

COLT CZ GROUP SE

FINANCIAL RESULTS 6M 2024

INVESTOR PRESENTATION

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AGENDA AND TODAY'S PRESENTERS

AGENDA

- 1 6M 2024 AT A GLANCE
- 2 FINANCIAL HIGHLIGHTS
- 3 IMPACT OF S&B ACQUISITION ON FINANCIAL PROFILE, DIVIDEND POLICY
- 4 APPENDIX

PRESENTERS



JAN DRAHOTA

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



DENNIS VEILLEUX

Member of the Board of Directors
President of Colt CZ North America



JAN ZAJÍC

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



RADEK MUSIL

Member of the Board of Directors
CEO of Sellier & Bellot a.s.



JANA MATOUŠKOVÁ

Head of Group Finance
Colt CZ Group SE

RECORD H1 2024 AT A GLANCE

REVENUES

CZK 9,690 m

↑ 41.2% vs 6M 2023

ADJUSTED EBITDA

CZK 1,981 m

↑ 35.3% vs 6M 2023

ADJUSTED NET PROFIT

CZK 1,015 m

↓ 15.3% vs 6M 2023

ADJUSTED EPS¹

CZK 25

↓ 28.4% vs 6M 2023

ACTUAL RESULTS ABOVE HALF YEAR GUIDANCE

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Notes: Financial results are unaudited
1- basic EPS based on adjusted net profit



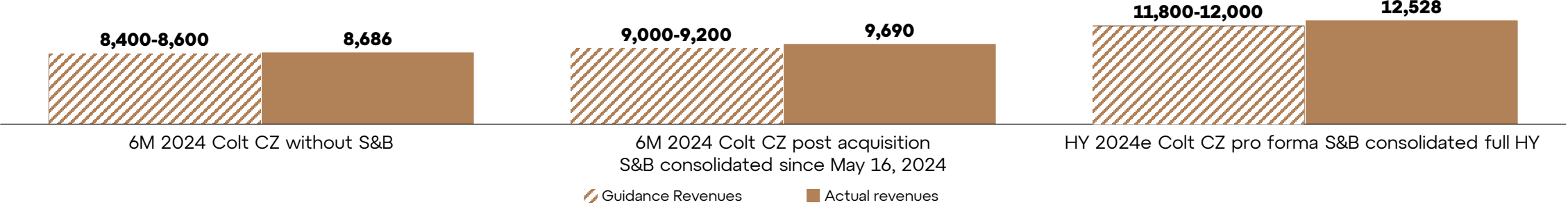
NOTABLE EVENTS

- ▶ Acquisition Sellier & Bellot successfully closed, a new shareholders structure as of June 30, 2024:
 - ▶ Česká zbrojovka Partners SE – 52.81%
 - ▶ CBC Europe S.à r.l. – 26.76%
 - ▶ Free float – 20.43%
- ▶ Transfer of technology contract to produce the CZ BREN 2 rifles in Ukraine signed with Ukroboronprom
- ▶ Sellier & Bellot to supply Ukraine with technology for production of small calibre ammunition
- ▶ Dividend for 2023 payment : 82% of dividends reinvested back into Colt CZ shares (almost 1,000 shareholders participated), high participation rate demonstrates confidence and expectations of our shareholder base

6M 2024 PERFORMANCE ABOVE THE UPPER RANGE OF THE GUIDANCE

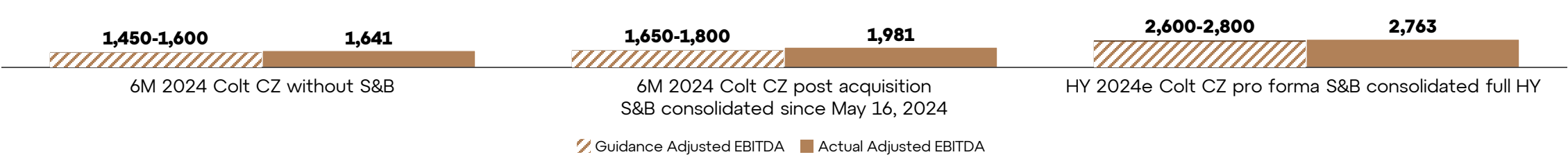
6M REVENUES GUIDANCE VS. ACTUAL

In CZK m



6M ADJUSTED EBITDA GUIDANCE VS. ACTUAL

In CZK m

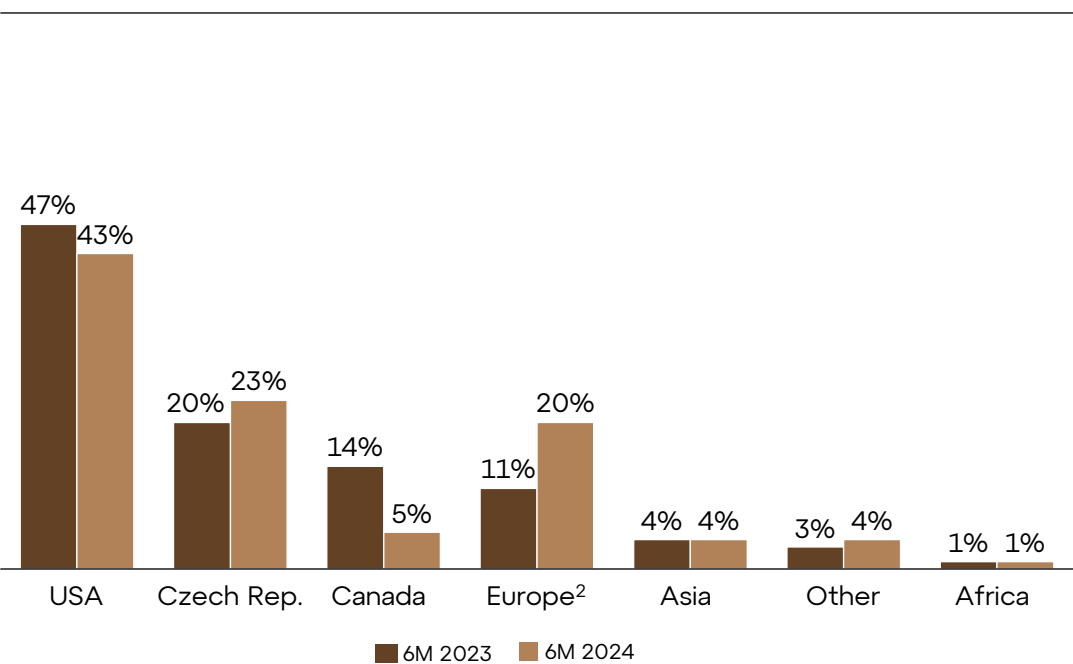


COMMENTS

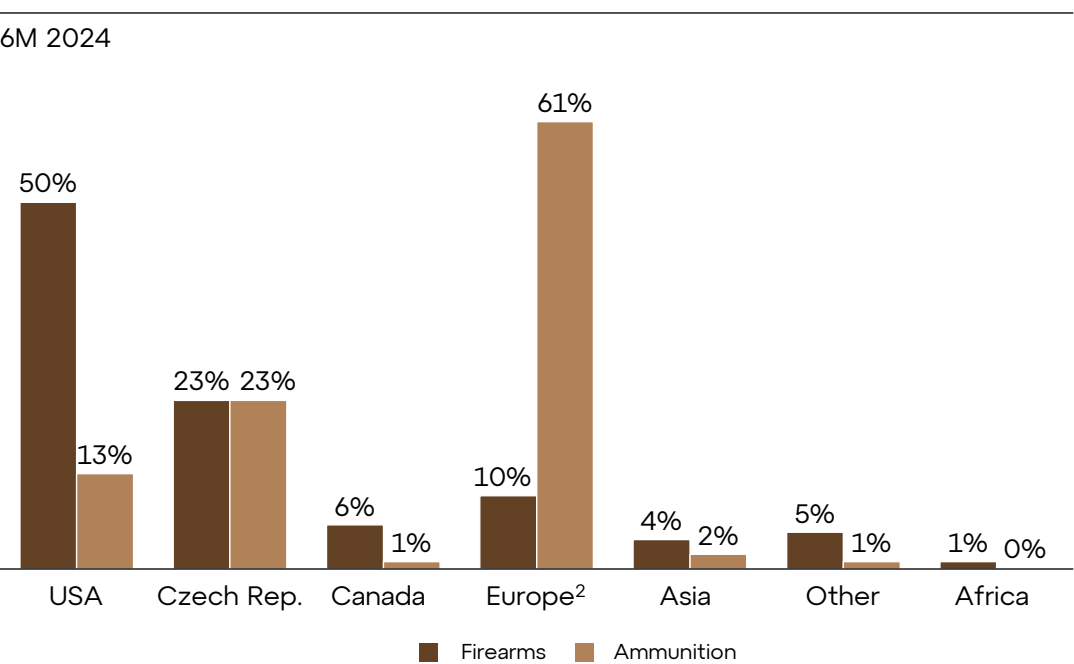
- ▶ Q2 2024 significantly increased in comparison to Q1 2024
- ▶ 6M 2024 achieved higher EBITDA margin in comparison to 6M 2023

REVENUES – REGIONAL BREAKDOWN IMPACTED BY S&B SALES

REVENUE BREAKDOWN¹ BY GEOGRAPHY



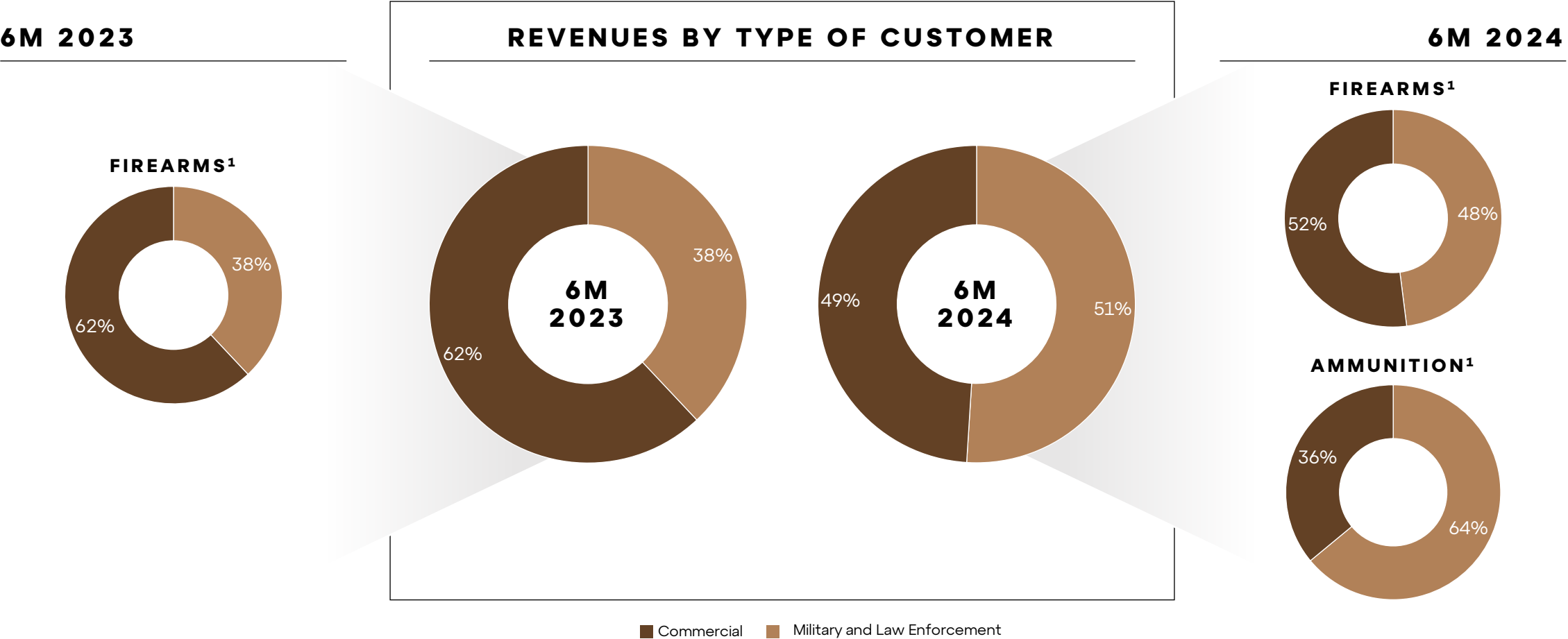
REVENUE BREAKDOWN¹ BY GEOGRAPHY – SEGMENTS



COMMENTS

- ▶ Sellier & Bellot consolidation slightly changed the regional distribution of revenues – it increased sales in Europe, in the Czech Republic and partially in the US
- ▶ S&B presence in other markets outside Europe and US not significant
- ▶ US sales slightly above 40% of total revenues, in line with Group’s strategy

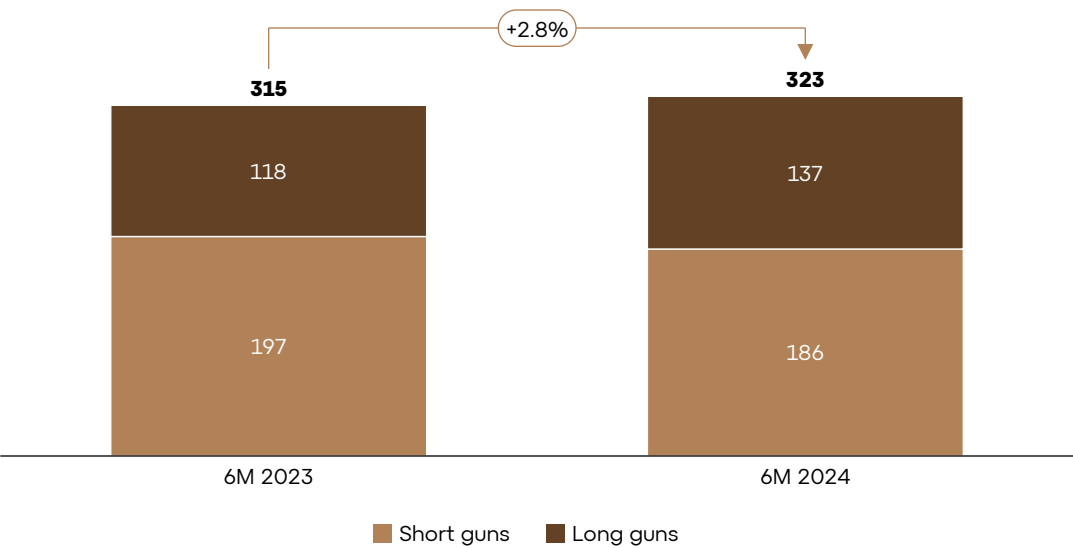
6M 2024 CUSTOMERS SEGMENTS SPLIT 50:50



Q2 2024 WAS THE STRONGEST QUARTER IN GROUP'S HISTORY

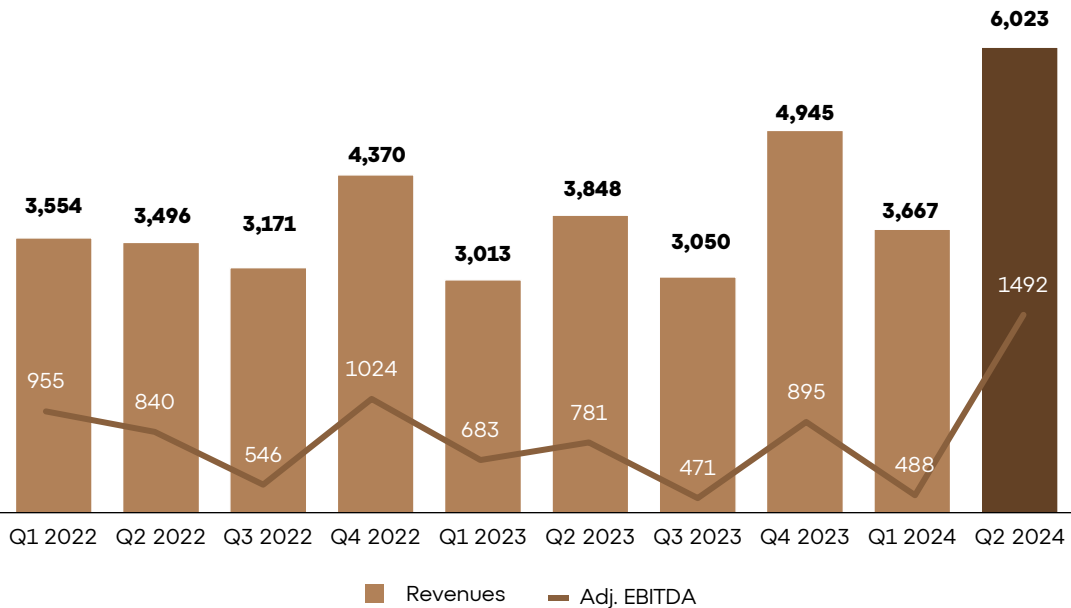
BREAKDOWN BY UNITS SOLD

In '000 units



QUARTERLY REVENUES & ADJ. EBITDA SEASONALITY

In CZK m



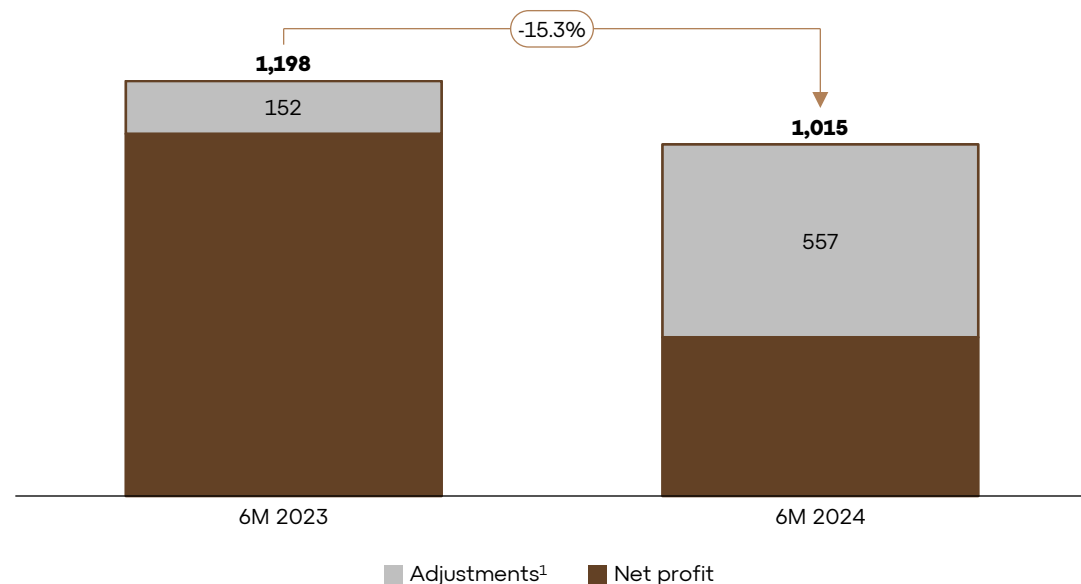
COMMENTS

- ▶ Growth fueled by M&LE sales, S&B consolidation, US commercial market staying relatively stable/soft in some segments
- ▶ Seasonality may again hit the performance in Q3 2024 with the last quarter of the year expected to be strong
- ▶ Sales in units up due to the stronger Q2 2024 driven by long guns
- ▶ 6M 2024 units sold up 2.8% yoy vs. organic revenue growth firearms up 26.6% yoy

6M 2024 NET PROFIT AFFECTED BY FINANCIAL RESULTS AND ONE-OFF ADJUSTEMENTS

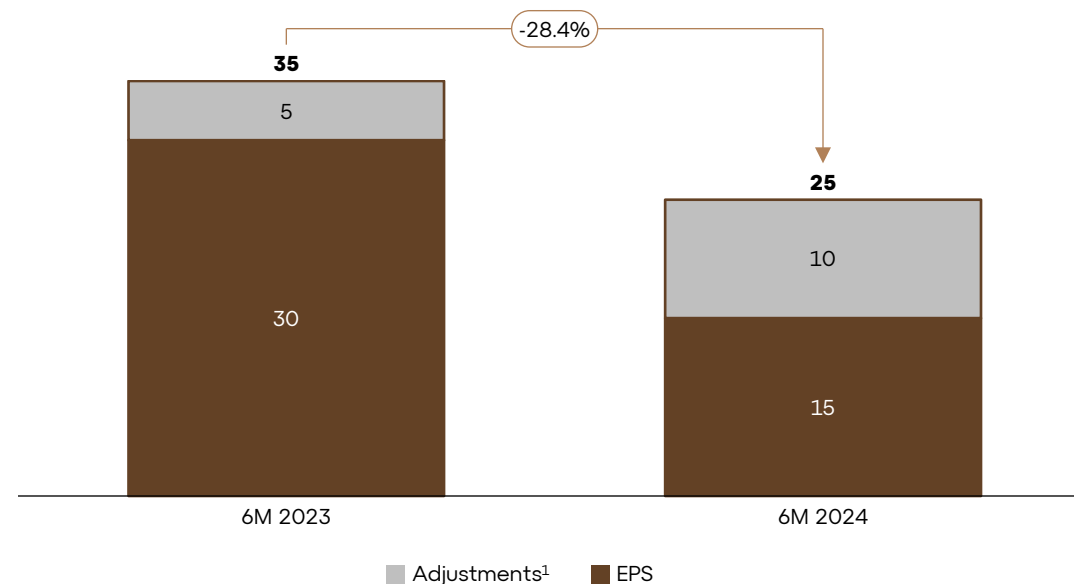
ADJUSTED NET PROFIT¹

In CZK m



ADJUSTED EARNINGS PER SHARE²

In CZK

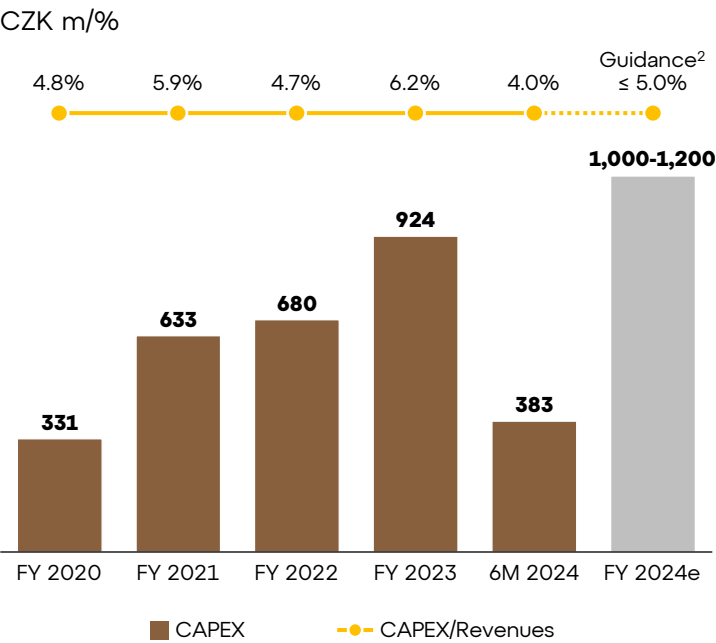


COMMENTS

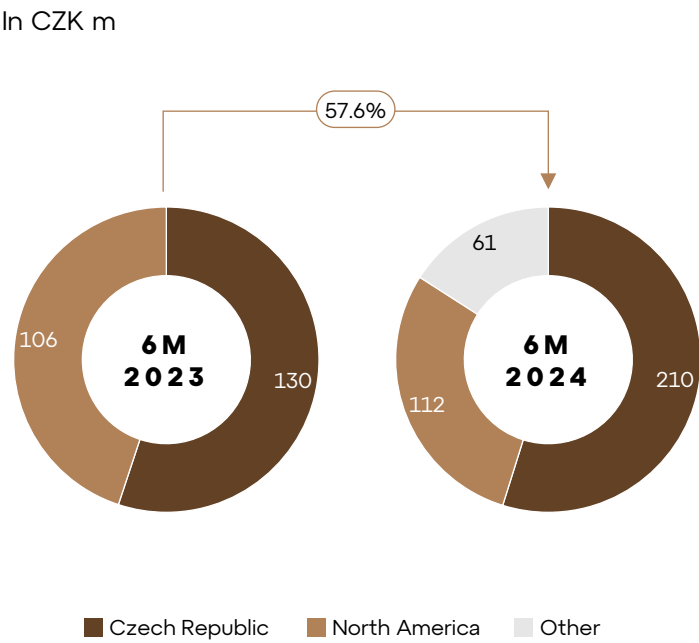
- ▶ 6M 2024 net profit impacted by lower contribution of hedging derivatives (lower interest rates and relatively weaker CZK vs. USD and EUR)
- ▶ Net profit adjusted for one-off items – e.g. ESOP related expenses, inventory step up from S&B acquisition, bank fee from acquisition loan & bonds
- ▶ EPS additionally impacted by issued shares in 2024, appr 50 m shares @ 30/6/2024 v 35 m shares @ 30/6/2023

CAPEX IN LINE WITH 2024 GUIDANCE

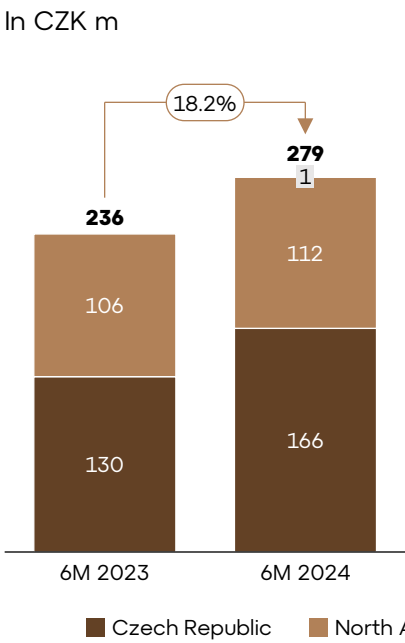
CAPITAL EXPENDITURES¹



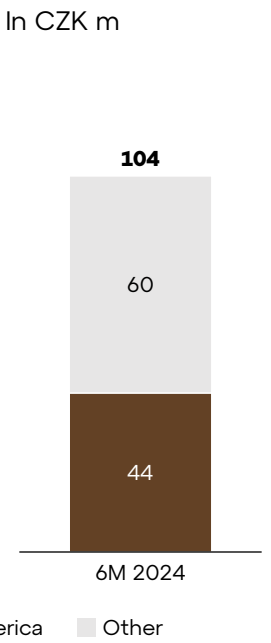
CAPEX GEOGRAPHICAL SPLIT



FIREARMS



AMMUNITION



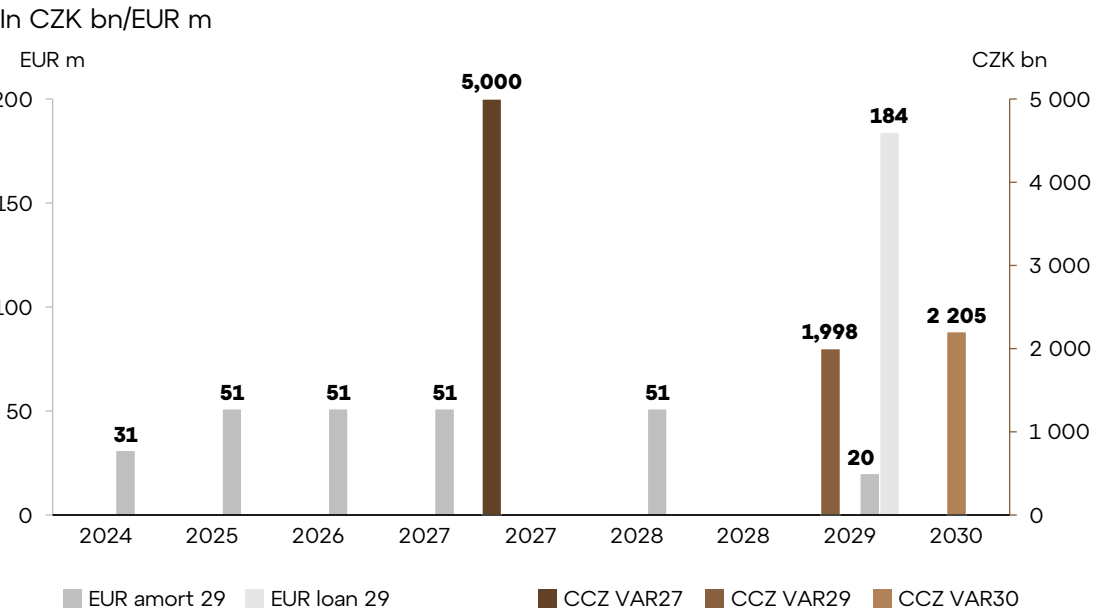
COMMENTS

- ▶ 6M 2024 CAPEX is in line with FY CAPEX guidance (i.e. up to 5% of revenues)
- ▶ Additional capital expenditures in North America and swissAA production in 6M 2024 (swissAA included in Other)
- ▶ FY guidance for CAPEX 2024 with Sellier & Bellot included

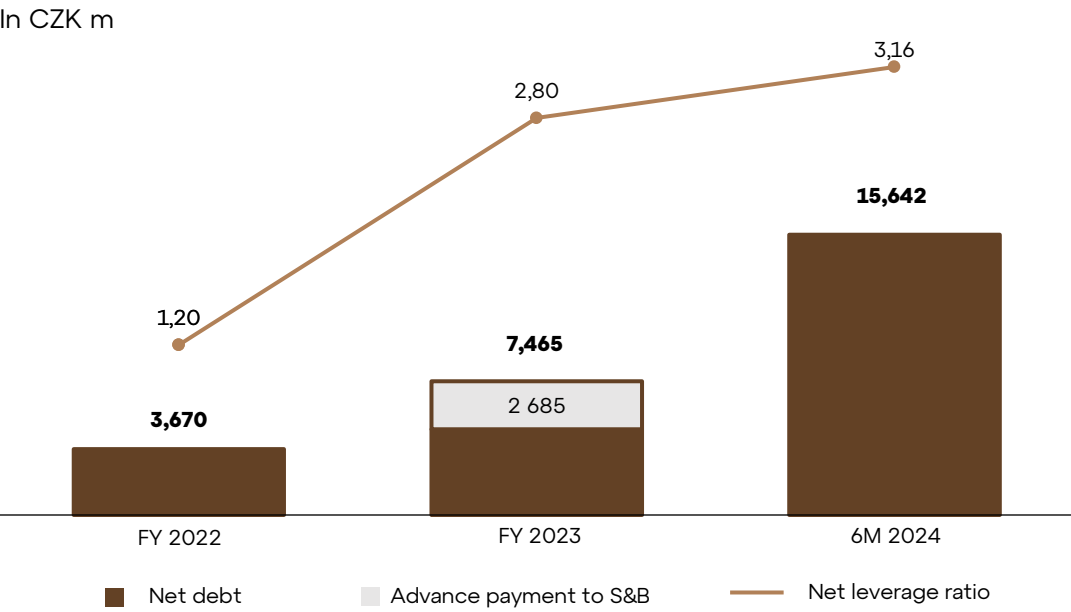
Notes: Financial results are unaudited
1 – Corresponds to the paid acquisition of non-current assets
2 – Guidance is based on the management expectations as of the date of presentation

TOTAL INDEBTEDNESS AFFECTED BY ACQUISITION FINANCING FOR S&B

EXPECTED DEBT MATURITY PROFILE (INC. ACQUISITION FINANCING)



NET FINANCIAL DEBT¹ & NET LEVERAGE RATIO²



COMMENTS

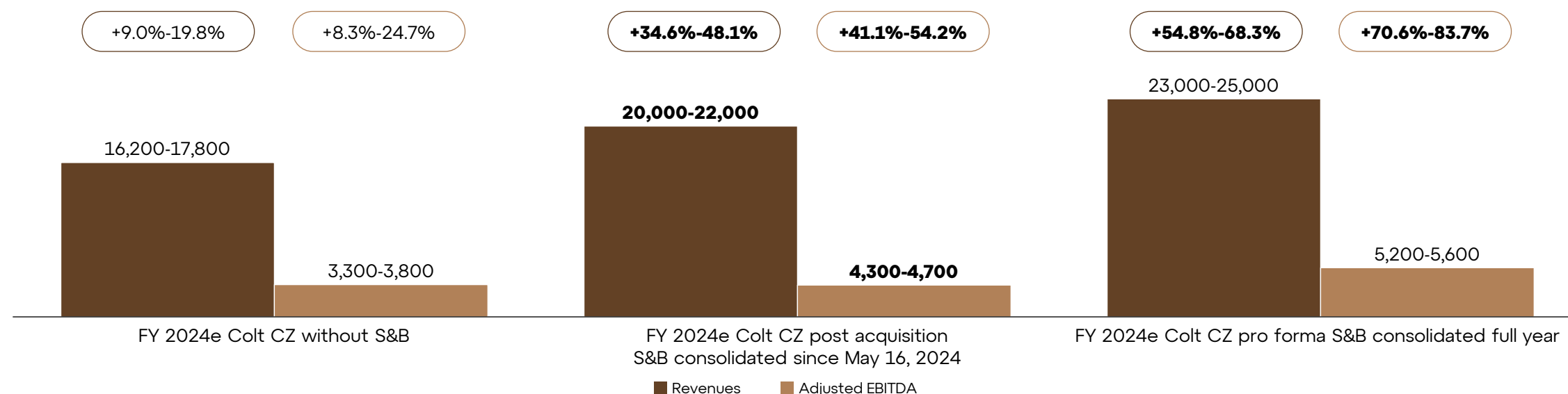
- ▶ Net financial debt up due to S&B acquisition
- ▶ The combined pro-forma post-acquisition net leverage is expected to normalize below 3x Net Debt/EBITDA
- ▶ Cash generative business of combined businesses will allow leverage reduction going forward, with expected acquisition loan repayment by 2029

Notes: Financial results are unaudited
 1 – Net financial debt is defined as long-term and short-term bonds, bank loans and borrowings and finance lease liabilities (non-current and current), less cash and cash equivalents, less other current financial assets (marketable securities)
 2 – Net leverage ratio is defined as the ratio of net financial debt at the end of the period to LTM unadjusted EBITDA, formula based on the bond legal documentation

FY 2024 GUIDANCE CONFIRMED – STRONG ORGANIC GROWTH WITH INCREASED SEASONALITY, POSITIVE EFFECTS OF S&B ACQUISITION

GUIDANCE

In CZK m



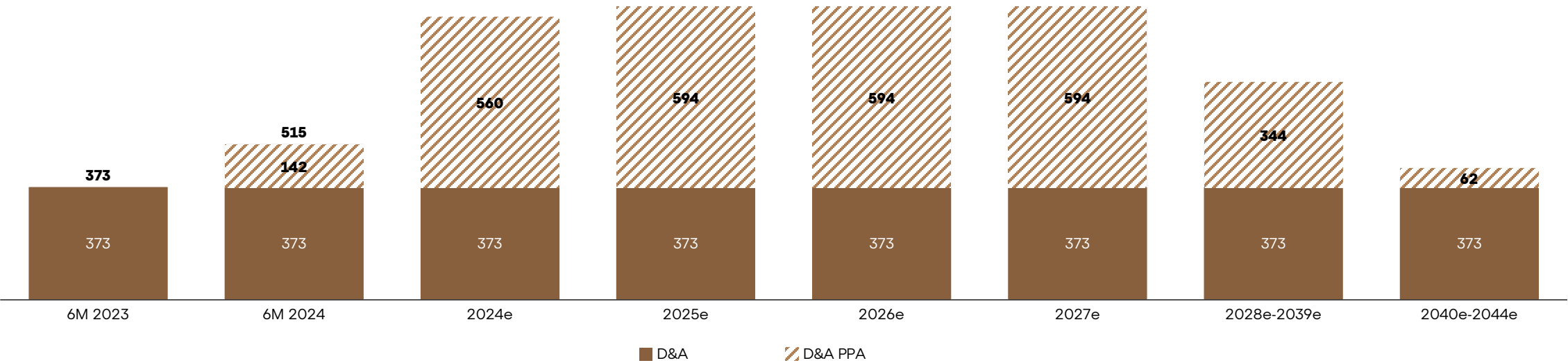
COMMENTS

- ▶ We expect a high quarterly seasonality of revenues in the second half of 2024, even higher than in the previous years
- ▶ Gradual sales ramp up from the first months of the year and a very strong Q2 2024 performance
- ▶ Q4 2024 is expected to be stronger than Q3 2024

ACQUISITION OF SELLIER & BELLOT – D&A IMPACT

D&A IMPACT

In CZK m



COMMENTS

- Increase in Amortization due to Purchase Price Allocation of S&B acquisition significantly affecting Net profit/eps (impact on Net profit in 6M 2024 approx. CZK 142)
- Significant impact on net profit and EPS in next 3 years, approximately CZK 600 m per year

The background of the image is a dark, industrial setting. A yellow robotic arm is visible in the center, working on a blue machine. Above the arm, a banner for "COLT CANADA" is visible, featuring the company logo and text: "COLT CANADA", "SEMI-AUTOMATIC RIFLES & CARBINES", "MADE IN CANADA", "EXCELLENCE IN DESIGN, QUALITY, SERVICE", and "WWW.COLTCANADA.COM". The banner also includes a Canadian flag and a "MADE IN CANADA" logo. The overall scene is dimly lit, with the yellow of the robotic arm providing a focal point.

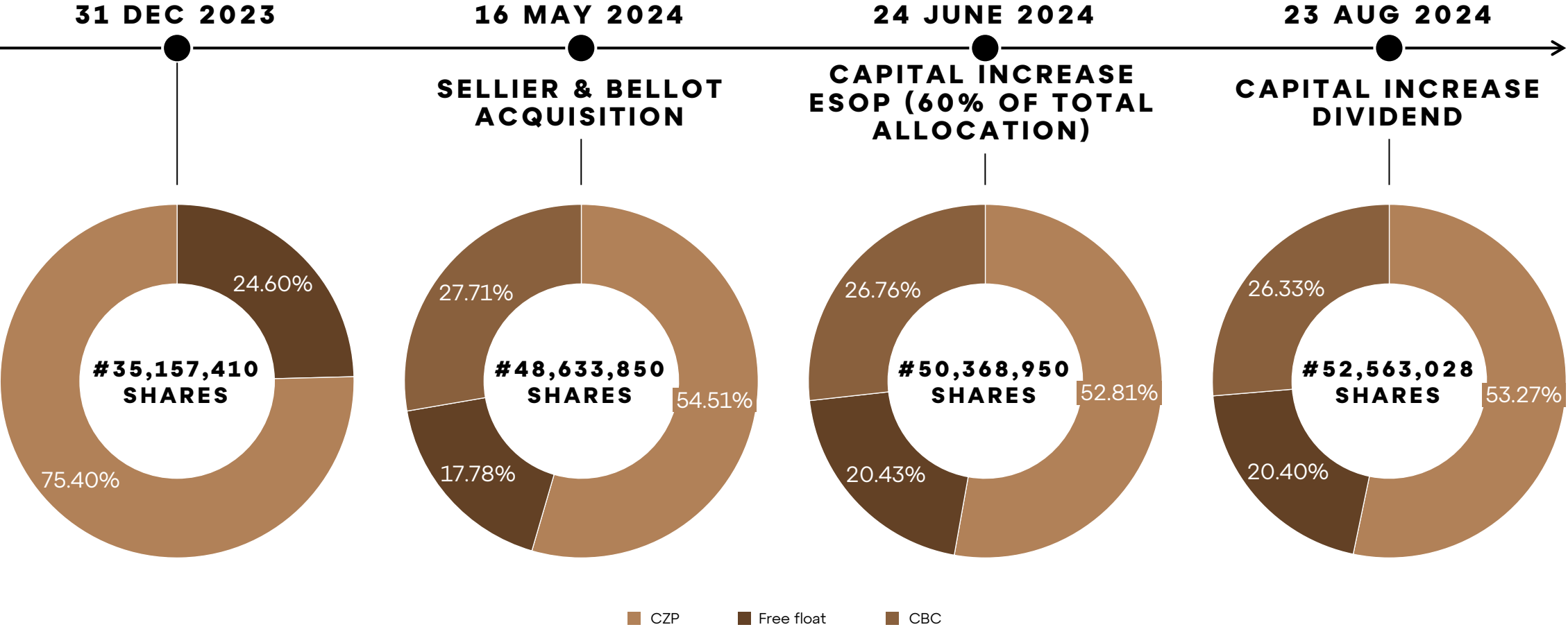
THANK YOU FOR YOUR ATTENTION

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APPENDIX

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OWNERSHIP STRUCTURE CHANGES AND CAPITAL INCREASES



ADJUSTED EBITDA RECONCILIATION

In CZK '000	6M 2024	6M 2023
Operating profit	898,774	924,719
Depreciation and amortization	560,821	373,433
EBITDA	1,459,595	1,298,152
ESOP related costs	382,185	161,179
M&A costs ¹	962	4,865
S&B inventory step up	110,000	-
S&B commodity hedging	28,016	-
Adjusted EBITDA	1,980,758	1,464,196

ADJUSTED NET PROFIT RECONCILIATION

In CZK '000	6M 2024	6M 2023
Earnings before tax	794,788	1,352,073
Tax expenses	(185,170)	(350,459)
Net income	609,618	1,001,614
Earn-out revaluation	-	26,818
ESOP related costs	382,185	161,179
M&A costs ¹	962	4,865
S&B inventory step up	110,000	-
S&B commodity hedging	28,016	-
S&B commodity hedging reclass	-28,016	-
Bank fee – acquisition loan S&B	30,634	-
One-off expenses related to the bond issue	4,838	3,997
Adjusted earnings before tax (Adj. EBT)	1,323,407	1,548,932
Effective tax rate on Adj. EBT (6M 2024 ~23.3%; 6M 2023 ~22.6%)	(308,328)	(350,459)
Adjusted Net Income	1,015,079	1,198,473

CONSOLIDATED PROFIT AND LOSS STATEMENT

In '000 CZK	30 Jun 2024	30 Jun 2023
Revenues from the sale of own products, goods and services	9,690,015	6,860,236
Other operating income	67,122	51,590
Change in inventories developed internally	217,161	408,960
Own work capitalized	406,861	92,814
Raw materials and consumables used	(5,453,456)	(3,599,095)
Services	(1,098,262)	(832,362)
Personnel costs	(2,226,294)	(1,522,398)
Depreciation and amortization	(560,821)	(373,433)
Other operating expenses	(164,827)	(125,600)
Allowances	21,275	(35,993)
Operating profit	898,774	924,719
Interest income	418,014	578,505
Interest expense	(558,422)	(459,812)
Other financial income	85,496	132,098
Other financial expenses	(63,837)	(68,343)
Gains or losses from derivative transactions	13,854	243,241
Share in the profit of associates after tax	909	1,665
Profit before tax	794,788	1,352,073
Income tax	(185,170)	(305,918)
Profit for the period	609,618	1,046,155
Items that may be subsequently reclassified to the statement of profit or loss		
Cash flow hedges – remeasurement of effective portion of hedging instruments	(179,440)	(5,520)
Foreign currency translation of foreign operations	25,528	1
Other comprehensive income	(153,912)	(5,519)
Comprehensive income for the period	455,706	1,040,636
Profit for the period attributable to:		
Owner of the parent company	609,618	1,046,155
Comprehensive income for the period attributable to:		
Owner of the parent company	455,706	1,040,636
Net earnings per share attributable to the owner of the parent company (CZK per share)		
Basic	15	30
Diluted	15	30

CONSOLIDATED BALANCE SHEET 1/2

In CZK '000	30 Jun 2024	31 Dec 2023
ASSETS		
Non-current assets		
Intangible assets	11,016,408	3,413,881
Goodwill	8,177,929	2,547,480
Property, plant and equipment	9,464,243	4,281,449
Advance payment for financial investment	-	2,690,040
Equity-accounted securities and investments	45,480	40,795
Financial derivatives	942,887	1,013,168
Provided loans	18,773	-
Trade and other receivables	27,753	61,891
Other receivables	2,576	2,556
Deferred tax assets	6,945	21,245
Total non-current assets	29,702,994	14,072,505
Current assets		
Inventories	7,889,817	5,298,077
Trade and other receivables	3,509,015	1,774,947
Provided loans	494	-
Other financial assets	-	908,580
Financial derivatives	130,922	149,047
Other receivables	353,772	351,165
Tax receivables	127,566	93,751
Cash and cash equivalents	4,997,834	3,328,684
Total current assets	17,009,420	11,904,251
Total assets	46,712,414	25,976,756

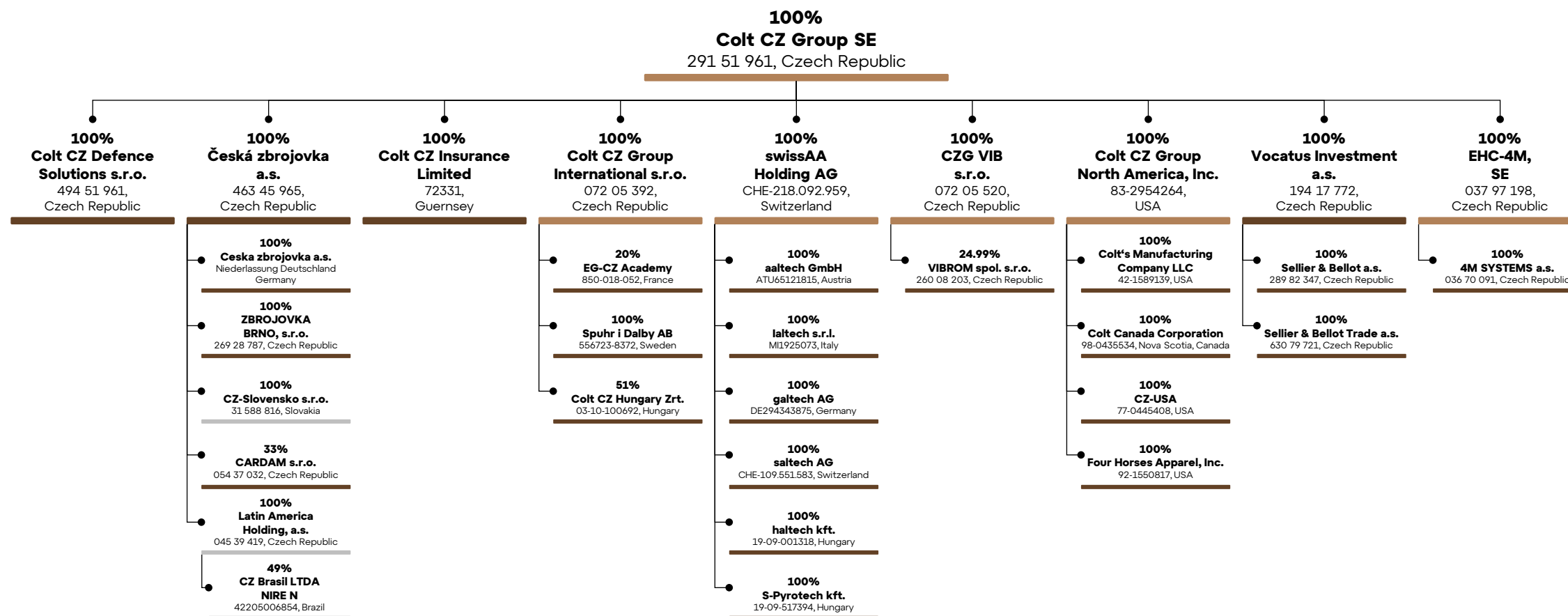
CONSOLIDATED BALANCE SHEET 2/2

In CZK '000	30 Jun 2024	31 Dec 2023
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	5,037	3,516
Share premium	9,970,661	1,942,818
Capital funds	1,641,512	1,641,512
Cash flow hedge reserve	420,376	599,816
Foreign exchange translation reserve	(117,160)	(142,688)
Accumulated profits	4,683,262	5,229,872
Equity attributable to the owner of the Company	16,603,688	9,274,846
Non-controlling interest	-	-
Total equity	16,603,688	9,274,846
Non-current liabilities		
Bonds, bank loans and borrowings	18,942,121	9,040,540
Financial derivatives	252,193	244,169
Lease liabilities	58,685	62,052
Trade and other payables	53,133	42,022
Other payables	12,549	14,569
Provisions	116,461	76,188
Deferred tax liability	3,091,771	722,783
Employee benefit liabilities	260,845	255,721
Total non-current liabilities	22,787,758	10,458,044
Current liabilities		
Bonds, bank loans and borrowings	1,614,134	2,573,744
Financial derivatives	17,477	11,038
Lease liabilities	25,318	25,619
Other financial liabilities	46,120	44,580
Trade and other payables	3,512,058	1,746,796
Other payables	1,898,214	1,655,094
Provisions	49,578	30,084
Tax liabilities	140,041	142,084
Employee benefit liabilities	18,028	14,827
Total current liabilities	7,320,968	6,243,866
Total liabilities	30,108,726	16,701,910
Total equity and liabilities	46,712,414	25,976,756

CONSOLIDATED CASH FLOW STATEMENT

In '000 CZK	30 Jun 2024	30 Jun 2023
Cash flows from principal economic activity (operating activity)		
Profit from ordinary activity before tax	794,788	1,352,073
Depreciation/amortization of non-current assets	560,821	373,433
Change in allowances and provisions	24,940	25,189
Profit from the sale of non-current assets	(1,392)	(1,794)
Interest expense and interest income	140,408	(118,693)
Share in the profit of associates	(909)	(1,665)
Unrealized foreign exchange gain and losses	(133,551)	253,951
Contingent consideration – remeasurement	-	26,618
Partial earnout settlement	-	213,695
Other financial assets – remeasurement	(113,402)	(101,916)
Cash flow hedging – remeasurement of the effective portion of hedging instruments	(179,440)	(5,520)
Share-based payments	355,013	151,029
Adjustments for other non-cash transactions	31,380	18,815
Net operation cash flows before changes in working capital	1,478,626	2,185,215
Change in working capital		
Change in receivables and deferrals	(189,676)	(33,870)
Change in liabilities and accruals	(161,031)	(1,056,003)
Change in inventories	(80,062)	(838,290)
Cash flow from operating activities	1,047,887	257,052
Paid interest	(525,585)	(443,913)
Interest received	429,610	568,606
Income tax paid for ordinary activity	(521,795)	(206,039)
Net cash flow from operating activities	430,117	175,706
Cash flows from investing activities		
Acquisition of non-current assets	(382,502)	(253,843)
Proceeds from the sale of non-current assets	1,392	(1,814)
Acquisition of subsidiaries – opening balance	(5,231,350)	-
Acquisition of subsidiaries – cash and cash equivalents	443,521	-
Acquisition of equity-accounted securities and investments	(3,777)	1,212
Investment in subsidiaries in acquisition process	-	(724,200)
Proceeds from sale of other financial assets	1,021,982	-
Provided loans – repayments received	18,979	7,700
Net cash flow from investing activities	(4,169,713)	(955,369)
Cash flows from financing activities		
Proceeds from issue of bonds	276,000	1,917,756
Proceeds from drawdown of loans	10,794,456	10,635
Repayment of loans	(5,701,746)	(1,757)
Repayment of leases	(12,966)	-
Net cash flow from financing activities	5,355,744	1,926,634
Net change in cash and cash equivalents	1,616,148	1,146,971
Opening balance of cash and cash equivalents	3,328,684	2,825,781
Effect of exchange rate on cash and cash equivalents	53,002	(32,104)
Closing balance of cash and cash equivalents	4,997,834	3,940,648

COLT CZ GROUP STRUCTURE AS OF 30/06/2024



■ Holding companies ■ No asset companies

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Notes: Group structure as of 30/06/2024

THANK YOU

Colt CZ Group SE

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