

COLT CZ GROUP SE

FINANCIAL RESULTS 6M 2022

INVESTOR PRESENTATION

COLT
CZGROUP

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AGENDA AND TODAY'S PRESENTERS

AGENDA

- 1 6M 2022 AT A GLANCE
- 2 FINANCIAL HIGHLIGHTS
- 3 M&A UPDATE
- 4 OTHER EVENTS
- 5 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.

6M 2022 AT A GLANCE

REVENUES

CZK 7,049M

↑ 49% vs 6M 2021

ADJUSTED EBITDA

CZK 1,795M

↑ 49% vs 6M 2021

ADJUSTED NET PROFIT

CZK 1,183M

↑ 44% vs 6M 2021

ADJUSTED EPS

CZK 34.9

↑ 44% vs 6M 2021

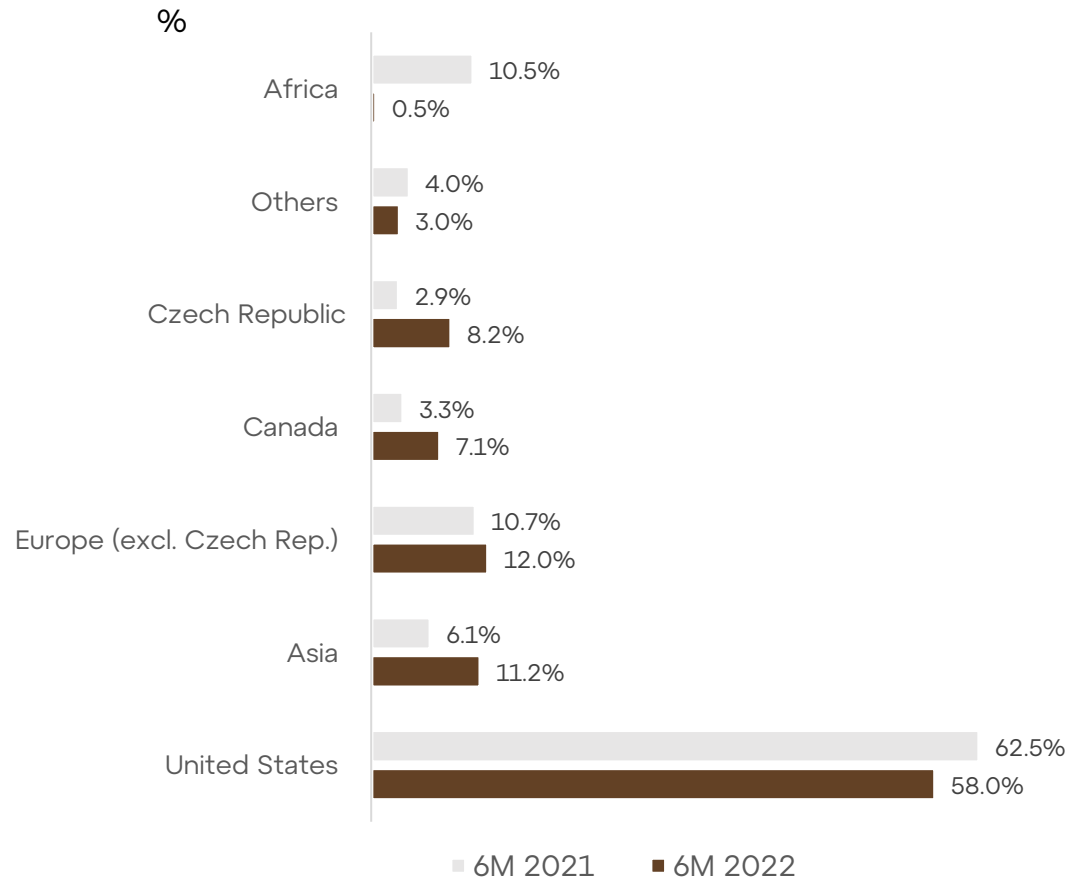
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Notes: Adjusted financials to be explained further in the presentation



6M 2022 COMMERCIAL PERFORMANCE – DETAILED VIEW

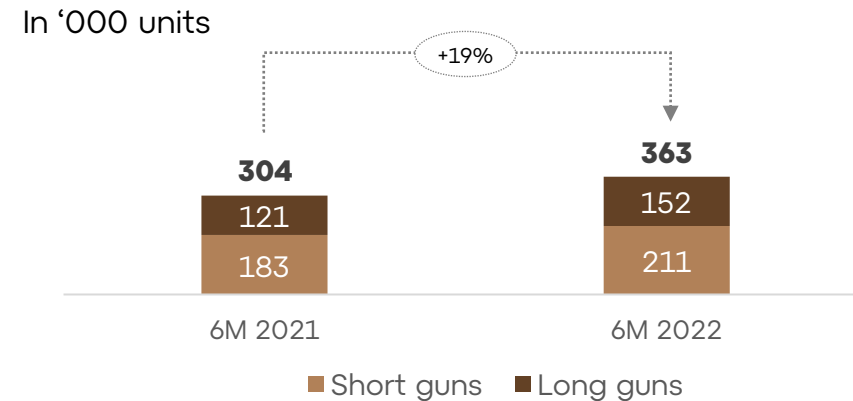
REVENUE BREAKDOWN¹ BY GEOGRAPHY



COMMENTS

- ▶ As a result of improved product mix, revenues have outpaced the number of pieces sold

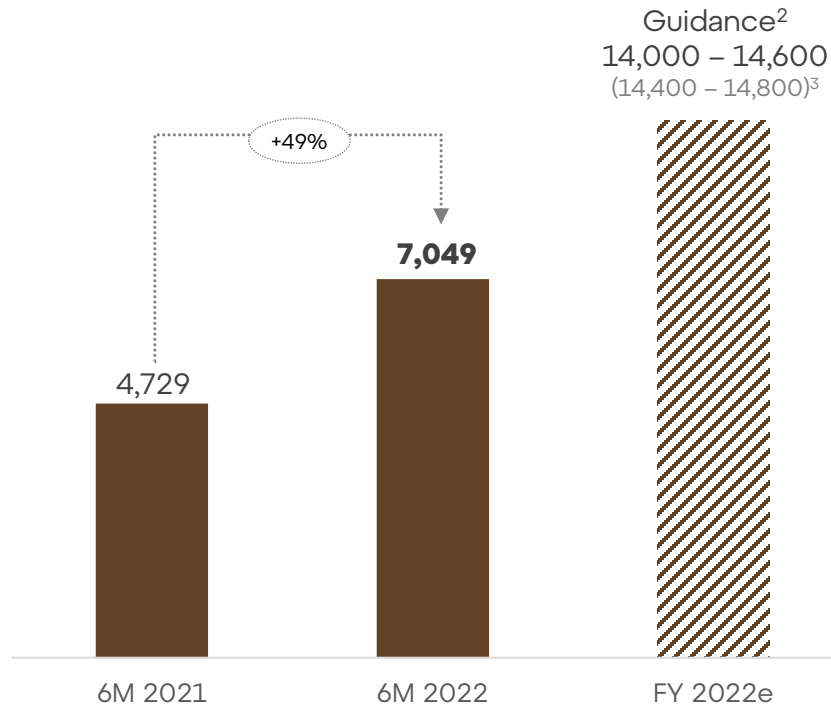
BREAKDOWN BY UNITS SOLD



EBITDA GUIDANCE CONFIRMED DESPITE CHALLENGING ENVIRONMENT

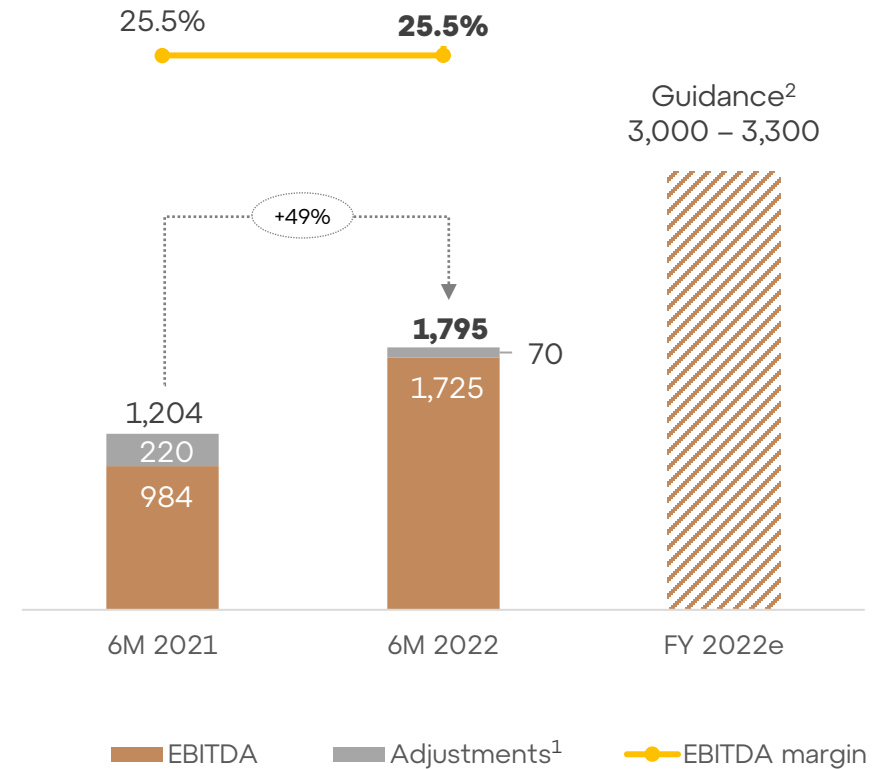
REVENUES

CZKm



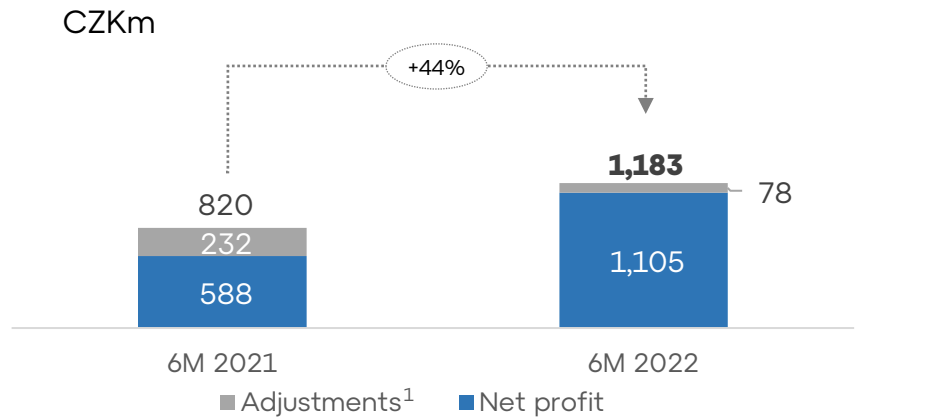
ADJUSTED EBITDA¹

CZKm/%

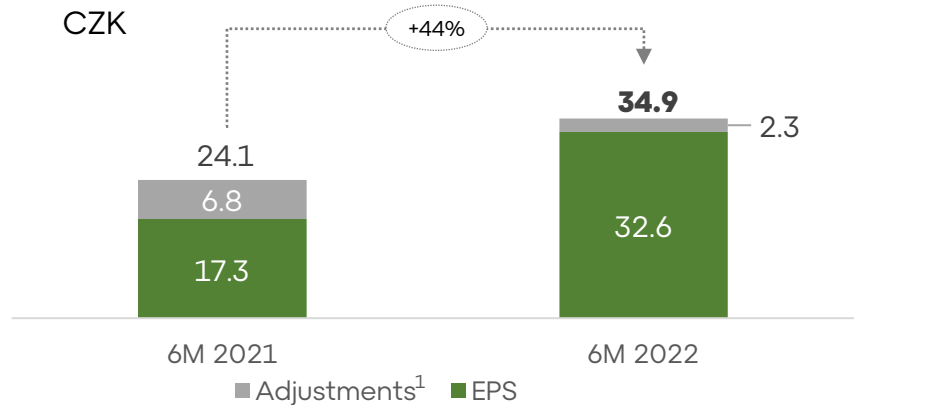


ROBUST EPS GROWTH

ADJUSTED NET PROFIT²



ADJUSTED EARNINGS PER SHARE²



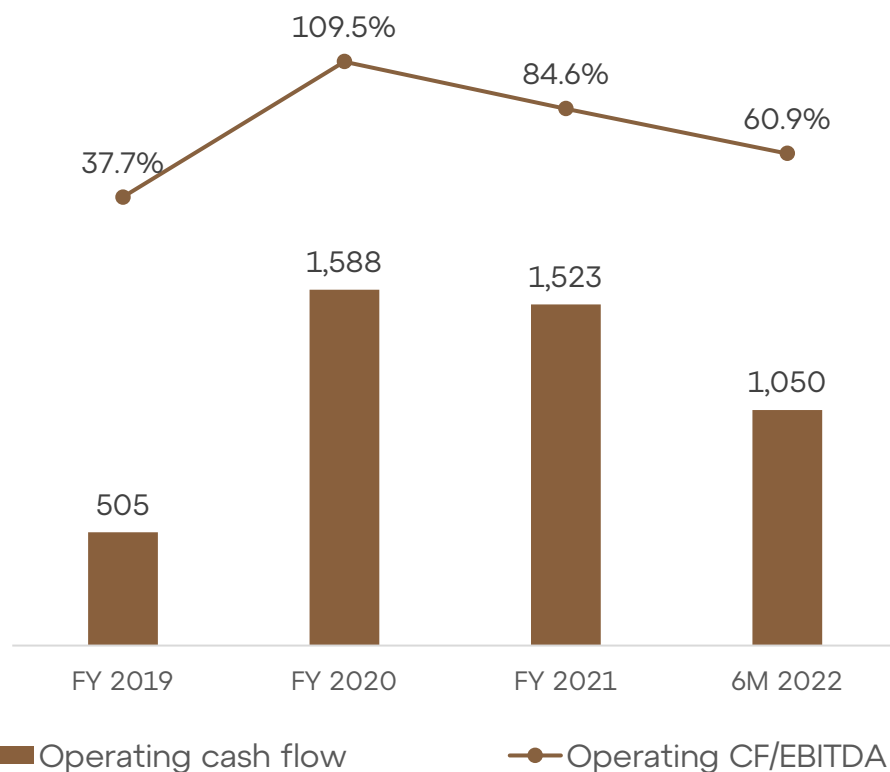
COMMENTS

- Adjustments¹ in 6M 2022 result are related to the revaluation of earnout (including tax consideration), ESOP implementation costs and advisory costs related to the unrealised M&A project

CAPEX TO FURTHER ROLL OUT & IN LINE WITH THE FULL YEAR GUIDANCE

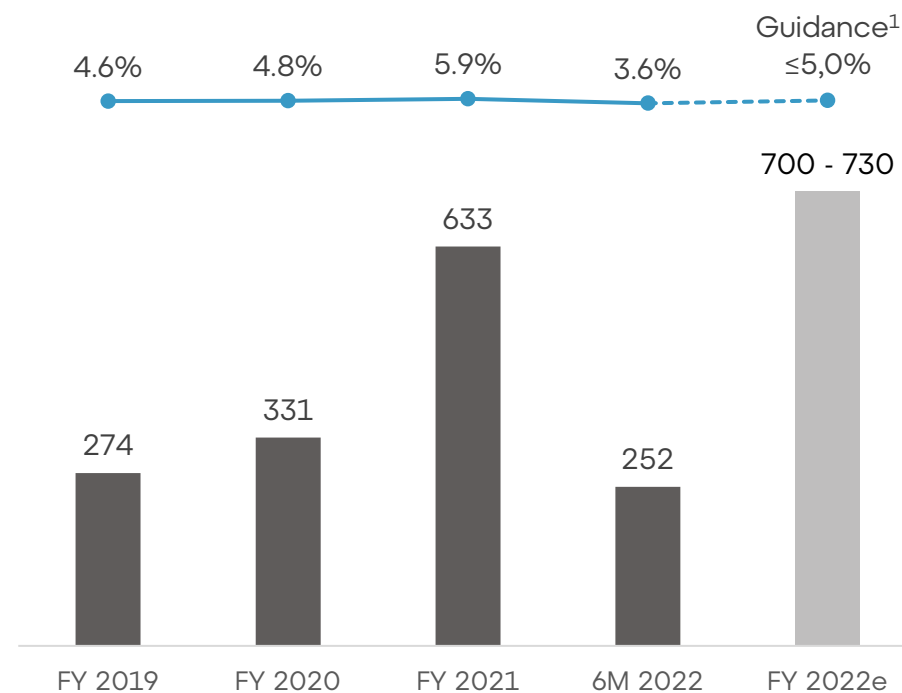
OPERATING CASH FLOW

CZKm/%



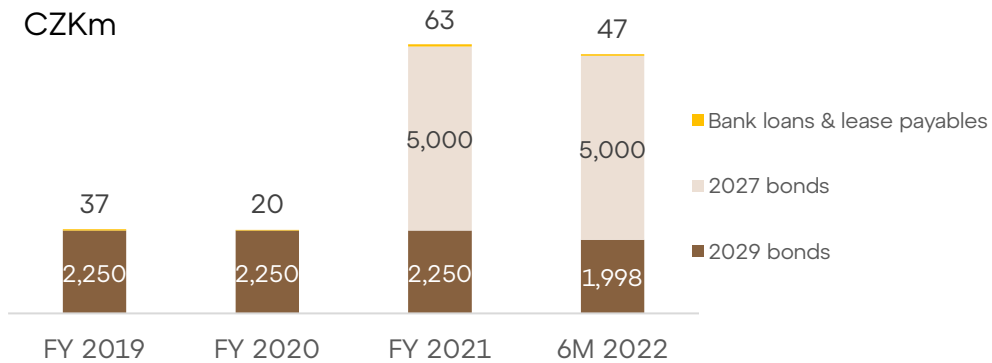
CAPITAL EXPENDITURES

CZKm/%

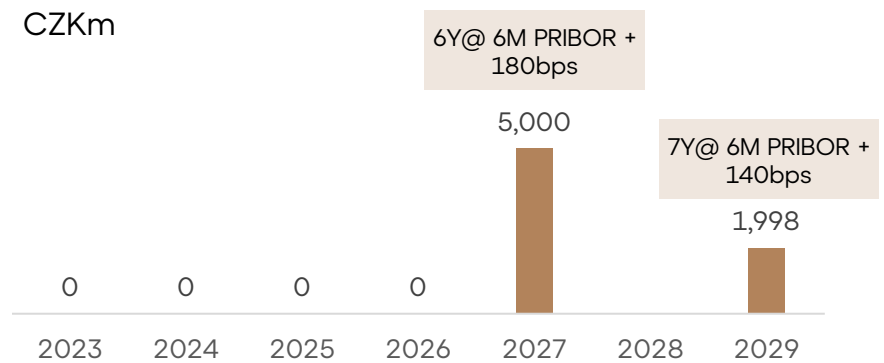


DEBT PROFILE

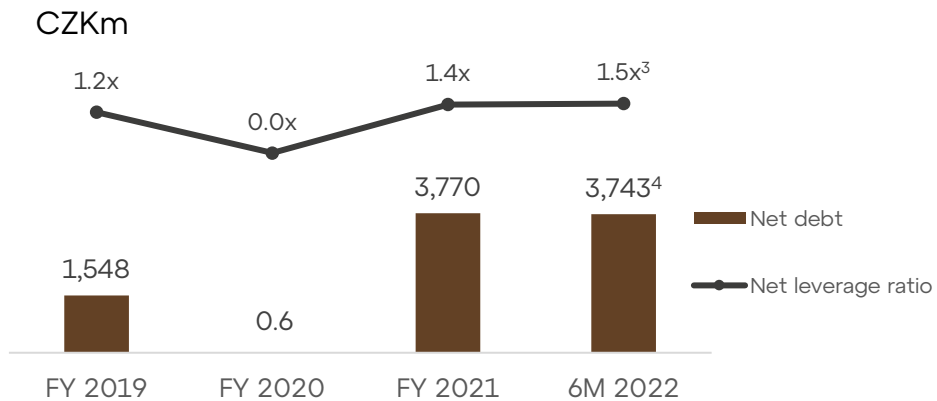
DEBT STRUCTURE



DEBT MATURITY PROFILE



NET FINANCIAL DEBT¹ & NET LEVERAGE RATIO²



COMMENTS

- ▶ Indebtedness well below bonds covenants, providing enough space for potential M&A moves

COLT CZ TO BECOME SOLE SHAREHOLDER OF SPUHR I DALBY AB

SELECTED COMPANY INFORMATION

- ▶ Based in Sweden
- ▶ Manufactures **most advanced optical mounting solutions** and **firearms upgrades**
- ▶ Employs 21 full-time employees
- ▶ Serving customer base in **30 countries**

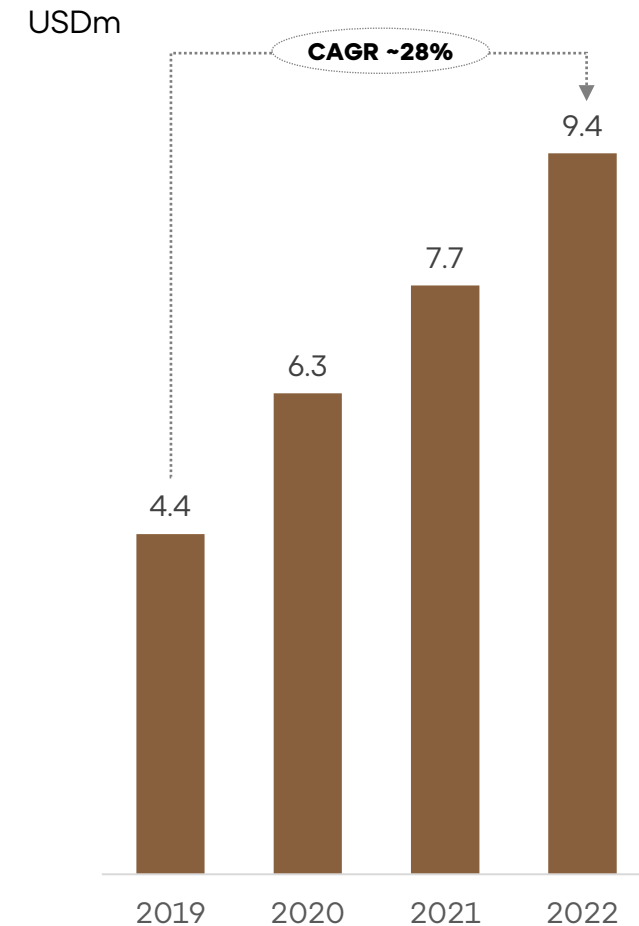
SELECTED M&LE REFERENCES



TRANSACTION INFORMATION

On 29 August 2022, Company signed the **Share Purchase Agreement for the remaining 75% equity stake** in Spuhr i Dalby AB. The transaction and transfer of shares have not been completed. The terms shall remain undisclosed until the closing.

SPUHR I DALBY REVENUES



6M 2022 RELEVANT INFORMATION



DIVIDEND PAID

- ▶ As approved on General meeting, COLT CZ has on 29/06/2022 **paid CZK 25/share** dividend to its shareholders
- ▶ **YoY increase** of approx. **+230%**



PART OF COLT EARNOUT PAID OUT

- ▶ On 30/05/2022 Group has **increased registered capital by ~1.1% of equity** as a part of the earnout consideration related to the acquisition of Colt Holding LLC



EMPLOYEE STOCK OPTION PLAN¹

- ▶ According to the IFRS classification, Group has **started recognizing impact of the Option plan** in the interim financial statements
- ▶ Approved Option program is assuming issue of new shares with **maximum current allocation of 10%**
- ▶ In 6M 2022, **~1/3** of the maximum stock option allocation, **was assigned** to the employees within the ESOP

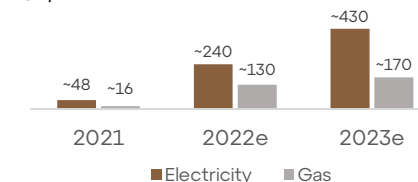


ENERGY COSTS²

- ▶ Based on the current CZUB energy hedges and latest market conditions in EU, Group expect **total energy costs³** for:
 - 2022e CZK **~240M**
 - 2023e CZK **~450M** (2021 CZK **~70M**)

BASELINE PRICES OF PLANNED ENERGY COSTS²

EUR/MWh



A dark, semi-transparent image of an industrial factory floor. In the foreground, a yellow robotic arm is mounted on a base. Behind it, there are various pieces of industrial machinery, including what appears to be a CNC machine with a control panel. The background shows more of the factory environment with overhead structures and lighting. The overall tone is industrial and professional.

**THANK YOU FOR
YOUR ATTENTION**

**COLT
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A man in a dark t-shirt is operating a yellow robotic arm in a factory. The arm is positioned over a complex metal structure. The background shows industrial machinery, including a control panel with a screen and buttons. The scene is dimly lit, with the yellow of the robot arm being a prominent color. The overall atmosphere is industrial and technical.

APPENDIX

**COLT
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ADJUSTED EBITDA RECONCILIATION

In CZK '000	6M 2022	6M 2021
Operating profit	1,303,619	712,205
Depreciation and amortization	421,584	271,933
EBITDA	1,725,203	984,138
ESOP related costs	33,780	-
ESOP related provisions for health insurance	2,293	-
M&A costs ¹	33,455	177,103
Depreciation of wasting assets	-	42,411
Adjusted EBITDA	1,794,731	1,203,652

ADJUSTED NET PROFIT RECONCILIATION

In CZK '000	6M 2022	6M 2021
Earnings before tax	1,392,797	748,994
Tax expenses	(288,092)	(161,079)
Net income	1,104,705	587,915
Earn-out related costs ¹	28,856	43,943
ESOP related costs	33,780	-
ESOP related provisions for health insurance	2,293	-
M&A costs ²	33,455	177,103
Depreciation of wasting assets	-	42,411
One-off expenses related to the bond issue	-	31,412
Adjusted earnings before tax (Adj. EBT)	1,491,181	1,043,863
Effective tax rate on Adj. EBT (6M 2022 ~20.68%; 6M 2021 ~21.50%)	(308,376)	(224,431)
Adjusted Net Income	1,182,805	819,432

CONSOLIDATED PROFIT AND LOSS STATEMENT

In '000 CZK	30 Jun 2022	30 Jun 2021
Revenues from the sale of own products, goods and services	7,049,170	4,728,737
Other operating income	36,851	26,376
Change in inventories developed internally	972,245	(38,555)
Own work capitalized	96,972	65,849
Raw materials and consumables used	(3,973,056)	(2,029,634)
Services	(971,228)	(886,013)
Personnel costs	(1,369,613)	(787,331)
Depreciation and amortization	(421,584)	(271,933)
Other operating expenses	(116,775)	(95,291)
Allowances	637	-
Operating profit	1,303,619	712,205
Interest income	152,478	8,210
Interest expense	(240,933)	(62,075)
Other financial income	134,022	476,749
Other financial expenses	(47,971)	(393,886)
Gains or losses from derivative transactions	80,279	-
Share in the profit of associates after tax	11,303	7,791
Profit before tax	1,392,797	748,994
Income tax	(288,092)	(161,079)
Profit for the period	1,104,705	587,915
Items that may be subsequently reclassified to the statement of profit or loss		
Cash flow hedges – remeasurement of effective portion of hedging instruments	113,064	(3,430)
Foreign currency translation of foreign operations	(103,374)	(29,577)
Other comprehensive income	9,690	(33,007)
Comprehensive income for the period	1,114,395	554,908
Profit for the period attributable to:		
Owner of the parent company	1,104,705	584,766
Non-controlling interests	-	3,149
Comprehensive income for the period attributable to:		
Owner of the parent company	1,114,395	551,393
Non-controlling interests	-	3,515
Net earnings per share attributable to the owner of the parent company (CZK per share)		
Basic	33	17
Diluted	32	17

CONSOLIDATED BALANCE SHEET 1/2

In '000 CZK	30 Jun 2022	31 Dec 2021
ASSETS		
Non-current assets		
Intangible assets	3,507,336	3,505,464
Goodwill	2,390,127	2,390,127
Property, plant and equipment	2,910,429	2,810,115
Equity-accounted securities and investments	97,618	109,445
Financial derivatives	289,050	171,195
Trade and other receivables	38,919	58,999
Other receivables	4,991	11,163
Deferred tax asset	-	-
Total non-current assets	9,238,470	9,056,508
Current assets		
Inventories	3,966,687	2,861,673
Trade and other receivables	1,290,328	1,012,879
Provided loans	24,200	197,973
Financial derivatives	86,974	156,118
Other receivables	234,759	148,098
Tax assets	40,724	6,357
Cash and cash equivalents	3,408,710	3,573,467
Total current assets	9,052,382	7,956,565
Total assets	18,290,852	17,013,073

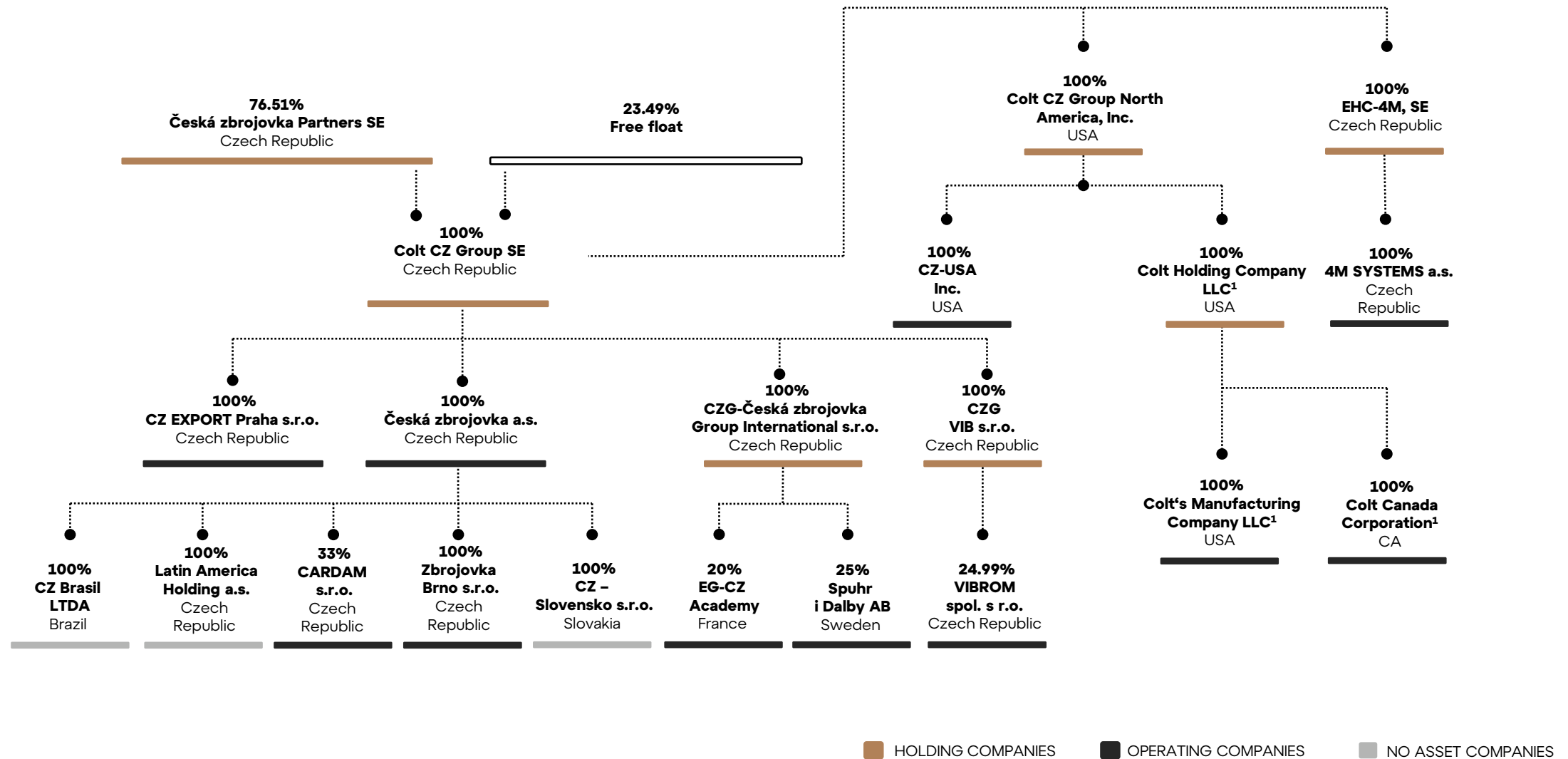
CONSOLIDATED BALANCE SHEET 2/2

In '000 CZK	30 Jun 2022	31 Dec 2021
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	3,410	3,374
Own shares	(227,211)	-
Share premium	1,366,386	1,139,211
Capital funds	1,641,512	1,641,512
Cash flow hedge reserve	233,047	119,983
Foreign exchange translation reserve	(304,772)	(201,398)
Accumulated profits	2,834,215	2,539,146
Non-controlling interests	5,546,587	5,241,828
Total equity		
Non-current liabilities		
Bonds, bank loans and borrowings	6,960,529	4,972,647
Financial derivatives	381,985	270,515
Lease liabilities	26,414	32,606
Other financial liabilities	213,094	372,531
Trade and other payables	5,788	5,422
Other payables	23,290	27,357
Provisions	68,713	63,695
Deferred tax liability	778,959	789,646
Employee benefit liabilities	378,869	357,707
Total non-current liabilities	8,837,641	6,892,126
Current liabilities		
Bonds, bank loans and borrowings	143,669	2,317,579
Financial derivatives	141,922	20,097
Lease liabilities	21,042	20,695
Other financial liabilities	423,007	185,568
Trade and other payables	1,719,817	1,116,373
Other payables	1,185,402	1,073,755
Provisions	59,100	50,780
Tax liabilities	191,870	76,156
Employee benefit liabilities	20,795	18,116
Total current liabilities	3,906,624	4,879,119
Total liabilities	12,744,265	11,771,245
Total equity and liabilities	18,290,852	17,013,073

CONSOLIDATED CASH FLOW STATEMENT

In '000 CZK	30 Jun 2022	30 Jun 2021
Cash flows from principal economic activity (operating activity)		
Profit from ordinary activity before tax	1,392,797	741,203
Depreciation/amortization of non-current assets	421,584	271,933
Change in allowances and provisions	(2,160)	63,573
Loss from the sale of non-current assets	-	4
Interest expense and interest income	88,455	53,865
Share in the profit of associates	11,303	7,791
Unrealized foreign exchange gain and losses	(362,175)	-
Contingent consideration - revaluation	28,856	43,943
Cash flow hedging – revaluation of the effective part of hedging instruments	113,064	(3,430)
Share-based payments	33,780	-
Adjustments for other non-current operations	6,562	(149,856)
Net operation cash flows before changes in working capital	1,732,066	1,029,026
Change in working capital		
Change in receivables and deferrals	(345,765)	(498,392)
Change in liabilities and accruals	925,684	1,097,039
Change in inventories	(1,101,192)	(213,246)
Cash flow from operating activities	1,210,793	1,414,427
Paid interest	(97,264)	(45,847)
Interest received	111,135	5,682
Income tax paid for ordinary activity	(174,260)	(180,668)
Net cash flow from operating activities	1,050,404	1,193,594
Cash flows from investing activities		
Acquisition of non-current assets	(252,379)	(239,722)
Income from the sale of non-current assets	(29,084)	332
Acquisition of subsidiaries – opening balance	-	(4,695,237)
Acquisition of subsidiaries – cash and cash equivalents	-	(416,378)
Acquisition of other investments	(16,675)	-
Provided loans – repayments received	190,000	-
Employee benefit liabilities	(7,477)	-
Net cash flow from investing activities	(115,615)	(5,351,005)
Cash flows from financing activities		
Proceeds from the bond issue	1,984,796	5,286,152
Dividends paid to owners	(843,416)	-
Loan and interest repayment	(2,317,579)	-
Net cash flow from financing activities	1,176,199	5,286,152
Net change in cash and cash equivalents	(241,410)	1,118,868
Opening balance of cash and cash equivalents	3,573,467	2,358,608
Effect of exchange rate on cash and cash equivalents	76,653	(9,874)
Closing balance of cash and cash equivalents	3,408,710	3,477,476

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

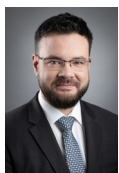


JAN ZAJÍC

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



JOSEF ADAM

Vice-Chairman of the Board of Directors

General Counsel

Extensive legal and compliance expertise

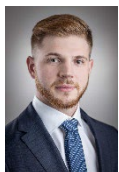


DENNIS VEILLEUX

Member of the Board of Directors

CEO of Colt Holding Company

More than 35 years of experience in armaments industry



JAN HOLEČEK

Member of the Board of Directors

Chief Commercial Officer

Extensive experience in marketing and sales



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

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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