

2015 – Hilti continues on profitable growth path

Schaan (FL), March 18, 2016 – The Hilti Group closed the 2015 financial year with sales growth of +5.8 percent in local currencies. Despite the strong Swiss franc, operating result, return on sales and return on capital employed (ROCE) were up again over the record figures of the previous year.

Business was particularly vibrant in North America where double-digit growth resulted in sales exceeding the USD 1 billion mark for the first time in the company's history. In Europe, business stabilized further and not only the markets in Northern Europe continued to show high growth, but also Central, Western and Southern Europe performed well across the board. On the other hand, many emerging countries were faced with a challenging environment caused by investment freezes due to the low oil price along with other economic and geopolitical tensions. As expected, the massive appreciation of the Swiss franc had a negative impact on overall sales and turned the positive growth of +5.8 percent in local currencies into a slightly negative sales curve of -2.5 percent to CHF 4,384 million (previous year: CHF 4,497 million).

Despite strong exchange rate pressure and continued high investments, the operating result grew yet again from CHF 537 million to CHF 547 million (+2%). As a result, return on sales (ROS) was up from 11.9 to 12.5 percent. Due to higher tax expenses, net income was slightly below previous year at CHF 410 million (-4%). Free cash flow stabilized at a high level of CHF 335 million (previous year: 383 million). With a rise from 16.8 to 19.0 percent, return on capital employed (ROCE) was another key metric that showed improvement over 2014.

“2015 was a challenging year for us with highly satisfying results in the end. Over the next few years we will benefit from having made substantial investments to accelerate our growth,” says CEO Christoph Loos. In line with this, Hilti further stepped up its investments in new products, services, software and sales resources: The Group's

R&D spending grew by +8.1 percent to CHF 240 million. Headcount was up to 23,385, an increase of +5.1 percent.

For the current year, Hilti expects moderate market growth at best. As far as the overvalued Swiss franc is concerned, the Group does not anticipate any substantial improvement and reckons with persistent substantial exchange rate volatility. “Nevertheless, we are confident that the investments made over the past few years will trigger higher growth in local currencies, that the operating result will be increased again and that we will be able to grow our global market shares further,” adds Christoph Loos. „This is a consistent implementation of our Champion 2020 Corporate Strategy and a further differentiation versus our competitors.”

The 2015 Company Report and the 2015 Financial Report are available online at www.hilti.com/Company/media-relations/publications

2015 sales growth year on year

	2015 in CHF million	2014 in CHF million	Change in CHF (%)	Change in local currencies (%)
Europe	2,081	2,221	-6.3	4.2
North America	1,046	924	13.2	10.2
Latin America	132	177	-25.0	7.7
Asia/Pacific	627	633	-0.9	3.0
Eastern Europe / Middle East / Africa	498	543	-8.3	7.5
Hilti Group	4,384	4,497	-2.5	5.8

Hilti Group key metrics

in CHF million	2015	2014	Change (%)
Net sales	4,384	4,497	-2.5
Operating result	547	537	2.0
Net income	410	426	-4.0
Free cash flow	335	383	-12.5
Return on sales (%)	12.5	11.9	0.6
Return on capital employed (%)	19.0	16.8	2.2
R&D expenditure	240	222	8.1
Headcount (as of December 31)	23,385	22,248	5.1

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 23,000 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, Principality of Liechtenstein.