



May 1st, 2023

Dear Valued Customer,

We hope you and your family are staying safe and healthy during 2023. We would like to share some updates with you.

In the past few years, the world had faced major disruptions and unfortunately the situation isn't heading towards the right direction. Global Economy is still sluggish, and the rising inflation is further causing an unfavorable environment for many businesses around the world.

In the construction industry we are seeing several key factors affecting the industry. Energy costs such as natural gas and oil remains to be at all-time high, high labor costs driven by spiraling wage prices, and lastly material commodities continue to rise across the globe. The geopolitical tensions between Russia and Ukraine have not ceased and with an added factor of increase tensions from the front of US-China trade war has led to a dominant effect on cost of materials. Sanctions on semiconductors from China have prompted many companies to look elsewhere for alternative sources. All those elements are clearly affecting our manufacturing costs.

In Malaysia, the economic landscape isn't improving as hoped. Recently the Malaysian Ministry of Economic Affairs and the Bureau of Statistics announced that the unit price index of construction materials such as cement, steel and timber is on the rise.

We understand this is a burden for our clients, however, we have chosen to remain committed to this partnership. We decided only to apply a reasonable price increase in 2023.

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 7% from 1st May 2023. It is important for us to give you an early notice for your planning and budgeting purposes for new projects this year.

Apart from continuing to provide high-quality services to our customers, we also need to improve the efficiency and productivity of our repair services, therefore the Minimum Quotation Value (MQV) will also increase to RM425. 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
Hilti (Malaysia) Sdn. Bhd.