

## IMPACT OF COVID-19 LESS NEGATIVE THAN FEARED

**Schaan (FL), September 25, 2020 – After a significant slowdown in business due to the COVID-19 pandemic, initial signs of recovery are emerging. Total sales for the January-to-August 2020 period decreased by 12.3 percent to CHF 3,426 million, and by 7.3 percent in local currencies, compared to the previous year.**

“Following the unprecedented slump in our business during the spring lockdown, our figures have gradually recovered since June. We are therefore weathering the crisis better than originally feared, albeit with very large regional differences. This makes us cautiously optimistic, even though the crisis is by no means over and uncertainty remains high,” says Christoph Loos, CEO of the Hilti Group.

While the year got off to a good start, business in North Asia slumped sharply in February and from mid-March onwards there was a clear downward trend in all markets. After the low point in the 2<sup>nd</sup> quarter, a gradual recovery set in. From January to August, total sales fell by 12.3 percent to CHF 3,426 million. Net income fell by 13.9 percent year-on-year to CHF 314 million. The result is also burdened by the strong appreciation of the Swiss franc. The negative currency effect, for the period from January to August, amounts to about 5 percentage points in terms of sales.

### **Regional business development strongly dependent on the intensity of the lockdown**

Regional sales developments were directly related to the intensity of the lockdown. While the construction industry in the Mediterranean region or in some Asian markets, such as India and Singapore, was confronted with massive restrictions, sales in North Asia, North America and the rest of Europe fell less abruptly as construction activity in these regions saw no interruption (see table).

Over the entire year, the Hilti Group expects a decline in sales of approximately 5 percent in local currencies and 10 percent in Swiss francs.

**Key figures**

January-August (in CHF million)	2020 (1-8)	2019 (1-8)	Change (%)
Net sales	3,426	3,908	-12.3
Operating result	445	506	-12.0
Net income	314	365	-13.9
Free cash flow, excluding acquisition	158	24	564.7
Return on sales (%)	13.0	12.9	0.1
Return on capital employed (%)*	16.7	21.6	-4.9
Research & development expenditure	224	237	-5.6
Head count (as of August 31)	29,763	29,644	0.4

\* Lease liabilities (IFRS 16) are included from 2020 onwards with a negative impact of -1.8% on the return on capital employed.

**Sales development January-August 2020 compared to the previous year**

	2020 (1-8) in CHF million	2019 (1-8) in CHF million	Change in CHF (%)	Change in Local currencies (%)
Europe	1,710	1,910	-10.5	-6.1
North America	875	968	-9.6	-5.5
Latin America	60	89	-32.6	-16.8
Asia/Pacific	428	511	-16.2	-11.0
Eastern Europe / Middle East / Africa	353	430	-17.9	-10.1
<b>Hilti Group</b>	<b>3,426</b>	<b>3,908</b>	<b>-12.3</b>	<b>-7.3</b>

**Consolidated income statement**

January-August (in CHF million)	2020 (1-8)	2019 (1-8)
<b>Net sales</b>	<b>3,425.6</b>	<b>3,908.1</b>
Total operating revenue	3,521.8	4,010.2
<b>Operating result</b>	<b>445.4</b>	<b>505.9</b>
Other revenue and expenses (net)	-22.8	-13.1
Finance costs	-31.3	-35.0
<b>Net income before tax expense and minority interests</b>	<b>391.3</b>	<b>457.8</b>
Income tax expense	-78.2	-91.6
Non-controlling interests	1.4	-1.0
<b>Net income</b>	<b>314.5</b>	<b>365.2</b>

**Consolidated balance sheet overview**

(in CHF million)	Aug. 31, 2020	Aug. 31, 2019
<b>ASSETS</b>		
Non-current assets	3,242.0	3,043.5
Current assets	3,241.4	2,985.0
<b>Total assets</b>	<b>6,483.4</b>	<b>6,028.5</b>
<b>LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>	<b>3,223.0</b>	<b>3,120.0</b>
Non-controlling interests	4.8	4.6
Non-current liabilities	1,904.3	1,507.4
Current liabilities	1,351.3	1,396.5
<b>Total liabilities</b>	<b>3,255.6</b>	<b>2,903.9</b>
<b>Total equity and liabilities</b>	<b>6,483.4</b>	<b>6,028.5</b>

The Hilti Group supplies the worldwide construction and energy industries with technologically leading products, systems, software and services. With 30,000 team members in over 120 countries the company stands for direct customer relationships, quality and innovation. Hilti generated annual sales of CHF 5.9 billion in 2019. The headquarters of the Hilti Group have been located in Schaan, Liechtenstein, since its founding in 1941. The company is privately owned by the Martin Hilti Family Trust, which ensures its long-term continuity. The Hilti Group's strategic orientation is based on a caring and performance-oriented culture and the goals of creating enthusiastic customers and building a better future.