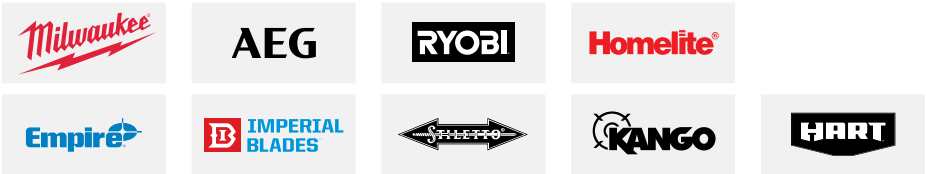


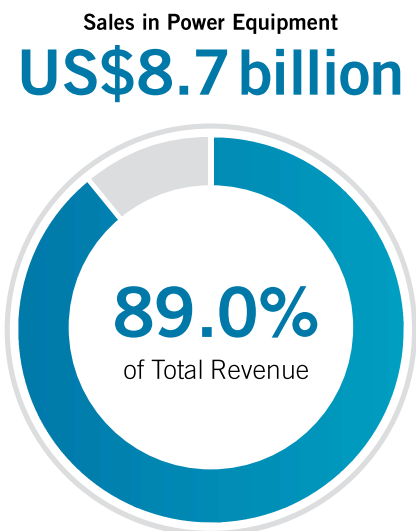
Review of Operations

Power Equipment



MILWAUKEE M18 FUEL SAWZALL Reciprocating Saw w/ ONE-KEY

Our Power Equipment segment delivered sales growth of 28.5% to US\$8.7 billion. During the period, we seized on the opportunity to aggressively invest in our business and grew operating profit 27.3% to US\$844 million.



All geographies and all business units contributed to this tremendous performance. Based on our bold and aggressive investments, we believe MILWAUKEE is the #1 global Professional Tool brand and RYOBI is now the #1 DIY Tool brand worldwide.

MILWAUKEE Professional Business

The 25.8% growth in our flagship MILWAUKEE Professional business was propelled by our innovative new products. In 2020, we expanded our industry leading M18 and M12 cordless product platforms while introducing the breakthrough cordless MX FUEL Equipment System. We also expanded our existing line up of power tool accessories, PACKOUT storage solutions, Personal Protective Equipment (PPE) and mechanics hand tools. These new product introductions, combined with our focus on end user conversions and strong commercial execution, drive the exciting growth momentum of this business.



MILWAUKEE MX FUEL Handheld Core Drill allows you to core with more confidence than ever before. A patented clutch and AUTOSTOP technology deliver a safer handheld coring experience. They provide you with maximum control and prevent over-rotation in case the core drilling machine gets bound up.

Power Tools

Our MILWAUKEE Professional business continued to convert users from traditional power sources including corded, pneumatic, hydraulic and petrol tools to our lithium cordless battery technology. Leading the way is the MILWAUKEE M18 system with 213 tools on the platform, the M12 system with 125 tools and the MX FUEL range with 10 products.

The MILWAUKEE M18 platform continued to launch a series of best in class additions. For example, in the cordless nailing category, our new M18 FUEL Framing Nailers and Staplers all deliver powerful performance, eliminating compressors, hoses and gas cartridges. In addition to expanding into new product categories, we introduced our next generation M18 FUEL SAWZALL Reciprocating Saw.

We also expanded the MILWAUKEE M12 subcompact cordless platform with a series of innovative tools. One of the most successful innovative new products for the company was the exciting M12 FUEL HATCHET 6" Pruning Saw that is widely accepted in the professional landscaping industry.



MILWAUKEE M12 FUEL HATCHET 6" Pruning Saw

delivers unmatched control and access, has the power to cut 3" hardwoods, and delivers up to 120 cuts per charge. This electric pruning saw is designed to meet the ergonomic, performance, and durability needs of landscape maintenance professionals.



MILWAUKEE M18 FUEL 21 Degree Framing Nailer

Storage

The MILWAUKEE PACKOUT storage system continues to expand to meet the professional's growing tool storage, transportation, and organizational needs. New innovations to the system of over 36 interchangeable products include the PACKOUT Customizable Work Surface, PACKOUT 16QT Cooler, M18 PACKOUT Light/Charger and PACKOUT 2-Wheeled Cart.



MILWAUKEE PACKOUT Modular Storage System with M18 PACKOUT Light / Charger

RYOBI

RYOBI is the #1 DIY Tool brand in the world featuring 123 tools, 44 outdoor products, and 15 cleaning products in the ONE+ battery system alone. In 2020, the RYOBI business delivered double-digit growth driven by a stream of new product launches featuring the next generation RYOBI ONE+ HP brushless series. The subcompact design and exceptional performance of these HP brushless tools have enhanced the entire global RYOBI DIY platform. With 18 new ONE+ HP and 7 new 40V HP products launching in early 2021, our RYOBI HP new product pipeline is extremely exciting. We will continue to invest heavily in expanding our global DIY leadership position with these high-end HP brushless products and expect that it will catalyze growth in the DIY arena for years to come.



The RYOBI Outdoor business delivered another year of outstanding results, led by our global leadership of cordless mowers and cordless handheld outdoor equipment. Our range of 19 cordless RYOBI mowers is leading the revolution from the legacy petrol market to our environmentally friendly lithium cordless technology. In 2020, we began building a state-of-the-art manufacturing operation in the USA to produce cordless mowers and support the extensive growth of the RYOBI Outdoor cordless platforms. The RYOBI 40V system now contains 52 innovative products that deliver petrol-like power, from the quiet WHISPER series blowers, to string trimmers, hedge trimmers, chain saws, sprayers, edgers, and many more.



**RYOBI 18V ONE+
HP Brushless 4-MODE
½" Impact Wrench**

With over 600-ft-lbs. of breakaway torque and an innovative 4-mode speed control, this tool provides users with the power and flexibility needed from the automotive shop to the jobsite.



**RYOBI 18V ONE+
Brushless WHISPER
SERIES JET FAN BLOWER**

All the power with a fraction of the noise. This blower is winning over consumers as the industries quietest blower – all while generating power and performance that rivals gas units.