



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer:	912 478 955
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	ØGLÆND GROUP HOLDING AS
Forretningsadresse:	Engelsvollvegen 264 4353 KLEPP STASJON

### Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023
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### Konsern

Mørselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

### Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	-

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Anne-Grethe Båtnes
Dato for fastsettelse av årsregnskapet:	24.06.2024

### Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 29.07.2025



## Resultatregnskap

Beløp i: NOK	Note	2023	2022
<b>RESULTATREGNSKAP</b>			
<b>Kostnader</b>			
Annen driftskostnad		108 187	100 763
<b>Sum kostnader</b>		<b>108 187</b>	<b>100 763</b>
<b>Driftsresultat</b>		<b>-108 187</b>	<b>-100 763</b>
<b>Finansinntekter og finanskostnader</b>			
Mottatt konsernbidrag	2	10 485 877	6 266 059
Annen renteinntekt	2		7 209
Annen finansinntekt	2		1 010
<b>Sum finansinntekter</b>		<b>10 485 877</b>	<b>6 274 278</b>
Annen rentekostnad	2	10 377 690	6 166 305
Annen finanskostnad	2		
<b>Sum finanskostnader</b>		<b>10 377 690</b>	<b>6 166 305</b>
<b>Netto finans</b>		<b>108 187</b>	<b>107 973</b>
<b>Ordinært resultat før skattekostnad</b>		<b>0</b>	<b>7 209</b>
Skattekostnad på resultat	3		
<b>Ordinært resultat etter skattekostnad</b>		<b>0</b>	<b>7 209</b>
<b>Årsresultat</b>	4	<b>0</b>	<b>7 209</b>
<b>Årsresultat etter minoritetsinteresser</b>			<b>7 209</b>
<b>Totalresultat</b>			<b>7 209</b>
<b>Overføringer og disponeringer</b>			
Overført til annen egenkapital			7 209
<b>Sum overføringer og disponeringer</b>			<b>7 209</b>



## Balanse

Beløp i: NOK	Note	2023	2022
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utsatt skattefordel	3		
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap	5, 6	793 297 934	793 297 934
Investering i annet foretak i samme konsern	5, 6		
Lån til foretak i samme konsern	5, 7		
Investeringer i tilknyttet selskap	5		
Lån til tilknyttet selskap og felles kontrollert virksomhet	5		
Andre langsiktige fordringer	8		
<b>Sum finansielle anleggsmidler</b>		<b>793 297 934</b>	<b>793 297 934</b>
<b>Sum anleggsmidler</b>		<b>793 297 934</b>	<b>793 297 934</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Kundefordringer	5, 7		
Andre kortsiktige fordringer	7, 8	10 485 877	6 283 559
<b>Sum fordringer</b>	8	<b>10 485 877</b>	<b>6 283 559</b>
<b>Investeringer</b>			
Aksjer og andeler i foretak i samme konsern	6		
<b>Sum omløpsmidler</b>		<b>10 485 877</b>	<b>6 283 559</b>
<b>SUM EIENDELER</b>		<b>803 783 811</b>	<b>799 581 493</b>

## BALANSE - EGENKAPITAL OG GJELD

### Egenkapital

#### Innskutt egenkapital



## Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
Aksjekapital	9	40 300 000	40 300 000
Beholdning av egne aksjer	9		
Overkurs		167 700 000	167 700 000
<b>Sum innskutt egenkapital</b>		<b>208 000 000</b>	<b>208 000 000</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital		366 095 940	366 095 940
Udisponert resultat			
<b>Sum opptjent egenkapital</b>		<b>366 095 940</b>	<b>366 095 940</b>
<b>Sum egenkapital</b>	4	<b>574 095 940</b>	<b>574 095 940</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	3		
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	7, 8		
Langsiktig konserngjeld	7, 8	186 000 000	216 000 000
<b>Sum annen langsiktig gjeld</b>		<b>186 000 000</b>	<b>216 000 000</b>
<b>Sum langsiktig gjeld</b>		<b>186 000 000</b>	<b>216 000 000</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	5, 7	2 757 973	1 861 180
Betalbar skatt	3		
Annen kortsiktig gjeld	7	40 929 898	7 624 373
<b>Sum kortsiktig gjeld</b>	7	<b>43 687 871</b>	<b>9 485 553</b>
<b>Sum gjeld</b>		<b>229 687 871</b>	<b>225 485 553</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>803 783 811</b>	<b>799 581 493</b>



## Brønnøysundregistrene

### ÅRSREGNSKAP FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Journalnummer: 2024 695893

#### Enheten

Organisasjonsnummer: 912 478 955  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: ØGLÆND GROUP HOLDING AS  
Forretningsadresse: Engelsvollvegen 264  
4353 KLEPP STASJON

#### Regnskapsår

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#### Konsern

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Konsernregnskap lagt ved: Ja

#### Regnskapsregler

Regler for små foretak benyttet: Nei  
Benyttet ved utarbeidelsen av  
årsregnskapet til selskapet: Regnskapslovens alminnelige regler  
Benyttet ved utarbeidelsen av  
årsregnskapet til konsernet: -

#### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Anne-Grethe Båtnes  
Dato for fastsettelse av årsregnskapet: 24.06.2024

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Brønnøysundregistrene, 17.08.2024



Organisasjonsnr: 912 478 955  
ØGLEND GROUP HOLDING AS

## RESULTATREGNSKAP

Beløp i: NOK	Note	2023	2022
<b>RESULTATREGNSKAP</b>			
<b>Kostnader</b>			
Annen driftskostnad		108 187	100 763
<b>Sum kostnader</b>		<b>108 187</b>	<b>100 763</b>
<b>Driftsresultat</b>		<b>-108 187</b>	<b>-100 763</b>
<b>Finansinntekter og finanskostnader</b>			
Mottatt konsernbidrag	2	10 485 877	6 266 059
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Annen finansinntekt	2		1 010
<b>Sum finansinntekter</b>		<b>10 485 877</b>	<b>6 274 278</b>
Annen rentekostnad	2	10 377 690	6 166 305
Annen finanskostnad	2		
<b>Sum finanskostnader</b>		<b>10 377 690</b>	<b>6 166 305</b>
<b>Netto finans</b>		<b>108 187</b>	<b>107 973</b>
<b>Ordinært resultat før skattekostnad</b>		<b>0</b>	<b>7 209</b>
Skattekostnad på resultat	3		
<b>Ordinært resultat etter skattekostnad</b>		<b>0</b>	<b>7 209</b>
<b>Årsresultat</b>	4	<b>0</b>	<b>7 209</b>
<b>Årsresultat etter minoritetsinteresser</b>			<b>7 209</b>
<b>Totalresultat</b>			<b>7 209</b>
<b>Overføringer og disponeringer</b>			
Overført til annen egenkapital			7 209
<b>Sum overføringer og disponeringer</b>			<b>7 209</b>



Organisasjonsnr: 912 478 955  
ØGLEND GROUP HOLDING AS

## BALANSE

Beløp i: NOK Note 2023 2022

### BALANSE - EIENDELER

#### Anleggsmidler

##### Immaterielle eiendeler

Utsatt skattefordel 3

##### Finansielle anleggsmidler

Investering i datterselskap 5, 6 793 297 934 793 297 934

Investering i annet foretak i samme konsern 5, 6

Lån til foretak i samme konsern 5, 7

Investeringer i tilknyttet selskap 5

Lån til tilknyttet selskap og felles kontrollert virksomhet 5

Andre langsiktige fordringer 8

Sum finansielle anleggsmidler 793 297 934 793 297 934

Sum anleggsmidler 793 297 934 793 297 934

Sum finansielle anleggsmidler 793 297 934 793 297 934

Sum anleggsmidler 793 297 934 793 297 934

#### Omløpsmidler

##### Varer

##### Fordringer

Kundefordringer 5, 7

Andre kortsiktige fordringer 7, 8

Sum fordringer 8 10 485 877 6 283 559

Sum fordringer 8 10 485 877 6 283 559

Sum omløpsmidler 10 485 877 6 283 559

Sum omløpsmidler 10 485 877 6 283 559

Sum omløpsmidler 10 485 877 6 283 559

SUM EIENDELER 803 783 811 799 581 493

### BALANSE - EGENKAPITAL OG

#### GJELD

#### Egenkapital

##### Innskutt egenkapital

Aksjekapital 9 40 300 000 40 300 000

Beholdning av egne aksjer 9 167 700 000 167 700 000

Overkurs 167 700 000 167 700 000



<b>Sum innskutt egenkapital</b>		<b>208 000 000</b>	<b>208 000 000</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital		366 095 940	366 095 940
Udisponert resultat			
<b>Sum opptjent egenkapital</b>		<b>366 095 940</b>	<b>366 095 940</b>
<b>Sum egenkapital</b>	<b>4</b>	<b>574 095 940</b>	<b>574 095 940</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	3		
<b>Annen langsiktig gjeld</b>			
Gjeld til			
kredittinstitusjoner	7, 8		
Langsiktig konserngjeld	7, 8	186 000 000	216 000 000
<b>Sum annen langsiktig gjeld</b>		<b>186 000 000</b>	<b>216 000 000</b>
<b>Sum langsiktig gjeld</b>		<b>186 000 000</b>	<b>216 000 000</b>
<b>Kortsiktig gjeld</b>			
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Betalbar skatt	3		
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<b>Sum gjeld</b>		<b>229 687 871</b>	<b>225 485 553</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>803 783 811</b>	<b>799 581 493</b>



Organisasjonsnr: 912 478 955  
ØGLEND GROUP HOLDING AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

## Note

Antall årsverk i regnskapsåret  
0.00

Sum Beløp

Balanseført verdi 31.12. Varige driftsmidler Immaterielle eiend.

## Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

## Begrunnelse for at datterselskap er utelatt fra konsolideringen

Samlet beløp - tilknyttet selskap Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - felles kontrollert virksomhet Årets Fjorårets

Pantstillelse Beløp

Beholdning av egne aksjer Antall Pålydende Andel av aksjek.



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# Årsregnskap 2023

## Øglænd Group Holding AS

Styrets årsberetning  
Resultatregnskap  
Balanse  
Kontantstrøm  
Noter til regnskapet



Org.nr.: 912 478 955



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## Årsberetning 2023 for Øglænd Group Holding AS

### VIRKSOMHETENS ART

Øglænd Group Holding AS er et holdingselskap med aksjer i datterselskapet Øglænd Industrier AS. I tillegg eies 20 % av Oglænd System Russia Ltd. Resterende 80 % av Oglænd System Russia Ltd eies av datterselskapet Øglænd Industrier AS. Selskapet er lokalisert på Øksnevad i Klepp kommune.

### FORTSATT DRIFT

I samsvar med regnskapslovens § 3-3a bekreftes det at forutsetningen om fortsatt drift er til stede og at denne forutsetningen er lagt til grunn ved utarbeidelsen av regnskapet.

### REDEGJØRELSE FOR ÅRSREGNSKAPET

Styret kjenner ikke til noen forhold av viktighet for å bedømme selskapets stilling og resultat som ikke fremgår av regnskapet og balansen med noter. Det er heller ikke etter regnskapsårets utgang inntrådt forhold som etter styrets syn har betydning ved bedømmelse av regnskapet.

Selskapet har ikke driftsinntekter i 2023. Resultat etter skatt i 2023 er på KNOK 0.

Samlet kontantstrøm i selskapet var i 2023 MNOK 0, mens resultat før skatt utgjorde MNOK 0.

Selskapets likviditetsbeholdning var MNOK 0 pr. 31.12.2023.

Totalkapitalen var ved utgangen av året MNOK803,8, sammenlignet med MNOK 799,6 året før. Egenkapitalandelen pr. 31.12.2023 var 71,4 %, sammenlignet med 71,8 % pr. 2022.

Styret mener at årsregnskapet gir et rettvise bilde av selskapets eiendeler og gjeld, finansielle stilling og resultat.

Året 2023 var preget av sterk vekst innenfor segmentene olje og gass, offshore vind og skipsbygging. Vi hadde en fin vekst på 31% innenfor våre offshore segmenter, som er tre ganger høyere enn markedsvekst. Etterslepet for årene 2021 og 2022 resulterte i regional vekst i Europa, i Midtøsten og Asia. Det er gledelig å registrere en vekst i Korea etter at markedet har vært nede de siste årene.

### FREMTIDIG UTVIKLING

Fremover er vi sterkt engasjert i dekarbonisering, elektrifisering av olje og gass, kraftig vekst innenfor offshore wind samt en fornyelse av maritim sektor. Konsernet har posisjonert seg som en løsningspartner for modularisering innenfor både globale nybygg og vedlikehold og modifikasjon. Vi er engasjert av våre kunder i forbindelse med karbonfangst, nye energiformer og akvakultur samt lagring av energi.

Det eksterne markedet og dets verdikjeder er sterkt preget av endring og omstilling for å dekke behovet for konstruksjon innenfor alternative energiformer.

### SENTRALE RISIKOER /FINANSIELL RISIKO

Selskapet er avhengig av fremdrift og videre utvikling i de industrielle segmentene, men også politiske beslutninger knyttet til forutsigbarhet i kostnader som skatt og energikostnader.

### FINANSIELL RISIKO

Selskapet er eksponert for endringer i valutakurser spesielt knyttet til utbytter fra utenlandske datterselskap.

Selskapet anses ikke å ha kredittrisiko av vesentlig betydning.

Selskapet vurderer likviditeten som god. Det anses ikke å være vesentlig likviditetsrisiko.

### FORSIKRING FOR STYRETS MEDLEMMER OG DAGLIG LEDER

Øglænd Group AS inngår i Hilti AG's globale styreansvarsforsikring. Alle styremedlemmer og ledende ansatte er omfattet av forsikringen. Styreansvarsforsikringen dekker det erstatningsansvaret man kan



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pådra seg som styremedlem etter norsk rett, som følge av oppgaver utført for selskapet.

## ARBEIDSMILJØ, LIKESTILLING OG DISKRIMINERING

Det er ingen ansatte i selskapet.

Øglænd Group Holding AS har som mål å være en arbeidsplass der det råder full likestilling mellom kvinner og menn. Selskapets styre består av 4 personer, hvorav 1 er kvinner og 3 menn.

Diskrimineringslovens formål er å fremme likestilling, sikre like muligheter og rettigheter, og å hindre diskriminering på grunn av etniske forhold, nasjonal opprinnelse, avstamning, hudfarge, språk, religion og livssyn.

Bedriften arbeider aktivt for å fremme lovens formål innenfor vår virksomhet. Aktivitetene omfatter blant annet rekruttering, lønns- og arbeidsvilkår, forfremmelse, utviklingsmuligheter og beskyttelse mot trakasseringe.

## REDEGJØRELSE FOR AKTSOMHETSURDERINGER ETTER ÅPNEHETSLOVEN?

Øglænd Group Holding AS stiller seg bak åpenhetslovens formål om å fremme respekt for grunnleggende menneskerettigheter og anstendige arbeidsforhold i hele verdikjeden, samt sikre allmenheten tilgang til informasjon. Åpenhetsloven forplikter bedrifter til å være transparente gjennom en årlig redegjørelse for sitt aktsomhetsarbeid. Øglænd Group Holding AS publiserer dette på selskapets nettsider, [www.oglaend-system.no](http://www.oglaend-system.no).

## MILJØRAPPORTERING

Selskapet driver ikke virksomhet som forurenser det ytre miljø, og har derfor ikke iverksatt spesielle tiltak på dette område.

## ÅRSRESULTAT OG DISPONERINGER

I 2023 hadde selskapet et resultat etter skattekostnad på kr 0 som foreslås disponert slik:

Disponering	Beløp
Til annen egenkapital	0

Klepp, 10.06.2024

Styret i Øglænd Group Holding AS

DocuSigned by:  
*Reinhard Schindler*  
C39BE1B94AA0476...  
Reinhard Schindler  
Styreleder

DocuSigned by:  
*Christian Ranacher*  
ABCF19E94D564BA...  
Christian Ranacher  
Styremedlem

DocuSigned by:  
*Amanda Daintith*  
A84A5387003E472...  
Amanda Louise Daintith  
Styremedlem

DocuSigned by:  
*Dimitrij Lisak*  
B074445529114C8...  
Dimitrij Lisak  
Styremedlem

DocuSigned by:  
*Geir Seland*  
C9AF908F8BE4497...  
Geir Seland  
Administrerende direktør



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## RESULTATREGNSKAP

### ØGLÆND GROUP HOLDING AS

DRIFTSINNETEKTER OG DRIFTSKOSTNADER	Note	2023	2022
Annen driftskostnad		108 187	100 763
<b>Sum driftskostnader</b>		<b>108 187</b>	<b>100 763</b>
<b>Driftsresultat</b>		<b>-108 187</b>	<b>-100 763</b>
<b>FINANSINNETEKTER OG FINANSKOSTNADER</b>			
Mottatt konsernbidrag	2	10 485 877	6 266 059
Annen renteinntekt	2	0	7 209
Annen rentekostnad	2	10 377 690	6 166 305
Annen finansinntekt	2	0	1 010
<b>Resultat av finansposter</b>		<b>108 187</b>	<b>107 973</b>
Resultat før skattekostnad		0	7 209
<b>Årsresultat</b>	<b>4</b>	<b>0</b>	<b>7 209</b>
<b>OVERFØRINGER</b>			
Overført til annen egenkapital		0	7 209
<b>Sum overføringer</b>		<b>0</b>	<b>7 209</b>



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## BALANSE

### ØGLÆND GROUP HOLDING AS

EIENDELER	Note	2023	2022
<b>ANLEGGSMIDLER</b>			
<b>FINANSIELLE ANLEGGSMIDLER</b>			
Investeringer i datterselskap	5, 6	793 297 934	793 297 934
<b>Sum finansielle anleggsmidler</b>		<b>793 297 934</b>	<b>793 297 934</b>
<b>Sum anleggsmidler</b>		<b>793 297 934</b>	<b>793 297 934</b>
<b>OMLØPSMIDLER</b>			
<b>FORDRINGER</b>			
Andre kortsiktige fordringer	7, 8	10 485 877	6 283 559
<b>Sum fordringer</b>	<b>8</b>	<b>10 485 877</b>	<b>6 283 559</b>
<b>Sum omløpsmidler</b>		<b>10 485 877</b>	<b>6 283 559</b>
<b>Sum eiendeler</b>		<b>803 783 811</b>	<b>799 581 493</b>

ØGLÆND GROUP HOLDING AS

SIDE 5



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## BALANSE

### ØGLÆND GROUP HOLDING AS

EGENKAPITAL OG GJELD	Note	2023	2022
<strong>EGENKAPITAL</strong>			
<strong>INNSKUTT EGENKAPITAL</strong>			
Aksjekapital	9	40 300 000	40 300 000
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<strong>OPPTJENT EGENKAPITAL</strong>			
Annen egenkapital		366 095 940	366 095 940
<strong>Sum opptjent egenkapital</strong>		<strong>366 095 940</strong>	<strong>366 095 940</strong>
<strong>Sum egenkapital</strong>	<strong>4</strong>	<strong>574 095 940</strong>	<strong>574 095 940</strong>
<strong>GJELD</strong>			
<strong>ANNEN LANGSIKTIG GJELD</strong>			
Langsiktig konserngjeld	7, 8	186 000 000	216 000 000
<strong>Sum annen langsiktig gjeld</strong>		<strong>186 000 000</strong>	<strong>216 000 000</strong>
<strong>KORTSIKTIG GJELD</strong>			
Leverandørgjeld	5, 7	2 757 973	1 861 180
Annen kortsiktig gjeld	7	40 929 898	7 624 373
<strong>Sum kortsiktig gjeld</strong>	<strong>7</strong>	<strong>43 687 871</strong>	<strong>9 485 553</strong>
<strong>Sum gjeld</strong>		<strong>229 687 871</strong>	<strong>225 485 553</strong>
<strong>Sum egenkapital og gjeld</strong>		<strong>803 783 811</strong>	<strong>799 581 493</strong>

Klepp, 10.06.2024

Styret i Øglænd Group Holding AS

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*Reinhard Schindler*

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Geir Seland  
Administrerende direktør



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## KONTANTSTRØMOPPSTILLING

### ØGLÆND GROUP HOLDING AS

	Note	2023	2022
<b>KONTANTSTRØMMER FRA OPERASJONELLE AKTIVITETER</b>			
Resultat før skattekostnad		0	7 209
Periodens betalte skatt		0	-6 815 737
Resultatført konsernbidrag		-10 485 876	-6 266 059
Endring i fordringer konsern		33 319 524	-27 984 582
Endring i leverandørgjeld		896 793	1 292 180
<b>Netto kontantstrøm fra operasjonelle aktiviteter</b>		<b>23 730 442</b>	<b>-39 766 989</b>
<b>KONTANTSTRØMMER FRA FINANSIERINGSAKTIVITETER</b>			
Utbetalinger ved nedbetaling av langsiktig gjeld		30 000 000	0
Innbetalinger av konsernbidrag		6 266 059	39 766 723
<b>Netto kontantstrøm fra finansieringsaktiviteter</b>		<b>-23 733 941</b>	<b>39 766 723</b>
Netto endring i kontanter og kontantekvivalenter		-3 499	-266
<b>Beh. av kont. og kontantekvivalenter ved per. slutt</b>		<b>-3 499</b>	<b>-266</b>



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## Regnskapsprinsipper

Årsregnskapet består av resultatregnskap, balanse, kontantstrømoppstilling og noteopplysninger og er avlagt i samsvar med regnskapslov og god regnskapsskikk. Årsregnskapet er basert på de grunnleggende prinsipper om historisk kost, sammenlignbarhet, fortsatt drift, kongruens og forsiktighet. Transaksjoner regnskapsføres til verdien av vederlaget på transaksjonstidspunktet.

## BRUK AV ESTIMATER

I utarbeidelse av årsregnskapet har man brukt estimater og forutsetninger som har påvirket resultatregnskapet og verdsettelsen av eiendeler og gjeld, samt usikre eiendeler og forpliktelser på balansedagen i henhold til god regnskapsskikk. Områder som i stor grad inneholder slike skjønsmessige vurderinger, høy grad av kompleksitet, eller områder hvor forutsetninger og estimater er vesentlige for årsregnskapet, er beskrevet i notene.

## INNTEKTER

Inntektsføring skjer etter hvert som den anses opptjent - på leveringstidspunktet..

## SKATT

Skattekostnaden i resultatregnskapet omfatter både periodens betalbare skatt og endring i utsatt skatt. Utsatt skatt er beregnet med 22 % på grunnlag av de midlertidige forskjeller som eksisterer mellom regnskapsmessige og skattemessige verdier, samt ligningsmessig underskudd til fremføring ved utgangen av regnskapsåret. Skatteøkende og skattereduserende midlertidige forskjeller som reverserer eller kan reverseres i samme periode er utlignet og nettoført. Netto utsatt skattefordel balanseføres i den grad det er sannsynlig at denne kan bli utnyttet.

## VALUTA

Transaksjoner i utenlandsk valuta omregnes til kursen på transaksjonstidspunktet. Av praktiske årsaker er kursen på transaksjonstidspunktet satt til gjennomsnittlig kurs i måneden forut for transaksjonen. Pengeposter i utenlandsk valuta omregnes til norske kroner ved å benytte balansedagens kurs. Ikke-pengeposter som måles til virkelig verdi uttrykt i utenlandsk valuta, omregnes til valutakursen fastsatt på måletidspunktet. Valutakursendringer resultatføres løpende i regnskapsperioden under andre finansposter.

Selskapet er eksponert for valutarisiko.

## KLASSIFISERING OG VURDERING AV OMLØPSMIDLER

Omløpsmidler og kortsiktig gjeld omfatter normalt poster som forfaller til betaling innen ett år etter balansedagen. Omløpsmidler vurderes til laveste verdi av anskaffelseskost og virkelig verdi. Kortsiktig gjeld balanseføres til nominelt beløp på transaksjonstidspunktet.

Selskapet er en del av konsernkontoordningen hvor datterselskapet Øglænd Industrier AS er kontoer. Bankkontoen innenfor konsernkontoordningen er klassifisert som gjeld til konsernselskap så lenge samlet verdi er negativ..

## DATTERSELSKAP OG TILKNYTTET SELSKAP

Datterselskap og tilknyttede selskaper vurderes etter kostmetoden i selskapsregnskapet. Investeringen er vurdert til anskaffelseskost for aksjene med mindre nedskrivning har vært nødvendig. Det er foretatt nedskrivning til virkelig verdi når verdifall skyldes årsaker som ikke kan forventes å være forbigående og det må anses nødvendig etter god regnskapsskikk. Nedskrivninger er reversert når grunnlaget for nedskrivning ikke lenger er til stede.

Utbytte, konsernbidrag og andre utdelinger fra datterselskap er inntektsført samme år som det er avsatt i givers regnskap. Overstiger utbytte / konsernbidraget andelen av opptjent resultat etter anskaffelsestidspunktet, representerer den overskytende del tilbakebetaling av investert kapital, og utdelingene er fratrukket investeringens verdi i balansen til morselskapet.



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## FORDRINGER

Kundefordringer og andre fordringer oppføres til pålydende etter fradrag for avsetning til forventet tap. Avsetning til tap gjøres på grunnlag av en individuell vurdering av de enkelte fordringene.

## KONTANTSTRØMOPPSTILLING

Kontantstrømoppstillingen er utarbeidet etter den indirekte metoden. Kontanter og kontantekvivalenter omfatter kontanter og bankinnskudd.

## Note 1 Lønnskostnader, ansatte og godtgjørelser

Øglænd Group Holding AS har ikke hatt ansatte i løpet av regnskapsåret, daglig leder er ansatt i Øglænd Industrier AS.

Selskapet har ikke hatt lønns- eller personalkostnader i 2023 og det foreligger heller ingen slike forpliktelser.

Det foreligger heller ikke plikt til tjenestepensjonsordning etter lov om obligatorisk tjenestepensjon.

Det er for 2023 kostnadsført kr 41 400 i revisjonshonorar og kr 5 000 i andre revisjonstjenester.

## Note 2 Poster som er slått sammen i regnskapet

	2023	2022
<b>Finansinntekter</b>		
Konsernbidrag	10 485 877	6 266 059
Annen renteinntekt	0	7 209
Annen finansinntekt (agio)	0	1 010
<b>Sum finansinntekter</b>	<b>10 485 877</b>	<b>6 274 278</b>
<b>Finanskostnader</b>		
Rentekostnader fra foretak i samme konsern	10 377 690	6 166 305
<b>Sum finanskostnader</b>	<b>10 377 690</b>	<b>6 166 305</b>

## Note 3 Skatt

Årets skattekostnad	2023	2022
Resultatført skatt på ordinært resultat:		
Betalbar skatt	0	0
Endring i utsatt skattefordel	0	0
<b>Skattekostnad ordinært resultat</b>	<b>0</b>	<b>0</b>
Skattepliktig inntekt:		
Resultat før skatt	0	7 209
Permanente forskjeller	0	-7 209
<b>Skattepliktig inntekt</b>	<b>0</b>	<b>0</b>
Betalbar skatt i balansen:		
Betalbar skatt på årets resultat	-2 306 893	0
Betalbar skatt på mottatt konsernbidrag	2 306 893	0
<b>Sum betalbar skatt i balansen</b>	<b>0</b>	<b>0</b>



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Beregning av effektiv skattesats		
Resultat før skatt	0	7 209
Beregnet skatt av resultat før skatt	0	1 586
Skatteeffekt av permanente forskjeller	0	-1 586
<b>Sum</b>	<b>0</b>	<b>0</b>
Effektiv skattesats	22,0 %	0,0 %

## Note 4 Egenkapital

	Aksjekapital	Overkurs	Annen egenkapital	Sum egenkapital
Pr. 31.12.2022	40 300 000	167 700 000	366 095 940	574 095 940
Årets resultat			0	0
<b>Pr 31.12.2023</b>	<b>40 300 000</b>	<b>167 700 000</b>	<b>366 095 941</b>	<b>574 095 941</b>

## Note 5 Transaksjoner med nærstående parter

Nærstående part	Tilknytning	Eierandel
Øglænd Industrier AS	Datterselskap	100%
Hilti Corporation	Morselskap	100%

## Følgende interne transaksjoner har funnet sted i 2023:

	Beløp
Konsernbidrag fra datter	-10 485 877
Rentekostnader konsernkontoordning	777 136
Rentekostnader på lån fra mor	9 600 553
Sum	

## Note 6 Datterselskap og TS

	Kontor-kommune	Eier-andel	Andel egenkapital	Andel resultat
Oglaend System Ltd Russia	St. Petersburg	20,0 %	62 272 692	11 669 224
Øglænd Industrier AS	Klepp	100,0 %	270 067 857	105 141 381
<b>Sum</b>			<b>332 340 549</b>	<b>116 810 605</b>

Bokført egenkapital i disse selskapene er betydelig lavere enn bokført verdi på investeringen. Basert på ledelsesgodkjente kontantstrømprognooser er det ikke identifisert videre nedskrivningsbehov på aksjer foruten nedskrivning på NOK 9 301 017 som ble foretatt på aksjer i Oglaend System Ltd i 2021.



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## Note 7 Mellomværende med selskap i samme konsern

	2023	2022
<b>Fordringer</b>		
Andre kortsiktige fordringer konsern	10 485 877	6 280 059
<b>Sum</b>	<b>10 485 877</b>	<b>6 280 059</b>
<b>Gjeld</b>		
Lån fra foretak i samme konsern	186 000 000	216 000 000
Leverandørgjeld innen konsern	2 757 973	1 843 680
Annen kortsiktig gjeld konsern til selskaper i konsernet (*)	40 929 898	7 624 373
<b>Sum</b>	<b>229 687 871</b>	<b>225 468 053</b>

Selskapet er en del av flervaluta konsernkontoordning hvor datterselskapet Øglænd Industrier AS er kontoeier.

Selskapets trekk på kr. -40 929 898 i ordningen pr. 31.12.2023 er således klassifisert som konserngjeld.

## Note 8 Gjeld som forfaller til betaling mer enn 5 år etter regnskapsårets slutt

	2023
Langsiktig gjeld med forfall >5 år	-186 000 000

Selskapet har langsiktig lån på NOK -186 000 000. Lånet, som i sin helhet er fra det ultimate morselskapet Hilti Corporation, ble inngått i forbindelse med oppkjøp av konsernet Øglænd System Group 23.08.2017. Lånet er gitt for 1 år, men blir automatisk fornyet for 1 års perioder med mindre de blir terminert.

Det foreligger ingen finansielle vilkår i låneavtalene

## Note 9 Aksjonærer

### AKSJEKAPITALEN I ØGLÆND GROUP HOLDING AS PR. 31.12 BESTÅR AV FØLGENDE AKSJEKLASSER:

	Antall	Pålydende	Bokført
Ordinære aksjer	1 000 000	0,1	100 000
A-aksjer	352 500 000	0,1	35 250 000
B-aksjer	49 500 000	0,1	4 950 000
<b>Sum</b>	<b>403 000 000</b>		<b>40 300 000</b>

### EIERSTRUKTUR

De største aksjonærene i % pr. 31.12 var:

	Ordinære	A-aksjer	B-aksjer	Sum	Eierandel	Stemmeandel
Hilti Corporation	1 000 000	352 500 000	49 500 000	403 000 000	100,0	100,0



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Til generalforsamlingen i Øglænd Group Holding AS

## Uavhengig revisors beretning

### Konklusjon

Vi har revidert årsregnskapet for Øglænd Group Holding AS som består av balanse per 31. desember 2023, resultatregnskap og kontantstrømpstilling for regnskapsåret avsluttet per denne datoen og noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

### Etter vår mening

- oppfyller årsregnskapet gjeldende lovkrav, og
- gir årsregnskapet et rettviseende bilde av selskapets finansielle stilling per 31. desember 2023, og av dets resultater og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

### Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet nedenfor under *Revisors oppgaver og plikter ved revisjonen av årsregnskapet*. Vi er uavhengige av selskapet i samsvar med kravene i relevante lover og forskrifter i Norge og International Code of Ethics for Professional Accountants (inkludert internasjonale uavhengighetsstandarder) utstedt av International Ethics Standards Board for Accountants (IESBA-reglene), og vi har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Innhentet revisjonsbevis er etter vår vurdering tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

### Øvrig informasjon

Styret og daglig leder (ledelsen) er ansvarlige for informasjonen i årsberetningen. Øvrig informasjon omfatter informasjon i årsrapporten bortsett fra årsregnskapet og den tilhørende revisjonsberetningen. Vår konklusjon om årsregnskapet ovenfor dekker ikke informasjonen i årsberetningen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese årsberetningen. Formålet er å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom årsberetningen og årsregnskapet og den kunnskap vi har opparbeidet oss under revisjonen av årsregnskapet, eller hvorvidt informasjon i årsberetningen ellers fremstår som vesentlig feil. Vi har plikt til å rapportere dersom årsberetningen fremstår som vesentlig feil. Vi har ingenting å rapportere i så henseende.

Basert på kunnskapen vi har opparbeidet oss i revisjonen, mener vi at årsberetningen

- er konsistent med årsregnskapet og
- inneholder de opplysninger som skal gis i henhold til gjeldende lovkrav.

### Ledelsens ansvar for årsregnskapet

Ledelsen er ansvarlig for å utarbeide årsregnskapet og for at det gir et rettviseende bilde i samsvar med

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Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

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Alta	Finnsnes	Molde	Trondheim
Arendal	Hamar	Sandefjord	Tynset
Bergen	Haugesund	Stavanger	Ulsteinvik
Bode	Knarvik	Stord	Ålesund
Drammen	Kristiansand	Straume	

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regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik internkontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet så lenge det ikke er sannsynlig at virksomheten vil bli avvirket.

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med ISA-ene, alltid vil avdekke vesentlig feilinformasjon. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon er å anse som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke de økonomiske beslutningene som brukerne foretar på grunnlag av årsregnskapet.

Som del av en revisjon i samsvar med ISA-ene, utøver vi profesjonelt skjønn og utviser profesjonell skepsis gjennom hele revisjonen. I tillegg:

- identifiserer og vurderer vi risikoen for vesentlig feilinformasjon i regnskapet, enten det skyldes misligheter eller utilsiktede feil. Vi utformer og gjennomfører revisjonshandlinger for å håndtere slike risikoer, og innhenter revisjonsbevis som er tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon. Risikoen for at vesentlig feilinformasjon som følge av misligheter ikke blir avdekket, er høyere enn for feilinformasjon som skyldes utilsiktede feil, siden misligheter kan innebære samarbeid, forfalskning, bevisste utelatelser, uriktige fremstillinger eller overstyring av internkontroll.
- opparbeider vi oss en forståelse av intern kontroll som er relevant for revisjonen, for å utforme revisjonshandlinger som er hensiktsmessige etter omstendighetene, men ikke for å gi uttrykk for en mening om effektiviteten av selskapets interne kontroll.
- evaluerer vi om de anvendte regnskapsprinsippene er hensiktsmessige og om regnskapsestimatene og tilhørende noteopplysninger utarbeidet av ledelsen er rimelige.
- konkluderer vi på om ledelsens bruk av fortsatt drift-forutsetningen er hensiktsmessig, og, basert på innhentede revisjonsbevis, hvorvidt det foreligger vesentlig usikkerhet knyttet til hendelser eller forhold som kan skape tvil av betydning om selskapets evne til fortsatt drift. Dersom vi konkluderer med at det eksisterer vesentlig usikkerhet, kreves det at vi i revisjonsberetningen henleder oppmerksomheten på tilleggsopplysningene i årsregnskapet, eller, dersom slike tilleggsopplysninger ikke er tilstrekkelige, at vi modifierer vår konklusjon. Våre konklusjoner er basert på revisjonsbevis innhentet frem til datoen for revisjonsberetningen. Etterfølgende hendelser eller forhold kan imidlertid medføre at selskapet ikke kan fortsette driften.
- evaluerer vi den samlede presentasjonen, strukturen og innholdet i årsregnskapet, inkludert tilleggsopplysningene, og hvorvidt årsregnskapet gir uttrykk for de underliggende transaksjonene og hendelsene på en måte som gir et rettviseende bilde.

Vi kommuniserer med styret blant annet om det planlagte innholdet i og tidspunkt for revisjonsarbeidet og eventuelle vesentlige funn i revisjonen, herunder vesentlige svakheter i intern kontroll som vi avdekker gjennom revisjonen.

Forusparken 2, 4031 Stavanger.

KPMG AS

Monica Rosnes

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### Rosnes, Monica Roth

Partner

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### Rosnes, Monica Roth

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**HILTI**

# 2023 Financial Report

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Operating result

Net income

Free cash flow

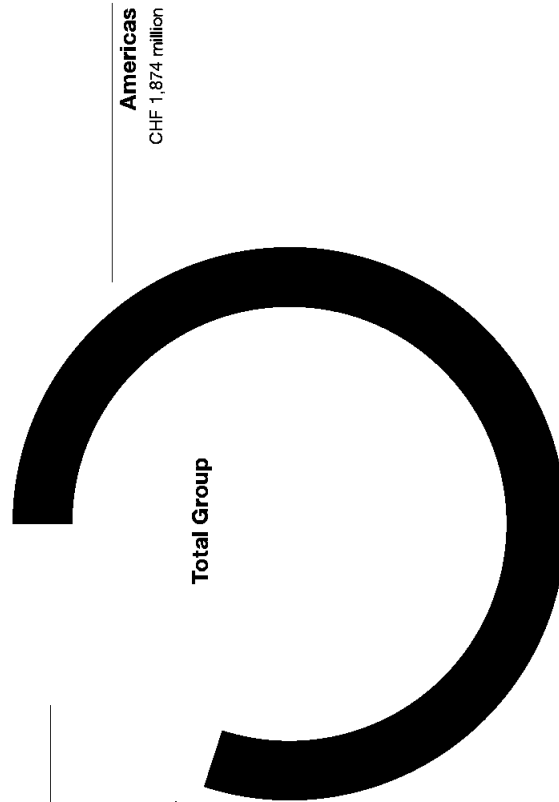
Employees (as at December 31)

Net sales by region

Asia/Pacific  
CHF 791 million

Eastern Europe/  
Middle East/  
Africa  
CHF 504 million

Europe<sup>1</sup>  
CHF 3,351 million



Americas  
CHF 1,874 million

<sup>1</sup> Excl. Eastern Europe

# KEY FINANCIAL INFORMATION

## of the Group

financial amounts in CHF million

Results	2019	2020	2021	2022	2023
Net sales	5,900	5,332	5,978	6,347	6,520
Depreciation and amortization	(374)	(395)	(412)	(440)	(476)
Operating result	783	728	847	731	770
Net income before tax	716	652	805	668	700
Net income	591	531	675	565	580
Return on capital employed (ROCE) in % (operating result) <sup>1</sup>	19.8	16.4	17.1	13.2	13.3
Return on equity (ROE) in % (net income)	18.6	15.7	17.4	12.7	12.2
Return on sales (ROS) in %	13.3	13.7	14.2	11.5	11.8
Free cash flow <sup>2</sup>	314	463	377	(147)	359
<b>Balance sheet</b>					
Total equity	3,276	3,472	4,294	4,579	4,576
Total equity in % of total equity and liabilities	51	53	57	62	59
Total non-current liabilities	1,582	1,673	1,470	1,130	1,484
Total current liabilities	1,521	1,401	1,705	1,717	1,644
Capital expenditures on intangible assets and on property, plant and equipment	412	345	401	445	451
Intangible assets and property, plant and equipment	1,846	1,902	2,250	2,350	2,728
Other non-current assets	1,405	1,374	1,486	1,551	1,751
Total current assets	3,128	3,270	3,733	3,525	3,225
Total assets	6,379	6,546	7,469	7,426	7,704
Dividend <sup>3</sup>	294	–	337	281	279
<b>Employees (as at December 31)</b>	30,006	29,549	31,115	32,487	34,111

<sup>1</sup> Capital employed is defined as the average of the total equity and interest-bearing liabilities of the last two years

<sup>2</sup> In 2021, the Group decided to change the definition of free cash flow, excluding the cash flow from financial investments and disclosing it as a separate line item. Prior period figures were restated accordingly

<sup>3</sup> As proposed by the Board of Directors

# SALES DEVELOPMENT ACROSS REGIONS

Change in CHF (%)

Europe<sup>1</sup>  
In local currencies: 8.7%  
**4.7%**

Americas (North and Latin America)  
In local currencies: 9.1%  
**1.8%**

Eastern Europe / Middle East / Africa  
In local currencies: 3.1%  
**-7.0%**

Asia / Pacific (Asia, Australia and the Pacific)  
In local currencies: 13.8%  
**3.7%**

Total net sales in CHF million		Net sales growth in CHF (%)	
5,900	5,332	2019	2020
6,347	5,978	2021	2022
6,520		2023	
4.3%	-9.6%		
	12.1%		
	6.2%		
	2.7%		

<sup>1</sup> Excl. Eastern Europe



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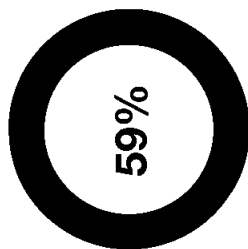
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# INFORMATION ON FINANCING AND CAPITAL

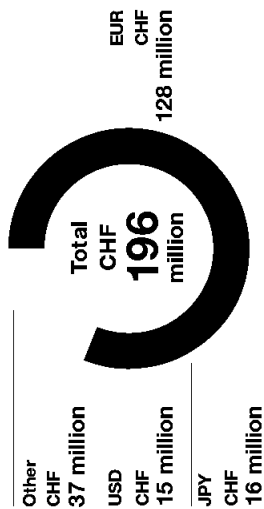
## Equity ratio

Total equity in % of total equity and liabilities

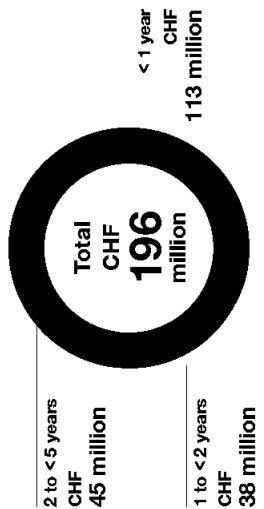


## Bank borrowings

Currencies



Time to maturity

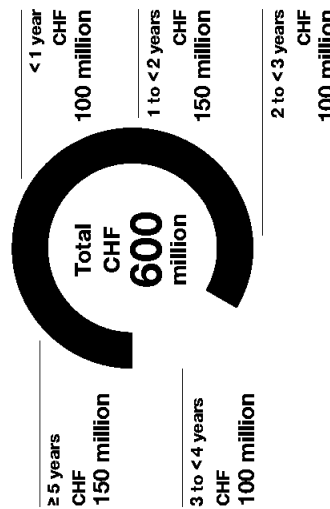


## Information on bonds (nominal values)

in CHF million

	2021	2022	2023
CHF bond 1.875% 13/23 (early call for tax reasons only)	100	100	-
CHF bond 0.2% 17/24 (early call for tax reasons only)	100	100	100
CHF bond 0.4% 17/27 (early call for tax reasons only)	100	100	100
CHF bond 0.05% 20/25 (early call for tax reasons only)	150	150	150
CHF bond 1.7425% 23/26 (early call for tax reasons only)	-	-	100
CHF bond 1.9225% 23/31 (early call for tax reasons only)	-	-	150

Time to maturity



# OUTLOOK

In 2024, the Hilti Group expects mid-single-digit sales growth in local currencies and a similar ROS level in Swiss francs compared to 2023.

Construction market forecasts point to a further softening with negative real growth in several geographic areas. The ongoing geopolitical tensions and the volatility in the financial markets will likely lead to a further appreciation of the Swiss franc and hence another year of significantly negative currency impacts.

The Group's strategic objective, value creation through leadership, built on differentiation and direct customer relationships, encompasses value creation for all stakeholders and achieving a positive impact on society beyond financial goals. Hilti wants to secure long-term success through a business strategy that values ecological, people and social aspects along with economic factors.

To live up to the Group's purpose of "Making Construction Better", Hilti will continuously invest in driving innovation in both hardware and software solutions and building up its market reach resources. The Group focuses on being its customers' best partner for productivity, safety, and sustainability.



# Consolidated Management Report



# STRONG GROWTH IN A CHALLENGING ENVIRONMENT

**With sales growth of 9.0 percent in local currencies (2.7 percent in Swiss francs), the Hilti Group closed 2023 with turnover of more than CHF 6.5 billion. With this result, Hilti outperformed the market. Once more, the appreciation of the Swiss franc led to a significantly negative currency impact of 6.3 percentage points on sales. Nevertheless, the operating result grew at a considerably stronger rate, by 5.3 percent, and reached CHF 770 million. Despite economic and geopolitical uncertainties, Hilti significantly invested in its sales capacity, innovation and long-term projects within the corporate strategy Lead 2030.**

At a regional level, Europe managed to close the year with sales growth of 8.7 percent in local currencies, primarily driven by the strong contribution from Southern Europe. The Americas region grew by 9.1 percent, while Asia/Pacific was at 13.8 percent. China recovered slowly from COVID-19 lockdowns, while the rest of the region achieved solid growth rates. The ongoing war in Ukraine had an impact on the entire Eastern Europe / Middle East / Africa region, resulting in growth of 3.1 percent.

## Investments in innovation and long-term projects

In 2023, the Hilti Group completed the global rollout of Nuron, its new cordless power tools platform. In addition to the more than 70 tools launched in 2022, an additional 30 new tools were brought to the market in 2023. Expenditures for research and development reached CHF 454 million (+3.9%), equal to 7.0 percent of the Group's sales. This underlines Hilti's strong focus on innovation and differentiation.

Hilti continued to invest in productivity, safety and sustainability to drive the transformation of the construction industry. Following the acquisition of Fieldwire Inc. (USA) in 2021, Hilti acquired the 4PS Group in 2023, a Netherlands-based local market leader in developing and providing business management solutions to the construction industry.



As of the end of the year, the Hilti Group had 34,111 team members, an addition of 1624 (+5.0%) compared to the previous year.

## Profit development

The operating result increased by 5.3 percent to CHF 770 million while net income decreased by 0.9 percent to CHF 560 million, due to the significantly negative currency impact and a higher tax burden compared to 2022. Despite the inflation-induced cost increases combined with high investments in innovation and software, as well as the appreciation of the Swiss franc, the return on sales (ROS) improved by 0.3 percentage points, reaching 11.8 percent (2022: 11.5%).



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## Sustainability reporting

Hilti has accelerated its efforts to create a positive impact towards the environment, people and society. Since then, the Group has voluntarily reported in line with the Global Reporting Initiative standards on an annual basis. By doing so, Hilti demonstrates the governance structure and the integration of sustainability into the corporate strategy and discloses the sustainability performance in the mentioned areas.

The auditor, PricewaterhouseCoopers AG, has provided limited assurance on the non-financial metrics of greenhouse gas emissions (GHG), energy consumption and lost time incident rate since the reporting period 2021. In 2023, Hilti initiated a project to prepare for the mandatory qualitative and quantitative sustainability reporting required by the European Union's Corporate Sustainability Reporting Directive (CSRD) for the 2025 financial year report. In addition, a second project has been initiated in response to the European Union's Taxonomy Regulation, as taxonomy disclosures will be part of the sustainability reporting. The focus of this project is to identify and quantify taxonomy-eligible and taxonomy-aligned economic activities of the Hilti Group.

To complement the understanding of value creation and embrace a broader perspective that includes all stakeholders, a new metric called Value to Society will be introduced. This metric comprehensively assesses the contribution to the environment, people and society, all quantified in monetary terms. It will become a pivotal component in the value creation framework of the Hilti Group

The Group's capital employed grew by CHF 234 million to CHF 5.8 billion. The return on capital employed (ROCE) increased by 0.1 percentage points to 13.3 percent (2022: 13.2%).

Free cash flow bounced back to CHF 359 million from negative CHF 147 million in 2022. Also, the cash flow conversion (64.1%) recovered to Lead 2030's long-term average target of 60 percent. Inventory normalization was the biggest contributor to the solid cash generation.

The pronounced appreciation of the Swiss franc against all major currencies again led to a significantly negative currency impact of CHF 51 million on the operating result (2022: CHF -81 million).

## Solid balance sheet and liquidity

The equity ratio of 59 percent (2022: 62%) continues to be considerably above the target level of 50 percent. Cash and cash equivalents were at CHF 0.9 billion (2022: CHF 1 billion). Reasons for the decline include the purchase price for the 4PS acquisition, the repayment of a corporate bond tranche and the successful placement of a new dual tranche Swiss-franc-based corporate bond. Additionally, the syndicated revolving stand-by credit facility of CHF 600 million was extended to 2027 and two sustainability key performance indexes were added. Given the Group's solid results and overall healthy financial situation, the Board of Directors proposes the payout of an ordinary dividend of CHF 279 million for the 2023 financial year (2022: 281 million).

and will also be integrated into the performance management system in the future. This monetized impact valuation also provides valuable inputs in defining the material topics for the double materiality assessment under the CSRD.

In 2023, Hilti achieved carbon neutrality in its own operations (Scope 1, 2 and business travel GHG emissions). This step marks an important milestone in the company's efforts to combat climate change. Nonetheless, the Group recognizes the importance of addressing emissions beyond its own operations and has thus committed to establishing targets in accordance with the Science Based Targets initiative (SBTi) during the last reporting period. The interim target is to reduce Scope 1, 2 and 3 GHG emissions by approximately 30 percent by 2032, with the goal of reaching net-zero emissions by 2050 at the latest.

## Outlook

Construction market forecasts point to a further softening with negative real growth in several geographic areas. The ongoing geopolitical tensions and the volatility in the financial markets will likely lead to a further appreciation of the Swiss franc and hence another year of significantly negative currency impacts.

To live up to the Group's purpose of "Making Construction Better", Hilti will continuously invest in driving innovation in both hardware and software solutions and in building up its market reach resources.

In 2024, the Hilti Group expects mid-single-digit sales growth in local currencies and a similar ROS level in Swiss francs compared to 2023.



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# CONSOLIDATED INCOME STATEMENT

in CHF million

	Note	2022	2023
Net sales	2	6,347	6,520
Other operating income	2	184	207
<b>Total operating income</b>		<b>6,531</b>	<b>6,727</b>
Material costs	2	(1,767)	(1,720)
Personnel expenses	3	(2,710)	(2,852)
Depreciation and amortization	4	(440)	(476)
Losses on trade and other receivables		(39)	(47)
Other operating expenses	2	(1,052)	(1,083)
Capitalized costs		208	221
<b>Total operating expenses</b>		<b>(5,800)</b>	<b>(5,957)</b>
<b>Operating result</b>		<b>731</b>	<b>770</b>
Other income and expenses (net)	5	(12)	(32)
Finance costs	5	(51)	(38)
<b>Net income before income tax expenses</b>		<b>668</b>	<b>700</b>
Income tax expenses	8	(103)	(140)
<b>Net income</b>		<b>565</b>	<b>560</b>
Attributable to:			
Equity holders of the parent		561	557
Non-controlling interests		4	3



# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in CHF million

	Note	2022	2023
<b>Net income</b>		<b>565</b>	<b>560</b>
Net movement on cash flow hedges, net of taxes	5/8	(4)	(1)
Foreign currency translation differences, net of taxes	8	(91)	(201)
<b>Items that may be subsequently reclassified to the income statement</b>		<b>(95)</b>	<b>(202)</b>
Remeasurements on employee benefits, net of taxes	3/8	152	(80)
<b>Items that will never be reclassified to the income statement</b>		<b>152</b>	<b>(80)</b>
<b>Other comprehensive income (OCI)</b>		<b>57</b>	<b>(282)</b>
<b>Total comprehensive income</b>		<b>622</b>	<b>278</b>
Attributable to:			
Equity holders of the parent		618	277
Non-controlling interests		4	1



# CONSOLIDATED BALANCE SHEET

## as at December 31

Assets  
in CHF million

	Note	2022	2023
Property, plant and equipment	4	1,066	1,115
Right of use assets	4	418	438
Intangible assets	4	1,284	1,613
Deferred income tax assets	8	185	175
Other financial assets	5	22	28
Other assets	7	5	5
Trade and other receivables	6	921	1,105
<b>Total non-current assets</b>		<b>3,901</b>	<b>4,479</b>
Inventories	6	959	778
Trade and other receivables	6	1,371	1,408
Accrued income and prepaid expenses	6	117	107
Other financial assets	5	87	46
Cash and cash equivalents	6	991	886
<b>Total current assets</b>		<b>3,525</b>	<b>3,225</b>
<b>Total assets</b>		<b>7,426</b>	<b>7,704</b>

Equity and liabilities  
in CHF million

	Note	2022	2023
Non-controlling interests		14	15
Equity attributable to equity holders of the parent		4,565	4,561
<b>Total equity</b>	<b>5</b>	<b>4,579</b>	<b>4,576</b>
Employee benefits	3	162	238
Deferred income tax liabilities	8	198	245
Trade and other payables	6	27	22
Other financial liabilities	4/5	704	930
Other liabilities	7	39	49
<b>Total non-current liabilities</b>		<b>1,130</b>	<b>1,484</b>
Employee benefits	3	16	28
Trade and other payables	6	661	630
Accrued expenses	6	536	561
Other financial liabilities	4/5	436	339
Other liabilities	7	68	86
<b>Total current liabilities</b>		<b>1,717</b>	<b>1,644</b>
<b>Total liabilities</b>		<b>2,847</b>	<b>3,128</b>
<b>Total equity and liabilities</b>		<b>7,426</b>	<b>7,704</b>



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in CHF million

	Share capital	Capital reserves	Translation reserves	Hedging reserves	Retained earnings	Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
<b>Equity at January 1, 2023</b>	127	17	(669)	2	5,088	4,565	14	4,579
Net income recognized in income statement	-	-	-	-	557	557	3	560
<b>Other comprehensive income</b>								
Cash flow hedges	-	-	-	(1)	-	(1)	-	(1)
Remeasurements on employee benefits	-	-	-	-	(80)	(80)	-	(80)
Foreign currency translation differences	-	-	(199)	-	-	(199)	(2)	(201)
<b>Total other comprehensive income</b>	-	-	(199)	(1)	(80)	(280)	(2)	(282)
<b>Total comprehensive income</b>	-	-	(199)	(1)	477	277	1	278
Dividend paid	-	-	-	-	(281)	(281)	-	(281)
<b>Equity at December 31, 2023</b>	127	17	(668)	1	5,284	4,561	15	4,576
<b>Equity at January 1, 2022</b>	127	17	(578)	6	4,712	4,284	10	4,294
Net income recognized in income statement	-	-	-	-	561	561	4	565
<b>Other comprehensive income</b>								
Cash flow hedges	-	-	-	(4)	-	(4)	-	(4)
Remeasurements on employee benefits	-	-	-	-	152	152	-	152
Foreign currency translation differences	-	-	(91)	-	-	(91)	-	(91)
<b>Total other comprehensive income</b>	-	-	(91)	(4)	152	57	-	57
<b>Total comprehensive income</b>	-	-	(91)	(4)	713	618	4	622
Dividend paid	-	-	-	-	(337)	(337)	-	(337)
<b>Equity at December 31, 2022</b>	127	17	(669)	2	5,088	4,565	14	4,579



# CONSOLIDATED CASH FLOW STATEMENT

	Note	2022	2023
in CHF million			
<b>Operating result</b>		<b>731</b>	<b>770</b>
Depreciation and amortization	4	440	476
Interest received		5	12
Interest paid		(51)	(39)
Income tax paid	8	(145)	(131)
(Increase)/decrease in inventories	6	(221)	142
(Increase)/decrease in trade receivables	6	(52)	(46)
(Increase)/decrease in finance lease receivables	6	(211)	(303)
Increase/(decrease) in trade payables	6	(2)	(19)
Increase/(decrease) in contract liabilities	7	7	(2)
Non-cash items		(50)	25
Change in other net operating assets		(22)	49
<b>Cash flow from operating activities</b>		<b>429</b>	<b>934</b>
Capital expenditure on intangible assets	4	(222)	(227)
Capital expenditure on property, plant and equipment	4	(223)	(224)
Acquisition of subsidiaries	8	-	(300)
(Increase)/decrease in financial investments		159	44
Disposal of intangible assets	4	-	1
Disposal of property, plant and equipment	4	7	9
<b>Cash flow from investing activities</b>		<b>(279)</b>	<b>(697)</b>
in CHF million			
Proceeds from long-term borrowings	5	3	59
Repayment of long-term borrowings	5	(4)	(4)
Payment of lease liabilities	4	(138)	(134)
Proceeds from (repayment of) short-term borrowings	5	71	(89)
Proceeds from issuance of bonds	5	-	249
Repayment of bonds	5	-	(100)
Increase/(decrease) in liability to shareholder	8	-	1
Dividend paid	5	(337)	(281)
<b>Cash flow from financing activities</b>		<b>(405)</b>	<b>(299)</b>
Exchange differences		(18)	(43)
<b>Total increase/(decrease) in cash and cash equivalents</b>		<b>(273)</b>	<b>(105)</b>
Cash and cash equivalents at January 1		1,264	991
<b>Cash and cash equivalents at December 31</b>		<b>991</b>	<b>886</b>



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- 1.3 Critical accounting estimates and judgments
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## 1 Basis of preparation

### 1.1 General information

The Hilti Group (the Group) comprises the Hilti Corporation and its domestic and foreign subsidiaries. The Group supplies the worldwide construction and energy industries with technologically leading products, systems, software and services that provide clear and sustainable added value. Its product range includes tools and systems covering demolition, drilling, sawing, cutting and grinding, direct and screw fastening, diamond coring and cutting, anchoring, firestop, installation and measuring.

The Hilti Corporation is a limited by shares company incorporated and domiciled in the Principality of Liechtenstein. The Group's headquarters and the address of its registered office are at Feldkircherstrasse 100, 9494 Schaan, Liechtenstein. The Group's principal production and research and development location is Liechtenstein, with further production and research and development locations worldwide. The Group operates in over 120 countries and has about 34,000 employees worldwide.

These consolidated financial statements were approved for issue by the Board of Directors on March 13, 2024.

### 1.2 Basis of accounting

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as adopted by the European Union. Preparation of the financial statements in accordance with IFRS Accounting Standards meets the requirements of Liechtenstein's corporations law, the "Personen- und Gesellschaftsrecht (PGR)".

The Group's accounting policies are set out in the explanatory notes to the consolidated financial statements and have been consistently applied to both periods presented, unless otherwise stated.

### 1.3 Critical accounting estimates and judgments

The preparation of the financial statements requires management to use certain critical accounting estimates and to exercise its judgment in the process of applying the Group's accounting policies. The Group also makes estimates and assumptions concerning the future. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from these assumptions and estimates.

Significant estimates (with the related uncertainties) were primarily made in the following areas:

- Assumptions underlying the expected credit loss of trade receivables (note 6.2)
- Assumptions underlying write-downs of inventories (note 6.1)
- Assumptions underlying impairment testing of goodwill and intangible assets with an indefinite useful life (note 4.3)
- Assumptions underlying the recognition of defined benefit pension plans (note 3.2)
- Assumptions underlying the valuation of current and deferred tax assets and liabilities (note 8.2)



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#### 1.4 Changes in accounting policies and estimates

The Group has assessed the following amendments for the first time for its annual reporting period commencing January 1, 2023:

- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Definition of Accounting Estimates – Amendments to IAS 8
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
- International Tax Reform – OECD Pillar Two Model Rules – amendments to IAS 12

In the context of the publication of the model rules and additional technical guidance for the implementation of a new global minimum tax regime (known as “BEPS 2.0 Pillar Two”) and the uncertainties created due to this in terms of potential additional differences and the measurement of deferred taxes, the IASB issued amendments (International Tax Reform – Pillar Two Model Rules) to IAS 12 (Income Taxes), introducing a mandatory temporary exception to the requirements of IAS 12 that a company does not recognize and does not disclose information about deferred tax assets and liabilities related to income taxes under Pillar Two. In line with those amendments, the Group applied the exception for the 2023 financial year.

All other amendments listed above had no material impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

In 2022, following the implementation of the new accounting system for finance lease contracts, the Group changed the methodology for the recognition

of certain services, including warranties, for finance lease. This was accounted as a change in accounting estimate, resulting in a decrease of CHF 115 million in trade receivables and contract liabilities with no impact on the income statement and CHF 75 million reclassification within the trade receivables from the net investment in the lease to other trade receivables.

#### 1.5 New standards, amendments and interpretations not yet adopted by the Group

The new accounting standards and interpretations listed below that have been published are not mandatory for the December 31, 2023 reporting period and have not yet been adopted by the Group:

- Non-current Liabilities with Covenants – Amendments to IAS 1
- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

These standards are not expected to have a material impact on the Group in the current or future reporting periods or on foreseeable future transactions.

#### 1.6 Method of consolidation

The consolidated financial statements are based on the annual financial statements of the individual Group companies controlled directly or indirectly by Hilti Corporation and are prepared using consistent accounting policies. The Group eliminates all intercompany transactions as part of the Group consolidation process. A company is consolidated for the first time or deconsolidated from the date on which the Group exercises or loses control over the company.

All entities over which the Group has significant influence but no control are classified as associates or joint ventures and accounted for using the equity method.

The Group has joint operations and, as a joint operator, accounts for the assets, liabilities, revenues and expenses in relation to its interest in a joint operation.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and balance sheet, respectively. When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount being recognized in other income and expenses (net).

In 2023, the Group obtained control of 4PS Group, resulting in the first-time consolidation of the company. Additionally, the Group acquired the remaining 50% of the shares of Hillios GmbH, a former joint operation that is now fully consolidated. The related impact of the two acquisitions is reported in the line change in scope of consolidation in the relevant notes to the consolidated financial statements. Detailed information on the first-time consolidation of 4PS Group and on the business combinations is given in note 8.3.

No significant changes in the Group's structure took place in 2022.

#### 1.7 Foreign currency translation

The functional currency of the Group companies is the currency used in the primary economic environment in which they operate. The consolidated financial statements are presented in Swiss francs.



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Foreign currency transactions are translated using the exchange rates at the dates of the transactions. Foreign exchange gains and losses, resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognized in the income statement. Foreign exchange gains and losses relating to long-term intercompany foreign currency loans are regarded as part of the net investment in the foreign entity and are recognized in other comprehensive income (OCI).

For consolidation purposes, the results and financial position of all the Group companies in foreign currencies are translated into Swiss francs. Assets and liabilities are translated at the year-end rates (closing rate), while income and expense items are translated at the sales-weighted average exchange rates (average rate).

The change in accumulated exchange differences from the translation of foreign companies is recognized in OCI. If a Group company is sold, or if part of it is sold and control is lost, the accumulated exchange differences are reclassified to the income statement.

The following exchange rates of principal currencies were applied for translation into Swiss francs:

	Average rates			Closing rates	
	2022	2023	2023	2022	2023
1 CAD	0.735	0.686	0.682	0.632	
1 EUR	1.004	0.972	0.985	0.926	
1 GBP	1.180	1.118	1.110	1.066	
100 JPY	0.728	0.639	0.700	0.592	
1 USD	0.956	0.899	0.923	0.838	

in CHF

## 2 Operating performance

### 2.1 Operating income

#### Accounting policies

Depending on the specific contractual circumstances, the Group recognizes revenue over time or, when it transfers control over a product or service to a customer, at a point in time. The Group has therefore implemented a five-step model applicable to all contracts with customers and has disaggregated revenue from contracts with customers into the following categories of revenue recognition patterns: sales contracts of goods, services and warranties (covering repairs). Net sales of services consist of logistics, repairs (including service warranty) and other fleet management-related services, tests, training and software solutions. Other operating income, among others, comprises finance lease interests, including related risk premiums.

#### Net sales of goods and services

Revenue from the sale of goods is recognized in the income statement at a point in time, when control of the products has been transferred, typically when the products are delivered to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Revenue related to goods for which control has not yet been transferred to the customer will be recognized when control is transferred to the customer.

Revenue from services rendered is recognized at a point in time or over time, depending on when the performance obligation is satisfied.

All revenues from sales of goods and services rendered are recognized at the normal selling price less applicable trade discounts and rebates, individually determined in the markets. In most cases, the consideration is due when legal title has been transferred. While deferred payment terms may be agreed upon in rare circumstances, the deferral never exceeds 12 months.

Revenue from sales of goods with a significant financing component relates to finance lease and is recognized in the period in which the lease commences, while the applicable interest income is recognized on an actuarial basis over the lease term. Revenue from operating leases is recognized over the lease term.

#### Service warranty

The Group offers its customers warranties covering all repairs for a certain period after the sale. These warranty obligations are considered as a separate performance obligation and recognized over time. For goods sold outright, a portion of the transaction price is allocated to the service warranty and recognized as a contract liability. Revenue is recognized over the period in which the service warranty is provided based on the time elapsed. Contract liabilities are shown as part of other liabilities and split into current and non-current. Detailed information is given in note 7.2.



in CHF million	2022	2023
Net sales of goods	5,872	5,992
Net sales of services	475	528
<b>Total net sales</b>	<b>6,347</b>	<b>6,520</b>
Other operating income	184	207
<b>Total operating income</b>	<b>6,531</b>	<b>6,727</b>

Revenue related to finance lease in the reporting period amounts to CHF 1092 million (2022: CHF 906 million).

The following table shows the revenue recognition split into point in time and period of time:

in CHF million	2022	2023
Revenue recognized at a point in time	5,962	6,111
Revenue recognized over time	385	409
<b>Total revenue</b>	<b>6,347</b>	<b>6,520</b>

Revenue recognized over time mainly comprises special repairs and other fleet management-related services and software solutions. The subscriptions for software solutions are short-term contracts, whereas the average contract duration of the repairs and fleet management-related services is somewhat longer.

## 2.2 Operating segments

### Accounting policies

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Board (EB) that makes strategic decisions. With the Group's Multi-Channel Service (MCS) approach, all products and services are relevant for all customers and the EB steers the business at the Group level as one unit. Consequently, the Group operates in only one single operating segment. The single operating segment disclosure is accordingly set out in the balance sheet, income statement, statement of comprehensive income, statement of changes in equity and the cash flow statement.

Net sales information by geographical area is based on the country of the third-party customer. Net sales information by major country is based on the country of domicile of the respective Group companies.

### Net sales information about products and services

in CHF million	2022	2023
Electric Tools & Accessories	2,581	2,686
Electric Tools & Accessories	416	466
<b>Total Electric Tools &amp; Accessories</b>	<b>2,997</b>	<b>3,152</b>
Fastening & Protection Systems	3,291	3,306
Fastening & Protection Systems	59	62
<b>Total Fastening &amp; Protection Systems</b>	<b>3,350</b>	<b>3,368</b>
<b>Total Group</b>	<b>6,347</b>	<b>6,520</b>

### Net sales information about geographical areas

The Group has no customer exceeding the threshold of 10% of the Group's net sales.

financial amounts in CHF million	2022	2023	Change in CHF currencies (%)	Change in local currencies (%)
Europe excl.				
Eastern Europe	3,201	3,351	4.7	8.7
Americas	1,841	1,874	1.8	9.1
Asia/Pacific	763	791	3.7	13.8
Eastern Europe/Middle East/Africa	542	504	(7.0)	3.1
<b>Total Group</b>	<b>6,347</b>	<b>6,520</b>	<b>2.7</b>	<b>9.0</b>



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**Net sales for major countries**

in CHF million	2022	2023
USA	1,392	1,411
Germany	936	963
France	495	505
Liechtenstein (country of domicile)	89	72
Other countries	3,435	3,569
<b>Total Group</b>	<b>6,347</b>	<b>6,520</b>

**Tangible and intangible assets information for major countries**

in CHF million	2022	2023
Liechtenstein (country of domicile)	1,408	1,427
Germany	351	364
Netherlands	16	360
USA	287	308
Other countries	706	707
<b>Total Group</b>	<b>2,768</b>	<b>3,166</b>

**2.3 Operating expenses**

Operating expenses include material costs and changes in inventory, other operating expenses, personnel expenses, losses on trade and other receivables, depreciation, amortization and capitalized costs. Detailed information regarding personnel expenses is given in note 3.1. Capitalized costs mainly include development costs such as personnel and other consulting costs (see note 4.3).

Expenditure on research and development in the reporting period amounted to CHF 454 million (2022: CHF 437 million), thereof CHF 211 million (2022: CHF 200 million) were recognized as additions on intangible assets.

**Material costs**

in CHF million	2022	2023
Materials	(1,968)	(1,561)
Outsourced manufacturing	(20)	(17)
<b>Total material costs</b>	<b>(1,988)</b>	<b>(1,578)</b>
Change in inventory	221	(142)
<b>Total material costs including change in inventory</b>	<b>(1,767)</b>	<b>(1,720)</b>

**Other operating expenses**

Major items included in other operating expenses are as follows:

in CHF million	2022	2023
Outward freight	(152)	(143)
Maintenance & repairs	(123)	(133)
Legal & consulting	(110)	(118)
Expenditures for rent <sup>1</sup>	(102)	(131)
Transportation	(104)	(66)
Travel	(131)	(146)
Other administration expenses	(72)	(88)
Marketing & communication	(71)	(66)
Power	(27)	(28)
Recruiting	(23)	(22)
Other	(137)	(142)
<b>Total other operating expenses</b>	<b>(1,052)</b>	<b>(1,083)</b>

<sup>1</sup> Including expenses relating to short-term and low-value leases (detailed information is given in note 4.2)



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### 3 Personnel expenses

#### 3.1 Personnel expenses

	2022	2023
Salaries and wages	(2,191)	(2,331)
Social contributions	(519)	(521)
<b>Total personnel expenses</b>	<b>(2,710)</b>	<b>(2,852)</b>

in CHF million

Social contributions include expenses for pensions and similar liabilities in addition to social security contributions.

The breakdown of the number of employees of Group companies by function is as follows:

	2022	2023
Sales	24,619	25,271
Research and development	2,103	2,842
Production	3,965	4,096
Administration	1,800	1,902
<b>Total employees (as at December 31)</b>	<b>32,487</b>	<b>34,111</b>

#### 3.2 Employee benefits

##### Accounting policies

###### Pension obligations

Group companies operate various post-employment schemes, including both defined benefit and defined contribution pension plans. These schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by annual actuarial valuations.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

###### Long service benefits

Some Group companies provide jubilee and other similar long service benefits. The entitlement to these benefits is usually conditional on the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using an accounting methodology similar to that used for defined benefit pension plans.

###### Variable compensation

The Group recognizes a liability and an expense for variable compensation based on changes in key financial results, such as sales, operating profit, net income and capital employed as specified in the employment contracts.

##### Management judgment and estimates

The present value of the defined benefit obligations is determined annually by independent actuaries using the projected unit credit method. Actuarial assumptions are required for this purpose. The calculation of the discount rate, future increases in salaries/wages and pensions, and mortality are significant assumptions in actuarial valuations.

Employee benefits creating obligations of the Group to its employees comprise defined benefit plans, other long-term employee benefits and short-term employee benefits. The Group also provides employee benefits through defined contribution plans.

###### Defined benefit plans

###### Swiss pension plan

The Group's largest defined benefit pension plan is located in Switzerland and covers employees of the parent company as well as of the Swiss and other Liechtenstein-based Group companies (the "Swiss pension plan"). The Swiss pension plan accounts for 84% (2022: 83%) of the Group's total defined benefit obligation and 90% (2022: 90%) of the Group's plan assets. The weighted average duration of the defined benefit obligation is 14.0 years (2022: 13.6 years).



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The Swiss pension plan is funded through a legally separate trustee-administered pension fund. The pension plan is overseen by a regulator as well as by a state supervisory body. The pension plan's most senior governing body (Board of Trustees) must be composed of equal numbers of employee and employer representatives. The Board of Trustees is responsible for the investment of the assets. When defining the investment strategy, it takes into account the pension fund's objectives, benefit obligations and risk capacity. The investment strategy is defined in the form of a long-term target asset structure (investment policy). The Board of Trustees delegates the implementation of the investment policy – in accordance with the investment strategy – to an Investment Committee. The cash funding of the plan is designed to ensure that present and future contributions should be sufficient to meet future liabilities. Further on, the Board of Trustees is able to adapt the contributions and benefits. There is a stop-loss insurance which covers the risk from a certain excess amount (e.g., for disability or death).

The Swiss pension plan contains a cash balance benefit formula and is therefore accounted for as a defined benefit plan. Employer and employee contributions are defined in the pension fund rules in terms of an age-related sliding scale of percentages of remuneration. Under Swiss law, the pension fund guarantees the vested benefit amount as confirmed annually to members. Interest may be added to

member balances at the discretion of the Board of Trustees (i.e., 1.0% in 2023 and 1.0% in 2022). At retirement date, members have the right to take their retirement benefit as a lump sum, an annuity or part as a lump sum with the remaining balance converted to a fixed annuity at the rates defined in the fund rules. The Board of Trustees may change the conversion rate at their discretion subject to the plan's funded status and the requirements of the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plan (BVG).

#### Other defined benefit plans

The remaining defined benefit plans are located in Austria, Germany, Great Britain, Italy, Taiwan, Korea, Norway, the Philippines, France and Japan. Only the last two plans listed are still open for new plan participants.

#### Other long-term employee benefits

Other long-term employee benefits comprise jubilee and other long service benefits, a long-term incentive and other long-term employee benefits. The relevant period for the long-term incentive is 2023-2025, with final payment to be made in 2026. Historically, the level of outflows concerning other long-term employee benefits (excluding the long-term incentive) has been constant each year.

#### Short-term employee benefits

Short-term employee benefits such as short-term variable compensation are included in accrued expenses and deferred income (see note 6.6).

#### Defined contribution plans

The employer's contribution totals CHF 58 million (2022: CHF 56 million).



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**Employee benefit obligations (defined benefit plans and other long-term benefits)**

in CHF million

	2022			2023		
	Funded	Unfunded	Total	Funded	Unfunded	Total
<b>Switzerland</b>						
Fair value of plan assets	967	-	967	984	-	984
Present value of defined benefit obligation	(975)	-	(975)	(1,055)	-	(1,055)
<b>Net defined benefit (liability)/asset at December 31</b>	<b>(8)</b>	<b>-</b>	<b>(8)</b>	<b>(71)</b>	<b>-</b>	<b>(71)</b>
<b>Other plans</b>						
Fair value of plan assets	114	-	114	111	-	111
Present value of defined benefit obligation	(156)	(50)	(206)	(150)	(46)	(196)
<b>Net defined benefit (liability)/asset at December 31</b>	<b>(42)</b>	<b>(50)</b>	<b>(92)</b>	<b>(39)</b>	<b>(46)</b>	<b>(85)</b>
<b>Total</b>						
Fair value of plan assets	1,081	-	1,081	1,095	-	1,095
Present value of defined benefit obligation	(1,131)	(50)	(1,181)	(1,205)	(46)	(1,251)
<b>Net defined benefit (liability)/asset at December 31</b>	<b>(50)</b>	<b>(50)</b>	<b>(100)</b>	<b>(110)</b>	<b>(46)</b>	<b>(156)</b>
Present value of other employee benefits	-	(78)	(78)	-	(110)	(110)
<b>Total net book value of employee benefits at December 31</b>	<b>(50)</b>	<b>(128)</b>	<b>(178)</b>	<b>(110)</b>	<b>(156)</b>	<b>(266)</b>
Thereof current portion			(16)			(28)
Thereof non-current portion			(162)			(238)



### Reconciliation of present value of defined benefit obligation and fair value of plan assets

in CHF million

	2022		2023		Total
	Present value of obligation	Fair value of plan assets	Present value of obligation	Fair value of plan assets	
<b>Opening balance at January 1</b>	<b>(1,480)</b>	<b>1,180</b>	<b>(1,181)</b>	<b>1,081</b>	<b>(100)</b>
Current service cost	(36)	-	(24)	-	(24)
Past service cost	6	-	19	-	19
Interest (expense)/income	(10)	8	(29)	27	(2)
<b>Total amount recognized in profit or loss</b>	<b>(40)</b>	<b>8</b>	<b>(34)</b>	<b>27</b>	<b>(7)</b>
Actuarial gains/(losses) arising from changes in demographic assumptions	(5)	-	2	-	2
Actuarial gains/(losses) arising from changes in financial assumptions	306	-	(82)	-	(82)
Actuarial gains/(losses) arising from experience adjustments	(10)	-	-	0	0
Return on plan assets excluding interest income	-	(107)	-	(11)	(11)
<b>Total remeasurements recognized in other comprehensive income</b>	<b>291</b>	<b>(107)</b>	<b>(80)</b>	<b>(11)</b>	<b>(91)</b>
Contributions by employer	-	35	-	33	33
Contributions by plan participants	(19)	19	(19)	19	-
Benefits paid	49	(41)	53	(49)	4
Currency translation adjustment	18	(13)	10	(5)	5
<b>Total other movements</b>	<b>48</b>	<b>-</b>	<b>44</b>	<b>(2)</b>	<b>42</b>
<b>Closing balance at December 31</b>	<b>(1,181)</b>	<b>1,081</b>	<b>(1,251)</b>	<b>1,095</b>	<b>(156)</b>

In the income statement, the various components of the defined benefit costs are included as follows:

- Total service cost – in personnel expenses (see note 3.1) and
- Interest income and expense – in other income and expenses (net) (see note 5.5)



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### Plan asset classes

financial amounts in CHF million

	2022			2023				
	Quoted market price	Non-quoted market price	Total	%	Quoted market price	Non-quoted market price	Total	%
Cash and cash equivalents	45	-	45	4	41	-	41	4
Equity instruments (including private equity funds)	217	48	265	24	224	48	272	25
Debt and compound financial instruments	300	-	300	28	318	-	318	29
Real estate and investments in infrastructures	9	309	318	29	9	311	320	29
Derivatives	(3)	-	(3)	-	(1)	-	(1)	-
Investment funds	55	6	61	6	45	4	49	4
Others	-	95	95	9	-	96	96	9
<b>Total plan assets at fair value</b>	<b>623</b>	<b>458</b>	<b>1,081</b>	<b>100</b>	<b>636</b>	<b>459</b>	<b>1,095</b>	<b>100</b>

The Group does not make use of any assets held by pension plans.

Cash and cash equivalents are primarily invested in money market funds and current accounts with financial institutions that mostly have at least an "A" rating.

Equity instruments represent investments in equity funds and direct investments. They generally have quoted market prices in an active market. The pension plans' assets do not include any shares of Hilti Corporation.

Debt instruments (e.g., bonds) generally have a credit rating that is no lower than "BBB", have quoted market prices in an active market and are primarily direct investments. Compound financial instruments include convertible bonds.

Real estate represents indirect and direct investments in residential and commercial properties, as well as in infrastructures. Indirect investments comprise listed and unlisted real estate funds, investment foundations and unlisted real estate fund of funds. Direct investments are primarily held in residential properties in Liechtenstein. Directly held real estate is periodically valued by an independent expert.

Investment funds represent investments with an insurance company and a mandate with a bank which invests in alternative asset classes (e.g., hedge funds and commodities). In the case of investment funds, quoted market prices in an active market are usually not available.

In the current year, we reassessed and changed the plan asset classes, and therefore certain assets in Others were reallocated to the appropriate category. Prior period figures, CHF 65 million for investments in infrastructures, CHF 52 million mainly for compound financial instruments and CHF 48 million for private equity funds were restated accordingly. The position Others primarily includes mezzanine investments and insurance-linked securities, among others. Leveraging and short selling is prohibited. Quoted market prices in an active market are usually not available.



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### Plan members at December 31

financial amounts in CHF million

	2022			2023			Total
	Active	Deferred	Retired	Active	Deferred	Retired	
Plan members	6,198	728	1,699	6,475	667	1,767	8,909
Defined benefit obligation	(697)	(77)	(507)	(630)	(78)	(543)	(1,251)
Defined benefit obligation share in % of total	50	7	43	51	6	43	100
Average weighted duration in years	15.9	17.9	10.7	16.4	17.9	10.8	14.0

The employer's best estimate of contributions expected to be paid to defined benefit plans for the financial year 2024 is CHF 39 million.

### Actuarial assumptions

Actuarial assumptions are based on long-term economic factors in the respective countries. Each item of "Other plans" is a weighted average in relation to the relevant underlying component. The significant assumptions are as in the table below.

Life expectancy is reflected in the defined benefit obligations by using mortality tables of the country in which the plan is located. The generational tables BVG/LPP 2020 (2022: BVG/LPP 2020) have been used for Switzerland.

The following impacts on the defined benefit obligation would result from changes in actuarial assumptions:

- A 0.25% increase/decrease in the discount rate would lead to a decrease/increase of 3.4% in the defined benefit obligation

- A 0.25% increase/decrease in expected future salaries would lead to an increase/decrease of 0.4% in the defined benefit obligation
- A one-year increase/decrease in life expectancy would lead to an increase/decrease of 2.6% in the defined benefit obligation

The sensitivity analysis is based on realistically possible changes as of the end of the reporting period. Each change in a significant actuarial assumption was analyzed separately as part of the test. Interdependencies were not taken into account.

in %

	2022			2023			Total
	Switzerland	Other plans	Total	Switzerland	Other plans	Total	
Discount rate	2.25	3.75	2.51	1.50	3.73	1.85	1.85
Future salary increase	1.50	1.43	1.49	1.50	1.31	1.47	1.47
Future pension increase	0.00	1.94	0.34	0.00	2.00	0.31	0.31



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## 4 Tangible and intangible assets

### 4.1 Property, plant and equipment

#### Accounting policies

Land is valued at historical cost less accumulated impairment losses, if any. Other property, plant and equipment consist mainly of office equipment, testing instruments, leasehold improvements and vehicles and are recognized at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost includes transfers from equity of any gains or losses on qualifying cash flow hedges. Historical cost may also include transfers from equity of gains/losses on qualifying cash flow hedges of foreign currency purchases of tangible fixed assets.

Depreciation is calculated using the straight-line method to allocate the historical costs of assets over their estimated useful lives. Additions to accumulated depreciation are included in the depreciation and amortization line item of the income statement. The estimated useful lives of depreciable property, plant and equipment are:

Buildings	20 to 40 years
Plant and machinery	5 to 15 years
Other operating assets	2 to 10 years

An impairment test is performed whenever impairment indicators are identified. If the test reveals that the carrying amount exceeds the recoverable amount, the carrying amount is reduced accordingly. Impairment losses are recognized in the income statement.

#### Property, plant and equipment

in CHF million

	2022				2023					
	Land and buildings	Plant and machinery	Other operating assets	Assets under construction	Total	Land and buildings	Plant and machinery	Other operating assets	Assets under construction	Total
<b>Cost</b>										
Opening balance at January 1	930	806	648	117	2,501	897	795	635	202	2,529
Change in scope of consolidation	-	-	-	-	-	1	1	5	-	7
Additions	13	25	68	117	223	20	29	84	91	224
Disposals	(28)	(27)	(63)	-	(118)	(1)	(23)	(39)	-	(63)
Other transfers	4	16	5	(25)	-	96	22	47	(165)	-
Currency translation adjustment	(22)	(25)	(23)	(7)	(77)	(31)	(32)	(50)	(7)	(120)
<b>Closing balance at December 31</b>	<b>897</b>	<b>795</b>	<b>635</b>	<b>202</b>	<b>2,529</b>	<b>982</b>	<b>792</b>	<b>682</b>	<b>121</b>	<b>2,577</b>
<b>Accumulated depreciation</b>										
Opening balance at January 1	(394)	(653)	(459)	-	(1,506)	(379)	(645)	(439)	-	(1,463)
Change in scope of consolidation	-	-	-	-	-	(1)	(1)	(2)	-	(4)
Additions	(24)	(33)	(66)	-	(113)	(26)	(33)	(60)	-	(119)
Disposals	28	22	61	-	111	1	18	35	-	54
Other transfers	-	-	-	-	-	2	-	(2)	-	-
Currency translation adjustment	11	19	15	-	45	14	24	32	-	70
<b>Closing balance at December 31</b>	<b>(379)</b>	<b>(645)</b>	<b>(439)</b>	<b>-</b>	<b>(1,463)</b>	<b>(389)</b>	<b>(637)</b>	<b>(436)</b>	<b>-</b>	<b>(1,462)</b>
<b>Net book values at December 31</b>	<b>518</b>	<b>150</b>	<b>196</b>	<b>202</b>	<b>1,066</b>	<b>593</b>	<b>155</b>	<b>246</b>	<b>121</b>	<b>1,115</b>

Capital expenditure, shown as additions to cost, relates primarily to manufacturing facility enhancements and extensions of sales organizations. As at December 31, 2023, the Group had entered into firm commitments for capital expenditures of CHF 18 million (2022: CHF 24 million).

## 4.2 Leases

### **■ Accounting policies**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### **As lessee**

The Group, as a lessee, identified leases mainly relating to rental contracts for buildings (e.g., offices, warehouses, retail stores) and vehicles. Contracts may contain both lease and non-lease components; the Group has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets, which are recognized as expenses on a straight-line basis over the lease terms.

At the date at which the leased asset is available for use, the Group recognizes lease liabilities to make lease payments and right of use assets representing the right to use the underlying assets.

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term, which include:

- Fixed payments, less any lease incentives receivable
- Variable lease payments that are based on an index or a rate
- Amounts expected to be payable by the Group under residual value guarantees
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option
- Payments of penalties for terminating the lease

Lease liabilities are subsequently increased by the interest cost on the lease liability and are decreased by lease payments made.

The Group has several lease contracts that include extension and termination options.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The Group applies judgment in evaluating whether it is reasonably certain whether or not the option to renew or terminate the lease will be exercised, considering relevant facts and circumstances that create an economic incentive.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar

economic environment with similar terms, security and conditions.

The right of use assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs
- Restoration costs

Subsequently, the right of use assets are measured at cost less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities.

Right of use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, or if the purchase option is exercised, the right of use asset is depreciated over the underlying asset's useful life.

The carrying amount of the right of use assets is derecognized at the end date of the contract or before in case of early termination.



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### Right of use assets

in CHF million

	2022			2023			Total
	Buildings	Vehicles	Others	Buildings	Vehicles	Others	
<b>Cost</b>							
<b>Opening balance at January 1</b>	450	251	10	477	275	8	760
Change in scope of consolidation	-	-	-	4	2	-	6
Additions	69	87	1	104	108	4	216
Disposals	(24)	(54)	(3)	(27)	(87)	(1)	(115)
Currency translation adjustment	(18)	(9)	-	(27)	(23)	(1)	(68)
<b>Closing balance at December 31</b>	477	275	8	514	275	10	799
<b>Accumulated depreciation</b>							
<b>Opening balance at January 1</b>	(151)	(123)	(5)	(198)	(140)	(4)	(342)
Additions	(69)	(71)	(2)	(67)	(74)	(2)	(143)
Disposals	16	48	3	67	72	1	93
Currency translation adjustment	6	6	-	20	11	-	31
<b>Closing balance at December 31</b>	(198)	(140)	(4)	(225)	(131)	(5)	(361)
<b>Net book values at December 31</b>	279	135	4	289	144	5	438

### Lease liabilities

in CHF million

	2022	2023
<1 year	121	121
1 to <2 years	94	95
2 to <5 years	138	145
≥5 years	85	103
<b>Total lease liabilities</b>	<b>438</b>	<b>464</b>

The consolidated income statement shows the following amounts relating to leases:

	2022	2023
Depreciation	(142)	(143)
Interest expense <sup>1</sup>	(14)	(17)
Expense relating to short-term leases <sup>2</sup>	(15)	(14)
Expense relating to low-value assets that are not short-term leases <sup>2</sup>	(18)	(17)
Expense relating to variable lease payments not included in lease liabilities <sup>2</sup>	(37)	(41)
Expense relating to leases relating to software and other intangible assets <sup>2</sup>	(32)	(59)

<sup>1</sup> Included in finance costs (see note 5.5)

<sup>2</sup> Included in other operating expenses (see note 2.3)



### 4.3 Intangible assets

#### Accounting policies

Intangible assets with finite useful lives are amortized on a straight-line basis over their useful life and tested for impairment when indicators of impairment are identified. Intangible assets that have an indefinite useful life, like goodwill, or intangible assets not ready to use are not subject to amortization and are tested annually for impairment, or when indicators of impairment are identified.

Goodwill is recognized at cost less any accumulated impairment losses, which are not reversed. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash flows (CGU).

Development costs are recognized as an asset only when the expenditure attributable to the internally generated intangible asset can be measured reliably and it is probable that the intangible asset will generate future economic benefits directly attributable to the costs. Only

costs for certain product development projects, subjected to a stringent review process, meet this condition. Such assets are normally amortized on a straight-line basis over a five-year period. All other development costs are recognized directly as an expense when incurred.

Other intangible assets consist of database and application software as well as manufacturing patents, which are recognized at historical cost less accumulated amortization and accumulated impairment losses, if any, and of customer contracts, patents, trademarks and licenses, which were acquired as part of a business combination and initially recognized at fair value at the date of acquisition. They are amortized on a straight-line basis over their estimated useful lives, which are mostly periods of between three and ten years. Other periods may be used where specific contractual conditions apply.

Additions to accumulated amortization and impairment losses are included in the depreciation and amortization line item of the income statement.

#### Management judgment and estimates

An impairment loss is recognized for the amount by which the carrying amount of an asset or a cash-generating unit (CGU) exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use.

For impairment of goodwill, the recoverable amounts of CGU are determined based on value-in-use calculations which require medium- and long-term estimates. The discounted cash flow model adopted is most sensitive to the following key assumptions, which are tested for sensitivity:

- Forecasts of free cash flows, which are based on the expected sales volumes of the CGU in years one to four and the long-term growth rate, for the terminal value beyond year four
- Pre-tax discount rate, which is based on external and internal data



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## Intangible assets

in CHF million

	2022			2023		
	Goodwill	Development costs	Other intangible assets	Goodwill	Development costs	Other intangible assets
<b>Cost</b>						
<b>Opening balance at January 1</b>	240	1,159	366	233	1,339	354
Change in scope of consolidation	-	-	-	241	-	119
Additions	-	200	22	-	211	16
Disposals	-	(20)	(28)	-	(185)	(1)
Currency translation adjustment	(7)	-	(6)	(34)	-	(14)
<b>Closing balance at December 31</b>	<b>233</b>	<b>1,339</b>	<b>354</b>	<b>440</b>	<b>1,365</b>	<b>474</b>
<b>Accumulated amortization</b>						
<b>Opening balance at January 1</b>	-	(350)	(180)	-	(474)	(188)
Change in scope of consolidation	-	-	-	-	-	(1)
Additions	-	(137)	(41)	-	(169)	(44)
Impairment losses	-	(7)	-	-	(1)	-
Disposals	-	20	28	-	185	-
Currency translation adjustment	-	-	5	-	-	6
<b>Closing balance at December 31</b>	<b>-</b>	<b>(474)</b>	<b>(168)</b>	<b>-</b>	<b>(459)</b>	<b>(207)</b>
<b>Net book values at December 31</b>	<b>233</b>	<b>865</b>	<b>186</b>	<b>440</b>	<b>906</b>	<b>267</b>

The goodwill arises for CHF 73 million (2022: CHF 83 million) from the acquisition of the Oglænd Group in 2017, for CHF 136 million (2022: CHF 150 million) from the acquisition of Fieldwire Inc. in 2021 and for CHF 231 million from the acquisition of the 4PS Group in the current year (detailed information is given in note 8.3). Based on the assessment made in the current year, no impairment losses have been recognized in the consolidated financial statements for the reporting period.

For impairment testing purposes, goodwill of Oglænd is solely allocated to the Group's offshore business as CGU. The goodwill recognized on Fieldwire and 4PS is accelerating the Group's capability to deliver productivity to customers through software solutions and strengthen its software portfolio and is allocated to the whole Hilti Group.

The projected cash flows for Oglænd largely depend on management's expectations concerning the development of the offshore market and the planned business focus by the Group on this area of operation. The projected cash flows for Fieldwire and 4PS are largely dependent on management's expectations concerning the whole Hilti Group.

For Oglænd, the pre-tax discount rate of 10.7% reflects the specific risks to the CGU offshore and is derived from its weighted cost of capital (WACC). For Fieldwire and 4PS acquisition, the Group WACC was applied to reflect the risk of the whole Group.

For all acquisitions, the long-term growth rate is based upon management's expectations corroborated by external information sources and does not exceed the

long-term average growth rate customarily used for the relevant countries and markets.

The future cash flows are estimated based on the business plan approved by management in general covering a four-year forecast period from 2024 to 2027 and a constant growth rate assumption of 2.0% (2022: 2.0%) for the terminal value beyond 2027.

The key assumptions were tested for sensitivity by applying a reasonably possible change. Reasonably possible changes in key assumptions would not result in an impairment of goodwill.



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## 5 Financing and capital

### 5.1 Financial assets

#### Accounting policies

For the purpose of identifying accounting policies applied, after initial recognition, financial assets are classified as subsequently measured:

- at amortized cost and
- at fair value through profit or loss (FVPL)

For all classes of financial assets, purchases and sales are recognized on the trade date (the date on which the Group commits to purchase or sell the asset). Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred.

Financial assets are included in the current assets if they are either held for trading or are expected to be realized within 12 months of the balance sheet date; otherwise, they are classified as non-current assets.

#### Financial assets measured at amortized cost

This category includes loans and trade and other receivables, held within a business model whose objective is to collect contractual cash flows, which are solely of payments, fixed or determinable, of principal and interest. They

arise when, in the ordinary course of business, the Group provides money, goods or services directly to a debtor with no intention of trading the receivable.

Financial assets measured at amortized costs are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the effective interest method. Detailed information concerning trade receivables is given in note 6.2.

#### Financial assets measured at fair value through profit or loss

Financial assets other than those classified as measured at amortized cost are initially recognized at fair value with applicable transaction costs immediately recognized in the income statement. Subsequently, they are measured at fair value with all changes in fair value recognized in the income statement.

The financial assets at fair value through profit and loss include investments in deposits and equities restricted to the funding of a deferred compensation plan for employees.

These financial assets are classified as held for trading, as acquired principally for the purpose

of selling in the short term or so designated by management. Other financial assets mandatorily measured at fair value through profit or loss mainly comprise other investments in equities. Derivatives are also categorized as held for trading unless they are designated as hedges.

#### Fair value estimation

Financial instruments measured at fair value are assigned to one of the following three hierarchy levels according to the input data available:

##### Level 1:

Fair values are determined using quoted prices in active markets.

##### Level 2:

Fair values are determined using quoted prices in inactive markets or according to the discounted cash flow method based on observable market data.

##### Level 3:

Fair values are determined by using external valuations or according to the discounted cash flow method based on unobservable data.



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Financial assets listed according to the measurement categories are as follows:

in CHF million

	Measurement categories	2022			2023			Fair value measurement hierarchy
		Current	Non-current	Total	Current	Non-current	Total	
<b>Trade and other receivables</b>	Amortized cost	1,371	921	2,292	1,408	1,105	2,513	
<b>Cash and cash equivalents</b>	Amortized cost	991	-	991	886	-	886	
<b>Other financial assets</b>								
Held for trading	FVPL	23	-	23	24	-	24 Level 1	
Other financial investments	FVPL	3	22	25	2	23	25 Level 2	
Short-term cash deposits	Amortized cost	50	-	50	-	-	-	
Derivative financial instruments								
Used for hedging	FVPL	4	-	4	3	5	8 Level 2	
Held for trading	FVPL	7	-	7	17	-	17 Level 2	
<b>Total other financial assets</b>		<b>87</b>	<b>22</b>	<b>109</b>	<b>46</b>	<b>28</b>	<b>74</b>	
<b>Total financial assets</b>		<b>2,449</b>	<b>943</b>	<b>3,392</b>	<b>2,340</b>	<b>1,133</b>	<b>3,473</b>	

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

The Group has nil (2022: CHF 50 million) short-term cash deposits with an original maturity of longer than three months but lower than 12 months.

There were no transfers between levels 1 and 2 during the current period or the prior period.



## 5.2 Financial liabilities

### Financial liabilities

#### Accounting policies

Financial liabilities comprise trade and other payables, bonds and borrowings, measured at amortized cost; derivative financial instruments, measured at FVPL; and lease liabilities.

Detailed information regarding trade and other payables, lease liabilities and derivative financial instruments is given in notes 6.4, 4.2 and 5.4, respectively.

Borrowings are recognized initially at fair value net of transaction costs incurred and subsequently measured at amortized cost, with any difference between the amount at initial recognition and the redemption value being recognized in the income statement over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Financial liabilities are derecognized when the contractual obligations are fulfilled, cancelled or expire.

#### Financial liabilities listed according to the measurement categories:

in CHF million

	Measurement categories		2022		2023		Fair value measurement hierarchy
	Amortized cost	Current	Non-current	Total	Current	Non-current	
<b>Trade and other payables</b>		661	27	688	630	22	652
<b>Other financial liabilities</b>							
Bonds <sup>1</sup>	Amortized cost	100	350	450	100	504	604
Bank borrowings	Amortized cost	211	37	248	113	83	196
Lease liabilities	n/a	121	317	438	121	343	464
Derivative financial instruments							
Used for hedging	FVPL	2	-	2	2	-	2
Held for trading	FVPL	2	-	2	3	-	3
<b>Total other financial liabilities</b>		436	704	1,140	339	930	1,269
<b>Total financial liabilities</b>		1,097	731	1,828	969	952	1,921

<sup>1</sup> In 2023, the non-current bond value includes fair value hedge adjustments of CHF 5 million related to hedge accounting

There were no transfers between levels 1 and 2 during the current period or the prior period.



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**Bonds**

financial amounts in CHF million		2022	2023
<b>Maturity</b>			
<1 year	100	100	100
1 to <2 years	100	150	150
2 to <3 years	150	100	100
3 to <4 years	-	100	100
4 to <5 years	100	-	-
≥5 years	-	154	154
<b>Total bonds</b>	<b>450</b>	<b>604</b>	<b>604</b>
<b>Further information</b>			
Fair values	431	601	601
Average effective interest rates (in %)	0.6	0.9	0.9

The bonds were issued by Hilti Corporation. Further details of the individual bonds are given in the Information on Financing and Capital section [\(see here\)](#).

The fair values of Swiss franc bonds totaling CHF 601 million (2022: CHF 431 million) are based on the quoted market prices and are within level 1 of the fair value hierarchy.

**Long-term bank borrowings**

in CHF million		2022	2023
<b>Maturity</b>			
1 to <2 years	21	38	
2 to <5 years	16	45	
≥5 years	-	-	
<b>Total long-term bank borrowings</b>	<b>37</b>	<b>83</b>	
<b>Currency</b>			
EUR	29	82	
RUB	5	1	
USD	3	-	
<b>Total long-term bank borrowings</b>	<b>37</b>	<b>83</b>	

In certain countries, in order to finance its fleet management business, the Group enters into dedicated refinancing structures, either based on sale-and-leaseback transactions of the underlying assets and therewith subsequently subleasing the tools to the customers, or by a sale of the according account receivables on a non-recourse basis to financial institutions or similar vehicles. As the transfers do not qualify as sales in accordance with IFRS 15 Revenues from contracts with customers, the Group recognizes the related financial liabilities equal to the transfer proceeds as bank borrowings. In 2023, CHF 1 million

(2022: CHF 5 million) of the total long-term bank borrowings are secured by the underlying assets subleased to customers in the same amount. In addition, CHF 82 million (2022: CHF 29 million) of the total long-term bank borrowings are secured by non-recourse sale of fleet management business-related account receivables in the same amount (see note 6.2).

**Short-term bank borrowings**

in CHF million		2022	2023
<b>Currency</b>			
EUR	27	46	
JPY	14	16	
USD	119	15	
MXN	4	10	
Other	47	26	
<b>Total short-term bank borrowings</b>	<b>211</b>	<b>113</b>	

In 2023, CHF 1 million (2022: CHF 2 million) of the total short-term bank borrowings are secured by the underlying assets subleased to customers in the same amount. In addition, CHF 46 million (2022: CHF 26 million) of the total short-term bank borrowings are secured by a non-recourse sale of fleet management business-related account receivables in the same amount (see note 6.2).



### 5.3 Net debt reconciliation

in CHF million

	January 1, 2023	Cash flow	Change in scope of consolidation	Non-cash changes			December 31, 2023
				Acquisition/disposal of leases	Exchange differences	Other non-cash changes	
Bonds	450	149	-	-	-	5	604
Long-term borrowings	37	54	1	-	(5)	(4)	83
Lease liabilities	438	(134)	6	193	(39)	-	464
Other long-term loans <sup>1</sup>	4	1	-	-	-	-	5
Short-term bank borrowings	211	(89)	-	-	(13)	4	113
<b>Total liabilities from financing activities</b>	<b>1,140</b>	<b>(19)</b>	<b>7</b>	<b>193</b>	<b>(57)</b>	<b>5</b>	<b>1,269</b>

<sup>1</sup> Included in trade and other payables (see note 6.4)

in CHF million

	January 1, 2022	Cash flow	Change in scope of consolidation	Non-cash changes			December 31, 2022
				Acquisition/disposal of leases	Exchange differences	Other non-cash changes	
Bonds	450	-	-	-	-	-	450
Long-term borrowings	41	-	-	-	(1)	(3)	37
Lease liabilities	448	(138)	-	143	(15)	-	438
Other long-term loans <sup>1</sup>	5	(1)	-	-	-	-	4
Short-term bank borrowings	141	71	-	-	(4)	3	211
<b>Total liabilities from financing activities</b>	<b>1,085</b>	<b>(68)</b>	<b>-</b>	<b>143</b>	<b>(20)</b>	<b>-</b>	<b>1,140</b>

<sup>1</sup> Included in trade and other payables (see note 6.4)



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## 5.4 Derivative financial instruments

### Accounting policies

Derivatives are only used for economic hedging purposes and not as speculative investments. Hedge effectiveness is determined and documented at the inception of the hedge relationship, through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and the hedging instrument. The Group also documents its risk management objective and strategy for undertaking its hedge transactions.

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognizing the resulting gain or loss depends on the nature of the item being hedged. The Group designates certain derivatives as one of:

- Fair value hedges – Hedges of the fair value of recognized assets or liabilities or a firm commitment
- Cash flow hedges – Hedges of highly probable forecast transactions

The Group enters into derivative contracts to hedge the foreign currency risks arising from forecast foreign currency sales and purchases transactions and foreign currency investment positions. The critical terms of the hedging instrument match exactly with the terms of the hedged item. The Group performs a qualitative assessment to identify any changes

in circumstances affecting the critical terms. The applicable derivative contracts are designated as cash flow, fair value and net investment hedges, respectively.

Moreover, the Group enters into interest rate swaps. The hedged item is identified proportionally to the outstanding loans up to the notional amount of the swaps. As based on an effectiveness assessment of all critical terms matched at any time, the economic relationship was 100% effective.

There was no ineffectiveness to be recognized in the income statement. All contracts have a maturity of less than 12 months. The fixed interest rate of the interest rate swaps is 1.9% (2022: 1.9%) and the floating rate is SARON.

Derivative contracts to hedge foreign currency risks and interest rate risks outstanding at the balance sheet date are as follows:

#### Contract face amounts

in CHF million

	2022			2023			Total	Other	Total
	CHF	USD	EUR	CHF	USD	EUR			
Foreign currency forward contracts	-	147	130	-	155	185	615	338	690
Outstanding interest rate swaps	60	-	-	150	-	-	60	-	150



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## Reconciliations for derivative financial instruments

	2022			2023		
	Foreign currency risks	Interest rate risks	Total	Foreign currency risks	Interest rate risks	Total
Current assets	11	-	11	20	-	20
Non-current assets	-	-	-	-	5	5
Current liabilities	(4)	-	(4)	(6)	-	(6)
Non-current liabilities	-	-	-	-	-	-
<b>Total net book value derivative financial instruments at December 31</b>	<b>7</b>	<b>-</b>	<b>7</b>	<b>15</b>	<b>5</b>	<b>20</b>

in CHF million

The cash flow hedging reserve in equity, net of tax, amounts to CHF 1 million (2022: CHF 2 million).

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings of at least "A" according to Standard & Poor's.

## 5.5 Financial result

### Finance costs

Finance costs are reported at the gross interest expense amount. Interest expense includes interest on lease liabilities; see note 4.2.

### Other income and expenses (net)

in CHF million

	2022	2023
Interest and dividend income	4	11
Gains/(losses) arising from valuation changes on financial assets and fair value hedging instruments	-	(1)
Gains/(losses) on foreign currency hedging instruments	10	31
Gains/(losses) on foreign currencies	(24)	(71)
Net interest income/(expense) on defined benefit plans	(2)	(2)
<b>Total other income and expenses (net)</b>	<b>(12)</b>	<b>(32)</b>



## 5.6 Equity

### Accounting policies

Dividend distributions to the Hilti Corporation's shareholder are recognized as liabilities in the Group's financial statements in the periods in which the dividends are approved by the Corporation's shareholder.

The share capital consists of 253,440 registered and fully paid shares with a par value of CHF 500 each. 100% of the registered shares of the Hilti Corporation are owned by the Martin Hilti Family Trust. As at December 31, 2023, Hilti has no authorized capital to issue.

The capital reserve contains the share premium from capital increases and capital accruing from mergers in previous years.

A dividend in respect of the year ended December 31, 2023 of CHF 279 million (financial year 2022: CHF 281 million) is to be proposed at the Annual General Meeting.

## 6 Net working capital

Net working capital is the capital invested in the Group's operating activities. Net working capital equals current assets and current liabilities – excluding current other financial and non-financial assets and liabilities and employee benefits. For completeness, non-current trade receivables and non-current trade and other payables are also reported in this section.

### 6.1 Inventories

#### Accounting policies

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the standard cost method with variances capitalized at acquisition and production and recognized in the income statement together with the standard cost of inventory at time of sale. Standard costs are annually reviewed and updated in light of current conditions. Cost determined under this method approximates cost determined under the FIFO method.

#### Management judgment and estimates

Write-downs of inventories are recognized for particular items when net realizable value falls below cost. The determination of net realizable value is made using a valuation process based on the ageing of items, with ageing parameters set based on estimates of historical loss experience. This process assumes a linear realizable value reduction based on age.

### Inventories

in CHF million

	2022	2023
Raw materials	113	93
Work in progress	10	10
Finished goods	836	675
<b>Total inventories</b>	<b>959</b>	<b>778</b>

The change in inventories includes a currency translation adjustment which decreases the inventories by CHF 49 million in 2023. This is due to the change in closing rates in 2023 compared to those in 2022.

The allowance made for possible inventory losses due to age and obsolescence totals CHF 79 million (2022: CHF 85 million). The change in the allowance recognized in the income statement is CHF 0 million (2022: CHF -22 million) and is included in the line change in inventory under the material costs (see note 2.3).

## 6.2 Trade receivables

### Accounting policies

Trade receivables that do not have a significant financing component are initially recognized at their transaction price and subsequently measured at amortized cost, which equals their transaction value less expected credit losses (ECL).

The Group manufactures goods which are sold or leased to the customers. The Group classifies its leases as operating lease or finance lease and accounts for these two types of leases differently. Finance lease transfers substantially all the risks and rewards incidental to ownership to the lessee. For such a lease, a receivable is recognized at the amount of net investment in the lease, while the selling profit, recognized in the income statement, as part of the Hilti's integrated business model, is substantially in line with the selling profit of the goods sold outright (detailed information related to revenue from finance lease is given in note 2.1).

ECLs are recognized for financial assets measured at amortized cost and finance lease receivables. A credit loss is the present value of the difference between the contractual cash flows and the cash flows that the entity expects to receive.

For trade receivables that do not contain a significant financing component, the Group elected to adopt the simplified approach, which

allows entities to use a provision matrix to recognize lifetime ECL. The provision matrix is based on historical loss patterns, reflecting the customers' payment behavior in the different countries, adjusted for forward-looking estimates.

The amount of the loss allowances is calculated based on ageing applied to the following categories: normal or doubtful. A write-off is made when all or part of the financial asset is deemed uncollectible or forgiven.

For finance lease receivables, the Group elected to calculate the 12-month expected credit loss model based on the historical default rates.

### Management judgment and estimates

Losses on trade receivables are recognized when they are expected, which requires management's best estimate of probable losses. Such estimates require consideration of historical loss experience, adjusted for current conditions, and judgments about the probable effects of relevant observable data, including the financial health of specific customers and market sectors or collateral values.

in CHF million		2022	2023
Trade receivables		2,281	2,475
Less adjustment for impairment of trade receivables		(138)	(139)
<b>Trade receivables net</b>		<b>2,143</b>	<b>2,336</b>
Other receivables		149	177
<b>Total trade and other receivables</b>		<b>2,292</b>	<b>2,513</b>
Thereof current portion		1,371	1,408
Thereof non-current portion		921	1,105
<b>Maturity of non-current portion</b>			
1 to <2 years		457	498
2 to <3 years		230	365
3 to <4 years		145	192
4 to <5 years		25	41
≥ 5 years		4	9
<b>Total non-current trade and other receivables</b>		<b>921</b>	<b>1,105</b>



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The closing loss allowances for trade receivables and finance lease receivables as at December 31 reconcile to the opening loss allowances as follows:

	2022	2023
Opening balance of adjustment for the impairment of trade receivables at January 1	143	138
Additional impairment adjustment charged to income statement during year	31	33
Write-offs of trade receivables charged to impairment adjustment account during year	(36)	(32)
Closing balance of adjustment for the impairment of trade receivables at December 31	138	139

The change in trade and other receivables includes a currency translation adjustment which decreases the trade and other receivables by CHF 180 million in 2023 (2022: decreases by CHF 95 million), due to the change in closing rates in 2023 compared to those in 2022.

The net change in the adjustment for the impairment of trade receivables is recognized in the income statement in the line losses on trade and other receivables.

Other receivables primarily consist of VAT, income tax receivables and tax refunds totaling CHF 85 million (2022: CHF 75 million) and deposits totaling CHF 43 million (2022: CHF 35 million).

Receivables totaling CHF 128 million (2022: CHF 55 million) serve as security for bank borrowings. There are no other financial assets pledged as collateral for recognized liabilities or for contingent liabilities.

Details of the finance lease receivables included in trade receivables are as follows:

	2022		2023	
	Gross investment in the lease	Unearned finance income	Gross investment in the lease	Unearned finance income
<1 year	691	124	733	148
1 to <5 years	988	113	1,205	146
>5 years	-	-	3	-
<b>Total at December 31</b>	<b>1,679</b>	<b>237</b>	<b>1,941</b>	<b>294</b>
Accumulated allowance for uncollectible finance lease receivables		(33)		(32)

in CHF million



### 6.3 Cash and cash equivalents

#### Accounting policies

Cash includes cash on hand and at banks, while cash equivalents include short-term deposits with original maturities of three months or less.

Cash and cash equivalents are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Cash totals CHF 521 million (2022: CHF 523 million); cash equivalent totals CHF 365 million (2022: CHF 468 million).

The movement in cash and cash equivalents is shown in detail in the cash flow statement and the following cash flow bridge.

	2022	2023
Cash flow from operating activities	429	934
Capital expenditures on disposal of intangible assets and property, plant and equipment	(438)	(441)
Payment of lease liabilities	(138)	(134)
<b>Free cash flow</b>	<b>(147)</b>	<b>359</b>
Acquisition and disposal of subsidiaries	–	(300)
Cash flow from financial investments	159	44
Cash flow from financing activities <sup>1</sup>	(267)	(165)
Effects of exchange rate changes on cash and cash equivalents	(18)	(43)
<b>Total increase/(decrease) in cash and cash equivalents</b>	<b>(273)</b>	<b>(105)</b>

<sup>1</sup>Excluding payment of lease liabilities

The Group has legal or economic restrictions on CHF 2 million (2022: CHF 2 million).

### 6.4 Trade and other payables

#### Accounting policies

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Other payables include income tax payables.

The change in trade and other payables includes a currency translation adjustment which decreases trade and other payables by CHF 31 million in 2023. This is due to the change in closing rates in 2023 compared to those in 2022.

	2022	2023
Trade payables	338	310
Other payables	350	342
<b>Total trade and other payables</b>	<b>688</b>	<b>652</b>
Thereof current portion	661	630
Thereof non-current portion	27	22
<b>Maturity of non-current portion</b>		
1 to <2 years	12	9
2 to <5 years	12	8
>5 years	3	5
<b>Total non-current trade and other payables</b>	<b>27</b>	<b>22</b>

in CHF million

Other payables primarily consist of income tax payables totaling CHF 96 million (2022: CHF 118 million), liabilities for source-deducted taxes and VAT totaling CHF 109 million (2022: CHF 90 million), liabilities for social contributions totaling CHF 30 million (2022: CHF 39 million) and customers with credit balances totaling CHF 55 million (2022: CHF 51 million).

### 6.5 Accrued income and prepaid expenses

Accrued income and prepaid expenses mainly comprise prepayments for property, plant and equipment and prepaid operating expenditure to be recorded as expenses in the next accounting period.

### 6.6 Accrued expenses

Accrued expenses include estimates and are short-term accrued liabilities.



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## 7 Other assets and liabilities

### 7.1 Other assets

Other assets comprise investment property totaling CHF 2 million (2022: CHF 2 million) and investments in associates and joint ventures totaling CHF 3 million (2022: CHF 3 million). The Group has not acquired new material ownership interests in associates or new joint ventures during the reporting period.

### 7.2 Other liabilities

#### Accounting policies

Other liabilities comprise provisions and contract liabilities.

The Group records provisions when it is probable that a liability has been incurred as a result of past events and the amount can be reliably estimated. These provisions are adjusted periodically as assessments change or additional information becomes available.

In the ordinary course of business, the Group is or may be involved in lawsuits, claims, investigations and proceedings, including product liability, commercial, environmental, health and safety matters, etc. The Group is currently not aware of any such matter that, either individually or in the aggregate, could likely have a material adverse effect on the company's future financial position or results of operations.

When conditions required to recognize a provision are not met, a contingent liability is disclosed, unless the likelihood of an outflow of resources is remote. Contingent liabilities also include guarantees to third parties.

Accounting policies regarding contract liabilities are disclosed under the operating income section (see note 2.1).

#### Provisions

	2022		2023	
	in CHF million			
<b>Opening balance at January 1</b>	<b>23</b>	<b>23</b>	<b>25</b>	<b>25</b>
Additions	12	39		
Amounts used	(7)	(8)		
Unused reversals	(3)	(2)		
Change in scope of consolidation	-	1		
Currency translation adjustment	-	(2)		
<b>Closing balance at December 31</b>	<b>25</b>	<b>53</b>	<b>53</b>	<b>27</b>
Thereof current portion	12	27		
Thereof non-current portion	13	26		

Provisions are, among others, built up for obligations regarding legal claims, product liability, assurance warranty, future dismantling of buildings, restructuring and job accidents, which are individually immaterial.

Additions are mainly related to contingent considerations for the 4PS Group acquisition; detailed information is given in note 8.3.

#### Contract liabilities

The revenue recognized that was included in the contract liabilities balance at the beginning of the reporting period totals CHF 71 million (2022: CHF 123 million).

The Group has recognized the following revenue-related contract liabilities from contracts with customers:

	2022		2023	
	in CHF million			
<b>Opening balance at January 1</b>	<b>201</b>	<b>82</b>	<b>82</b>	<b>8</b>
Change in scope of consolidation	-	8		
Additions	129	87		
Amount released	(125)	(89)		
Change in accounting estimate <sup>1</sup>	(115)	-		
Currency translation adjustment	(8)	(6)		
<b>Closing balance at December 31</b>	<b>82</b>	<b>82</b>	<b>82</b>	<b>59</b>
Thereof current portion	56	59		
Thereof non-current portion	26	23		

<sup>1</sup> See note 1.4

#### Contingent liabilities

	2022		2023	
	in CHF million			
Guarantees	8	6		
Other contingent liabilities	4	3		
<b>Total contingent liabilities</b>	<b>12</b>	<b>9</b>	<b>12</b>	<b>9</b>



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## 8 Other disclosures

### 8.1 Financial risk management

#### Accounting policies

##### Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risks), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by a central treasury department (Corporate Treasury) under policies approved by the Board of Directors. Corporate Treasury identifies, evaluates and hedges certain financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as the use of derivative and non-derivative financial instruments, managing market risk, credit risk and investing excess liquidity.

##### Currency risk

The Group operates globally and is exposed to risk arising from various currency exposures. Currency risk arises from future commercial transactions, recognized assets and liabilities, and net investments in foreign operations.

Currency risk arising from future operating transactions (sales and purchases of goods and services) and recognized assets and liabilities is managed by Corporate Treasury using hedging instruments, primarily forward contracts.

Corporate Treasury's general risk management practice is to hedge between 50% and 100% of the Group's anticipated net cash inflows or outflows in each major foreign currency for the subsequent 12 months. For hedge accounting purposes, forward contracts are designated against the relevant amounts of projected intercompany sales by the parent company, and 100% (2022: 100%) of projected sales qualify as 'highly probable' forecast transactions.

Currency risks arising from net investments in foreign operations are only hedged in exceptional cases.

Currency exposures arising from open balances with third parties and/or Group companies in trade and other receivables, trade and other payables, and bonds are reduced through the natural hedging (currency matching) of these items, as well as managed using hedging instruments. Currency exposures arising from cash and cash equivalents are reduced by limiting non-Swiss franc-denominated investments to the main currencies of the operative business of the Group and by limiting the proportions of investments in these currencies.

#### Currency risk sensitivity

At December 31, if the Swiss franc had strengthened/weakened by 10% against the US dollar, euro and all other currencies with all other variables held constant, net income for the year would have been affected as follows:

in CHF million

	Swiss franc strengthened (+10%)		Swiss franc weakened (-10%)	
	2022	2023	2022	2023
USD	(3)	(3)	3	3
EUR	(6)	4	8	(4)
All other currencies	(7)	(3)	7	3

These effects result from the translation of monetary asset and liability positions held in foreign currencies and from derivative contracts to hedge these foreign currency risks and do not include any effects of foreign currency transactions during the year.



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At December 31, if the Swiss franc had strengthened/weakened by 10% against the US dollar, euro and all other currencies with all other variables held constant, OCI would have been affected as follows:

	Swiss franc strengthened (+10%)		Swiss franc weakened (-10%)	
	2022	2023	2022	2023
USD	4	2	(4)	(2)
EUR	-	-	-	-
All other currencies	4	7	(4)	(7)

in CHF million

These effects result from changes in the values (due to the respective Swiss franc movements) of Swiss franc derivative contracts held to hedge foreign currency risk.

#### Interest rate risk

The Group has investments in interest-bearing assets, mainly deposits and long-term borrowings. Interest-bearing assets and borrowings subject to variable rates or held for trading expose the Group to cash flow interest rate risk. Interest-bearing assets and borrowings subject to fixed rates and not held for trading expose the Group to fair value interest rate risk.

Virtually all the Group's interest-bearing assets are subject to variable rates or are reported at fair value through profit or loss because they are held for trading. All the Group's bond liabilities are reported at amortized cost. The interest-bearing assets are denominated primarily in Swiss franc and euro investments and the bond liabilities are effectively denominated in a combination of Swiss francs and euros. Interest rate

risk arising from long-term financing (banking and capital market) liabilities is managed by Corporate Treasury by using hedging instruments, primarily interest rate swaps. Corporate Treasury's general risk management practice is to hedge the Group's relevant interest exposure.

#### Interest rate sensitivity

Based on December 31 levels of borrowings subject to variable rates, lease liabilities and interest-bearing assets subject to variable rates or held for trading, an increase/decrease of one hundred basis points would have affected net income as follows:

	Increase of hundred basis points		Decrease of hundred basis points	
	2022	2023	2022	2023
All currencies	3	2	(3)	(2)

in CHF million

Separate simulations of the impact of interest rate changes on each of the Swiss franc, euro and US dollar investment holdings have not been completed since an increase/decrease of one hundred basis points is not considered reasonably possible for each of the three currencies.

#### Credit risk

Credit risk is managed on a Group basis. Virtually all credit risk arises from cash and cash equivalents (which primarily consist of demand deposits with first-class financial institutions) and from trade receivables (which represent credit exposures to customers).

The Group has significant concentrations of credit risk arising from its investments in cash and cash equivalents. These concentrations relate to demand deposits with banking institutions. For all major counterparty banking institutions, a minimum credit rating of "A" is required. The Group regularly reviews the counterparties' creditworthiness based on the ratings issued by Standard & Poor's. Management does not expect any losses from non-performance by these counterparties.

For trade receivables, the Group has policies in place to ensure that credit sales of products are made to customers with appropriate credit histories. In addition, an active credit management focus is maintained in all the Group's market organizations to ensure that the impact of credit risk is minimized. Details of the impairment estimates of trade receivables are given in note 6.2. The Group has no significant concentrations of corresponding credit risk with trade receivables.

#### Liquidity risk

Cash flow forecasting is performed in the operating companies of the Group and aggregated by Corporate Treasury. Corporate Treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs, while maintaining sufficient headroom on its undrawn established borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable, external regulatory or legal requirements - for example, currency restrictions.



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Surplus cash held by the operating companies over and above the balance required for working capital management is transferred to Corporate Treasury. Corporate Treasury deposits surplus cash in current accounts and time deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned forecasts. In line with the Group's refinancing strategy, a five-year syndicated stand-by facility of CHF 600 million with the Group's core banks was established in December 2021. In 2022, the Group made use of its right to extend the credit facility by one year. In 2023, Hilti strategically leveraged the rendezvous clause embedded in the Revolving Credit Facility (RCF). This initiative transformed the facility into a sustainability-linked loan, incorporating the key performance indicators (KPIs) of Scope 1 and 2 CO<sub>2</sub> emissions, along with the Lost-Time-Incident for occupational health and safety. The inclusion of Scope 3 CO<sub>2</sub> emissions as a third KPIs will follow in 2025. Additionally, Hilti opted to extend the RCF for a second time, stretching its maturity date to December 2028. At the reporting date, the Group has cash and cash equivalents of CHF 886 million (2022: CHF 991 million).

The following table analyzes the Group's non-derivative financial liabilities into relevant maturity groupings, based on the periods from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows, including future interest payments:

in CHF million

	2022			2023			
	< 1 year	1 to < 2 years	2 to < 5 years	< 1 year	1 to < 2 years	2 to < 5 years	≥ 5 years
Bonds and borrowings	314	122	267	218	194	256	164
Lease liabilities	130	101	149	133	105	160	112
Trade and other payables	661	12	12	630	9	8	5

Most of the non-trading Group's gross or net settled derivative financial instruments are in hedge relationships and are due to be settled gross or net within 12 months of the balance sheet date. These contracts require undiscounted contractual cash inflows of CHF 1028 million (2022: CHF 641 million) and undiscounted contractual cash outflows of CHF 1019 million (2022: CHF 638 million). All of the non-trading Group's derivative financial instruments are in hedge relationships and are disclosed in note 5.4.

#### Capital structure risk management

The Group's primary objective when managing capital is to add sustainable value for investors while ensuring the independence of the Group. In order to maintain or adjust the capital structure, the Group maintains a flexible dividend policy within the limits of its overall finance policies.

The Group monitors capital on the basis of the equity ratio measured as equity in percentage of total equity and liabilities. The Group views a high equity ratio as the basis for ensuring security, capability of taking risk, independence, flexibility and creditworthiness.

The Group's objective is to maintain a sufficiently high equity ratio, primarily to ensure independence from the influence of external creditors, as well as to maintain a high external credit rating to help minimize the cost of debt if and when further debt is issued.

The Group's policy is to maintain a minimum equity ratio of 45% on a mid-term basis. The following table shows equity ratio information at the balance sheet date:

financial amounts in CHF million

	2022	2023
Total equity	4,579	4,576
Total equity and liabilities	7,426	7,704
<b>Total equity in % of total equity and liabilities</b>	<b>62</b>	<b>59</b>

Based on the Group's credit profile and outlook as assessed by UBS Switzerland AG during 2023 on the basis of the Group's 2022 Financial Report, a credit rating of "A+, stable" was assigned (2022: "A+, stable").

## 8.2 Income taxes

### Accounting policies

The tax expenses for the period comprise current and deferred income taxes. Income taxes are recognized in the income statement, except to the extent that they relate to items recognized in OCI; in this case, the tax is also recognized in OCI.

#### Current income taxes

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities. If late payment interests and/or penalties or fines are due in connection with additional direct taxes that are payable as the result of a tax audit, a voluntary disclosure, the amendment of a tax return or the like, such payments are considered as income taxes.

#### Deferred income taxes

Deferred income taxes are provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the

consolidated financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates that have been legally or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled, and reflects uncertainty related to income taxes, if any. Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and joint arrangements, except where the timing of the reversal of a temporary difference is controlled by the Group and it is probable that the temporary difference will not be reversed in the foreseeable future.

#### Global and local tax reform initiatives

Substantial progress has been made on the introduction of a global minimum tax regime (IF) on Base Erosion and Profit Shifting (BEPS) developed by the Organisation for Economic Co-operation and Development (OECD) (known as "BEPS 2.0 Pillar Two"). Pillar Two legislation

has been enacted, or substantively enacted, in certain jurisdictions in which the Group operates. The legislation in those jurisdictions will be effective for the Group's financial year beginning January 1, 2024. The Group is in scope of the enacted or substantively enacted legislation and has performed an assessment of the Group's potential exposure to Pillar Two income taxes based on the most recent information available regarding the financial performance of the constituent entities in the Group. Based on the assessment, the Group has identified potential exposure to Pillar Two income taxes in respect of profits earned in Liechtenstein, where the expected Pillar Two effective tax rate may be below 15%, mainly due to the lower statutory corporate income tax rate. An exposure, although in comparatively limited amounts, may also exist in other jurisdictions, again mainly due to lower local statutory tax rates, but detailed assessment is still in progress and/or dependent on local implementation of the Pillar Two rules. Due to this dependency on local implementation and because previous assessments could only be based on prior years, for which some critical facts and circumstances may not be sufficiently comparable and for which not all Pillar Two-relevant data points were available, quantitative information to indicate potential exposure to Pillar Two income taxes is currently not known or reasonably estimable. The Group continues to closely monitor further developments regarding



Pillar Two and the local implementation and is further refining its assessment, wherever needed. The Group also continues to closely follow the developments in connection with Pillar One on new nexus and profit allocation rules, where the final rule set and political consensus is, however, still pending.

### Management judgment and estimates

The measurement of current and deferred income tax liabilities or assets is dependent on the judgment and interpretation of existing tax laws and regulations in the respective countries and therefore requires certain estimates. Generally, deferred tax assets and liabilities are determined based on temporary differences between the financial accounts and the tax balance and are measured relying on enacted tax rates and, if applicable, on tax rates that are anticipated to be in effect when differences are estimated to reverse, if substantively enacted. Unforeseen changes in these areas may affect the current

and deferred tax asset and liability estimates. Additionally, in tax disputes, the judgments taken by management could be challenged by tax authorities, potentially resulting in the payment of additional taxes, interest and/or penalties. Consequently, deviations between the initial assumptions and the final determination of income taxes may lead to material changes to current or deferred income tax expenses for the period in which such income tax becomes definite. Furthermore, the recognition of deferred tax assets on tax loss carryforwards depends on the probability of future taxable profits of Group companies. Several internal and external factors, such as forecasts, interpretations of existing tax laws and regulations, are used in the estimation of such future profits. Tax positions are regularly and proactively clarified with external tax experts to reduce tax contingencies. If such tax positions are still considered uncertain, they are assessed and treated based on the International Financial Reporting Interpretations Committee's interpretation on "Uncertainty over Income Tax Treatments" (IFRIC 23).

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated companies as follows:

financial amounts in CHF million		2022	2023
<b>Net income before income tax</b>		688	700
Tax calculated at domestic tax rates applicable to profits in the respective countries		(95)	(130)
Income not subject to tax		8	9
Expenses not deductible for tax purposes		(9)	(11)
Utilization of previously unrecognized tax losses		1	5
Tax losses for which no deferred tax asset has been recognized		(3)	(1)
Tax attributable to prior years		(4)	(9)
Other effects		(1)	(3)
<b>Income tax expenses</b>		<b>(103)</b>	<b>(140)</b>
Thereof current tax		(127)	(108)
Thereof deferred tax		24	(32)
Weighted average applicable tax rate (%)		14.2	18.6

The line "Other effects" includes the effects of changes in tax rates and expenses or incomes subject to different tax rates.



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The tax effects on other comprehensive income are as follows:

	2022		2023	
	Pre-tax amount	Tax	After-tax amount	Pre-tax amount
Remeasurement of defined benefit plans	184	(32)	152	(81)
Cash flow hedges	(6)	1	(4)	(1)
Currency translation of foreign operations	(92)	1	(91)	(204)
<b>Other comprehensive income</b>	<b>87</b>	<b>(30)</b>	<b>57</b>	<b>(296)</b>
				<b>14</b>
				<b>(282)</b>

in CHF million

#### Deferred income tax assets and liabilities

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The net book values are shown in the table on the right:

	2022	2023
in CHF million		
<b>Recovery of deferred tax balances</b>		
More than 1 year	(179)	(207)
Less than 1 year	166	137
<b>Total</b>	<b>(13)</b>	<b>(70)</b>
<b>Components of deferred tax balances</b>		
Inventories	108	81
Fixed and intangible assets	35	21
Provisions and employee benefits	21	28
Receivables	(236)	(263)
Tax losses	8	15
Trade payables and contract liabilities	11	11
Other	40	37
<b>Total</b>	<b>(13)</b>	<b>(70)</b>
of which recognized as deferred tax assets	185	175
of which recognized as deferred tax liabilities	(198)	(245)



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The movements in net deferred tax assets/(liabilities) during the reporting period and prior period are as follows:

	Inventories	Fixed and intangible assets	Provisions and employee benefits	Receivables	Tax losses	Trade payables and contract liabilities	Other	Total
<b>Opening balance at January 1, 2023</b>	108	35	21	(236)	8	11	40	(13)
Changes in scope of consolidation	-	(31)	-	-	1	-	-	(30)
(Charged)/credited to income statement	(19)	27	(2)	(44)	8	1	1	(28)
(Charged)/credited to OCI	-	-	11	-	-	-	-	11
Currency translation adjustment	(6)	(10)	(2)	17	(2)	(1)	(4)	(10)
<b>Closing balance at December 31, 2023</b>	81	21	28	(263)	15	11	37	(70)
<b>Opening balance at January 1, 2022</b>	72	30	52	(242)	8	39	38	(3)
(Charged)/credited to income statement	40	10	2	(4)	-	(27)	3	24
(Charged)/credited to OCI	-	-	(32)	-	-	-	-	(32)
Currency translation adjustment	(4)	(5)	(1)	10	-	(1)	(1)	(2)
<b>Closing balance at December 31, 2022</b>	108	35	21	(236)	8	11	40	(13)

in CHF million

Deferred income tax assets are recognized for tax loss carryforwards to the extent that the realization of the related tax benefit through future taxable profits is probable. Details are shown in the table on the right:

Deferred income tax liabilities have not been recognized for withholding tax and other taxes that would be payable on the unremitted earnings of certain subsidiaries totaling CHF 455 million (2022: CHF 399 million). Such amounts are permanently reinvested.

in CHF million

	2022	2023
Tax loss carryforwards recognized in deferred tax	42	70
Unused tax loss carryforwards	32	12
<b>Total tax loss carryforwards</b>	74	82
<b>Expiration of unused tax loss carryforwards:</b>		
Expiration < 1 year	9	-
Expiration 1 year to < 5 years	1	1
Expiration ≥ 5 years or no expiration date	22	11
Tax effect of unused tax loss carryforwards	9	4
Unremitted earnings subject to withholding tax or other taxes	399	455



### 8.3 Business combinations

#### Accounting policies

The Group applies the acquisition method to account for business combinations. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the recognized amounts of the acquiree's identifiable net assets. Acquisition costs are expensed as incurred.

The positive difference between the acquisition costs and the fair value of the net assets acquired is recognized as goodwill.

When the Group obtains control of an associate in a step acquisition, the previously held interests are measured at fair value at the acquisition date. Any gain or loss resulting from the remeasurement is recognized in other income. Items previously recognized in OCI are reclassified to the income statement.

On October 2, 2023, the Hilti Group acquired 100% of the share capital of 4PS Group, with a headcount of more than 350 team members, which is specialized in providing business management (vertical ERP) solutions for the construction industry.

Founded in 2000 in the Netherlands, 4PS is a leading player in its domestic market and has expanded its presence to the UK, Belgium and Germany. On top of ERP functionalities such as accounting, purchasing, sales and marketing, the 4PS Construct software offers construction-specific functionalities that enable companies to manage the entire construction project life cycle. The acquisition will further strengthen our software offering beyond asset management and jobsite management.

In the current reporting year, the acquired business contributed revenues of CHF 15 million and a net loss of CHF 1 million to the Group, while losses included in OCI totaled CHF 14 million. If the acquisition had occurred on January 1, 2023, the Group's revenue would have increased by a further CHF 38 million, while net profit would have decreased by 3 million.

Details of net assets acquired are as follows:

	2023
in CHF million	
<b>Purchase consideration</b>	297
Cash paid	297
Deferred payment of purchase price to sellers	1
Contingent considerations	28
<b>Total purchase consideration</b>	<b>326</b>

Acquisition-related costs, included in other operating expenses in the consolidated income statement for the year ended December 31, 2023, were CHF 6 million.

Contingent considerations are recognized for the future transfer of additional considerations in cash to the former owners, subject to the achievement of certain financial targets in the reporting periods 2024 and 2025. The estimated outcome of CHF 28 million is the discounted amount based on the probability of the expected payments, which range from CHF nil to CHF 60 million.

The assets and liabilities recognized as a result of the acquisition are as follows:

	2023
in CHF million	
<b>Fair value</b>	<b>2023</b>
Intangible assets	118
Other operating assets and right of use assets	8
Trade and other receivables	12
Cash and cash equivalents	6
Deferred tax assets	1
Deferred tax liabilities	(31)
Other financial liabilities	(8)
Contract liabilities	(8)
Accrued liabilities	(8)
Trade and other payables	(5)
<b>Fair value of net assets</b>	<b>85</b>
<b>Goodwill</b>	<b>241</b>
<b>Total purchase consideration</b>	<b>326</b>
Purchase consideration settled in cash	(297)
Cash and cash equivalents in subsidiary acquired	6
<b>Cash outflow on acquisition</b>	<b>(291)</b>



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The goodwill is attributable to the assembled workforce, the commercial synergies and economic benefits arising from the software portfolio. It will not be deductible for tax purposes. The fair value of acquired trade and other receivables is CHF 12 million, which corresponds to the gross contractual amount, expected to be fully collectible in line with the contractual timeline.

Additionally on May 31, 2023, Hilti increased to 100% its interest in Hillos GmbH, acquiring the remaining 50% of its share capital. Hillos GmbH, based in Jena, Germany, was a joint operation, founded as a development and manufacturing partnership for laser measuring devices and positioning equipment between Jenoptik AG and Hilti. In the future, Hillos will serve as a competence center for highly complex measuring tools. This transaction had no material impact on the Group's financial statements.

During the prior reporting period, the Group was not involved in any business combinations.

#### Transactions with non-controlling interests

During the current and prior reporting period, there were no transactions with non-controlling interests.

#### 8.4 Related parties

Details of compensation of key management personnel are as follows:

##### Key management personnel compensation

financial amounts in CHF million

	2022		2023	
	Number of members	Remuneration	Number of members	Remuneration
Board of Directors	8	3	8	3
Corporate Management (Executive Board and Executive Management Team)	31	30	32	40
<b>Total</b>	<b>39</b>	<b>33</b>	<b>40</b>	<b>43</b>
Salaries and other short-term employee benefits		26		26
Post-employment benefits		4		3
Other employee benefits, mainly related to long-term incentive		3		14
<b>Total employee benefits to key management</b>		<b>33</b>		<b>43</b>

Employee benefits to key management include both fixed and variable components. The variable components are performance-linked and include a long-term incentive which is payable only if certain predetermined specific financial targets linked to the sustainable development and growth of the Group's business are achieved. The 2023 portion of the estimated ultimate amount payable has been recognized as an obligation at December 31, 2023, under the heading of other employee benefits (see note 3.2).

Loans amounting to CHF 2 million (2022: CHF 2 million) have been granted to members of the Corporate Management at market interest rates.

#### Other transactions and balances with the shareholder

The Hilti Corporation rendered accounting, administration, rental and other support services to the Martin Hilti Family Trust. The amount invoiced was CHF 2 million (2022: CHF 1 million). These services were charged at cost. Additionally, the Hilti Corporation has a current liability to the Martin Hilti Family Trust of CHF 1 million.



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## 8.5 Other information

### Events after the reporting period

There were no significant transactions after the reporting period.

### Group companies and joint arrangements

Country	Company name and location	Activity
<b>Parent company</b>		
Liechtenstein	Hilti Corporation, Feldkircherstrasse 100, P.O. Box 333, 9494 Schaan, Tel. +423 234 2111, <a href="http://www.hilti.group">www.hilti.group</a>	S = sales R = research D = development P = production Se = services H = holding
<b>100% owned consolidated Group companies (subsidiaries – including production plants and market organizations)</b>		
Albania	Hilti Albania sh.p.k., Tirana	S
Algeria	Hilti Construction Equipments EURL, Alger	S
Argentina	Hilti Argentina S.R.L., Buenos Aires	S
Australia	Hilti (Aust.) Pty. Ltd., Rhodes New South Wales	S
Austria	Hilti Austria Gesellschaft m.b.H., Vienna	S
	Hilti Holding GmbH, Vienna	H
	Hilti Aktiengesellschaft Zweigniederlassung Thüringen, Thüringen	P
	Hilti Austria Industrie GmbH, Lanzenkirchen	P, D
Belarus	Hilti BY LLC, Minsk	S
Belgium	Hilti Belgium N.V., Brussels 4PS Belgium NV, Gent	S
Bosnia-Herzegovina	Hilti Systems BH d.o.o. Sarajevo, Sarajevo	S
Brazil	Hilti do Brasil Comercial Ltda., São Paulo	S
Bulgaria	Hilti (Bulgaria) EOOD, Sofia	S
Canada	Hilti (Canada) Corporation, Oakville	S
Chile	Hilti Chile Limitada, Santiago de Chile	S



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### Group companies and joint arrangements

Country	Company name and location	Activity
China	Hilti (China) Ltd., Zhanjiang	S = sales
	Hilti (China) Distribution Ltd., Shanghai	R = research
	Hilti (PEC Suzhou) Ltd., Suzhou	D = development
	Hilti (Shanghai) Ltd., Shanghai	P = production
	Ogleand Industries (Changzhou) Co., Ltd., Changzhou	Se = services
Colombia	Hilti Colombia S A S, Bogota D.C.	H = holding
Croatia	Hilti Croatia d.o.o., Sesvete	P, D
Czech Republic	Hilti ČR spol. s r.o., Prdhonice	S
Denmark	Hilti Danmark A/S, Hvidovre	S
	Øgleand System A/S, Haderslev	S, Se
Egypt	Hilti Egypt for distribution LLC, Cairo	S
Estonia	Hilti Eesti OÜ, Tallinn	S
Finland	Hilti (Suomi) OY, Vantaa	S
France	Hilti France SAS, Boulogne-Billancourt	S
	Hilti Digital Marketing Services SAS, Boulogne-Billancourt	Se
	Fieldwire France SAS, Paris	Se
Germany	Hilti Deutschland AG (Liechtenstein), Zweigniederlassung Deutschland, Kaufering	S
	Hilti GmbH Industriefgesellschaft für Befestigungstechnik, Kaufering	P
	Hilti Entwicklungsgesellschaft mbH, Kaufering	D
	Hilti Kunststofftechnik GmbH, Nersingen	P
	Hilti Deutschland Logistik GmbH, Oberhausen	Se
	PEC Europe GmbH, Duisburg	S
	HILLOS GmbH, Jena	P
	4PS Bausoftware GmbH, Ulm	Se
Great Britain	Hilti (Gt. Britain) Ltd., Manchester	S
	Ogleand System UK Limited, Wednesbury	S
	4PS Construction Solutions Ltd., Birmingham	S
	Metaphorix Ltd, Birmingham	S



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### Group companies and joint arrangements

Country	Company name and location	Activity
Greece	Hilti Hellas S.A., Athens	S = sales
Hong Kong	Hilti Asia Ltd., Kowloon, Hong Kong	R = research
	Hilti (Hong Kong) Ltd., Kowloon, Hong Kong	D = development
	Hilti (Hong Kong) Ltd., Kowloon, Hong Kong	P = production
Hungary	Hilti (Hungária) Szolgáltató Kft., Budapest	Se = services
	Hilti Szerzám Kft., Kecskemét	H = holding
India	Hilti India Private Ltd., Gurgaon	S
	Hilti Manufacturing India Private Limited, Mumbai	H, Se
	Hilti Technology Solutions India Private Limited, Pune	S
Indonesia	PT Hilti Nusantara, Jakarta	P, D
Ireland	Hilti (Fastening Systems) Ltd., Dublin	S
Israel	Hilti (Israel) Ltd., Petach Tiqva	S
Italy	Hilti Italia S.p.A., Sesto San Giovanni	S
Japan	Hilti (Japan) Ltd., Yokohama	S
Kazakhstan	Hilti Kazakhstan LLP, Almaty	S
Korea	Hilti (Korea) Ltd., Seoul	S
Latvia	Hilti Services Limited, Riga	S
Liechtenstein	Hilti Deutschland AG, Schaan	S
	Hilti Equipment Corporation, Schaan	H
	Hilti (International) Services, Ltd., Schaan	Se
	Hilti Service Corporation, Schaan	Se
	Hilti (Schweiz) AG, Zweigniederlassung Schaan, Schaan	S
	Hilti Global Services AG, Schaan	Se
Lithuania	Hilti Complete Systems UAB, Vilnius	S
Luxembourg	Hilti Belgium S.A. Succursale, Luxembourg	S
Macao	Hilti (Hong Kong) Ltd. Macao Branch, Macao	S
Malaysia	Hilti (Malaysia) Sdn. Bhd., Selangor	S
	Hilti Asia IT Services Sdn. Bhd., Selangor	Se
	Ogleand Industries Sdn Bhd, Kuala Lumpur	P, D



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**Group companies and joint arrangements**

Country	Company name and location	Activity
Mexico	Hiliti Mexicana, S.A. de C.V., Mexico City	S = sales
Montenegro	Hiliti Operaciones de Mexico, S.A. de C.V., Matamoros	R = research
Morocco	Hiliti Montenegro d.o.o Podgorica, Podgorica	D = development
Netherlands	Hiliti Maroc S.A., Casablanca	P = production
	Hiliti Nederland B.V., Berkel en Rodenrijs	Se = services
	Oglaend System BV, Ridderkerk	H = holding
	4PS Beheer B.V., Ede	S
	4PS Group B.V., Ede	P
	4PS Development B.V., Ede	S
	HOOMCTRL B.V., Ede	S
	4PS Bouw B.V., Ede	S
	4PS Installatie B.V., Ede	S
	4PS GWW B.V., Ede	S
	Be-Sync B.V., Ede	S
	4PS International B.V., Ede	S
New Zealand	Hiliti (New Zealand) Limited, Auckland	H
Norway	Øglaend Group Holding AS, Kleppe	H, Se
	Øglaend Industrier AS, Kleppe	S, P, D
	Øglaend System AS, Kleppe	S, Se
Panama	Hiliti Latin America S.A., Panama City	Se
	Transportes Continentales S.A., Panama City	Se
Peru	Hiliti Peru S.A., Lima	S
Philippines	Hiliti (Philippines) Inc., Manila	S
Poland	Hiliti (Poland) Sp. z o.o., Warsaw	S
Portugal	Hiliti (Portugal) – Produtos e Serviços Lda., Porto	S
Puerto Rico	Hiliti Caribe LLC, San Juan	S

Activity  
 S = sales  
 R = research  
 D = development  
 P = production  
 Se = services  
 H = holding

## Group companies and joint arrangements

Country	Company name and location	Activity
Romania	Hilti Romania SRL, Bucharest	S = sales
Russian Federation	Hilti Distribution Ltd., Moscow	R = research
	LLC "Oglaend System", Saint Petersburg	D = development
Serbia	Hilti SMN d.o.o. Beograd, Belgrade	P = production
Singapore	Hilti Far East Private Ltd., Singapore	Se = services
	Hilti Asia Pacific Pte. Ltd, Singapore	H = holding
	Oglaend System Singapore Pte Ltd., Singapore	S
Slovakia	Hilti Slovakia spol. s r.o., Bratislava	S
Slovenia	Hilti Slovenija d.o.o., Ljubljana	S
South Africa	Hilti Africa Holdings (Pty) Ltd., Johannesburg/Midrand	S
Spain	Hilti España, S.A., Madrid	H
Sweden	Hilti Svenska AB, Arföv-Malmö	S
Switzerland	Hilti (Schweiz) AG, Adliswil	S
	Hilti Befestigungstechnik AG, Buchs	Se
	Hilti-Finanz GmbH, Buchs	H, Se
Taiwan	Hilti Taiwan Co., Ltd., Taipei	S
Thailand	Hilti (Thailand) Ltd., Bangkok	S
Turkey	Hilti İnsaat Malzemeleri Ticaret A.Ş., Istanbul	S
Ukraine	Hilti (Ukraine) Ltd., Kiev	S
United Arab Emirates	Hilti Middle East FZE, Dubai	S, Se
USA	Hilti Inc., Plano	S
	Hilti of America, Inc., Delaware	H
	Hilti Holdings Limited, Delaware	H
	Hilti Fieldwire, Inc., San Francisco	S, R, D
Vietnam	Hilti Vietnam Company Limited, Ho Chi Minh City	S

**Group companies and joint arrangements**

Country	Company name and location	Activity
<b>Less than 100% owned consolidated Group companies (subsidiaries)</b>		
Bahrain	Hiti Bahrain Co. W.L.L., Manama (49%)	S
China	Hiti (Handan) Manufacturing Ltd., Handan (80%)	P
Qatar	Hiti Qatar W.L.L., Doha (49%)	S
Saudi Arabia	Hiti Saudi Arabia for Construction Tools LLC, Riyadh (75%)	S
South Africa	Hiti (South Africa) (Pty) Ltd., Johannesburg/Midrand (87.25%)	S
United Arab Emirates	Hiti Emirates LLC, Abu Dhabi (49%)	S

Although the Group owns less than half of the voting rights of Hiti Bahrain Co. W.L.L., Hiti Qatar W.L.L. and Hiti Emirates LLC, management has determined that the Group controls these three companies. The Group has control as contractual agreements grant the Group the right to appoint and remove management responsible for directing the relevant activities. In addition, the Group is entitled to appoint, remove and substitute a majority of members of the companies' Board of Directors.

**Joint operations**

China	Panasonic Power Tools (Shanghai) Company Limited, Shanghai (49%)	P
Taiwan	Racing Point Industry Co., Ltd., Kaohsiung (49%)	P
USA	Intelligent Construction Tools LLC, Delaware (50%)	P, D

**Joint venture**

South Africa	Hiti SA Holding (Pty) Ltd., Johannesburg/Midrand (49%)	H
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Activity  
 S = sales  
 R = research  
 D = development  
 P = production  
 Se = services  
 H = holding



# REPORT OF THE STATUTORY AUDITOR TO THE GENERAL MEETING OF HILTI AKTIENGESELLSCHAFT SCHAAN

## Report on the audit of the consolidated financial statements

### Opinion

We have audited the consolidated financial statements of Hilti Aktiengesellschaft (the Company) and its subsidiaries (the Group), which comprise the consolidated income statement and the consolidated statement of comprehensive income for the year ended 31 December 2023, the consolidated balance sheet as at 31 December 2023 and the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 12 to 60) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and its financial performance for the year then ended in accordance with International Financial Reporting Standards (IFRS Accounting Standards) as adopted by the European Union and the provisions of Liechtenstein law.

## Basis for opinion

We conducted our audit in accordance with Liechtenstein law and International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the consolidated Financial Statements" section of our report.

We are independent of the Group in accordance with the provisions of Liechtenstein law and the requirements of the audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Our audit approach

### Overview

## Materiality

## Audit scope

## Key audit matters



Overall Group materiality: CHF 34.9 million

Audit scope:

- We concluded full scope audit work at 19 reporting units.
- Our full scope audit work addressed 83% of the Group's total revenue and 72% of the Group's total assets.
- In addition, specified procedures were performed for one reporting unit, representing a further 1% of the Group's total revenue and 1% of the Group's total assets.
- Furthermore, we performed additional procedures to address other reporting units as deemed appropriate.

As key audit matters the following areas of focus have been identified:

- Capitalized development costs
- Goodwill impairment assessment
- Business combination accounting

**Materiality**

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including

the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

**Overall Group materiality** CHF 34.9 million

**How we determined it** Net income before income tax expenses

**Rationale for the materiality benchmark applied** We chose net income before income tax expenses as the benchmark because, in our view this is the most commonly used performance measure for the industry in which the Group operates and it is a generally accepted benchmark.

**Audit scope**

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The consolidated financial statements are a consolidation of over 100 reporting units, comprising the Group's operating businesses and market

organisations, production plants, research and development centres, and centralised functions.

Subsequently, we determined the type and level of audit work required from component auditors in order that sufficient appropriate audit evidence had been obtained for our opinion on the Group consolidated financial statements as a whole. At the largest reporting units (market organisations) in the USA and Germany, we were directly involved in the audits. The oversight procedures we performed for the remaining component audits were tailored based on the size and complexity of the components.

The Group's reporting units vary significantly in size. We identified 19 reporting units where a full scope audit of the complete financial information was required, thereof four reporting units which were financially significant due to their size. All these component audits accounted for 83% of the Group's total revenue and 72% of the Group's total assets. Specific audit procedures on certain balances and transactions were performed for one reporting unit representing a further 1% of the Group's total revenue and 1% of the Group's total assets. Finally, for the remaining reporting units we performed additional procedures on Group level.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Key audit matter

#### Capitalized development costs

Refer to note 4.3 for the accounting policies.

We focused on this area due to the significance of total capitalized internal development costs (CHF 906 million as of 31 December 2023 accounted for in the balance sheet item intangible assets) and because significant judgement is involved in assessing whether costs are either research or development in nature and whether the criteria set forth in IAS 38 Intangible assets, have been met, particularly:

- Generation of probable future economic benefit;
- Reliable measure of the attributable expenditure; and
- Technical feasibility of the project.

### How our audit addressed the key audit matter

We assessed and tested the design and operating effectiveness of the key controls relating to the capitalization process, particularly those that:

- Address whether costs are research or development in nature.
- Address the risks relating to the 'probable future economic benefit' and 'technical feasibility'.
- Ensure the correct, timely and complete capitalization of the internal employee costs and any other project-related costs.

We held interviews with the business unit controllers and project managers, to:

- Gain an understanding of their development projects and why specific projects were considered to meet the requirements of the relevant accounting standards.
- Discuss specific project topics and risks with business unit controllers and critically assess their responses.

Our work also included substantive audit procedures (e.g., reading the project documentation, evaluating the project's key assumptions, testing a sample of standard hourly rates).

Overall, we identified no significant findings in relation to the capitalization of internal development costs.

We have performed the following procedures for the goodwill impairment assessments:

- Assessment of the mathematical accuracy of management's goodwill impairment model and reconciliation with underlying forecasts approved by management.
- Testing of management's forecasts by comparing forecast growths to historical growth or actual performance, applying sensitivities to future cash flows and assessing long term growth assumptions.
- Audit of the discount rate applied by management.

Based on the procedures performed, we conclude that the goodwill impairment assessment is free of material misstatements.

#### Goodwill impairment assessment

Refer to note 4.3 for the accounting policies.

The balance sheet item intangible assets include CHF 440 million of goodwill at 31 December 2023 which increased by CH 231 million as a result of the acquisition of the 4PS Group in 2023. The remaining goodwill balance consists of the balance from the acquisition of Ogleand Group in the amount of CHF 73 million in 2017 and CHF 136 million from the acquisition of Fieldwire Inc. in 2021.

Under IAS 36, the Group is required to determine the recoverable amount of the cash generating units as part of an annually performed impairment assessment. This annual impairment test was significant to our audit, as the goodwill balance as of 31 December 2023 is significant to the consolidated financial statements.

Furthermore, the carrying value of goodwill is contingent on future cash flows and there is a risk if these cash flows do not meet the Group's expectations that the assets will be impaired. The impairment reviews performed by the Group contain several significant assumptions, including forecasts of free cash flows, which are based on expected sales volumes and the long-term growth, and discount rate. Changes in these assumptions can have a significant impact on the headroom available in the impairment calculations.

#### Business combination accounting

Refer to note 8.3 for the accounting policies.

In October 2023, Hilti Group acquired 100% of the share capital of 4PS Group for a total purchase consideration of CHF 326 million. The acquisition is accounted for as a business combination (IFRS 3) and includes several significant and complex judgements in the determination of the fair value of the assets and liabilities acquired.

The primary element of the valuation and purchase price allocation process was to assess the fair value of intangible assets (CHF 118 million) in the form of brand, customer relationships, software and technology related intellectual property and the resulting goodwill amounted to CHF 241 million. The allocation also considered other assets and liabilities.

We consider this business combination a key audit matter in the audit due to the high level of management judgement used in determining the fair value for the net assets acquired.

We have performed the following procedures for the business combination:

- Assessment of the methodology adopted by management for calculating the fair value of technology, customer relationships and trademark related assets for the intangible assets.
- Evaluation of the reasonability of the significant assumptions in the valuation of the intangible assets.
- Testing of the accounting treatment of the payments from the contingent arrangements.
- Substantive audit procedures of selected opening balances at the date of the acquisition.

Based on the procedures we have performed we conclude that the business combination accounting is free of material misstatements.



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### Other information in the annual report

The Board of Directors is responsible for the other information in the Annual Report. The other information comprises all information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the consolidated management report, the management report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information in the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information in the annual report and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Liechtenstein law and IFRS Accounting Standards, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Liechtenstein law and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Liechtenstein law and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements or, whether due to fraud design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may

involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the Board of Directors or the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

The accompanying consolidated management report has been prepared in accordance with the applicable legal requirements, is consistent with the consolidated financial statements and, in our opinion, based on the knowledge obtained in the audit of the consolidated financial statements and our understanding of the Group and its environment does not contain any material misstatements.

We further confirm that the consolidated financial statements comply with Liechtenstein law and the articles of incorporation. We recommend that the accompanying consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG



Stefan Rabsamen



Beat Inauen  
Liechtenstein Certified  
Public Accountant  
Auditor in charge

St. Gallen, March 13, 2024



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# Financial Statements Hilti Corporation

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# BALANCE SHEET

## as at December 31

in CHF million

	Note	2022	2023
<b>Assets</b>			
Intangible assets	4	120	83
Property, plant and equipment	5	428	432
Financial investments	6	2,238	2,521
<b>Total non-current assets</b>		<b>2,786</b>	<b>3,036</b>
Inventories	7	254	230
Trade and other receivables	8	1,034	856
Accrued income and prepayments		73	81
Cash and cash equivalents		631	462
<b>Total current assets</b>		<b>1,992</b>	<b>1,629</b>
<b>Total assets</b>		<b>4,778</b>	<b>4,665</b>
<b>Equity and liabilities</b>			
Share capital		127	127
Legal reserves		108	108
Foreign currency translation reserve		(23)	(27)
Retained earnings brought forward		2,818	2,932
Net income		395	204
<b>Total equity</b>	9	<b>3,425</b>	<b>3,344</b>
Provisions	10	83	93
Borrowings, payables and other liabilities	11	1,159	1,082
Accrued expenses		111	146
<b>Total liabilities</b>		<b>1,353</b>	<b>1,321</b>
<b>Total equity and liabilities</b>		<b>4,778</b>	<b>4,665</b>



# INCOME STATEMENT

in CHF million

	Note	2022	2023
Net sales		3,712	3,482
Change in inventory of finished goods and work in progress		(1)	-
Capitalized own production		3	5
Other operating revenues		13	12
<b>Total operating revenues</b>		<b>3,727</b>	<b>3,499</b>
Material costs	12	(1,645)	(1,459)
Personnel expenses	13	(351)	(422)
Depreciation and amortization	14	(99)	(77)
Other operating expenses		(1,196)	(1,286)
<b>Total operating expenses</b>		<b>(3,291)</b>	<b>(3,224)</b>
<b>Operating result</b>		<b>436</b>	<b>275</b>
Financial revenues	15	37	37
Financial expenses	16	(27)	(82)
<b>Financial result</b>		<b>10</b>	<b>(45)</b>
<b>Net income before income tax expense</b>		<b>446</b>	<b>230</b>
Tax expense		(51)	(26)
<b>Net income</b>		<b>395</b>	<b>204</b>



# NOTES TO THE FINANCIAL STATEMENTS HILTI CORPORATION

## 1 General information

Hilti Corporation is a limited by shares company incorporated and domiciled in the Principality of Liechtenstein. Its registered office is at Feldkircherstrasse 100, 9494 Schaan, Liechtenstein. Hilti Corporation is the parent and main operating company of the Hilti Group. The shareholder has an interest in the Group through its interest in Hilti Corporation. The accompanying Group's consolidated financial statements are the most significant indicator of the Group's financial position and financial performance.

## 2 Accounting policies

### 2.1 Overview

In contrast to the Group's consolidated financial statements, which have been prepared in accordance with International Financial Reporting Standards (IFRS), the financial statements of Hilti Corporation have been prepared in accordance with Liechtenstein's corporations law, the "Personen- und Gesellschaftsrecht (PGR)". As a result, there are significant differences between the accounting treatments in the financial statements of Hilti Corporation and the accounting treatments in the Group's consolidated financial statements. The significant measurement, recognition and presentation differences are listed below. Apart from these differences, the accounting policies adopted for the measurement, recognition and presentation of financial statement items in both sets of financial statements are substantially the same.

### 2.2 Differences in accounting policies to those of the Group

The following table identifies the relevant financial statement items and the corresponding treatments where the accounting policies adopted for the measurement and recognition of items in the financial statements of Hilti Corporation are significantly different from those adopted in the Group's consolidated financial statements.





Relevant financial statement item	Treatment in financial statements of Hilti Corporation	Treatment in Group financial statements
Valuation of property, plant and equipment	In accordance with taxation rules pursuant to Article 1086 of the PGR.	At lower of market value and historical cost subject to adjustment for depreciation based on economic estimates.
Valuation of inventories	In accordance with taxation rules pursuant to Article 1086 of the PGR.	At lower of market value and historical cost subject to adjustment for obsolescence based on economic estimates.
Valuation of investments in associated companies and joint ventures	At historical cost.	In accordance with the equity method of accounting.
Valuation of provisions	Based on business risk criteria.	In accordance with the best estimate of the amounts required to satisfy existing obligations.
Reporting of derivative financial instruments hedging anticipated operating transactions (cash flow hedges)	Recognized at fair value with value changes reported directly in the income statement.	Recognized at fair value with value changes reported as part of equity and reclassified to the income statement when the anticipated operating transactions occur.
Reporting of development costs	All immediately expensed.	For qualifying new product developments, capitalized during the development phases and subsequently amortized over the sales lives of the new products while other development costs are immediately expensed.
Measurement of pension plan obligation	Treated as defined contribution plan.	Treated as defined benefit plan with cumulative remeasurements recognized directly in equity.
Reporting of operating lease contracts	Lease payments are recognized in the income statement in the period in which they are incurred. Payment commitments are reported as off-balance sheet commitments.	Recognized on the balance sheet, reflecting right of use assets as well as lease liabilities – except for short-term contracts and low-value assets.
Relevant financial statement item	Presentation in financial statements of Hilti Corporation	Presentation in Group financial statements
Investments in deposits, bonds and equities restricted to the funding of losses arising from damages to assets and losses arising from product-related obligations	Included in financial investments.	Included in other financial investments at fair value through profit or loss under non-current other financial assets line item.
Investments in short-term cash deposits with an original maturity of longer than three months but lower than 12 months	Included in cash and cash equivalents.	Included in other financial investments at amortized costs under current other financial assets line item.
Recognized values of derivative financial instruments	Included in accrued income and prepayments or accrued expenses, as applicable.	Presented in the derivative financial instruments under each of the current and non-current other financial assets and other financial liabilities line items.
Short-term tax obligations	Included in provisions.	Included in income tax payables under trade and other payables, mainly under current liabilities heading.

The table above identifies the significant presentation differences relating to items in the financial statements of Hilti Corporation and the corresponding items in the Group's consolidated financial statements.

### 2.3 Changes in accounting policies

There have been no material changes in accounting policies in the 2023 financial statements of Hilti Corporation from those adopted in 2022.

### 3 Exchange rates

For details of foreign exchange rates of principal currencies that have been applied for translation into Swiss francs, see note 1.7 of the Group's consolidated financial statements.

## 4 Intangible assets

in CHF million

	Rights	Other intangible assets	Total
<b>Cost 2023</b>			
Opening balance at January 1, 2023	4	285	289
Additions	-	13	13
Closing balance at December 31, 2023	4	298	302
<b>Accumulated amortization 2023</b>			
Opening balance at January 1, 2023	(4)	(165)	(169)
Additions	-	(50)	(50)
Closing balance at December 31, 2023	(4)	(215)	(219)
<b>Net book values at December 31, 2023</b>			
Net book values at December 31, 2022	-	83	83
	-	120	120



## 5 Property, plant and equipment

in CHF million

	Land and buildings	Plant and machinery	Other operating equipment	Prepayments or assets under construction	Total
<b>Cost 2023</b>					
<b>Opening balance at January 1, 2023</b>	542	407	87	23	1,059
Currency translation adjustment	(3)	(5)	(1)	-	(9)
Additions	-	18	3	14	35
Disposals	-	(7)	(6)	-	(13)
Transfers	14	4	-	(18)	-
<b>Closing balance at December 31, 2023</b>	553	417	83	19	1,072
<b>Accumulated depreciation 2023</b>					
<b>Opening balance at January 1, 2023</b>	(188)	(370)	(75)	-	(631)
Currency translation adjustment	2	4	1	-	7
Additions	(7)	(16)	(4)	-	(27)
Disposals	-	5	6	-	11
<b>Closing balance at December 31, 2023</b>	(191)	(377)	(72)	-	(640)
<b>Net book values at December 31, 2023</b>	362	40	11	19	432
Net book values at December 31, 2022	356	37	12	23	428



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## 6 Financial investments

in CHF million

	Shareholdings	Loans to Group companies	Other financial investments	Total
<b>Cost 2023</b>				
Opening balance at January 1, 2023	2,366	38	12	2,416
Additions	317	1	3	321
Disposals	(14)	-	(1)	(15)
<b>Closing balance at December 31, 2023</b>	<b>2,669</b>	<b>39</b>	<b>14</b>	<b>2,722</b>
<b>Accumulated valuation allowance 2023</b>				
Opening balance at January 1, 2023	(178)	-	-	(178)
Disposals	(23)	-	-	(23)
<b>Closing balance at December 31, 2023</b>	<b>(201)</b>	<b>-</b>	<b>-</b>	<b>(201)</b>
<b>Net book values at December 31, 2023</b>	<b>2,468</b>	<b>39</b>	<b>14</b>	<b>2,521</b>
Net book values at December 31, 2022	2,188	38	12	2,238

A list of Group companies, directly or indirectly held by Hilti Corporation, is included in note 8.5 of this Financial Report. Pursuant to Article 1094 (3) of the PGR, some details relating to investments in Group companies have not been disclosed in this list.

## 7 Inventories

in CHF million

	2022	2023
Raw materials	24	22
Consumables	11	8
Production in progress	8	8
Finished products and goods held for resale	211	192
<b>Total inventories</b>	<b>254</b>	<b>230</b>

Total inventories include a provision of CHF 114 million (2022: CHF 126 million), noted in accordance with tax regulations.



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## 8 Trade and other receivables

in CHF million

	2022		2023		Total
	Short-term	Long-term	Short-term	Long-term	
Trade accounts receivables from third parties	23	-	23	-	23
Trade accounts receivables from Group companies	921	-	921	653	653
<b>Total trade accounts receivables</b>	<b>944</b>	<b>-</b>	<b>944</b>	<b>676</b>	<b>676</b>
Other accounts receivables from third parties	27	-	27	36	36
Other accounts receivables from Group companies	63	-	63	144	144
<b>Total other accounts receivables</b>	<b>90</b>	<b>-</b>	<b>90</b>	<b>180</b>	<b>180</b>
<b>Total trade and other receivables</b>	<b>1,034</b>	<b>-</b>	<b>1,034</b>	<b>856</b>	<b>856</b>

The contractual maturity for short-term receivables is less than one year and for long-term receivables over one year.

## 9 Equity

in CHF million

	Share and PC capital	Legal reserves	Foreign currency translation reserve	Retained earnings	Total equity
<b>Equity at January 1, 2023</b>	127	108	(23)	3,213	3,425
Dividend paid	-	-	-	(281)	(281)
Foreign currency translation differences	-	-	(4)	-	(4)
Net income	-	-	-	204	204
<b>Equity at December 31, 2023</b>	<b>127</b>	<b>108</b>	<b>(27)</b>	<b>3,136</b>	<b>3,344</b>

The share capital consists of 253,440 registered shares with a par value of CHF 500 each.

The currency translation differences arise from the inclusion of the income statement and balance sheet items of plant Thüringen, Austria, which are denominated in euro. The foreign currency translation reserve comprises the accumulated foreign currency gains and losses recognized in equity since 2003.

## 10 Provisions

in CHF million

	2022	2023
Provision for employee benefits	25	58
Tax obligations	50	26
Other provisions	8	9
<b>Total provisions</b>	<b>83</b>	<b>93</b>



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## 11 Borrowings, payables and other liabilities

in CHF million

	2022			2023		
	Short-term	Long-term	Total	Short-term	Long-term	Total
<b>Bonds</b>	100	350	450	100	504	604
<b>Bank borrowings</b>	20	-	20	-	-	-
Trade accounts payables third parties	181	-	181	162	-	162
Trade accounts payables Group companies	168	-	168	193	-	193
<b>Total trade accounts payables</b>	<b>349</b>	<b>-</b>	<b>349</b>	<b>355</b>	<b>-</b>	<b>355</b>
Other liabilities owing to third parties	27	8	35	13	7	20
Other liabilities owing to Group companies	305	-	305	103	-	103
<b>Total other liabilities</b>	<b>332</b>	<b>8</b>	<b>340</b>	<b>116</b>	<b>7</b>	<b>123</b>
<b>Total borrowings, payables and other liabilities</b>	<b>601</b>	<b>358</b>	<b>1,159</b>	<b>571</b>	<b>511</b>	<b>1,082</b>

## 12 Material costs

in CHF million

	2022	2023
Raw materials, consumables and bought-in goods for resale	(1,631)	(1,447)
Outsourced manufacturing	(14)	(12)
<b>Total material costs</b>	<b>(1,645)</b>	<b>(1,459)</b>

## 13 Personnel expenses

in CHF million

	2022	2023
Wages and salaries	(288)	(353)
Pension contributions	(46)	(47)
Other social contributions	(17)	(22)
<b>Total personnel expenses</b>	<b>(351)</b>	<b>(422)</b>

The contractual maturity for short-term liabilities is less than one year and for long-term liabilities over one year. The total amount of liabilities with a remaining term of more than five years is CHF 155 million (2022: CHF nil).



## 14 Depreciation and amortization

This position comprises depreciation and amortization of intangible assets and property, plant and equipment.

	2022	2023
<b>Recovery of depreciation on financial assets</b>	5	-
Financial investment revenues from third parties	1	5
Financial investment revenues from Group companies	31	32
<b>Total revenues from financial investments</b>	32	37
<b>Total financial revenues</b>	37	37

in CHF million

## 15 Financial revenues

## 17 Derivative financial instruments

Hilti Corporation enters into derivative contracts to hedge mainly foreign currency risks arising from forecast foreign currency sales and purchases transactions. Derivative contracts are recognized when the applicable forecast transactions occur. Until then, they remain off-balance sheet. Recognized (i.e., on-balance sheet) derivative contracts are reported at fair value. Changes in the fair value of recognized derivative contracts are reported in the income statement. In accordance with Article 1093 of the PGR, details of the on- and off-balance sheet derivative contracts outstanding at balance sheet date are as follows:

	2022	2023
<b>Contract face amounts</b>		
Foreign currency forward contracts	615	690
Interest rate swaps	60	150
<b>Total contract face amounts</b>	675	840

in CHF million

## 16 Financial expenses

	2022	2023
<b>Depreciation on financial assets</b>	-	(24)
Interest and similar expenses incurred to third parties	(6)	(6)
Interest and similar expenses incurred to Group companies	(4)	(3)
<b>Total interest and similar expenses</b>	(10)	(9)
<b>Operating currency and hedge gains/(losses)</b>	(17)	(49)
<b>Total financial expenses</b>	(27)	(82)

in CHF million

## 18 Segment information

Pursuant to Article 1094 (2) of the PGR, a breakdown of net sales has not been disclosed.

## 19 Contingent liabilities

	2022	2023
Guarantees third parties	-	-
Guarantees Group companies	182	171
<b>Total contingent liabilities</b>	182	171

in CHF million

## 20 Commitments

Payment commitments arising from operating lease contracts are as follows:

	2022	2023
Expiring within 1 year	1	1
Expiring between 1 and 5 years	1	1
<b>Total commitments</b>	2	2

in CHF million

## 21 Remuneration of the Board of Directors and the Corporate Management

For details of the remuneration of the Board of Directors and the Corporate Management, see note 8.4 of the Group's consolidated financial statements.



## 22 Other transactions and balances with the shareholder

For details about other transactions and balances with the shareholder, see note 8.4 within the notes to the consolidated financial statements.

## 23 Number of employees

The breakdown of employees by nationality is as follows:

	2022	%	2023	%
Austria	875	38	870	37
Germany	468	20	475	20
Switzerland	217	9	217	9
Liechtenstein	132	6	138	6
Other countries	637	27	664	28
<b>Total employees</b>	<b>2,329</b>	<b>100</b>	<b>2,364</b>	<b>100</b>

## 24 Management report

Pursuant to Article 1121 (3) of the PGR, the management report of Hilti Corporation has been combined with the consolidated management report. The consolidated management report is on pages 8 to 10 of this Financial Report (see here).

## 25 Appropriation of retained earnings

In CHF million

	2022	2023
Profit brought forward	2,818	2,932
Net income	395	204
<b>At the disposal of the General Meeting</b>	<b>3,213</b>	<b>3,136</b>
<b>Proposal by the Board of Directors</b>		
Dividend of CHF 1,100 (2022: CHF 1,110) per share	281	279
Balance carried forward	2,932	2,857
<b>Total</b>	<b>3,213</b>	<b>3,136</b>



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# REPORT OF THE STATUTORY AUDITOR TO THE GENERAL MEETING OF HILTI AKTIENGESELLSCHAFT SCHAAN

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of Hilti Aktiengesellschaft (the Company), which comprise the balance sheet as at 31 December 2023, the income statement for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (page 67 to 77) give a true and fair view of the financial position of the Company as at 31 December 2023 and its financial performance for the year then ended in accordance with Liechtenstein law.

### Basis for Opinion

We conducted our audit in accordance with Liechtenstein law and International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report.

We are independent of the Company in accordance with the provisions of Liechtenstein law and the requirements of the audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Our audit approach

#### Overview

#### Materiality

#### Audit scope

#### Key audit matters





<p><b>Overall materiality</b> CHF 15 million</p> <p><b>How we determined it</b></p> <p><b>Rationale for the materiality benchmark applied</b></p>	<p>Net income before income tax expense</p> <p>We chose net income before income tax expense as the benchmark because, in our view, this is the most commonly used performance measure for the entity and it is a generally accepted benchmark.</p>	<p><b>Overall materiality</b> CHF 15 million</p> <p>The Board of Directors is responsible for the other information in the annual report. The other information comprises that information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the consolidated management report, the management report and our auditor's reports thereon.</p> <p>Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.</p> <p>In connection with our audit, we have the responsibility to read the other information and to consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.</p> <p>If, on the basis of our work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.</p> <p><b>Responsibilities of the Board of Directors for the Financial Statements</b></p> <p>The Board of Directors is responsible for the preparation of the financial statements that give a true and fair view in accordance with Liechtenstein law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing,</p>
<p><b>Overall materiality:</b> CHF 15 million</p> <p>We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the entity, the accounting processes and controls, and the industry in which the entity operates.</p> <p>We have determined that there are no key audit matters to communicate in our report.</p> <p><b>Materiality</b></p> <p>The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.</p> <p>Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.</p>	<p><b>Audit scope</b></p> <p>We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.</p> <p>We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the entity, the accounting processes and controls, and the industry in which the entity operates.</p> <p><b>Key Audit Matters</b></p> <p>We have determined that there are no key audit matters to communicate in our report.</p>	<p><b>Key Audit Matters</b></p> <p>We have determined that there are no key audit matters to communicate in our report.</p>

as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Liechtenstein law and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Liechtenstein law and ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements or, whether due to fraud to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors or the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the Board of Directors or the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

The accompanying management report has been prepared in accordance with the applicable legal requirements, is consistent with the financial statements and, in our opinion, based on the knowledge obtained in the audit of the financial statements and our understanding of the Company and its environment does not contain any material misstatements.

We further confirm that the financial statements and the proposed appropriation of retained earnings comply with Liechtenstein law and the articles of incorporation. We recommend that the accompanying financial statements submitted to you be approved.

PricewaterhouseCoopers AG



Stefan Rääbsamen



Beat Inauen  
Liechtenstein Certified  
Public Accountant  
Auditor in charge

St. Gallen, March 13, 2024







**Election and term of office for the members of the Board of Directors**

Members of the Board of Directors of Hilti Corporation are elected by the Annual General Meeting, generally for a three-year term with the possibility of re-election. In principle, the admissible term of office shall be limited to four terms and the mandate shall lapse with effect at the end of the business year in which the relevant member reaches the age of 70. For good reason, the term of office may be extended.

**Allocation of responsibilities and duties of the Board of Directors**

The Board of Directors is the supreme executive body of Hilti Corporation and responsible for superintendence, supervision and control of the management. In addition to further legally defined obligations, the Board of Directors adopts the fundamental strategic orientation of the Group, approves the Group's strategic planning and material business decisions, searches for and proposes eligible candidates to the General Meeting for election as members of the Board of Directors and ensures the succession planning and appointment of the Executive Board.

In the last business year, the Board of Directors supervised the activities of the Executive Board and supported it in a consultative capacity. The Board of Directors took a strategic focus and was actively involved in projects concerning Group strategy. In several multiday Board meetings and visits (performed physically or virtually, as practicable) to major operating

units of the Group, as well as on the basis of written and oral reports of the Executive Board, the Board of Directors dealt intensively with the economic situation, day-to-day running of the business, as well as with its corporate policy, financial planning, risk management and basic questions of corporate development. Furthermore, the Board of Directors was kept fully informed by the statutory auditors on the results of the audit of the annual financial statements.

**Audit Committee**

The Audit Committee assists the Board of Directors in fulfilling its supervisory responsibilities with respect to the accounting and financial reporting practices of Hilti Corporation and its subsidiaries, compliance with legal and regulatory requirements, the internal and external audit processes, as well as with its oversight of risk management. The overall responsibility for the tasks delegated to the Audit Committee remains with the Board of Directors. In 2023, the Audit Committee consisted of Carla De Geyselcer (Chair of the Audit Committee) and Dr. Daniel Daeniker.

**Internal audit**

The internal audit department, Corporate Audit, supports the Board of Directors by monitoring the internal control status within Group companies. To achieve this, Corporate Audit conducts audits focused on controls within major transaction cycles, as well as on processes for management of selected corporate risks. Corporate Audit's objective is to provide transparency over the Group's control environment and enable security to be provided over the Group's resources.

**Risk management**

The Group maintains an enterprise-wide risk management process, which involves a complete risk inventory with different risk owners assigned to manage all known strategic, financial and occurrence-oriented risks of the Group. The risk owners are responsible for evaluating, implementing, reviewing and monitoring compliance with the corresponding risk mitigation measures for their respective risks. For financial and occurrence-oriented risks, the Corporate Risk Manager is responsible for the risk reporting process and for ensuring that the reported content and identified measures regarding the identified risks are plausible. Corporate Audit undertakes reviews of selected risks as part of their internal control reviews in Group companies (see above) and in corporate functions managed by the respective risk owners. For strategic risks, Corporate Development runs annual strategy review workshops with the Executive Board. The risk management reporting is regularly reviewed by the Audit Committee on behalf of the Board of Directors.

**Shareholders' rights**

Details of share capital are given in the Group financial statements (see note 5.6). In principle, resolutions of the General Meeting are passed by absolute majority of the voting shares represented. A majority of at least three quarters of the voting shares represented at the General Meeting is required for: an amendment to the Articles of Association, an increase in the share capital, the buyback of shares, the restriction or cancellation of the subscription right, mergers with other companies, transformation of the company into another legal form or the dissolution of the company.



### Auditors

The examinations of the Group financial statements and the financial statements of Hilti Corporation are conducted by PricewaterhouseCoopers AG, St. Gallen (leading auditor). The company was re-appointed in March 2023 for the 2023 year. The auditor-in-charge has been responsible for the mandate from 2019 following a partner rotation after the 2018 year. In respect of the 2023 year, audit fees of PricewaterhouseCoopers amount to CHF 2.4 million, whereas there are no significant audit-related fees and non-audit fees. Total audit fees of the Group, including audits not performed by PricewaterhouseCoopers, amount to CHF 2.9 million.

# INVESTOR INFORMATION

## Contact information

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## Key dates

Interim financial information January to April 2024	May 17, 2024
Interim financial information January to August 2024	September 26, 2024
Publication of the 2024 Financial Report	March 14, 2025
Annual results media conference	March 14, 2025

