



Powerful Brands
Innovative Products
Exceptional People
Operational Excellence



2013 Annual Results Presentation

March 20, 2014

Frank Chan

2013 Full Year Results

(US\$ m)	<u>2012</u>	<u>2013</u>	<u>Change</u>
Sales	\$3,852	\$4,300	+11.6%
Gross Margin %	33.5%	34.2%	+0.7pts
EBIT	\$260	\$304	+16.9%
<i>% of sales</i>	<i>6.8%</i>	<i>7.1%</i>	
Net Profit	\$201	\$250	+24.5%
<i>% of sales</i>	<i>5.2%</i>	<i>5.8%</i>	
EPS (cents)	11.42¢	13.68¢	+19.8%
Final Dividend (HK cents)	10.75¢	13.75¢	+27.9%

2013 Segment Results

(US\$ m)	<u>2012</u>	<u>2013</u>	<u>Change</u>
<u>Power Equipment</u>			
Sales	\$2,865	\$3,144	+9.8%
Op Profit	\$229	\$261	+14.2%
<i>% of sales</i>	<i>8.0%</i>	<i>8.3%</i>	
<u>Floor Care and Appliances</u>			
Sales	\$988	\$1,156	+17.0%
Op Profit	\$39	\$52	+32.4%
<i>% of sales</i>	<i>4.0%</i>	<i>4.5%</i>	

2013 Sales by Region

(US\$ m)	<u>2012</u>	<u>2013</u>	<u>Change</u>
NA	\$2,807	\$3,120	+11.2%
EMEA	\$768	\$870	+13.3%
ROW	\$277	\$310	+11.5%

2013 Income Statement

(US\$ m)	<u>2012</u>	<u>2013</u>	<u>Change</u>
Sales	\$3,852	\$4,300	+11.6%
Gross Margin	\$1,289	\$1,472	+14.2%
<i>% of sales</i>	<i>33.5%</i>	<i>34.2%</i>	
Selling, Distribution, & Advertising	\$533	\$563	+5.7%
Administrative Expenses	\$421	\$505	+19.9%
Research & Development	\$80	\$107	+34.7%
Total SG&A Expenses	\$1,033	\$1,175	+13.7%
<i>% of sales</i>	<i>26.8%</i>	<i>27.3%</i>	
Finance Cost	\$46	\$37	(19.6%)
Profit before Income Tax	\$222	\$276	+24.4%
Income Tax Expenses	\$22	\$29	+31.2%
Net Profit	\$201	\$250	+24.5%
<i>% of sales</i>	<i>5.2%</i>	<i>5.8%</i>	

2013 Financial Position

(US\$ m)	<u>2012</u>	<u>2013</u>	<u>Change</u>
Non-current Assets	\$1,443	\$1,520	+5.3%
Current Assets	\$2,138	\$2,492	+16.6%
Current Liabilities	\$1,563	\$1,777	+13.7%
Net Current Assets	\$575	\$716	+24.5%
Long-term Liabilities	\$462	\$490	+6.2%
Equity	\$1,549	\$1,741	+12.4%
Interest Coverage (x)	8.7x	12.4x	

2013 Gearing Ratio

(Net Debt / Equity)

	<u>2011</u>	<u>2012</u>	<u>2013</u>
Gearing	59.3%	25.8%	10.6%

2013 Key Financial Figures

(US\$ m)	<u>2012</u>	<u>2013</u>	<u>Change</u>
Inventory	\$689	\$884	
<i>Days</i>	65	75	+10 days
Receivables	\$645	\$752	
<i>Days</i>	61	64	+3 days
Payables	(\$710)	(\$1,040)	
<i>Days</i>	67	88	+21 days
Net Working Capital	\$623	\$596	
<i>% of Sales</i>	16.2%	13.9%	-2.3pts
Cash Balance	\$618	\$698	+13.0%
CAPEX	\$103	\$105	+1.6%

2013 Debt Profile

(US\$ m)		<u>2012</u>		<u>2013</u>	<u>Change</u>
Cash Balance		\$618		\$698	+13.0%
<i>Debt with Fixed Maturities</i>		\$504		\$542	+7.6%
<i>Working Capital Financing</i>		\$513		\$341	(33.6%)
Total Debt		\$1,017		\$883	(13.2%)
Total Net Debt		\$399		\$185	(53.7%)
Floating Rate	<i>87%</i>	\$883	<i>89%</i>	\$788	(10.8%)
Fixed Rate	<i>13%</i>	\$134	<i>11%</i>	\$95	(28.8%)

Joe Galli

2013 Full Year Results

(US\$ m)	<u>2012</u>	<u>2013</u>	<u>Change</u>
Sales	\$3,852	\$4,300	+11.6%
GM %	33.5%	34.2%	+0.7pts
SG&A %	26.8%	27.3%	+0.5pts
EBIT	\$260	\$304	+16.9%
<i>% of sales</i>	<i>6.8%</i>	<i>7.1%</i>	<i>+0.3pts</i>

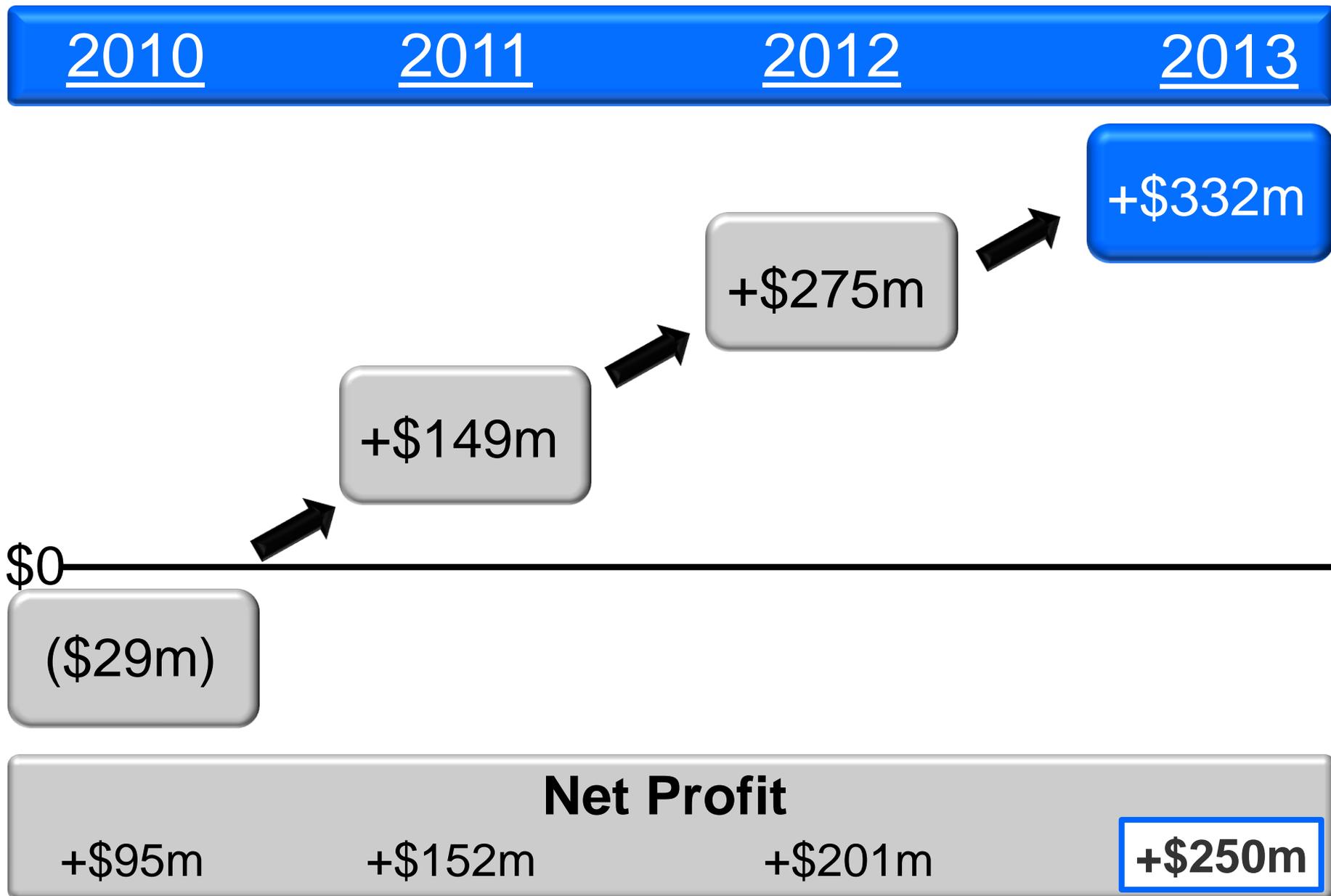
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2013 Working Capital

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<i>Days</i>	<i>65</i>	<i>75</i>	<i>+10 days</i>
Trade Rec	\$645	\$752	
<i>Days</i>	<i>61</i>	<i>64</i>	<i>+3 days</i>
Trade Payables	(\$710)	(\$1,040)	
<i>Days</i>	<i>67</i>	<i>88</i>	<i>+21 days</i>
Net Working Capital	\$623	\$596	(4.3%)
WC % of Sales	16.2%	13.9%	(2.3pts)

Free Cash Flow Improvement



2013 Sales by Region

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Power Tool Market Share

<u>Region</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
US	↑	↑	↑	↑	↑
Canada	↑	↑	↑	↑	↑
EMEA	↑	↑	↑	↑	↑
ANZ	↑	↑	↑	↑	↑
LA	↑	↑	↑	↑	↑

Productivity Progress

	<u>Dec 2012</u>	<u>Dec 2013</u>	<u>Change</u>
Sales	\$3,852	\$4,300	+11.6%
Headcount	18,068	18,746	+3.8%

2014



ORECK®





®

air[™]

STEERABLE



®

air™
cordless



®

DUAL POWER™ MAX



®

FLOORMATE
DELUXE



+ SPRAY
MOP

+ VAC
DUST

+ VAC
DUST

ORECK®



RYOBI[®]

18v ONE **+** SYSTEM

Lithium
18V

RYOBI[®]

18v ONE+ SYSTEM **Lithium 18V**

AirStrike

RYOBI[®]

18v ONE **+** **SYSTEM** **Lithium Hybrid 18V**

RYOBI[®]

18v ONE+ SYSTEM

Lithium
18V



RYOBI[®]

18v ONE+
SYSTEM

Lithium
18V

OUTDOOR CORDLESS PRODUCTS

RYOBI[®]

18v ONE  **Lithium Hybrid 18V**

OUTDOOR CORDLESS PRODUCTS



RYOBI[®]

18v ONE+
SYSTEM

Lithium
18V

OUTDOOR CORDLESS PRODUCTS

RYOBI[®]

18v ONE+
SYSTEM

Lithium
40V

OUTDOOR CORDLESS PRODUCTS

M18 FUEL™

DRIVEN TO OUTPERFORM.™



M12

M18

FUEL™

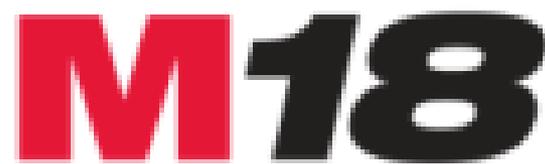
DRIVEN TO OUTPERFORM.™



Milwaukee[®]

The Milwaukee logo is rendered in a white, stylized, gothic-style font. A white lightning bolt graphic is positioned below the text, extending from the left side of the 'M' towards the right.

M18

The text 'M18' is displayed in a bold, sans-serif font. The 'M' is red and the '18' is black. The entire text is contained within a white rectangular box with rounded corners.

The Milwaukee logo is rendered in a white, stylized, gothic-style font. A white lightning bolt graphic is positioned below the text, extending from the left side of the 'M' towards the right. The entire logo is set against a red background that features a faint, semi-transparent image of a construction site with scaffolding and a generator.

Milwaukee®

HAND TOOLS

HART®

NOTHING HITS HARDER

