

## Ad hoc announcement pursuant to Art. 53 LR PRESS RELEASE

### 2021 first half-year results

#### Bobst Group confirms positive results for first half of 2021

Mex, Switzerland, 26 July 2021 – Bobst Group has got off to an excellent start in 2021 with an exceptionally strong order intake. Order entries increased by 68% compared to the first half year 2020 which was heavily impacted by Covid-19 lockdowns. Bobst Group recorded sales of CHF 667.4 million for the first six months of 2021, compared to CHF 523.8 million in the first half of 2020. The operating result (EBIT) increased to CHF 14.6 million compared to CHF -25.1 million in 2020. The net result reached CHF 5.1 million, up from CHF -30.0 million in previous year. Cash generation was strong in the first half of 2021 and the net cash position increased from CHF 3.9 million at the beginning of the year to CHF 72.0 million at the end of June. Order backlog is 63% higher than in previous year. The Group expects a good second half of the year, managing increasing supply chain challenges linked to significant price increases, delays in parts and material supplies, as well as insufficient global transportation capacities.

During the first half of 2021, consolidated sales amounted to CHF 667.4 million, representing an increase of CHF 143.6 million, or +27.4%, compared with the same period in 2020. Volume and price variances had a positive impact of CHF 133.0 million, or +25.4%.

The exchange rates had an overall negative impact on sales of CHF 5.0 million. The evolution due to the conversion of foreign currencies for consolidation accounts for CHF -5.3 million, or -1.0%, and the transactional impact on sales volume from our Swiss operations accounts for CHF 0.3 million, or +0.1%.

An improvement of CHF 15.6 million, or +3.0%, came from the full year effect of the acquisition of CITO-SYSTEM GmbH, Schwaig, Germany, completed 8 April 2020, and the acquisition of Jetpack SAS, Paris, France, on 11 January 2021.

Sales by BU	30 June 2021 (In million CHF)	30 June 2020 (In million CHF)	Δ %
BU Printing & Converting	389.7	295.4	31.9
BU Services & Performance	276.9	228.3	21.3
Other	0.8	0.1	700.0
<b>Total</b>	<b>667.4</b>	<b>523.8</b>	<b>27.4</b>

The increase of consolidated sales was due to higher backlog at the beginning of the year and higher order intake compared to the first six months of 2020. Fewer 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 2020.

The operating result (EBIT) reached CHF 14.6 million compared with CHF -25.1 million for the same period in 2020. The main reasons for the significant improvement in operating result (EBIT) are higher sales as well as the positive impact of Group transformation measures launched in 2020.

The operating result (EBIT) for Business Unit Printing & Converting improved from CHF -44.4 million in the first half of 2020 to CHF -21.4 million in the first half of 2021. Higher sales in the first half of the year, a better utilization of the industrial capacities and continued savings measures led to this improvement in operating result (EBIT).

Business Unit Services & Performance improved its operating result (EBIT) to CHF 37.1 million in the first half of 2021 compared with CHF 20.2 million in the same period in 2020. The improvement comes mainly from higher spare parts sales but also from a better utilization of the field service technicians due to fewer travel restrictions.

EBIT by BU	30 June 2021 (In million CHF)	30 June 2020 (In million CHF)	Δ (In million CHF)
BU Printing & Converting	-21.4	-44.4	+23.0
BU Services & Performance	+37.1	+20.2	+16.9
Other	-1.1	-0.9	-0.2
<b>Total</b>	<b>+14.6</b>	<b>-25.1</b>	<b>+39.7</b>

Net result reached CHF 5.1 million compared with CHF -30.0 million in 2020. The increase in net result is mainly due to higher operating result (EBIT).

The net cash position increased to CHF 72.0 million from CHF 3.9 million at the end of 2020. This is due to the positive results generated in the first half of the year and to a further improvement in net working capital, positively influenced by customer down-payments on orders. The consolidated equity reached 30.4% of the total balance sheet, compared to 33.2% at the end of 2020. The reduction of the ratio is due to the increase of the total balance sheet. The main drivers for the increase in balance sheet are higher work in progress for machines to be invoiced in the second half of the year and higher cash.

## BUSINESS ACTIVITY AND OUTLOOK BY BUSINESS UNIT

### Business Unit Printing & Converting

The business situation in the first half of the year has been mainly impacted by after Covid-19 catch up, government subsidies, sustainability trends and new BOBST products launched. Order entries in the first six months almost doubled compared to the weak first half year 2020.

As the current unstable economic situation strongly affects some market players, customers have put more value on choosing a solid business partner such as BOBST. Our global footprint of field technicians as well as our financial and product reputation have led customers who couldn't travel to reinvest in our machines and services without visiting us. A lot of business happened remotely.

The huge order growth is coming mainly from the three industries corrugated board, folding carton and flexible packaging. The label market has still not fully recovered yet, where the technology is in transition between the analogue and digital world.

On the corrugated side, all the large converters and many others have decided to invest heavily in new equipment or green fields as the demand for e-commerce has exploded during the lock down around the world. As the pandemic created intense packaging demand for the high consumption segments such as food, pharma and home & personal care, we also saw a great demand in folding carton often

supported by large boost subsidies, mainly in Europe. On the flexible packaging side, we have been able to increase our market share significantly. Our new offerings in terms of products, processes and services pay-off and support our customers and the brand owners to achieve their sustainability targets.

After a very strong first half year we expect to see a normalization of order entries, mainly on the corrugated side as most of the large groups anticipated their purchasing between December 2020 and the third quarter of this year. Our sales funnel is nevertheless healthy despite the market uncertainty.

Due to the excellent backlog of machines we expect an important increase in sales for the second half of the year. However, the huge increase of material prices and shortage of parts delivery from main suppliers creates uncertainties, whether we can ship all the machines scheduled for this year.

In line with the new Group strategy to reduce its presence at industry tradeshows, several virtual events were organized to launch and promote our new solutions in the market. This has been extremely well received by our customers. During the virtual BOBST DAYS 2021 we had more than 43 000 customer registrations. This is unique in the packaging world.

#### **Business Unit Services & Performance**

First half-year sales for the Business Unit Services & Performance were 21.3% above the same period in 2020. Business volumes of both spare parts and services continued to bounce back from the Covid-19 crisis but the pace of the recovery has diverged across regions. The markets of Northern Europe and Southeast Asia, still impacted by travel restrictions, have not yet regained their pre-pandemic levels. In all other regions the recovery of volumes is strong, especially in the corrugated board industry, thus bringing back the level in sales above 2019.

The Business Unit Services & Performance expects demand to remain strong over the second semester, provided the sanitary conditions do not deteriorate. A new wave of infections would impact the field service activities and slow down the distribution of spare parts.

The focus for the remainder of 2021 will therefore be to secure the supply chain for spare parts and to further optimize service interventions, including remotely when possible. In parallel, the Business Unit Services & Performance will continue to pursue the transformation and digitalization of its activities.

#### **OUTLOOK FOR THE SECOND HALF OF 2021**

After a very strong first half year we expect to see a reduction of order entries to a still good, but more sustainable level. The second half of the year 2021 will be extremely busy for both production and even more for the installation and start-up of our equipment.

As already announced on 18 June, the Group expects sales of CHF 1.5 to 1.6 billion and an operating result (EBIT) margin of 5% to 6% for the full year 2021. The Group will have to manage remaining travel restrictions linked to the pandemic situation and in particular increasing supply chain challenges linked to significant price increases, delays in parts and material supplies as well as insufficient global transportation capacities.

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 board 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.

### **Half-year report as at 30 June 2021**

The half-year report as at 30 June 2021 is available at <http://investors.bobst.com/publications>.

### **Today's teleconference**

A teleconference for financial analysts and the media will take place today, at 10.30 CET. From Tuesday, 27 July 2021 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 2021	Conference for financial analysts and the media
25 February 2022	Publication of financial statements for the 2021 financial year
	Conference for financial analysts and the media
30 March 2022	Annual General Meeting of Shareholders

### **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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