

Ad hoc announcement pursuant to Art. 53 LR

HILTI GROUP ACHIEVES SALES OF CHF 6.3 BILLION IN A CHALLENGING ENVIRONMENT

Schaan (FL), March 17, 2023 – With sales growth of 10.0 percent in local currencies, and 6.2 percent in Swiss francs, Hilti reached a turnover level of more than CHF 6.3 billion. The operating result was CHF 731 million, a decline of 13.7 percent compared to the all-time high achieved in 2021. This decline is due to the unprecedented increase of raw material, component and transport costs, the devaluation of the euro and other currencies against the Swiss franc, the impact of the war in Ukraine and increased investments into innovation and into the long-term strategic strength of the Hilti Group.

"2022 was a challenging year, which inevitably left its mark on our profitability. Nevertheless, we were able to achieve our sales target in local currencies. At the same time, we continued to invest massively into the future of our company," says CEO Jahangir Doongaji.

In local currencies, the strongest sales growth was recorded by the Americas region with 16.5 percent. Europe achieved an increase of 9.6 percent. In Asia/Pacific, growth was 8.2 percent, significantly slowed by the impact of COVID-19 restrictions in China. As expected, the war in Ukraine and the corresponding sanctions against Russia resulted in a decline in sales for the Eastern Europe / Middle East / Africa region (-2.3%). The weaker euro and the devaluation in a number of currencies resulted in a negative impact on sales in Swiss francs, totaling 3.8 percentage points.

Hilti again made substantial investments into innovation and long term strategic projects. In 2022, the new battery platform, Nuron, was launched with more than 70 tools – the largest product launch in the company's history. The software portfolio expanded with the introduction in Europe of the Fieldwire jobsite management solution. Expenditure for research and development reached CHF 437 million (+17.2%), a share of 6.9 percent of sales. As of the end of the year, the Group had 32,487 team members, an addition of 1372 (+4.4%) employees compared to the previous year.

The operating result decreased by 13.7 percent to CHF 731 million while net income decreased by 16.3 percent to CHF 565 million. This led to a return on sales (ROS) of 11.5 percent (-2.7 percentage points). Consequently, the return on capital employed (ROCE) was at 13.2 percent (-3.9 percentage points).



Media Release

Construction market forecasts point to softer growth in 2023 caused by further interest rate hikes, ongoing geopolitical tensions and a further appreciation of the Swiss franc. Hence, the Hilti Group expects high single-digit sales growth in local currencies and a similar ROS level in Swiss francs compared to 2022. Of particular importance is the new Group Strategy, Lead 2030, which will be rolled out globally in 2023. The company strives to lead the transformation of the construction industry and will continuously invest to drive innovation in both hardware and software solutions and to build up its market reach resources. As a consequence of the new Group Strategy, Hilti has also updated its financial guardrails and will keep ROS in a range of 10 to 14 percent, and ROCE between 12 and 18 percent.

The 2022 Company Report (including the Financial Report and the Sustainability Report) are available online. Follow this link: <https://reports.hilti.group>

2022 sales growth compared to the previous year

	2022 in CHF million	2021 in CHF million	Change in CHF (%)	Change in local currencies (%)
Europe	3,201	3,128	2.3	9.6
Americas	1,841	1,526	20.6	16.5
Asia/Pacific	763	732	4.2	8.2
Eastern Europe / Middle East / Africa	542	592	-8.4	-2.3
Hilti Group	6,347	5,978	6.2	10.0

Key Figures

in CHF million	2022	2021	Change (%)
Net Sales	6,347	5,978	6.2
Operating Profit	731	847	-13.7
Net Income	565	675	-16.3
Free Cash Flow	-147	377	-139.0
Return on Sales (%)	11.5	14.2	-2.7%-pts
Return on Capital Employed (%)	13.2	17.1	-3.9%-pts
Research & Development Spend	437	373	17.2
Number of Employees (as of December 31)	32,487	31,115	4.4

The Hilti Group supplies the worldwide construction and energy industries with technologically leading products, systems, software and services. With about 32,000 team members in over 120 countries the company stands for direct customer relationships, quality and innovation. Hilti generated annual sales of more than CHF 6.3 billion in 2022. The headquarters of the Hilti Group have been located in Schaan, Liechtenstein, since its founding in 1941. The company is privately owned by the Martin Hilti Family Trust, which ensures its long-term continuity. The Hilti Group's strategic orientation is based on a caring and performance-oriented culture and the goals of creating enthusiastic customers and building a better future.