



**POWERFUL BRANDS
INNOVATIVE PRODUCTS
EXCEPTIONAL PEOPLE
OPERATIONAL EXCELLENCE**



2014 Annual Results Presentation

March 19, 2015

Frank Chan

2014 Full Year Results

(US\$ m)	<u>2013</u>	<u>2014</u>	<u>Change</u>
Sales	\$4,300	\$4,753	+10.5%
Gross Profits	\$1,472	\$1,673	+13.6%
Gross Margin %	34.2%	35.2%	+100bps
EBIT	\$304	\$351	+15.4%
<i>% of sales</i>	<i>7.1%</i>	<i>7.4%</i>	
Net Profit	\$250	\$300	+20.0%
<i>% of sales</i>	<i>5.8%</i>	<i>6.3%</i>	
EPS (cents)	13.68¢	16.41¢	+20.0%
Final Dividend (HK cents)	13.75¢	19.00¢	+38.2%

2014 Segment Results

(US\$ m)		<u>2013</u>	<u>2014</u>	<u>Change</u>
<u>Segment</u>				
Power Equip.	Sales	\$3,144	\$3,553	+13.0%
	<i>Segment %</i>	<i>73.1%</i>	<i>74.7%</i>	
	Op Profit	\$261	\$305	+16.7%
	<i>% of sales</i>	<i>8.3%</i>	<i>8.6%</i>	
Floor Care	Sales	\$1,156	\$1,200	+3.8%
	<i>Segment %</i>	<i>26.9%</i>	<i>25.3%</i>	
	Op Profit	\$52	\$60	+15.4%
	<i>% of sales</i>	<i>4.5%</i>	<i>5.0%</i>	

2014 Region Sales

(US\$ m)	<u>2013</u>	<u>2014</u>	<u>Change</u>
<u>Region</u>			
North America	\$3,120	\$3,393	+8.8%
<i>Region %</i>	<i>72.6%</i>	<i>71.4%</i>	
EMEA	\$870	\$969	+11.3%
<i>Region %</i>	<i>20.2%</i>	<i>20.4%</i>	
ROW (Rest of World)	\$310	\$391	+26.3%
<i>Region %</i>	<i>7.2%</i>	<i>8.2%</i>	

2014 Income Statement

(US\$ m)	<u>2013</u>	<u>2014</u>	<u>Change</u>
Sales	\$4,300	\$4,753	+10.5%
Gross Margin	\$1,472	\$1,673	+13.6%
<i>% of sales</i>	<i>34.2%</i>	<i>35.2%</i>	
Selling, Distribution, & Advertising	\$563	\$644	+14.4%
Administrative Expenses	\$505	\$564	+11.7%
Research & Development	\$107	\$118	+10.2%
Total SG&A Expenses	\$1,175	\$1,326	+12.8%
<i>% of sales</i>	<i>27.3%</i>	<i>27.9%</i>	
Net Finance Cost	\$25	\$25	+1.0%
Profit before Income Tax	\$276	\$325	+17.6%
Income Tax Expenses	\$29	\$26	(11.6%)
Net Profit	\$250	\$300	+20.0%
<i>% of sales</i>	<i>5.8%</i>	<i>6.3%</i>	

2014 Financial Position

(US\$ m)	<u>2013</u>	<u>2014</u>	<u>Change</u>
Non-current Assets	\$1,520	\$1,616	+6.3%
Current Assets	\$2,492	\$2,736	+9.8%
Current Liabilities	\$1,777	\$1,947	+9.6%
Net Current Assets	\$716	\$788	+10.1%
Long-term Liabilities	\$490	\$437	(10.9%)
Equity	\$1,741	\$1,967	+13.0%
Interest Coverage (x)	12.4x	13.0x	

2014 Gearing Ratio

(Net Debt / Equity)

	<u>2012</u>	<u>2013</u>	<u>2014</u>
Gearing	25.8%	10.6%	10.0%

2014 Key Financial Figures

(US\$ m)	<u>2013</u>	<u>2014</u>	<u>Change</u>
Inventory	\$884	\$1,056	
<i>Days</i>	75	81	+6 days
Receivables	\$752	\$773	
<i>Days</i>	64	59	-5 days
Payables	\$1,040	\$1,136	
<i>Days</i>	88	87	-1 day
Net Working Capital	\$596	\$694	
<i>% of Sales</i>	13.9%	14.6%	
Cash Balance	\$698	\$690	(1.1%)
CAPEX	\$105	\$154	+47.6%

2014 Debt Profile

(US\$ m)		<u>2013</u>		<u>2014</u>	<u>Change</u>
Cash Balance		\$698		\$690	(1.1%)
<i>Debt with Fixed Maturities</i>		\$542		\$550	+1.5%
<i>Working Capital Financing</i>		\$341		\$338	(0.9%)
Total Debt		\$883		\$888	+0.5%
Total Net Debt		\$185		\$198	+6.8%
Floating Rate	89%	\$788	89%	\$792	+0.6%
Fixed Rate	11%	\$95	11%	\$96	+0.5%

Joe Galli

2014 Full Year Sales

(US \$m)	<u>2013</u>	<u>2014</u>
Sales	\$4,300	\$4,753
% chg		+10.5%

2014 Sales Performance

	<u>1H</u>	<u>2H</u>	<u>FY</u>
Sales	+10.2%	+10.9%	+10.5%

2014 Full Year Results

(US\$ m)	<u>2013</u>	<u>2014</u>	<u>Change</u>
Sales	\$4,300	\$4,753	+10.5%
GM %	34.2%	35.2%	+100bps
SG&A %	27.3%	27.9%	+60bps
EBIT	\$304	\$351	+15.4%
<i>% of sales</i>	<i>7.1%</i>	<i>7.4%</i>	

Gross Margin Trend

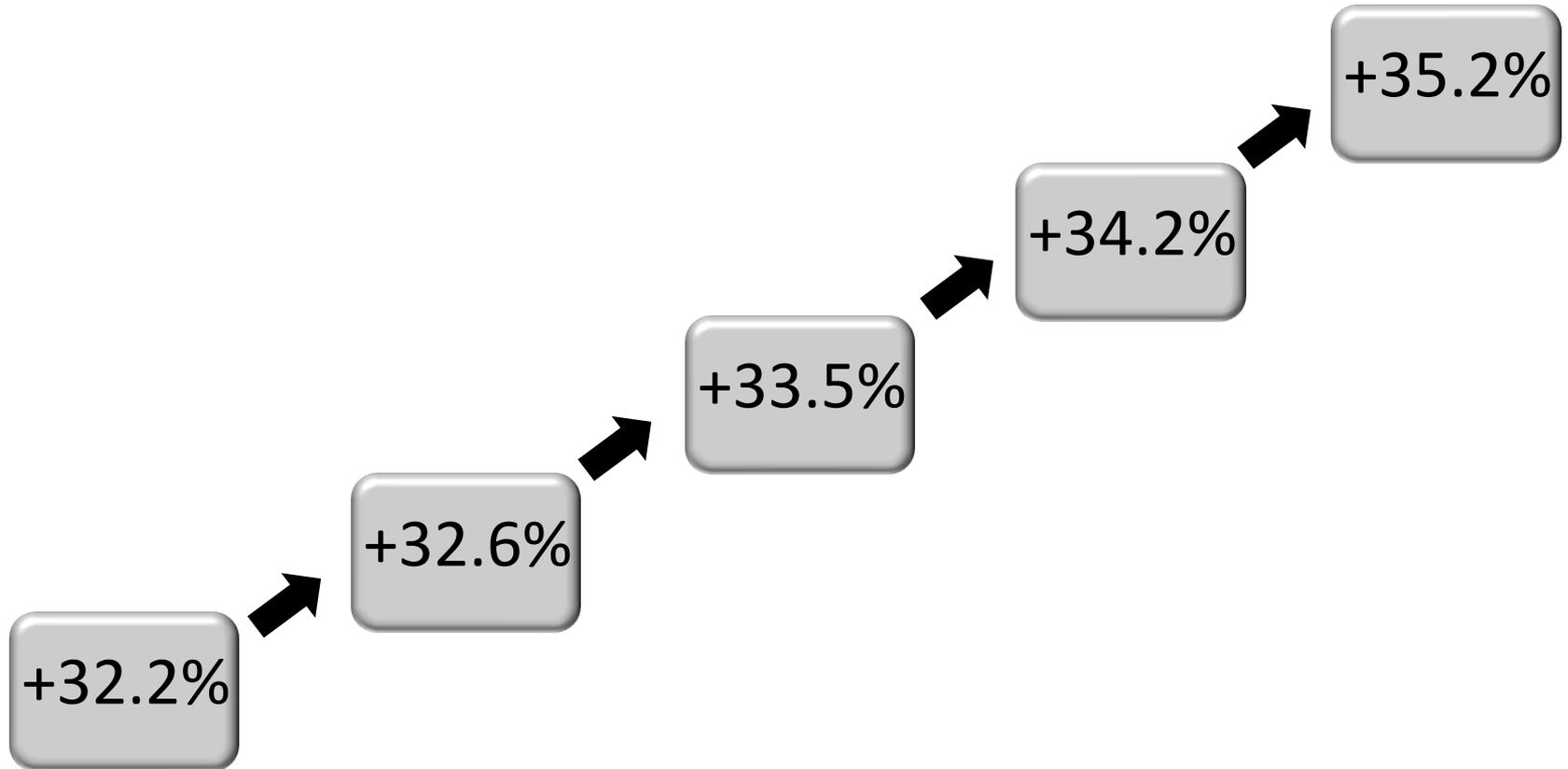
2010

2011

2012

2013

2014



2014 Full Year Results

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EBIT	\$304	\$351	+15.4%
Net Profit	\$250	\$300	+20.0%
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2014 Working Capital

(US\$ m)	<u>2013</u>	<u>2014</u>	<u>Change</u>
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<i>Days</i>	<i>75</i>	<i>81</i>	<i>+6 days</i>
Trade Rec	\$752	\$773	
<i>Days</i>	<i>64</i>	<i>59</i>	<i>-5 days</i>
Trade Payables	\$1,040	\$1,136	
<i>Days</i>	<i>88</i>	<i>87</i>	<i>-1 day</i>
Net Working Capital	\$596	\$694	
WC % of Sales	13.9%	14.6%	

Working Capital Trend

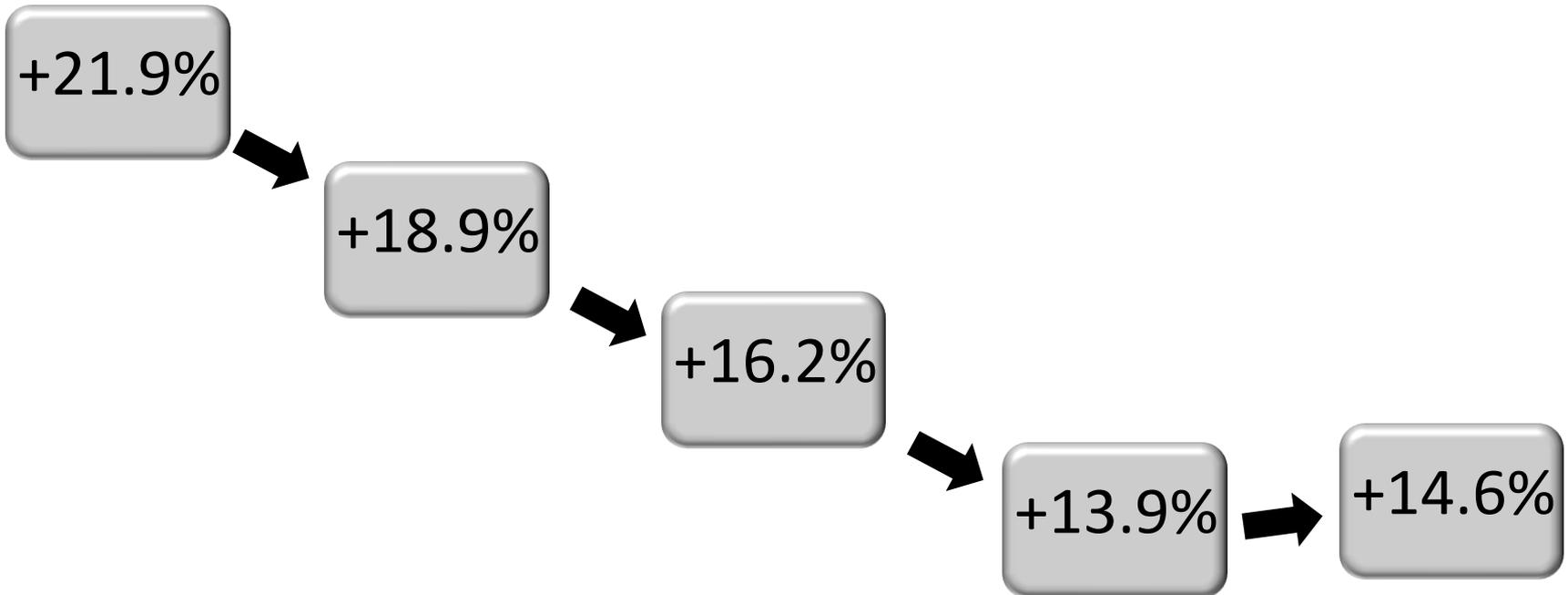
2010

2011

2012

2013

2014



Productivity Progress

	<u>Dec 2013</u>	<u>Dec 2014</u>	<u>Change</u>
Sales	\$4,300	\$4,753	+10.5%
Headcount	18,746	20,081	+7.1%

Milwaukee®

The Milwaukee logo is rendered in a white, stylized, gothic-style font. The word "Milwaukee" is slanted upwards from left to right. A white lightning bolt graphic is positioned below the text, extending from the left side of the 'M' towards the right, ending under the 'e'. A small registered trademark symbol (®) is located at the top right of the word.

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FUEL[™]

DRIVEN TO OUTPERFORM.[™]

Milwaukee®



M18™ **FUEL**™

DRIVEN TO OUTPERFORM.™

Milwaukee®



M12™ **FUEL**™

DRIVEN TO OUTPERFORM.™

Milwaukee[®]

M18

BRUSHLESS

Milwaukee®



M12™

Milwaukee[®]



M12

TM

M18

TM

Milwaukee[®]

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ACCESSORIES

Milwaukee®

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HAND TOOLS

HART®

Empire  [®]

RYOBI™

PHONE  WORKS™

RYOBI®

18v ONE

+
SYSTEM



AirStrike



RYOBI®

40V LITHIUM



PRESSURE WASHERS



®

cordless

**Dirt
Devil[®]**




CORDLESS



ORECK[®]

ORECK®

