

# Welcome!

Financial Analyst & Media Conference | February 27, 2025

# Agenda

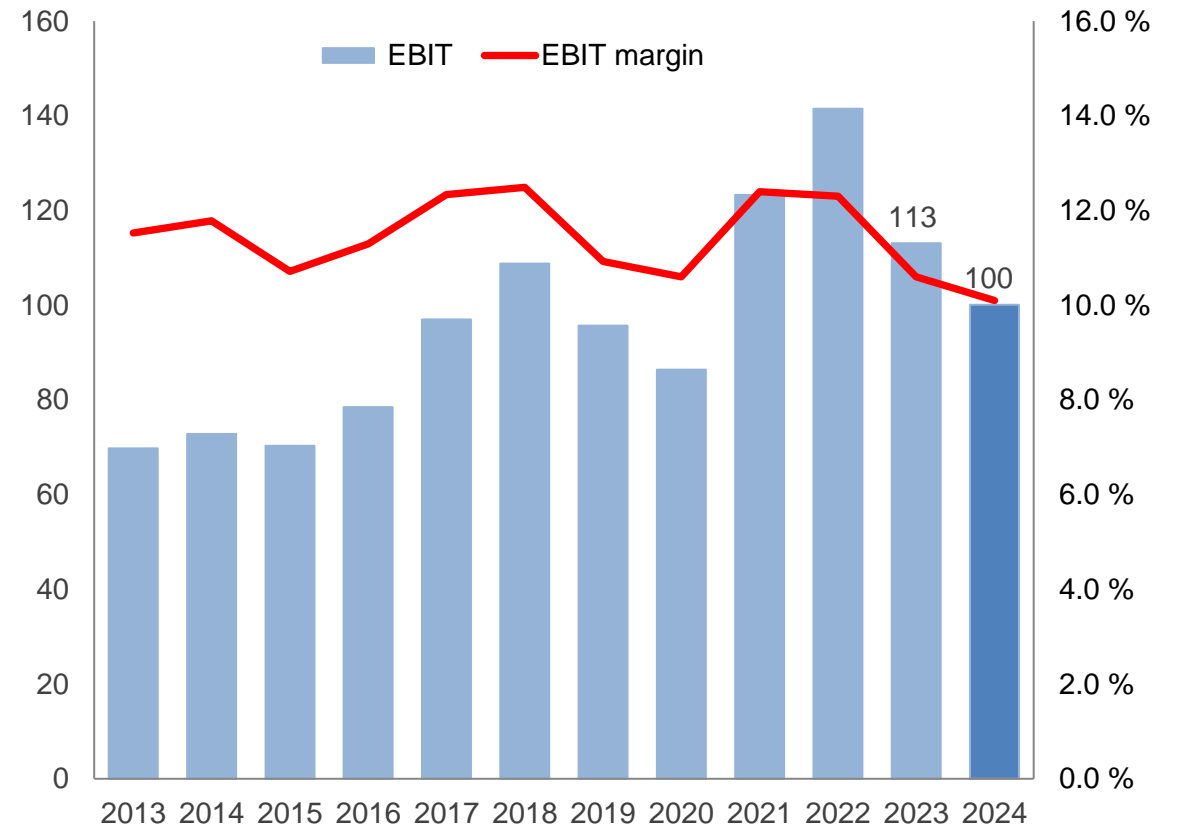
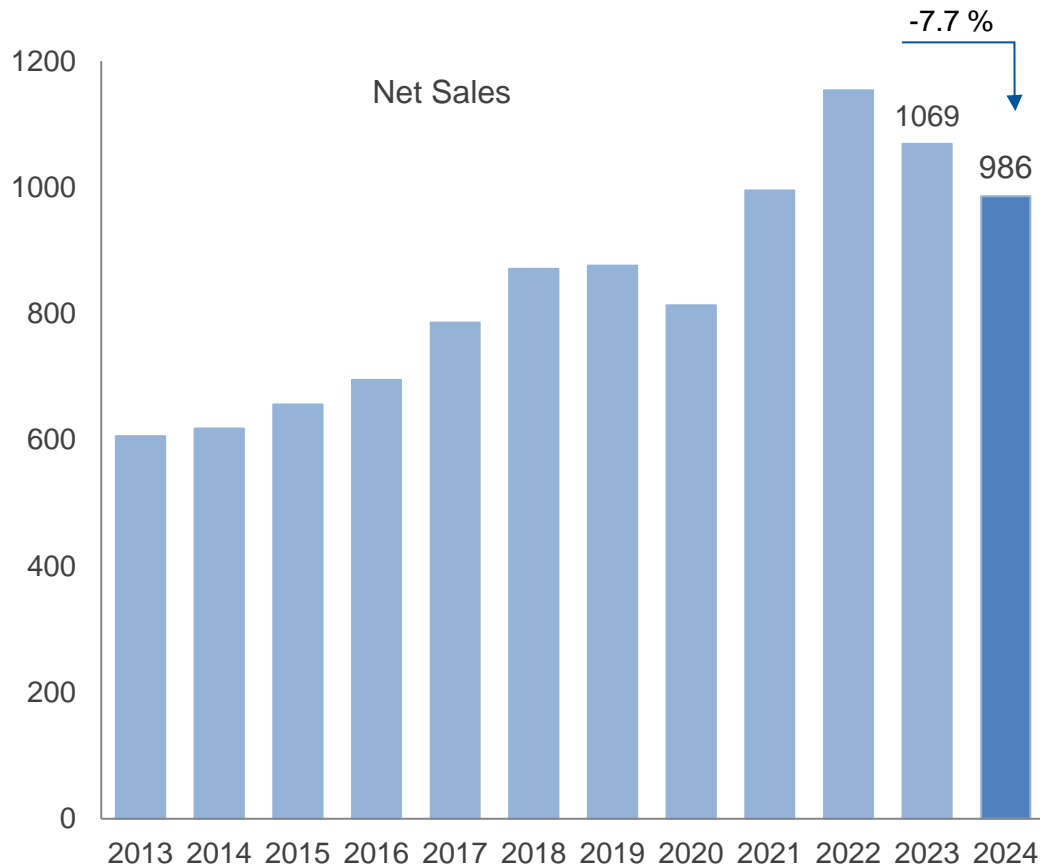
- |           |                       |                     |
|-----------|-----------------------|---------------------|
| <b>01</b> | Business Review 2024  | CEO Daniel Bossard  |
| <b>02</b> | Financial Review 2024 | CFO Stephan Zehnder |
| <b>03</b> | STR 200 Development   | CEO Daniel Bossard  |
| <b>04</b> | Focus 2025            | CEO Daniel Bossard  |
| <b>05</b> | Q&A                   | All                 |

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# Business Review 2024

# Development net sales, EBIT & EBIT margin

in CHF million



# Dejond Fastening NV, Antwerp, Belgium

- Manufacturing (blind rivet nuts Tubtara®) & fastener distribution
- 70 employees, EUR 15 million annual sales
- Customer base: EV, automotive, batteries, solar panels, railway, aerospace
- Strengthening market presence in Europe as well as in existing product/market segments





# Aero Negoce International Group, Béziers, France

- Fastener distribution
- 33 employees, EUR 25 million annual sales
- Customer base: aerospace
- Strengthening market presence in Europe, USA and the aerospace industry



# Ferdinand Gross Group, Leinfelden-Echterdingen, Germany

- Fastener distribution
- 260 employees, EUR 80 million annual sales
- Customer base: industrial, mechanical and plant engineering, railway, automotive
- Strengthening market presence in Germany, Hungary, Poland
- Signing in 2024, closing in January 2025



# Delivered on Strategy 200 initiatives!

We bring Proven Productivity & Sustainability to every assembly operation in the world!

## SALES ENGINE

- Emphasize digital lead generation, CRM rollout
- **Focus on sunrise industries**
- Scale productivity services – ATE, SFL, SFA
- Pursue M&A opportunities

## CULTURE

- **Digitalization – HR platform in US/Europe**
- Develop talent & leadership programs
- Develop ‘Learning Management System (LMS)’

## OPERATIONS ENGINE

- **ERP – successful introduction of D365 in 9 BUs**
- Artificial Intelligence (AI) for higher efficiency (int./ext.)
- Cyber security – no shut-downs
- SCM – proactive cost reduction program

## SUSTAINABILITY

- Definition of CO<sub>2</sub> reduction initiatives (scope 1&2)
- **Reporting compliance (CSRD, others)**



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# Financial Review 2024

# Highlights 2024

Well  
maintained  
gross profit  
margin

Strong  
cash flow

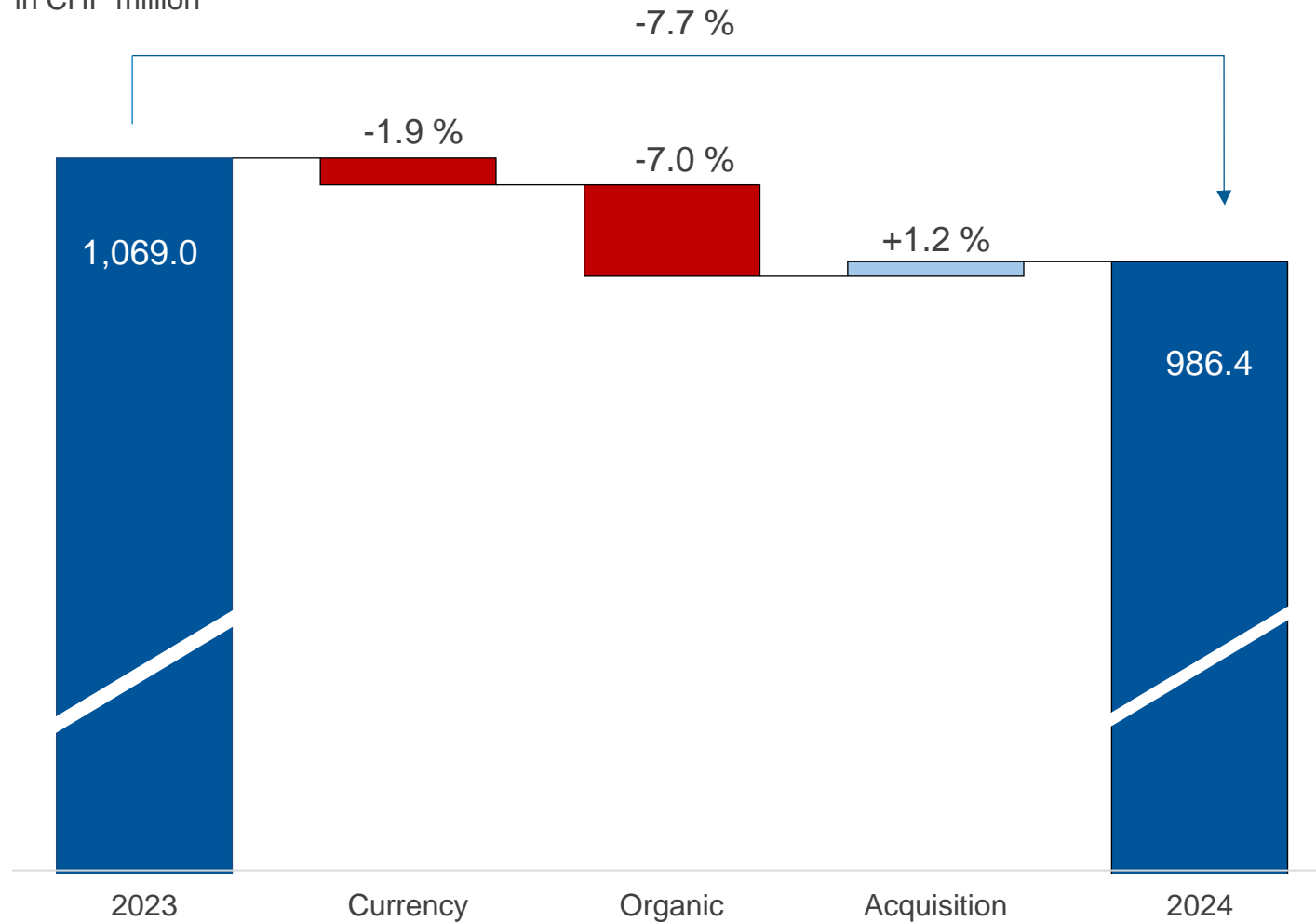
First bond  
issue at  
1.25%  
coupon

Solid  
profitability

Stable net  
debt despite  
two  
acquisitions

# Weaker demand and strong Swiss franc impacting topline

in CHF million



- Currency impact due to appreciation of the Swiss franc
- Weaker customer demand due to economic situation and continued customer destocking
- Sales development – signs of stabilization in the second half of 2024 in Asia and Europe
- Gratifying growth rates in the railway, aerospace and partly electronics industry
- Demand for Smart Factory solutions carried on
- Positive contribution from acquisitions

# Solid profitability despite challenging environment

in CHF million

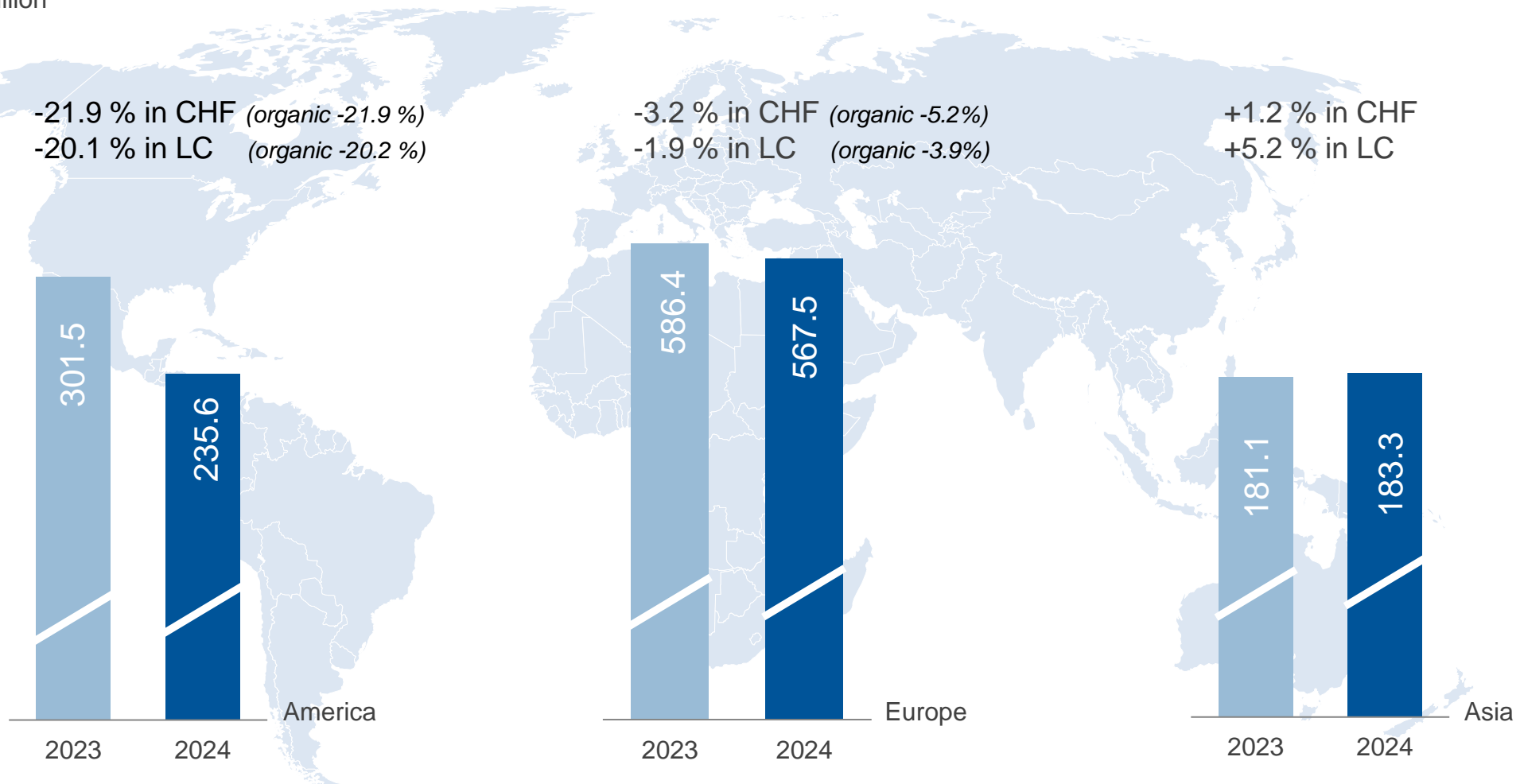
	2023	2024	+/-
<b>Net sales</b>	<b>1,069.0</b>	<b>986.4</b>	<b>-7.7 %</b>
<b>Gross profit</b>	<b>339.2</b>	<b>326.7</b>	<b>-3.7 %</b>
<i>in %</i>	<i>31.7 %</i>	<i>33.1 %</i>	
Selling expenses	-144.6	-139.1	-3.8 %
Administrative expenses	-81.5	-87.5	7.4 %
<b>EBIT</b>	<b>113.1</b>	<b>100.1</b>	<b>-11.5 %</b>
<i>in %</i>	<i>10.6 %</i>	<i>10.2 %</i>	
Result from associated companies	-0.8	1.2	
Financial result	-12.7	-5.5	
<b>Income before taxes</b>	<b>99.6</b>	<b>95.8</b>	<b>-3.8 %</b>
Taxes	-22.8	-20.5	-10.1 %
<b>Net income</b>	<b>76.8</b>	<b>75.3</b>	<b>-2.0 %</b>
<i>in %</i>	<i>7.2 %</i>	<i>7.6 %</i>	

- Higher gross profit margin due to well-maintained price levels, regional and product mix
- Lower selling expenses due to:
  - lower variable compensation
  - lower travel and marketing cost
- Higher administrative expenses due to:
  - high rollout activities of the new ERP system
  - higher licenses fees related to more system users
  - higher commercial support
- Financial result
  - less interest expenses and positive currency impact

# NET SALES DEVELOPMENT 2024

## By region

in CHF million

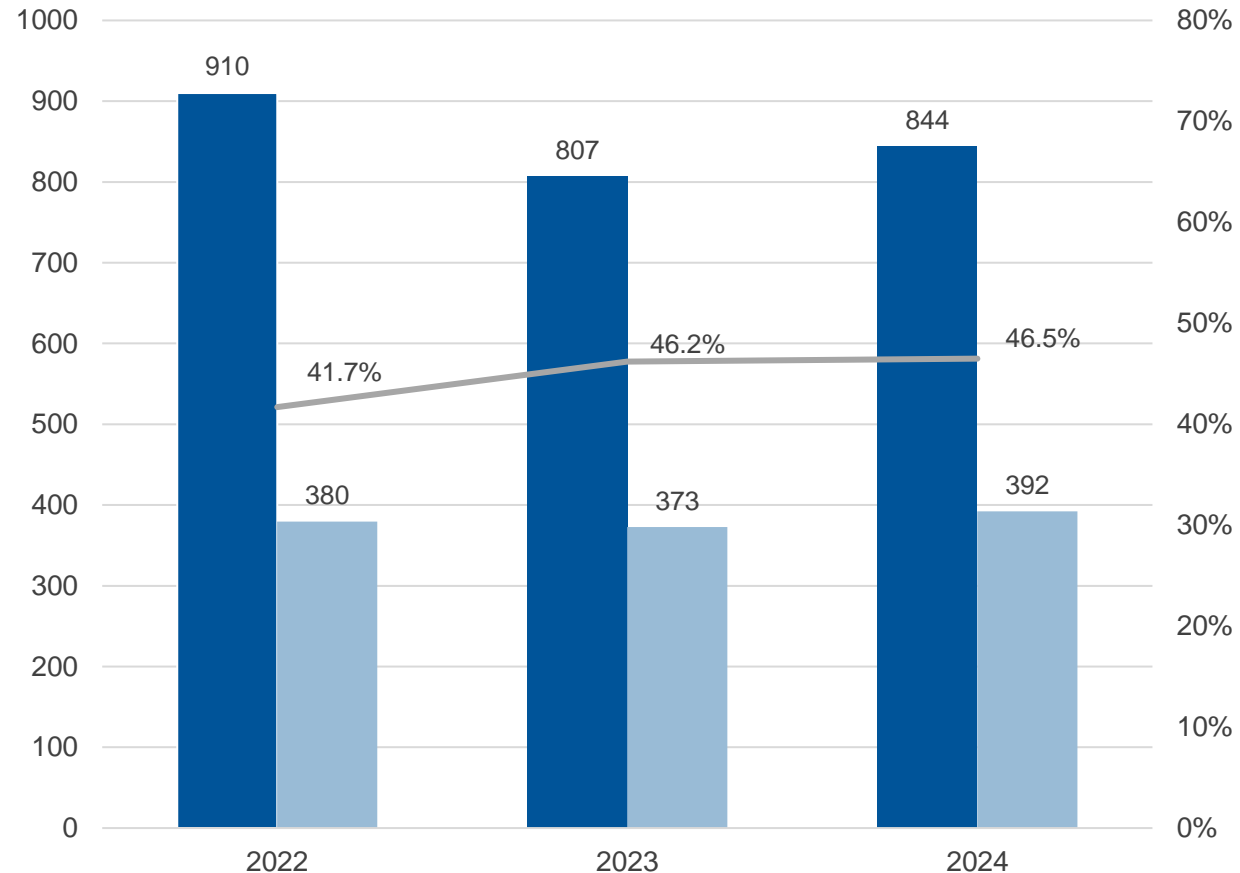




# Strong equity ratio

in CHF million

Equity ratio



- Reduction of inventory continued in 2024, whilst total assets increased due to investments in property, plant and equipment and by the acquisitions of Dejong Fastening NV and Aero Negoce International SA
- Continued solid balance sheet with equity ratio beyond the target of 40 percent

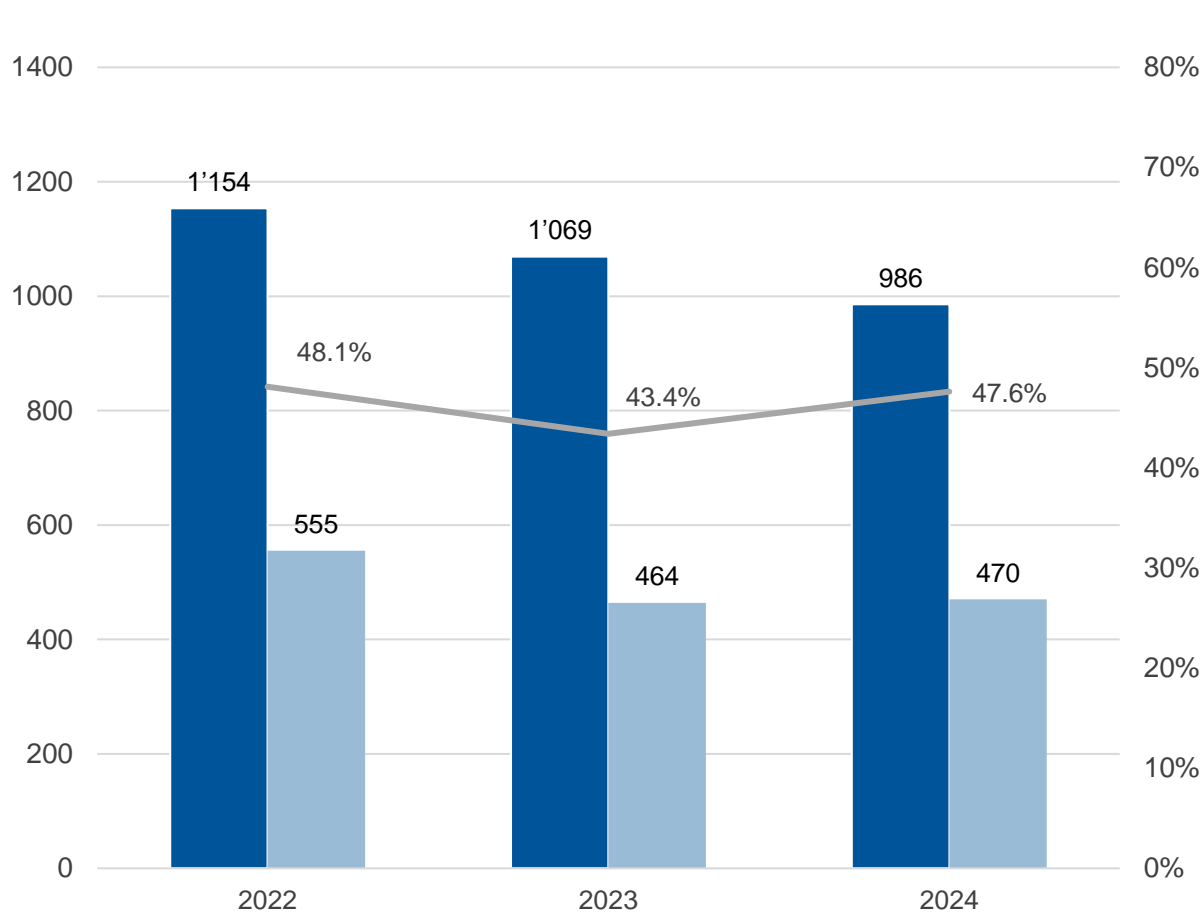
■ Total assets  
■ Shareholders' equity  
— Equity ratio in % of total assets

## OPERATING NET WORKING CAPITAL 2024

# Increase in ONWC due to acquisitions

in CHF million

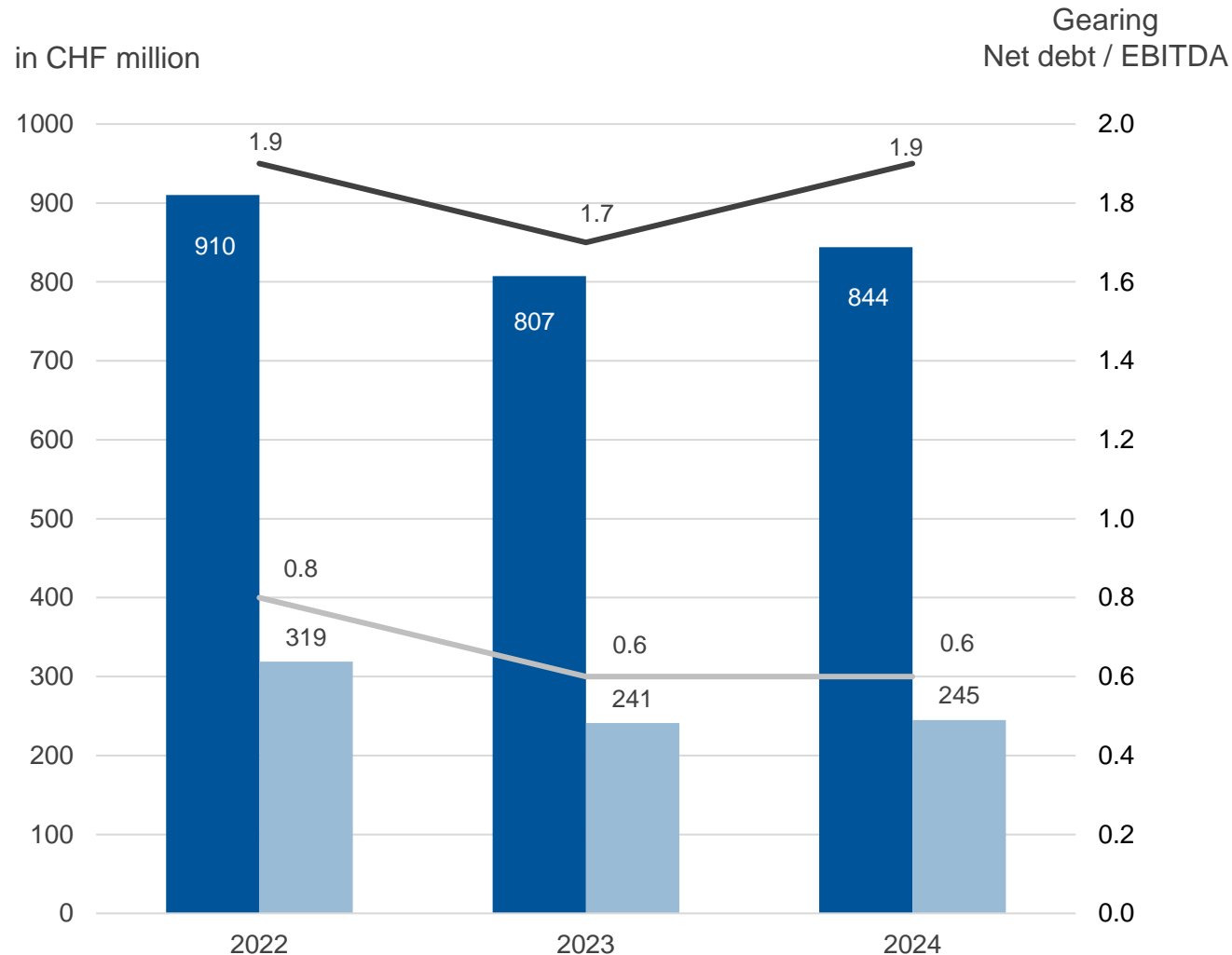
ONWC



- YOY increase in total operating net working capital mainly driven by the two acquisitions in 2024
- Adjusted for acquisitions ONWC in % of net sales was at 46.4 percent in 2024

■ Net sales  
■ ONWC  
— ONWC in % of net sales

# Continued solid balance sheet ratios

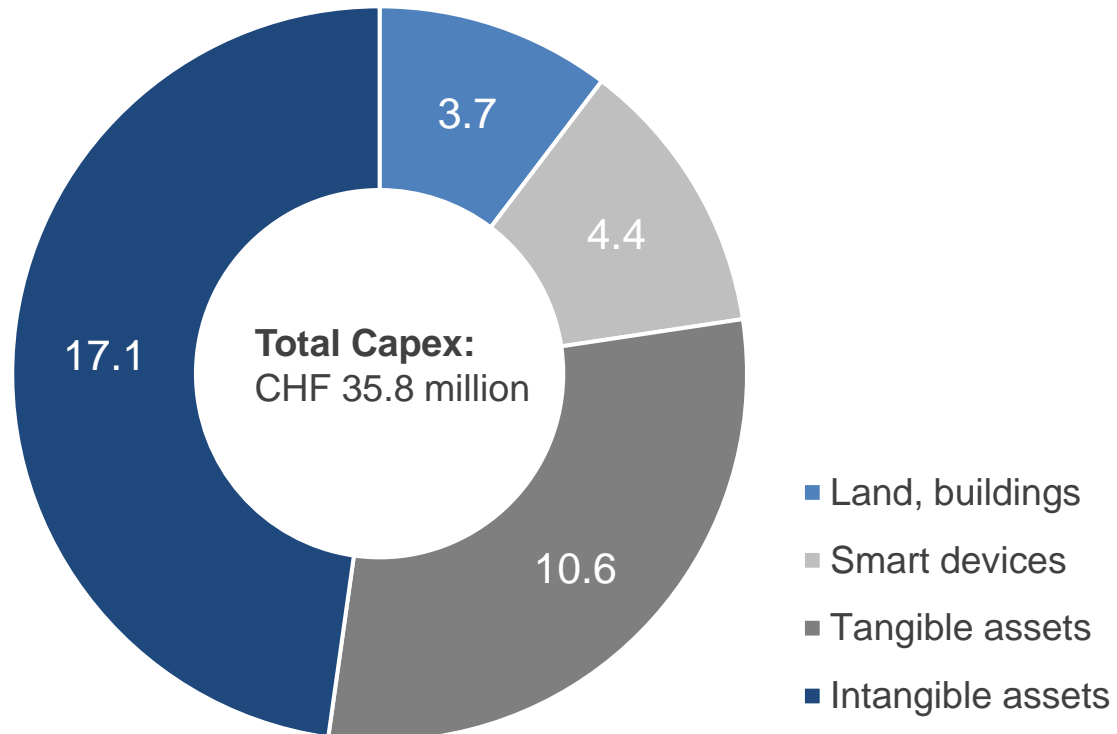


- Commitment to solid capital structure
- Stable net debt level despite cashout of CHF 62 million for acquisitions
- Bond issue of CHF 200 million used to refinance existing credit facilities
- Balance sheet ratios within the long-term funding ratios also due to continued solid profitability
  - Gearing <1.3
  - Net debt / EBITDA <2.0x

■ Total assets  
 ■ Net debt  
 — Gearing  
 — Debt factor

# Capex – strong focus on digitalization remains

in CHF million



## Land, buildings

- Office and warehouse maintenance and investments related to ESG initiatives

## Smart devices

- Scales and electronic labels for Smart Factory installations

## Tangible assets

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

## Intangible assets

- General software investment / replacement
- New global enterprise resource system (ERP)

# Solid profitability and decrease in NWC resulted in strong cash flow

in CHF million

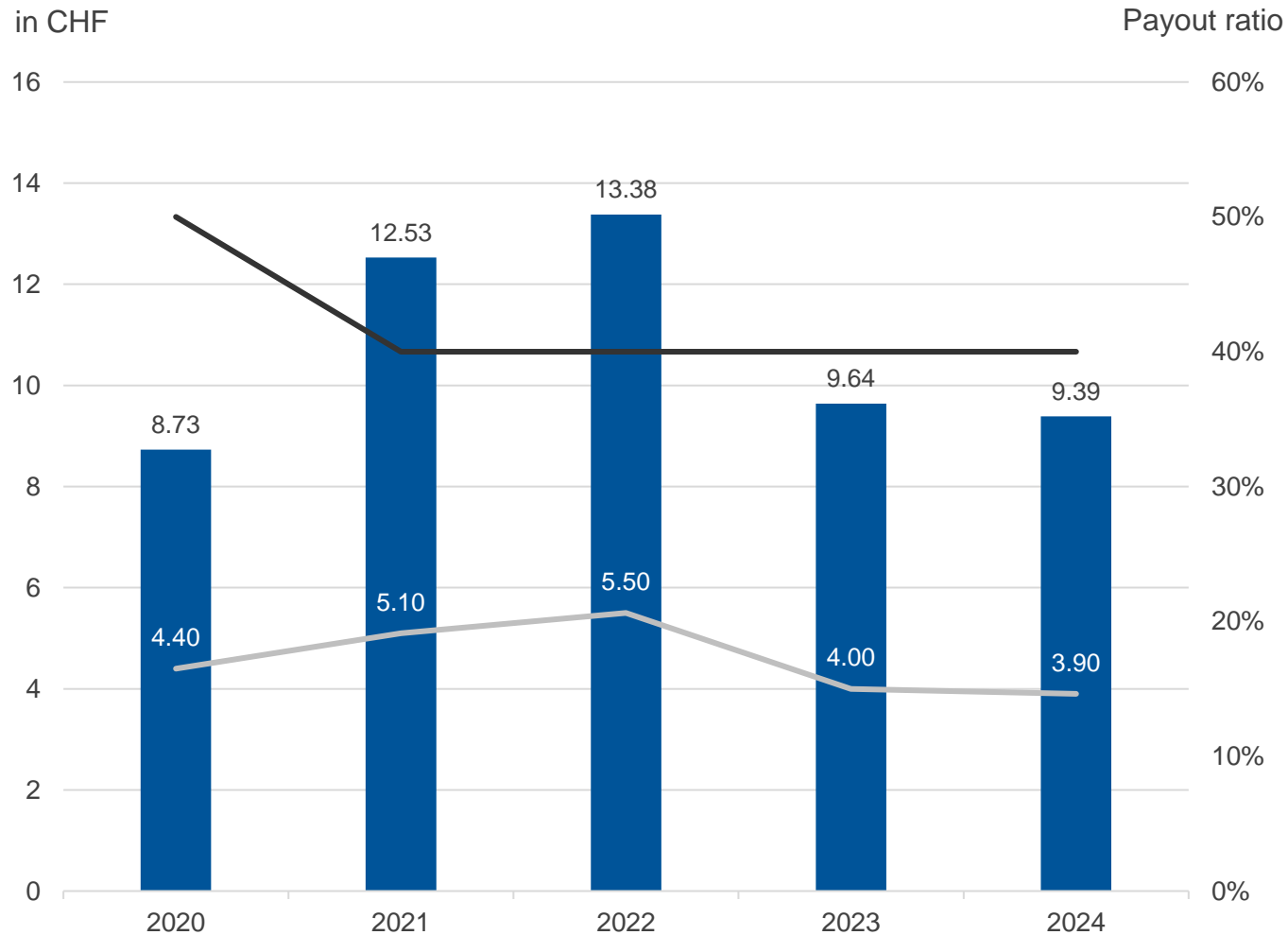
	2023	+/-	2024
<b>Cash flow from operating activities before NWC</b>	104.2	-4.4	99.8
Change in NWC	53.5		27.0
<b>Cash flow from operating activities</b>	157.7	-30.9	126.8
Tangible and intangible assets	-38.3		-35.8
Net cash flow from acquisitions	0.0		-62.0
Other financial assets	2.0		2.2
<b>Cash flow from investing activities</b>	-36.3	-59.3	-95.6
<b>Free cash flow</b>	121.4	-90.2	31.2
<b>Free cash flow without acquisitions</b>	121.4	-28.2	93.2

- Solid free cash flow
- Capital expenditure reflects the continuous investments in our infrastructure and IT/ERP system in accordance with our Strategy 200
- Solid free cash flow available for repayment of financial debt, payment of interests and distributions to shareholders



## DIVIDEND POLICY

# 40 percent payout of net income



### Proposed dividend for FY 2024

Proposal to the annual general meeting of shareholders

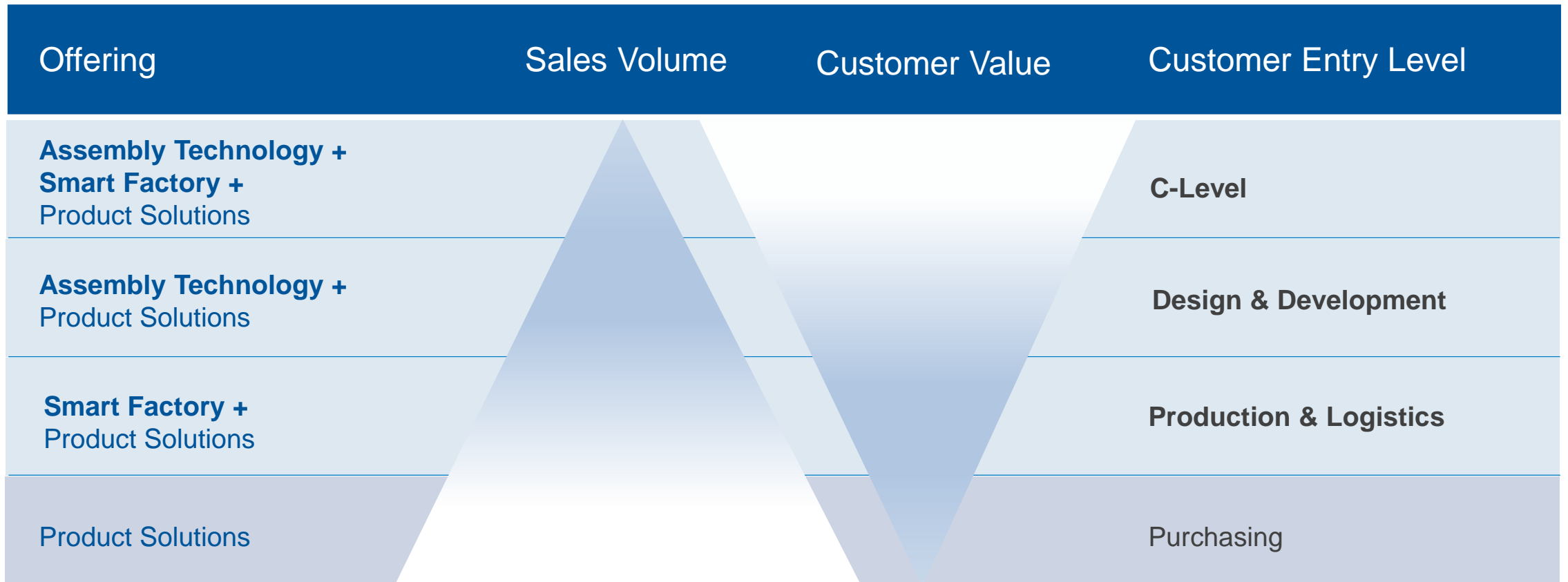
- Gross dividend of CHF 3.90 per registered A share



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# Strategy 200 Development

# Strategic importance



SMART FACTORY LOGISTICS (SFL)

## Services to avoid stockouts and reduce inventory costs



# SFL – It is proven!

Industry 4.0  
ready

**30**  
Years of proven  
experience

**250**  
Field experts

**>478,000**  
Smart devices  
installed  
+ 5.1%

**1**  
**ARIMS**  
Supply chain  
collaborative  
platform

**>1,150**  
Customers  
globally

**>250**  
**CHF million**  
Sales transacted  
through SF  
systems



## SMART FACTORY ASSEMBLY (SFA)

# Services to avoid mistakes and increase efficiency in assembly



# SFA – Still small, but proven!

Industry 4.0  
ready

**4**  
Years of  
proven  
experience

**16**  
Field experts

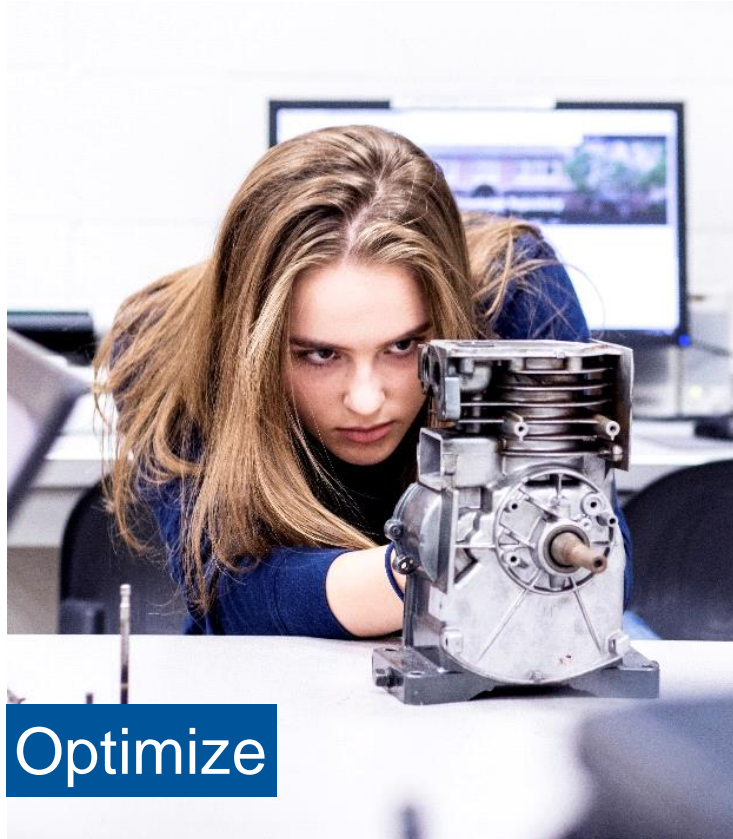
**>200**  
Smart systems  
installed  
+ 51.1%

**1**  
ELAM  
Interactive digital  
work instruction  
platform

**>90**  
Customers /  
healthy pipeline

## ASSEMBLY TECHNOLOGY EXPERT (ATE)

# Services to avoid and reduce total costs





## ASSEMBLY TECHNOLOGY EXPERT (ATE)

# Impact on product sales (examples)



Austria  
CHF  
100K



Spain  
CHF  
55K



Italy  
CHF  
35K



China  
CHF  
115K



India  
CHF  
630K



S-Korea  
CHF  
280K



Malaysia  
CHF  
145K



Taiwan  
CHF  
115K

# ATE – It is proven!

**16**

Tech-Labs  
globally

**1**  
CHF million  
in consulting  
fees

**>120**  
Technical  
experts

**Door  
Opener**  
for product  
sales

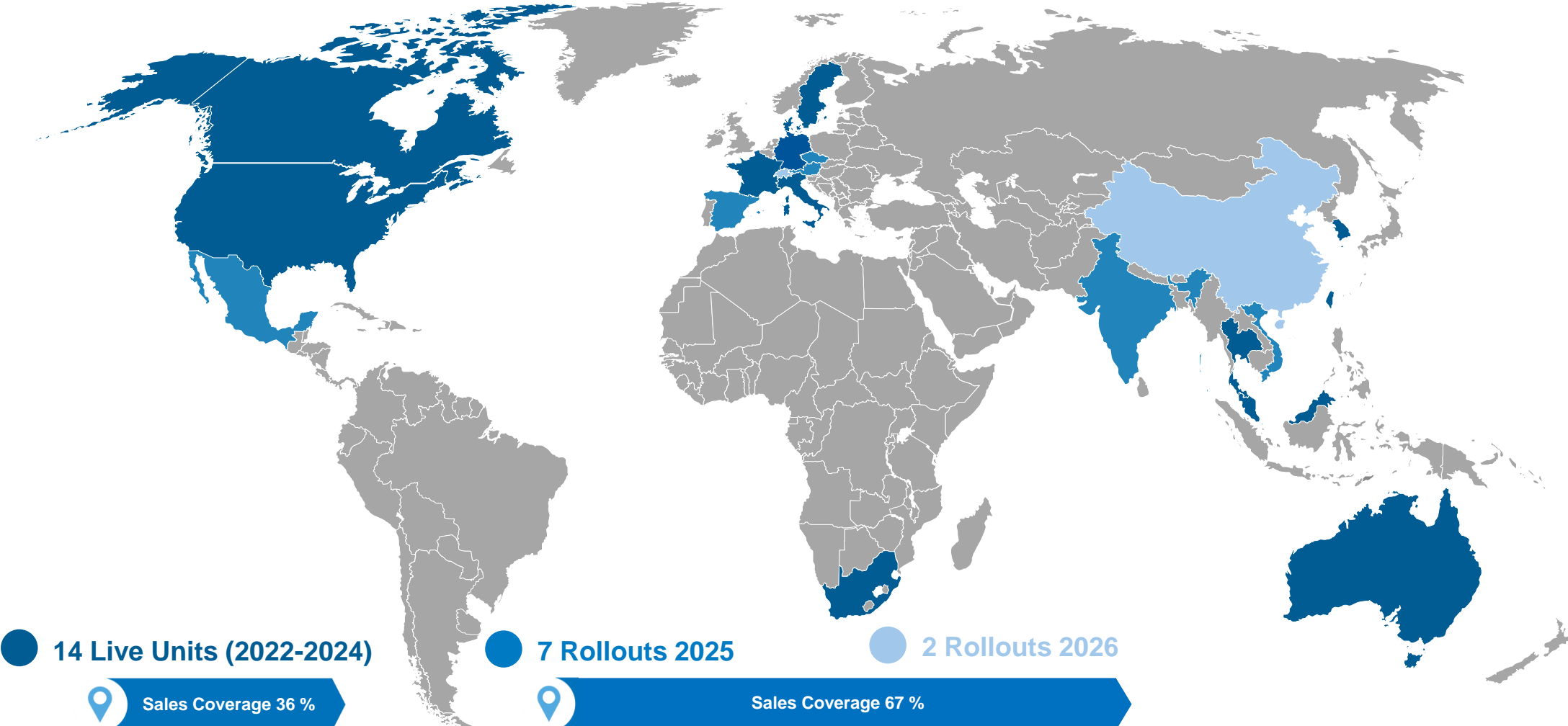
Long-term  
experience in  
various  
industries

**>300**  
Customers in  
pipeline



GLOBAL ERP SYSTEM ROLLOUTS

**2023-2026 – CHF 70 million investment – higher efficiency!**



## ARTIFICIAL INTELLIGENCE

# ... for higher efficiency & customer responsiveness



### Use Cases & Global Scaling

Higher efficiency (e.g. document processing) & customer responsiveness (e.g. AI supported pricing)



### Global Team

Head of Group AI (1), AI Developers (7), AI Council (6) & AI Ambassadors (20)



### Tools & Trainings

Introduction of common tools (Co-Pilot, etc.) & internal trainings (all levels, incl. BoD)

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**Focus 2025**

# Pipeline conversion, ERP & AI, collaboration & CSRD

We bring Proven Productivity & Sustainability to every assembly operation in the world!

## SALES ENGINE

- CRM rollout & pipeline conversion!
- **Sales growth above market average**
- Focus on growth BUs & sunrise industries
- Scale productivity services – ATE, SFL, SFA



## CULTURE

- Digitalization – deploy HR platform in US/Europe
- **Collaboration (anchor guiding principles)**
- Talent & leadership programs (leadership accelerator)
- Deployment of ‘Learning Management System (LMS)’

## OPERATIONS ENGINE

- **ERP – successful introduction of D365 in 7 BUs**
- Artificial Intelligence (AI) for higher efficiency (int./ext.)
- Cyber security – no shut-downs
- SCM – proactive cost reduction program

## SUSTAINABILITY

- Regional CO<sub>2</sub> reduction initiatives (scope 1&2)
- **Reporting compliance (CSRD, others)**

## MID-TERM FINANCIAL TARGETS

### ... after a phase of investments

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



# Thank you!

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