

## Press Release

### Bossard Group

### Results for 2014

#### Profitability rises yet again

Zug, March 4, 2015 – The Bossard Group has yet again improved its performance in FY2014: Sales, operating profit and net income reached new record levels. The operating profit (EBIT) increased by 4.3 percent to CHF 72.8 million. The Group's consolidated performance is also reflected in an increase in operating margin from 11.5 percent to 11.8 percent. "The results of FY2014 demonstrate that our strategy, with its focus on sustainability, is paying off. Even in an economic environment which has been difficult again since mid-2014, we have made progress in virtually all of our sales markets," explains Bossard CEO David Dean about the Group's improved performance.

#### INCOME STATEMENT

in CHF million	2014	2013	+/-
Net sales	617.8	605.7	2.0%
Gross profit	197.1	188.8	
<i>in %</i>	31.9%	31.2%	
Selling and administrative expenses	124.3	119.0	
<b>EBIT</b>	<b>72.8</b>	<b>69.8</b>	<b>4.3%</b>
<i>in %</i>	11.8%	11.5%	
Financial result	3.2	4.1	
<b>Income before taxes</b>	<b>69.6</b>	<b>65.7</b>	
Income taxes	12.5	9.7	
<b>Net income</b>	<b>57.1</b>	<b>56.0</b>	<b>2.0%</b>
<i>in %</i>	9.2%	9.2%	

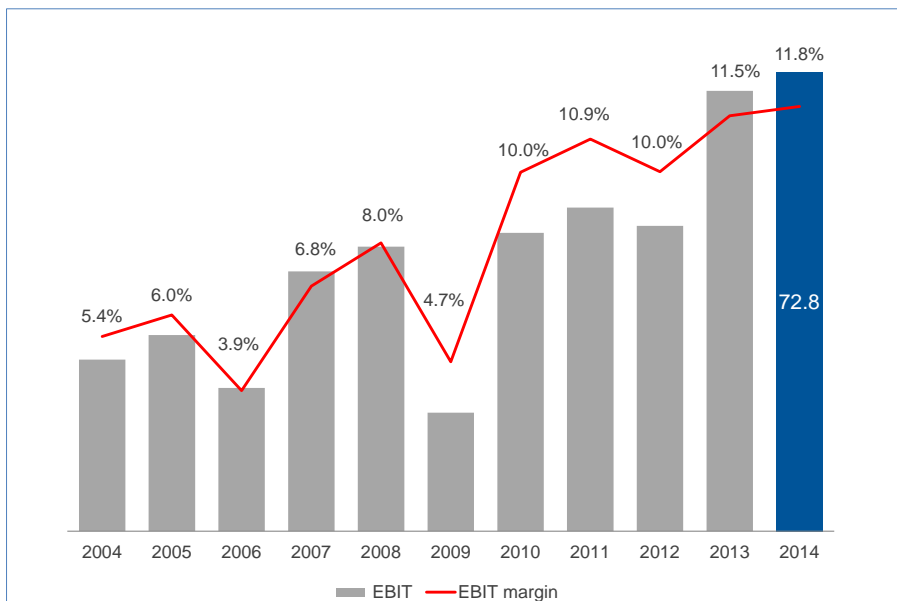
The Bossard Group's net sales in the FY2014 reached CHF 617.8 million, namely 2.0 percent above the previous year's level. This growth figure equates to 3.1 percent in local currency.

Last year's investments produced a consistent improvement in results, particularly in Europe: remarkably, all European markets played a part in this growth. On balance, sales in Europe increased by 3.5 percent to CHF 394.7 million (+4.4 percent in local currency). Sales growth in Europe was adversely affected in the second half of the year by the weakening of the Euro, uncertainty surrounding the conflict in the Ukraine and sanctions against Russia. Nevertheless, even in the difficult Q4, there was a slight upward trend in European sales.

Growth in the Asian market is particularly dynamic: Sales in this region increased by no less than 12.3 percent to CHF 101.1 million, translating to 14.7 percent in local currency. Likewise in Asia, all markets contributed to this positive trend. With this performance the Bossard Group is reaping the fruits of its targeted investments to opening up the Asian markets.

Business fell short of original expectations in America, where revenues fell by 9.2 percent to CHF 122.0 million (-8.0 percent in local currency). This setback was mainly due to low demand from a major customer. In addition, the planned expansion of production by the largest US electric vehicle manufacturer went more slowly than at first anticipated. This cooperation will however lead to substantially increased sales volumes in the current year.

## DEVELOPMENT EBIT AND MARGIN



## **Profitability is up again**

The Bossard Group's efforts to improve profitability met with success once again in FY2014. At CHF 72.8 million, operating profit (EBIT) reached a new record level. After the striking progress in previous years, the EBIT margin increased further from 11.5 percent to 11.8 percent. In the period from 2004 to 2014, the Bossard Group's profitability-oriented strategy is reflected in an increase in EBIT margin by 6.4 percentage points (from 5.4 percent to 11.8 percent). The level of performance now being reached is significantly above the industry average. "The continuous growth in profitability is clear evidence of the success of our strategy. The orientation of the Bossard Group toward high-end products and services is clearly paying off," stressed CEO David Dean.

This increased performance has been sustained over the last year mainly by the Asian business. In Europe, Bossard managed to keep the margins stable despite the noticeably challenging market conditions. However, the decline in sales in America was also associated with pressure on margins.

## **Increased net income – higher tax burden**

The altogether pleasing development of the Bossard Group is reflected in a 2 percent increase in net income to CHF 57.1 million. The lower growth in profit compared to operating earnings is attributable to the tax burden, which increased from CHF 9.7 million to CHF 12.5 million in the previous year. It is worth noting that, in the previous year, Bossard was able to benefit from the use of losses carried forward. Nevertheless, the return on sales remained with 9.2 percent at a high level.

With regard to dividends, Bossard adheres to the proven distribution policy, according to which 40 percent of the Group's net income is distributed on to the shareholders. The Board of Directors will therefore propose the Annual General Meeting of Shareholders for FY2014 to pay a dividend of CHF 3 for registered A shares split in the ratio 1:2 since April 2014 (previous year: CHF 3). The dividend is to be paid from capital contribution reserves.

## BALANCE SHEET

in CHF million	2014	2013	+/-
Current assets	325.1	289.1	
Long-term assets	109.3	97.9	
<b>Total assets</b>	<b>434.4</b>	<b>387.0</b>	
Liabilities	223.8	219.7	
Shareholders' equity	210.6	167.3	
<b>Total liabilities and equity</b>	<b>434.4</b>	<b>387.0</b>	<b>12.2%</b>
NWC in % of net sales	39.2%	34.9%	
Equity ratio	48.5%	43.2%	
Gearing (debt/equity)	0.6	0.8	
Net debt CHF million	97.9	101.2	

### Solid balance sheet ratios

The balance sheet ratios improved yet again in FY2014 and reflect the Bossard Group's robust financing policy. The equity ratio grew from 43.2 percent to 48.5 percent and by the end of the year was significantly higher than the long-term target of 40 percent. The net debt also moved in the desired direction: it fell from CHF 101.2 million to CHF 97.9 million, after reaching a high of CHF 202.2 million at the end of 2012 as a direct result of the acquisition of KVT-Fastening.

### Cautiously optimistic outlook

As a result of business growth in the last few months and the overall promising development work in various countries, the Bossard Group is expecting a further growth in sales for FY2015 – always provided there is no fundamental change in the underlying macroeconomic and geopolitical conditions. This cautious optimism is derived not least from leading indicators such as the purchasing manager indices, which are developing positively in the markets relevant to Bossard. Even the weakening of the Euro compared to the US dollar is likely to improve the competitiveness of European exporters and can therefore help to ensure increased demand in Europe. The impact of the strong Swiss franc on Bossard customers in Switzerland cannot be accurately assessed for the time being. "Overall we are expecting a slight growth in local currency in Europe. In America, despite the low demand from one major customer, we are seeing an upward trend among our other customers," explains CEO David Dean. In particular, the cooperation with the US electric vehicle manufacturer will help with this. The acquisition of

Aero-Space Southwest, which was concluded in January 2015, will also have a positive effect. A consistently encouraging increase in demand for Bossard products and services is also assumed in the Asian markets. Despite the anticipated positive business growth in the foreign markets, the substantial strengthening of the Swiss franc will leave its mark on the consolidated financial statement. Nevertheless, Bossard is aiming for sales growth of 13-16 percent in local currency in 2015.

## Further information

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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 over 800,000 items in its comprehensive product range, technical consulting (engineering) and warehouse management (logistics), Bossard has positioned itself as an end-to-end supplier and partner in industry.

Bossard's customers include local and international industrial companies who use Bossard solutions to improve their productivity. With more than 2,000 employees in over 60 locations throughout the world, the Group earned CHF 618 million in sales in 2014. Bossard is listed on the SIX Swiss Exchange.

## HISTORIC KEY FIGURES

In CHF 1,000	2014	+/- in %	2013	2012	2011
Gross sales	621,295	1.9%	609,714	487,094	473,484
Net sales	617,764	2.0%	605,716	485,224	471,643
EBIT	72,803	4.3%	69,783	48,373	51,277
in % of net sales	11.8		11.5	10.0	10.9
Net income	57,128	2.0%	56,001	43,505	45,621
in % of net sales	9.2		9.2	9.0	9.7
Cash flow 1)	69,577	1.8%	68,316	53,952	55,457
Capital expenditures	11,536	-22.6%	14,901	24,983	19,986
Net debt	97,875	-3.3%	101,163	202,185	29,607
Shareholders' equity	210,603	25.9%	167,298	51,861	207,073
in % of total assets	48.5		43.2	13.8	62.6
Total assets	434,380	12.3%	386,951	376,217	330,822
Number of employees at year end	1,926	4.6%	1,842	1,812	1,595

1) Net income + depreciation and amortization