

## Press Release

### Bossard Group

### Results for 2016

#### Another record year – Best result in company history

Zug, March 8, 2017 – The Bossard Group continued on its course of profitable growth, generating record results in 2016. Sales, EBIT, and net income reached record highs. Sales grew by 5.9 percent to CHF 695.0 million. EBIT increased by 11.6 percent to CHF 78.5 million and net income rose 14.6 percent to CHF 62.4 million. These above-average gains resulted in a higher profitability. CEO David Dean considers this performance a confirmation of the strategy pursued: “Our investments and groundwork over the last several years are paying off in growth and clearly above-average profitability.”

#### INCOME STATEMENT

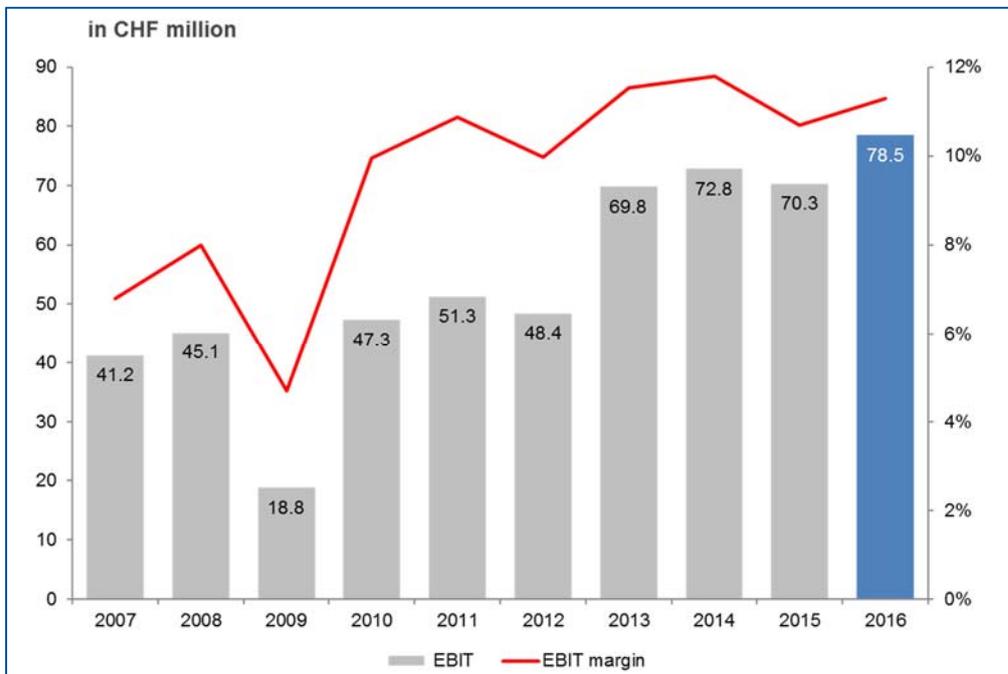
In CHF million	2016	2015	+/-
Net sales	695.0	656.3	5.9%
Gross profit	219.6	202.7	
<i>in %</i>	31.6%	30.9%	
Selling and administrative expenses	141.1	132.4	
EBIT	78.5	70.3	11.6%
<i>in %</i>	11.3%	10.7%	
Financial results	2.8	2.5	
Income before taxes	75.7	67.8	
Income taxes	13.3	13.3	
Net income	62.4	54.5	14.6%
<i>in %</i>	9.0%	8.3%	

The Bossard Group made great strides in most markets and increased sales accordingly. This growth was mainly fueled by the markets in Europe and America, where Bossard consolidated its market position through acquisitions in recent years. In **Europe**, sales rose by 4.7 percent to CHF 401.6 million (+3.6 percent in local currency). Remarkably, the sales dynamics intensified in the second half of the year. This overall picture also applies to the home market in Switzerland, where signs of normalization were finally evident after the dramatic appreciation of the Swiss franc in the spring of 2015.

In **America**, Bossard again made impressive gains through organic growth and the acquisition of Arnold Industries as per September 2016. Sales increased by 12 percent to CHF 186.1 million (+9.3 percent in local currency). Fortunately, growth intensified even more toward the end of the year. Fourth-quarter sales rose by 15.3 percent, excluding the Arnold acquisition. This lively growth is reflected in the intensified cooperation with the leading US electric vehicle manufacturer whose production volumes exhibited a marked increase in the second half of the year. Our second major customer in the US, an industrial company in the agricultural technology sector, continued to suffer from unfavorable economic conditions. We were, however, able to effectively compensate for the lower demand with new business.

Business in **Asia** also grew satisfactorily in 2016. Although sales in Swiss francs rose a mere 0.6 percent to CHF 107.3 million, our progress is evident in the 3.1 percent increase in local currency. The Bossard Group realized growth in the double-digit range in India, Taiwan and Singapore. Although the Chinese market continues to be challenging, Bossard generated more business volume in the third and fourth quarters. Additional business with new customers compensated for the weaker demand from established customers.

## DEVELOPMENT EBIT AND EBIT MARGIN



### Marked increase in operating profit

In terms of profitability, the Bossard Group clearly made progress in fiscal 2016, after taking a hit in 2015 precipitated by the appreciation of the Swiss franc. Yet the consistency of the Bossard strategy only serves to underscore the temporary nature of the setback suffered from the changed currency environment. "In spite of currency difficulties and pressure on the raw materials side, we have substantially improved our operating performance in recent years," states CEO David Dean.

EBIT rose by 11.6 percent to CHF 78.5 million, reaching a record high. EBIT margin is 11.3 percent (10.7 percent in the previous year). This clearly above-average performance for the industry rests on a range of products and services that Bossard continually expanded through targeted investments in the past few years. Bossard's acquisition strategy made a major contribution by strengthening the Group's ability to compete in various markets and countries. As evidenced in the profitability performance, each of these acquisitions was successfully integrated into the Group structure.

## Significant gains – Dividend increase

Bossard's performance clearly had an impact on net income, which grew by 14.6 percent to CHF 62.4 million. In accordance with the dividend policy of Bossard, 40 percent of the net income will be paid out to its shareholders. The board of directors will propose a 10 percent dividend increase from CHF 3.00 to CHF 3.30 at the annual general meeting of shareholders on April 10, 2017.

## BALANCE SHEET

In CHF million	2016	2015	+/-
Current assets	347.4	343.0	1.3%
Long-term assets	148.4	119.6	24.1%
<b>Total assets</b>	<b>495.8</b>	<b>462.6</b>	
Liabilities	288.1	276.4	4.2%
Shareholders' equity	207.7	186.2	11.5%
<b>Total liabilities and equity</b>	<b>495.8</b>	<b>462.6</b>	<b>7.2%</b>
Operating NWC in % of net sales	38.1%	39.1%	
Equity ratio	41.9%	40.2%	
Gearing (Net debt/equity)	0.8	0.8	
Net debt in CHF million	158.8	147.8	

## Solid balance sheet in spite of brisk investment activity

The Bossard Group's growth also increased total assets in fiscal 2016, namely by 7.2 percent to CHF 495.8 million. This increase reflects the acquisition of Arnold Industries and substantial investments in new technology and logistics centers in Germany and China. Brisk investment activity notwithstanding, the balance sheet structure of the Bossard Group remains solid. The equity ratio rose from 40.2 percent to 41.9 percent, even though the Bossard Group offsets the goodwill from acquisitions directly against equity. The minimum long-term equity ratio target remains at the 40 percent level. The solid balance sheet structure is also evident at the ratio of net debt to equity (gearing), which remains a steady 0.8. This balance sheet affords Bossard the necessary latitude for acquisitions and other investment projects that will fuel future growth.

**Growth potential for the Bossard Group**

The Bossard Group's growth potential is positive overall because major macroeconomic indicators have stabilized or are showing a pronounced upward trend. Assuming the same currency conditions as in 2016 and no significant changes in our market regions, we are targeting in 2017 sales between CHF 750 and CHF 760 million. In spite of a successful start to the year, it is too early to make a detailed forecast for the entire 2017 fiscal year because certain markets are subject to political uncertainties. In Europe, major countries including Germany and France will hold elections whose economic ramifications cannot yet be gauged. In the USA, it remains to be seen which impact the changes in economic and trade policies will have. Overall, Bossard is well prepared to adjust flexibly to changing conditions.

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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, technical consulting (engineering) and inventory management (logistics) is Bossard one of the established companies as an end-to-end supplier and partner in the industry.

The Group's customers include local and international industrial companies who use Bossard solutions to improve their productivity. With more than 2,100 employees in over 75 locations throughout the world, the Group generated CHF 695 million in sales in 2016. Bossard is listed on the SIX Swiss Exchange.

**HISTORIC KEY FIGURES**

<b>In CHF 1,000</b>	<b>2016</b>	<b>+/- in %</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Net sales	695,015	5.9%	656,314	617,764	605,716
EBIT	78,509	11.6%	70,319	72,803	69,783
in % of net sales	11.3		10.7	11.8	11.5
Net income	62,434	14.6%	54,490	57,128	56,001
in % of net sales	9.0		8.3	9.2	9.2
Cash flow 1)	75,039	13.5%	66,093	69,577	68,316
Capital expenditures	40,021	80.9%	22,128	11,536	14,901
Net debt	158,767	7.4%	147,828	97,875	101,163
Shareholders' equity	207,644	11.5%	186,186	210,603	167,298
in % of total assets	41.9		40.2	48.5	43.2
Total assets	495,769	7.2%	462,602	434,380	386,951
Return on equity	31.7		27.5	30.2	51.1
Return on average capital employed (ROCE)	18.5		17.6	20.7	22.8
Number of employees at year end	2,179	8.0%	2,018	1,926	1,842

1) Net income + depreciation and amortization