

## Press Release

### Bossard Group

### Results for 2017

#### Marked sales and profit growth – record profitability

Zug, March 7, 2018 – The Bossard Group posted a sizable performance increase in the fiscal year 2017: Sales, EBIT and net income all rose to new heights. Sales grew by 13.1 percent to CHF 786.2 million, with all three market regions contributing with double-digit growth rates. EBIT rose by 23.6 percent to CHF 97.0 million, while net income grew no less than 28.4 percent to CHF 80.2 million. CEO David Dean sees these record numbers as confirmation of Bossard’s strategy: “The investments we made in previous years have created a solid foundation for this development across all market regions.”

#### 2017 INCOME STATEMENT

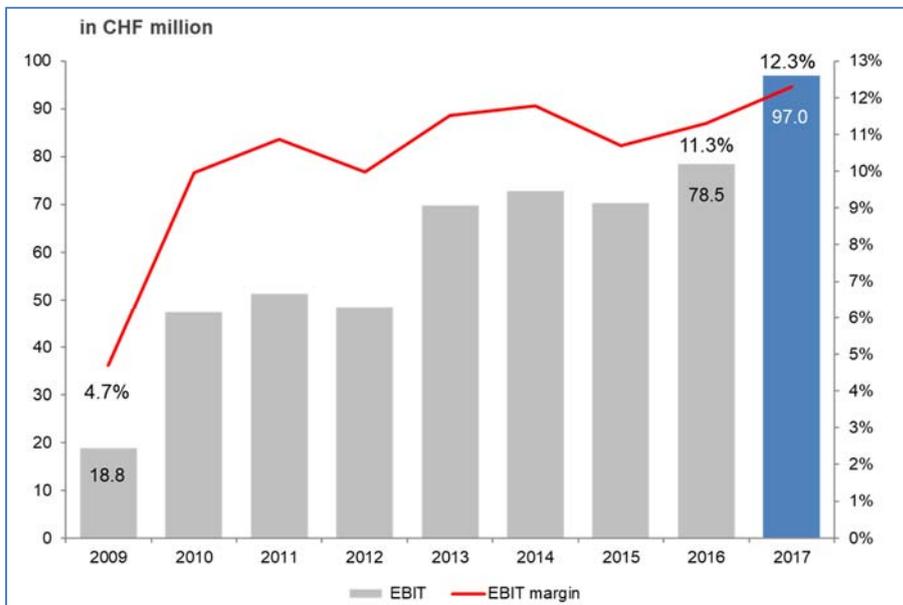
in CHF million	2017	2016	+/-
<b>Net sales</b>	<b>786.2</b>	<b>695.0</b>	<b>13.1%</b>
<b>Gross profit</b>	<b>253.2</b>	<b>219.6</b>	
<i>in %</i>	32.2%	31.6%	
Selling and administrative expenses	156.2	141.1	
<b>EBIT</b>	<b>97.0</b>	<b>78.5</b>	<b>23.6%</b>
<i>in %</i>	12.3%	11.3%	
Financial result	4.0	2.8	
Non-operating result	6.3		
<b>Income before taxes</b>	<b>99.3</b>	<b>75.7</b>	
Income taxes	19.1	13.3	
<b>Net income</b>	<b>80.2</b>	<b>62.4</b>	<b>28.4%</b>
<i>in %</i>	10.2%	9.0%	

The Bossard Group recorded accelerated growth especially in **Europe**, where it boosted sales by 10.8 percent to CHF 444.9 million. The improved economic environment did help fuel demand, but the gain was due mainly to Bossard's growth strategy. We were able to successfully integrate the acquisitions of the previous years and, at the same time, expand the infrastructure for current activities. The targeted expansion of our range of services also increased our appeal with customers. Especially in Eastern and Southern Europe, we made great strides in the market development in fiscal year 2017.

Business in **America** continued at a brisk pace, with sales rising by 18.4 percent to CHF 220.3 million. This substantial gain was driven by acquisition-related growth as well as organic growth. Arnold Industries, acquired in September 2016, was consolidated for the first time over the entire fiscal year. Our established business also lent momentum: Our co-operation with the largest US electric vehicle manufacturer showed gratifying progress and helped boost growth. This customer launched production of a new model in the third quarter of 2017. Our second major customer, a company active in the agricultural technology sector, likewise strengthened growth in America.

The Bossard Group enjoyed dynamic demand for its products and services in **Asia** as well, where we had invested heavily in new infrastructures in prior years. Sales there rose by 12.8 percent to CHF 121.0 million. The positive effects of our infrastructure expansion were evident especially in China. The markets in Thailand, Malaysia, Taiwan, and Australia also registered double-digit growth rates.

## DEVELOPMENT EBIT AND EBIT MARGIN



### Marked increase in EBIT

The Bossard Group continued to prosper in 2017 from its profitability-oriented growth strategy. “The successfully integrated acquisitions of the previous years, plus investments in our range of products and services, have contributed significantly to the continued rise in the EBIT margin. Our long-range investment strategy is clearly paying off,” stresses CEO David Dean.

Compared to the previous year, the EBIT margin rose from 11.3 percent to 12.3 percent, remaining well above the industry average. This key performance indicator has been trending upward since the financial crisis of 2009, although we did suffer a setback in 2015 as a direct result of the appreciation of the Swiss franc. This rise in profitability is driven by the EBIT, which grew by an impressive 23.6 percent to CHF 97.0 million. It is gratifying to note that all three market regions contributed to this significant increase.

## Net income rose by 28.4 percent – substantial dividend increase

Bossard Group's solid and broad-based performance is also reflected in net income, which climbed by 28.4 percent to CHF 80.2 million. This figure includes a non-operating result of CHF 4.5 million net of tax from the real-estate sale of our former location in Austria. The return on sales reached a record high of 10.2 percent compared to the previous year's 9.0 percent.

Bossard shareholders will enjoy these improved results in the form of higher dividends: Bossard's dividend policy stipulates a payout ratio of 40 percent of consolidated net income. At the annual general meeting of shareholders on April 9, 2018, the board of directors will propose a dividend increase from CHF 3.30 to CHF 4.20 per registered A share – a healthy increase of 27.3 percent.

## 2017 BALANCE SHEET

in CHF million	2017	2016	+/-
Current assets	385.6	347.4	11.0%
Long-term assets	154.2	148.4	3.9%
<b>Total assets</b>	<b>539.8</b>	<b>495.8</b>	
Liabilities	275.8	288.1	-4.3%
Shareholders' equity	264.0	207.7	27.1%
<b>Total liabilities and equity</b>	<b>539.8</b>	<b>495.8</b>	<b>8.9%</b>
Operating NWC in % of net sales	37.4%	38.1%	
Equity ratio	48.9%	41.9%	
Gearing (Net debt/equity)	0.5	0.8	
Net debt in CHF million	124.0	158.8	

## Solid balance sheet despite vigorous investment

The pronounced growth of the Bossard Group boosted total assets, which increased over the previous year by 8.9 percent to CHF 539.8 million. This growth stems for the most part from investment activity and higher operating net working capital. It should be noted that our ambitious investment and acquisition activities of the previous years had also a positive

impact on the development of our balance sheet. The equity ratio rose during the reporting period from 41.9 percent to 48.9 percent – well above the long-term target of at least 40 percent. The firm footing of the Bossard Group is also reflected in the gearing (the ratio of net debt to equity), which fell from 0.8 to 0.5. The balance sheet does not include any acquisition-related goodwill, because it is offset against the equity at the time of acquisition.

**Positive outlook for the current fiscal year**

A number of developments give us reason to feel optimistic for fiscal year 2018. The products and services offered by the Bossard Group are meeting with brisk demand in all market regions. We can continue to build on this solid foundation, particularly as our commitment to Industry 4.0 and e-mobility offers additional growth potential.

Our confidence is based on various indicators, among them the purchasing managers' indices, which in most of our major markets are well above the 50-point level. On the procurement front, increasing lead times and rising raw materials prices are positive signs for our business.

Overall, Bossard approaches fiscal year 2018 with optimism, targeting sales between CHF 840 million and CHF 850 million – a boost predicated on the continued stability of the markets and currency exchange rates.

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**Profile:**

The Bossard Group is a leading international supplier of product solutions and services in industrial fastener and assembly technology. With its comprehensive product range of over 1,000,000 items, combined with its proven expertise in technical consulting (engineering) and inventory management (logistics), Bossard is one of the established companies in the industry, both as an end-to-end supplier and a partner. In addition, Bossard is a pioneer in developing intelligent production facilities in line with Industry 4.0.

The Group's customers include local and international industrial companies who use Bossard solutions to improve their productivity. With 2,300 employees in 80 locations throughout the world, the Group generated CHF 786.2 million in sales in 2017. Bossard is listed on the SIX Swiss Exchange.

## HISTORIC KEY FIGURES

in CHF 1,000	2017	+/-	2016	2015	2014
Net sales	786,175	13.1%	695,015	656,314	617,764
EBIT	97,048	23.6%	78,509	70,319	72,803
in % of net sales	12.3		11.3	10.7	11.8
Net income	80,193	28.4%	62,434	54,490	57,128
in % of net sales	10.2		9.0	8.3	9.2
Cash flow 1)	95,175	26.8%	75,039	66,093	69,577
Capital expenditures	22,695	-43.3%	40,021	22,128	11,536
Net debt	124,023	-21.9%	158,767	147,828	97,875
Shareholders' equity	263,962	27.1%	207,644	186,186	210,603
in % of total assets	48.9		41.9	40.2	48.5
Total assets	539,758	8.9%	495,769	462,602	434,380
Return on equity	34.0		31.7	27.5	30.2
Return on average capital employed (ROCE)	20.8		18.5	17.6	20.7
Number of employees at year end	2,294	5.3%	2,179	2,018	1,926

1) Net income + depreciation and amortization