



# CONFERENCE FOR FINANCIAL ANALYSTS AND THE MEDIA

Mex, February 27, 2018

# AGENDA

Mex, February 27, 2018

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## Review 2017

- Global Group performance
- Market trends
- Main highlights & events
- Novelties & innovations

## Financial results 2017

- Turnover
- Operating result (EBIT)
- Net result

## Outlook 2018

- Market & macro economy
- Building our future
- Financials
- Mid- to long-term financial targets
- Annual general meeting

## Various

- Agenda 2018
- Q&A
- Competence Center visit
- Buffet lunch in BCoffee

# REVIEW 2017

# REVIEW 2017

- Global Group performance
- Market trends
- Main highlights & events
- Novelties & innovations

# REVIEW 2017

## Global Group performance

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### Bobst Group reports solid results

- Sales increased by **5.7%** to CHF **1 529 million**
- Operating result up **14.5%** to CHF **119 million**
- Net result up **26.8%** to CHF **107 million**
- High cash inflow from operating activities of CHF **150 million**
- Net cash position increased to CHF **133 million** from 51 million in 2016
- Dividend increase proposed to CHF **2.60**, up from CHF 1.70
- Order entries increased **17%** and backlog more than **20%** compared to 2016

|                         | 2017         | 2016        | Δ%   |
|-------------------------|--------------|-------------|------|
| Sales                   | 1 528.6      | 1 446.6     | 5.7  |
| Operating result (EBIT) | 118.7        | 103.7       | 14.5 |
| Net result              | <b>106.9</b> | <b>84.3</b> | 26.8 |

In million CHF

# REVIEW 2017

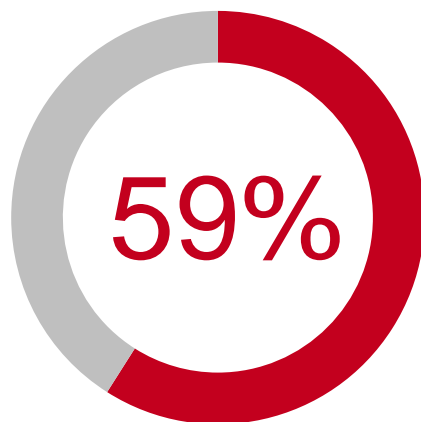
- Global Group performance
- Market trends
- Main highlights & events
- Novelties & innovations

# REVIEW 2017

## Market trends

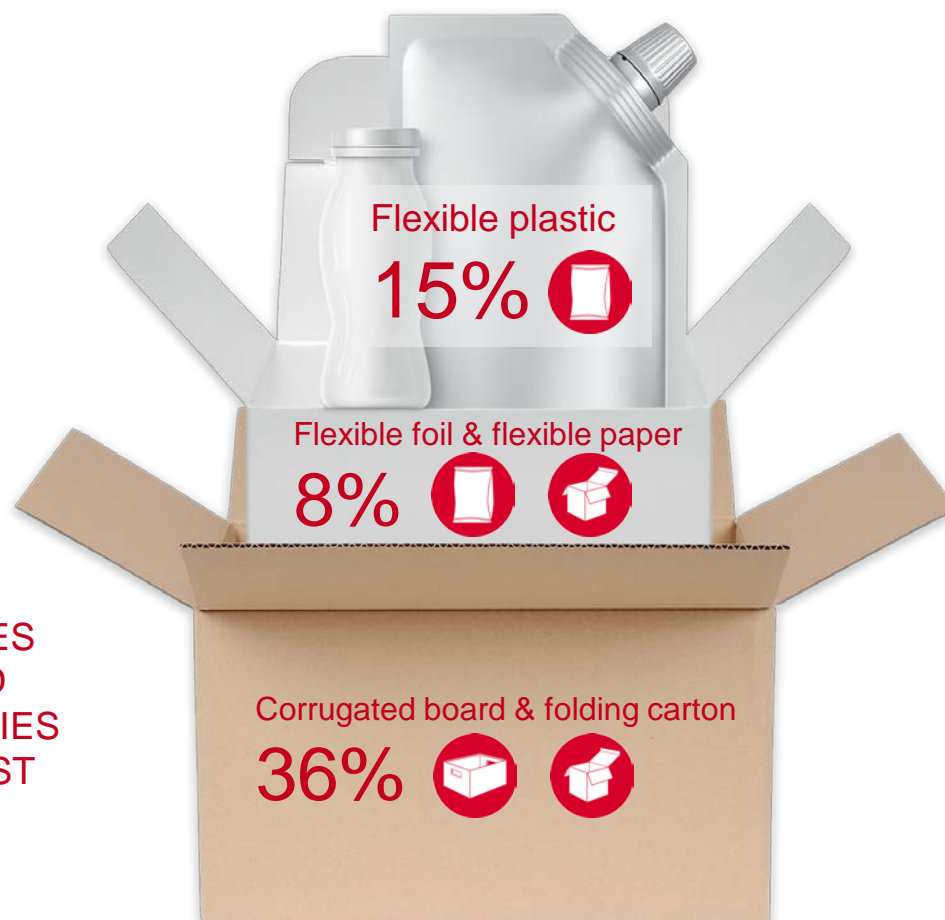
### Global packaging industry

- The market was \$ 828 billion sales in 2016 and will reach \$ 980 billion by 2022



OF ALL GLOBAL  
PACKAGING SALES  
ARE ACCOUNTED  
FOR BY INDUSTRIES  
SERVED BY BOBST

Source: Smithers Pira, 2017

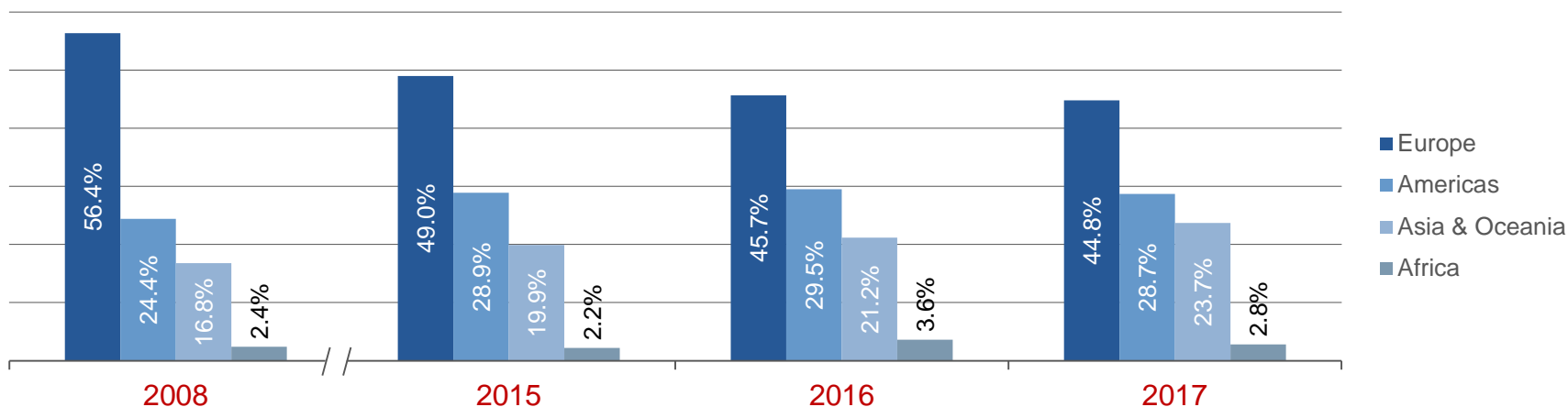


# REVIEW 2017

## BOBST sales

### Geography

- Europe remains strong and looking for more innovations (replacement)
- North America in investment mood (replacement) and Central America remains strong
- Asia improves, China regains traction for BOBST products and Eterna remains strong



### Industry

- Corrugated remains high to cope with higher demands, Folding Carton is satisfactory
- Flexible Materials and Labels strong, activities too slow for special equipment
- Service continues its organic growth

# REVIEW 2017

- Global Group performance
- Market trends
- Main highlights & events
- Novelties & innovations

# REVIEW 2017

## Main highlights & events



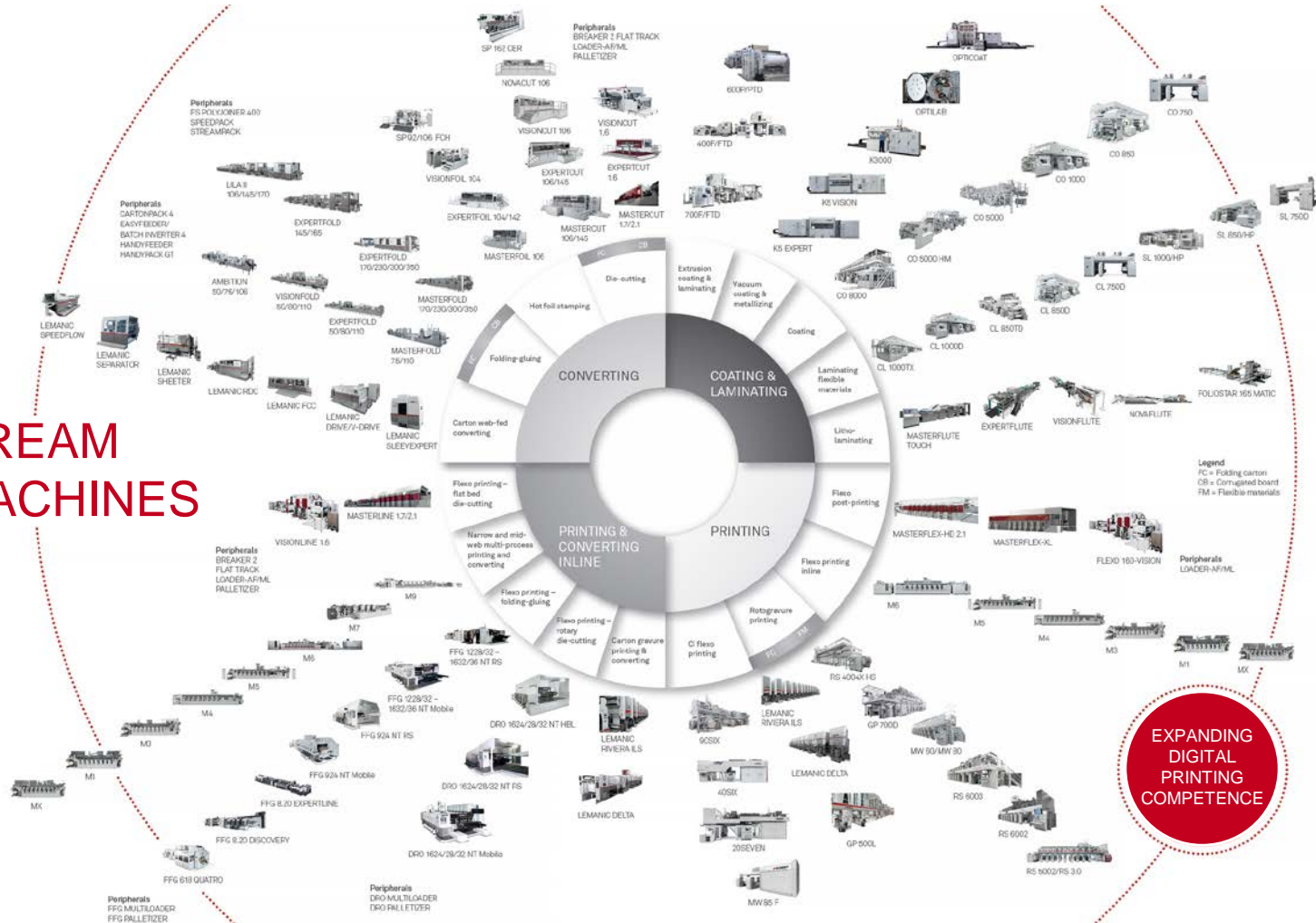
# REVIEW 2017

- Global Group performance
- Market trends
- Main highlights & events
- Novelties & innovations

# REVIEW 2017

## Equipment range

DREAM MACHINES



# REVIEW 2017

## Technology innovation

### MASTERFLEX-XL THQ



**OUTSTANDING  
QUALITY**

100% MATCH WITH  
READY-TO PRINT



**BRIGHT  
STRIKING  
COLORS**

GAMUT COVERAGE  
OF 65% WITH CMYK



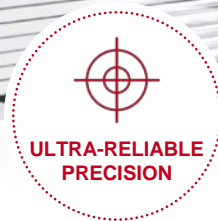
**BRAND  
PROTECTION**

ANTI-COUNTERFEIT  
PRINTING

# REVIEW 2017

## Technology innovation

### PREMIUM GAP CONTROL



100% OF DELIVERED  
BOXES CONFORM



FOLDING QUALITY:  
YOUR COMPETITIVE  
EDGE

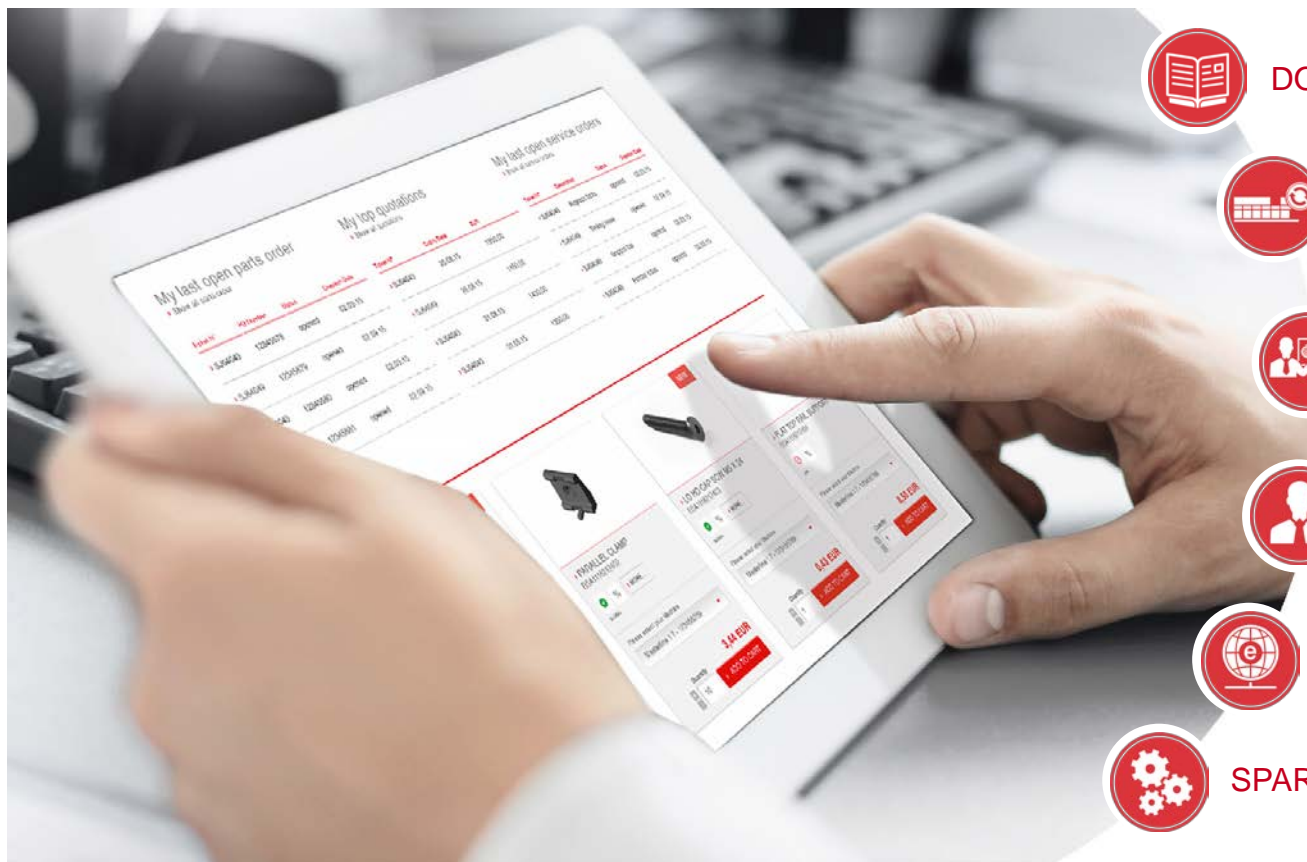


OPERATOR TIME  
AND WASTE

# REVIEW 2017

## Services

### MyBOBST



DOCUMENTATION MANUALS



MACHINE UPGRADE



TRAINING



TECHNICAL ASSISTANCE  
REMOTE SUPPORT



REAL-TIME MACHINE DATA



SPARE PARTS

# mouvent



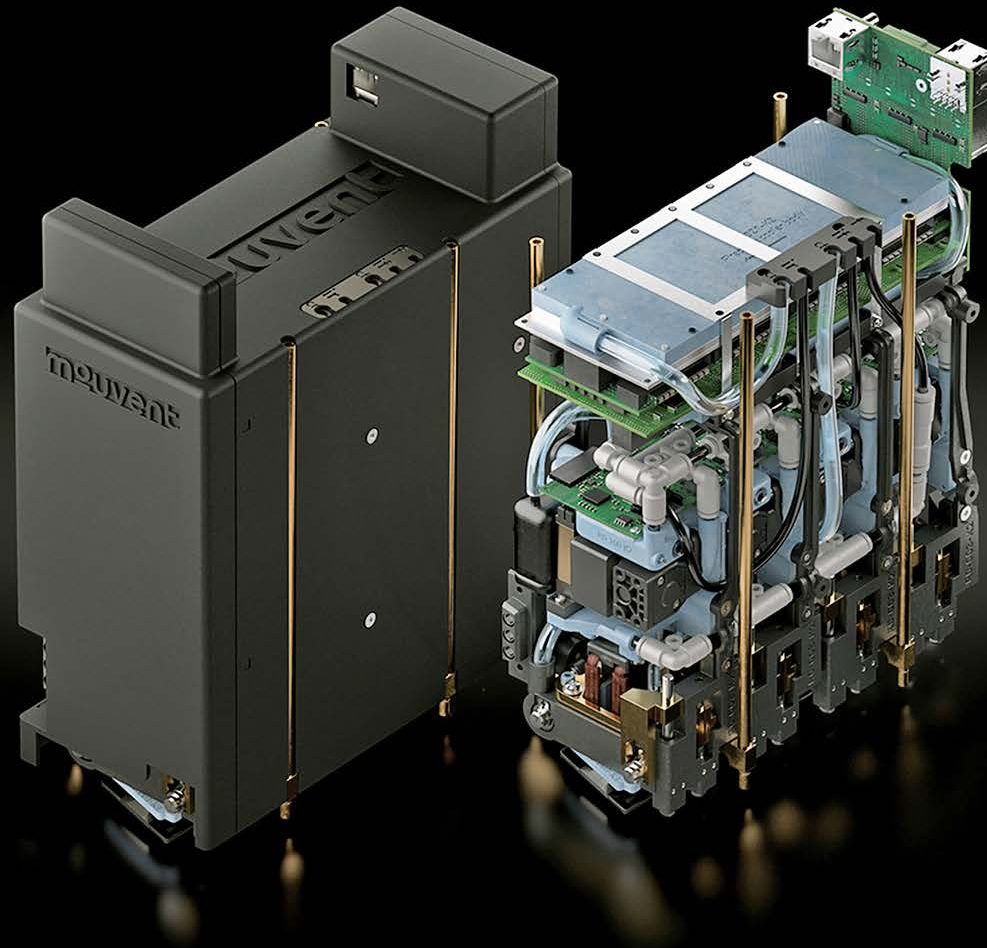
A testimony to  
the spirit and the power  
of innovation.

**Mouvent  
LB702-WB**  
You can't label it.

- ✕ Unique Mouvent™  
Cluster Technology
- ⊕ Label printing with  
100% water based ink
- ⊕ 100% VEC free label printing

## THE DIGITAL PRINTING COMPETENCE CENTER OF THE BOBST GROUP

# Clever clusters



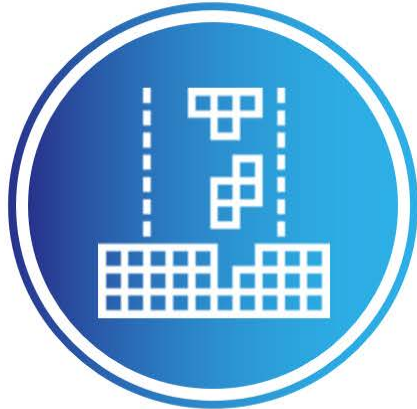
# Pioneering chemistry



# Experience Center in Cheseaux



# Why Mouvent ?



**Modular and  
Flexible**



**High  
print quality**



**Robust  
productivity**



**Your best  
TCO**

# REVIEW 2017

## Sustainability

### United Nations sustainable development goals



# REVIEW 2017

## Sustainability

### Sustainable Development Report



Sustainable Development Report 2017  
Bobst Group SA

## FOR THE NEXT GENERATION

**BOBST**



Jean-Pascal Bobst  
CEO of Bobst Group

## WHAT WE DO, HOW WE BEHAVE MATTERS MORE THAN EVER.

Industries operating worldwide make both social and environmental impacts. Reputation, brand value, employer attractiveness and innovative capabilities depend on the quality of our sustainability initiatives and influence the success of our business.

Since 2000, BOBST has reported every year on its work to implement and maintain sustainability throughout the Group. We employ close to 5,000 people worldwide and we take our responsibilities to them, their families and their societies very seriously.


Our corporate values of Trust, Respect, Passion and Performance are inspiring us at all levels. The BOBST Sustainable Development Report presents actual programs which have been set up to improve our life quality and to enhance the sustainability of our planet. It shows several voluntary activities that many of our employees carry out in their local areas.

We also work hard to ensure that our products and our manufacturing processes are environmentally responsible. Most of the new technologies we are designing now definitely reduce wasted materials and ink consumption. With the myclimate Foundation we launched our own carbon offsetting initiative to provide our customers with a new approach and more opportunities to engage with us in sustainable development (read more on page 10).

BOBST has always been renowned for building safe, long-lasting, highest quality and very reliable machinery that can be extended and updated over time. Apart from fulfilling the quality requirements of our demanding customers, this also reduces the need for field technicians visits and often benefits other parts of the supply chain. Everybody wins @BOBST, our customers and the environments that they cooperate in.

We are investing to increase efficiencies and reduce energy consumption at our own production and administrative sites, adopting new technologies such as solar power, LED lighting, improved triple-glazing and facade insulation. Along with the expansion of the Bobst Group and the renovation work carried out on our main industrial sites in Switzerland, France, Italy, China and India, we take care to optimize our global energy and water consumption within a major program running until the first quarter of 2020.

For more than 15 years, BOBST's business philosophy and corporate values have been striving to build economic growth and meet social responsibilities, while tackling climate change and environmental protection. What we do, how we behave and the way we drive our business matters more than ever. To us, to our customers, but also to all communities across the world where our companies are operating. I am very proud of our 2017 report. It shows that with our own efforts to sustain our planet and to promote human values, we contribute to the future of the next generations. Let this challenge keep inspiring us for a better world!



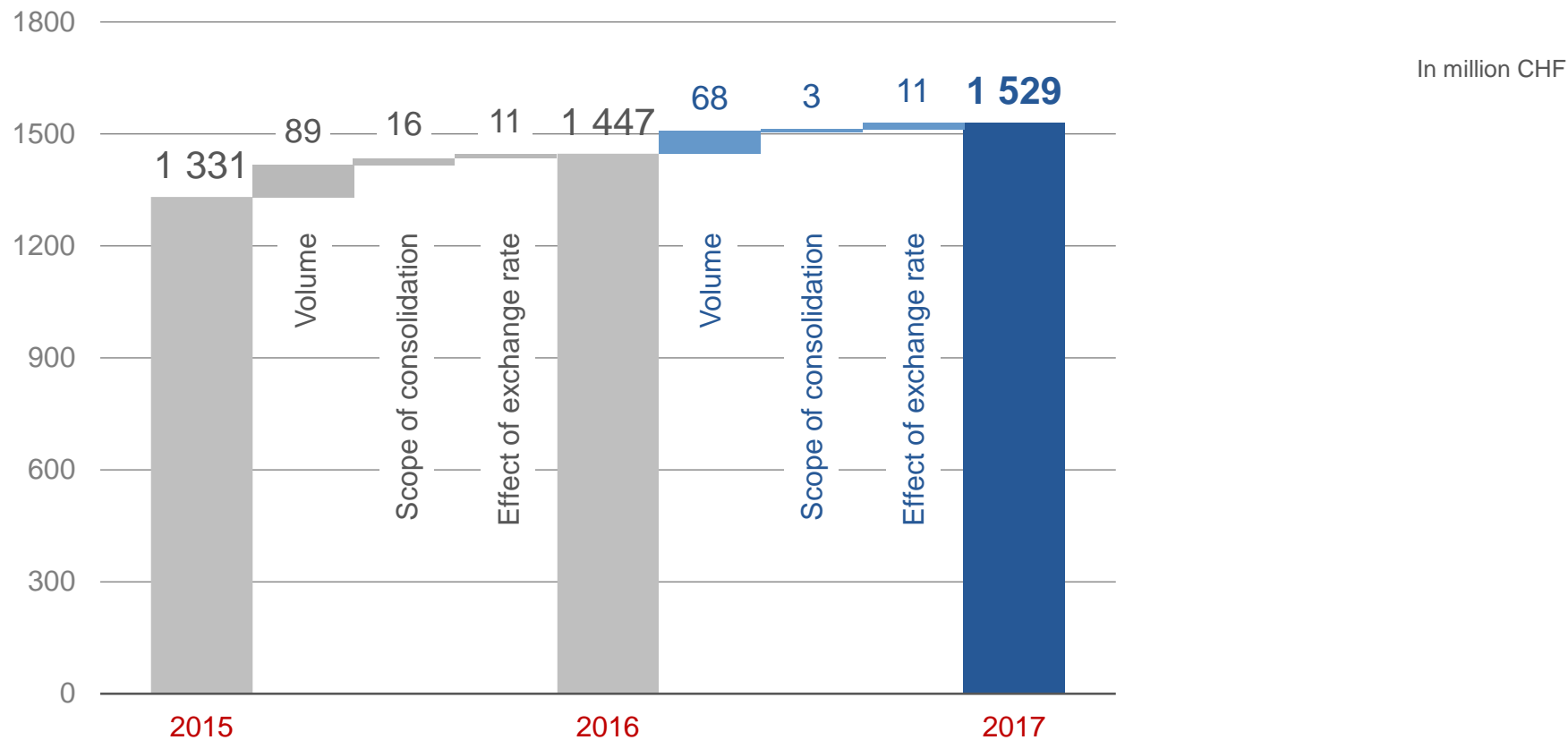
Jean-Pascal Bobst  
Chief Executive Officer

Bobst Group SA Sustainable Development Report 2

# FINANCIAL RESULTS 2017

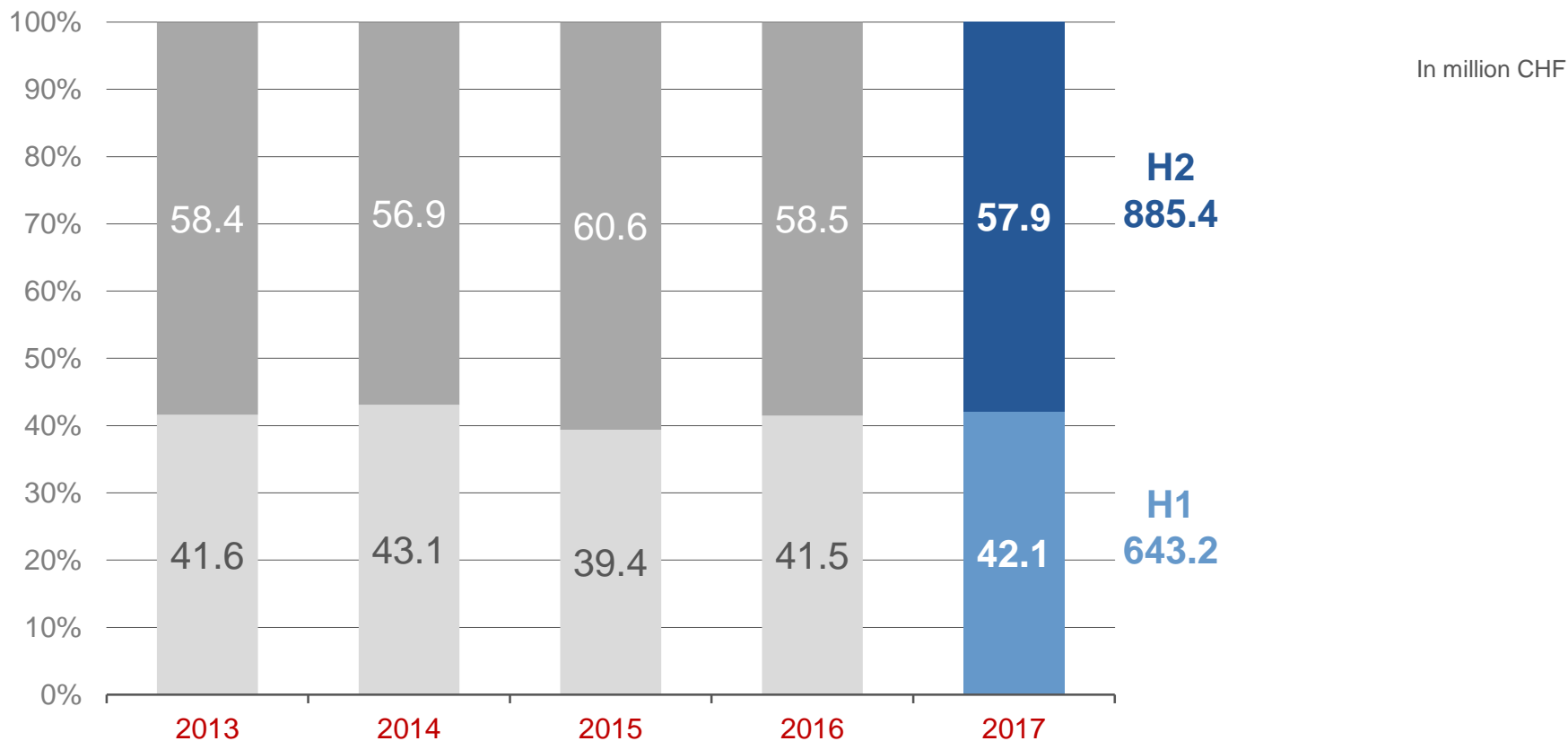
# FINANCIAL RESULTS 2017

## Evolution of consolidated sales



# FINANCIAL RESULTS 2017

## Analysis of the evolution of sales by half-year



# FINANCIAL RESULTS 2017

## Distribution of consolidated sales

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| Sales by Business Unit | 2017           | 2016           | Δ%         |
|------------------------|----------------|----------------|------------|
| BU Sheet-fed           | 745.3          | 714.1          | 4.4        |
| BU Web-fed             | 330.2          | 308.8          | 6.9        |
| BU Services            | 452.5          | 422.6          | 7.1        |
| Other                  | 0.6            | 1.1            | -45.5      |
| <b>Total</b>           | <b>1 528.6</b> | <b>1 446.6</b> | <b>5.7</b> |

In million CHF

# FINANCIAL RESULTS 2017

## Distribution of consolidated sales

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| Sales by geographical distribution | 2017           | 2016           | Δ%         |
|------------------------------------|----------------|----------------|------------|
| Europe                             | 684.8          | 661.4          | 3.5        |
| Americas                           | 438.7          | 426.6          | 2.8        |
| Asia & Oceania                     | 363.2          | 307.3          | 18.2       |
| Africa                             | 41.9           | 51.3           | -18.3      |
| <b>Total</b>                       | <b>1 528.6</b> | <b>1 446.6</b> | <b>5.7</b> |

In million CHF

# FINANCIAL RESULTS 2017

## Primary reporting format

| Actuals 31.12                   | 2017           | 2016           | Δ%          |
|---------------------------------|----------------|----------------|-------------|
| <b>Sales</b>                    | <b>1 528.6</b> | <b>1 446.6</b> | <b>5.7</b>  |
| Other operating income          | 23.9           | 14.5           |             |
| Raw materials and services      | -923.9         | -887.8         |             |
| Change in inventories           | -0.6           | 23.2           |             |
| Personnel costs                 | -454.3         | -443.2         |             |
| Depreciation and amortization   | -41.2          | -34.7          |             |
| Other operating expenses        | -13.8          | -14.9          |             |
| <b>Operating result (EBIT)</b>  | <b>118.7</b>   | <b>103.7</b>   | <b>14.5</b> |
| Share of result of associates   | 10.7           | 8.4            |             |
| Interest expenses               | -6.1           | -6.0           |             |
| Other financial income          | 8.0            | 9.4            |             |
| Other financial expenses        | -5.5           | -7.1           |             |
| <b>Result before income tax</b> | <b>125.8</b>   | <b>108.4</b>   | <b>16.1</b> |
| Income tax                      | -18.9          | -24.1          |             |
| <b>Net result</b>               | <b>106.9</b>   | <b>84.3</b>    | <b>26.8</b> |

In million CHF

# FINANCIAL RESULTS 2017

## Operating profit by business unit

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| By Business Unit              | BUSF | BUWF | BUSV | Other | Total | In million CHF |
|-------------------------------|------|------|------|-------|-------|----------------|
| Operating Results (EBIT) 2017 | 64.0 | -7.1 | 63.1 | -1.3  | 118.7 |                |
| Operating Results (EBIT) 2016 | 39.5 | 10.9 | 54.4 | -1.1  | 103.7 |                |

# FINANCIAL RESULTS 2017

## Balance sheet as 31 December

| <b>Assets</b>                         | <b>2017</b>    | <b>%</b>     | <b>2016</b>    | <b>%</b>     | In million CHF |
|---------------------------------------|----------------|--------------|----------------|--------------|----------------|
| Non-current assets                    | 451.3          | 28.3         | 413.0          | 29.4         |                |
| Current assets                        | 739.9          | 46.4         | 664.2          | 47.4         |                |
| Cash & cash equivalents               | 402.8          | 25.3         | 325.5          | 23.2         |                |
| <b>Total assets</b>                   | <b>1 594.0</b> | <b>100.0</b> | <b>1 402.7</b> | <b>100.0</b> |                |
| <b>Liabilities</b>                    | <b>2017</b>    | <b>%</b>     | <b>2016</b>    | <b>%</b>     |                |
| Equity                                | 559.4          | 35.1         | 477.5          | 34.0         |                |
| Non-current liabilities               | 381.7          | 23.9         | 388.9          | 27.8         |                |
| Current liabilities                   | 652.9          | 41.0         | 536.3          | 38.2         |                |
| <b>Total liabilities &amp; equity</b> | <b>1 594.0</b> | <b>100.0</b> | <b>1 402.7</b> | <b>100.0</b> |                |

# FINANCIAL RESULTS 2017

## Net working capital (current & non-current)

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|  | 2017         | 2016         |
|--|--------------|--------------|
| Inventories                                      | 391.2        | 331.7        |
| Trade and other payables                         | -579.6       | -471.1       |
| Finance leases, receivables and prepaid expenses | 343.5        | 325.8        |
| <b>Net working capital</b>                       | <b>155.1</b> | <b>186.4</b> |

In million CHF

# FINANCIAL RESULTS 2017

## Consolidated cash flow statement

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|   | 2017        | 2016        |
|---|-------------|-------------|
| Cash flow from operating activities             | 150.1       | 108.2       |
| Cash flow from investing activities             | -46.1       | -26.6       |
| Cash flow from financing activities             | -41.5       | -34.1       |
| Effects of exchange differences                 | 14.8        | -1.2        |
| <b>Variation of cash &amp; cash equivalents</b> | <b>77.3</b> | <b>46.3</b> |

In million CHF

# FINANCIAL RESULTS 2017

## Return on capital employed

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|                             | 2017         | 2016         |
|-----------------------------|--------------|--------------|
| Capital employed            | 512.0        | 521.8        |
| Operating profit before tax | 118.7        | 103.7        |
| <b>ROCE</b>                 | <b>23.2%</b> | <b>19.9%</b> |

In million CHF

# FINANCIAL RESULTS 2017

## Headcount

|                                  | 2013         | 2014         | 2015         | 2016         | 2017         |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|
| Europe                           | 3 622        | 3 496        | 3 506        | 3 553        | 3 777        |
| Americas                         | 423          | 419          | 411          | 461          | 479          |
| Asia & Oceania                   | 846          | 886          | 946          | 987          | 1 088        |
| Africa                           | 38           | 40           | 44           | 54           | 53           |
| <b>Total</b>                     | <b>4 929</b> | <b>4 841</b> | <b>4 907</b> | <b>5 055</b> | <b>5 397</b> |
| Change in scope of consolidation |              |              | 65           | 28           | 84           |
| Switzerland                      | 1 853        | 1 783        | 1 730        | 1 733        | 1 841        |

Headcount apprentices and Mouvent included

# OUTLOOK 2018

# OUTLOOK 2018

- Market and macro economy
- Building our future
- Financials
- Mid- to long-term financial targets
- Annual general meeting

# OUTLOOK 2018

## Evolution of global economy

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- **Growing global economy** is supporting the growth in most of BOBST markets and industries but a slowdown is not excluded after years of positive cycle
- The current level **EUR/CHF** impacts positively BOBST results even if hedging is mitigating the effect. This effect is also partially offset by the current USD weakness
- Major **political** uncertainties have been lifted in Europe, US mid-term elections might change the balance of power in the USA
- **Stock markets** at historical high, but raising inflation and interest rates might affect investors asset allocation

# OUTLOOK 2018

## Evolution for Bobst Group

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BOBST will pursue its global strategy and investments

- **Technical leadership** will focus on:
  - Competence centers and novelties (machines-services)
  - Digitalization will require new means
- **Technical novelties**, machines and services aligned with customers quest and improved their TCO
- **Increase presence** in China, SEA and Africa

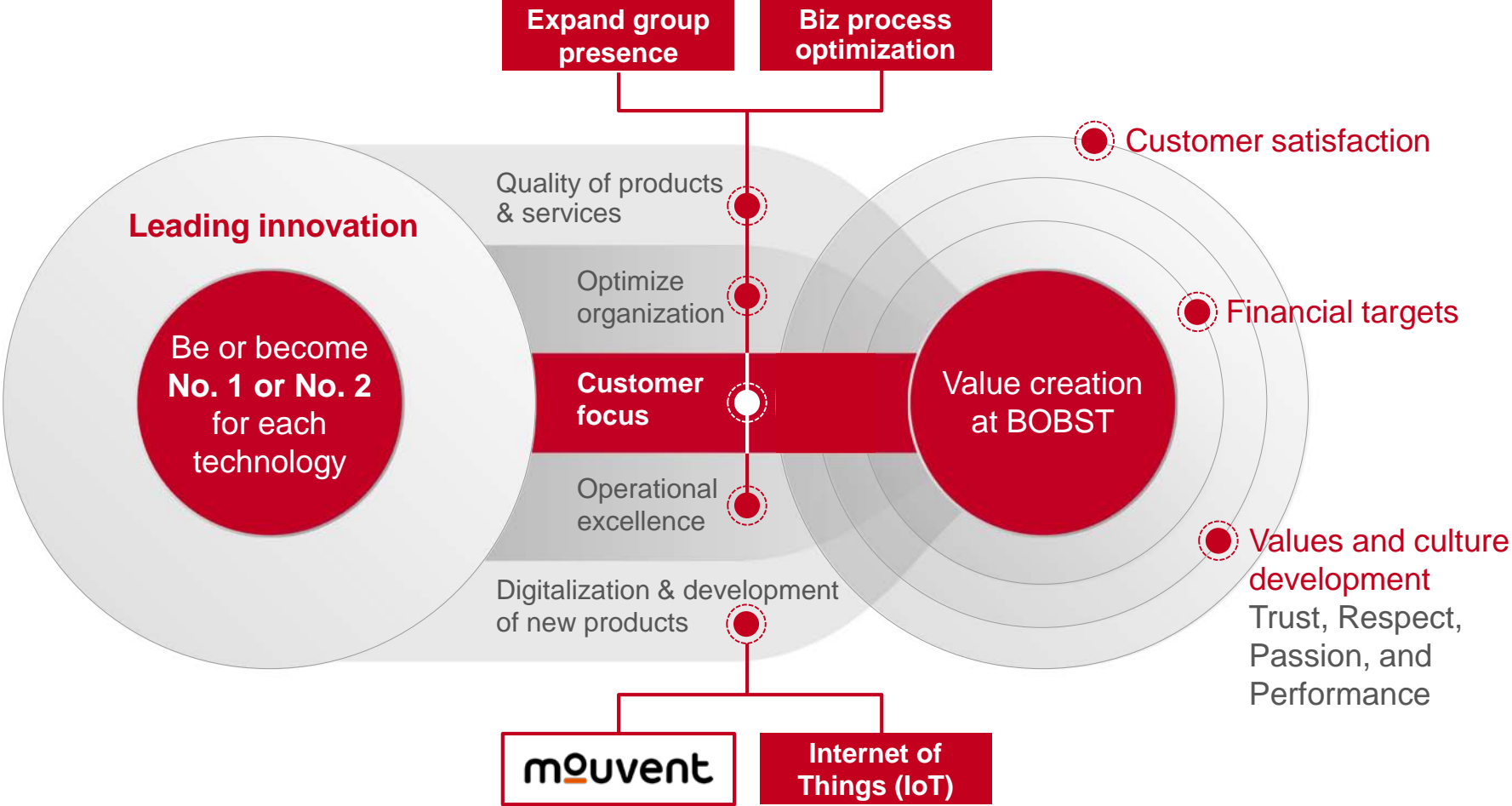
This will require more investment "people/knowledge/values"

# OUTLOOK 2018

- Market and macro economy
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- Mid- to long-term financial targets
- Annual general meeting

# OUTLOOK 2018

## Building our future



# OUTLOOK 2018

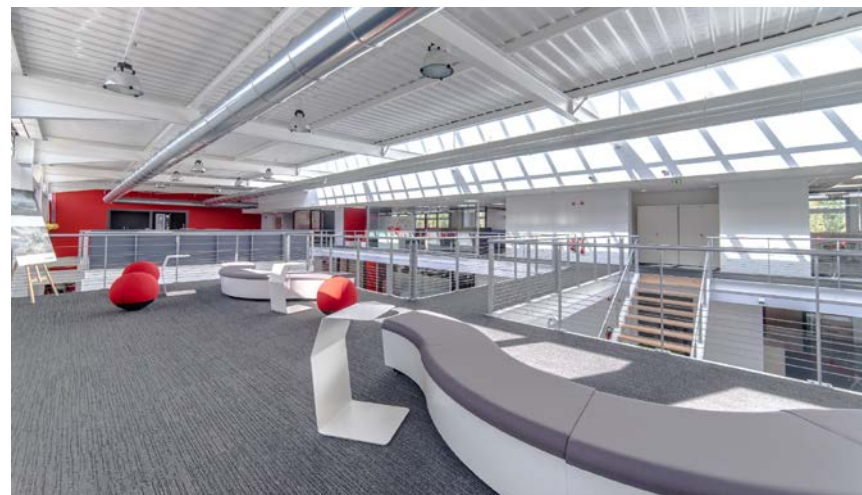
## Building our future

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### Bobst Lyon



Aerial view of the new competence center



Mezzanine new offices surfaces creation

# OUTLOOK 2018

## Building our future

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### Bobst Italia (San Giorgio Monferrato)



View of the new site project



View of the shipment area

# OUTLOOK 2018

## Building our future

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### Bobst (Changzhou)



Aerial view of the new site project



Front view of the new site project

# OUTLOOK 2018

## Building our future

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### Bobst Mex



Facades renovation and insulation



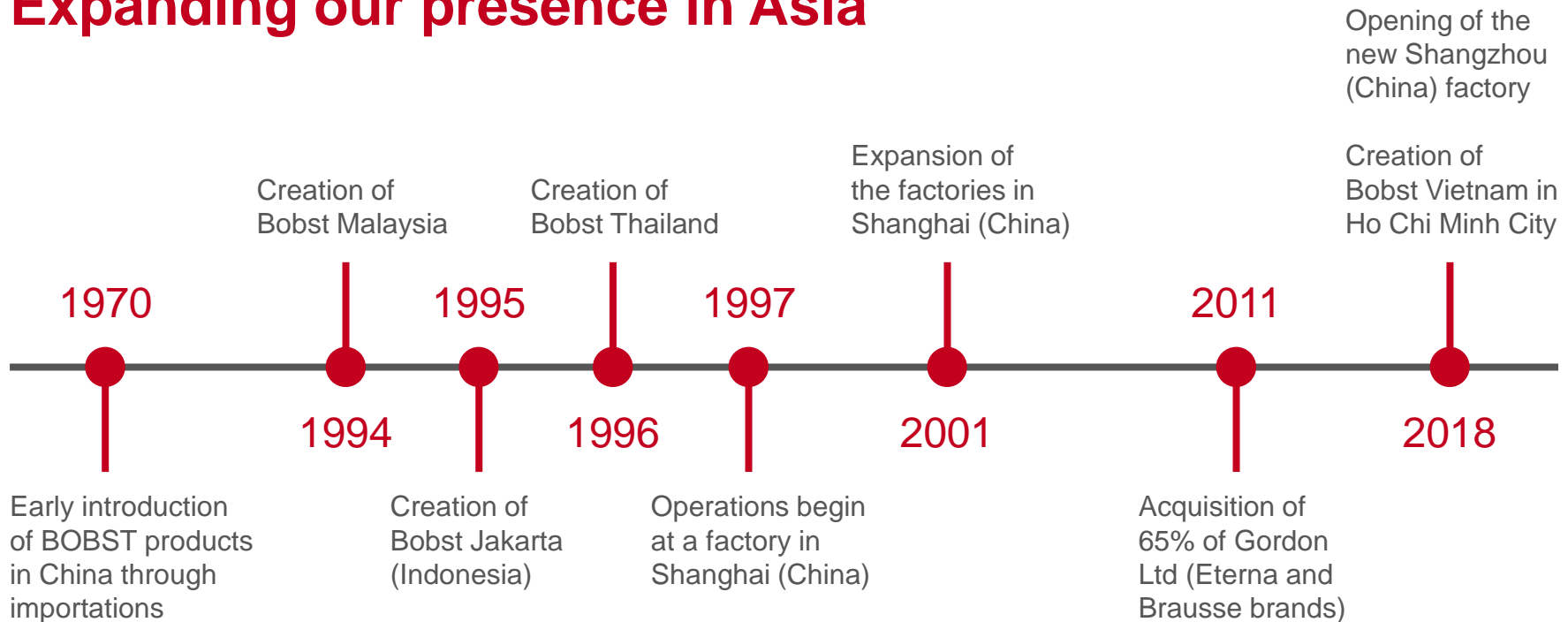
Building after renovation

# OUTLOOK 2018

## Building our future

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### Expanding our presence in Asia



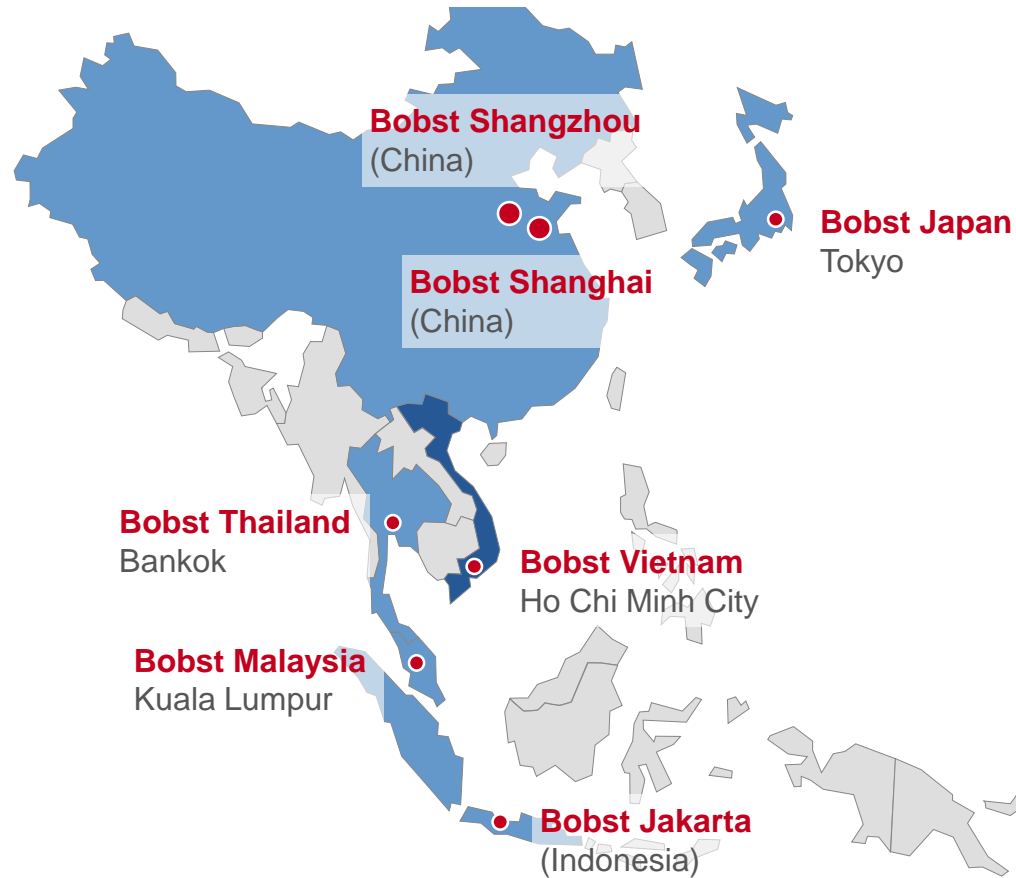
Creation of Bobst Japan

# OUTLOOK 2018

## Building our future

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### Expanding our presence in Asia



# OUTLOOK 2018

## Building our future

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### Expanding our presence in China (March 2018)



#### **Proximity**

To be closer to our clients in China with our machines, services and expertise



#### **Performance**

To guarantee the best result of our technologies and innovation for the success of our clients

# OUTLOOK 2018

## Building our future

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### Expanding our presence in China (May 2018)

#### Bobst (Changzhou)

#### Competence Center

- Gravure lines
- Coating laminating
- And more to come...



# OUTLOOK 2018

## Building our future

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### Expanding our presence in SEA

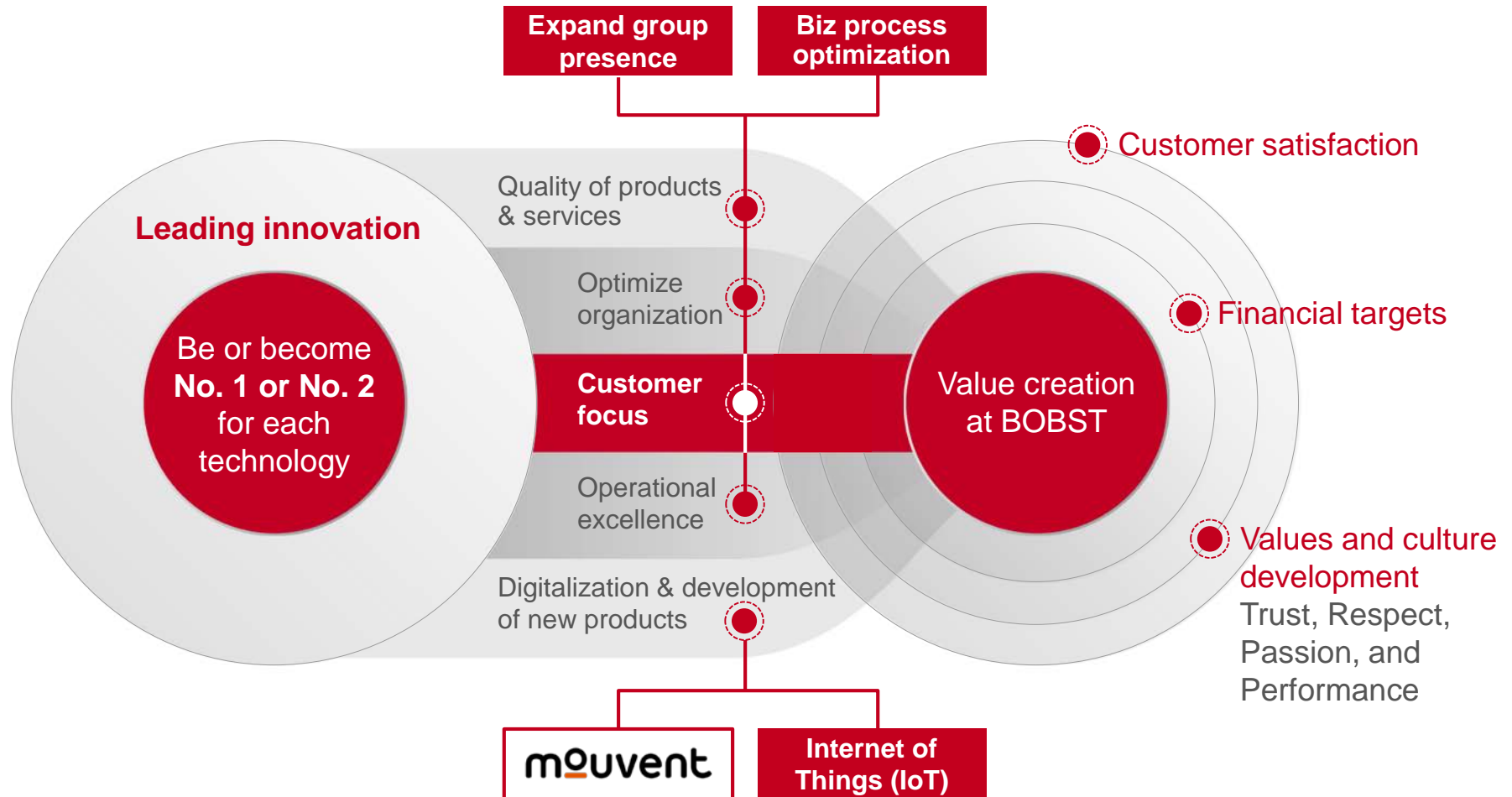
#### New office in Vietnam

- Ho Chi Minh City (district 1)
- Business license since February 13 & office availability on March 15



# OUTLOOK 2018

## Building our future






# OUTLOOK 2018

- Market and macro economy
- Building our future
- Financials
- Mid- to long-term financial targets
- Annual general meeting

# OUTLOOK 2018

## Consolidated turnover evolution

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| In million CHF | 2013  | 2014  | 2015  | 2016  | 2017                   | 2018  |
|----------------|-------|-------|-------|-------|------------------------|---|
| Sales          | 1 354 | 1 300 | 1 331 | 1 447 | 1 529                  |  |
|                |       |       |       |       | Organic growth         |  |
|                |       |       |       |       | Scope of consolidation |  |

Assumptions: € 1.13 / \$ 0.98;  
current level of global economy but no recession

# OUTLOOK 2018

## Operating results (EBIT) evolution

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| In million CHF | 2013 | 2014 | 2015 | 2016  | 2017  | 2018  |
|----------------|------|------|------|-------|-------|---|
| EBIT           | 60.3 | 81.7 | 83.9 | 103.7 | 118.7 |  |

Assumptions: € 1.13 / \$ 0.98;  
current level of global economy but no recession

# OUTLOOK 2018

- Market and macro economy
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# OUTLOOK 2018

## Mid- to long-term financial targets

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### Financial ratios

|                                   |                      |
|-----------------------------------|----------------------|
| Turnover (mCHF)                   | <b>1 600 - 1 700</b> |
| Operating result (EBIT) margin    | <b>min. 8%</b>       |
| Return on capital employed (ROCE) | <b>min. 20%</b>      |
| Payout ratio                      | <b>30 - 50%</b>      |
| Equity ratio                      | <b>40 - 45%</b>      |

# OUTLOOK 2018

- Market and macro economy
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# OUTLOOK 2018

## Annual general meeting

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### Dividend

- The Board of Directors proposes to the Annual General Meeting of Shareholders the payment of a dividend of **CHF 2.60 per share** (CHF 1.70 in 2016)
- This proposal is in line with the Group's dividend policy which recommends a payout ratio between 30-50% of the net consolidated profit after tax

### Board of Directors

- All members of the Board of Directors will be proposed for re-election

# AGENDA 2018

# AGENDA 2018

## Save the date

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### March 28

- Annual General Meeting at 5.00 p.m. in Mex

### July 25

- Publication of the half-year results
- Media and financial analysts' teleconference

### November 8

- Media and financial analysts' conference in Zürich

# INQUIRIES

## Investors and media relations

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### Stefano Bianchi

- +41 21 621 27 57
- [investors@bobst.com](mailto:investors@bobst.com)

For more detailed information on Bobst Group:

- [www.bobst.com](http://www.bobst.com)
- <http://investors.bobst.com>





DO YOU HAVE  
QUESTIONS ?

# COMPETENCE CENTER VISIT

# COMPETENCE CENTER VISIT SPEEDPACK

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## Fully automatic in-line packer

● FAST SETUP

● WIDE RANGE  
OF BOX FORMATS AND TYPES

● REALIZE THE FULL POTENTIAL  
OF YOUR FOLDING-GLUING LINE

SPEEDPACK

The ultimate  
packer



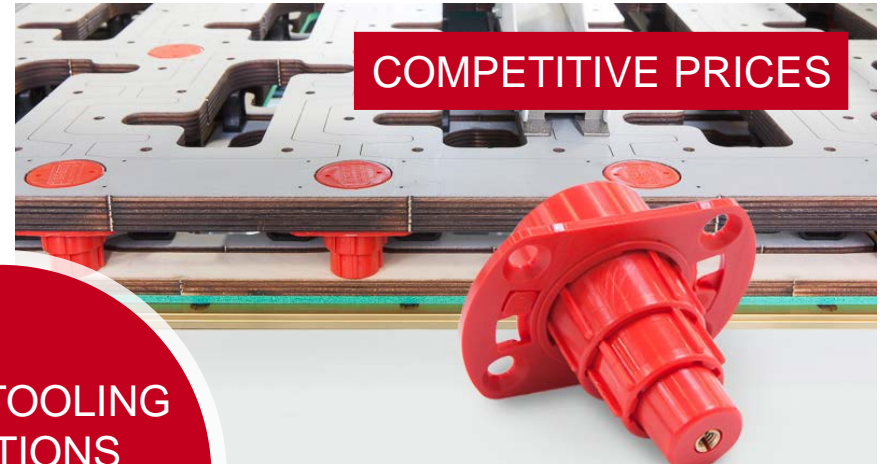
# COMPETENCE CENTER VISIT

## Services

LONG EXPERIENCE



COMPETITIVE PRICES

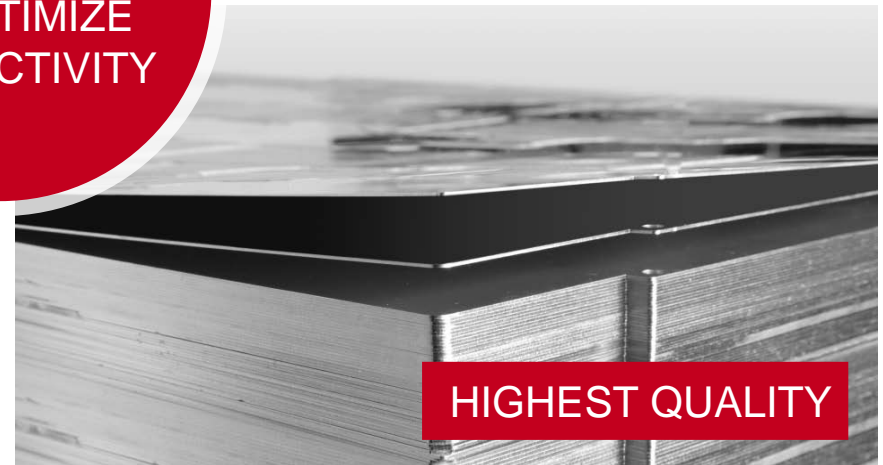


BOBST TOOLING  
SOLUTIONS  
TO OPTIMIZE  
PRODUCTIVITY

DEEP PROCESS KNOWLEDGE



HIGHEST QUALITY





TOGETHER WE ARE  
BUILDING OUR FUTURE

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