



September 1st, 2022

Dear Valued Customer,

We hope you and your family are staying safe and healthy during this challenging time. We would like to share some updates with you.

At the beginning of the year, the world had to deal with unprecedented conditions such as rising inflation, volatile energy prices, political tensions, and logistical disruptions (struggling to cope with high demand after reopening and China's renewed port lockdown). This led to a massive global supply chain disruption whereby, cost of energy fuel increased significantly, product shortages due to difficulty in obtaining raw materials, tighter sanctions and increase of labour cost. Malaysia was one of countries that has been hit hard as many products comes from abroad. One of the options some market participants have opted for in this critical situation was a massive one-time price hike.

For Hilti, we knew this will burden our customers and we chose to stay committed in this partnership. We decided only to apply reasonable price increases in hope that the situation will stabilize. However, the global situation continues to persist with some key component of raw materials (zinc, zinc-coating process, crude oil, nikel, iron ore, copper) and freight cost up to date has increase > 40%.

We have reviewed thoroughly our cost structure to reduce the impact of the market situation, nevertheless we have no choice but to increase our overall list prices by an average of 8.5% on 1st October 2022, and it is important for us to give you an early notice for your planning and budgeting purposes for new projects this year.

In addition to the price which customer pays, we also intend to improve the efficiency and productivity in our repair services. The Minimum Quote Value (MQV) will be increased to RM 400. This helps to reduce the waiting time for customers to receive quotation from Hilti Repair Team.

Hilti will continue to monitor the economic climate and make necessary adjustments so that we continue to deliver on our promise of providing industry-leading products, services, and software to enhance the performance and productivity of your business.

Should you have any questions or need further information, please do not hesitate to contact your dedicated Hilti Account Manager or our Customer Service Hotline at 1-800-88-0985.

Thank you in advance for your understanding and look forward to our ongoing collaboration.

Yours faithfully,

Cedric Lezer
Managing Director
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