

Welcome!

Bossard Group – Semi-Annual Results 2023

Agenda

- 01** Highlights 2023
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- 03** Strategy 200 Progress
- 04** Outlook 2023

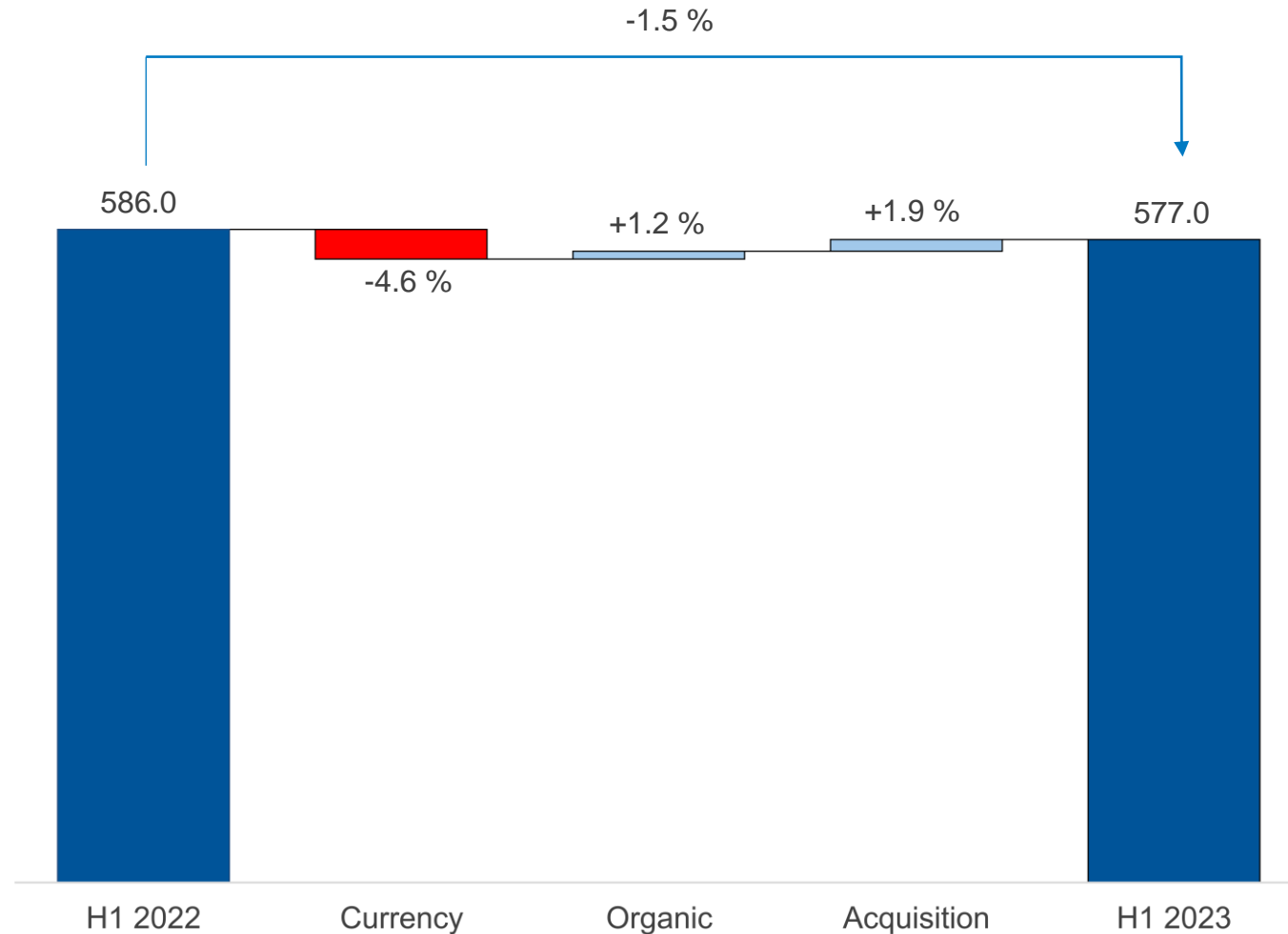
Highlights 2023

Highlights H1 2023

- Sales & EBIT – 2nd best result in Bossard history
- Global demand normalization after peaks in 2021 & 2022
- High, negative FX impact
- Only slow recovery in China...
- Focus on sunrise industries paid off (EV, railway)
- "Proven Productivity" services – new business & customer loyalty
- New digital platform – rollout in Singapore successfully completed

Financial Review

in CHF million



- Marked currency impact due to appreciation of the Swiss Franc.
- Gratifying growth rates in focus industries railway and electromobility.
- Demand normalization in sectors that benefited from the pandemic.
- Shorter delivery times and higher availability drives stock level normalization and demand at customers.

Income Statement as per June 30, 2023

in CHF million

	H1 2022	H1 2023	+/-
Net sales	586.0	577.0	-1.5 %
Gross profit	184.8	184.4	-0.2 %
<i>in %</i>	<i>31.5 %</i>	<i>32.0 %</i>	
Selling expenses	-68.3	-73.4	7.5 %
Administration expenses	-39.3	-41.4	5.3 %
EBIT	77.2	69.6	-9.8 %
<i>in %</i>	<i>13.2 %</i>	<i>12.1 %</i>	
Result from associated companies	-0.5	-0.5	
Financial result	-2.3	-5.6	
Income before taxes	74.4	63.5	-14.7 %
Taxes	-14.5	-13.6	-6.2 %
Net income	59.9	49.9	-16.7 %
<i>in %</i>	<i>10.2 %</i>	<i>8.6 %</i>	

- Higher gross profit margin due to well maintained price levels, regional and product mix
- Higher cost due to:
 - change of scope
 - increase in FTE's
 - wage inflation
 - higher travel and marketing costs
 - rollout new digital platform
 - strategic initiatives
- Financial result
 - higher interest rates and negative currency impact

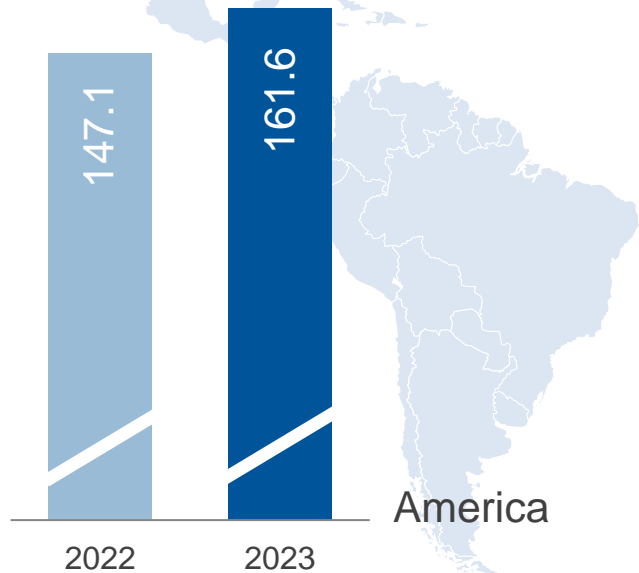
NET SALES DEVELOPMENT
June 2023 YTD

in CHF million

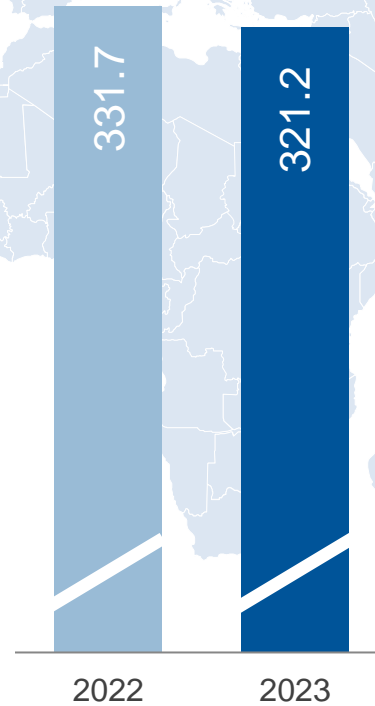
+ 9.9 % in CHF (organic 2.7 %)
+13.8 % in LC (organic 6.4 %)

- 3.2 % in CHF
+0.4 % in LC

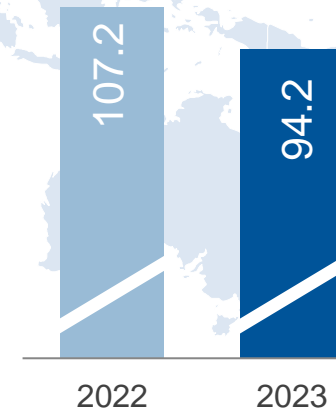
-12.1 % in CHF
- 3.6 % in LC



America



Europe

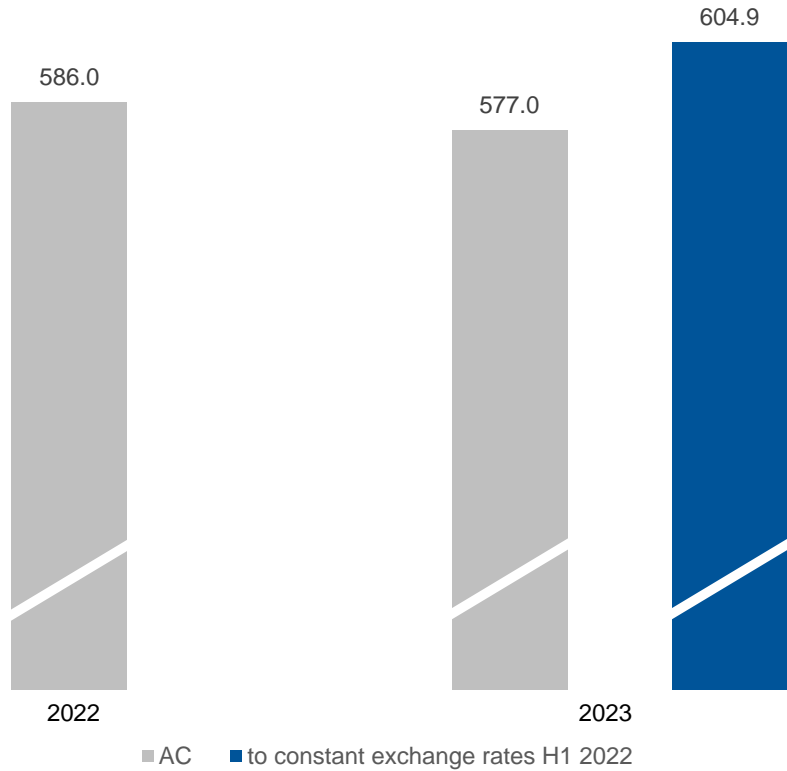


Asia

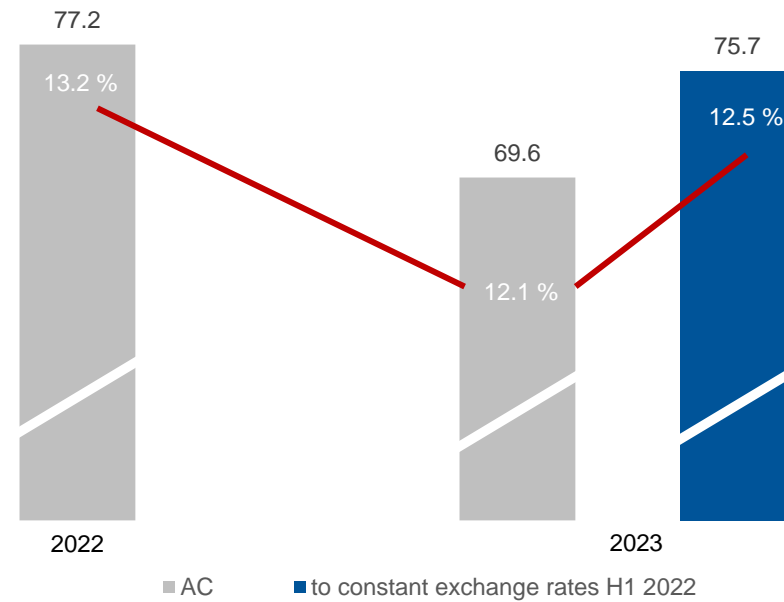
Net Sales & EBIT Development 2022/2023 at constant Exchange Rates

in CHF million

Net sales



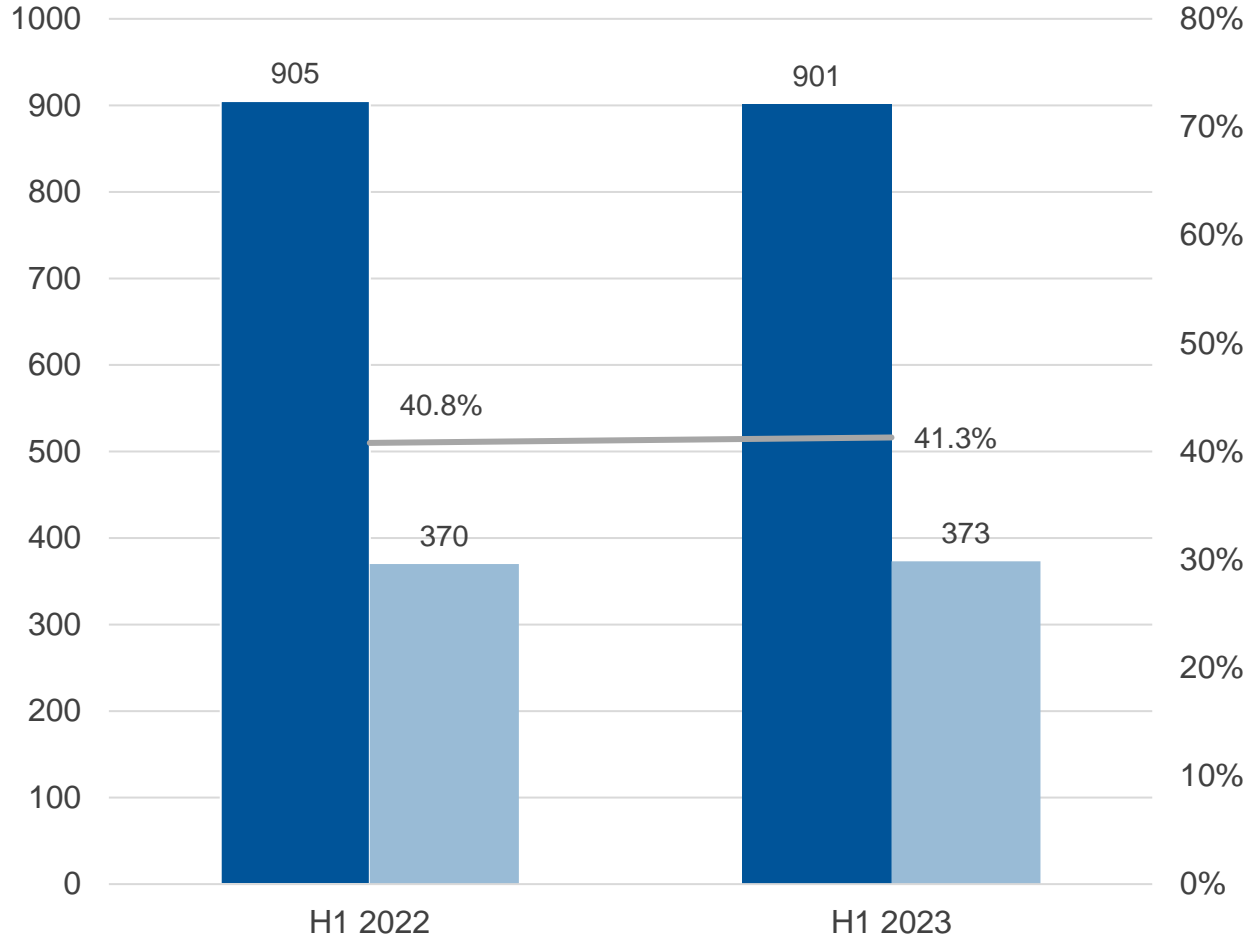
EBIT / EBIT margin



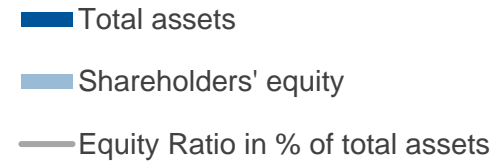
As per June 30

in CHF million

Equity ratio



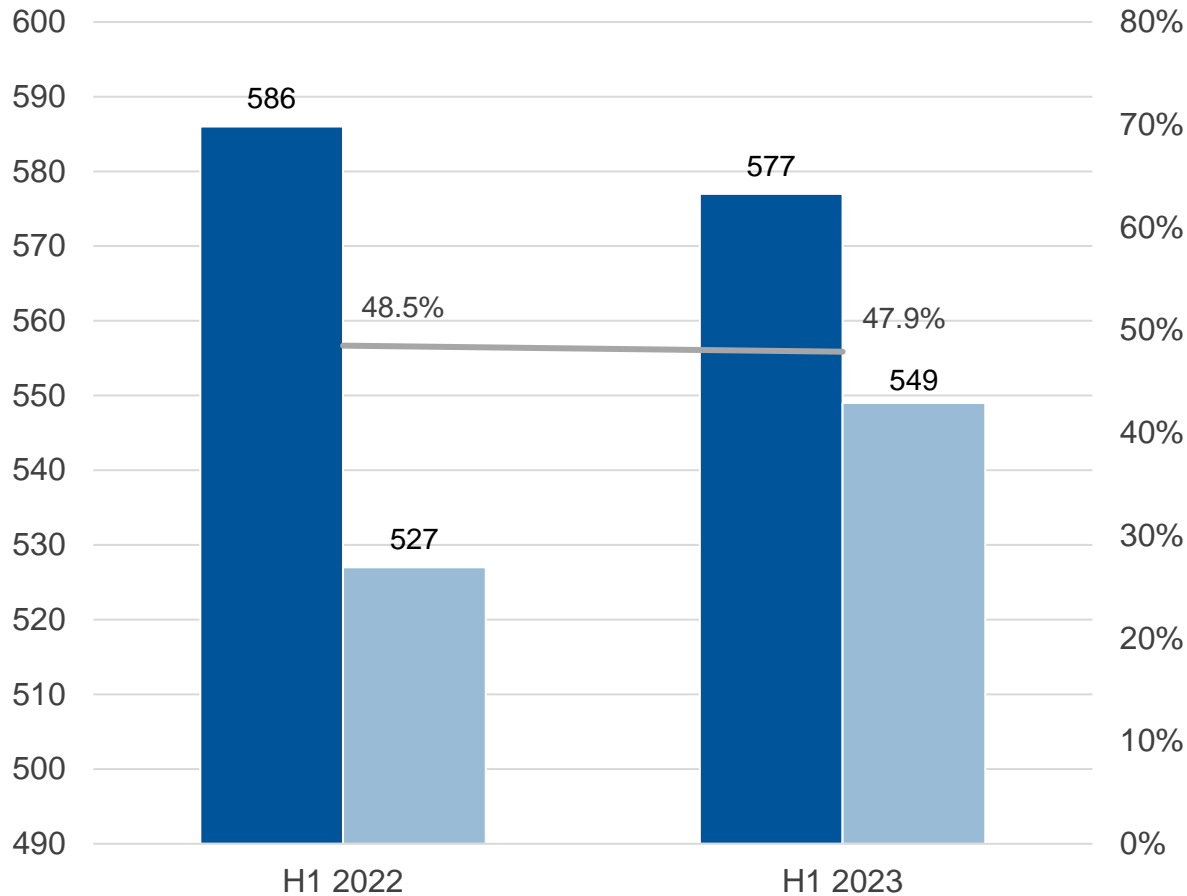
- Total assets after substantial rise in the last two years slightly below last year's level.
- Continued solid balance sheet. Equity ratio beyond the target of 40 percent.



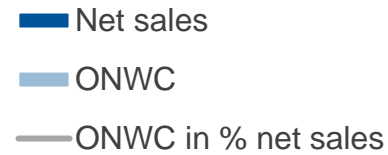
As per June 30

in CHF million

ONWC

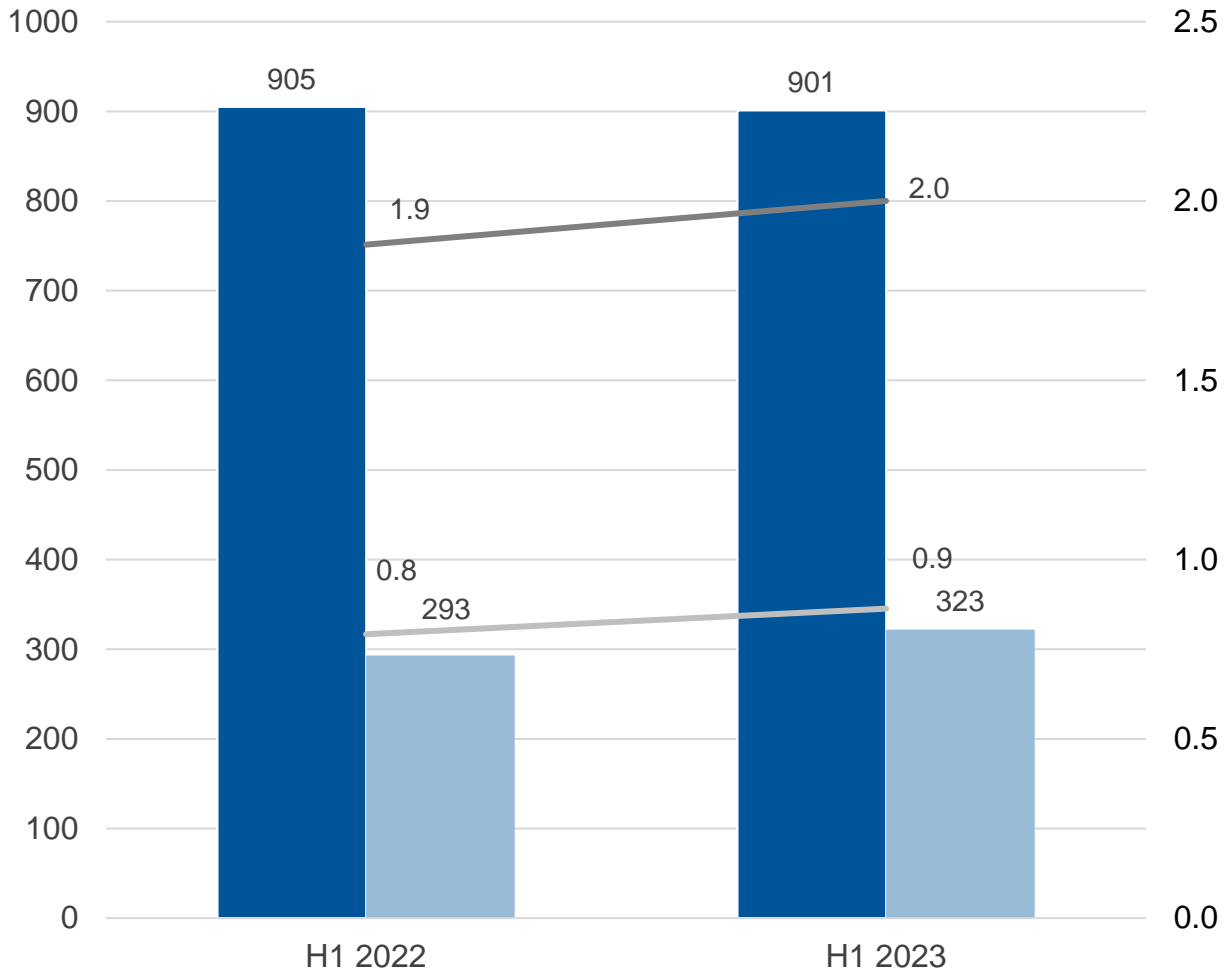


- YOY increase in total operating net working capital though in relation to sales capital intensity dropped slightly.



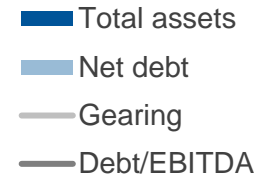
As per June 30

in CHF million Gearing / Debt/EBITDA



- Increase in net debt mainly due to:
 - higher operating net working capital
 - higher dividend payout in 2023 in comparison to 2022

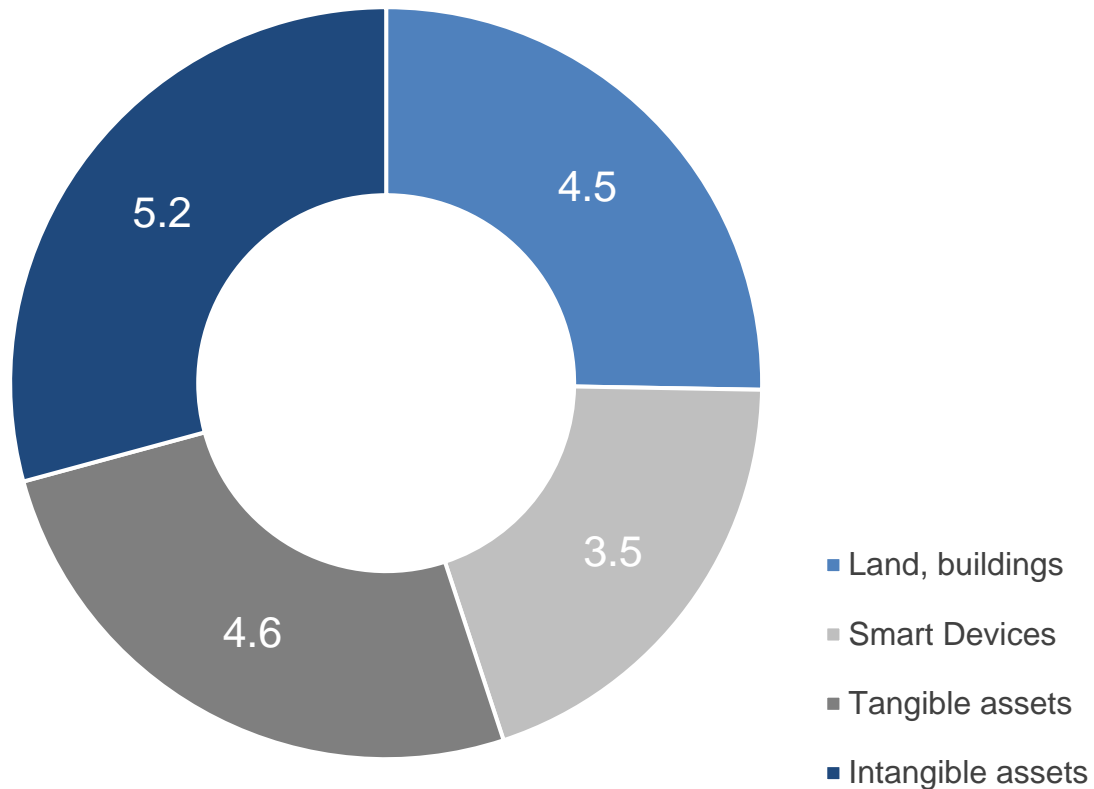
- Balance sheet ratios within the long-term funding ratios
 - Gearing < 1.3x
 - Debt/EBITDA < 2.0x



June 2023 YTD

in CHF million

Total Capex:
17.8 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 planned by the end of 2023

Tangible assets

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

Intangible assets

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

Smart Devices

- Scales and electronic labels for Smart Factory installations

As per June 30

in CHF million

	Actual H1 2022	+/-	Actual H1 2023	+/- in %
Cash flow from operating activities before NWC	77.4	-12.9	64.5	-16.7 %
Change in NWC	-93.0		-10.1	
Cash flow from operating activities	-15.6	70.0	54.4	-448.7 %
Fixed assets	-11.7		-12.6	
Intangible assets	-8.7		-5.2	
Net acquisitions	0.0		1.3	
Other financial assets	0.0		1.7	
Cash flow from investing activities	-20.4	5.6	-14.8	-27.5 %
Free cash flow	-36.0	75.6	39.6	

- Substantial change in cash flow from operating activities mainly due to lower inventory in comparison to the build up in 2022
- Intangible assets less capitalized cost for new digital platform
- Net acquisitions cash inflow related to purchase price adjustment for acquisition of Penn Engineered Fastener
- Overall strong free cash flow

Strategy 200 Progress

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

Together We Create - Efficiency in Collaboration



Initiatives on talent & leadership management to retain and develop talent in a scarce global market.

Sales Engine - Efficiency in Customer Acquisition



Shift to digital lead generation and harmonized sales roles results in 30 percent more qualified leads across the group and a faster pipeline conversion.

Ramping-up of AI-based services (e.g., enhanced Smart Factory Logistics – SFL - or Real-Time Manufacturing Service - RMS).

Operations Engine - Efficiency in our Operations



Successful implementation of Microsoft D365 in Denmark, Sweden and Singapore – next: Thailand, Malaysia, France and USA.

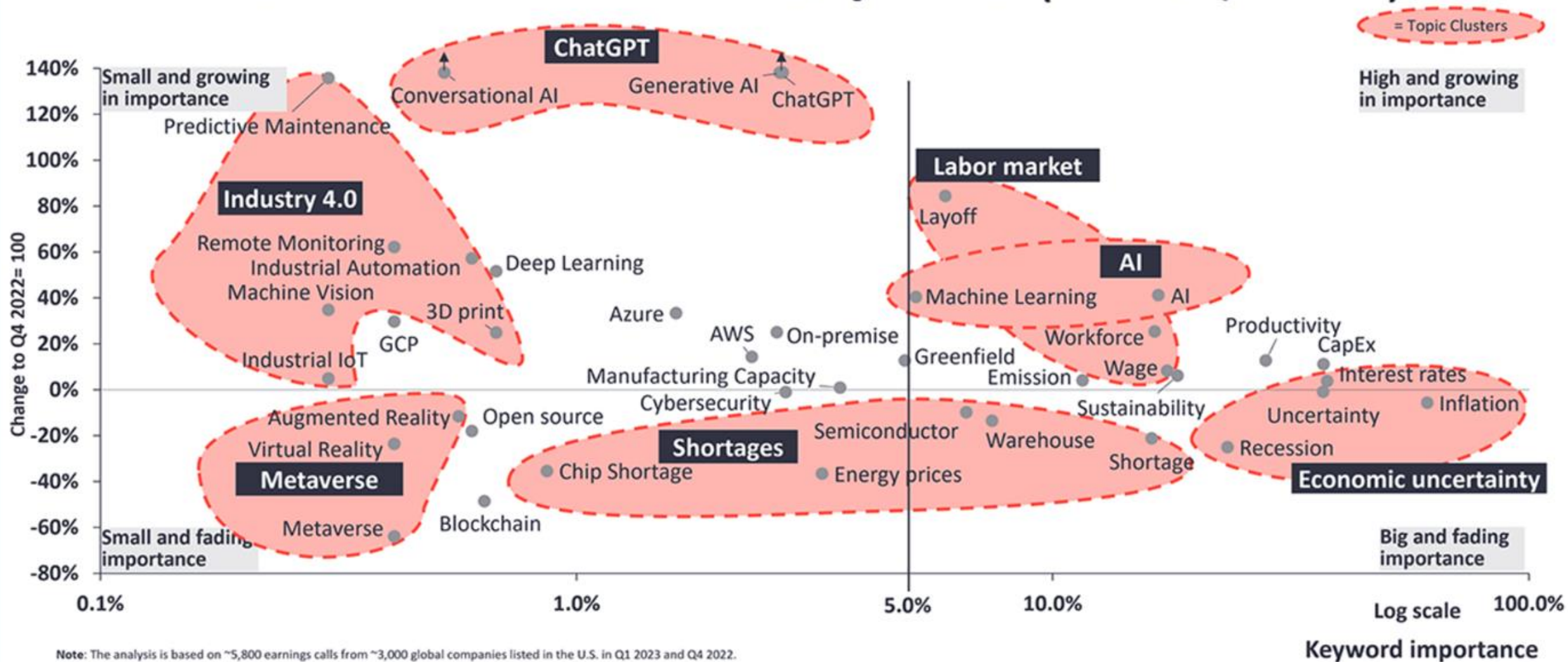
Increased internal efficiency through AI-based tools (automation), e.g., Product Solution Advisor.

Outlook 2023

Influencing Factors

- Global markets cooling off...
- High, negative FX impact to continue
- Supply chains continue to normalize, and thus availability
- Inventories have reached peak levels with a positive impact on cashflows
- Wage inflation, digitalization initiatives and interest rates driving cost base
- Further potential for above-average growth in sunrise industries (EV, railway, automation)
- ... with "Proven Productivity" services

What CEOs talked about in Q1/2023 (vs. Q4/2022)



Note: The analysis is based on ~5,800 earnings calls from ~3,000 global companies listed in the U.S. in Q1 2023 and Q4 2022. The mentions of the selected keywords in each call were counted in each quarter. We welcome republishing of images but ask for source citation with a link to the original post and company website.
Source: IoT Analytics Research 2023.

(Share of companies that mentioned the keyword in Q1 2023 at least once)

Q1 FY23 v Q4 FY22: Most Mentioned Keywords v Highest Growth Keywords

Thank you!

Contacts

Daniel Bossard
CEO Bossard Group
Steinhauserstrasse 70
CH-6301 Zug

daniel.bossard@bossard.com
T: +41 41 749 61 00
www.bossard.com

Stephan Zehnder
CFO Bossard Group
Steinhauserstrasse 70
CH-6301 Zug

stephan.zehnder@bossard.com
T: +41 41 749 65 94
www.bossard.com

Events and announcements

- Publication of sales results, 3rd quarter 2023 October 12, 2023
- Bossard site visit at Komax November 13, 2023
- Publication of sales results 2023 January 12, 2024
- Meeting for financial analysts & media conference February 28, 2024
- Publication of annual report 2023 February 28, 2024
- Annual general meeting April 8, 2024
- Publication of sales results, 1st quarter 2024 April 8, 2024

Link to the Bossard [Investor Manual](#)

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