



Bossard Group – Welcome!

Financial Analyst & Media Conference | February 28, 2024

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Bossard is a **strategic partner** for fastening technology and **Smart Factory solutions** to OEM customers globally

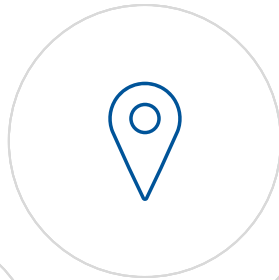


Profile - Overview

Founded 1831
Publicly listed 1987
SIX Swiss Exchange

Family Business
7th Generation

Geographic Sales Distribution
55% Europe
28% America
17% Asia/Pacific



81 Locations in
31 Countries

16
Quality and testing
laboratories globally

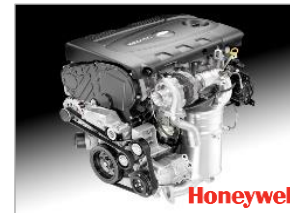
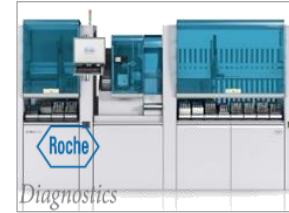
2,925
Employees

Net Sales 2023
in CHF million

1,069

BOSSARD GROUP

A selection of customers



Agenda

- 01** Key Achievements 2023
- 02** Financial Review
- 03** Strategic Services
- 04** Artificial Intelligence
- 05** Focus 2024

1 – Key Achievements 2023

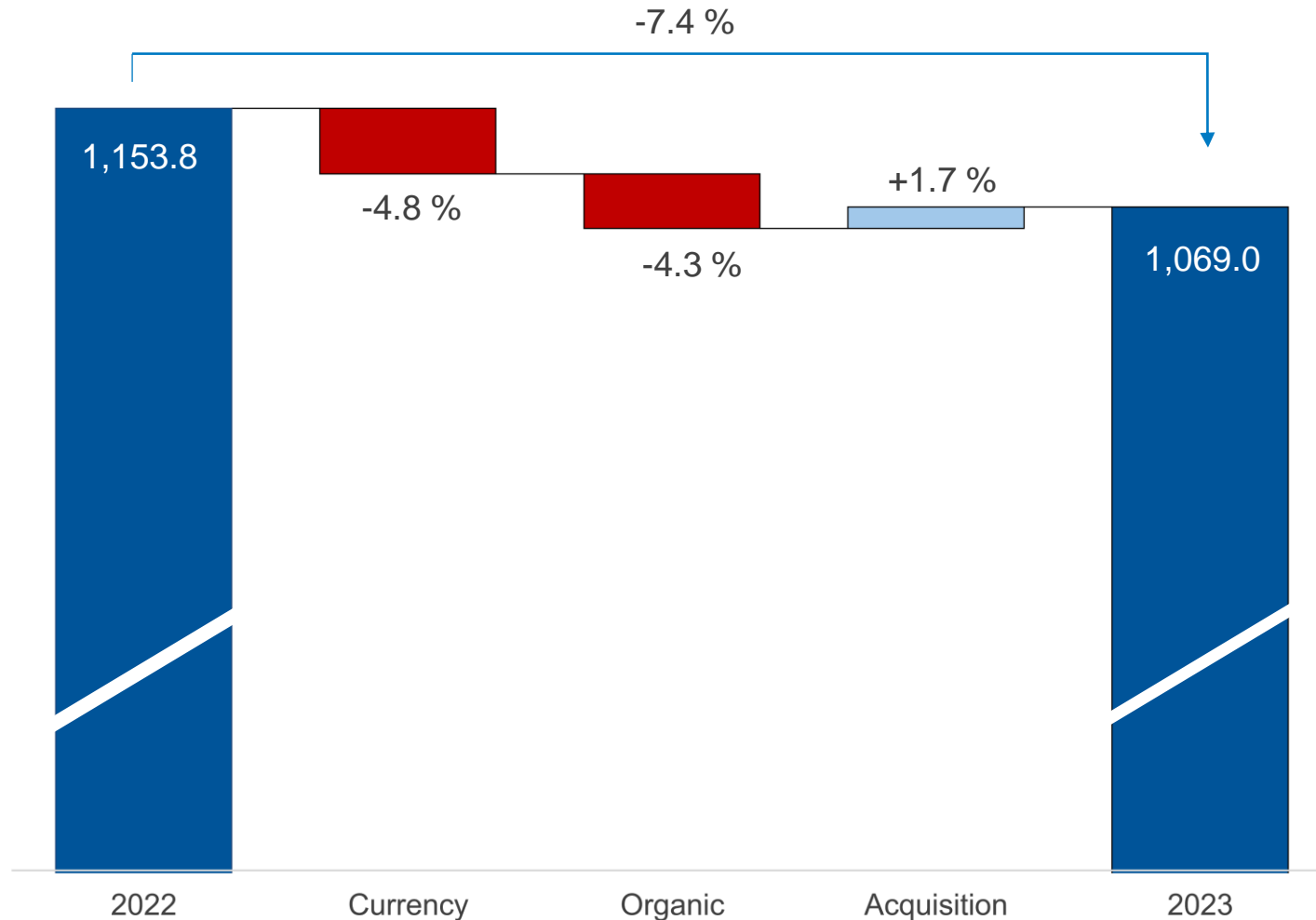
Key achievements...

- Proven resilience in a very challenging environment (recession, inflation, FX-losses)
- Focus on sunrise industries...
- ... and Smart Factory solutions paid off.
- Strategy 200 implementation:
 - Operations Engine – successful rollout of MS D365 in Singapore, Thailand and Malaysia
 - Cultural Transformation – continuation of talent & leadership development programs
 - Sustainability – setup targets & initiatives for zero-CO₂ emissions by 2040 - scope 1&2
 - Sales Engine – new, more sales focused organizations in the USA and Germany

2 – Financial Review

Weaker demand and strong Swiss franc impacting topline

in CHF million



- Marked currency impact due to appreciation of the Swiss franc
- Shorter delivery times and higher availability drives stock level normalization and impacting demand
- Demand normalization in sectors that benefited from the pandemic
- General market softening due to economic environment

Solid profitability despite challenging environment

in CHF million

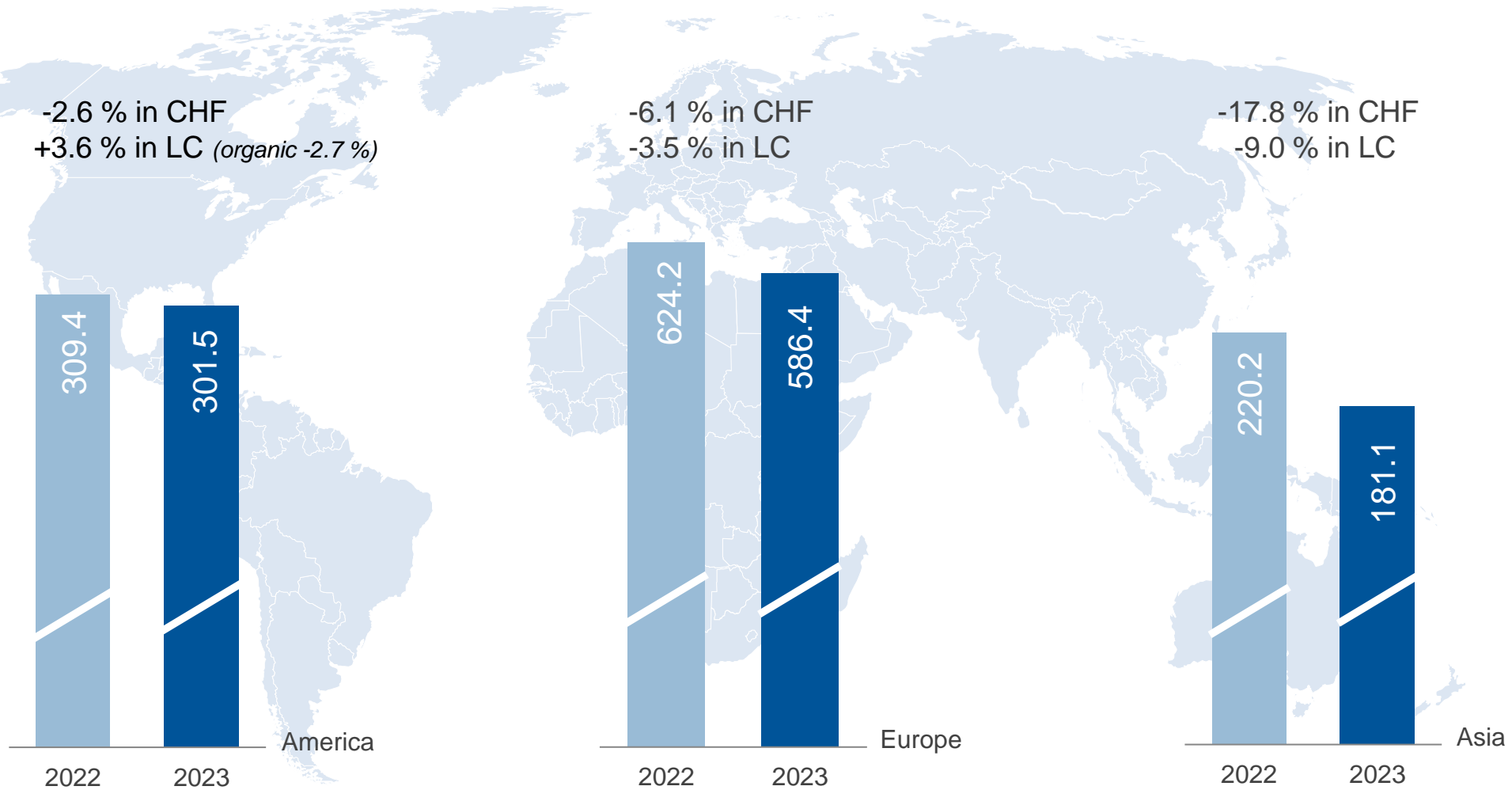
	2022	2023	+/-
Net sales	1,153.8	1,069.0	-7.4 %
Gross profit	360.1	339.2	-5.8 %
<i>in %</i>	<i>31.2 %</i>	<i>31.7 %</i>	
Selling expenses	-137.2	-144.6	5.4 %
Administration expenses	-81.4	-81.5	0.1 %
EBIT	141.5	113.1	-20.1 %
<i>in %</i>	<i>12.3 %</i>	<i>10.6 %</i>	
Result from associated companies	-0.9	-0.8	
Financial result	-5.0	-12.7	
Income before taxes	135.6	99.6	-26.5 %
Taxes	-30.0	-22.8	-24.0 %
Net income	105.6	76.8	-27.2 %
<i>in %</i>	<i>9.2 %</i>	<i>7.2 %</i>	

- Higher gross profit margin due to well maintained price levels, regional and product mix
- Higher cost due to:
 - wage and cost inflation
 - increase in FTE
 - rollout new digital platform
 - strategic initiatives
- Financial result
 - Increase due to higher negative currency impact (translation) and interest rates

NET SALES DEVELOPMENT 2023

By region

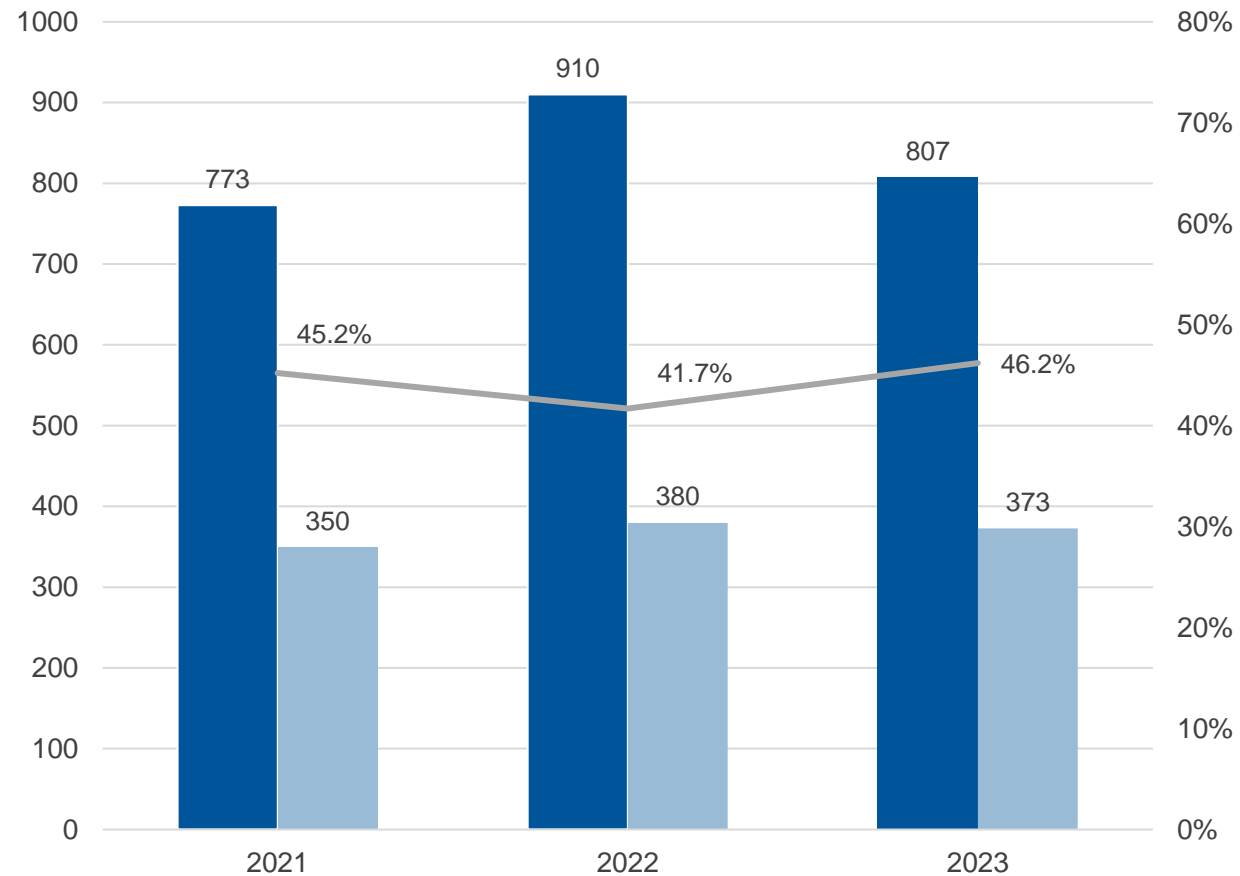
in CHF million



Demand softening mirrored in lower total assets

in CHF million

Equity ratio



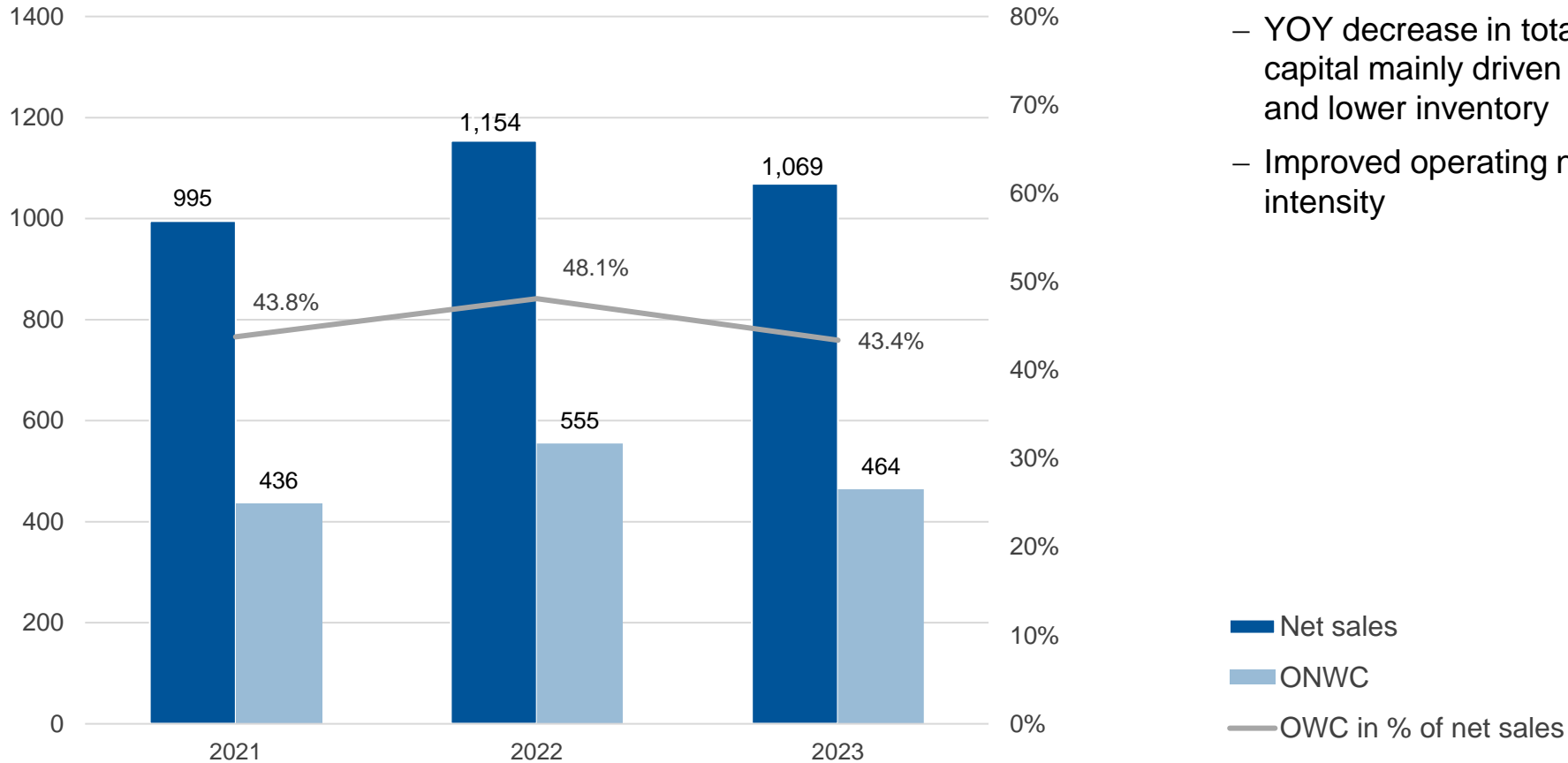
- Decrease in total assets – normalization of supply chains and slowdown in demand having positive impact on capital employed
- Continued solid balance sheet with equity ratio beyond the target of 40 percent

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

Drop in ONWC due to lower demand & normalization of supply chains

in CHF million

ONWC



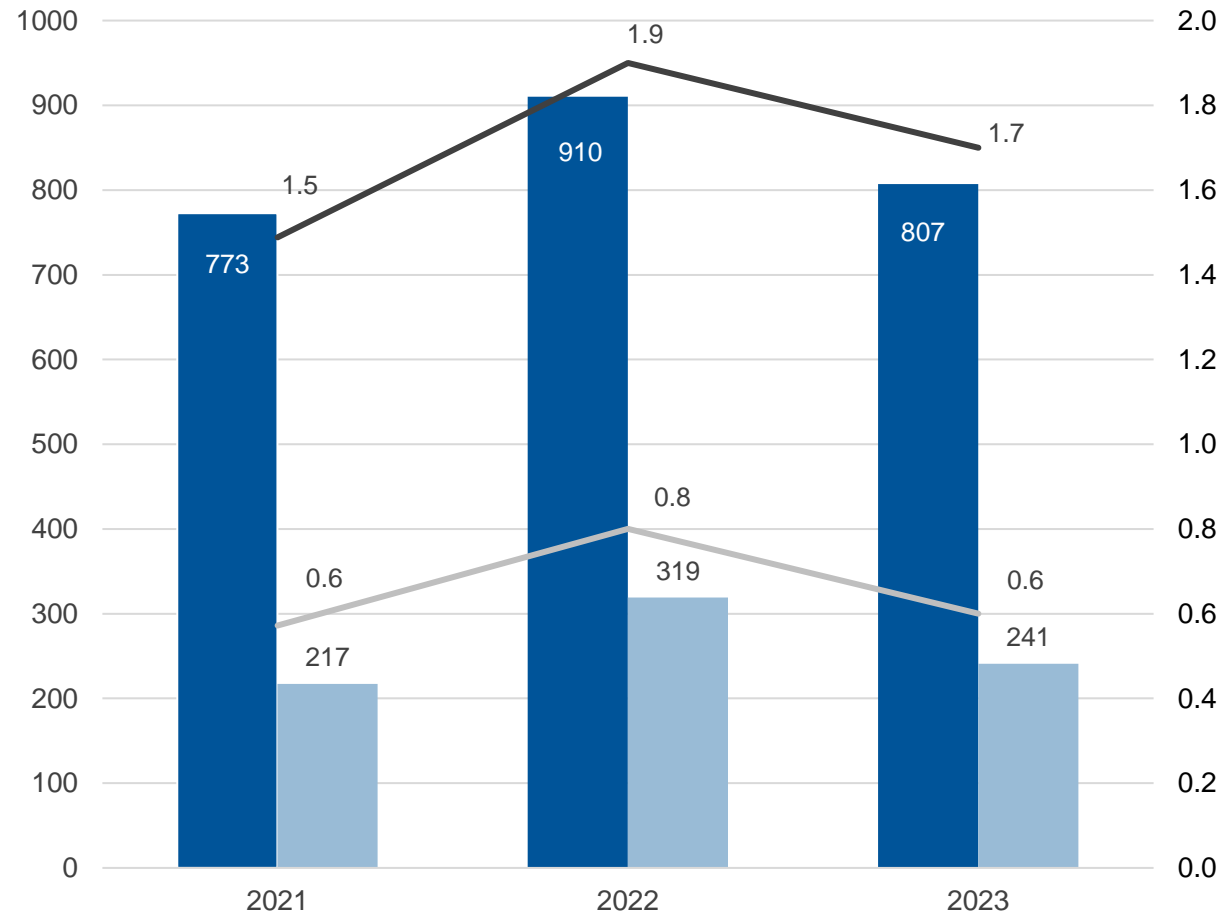
- YOY decrease in total operating net working capital mainly driven by accounts receivables and lower inventory
- Improved operating net working capital intensity

■ Net sales
■ ONWC
— OWC in % of net sales

Continued solid balance sheet ratios

in CHF million

Gearing
Net debt / EBITDA



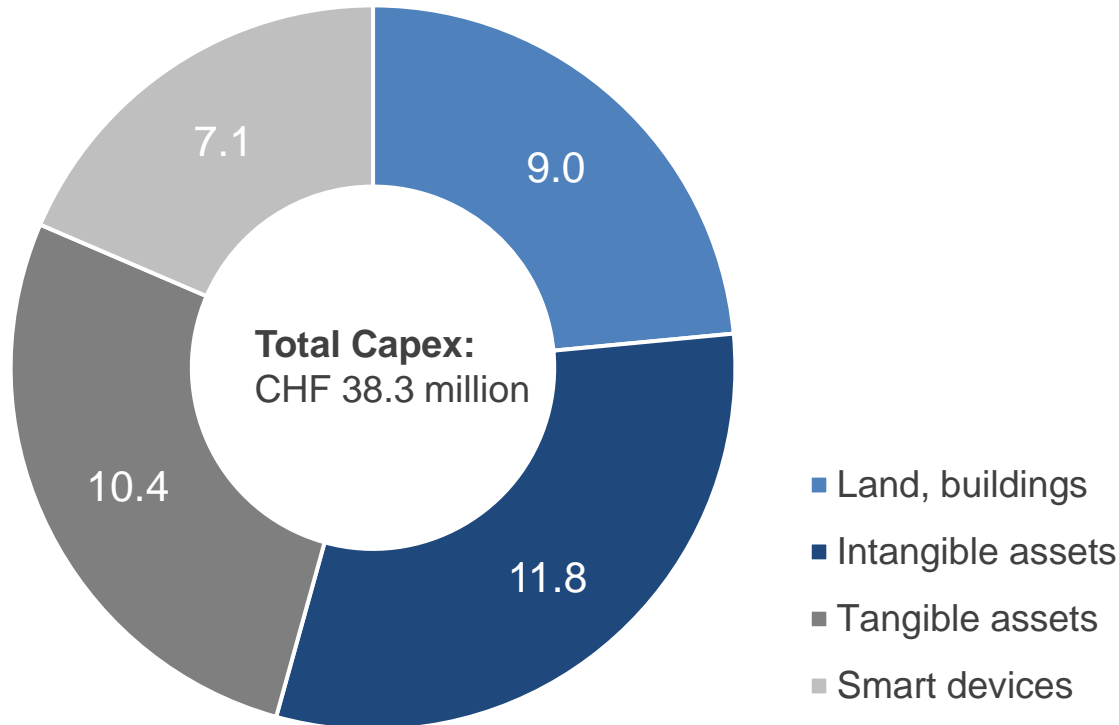
- Decrease in net debt mainly due to:
 - lower operating net working capital
 - still solid profitability

- Improved balance sheet ratios within the long-term funding ratios
 - Gearing <1.3
 - Net debt / EBITDA <2.0x

■ Total assets
■ Net debt
— Gearing
— Debt factor

Capex – strong focus on digitalization remains

in CHF million



Land, buildings

- Office and warehouse capacity expansion in France and Taiwan
 - Moved to new facility in Taiwan end of June 2023
 - In France project completion end of 2023

Intangible assets

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

Tangible assets

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

Smart Devices

- Scales and electronic labels for Smart Factory installations

Solid profitability and decrease in NWC resulted in strong cash

in CHF million

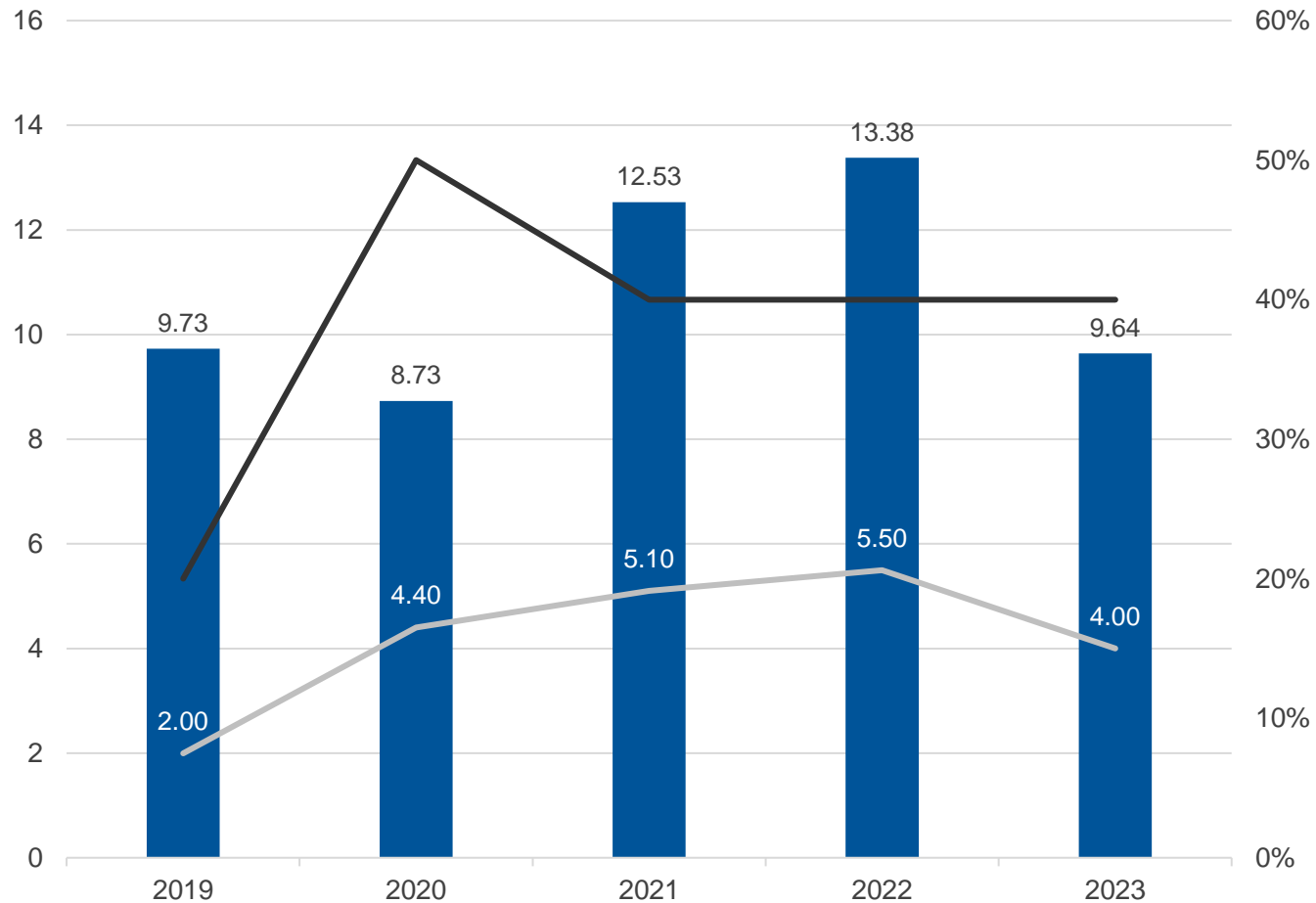
	2022	+/-	2023
Cash flow from operating activities before NWC	137.7	-33.5	104.2
Change in NWC	-131.7		53.5
Cash flow from operating activities	6.0	151.7	157.7
Tangible and intangible assets	-41.2		-38.3
Net acquisitions	-27.4		0.0
Other financial assets	0.5		2.0
Cash flow from investing activities	-68.1	31.8	-36.3
Free cash flow	-62.1	183.5	121.4

DIVIDEND POLICY

40 percent payout of net income

in CHF million

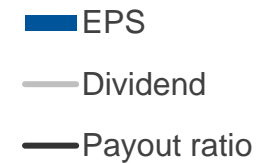
Payout ratio



Proposed dividend for FY 2023

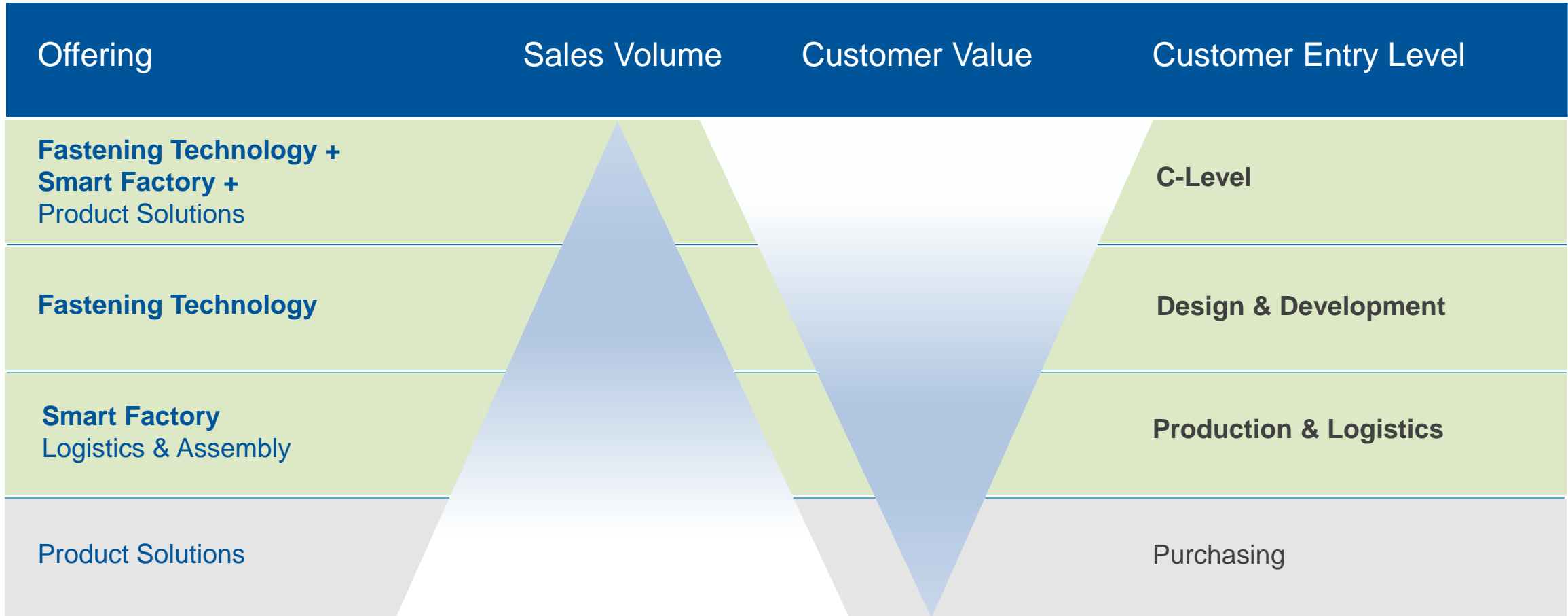
Proposal to the general annual meeting of shareholders

- Gross dividend of CHF 4.00 per registered A share



3 – Strategic Services

Strategic importance



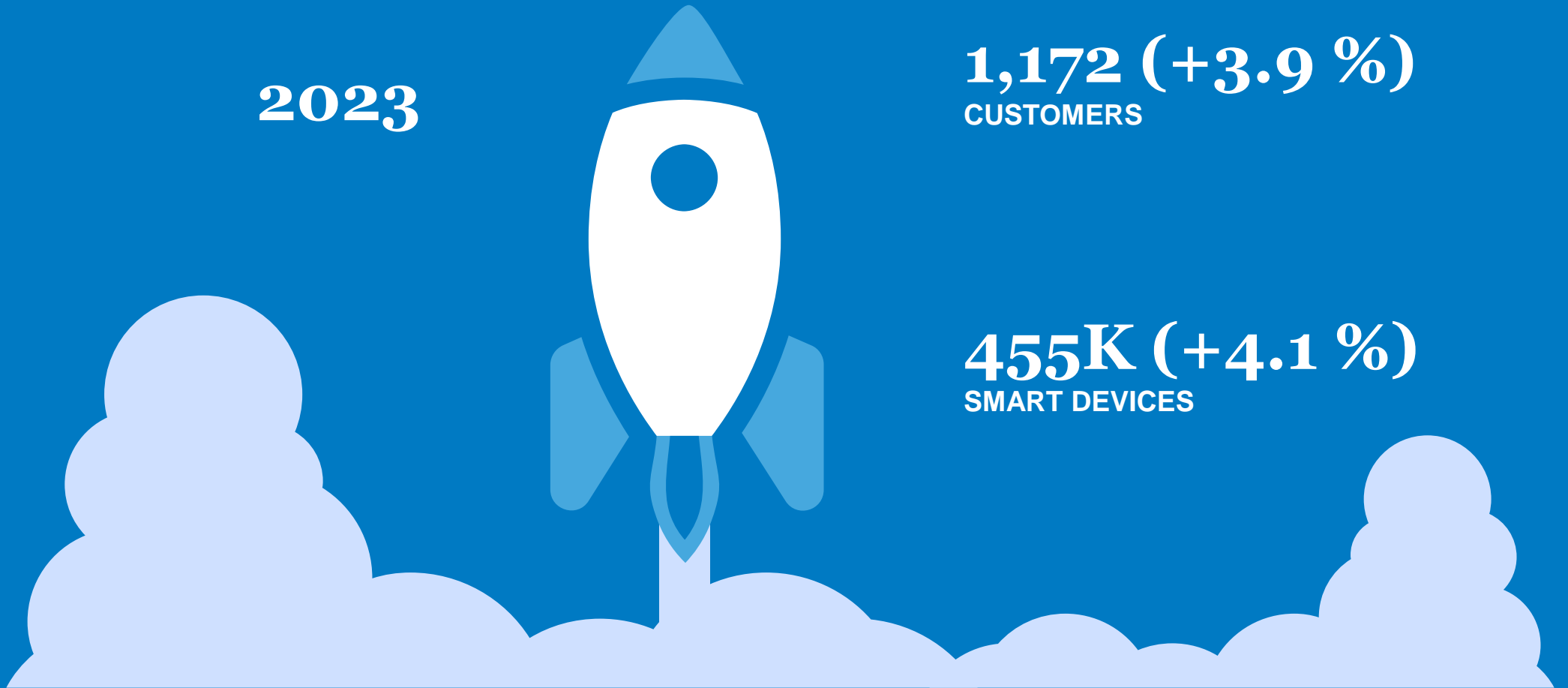
KEY FIGURES

Smart Factory Logistics

2023

1,172 (+3.9 %)
CUSTOMERS

455K (+4.1 %)
SMART DEVICES





How ABB transformed their internal Logistics



HOW ABB TRANSFORMED THEIR INTERNAL LOGISTICS

Main challenges

- **Streamline material handling** all the way to the assembly workstations
- **Ensure material availability**
- **Reduce process costs** for C-parts
- Implement solution **without interrupting the ongoing production**

HOW ABB TRANSFORMED THEIR INTERNAL LOGISTICS

Actions & solutions

3,800 SmartBin Cloud registering changes of stock in real time and automatically reordering items, ensuring continuous material availability.

13,000 SmartLabel Cloud providing live information about order states and delivery dates, leading to more process reliability and transparency.

With the intralogistic solution

Last Mile Management

the 'milkrunner' receives an intuitive, digital, smart and paperless route plan for picking and refilling the assembly workstations ensuring efficient and time-saving execution of the 'last mile'.





HOW ABB TRANSFORMED THEIR INTERNAL LOGISTICS

Results and customer benefits



>13%
reduced walking distance for
assembly personnel



25%
saved process costs for
C-parts handling



0
production interruptions
during installation

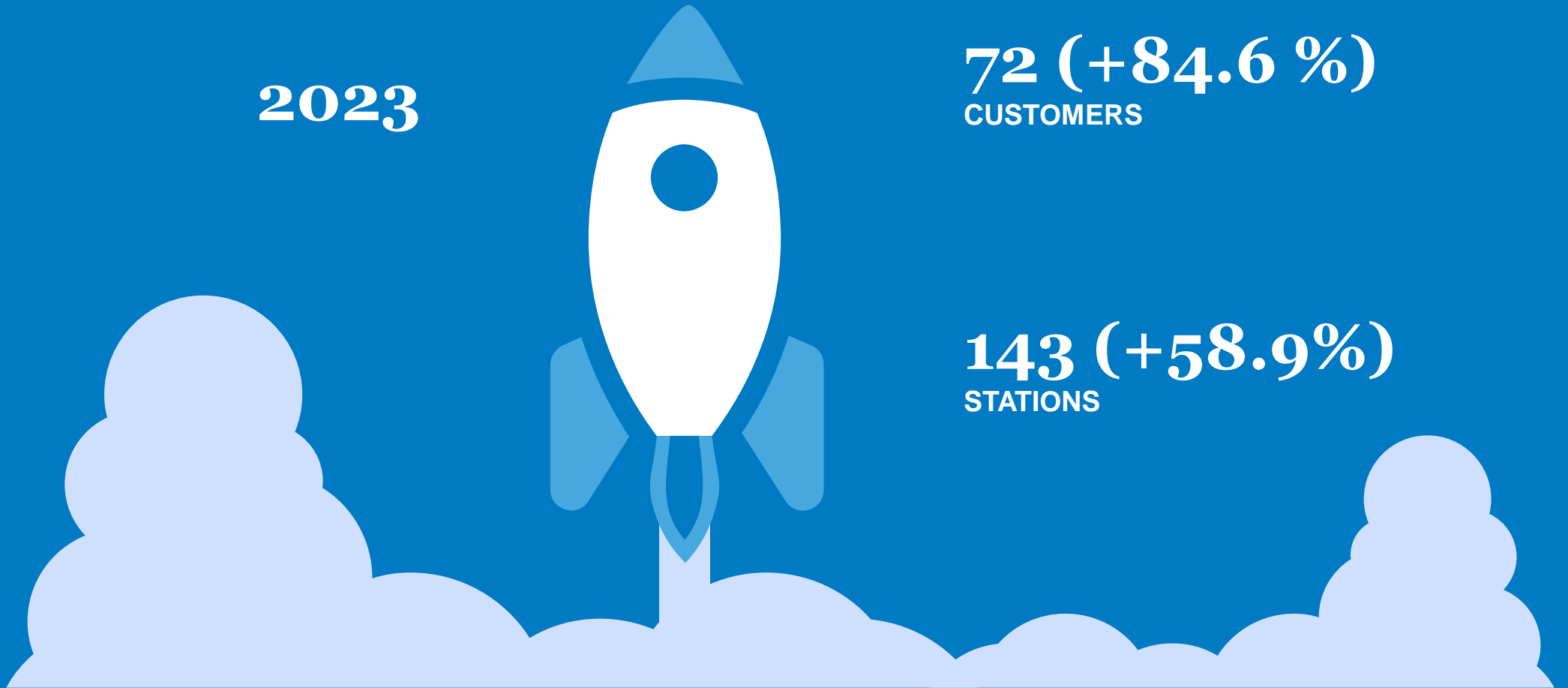
KEY FIGURES

Smart Factory Assembly

2023

72 (+84.6 %)
CUSTOMERS

143 (+58.9%)
STATIONS



Interactive workflow guidance



CUSTOMER'S CHALLENGE

- Their workstations were equipped with **paperwork instructions**, and traceability forms.
- **Variations in product assembly**, because workers didn't consistently follow the work instructions provided.
- **Manually filling-in the traceability form**, which requires additional time and effort.



SOLUTION

- **20 WORKSTATIONS** with digitalized work instructions and forms, making them interactive and paperless.
- **SCANNERS** to ensure correct parts/work order being carried out.
- **A SINGLE PLATFORM** to consolidate production.



DIGITALIZATION OF PAPER DOCUMENTS

Proven benefits



70%

Document preparation time is saved

30%

Reduction in product rework

100%

Transparency and traceability in entire assembly process

4 – Artificial Intelligence



ChatGPT for Technical Advice

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The Bossard ChatGPT enables access to Bossard technical knowledge in an interactive and targeted way. The Bossard ChatGPT acts like an experienced Bossard engineer and can advise with skillful hints in the entirety and provide relevant further information

Product Vision: Bossard ChatGPT





Efficiency: Email Helper Bot

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Bossard Email Helper Bot can understand (customer) emails and reply to a range of email types by collecting data in the relevant system and formulating an appropriate response to the customer. In doing so, the user retains 100% control over the responses

Product Vision: Bossard Email Helper Bot



5 – Focus 2024

Focus 2024

- Profitable development in a very challenging environment (recession, inflation, FX-losses)
- Continued focus on sunrise industries and Smart Factory solutions
- Using Artificial Intelligence (AI) for service & efficiency development
- Strategy 200 implementation:
 - Operations Engine – successful implementation of MS D365 in France and USA
 - Cultural Transformation – continuation of talent & leadership development programs
 - Sustainability – implementation of regional initiatives – scope 1&2
 - Sales Engine – strong focus on digital marketing initiatives, lead generation & conversion

After a phase of investments

- Sales:
Organic sales growth target of > 5%
- Operating profit margin (EBIT):
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

- Annual general meeting April 8, 2024
- Publication of sales results, 1st quarter 2024 April 8, 2024
- Publication of semi-annual report 2024 July 18, 2024
- Publication of sales results, 3rd quarter 2024 October 14, 2024
- Publication of sales results 2024 January 15, 2025

Link to the Bossard [Investor Manual](#)

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