press release

**Colt CZ Group SE increased adjusted EBITDA by 148.1% to CZK 1.2 billion in the first quarter of 2025 and announced acquisition of its US supplier**

**Prague (May 22, 2025)** ― Colt CZ Group SE (“Colt CZ”, the “Group” or the “Company”) today announced its consolidated unaudited financial results for the first three months of 2025 ending March 31.

**Q1 2025 Financial Highlights:**

* The Group’s revenues reached CZK 5,512.2 million for the first three months of 2025, representing an increase of 50.3% y-o-y and exceeding the Company’s previously communicated expectations of CZK 5.2 billion. The strong performance was driven by both organic growth in the firearms segment and growth in the ammunition segment as well as consolidation of Sellier & Bellot, which was not part of the Group in Q1 2024.
* Adjusted EBITDA[[1]](#footnote-2) net of extraordinary items reached CZK 1,211.7 million, up by 148.1% y-o-y and above the quarterly guidance. The increase was mainly supported by higher sales in the military and law enforcement segment and higher margins in the ammunition segment as a result of the consolidation of Sellier & Bellot.
* Adjusted net profit1 after tax for Q1 2025 reached CZK 546.5 million, an increase of 51.8% compared to the same period in 2024. The slightly lower net profit was influenced by the negative result of financial operations, primarily due to higher interest costs.
* The number of firearms sold in Q1 2025 rose by 12.3% y-o-y, reaching 157 thousand units sold, driven by strong demand for both short and long firearms.
* On May 9, 2025, Colt CZ Group North America, Inc. signed a Stock Purchase Agreement (SPA) to acquire a 100% stake in New England Expert Technologies Corp., which owns all the capital stock of Valley Steel Stamp Inc. The acquired company is a reputable producer of firearm parts and long-term supplier to Colt CZ Group. It is a vertical acquisition in the area of selected product groups. The transaction is expected to close in June 2025 subject to the meeting of customary pre-closing conditions. The parties have agreed not to disclose further details until closing.

*“The first quarter of 2025 was the most successful first quarter in the Group's history. We slightly exceeded our guidance presented in March in terms of both revenues and profitability. We are very pleased with the successful integration of Sellier & Bellot into our Group. To meet our full-year guidance, it will be crucial to successfully close key business opportunities, particularly in the firearms segment, while maintaining strict focus on operational efficiency across all our subsidiaries,”* said **Jan Drahota, Chairman of the Board of Directors of Colt CZ Group**.

*“I am pleased to announce the planned acquisition of the U.S.-based company Valley Steel Stamp Inc., our long-standing supplier of firearm components known for its manufacturing excellence. The strategy behind this transaction is vertical integration within specific product groups and further strengthening our position in the North American market. We expect to close in June this year,”* stated **Radek Musil, CEO of Colt CZ Group**.

**Revenues**

Compared with the results as of March 31, 2024, the Group’s revenues for the first three months of 2025 increased by 50.3% to CZK 5.5 billion. The strong performance was driven by organic growth in the firearms segment and ammunition segment, with the latter benefiting from the consolidation of Sellier & Bellot, which affected the annual revenue comparison. The increase in sales was recorded especially in the military and law enforcement segment.

Revenues generated in the Czech Republic in Q1 2025 declined slightly by 15.3% y-o-y to CZK 532.1 million yet represented almost 10% of total Group sales. This decline reflects a high comparison base due to significant deliveries to the Czech Ministry of Defence last year. Revenues generated in the United States increased y-o-y by 37.7% to CZK 2.4 billion thanks to the consolidation of revenues of the acquisition of Sellier & Bellot from May 16, 2024, and higher sales of firearms on the US commercial market. Revenues in Canada reached CZK 201.9 million in the first quarter of 2025, down by 50.7% y-o-y due to a higher comparable base (one-off delivery to the Canadian government in connection with aid for Ukraine previous year) and seasonality of deliveries to the Canadian military and law enforcement customers. Revenues generated in Europe (excluding the Czech Republic) increased y-o-y by 333.1% to CZK 1.8 billion in the first quarter of 2025, thanks to the consolidation of Sellier & Bellot from May 16, 2024, and strong performance of both segments in the European market.

Revenues generated in Africa increased by 112.6% to CZK 64.4 million in the first quarter of 2025 due to new orders from both firearms and ammunition segments. Revenues generated in Asia increased by 92.9% y-o-y to CZK 306.9 million in the first three months of 2025, primarily due to the consolidation of Sellier & Bellot and also due to delivery of delayed orders from the end of 2024. Revenues for the Latin America region in the first three months of 2025 amounted to CZK 149.8 million, which is 41.3% lower y-o-y. Revenues from sales to other parts of the world reached CZK 23.2 million in Q1 2025, up by 59.9% y-o-y.

1. Breakdown of Group’s revenues for the reported periods by regions:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| (in CZK thousand) | Q1 2025 | Q1 2024 | Change in % | Share on total revenues in % |
| Czech Republic | 532,146 | 628,227 | (15.3%) | *9.7%* |
| USA | 2,408,856 | 1,749,145 | 37.7% | *43.7%* |
| Canada | 201,870 | 409,384 | (50.7%) | *3.7%* |
| Europe (excl. the Czech Republic) | 1,825,055 | 421,412 | 333.1% | *33.1%* |
| Africa | 64,440 | 30,310 | 112.6% | *1.2%* |
| Asia | 306,908 | 159,124 | 92.9% | *5.6%* |
| LATAM | 149,751 | 254,977 | (41.3%) | *2.7%* |
| Other | 23,195 | 14,507 | 59.9% | *0.4%* |
| **Total** | **5,512,221** | **3,667,086** | **50.3%** | ***100.0 %*** |

*a. Firearms and accessories segment*

*The firearms and accessories segment includes the design, production, assembly and sale of firearms, tactical accessories and optical mounting solutions for the military and law enforcement, personal defense, hunting, sport shooting, and other commercial use.*

In the first three months of 2025, there was an increase of 12.3% y-o-y in the number of sold firearms, to 157,363 units. Higher sales of handguns were recorded, driven by sales of CZ branded products in all key markets. With respect to long firearms, the sales were evenly distributed between CZ and Colt branded products.

1. Overview of the firearm units sold by type:

|  |  |  |  |
| --- | --- | --- | --- |
| In units | Q1 2025 | Q1 2024 | Change in % |
| Handguns | 97,786 | 82,294 | 18.8% |
| Long firearms | 59,577 | 57,842 | 3.0% |
| **Total firearms** | **157,363** | **140,136** | **12.3%** |

Revenue from the firearms and accessories segment reached CZK 2.8 billion in the first three months of 2025, primarily driven by a higher number of sold pieces and a favorable sales mix.

*b. Ammunition segment*

*The ammunition segment consists of the design, production and sale of small-caliber ammunition, including pistol and rifle ammunition, together with shotgun shells for hunting, sport shooting, and military and law enforcement, as well as the production and sale of grenades and other military material. It also includes the development and production of ammunition manufacturing machinery and tools.*

The ammunition segment includes revenues from its subsidiaries Sellier & Bellot (from May 16, 2024), swissAA, and the relevant part of revenues of Colt CZ Defence Solutions. In the ammunition segment, the Group achieved revenues of CZK 2.7 billion in the first three months of 2025.

**EBITDA and Adjusted EBITDA[[2]](#footnote-3)**

In the first three months of 2025, EBITDA (including extraordinary items) increased by 186.4% to CZK 1,204.8 million compared with the same period last year, thanks to the ammunition segment which generated higher margins and a better sales mix of products with higher added value (higher share of orders from the military and law enforcement segment).

The adjusted EBITDA amounted to CZK 1,211.7 million for the first three months of 2025, up by 148.1% y-o-y. The most significant one-off items were expenses related to the employee stock option plan, one-off expenses connected with the commodity hedging of Sellier & Bellot and cost of unrealized M&A.

**Profit (loss) before tax**

Profit (loss) before tax of the Group increased for the first three months of 2025 by 84.6% y-o-y to CZK 691.4 million, due to the strong operating profitability.

**Net profit / Adjusted Net profit[[3]](#footnote-4)**

In the first three months of 2025, net profit went up by 72.8% to CZK 523.9 million compared with the same period of last year, driven by strong profitability and partially impacted on higher interest costs.

In the first three months of 2025, net profit adjusted for extraordinary items increased by 51.8% to CZK 546.5 million compared with the same period in 2024.

**Investments**

The Group’s capital expenditures were CZK 270 million for the first three months of 2025, up by 47.5% y-o-y. This represents a 4.9% share of the total revenues, in line with Company´s target. Over 80% of investments were related to the production subsidiaries in the Czech Republic, 16% to North America and the rest to subsidiaries in other countries.

**2025 Guidance confirmed**

As previously communicated during the announcement of preliminary 2024 results, Colt CZ continues to see major global business opportunities in the military and law enforcement segment. Cooperation with NATO and EU member countries, along with the NATO Support and Procurement Agency (NSPA), remains a top priority. At the same time, the Group acknowledges the growing importance of other markets, mainly in Asia. Winning tenders and timely executing signed contracts are other prerequisites for fulfilling the outlook.

Maintaining profitability in the firearms segment through more effective cost control, especially in the US market, is one of the Company’s goals for 2025. New CZ and Colt products set to be launched in the US market will play a key role in supporting future growth.

The main risks to achieving the 2025 outlook include: a. potential deterioration in the US commercial market, in combination with the global economic slowdown, b. delays in executing major orders in the military and law enforcement segment, c. delays in launching new products on the market, and d. adverse FX developments affecting the conversion to CZK.

The Company is carefully monitoring the situation regarding the introduction of U.S. tariffs on European goods. The Group anticipates that impact would primarily affect subsidiaries in both the firearms and ammunition segments that export part of their production to the U.S., namely Česká zbrojovka and Sellier & Bellot. While no major impact on total planned revenues is expected, operating profitability, especially EBITDA, may be affected. The Group has been able to increase the prices of the affected exports by 10%, resulting in zero impact on financial results as of today. Therefore, no adjustments of the tariff introduction impact have been included in the 2025 guidance.

On the other hand, potential upside factors for the outlook include: a. successful award and completion of new large contracts in 2025, and b. the impact of product reselling from other manufacturers.

In view of the above, the Group confirms its outlook for 2025:

|  |  |
| --- | --- |
| In billion CZK | Guidance |
| **Colt CZ Group** |  |
| Revenues | 25 (+/- 10%) |
| Adjusted EBITDA | 5.5 (+/- 10%) |

The outlook for 2025 was broken down by quarters to reflect the seasonality of financial results, which is influenced by the scheduled deliveries of large orders for the military and law enforcement segment was updated as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| In billion CZK | Q1 Actual | Q2 | Q3 | Q4 | **2025e** |
| **Revenues** | 5.5 | 6.0 | 6.0 | 7.5 | **25** |
| **Adjusted EBITDA** | 1.2 | 1.3 | 1.3 | 1.7 | **5.5** |

The Group confirms that the capital expenditures of the Group in 2024 could reach CZK 1.1 – 1.3 billion, which corresponds to a roughly 5% share of the 2025 expected revenues, which is in line with the medium-term target of the Company.

**Proposed Dividend Payment**

The Company confirms that it will propose to the General Meeting a cash dividend of CZK 847 million (CZK 15 per share) for 2024. In addition, the Board of Directors also plans to allocate CZK 847 million to a share buyback program (equivalent to 1.15 million shares at the current market price). The proposed profit distribution, which is to be split equally between a cash dividend and share buy-back program, is subject to approval by the General Meeting which will be held in June 2025.

**Acquisition Announcement**

On May 9, 2025, Colt CZ Group North America, Inc. signed a stock purchase agreement (SPA) to acquire all the shares of capital stock of New England Expert Technologies Corp., which fully owns Valley Steel Stamp Inc.

The acquired company is a well-established producer of firearm parts and long-term supplier to Colt CZ Group. The strategy of this transaction is vertical integration in the field of selected product groups. By this acquisition, Colt CZ Group will gain ownership of a reputable high-quality precision machining company and a supplier of revolver frames, cylinders, spares, and other firearm parts for the commercial market. It will also considerably strengthen the engineering and manufacturing resources of the Group located on the U.S. territory and boost the commercial product margins.

The transaction is expected to close in June 2025, subject to meeting customary pre-closing conditions, including the approval of the Committee on Foreign Investment in the United States (CFIUS). The parties have agreed not to disclose further details, including transaction value, until closing.

**About Colt CZ Group SE**

Colt CZ Group (Colt CZ) is one of the leading producers of firearms and ammunition for military and law enforcement, personal defense, hunting, sport shooting, and other commercial use. It markets and sells its products mainly under the Colt, CZ (Česká zbrojovka), Colt Canada, Dan Wesson, Sellier & Bellot, swissAA, Spuhr and 4M Tactical brands.

Colt CZ Group is headquartered in the Czech Republic and employs more than 3,200 people in its production facilities in the Czech Republic, the United States, Canada, Sweden, Switzerland, and Hungary. Colt CZ has been listed on the Prague Stock Exchange since 2020, and the majority shareholder is Česká zbrojovka Partners SE holding.

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Appendix:

**Adjusted EBITDA**

|  |  |  |
| --- | --- | --- |
| (in CZK thousand) | Q1 2025 | Q1 2024 |
|  |  |  |
| **EBITDA** | **1,204,830** | **420,713** |
| ESOP | 16,123 | 67,023 |
| M&A (unrealized) | 3,339 | 644 |
| S&B commodity hedging | (12,627) | 0 |
| **Adjusted EBITDA** | **1,211,665** | **488,380** |
| EBITDA margin | 22.0% | 13.3% |

**Adjusted net profit**

|  |  |  |
| --- | --- | --- |
| (in CZK thousand) | Q1 2025 | Q1 2024 |
|  |  |  |
| **Profit before tax** | **691,402** | **374,623** |
| ESOP | 16,123 | 67,023 |
| M&A (unrealized) | 3,339 | 644 |
| Bank fee - acquisition loan S&B | 6,482 | 0 |
| Bond issue related costs | 3,877 | 2,339 |
| ***Subtotal of adjusted items*** | ***29,821*** | ***70,006*** |
| Effective tax rate | (174,717) | (84,695) |
| **Adjusted net profit** | ***546,506*** | ***359,934*** |

1. One-off adjustments are described in the appendix [↑](#footnote-ref-2)
2. In the first three months of 2025, EBITDA was adjusted by one-off items related to unrealized M&A expenses and legacy costs related to acquisitions, payments related to the employee stock option plan and one-off expenses connected with the commodity hedging of Sellier & Bellot, which are unrelated to operational performance and value creation in the given period. In the first quarter of 2024, EBITDA was adjusted by one-off items related to unrealized acquisitions and payments related to the employee stock option plan which are not related to operational performance and value creation in the given period. [↑](#footnote-ref-3)
3. In the first three months of 2025, net profit was adjusted by one-off items related to unrealized M&A expenses and legacy costs related to acquisitions, payments related to the employee stock option plan, one-off expenses connected with the commodity hedging of Sellier & Bellot, bank fees related with acquisition loan and financing cost related to bond issue, which are unrelated to operational performance and value creation in the given period. In Q1 2024, net profit was adjusted by one-off items related to unrealized acquisitions, payments related to the employee stock option plan and financing cost related to bond issue which are not related to operational performance and value creation in the given period. [↑](#footnote-ref-4)