



# 2012 Annual Results Presentation

March 22, 2013

Powerful Brands  
Innovative Products  
Exceptional People  
Operational Excellence



**Frank Chan**

# 2012 Full Year Results

| (US\$ m)              | <u>2011</u> | <u>2012</u> | <u>Change</u> |
|-----------------------|-------------|-------------|---------------|
| <b>Sales</b>          | \$3,667     | \$3,852     | +5.1%         |
| <b>Gross Margin %</b> | 32.6%       | 33.5%       | +0.9pts       |
| <b>EBIT</b>           | \$219       | \$260       | +18.6%        |
| <i>% of sales</i>     | <i>6.0%</i> | <i>6.8%</i> |               |
| <b>Net Profit</b>     | \$152       | \$201       | +32.2%        |
| <i>% of sales</i>     | <i>4.1%</i> | <i>5.2%</i> |               |
| <b>EPS (cents)</b>    | 9.47¢       | 11.42¢      | +20.6%        |

# 2012 Income Statement

| (US\$ m)                             | <u>2011</u>  | <u>2012</u>    | <u>Change</u> |
|--------------------------------------|--------------|----------------|---------------|
| <b>Sales</b>                         | \$3,667      | <b>\$3,852</b> | +5.1%         |
| <b>Gross Margin</b>                  | \$1,194      | <b>\$1,289</b> | +8.0%         |
| <i>% of sales</i>                    | <i>32.6%</i> | <i>33.5%</i>   |               |
| Selling, Distribution, & Advertising | \$510        | <b>\$533</b>   | +4.3%         |
| Administrative Expenses              | \$404        | <b>\$421</b>   | +4.3%         |
| Research & Development               | \$69         | <b>\$80</b>    | +15.0%        |
| <b>Total SG&amp;A Expenses</b>       | <b>\$983</b> | <b>\$1,033</b> | +5.1%         |
| <i>% of sales</i>                    | <i>26.8%</i> | <i>26.8%</i>   |               |
| Finance Cost                         | \$63         | <b>\$46</b>    | -27.7%        |
| <b>Profit before Income Tax</b>      | <b>\$161</b> | <b>\$222</b>   | +37.7%        |
| Income Tax Expenses                  | \$9          | <b>\$22</b>    | +139.5%       |
| <b>Net Profit</b>                    | <b>\$152</b> | <b>\$201</b>   | +32.2%        |
| <i>% of sales</i>                    | <i>4.1%</i>  | <i>5.2%</i>    |               |

# 2012 Financial Position

| (US\$ m)                     | <u>2011</u> | <u>2012</u> | <u>Change</u> |
|------------------------------|-------------|-------------|---------------|
| Non-current Assets           | \$1,394     | \$1,443     | +3.6%         |
| Current Assets               | \$1,976     | \$2,138     | +8.2%         |
| Current Liabilities          | \$1,603     | \$1,563     | -2.5%         |
| Net Current Assets           | \$373       | \$575       | +54.1%        |
| Long-term Liabilities        | \$513       | \$462       | -9.9%         |
| Equity                       | \$1,246     | \$1,549     | +24.4%        |
| <b>Interest Coverage (x)</b> | 5.5x        | 8.7x        |               |

# 2012 Gearing Ratio

(Net Debt / Equity)

|                | <u>2010</u>  | <u>2011</u>  | <u>2012</u>  |
|----------------|--------------|--------------|--------------|
| <b>Gearing</b> | <b>72.9%</b> | <b>59.3%</b> | <b>25.8%</b> |

# 2012 Key Financial Figures

| (US\$ m)                   | <u>2011</u> | <u>2012</u>    | <u>Change</u> |
|----------------------------|-------------|----------------|---------------|
| <b>Inventory</b>           | \$704       | <b>\$689</b>   |               |
| <i>Days</i>                | 70          | 65             | -5 days       |
| <b>Receivables</b>         | \$607       | <b>\$645</b>   |               |
| <i>Days</i>                | 60          | 61             | +1 day        |
| <b>Payables</b>            | (\$619)     | <b>(\$710)</b> |               |
| <i>Days</i>                | 62          | 67             | +5 days       |
| <b>Net Working Capital</b> | \$692       | <b>\$623</b>   |               |
| <i>% of Sales</i>          | 18.9%       | 16.2%          | -2.7pts       |
| <b>Cash Balance</b>        | \$460       | <b>\$618</b>   | +34.4%        |
| <b>CAPEX</b>               | \$95        | <b>\$103</b>   | +7.9%         |

# 2012 Debt Profile

| (US\$ m)                   |     | <u>2011</u> |     | <u>2012</u> | <u>Change</u> |
|----------------------------|-----|-------------|-----|-------------|---------------|
| Cash Balance               |     | \$460       |     | \$618       | +34.4%        |
| ST Debt                    | 41% | \$276       | 40% | \$231       | -16.5%        |
| LT Debt                    | 59% | \$397       | 60% | \$348       | -12.3%        |
| Debt with Fixed Maturities |     | \$673       |     | \$579       | -14.0%        |
| Working Capital Financing  |     | \$525       |     | \$438       | -16.6%        |
| Floating Rate              | 56% | \$375       | 77% | \$445       | +18.6%        |
| Fixed Rate                 | 44% | \$298       | 23% | \$134       | -55.1%        |



**Joe Galli**

# 2012 Full Year Results

| (US\$ m)          | <u>2011</u>    | <u>2012</u>    | <u>Change</u>  |
|-------------------|----------------|----------------|----------------|
| <b>Sales</b>      | <b>\$3,667</b> | <b>\$3,852</b> | <b>+5.1%</b>   |
| <b>GM %</b>       | <b>32.6%</b>   | <b>33.5%</b>   | <b>+0.9pts</b> |
| <b>SG&amp;A %</b> | <b>26.8%</b>   | <b>26.8%</b>   | <b>+0.0pts</b> |
| <b>EBIT</b>       | <b>\$219</b>   | <b>\$260</b>   | <b>+18.6%</b>  |
| <i>% of sales</i> | <i>6.0%</i>    | <i>6.8%</i>    | <i>+0.8pts</i> |

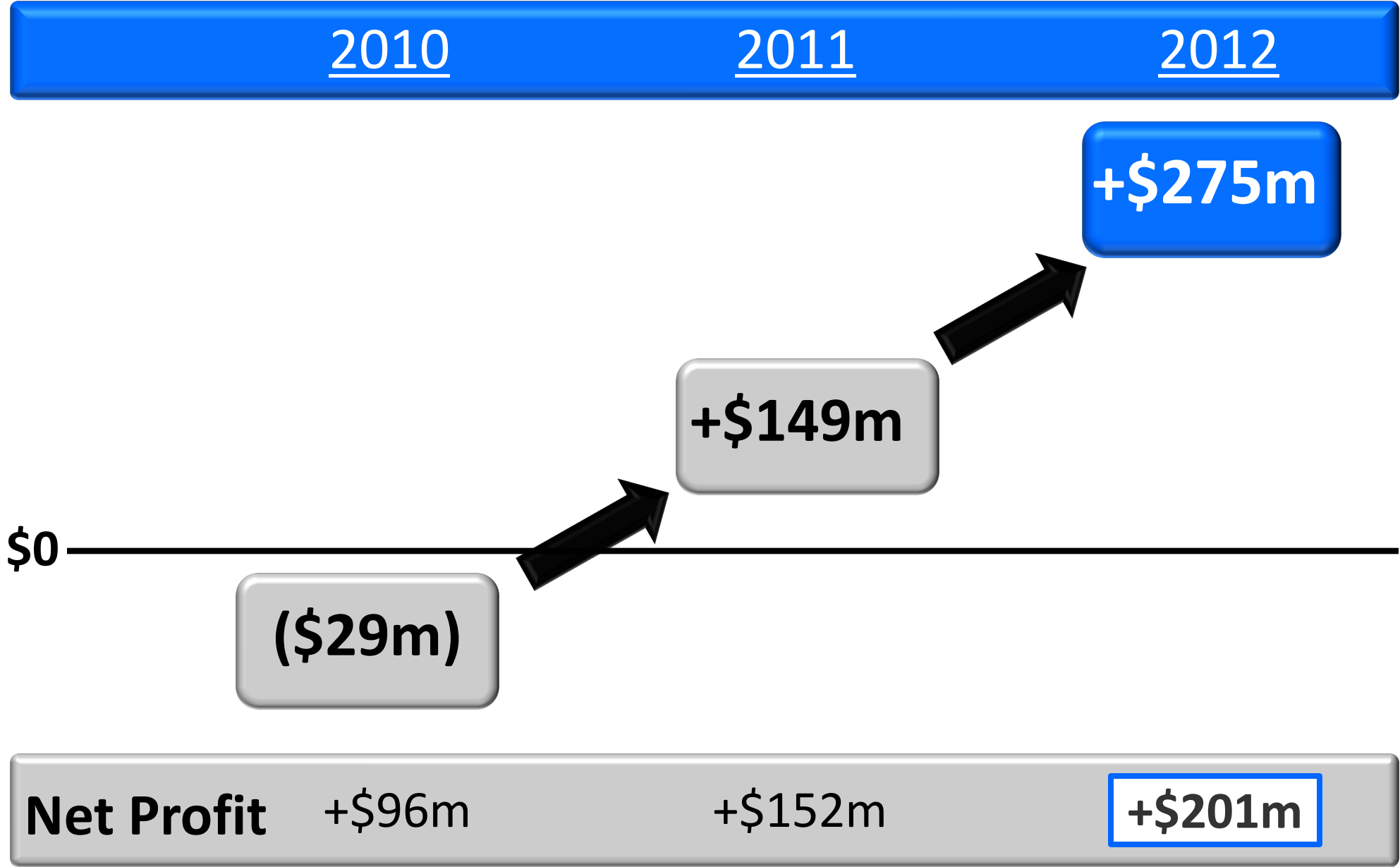
# 2012 Full Year Results

| (US\$ m)           | <u>2011</u>  | <u>2012</u>   | <u>Change</u> |
|--------------------|--------------|---------------|---------------|
| <b>EBIT</b>        | <b>\$219</b> | <b>\$260</b>  | <b>+18.6%</b> |
| <b>Net Profit</b>  | <b>\$152</b> | <b>\$201</b>  | <b>+32.2%</b> |
| <b>EPS (cents)</b> | <b>9.47¢</b> | <b>11.42¢</b> | <b>+20.6%</b> |

# 2012 Working Capital

| (US\$ m)                   | <u>2011</u>    | <u>2012</u>    | <u>Change</u>  |
|----------------------------|----------------|----------------|----------------|
| <b>Inventory</b>           | <b>\$704</b>   | <b>\$689</b>   |                |
| <i>Days</i>                | <i>70</i>      | <i>65</i>      | <i>-5 days</i> |
| <b>Receivables</b>         | <b>\$607</b>   | <b>\$645</b>   |                |
| <i>Days</i>                | <i>60</i>      | <i>61</i>      | <i>+1 day</i>  |
| <b>Payables</b>            | <b>(\$619)</b> | <b>(\$710)</b> |                |
| <i>Days</i>                | <i>62</i>      | <i>67</i>      | <i>+5 days</i> |
| <b>Net Working Capital</b> | <b>\$692</b>   | <b>\$623</b>   | <b>-10.0%</b>  |
| <b>WC % of Sales</b>       | <b>18.9%</b>   | <b>16.2%</b>   | <b>-2.7pts</b> |

# Free Cash Flow Improvement



# 2012 Full Year Sales Growth

| (US\$ m)      | <u>2011</u> | <u>2012</u> | <u>Change</u> |
|---------------|-------------|-------------|---------------|
| North America | \$2,648     | \$2,807     | +6.0%         |
| ROW           | \$1,019     | \$1,046     | +2.6%         |
| Total         | \$3,667     | \$3,852     | +5.1%         |



# Power Tool Market Share

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

# Productivity Progress

|                  | <u>Dec 2011</u> | <u>Dec 2012</u> | <u>Change</u> |
|------------------|-----------------|-----------------|---------------|
| <b>Sales</b>     | <b>\$3,667</b>  | <b>\$3,852</b>  | <b>+5.1%</b>  |
| <b>Headcount</b> | <b>17,818</b>   | <b>18,068</b>   | <b>+1.4%</b>  |



# 4 Year Overview

| (US \$m)           | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013 Bud</u> |
|--------------------|-------------|-------------|-------------|-----------------|
| <b>Sales</b>       | \$3,383     | \$3,667     | \$3,852     | <b>\$4,176</b>  |
| <b>GM %</b>        | 32.2%       | 32.6%       | 33.5%       | <b>34.0%</b>    |
| <b>EBIT</b>        | \$168       | \$219       | \$260       | <b>\$300</b>    |
| <i>% of sales</i>  | <i>5.0%</i> | <i>6.0%</i> | <i>6.8%</i> | <i>7.2%</i>     |
| <b>Net Profit</b>  | \$96        | \$152       | \$201       | <b>\$231</b>    |
| <i>% of sales</i>  | <i>2.8%</i> | <i>4.1%</i> | <i>5.2%</i> | <i>5.5%</i>     |
| <b>EPS (cents)</b> | 5.97¢       | 9.47¢       | 11.42¢      | <b>13.14¢</b>   |

**2013**

Milwaukee<sup>®</sup>

The Milwaukee logo is rendered in a white, stylized, cursive font against a solid red background. 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 registered trademark symbol (®) is located at the top right of the word.

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Milwaukee®



**M12**™

**Milwaukee<sup>®</sup>**



**M12<sup>™</sup>**

**REDLITHIUM<sup>™</sup>**

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**M18<sup>™</sup>**

**REDLITHIUM<sup>™</sup>**



**Milwaukee<sup>®</sup>**

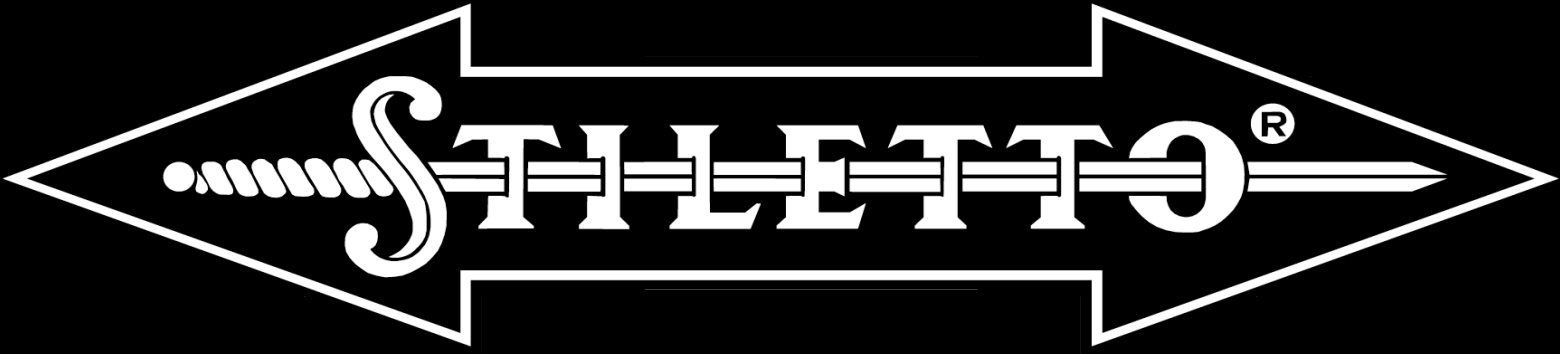
The Milwaukee logo is rendered in a white, stylized, italicized font. A large, white lightning bolt graphic is positioned below the text, extending from the left side of the 'M' towards the right, passing under the word 'Milwaukee'.

**ACCESSORIES**

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**AEG**

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 Lithium  
18V

 18v ONE +  
SYSTEM

**POWER EQUIPMENT**

# RYOBI®

**Lithium**  
**18V**

**18v ONE** **+**  
SYSTEM

**Lithium**  
**24V**

**Lithium**  
**40V**

## OUTDOOR PRODUCTS



Milwaukee®

The Milwaukee logo is rendered in a white, stylized, italicized font against a solid red background. The word "Milwaukee" is written in a bold, blocky script with sharp, pointed edges. A white lightning bolt graphic is positioned below the text, extending from the left side of the 'M' towards the right, passing under the 'w' and 'a'.







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