

## TTI DELIVERS A DECADE OF RECORD RESULTS

*Sustained Success by Accelerating the Transition to Cordless Tools*

Highlights	2019*	2018	Changes
	US\$'	US\$'	
	million	million	
<b>Sales</b>	<b>7,667</b>	7,021	<b>+9.2%</b>
<b>Gross profit margin</b>	<b>37.7%</b>	37.2%	<b>+50 bps</b>
<b>EBIT</b>	<b>673</b>	607	<b>+10.9%</b>
<b>Profit attributable to Owners of the Company</b>	<b>615</b>	552	<b>+11.3%</b>
<b>Basic earnings per share (US cents)</b>	<b>33.67</b>	30.16	<b>+11.6%</b>
<b>Dividend per share (approx. US cents)</b>	<b>13.26</b>	11.33	<b>+17.0%</b>

\*For the year ended December 31, 2019

- Net profit grew 11.3% and sales expanded 9.2%
- Gross margin improvement for the eleventh consecutive year
- Flagship Milwaukee Tool business continues to grow 20%+ in local currency
- RYOBI cordless sales delivered double-digit sales growth

(Hong Kong, March 5, 2020) - Hong Kong-based global power equipment and floor care company **Techtronic Industries Co. Ltd.** ("TTI" or the "Group") (stock code: 669, ADR symbol: TTNDY) announced its results for the financial year ended December 31, 2019. The Group's total revenue increased by 9.2% over the previous period to US\$7.7 billion. The gross margin expanded from 37.2% in 2018 to 37.7% in 2019 driven by a flow of innovative new products, mix management, productivity gains and volume leverage. EBIT increased 10.9% to US\$673 million, with the EBIT margin improving by 10 basis points to 8.8%. Shareholder's profits rose 11.3% to US\$615 million, with earnings per share increasing 11.6% over 2018 to US33.67 cents. Through disciplined working capital management, TTI delivered a gearing of 0.5% and working capital as 14.3% of sales. The Board is recommending a final dividend of HK58.00 cents (approximately US7.46 cents) per share. Together, with the interim dividend of HK45.00 cents (approximately US5.79 cents) per share, this will result in a full-year dividend of HK103.00 cents (approximately US13.26 cents) per share, against HK88.00 cents (approximately US11.33 cents) per share in 2018, an increase of 17.0%.

TTI's flagship Power Equipment business, representing 88.6% of total sales, grew 13.0 % to US\$6.8 billion. The Milwaukee Tool business delivered another year of outstanding performance, growing 21.7% in local currency while the RYOBI cordless business generated double-digit sales increase. TTI continued to make progress in the Floor Care and Appliance business with the strategic cordless and carpet washing categories up 18.9% over 2018. To support the rapid growth, the Group has made investments to expand its global manufacturing footprint in Asia, Mexico and the USA. The manufacturing operation in Vietnam which has expanded rapidly over the last year has now become a strategically important part of TTI's global manufacturing operations. These initiatives are delivering world-class service levels, high quality products, while helping the Group mitigate headwinds, including tariffs, and positioning TTI for future growth.

**Mr. Horst Pudwill, Chairman of TTI**, said, "TTI has an enviable track record of organically growing the top and bottom lines faster than our competitors. Looking forward, we have outlined strategic targets for expanding the product families around our leading MILWAUKEE and RYOBI battery platforms, entering new vertical markets and selective geographic expansion which create exciting opportunities for continued, above-market, sustained growth. These targets are aligned with our investments in R&D, strategic SG&A and new product development teams to continue delivering a flow of technically advanced innovative products that are fundamentally changing the way our users work at home and on the jobsite."

**Mr. Joseph Galli, CEO of TTI**, commented, "We see unlimited growth opportunity through our cordless leadership strategy in our core professional trade, industrial and DIY markets. Our cordless technology and leading battery platforms generate sustainable competitive advantages. TTI is embarking on the next decade of industry leading performance and cordless leadership."

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#### **About TTI**

Founded in 1985 and listed on the Stock Exchange of Hong Kong Limited in 1990, TTI is a world leader in cordless technology spanning Power Tools, Outdoor Power Equipment, Floor Care Appliances and Accessories for the consumer, professional, and industrial users in the home, construction, maintenance, industrial and infrastructure industries. The Company has a foundation built on four strategic drivers – Powerful Brands, Innovative Products, Exceptional People and Operational Excellence - reflecting a long-term expansive vision to advance cordless technology. The global growth strategy of the relentless pursuit of product innovation has brought TTI to the forefront of its industries. TTI's powerful brand portfolio includes MILWAUKEE, AEG and RYOBI power tools, accessories and hand tools, RYOBI and HOMELITE outdoor products, EMPIRE layout and measuring products, and HOOVER, ORECK, VAX and DIRT DEVIL Floor Care and Appliances.

TTI is one of the constituent stocks of the Hang Seng Index, FTSE Developed Index and MSCI ACWI Index. For more information, please visit [www.ttigroup.com](http://www.ttigroup.com).

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