

REPORT TO THE SHAREHOLDERS

**Strong growth  
dynamic and  
new records**

SEMI-ANNUAL REPORT 2021

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## Short profile

The Bossard Group is a leading global provider of product solutions and services in industrial fastening and assembly technology. More than 1 million items as well as proven expertise in technical consulting and inventory management distinguishes the Bossard Group.

Bossard was founded in Zug in 1831. Today local and multinational companies count on Bossard's expertise to increase their productivity – with success. Bossard calls this concept, which is also a promise to its customers, "Proven Productivity." This includes, among other things, optimizing processes and reducing inventories to increase the efficiency and productivity sustainably. In addition, Bossard

is considered a pioneer in developing intelligent production facilities in line with Industry 4.0.

With 2,500 employees at 83 locations in 31 countries throughout the world, the Bossard Group generated CHF 812.8 million in sales in the financial year 2020. Bossard is listed on the SIX Swiss Exchange.

# Key figures

in CHF million	First 6 months 2021	First 6 months 2020	Year 2020
Net sales	494.8	399.4	812.8
Gross profit	159.8	122.2	248.7
EBIT	67.2	41.1	86.4
in % of net sales	13.6	10.3	10.6
Net income	52.6	31.6	67.8
in % of net sales	10.6	7.9	8.3
Cash flow from operating activities	46.6	34.4	91.6
Current assets	551.5	480.2	453.2
Non-current assets	191.0	183.4	188.1
Current liabilities	240.8	199.9	174.5
Non-current liabilities	148.1	166.3	144.5
Shareholders' equity	353.6	297.4	322.3
in % of total assets	47.6	44.8	50.3
Total assets	742.5	663.6	641.3
Net debt	152.6	191.9	155.7
Weighted average number of employees <sup>1)</sup>	2,459	2,412	2,410
<b>Share capital <sup>2)</sup></b>			
Number of shares entitled to dividend			
Registered A shares at CHF 5 par	6,336,940	6,314,512	6,330,874
Registered B shares at CHF 1 par	6,750,000	6,750,000	6,750,000
Registered shares equivalents at CHF 5 par entitled to dividend	7,686,940	7,664,512	7,680,874
<b>Market price</b> in CHF (Ticker symbol: BOSN)			
Closing price at end of reporting period	282.5	144.8	178.4
Registered A share high during reporting period	284.5	176.1	179.4
Registered A share low during reporting period	175.6	95.1	90.0
<b>Key figures</b>			
Consolidated earnings per registered A share in CHF <sup>2) 3)</sup>	13.46	8.25	8.73
Net asset value per registered A share in CHF	46.0	38.8	41.9
Price/earnings ratio (Basis: 30.06./31.12.)	21.0	17.6	20.4
Price/book value per share (Basis: 30.06./31.12.)	6.1	3.7	4.3

1) Period average full time equivalent

2) Basis: Annual average of share capital entitled to dividend

3) Basis: Net income of shareholders of Bossard Holding AG – First 6 months extrapolated to 12 months

## REPORT TO THE SHAREHOLDERS

# Strong growth dynamic and new records

Dear shareholders,

**A broad-based economic upturn on a global scale dominated the first half of 2021. Bossard reached new records in sales as well as EBIT and net income, thus returning to a growth course. Sales in the first half of 2021 grew by 23.9 percent to CHF 494.8 million (previous year: CHF 399.4 million). All three market regions contributed to this significant growth with double-digit growth rates. EBIT increased by 63.6 percent to CHF 67.2 million, with the EBIT margin reaching a high 13.6 percent. Therefore, sales and the mid-year result are not only significantly above prior year, but also 9.7 percent and 26.9 percent respectively above 2019 levels. Ongoing growth initiatives also boost the structural growth of the Group.**

The strong performance in the first half of the year is a result of both the last year's low comparative base as well as high demand in all three market regions following the slowdown of the COVID-19 pandemic. The fourth quarter of 2020 already showed accelerated demand, which picked up even further in the first half of this year. The breadth of this recovery was evident in the double-digit growth rates, not only in all three market regions but even in all regional companies. The growth industries in focus, such as robotics, electromobility, railway, and healthcare technology, performed particularly well.

In the first half of 2020, the Bossard Group worked hard to ensure supply to its customers in spite of interrupted supply chains as a result of the lockdowns. Similarly, the Group continued to face major challenges on the procurement market in the first six months of 2021. In this case, above-average demand led to supply shortages, capacity restrictions, and a significant price increase for raw materials and shipping costs.

In both extreme situations, three key factors were essential for Bossard's success. The first is the flexibility of our employees, who performed exceptionally well under difficult circumstances. The second is Bossard's proven purchasing strategy, which is based on multiple sources of procurement. And the third is our gen-

erous stock-keeping. Although the latter represents a capital lockup of over CHF 280 million, the largest position on the balance sheet, it was of major importance during the last 18 months because it ensured the best possible delivery capability to our customers.

### Strong recovery in Europe

Europe played a major role in the significant improvement of the result in the first half of the year. Sales in the first six months increased by 24.6 percent to CHF 293.7 million (in local currency: +22.2 percent). All areas, with the exception of the aerospace segment, showed solid growth. This was not only due to Bossard's consistently high delivery capability, but also a result of the recovery of the European economy. In addition, substantial business was gained in the focus market of railway vehicle construction.

### Diversified growth in America

In the first half of the year, the Group saw a broad-based, above-average increase in demand in America. Sales grew by 14.5 percent to CHF 110.8 million. In local currency, growth was even higher, with an increase of 21.4 percent. Our expertise in the electromobility sector built up over the last several years proved especially successful and translated into new customer relationships.

### Market share gains in Asia

In Asia, sales in the first six months grew by an impressive 35.0 percent (in local currency: +34.6 percent) to CHF 90.3 million, notwithstanding last year's relatively high comparative base. The Group's focus on growth segments led to an expanded market position in the robotics and electronics sectors, with a gratifying development of the project pipeline.

### Significant jump in profit

The sales growth compared to last year was also reflected in gross profit, which grew by 30.8 percent to CHF 159.8 million. Selling and administrative expenses increased by 14.2 percent to CHF 92.6 million, with some of this increase driven by the higher number of employees. Compared to the previous year, the number of employees increased by 3.2 percent to 2,480 full-time equivalents. Nonetheless, selling and administrative expenses in relation to sales fell from last year's 20.3 percent to 18.7 percent.

In spite of the higher cost basis, the strong growth dynamic resulted in a striking growth in earnings. In the first six months, EBIT increased by CHF 26.1 million, or 63.6 percent, to CHF 67.2 million. The EBIT margin amounted to 13.6 percent compared to the previous year's 10.3 percent. Net income increased to CHF 52.6 million (previous year: CHF 31.6 million), a plus of 66.5 percent.

### **Solid balance sheet**

Because of the accelerated growth in the first six months, total assets increased by 15.8 percent to CHF 742.5 million compared to year-end 2020. This was largely driven by the higher operating net working capital, which increased by 13.7 percent. This increase is driven by higher customer receivables due to increased sales as well as higher inventory on stock, which was expanded considerably to ensure delivery capability in the tense procurement market. The equity ratio amounts to 47.6 percent, which underlines our solid financial position.

### **Growth reflected in cash flow**

In the first half of the year, free cash flow was CHF 35.3 million compared to last year's CHF 13.6 million. The main drivers were solid earning power and lower investment activities. In spite of the dividend payment of CHF 33.9 million in April 2021, net debt fell slightly in the first six months from CHF 155.7 million to CHF 152.6 million.

### **Innovation as the foundation for further growth**

The market is embracing Smart Factory Assembly. With the introduction of this new, independent service, we are supporting our customers in digitalizing their assembly processes. This boosts process reliability and productivity and lowers production costs. With additional digital services such as our new «Real Time Manufacturing» purchasing platform, we enable our customers to procure milled or turned CNC prototypes or initial small series quickly and with time and cost reliability. Both areas highlight our expertise in digitalization, process optimization, and improving productivity.

In the course of implementing our Strategy 200, Bossard will continue to invest heavily in growth initiatives.

### **Outlook**

We anticipate demand to remain strong in the second half of 2021. This expectation is based on our customers' full order books as well as the broad-based global economic recovery, which is reflected in the purchasing manager indices. The situation on the procurement market will likely remain tense in the second half of the year, leading to further price increases and longer delivery times. The outlook for the full year remains subject to uncertainties and risks as a result of the COVID-19 pandemic.

Until the end of this year, we expect the growth rate to normalize as recovery continues. For the financial year 2021, the Group is targeting sales between CHF 930 million and CHF 960 million (2020: CHF 812.8 million). From today's perspective, the EBIT margin is expected to be in the upper part of the targeted range of 10 percent to 13 percent.



Dr. Thomas Schmuckli  
Chairman of the  
board of directors



Dr. Daniel Bossard  
CEO

Zug, August 24, 2021

## Consolidated balance sheet

in CHF 1,000	30.06.2021	30.06.2020	31.12.2020
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	66,104	45,666	40,676
Accounts receivable, trade	183,614	134,887	145,080
Other receivables	4,965	4,392	3,462
Prepaid expenses	15,196	16,113	12,246
Inventories	281,624	279,115	251,772
	<b>551,503</b>	<b>480,173</b>	<b>453,236</b>
<b>Non-current assets</b>			
Property, plant and equipment	130,783	127,403	129,170
Intangible assets	33,810	31,155	32,259
Financial assets	4,595	3,325	5,404
Deferred tax assets	21,774	21,567	21,239
	<b>190,962</b>	<b>183,450</b>	<b>188,072</b>
<b>Total assets</b>	<b>742,465</b>	<b>663,623</b>	<b>641,308</b>
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Accounts payable, trade	70,140	51,578	49,870
Other liabilities	27,469	15,066	20,328
Accrued expenses	44,673	32,760	28,502
Tax liabilities	9,617	9,108	4,745
Provisions	1,464	3,733	3,353
Short-term debts	87,421	87,632	67,652
	<b>240,784</b>	<b>199,877</b>	<b>174,450</b>
<b>Non-current liabilities</b>			
Long-term debts	131,276	149,955	128,679
Provisions	7,688	7,167	6,805
Deferred tax liabilities	9,128	9,178	9,034
	<b>148,092</b>	<b>166,300</b>	<b>144,518</b>
<b>Total liabilities</b>	<b>388,876</b>	<b>366,177</b>	<b>318,968</b>
<b>Shareholders' equity</b>			
Share capital	40,000	40,000	40,000
Treasury shares	-2,640	-4,325	-3,171
Capital reserves	74,052	72,497	72,860
Retained earnings	238,288	187,249	210,266
	<b>349,700</b>	<b>295,421</b>	<b>319,955</b>
Non-controlling interest	3,889	2,025	2,385
<b>Total shareholders' equity</b>	<b>353,589</b>	<b>297,446</b>	<b>322,340</b>
<b>Total liabilities and shareholders' equity</b>	<b>742,465</b>	<b>663,623</b>	<b>641,308</b>

## BOSSARD GROUP

## Consolidated income statement

in CHF 1,000	First 6 months 2021	First 6 months 2020
Net sales	494,786	399,431
Cost of goods sold	334,981	277,255
<b>Gross profit</b>	<b>159,805</b>	<b>122,176</b>
Selling expenses	62,818	54,649
Administrative expenses	29,757	26,424
<b>EBIT</b>	<b>67,230</b>	<b>41,103</b>
Share of result from associated companies	390	109
Financial result	987	3,144
<b>Income before taxes</b>	<b>65,853</b>	<b>37,850</b>
Income taxes	13,285	6,281
<b>Net income</b>	<b>52,568</b>	<b>31,569</b>
<b>Attributable to:</b>		
Shareholders of Bossard Holding AG	51,721	31,600
Non-controlling interest	847	-31
in CHF	2021	2020
Earnings per registered A share <sup>1)</sup>	13.46	8.25
Earnings per registered B share <sup>1)</sup>	2.69	1.65

1) Earnings per share, extrapolated to 12 months, is based on the net income of shareholders of Bossard Holding AG and the number of 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	Goodwill offset	Translation differences			
Balance at January 1, 2020	40,000	-2,571	72,477	615,014	-333,937	-89,460	301,523	3,001	304,524
Dividend				-15,355			-15,355	-43	-15,398
Net income for the period				31,600			31,600	-31	31,569
Management participation plan			527				527		527
Change in treasury shares		-1,754	-507				-2,261		-2,261
Offset goodwill from acquisitions					-10,700		-10,700		-10,700
Non-controlling interest from acquisitions							0	-749	-749
Translation differences						-9,913	-9,913	-153	-10,066
<b>Balance at June 30, 2020</b>	<b>40,000</b>	<b>-4,325</b>	<b>72,497</b>	<b>631,259</b>	<b>-344,637</b>	<b>-99,373</b>	<b>295,421</b>	<b>2,025</b>	<b>297,446</b>
Balance at January 1, 2021	40,000	-3,171	72,860	666,714	-350,536	-105,912	319,955	2,385	322,340
Dividend				-33,866			-33,866		-33,866
Net income for the period				51,721			51,721	847	52,568
Management participation plan			601				601		601
Change in treasury shares		531	591				1,122		1,122
Offset goodwill from acquisitions					171		171		171
Non-controlling interest from acquisitions				-1,111			-1,111	636	-475
Translation differences						11,107	11,107	21	11,128
<b>Balance at June 30, 2021</b>	<b>40,000</b>	<b>-2,640</b>	<b>74,052</b>	<b>683,458</b>	<b>-350,365</b>	<b>-94,805</b>	<b>349,700</b>	<b>3,889</b>	<b>353,589</b>



## Consolidated cash flow statement

in CHF 1,000	First 6 months 2021	First 6 months 2020
Net income	52,568	31,569
Share of result from associated companies	390	109
Income taxes	13,285	6,281
Financial income	-3,021	-1,552
Financial expenses	4,008	4,696
Depreciation and amortization	11,147	9,556
(Decrease)/Increase provisions	-1,136	1,336
Gain from disposals of property, plant and equipment	-73	-43
Loss from disposals of intangible assets	0	6
Interest received	316	74
Interest paid	-1,575	-1,554
Taxes paid	-12,061	-5,850
Increase management participation plan (part of equity)	601	527
Other non-cash expenses	927	235
<b>Cash flow from operating activities before changes in net working capital</b>	<b>65,376</b>	<b>45,390</b>
Increase accounts receivable, trade	-34,149	-331
Increase other receivables	-4,314	-4,188
Increase inventories	-23,611	-8,403
Increase/(Decrease) accounts payable, trade	18,742	-2,867
Increase other liabilities	24,585	4,778
<b>Cash flow from operating activities</b>	<b>46,629</b>	<b>34,379</b>
Investments in property, plant and equipment	-8,291	-9,199
Proceeds from sales of property, plant and equipment	621	417
Investments in intangible assets	-4,182	-1,442
Net cash flow from purchases of companies	0	-11,620
Investments in financial assets	-644	-123
Divestments of financial assets	1,126	1,223
<b>Cash flow from investing activities</b>	<b>-11,370</b>	<b>-20,744</b>
Proceeds/Repayment of short-term debts	19,665	37,119
Proceeds/Repayment of long-term debts	2,493	-19,271
Purchase/Sale of treasury shares	531	-1,754
Dividends paid to shareholders	-33,866	-15,355
Dividends paid to non-controlling interest	0	-43
<b>Cash flow from financing activities</b>	<b>-11,177</b>	<b>696</b>
Translation differences	1,346	-1,318
<b>Change in cash and cash equivalents</b>	<b>25,428</b>	<b>13,013</b>
Cash and cash equivalents at January 1	40,676	32,653
Cash and cash equivalents at June 30	66,104	45,666

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## **1. Scope of operations**

Bossard Holding AG, Zug, Switzerland, a limited company subject to Swiss law, is the parent company of all entities within Bossard Group (hereinafter Bossard). Bossard is a leading distributor of fasteners of every kind and a provider of related engineering and logistics services including inventory management solutions. The Group operates in three geographic regions, Europe, America and Asia, and is one of the market leaders in its sector of industry.

## **2. Accounting principles of the consolidated financial statements**

These unaudited consolidated interim financial statements for the first six months of 2021 were prepared in accordance with Swiss GAAP FER and in compliance with Swiss GAAP FER 31. They do not include all of the information and disclosures required for full annual financial statements and should be read in conjunction with the audited annual report 2020. These consolidated interim financial statements have been prepared using the same accounting policies and valuation principles as applied in the consolidated financial statements as of December 31, 2020.

## **Accounting estimates and assumptions**

The estimates and assumptions made by the board of directors and executive committee in the consolidated interim financial statements have not changed significantly compared with the consolidated financial statements 2020.

## **3. Changes in the scope of consolidation**

In first half of 2021, Effilio AG, Switzerland was merged with Bossard Finance AG, Switzerland.

There were no changes in the scope of consolidation in first half of 2020.

#### 4. Segment information

The Bossard Group and all its regional companies are internationally active in the field of industrial fastening technology. There are no separate segments as per Swiss GAAP FER 31. All the regional companies are managed based on a uniform business strategy. The core of Bossard's strategy is a uniform business model with the same customer and product orientation in the world's major industrial regions. Bossard supplies industrial companies at their worldwide production sites with fastening technology products and related services based on uniform quality standards using uniform operational systems and processes. The board of directors and executive committee manage the Bossard Group on the basis of the financial statements of the individual regional companies and the Group's consolidated financial statement. Based on the number of regional companies, the CEO delegates the oversight of the goals and their implementation in daily operations to the remaining members of the executive committee, each of whom is responsible for a different number of companies in the various regions.

#### 5. Sales by regions

in CHF million first 6 months	Europe		America		Asia		Group	
	2021	2020	2021	2020	2021	2020	2021	2020
Sales	294.6	236.4	111.3	97.1	90.6	67.6	496.5	401.1
Sales deductions	0.9	0.7	0.5	0.3	0.3	0.7	1.7	1.7
<b>Total Net sales</b>	<b>293.7</b>	<b>235.7</b>	<b>110.8</b>	<b>96.8</b>	<b>90.3</b>	<b>66.9</b>	<b>494.8</b>	<b>399.4</b>

#### 6. Financial result

in CHF 1,000	First 6 months 2021	First 6 months 2020
Financial income	3,021	1,552
Financial expenses	4,008	4,696
<b>Total Financial result</b>	<b>987</b>	<b>3,144</b>

## **7. Acquisitions and disposals of subsidiaries and businesses**

### **Acquisitions 2021**

In March 2021, a purchase price adjustment was made for an asset deal in China in year 2019. The reversals of a provision and of a deferred tax asset resulted in a reduction of goodwill of CHF 0.2 million.

### **Disposals 2021**

In 2021, no subsidiaries were disposed.

### **Acquisitions 2020**

In January 2020, the investment in Torp Tekniske AS, Norway, was increased from 60.0 percent to 100.0 percent. This investment led to a cash outflow of CHF 11.6 million and a goodwill of CHF 10.9 million.

In April 2020, a purchase price adjustment was made for an asset deal in China in year 2019. The reversals of a provision and of a deferred tax asset resulted in a reduction of goodwill of CHF 0.2 million.

### **Disposals 2020**

In 2020, no subsidiaries were disposed.

## 8. Exchange rates

	30.06.2021 Exchange rate	01.01.2021– 30.06.2021 Average exchange rate	31.12.2020 Exchange rate	30.06.2020 Exchange rate	01.01.2020– 30.06.2020 Average exchange rate
1 EUR	1.10	1.09	1.08	1.06	1.06
1 USD	0.92	0.91	0.88	0.95	0.97
1 GBP	1.28	1.26	1.21	1.17	1.22
1 AUD	0.69	0.70	0.68	0.65	0.64
1 RON	0.22	0.22	0.22	0.22	0.22
1 CAD	0.75	0.73	0.69	0.70	0.71
1 NOK	0.11	0.11	0.10	0.10	0.10
1 ZAR	0.06	0.06	0.06	0.05	0.06
100 DKK	14.74	14.71	14.53	14.28	14.25
100 SEK	10.81	10.80	10.77	10.17	9.98
100 CZK	4.30	4.23	4.12	3.99	4.04
100 HUF	0.31	0.31	0.30	0.30	0.31
100 PLN	24.27	24.12	23.71	23.95	24.13
100 RSD	0.93	0.93	0.92	0.91	0.91
100 SGD	68.72	68.15	66.89	67.87	69.08
100 TWD	3.31	3.24	3.15	3.22	3.22
100 RMB	14.31	14.03	13.55	13.39	13.73
100 MYR	22.26	22.17	22.00	22.12	22.74
100 THB	2.88	2.95	2.95	3.07	3.06
100 INR	1.24	1.24	1.21	1.25	1.31
100 KRW	0.08	0.08	0.08	0.08	0.08
100 MXN	4.64	4.50	4.44	4.10	4.51

## 9. Events occurring after balance sheet date

Since June 30, 2021 no major events occurred which would have required additional disclosures or changes in the Semi-Annual Report 2021.

## AGENDA

**Publication of sales results, 3rd quarter 2021**  
**October 13, 2021**

**Publication of sales results 2021**  
**January 13, 2022**

**Meeting for financial analysts & media conference,  
publication of Annual Report 2021**  
**March 2, 2022**

**Annual general meeting**  
**April 11, 2022**

**Publication of sales results, 1st quarter 2022**  
**April 11, 2022**

The Semi-Annual Report 2021 is available on [www.bossard.com](http://www.bossard.com) > About us > Investor Relations. This report is unaudited and prepared in accordance with Swiss GAAP FER 31.

The Semi-Annual Report contains forecasts. They reflect the company's present assessment of market conditions and future events and are thus subject to certain risks, uncertainties and assumptions. Through unforeseeable events the actual results could deviate from the forecasts made and the information published in this report. Thus all the forecasts made in this report are subject to this reservation.

This Semi-Annual Report 2021 is also available in German. The German version is binding.

### **Imprint**

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