

What's Hot Today:

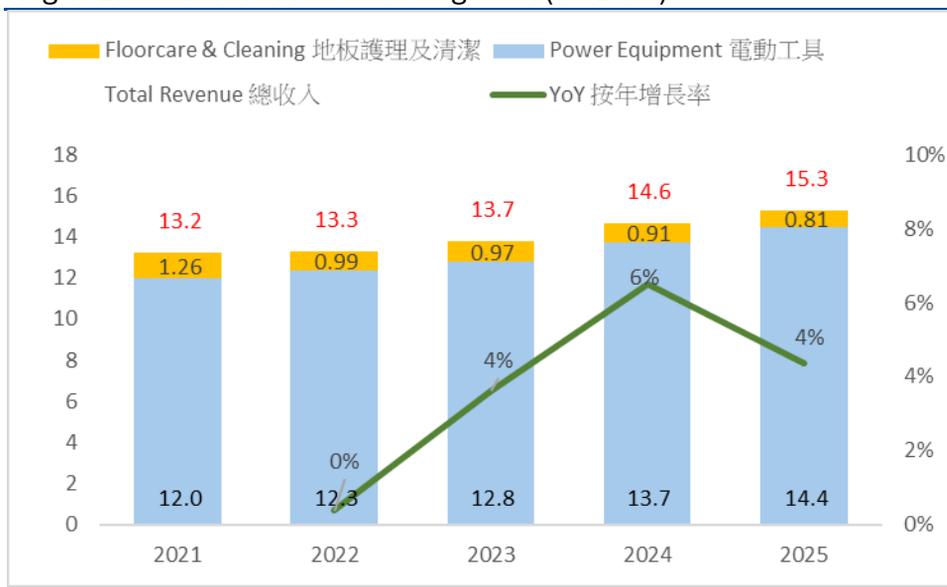
► Techtronic Industries (669 HK, HK\$121.80, HK\$223bn) Resilient FY25 results and USD500mn buyback plan proposed

Techtronic Industries (TTI) is a global leader in cordless power tools, outdoor power equipment and floor care products. It posted FY25 full-year revenue of USD15.3bn (+4% YoY) and net profit of USD1.2bn (+7% YoY), with overall results slightly below market consensus. A final dividend of HK\$1.32 has been declared, bringing the yearly dividend to HK\$2.57, up 13% YoY for a payout ratio of 50.4%.

Power Tools Growth Momentum Sustained: The segment revenue reached USD14.4 bn, up 5.3% YoY and accounting for 95% of total revenue. Professional brand Milwaukee grew 7.9% YoY in local currency. Driven by data center and infrastructure demand, it leads the North American market, which contributes 68% of the brand's sales, while the remaining 32% from non-US markets is growing faster and lifting GPM. Mass-market brand RYOBI grew steadily by 5.4% YoY in local currency, citing strong user loyalty and stable repurchase.

Floorcare & Cleaning remained under pressure: TTI's home appliances include vacuums, floor washers and carpet cleaners and have been in decline for five consecutive years. Revenue fell 9.7% YoY in FY25, and its revenue share deteriorated to the current 5% from 10% in FY21, mainly dragged by weak performances from HOOVER, DIRT DEVIL, ORECK and VAX.

Fig 1: Breakdown of Revenue Segment (USD'bn)



Source: Company Data, Sunwah Kingsway Research

China & HK Indices	CLOSE	1D	YTD
HSI	25,249	-2.0%	-1.5%
HSCEI	8,483	-1.4%	-4.8%
HSCCI	4,318	-1.5%	7.5%
CSI300	4,602	-1.1%	-0.6%
Shanghai A	4,281	-1.0%	4.0%
Shanghai B	263	-0.3%	4.0%
Shenzhen A	2,764	-0.5%	4.4%
Shenzhen B	1,216	-0.1%	-3.8%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	48,739	0.5%	1.4%
S&P 500	6,869	0.8%	0.4%
Nasdaq	22,807	1.3%	-1.9%
Nikkei Index	56,361	3.9%	12.0%
FTSE Index	10,567	0.8%	6.4%
CAC Index	8,167	0.8%	0.2%
DA-X Index	24,205	1.7%	-1.2%

Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	5,140	1.0%	19.7%
STEEL (US\$/oz.)	2,930	-3.8%	15.2%
SILVER (US\$/oz.)	83	1.9%	17.4%
CRUDE OIL (US\$/bbl)	74	0.1%	32.0%
COPPER (US\$/oz.)	13,057	-0.4%	5.1%
ALUMINIUM (US\$/oz.)	3,342	4.6%	11.6%
PLATINUM (US\$/oz.)	2,160	3.5%	6.9%
ZINC (US\$/oz.)	3,325	0.3%	6.7%
WHEAT (US\$/bu)	566	-1.3%	11.8%
CORN (US\$/bu)	443	-0.4%	-1.0%
SUGAR (US\$/lb)	111	8.2%	-
SOYBEAN (US\$/bu)	1,169	0.5%	10.2%
PVC (US\$/t)	4,970	1.8%	10.8%
CRB	327	2.2%	3.0%
BDI	-	-	19.4%

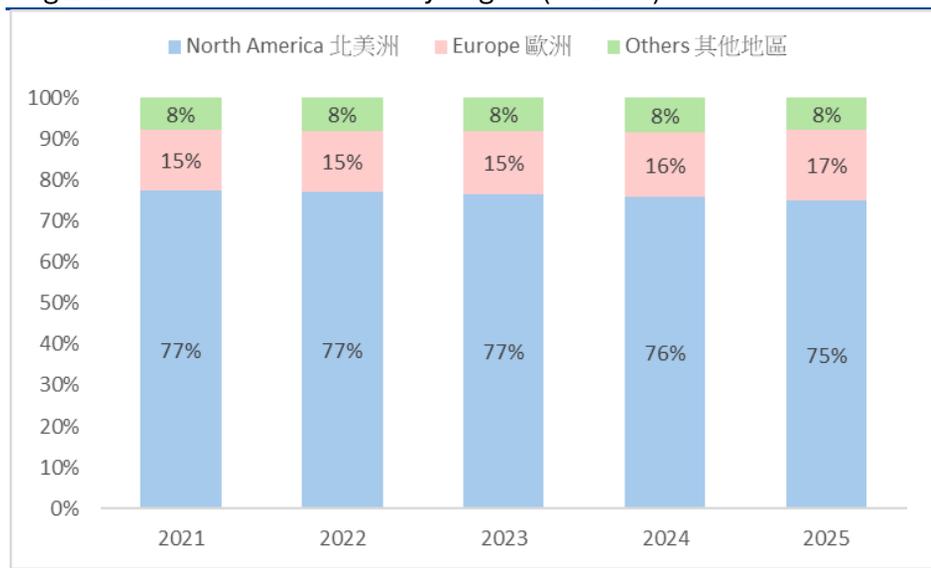
Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD	-	7.818	0.860	157.060	0.779	6.897
HKD	0.128	-	0.110	20.090	9.966	0.882
EUR	1.163	9.096	-	182.720	1.103	8.018
JPY	0.006	4.978	0.547	-	0.496	0.044
CHF	1.283	10.034	1.103	201.564	-	8.848
RMB	0.145	1.134	0.125	22.787	0.113	-

Market Sentiment	CURRENT	5D
CDS Monitor - USD SR 5Y	-	-
Greece	N/A	N/A
Ireland	83	-2.4%
Italy	139	-0.6%
Portugal	207	-0.0%
Spain	108	0.3%
VX	21	18.0%

Source: Bloomberg

Europe Led Growth and North America Stable: North America remained the company's largest market, posting steady LSD revenue growth. European markets sustained double-digit growth, lifting its revenue share by 2 pts to 17%. Other regions remained stable.

Fig 2: Breakdown of Revenue by Region (USD'bn)

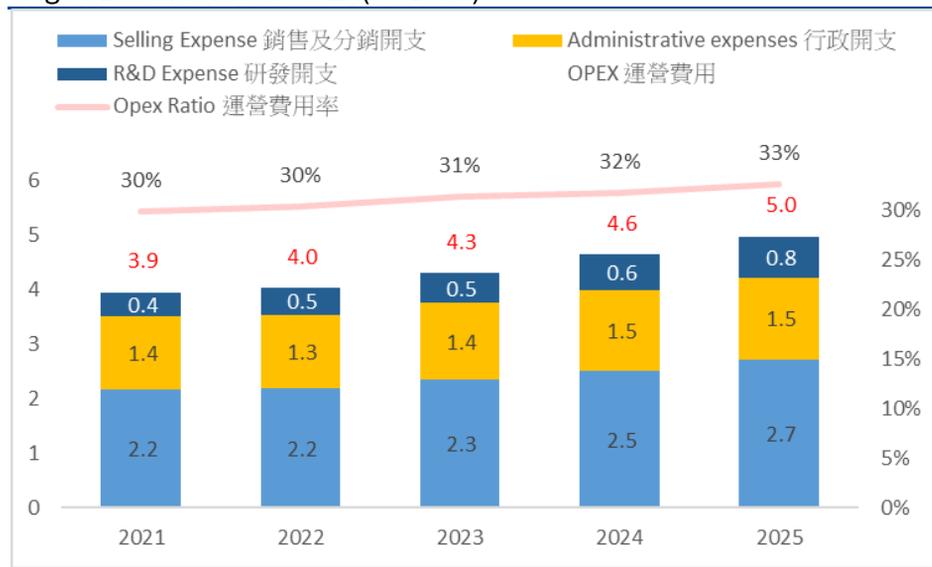


Source: Company Data, Sunwah Kingsway Research

GPM Improvement: Its GPM has been gradually edging up by 90bps over the past five years to 41.2% in FY25, driven by a shift towards the higher margin consumer brands, and enhanced operational efficiency in global manufacturing.

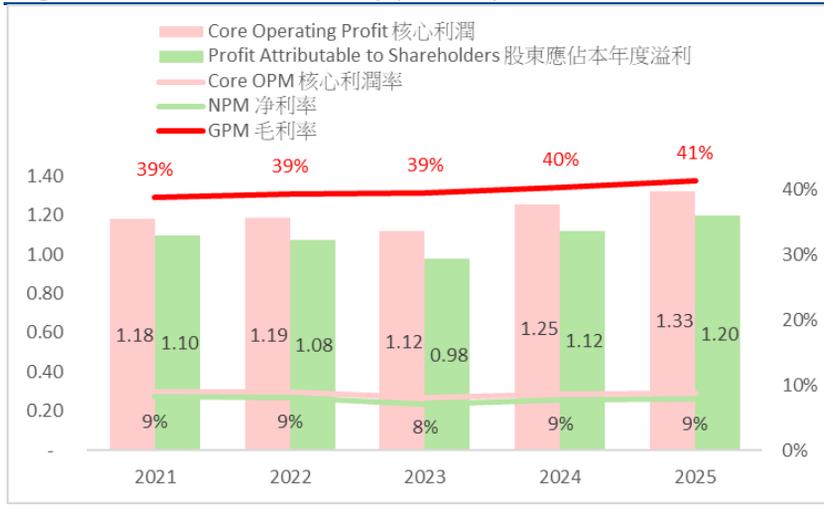
Operating profit performance was solid: The Core OPM remained stable at around 9% over the past five years, demonstrating strong resilience. Core operating profit grew 6% YoY to USD1.3bn in FY25, with the growth rate moderating mainly due to higher R&D expenses. Attributable profit rose 7% YoY to USD1.2bn, with the NPM steady at 8%.

Fig 3: Breakdown of OPEX(USD'bn)



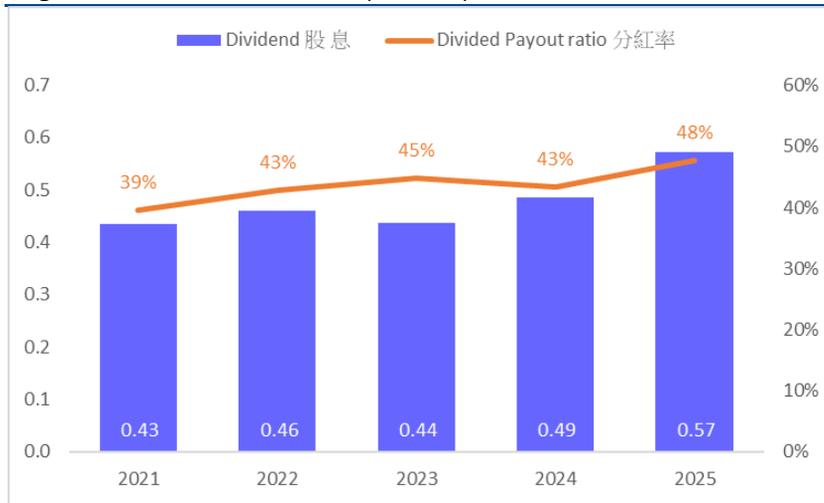
Source: Company Data, Sunwah Kingsway Research

Fig 4: Breakdown of Profitability (USD'bn)



Source: Company Data, Sunwah Kingsway Research

Fig 5: Breakdown of Dividend (USD'bn)



Source: Company Data, Sunwah Kingsway Research

Business Outlook: The Mgt expects core brands Milwaukee and Ryobi to deliver MSD revenue growth, which will be partially offset by the exit from the HART business and ongoing floorcare rationalization. Although the floorcare business may continue to contract, it will carry-out global restructuring and optimizes its North American operations by closing the Charlotte plant and merging with the Anderson consumer business to improve efficiency and profitability. With a current OPM of around 9%, the Mgt targets a 10% EBIT margin by FY27. Cash flow remains strong, with free cash flow exceeding US\$1bn for four consecutive years.

Our views: As a top-tier global power tool leader, TTI outperformed the industry in 2025 with stronger growth and profitability compared to Stanley Black & Decker and Makita. It also receives strong support from leading distributors such as Home Depot, particularly for the Milwaukee brand, solidifying its premium positioning and pricing power. Meanwhile, RYOBI is also growing fast globally by partnering with Home Depot in North America and Bunnings in Australia/NZ region. The brand is growing strong in cordless products with launches of new high-power tools.

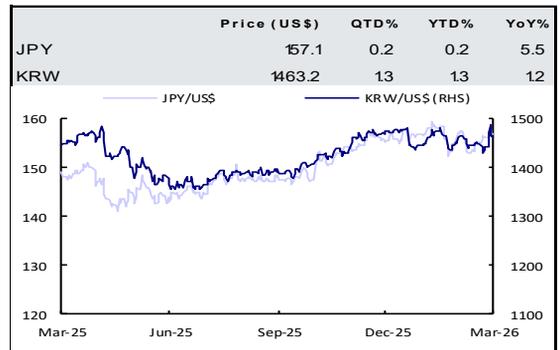
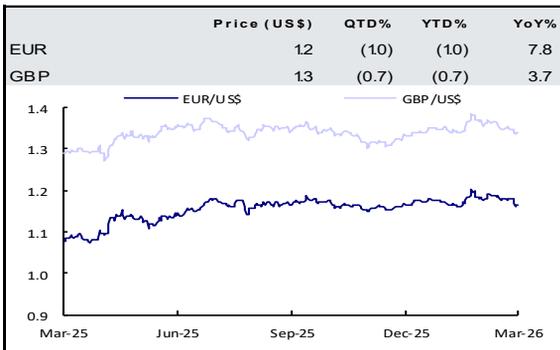
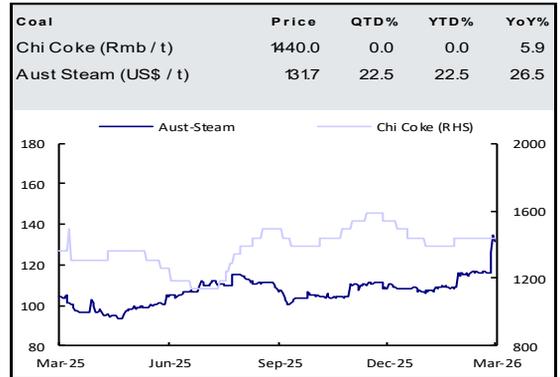
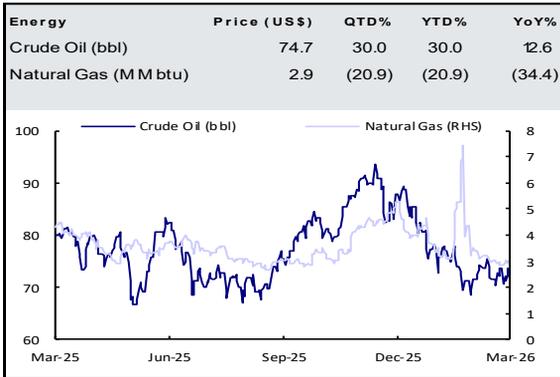
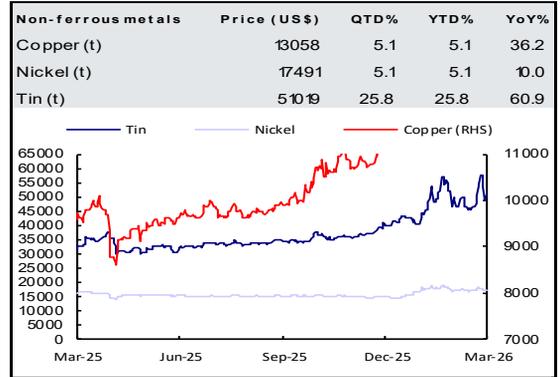
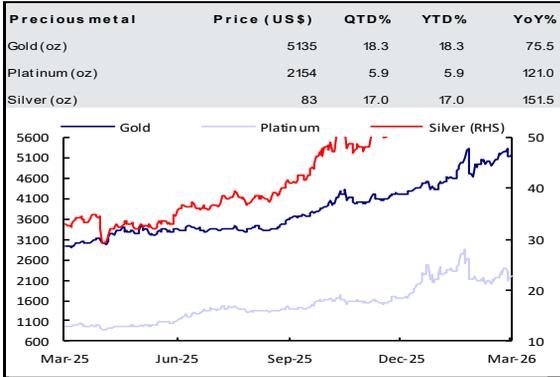
The company has a healthy balance sheet with a net cash position of USD700mn as at the end of 2025. The company intends to implement a USD500mn buyback plan over the next 18 months. In addition, it is expected that the US Supreme Court's decision to strike down the tariffs will benefit its US business. The counter is trading at 20x FY26E P/E and 2.24% dividend yield. (Research Department)

Fig 6: Five-Year Financial Data (USD'bn)

669.HK TECHTRONIC INDUSTRIES (創科實業有限公司)			2021	2022	2023	2024	2025
Unit: USD'bn (美元十亿)							
Power Equipment	電動工具		12.0	12.3	12.8	13.7	14.4
	YoY	按年增長率		3%	4%	7%	5%
	% of total	總收入占比	91%	93%	93%	94%	95%
Floorcare & Cleaning	地板護理及清潔		1.26	0.99	0.97	0.91	0.81
	YoY	按年增長率		-22%	-1%	-6%	-11%
	% of total	總收入占比	10%	7%	7%	6%	5%
Total Revenue	總收入		13.2	13.3	13.7	14.6	15.3
	YoY	按年增長率		0%	4%	6%	4%
COGS	銷售成本		8.1	8.0	8.3	8.7	9.0
	YoY	按年增長率		0%	3%	5%	3%
Gross Profit	毛利潤		5.1	5.2	5.4	5.9	6.3
	YoY	按年增長率		2%	4%	9%	7%
	GPM	毛利率	39%	39%	39%	40%	41%
Selling Expense	銷售及分銷開支		2.2	2.2	2.3	2.5	2.7
	YoY	按年增長率		1%	7%	7%	9%
	% of total	總收入占比	16%	17%	17%	17%	18%
Administrative expenses	行政開支		1.4	1.3	1.4	1.5	1.5
	YoY	按年增長率		0%	4%	6%	0%
	% of total	總收入占比	10%	10%	10%	10%	10%
R&D Expense	研發開支		0.4	0.5	0.5	0.6	0.8
	YoY	按年增長率		14%	13%	18%	17%
	% of total	總收入占比	3%	4%	4%	4%	5%
OPEX	運營費用		3.9	4.0	4.3	4.6	5.0
	Opex Ratio	運營費用率	30%	30%	31%	32%	33%
	YoY	按年增長率		2%	7%	8%	7%
Core Operating Profit	核心利潤		1.18	1.19	1.12	1.25	1.33
	Core OPM	核心利潤率	9%	9%	8%	9%	9%
	YoY	按年增長率		1%	-6%	12%	6%
Profit Attributable to Shareholders	股東應佔本年度溢利		1.10	1.08	0.98	1.12	1.20
	NPM	淨利率	8%	8%	7%	8%	8%
	YoY	按年增長率		-2%	-9%	15%	7%
Dividend	股息		0.43	0.46	0.44	0.49	0.57
	Divided Payout ratio	分紅率	39%	43%	45%	43%	48%
	YoY	按年增長率		6%	-5%	11%	18%
Revenue by Geographic							
North America	北美洲		10.2	10.2	10.5	11.1	11.4
	YoY	按年增長率		0%	3%	5%	3%
	% of total	總收入占比	77%	77%	77%	76%	75%
Europe	歐洲		2.0	1.9	2.1	2.3	2.6
	YoY	按年增長率		-1%	9%	11%	13%
	% of total	總收入占比	15%	15%	15%	16%	17%
Others	其他地區		1.0	1.1	1.1	1.2	1.2
	YoY	按年增長率		7%	3%	9%	-3%
	% of total	總收入占比	8%	8%	8%	8%	8%
Total	總收入		13.2	13.3	13.7	14.6	15.3

Source: Company Data, Sunwah Kingsway Research

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Employment Report	MoM		6-Mar-26
Retail Sales	MoM		6-Mar-26
Trade Balance	MoM		12-Mar-26
Housing Starts / Building Permits	MoM		12-Mar-26
Personal Income & Spending	MoM		13-Mar-26
Durable Goods Orders	MoM		13-Mar-26
PPI	MoM		18-Mar-26
ISM Manufacturing PMI	MoM		1-Apr-26
Factory Orders	MoM		18-Mar-26
Initial Jobless Claims	WoW		5-Mar-26
Wholesale Inventories	MoM		19-Mar-26
CPI	MoM		11-Mar-26
Existing Home Sales	MoM		10-Mar-26
Industrial Production	MoM		16-Mar-26
GDP	QoQ		13-Mar-26
Consumer Confidence	MoM		31-Mar-26
New home Sales	MoM		19-Mar-26
Business Inventories	MoM		6-Mar-26
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Foreign Exchange Reserves	QoQ		7-Mar-26
Money Supply - M2	MoM		9-Mar-26
PPI	MoM		9-Mar-26
CPI	MoM		9-Mar-26
PMI Manufacturing	MoM		31-Mar-26
Trade Balance	MoM		14-Apr-26
Retail Sales	MoM		16-Apr-26
Industrial Production	MoM		16-Apr-26
GDP	YoY		16-Apr-26

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Foreign Currency Reserve	MoM		6-Mar-26
Producer Prices Index	QoQ		13-Mar-26
Industrial Production	QoQ		13-Mar-26
Unemployment Rate	MoM		18-Mar-26
CPI	MoM		20-Mar-26
Trade Balance	MoM		26-Mar-26
Money Supply - M2	MoM		31-Mar-26
Retail Sales	MoM		1-Apr-26
PMI	MoM		8-Apr-26
GDP	QoQ		5-May-26
Composite Interest Rate	MoM		

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