

## PRESS RELEASE

### Bobst Group reports strong 2016 results with sales up 9% and net result up 26%

- Sales increased by 8.7% in 2016
- Operating profit was CHF 103.7 million compared with CHF 83.9 million in 2015
- Net result was CHF 84.3 million compared with CHF 67.1 million in 2015
- Continued strong cash inflow from operating activities of CHF 108.2 million
- Net cash position of CHF 51.3 million
- Order entries same as in 2015 and backlog down 4% due to higher sales

*Mex, March 2, 2017* – Bobst Group, a Swiss-based worldwide leading supplier of equipment and services to the packaging and label industries, achieved consolidated sales of CHF 1.447 billion in 2016, an increase of CHF 116 million, or +8.7%, compared to 2015. The operating result (EBIT) was CHF 103.7 million (CHF 83.9 million in 2015), while the net result was CHF 84.3 million (CHF 67.1 million in 2015). Cash increased by CHF 46.3 million contributing to a net cash position of CHF 51.3 million compared to net debt of CHF 1.7 million in 2015. The return on capital employed (ROCE) increased to 19.9% compared to 16.0% in 2015 and the shareholders' equity ratio increased to 33.9% from 31.1% in the previous year.

The Board of Directors proposes to the Annual General Meeting of Shareholders the payment of a dividend of CHF 1.70 per share (CHF 1.25 in 2015).

	2016	2015
In million CHF		
Sales	1 446.6	1 330.9
Operating result (EBIT)	103.7	83.9
Net result	84.3	67.1

#### Order entries and backlog

The Group started 2016 with a slightly higher backlog of orders than the year before. Order entries during 2016 have been higher than in the previous year for the Business Unit Web-fed, while entries for the Business Unit Sheet-fed ended 2016 somewhat lower. Globally, order entries were at same level as last year. As we had expected and communicated, Asia improved significantly, while Central and North America improved once again on the previous year. Not surprisingly, Europe experienced a slowdown and activity remained low in South America. The Group finished the reporting year with a slightly lower backlog than in 2015.

## Sales

For the full year 2016, consolidated sales increased by CHF 116 million, or 8.7%, to CHF 1.447 billion. Adjusted for currency effects and acquisitions, organic sales were up 6.7% in 2016. Nuova Gidue Srl which was acquired in 2015, and the new subsidiary opened in Turkey at the beginning of 2016 contributed CHF 16.1 million to the sales increase. Exchange rate variances increased sales by CHF 10.8 million.

	In million CHF	In %
Increase in volume	88.8	6.7
Change in scope of consolidation	16.1	1.2
Exchange rate variance	10.8	0.8
<b>Increase in sales</b>	<b>115.7</b>	<b>8.7</b>

Sales reached CHF 847 million in the second half of 2016 compared with CHF 600 million in the first six months of the year, and to CHF 806 million in the second semester of 2015. Sales of sheet-fed products increased by 8.5% to CHF 714 million. This growth was driven by a very strong demand for products for the corrugated industry. The demand for products for the folding carton industry remained stable. Sales of web-fed products increased by 4.0% reaching CHF 309 million for the year 2016. The demand for special machines and complex lines remained at a similarly low level as in 2015. Sales of services and spare parts strongly increased, up 12.8% to CHF 423 million. This represents the best year since the creation of the Business Unit Services in 2010.

Sales in Europe increased by CHF 9 million. A significant improvement in countries including Italy, Switzerland and Ukraine was partly eroded by lower sales in Poland, Germany the UK and Austria. Sales in the Americas increased by CHF 42 million. This improvement was mainly driven by growth in the US and Mexico. Sales in Asia & Oceania increased by CHF 42 million, mainly in countries including Japan, Turkey, Australia and Vietnam. The general slowdown in China led to a further decrease in sales in that country. Africa increased by CHF 23 million with Morocco and South Africa contributing most to this growth.

Sales	2016		2015		Δ%
In million CHF					
Europe	662	45.7%	653	49.0%	1.4
Americas	427	29.5%	385	28.9%	10.7
Asia & Oceania	307	21.2%	265	19.9%	16.1
Africa	51	3.6%	28	2.2%	80.2
<b>Total</b>	<b>1 447</b>	<b>100.0%</b>	<b>1 331</b>	<b>100.0%</b>	<b>8.7</b>

## Results

The operating result (EBIT) was CHF 103.7 million, or 7.2%, of sales compared to CHF 83.9 million, or 6.3%, of sales in 2015. The increase in operating result (EBIT) was due to higher sales which led to a good utilization of the Group's industrial capacities, as well as to improvement measures to continuously increase our competitiveness.

The net result reached CHF 84.3 million (CHF 67.1 million in 2015). The increase came from higher operating results as well as from reduced financing costs. Income taxes increased, as the Group had a one-time CHF 8.1 million positive tax effect in 2015 which did not occur in 2016.

## Balance sheet

The successful business operations, as well as continued efforts to optimize net working capital and capital employed, resulted in an increase in cash of CHF 46.3 million in 2016. This contributed to a net cash position of CHF 51.3 million in the reporting year compared to a CHF 1.7 million net debt in 2015. The return on capital employed (ROCE) increased to 19.9% compared to 16.0% in 2015 and the shareholders' equity ratio increased to 33.9% from 31.1% in the previous year.

## Transition from IFRS to Swiss GAAP FER

As a consequence of the transition from IFRS to Swiss GAAP FER, results in the income statement for the year 2015 were restated. Changes were primarily due to the adjustment of employee benefits and acquisition related charges. In the balance sheet, the biggest changes concern employee benefit liabilities as well as goodwill and other intangible assets from acquisitions, which have been offset with equity. This leads, together with other effects, to a reduction in total assets of CHF 93.1 million and an increase in equity of CHF 8.2 million on the balance sheet as at 31 December 2015. As a consequence of these changes the shareholders' equity ratio on 31 December 2015 improved from 28.6% to 31.1%.

## Outlook and financial targets

Change is all around and 2017 will be another "unpredictable year". The way that countries are run under new political leaderships may influence global trade and change its dynamics. Although the markets will remain unpredictable, there will still be plenty of opportunities.

Our journey, and our targets, embrace innovation and the development of new machines, new services and an increase in market share. In support of our strategy, we re-emphasize our focus on customer satisfaction, which is a vital source of the company's well-being. We aim for growth in all business units and some targeted markets, demonstrated by the future opening of our third Chinese production site in early 2018. We continue to invest in innovation through the future development of a competence center for digital printing technology and we will continue to streamline our operation, be it looking for synergies within the Group, implementing lean processes or developing common practices.

Since its creation 125 years ago, BOBST has continuously adapted and innovated to keep its place at the top, with the best products and services. Our strategy for 2017 will unfold as follows:

- Continue to invest in a strong presence in large markets.
- Continue to deploy our values and culture of Trust, Respect, Passion and Performance
- Consistently generate financial and human value for our stakeholders
- Learning from our successes, and mistakes, we will develop and innovate in new fields, thus generating mid- to long-term additional revenue streams.

The Group confirms the guidance published on December 20, 2016, that it expects to reach sales similar to the level achieved in 2016. Barring unforeseen circumstances the Group expects to achieve an operating result (EBIT) similar to that achieved in 2016.

**Board of Directors elections**

At the forthcoming Annual General Meeting of Shareholders on April 6, 2017, the mandates of all members of the Board of Directors will come to an end. Alain Guttmann, Thierry de Kalbermatten, Jürgen Brandt, Gian-Luca Bona and Philip Mosimann will be proposed for re-election for a new period of one year. Ulf Berg will not be standing for re-election, as he has decided after eleven years as a director of the company not to enroll for another year. We express our warmest thanks for his outstanding contribution and for the innovative business approach he has brought to the Group since 2006. Mr. Patrice Bula (1956), member of the Executive Board of Nestlé SA since 2011, and a member of the Board of Directors of Schindler Holding Ltd, will be proposed as a new member of the Board. He will enrich the Group with his experience and competencies in the consumer goods industry and his long experience of Far East countries. The Board of Directors wishes to propose Alain Guttmann as Chairman.



### **About Bobst Group**

We are one of the world's leading supplier of equipment and services to packaging and label manufacturers in the folding carton, corrugated board and flexible materials industries.

Founded in 1890 by Joseph Bobst in Lausanne, Switzerland, BOBST has a presence in more than 50 countries, runs 11 production facilities in 8 countries and employs over 5 000 people around the world. The firm recorded a consolidated turnover of CHF 1.447 billion for the year ended December 31st, 2016.

### **Today's information meeting – Publication of the annual report 2016**

A conference for financial analysts and the media will take place today, March 2, 2017, at 10.15 a.m. in Mex. The 2016 annual report, financial statements, along with translations in French and German of this release, will be available on the Group's website <http://investors.bobst.com> from 06.30 a.m. The presentation will be available from 10.15 a.m.

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### **Forthcoming Releases**

6 April 2017	Annual General Meeting at 5.00 p.m. in Mex
27 July 2017	Publication of the half-year Report as of 30 June 2017 Teleconference for financial analysts and the media
November 2017 (to be confirmed: week Nov. 6 <sup>th</sup> )	Conference for the financial analysts and the media in Zurich

### **Security symbols**

SIX SWISS EXCHANGE: BOBNN or 1268465  
ISIN: CH0012684657  
SIX Telekurs: BOBNN,4 or 1268465,4  
Bloomberg: BOBNN SW  
Reuters: BOBNN.S

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