

[For Immediate Release]

TECHTRONIC INDUSTRIES DELIVERS SOLID 2022 ANNUAL RESULTS

GROSS MARGIN EXPANDED TO 39.3%, EBIT INCREASED TO US\$1.2 BILLION

(Hong Kong, March 1, 2023) - Global power equipment and floorcare & cleaning company Techtronic Industries Co. Ltd. (“TTI” or the “Group”) (stock code: 669, ADR symbol: TTNDY) is pleased to announce the audited consolidated results of the Company and its subsidiaries for the year ended December 31, 2022. TTI demonstrated the resilience of its business model in 2022 in a more challenging operating environment. After nearly doubling the revenue base from 2018 to 2021, the Group delivered 2.8% local currency sales growth in 2022 due to the extraordinary growth of the MILWAUKEE business.

- Our flagship MILWAUKEE business grew 21.8% in local currency
- Free cash flow increased in the second half to finish the year at US\$329 million
- Gross margin improved for the 14th consecutive year to 39.3%, up 54 basis points

Financial Performance Highlights for 2022

	2022* US\$'	2021 US\$'	
	million	million	Changes
Revenue	13,254	13,203	+0.4%
Gross profit margin	39.3%	38.8%	+54bps
EBIT	1,201	1,192	+0.8%
Profit attributable to Owners of the Company	1,077	1,099	(2.0%)
Basic earnings per share (US cents)	58.86	60.04	(2.0%)
Dividend per share (approx. US cents)	23.81	23.81	-

*For the year ended December 31, 2022

Gross margin improved for the 14th consecutive year, from 38.8% in 2021 to 39.3% in 2022. TTI EBIT increased 0.8% to US\$1.2 billion with margin up slightly to 9.1%. Net Profit declined 2.0% to US\$1.1 billion due to higher interest expense. Earnings per share declined 2.0% to US\$58.86 cents. The Group generated free cash flow of US\$329 million, with a tremendous improvement in the second half. Working capital to sales finished the year at 21.2% compared to 20.9% a year ago. Importantly, days of finished goods inventory declined 3 days to 113 days at year end.

TTI's Power Equipment business, representing 93.0% of total sales, grew 5.5% in local currency. MILWAUKEE grew 21.8% in local currency, offsetting declines in our consumer and floorcare businesses. In the Power Equipment business, TTI generated low double-digit organic growth in Europe and ROW along with positive growth in the core North American business.

The Board is recommending a final dividend of HK90.00 cents (approximately US11.58 cents) per share. Together, with the interim dividend of HK95.00 cents (approximately US12.23 cents) per share, this will result in a full-year dividend of HK185.00 cents (approximately US23.81 cents) per share, same as last year.

Mr. Horst Pudwill, Chairman of TTI, said, "With a strong increase in free cash flow and a healthy balance sheet, TTI is well positioned to further expand our global industrial, professional and consumer leadership position. We are highly confident in our ability to continue driving market share gains and to outperform the market in 2023."

Mr. Joseph Galli, CEO of TTI, commented, "TTI is well positioned to outperform the market in 2023. We have not only right-sized our SG&A cost base, but also streamlined our fixed overhead position and prudently managed our production levels while developing a stream of innovative new products."

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About TTI

TTI is a world leader in cordless technology spanning Power Tools, Outdoor Power Equipment, Floorcare and Cleaning Products for the DIY, 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 an expansive long-term 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 while maintaining high environmental, social and corporate governance standards. 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 floorcare cleaning products and solutions.

Founded in 1985 and listed on the Stock Exchange of Hong Kong Limited in 1990, TTI is one of the constituent stocks of the Hang Seng Index, Hang Seng Corporate Sustainability Benchmark Index, FTSE RAFITM All-World 3000 Index, FTSE4Good Developed Index, and MSCI ACWI Index. For more information, please visit www.ttigroup.com.

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For Investor Relations enquiries:

Main Contact

TTI Investor Relations
Tel: +1 (954) 541-9660
Email: ir@tthq.com

Asia/Pacific

TTI Investor Relations
Tel: +(852) 2402 6888
Email: ir@tti.com.hk