

PRESS RELEASE

2020 full year results

Bobst Group with strong second half and good overall financial results for full year 2020

- Bobst Group’s 2020 full year figures were severely impacted by Covid-19 lockdowns.
- Sales dropped to CHF 1.372 billion from CHF 1.636 billion in 2019 with important negative FX-impact (CHF -63 million).
- Operating result (EBIT) at CHF 44 million (CHF 81 million in 2019).
- Net result at CHF 17 million (CHF 53 million in 2019).
- Outstanding cash inflow from operating activities of CHF 160 million (CHF 55 million in 2019).
- Net debt position of CHF 59 million in 2019 turned into a net cash position of CHF 4 million in 2020.
- No dividend proposed in 2021 (CHF 1.50 in 2020).
- 2020 order entries 4% lower than in 2019 but significant improvement compared to H1 2020 (-21%).
- Higher backlog than at the end of 2019.

Mex, Switzerland, 26 February, 2021 – Bobst Group’s 2020 full year figures were severely impacted by Covid-19 lockdowns and by unfavorable exchange rates. Employees’ security and business continuity were well managed throughout the year which allowed the achievement of good overall financial results given the pandemic circumstances.

Bobst Group reached sales of CHF 1.372 billion in 2020, a decrease of CHF 264 million, or -16.2%, compared to 2019. The operating result (EBIT) was CHF 44 million (CHF 81 million in 2019), while the net result was CHF 17 million (CHF 53 million in 2019). The return on capital employed (ROCE) decreased to 8.3% compared to 12.9% in 2019 and the equity ratio decreased to 33.2% from 36.7% in the previous year. An outstanding cash inflow from operating activities of CHF 160 million (CHF 55 million in 2019) allowed the Group to turn a net debt position of CHF 59 million in 2019 into a net cash position of CHF 4 million in 2020.

The Board of Directors recommends to the Annual General Meeting of Shareholders not to pay a dividend in 2021 (CHF 1.50 in 2020). In 2021, the Group is currently expecting full year sales and operating result (EBIT) to be similar or slightly higher as in the previous year if the pandemic situation does not deteriorate.

	2020	2019
In million CHF		
Sales	1372.0	1636.3
Operating result (EBIT)	43.7	81.0
Net result	17.3	52.6

Order entries and backlog

The Group started 2020 with a significantly lower machine backlog than the year before. Order entries were very low in the first half of the year with -21% at the end of June compared to previous year. Orders improved substantially in the second half of the year and were 4% lower as the year before for the full year 2020. The Business Unit Printing & Converting was at -5% and the Business Unit Services & Performance at +1% compared to 2019. Order entries decreased mainly in Europe and to a lesser extent in Asia and Africa compared to the previous year. The Group had a significant increase of orders in the US and finished the reporting year with a substantially higher machine backlog than at the end of 2019 and a stable service backlog.

Sales

For the full year 2020, consolidated sales decreased by CHF 264 million, or 16.2%, to CHF 1.372 billion. Adjusted for currency effects and acquisitions, organic sales were down CHF 233 million, or -14.2%, in 2020. An improvement of CHF 32 million, or +2%, came from a change in scope of consolidation due to the acquisitions of Yancheng Hongjing Machinery Technology Co. Ltd, Dongtai, China, and of CITO-SYSTEM GmbH, Schwaig, Germany. The unfavorable evolution of exchange rates had an important negative effect on sales of CHF 63 million, or -3.9%.

Sales reached CHF 848 million in the second half of 2020 compared to only CHF 524 million in the first six months of the year and to CHF 899 million in the strong second semester of 2019. Sales recognized in the second half of 2020 are very satisfying, even more, when considering the impact of the pandemic situation and the travel restrictions still in place. Sales of Business Unit Printing & Converting decreased by 23.3% to CHF 880 million in 2020 due to lower backlog at the beginning of the year compared to 2019 and low order entries in the first months of the reporting year. Sales of Business Unit Services & Performance increased by 0.7% to CHF 492 million. Sales recognized for services were 17% lower than in 2019 due to travel restrictions but the supply chain for spare parts showed great resilience and parts sales remained stable excluding the CITO acquisition.

Sales	2020		2019		Δ%
In million CHF					
Europe	646.7	47.1%	730.7	44.6%	-11.5
Americas	392.1	28.6%	518.8	31.7%	-24.4
Asia & Oceania	278.6	20.3%	328.6	20.1%	-15.2
Africa	54.6	4.0%	58.2	3.6%	-6.2
Total	1372.0	100.0%	1636.3	100.0%	-16.2

Results

The operating result (EBIT) was CHF 44 million, or 3.2% of sales, compared to CHF 81 million, or 5.0% of sales in 2019. The operating result (EBIT) achieved in the second half of the year was on a good level but could not compensate for the negative impact of the lockdowns in first half year 2020.

Business Unit Printing & Converting reached an operating result (EBIT) of CHF -17 million compared to CHF 24 million in 2019. Significantly lower sales and a lower utilization of the industrial capacities due to the lockdowns, mainly in the first half of the year, led to this drop in operating result (EBIT). The quality campaigns launched in 2018 are almost completed and led to a significant improvement of customer satisfaction. The initiated cost reduction measures are on track and delivered encouraging results. Business Unit Services & Performance was less impacted by the Covid-19 pandemic as the spare parts supply chain proved to be very efficient and resilient, and part of the service and technical support interventions could be performed remotely while continuing to send field engineers to customers when needed. Operating result (EBIT) reached CHF 62 million compared to CHF 59 million in previous year despite a very important negative impact from less favorable exchange rates. A profitability improvement plan launched in the first quarter 2020 helped to stabilize Business Unit Services & Performance operating result (EBIT) at a good level. Both Business Units benefited from a favorable one-time impact from the sale of real-estate property in North America, concluded in 2020. The positive impact on operating result (EBIT) was CHF 14 million for Business Unit Printing & Converting and CHF 7 million for Business Unit Services & Performance.

The net result decreased to CHF 17 million compared to CHF 53 million in 2019. The decrease in net result is mainly due to lower operating result (EBIT) and lower result from associates. Income taxes did not reduce proportionally to result before income tax due to the losses in entities, where no deferred tax assets were recognized in 2020.

Balance sheet

A significant reduction of net working capital contributed to an outstanding cash inflow from operating activities of CHF 160 million compared to CHF 55 million in 2019. The net debt position of CHF 59 million in 2019 was turned into a net cash position of CHF 4 million in 2020. This improvement was achieved with capital expenditures of CHF 43 million, the acquisition of controlling interests in Yancheng Hongjing Machinery Technology Co. Ltd and CITO-SYSTEM GmbH, and the purchase of non-controlling interests in Mouvent for CHF 31 million in total. The return on capital employed (ROCE) decreased to 8.3% in the reporting year compared to 12.9% in 2019 due to lower operating result (EBIT). The equity ratio decreased to 33.2% from 36.7% in the previous year, mainly due to goodwill on acquisitions and the purchase of non-controlling interests recognized against equity and the increase of debt and cash which led to an 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. As the uncertainties linked to the pandemic situation remain high, the Board of Directors recommends to the Annual General Meeting of Shareholders not to pay a dividend in 2021 (CHF 1.50 in 2020).

Outlook 2021

The extension of the Covid-19 crisis into 2021, the drastic measures and new constraints dictated by politics will likely slow down the economy for at least 24 months. But difficulties are a springboard for opportunities and there will be plenty for the Group: from services to machines, from new solutions to our customers' requirements, from our Group transformation including our new sales network and the streamlining of our processes to better serve our customers. We will harvest what we invested over the recent years. The Group under the new organization will keep spending cautiously while transforming the company and implementing the company's vision.



Based on today's evaluation of the overall business environment and prospects as well as the pandemic situation, the Group is expecting 2021 full year sales and operating result (EBIT) to be similar or slightly higher as in the previous year. 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, 2021, Alain Guttmann, 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 Guttmann as Chairman. The Annual General Meeting will, besides the proposal not to pay a dividend in particular, further deal with the requests concerning the remuneration for the Board of Directors (AGM 2021-AGM 2022) and for the Group Executive Committee (fiscal year 2022).



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 5600 people around the world. The firm recorded a consolidated turnover of CHF 1.372 billion for the year ended December 31, 2020.

Today's information meeting – Publication of the annual report 2020

An online conference for financial analysts and the media will take place today, 26 February, 2021, at 10.15 am. The 2020 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.

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Forthcoming releases

30 March 2021	Annual General Meeting at 5.00 p.m. in Mex
27 July 2021	Publication of the 2021 half-year results Teleconference for financial analysts and the media
09 November 2021	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

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