

HILTI ANNOUNCES PACKAGE OF MEASURES TO MITIGATE THE EFFECTS OF THE CORONAVIRUS CRISIS

Schaan (FL), 8. April 2020 – The COVID-19 pandemic has created significant economic turbulence that is also affecting the course of business of the Hilti Group. To counteract this as quickly and effectively as possible, and to protect jobs worldwide, the company will introduce a package of temporary measures.

In an initial assessment for the current year, Hilti anticipates a sales loss of roughly 10 percent in local currencies and about 14 percent in Swiss francs. In the second quarter in particular, sales slumps of 30 percent and more are expected. Due to the direct sales business model, with very high fixed costs, this development will rapidly lead to a drop in profitability. To counter the effects as quickly and effectively as possible, Hilti has now agreed to a two-stage program of measures.

The first stage includes a package of temporary measures for the current year which will be implemented immediately and no later than by the end of May. These measures include a complete hiring freeze, the cancellation of all large events and most business travel for 2020, as well as short-time work in the manufacturing plants, for warehouse operations and also for the sales staff, to the extent permitted by local regulatory authorities. Out of solidarity with their colleagues on short-time work, employees at Corporate Headquarters will forego a voluntary 5 percent of their salary in exchange for compensation days. The savings generated by this measure will go to a social fund that is available to worldwide Hilti employees who have been particularly severely affected. Additionally, selected non-strategic projects and larger investments will initially be delayed or slowed. This also includes current and planned construction projects at Corporate Headquarters in Schaan, Liechtenstein, and at the company's Kaufering, Germany location.

The company hopes that these temporary measures will preserve as many jobs as possible and prevent the need for structural adjustments in selected market organizations and at headquarters. Whether these additional measures will be necessary in a second stage will depend on the course of business over the coming months.

At the same time the Hilti Group is taking these actions, the Martin Hilti Family Trust, the sole shareholder of the company, will also strengthen the company's liquidity by making available a standby credit facility of CHF 200 million and by waiving the right to any dividend for 2020.

“It’s impossible to assess the level of economic damage this crisis will cause from today’s standpoint. However, it is already clear to us that we have to expect a considerable reduction in sales and a very significant drop in profitability. With the package of measures, we are now initiating, we want to counteract this negative trend. Developments in the coming months will show whether this is sufficient or whether we may have to decide to implement a second stage of measures involving structural adjustments. Despite the temporary measures that have now been adopted, we will not change our long-term focus and will continue to pursue our key strategic projects,” commented CEO Christoph Loos on the current situation. “Our overriding goal is to protect both our employees and our jobs. At the same time, we are doing everything in our power to provide our customers with the best possible support in this difficult situation and in the ensuing recovery,” added Christoph Loos.

The Hilti Group supplies the worldwide construction and energy industries with technologically leading products, systems, software and services. With 30,000 team members in over 120 countries the company stands for direct customer relationships, quality and innovation. Hilti generated annual sales of CHF 5.9 billion in 2019. 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.