

# COLT CZ GROUP SE

FINANCIAL RESULTS 6M 2023

INVESTOR PRESENTATION

COLT  
CZGROUP

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# AGENDA AND TODAY'S PRESENTERS

## AGENDA

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- 1 6M 2023 AT A GLANCE
- 2 FINANCIAL HIGHLIGHTS
- 3 OTHER NOTABLE EVENTS
- 4 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.



### **JANA MATOUŠKOVÁ**

Head of Group Finance  
Colt CZ Group

# 6M 2023 AT A GLANCE

## REVENUES

**CZK 6,860M**

↓ 2.7% vs 6M 2022

## ADJUSTED EBITDA

**CZK 1,464M**

↓ 18.4% vs 6M 2022

## ADJUSTED NET PROFIT

**CZK 1,198M**

↑ 1.3% vs 6M 2022

## ADJUSTED EPS

**CZK 35**

↓ 0.8% vs 6M 2022



## NOTABLE M/LE BUSINESS HIGHLIGHTS IN THE 6M 2023



New acquisition – swissAA holding



New contract with Danish government



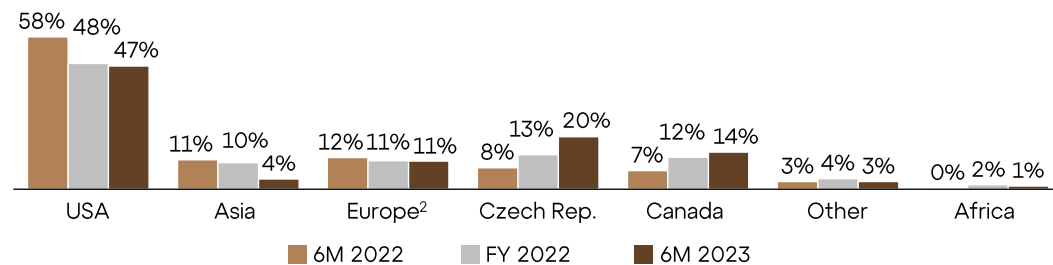
Continuing supplies to the Swedish army



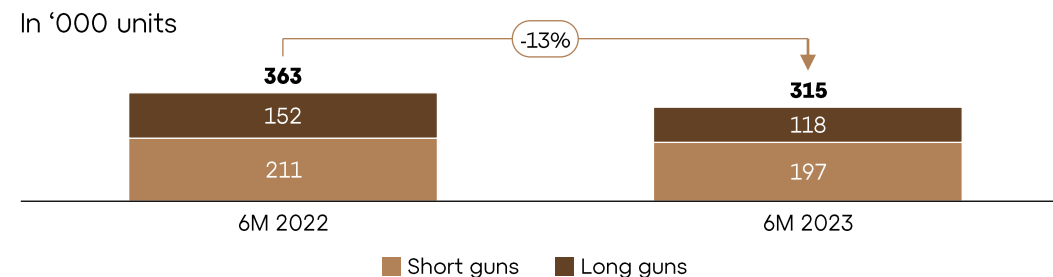
A significant part of the contracted deliveries was shipped to Ukraine

# SIGNIFICANT IMPROVEMENT IN Q2 2023 DESPITE THE IMPACT OF STRONG CZK

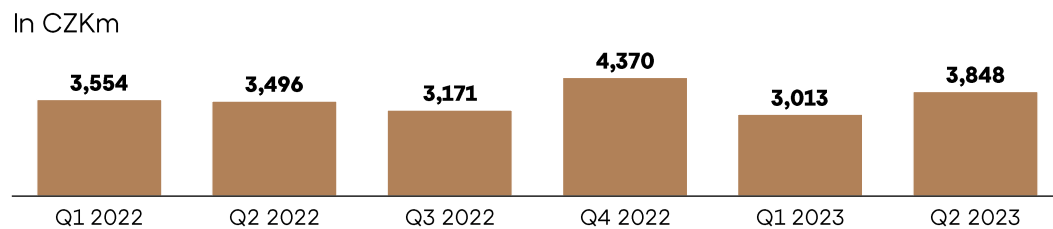
## REVENUE BREAKDOWN<sup>1</sup> BY GEOGRAPHY



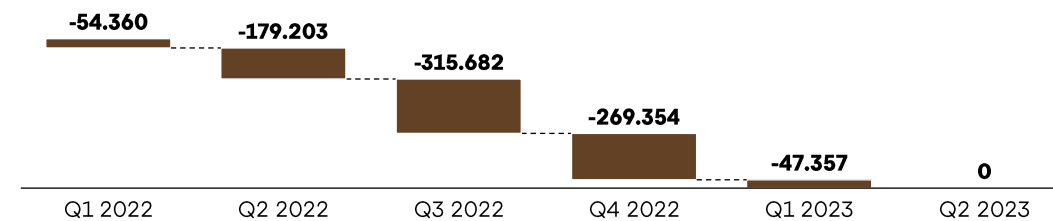
## BREAKDOWN BY UNITS SOLD



## QUARTERLY REVENUES



## IMPACT OF USD/CZK ON REVENUES - FX RATE 21,673 (Q2 2023)



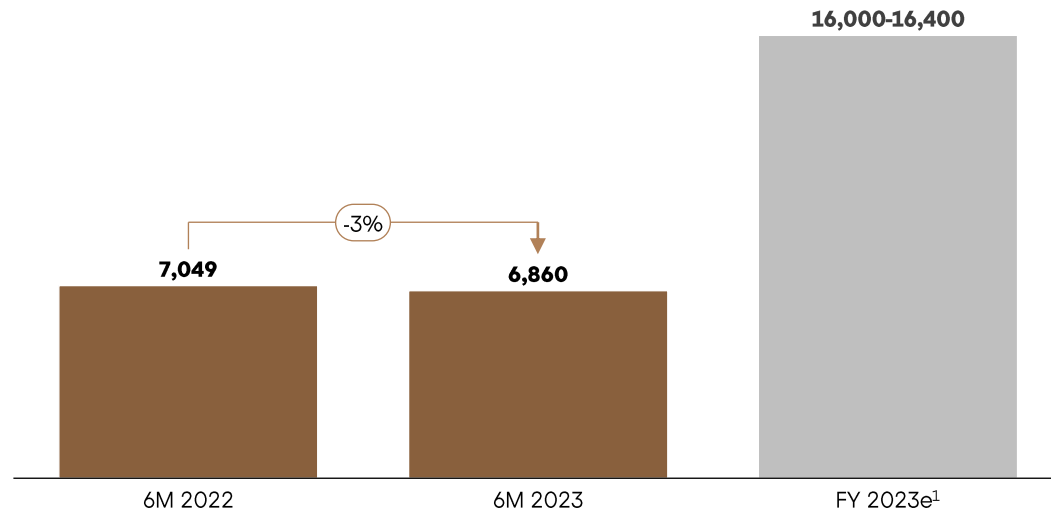
## COMMENTS

- ▶ Q2 2023 revenues increased both on quarterly and annual basis
- ▶ Strong CZK against USD impacted both revenues and EBITDA, impact of hedge accounting result in HY 2023 243 MCZK (HY 2022 80 MCZK)
- ▶ Some US market segments remain still weak

# NARROWED ITS FULL YEAR GUIDANCE

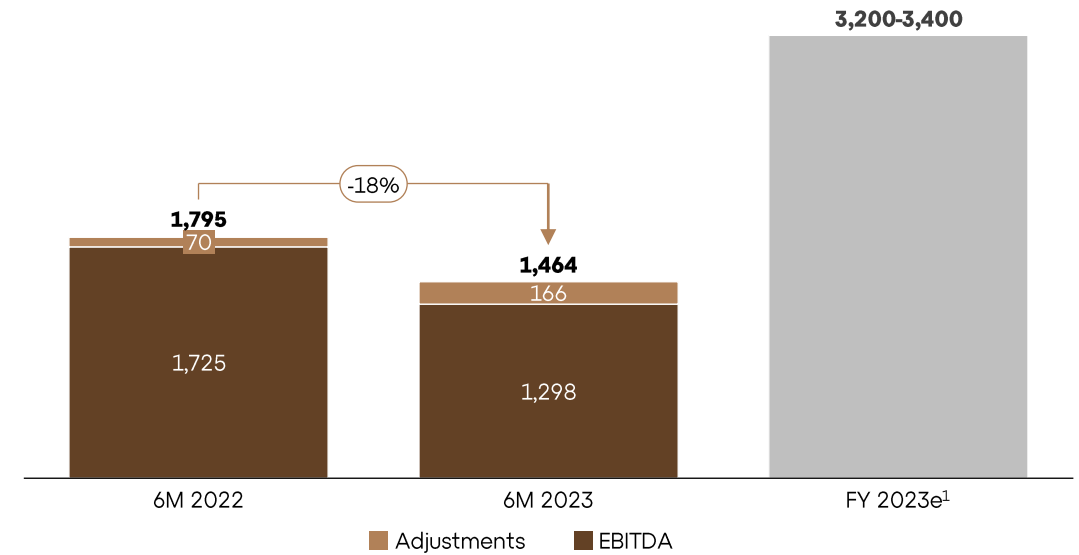
## REVENUES

CZKm



## ADJUSTED EBITDA<sup>2</sup>

CZKm/%



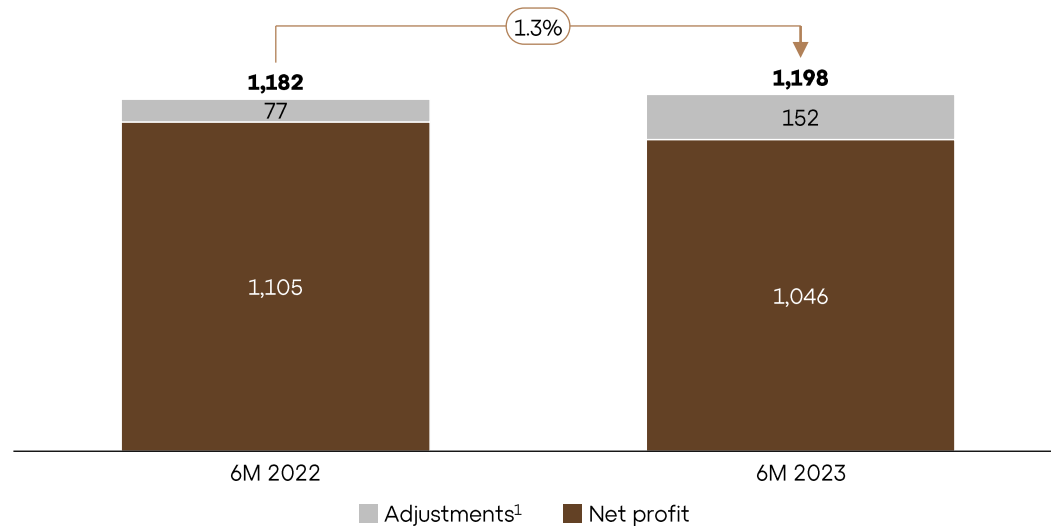
## COMMENTS

- ▶ YtY increase of revenues due to expected strong second half year 2023
- ▶ Impact of strong CZK during first HY 2023 negatively influenced EBITDA, but positive impact of hedging in financial results
- ▶ Big dependence on progress of FX rate CZK/USD – approximately 65% of revenues in USD

# NET PROFIT DEVELOPMENT OUTPACES EBITDA

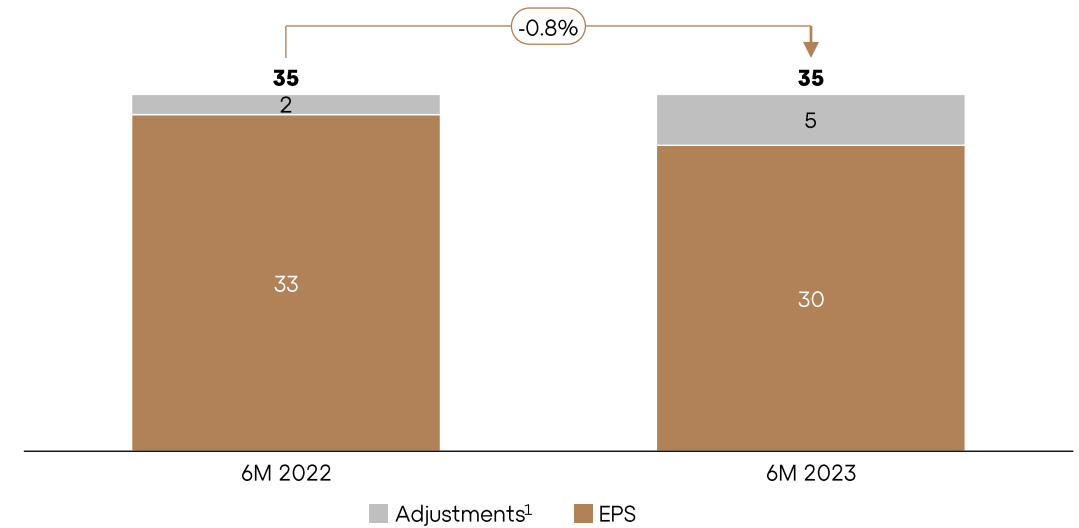
## ADJUSTED NET PROFIT<sup>1</sup>

CZKm



## ADJUSTED EARNINGS PER SHARE<sup>2</sup>

CZK



## COMMENTS

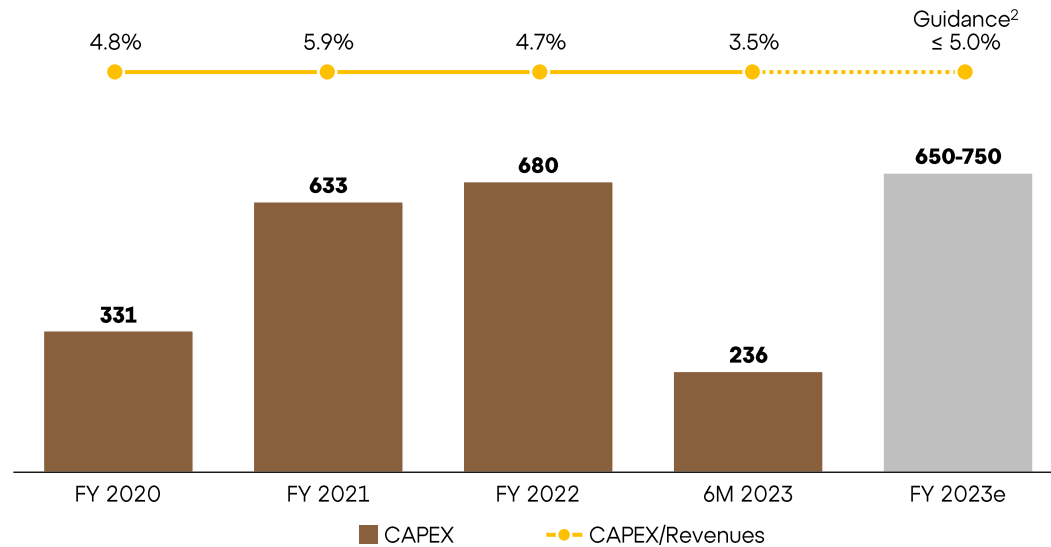
- ▶ Strong CZK and impact of hedge accounting result has positive impact on net profit and earnings per share
- ▶ The Company assumes dividend payout based on adjusted EPS



# CAPEX ROLLING OUT ACCORDING TO THE GROUP PLAN

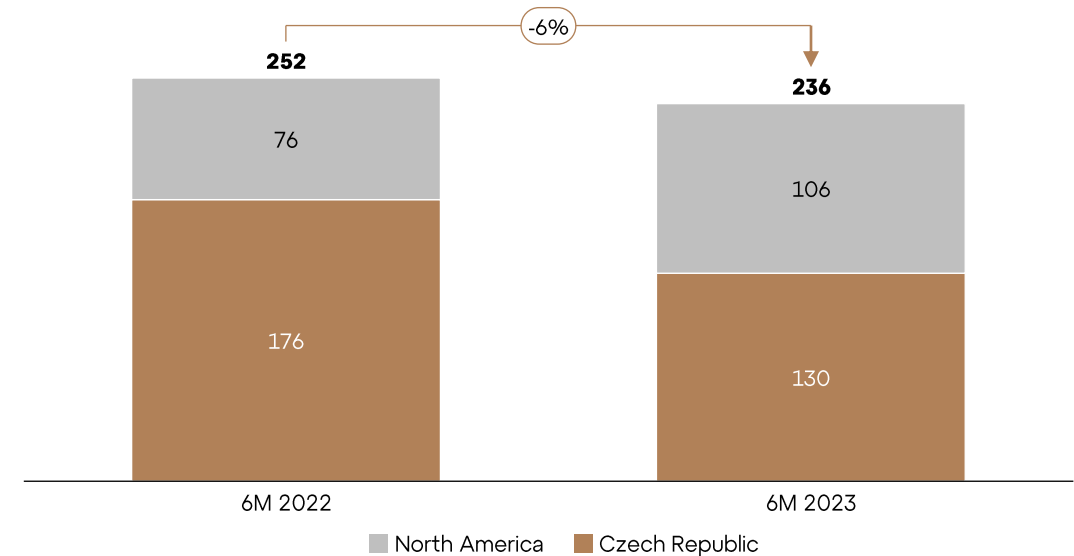
## CAPITAL EXPENDITURES<sup>1</sup>

CZKm/%



## CAPEX GEOGRAPHICAL SPLIT

CZKm



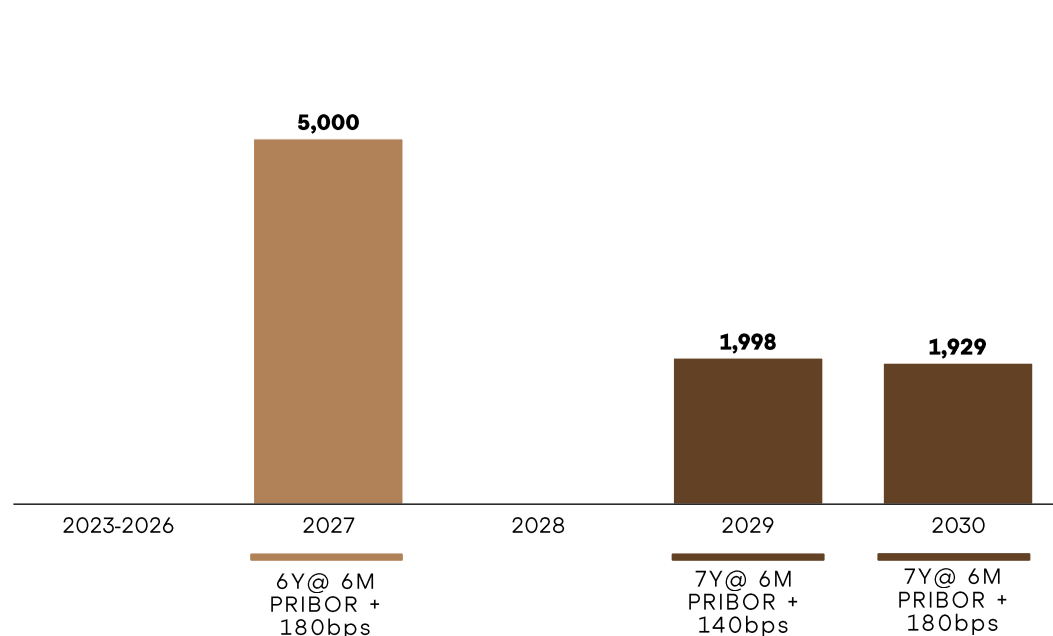
## COMMENTS

- ▶ The Group continues to invest in the North American facilities
- ▶ Major 2023 investments include new technology and machinery in Czech Republic and buildings renewal in North America.

# DEBT STRUCTURE

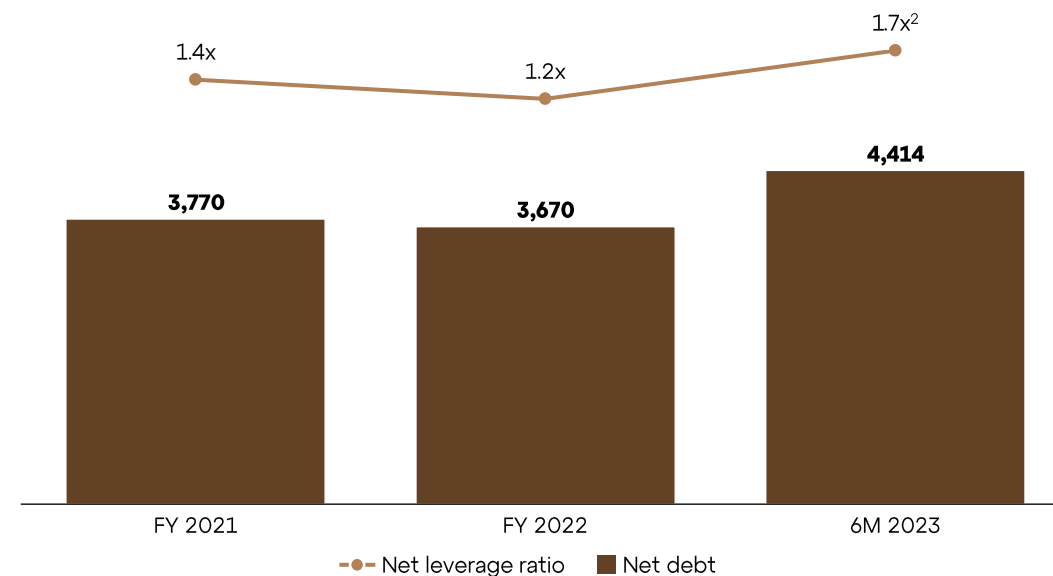
## DEBT MATURITY PROFILE

CZKm



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

CZKm

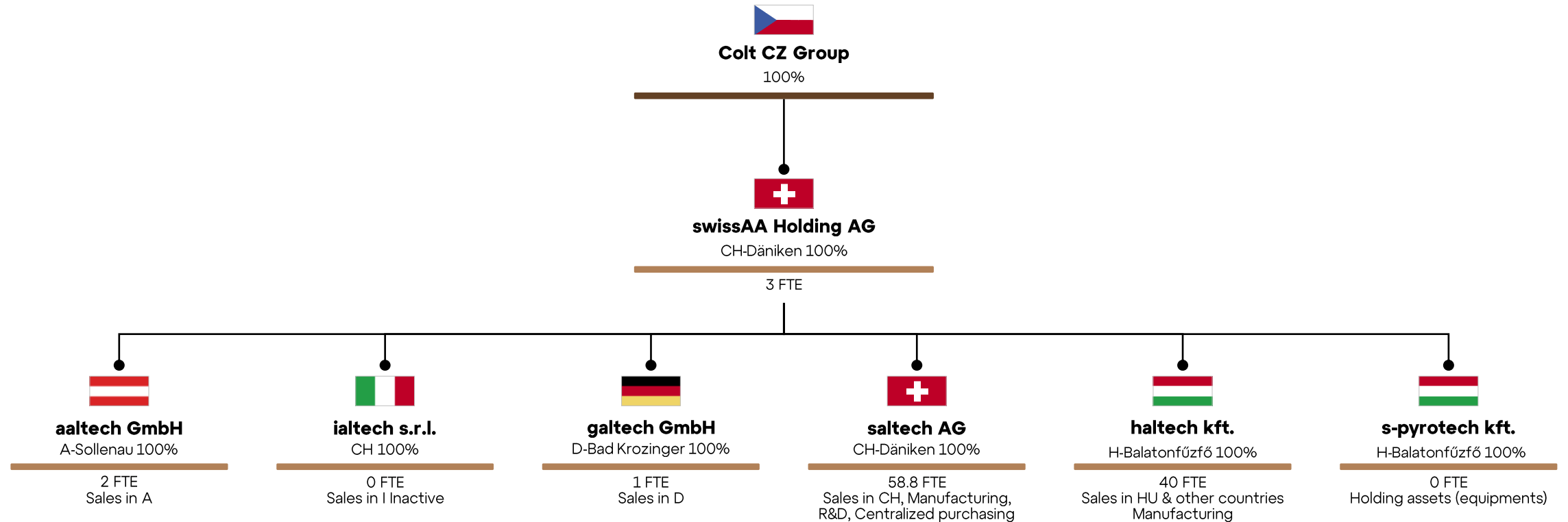


## COMMENTS

- ▶ The Group hedges FX, interest rate and commodity risks
- ▶ The Group policy is to fully hedge all balance sheet risks such as foreign currency loans, floating rate liabilities etc.
- ▶ FX risk stemming from the ordinary course of business (currency mismatch between revenues and costs) and is continuously hedged with a 5y tenor. The hedge ratio is declining over time – for example, the Group hedged 83% of the expected USD/CZK exposure in 2024 but only 6% in 2028.

# swissAA-GROUP – NEW MEMBER OF COLT CZ GROUP

## LEGAL STRUCTURE swissAA-GROUP



■ Consolidate entities

# WIDE PORTFOLIO IN 5.56, 7.62 AND 12.7 MM WITH FOCUS ON HIGH VALUE PRODUCTS

## 12.7MM AMMUNITION



- ▶ Ball / M33
- ▶ Tracer / M17
- ▶ Reduced Ricochet Ball / M33-2
- ▶ Reduced Ricochet Tracer / M33-2-T
- ▶ AP/M2
- ▶ API/M8
- ▶ APT- T /M20
- ▶ APIE-(T)
- ▶ High performance AP
- ▶ Long Distance Ball



## 9MM AMMUNITION



- ▶ Ball
- ▶ Armor Piercing
- ▶ Plastic Drill



## 0.338 AMMUNITION



- ▶ Long distance ball / AP
- ▶ Blank cartridge

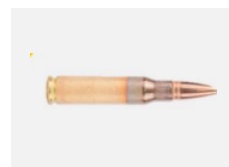
## 40MM LV



- ▶ (low velocity) and HV (high velocity) grenade launcher ammunition



## 7.62MM AMMUNITION



- ▶ Ball / M80 NATO
- ▶ Tracer / M62 NATO
- ▶ AP / M61 NATO
- ▶ Long distance ball
- ▶ Blank cartridge / M82



## 5.56MM AMMUNITION



- ▶ Ball / M193
- ▶ Ball / m855 (SS109)
- ▶ Tracer / M 196
- ▶ Tracer / M856
- ▶ Blank cartridge
- ▶ Plastic drill



## NONLETHAL AMMUNITION<sup>1</sup>



- ▶ Rubber bullets
- ▶ Color smoke grenades
- ▶ CS irritant "tear gas" smoke grenades
- ▶ Flash bang grenades
- ▶ Sting ball grenades



In all applications, we are a boutique manufacturer, focusing on the highest value products and customers

With the support of Colt CZ Group, we can offer our high-end products to more customers

USP large-lot production on a high reliable precision level

A dark, industrial scene featuring a yellow robotic arm in the foreground, surrounded by various pieces of machinery and equipment. The background shows a complex factory environment with pipes, cables, and structural elements. The overall tone is professional and technical.

**THANK YOU FOR  
YOUR ATTENTION**

**COLT  
CZGROUP**

A man in a dark t-shirt is operating a yellow robotic arm in a factory. The arm is positioned over a complex metal assembly. 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 text 'APPENDIX' is overlaid in large white letters on the left side of the image. The text 'COLT CZGROUP' is overlaid in white letters in the bottom left corner. There are several diagonal orange lines on the right side of the image.

# APPENDIX

**COLT  
CZGROUP**

# ADJUSTED EBITDA RECONCILIATION

In CZK '000	6M 2023	6M 2022
Operating profit	924,719	1,303,619
Depreciation and amortization	373,433	421,584
<b>EBITDA</b>	<b>1,298,152</b>	<b>1,725,203</b>
ESOP	161,179	36,073
M&A costs <sup>1</sup>	4,865	33,455
<b>Adjusted EBITDA</b>	<b>1,464,196</b>	<b>1,794,731</b>

# ADJUSTED NET PROFIT RECONCILIATION

In CZK '000	30 Jun 2023	30 Jun 2022
Earnings before tax	1,352,073	1,392,797
Tax expenses	-305,918	-288,092
<b>Net income</b>	<b>1,046,155</b>	<b>1,104,705</b>
Earnings before tax	1,352,073	1,392,797
Earn-out related costs <sup>1</sup>	26,818	28,856
ESOP related costs	161,179	36,073
M&A costs <sup>2</sup>	4,865	33,455
One-off expenses related to the bond issue	3,997	-
<b>Adjusted earnings before tax (Adj. EBT)</b>	<b>1,548,932</b>	<b>1,491,181</b>
Effective tax rate on Adj. EBT (6M 2023 ~22.6%; 6M 2022 ~20.7%)	-350,459	-308,376
<b>Adjusted Net Income</b>	<b>1,198,473</b>	<b>1,182,805</b>



# CONSOLIDATED PROFIT AND LOSS STATEMENT

In '000 CZK	30 Jun 2023	30 Jun 2022
Revenues from the sale of own products, goods and services	6,860,236	7,049,170
Other operating income	51,590	36,851
Change in inventories developed internally	408,960	972,245
Own work capitalized	92,814	96,972
Raw materials and consumables used	-3,599,095	-3,973,056
Services	-832,362	-971,228
Personnel costs	-1,522,398	-1,369,613
Depreciation and amortization	-373,433	-421,584
Other operating expenses	-125,600	-116,775
Allowances	-35,993	637
<b>Operating profit</b>	<b>924,719</b>	<b>1,303,619</b>
Interest income	578,505	152,478
Interest expense	-459,812	-240,933
Other financial income	132,098	134,022
Other financial expenses	-68,343	-47,971
Gains or losses from derivative transactions	243,241	80,279
Share in the profit of associates after tax	1,665	11,303
<b>Profit before tax</b>	<b>1,352,073</b>	<b>1,392,797</b>
Income tax	-305,918	-288,092
<b>Profit for the period</b>	<b>1,046,155</b>	<b>1,104,705</b>
Items that may be subsequently reclassified to the statement of profit or loss		
Cash flow hedges – remeasurement of effective portion of hedging instruments	-5,520	113,064
Foreign currency translation of foreign operations	1	-103,374
<b>Other comprehensive income</b>	<b>-5,519</b>	<b>9,690</b>
<b>Comprehensive income for the period</b>	<b>1,040,636</b>	<b>1,114,395</b>
<b>Profit for the period attributable to:</b>		
Owner of the parent company	1,046,155	1,104,705
<b>Comprehensive income for the period attributable to:</b>		
Owner of the parent company	1,040,636	1,114,395
<b>Net earnings per share attributable to the owner of the parent company (CZK per share) Basic</b>		
Basic	30	33
Diluted	30	32

# CONSOLIDATED BALANCE SHEET 1/2

In '000 CZK	30 Jun 2023	31 Dec 2022
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	3,226,411	3,462,131
Goodwill	2,457,416	2,457,416
Property, plant and equipment	3,024,723	3,066,251
Investments in subsidiaries in acquisition process	724,200	-
Equity-accounted securities and investments	42,278	39,401
Financial derivatives	1,504,214	1,181,097
Trade and other receivables	27,345	35,515
Other receivables	2,527	6,560
<b>Total non-current assets</b>	<b>11,009,114</b>	<b>10,248,371</b>
<b>Current assets</b>		
Inventories	4,488,953	3,797,557
Trade and other receivables	1,213,856	1,346,143
Provided loans	-	7,700
Other financial assets	829,492	756,834
Financial derivatives	194,471	217,123
Other receivables	200,099	304,005
Cash and cash equivalents	3,940,648	2,825,781
<b>Total current assets</b>	<b>10,867,519</b>	<b>9,255,143</b>
<b>Total assets</b>	<b>21,876,633</b>	<b>19,503,514</b>

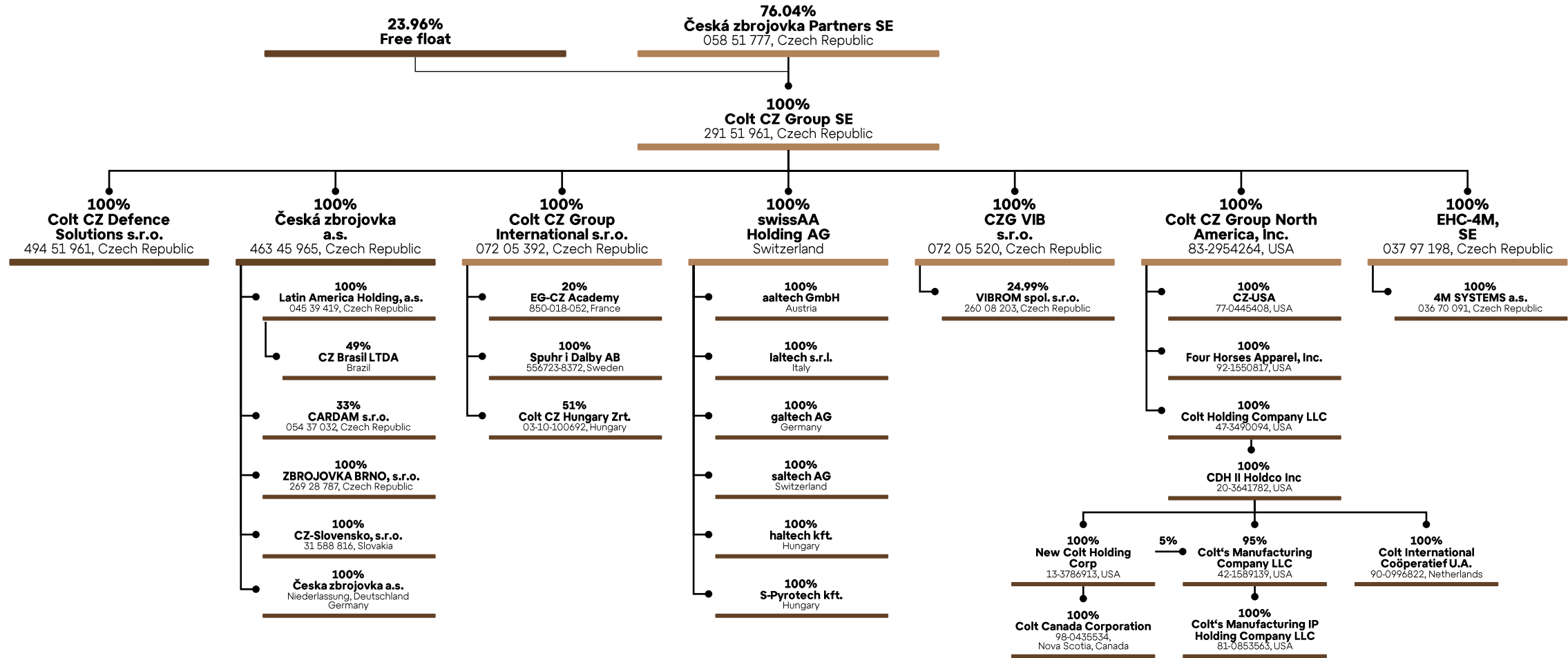
# CONSOLIDATED BALANCE SHEET 2/2

In '000 CZK	30 Jun 2023	31 Dec 2022
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	3,447	3,410
Share premium	1,580,044	1,366,386
Capital funds	1,641,512	1,641,512
Cash flow hedge reserve	1,062,694	1,068,214
Foreign exchange translation reserve	-326,432	-326,433
Accumulated profits	4,091,450	3,928,282
<b>Equity attributable to the owner of the Company</b>	<b>8,052,715</b>	<b>7,681,371</b>
Equity attributable to the owner of the Company	8,052,715	7,681,371
<b>Total equity</b>	<b>8,052,715</b>	<b>7,681,371</b>
<b>Non-current liabilities</b>		
Bonds, bank loans and borrowings	8,899,499	6,972,898
Financial derivatives	55,964	28,684
Lease liabilities	36,998	46,796
Other financial liabilities	33,643	240,468
Trade and other payables	38,313	7,825
Other payables	15,871	21,169
Provisions	33,578	23,654
Deferred tax liability	725,103	731,308
Employee benefit liabilities	259,329	265,280
<b>Total non-current liabilities</b>	<b>10,098,298</b>	<b>8,338,082</b>
<b>Current liabilities</b>		
Bonds, bank loans and borrowings	225,984	208,597
Financial derivatives	18,302	38,610
Lease liabilities	21,468	23,939
Other financial liabilities	237,211	238,593
Trade and other payables	2,054,483	1,154,955
Other payables	769,372	1,479,267
Provisions	29,962	51,371
Tax liabilities	351,176	269,096
Employee benefit liabilities	17,662	19,633
<b>Total current liabilities</b>	<b>3,725,620</b>	<b>3,484,061</b>
<b>Total liabilities</b>	<b>13,823,918</b>	<b>11,822,143</b>
<b>Total equity and liabilities</b>	<b>21,876,633</b>	<b>19,503,514</b>

# CONSOLIDATED CASH FLOW STATEMENT

In '000 CZK	30 Jun 2023	30 Jun 2022
<b>Cash flows from principal economic activity (operating activity)</b>		
<b>Profit from ordinary activity before tax</b>	<b>1,352,073</b>	<b>1,392,797</b>
Depreciation/amortization of non-current assets	373,433	421,584
Change in allowances and provisions	25,189	-2,160
Gain/Loss on sale of fixed assets	-1,794	-
Interest expense and interest income	-118,693	88,455
Share in the profit of associates	-1,665	11,303
Unrealized foreign exchange gain and losses	253,951	-362,175
Contingent consideration – remeasurement	26,618	28,856
Partial earnout settlement	213,695	-
Other financial assets – remeasurement	-101,916	-
Cash flow hedging – remeasurement of the effective portion of hedging instruments	-5,520	113,064
Share-based payments	151,029	33,780
Adjustments for other non-cash transactions	18,815	6,562
<b>Net operation cash flows before changes in working capital</b>	<b>2,185,215</b>	<b>1,732,066</b>
<b>Change in working capital</b>		
Change in receivables and deferrals	-33,870	-345,765
Change in liabilities and accruals	-1,056,003	925,684
Change in inventories	-838,290	-1,101,192
<b>Net cash flow from operating activities</b>	<b>257,052</b>	<b>1,210,793</b>
Paid interest	-443,913	-97,264
Interest received	568,606	111,135
Income tax paid for ordinary activity	-206,039	-174,260
<b>Net cash flow from operating activities*</b>	<b>175,706</b>	<b>1,050,404</b>
<b>Cash flows from investing activities</b>		
Acquisition of non-current assets	-235,843	-252,379
Income from the sale of non-current assets	-1,814	-29,084
Acquisition of other investments	-	-16,675
Acquisition of equity-accounted securities and investments	-1,212	-
Investments in subsidiaries in acquisition process	-724,200	-
Provided loans	7,700	190,000
Employee benefit liabilities	-	-7,477
<b>Net cash flow from investing activities</b>	<b>-955,369</b>	<b>-115,615</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of bonds	1,917,756	1,984,796
Dividends paid to owners	-	-843,416
Proceeds from loans	10,635	-
Loan repayment	-1,757	-2,317,579
<b>Net cash flow from financing activities</b>	<b>1,926,634</b>	<b>1,176,199</b>
<b>Net change in cash and cash equivalents</b>	<b>1,146,971</b>	<b>-241,410</b>
<b>Opening balance of cash and cash equivalents</b>	<b>2,825,781</b>	<b>3,573,467</b>
Effect of exchange rate on cash and cash equivalents	-32,104	76,653
<b>Closing balance of cash and cash equivalents</b>	<b>3,940,648</b>	<b>3,408,710</b>
In '000 CZK	30 Jun 2023	30 Jun 2022
<b>Adjusted net cash flow from operating activities and unpaid dividend liability</b>		
<b>Net cash flow from operating activities</b>	175,706	1,050,404
Dividend liability	1,034,016	-
<b>Adjusted net cash flow from operating activities</b>	<b>1,209,722</b>	<b>1,050,404</b>

# COLT CZ GROUP STRUCTURE



■ Holding companies    ■ No asset companies



Notes: Group structure as of 30/06/2023  
1 – Simplified illustration of selected Group entities (related only to entities under the Colt Holding Company LLC)

# THANK YOU

## Colt CZ Group SE

náměstí Republiky 2090/3a

110 00 Prague 1, Czech Republic

[www.coltczgroup.com](http://www.coltczgroup.com)

[info@coltczgroup.com](mailto:info@coltczgroup.com)



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CZGROUP**