

Ad hoc announcement pursuant to Art. 53 LR PRESS RELEASE

Bobst Group achieves very strong financial results in 2021

Bobst Group's 2021 full year figures confirm the positive market trend started in Q4 2020 and the order entries were at an all-time high, nearly 40% higher than in 2020. Very strong financial results were achieved for the full year:

- Sales increased to CHF 1.563 billion from CHF 1.372 billion in 2020.
- Operating result (EBIT) at CHF 99 million (CHF 44 million in 2020).
- Net result at CHF 93 million (CHF 17 million in 2020).
- Excellent cash inflow from operating activities of CHF 186 million (CHF 160 million in 2020).
- ROCE reached the long term target and increased to 22.0% (8.3% in 2020).
- Net cash position increased to CHF 154 million from CHF 4 million in 2020.
- Regular dividend of CHF 2 per share (0 in 2021). Due to high cash position and very strong financial results an extraordinary dividend of CHF 6 per share is proposed in 2022.

Mex, Switzerland, 25 February, 2022 – Bobst Group's 2021 full year figures confirm the positive market trend started in Q4 2020 and order entries were at an all time high, nearly 40% higher than in 2020. Bobst Group reached sales of CHF 1.563 billion in 2021, an increase of CHF 191 million, or 14.0%, compared to 2020, with a strong growth for Business Unit Services & Performance. The operating result (EBIT) was CHF 99 million (CHF 44 million in 2020), while the net result was CHF 93 million (CHF 17 million in 2020).

The return on capital employed (ROCE) reached its long term target and increased to 22.0% compared to 8.3% in 2020. The equity ratio decreased to 32.3% from 33.2% in the previous year due to an increase of total balance sheet. An excellent cash inflow from operating activities of CHF 186 million (CHF 160 million in 2020) allowed the Group to further increase the net cash position from CHF 4 million in 2020 to CHF 154 million in 2021.

After such good financial recovery, effective management of the pandemic and considering the absence of a dividend in 2021, the Board of Directors recommends to the Annual General Meeting of Shareholders to pay a regular dividend of CHF 2 per share plus an extraordinary dividend of CHF 6 per share in 2022.

The year end backlog for machines is 80% higher than at the end of 2020. In 2022, the Group is currently expecting sales to be in range of CHF 1.7 billion to 1.8 billion and operating result (EBIT) margin to be in a range of 7% to 8%.

	2021	2020
In million CHF		
Sales	1 563.4	1 372.0
Operating result (EBIT)	99.0	43.7
Net result	93.4	17.3

Order entries and backlog

The Group started 2021 with a CHF 100 million higher machine backlog than the year before. Order entries were particularly strong in the first half of the year 2021 and the positive trend continued throughout the year, leading to an overall increase in total orders of nearly 40% compared to previous year. Orders for the Business Unit Printing & Converting reached an all-time high and outperformed the previous year by 50%. Southern Europe was the region with the highest growth in 2021, followed by the rest of Europe and the Americas. Asia and Africa improved compared to the previous year but less than the other regions. All four industries contributed to the increase in orders with the highest growth for corrugated board equipment, followed by folding carton, flexible materials and labels. Business Unit Services & Performance orders increased by 15% compared to 2020. The machine backlog at the end of 2021 is 80% higher than in 2020, with a stable service backlog.

Sales

For the full year 2021, consolidated sales increased by CHF 191 million, or 14.0%, to CHF 1.563 billion. Adjusted for currency effects and acquisitions, organic sales were up CHF 176 million, or 12.9%, in 2021. An improvement of CHF 15 million, or 1.1%, came from a change in scope of consolidation due to the full year effect of the acquisition of CITO-SYSTEM GmbH, Schwaig, Germany in April 2020, as well as the acquisitions of Jetpack SAS, Paris, France in January 2021, Cm Service Italia Srl, Lonato del Garda, Italy in September 2021, North American Cerutti Corporation, New Berlin, USA and 24/7 Cerutti Service Srl, Casale Monferrato, Italy in November 2021. The unfavorable evolution of exchange rates had a negative effect on sales of CHF 1 million, or -0.1%.

Sales reached CHF 896 million in the second half of 2021 compared to CHF 667 million in the first six months of the year, and to CHF 848 million in the second half of 2020. Sales recognized in the second half of 2021 were very satisfying, even more when considering the impact of the tense supply chain situation from procurement to transportation.

Sales of Business Unit Printing & Converting increased by 12.7% to CHF 992 million and are nearly back to pre-pandemic level. The increase was due to higher backlog at the beginning of the year compared to 2020 and record high order entries during the reporting year, and was mainly achieved with equipment for the corrugated board and folding carton industries. Business Unit Printing & Converting could not ship and invoice all the machines scheduled for 2021 due to the aforementioned supply chain situation. Business Unit Services & Performance outperformed the previous year's growth and increased its sales by 15.9% to CHF 570 million. Strong growth came from the spare parts business, as most customers used their equipment extensively. Sales recognized for services were back to pre-pandemic levels despite some remaining travel restrictions, mainly in Asia.

Sales	2021		2020		Δ%
In million CHF					
Europe	735.4	47.1%	646.7	47.1%	+13.7
Americas	457.8	29.3%	392.1	28.6%	+16.8
Asia & Oceania	327.5	20.9%	278.6	20.3%	+17.6
Africa	42.7	2.7%	54.6	4.0%	-21.8
Total	1563.4	100.0%	1372.0	100.0%	+14.0

Results

The operating result (EBIT) was CHF 99 million, or 6.3% of sales, compared to CHF 44 million, or 3.2% of sales in 2020.

Business Unit Printing & Converting reached an operating result (EBIT) of CHF 14 million compared to CHF -17 million in 2020. Higher sales and a better utilization of the industrial capacities had a positive contribution on the operating result (EBIT), but price increases for materials, parts and transportation, limited the overall improvement of the Business Units result. The ongoing initiatives to further improve the profitability are on track and the cost increases that had started in 2020 will be passed on from 2022.

Business Unit Services & Performance reached CHF 87 million operating result (EBIT) compared to CHF 62 million in the previous year. The significant increase in sales and a very good utilization of resources led to the further improvement in profitability. Business Unit Services & Performance was also impacted by the price increases for materials, parts and transportation but was able to pass on these increases faster, due to much shorter lead times compared to the equipment business. As already confirmed in 2020 the spare parts supply chain proved to be very efficient and resilient, and the Group continued to perform part of its service and technical support interventions remotely.

Both Business Units benefitted from a favorable one-time impact from the sale of real-estate property in France, Germany and Austria concluded in 2021. The positive impact on the operating result (EBIT) was CHF 12 million for Business Unit Printing & Converting and CHF 7 million for Business Unit Services & Performance. In 2021 the Group decided to accelerate depreciation for ERP systems. The reduction of the depreciation period from seven to five years had a CHF 4 million negative impact on the 2021 operating result (EBIT).

The net result increased to CHF 93 million compared to CHF 17 million in 2020. The increase in net result is mainly due to the higher operating result (EBIT) and lower income taxes. The weighted average income tax rate based on rates prevailing in the different jurisdictions reached 20.9% in 2021 (27.5% in 2020). The decrease of the applicable weighted average tax rate was caused by a very favorable change in the profitability mix of the Group's subsidiaries in 2021 in the different countries. An additional favorable tax effect came from the utilization of tax losses not previously recognized, mainly in Switzerland and in China.

Balance sheet

Customer down payments on record high orders booked in 2021 led to an extremely low net working capital of CHF 77 million, compared to CHF 177 million in 2020. This contributed to a further improved cash inflow from operating activities of CHF 186 million, compared to an already excellent CHF 161 million in 2020. The net cash position increased from CHF 4 million in 2020 to CHF 154 million in the reporting year. This improvement was achieved by including the proceeds from sale of tangible assets of CHF 20 million and capital expenditures of CHF 39 million, as well as the acquisition of controlling interests in Jetpack SAS, Paris, France, Cm Service Italia Srl, Lonato del Garda, Italy, North American Cerutti Corporation, New Berlin, USA and 24/7 Cerutti Service Srl, Casale Monferrato Italy, for CHF 12 million in total.

The return on capital employed (ROCE) achieved its long term target and increased to 22.0% in the reporting year, compared to 8.3% in 2020. This was due to higher operating result (EBIT) and lower capital employed of CHF 450 million, compared to CHF 529 million in 2020. The equity ratio decreased slightly from 33.2% in the previous year to 32.3% in 2021. Equity increased by CHF 84 million in the reporting year but mainly higher cash, receivables, inventories and financial assets led to an even higher temporary increase of the total balance sheet.

Dividend proposal

The Group's dividend policy recommends a payout ratio between 30-50% of the net consolidated profit after tax. The Group did not pay a dividend in 2021 due to the uncertainties linked to the pandemic situation. The global recovery in our industry was much faster than expected and the Group achieved a very good net result in 2021. The outlook for 2022 is positive and the backlog for machine sales is very high. The Group could not avoid to pay negative interest in 2021 due to the very high cash position (CHF 495 million at the end of 2021). The Board of Directors recommends therefore to the Annual General Meeting of Shareholders to pay a regular dividend of CHF 2 per share (no dividend paid in 2021), plus an extraordinary dividend of CHF 6 per share in 2022.

Outlook 2022

Employees' care and customer satisfaction will get very high attention in 2022. We will have to deliver the volume increase without compromising quality, while facing supply chain turbulences. Our new organization launched in summer 2020 has been implemented. We will pursue an intrapreneurship mindset across the Business Units and the product lines, we will implement the Europe, Middle East and Africa (EMEA) spare parts hub to better serve our customers and we will hire more than 150 field service technicians or technical services specialists, which is a real challenge considering the scarcity of skilled personnel.

2021 was strong, unpredictable, and full of opportunities. Our clients confirm that our Industry Vision – connect, digitalize, and automate – is right on track. The sustainability developments are part of our solutions, supporting all industries and in particular flexible packaging production, answering brand owners' recyclability pledges.

We trust that we will have a good year in 2022 and we all know the extraordinary pressures we face due to health challenges, raw material and component cost increases and global supply chain constraints. The pandemic continues to play an important role on people's behaviours. We can help our clients, printers, and converters by doing what we do best – innovating, promoting the sustainability of our industry and its products – and keeping in mind that our industry always follows cycles over periods of time.

Based on today's evaluation of the overall business environment and prospects the Group is expecting 2022 full year sales to be in range of CHF 1.7 billion to 1.8 billion and operating result (EBIT) margin to be in a range of 7% to 8%. The long-term objectives, with an operating result (EBIT) margin of at least 8%, and a return on capital employed (ROCE) of at least 20% are maintained.

Annual General Meeting

The mandates of all the members of the Board of Directors become due for renewal for a one-year period. At the forthcoming Annual General Meeting of Shareholders on 30 March, 2022, Alain Guttman, Thierry de Kalbermatten, Jürgen Brandt, Gian-Luca Bona and Philip Mosimann will be proposed for re-election for a new period of one year. The Board of Directors wishes to propose Alain Guttman as Chairman. The Annual General Meeting will, beside the dividend proposal of CHF 8 per share in particular, further deal with the requests concerning the remuneration for the Board of Directors (AGM 2022-AGM 2023) and for the Group Executive Committee (fiscal year 2023).



About BOBST

We are one of the world's leading suppliers of substrate processing, printing and converting equipment and services for the label, flexible packaging, folding carton and corrugated industries.

Founded in 1890 by Joseph Bobst in Lausanne, Switzerland, BOBST has a presence in more than 50 countries, runs 19 production facilities in 11 countries and employs more than 5800 people around the world. The firm recorded a consolidated turnover of CHF 1.563 billion for the year ended December 31, 2021.

Today's information meeting – Publication of the annual report 2021

A conference for financial analysts and the media will take place today, 25 February, 2022, at 10.15 a.m. in Mex . The conference will also be accessible online. The 2021 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 06.00 a.m. The presentation will also be available from 06.00 a.m.

Inquiries

Media and Investor Relations
Stefano Bianchi
Tel. +41 21 621 27 57
E-mail: investors@bobst.com

Forthcoming releases

30 March 2022	Annual General Meeting at 5.00 p.m. in Mex
26 July 2022	Publication of the 2022 half-year results Teleconference for financial analysts and the media
09 November 2022	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

Disclaimer

Forward looking statements are subject to uncertainties and risk. Actual future results may differ materially from those expressed in or implied by the statements. Some of these uncertainties and risks relate to factors that are beyond BOBST's ability to control or estimate precisely, such as, in particular, future market conditions, currency fluctuations, or behavior of other market participants. Readers are cautioned not to put undue reliance on forward looking statements, which speak only of the date of this communication. BOBST disclaims any intention or obligation to update and revise any forward looking statements constantly, whether as a result of new information, future events or otherwise.