

PRESS RELEASE

2017 first half-year results

Bobst Group reports higher sales and more than doubled results compared to first half of 2016

- Sales up 7% compared to H1 2016.
- EBIT has improved to CHF 39.8 million from CHF 18.0 million in 2016.
- Net result was CHF 27.7 million compared with CHF 9.7 million in 2016.
- Order entries increased by 20% and backlog by 5% compared to previous year.

Mex, July 27, 2017 – Bobst Group recorded a very good first half-year in 2017. Sales amounted to CHF 643.2 million for the first six months of 2017, compared to CHF 600.4 million in the previous year. The operating result (EBIT) increased by CHF 21.8 million to CHF 39.8 million. The net result reached CHF 27.7 million, up from CHF 9.7 million in the previous year. Order entries increased by 20% and the order backlog is 5% higher than in the previous year. Mouvent, our new start-up company, will become the digital printing competence center and solutions provider of BOBST, focusing on innovation, with the objective to gain new markets in this area.

During the first half of 2017, consolidated sales amounted to CHF 643.2 million, representing an increase of CHF 42.8 million, or +7.1%, compared with the same period in 2016. This evolution was mainly driven by an overall good level of activity in all three Business Units and a slow start of Business Unit Web-fed in 2016. Volume and price variances had a positive impact of CHF 48.9 million, or +8.1%. An improvement of CHF 1.3 million, or +0.2%, came from the acquisition of the German company Boxplan. The unfavorable exchange rate evolution due to the conversion of foreign currencies for consolidation accounts for CHF -4.4 million, or -0.7%, and the transactional impact on sales volume from our Swiss operations accounts for CHF -3.0 million, or -0.5%.

Sales by BU	30 June 2017 (In million CHF)	30 June 2016 (In million CHF)	Δ %
BU Sheet-fed	302.3	289.2	+4.5
BU Web-fed	119.5	100.6	+18.7
BU Services	221.2	210.1	+5.2
Other	0.2	0.5	-42.5
Total	643.2	600.4	+7.1

The operating result (EBIT) reached CHF 39.8 million compared with CHF 18.0 million for the same period in 2016. The increase in the operating result (EBIT) is mainly due to the positive contribution from higher sales and a very good utilization of our industrial capacities.

All Business Units improved their operating results (EBIT) with higher sales. The biggest increase comes from Business Unit Sheet-fed, where we are benefitting from the transformation measures implemented in recent years, but also from Business Unit Services, which continues to improve its processes. Business Unit Web-fed continues to have a less favorable product mix and high pressure on margins.

EBIT by BU	30 June 2017 (In million CHF)	30 June 2016 (In million CHF)	Δ (In million CHF)
BU Sheet-fed	+12.6	-2.5	+15.1
BU Web-fed	-5.3	-7.5	+2.2
BU Services	+33.2	+28.5	+4.7
Other	-0.7	-0.5	-0.2
Total	+39.8	+18.0	+21.8

Net result reached CHF 27.7 million, compared to CHF 9.7 million in 2016. The increase in net result is mainly due to higher operating result (EBIT).

Net cash reduced to CHF 7.6 million from CHF 51.3 million at the end of 2016. This is mainly due to temporarily higher inventories for machines to be invoiced in the second half of the year. The consolidated shareholders' equity reached 32.5% of the total balance sheet, compared to 33.9% at the end of 2016.

BUSINESS ACTIVITY AND OUTLOOK BY BUSINESS UNIT

Business Unit Sheet-fed

Business activity in the first half-year of 2017 was strong and followed the positive trend of 2016, with solid performance in both the corrugated board and in folding carton industries. Total bookings for the first half-year of 2017 were 30% better than the same period in 2016.

Demand is good in both mature and emerging markets which, compared to last year, are reporting increased business activity that is reflected in H1 order intakes. Encouraging results are coming from China, where orders of H1 2017 have more than doubled in volumes and value compared to the first half of 2016. This is mainly due to a more positive economic situation, while increased pressure on prices and margins for customers is driving them to invest in highly productive equipment and automation.

On average all business zones are reporting double-digit percentage booking improvements compared to the same period of last year. The only exceptions are Africa and Turkey, which are underperforming due to political and economic factors that are slowing down investments.

Sales in the first half of the year were 5% above the same period in 2016. The positive volume imbalance which historically has marked the second half of the year has now been decreasing since 2015.

Business Unit Web-fed

Business activity in flexible materials remained in line with the previous year, although sales for the first half of 2017 have been slightly higher than last year.

In the market there have been no significant changes compared to 2016. Our performance in mature countries remains in line with the volumes demanded. Emerging countries, including China, Russia and Brazil, remain at a very low level of activity. Exceptions are India and South-East Asia which show increased activities. Total bookings for the first half-year of 2017 were 2% lower than the same period in 2016.

Construction work for the new China production site and competence center in Changzhou started in May 2017 and will be completed by year end. This new infrastructure will allow BU Web-fed to increase its footprint in Asia, to better serve the local market.

Sales in the first half of the year were 18% above the same period in 2016. This is mainly due to a slow start in 2016. The sales distribution between the first and second halves of the year remains still quite unbalanced. A good level of order backlogs and the so far positive trend in the packaging industry will allow us to increase sales, compared to the previous year's volumes in local currencies.

Business Unit Services

First half-year sales for the Business Unit Services were 5% above the same period in 2016. In European and North American markets the business volume increased, mainly through more contract business such as maintenance programs, machinery inspections and contracts for remote troubleshooting and monitoring. While Europe and North America grew by more than 10% compared to 2016, Greater China and India showed stagnation in service business. In Asia, after an acceptable sales level in 2016, the South-East Asia and Japan service business was slightly below 2016.

The Business Unit Services expects to see normal business development for the second half of 2017, if no major changes in the world economy or exchange rates occur.

The Business Unit Services will continue to increase in competencies to support the worldwide deployment of products. The focus for the remainder of 2017 will therefore be to 'hire, train and retain' service sales managers and service technicians, to further optimize the spare parts warehouse in Asia Pacific, and to continue to work on customer satisfaction.

OUTLOOK FOR THE SECOND HALF OF 2017

The Group expects to see continued good demand in Europe and North America. Asia should further improve but South America and Turkey will remain low due to their slow economies. The Group expects a very busy second half of 2017 in nearly all plants. At current exchange rates, and barring unforeseen circumstances, the Group is confident of achieving slightly higher full-year sales and a slightly higher operating result (EBIT) compared to 2016.

The mid- to long-term financial targets of at least 8% operating result (EBIT) and a minimum 15% return on capital employed (ROCE) remain unchanged.



About BOBST

We are one of the world's leading suppliers 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 12 production facilities in 8 countries and employs more than 5 000 people around the world. The firm recorded a consolidated turnover of CHF 1.45 billion for the year ended December 31st, 2016.

Half-year report as at 30 June 2017

The half-year report as at 30 June 2017 is available at <http://investors.bobst.com/publications>.

Today's teleconference

A teleconference for financial analysts and the media will take place today, at 10.30 CET. The taped recording of the conference will be available shortly after the call until close of business on Friday, 28 July 2017. The telephone number to access this service is:

- International number: +44 (0) 20 8196 1998
followed by the access code: 3925115#

From Friday, 28 July 2017 at 09.00 CET onwards, the recording will be available on our website <http://investors.bobst.com/publications>.

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Forthcoming Releases

9 November 2017	Conference for financial analysts and the media in Zurich
2 March 2018	Publication of the 2017 financial statements
	Conference for financial analysts and the media in Mex
28 March 2018	Annual General Meeting at 5.00 p.m. in Mex

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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