

Colt CZ Group SE increased revenues to CZK 22.4 billion in 2024

Prague (March 27, 2024) — Colt CZ Group SE (“Colt CZ”, the “Group” or the “Company”) today announced its preliminary consolidated unaudited financial results for the year 2024 ending December 31.

2024 Financial Highlights:

- ▶ The Group’s revenues reached CZK 22,375.8 million in 2024, which represents an increase of 50.6% y-o-y, and exceeds the full year revenue guidance of CZK 20-22 billion. This result is a combination of both organic growth of the firearms segment driven by long firearms sales and the consolidation of Sellier & Bellot since the acquisition date of May 16, 2024. Geographically, growth was recorded mainly in Europe, including the Czech Republic and Ukraine, and in the USA.
- ▶ In 2024, the adjusted EBITDA¹ net of extraordinary items reached CZK 4,598.9 million, up by 50.9% y-o-y, in line with Company’s guidance. The increase was driven by higher sales, a higher share of orders from the military and law enforcement segment, and especially the consolidation of the Sellier & Bellot acquisition.
- ▶ The 2024 adjusted net profit¹ after tax reached CZK 1,933.2 million, which is 5.7% less compared to the same period in 2023. The decline in profit was primarily influenced by the result of financial operations, which was affected mainly by higher interest costs associated with acquisition financing.
- ▶ The number of firearms sold in 2024 increased by 2.0% compared to the same period in 2023, reaching 633 thousand units sold, primarily thanks to long firearms sales performance.
- ▶ As of December 31, 2024, the net leverage ratio was 2.26x and the Company achieved its further reduction compared to the levels during 2024.
- ▶ The Board of Directors will propose to the General Meeting a distribution of profit for 2024 as follows: approximately CZK 847 million will be

¹ One-off adjustments described in the appendix

distributed as a dividend payment of CZK 15 per share and CZK 847 million will be allocated to a share buy-back program.

*"Preliminary results for 2024 are in line with our expectations, particularly regarding the organic growth of our firearms business and the successful contribution of the Sellier & Bellot acquisition," said **Jan Drahota, Chairman of the Board of Directors of Colt CZ Group**. "Nevertheless, we still see room to further improve our performance, in terms of both revenues and profitability. Our key focus for 2025 and beyond will remain on driving profitable growth, as cost efficiency is essential to the long-term competitiveness of our business. Given the results achieved, the Board of Directors decided to use the profit of approximately CZK 847 million to pay a cash dividend of CZK 15 per share and allocate CZK 847 million to a share buy-back program," **Drahota added**.*

*"I am happy to note that Colt CZ's full-year financial results for 2024 clearly show that the acquisition of Sellier & Bellot has delivered the expected value to the Group and that the synergies between the firearms and ammunition segments are materializing quickly. As the newly appointed CEO of the Group, I am fully committed to achieving the goals set for 2025," stated **Radek Musil, CEO of Colt CZ Group**.*

Revenues

Compared to the results achieved in 2023, Group's revenues in 2024 increased by 50.6% to CZK 22.4 billion. The increase in sales was recorded especially in the military and law enforcement segment and also in the commercial segment in all key regions, including the US commercial market. Revenues were also positively affected by the consolidation of the acquisition of Sellier & Bellot from May 16, 2024.

Revenues generated in the Czech Republic in 2024 went up y-o-y by 68.9% to CZK 4.4 billion, driven by Mil/LE deliveries to the Czech Ministry of Defence, including hand grenades to the Czech Army and deliveries related to the aid for Ukraine, also and significantly by the consolidation of the acquisition of Sellier & Bellot. Revenues generated in the United States increased y-o-y by 41.1% to CZK 8.8 billion thanks to the consolidation of revenues of the acquisition of Sellier & Bellot from May 16., 2024, and higher sales of firearms conditions on the US commercial market, which however has not met the Company's expectations in terms of profitability. Revenues in Canada reached CZK 1.1 billion in 2024, down by 48.5% 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 219.7% to CZK 6.2 billion in 2024, thanks to the consolidation of revenues of acquisitions in the ammunition segment, i.e., Sellier & Bellot from May 16, 2024, and swissAA in Switzerland acquired by the Group in 2023.

Revenues generated in Africa declined by 4.8% to CZK 177.0 million in 2024. Revenues generated in Asia declined y-o-y by 16.9% to CZK 940.3 million in 2024, as large sales to the military and law enforcement customers took place in the previous year. Colt CZ newly started reporting revenues for the Latin America region, where sales in 2024 amounted to CZK 573.9 million, which is 48.8% more y-o-y. Revenues from sales to other parts of the world reached CZK 77.5 million in 2024, down by 18.7% y-o-y.

Breakdown of Group's revenues for the reported periods by regions:

(in CZK thousand)	FY 2024	FY 2023	Change in %	Share on total revenues 2024 in %
Czech Republic	4,425,720	2,621,059	68.9%	19.8%
USA	8,846,458	6,269,821	41.1%	39.5%
Canada	1,148,745	2,231,391	(48.5%)	5.1%
Europe (excl. the Czech Republic)	6,186,178	1,935,068	219.7%	27.6%
Africa	176,984	185,994	(4.8%)	0.8%
Asia	940,284	1,131,068	(16.9%)	4.2%
LATAM	573,949	385,842	48.8%	2.6%
Other	77,474	95,338	(18.7%)	0.3%
Total	22,375,792	14,855,581	50.6%	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 2024, there was an increase of 2.0% y-o-y in the number of sold firearms, to 633,739 units. Higher sales of long firearms were recorded, which rose 13.4% y-o-y to 280,706 units, while sales of handguns recorded a slight decrease of 5.5% y-o-y. The Company is also registering some recovery in the US commercial market but not as strong as expected.

Overview of the firearm units sold by type:

In units	FY 2024	FY 2023	Change in %
Long firearms	280,706	247,520	13.4%
Handguns	353,033	373,690	(5.5%)
Total firearms	633,739	621,210	2.0%

Revenue from the firearms and accessories segment reached CZK 15.4 billion in 2024, primarily driven by higher sales of long guns and therefore, 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 newly reported ammunition segment, the Group achieved revenues of CZK 6.9 billion in 2024.

EBITDA and Adjusted EBITDA²

In 2024, EBITDA (including extraordinary items) increased by 30.6% to CZK 3.5 billion compared with the same period last year, primarily thanks to the organic sales growth, recovery of the US commercial market, a better sales mix of products with higher added value (higher share of orders from the military and law enforcement segment), as well as the consolidation of the acquisition of Sellier & Bellot from May 16, 2024.

The adjusted EBITDA amounted to CZK 4.6 billion in 2024, up 50.9% y-o-y. The most significant one-off items were expenses related to the employee stock option plan and one-off expenses connected with the acquisition of Sellier & Bellot, i.e., inventory step-up and commodity hedging.

Profit (loss) before tax

Profit (loss) before tax of the Group decreased in 2024 by 45.0% y-o-y to CZK 1.4 billion, due to the impact of financial operations, cost associated to share based payment related to the employee stock option plan, the increase in depreciation and amortization related to the acquisition of Sellier & Bellot and the revaluation of inventory also related to this acquisition.

² In 2024, 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, one-off expenses connected with the acquisition of Sellier & Bellot – inventory step up and commodity hedging and expenses related to wasted investments, which are unrelated to operational performance and value creation in the given period. In 2023, EBITDA was adjusted by one-off items related to acquisitions and payments related to the employee stock option plan which are not related to operational performance and value creation in the given period.

Net profit / Adjusted Net profit³

In 2024, net profit decreased by 48.9% to CZK 1,044.6 million compared with the same period of last year, due to the impact of financial operations cost associated with share based payment related to the employee stock option plan, the increase in depreciation and amortization related to the acquisition of Sellier & Bellot and the revaluation of inventory also related to this acquisition.

In 2024, net profit adjusted for extraordinary items decreased by 5.7% to CZK 1.9 billion compared with the same period in 2023.

Investments

The Group's capital expenditures were CZK 921 million in 2024, up by 54.7% y-o-y. This represents a 4.1% share of the total revenues which is less than 2024 guidance, due to a shift of payments for some investments in Q1 2025. Approximately 63% of investments went to the Czech Republic, 24% to North America and the rest to subsidiaries in other countries, especially Switzerland.

2025 Guidance

With regards to the outlook for 2025, Colt CZ sees major global business opportunities in the military and law enforcement segment. Cooperation with NATO and EU member countries and the NATO Support and Procurement Agency (NSPA) remains a top priority, although the Group notices the growing importance of other markets, mainly in Asia. Winning tenders and executing signed contracts on time are other prerequisites for fulfilling the outlook.

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

The main risks to achieving the 2025 outlook include: a. worsening of the situation on the commercial market in the USA in combination with the global economic outlook, b. delays in the execution of large orders in the military and law enforcement segment, c. delays in the launch of new products on the market, and d. development of FX that affect the conversion to CZK. On the other hand, other opportunities in

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the outlook are as follows: a. potential new large contracts, if they are successfully completed in 2025, and b. the impact of product reselling from other producers.

In view of the above, the Group presents the indicative outlook for 2025:

In billion CZK	Guidance	Y-o-y change in %
Colt CZ Group		
Revenues	25 (+/- 7%)	+12%
Adjusted EBITDA	5.5 (+/- 7%)	+20%

Due to the seasonality of financial results, which is influenced by the scheduled deliveries of large orders for the military and law enforcement segment, the Company's management decided to present an indicative outlook for 2025 broken down by quarters:

In billion CZK	Q1	Q2	Q3	Q4	2025e
Revenues	5.2	6.3	6	7.5	25
Adjusted EBITDA	1.0	1.5	1.3	1.7	5.5

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 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 for a share buyback program (equivalent to 1.15 million shares at the current market price). The proposed profit distribution will be divided equally - 50% in the form of a cash dividend and 50% through the share buy-back program. This approach reflects our commitment to create value for shareholders. The Company plans to keep the repurchased shares as treasury shares for its future transactions.

The proposed profit distribution is subject to approval by the General Meeting which will be held at the end of the first half of 2025. Further information concerning the timetable of the profit distribution will be published during 2025.

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 3,600 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.

Contact for investors

Klára Šípová
Investor Relations
Colt CZ Group SE
Phone: + 420 724 255 715
email: sipova@coltczgroup.com

Contact for media

Eva Svobodová
External Relations Director
Colt CZ Group SE
Phone: +420 735 793 656
email: media@coltczgroup.com

Appendix:

Adjusted EBITDA

(in CZK thousand)	FY 2024	FY 2023
EBITDA	3,479,842	2,663,687
ESOP	418,730	313,455
Wasted investment Colt	69,624	0
Wasted investment Foundry	21,642	0
M&A (unrealized)	14,960	71,237
Legacy cost related to acquisitions	24,136	0
SB inventory step up	513,596	0
SB commodity hedging	56,334	0
Adjusted EBITDA	4,598,864	3,048,379
EBITDA margin	20.6%	20.5%

Adjusted net profit

(in CZK thousand)	FY 2024	FY 2023
Profit before tax	1,379,838	2,509,562
ESOP	418,730	313,455
Wasted investment Colt	69,624	0
Wasted investment Foundry	21,642	0
M&A (unrealized)	14,960	71,237
Legacy cost related to acquisitions	24,136	0
SB inventory step up	513,596	0
Negative goodwill swissAA	0	(384,482)
Bank fee - acquisition loan S&B	100,864	0
Bond issue related costs	10,289	8,641
Subtotal of adjusted items	2,553,679	2,518,413
Effective tax rate	(620,474)	(468,671)
Adjusted net profit	1,933,205	2,049,742