

Ad hoc announcement pursuant to Art. 53 LR PRESS RELEASE

2022 first half-year results

Bobst Group increases sales and results for first half of 2022

Mex, Switzerland, 25 July 2022 – Bobst Group continued to record strong order entries in the first half of 2022, 8% higher compared to the first half year 2021. Sales were at CHF 773 million for the first six months of 2022, compared to CHF 667 million in the first half of 2021. The operating result (EBIT) increased to CHF 29 million, compared to CHF 15 million in 2021. The net result reached CHF 22 million, up from CHF 5 million in the previous year. Sales and results for the first half-year were according to expectations. Net cash decreased from CHF 154 million at the beginning of the year to a net debt position of CHF 3 million at the end of June 2022. Order backlog is 40% higher than in previous year.

The Group expects a good second half of the year due to the high backlog and service activities but there are also significant risks which can negatively impact the full year results. These are mainly due to the very tense supply chain situation and material price increases as well as insufficient global transportation capacities, but also the uncertain geopolitical situation.

During the first half of 2022, consolidated sales amounted to CHF 772.5 million, representing an increase of CHF 105.1 million, or 15.7%, compared with the same period in 2021. Volume and price variances had a positive impact of CHF 115.7 million, or 17.3%.

The exchange rates had an overall negative impact on sales of CHF 11.5 million, or -1.7%.

An improvement of CHF 0.9 million, or +0.1%, came from the full year effect of the acquisition of Jetpack SAS, Paris, France, completed on 11 January 2021, and the acquisitions of 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.

In million CHF	30 June 2022	30 June 2021	Δ %
Sales by BU			
BU Printing & Converting	466.9	389.7	19.4
BU Services & Performance	305.6	276.9	11.0
Other	0.0	0.8	-100.0
Total	772.5	667.4	15.7

The increase of consolidated sales was due to higher backlog at the beginning of the year and record high sales for spare parts and services due to very high level of activity at our customers' plants. Less travel restrictions caused by the pandemic situation allowed the Group to install more machines and to perform more service interventions than in the same period in 2021.

The operating result (EBIT) reached CHF 28.6 million compared with CHF 14.6 million for the same period in 2021. The improvement in operating result (EBIT) is due to higher sales, but price increases for materials and parts and the very tense supply chain situation limited the overall improvement.

The operating result (EBIT) for Business Unit Printing & Converting improved from CHF -21.4 million in the first half of 2021 to CHF -9.7 million in the first half of 2022. Higher sales in the first half of the year led to this improvement in operating result (EBIT) but the supply chain situation limited the favorable impact of the higher sales.

The availability of several specific components needed to assemble our equipment deteriorated compared to the second half of 2021. The missing parts led to inefficiencies and rework in all our production sites and the Covid-shutdown in China created additional under-absorption in our Chinese factories.

Business Unit Services & Performance improved its operating result (EBIT) to CHF 39.6 million in the first half of 2022, compared with CHF 37.1 million in the same period in 2021. The improvement comes mainly from higher spare parts sales. The rescheduling of machine installations caused by missing parts had a negative impact on the utilization of the field service technicians. The Group significantly increased its technical support service teams to anticipate the high number of machines to be installed. This had a negative impact on the Business Unit's profitability in the first half of the year.

The embargos against Russia had a negative effect on the profitability of both Business Units, as the Group had to suspend its business with customers in Russia.

In million CHF	30 June 2022	30 June 2021	Δ
EBIT by BU			
BU Printing & Converting	-9.7	-21.4	+11.7
BU Services & Performance	+39.6	+37.1	+2.5
Other	-1.3	-1.1	-0.2
Total	+28.6	+14.6	+14.1

Net result reached CHF 21.6 million, compared to CHF 5.1 million in 2021. The increase in net result is mainly due to higher operating result (EBIT).

The net cash position of CHF 153.9 million at the of 2021 turned into a net debt position of CHF 2.5 million at the end of June 2022. This is mainly due to the CHF 132.1 million dividends distributed in April 2022 to shareholders and an increase of CHF 26.6 million in net working capital, compared to the extremely low level reached at the end of 2021. The consolidated equity reached 25.7% of the total balance sheet, compared to 32.3% at the end of 2021. The reduction of the ratio is mainly due to the distribution of ordinary and extraordinary dividend.

BUSINESS ACTIVITY AND OUTLOOK BY BUSINESS UNIT

Business Unit Printing & Converting

The Business Unit experienced a positive evolution with slightly higher order entries compared to the previous year. The backlog is at an all-time 40% higher than the previous year, mainly due to increased demand for e-commerce, shelf-ready packaging as well as replacement of old equipment. Turnover

increased about 20% compared to previous year despite the difficulties in the global supply chain and lockdowns in China in the second quarter.

Main market trends remain e-commerce, sustainability, and recyclability (circular economy) in all industries. This generates excellent opportunities for BOBST to address these market demands with new solutions for barrier film and paper, new recyclable mono-material laminates, and films for the flexible packaging industry. For the folding carton and corrugated board industry, our new real-time performance monitoring, quick set-up, and waste reduction solutions are well perceived by the market. In general, the consolidation in the industry goes on, including the creation of new greenfield plants and the vertical integration from paper and film producers into converting activities. In parallel, brand owners are tending to start a regionalization of solid and resilient supply chains to better mitigate the global risks.

The severe impact of foreign exchange rates trends, the supply chain turbulences, the energy and raw material price increases and availability represent our greatest challenges. A dedicated cross-functional task force is managing these by leveraging our global scale and production planning capabilities.

The transformation program of the Business Unit Printing & Converting initiated in 2020 is on track and results are currently materializing.

After a strong first half-year we expect to see the order entries level to stabilize or to be slightly lower in the second half-year. The high inflation rates and risk of recession in the US and European markets, the travel restrictions within China and the political situation in Ukraine might impact the global economy in an unpredictable manner. We expect second half-year sales to be significantly higher than the level recognized during the first six months. The uncertain availability of parts from main suppliers might however impact the shipment of certain machines planned for this year.

Business Unit Services & Performance

The first semester of sales for the Business Unit Services & Performance is at record high level, 11% above the same period in 2021.

The pandemic has changed the packaging dynamic mainly on the corrugated side. Consumers have changed their habits and started to order much more online. Shops had to be creative during the lockdown period and a lot of them decided to sell through web portals. All generations had to learn quickly to shop differently, increasing demand for corrugated board. The installed base of corrugated machines has been experiencing much more demand for overhauling, upgrades, and spare parts.

Our field service technicians have been solicited to install and to troubleshoot more equipment than ever and despite the strong pandemic regulation in the transport industry and limited flights, they have again reached a normal level of activity, mainly in North America and in Europe.

Last year we invested in a remanufacturing company, Cm Service, based in Italy, as our customers wanted to overhaul equipment rather than replace them, also for ecological reason.

Business Unit Services & Performance is actively working with Business Unit Printing & Converting to come up with innovative retrofits and upgrades supporting the sustainability program of our customers.

The first focus in the second part of the year is the launch of our new hub in Belgium, heart of logistic expertise and transportation. We will merge, over a period of eight months, seven product line logistic centers. The result will help us to serve our customers even better with a cut-off time at 8:30 pm for a delivery in Europe before 9:00 am the next day. 100 000 spare parts will be stocked, bringing our parts availability up to 94% for certain product lines. The auto store will manage up to 70 000 parts of less than 30 kg in a fully automated way, accelerating the selecting, minimizing the number of errors and the employee fatigue.

The Business Unit Services & Performance will continue to pursue the digital transformation of its activities. The launch and implementation of BOBST Connect Essential, starting 1 July 2022, or the customer relationship management (CRM) implementation for ticketing, mobile application and sales funnel starting in Q3 is a typical example.

Business Unit Services & Performance is also very active in recruiting more than 200 new field service technicians in 2022, as the demand to install and start up machines is heavily increasing.

OUTLOOK FOR THE SECOND HALF OF 2022

For the full year, order entries should remain at a good level according to our sales funnel. The uncertainties caused by the high inflation in our core markets, by the unpredictable supply chain and by the geopolitical situation, could however easily lead to a strong slowdown in the second half of 2022. Not to forget the evolution of the sanitary situation and travel restrictions which might impact the last quarter of the year.

Sales and results for the first half-year were according to expectations. The Group managed the existing multiple challenges thanks to highly committed employees who went the extra mile and great support of most of its suppliers. Producing and installing all the machines scheduled for the second half of the year is a big challenge and only possible if parts and materials supplies as well as insufficient global transportation capacities improve.

As announced on 25 February, the Group expects sales of CHF 1.7 to 1.8 billion and an operating result (EBIT) margin of 7% to 8% for the full year 2022. Based on the Group's current assessment it is still possible to reach these targets if some improvements in the supply chain occur in the second half of the year.

The long-term financial targets of at least 8% operating result (EBIT) and a minimum 20% return on capital employed (ROCE) are confirmed.



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.

Half-year report as at 30 June 2022

The half-year report as at 30 June 2022 is available at <http://investors.bobst.com/publications>.

Today's teleconference

A teleconference for financial analysts and the media will take place today, at 11:00 CET. From Tuesday, 26 July 2022 at 09:00 CET onwards, the recording will be available on our website <http://investors.bobst.com/publications>.

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Forthcoming Releases

09 November 2022 Conference for the financial analysts and the media in Zurich
27 February 2023 Publication of the 2022 financial statements
Conference for financial analysts and the media in Mex
30 March 2023 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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