



Semi-Annual Report

2023

SHORT PROFILE

Proven Productivity

Bossard's global team is fully committed to Proven Productivity. Together we create sustainable values for our customers.

The Bossard Group is a leading strategic partner for industrial fastening and assembly technology solutions to OEM customers globally with proven expertise in engineering and logistic services.

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 close to 3,000 employees at 82 locations in 32 countries throughout the world, the Bossard Group generated CHF 1,153.8 million in sales in the financial year 2022. Bossard is listed on the SIX Swiss Exchange.



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AT A GLANCE

Key figures

in CHF million	First 6 months 2023	First 6 months 2022	Year 2022
Net sales	577.0	586.0	1,153.8
Gross profit	184.4	184.8	360.1
EBIT	69.6	77.2	141.5
in % of net sales	12.1	13.2	12.3
Net income	49.9	59.9	105.6
in % of net sales	8.6	10.2	9.2
Cashflow from operating activities	54.4	-15.6	6.0
Current assets	682.4	688.9	690.8
Non-current assets	218.8	216.5	219.3
Current liabilities	278.0	296.3	280.8
Non-current liabilities	250.6	239.5	249.7
Shareholders' equity	372.6	369.6	379.6
in % of total assets	41.3	40.8	41.7
Total assets	901.2	905.4	910.1
Net debt	322.5	292.5	319.0
Weighted average number of employees ¹⁾	2,879	2,737	2,765
Share capital ²⁾			
Number of shares entitled to dividend			
Registered A shares at CHF 5 par	6,346,134	6,345,824	6,346,441
Registered B shares at CHF 1 par	6,750,000	6,750,000	6,750,000
Registered A shares equivalents, entitled to dividend	7,696,134	7,695,824	7,696,441

	First 6 months 2023	First 6 months 2022	Year 2022
Market price			
Ticker symbol (BOSN)			
Closing price at end of reporting period in CHF	198.8	184.8	199.8
Registered A share high during reporting period in CHF	264.5	331.5	331.5
Registered A share low during reporting period in CHF	193.2	181.0	157.8
Key figures			
Consolidated earnings per registered A share in CHF ^{2) 3)}	12.58	15.17	13.38
Net asset value per registered A share in CHF	48.4	48.0	49.3
Price/earnings ratio (basis 30.06./31.12.)	15.8	12.2	14.9
Price/book value per share (basis 30.06./31.12.)	4.1	3.9	4.1

1) Period average full time equivalent

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

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

REPORT TO THE SHAREHOLDERS

Market slowdown with varying demand dynamics

Dear Shareholders,

The first half of 2023 was marked by a heterogeneous development in demand in the three market regions. Gratifying growth in America contrasts with the economic slowdown in Europe and in Asia, especially in China. Overall, Bossard's sales as well as EBIT and net income fell slightly compared to last year's records. Sales in the first half of 2023 declined by 1.5 percent to CHF 577.0 million (prior year: CHF 586.0 million), while growth in local currency was 3.1 percent. Organic growth amounted to 1.2 percent. EBIT fell by 9.8 percent to CHF 69.6 million (prior year: CHF 77.2 million) corresponding to a solid EBIT margin of 12.1 percent (prior year: 13.2 percent). Net income fell by 16.7 percent to CHF 49.9 million (prior year: CHF 59.9 million).

In an increasingly demanding economic and geopolitical environment, Bossard's broad, global customer base once again proved beneficial. Bossard's focus on growth industries of railway and electromobility enabled the Group to once again reach gratifying growth rates in a challenging economic environment. The demand for digitalized and automated C-parts management systems remained high, thus boosting the number of installed Smart Devices as well as Smart Factory applications.

The geopolitical situation continued to support the trend toward "nearshoring." With our Smart Factory solutions, we at Bossard can contribute to increase our customers' productivity and profitability, even in times of considerable labor cost increases and greater requirements for responsible handling of resources.

The challenges for Bossard have shifted in the last six months. With the lifting of the strict COVID-19 restrictions in China, demand started to normalize in the consumer goods and electronics industries as well as in medical technology, the industry sectors that benefited from the pandemic. At the same time, decreasing demand and shorter delivery times during the second quarter led to a normalization in the procurement market. The shortage of skilled labor and wage inflation continued to challenge Bossard in Europe and America in the first half of the year.

Weakening market in Europe

In Europe, the Group recorded a decrease in sales of 3.2 percent (in local currency: +0.4 percent) to CHF 321.2 million (prior year: CHF 331.7 million). This result is the consequence of the economic slowdown and normalization of demand. In an environment marked by a shortage of skilled labor and inflation, Bossard's Smart Factory services drew even more attention from customers.

Continued growth in America

In America, the Group again posted solid and broad-based growth in the first half of the year, although it began to slow down towards the end of that period. Sales increased by 9.9 percent (in local currency: +13.8 percent) to CHF 161.6 million. Organic growth in local currency amounted to 6.4 percent. Our expertise in the electromobility sector, built up over the last several years, has led to further expansion of our customer base.

Mixed development in Asia

Sales in Asia declined by 12.1 percent (in local currency: -3.6 percent) to CHF 94.2 million. The strong Swiss franc was a key factor. In addition, demand varied from region to region. In China, after the COVID-19 restrictions were lifted, only marginal growth drivers were evident in the first six months of the year. However, the majority of the other regional companies showed a positive development.

Solid profitability in spite of a challenging market environment

Despite the difficult market environment, the gross profit margin of 32.0 percent was above the prior year's margin of 31.5 percent. Sales and administrative expenses climbed from CHF 107.6 million in the prior year by 6.7 percent to CHF 114.8 million. In the same period, the number of full-time equivalents increased from 2,771 to 2,869 (+3.5 percent). Thirty one of those full-time equivalents originated from the acquisition of Bossard Ontario Inc. (formerly PENN Engineered Fasteners Corporation) in Canada. The significant cost increase stems both from personnel increase as well as above-average wage inflation. On the other hand, continued investments have been made in targeted growth initiatives, especially in digitalization, as part of Strategy 200. Slightly lower sales and a higher cost basis resulted in lower EBIT in the first half of the year. EBIT declined by 9.8 percent from CHF 77.2 million to CHF 69.6 million, which equals to the second best half-year result. The EBIT margin amounted to 12.1 percent (prior year: 13.2 percent), underscoring the Group's continued solid profitability in a challenging market environment. Net income in the first half of the year was CHF 49.9 million compared to CHF 59.9 million in the prior year.

Solid balance sheet and strong cash flow

Following a substantial rise in the last two years, total assets were CHF 901.2 million at the end of June 2023, slightly below last year's level of CHF 905.4 million. The increase in prior years resulted from higher receivables caused by the significant rise in sales, as well as an above-average increase in inventories to secure delivery capability resulting from long procurement times. The latter has largely normalized, leading to lower inventory levels.

Net debt increased only marginally since the beginning of the year to CHF 322.5 million (end of 2022: CHF 319.0 million), and this in spite of investments of CHF 17.8 million and a dividend payout of CHF 42.3 million in the first six months. The gearing – the ratio of net debt to equity – of 0.9 is slightly above last year's level of 0.8 while the ratio of net debt to EBITDA increased slightly from 1.9 to 2.0. The equity ratio at the end of June 2023 was 41.3 percent (prior year: 40.8 percent), underscoring the continued solid financial position of the Group.

Cash flow from operating activities totaled CHF 54.4 million. The positive cash flow was partly due to the reduction in inventories. Cash flow from investment activities totaled CHF 14.8 million compared to last year's CHF 20.4 million. The first half of 2023 resulted in a positive free cash flow of CHF 39.6 million compared to last year's negative free cash flow of CHF –36.0 million.

Progress in implementing Strategy 200

In the first half of the year, around 50 Bossard employees were working in digital marketing to improve the online marketing of products and services and achieve greater online reach, visibility, and customer retention. Thanks to the "Sales Engine" initiative, for example, qualified leads grew by 30 percent in the pilot market of Denmark and the quality of customer communication improved significantly.

In the first half of 2023, as part of the "Operations Engine" initiative, the first successful rollout of the new ERP system in Asia was completed in Singapore after its successful introduction in Denmark and Sweden last year. Other business units will follow over the course of the year.

Outlook

Owing to the uncertain economic environment, geopolitical tensions and increasing trade conflicts, the outlook for the rest of the year remains marked by uncertainty and risk. Based on observations of current developments, Bossard expects moderate economic demand in the second half of 2023. This expectation is also based on our customers' continued inventory reductions and, in a best-case scenario, stable purchase prices.

Notwithstanding the above, the consistent implementation of Strategy 200 in the first half of the year has further improved conditions for sustainable, profitable growth, and Bossard views the future with optimism.



Dr. Thomas Schmuckli
Chair of the board
of directors



Dr. Daniel Bossard
CEO

Zug, July 20, 2023

FINANCIAL REPORT

Consolidated balance sheet

in CHF 1,000	30.06.2023	30.06.2022	31.12.2022
Assets			
Current assets			
Cash and cash equivalents	49,735	39,549	35,792
Accounts receivable, trade	196,717	218,878	193,039
Other receivables	4,368	6,609	6,529
Prepaid expenses	15,643	18,438	13,126
Inventories	415,952	405,448	442,275
	682,415	688,922	690,761
Non-current assets			
Property, plant and equipment	141,451	141,845	143,096
Intangible assets	49,158	44,914	47,800
Financial assets	8,032	8,214	8,311
Deferred tax assets	20,130	21,490	20,121
	218,771	216,463	219,328
Total assets	901,186	905,385	910,089

in CHF 1,000	30.06.2023	30.06.2022	31.12.2022
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable, trade	63,339	97,279	80,350
Other liabilities	13,009	12,616	13,431
Accrued expenses	48,333	59,971	48,374
Tax liabilities	6,781	12,015	8,194
Provisions	1,506	1,292	1,794
Short-term debts	145,074	113,071	128,677
	278,042	296,244	280,820
Non-current liabilities			
Long-term debts	227,138	219,006	226,104
Provisions	10,804	9,659	10,882
Deferred tax liabilities	12,638	10,841	12,660
	250,580	239,506	249,646
Total liabilities	528,622	535,750	530,466
Shareholders' equity			
Share capital	40,000	40,000	40,000
Treasury shares	-4,272	-4,054	-3,844
Capital reserves	74,984	74,522	74,393
Retained earnings	254,816	253,446	263,135
	365,528	363,914	373,684
Non-controlling interest	7,036	5,721	5,939
Total shareholders' equity	372,564	369,635	379,623
Total liabilities and shareholders' equity	901,186	905,385	910,089

FINANCIAL REPORT

Consolidated income statement

in CHF 1,000	First 6 months 2023	First 6 months 2022
Net sales	576,957	586,032
Cost of goods sold	-392,552	-401,213
Gross profit	184,405	184,819
Selling expenses	-73,361	-68,271
Administrative expenses	-41,399	-39,301
EBIT	69,645	77,247
Share of result from associated companies	-560	-558
Financial result	-5,586	-2,285
Income before taxes	63,499	74,404
Income taxes	-13,638	-14,497
Net income	49,861	59,907
Attributable to:		
Shareholders of Bossard Holding AG	48,416	58,359
Non-controlling interest	1,445	1,548
in CHF	2023	2022
Earnings per registered A share ¹⁾	12.58	15.17
Earnings per registered B share ¹⁾	2.52	3.03

1) Earnings per share, extrapolated to 12 months, is based on the net income of shareholders of Bossard Holding AG and the number of shares entitled to dividend. There is no dilution effect.

FINANCIAL REPORT

Consolidated statement of changes in equity

in CHF 1,000	Issued share capital	Treasury shares	Capital reserves	Retained earnings			Shareholders' Bossard	Non-controlling interest	Shareholders' equity
				Retained earnings	Goodwill offset	Translation differences			
Balance at January 1, 2022	40,000	-4,242	75,165	728,111	-385,313	-108,466	345,255	4,293	349,548
Dividend				-39,264			-39,264	-93	-39,357
Net income for the period				58,359			58,359	1,548	59,907
Management participation plan			621				621		621
Change in treasury shares		188	-1,264				-1,076		-1,076
Translation differences						19	19	-27	-8
Balance at June 30, 2022	40,000	-4,054	74,522	747,206	-385,313	-108,447	363,914	5,721	369,635
Balance at January 1, 2023	40,000	-3,844	74,393	791,827	-405,074	-123,618	373,684	5,939	379,623
Dividend				-42,326			-42,326	-164	-42,490
Net income for the period				48,416			48,416	1,445	49,861
Management participation plan			628				628		628
Change in treasury shares		-428	-37				-465		-465
Translation differences						-14,409	-14,409	-184	-14,593
Balance at June 30, 2023	40,000	-4,272	74,984	797,917	-405,074	-138,027	365,528	7,036	372,564

FINANCIAL REPORT

Consolidated cash flow statement

in CHF 1,000	First 6 months 2023	First 6 months 2022
Net income	49,861	59,907
Share of result from associated companies	560	558
Income taxes	13,638	14,497
Financial result	5,586	2,285
Depreciation and amortization	12,320	11,433
(Decrease)/increase provisions	-238	2,971
Loss/(gain) from disposals of property, plant and equipment	247	-296
Loss from disposals of intangible assets	11	0
Interest received	313	126
Interest paid	-4,161	-1,735
Taxes paid	-15,385	-14,351
Increase management participation plan (part of equity)	628	621
Other non-cash expenses	1,116	1,379
Cash flow from operating activities before changes in net working capital	64,496	77,395
Increase accounts receivable, trade	-9,464	-45,528
Increase other current assets	-2,015	-8,606
Decrease/(increase) inventories	16,180	-67,060
(Decrease)/increase accounts payable, trade	-15,189	20,028
Increase other non-interest bearing liabilities	363	8,130
Cash flow from operating activities	54,371	-15,641

in CHF 1,000	First 6 months 2023	First 6 months 2022
Investments in property, plant and equipment	-12,612	-11,656
Proceeds from sales of property, plant and equipment	2,072	1,106
Investments in intangible assets	-5,196	-8,695
Net cash flow from purchase price adjustments	1,347	0
Investments in financial assets	-502	-1,247
Divestments of financial assets	135	125
Cash flow from investing activities	-14,756	-20,367
Proceeds of short-term debts	16,994	26,783
Proceeds of long-term debts	1,216	54,416
Purchase/sale of treasury shares	-429	188
Dividends paid to shareholders	-42,326	-39,264
Dividends paid to non-controlling interest	-164	-93
Cash flow from financing activities	-24,709	42,030
Translation differences	-963	-581
Change in cash and cash equivalents	13,943	5,441
Cash and cash equivalents at January 1	35,792	34,108
Cash and cash equivalents at June 30	49,735	39,549

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Scope of operations

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

Accounting principles of the consolidated financial statements

These unaudited consolidated interim financial statements for the first six months of 2023 were prepared in accordance with Swiss GAAP FER and in compliance with Swiss GAAP FER 31. They do not include all of the information and disclosures required for full annual financial statements and should be read in conjunction with the audited annual report 2022. These consolidated interim financial statements have been prepared using the same accounting policies and valuation principles as applied in the consolidated financial statements as of December 31, 2022.

Accounting estimates and assumptions

The estimates and assumptions made by the board of directors and executive committee in the consolidated interim financial statements have not changed significantly compared to the consolidated financial statements 2022.

1. Segment information

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

2. Sales by regions

in CHF million first 6 months	Europe		America		Asia		Group	
	2023	2022	2023	2022	2023	2022	2023	2022
Sales	322.3	333.8	161.5	147.3	94.6	107.7	578.4	588.8
Sales deductions	-1.1	-2.1	0.1	-0.2	-0.4	-0.5	-1.4	-2.8
Net sales	321.2	331.7	161.6	147.1	94.2	107.2	577.0	586.0

3. Acquisitions and disposals of subsidiaries and businesses

Acquisitions 2023

No subsidiaries or associated companies were acquired.

Disposals 2023

No subsidiaries or associated companies were disposed of.

Other changes in the scope of consolidation 2023

In the first half of 2023, the scope of consolidation changed as follows:

- Bossard Services Pte. Ltd., Singapore (incorporation)

Acquisitions 2022

The following table shows the acquired assets and liabilities at their market value at the acquisition date and the resulting goodwill.

in CHF 1,000	Market value at acquisition date
Cash and cash equivalents	237
Accounts receivable, trade	3,873
Inventories	6,357
Other current assets	216
Non-current assets	213
Accounts payable, trade	-2,974
Other current liabilities	-1,370
Non-current liabilities	-
Net assets acquired	6,552
Goodwill	19,761
Total	26,313
Less acquired cash and cash equivalents	-237
Plus purchase price adjustment not yet received	1,347
Cash flow from acquisitions	27,423

In 2022, the following company was acquired:

- PENN Engineered Fasteners Corporation, Canada (November 2022), now Bossard Ontario Inc.

Disposals 2022

No subsidiaries or associated companies were disposed of.

Other changes in the scope of consolidation 2022

In 2022, the scope of consolidation changed as follows:

- Bossard Deutschland GmbH, Germany (merger with KVT-Fastening GmbH, Germany)
- Boysen Verwaltungs GmbH, Germany (merger with Bossard Beteiligungs GmbH, Germany)
- Normscrews Beheer B.V., Netherlands (merger with Jeveka B.V., Netherlands)

4. Exchange rates

The following principal exchange rates were applied:

	30.06.2023 Exchange rate	01.01.2023– 30.06.2023 Average exchange rate	31.12.2022 Exchange rate	30.06.2022 Exchange rate	01.01.2022– 30.06.2022 Average exchange rate
1 EUR	0.98	0.99	0.99	1.00	1.03
1 USD	0.89	0.91	0.93	0.96	0.94
100 DKK	13.11	13.24	13.28	13.46	13.87
100 RMB	12.36	13.18	13.32	14.29	14.57
100 INR	1.09	1.11	1.12	1.21	1.24

5. Events occurring after balance sheet date

Since June 30, 2023, no major events occurred which would require additional disclosures or changes in the Semi-Annual Report 2023.

IMPRINT & AGENDA

Imprint

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The Semi-Annual Report 2023 is available on www.bossard.com > About us > Investor Relations. This report is unaudited and prepared in accordance with Swiss GAAP FER 31.

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

This Semi-Annual Report 2023 is also available in German. The German version is binding.

Publication of sales results, 3rd quarter 2023

October 12, 2023

Publication of sales results 2023

January 12, 2024

Meeting for financial analysts & media conference

February 28, 2024

Publication of Annual Report 2023

February 28, 2024

Annual general meeting

April 8, 2024

Publication of sales results, 1st quarter 2024

April 8, 2024



Proven.