

# COLT CZ GROUP SE

FINANCIAL RESULTS Q1 2022

INVESTOR PRESENTATION

COLT  
CZGROUP

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# AGENDA AND TODAY'S PRESENTERS

## AGENDA

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1 Q1 2022 AT A GLANCE

2 FINANCIAL HIGHLIGHTS

3 APPENDIX

## PRESENTERS

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### **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.



### **DAVID AGUILAR**

Member of the Board of Directors  
Chairman of the Board of Directors,  
Colt CZ US North America

# Q1 2022 AT A GLANCE

## REVENUES

**CZK 3,554M**

↑ 75% vs Q1 2021

## EBITDA

**CZK 955M**

↑120% vs Q1 2021

## ADJUSTED NET PROFIT<sup>1</sup>

**CZK 632M**

↑ 129% vs Q1 2021

## ADJUSTED EPS<sup>1</sup>

**CZK 18.5**

↑ 125% vs Q1 2021

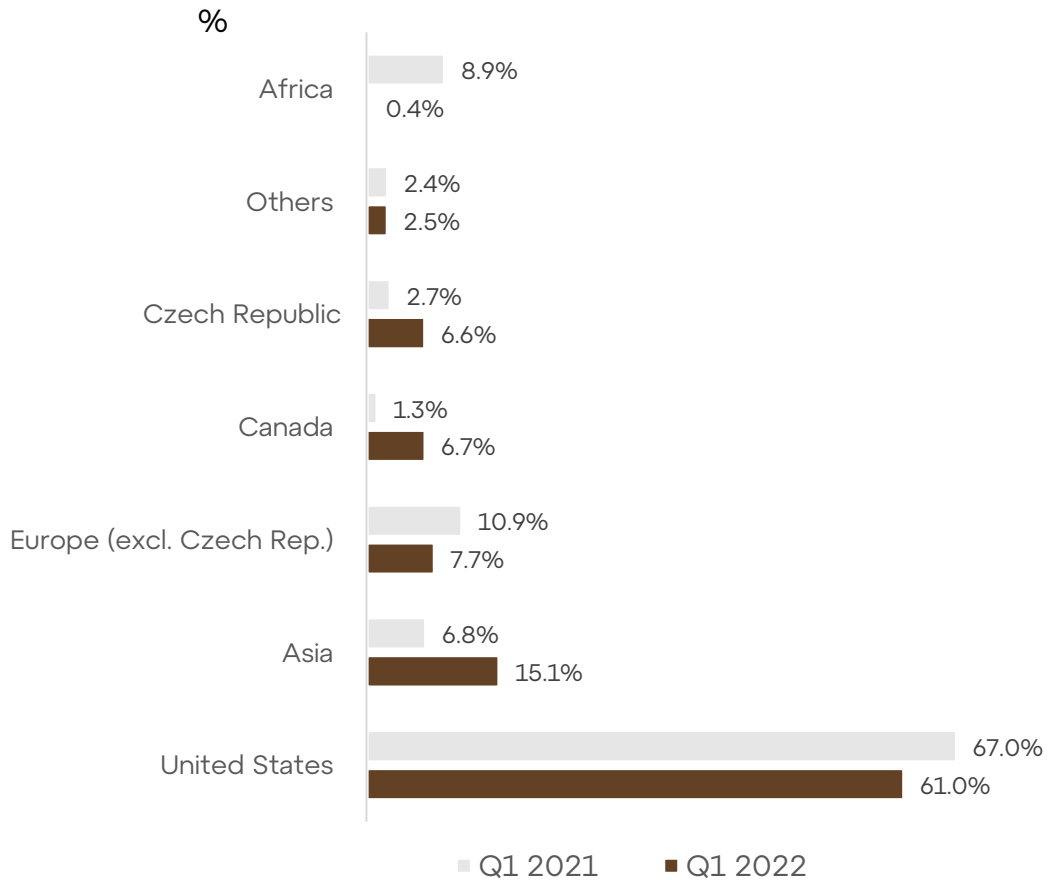
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Notes: 1 – Adjusted financials to be explained further in the presentation



# COLT SALES FULLY CONSOLIDATED FOR THE FIRST TIME

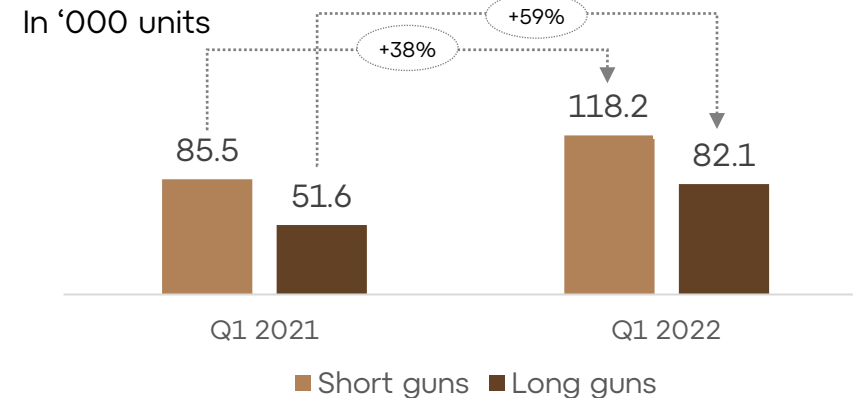
## REVENUE BREAKDOWN<sup>1</sup> BY GEOGRAPHY



## COMMENTS

- ▶ Colt financials are fully YTD consolidated for the first time, resulting +59% of revenue yoy increase (in absolute terms) in the USA region
- ▶ Growth of revenues in the Czech Republic driven predominantly due to deliveries to the Czech Army under the framework agreement

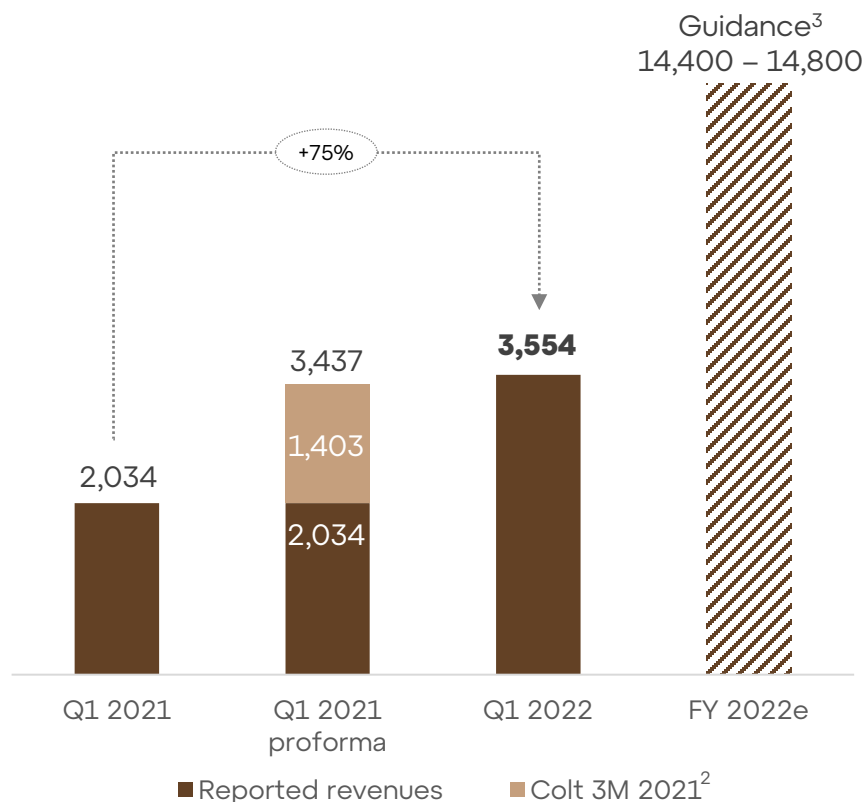
## BREAKDOWN BY UNITS SOLD



# Q1 2022 REVENUES & EBITDA GUIDANCE CONFIRMED DESPITE CHALLENGING ENVIRONMENT

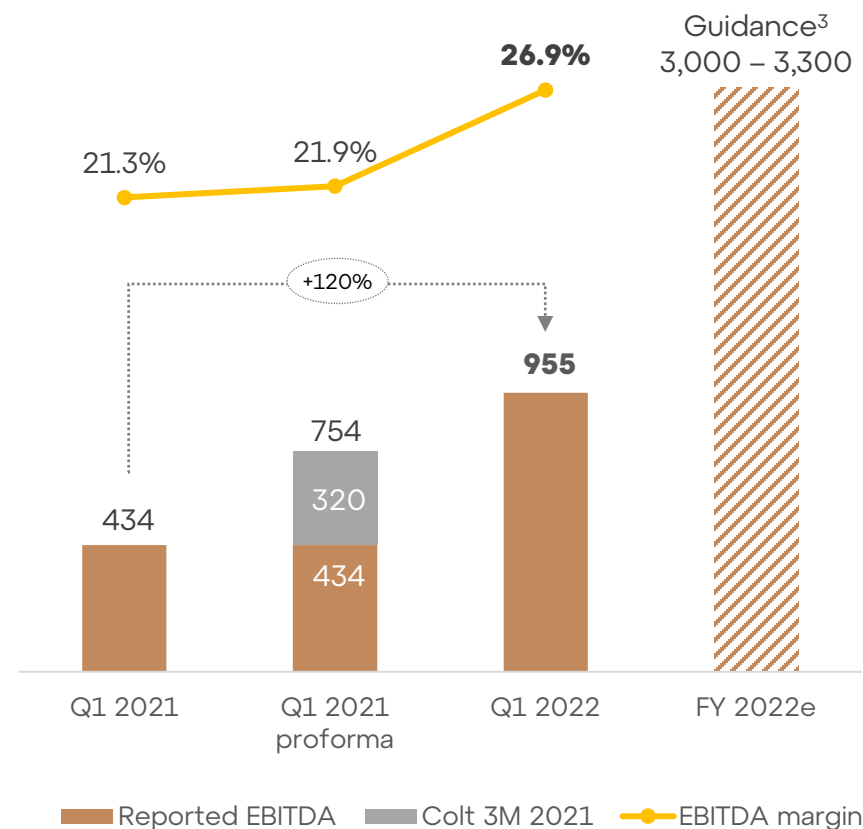
## REVENUES

CZKm



## EBITDA<sup>1</sup>

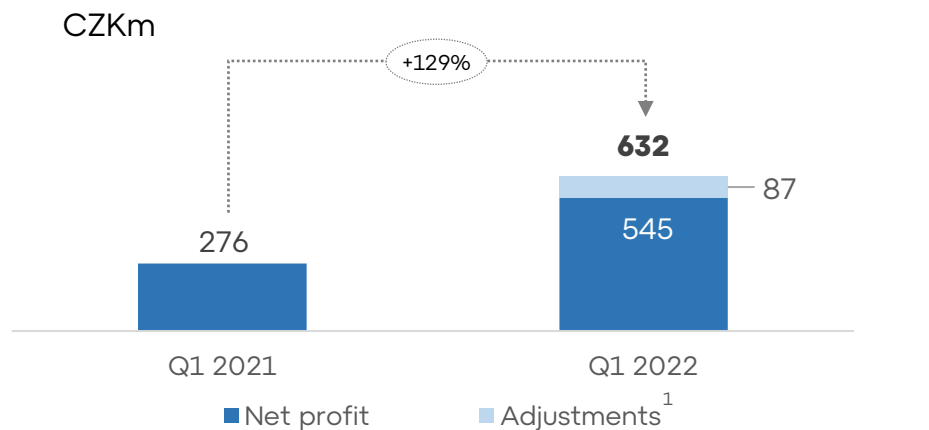
CZKm/%



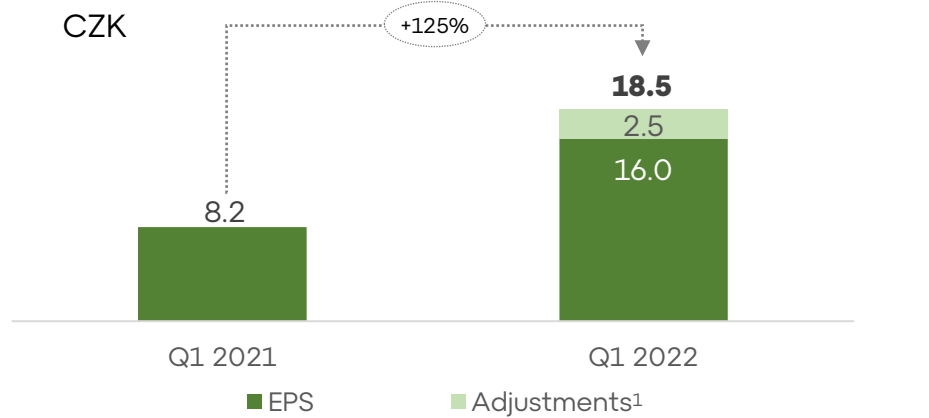
Notes: 1 – EBITDA defined as post-tax profit for the period; plus income tax; plus gains/losses from derivatives transactions; less share in the profit of associates; less other financial income; plus other financial expenses; less interest income; plus interest expenses; plus depreciation and amortization  
 2 – Colt financials are contributing to the consolidation since the date of acquisition 21/05/2021  
 3 – Guidance is based on the management expectations as of the date of presentation

# GROUP ACHIEVED RECORD HIGH EARNINGS PER SHARE

## ADJUSTED NET PROFIT



## ADJUSTED EARNINGS PER SHARE



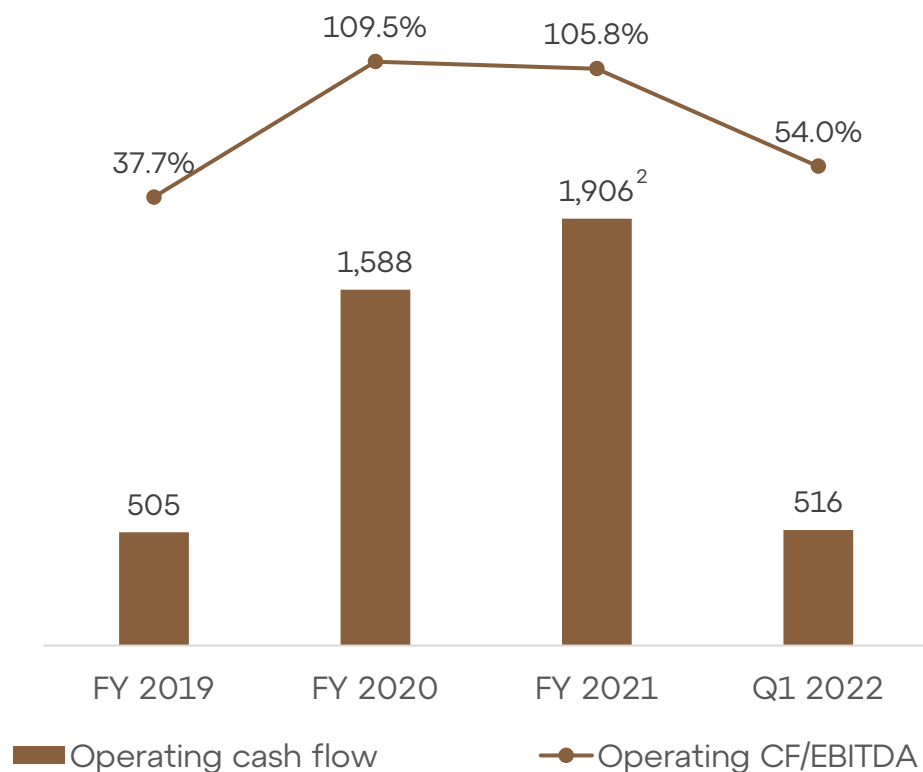
## COMMENTS

- ▶ Year on year growth of net profit driven mainly by the full consolidation of Colt in Q1 2022
- ▶ Adjustments<sup>1</sup> are related to the revaluation of earnout (including tax consideration)

# CAPEX TO GRADUALLY ROLL OUT, IN LINE WITH THE GUIDANCE

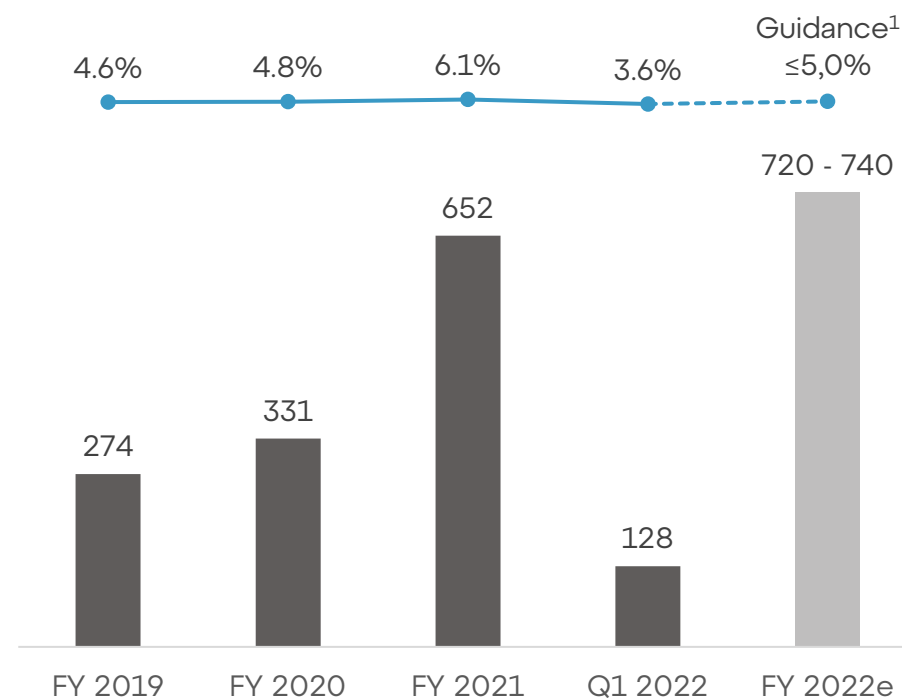
## OPERATING CASH FLOW

CZKm/%



## CAPITAL EXPENDITURES

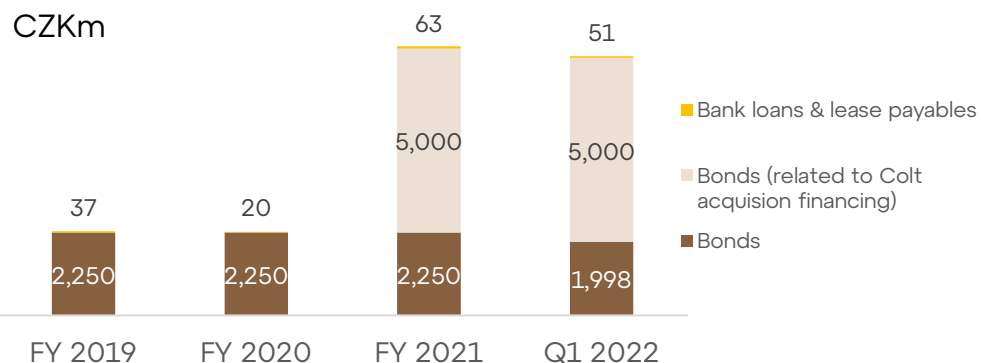
CZKm/%



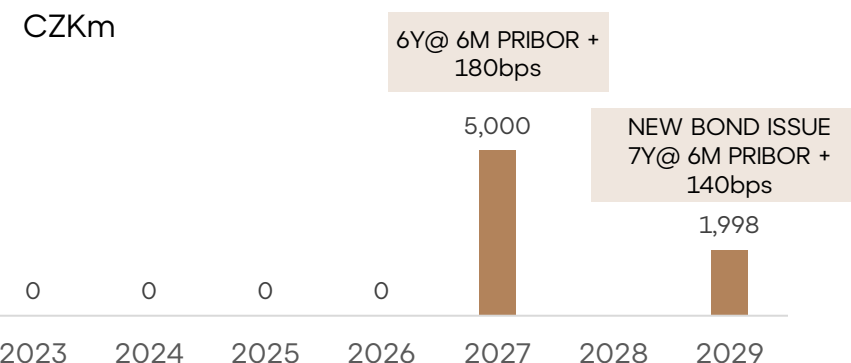


# GROUP TO KEEP FAIRLY CONSERVATIVE DEBT PROFILE

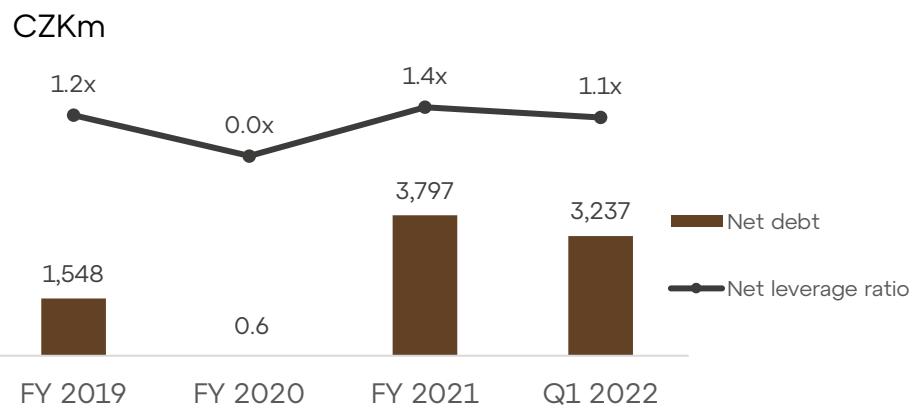
## DEBT STRUCTURE



## DEBT MATURITY PROFILE



## NET FINANCIAL DEBT<sup>1</sup> & NET LEVERAGE RATIO<sup>2</sup>



## COMMENTS

- ▶ Colt CZ to keep strong financial position, allowing further M&A moves if right opportunities arise
- ▶ Group has successfully refinanced bonds due in 01/2022
- ▶ Group keeps the FX policy with focus on reducing FX risks and strengthen stability towards the Group main business

A dark, industrial setting featuring a yellow robotic arm in the foreground, surrounded by various pieces of machinery and control panels. The scene is dimly lit, with some light reflecting off the surfaces of the equipment.

**THANK YOU FOR  
YOUR ATTENTION**

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# APPENDIX

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# ADJUSTED NET PROFIT RECONCILIATION

In CZK '000	Q1 2022
Earnings before tax	726,922
Tax expenses	(182,192)
<b>Net income</b>	<b>544,730</b>
Earn-out related costs <sup>1</sup>	(116,286)
<b>Adjusted earnings before tax (Adj. EBT)</b>	<b>843,208</b>
Effective tax rate on Adj. EBT (~25.06%)	(211,308)
<b>Adjusted Net Income</b>	<b>631,900</b>

# CONSOLIDATED PROFIT AND LOSS STATEMENT

In '000 CZK	31 Mar 2022	31 Mar 2021
Revenues from the sale of own products, goods and services	3,553,557	2,033,760
Other operating income	15,300	11,282
Change in inventories developed internally	428,063	(50,072)
Own work capitalized	52,343	22,839
Raw materials and consumables used	(1,869,617)	(815,928)
Services	(505,466)	(368,382)
Personnel costs	(654,224)	(341,552)
Depreciation and amortization	(205,445)	(99,096)
Other operating expenses	(49,823)	(52,083)
Allowances	(15,391)	(5,842)
<b>Operating profit</b>	<b>749,297</b>	<b>334,926</b>
Interest income	75,368	2,807
Interest expense	(123,577)	(15,673)
Other financial income	-	90,406
Other financial expenses	(148,248)	(59,374)
Gains or losses from derivative transactions	138,159	4,018
Share in the profit of associates after tax	35,923	4,192
<b>Profit before tax</b>	<b>726,922</b>	<b>361,602</b>
Income tax	(182,192)	(85,960)
<b>Profit for the period</b>	<b>544,730</b>	<b>275,642</b>
<b>Items that may be subsequently reclassified to the statement of profit or loss</b>		
Cash flow hedges – remeasurement of effective portion of hedging instruments	400,866	(138,049)
Foreign currency translation of foreign operations	19,224	42,752
Other comprehensive income	420,090	(95,297)
<b>Comprehensive income for the period</b>	<b>964,820</b>	<b>180,345</b>
Profit for the period attributable to:		
Owner of the parent company	544,730	273,989
Non-controlling interests	-	1,653
Comprehensive income for the period attributable to:		
Owner of the parent company	964,820	179,292
Non-controlling interests	-	1,053
<b>Net earnings per share attributable to the owner of the parent company (CZK per share)</b>		
Basic	16	8
Diluted	16	8

# CONSOLIDATED BALANCE SHEET 1/2

In '000 CZK	31 Mar 2022	31 Dec 2021
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	3,409,140	3,505,464
Goodwill	2,390,127	2,390,127
Property, plant and equipment	2,834,297	2,810,115
Equity-accounted securities and investments	145,368	109,445
Provided loans	-	-
Financial derivatives	552,635	171,195
Trade and other receivables	35,776	58,999
Other receivables	9,351	11,163
Deferred tax asset	-	-
<b>Total non-current assets</b>	<b>9,376,694</b>	<b>9,056,508</b>
<b>Current assets</b>		
Inventories	3,280,129	2,861,673
Trade and other receivables	1,628,603	1,012,879
Provided loans	7,525	197,973
Financial derivatives	166,290	156,118
Other receivables	322,948	148,098
Tax assets	-	6,357
Cash and cash equivalents	3,799,601	3,573,467
<b>Total current assets</b>	<b>9,205,096</b>	<b>7,956,565</b>
<b>Total assets</b>	<b>18,581,790</b>	<b>17,013,073</b>

# CONSOLIDATED BALANCE SHEET 2/2

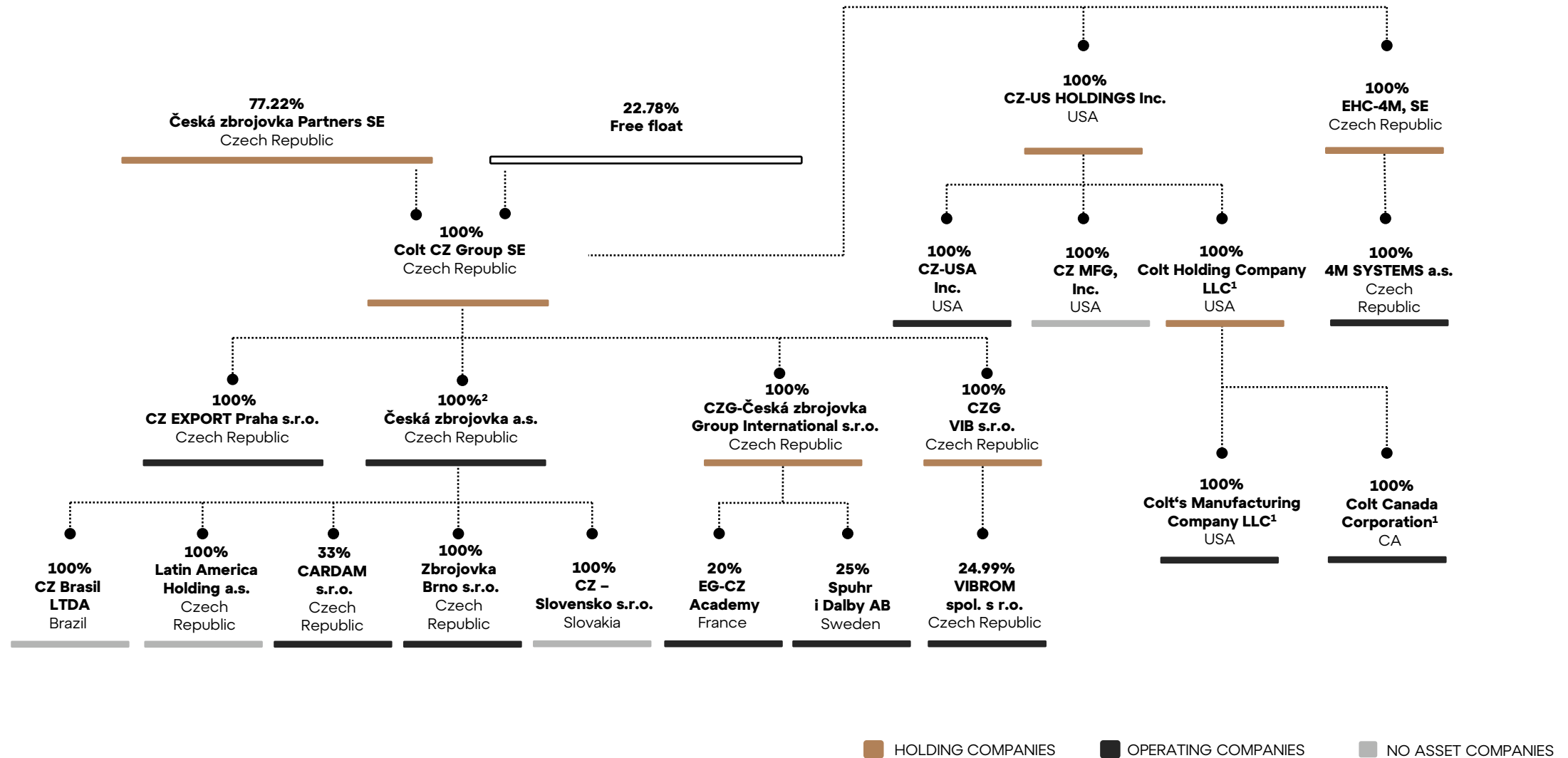
In '000 CZK	31 Mar 2022	31 Dec 2021
<b>EQUITY AND LIABILITIES</b>		
Capital and reserves		
Share capital	3,374	3,374
Share premium	1,139,211	1,139,211
Capital funds	1,641,512	1,641,512
Cash flow hedge reserve	520,849	119,983
Foreign exchange translation reserve	(182,174)	(201,398)
Accumulated profits	3,083,876	2,539,146
Equity attributable to the owner of the Company	6,206,648	5,241,828
Non-controlling interests	-	-
<b>Total equity</b>	<b>6,206,648</b>	<b>5,241,828</b>
<b>Non-current liabilities</b>		
Bonds, bank loans and borrowings	6,958,734	4,972,647
Financial derivatives	66,161	270,515
Lease liabilities	28,654	32,606
Other financial liabilities	450,264	372,531
Trade and other payables	5,504	5,422
Other payables	17,970	27,357
Provisions	63,673	63,695
Deferred tax liability	834,592	789,646
Employee benefit liabilities	355,491	357,707
<b>Total non-current liabilities</b>	<b>8,781,043</b>	<b>6,892,126</b>
<b>Current liabilities</b>		
Bonds, bank loans and borrowings	27,517	2,317,579
Financial derivatives	20,873	20,097
Lease liabilities	21,966	20,695
Other financial liabilities	224,289	185,568
Trade and other payables	1,467,801	1,116,373
Other payables	1,493,644	1,073,755
Provisions	46,955	50,780
Tax liabilities	272,929	76,156
Employee benefit liabilities	18,125	18,116
<b>Total current liabilities</b>	<b>3,594,099</b>	<b>4,879,119</b>
<b>Total liabilities</b>	<b>12,375,142</b>	<b>11,771,245</b>
<b>Total equity and liabilities</b>	<b>18,581,790</b>	<b>17,013,073</b>

# CONSOLIDATED CASH FLOW STATEMENT

In '000 CZK	31 Mar 2022	31 Mar 2021
<b>Cash flows from principal economic activity (operating activity)</b>		
<b>Profit from ordinary activity before tax</b>	<b>726,922</b>	<b>361,602</b>
Depreciation/amortization of non-current assets	205,445	99,096
Change in allowances and provisions	11,544	34,193
Loss from the sale of non-current assets	-	(185)
Interest expense and interest income	48,209	24,906
Share in the profit of associates	(35,923)	(4,192)
Unrealized foreign exchange gain and losses	6,416	42,753
Contingent consideration - revaluation	116,286	-
Cash flow hedging – revaluation of the effective part of hedging instruments	400,866	(137,179)
Adjustments for other non-cash operations	(674)	93,727
<b>Net operation cash flows before changes in working capital</b>	<b>1,479,091</b>	<b>514,721</b>
<b>Change in working capital</b>		
Change in receivables and deferrals	(1,165,803)	(102,770)
Change in liabilities and accruals	679,535	411,587
Change in inventories	(420,764)	(95,428)
<b>Cash flow from operating activities</b>	<b>572,059</b>	<b>728,109</b>
Paid interest	(94,056)	(26,645)
Interest received	70,185	2,870
Income tax paid for ordinary activity	(32,408)	(42,938)
<b>Net cash flow from operating activities</b>	<b>515,780</b>	<b>661,396</b>
<b>Cash flows from investing activities</b>		
Acquisition of non-current assets	(127,913)	(116,085)
Income from the sale of non-current assets	(18,950)	223
Acquisition of subsidiaries – opening balance	-	-
Acquisition of subsidiaries – cash and cash equivalents	-	-
Acquisition of other investments	-	-
Provided loans – repayments received	190,000	-
Employee benefit liabilities	-	-
<b>Net cash flow from investing activities</b>	<b>43,137</b>	<b>(115,862)</b>
<b>Cash flows from financing activities</b>		
Proceeds from the bond issue	1,984,796	5,000,000
Share premium	-	-
Dividends paid to owners	-	-
Dividends paid to non-controlling interests	-	-
Loan and interest repayment	(2,317,579)	(19,548)
<b>Net cash flow from financing activities</b>	<b>332,783</b>	<b>4,980,452</b>
<b>Net change in cash and cash equivalents</b>	<b>226,134</b>	<b>5 525,986</b>
Impact of the spin-off of the investment in CZ-AUTO	-	-
<b>Opening balance of cash and cash equivalents</b>	<b>3,573,467</b>	<b>2,358,608</b>
Effect of exchange rate on cash and cash equivalents	-	38,551
<b>Closing balance of cash and cash equivalents</b>	<b>3,799,601</b>	<b>7,923,145</b>



# COLT CZ GROUP STRUCTURE



# COLT CZ GROUP LEADERSHIP: BOARD OF DIRECTORS



## **JAN DRAHOTA**

Chairman of the Board of Directors  
CEO of Colt CZ Group  
With the Group since 2014



## **JAN ZAJÍC**

Member of the Board of Directors  
CEO of Česká zbrojovka  
More than 15 years of experience in managerial positions in industrial companies in the Czech Republic and abroad



## **ALICE POLUCHOVÁ**

Vice-Chairman of the Board of Directors  
President of CZ-USA  
More than 20 years of experience with US firearms market



## **DENNIS VEILLEUX**

Member of the Board of Directors  
CEO of Colt Holding Company  
More than 35 years of experience in armaments industry



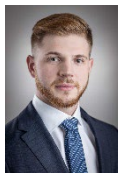
## **JOSEF ADAM**

Vice-Chairman of the Board of Directors  
General Counsel  
Extensive legal and compliance expertise



## **DAVID AGUILAR**

Independent and non-executive member  
of the Board of Directors  
35 years of experience with U.S. Customs and Border Protection and the United States Border Patrol



## **JAN HOLEČEK**

Member of the Board of Directors  
Chief Commercial Officer  
Extensive experience in marketing and sales

# COLT CZ GROUP LEADERSHIP

## Colt CZ Group Supervisory Board:



### **LUBOMÍR KOVAŘÍK**

Chairman of the Supervisory Board

Former President of the Group in 2018-2021

Former CEO of Česká zbrojovka in 2006-2017



### **JANA RŮŽIČKOVÁ**

Member of the Supervisory Board

More than 15 years in managerial and executive positions



### **VLADIMÍR DLOUHÝ**

Member of the Supervisory Board

Former Minister of Industry and Trade of the Czech Republic

More than 20 years of experience in the field of investment advice in Czech and foreign companies

## North America Leadership:



### **GENERAL (Ret.) GEORGE CASEY**

Member of the Board of Directors, CZ-US Holdings

Former US Army Chief of Staff from 2007 to 2011. Deep knowledge of the military and a demonstrated history of leadership in the armed forces, academia, the non-profit sector and industry



### **JOANNE MCCORMICK**

CEO Colt Canada

Over 23 years of business experience managing people, projects, departments and businesses in manufacturing, technology and distribution



### **JEAN-LOUIS VANDERSTRAETEN**

Member of the Board of Directors, CZ-US Holdings

Over 40 years of experience in defense contracting, business planning, operations management and corporate finance

# THANK YOU

## Colt CZ Group SE

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