

Welcome!

Bossard Group – Semi-Annual Results 2024

Agenda

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- 02** Financial Review
- 03** Strategy 200 Progress
- 04** Focus & Outlook 2024

Highlights 2024

Highlights H1 2024

- Satisfactory H1 2024 result in a challenging environment
- Signs of demand stabilization toward the end of the reporting period
- New opportunities and customers in the electronics, semiconductor and aerospace industries
- Strong growth in India (“Make in India”)
- Higher gross profit margin and lower cost base helped to support profitability
- New digital platform – rollout in France and South Africa successfully completed
- Acquisition of Dejong Fastening NV in Belgium

Acquisition of Dejong Fastening NV, Belgium

- Manufacturing (Blind Rivet Nuts) & fastener Distribution
- 70 employees, EUR 15 Mio. annual sales
- Customers base: EV, automotive, batteries, solar panels, railway, aerospace
- Strengthening market presence in Europe

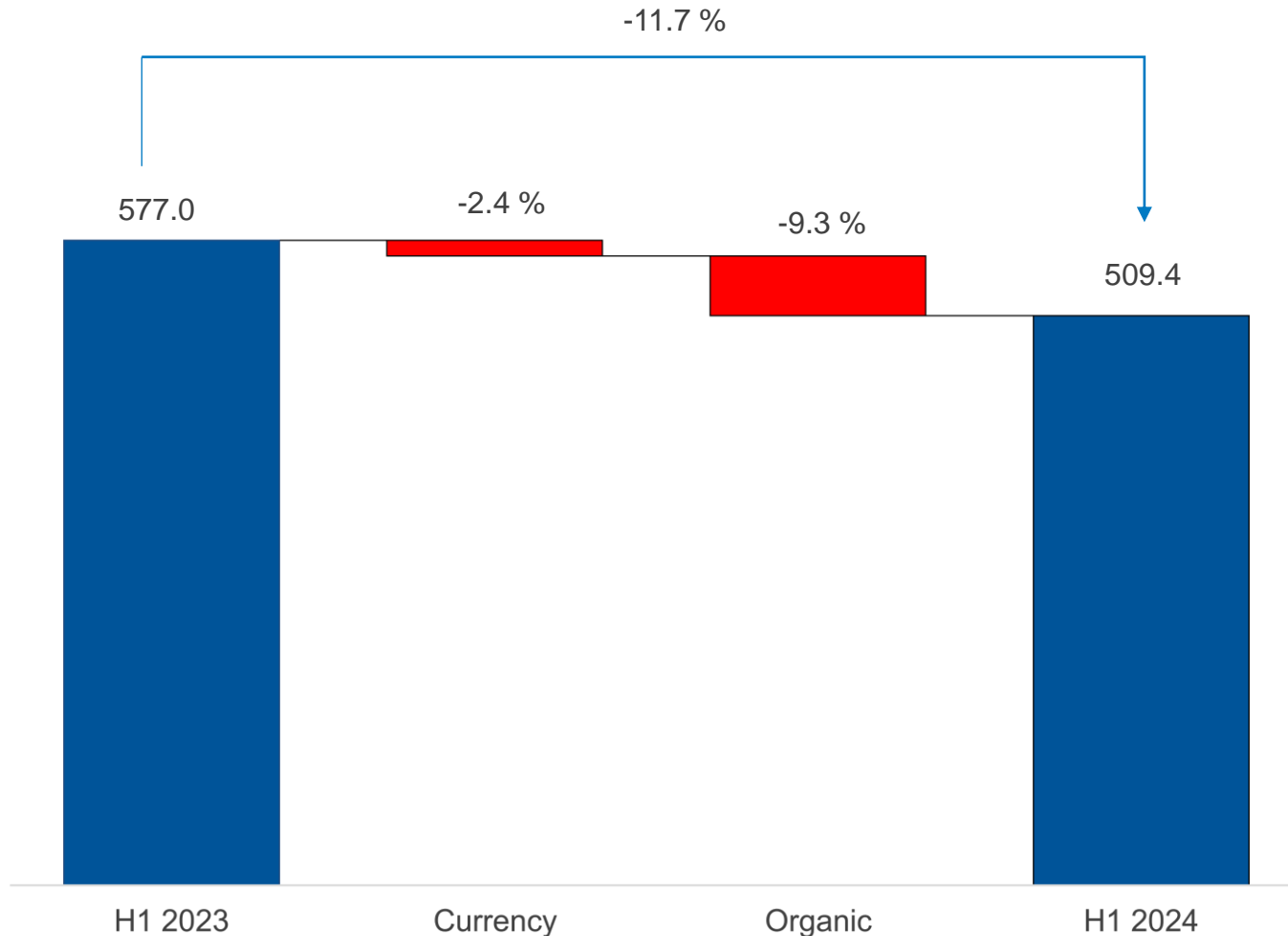


Financial Review

NET SALES

June YTD 2024

in CHF million



- Currency impact continued due to the appreciation of the Swiss franc, although it leveled off over the course of the first half of the year
- Gratifying growth rates in the railway industry
- Demand for Smart Factory solutions carried on
- Continued demand normalization in sectors that benefited from the pandemic
- Weaker customer demand due to the economic situation
- Sales development – signs of stabilization in the second quarter

Income Statement as per June 30, 2024

in CHF million

	H1 2023	H1 2024	+/-
Net sales	577.0	509.4	-11.7 %
Gross profit	184.4	169.5	-8.1 %
<i>in %</i>	<i>32.0 %</i>	<i>33.3 %</i>	
Selling expenses	-73.4	-72.4	-1.4 %
Administration expenses	-41.4	-39.0	-5.8 %
EBIT	69.6	58.1	-16.5 %
<i>in %</i>	<i>12.1 %</i>	<i>11.4 %</i>	
Result from associated companies	-0.5	0.0	
Financial result	-5.6	-3.1	
Income before taxes	63.5	55.0	-13.4 %
Taxes	-13.6	-12.6	-7.4 %
Net income	49.9	42.4	-15.0 %
<i>in %</i>	<i>8.6 %</i>	<i>8.3 %</i>	

- Higher gross profit margin due to well-maintained price levels, regional and product mix and cost savings
- Reduced cost levels due to:
 - decrease in FTE's
 - lower travel and marketing activities
 - lesser commercial support
- Financial result
 - lesser interest expenses due to lower debts and positive currency impact

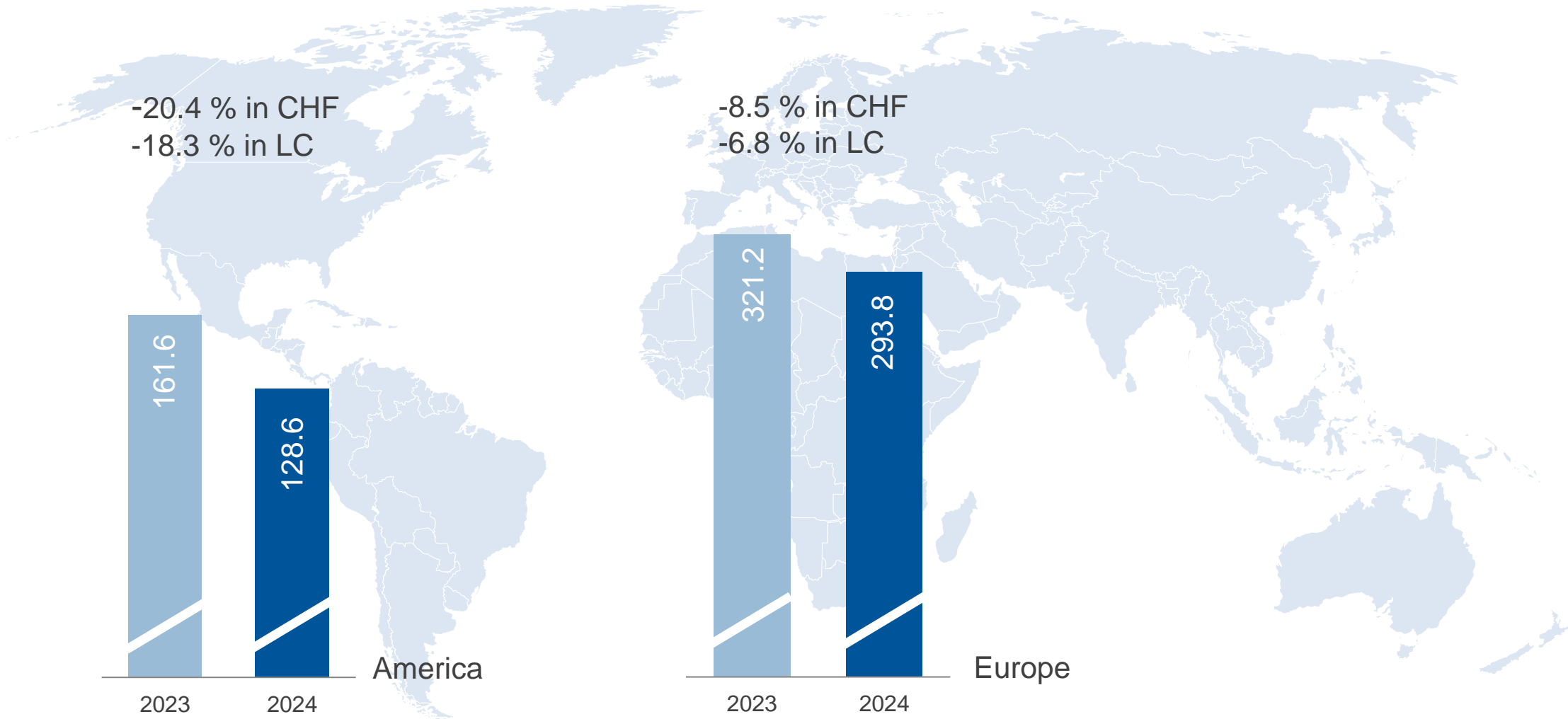
NET SALES DEVELOPMENT
June 2024 YTD

in CHF million



NET SALES DEVELOPMENT
June 2024 YTD

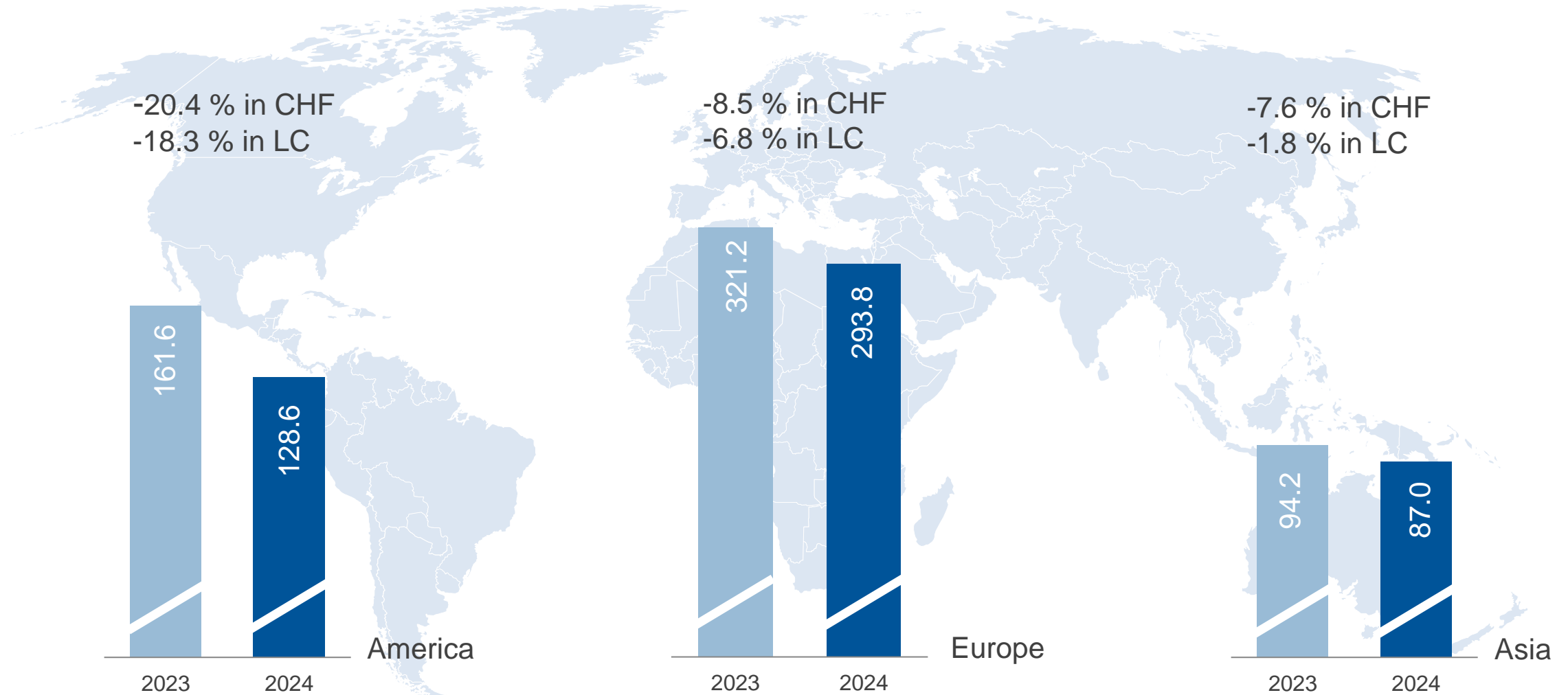
in CHF million



NET SALES DEVELOPMENT

June 2024 YTD

in CHF million

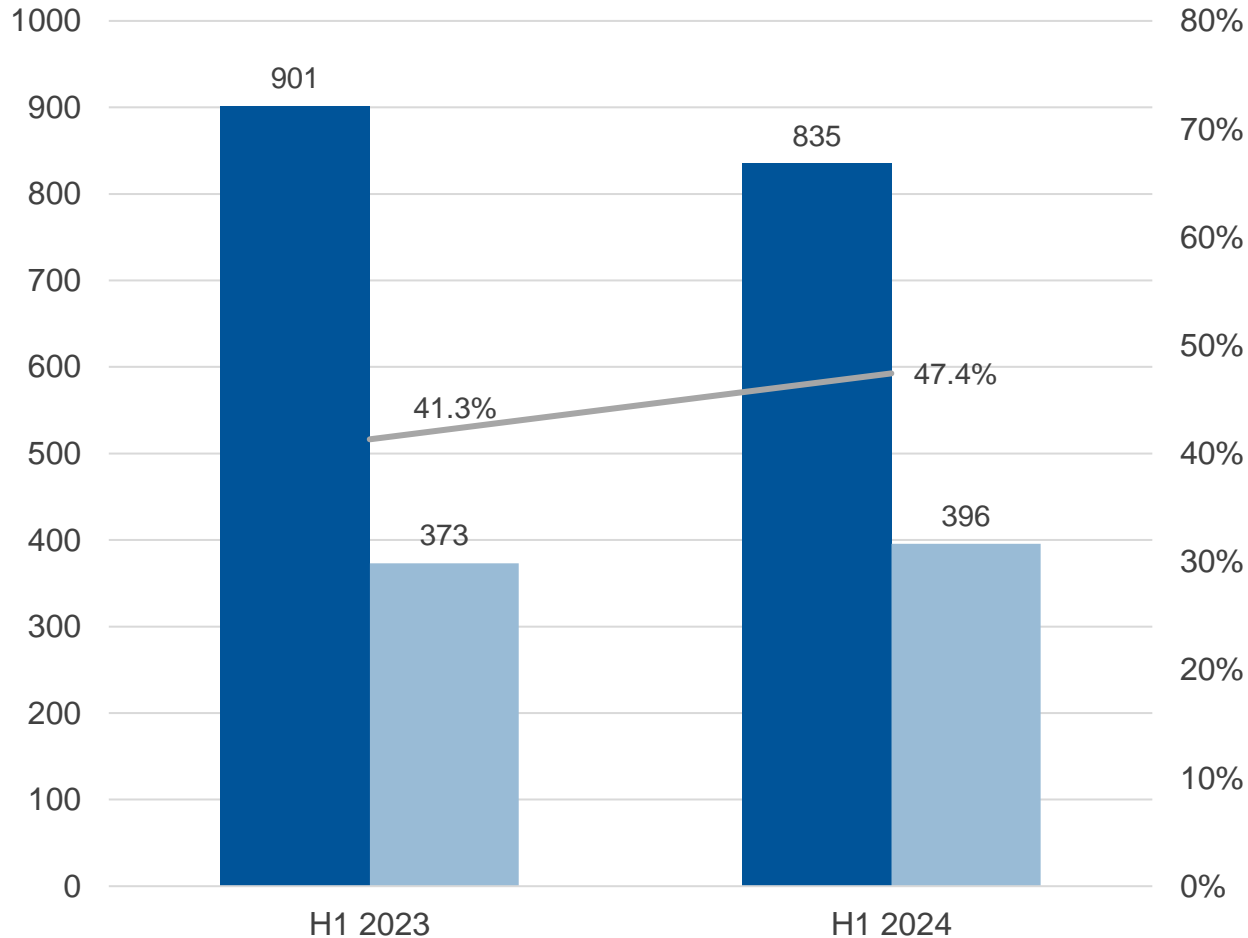


SOLID BALANCE SHEET

As per June 30

in CHF million

Equity ratio



- Total assets continued to decrease due to the normalization of the supply chain and lower demand momentum
- Continued solid balance sheet. Equity ratio beyond the target of 40 percent

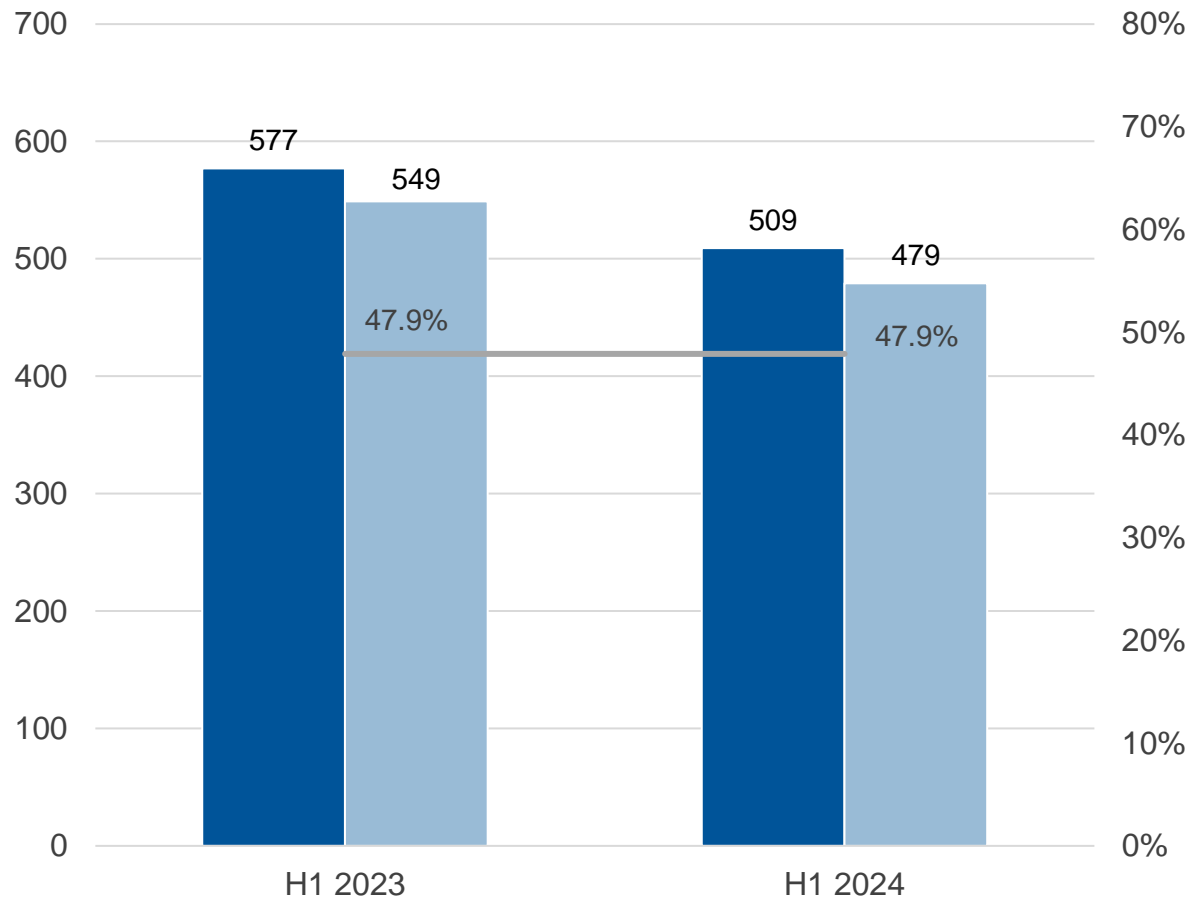
■ Total assets
■ Shareholders' equity
— Equity Ratio in % of total assets

OPERATING NET WORKING CAPITAL

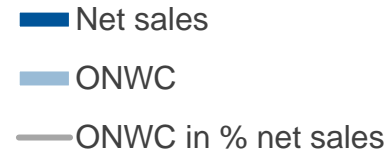
As per June 30

in CHF million

ONWC



- YOY decrease in total operating net working capital though in relation to sales capital intensity remained at prior year's level

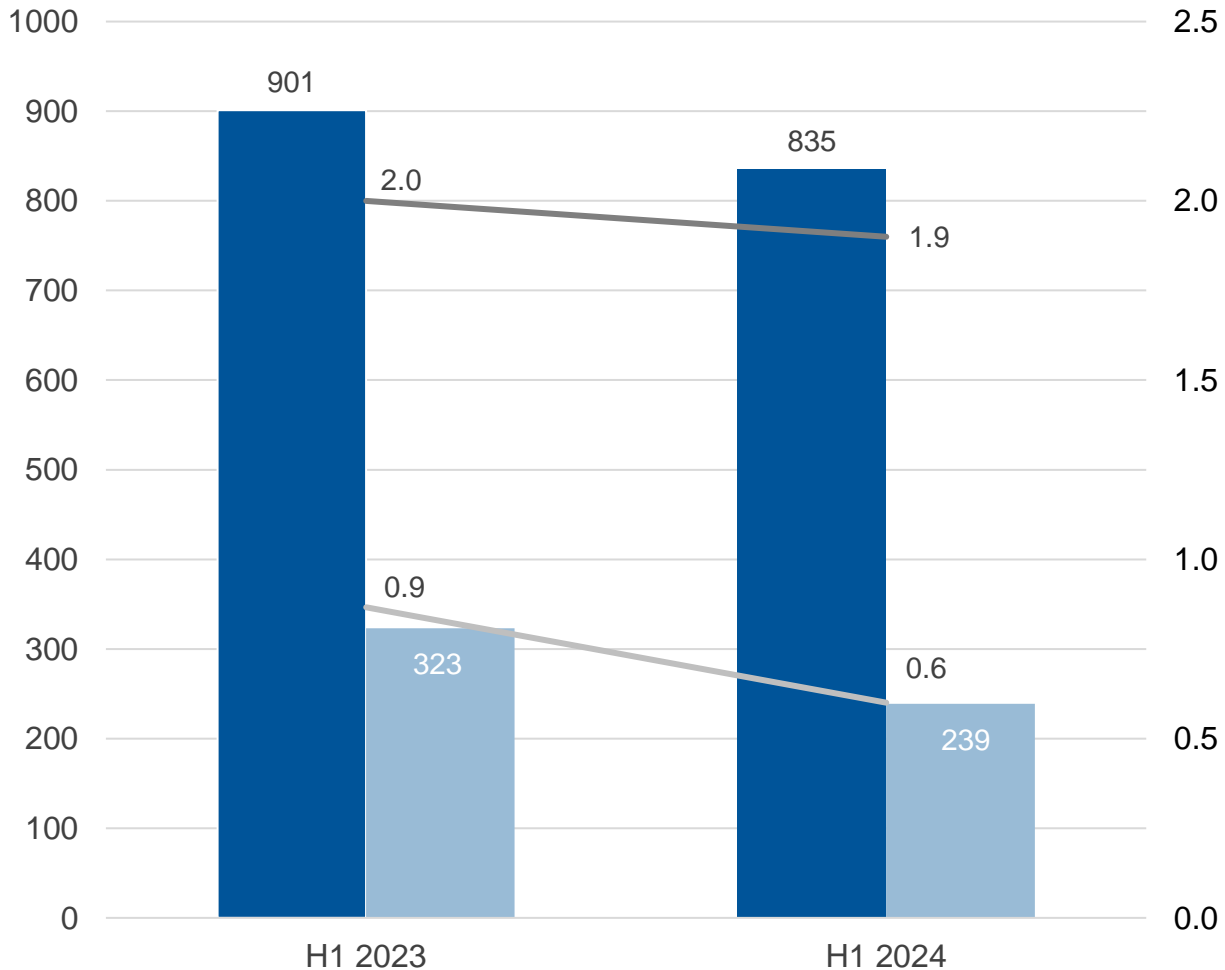


SOLID BALANCE SHEET RATIOS

As per June 30

in CHF million

Gearing / Debt/EBITDA



- Decrease in net debt mainly due to:
 - lower operating net working capital
 - lower dividend payout in 2024 in comparison to 2023
 - continued solid profitability
- Balance sheet ratios within the long-term funding ratios
 - Gearing <1.3x
 - Debt/EBITDA <2.0x

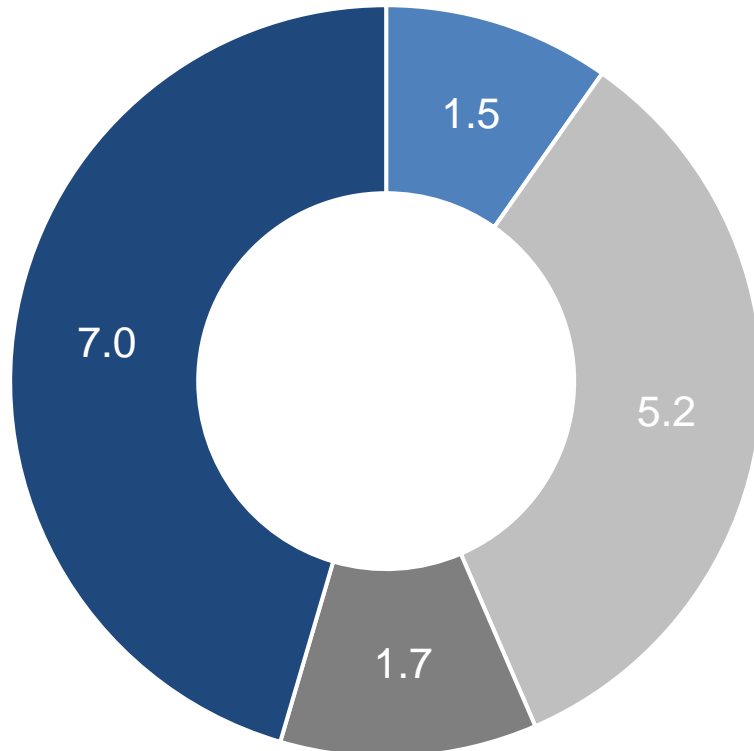
■ Total assets
■ Net debt
— Gearing
— Debt/EBITDA

CAPITAL EXPENDITURES

June 2024 YTD

in CHF million

Total Capex:
15.4 CHF million



- Land, buildings
- Tangible assets
- Smart Devices
- Intangible assets

Land, buildings

- Office and warehouse maintenance

Tangible assets

- Replacement / expansion of warehouse equipment, machinery, office equipment and cars

Smart Devices

- Scales and electronic labels for Smart Factory installations

Intangible assets

- General IT investment / replacement
- New global enterprise resource system (ERP)

CASH FLOW STATEMENT

As per June 30

in CHF million

	Actual H1 2023	+/-	Actual H1 2024	+/- in %
Cash flow from operating activities before NWC	64.5	-9.5	55.0	-14.7 %
Change in NWC	-10.1		9.3	
Cash flow from operating activities	54.4	9.9	64.3	18.2 %
Fixed assets	-12.6		-8.4	
Intangible assets	-5.2		-7.0	
Net acquisitions	1.3		-19.6	
Other financial assets	1.7		1.6	
Cash flow from investing activities	-14.8	-18.6	-33.4	125.7 %
Free cash flow	39.6	-8.7	30.9	-22.0 %

- Stable cash flow from operating activities due solid profitability and lower inventory
- Net acquisitions related to purchase price for Dejong Fastening NV
- Overall solid free cash flow

Summary

- Profitability secured through higher gross profit margins and cost reductions
- Balance sheet strengthened by positive cash flow
- Solid balance sheet ratios maintain the ability for further investments

Strategy 200 Progress

Overview

Accelerated profitable and sustainable growth...

- ... based on our proven business model
- ... organically and through acquisitions
- ... to achieve relevant market shares in our key markets
- ... through 7 strategic initiatives

7 strategic initiatives

STRATEGIC INITIATIVES

ONE BOSSARD

TOGETHER, WE CREATE

SALES ENGINE

CUSTOMER CENTRICITY

OPERATIONS ENGINE

INNOVATION

SUSTAINABILITY / ESG

From 2020 Strategy

... to Strategy 200!

Together We Create - Efficiency in Collaboration



- Strengthening internal & external collaboration by re-inforcing our guiding principles of collaboration
- Initiatives on talent & leadership management to retain and develop talent in a scarce global market

Sales Engine - Efficiency in customer acquisition



- We focus on growth verticals ('sunrise' industries)
- Strong shift towards digital lead generation & higher conversion rates (less people, higher focus on profitable opportunities)
- We haven't lost key accounts during the recession; we are winning new opportunities... strengthening the customer base

Operations Engine - Efficiency in our operations



- We introduced MS 365 in Denmark, Sweden, Thailand, Malaysia, Singapore, France & South Africa (April 2024)
- ... next rollouts in Korea, Taiwan, Australia, USA, Canada, Mexico, Italy in 2024
- Overall spend for our new ERP system approximately CHF 70 Mio. (until 2026)

Focus & Outlook 2024

Focus 2024

- Profitable development in an uncertain and unsettled economic environment
- Cautiously optimistic based on project pipeline and focus on efficiency and productivity
- Continued focus on sunrise industries and Smart Factory solutions
- Using Artificial Intelligence (AI) for service & efficiency development
- Strategy 200 implementation – 7 key initiatives

After a phase of investments

- Sales:
Organic sales growth target of $> 5\%$
- Operating profit margin (EBIT margin):
Target range of $12\% - 15\%$
- Balance sheet:
Equity ratio $> 40\%$
- Dividend payout ratio:
 40% of net income

Thank you!

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Events and announcements

- Publication of sales results, 3rd quarter 2024 October 14, 2024
- Publication of sales results 2024 January 15, 2025
- Meeting for financial analysts & media conference February 27, 2025
- Publication of annual report 2024 February 27, 2025
- Annual general meeting April 11, 2025
- Publication of sales results, 1st quarter 2025 April 11, 2025

Link to the Bossard [Investor Manual](#)

SAFE HARBOR STATEMENT

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