

Press Release

Bossard Group

Results for 2020

Gratifying results after a challenging year

Zug, March 3, 2021 – After a challenging 2020 financial year, the Bossard Group posted an impressive year-end result of CHF 812.8 million in sales (previous year: CHF 876.2 million). This represents a 3.3 percent drop in local currency (in CHF: -7.2 percent). EBIT totaled CHF 86.4 million compared to last year's CHF 95.7 million. The EBIT margin dropped from 10.9 percent to 10.6 percent, which is still within the long-term targeted range of 10 percent to 13 percent. Net income amounted to CHF 67.8 million (previous year: CHF 76.0 million). The financial year, shaped by the COVID-19 pandemic, culminated in a strong fourth quarter. In the last three months of 2020, all market regions exhibited positive growth rates. This development bodes well for 2021.

2020 INCOME STATEMENT

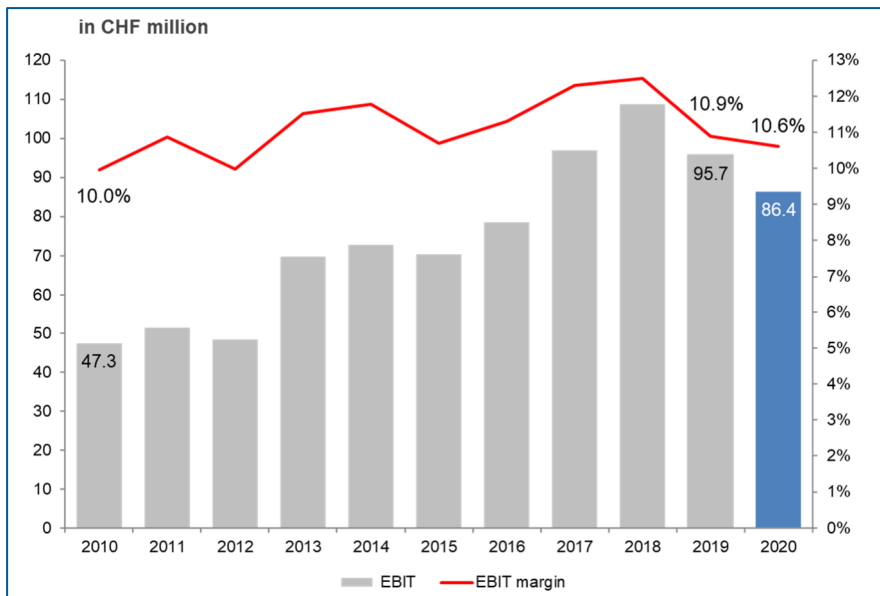
in CHF million	2020	2019	+/-
Net sales	812.8	876.2	-7.2 %
Gross profit	248.7	273.2	
<i>in %</i>	<i>30.6 %</i>	<i>31.2 %</i>	
Selling and administrative expenses	162.3	177.5	
EBIT	86.4	95.7	-9.7 %
<i>in %</i>	<i>10.6 %</i>	<i>10.9 %</i>	
Financial result	4.1	2.7	
Income before taxes	82.3	93.0	
Taxes	14.5	17.0	
Net income	67.8	76.0	-10.8 %
<i>in %</i>	<i>8.3 %</i>	<i>8.7 %</i>	

The pandemic-driven headwinds in financial year 2020 caused sales in **Europe** to drop by 8.2 percent to CHF 466.2 million. The strong Swiss franc weighed on the result: In local currency, the decline was only 5.6 percent. Robust demand worldwide in the fourth quarter was evident in Europe as well, leading to a sales increase in the comparison period. The broadly diversified customer base and industrial sectors had a positive impact on the financial year, thanks to strong demand particularly in the medical technology, rail, and automation sectors. Adjusted for acquisitions, annual sales totaled CHF 454.7 million. In mid-2019, the Bossard Group had acquired Boysen, a player in the aerospace industry.

At CHF 201.2 million, Bossard Group sales in **America** fell by 7.9 percent. The results in this region also reflected the stronger Swiss franc; adjusted for currency effects, the drop in sales was only 2.5 percent. The significantly improved demand in the second half of 2020 had a positive effect on business performance. Digitalization spurred by the pandemic helped to boost demand in the electronics segment.

In **Asia**, the Bossard Group remained on a growth course, posting sales of CHF 145.4 million, a 3.2 percent year-on-year increase in local currency (in CHF: -3.1 percent). The effects of the pandemic hit the first quarter of 2020 hard, especially in China, Asia's largest market; yet once restrictions were relaxed, the economy in the entire Asian region began to recover in the second quarter. Compared to the overall region, Bossard posted above-average growth rates in Malaysia, Taiwan, and Korea. The expansion of office and warehouse capacities in China was completed – the investment made will enable the Bossard Group to grow further in the northern region of China.

DEVELOPMENT EBIT AND EBIT MARGIN



Earning power and profitability preserved

Even though the COVID-19 pandemic and its economic impact made the global market environment extremely difficult last year, Bossard nonetheless retained its strong earning power and maintained profitability. EBIT totaled CHF 86.4 million (previous year: CHF 95.7 million). The EBIT margin amounted to 10.6 percent, just barely below the previous year's value of 10.9 percent and within the long-term targeted range of 10 percent to 13 percent.

The challenging market environment did have an impact on net income, which fell to CHF 67.8 million (previous year: CHF 76.0 million). The return on sales totaled 8.3 percent compared to last year's 8.7 percent.

Last year, the board of director cut the dividend by half in the short term due to the great uncertainty surrounding the COVID-19 pandemic. At the same time, however, the board held out the prospect of paying out a higher dividend in 2021 if business performance in 2020 was better than expected. At the annual general meeting of shareholders on April 12, 2021, the board of directors of Bossard Holding AG will propose a payout of 50 percent of

net income instead of the usual 40 percent. This corresponds to a dividend of CHF 4.40 per registered A share, up from CHF 2.00 in 2020.

2020 BALANCE SHEET

in CHF million	2020	2019	+/-
Current assets	453.2	464.9	-2.5%
Non-current assets	188.1	187.8	0.2%
Total assets	641.3	652.7	
Liabilities	319.0	348.2	-8.4%
Shareholders' equity	322.3	304.5	5.8%
Total liabilities and equity	641.3	652.7	-1.7%
Equity ratio	50.3%	46.7%	
Gearing (Net debt/equity)	0.5	0.6	
Net debt in CHF million	155.7	187.7	

Robust position

As a result of the lower operating net working capital, total assets declined slightly to CHF 641.3 million (previous year: CHF 652.7 million). The equity ratio at the end of 2020 was 50.3 percent, up from 46.7 percent in the previous year, which further strengthened the balance sheet. Free cash flow amounted to CHF 50.4 million (previous year: CHF -22.1 million), positively affecting net debt, which dropped from CHF 187.7 million to CHF 155.7 million. Gearing, the ratio of net debt to equity, hence declined slightly from 0.6 to 0.5. Bossard remains on solid financial ground, allowing it to pursue strategically significant projects and strive for accelerated growth in the coming years.

Confidence and optimism

“It is difficult at this point in time to predict how the pandemic will play out in 2021,” states Daniel Bossard, CEO of the Bossard Group. “Yet if our fourth quarter 2020 financials and the development of the purchasing manager indices are any indication, we have reason to be confident.” This confidence is predicated on the success of governmental measures and vaccination campaigns in the fight against the pandemic.

For further information, please contact:

Stephan Zehnder, CFO

Phone +41 41 749 65 86

E-mail investor@bossard.com

www.bossard.com

About Bossard:

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

Bossard was founded in Zug in 1831. Today local and multinational companies count on Bossard's expertise to increase their productivity – with success. Bossard calls this concept, which is also a promise to its customers “Proven Productivity”. This includes, among other things, optimizing processes and reducing inventories to increase the efficiency and productivity sustainably. In addition, Bossard is considered a pioneer in developing intelligent production facilities in line with Industry 4.0.

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

HISTORIC KEY FIGURES

In CHF 1,000	2020	+/- in %	2019	2018	2017
Net sales	812,792	-7.2%	876,224	871,070	786,175
EBIT	86,386	-9.7%	95,705	108,821	97,048
in % of net sales	10.6		10.9	12.5	12.3
Net income	67,751	-10.8%	75,959	85,410	80,193
in % of net sales	8.3		8.7	9.8	10.2
Cash flow 1)	87,228	-7.1%	93,866	101,529	95,175
Capital expenditures	23,927	-30.9%	34,649	27,791	22,695
Net debt	155,655	-17.1%	187,716	130,162	124,023
Shareholders' equity	322,340	5.9%	304,524	309,650	263,962
in % of total assets	50.3		46.7	51.3	48.9
Total assets	641,308	-1.7%	652,729	604,094	539,758
Return on average capital employed (ROCE)	14.7		16.8	21.5	20.8
Number of employees at year end	2,508	0.0%	2,507	2,451	2,294

1) Net income + depreciation and amortization