



Bossard Group - Welcome!

Financial Analyst & Media Conference - March 1, 2023

Agenda

- 01** Highlights 2022
- 02** Financial Review
- 03** Strategy 200 – Follow-up
- 04** Outlook 2023

Highlights 2022

Highlights 2022

- Record Sales (CHF 1.154 Bn.) & EBIT (CHF 141.5 Mio.)
- Successful Group ERP System Implementation (Denmark & Sweden)
- High Availability throughout the Crisis ('We Could Deliver')
- Scaling of **Proven Productivity** Services (SFL, SFA)
- Strategy 200 Initiatives (Sustainability, Sales Engine, Together We Create)
- Market Expansion in Canada (Acquisition from PENN Engineering)

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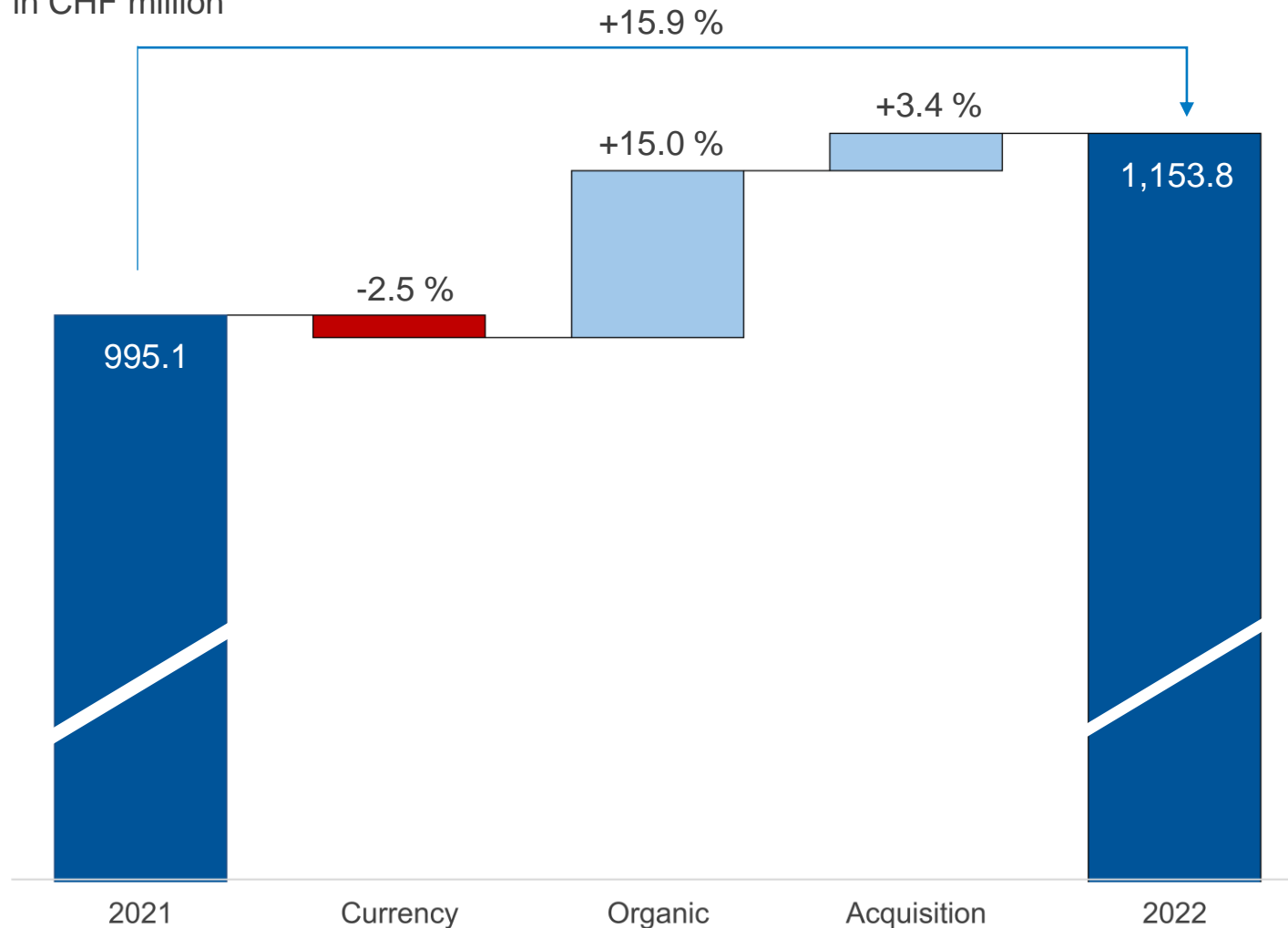
Bossard is a **strategic partner** for fastening technology and **smart factory solutions** to OEM customers globally...



Financial Review

Breaking mark of one billion in sales

in CHF million



- Continued strong global demand
- Sustained double-digit growth rates in all three market regions
- Focus on the growth industries such as electromobility, railway, automation and electronics paid off
- Bossard “Proven Productivity” services like Smart Factory Logistics and Smart Factory Assembly were in demand

New milestones in Bossard history

in CHF million

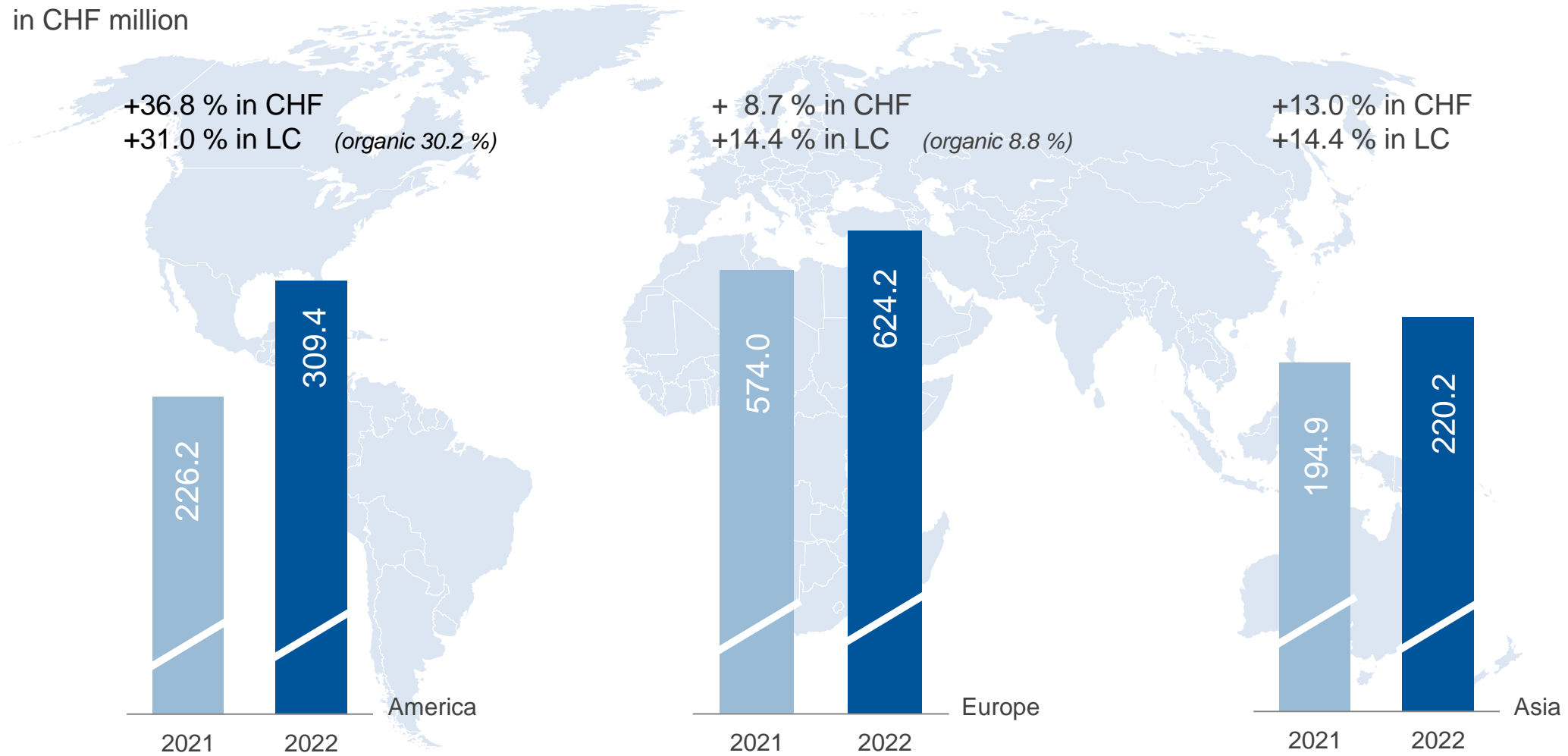
	2021	2022	+/-
Net sales	995.1	1,153.8	15.9 %
Gross profit	317.1	360.1	13.6 %
<i>in %</i>	<i>31.9 %</i>	<i>31.2 %</i>	
Selling expenses	-128.9	-137.2	6.4 %
Administration expenses	-64.9	-81.4	25.5 %
EBIT	123.3	141.5	14.7 %
<i>in %</i>	<i>12.4 %</i>	<i>12.3 %</i>	
Result from associated companies	-0.6	-0.9	
Financial result	-1.3	-5.0	
Income before taxes	121.4	135.6	11.8 %
Taxes	-23.3	-30.0	28.7 %
Net income	98.0	105.6	7.7 %
<i>in %</i>	<i>9.8 %</i>	<i>9.2 %</i>	

- Supply bottlenecks, higher raw material prices and freight rates as well as regional margin mix weighed on the gross profit margin
- Sales and administration expenses in % of sales dropped from 19.5 % in the previous year to 19.0 %.
- Increase in financial results relates to higher capital requirement and rising interest rates as well as foreign currency valuations
- Above average increase of taxes mainly due to regional profit mix and impact of compounded tax rate

NET SALES DEVELOPMENT 2022

By region

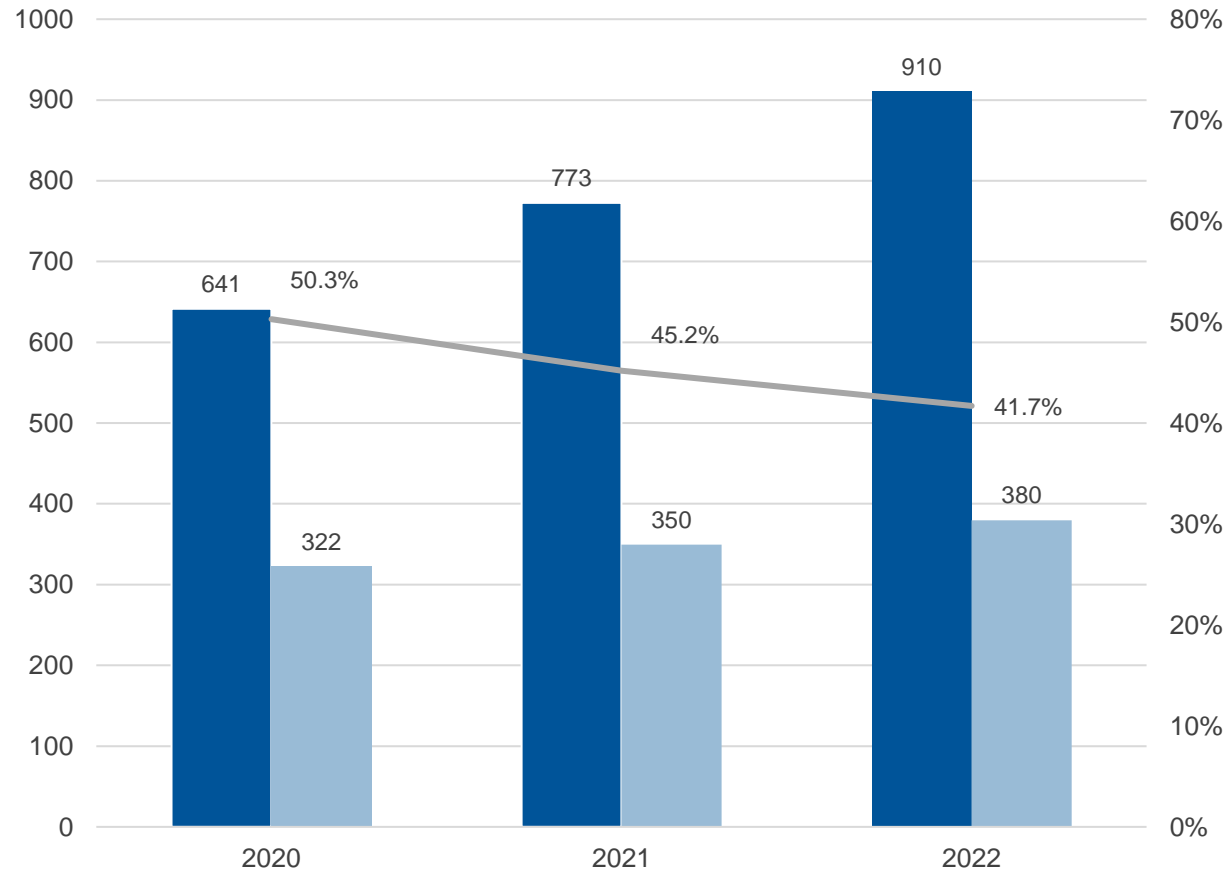
in CHF million



Business growth mirrored in higher total assets

in CHF million

Equity ratio



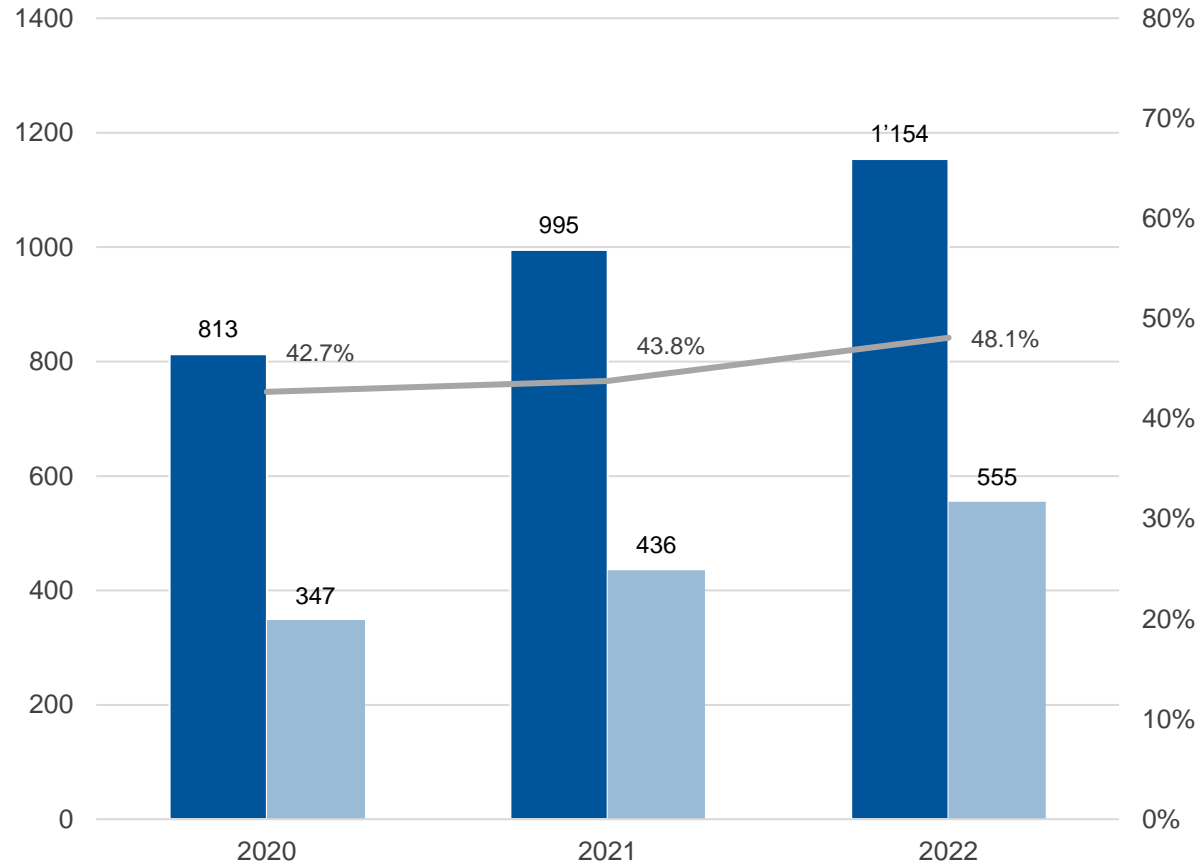
- YOY increase in total assets mainly due to higher operating net working capital
- Above average balance sheet expansion and offsetting the goodwill from the acquisition of PENN Engineered Fasteners, Canada, against equity weighted on the equity ratio
- Equity ratio remaining above the long-term target of 40 %

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

Securing delivery capability is tying up additional capital

in CHF million

ONWC



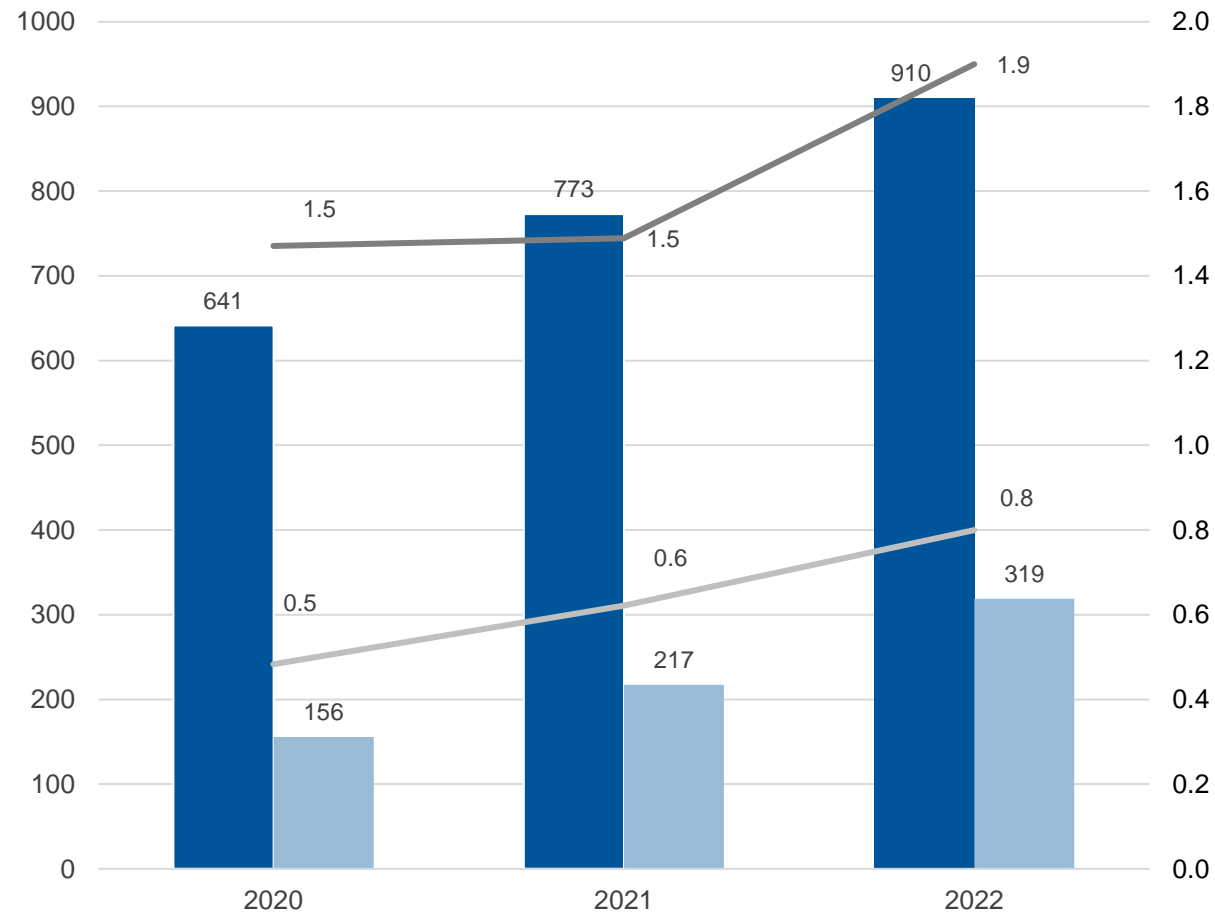
- YOY increase in total assets mainly driven by higher operating net working capital and the acquisition of PENN Engineered Fasteners, Canada
- Above average increase of inventory due to:
 - Increase in demand and further business growth
 - Maintaining delivery capability
 - Higher raw material prices and freight costs

■ Net sales
■ ONWC
— ONWC in % net sales

Despite balance sheet expansion solid ratios remain

in CHF million

Gearing / Net debt-EBITDA ratio

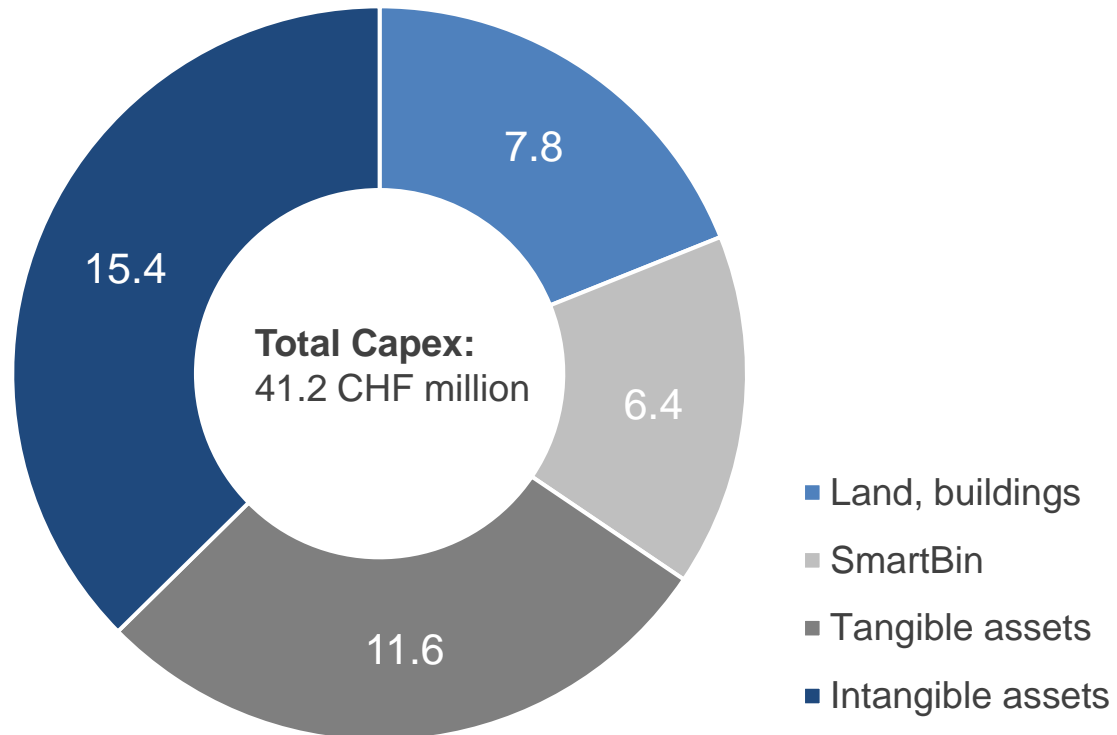


- Continued solid balance sheet ratios despite the significant increase in total assets and net debt

■ Total assets
■ Net debt
— Gearing
— Debt factor

Capex – strong focus on digitalization

in CHF million



Land, buildings

- Office and warehouse capacity expansion in France and Taiwan

SmartBin

- Scales for Smart Factory installations

Tangible assets

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

Intangible assets

- General IT investment / replacement
- New global enterprise resource system

Supply security at the expense of cash flow

in CHF million

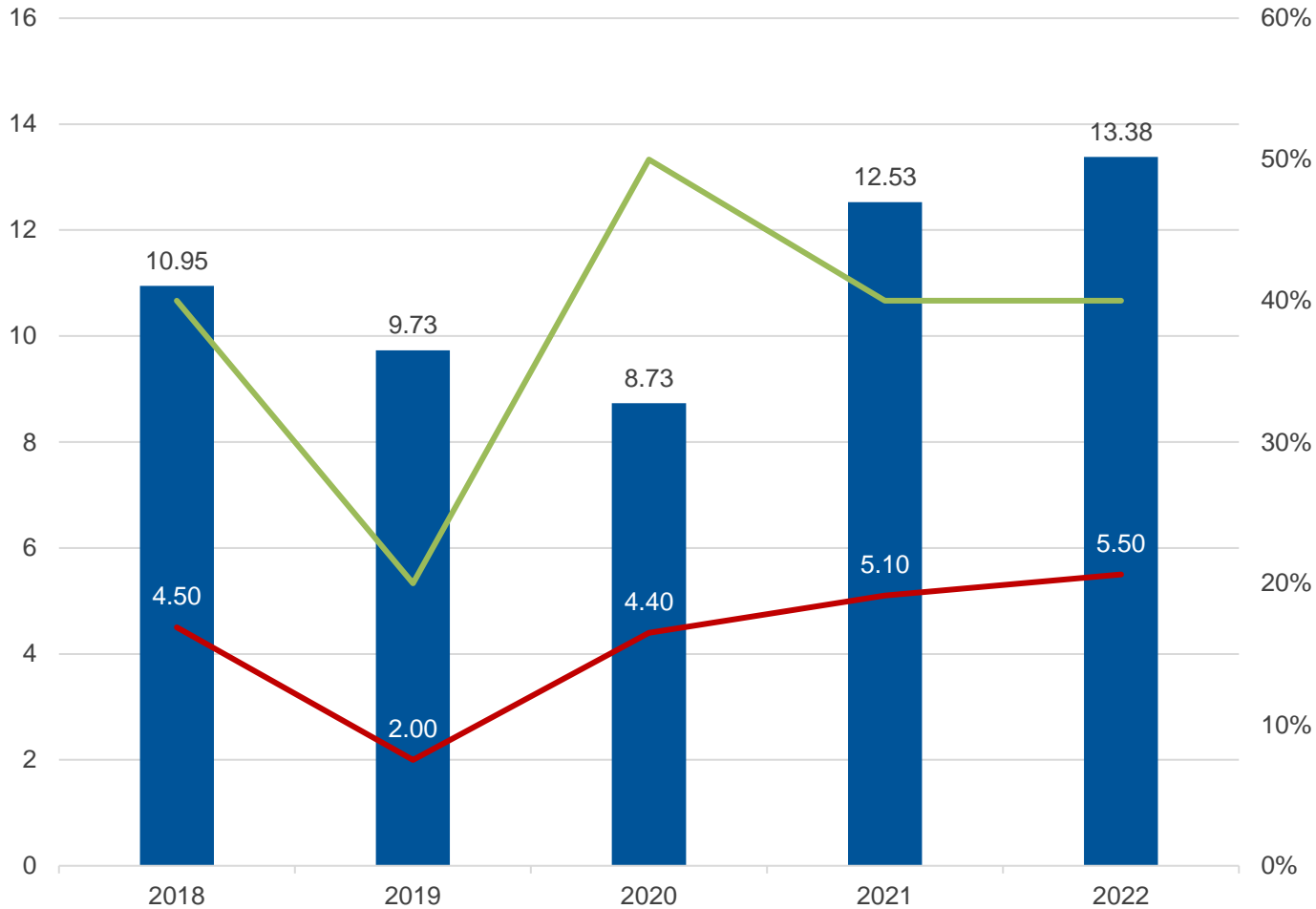
	2021	+/-	2022	+/- in %
Cash flow from operating activities before NWC	126.0	11.7	137.7	9.3 %
Change in NWC	-60.1		-131.7	
Cash flow from operating activities	65.9	-59.9	6.0	-90.9 %
Fixed assets	-35.3		-41.2	
Net acquisitions	-55.9		-27.4	
Other financial assets	-1.1		0.5	
Cash flow from investing activities	-92.3	24.2	-68.1	-26.2 %
Free cash flow	-26.4	-35.7	-62.1	

DIVIDEND POLICY

40 percent payout of net income

in CHF million

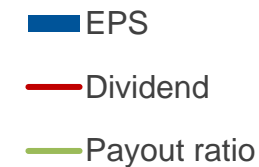
Payout ratio



Proposed dividend for FY 2022

Proposal to the general annual meeting of shareholders

- Gross dividend of CHF 5.50 per registered A share
- Prior year: CHF 5.10
- Increase: +7.8 %

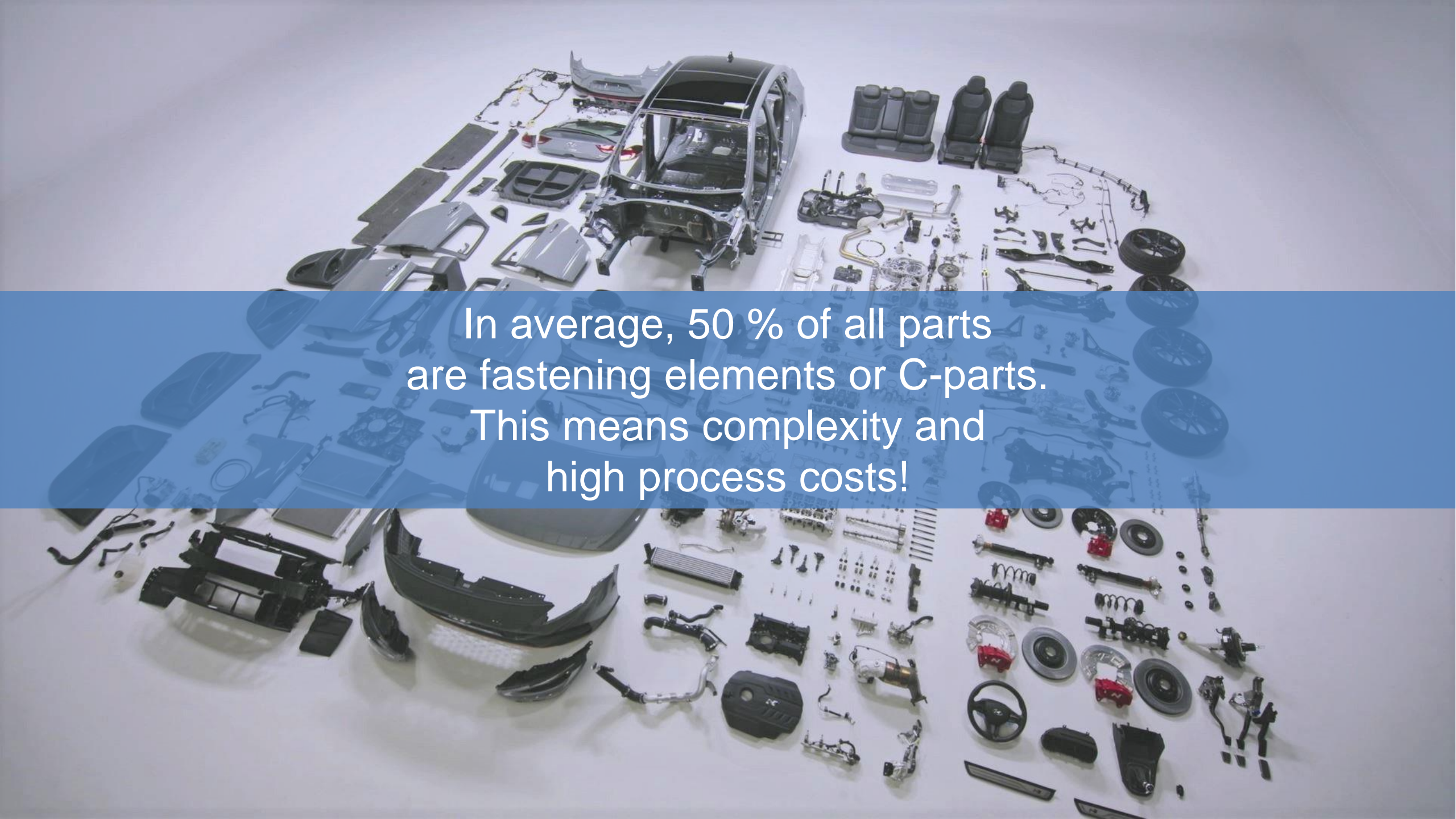


Strategy 200 – Follow-up

Overview

Accelerated profitable and sustainable growth...

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

An overhead view of a car chassis with its body panels removed, surrounded by a vast array of disassembled car parts. The parts are neatly organized on a white surface, showing a wide variety of components such as seats, wheels, suspension parts, interior trim, and engine components. A semi-transparent blue banner is overlaid across the center of the image, containing white text.

In average, 50 % of all parts
are fastening elements or C-parts.
This means complexity and
high process costs!

Total cost reduction – Focus on invisible cost

Visible cost

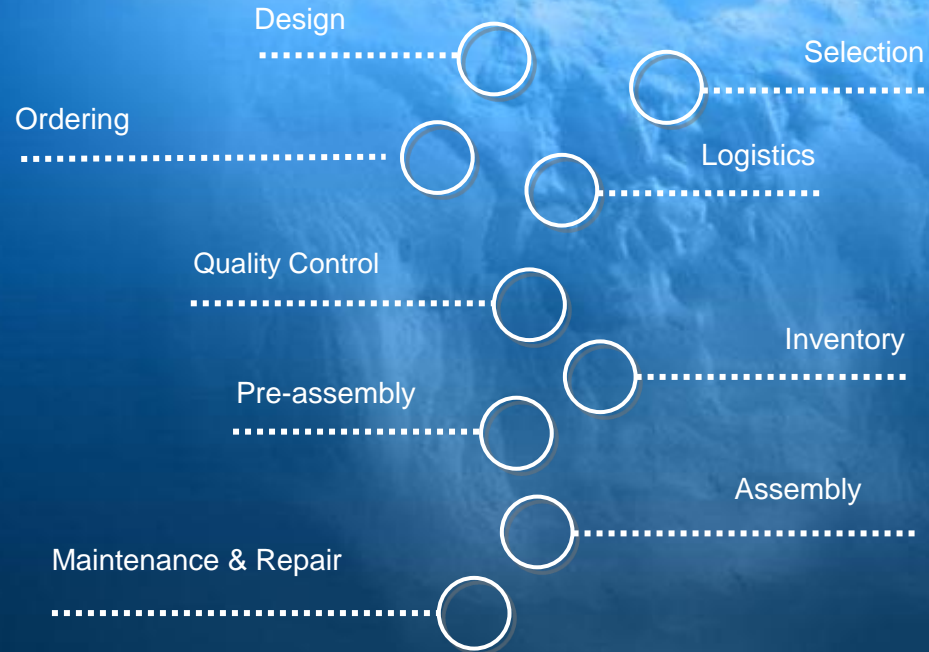
15 %

Component Price

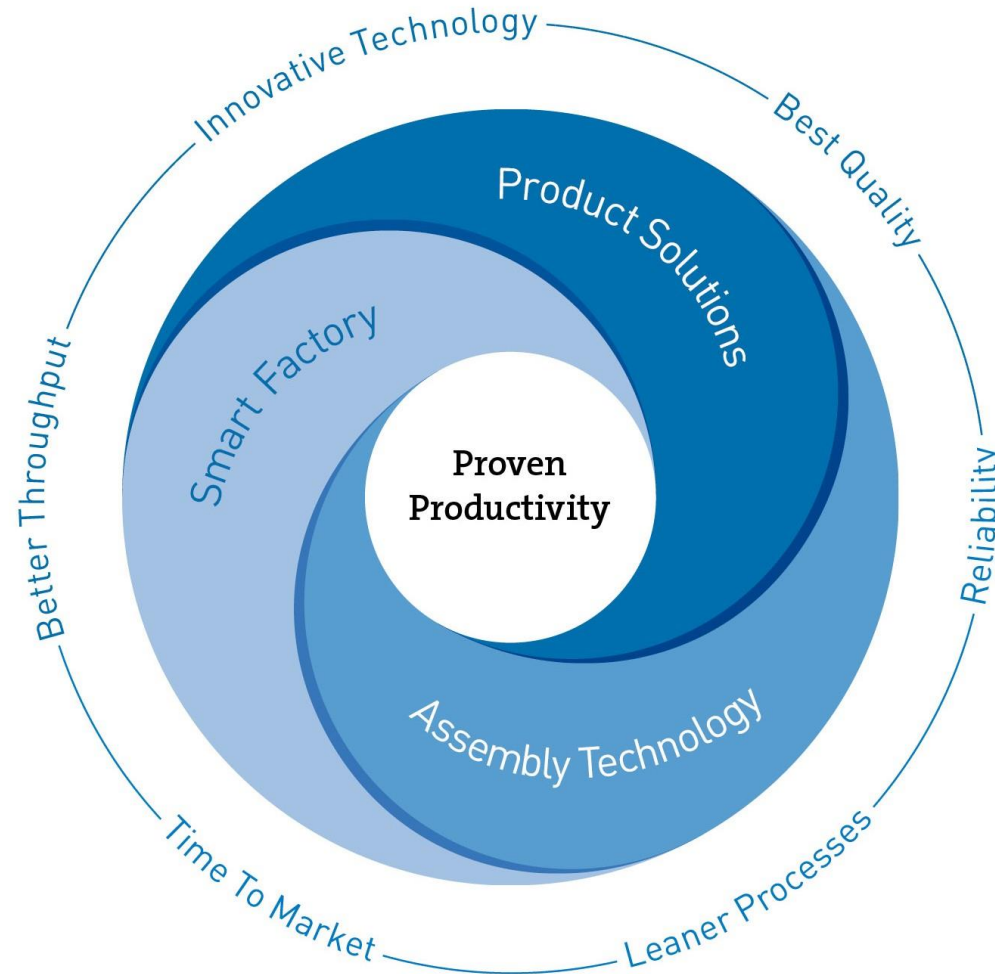


Invisible cost

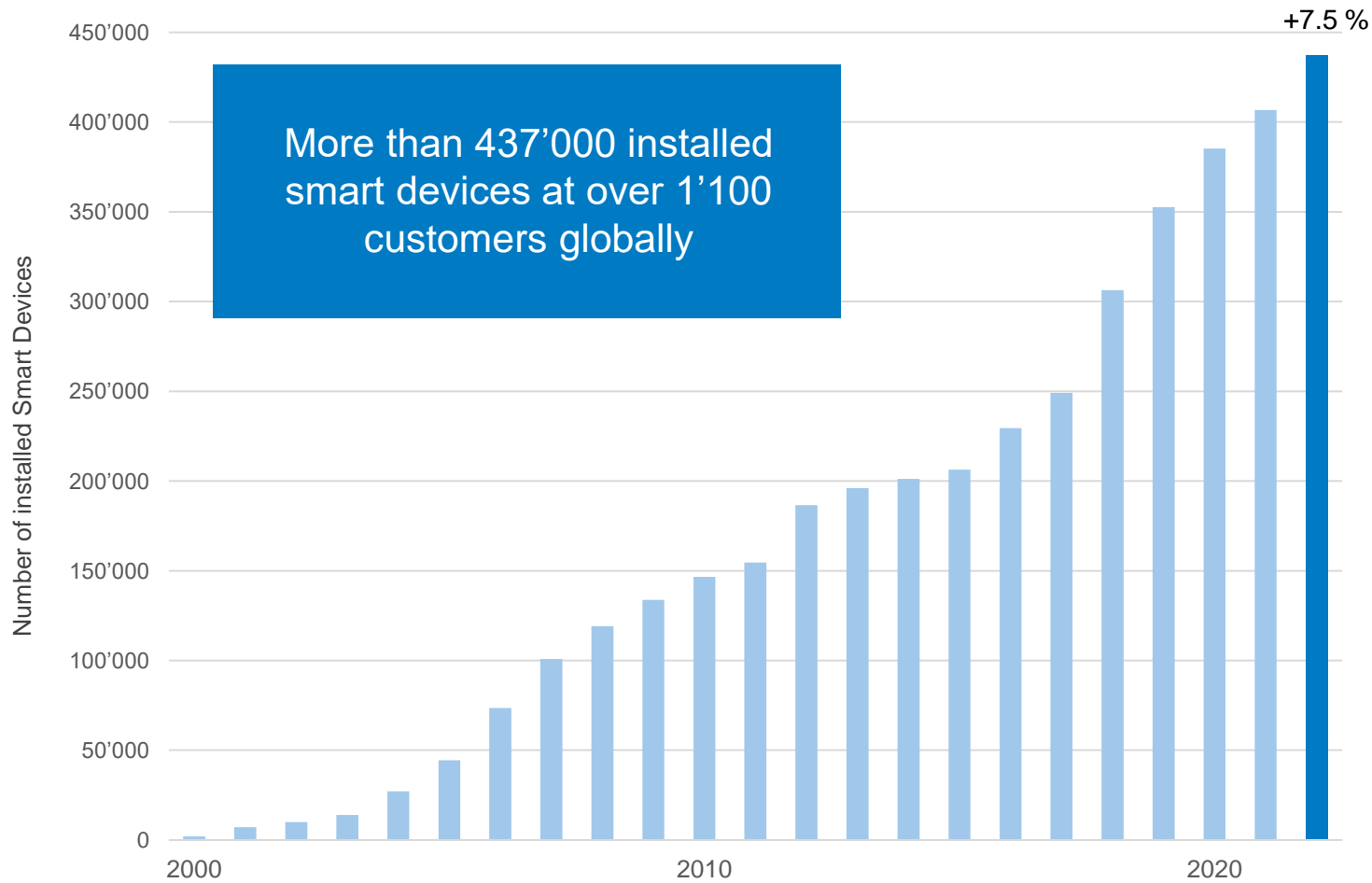
85 %



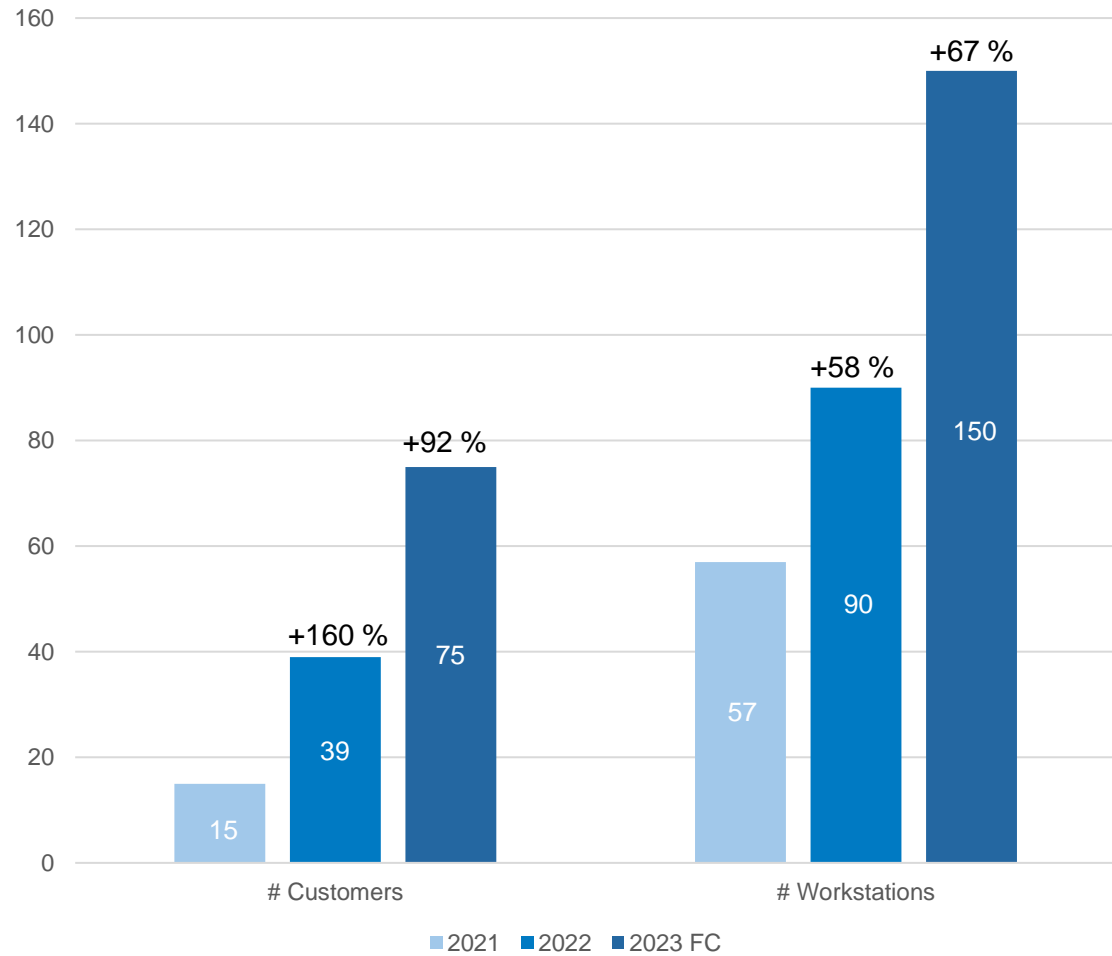
Proven Productivity - Solutions to increase customer competitiveness



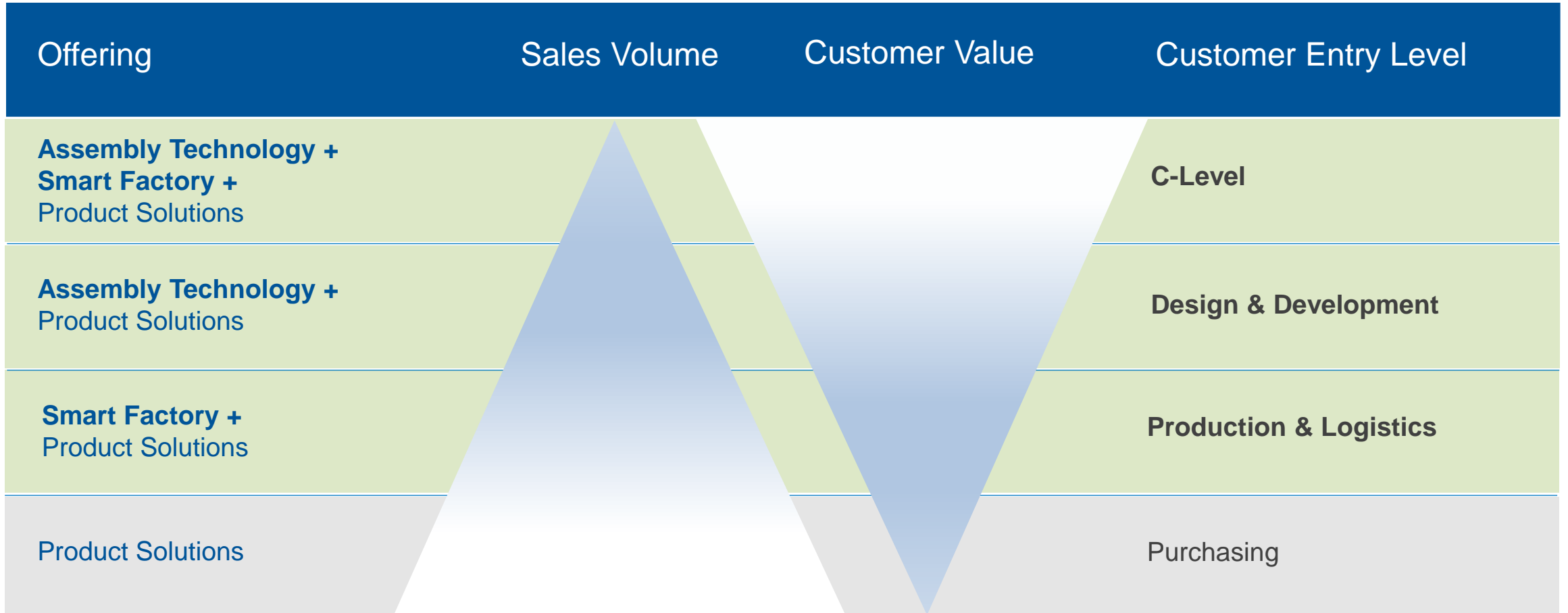
Leader in digitalization



Leader in digitalization



Strategic importance



Overview

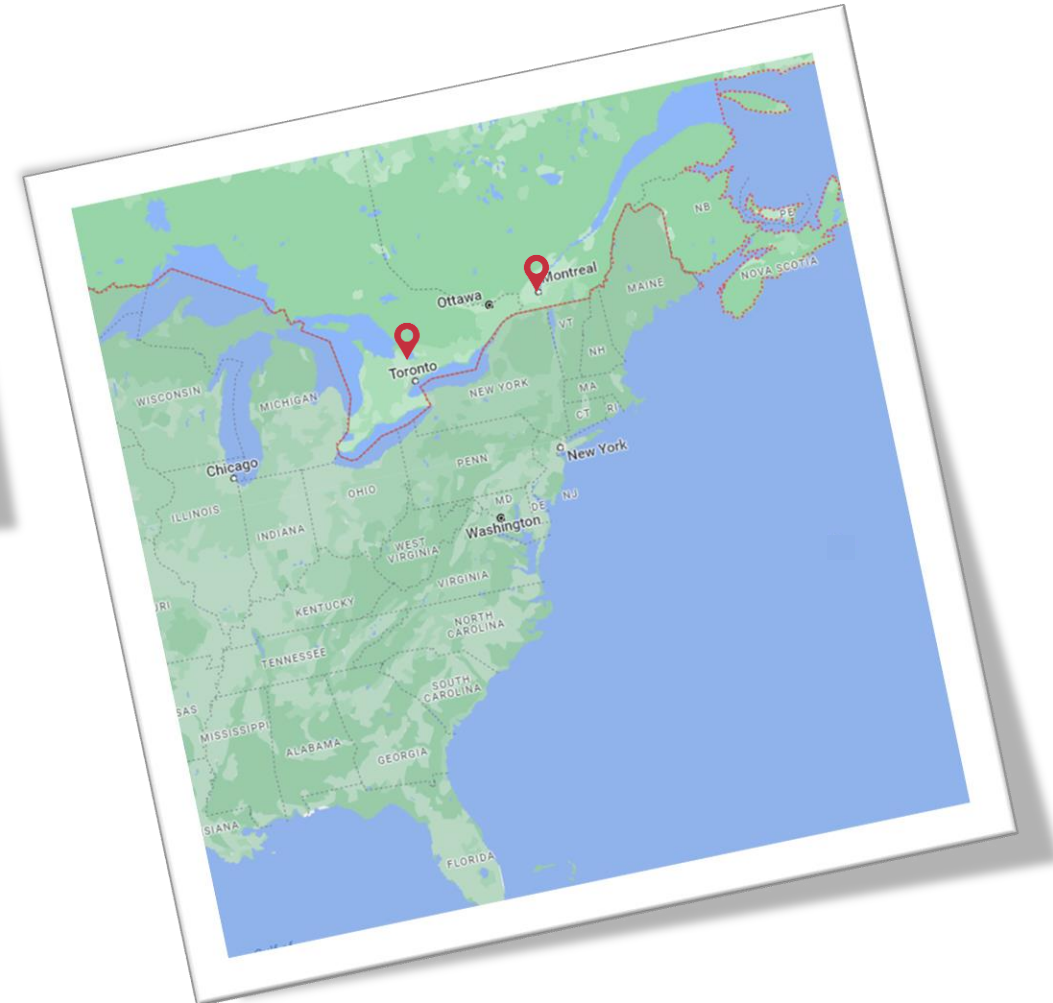
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Market expansion in Canada



- PENN Engineered Fasteners Corporation (PEF), Concord, Ontario, Canada
- Founded in 1970 and acquired by PennEngineering® in 2017
- Customer focus: Electric Vehicles, Energy, Agriculture
- Annual sales: USD 25 Million, 30 Employees
- Branded Product Supplier to 'Key Bossard Industries'



Overview

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Sales
2022
+58 %

ELECTRO-MOBILITY

Sales
2022
+9 %

RAILWAY

Sales
2022
+14 %

ELECTRONICS

Sales
2022
-9 %

HEALTHCARE

— **SHARE OF TOTAL GROUP SALES**
— **37 %**

Overview

Accelerated profitable and sustainable growth...

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7 Strategic Initiatives

From 2020 Strategy



TOGETHER, WE CREATE

...an environment in which we enable our people and the organization to unleash the full potential

SALES ENGINE

...we emphasize digital lead generation and create a new, more effective sales organization

OPERATIONS ENGINE

...we introduce a new digital platform (Microsoft D365) - from supply chain management to sales

SUSTAINABILITY

...we capture our global footprint (CO2 emissions), define global & local long-term targets and implementation programs

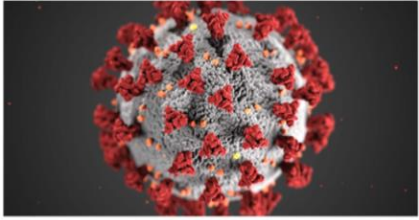
MID-TERM FINANCIAL TARGETS

AFTER A PHASE OF INVESTMENTS

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

Outlook 2023

What we cannot influence...



Pandemic - 'back to normal' but inherent risk of new waves and lockdowns



Re-shoring - manufacturing moving from China and Eastern Europe to Western Europe and the Americas; an **opportunity** for proven productivity services!



Energy Crisis - mostly Europe, renewable energies as an **opportunity** (industrial vertical)!

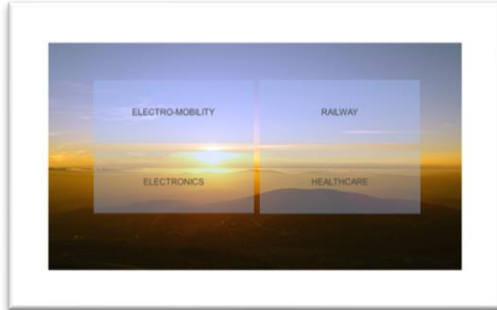


Geopolitics - tragic war in Ukraine; China/Taiwan conflict – escalations can lead to further supply disruptions; no major impact expected 2023



Inflation - higher personnel cost but an **opportunity** for proven productivity services!

What we can influence - Focus 2023



Focus on Sunrise Industries – above-average growth potential



Continue ERP System Rollouts – high investments in 2023 – next rollouts planned



Proven Productivity Services – great window of opportunity to help customers reduce costs through automation



Sales Engine – continue our development of digital marketing and global sales organization (productivity teams)



Sustainable, Profitable Growth – cost and margin management as important as top line growth



Together We Create – continue our organizational development programs to foster global collaboration

Glass half full for 2023...



Following the sunrise industries,
focusing on productivity services
and profitable growth, we are optimistic
to close with another successful 2023!

Events and announcements

- Annual general meeting April 17, 2023
- Publication of sales results, 1st quarter 2023 April 17, 2023
- Publication of semi-annual report 2023 July 20, 2023
- Publication of sales results, 3rd quarter 2023 October 12, 2023
- Publication of sales results 2023 January 12, 2024

Link to the Bossard [Investor Manual](#)



Thank you!

Financial Analyst & Media Conference - March 1, 2023

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