

TTI ANNOUNCES RECORD 2018 FIRST HALF RESULTS

*Organic Growth Delivers Record Results
Sales Increases 19.1% and Profit Increases 24.6%*

Highlights	2018	2017	Changes
	US\$'	US\$'	
	million	million	
Revenue	3,431	2,882	+19.1%
Gross profit margin	37.1%	36.6%	+50 bps
EBIT	281	233	+20.7%
Profit attributable to Owners of the Company	255	204	+24.6%
EPS (US cents)	13.89	11.17	+24.4%
Interim dividend per share (approx. US cents)	4.89	3.57	+36.9%

- Organic growth delivers record results
- Sales grew 19.1% and net profit expanded 24.6%
- Gross margin improved for the tenth consecutive year in the first half from 36.6% to 37.1%
- MILWAUKEE continued strong growth momentum with an outstanding 29.8% sales increase
- RYOBI ONE+ sustained double-digit sales growth
- Floor Care and Appliances business delivered double digit sales growth of 12.9%

(Hong Kong, 15 August 2018) - Hong Kong-based global power equipment and floor care company **Techtronic Industries Co. Ltd.** ("TTI"/ TTI Group) (stock code: 669, ADR symbol: TTNDY) has delivered record sales and net profit for the ninth consecutive first half. This is a result of a strategic foundation of relentless innovation, continuous operational improvement, exceptional people, and a powerful brand portfolio. Sales in the first half were US\$3.4 billion, a 19.1% increase over the previous period, while net profit margin improved by 30 basis points. Gross profit margin improved for the tenth consecutive year on positive gains from the ongoing flow of new products and productivity. Through relentless execution, TTI has driven excellent sales growth while increasing earnings before interest and taxes by 20.7% to US\$281 million and continuing to efficiently manage working capital at 17.0% of sales compared to 19.1% last year in the first half. Net profit attributable to shareholders was US\$255 million, a 24.6%

increase from the prior year, and a basic earnings per share increase of 24.4% to US\$13.89 cents.

TTI's largest business segment, the Power Equipment business sustained double-digit growth for the first half with US\$3.0 billion in global sales, representing a 20.1% increase when compared with the same period in 2017. This strong growth was fueled by the commitment to cordless technology through the flow of new product introductions, expanding new product categories like cordless lawn mowers, building customer partnerships, adding new distribution channels, geographic expansion, and focused end-user conversions. MILWAUKEE has remained at the forefront of the cordless revolution, delivering outstanding 29.8% growth in the first half, while the Consumer Power Tool and the Outdoor Product businesses both grew by double digits primarily from the expansion of the RYOBI ONE+ and 40V cordless platforms. The early phase of our strategic direction of the Floor Care and Appliances segment is slowly and encouragingly gaining traction with sales growing 12.9%.

Mr. Joseph Galli, CEO of TTI, commented, "Looking into the second half and beyond, it is clear that the momentum is increasing at an exciting rate throughout TTI. We are thriving as we ambitiously continue executing our laser-focused strategy that created the platform for our industry-leading growth. TTI is leading the world's rapid transition to cordless, displacing old technologies, entering new categories, and expanding our served industries. Our vision for a cordless future is vast."

Mr. Horst Pudwill, Chairman of TTI, said, "We are highly encouraged by our growth trajectory. We expect our cordless business to continue being the key driver and to grow at unprecedented levels because of our leading edge technology. Our long term vision at TTI is to build an unassailable competitive advantage through cordless product leadership, outstanding organizational development, and superior operational excellence. We are highly confident our business will continue to outperform in the coming years."

– End –

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, Operational Excellence and Exceptional People - 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 MSCI All Country World Index (ACWI), FTSE Developed Index and Hang Seng Composite LargeCap Index under the Hang Seng Composite Size Index. For more information, please visit www.ttigroup.com.

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