

Hilti continues to increase sales and profit

Schaan (FL), September 23, 2016 – The Hilti Group remains set on growth: In the first eight months of the current financial year, sales were up +6.6 percent in local currencies. Operating result (+12.6%) and net income (+20.8%) were above the previous-year value as well.

Group sales in Swiss Francs were up +7.3 percent year-on-year to reach CHF 3,049 million. Growth was reduced by the divestment of the US solar company Unirac in April. Excluding this effect, sales were up +7.8 percent in local currencies and +8.5 percent in Swiss Francs. "The positive sales curve shows that our Champion 2020 corporate strategy is bearing fruit. We succeeded in using the momentum in many regions and are satisfied with the current year," said CEO Christoph Loos when commenting on the intermediate figures.

Overall, sales growth was positive in the company's market regions. In Europe, Hilti generated a solid sales increase of +7.3 percent in local currencies while North America posted continued double-digit growth thanks to high-level activity in the construction sector (+14,0% excl. Unirac). Eastern Europe / Middle East / Africa (+6.7%) and Asia/Pacific (+3.3%) also kept up the positive trend. However, Hilti was not immune to the economic and political uncertainties as well as the exchange rate fluctuations in Latin America, with sales declining by -5.7 percent year-on-year.

Thanks to productivity gains achieved mostly in procurement and production, return on sales (ROS) increased to 12.1 percent. Return on capital employed (ROCE) grew to 21.2 percent. Altogether, the operating result was up +12.6 percent to CHF 369 million, while net income grew by +20.8 percent to CHF 289 million. This drive helped finance continuing high levels of investments in strategic growth initiatives, additional sales resources as well as R&D without declines in profitability. Total headcount was up +6.2 percent to 24,190 employees over previous year. R&D spend was increased by +17.8 percent to CHF 179 million year-on-year.

Commenting on full-year expectations, Christoph Loos said: "We are well on track and confident that we will continue our accelerated growth rate while maintaining our current level of profitability."

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 more than 24,000 persons in over 120 countries who passionately create enthusiastic customers and build a better future. Hilti generated annual sales of CHF 4.4 billion in 2015. 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

	2016 (1-8)	2015 (1-8)	Change in %
January to August (in CHF million)			
Net sales	3,049	2,842	7.3
Operating result	369	327	12.6
Net income	289	239	20.8
Free cash flow	61	127	-52.2
Research and development expenditure	179	152	17.8
Employees worldwide (as at Aug. 31)	24,190	22,780	6.2

Sales development January-August 2016 compared to the previous year				
	2016 in CHF million	2015 in CHF million	Change in CHF (%)	Change in local currencies (%)
Europe	1,451	1,333	8.9	7.3
North America	750	676	10.9	8.6
Latin America	75	91	-17.6	-5.7
Asia/Pacific	438	416	5.3	3.3
Eastern Europe / Middle East / Africa	335	326	2.8	6.7
Hilti Group	3,049	2,842	7.3	6.6

Note: Hilti has sold its US-based solar industry subsidiary Unirac as of April 15, 2016. Excluding this business segment for 2015, the Hilti Group's sales growth in the first four months of 2016 amounts to 7.8 percent in local currencies and 8.5 percent in Swiss Francs, respectively.

Consolidated income statement overview

	2016 (1-8)	2015 (1-8)
January to August (in CHF million)		
Net sales	3,049.2	2,842.3
Total operating revenue	3,115.9	2,902.5
Operating result	368.7	327.4
Other revenue and expenses (net)	-4.8	-16.5
Finance costs	-16.7	-17.6
Net income before income tax expense and minority interests	347.2	293.3
Income tax expense	-62.4	-52.7
Non-controlling interests	4.1	-1.5
Net income	288.9	239.1

Consolidated balance sheet overview

	Aug. 31, 2016	Dec. 31, 2015
(in CHF million)		
ASSETS		
Non-current assets	1,826.6	1,780.8
Current assets	2,618.8	2,626.0
Total Assets	4,445.4	4,406.8
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent	2,350.8	2,262.5
Non-controlling interests	4.7	9.0
Non-current liabilities	874.7	1,010.0
Current liabilities	1,215.2	1,125.3
Total liabilities	2,089.9	2,135.3
Total equity and liabilities	4,445.4	4,406.8

Note about the income statement and balance sheet overviews

The consolidated interim financial statement information above covers the reporting period from January to August 2016. 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 2015.