MILWAUKEE M18 FUEL STRIKER Hammer Chisel

RYOBI 40V HP Brushless 21" Self-Propelled AWD Multi-Blade Mower

MANAGEMENT'S DISCUSSION AND ANALYSIS

Review of Operations

TTI delivered record first half sales of US$8.3 billion for the six-month period ended June 30th, growing 5.9% on a reported basis, including 1.9 points of growth from favorable foreign exchange.

In the Americas, including the United States, Canada, Mexico, Central America, and South America, sales grew 4.3% in local currency, or 6.8% on an underlying basis. EMEA grew 2.8% in local currency with outstanding double-digit growth in MILWAUKEE offset by a slower consumer Outdoor season and sales rationalization in the noncore business. Rest of World, comprising of Australia, New Zealand, and Asia, rose 3.7% in local currency.

MILWAUKEE and RYOBI both delivered a strong performance in the first half of 2026, growing at a combined 8.2% underlying growth rate in local currency. Our noncore businesses, representing 6.6% of global revenue, declined 19.4% in local currency, driven mainly by our actions to exit the HART business in 2025 and by market softness and continued sales rationalization in our other consumer businesses.

Gross margin expanded 258 basis points to a record 42.9% in the first half of 2026. Normalized first half 2025 gross margin was 41.2% after adjusting for the excess tariff rates incurred at peak levels and the exit of the HART business. The 2026 gross margin expansion of 163 basis points was driven from the annualization of our tariff-mitigation efforts such as optimizing production, productivity gains, and supplier partnerships. These actions, combined with additional margin accretion across our EMEA and Australia regions, favorable mix toward our higher-profitability core businesses, margin expansion from strong MILWAUKEE performance in products serving the high-growth technology, energy & manufacturing end-market, and continued improvement in our noncore businesses, more than offset higher commodity prices during this period.

As a percentage of sales, total SG&A expenses increased by 173 basis points to 33.0%. The ratio was closely in line with the second half of 2025 after excluding the HART exit costs. Relative to the first half of 2025, the increase reflects continued investment in new product development, field resources, increased commercialization activities and write-offs of intangible assets related to the rationalization of underperforming categories.

EBIT grew 15.9% to US$822 million, while EBIT margin increased 86 basis points to 9.9%.

Net Profit increased 17.5% to US$738 million due to lower net finance costs, and earnings per share rose 17.8% to US40.50 cents.

MILWAUKEE MX FUEL Electrofusion Processor

Working capital as a percentage of sales improved 11 basis points from last year to 16.6%. Inventory days on hand decreased 3 days to 100 days, receivables decreased 5 days to 55 days, while payables decreased 8 days at 94 days.

Capex spend for the first six months of 2026 was US$92 million, essentially flat with the first six months of 2025. This spend includes investments in new products, manufacturing network rebalancing, automation and productivity initiatives around the globe. Including our planned capacity expansions in Vietnam and the Americas over the next 12-18 months, we expect capital spending to remain broadly stable on a percentage of sales basis in coming years.

The Company generated US$753 million in positive Free Cash Flow in the first six months of 2026, ending the period in a US$1.066 billion net cash position. The strength and consistency of our free cash flow leaves TTI well positioned to continue investing and growing the business, while increasing returns to shareholders.

In June 2026, TTI commenced its automatic share repurchase plan of up to US$500 million over the next 18 months. Through the end of July, we have repurchased US$42 million of stock pursuant to the plan. TTI's capital allocation strategy is designed to strengthen our core business, expand enterprise value, and deliver attractive returns to shareholders over the long term. Our top priority is to invest in our core businesses to drive sustainable growth and continued profit margin expansion. We also take a balanced approach to evaluating strategic acquisitions to create growth opportunities and synergies with our existing core businesses to unlock shareholder value. The Board also assesses opportunities for increasing shareholder return through our dividend policy and structured share repurchase programs, while maintaining working capital requirements and prudent cash management.

BUSINESS REVIEW

During the period, the Group reviewed the structure and internal organization and confirmed that its operations are managed using a combination of end user and brand platform perspectives. Consequently, the Group's reportable segment structure is changed from the previous business segments of "Power Equipment" and "Floorcare and Cleaning" to the newly defined segments of "Professional" and "Consumer".

- **Professional**: Sales of professional power tools, accessories, outdoor power equipment and accessories, commercial equipment, personal protective equipment (PPE), storage, hand tools and related products for professional trades, industrial, and commercial end users. The segment includes products designed for high performance applications and is serving our professional customers, through the MILWAUKEE brand along with other brands.
- **Consumer**: Sales of consumer power tools, outdoor products, floorcare products, and related accessories for retail and household end users. The segment includes offerings across a range of price points and product categories and is marketed through consumer channels through RYOBI, AEG, HOOVER, VAX and other brands serving the consumer channel.

Professional

The Professional segment delivered sales of US$5.9 billion in the first half of 2026, an increase of 9.7% in reported currency. EBIT increased 16.0% with EBIT margin rising 57 basis points to 10.5%.

By region, the Americas grew 10.5% on an adjusted local currency basis, EMEA grew 10.5%, and Rest of World grew 9.9% in local currency. Performance was driven by continued strength across our major businesses, with personal protective equipment (PPE) strongly outperforming the portfolio average. Demand for productivity and safety solutions remains strong across the diverse work environments where our core users complete their jobs. These include active jobsites, data centers, prefabrication facilities, automotive shops and commercial and residential facilities.

MILWAUKEE continues its unwavering commitment to the skilled trades. Structural labor shortages in many of our core trades including mechanical, electrical, plumbing, transportation maintenance and utility are increasing end-user demand for solutions that enhance productivity and safety across work environments that demand greater speed, precision and scale across the globe. For example, the U.S. automotive industry currently faces an annual shortfall of trained service technicians, while the U.S. is projected to require roughly 81,000 electrician openings annually over the next decade to meet workforce demand, according to the U.S. Bureau of Labor Statistics and industry trade partners.

These labor constraints reinforce the opportunity for MILWAUKEE to develop innovative solutions that help skilled professionals work safer, faster, and more productively. Our solution-driven approach and deep partnerships with our core trades, labor organizations, training centers, and project owners enable us to develop solutions directly with users that they not only trust but increasingly specify into their work. This positions MILWAUKEE to benefit as projects become more complex, and the need for productivity and safety solutions continues to grow.

A recent example of this opportunity is within our Transportation Maintenance core trade vertical, which spans commercial and passenger vehicle aftermarket service, aviation and rail. As the average vehicle on the road continues to age, demand for service and maintenance remains strong. Meanwhile, pneumatic tools still represent a significant portion of the market, creating meaningful opportunity for cordless conversion. The launch of the M18 FUEL STRIKER Hammer Chisel — the world's first cordless hammer chisel — demonstrates how MILWAUKEE leverages deep user insights and technology leadership to deliver breakthrough innovation that improves productivity and safety while deepening our entrenchment within an existing core trade vertical. This is a powerful example of how we continue to drive growth within our Service & Maintenance end market by solving unmet user needs and accelerating conversion from legacy pneumatic technologies to cordless solutions.

A second example of this opportunity is within our Utility core trade, which includes power, water, and gas, and is benefiting from increased investment driven by rapid data center growth, rising power demand, and grid hardening and modernization initiatives across our growing Technology, Energy and Manufacturing end market. Workflows continue to evolve as investment accelerates across power generation, transmission, distribution, and utility infrastructure. This leads to greater demand for technology solutions that enhance productivity, safety, and precision from a constrained skilled labor workforce. MILWAUKEE is uniquely positioned through 10+ years of sustained investment in utility-focused innovation, deep relationships with utilities, contractors, labor organizations, and equipment manufacturers, and broad workflow coverage across the utility value chain.

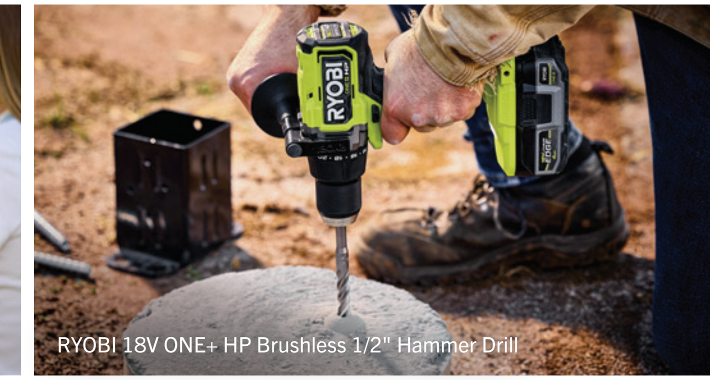
The launch of the MX FUEL Electrofusion Processor is a recent example of how we leverage deep user insights and technology leadership to expand into critical gas utility workflows. By eliminating the need for generators and extension cords while delivering faster setup, greater mobility, and simplified reporting capabilities, the solution is opening new opportunities within the gas utility segment. Complementing this innovation is ONE-KEY, the industry's largest IoT-connected platform, helping Utility contractors improve productivity, increase asset visibility, and document and manage critical workflows across increasingly complex projects. Together, these solutions deepen our entrenchment across the broader Utility core trade and expand our participation across the energy value chain.

Consumer

The Consumer segment delivered sales of US$2.4 billion in the first half of 2026, a decrease of 2.5%. RYOBI grew 1.7% in local currency while the Other Consumer brands declined 19.4% in local currency due to the HART exit and streamlining of Floorcare and other consumer brands. Consumer profitability expanded meaningfully, with EBIT increasing 15.8% and EBIT margin rising 133 basis points to a healthy 8.5%, reflecting the benefits of the HART exit and greater profitability discipline across our other brands.

MANAGEMENT'S DISCUSSION AND ANALYSIS *Review of Operations*

RYOBI 18V ONE+ HP Brushless Hybrid 9" Oscillating Fan



RYOBI 18V ONE+ HP Brushless 1/2" Hammer Drill

RYOBI delivered strong results in Power Tools, with sales up mid-single digits. This was partially offset by a softer Outdoor season, where sales were roughly flat, reflecting challenging weather conditions across EMEA and parts of the U.S, coupled with the timing of seasonable load-ins.

We remain focused on growing our strategic cordless battery platforms, USB Lithium, 18V ONE+, and 40V where we hold the largest installed base of users globally. This base continues to expand as customers add to their RYOBI collections, with millions of new users joining each year. This scale, together with our commitment to preserving system compatibility and delivering innovative new products, provides a strong foundation for sustained future growth.

In 2026, we continued to extend our leadership position as the #1 global consumer cordless tool and outdoor products brand with the addition of the new RYOBI 18V ONE+ EDGE 8Ah and 12Ah tabless batteries. RYOBI 18V ONE+ EDGE batteries give all ONE+ users an instant upgrade: more power, more run-time while running cooler, and charging faster with longer life. When paired with the recently launched Gen 2 18V ONE+ HP Brushless 1/2" Hammer Drill, users unlock a higher level of performance, empowering them to take on new applications that can be done faster and more efficiently.

In our Outdoor business, we launched "all-new" next generation 40V 20" mowers and 40V 21" ALL WHEEL DRIVE mowers, delivering the industry's best cutting experience, giving users more power and performance than gas, without the maintenance headaches. In addition, we launched the industry's most powerful 40V HP Brushless 17" Attachment Capable String Trimmer delivering industry leading power and performance while ensuring compatibility with RYOBI's EXPAND-IT platform; giving the user the ultimate combination of power and versatility. We also launched the industry's most powerful platform of battery powered LITHIUM Riding Lawn Mowers. Products like these enable the conversion of traditional petrol-powered products to the next generation of RYOBI battery powered products.

In addition to strengthening our core product lines, the RYOBI business continues to gain market share through expansion into new categories such as cleaning, lifestyle and recreation, and hobby/craft. With the addition of the all-new 18V ONE+ HP Brushless Hybrid 9" Oscillating Fan and the 40V HP Brushless Hybrid 18" Misting Air Cannon — the world's most powerful misting fan, delivering exceptional cooling capabilities — RYOBI now offers a total of 13 air movement products within the lifestyle category, reaching consumers of all types. Our success in expanding into new categories allows the RYOBI business to grow at a healthy pace despite modest US housing turnover.

RYOBI continues to work and grow with the best distribution partners in the industry. From The Home Depot in North America, to Bunnings in the Australia/New Zealand region, to our top European retail partners, we are well positioned to deepen these relationships and further grow the business within these markets. In addition, we are in the early stages of developing expansion opportunities in Latin America and Asia.

Lastly, we have continued to diversify our supply chain, delivering greater flexibility and an improved cost position while enhancing the profitability of the Consumer business and strengthening our competitiveness in the global market.

Outlook

With the #1 Professional and Consumer brands in the world, TTI is poised to deliver another outstanding year in 2026. Our overall revenue growth assumptions for 2026 are unchanged – on a blended basis we expect the core MILWAUKEE and RYOBI businesses to grow at a mid-to-high single digit pace. In 2026, this will be partially offset by the voluntary exit of the HART business (US$156 million in 2025) and continued rationalization of our noncore businesses.

As the market leader, the Company is not only committed to growing revenue at a significantly faster pace than the industry, TTI is also committed to driving more of that top line growth to the bottom line for achieving sustained earnings growth in the coming years. After delivering a 9.9% EBIT margin in the first six months of 2026, we have an increased level of confidence in our ability to meet or exceed our internal target of 10.0% EBIT margin by 2027 with further upside in 2028 and beyond. TTI is also raising its internal target for free cash flow outlook from over US$1.0 billion to over US$1.3 billion in 2026.

With the best people and strongest culture, deepest relationships with the core trades, the most robust product roadmap, and the healthiest balance sheet in TTI's history, TTI is poised to continue leading the industry in the years to come.

MANAGEMENT'S DISCUSSION AND ANALYSIS Review of Operations

FINANCIAL REVIEW

Financial Results

Reported revenue for the period grew by 5.9% as compared to the same period last year, amounting to US$8,292 million. EBIT amounted to US$822 million, an increase of 15.9% as compared to the US$709 million reported in the same period last year.

Profit attributable to Owners of the Company amounted to US$738 million as compared to US$628 million reported in the same period last year, an increase of 17.5%.

Basic earnings per share was at US40.50 cents (2025: US34.37 cents), an increase of 17.8%.

Result Analysis

Gross Margin

Gross margin improved to 42.9% as compared to 40.3% reported in the same period last year. The margin improvement was the result of annualized tariffs mitigation efforts, additional margin accretion across EMEA and Australia, strong Milwaukee performance, focused profitability on consumer brands and operational improvements across all global manufacturing operations.

Operating Expenses

Total operating expenses for the period amounted to US$2,739 million as compared to US$2,452 million reported for the same period last year, a 11.7% increase. The increase was mainly due to our strategic investments and promotion activities in new products and technologies.

Our R&D expenses amounted to US$383 million, representing 4.6% of revenue (2025: 4.6%) 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$19.6 million as compared to US$27.8 million reported for the same period last year, a 29.4% 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 8.0% (2025: 7.8%). 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$7.4 billion, an increase of 7.0% as compared to December 31, 2025. Book value per share was US$4.07 as compared to US$3.80 at December 31, 2025, an increase of 7.1%.

Financial Position

The Group continued to maintain a strong financial position. As at June 30, 2026, the Group's cash and cash equivalents amounted to US$1,889 million (US$1,678 million at December 31, 2025) of which 38.9%, 33.6%, 9.6%, and 17.9% were denominated in USD, EUR, AUD and other currencies respectively.

The Group generated Free Cash Flow of US$753 million during the period as compared to US$468 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 maintained at net cash of US$1.1 billion as at June 30, 2026.

Bank Borrowings

Long term borrowing accounted for 54.5% of total debts (64.4% at December 31, 2025).

The Group's major borrowings continued to be in USD. 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 USD 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 account for 80.0% of the total bank borrowings, the balance being floating rate debts.

Working Capital

Total inventory was at US$4,315 million as compared to US$4,293 million as at June 30, 2025. Inventory days decreased by 3 days from 103 days to 100 days. Finished goods inventory decreased by 6 days while raw material inventory increased by 4 days to 17 days and work in progress inventory decreased by 1 day to 2 days when compared to the same period last year.

Trade receivables turnover days were 55 days as compared to 60 days as at June 30, 2025. 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 94 days as compared to 102 days as at June 30, 2025.

Working capital as a percentage of sales was at 16.6% as compared to 16.8% for the same period last year.

Capital Expenditures

Total capital expenditures for the period amounted to US$92 million (2025: US$96 million) representing 1.1% of sales.

Capital Commitments and Guarantees

As at June 30, 2026, total capital commitments for the acquisition of property, plant and equipment and equity investment contracted for but not provided amounted to US$181 million (At December 31, 2025: US$153 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 47,575 employees (47,539 employees as at June 30, 2025) globally. Total staff cost for the period under review amounted to US$1,510 million as compared to US$1,436 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 HK150.00 cents (approximately US19.31 cents) (2025: HK125.00 cents (approximately US16.09 cents)) per share for the six-month period ended June 30, 2026. The interim dividend will be paid to shareholders listed on the register of members of the Company on September 4, 2026, 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 18, 2026.

Closure of Register of Members

The register of members of the Company will be closed from September 3, 2026 to September 4, 2026, 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 2, 2026.