

Hilti delivers strong financial results

Schaan (FL), March 13, 2015 – With sales growth of 7.5 percent in local currencies and 3.6 percent in Swiss Francs to CHF 4.5 billion, the Hilti Group increased its operating result by 27 percent to CHF 537 million in 2014. Profitability, return on capital employed and free cash flow are on target.

“We are very pleased with the 2014 results“, comments Christoph Loos, CEO of the Hilti Group, and adds: “At the end of 2013 we decided to go back to investing significantly more, to accelerate growth, to gain market shares and to further increase our profit and return on capital employed. All these targets have been achieved.”

Strong sales growth in local currencies

The global development showed a highly mixed picture in 2014. While markets in Northern and Central Europe were generally positive, construction in Western and Southern Europe continued to be subdued. The exceptionally strong winter that hit the Eastern part of North America at the beginning of the year dampened what was otherwise a very positive performance. The emerging markets were also characterized by heterogeneous developments: The Middle East and parts of Asia did very well, quite in contrast to Eastern Europe which was severely affected by the political situation in Russia and Ukraine. The initial momentum seen in Latin America was increasingly tarnished by political uncertainties later in the year.

Against this backdrop, the Hilti Group stood its ground well and posted further growth at local currencies in all regions. After a slightly negative trend in the previous year, overall business in Europe has increased (+3.5%). In North America, a strong second half helped to almost completely offset a slow start to the year (+9.5%). In the emerging markets, sales growth reached double-digit figures (Eastern Europe / Middle East / Africa +14.9%, Latin America +14.6%, Asia +10.6%). On the whole, sales in local currencies were up 7.5 percent (against 4.5% in the previous year).

Enhanced profitability and return on capital employed

Thanks to accelerated growth, productivity enhancements and increased margins, operating profitability (RoS) was up further from 9.7 to 11.9 percent. Net profit grew by 40 percent to CHF 426 million. Return on capital employed (RoCE) improved from 12.8 to 16.8 percent. Further reductions of the average accounts receivable collection period and of inventory days have contributed to this. Operating cash flow was again high at CHF 630 million, while free cash flow was at a very good level of CHF 383 million.

The Hilti Group increased its investments according to plan in 2014. Expenditure for research and development grew by 18 percent (CHF 222 million) while headcount was up from 21,456 to 22,248 (+4%).

Outlook

According to the economic forecasts for 2015, the business climate is expected to be similar as in 2014, however marked by continued regional differentials. Thus, the Hilti Group reckons that growth in local currencies will be in the solid single-digit range. Commenting on the exchange rate situation, Christoph Loos says: "The substantial appreciation of the Swiss Franc has also a considerable impact on our figures. But our solid profitability, balance sheet and cash flow positions will enable us to pursue the planned investments into sales capacity, product development and services. Thus, we see ourselves well positioned for the 2015 business year."

The Hilti Group supplies the worldwide construction industry with technologically leading products, systems, software and services that provide construction professionals with innovative solutions and superior added value. The Group employs some 22,000 persons in over 120 countries who passionately create enthusiastic customers and build a better future. The headquarters of the Hilti Group are located in Schaan, Principality of Liechtenstein.