



# 2025 Annual Report



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# Chairman and CEO Editorial

## Dear Readers,

Our 2025 report marks a significant milestone: For the first time, we are combining our financial and sustainability reporting into a single, annual report. This integration is more than a format change. It reflects our belief that financial success and responsible business practices go hand in hand.

With the world becoming more complex and companies taking center stage in the fight against climate change, stakeholders expect more than just numbers. They seek insights into how we navigate complex situations, make decisions and uphold our commitments. This report is designed to meet those expectations. It offers a transparent account of our strategic progress, operational performance and sustainability impact.

## Managing a new geopolitical era

Navigating our 2025 business environment required all hands on deck. The sanctions and insecurity

resulting from both the wars in the Ukraine and the Middle East, the depressed economic environment in most parts of Europe, in China and other Asian countries together with the reset of global trade after the U.S. “Liberation Day” provided a challenging environment. Many construction projects were put on hold and customers reduced longer-term investments in new equipment.

Operationally, the dynamic tariff environment resulting from negotiations between the U.S. and its trading partners posed significant challenges for our team. Hundreds of team members were busy throughout the year adjusting deliveries, suppliers, production locations and producing the documentation required by this new reality.

Strategically, we have to acknowledge the beginning of a new geopolitical era. After three decades of globalization, collaboration and increasing free trade, the new trade barriers raise questions regarding the organization of our global supply setup and the best



Christoph Loos (left) and Jahangir Doongaji (right)

locations for our operational teams. This creates a lot of work and leads to a more costly way of doing business. However, 2025 has yet again shown that we are able to adapt to this environment without compromising on our strategy or resetting our moral compass.

## Delivering on our strategic priorities

Against this backdrop, we are pleased to report top- and bottom-line numbers close to prior-year levels and a significant additional reduction of our CO<sub>2</sub> emissions. We ended the year with sales of CHF 6.3 billion and an operating profit of CHF 728 million.



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Our global CO<sub>2</sub> emissions (Scope 1, 2 and 3) were reduced by 8.4 percent, from 1357 ktons to 1243 ktons, fully in line with our firm commitment to sustainability and the targets we have set as a member of the Science Based Targets initiative.

Despite tight cost management we stayed the course with our Lead 2030 strategy and continued the corresponding investments in innovation, customer experience and sustainability. One figure that we are particularly proud of is the number of hours that our global team members spent volunteering and helping others in their respective communities: more than 91,000, an increase of 23 percent compared to 2024. This shows the attractiveness of our internal Engaged Beyond Business program, which was started in 2020 in cooperation with the Hilti Foundation and continues to enjoy great success and growing enthusiasm among the Hilti team.

The following pages provide you with more insights into how we have navigated this demanding business year. They offer an overview of how our team members' commitment supported our purpose of Making Construction Better. We hope you enjoy browsing through our first combined report and would like to thank you for your continued trust. You can count on Hilti as your best partner for productivity, safety and sustainability – now and in the future.

**Christoph Loos**  
Chairman of the  
Board of Directors

**Jahangir Doongaji**  
Chief Executive Officer



Christoph Loos (left) and Jahangir Doongaji (right)



# Board of Directors

From left to right: Dr. Peter Terwiesch, Barbara Milian Thoralfsson, Michèle Frey-Hilti, Dr. Christoph Loos, Carla De Geyseler, Dr. Daniel Daeniker, Marco Meyrat, Matthias Gillner (Not pictured: Michael Hilti, Honorary Chairman of the Board of Directors)



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# CEO Interview

The volatile environment in 2025 tested Hilti's resilience and adaptability. The following interview with Hilti Group CEO Jahangir Doongaji explores the key drivers behind the company's solid performance in this dynamic year.



## How was the past year for Hilti?

**Jahangir Doongaji** In a year marked by ongoing global uncertainty, we navigated the radically changed tariff environment, drove productivity in operations and continued to invest significantly into securing our future through our Lead 2030 strategy. In 2025 we achieved sales of CHF 6.3 billion, which corresponds to growth of 1.9 percent in local currencies. When consolidated in Swiss francs, this represents a drop of 2.1 percent. We continued to invest strongly in R&D with CHF 459 million, equaling 7.3 percent of our net sales. We achieved an operating profit (OPP) of CHF 728 million, which corresponds to a drop of 5.3 percent, or CHF 41 million, compared to the previous year. The impact of the strongly negative currency effects on our OPP was CHF 38 million.

▶ Notes to the Financial Statements: p. 86

## You mentioned global economic and political uncertainties. How did this environment affect Hilti?

**Jahangir Doongaji** Our core construction market remained stubbornly difficult, particularly in Europe and parts of Asia. On the other hand, in North

America and the Middle East, we saw growth fueled by large projects in the energy sector and through the build up of data centers.

In 2025 we significantly expanded our development, production and supply footprint in India, Eastern Europe and in the Americas. With that, we made a big step forward in securing the resilience of our global supply chain, which is particularly important in the light of increasing obstacles to global trade.

## In your view, what were some of the year's most outstanding highlights?

**Jahangir Doongaji** My biggest highlight of the past year was the many interactions I had with our team members all over the world. We have more than 34,000 highly motivated team members globally, their energy and perseverance are truly inspiring. Looking at the results of our annual global employee survey, it was thus no surprise to see that most teams increased their team member engagement in 2025, even in the most difficult markets.

Innovation is the lifeblood of Hilti, and 2025 marked the year in which we prepared our next big launch, Power Up – a new lineup of more than 60 products



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for heavy-duty applications, which will hit the market in 2026. When we launched our Nuron battery platform three years ago, we made the promise to our customers that we will make all power tool applications cordless on one compatible platform. With Power Up, the team has now delivered on that promise.

And finally, the development of our construction software business is another true highlight. The very positive feedback that we get from our customers about our software offering and the correspondingly high growth in this area confirm that we are on the right path to build a strong software business for Hilti.

### **This year marks the first time you are combining sustainability and financial performance in your annual report. Can you elaborate on how sustainability has been integrated into the business?**

**Jahangir Doongaji** Our customer promise is to be their best partner for productivity, safety and sustainability. Sustainability is an integral part of how we innovate and operate, and in 2025 we had many use cases that demonstrated how these three aspects of our customer promise go hand in hand. When we look at our product portfolio, one example is our new battery-powered cut-off saw: it delivers up to 80% less CO<sub>2</sub> emissions per operating hour compared to its gas-powered alternative, allowing

for an environmental breakeven after just 33 hours of use and, at the same time, improving workers' safety through well-known features such as 3D Active Torque Control.

▶ Notes to the Sustainability Statements: p. 21

### **Artificial Intelligence is an area that gained enormous momentum in 2025. What does this mean for Hilti?**

**Jahangir Doongaji** We have embraced the opportunity that AI offers Hilti with open arms and have over 60 initiatives running in all parts of our organization. In sales, in our operations and also in our product offering. One area in which we see particularly big potential is driving the productivity of our salesforce. We have developed an AI-based tool and are excited to roll it out at the beginning of 2026. This will help our team members in sales better serve our customers all over the world.

### **Looking ahead, what are your priorities for the coming year?**

**Jahangir Doongaji** In 2026, we will stay the course and continue to implement our strategy, including our customer promise. And we will do everything in our power to live up to that promise; by continuing to develop our innovative hardware, software and services offering, and by continuing to invest and thus ensure that our customers' experience of doing business with Hilti is a great one.



Jahangir Doongaji, Chief Executive Officer

We have a great team, a clear strategy, we know exactly what we have to do. We have invested significantly into the future and enter 2026 from a position of strength. I look forward to building on that and continuing to make construction better, together with our customers all over the world.



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From left to right: Felix Hess, Tassilo Deinzer, Jahangir (Jan) Doongaji, Avraham (Avi) Kahn, Joaquim Sardà, Thomas Hillbrand



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# Group at a Glance

The Hilti Group supplies the construction industry with technologically leading hardware, software and services. The company's extensive portfolio provides professional users with solutions that generate true value and position Hilti as its customers' best partner for productivity, safety and sustainability.



## Schaan, Liechtenstein

The Group's headquarters are located in Schaan, Liechtenstein since 1941.

**34,420** team members

**>120** countries

**>300,000** customer interactions each day

### Where we come from

Since the company was founded in 1941 by brothers Eugen and Martin Hilti, the Group's headquarters have been located in Schaan, Liechtenstein. Today, the company is privately owned by the Martin Hilti Family Trust, which ensures its long-term continuity.

### Where we operate

With over 34,000 team members and business activities in more than 120 countries, Hilti stands for direct customer relationships, quality and innovation. Sales are structured across approximately 70 country organizations to ensure a localized, customer-focused approach. Europe and North America are the largest markets.

### How we act

With roughly 300,000 customer contacts each day, many ideas are generated in close collaboration with customers. If there is a challenge for which no Hilti solution exists, one will be developed. This is why the Group invests approximately 7 percent of sales each year in research and development.



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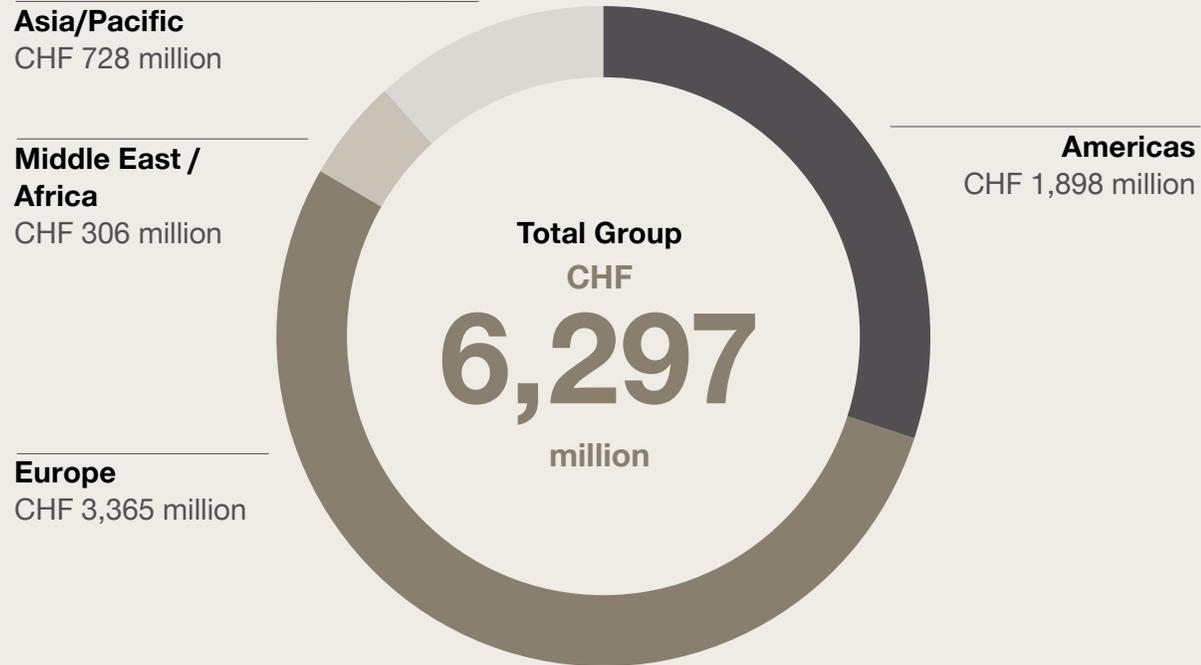
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# Group in Numbers

## Net sales by region



CHF  
**728** million

**Operating result**

CHF  
**516** million

**Net income**

CHF  
**545** million

**Free cash flow**

CO<sub>2</sub>eq  
**63** ktons within own operations

**Greenhouse Gas Emissions**



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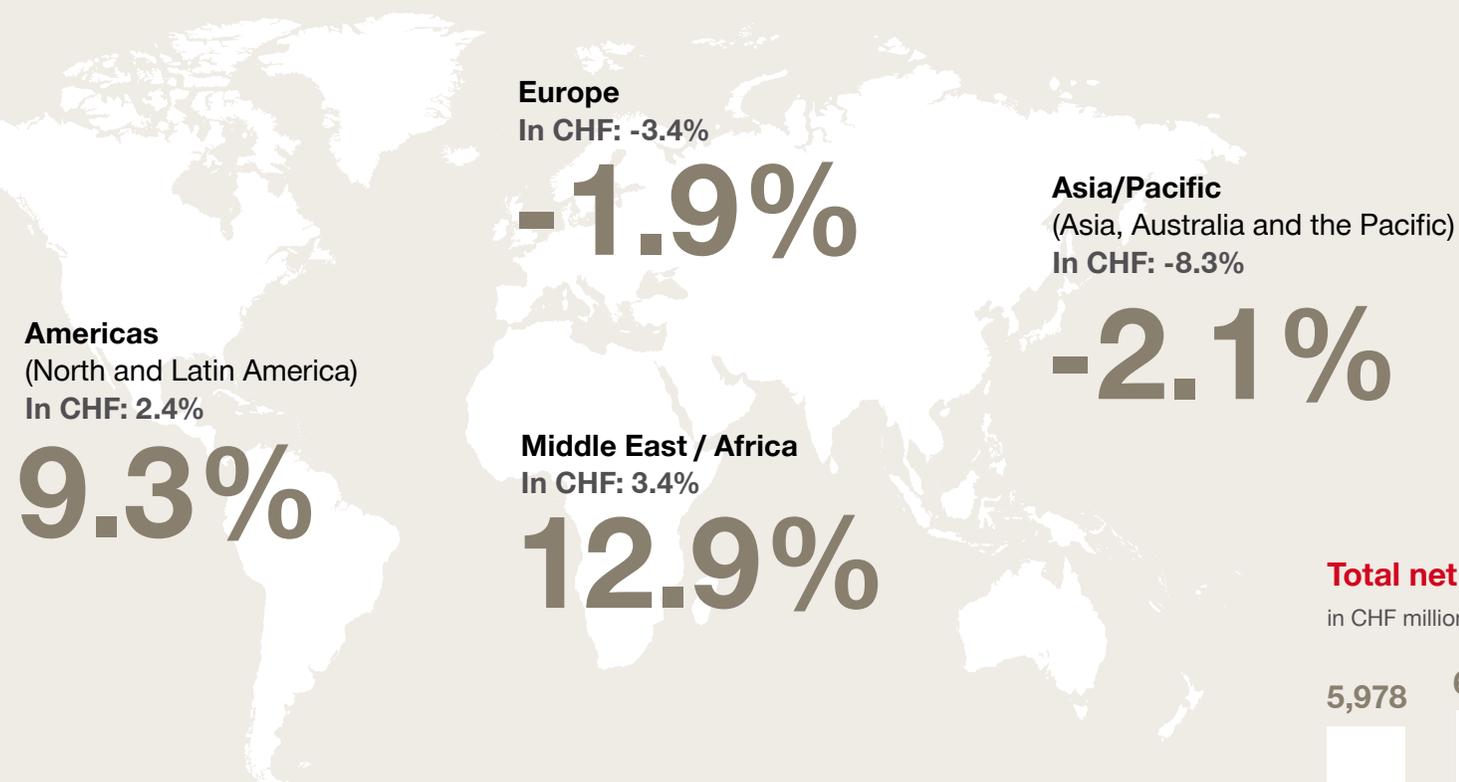
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# Sales Development

Change in local currencies (%)



## Total net sales

in CHF million



Net sales growth in CHF (%)

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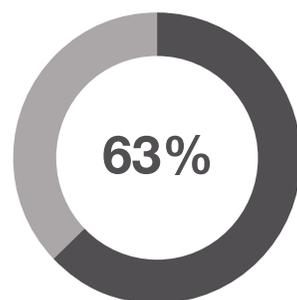




# Financing and Capital

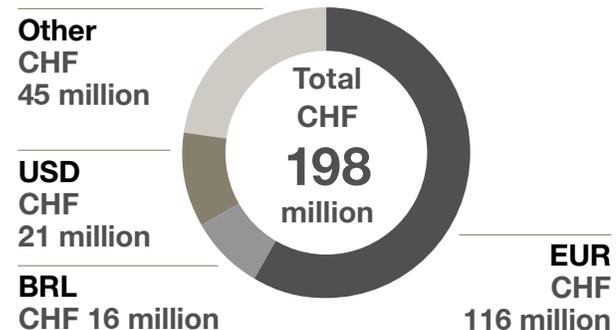
## Equity ratio

Total equity in % of total equity and liabilities

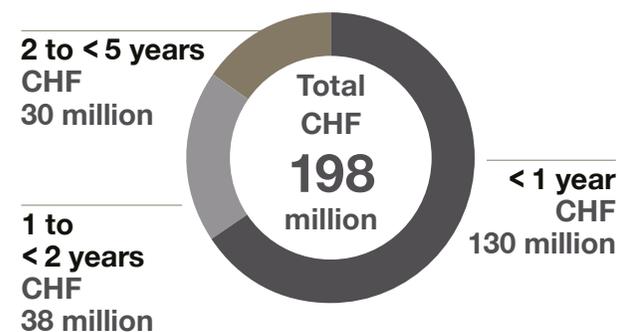


## Bank borrowings

Currencies



Time to maturity



## Information on bonds (nominal values)

in CHF million

	2023	2024	2025
CHF bond 0.2% 17/24 (early call for tax reasons only)	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	-
CHF bond 1.7425% 23/26 (early call for tax reasons only)	100	100	100
CHF bond 1.9225% 23/31 (early call for tax reasons only)	150	150	150
CHF bond 0.4% 25/29 (early call for tax reasons only)	-	-	100
CHF bond 0.8425% 25/33 (early call for tax reasons only)	-	-	100

Time to maturity



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# Sustainability Highlights

## We care for the Environment

### Greenhouse Gas Emissions

# -8%

(1243) ktCO<sub>2</sub>eq within own operations and in value chain

### Life Cycle Assessments

# +9 ppt.

(3/4) of catalog covered by ISO-compliant Life Cycle Assessments (LCAs)

## We care for People

### Lost-Time-Incident-Rate

# -25%

(2.52) lost time incident rate in own operations

### Team Members Engagement

# 74%

(+1ppt.) engaged employees in Global Employee Opinion Survey (GEOS)

## We care for Society

### Engaged Beyond Business

# >91,000

(+23%) hours spent within Engaged Beyond Business corporate volunteering program

### Tool Donations

# >6,000

(-14%) tools donated to educational and charitable organizations

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## External Sustainability Assessment



EcoVadis Silver Rating



ISS ESG Corporate Rating Prime  
Status (top 10%)



Platinum and Gold DGNB  
certificates for Hilti plants

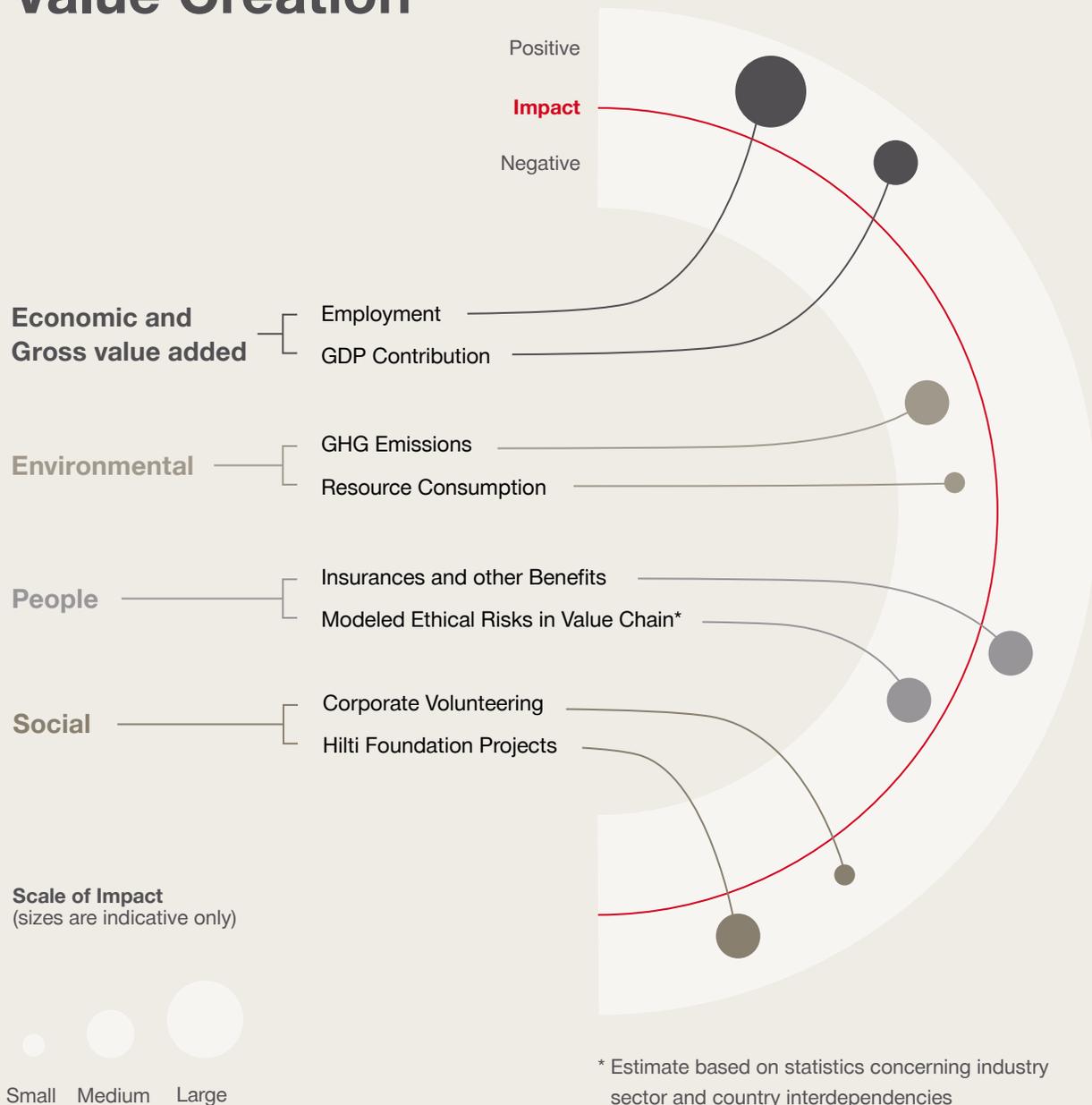


#24 Great Place to Work  
recognition





# Value Creation



## Value2Society™ at Hilti

Hilti uses the Value2Society™ model to better understand and quantify its impacts across its upstream value chain and own operations. The V2S model aligns with impact valuation principles set by the Value Balancing Alliance (VBA) and the international Foundation for Valuing Impacts (IFVI).

Based on the analysis conducted in 2024, the V2S model highlights that Hilti's most significant positive impacts stem from both direct and indirect contributions to economic welfare, including job creation, salaries, taxes and retained profits. Further positive impacts relate to employee well-being, created through benefits like voluntary insurance and pension plans and opportunities for development and volunteering for team members employed at Hilti. The analysis also indicates possibilities for improvement. Leveraging these insights, Hilti is committed and continuously works to further improve its V2S. There have not been any material changes to Hilti's business model since the analysis was conducted in 2024.

Beyond these purposes, the V2S model serves several other valuable roles. It plays a crucial part in enriching Hilti's understanding of various factors that influence employee well-being. Additionally, it helps with assessing the social return on investment for initiatives undertaken by the Hilti Foundation and guides the evaluation of social project selections. By integrating these insights, Hilti can make more informed decisions that not only benefit the company but also positively impact the communities it serves.

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# Key Performance Indicators

financial amounts in CHF million

	2021	2022	2023	2024	2025
<b>Results</b>					
Net sales	5,978	6,347	6,520	6,429	6,297
Depreciation and amortization	(412)	(440)	(476)	(514)	(509)
Operating result	847	731	770	769	728
Net income before tax	805	668	700	699	652
Net income	675	565	560	561	516
Return on sales (ROS) in %	14.2	11.5	11.8	12.0	11.6
Return on capital employed (ROCE) in % (operating result) <sup>1</sup>	17.1	13.2	13.3	12.9	11.8
Return on equity (ROE) in % (net income)	17.4	12.7	12.2	11.9	10.4
<b>Balance sheet &amp; Cash flow</b>					
Total assets	7,469	7,426	7,704	8,055	8,105
Total equity	4,294	4,579	4,576	4,883	5,072
Interest bearing liabilities <sup>2</sup>	1,080	1,136	1,264	1,200	1,214
Total equity in % of total equity and liabilities	57	62	59	61	63
Capital expenditures on intangible assets and on property, plant and equipment	401	445	451	354	326
Cash flow from operating activities	896	429	934	860	1,013
Free cash flow	377	(147)	359	379	545
Dividend <sup>3</sup>	337	281	279	279	257
<b>Non-financial indicators</b>					
Total greenhouse gas emissions in own operations (Scope 1 and 2) in tCO <sub>2</sub> eq	79,199	76,015	76,210	65,347	62,717
Total greenhouse gas emissions in value chain (Scope 3) in tCO <sub>2</sub> eq	1,275,084	1,526,441	1,361,409	1,291,987	1,180,129
Lost time incident rate (LTIR)	4,70	3,89	3,55	3,36	2,52
Employees (as at December 31)	31,115	32,487	34,111	34,353	34,420

<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> Interest bearing liabilities comprise bonds, short- and long-term bank borrowings, as well as lease liabilities.

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

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# Management Statements

## Hilti Group Achieves Sales of 6.3 Billion in 2025

**In a year marked by ongoing global uncertainty, the Hilti Group navigated the radically changed tariff environment, drove productivity in operations and continued to invest significantly in its Lead 2030 strategy. Sales grew 1.9 percent in local currencies in 2025. The strong appreciation of the Swiss franc led to a negative currency effect of 4.0 percentage points on sales. In total, Hilti reported sales of CHF 6.3 billion for the 2025 business year (-2.1%). The operating result reached CHF 728 million, a decline of 5.3 percent compared to the previous year. Despite diligent cost management, the ongoing strength of the Swiss franc and a soft market environment in Europe and parts of Asia led to this result.**

Sales in the Americas region grew strongly, by 9.3 percent in local currencies. The business delivered solid double-digit growth in the U.S. market despite the dynamic tariff environment. In Europe, sales decreased in local currencies (-1.9%) in an overall soft construction market. The Middle East/Africa region reported growth of 12.9 percent in local currencies, driven by growing construction activity in the Middle East. Sales in the Asia/Pacific region declined by 2.1 percent in local currencies, mainly due to the challenging environment in North Asia.

### **Investments in hardware, software and services**

The Hilti Group continued to strengthen its innovation pipeline, with more than 70 new products and services launched in 2025, focusing on technology and product portfolio differentiation. In 2026, Hilti will launch Power Up, its new cordless heavy-duty power tool portfolio, building on the success of the 22-volt battery platform Nuron. Investments in research and development reached CHF 459 million, equaling 7.3 percent of Group

sales. Hilti further expanded its production and supply network in the Americas, Eastern Europe and India to secure its long-term supply chain resilience in a dynamic and complex global environment.

Beyond hardware, Hilti's services and solutions are continuously driving differentiation to support customers in becoming more productive. In 2025, Hilti's software business gained further momentum with annual recurring revenue (ARR) growth of 28.0 percent and an established customer base of more than 25,000.

At the end of 2025, the Hilti Group had 34,420 team members, an addition of 67 employees (+0.2%) compared to the previous year.

### **Profit development**

The operating result reached CHF 728 million in 2025, a decrease of 5.3 percent compared to the previous year (2024: CHF 769 million). The soft market environment, the strong Swiss franc and continued investments in the strategic priorities led to this decline. The currency effect on the operating

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result was CHF 38 million. With CHF 516 million, net income was 8.0 percent below the previous year (2024: CHF 561 million). Return on sales (ROS) declined slightly to 11.6 percent (2024: 12.0%). The Group's capital employed increased by CHF 203 million to CHF 6.3 billion, whereas return on capital employed (ROCE) decreased by 1.1 percentage points to 11.8 percent (2024: 12.9%).

Free cash flow reached CHF 545 million (2024: CHF 379 million), leading to a cash flow conversion of above 100 percent. This is well above the long-term average target defined in the Group's Lead 2030 strategy.

## Solid balance sheet and liquidity

The equity ratio of 63 percent (2024: 61%) continues to be considerably above the minimum of 45 percent. Cash and cash equivalents amounted to CHF 1.2 billion (2024: CHF 0.9 billion). This includes the repayment of a CHF 150 million corporate bond tranche and the placement of two new tranches, each valued at CHF 100 million. Based on this solid business result, the Board of Directors proposes to pay out an ordinary dividend of CHF 257 million for the 2025 financial year (2024: CHF 279 million).

## Sustainability reporting

As part of its customer promise, the Group aims to be its customers' best partner for sustainability, both through its innovative solutions and how it operates. The sustainability strategy is based on three pillars: caring for the environment, people and society. The 2025 sustainability statements detail how Hilti implements its sustainability strategy and are published with reference to the European Sustainability Reporting Standards (ESRS).

In addition to reaching carbon neutrality in its own operations (Scope 1 and 2 greenhouse gas GHG emissions) and business travel GHG emissions, the Group has established CO<sub>2</sub>-reduction targets validated by the Science Based Targets initiative (SBTi). In 2025, total Scope 1 to 3 GHG emissions were reduced by 8.4 percent from 1357 to 1243 kilotons, in line with these targets. The lost-time-incident rate (LTIR) was reduced by 25 percent to 2.52 compared to the prior year. Hilti's employees demonstrated their strong commitment to society by volunteering a total of more than 91,000 hours (+23% compared to 2024) through Hilti's volunteering program, Engaged Beyond Business (EBB). For its sustainability efforts Hilti was recognized with the EcoVadis silver medal, among the top 15 percent of participating companies, and ISS ESG Corporate Rating Prime status, among the top 10 percent of the industry

cohort. In addition, the Hilti plant in Hungary received platinum certification from the German Sustainable Building Council (DGNB), while the plant in India received gold certification. The auditor, PricewaterhouseCoopers AG, provided limited assurance on both the sustainability metrics of GHG emissions and the LTIR.

## Outlook

The development of the construction market is expected to remain uncertain in 2026. It is likely that the Swiss franc will remain strong during 2026 due to the ongoing geopolitical instability and trade barriers.

In line with its strategy Lead 2030, Hilti will further strengthen its innovation pipeline in hardware, software and services. In addition to this, Hilti continues to invest in continuously improving customer experience.

In 2026, the Hilti Group expects low single-digit sales growth in local currencies with a similar ROS compared to 2025.



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# Corporate Governance

## 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 Assembly, generally for a three-year term with the possibility of re-election.

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

The Board of Directors is the highest 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 Assembly 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.

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 financial and sustainability 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 2025, the Audit Committee consisted of Carla De Geyseler (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,



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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 Assembly 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 Assembly 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 Group financial statements, the financial statements of Hilti Corporation, and selected Group sustainability metrics are audited by PricewaterhouseCoopers AG, St. Gallen (lead auditor). The firm was re-appointed in March 2025 for the 2025 fiscal year. For the 2025 fiscal year, audit fees paid to PricewaterhouseCoopers amount to CHF 2 million, while audit-related and non-audit fees total CHF 200 thousand. The Group's total audit fees, including those for audits not conducted by PricewaterhouseCoopers, amount to CHF 3 million.



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# Editorial



Peter Rupp, Head of Corporate Sustainability



Felix Hess, Member of the Executive Board

## Dear Readers,

Sustainability is deeply embedded in Hilti's corporate strategy. In 2025, more than ever, it became clear that sustainability is not only a responsibility, but a powerful driver of **resilience, productivity and long-term value creation**. When approached holistically, it creates value for the environment, society and the business. This conviction underpins our ambition to be our customers' best partner for sustainability – both through the solutions we provide and the way we operate.

A central focus of our sustainability strategy is the decarbonization of our value chain in line with our targets which were validated by the **Science Based Targets initiative (SBTi)**. Our efforts continued to accelerate in 2025. One tangible example is the **transformation of our packaging approach** across multiple product categories. We redesigned the packaging materials and formats of around 30 million packages, reducing environmental impact while maintaining performance.

We also made significant progress in **integrating sustainability principles into the planning and construction of new production sites**. Our newly built plants in Hungary and India demonstrate how sustainability, operational efficiency and value creation go hand in hand. Both projects were recognized by the German Sustainable Building Council (DGNB): the production building in Hungary achieved **Platinum** certification, while the plant and office building in India received **Gold** certification – marking the first DGNB-certified buildings of their kind in the country.

▶ Our decarbonization journey and related initiatives are explained in more detail throughout this report.



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In 2025, Hilti's **sustainability performance** was again assessed by several independent external agencies. We achieved an **EcoVadis** Silver rating, received the **ISS ESG Corporate Prime** status and were certified as a **Great Place to Work**, ranking among the top 25 workplaces worldwide. These recognitions reflect our commitment to environmental stewardship as well as to fostering a caring, inclusive and performance-oriented culture.

Creating positive **social impact** at scale remains a key priority for Hilti. Through our strategic programs in **corporate volunteering** and **tool donation**, **thousands of colleagues** once again contributed their time and expertise to social and environmental initiatives in their local communities. In addition, **thousands of tools** collected through our Fleet Management program were donated to educational and charitable institutions, where they continue to create meaningful value. Selected stories and impact highlights are featured in the sustainability statements and in more detail in the 2025 annual report.

 Own Workforce: p. 54

 2025 Annual Report

Guided by our holistic value creation approach, the sustainability statements have been combined with the financial statements for the first time to create an integrated annual report. This represents an important milestone in embedding sustainability more deeply into our core business practices and decision-making processes. We hope you find the structure and content both transparent and engaging.

We sincerely thank our colleagues, customers and partners for their continued trust and collaboration on our shared journey to making construction better.

**Felix Hess**  
Member of the  
Executive Board

**Peter Rupp**  
Head of Corporate  
Sustainability



## We care for the Environment

### Greenhouse Gas Emissions

**-8%**

(1,243) ktCO<sub>2</sub>eq within own operations and in value chain



## We care for People

### Team Members Engagement

**74%**

(+1ppt.) engaged employees in Global Employee Opinion Survey (GEOS)



## We care for Society

### Engaged Beyond Business

**>91,000**

(+23%) hours spent within Engaged Beyond Business corporate volunteering program



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# Group Sustainability Statements

## General Information

### Business model and value chain

Construction is the largest industry globally. About 15% of global GDP is generated by construction and about 10% of global employment is in construction. Construction covers one of the basic human needs and touches practically everyone living on our planet. The Hilti Group (“Hilti” or “the Group”) supplies this worldwide industry with technologically leading products, systems, software and services that provide sustained added value and is therefore making construction better.

The Group’s product range includes tools and systems covering demolition, drilling, sawing, cutting and grinding, direct and screw fastening, diamond coring and cutting, anchoring, firestop, installation,

measuring and software construction services. These products and services provide professional end users with innovative and differentiated solutions. The development of new products, software and services is driven by ten business units.

Sales operations are organized across country organizations to ensure a localized, customer-focused approach. Europe and North America are the largest markets. They are led by their strongest respective contributors: Germany and the United States. Overall, the Group has sales organizations in approximately 70 countries and has over 34,000 employees worldwide. The graphic on the next page illustrates the distribution of Hilti employees across the different regions.



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## Hilti's Global Team in 2025

### 2025 Headcount

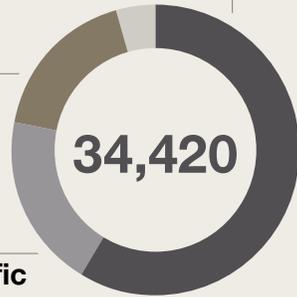
Number

**Middle East / Africa**  
1,437

**Europe**  
20,211

**Americas**  
6,063

**Asia/Pacific**  
6,709



Creating Hilti's unique range of products and services involves a value chain that encompasses diverse activities across upstream, own operations and downstream stages:

- Hilti's upstream value chain involves the extraction and sourcing of raw materials, the processing of semi-finished and finished goods and the upstream transportation of these raw materials and goods. Furthermore, it includes the engagement of service providers in areas like energy, coating, packaging and assembly.
- Hilti's own operations include research and development on materials and products, the sourcing of raw materials, semi-finished and finished goods, manufacturing, branding, marketing and sales.
- Hilti's downstream value chain relies on Hilti's direct sales model, supported by distribution and aftermarket services. These services include product maintenance and repair, technical advice, training and the disposal, reuse or recycling of end-of-life products.

The Group's business model, inputs, outputs, outcomes and value creation are summarized in the illustration on the next page.



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## Sustainability strategy

At Hilti, sustainability has been a core value for decades. However, the growing challenges posed by climate change and societal issues demand greater commitment. Recognizing these needs, Hilti has significantly intensified its sustainability efforts to meet the rising expectations of stakeholders – including customers, society, regulators and team members.

Hilti recognizes the pivotal role of the construction industry, one of the largest industries globally, in driving economic growth and providing essential infrastructure. As one of the largest contributors to global carbon emissions and a sector facing significant work-related health and safety challenges, the construction industry is transforming. Sustainability is becoming a key factor for business success while health and safety are increasingly prioritized. Hilti's customers are thus looking for a partner in this transformation.

Hilti is ideally positioned to be this partner. With a focus on innovation, the Group helps customers to improve productivity, safety and sustainability. That is why Hilti has defined "Making Construction Better" as its purpose.

Hence, Hilti's commitment to sustainability is deeply integrated in its corporate strategy and reflected in its customer promise. To realize the ambition of being its customers' best partner for sustainability, Hilti is accelerating its existing activities to become a more sustainable company while placing increased emphasis on making customers' businesses more

### Corporate Strategy Lead 2030



### Sustainability at Hilti





sustainable. The Group's sustainability strategy is based on the three pillars Environment, People and Society.

Hilti's strategic objective is value creation through leadership, built on differentiation and direct customer relationships. Value creation goes beyond economic value. Hilti aims to create value not only for the Group's shareholder, but also for customers, suppliers and partners, team members and society as a whole. Hilti employs a collaborative strategy that utilizes its stakeholders' expertise across global networks and international initiatives to enhance value creation, while also making active contributions of its own expertise. Hilti has been an active member of the UN Global Compact since 2021 and joined the World Business Council for Sustainable Development (WBCSD) in 2024. The Group collaborates with leading IT, engineering and manufacturing companies to promote sustainability within the construction industry.

One significant aspect of pursuing the Group's sustainability strategy involves relevant transparency for internal management and external reporting.

### Materiality assessment

Hilti performed a double materiality assessment as a key step in developing its sustainability framework and strategic priorities. The double materiality assessment entails the analysis of both impact materiality (positive and negative impacts) and financial materiality (financial risks and opportunities). In line with the European Sustainability Reporting Standards (ESRS), Hilti's

entire value chain, including upstream, downstream and own operations, was considered.

The double materiality assessment was conducted in the following steps:

#### 1. Value chain identification

The Corporate Sustainability Team, with the support of internal subject matter experts, outlined the Group's value chain within the context of Hilti's operations. This context is shaped by the Group's strategy, business model and the various business actors involved.

#### 2. Stakeholder identification

The Corporate Sustainability Team identified stakeholders that are users of sustainability information and/or affected by the Group's business activities. They were grouped based on their relevance, using interest and power as criteria, with defined appropriate engagement approaches suitable to the respective stakeholder group. The key stakeholder groups identified for Hilti are customers and employees.

#### 3. Impacts, risks and opportunities identification

The Corporate Sustainability Team identified and defined more than 300 group-specific impacts, risks and opportunities (IROs) along the value chain for all topics covered by the ESRS.

#### 4. Impacts, risks and opportunities evaluation

Hilti subject matter experts, who were made familiar with the ESRS and their respective roles in the double materiality assessment through enablement sessions, reviewed, refined, complemented

and evaluated the list of IROs, considering the perspective of relevant stakeholders based on their experience and business interactions. The evaluation criteria for impacts were based on severity, defined through scale, scope and remediability, multiplied by likelihood of occurrence. For risks and opportunities, the criteria included magnitude of financial impact multiplied by likelihood of occurrence. For assessments related to Hilti's key stakeholder groups, the subject matter experts' evaluation was further informed by insights gained from stakeholder surveys. To determine material IROs, the Corporate Sustainability Team defined and applied thresholds: "significant and above" for impact materiality and "substantial and above" for financial materiality.

#### 5. Impacts, risks and opportunities validation

The Corporate Sustainability Team presented consolidated overviews of material IROs to senior management, who validated the evaluation. The validation was enhanced with Hilti's Value2Society™ (V2S) model, enabling an objective and impartial comparison with the help of monetized impacts and risks.

#### 6. Impacts, risks and opportunities approval

The Corporate Sustainability Team presented a consolidated overview of material IROs to the Group's Executive Board and Board of Directors, both of which approved the results of the double materiality assessment.





Hilti's identified material IROs are summarized in clusters within the following topical standards:

Topic	Cluster	Material Impact, Risk or Opportunity
Climate Change (E1)	Decarbonization	Negative impact, risk
	Low carbon footprint solutions	Opportunity
	Sustainable energy consumption	Negative impact, positive impact
Resource Use and Circular Economy (E5)	Circular operations	Negative impact, positive impact
	Circular solutions	Opportunity
Own Workforce (S1)	Well-being of team members	Negative impact, risk, opportunity
	Safety of team members	Positive impact
	Contribution of team members	Positive impact
	Human rights of team members	Risk
Workers in the Value Chain (S2)	Human rights in the value chain	Risk
Business Conduct (G1)	Corporate culture and values	Positive impact, opportunity
	Anti-corruption and anti-bribery	Risk
	Supplier sustainability	Positive impact

Details on the material IROs are disclosed in the respective chapters.

Hilti's process for approaching the materiality assessment is unchanged compared to last year's sustainability reporting. For the second time, the reporting is based on a double materiality assessment aligned with the ESRS, which was reviewed and, if required, updated in 2025. This approach considers both impact and financial materiality. All material IROs identified and reported in this sustainability statement are covered by the ESRS disclosure requirements, and no

entity-specific disclosures are included. The next review of the double materiality assessment is planned for the year 2026.

While the systematic identification and assessment of sustainability-related opportunities and the Group's overall sustainability risk profile are being developed (including the use of a sustainability risk assessment tool) as part of the overall management process, the management of identified material opportunities is already integrated into Hilti's sustainability governance. The double materiality assessment emphasizes gross impacts and risks;

Hilti's risk management system adopts a net risk perspective. Sustainability-related risks are not prioritized over other types of risk.

### Dialogue with stakeholders

Hilti puts great emphasis on regular communication and dialogue with the internal and external stakeholders. The Group's key stakeholders are customers and employees. Other relevant stakeholders include the Group's large base of suppliers.

Direct and regular on-site contact with **customers** is a key element of the Group's business model. In Hilti's sales model, there are typically no intermediaries between the company and end users, fostering long-term relationships with customers. In addition to direct contact through account managers, Hilti interacts with customers on a daily basis via customer service, by phone and e-mail, in Hilti Stores and through digital channels like the Group's Hilti Online website and social media.

Hilti systematically asks for customers' opinions as part of regular customer surveys, which include specific questions on sustainability. Engagement on sustainability-related topics with key accounts has intensified, supported by a dedicated corporate Sustainability Business Development Team and regional or local customer sustainability managers. These roles were newly established in recent years. Insights from these numerous customer exchanges help Hilti better understand evolving needs and trends and contribute to the Group's goal of being the customers' best partner for sustainability.

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Regular exchanges with **employees** are promoted not only in the daily working environment, but also through various internal media and event formats. Hilti conducts its annual Global Employee Opinion Survey (GEOS), covering topics such as team members' engagement, perception of working conditions, equal treatment and opportunities and sustainability efforts. GEOS is an anonymous online survey facilitated by an external provider, with results segmented by teams, departments and functions for targeted insights. Open-ended comments are analyzed globally, and leadership teams define action plans based on findings, ensuring continuous and transparent updates on the implementation of employee feedback. The action plans are globally guided to ensure a uniform approach. It is recommended that three key focus areas are identified, with teams sharing their primary concerns. Together with the manager, the teams will define measures to address issues effectively. The Head of Global Human Resources oversees the survey process, and the results are presented to the Executive Board and the Board of Directors. GEOS serves to better understand employees' needs, concerns and overall engagement with Hilti. Additionally, Hilti encourages employee involvement through events and open dialogues.

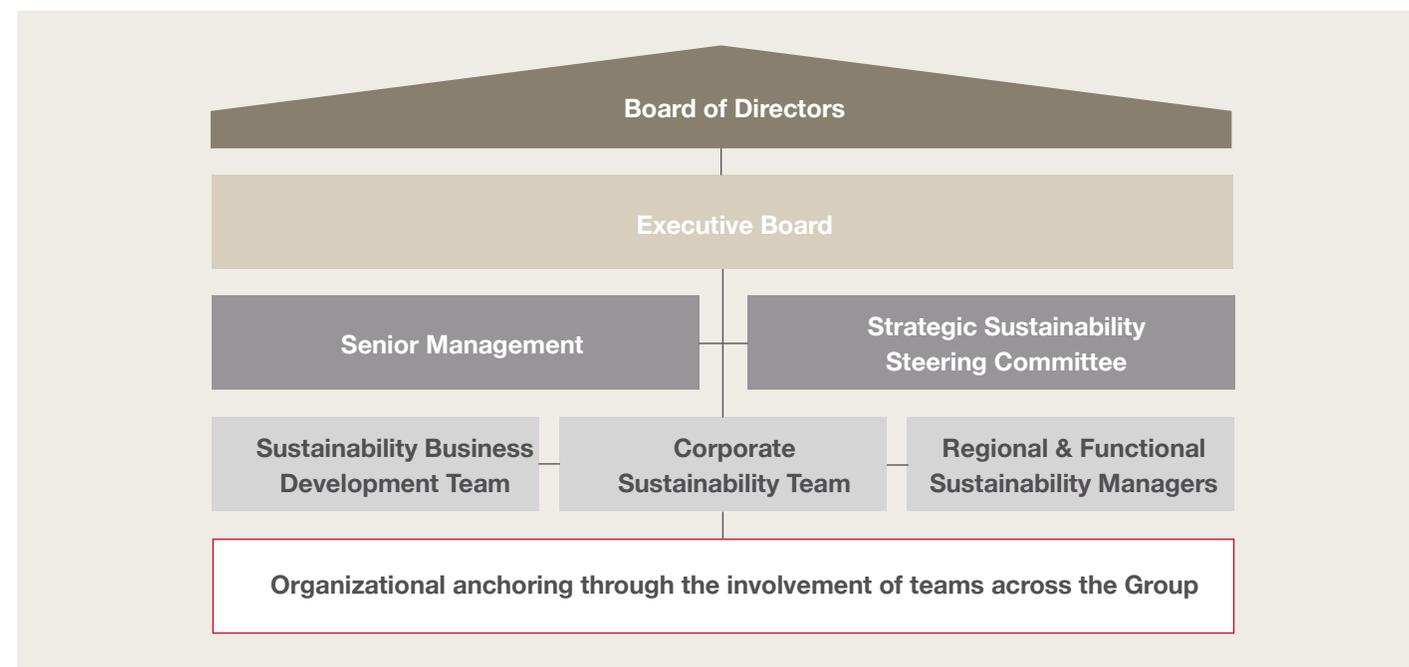
Internationally, Hilti works with many **suppliers** and business partners. It is important for Hilti to build partnerships on equal terms and to engage in regular personal discussions. Cooperations are based on the highest ethical standards, which are set out in the Group's Code of Conduct for Suppliers and Third-Party Intermediaries. Before embarking on a business relationship with Hilti, suppliers must

contractually agree to follow Hilti's principles against bribery, corruption and the violation of human rights, and to be in favor of humane working conditions and minimum wages, as well as environmental protection and the correct handling of hazardous substances. Regular audits are conducted to assess compliance with this Code of Conduct and the Sustainable Sourcing Policies.

The views and interests of the Group's key stakeholders regarding sustainability-related impacts were considered during Hilti's double materiality assessment. Based on the stakeholder engagement, the Group does not currently plan to significantly amend its strategy or business model.

## Sustainability governance

Hilti's **Board of Directors** is the highest executive body within the Hilti Group and is responsible for superintendence, supervision and control of the management. It adopts the fundamental strategic direction for the Group, including sustainability as a key component. As such, it also oversees the establishment of targets for, and the management of, the Group's material IROs. At least annually, the Board of Directors reviews the effectiveness of the Group's actions in addressing these IROs and achieving the associated targets. The Head of Corporate Sustainability hosts these IRO review meetings with the Board of Directors.





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The **Executive Board** reports to the Board of Directors. It is responsible for implementing the Group's strategy, including sustainability as a key element. As such, the Executive Board is involved in setting targets and managing the Group's material IROs. It has direct responsibility for the Group's climate change human rights of team members, as well as for corporate culture. The responsibility for other material IROs is delegated to senior management, as shown in the table below. The Head of Corporate Sustainability, directly reporting to the Chief Executive Officer, organizes and coordinates at least one IRO review meeting a year for the Executive Board and senior management. These meetings serve as the basis for preparing the review of the material IROs with the Board of Directors.

The **Strategic Sustainability Steering Committee** is the advisory body for Hilti's sustainability activities. It meets three times a year and provides strategic advice and support on cross-functional challenges when addressing the material IROs. It is chaired by the Chief Executive Officer and also includes several Executive Board members and members of senior management. Members of senior management are informed of and review Hilti's material IROs through this committee at least once a year.

The Group's **Corporate Sustainability Team** coordinates actions to address the material IROs, acts as an interface for all relevant parties and supports the implementation of initiatives. The **Sustainability Business Development Team** focuses on sustainability aspects in Hilti's

value chain, including making Hilti's customers' businesses more sustainable. The team develops and implements processes, methods, tools, data and services that support this goal.

#### Functional and Regional Sustainability

**Managers** lead the local implementation of Hilti's sustainability road map, act as liaisons with the Corporate Sustainability Team and foster employee engagement and learning about sustainability topics. Regional and local Sustainability Business Development managers work with the global Sustainability Business Development Team to integrate sustainability into product launches and sales training, addressing industry trends and building partnerships for innovative, sustainable solutions in construction.

At the foundation of Hilti's sustainability governance, **teams across the organization** actively drive sustainability initiatives, ensuring that these efforts are embedded into daily processes and decision-making at every level. By integrating sustainability into core operations, the Group aims to anchor responsible practices deeply within the organizational culture and business processes. This decentralized approach empowers team members to contribute to sustainability goals, fostering a cohesive commitment that aligns with Hilti's strategic objectives and strengthens impact generation throughout the company.

Topic	Cluster	Responsibility
Climate Change (E1)	Decarbonization	Executive Board
	Low carbon footprint solutions	Executive Board
	Sustainable energy consumption	Executive Board
Resource Use and Circular Economy (E5)	Circular operations	Senior Management
	Circular solutions	Senior Management
Own Workforce (S1)	Well-being of team members	Head of Human Resources
	Safety of team members	Head of Health, Safety and Environment
	Contribution of team members	Head of Corporate Sustainability
	Human rights of team members	Executive Board
Workers in the Value Chain (S2)	Human rights in the value chain	Senior Management
Business Conduct (G1)	Corporate culture and values	Executive Board
	Anti-corruption and anti-bribery	Group General Counsel
	Supplier sustainability	Senior Management





## Activities and composition of Board of Directors and Executive Board

In 2025, the Board of Directors and/or the Executive Board discussed the following material IRO clusters: decarbonization, sustainable energy consumption, circular operations and solutions, well-being of team members, safety of team members, contribution of team members and anti-corruption and anti-bribery. Further discussions conducted by the Board of Directors and the Executive Board focused on the delayed sustainability reporting obligation. In these meetings, sustainability-related trade-offs are generally taken into account when making strategic decisions. However, there are currently no specific guidelines to systematically address such trade-offs within the decision-making process.

### Board of Directors

The Board of Directors is composed of eight non-executive members, of whom 50% are independent. Three members are female, leading to an average ratio of female-to-male board members of 38%. The members have diverse educational backgrounds, including business administration, engineering, finance, law, marketing and psychology. They also represent a range of nationalities, including Belgian, German, Liechtensteiner, Norwegian and Swiss. Employees and other workers do not have a dedicated representative on the Board of Directors.

### Executive Board

The Executive Board is composed of six members, all of whom are male. The members have diverse educational backgrounds, including business administration, engineering and economics. They represent diverse nationalities: Austrian, German, Indian/Swiss, Israeli/United States of America, Spanish and Swiss.<sup>1, 2, 3</sup>

<sup>1</sup> Members of the Board of Directors have, based on their educational and professional backgrounds, industry-specific sustainability knowledge that they transfer and apply to the Group's business model and material IROs. If required, they leverage sustainability-related expertise from internal and external specialists.

<sup>2</sup> Members of the Board of Directors are responsible for strategic supervision and are updated about all relevant activities, including business conduct. They set the appropriate tone at the top and, along with the Executive Board, they participate in regular training on business

ethics, including anti-corruption, to ensure adequate expertise. Additionally, the Group General Counsel serves as the secretary of the Board of Directors and is the primary point of contact in meetings concerning business ethics.

<sup>3</sup> The accountability of the Board of Directors for the material IROs is not included in the Group's organizational documents.

### Incentive scheme of Board of Directors

Sustainability-related targets or impacts, including performance assessment against greenhouse gas emission reduction targets, as referred to in the chapter Climate Change, or other sustainability-related performance metrics are not considered in the Board of Directors' incentive scheme.

### Incorporation by reference

The following information is incorporated by reference in the chapter Notes to the Consolidated Sustainability Statements:

- Basis for preparation
- Risk management and internal controls over sustainability reporting
- Statement on due diligence
- List of disclosure requirements complied with
- Table of datapoints that derive from other EU legislation

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# Climate Change

## Highlights

### SBTi

Total Scope 1, 2 and 3 greenhouse gas emissions reduced by 8% compared to 2024

As a global leader in providing innovative solutions for the construction industry, Hilti recognizes its role in addressing climate change. The Group is committed to reducing its greenhouse gas (GHG) emissions, aligning with international climate goals and driving the transition to a low-carbon economy. Through comprehensive measures that span product innovation, sustainable operations and collaboration across the value chain, Hilti integrated climate action into its core business strategy. This chapter outlines Hilti's approach to climate-related

### LCAs

Three quarters of catalog covered by ISO-compliant Life Cycle Assessments (LCAs)<sup>1</sup>

<sup>1</sup> measured by net sales.

IROs, as well as its progress toward achieving science-based emission reduction targets and contributing to a more sustainable future.

#### Climate strategy

##### Transition plan for climate change mitigation

To meet the aspirational goal of keeping global warming below 1.5°C Celsius above pre-industrial

### Energy

100% green electricity used by Hilti Group

levels, as outlined in the 2015 Paris Agreement, GHG emissions globally must be significantly reduced. In 2022, Hilti committed to contributing to this effort by setting GHG emission reduction targets that are aligned with the Science Based Targets initiative (SBTi). In 2024, Hilti's targets were validated by SBTi. Besides having set ambitious medium-term targets until 2032, Hilti aims for net-zero emissions by 2050. SBTi confirms that the Group's targets align with limiting global warming to 1.5°C.



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Material Impacts, Risks and Opportunities (IROs)

	Description	Lever to mitigate/improve
<b>Decarbonization (Responsibility: Executive Board)</b>		
Negative Impact (actual)	In the medium to long term, the Group negatively contributes to global warming, mainly through Hilti's manufacturing and distribution activities and sourcing of goods. The negative impact is located along the Group's whole value chain.	Within its operations, Hilti's strategies for lowering emissions primarily involve transitioning to low-emission vehicles. To lower emissions beyond its own operations and work towards more sustainable products, sustainable sourcing, reusing spare parts and utilizing recycled materials are important measures. Hilti's decarbonization efforts also assist its customers in minimizing their environmental impact, ultimately contributing to a more sustainable construction industry.
Transition Risk	In the medium to long term, Hilti may incur significant investment costs to comply with climate-related regulations. Additionally, market challenges, such as changing customer behavior and the availability of input materials with lower emissions, are pertinent. These risks are located along the Group's whole value chain.	Hilti actively addresses climate change regulations, for example by proactively committing to the Science Based Target initiative (SBTi) to significantly reduce emissions throughout its value chain. Beyond regulatory compliance, the Group's goal is to maintain competitiveness and capitalize on new market opportunities.
<b>Low carbon footprint solutions (Responsibility: Executive Board)</b>		
Opportunity	In the medium term, Hilti can benefit from lowering the carbon footprint of its products and services and expanding these offerings to enable more climate-friendly solutions.	Not applicable.
<b>Sustainable energy consumption (Responsibility: Executive Board)</b>		
Negative Impact (actual)	In the short to medium term, Hilti and its suppliers have a negative implication on the environment and natural resources due to their energy-intensive manufacturing activities combined with the use of non-renewable energy sources. This negative impact is mainly located in Hilti's upstream value chain.	In its own operations, Hilti's levers for lowering its negative implication on the environment and use of natural resources include implementing energy efficiency measures, replacing existing energy sources with green electricity and producing renewable energy. In the supply chain, sourcing of more sustainable material is a key lever.
Positive Impact (actual)	In the medium term, Hilti has a positive impact on increasing the share of renewable energy sources in the electricity generation mix by producing and sourcing green electricity. This impact is located in Hilti's upstream value chain and own operations.	Not applicable.





The Group developed a climate change mitigation plan to fulfil its SBTi commitment. This plan defines absolute emission reduction targets across the organization and identifies key levers to reduce Scope 1, 2 and 3 emissions and actions to achieve these targets:

### Reducing Scope 1 and 2 emissions in sales and manufacturing

Hilti's sales organizations and manufacturing sites are key functions for reducing the Group's Scope 1 and 2 emissions. Key levers and actions are the following:

- **Transitioning to low-emission and renewable energy sources:**
  - Internal combustion engine vehicles in Hilti's sales operations are replaced with low-emission vehicles.
  - By purchasing green electricity certificates globally, the Group ensures that electricity used is from renewable sources.
  - Fossil fuel sources used for heating and manufacturing activities are replaced with alternatives using renewable energy.
- **Investing in energy-efficient buildings:** Newly constructed buildings owned by Hilti aim to meet, at minimum, the international gold standard of the German Sustainable Building Council (DGNB).

### Reducing Scope 3 emissions from product development, sourcing and use

Hilti's business units play a key role in reducing Scope 3 emissions, which largely arise from sourcing raw materials, semi-finished goods and

finished goods. Their contributions fall under the categories of directly purchased goods and use of sold products. Key levers and actions are the following:

- **Shifting to input materials with a lower carbon footprint:** Product design incorporates recycled materials instead of high-emission alternatives.
- **Optimizing product design:** Material footprint is lowered by designing lighter products, using less material where possible and optimizing product designs for sustainability.
- **Scaling circularity initiatives:** Tools, spare parts and components that are collected from Hilti's Fleet Management Program are reused for repairs to prevent new materials being used for this purpose.  
 Resource Use and Circular Economy: p. 46
- **Decarbonizing supply chain:** Procurement is shifted towards suppliers with low-emission practices and strong business partnerships are established with suppliers to ensure that raw materials have a reduced carbon footprint.
- **Electrification in product use:** Fewer emissions in the products' use phase are primarily achieved through the electrification of Hilti's product portfolio, transitioning the remaining fuel-powered tools to electric. While Hilti's tools are already highly energy efficient, achieving full climate impact relies on the continued decarbonization of the electricity grid.

### Reducing Scope 3 emissions from logistics

Key levers and actions to reduce logistics-related emissions are the following:

- **Shifting to low-emission transportation options:** High-emission transport options, such as air freight, are shifted to lower-emission alternatives like rail transport. Last-mile delivery is transitioned to fossil-free last solutions, such as trucks powered by HVO fuel or other renewable sources.
- **Leveraging digital means:** The enhancement of digitalized processes and the implementation of digital tools to optimize transport routes, frequency of deliveries and replenishment procedures leads to lower emissions.
- **Optimizing packaging:** Optimized packaging to support multiple uses and the reduction of single-use packaging reduces both emissions and waste.

### Supporting customers' emission reduction efforts

Hilti helps customers to simplify their CO<sub>2</sub> reporting and compliance documentation by providing CO<sub>2</sub> data for over three quarters of its product portfolio (measured by net sales) via ISO-compliant Life Cycle Assessments (LCAs) or Environmental Product Declarations (EPDs). By providing EPDs for its solutions Hilti supports customers in securing specific levels of green building schemes like Leadership in Energy and Environmental Design (LEED), Building Research Establishment Environmental Assessment Method (BREEAM) and DGNB.



### Engaging stakeholders for emissions reduction beyond the value chain

Another key lever for reducing emissions lies in building partnerships and participating in sustainability networks to foster dialog and create engagement beyond Hilti's own value chain. Key actions within this lever are the following:

- The Group collaborates with a variety of research institutes and universities.
- Hilti is engaged in sustainability-related associations and working groups. The Group is an active member of the United Nations Global Compact (UNGC) Switzerland/Liechtenstein chapter and of the World Business Council for Sustainable Development (WBCSD).

### Target rollout and education

To ensure effective implementation of these levers and actions, and to progress in line with the SBTi commitment, the Group defined targets across all relevant organizational units: sales organizations, manufacturing, business units and logistics. While several levers have advanced in recent years, like transitioning to electric vehicles, reusing spare parts and sourcing materials more sustainably, many others are in earlier stages.

To support the progress, the Group offers an internal education program on its sustainability learning platform. This platform helps to raise employee awareness, expands knowledge of sustainability-related topics and showcases measures everyone can take to contribute towards achieving the target.

### Financial planning

Sustainability is one of the core elements of the Group's overall strategy. Strategic decisions, including financial planning, reflect this commitment. Each organizational unit within the Group considers sustainability-related investments and expenses needed to implement the key levers and achieve the Group's GHG emission reduction targets in their financial planning. In line with these targets, no material capital expenditures were invested in coal, oil and gas-related economic activities during the reporting period.

The Group is not excluded from the EU's Paris-aligned benchmarks.

### Locked-in GHG emissions

While Hilti has set emission reduction targets and identified key levers to reach them, some emissions may remain locked in. This primarily affects heating systems that rely on fossil fuels, particularly natural gas. The Group distinguishes between owned and rented real estate assets when addressing these emissions.

For **buildings and plants owned by the Group**, more ambitious measures are either planned or underway to replace fossil systems, which are already at a low level, with renewable energy sources. In several of the Group's plants, heating systems are being upgraded to electric heat pumps, district heating or biogas.

In **rented properties**, fixed GHG emissions are lower, since lease contracts eventually end, creating an opportunity to switch to buildings equipped with non-fossil fuel systems. The Group's guidelines take into account regional differences in the availability of highly sustainable rentable buildings.

For **new buildings**, the Group aims for DGNB gold-standard certification to prevent locked-in GHG emissions from the outset. Additionally, investors constructing for or leasing buildings to the Group are encouraged to adopt high sustainability standards for similar objectives.

Due to relatively short development cycles, the locked-in effect of Hilti's **products** is immaterial. Emission improvements can be implemented in each development cycle. Nevertheless, Hilti's core sustainability principles are applied to address any potential locked-in GHG emissions.

## Climate management

### Identification and assessment of material climate-related impacts, risks and opportunities

The identification and assessment of climate-related IROs is linked to Hilti's Scope 1, 2 and 3 emissions, which are calculated following the GHG Protocol.

For **impacts**, Hilti identified the main sources of emissions along the value chain. Next, in line with the ESRS, Hilti evaluated these climate-related impacts based on their severity and likelihood of





occurrence. To determine the severity of impacts, Hilti monetized the Scope 1, 2 and 3 emissions by multiplying them with the social cost of carbon<sup>1</sup>. This assessment showed that Hilti has material-negative impacts in the medium to long term across the entire value chain.

For climate-related **risks**, Hilti performed a physical risk analysis for its own manufacturing locations and a transition risks analysis for its own manufacturing locations and the supply chain in 2022. In 2025, a project was started to enhance Hilti's climate risk assessment and reporting.

### Physical risk analysis

The assessment for manufacturing locations was performed using different scenarios of global emission development, based on the latest climate science. This includes the Intergovernmental Panel on Climate Change (IPCC)'s assumptions on the key forces and drivers of climate change. The scenarios applied encompass a wide range of GHG concentrations and policy developments. Despite the inherent uncertainties within these scenarios, their broad coverage and diversity yield reliable results. Key factors include the policies and their implementation. However, the scenarios are constrained by the intrinsic limitations of complex climate models.

<sup>1</sup> The social cost of carbon is the cost of the damages created by one extra ton of carbon dioxide emissions. Numbers are calculated on an annual basis by Route2, derived from Pindyck (2019).

The following publicly available scenarios were used for an analysis that covered the period from 2022 to 2100:

- **Network for Greening the Financial System (NGFS):** NGFS net-zero 2050 and NGFS delayed transition.
- **Climate Action Tracker (CAT):** CAT current policies.
- **Representative Concentration Pathways (RCP):** RCP 2.6, RCP 4.5, RCP 6.0, RCP 8.5.

The physical risk and transition risk for the manufacturing locations under the above scenarios was calculated considering their location (based on postal code), a statistical model for heat stress, river flooding and tropical cyclones, and financial loss due to damages and decreased productivity.

Hilti did not identify any material climate-related physical risks.

### Transition risk analysis

The assessment for manufacturing locations and the upstream supply chain considered price developments based on materials purchased and their countries of origin, taxes on fossil fuels and different scenarios of Hilti's GHG development. The analysis covered the time horizon from 2022 to 2030.

This risk assessment was one input for the double materiality assessment, which was further supplemented by engagement with internal subject

matter experts. Hilti identified only material climate-related transition risk.

Climate-related **opportunities** were evaluated based on engagement with internal subject matter experts, supplemented with insights gained from customer surveys.

### Policies related to climate change

The Group has established policies that address the material IROs related to decarbonization, sustainable energy consumption and low carbon footprint solutions. These policies focus on key areas such as climate change mitigation, energy efficiency and renewable energy. They include the Environmental Policy and the Sustainable Sourcing Policies for both direct and indirect procurement.

The **Environmental Policy** elaborates on Hilti's Code of Conduct section regarding environment and reaffirms the Group's commitment to reducing its ecological footprint. For example, it outlines measures to reduce raw material and energy consumption.

The **Sustainable Sourcing Policies** for direct procurement and indirect procurement build on Hilti's Code of Conduct principles related to environment and human rights. These policies provide guidance on embedding sustainability into procurement processes, such as assessing suppliers based on environmental and social criteria.



## Climate targets

### Targets related to climate change

In 2023, Hilti achieved CO<sub>2</sub> neutrality within its own operations, marking a significant milestone in its commitment to reducing carbon emissions. Hilti's broader climate strategy is guided by emission reduction targets validated by the SBTi.

#### Long term commitment: Net-Zero by 2050

The Hilti Group aims to reach net-zero GHG emissions across its entire value chain by 2050, with 2022 as the base year. The commitment includes:

- **Scope 1 and 2 GHG emissions (approximately 5% of Hilti's total emissions):** A 90% absolute reduction.
- **Scope 3 GHG emissions (approximately 95% of Hilti's total emissions):** A 90% absolute reduction covering the following categories: purchased goods and services, capital goods, fuel and energy-related activities, upstream transportation and distribution, waste generated in operations, business travel, employee commuting, upstream leased assets, downstream transportation and distribution, use of sold products and end-of-life treatment of sold products.

#### Near-term targets for 2032

To drive near-term progress, Hilti has set interim science-based targets for 2032, with 2022 as the base year:

- **Scope 1 and 2 GHG emissions:** A 50.4% absolute reduction. Maintaining 100% renewable electricity sourcing.
- **Scope 3 GHG emissions:** A 30% absolute reduction in the following categories: direct purchased goods and services, fuel and energy-related activities, upstream transportation and distribution, business travel and use of sold products.

The target boundary includes land-related emissions and removals from bioenergy feedstocks.

Interim targets for 2030 are derived linearly from the 2032 SBTi near-term targets and align with these objectives to ensure alignment and continuity in progress.

These targets align with Hilti's Environmental Policy objectives, reducing the Group's ecologic footprint while integrating sustainability into procurement processes.

#### Base year and GHG coverage

2022 was selected as a representative base year after COVID-19 disruptions. The values for the base year can be found in the Metrics section of this chapter. Hilti's targets cover all greenhouse gases defined under the ESRS, calculated in CO<sub>2</sub> or CO<sub>2</sub> equivalents.

#### Progress monitoring and stakeholder involvement

Performance is reviewed annually at multiple organizational levels, in alignment with Hilti's

strategic targets. These efforts involve diverse internal and external stakeholders, including supply and development teams, who played a pivotal role in setting SBTi-aligned targets. Progress on the targets can be found in the Metrics section of this chapter.

#### Future considerations

While future scenarios are considered, including shifts in sales volumes and customer preferences, all targets are consistent with limiting global warming to 1.5°C under the SBTi framework. These targets are independent from sectoral decarbonization pathways. The targets are validated by the SBTi.

#### Pathway to achieve targets

The following visual representation outlines Hilti's pathway to achieving its climate targets, starting from the 2022 baseline of GHG emissions covered by the SBTi near-term target and progressing through 2030. It captures both the anticipated impact of activity growth on emissions and the reductions enabled by key GHG reduction activities within Hilti's climate strategy.

Key actions include transitioning Hilti's vehicle fleet to low-emission alternatives, reducing the carbon footprint of products through innovations in product design and using fewer or recycled input materials and scaling circularity initiatives like reusing spare parts to reduce the need for new materials. Additionally, decarbonizing the supply chain plays a central role by working with low-emission suppliers and cutting emissions in energy-intensive industries. Emission reductions in the product use phase stem from further electrifying Hilti's product portfolio and





relying on a cleaner electricity grid. Furthermore, optimizing logistics with low-emission transportation helps drive this progress.

These initiatives collectively enable significant progress toward Hilti's near-term SBTi-aligned target for 2032 and the ultimate goal of achieving net-zero emissions by 2050.

Hilti identified its decarbonization levers and actions independently of the use of climate scenarios.

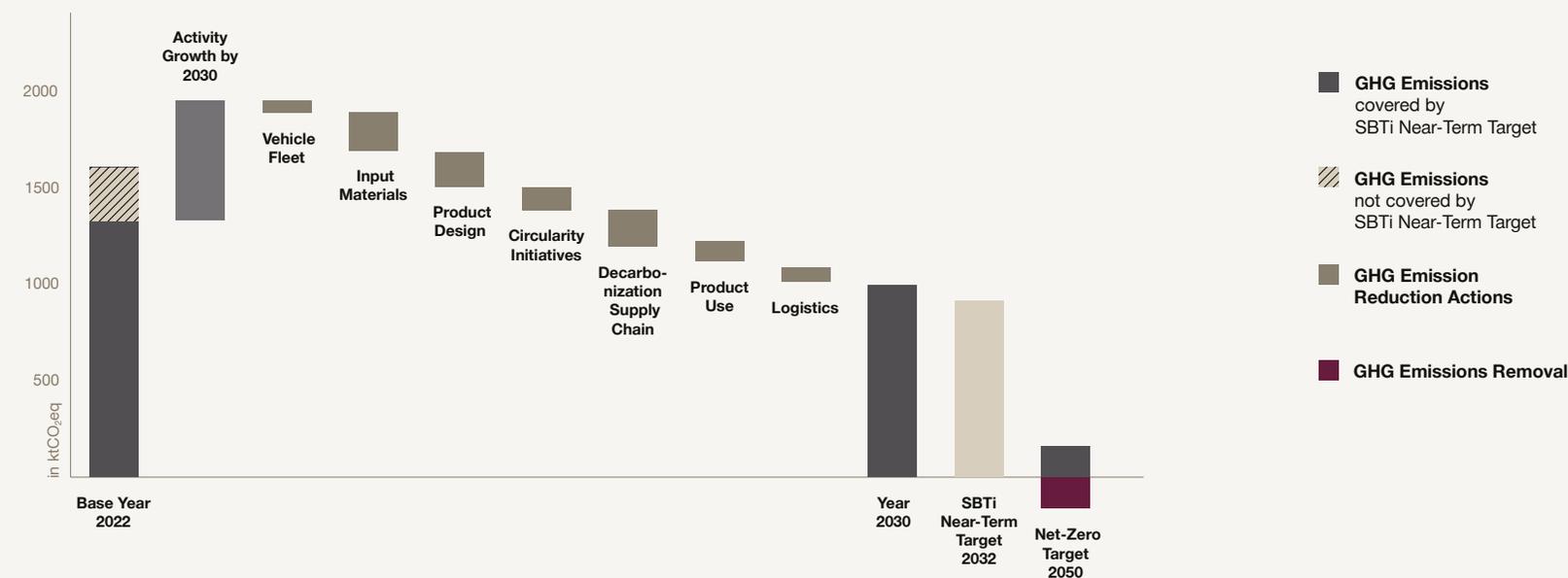
### Resources to achieve targets

Achieving the ambitious GHG reduction targets requires a dedicated allocation of resources, including significant investment in research, innovation and infrastructure to support the transition to low-carbon solutions. This involves allocating substantial operational expenditures and capital to enable systemic changes across Hilti's value chain, from sourcing and production to transportation and operations. Additionally, financial

commitments to energy-efficient technologies and sustainable practices, alongside enhanced funding for the development of new, environmentally responsible products and infrastructure, are essential to drive meaningful progress toward reducing Hilti's carbon footprint.

### GHG Emissions Reduction Pathway

in ktCO<sub>2</sub>eq





## Climate metrics

### Energy consumption and production

#### Accounting policies

Hilti collects data on energy production and consumption from fossil sources, nuclear sources and renewable sources from its organizational units, for example, from buildings and fuel consumption of vehicles. Hilti includes estimates for entities, locations and time intervals where no production or consumption data were available or where the risk of material misstatement is low. For the last two months of the reporting period, Hilti systematically generates estimated data. These estimates are based on, for example, prior period data, average consumption per car (vehicles), per square meter (warehouses), per repair output hour (repair centers), per employee (office buildings) or per building (Hilti Stores).

As Hilti operates in high climate impact sectors, the table to the right disaggregates the Group's total energy consumption from fossil sources.

The Group produced 9,710 MWh (in 2024: 8,405 MWh) of renewable energy via the photovoltaic systems installed globally.

### Energy consumption and mix

in MWh

	2024	✓ 2025	Change (% or %pts.)
Fuel consumption from coal and coal products	0	0	0%
Fuel consumption from crude oil and petroleum products	251,856	242,749	-4%
Fuel consumption from natural gas	28,441	28,124	-1%
Fuel consumption from other fossil sources	0	0	0%
Consumption of purchased or acquired electricity, heat, steam or cooling from fossil sources	2,451	6,492	165%
<b>Total fossil energy consumption</b>	<b>282,748</b>	<b>277,365</b>	<b>-2%</b>
Share of fossil sources in total energy consumption	61%	61%	0%pts.
<b>Consumption from nuclear sources</b>	<b>0</b>	<b>0</b>	<b>0%</b>
Share of consumption from nuclear sources in total energy consumption	0%	0%	0%pts.
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	2,941	1,656	-44%
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable resources	174,219	165,209	-5%
Consumption of self-generated non-fuel renewable energy	7,159	8,316	16%
<b>Total renewable energy consumption</b>	<b>184,319</b>	<b>175,181</b>	<b>-5%</b>
Share of renewable sources in total energy consumption	39%	39%	0%pts.
<b>Total energy consumption</b>	<b>467,067</b>	<b>452,546</b>	<b>-3%</b>

✓ Assured by PwC 2025 (limited assurance)

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## Energy production and mix

in MWh

	2024	2025	Change (% or %pts.)
<b>Total renewable energy production</b>	<b>8,405</b>	<b>9,710</b>	<b>16%</b>
Share of renewable production in total energy production	100%	100%	0%pts.
<b>Total non-renewable energy production</b>	<b>0</b>	<b>0</b>	<b>0%</b>
Share of non-renewable production in total energy production	0%	0%	0%pts.
<b>Total energy production</b>	<b>8,405</b>	<b>9,710</b>	<b>16%</b>

## Energy intensity

## Accounting policies

The disclosure of the energy intensity is derived from Hilti's total energy consumption and net revenue from its activities in the high climate impact sectors. The revenue-generating activities of Hilti are either directly related to the manufacture and trade of power tools, fastening systems and protective systems or support these objectives and therefore all fall into high climate impact sectors. Net revenue is measured in millions of Swiss francs and calculated in line with International Financial Reporting Standards (IFRS).

In 2025, the total energy consumption from activities in high climate impact sectors, per net revenue from activities in high climate impact sectors in MWh/CHF in million, amounts to ✓ 72 (2024: 73 MWh/CHF in million).

The following table presents the reconciliation of net revenue from activities in high climate impact sectors used to calculate energy intensity to the net revenues presented in the financial statements (Note 2.1 Operating income).

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## Net revenue

in CHF million

	2024	2025
Net revenue from activities in high climate impact sectors used to calculate energy intensity	6,429	6,297
<b>Total net revenue (financial statements)</b>	<b>6,429</b>	<b>6,297</b>

✓ Assured by PwC 2025 (limited assurance)

## Gross Scopes 1, 2, 3 and total GHG emissions

## Accounting policies

Hilti has determined Scope 1 emissions for the Group using energy consumption, as described in the preceding accounting policy, and local emission factors.

Hilti accounts for Scope 2 emissions using a market-based approach and a location-based approach. For the market-based approach, Hilti attributes zero emissions to purchased electricity due to the procurement of green electricity for its global operations through certifications such as Renewable Energy Certificates and Guarantees of Origin. Additionally, Hilti generates its own photovoltaic electricity in some locations.





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Hilti analyzed and evaluated its Scope 3 emissions in the upstream and downstream stages of the value chain and identified ten categories which are applicable for the Group. For the calculation of Scope 3 emissions in every category, different methods are used.

- For Category 1 (purchased goods and services), for direct materials, an average-data method is used where possible. Cradle-to-gate GHG emission factors were combined with their respective material weights to generate their Scope 3 GHG emissions. For weight categories with no associated emission factor, line items with no associated weight and indirect procurement spend, a spend-based method is used. If available, data from suppliers is preferred over average data or spend data.
- For Category 2 (capital goods), a spend-based method is used, considering the total capital expenditure as input. The country of the supplier is assumed to be the same as the country of the purchasing Hilti organization.
- For Category 3 (fuel and energy-related activities), an average-data method is used. Well-to-tank emission factors are combined with fuel usage of Hilti's own operations.

- For Category 4 (upstream transportation and distribution), a distance-based method is used, combining the weight-distance values with the appropriate weight-distance emission factors, mainly received from carriers. Weights are taken from delivery statements within Hilti's ERP system for inbound, replenishment and last-mile transportation.
- For Category 5 (waste generated in operations), a waste type-specific method is used, combining emission factors for specific waste types and waste treatment methods with the relevant waste weights.
- For Category 6 (business travel), primary emissions data provided by travel agencies is used whenever available, based on distance traveled by transport method. For Hilti organizations without information on distance traveled, a spend-based method is used. Spending on passenger transport, hotels and restaurants is excluded.
- For Category 7 (employee commuting), an average-data method is used, supported by headcount data per country.
- For Category 9 (downstream transportation and distribution), primary emissions data provided by retailers attributable to Hilti products is used whenever available. For the other retailers, an average-data method is used.

For Category 11 (use of sold products), an average-data method is used.

- For Category 12 (end-of-life treatments of sold products), a waste type-specific method is used, combining emission factors for specific waste types and waste treatment methods with the relevant waste weights.

Emission factors are sourced from the UK Department for Environment, Food & Rural Affairs (DEFRA) (predominantly for fuel), from the International Energy Agency (IEA) (primarily for electricity), from Ecolnvent (mainly for direct material) and from Climatiq (mostly for spend-based calculations). These sources were chosen for their comprehensive coverage and representativeness.

The disclosure of the GHG intensity is derived from Hilti's total GHG emissions and net revenue. Net revenue is measured in millions of Swiss francs and calculated in line with International Financial Reporting Standards (IFRS).





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## Total GHG emissions disaggregated by Scopes 1 and 2 and significant Scope 3

in tCO<sub>2</sub>eq

	Retrospective				Milestones and target years		
	2022 <sup>1</sup>	2024	✓ 2025	Change (% vs. 2024)	2030 <sup>2</sup>	2032 <sup>3</sup>	2050
<b>Scope 1 GHG emissions</b>							
Gross Scope 1 GHG emissions	75,848	64,369	61,699	-4%	45,266	37,621	7,585
Percentage of Scope 1 GHG emissions from regulated emission trading schemes	0%	0%	0%	0%			
<b>Scope 2 GHG emissions</b>							
Gross location-based Scope 2 GHG emissions	47,737	51,387	45,499	-11%	N/A	N/A	N/A
Gross market-based Scope 2 GHG emissions	167	978	1,018	4%	100	83	17
<b>Significant Scope 3 GHG emissions</b>							
<b>Total Gross indirect (Scope 3) GHG emissions</b>	<b>1,526,441</b>	<b>1,291,987</b>	<b>1,180,129</b>	<b>-9%</b>	<b>914,851</b>	<b>842,626</b>	<b>152,644</b>
1 Purchased goods and services	1,111,848	959,561	881,116	-8%			
of which direct material		764,388	733,866	-4%			
of which indirect material		195,173	147,250	-25%			
2 Capital goods	69,148	42,408	37,119	-12%			
3 Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	18,820	16,178	15,658	-3%			
4 Upstream transportation and distribution	109,401	73,170	71,708	-2%			
5 Waste generated in operations	805	502	558	11%			
6 Business traveling <sup>4</sup>	18,257	31,650	27,458	-13%			
7 Employee commuting	18,098	19,511	19,165	-2%			
9 Downstream transportation	9,399	3,903	585	-85%			
11 Use of sold products	163,781	138,035	119,317	-14%			
12 End-of-life treatment of sold products	6,884	7,069	7,445	5%			
<b>Total GHG emissions</b>							
<b>Total GHG emissions (location-based)</b>	<b>1,650,026</b>	<b>1,407,743</b>	<b>1,287,327</b>	<b>-9%</b>			
<b>Total GHG emissions (market-based)</b>	<b>1,602,456</b>	<b>1,357,334</b>	<b>1,242,846</b>	<b>-8%</b>			<b>160,246</b>

<sup>1</sup> Base year for SBTi validated GHG emission reduction targets.<sup>2</sup> Interim targets for 2030 are derived linearly from the 2032 SBTi near-term targets and align with these objectives to ensure alignment and continuity in progress.<sup>3</sup> The SBTi near-term target covers 78.86% of Scope 3 emissions from the base year 2022.<sup>4</sup> The 2024 values for Business traveling were restated due to an improved calculation methodology, increasing the emissions by 12,623t from 19,027t to 31,650t.

✓ Assured by PwC 2025 (limited assurance)





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In 2025, gross biogenic emissions of CO<sub>2</sub> from biomass used in Scope 1 GHG emissions amounted to 0 tCO<sub>2</sub>eq (in 2024: 0 tCO<sub>2</sub>eq). In 2025, gross biogenic emissions of CO<sub>2</sub> from the combustion or biodegradation of biomass in Scope 2 GHG emissions amounted to 0 tCO<sub>2</sub>eq (in 2024: 0 tCO<sub>2</sub>eq). In 2025, gross biogenic emissions of CO<sub>2</sub> from the combustion or biodegradation of biomass in Scope 3 GHG emissions amounted to 759 tCO<sub>2</sub>eq (in 2024: 1,011 tCO<sub>2</sub>eq).

The table on the previous page outlines the gross Scope 1, 2 and 3 emission targets for the year 2050. In accordance with the SBTi commitment, the Group aims to neutralize any residual emissions to achieve Net-Zero by 2050. The Group has yet to determine the specific removal activities and the points within the value chain where the residual emissions will be neutralized.

The table on the previous page excludes Scope 3 emissions from the following categories:

- Category 8 (upstream leased assets) due to the Group not having relevant activities in this category.
- Category 10 (processing of sold products) due to the Group not selling intermediate products to end users.
- Category 13 (downstream leased assets) due to the Group not renting out buildings. Products leased out by the Group are covered in Category 11 (use of sold products).

- Category 14 (franchises) due to not being part of the Group's business activities.
- Category 15 (investments) due to immateriality for the Group.

In 2025, Scope 3 emissions are calculated using 33% supplier information (in 2024: 23%<sup>1</sup>), as well as literature-based data and data generated by a multi-regional input-output (MRIO), spend-based model. The preferred method is supplier information, followed by literature-based data. If these are unavailable, average-data or spend-based methods supported by the MRIO are used. Hilti is actively working on enhancing and extending the collection of supplier information to increase the accuracy of the GHG calculation in the future. No calculation tool is utilized for the time being.

<sup>1</sup> The 2024 values for Business traveling were restated due to an improved calculation methodology, increasing the share of supplier information by 1%pt. from 22% to 23%.

### GHG intensity based on net revenue

in tCO<sub>2</sub>eq per CHF in million

	2024	✓ 2025	Change (%)
<b>Total GHG emissions (location-based) per net revenue<sup>2</sup></b>	<b>219</b>	<b>204</b>	<b>-7%</b>
<b>Total GHG emissions (market-based) per net revenue<sup>3</sup></b>	<b>211</b>	<b>197</b>	<b>-7%</b>

<sup>2</sup> The 2024 values for Business traveling were restated due to an improved calculation methodology, increasing the Total GHG emissions (location-based) per net revenue by 2 tCO<sub>2</sub>eq per CHF in million from 217 to 219.

<sup>3</sup> The 2024 values for Business traveling were restated due to an improved calculation methodology, increasing Total GHG emissions (market-based) per net revenue by 2 tCO<sub>2</sub>eq per CHF in million from 209 to 211.

✓ Assured by PwC 2025 (limited assurance)

Net revenue is disclosed in the financial statements, with details being presented in Note 2.1 on Operating income.

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## GHG mitigation projects financed through carbon credits

### Accounting policies

Carbon credits are acquired through emission compensation projects developed exclusively for the Group in collaboration with the Hilti Foundation<sup>1</sup> and an external partner. The emission savings are monitored and verified by external parties. All projects undergo third-party certification which is conducted in accordance with either the “Gold Standard” or the “Verra Verified Carbon Standard” for offsetting projects.

The total amount of carbon credits planned for cancellation under existing contractual arrangements is 389,000 tCO<sub>2</sub>eq until the reporting period 2028.

The Group’s milestone of carbon neutrality within its own operations and business travel was reached by emission reduction, replacement of fossil energy sources, in-house production of green electricity and offsetting at the end of 2023. Compared to a scenario without mitigation measures, the Group saved 60% of Scope 1 and 2, and business travel emissions, compared to a 2019 baseline, and offset the remaining 40% with third-party verified carbon credits. In addition to Hilti’s offsetting efforts, the Group provides substantial funding to support Beyond Value Chain Mitigation (BVCM)

measures worldwide, such as boosting research and developing engineering standards for sustainable construction.

### Carbon pricing

In 2024, the Hilti Corporation implemented a cross charge to its subsidiaries for expenses related to the procurement of green electricity and carbon offsetting projects, both key elements for Hilti’s climate neutrality. The subsidiaries are charged a share of these costs based on the volume of their GHG emissions. The cross charge covers 61,699 tons of Scope 1 emissions (in 2024: 64,369 tons), 45,499 tons of Scope 2 emissions (in 2024: 51,387 tons) and 27,458 tons of business travel emissions (part of Scope 3) (in 2024: 31,650 tons<sup>2</sup>).

### Incorporation by reference

Information on the integration of climate-related consideration in the incentive schemes is disclosed in the Sustainability Governance section, located in the General Information chapter.

<sup>1</sup> The Hilti Foundation is jointly funded by the Martin Hilti Family Trust and the Hilti Group. The Hilti Foundation Board acts as its governing body with representatives from both entities. The responsibility for the operational business lies with the Foundation’s management team.

<sup>2</sup> The 2024 values for Business traveling were restated due to an improved calculation methodology, increasing the emissions by 12,623t from 19,027t to 31,650t. These additional emissions are offset.

### Carbon credits cancelled in the reporting year

	2024	2025	Change (% or %pts.)
<b>Total (tCO<sub>2</sub>eq)</b>	<b>162,359</b>	<b>48,783</b>	<b>-70%</b>
Share from removal projects	0%	0%	0%pts.
Share from reduction projects	100%	100%	0%pts.
Share from projects verified in accordance with Gold Standard	78%	100%	22%pts.
Share from projects verified in accordance with Verra Verified Carbon Standard	22%	0%	-22%pts.
Share from projects within the EU	0%	0%	0%pts.
Share of carbon credits that qualify as corresponding adjustments under Art. 6 of the Paris Agreement	0%	0%	0%pts.

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# Resource Use and Circular Economy

## Highlights

### Reduce

Hilti's Fleet Management Model helps customers to optimize tool usage and inventory. Hilti reduces overbuying through tool park optimization and directly reduces CO<sub>2</sub>.

### Reuse

What Hilti collects from its customers is primarily reused and Hilti is scaling up initiatives such as battery reuse under the highest quality standards.

### Recycle

What cannot be reused is recycled. With customized circularity reports Hilti provides transparency for its customers.

The circular economy aims to detach economic success from the consumption of resources and to ensure that resources remain in circulation for as long as possible, preventing the loss of valuable materials. This approach not only allows for ecological benefits but also provides new

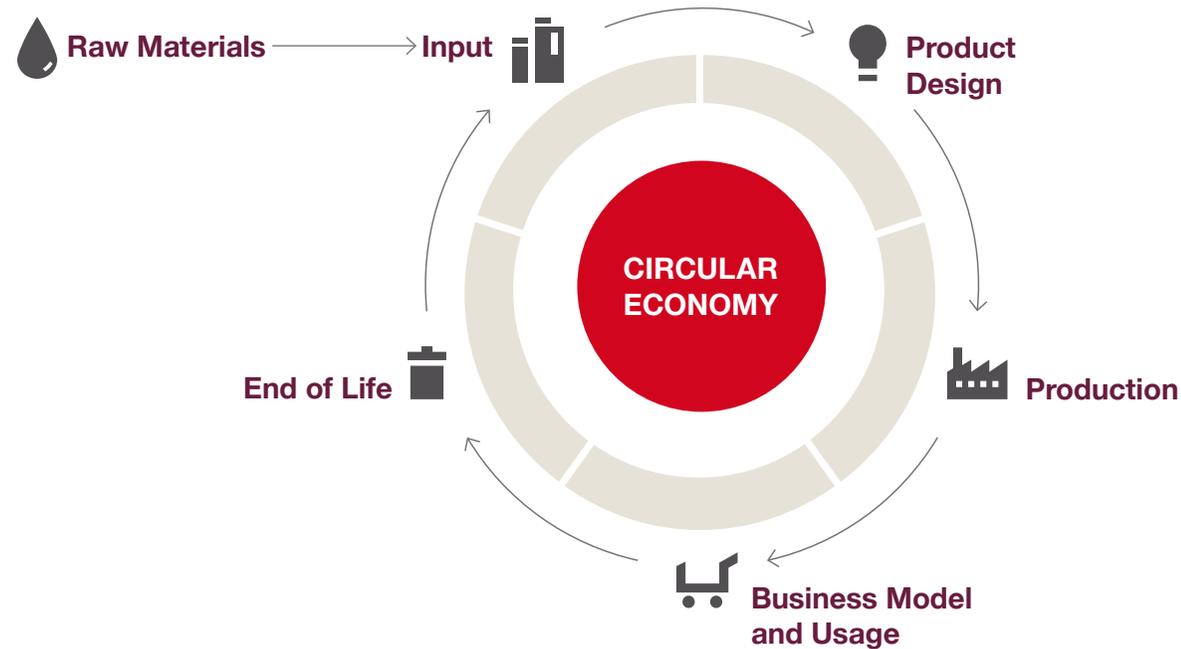
strategic impulses for businesses. Hilti controls its value chain – from product design to production, transport, customer contact and end of life, providing the company with a strong position to drive circularity in the industry.



Circularity at Hilti means generating maximum added value for customers with a minimum use of virgin raw materials. Clear priorities of this strategy are to:

- Institutionalize circularity in supply and design decisions, from material selection to designing for reparability and interchangeability.
- Improve, reduce and reuse packaging, both for products and in the supply chain.
- Further enhance Hilti's Fleet Management circular business model.
- Actively reduce overbuying by providing tool park optimization services and short-term use options, such as the tools on demand and loan tools offerings.
- Ensure reuse options for tools and components that meet Hilti's high quality standards.
- Increase material recovery in end-of-life recycling through close collaboration with recycling partners.
- Provide customers with full transparency on their contribution to circularity.

## Hilti's Circularity Approach



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Material Impacts, Risks and Opportunities (IROs)

	Description	Lever to mitigate/improve
<b>Circular operations (Responsibility: Senior Management)</b>		
Negative Impact (actual)	<p>In the short term, Hilti negatively contributes to resource consumption due to not making full use of circular economy principles like reparability, reusability, recycling and the use of renewable raw materials. This impact is relevant for the Group's upstream supply chain and own operations.</p> <p>Furthermore, in the medium-term time horizon, Hilti negatively contributes to resource use and production due to products that are not fully designed according to circular principles. The impact is located along the Group's whole value chain.</p>	Hilti actively works to apply circular principles by reducing virgin resource consumption and enhancing customer resource optimization, by reusing tools, batteries and spare parts, and by working closely with recycling partners to enable closed loops whenever possible.
Positive impact (actual)	In the medium term, Hilti's circularity activities support the reduction of the company's greenhouse gas emissions, aiding efforts of climate change mitigation. This impact is relevant for the Group's upstream supply chain and own operations.	Not applicable.
<b>Circular solutions (Responsibility: Senior Management)</b>		
Opportunity	In the medium term, Hilti can support the construction industry and achieve greater customer appeal by the implementation of the circularity program and business models such as Fleet Management, tool park optimization and short-term use options.	Not applicable.





## Identification and assessment of material IROs related to resource use and the circular economy

For **impacts**, Hilti initially identified the main areas of resource consumption along its value chain. Next, in line with the European Sustainability Reporting Standards, Hilti evaluated these resource-related impacts based on their severity and likelihood of occurrence. To determine the severity of impacts, Hilti assessed the amount of resources used and the applicability and integration of circularity principles across processes. This assessment highlighted material negative impacts, particularly in the short and medium term, within the upstream value chain and Hilti's own operations.

Hilti conducted a comprehensive resource cost and availability **risk analysis** targeting its supply chain, as well as a reputational risk analysis for its downstream supply chain:

- **Risks related to availability and costs of resources:** Hilti assessed the potential for supply constraints in critical materials and examined how fluctuations in raw material costs could affect operational stability. A key methodology involved analyzing market trends and geopolitical factors to assess sourcing risks, particularly for high-demand resources or materials sourced from regions with high regulatory or political volatility. Hilti also factored in resource scarcity trends due to increased global demand, which could elevate costs and impact operational efficiencies over time.

- **Reputational risks:** The reputational risk analysis considered the potential impact of Hilti's resource use and waste management practices on its brand perception. This included reviewing the alignment of its practices with industry benchmarks and circular economy principles. Hilti analyzed feedback from stakeholders, including customer surveys, to gauge brand reputation in relation to environmental responsibility, sustainable resource management and waste reduction efforts. The review also incorporated regulatory compliance trends, evaluating how failing to meet future sustainability requirements could damage Hilti's reputation among environmentally conscious consumers and investors.

This risk assessment formed a core input for Hilti's double materiality assessment, which was informed by engagements with internal subject matter experts. Based on materiality thresholds, Hilti did not identify material resource-related risks.

To identify circularity-related **opportunities**, Hilti engaged internal subject matter experts and supplemented their insights with findings from customer surveys. These engagements focused on potential benefits, such as cost savings through resource-efficient production, enhanced customer loyalty through sustainable practices and the potential to access new markets by adopting circular economy practices.

For the IRO assessment, Hilti conducted consultations with its key stakeholders, employees and customers.

## Policies related to circular operations and circular solutions

Hilti's approach to resource use and the circular economy is structured around the Environmental Policy and the Code of Conduct for Suppliers and Third-Party Intermediaries and Sustainable Sourcing Policies, along with established guidelines for spare parts reuse and other circularity initiatives. Together, these frameworks aim to reduce the ecological footprint across Hilti's operations and supply chain.

The **Environmental Policy** emphasizes minimizing the reliance on virgin materials through strategies such as material reuse and recycling, including initiatives like tool case and battery recycling, as well as supporting opportunities for reuse through circularity-focused design principles. The policy also promotes resource efficiency and circularity throughout the product life cycle.

To support the objectives of the Environmental Policy, **global process guidelines** were introduced for the extraction, storage and replenishment of reusable spare parts within Hilti's repair supply chain. These guidelines standardize and scale up the reuse of spare parts, enhancing efficiency across the Group's repair processes. Based on best practices, it defines the Kanban-driven replenishment process within tool service centers and ensures adequate controls. The pre-sorting of inbound tools awaiting parts extraction supports an efficient extraction process, enabling the local-to-local reuse of parts. In addition, global process guidelines for reuse of batteries and tools were rolled out.





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The **Sustainable Sourcing Policies for direct procurement and indirect procurement** specify how sustainability is incorporated in direct and indirect procurement processes by, for example, providing guidance on how suppliers are assessed according to environmental and social criteria.

The **Code of Conduct for Suppliers and Third-Party Intermediaries** further reinforces these practices along Hilti's supply chain, requiring suppliers to minimize waste and emissions, prioritize material recycling and adhere to international standards for managing hazardous materials.

### Actions and resources related to circular operations and circular solutions

Hilti advances resource efficiency and circularity by focusing on three key levers: reducing overbuying, maximizing the reuse of materials and advancing recycling processes. These actions support Hilti's objectives for circular design and are integral to the company's decarbonization strategy, reducing the material negative impact across the value chain and acting on the material opportunity.

#### Key levers

Hilti's circular economy approach emphasizes three primary areas:

- **Reduce:** The focus is on minimizing wasteful overbuying and enhancing customer resource optimization through tool park optimization, as well as the tools on demand and loan tools

offerings. This includes helping Hilti's customers manage and optimize their tool inventory to reduce unnecessary purchases.

- **Reuse:** Processes prioritize intelligent reuse of tools, batteries and spare parts, leveraging the collection of Fleet Management tools to reuse these items, following stringent internal quality assessments, and ensure the highest degree of utilization possible.
- **Recycle:** Recycling initiatives are continuously improved by working closely with partners to ensure that materials are returned into circulation.

#### Detailed reduction actions

Hilti's approach to minimizing resource outflows leverages durable product design, circular business models and tailored tool park solutions to reduce waste and optimize resource use.

- **Design for durability and longevity:** Hilti products are engineered for long-lasting performance, built with high-quality materials and subjected to rigorous testing. This ensures durability and reliability in demanding applications, reducing resource inflows and outflows by minimizing the need for frequent replacements.
- **Circular business models:** Hilti's Fleet Management Model and On!Track solution help customers optimize tool usage and inventory and avoid overconsumption. By enabling efficient asset tracking and inventory management, these services decrease the demand for new tools, lowering both resource inflows and outflows.

Flexible short- and medium-term use solutions provide additional ways for fleet customers to meet tool needs without unnecessary purchasing.

- **Tool park optimization service:** Customers are offered an individually tailored tool inventory based on usage patterns and needs. Hilti's Nuron cordless tool platform collects and analyzes data to provide insights into tool utilization, helping customers maintain an optimal tool park.

#### Detailed reuse actions

Hilti's reuse strategies are supported by a high tool collection rate that allows the effective repurposing of returned items. Key activities within Hilti's reuse initiatives include:

- **Spare part reuse in repair:** Based on strict quality guidelines and in collaboration with customers, spare parts from collected fleet tools are extracted and reused to reduce the need for new parts where possible, contributing to resource conservation. This practice has become a standardized process in Hilti's tool service centers.
- **Battery reuse:** A program was launched to reuse batteries that pass highest quality standards in testing after they have been collected from customers. The program is live in several sales organizations.
- **Tool donations:** Donations of collected tools provide significant benefits to communities, educational institutions and humanitarian organizations. This initiative is underpinned by



an operational process that has been rolled out globally.

- **Premium tool pool:** Collected tools that meet Hilti's quality standards are added to Hilti's Premium Tool Pool. This supports Hilti's Tools on Demand and loan tool programs, which in turn enable Hilti's customers to reduce the demand for new tools while increasing tool utilization and longevity. A robust platform for scaling these processes is in place, with further improvements planned for efficiency and reliability in the coming year.
- **Targeted investments in circularity infrastructure:** Hilti conducted strategic investments in its tool service centers around the globe throughout the course of 2025, supporting Hilti's sustainability and reuse targets.

#### Detailed recycling actions

Hilti prioritizes recycling initiatives to close the loop on materials and minimize waste from end-of-life products.

- **Recycling through partnerships:** If reuse is not feasible, Hilti collaborates with high-quality recycling partners to ensure materials are recycled efficiently, with a high share of tool mass (primarily metals) recoverable through these efforts. Customers receive transparency regarding the circular impact of Hilti's solutions with customized circularity reports, including information on the recycled content in tools and second life usage of customers' tool parks.

- **Closed loop tool case recycling:** Hilti's tool case recycling program exemplifies closed-loop principles, using recycled materials in production. Tool cases from the European market are returned to a central facility where they are assessed for reuse or processed and reintegrated into manufacturing as recycled material.

#### Resources and implementation plans

To support the action plan for circular operations and circular solutions, a mix of current and future operational (OpEx) and capital expenditure (CapEx) are allocated across key projects. These resources aim to scale up capacities for the key levers while aligning with circular economy objectives.

- **Resource allocation:** Personnel and project resources are designated to accelerate the repair and reuse of critical components, including fleet returns, batteries and spare parts. Additionally, investments in technological solutions are underway to enhance tracking and handling efficiency across the supply chain.
- **Current financial resources:** Hilti has allocated substantial financial resources to support these initiatives, mainly in the financial categories of operating expenses. These allocations ensure the necessary operational support to lay the groundwork for implementing circular design principles in business activities.
- **Future financial resources:** Future CapEx will focus on scaling up circularity initiatives, with additional investments in greener technologies and materials projected over the next five years.

Hilti's ability to fully realize these objectives depends on specific external factors, such as policy developments in sustainable infrastructure and market evolution towards circular economy practices.

#### Targets related to circular operations and circular solutions

Hilti's approach to resource use and the circular economy is guided by strategic objectives rather than quantitative targets, focusing on maximizing reuse, minimizing overbuying and adopting sustainable sourcing practices. While Hilti has not set mandatory or legislated quantitative targets, initiatives are structured around core circular economy principles aimed at optimizing resource use and reducing primary raw material reliance. Specifically, the Group prioritizes:

- **Circular material use rate:** By maximizing the reuse of tools, batteries and spare parts, and enhancing recycling processes, Hilti actively seeks to capture remaining utility and minimize material waste in alignment with circular economy objectives wherever possible.
- **Minimization of primary raw materials:** Hilti's operations focus on intelligent reuse, recycling of high-value materials and designing products for durability, all of which reduce the demand for new raw materials and support decarbonization goals.
- **Sustainable sourcing of renewable resources:** Hilti's commitment to responsible sourcing



includes collaborating with suppliers to ensure the sustainable and traceable origin of materials.

These qualitative goals reflect Hilti's voluntary commitment to sustainable resource management and circularity. They are also supported by a robust set of initiatives designed to continually improve Hilti's reuse, recycling and resource optimization practices.

### Circularity metrics

#### Metrics related to resource inflows

##### Accounting policies

##### Total weight of products, technical and biological materials

Total amount of materials sourced during the reporting period that was or will be used to manufacture Hilti's product offering. Total weight includes all raw materials, associated process materials and (semi-)manufactured goods or parts, including packaging. Hilti applies a consistent cut-off period and classification system globally.

##### Percentage of biological materials that are sustainably sourced

Proportion of biological material deemed sustainable based on the internationally recognized certification schemes: (i) Forest Stewardship Council (FSC); and (ii)

Programme for the Endorsement of Forest Certification (PEFC). The proportion is calculated as the weight of biological materials deemed sustainable divided by the total biological material sourced.

##### Total weight and percentage of secondary reused or recycled components, secondary intermediary products and secondary materials

The total weight of previously used or recycled materials sourced. The preferred method to determine the metric is supplier information, followed by literature-based data (country and material averages).

Hilti's operations utilize a diverse range of resource inflows, primarily for manufacturing and packaging, and the Group is committed to managing associated material IROs specifically related to critical raw materials (CRMs):

- **Products and materials:** Hilti's manufacturing relies on steel, chemicals, polymers, aluminum, battery cells, electronics, ceramics, copper, zinc, magnesium, paper (for instructions for use) and various other metals and minerals, including critical raw materials such as cobalt, tungsten and tantalum.
- **Packaging:** Hilti uses polymers, cardboard, paper and wood for packaging, focusing on sustainable sourcing and recyclability.

Ensuring reliable access to critical raw materials (CRMs), as outlined in the EU Critical Raw Materials (CRM) Act, is vital to Hilti's operational resilience and aligns with emerging regulatory initiatives across G20 countries. Materials such as cobalt and tungsten have been identified as critical, given their supply risks and importance for technological advancement. Through investing in R&D projects, Hilti aims to minimize dependence on CRMs, thereby enhancing supply chain stability and reducing environmental impacts.

In the category of biological material, Hilti is primarily sourcing cardboard, paper and wood.

#### Metrics related to resource outflows

Hilti's product and service offerings are designed to align with circular economy principles, emphasizing durability, reusability and recyclability throughout the production and life cycle:

- **Durable power tools:** Hilti's high-quality power tools are engineered for long lifetimes, designed to endure demanding environments and manufactured with durable components to minimize premature obsolescence.
- **Repair and reuse services:** The Group offers comprehensive repair and maintenance services, enabling customers to maximize the useful life of their tools and equipment. This approach supports reuse and helps reduce waste associated with frequent replacements.



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- **Recyclable input materials:** Hilti products are constructed with a high proportion of metal components, which are well suited for recycling. This choice of materials enhances recyclability at the end of the product's life, reducing the need for virgin resources.
- **Sustainable packaging:** Packaging incorporates high percentages of recyclable materials, ensuring that packaging waste is minimized and contributing to circularity by supporting recycling infrastructure.

**Accounting policies**

Hilti determines the recyclability of each material group based on third-party data. The recyclability of products is calculated by combining their weight with their assigned recyclability percentage. Similarly, the recyclability of packaging is determined by factoring in both its weight and recyclability percentage.

**Resource inflows**

in t or %

	2024	2025	Change (% or %pts.)
Total weight of products, technical and biological materials sourced	243,795	239,575	-1.7%
Percentage of biological materials that is sustainably sourced	38.9%	47.1%	8.2%pts.
Total weight of secondary reused or recycled components, secondary intermediary products and secondary materials sourced	56,491	60,766	7.6%
Percentage of secondary reused or recycled components, secondary intermediary products and secondary materials sourced	23.2%	25.4%	2.2%pts.

**Resource outflows**

in t or %

	2024	2025	Change (%pts.)
Rate of recyclable content in products	57.4%	56.9%	-0.5%pts.
Rate of recyclable content in packaging	93.4%	93.0%	-0.4%pts.

# Own Workforce

## Highlights

# #24

Among the “World’s Best Workplace™”

# -25%

Reduced lost time incident rate in own operations

# >91,000

Hours spent within our Engaged Beyond Business corporate volunteering program

The foundation of Hilti’s business strategy and success is a people-oriented environment. The shared values of commitment, courage, teamwork and integrity form the basis for the caring and performance-oriented culture which, in turn, paves the way for the success of the worldwide team. Hilti wants to be a great employer for everyone, everywhere, and inspire engaged and empowered teams who passionately drive high performance.

Fair labor relations, respect for human rights, freedom of association, equal opportunities and a safe and healthy working environment are the core standards of the International Labor Organization. Hilti’s own ambitions go beyond these standards, with the Code of Conduct serving as a key internal regulation for the well-being, safety and human rights of team members. The Code of Conduct outlines Hilti’s legal and ethical framework and is applicable to the company’s global workforce. Hilti

opposes any kind of modern slavery, forced labor, human trafficking and child labor, and establishes and maintains safe and healthy working conditions throughout its operations. Hilti reports about this in its annually updated Modern Slavery Statement which is published on its Group website. Violations of the Code of Conduct are strictly prohibited and are sanctioned according to the severity and context of the violation, to the extent possible under local laws.



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Material Impacts, Risks and Opportunities (IROs)

	Description	Lever to mitigate/improve
<b>Well-being of team members (Responsibility: Head of Human Resources)</b>		
Negative Impact (actual)	In the medium term, Hilti employees may be negatively impacted if they exceed their established working hours due to additional workload, employee fluctuations and a shortage of skilled workers. This may lead to stress for employees.	To mitigate the impact of excessive working hours, Hilti is enhancing workforce planning to balance workloads and also providing resources for employee well-being in an effort to maintain a sustainable, supportive work environment.
Risk	<p>In the short term, employee motivation, satisfaction and, as a result, productivity can be affected by the company failing to pay competitive wages.</p> <p>Furthermore, in the medium term, rising wages and benefit levels, resulting from competition for talent, could result in increasing personnel costs for Hilti.</p> <p>Both risks apply to Hilti's own operations.</p>	Hilti performs regular salary benchmark studies and aims to pay competitive wages.
Opportunity	In the medium term, Hilti can increase work performance, efficiency and decrease turnover in its own operations by attracting the best talent on the market by paying competitive salaries.	Not applicable.
<b>Safety of team members (Responsibility: Head of Health, Safety and Environment)</b>		
Positive impact (actual)	<p>In the short term, Hilti is positively contributing to protecting the safety and improving the wellbeing of its workforce, especially those working with dangerous equipment (e.g., vehicles, machines, hazardous substances) or under stressful conditions (e.g., shift work, poor posture at the workplace), through an appropriate occupational health and safety management system and a corporate culture that supports a "safety is caring" mindset.</p> <p>This impact is relevant for the Group's own operations, specifically its employees and non-employees (mainly contingent workers), collectively referred to as the workforce.</p>	Not applicable.





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	Description	Lever to mitigate/improve
<b>Contribution of team members (Responsibility: Head of Corporate Sustainability)</b>		
Positive impact (actual)	In the short term, Hilti can support increased job satisfaction and employee engagement in its own operations by fostering social involvement through the Group's Engaged Beyond Business (EBB) corporate volunteering program.	Not applicable.
<b>Human rights of team members (Responsibility: Executive Board)</b>		
Risk	There is a reputational risk in case of any child labor or forced labor allegations or misconduct in Hilti's own operations.	The Group is vigilant to ensure that its business is free of any type of modern slavery, child labor and forced labor. Hilti's Compliance Management System (CMS) and its interfaces with Operational Excellence Supplier Management, aligned with ISO and audit standards, includes policies, training and monitoring measures specifically designed to prevent any form of modern slavery, forced and child labour across all Group companies.

## Well-being of team members

### Hilti's approach and policies

Hilti places a high priority on the well-being of its team members, recognizing that their satisfaction, health and engagement are essential to the company's overall success and sustainable growth.

The Group acknowledges the importance of balanced working hours for employee well-being and organizational effectiveness. To address this, the company follows localized policies on working hours

that align with regional legal frameworks, ensuring a tailored approach that respects local conditions and promotes a healthy work-life balance.

Hilti also fosters equitable and transparent reward systems that recognize local conditions and support fair compensation. The Group addresses (un-) competitive pay and the related material risks and opportunities through localized reward frameworks, rather than a binding global policy. This approach is due to the variety of local laws and external market practices concerning reward packages. At the group level, the **Global Rewards Framework**, in

conjunction with the **Global Rewards Principles**, establish the guiding principles of the Group's reward system, promoting participative performance orientation as well as equitable and transparent rewards.

### Hilti's actions

To prevent, mitigate and remediate the negative impact of team members working beyond their scheduled hours, the Group has enacted a comprehensive action plan:





- **Personnel Management System:** The Group utilizes a software-based workforce system, with a key feature of time and absence management. Working hours are recorded using a range of methods, mainly through full-time tracking and work schedules, in line with local legal requirements. Work schedules can either be based on default eligibility rules or tailored individually for each employee, with supervisor approval required. If deviations from working hours or work schedules are observed, mitigation measures such as reallocating tasks or hiring additional resources are defined and put in place. The effectiveness of these mitigation measures is tracked and assessed either automatically through the software or by reviewing the work schedule annually or as necessary. This process applies to all Group employees and is an ongoing process to ensure compliance with working time regulations.

- **Employer Attractiveness and Retention:** The Group prioritizes maintaining its status as an attractive employer as this helps reduce employee turnover and attract talented individuals, which, in turn, helps alleviate stress on existing employees. Efforts to enhance employer appeal include offering modern workplaces, comprehensive mental and physical health programs and international career opportunities. To assess the effectiveness of these initiatives, the Group and its local organizations regularly participate in assessments carried out by “Great Place To Work®” and consistently achieve top rankings. In 2025, Hilti was recognized as the world’s 24th best workplace.

- **Global Employee Opinion Survey:** The Group conducts an annual Global Employee Opinion Survey (GEOS), which gauges team members’ perception of, among other topics, working conditions and working hours. Based on the survey results, leadership teams define action plans with continuous, transparent communication about the progress of implementing employee feedback, also with regard to working time.

Various corporate functions are involved in implementing the respective actions. This includes employees responsible for maintaining information in the workforce management system, as well as maintaining the system itself and arranging both the GEOS and Great Place To Work® assessments. Additionally, dedicated team members are assigned to ensure the implementation of GEOS feedback.

A comprehensive action plan is in place to mitigate the **risks** associated with **competitive pay**:

- **Regular Salary Review and Benchmarking:** Hilti performs a regular review and benchmarks salaries across all global locations. If salaries are found to be inadequate, adjustments are made to ensure competitive and fair compensation.
- **Commitment to Closing the Living Wage Gap by 2030:** In line with its strategic goals and core values, the Group is committed to closing any living wage gap across the organization by 2030. Progress is closely monitored, with regular steering meetings to track and drive efforts to meet this target.

Competition for talent is a hiring risk for Hilti. To mitigate the risk, Hilti recruits skilled individuals from a global talent pool and offers international career development opportunities. These efforts are supported by the Group’s reputation as an attractive employer, as outlined in the previous sections.

Hilti has also identified a material **opportunity** associated with **competitive pay**, specifically increased motivation and productivity by attracting highly qualified talent by offering competitive salaries. To act on this opportunity, the Group regularly performs salary benchmark studies and pays competitive wages, as described in the preceding section.

In 2025, Hilti was assessed and certified by Syndio with the “Syndio Fair Pay Certified Badge”. This demonstrates Hilti’s commitment to using trusted and transparent methodologies to analyze pay equity and its dedication to a fair and equitable workplace for everyone.

**Hilti’s targets**

Hilti’s target is to close any living wage gap in its workforce by 2030. This target was formulated during the Group strategy project with input from human resources and the company’s Executive Board. Performance is tracked by comparing local salaries to local living wages in each country where Hilti operates. In 2023, tracking began with a baseline of 95.6% of employees earning living wages. The performance of this metric is regularly steered by the human resources department and reported to the Head of Human Resources once



a year. No changes in targets and corresponding metrics or underlying measurement methodologies were applied.

## Safety of team members

### Hilti's approach and policies

Hilti is dedicated to creating a harm-free workplace and work environment, fostering safe behavior as an integral part of its caring and performance-oriented corporate culture. The **Health and Safety Policy** outlines the fundamental rules and standards established to protect employees from accidents and work-related illnesses. For example, it requires employees to wear the necessary personal protective equipment in manufacturing or during demonstrations for customers, use work support aids as provided, stop any activity when there are safety concerns, consider fatigue and stress as serious safety factors and to report all safety incidents and learn from them. Hilti has occupational health and safety management in place globally. This includes management systems based on ISO 45001, as well as other national and industry-wide systems. Certain entities within the Hilti Group hold ISO 45001 certification.

### Hilti's actions

Hilti protects the **health and safety** of its employees through an occupational health and safety (OHS) management system and a corporate culture that supports a "safety is caring" mindset.

As part of Hilti's safety mindset road map, the Group has developed and implemented Corporate Safety Standards across ten high-risk areas. These standards supplement the Health and Safety Policy and extend the OHS management system by establishing a global set of baseline safety rules for team members. The common set of standards reinforces Hilti's commitment to a harm-free workplace by defining minimum requirements to mitigate a variety of occupational risks across all Hilti locations and work environments. These standards also represent Hilti's dedication to promoting occupational safety excellence organization-wide, with each unit tailoring the standards to address its specific operational needs.

Additionally, the Group has developed an implementation guide, a self-assessment and a requirement matrix tailored to the different functional areas, specifying the safety criteria that must be met. For example, Hilti's global network of over 70 repair centers, staffed by more than 800 trained technicians, has performed the self-assessment to identify and implement improvement measures.

Furthermore, to enhance safety visibility across the organization, Hilti has shop floor signboards at plants and repair centers, where both open and resolved (mitigation measures implemented) safety incidents are displayed and discussed during regular shop floor meetings. This initiative promotes transparency and continuous improvement in workplace safety practices. To identify potential areas for improvement, Hilti systematically analyzes reported incidents and conducts safety surveys. Each incident is evaluated by both the local health

and safety officer and the global process manager. If an incident could potentially occur in other parts of the Group, best practices for prevention are shared across organizational units.

Health and safety officers across the organization support the effective management of the positive health and safety impact. Additionally, a designated member of each unit's leadership team acts as a health and safety ambassador, while a global process manager for health and safety, reporting to the Head of Health, Safety and Environment, ensures consistent and comprehensive oversight over health and safety initiatives.

### Hilti's targets

The Lost Time Incident Rate (LTIR) serves as one of the Group's relevant performance metrics to track health and safety. Targets for the LTIR have been established until 2027. In 2022 Hilti's LTIR was at 3.9 and the Group aims to reduce it to a value of 2.1 by 2027, with different reduction paths established for each organizational unit – such as manufacturing, logistics, salesforce and aftermarket services. The targets were determined through benchmarks, utilizing peer group data provided by an external consultant specializing in health and safety.

A global dashboard, managed by the global health and safety team, is used to track target achievement by compiling data from the safety incidents reporting tool. In addition, it is shared within each organizational unit's health and safety community on a monthly basis. The number of safety incidents is also regularly reported to the Executive Board and



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Board of Directors. In 2025, the Group achieved an LTIR of 2.52 at group level (3.36 in 2024), which is a reduction of 0.84 points compared to 2024.

The target and the corresponding metric and underlying methodologies did not change in the reporting period.

## Human rights of team members

### Hilti's approach and policies

Hilti is exposed to human rights-related impacts. Hilti strives to avoid these adverse impacts throughout all business operations. The Group is committed to the ten principles of the **UN Global Compact** and to respecting human rights as set out in the **Universal Declaration of Human Rights** and the **Declaration of the International Labor Organization** on fundamental principles and rights at work. This commitment is reflected in the human rights section of the Code of Conduct, and the related efforts are further explained in the Modern Slavery Statement. Grievance procedures and reporting, as well as training and capacity building, are rooted in the Code of Conduct.

### Hilti's actions

Hilti's Compliance Management System (CMS) applies to all Group companies and encompasses policies, guidelines, regulations, processes, organizational structures, roles and responsibilities, as well as protocols for implementing measures to prevent Human Rights violations within the Group related to employees.

Hilti provides a regular update in the Modern Slavery Statement reported to public authorities.

To embed business ethics throughout Hilti's processes, the CMS includes tailored compliance training for team members, delivered both online and on-site. The training sessions provide a general introduction to compliance issues and more in-depth guidance on specific topics including Human Rights and modern slavery. Monthly communications from the compliance department, provided through a multitude of internal platforms, reinforce key compliance messages and remind employees of mandatory and optional e-learning courses.

Furthermore, all newly appointed general managers receive comprehensive compliance training in their area of responsibility as part of their onboarding process.

### Hilti's targets

Hilti firmly opposes child labor and forced labor, in all aspects of its operations and throughout its supply chain. The Group is committed to maintaining a workforce with no instances of child labor or forced labor, in line with the Code of Conduct.

## Contribution of team members

### Hilti's approach and policies

Hilti is committed to supporting and increasing the involvement of its team members in sustainability initiatives through its corporate volunteering

program, Engaged Beyond Business (EBB), which is established and offered in collaboration with the Hilti Foundation. The **Engaged Beyond Business guidelines** set out the global framework for EBB initiatives to facilitate local implementation as well as to introduce regular reporting requirements to measure the progress of local EBB initiatives.

### Hilti's actions

Hilti's EBB program is facilitated in a decentralized setup, with local coordinators. Through the EBB program, if permitted by local legislation, Hilti team members receive paid time off to volunteer for causes they care about, supporting projects on-site with both technical and hands-on skills. Skills-based volunteering is encouraged, allowing team members to apply their professional knowledge and competencies to make a meaningful contribution.

To monitor and assess the impact of EBB, Hilti has implemented a reporting tool that is integrated in a digital community platform and was launched in 2021. It has now been rolled out to 34 organizations worldwide.

### Hilti's targets

Hilti aims to offer volunteering opportunities to all team members worldwide. Within the GEOS survey, Hilti asks for team members' perception of volunteering opportunities in social initiatives beyond business. A positive perception score of at least 90% is targeted by 2030 across all team members. In 2025, the respective global GEOS score was 82% (in 2024: 82%). With the continued

focus on the promotion of the EBB program with a dedicated global communication campaign, Hilti aims to engage even more employees to participate and contribute in the coming years. Comprehensive insights into Hilti's EBB program are available in the 2025 Company Report.

 2025 Annual Report

## Engaging with own workforce

Regular exchanges with employees are promoted not only in the daily working environment, but also through various internal media and event formats. Hilti conducts its annual Global Employee Opinion Survey (GEOS), covering topics such as team members' engagement, perception of working conditions, equal treatment and opportunities and sustainability efforts. GEOS is an anonymous online survey facilitated by an external provider, with results segmented by teams, departments and functions for targeted insights. Open-ended comments are analyzed globally and leadership teams define action plans based on findings, ensuring continuous and transparent updates on the implementation of employee feedback. The action plans are globally guided to ensure a uniform approach. It is recommended that three key focus areas are identified, with teams sharing their primary concerns. Together with the manager, the teams will define measures to address issues effectively. The Head of Global Human Resources oversees the survey process, and the results are presented to the Executive Board and the Board of Directors. GEOS serves to better understand employees' needs, concerns and overall engagement with Hilti.

Additionally, Hilti encourages employee involvement through events and open dialogues.

For health and safety-related impacts, regular exchanges over different hierarchical and organizational levels occur. There are daily exchanges between local health and safety experts and team members in Hilti's production, repair centers and logistic operations. In addition, Hilti directs its activities through safety steering committees where leadership members serve as safety ambassadors. Moreover, a regular external assessment to evaluate the safety perception and the safety mindset culture is conducted. Additionally, an external partner performs physical site visits and interviews in the Group's plants, warehouses and tool service centers. Based on the feedback from the surveys and interviews, the Group assesses the effectiveness of its health and safety measures and develops new improvement strategies, if needed. The Head of Health, Safety and Environment is responsible for ensuring that these engagement activities are conducted.

## Channels to raise concerns

Employees are encouraged to report violations of the Code of Conduct promptly, either to their team leaders, their human resources business partners, the local or global compliance offices or

via the "SpeakUp" whistleblowing hotline, in line with local legislation. Each incident reported to the compliance office or through this hotline undergoes an initial review conducted or supervised by the compliance office. Upon completion of this initial review and depending on its result, the compliance office forwards the case to the responsible compliance officer for further investigation or starts a full investigation. If the case does not require further assessment or is not within the scope of Compliance Department investigations, it provides recommendations and/or advice to the relevant management function regarding necessary actions, if any. Information on the Code of Conduct and channels to report incidents are part of corporate compliance training that must be completed by all employees on a regular basis. Furthermore, reminders on the availability of the reporting channels are at least twice a year disseminated via printed posters and the Group's intranet and more information is accessible through the internal company policy portal.

Trust in the channels that allow concerns to be raised is established by thoroughly reviewing all reported incidents to clarify facts and identify systemic issues or patterns. Hilti ensures that the rights of both the reporting party and the involved individuals are protected as described in the Whistleblowing guideline, adhering to a strict non-retaliation policy. Given the number of incidents reported over recent years, it is evident that team members are both aware of and confident in utilizing the established reporting channels.



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## Own workforce metrics

### Characteristics of the Group's employees

#### Accounting policies

Headcount data, information on employee gender and information on employment by contract type is obtained from the Group's workforce system. All employees must provide information on their gender and can select the male, female or non-binary attribute when providing it. The gender information reported in subsequent tables reflects non-binary in the line item "Other," as required by the ESRS. When presenting information on employment by contract type, the different categories are defined in line with the national laws of the countries of employment. This country-level data is then added up to calculate the total number at Group level. All information presented is based on data captured at the end of the reporting period. The applied methodology provides information for that point in time without capturing fluctuations during the reporting period.

The turnover rate is calculated by dividing the number of employees who left the Group voluntarily or left the Group due to dismissal, retirement or death in service within the reporting period by the average headcount number during the reporting period (excl. leavers from disinvestments in Group subsidiaries).

At the end of the 2025 reporting period, the total number of employees amounts to **✓ 34,420** (2024: 34,353). The following table presents the breakdown of employees by gender.

#### Number of employees (headcount) by gender

	2024	✓ 2025	Change (%)
Male	24,654	24,699	0%
Female	9,690	9,708	0%
Other <sup>1</sup>	9	13	44%
<b>Total employees</b>	<b>34,353</b>	<b>34,420</b>	<b>0%</b>

<sup>1</sup> Gender as specified by the employees themselves.

The following table presents the breakdown of employees by countries where the Group has at least 50 employees, and where this number represents at least 10% of the Group's total number of employees.

#### Number of employees (headcount) by country

	2024	2025	Change (%)
Germany	5,744	5,775	1%
USA	3,872	3,821	-1%

More information on the headcount of employees and personnel expenses can be found in note 3.1, Personnel expenses, in the Group's financial statements.

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✓ Assured by PwC 2025 (limited assurance)





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The following table presents information on employees by contract type, broken down by gender:

	2024				2025			
	Female	Male	Other <sup>1</sup>	Total	Female	Male	Other <sup>1</sup>	Total
<b>Employees</b>	<b>9,690</b>	<b>24,654</b>	<b>9</b>	<b>34,353</b>	<b>9,708</b>	<b>24,699</b>	<b>13</b>	<b>34,420</b>
Permanent employees	8,977	23,114	8	32,099	9,038	23,202	12	32,252
Temporary employees	641	1,408	1	2,050	605	1,378	1	1,984
Non-guaranteed hours employees	72	132	0	204	65	119	0	184

<sup>1</sup> Gender as specified by the employees themselves.

✓ In 2025, 5,281 employees left (in 2024: 5,254) and 5,341 employees joined (in 2024: 6,056) the Group. The rate of employee turnover amounts to 15.3% (in 2024: 15.3%).

**Characteristics of non-employees in the Group's workforce**

At the end of the 2025 reporting period, the total number of non-employees in the Group's own workforce amounted to 1,488 (in 2024: 1,533).

**Accounting policies**

Headcount data is obtained from the Group's workforce system. All information presented is based on data captured at the end of the reporting period. The applied methodology provides information for that point in time without capturing fluctuations during the reporting period.

✓ Assured by PwC 2025 (limited assurance)





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## Adequate wages

### Accounting policies

The annual base pay of Hilti employees is extracted from the Group's workforce system for all Group entities. This data is compared to national minimum wages where available, and an external benchmark where national minimum wages were not available.

The Group pays all employees at or above the minimum wage or benchmark wage, respectively.

## Health and safety metrics

### Accounting policies

Data on work-related accidents is collected in Hilti's safety incidents reporting tool and aggregated at Group level. This includes work-related accidents involving both Hilti employees and non-employees. Hilti discloses a combined KPI for the number and rate of recordable work-related accidents, the Lost Time Incident Rate (LTIR). The rate of work-related accidents is calculated by dividing the respective number of cases by the number of total hours worked by people in Hilti's own workforce and multiplied by one million working hours. To calculate the number of cases, all work-related accidents resulting in one or more days of absence from work are considered. Total hours worked are calculated based on an estimate considering contractually agreed working hours, including entitlements of periods of paid absence from work. Fatalities, as a result of work-related injury, are considered in the calculation of this rate.

To calculate the number of days lost due to work-related injuries and fatalities from work-related accidents, both the first full day and the last day of an absence for Hilti's employees and non-employees are counted, including all calendar days such as weekends.

In 2025, 100% of people in the Group's own workforce were covered by the Group's health and safety management system (in 2024: 100%). 0 fatalities were recorded in Hilti's own workforce (in 2024: 0) and 0 fatalities for other people working on the Group's sites (in 2024: 0) due to work-related injuries. 158 work-related recordable accidents were recorded in 2025 (in 2024: 209), leading to a rate of work-related accidents of ✓ 2.52 (in 2024: 3.36). With regard to work-related injuries and fatalities from work-related accidents, the number of lost days amounts to 2,412 (in 2024: 3,015).

### Incorporation by reference

Information on the interests and views of stakeholders is disclosed in the Sustainability strategy section in the General Information chapter.

➤ Sustainability strategy: p. 27 – 28

✓ Assured by PwC 2025 (limited assurance)



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# Workers in the Value Chain

## Highlights

### Empowering Sustainable Sourcing

Training programs to equip and enable the supply community

### Comprehensive Due Diligence

IT-supported supplier screening for comprehensive oversight

### “SpeakUp” for Business Partners

Whistleblower hotline available for suppliers

Hilti is vigilant to ensure its supply chain is free of child labor and forced labor, with the Code of Conduct and Code of Conduct for Suppliers and Third-Party Intermediaries serving as the key documents to ensure that the human rights of

value chain workers are respected. Violations of the Code of Conducts are strictly prohibited and are sanctioned according to the severity and context of the violation, to the extent possible under local laws.





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### Material Impacts, Risks and Opportunities (IROs)

	Description	Lever to mitigate/improve
<b>Human rights in the value chain (Responsibility: Senior Management)</b>		
Risk	There is a reputational risk in case of any child labor or forced labor allegations or misconduct in Hilti's major supply chains.	The Group is vigilant to ensure its supply chain is free of child labor and forced labor. Hilti has implemented mitigation measures that include employee education, increased transparency, automation of due diligence for supplier assessments and external collaborations.

### Material risks and their interaction with Hilti's strategy and business model

Hilti's global supplier network significantly contributes to the Group's added value, quality and innovative strength, and to its overall sustainability performance along the value chain. Hilti's relationships with suppliers not only grant them significant influence over the company's sustainability goals, but also aim to assist them in becoming more sustainable. Hilti works with approximately 860 (in 2024: 820) core direct suppliers, which are registered on the supplier platform, to procure materials used in the Group's products or as components of semi-finished and finished goods.

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Hilti sources a significant proportion of its direct purchase volume locally in the regions where products will eventually be sold. Hilti acknowledges that some materials processes in its products may originate from minerals sourced from conflict-affected and high-risk areas (CAHRAs). At present, there are no equivalent substitutes for these minerals, whose extraction may help finance armed conflicts or lead to political instability, insecurity, widespread violence and prevalent human rights violations in these areas.

### Policies related to human rights in the value chain

Hilti's **Code of Conduct** serves as a key document to ensure that the human rights of value chain workers are respected, stating that Hilti works against forced, trafficked and child labor. Hilti's

suppliers and business partners are required to adhere to business principles consistent with the principles applicable to the Group's own operations. Violations of the Code of Conduct are strictly prohibited and are sanctioned according to the severity and context of the violation, to the extent possible under local laws. In some areas, a zero-tolerance approach is enforced.

The Group is committed to the ten principles of the **UN Global Compact** and to respecting human rights as set out in the **Universal Declaration of Human Rights** and the **Declaration of the International Labor Organization (ILO)** on fundamental principles and rights at work. This commitment is further demonstrated through the **Responsible Business Conduct Policy for Supply Chain Due Diligence on Human Rights, the Environment and Anti-Bribery**, which details the human rights section of the Code of Conduct.





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Besides Hilti's top-down and bottom-up risk assessment procedures, a due diligence framework is established to prevent or remedy any human rights violations in the context of Hilti's supply chain. Grievance procedures and reporting, as well as training and capacity building, are also set out in this policy and described in the modern slavery statement. The resulting requirements, expectations and escalation mechanisms are set out in the **Code of Conduct for Suppliers and Third-Party Intermediaries** and defined in the relevant business processes.

Before entering into a business relationship with Hilti, both direct and indirect suppliers must contractually agree to adhere to the Group's principles against bribery, corruption and human rights violations. They must also commit to humane working conditions, minimum wages, environmental protection and the proper handling of hazardous substances as outlined in the Code of Conduct for Suppliers and Third-Party Intermediaries. Specifically, Hilti's suppliers pledge to eschew slave labor, servitude, forced or compulsory labor and human trafficking, to pay at least valid minimum wages and refrain from using child labor. New and existing direct suppliers, based on a risk assessment, undergo a third-party code of conduct assessment before or during their business relationship with Hilti. These assessments are conducted to evaluate compliance with the Group's Code of Conduct for Suppliers and Third-Party Intermediaries and local legislation.

To uphold the supplier standards, the Code of Conduct for Suppliers and Third-Party Intermediaries stipulates a risk-based approach, and Hilti has established **Sustainable Sourcing Policies** for both direct and indirect material sourcing. The sustainable sourcing policies mandate comprehensive due diligence, for example in the form of background checks and screening of third parties.

The Group provides **whistleblowing** and **grievance mechanisms** through its "Stakeholder SpeakUp" hotline, allowing suppliers to report any violations of the Code of Conduct and associated policies.

### Actions related to human rights in the value chain

A comprehensive action plan is in place, in line with the Group's enterprise-wide risk management.

Employees working in sourcing-related functions are responsible for complying with relevant policies, instructions and guidelines. To ensure correct application, training on sustainable sourcing is provided to the internal supply community. In addition, mandatory e-training is in place for compliance topics related to procurement.

Hilti carries out due diligence through background checks and screening of third parties. The Group screens its direct suppliers using three different IT-supported mechanisms. These screenings include topics such as ethical behavior, health and safety

management and compliance with human rights. The related supplier self-assessment is a mandatory condition for initiating or maintaining a business relationship with Hilti, as outlined in the Group's Sustainable Sourcing Policy. The Group maintains a stringent approach for business partner onboarding.

Hilti asks its suppliers about the origins of their materials and requires them to critically assess their own supply chains, suppliers are also required to ensure that no materials derived from regulated conflict minerals are present in Hilti's products. By using the Conflict Minerals Reporting Template (CMRT), developed and maintained by the Responsible Minerals Initiative (RMI), Hilti gathers information throughout the supply chain regarding the countries of origin and the smelters and refiners utilized for processing tin, tantalum, tungsten and gold. In addition, by using the Extended Minerals Reporting Template (EMRT) from the RMI, Hilti gains clarity on its cobalt supply chain. Both the CMRT and EMRT standards are designed to be aligned with the OECD's Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. The Group's long-term objective remains the replacement of all materials potentially linked to CAHRAs with less problematic ones as part of larger-scale efforts to align Hilti's product designs with its principles of sustainability.

Hilti collaborates with an external partner to assess compliance with domestic regulations and the standards defined in the Code of Conduct for Suppliers and Third-Party Intermediaries for working





conditions at our suppliers. To do that, the Group reserves contractually the right to monitor existing and new business partners for compliance with the Code of Conduct for Suppliers and Third-Party Intermediaries on a regular or ad hoc basis if necessary. If there is a suspicion or indication of a violation of the Code of Conduct for Suppliers and Third-Party Intermediaries, such as non-compliance with local regulations, human rights abuses or the use of child labor, Hilti initiates follow-up actions, either internally or through the external partner, for on-site verification. In the event of serious or repeated infringements, the Group terminates the business relationship.

Hilti has established an internal IT-supported dashboard to monitor the transparency and progress created within its direct supplier network, focusing on the suppliers and their sustainability performance. Hilti publishes statements of compliance with modern slavery and supply chain due diligence reporting requirements in Hong Kong, Australia, the United Kingdom, Norway, Canada and California, as well as other jurisdictions, if legally required. These statements include information based on local requirements.

No significant operational expenditures and/or capital expenditures are required for the implementation of the previously described actions.

### Targets related to human rights in the value chain

Hilti is vigilant to ensure its supply chain is free of any form of child labor and forced labor. By executing a comprehensive action plan, as detailed in the previous section, the Group aims to prevent, cease, or minimize instances of human rights violations among people working within the supply chain.

### Channels for value chain workers to raise concerns

Hilti's approach to addressing the concerns and grievances of workers in the value chain is based on enabling the workers to report incidents of non-compliance with the Code of Conduct, the Code of Conduct for Suppliers and Third-Party Intermediaries and associated policies. This is done through the Group's anonymous Stakeholder SpeakUp hotline, publicly available on all Hilti websites and referenced in documents relevant for suppliers, or directly through supply managers. Each incident reported undergoes an initial review, conducted or supervised by the compliance office. Upon completion of this initial review and depending on its result, the compliance office forwards the case to the responsible compliance officer for further

investigation or starts a full investigation. If the case does not require further assessment or is not within the scope of Compliance Department investigations, it provides recommendations and/or advice to the relevant management function regarding necessary actions, if any.

Hilti has a non-retaliation policy in place to ensure that the rights of both the whistleblower and the involved party are not compromised. People who, in good faith, report known or presumed violations will be protected from retaliation. Any kind of reprisal against people who report violations in accordance with these principles is a clear, severe breach of the Code of Conduct and will be handled accordingly.

Outside the channels to raise concerns, Hilti has not adopted a general process to engage with workers in the value chain. The Group does, however, encourage all business partners, including their representatives and employees, to inform it about any suspected violations of the Code of Conducts via the Stakeholder SpeakUp hotline.

### Incorporation by reference

Information on the interests and views of stakeholders is disclosed in the Sustainability strategy section in the General Information chapter.

➤ Sustainability strategy: p. 27–28

# Business Conduct

## Highlights

### Compliance Training

Anti-corruption and anti-bribery training program provided to 100% of all at-risk functions

### “SpeakUp” for Team Members

The whistleblower hotline has been improved through the integration of an integrity case management tool

### Caring and performance-oriented

Corporate culture based on values of commitment, courage, teamwork and integrity

Hilti’s approach to business conduct is driven by integrity, a core value of its caring and performance-oriented corporate culture. Hilti not only aims to meet existing legal requirements but also wants to make a statement regarding responsible business conduct. The Group has set this ambitious goal,

recognizing that corporate attitudes and behavior require permanent effort and mindset driving, as well as assurance. This involves constantly improving the internal organization, regularly questioning existing systems and making necessary changes.



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### Material Impacts, Risks and Opportunities (IROs)

	Description	Lever to mitigate/improve
<b>Corporate culture and values (Responsibility: Executive Board)</b>		
Positive impact (actual)	In the long term, Hilti has a positive impact on employee well-being and how they identify with the company through a caring and performance-oriented corporate culture characterized by commitment, courage, teamwork and integrity. This impact is relevant for the Group's own operations.	Not applicable.
Opportunity	In the medium term, Hilti can increase work performance, have a positive impact on employee tenure and decrease turnover by further motivating employees to work for a company they trust.	Not applicable.
<b>Anti-corruption and anti-bribery (Responsibility: Group General Counsel)</b>		
Risk	There is a risk of legal proceedings, resulting in fines, due to insufficient anti-corruption measures or incidents of corruption associated with the Group, which could also lead to reputational harm.	Hilti has implemented a Compliance Management System in accordance with ISO 37301 and ISO 37001 that includes prevention, detection, response and mitigation processes. Hilti's Prohibited Practices Policy outlines the company's anti-corruption and anti-bribery rules. The company also conducts dedicated risk assessments for corruption risks, regular communication at all levels, a benefit approval process, comprehensive compliance training, and provides an anonymous whistleblowing hotline for both internal and external stakeholders.
<b>Supplier sustainability (Responsibility: Senior Management)</b>		
Positive impact (actual)	In the medium term, Hilti has a positive impact on supplier sustainability by promoting sustainable practices through rigorous criteria in the selection of suppliers and closely managing corresponding relationships. This impact is relevant for the Group's upstream value chain.	Not applicable.





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## Corporate culture

The foundation of Hilti's business strategy and success is a people-oriented environment. The shared values of commitment, courage, teamwork and integrity form the basis for the caring and performance-oriented culture which, in turn, paves the way for the success of the worldwide team. By strictly upholding these values, Hilti's leadership acts as ambassadors of the company culture. When new team members join Hilti, they receive comprehensive training that introduces them to the company's corporate culture. This training covers the Group's values, business model, and products and services in detail and fosters a community where people work with, rather than for, one another. The corporate culture is further enhanced in regular team camps. Hilti's team camps serve as forums to enable the teams to work on culture-related topics as they see priorities in their areas. The implementation then takes place in the daily work in the company. The corporate culture is strengthened by regular communications, published on Hilti's intranet, on important developments, as well as interviews and town halls on relevant issues.

Hilti evaluates its corporate culture via the Great Place to Work® assessment and the Global Employee Opinion Survey.

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## Anti-corruption and anti-bribery

### Anti-corruption and anti-bribery policies

Hilti's anti-corruption and anti-bribery policies are covered in the Group's **Code of Conduct**, which applies to the Group's entire own workforce and to its suppliers and form the legal and ethical framework of the Group. It is supplemented by the **Prohibited Practices Policy** covering the company's anti-corruption and anti-bribery rules.

Functions at risk refer to specific business operations or departments within Hilti that are particularly prone to attempts at corruption, bribery or unethical practices due to their roles, responsibilities and interactions with external stakeholders. In Hilti's view these functions are typically involved in high-value transactions, regulatory compliance or direct engagement with suppliers, customers or government officials.

Based on that, Hilti's functions at risk are: procurement and supply chain management, sales and marketing, logistics and distribution and colleagues in the local and global roles for product licensing and standard developments. Senior management roles are critical gatekeepers independent from their function and hence, also fall into the above definition.

### Anti-corruption and anti-bribery actions

The Group has established a Group-wide Compliance Management System, aligned with the requirements of the ISO 37301, ISO 37001 and

the IDW PS 980 audit standard that is overseen by the Chief Compliance Officer. The Compliance Management System (CMS) applies to all Group companies and encompasses policies, guidelines, regulations, technical and organizational measures, roles and responsibilities, as well as protocols for implementing compliance processes. Preventing, detecting and responding to corruption and bribery is one element of the CMS.

### Actions to prevent corruption and bribery

To prevent corruption and bribery, the Group maintains, amongst other measures, a dedicated risk assessment for corruption risks, comprehensive compliance training programs, frequent communication on all levels and an automated benefit approval process:

- **Comprehensive compliance training:** Comprehensive and target group-oriented compliance trainings ensure team members are informed about relevant compliance requirements. Besides an online component, on-site training and case studies are an essential part of the compliance training strategy. These courses provide a general introduction to compliance issues related to anti-corruption and anti-bribery, including whistleblowing, as well as business ethics topics and more in-depth handling of individual aspects. All new general managers at the Group's local organizations receive training on compliance issues in their area of responsibility as part of their onboarding program.

The adoption rate of the training program is tracked by the compliance department. In 2025,



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compliance training programs covered 100% (in 2024: 100%) of all at-risk functions within the Group.

- **Frequent communication:** The compliance department communicates monthly globally in all markets and in local languages on specific topics through internal platforms, with concise, easy-to-remember content to increase awareness of current and relevant compliance topics. These communications are also used to remind employees to participate in the mandatory or optional e-learning courses.
- **Benefit approval process:** To prevent incidents of corruption and bribery, Hilti has implemented a set of automated controls in the expense systems and an automated benefit approval process in the compliance service web portal.

#### Actions to detect and respond to corruption and bribery

To detect and respond to corruption and bribery, the Group maintains, amongst others, expense and other data monitoring, a whistleblowing hotline and systematic investigation processes:

- **Whistleblowing hotline:** To detect incidents of corruption and bribery, all employees are encouraged to report prohibited practices or suspicion of such in Hilti's activities, in line with the "SpeakUp" guidelines. SpeakUp is Hilti's whistleblowing reporting channel, operated by a third party and completely anonymous. Each incident reported through this hotline, or directly to the compliance office, undergoes an initial review

conducted or supervised by the compliance office. Upon completion of this initial review and depending on its result, the compliance office forwards the case to the responsible compliance officer for further investigation or starts a full investigation. If the case does not require further assessment or is not within the scope of Compliance Department investigations, it provides recommendations and/or advice to the relevant management function regarding necessary actions, if any. The Stakeholder SpeakUp hotline is also publicly accessible for Hilti's business partners. The Group ensures that the rights of both the reporting party and the involved individuals are protected, adhering to a strict non-retaliation policy and other best practice principles.

In addition, software tools are in place to comprehensively evaluate and proactively manage supply chain risk data in the corruption and bribery area, from both the top-down and the bottom-up perspective. In-person audits are also conducted by a third-party service provider as part of the supplier monitoring procedures.

➤ Own Workforce: p. 54; Workers in the Value Chain: p. 64

The Group's compliance department is headed by the Chief Compliance Officer, who has overall responsibility for the compliance management system and reports to the Group General Counsel, who reports to the CEO. In addition, the Chief Compliance Officer is in direct contact with the Board of Directors' Audit Committee. According to the CMS, any investigations are independent from the chain of management involved in the matter. A

comprehensive dashboard, featuring metrics such as the overall risk score, training coverage, behavior-influencing initiatives and incident reporting, is used for regular reporting to senior management, the Audit Committee and the Board of Directors.

The Company Policy Portal, a user-friendly platform designed to serve as the central repository for all Group policies, guidelines and standards, is accessible to all employees. One key feature is automated content filtering based on user profiles and geographical locations, ensuring that team members are presented with the most pertinent information up-front. Furthermore, permanent links are implemented to guarantee that users always have access to the latest versions of the documents.

#### Incidents of corruption or bribery

##### Accounting policies

Incidents of corruption or bribery encompass instances where a Hilti legal entity has been convicted of anti-bribery or corruption violations by a court of law, as well as any fines imposed in connection with enforcement actions brought against the company for such violations.

In 2025, the number of convictions related to corruption or bribery amounted to 0 (in 2024: 0). Fines for violation of anti-corruption and anti-bribery laws amounted to CHF 0 million (in 2024: 0). To



address breaches in procedures and standards of anti-corruption and anti-bribery processes, no disciplinary actions were required.

## Management of relationships with suppliers

It is important for the Group to build partnerships on equal terms with its global network of suppliers and engage in regular personal discussions. Cooperations are based on the highest ethical standards, which are set out in the Code of Conduct for Suppliers and Third-Party Intermediaries.

➤ Workers in the Value Chain: p. 64

Managing supplier sustainability is built on a structured framework covering the supply chain and being aligned with international standards such as ISO 20400. In its direct procurement practice, Hilti's sustainable procurement framework is structured around five core building blocks to gradually raise its own activities and the activities of suppliers to a higher sustainability level:

- **Policies:** The Group established its policies to ensure adherence to human rights, bribery and corruption through the Code of Conduct, the Code of Conduct for Suppliers and Third-Party Intermediaries, the Sustainable Sourcing Policies

for direct and indirect procurement as well as the Responsible Business Conduct Policy for Supply Chain Due Diligence on Human Rights, the Environment and Anti-Bribery.

➤ Workers in the Value Chain p. 64

- **Supplier Due Diligence:** Collaborations with external partners and IT supported mechanisms are in place to perform comprehensive due diligence through background checks and screening of third parties, ultimately to ensure compliance with the Group's Code of Conduct and policies.

➤ Resource Use and Circular Economy p. 46;

Workers in the Value Chain p. 64

- **Supplier Sustainability Recognition:** Sustainability-related criteria are integrated into the Group's procurement processes. This includes onboarding suppliers on a digital platform, the consideration of sustainability in sourcing decisions as well as supplier audits. Furthermore, a core element of Hilti's supplier management is its Supplier Recognition Model (SRM). The SRM is a performance rating system, which rewards suppliers with stronger sustainability performance. The assessments deploy a structured and uniform manner to compare suppliers transparently and comprehensively. Within the SRM high-performing suppliers are recognized through annual awards.

- **Supplier Sustainability Engagement:** Hilti actively supports its strategic suppliers in becoming more sustainable by upskilling and collaborations to improve sustainability performance. Suppliers are identified for engagement activities based on IT-supported assessment.
- **Supplier Sustainability Monitoring:** Hilti has established an internal IT-supported dashboard to monitor the transparency and progress created within its direct supplier network, focusing on the suppliers and their sustainability performance.

➤ Workers in the Value Chain p. 64



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# Notes to the Consolidated Sustainability Statements

## Basis for preparation

These consolidated sustainability statements have been prepared with reference to the European Sustainability Reporting Standards (ESRS) as adopted by the European Commission. The Group is well on track for the preparation of the sustainability statements in compliance with the ESRS as required by Liechtenstein's Law on Persons and Companies, the "Personen- und Gesellschaftsrecht," starting with the 2027 financial year.

## Scope of consolidation

The scope of these consolidated sustainability statements is the same as for the Group's consolidated financial statements. Where relevant, Group companies will apply their exemption option and do not report under the European Union's

Corporate Sustainability Reporting Directive (CSRD) or, respectively, the corresponding national transposition of the CSRD in member states at an individual level.

## Value chain information

In addition to the Group's own operations, this sustainability statement includes information on the upstream and downstream value chain illustrated in the General Information chapter.

[▶ General Information: p. 24](#)

## Omission of information

The Group has not used the option to omit a specific piece of information corresponding to intellectual property, know-how or the results of innovation.

## Time Horizons

In preparing its sustainability statement the Group has applied the following forward-looking time horizons as defined in ESRS 1:

- Short term: 1 year
- Medium term: From 1 to 5 years
- Long term: More than 5 years

## Value chain estimation

The following table contains the metrics that include value chain data estimated using indirect sources.

Metric	Basis of preparation	Level of accuracy	Planned actions to improve accuracy
Scope 3 GHG emissions	Scope 3 GHG emissions are calculated using a combination of direct data sources, for example, energy use and transport data and indirect data sources. Indirect data sources include internal proxies such as revenue, headcount and expenditure. Both direct data and indirect data are combined with emission factors and average data to calculate GHG emissions.	The level of accuracy varies depending on the availability and granularity of data. While direct data sources offer high reliability, indirect data as well as emission factors and average data introduce a degree of uncertainty that Hilti continuously seeks to reduce.	To enhance accuracy, Hilti aims to reduce its reliance on indirect data sources and use actual data instead. To this end, the Group is strengthening its collaboration with key stakeholders in its value chain and updating its dataset regularly.





Information on direct and indirect data applied is disclosed in the relevant accounting policies in the Climate Change chapter.

**Sources of estimation and outcome uncertainty**

The preparation of the sustainability statements requires management to use certain estimates and judgement in the process of applying the Group's sustainability policies. The Group also makes estimates and assumptions concerning the future. Estimates and judgements 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 area of greenhouse gas emission calculation.

<b>Metric</b>	<b>Sources of measurement uncertainty</b>	<b>Assumption, approximations and judgements applied</b>
Scope 1, 2 and 3 GHG emissions	The calculation technique, which relies on emission factors from multiple databases and on average data, introduces an element of inherent measurement uncertainty as these are generalized estimates rather than precise, source-specific values.	Information on assumptions, approximations and judgements applied is disclosed in the relevant accounting policies in the Climate Change chapter.

The assurance provider is the sole instance that validates metrics unless it is explicitly mentioned otherwise in the respective note.

**Changes in reporting standards, accounting policies and estimates**

The Group has not made material changes to its accounting policies or its approach to using estimates during the reporting period.

**Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements**

The Group does not include in its sustainability statements information stemming from other legislation in addition to the information prescribed by ESRS.

**Reporting error in prior periods**

In the event that Hilti discovers material errors in or materially changes its accounting policies for previously reported numbers, Hilti restates these. Hilti clearly indicates what the restatement is in the relevant table(s) with the metrics.

The 2024 values for Scope 3 GHG emissions for business traveling were restated due to an improved calculation methodology, increasing the emissions by 12,623t from 19,027t to 31,650t.





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### Risk management and internal controls over sustainability reporting

Within the Board of Directors, Hilti's Audit Committee is responsible for financial and sustainability reporting. Management responsibility for sustainability reporting lies with the Chief Financial Officer, Head of Finance and Head of Corporate Sustainability. The Group Accounting and Corporate Sustainability departments jointly draft the sustainability statement, based on qualitative and quantitative information received from topical experts located in a variety of departments. Before being published, the sustainability statement is reviewed by the topic accountable and the Legal department. Following their approval, the statement is then reviewed and released by the management members responsible, the Audit Committee and the Board of Directors. The report and the quantitative data contained within may also be subject to internal audit. Findings with respect to the Group's sustainability statements are reported to, and discussed in, the Audit Committee on a yearly basis.

Hilti regularly assesses risks and controls over its sustainability reporting process. Hilti's sustainability data is collected within a regular reporting cycle from Group entities or, wherever possible, directly retrieved from IT systems at the Group level by topical experts. There are also risks related to the accuracy of data input and manual errors in the reporting process from aggregating data from multiple systems. To mitigate risks of incomplete or inconsistent reporting on sustainability topics, including risks associated with greenwashing Hilti has implemented controls based on their assessment of risks in the sustainability statements, including validation/review controls for quantitative data in the sustainability statements by group functions.

### Release of sustainability statements

These consolidated sustainability statements were approved for issue by the Board of Directors on March 5, 2026.

### Statement on due diligence

The reflection of core elements of due diligence in disclosure requirements set out in ESRS 2 and in the topical ESRS is illustrated in the following table. For further details, refer to the respective paragraphs in the sustainability statement, as presented in the table: List of disclosure requirements complied with.

Core elements of due diligence	Disclosure requirement
a) Embedding due diligence in governance, strategy and business model	Cross-topic: ESRS 2 GOV-2, ESRS 2 GOV-3, ESRS 2 SBM-3
b) Engaging with affected stakeholders in all key steps of the due diligence	Cross-topic: ESRS 2 SBM-2, ESRS 2 IRO-1 Topical standard(s): ESRS S1-2; ESRS S2-2
c) Identifying and assessing adverse impacts	Cross-topic: ESRS 2 IRO-1 Topical standard(s): ESRS E1 IRO-1; ESRS E5-1; ESRS S1-3; ESRS S2-3
d) Taking actions to address those adverse impacts	Topical standard(s): ESRS E1-3; ESRS E5-2; ESRS S1-4
e) Tracking the effectiveness of these efforts and communicating	Topical standard(s): ESRS E1-4 and E1-6; ESRS E5-3, E5-4 and E5-5; ESRS S1-4 and S1-5



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List of guiding documents

The following table lists all relevant guiding documents (policies, guidelines, frameworks, etc.) referenced in the sustainability statements, including details on who published the documents and to whom they are applicable.

All guiding documents are available to Group employees through Hilti's policy portal or the Group's intranet. The Code of Conduct, Code of Conduct for Suppliers and Third-Party Intermediaries and Sustainable Sourcing Policy for Direct Procurement are available on the Hilti Group website.

Document	Published by	Approved by	Applicable to
Circularity Process Guidelines	Global Process Manager	Global Process Owner	Hilti Corporation and all its subsidiaries
Code of Conduct	Chief Compliance Officer	Board of Directors/Executive Board	
Code of Conduct for Suppliers and Third-Party Intermediaries	Chief Compliance Officer	Executive Board	
Engaged Beyond Business Guidelines	Head of Corporate Sustainability	Head of Corporate Sustainability	
Environmental Policy	Head of Health, Safety and Environment	Executive Board	
Global Rewards Framework	Head of Global Human Resources	Head of Global Human Resources	
Global Rewards Principles	Head of Global Human Resources	Executive Board	
Health and Safety Policy	Head of Health, Safety and Environment	Executive Board	
Responsible Business Conduct Policy for Supply Chain Due Diligence on Human Rights, the Environment and Anti-Bribery	Chief Compliance Officer	Executive Board	
Prohibited Practices Policy	Chief Compliance Officer	Executive Board	
Sustainable Sourcing Policy for Direct Procurement	Head of Sourcing Excellence	Executive Board	
Sustainable Sourcing Policy for Indirect Procurement	Head of Procurement Indirect Materials	Executive Board	
Whistleblowing Guidelines SpeakUp	Chief Compliance Officer	Chief Compliance Officer	





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## List of disclosure requirements

The following tables list all the disclosure requirements addressed when preparing these sustainability statements, based on the outcome of the materiality assessment. The tables can be used to find information relating to specific disclosure requirements.

### General Disclosures

Disclosure Requirement		Page
BP-1	General basis for preparation of sustainability statements	p. 73–74
BP-2	Disclosures in relation to specific circumstances	p. 73–74
GOV-1	The role of the administrative, management and supervisory bodies	p. 30–32
GOV-2	Information provided to and sustainability matters addressed by Hilti's administrative, management and supervisory bodies	p. 32
GOV-3	Integration of sustainability-related performance in incentive schemes	p. 32
GOV-4	Statement on due diligence	p. 75
GOV-5	Risk management and internal controls over sustainability reporting	p. 75
SBM-1	Strategy, business model and value chain	p. 24–28
SBM-2	Interests and views of stakeholders	p. 28–30
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	p. 28–29, 34, 48, 55–56, 65, 69
IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	p. 28–29
IRO-2	Disclosure requirements in ESRS covered by Hilti's sustainability statement	p. 77–80





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## Climate Change

Disclosure Requirement		Page
ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	p. 32
E1-1	Transition plan for climate change mitigation	p. 33–36
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	p. 34
ESRS 2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	p. 36–37
E1-2	Policies related to climate change mitigation and adaptation	p. 37, 76
E1-3	Actions and resources in relation to climate change policies	p. 38–39
E1-4	Targets related to climate change mitigation and adaptation	p. 38–39
E1-5	Energy consumption and mix	p. 40–41
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	p. 41–44
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	p. 45
E1-8	Internal carbon pricing	p. 45
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Not stated

## Resource Use and Circular Economy

Disclosure Requirement		Page
ESRS 2 IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	p. 49
E5-1	Policies related to resource use and circular economy	p. 49–50, 76
E5-2	Actions and resources related to resource use and circular economy	p. 50–51
E5-3	Targets related to resource use and circular economy	p. 51–52
E5-4	Resource inflows	p. 52–53
E5-5	Resource outflows	p. 52–53
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	Not stated





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## Own Workforce

Disclosure Requirement		Page
ESRS 2 SBM-2	Interests and views of stakeholders	p. 28 – 30
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	p. 55 – 56
ESRS S1-1	Policies related to own workforce	p. 56, 58 – 59, 76
ESRS S1-2	Processes for engaging with own workforce and workers' representatives about impacts	p. 60
ESRS S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	p. 60
ESRS S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	p. 56 – 59
ESRS S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	p. 57 – 60
ESRS S1-6	Characteristics of Hilti's employees	p. 61 – 62
ESRS S1-7	Characteristics of non-employees in Hilti's own workforce	p. 62
ESRS S1-10	Adequate wages	p. 63
ESRS S1-14	Health and safety metrics	p. 63
ESRS S1-17	Incidents, complaints and severe human rights impacts	Not stated

## Workers in the Value Chain

Disclosure Requirement		Page
ESRS 2 SBM-2	Interests and views of stakeholders	p. 28 – 30
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	p. 65
S2-1	Policies related to value chain workers	p. 65 – 66, 76
S2-2	Processes for engaging with value chain workers about impacts	p. 67
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	p. 67
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	p. 66 – 67
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	p. 67





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Disclosure Requirement		Page
ESRS 2 GOV-1	The role of the administrative, supervisory and management bodies	p. 30–32
ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	p. 28–29
G1-1	Business conduct policies and corporate culture	p. 70, 76
G1-2	Management of relationships with suppliers	p. 72
G1-3	Prevention and detection of corruption and bribery	p. 70–71
G1-4	Incidents of corruption or bribery	p. 71–72

## Table of datapoints that derive from other EU legislation

The following table includes all datapoints that derive from other EU legislation as listed in ESRS 2 Appendix B, indicating where they can be found in the sustainability statement and which data points are assessed as not material, not stated, or not relevant.

Disclosure Requirement	Datapoint		Page
ESRS 2 GOV-1	21 (d)	Board's gender diversity paragraph	p. 32
ESRS 2 GOV-1	21 (e)	Percentage of board members who are independent paragraph	p. 32
ESRS 2 GOV-4	30	Statement on due diligence	p. 75
ESRS 2 SBM-1	40 (d) i	Involvement in activities related to fossil fuel activities	Not relevant
ESRS 2 SBM-1	40 (d) ii	Involvement in activities related to chemical production	Not relevant
ESRS 2 SBM-1	40 (d) iii	Involvement in activities related to controversial weapons	Not relevant
ESRS 2 SBM-1	40 (d) iv	Involvement in activities related to cultivation and production of tobacco	Not relevant
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050	p. 33–36
ESRS E1-1	16 (g)	Undertakings excluded from Paris-aligned Benchmarks	p. 36
ESRS E1-4	34	GHG emission reduction targets	p. 38–39





Disclosure Requirement	Datapoint		Page
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	p. 40
ESRS E1-5	37	Energy consumption and mix	p. 40–41
ESRS E1-5	40 to 43	Energy intensity associated with activities in high climate impact sectors	p. 41
ESRS E1-6	44	Gross Scope 1, 2, 3 and Total GHG emissions	p. 43
ESRS E1-6	53 to 55	Gross GHG emissions intensity	p. 44
ESRS E1-7	56	GHG removals and carbon credits	p. 45
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks	Not stated
ESRS E1-9	66 (a) (c)	Disaggregation of monetary amounts by acute and chronic physical risk Location of significant assets at material physical risk	Not stated
ESRS E1-9	67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes	Not stated
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities	Not stated
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	Not material
ESRS E3-1	9	Water and marine resources	Not material
ESRS E3-1	13	Dedicated policy	Not material
ESRS E3-1	14	Sustainable oceans and seas	Not material
ESRS E3-4	28 (c)	Total water recycled and reused	Not material
ESRS E3-4	29	Total water consumption in m <sup>3</sup> per net revenue in own operations	Not material
ESRS 2 - SBM 3 - E4	16 (a)		Not material
ESRS 2 - SBM 3 - E4	16 (b)		Not material
ESRS 2 - SBM 3 - E4	16 (c)		Not material
ESRS E4-2	24 (b)	Sustainable land/agriculture practices or policies	Not material
ESRS E4-2	24 (c)	Sustainable oceans/seas practices or policies	Not material
ESRS E4-2	24 (d)	Policies to address deforestation	Not material
ESRS E5-5	37 (d)	Non-recycled waste	Not material
ESRS E5-5	39	Hazardous waste and radioactive waste	Not material
ESRS 2 - SBM3 - S1	14 (f)	Risk of incidents of forced labour	Not material
ESRS 2 - SBM3 - S1	14 (g)	Risk of incidents of child labour	Not material
ESRS S1-1	20	Human rights policy commitments	p. 59

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Disclosure Requirement	Datapoint		Page
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8	p. 59
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	p. 59
ESRS S1-1	23	Workplace accident prevention policy or management system	p. 58 – 59
ESRS S1-3	32 (c)	Grievance/complaints handling mechanisms	p. 59
ESRS S1-14	88 (b) (c)	Number of fatalities and number and rate of work-related accidents	p. 63
ESRS S1-14	88 (e)	Number of days lost to injuries, accidents, fatalities or illness	Partially stated (p. 63)
ESRS S1-16	97 (a)	Unadjusted gender pay gap	Not material
ESRS S1-16	97 (b)	Excessive CEO pay ratio	Not material
ESRS S1-17	103 (a)	Incidents of discrimination	Not stated
ESRS S1-17	104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	Not stated
ESRS 2 - SBM3 - S2	11 (b)	Significant risk of child labor or forced labor in the value chain	p. 65
ESRS S2-1	17	Human rights policy commitments	p. 65
ESRS S2-1	18	Policies related to value chain workers	p. 65 – 66, 76
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	Not stated
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8	Not stated
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	Not stated
ESRS S3-1	16	Human rights policy commitments	Not material
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines	Not material
ESRS S3-4	36	Human rights issues and incidents	Not material
ESRS S4-1	16	Policies related to consumers and end-users	Not material
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	Not material
ESRS S4-4	35	Human rights issues and incidents	Not material
ESRS G1-1	10 (b)	United Nations Convention against Corruption	Not relevant
ESRS G1-1	10 (d)	Protection of whistle-blowers	Not relevant
ESRS G1-4	24 (a)	Fines for violation of anti-corruption and anti-bribery laws	p. 71 – 72
ESRS G1-4	24 (b)	Standards of anti-corruption and anti-bribery	p. 71 – 72

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# Independent practitioner's limited assurance report on selected indicators in the Sustainability Statements to the Board of Directors of Hilti Aktiengesellschaft, Schaan



We have been engaged by the Board of Directors to perform assurance procedures to provide limited assurance on the selected indicators in the Sustainability Statements (including the GHG emissions) in the Hilti 2025 Annual Report of Hilti Aktiengesellschaft (the 'Company') for the period from 1 January 2025 to 31 December 2025.

The selected indicators in the Sustainability Statements of the Company, marked with the symbol ✓, were the subject to our engagement (hereby referred to as the selected indicators):

- Environmental indicators (pages 40 – 44)
  - Total energy consumption
  - Scope 1 GHG emissions
  - Scope 2 GHG emissions
  - Total Gross indirect (Scope 3) GHG emissions
  - GHG intensity based on net revenue
  - Total energy consumption from activities in high climate impact sectors, per net revenue from activities in high climate impact sectors
- Social indicators (pages 61 – 63)
  - Employee Health and Safety – rate of work-related accidents (LTIR)
  - Number of employees (headcount) by gender
  - Employees left and rate of the employee turnover

The Sustainability Statements were prepared by the Board of Directors of Company based on the European Sustainability Reporting Standards (ESRS), published by the European Commission. The Company presents in the subsection "Notes to the Consolidated Sustainability Statements–Basis for preparation" and in the specific notes to the disclosed metrics in each chapter titled "Accounting policies" on the pages 22 to 72 the bases for the

selected indicators, marked with the symbol ✓, in the Sustainability Statements section in the Hilti 2025 Annual Report. We evaluated the selected indicators against the related ESRS Standards (referred to hereafter as the 'suitable Criteria').

## Inherent limitations

The accuracy and completeness of the sustainability information in the Sustainability Statements (including the GHG emissions) are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. In addition, the quantification of the sustainability information is subject to inherent uncertainty because of incomplete scientific knowledge used to determine factors and the values needed to combine e.g. emissions of different gases. Our assurance report will therefore have to be read in connection with the suitable Criteria used by Company, its definitions and procedures in the subsection "Notes to the Consolidated Sustainability Statements–Basis for preparation" and in the specific notes to the disclosed metrics in each Accounting policies chapter in the Sustainability Statements in the Hilti 2025 Annual Report.

## Board of Directors' responsibility

The Board of Directors is responsible for preparing and presenting the Sustainability Statements in the Hilti 2025 Annual Report in accordance with suitable Criteria. This responsibility includes the design, implementation and maintenance of the internal control system related to the preparation and presentation of the Sustainability Statements that are free from material misstatement, whether due to fraud or error. Furthermore, the Board of Directors is responsible for the selection and application of the suitable Criteria and adequate record keeping.

## Independence and quality management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International





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#### Group Sustainability Statements

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Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and relevant independence and ethical requirements as transposed in Switzerland by EXPERTsuisse.

PricewaterhouseCoopers AG applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Practitioner's responsibility

Our responsibility is to perform a limited assurance engagement and to express a conclusion on the selected indicators in the Sustainability Statements (including the GHG emissions). We conducted our engagement in accordance with the International Standard on Assurance Engagements ISAE 3000 (Revised) 'Assurance engagements other than audits or reviews of historical financial information' and the International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements ('ISAE 3410'), issued by the International Auditing and Assurance Standards Board. Those standards require that we plan and perform our procedures to obtain limited assurance whether anything has come to our attention that causes us to believe that the selected indicators in the Sustainability Statements, marked with the symbol ✓, was prepared, in all material respects, in accordance with the suitable Criteria.

Based on risk and materiality considerations, we performed our procedures to obtain sufficient and appropriate assurance evidence. The procedures selected depend on the assurance practitioner's judgement. A limited assurance engagement under ISAE 3000 (Revised) and ISAE 3410 is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

We performed the following procedures, among others:

- Reviewing the application of the internal reporting guidelines for the selected indicators in the "Basis for preparation" section against the relevant ESRS;
- Inquiries and detailed walkthroughs with relevant stakeholders for the selected indicators in the Sustainability Statements section in the Hilti 2025 Annual Report;
- Analytical procedures;
- Reperformance of relevant calculations (including the GHG emissions);
- Additional assurance procedures as deemed necessary (e.g. on sample based source tracing);
- Local level procedures (site visits at United States of America and Austria) to inspect local processes and reconcile source evidence.

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

### Conclusion

Based on the work we performed, nothing has come to our attention that causes us to believe that the selected indicators marked with the symbol ✓ in the Sustainability Statements in the Hilti 2025 Annual Report (including the GHG emissions) of Hilti Aktiengesellschaft for the period from 1 January 2025 to 31 December 2025 are not prepared, in all material respects, in accordance with the suitable Criteria.

### Emphasis of Matter

We draw attention to the subsection "Notes to the Consolidated Sustainability Statements–Basis for preparation" on the pages 73 to 74 and in the specific notes to the disclosed metrics in each chapter titled "Accounting policies" on the pages 22 to 72 where it is stated the Sustainability Statements have been prepared with reference to the European Sustainability Reporting Standards (ESRS) and contains only selected disclosures from the ESRS and therefore is not in compliance with the ESRS. Our conclusion is not modified in respect of this matter.





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**Other matter – comparative, retrospective and forward-looking information**

Neither the comparative nor the retrospective information on prior year data (i.e. 2024 and earlier) as at 31 December 2025 and for the period prior to 1 January to 31 December 2025 as well as forward-looking information included in Sustainability Statements in the Hilti 2025 Annual Report of Hilti Aktiengesellschaft were subject to an assurance engagement on this basis. Our conclusion is not modified in respect of this matter.

**Intended users and purpose of the report**

This report is prepared for, and only for, the Board of Directors of Hilti Aktiengesellschaft, and solely for the purpose of reporting to them on selected indicators in the Sustainability Statements (including the GHG emissions), marked with the symbol ✓, and no other purpose. We do not, in giving our conclusion, accept or assume responsibility (legal or otherwise) or accept liability for, or in connection with, any other purpose for which our report including the conclusion may be used, or to any other person to whom our report is shown or into whose hands it may come, and no other persons shall be entitled to rely on our conclusion.

We permit the disclosure of our report, in full only and in combination with the suitable Criteria, to enable the Board of Directors to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report over selected indicators in the Sustainability Statements, without assuming or accepting any responsibility or liability to any third parties on our part. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors of Hilti Aktiengesellschaft for our work or this report.

PricewaterhouseCoopers AG

Ilario Monti

Petar Lesic

St. Gallen, 5 March 2026

The maintenance and integrity of Hilti Aktiengesellschaft's website and its content are the responsibility of the Board of Directors. The work we have performed as the independent assurance practitioner does not involve consideration of the maintenance and integrity of the Hilti Aktiengesellschaft's website. Accordingly, we accept no responsibility for any changes that may have occurred to the reported selected indicators in the Sustainability Statements (including the GHG emissions) or suitable Criteria since they were initially presented on the website.

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# Group Financial Statements

## Consolidated Income Statement

in CHF million

	Note	2024	2025
Net sales	2.1	6,429	6,297
Other operating income	2.1	241	260
<b>Total operating income</b>		<b>6,670</b>	<b>6,557</b>
Material costs	2.3	(1,570)	(1,559)
Personnel expenses	3.1	(2,886)	(2,886)
Depreciation and amortization	4	(514)	(509)
Losses on trade and other receivables		(49)	(52)
Other operating expenses	2.3	(1,099)	(1,035)
Capitalized costs		217	212
<b>Total operating expenses</b>		<b>(5,901)</b>	<b>(5,829)</b>
<b>Operating result</b>		<b>769</b>	<b>728</b>
Other income and expenses (net)	5.5	(22)	(30)
Finance costs	5.5	(48)	(46)
<b>Net income before income tax expenses</b>		<b>699</b>	<b>652</b>
Income tax expenses	8.2	(138)	(136)
<b>Net income</b>		<b>561</b>	<b>516</b>
Attributable to:			
Equity holders of the parent		558	513
Non-controlling interests		3	3



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# Consolidated Statement of Comprehensive Income

in CHF million

	Note	2024	2025
<b>Net income</b>		<b>561</b>	<b>516</b>
Net movement on cash flow hedges, net of taxes	5.4/8.2	(1)	-
Foreign currency translation differences, net of taxes	8.2	66	(126)
<b>Items that may be subsequently reclassified to the income statement</b>		<b>65</b>	<b>(126)</b>
Remeasurements on employee benefits, net of taxes	3.2/8.2	(40)	78
<b>Items that will never be reclassified to the income statement</b>		<b>(40)</b>	<b>78</b>
<b>Other comprehensive income (OCI)</b>		<b>25</b>	<b>(48)</b>
<b>Total comprehensive income</b>		<b>586</b>	<b>468</b>
Attributable to:			
Equity holders of the parent		582	467
Non-controlling interests		4	1





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# Consolidated Balance Sheet

as at December 31

## Assets

in CHF million

	Note	2024	2025
Property, plant and equipment	4.1	1,123	1,091
Right of use assets	4.2	454	430
Intangible assets	4.3	1,602	1,550
Deferred income tax assets	8.2	200	157
Other financial assets	5.1	34	31
Other assets	7.1	2	2
Trade and other receivables	6.2	1,245	1,208
<b>Total non-current assets</b>		<b>4,660</b>	<b>4,469</b>
Inventories	6.1	854	820
Trade and other receivables	6.2	1,489	1,464
Accrued income and prepaid expenses	6.5	105	117
Other financial assets	5.1	33	31
Cash and cash equivalents	6.3	914	1,204
<b>Total current assets</b>		<b>3,395</b>	<b>3,636</b>
<b>Total assets</b>		<b>8,055</b>	<b>8,105</b>

## Equity and liabilities

in CHF million

	Note	2024	2025
Non-controlling interests		19	20
Equity attributable to equity holders of the parent		4,864	5,052
<b>Total equity</b>	<b>5.6</b>	<b>4,883</b>	<b>5,072</b>
Employee benefits	3.2	302	166
Deferred income tax liabilities	8.2	259	272
Trade and other payables	6.4	25	20
Other financial liabilities	4.2/5.2	783	851
Other liabilities	7.2	52	49
<b>Total non-current liabilities</b>		<b>1,421</b>	<b>1,358</b>
Employee benefits	3.2	43	97
Trade and other payables	6.4	688	617
Accrued expenses	6.6	504	517
Other financial liabilities	4.2/5.2	426	366
Other liabilities	7.2	90	78
<b>Total current liabilities</b>		<b>1,751</b>	<b>1,675</b>
<b>Total liabilities</b>		<b>3,172</b>	<b>3,033</b>
<b>Total equity and liabilities</b>		<b>8,055</b>	<b>8,105</b>





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# 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, 2025</b>	127	17	(803)	-	5,523	4,864	19	4,883
Net income recognized in income statement	-	-	-	-	513	513	3	516
<b>Other comprehensive income</b>								
Remeasurements on employee benefits	-	-	-	-	78	78	-	78
Foreign currency translation differences	-	-	(124)	-	-	(124)	(2)	(126)
<b>Total other comprehensive income</b>	-	-	(124)	-	78	(46)	(2)	(48)
<b>Total comprehensive income</b>	-	-	(124)	-	591	467	1	468
Dividend paid	-	-	-	-	(279)	(279)	-	(279)
<b>Equity at December 31, 2025</b>	127	17	(927)	-	5,835	5,052	20	5,072
<b>Equity at January 1, 2024</b>	127	17	(868)	1	5,284	4,561	15	4,576
Net income recognized in income statement	-	-	-	-	558	558	3	561
<b>Other comprehensive income</b>								
Cash flow hedges	-	-	-	(1)	-	(1)	-	(1)
Remeasurements on employee benefits	-	-	-	-	(40)	(40)	-	(40)
Foreign currency translation differences	-	-	65	-	-	65	1	66
<b>Total other comprehensive income</b>	-	-	65	(1)	(40)	24	1	25
<b>Total comprehensive income</b>	-	-	65	(1)	518	582	4	586
Dividend paid	-	-	-	-	(279)	(279)	-	(279)
<b>Equity at December 31, 2024</b>	127	17	(803)	-	5,523	4,864	19	4,883





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# Consolidated Cash Flow Statement

in CHF million

	Note	2024	2025
<b>Operating result</b>		<b>769</b>	<b>728</b>
Depreciation and amortization	4	514	509
Interest received		10	6
Interest paid		(48)	(47)
Income tax paid	8.2	(109)	(118)
Loss on disposal of subsidiaries <sup>1</sup>		34	-
(Increase)/decrease in inventories	6.1	(85)	(6)
(Increase)/decrease in trade receivables	6.2	(18)	12
(Increase)/decrease in finance lease receivables	6.2	(191)	(59)
Increase/(decrease) in trade payables	6.4	15	(40)
Increase/(decrease) in contract liabilities	7.2	3	10
Non-cash items		(17)	6
Change in other net operating assets		(17)	12
<b>Cash flow from operating activities</b>		<b>860</b>	<b>1,013</b>
Capital expenditure on intangible assets	4.3	(220)	(216)
Capital expenditure on property, plant and equipment	4.1	(134)	(110)
Disposal of subsidiaries		(3)	-
(Increase)/decrease in financial investments		5	1
Disposal of property, plant and equipment	4.1	17	3
<b>Cash flow from investing activities</b>		<b>(335)</b>	<b>(322)</b>

in CHF million

	Note	2024	2025
Proceeds from long-term borrowings	5.2	-	2
Payment of lease liabilities	4.2	(144)	(145)
Proceeds from (repayment of) short-term borrowings	5.2	9	4
Proceeds from issuance of bonds	5.2	-	199
Repayment of bonds	5.2	(100)	(150)
Increase/(decrease) in liability to shareholder	8.3	-	1
Dividend paid	5.6	(279)	(279)
<b>Cash flow from financing activities</b>		<b>(514)</b>	<b>(368)</b>
Exchange differences		17	(33)
<b>Total increase/(decrease) in cash and cash equivalents</b>		<b>28</b>	<b>290</b>
Cash and cash equivalents at January 1		886	914
<b>Cash and cash equivalents at December 31</b>		<b>914</b>	<b>1,204</b>

<sup>1</sup> Further information is given in note 1.6.





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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 Feldkircher Strasse 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 has sales organizations in approximately 70 countries and has over 34,000 employees worldwide.

These consolidated financial statements were approved for issue by the Board of Directors on March 5, 2026 and are subject to the Annual General Meeting's approval at the end of April 2026.

## 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, intangible assets with an indefinite useful life and development costs (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, including Pillar Two (note 8.2)



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#### 1.4 Changes in accounting policies and estimates

The Group has applied the amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates regarding Lack of Exchangeability for the first time for its annual reporting period commencing January 1, 2025. This amendment introduces guidance for determining the exchange rate when a currency is not exchangeable into another. The Group assessed that this amendment did not have a material impact on its consolidated financial statements.

#### 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, 2025 reporting period and have not yet been adopted by the Group:

- Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7, effective date January 1, 2026
- Contracts for Renewable Electricity – Amendments to IFRS 9 and IFRS 7, effective date January 1, 2026
- Presentation and Disclosure in Financial Statements – IFRS 18, effective date January 1, 2027

First two points listed above are not expected to have a material impact on the Group in the current

or future reporting periods or on foreseeable future transactions.

In April 2024, the International Accounting Standards Board (IASB) issued IFRS 18 Presentation and Disclosure in Financial Statements, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces significant changes to the presentation of the statement of profit or loss, including:

- Specified totals and subtotals
- Mandatory classification of all income and expenses into five categories: operating, investing, financing, income taxes, and discontinued operations — with the first three being newly introduced
- Disclosure of management-defined performance measures and subtotals of income and expenses
- Enhanced requirements for aggregation and disaggregation of financial information, based on the defined roles of the primary financial statements and the notes

Additionally, narrow-scope amendments were made to IAS 7 Statement of Cash Flows, including:

- Changing the starting point for determining cash flows from operations under the indirect method from “profit or loss” to “operating profit or loss”
- Removal of optionality in the classification of cash flows from dividends and interest

- Consequential amendments to several other standards

IFRS 18 and the related amendments are effective for annual reporting periods beginning on or after January 1, 2027. Early application is permitted and must be disclosed. IFRS 18 will be applied retrospectively.

The Group is currently assessing the full impact of IFRS 18 and related amendments on its consolidated financial statements and notes.

#### 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.





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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).

During the reporting period, the Group implemented a change in the governance structure of 4PS, which did not have an impact on the Group's consolidated financial statements.

On June 28, 2024, the Group lost the control of the subsidiaries in Russia and Belarus, as a result of signing the sales agreement with the local management. This resulted in a loss recognized in the income statement of CHF 34 million in the prior year reporting period (see note 2.3). In 2025, following approval by the Russian authorities, Hilti Distribution Ltd., Moscow, and LLC "Oglaend System", Saint Petersburg, are no longer legally part of the Group. For Hilti BY FLLC, Minsk, the local authorities rejected the management buyout; therefore, it was decided to initiate the liquidation process starting from January 2026 onwards.

**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.

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	
	2024	2025	2024	2025
1 CAD	0.643	0.594	0.630	0.579
1 EUR	0.953	0.937	0.941	0.931
1 GBP	1.125	1.096	1.135	1.067
100 JPY	0.580	0.554	0.577	0.506
1 USD	0.879	0.830	0.906	0.793

in CHF



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## 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, services and software

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. Revenue over time is recognized on a straight-line basis over the contract term, as the service is provided evenly throughout the period and the customer benefits continuously as the service is performed.

For software arrangements in which the customer receives a right to access the software over the contract term, the related performance obligation is satisfied over time. Revenue is therefore recognized on a straight-line basis over the subscription or contract period.

All revenues from sales of goods, services rendered and software solutions 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.





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in CHF million

	2024	2025
Net sales of goods	5,805	5,625
Net sales of services and software	624	672
<b>Total net sales</b>	<b>6,429</b>	<b>6,297</b>
Other operating income	241	260
<b>Total operating income</b>	<b>6,670</b>	<b>6,557</b>

Net sales of goods related to finance lease in the reporting period amounts to CHF 967 million (2024: CHF 1044 million).

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

in CHF million

	2024	2025
Revenue recognized at a point in time	5,845	5,663
Revenue recognized over time <sup>1</sup>	584	634
<b>Total revenue</b>	<b>6,429</b>	<b>6,297</b>

<sup>1</sup> In 2025, following the completion of the migration of all entities to the accounting system for finance lease contracts, the recognition of certain service components, including warranties, was changed from point in time to over time. This resulted in a reclassification of CHF 155 million (2024: CHF 125 million).

Revenue recognized over time mainly comprises special repairs, 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 up to five years.

## 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 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, services and software

in CHF million

		2024	2025
Electric Tools & Accessories	Products	2,507	2,339
Electric Tools & Accessories	Services & Software	560	605
<b>Total Electric Tools &amp; Accessories</b>		<b>3,067</b>	<b>2,944</b>
Fastening & Protection Systems	Products	3,298	3,286
Fastening & Protection Systems	Services & Software	64	67
<b>Total Fastening &amp; Protection Systems</b>		<b>3,362</b>	<b>3,353</b>
<b>Total Group</b>		<b>6,429</b>	<b>6,297</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

	2024	2025	Change in CHF (%)	Change in local currencies (%)
Europe <sup>1</sup>	3,485	3,365	(3.4)	(1.9)
Americas	1,854	1,898	2.4	9.3
Asia/Pacific	794	728	(8.3)	(2.1)
Middle East / Africa <sup>1</sup>	296	306	3.4	12.9
<b>Total Group</b>	<b>6,429</b>	<b>6,297</b>	<b>(2.1)</b>	<b>1.9</b>

<sup>1</sup> Internal allocation of Eastern Europe was changed. Prior year figures were restated accordingly.

### Net sales for major countries

in CHF million

	2024	2025
USA	1,396	1,458
Germany	933	877
France	451	415
Liechtenstein (country of domicile)	64	63
Other countries <sup>1</sup>	3,585	3,484
<b>Total Group</b>	<b>6,429</b>	<b>6,297</b>

<sup>1</sup> Other includes countries individually not material.

### Tangible and intangible assets information for major countries

in CHF million

	2024	2025
Liechtenstein (country of domicile)	1,409	1,382
Germany	376	385
Netherlands	356	351
USA	318	270
Other countries <sup>1</sup>	722	685
<b>Total Group</b>	<b>3,181</b>	<b>3,073</b>

<sup>1</sup> Other includes countries individually not material.

### 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 459 million (2024: CHF 466 million), thereof CHF 202 million (2024: CHF 209 million) were recognized as additions on intangible assets.

#### Material costs

in CHF million

	2024	2025
Materials	(1,635)	(1,545)
Outsourced manufacturing	(20)	(20)
<b>Total material costs</b>	<b>(1,655)</b>	<b>(1,565)</b>
Change in inventory	85	6
<b>Total material costs including change in inventory</b>	<b>(1,570)</b>	<b>(1,559)</b>



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## Other operating expenses

Major items included in other operating expenses are as follows:

in CHF million	2024	2025
Expenditures for rent <sup>1</sup>	(148)	(164)
Outward freight	(142)	(136)
Travel	(136)	(133)
Legal & consulting	(114)	(113)
Maintenance & repairs	(123)	(105)
Other administration expenses	(97)	(84)
Transportation	(67)	(62)
Marketing & communication	(60)	(57)
Power	(30)	(28)
Third party service expense	(28)	(28)
Loss on disposal of subsidiaries	(34)	-
Other <sup>2</sup>	(120)	(125)
<b>Total other operating expenses</b>	<b>(1,099)</b>	<b>(1,035)</b>

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

<sup>2</sup> Other includes items which are individually not material.

## 3 Personnel expenses

### 3.1 Personnel expenses

in CHF million	2024	2025
Salaries and wages	(2,322)	(2,302)
Social contributions	(564)	(584)
<b>Total personnel expenses</b>	<b>(2,886)</b>	<b>(2,886)</b>

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:

	2024	2025
Sales	25,759	25,680
Research and development	2,576	2,629
Production	4,051	3,993
Administration	1,967	2,118
<b>Total employees (as at December 31)</b>	<b>34,353</b>	<b>34,420</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.



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**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 87% (2024: 86%) of the Group's total defined benefit obligation and 91% (2024: 91%) of the Group's plan assets. The weighted average duration of the defined benefit obligation is 14.1 years (2024: 14.3 years).

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., 2.50% in 2025 and 1.75% in 2024). 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, the Philippines, France, Japan and India. Only the last three 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.





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**Short-term employee benefits**

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

**Defined contribution plans**

The employer's contribution totals CHF 61 million (2024: CHF 61 million).

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

in CHF million

	2024			2025		
	Funded	Unfunded	Total	Funded	Unfunded	Total
<b>Switzerland</b>						
Fair value of plan assets	1,082	-	1,082	1,141	-	1,141
Present value of defined benefit obligation	(1,189)	-	(1,189)	(1,169)	-	(1,169)
<b>Net defined benefit (liability)/asset at December 31</b>	<b>(107)</b>	<b>-</b>	<b>(107)</b>	<b>(28)</b>	<b>-</b>	<b>(28)</b>
<b>Other plans</b>						
Fair value of plan assets	110	-	110	107	-	107
Present value of defined benefit obligation	(149)	(47)	(196)	(135)	(43)	(178)
<b>Net defined benefit (liability)/asset at December 31</b>	<b>(39)</b>	<b>(47)</b>	<b>(86)</b>	<b>(28)</b>	<b>(43)</b>	<b>(71)</b>
<b>Total</b>						
Fair value of plan assets	1,192	-	1,192	1,248	-	1,248
Present value of defined benefit obligation	(1,338)	(47)	(1,385)	(1,304)	(43)	(1,347)
<b>Net defined benefit (liability)/asset at December 31</b>	<b>(146)</b>	<b>(47)</b>	<b>(193)</b>	<b>(56)</b>	<b>(43)</b>	<b>(99)</b>
Present value of other employee benefits	-	(152)	(152)	-	(164)	(164)
<b>Total net book value of employee benefits at December 31</b>	<b>(146)</b>	<b>(199)</b>	<b>(345)</b>	<b>(56)</b>	<b>(207)</b>	<b>(263)</b>
Thereof current portion			(43)			(97)
Thereof non-current portion			(302)			(166)





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

in CHF million

	2024			2025		
	Present value of obligation	Fair value of plan assets	Total	Present value of obligation	Fair value of plan assets	Total
<b>Opening balance at January 1</b>	<b>(1,251)</b>	<b>1,095</b>	<b>(156)</b>	<b>(1,385)</b>	<b>1,192</b>	<b>(193)</b>
Current service cost	(45)	–	(45)	(44)	–	(44)
Past service cost	6	–	6	3	–	3
Interest (expense)/income	(24)	20	(4)	(19)	16	(3)
<b>Total amount recognized in profit or loss</b>	<b>(63)</b>	<b>20</b>	<b>(43)</b>	<b>(60)</b>	<b>16</b>	<b>(44)</b>
Actuarial gains/(losses) arising from changes in demographic assumptions	–	–	–	–	–	–
Actuarial gains/(losses) arising from changes in financial assumptions	(52)	–	(52)	23	–	23
Actuarial gains/(losses) arising from experience adjustments	(39)	–	(39)	31	–	31
Return on plan assets excluding interest income	–	45	45	–	37	37
<b>Total remeasurements recognized in other comprehensive income</b>	<b>(91)</b>	<b>45</b>	<b>(46)</b>	<b>54</b>	<b>37</b>	<b>91</b>
Contributions by employer	–	46	46	–	42	42
Contributions by plan participants	(26)	26	–	(26)	26	–
Benefits paid	53	(46)	7	63	(59)	4
Currency translation adjustment	(7)	6	(1)	7	(6)	1
<b>Total other movements</b>	<b>20</b>	<b>32</b>	<b>52</b>	<b>44</b>	<b>3</b>	<b>47</b>
<b>Closing balance at December 31</b>	<b>(1,385)</b>	<b>1,192</b>	<b>(193)</b>	<b>(1,347)</b>	<b>1,248</b>	<b>(99)</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

	2024				2025			
	Quoted market price	Non-quoted market price	Total	%	Quoted market price	Non-quoted market price	Total	%
Cash and cash equivalents	39	–	39	3	27	–	27	2
Equity instruments	200	68	268	23	225	77	302	24
Debt instruments (e.g., bonds)	361	–	361	30	365	–	365	29
Real estate and investment in infrastructures	42	309	351	29	59	320	379	30
Derivatives	(4)	–	(4)	–	(2)	–	(2)	–
Investment funds	51	5	56	5	41	4	45	4
Others	–	121	121	10	–	132	132	11
<b>Total plan assets at fair value</b>	<b>689</b>	<b>503</b>	<b>1,192</b>	<b>100</b>	<b>715</b>	<b>533</b>	<b>1,248</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.

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

	2024				2025			
	Active	Deferred	Retired	Total	Active	Deferred	Retired	Total
Plan members	7,684	630	1,813	10,127	7,512	596	1,873	9,981
Defined benefit obligation	(734)	(75)	(576)	(1,385)	(715)	(57)	(575)	(1,347)
Defined benefit obligation share in % of total	53	5	42	100	53	4	43	100
Average weighted duration in years	16.1	16.1	11.4	14.1	16.0	16.0	11.2	14.0

The employer's best estimate of contributions expected to be paid to defined benefit plans for the financial year 2026 is CHF 41 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 (2024: 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 %

	2024			2025		
	Switzerland	Other plans	Total	Switzerland	Other plans	Total
Discount rate	1.00	4.00	1.43	1.25	4.30	1.65
Future salary increase	1.50	1.43	1.49	1.50	1.42	1.49
Future pension increase	–	2.01	0.28	–	1.88	0.25





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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.





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## Property, plant and equipment

in CHF million

	2024					2025				
	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>										
<b>Opening balance at January 1</b>	982	792	682	121	2,577	1,021	825	717	92	2,655
Change in scope of consolidation	-	(5)	(6)	-	(11)	-	-	-	-	-
Additions	9	30	43	52	134	6	22	35	49	112
Disposals	(16)	(22)	(34)	-	(72)	(4)	(26)	(37)	-	(67)
Other transfers	43	26	12	(81)	-	6	20	21	(47)	-
Currency translation adjustment	3	4	20	-	27	(8)	(10)	(33)	(2)	(53)
<b>Closing balance at December 31</b>	<b>1,021</b>	<b>825</b>	<b>717</b>	<b>92</b>	<b>2,655</b>	<b>1,021</b>	<b>831</b>	<b>703</b>	<b>92</b>	<b>2,647</b>
<b>Accumulated depreciation</b>										
<b>Opening balance at January 1</b>	(389)	(637)	(436)	-	(1,462)	(406)	(654)	(472)	-	(1,532)
Change in scope of consolidation	-	2	5	-	7	-	-	-	-	-
Additions	(28)	(34)	(60)	-	(122)	(29)	(34)	(56)	-	(119)
Disposals	13	18	32	-	63	2	24	36	-	62
Currency translation adjustment	(2)	(3)	(13)	-	(18)	5	7	21	-	33
<b>Closing balance at December 31</b>	<b>(406)</b>	<b>(654)</b>	<b>(472)</b>	<b>-</b>	<b>(1,532)</b>	<b>(428)</b>	<b>(657)</b>	<b>(471)</b>	<b>-</b>	<b>(1,556)</b>
<b>Net book values at December 31</b>	<b>615</b>	<b>171</b>	<b>245</b>	<b>92</b>	<b>1,123</b>	<b>593</b>	<b>174</b>	<b>232</b>	<b>92</b>	<b>1,091</b>

Capital expenditure, shown as additions to cost, relates primarily to manufacturing facility enhancements and extensions of sales organizations.

As at December 31, 2025, the Group had entered into firm commitments for capital expenditures of CHF 11 million (2024: CHF 13 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

	2024				2025			
	Buildings	Vehicles	Others	Total	Buildings	Vehicles	Others	Total
<b>Cost</b>								
<b>Opening balance at January 1</b>	<b>514</b>	<b>275</b>	<b>10</b>	<b>799</b>	<b>558</b>	<b>296</b>	<b>10</b>	<b>864</b>
Change in scope of consolidation	(17)	(3)	–	(20)	–	–	–	–
Additions	76	102	3	181	83	84	3	170
Disposals	(35)	(86)	(3)	(124)	(41)	(73)	(3)	(117)
Currency translation adjustment	20	8	–	28	(33)	(16)	(1)	(50)
<b>Closing balance at December 31</b>	<b>558</b>	<b>296</b>	<b>10</b>	<b>864</b>	<b>567</b>	<b>291</b>	<b>9</b>	<b>867</b>
<b>Accumulated depreciation</b>								
<b>Opening balance at January 1</b>	<b>(225)</b>	<b>(131)</b>	<b>(5)</b>	<b>(361)</b>	<b>(266)</b>	<b>(139)</b>	<b>(5)</b>	<b>(410)</b>
Change in scope of consolidation	13	2	–	15	–	–	–	–
Additions	(67)	(78)	(2)	(147)	(65)	(78)	(2)	(145)
Disposals	22	71	2	95	25	66	3	94
Currency translation adjustment	(9)	(3)	–	(12)	16	8	–	24
<b>Closing balance at December 31</b>	<b>(266)</b>	<b>(139)</b>	<b>(5)</b>	<b>(410)</b>	<b>(290)</b>	<b>(143)</b>	<b>(4)</b>	<b>(437)</b>
<b>Net book values at December 31</b>	<b>292</b>	<b>157</b>	<b>5</b>	<b>454</b>	<b>277</b>	<b>148</b>	<b>5</b>	<b>430</b>



## Lease liabilities

in CHF million

	2024	2025
< 1 year <sup>1</sup>	132	133
1 to <2 years	104	98
2 to <5 years	152	147
≥ 5 years	95	79
<b>Total lease liabilities</b>	<b>483</b>	<b>457</b>

<sup>1</sup> In 2024, this includes CHF 1 million lease liability with related party, detailed information is given in note 8.3.

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

in CHF million

	2024	2025
Depreciation	(147)	(145)
Interest expense <sup>1</sup>	(20)	(19)
Expense relating to short-term leases <sup>2</sup>	(13)	(15)
Expense relating to low-value assets that are not short-term leases <sup>2</sup>	(14)	(16)
Expense relating to variable lease payments not included in lease liabilities <sup>2</sup>	(41)	(33)
Expense relating to leases relating to software and other intangible assets <sup>2</sup>	(80)	(100)

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

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

As at December 31, 2025, leases contractually committed but not yet commenced amount to CHF 15 million (2024: nil).

## 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).



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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. These assets are typically amortized on a straight-line basis over a five-year period, beginning when the assets are ready for use, meaning the underlying project is ready to be launched on the market and capable of generating revenue. 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

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

The projected cash flows for Oglaend 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.

A pre-tax discount rate to reflect the current market assessment of the time value of money and the risks specific to the respective CGUs is applied.

For impairment of development costs, the recoverable amount is determined based on the discounted cash flow forecast of the underlying project.





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Intangible assets

in CHF million

	2024				2025			
	Goodwill	Development costs	Other intangible assets	Total	Goodwill	Development costs	Other intangible assets	Total
<b>Cost</b>								
<b>Opening balance at January 1</b>	440	1,365	474	2,279	453	1,541	485	2,479
Additions	-	209	11	220	-	202	14	216
Disposals	-	(33)	-	(33)	-	(15)	(2)	(17)
Currency translation adjustment	13	-	-	13	(22)	-	(2)	(24)
<b>Closing balance at December 31</b>	453	1,541	485	2,479	431	1,728	495	2,654
<b>Opening balance at January 1</b>	-	(459)	(207)	(666)	-	(617)	(260)	(877)
Additions	-	(176)	(54)	(230)	-	(181)	(51)	(232)
Impairment losses	-	(15)	-	(15)	-	(13)	-	(13)
Disposals	-	33	-	33	-	15	2	17
Currency translation adjustment	-	-	1	1	-	-	1	1
<b>Closing balance at December 31</b>	-	(617)	(260)	(877)	-	(796)	(308)	(1,104)
<b>Net book values at December 31</b>	453	924	225	1,602	431	932	187	1,550

The goodwill arises for CHF 70 million (2024: CHF 71 million) from the acquisition of the Oglaend Group in 2017, for CHF 129 million (2024: CHF 147 million) from the acquisition of Fieldwire Inc. in 2021 and for CHF 232 million (2024: CHF 235 million) from the acquisition of the 4PS Group in 2023. 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 Oglaend, the pre-tax discount rate used is 9.4% (2024: 9.5%), while for Fieldwire and 4PS is 8.3% (2024: 8.3%).

The future cash flows are estimated based on the business plan approved by management in general covering a four-year forecast period from 2026 to 2029. For Oglaend, a sale growth rate in a range from of 9 to 13% was estimated for these years. For Fieldwire and 4PS, the sale growth was consistent with the expected average growth rates of the Group.

For all acquisitions, it is estimated a long-term growth rate for the terminal value beyond 2029 of 2.0% (2024: 2.0%), 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 key assumptions were tested for sensitivity by applying a reasonably possible change. Reasonably possible changes in the 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	2024			2025			Fair value measurement hierarchy
		Current	Non-current	Total	Current	Non-current	Total	
<b>Trade and other receivables</b>	<b>Amortized cost</b>	<b>1,489</b>	<b>1,245</b>	<b>2,734</b>	<b>1,464</b>	<b>1,208</b>	<b>2,672</b>	
<b>Cash and cash equivalents</b>	<b>Amortized cost</b>	<b>914</b>	<b>–</b>	<b>914</b>	<b>1,204</b>	<b>–</b>	<b>1,204</b>	
<b>Other financial assets</b>								
Held for trading	FVPL	28	–	28	27	–	27	Level 1
Other financial investments	FVPL	–	21	21	–	21	21	Level 2
Derivative financial instruments								
Used for hedging	FVPL	2	13	15	1	10	11	Level 2
Held for trading	FVPL	3	–	3	3	–	3	Level 2
<b>Total other financial assets</b>		<b>33</b>	<b>34</b>	<b>67</b>	<b>31</b>	<b>31</b>	<b>62</b>	
<b>Total financial assets</b>		<b>2,436</b>	<b>1,279</b>	<b>3,715</b>	<b>2,699</b>	<b>1,239</b>	<b>3,938</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.

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

	Mea- surement categories	2024			2025			Fair value mea- surement hierarchy
		Current	Non- current	Total	Current	Non- current	Total	
<b>Trade and other payables</b>	<b>Amortized cost</b>	<b>688</b>	<b>25</b>	<b>713</b>	<b>617</b>	<b>20</b>	<b>637</b>	
<b>Other financial liabilities</b>								
Bonds <sup>1</sup>	Amortized cost	150	362	512	100	459	559	
Bank borrowings	Amortized cost	135	70	205	130	68	198	
Lease liabilities	n/a	132	351	483	133	324	457	
Derivative financial instruments								
Used for hedging	FVPL	2	-	2	2	-	2	Level 2
Held for trading	FVPL	7	-	7	1	-	1	Level 2
<b>Total other financial liabilities</b>		<b>426</b>	<b>783</b>	<b>1,209</b>	<b>366</b>	<b>851</b>	<b>1,217</b>	
<b>Total financial liabilities</b>		<b>1,114</b>	<b>808</b>	<b>1,922</b>	<b>983</b>	<b>871</b>	<b>1,854</b>	

<sup>1</sup> In 2025, the non-current bond value includes fair value hedge adjustments of CHF 10 million (2024: CHF 13 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

	2024	2025
<b>Maturity</b>		
< 1 year	150	100
1 to < 2 years	100	100
2 to < 3 years	100	-
3 to < 4 years	-	100
4 to < 5 years	-	-
≥ 5 years	162	259
<b>Total bonds</b>	<b>512</b>	<b>559</b>
<b>Further information</b>		
Fair values	514	560
Average effective interest rates (in %)	1.1	1.2

The bonds were issued by Hilti Corporation. Further details of the individual bonds are given in the Information on Financing and Capital section.

The fair values of Swiss franc bonds totaling CHF 560 million (2024: CHF 514 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

	2024	2025
<b>Maturity</b>		
1 to < 2 years	38	38
2 to < 5 years	32	30
≥ 5 years	-	-
<b>Total long-term bank borrowings</b>	<b>70</b>	<b>68</b>
<b>Currency</b>		
EUR	70	66
INR	-	2
<b>Total long-term bank borrowings</b>	<b>70</b>	<b>68</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 2025, CHF 66 million (2024: CHF 70 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

	2024	2025
<b>Currency</b>		
EUR	41	50
USD	29	21
BRL	6	16
CAD	-	12
Other	59	31
<b>Total short-term bank borrowings</b>	<b>135</b>	<b>130</b>

In 2025, CHF 50 million (2024: CHF 41 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).





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### 5.3 Debt reconciliation

in CHF million

	January 1, 2025	Cash flow	Non-cash changes				December 31, 2025
			Change in scope of consolidation	Acquisition/disposal of leases	Exchange differences	Other non-cash changes	
Bonds	512	49	-	-	-	(2)	559
Long-term borrowings	70	2	-	-	(1)	(3)	68
Lease liabilities	483	(145)	-	147	(28)	-	457
Other long-term loans <sup>1</sup>	5	-	-	-	-	-	5
Short-term bank borrowings	135	4	-	-	(12)	3	130
<b>Total liabilities from financing activities</b>	<b>1,205</b>	<b>(90)</b>	<b>-</b>	<b>147</b>	<b>(41)</b>	<b>(2)</b>	<b>1,219</b>

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

in CHF million

	January 1, 2024	Cash flow	Non-cash changes				December 31, 2024
			Change in scope of consolidation	Acquisition/disposal of leases	Exchange differences	Other non-cash changes	
Bonds	604	(100)	-	-	-	8	512
Long-term borrowings	83	-	(1)	-	2	(14)	70
Lease liabilities	464	(144)	(7)	153	17	-	483
Other long-term loans <sup>1</sup>	5	-	-	-	-	-	5
Short-term bank borrowings	113	9	-	-	(1)	14	135
<b>Total liabilities from financing activities</b>	<b>1,269</b>	<b>(235)</b>	<b>(8)</b>	<b>153</b>	<b>18</b>	<b>8</b>	<b>1,205</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% (2024: 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

	2024					2025				
	CHF	USD	EUR	Other	Total	CHF	USD	EUR	Other	Total
Foreign currency forward contracts	–	203	164	414	781	–	95	141	319	555
Outstanding interest rate swaps	150	–	–	–	150	150	–	–	–	150





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Reconciliations for derivative financial instruments

in CHF million

	2024			2025		
	Foreign currency risks	Interest rate risks	Total	Foreign currency risks	Interest rate risks	Total
Current assets	5	-	5	4	-	4
Non-current assets	-	13	13	-	10	10
Current liabilities	(9)	-	(9)	(3)	-	(3)
Non-current liabilities	-	-	-	-	-	-
<b>Total net book value derivative financial instruments at December 31</b>	<b>(4)</b>	<b>13</b>	<b>9</b>	<b>1</b>	<b>10</b>	<b>11</b>

The cash flow hedging reserve in equity, net of tax, amounts to CHF 0 million (2024: CHF 0 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

	2024	2025
Gains/(losses) on disposal of foreign operations and investments	-	(1)
Interest and dividend income	10	6
Gains/(losses) arising from valuation changes on financial assets and fair value hedging instruments	(3)	4
Gains/(losses) on foreign currency hedging instruments	(33)	12
Gains/(losses) on foreign currencies	8	(48)
Net interest income/(expense) on defined benefit plans	(4)	(3)
<b>Total other income and expenses (net)</b>	<b>(22)</b>	<b>(30)</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, 2025, 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, 2025 of CHF 257 million (financial year 2024: CHF 279 million) is to be proposed at the Annual General Assembly.

## 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 the 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 aging of items, with aging parameters set based on estimates of historical loss experience. This process assumes a linear realizable value reduction based on age.

#### Inventories

in CHF million

	2024	2025
Raw materials	86	81
Work in progress	12	12
Finished goods	756	727
<b>Total inventories</b>	<b>854</b>	<b>820</b>

The change in inventories includes a currency translation adjustment which decreases the inventories by CHF 40 million in 2025. This is due to the change in closing rates in 2025 compared to those in 2024.

The allowance made for possible inventory losses due to age and obsolescence totals CHF 71 million (2024: CHF 68 million). The change in the allowance recognized in the income statement is CHF –6 million (2024: CHF 8 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).



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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 the net investment in the lease, while the selling profit, recognized in the income statement, as part of 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 aging 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.

Generally, trade receivables overdue by more than 360 days are not recoverable anymore and therefore impaired.

in CHF million

	2024	2025
Trade receivables	2,737	2,687
Less adjustment for impairment of trade receivables	(152)	(155)
<b>Trade receivables net</b>	<b>2,585</b>	<b>2,532</b>
Other receivables	149	140
<b>Total trade and other receivables</b>	<b>2,734</b>	<b>2,672</b>
Thereof current portion	1,489	1,464
Thereof non-current portion	1,245	1,208
<b>Aging of trade receivables</b>		
Not due	2,435	2,417
Overdue by < 90 days	177	144
Overdue by 91 to 180 days	29	29
Overdue by 181 to 360 days	23	23
Overdue by > 360 days	73	74
<b>Total trade receivables</b>	<b>2,737</b>	<b>2,687</b>
<b>Maturity of non-current portion</b>		
1 to <2 years	583	594
2 to <3 years	406	380
3 to <4 years	201	187
4 to <5 years	41	37
≥5 years	14	10
<b>Total non-current trade and other receivables</b>	<b>1,245</b>	<b>1,208</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:

in CHF million

	2024	2025
<b>Opening balance of adjustment for the impairment of trade receivables at January 1</b>	<b>139</b>	<b>152</b>
Additional impairment adjustment charged to income statement during year	52	40
Write-offs of trade receivables charged to impairment adjustment account during year	(37)	(37)
Change in scope of consolidation	(2)	-
<b>Closing balance of adjustment for the impairment of trade receivables at December 31</b>	<b>152</b>	<b>155</b>

The change in trade and other receivables includes a currency translation adjustment which decreases the trade and other receivables by CHF 107 million in 2025. This is due to the change in closing rates in 2025 compared to those in 2024.

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 74 million (2024: CHF 85 million) and deposits totaling CHF 22 million (2024: CHF 27 million).

Receivables totaling CHF 116 million (2024: CHF 111 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:

in CHF million

	2024			2025		
	Gross investment in the lease	Unearned finance income	Net investment in the lease	Gross investment in the lease	Unearned finance income	Net investment in the lease
< 1 year	846	177	669	893	181	712
1 to < 5 years	1,356	174	1,182	1,321	171	1,150
≥ 5 years	2	-	2	2	-	2
<b>Total at December 31</b>	<b>2,204</b>	<b>351</b>	<b>1,853</b>	<b>2,216</b>	<b>352</b>	<b>1,864</b>
Accumulated allowance for uncollectible finance lease receivables			(35)			(36)





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### 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 854 million (2024: CHF 564 million); cash equivalent totals CHF 350 million (2024: CHF 350 million).

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

in CHF million

	2024	2025
Cash flow from operating activities	860	1,013
Capital expenditures on/disposal of intangible assets and property, plant and equipment	(337)	(323)
Payment of lease liabilities	(144)	(145)
<b>Free cash flow</b>	<b>379</b>	<b>545</b>
Acquisition and disposal of subsidiaries	(3)	–
Cash flow from financial investments	5	1
Cash flow from financing activities <sup>1</sup>	(370)	(223)
Effects of exchange rate changes on cash and cash equivalents	17	(33)
<b>Total increase/(decrease) in cash and cash equivalents</b>	<b>28</b>	<b>290</b>

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

The Group has no legal or economic restrictions (2024: CHF 1 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 20 million in 2025. This is due to the change in closing rates in 2025 compared to those in 2024.





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in CHF million		
	2024	2025
Trade payables	327	281
Other payables	386	356
<b>Total trade and other payables</b>	<b>713</b>	<b>637</b>
Current portion	688	617
Non-current portion	25	20
<b>Maturity of non-current portion</b>		
1 to <2 years	8	5
2 to <5 years	11	10
≥5 years	6	5
<b>Total non-current trade and other payables</b>	<b>25</b>	<b>20</b>

Other payables primarily consist of income tax payables totaling CHF 107 million (2024: CHF 134 million), liabilities for source-deducted taxes and VAT totaling CHF 117 million (2024: CHF 113 million), liabilities for social contributions totaling CHF 29 million (2024: CHF 35 million) and customers with credit balances totaling CHF 50 million (2024: CHF 56 million).

To finance its supply chain, Hilti entered supplier finance arrangements, which give its suppliers the choice to receive from a finance provider cash for outstanding receivables with Hilti earlier than the agreed payment terms. The trade payables are only settled at the time when Hilti transfers cash to the finance provider.

At the end of the current reporting period, the carrying amount of the trade payables under the supplier finance arrangements amounts to CHF 7 million (2024: CHF 7 million), for which suppliers have already received payment from the finance providers. The payment terms to the finance provider under this arrangement are in line with those for standard trade payables.

#### 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.

## 7 Other assets and liabilities

### 7.1 Other assets

Other assets comprise investment property totaling CHF 2 million (2024: CHF 2 million).

### 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.



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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

in CHF million

	2024	2025
<b>Opening balance at January 1</b>	<b>53</b>	<b>54</b>
Additions	15	11
Amounts used	(8)	(19)
Unused reversals	(7)	(7)
Currency translation adjustment	1	(3)
<b>Closing balance at December 31</b>	<b>54</b>	<b>36</b>
Thereof current portion	28	22
Thereof non-current portion	26	14

Provisions are, among other things, built up for obligations regarding legal claims, product liability, assurance warranty, future dismantling of buildings, restructuring and workplace accidents, which are individually not material.

Amount used in 2025 and unused reversal in 2025 and 2024 are mainly related to contingent considerations for the 4PS Group acquisition, which occurred in 2023. CHF 28 million of contingent considerations were 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. In 2025 and 2024, the contingent considerations were remeasured resulting in an expected cash outflow of CHF 8 million and CHF 21 million respectively; the change in the fair value, which was determined by using external valuation (Level 3), was recognized as a valuation gain in the income statement.

Contract liabilities

The revenue recognized that was included in the contract liabilities balance at the beginning of the reporting period totals CHF 65 million (2024: CHF 59 million).

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

in CHF million

	2024	2025
<b>Opening balance at January 1</b>	<b>82</b>	<b>88</b>
Additions	75	83
Amount released	(72)	(73)
Currency translation adjustment	3	(7)
<b>Closing balance at December 31</b>	<b>88</b>	<b>91</b>
Thereof current portion	62	56
Thereof non-current portion	26	35

Contingent liabilities

in CHF million

	2024	2025
Guarantees	6	7
Other contingent liabilities	3	3
<b>Total contingent liabilities</b>	<b>9</b>	<b>10</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% (2024: 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%)	
	2024	2025	2024	2025
USD	(7)	(5)	7	5
EUR	(2)	(4)	2	4
All other currencies	(1)	(6)	1	6





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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.

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:

in CHF million

	Swiss franc strengthened (+10%)		Swiss franc weakened (-10%)	
	2024	2025	2024	2025
USD	2	2	(2)	(2)
EUR	-	-	-	-
All other currencies	7	7	(7)	(7)

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

in CHF million

	Increase of hundred basis points		Decrease of hundred basis points	
	2024	2025	2024	2025
All currencies	2	4	(2)	(4)

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.

denominated primarily in Swiss franc and euro investments and the bond liabilities are denominated in Swiss francs. 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:





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**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.

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. In 2025, the third and last KPI referring to Scope 3 CO<sub>2</sub> emissions was activated. In 2023, 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 1,204 million (2024: CHF 914 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:



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in CHF million

	2024				2025			
	<1 year	1 to <2 years	2 to <5 years	≥5 years	<1 year	1 to <2 years	2 to <5 years	≥5 years
Bonds and borrowings	290	143	142	168	236	143	143	276
Lease liabilities	147	116	167	102	147	108	160	85
Trade and other payables	688	8	11	6	617	5	10	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 592 million (2024: CHF 795 million) and undiscounted contractual cash outflows of CHF 612 million (2024: CHF 820 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

	2024	2025
Total equity	4,883	5,072
Total equity and liabilities	8,055	8,105
<b>Total equity in % of total equity and liabilities</b>	<b>61</b>	<b>63</b>

Based on the Group's credit profile and outlook as assessed by UBS Switzerland AG during 2025 on the basis of the Group's 2024 Financial Report, a credit rating of "A+, stable" was assigned (2024: "A+, stable").





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## 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 substantially 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 Tax Reform

The OECD/G20 Inclusive Framework (IF) on Base Erosion and Profit Shifting (BEPS) addresses the tax challenges arising from the digitalization of the global economy. The Pillar Two model rules apply to multinational enterprises (MNEs) with annual revenue in excess of EUR 750 million per their consolidated financial statements.

The Pillar Two model rules introduce four new taxing mechanisms under which MNEs would pay a minimum level of tax (the Minimum Tax):

- The Qualified Domestic Minimum Top-up Tax (QDMTT)
- The Income Inclusion Rule (IIR)
- The Under Taxed Payments/Profits Rule (UTPR)
- The Subject to Tax Rule (STR) is a tax treaty-based rule that generally proposes a Minimum Tax on certain cross-border intercompany transactions that otherwise are not subject to a minimum level of tax

The new taxing mechanisms can impose a top-up tax on the income arising in each jurisdiction in which the Group operates. The QDMTT, IIR and UTPR do so by imposing a top-up tax in a jurisdiction whenever the effective tax rate (ETR), determined on a





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jurisdictional basis under the Pillar Two rules, is below a 15% minimum rate. The QDMTT and the IIR of the Pillar Two model rules were adopted in Liechtenstein starting from January 1, 2024. At the same time, Pillar Two legislation has been enacted or substantively enacted in several other jurisdictions in which the Group operates effective for the financial year beginning January 1, 2025. According to these rules, the Group is considered a MNE to which the Pillar Two rules apply.

The Group has performed an assessment of its potential exposure to Pillar Two income taxes based on the latest available Country-by-Country Report (CbCR) and financial information for the constituent entities in the Group. The Pillar Two ETR in most of the jurisdictions in which the Group operates is above 15%. However, the Group has recognised a total expected Pillar Two current tax expense of CHF 4 million in Liechtenstein due to the QDMTT in Liechtenstein and the Liechtenstein IIR for profits realized in Panama, and in the United Arab Emirates due to the QDMTT in the United Arab Emirates. This expense is not subject to the transitional safe harbour relief because of lower local statutory tax rates. As the rules and guidance is new, uncertainties on

detailed implementation exists, which may lead to adjustments on the estimates and assumptions taken. The Group continues to follow Pillar Two legislative developments, as further countries enact the Pillar Two model rules, to evaluate the potential future impact on its consolidated results of operations, financial position and cash flows beginning. The Group also continues to closely follow legislative developments in connection with Pillar One (Amount B).

### Management judgment and estimates

The measurement of current and deferred income tax liabilities or assets (including Pillar Two) 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).





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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		
	2024	2025
<b>Net income before income tax</b>	<b>699</b>	<b>652</b>
Tax calculated at domestic tax rates applicable to profits in the respective countries	(105)	(129)
Income not subject to tax	8	7
Expenses not deductible for tax purposes	(15)	(12)
Utilization of previously unrecognized tax losses	–	5
Tax losses for which no deferred tax asset has been recognized	(5)	(1)
Tax attributable to prior years	1	–
Pillar Two current tax expense	(11)	(4)
Other effects	(11)	(2)
<b>Income tax expenses</b>	<b>(138)</b>	<b>(136)</b>
Thereof current tax	(143)	(107)
Thereof deferred tax	5	(29)
Weighted average applicable tax rate (%)	15.0	19.8

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

The tax effects on other comprehensive income are as follows:

in CHF million

	2024			2025		
	Pre-tax amount	Tax	After-tax amount	Pre-tax amount	Tax	After-tax amount
Remeasurement of defined benefit plans	(46)	6	(40)	91	(13)	78
Cash flow hedges	(1)	–	(1)	–	–	–
Currency translation of foreign operations	68	(2)	66	(129)	3	(126)
<b>Other comprehensive income</b>	<b>21</b>	<b>4</b>	<b>25</b>	<b>(38)</b>	<b>(10)</b>	<b>(48)</b>





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**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 below:

in CHF million

	2024	2025
<b>Recovery of deferred tax balances</b>		
More than 1 year	(233)	(247)
Less than 1 year	174	132
<b>Total</b>	<b>(59)</b>	<b>(115)</b>
<b>Components of deferred tax balances</b>		
Inventories	115	77
Fixed and intangible assets	35	35
Provisions and employee benefits	34	21
Receivables	(301)	(302)
Tax losses	8	11
Trade payables and contract liabilities	13	10
Other	37	33
<b>Total</b>	<b>(59)</b>	<b>(115)</b>
of which recognized as deferred tax assets	200	157
of which recognized as deferred tax liabilities	(259)	(272)





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

in CHF million

	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, 2025</b>	<b>115</b>	<b>35</b>	<b>34</b>	<b>(301)</b>	<b>8</b>	<b>13</b>	<b>37</b>	<b>(59)</b>
(Charged)/credited to income statement	(27)	5	2	(7)	3	(2)	1	(25)
(Charged)/credited to OCI	-	-	(13)	-	-	-	-	(13)
Currency translation adjustment	(11)	(5)	(2)	6	-	(1)	(5)	(18)
<b>Closing balance at December 31, 2025</b>	<b>77</b>	<b>35</b>	<b>21</b>	<b>(302)</b>	<b>11</b>	<b>10</b>	<b>33</b>	<b>(115)</b>
<b>Opening balance at January 1, 2024</b>	<b>81</b>	<b>21</b>	<b>28</b>	<b>(263)</b>	<b>15</b>	<b>11</b>	<b>37</b>	<b>(70)</b>
Changes in scope of consolidation	(1)	-	-	-	-	-	-	(1)
(Charged)/credited to income statement	31	10	(1)	(32)	(7)	2	(3)	-
(Charged)/credited to OCI	-	-	6	-	-	-	-	6
Currency translation adjustment	4	4	1	(6)	-	-	3	6
<b>Closing balance at December 31, 2024</b>	<b>115</b>	<b>35</b>	<b>34</b>	<b>(301)</b>	<b>8</b>	<b>13</b>	<b>37</b>	<b>(59)</b>





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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:

in CHF million		
	2024	2025
Tax loss carryforwards recognized in deferred tax	40	48
Unused tax loss carryforwards	33	21
<b>Total tax loss carryforwards</b>	<b>73</b>	<b>69</b>
<b>Expiration of unused tax loss carryforwards:</b>		
Expiration < 1 year	1	-
Expiration 1 year to < 5 years	7	7
Expiration ≥ 5 years or no expiration date	25	14
Tax effect of unused tax loss carryforwards	8	4
Unremitted earnings subject to withholding tax or other taxes	522	526

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 526 million (2024: CHF 522 million). Such amounts are permanently reinvested.

### 8.3 Related parties

Details of compensation of key management personnel are as follows:

#### Key management personnel compensation

financial amounts in CHF million

	2024		2025	
	Number of members	Remuneration	Number of members	Remuneration
Board of Directors	8	3	8	3
Corporate Management (Executive Board and Executive Management Team)	34	47	34	41
<b>Total</b>	<b>42</b>	<b>50</b>	<b>42</b>	<b>44</b>
Salaries and other short-term employee benefits		26		25
Post-employment benefits		3		2
Other employee benefits, mainly related to long-term incentive		21		17
<b>Total employee benefits to key management</b>		<b>50</b>		<b>44</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 sustained development and growth of the Group's business are achieved. The 2025 portion of the estimated ultimate amount payable has been recognized as an obligation at December 31, 2025, under the heading of other employee benefits (see note 3.2).

Loans amounting to CHF 1 million (2024: CHF 1 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 1 million (2024: 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 2 million.



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In July 2024, the Hilti Group entered into a sale and leaseback transaction with a related party, selling an office building in Switzerland and leasing it back for 21 months. The transaction was conducted at arm's length and resulted in a gain of CHF 8 million in the prior year reporting period. At the end of the current reporting period, the lease liability from the lease back transaction amounts to CHF 0 million (2024: CHF 1 million).

**8.4 Other information**

**Events after the reporting period**

There were no significant events or transactions after the reporting period that required disclosure or adjustment in the consolidated financial statements.

**Group companies and joint arrangements**

Country	Company name and location	Activity
<b>Parent company</b>		
Liechtenstein	Hilti Corporation, Feldkircher Strasse 100, P.O. Box 333, 9494 Schaan, Tel. +423 234 2111, www.hilti.group	S, R, D, P, Se, H
<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 Equipements 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





## Group companies and joint arrangements

Country	Company name and location	Activity
	Hilti Holding GmbH, Vienna	H
	Hilti Aktiengesellschaft Zweigniederlassung Thüringen, Thüringen	P
	Hilti Austria Industrie GmbH, Lanzenkirchen	P, D
	4PS Bausoftware GmbH, Vienna	S
Belgium	Hilti Belgium N.V., Anderlecht	S
	4PS Belgium N.V., 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
China	Hilti (China) Ltd., Zhanjiang	P, D
	Hilti (China) Distribution Ltd., Shanghai	S
	Hilti (Shanghai) Ltd., Shanghai	P, D
	Oglaend Industries (Changzhou) Co. Ltd., Changzhou	P
Colombia	Hilti Colombia S A S, Bogota D.C.	S
Croatia	Hilti Croatia d.o.o., Sesvete	S
Czech Republic	Hilti ČR spol. s r.o., Prague	S
Denmark	Hilti Danmark A/S, Hvidovre	S
	Øglænd System A/S, Haderslev	S, Se
Egypt	Hilti for Distribution LLC, Cairo	S
Estonia	Hilti Eesti OÜ, Tallinn	S
Finland	Hilti (Suomi) OY, Espoo	S
France	Hilti France SAS, Boulogne-Billancourt	S
	Hilti Digital Marketing Services SAS, Boulogne-Billancourt	Se
	4PS Construction Software SAS, Boulogne-Billancourt	S

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## Group companies and joint arrangements

Country	Company name and location	Activity
Germany	Hilti Deutschland AG (Liechtenstein), Zweigniederlassung Deutschland, Kaufering	S
	Hilti GmbH Industriegesellschaft 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
	Oglaend System UK Limited, Wednesbury	S
	4PS Construction Solutions Ltd., Birmingham	S
Greece	Hilti Hellas S.A., Athens	S
Guernsey	Hilti Reinsurance IC Ltd, St. Peter Port	Se
Hong Kong	Hilti Asia Ltd., Kowloon, Hong Kong	H, Se
	Hilti (Hong Kong) Ltd., Kowloon, Hong Kong	S
Hungary	Hilti (Hungária) Szolgáltató Kft., Budapest	S
	Hilti Szerszám Kft., Kecskemét	P, D
India	Hilti India Private Ltd., Gurgaon	S
	Hilti Manufacturing India Private Limited, Mumbai	P, D
	Hilti Technology Solutions India Private Limited, Pune	Se
Indonesia	PT Hilti Nusantara, Jakarta	S
Ireland	Hilti (Fastening Systems) Ltd., Dublin	S
Israel	Hilti (Israel) Ltd., Petach Tikva	S
Italy	Hilti Italia S.p.A., Sesto San Giovanni	S
Japan	Hilti (Japan) Ltd., Yokohama	S
Kazakhstan	Hilti Kazakhstan LLP, Almaty	S

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## Group companies and joint arrangements

Country	Company name and location	Activity
		S = sales R = research D = development P = production Se = services H = holding
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
	Oglaend Industries Sdn. Bhd, Selangor	P, D
Mexico	Hilti Mexicana, S.A. de C.V., Mexico City	S
	Hilti Operaciones de Mexico, S.A. de C.V., Matamoros	P
Montenegro	Hilti Montenegro d.o.o Podgorica, Podgorica	S
Morocco	Hilti Maroc S.A., Casablanca	S
Netherlands	Hilti Nederland B.V., Berkel en Rodenrijs	S
	Oglaend System BV, Ridderkerk	S
	4PS B.V., Ede	H, Se, D
	4PS Construction Software B.V., Ede	S
	4PS International B.V., Ede	S
New Zealand	Hilti (New Zealand) Limited, Auckland	S
Norway	Øglænd Group Holding AS, Kleppe	H
	Øglænd Industrier AS, Kleppe	H, Se

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## Group companies and joint arrangements

Country	Company name and location	Activity
	Øglænd System AS, Kleppe	S, P, D
Panama	Hilti Latin America S.A., Panama City	S, Se
	Transportes Continentales S.A., Panama City	Se
	Hilti Regional Services S.A., Panama City	Se
Peru	Hilti Peru S.A., Lima	S
Philippines	Hilti (Philippines) Inc., Pasig City	S
Poland	Hilti (Poland) Sp. z o.o., Warsaw	S
Portugal	Hilti (Portugal) – Produtos e Serviços Lda., Porto	S
Puerto Rico	Hilti Caribe LLC, San Juan	S
Romania	Hilti Romania SRL, Bucharest	S
Saudi Arabia	Oglaend Industries Saudi Arabia LLC, Dammam	P
Serbia	Hilti SMN d.o.o. Beograd, Belgrade	S
Singapore	Hilti Far East Private Ltd., Singapore	S
	Hilti Asia Pacific Pte. Ltd, Singapore	Se
	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	H
Spain	Hilti Española, S.A., Madrid	S
Sweden	Hilti Svenska AB, Arlöv-Malmö	S
	4PS Construction Software AB, Göteborg	S
Switzerland	Hilti (Schweiz) AG, Zürich	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

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## Group companies and joint arrangements

Country	Company name and location	Activity
Turkey	Hilti Insaat 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

The entity Hilti BY FLLC Minsk is legally part of the Group, but the Group did not have control anymore as at June 28, 2024 (see note 1.6).

### Less than 100% owned consolidated Group companies (subsidiaries)

Bahrain	Hilti Bahrain Co. W.L.L., Manama (49%)	S
China	Hilti (Handan) Manufacturing Ltd., Handan (80%)	P
Qatar	Hilti Qatar W.L.L., Doha (49%)	S
Saudi Arabia	Hilti Saudi Arabia for Construction Tools LLC, Riyadh (75%)	S
South Africa	Hilti (South Africa) (Pty) Ltd., Johannesburg/Midrand (87.25%)	S
United Arab Emirates	Hilti Emirates LLC, Abu Dhabi (49%)	S

Although the Group owns less than half of the voting rights of Hilti Bahrain Co. W.L.L., Hilti Qatar W.L.L. and Hilti 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.

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Country	Company name and location	Activity
<b>Joint operations</b>		
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
<b>Joint venture</b>		
South Africa	Hilti SA Holding (Pty) Ltd., Johannesburg/Midrand (49%)	H

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



# Report of the statutory auditor to the General Assembly of Hilti Aktiengesellschaft, Schaan



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## Report on the audit of the consolidated financial statements

### Opinion

We have audited the consolidated financial statements of Hilti Aktiengesellschaft and its subsidiaries (the Group), which comprise the consolidated income statement and the consolidated statement of comprehensive income for the year ended 31 December 2025, the consolidated balance sheet as at 31 December 2025 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 accompanying consolidated financial statements (page 87 to 141) give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and its financial performance for the year then ended in accordance with International Financial Reporting Standards (IFRS) 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 that are relevant to audits of the financial statements of public interest entities, 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

Overall Group materiality: CHF 32.5 million

Audit scope:

- We conducted full-scope audits on five reporting units and performed central audit procedures on selected financial statement line items covering 64% of the Group's net sales.
- Additionally, we conducted audit procedures centrally for the assessment of goodwill impairment, consolidation, disclosures, and presentation of the consolidated financial statements as part of our group audit activities.

As key audit matter the following area of focus has been identified:

- Development costs





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**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.

<b>Overall Group materiality</b>	CHF 32.5 million
<b>How we determined it</b>	Net income before income tax expenses
<b>Rationale for the materiality benchmark applied</b>	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 designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated 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.

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.

**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.





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### Development costs - Refer to note 4.3

Key audit matter	How our audit addressed the key audit matter
<p>Development costs are capitalized as intangible assets when specific criteria outlined in IAS 38 are met. All other development costs are expensed as incurred.</p> <p>We focused on this area due to the significance of total capitalized internal development costs (CHF 932 million as of 31 December 2025 accounted for in the balance sheet line item intangible assets) and because significant judgement by management is involved in assessing whether costs are either research or development in nature and whether the criteria outlined in IAS 38 Intangible assets, have been met, particularly:</p> <ul style="list-style-type: none"> <li>• Generation of probable future economic benefit;</li> <li>• Reliable measurement of the attributable expenditure;</li> <li>• Technical feasibility of each project;</li> <li>• Assessment of the recoverability of the capitalized development costs as part of an impairment assessment;</li> <li>• Determination of appropriate useful lives; and</li> <li>• Assessment if appropriate disclosures have been made.</li> </ul>	<p>We assessed and tested the design and operating effectiveness of key controls relating to the capitalization process, particularly those that:</p> <ul style="list-style-type: none"> <li>• Address whether costs are research or development in nature.</li> <li>• Address the risks relating to the 'probable future economic benefit' and 'technical feasibility'.</li> <li>• Ensure the appropriate, timely and complete capitalization of the internal employee costs and any other project-related costs.</li> </ul> <p>We held interviews with the business unit controllers and project managers, to:</p> <ul style="list-style-type: none"> <li>• Gain an understanding of their development projects and why specific project costs were considered to meet the requirements of the relevant accounting standards.</li> <li>• Discuss specific project topics and risks with business unit controllers and critically assess their responses.</li> </ul> <p>Our work also included substantive audit procedures, such as assessment of the project documentation, evaluation of the project's key assumptions, and testing a sample of standard hourly rates.</p> <p>We performed audit procedures to test the recoverability of the capitalized project costs and the estimated useful life by auditing management's impairment assessment and amortization. We also tested the appropriateness of the disclosures of development costs.</p>





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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 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 stand-alone management report and our auditor's reports thereon.

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

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 consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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.

**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 in accordance with Liechtenstein law, 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, whether due to fraud or error, 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.
- Plan and perform the audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the audit of the consolidated financial statements. 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.

We also provide the Board of Directors or the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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



Beat Inauen  
Liechtenstein Certified Public Accountant  
Auditor in charge



Rolf Johner

St. Gallen, 5 March 2026



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# Financial Statements Hilti Corporation

Including Branches

## Balance Sheet

as at December 31

### Assets

in CHF million

	Note	2024	2025
Intangible assets	4	55	46
Property, plant and equipment	5	435	422
Financial investments	6	2,643	2,686
<b>Total non-current assets</b>		<b>3,133</b>	<b>3,154</b>
Inventories	7	242	214
Trade and other receivables	8	968	801
Accrued income and prepayments		92	101
Cash and cash equivalents		473	601
<b>Total current assets</b>		<b>1,775</b>	<b>1,717</b>
<b>Total assets</b>		<b>4,908</b>	<b>4,871</b>

### Equity and liabilities

in CHF million

	Note	2024	2025
Share capital		127	127
Legal reserves		108	108
Foreign currency translation reserve		(26)	(26)
Retained earnings brought forward		2,857	3,027
Net income		449	230
<b>Total equity</b>	<b>9</b>	<b>3,515</b>	<b>3,466</b>
Provisions	10	149	125
Borrowings, payables and other liabilities	11	1,115	1,140
Accrued liabilities and deferred income		129	140
<b>Total liabilities</b>		<b>1,393</b>	<b>1,405</b>
<b>Total equity and liabilities</b>		<b>4,908</b>	<b>4,871</b>



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# Income Statement

in CHF million

	Note	2024	2025
Net sales		3,727	3,350
Change in inventory of finished goods and work in progress		–	(1)
Capitalized own production		4	4
Other operating revenues		17	17
<b>Total operating revenues</b>		<b>3,748</b>	<b>3,370</b>
Material costs	12	(1,495)	(1,386)
Personnel expenses	13	(425)	(408)
Depreciation and amortization	14	(62)	(50)
Other operating expenses		(1,311)	(1,270)
<b>Total operating expenses</b>		<b>(3,293)</b>	<b>(3,114)</b>
<b>Operating result</b>		<b>455</b>	<b>256</b>
Financial revenues	15	69	55
Financial expenses	16	(6)	(54)
<b>Financial result</b>		<b>63</b>	<b>1</b>
<b>Net income before income tax expense</b>		<b>518</b>	<b>257</b>
Tax expense <sup>1</sup>		(69)	(27)
<b>Net income</b>		<b>449</b>	<b>230</b>

<sup>1</sup> The tax expenses of Hilti Corporation include the Pillar Two current tax expenses applicable to Liechtenstein as outlined in the note 8.2 of the Group's consolidated financial statements.





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# 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 Feldkircher Strasse 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.

Pursuant to Article 1067 PGR, we have made use of the option provided to deviate from the structure and position designation, provided that there is a "true and fair" override. This override has been selected to ensure alignment of the structure, presentation, and disclosures with the Group's consolidated financial statements.

### 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.





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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 prepay-ments 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 2025 financial statements of Hilti Corporation from those adopted in 2024.

### 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.



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## 4 Intangible assets

in CHF million

	Rights	Other intangible assets	Total
<b>Cost 2025</b>			
<b>Opening balance at January 1, 2025</b>	<b>4</b>	<b>306</b>	<b>310</b>
Additions	–	13	13
Disposals	–	(2)	(2)
<b>Closing balance at December 31, 2025</b>	<b>4</b>	<b>317</b>	<b>321</b>
<b>Accumulated amortization 2025</b>			
<b>Opening balance at January 1, 2025</b>	<b>(4)</b>	<b>(251)</b>	<b>(255)</b>
Additions	–	(22)	(22)
Disposals	–	2	2
<b>Closing balance at December 31, 2025</b>	<b>(4)</b>	<b>(271)</b>	<b>(275)</b>
<b>Net book values at December 31, 2025</b>	<b>–</b>	<b>46</b>	<b>46</b>
Net book values at December 31, 2024	–	55	55





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## 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 2025</b>					
<b>Opening balance at January 1, 2025</b>	<b>552</b>	<b>422</b>	<b>80</b>	<b>25</b>	<b>1,079</b>
Currency translation adjustment	(1)	(1)	–	–	(2)
Additions	1	13	3	7	24
Disposals	(3)	(18)	(4)	–	(25)
Transfers	1	7	10	(18)	–
<b>Closing balance at December 31, 2025</b>	<b>550</b>	<b>423</b>	<b>89</b>	<b>14</b>	<b>1,076</b>
<b>Accumulated depreciation 2025</b>					
<b>Opening balance at January 1, 2025</b>	<b>(196)</b>	<b>(380)</b>	<b>(68)</b>	<b>–</b>	<b>(644)</b>
Currency translation adjustment	–	1	–	–	1
Additions	(6)	(17)	(5)	–	(28)
Disposals	1	13	3	–	17
<b>Closing balance at December 31, 2025</b>	<b>(201)</b>	<b>(383)</b>	<b>(70)</b>	<b>–</b>	<b>(654)</b>
<b>Net book values at December 31, 2025</b>	<b>349</b>	<b>40</b>	<b>19</b>	<b>14</b>	<b>422</b>
Net book values at December 31, 2024	356	42	12	25	435





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## 6 Financial investments

in CHF million

	Shareholdings	Loans to Group companies	Other financial investments	Total
<b>Cost 2025</b>				
<b>Opening balance at January 1, 2025</b>	<b>2,785</b>	<b>47</b>	<b>7</b>	<b>2,839</b>
Currency translation adjustment	-	2	-	2
Additions	31	11	-	42
Disposals	(27)	-	(4)	(31)
<b>Closing balance at December 31, 2025</b>	<b>2,789</b>	<b>60</b>	<b>3</b>	<b>2,852</b>
<b>Accumulated valuation allowance 2025</b>				
<b>Opening balance at January 1, 2025</b>	<b>(196)</b>	-	-	<b>(196)</b>
Disposals	30	-	-	30
<b>Closing balance at December 31, 2025</b>	<b>(166)</b>	-	-	<b>(166)</b>
<b>Net book values at December 31, 2025</b>	<b>2,623</b>	<b>60</b>	<b>3</b>	<b>2,686</b>
Net book values at December 31, 2024	2,589	47	7	2,643

A list of Group companies, directly or indirectly held by Hilti Corporation, is included in note 8.4 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

	2024	2025
Raw materials	19	20
Consumables	9	9
Production in progress	8	7
Finished products and goods held for resale	206	178
<b>Total inventories</b>	<b>242</b>	<b>214</b>

Total inventories include a provision of CHF 106 million (2024: CHF 120 million), noted in accordance with tax regulations.





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## 8 Trade and other receivables

in CHF million

	2024			2025		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Trade accounts receivables from third parties	29	-	29	22	-	22
Trade accounts receivables from Group companies	807	-	807	626	-	626
<b>Total trade accounts receivables</b>	<b>836</b>	<b>-</b>	<b>836</b>	<b>648</b>	<b>-</b>	<b>648</b>
Other accounts receivables from third parties	21	-	21	17	-	17
Other accounts receivables from Group companies	111	-	111	136	-	136
<b>Total other accounts receivables</b>	<b>132</b>	<b>-</b>	<b>132</b>	<b>153</b>	<b>-</b>	<b>153</b>
<b>Total trade and other receivables</b>	<b>968</b>	<b>-</b>	<b>968</b>	<b>801</b>	<b>-</b>	<b>801</b>

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





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## 9 Equity

in CHF million

	Share and PC capital	Legal reserves	Foreign currency translation reserve	Retained earnings	Total equity
<b>Equity at January 1, 2025</b>	<b>127</b>	<b>108</b>	<b>(26)</b>	<b>3,306</b>	<b>3,515</b>
Dividend paid	-	-	-	(279)	(279)
Net income	-	-	-	230	230
<b>Equity at December 31, 2025</b>	<b>127</b>	<b>108</b>	<b>(26)</b>	<b>3,257</b>	<b>3,466</b>

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

The foreign currency translation reserve comprises the accumulated foreign currency gains and losses recognized in equity since 2003.

## 10 Provisions

in CHF million

	2024	2025
Provision for employee benefits	75	87
Tax obligations	69	38
Other provisions	5	-
<b>Total provisions</b>	<b>149</b>	<b>125</b>



## 11 Borrowings, payables and other liabilities

in CHF million

	2024			2025		
	Short-term	Long-term	Total	Short-term	Long-term	Total
<b>Bonds</b>	<b>150</b>	<b>362</b>	<b>512</b>	<b>100</b>	<b>459</b>	<b>559</b>
Trade accounts payables third parties	182	–	182	156	–	156
Trade accounts payables Group companies	193	–	193	172	–	172
<b>Total trade accounts payables</b>	<b>375</b>	<b>–</b>	<b>375</b>	<b>328</b>	<b>–</b>	<b>328</b>
Other liabilities owing to third parties	19	7	26	17	7	24
Other liabilities owing to Group companies	201	–	201	212	15	227
Other liabilities owing to companies with which a shareholding relationship exists	1	–	1	2	–	2
<b>Total other liabilities</b>	<b>221</b>	<b>7</b>	<b>228</b>	<b>231</b>	<b>22</b>	<b>253</b>
<b>Total borrowings, payables and other liabilities</b>	<b>746</b>	<b>369</b>	<b>1,115</b>	<b>659</b>	<b>481</b>	<b>1,140</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 249 million (2024: CHF 162 million).

## 12 Material costs

in CHF million

	2024	2025
Raw materials, consumables and bought-in goods for resale	(1,481)	(1,373)
Outsourced manufacturing	(14)	(13)
<b>Total material costs</b>	<b>(1,495)</b>	<b>(1,386)</b>

## 13 Personnel expenses

in CHF million

	2024	2025
Wages and salaries	(347)	(332)
Pension contributions	(55)	(53)
Other social contributions	(23)	(23)
<b>Total personnel expenses</b>	<b>(425)</b>	<b>(408)</b>



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## 14 Depreciation and amortization

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

## 15 Financial revenues

in CHF million

	2024	2025
<b>Recovery of depreciation on financial assets</b>	<b>5</b>	<b>3</b>
Financial investment revenues from third parties	5	1
Financial investment revenues from Group companies	59	51
<b>Total revenues from financial investments</b>	<b>64</b>	<b>52</b>
<b>Total financial revenues</b>	<b>69</b>	<b>55</b>

## 16 Financial expenses

in CHF million

	2024	2025
<b>Depreciation on financial assets</b>	<b>(11)</b>	<b>(1)</b>
Interest and similar expenses incurred to third parties	(7)	(5)
Interest and similar expenses incurred to Group companies	(3)	(3)
<b>Total interest and similar expenses</b>	<b>(10)</b>	<b>(8)</b>
<b>Operating currency and hedge gains/(losses)</b>	<b>15</b>	<b>(45)</b>
<b>Total financial expenses</b>	<b>(6)</b>	<b>(54)</b>

## 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:

in CHF million

	2024	2025
<b>Contract face amounts</b>		
Foreign currency forward contracts	781	555
Interest rate swaps	150	150
<b>Total contract face amounts</b>	<b>931</b>	<b>705</b>
<b>Contract values</b>		
Foreign currency forward contracts	(4)	1
Interest rate swaps	13	10
<b>Total contract values</b>	<b>9</b>	<b>11</b>
<b>Reporting of contract values</b>		
Contract values recognized (on-balance sheet)	9	11
<b>Total contract values</b>	<b>9</b>	<b>11</b>

## 18 Segment information

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

## 19 Contingent liabilities

Contingent liabilities consisting of guarantees to Group companies amounted to CHF 89 million (2024: CHF 163 million).



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## 20 Commitments

Payment commitments arising from operating lease contracts are as follows:

in CHF million		
	2024	2025
Expiring within 1 year	1	1
Expiring between 1 and 5 years	1	–
<b>Total commitments</b>	<b>2</b>	<b>1</b>

## 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 8.3 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 8.3 within the notes to the consolidated financial statements.

## 23 Number of employees

The breakdown of employees by nationality is as follows:

	2024	%	2025	%
Austria	832	37	787	36
Germany	462	20	452	21
Switzerland	216	10	216	10
Liechtenstein	125	5	123	6
Other countries	643	28	601	27
<b>Total employees</b>	<b>2,278</b>	<b>100</b>	<b>2,179</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 management statements are on pages 17 to 18 of this Annual Report ([▶ see here](#)).

## 25 Appropriation of retained earnings

in CHF million		
	2024	2025
Profit brought forward	2,857	3,027
Net income	449	230
<b>At the disposal of the General Assembly</b>	<b>3,306</b>	<b>3,257</b>
<b>Proposal by the Board of Directors</b>		
Dividend of CHF 1015 (2024: CHF 1100) per share	279	257
Balance carried forward	3,027	3,000
<b>Total</b>	<b>3,306</b>	<b>3,257</b>



# Report of the statutory auditor to the General Assembly of Hilti Aktiengesellschaft, Schaan



## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Hilti Aktiengesellschaft (Company), which comprise the balance sheet as at 31 December 2025, 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 accompanying financial statements (page 147 to 159) give a true and fair view of the financial position of the Company as at 31 December 2025 and its financial performance for the year then ended in accordance with Liechtenstein law.

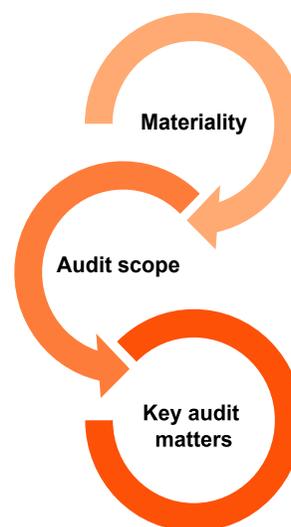
### Basis for Opinion

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 that are relevant to audits of the financial statements of public interest entities, 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

Overall materiality: CHF 14.3 million

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.

We have determined that there are no key audit matters to communicate in our report.



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## Materiality

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.

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.

<b>Overall materiality</b>	CHF 14.3 million
<b>How we determined it</b>	Net income before income tax expense
<b>Rationale for the materiality benchmark applied</b>	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.

## Audit scope

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.

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.

## Key Audit Matters

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

**We have determined that there are no key audit matters to communicate in our report.**

## Other Information in the Annual Report

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 stand-alone management report and our auditor's reports thereon.

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

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.

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.



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

The Board of Directors is responsible for the preparation of the financial statements 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.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company'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 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, 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 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.

We also provide the Board of Directors or the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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 (note 24) 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



Beat Inauen  
Liechtenstein Certified Public Accountant  
Auditor in charge



Rolf Johner

St. Gallen, 5 March 2026



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# Investor Information

## Contact information

### Investor relations

Mandy Wang  
Global Head Finance & Controlling

Hilti Corporation  
Feldkircher Strasse 100  
9494 Schaan  
Liechtenstein

Phone +423 234 2305  
E-mail: [mandy.wang@hilti.com](mailto:mandy.wang@hilti.com)  
[www.hilti.group](http://www.hilti.group)

Peter Rupp  
Head of Corporate Sustainability

Hilti Corporation  
Feldkircher Strasse 100  
9494 Schaan  
Liechtenstein

E-mail: [sustainability@hilti.com](mailto:sustainability@hilti.com)  
[www.hilti.group](http://www.hilti.group)

### Media relations

Matthias Hassler  
Manager Media Relations/Spokesperson

Hilti Corporation  
Feldkircher Strasse 100  
9494 Schaan  
Liechtenstein

Phone +423 234 4949  
E-mail: [matthias.hassler@hilti.com](mailto:matthias.hassler@hilti.com)  
[www.hilti.group](http://www.hilti.group)

## Key dates

Interim financial information January to April 2026	May 21, 2026
Interim financial information January to August 2026	September 24, 2026
Publication of the 2026 Annual Report	March 12, 2027
Annual results media conference	March 12, 2027



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