Revenue

+**9.2**%

US$**7,667** million

View Chart ›

Gross Profit Margin

+**50** bps

37.7% in 2019

View Chart ›

EBIT

+**10.9**%

US$**673** million

View Chart ›

Basic Earnings per Share

+**11.6**%

US**33.67** cents

View Chart ›

Net Profit

+**11.3**%

US$**615** million

View Chart ›

Dividend per Share

+**17.0**%

US**13.26** cents

View Chart ›

Financial Highlights

	2019 US$' million	2018 US$' million	Changes
Revenue	7,667	7,021	+9.2%
Gross profit margin	37.7%	37.2%	+50 bps
EBIT	673	607	+10.9%
Profit attributable to Owners of the Company	615	552	+11.3%
Basic earnings per share (US cents)	33.67	30.16	+11.6%
Dividend per share (approx. US cents)	13.26	11.33	+17.0%

Financial Highlights (PDF) ↗

Financial Statements (PDF) ↗

10th
consecutive year of
record revenue

View Chart ›

11th
consecutive year of
Gross Margin improvement

View Chart ›

12th
consecutive year of
record profit

View Chart ›

Chairman’s Statement

> “ I am proud to report that TTI had a strong year of financial performance with record profits delivering a decade of consecutive annual revenue growth.”

Horst Julius Pudwill
Chairman

Read More ›

Chairman’s Statement (PDF)

Chief Executive Officer’s Message

> “ We are not just selling more cordless power tools than the competition, we are building a great tool company for the future.”

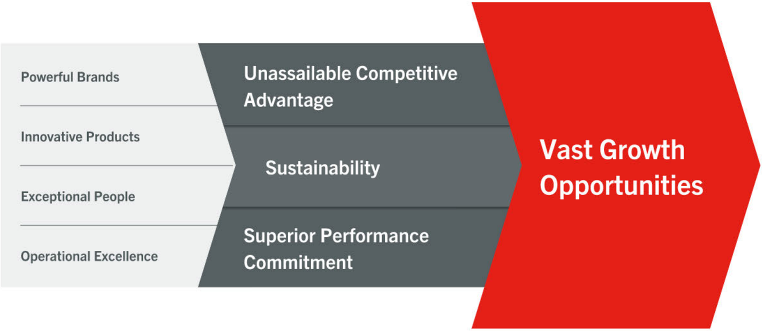
Joseph Galli Jr
Chief Executive Officer

Read More ›

CEO’s Message (PDF)

Our Strategic Focus

TTI has a powerful strategy and a disciplined process that create vast growth opportunities.



Powerful Brands

Innovative Products

Exceptional People

Operational Excellence

Unassailable Competitive Advantage

Sustainability

Superior Performance Commitment

Vast Growth Opportunities

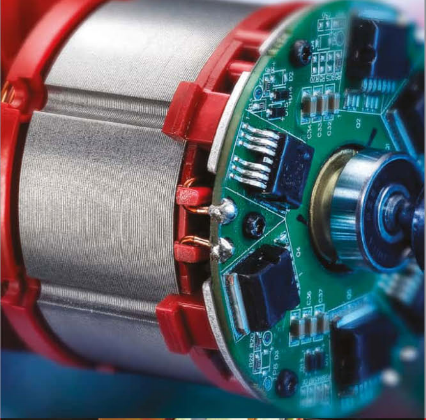
Milwaukee
FUEL
ONE-KEY
M18 REDLITHIUM
HIGH OUTPUT XC8.0

Unassailable Competitive Advantage

Breakthrough Technologies | Product Innovation

Read More >

Unassailable Competitive Advantage (PDF)



Superior Performance Commitment

- New Product Machine
- Operational Excellence
- Leadership Development Program

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Superior Performance Commitment (PDF)

Milwaukee
MX

Vast Growth Opportunities

- Platform Expansion
- Category Expansion
- Vertical Expansion
- Geographic Expansion

Read More ›

Vast Growth Opportunities (PDF)

Management's Discussion and Analysis

Review of Operations

Power Equipment, Accessories, Storage and Hand Tools

TTI's Power Equipment business, featuring MILWAUKEE industrial tools, RYOBI DIY power tools and RYOBI outdoor products delivered outstanding organic growth in all key markets with revenue increasing 13.0% to US$6.8 billion.

The relentless development of new innovative products, targeted sales and marketing investments and strategic geographic expansion all drove the stellar 2019 performance. Operating profit was up 10.8% to US$663 million. The Power Equipment business represented 88.6% of total sales.

13.0%

Revenue growth of Power Equipment business

US$663 million

The business delivered operating profit of US$663 million, a 10.8% increase over the previous year

Flagship Milwaukee Tool business continues to grow 20%+ in local currency

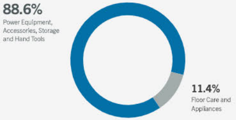
RYOBI cordless sales delivered double-digit sales growth

Power Equipment, Accessories, Storage and Hand Tools (PDF)

US$6.8 billion

Sales in Power Equipment, Accessories, Storage and Hand Tools

Sales by Business



Milwaukee AEG RYOBI Homelite

Empire IMPERIAL BLADES STILETTO HART

Floor Care and Appliances

In 2019, the Floor Care and Appliance business made outstanding progress developing the categories of Cordless cleaning and Carpet Washers.

The transition has resulted in 18.9% growth in these categories year-over-year making a significant contribution to the overall business. We have been disciplined in transitioning our floor care business from dated legacy corded floor care products to high-performance cordless and newly engineered state-of-the-art carpet washers. The floor care and appliance sales decline of 13.5% from prior year was a result of our successful strategic exit of the German floor care business while improving our profitability in the segment. The disciplined expansion of in-house manufacturing for our strategic categories in cordless cleaning and carpet washing products to the US and Vietnam has been a great success.

18.9%

growth in cordless cleaning and carpet washer categories

US$10 million

The Floor Care and Applicance business generated US$10 million of operating profit, up 12.8% from 2018

HOOVER and VAX cordless ONEPWR products have great potential

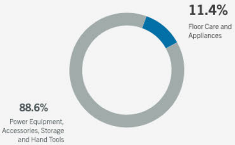
Expansion of in-house manufacturing in the US and Vietnam

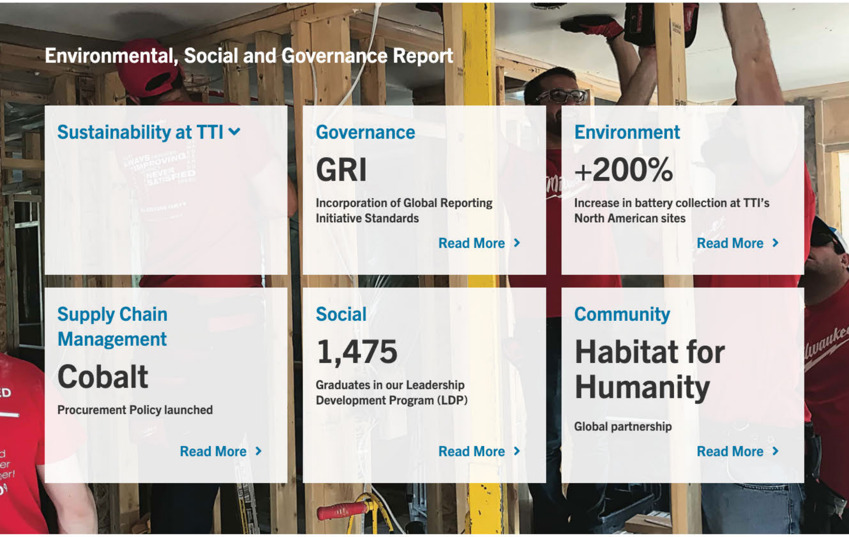
Floor Care and Appliances (PDF)

US$875 million

Sales in Floor Care and Appliances

Sales by Business





Environmental, Social and Governance Report

Sustainability at TTI

Governance

GRI

Incorporation of Global Reporting Initiative Standards

Read More ›

Environment

+200%

Increase in battery collection at TTI's North American sites

Read More ›

Supply Chain Management

Cobalt

Procurement Policy launched

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Social

1,475

Graduates in our Leadership Development Program (LDP)

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Community

Habitat for Humanity

Global partnership

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CEO's Sustainability Message

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> "Sustainability is a big deal. With our no emission cordless leadership strategy, we are helping to make the world a better place."

We are accelerating our actions to further our global commitment to sustainability. TTI is reshaping sustainability into a core competence by embracing best environmental, social and governance (ESG) practices. Our sustainability principles and practices extend throughout our operations, supply chain and products with priorities to responsibly source, conserve, reuse and recycle resources, provide safe respectful workplaces and always be in compliance with applicable laws and policies. We have long taken responsibility to improve the lives of our customers by disrupting the power tool, outdoor product and floorcare markets with reduced environmental impact Lithium cordless tools and equipment. Our global organization understands that economic, social and environmental aims are all interrelated and firmly believes that our ability to grow, innovate and prosper is linked to our ESG performance. TTI's core strategic drivers and culture are closely aligned with our ESG practices and standards to ensure that sustainability is firmly entrenched at all levels of our value chain.

Sustainability Improvements

Now in our fifth year of reporting on sustainability separately in our annual report, I am very pleased to state that we continue to strengthen managing ESG issues that are directly linked to our activities and products. Under the management of our ESG Executive and Working Committees, we have made significant strides in improving our sustainability performance both internally and in engagements with all our stakeholders. In 2019, we implemented and strengthened the important initiatives shared in this report to further our sustainability strategy.

Enhanced Data Management: Greenstone

With the understanding that increased transparency is key to improving ESG performance, in 2019 TTI partnered with software data specialists to collect, analyze and better manage our ESG data. This allows us to greatly enhance the quality of our oversight and extend the breadth and credibility of our disclosures to meet the expectations of stakeholders, including investors.

Cobalt Procurement Policy

The newly-implemented TTI Cobalt Procurement Policy signifies our ongoing effort to do the right thing across our value chain. This policy outlines the standards that TTI and its suppliers must follow to ensure that all cobalt is from reputable sources, free from conflict or other human rights violations.

Commitment to Global Initiatives

Recognizing the importance of adopting a comprehensive international and independent standard to understand and communicate our impact on global issues such as climate change, human rights and anti-corruption, in 2019 TTI became a member of the Responsible Minerals Initiative (RMI) and actively began working towards becoming a Community Member of the Global Reporting Initiative (GRI) in January 2020.

Our commitment to global action on sustainability was also strengthened in aligning our strategy with the United Nations (UN) Global Compact's universal principles on human rights, labor, environment and anti-corruption, and the advancement of societal goals. By supporting 14 of the 17 UN's Sustainable Development Goals (SDGs) most relevant to TTI's business, we have outlined a strategic roadmap for TTI to follow to further our sustainability performance.

Confidently Moving Forward

I am confident that our adoption of enhanced data management tools, more robust procurement mechanisms and our commitment to global initiatives and principles will help us manage risks and opportunities in the ESG arena to achieve our targets in the short to medium term with a view towards longer-term success. I would like to thank all the TTI team members for their dedication and hard work to make sustainability a powerful thrust of the TTI culture. We look forward to working with all our stakeholders to create sustainable value and to build a better world for all. At TTI, we strongly believe that cordless technology is helping us all along this journey.

Joseph Galli Jr
Chief Executive Officer
March 4, 2020

Global Performance Highlights for 2019

GOVERNANCE	ENVIRONMENT	SUPPLY CHAIN MANAGEMENT	SOCIAL	COMMUNITY
Zero Public legal cases of corruption were brought against TTI Group	**-39%** Reduction in product packaging materials	**Zero** Cases of child labour	**149,780** Training hours (on e-learning)	**+63%** Increase in in-kind and cash donation contributions
Zero Cases of identified leaks, theft or loss of customer data	**-6%** Reduction of TTI AIP scope 1 and 2 GHG emissions intensity	**Zero** High-risk cases in sourcing of conflict minerals or cobalt	**+1.5%** Increase in ratio of female to male employees	**Over 50** Non-Governmental Organisations (NGO) and charities that TTI partners with and supports
Greenstone Global implementation of ESG data software	**-2% and -15%** Reduction of TTI AIPelectricity and natural gas intensity	**Responsible Mineral Initiative (RMI)** Membership	**1,475** Graduates in our Leadership Development Program (LDP)	**Habitat for Humanity** Global partnership
GRI	**+200%**	**Cobalt**	**Zero**	**Asian**

Incorporation of Global Reporting Initiative Standards

Read More ›

Increase in battery collection at TTI's North American sites

Read More ›

Procurement Policy launched

Read More ›

Work-related fatality cases

Read More ›

University for Women

Global partnership

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Global Performance Highlights for 2019 (PDF)

HKEX ESG Guide Content Index (PDF)

Appendix A of HKEX ESG Guide Content Index (PDF)

GRI Standards Content Index (PDF)

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TTI Techtronic Industries
Annual Report 2019

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- Financial Statements

Executive Summary +

Our Strategic Focus +

MD&A and Governance +

Environmental, Social and Governance Report +

Financials +

Corporate Information +

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