



2020

COMPANY REPORT

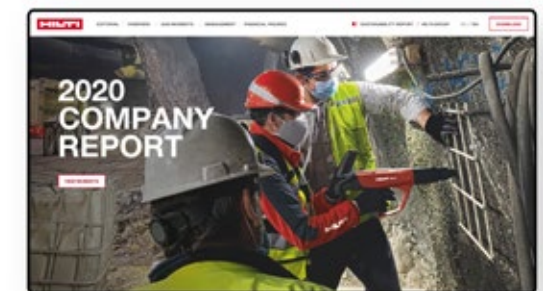




COVER STORY

WELCOME

Stability and teamwork – two qualities that were more important than ever in the challenging year of 2020. Key Project Coordinator Rodolfo Lobo, from Chile, is on site when called to demonstrate to his customer, OHL, the best Hilti solution for the concrete lining of a tunnel in Santiago. The picture is representative of a year in which this approach was subject to special challenges. A great deal of dedication, innovative spirit and resolve was deployed by about 30,000 employees to help our customers complete their projects, against all odds, faster, safer and more efficiently in 2020. The Company Report from this singular year includes snapshots of Hilti customers and employees and their stories.



Experience Hilti's
year 2020 online



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DEAR READERS,

2020 was an exceptional year that witnessed a societal and economic shutdown that was heretofore considered impossible. Measures taken by national governments to deal with the COVID-19 pandemic varied greatly. In many countries the majority of construction sites were kept open as essential economic businesses, while in others there was a complete shutdown for many weeks. The business results for this year vary from region to region accordingly.

From the very beginning of the crisis, our priorities were to provide the best possible protection for our employees, maintain our ability to deliver products and provide services to our customers, and preserve the financial stability of the company. At the end of what has been a turbulent year we are pleased to say that we have succeeded in meeting these priorities to the greatest extent possible. Within a very short period, our IT unit made it possible for the majority of our worldwide employees to work remotely. The highly professional work of our global purchasing, manufacturing and logistics teams guaranteed that we were able to supply products and make repairs anywhere in the world at any time, ensuring that our customers could continue to work efficiently. Thanks to great discipline, we also succeeded in maintaining our financial stability. With 13.7 percent return on sales (ROS) and 16.4 percent return on capital employed (ROCE), we remained within the financial target corridor of our corporate strategy despite

a 9.6 percent decline in sales in Swiss francs. We were able to avoid any restructuring within our global team and continued to consistently invest in our strategic fields of innovation, digital transformation and sustainability.

This year we once again launched 74 highly differentiated products which make our customers' work more productive and allow them to function with greater safety. Some of these products are presented in this report. When it comes to development, we continue to focus on integrated solutions that increasingly combine hardware, software and services which support our customers in their daily applications and core processes. Additionally, these solutions almost always contain digital elements where data is used as a basis for decision-making, optimization, documentation or continuous learning. A central theme of our digital transformation is the use of available customer data to create a personalized, relevant customer approach. This transformation includes the introduction of a new CRM system and involves a major training effort for our approximately 18,000 sales and marketing employees. Originally this was planned over a period of two years, through the end of 2021. But, as the majority of our worldwide team had to stay at home during weeks of lockdown, we quickly decided to utilize this time to vastly accelerate the introduction of the new system. This required a switch to purely digital training measures – one of the many examples of how we used the crisis this year as an

opportunity. 2020 was also when we began implementing our comprehensively revised sustainability strategy, in which we clearly committed ourselves to greater responsibility to the environment and society. In addition to the activation of the entire company, we also made good progress on our global focus topics. For example, we have come a good deal closer to our commitment, as a company, to having our business activities CO₂-neutral by the end of 2023. Furthermore, we are striving to achieve a circular economy in as many areas as possible, with the goal of being the leading company in our industry. A part of this is the fact

that we are presenting our first comprehensive sustainability report at the same time as we publish this year's company report. This includes a comprehensive account of the various social initiatives and projects of the Hilti Foundation, which once again this year have had a positive impact on the lives of many people.

 Visit www.hiltifoundation.org to learn more.

Overall, we can therefore look back on this unusual business year with a black eye, but also with a smile. The black eye is reflected in our figures

and is somewhat painful. However, it has no lasting effect on the company's excellent state of health and bright future.

We would like to thank you, our customers and partners, for your continued trust. Special thanks go to our employees worldwide – especially in this year of COVID-19 – for the commitment and passion they display in bringing our corporate mission statement to life every day: We passionately create enthusiastic customers and build a better future.

Heinrich Fischer
Chairman of the Board of Directors

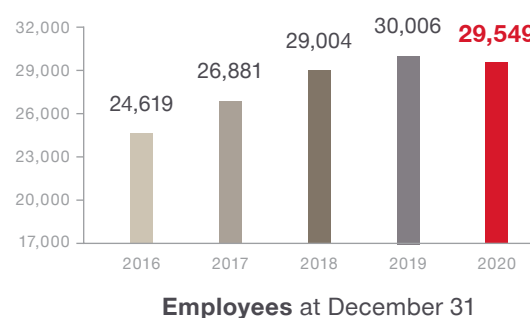
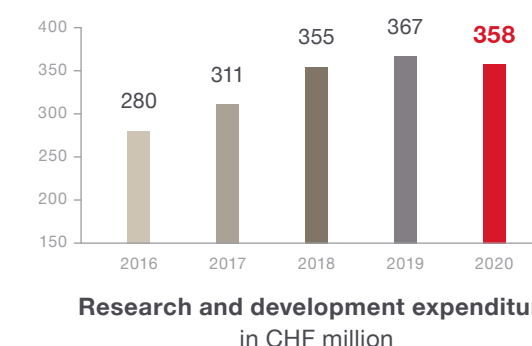
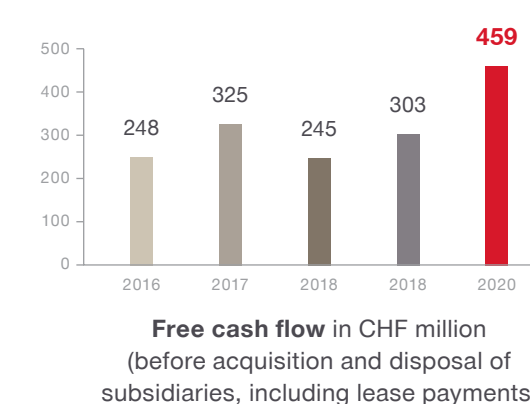
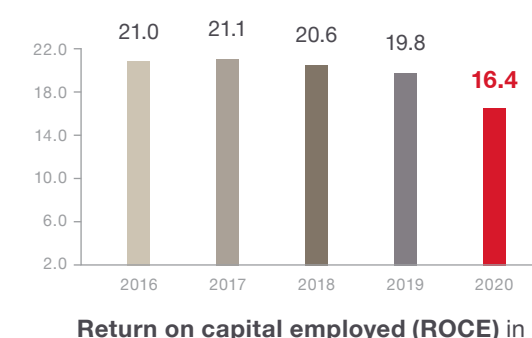
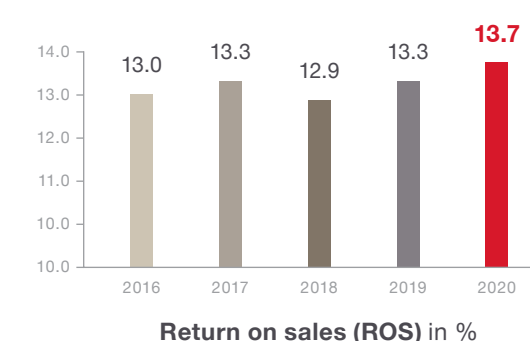
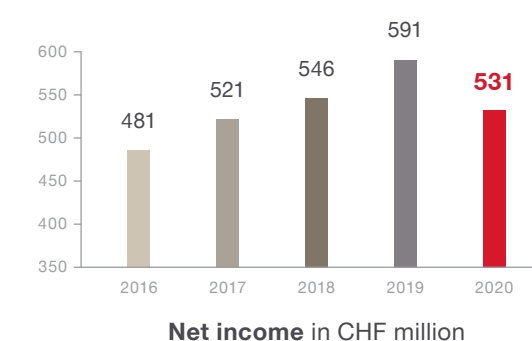
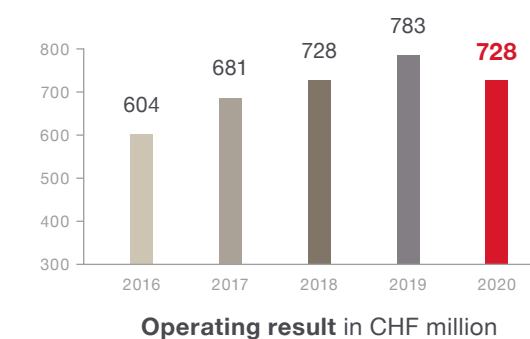
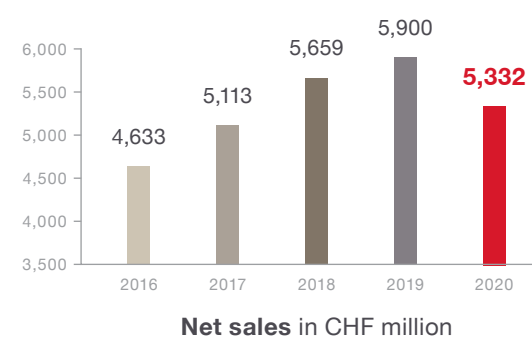


Christoph Loos
Chief Executive Officer






KEY FIGURES



Please note
2017 numbers have been restated due to the adoption of IFRS 15 Revenue from contracts with customers and IFRS 9 Financial Instruments. Numbers prior to 2017 have not been restated.

COMPANY PROFILE

Hilti stands for quality, innovation and direct customer relationships. Some 30,000 employees around the world, in more than 120 countries, contribute to making work on construction sites simpler, faster and safer while inspiring customers every single day. With products, system solutions, software and services that provide clear added value. Having roughly 250,000 individual customer contacts each day, ideas for improvement are often developed directly on construction sites while talking to customers. If there is a challenge for which no Hilti solution exists, one will be developed. This is why we invest approximately 6 percent of

sales each year in research and development. From product development to manufacturing, logistics, sales and services, we cover the entire value-added chain.

Our strategic objective is sustainable value creation through market leadership and differentiation. The company, based in Schaan, Liechtenstein, has also been planning with financial foresight since its founding in 1941 by brothers Eugen and Martin Hilti. All company shares are in the possession of the Martin Hilti Family Trust, which ensures the long-term continuity of the Hilti Group.

Our mission statement, “We passionately create enthusiastic customers and build a better future,” is the compass by which we align our entrepreneurial activities and develop sustainable and innovative solutions. Hilti thereby takes equal responsibility for the health and safety of its employees and users of its products, as well as for society and the environment. In addition to the charitable Hilti Foundation, our integrated partner in issues of sustainability, the values we live by every day in our dealings with team members, partners and customers – integrity, courage, teamwork and commitment – also contribute to this.

BUSINESS AREAS

Anchor Systems

Hilti sets new standards in anchor fastening technology with mechanical and chemical anchoring systems as well as cast-in anchors. These systems are also designed to withstand seismic activity. Technical experts and software help to ensure correct anchor selection and application.

Power Tools & Accessories

Hilti power tools are known for their top performance, user convenience and a long lifetime. Accessories developed specifically for these tools ensure efficient chiseling, drilling, sawing and grinding. Vibration reduction, dust removal and active torque control systems are all designed to provide additional safety and protection.

Direct Fastening & Screw Fastening

Hilti systems make direct fastening on steel and concrete simpler, safer and more productive. Recoil, vibration, noise and dust emissions are reduced to a minimum. Optimized systems of innovative tools and fasteners provide additional speed on the construction site.

Firestop Systems

The correct installation of firestop systems is decisive in helping prevent the spread of fire, smoke and toxic fumes. Hilti provides a comprehensive range of technical consulting services as well as efficient design and documentation software that deliver a higher level of safety from a single source.

Diamond Systems

Tools and cutting segments using Hilti diamond technology are built for high performance and low wear. Drilling, cutting, sawing and grinding concrete and other mineral building materials is easy and achieves maximum accuracy and efficiency while keeping dust and vibration to a minimum.

Measuring Systems

Hilti's robust laser, radar and optical tools cover all the requirements for measuring, leveling, aligning and detecting, from excavation through to renovation and maintenance tasks. The easy-to-use system solutions also serve to bring digital planning directly to the construction site.

Tool Services

Hilti services can enhance productivity while minimizing administrative efforts. This is true in terms of fleet management, repair and maintenance service, Hilti's integrated software solutions for asset management as well as for apps that ensure constant availability of all information regarding Hilti tools.

Fastening & Protection Solutions

Hilti offers integrated software and service solutions for fastening and fire protection products to generate higher productivity and safety throughout the entire construction process. These include value engineering, design, BIM modeling, pre-assembly, training as well as on-site testing and documentation.

Installation Systems

Modular installation systems from Hilti provide flexibility and efficiency to solutions for supporting and fastening pipes, ventilation ducts and electrical installations. Engineering and logistics services and design software round out the comprehensive package.



“WE USED THE CRISIS AS AN OPPORTUNITY.”

Interview with Christoph Loos, CEO

You stated that Hilti came out of this year of crisis with a black eye. What do you attribute this to?

The main reason was the decision by many governments to keep construction sites operating. As a result, the construction industry came through the crisis better in 2020, overall, than other economic sectors. But there were major differences from country to country, which is why our sales and profit declines also varied greatly around the world. It is certainly encouraging that we suffered only minor productivity losses. We were able to deliver and repair products at all times and could continue with all our major projects with almost no delays – despite working from home for months on end. The fact that this worked out so well has a lot to do with our trust- and team-oriented corporate culture, in addition to an excellent IT infrastructure.

Was this a lost year for the implementation of the Champion 2020 Hilti Group strategy?

At first glance, one notes that we have reported a setback from 5.9 to 5.3 billion Swiss francs in sales and will probably need two years to make up for this loss. Over the longer term, however, this should not come as a surprise – crises of a similar magnitude have occurred in previous years. That’s why the targets in our strategy

are also defined as “relative targets” to the market and our competitors. From this perspective, we lost nothing and remain fully on track. Additionally, despite intensive crisis management, we maintained all investments relevant over the long term regarding innovation, digitalization and sustainability. In some cases, we even accelerated projects and used the crisis as an opportunity. This is most clearly visible in the accelerated rollout of our new CRM system and the switch to purely digital training for our 18,000 sales and marketing employees.

Many companies had to cut jobs – at Hilti, the number of employees worldwide remained more or less constant in 2020. How was that possible?

Right at the beginning of the crisis we decided that we would only consider layoffs as a last resort. This is not only due to the great sense of responsibility we have towards our employees, but also arises from our business model, which is strongly based on competence, experience and close customer relationships – something that cannot simply be switched off and then on again. The decisive factor that enables us to take such a long-term perspective in a crisis like this is, obviously, the fact that we are fully owned by our very long-term oriented owner, the Martin Hilti Family Trust.



COVID-19 is something we will have to deal with in the future – what impact does that have on your expectations for the coming years?

The biggest problem for the construction industry is the great amount of uncertainty about what will happen next with the pandemic and the global economy. In 2020, the construction industry held up comparatively well, as ongoing projects were completed at full speed in many places once lockdowns were lifted. But there’s pal-

pable uncertainty, with fewer new projects being commissioned around the world – the number of building permits and many clients’ project pipelines are shrinking. We therefore expect a rather difficult environment for 2021 and 2022. In addition, in 2020 we benefited from many temporary cost measures, such as a significant reduction in variable compensation, a massive cutback in travel and meetings, and government support programs such as short-time working.

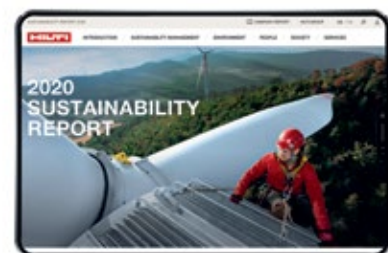
These effects will slowly normalize in 2021, leaving us to deal with a significant cost swingback effect. So we expect that, financially, we will probably need two years to fully recover from the COVID-19-induced slump we saw in 2020. However, this does not change our general target orientation. Our course is still set for growth and we are building on a very solid foundation. Therefore, I am positive about the future.

WE PASSIONATELY CREATE ENTHUSIA- STIC CUSTOMERS AND BUILD A BETTER FUTURE

“We passionately create enthusiastic customers and build a better future.” This mission statement is based on the conviction that we grow together with the people around us – with our customers, employees and partners. Personal exchanges and the aspiration to never rest, only to improve, has put us in the position to provide world-class products, systems, software and services.

Our strategic objective is sustainable value creation through market leadership and differentiation – market leadership in terms of relative market share, and differentiation via the direct sale of our portfolio.

We will continue to follow the successful course of recent years in 2020 and beyond, while emphasizing four proven strategic fields of activity. We are investing in continuous innovation. In doing so we will continue to rely on the core of our corporate strategy: the direct access to and partnership with our customers in the construction industry. Operational excellence in all processes ensures our customers’ success and firms up our leading position on the market. A high-performing global team with roughly 30,000 employees works diligently every day to achieve these targets.



In our Sustainability Report, you can learn more about how Hilti is building a better future.



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Product and Service Differentiation

We are investing in continuous innovation to provide our customers products, systems, software and services that are world-class.

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Direct Customer Relationship


Operational Excellence

High-Performing Global Team






TRACEABILITY

 Hilti develops more than 60 product innovations per year, an increasing number of which are linked to Internet-based technologies. In 2020, the “tracefast” traceable fastener was one of these. An individual data matrix code applied to the individual fastener allows for complete traceability through the manufacturing process and the materials used. Additionally, when scanned with the Hilti Connect App, the code provides information on correct installation and shows relevant approvals and the tools necessary for installation – directly and easily on the smartphone. Documentation also works digitally and intuitively: When scanned with the Hilti Documentation Manager App, the individual anchor information is read and saved directly. This makes documenting the installation and creation of reports easier.

BETTER ORGANIZATION WITH ON!TRACK 3

 SAS SGS Warehouse Manager Damien L'Huillier and Christophe Schwartz from Hilti France have been working together for several years. As part of a new fleet contract, while entering some 200 new assets into the system, Christophe demonstrates to his customer the benefits of ON!Track 3, the third generation of the smart asset management system. The updated software solution now allows the user to not only manage their tool inventory, but to digitalize additional business processes using ON!Track. This includes billing of assets used in projects, documenting maintenance and inspection reports, assigning tasks to employees on the construction site and filling personnel documents and occupational safety certificates. A traffic light system provides information on the remaining validity, for example, of the safety certificates or the individual fleet agreement. The improved user interface is easy to understand and eliminates a considerable amount of administrative work for Hilti customers in construction site management – digitally and all in a single system.



BETTER THAN A HELPING HAND

How can we make our customers' work on the construction site even safer and more productive? Ottobock and Hilti provided an answer in the fall of 2020 with the EXO-O1. The technology-based partnership combines Hilti's knowledge in user safety and ergonomics with 100 years of biomechanical expertise from Ottobock. The EXO-O1 is a passive exoskeleton that supports the user during overhead work and does not require an external power supply: The weight of the arms is transferred to the hips via the upper arm supports, using mechanical expander technology. This can reduce muscle strain by up to 47 percent* – while also providing economic relief to construction companies and healthcare systems: musculoskeletal disorders in the shoulder area are one of the most common causes of worker disability in the construction industry.

* www.ottobock.com



For more information about user health and safety, visit our Sustainability Report starting on page 34.


ADDED SAFETY WITH THE JAIBOT



In the future, will a smart robot be able to drill holes in the ceiling with pinpoint accuracy? No, not in the future. This is happening right now. Meet Jaibot: Hilti's latest innovation on the path to a digital construction site. The semi-autonomous, BIM-capable robot independently moves to the specified drilling points, precisely places the holes in the ceiling and marks them for heating, ventilation or air conditioning installers, for example. Instead of a heavy hammer drill, the construction worker simply holds the remote control and guides the robot around the construction site. The rest is done by Jaibot, which is fed BIM data and assisted by the Hilti PLT 300 Total Station. This relieves craftsmen of having to perform strenuous, and what can be accident-prone, overhead work and helps increase productivity on the construction site. Over to you, Jaibot!




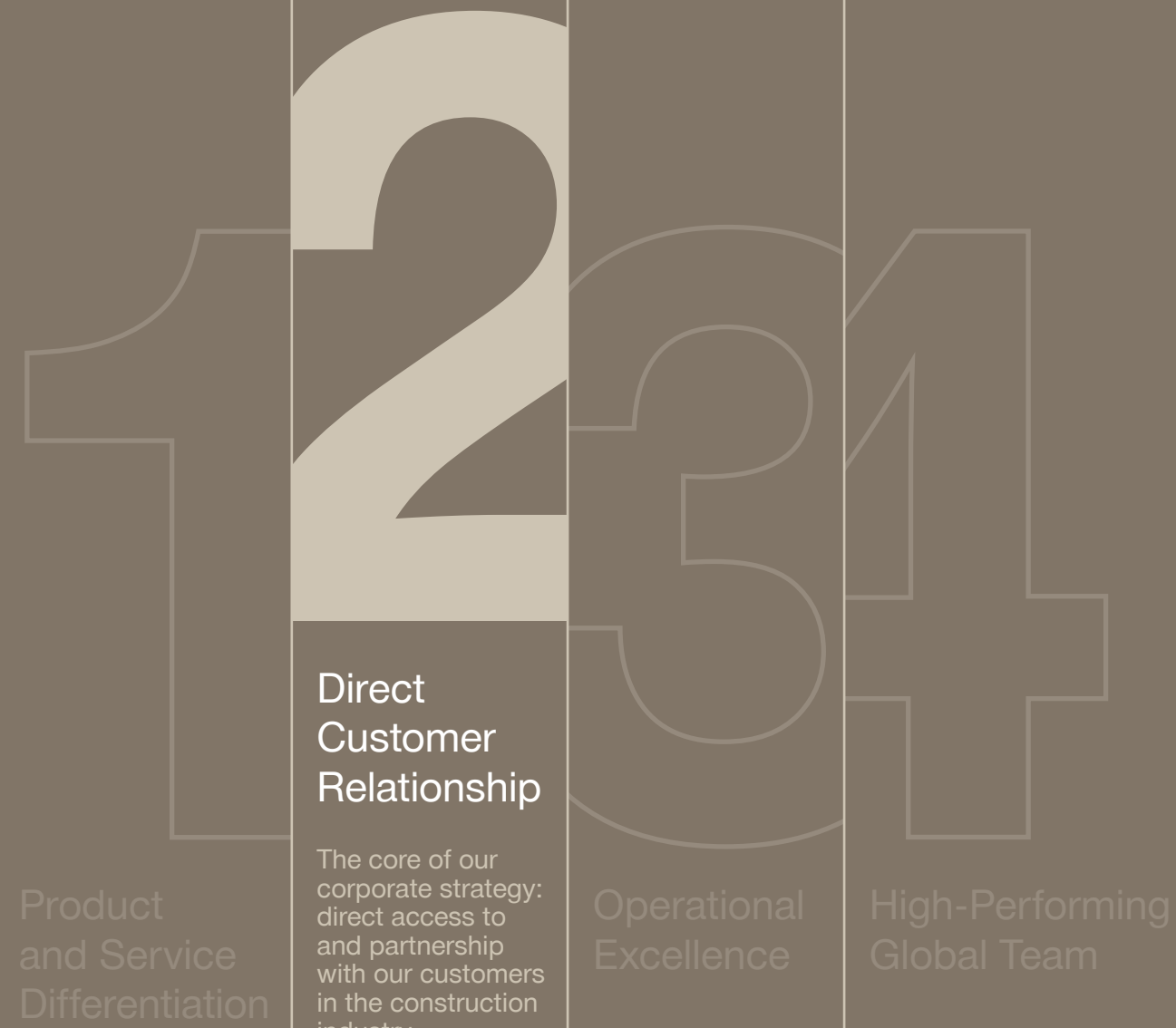
INTELLIGENCE SET IN CONCRETE

 Waiting for concrete to cure and harden is a very time-consuming process. Monitoring the strength and readiness of the material can involve cumbersome laboratory equipment and delays with job site scheduling. With a new sensing system Hilti now helps contractors better understand how their concrete is curing and how to plan around it. This small, wireless sensor can be embedded in concrete to collect real-time curing data. Information about estimated strength, temperature and relative humidity is transmitted to the smartphone app. Boston, USA-based Concrete Sensors developed the system and joined Hilti through a recent acquisition in spring of 2020. This extends Hilti's "Internet of Things (IoT)" digital portfolio into new applications and offers another option for customers to increase productivity and minimize downtime.




FULL CORDLESS POWER IN THE WORKSHOP

 Sparks fly as the GDG 6-A22 cordless die grinder appears to glide effortlessly over the metal. All that remains is a clean, smooth surface. The next step in the process requires another tool, but this means merely exchanging the battery from one tool to the next since the battery platform remains the same. Hilti has extensively expanded its portfolio of brushless tools and inserts not only for steel and metal, but also for the industry trade, making workshops and jobsites virtually cordless. Now Hilti customers can work in a much more productive and safer environment, relying on a single partner that has the ability to provide just about everything a construction professional needs.






CONNECTED ONLINE

 Having the customer's needs in mind is one of Hilti's particular strengths. Usually, Key Project Engineer Sarah Leblond can already develop future steps based on her collaboration with the customer and her comprehensive knowledge of their project, advising the customer accordingly. By cleverly linking data from a wide range of physical and digital sources, her advice can now be tailored even more precisely to her customer. Sarah can tell at a glance what her customer's previous needs were and also determine which Hilti solution can best support him and his project in the future. So, the next time she contacts the customer, she knows what kind of advice he wants and can bring him an offer for fleet management that will save him expensive equipment downtime. The customer benefits from precisely tailored advice, coordinated to meet his current needs.






NEW LIFE FOR OLD AIRCRAFT PARTS

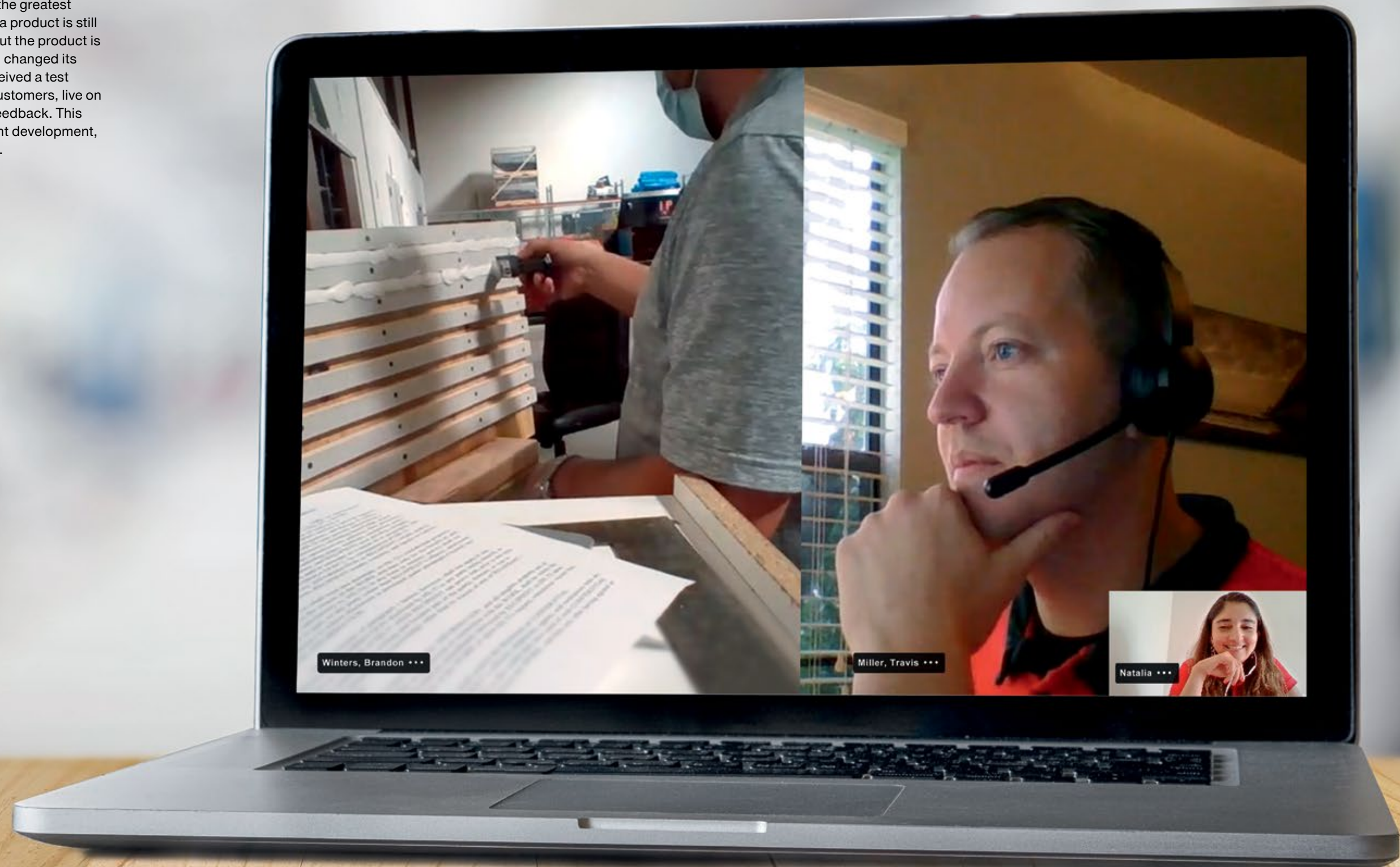
 In the past, decommissioned aircraft too often decayed in the middle of nowhere. This was not a nice thought for the people at the Belgian company Aerocircular. After all, an old aircraft is full of valuable parts and materials, and this specialist company brings nearly all of them back to life. The engines take off again with other aircraft, the cockpit is reused as a flight simulator, the finely ground outer hull feeds a 3D printer as aluminum powder. In the end, only five percent of the aircraft is left over as non-recyclable waste, making for an almost perfect circular economy. This is also thanks to Hilti. Using the largest diamond saw in the world developed by Hilti, Aerocircular can separate components with surgical precision, such as the entire cockpit or fuselage sections – which are reborn, for example, as pop-up bars.

For more information about circularity at Hilti visit our Sustainability Report starting on page 20.




VIRTUAL PRODUCT TESTS

 If a Hilti team can't get to customers, they'll quickly find other solutions. When product managers Natalia Gomez Angel and Travis Miller were unable to visit customers to conduct acceptance tests for a new firestop sealant due to contact restrictions in the USA and Canada, they met at the greatest possible distance – online. Receiving customer feedback while a product is still in the test phase and, above all, having customers see and try out the product is a key factor in the development of a new Hilti solution. The team changed its plans based on the local contact restrictions: 43 customers received a test package that included instructions. Natalia and Travis led the customers, live on the laptop, through the application and directly obtained their feedback. This allowed the feedback to be included in the product's subsequent development, without delay and before the product is launched on the market.




Improving products and developing services is particularly important for Hilti employees who have a direct relationship with customers. Here is a selection of small and big Hilti moments from 2020 that employees have shared on their social media channels.

SAFELY THROUGH THE "HÖLLENTALKLAMM"


 How many hikers has this old bridge carried through the wild Höllentalklamm gorge towards the Zugspitze? Now, after 115 years, a project team has replaced the structure and other footbridges with new steel structures. Helping to ensure that the fastenings once again hold in the rock for more than 100 years, Hilti provided special anchors, anchor rods and know-how. The steel sections were donated by ThyssenKrupp Schulte. This image shows mountain trail specialist Florian Dörfler setting a chemical anchor with the Hilti HDE 500 cordless adhesive dispenser, advised by Hilti employee Rainer Aigner. Hikers can once again hike the trail - thanks to the sponsoring initiative of the Züblin construction group on behalf of the German Alpine Club.



TECHNICAL SUPPORT IN YOUR POCKET


 In 2020, video conferencing increasingly found its way into people's homes. But on construction sites, too, technical support is managed live and via smartphone when questions arise, as seen in this snapshot of Hilti Key Project Manager Enrico Saugo with his customer Gaetano Paolin in Veneto.

LIVE TRAININGS

 COVID-19 hasn't slowed the training of ALD Corporate's employees, it's merely changed the way training is carried out. The livestream of the instructions and information transmitted by a small group of Hilti employees is viewed directly by ALD Corporate's employees working remotely from home. This ensures that everyone is kept up-to-date on innovations even in difficult times.




COMPLEX GEOMETRY MADE SIMPLE

 Digitalization isn't merely coming to construction sites, it's already there, and Hilti is at the vanguard of this industry-wide trend. The most recent addition to our layout tool portfolio is the PMD 200, a great alternative to the time-consuming and labor-intensive layout methods mainly used today. It makes marking out points on the jobsite a one-person task. Hilti Account Manager Bob Neyland demonstrates the tool's advantages to the team from Precision Walls, the drywall contractor on a construction site in Charlotte, North Carolina. The PMD 200 will greatly simplify Precision Walls' work processes and enhance productivity, allowing one person to lay out the markings while the other team members move on to the next tasks.




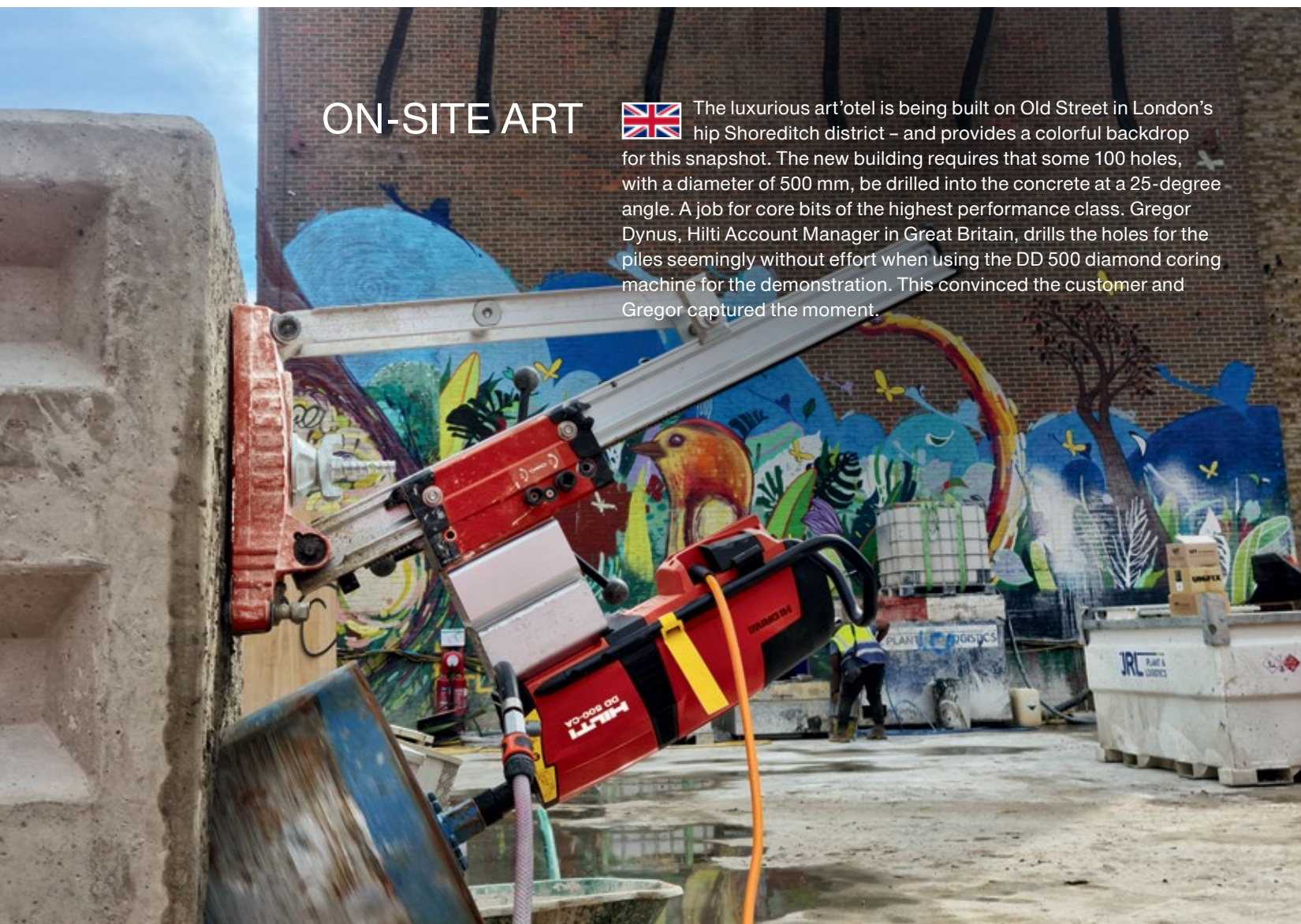
ONLINE, WHERE IT MATTERS

 Internet access: In the event of natural disasters, such as tornados, it can help to save lives with online warnings. Under normal conditions, it opens the door to a good education and a better future. Hilti therefore donates discarded but fully functional tools to the Information Technology Disaster Resource Center (ITDRC) in the USA. The nonprofit organization uses them to install Internet access in remote areas. Currently, this enables distance learning due to COVID-19-related restrictions. In this image, Hilti employee Bryant Aragon hands over equipment to ITDRC team leader Kate Norem.




PERFECT VIEW

 When there's a snag on the construction site, a call to Hilti is all that's required to get a team on site. This was the case in the Turkish city of Tekirdağ. Hüseyin Karadas from FM Ersoy needed assistance in precisely aligning the facade elements using the POL 15 optical level. Mehmet Burak Demirel and Ömer Tunç Sarioğlu were able to quickly provide help with a short, hands-on demonstration of the device.




ON-SITE ART

 The luxurious art'otel is being built on Old Street in London's hip Shoreditch district – and provides a colorful backdrop for this snapshot. The new building requires that some 100 holes, with a diameter of 500 mm, be drilled into the concrete at a 25-degree angle. A job for core bits of the highest performance class. Gregor Dynus, Hilti Account Manager in Great Britain, drills the holes for the piles seemingly without effort when using the DD 500 diamond coring machine for the demonstration. This convinced the customer and Gregor captured the moment.



SPOTLIGHT ON AND ACTION

 It is still dark and cold outside; the new day has only just begun. But Georg Hersam and three of his colleagues from Hilti Kaufering are already on their surfboards. Wrapped up warm and illuminated by a cordless LED jobsite lamp, they often ride the waves on the Eisbach – in the middle of Munich – in the early morning before heading to the office or to client meetings. Not a problem, thanks to Hilti's flexible working hours.



Product and Service Differentiation

Direct Customer Relationship


Operational Excellence

Operational excellence in all processes helps to ensure our customers' success.

High-Performing Global Team



BUILDING TWICE AS FAST WITH BIM

 It took the Swiss retailer Migros Ostschweiz just one year to complete the renovation of a shopping center in Schaffhausen. The team finished the work twice as fast as if it would have with a traditional approach. This was possible because a digital twin of the project, based on Building Information Modeling, or BIM, already existed in 3D. All the project's ideas, requirements and participants' tasks are integrated in the model and created the basis for the remodeling. Through our BIM Design Services the Hilti team offered a comprehensive solution package, enabling the client to significantly improve the project workflow, including productivity drivers such as the BIM2Field use of the new Jaibot construction site robot as well as advanced logistic services to schedule the job site deliveries. The result: Thanks to transparent planning, on-time delivery of the installation systems and the time-saving use of Jaibot, the project was completed twice as fast as if the customer had taken a conventional approach.




SAFEGUARDING THE SUPPLY CHAIN

 A particular challenge in the midst of the coronavirus pandemic concerned logistics. While construction site operations continued unchanged in many places, delivery and procurement were more problematic. For the logistics teams at Hilti, it became even more important to keep our promise to customers and ensure on-time, high-quality delivery of all products and services, something that requires an exceptional operational foundation. At the forefront of this endeavor was Hilti's logistics center in Carpiano, Italy, near Milan. To optimize storage capacity and improve the safety of the work environment, Alessandra Ruzzi, Head of Warehousing, and her team worked on a concept for vertical storage. Fully automated storage bays storing channel systems now ensure space optimization and improved storage quality. Thanks to this, large quantities of stock can be stored and retrieved for customers.






HILTI LIVE: DIRECT CUSTOMER CONSULTING VIA LIVESTREAM

 The streets of Paris are empty in March. Tight restrictions determine life and movements in France at the beginning of the pandemic. Construction sites, however, remain open. This poses a major challenge for direct sales as local regulations place strict limitations on personal meetings with customers. Hilti's social media team has developed a digital solution to address the situation: direct customer consultation via livestream. "Direct customer relationships are deeply rooted in our corporate DNA. With Hilti Live, we are able to continue this on social platforms," says Célynda Sicard. The 27-year-old is a Hilti Live presenter. With some 60,000 followers per episode, she regularly stands in front of the camera and presents new Hilti solutions and tools live on Facebook, YouTube, Instagram and LinkedIn, where she and her team can directly interact with customers.




BOHR- UND
MESSSELTECHNIK

TRANSPARENCY FROM MANUFACTURE TO THE CONSTRUCTION SITE

 Hilti Store Manager Elmar Gopp knows his customers and their needs very well, but if accessories are recalled for any reason, technology is required to locate the buyer after weeks or even months. A great deal of effort for both sides. Many of Hilti's worldwide products carry labels featuring a GS1 DataMatrix code on the packaging. The code is applied directly in the manufacturing facility and allows for automatic data collection. By scanning the code on a box containing stud anchors the customer stays on the safe side, as their data is directly linked to the product's batch number. So even in the unlikely event of a product recall, the specific customer can be immediately notified and the product can be exchanged.

FIRE PROTECTION FOR SUPERCOMPUTERS

 Flames in the data center. High-tech companies and building planners are doing everything they can to ensure that this nightmare – simulated in this image at the Hilti test center in Kaufering, Germany – doesn't come true. Data companies like Google and Facebook must regularly build new high-performance data centers. To save valuable time, companies are increasingly turning to prefabricated construction with sandwich panels made of steel sheeting and stone wool. The problem here is that, while buildings for high-powered computers are built quickly, the lack of fire protection standards delays the acceptance of this construction method. The answer: Hilti uses extensive tests to prove how well sandwich panels from Paroc Panel Systems, fire-resistant Hilti solutions and fire dampers from Rf-Technologies can withstand the flames – helping to ensure that the computers can go online faster and with greater safety.

1
Product
and Service
Differentiation

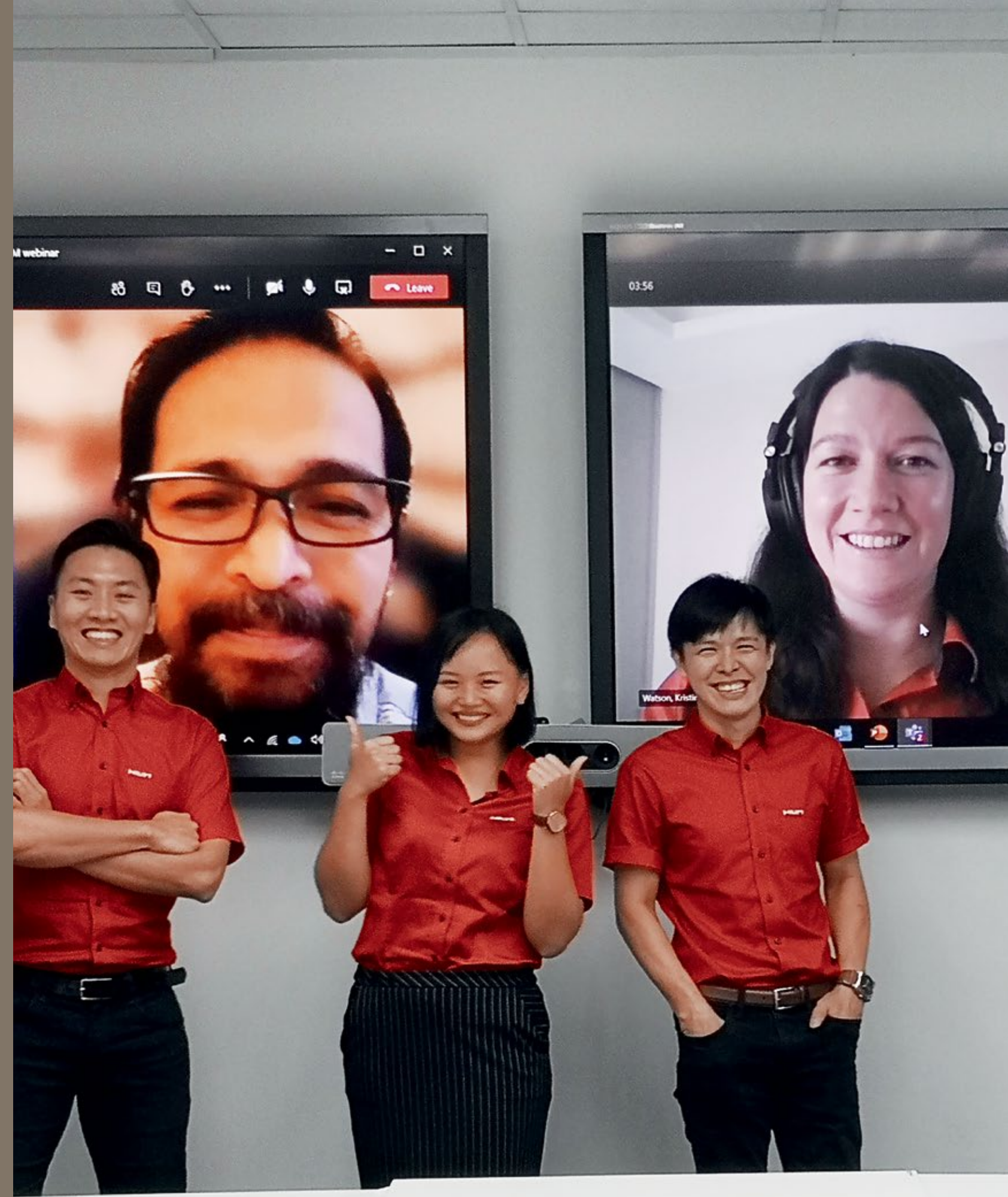
2
Direct
Customer
Relationship

3
Operational
Excellence


4

High-Performing Global Team

A high-performing
global team with
about 30,000
employees works
diligently every day
to achieve these
targets.



STRENGTH-BASED DEVELOPMENT HAPPENS IN THE MOMENT

 After Lindsay Ophus started her career as a process manager at Hilti in the USA in 2015, it was soon clear she was on the path to a long career with the company. “My goal is to create added value for the company with my team.” Hilti’s approach is to match people with roles they enjoy and are suited for, both laterally and upward. The result is a resilient, high-performing global team. Team members are encouraged to talk frequently with their leaders about their development, whether it be for their current role or one in the future. Lindsay was set to become an area sales manager, but one discussion helped her consider another path. “My mentor asked me to list qualities of a good manager, and one of the points was financial acumen, which I already had through my studies. I realized I could take a financial analyst role to capitalize on this strength, instead of following a the usual path to sales management, to broaden that skill set and continue my development at the same time.”



29,549

employees worldwide
(2019: 30,006)

63

nationalities
at headquarters
(2019: 63)

145

nationalities
in the global team
(2019: 127)

25.5%

of team members
worldwide are women
(2019: 25%)

21.5%

of team leaders
worldwide are women
(2019: 21%)

SOLIDARITY KNOWS NO BORDERS

When construction sites closed early in the year and public life was subject to severe local restrictions due to the coronavirus pandemic, many Hilti employees found themselves in dire need as a result of the impact of the pandemic. For the “Hilti family,” a term often used by employees to describe the 30,000 company employees worldwide, this was no time to idly stand by. Employees could exchange part of their salary for additional compensation days. The corresponding amount was paid into an internal fund by Hilti. The existing fund was then increased so that the total amount paid in by employees was ultimately doubled. Within six months, the commitment of many employees generated a substantial amount of several million that could then be used by the Hilti Group to support colleagues and their families in need. The many thank you messages coming through Hilti’s internal communications platforms created an emotional conclusion to a year, in which many things went differently than planned. But amid all the changes faced this year one thing remained constant: the members of this high-performing global team are there for each other.



HILTI The Foundation.

For more information about Hilti Foundation projects please visit www.hiltifoundation.org and our Sustainability Report.




PROMPT ASSISTANCE IN BEIRUT



A rescue operation in the devastated port of Beirut: Are there survivors among the rubble after the destructive explosion that took place in August? Hoping that there are, 13 men and women from the aid organization @fire Germany set off on their search mission amid decimated warehouses. The aid workers are on their feet for five days and hardly have time to sleep. With rescue dogs and tracking devices, they search for people and monitor the stability of what remains of the buildings. Hilti supports the rescue and clean-up operations in several ways. The Hilti Foundation has equipped @fire with a variety of tools for many years. On the ground in Beirut, employees of the Hilti Lebanon market organization, the META region and employees from around the world demonstrate impressive teamwork and show solidarity when providing immediate help.




THE SEARCH FOR THE NEXT GENERATION OF IT SPECIALISTS

 How can digital solutions make work on construction sites easier, faster and safer? To ensure that good ideas and bright minds don't go undiscovered, Hilti runs an annual IT competition for students and young professionals. Many of today's employees found their way to Hilti by pitching their IT idea. The 2020 focus was on the best team suggestions for proven, energy-saving IoT solutions for the construction industry. When the brightest IT talents put their heads together, strong concepts are all but guaranteed, something proven by the two 2020 finalists: the smart construction hard hat that automatically triggers an emergency call in the event of an accident, and the smart construction site accessories container that automatically reorders when the accessory supply gets low. The 2021 IT competition has already been launched. The topic is "Define the Future of Remote Work and Collaboration in the Construction Industry." More than 200 teams, featuring students from more than 35 countries, have already signed up.





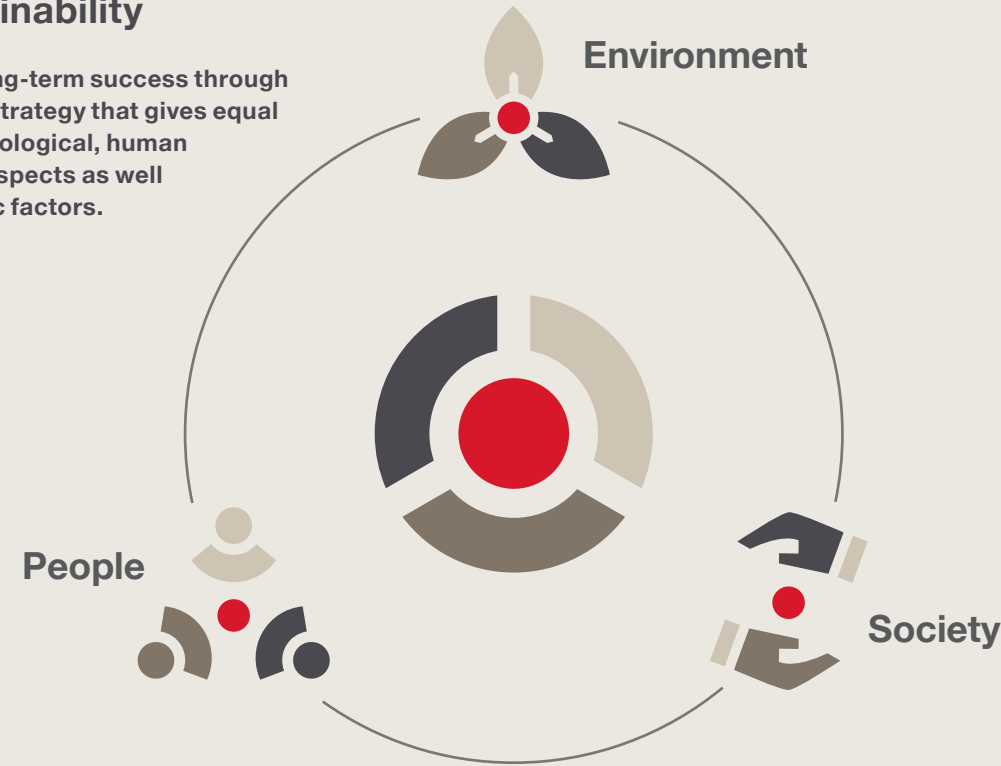
INSTALLED IN A FLASH

 Things had to happen very fast in February 2020. As part of the fight against the spread of the coronavirus in Wuhan, the Chinese city of more than ten million people built two well-equipped emergency hospitals for COVID-19 patients in just ten days. At very short notice, Hilti China supplied its proven fastening systems for medical equipment, as well as firestop products. A team was quickly assembled and worked at full speed to ensure fast delivery despite the difficult logistical planning during the lockdown. Under the leadership of General Manager Xia Dai, the team worked together to organize the necessary products, which were donated to the cause, and get them to the construction sites within 24 hours. This marked an additional Hilti contribution in the fight against the virus.

SUSTAINABILITY MANAGEMENT AT HILTI

Our understanding of sustainability

Securing long-term success through a business strategy that gives equal weight to ecological, human and social aspects as well as economic factors.



In 2020, we developed a holistic sustainability strategy that allows us to implement our commitment to the environment, people and society in a more structured, comprehensive and transparent manner. Taking these aspects into account equally with economic factors translates into the core element of our long-term success. Together with the Hilti Foundation, our integrated sustainability partner, we are consistently working on our contribution to the United Nations' Sustainable Development Goals.

For each of our three pillars, we have defined global priorities and ambitions that we will focus on initially:

The key goals of our sustainability strategy:

<p>We care for our environment.</p> <p>Become CO₂ neutral by 2023</p> <p>Lead the industry in circularity</p>	<p>We care for people: customers, employees and partners</p> <p>Highest requirements for the health & safety of users and for the safety of buildings</p> <p>Lead in employee health & safety</p>	<p>We contribute to a better society and high ethical standards</p> <p>Create social impact at scale</p> <p>Uphold ourselves and the industry to the highest standards in business ethics</p>
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Environment

We take responsibility for our environment. Companies can only be successful in the long term if they conserve natural resources and reduce the impact of their actions on the environment. To reduce our ecological footprint, we aim to be CO₂ neutral by 2023. We will drive our own efforts to reduce emissions and, together with the Hilti Foundation and a renowned external partner, support selected off-set projects.

We want to be the industry leader in the circular economy by moving away from linear resource consumption and increasingly using resources in a circular manner. We expect this way of doing business to bring not only ecological benefits, but also new impetus to our business activities.

As part of our commitment to CO₂ and the circular economy, we will also take a closer look at water, waste and pollutant emissions. Every contribution, such as reducing plastic waste in an office, is important in this respect.

People

We care about people: customers, employees and partners. We are building a better future – which also means we want to provide solutions for the best possible health and safety standards in the construction industry. We want to differentiate ourselves through the health and safety of users and ensure that our customers are equipped with the latest and safest technologies so that they can benefit from the competitive advantage provided by our research and development.

We are also committed to building safety by providing durable and resilient solutions. These are designed to ensure the safety of those who spend time in buildings constructed with our products – even under extreme conditions.

The health and safety of our employees is part of our culture and reflects our understanding of responsibility. We aim to be a leader in this area. Not only do we pay attention to the safety and physical health of our employees, but we have also included topics such as employee engagement, inclusion and diversity, work-life balance and excellent training and development in our sustainability strategy.

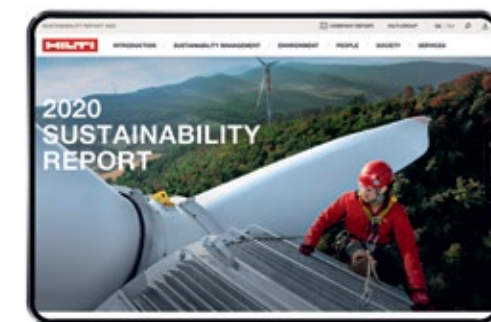
Society

We contribute to a better society and high ethical standards. In collaboration with the Hilti Foundation, we aim to achieve a significant social impact. The Hilti Foundation makes its contribution by giving people the opportunity to develop their skills and talents through its worldwide projects, thus laying the foundation for an independent and self-determined life.

In addition, the Hilti Foundation and the Hilti Group are now joining forces with the aim of giving all Hilti employees worldwide the opportunity to make a contribution by participating in sustainability initiatives outside of business activities. In the future, we will structure these initiatives in our Engaged Beyond Business corporate volunteering program.

Another critical priority is that we hold ourselves and the industry to the highest standards of business ethics. This means, for example, that we have a zero-tolerance attitude toward corruption and discrimination.

The 16 key themes of our sustainability strategy bring together ambitious goals that are anchored in almost all our business areas.



In our sustainability report, you can find out more about how Hilti is committed to building a better future.

EXECUTIVE BOARD

One aspect that the Executive Board specifically pursued in 2020 was regular and transparent communication with employees worldwide. Normally, Executive Board members would make personal visits to various market organizations. This year, question and answer sessions and information forums largely took place virtually. In compliance with protective measures, part of the management team met in November for the Hilti Management Forum in a specially constructed studio. Avi Kahn participated live from the USA.

Dr. Christoph Loos
CEO since 2014
1968, Germany



A member of the Executive Board since 2007, Christoph Loos was appointed CEO in 2014. Having joined Hilti in 2001, he was responsible for Corporate Development and later developed the Strategic Marketing unit. In 2005, he took the position of General Manager of Hilti Germany.

Joaquim Sardà
Member of the Board since 2020
1974, Spain



Joaquim Sardà is responsible for the European and Middle East markets and for the Strategic Marketing unit. In 2005, he started in Corporate Development at Hilti's headquarters. Later he held multiple management positions in Italy and Germany. In 2012, he took the position of General Manager of the market organization for Italy and the Southern Europe region.

Jahangir (Jan) Doongaji
Member of the Board since 2014
1967, India/Switzerland



Jan Doongaji is responsible for the Electric Tools and Accessories business, Corporate Research & Technology and Tool Services. Since joining Hilti in 2000, he has held various positions. In his most recent function, he headed the Power Tools & Accessories Business Unit.

Matthias Gillner
Member of the Board since 2011
1967, Germany



In addition to being responsible for the global Energy and Industry business, Matthias Gillner also leads Finance, Tax, Human Resources, IT and Corporate Development. He has held various positions at Hilti since 2000, such as head of the Electric Tools & Accessories Business Area.

Dr. Stefan Nöken
Member of the Board since 2007
1965, Germany



Stefan Nöken is responsible for the Fastening & Protection business, Application Software and Corporate Logistics. After joining Hilti in 2000, he held various positions in Corporate Engineering and Supply Chain Management.

Avraham (Avi) Kahn
Member of the Board since 2020
1977, USA/Israel



Avi Kahn is responsible for the American and Asian markets and began his Hilti career in sales in the USA in 2004. After holding various management positions, he was promoted to General Manager for Hilti Canada in 2011. In 2017, he took over responsibility for the entire North American region.





BOARD OF DIRECTORS

In addition to the legally defined tasks and the strategic direction of the Group, employee development and succession planning are central items on the Board of Directors' agenda. As a result, the future course was set in September, together with the Executive Board, at one of two physical meetings of the Board of Directors in 2020.

Marco Meyrat

Chur, Switzerland
1963, elected until the 2023 Annual General Meeting

Marco Meyrat joined the Board of Directors in 2020. Since January 1, 2020, he has served as a Trustee of the Martin Hilti Family Trust and as Chairman of the Hilti Foundation Board. Marco Meyrat joined Hilti in 1989 and held various positions. From 2005 to 2019, he was a member of the Executive Board of the Hilti Group. He is also a member of the Advisory Board of Ardex GmbH, member of the Board of Directors of Hälgi Group and OLMERO AG, Chairman of the Board of Directors of Venture Incubator AG, member of the Foundation Board of the Cantonal Hospital Grisons and Trustee of the Toni Hilti Family Trust.

Michael Hilti

Schaan, Liechtenstein
1946, elected Honorary Chairman at the 2018 Annual General Meeting

Michael Hilti, son of company founder Prof. Dr. h.c. Martin Hilti, has been a member of the Board of Directors since 1990 and acted as its Chairman from 1994 to 2006. After studying business administration at the University of St. Gallen, he joined the family-owned company in 1975 and was named to the Executive Board one year later. From 1990 to 1993, he held the position of CEO. Michael Hilti is Trustee of the Martin Hilti Family Trust, member of the Board of the Hilti Foundation and Chairman of the Hilti Art Foundation.

Barbara Milian Thoralfsson

Oslo, Norway
1959, re-elected until the 2023 Annual General Meeting

Barbara Milian Thoralfsson was elected to the Board of Directors in 2014. She has an MBA in marketing and finance from Columbia University and a BA in psychology from Duke University. She has held CEO positions in the telecom and consumer goods industries. Since 2006 she has been an entrepreneur in the industrial sector building a company that today is the largest recycler of plastics in Scandinavia. She is also a member of the boards of SCA AB and Essity AB in Sweden and G4S Plc in London.

Kim Fausing

Sønderborg, Denmark
1964, re-elected until the 2022 Annual General Meeting

Kim Fausing was elected to the Board of Directors in 2010. He holds a degree in mechanical engineering and an MBA. Kim Fausing joined Hilti in 1990 where he held various management positions in Europe and Asia until 2007. In 2007, he moved to the Danish Danfoss Group and in 2008, he was appointed COO and member of the Group Executive Team. In July 2017, he became their President and CEO. He is also Vice Chairman of SMA A/G in Germany and member of the Board of Directors of LafargeHolcim, Switzerland.

Carla De Geyseler

Erembodegem, Belgium
1968, elected until the 2022 Annual General Meeting

Carla De Geyseler joined the Board of Directors in 2019. She holds an Executive MBA from the Institute for Management Development in Lausanne, Switzerland, and started her professional career as an auditor at EY Brussels. Since October 2019 she has been CFO of Volvo Car Group in Sweden. She previously served for several years as CFO for SGS in Geneva, Switzerland, Vodafone Libertel B.V. and DHL Express Benelux, both located in the Netherlands. Before that, she served in multiple finance and business development roles on a regional and global level at DHL.

Heinrich Fischer

Rüschlikon, Switzerland
1950, Chairman of the Board of Directors, re-elected until the 2022 Annual General Meeting

Heinrich Fischer was elected to the Board of Directors in 2007 and became its Chairman in April 2017. Prior to his tenure at Hilti, Heinrich Fischer, who holds degrees in electrical engineering and technical physics (Swiss Federal Institute of Technology Zurich) and business administration, was CEO of Saurer AG. Heinrich Fischer is a member of the Board of Directors of Tecan AG and Sensirion AG.

Prof. Dr. Pius Baschera

Zurich, Switzerland
1950, re-elected until the 2022 Annual General Meeting

Pius Baschera joined the Board of Directors in 2006. He served as its Chairman until April 2017 when he ceded this position to Heinrich Fischer. After earning his doctorate in mechanical engineering and business administration from the Swiss Federal Institute of Technology Zurich, he joined Hilti in 1979 as Head of Financial Controlling for production. He served as the company's CEO for 13 years beginning in 1994. Since April 2017 he has been Speaker of the Martin Hilti Family Trust.

Dr. Daniel Daeniker

Zurich, Switzerland
1963, elected until the 2021 Annual General Meeting

Daniel Daeniker joined the Board of Directors in 2018. He is the Senior Partner of Homburger AG, a commercial law firm in Zurich. He also holds a board mandate with dormakaba Holding AG, Switzerland, is a member of the Supervisory Board of Rothschild & Co SCA, France, and a lecturer at the University of Zurich.

FINANCIAL
FIGURES



FINANCIALLY SOLID DESPITE A CHALLENGING COVID-19 PANDEMIC YEAR

CHF 728 million

The Hilti Group's 2020
operating result.

With a decrease of net sales in Swiss francs of almost 10 percent and a turnover of CHF 5.3 billion, the Hilti Group closed 2020, the challenging year of the COVID-19 pandemic, with an operating result of CHF 728 million (-7.0%). The decline in net sales is a result of the pandemic-induced lockdowns combined with a slowdown in investments in buildings and industry assets as well as a continuous appreciation of the Swiss franc. Due to prudent cost management, the Hilti Group was able to continue investing in strategic initiatives to ensure the company's long-term success.

The sales development followed three phases: a strong start in the first two and a half months, a lockdown-induced decrease until the end of May and a heterogeneous yet steady recovery in the second half of 2020. While the Group's sales decrease was most pronounced after the first five months at 16.3 percent, the situation improved from June onwards, resulting in a 9.6 percent full year sales decrease in Swiss francs and 4.3 percent in local currencies. On a regional level, the results differed quite substantially depending on the severity of the pandemic and the lockdown approaches of the local governments. While Central and Eastern Europe and Northern Asia managed to close the year with positive sales growth, Southern Asia and the Middle East faced a double-digit decrease. The Americas finished the year with a 4.6 percent decrease which was disproportionately impacted by Latin America. Significantly weaker currencies in emerging markets, as well as a weaker euro and US dollar, led to a negative currency impact on Group sales of over 5 percent.

Reaction to the COVID-19 pandemic

At the end of March, Hilti launched a four-pillar program to cope with the COVID-19 challenges. A strong emphasis was put on protecting the health of Hilti's employees and par-

ticularly the sales force, resulting in significantly less time being spent with customers and on jobsites during the (partial) lockdowns. Additionally, the Group implemented a hiring freeze, optimized indirect cost expenditures (such as travel, events, etc.) and implemented temporary measures to gain time before deciding upon structural adjustments. At end of December 2020, the Group counted 29,549 team members, a decrease of 1.5 percent compared to the previous year. Hilti adjusted its structures only very selectively in certain markets and avoided Group-wide restructuring. At the same time, the Group continued to fully fund its strategic initiatives in the area of innovation, digitalization and cybersecurity with significant additional investments. Lastly, the Hilti Group increased its cash reserve through net working capital optimization and debt increase to a total cash position of CHF 1.3 billion (2019: 1.1 billion).

Continued investments in innovations

Despite the pandemic, the Hilti Group launched 74 new, innovative products and services onto the market. A convincing example is the introduction of the Jaibot, a semi-autonomous mobile ceiling-drilling robot. Expenditure for research and development reached CHF 358 million, a share of 6.7 percent of net sales. With the additional expan-

sion of integrated solutions combining products, software elements and services, Hilti continues to provide innovative solutions to help customers be more productive, work more safely and enjoy greater success. Besides digitalization of customer-related processes, the Group also drove forward the digitalization of its corporate processes, such as a new people approach with an underlying HCM suite, and an accelerated rollout of a sales process with a new CRM system.

Disproportionate decrease of operating result

The operating result decreased by 7.0 percent to CHF 728 million (2019: CHF 783 million). Net profit decreased slightly more to CHF 531 million (2019: CHF 591 million), due to a slightly higher income tax rate and extraordinary effects. Despite the decrease in sales, the significant negative currency effect and the ongoing strategic investments, the return on sales (ROS) grew slightly and reached a new high of 13.7 percent (2019: 13.3%). This is the result of solid margin development and prudent overall cost management. By contrast, the return on capital employed (ROCE) decreased by 3.4 percentage points to 16.4 percent (2019: 19.8%) due to the lower capital turnover. This was caused by a combination of the buildup of a higher liquidity reserve, the implementation

of IFRS 16, a negative currency mix of the capital employed and lower sales. Nevertheless, both ROS and ROCE continue to reside in or on the upper end of the strategic target corridors of 10-12 and 15-20 percent, respectively. The free cash flow (before the acquisition and sale of Group companies) reached CHF 459 million (2019: CHF 303 million) leading to a cash flow conversion rate of 86.5 percent. This was a result of a strong focus on net working capital optimization by carefully managing the inventory and accounts receivable combined with a temporary reduction in expenditures for the global modernization of infrastructure and workstations. The pronounced negative development of the US dollar, euro and emerging markets exchange rates had – despite good natural hedging in the main currencies – a negative impact of CHF 61 million on the operating result (2019: CHF -27 million).

Healthy balance sheet and solid liquidity

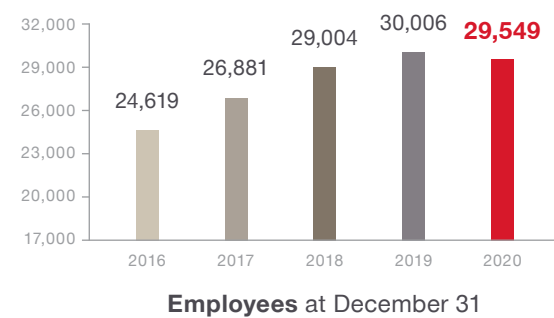
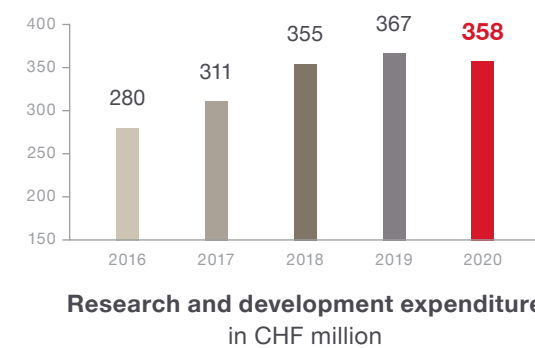
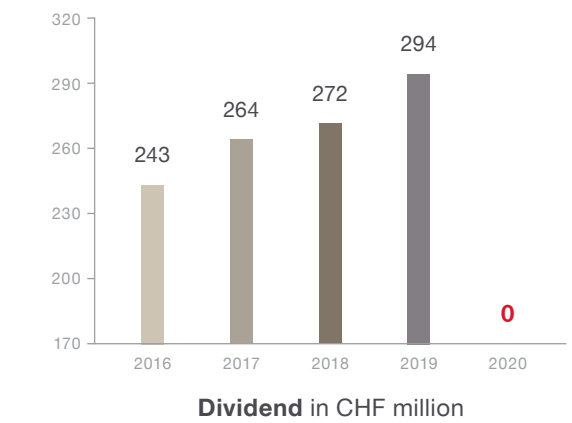
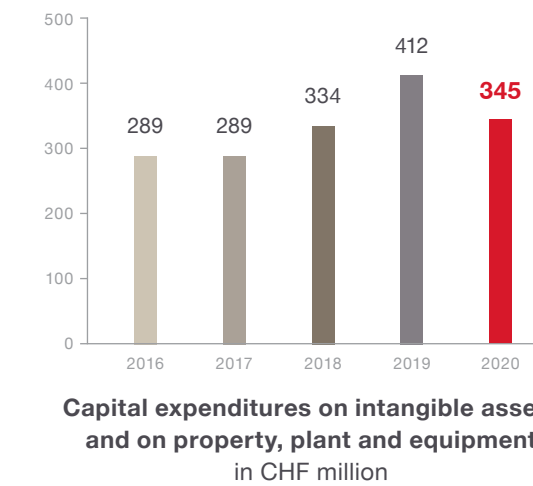
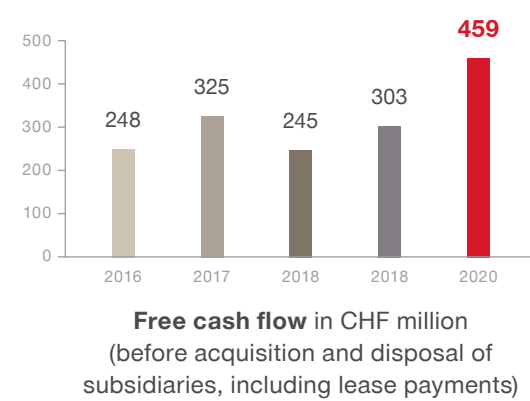
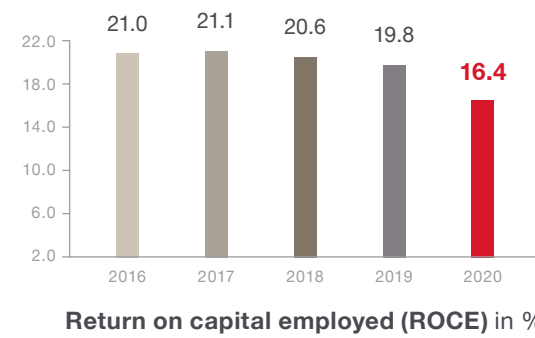
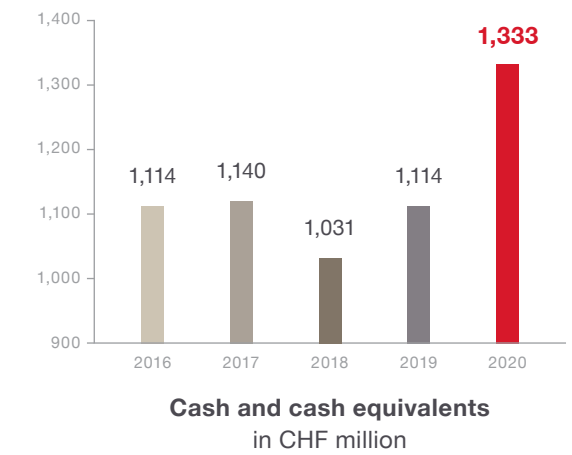
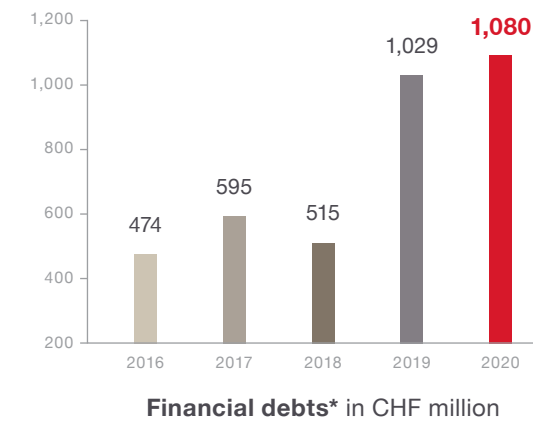
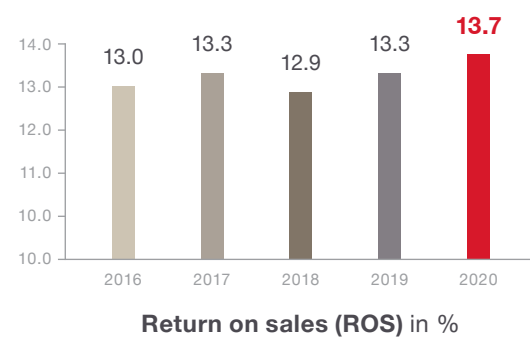
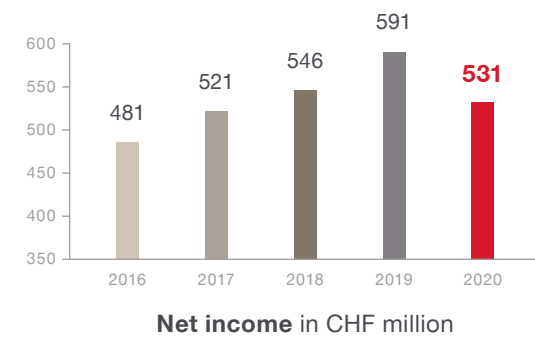
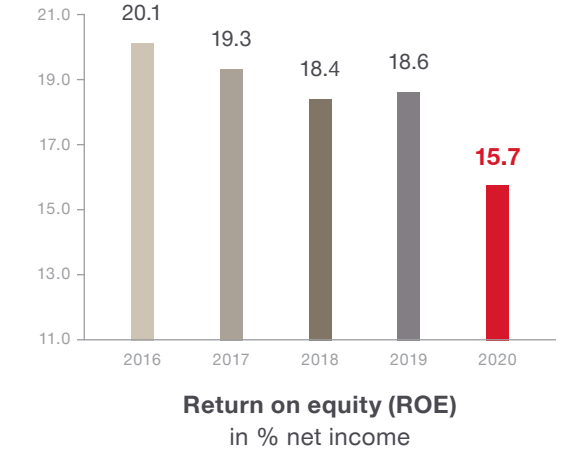
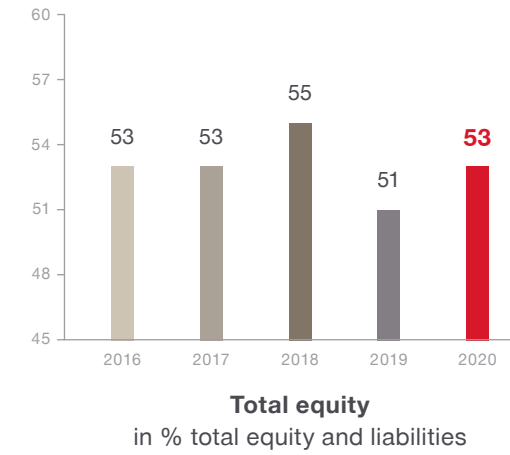
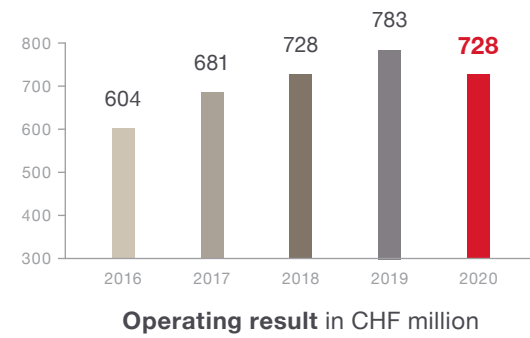
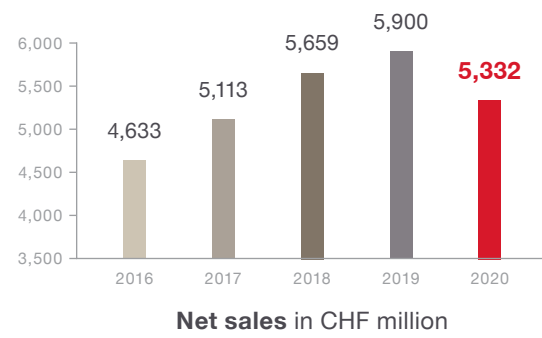
The equity ratio was 1.7 percentage point above the previous year's figure and 1.8 percentage points below pre-IFRS 16 implementation levels. With this, the equity ratio continues to be over 50 percent. Despite the effects mentioned earlier caused by the pandemic, the total cash position increased to CHF 1.3 billion (2019: CHF

1.1 billion). This was achieved by the strong free cash flow and an increase of the Group's interest-bearing debts. As part of the Group's refinancing strategy, Hilti issued a five-year corporate bond in June 2020 amounting to CHF 150 million with all in costs of 8.6 basis points. Despite the healthy financial situation, the shareholder will forego an ordinary dividend payout (2019: CHF 294 million), underlining its commitment to the long-term success of Hilti.

Outlook for 2021

Both economic and construction forecasts point towards a heterogeneous recovery of the global market portfolio. Estimates for returning to pre-COVID-19 levels of construction activity range from one year up to four years for different markets, with an average of around two years. The recovery speed will depend significantly on the severity of the second and potential third COVID-19 waves and on the abilities of the various countries to accelerate the vaccination of their residents. Despite these challenges, Hilti is adhering to its strategic objectives and will continue to significantly invest in additional innovative solutions and the digitalization of customer-related and corporate processes. The Hilti Group expects a sales growth in the low single digits, and profitability at about the same level as pre-COVID-19.

KEY FIGURES



* Includes lease liabilities starting from 2019 due to the adaptation of IFRS 16 Leases.

2017 numbers have been restated due to the adoption of IFRS 9 Financial instruments and IFRS 15 Revenue from Contracts with Customers. Numbers prior to 2017 have not been restated.

Please note

The following pages contain extracts from the 2020 Financial Report of the Hilti Group. Because these pages do not contain the full consolidated financial statements, they do not present complete information about the financial position, financial performance and cash flows of the Hilti Group for 2020. Complete information, including the notes to the consolidated financial statements, is contained in the 2020 Financial Report, which will be available on the Group's website (www.hilti.group) from late March 2021. The full 2020 consolidated financial statements, which are included in the 2020 Financial Report, have been prepared in accordance with International Financial Reporting Standards (IFRS).

CONSOLIDATED BALANCE SHEET OF HILTI GROUP AS AT 31 DECEMBER

Assets in CHF million	2020	2019
Intangible assets	942.5	893.4
Property, plant and equipment	959.7	952.6
Right of use assets	423.2	435.2
Investment property	1.9	1.9
Investments in associates and joint ventures	2.7	2.7
Deferred income tax assets	134.3	143.0
Other financial investments	18.5	16.6
Trade and other receivables	789.5	800.9
Derivative financial instruments	3.8	4.7
TOTAL NON-CURRENT ASSETS	3,276.1	3,251.0
Inventories	587.5	645.6
Trade and other receivables	1,245.7	1,249.6
Current income taxes receivable	9.6	13.6
Accrued income and prepayments	63.9	67.2
Derivative financial instruments	6.5	11.0
Financial assets at fair value through profit or loss	23.8	27.3
Cash and cash equivalents	1,332.9	1,113.8
TOTAL CURRENT ASSETS	3,269.9	3,128.1
TOTAL ASSETS	6,546.0	6,379.1

Equity and liabilities in CHF million	2020	2019
Non-controlling interests	7.9	6.7
Equity attributable to equity holders of the parent	3,464.2	3,269.6
TOTAL EQUITY	3,472.1	3,276.3
Provisions	9.5	12.5
Employee benefits	614.4	636.8
Deferred income tax liabilities	123.9	119.7
Bonds	449.8	299.9
Long-term bank borrowings	43.3	54.0
Lease liabilities	330.8	332.5
Contract liabilities	83.2	90.6
Trade and other payables	17.8	36.2
TOTAL NON-CURRENT LIABILITIES	1,672.7	1,582.2
Provisions	7.6	8.4
Employee benefits	7.9	8.5
Trade and other payables	468.4	471.7
Current income taxes payable	107.6	116.9
Accrued liabilities and deferred income	437.8	461.7
Contract liabilities	108.9	108.3
Short-term bank borrowings	142.9	226.0
Lease liabilities	113.4	116.1
Derivative financial instruments	6.7	3.0
TOTAL CURRENT LIABILITIES	1,401.2	1,520.6
TOTAL LIABILITIES	3,073.9	3,102.8
TOTAL EQUITY AND LIABILITIES	6,546.0	6,379.1

Please note

The share capital consists of 253,440 registered shares with a par value of CHF 500 each as well as reserves.
All of the registered shares are owned by the Martin Hilti Family Trust.

CONSOLIDATED INCOME STATEMENT OF HILTI GROUP

in CHF million	2020	2019
Net sales	5,332.2	5,899.9
Other operating revenues	149.4	154.9
TOTAL OPERATING REVENUES	5,481.6	6,054.8
Change in inventory	(29.0)	(25.4)
Material costs	(1,416.2)	(1,623.0)
Personnel expenses	(2,282.4)	(2,452.8)
Depreciation and amortization	(394.9)	(374.0)
Losses on trade and other receivables	(51.7)	(51.9)
Other operating expenses	(579.2)	(745.1)
TOTAL OPERATING EXPENSES	(4,753.4)	(5,272.2)
OPERATING RESULT	728.2	782.6
Other revenues and expenses (net)	(28.9)	(13.5)
Finance costs	(47.7)	(53.3)
NET INCOME BEFORE INCOME TAX EXPENSE	651.6	715.8
Income tax expense	(120.9)	(124.6)
NET INCOME	530.7	591.2
Attributable to:		
Equity holders of the parent	529.9	588.1
Non-controlling interests	0.8	3.1

Please note

The notes to the consolidated financial statements are an integral part of, and should be read in conjunction with, the consolidated balance sheet, the consolidated income statement, the consolidated statement of comprehensive income and the consolidated cash flow statement.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF HILTI GROUP

in CHF million	2020	2019
NET INCOME	530.7	591.2
Net movement on cash flow hedges	(1.7)	(1.6)
Deferred tax on net movement on cash flow hedges	0.2	0.2
Foreign currency translation differences	(57.6)	(48.1)
Deferred tax on foreign currency translation differences	0.5	0.2
ITEMS THAT MAY BE SUBSEQUENTLY RECLASSIFIED TO THE INCOME STATEMENT	(58.6)	(49.3)
Remeasurements on employee benefits	18.6	(81.7)
Deferred tax on remeasurements on employee benefits	(2.0)	13.4
ITEMS THAT WILL NEVER BE RECLASSIFIED TO THE INCOME STATEMENT	16.6	(68.3)
OTHER COMPREHENSIVE INCOME (OCI)	(42.0)	(117.6)
TOTAL COMPREHENSIVE INCOME	488.7	473.6
Attributable to:		
Equity holders of the parent	488.6	470.6
Non-controlling interests	0.1	3.0

CONSOLIDATED CASH FLOW STATEMENT OF HILTI GROUP

in CHF million	2020	2019
OPERATING RESULT	728.2	782.6
Depreciation and amortization	394.9	374.0
Interest received	2.7	5.2
Interest paid	(47.8)	(52.4)
Income tax paid	(121.6)	(97.6)
(Increase) / decrease in inventories	29.0	25.4
(Increase) / decrease in trade receivables	32.3	(9.4)
(Increase) / decrease in finance lease receivables	(80.5)	(180.9)
Increase / (decrease) in trade payables	(6.5)	(10.3)
Increase / (decrease) in contract liabilities	(0.1)	17.2
Change in non-cash items	(28.3)	14.6
Change in other net operating assets	31.6	(36.2)
CASH FLOW FROM OPERATING ACTIVITIES	933.9	832.2
Capital expenditure on intangible assets	(194.0)	(202.6)
Capital expenditure on property, plant and equipment	(150.7)	(209.3)
(Increase) / decrease in financial investments	(4.5)	(11.4)
Disposal of property, plant and equipment	6.4	29.8
CASH FLOW FROM INVESTING ACTIVITIES	(342.8)	(393.5)

in CHF million	2020	2019
Proceeds from long-term borrowings	34.3	26.5
Repayment of long-term borrowings	(46.2)	(4.5)
Payment of lease liabilities	(131.8)	(136.2)
Proceeds from / (repayment of) short-term borrowings	(75.9)	78.2
Proceeds from issuance of bonds	149.9	-
Repayment of bonds	-	(33.5)
Increase / (decrease) in liability to shareholder	-	0.1
Dividend paid	(294.0)	(272.4)
CASH FLOW FROM FINANCING ACTIVITIES	(363.7)	(341.8)
Exchange differences	(8.3)	(14.0)
TOTAL INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	219.1	82.9
Cash and cash equivalents at January 1	1,113.8	1,030.9
CASH AND CASH EQUIVALENTS AT DECEMBER 31	1,332.9	1,113.8

KEY FIGURES INFORMATION OF HILTI GROUP

Results in CHF million / %	2020	2019
Net sales	5,332	5,900
Depreciation and amortization	395	374
Operating result	728	783
Net income before tax	652	716
Net income	531	591
Return on capital employed (ROCE) in % (operating result)	16.4	19.8
Return on equity (ROE) in % (net income)	15.7	18.6
Return on sales (ROS) in %	13.7	13.3
Free cash flow	459	303
Balance sheet in CHF million / %	2020	2019
Total equity	3,472	3,276
Total equity in % Total equity and liabilities	53	51
Total non-current liabilities	1,673	1,582
Total current liabilities	1,401	1,521
Capital expenditures on intangible assets and on property, plant and equipment	345	412
Intangible assets and property, plant and equipment	1,902	1,846
Other non-current assets	1,374	1,405
Total current assets	3,270	3,128
Total assets	6,546	6,379
Dividend*	-	294
EMPLOYEES (as at December 31)	29,549	30,006

2020 SALES GROWTH YEAR ON YEAR

Sales growth in CHF million	2020	2019	Change in CHF (%)	Change in local currencies (%)
Europe	2,718	2,900	-6.3%	-2.7%
North America	1,306	1,445	-9.6%	-4.3%
Latin America	99	132	-25.0%	-8.1%
Asia / Pacific	670	765	-12.4%	-7.0%
Eastern Europe / Middle East / Africa	539	658	-18.1%	-8.2%
HILTI GROUP	5,332	5,900	-9.6%	-4.3%

* Proposal by the Board of Directors

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