

HILTI CONTINUES PROFITABLE GROWTH

Schaan (FL), March 15, 2019 – The Hilti Group continued to increase its investments in 2018 and in a positive market environment again recorded double-digit growth. Group sales increased by 10.7 percent to CHF 5.6 billion. In local currencies, sales grew by 9.8 percent. Operating profit increased by 7 percent to CHF 728 million.

«2018 was a dynamic and important year for us. We used our strong financial position and the continuing positive market environment for significant investments for the future. We invested more than ever before and continued the consistent implementation of our Champion 2020 strategy», as CEO Christoph Loos summarizes 2018.

Hilti again achieved growth in all regions of the world. North America and Europe grew at a double-digit rate (10.4% and 10.6%, respectively, in local currencies). Latin America increased significantly at 8.6 percent, although the main markets there were affected by political uncertainties. The region Eastern Europe / Middle East / Africa also saw strong growth (+9.3%). Here political tensions negatively affected the business, in particular in Russia, Turkey and Saudi Arabia. In Asia Pacific, growth increased 7 percent, but remained behind expectations. Currency effects, in particular the slightly positive euro, added 0.9 percentage points to the sales in Swiss Francs.

Significant investments in innovation, market reach and infrastructure strengthened the foundation for long-term profitable growth. R&D spending increased by 14 percent to CHF 355 million. 1000 colleagues joined the sales team and overall there were 29,004 employees (+8%) at the end of 2018.

In spite of the high investments, operating profit increased by 7 percent to CHF 728 million. Net income increased by 5 percent to CHF 546 million. Both return on sales (12.9%) and return on capital employed (20.6%) remained at a high level. Free cash flow was at CHF 245 million. With an equity ratio of 55 percent and liquidity of over CHF 1 billion, the Hilti Group balance sheet remains strong.

«We are pleased with our annual results, which are within our expectations. We are confident in the current focus of the company and have therefore decided to extend the timeline of our Champion 2020 strategy by two to three years. Within this timeframe, we will



continue our investments into digitalizing and modernizing the company», as CEO Christoph Loos explains the future plans.

Due to the reduction in the dynamic of the global economy and ongoing trade tensions, the Hilti Group sees a more challenging environment and lower market growth for the current business year. As a result, sales and operating profit are expected to increase in the range of medium to high single digits.

The 2018 Company Report and the 2018 Financial Report are available online. Follow this [link](#).

Sales growth 2018 compared to previous year

	2018 in Million CHF	2017* in Million CHF	Change in CHF (%)	Change in Local Currencies (%)
Europa	2,809	2,460	14.2	10.6
North America	1,331	1,213	9.7	10.4
Latin America	129	128	0.9	8.6
Asia Pacific	741	697	6.3	7.0
Eastern Europe / Middle East / Africa	649	615	5.5	9.3
Hilti Group	5,659	5,113	10.7	9.8

Key Figures

in Million CHF	2018	2017*	Change (%)
Net Sales	5,659	5,113	10.7
Operating Profit	728	681	7
Net Income	546	521	5
Free Cash Flow**	245	325	-25
Return on Sales (%)	12.9	13.3	-0.4
Return on Capital Employed (%)	20.6	21.1	-0.5
Research & Development Spend	355	311	14
Number of Employees (as of December 31)	29,004	26,881	8

* 2017 numbers have been restated due to the adoption of IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments.

** Before acquisition and disposal of subsidiaries.

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 29,000 team members in over 120 countries who passionately create enthusiastic customers and build a better future. Hilti generated annual sales of CHF 5.6 billion in 2018. 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.