

COLT CZ GROUP SE

PRELIMINARY FINANCIAL RESULTS 2024

INVESTOR PRESENTATION

COLT
CZGROUP

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AGENDA AND TODAY'S PRESENTERS

AGENDA

1 FY 2024 AT A GLANCE

2 FINANCIAL HIGHLIGHTS

3 2025 GUIDANCE

4 APPENDIX

PRESENTERS



JAN DRAHOTA

Chairman of the Board of Directors
Colt CZ Group SE



RADEK MUSIL

Vicechairman 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.



JANA MATOUŠKOVÁ

Head of Group Finance
Colt CZ Group SE

2024 PRELIMINARY UNAUDITED RESULTS

REVENUES

CZK 22,376 m

↑ 50.6% vs 2023

ADJUSTED NET PROFIT

CZK 1,933 m

↓ 5.7% vs 2023

PRO FORMA REVENUES

CZK 25,095 m

↑ 68.9% vs 2023

ADJUSTED EBITDA

CZK 4,599 m

↑ 50.9% vs 2023

ADJUSTED EPS

CZK 41

↓ 29.8% vs 2023

PRO FORMA ADJUSTED EBITDA

CZK 5,430 m

↑ 78.1% vs 2023



PRELIMINARY RESULTS 2024 – COMMENTS

Record organic growth of revenues (+17.6%), accompanied with a flat adj. EBITDA profitability.

The acquisition of S&B had a significant positive effect on both revenue growth and adjusted EBITDA, supported by the company's strong operating profitability.

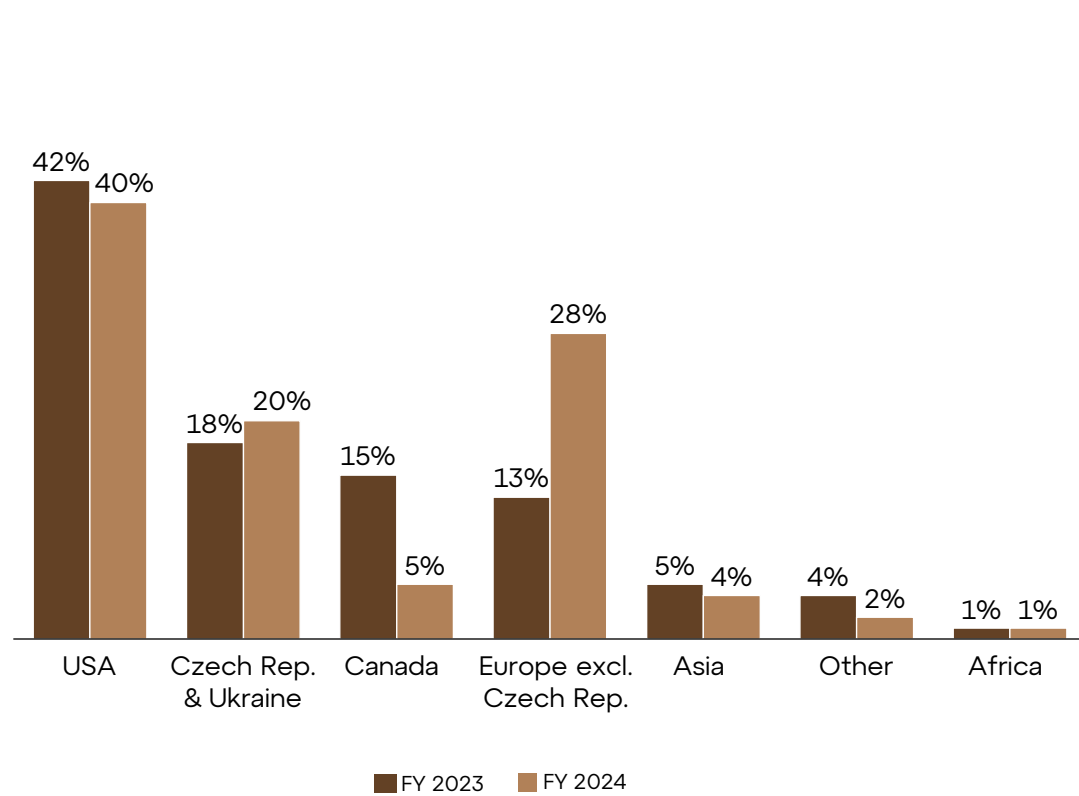
Double-digit revenue growth achieved on the US commercial market (+26.8%), below-expected profitability performance of the US business due to relatively unfavorable product mix, unsuccessful entry of Colt to the bolt action rifle market (bad market timing resulting in inventory write off) and insufficient cost control. Profitability in North America further impacted by new projects/investments for future (Mk 47 etc.).

Net profit down due to higher interest costs. Post ABB net leverage down to 2.26x.

REVENUES – SIGNIFICANT SHIFT DUE TO S&B CONSOLIDATION

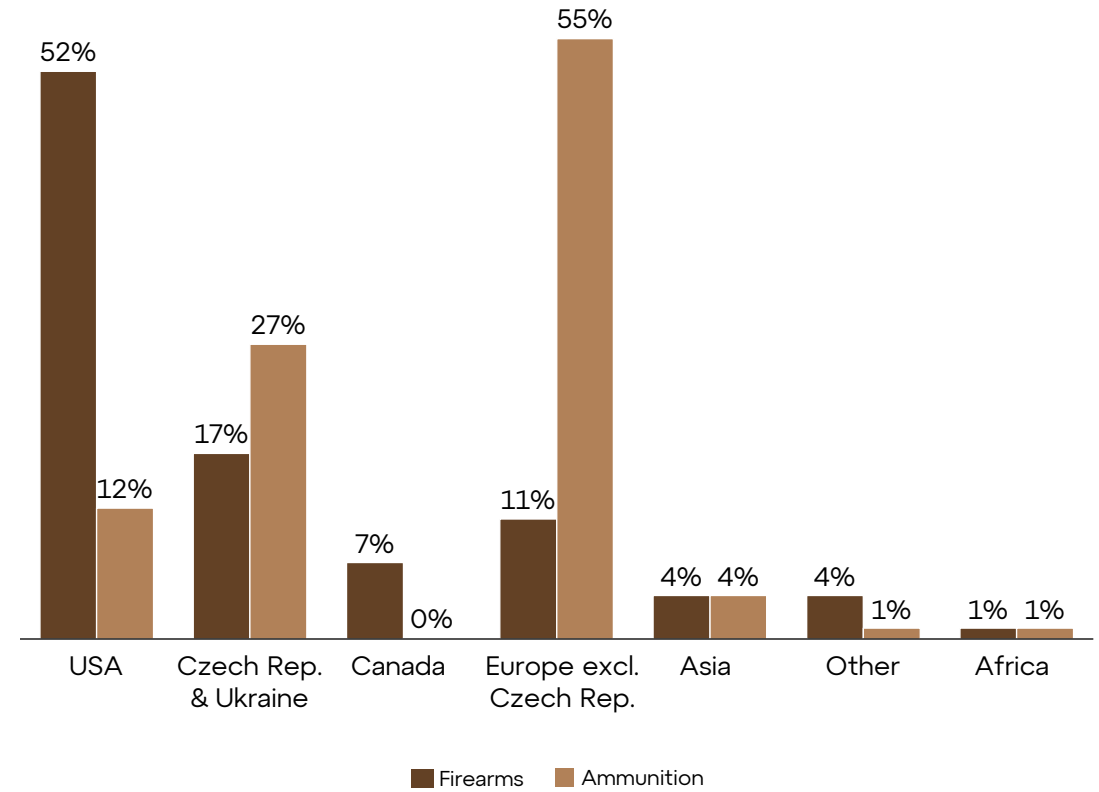
REVENUE BREAKDOWN BY GEOGRAPHY

In % of total revenues



REVENUE BREAKDOWN BY GEOGRAPHY – SEGMENTS

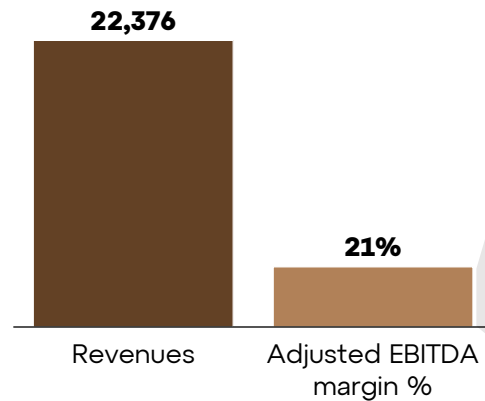
In % of total revenues



REVENUES AND EBITDA MARGIN - OWN PRODUCTION VS TRADING

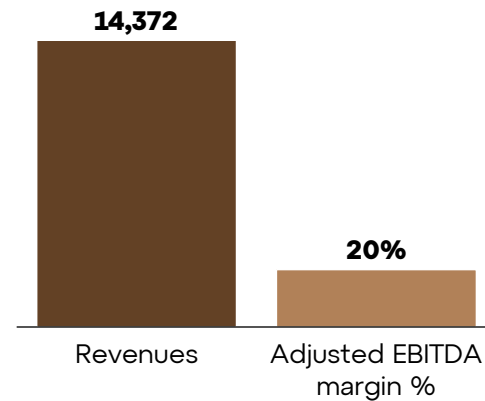
REVENUE & ADJ. EBITDA MARGIN

In CZK m



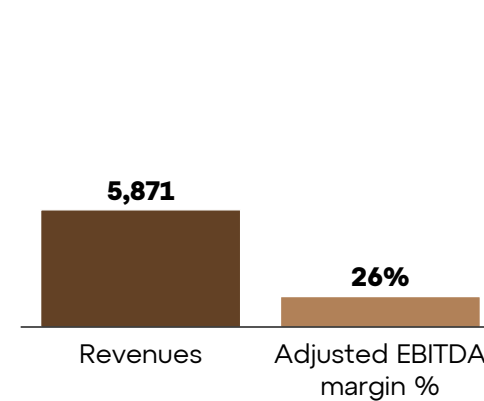
OWN PRODUCTION FIREARMS

In CZK m



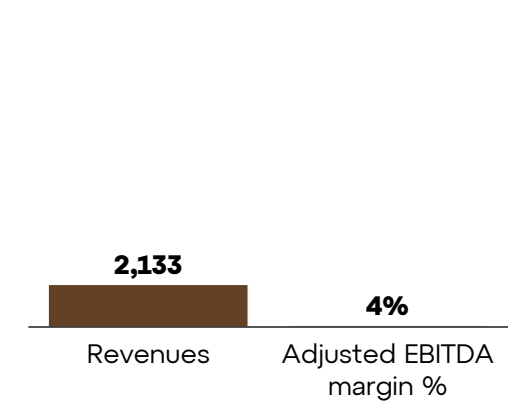
OWN PRODUCTION AMMUNITION

In CZK m



TRADING

In CZK m

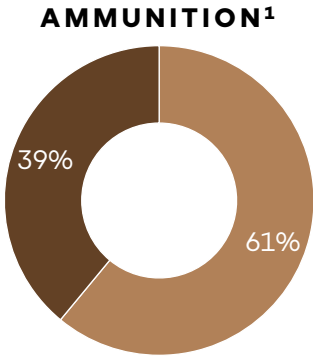
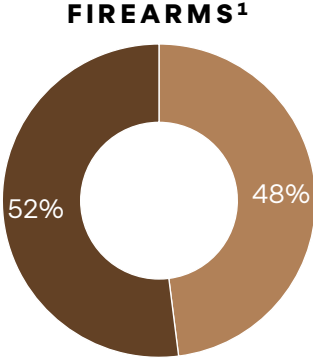
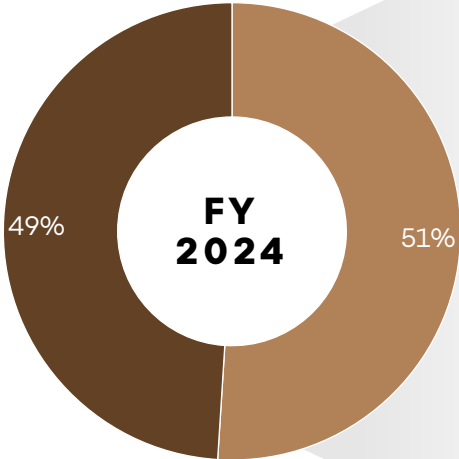
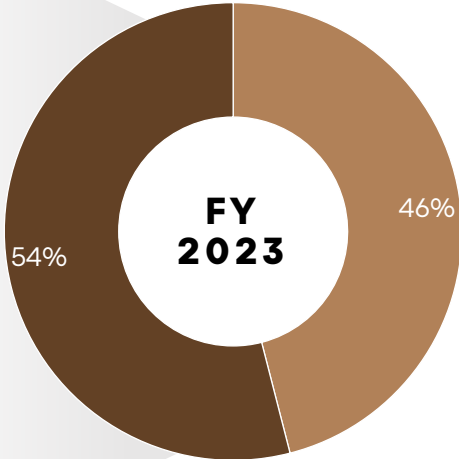
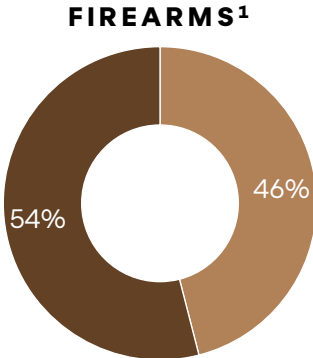


FY 2024 CUSTOMER SEGMENTS SPLIT 50:50

FY2023

REVENUES BY TYPE OF CUSTOMER

FY 2024



■ Commercial ■ Military and Law Enforcement

COMMENTS

► MLE share grew from 10% to 50% since IPO

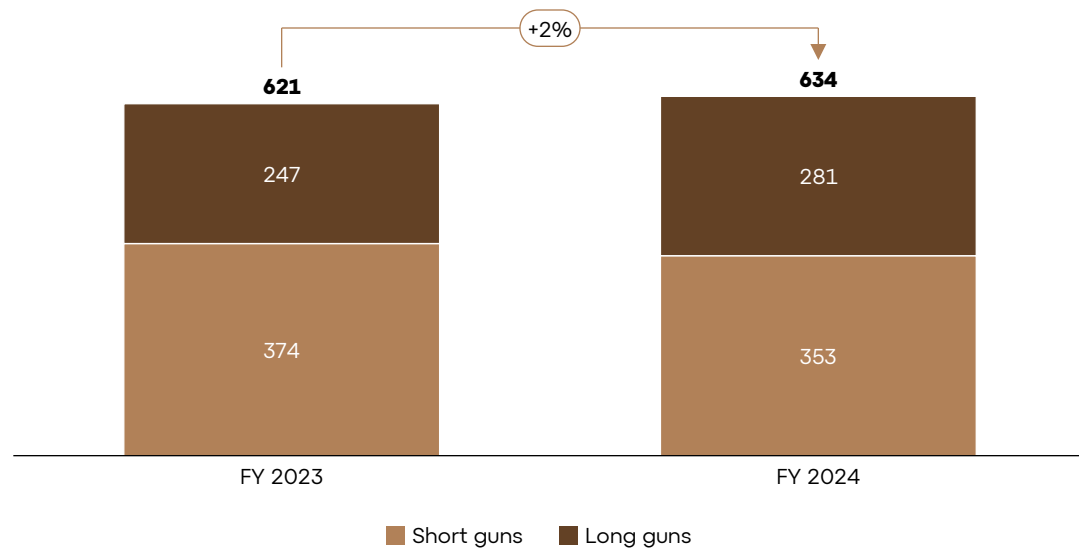


Notes: 1 - In percentage of total revenues

FY 2024 RECORD YEAR IN GROUP'S HISTORY

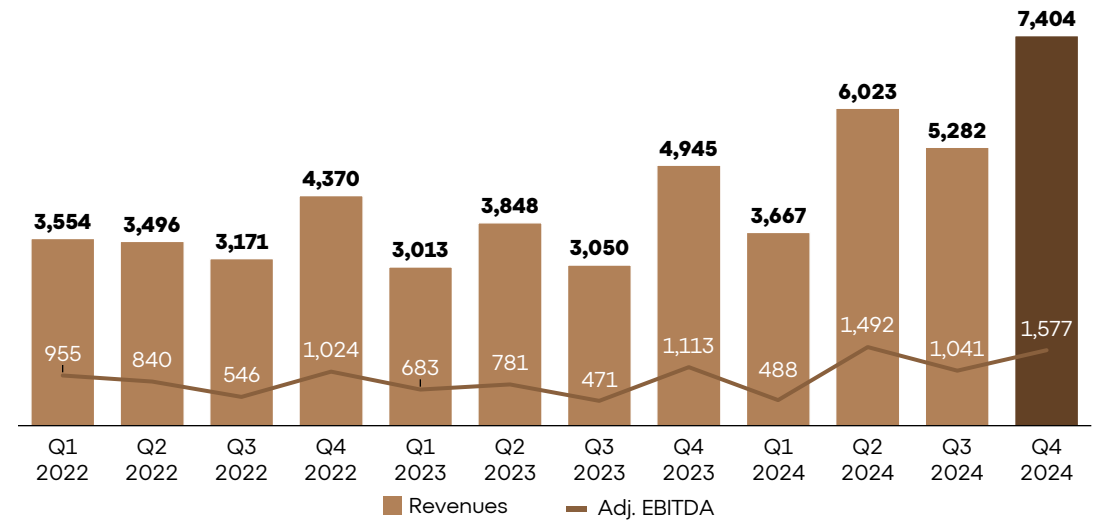
BREAKDOWN BY FIREARMS UNITS SOLD

In '000 units



QUARTERLY REVENUES & ADJ. EBITDA SEASONALITY

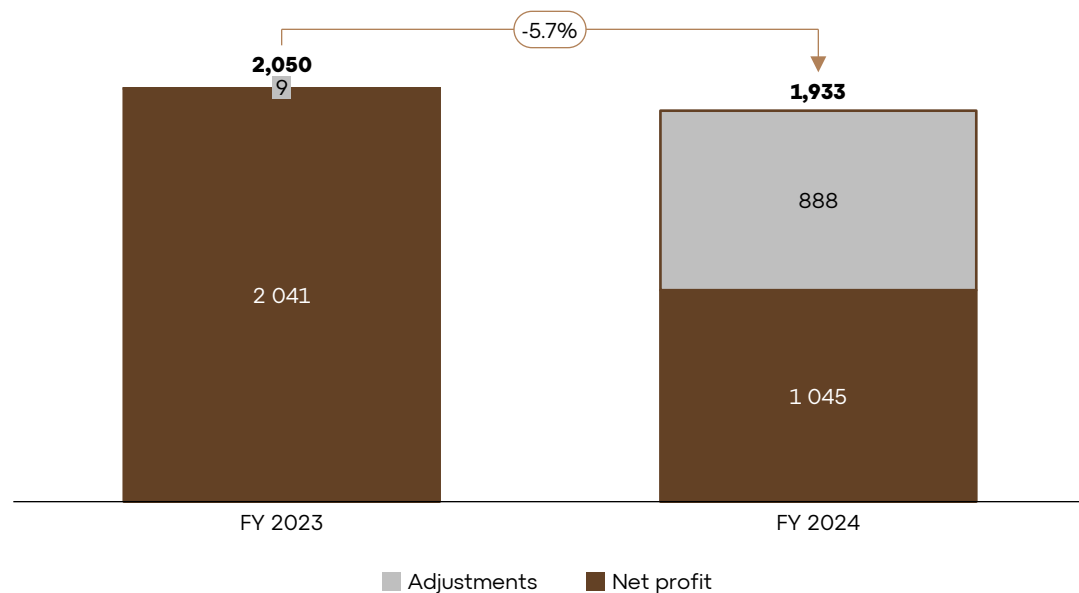
In CZK m



FY 2024 NET PROFIT AFFECTED BY FINANCIAL RESULT AND ONE-OFFS

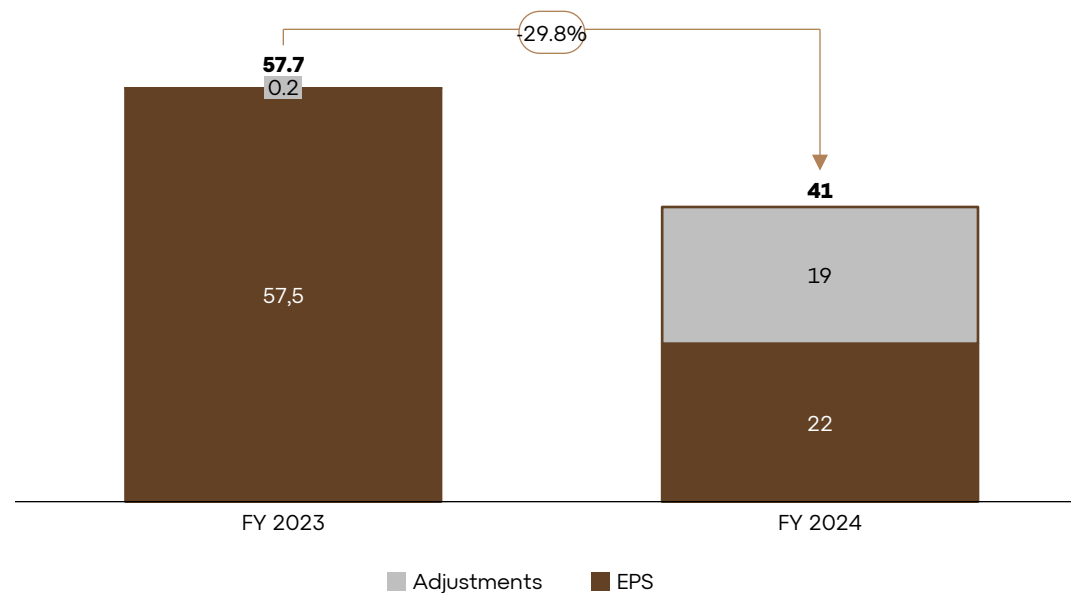
ADJUSTED VS. REPORTED NET PROFIT

In CZK m



ADJUSTED EARNINGS PER SHARE¹

In CZK



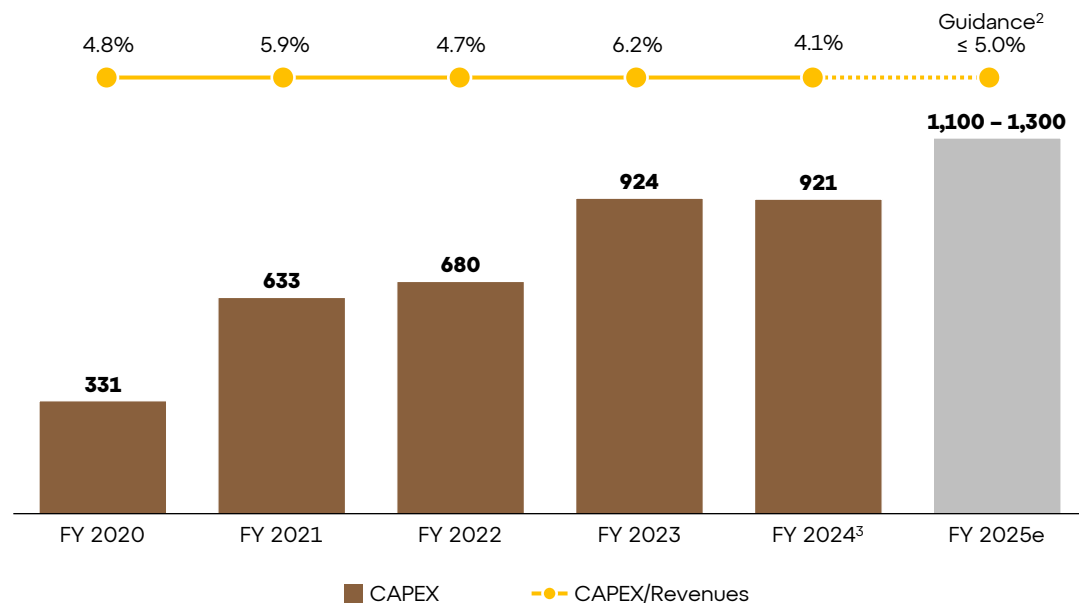
COMMENTS

- Full breakdown of adjustments available on page 21

CAPEX IN LINE WITH 2024 GUIDANCE

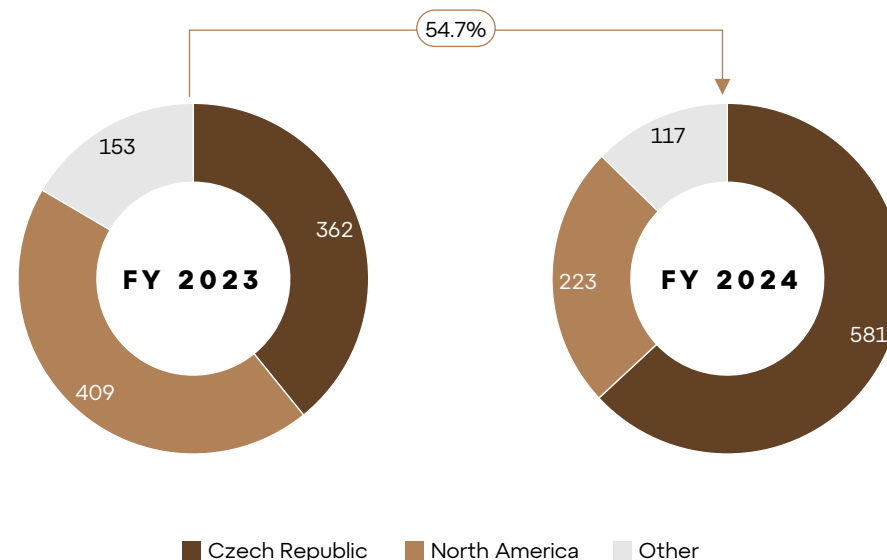
CAPITAL EXPENDITURES¹

CZK m/%



CAPEX GEOGRAPHICAL SPLIT

In CZK m



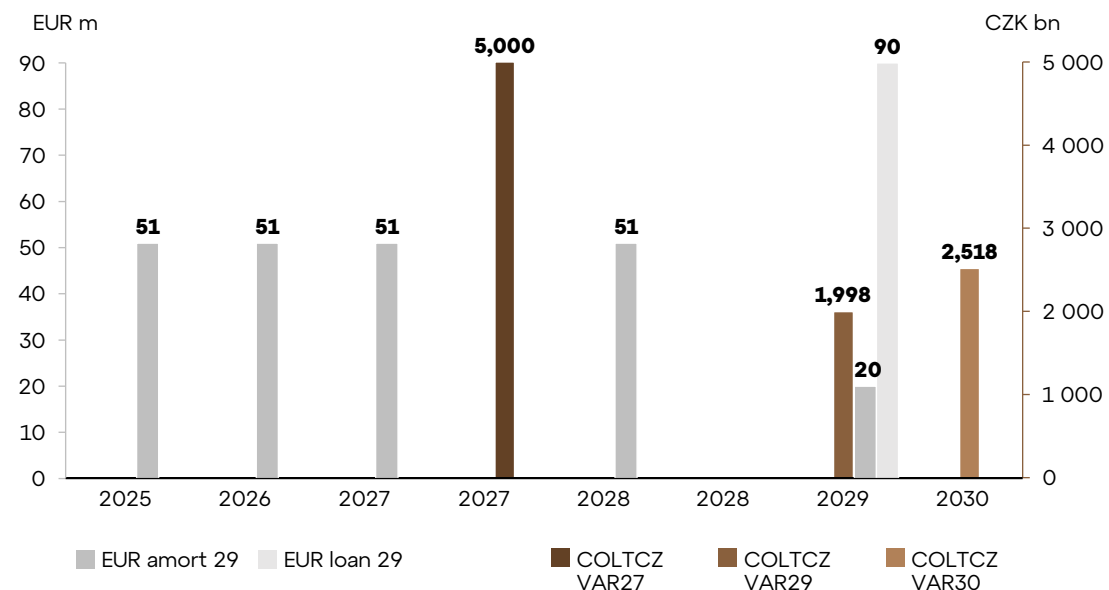
COMMENTS

- ▶ FY 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, mainly in capacity increase, innovation, modernization and automatization of manufacturing processes
- ▶ FY 2025 CAPEX guidance in line with medium-term strategy

NET LEVERAGE DOWN POST ABB TRANSACTION

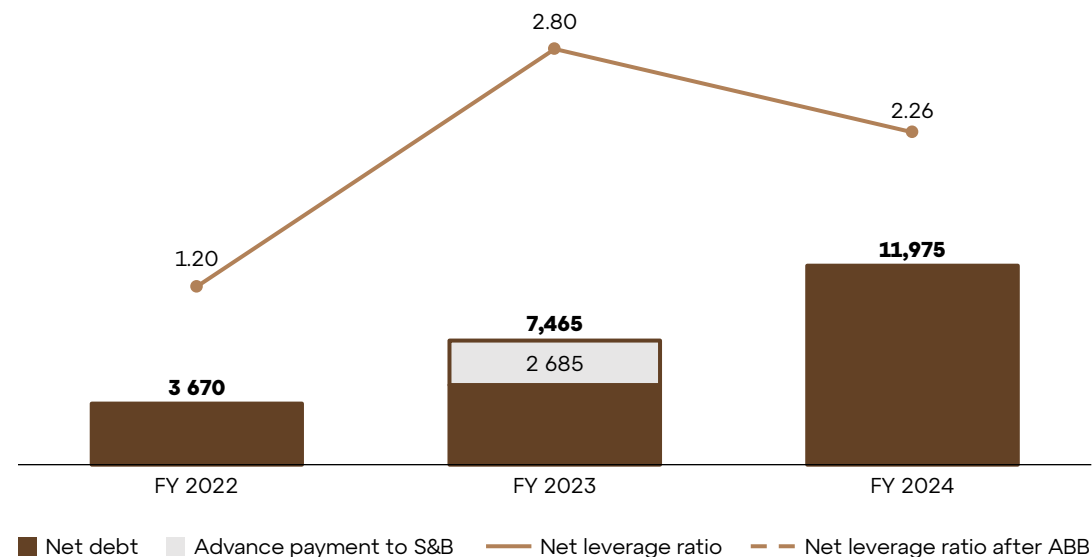
EXPECTED DEBT MATURITY PROFILE (INC. ACQUISITION FINANCING)

In CZK bn/EUR m



NET FINANCIAL DEBT¹ & NET LEVERAGE RATIO²

In CZK m



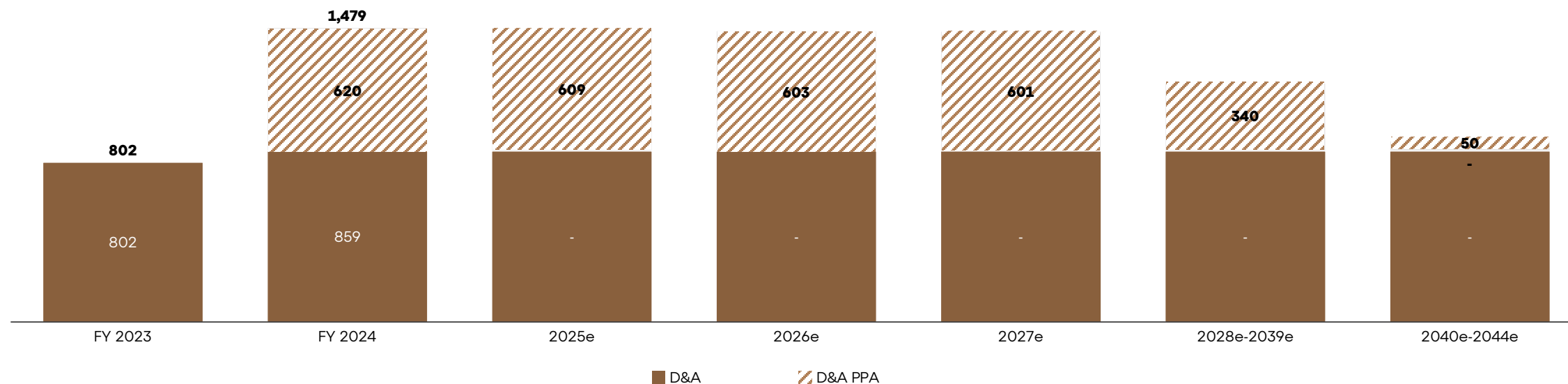
COMMENTS

- ▶ Net leverage significantly below 3x as communicated by the Company, creating room for potential M&A
- ▶ In December company repaid part for the S&B acquisition loan in the amount of EUR 94 m
- ▶ Cash generative business of both businesses will allow leverage reduction going forward, with expected acquisition loan repayment by 2029
- ▶ Preference of bonds to loans

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
- ▶ Significant impact on net profit and EPS in the next 3 years, approximately CZK 600 m impact on the net profit per year

PRIORITIES AND GUIDANCE 2025

REVENUES

CZK 25 bn

↑ 12% yoy

plus/minus 7%

EBITDA

CZK 5.5 bn

↑ 20% yoy

plus/minus 7%

Net interest costs CZK 631 mio

Indicative split per quarters

CZK bn	Q1	Q2	Q3	Q4	FY 2025
Revenues	5.2	6.3	6	7.5	25
Adj. EBITDA	1.0	1.5	1.3	1.7	5.5



PRIORITIES AND GUIDANCE 2025

The Board of Directors will propose a cash dividend of CZK 847 million (CZK 15 per share) for 2024, representing 44% of the adjusted net profit. Separately, the Board also plans to allocate CZK 847 million for a share buyback program. This buyback is intended to enhance long-term shareholder value by supporting EPS growth and potentially increasing the stock's free float.

We see significant, “once in a generation” business opportunities in the M&LE segment globally, NATO and EU countries remain priority, but selected Asian countries could have significant importance as well. Key will be to finalise/win and to execute on time.

We intend to continue support of Ukraine via 2 key projects – CZ BREN 2 ToT, S&B ammunition technology provision.

The US commercial market to develop in line with the overall economy and consumer behavior, no political impulses expected due to the very firm pro gun stance of the current administration and Congress. Introduction of new products is the key for success. Strong pipeline aligned for both CZ and Colt.

Disciplined approach to costs overall, but a special emphasis on the North America business, focus on the right insourcing and realization of operational efficiencies.

Are there segments which will become significant due to the changing landscape and where Colt CZ Group should be present? (larger/new calibers - both ammo and firearms, UAV etc.?).

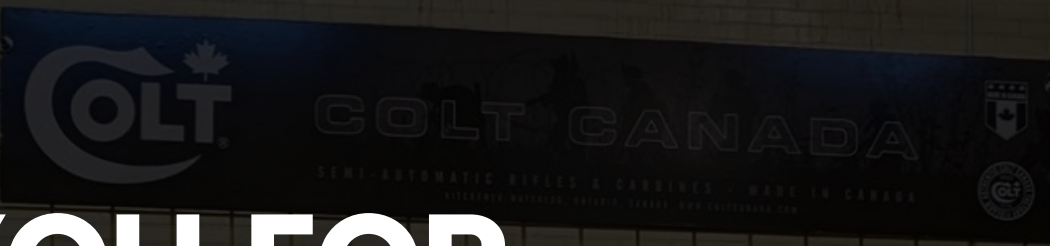
RISKS AND OPPORTUNITIES FOR GUIDANCE

RISKS

- ▶ Further deterioration of the US commercial market, global economic outlook
- ▶ Timing to market of key products in the pipeline
- ▶ Several significant M&LE projects still to be finalized to be able to start potential deliveries (strongly weighted towards Q3 and Q4 of 2025)
- ▶ FX development (only EBITDA impact as company well hedged)

OPPORTUNITIES

- ▶ Some of the potential contracts would be historically large for the Group if finally signed, and deliveries started in 2025.
- ▶ Impact of trading activities of non-produced products should be more significant in terms of profitability in 2025, but still uncertainty on timing/size.



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, including pipes, cables, and mechanical parts. The machine is primarily white and grey, with some red accents. In the foreground, there are several orange diagonal lines that create a sense of motion and depth. The overall lighting is dim, highlighting the metallic surfaces of the machinery.

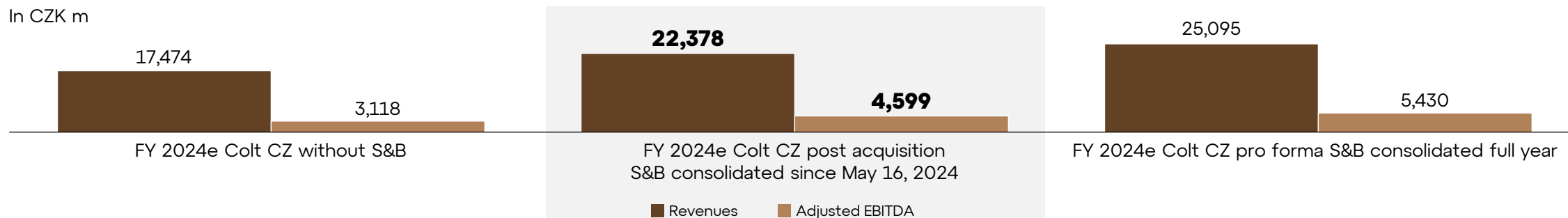
APPENDIX

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FY 2024 GUIDANCE VS ACTUALS

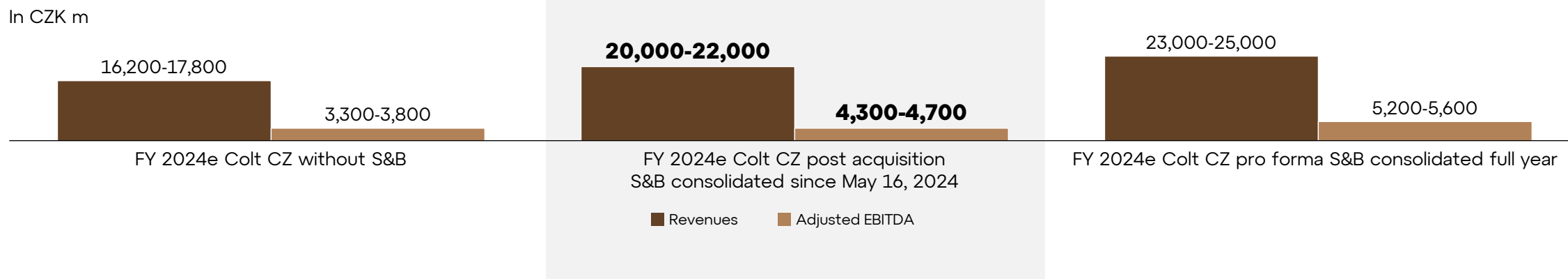
ACTUAL

In CZK m



GUIDANCE

In CZK m



ADJUSTED EBITDA RECONCILIATION

In CZK '000	FY 2024	FY 2023
Operating profit	2,001,018	1,861,966
Depreciation and amortization	1,478,824	801,721
EBITDA	3,479,842	2,663,687
ESOP related costs	418,730	313,455
M&A costs ¹	14,960	71,237
S&B inventory step up	513,596	-
S&B commodity hedging	56,334	-
Wasted project – Bolt action rifles	69,624	-
Wasted project – Foundry	21,642	-
Legacy costs	24,136	-
Adjusted EBITDA	4,598,864	3,048,379

ADJUSTED NET PROFIT RECONCILIATION

In CZK '000	FY 2024	FY 2023
Earnings before tax	1,379,838	2,509,562
Tax expenses	(335,263)	(467,024)
Net income	1,044,575	2,042,538
Earn-out revaluation	-	-
ESOP related costs	418,730	313,455
M&A costs ¹	14,960	71,237
Wasted project – Bolt action rifles	69,624	-
Wasted project – Foundry	21,642	-
Legacy costs	24,136	-
S&B inventory step up	513,596	-
Negative goodwill	-	(384,482)
Bank fee – acquisition loan S&B	100,864	-
One-off expenses related to the bond issue	10,289	8,641
Adjusted earnings before tax (Adj. EBT)	2,553,679	2,518,413
Effective tax rate on Adj. EBT (2024 ~24.3%; 2023 ~18.6%)	(620,474)	(468,671)
Adjusted Net Income	1,933,205	2,049,742

NET INTEREST COSTS GUIDANCE

In CZK '000 000;	G 2025
Interest expenses	898
Hedging impact	-124
Deposit revenues	-143
Net interest costs	631
Effective interest rate	3.7%

ASSUMPTIONS

- ▶ Stable FX rate EUR/CZK
- ▶ No extraordinary debt repayment
- ▶ Stable market interest rates

CONSOLIDATED PROFIT AND LOSS STATEMENT

In '000 CZK	31 Dec 2024	31 Dec 2023
Revenues from the sale of own products, goods and services	22,375,792	14,855,581
Other operating income	159,638	89,789
Change in inventories developed internally	(629,980)	887,593
Own work capitalized	338,746	172,976
Raw materials and consumables used	(11,335,766)	(8,065,419)
Services	(2,487,683)	(1,959,627)
Personnel costs	(4,489,688)	(3,083,096)
Depreciation and amortization	(1,478,824)	(801,721)
Other operating expenses	(331,521)	(210,225)
Allowances	(119,696)	(23,885)
Operating profit	2,001,018	1,861,966
Interest income	784,854	756,541
Interest expense	(1,307,949)	(894,604)
Other financial income	113,159	251,596
Other financial expenses	(202,902)	(72,120)
Gains or losses from derivative transactions	(8,872)	221,019
Bargain purchase gain	-	384,482
Share in the profit of associates after tax	530	682
Profit before tax	1,379,838	2,509,562
Income tax	(335,263)	(467,024)
Profit for the period	1,044,575	2,042,538
Items that may be subsequently reclassified to the statement of profit or loss		
Cash flow hedges – remeasurement of effective portion of hedging instruments	(803,310)	(468,398)
Foreign currency translation of foreign operations	74,551	183,745
Other comprehensive income	(728,759)	(284,653)
Comprehensive income for the period	315,816	1,757,885
Profit for the period attributable to:		
Owner of the parent company	1,044,575	2,042,538
Comprehensive income for the period attributable to:		
Owner of the parent company	315,816	1,757,885
Net earnings per share attributable to the owner of the parent company (CZK per share)		
Basic	22	58
Diluted	22	58

CONSOLIDATED BALANCE SHEET 1/2

In CZK '000	31 Dec 2024	31 Dec 2023
ASSETS		
Non-current assets		
Intangible assets	10,403,416	3,413,881
Goodwill	8,489,707	2,547,480
Property, plant and equipment	9,582,545	4,281,449
Advance payment for financial investment	-	2,690,040
Equity-accounted securities and investments	44,102	40,795
Financial derivatives	413,372	1,013,168
Trade and other receivables	20,021	61,891
Other receivables	2,593	2,556
Deferred tax assets	75,589	21,245
Total non-current assets	29,031,345	14,072,505
Current assets		
Inventories	7,456,512	5,298,077
Trade and other receivables	2,829,759	1,774,947
Provided loans	20,017	-
Other financial assets	12,531	908,580
Financial derivatives	127,174	149,047
Other receivables	555,882	351,165
Tax receivables	81,210	93,751
Cash and cash equivalents	5,917,768	3,328,684
Total current assets	17,000,853	11,904,251
Total assets	46,032,198	25,976,756

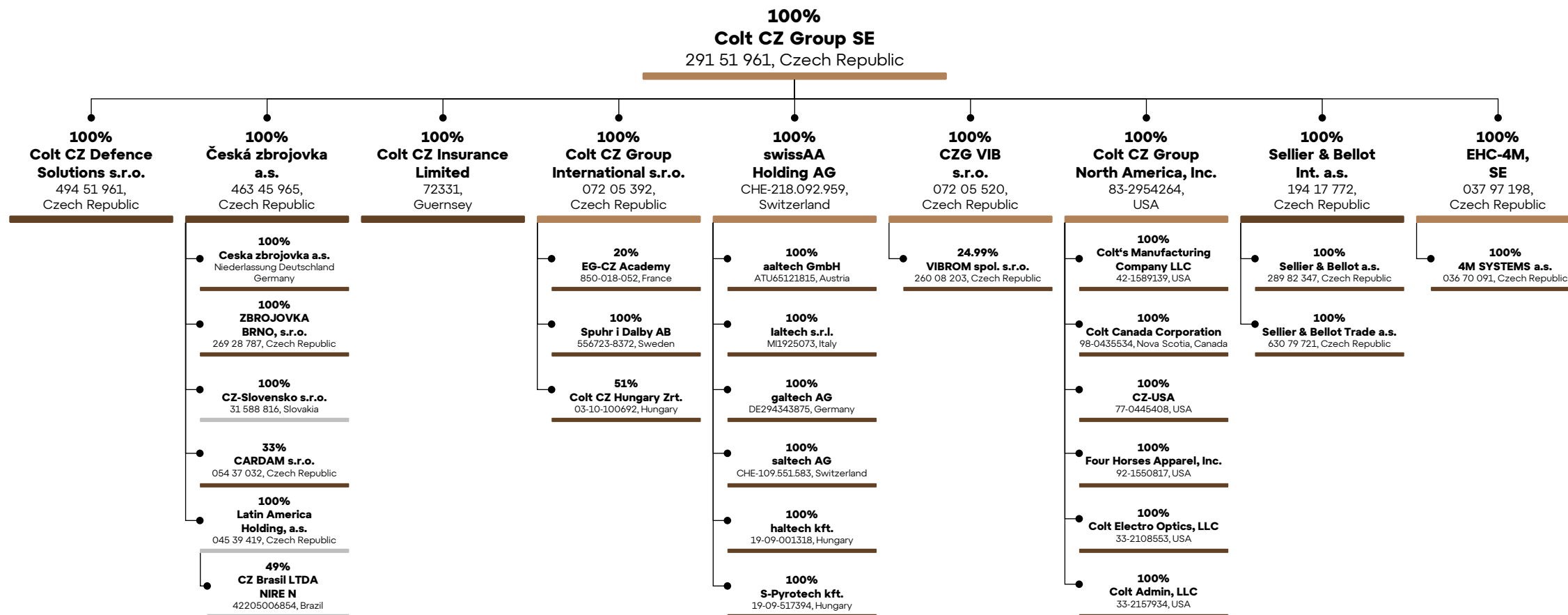
CONSOLIDATED BALANCE SHEET 2/2

In CZK '000	31 Dec 2024	31 Dec 2023
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	5,646	3,516
Share premium	13,477,795	1,942,818
Capital funds	1,641,512	1,641,512
Cash flow hedge reserve	(203,494)	599,816
Foreign exchange translation reserve	(68,137)	(142,688)
Accumulated profits	5,175,107	5,229,872
Equity attributable to the owner of the Company	20,028,429	9,274,846
Non-controlling interest	-	-
Total equity	20,028,429	9,274,846
Non-current liabilities		
Bonds, bank loans and borrowings	16,336,227	9,040,540
Financial derivatives	532,473	244,169
Lease liabilities	58,922	62,052
Trade and other payables	46,802	42,022
Other payables	10,387	14,569
Provisions	101,095	76,188
Deferred tax liability	2,561,948	722,783
Employee benefit liabilities	234,725	255,721
Total non-current liabilities	19,882,579	10,458,044
Current liabilities		
Bonds, bank loans and borrowings	1,474,910	2,573,744
Financial derivatives	394,262	11,038
Lease liabilities	22,267	25,619
Other financial liabilities	-	44,580
Trade and other payables	1,573,335	1,746,796
Other payables	2,333,203	1,655,094
Provisions	57,870	30,084
Tax liabilities	248,236	142,084
Employee benefit liabilities	17,107	14,827
Total current liabilities	6,121,190	6,243,866
Total liabilities	26,003,769	16,701,910
Total equity and liabilities	46,032,198	25,976,756

CONSOLIDATED CASH FLOW STATEMENT

In '000 CZK	31 Dec 2024	31 Dec 2023
Cash flows from principal economic activity (operating activity)		
Profit from ordinary activity before tax	1,379,838	2,509,562
Depreciation/amortization of non-current assets	1,478,824	801,721
Change in allowances and provisions	170,879	22,276
Gain/Loss on sale of fixed assets	(1,990)	(2,659)
Interest expense and interest income	523,095	138,063
Share in the profit of associates	(630)	(682)
Unrealized foreign exchange gain and losses	(343,250)	14,988
Partial earnout settlement	-	406,915
Other financial assets – remeasurement	(113,402)	(160,692)
Cash flow hedging – remeasurement of the effective portion of hedging instruments	(1,001,100)	(468,398)
Bargain purchase gain	-	(384,482)
Share-based payments	411,729	293,068
Adjustments for other non-cash transactions	62,197	52,921
Net operation cash flows before changes in working capital	2,566,290	3,222,601
Change in working capital	1,403,132	-926,498
Change in receivables and deferrals	682,840	(162,505)
Change in liabilities and accruals	216,589	244,040
Change in inventories	503,703	(1,008,033)
Cash flow from operating activities	3,969,422	2,296,103
Paid interest	(1,327,694)	(880,196)
Interest received	826,407	756,881
Income tax paid for ordinary activity	(797,443)	(759,473)
Net cash flow from operating activities	2,670,692	1,413,315
Cash flows from investing activities		
Acquisition of non-current assets	(920,565)	(924,156)
Proceeds from the sale of non-current assets	1,990	2,964
Acquisition of subsidiaries – opening balance	(5,231,350)	(723,902)
Acquisition of subsidiaries – cash and cash equivalents	443,521	150,863
Acquisition of equity-accounted securities and investments	(3,776)	(1,212)
Advance paid for financial investment	-	(2,690,040)
Employee benefit liabilities	(54,240)	(27,014)
Acquisition of other financial assets	(12,531)	-
Proceeds from sale of other financial assets	1,021,982	-
Provided loans	(18,889)	7,700
Net cash flow from investing activities	(4,773,858)	(4,204,797)
Cash flows from financing activities		
Proceeds from bonds	588,000	1,917,756
Proceeds from share	2,242,673	-
Dividends paid to owners	(260,445)	(864,393)
Proceeds from loans	7,382,973	2,295,087
Loan repayment	(5,324,774)	(22,333)
Leases repayment	(25,650)	(32,762)
Net cash flow from financing activities	4,602,777	3,293,353
Net change in cash and cash equivalents	2,499,611	501,871
Opening balance of cash and cash equivalents	3,328,684	2,825,781
Effect of exchange rate on cash and cash equivalents	89,473	1,032
Closing balance of cash and cash equivalents	5,917,768	3,328,684

COLT CZ GROUP STRUCTURE AS OF 31/12/2024



■ Holding companies ■ No asset companies

THANK YOU

Colt CZ Group SE

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