



Power Equipment

94.8% of total sales
US\$7,425 m

MILWAUKEE M18 FUEL 1/2" – 1" Steel Pipe Cutter



Floorcare & Cleaning

5.2% of total sales
US\$408 m

HOOVER SMARTWASH Pet XL Carpet Washer

MANAGEMENT'S DISCUSSION AND ANALYSIS

Review of Operations

TTI delivered record sales of US\$7.8 billion in the first half of 2025, growing 7.5% in local currency and 7.1% at reported rates. Our two leading brands, MILWAUKEE and RYOBI, both delivered exceptional performances during this period. MILWAUKEE grew 11.9% and RYOBI grew 8.7% in local currency. Our other noncore businesses strategically reduced sales versus the first half of 2024 as we focused on our plans to rationalize product lines to increase profitability in these areas.

In North America, our teams delivered 8.1% sales growth in local currency. Europe also grew an outstanding 10.4%, while Rest of World decreased 3.4% in local currency.

Gross margin improved 34 basis points to 40.3% in the first half of 2025. This increase reflects operational efficiencies made in our consumer brands where we focused on profitability, the positive mix impact from the growth of our high margin MILWAUKEE business and productivity improvements captured throughout our manufacturing and sourcing network.

Total SG&A expenses decreased by 18 basis points from the first half of 2024, to 31.3% as a percentage of sales. This reduction demonstrates our focus on leveraging and eliminating non-strategic administrative expenses while simultaneously investing in research and development, new product development, and commercialization.

EBIT for the first half of 2025 was US\$709 million, representing a 13.3% increase compared to the same period in 2024. EBIT margin also increased 49 basis points from the first half of 2024 to 9.1% as a percentage of sales.

Net Profit increased 14.2% to US\$628 million and earnings per share also improved 14.1% to US\$34.37 cents.

Working capital improved 190 bps versus June 2024 to 16.8% as a percent of sales. Inventory days on hand decreased 1 day to 103 days from the first half of last year. This reflects a decrease in raw material days on hand as our team worked to reduce safety stock levels of available componentry, while increasing finished goods inventory in preparation for potential changes in the tariff environment in the second half of 2025.

Capex spend in the first half was US\$96 million, a 4.1% reduction from the first half of last year. This spend includes investments in new products, manufacturing network rebalancing, automation and productivity initiatives around the globe.

The Company generated US\$468 million in positive Free Cash Flow in the first half of 2025, ending the period in a net cash position. More importantly, our balance sheet is extremely healthy, and we are well positioned to continue investing and growing the business while navigating changes in the macro-economic environment.

Our strong first half results reflect the dedication and culture of our global team. We continue to build on this foundation by recruiting, retaining, and investing in talent worldwide and are extremely proud of the depth of the talent and bench strength we have developed across all levels at TTI. Our team's adaptability and experience will serve us well as we continue our mission of cordless domination, while delivering above-market financial results.

BUSINESS REVIEW

Power Equipment

The TTI Power Equipment segment grew sales 8.3% in local currency to US\$7.4 billion.

MILWAUKEE

MILWAUKEE achieved double-digit sales growth in the first half of 2025, finishing up 11.9% in local currency. By region, North America grew 12.9%, Europe grew 11.6%, and Rest of World grew 2.6% in local currency. All major categories of our MILWAUKEE business performed well, with Outdoor Power Equipment (OPE) and Personal Protective Equipment (PPE) outperforming the portfolio average.

The engine behind this growth remains our unwavering commitment to the skilled trades. Our user-focused approach is the foundation of our strategy and a key differentiator in the marketplace. Our teams strive to deeply understand the end user and uncover opportunities to bring safety and productivity to the jobsite.

We continue to unlock opportunity through three key levers: growing existing businesses and verticals, expanding into new businesses and verticals, and growing our reach in global markets.

Today, our core verticals of focus include users in the Mechanical, Electrical, Plumbing, Remodeling, Utility, Transportation Maintenance, General Contracting, Landscape Maintenance, Energy, and Mining trades. Each includes various sub-trades with unique applications and requirements – and it's through close partnership with these users that we identify solutions to pain points and deliver meaningful innovation.



MILWAUKEE M18 FUEL 1” D-Handle High Torque Impact Wrench w/ ONE-KEY

A recent example is the newly launched M18 FUEL ½” – 1” Steel Pipe Cutter, built for users in the service subvertical of the Mechanical and Plumbing trades. This tool delivers clean, consistent cuts on steel pipes without fixturing. It reduces injury risk by eliminating manual filing and deburring, and increases productivity with the fastest cut-to-connection process. As labor remains the most valuable asset on today’s jobsite, we’re focused on helping skilled tradespeople use their time more productively.

A clear example of vertical expansion is our progression from Transportation Maintenance into Mining – a vertical where we’re still in the early stages but see tremendous opportunity ahead. MILWAUKEE began by building credibility and adoption in the automotive sector. As we continued to introduce new solutions tailored to their needs – especially tools built for high-output, heavy-duty applications – those same solutions began gaining traction with adjacent users in the mining trade who faced similar challenges.

One standout example is our M18 FUEL 1” D-Handle High Torque Impact Wrench with ONE-KEY, originally designed to meet the needs of transportation maintenance professionals working on heavy-duty vehicles. Because it directly addressed key challenges like torque, access, and control, the tool was quickly adopted by mining professionals as well. It solved real problems, and users pulled it into their workflow.

This kind of organic adoption gave us a fast lane into the mining vertical. While we’re still growing, learning, and expanding our understanding of this vertical’s unique needs, we’re encouraged by the early traction and excited about the runway ahead. It’s a strong example of how one vertical can serve as a springboard for another.

Our momentum doesn’t stop at vertical boundaries; it crosses borders. Mining’s global relevance in regions like Australia and Latin America helped accelerate our expansion in those geographies as well. The credibility of the MILWAUKEE brand opened the door to broader brand adoption in these markets, demonstrating how vertical growth and global growth are aligned.

What enables us to move quickly when opportunity knocks is our People and Culture. We’ve built a team that is agile, user-driven, and takes extreme ownership when responding to opportunity. This allows us to scale faster than competitors and meet emerging demand with speed.

RYOBI

RYOBI, our #1 global consumer battery-powered tool and outdoor brand, delivered a tremendous first half performance, growing 8.7% in local currency. Both our Power Tool and Outdoor businesses performed well, with Power Tools growing low double digits and Outdoor growing mid-single digits.

Since its inception in 1996, the RYOBI ONE+ 18V battery platform has consistently delivered cordless value to end users and it has the largest end user base in the industry. We’ve also supplemented this platform with our outdoor focused RYOBI 40V System and compact RYOBI USB Lithium platform. Across all RYOBI cordless platforms, we are committed to maintaining system compatibility while developing innovative new products.

Our RYOBI growth strategy centers on further entrenching existing users within our cordless platforms, attracting new users, and driving strong growth in new and existing geographic regions throughout the world. The extensive range of products within our cordless systems



RYOBI 18V ONE+ HP AIRSTRIKE 18GA Brad Nailer

provides incredible value to new and existing users, giving them the ability to grow their collection of products with many innovative solutions to choose from. Our RYOBI cordless solutions give end users great value and versatility in the home, yard, and on the go.

In addition to developing the most innovative cordless DIY and outdoor products, we also work with the best distribution partners in the industry like The Home Depot, Bunnings, and top European retail partners. This combination of great products and great partners is a winning combination that has allowed RYOBI to flourish.

Floorcare & Cleaning

The Floorcare and Cleaning business increased operating profit 3.6% to US\$9.7 million as compared to the first half of 2024, while revenue decreased 4.8% in local currency to US\$408 million. Our innovative RYOBI cleaning products performed well globally, growing sales at a double-digit growth rate, while introducing several exciting new products. In the UK and Australia, the VAX brand was impacted by a slowdown in consumer discretionary spending. In North America, our teams continued the reinvigoration work on our HOOVER, DIRT DEVIL, and ORECK brands. Across all brands and geographies in our floorcare segment, we are driving the conversion from corded to cordless cleaning while working to improve overall business profitability.

Outlook

From topline sales growth, solid free cash flow, and improved EBIT and Net Profit margins, we are very pleased with our results in the first half of 2025. This performance reflects the effort and dedication of our exceptional people across the world.



RYOBI 18V ONE+ HP Advanced Stick Vacuum

Since 2015, we have invested more than US\$1.9 billion to expand our manufacturing capacity and enhance our global presence into the most geographically diverse and flexible in our industry. This capability allows our experienced team to respond to changes in the macroeconomic environment and shift production to the most efficient location depending on the business needs.

Looking forward to the second half of 2025, we are in a very strong position to address the challenges presented by the current macroeconomic and geopolitical environment and the evolving global trading policies. As reported, the Company has generated US\$468 million in positive free cash flow in the first half of 2025, which has bolstered an already strong balance sheet. We will continue our commitment to R&D investment to maintain our market leadership in new and technologically advanced cordless products, on the back of the momentum generated by a strong performance in the first six months of 2025. In the second half of 2025, our focus is on driving profitability.

More importantly, we are positioning TTI to continue to deliver exceptional results in 2026 and beyond. The demand for our MILWAUKEE and RYOBI brands remains strong and our new product pipeline is extremely exciting. Based on the current demand environment, we look to 2026 with growing confidence in our ability to achieve our internal targets of double-digit sales growth in MILWAUKEE and mid-single digit sales growth in RYOBI. Our team will continue to work toward our mid-term internal goal of achieving 10% EBIT as a percentage of sales. We are confident we will successfully navigate the current macro-economic environment, positioning us in an even stronger leadership position in the months and years ahead.

FINANCIAL REVIEW

Financial Results

Reported revenue for the period grew by 7.1% as compared to the same period last year, amounting to US\$7,833 million. EBIT amounted to US\$709 million, an increase of 13.3% as compared to the US\$626 million reported in the same period last year.

Profit attributable to Owners of the Company amounted to US\$628 million as compared to US\$550 million reported in the same period last year, an increase of 14.2%.

Basic earnings per share was at US34.37 cents (2024: US30.12 cents), an increase of 14.1%.

Result Analysis

Gross Margin

Gross margin improved to 40.3% as compared to 39.9% reported in the same period last year. The margin improvement was the result of mix impact of high margin business, focused profitability on consumer brands and operational improvements across all global manufacturing operations.

Operating Expenses

Total operating expenses for the period amounted to US\$2,452 million as compared to US\$2,302 million reported for the same period last year, a 6.5% increase. The increase was mainly due to our strategic investments in new products and technologies.

Our R&D expenses amounted to US\$359 million, representing 4.6% of revenue (2024: 4.1%) reflecting our continuous focus on innovation, new products and technology. We will continue to invest in breakthrough technology and deliver broad base end-user products and categories as these are most critical, not only to maintain sales growth momentum, but also margin expansion.

Net interest expenses for the period amounted to US\$27.8 million as compared to US\$32.5 million reported for the same period last year, a 14.5% decrease. The decrease in net interest expenses is the result of our efficient management of financial resources.

The effective tax rate for the period was at 7.8% (2024: 7.3%). The Group will continue to leverage its global operations and align its strategy to manage various tax policy changes globally to sustain our overall tax efficiencies.

Liquidity and Financial Resources

Shareholders’ Funds

Total shareholders’ funds amounted to US\$6.7 billion, an increase of 4.6% as compared to December 31, 2024. Book value per share was US\$3.63 as compared to US\$3.47 at December 31, 2024, an increase of 4.6%.

Financial Position

The Group continued to maintain a strong financial position. As at June 30, 2025, the Group’s cash and cash equivalents amounted to US\$1,608 million (US\$1,232 million at December 31, 2024) of which 37.9%, 33.9%, 16.0%, and 12.2% were denominated in USD, EUR, AUD and other currencies respectively.

The Group generated Free Cash Flow of US\$468 million during the period as compared to US\$508 million for same period last year (Free Cash Flow equals to net cash from operating activities, less purchase of property, plant and equipment, less additions to intangible assets, and add proceeds from disposal of property, plant and equipment).

The Group’s net gearing, expressed as a percentage of total net borrowings (excluding bank advance from factored trade receivables which are without recourse in nature) to equity attributable to Owners of the Company, was net cash as compared to 9.2% as at June 30, 2024.

Bank Borrowings

Long term borrowing accounted for 50.7% of total debts (59.8% at December 31, 2024).

The Group’s major borrowings continued to be in US\$. Borrowings are predominantly Secured Overnight Financing Rate (“SOFR”) based. There is a natural hedge mechanism in place as the Group’s major revenues are in US\$ and currency exposure therefore is low. Currency, interest rate exposure, and cash management functions are all being closely monitored and managed by the Group’s treasury team.

Amongst the bank borrowings, fixed rate debts after interest rate hedging account for 60.7% of the total bank borrowings, the balance being floating rate debts.

Working Capital

Total inventory was at US\$4,293 million as compared to US\$4,027 million as at June 30, 2024. Inventory days decreased by 1 day from 104 days to 103 days. Finished goods inventory increased by 6 days in preparation for the ever changing tariffs environment while raw material inventory decreased by 6 days to 13 days and work in progress inventory decreased by 1 day to 3 days when compared to the same period last year.

Trade receivables turnover days maintained at 60 days. The Group is comfortable with the quality of the receivables and will continue to exercise due care in managing credit exposure.

Trade payables days were 102 days as compared to 96 days as at June 30, 2024.

Working capital as a percentage of sales was at 16.8% as compared to 18.7% for the same period last year.

Capital Expenditures

Total capital expenditures for the period amounted to US\$96 million (2024: US\$100 million) representing 1.2% of sales.

Capital Commitments and Guarantees

As at June 30, 2025, total capital commitments for the acquisition of property, plant and equipment and equity investment contracted for but not provided amounted to US\$153 million (At December 31, 2024: US\$167 million), and there were no material guarantees or off balance sheet obligations.

Charges

None of the Group’s assets are charged or subject to encumbrance.

Human Resources

The Group employed a total of 47,539 employees (49,778 employees as at June 30, 2024) globally. Total staff cost for the period under review amounted to US\$1,436 million as compared to US\$1,359 million in the same period last year.

The Group regards human capital as vital for the Group’s continuous growth and profitability and remains committed to improve the quality, competence and skills of all employees. It provides job-related training and leadership development programs throughout the organization. The Group continues to offer competitive remuneration packages, discretionary share options, share awards and bonuses to eligible staff, based on the performance of the Group and the individual employee.

Interim Dividend

The Directors have resolved to declare an interim dividend of HK125.00 cents (approximately US16.09 cents) (2024: HK108.00 cents (approximately US13.90 cents)) per share for the six-month period ended June 30, 2025. The interim dividend will be paid to shareholders listed on the register of members of the Company on September 5, 2025, being the record date for determining shareholders’ entitlement to the proposed interim dividend. It is expected that the interim dividend will be paid on or about September 19, 2025.

Closure of Register of Members

The register of members of the Company will be closed from September 4, 2025 to September 5, 2025, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company’s share registrars, Tricor Investor Services Limited, whose office is presently situated at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:00 p.m. on September 3, 2025.