

Ad hoc announcement pursuant to Art. 53 LR PRESS RELEASE

Bobst Group reports record high sales and strong financial results in 2022

- Sales increased to CHF 1.841 billion from CHF 1.563 billion in 2021.
- Operating result (EBIT) at CHF 141 million (CHF 99 million in 2021).
- Net result at CHF 115 million (CHF 93 million in 2021).
- Cash inflow from operating activities of CHF 93 million (CHF 186 million in 2021).
- ROCE increased to 28.7% (22.0% in 2021).
- Net cash position at CHF 67 million from CHF 154 million in 2021.
- Regular dividend of CHF 5 per share (CHF 2 in 2022) plus an extraordinary dividend of CHF 5 per share (CHF 6 in 2022) proposed in 2023.

Mex, Switzerland, 27 February, 2023 – Bobst Group reports slightly higher order entries than in 2021 and record high sales for the full year 2022. The year-end backlog for both machines and services is nearly 20% higher than at the end of 2021. Both operating and net result reached strong levels and all this despite the major global challenges. Achieving such great results was only possible thanks to highly committed employees and great support from most suppliers and customers. We recognize that customer satisfaction suffered from lead times for new equipment becoming too long.

Bobst Group reached sales of CHF 1.841 billion in 2022, an increase of CHF 278 million, or 17.8%, compared to 2021, with a particularly strong growth (CHF +227 million) for Business Unit Printing & Converting. The operating result (EBIT) was CHF 141 million (CHF 99 million in 2021), while the net result was CHF 115 million (CHF 93 million in 2021).

The return on capital employed (ROCE) increased significantly to 28.7% compared to 22.0% in 2021. The cash inflow from operating activities was CHF 93 million, compared to the very high level of CHF 186 million in 2021. The net cash position decreased from CHF 154 million in 2021 to CHF 67 million in the reporting year. This was mainly due to the CHF 132 million dividends distributed in April 2022. The dividend paid in 2022 was also the main driver for the decrease in the equity ratio from 32.3% in the previous year to 28.9% in the reporting year.

Based on the strong financial results the Board of Directors recommends to the Annual General Meeting of Shareholders to pay a regular dividend of CHF 5 per share plus an extraordinary dividend of CHF 5 per share in 2023.

The Group is confident of having another strong year in 2023, but the known risks, and in particular the supply chain situation, further salary, material and energy price increases, but also the uncertain geopolitical situation, can have a negative impact on the Groups results. For the full year 2023 the Group is currently expecting sales to be similar to the level reached in 2022 (CHF 1.8 billion) and operating result (EBIT) margin to be slightly lower than in 2022 (7.7%).

| | 2022 | 2021 |
|-------------------------|--------|--------|
| In million CHF | | |
| Sales | 1840.9 | 1563.4 |
| Operating result (EBIT) | 141.3 | 99.0 |
| Net result | 115.3 | 93.4 |

Order entries and backlog

The Group started 2022 with a 80% higher machine backlog than the year before. Order entries were particularly strong in the first half of the year 2022 and again at year end. This has led to an overall increase in total orders of 2% compared to the already exceptional value achieved in previous year. Orders for the Business Unit Printing & Converting were 2% below the previous year with different trends by industry. Orders increased again in labels and folding carton but lower orders were recorded in flexible materials and in particular in corrugated board. Orders increased in Asia and Africa and were slightly below the previous year in Europe and in the Americas. Orders for the Business Unit Services & Performance increased by 12% compared to 2021. The backlog for both Business Units is nearly 20% higher at the end of 2022 than in 2021.

Sales

Consolidated sales for the full year 2022 increased by CHF 278 million, or 17.8%, to CHF 1.841 billion. Adjusted for currency effects and acquisitions, organic sales were up CHF 320 million, or 20.5%, in 2022. An improvement of CHF 4 million, or 0.3%, came from a change in scope of consolidation due to the full year effect of the acquisitions made in 2021. The unfavorable evolution of exchange rates had a negative effect on sales of CHF 46 million, or -3.0%.

Sales reached CHF 1.068 billion in the second half of 2022 compared to CHF 773 million in the first six months of the year, and to CHF 896 million in the second half of 2021. Sales recognized in the second half of 2022 are the highest value ever achieved by the Group in a semester, and this despite the tense supply chain situation from procurement to transportation.

Sales of Business Unit Printing & Converting increased by 22.9% to CHF 1.219 billion. The increase was due to higher backlog at the beginning of the year compared to 2021 and again very high order entries during the reporting year. All four industries contributed to the sales growth. The folding carton industry was particularly strong followed by corrugated board, flexible materials and labels. Business Unit Printing & Converting was not able to ship and invoice all the machines scheduled for 2022 due to the aforementioned supply chain situation.

Business Unit Services & Performance again grew above average and increased its sales by 9.1% to CHF 622 million. Strong growth again came from the spare parts business, as most customers continued to use their equipment extensively. Sales recognized for services were at a new record level.

| Sales | 2022 | | 2021 | | Δ% |
|----------------|---------------|---------------|--------|--------|-------|
| In million CHF | | | | | |
| Europe | 875.8 | 47.6% | 735.4 | 47.1% | +19.1 |
| Americas | 594.3 | 32.3% | 457.8 | 29.3% | +29.8 |
| Asia & Oceania | 327.3 | 17.8% | 327.5 | 20.9% | -0.1 |
| Africa | 43.5 | 2.3% | 42.7 | 2.7% | +1.9 |
| Total | 1840.9 | 100.0% | 1563.4 | 100.0% | +17.8 |

Results

The operating result (EBIT) was CHF 141 million, or 7.7% of sales, compared to CHF 99 million, or 6.3% of sales in 2021.

Business Unit Printing & Converting reached an operating result (EBIT) of CHF 47 million compared to CHF 14 million in 2021. Significantly higher sales and good cost management had a positive contribution on the operating result (EBIT), but price increases for materials, parts and transportation, limited the overall improvement of the Business Units result. The utilization of the industrial capacities was not optimal due to frequent interruptions and delays caused by missing parts. The ongoing initiatives to further improve the efficiency and profitability continue to be implemented.

Business Unit Services & Performance reached CHF 97 million operating result (EBIT) compared to CHF 88 million in the previous year. The improvement came from higher activity and from price increases implemented since 2021. Business Unit Services & Performance increased significantly the number of field service technicians to cope with the growing installed base of machines. This important investment in current and future customer satisfaction had a negative impact on the profitability, as the utilization rate of newly recruited resources was significantly below average in the first 12 to 24 months. Business Unit Services & Performance was also impacted by the price increases for materials, parts and transportation but was able to pass on these increases faster, due to much shorter lead times compared to the equipment business. The spare parts supply chain suffered temporarily after the launch of the Groups new European distribution center in Genk, but the situation recovered fast, and the performance improvement allowed to catch-up part of the delays before year-end.

The net result increased to CHF 115 million compared to CHF 93 million in 2021. The increase in net result is mainly due to the higher operating result (EBIT). The weighted average income tax rate based on rates prevailing in the different jurisdictions reached 20.8% in 2022 (20.9% in 2021). The profitability mix of the Group's subsidiaries in the different countries was again favorable.

Balance sheet

Net working capital slightly increased from CHF 77 million in 2021 to CHF 113 million in the reporting year, which is again an outstanding result. Customer down payments increased further due to the higher machine backlog, but this was more than compensated for by higher receivables and increased inventories. The cash inflow from operating activities was CHF 93 million, compared to the very high level of CHF 186 million in 2021. The net cash position decreased from CHF 154 million in 2021 to CHF 67 million in the reporting year. This was mainly due to the CHF 132 million dividends distributed in April 2022.

The return on capital employed (ROCE) further increased to 28.7% in the reporting year, compared to 22.0% in 2021. The driver for this increase was the higher operating result (EBIT), as capital employed was CHF 492 million in 2022, compared to CHF 450 million in 2021. The equity ratio decreased from 32.3% in the previous year to 28.9% in 2022. The reduction of the ratio is mainly due to the distribution of ordinary and extraordinary dividend, and a temporary increase of the total balance sheet.

Dividend proposal

The Group's dividend policy is adjusted and recommends a payout of at least 50% of the net consolidated profit after tax. The Board of Directors recommends to the Annual General Meeting of Shareholders to pay in 2023 a regular dividend of CHF 5 per share (CHF 2 per share paid in 2022), plus an extraordinary dividend of CHF 5 per share (CHF 6 per share paid in 2022).

Outlook 2023

Customer satisfaction and quality in delivering the backlog will get very high attention in 2023. We will likely have a strong year and we will not compromise on quality when delivering the volume increase.

The extraordinary pressure we face due to the many current crisis is taking a heavy toll on the economy and on people's physical and mental well-being. Instilling the right leadership capabilities, we will move forward in this volatile period for the good of all our stakeholders.

We will pursue intrapreneurship and the deployment of our industry vision.

The business will grow through the development of BOBST Connect use cases with the IoT Lab, with new service products and business models. The acceleration of tooling digitalization and consumables and reaching a Net Promoter Score (NPS) above 50 in all product lines by 2025 are some of the key initiatives we have for 2023.

Our industry vision to shape the future of the packaging world – Connect, Digitalize, and Automate – includes Sustainability. The increasing complexity of the packaging value chain (digital printing & converting, automatization, connectivity, end-to-end workflow) requires a transformation. Sustainability/ESG (environment, social, governance) keeps putting pressure on our industry through its multiple and cumbersome compliance and reporting requirements, such as GRI, RBI compliance, Ecovadis platform for supplier assessment, TCFD (Task Force on Climate-Related Financial Disclosures), and new European directives impacting BOBST.

Based on today's evaluation of the overall business environment and prospects the Group is expecting 2023 full year sales to be similar to the level reached in 2022 (CHF 1.8 billion) and operating result (EBIT) margin to be slightly lower than in 2022 (7.7%). 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. The long-term objectives for the dividend distribution and the equity ratio are adjusted to 30-35% for the equity ratio and to minimum 50% of the net consolidated profit after tax for the distribution ratio.

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 2023, Alain Guttman, Thierry de Kalbermatten, Jürgen Brandt, and Gian-Luca Bona will be proposed for re-election for a new period of one year. Philip Mosimann will not present himself for re-election, as he will soon reach the age limit for Board members. We thank Mr. Philip Mosimann for his important contribution to the Board and to our company, especially in bringing to our Group his large and great industrial experience, his professionalism and for his clear understanding of the industry challenges. Mrs. Montserrat Peidro-Insa and Mr. Marc Schuler will be proposed for election. Mrs. Peidro-Insa is Vice President Strategy EMEA at Pax8, the leading cloud commerce marketplace for IT professionals to buy, sell and manage best-in-class technology solutions. She has a proven experience in launching new products within corporate environments and a deep understanding and experience in key market segments of the graphic arts industry such as commercial printing, packaging, and labels. Before joining Pax8, she worked for many years at HP, in the Graphics Business Unit and then at Heidelberg as Head of the Digital Print Business Unit. Mr. Marc Schuler joined Dixi Polytool in 1998 as Sales and Marketing Director and became Managing Director in January 2009. A passionate industrialist with a strong focus on sustainability, he is very active as President of the Association PME and Créateurs d'Entreprise, member of the Board of the Usines Métallurgiques de Vallorbe, Vice President of the European Cutting Tool Association and member of the Swissmem Committee.



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 6 100 people around the world. The firm recorded a consolidated turnover of CHF 1.841 billion for the year ended December 31, 2022.

Today's information meeting – Publication of the annual report 2022

A conference for financial analysts and the media will take place today, 27 February, 2023, at 10.15 a.m. in Mex . The conference will also be accessible online. The 2022 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 07.00 a.m. The presentation will also be available from 07.00 a.m.

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Forthcoming releases

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| 30 March 2023 | Annual General Meeting at 5.00 p.m. in Mex |
| 26 July 2023 | Publication of the 2023 half-year results Teleconference for financial analysts and the media |
| 08 November 2023 | Conference for the financial analysts and the media in Zurich |

Security symbols

ISIN: CH0012684657
Trading: [OTC-X Berner Kantonal Bank](#) | [Lienhardt & Partner](#)

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