

## PRESS RELEASE

### Bobst Group increases sales and results for first half of 2023

Mex, Switzerland, 26 July 2023 – Bobst Group continued to record good order entries in the first half of 2023 but 22% lower compared to the record high first half year 2022. Sales were at CHF 815 million for the first six months of 2023, compared to CHF 773 million in the first half of 2022. The operating result (EBIT) increased to CHF 47 million, compared to CHF 29 million in 2022. The net result reached CHF 41 million, up from CHF 21 million in the previous year. Sales and results for the first half-year were according to expectations. Net cash decreased from CHF 67 million at the beginning of the year to a net debt position of CHF 218 million at the end of June 2023. Order backlog at the end of June was 5% lower than in previous year.

The Group expects a good second half of the year due to the high backlog and service activities but there are also risks which can negatively impact the full year results. Producing and installing all the machines scheduled for the second half of the year remain a big challenge and needs further improvements in the parts and materials supply chain.

During the first half of 2023, consolidated sales amounted to CHF 814.6 million, representing an increase of CHF 42.1 million, or 5.4%, compared with the same period in 2022. Volume and price variances had a positive impact of CHF 66.2 million, or 8.6%.

The exchange rates had an overall negative impact on sales of CHF 25.9 million, or -3.4%.

An improvement of CHF 1.8 million or +0.2%, came from the acquisition of Dücker Robotics s.r.l., Momo, Italy, completed on 28 April 2023.

In million CHF	30 June 2023	30 June 2022	Δ %
<b>Sales by BU</b>			
BU Printing & Converting	498.9	466.9	6.9
BU Services & Performance	315.7	305.6	3.3
Other	0.0	0.0	0.0
<b>Total</b>	<b>814.6</b>	<b>772.5</b>	<b>5.4</b>

The increase of consolidated sales was due to the high machine backlog beginning of the year and the absence of travel restrictions and lockdowns caused by the pandemic situation in previous years. This allowed the Group to install more machines and to perform more service interventions than in the same period in 2022.

The operating result (EBIT) reached CHF 46.8 million compared with CHF 28.6 million for the same period in 2022. The improvement in operating result (EBIT) is due to higher sales, improved margins and a better absorption of costs, due to less events negatively impacting the operational performance of the Group. Additional price increases for materials, parts and electricity limited the overall improvement. The operating result (EBIT) for Business Unit Printing & Converting improved from CHF -9.7 million in the first half of 2022 to CHF -3.8 million in the first half of 2023. Higher sales and better absorption of costs

in the first half of the year led to this improvement in operating result (EBIT). The availability of several specific components needed to assemble our equipment improved compared to the same period in 2022 but is still not at a satisfying level. The missing parts led to inefficiencies and rework in most of our production sites. The time lost due to the cyber-attack attempt suffered in April 2023 and additional costs to recover also limited the favorable impact of the higher sales.

Business Unit Services & Performance improved its operating result (EBIT) to CHF 51.9 million in the first half of 2023, compared with CHF 39.6 million in the same period in 2022. The improvement comes from higher spare parts sales and a better overall utilization of our field service technicians. Parts missing during the assembly process create additional workload for the field service technicians during the installation of the machines, but the high number of technicians and technical support people hired in 2021 and 2022 could be better deployed. This had a positive impact on the Business Unit's profitability in the first half of the year.

In million CHF	30 June 2023	30 June 2022	Δ
<b>EBIT by BU</b>			
BU Printing & Converting	(3.8)	(9.7)	5.9
BU Services & Performance	51.9	39.6	12.3
Other	(1.3)	(1.3)	0.0
<b>Total</b>	<b>46.8</b>	<b>28.6</b>	<b>18.2</b>

Net result reached CHF 41.3 million, compared to CHF 21.6 million in 2022. The increase in net result is mainly due to higher operating result (EBIT). Improved result of associates and a better financial result had also a positive impact.

The net debt position was CHF 218.2 million at the end of June 2023 compared to a net cash position of CHF 67.0 million at the end of 2022. This is mainly due to the CHF 165.2 million dividends distributed in April 2023 to shareholders and an increase of CHF 150.7 million in net working capital, compared to the very low level reached at the end of 2022. The consolidated equity reached 22.1% of the total balance sheet, compared to 28.9% at the end of 2022. The reduction of the ratio is mainly due to the distribution of ordinary and extraordinary dividend.

## BUSINESS ACTIVITY AND OUTLOOK BY BUSINESS UNIT

### Business Unit Printing & Converting

In term of order entries, the Business Unit continued to experience a good first half year in 2023, but with substantially lower orders compared to the previous record years. The backlog remains very strong. 4% higher than at the end of 2022 but 7% lower than in June 2022.

Main market trends remain e-commerce, sustainability, and recyclability (circular economy) in all industries. This generates excellent opportunities for BOBST to address these market demands with new solutions for barrier film and paper, new recyclable mono-material laminates, and films for the flexible packaging industry. For the folding carton and corrugated board industry, our new real-time performance monitoring, quick set-up and waste reduction, as well as advanced automation solutions (Dücker acquisition) are well perceived by the market. Even though the next capital investments of our customers are carefully reviewed, the consolidation in the industry goes on, including the creation of new greenfield plants and the vertical integration from paper and film producers into converting

activities. In parallel, brand owners are tending to start a regionalization of solid and resilient supply chains to better mitigate the global risks.

The severe impact of foreign exchange rates, the increase of labor cost, the supply chain turbulences, the energy and raw material price increases and availability represent our greatest challenges. A dedicated cross-functional task force is managing these by leveraging our global scale and production planning capabilities.

The transformation program of the Business Unit Printing & Converting initiated in 2020 is on track and results are currently materializing. We expect to see the order entries level to stabilize or to be slightly lower in the second half-year compared to first six months of 2023. As previous year, we expect second half-year sales to be higher than the level recognized during the first six months. The uncertain availability of parts from main suppliers might however impact the shipment of certain machines planned for this year.

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

First half-year sales for the Business Unit Services & Performance were 3% above the same period in 2022 and most regions contributed.

The growth was done equally with parts and services while tooling has seen a certain drop due to lower workload in some of customers plants. BOBST Connect and our service contract "Maintenance Plus" are definitely the growth drivers and this despite the fact that it was difficult to execute some of the above due to the high number of new machine installations worldwide.

Our new parts distribution Hub in Genk (Belgium) is now stabilized and ramping up nicely, but our clients still suffer long delivery dates, as the world supply chain is recovering at a slow pace. The new BOBST CRM (Customer Relationship Management) introduced first in the US in 2022 is now deployed globally and allows a better execution and follow-up of our service interventions.

The Business Unit Services & Performance expects to see normal business development for the second half of 2023, if no major changes in the world economy or exchange rates occur.

The Business Unit Services & Performance will pursue its digital and business transformation while continuing to hire and train new services technicians to increase competencies on the needed markets. Business Unit Services & Performance will also continue to actively develop with Business Unit Printing & Converting innovative retrofits and upgrades supporting the sustainability program of our customers.

The focus for the second half of 2023 will therefore be to further develop our distribution network worldwide, continue our IT system transformation while improving the overall spare parts availability and as always continue to work on customer satisfaction.

### **OUTLOOK FOR THE SECOND HALF OF 2023**

For the full year, order entries should remain at a similar level as in the first six months of this year. The uncertainties caused by the still too high inflation in our core markets, by the unpredictable supply chain, the geopolitical situation and slowing end-user consumption could however lead to a further slowdown in the second half of 2023.



Sales and results for the first half-year were according to expectations despite multiple supply chain challenges and a cyber-attack attempt. The Group managed these thanks to highly committed employees and partners. Producing and installing all the machines scheduled for the second half of the year remains a big challenge and needs further improvements in the parts and materials supply chain.

As announced on 27 February, the Group expects sales to be similar to the level reached in 2022 (CHF 1.8 billion) and an operating result (EBIT) margin to be slightly lower than in 2022 (7.7%). Based on the Group's current assessment it is still possible to reach these targets if further improvements in the supply chain occur in the second half of the year.

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 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.

### **Half-year report as at 30 June 2023**

The half-year report as at 30 June 2023 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 Thursday, 27 July 2023 at 09:00 CET onwards, the recording will be available on our website <http://investors.bobst.com/publications>.

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### **Forthcoming Releases**

08 November 2023 Conference for the financial analysts and the media in Zurich  
27 February 2024 Publication of the 2023 financial statements  
Conference for financial analysts and the media in Mex  
28 March 2024 Annual General Meeting in Mex

### **Security symbols**

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

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