

## Press Release

### Bossard Group

### Results for 2019

## Solid results – vigorous investment activity

Zug, March 4, 2020 – The Bossard Group once again posted solid results in the 2019 financial year: In a difficult market environment, sales rose by 0.6 percent to a new high of CHF 876.2 million (in local currency: +1.9 percent). The Group generated particularly gains in the European and Asian markets, boosted by the acquisitions made in 2019. Adjusted for acquisitions, sales declined by 3.3 percent (in local currency: -2.1 percent). The more challenging market conditions, along with investments in expanding our engineering and Smart Factory Logistics services, led to a lower annual result. EBIT dropped from CHF 108.8 million to CHF 95.7 million. The EBIT margin was 10.9 percent (previous year: 12.5 percent), which is within the targeted range of 10 percent to 13 percent. Net income amounted to CHF 76.0 million compared to last year's CHF 85.4 million.

### 2019 INCOME STATEMENT

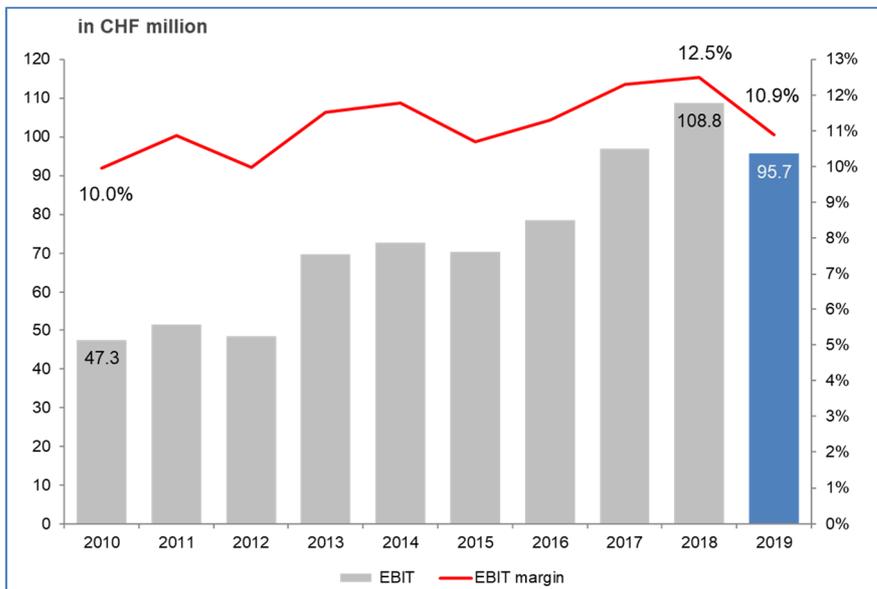
in CHF million	2019	2018	+/-
<b>Net sales</b>	<b>876.2</b>	<b>871.1</b>	<b>0.6%</b>
<b>Gross profit</b>	<b>273.3</b>	<b>275.8</b>	
<i>in %</i>	<i>31.2%</i>	<i>31.7%</i>	
Selling and administrative expenses	177.6	167.0	
<b>EBIT</b>	<b>95.7</b>	<b>108.8</b>	<b>-12.1%</b>
<i>in %</i>	<i>10.9%</i>	<i>12.5%</i>	
Financial result	2.7	4.6	
<b>Income before taxes</b>	<b>93.0</b>	<b>104.2</b>	
Income taxes	17.0	18.8	
<b>Net income</b>	<b>76.0</b>	<b>85.4</b>	<b>-11.1%</b>
<i>in %</i>	<i>8.7%</i>	<i>9.8%</i>	

In **Europe**, Bossard further strengthened its market position. Net sales rose by 3.0 percent to CHF 507.7 million, a healthy increase of 5.6 percent in local currency. This growth is mainly the result of two acquisitions in Germany, particularly the takeover of Boysen, which strengthened Bossard's market position in the aerospace industry. The acquisition of BRUMA, a specialist in high-quality fastening solutions, also contributed to this growth. Even without these acquisitions, sales grew slightly by 0.5 percent in local currency.

In **America**, business conditions became more challenging over the course of the year. Here, Bossard posted sales of CHF 218.4 million compared to CHF 240.9 million in the previous year. Several different factors underlie this development: thus we increasingly experienced weaker demand from some major customers in particular in the second half of the year. The product mix of the largest US electric vehicle manufacturer has markedly changed since the introduction of its third model series, which had a negative impact on demand. Additionally, several customer projects, that had stimulated growth in the previous year, were completed.

In **Asia**, the Bossard Group remains on a growth course. Continuous investments in the expansion and modernization of infrastructures and centers of competence supported this development. Another major expansion project in Wuqing, China, is expected to be ready for occupation in mid-2020. Despite the trade dispute between the USA and China, sales rose by 9.4 percent to CHF 150.1 million, a substantial 11.4 percent increase in local currency. Adjusted for acquisitions, growth in local currency was at 5.7 percent.

## DEVELOPMENT EBIT AND EBIT MARGIN



### EBIT margin within the targeted range

On the one hand, the Bossard Group's 2019 results were influenced by a more challenging economic environment, putting even greater pressure on the product margin. On the other hand, long-term initiatives and investments resulted in a higher cost basis. Particularly noteworthy is the expansion of service offerings in Smart Factory Logistics and engineering. Overall, EBIT fell by 12.1 percent to CHF 95.7 million. The EBIT margin reached 10.9 percent (previous year: 12.5 percent), which is within the targeted range of 10 percent to 13 percent.

### Economy and investments also influence net income

The greater margin pressure plus the above-mentioned investments are reflected in the development of net income, which fell by 11.1 percent to CHF 76.0 million year-on-year. The return on sales was 8.7 percent compared to last year's 9.8 percent.

In accordance with Bossard's dividend policy, 40 percent of the net income is paid out to the shareholders. At the annual general meeting of shareholders on April 8, 2020, the board of directors of Bossard Holding AG will propose a dividend of CHF 4.00 per registered A share for 2019, after CHF 4.50 in 2018.

## 2019 BALANCE SHEET

in CHF million	2019	2018	+/-
Current assets	464.9	438.9	5.9%
Non-current assets	187.8	165.2	13.7%
<b>Total assets</b>	<b>652.7</b>	<b>604.1</b>	
Liabilities	348.2	294.4	18.3%
Shareholders' equity	304.5	309.7	-1.7%
<b>Total liabilities and equity</b>	<b>652.7</b>	<b>604.1</b>	<b>8.1%</b>
Operating NWC in % of net sales	41.1%	38.2%	
Equity ratio	46.7%	51.3%	
Gearing (Net debt/equity)	0.6	0.4	
Net debt in CHF million	187.7	130.2	

### Solid balance sheet despite vigorous investment activity

The growth of the Bossard Group, characterized by brisk acquisition and investment activity, is also reflected in the balance sheet. Total assets in the financial year 2019 rose by 8.1 percent to CHF 652.7 million. This stems not only from acquisition activities in Germany and China but also from replacement and expansion investments.

At the end of 2019, the equity ratio was at 46.7 percent (previous year: 51.3 percent) – above the long-term target of 40 percent. The reason for this decline in equity ratio is that Bossard directly offsets the goodwill from acquisitions against equity. As a result of these investments, gearing, the ratio of net debt to equity, rose from 0.4 to 0.6. In spite of accelerated investment activity, the Bossard Group thus continues to be solidly financed.

**Market conditions remain challenging**

Due to geopolitical and economic uncertainties, we expect the market environment to remain challenging in 2020. In addition, from today's perspective, the effects of the coronavirus and the possible economic consequences thereof are not foreseeable and therefore no reliable growth forecast can be made. Despite the uncertainties, the Bossard Group is aiming for an EBIT margin between 10 percent and 13 percent in 2020 as well. As a result of the current market conditions, the EBIT margin will be at the lower end of the targeted range of 10 percent to 13 percent, provided that the current general conditions remain relatively stable.

Notwithstanding the current market environment, Bossard is very optimistic about the medium- and long-term development. This optimism is mainly founded in our targeted investment activity that for years has helped us enter new markets with growth potential. One good example is the acquisition of the German company Boysen, a player in the aerospace industry. We are also continuously expanding our infrastructure and sales channels. The investments in Smart Factory Logistics and engineering services also contribute to a solid foundation for our future growth.

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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 2,500 employees in 80 locations throughout the world, the Group generated CHF 876.2 million in sales in 2019. Bossard is listed on the SIX Swiss Exchange.

**HISTORIC KEY FIGURES**

In CHF 1,000	2019	+/- in %	2018	2017	2016
Net sales	876,224	0.6%	871,070	786,175	695,015
EBIT	95,705	-12.1%	108,821	97,048	78,509
in % of net sales	10.9		12.5	12.3	11.3
Net income	75,959	-11.1%	85,410	80,193	62,434
in % of net sales	8.7		9.8	10.2	9.0
Cash flow 1)	93,866	-7.5%	101,529	95,175	75,039
Capital expenditures	34,649	24.7%	27,791	22,695	40,021
Net debt	187,716	44.2%	130,162	124,023	158,767
Shareholders' equity	304,524	-1.7%	309,650	263,962	207,644
in % of total assets	46.7		51.3	48.9	41.9
Total assets	652,729	8.1%	604,094	539,758	495,769
Return on equity	24.7		29.8	34.0	31.7
Return on average capital employed (ROCE)	16.8		21.5	20.8	18.5
Number of employees at year end	2,507	2.3%	2,451	2,294	2,179

1) Net income + depreciation and amortization