



MILWAUKEE MX FUEL Handheld Core Drill

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**

Review of Operations

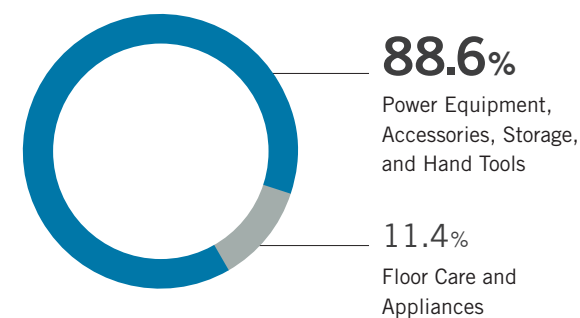
Power Equipment, Accessories, Storage
and Hand Tools

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.

US\$6.8 billion
Sales in Power Equipment, Accessories,
Storage and Hand Tools

Sales by Business



Industrial

Our flagship MILWAUKEE Industrial Tool business delivered exceptional worldwide sales growth of over 21.7% in local currency. The ongoing introduction of disruptive technology and innovative new products resulted in significant expansion across new and existing product categories and geographies. Milwaukee Tool is capturing new users in targeted core trades of electrical, mechanical, plumbing, remodeling, transportation maintenance and power utility. Driven by technological advancements, MILWAUKEE products deliver improved safety, performance and productivity solutions for professional and industrial users throughout the world.

Power Tools

Our MILWAUKEE Power Tool business is leveraging on its disruptive cordless technology, converting users to our clean lithium battery energy from legacy power systems such as corded, pneumatic, hydraulic and gas. Leading the way is the MILWAUKEE M18 platform with over 195 tools on a single platform and the M12 platform with over 115 compatible products.

MILWAUKEE remains focused on introducing new technology to support existing system users in addition to attracting new users to the extensive MILWAUKEE M12 and M18 cordless systems. The introduction of the M18 REDLITHIUM HIGH OUTPUT CP 3.0 and XC 8.0 battery packs offer 50% more power while running 50% cooler and delivering up to 60% more runtime. In addition, Milwaukee Tool continues investing and expanding the solutions in the FUEL brushless system enabling the conversion of alternate power sources while increasing safety and productivity on the jobsite. As an example, the M18 FUEL 9" Cutoff Saw eliminates the inconveniences in dealing with gas-powered cutoff saws while the M18 FUEL 7-1/4" Rear Handle Circular Saw delivers more power and faster cuts than an AC corded saw. The M18 FUEL 1" High Torque Impact Wrench is the world's first and most powerful impact wrench on the market enabling users to eliminate pneumatic hoses and cords on the worksite. The relentless dedication to the professional trades is evident throughout Milwaukee Tool's targeted industry verticals.



MILWAUKEE M18 FUEL 9" Cut-off Saw

We recently announced the revolutionary cordless MX FUEL Equipment System. The MX FUEL cordless platform will redefine the professional light equipment sector with breakthrough levels of power delivery and one completely compatible battery system.

Set to replace legacy powered technologies of corded electric, pneumatic, hydraulic and gas powered equipment, this system transforms the light equipment market by delivering the performance, run-time and durability demanded by the trades without the hazards associated with emissions, noise, vibration and the frustrations of gas maintenance.

Launching with 10 products, the new MX FUEL Equipment System is the platform that provides the technology and capability for MILWAUKEE to take a giant step into the light equipment space.



MILWAUKEE MX FUEL Family

Accessories

Our MILWAUKEE high-performance cordless tools are increasingly powerful and technologically advanced. The MILWAUKEE Accessory business is focused on developing accessories engineered to optimize the performance on cordless tools.



MILWAUKEE SHOCKWAVE IMPACT DUTY Driver Bit

Double-digit growth in the accessories business was fueled by the launch of the third generation of SHOCKWAVE driving accessories which are engineered to be the most durable, best fitting driver bits on the market. Investments in the Imperial Blades operations coupled with the introduction of product innovations drove the expansion of the high-growth oscillating category. The MILWAUKEE Carbide Cutting technology advancements are delivering user demand and resulting in exciting category growth.

Hand Tools

In 2019, the MILWAUKEE Hand Tools delivered exceptional growth propelled by innovative new products. A range of innovative mechanics hand tools with best in class features rolled out in 2019. In addition, we have launched a breakthrough range of tape measures that feature industry leading performance.



MILWAUKEE PACKOUT Modular Storage System with M18 PACKOUT Radio + Charger

Storage

The number of tools owned by users continues to grow, creating a massive opportunity for modular and portable jobsite storage solutions. Milwaukee Tool's versatile PACKOUT system exceeds all expectations. With an astonishing growth rate in 2019, PACKOUT is now the largest assortment of professional modular storage in North America with over 20 unique products across the system. Exciting additions to the system include the PACKOUT crates, dolly, and mounting plates and most notably, the M18 PACKOUT Radio + Charger. This radio combines the powerful M18 technology with the innovative PACKOUT system resulting in the ultimate jobsite sound system. Built from the ground-up to be fully compatible with all PACKOUT modular storage products and the ability to charge all M18 Batteries, it is the ultimate connected charging solution for the jobsite.

Personal Protective Equipment

Milwaukee Tool's commitment to productivity and safety inspired the expansion into the personal protective equipment market with the introduction of over 180 new solutions thoughtfully designed to keep users safe, while improving productivity on the jobsite. These include new hard hats, safety glasses, high-visibility safety vests, respirators, hearing protection and impact resistant gloves that offer breakthrough versatility, flexibility, and durability in a market space that has seen stagnant innovation for years.

Consumer Power Tools & Outdoor Products

The RYOBI cordless business delivered double digit sales growth in 2019. After years of focused investment, RYOBI is now the global leader in DIY cordless power tools and outdoor cordless products with the 18V ONE+ and 40V Systems. The RYOBI brand is at the forefront of the cordless revolution disrupting the DIY industry with an impressive flow of new products targeting the remodeler, hobbyist, automotive and value oriented professional users to name a few. The RYOBI commitment to platform compatibility has inspired a loyal following of users and has driven significant household penetration.



RYOBI ONE+ 18V Impact Driver

The RYOBI brushless range is gaining traction worldwide. The RYOBI power tool product development focus on the DIY user is set to expand the ONE+ System beyond today's 130 tools with continued innovation breakthroughs.



RYOBI ONE+ 18V Multi-Purpose Fogger

The RYOBI Outdoor business generated strong mid-teen sales growth in key markets in 2019. Our RYOBI ONE+ and 40V cordless platforms are flourishing as consumers convert from gas to our environmentally friendly high-performing cordless solutions. Our cordless technology is driving a once in a generation revolution. RYOBI is now the number one cordless DIY outdoor product brand globally.

We are aggressively investing in a myriad of new ONE+ and 40V outdoor products. The new product pipeline in the 40V platform is the growth engine driving the expansion of the system. The entire 40V hand-held product range was updated for 2019, with the most significant launches including the attachment capable string trimmer, jet fan blower, hedge trimmer and a brushless chainsaw. Additionally, we launched two powerful new brushless self-propelled mowers on the 40V platform in 2019.



RYOBI 40V WHISPER Brushless JET FAN Blower