

COLT CZ GROUP SE

FINANCIAL RESULTS 9M 2023

INVESTOR PRESENTATION

COLT
CZGROUP

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AGENDA AND TODAY'S PRESENTERS

AGENDA

- 1 9M 2023 AT A GLANCE
- 2 FINANCIAL HIGHLIGHTS
- 3 NOTABLE BUSINESS DEVELOPMENTS IN Q3 2023
- 4 APPENDIX

PRESENTERS



JAN DRAHOTA

Chairman of the Board of Directors
CEO of Colt CZ Group SE



JAN ZAJÍC

Member of the Board of Directors
CEO of Česká zbrojovka a.s.



JANA MATOUŠKOVÁ

Head of Group Finance
Colt CZ Group

9M 2023 AT A GLANCE

REVENUES

CZK 9,911M

↓ 3.02% vs 9M 2022

ADJUSTED EBITDA

CZK 1,935M

↓ 17.34% vs 9M 2022

ADJUSTED NET PROFIT

CZK 1,482M

↑ 1.5% vs 9M 2022

ADJUSTED EPS

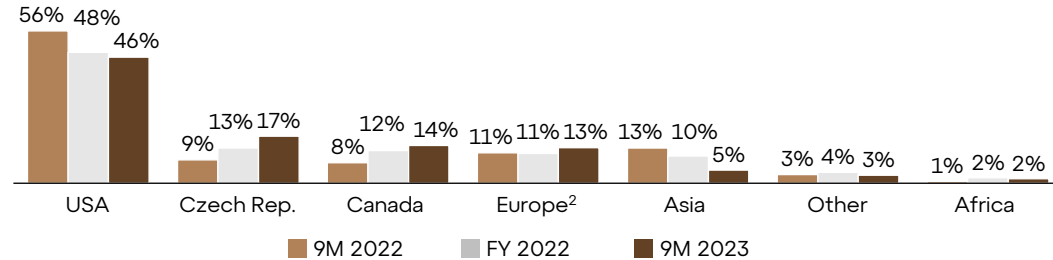
CZK 42.6

↓ 0.9% vs 9M 2022

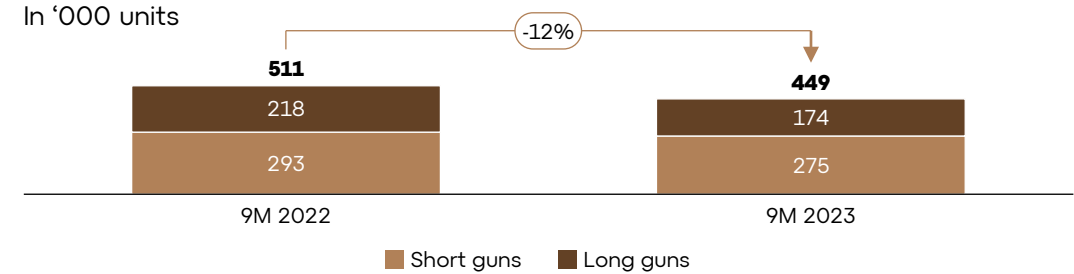


REVENUES IN 2023 IMPACTED BY STRONG CZK AND HIGH COMPARATIVE BASE IN 2022

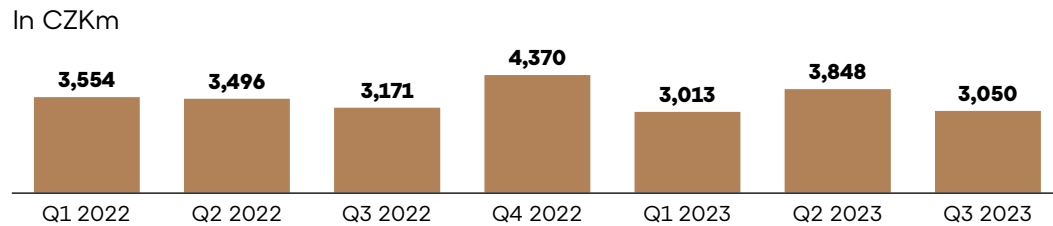
REVENUE BREAKDOWN¹ BY GEOGRAPHY



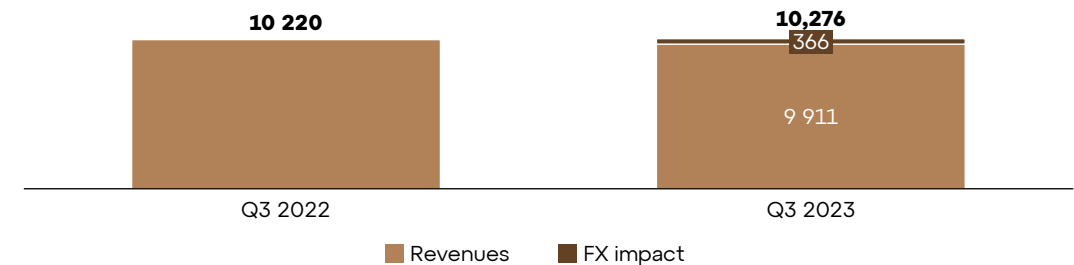
BREAKDOWN BY UNITS SOLD



QUARTERLY REVENUES



IMPACT OF USD/CZK ON REVENUES - FX RATE 23.176 (Q3 2022)



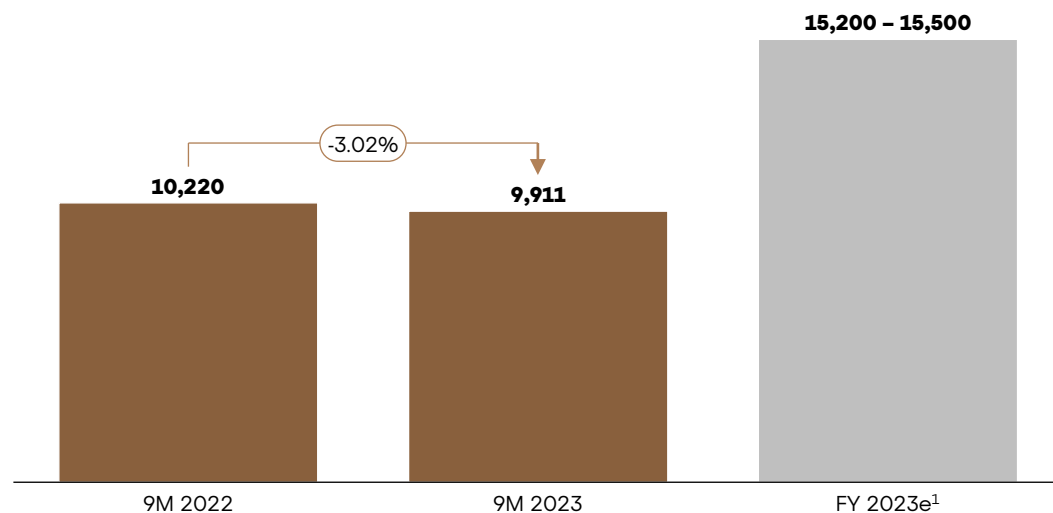
COMMENTS

- ▶ Revenues 2023 were significantly influenced by FX rate (avg. FX rate in Q3 2022 23.176 CZK/USD vs. avg. FX rate in Q3 2023 22.009 CZK/USD)
- ▶ Regional revenue split more diversified as US share on total revenues declined

FULL YEAR GUIDANCE REVISED DUE TO CHALLENGING MARKET ENVIRONMENT

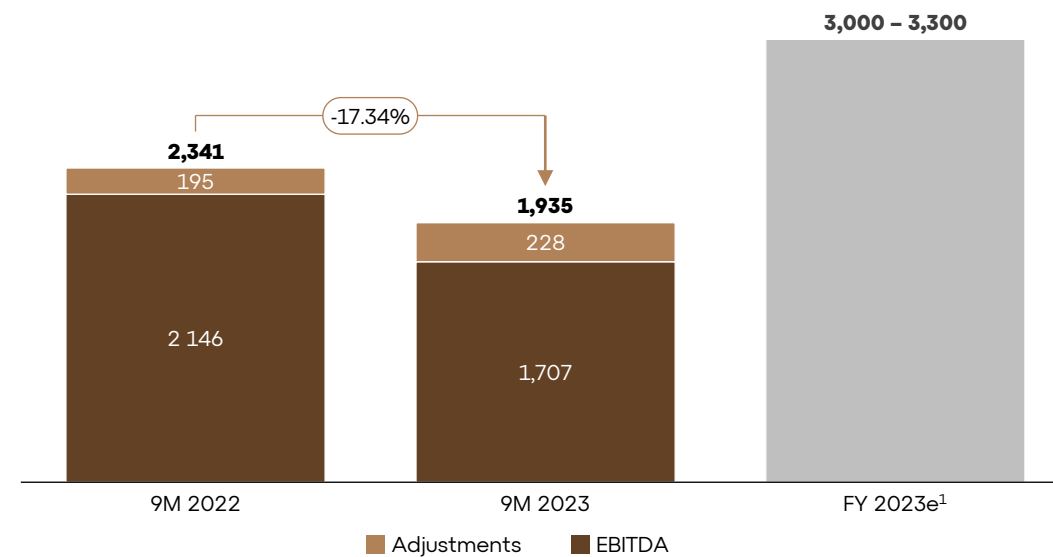
REVENUES

CZKm



ADJUSTED EBITDA²

CZKm



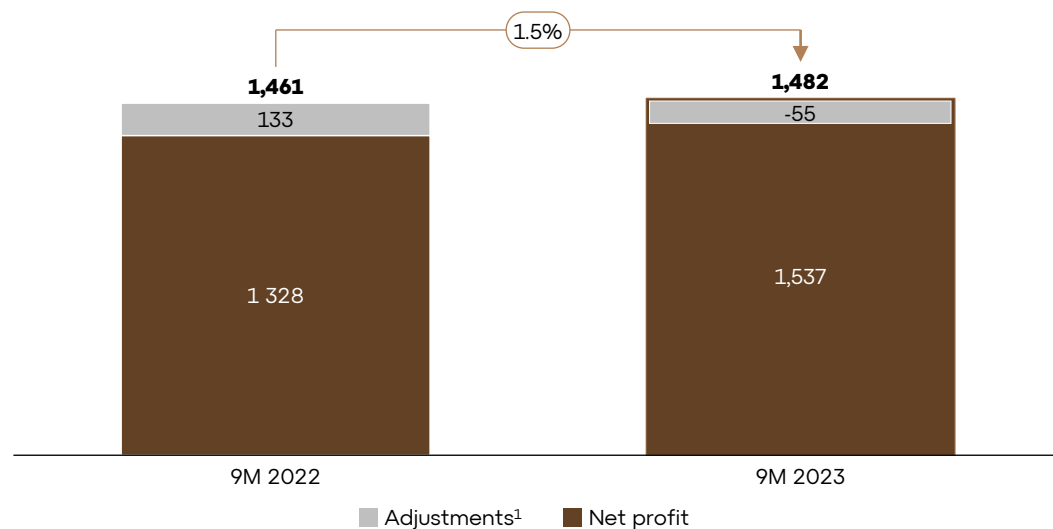
COMMENTS

- FX rate CZK/USD used for FC amounts 22.3 CZK/USD

NET PROFIT DEVELOPMENT

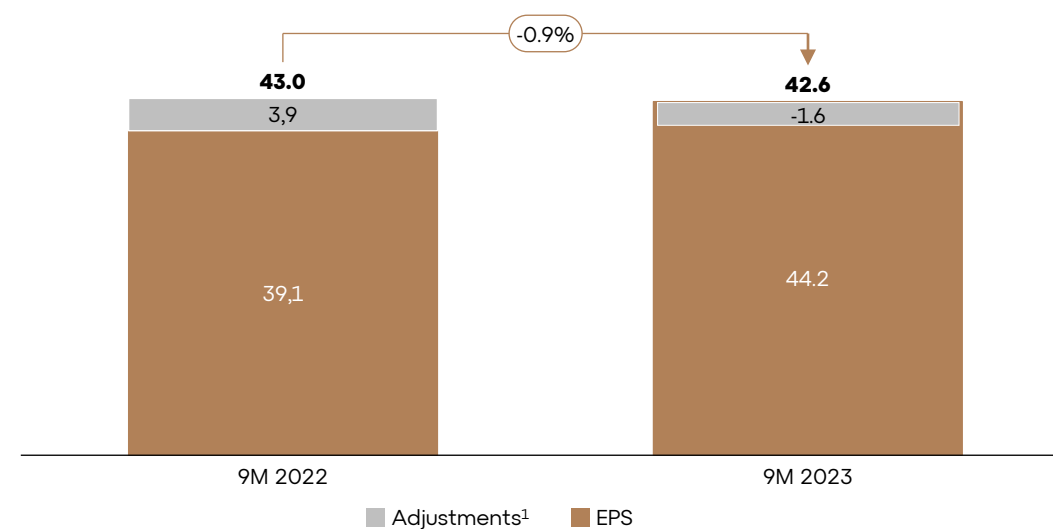
ADJUSTED NET PROFIT¹

CZKm



ADJUSTED EARNINGS PER SHARE²

CZK



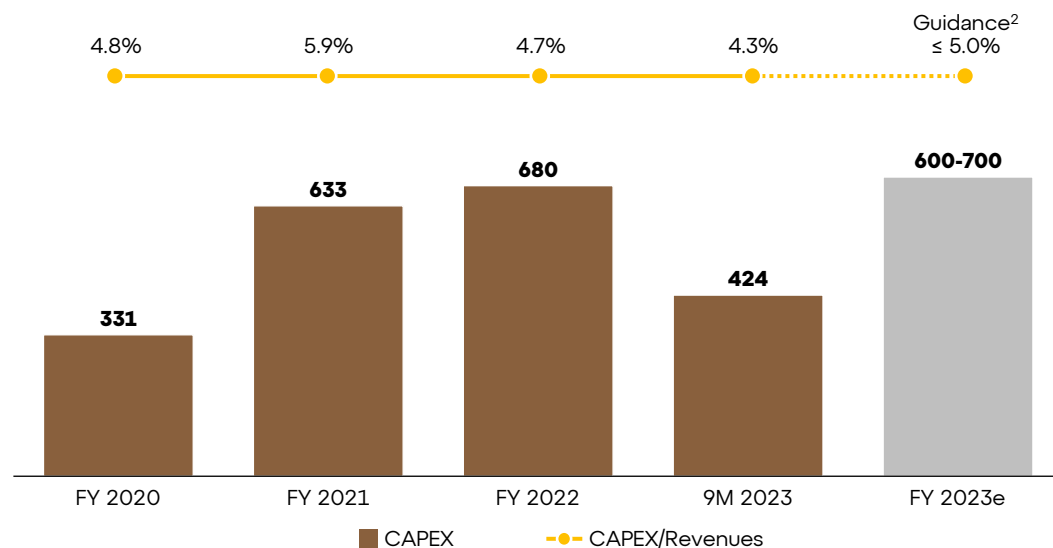
COMMENTS

- ▶ The positive impact of FX hedging partially offsetting declining operating profitability
- ▶ The negative goodwill reported from the swissAA acquisition in the amount of CZK 321M improving net profit included in the NI adjustments

CAPEX ROLLING OUT ACCORDING TO THE GROUP PLAN

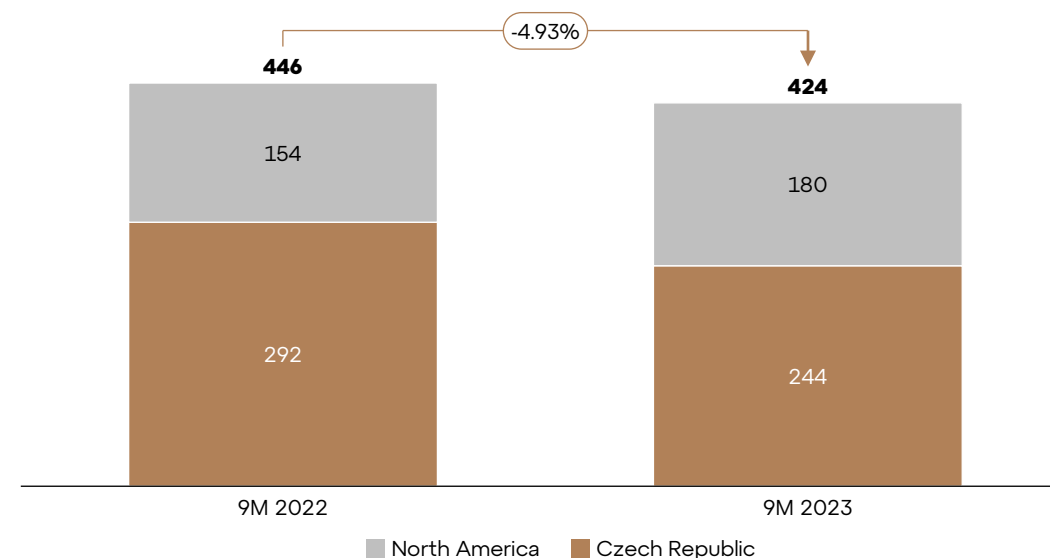
CAPITAL EXPENDITURES¹

CZKm/%



CAPEX GEOGRAPHICAL SPLIT

CZKm



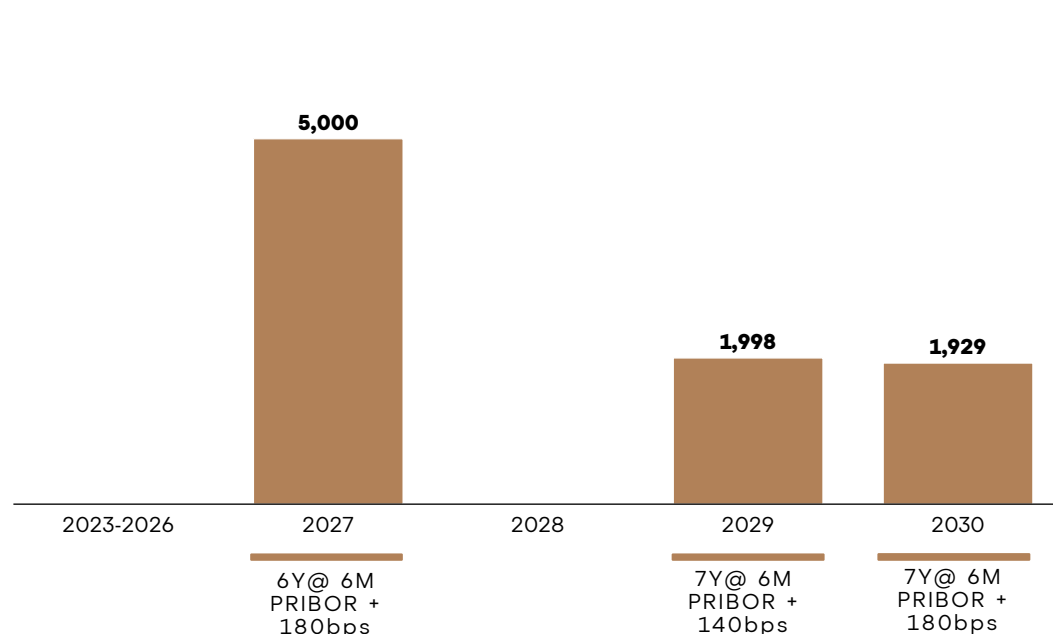
COMMENTS

- ▶ The Group continues to invest to its facilities on both sides of the Atlantic
- ▶ Major 2023 investments include new technology and machinery in the Czech Republic and buildings renewal in North America

DEBT STRUCTURE

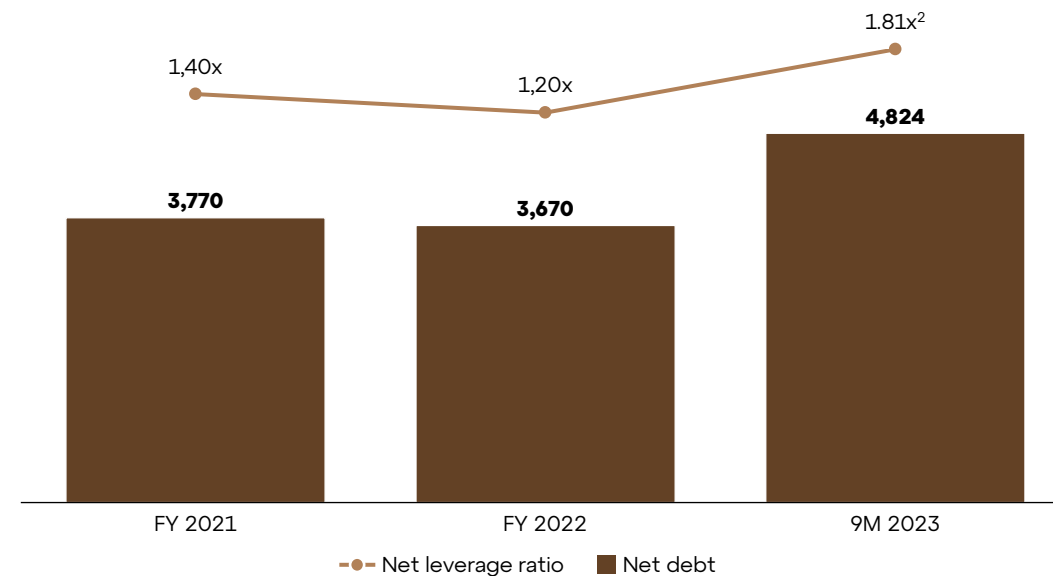
DEBT MATURITY PROFILE

CZKm



NET FINANCIAL DEBT¹ & NET LEVERAGE RATIO²

CZKm



COMMENTS

- ▶ The Group hedges FX, interest rate and commodity risks
- ▶ The Group policy is to fully hedge all balance sheet risks, such as foreign currency loans, floating rate liabilities etc.
- ▶ FX risk stemming from the ordinary course of business (currency mismatch between revenues and costs) is continuously hedged with a 5y tenor. The hedge ratio is declining over time – for example, the Group hedged 83% of the expected USD/CZK exposure in 2024 but only 11% in 2028.

NOTABLE BUSINESS DEVELOPMENTS IN Q3 2023

VISTA OUTDOOR INC.

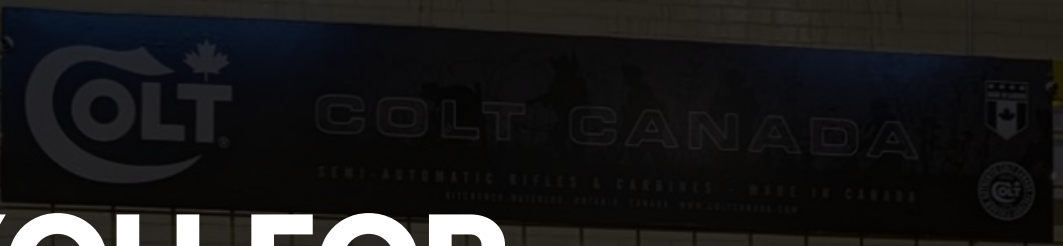
- ▶ Colt CZ acquired a 2.4% stake in Vista Outdoors Inc. Together with related parties, It controls 5,7% of voting rights.
- ▶ Presented in Other financial assets
- ▶ For details read the amendment no. 1 to Schedule 13D filled with SEC on 22/11/2023



- ▶ Ongoing post-acquisition integration of swissAA business
- ▶ New business opportunities due to CAPEX program – e.g. 7.62mm fully automatized production machinery
- ▶ Delivering on existing contracts and creating room for future business development

SELECTED CUSTOMERS 2023





THANK YOU FOR YOUR ATTENTION

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APPENDIX

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ADJUSTED EBITDA RECONCILIATION

In CZK '000	9M 2023	9M 2022
Operating profit	1,124,155	1,487,390
Depreciation and amortization	582,526	658,726
EBITDA	1,706,681	2,146,116
ESOP	228,475	157,212
M&A costs ¹	268	37,819
Adjusted EBITDA	1,935,424	2,341,147

ADJUSTED NET PROFIT RECONCILIATION

In CZK '000	30 Sep 2023	30 Sep 2022
Earnings before tax	1,891,596	1,703,341
Tax expenses	-353,991	-375,445
Net income	1,537,605	1,327,896
Earnings before tax	1,891,596	1,703,341
Earn-out related costs ¹	17,807	-24,804
ESOP related costs	228,475	157,212
Negative goodwill	-320,842	
M&A costs ²	268	37,819
One-off expenses related to the bond issue	6,317	-
Adjusted earnings before tax (Adj. EBT)	1,823,621	1,873,568
Effective tax rate on Adj. EBT (9M 2023 - 19.4%; 9M 2020 - 22%)	-341,270	-412,934
Adjusted Net Income	1,482,351	1,460,634

CONSOLIDATED PROFIT AND LOSS STATEMENT

In '000 CZK	30 Sep 2023	30 Sep 2022
Revenues from the sale of own products, goods and services	9,910,546	10,219,903
Other operating income	73,006	70,087
Change in inventories developed internally	981,676	1,130,239
Own work capitalized	129,248	122,437
Raw materials and consumables used	-5,613,904	-5,576,845
Services	-1,292,710	-1,379,589
Personnel costs	-2,246,009	-2,155,109
Depreciation and amortization	-582,526	-658,726
Other operating expenses	-174,769	-262,797
Allowances	-60,403	-22,210
Operating profit	1,124,155	1,487,390
Interest income	717,015	352,837
Interest expense	-737,325	-446,619
Other financial income	379,133	280,117
Other financial expenses	-59,233	-19,516
Gains or losses from derivative transactions	144,338	62,019
Share in the profit of associates after tax	2,671	14,113
Bargain purchase gain	320,842	-
Profit before tax	1,891,596	1,703,341
Income tax	-353,991	-375,445
Profit for the period	1,537,605	1,327,896
Items that may be subsequently reclassified to the statement of profit or loss		
Cash flow hedges - remeasurement of effective portion of hedging instruments	-156,142	394,076
Foreign currency translation of foreign operations	43,472	-215,887
Other comprehensive income	-112,670	178,189
Comprehensive income for the period	1,424,935	1,506,085
Profit for the period attributable to:		
Owner of the parent company	1,537,605	1,327,896
Comprehensive income for the period attributable to:		
Owner of the parent company	1,424,935	1,506,085
Net earnings per share attributable to the owner of the parent company (CZK per share) Basic		
Basic	44	39
Diluted	44	39

CONSOLIDATED BALANCE SHEET 1/2

In '000 CZK	30 Sep 2023	31 Dec 2022
ASSETS		
Non-current assets		
Intangible assets	3,283,281	3,462,131
Goodwill	2,457,416	2,457,416
Property, plant and equipment	4,055,320	3,066,251
Equity-accounted securities and investments	43,284	39,401
Financial derivatives	1,107,034	1,181,097
Trade and other receivables	37,133	35,515
Other receivables	2,567	6,560
Total non-current assets	10,986,035	10,248,371
Current assets		
Inventories	5,549,815	3,797,557
Trade and other receivables	885,497	1,346,143
Provided loans	-	7,700
Other financial assets	1,107,828	756,834
Financial derivatives	73,026	217,123
Other receivables	283,811	304,005
Tax receivables	4,273	-
Cash and cash equivalents	3,349,972	2,825,781
Total current assets	11,254,222	9,255,143
Total assets	22,240,257	19,503,514

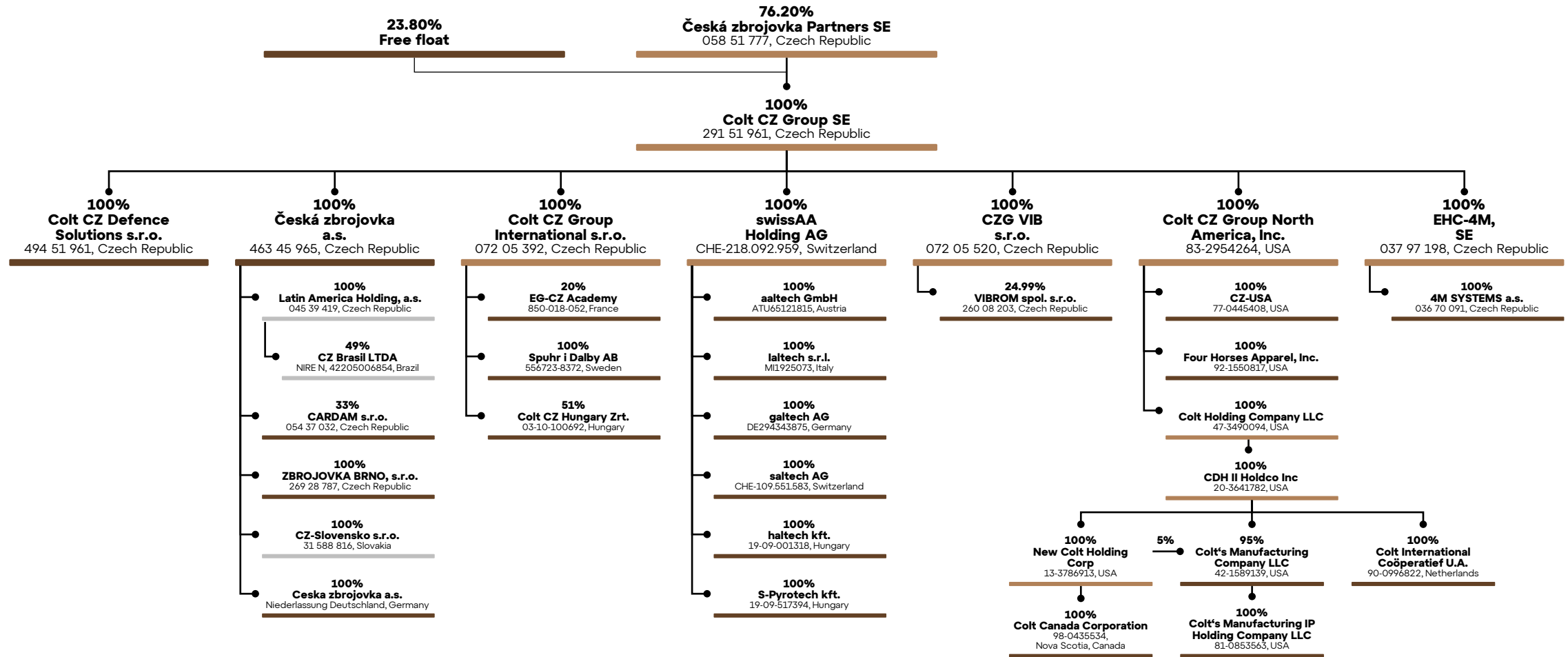
CONSOLIDATED BALANCE SHEET 2/2

In '000 CZK	30 Sep 2023	31 Dec 2022
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	3,479	3,410
Share premium	1,749,635	1,366,386
Capital funds	1,641,512	1,641,512
Cash flow hedge reserve	912,072	1,068,214
Foreign exchange translation reserve	-282,961	-326,433
Accumulated profits	4,645,706	3,928,282
Equity attributable to the owner of the Company	8,669,443	7,681,371
Equity attributable to the owner of the Company	8,669,443	7,681,371
Total equity	8,669,443	7,681,371
Non-current liabilities		
Bonds, bank loans and borrowings	9,086,632	6,972,898
Financial derivatives	114,654	28,684
Lease liabilities	56,588	46,796
Other financial liabilities	35,333	240,468
Trade and other payables	40,215	7,825
Other payables	16,054	21,169
Provisions	68,460	23,654
Deferred tax liability	736,947	731,308
Employee benefit liabilities	269,317	265,280
Total non-current liabilities	10,424,200	8,338,082
Current liabilities		
Bonds, bank loans and borrowings	113,003	208,597
Financial derivatives	52,460	38,610
Lease liabilities	25,471	23,939
Other financial liabilities	239,986	238,593
Trade and other payables	1,694,459	1,154,955
Other payables	861,712	1,479,267
Provisions	32,482	51,371
Tax liabilities	108,491	269,096
Employee benefit liabilities	18,550	19,633
Total current liabilities	3,146,614	3,484,061
Total liabilities	13,570,814	11,822,143
Total equity and liabilities	22,240,257	19,503,514

CONSOLIDATED CASH FLOW STATEMENT

In '000 CZK	30 Sep 2023	30 Sep 2022
Cash flows from principal economic activity (operating activity)		
Profit from ordinary activity before tax	1,891,596	1,703,341
Depreciation/amortization of non-current assets	582,526	658,726
Change in allowances and provisions	55,663	74,630
Gain/Loss on sale of fixed assets	-1,877	-
Interest expense and interest income	20,310	120,782
Share in the profit of associates	-2,671	-14,113
Unrealized foreign exchange gain and losses	-118,108	-536,046
Contingent consideration – remeasurement	17,807	-24,804
Partial earnout settlement	213,695	227,211
Other financial assets – remeasurement	-350,994	-
Cash flow hedging – remeasurement of the effective portion of hedging instruments	-156,142	394,076
Bargain purchase gain	-320,842	-
Share-based payments	213,835	123,170
Adjustments for other non-cash transactions	18,422	55,048
Net operation cash flows before changes in working capital	2,063,220	2,782,021
Change in working capital	-965,737	-914,471
Change in receivables and deferrals	723,762	-690,365
Change in liabilities and accruals	-423,312	1,425,275
Change in inventories	-1,266,187	-1,649,381
Net cash flow from operating activities	1,097,483	1,867,550
Paid interest	-624,322	-473,601
Interest received	769,760	309,677
Income tax paid for ordinary activity	-600,968	-212,563
Net cash flow from operating activities	641,953	1,491,063
Cash flows from investing activities		
Acquisition of non-current assets	-424,376	-446,248
Income from the sale of non-current assets	1,934	-
Acquisition of subsidiaries – opening balance	-728,687	-
Acquisition of subsidiaries – cash and cash equivalents	150,863	-
Acquisition of equity-accounted securities and investments	-1,212	-
Provided loans	7,700	177,181
Employee benefit liabilities	-	-7,477
Net cash flow from investing activities	-993,778	-276,544
Cash flows from financing activities		
Proceeds from bonds	1,917,756	1,984,796
Proceeds from share	169,623	-
Dividends paid to owners	-1,034,016	-843,416
Proceeds from loans	13,480	-
Loan repayment	-214,931	-2,317,579
Net cash flow from financing activities	851,912	-1,176,199
Net change in cash and cash equivalents	500,087	38,320
Opening balance of cash and cash equivalents	2,825,781	3,573,467
Effect of exchange rate on cash and cash equivalents	24,104	37,233
Closing balance of cash and cash equivalents	3,349,972	3,649,020

COLT CZ GROUP STRUCTURE



■ Holding companies ■ No asset companies



Notes: Group structure as of 30/09/2023

THANK YOU

Colt CZ Group SE

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