

**Mex**  
November 5, 2020

[www.bobst.com](http://www.bobst.com)

# **Online conference for financial analysts and the media**

**BOBST**

# Agenda

November 5, 2020

1

## Review 2020

- Covid-19
- Group activities

2

## BOBST Industry Vision

- Bobst Connect
- New products
- Sustainability

3

## Group transformation

- Vision 2025

4

## What's coming...

- Main drivers by industry

5

## Financial results guidance 2020

- Backlog
- Consolidated turnover & EBIT
- Cash update

3

## Outlook

- Long term targets
- Agenda 2021
- Q&A

# Review 2020

# Review 2020

## Covid-19

### Production sites shutdown

- China: **4 weeks** in February
- Brazil & United Kingdom: **2 weeks** in April
- India, France, Germany, Italy & Switzerland: **3 - 4 weeks** in March/April

### Consequences

- Production: - 140'000 hours
- Services: - 215'000 hours (-24%)
- Machines sold: ~ - **15%**
- Exchange rate: \$ / € ~ 50M impact

### Key priorities

- Care for our employees
- Ensure business continuity
- Global coordination

### Levels of response

- Group crisis management team
- Global and local COVID taskforce

### Opportunities

- Our industry vision brings trust
- Reinforce **relationship with customers**
- Demonstrate our flexibility and reactivity
- Reinforce our values in caring for our people
- **Digitize faster** internal processes

# Review 2020

## Group activities - January to June

### **Yancheng Hongjing** acquisition

- To continue to reinforce our position, long term, in China for the packaging and label applications.

### **CITO** acquisition

- To provide end-to-end solutions increasing global efficiency, fully part of our industry vision and digitized solutions.



# Review 2020

## Group activities - January to June

BOBST has adapted its Competence Centers to produce **online events**

- BOBST **webinars** show converters and brand owners how BOBST is shaping the future of the packaging works.
- **Streaming demonstration**  
40% of machines sold by Mouvent; specific customer jobs and tests can be organized on request. More than **10 streaming demos** per week



# Review 2020

## Group activities - June to December

### Industry Vision

**"Shaping the future of the packaging world"**



### BOBST Connect

- Open cloud solutions enhancing connectivity, digitalization, customers' connected plants.



# Review 2020

## Group activities – June to December

BOBST Connect

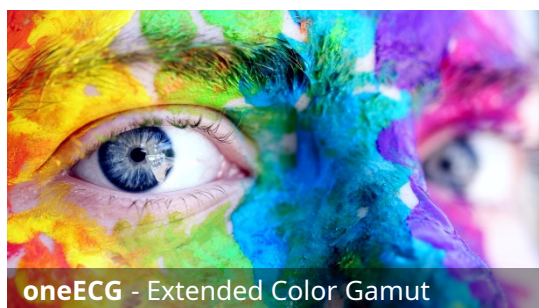
### Label



MASTER DM5 – Digital & analogue press



LB702-WB – Digital printing press



oneECG – Extended Color Gamut

### Flexible packaging



NOVA D 800 - Laminator



EXPERT RS 6003 - Gravure press



MASTER CI - Flexo press

### Folding carton



MASTERCUT 106 PER - Die-cutter



ACCUCHECK - Inline inspection system



TooLink - Digital identification die

### Corrugated board



NOVASTAR - Sheet-to-sheet laminator



FFG 8.20 - Flexo folder gluer



DIT - Digital Inspection Table

# Review 2020

## Group activities – June to December

**Bobst Lyon:** The Bobst Board of Directors made a “small inauguration” of the new Bobst Lyon facility and Competence Center.

Discovery of a new collaborative way of working, allowing more efficiency

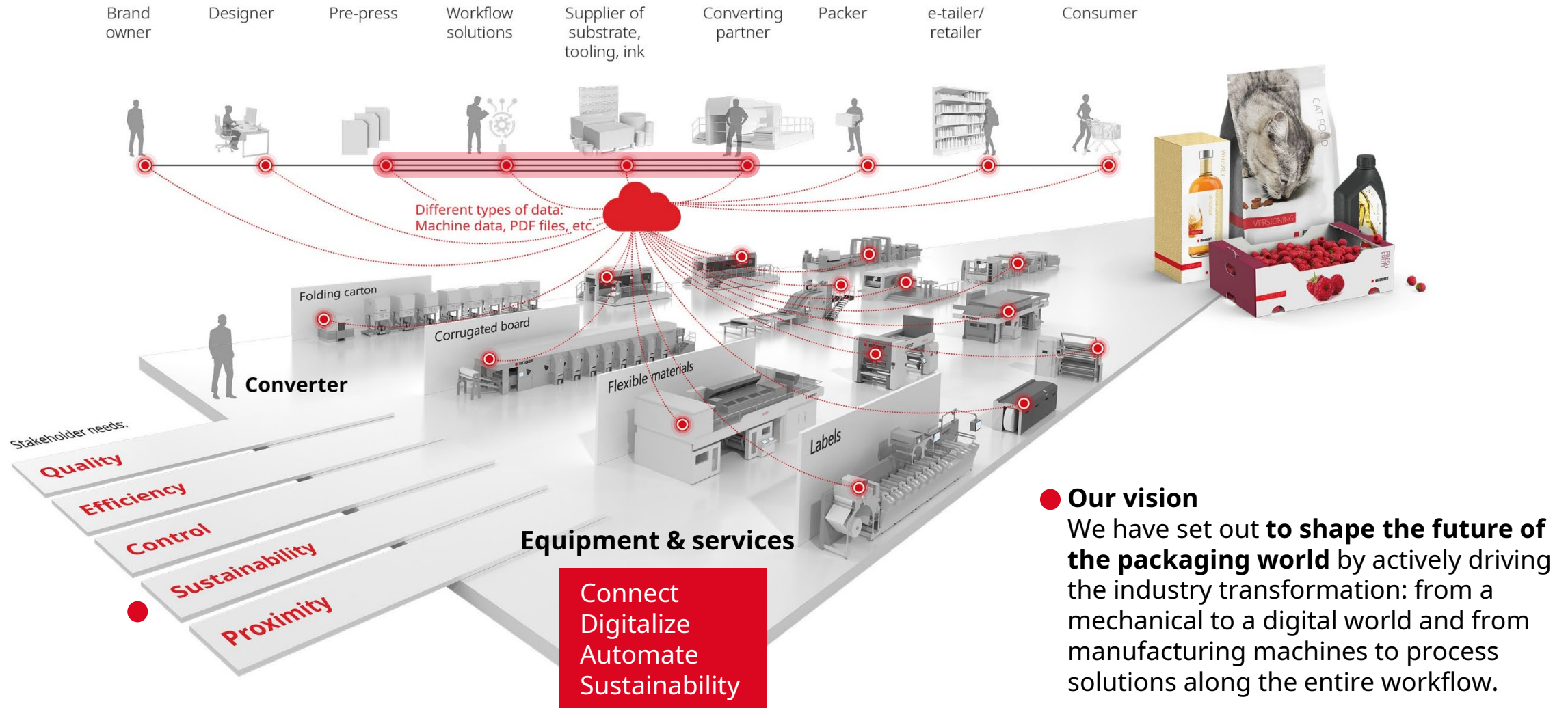
To celebrate its 60th anniversary and renovated facility, **Bobst Italia in San Giorgio** has hosted an event attended by the management of Bobst Group and Bobst Italia, local and central authorities, members of the press and Bobst Italia’s personnel.



# BOBST Industry Vision

# BOBST Industry Vision

## Shaping the future of the packaging world



# BOBST Connect

Pre-press  
Efficient job  
preparation



Production  
Transparent access  
to production data



Maintenance  
Highest  
equipment  
readiness



Optimization  
Insights and  
recommendations



Market  
The right parts  
and services

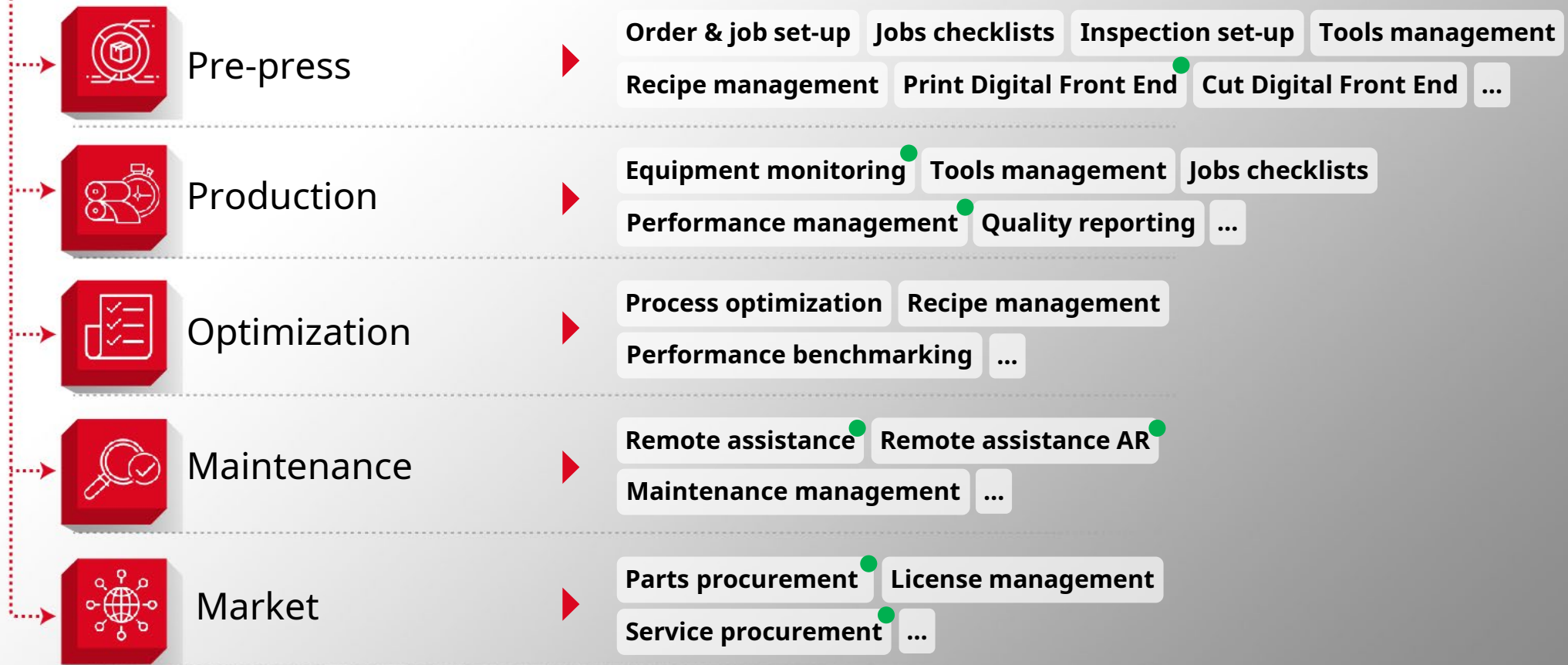


# BOBST Industry Vision

BOBST Connect will evolve with more advanced features

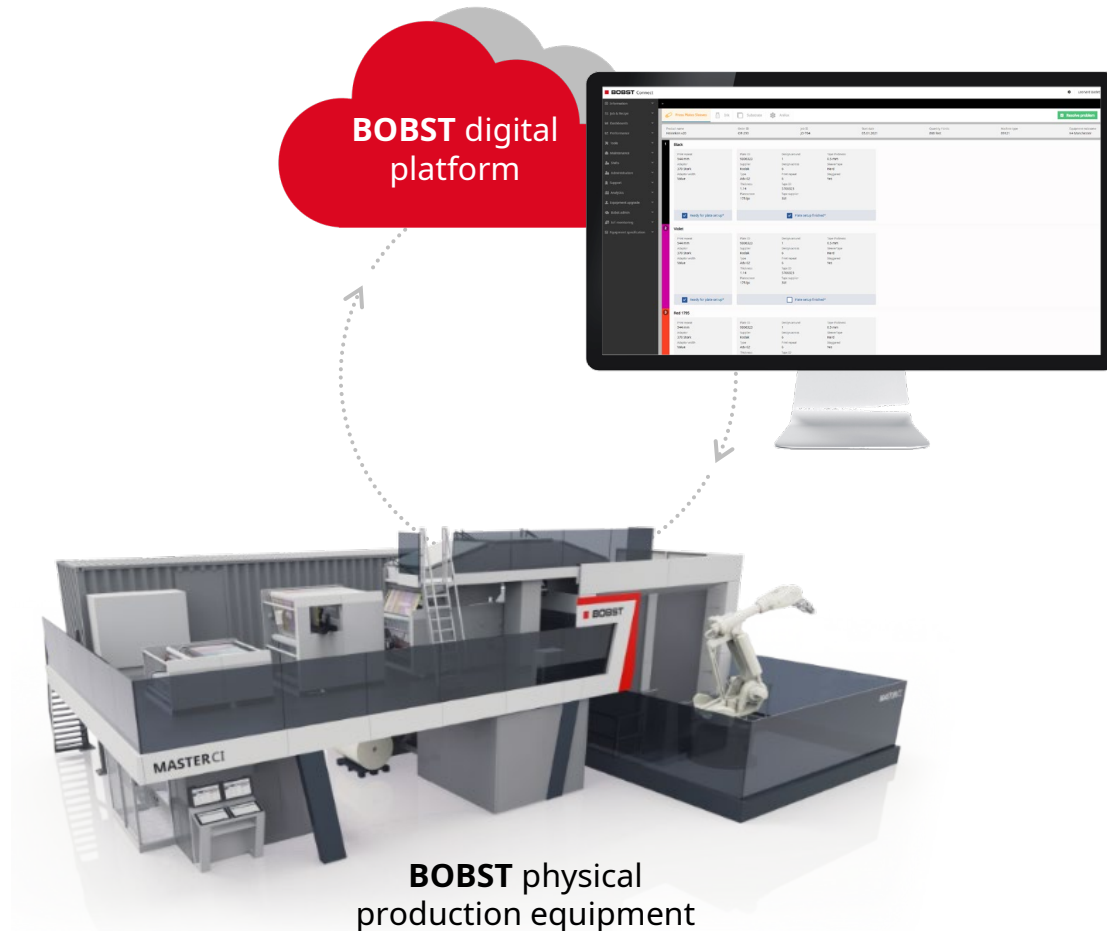
## BOBST Connect

● Available



# BOBST Industry Vision

## BOBST Connect - Our software-based platform



- BOBST Connect is our **software-based offering** for digitalizing and connecting all products
- BOBST Connect will offer **new capabilities** to our customers with **digital solutions for pre-press, production, maintenance optimization**, recipe management...
- BOBST connect is our **link** to BOBST **production equipment** and **third party's software**

# BOBST Industry Vision

## New products

### “All-in-One” – MASTER DM5

The **DIGITAL M5** sets a new standard in the label industry.

From “PDF” to “Twin PDF”

“**All-in-One**” digital and analogue printing, converting and QC are perfectly integrated.

After beta last summer, more than **4 units** sold in H2 2020 (despite Covid-19).

### MASTER DM5 - All-in-One, All inline



# Mouvent LB702-UV

Limitless, profitable digital label production



[https://youtu.be/Xkx\\_ID5qBVQ](https://youtu.be/Xkx_ID5qBVQ)

# BOBST Industry Vision

## New products

Highest productivity with  
1'200 dpi printing quality

Produce up to **200'000 sqm**  
of labels every month in one  
8-hour shift per day.

In one shift 8 hours:

- **1.3 million labels**
- **21 jobs**
- **26 km printed**
- **6 colors + white**

### LB702-UV - Digital printing press



# BOBST Industry Vision

## Sustainability – 17 goals United Nations

### Our actions at a glance



BOBST is organizing a charity tournament in the United Kingdom to support the reintegration of serious accident victims into the work environment.



BOBST has equipped its premises in Bielefeld, Germany, with LED lighting and now produces hot water in its local entity in Shanghai with no CO2 emissions.



Bobst Mex SA signed an agreement with the Swiss government to reduce the CO2 emissions on its industrial site by 30% in 2020.



Throughout the world, BOBST is increasing sustainable innovations: digitalization of manufacturing flows, printing with low carbon footprint, and a new generation of biodegradable packaging.



Training young Brazilians in technical trades, offering a future to adolescents in difficulty in Poland, and giving Chinese schoolchildren access to IT.



To promote decent occupational activities for everyone, Bobst Italia is participating in International Labor Organization (ILO) programs.



Each year in Brazil, BOBST organizes charitable and sustainable activities, which, since 2010, have earned it the title of "Citizen Enterprise".

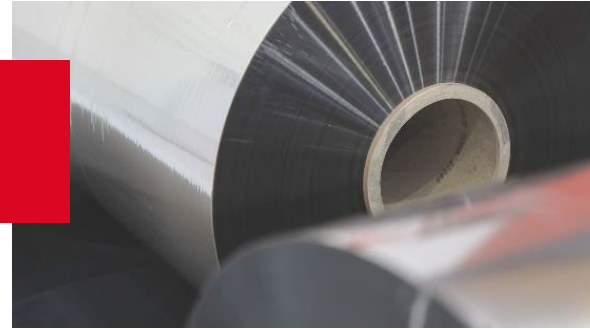


To combat global warming, the staff of two local entities in the Czech Republic and Germany use soft mobility to go to work.

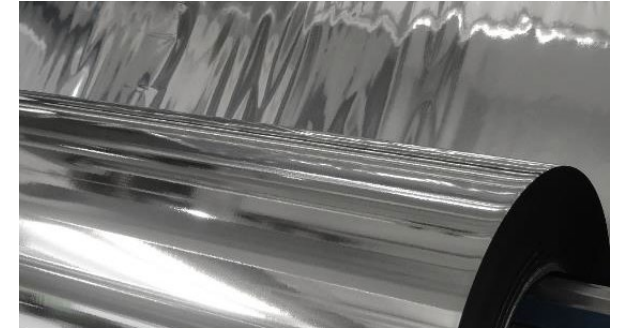
# BOBST Industry Vision

## Sustainability

### Mono materials



**Full polypropylene (PP)**  
duplex structure –  
Transparent AlOx barrier

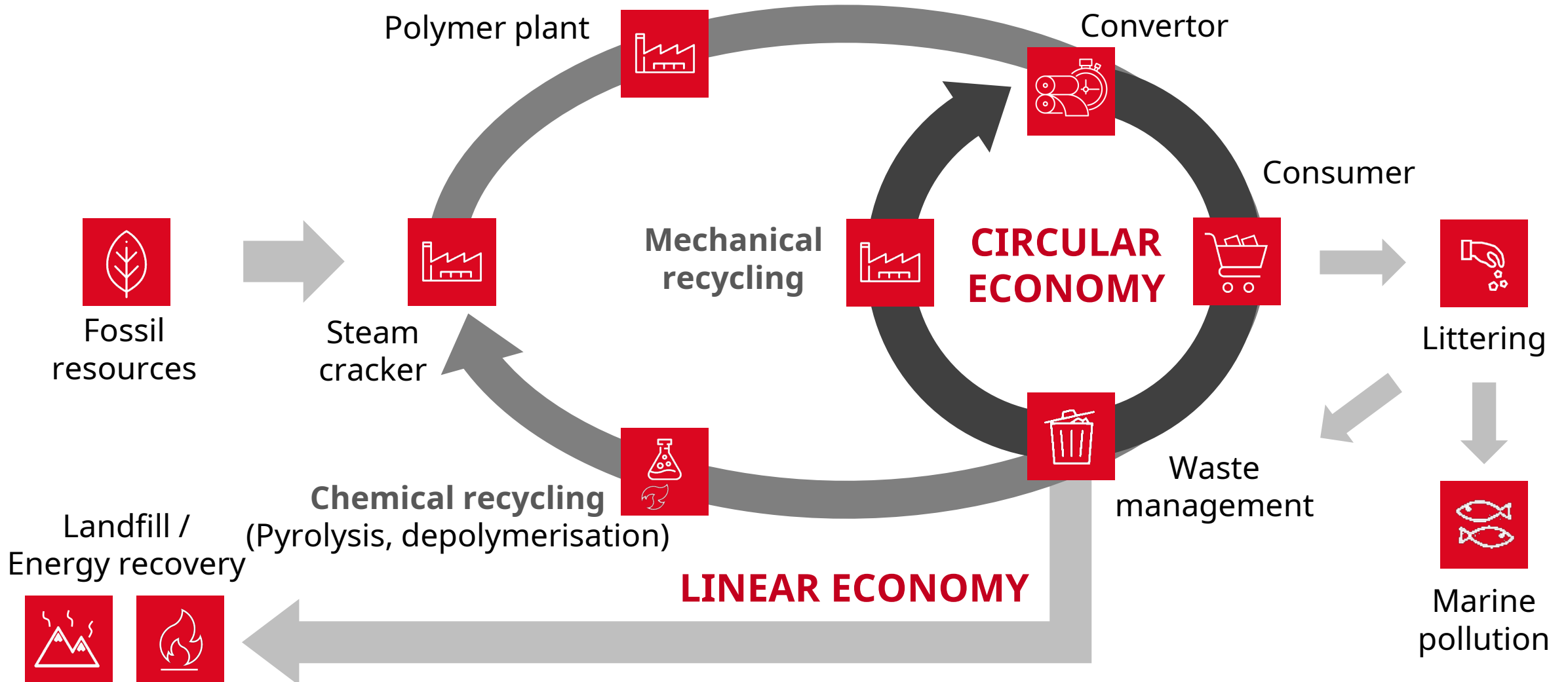


**Full polyethylene (PE)**  
triplex structure – Opaque  
Metallized barrier



# BOBST Industry Vision

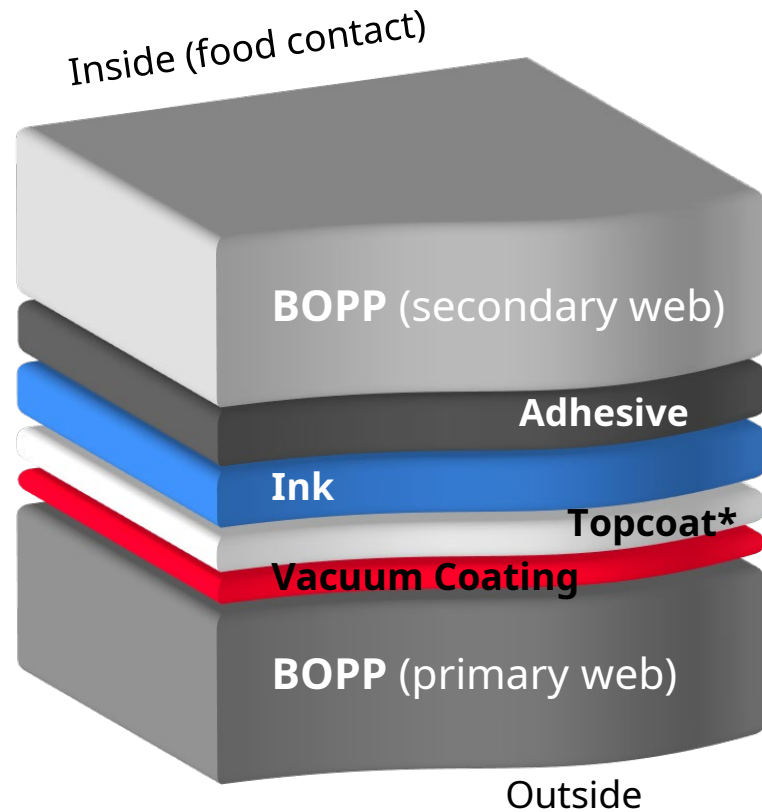
## The sustainability targets - Move towards circular economy



# BOBST Industry Vision

## Partners sustainability - Equipment overview

Whole conversion chain investigated (topcoating, flexo printing & lamination)



\* (Where applicable)

Lamination



VISION D 850



Printing (reverse print)



EXPERT CI

Topcoating



NOVA CO 800



Vacuum coating



EXPERT K5

# Group transformation

# Group transformation

## Vision 2025 - Shaping the Future of the Packaging World

### New business model supporting Group Vision

- Transform our Go to Market – machines & services
- Industry solutions (not only machines and services)

### Efficiency (**increase profitability** – lower Group breakeven)

- Improve machine synergies, optimize production footprint and back office, scale up Group purchasing
- Increase flexibility and reduce fixed costs

### Customer

- Satisfaction is industry benchmark for all technologies

### Be highly attractive employer

- For the next generation with high employee's satisfaction

### Sustainability

- Develop new “recyclable packaging” with industry partners
- Implement key priorities for our main sustainable development initiatives WW



### Long term financial targets

- Sales CHF 1.7 - 1.8 bn
- EBIT >8%
- ROCE >20%
- Equity >40%
- Payout ratio 30% - 50%

=> through **Group transformation**

# Group transformation

## Global digital transformation

### Market

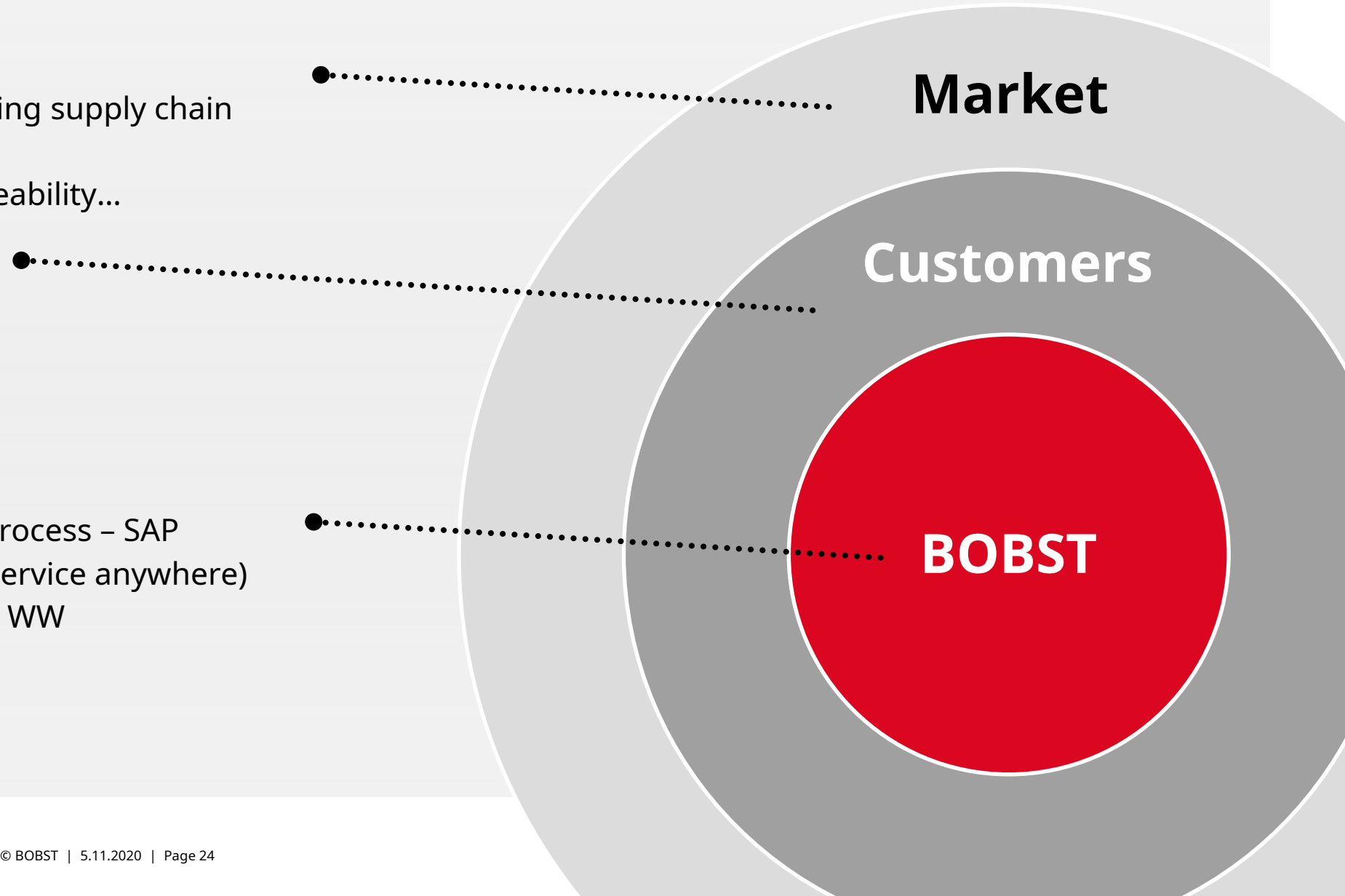
- Digitalization of the packaging supply chain
- Sustainability
- Amazon / single pack / traceability...

### Customers

- BOBST Connect / IoT
- Machine connectivity
- Workflow
- Connected factory

### BOBST

- Global Common Business process – SAP
- DAPASA (design, produce, service anywhere)
- Increase collaborative work WW
- Additive manufacturing
- BOBST Connect / IoT
- My BOBST – E-Commerce



# What's coming...

# What's coming...

## Labels

### 2021 overview

- **CAGR 2020-2025: 4%**
- Global uncertainty continues due to Covid-19 – however less in China
- **Europe:** large groups expected to maintain investments; small and midsize businesses only if strictly necessary at least in Q1/Q2
- **Americas:** NA still growing at good pace; Central and South America facing strong devaluation limiting possibilities of foreign investments
- **Asia:** CAGR to 5.9% until 2024, market growing at fast pace

### BOBST is offering largest product portfolio

- **Sustainability** is a driver in production process
- **Clearly a shift** from analog to digital solutions
- Accelerate **digitalization** of label production - **water based** label printing
- Growing demand for short runs and customization **worldwide** - connectivity, digitalization, automation and workflow optimization

# What's coming...

## Flexible packaging

### 2021 overview

- **CAGR 2020-2024: 3.3%**
- Global uncertainty continues due to Covid-19 – however less in China
- **Europe:** back to normal level after strong increase of FP demand in Q2 2020.  
Good level of investments by big corporations and WW Groups likely, while small and midsize business will invest only if needed
- **Americas:** NA is in similar situation as Europe; Central & South America facing a strong devaluation limiting foreign investments
- **Asia:** market foreseen to grow up to 5.6% CAGR by 2024. India's high investments result from its efforts to reduce imports from China and other Asian markets. Chinese fast domestic market growth with investments in sustainable and eco-friendly related processes (water based printing, barrier coating on paper and solventless lamination).

### BOBST, a unique sustainability strategy

- **Sustainability** both driver and challenge for packaging market will change industry requirements
- **oneECG** for printing technologies, **AlOx**, **SiOx** and **AluBond** for barrier coatings on film and paper
- Water based and solventless lamination to position BOBST as main solution provider
- Develop new “recyclable packaging” with industry partners.

# What's coming...

## Folding carton

### 2021 overview

- **CAGR 2020-2025: 3.4%**
- Covid-19 will continue to create uncertainty but will also boost opportunities
- **Europe** and **North America**: pressure on margin should push our customers to continue to invest in high-end technology and automation to keep their profitability. “BOBST Connect” will bring new competitiveness in these 2 regions
- **Asia**: need for improved profitability particularly in **China**; BOBST is expected to grow through the offer of extremely productive machines with **best TCO** in the marketplace
- **India** sees a trend of **upgrading technologies** to keep or improve profitability. As market leader with our entry level, we expect to start replacing installed base with newer BOBST technologies.

### BOBST best integrated solutions for short runs

- Sustainability and global regulations offer growth opportunities in **Europe** and **North America**
- Food & pharma packaging growth induced by increased offer for take away services
- Growing middle class purchasing power in key markets such as **India** and **China** boost consumption and volumes of packaging
- Growing demand for short runs and customization **worldwide** opens the opportunity for BOBST to lead the way of digitalization, automation and workflow optimization.

# What's coming...

## Corrugated

### 2021 overview

- **CAGR 2020-2023: 3.8%**
- Covid-19 will continue to create uncertainty but will also boost opportunities
- **Europe** and **North America**: large demand overall sustained by e-commerce, but low interest for BOBST products as this is a “low value box”. Overall low growth expected compared to today (CAGR +0,5% over 2020-2023)
- **Asia** (and more specifically **China**): pulling the worldwide growth with a CAGR +7% over 2020-2023.

### BOBST best TCO and printing excellence

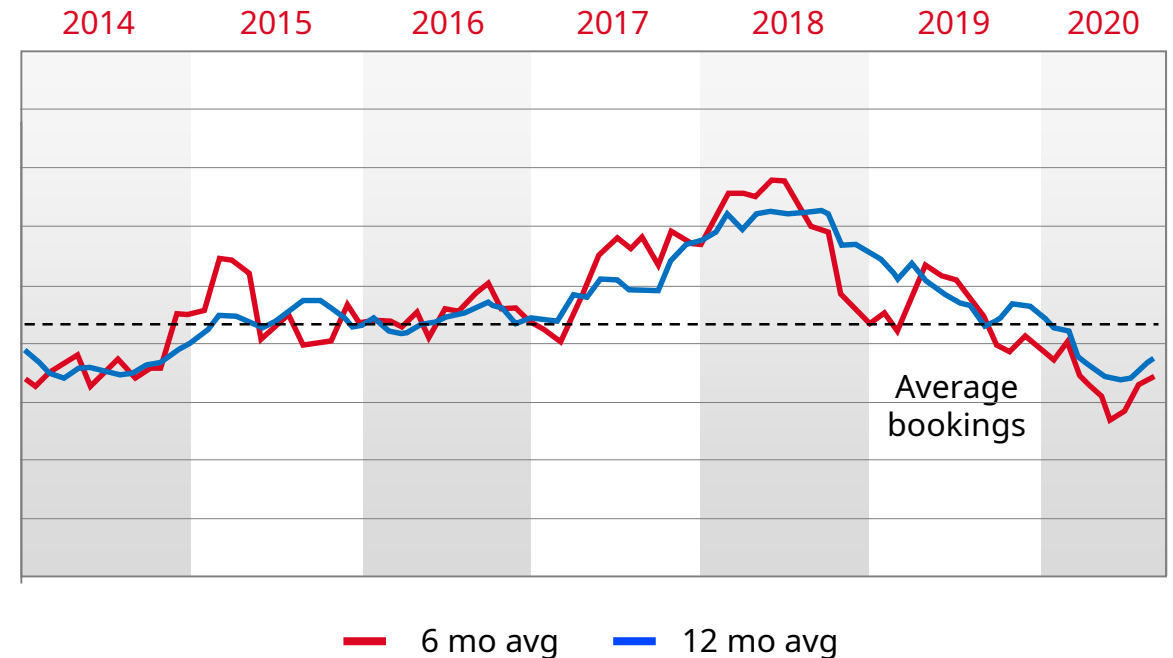
- Sustainability and global regulations bring growth opportunities. Paper industry benefits of strong push (**recycling rate** of paper is 89% in Europe) and proposes new packing solutions to replace single use plastics. This represent growth opportunity in **mature markets**
- Covid-19 is pulling corrugated board consumption, mostly through **e-commerce** acceleration and use of secondary packaging: high volumes and **low margins** market for converters
- Thanks to the growth of small local businesses, there is an increase of **short productions** with higher value and premium packaging, small volumes but **higher margins** market for converters.

# Financial results guidance 2020

# Financial trends 2020

## Evolution of the Group's business

- 2020 started with a lower backlog as the year before
- Order entries lower than in previous year (-10% yoy October)
- Estimated backlog 2020 year-end will be similar than last year, machines backlog around 5 months in average

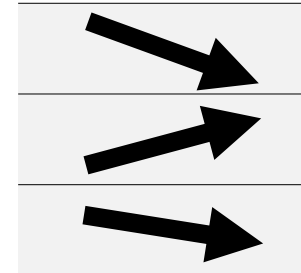


# Financial trends 2020

## Consolidated turnover

In million CHF	2015	2016	2017	2018	2019	2020
Sales	1 331	1 447	1 529	1 635	1 636	~ 1 300

Organic growth  
Scope of consolidation  
Exchange rate impact



– Assumptions: EUR 1.07 / \$ 0.94

# Financial trends 2020

## Operating result (EBIT)

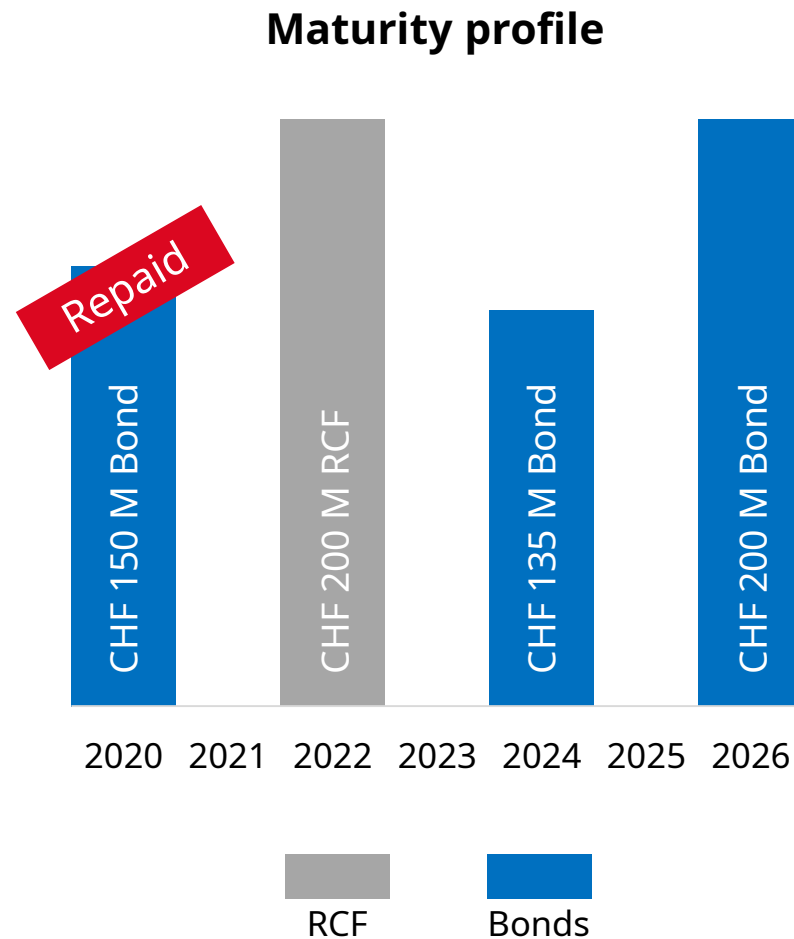
In million CHF	2015	2016	2017	2018	2019	2020	
EBIT	83.9	103.7	118.7	86.5	81.0	> 0	Excl. CHF ~20 million proceed of USA property sale

- Assumptions: EUR 1.07 / \$ 0.94

# Financial trends 2020

## Cash update

- The Group could secure a CHF 200 million bond at 0.5% coupon in January 2020, a CHF 150 million bond was repaid in September 2020
- Liquidity situation remains excellent
- Committed RCF of CHF 200 million is unused
- No bond maturity before 2024



# Outlook

# Long term outlook

## Financial targets

### Financial ratios

Turnover (mCHF)	<b>1 700 - 1 800</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>

# Agenda

## Save the date

### 2021

---

**February 26**

Publication of the 2020 financial statements

---

Conference for financial analysts and the media in Mex

---

**March 30**

Annual General Meeting at 5.00 p.m. in Mex

---

**July 27**

Publication of the half-year results

---

Teleconference for financial analysts and the media

---

**November 9**

Conference for financial analysts and the media in Zurich

---

# Investors and media relations

## Stefano Bianchi

- +41 21 621 27 57
- investors@bobst.com

For more detailed information on Bobst Group

- www.bobst.com
- investors.bobst.com



# Shaping the future of the packaging world

A hand is shown pointing upwards towards the center of the slide. The background is a light gray with several glowing white circles of varying sizes. Red dotted lines form curved paths across the scene, some connecting the glowing circles. The overall aesthetic is clean, modern, and futuristic.

Our vision for  
the Bobst Group

# Disclaimer

Bobst Group SA and its affiliated companies operate in a rapidly changing environment. Some of the inherent risks are beyond the control of the company. Certain statements and the material which accompany this presentation by Bobst Group SA are by their very nature forward-looking. The actual results of Bobst Group SA and its consolidated results may differ materially from those predicted in these presentations. While reasonable efforts have been made to ensure that the information provided in the presentation gives a correct picture of the performance, this presentation is only a summary of the performance of Bobst Group and its affiliated companies. Bobst Group has used reasonable efforts to ensure the accuracy and timeliness of the data included in this presentation as of the day when it is made. Bobst Group SA makes no representation or warranty as to the continued accuracy of the data provided and has no obligation to update the data shown in this presentation, as operational changes may occur as time goes by.

The contents of this presentation are the copyright Bobst Group SA, and may not be reproduced, transferred, or stored without prior written permission from Bobst Group SA.