PEX PINCH CLAMP**



**CORDLESS STICK VAC**



**ONE+ 18V FAMILY**



**CORDLESS MOWERS**



**CORDLESS OUTDOOR**



®

**CARPET CLEANER**

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

**BLADE 2**

