



Semi-Annual Report 2022



SHORT PROFILE

Proven Productivity

Bossard's global team is fully committed to Proven Productivity. Together we create sustainable values for our customers.

The Bossard Group is a leading strategic partner for industrial fastening and assembly technology solutions to OEM customers globally with proven expertise in engineering and logistic services.

Bossard was founded in Zug in 1831. Today local and multinational companies count on Bossard's expertise to increase their productivity – with success. Bossard calls this concept, which is also a promise to its customers Proven Productivity. This includes, among other things, optimizing processes and reducing inventories to increase the efficiency and productivity sustainably. In addition, Bossard is considered a pioneer in developing intelligent production facilities in line with Industry 4.0.

With over 2,700 employees at 84 locations in 32 countries throughout the world, the Bossard Group generated CHF 995.1 million in sales in the financial year 2021. Bossard is listed on the SIX Swiss Exchange.



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AT A GLANCE

Key figures

in CHF million	First 6 months 2022	First 6 months 2021	Year 2021
Net sales	586.0	494.8	995.1
Gross profit	184.8	159.8	317.1
EBIT	77.2	67.2	123.3
in % of net sales	13.2	13.6	12.4
Net income	59.9	52.6	98.0
in % of net sales	10.2	10.6	9.8
Cashflow from operating activities	-15.6	46.6	65.9
Current assets	688.9	551.5	563.5
Non-current assets	216.5	191.0	209.3
Current liabilities	296.3	240.8	240.4
Non-current liabilities	239.5	148.1	182.9
Shareholders' equity	369.6	353.6	349.5
in % of total assets	40.8	47.6	45.2
Total assets	905.4	742.5	772.8
Net debt	292.5	152.6	217.2
Weighted average number of employees ¹⁾	2,737	2,459	2,516
Share capital ²⁾			
Number of shares entitled to dividend			
Registered A shares at CHF 5 par	6,345,824	6,336,940	6,343,138
Registered B shares at CHF 1 par	6,750,000	6,750,000	6,750,000
Registered A shares equivalents, entitled to dividend	7,695,824	7,686,940	7,699,096

	First 6 months 2022	First 6 months 2021	Year 2021
Market price			
Ticker symbol (BOSN)			
Closing price at end of reporting period in CHF	184.8	282.5	328.5
Registered A share high during reporting period in CHF	331.5	284.5	362.0
Registered A share low during reporting period in CHF	181.0	175.6	172.6
Key figures			
Consolidated earnings per registered A share in CHF ^{2) 3)}	15.17	13.46	12.53
Net asset value per registered A share in CHF	48.0	46.0	45.4
Price/earnings ratio (Basis 30.06./31.12.)	12.2	21.0	26.2
Price/book value per share (Basis 30.06./31.12.)	3.9	6.1	7.2

1) Period average full time equivalent

2) Basis: Annual average of share capital entitled to dividend

3) Basis: Net income of shareholders of Bossard Holding AG – First 6 months extrapolated to 12 months

REPORT TO THE SHAREHOLDERS

Continued strong growth and excellent profitability

Dear Shareholders,

A broad-based economic upturn dominated the first half of 2022 in spite of repeated lockdowns in China and geopolitical tensions in Europe. Bossard reached new records in sales as well as EBIT and net income. Sales in the first half of 2022 grew by 18.4 percent to CHF 586.0 million (prior year: CHF 494.8 million). Organic growth amounted to 14.3 percent. All three market regions contributed to this significant growth with double-digit growth rates. EBIT increased by 14.9 percent to CHF 77.2 million (prior year: CHF 67.2 million). With 13.2 percent, the EBIT margin remained at a high level (prior year: 13.6 percent). Net income increased by 14.0 percent to CHF 59.9 million (prior year: CHF 52.6 million).

The continued dynamic growth in the first half of the year results from solid demand in all three market regions, the result of successful establishment of new customer relationships, and Bossard's sustained delivery capability. Globally, the breadth and sustainability of this success was evident especially in the focus growth industries railway and electronics as well as in the growing range of products and services in electromobility. Bossard achieved double-digit growth rates not only in all three market regions but also in most of the subsidiaries.

The major challenges on the procurement market persisted in the first half of 2022. Brisk economic activity and related high demand also led to above-average delivery

times and logistical bottlenecks, even though the second quarter showed signs of some easing.

Our success in the first half of the year was grounded in the strong commitment and flexibility of our employees, our long-standing purchasing strategy based on multiple procurement sources, as well as our generous inventory approach. This was essential particularly in the last two and a half years to ensure best-possible delivery capability to our customers.

Sustained growth in Europe

The Group posted broad-based growth in Europe in the first half of 2022. Sales increased by 12.9 percent (in local currency: +17.6 percent) to CHF 331.7 million. Organic growth in local currency amounted to 10.4 percent. This was not only the result of Bossard's consistent delivery capability but also the strong economic environment. The industrial sectors of mechanical engineering and electronics performed particularly well. The aerospace industry also maintained the above-average growth rates of the previous quarters.

Diversified growth in America

In the first half of the year, the Group recorded a broad-based, above-average rise in demand in America. Sales increased by 32.8 percent to CHF 147.1 million (in local currency: +27.8 percent). Our expertise in the electromobility sector, built up over the last several years, proved

especially successful for establishing new customer relationships. Existing customer relationships in the electronics sector were expanded considerably.

Market share gains in Asia

Sales in Asia increased by 18.7 percent (in local currency: +17.2 percent) to CHF 107.2 million. This led to double-digit growth in local currency for the seventh quarter in a row, with support from all the regional companies. In particular, the growth industries railway, electronics, and electromobility continued to perform well.

Double-digit growth in earnings

The difficult procurement market environment and the product mix resulted in a slightly lower gross profit margin of 31.5 percent in the first six months compared to 32.3 percent in the same period last year. Sales and administrative expenses increased by CHF 15.0 million from CHF 92.6 million in the prior year to CHF 107.6 million, of which CHF 4.6 million were acquisition-related. In the same period, the number of full-time equivalents grew from 2,480 to 2,771 (+11.7 percent). Thereof, 120 full-time equivalents are attributable to the acquisition of Jeveka B.V. in October 2021. In relation to sales, operating costs were slightly lower at 18.4 percent compared to the prior year. The considerable cost increase results from the Group's continued strong growth as well as the targeted investments in growth initiatives as part of Strategy 200. In spite of the higher cost basis, positive demand led to a double-digit increase in earnings. As a result, EBIT grew by 14.9 percent from CHF 67.2 million to CHF 77.2 million. The EBIT margin amounted to 13.2 percent (prior year: 13.6 percent), underscoring the Group's strong profitability in a challenging market environment. This is also evident in net income, which increased from CHF 52.6 million to CHF 59.9 million, a plus of 14.0 percent.

Solid balance sheet in spite of higher net debt

Significant growth in the first half of the year is also reflected in an increase in total assets, which grew by 21.9 percent compared to prior year. This increase derived from higher customer receivables due to increased sales as well as higher inventory. In addition to more volume, part of the increase resulted from higher freight and raw material prices as well as a targeted increase in inventory due to procurement market risks.

As a result of strong growth, investment activities, and a dividend payout of CHF 39.3 million, net debt increased by CHF 75.3 million to CHF 292.5 million in the first six months. The gearing – the ratio of net debt to equity – increased from 0.4 last year to 0.8. At the end of June 2022, the equity ratio was 40.8 percent, underscoring the Group's continued solid financial position.

Driven by the significant rise in net working capital, cash flow from operating activities turned negative to CHF –15.6 million. Cash flow from investing activities totaled CHF –20.4 million compared to CHF –11.4 million in the prior year. Higher investments compared to previous year were related, among other things, to our infrastructure expansion in France and Taiwan as well as invest-

ments in the Group's new digital platform. Overall, the first half of 2022 closed with a negative free cash flow of CHF –36.0 million (prior year: CHF 35.3 million).

Focus on Proven Productivity

Our Proven Productivity approach to significantly cut overall customer costs for C-parts management and assembly has increasingly come into focus in a market characterized by above-average labor costs and price increases. The Group successfully supported customer projects focused on space- and cost-saving automation solutions. The number of installed smart devices increased by over 8 percent compared to the prior year.

New digital platform – successful rollout

Bossard's goal is to boost the overall efficiency of the Group. To achieve this, a Group-wide digital platform is being rolled out gradually over several years. In June, the rollout of the new system was successfully completed in the first regional subsidiaries Denmark and Sweden, laying the foundation for further rollouts.

Outlook

Owing to the uncertain economic environment, the volatile situation on the procurement market, and the unpredictable course of geopolitical tensions in Europe, the outlook for the overall year remains marked by uncertainty and risk. Nonetheless, Bossard expects demand to develop positively in the second half of 2022. This expectation is based on our customers' full order books along with further gains in market share in the growth industries as well as the continued high delivery capability. In the medium term, after a phase of increased investments, Bossard is targeting an average organic growth rate of over 5 percent and an EBIT margin of 12 to 15 percent. The Group will continue to rely on a strong balance sheet with an equity ratio of at least 40 percent and a dividend payout ratio of 40 percent of net income.



Dr. Thomas Schmuckli
Chair of the board
of directors



Dr. Daniel Bossard
CEO

Zug, July 21, 2022

BOSSARD GROUP

Consolidated balance sheet

in CHF 1,000	30.06.2022	30.06.2021	31.12.2021
Assets			
Current assets			
Cash and cash equivalents	39,549	66,104	34,108
Accounts receivable, trade	218,878	183,614	174,524
Other receivables	6,609	4,965	5,717
Prepaid expenses	18,438	15,196	10,812
Inventories	405,448	281,624	338,296
	688,922	551,503	563,457
Non-current assets			
Property, plant and equipment	141,845	130,783	141,129
Intangible assets	44,914	33,810	39,613
Financial assets	8,214	4,595	7,671
Deferred tax assets	21,490	21,774	20,906
	216,463	190,962	209,319
Total assets	905,385	742,465	772,776

in CHF 1,000	30.06.2022	30.06.2021	31.12.2021
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable, trade	97,279	70,140	77,200
Other liabilities	12,616	27,469	19,007
Accrued expenses	59,971	44,673	45,436
Tax liabilities	12,015	9,617	11,391
Provisions	1,292	1,464	789
Short-term debts	113,071	87,421	86,554
	296,244	240,784	240,377
Non-current liabilities			
Long-term debts	219,006	131,276	164,776
Provisions	9,659	7,688	7,388
Deferred tax liabilities	10,841	9,128	10,687
	239,506	148,092	182,851
Total liabilities	535,750	388,876	423,228
Shareholders' equity			
Share capital	40,000	40,000	40,000
Treasury shares	-4,054	-2,640	-4,242
Capital reserves	74,522	74,052	75,165
Retained earnings	253,446	238,288	234,332
	363,914	349,700	345,255
Non-controlling interest	5,721	3,889	4,293
Total shareholders' equity	369,635	353,589	349,548
Total liabilities and shareholders' equity	905,385	742,465	772,776

BOSSARD GROUP

Consolidated income statement

in CHF 1,000	First 6 months 2022	First 6 months 2021
Net sales	586,032	494,786
Cost of goods sold	-401,213	-334,981
Gross profit	184,819	159,805
Selling expenses	-68,271	-62,818
Administrative expenses	-39,301	-29,757
EBIT	77,247	67,230
Share of result from associated companies	-558	-390
Financial result	-2,285	-987
Income before taxes	74,404	65,853
Income taxes	-14,497	-13,285
Net income	59,907	52,568
Attributable to:		
Shareholders of Bossard Holding AG	58,359	51,721
Non-controlling interest	1,548	847
in CHF	2022	2021
Earnings per registered A share ¹⁾	15.17	13.46
Earnings per registered B share ¹⁾	3.03	2.69

1) Earnings per share, extrapolated to 12 months, is based on the net income of shareholders of Bossard Holding AG and the number of shares entitled to dividend. There is no dilution effect.

BOSSARD GROUP

Consolidated statement of changes in equity

in CHF 1,000	Issued share capital	Treasury shares	Capital reserves	Retained earnings			Shareholders' Bossard	Non-controlling interest	Shareholders' equity
				Retained earnings	Goodwill offset	Translation differences			
Balance at January 1, 2021	40,000	-3,171	72,860	666,714	-350,536	-105,912	319,955	2,385	322,340
Dividend				-33,866			-33,866		-33,866
Net income for the period				51,721			51,721	847	52,568
Management participation plan			601				601		601
Change in treasury shares		531	591				1,122		1,122
Offset goodwill from acquisitions					171		171		171
Non-controlling interest from acquisitions				-1,111			-1,111	636	-475
Translation differences						11,107	11,107	21	11,128
Balance at June 30, 2021	40,000	-2,640	74,052	683,458	-350,365	-94,805	349,700	3,889	353,589
Balance at January 1, 2022	40,000	-4,242	75,165	728,111	-385,313	-108,466	345,255	4,293	349,548
Dividend				-39,264			-39,264	-93	-39,357
Net income for the period				58,359			58,359	1,548	59,907
Management participation plan			621				621		621
Change in treasury shares		188	-1,264				-1,076		-1,076
Translation differences						19	19	-27	-8
Balance at June 30, 2022	40,000	-4,054	74,522	747,206	-385,313	-108,447	363,914	5,721	369,635

BOSSARD GROUP

Consolidated cash flow statement

in CHF 1,000	First 6 months 2022	First 6 months 2021
Net income	59,907	52,568
Share of result from associated companies	558	390
Income taxes	14,497	13,285
Financial result	2,285	987
Depreciation and amortization	11,433	11,147
Increase/(Decrease) provisions	2,971	-1,136
Gain from disposals of property, plant and equipment	-296	-73
Interest received	126	316
Interest paid	-1,735	-1,575
Taxes paid	-14,351	-12,061
Increase management participation plan (part of equity)	621	601
Other non-cash expenses	1,379	927
Cash flow from operating activities before changes in net working capital	77,395	65,376
Increase accounts receivable, trade	-45,528	-34,149
Increase other current assets	-8,606	-4,314
Increase inventories	-67,060	-23,611
Increase accounts payable, trade	20,028	18,742
Increase other non-interest bearing liabilities	8,130	24,585
Cash flow from operating activities	-15,641	46,629

in CHF 1,000	First 6 months 2022	First 6 months 2021
Investments in property, plant and equipment	-11,656	-8,291
Proceeds from sales of property, plant and equipment	1,106	621
Investments in intangible assets	-8,695	-4,182
Investments in financial assets	-1,247	-644
Divestments of financial assets	125	1,126
Cash flow from investing activities	-20,367	-11,370
Proceeds of short-term debts	26,783	19,665
Proceeds of long-term debts	54,416	2,493
Purchase/Sale of treasury shares	188	531
Dividends paid to shareholders	-39,264	-33,866
Dividends paid to non-controlling interest	-93	-
Cash flow from financing activities	42,030	-11,177
Translation differences	-581	1,346
Change in cash and cash equivalents	5,441	25,428
Cash and cash equivalents at January 1	34,108	40,676
Cash and cash equivalents at June 30	39,549	66,104

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Scope of operations

Bossard Holding AG, Zug, Switzerland, a limited company subject to Swiss law, is the parent company of all entities within the Bossard Group (hereinafter Bossard or Group). Bossard is a leading distributor of fasteners of every kind and a provider of related engineering and logistics services. The Group operates in three geographic regions, Europe, America and Asia, and is one of the market leaders in its sector of industry.

Accounting principles of the consolidated financial statements

These unaudited consolidated interim financial statements for the first six months of 2022 were prepared in accordance with Swiss GAAP FER and in compliance with Swiss GAAP FER 31. They do not include all of the information and disclosures required for full annual financial statements and should be read in conjunction with the audited annual report 2021. These consolidated interim financial statements have been prepared using the same accounting policies and valuation principles as applied in the consolidated financial statements as of December 31, 2021.

Accounting estimates and assumptions

The estimates and assumptions made by the board of directors and executive committee in the consolidated interim financial statements have not changed significantly compared with the consolidated financial statements 2021.

1. Segment information

The Group and all its regional companies are operating internationally in the field of industrial fastening technology. There are no separate segments as per Swiss GAAP FER 31. All the regional companies are managed based on a uniform business strategy. The core of Bossard's strategy is a uniform business model with the same customer and product focus in the world's major industrial regions. Bossard supplies industrial companies at their worldwide production sites with fastening technology products and related services based on uniform quality standards using uniform operational systems and processes. The board of directors and executive committee manage the Group on the basis of the financial statements of the individual regional companies and the Group's consolidated financial statement. Based on the number of regional companies, the CEO delegates the monitoring of the goals and their implementation in daily operations to the remaining members of the executive committee, each of whom is responsible for a different number of companies in the various regions.

2. Sales by regions

in CHF million first 6 months	Europe		America		Asia		Group	
	2022	2021	2022	2021	2022	2021	2022	2021
Sales	333.8	294.6	147.3	111.3	107.7	90.6	588.8	496.5
Sales deductions	-2.1	-0.9	-0.2	-0.5	-0.5	-0.3	-2.8	-1.7
Net sales	331.7	293.7	147.1	110.8	107.2	90.3	586.0	494.8

3. Acquisitions and disposals of subsidiaries and businesses

Acquisitions 2022

No subsidiaries or associated companies were acquired.

Disposals 2022

No subsidiaries or associated companies were disposed of.

Other changes in the scope of consolidation 2022

In the first half of 2022, the scope of consolidation changed as follows:

- Bossard Deutschland GmbH, Germany (merger with KVT-Fastening GmbH, Germany)
- Boysen Verwaltungs GmbH, Germany (merger with Bossard-KVT Beteiligungs GmbH, Germany)

Acquisitions 2021

The following table shows the acquired assets and liabilities at their market value at the acquisition date and the resulting goodwill.

in CHF 1,000	Market value at acquisition date
Cash and cash equivalents	1,001
Accounts receivable, trade	5,687
Inventories	8,337
Other current assets	1,479
Non-current assets	9,824
Accounts payable, trade	-1,340
Other current liabilities	-2,220
Non-current liabilities	-605
Net assets acquired	22,163
Goodwill	37,978
Total	60,141
Less acquired cash and cash equivalents	-1,001
Cash flow from acquisitions	59,140

In 2021, the following companies were acquired:

- Normscrews Beheer B.V., Netherlands (October 2021)
- Jeveka B.V., Netherlands (October 2021)

In March and August 2021, purchase price adjustments were made for transactions from 2019 in China and Germany. These adjustments resulted in a cumulative reduction of goodwill by CHF 0.3 million.

Disposals 2021

In October 2021, business and asset components from KVT-Fastening, Branch of Bossard AG, Switzerland, were sold cash neutral as part of an asset deal.

Other changes in the scope of consolidation 2021

In 2021, the scope of consolidation changed as follows:

- Effilio AG, Switzerland (merger with Bossard Finance AG, Switzerland)

4. Exchange rates

The following principal exchange rates were applied:

	30.06.2022 Exchange rate	01.01.2022– 30.06.2022 Average exchange rate	31.12.2021 Exchange rate	30.06.2021 Exchange rate	01.01.2021– 30.06.2021 Average exchange rate
1 EUR	1.00	1.03	1.04	1.10	1.09
1 USD	0.96	0.94	0.91	0.92	0.91
100 DKK	13.46	13.87	13.93	14.74	14.71
100 RMB	14.29	14.57	14.30	14.31	14.03
100 INR	1.21	1.24	1.23	1.24	1.24

5. Events occurring after balance sheet date

Since June 30, 2022, no major events occurred which would require additional disclosures or changes in the Semi-Annual Report 2022.

IMPRINT & FINANCIAL CALENDAR

Imprint

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The Semi-Annual Report 2022 is available on www.bossard.com > About us > Investor Relations. This report is unaudited and prepared in accordance with Swiss GAAP FER 31.

The Semi-Annual Report contains forecasts. They reflect the company's present assessment of market conditions and future events and are thus subject to certain risks, uncertainties and assumptions. Through unforeseeable events the actual results could deviate from the forecasts made and the information published in this report. Thus all the forecasts made in this report are subject to this reservation.

This Semi-Annual Report 2022 is also available in German. The German version is binding.

Publication of sales results, 3rd quarter 2022

October 12, 2022

Publication of sales results 2022

January 12, 2023

Meeting for financial analysts & media conference

March 1, 2023

Publication of Annual Report 2022

March 1, 2023

Annual general meeting

April 17, 2023

Publication of sales results, 1st quarter 2023

April 17, 2023