

The BOSSARD logo is positioned in the top right corner. It features the word "BOSSARD" in a bold, blue, sans-serif font. The letter "O" is stylized with a white circle inside. The background of the entire page is a close-up photograph of several hands of different skin tones stacked on top of each other, symbolizing teamwork and support. A light blue grid pattern is overlaid on the image, particularly in the corners.

Proven Productivity

PROVEN

Proven Productivity: our promise.

SUMMARY REPORT 2019

PROVEN

**With Bossard
you increase
your productivity
sustainably:
through
optimized,
lean processes.**

Short profile

Bossard is a leading international supplier of product solutions and services in industrial fastener technology. Its product range includes over 1,000,000 fasteners and customer-specific application solutions. In combination with services in the areas of Smart Factory Logistics and Assembly Technology Expert, Bossard enables its customers to increase their productivity sustainably. Success is measurable: Proven Productivity.

With 2,500 employees in 80 locations, the Group reported CHF 876.2 million in sales in 2019. Bossard is listed on the SIX Swiss Exchange.

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Online report



Annual report



Short report

You can access the Online Report and the full Annual Report in PDF format at annualreport.bossard.com

AT A GLANCE

Slower growth – vigorous investment activity

Even in the face of deteriorating global market conditions, the Bossard Group again posted growth in the financial year 2019. The more challenging market environment, along with investments in expanding our engineering and Smart Factory Logistics services, brought about a lower annual result.

Key figures

in CHF 1,000	2019	2018
Net sales	876,224	871,070
Change to prior year in %	0.6	10.8
Gross profit	273,253	275,768
Personnel expenses	180,920	176,483
in % of net sales	20.6	20.3
EBITDA	113,612	124,940
in % of net sales	13.0	14.3
EBIT	95,705	108,821
in % of net sales	10.9	12.5
Net income	75,959	85,410
in % of net sales	8.7	9.8
Cash flow ¹⁾	93,866	101,529
in % of net sales	10.7	11.7
Capital expenditures	34,649	27,791
Operating net working capital ²⁾	359,745	333,010
in % of net sales	41.1	38.2
Net debt	187,716	130,162
Shareholders' equity	304,524	309,650
in % of total assets	46.7	51.3
Total assets	652,729	604,094
Return on equity	24.7	29.8
Return on average capital employed (ROCE)	16.8	21.5
Dividend yield in % (Basis: share price at Dec. 31)	2.3	3.2
Earnings per share ^{3) 4)}		
Registered A share in CHF	9.73	10.95
Registered B share in CHF	1.95	2.19
Price/earnings ratio (Basis: share price at Dec. 31)	18.0	12.8
Price/book value per share	4.4	3.4
Annual weighted average number of employees ⁵⁾	2,447	2,307
Net sales per employee ⁶⁾	358.1	377.6

1) Net income + depreciation and amortization

2) Accounts receivable, inventories, less accounts payable

3) Basis: Average capital entitled to dividend

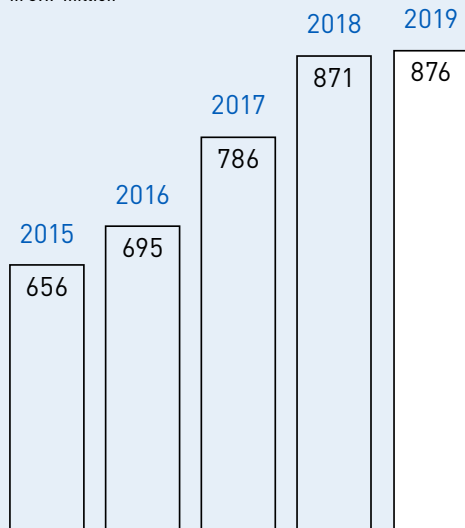
4) Basis: Share attributable to shareholders of Bossard Holding AG

5) Average full time equivalent

6) Basis: Annual weighted average number of employees

Net Sales

in CHF million



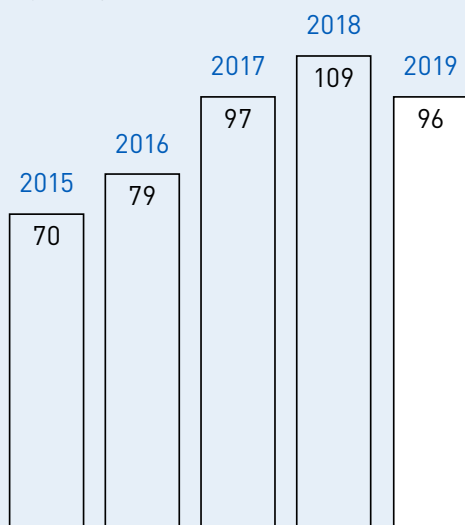
Geographic Sales Distribution

in %



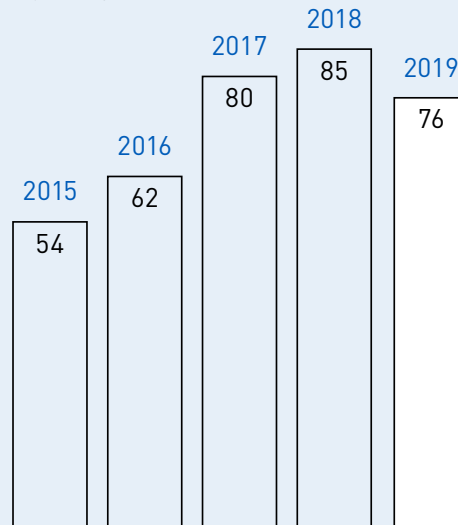
EBIT

in CHF million



Net Income

in CHF million



Cost pressure is forcing many industrial enterprises to focus on **leaner processes** and **cost structures**. Together with our customers, we analyze ways and opportunities to optimize costs and reduce lead times, thus boosting efficiency and productivity. Our **methods and technologies** support this effort and today are core elements of profitable growth for our

customers. With our **Assembly Technology Expert** services, we support our customers with engineering expertise from product design to production. In addition, our **Smart Factory Logistics** solutions offer our customers not only a smooth and reliable supply of B- and C-parts but also make their production ready for the future.

REPORT TO THE SHAREHOLDERS

Solid results in a tough environment

Dear Shareholders,

In a globally challenging market environment, the Bossard Group achieved solid results in 2019. Even though demand was flagging and the Swiss franc was strengthening over the course of the year, Bossard managed to grow sales by 0.6 percent to CHF 876.2 million. Among other things, difficult economic conditions put greater pressure on the product margin. Together with investments in expanding our services in engineering and Smart Factory Logistics, this resulted overall in a lower EBIT of CHF 95.7 million. The EBIT margin amounted to 10.9 percent and hit the targeted range of 10 percent to 13 percent. The Bossard Group achieved a net income of CHF 76.0 million in financial year 2019. Our targeted investment policy, our willingness to invest in future markets, and last but not least our solid balance sheet create a firm basis on which our company can grow profitably in the future.

Respectable growth in Europe

Our committed acquisition policy in recent years contributed substantially to solidifying our market position in Europe. In 2019, we took over the distribution business of the German company Boysen, thus significantly expanding our presence in the aerospace industry. In addition, our acquisition of BRUMA broadened our expertise in the field of high-quality fastening solutions in Germany. Pursuing this acquisition policy helped Bossard to increase sales in Europe by 5.6 percent in local currency.

In America, we faced headwinds in 2019. Among other things, the decline in sales was due to lower demand from several major customers partly as a result of the trade dispute between the USA and China. Furthermore, the introduction of its third model series fundamentally changed the product mix of the largest US electric vehicle manufacturer, which had a negative impact on demand for our fastening solutions. To counter this trend and in order to generate new profitable growth, we are confidently focusing on future industrial segments, which are railway, robotics, medical technology and electric vehicles (cars, busses, scooters and battery technology).

In Asia, we reached further, satisfactory growth. We continued to benefit from the investments we have made in recent years to expand and modernize our

infrastructures. In spite of the trade dispute between the USA and China, we recorded high growth rates, particularly in China but also in India and Taiwan.

Investments in growing industry and market segments

Dear Shareholders, acquisitions also pave our way to new, innovative companies and create opportunities to secure markets and industry segments more effectively. Bossard remained true to this strategy in the financial year 2019. We view our acquisition of Boysen as a milestone that has allowed us to substantially expand our position in the aerospace industry. We firmly believe that this sector, with its high quality and reliability requirements, is a perfect fit for Bossard. Bossard undertook appropriate efforts to this end in recent years, acquiring the necessary AS9120 aerospace certification in several countries. This includes the USA, France, Italy, Germany and Switzerland – countries with major aerospace industries and an associated network of suppliers.

Other investments include acquiring a financial stake of 30 percent in the Swiss company Ecoparts, a pioneer in the additive production of metal parts. Ecoparts has extensive expertise in this market of the future, especially in regard to the technologies and materials used. This allows us to support our customers from the design of complex metal and plastic parts all the way to their production. In addition, Bossard is also a competent partner when it comes to selecting suitable 3D printers and associated manufacturing techniques.

In 2019, we also signed a cooperation agreement with SES-imagotag, the global market leader for digital in-store technologies in the retail sector. This cooperation is represented in the joint venture PDi Digital GmbH in which Bossard holds a 30 percent stake. PDi Digital combines Bossard's many years of experience in automated logistics solutions and SES-imagotag's expertise in Electronic Shelf Label (ESL) technologies for the retail industry. The goal is to offer smart logistics solutions to non-industrial sectors.



Assembly Technology Expert – expanding our development partnership with customers

In 2019, Bossard introduced six engineering modules under the name Assembly Technology Expert. Based on our many years of technical experience in fastening technologies, Assembly Technology Expert helps us pursue a strategic cooperation with our customers. We want to show our customers right in the design phase of a new product how to reduce costs for C-parts, streamline product ranges, reduce complexity, and make entire production processes leaner. This results in cost savings that are typically many times higher than the cost of the fasteners used. In keeping with our promise of “Proven Productivity”, we thereby make a substantial contribution to increasing our customers’ competitiveness.

Digitalization projects – investments in the future

As a company with 188 years of experience, it is important to us to continue to optimize and enhance our business model and to grow in established business areas that perform well. At the same time, we keep an eye out for new areas of development so that we can actively invest in the future.

We remain true to our strategy and invest in digitalization projects following along our proven three-level concept: products, engineering, and logistics.

We are developing a new e-commerce platform to market products more efficiently. To expand our range of engineering services, we are currently working on a new platform using artificial intelligence to substantially increase the speed of the offering process towards our customers for drawing parts. As for customer logistics, we are investing in expanding of our proven Smart Factory Logistics solutions (hardware and software) to make C-parts logistics processes even more intelligent and cost-efficient.

In addition, we have launched a digital initiative in intelligent assembly designed not only to get fasteners to the right place at the right time but also to ensure the correct assembly sequence as well as a fully digitalized assembly documentation. This helps our customers to avoid mistakes and optimize costs even further. We are also investing in a new core system to bring our IT platform up to the latest state-of-the-art, to further increase our internal efficiency, and to improve our global processes.

These and other digitalization projects do mean higher investments and depreciation and amortization in the short term, but they will contribute significantly to the sustainable development of our company in the medium and long term.

Commitment and confidence

Bossard is a company with a rich tradition and a long history. These projects show how committed we are to ensure our success in the future. To this end, as already mentioned, we have analyzed various business fields where our company will grow in the coming years. Additionally, the global market for fasteners remains extremely fragmented, a fact that accommodates us in our acquisition strategy.

On the whole, we start the new decade with great confidence, even in the face of growing macroeconomic uncertainties. Demand for our products and services is showing solid growth, as evidenced in the capacity-based infrastructure expansions in China and France. Furthermore, our acquisition policy continues to bear fruit, especially in regions and industry sectors where we had little presence in the past. Finally, we are pursuing the digitalization projects mentioned earlier with great commitment and optimism.

On this path into the future, we are fortunate enough to rely on the support of many committed stakeholders, among them our loyal customers, our dedicated employees, our suppliers, and most especially you, our valued Shareholders. Thank you very much for your trust.



Dr. Thomas Schmuckli
Chairman of the
board of directors



Dr. Daniel Bossard
CEO

Zug, February 28, 2020

PROVEN

Proven Productivity has many different aspects. Hundreds of positive reports from customers are evidence of lasting success.

PROVEN

Success confirmed by customers

Bossard provides holistic support for its customers over the long term. Consulting services in logistics, engineering and fasteners contribute to a variety of successful outcomes. This is reflected in high quality end products, optimized assembly processes, improved logistics and reduced inventories. All success stories have one thing in common: improved productivity and a boost in competitiveness for our customers.



*Ongoing advancement
thanks to early focus on
fasteners.*

CWA Constructions SA/Corp., Olten

**Smart Factory Logistics
reduced inventory
by 33 percent.**

Garoland, Stettin



**Technology tailor-
made for us.**

Johann Borgers GmbH, Bocholt





CWA CONSTRUCTIONS SA/CORP., OLTEN

Ongoing advancement thanks to early focus on fasteners.

Based in Olten, Switzerland, CWA produces ropeway cabins for the most beautiful places in the world. As a member of the Doppelmayr Group and a global market leader, CWA produces more than 2,000 cabins per year. From the very beginning Bossard had the opportunity to work with CWA on the development of the new OMEGA V cabin – winner of the “Red Dot Design Award 2019: Best of the Best” – and made significant contributions toward achieving the project goals. Multifunctionality was key in the OMEGA V project. Many connection points must be vibration- and corrosion-resistant, have the right look, and be suitable for automated assembly.





Combining design and technical requirements

Interview with **Christoph Sidler**, Application Engineer, Bossard AG (on the left in the photo) and **Christoph Fuchs**, Chief Development, CWA Constructions SA/Corp. (on the right in the photo)



What was the starting point of your collaboration with CWA on the ropeway cabin?

Christoph Sidler: I was very excited when Christoph Fuchs from CWA called me three years ago. We had already worked together on a number of different projects. As a longstanding partner, it was a privilege for us to support the CWA engineers in the early development phase of their new ropeway cabin. The lightweight cabin called for efficient and reliable solutions. For us, the connection points between the individual structural components are among the most critical in the cabin because they are exposed to dynamic loads. The screws that we evaluated, the TAPTITE 2000® screws, are screwed into aluminum and offer the highest degree of strength. 28 pieces of these M10×70 threadforming screws secure these connections.

How do fasteners for a modern ropeway cabin have to be designed?

Christoph Fuchs: For a ropeway cabin, reliability is crucial. All fasteners must be dependable under permanent load. So the question we faced was how to design threadforming screws for secure connections. The screws that Bossard recommended have a special zinc flake coating and meet corrosion resistance and lubrication requirements. Using these multifunctional screws in conjunction with a sound design eliminates the need for upstream thread-cutting and additional screw locks. As a result, the fastener is not only extremely safe but highly efficient as well.



What type of support did Bossard provide in the design phase?

Christoph Sidler: As part of our Expert Design engineering service, we calculated and specified the dimensions of the screw based on the operating forces that occur. The resulting tightening torque and preload force data was validated in a series of tests using our friction coefficient and screw connection test benches. In addition, the screw-in depth was verified through torsional strength tests. By linking the results, the design dimensions and the screw installation parameters were obtained.

Bossard also helped you streamline the fastener assortment. What does that mean for your processes?

Christoph Fuchs: It is amazing how many surfaces, screw drives, and materials piled up during development. Thanks to Bossard's Expert Assortment Analysis service, we were able to reduce this complexity. Having fewer individual parts not only means less complexity but also shorter assembly times, allowing us to stick to our ambitious cost targets for the new generation of OMEGA cabins. With Bossard, we had exactly the right partner at our side to bring the OMEGA V cabin to market quickly, reliably, and with the highest quality. Ultimately, the OMEGA V is the perfect symbiosis of true identity and genuine innovation.

Where were the cost savings?

Christoph Sidler: The multifunctional fasteners allow us to leverage optimization potentials on various levels. As already mentioned, upstream threadcutting is eliminated. In addition, thread-forming increases the load capacity of the female thread, additional lubrication of the screws becomes unnecessary, installation using electric tools is faster, and no more screw locks or adhesives are required. All this, combined with fewer individual parts and a smaller assortment, shortens throughput time considerably. We at Bossard constantly strive to exploit potential for optimization in production.





GARO POLAND, STETTIN

Smart Factory Logistics reduced inventory by 33 percent.

Garo Poland is the largest manufacturer of charging systems for electric vehicles in Northern Europe. The company is specialized in electrical installations and systems. It offers a range of products, from simple electrical sockets to charging stations for electric and recreational vehicles as well as boats. The state-of-the-art company is committed to innovation and lean management. Garo has used Bossard's SmartBin logistics systems for several years. These systems have played a key role in significantly increasing the efficiency of the production processes.





Exploiting multifaceted optimization potentials

Interview with [Milena Gregorczyk](#), General Manager, Bossard Poland (on the left in the photo) and [Marek Samborski](#), Managing Director, Garo Poland (on the right in the photo)



What does Bossard contribute to lean management at Garo?

Milena Gregorczyk: In the field of C-part management, Garo has been working with Bossard Poland for several years. Seven locations in the production are equipped with Bossard SmartBin systems that manage over 900 different order items. An average of 22,700 fasteners are processed per day. Thanks to these systems and ARIMS, our interactive supply chain platform, material management is leaner and more predictable. This means that the associated processes are always under control.

Which requirements does an efficient logistics system of the “Industry 4.0 generation” need to meet?

Marek Samborski: Our goal is to fully focus on efficient production. To accomplish this, we have to be sure that the right material is available at the right place at any time. The ARIMS platform from Bossard ensures exactly that. Our C-parts are always available just where they are needed. All production orders are transferred to a cloud associated with the smart ARIMS platform. This makes it possible to optimize the generation and sorting of procurement orders. With SmartOrdering, ARIMS offers a range of demand forecasts and improved procurement processes. Ordering and delivery processes can be continuously optimized using artificial intelligence and historical data. The automated processes reduce the workload of our employees and lead to time savings.

How does the automated ordering process work?

Milena Gregorczyk: The individual assembly workstations are equipped with our containers for the C-parts to be processed. These Kanban systems include either weight sensors (SmartBin) or an e-label (SmartLabel). Depending on the materials withdrawn from the containers, fully or semi automated order requests are sent to ARIMS. This platform generates optimized order lists that are forwarded directly to the purchasing department. This ensures that the workplace has a sufficient supply of C-parts, thereby guaranteeing smooth assembly processes. For a company such as Garo, that is a decisive cost factor.



How does Smart Factory Logistics affect production efficiency?

Marek Samborski: The ARIMS platform optimizes the trigger of orders, both in terms of time and quantity. This reduces the workload of our purchasing staff. What is crucial, however, is that we have been able to reduce our inventories by 33 percent. In the end, this means that less capital is tied up, and we are able to focus on our core competencies. As a company with tremendous innovation potential, this is extremely important for us.



Do you see additional optimization potential in Garo's production?

Marek Samborski: Yes, we do. The next step is to optimize the material flow in internal logistics as part of Last Mile Management. This helps intra-logistics workers, also referred to as “milk runners” or “water spiders”, to distribute their materials as efficiently as possible from the central storage locations to the specific workstations on the assembly line. The responsible logistics worker receives a digital picking list and a digital route plan.

What could Expert Walk service provide on top?

Milena Gregorczyk: It might be interesting to support Garo with our Expert Walk service, one of our six engineering modules. As part of this service, we analyze the production processes with regard to the fasteners used and make suggestions for improvement. Often it is possible to optimize the process through minor adjustments, for example by using a new coating or more suitable material, or by reducing the number of elements used. This allows for an additional boost of efficiency in production.

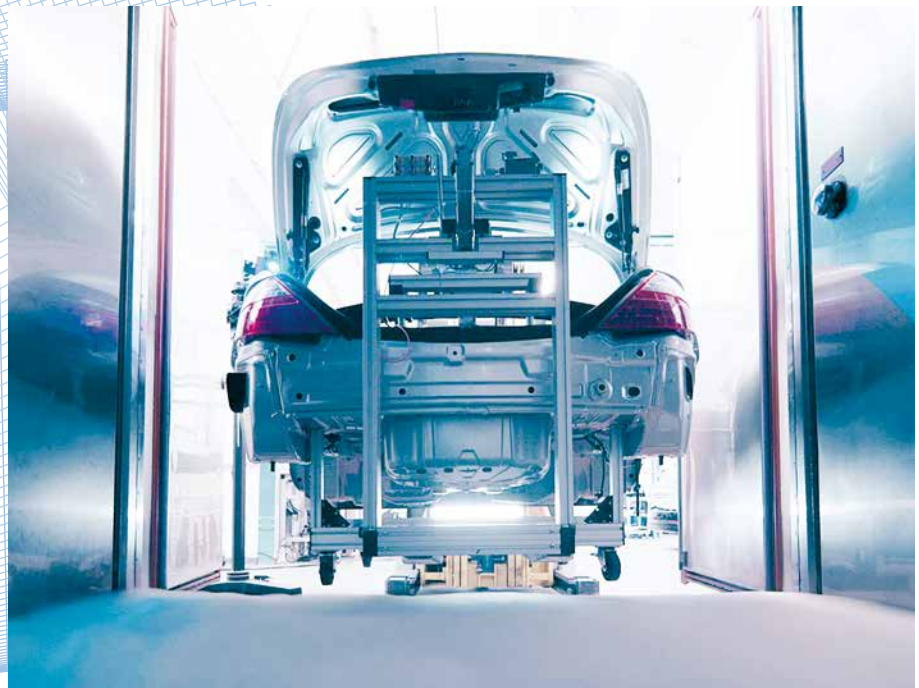


JOHANN BORGERS GMBH, BOCHOLT

Technology tailor-made for us.

Since 1866, the name Borgers has been synonymous with top quality textile components. Johann Borgers GmbH focuses primarily on custom solutions for automobiles and commercial vehicles: fittings for the engine compartment, the passenger compartment, the trunk, and the exterior. A variety of fastening methods are used to install these elements. For a luxury SUV, Borgers used Bossard's new MultiMaterial-Welding technology to attach a special loading floor in the trunk.





Breaking new technological ground

Interview with [Matthias Mitter](#), Category Manager Welding, Bossard Group (on the left in the photo) and [Mark Maibom](#), Industrial Engineer Expert, Johann Borgers GmbH (on the right in the photo)



What are the fastening challenges in your automotive field?

Mark Maibom: We produce coverings and absorbers for side walls, trunk loading floors, and rear window shelves, among other things. The spectrum of materials used ranges from thermo- and duroplastic carriers to needle felts, polyurethane films, and genuine leather applications. There are a number of different fixing points for these materials in and on the vehicle. The focus is on new fastening technologies which offer real economic benefits.

How does the MultiMaterial-Welding technology work?

Matthias Mitter: The MultiMaterial-Welding method uses ultrasonic vibration to push thermo-plastic fasteners through the top layer of porous sandwich materials without the need for preliminary drilling or processing. This literally takes only a second. The friction between the fastener surface and the component even turns the surface of the fastener into the connecting material. Thanks to its material hardness, the fastener still maintains its shape and can be loaded immediately after the connecting process.

Why did you select this new technology?

Mark Maibom: The MultiMaterial-Welding technology appeared to be tailor-made for us, since so many of our products are based on the porous PUR sandwich components for which the process was developed. Previously, we used conventional joining techniques, but they always involved extra work and limitations. For example, we always had to pre- and post-process the drill hole or factor in longer hardening and drying times.

How did you approach the development?

Matthias Mitter: Bossard developed this innovative fastening solution together with the Swiss company MultiMaterial-Welding AG (MM-W). Specific material tests were conducted together with the Borgers development team. During the first practical trials, we also calculated the future potential for cost savings.



Can you briefly describe the challenge you encountered in the pilot project?

Mark Maibom: The pilot project involved a lightweight, highly stable trunk loading floor with a paper honeycomb core. This requires a number of fasteners, some of which attach to the chassis of the car and center the loading floor above it. The special challenge was to place the fasteners as close as possible to the edge of the loading floor.

How does the fastening solution you are now using look like?

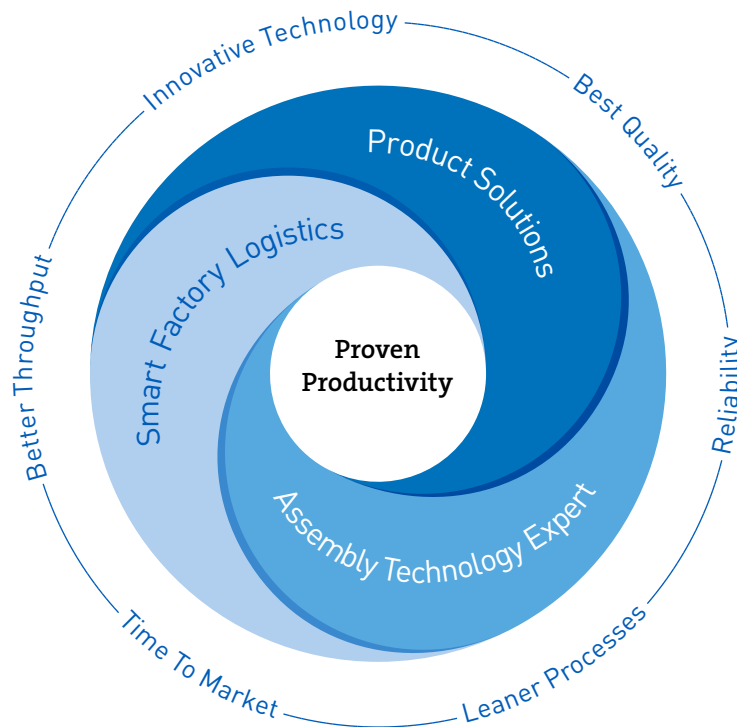
Matthias Mitter: Because of the specific requirements, Bossard and its partner developed special MM-W pins. We have found a cost-effective solution using self-tapping screws. The MultiMaterial-Welding technology allows these screws to be set close to the edge, directly from above and invisibly. The fasteners are reliable even under heavy loads.

Has the new fastener technology proven itself?

Mark Maibom: We were entering uncharted territory with the MultiMaterial-Welding technology, which is always a risk. That is why we are so pleased that everything went smoothly. The final solution is absolutely convincing, both from a technical and an economic point of view.

BUSINESS MODEL

Proven Productivity



Bossard offers fastening solutions and process optimization measures that are proven to deliver the best possible efficiency, thereby reducing costs. In evaluating our services, we rely on facts. They consistently show that by working with us, our customers are able to achieve lasting and measurable productivity improvements. That is why we talk about Proven Productivity.

The interplay of **Product Solutions**, **Assembly Technology Expert** and **Smart Factory Logistics** services gives our customers competitive advantages in six key areas.

Time To Market

Thanks to shorter delivery times, products make it to market faster.

Leaner processes

Systematic time, money, and resource savings reduce overall operational costs.

Better throughput

Advanced logistics systems and lean assembly processes markedly boost efficiency.

Best quality

For our product solutions, we rely on the highest quality combined with comprehensive process consulting. This leads to maximum reliability and predictable planning.

Innovative technology

Our forward-looking solutions are tailored to the very latest requirements of Industry 4.0.

Reliability

We value continuity and this is how we empower and support our team to ensure that we will be there for our customers tomorrow.

Product Solutions

Our fastening solutions are as unique as our customers' products. Sometimes standard fasteners are just right, while in other cases brand solutions or custom fastening solutions get the best results. Bossard has the right solution for every challenge.



Fastening technology catalog products

We have more than 200,000 different fasteners ready to ship from our warehouses: screws, nuts, rivets, washers, electrical fasteners and more.

Customized items

Customized solutions and parts (turned, milled, extruded, stamped and bent parts) for unique technical requirements, manufactured to our customers' specifications.

Bossard ecosyn®

The ecosyn® product line features premium quality fasteners. They are both economical and in sync with the needs of our customers. Smart and safe

quality products based on innovative engineering and designed to make work easier and more efficient.

Brand products

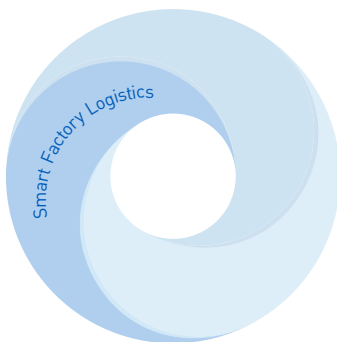
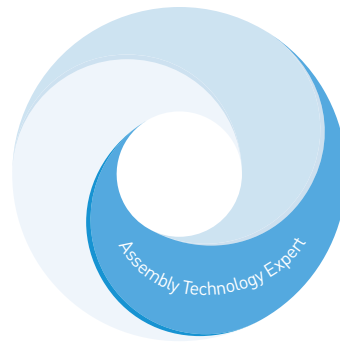
Bossard maintains a carefully selected brand portfolio in cooperation with highly innovative and reliable partners.

“Hidden aspects account for approximately 85 percent of the total cost of ownership of fasteners. We are reducing them.”

Assembly Technology Expert

Our customers develop a diverse range of premium products whose production methods place equally diverse demands on fasteners. Six field-proven Bossard Assembly Technology Expert services help find, test and implement the most suitable fastening solutions based on specific requirements. In addition, they optimize the customer's assembly processes and product assortment and train their employees.

Using this three-step approach, from design to optimization to training, the specialists at Bossard help product designers and engineers meet the most diverse challenges with respect to innovation, process optimization, and efficiency. This leads to a sustainable reduction in production time and costs, increases product safety and quality, and significantly improves our customers' competitiveness.



Smart Factory Logistics

In the world of Industry 4.0, Smart Factory Logistics is a core element for profitable growth. The more precise and smarter factory logistics is, the better companies fare against their competitors.

While our customers fully focus on their core competences, we take care of automating their B- and C-parts management processes, thus ensuring a lean assortment and a smooth supply flow.

Inventory is controlled in real time, and material is delivered directly to the assembly stations thanks to smart order management. All at the right time and in the right place. Lower material handling costs and smaller inventories enable our customers to significantly boost productivity in their production.



***Leverage
hidden
potential***

STRATEGY AND HISTORY

Solid foundation for further growth

In line with its strategy, the Bossard Group has evolved into a global company over the last several years. A consistent business system combined with a successful business model and a clearly defined performance profile, form a solid foundation for further growth.

Proven Productivity – our promise ...

The strategy for the coming years continues to focus on targeted market development. The core of this strategy is our company's long-time philosophy of Proven Productivity – our market-oriented promise to boost the competitiveness of our customers in a sustainable and measurable way. This philosophy strengthens the bridge of trust between us and our customers day in and day out.

... for a globally fragmented market

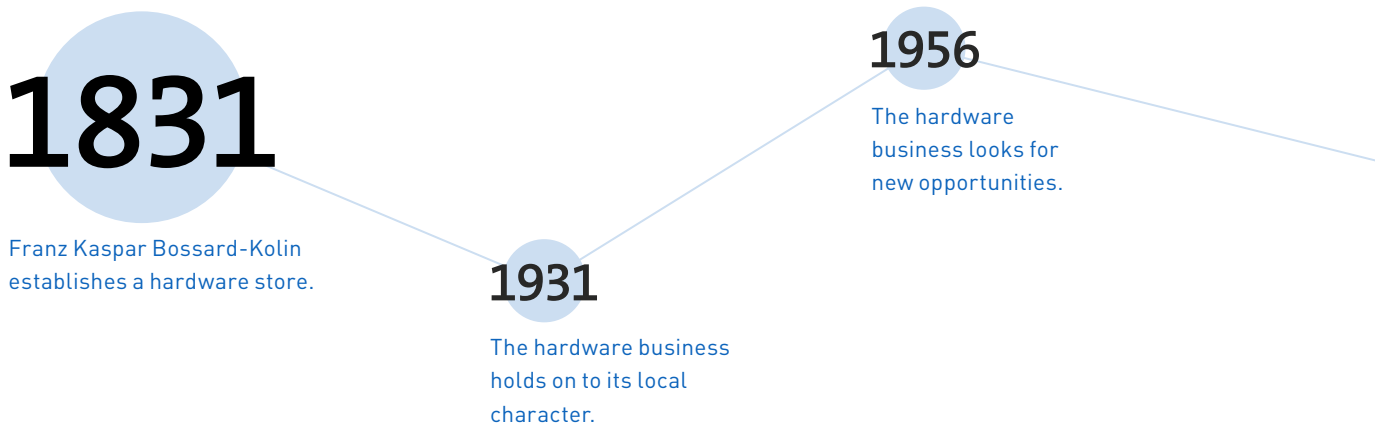
The global market in which Bossard is growing is heavily fragmented. As opposed to other sectors and industries, there are no globally dominant players in fastening technology. This high level of fragmentation creates significant opportunities for organic growth. We will exploit these opportunities by continuing to be as close to our customers as possible.

Customer proximity creates growth opportunities ...

For us, proximity goes beyond geography. It also encompasses the primary challenge that keeps our customers awake at night – boosting their competitiveness. The better we understand our customers' perspective on this core challenge and the more in-depth we go in analyzing the issues associated with it, the better we can bring our extensive experience and expertise to bear when responding to this challenge.

... and drives our strategic ambition

"We want to be the trusted expert brand providing assembly technology solutions for our customers globally." To turn this vision into reality, we focus on OEM (original equipment manufacturer) customer groups with the aim of supporting them to boost their competitiveness. Thereby, we rely on outstanding services, technical consulting and efficient processes along the entire supply chain.



Our strategy for strong high-quality growth

Within the context of our strategic goals, which remain unchanged for 2016 to 2020, we are aiming to achieve sustainable high-quality growth. We want to substantially increase our sales revenue in the coming years to further strengthen and expand our market position. However, volume growth should not come at the expense of profit, which must at least keep pace with revenue. In addition, the invested capital must yield a reasonable return for our investors.

Greater focus on high-end products and solutions

In addition to in-house developments, we continue to rely on worldwide sales agreements with established manufacturers of attractive solutions. Our R&D is advancing the development of new proprietary products and customer-specific application solutions.

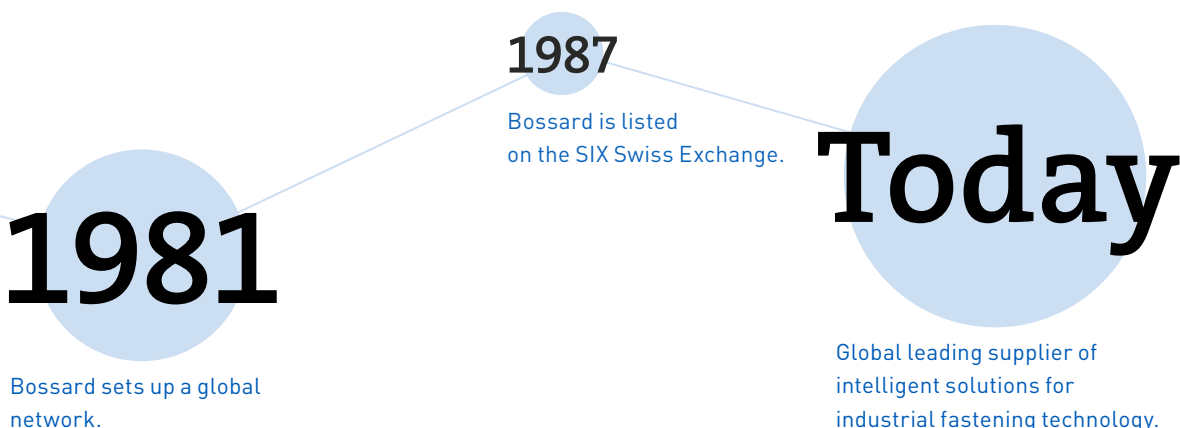
On the whole, our Proven Productivity philosophy increasingly targets products and solutions that are proven to give customers lasting added value. This will offer us attractive profit margins. The main focus is on our engineering services and on the development of functional modules that intelligently combine multiple fastening components in a single unit.

Overall, we aim to achieve this growth organically. Acquisitions are an option to augment this approach. However, this requires clearly defined requirements with a view toward products and markets.

Market development shows that Bossard is on the right track

Our confidence that we can successfully implement this strategy is well justified. We are starting out in a strong position in both developed and emerging markets. Although highly fragmented markets mean intense competition, they also offer considerable room for growth.

In addition, we are seeing continued industrial consolidation as well as procurement-related concentration in our customer sectors. Thanks to our size and international presence, we are likely to derive better-than-average benefits from these trends in the coming years.



VALUES AND SUSTAINABILITY

Commitment to sustainability across generations

The Bossard Group has been committed to sustainable corporate development for generations. We pursue success based on responsible long-term strategies, thus creating the foundation for economic, social and ecological progress. At the root of this progress is the trust our stakeholders have placed in us for many decades. Our shared values are laid down in a group-wide binding code of conduct. These values are integrity, fairness, compliance, professionalism, responsibility, and transparency. These ethical principles drive all thoughts and actions of the Bossard Group.

In 189 years of sustainable corporate management, the Bossard Group has earned an excellent reputation which we view as a central prerequisite for achieving our corporate goals. The success we have enjoyed is built on the trust our investors, customers, suppliers, employees and the general public place in us. We know from our long history that this kind of reputation is the result of constant hard work and must be cultivated each and every day. One misstep can quickly tarnish our valuable reputation. That is why we have developed a comprehensive code of conduct that all Bossard employees, and especially new employees, can use as a guidepost.

Our code of conduct is based on the core values of integrity, fairness, compliance, professionalism, responsibility, and transparency. As a global multicultural group of companies with activities in industrial centers throughout the world, we need a framework that represents our shared understanding of ethical business practices. At the same time, we are committed to adapting the code as business and regulatory needs dictate.

Integrity and responsibility

Integrity in our code of conduct means that we respect, in all ways, the interests of our stakeholders – investors, customers, suppliers, employees and authorities – and attempt to harmonize them as best as possible. In so doing, we also wish to contribute to social harmony within and outside the company. By responsibility, we mean meeting our responsibilities and assuming responsibility for our actions. Our policy is to only make promises we can

keep. Fairness, too, is one of our core values: we treat all our stakeholders with respect. We promote equal opportunity in our company and foster a working environment that is free from discrimination and harassment of any kind. All employees, regardless of position, gender, age, life situation, sexual orientation, nationality, race or religion, are entitled to equal opportunities and prospects.

Respect for laws and regulations

At Bossard, compliance with all legal provisions is a matter of course. We acknowledge the importance of all relevant national laws as well as internal and external regulations, guidelines and standards, and we comply with them. Bossard's history plainly shows that we follow this ethical principle to the letter. Nowhere in the world do we have a conflict with authorities or public interest groups. Furthermore, the Bossard code of conduct dictates that every violation be met with appropriate sanctions. Any wrongdoing must be reported immediately to the responsible supervisor, executive committee or – if appropriate – to the CEO. Reports are confidential and can be made anonymously. These strict conditions are designed to safeguard our reputation, which represents our most valuable asset: Bossard stands for integrity and fairness.

Professionalism is another part of our core values. We staff our teams with motivated, performance- and solution-oriented individuals, regardless of position, gender, age, life situation, sexual orientation, nationality, race or religion. Recruiting is strictly professional and follows detailed guidelines. Every job has a clear requirements profile that is carefully scrutinized and, if need be, modified each time a job is filled.

Transparency and constructive dialog

In addition, Bossard is committed to the core value of transparency. We maintain an open and constructive dialog with all stakeholders, a dialog informed by fairness, respect and professionalism. One example is our disclosure policy for investors and financial markets that establishes the basis for a fair valuation of Bossard shares. The board of directors endeavors at all times to keep shareholders apprised of new strategic directions and to lay out the concomitant financial commitments in a trans-

parent way. In recent years, this disclosure policy resonated highly with the financial markets and contributed to increased valuation of our company.

In summary, Bossard is well aware of its great responsibility to its employees and external stakeholders. The standards we set for our executives and employees through the mandatory Bossard code of conduct are commensurately high. The great value Bossard places on this code is also reflected in the successful development of our Group. Our goal is sustainable profitability that enables us to implement our strategies, drive long-term investments, pay our employees fairly, and generate attractive returns for our shareholders. Our code unequivocally states: "We value compliance with our core ethical values even more highly than making a profit. Profit making should never be a justification for breaking the law, shirking responsibility or taking unreasonable risks."

United Nations sustainability principles

Beyond the code of conduct, Bossard also upholds the sustainability principles of the United Nations Global Compact. These ten principles revolve around the core issues of human rights, labor standards, environmental protection and anti-corruption. All of them aim to encourage change in business processes and to promote sustainability along the entire value and supply chain. In accordance with the UN initiative, Bossard remains committed to its fight against child labor and forced labor of any kind. This underscores our resolute stance against all types of corruption – as set forth in the code of conduct – including extortion and bribery. One of the three ecological principles of the UN initiative is to take a precautionary approach and to encourage the development and spread of environmental-friendly technologies. And finally, the initiative opposes all human rights violations – a principle shared by the Bossard Group, as described previously.

Bossard evaluates risks and business opportunities with a view towards the health and safety of its employees, suppliers, and other individuals affected by its business activities. We comply with the ISO 26000 standard and use it as a guideline for social responsibility, thus contributing to sustainable and forward-looking growth.

Sustainable and profitable growth

The statements concerning our code of conduct reflect Bossard's strong commitment to sustainable corporate growth. We are deeply convinced that only a corporate strategy aligned with sustainability and acceptable to all stakeholders can succeed in the long term. Bossard's very successful growth over recent years flows from this strategy. We have pursued new activities in demanding markets while consolidating our business foundation in all crucial regions of the Group. In spite of the high financial cost of this strategy, the profit curve of the Bossard Group continues to trend upward. This performance is reflected in above-average profitability, which ultimately benefits all stakeholders.

Our strategy does not pursue short-term profit maximization because such an approach could threaten the company's long-term stability. Our financial resources are handled with appropriate caution and purpose. We invest only in areas that promise long-term gains for the Bossard Group. Our goal is sustainable value growth and reasonable returns for our investors. In pursuing this goal, Bossard gains the necessary entrepreneurial freedom of action and secures the company's independence.

In recent years, the Bossard Group has made substantial investments in new capacities and acquisitions. We were able to achieve a smooth implementation of this ambitious expansion policy because we involved all the relevant stakeholders in every project. This consensus-based policy is a core element of our successful strategy, and we are convinced it also creates a viable foundation for the future of our company.

Successful acquisition policy

Our approach to acquisitions exemplifies this consensus-based growth strategy. Bossard has taken over several businesses in Europe and North America in recent years, consolidating the Group's market position in a sustainable manner. The interests of all stakeholders were a major factor during the implementation of this strategy. This approach allowed us to integrate the acquired companies into the Bossard corporate structure to everyone's advantage, thus securing us access to new know-how. We are proud that we never had to resort to painful and costly re-

structuring that would almost certainly have led to job losses. Today, the employees we gained through acquisitions play a crucial role in expanding our business in Europe and America.

Finally, our strategy of sustainable growth has contributed to Bossard's above-average profitability compared to its peers in the industry – year after year. The acquisitions we made did not weigh us down. Instead, they created added value for all stakeholders.

We maintain a constructive and open dialogue with all stakeholders, characterized by fairness, respect and professionalism.

Reliability without compromise

It is our aim to go beyond the needs of our customers and give them maximum added value. Bossard is therefore committed to superior quality management and ongoing process improvement.

Suppliers as partners

This sustainable strategy also characterizes our cooperation with suppliers. We expect excellence from the manufacturers of our top-quality fastening solutions. Bossard relies on cooperative relationships, superior attention to quality, and a fair price policy. We continually and systematically optimize our global procurement network, thus securing access to innovative solutions.

We demand from our suppliers the same performance that we strive to offer our customers: competence, quality and reliability at the highest level. It is important that we see our suppliers as partners and not as competitors. Only through healthy cooperation with innovative suppliers can we deliver excellent products to our customers. We develop long-term successful partnerships based on this fairness-oriented win-win approach. Mindful of our high standards, we are therefore very selective when choosing new suppliers. New suppliers must also sign our code of conduct, thus documenting their respect for Bossard's values.

Respect for customers

Fairness and mutual respect underpin our customer relationships. We strive to focus on our customers' most important needs and respond to them with customized and reliable solutions.

All our stakeholders, and especially our customers, benefit from our uncompromising commitment to quality, because it is what makes our products better and more competitive. It goes without saying that our quality-consciousness does not make us the most inexpensive supplier on the market. Our goal is to deliver the best products and services at competitive prices – which, in turn, help customers reduce their total cost of ownership. Our innovative fastening and logistics solutions can make a substantial contribution to boosting our customers' productivity and hence their competitiveness. In short, we want to be a strong and competent partner

whose creative solutions, highest quality standards and customer proximity set us apart from the rest.

Strict selection promotes sustainability

Bossard does not manufacture industrial products itself. Our entire range of more than 1,000,000 products is manufactured by specialized third parties utilizing our engineering expertise for fastening solutions. Establishing relationships with all suppliers based on the highest standards makes it possible to achieve major advancements in sustainability and especially environmental protection.

Specifications for improved environmental protection

To promote greater awareness of environmental issues, we have defined various requirements for our suppliers based on the ISO 14001 series of environmental standards. These environmental standards are intended to inspire continuous process improvement. For Bossard, this primarily means that we painstakingly analyze the production processes of our industrial suppliers. Furthermore, we check whether packaging meets ISO standards and we promote the use of recyclable materials. Bossard also wants to contribute to lower energy consumption by optimizing transport streams.

One of Bossard's core issues in the area of environmental protection is cutting material consumption and reducing waste. With our Proven Productivity know-how, we help to streamline logistics and production processes and realize substantial savings with every customer and supplier project. Leaner processes save resources, capital and time, thus increasing margins and competitiveness. In this respect, Proven Productivity is a measurable contribution to solidifying the competitiveness of all companies involved on a sustainable basis.

Strict selection process

Compliance with environmental standards also plays a role in our recruitment of new industrial suppliers. We require that our suppliers use environmental-friendly production processes in accordance with ISO 14001 standards. If multiple suppliers are being considered for a contract, compliance with such standards can be the deciding factor.

Over decades, Bossard has built up a broad network of 3,800 suppliers in Europe, America and Asia. Acceptance into this network is based on clearly defined quality criteria. A new supplier must submit to multiple selection processes per ISO 9001 to be approved as a Bossard Group partner. Selection criteria include factory audits to gather information on the production environment, manufacturing processes, machinery and expertise of the individuals involved. These preliminary evaluations and inspections are even more complex for potential new suppliers we deem strategically significant. Any new cooperation gets the green light only after all stages of the selection process have been successfully passed. Every unit in the Group can access all the collected data related to the approval of a new supplier on our internal information system.

Increasing level of performance

This comprehensive screening process creates a stable basis for maintaining the high standards of the Bossard Group. This selection process also helps us to continuously improve our own level of performance in every aspect. Because we are increasingly rolling out our business model in exacting industry sectors such as automotive and aerospace production, selection based on strict criteria is even more important. Against this backdrop, Bossard feels compelled to continuously develop new and more exacting quality standards for suppliers.

Bossard's code of conduct is also an element in the selection process in which we review the social climate of the suppliers. The code specifies detailed principles important to us for a responsible human resources policy. In particular, we do not tolerate any form of discrimination, harassment or reprisals toward employees. We promote equal opportunity regardless of position, gender, age, life situation, sexual orientation, nationality, race or religion. Bossard does not work with companies that do not align themselves with these standards. In addition, we require that the executives of our partner companies monitor compliance with these values and that they themselves model these values in front of their employees.

We rely on cooperative relationships, high quality awareness and a fair pricing policy.

Proven expertise around the globe

Bossard's 14 test laboratories in Europe, America and Asia use cutting-edge measuring and testing equipment to ensure reliable quality assurance and flawless product quality. Our customers benefit from certified processes, documented safety and proven testing competence.

Our wide range of tests include for example:

- Tensile tests and proof load tests
- Drive tests and torsional strength tests
- Tear-off tests
- Coefficient of friction tests
- Hardness measurements
- Coating thickness measurements
- Optical 3D measurements
- Environmental simulation tests (corrosion resistance tests)
- Spectral analyses
- Microscopic analyses and measurements of surface roughness



Our employees: the key to our success

The Bossard Group largely owes its success to the dedication, knowledge and creativity of its 2,500 employees. With their skills and expertise, these individuals make a critical contribution to the success of our company. For this reason, our human resources policy has always been focused on the long term. We attribute great importance to the professional and personal development of our employees and ensure they share in our success. We therefore strive to promote employee retention over the long term and to offer professional development opportunities whenever possible.

Time and again our corporate history has underscored the great value we place in our employees. We are not interested in increasing profitability through lay-offs. On the contrary, we pursue success by continuously improving and expanding our range of products and services together with our employees. Our employment policy has led to the continuous growth of the Group over the last number of years as well as to a steady increase in the number of employees. In other words, Bossard is growing with its employees and not in conflict against them. We have proven that this approach can result in a respectable increase in profitability.

An attractive employer across the Group

Bossard has always accepted its social responsibilities – a fact acknowledged by the public. It is this commitment that makes us a desirable employer throughout Switzerland and well beyond. This reputation is a major opportunity for us because it allows us to consistently recruit highly qualified professionals.

The Bossard Group has grown continuously over the last several years. The number of employees has grown commensurately in the last ten years, from 1,400 to 2,500. We were able to successfully integrate many new colleagues thanks to our corporate culture, which is based on mutual trust as a prerequisite for employee loyalty. In spite of the major changes throughout the Group, there has been no turmoil or conflict in the last ten years that would have challenged our culture. Our sustainable growth strategy, which permits only the amount of growth that the company can successfully manage, is also reflected in the satisfaction of our workforce.

Our employees know that their dedication pays off for our company.

Employees at all levels share in the company's success. Individual salaries are based primarily on personal performance. We foster entrepreneurial thinking and action through fair and competitive compensation based on targets and individual performance. In addition to a fixed pay component, we offer different profit-linked compensation systems that support our winning spirit.

From hiring ...

Careful selection and integration of employees is the basis for long-term retention. We create a framework for fair employment conditions. During recruitment, duties, requirements and processes are communicated clearly and transparently. We see the careful onboarding of new employees as an important foundation for long-term successful cooperation and ultimately for our company's successful development.

... to continuing education as strategic investment

Bossard highly values the quality of education and training of its employees. We foster line, specialist and project careers as well as the exchange of knowledge throughout the Group. Whenever possible, we recruit new managers from within our own ranks. For us that is the best path to maintaining our high standards into the future. All members of our executive committee have had long careers within the company – evidence of the opportunities for advancement and change that provide significant motivation for employees.

Cross-divisional training is important to us. In-depth knowledge of our internal workflows and our complete product range promotes understanding and tolerance among the employees, making it easier for individuals to make valuable contributions.

We are proud of our interactive online learning program developed in-house. Tailored to each target group, it consists of 290 individual chapters with nearly 2,000 images and drawings that convey the current state of knowledge in fastening technology, Bossard's core competence.

Leadership and guidance

Our managers are responsible for working together with employees to achieve ambitious goals. We encourage initiative, motivation and quality-consciousness as virtues that will secure our future in increasingly demanding markets. It is important to us that employees at Bossard know our values and ideals, identify with them and help to give them life. In our view, leadership is based on respect, honesty, fairness and consistency towards employees. At Bossard, cooperation is characterized by openness, trust and mutual appreciation.

Direct and open communication

Bossard believes that it is extremely important for employees to know the entire Group's long-term goals and strategies and share in their pursuit. Conversely, managers know the expectations and goals of employees and motivate them to work together towards the promise of success. We firmly believe in a corporate culture in which employees can develop their skills.

Our communication, both internal and external, is direct, transparent and timely. This is important because dealing with one another openly engenders greater enthusiasm, creativity and efficiency.

In this way, Bossard promotes understanding for and acceptance of business decisions. To this end, we practice an open door policy. Constructive criticism is not only allowed, it is encouraged. In regular employee surveys, we identify the strengths and weaknesses of our company and learn about the wishes and suggestions of our employees. This feedback is a valuable source of information for improvements.

Bossard families – committed to sustainability since 1831

The Bossard families have been Bossard Group shareholders since 1831. Now in their seventh generation, they actively participate in managing the company and currently hold seats on the board of directors and the executive committee. The members of the Bossard family act as role models of sustainability and promote corporate development oriented towards the long term and to the benefit of all stakeholders across all business regions of the Bossard Group.

For generations, the Bossard families have demonstrated their special commitment to the areas where they live and where the Bossard Group is doing business. The Kolin Group and the Alice & Walter Bossard Foundation continue to support charitable, cultural and social projects in the region of Zug and at the 80 Bossard Group locations around the world.

We achieve our success by continuously improving the range of products and services together with our employees.

RISK MANAGEMENT

Systematic risk monitoring and reduction

The aim of risk management is to identify potential risks at an early stage and avoid or substantially limit them through suitable measures. Bossard's risk management approach is an integral part of its group-wide planning, control and monitoring system and is regularly reviewed by the executive committee. Each year, the board of directors and executive committee reassess the situation with a view toward strategic and operational risks.

In annual meetings, we examine all business activities and balance sheet items for potential risks, using a standardized process. Each identified risk is assessed in terms of the possible loss that would be incurred should the damaging event occur. From the results, we then derive targets and effective steps to be taken to mitigate the risks. The results of the risk process are summarized in a report to the board of directors and executive committee. The Group's risk management process is continuously documented and checked for effectiveness. The Group financial management department coordinates the revision of the risk documentation from a central location.

Low supply risk as a result of large network

Supply bottlenecks can occur when our suppliers are working close to capacity during times of above-average demand. Risks can also arise from working with suppliers and when the price of raw materials fluctuate. We counter these risks with tactical and preventive measures in our procurement activities by continuously assessing the market situation and by maintaining a sufficient level of stock. In taking these steps, we ensure that the required volume and quality of fastening parts are available in order to avoid production shutdowns on the part of our customers. Steel, chromium, nickel and different alloys are the most important raw materials for fasteners. Because we purchase finished products, we can not hedge against price increases. We have an extensive supply portfolio of more than 3,800 manufacturers worldwide and rely on long-term relationships with various suppliers in Europe, America and Asia. Our large network of suppliers enables us to minimize supply risks. Diversification also reduces the risk of negative consequences resulting from political upheavals or currency fluctuations.

Systematic quality monitoring

Quality assurance constantly faces new challenges as our customers' requirements continue rising and ever stricter regulations apply, which is why we have developed appropriate systems and testing standards. Quality assurance measures are performed in close cooperation with our procurement team and suppliers. We also check our suppliers' technical and economic performance. Deviations and defects identified during quality testing are continuously analyzed, documented and discussed with our suppliers, thereby minimizing quality-relevant risks from the very beginning.

Responding to sales risks through diversification

Regional and global economic developments impact our business environment and can lead to high price and volume fluctuations in the sales markets. We therefore closely monitor economic developments in the individual countries in order to minimize sales risks. We counter this risk with a wide range of products and a customer portfolio that covers a broad spectrum of industrial sectors and regions of the world.

IT protection is a high priority

Unauthorized data access, data abuse and system failure can seriously disrupt operating processes. To prevent this, we use technical measures such as access authorization, virus scanners, firewalls and backup systems. Our IT systems are continuously monitored and updated in order to meet the latest requirements. We have an emergency concept that includes daily backups and data mirroring. Detailed internal policies govern how we use hardware and software.

Minimizing financial risks

Given its international operations, the Bossard Group is exposed to various financial risks; these comprise exchange rate, interest rate, credit, liquidity and capital risks. The individual risks are minimized through stringent controls and monitoring. One of the central tasks to reduce financial risk within the Group is coordinating and managing financial requirements as well as ensuring financial independence. The aim is optimal capital procurement and liquidity management via cash pooling in order to meet payment liabilities.

Bossard Group's risk policy also includes a comprehensive and efficient insurance scheme to protect against risks. This is achieved with the help of an international insurance program against third-party liability, property damage and business interruption. On the whole, risks that could negatively impact the Group's further development can not be entirely ruled out. Such risks include, for example, war, terror attacks, acts of God and pandemics.

Our testing laboratories are equipped worldwide with the most modern measuring and testing equipment. They guarantee reliable product quality for our customers.

BOARD OF DIRECTORS

Dr. Thomas Schmuckli-Grob (1963)

Swiss citizen



- Chairman of the board of directors since 2007
- Chairman of the nomination committee since 2007
- Member of the audit, risk & compliance committee since 2002
- Member of the board of directors since 2000
- Secretary to the board of directors from 1997 to 2000

Professional background

Dr. Thomas Schmuckli-Grob currently works as a professional board member. Between 1993 and 2013, he held various management positions in the General Counsel division of Credit Suisse Group, initially in the Leu Bank Group and then from 1998 with a break at Credit Suisse. From 2005 to 2007, he headed the legal department of Corporate & Institutional Clients at Credit Suisse in Zurich, followed by Legal and Compliance Asset Management in Zurich (2007 to 2013). From 2000 to 2005, he was head of process and product management at Zuger Kantonalbank.

Educational background

- Studied law (LLB and LLD) at the University of Fribourg
- Accredited lawyer and notary in Zug
- Management studies at the University of Zurich
- Further studies at the IMD, Lausanne, at the HSG, St. Gallen, and at the University of Zurich

Other activities and vested interests

- Chairman of the board of directors of Credit Suisse Funds AG, Zurich
- Member of the board of directors of the MultiConcept (Luxembourg) S.A., Luxembourg (a company of the Credit Suisse Group)
- Member of the board of directors of the Hans Oetiker Holding AG, Horgen
- Chairman of the board of directors of the Patria Genossenschaft, Basel
- Member of the board of directors of Helvetia Holding AG, Basel/St. Gallen, and two subsidiaries

Anton Lauber (1951)

Swiss citizen



- Member of the compensation committee since 2018
- Member of the nomination committee since 2018
- Deputy chairman of the board of directors since 2011
- Member of the board of directors since 2006

Professional background

Anton Lauber works as a professional board member since 2012. From 2008 to 2011, he headed the Schurter AG, the Schurter Group's Electronic Components division in Lucerne as a delegate of the board of directors of Schurter AG. From 1993 to 2008, he was CEO of Schurter AG and from 1996, he was the delegate of the board of directors of Schurter AG, where he worked as the head of production and technology between 1988 and 1992. Prior to that, he managed the Generator Plant of ABB Switzerland. In the course of his professional activities, Anton Lauber gained experience in emerging markets, in particular in India, China, Brazil and Malaysia.

Educational background

- Degree in mechanical engineering and various post-degree diplomas awarded by the University of St. Gallen, IMD in Lausanne and the Lucerne University of Applied Sciences and Arts

Other activities and vested interests

- Member of the board of directors of Fr. Sauter AG, Basel; CTC Analytics AG, Zwingen
- Chairman of the board of directors of Hightech Zentrum Aargau AG, Brugg
- Chairman of the board of directors of Voegtlin-Meyer AG, Brugg
- Chairman of the board of directors of Thermalbad Zurzach, Bad Zurzach
- Vice president of the board of directors of ThermalBaden AG, Baden
- Chairman of the council of the Lucerne University of Applied Sciences and Arts
- Member of the foundation board of Förderstiftung Technopark Aargau, Brugg

Dr. René Cotting (1970)

Swiss citizen



- Member of the board of directors since 2015
- Chairman of the audit, risk & compliance committee since 2015

Professional background

Dr. René Cotting has held various positions in Switzerland and abroad for the ABB Group since 1995. From 2013 until the end of May 2017, he was CFO of ABB Switzerland. On March 1, 2017, he was named Head of Operation, Innovation and R&D for the ABB Group and Chairman of ABB Technology Ventures. In the course of his professional activities, René Cotting gained experience in emerging markets, in particular in India, China and Poland.

Educational background

- Degree in economics and social sciences and doctorate from the University of Fribourg/Freiburg, Switzerland
- Further studies at the IMD, Lausanne, Switzerland
- Further studies at the Harvard Business School, Boston, USA
- Further studies at Kellogg School of Management Northwestern University, Evanston, USA
- Further studies at MIT Massachusetts Institute of Technology, Cambridge, USA
- Further studies at Wharton Business School, San Francisco, USA

Other activities and vested interests

- Vice president of the board of directors of AVADIS Vorsorge AG, Zurich
- Member of the foundation board committee and economic advisory board of Switzerland Innovation, Bern
- Member of the foundation board of ABB Jürgen Dormann Foundation for Engineering Education, Baden
- Member of the board of CCI Cotting Consulting AG, Tafers

David Dean (1959)

Swiss citizen



- Member of the board of directors since 2019

Professional background

David Dean was CEO of the Bossard Group from 2005 to 2019. He was with Bossard since 1992 and served as CFO of Bossard Group from 1998 to 2004. Between 1990 and 1992, he was corporate controller and a member of the executive committee of an international logistics group. From 1980 to 1990, he worked for PricewaterhouseCoopers AG in various management functions in auditing and business consulting. In the course of his professional activities, David Dean gained experience in emerging markets, in particular in India, China, Malaysia, Thailand, Taiwan and South Korea.

Educational background

- Swiss certified management accountant/controller
- Swiss certified public accountant
- Executive education at Harvard Business School in Boston and at IMD in Lausanne

Other activities and vested interests

- Member of the board of directors of Komax Holding AG, Dierikon; Burckhardt Compression Holding AG, Winterthur; Agta Record AG, Fehraltorf; Haag-Streit Holding AG, Köniz; Brugg Group AG, Brugg
- Member of the USA Chapter Board at the Swiss American Chamber of Commerce, Zurich

Patricia Heidtman (1973)

Dual Swiss-US citizen



- Member of the board of directors since 2019
- Member of the compensation committee since 2019
- Member of the nomination committee since 2019

Professional background

Patricia Heidtman is working for SIKA since her studies and is a member of the SIKA management team since 2017. She currently heads the research & development team for thermoplastic systems in Sarnen, Switzerland. Prior to this, Patricia Heidtman spent around 14 years in the USA, most recently as head of innovation management for products, processes and developments for the automotive industry.

Educational background

- Master of Science ETH Zurich
- Executive Education at London Business School and at IMD in Lausanne

Martin Kühn (1976)

Swiss citizen



- Member of the board of directors since 2018
- Member of the audit, risk & compliance committee since 2018

Professional background

Since 2010 Martin Kühn is working for the KIBAG Group in Zurich, since 2014 as CFO and member of the executive committee. He is responsible for finance, ICT, human resources, real estate, KIBAG Marina and the technical services of the construction and building materials company. From 2002 to 2010, he had been employed at PricewaterhouseCoopers AG national and international as an auditor and M&A consultant for industrial clients. Prior to that, he worked two years for UBS.

Educational background

- Business economist FH
- Swiss certified public accountant

Other activities and vested interests

- Member of the board of directors of Kannewischer Ingenieurbüro AG, Cham; Runwaysafe AB, Gothenburg, Sweden
- Member of the foundation board of the pension fund of KIBAG Group, Zurich
- Member of the foundation board of the employee foundation of KIBAG Group, Zurich
- Member of the audit commission of the Bürgergemeinde Zug

Prof. Dr. Stefan Michel (1967)

Swiss citizen



- Chairman of the compensation committee since 2015
- Member of the nomination committee since 2015
- Representative for holders of registered A shares since 2014
- Member of the board of directors since 2011

Professional background

Prof. Dr. Stefan Michel is a professor for marketing and service management and director of the executive MBA at the IMD Business School in Lausanne, Switzerland since 2008. Between 2003 and 2008, he was as a professor at the Thunderbird School of Global Management in Arizona, USA. Prior to this, he taught as a professor at the Lucerne University of Applied Sciences and Arts, managed a family-run hotel and worked at Bank Leu in Zurich.

Educational background

- Degree in economics and doctorate in marketing at the University of Zurich

Other activities and vested interests

- Owner of Business School Press AG, Zug
- Chairman of the foundation board of the Swiss Association for Marketing GfM, Zurich
- Member of the foundation board of the IMD, Lausanne (school representative)

Maria Teresa Vacalli (1971)

Swiss citizen



- Member of the audit, risk & compliance committee since 2019
- Member of the board of directors since 2013

Professional background

Maria Teresa Vacalli is CEO (Chief Executive Officer) of Bank Cler in Basel since September 2019. From 2018 until 2019, she was CDO (Chief Digital Officer) and Member of the Management Board of Basler Kantonalbank in Basel. From 2016 until 2018, she was CEO of Moneyhouse in Rotkreuz. Between 2008 and 2016, she has directed the wholesale unit at Sunrise Communications AG, Zurich, and was appointed executive director in 2014. Between 2002 and 2008, she worked in various executive positions at UPC Schweiz GmbH (formerly upc cablecom GmbH), Zurich. Before that, she had been employed in managerial posts in different companies.

Educational background

- Graduate in plant and production engineering at the ETH Zurich

Other activities and vested interests

- Chairman of the board of directors of Keen Innovation AG, Basel

EXECUTIVE COMMITTEE

Dr. Daniel Bossard (1970)

Swiss citizen



Group CEO since 2019

Professional background

From 2009 to 2018, Dr. Daniel Bossard was CEO Northern and Eastern Europe. From 2006 to 2008, he served as sales & marketing manager of Bossard Group and was responsible for the reorientation of Bossard's sales strategy as well as the development of international customer relations. From 2003 until 2006, he was CEO of Bossard Denmark. Dr. Daniel Bossard joined Bossard in 2000 as an e-business manager, after having worked as a consultant for Accenture (formerly Andersen Consulting).

Educational background

- Business administration degree from the University of St. Gallen, with postgraduate studies leading to a doctorate in technology management (Dr. oec. HSG)

Other activities and vested interests

- Chairman of Bossard Unternehmensstiftung, Zug (Resignation June 2019)

Stephan Zehnder (1965)

Swiss citizen



Group CFO since 2005

Professional background

From 1996 to 1997, Stephan Zehnder was a controller in Bossard's corporate finance unit. In 1998, he took over the function of corporate controller of Bossard Group, remaining in this position until the end of 2004. Prior to this, he was employed by various international companies in functions concerned with finance and controlling.

Educational background

- MBA in Finance from the Graduate School of Business Administration, Zurich and the University of Wales

Other activities and vested interests

- Member of the board of directors of Sun Shares Trading & Consultancy Private Limited, New Delhi, India

Beat Grob (1962)

Swiss citizen



CEO Central Europe since 2006

Professional background

Beat Grob joined Bossard in 1995 as a project manager in logistics; the following year, he became head of logistics for Bossard Group. From 2005 to 2016 he was managing director of Bossard Switzerland.

Educational background

- Degree in law from the University of Zurich
- Postgraduate MBA from the University of San Diego, USA

Other activities and vested interests

- Chairman of the board of directors of Kolin Holding AG, Zug
- Member of the board of directors of Aeschbach Holding AG, Zug
- Member of the foundation board of Bossard Unternehmensstiftung, Zug
- Member of the board of directors of Imbach & Cie AG, Nebikon

Dr. Frank Hilgers (1966)

German citizen



CEO Northern & Eastern Europe since 2019
Group CCO since 2015

Professional background

Dr. Frank Hilgers has been CEO Northern and Eastern Europe since May 2019. Since 2015, he has been responsible for the group-wide management of branded products and high quality fastening solutions (Chief Category Officer, CCO). He has also headed the business units of KVT-Fastening since 2012. From 2009 to 2012, he was a member of the KVT-Koenig management team responsible for sales, product management and the fastening systems division. During his employment at Continental between 2007 and 2009, he was in charge of all national organizations of the spare parts business and key account management in the Commercial & Special Vehicle area. From 2004 to 2007, Dr. Frank Hilgers headed Group Strategy and Corporate Development at Siemens VDO Automotive and was instrumental in the turnaround and sale of this Siemens segment. As senior manager for strategy, Dr. Frank Hilgers headed major international projects at Accenture (formerly Andersen Consulting) from 1997 until 2004, and was responsible for automotive suppliers and the shareholder value initiative in the German speaking countries.

Educational background

- Degree in chemistry and doctorate from the University of Stuttgart
- Executive MBA from Kellogg School of Management Northwestern University (Accenture Program), Evanston, USA

Other activities and vested interests

- Member of the advisory board of enersis suisse AG, Bern

Steen Hansen (1959)

Citizen of the USA



CEO America since 2008

Professional background

From 2006 to 2008, he served as the president of Bossard IIP, Cedar Falls, Iowa. He was responsible for the Group's logistics between 2004 and 2006, having joined Bossard in 2001 as head of logistics for Bossard Denmark. Prior to joining Bossard, he filled various management positions, the last being supply chain manager at Nomeco Denmark, a leading wholesaler for pharmaceuticals.

Educational background

- Bachelor degree in technology management and marine engineering at the Technical University of Denmark
- MBA from the ETH in Zurich

Other activities and vested interests

- Member of the board of directors of National Association of Wholesales (NAW), Washington DC, USA
- Member of the board of directors of Kryton Engineered Metals, Cedar Falls, USA
- Member of the board of directors of Hectronic USA Corp., Chesapeake, USA

Robert Ang (1963)

Citizen of Singapore



CEO Asia since 2009

Professional background

From 2005 until 2009, Robert Ang was responsible for Bossard Greater China (China, Taiwan) and prior to that, the Southeast Asia region. From 1997 until 1999, he was CEO of Bossard Singapore. Robert Ang managed his own company from 1994 until it was acquired by Bossard in 1997. He spent the four years prior as a product manager for Conner Peripherals and Optics Storage Pte Ltd. in Singapore. Between 1986 and 1989 he worked as a buyer at Printronix AG.

Educational background

- Diploma from the Thames Business School, Singapore
- Diploma in mechanical engineering from Singapore Polytechnic
- MBA from the Lee Kong Chian School of Business, Singapore

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Slower growth – vigorous investment activity

Even in the face of deteriorating global market conditions, the Bossard Group again posted growth in the financial year 2019. Sales rose by 0.6 percent to a new high of CHF 876.2 million (in local currency: +1.9 percent). When adjusted for acquisitions, sales declined by 3.3 percent (in local currency: –2.1 percent). The more challenging market environment, along with investments in expanding our engineering and Smart Factory Logistics services, brought about a lower annual result. The EBIT fell from CHF 108.8 million in the previous year to CHF 95.7 million. The EBIT margin amounted to 10.9 percent (previous year: 12.5 percent), which is within the long-term targeted range of 10 percent to 13 percent. Net income was CHF 76.0 million compared to CHF 85.4 million in the previous year.

Sales in Europe rose by 3.0 percent to CHF 507.7 million, a healthy increase of 5.6 percent in local currency. The boost in sales is mainly the result of two acquisitions in Germany. The company's strategically significant takeover of Boysen firmly strengthened Bossard's market position in the aerospace industry. Furthermore, the acquisition of BRUMA, a specialist in high-quality fastening solutions, also contributed to this growth. Even without these acquisitions, sales in local currency grew slightly by 0.5 percent.

Challenging conditions in North America

In America, general business conditions became noticeably tougher throughout the year, resulting in a 9.3 percent drop in sales to CHF 218.4 million. Several different factors underlie this development: Slowing economic growth in the industrial sector also affected the demand for Bossard products and services at several major customers. Along with that, we completed a number of customer projects in 2019 that had stimulated growth in the previous year. Noteworthy in this context is the cooperation with the largest US electric vehicle manufacturer. Its product mix has changed markedly since the launch of its third model series, resulting in lower demand.

Ongoing growth in Asia

In Asia, the Bossard Group remains on a growth course. Year-on-year, sales rose by 9.4 percent to CHF 150.1 million in spite of the trade conflict between the USA and China. In local currency, sales

even increased by 11.4 percent. Without acquisitions, growth was at 3.8 percent (in local currency: +5.7 percent). We posted above-average growth particularly in China, India, and Taiwan. Bossard is benefiting from its vigorous investment activities in recent years, through which it successfully enhanced and modernized its logistics infrastructure and expanded its competence centers. A significant expansion project in Wuqing, China, will be ready for occupation in mid-2020.

Higher selling and administrative expenses

The slowdown in demand in 2019 bred a more competitive market environment, which, among other things, led to greater margin pressure. This is also reflected in the gross profit margin, which dropped from 31.7 percent to 31.2 percent.

Selling and administrative expenses rose from CHF 166.9 million to CHF 177.5 million, in part due to acquisitions. As previously mentioned, we also invested in expanding our engineering and Smart Factory Logistics services. Some of these investments are reflected in the number of employees, which rose from 2,451 to 2,507.

EBIT margin within the targeted range

The slightly lower gross profit compared to last year, as well as the higher selling and administrative expenses due to various long-term investments, ultimately weighed on the Group's profit situation. EBIT fell by 12.1 percent to CHF 95.7 million year-on-year. The EBIT margin was 10.9 percent (previous year: 12.5 percent), within the long-term targeted range of 10 percent to 13 percent.

In spite of the increase in net debt, the financial result improved from the previous year's CHF 4.6 million to CHF 2.7 million, which is mainly attributable to currency gains. Because of the lower profit, tax expenses decreased by CHF 1.7 million to CHF 17.1 million. The tax rate was 18.3 percent, only a slight change from last year's 18.1 percent.

General economic conditions, as well as investments, also affected net income, which fell from CHF 85.4 million last year to CHF 76.0 million. In accordance with our dividend policy, which stipulates a payout ratio of 40 percent of net income to shareholders, the result yield the following dividend:

At the annual general meeting of shareholders, the board of directors will propose a payout of CHF 4.00 per registered A share, compared to CHF 4.50 in the previous year.

Busy year of investment activity

The Bossard Group's growth, along with our investment activities, boosted total assets by 8.1 percent to CHF 652.7 million, largely fueled by our acquisitions. Expanding our warehouse capacities in China and in France also contributed to the growth in total assets.

Year-on-year, the equity ratio fell from 51.3 percent to 46.7 percent. The reason for this decline is that Bossard directly offsets the goodwill from acquisitions against equity. Net debt rose over the previous year from CHF 130.2 million to CHF 187.7 million owing to greater investments in tangible assets as well as acquisitions. As a result of these investments, gearing, the ratio of net debt to equity, rose from 0.4 to 0.6. In spite of the altered balance sheet ratios, the Bossard Group continues to stand on a solid foundation, assuring potential for future growth.

Compared to last year, cash flow from operating activities grew by CHF 25.6 million to CHF 84.5 million, even though the result ended up lower. This positive development is mainly due to the disproportionate low increase in net working capital in the 2019 financial year, fueled particularly by inventories, which was optimized in response to falling demand, thus proved effective.

Cash flow from investing activities grew markedly year-on-year from CHF 29.6 million to CHF 106.6 million. This includes acquisitions in the amount of CHF 73.3 million as well as investments in tangible and intangible assets of CHF 34.6 million (previous year: CHF 27.8 million). CHF 9.5 million stems from expanding our distribution and competence centers in China and France. Lively investment activity pushed free cash flow in the financial year 2019 into the negative range at CHF -22.1 million (previous year: CHF 29.2 million).

Outlook

Macroeconomic conditions became noticeably more challenging in 2019. Political uncertainties, tension in the Middle East, the potential for conflict surrounding Hong Kong, and the trade conflict between USA and China had a negative effect on demand. From today's perspective, we assume that the same market conditions will continue to affect Bossard's business in 2020; hence we see another challenging year ahead.

At the same time, Bossard is very confident about the medium and long-term development. Today we are present in all major industrial locations worldwide and are able to serve our customers locally. In addition, we are continuously expanding our services, infrastructure as well as our sales channels. Therefore, there are many reasons to look ahead optimistically, even if the current economic environment may remain challenging.



Stephan Zehnder
CFO

Zug, February 28, 2020

Consolidated balance sheet

in CHF 1,000	31.12.2019	31.12.2018
Assets		
Current assets		
Cash and cash equivalents	32,653	32,600
Accounts receivable, trade	138,503	141,190
Other receivables	5,095	3,745
Prepaid expenses	11,570	9,916
Inventories	277,073	251,413
	464,894	438,864
Non-current assets		
Property, plant and equipment	129,162	117,860
Intangible assets	31,457	26,758
Financial assets	4,480	3,939
Deferred tax assets	22,736	16,673
	187,835	165,230
Total assets	652,729	604,094
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable, trade	55,831	59,593
Other liabilities	15,976	16,876
Accrued expenses	27,780	32,187
Tax liabilities	8,960	5,844
Provisions	2,376	1,053
Short-term debts	50,924	72,941
	161,847	188,494
Non-current liabilities		
Long-term debts	169,445	89,821
Provisions	7,675	7,721
Deferred tax liabilities	9,238	8,408
	186,358	105,950
Total liabilities	348,205	294,444
Shareholders' equity		
Share capital	40,000	40,000
Treasury shares	-2,571	-2,882
Capital reserves	72,477	62,219
Retained earnings	191,617	208,331
	301,523	307,668
Non-controlling interest	3,001	1,982
Total shareholders' equity	304,524	309,650
Total liabilities and shareholders' equity	652,729	604,094

BOSSARD GROUP

Consolidated income statement

in CHF 1,000	2019	2018
Net sales	876,224	871,070
Cost of goods sold	602,971	595,302
Gross profit	273,253	275,768
Selling expenses	122,817	114,202
Administrative expenses	54,731	52,745
EBIT	95,705	108,821
Financial result	2,690	4,593
Income before taxes	93,015	104,228
Income taxes	17,056	18,818
Net income	75,959	85,410
Attributable to:		
Shareholders of Bossard Holding AG	74,236	83,441
Non-controlling interest	1,723	1,969
in CHF	2019	2018
Earnings per registered A share ¹⁾	9.73	10.95
Earnings per registered B share ¹⁾	1.95	2.19

1) Earnings per share is based on the net income of the shareholders of Bossard Holding AG and the annual average number of outstanding shares entitled to dividend. There is no dilution effect.

Consolidated statement of changes in equity

in CHF 1,000	Issued share capital	Treasury shares	Capital reserves	Retained earnings		Share- holders Bossard	Non- controlling interest	Share- holders' equity
				Retained earnings	Translation differences			
Balance at January 1, 2018	40,000	-3,697	63,084	238,433	-75,333	262,487	1,475	263,962
Dividend				-32,007		-32,007	-1,302	-33,309
Net income for the period				83,441		83,441	1,969	85,410
Management participation plan			1,301			1,301		1,301
Change in treasury shares		815	-2,166			-1,351		-1,351
Offset goodwill from acquisitions				-1,384		-1,384		-1,384
Non-controlling interest from acquisitions						0	32	32
Translation differences					-4,819	-4,819	-192	-5,011
Balance at December 31, 2018	40,000	-2,882	62,219	288,483	-80,152	307,668	1,982	309,650
Balance at January 1, 2019	40,000	-2,882	62,219	288,483	-80,152	307,668	1,982	309,650
Dividend				-34,298		-34,298	-1,338	-35,636
Net income for the period				74,236		74,236	1,723	75,959
Management participation plan			1,571			1,571		1,571
Change in treasury shares		-48	-1,039			-1,087		-1,087
Usage unissued treasury shares		359	9,726			10,085		10,085
Offset goodwill from acquisitions				-47,344		-47,344		-47,344
Non-controlling interest from acquisitions						0	852	852
Translation differences					-9,308	-9,308	-218	-9,526
Balance at December 31, 2019	40,000	-2,571	72,477	281,077	-89,460	301,523	3,001	304,524

BOSSARD GROUP

Consolidated cash flow statement

in CHF 1,000	2019	2018
Net income	75,959	85,410
Income taxes	17,056	18,818
Financial income	-5,605	-2,445
Financial expenses	8,295	7,038
Depreciation and amortization	17,907	16,119
Increase provisions	52	400
Gain from disposals of property, plant and equipment	-62	-94
Loss from disposals of intangible assets	1	6
Interest received	737	694
Interest paid	-3,373	-2,815
Taxes paid	-17,663	-22,807
Increase management participation plan (part of equity)	1,571	1,301
Other non-cash expenses	3,748	629
Cash flow from operating activities before changes in net working capital	98,623	102,254
Decrease/(Increase) accounts receivable, trade	6,307	-6,552
Increase other receivables	-2,393	-2,122
Increase inventories	-6,193	-38,790
(Decrease)/Increase accounts payable, trade	-5,023	1,180
(Decrease)/Increase other liabilities	-6,842	2,910
Cash flow from operating activities	84,479	58,880
Investments in property, plant and equipment	-28,179	-19,898
Proceeds from sales of property, plant and equipment	1,065	1,135
Investments in intangible assets	-6,470	-7,893
Cash flow from purchases of companies	-73,343	-3,024
Investments in financial assets	-994	-511
Divestments of financial assets	1,317	545
Cash flow from investing activities	-106,604	-29,646
Proceeds/Repayment of short-term debts	-21,898	26,907
Proceeds/Repayment of long-term debts	79,931	-8,781
Purchase/Sale of treasury shares	388	-1,555
Dividends paid to shareholders	-34,298	-32,007
Dividends paid to non-controlling interest	-1,338	-1,302
Cash flow from financing activities	22,785	-16,738
Translation differences	-607	-464
Change in cash and cash equivalents	53	12,032
Cash and cash equivalents at January 1	32,600	20,568
Cash and cash equivalents at December 31	32,653	32,600

BOSSARD HOLDING AG

Balance sheet

in CHF	Notes	31.12.2019	31.12.2018
Assets			
Current assets			
Cash and cash equivalents		2,206,125	2,031,398
Other receivables	1	1,544,740	1,648,976
Prepaid expenses		63,289	74,745
		3,814,154	3,755,119
Non-current assets			
Financial assets	2	21,992,150	12,482,064
Investments	3	118,023,215	118,023,215
		140,015,365	130,505,279
Total assets		143,829,519	134,260,398
Liabilities and shareholders' equity			
Current liabilities			
Other current liabilities to third parties		6,476	9,879
Accrued expenses		1,279,494	1,058,342
		1,285,970	1,068,221
Total liabilities		1,285,970	1,068,221
Shareholders' equity			
Share capital		40,000,000	40,000,000
Legal reserve			
Reserves from capital contributions		13,819,386	4,093,912
Other legal reserves		2,049,686	2,049,686
Statutory retained earnings			
General statutory retained earnings		16,000,000	16,000,000
Other reserves		34,111,700	34,111,700
Retained earnings			
Profit brought forward		5,520,688	5,091,611
Profit for the current year		33,613,360	34,726,790
Treasury shares	4	-2,571,271	-2,881,522
Total shareholders' equity		142,543,549	133,192,177
Total liabilities and shareholders' equity		143,829,519	134,260,398

BOSSARD HOLDING AG

Income statement

in CHF	2019	2018
Income		
Dividend income	35,000,000	35,000,000
Other operating income	300,000	300,000
Expenses		
Personnel expenses	1,529,263	1,434,756
Other operating expenses	605,956	391,612
Other financial income	653,990	1,359,567
Financial expenses	31,305	14,439
Income before taxes	33,787,466	34,818,760
Taxes	174,106	91,970
Net income	33,613,360	34,726,790

Notes to the financial statements

Accounting principles applied in the preparation of the financial statements

General

The financial statements of Bossard Holding AG, Zug, were prepared in accordance with the Swiss Code of Obligations and under the financial reporting law (Title 32 of the Swiss Code of Obligations).

Financial assets

Financial assets include non-current loans. Loans in foreign currency are translated into Swiss francs at year-end rate. Unrealized translation losses are recognized in the income statement, whereas unrealized translation gains remain unrecognized (Principle of imparity).

Investments

Investments are measured at cost at the time of recognition. Investments are valued individually if they are material and are not usually grouped together because of their similarity for the valuation.

Treasury shares

Treasury shares are measured at cost at the time of recognition and are disclosed as a negative item in the shareholders' equity. Gains and losses arising from disposal of treasury shares are recognized in the income statement as financial income or financial expenses.

Foreign currencies

	31.12.2019 Year-end exchange rate	31.12.2018 Year-end exchange rate
Monetary and non-monetary items in foreign currency are translated into Swiss francs at the following exchange rates:		
EUR	1.09	1.13

Information and explanations relating to items in the balance sheet and in the income statement

in CHF	2019	2018
1. Other receivables		
To subsidiaries	1,544,740	1,648,976
Total	1,544,740	1,648,976
2. Financial assets		
To subsidiaries	21,992,150	12,482,064
Total	21,992,150	12,482,064

3. Investments

Name, legal form, registered office	2019		2018	
	Capital	Votes	Capital	Votes
Direct investments				
Bossard Finance AG, Zug	100 %	100 %	100 %	100 %
Indirect investments				
Bossard-KVT Beteiligungs GmbH, Illerrieden	100 %	100 %	100 %	100 %
KVT-Fastening Beteiligungs GmbH, Illerrieden	100 %	100 %	100 %	100 %
Bossard AG, Zug	100 %	100 %	100 %	100 %
Interfast AG, Zug	100 %	100 %	100 %	100 %
KKV AG, Zug	35 %	35 %	35 %	35 %
Effilio AG, Zug	100 %	100 %	100 %	100 %
3d-prototyp GmbH, Stans	49 %	49 %	49 %	49 %
KVT-Fastening GmbH, Illerrieden	100 %	100 %	100 %	100 %
Bossard Deutschland GmbH, Illerrieden	100 %	100 %	100 %	100 %
Bossard Italia S.r.l., Legnano	100 %	100 %	100 %	100 %
Forind Fasteners S.r.l., Cassina de' Pecchi (merger with Bossard Italia S.r.l.)	-	-	100 %	100 %
Bossard Austria Ges.m.b.H., Schwechat	100 %	100 %	100 %	100 %
KVT-Fastening GmbH, Linz	100 %	100 %	100 %	100 %
Bossard Denmark A/S, Hvidovre	100 %	100 %	100 %	100 %
Bossard Sweden AB, Malmö	100 %	100 %	100 %	100 %
Torp Tekniske AS, Oslo	60 %	60 %	60 %	60 %
Bossard France SAS, Souffelweyersheim	100 %	100 %	100 %	100 %
SertiTec SAS, Souffelweyersheim (merger with Bossard France SAS)	-	-	100 %	100 %
Bossard Spain SA, Sant Cugat del Vallès	100 %	100 %	100 %	100 %
Bossard Poland Sp.Z o.o., Radom	100 %	100 %	100 %	100 %
KVT-Fastening Sp.Z o.o., Radom	100 %	100 %	100 %	100 %
KVT-Fastening S.R.L., Bucharest	100 %	100 %	100 %	100 %
KVT-Fastening spol. s.r.o., Bratislava	100 %	100 %	100 %	100 %
KVT-Fastening d.o.o., Ljubljana	100 %	100 %	100 %	100 %
KVT-Fastening d.o.o. Serbia, Belgrade	100 %	100 %	100 %	100 %
Bossard CZ s.r.o., Brno	100 %	100 %	100 %	100 %
KVT-Fastening s.r.o., Brno	100 %	100 %	100 %	100 %
KVT-Fastening Kft., Budapest	100 %	100 %	100 %	100 %
Bossard South Africa (Pty) Ltd, Kempton Park	100 %	100 %	100 %	100 %
bigHead Fasteners Ltd, Verwood	42 %	42 %	19 %	19 %
bigHead Bonding Fasteners Ltd, Verwood	42 %	42 %	19 %	19 %
Arnold Industries Cork DAC, Cork	95 %	95 %	95 %	95 %
Bossard U.S. Holdings, Inc., Phoenix	100 %	100 %	100 %	100 %
Arnold Management Delaware, LLC, Canton	100 %	100 %	100 %	100 %
Bossard, Inc., Cedar Falls	100 %	100 %	100 %	100 %
Bossard Aerospace, Inc., Phoenix	100 %	100 %	100 %	100 %
Bossard, LLC, Canton	100 %	100 %	100 %	100 %
Bossard Canada, Inc., Montreal	100 %	100 %	100 %	100 %
Bossard de México, S.A. de C.V., Monterrey	100 %	100 %	100 %	100 %
Aero-Space Southwest Mexico S. de R.L. de C.V., Guadalajara	100 %	100 %	100 %	100 %

Continued on page 60

Name, legal form, registered office	2019		2018	
	Capital	Votes	Capital	Votes
Bossard Pte. Ltd, Singapore	100 %	100 %	100 %	100 %
LPS Bossard Pvt. Ltd, Rohtak	51 %	51 %	51 %	51 %
LPS Bossard Information System Pvt., Rohtak	51 %	51 %	51 %	51 %
Bossard Industrial Fasteners Int. Trading (Shanghai) Co. Ltd, Shanghai	100 %	100 %	100 %	100 %
Bossard Fastening Solutions (Shanghai) Co. Ltd, Shanghai	100 %	100 %	100 %	100 %
Bossard Fastening Solutions (Tianjin) Co. Ltd, Tianjin	100 %	100 %	-	-
Bossard (M) Sdn. Bhd., Penang	100 %	100 %	100 %	100 %
Bossard (Thailand) Ltd, Bangkok	100 %	100 %	100 %	100 %
Bossard (Korea) Ltd, Cheonan	100 %	100 %	100 %	100 %
Bossard Australia Pty. Ltd, Melbourne	100 %	100 %	100 %	100 %
Ecoparts AG, Hinwil	30 %	30 %	-	-
PDi Digital GmbH, Fernitz-Mellach	30 %	30 %	-	-
Boysen Verwaltungs GmbH, Munich	100 %	100 %	-	-
Boysen GmbH & Co. KG, Munich	100 %	100 %	-	-
Boysen Aerospace U.S., Inc., Irving	100 %	100 %	-	-
BRUMA Schraub- und Drehtechnik GmbH, Velbert	100 %	100 %	-	-

4. Treasury shares, incl. shares held by subsidiaries

	2019		2018	
	Number	Value	Number	Value
Balance at January 1	377,433	2,881,522	385,291	3,697,091
Additions	108,074	16,438,392	19,426	2,890,770
Use of treasury stock	-	9,822,729	-	-
Disposals	-180,867	-26,571,372	-27,284	-3,706,339
Balance at December 31	304,640	2,571,271	377,433	2,881,522

Group companies do not hold any registered A shares. In 2019, 75,511 registered A shares (2018: 20,466 registered A shares) were used for the share option programs and acquisitions, thereof 71,838 treasury stocks (2018: 0).

5. Collateral to third parties

	2019	2018
Guarantees	322,295,313	235,124,634
Thereof used	202,866,834	136,348,474

The Bossard Group concentrates its main credit facilities in Bossard Holding AG. Bossard subsidiaries can draw on the credit lines, for which right Bossard Holding AG has undertaken guarantee obligations.

6. Shares and options on shares held by management and related parties

The disclosure of shareholdings of the board of directors and the executive committee as per Swiss Code of Obligation article 959c, section 2, paragraph 11 and article 663c can be found in the notes to the consolidated financial statements (note 27 page 106 in the Annual Report 2019).

7. Significant shareholders

Kolin Holding AG, Zug, and Bossard Unternehmensstiftung, Zug, form a shareholder group in accordance with article 120seq. of Swiss Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FMIA). They hold 56.3 percent (2018: 56.1 percent) of the voting rights. Kolin Holding AG is wholly owned by the Bossard families.

Other information required by law

8. Full-time equivalents/Personnel expenses

Bossard Holding AG has no employees. The personnel expenses include the compensation of the board of directors.

Appropriation of available earnings

Statement of changes in retained earnings

in CHF	2019	2018
Retained earnings at the beginning of the year	39,818,401	37,098,748
Net income	33,613,360	34,726,790
Appropriation of available profit determined by the annual general meeting of shareholders		
Dividends for 2018 and 2017 respectively	-34,297,713	-32,007,137
Retained earnings at the end of the year	39,134,048	39,818,401

Statement of changes in capital contribution reserve

in CHF	2019	2018
Capital contribution reserve at the beginning of the year	4,093,912	4,093,912
Deposits on the use of treasury shares	9,725,474	-
Capital contribution reserve at the end of the year ¹⁾	13,819,386	4,093,912

1) Subject to adjustments by the Swiss tax authorities

The board of directors proposes to the annual general meeting of shareholders the following appropriation of available retained earnings

in CHF	2019
Available retained earnings before distribution	39,134,048
Dividend of 80 percent on the share capital of max. CHF 38,476,800 eligible for dividends ²⁾	-30,781,440
To be carried forward	8,352,608

2) The figure is based on the issued share capital as of December 31, 2019 eligible for dividends. It may change due to movements on treasury shares after the balance sheet date.

INVESTOR INFORMATION

	2019	2018	2017	2016	2015
Share capital					
Registered A shares at CHF 5 par					
Capital stock in CHF 1,000	33,250	33,250	33,250	33,250	33,250
Number of shares issued	6,650,000	6,650,000	6,650,000	6,650,000	6,650,000
Number of shares entitled to dividend	6,345,360	6,272,567	6,264,709	6,240,207	6,218,497
Registered B shares at CHF 1 par					
Capital stock in CHF 1,000	6,750	6,750	6,750	6,750	6,750
Number of shares issued	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000
Number of shares entitled to dividend	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000
Registered A shares equivalents, entitled to dividend at Dec. 31	7,695,360	7,622,567	7,614,709	7,590,207	7,568,497
Market price					
Ticker symbol (BOSN)					
Volume traded (daily average)	19,036	17,113	14,887	8,991	8,011
Closing price at Dec. 31	174.7	139.8	230.0	143.4	109.2
Registered A share high in CHF	180.8	252.0	242.3	144.0	118.4
Registered A share low in CHF	123.9	132.1	142.0	90.4	88.8
Dividend per share					
Registered A share in CHF	4.00 ¹⁾	4.50	4.20	3.30	3.00
Registered B share in CHF	0.80 ¹⁾	0.90	0.84	0.66	0.60
in % of share capital	80.0	90.0	84.0	66.0	60.0
Dividend yield in % (Basis: price at Dec. 31)	2.3	3.2	1.8	2.3	2.7
Earnings per share ^{2) 5)}					
Registered A share in CHF	9.73	10.95	10.33	8.04	7.01
Registered B share in CHF	1.95	2.19	2.07	1.61	1.40
Cash flow per share ^{2) 4)}					
Registered A share in CHF	12.30	13.32	12.52	9.90	8.74
Registered B share in CHF	2.46	2.66	2.5	1.98	1.75
Price/Earnings ratio (Basis: price at Dec. 31)	18.0	12.8	22.3	17.8	15.6
Net worth per share ³⁾					
Registered A share in CHF	39.6	40.6	34.7	27.4	24.6
Registered B share in CHF	7.9	8.1	6.9	5.5	4.9
Market capitalization (Basis: price at Dec. 31)					
in CHF million ³⁾	1,344.4	1,065.6	1,751.4	1,088.4	826.5
in % of shareholders' equity	441.5	344.1	663.5	524.2	443.9

in CHF million	2019	2018	2017	2016	2015
Economic value added analysis					
Net sales	876.2	871.1	786.2	695.0	656.3
Earnings before interest and taxes (EBIT)	95.7	108.8	97.0	78.5	70.3
Effective tax rate in %	18.3	18.1	19.2	17.5	19.7
Net operating profit after tax (NOPAT)	78.2	89.2	78.4	64.7	56.5
Equity	304.5	309.7	264.0	207.6	186.2
Gross financial debt	220.4	162.8	144.6	181.3	177.7
Less cash and cash equivalents	32.7	32.6	20.6	22.5	29.9
Capital employed (year-end)	492.2	439.9	388.0	366.4	334.0
Average annual capital employed (A)	466.1	414.0	377.2	350.2	321.3
Return on average capital employed in % (ROCE)	16.8	21.5	20.8	18.5	17.6
Cost of financial debt in %					
Average cost of financial debt	1.2	1.2	1.4	1.5	1.6
Less effective tax	18.3	18.1	19.2	17.5	19.7
Cost of financial debt after tax	1.0	1.0	1.1	1.2	1.3
Cost of equity in %					
Risk free rate (Basis: yearly average of yield Swiss government bond)	-0.5	0.0	-0.1	-0.4	-0.1
Risk premium	5.5	5.5	5.5	5.5	5.5
Cost of equity	5.0	5.5	5.4	5.1	5.4
Equity ratio	46.7	51.3	48.9	41.9	40.2
Weighted average cost of capital in % (WACC)	2.9	3.3	3.2	2.9	3.0
Economic profit in % (ROCE – WACC) (B)	13.9	18.2	17.6	15.6	14.6
Economic profit in CHF million (A) * (B)	65.0	75.3	66.3	54.7	47.1

- 1) Proposal to annual general meeting of shareholders
- 2) Basis: Average number of outstanding shares entitled to dividend
- 3) Basis: Number of outstanding shares entitled to dividend at year end
- 4) Net income + depreciation and amortization
- 5) Share attributable to shareholders of Bossard Holding AG

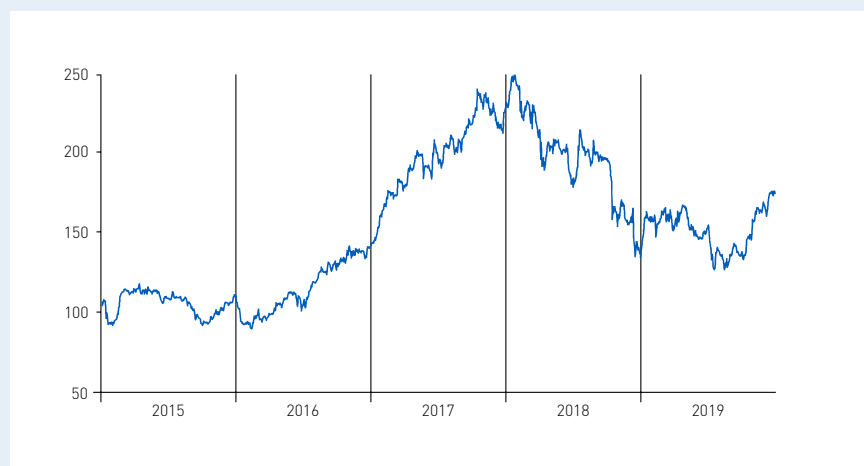
The articles of association do not include any provisions for opting-out or opting-up.

in CHF million	2019	2018	2017	2016	2015
Economic book value (EBV)					
Market value added (economic profit/WACC)	2,271.8	2,271.9	2,049.6	1,905.6	1,593.7
Capital employed	492.2	439.9	388.0	366.4	334.0
Implied enterprise value	2,764.0	2,711.8	2,437.6	2,272.0	1,927.7
Less gross financial debt	220.4	162.8	144.6	181.3	177.7
Plus cash and cash equivalents	32.7	32.6	20.6	22.5	29.9
Economic book value at Dec. 31	2,576.3	2,581.6	2,313.6	2,113.2	1,779.9
Market valuation and key ratios					
Share price at Dec. 31 in CHF	174.7	139.8	230.0	143.4	109.2
Market capitalization	1,344.4	1,065.6	1,751.4	1,088.4	826.5
Net financial debt	187.7	130.2	124.0	158.8	147.8
Enterprise value (EV)	1,532.1	1,195.8	1,875.4	1,247.2	974.3
EV in % of net sales	174.9	137.3	238.5	179.4	148.5
EV/EBITDA	13.5	9.6	16.7	13.7	11.9
EV/EBIT	16.0	11.0	19.3	15.9	13.9
EV/NOPAT	19.6	13.4	23.9	19.3	17.2
Price/book value per share	4.4	3.4	6.6	5.2	4.4
Return on equity in %	24.7	29.8	34.0	31.7	27.5

EBIT	Earnings Before Interest and Taxes
NOPAT	Net Operating Profit After Taxes
ROCE	Return On Capital Employed
WACC	Weighted Average Cost of Capital
EV	Enterprise Value
EVA	Economic Value Added
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization

Share price development 2015–2019

Valor: 23862714, ISIN CH0238627142/BOSN



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AGENDA

**Meeting for financial analysts & media conference,
publication of Annual Report 2019**

March 4, 2020

Annual general meeting

April 8, 2020

Publication of sales results, 1st quarter 2020

April 8, 2020

Publication of first results, 1st half of 2020

July 15, 2020

Publication of Semi-Annual Report 2020

August 25, 2020

Publication of sales results, 3rd quarter 2020

October 14, 2020

Publication of sales results 2020

January 14, 2021

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This Summary Report 2019 is also available in German.

The German Annual Report 2019 is binding.

Dieser Kurzbericht 2019 ist auch in deutscher Sprache erhältlich.

Der deutsche Jahresbericht 2019 ist massgebend.



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