

HILTI CONTINUES DOUBLE-DIGIT GROWTH RATE

Schaan (FL), September 19, 2018 – The Hilti Group achieved sales growth of 14.7 percent over the first eight months of 2018. When adjusted for acquisition effects growth amounted to 12.7 percent. The Group’s operating result rose 7.6 percent over the same period.

Through the end of August Hilti Group sales for 2018 were CHF 3751 million (+14.7%), significantly greater than in the previous year. Two percentage points of this total are attributable to Hilti’s purchase of the Oplaend System Group in September 2017. The growth rate also registered double digits in terms of local currencies (+11.9%). The North America and Europe regions once again advanced strongly, posting 12.2 and 12.4 percent growth in local currencies, respectively. The upward trend in Latin America (+7.4%) slowed due to currency devaluations and political tensions in several countries. While uncertainties also increased in both Turkey and Russia, the Eastern Europe / Middle East / Africa region nonetheless continued to see sales rise (+14%). The Hilti Group also sustained a positive trend in the Asia/Pacific region (9.1%).

“Even though the world political situation has become more unpredictable, we continue to show double-digit growth, which is faster than the global construction market. This success is based on the consistently high level of investment into sales resources and innovation. Our main investment focus in recent months has been in the area of digital solutions,” commented CEO Christoph Loos.

As a result, expenditures for research and development rose to CHF 225 million (+17.6%) while the number of employees grew to 28,566 (+9.6%). The more robust spending level and the stronger euro translated into figures for return on sales, at 12.1 percent (-0.8%), and return on capital employed, at 22.2 percent (-0.6%), that were slightly lower than the corresponding figures for 2017. The Hilti Group, however, posted increases in the operating result, at CHF 456 million (+7.6%) and net income, at CHF 329 million (+4.5%).

If world political uncertainties and currency volatility do not significantly worsen, the Hilti Group expects double-digit sales growth over the entire year, albeit slightly below the figures for the first eight months of the year due to acquisition effects. Despite ongoing investment Hilti expects the operating result for 2018 as a whole to be similar to the current growth level.

Key figures

January-to-August (in CHF million)	2018 (1-8)	2017 (1-8)	Change in %
Net sales	3,751	3,271	14.7
Operating result	456	423	7.6
Net income	329	314	4.5
Free cash flow, excluding acquisition	45	142	-68
Return on sales (%)	12.1	12.9	-0.8
Return on capital employed (%)	22.2	22.8	-0.6
Research & development expenditure	225	191	17.6
Head count (at August 31)	28,566	26,064	9.6

Sales development January-to-August 2018 compared to previous year

	2018 (1-8) in CHF million	2017 (1-8) in CHF million	Change in CHF (%)	Change in local currencies (%)
Europe	1,847	1,547	19.4	12.4
North America	888	799	11.1	12.2
Latin America	86	85	1.4	7.4
Asia/Pacific	496	451	10.0	9.1
Eastern Europe / Middle East / Africa	434	389	11.6	14.0
Hilti Group	3,751	3,271	14.7	11.9

Consolidated income statement

January-to-August (in CHF million)	2018 (1-8)	2017 (1-8)
Net sales	3,750.6	3270.7
Total operating revenue	3,836.9	3342.9
Operating result	455.5	423.3
Other revenue and expenses (net)	-24.8	-10.6
Finance costs	-20.3	-17.3
Net income before tax expense and minority interests	410.4	395.4
Income tax expense	-82.1	-80.0
Non-controlling interests	0.2	-1.0
Net income	328.5	314.4

Consolidated balance sheet overview

(in CHF million)	Aug. 31, 2018	Aug. 31, 2017
ASSETS		
Non-current assets	2,409.9	2,220.2
Current assets	3,083.8	2,638.0
Total assets	5,493.7	4,858.2
LIABILITIES		
Equity attributable to equity holders of the parent	2,901.8	2,564.5
Non-controlling interests	1.9	1.3
Non-current liabilities	1,103.1	1,061.7
Current liabilities	1,486.9	1,230.7
Total liabilities	2,590.0	2,292.4
Total equity and liabilities	5,493.7	4,858.2

Note about the income statement and balance sheet overviews:

The consolidated interim financial statement information above covers the reporting period from January to August 2018. It is based on the internal four-month reporting cycle which has been adopted instead of the customary half-year reporting period. In the period under review there have been no material changes in consolidation and accounting policies. 2017 values have been restated due to the adoption of IFRS 15 changes. The interim financial statements should be read in conjunction with the annual financial statements for 2017.

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 more than 28,000 team members in over 120 countries who passionately create enthusiastic customers and build a better future. Hilti generated annual sales of CHF 5.1 billion in 2017. 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.