



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



# **2019 Interim Results Presentation**

August 15th, 2019

**Frank Chan**

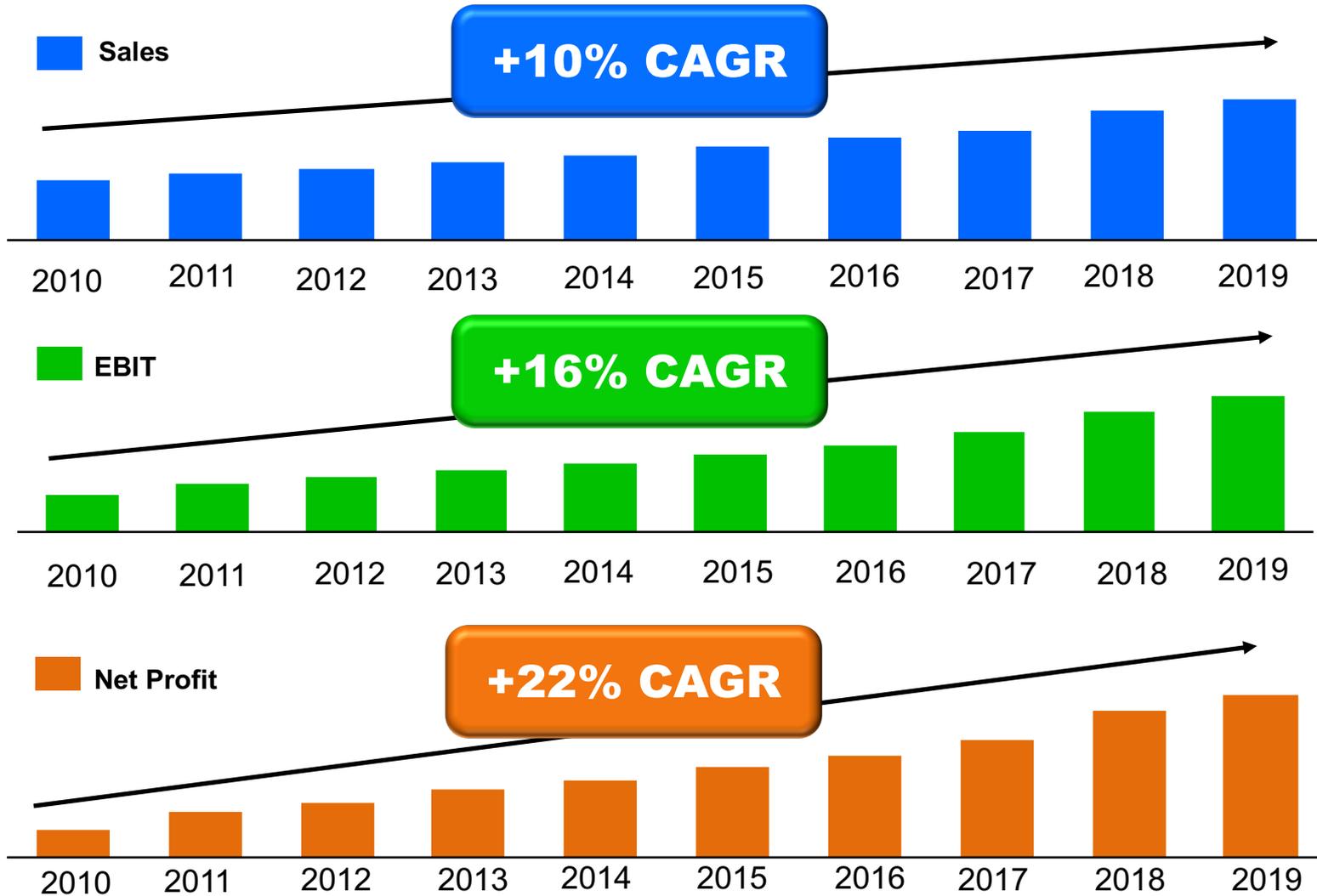
# 1H 2019 Results

# 2019 1<sup>st</sup> Half Results

	<u>1H 2018</u>	<u>1H 2019</u>	<u>Change</u>	<u>LC</u>
<b>Sales</b>	\$3,431	<b>\$3,728</b>	+8.7%	<b>+10.7%</b>
<b>Gross Profit</b>	\$1,274	<b>\$1,403</b>	+10.1%	
<b>Gross Margin %</b>	37.1%	<b>37.6%</b>	+50 bps	
<b>EBIT</b>	\$281	<b>\$314</b>	+11.9%	
<i>% of sales</i>	<i>8.2%</i>	<i>8.4%</i>		
<b>Net Profit</b>	\$255	<b>\$285</b>	+11.9%	
<i>% of sales</i>	<i>7.4%</i>	<i>7.6%</i>		
<b>EPS (HK cents)</b>	13.89¢	<b>15.61¢</b>	+12.4%	
<b>Interim Dividend (HK cents)</b>	38.00¢	<b>45.00¢</b>	+18.4%	

# Sales, EBIT & Net Profit 1<sup>st</sup> Half

## 10 Year Performance Trend



# 2019 1<sup>st</sup> Half Segment Results

<u>Segment</u>		<u>1H 2018</u>	<u>1H 2019</u>	<u>Change</u>	<u>LC</u>
Power Equipment	Sales	\$2,962	\$3,322	+12.1%	+14.3%
	<i>Segment %</i>	86.3%	89.1%		
	Op Profit	\$280	\$314	+12.0%	
	<i>% of sales</i>	9.5%	9.5%		
Floorcare & Appliance	Sales	\$469	\$406	-13.3%	-12.0%
	<i>Segment %</i>	13.7%	10.9%		
	Op Profit	\$0.6	\$0.1	--	
	<i>% of sales</i>	0.1%	0.0%		

# 2019 1<sup>st</sup> Half Region Sales

<u>Region</u>	<u>1H 2018</u>	<u>1H 2019</u>	<u>Change</u>	<u>LC</u>
<b>North America</b> <i>Region %</i>	<b>\$2,599</b> <i>75.8%</i>	<b>\$ 2,845</b> <i>76.3%</i>	<b>+9.4%</b>	<b>+9.7%</b>
<b>Europe</b> <i>Region %</i>	<b>\$555</b> <i>16.2%</i>	<b>\$ 595</b> <i>16.0%</i>	<b>+7.3%</b>	<b>+14.2%</b>
<b>Rest of World</b> <i>Region %</i>	<b>\$277</b> <i>8.0%</i>	<b>\$ 288</b> <i>7.7%</i>	<b>+4.1%</b>	<b>+12.8%</b>

# 2019 1<sup>st</sup> Half Income Statement

	<u>1H 2018</u>	<u>1H 2019</u>	<u>Change</u>
<b>Sales</b>	\$3,431	<b>\$3,728</b>	+8.7%
<b>Gross Profit</b>	\$1,274	<b>\$1,403</b>	+10.1%
	<i>% of sales</i>	<i>37.1%</i>	<i>37.6%</i>
Selling, Distribution, & Advertising	\$522	<b>\$582</b>	+11.4%
Administrative Expenses	\$375	<b>\$403</b>	+7.4%
Research & Development	\$99	<b>\$108</b>	+9.6%
<b>Total SG&amp;A Expenses</b>	<b>\$996</b>	<b>\$1,093</b>	+9.7%
	<i>% of sales</i>	<i>29.0%</i>	<i>29.3%</i>
Net Finance Cost	\$5	<b>\$7</b>	+38.3%
<b>Profit before Income Tax</b>	<b>\$275</b>	<b>\$307</b>	+11.4%
Income Tax Expenses	(\$21)	<b>(\$22)</b>	+5.0%
<b>Net Profit</b>	<b>\$255</b>	<b>\$285</b>	+11.9%
	<i>% of sales</i>	<i>7.4%</i>	<i>7.6%</i>

# 2019 1<sup>st</sup> Half Financial Position

	<u>1H 2018</u>	<u>1H 2019</u>	<u>Change</u>
Non-current Assets	\$1,975	\$2,529	+28.0%
Current Assets	\$3,898	\$4,767	+22.3%
Current Liabilities	\$2,266	\$3,145	+38.8%
Net Current Assets	\$1,632	\$1,622	-0.6%
Long-term Liabilities	\$700	\$970	+38.5%
Equity	\$2,907	\$3,181	+9.4%

# 2019 1<sup>st</sup> Half Gearing Trend

	<u>1H 2014</u>	<u>1H 2015</u>	<u>1H 2016</u>	<u>1H 2017</u>	<u>1H 2018</u>	<u>1H 2019</u>
<b>Gearing</b>	22.8%	17.7%	16.0%	8.8%	1.8%	13.1%

# 2019 1H Financial Figures

	<u>1H 2018</u>	<u>1H 2019</u>	<u>Change</u>
<b>Inventory</b>	\$1,578	<b>\$1,961</b>	
<i>Days</i>	88	94	+6 days
<b>Receivables</b>	\$1,203	<b>\$1,319</b>	
<i>Days</i>	67	63	-4 days
<b>Payables</b>	\$1,665	<b>\$1,885</b>	
<i>Days</i>	93	91	-2 days
<b>Net Working Capital</b>	\$1,115	<b>\$1,395</b>	
<i>% of Sales</i>	17.0%	18.4%	
<b>Cash Balance</b>	\$863	<b>\$1,206</b>	+39.7%
<b>CAPEX</b>	\$86	<b>\$211</b>	+146.7%

# 2019 1<sup>st</sup> Half Debt Profile

		<u>1H 2018</u>		<u>1H 2019</u>	<u>Change</u>
Cash Balance		\$863		\$1,206	+39.7%
<i>Debt with Fixed Maturities</i>		\$565		\$729	+29.0%
<i>Working Capital Financing</i>		\$349		\$894	+156.0%
<b>Total Debt</b>		<b>\$914</b>		<b>\$1,623</b>	<b>+77.5%</b>
<b>Total Net Debt</b>		<b>\$51</b>		<b>\$417</b>	<b>+716.5%</b>
Floating Rate	89%	\$809	89%	\$1,443	+78.3%
Fixed Rate	11%	\$105	11%	\$180	+71.3%
LT Debts - due after 1 year	61%	\$553	41%	\$663	+20%
ST Debts - due within 1 year	39%	\$361	59%	\$960	+166.0%

**Joe Galli**

# 2019 1<sup>st</sup> Half Sales Growth

	<u>1H 2018</u>	<u>1H 2019</u>
<b>Sales</b>	<b>\$3,431</b>	<b>\$3,728</b>
<b>% Growth</b>		<b>+8.7%</b>
<b>% Growth LC</b>		<b>+10.7%</b>

# 2019 1<sup>st</sup> Half Results

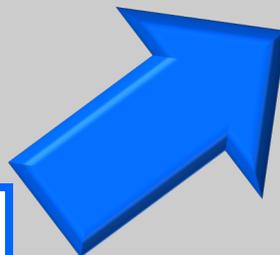
	<u>1H 2018</u>	<u>1H 2019</u>	<u>Change</u>
<b>Sales</b>	\$3,431	\$3,728	+8.7%
<b>Gross Margin %</b>	37.1%	37.6%	+50 bps
<b>EBIT</b>	\$281	\$314	+11.9%
<i>% of sales</i>	8.2%	8.4%	
<b>Net Profit</b>	\$255	\$285	+11.9%
<i>% of sales</i>	7.4%	7.6%	

# 2019 1<sup>st</sup> Half Gross Margin

1H 2018

1H 2019

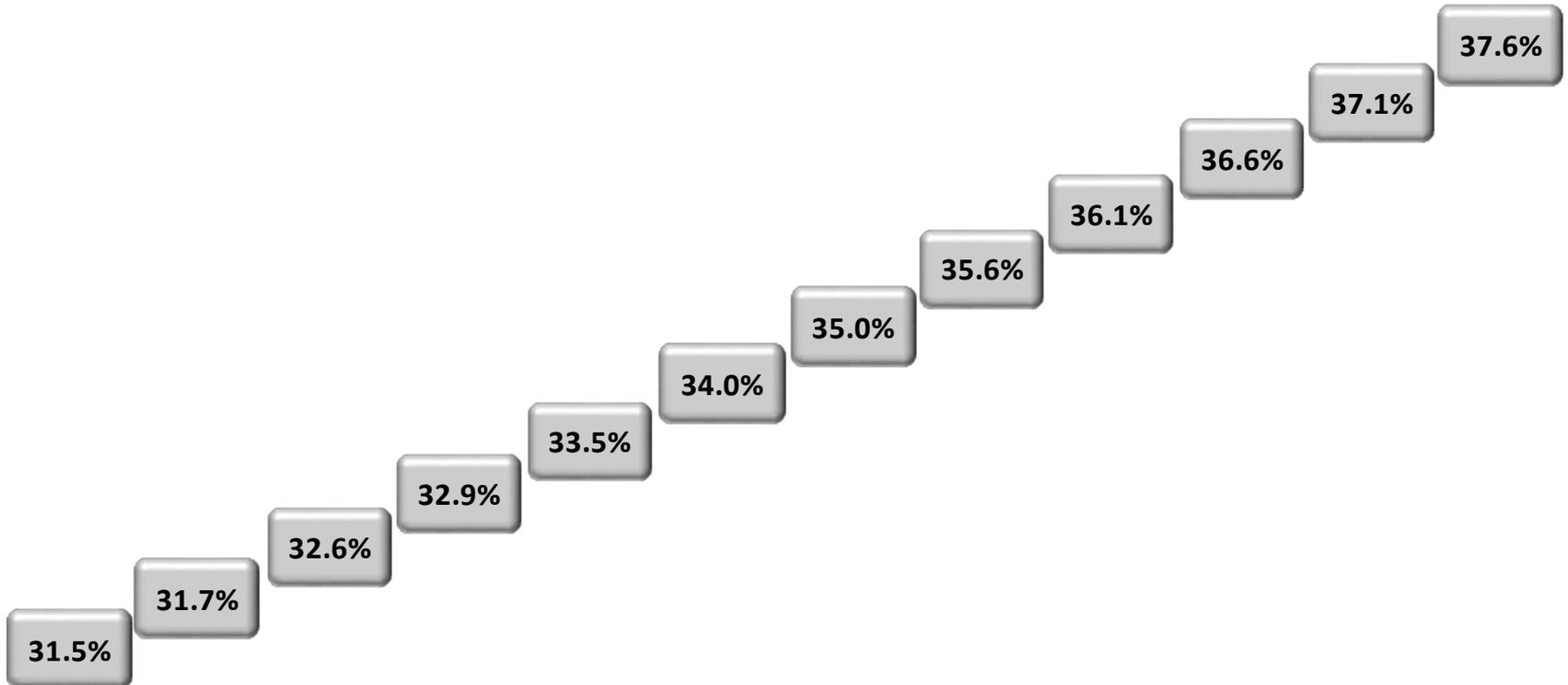
**37.1%**



**37.6%**

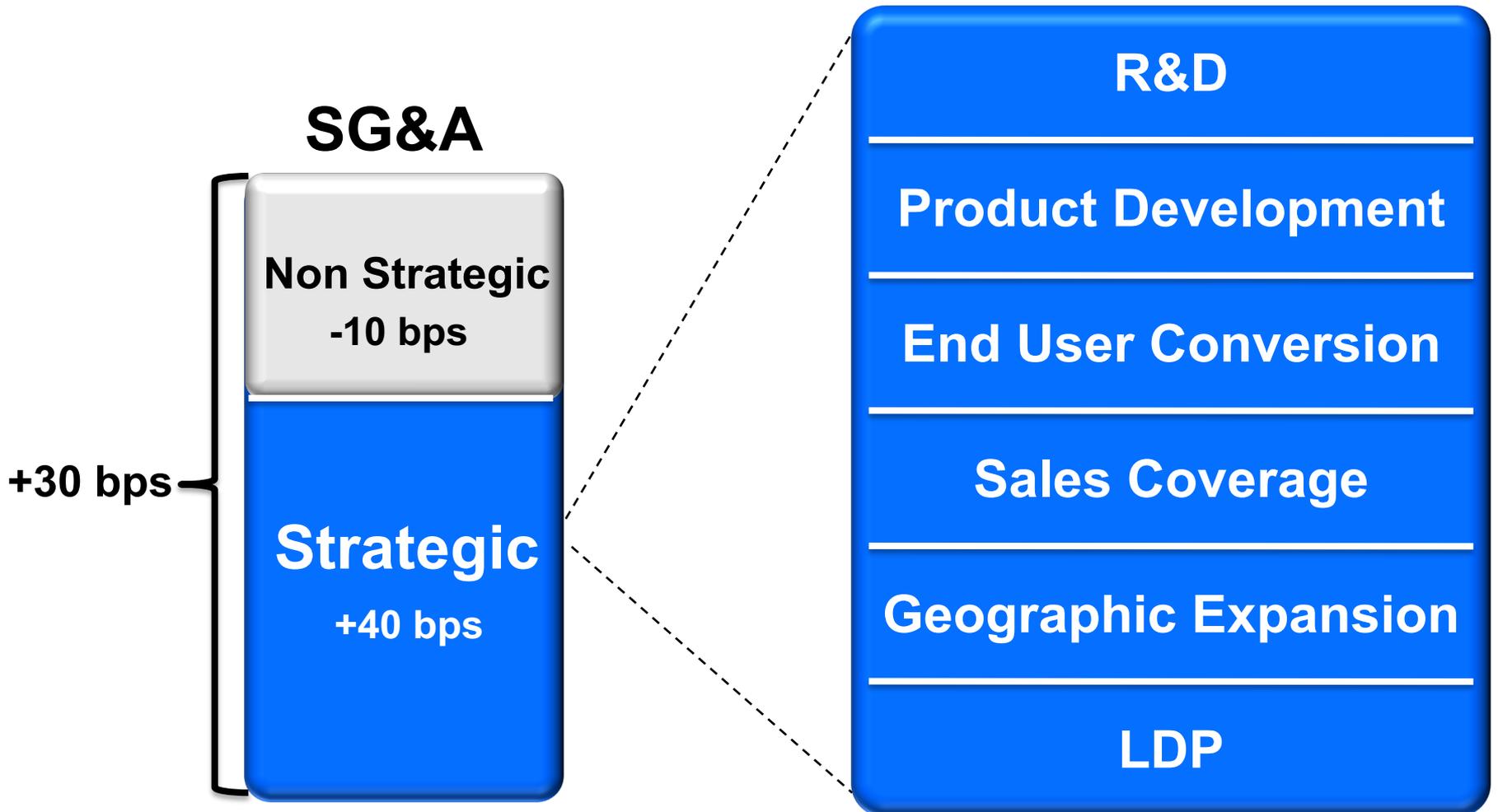
# 1<sup>st</sup> Half Gross Margin Trend

2008   2009   2010   2011   2012   2013   2014   2015   2016   2017   2018   2019



11 years of Gross Margin improvement

# 2019 1<sup>st</sup> Half SG&A Strategic Investment



# 2019 1H Working Capital

	<u>1H 2018</u>	<u>1H 2019</u>	<u>Change</u>
<b>Inventory</b>	<b>\$1,578</b>	<b>\$1,961</b>	
<i>Days</i>	<i>88</i>	<i>94</i>	<i>+6 days</i>
<b>Receivables</b>	<b>\$1,203</b>	<b>\$1,319</b>	
<i>Days</i>	<i>67</i>	<i>63</i>	<i>-4 days</i>
<b>Payables</b>	<b>\$1,665</b>	<b>\$1,885</b>	
<i>Days</i>	<i>93</i>	<i>91</i>	<i>-2 days</i>
<b>WC % of Sales</b>	<b>+17.0%</b>	<b>+18.4%</b>	

Milwaukee<sup>®</sup>



FUEL<sup>™</sup>



**TARGET VERTICALS**

*Milwaukee<sup>®</sup>*

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

**CARPENTRY &  
REMODELING**

**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, ending under the 'e'.

**M18 FUEL<sup>™</sup>**

**7-1/4" Rear Handle  
Circular Saw**

**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.

**M18 FUEL<sup>™</sup>**

**ONE<sup>™</sup> KEY**

**12" Sliding Compound Miter Saw**

**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 FUEL<sup>™</sup>**

**Compact Router**

**Milwaukee<sup>®</sup>**

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**M18 FUEL<sup>™</sup>**

**21° & 30° Degree  
Framing Nailers**

**Milwaukee<sup>®</sup>**

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**M18 FUEL<sup>™</sup>**

**ONE  KEY<sup>™</sup>**

**9" Cut Off Saw**

**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 behind the 'w' and 'a'.

**M12 FUEL<sup>™</sup>**

**SURGE<sup>™</sup> 1/4" Hydraulic 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 FUEL<sup>™</sup>**

**Installation Drill Driver**



**MECHANICAL  
ELECTRICAL  
PLUMBING**

**Milwaukee<sup>®</sup>**

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**M18 FUEL<sup>™</sup>**

**ONE  KEY<sup>™</sup>**

**Sewer Sectional Machine  
w/ CABLE DRIVE<sup>™</sup>**

**Milwaukee<sup>®</sup>**

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**M18 FUEL<sup>™</sup>**

**ONE  KEY<sup>™</sup>**

**Angler<sup>™</sup> Pulling Fish Tape**

**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 rounded rectangular box with a thin black border. A small 'TM' trademark symbol is located at the bottom right corner of the box.

**Cable Stripper**

**Milwaukee<sup>®</sup>**

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**ONE  KEY<sup>™</sup>**

The ONE KEY logo features the words 'ONE' and 'KEY' in a bold, sans-serif font. Between them is a white icon of a keyhole with three curved lines above it, representing a wireless signal. A small 'TM' trademark symbol is located at the bottom right of the 'KEY'.

**FORCE LOGIC<sup>™</sup> 15T Crimper**

**Milwaukee<sup>®</sup>**

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 towards the right.

**M12 FUEL<sup>™</sup>**

**ONE  KEY<sup>™</sup>**

**Digital Torque Wrench**

*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 word 'Milwaukee' towards the right.

**POWER UTILITY**

**Milwaukee<sup>®</sup>**

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**M18<sup>™</sup>**

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**ONE  KEY<sup>™</sup>**

The ONE KEY logo features the words 'ONE' and 'KEY' in a bold, sans-serif font. Between them is a white icon of a keyhole with three curved lines above it, representing a wireless signal. A small trademark symbol (TM) is located at the bottom right of the word 'KEY'.

**FORCE LOGIC<sup>™</sup>**  
**10,000 PSI Hydraulic Pump**



**Utility Remote Control  
Search Light**



**USB Rechargeable  
Utility Hot Stick Light**

*Milwaukee<sup>®</sup>*



**TRANSPORTATION**

**Milwaukee<sup>®</sup>**

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**M18 FUEL<sup>™</sup>**

**ONE KEY<sup>™</sup>**

**Extended Anvil Controlled Torque  
1/2" Impact Wrench**

**Milwaukee<sup>®</sup>**

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**M12 FUEL<sup>™</sup>**

**ONE  KEY<sup>™</sup>**

**1/4" & 3/8"**

**Extended Reach Ratchets**

**Milwaukee<sup>®</sup>**

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**M12 FUEL<sup>™</sup>**

**ONE  KEY<sup>™</sup>**

**1/4" Die Grinders**

*Milwaukee<sup>®</sup>*



**MECHANICS  
HAND TOOLS**

*Milwaukee<sup>®</sup>*

The Milwaukee logo consists of the word "Milwaukee" in a white, stylized, gothic-style script font, slanted upwards from left to right. A white lightning bolt graphic is positioned below the text, also slanted upwards from left to right, with its tip pointing towards the bottom left.

**LIGHTING**

*Milwaukee*<sup>®</sup>



**PACKOUT**<sup>™</sup>

*Milwaukee*<sup>®</sup>

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

***TAPE MEASURES***



**Stud Tape Measure**





**Hobby Tools**



**Plumbing**



**Air Cannon**

**RYOBI** **OUTDOOR**



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

**Mower Families**



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

**Outdoor Families**



**40V**LITHIUM

**Snow Blower**



# **Electric Zero Turn Riding Mower**



®

**DEEP CLEANING:  
CARPET CLEANERS & SOLUTIONS**



®

ONE  
PWR™  
S Y S T E M

CORDLESS



**FLOORMATE  
JET™**



SPOTLESS  
GO

