

HILTI POSTS STRONG RESULT IN 2016

Schaan (FL), March 10, 2017 – In 2016, the Hilti Group benefited from the substantial investments made over the past few years and managed to boost its sales growth. With a launch of 60 new products, the Group’s rate of innovation was particularly high. Operating result, net income, return on sales (ROS) and return on capital employed (ROCE) have reached new record levels.

At CHF 4.6 billion, sales have grown by 5.7 percent. After adjusting for the sale of the US-based solar affiliate Unirac, sales have grown by +7.1 percent over the previous year. The broad-based growth was mainly driven by North America and Europe. In North America, the Hilti Group posted yet another double-digit growth figure of 11.6 percent in local currencies (excluding the Unirac effect). In Europe, sales were up +6.2 percent. The regions of Eastern Europe / Middle East / Africa (+5.6%) and Asia/Pacific (+3.3%) remained on growth track. Due to the persistent economic crisis in Brazil, Latin America was slightly below the previous year’s performance (-1.2%). As a result of the investments made in software and digital solutions over the past few years, online sales have gone beyond the CHF 1 billion mark for the first time.

In a generally stable currency environment, key financial ratios have reached new record levels. The operating result was at CHF 604 million (+10%), net income at CHF 481 million (+17%), return on sales (ROS) at 13 percent and return on capital employed (ROCE) at 21 percent.

Despite continued high investments in new products, services and software, a further expansion of direct sales capacity and stronger growth, Hilti succeeded in maintaining free cash flow at a very good level of CHF 287 million (2015: 335 million). At CHF 280 million, R&D spend was significantly higher than in the previous year (+17%). Headcount increased by +5 percent to over 24,600.

“Despite many uncertainties in the global environment, the continued and consistent implementation of our Champion 2020 Corporate Strategy has spurred accelerated growth and yet another positive development of our operating result. Hence, we have fully achieved our objectives in the year under review,” concludes CEO Christoph Loos commenting on the 2016 financial year.



In 2017, the market and currency environments will continue to be challenging for Hilti. This is no reason for the company to waver from its ambitious goals according to Christoph Loos who goes on to explain: “In the current year, we will continue to invest in our portfolio and the expansion of our sales capacity. If the market environment remains stable, we expect a slightly higher sales growth than in 2016. Furthermore, we reckon with a constantly high return on sales from operations and a strong cash flow.”

The 2016 Company Report and the 2016 Financial Report are available online. Follow this [link](#).

Sales growth – 2016 vs. 2015

	2016 in CHF million	2015 in CHF million	Change in CHF (%)	Change in local currencies (%)
Europe	2,222	2,081	6.8	6.2
North America	1,120	1 046	7.1	5.2
<i>excluding Unirac effect</i>	<i>1,103</i>	<i>972</i>	<i>13.5</i>	<i>11.6</i>
Latin America	117	132	-11.4	-1.2
Asia/Pacific	662	627	5.6	3.3
Eastern Europe / Middle East / Africa	512	498	2.8	5.6
Hilti Group	4,633	4,384	5.7	5.3

Note: Effective April 15, 2016, the US-based solar affiliate Unirac was divested. Without consideration of this business activity, the sales growth of the Hilti Group amounts to 7.1 percent in Swiss Francs.

Key figures

in CHF million	2016	2015	Change (%)
Net sales	4,633	4,384	5.7
Operating result	604	547	10
Net income	481	410	17
Free cash flow	287	335	-14
Return on sales (%)	13.0	12.5	0.5
Return on capital employed (%)	21.0	19.0	2.0
R&D expenditure	280	240	17
Headcount (as of December 31)	24,619	23,385	5

The Hilti Group supplies the worldwide construction industry with technologically leading products, systems, software and services that provide construction professionals with innovative solutions and superior added value. The Group employs more than 24,000 team members in over 120 countries who passionately create enthusiastic customers and build a better future. Hilti generated annual sales of CHF 4.6 billion in 2016. 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.