



IMAGINE

**Increase
your productivity
sustainably.**

SUMMARY REPORT 2018

IMAGINE

Assembly Technology Expert: Bossard recognizes the hidden potential of fastening technology.

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 77 locations, the Group reported CHF 871.1 million in sales in 2018. 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

A year of records

The gratifying development of our results of this past financial year provide further confirmation of our profitability-oriented growth strategy, which particularly reflects our dedicated investment policy over recent years. We posted new records for sales as well as EBIT and net income.

Key figures

in CHF 1,000	2018	2017
Net sales	871,070	786,175
Change to prior year in %	10.8	13.1
Gross profit	275,768	253,151
Personnel expenses	176,483	164,102
in % of net sales	20.3	20.9
EBITDA	124,940	112,030
in % of net sales	14.3	14.3
EBIT	108,821	97,048
in % of net sales	12.5	12.3
Net income	85,410	80,193
in % of net sales	9.8	10.2
Cash flow ¹⁾	101,529	95,175
in % of net sales	11.7	12.1
Capital expenditures	27,791	22,695
Operating net working capital ²⁾	333,010	294,010
in % of net sales	38.2	37.4
Net debt	130,162	124,023
Shareholders' equity	309,650	263,962
in % of total assets	51.3	48.9
Total assets	604,094	539,758
Return on equity	29.8	34.0
Return on average capital employed (ROCE)	21.5	20.8
Dividend yield in % (Basis: share price at Dec. 31)	3.2	1.8
Earnings per share ^{3) 4)}		
Registered A share in CHF	10.95	10.33
Registered B share in CHF	2.19	2.07
Price/earnings ratio (Basis: share price at Dec. 31)	12.8	22.3
Price/book value per share	3.4	6.6
Annual weighted average number of employees ⁵⁾	2,307	2,162
Net sales per employee ⁶⁾	377.6	363.6

1) Net income + depreciation and amortization

2) Accounts receivable, inventories, less accounts payable

3) Basis: Average capital entitled to dividend

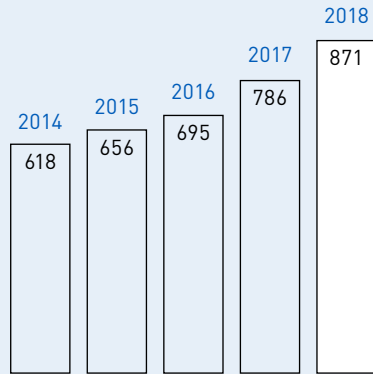
4) Basis: Share attributable to shareholders of Bossard Holding AG

5) Average full time equivalent

6) Basis: Annual weighted average number of employees

Net Sales

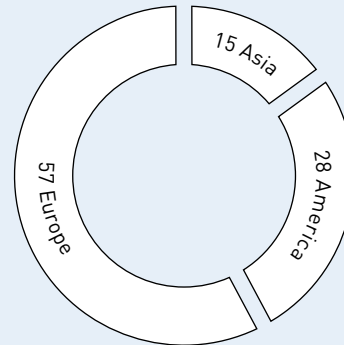
in CHF million



Sales rises by **10.8 percent** to a new record level of CHF 871.1 million.

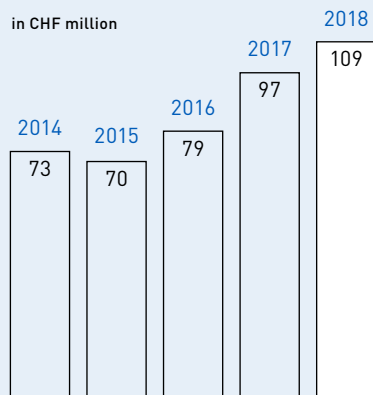
Geographic Sales Distribution

in %



EBIT

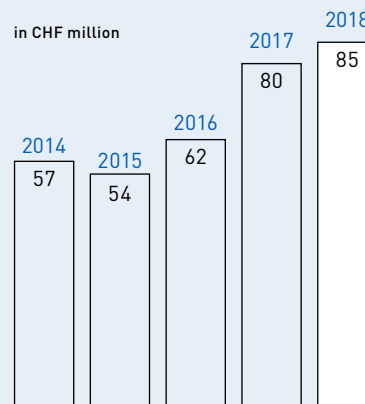
in CHF million



Targeted investments pay off – EBIT increases by **12.1 percent** to a new record high.

Net Income

in CHF million



+6.5 percent
Net income at record high – basis for future growth.

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

Consistency leads to new record results

Dear Shareholders,

Once again, the Bossard Group can look back on a very successful financial year. In 2018 we increased sales as well as EBIT and net income to new record highs. EBIT grew by no less than 12.1 percent, net income by 6.5 percent; excluding the non-operating result from the prior year's real-estate sale, the figure was 12.8 percent. At 12.5 percent, the EBIT margin is well above the industry average and sets a new record. Our dedicated investment policy, our eagerness to open up future markets, and our solid balance sheet have been the foundation for Bossard's profitable growth over many years. As such, the record results in 2018 represent a milestone that encourages us to continue to forge ahead on this path.

The consistency in our performance is largely the result of the broad-based foothold of the overall Group. Our customers come from widely different sectors: machine, railway, energy, aircraft and automotive industry. Additionally, Bossard has deep roots in all major industrial centers. Such broad diversification holds major benefits, because experience has taught us that a dip in one market can be balanced out by growth in other sectors and regions.

Broad-based growth

Our broad diversification paid off particularly in Europe, where we again achieved double-digit growth in 2018 with a 10.8 percent increase in sales. Our business benefited from the healthy economy in the first half of the year. Thanks to modernized and expanded capacities, we were well prepared for this upswing. The latter half of the year was decidedly more challenging. Many customers were operating at full capacity, which along with the strengthening Swiss franc curbed demand. Nonetheless, Bossard's solid development in all major European markets is noteworthy.

The America business flourished as well, its base broadened by the acquisitions we made in recent years. Solid demand in various sectors fueled accelerated growth throughout the year, further bolstered by the cooperation with the largest US electric vehicle manufacturer. Business from this customer makes up approximately 7 percent of Group sales, and we are benefiting today from the groundwork we laid over a number of years.

Our Asia business also grew by double digits in 2018. The investments Bossard undertook to expand its distribution network, especially in China, are bearing fruit.

Opening up future markets

Dear shareholders, the Bossard Group has its sights set on a number of future markets that will ensure our profitable growth over the long term. For example, we have set ambitious goals in the field of additive manufacturing: in spring 2018, we announced partnerships with three manufacturers of 3D printers. In fall 2018, we also acquired a 49 percent stake in the company 3d-prototyp GmbH.

These efforts are designed to give Bossard broad expertise in additive manufacturing, ranging from design to the manufacture of components. In addition, we want to offer our customers the best possible support in selecting suitable 3D printers and related production technologies. Of course, we are aware that 3D printing is still far from generating sizable sales and profits. We do consider additive manufacturing a market for the future, especially for prototypes, components with complex geometries, and parts where weight reduction is crucial. It is also significant that 3D printing is increasingly leading to the use of new materials for which Bossard, as the leading supplier of fastening technologies, intends to develop and market innovative solutions.

We strive for innovative solutions in supply chain management as well. One important element is Smart Factory Logistics, our automated logistics system for small parts; Bossard has been using it since 1998 to make customer procurement processes more cost efficient. Now, our efforts are focused on stepping up the integration of robotics into supply chain management. The robots we incorporate into production processes are able to transport components to the assembly site over even greater distances.

Furthermore, we are continuously striving to make progress in supply chain digitalization. One aspect is ensuring adequate requirements identification and inventory management. Bossard has assumed responsibility for supply chain management in many companies. We want to market our proven tools so that customers can use them on their own. Our message makes it clear that our proven solutions can be



used in fields beyond industry. The partnership we forged with healthcare logistics provider Cosanum in 2018 is a case in point. However, we still have much preparatory work to do in order to expand our systems into markets less familiar to us. In addition, we want to lay the necessary groundwork to secure growth over the long term.

Change in the top management of the Group

In January 2018, Bossard announced the succession plan in top management of the Group. After 15 very successful years as CEO, David Dean will be stepping down at his own request from the Group's executive committee as of the annual general meeting of shareholders on April 8, 2019. His successor is Dr. Daniel Bossard, who was unanimously elected by the board of directors. The board of directors took extreme care in deliberating the succession plan. After all, the final decision needed to ensure the company's continued successful development. Both the board of directors and the executive committee are convinced that Dr. Daniel Bossard has the skills necessary to achieve this ambitious goal. The board of directors interviewed both external and internal candidates at great length before making the final decision. Dr. Daniel Bossard has held a variety of positions in the Bossard Group since 2000 and has been a member of the executive committee since 2009. Under his leadership, strong growth and outstanding profitability have been the hallmarks of the country organizations he has led in Northern and Eastern Europe.

In other words, the new CEO has what it takes to successfully guide the Bossard Group into the future: a solid track record, a wealth of experience, and in-depth expertise of all the relevant developments across the Group. His appointment also means continuity in the corporate strategy in place through the end of 2020. The new CEO will finalize this strategy and submit a follow-on plan in due course.

It should also be noted that Dr. Frank Hilgers, member of the executive committee since 2015, will take over operational management of the Northern and Eastern European country organizations on May 1, 2019. To fill this vacancy, the board of directors has also selected a proven specialist: a member of the executive committee who is now successfully managing the marketing of premium fastening solutions.

The board of directors accepted with great regret the resignation of long-time CEO David Dean. "We are reluctant to let go a CEO with such track record. The board of directors would like to take this opportunity to thank David Dean for his outstanding contributions", stated chairman of the board of directors Dr. Thomas Schmuckli in appreciation of the departing CEO's performance and added: "We are especially pleased that we were able to gain someone of his caliber to join us on the board of directors. This is yet another sign of continuity in our company."

On a promising course

Overall, our profitability and growth-oriented strategy combined with the desired consistency has yielded progress. Substantial investments have consolidated our market position in the relevant markets. Our solid balance sheet also allows us to continue to pursue growth through investments. Last but not least, we carry out the necessary preliminary work year after year in order to secure new markets. In short, Bossard has its gaze firmly fixed on the horizon – without forgetting the virtues that made the company strong in the past.

There are many reasons to be optimistic about the future, in spite of changing environment. There is currently much talk of growing trade barriers and their impact on established production sites. Trade barriers such as these are not in the interest of Bossard, and yet there is reason for optimism. We have a presence in all the major industry locations across the globe and maintain a dense distribution network. This enables us to follow customers to new locations as they restructure their own production networks. Here, too, we see that our broad geographical presence has substantial benefits.

Overall, we begin the new year with confidence. Our customers, our employees, and most especially you, our valued shareholders, are committed to a company that continues to have great potential for growth. Dividend increases, job security, and our reliability in doing business with our customers are positive indicators for continued success. Thank you very much for the trust and loyalty you have placed in Bossard over the years.



Dr. Thomas Schmuckli
Chairman of the
board of directors

David Dean
CEO

Zug, February 22, 2019

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Assembly Technology

Expert:

Our six service
modules support
you in all three
phases of product
management.

OUR SERVICE MODEL

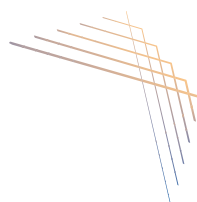
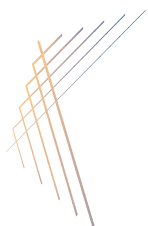
Assembly Technology Expert

Using the three-phase methodology of Assembly Technology Expert, we guide our customers from design to production of their products. We offer six modular engineering services designed to help cut production times, lower costs and boost efficiency and productivity.



Design

Our consulting services focused on fasteners help our customers design optimal products. In our cutting-edge fastening design centers, Bossard's highly trained engineers guide our customers' development processes for fastening technology. They also keep close track of total product lifecycle costs.

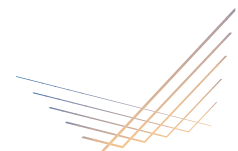


Optimize

We hone our customers' fastening technology to perfection. In this step, we use proven methodologies, smart sensors and industrial analytics. This enables our customers to optimize every aspect of the assembly process and to significantly increase productivity.

Educate

We believe in knowledge-sharing. That is why we offer training in fastening technology: customized courses on principles and applications of fastening technology in order to recognize and exploit its potential.



NEEDS-ORIENTED OFFER

Six service modules for sustainable success



Expert Walk

We take a precise look at where our customers' production happens. We examine all assembly stations and processes. Our engineering experts study the fasteners and tools in use and determine how to make production leaner and smarter.



Expert Assortment Analysis

To reduce the total cost of ownership, we simplify our customers' bill of materials by identifying opportunities for streamlining the use of fasteners. We work with proven analytical processes, application tests, and further state-of-the-art methods and techniques.



Expert Education

We empower our customers to become experts in the full range of assembly technologies. In our seminars and e-learning courses, we teach the essentials and share expert tips on all aspects of fastening technology.



Expert Teardown

We disassemble our customers' products and examine every inch. We focus on the design, functionality and assembly processes associated with fasteners to identify the best fastening solutions and ways to save costs.



Expert Design

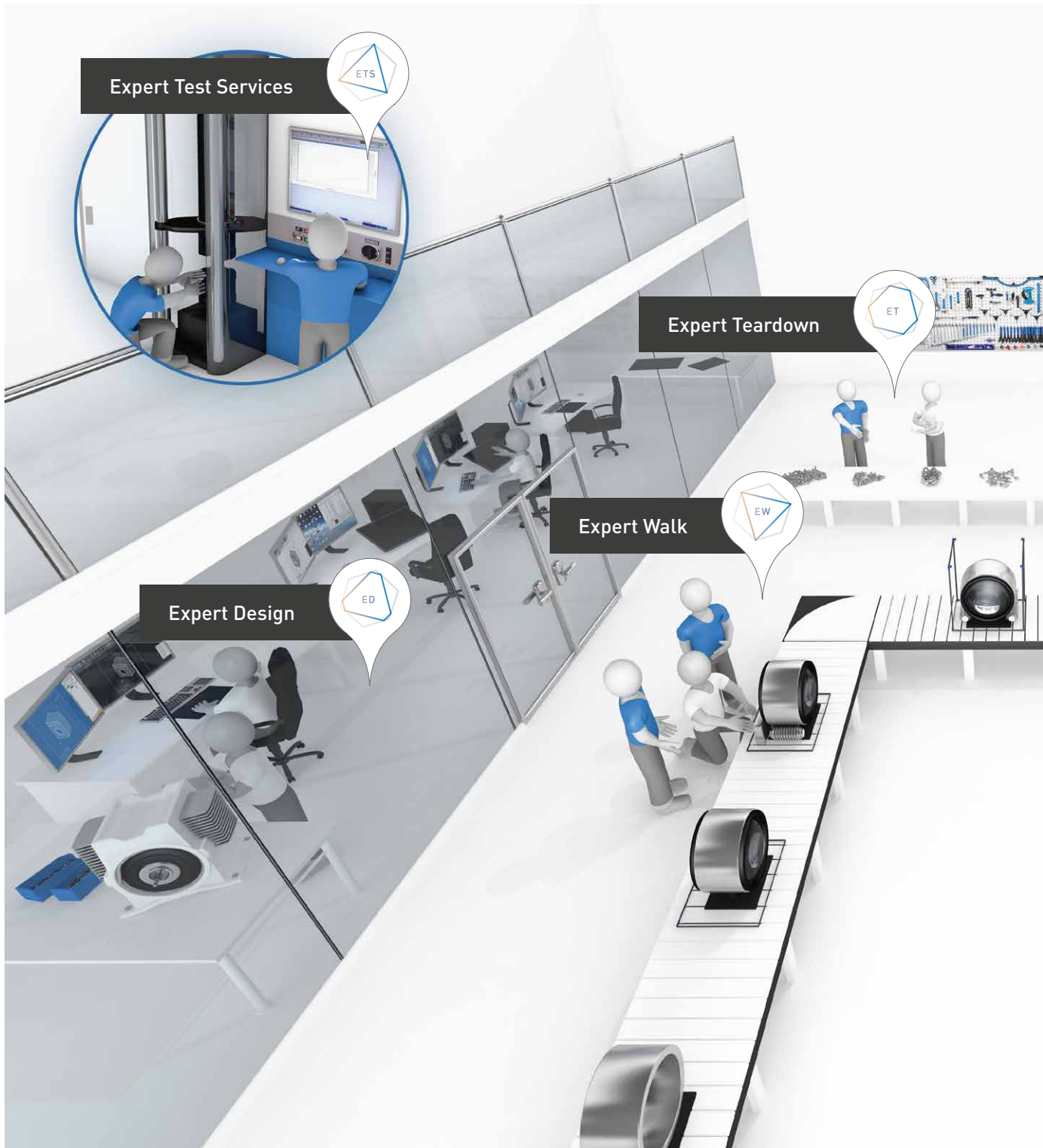
Engineering expertise from the very first drawing. Materials and assembly recommendations, 3D prototyping and access to CAD data for all our fasteners help boost our customers' product quality.



Expert Test Services

Bossard's accredited test laboratories in Europe, America, and Asia use cutting-edge measuring and testing equipment. This ensures that the products for our customers meet the highest quality requirements and that all production processes run reliably.

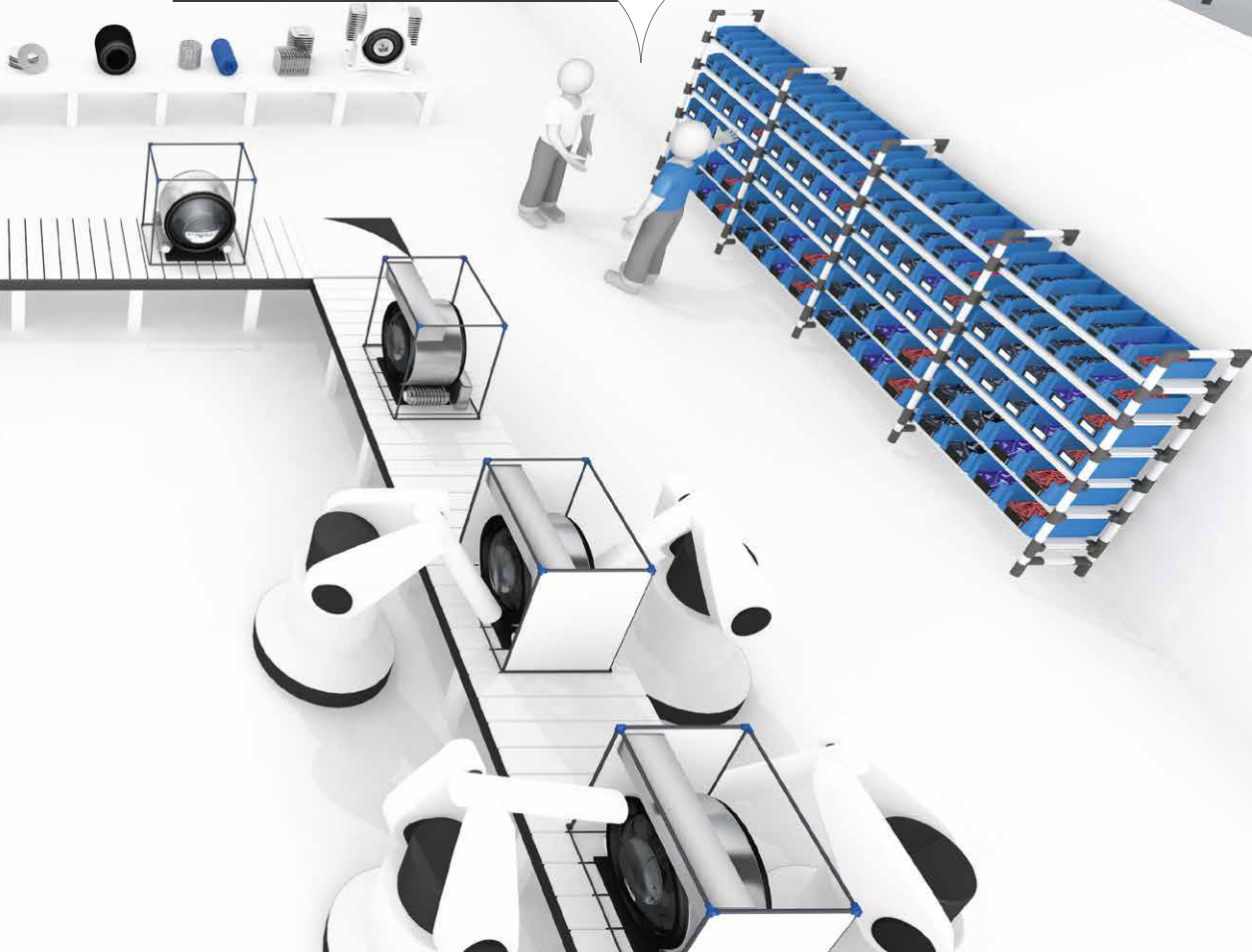
ASSEMBLY TECHNOLOGY EXPERT Services at a glance



Expert Education



Expert Assortment Analysis



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We are at your side.

Invest minutes – save hours. Fasteners play a critical role in the design of every product. For this reason, it pays to evaluate the best fastening solutions right in the design phase. Precise specifications result in maximum reliability and uncompromising safety. High-quality fastening solutions also contribute to product longevity. That is why we actively support our customers right in the design stage. Why? To avoid unnecessary costs by design modifications and in the production phase.





0.7 mm

REALIZE

Quick to market with a well-thought-out design



Alex Shi Application Engineer, Bossard Fastening Solutions (Shanghai) Co. Ltd, China

Why are fastening elements already important in product design?

Alex Shi: We know from experience that it pays to work out the best fastening technology while the product is being designed. This results in significant cost savings to the customer during subsequent production or maintenance processes. We select fastening elements that can be installed quickly and easily. And we always bear the costs in mind. For new products we prefer to select fasteners that are already being used in current operations, thus contributing to product line optimization.

How does Expert Design support customers during the development phase?

We provide our customers with a specific sample bank of fasteners that they can test themselves. We create CAD drawings of the required elements that can be integrated directly into the design plans. We also help customers with proper tool selection and procurement of fasteners.

Are product developers open for input during this phase?

Yes, we get very positive feedback. Customers appreciate our input because they can benefit from our broad technical knowledge on the properties of fastening elements, such as alloying, surface treatment, and load-bearing capacity. Product developers also appreciate that we support them with CAD drawings and 3D prints.

Why is cooperation at this early stage so beneficial?

Because we can address everything correctly from the very beginning. In this way we avoid the problems that often seem to arise during the production phase of a product. We minimize the risk over the long term while ensuring efficient solutions. Thanks to this approach, we consistently help our customers to achieve astonishing cost-savings.

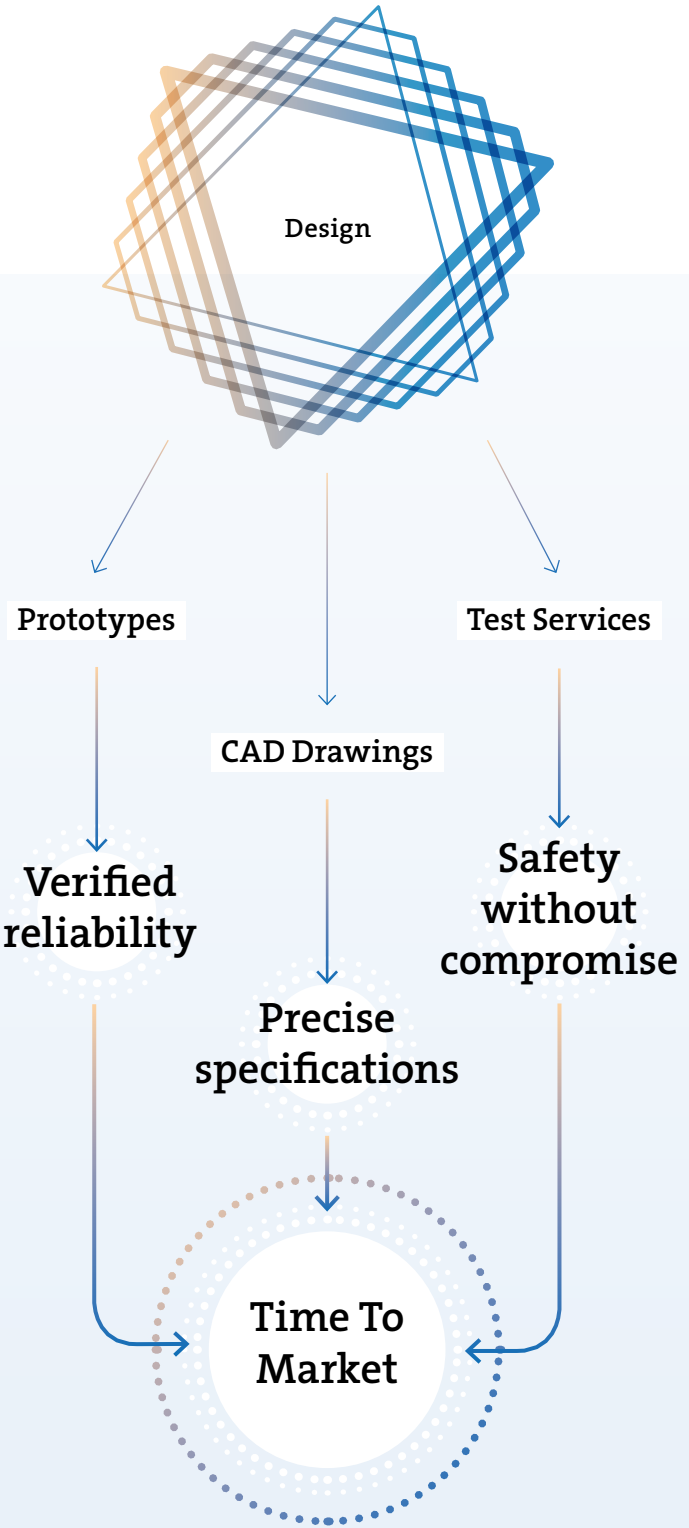
For what products are fastening elements particularly important in the design process?

Basically for all products. Choosing the right components can be critical, particularly in the design process. That is why we recommend taking into account the following properties when choosing fasteners: Material selection, mechanical properties, corrosion protection, friction, securing of the screwed connection to name just a few.

What role does Expert Test Services play in this process?

In our test laboratory, we perform thorough quality tests for all elements. We conduct tensile strength, torque, and microhardness tests, among others. Right now we are organizing a technology day for one of our customers. On that day the customer can conduct practical tests himself and gain valuable insights and knowledge.

ASSEMBLY TECHNOLOGY EXPERT
Shape the future



PROVEN

*“We cut
throughput
time by 20 %
thanks to
the right
fastening
element.”*



Liu WeiMing
Coach, Siemens Medical,
China

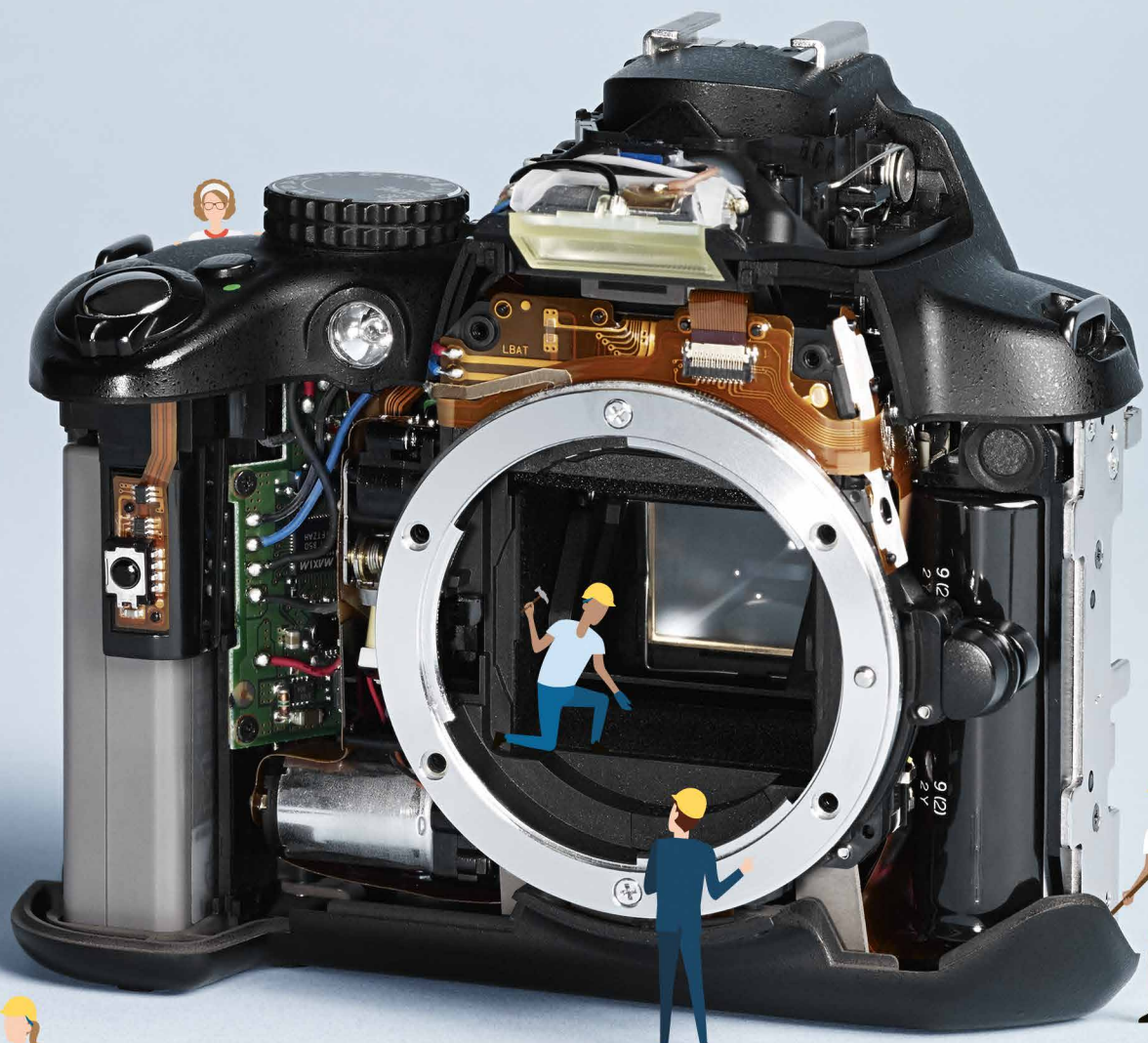
More than once Bossard China has assisted Siemens Medical in the design phase of new products. The sample range of fasteners and special tools helped make prototype testing easier for the engineers. Using a special fastening element improved product quality and significantly cut throughput time.



IMAGINE

We'll clear up the picture for you.

Identify hidden potential. It is worth periodically evaluating established fastening solutions. Often it is possible not only to improve the quality but also to reduce the complexity of the product range. Ultimately, more sophisticated fasteners, leaner work processes and smarter warehouse management drive down production costs. For this reason, Bossard is committed to more effective and more efficient solutions. Why? Because realized potential directly increases productivity.



REALIZE

Effectively boost productivity



Sarah Bernstein Director of Category Management, Bossard North America, USA

How does Bossard contribute to optimizing fastening solutions?

Sarah Bernstein: When it comes to fasteners, we know right away where there is potential for quality improvements and cost savings. With over 185 years of experience, we also understand the special challenges of the individual sectors. For comprehensive optimization, Bossard's Assembly Technology Expert offering includes a service package that permanently improves the productivity of our customers.

What does the service Expert Teardown involve?

In this step, we break down the products into their individual parts to carefully review all the fastening solutions used. We often achieve improvements by using more resilient materials or better gripping fasteners, or by reducing assembly time already.

Are there any other areas with potential for optimization?

There are so many other ways to make improvements besides those already mentioned. We often see that it's possible to streamline the assortment of fasteners. We also recommend replacing parts with less expensive solutions of the same quality. Torsion, isolation or corrosion can all be areas of improvement. Sometimes the problem is not even the fastener itself but the tool used for assembly.

What does your service Expert Walk entail?

Here we focus on the assembly process. The following example illustrates the Service Expert Walk at a vehicle manufacturer: while presenting the prototype for a new model, the customer pointed out specific difficulties in assembly. We then delved into the assembly process and recommended the appropriate tools. The company was able to streamline the assembly workflows and make them more efficient.

How does the customer benefit from Expert Assortment Analysis?

Quite simply: assortment optimization. We were able to support an electric vehicle manufacturer, for example. Our analysis allowed the company to greatly reduce its broad assortment of fasteners. We were able to demonstrate savings of \$60 per vehicle as a result.

What does the analysis involve?

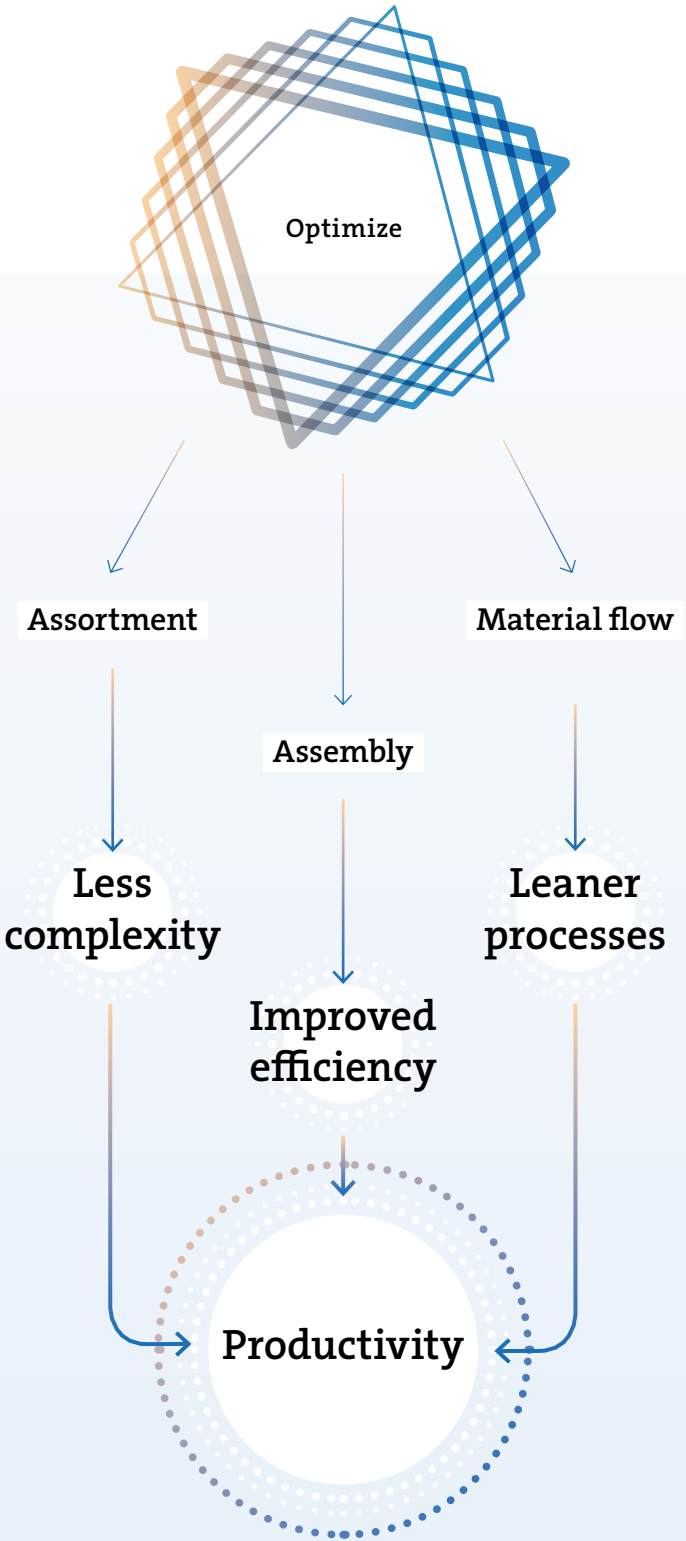
We always focus on whether the customer can reduce the number of fasteners used. We often find that the different departments do not communicate with each other enough and the engineers end up using different fastening solutions. In this case, we bring the teams together and systematically show them how they can use synergies and reduce costs by choosing the same technical solution wherever possible. We are almost always able to cut the number of different fastening solutions in this way. In turn, this means a optimized assortment, higher quality, and shorter assembly times.

What companies would find your services interesting?

Our services are of interest to every manufacturer of products or components that use fastening elements. Fastening solutions are just as important for specialized medical equipment as for drones or electrical switching cabinets.

ASSEMBLY TECHNOLOGY EXPERT

Boost productivity



PROVEN

“A valuable partner in the development of our flagship vehicle from the get-go.”



Chris LaMorte
Body Mechanisms Manager,
Faraday Future, USA

Bossard assisted Silicon Valley's Faraday Future in the fastener selection process. Bossard's knowledge and technical expertise were highly valued.

IMAGINE

We make you the expert.

Knowledge saves costs. Fastening technology is steadily developing further. Bossard uses the latest innovations in the world of fasteners and their assembly. Our customers can drastically cut assembly and production costs by using cost saving elements, special parts, and lean processes. The experts at Bossard share their knowledge in special training sessions, thus ensuring peace of mind and the highest quality. Why? To promote innovation and reduce costs.





REALIZE

Know-how transfer in fastening technology



André Müller Consulting Engineer, Bossard AG, Switzerland

What is the goal of Expert Education?

André Müller: That's easy: we want our customers to become experts in fastening technology. With that end in mind, our training courses are designed to share in-depth knowledge about fastening technology.

Why should the customer invest in education?

Education is always worth it – in every area of life. The same goes for fastening technology. The numbers speak for themselves: customers can save up to 40 percent of their production costs by using multifunctional fastening elements. They can replace a screw-nut-washer combination with a single fastener. This type of element costs less and saves time during assembly. In turn, this has a positive effect on purchasing, logistics, and warehousing, thus boosting productivity. Continuing education is also a way to ensure that customers can profit from the latest innovations.

What exactly do you teach in your training courses?

Primarily we demonstrate how to install fasteners correctly and efficiently in the production process. With developers and designers, we delve more deeply into the functions, design, influencing forces and qualities of fasteners.

Who is your intended audience?

Our main target group are designers who would like to refresh or update their knowledge. Another group are assembly employees who want to work more confidently with tools and fastening elements. We also train maintenance and repair technicians as well as procurement and sales personnel.

What forms of training do you offer?

We offer needs-based seminars, e-learning courses, and webinars. In Switzerland, we hold an annual public seminar on fastening technology basics. Furthermore, we also hold seminars especially designed to meet customer needs – at the customer site, if required. E-learning is one way to acquire basic knowledge through self-study. Webinars, on the other hand, deal with individual technical topics, like corrosion. This way our customers acquire the knowledge they need on specific topics.

How long does a seminar last?

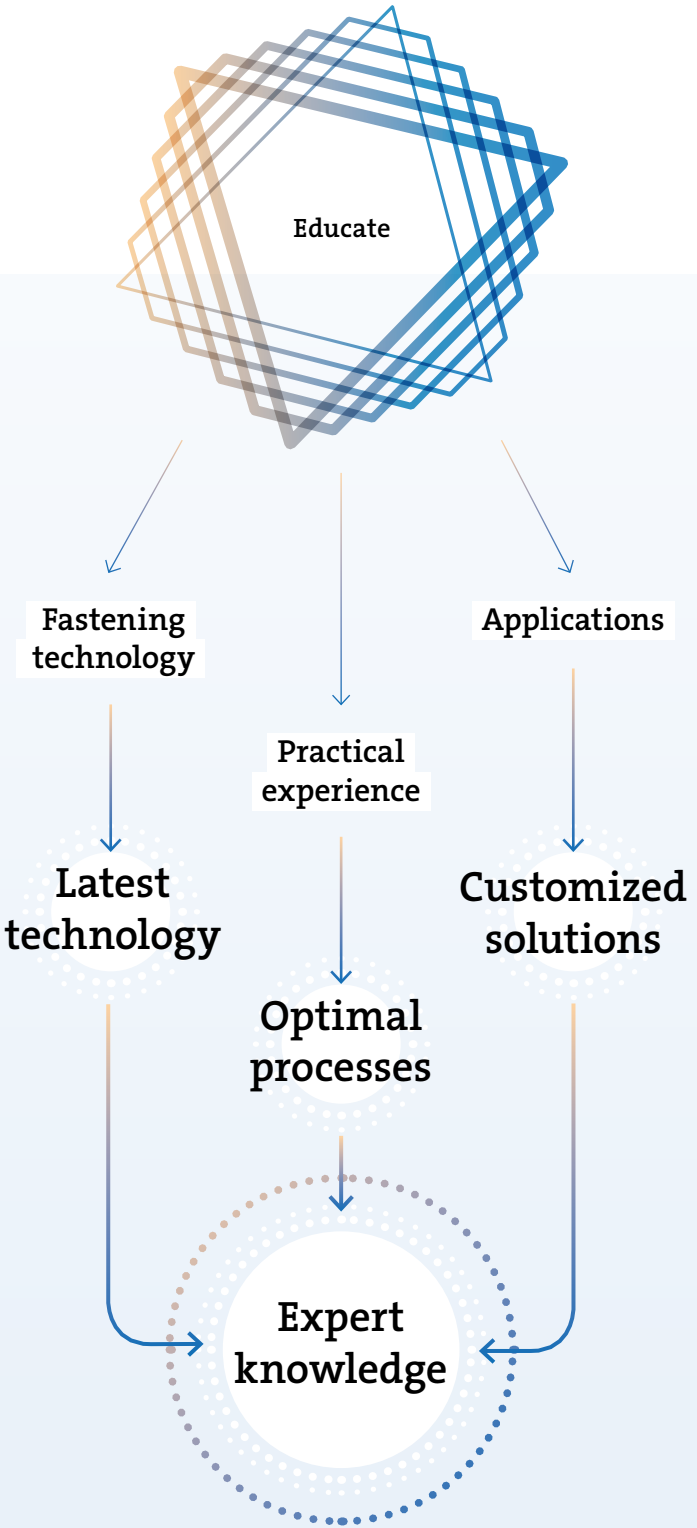
Usually a half to a whole day. In addition to the theoretical part, seminars focus on practical applications. Participants learn, for example, how to tighten a screw correctly and what effects fastening elements have. Only practical experience demonstrates what is really important.

Why are your training sessions different from industry to industry?

The basics are the same for all industries. Beyond that, we also teach industry-specific topics, such as for the automotive, rail, or construction industry. We know exactly where our customers' pain points are and help alleviate them with solution-oriented fastening technologies. Here we ultimately add value as well.

ASSEMBLY TECHNOLOGY EXPERT

Firmly anchor knowledge



PROVEN

“From 0 to 100: The very first seminar with Bossard opened our eyes.”

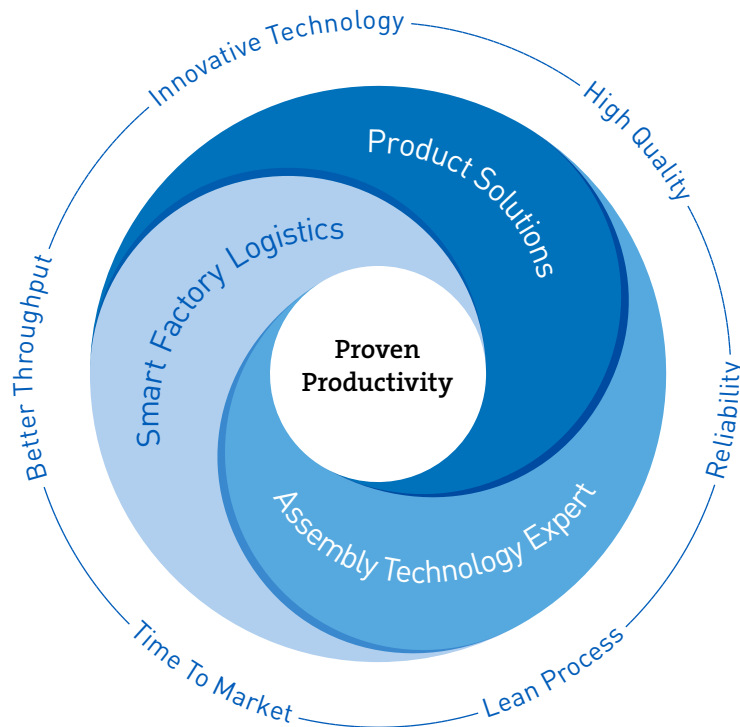


André Fedier
Director of Construction,
Dätwyler Sealing Solutions,
Switzerland

Thanks to the customized "secure screw connections" seminar, Switzerland's specialized industrial supplier Dätwyler honed its awareness of the importance of screws in maintenance, tool-making, and construction. The acquired knowledge not only prevents damage to screws but also increases safety.

BUSINESS MODEL

Making our customers more competitive



We live in a fascinating world. The products that surround us make our lives and work easier than ever before. From smartphones and computers to trains and tractors – today’s products are signs of progress.

When you take a closer look at these products, you will discover an equally fascinating world consisting of thousands of parts, components and screws. Everything is in its place, in the right spot, and optimally connected to other parts.

Hidden Potential

At first glance, you will see things like screws, nuts or bolts. However, some things remain undiscovered and do not become obvious until you take a closer look. At Bossard, that is what we call the “hidden potential” of fastening technology. Hidden because at first glance they are invisible. Potential, because it has the power to permanently boost our customers’ ability to compete. Because these hidden aspects

make up approximately 85 percent of the total cost of ownership (TCO) for fasteners.

Getting ahead together

For this reason, we work with our customers to uncover this potential along their entire value chain. We analyze ways and means to optimize costs, shorten lead times, and continually exceed the quality standards of the products used.

This process, this mindset, this targeted analysis and implementation approach has a name: we call it Proven Productivity.

As a promise to our customers, Proven Productivity has two hallmarks: first, that it is proven to work and second, that it permanently improves our customers’ productivity.

Strong performance

By working with our customers over the years, we have gained an ever clearer picture of what has proven to be effective over the long term. We have come to recognize what it takes to boost our customers' competitive position. As a result, we support our customers in three core areas of strategic importance.

First, finding optimal product solutions – evaluating and using the best fastening element for the intended application in our customers' products.

Second, our Assembly Technology Expert services deliver the smartest solutions for all possible fastening challenges. From developing a new product and optimizing the assembly processes to training our customers in all aspects of fastening technology.

And third, optimizing our clients' productions in a smart and lean way with Smart Factory Logistics, our methodology, with intelligent logistics systems and tailor-made solutions.

Key benefits

From our customers' perspective, the synergy of product solutions, Assembly Technology Expert services, and Smart Factory Logistics yields six core benefits:

- **Time To Market:** this means that our customers' products are brought to market faster – a crucial competitive advantage in a global environment where speed counts.
- **Lean process:** for our customers, that saves time, money and resources, meaning lower total cost of ownership – but most importantly, higher margins.
- **Better throughput:** this is a main cost consideration for our customers when it comes to boosting effectiveness, and especially improving efficiency.
- **High quality:** for our customers, this means absolute reliability with respect to the safety of their products, processes, and production, and hence less waste and fewer complaints.
- **Innovative technology:** from a customer's perspective this is crucial. Only companies open to new developments are ready to successfully forge new paths and go where no other competitor has gone before.

- **Maximum reliability:** for our loyal customers, this means knowing that they can rely on us and our long-time employees with the utmost confidence – not just now, but decades down the line.

Proven Productivity is rooted in the traditions of our corporate history and today, in an increasingly competitive market environment, permeates every fiber of our global organization.

Proven Productivity is our contribution to boosting the competitiveness of our customers – sustainably and measurably. It is also a philosophy that motivates us on a daily basis to give our best and to further strengthen the foundation for the sustainable growth of our Group.

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.

1831
Franz Kaspar Bossard-Kolin establishes a hardware store.

1931
The hardware business holds on to its local character.

1956
The hardware business looks for new opportunities.

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.

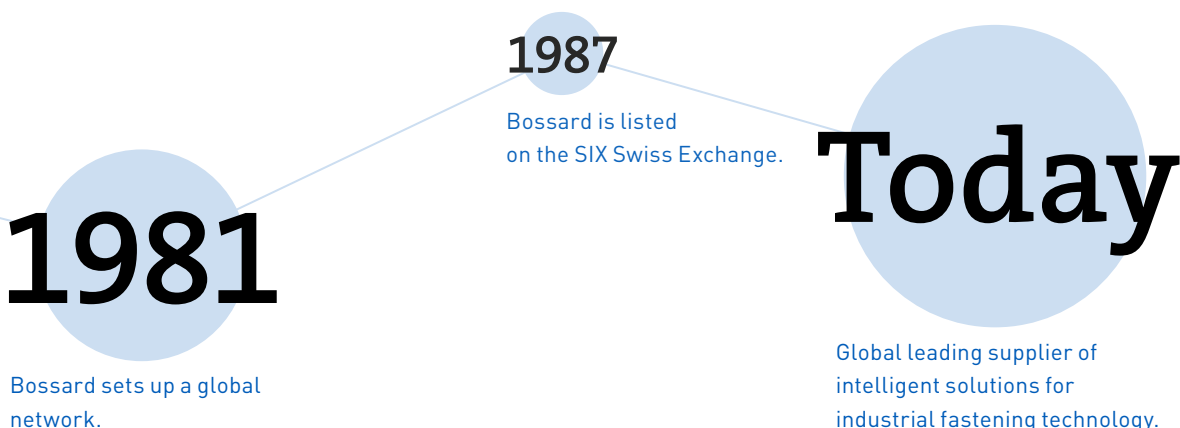
On the whole, our Proven Productivity philosophy increasingly targets products and solutions that are proven to give customers lasting added value. This will offer us attractive profit margins. The main focus is on our engineering services and on the development of functional modules that intelligently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

Over more than 185 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 transparent 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 restructuring 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.

Our goal is sustainable value growth and returns for our investors. We do not pursue short-term profit maximization to achieve this.

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 3,600 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.

Only through optimal cooperation with innovative suppliers can we deliver top performance for our customers.

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 1,600 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 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 220 individual chapters with nearly 1,500 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 over 77 Bossard Group locations around the world.

It is important to us that all Bossard employees know our values and virtues, identify with them and live them together.

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 3,600 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 Bank Leu 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, afterwards he was Managing Director of the Legal and Compliance Asset Management division 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 its subsidiaries Helvetia Swiss Life Insurance Company Ltd. and Helvetia Swiss Insurance Company Ltd.
- Chairman of the foundation board of Helvetia Patria Jeunesse, Basel

Anton Lauber (1951)

Swiss citizen



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

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.

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 AG, 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.

Educational background

- Degree in economics and social sciences and doctorate from the University of Fribourg
- Further studies at the IMD, Lausanne
- 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

Other activities and vested interests

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

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 in Zug.

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, Stockholm, 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

Daniel Lippuner (1969)

Swiss citizen



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

Professional background

Daniel Lippuner is Chief Operating Officer of the Meyer Burger Group in Thun, Switzerland since 2017. From 2013 to 2015, he headed the Saurer Group in Shanghai, China, and Wattwil, Switzerland, as Group Chief Executive Officer. He took over this position after posts in finance, sales and marketing as well as in general management with OC Oerlikon, Hilti AG and Autoneum (formerly Rieter Automotive).

Educational background

- Degree in business administration from the St. Gallen University of Applied Sciences

Other activities and vested interests

- Member of the board of directors of Amsler Tex AG, Aesch ZH
- Member of the board of directors of 3S Solar Plus AG, Gwatt
- Owner of Lippuner Consulting GmbH, Wollerau

Prof. Dr. Stefan Michel (1967)

Swiss citizen



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

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 Dr. Stefan Michel & Partner GmbH, Zug
- 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 board of directors since 2013
- Member of the compensation committee since 2015
- Member of the nomination committee since 2015

Professional background

Maria Teresa Vacalli is since October 2018 CDO (Chief Digital Officer) as 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

- Member of the board of directors of WWZ Telekom Holding AG, Zug

EXECUTIVE COMMITTEE

David Dean (1959)

Swiss citizen



Group CEO since 2005

Professional background

From 1998 to 2004, David Dean served as CFO of Bossard Group and has been with Bossard since 1992. 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.

Educational background

- Swiss certified 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; Agta Record AG, Fehraltorf; Haag-Streit Holding AG, Köniz
- Member of the Industry Executive Advisory Board and Executive MBA Supply Chain Management at the ETH in Zurich
- Member of the USA Chapter Board at the Swiss American Chamber of Commerce, Zurich

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

Dr. Daniel Bossard (1970)

Swiss citizen



CEO Northern & Eastern Europe since 2009

Professional background

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

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 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

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

Dr. Frank Hilgers (1966)

German citizen



Group CCO since 2015

Professional background

Since 2015, Dr. Frank Hilgers 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 in charge of 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 was in charge of 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

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FINANCIAL REVIEW 2018

A year of records

The Bossard Group remains on its growth path: we posted new records for sales as well as EBIT and net income. Sales rose by 10.8 percent to CHF 871.1 million, with all market regions contributing to this significant growth. EBIT climbed by 12.1 percent to CHF 108.8 million, and the EBIT margin also reached a new record at 12.5 percent. Net income rose by 6.5 percent to CHF 85.4 million; excluding the non-operating result of CHF 4.5 million net from a real-estate sale last year, profit climbed by a considerable 12.8 percent.

The gratifying development of our results of this past financial year provide further confirmation of our profitability-oriented growth strategy, which particularly reflects our dedicated investment policy over recent years. The expansion of our range of logistics and engineering services also had a positive effect on our market position and thus on the development of Bossard.

Solid growth in Europe

In the financial year 2018, Bossard increased sales in Europe by 10.8 percent to a new record of CHF 493.0 million despite tougher market conditions brought on by declining economic momentum in the second half of the year. The reasons for slower growth in Europe are manifold. Some customers were operating at full capacity, which flattened the potential for above-average growth. Another factor was a certain basis effect: the basis for comparison – the second half of 2017 – was already at a high level. Last but not least, the purchasing managers' indices (PMIs) signaled a normalization in demand.

Dynamic development in America

In America, we saw increased demand for Bossard products and services, particularly in the second half of the year. For overall 2018, Bossard posted a sales increase in America of 9.4 percent (in local currency: +10.1 percent) to CHF 240.9 million. This pleasing performance was broad-based. The uptick in demand in the second half of the year was also driven by our cooperation with the largest US electric vehicle manufacturer, which significantly increased the production output of its third model series.

Marked growth in Asia

The Bossard Group posted a new record in Asia as well. Sales grew by a healthy 13.4 percent over the previous year (in local currency: +12.5 percent) to CHF 137.2 million. Our investment activities on the Asian markets continue to pay off. In China, India, Thailand, and Taiwan we achieved above-average growth.

Expanded logistics and engineering services

The marked growth in sales is also reflected in higher gross profits, which rose by 8.9 percent to CHF 275.8 million. The gross profit margin dropped just slightly, from 32.2 percent to 31.7 percent.

Selling and administrative expenses rose by 6.9 percent to CHF 166.9 million, yet measured against sales their share fell to 19.2 percent from 19.9 percent in the previous year. A 6.8 percent increase in the number of employees was partly responsible for increased costs – we added another 157 employees for a total of 2,451. The growth in sales and our expanded logistics and engineering services fueled the increase in staffing.

EBIT hits new record

For the first time ever, the Bossard Group's EBIT exceeded the CHF 100 million mark, reaching yet another milestone in the company's 187-year history. EBIT grew by 12.1 percent over the previous year to a record CHF 108.8 million, with the EBIT margin likewise reaching a new high of 12.5 percent.

The financial result rose by CHF 0.6 million to CHF 4.6 million compared to the prior year. The increase was largely due to foreign currency valuations, which were partly offset by lower interest expenses. The tax rate fell from the previous year's 19.2 percent to 18.1 percent. This is explained in part by the altered profit mix as well as the lower tax rate in the US due to the tax reform. As a result, income taxes dropped from CHF 19.1 million in the previous year to CHF 18.8 million, even though profits were higher.

Profit increase and higher dividend

Net income reached a record CHF 85.4 million, 6.5 percent over previous year. Excluding the non-operating result of CHF 4.5 million net from a real-estate sale in the previous year, profit grew by a consider-

able 12.8 percent. In accordance with our dividend policy, which stipulates a payout of 40 percent of net income, the record result will lead to a further dividend increase. At the annual general meeting of shareholders, the board of directors will propose a dividend increase from CHF 4.20 to CHF 4.50 per registered A share. This corresponds to a rise of more than 7 percent.

Higher inventory

In 2018, ongoing growth combined with our investment activities boosted total assets by 11.9 percent to CHF 604.1 million. Measured against sales, operating net working capital rose from 37.4 percent in the previous year to 38.2 percent. One major driver for this increase was inventory, whose value rose by an above-average 16.8 percent. This increase was brought about by higher sales volumes along with Bossard assuming a higher capital commitment to ensure security of supply to its customers. Due to the favorable economic conditions, longer delivery times were widely observed on the market.

The equity ratio rose during the reporting period from 48.9 percent to 51.3 percent, underscoring the Bossard Group's solid balance sheet. This is also reflected in the gearing – the ratio of net debt to equity – which was 0.4 at year's end, even though net debt was trending in the opposite direction. Net debt rose year on year from CHF 124.0 million to CHF 130.2 million.

As already mentioned, higher inventory accounted in part for the increase in net working capital and hence the rise in net debt. While cash flow from operating activities before changes in net working capital rose by CHF 9.5 million to a new record high of CHF 102.3 million, cash flow from operating activities fell from CHF 77.2 million to CHF 58.9 million. Cash flow from investing activities increased from CHF 15.5 million in the previous year to CHF 29.6 million. Higher investments in tangible assets were one reason; another was the exclusion of the proceeds from the real-estate sale in the previous year. Overall, the result was a free cash flow of CHF 29.2 million, compared to CHF 61.8 million in the prior year.

Solidly positioned

The Bossard Group consolidated its competitive position in various markets and countries in 2018 by broadening its products and services and expanding its own infrastructure and sales channels. This broadened base, which we have been continually expanding for a number of years, gives us confidence for 2019, even in spite of the risk of additional trade barriers. We also have to adjust to political imponderables and potential changes in the macroeconomic conditions in individual countries. The flow of orders from our customers remains healthy, so we remain confident.



Stephan Zehnder
CFO

Zug, February 22, 2019

Consolidated balance sheet

in CHF 1,000	31.12.2018	31.12.2017
Assets		
Current assets		
Cash and cash equivalents	32,600	20,568
Accounts receivable, trade	141,190	138,161
Other receivables	3,745	3,978
Prepaid expenses	9,916	7,671
Inventories	251,413	215,200
	438,864	385,578
Non-current assets		
Property, plant and equipment	117,860	114,954
Intangible assets	26,758	20,562
Financial assets	3,939	4,039
Deferred tax assets	16,673	14,625
	165,230	154,180
Total assets	604,094	539,758
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable, trade	59,593	59,351
Other liabilities	16,876	15,452
Accrued expenses	32,187	30,904
Tax liabilities	5,844	11,922
Provisions	1,053	751
Short-term debts	72,941	46,292
	188,494	164,672
Non-current liabilities		
Long-term debts	89,821	98,299
Provisions	7,721	7,671
Deferred tax liabilities	8,408	5,154
	105,950	111,124
Total liabilities	294,444	275,796
Shareholders' equity		
Share capital	40,000	40,000
Treasury shares	-2,882	-3,697
Capital reserves	62,219	63,084
Retained earnings	208,331	163,100
	307,668	262,487
Non-controlling interest	1,982	1,475
Total shareholders' equity	309,650	263,962
Total liabilities and shareholders' equity	604,094	539,758

BOSSARD GROUP

Consolidated income statement

in CHF 1,000	2018	2017
Net sales	871,070	786,175
Cost of goods sold	595,302	533,024
Gross profit	275,768	253,151
Selling expenses	114,202	102,290
Administrative expenses	52,745	53,813
EBIT	108,821	97,048
Financial result	4,593	4,030
Ordinary result	104,228	93,018
Non-operating result	0	6,249
Income before taxes	104,228	99,267
Income taxes	18,818	19,074
Net income	85,410	80,193
Attributable to:		
Shareholders of Bossard Holding AG	83,441	78,499
Non-controlling interest	1,969	1,694
in CHF	2018	2017
Earnings per registered A share ¹⁾	10.95	10.33
Earnings per registered B share ¹⁾	2.19	2.07

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, 2017	40,000	-5,987	63,427	185,727	-80,869	202,298	5,346	207,644
Dividend				-25,086		-25,086	-1,524	-26,610
Net income for the period				78,499		78,499	1,694	80,193
Management participation plan			1,231			1,231		1,231
Change in treasury shares		2,290	-1,574			716		716
Offset goodwill from acquisitions				-707		-707		-707
Non-controlling interest from acquisitions						0	-3,977	-3,977
Translation differences					5,536	5,536	-64	5,472
Balance at December 31, 2017	40,000	-3,697	63,084	238,433	-75,333	262,487	1,475	263,962
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

BOSSARD GROUP

Consolidated cash flow statement

in CHF 1,000	2018	2017
Net income	85,410	80,193
Income taxes	18,818	19,074
Financial income	-2,445	-2,648
Financial expenses	7,038	6,678
Depreciation and amortization	16,119	14,982
Increase/(Decrease) provisions	400	-1,967
Gain from disposals of property, plant and equipment	-94	-6,449
Loss from disposals of intangible assets	6	2
Interest received	694	608
Interest paid	-2,815	-3,609
Taxes paid	-22,807	-14,474
Increase management participation plan (part of equity)	1,301	1,231
Other non-cash expenses/(income)	629	-830
Cash flow from operating activities before changes in net working capital	102,254	92,791
Increase accounts receivable, trade	-6,552	-9,601
(Increase)/Decrease other receivables	-2,122	881
Increase inventories	-38,790	-20,792
Increase accounts payable, trade	1,180	9,891
Increase other liabilities	2,910	4,073
Cash flow from operating activities	58,880	77,243
Investments in property, plant and equipment	-19,898	-15,271
Proceeds from sales of property, plant and equipment	1,135	7,623
Investments in intangible assets	-7,893	-7,424
Cash flow from purchases of companies	-3,024	-673
Investments in financial assets	-511	-372
Divestments of financial assets	545	666
Cash flow from investing activities	-29,646	-15,451
Proceeds/Repayment of short-term debts	26,907	-38,175
Proceeds/Repayment of long-term debts	-8,781	45
Purchase/Sale of treasury shares	-1,555	293
Dividends paid to shareholders	-32,007	-25,086
Dividends paid to non-controlling interest	-1,302	-1,387
Cash flow from financing activities	-16,738	-64,310
Translation differences	-464	575
Change in cash and cash equivalents	12,032	-1,943
Cash and cash equivalents at January 1	20,568	22,511
Cash and cash equivalents at December 31	32,600	20,568

BOSSARD HOLDING AG

Balance sheet

in CHF	Notes	31.12.2018	31.12.2017
Assets			
Current assets			
Cash and cash equivalents		2,031,398	652,249
Other receivables	1	1,648,976	1,522,233
Prepaid expenses		74,745	91,679
		3,755,119	2,266,161
Non-current assets			
Financial assets	2	12,482,064	10,498,379
Investments	3	118,023,215	118,023,215
		130,505,279	128,521,594
Total assets		134,260,398	130,787,755
Liabilities and shareholders' equity			
Current liabilities			
Other current liabilities	5	9,879	31,623
Accrued expenses		1,058,342	1,099,177
		1,068,221	1,130,800
Total liabilities		1,068,221	1,130,800
Shareholders' equity			
Share capital		40,000,000	40,000,000
Legal reserve			
Reserves from capital contributions		4,093,912	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		5,091,611	11,541,810
Profit for the current year		34,726,790	25,556,938
Treasury shares	4	-2,881,522	-3,697,091
Total shareholders' equity		133,192,177	129,656,955
Total liabilities and shareholders' equity		134,260,398	130,787,755

BOSSARD HOLDING AG

Income statement

in CHF	2018	2017
Income		
Dividend income	35,000,000	25,000,000
Other operating income	300,000	300,000
Expenses		
Personnel expenses	1,434,756	1,342,943
Other operating expenses	391,612	250,237
Other financial income	1,359,567	2,014,868
Financial expenses	14,439	16,550
Income before taxes	34,818,760	25,705,138
Taxes	91,970	148,200
Net income	34,726,790	25,556,938

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

	31.12.2018 Year-end exchange rate	31.12.2017 Year-end exchange rate
Monetary and non-monetary items in foreign currency are translated into Swiss francs at the following exchange rates:		
EUR	1.13	1.17

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

in CHF	2018	2017
1. Other receivables		
To third parties	-	62
To subsidiaries	1,648,976	1,522,171
Total	1,648,976	1,522,233
2. Financial assets		
To subsidiaries	12,482,064	10,498,379
Total	12,482,064	10,498,379

3. Investments

Name, legal form, registered office	2018		2017	
	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 %	-	-
3d-prototyp GmbH, Stans	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	100 %	100 %	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	100 %	100 %	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 %	-	-
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	19 %	19 %	19 %	19 %
bigHead Bonding Fasteners Ltd, Verwood	19 %	19 %	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 North America, Inc., Cedar Falls	100 %	100 %	100 %	100 %
Aero-Space Southwest, Inc., Phoenix	100 %	100 %	100 %	100 %
Arnold Industries, 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 %
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 (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 %

4. Treasury shares, incl. shares held by subsidiaries	2018		2017	
	Number	Value	Number	Value
Balance at January 1	385,291	3,697,091	409,793	5,987,478
Additions	19,426	2,890,770	2,600	514,460
Disposals	-27,284	-3,706,339	-27,102	-2,804,847
Balance at December 31	377,433	2,881,522	385,291	3,697,091

Group companies do not hold any registered A shares. In 2018, 20,466 registered A shares (2017: 27,102 registered A shares) were used for the share option programs.

5. Other current liabilities	2018	2017
To third parties	9,879	31,623
Total	9,879	31,623

6. Collateral to third parties	2018	2017
Guarantees	235,124,634	208,540,226
Thereof used	136,348,474	126,263,946

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.

7. Shares and options on share 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 100).

8. 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 56.1 percent (2017: 56.1 percent) of the voting rights. Kolin Holding AG is wholly owned by the Bossard families.

Other information required by law

9. 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	2018	2017
Retained earnings at the beginning of the year	37,098,748	36,628,126
Net income	34,726,790	25,556,938
Appropriation of available profit determined by the annual general meeting of shareholders		
Dividends for 2017 and 2016 respectively	-32,007,137	-25,086,316
Retained earnings at the end of the year	39,818,401	37,098,748

Statement of changes in capital contribution reserve

in CHF	2018	2017
Capital contribution reserve at the beginning of the year ¹⁾	4,093,912	4,093,912
Distribution	-	-
Capital contribution reserve at the end of the year	4,093,912	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	2018
Available retained earnings before distribution	39,818,401
Dividend of 90 percent on the share capital of max. CHF 38,112,835 eligible for dividends ²⁾	-34,301,552
To be carried forward	5,516,849

2) The figure is based on the issued share capital as of December 31, 2018 eligible for dividends. It may change due to movements on treasury shares after the balance sheet date.

INVESTOR INFORMATION

	2018	2017	2016	2015	2014
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	6,272,567	6,264,709	6,240,207	6,218,497	6,207,458
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	7,622,567	7,614,709	7,590,207	7,568,497	7,557,458
Market price					
Ticker symbol (BOSN)					
Volume traded (daily average)	17,113	14,887	8,991	8,011	13,014
Closing price at Dec. 31	139.8	230.0	143.4	109.2	109.3
Registered A share high in CHF	252.0	242.3	144.0	118.4	130.8
Registered A share low in CHF	132.1	142.0	90.4	88.8	88.0
Dividend per share					
Registered A share in CHF	4.50 ¹⁾	4.20	3.30	3.00	3.00
Registered B share in CHF	0.90 ¹⁾	0.84	0.66	0.60	0.60
in % of share capital	90.0	84.0	66.0	60.0	60.0
Dividend yield in % (Basis: price at Dec. 31)	3.2	1.8	2.3	2.7	2.7
Earnings per share ^{2) 5)}					
Registered A share in CHF	10.95	10.33	8.04	7.01	7.49
Registered B share in CHF	2.19	2.07	1.61	1.40	1.50
Cash flow per share ^{2) 4)}					
Registered A share in CHF	13.32	12.52	9.90	8.74	9.20
Registered B share in CHF	2.66	2.5	1.98	1.75	1.84
Price/Earnings ratio (Basis: price at Dec. 31)	12.8	22.3	17.8	15.6	14.6
Net worth per share ³⁾					
Registered A share in CHF	40.6	34.7	27.4	24.6	27.9
Registered B share in CHF	8.1	6.9	5.5	4.9	5.6
Market capitalization (Basis: price at Dec. 31)					
in CHF million ³⁾	1,065.6	1,751.4	1,088.4	826.5	826.0
in % of shareholders' equity	344.1	663.5	524.2	443.9	392.2

in CHF million	2018	2017	2016	2015	2014
Economic value added analysis					
Net sales	871.1	786.2	695.0	656.3	617.8
Earnings before interest and taxes (EBIT)	108.8	97.0	78.5	70.3	72.8
Effective tax rate in %	18.1	19.2	17.5	19.7	18.0
Net operating profit after tax (NOPAT)	89.2	78.4	64.7	56.5	59.7
Equity	309.7	264.0	207.6	186.2	210.6
Gross financial debt	162.8	144.6	181.3	177.7	123.3
Less cash and cash equivalents	32.6	20.6	22.5	29.9	25.4
Capital employed (year-end)	439.9	388.0	366.4	334.0	308.5
Average annual capital employed (A)	414.0	377.2	350.2	321.3	288.5
Return on average capital employed in % (ROCE)	21.5	20.8	18.5	17.6	20.7
Cost of financial debt in %					
Average cost of financial debt	1.2	1.4	1.5	1.6	1.8
Less effective tax	18.1	19.2	17.5	19.7	18.0
Cost of financial debt after tax	1.0	1.1	1.2	1.3	1.5
Cost of equity in %					
Risk free rate (Basis: yearly average of yield Swiss government bond)	0.0	-0.1	-0.4	-0.1	0.7
Risk premium	5.5	5.5	5.5	5.5	5.5
Cost of equity	5.5	5.4	5.1	5.4	6.2
Equity ratio	51.3	48.9	41.9	40.2	48.5
Weighted average cost of capital in % (WACC)	3.3	3.2	2.9	3.0	3.8
Economic profit in % (ROCE – WACC) (B)	18.2	17.6	15.6	14.6	16.9
Economic profit in CHF million (A) * (B)	75.3	66.3	54.7	47.1	48.9

- 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

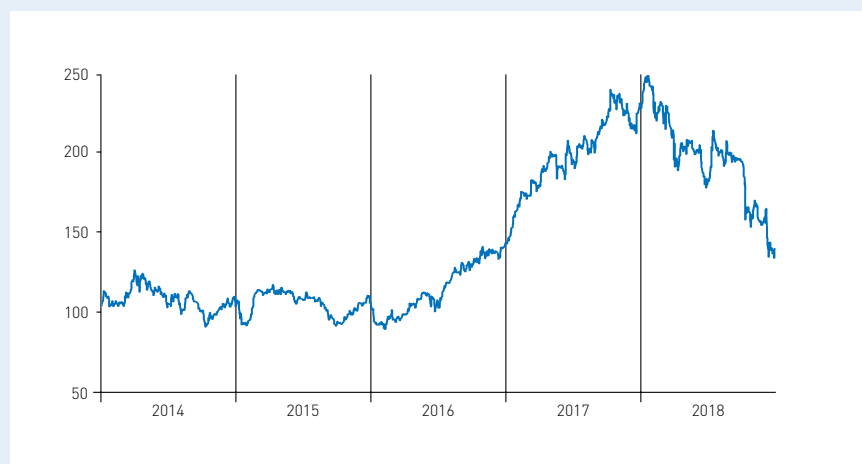
The articles of association do not include any provisions for opting-out or opting-up.

in CHF million	2018	2017	2016	2015	2014
Economic book value (EBV)					
Market value added (economic profit/WACC)	2,271.9	2,049.6	1,905.6	1,593.7	1,297.3
Capital employed	439.9	388.0	366.4	334.0	308.5
Implied enterprise value	2,711.8	2,437.6	2,272.0	1,927.7	1,605.8
Less gross financial debt	162.8	144.6	181.3	177.7	123.3
Plus cash and cash equivalents	32.6	20.6	22.5	29.9	25.4
Economic book value at Dec. 31	2,581.6	2,313.6	2,113.2	1,779.9	1,507.9
Market valuation and key ratios					
Share price at Dec. 31 in CHF	139.8	230.0	143.4	109.2	109.3
Market capitalization	1,065.6	1,751.4	1,088.4	826.5	826.0
Net financial debt	130.2	124.0	158.8	147.8	97.9
Enterprise value (EV)	1,195.8	1,875.4	1,247.2	974.3	923.9
EV in % of net sales	137.3	238.5	179.4	148.5	140.8
EV/EBITDA	9.6	16.7	13.7	11.9	10.8
EV/EBIT	11.0	19.3	15.9	13.9	12.7
EV/NOPAT	13.4	23.9	19.3	17.2	15.5
Price/book value per share	3.4	6.6	5.2	4.4	3.9
Return on equity in %	29.8	34.0	31.7	27.5	30.2

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 2014–2018

Valor: 23862714, ISIN CH0238627142/BOSN



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AGENDA

**Meeting for financial analysts & media conference,
publication of Annual Report 2018**

March 6, 2019

Annual general meeting

April 8, 2019

Publication of sales results, 1st quarter 2019

April 8, 2019

Publication of first results

Sales/net income 1st half of 2019

July 11, 2019

Publication of Semi-Annual Report 2019

August 22, 2019

Publication of sales results, 3rd quarter 2019

October 10, 2019

Publication of sales results 2019

January 14, 2020

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This Summary Report 2018 is also available in German.

The German Annual Report 2018 is binding.

Dieser Kurzbericht 2018 ist auch in deutscher Sprache erhältlich.

Der deutsche Jahresbericht 2018 ist massgebend.

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