

CHIEF EXECUTIVE OFFICER'S MESSAGE

We are aligned as one team, sharing best practices and resources across the organization to drive process improvement, and to scale for continued future growth.



TTI delivered record sales of approximately US\$15.3 billion in 2025, growing 4.1% in local currency, while further strengthening profitability. EBIT margin expanded to 8.8%, supported by gross margin improvement and continued focus on operating effectiveness. I am extremely proud of the performance our teams have delivered in 2025.

MILWAUKEE continued to extend its market leadership with 7.9% local currency sales growth, and RYOBI delivered solid growth of 5.4% in local currency, underscoring the strength and balance of our portfolio.

This performance reflects more than a strong year; it reflects the strength of our strategy, execution, and people. We have carried this momentum into the early months of 2026, and we look forward to sharing our first-half results later this year.

Delivering Performance in a More Complex Environment

The global environment continues to grow more complex. We have taken deliberate steps to position the company for sustained success amid evolving global trade and regulatory dynamics. Through the continued diversification of our global sourcing and manufacturing footprint, including expanded capacity in lower-tariff regions, we have reduced concentration risk while protecting continuity, margins, and our ability to execute consistently across markets. These were strategic choices that allowed us to remain focused on serving our customers and partners in a more demanding environment.

Driving Increased Profitability

Driving sustained profitability is a core priority for TTI, and we are taking deliberate actions to strengthen the business as we scale.

One of our greatest advantages is our global growth. As the company has expanded, we have increased our ability to leverage that scale to improve efficiency, reduce complexity, and achieve cost effectiveness across the business. We are aligned as one team, sharing best practices and resources across the organization to drive process improvement, and to scale for continued future growth.

At the same time, improving performance requires a willingness to make difficult decisions. In 2025, we took deliberate actions in areas of the business that were underperforming. We strengthened profitability and positioned TTI for long-term growth. These decisions are never easy, but they were essential to ensure the company remained focused, competitive, and well-positioned for the future.

Together, these actions reflected a clear focus on strengthening performance while continuing to invest strategically in the capabilities that support our long-term growth.

Technology as a Catalyst for Growth

At TTI, technology is not an initiative. It is how we compete, how we scale, and how we win!

Technology is a powerful driver of our growth, enabling stronger execution, disruptive solutions, and sustained financial performance across the company. Internally, we are investing in advanced manufacturing, system architecture, digital operations, AI and machine learning, and R&D capabilities that improve innovation, productivity, speed, and quality at scale.

Externally, technology continues to reshape the end markets that drive our growth — from data centers and grid infrastructure to professional and consumer applications. Our ability to invest strategically and ahead of demand positions TTI to benefit from long-term investment cycles that rely on advanced, technology-driven solutions.

Our Foundation: People and Culture

Everything we deliver at TTI begins with our people and our culture. Our success depends on the strength of our teams, the depth of our leadership bench, and our continued investment in developing talent across the organization. By creating meaningful opportunities for growth, learning, and leadership, we are building a strong pipeline of talent that supports both today's execution and tomorrow's innovation.

Our people are also the engine behind the innovation that differentiates TTI from our competitors. Deep understanding of our users, combined with a culture of ownership and relentless improvement drives the development of disruptive solutions that fuel growth across our portfolio. Our culture enables us to move quickly, collaborate effectively, and remain focused on delivering value to our customers and partners. It is not just what we do, but how we do it, that continues to set TTI apart.

Looking Ahead

As we look forward, we do so with confidence, focus, and an unwavering belief in our future. We see strong growth opportunities across our MILWAUKEE and RYOBI businesses, while continuing to strengthen areas of the portfolio that require focus. We are clear on the actions needed to do so, and will continue to invest ahead of the curve, challenge ourselves to improve, and stay grounded in the fundamentals that have defined TTI's success.

Sincere thanks to our employees throughout TTI for delivering outstanding results to our shareholders, and for enabling the innovation, performance, and reliability that our end users have come to expect. To our customers and distribution partners, thank you for your valued partnership and trust, and to our Executive Chairman — Horst Pudwill, Executive Vice Chairman — Stephan Pudwill, and our Board for their continued leadership and guidance.

Together, we are building a company that not only delivers the best products and productivity solutions today, but for generations to come.

Steven P. Richman
Chief Executive Officer
March 3, 2026