

Hilti on track despite strong Swiss Franc

Schaan (FL), September 17, 2015 – In the first eight months of the current year, the Hilti Group has grown sales in local currencies by 4.9 percent. Sales in Swiss Francs decreased by 3.2 percent. The company is confident to keep both operating result and net income at last year’s levels and to achieve the goals set for 2015.

Eight months into the year, the Hilti Group has posted positive sales growth in local currencies throughout all market regions. In Europe, sales were up 2.9 percent, with particular impetus coming out of Northern Europe while also some Southern European countries have shown signs of improvement. Due to the currently solid activity in the construction sector, sales in Northern America continued to rise (+8.4%). In Asia/Pacific, sales were up 3.8 percent year-on-year. Despite a continued difficult environment in Russia and Ukraine, the Eastern Europe / Middle East / Africa region generated sales growth of 7.7 percent. Sales in Latin America grew by 6.8 percent.

“With a view to our main markets, North America stands out as doing particularly well. In Europe, given the persistently heterogeneous market situation, growth is satisfactory, although we do see further upside potential here. In other regions, our business is faring well despite a certain slowdown in economic momentum,” said CEO Christoph Loos in commenting the sales figures.

Overall, sales grew by 4.9 percent in local currencies. Due to the negative exchange rate effect, sales in Swiss Francs dropped slightly by 3.2 percent from CHF 2,936 million to CHF 2,842 million, which was in line with expectations.

The ongoing strength of the Swiss Franc also impacted the company’s operating result and net income amounting to CHF 327 million (-8%) and CHF 239 million (-12.3%) year-on-year, respectively. Nevertheless, Hilti continues to pursue its forward strategy and has used its sound financial basis to undertake further investments in the areas of

distribution, product development and services. And with digitization gaining ground in the construction industry, Hilti is developing new software solutions that enhance interaction with customers and render their daily job more efficient. As a result, R&D spending grew by 6.3 percent to CHF 152 million year-on-year, while headcount increased to 22,780 (+3.8%).

„No doubt, the appreciation of the Swiss Franc does not leave us unaffected. However, we shall not deviate from our course and will continue to invest in strategically significant activities. While we are facing uncertainties in some markets and persistent exchange rate volatilities, we expect to be able to keep both operating result and net income at approximately the same level as last year,“ CEO Christoph Loos said in his outlook.

The Hilti Group supplies the worldwide construction industry with technologically leading products, systems 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. Hilti generated annual sales of CHF 4.5 billion in 2014. Hilti's corporate culture is based on integrity, teamwork, commitment and the courage to embrace change. The headquarters of the Hilti Group are located in Schaan, Liechtenstein.

The Hilti Group in figures

| | 2015 (1-8) | 2014 (1-8) | Change in % |
|---|------------|------------|-------------|
| January to August (in CHF million) | | | |
| Net sales | 2,842 | 2,936 | -3.2 |
| Operating result | 327 | 356 | -8.0 |
| Net income | 239 | 272 | -12.3 |
| Free cash flow | 127 | 132 | -3.8 |
| Research and development expenditure | 152 | 143 | 6.3 |
| Employees worldwide (as at Aug. 31) | 22,780 | 21,947 | 3.8 |

| Sales development January-August 2015 compared to the previous year | | | | |
|---|------------------------|------------------------|----------------------|-----------------------------------|
| | 2015 in CHF million | 2014 in CHF million | Change in CHF (%) | Change in local currencies (%) |
| Europe | 1,333 | 1,454 | -8.3 | 2.9 |
| North America | 676 | 600 | 12.7 | 8.4 |
| Latin America | 91 | 115 | -20.9 | 6.8 |
| Asia/Pacific | 416 | 413 | 0.7 | 3.8 |
| Eastern Europe/Middle East/Africa | 326 | 354 | -7.9 | 7.7 |
| Hilti Group | 2,842 | 2,936 | -3.2 | 4.9 |

Consolidated income statement overview

| | 2015 (1-8) | 2014 (1-8) |
|--|----------------|----------------|
| January to August (in CHF million) | | |
| Net sales | 2,842.3 | 2,936.2 |
| Total operating revenue | 2,902.5 | 2,996.3 |
| Operating result | 327.4 | 355.8 |
| Other revenue and expenses (net) | -16.5 | -4.8 |
| Finance costs | -17.6 | -20.5 |
| Net income before income tax expense and minority interests | 293.3 | 330.5 |
| Income tax expense | -52.7 | -59.4 |
| Non-controlling interests | -1.5 | 1.4 |
| Net income | 239.1 | 272.5 |

Consolidated balance sheet overview

| | Aug. 31, 2015 | Dec. 31, 2014 |
|--|----------------|----------------|
| (in CHF million) | | |
| ASSETS | | |
| Non-current assets | 1,701.6 | 1,725.1 |
| Current assets | 2,450.9 | 2,883.9 |
| Total Assets | 4,152.5 | 4,609.0 |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders of the parent | 2,111.1 | 2,439.7 |
| Non-controlling interests | 10.9 | 9.7 |
| Non-current liabilities | 1,032.4 | 1,053.4 |
| Current liabilities | 998.1 | 1,106.2 |
| Total liabilities | 2,030.5 | 2,159.6 |
| Total equity and liabilities | 4,152.5 | 4,609.0 |

Note about the income statement and balance sheet overviews

The consolidated interim financial statement information above covers the reporting period from January to August 2015. It is based on the internal four-month reporting cycle which has been adopted instead of the customary half-year reporting period. In this interim financial information there have been no material changes in consolidation and accounting policies. The interim financial statements should be read in conjunction with the annual financial statements for 2014.