

Ad hoc announcement pursuant to Art. 53 LR PRESS RELEASE

Bobst Group reports record high sales and strong financial results in 2023

- Sales increased to CHF 1.960 billion from CHF 1.841 billion in 2022.
- Operating result (EBIT) at CHF 147 million (CHF 141 million in 2022).
- Net result at CHF 119 million (CHF 115 million in 2022).
- Cash inflow from operating activities of CHF 45 million (CHF 93 million in 2022).
- ROCE at 24.9% (28.7% in 2022).
- Net debt position at CHF 134 million from CHF 67 million net cash in 2022.
- Dividend of CHF 5 per share proposed in 2024 (CHF 5 regular dividend plus CHF 5 extraordinary dividend per share in 2023).

Mex, Switzerland, 27 February, 2024 – Bobst Group reports lower order entries than in 2022 and record high sales for the full year 2023. The year-end backlog for both machines and services is therefore lower than at the end of 2022. Both operating and net result reached strong levels. Customer satisfaction is improving step by step as the supply chain situation has improved significantly since summer 2023.

Bobst Group reached sales of CHF 1.960 billion in 2023, an increase of CHF 119 million, or 6.5%, compared to 2022. The operating result (EBIT) was CHF 147 million (CHF 141 million in 2022), while the net result was CHF 119 million (CHF 115 million in 2022).

The return on capital employed (ROCE) decreased to 24.9% compared to 28.7% in 2022. The cash inflow from operating activities was CHF 45 million, compared to CHF 93 million in 2022. The cash position decreased in the reporting year, resulting in a net debt position of CHF 134 million, compared to a net cash position of CHF 67 million in 2022. This was mainly due to the increase of net working capital during the reporting year and the extraordinary dividend distributed in April 2023. The dividend was also the main driver for the decrease in the equity ratio from 28.9% in the previous year to 25.7% 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 dividend of CHF 5 per share in 2024.

The Group is confident of having another good year in 2024 in spite of the known risks, in particular the overall economic situation in several markets and the numerous geopolitical tensions which might have a negative impact on the Group's results. For the full year 2024 the Group is currently expecting sales and operating result (EBIT) to be lower than the levels reached in 2022.

	2023	2022
In million CHF		
Sales	1960.3	1840.9
Operating result (EBIT)	147.2	141.3
Net result	119.3	115.3

Order entries and backlog

The Group started 2023 with a 20% higher machine backlog than the year before. Order entries were, as expected, lower than previous year in the first half of the year 2023 and again at year end, with an even weaker third quarter. This has led to an overall decrease in total orders of 20% compared to the record high value achieved in previous year. Orders for the Business Unit Printing & Converting were 30% below the previous year with different trends by industry. Orders for the Business Unit Services & Performance remained on a similar level as in 2022. The backlog for Business Unit Printing & Converting is around 30% lower than at the end of 2022 but still higher than pre-Covid.

Sales

Consolidated sales for the full year 2023 increased by CHF 119 million, or 6.5%, to CHF 1.960 billion. Adjusted for currency effects and acquisitions, organic sales were up CHF 179 million, or 9.7%, in 2023. An improvement of CHF 9 million, or 0.5%, came from a change in scope of consolidation due to the acquisitions done in 2023. The unfavorable evolution of exchange rates had a negative effect on sales of CHF 68 million, or -3.7%.

Sales reached CHF 1.146 billion in the second half of 2023 compared to CHF 814 million in the first six months of the year, and to CHF 1.068 million in the second half of 2022. Sales recognized in the second half of 2023 are the highest value ever achieved by the Group in a semester, and this despite the flooding incurred in our Firenze operation in November 2023.

Sales of Business Unit Printing & Converting increased by 7.9% to CHF 1.316 billion. The increase of consolidated sales was due to the high machine backlog at the beginning of the year, and better availability of parts during the reporting year. The corrugated board industry was particularly strong, followed by folding carton, labels and flexible materials.

Business Unit Services & Performance grew its sales by 3.6% to CHF 644 million. The growth came mainly from retrofit and remanufacturing business. Sales recognized for services remained stable.

Sales	2023		2022		Δ%
In million CHF					
Europe	938.1	47.9%	875.8	47.6%	+7.1
Americas	609.7	31.1%	594.3	32.3%	+2.6
Asia & Oceania	341.2	17.4%	327.3	17.8%	+4.2
Africa	71.3	3.6%	43.5	2.3%	+63.9
Total	1960.3	100.0%	1 840.9	100.0%	+6.5

Results

The operating result (EBIT) was CHF 147 million, or 7.5% of sales, compared to CHF 141 million, or 7.7% of sales in 2022.

Business Unit Printing & Converting reached an operating result (EBIT) of CHF 42 million compared to CHF 47 million in 2022. Higher sales and good cost management had a positive contribution on the operating result (EBIT), but the flooding incurred in our Firenze operation in November 2023 had a negative impact on the Business Unit's operating result (EBIT) of around CHF 25 million. The utilization of the industrial capacities improved compared to previous year. The ongoing initiatives to further improve the efficiency and profitability continue to be implemented.

Business Unit Services & Performance reached CHF 108 million operating result (EBIT) compared to CHF 97 million in the previous year. The improvement came mainly from higher activity and better utilization of our field service technicians compared to previous year.

The net result increased to CHF 119 million compared to CHF 115 million in 2022. The increase in net result is mainly due to the higher operating result (EBIT) and financial result. The income tax rate increased due to losses in entities, where no deferred tax assets are recognized in 2023 and the reversal of deferred tax assets recognized in prior years.

Balance sheet

Net working capital increased from CHF 113 million in 2022 to CHF 247 million in the reporting year, which is in the Group's target range of 12 to 14 percent to sales. Customer down payments decreased significantly due to the lower machine backlog, and inventories further increased compared to previous year. Therefore, cash inflow from operating activities reduced to CHF 45 million, compared to CHF 93 million in 2022. The cash position decreased in the reporting year, resulting in a net debt position of CHF 134 million, compared to a net cash position of CHF 67 million in 2022. This was mainly due to the increase of net working capital during the reporting year and the CHF 165 million dividend distributed in April 2023.

The return on capital employed (ROCE) decreased to 24.9% in the reporting year and remains above the Group's target level of minimum 20%. The reduction compared to the 28.7% all-time high reached in 2022 is mainly due to the increase in net working capital. The equity ratio decreased from 28.9% in the

previous year to 25.7% in 2023. The reduction of the ratio is mainly due to the distribution of ordinary and extraordinary dividend in the reporting year.

Dividend proposal

The Group's dividend policy 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 2024 a dividend of CHF 5 per share (CHF 5 regular dividend, plus an extraordinary dividend of CHF 5 per share paid in 2023).

Outlook 2024

The global economy faces instability on a lot of fronts with tensions between nations impacting global markets and investment moods. The IMF foresees global growth at 2.9% with adjustments to inflation expectations. Much of this growth will be driven by the emerging markets activity while it remains weak in advanced economies.

The attention in 2024 will revolve around the topics of the geopolitics, growth, cost optimization, digitalization and energy. They will drive economic decisions and policy responses.

The United States turns out to be more resilient than expected. China grapples with a real estate crisis and Europe's complicated geopolitical dynamics, coupled with global misinformation and disinformation, impact trust and stability in the region. India and the Middle East seem to find a good dynamic within the global trends. While consumer confidence remains low overall, business confidence will experience fluctuations due to economic recovery, policy measures and market dynamics.

In addition to the high raw material cost, skills shortage and decline in order entries due to the industrial slowdown in the main sales market, the Swiss Franc has lately appreciated dramatically against the Euro and the US dollar, with consequences for us.

In 2024, the sustainability requirements, driven by the European Union which intensifies its focus on climate-related risks, and digitalization will continue to impact the packaging industry which remains active overall, despite fluctuations and the increasing complexity of the global environment.

Meanwhile, brand owners and converters are under pressure for volume, shorter time-to-market, smaller lot sizes and the need to build consistency between physical and online sales.

In this fast-moving environment, BOBST's vision has remained stable and consistent throughout. As we look ahead to drupa 2024, our vision is continuing to progress at pace. Eventually, all the machines and tooling will "talk" to each other, seamlessly transmitting data through a cloud-based platform orchestrating the entire production process with quality control systems.

For companies who embrace this approach, across the whole production workflow, more fact-based and timely decisions will be made, and higher productivity, higher efficiency and lower waste will be a reality. By drupa 2024, we will have even more proof points to demonstrate its impact and business cases.

Based on today's evaluation of the overall business environment and prospects the Group is expecting 2024 full year sales and operating result (EBIT) to be lower than the levels reached in 2022. 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 30-35% for the equity ratio and minimum 50% of the net consolidated profit after tax for the distribution ratio.

Bobst Group has issued on January 31, 2024 a CHF 200 million debenture bond. The proceeds will be used to reimburse the CHF 135 million debenture bond maturing on September 27, 2024, and for general corporate purposes.

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 28 March 2024, Alain Guttmann, Thierry de Kalbermatten, Montserrat Peidro-Insa, Jürgen Brandt, Gian-Luca Bona and Marc Schuler will be proposed for re-election for a new period of one year.



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 21 production facilities in 12 countries and employs more than 6 300 people around the world. The firm recorded a consolidated turnover of CHF 1.960 billion for the year ended December 31, 2023.

Today's information meeting – Publication of the annual report 2023

A conference for financial analysts and the media will take place today, 27 February, 2024, at 10.15 a.m. in Mex. The conference will also be accessible online. The 2023 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

28 March 2024	Annual General Meeting at 9.00 a.m. in Mex
24 July 2024	Publication of the 2024 half-year results Teleconference for financial analysts and media
06 November 2024	Conference for financial analysts and media in Zurich

Security symbols

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

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