“We are not just selling more cordless power tools than the competition, we are building a great tool company for the future.”

TTI continues to outpace the competition by accelerating the transition to cordless tools and equipment, delivering impressive organic growth while consistently generating gross margin improvement and record earnings. This extraordinary performance marks the success of our bold strategy, our powerful culture of execution and commitment to our deeply entrenched TTI OPEX System. We are at the leading edge of the cordless revolution in power tools, outdoor products, floor care and now light equipment with our innovative, zero emissions cordless products. It is through this strategic direction and tremendous drive that TTI reliably delivers on the financial goals of outgrowing the market, driving continuous gross margin improvement, investing in strategic SG&A and growing profit faster than sales. Our relentless cordless technology creation, new product development, geographic expansion and manufacturing advancements have TTI positioned for extraordinary future growth.

Unassailable Competitive Advantages

Our business strategy generates unassailable competitive advantages through in-house technology investment in which we have the capacity and capability to develop sophisticated cordless system components in brushless motors, battery technologies, advanced electronics and proprietary software. Our growing scale allows us to generate more advanced technology, expanding our competitive advantage and generating a virtuous cycle of new innovative products.

• Initiatives like our new Advanced Energy Center are set to impact the evolution of battery technologies enabling future breakthrough cordless product successes. This state-of-the-art facility focuses on next generation battery system technology, evaluation, prototyping and testing which integrates with our deep competency in cordless system technologies and manufacturing proficiencies for the creation of breakthrough innovative product solutions.

• We have taken the next step in revolutionizing the power tool industry with the MILWAUKEE MX FUEL ground-breaking system of cordless light equipment. The MX FUEL system is a super high-voltage lithium cordless platform designed to replace continuous use corded electric, gas and hydraulic driven products. We view this equipment launch as an incredibly significant and historic event because we are making a statement that lithium powered products are truly superior to traditional powered equipment. The breakthrough MX FUEL system is replacing outdated power sources with ultra-clean, ultra-safe cordless technology.

Superior Performance Commitment

A company-wide commitment to superior performance drives our organization, fuels our culture and defines our processes. TTI has established a highly tuned new product innovation machine. We vigorously drive our TTI OPEX System throughout the company by measuring results, improving productivity, eliminating waste and unnecessary costs, controlling non-strategic overhead and SG&A.

It is the stringent application of our TTI OPEX System coupled with successful new products that produces an endless cycle of improvement, generating gross margin increases, funding new product development and marketing programs.

• Our team has done a magnificent job mitigating tariffs and excelling in today’s dynamic environment. We are in a strong position with our diversified manufacturing base and flexible, broad supply chain reach. TTI is prepared for sustained growth with the significant manufacturing expansion into Vietnam and Mexico, the move to US manufacturing of our carpet-washing category, and the announced hand tool manufacturing facility in the US. We continue to be encouraged about the momentum in our global operations and the improvements generated from our disciplined TTI OPEX System.

• We have an exceptional culture and the best team in the industry. The impressively talented TTI leaders are both rigorously developed at TTI and selectively chosen from the industry. The team is driving our business success on a growing global scale. Our successful leaders have the drive and passion to achieve vast product and industry knowledge, and create a culture of high-performance and accountability in their organizations. It is our relentless, focused, motivated and outstanding people who differentiate TTI from our competitors. The growing scale of the TTI enterprise demands our highly competent leadership and robust management processes to drive success at every level of the organization. It is our exceptional TTI team which will confidently deliver our outstanding performance in the future.

• LDP (Leadership Development Program) is uniquely important in the development of our exceptional leaders to support and feed our growth. We feel strongly that our recruiting, hiring, mentoring and organizational development process are absolute TTI strengths. The process begins with inviting top college campus recruiting and hiring into our thriving LDP top level, high-potential college graduates from over 100 campuses. Started over twelve years ago, this investment has generated a pipeline for superstars that are populating our sales, marketing, engineering, purchasing, supply-chain, manufacturing and finance disciplines throughout the company around the world. Today, some of these LDP graduates hold roles as vice president and president. Utilizing a unique to TTI highly selective process which identifies high-potential candidates, we are planning to hire over 770 graduates from top universities in 2020. Our vision is to develop more and more of our talented LDPs to progress quickly into meaningful leadership roles throughout the organization.

Financial Goals

Sales Outgrow the Market
GM% Drive Gross Margin Improvement
SG&A Invest in Strategic SG&A
EBIT Grow Profit Faster than Sales
Vast Growth Opportunity
We have vast growth opportunities in our core professional trade, industrial markets and DIY markets and are reaching incremental new markets further expanding our future potential. The Network Effect from our leading cordless battery platforms continue to gain traction, generating an unassailable advantage.

- Milwaukee Tool has built the world’s broadest, best-selling line traction, generating an unassailable advantage. Effect from our leading cordless battery platforms continue to gain new markets further expanding our future potential. The Network industrial markets and DIY markets and are reaching incremental growth opportunities in our core professional trade, Vast Growth Opportunity

Chief Executive Officer’s Message

Aftermarket

Network Effect

Replacement Cycle

Hydraulic to Cordless

Hand Tools to Cordless

Corded Lighting to Cordless

Cordless to Cordless

Pneumatic to Cordless

Gas to Cordless

Cordless Leadership

Corded to Cordless

Powerful Brands

Unassailable Competitive Advantage

Innovative Products

Sustainability

Exceptional People

Operational Excellence

Superior Performance Commitment

Vast Growth Opportunities

TTI has a powerful strategy and a disciplined process that create vast growth opportunities.