

# COLT CZ GROUP SE

## ACQUISITION OF SELLIER & BELLOT – KEY HIGHLIGHTS

*Sellier & Bellot* 

Investor discussion December 19, 2023

**COLT  
CZGROUP**

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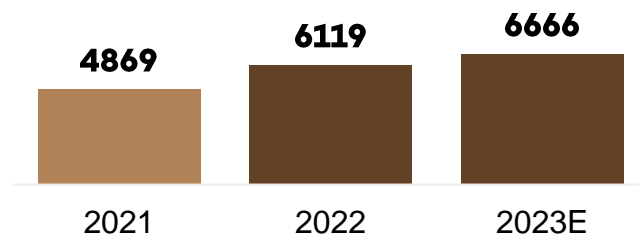
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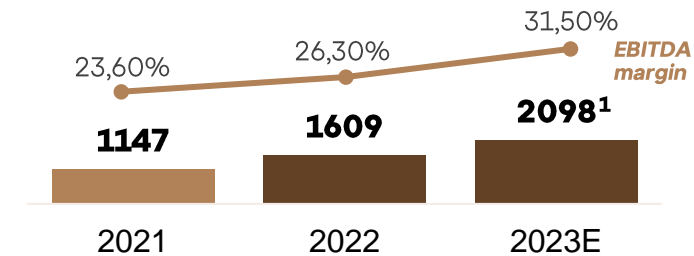
# OVERVIEW OF SELLIER & BELLOT

- ▶ Sellier & Bellot a.s. (“Sellier & Bellot”) is one of the oldest and most important **producers of small caliber ammunition worldwide**, with products manufactured under its trademark since 1825
- ▶ The acquisition of Sellier & Bellot fits into Colt CZ long-term strategy to expand not only in core segment of small arms, but also in related areas, with **ammunition being a natural complement to Colt CZ products**
- ▶ 90% of Sellier & Bellot production is **exported to a balanced mix of commercial and M&LE customers on several continents**. Main markets are the USA, Germany, CZ, Belgium, Luxembourg, Poland and Austria. Locally, Czech Army and Police are among Sellier & Bellot traditional customers
- ▶ The company has **approximately 1 600 employees** and operates its main production facility in Vlašim, **Czech Republic**. It has been **highly profitable** and has benefited from current awareness of both lifestyle (sporting, hunting and outdoor) and security concerns

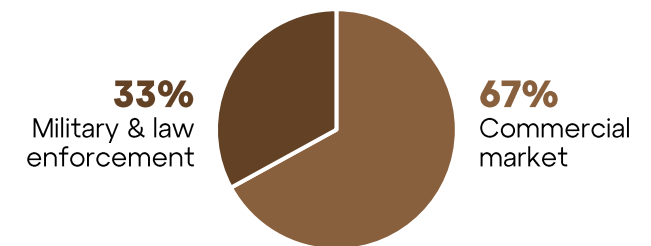
## REVENUES FROM THE SALE OF OWN PRODUCTS, GOODS AND SERVICES (CZKM)



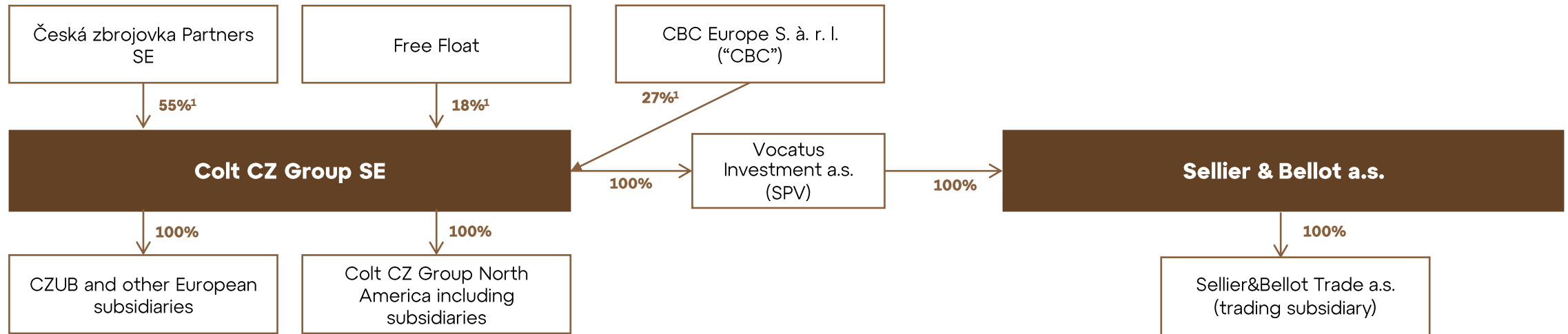
## EBITDA (CZKM)



## REVENUE BY SEGMENT 1-9/2023



# OVERVIEW OF TRANSACTION



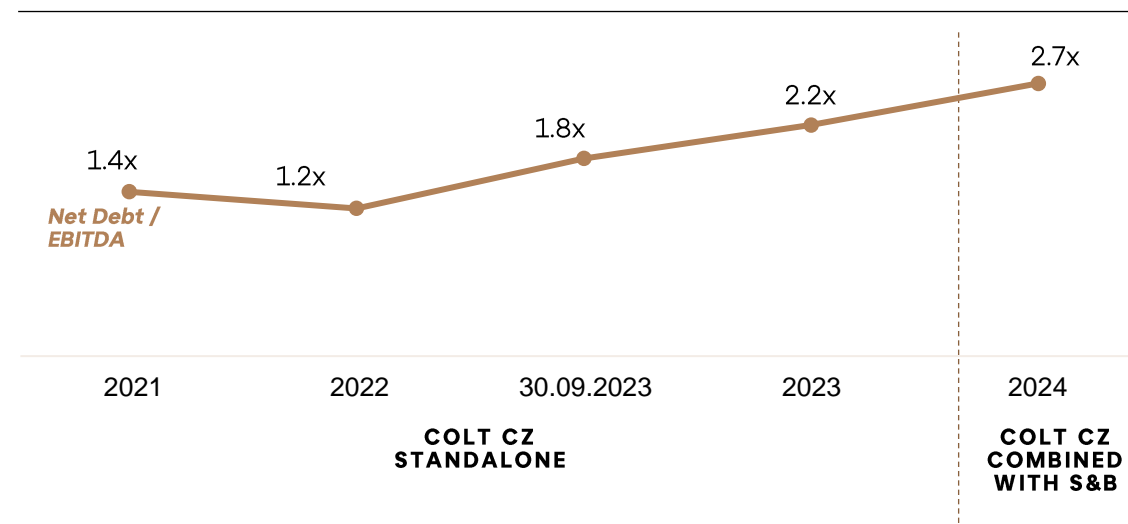
- ▶ The transaction signed on December 18 comprises 100% share acquisition from CBC Europe S. à. r. l. ("CBC") by Vocatus Investment a.s., a special purpose vehicle 100% owned by Colt CZ
- ▶ The purchase price will be paid by a combination of **\$350m in cash and in addition a certain number of newly issued Colt CZ shares** (with no lock-up), **resulting in ca 27-28% share of CBC in Colt CZ**. The exact purchase price will be calculated based on 2023 audited financial results of Sellier & Bellot and Colt CZ
- ▶ Transaction closing subject to regulatory approvals.
- ▶ Post-closing, Česká zbrojovka Partners SE will remain the largest shareholder and CBC will become second largest shareholder of in Colt CZ

# COMBINED GROUP – MAIN FINANCIAL INDICATORS

IN CZK million	SELLIER & BELLOT 2021	SELLIER & BELLOT 2022	SELLIER & BELLOT 2023 expected	COLT CZ 2023 guidance	PRO-FORMA S&B CONTRIBUTION 2023
<b>REVENUE</b>	4 869	6 119	6 666	15 200 - 15 500	<b>+43%</b>
<b>EBITDA<sup>1</sup></b>	1 147	1 609	2 098	3 000 - 3 300	<b>+67%</b>
<b>% margin</b>	23,6%	26,3%	31,5%	19,7% -21,3%	

- ▶ The transaction will be highly accretive to Colt CZ in terms of revenue and EBITDA
- ▶ We expect to finance the transaction using a combination of own cash and long-term bank debt, resulting in additional leverage since 2024
- ▶ Combined pro forma post-acquisition net leverage is expected well below 3.5x Net Debt/EBITDA bond covenant
- ▶ Cash generative business of both companies will allow leverage reduction going forward, with expected acquisition loan repayment by 2029

## NET DEBT (CZKM)



# TRANSACTION RATIONALE AND EXPECTED TIMELINE

- ▶ Topline synergies – cross-pollination of **global sales networks**
  - ▶ Product offer synergies – ability to offer customers **uniquely complete portfolio of small firearms and practically all small ammunition calibers** (complemented by swissAA product range)
  - ▶ Cost synergies – **Increased purchasing power** of raw materials
  - ▶ R&D synergies – opportunity to develop Sellier & Bellot **ammunition tailored for Colt CZ firearms**
  - ▶ The transaction is in line with vision of Colt CZ to become the **recognized undisputed industry leader of the small arms industry with over EUR 1bn revenues by end of 2025**
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- ▶ Share Purchase Agreement was signed on Dec 18<sup>th</sup>
  - ▶ Regulatory announcement was made on Dec 18<sup>th</sup> before market opening
  - ▶ Preparation for filing of applications for regulatory approvals has started immediately after signing
  - ▶ Closing and payment of purchase price is expected in H1 2024
  - ▶ CBC will become minority shareholder of Colt CZ at closing

# THANK YOU

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