

COLT CZ GROUP SE

FINANCIAL RESULTS 9M 2024

INVESTOR PRESENTATION

COLT
CZGROUP

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AGENDA AND TODAY'S PRESENTERS

AGENDA

1 9M 2024 AT A GLANCE

2 FINANCIAL HIGHLIGHTS

3 ABB OVERVIEW

4 APPENDIX

PRESENTERS



JAN DRAHOTA

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



RADEK MUSIL

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



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.



JANA MATOUŠKOVÁ

Head of Group Finance
Colt CZ Group SE

RECORD 9M 2024 AT A GLANCE

REVENUES

CZK 14,972 m

↑ 51.1% vs 9M 2023

ADJUSTED EBITDA

CZK 3,021 m

↑ 56.1% vs 9M 2023

ADJUSTED NET PROFIT

CZK 1,293 m

↓ 12.8% vs 9M 2023

ADJUSTED EPS¹

CZK 29

↓ 32.1% vs 9M 2023

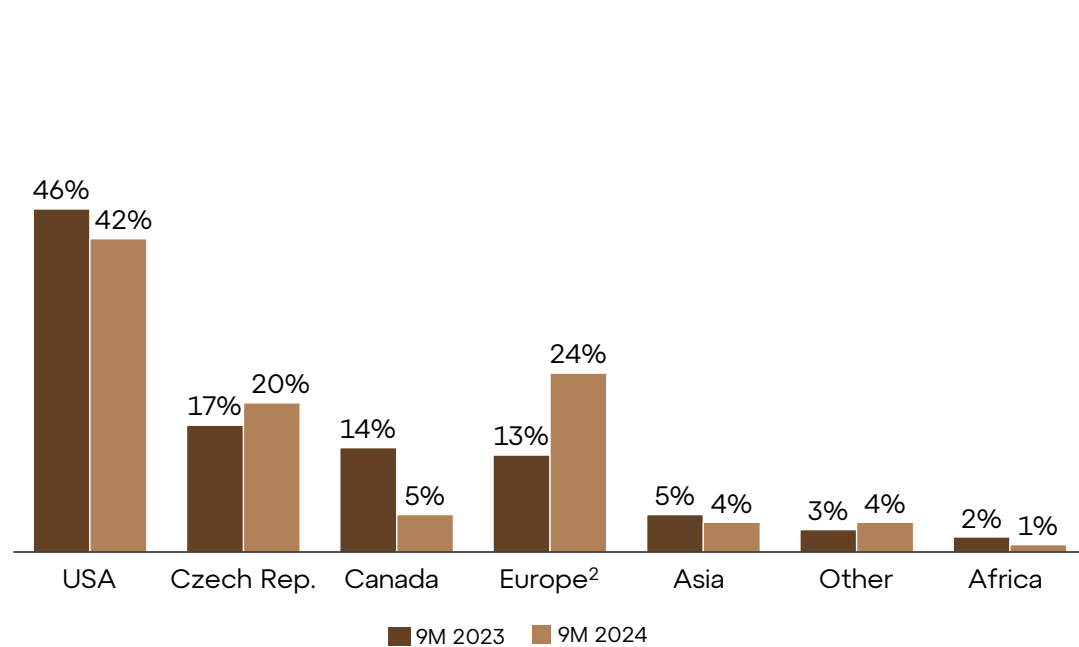


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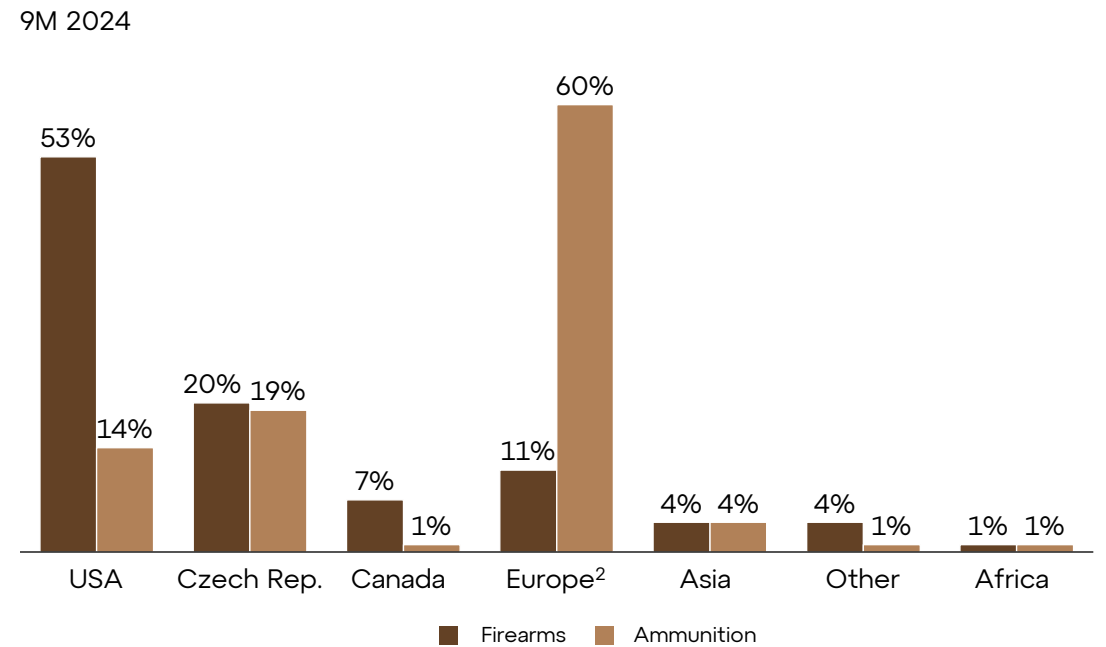
Notes: Financial results are unaudited
1- basic EPS based on adjusted net profit

REVENUES – REGIONAL BREAKDOWN IMPACTED BY S&B SALES

REVENUE BREAKDOWN¹ BY GEOGRAPHY



REVENUE BREAKDOWN¹ BY GEOGRAPHY – SEGMENTS



COMMENTS

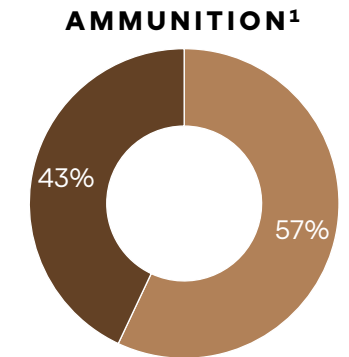
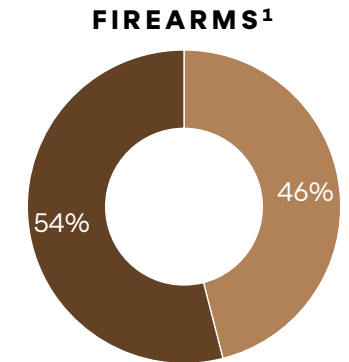
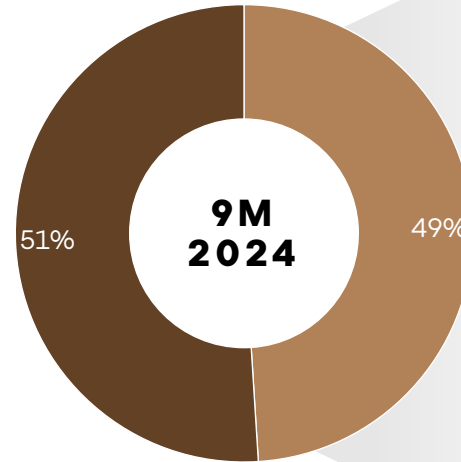
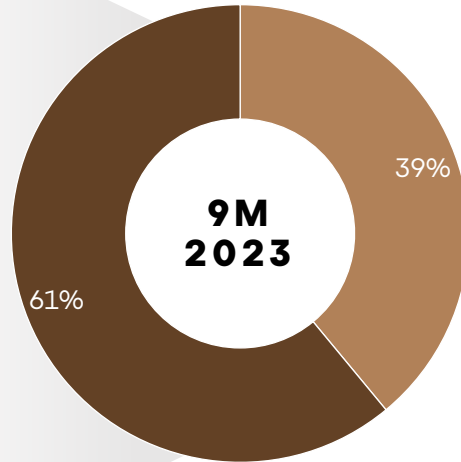
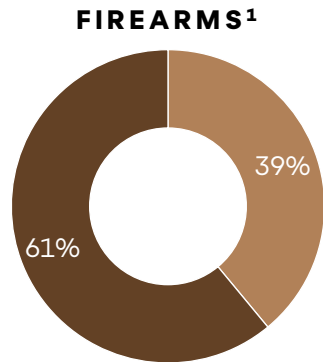
- ▶ Sellier & Belot consolidation impacted the regional distribution of revenues – higher sales in Europe, in the Czech Republic and partially in the US
- ▶ US market remains largest for firearms segment; yoy revenues growth of around 38.5%

9M 2024 CUSTOMER SEGMENTS SPLIT 50:50

9M 2023

REVENUES BY TYPE OF CUSTOMER

9M 2024

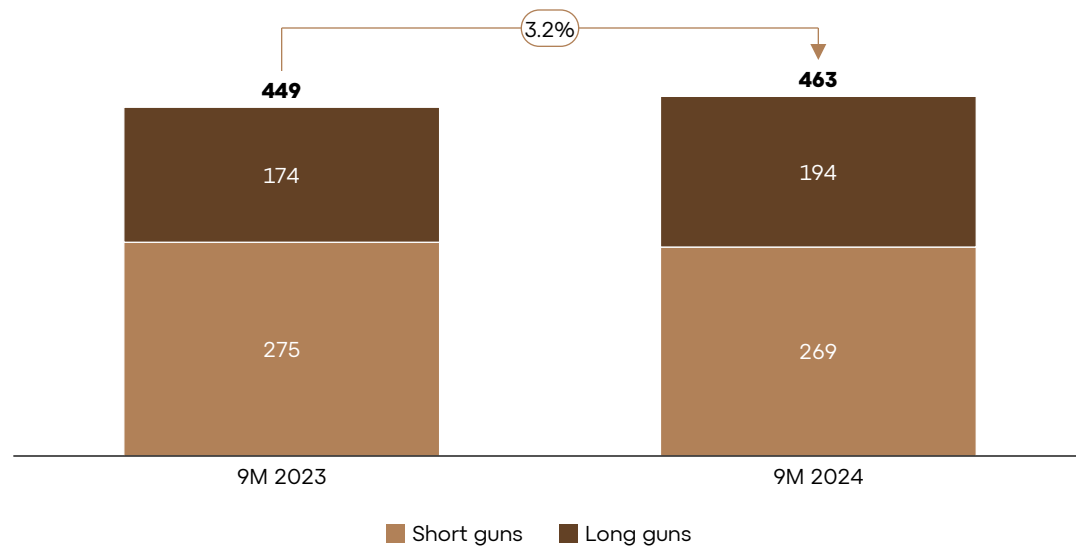


■ Commercial ■ Military and Law Enforcement

Q3 2024 WAS THE STRONGEST THIRD QUARTER EVER

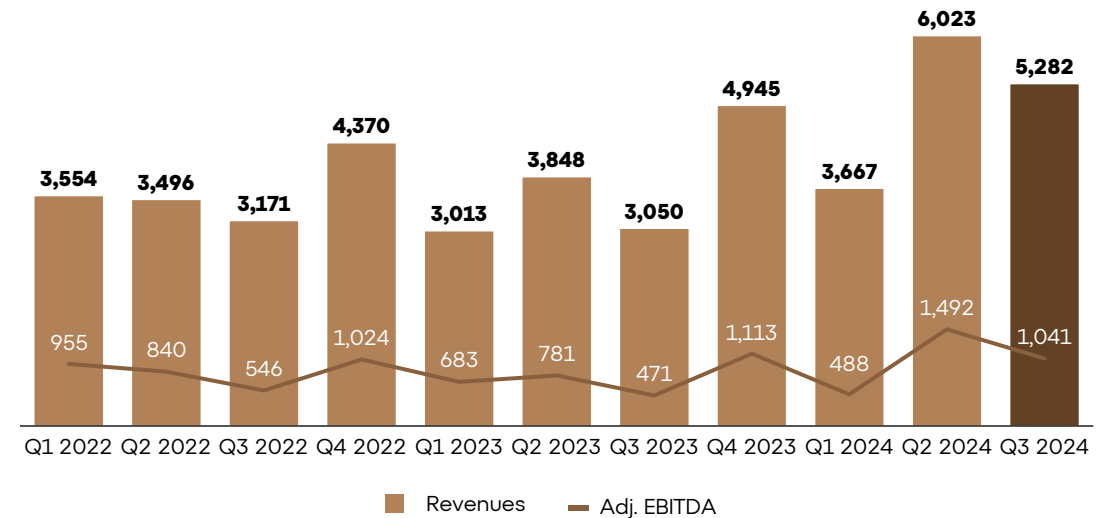
BREAKDOWN BY UNITS SOLD

In '000 units



QUARTERLY REVENUES & ADJ. EBITDA SEASONALITY

In CZK m



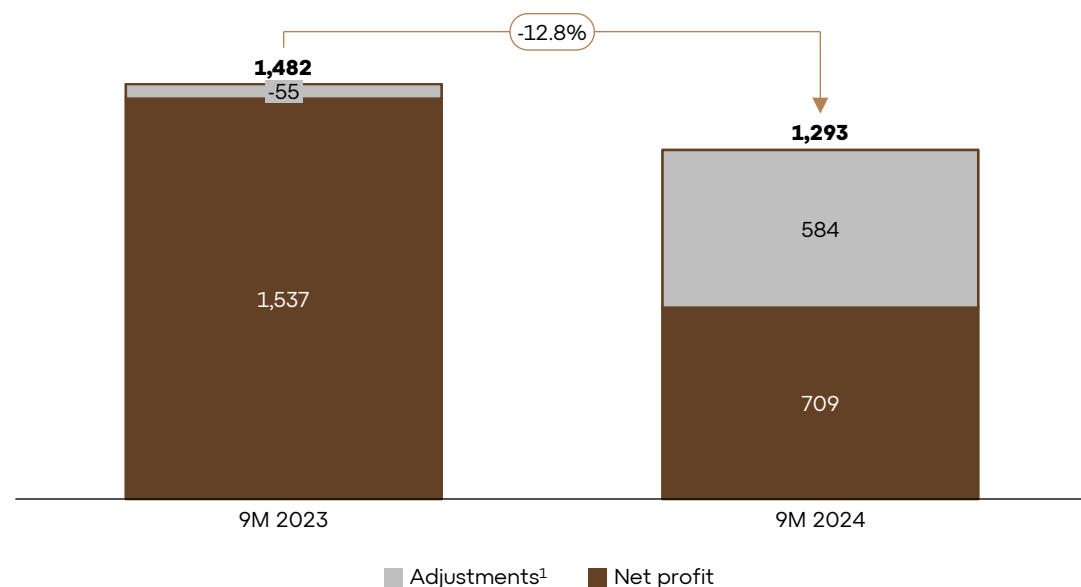
COMMENTS

- ▶ Growth fueled by M&LE sales, S&B consolidation, US commercial market staying relatively stable/soft in some segments
- ▶ Seasonality impacted the performance in Q3 2024, the last quarter of the year expected to be strong again
- ▶ Q3 2024 was the strongest third quarter ever, growing 14% yoy organically. Yet, it did not exceed the strong Q2 2024
- ▶ 9M 2024 units sold up 3.2% yoy vs. organic revenue growth firearms up 23% yoy, confirming the focus on products with a higher added value

9M 2024 NET PROFIT AFFECTED BY FINANCIAL RESULT AND ONE-OFF ADJUSTMENTS

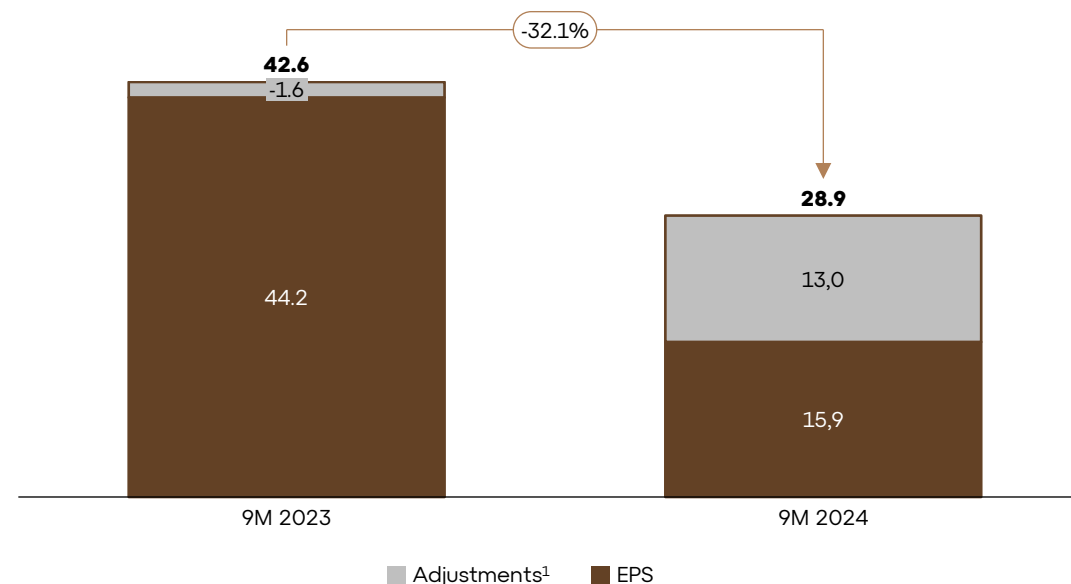
ADJUSTED NET PROFIT¹

In CZK m



ADJUSTED EARNINGS PER SHARE²

In CZK



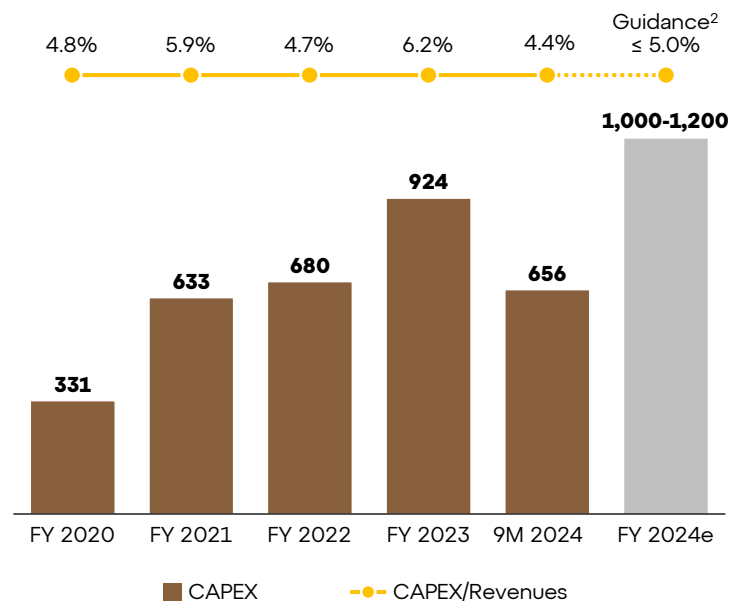
COMMENTS

- ▶ 9M 2024 net profit impacted by negative financing result (interest payment on acquisition financing from May 16, 2024, lower interest rates from deposits 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 stock dilution in 2024, appr. 52 m shares @ 30/9/2024 vs. 35 m shares @ 30/9/2023

CAPEX IN LINE WITH 2024 GUIDANCE

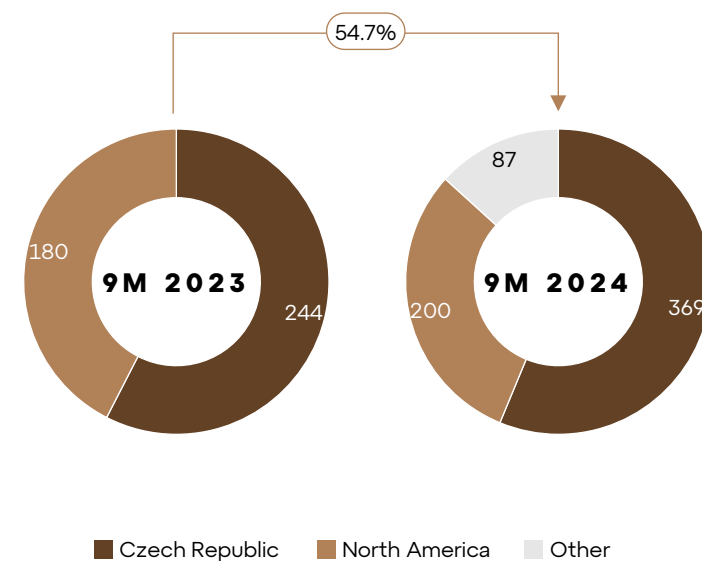
CAPITAL EXPENDITURES¹

CZK m/%



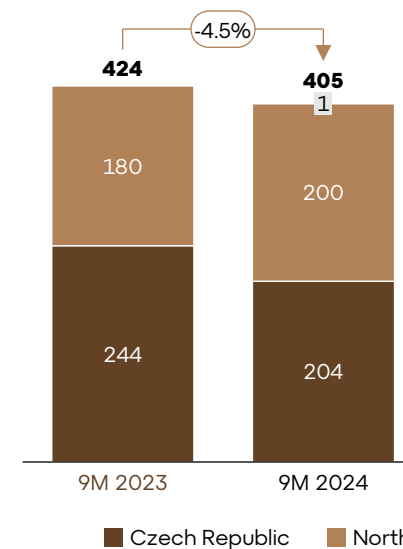
CAPEX GEOGRAPHICAL SPLIT

In CZK m



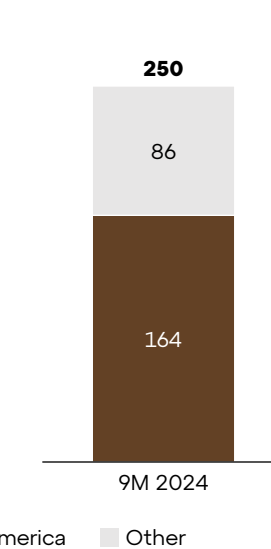
FIREARMS

In CZK m



AMMUNITION

In CZK m



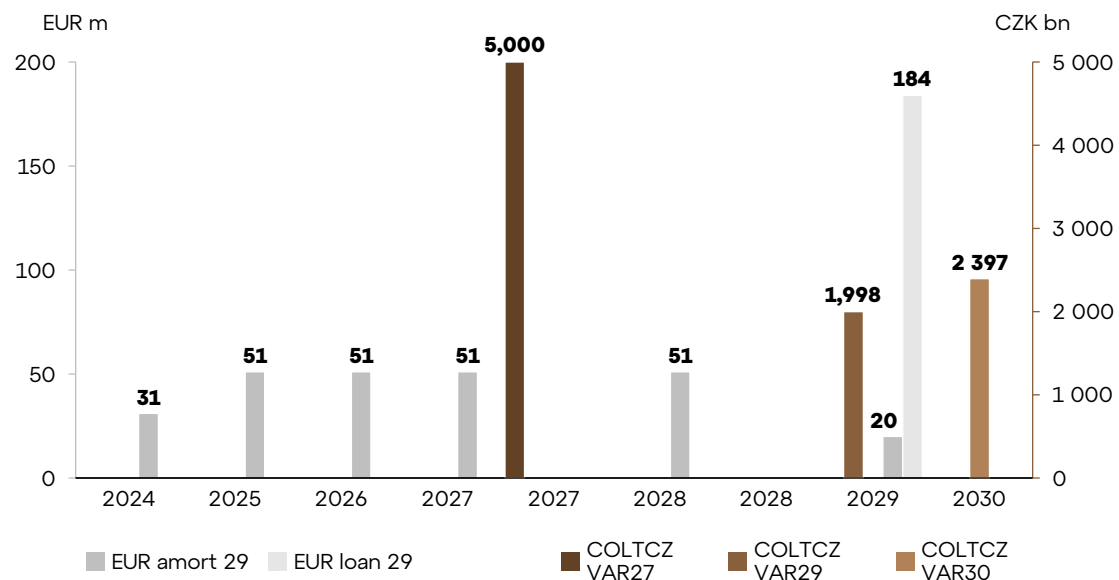
COMMENTS

- ▶ 9M 2024 CAPEX in line with FY CAPEX guidance (i.e. up to 5% of revenues)
- ▶ Major investments in 2024 in production lines in both segments
- ▶ FY 2024 CAPEX guidance includes the new acquisition Sellier & Bellot

NET LEVERAGE DOWN POST ABB TRANSACTION IN OCTOBER

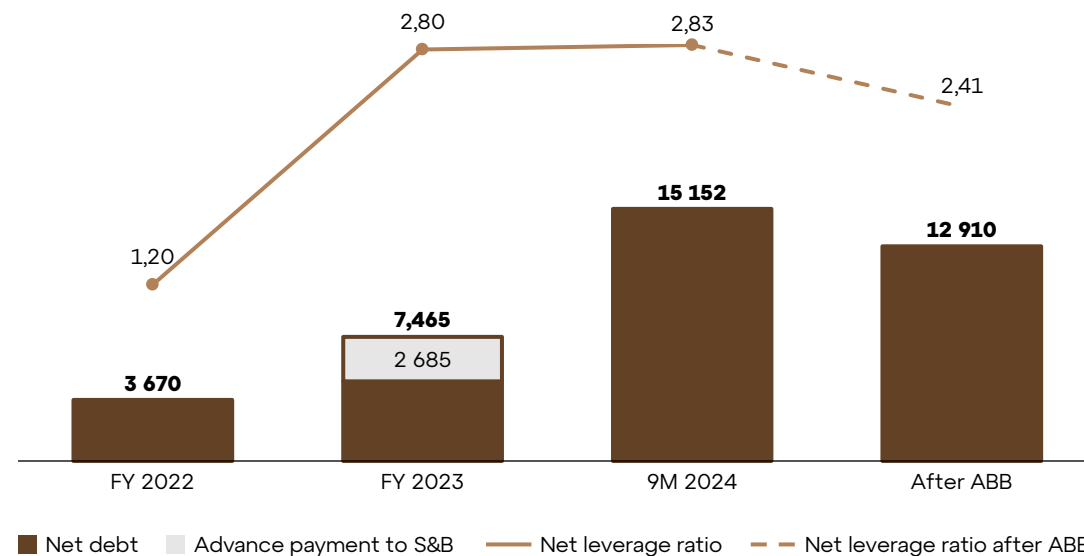
EXPECTED DEBT MATURITY PROFILE (INC. ACQUISITION FINANCING)

In CZK bn/EUR m



NET FINANCIAL DEBT¹ & NET LEVERAGE RATIO²

In CZK m



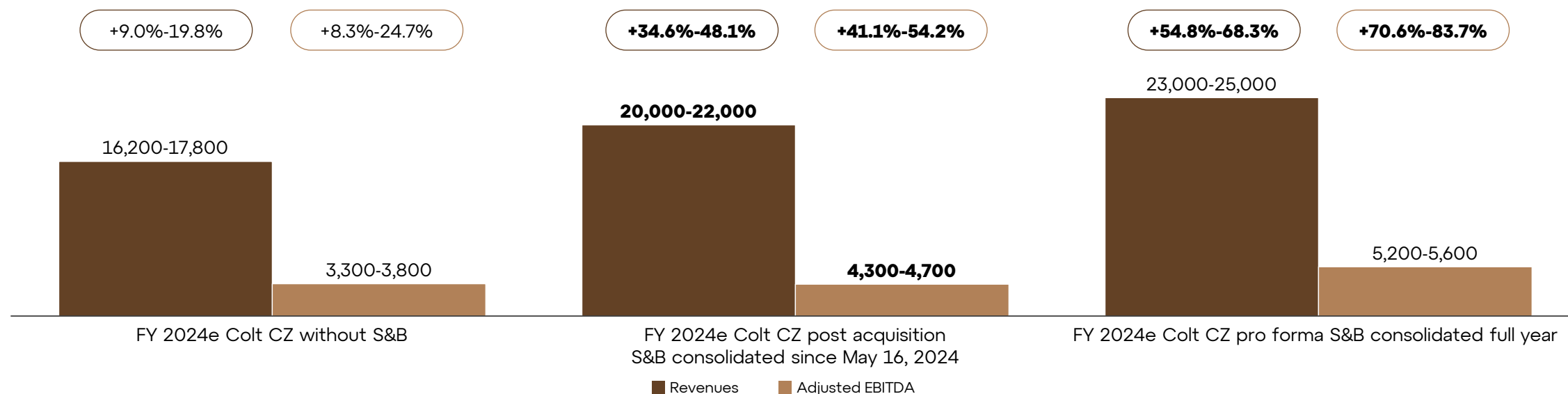
COMMENTS

- ▶ Post ABB net leverage significantly below 3x
- ▶ Cash generative business of combined businesses will allow leverage reduction going forward, with expected acquisition loan repayment by 2029

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

GUIDANCE

In CZK m



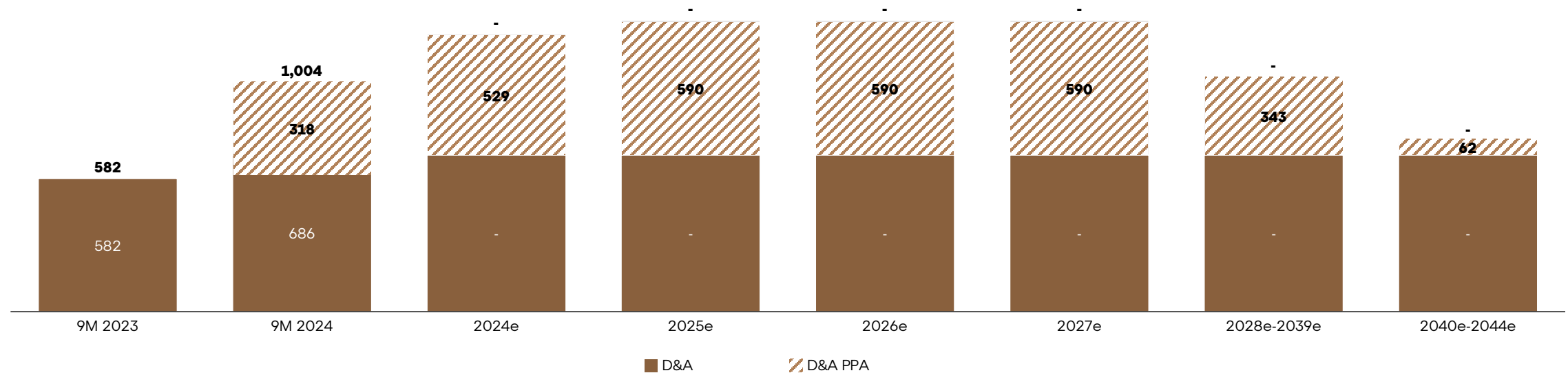
COMMENTS

- ▶ FY guidance confirmed after the solid performance in 9M 2024
- ▶ 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 EPS in 9M 2024 approx. CZK 318)
- ▶ Significant impact on net profit and EPS in the next 3 years, approximately CZK 600 m per year

ABB CAPITAL INCREASE OF COLT CZ GROUP

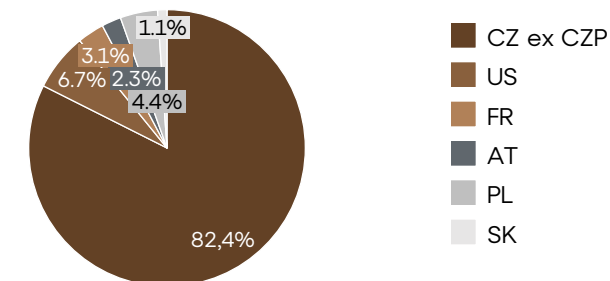
TRANSACTION DETAILS

Name of Company	Colt CZ Group SE
Offering type	Capital Increase by way of an Accelerated Bookbuild (ABB)
Existing shareholders pre-transaction	<ul style="list-style-type: none"> ▶ CZ Partners SE: 53.3% ▶ CBC: 26.3% ▶ Free float: 20.4%
Shares pre-cap increase	52,563,028
Shares offered	3,900,000 (7.4% of issued share capital)
Transaction size	CZK 2.24 bn or EUR 90 m
Offer Price	CZK 575
Discount	7.10%
Offering structure	<ul style="list-style-type: none"> ▶ Private placement to institutional investors outside the US pursuant to Reg S ▶ Private placement to US QIBs pursuant to Rule 144A
Lock-up	Company: 180 days
Listing	Prague Stock Exchange

TIMELINE

14-Oct	Start of ABB (after market-close)
15-Oct	Close of books (17:15 CET) & Pricing
16-Oct	Allocation & Trade Date
18-Oct	Settlement

ALLOCATION BY GEOGRAPHY



KEY HIGHLIGHTS

- ▶ The Company plans to use the **net proceeds** for strengthening the Company's equity & accelerate debt reduction after the **acquisition of S&B** as well as modernization of production capacities and potential acquisitions
- ▶ The deal was launched following **non-deal roadshow** without wall crossing
- ▶ The transaction was strongly supported by majority **shareholder participation in the transaction**
- ▶ Driven by the majority shareholder commitment and **strong demand from local and regional investors**, the deal was priced at CZK 575, representing a discount of app. 7%
- ▶ The deal represented the **largest capital increase** in the Czech Republic since 2007 and the largest ABB since 2016

OTHER NOTABLE DEVELOPMENTS



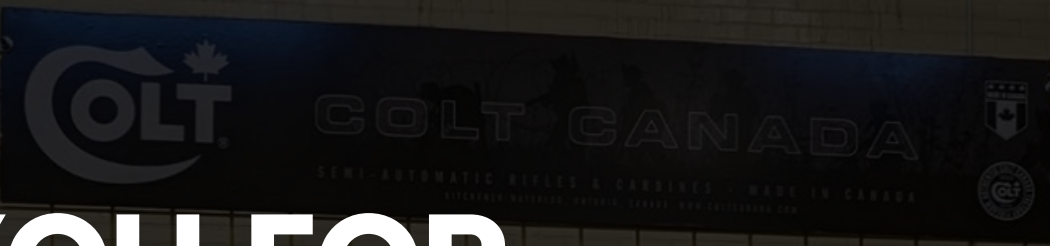
President Volodymyr Zelenskyj awarded Colt CZ Group the Order of Merit for its support of Ukraine, recognizing the Group's strategic projects, including the technology transfer for assembling CZ BREN 2 rifles by Česká zbrojovka and the production of NATO-standard small-caliber ammunition in Ukraine, overseen by Sellier & Bellot.



Successful transfer of technology for the production of hand grenades from Rheinmetall Arges to the Czech Republic via Colt CZ Defence Solutions, with 60% domestic industry participation – 2024 order of 100,000 pieces for the Czech Army will be completed by the end of November.



Support of Czech Army war veterans – donation of poppies to support the Military Solidarity Fund



THANK YOU FOR YOUR ATTENTION

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The background of the image is a dark, industrial setting featuring a complex machine with various components, cables, and a red section. The machine appears to be a precision manufacturing tool, possibly a lathe or a similar turning machine. The overall tone is professional and technical. In the bottom right corner, there are several parallel orange diagonal lines that add a modern, graphic element to the design.

APPENDIX

**COLT
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ADJUSTED EBITDA RECONCILIATION

In CZK '000	9M 2024	9M 2023
Operating profit	1,241,021	1,124,155
Depreciation and amortization	1,003,325	582,526
EBITDA	2,224,346	1,706,681
ESOP related costs	402,456	228,475
M&A costs ¹	962	268
S&B inventory step up	330,000	-
S&B commodity hedging	43,193	-
Adjusted EBITDA	3,020,957	1,935,424

ADJUSTED NET PROFIT RECONCILIATION

In CZK '000	9M 2024	9M 2023
Earnings before tax	920,864	1,891,596
Tax expenses	(212,207)	(353,991)
Net income	708,657	1,537,605
Earn-out revaluation	-	17,807
ESOP related costs	402,456	228,475
M&A costs ¹	962	268
S&B inventory step up	330,000	-
S&B commodity hedging	43,193	-
S&B commodity hedging reclass	(43,193)	-
Negative goodwill	-	(320,842)
Bank fee – acquisition loan S&B	18,136	-
One-off expenses related to the bond issue	7,391	6,317
Adjusted earnings before tax (Adj. EBT)	1,679,809	1,823,621
Effective tax rate on Adj. EBT (9M 2024 ~23.0%; 9M 2023 ~18,7%)	(387,101)	(341,270)
Adjusted Net Income	1,292,708	1,482,351

CONSOLIDATED PROFIT AND LOSS STATEMENT

In '000 CZK	30 Sep 2024	30 Sep 2023
Revenues from the sale of own products, goods and services	14,971,895	9,910,546
Other operating income	72,291	73,006
Change in inventories developed internally	67,498	981,675
Own work capitalized	161,289	129,248
Raw materials and consumables used	(7,768,744)	(5,613,904)
Services	(1,708,542)	(1,292,710)
Personnel costs	(3,345,775)	(2,246,009)
Depreciation and amortization	(1,003,325)	(582,526)
Other operating expenses	(202,881)	(174,769)
Allowances	(2,685)	(60,403)
Operating profit	1,241,021	1,124,155
Interest income	630,514	717,015
Interest expense	(990,477)	(737,325)
Other financial income	84,328	379,133
Other financial expenses	(202,409)	(59,233)
Gains or losses from derivative transactions	157,362	144,338
Bargain purchase gain	-	320,842
Share in the profit of associates after tax	525	2,671
Profit before tax	920,864	1,891,596
Income tax	(212,207)	(353,991)
Profit for the period	708,657	1,537,605
Items that may be subsequently reclassified to the statement of profit or loss		
Cash flow hedges – remeasurement of effective portion of hedging instruments	(503,809)	(156,142)
Foreign currency translation of foreign operations	36,444	43,472
Other comprehensive income	(467,365)	(112,670)
Comprehensive income for the period	241,292	1,424,935
Profit for the period attributable to:		
Owner of the parent company	708,657	1,537,605
Comprehensive income for the period attributable to:		
Owner of the parent company	241,292	1,424,935
Net earnings per share attributable to the owner of the parent company (CZK per share)		
Basic	16	44
Diluted	16	44

CONSOLIDATED BALANCE SHEET 1/2

In CZK '000	30 Sep 2024	31 Dec 2023
ASSETS		
Non-current assets		
Intangible assets	10,460,885	3,413,881
Goodwill	8,411,526	2,547,480
Property, plant and equipment	9,483,650	4,281,449
Advance payment for financial investment	-	2,690,040
Equity-accounted securities and investments	44,096	40,795
Financial derivatives	782,958	1,013,168
Provided loans	18,885	-
Trade and other receivables	26,890	61,891
Other receivables	2,559	2,556
Deferred tax assets	7,360	21,245
Total non-current assets	29,238,809	14,072,505
Current assets		
Inventories	8,143,123	5,298,077
Trade and other receivables	2,428,214	1,774,947
Provided loans	811	-
Other financial assets	-	908,580
Financial derivatives	176,495	149,047
Other receivables	357,763	351,165
Tax receivables	122,488	93,751
Cash and cash equivalents	5,280,756	3,328,684
Total current assets	16,509,650	11,904,251
Total assets	45,748,459	25,976,756

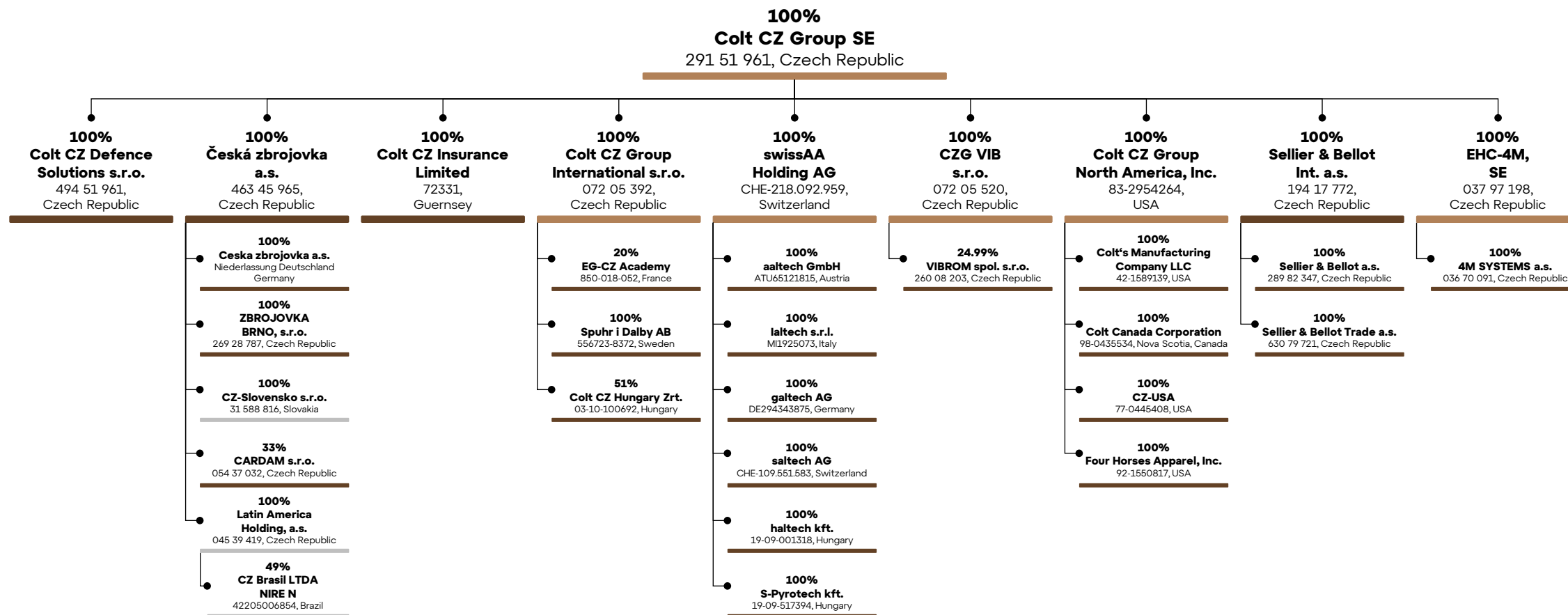
CONSOLIDATED BALANCE SHEET 2/2

In CZK '000	30 Sep 2024	31 Dec 2023
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	5,256	3,516
Share premium	11,221,066	1,942,818
Capital funds	1,641,512	1,641,512
Cash flow hedge reserve	96,007	599,816
Foreign exchange translation reserve	(106,244)	(142,688)
Accumulated profits	4,801,395	5,229,872
Equity attributable to the owner of the Company	17,658,992	9,274,846
Non-controlling interest	-	-
Total equity	17,658,992	9,274,846
Non-current liabilities		
Bonds, bank loans and borrowings	18,696,923	9,040,540
Financial derivatives	390,454	244,169
Lease liabilities	54,119	62,052
Trade and other payables	56,170	42,022
Other payables	9,844	14,569
Provisions	117,339	76,188
Deferred tax liability	2,778,808	722,783
Employee benefit liabilities	248,325	255,721
Total non-current liabilities	22,361,982	10,458,044
Current liabilities		
Bonds, bank loans and borrowings	1,658,349	2,573,744
Financial derivatives	7,130	11,038
Lease liabilities	23,612	25,619
Other financial liabilities	-	44,580
Trade and other payables	1,863,214	1,746,796
Other payables	1,931,332	1,655,094
Provisions	56,486	30,084
Tax liabilities	169,987	142,084
Employee benefit liabilities	17,375	14,827
Total current liabilities	5,727,485	6,243,866
Total liabilities	28,089,467	16,701,910
Total equity and liabilities	45,748,459	25,976,756

CONSOLIDATED CASH FLOW STATEMENT

In '000 CZK	30 Sep 2024	30 Sep 2023
Cash flows from principal economic activity (operating activity)		
Profit from ordinary activity before tax	920,864	1,891,596
Depreciation/amortization of non-current assets	1,003,325	582,526
Change in allowances and provisions	56,847	55,663
Gain/Loss on sale of fixed assets	-1,922	-1,877
Interest expense and interest income	359,963	20,310
Share in the profit of associates	-525	-2,671
Unrealized foreign exchange gain and losses	192,871	-118,108
Contingent consideration – remeasurement	-	17,807
Partial earnout settlement	-	213,695
Other financial assets – remeasurement	-113,402	-350,994
Cash flow hedging – remeasurement of the effective portion of hedging instruments	-503,809	-156,142
Bargain purchase gain	-	-320,842
Share-based payments	374,107	213,835
Adjustments for other non-cash transactions	-11,464	18,422
Net operation cash flows before changes in working capital	2,276,855	2,063,220
Change in working capital	148,308	-965,737
Change in receivables and deferrals	768,379	723,762
Change in liabilities and accruals	-320,169	-423,312
Change in inventories	-299,902	-1,266,187
Cash flow from operating activities	2,425,163	1,097,483
Paid interest	-1,124,160	-624,322
Interest received	732,813	769,760
Income tax paid for ordinary activity	-618,852	-600,968
Net cash flow from operating activities	1,414,964	641,953
Cash flows from investing activities		
Acquisition of non-current assets	-655,634	-424,376
Proceeds from the sale of non-current assets	1,922	1,934
Acquisition of subsidiaries – opening balance	-5,231,350	-728,687
Acquisition of subsidiaries – cash and cash equivalents	443,521	150,863
Acquisition of equity-accounted securities and investments	-3,776	-1,212
Proceeds from sale of other financial assets	1,021,982	-
Provided loans	-18,979	7,700
Net cash flow from investing activities	-4,442,314	-993,778
Cash flows from financing activities		
Proceeds from bonds	468,000	1,917,756
Proceeds from share	-	169,623
Dividends paid to owners	-260,445	-1,034,016
Proceeds from loans	10,799,270	13,480
Loan repayment	-6,021,995	-214,931
Leases repayment	-21,869	-
Net cash flow from financing activities	4,962,961	851,912
Net change in cash and cash equivalents	1,935,611	500,087
Opening balance of cash and cash equivalents	3,328,684	2,825,781
Effect of exchange rate on cash and cash equivalents	16,461	24,104
Closing balance of cash and cash equivalents	5,280,756	3,349,972

COLT CZ GROUP STRUCTURE AS OF 30/09/2024



■ Holding companies ■ No asset companies

THANK YOU

Colt CZ Group SE

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