

# LEADING INNOVATION

**Annual Profile 2018**

Bobst Group SA

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# GUIDED BY INNOVATION

BOBST has been continuing its quest for innovation and excellence for over 125 years. We are inventors and one of the world leaders in our industrial sector – in packaging and label solutions. Our expertise is not limited to producing the machines which have made our reputation. With the same focus on high standards, we have also developed a range of services which cover the entire conversion process and its optimization.

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# KEY FIGURES

In million CHF	2017		2016		2015		
<b>Assets</b>	Non-current assets	451.3	28%	413.0	29%	419.7	31%
	Current assets	1142.7	72%	989.7	71%	928.6	69%
		<b>1594.0</b>	<b>100%</b>	<b>1402.7</b>	<b>100%</b>	<b>1348.3</b>	<b>100%</b>
<b>Liabilities</b>	Equity	559.4	35%	477.5	34%	421.8	31%
	Non-current liabilities	381.7	24%	388.9	28%	391.7	29%
	Current liabilities	652.9	41%	536.3	38%	534.8	40%
		<b>1594.0</b>	<b>100%</b>	<b>1402.7</b>	<b>100%</b>	<b>1348.3</b>	<b>100%</b>
<b>Net cash/Net debt</b>		<b>132.9</b>		<b>51.3</b>		<b>-1.7</b>	
<b>Sales</b>		<b>1528.6</b>		<b>1446.6</b>		<b>1330.9</b>	
<b>Operating result (EBIT)</b>		<b>118.7</b>		<b>103.7</b>		<b>83.9</b>	
As % of sales		7.8%		7.2%		6.3%	
<b>Net result</b>		<b>106.9</b>		<b>84.3</b>		<b>67.1</b>	
As % of sales		7.0%		5.8%		5.0%	
As % of equity		19.1%		17.7%		15.9%	
<b>Capital expenditure (CAPEX)</b>		<b>53.4</b>		<b>27.0</b>		<b>20.9</b>	
<b>Return on capital employed (ROCE)</b>		<b>23.2%</b>		<b>19.9%</b>		<b>16.0%</b>	
<b>Share income</b>							
Share price at the end of the year		129.6		70.8		42.0	
Market capitalization		2140.8		1169.5		693.0	
EPS (16518478 shares)		6.93		5.08		4.02	
Price-earnings ratio		18.7		13.9		10.4	
Dividend paid:							
– total, in million CHF		42.9		28.1		20.6	
– payout ratio		40.1%		33.3%		30.7%	
– dividend yield		2.0%		2.4%		3.0%	
<b>Headcount</b>		<b>5397</b>		<b>5055</b>		<b>4907</b>	
% change compared to previous year		6.8%		3.0%		1.4%	

## Mid- to long-term financial targets

- Sales (in million CHF) 1600 – 1700
- Operating result (EBIT) min. 8%
- Return on capital employed (ROCE) min. 20%
- Payout ratio 30 – 50%
- Equity ratio 40 – 45%

# BOBST AT A GLANCE

## BOBST ORGANIZATION

BOBST provides machines, services, workflows and consumables for packaging and label converters and brand owners.

Business Unit  
**SHEET-FED**

Business Unit  
**WEB-FED**

Business Unit  
**SERVICES**

**4** MAIN  
INDUSTRIES  
SERVED

with innovative packaging  
and label solutions

FOLDING  
CARTON

FLEXIBLE  
MATERIALS

CORRUGATED  
BOARD

LABEL

PACKAGING  
AND LABEL  
CONVERTERS  
BOBST customers



BOBST is one of the world's leading suppliers of equipment and services to packaging and label manufacturers, providing machinery, solutions and technical expertise to its customers in these industries:

- Folding carton
- Corrugated board
- Flexible materials
- Packaging for liquids
- Commercial print finishing
- Label manufacture
- Sack & bag production
- Pressure sensitive adhesive (PSA) tape production
- Security applications
- Decorative printing
- Tobacco applications
- Industrial applications

INVESTMENT  
EXPANSION  
MARKET PENETRATION  
IN 2018

## KEY FIGURES

CHF

**1.53**

billion turnover  
in 2017

Close to **5400**  
highly qualified employees  
worldwide



More than **1300**  
machines sold  
in 2017

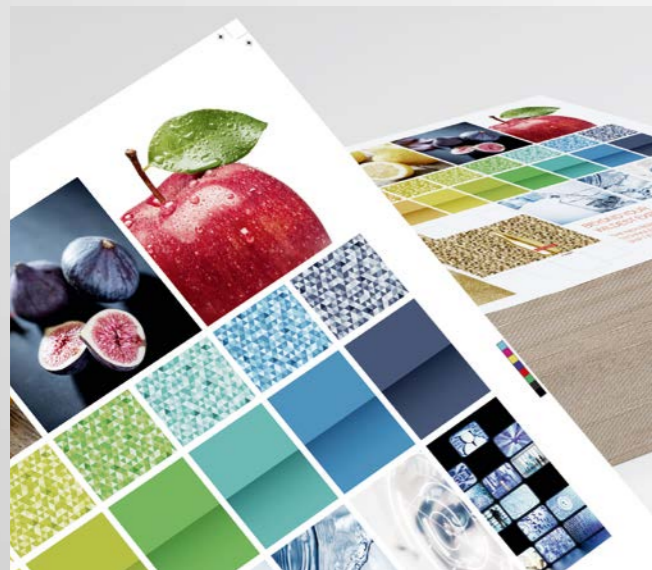
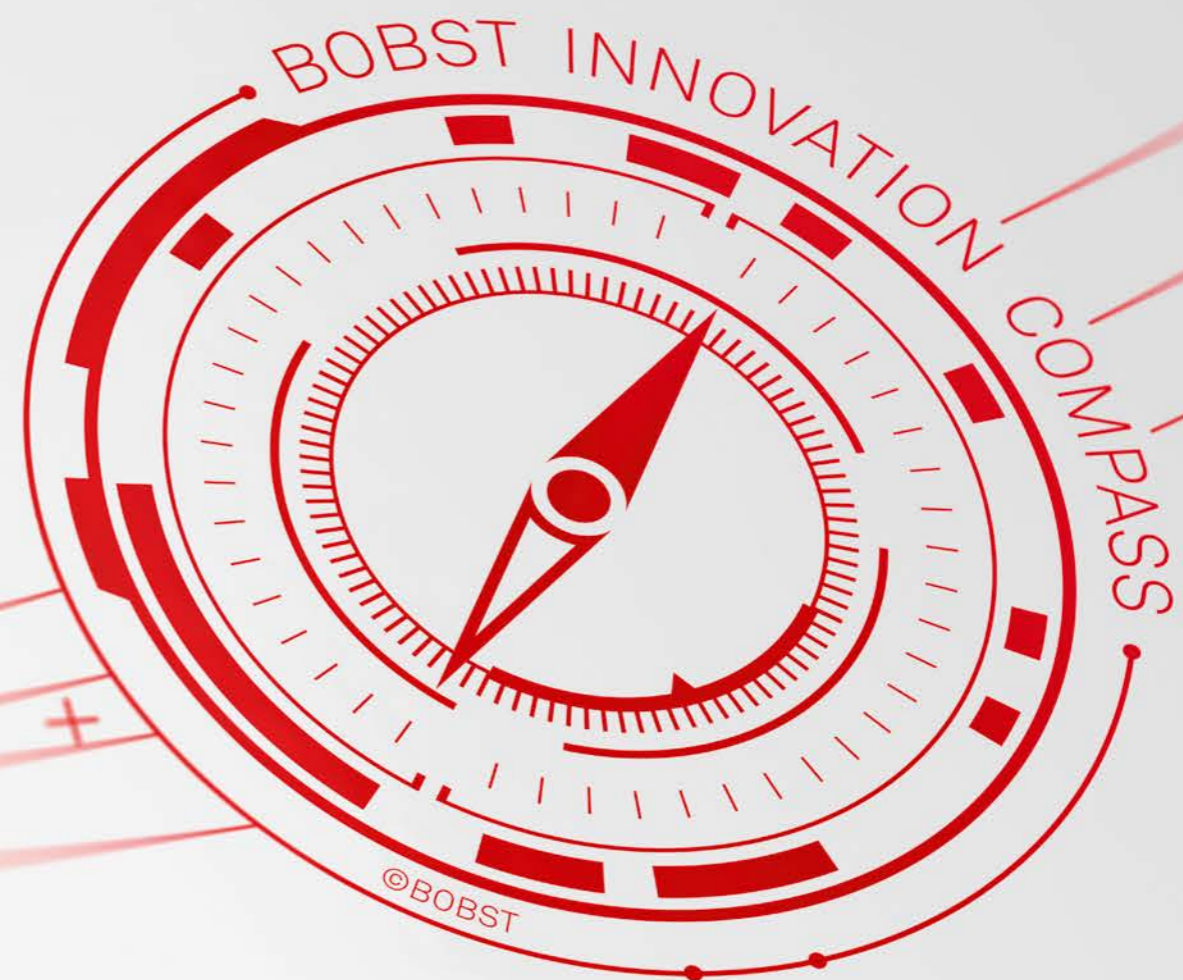


BOBST is one of the world's  
leading suppliers of equipment  
and services to packaging  
and label manufacturers



# DRIVING INNOVATION

BOBST FOCUSES ON A FOUR-STEP APPROACH TO DRIVE AND LEAD INNOVATION IN ITS CORE BUSINESS.



BOBST tracks today's needs and packaging trends to develop innovative solutions for the world market and create value for its customers.



BOBST invests up to 6% of its turnover into R&D every year. We have a global reputation for delivering innovations that drive performance and quality.



BOBST transforms today's packaging trends into outstanding packaging solutions. For more than 125 years we have successfully taken innovations from prototyping to market serialization.



BOBST production lines are designed to deliver accuracy, flexibility, performance, and ease of use, while the wide variety of processes, sizes and levels of automation available suit the needs of a huge range of users.

# PIONEERING PACKAGING

BOBST IS A LEADING SUPPLIER TO THE GLOBAL PACKAGING MARKET

## Global Market

Global packaging industry: \$ 828 billion sales in 2016\*

The market will reach \$ 980 billion by 2022

\* Source: Smithers Pira, 2017, The Future of Global Packaging to 2022



## VALUE CREATION FROM BRAND OWNER TO CONSUMER



## AHEAD OF MARKET TRENDS



### Functional packaging: a key driver for success

Consumers expect packaging to be much more functional: with 61% of all US households comprising of just one or two people, packages sized to serve singles or couples have become more commonplace. Such formats include single-serve packaging, meals for two, multi-packs of individual portions, and re-sealable packaging.



### See-through packaging: a good way to value the goods

Many consumers are more likely to buy something if they can see it, partly because clear packaging gives products an aura of being natural. As a result, more and more marketers are putting their products in packages that are see-through or have transparent windows.



### New package recycling imperatives: improving sustainable practices

Millennials want packaging with less waste and more recycling, and are willing to pay a premium for it. They view brands packaged in a carton as healthier, fresher and easier to store and recycle. 90% of corrugated cardboard production comes from recycled materials.



### On-the-go packaging: reaching all segments of society

More and more people today eat and drink on the go, demanding higher quality and more choice. As a result, the demand is increasing for single-serve, ready-to-consume and, most of all, convenient product packaging, which is easy to hold, open, use and reseal.

# TRAILBLAZING SOLUTIONS

A passion for innovation has been encoded into BOBST's DNA for more than 125 years. By continuously moving forward, our engineers translate today's packaging trends into outstanding packaging solutions.



## COMPETENCE CENTER FOR DIGITAL PRINTING

With the foundation of Mouvent, BOBST has created a Competence Center with around 100 employees of which 50% are highly experienced and qualified R&D engineers, solely dedicated to rethinking, creating and delivering the future of digital printing solutions and services.

**6%**  
Investment in R&D

## INNOVATION IS ENCODED IN OUR DNA

BOBST invests up to 6% of its turnover into R&D every year to engineer the solutions that packaging and label manufacturers need.

**545**  
R&D Employees

## STRIVING FOR NEW PERSPECTIVES

545 highly qualified R&D employees at BOBST work steadily on the next generation of innovations.

## THQ FLEXOCLOUD TECHNOLOGY

A game changing quality shift in post-print flexo, composed of:

- THQ ceramic rolls supplied by BOBST;
- THQ CMYK inks supplied by an ink maker;
- THQ printing plates supplied by our partner: the quintessence of THQ.

## LEADING INNOVATION

Intellectual property fosters our innovation and development.

**2500**

Filed, registered or granted intellectual property rights

## COLLABORATION FOR INNOVATIVE DIGITAL FLEXO PRINT SOLUTIONS

REVO Team is a group of industry partners formed with the aim of developing a turn-key manufacturing process called Digital Flexo.



The world's first automatic die-cutter, the BOBST AP 900, enters production and revolutionizes the process of cutting and creasing carton board. Even today, AP 900 die-cutters are still in use in parts of the world.

BOBST **CUBE**, an operator-machine interface specially developed by BOBST, provides improved signals and information. The screen makes operating any machine very easy.

To help pharmaceutical companies meet strict new EU packaging legislation, BOBST develops the **ACCUBRAILLE** system for fast, accurate and reliable rotary Braille embossing onto drug packaging.

BOBST **ACCUCHECK** becomes the first built-in zero-fault quality control system for folder-glueers. BOBST General **Hawkeye** detects, counts and categorizes pinholes and other metallizing defects from 0.1 mm upwards.

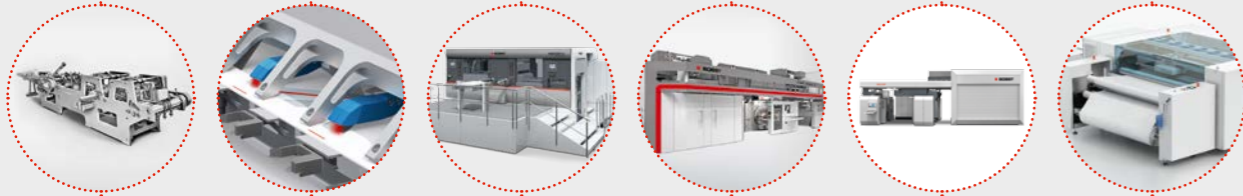
**FFG 8.20 EXPERTLINE** is the only equipment worldwide to offer a fully automated production, from the feeding of the board (pre-feeder) down to the palletizer. Fast, effective and highly capable, the line is truly awe-inspiring.

Installation and start up of the **first digital printing presses** for corrugated board applications.

Digital innovation with the **Mouvent™ Cluster: an ingenious single print head integration**. One truly flexible and scalable DOD inkjet printing solution for all substrates, applications and markets.



1940 1942 1992 2000 2008 2010 2011 2012 2013 2015 2017 2018



BOBST launches the PCR 382, its first folder-gluer. Applying a range of technological solutions, the PCR 382 establishes a trend for innovation that continues right up to the present day.

**POWER REGISTER** is the only register system with cut-to-print capabilities and no sheet-edge contact registration. It drastically reduces setting times and eliminates feed related stops. Highest production guaranteed.

The **MASTERFOIL 106 PR** is the first hot foil stamper with cam driven and Power Register technologies. **MASTERFLUTE** is the latest generation Asitrade high performance sheet to web laminator.

The platform-based **F&K 20SIX CI** flexo press brings outstanding print quality.

Expanding markets with **nine new models**, featuring the MW 85F in the picture.

Foundation of Mouvent, the **Digital Printing Competence Center of the Bobst Group** for packaging, label and textile printing.



BOBST builds the bridge from prototyping to industrialized series

# INDUSTRIALIZE THE FUTURE

By hosting R&D, production, lean processes at fourteen production sites worldwide, BOBST enables the successful launch of new product concepts: building the bridge from a prototype to an industrialized series and implanting new technologies into a production mature product.

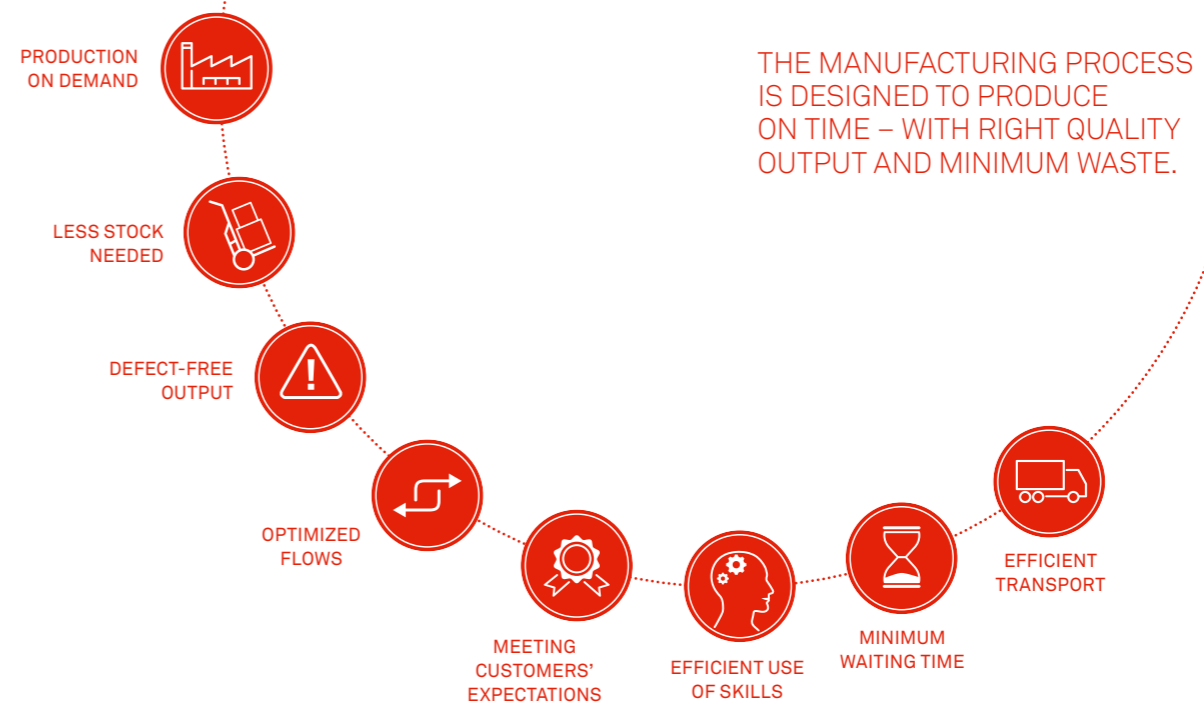
Through constantly listening to customers, investing in R&D, and by accumulating unmatched skills and experience among our people, BOBST has been producing equipment at the forefront of technology for decades in converting, coating and laminating, printing, and printing and converting.

## Redesigning the production process

BOBST relies on a focused, lean production process. We have successfully redesigned the entire production process – without compromising quality or volume. The result: increased efficiency – and visible impact on business performance.

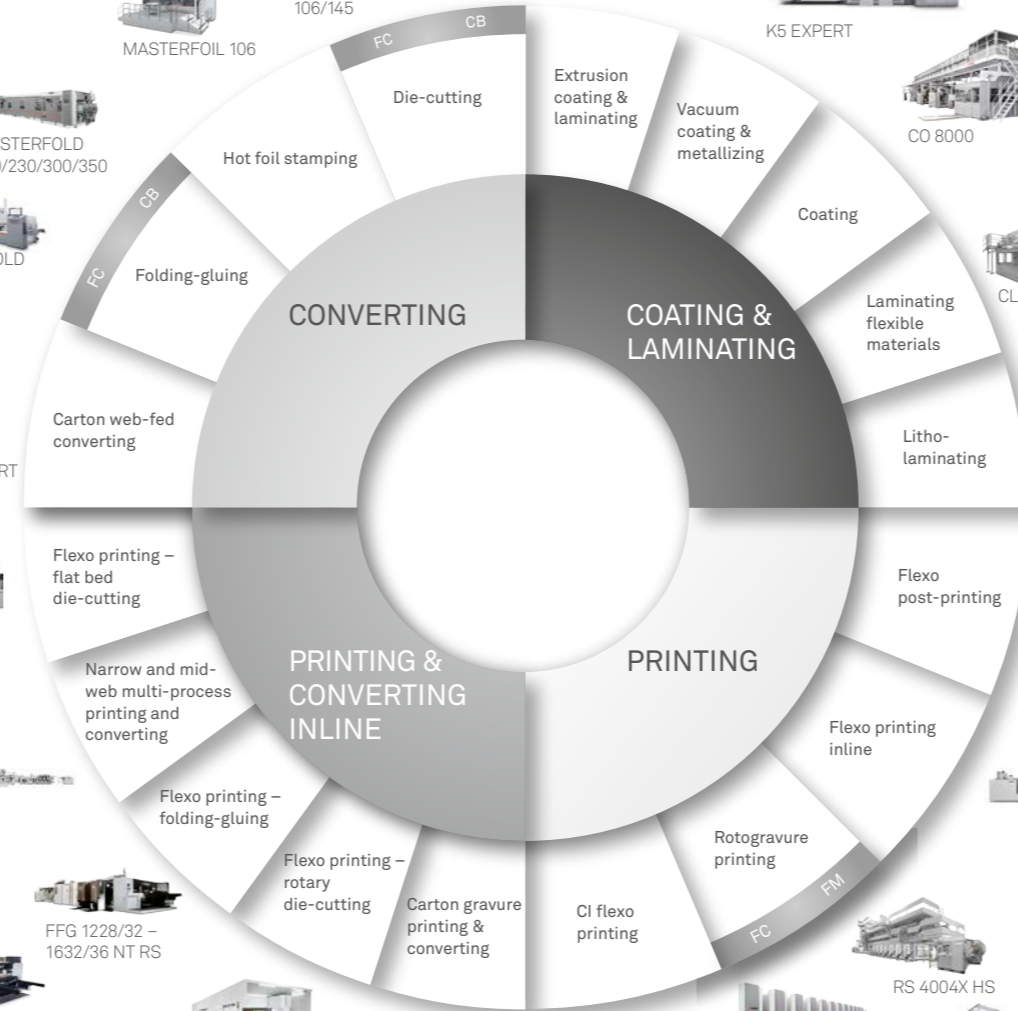
## Key success factors for increasing customers' satisfaction

Each machine ordered can be configured with a wide range of options from our catalog. On top of these, we also offer bespoke solutions tailored to the specific needs of our customers. We produce high-quality machines and, for us, going the extra mile and delivering even more, is part of our DNA.



# DREAM MACHINES

The BOBST equipment range encompasses solutions from stand alone machines to fully integrated, tailor-made lines, each offering the exacting quality and high performance that packaging and label manufacturers need.



**Peripherals**  
FS POLYJOINER 400  
SPEEDPACK  
STREAMPACK

**Peripherals**  
CARTONPACK 4  
EASYFEEDER/  
BATCH INVERTER 4  
HANDYFEEDER  
HANDYPACK GT

LILA II  
106/145/170

EXPERTFOLD  
145/165

AMBITION  
50/76/106

VISIONFOLD  
50/80/110

SP 92/106 FCH

VISIONFOIL 104

EXPERTFOIL 104/142

EXPERTFOLD  
170/230/300/350

EXPERTFOLD  
50/80/110

MASTERFOLD  
170/230/300/350

EXPERTFOLD  
50/80/110

MASTERFOLD  
75/110

MASTERFOIL 106

LEMANIC SPEEDFLOW

LEMANIC SEPARATOR

LEMANIC SHEETER

LEMANIC RDC

LEMANIC FCC

LEMANIC DRIVE/V-DRIVE

LEMANIC SLEEVEEXPERT

MASTERLINE 1.7/2.1

VISIONLINE 1.6

**Peripherals**  
BREAKER 2  
FLAT TRACK  
LOADER-AF/ML  
PALLETIZER

M9

M7

M6

M5

M4

M3

M1

MX

FFG 924 NT RS

FFG 924 NT Mobile

FFG 8.20 EXPERTLINE

FFG 8.20 DISCOVERY

FFG 618 QUATRO

**Peripherals**  
FFG MULTILOADER  
FFG PALLETIZER

**Peripherals**  
DRO MULTILOADER  
DRO PALLETIZER

DRO 1624/28/32 NT Mobile

DRO 1624/28/32 NT RS

DRO 1624/28/32 NT HBL

LEMANIC RIVIERA ILS

LEMANIC RIVIERA ILS

LEMANIC DELTA

LEMANIC DELTA

90SIX

40SIX

20SEVEN

MW 85 F

LEMANIC DELTA

GP 500L

GP 500L

RS 6002

RS 5002/RS 3.0

RS 4004X HS

GP 700D

MW 60/MW 80

RS 6003

M6

M5

M4

M3

M1

MX

MASTERFLEX-HD 2.1

MASTERFLEX-XL

FLEXO 160-VISION

**Peripherals**  
LOADER-AF/ML

MASTERFLUTE TOUCH

EXPERTFLUTE

VISIONFLUTE

NOVAFLUTE

FOLIOSTAR 165 MATIC

CL 1000D

CL 1000TX

CL 850TD

CL 850D

CL 750D

CL 1000D

CL 850TD

CL 850D

CL 750D

CL 1000D

CL 850TD

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CL 1000D

EXPANDING  
DIGITAL PRINTING  
COMPETENCE

# PRINTING EXPERTS



## CUSTOMER NEEDS

A GAME CHANGING QUALITY SHIFT IN POST-PRINT FLEXO



## BOBST DELIVERS

MASTERFLEX-XL THQ FlexoCloud is nothing less than the most productive flexographic printing press in its market, with up to nine printing units. BOBST THQ FlexoCloud offers flexo post-print unmatched quality at lower cost and in one pass. It is the unique opportunity to make the difference and increase your market share. The new BOBST THQ FlexoCloud Technology – a game changing quality shift in post-print flexo.



OUTSTANDING QUALITY

- 100% PRINT MATCHING WITH PROOFS**
- Outstanding quality on large range of liners.
  - Drastic wash boarding reduction, especially on B flute.
  - Perfect color density with solid printing.



BRIGHT STRIKING COLORS

- GAMUT COVERAGE OF 65% WITH CMYK**
- Possibility to transfer litho laminated jobs to flexo post print.
  - Crisp images and typography.



BRAND PROTECTION

- SECURITY AND ANTI-COUNTERFEIT**
- Ultra high resolution for brand protection and tracking.
  - Invisible coded messages.

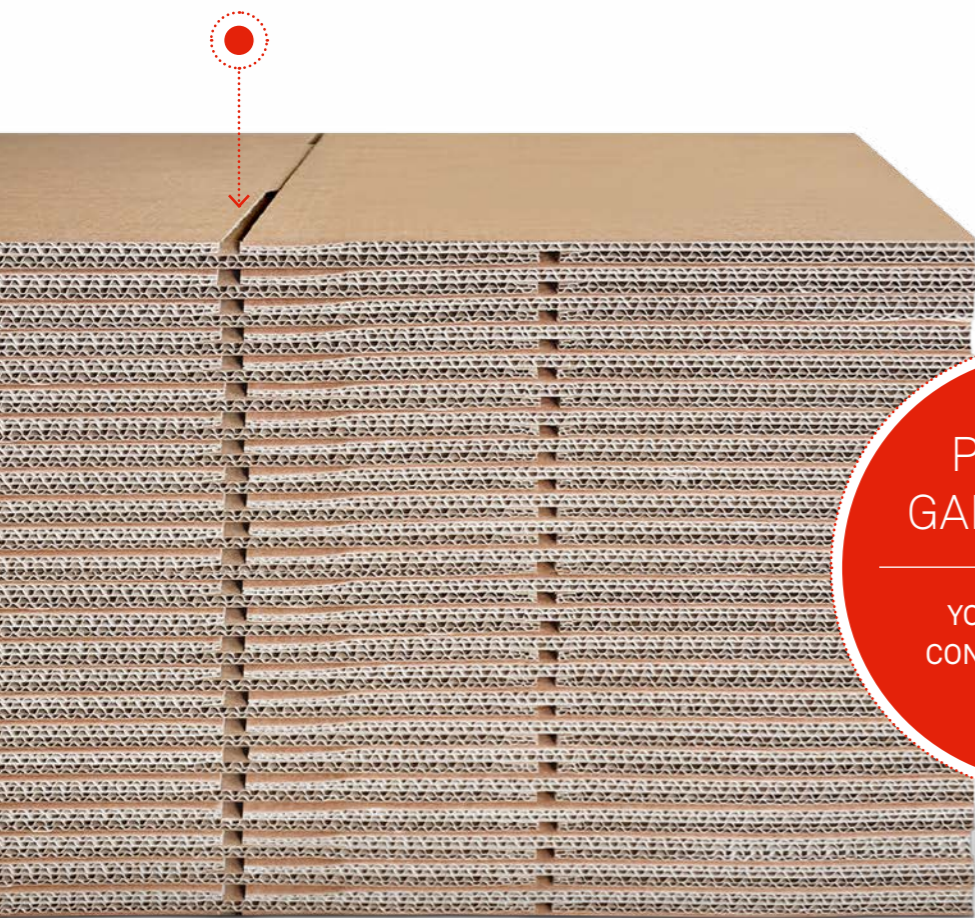
# LEADING INNOVATION



## CUSTOMER NEEDS

### 100% OF FOLDED BOXES CONFORM

Corrugated boxes need to be printed, folded and glued with no defects, especially when used with automated filling lines. Customers need a completely reliable automatic inspection system that runs at any production speed.



**PREMIUM GAP CONTROL**  
YOUR EFFECTIVE CONTROL SOLUTION

## BOBST DELIVERS

BOBST's PREMIUM GAP CONTROL ensures reliable and precise control of 100% of finished boxes at rated production speed. Easy to operate, optimum productivity and total folding quality: the competitive circle squared.



**ULTRA-RELIABLE PRECISION**

**100% MATCH OF CUSTOMER SPECIFICATIONS**

- 100% gap control on all boxes.
- Accuracy and reliability of folding on 100% of the boxes.
- Total control of the folding process, with quick set-up.

**UNIQUE ERGONOMICS**

**EASY TRACKING AND CONTROL**

- Production follow-up in real time on touch screen.
- Access to production statistics.
- Shows previous job records.

**MAJOR SAVINGS**

**HIGH EFFICIENCY**

- Removal of non-compliant items, no waste.
- Customer satisfaction.

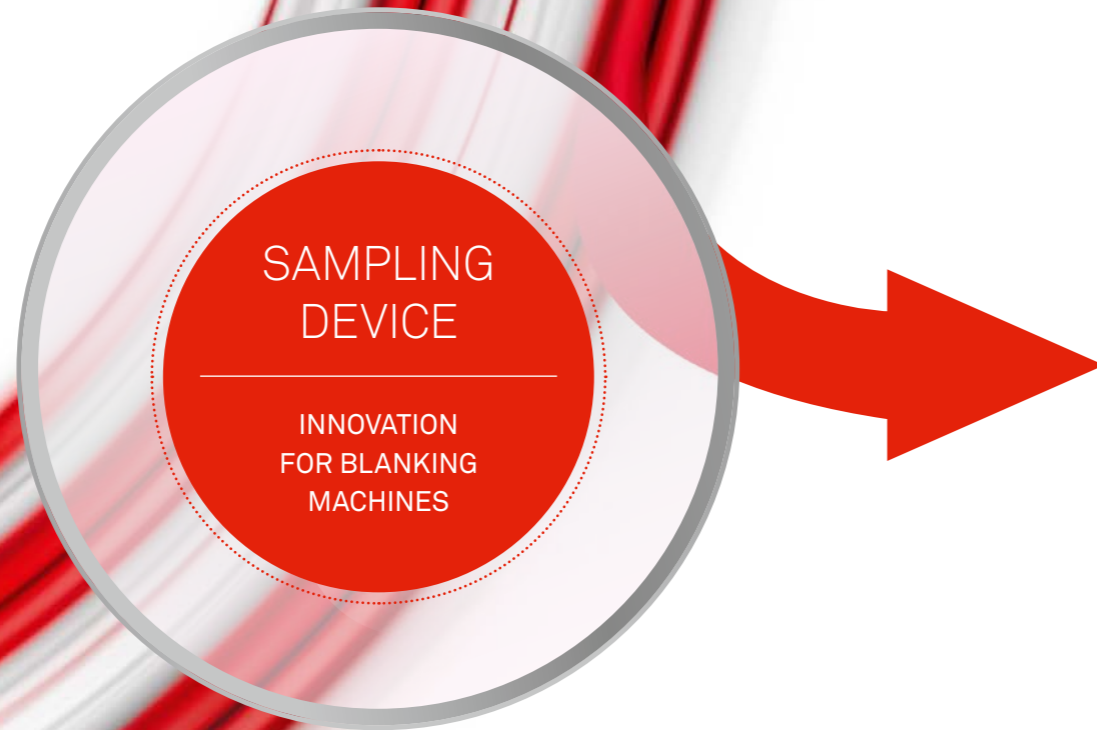


# NON-STOP PRODUCTION

## CUSTOMER NEEDS

### EXTRACTION OF INDIVIDUAL CUTOUT SHEETS AT FULL MACHINE SPEED

Until now, quality control inspection has cost up to two minutes of production at least twice every batch. BOBST's sampling device allows individual sheets to be extracted from the line without the slightest effect on production. For businesses which really need precise quality control at all times, this makes a crucial difference – maintaining optimum quality while increasing productivity and making life easier for the operator too.



## BOBST DELIVERS

A dynamic gripper bar opening system ensures that the quality control sheet is expelled in an optimal position. Each sample is directly accessible via a side-opening drawer that also serves as the quality control worktable.



### BESPOKE SAMPLING

- Sampling on request: extracting a quality sample while production continues unhindered.
- Or automatic sampling, extracting sample sheets at fixed intervals.

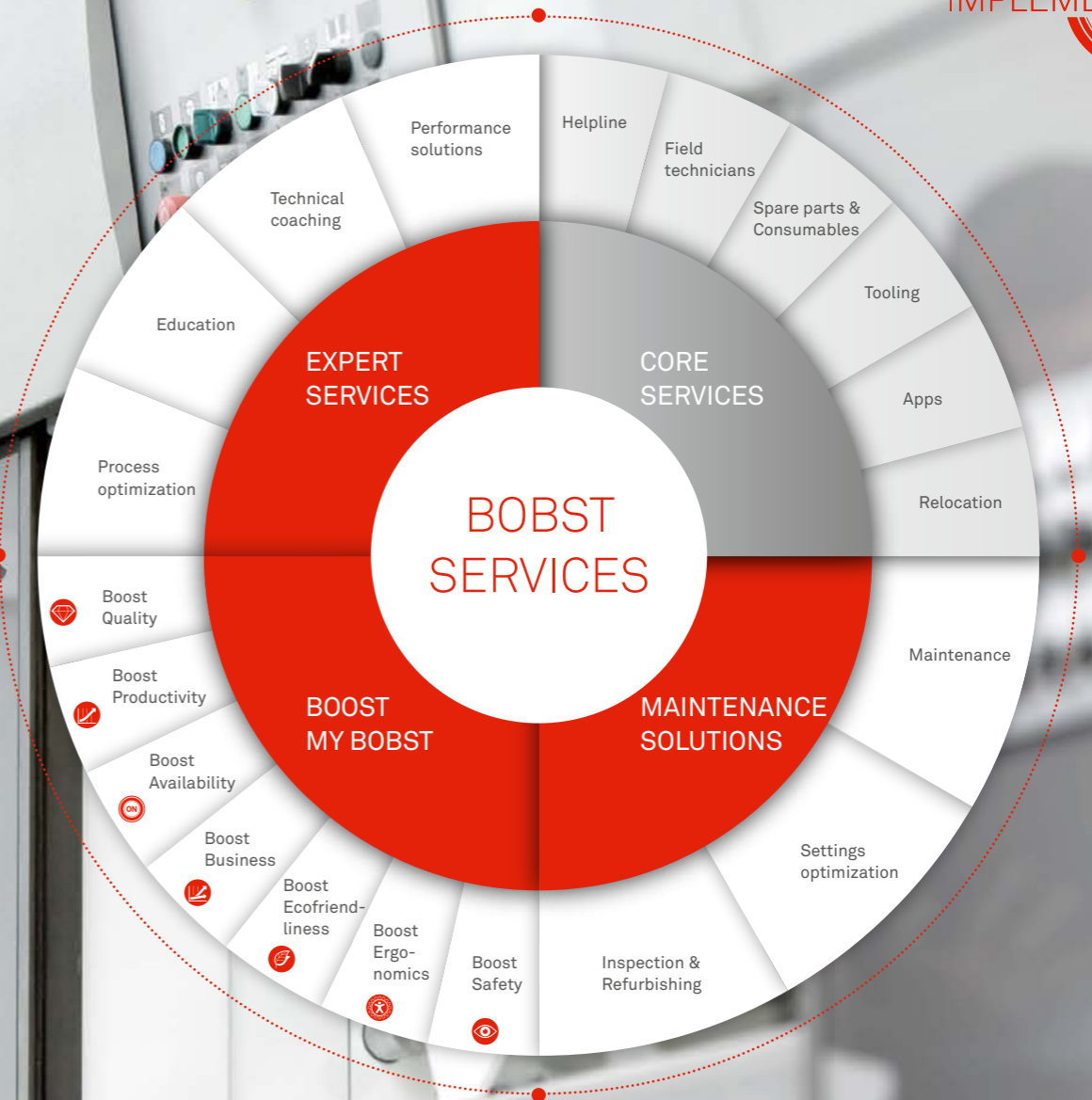
### PRODUCTION AT FULL MACHINE SPEED

- Unhindered production.
- Guarantees maximum job pace during production.
- Minimizes product loss due to control operations necessitating the removal and restitution of the pile on press.

### EASY HANDLING

- Elimination of back and forth operator trips between the output delivery point and the workstation.
- Visual and/or aural alarm indicates the availability of the sample sheet.
- Eases the operator's task, eliminates stress and reduces risk of handling errors.

# CUTTING-EDGE SERVICES



BOBST's complete range of services embraces the entire conversion process and embodies the quest for excellence and innovation that we have pursued for over 125 years. BOBST service solutions are all designed to maximize clients' productivity, quality and availability.

## EXPERT SERVICES

As a world leader for decades, BOBST has acquired unique knowledge of the technology and the market. BOBST has used this to develop knowledge transfer services so that clients can enhance their own knowledge and skills, helping them to become ever more competitive.

### Benefits

- Process optimization for machine or entire plant.
- Better trained, skilled, motivated and productive personnel.
- Chosen level of availability, quality or productivity guaranteed.

## CORE SERVICES

Exceptional services to ensure our machines provide extraordinary performance levels at all times. This includes remote assistance and monitoring applications, nearly 1 000 field technicians, a stock of 140 000+ spare parts and efficient logistics services. The tooling solutions ensure improved productivity and quality.

### Benefits

- Top-level performance.
- Improved uptime.
- Enhanced quality.

## MAINTENANCE SOLUTIONS

Preventive maintenance contracts and one-off maintenance operations: BOBST places all its expertise at the client's disposal so that their machines run at peak performance. Today, tomorrow, and on into the future.

### Benefits

- BOBST experts available at all times.
- Increased equipment availability.
- Maintenance costs controlled.
- Optimized production quality.
- Extended equipment life expectancy.

## BOOST MY BOBST

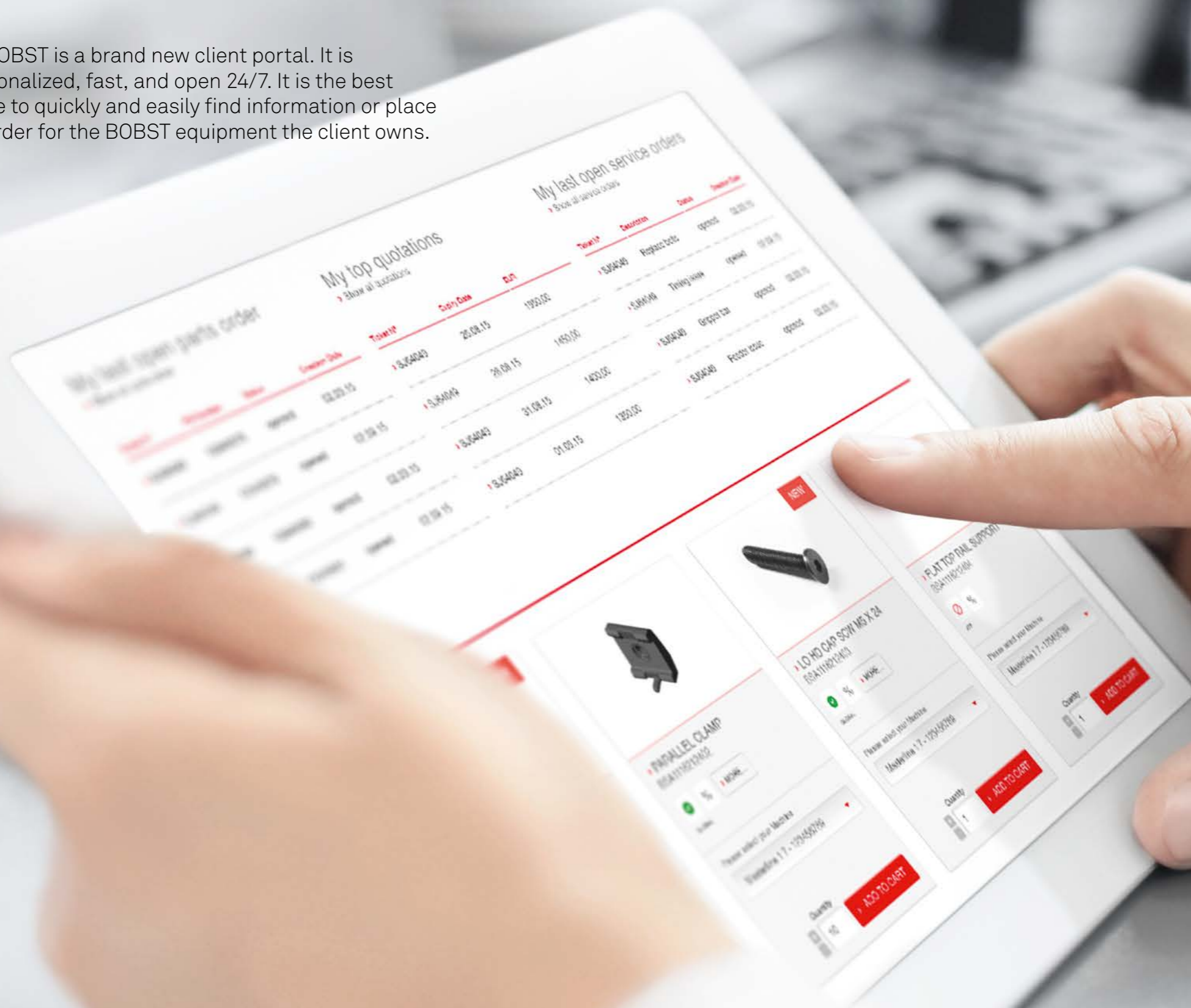
BOBST has designed and created hundreds of ways for its clients to extend the lifespan of their machines, add features, boost performance and improve their productivity. Some are included as standard, most as tailor-made solutions.

### Benefits

- Longer lifespan, better ROI.
- Reduction of production cost.
- Better ergonomics and safety.
- Performance improvements.
- Reduction of carbon footprint.

# SHIFTING PERSPECTIVE

MyBOBST is a brand new client portal. It is personalized, fast, and open 24/7. It is the best place to quickly and easily find information or place an order for the BOBST equipment the client owns.



### Documentation manuals

Access to all machine documentation, constantly updated and enriched, as well as interactive parts drawings.



### Machine upgrade

Catalog of all Boost my BOBST upgrades available, to easily identify relevant upgrades, access information and place orders.



### Training

A section grouping all training content for the BOBST machines owned by the client.



### Technical assistance Remote support

Request telephone assistance or a field service technician with one click.



### Real-time machine data

MyBOBST provides access to the Connect portal web application to view and analyze production data from the machines in real time.



### Spare parts

The portal offers a spare parts catalog and direct placement of orders. The progress of the order can be monitored as well as follow-up of previous orders placed and an easy and quick management of repeat orders.

> 80%

Our Helpline Plus and Helpline Premium services help to resolve over 80% of problems online

## ENTERING A NEW ERA

FOR YEARS, BOBST HAS BEEN INNOVATING TO OFFER CLIENTS ALL THE BENEFITS OF A CONNECTED ERA. THE FUTURE IS NOW.

BOBST connected services allow immediate diagnosis and troubleshooting, fast and efficient assistance, better and more precise performance optimization. Owners of connected machines (or those who connect their older equipment via enhancements) are entering a new era. An ever-developing dimension where their productivity just gets better and better.

### Helpline Plus & Premium

BOBST technicians work remotely on equipment, allowing the client to cut assistance costs and reduce downtime.

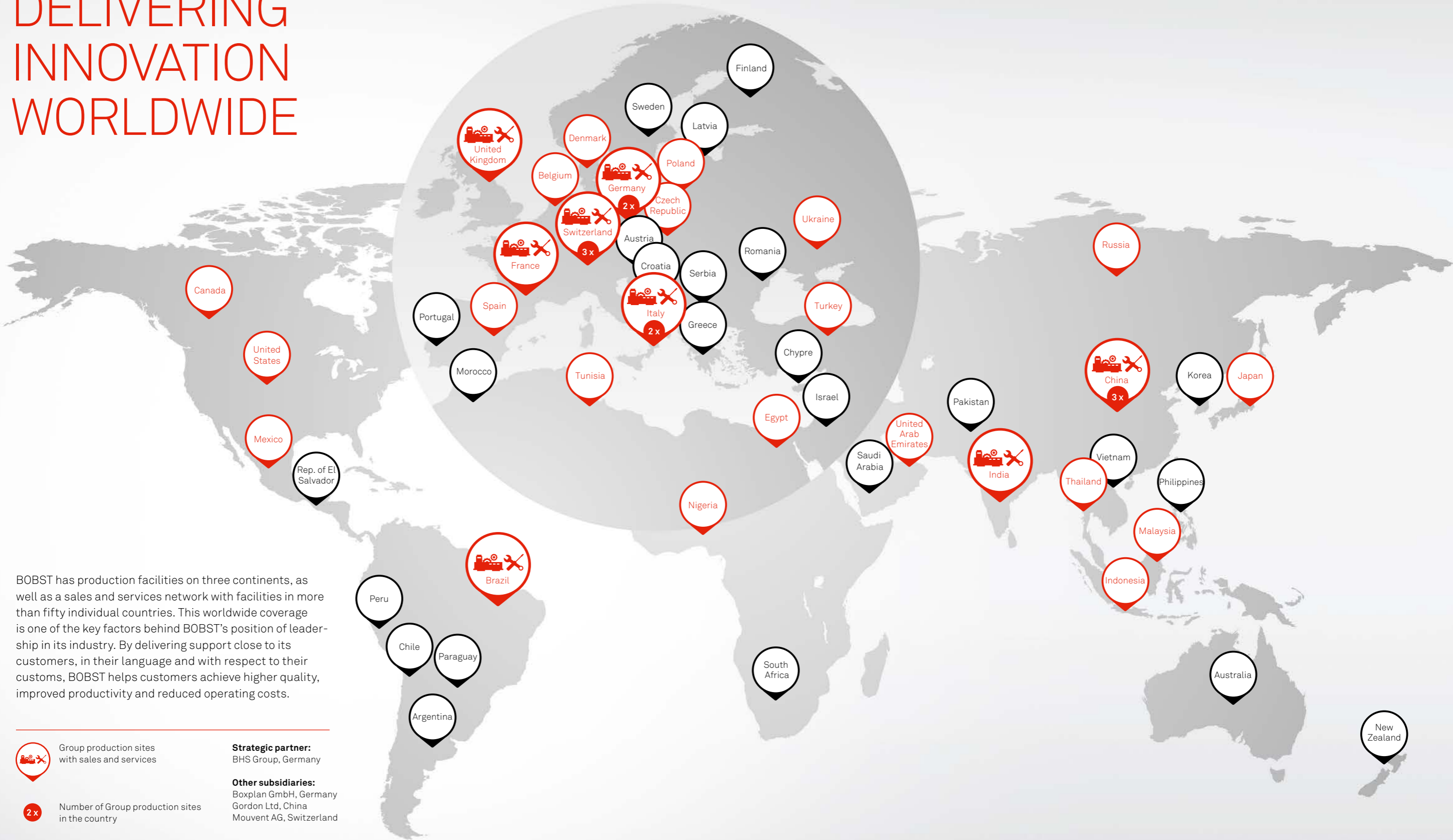
### Augmented reality

BOBST Helpline Plus AR, a first for the packaging industry, allows two-way video/audio using a smart headset. Its AR interface makes it the fastest trouble-shooting solution in the market.


### Mobile apps

BOBST web applications allow the client to monitor production in real time – and to take action if necessary – from a computer, tablet, or even smartphone.


# DELIVERING INNOVATION WORLDWIDE




BOBST has production facilities on three continents, as well as a sales and services network with facilities in more than fifty individual countries. This worldwide coverage is one of the key factors behind BOBST's position of leadership in its industry. By delivering support close to its customers, in their language and with respect to their customs, BOBST helps customers achieve higher quality, improved productivity and reduced operating costs.


 Group production sites with sales and services

**Strategic partner:**  
BHS Group, Germany

 Number of Group production sites in the country

**Other subsidiaries:**  
Boxplan GmbH, Germany  
Gordon Ltd, China  
Mouvent AG, Switzerland

 Group companies and representative offices for sales and services

 Agencies and representatives for sales and services

# EMPOWERING SUSTAINABILITY

As one of the industry leaders, BOBST is committed to implementing initiatives that advance globally relevant sustainability topics. Our sustainability strategy therefore aims, each year, to support those United Nations sustainable development goals we can.

## SUSTAINABLE DEVELOPMENT GOALS



**Goal 9:** Build resilient infrastructure, promote sustainable industrialization and foster innovation



### A NEW ECO-FRIENDLY SITE AT BOBST ITALIA

BOBST is transforming one of its Italian sites and installing high-performance industrial infrastructure. The new buildings will be equipped with solar panels and transformed to meet A standards – the highest insulation requirements in Italy.



**Goal 12:** Ensure sustainable consumption and production patterns



### INNOVATIONS TO ENABLE CONSUMABLES SAVINGS

The REVO and THQ FlexoCloud technologies offered by BOBST use extended-gamut flexo ink sets that reduce the need to clean flexo presses between jobs, so saving time, chemistry and the need to transport and store special inks.



**Goal 16:** Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

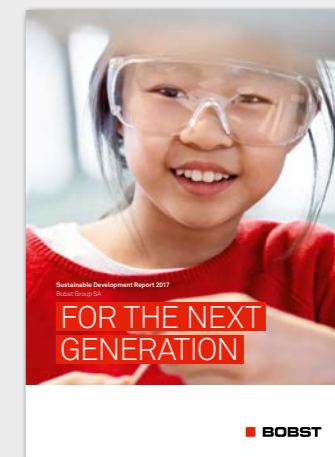


### A COMPANY WHERE PEOPLE ARE VALUED

The values of the Bobst Group are trust, respect, passion and performance, which represent behaviors that each co-worker can carry out in their daily lives. Values are crucial to BOBST, because our company is not just a place for professional accomplishment; it is also a place for every co-worker to live, communicate and share with each other, regardless of their cultures, backgrounds or traditions.

## CONTRIBUTING TO A BETTER WORLD

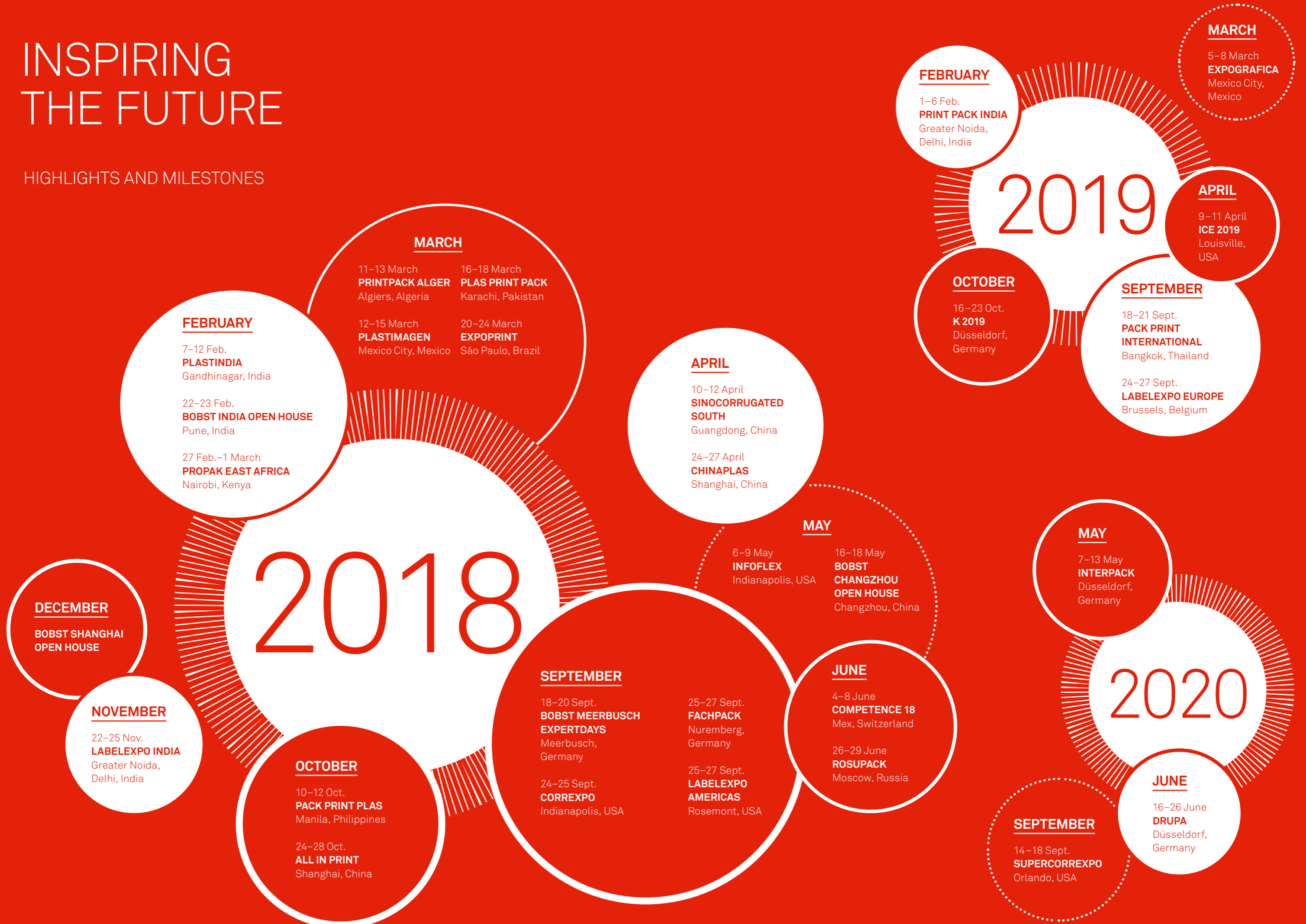
At BOBST we continually look for opportunities to develop products and technologies that contribute to reducing the environmental footprint of packaging production. We take pride in the initiatives we undertake, be it for people or the environment.



Read more: Sustainability report 2017

# INSPIRING THE FUTURE

## HIGHLIGHTS AND MILESTONES



2018

2019

2020

**FEBRUARY**

7–12 Feb.  
**PLASTINDIA**  
Gandhinagar, India

22–23 Feb.  
**BOBST INDIA OPEN HOUSE**  
Pune, India

27 Feb.–1 March  
**PROPAK EAST AFRICA**  
Nairobi, Kenya

**MARCH**

11–13 March  
**PRINTPACK ALGER**  
Algiers, Algeria

12–15 March  
**PLASTIMAGEN**  
Mexico City, Mexico

16–18 March  
**PLAS PRINT PACK**  
Karachi, Pakistan

20–24 March  
**EXPOPRINT**  
São Paulo, Brazil

**APRIL**

10–12 April  
**SINOCORRUGATED SOUTH**  
Guangdong, China

24–27 April  
**CHINAPLAS**  
Shanghai, China

**FEBRUARY**

1–6 Feb.  
**PRINT PACK INDIA**  
Greater Noida, Delhi, India

**MARCH**

5–8 March  
**EXPOGRAFICA**  
Mexico City, Mexico

**APRIL**

9–11 April  
**ICE 2019**  
Louisville, USA

**OCTOBER**

16–23 Oct.  
**K 2019**  
Düsseldorf, Germany

**SEPTEMBER**

18–21 Sept.  
**PACK PRINT INTERNATIONAL**  
Bangkok, Thailand

24–27 Sept.  
**LABELXPO EUROPE**  
Brussels, Belgium

**DECEMBER**

**BOBST SHANGHAI OPEN HOUSE**

**NOVEMBER**

22–25 Nov.  
**LABELXPO INDIA**  
Greater Noida, Delhi, India

**OCTOBER**

10–12 Oct.  
**PACK PRINT PLAS**  
Manila, Philippines

24–28 Oct.  
**ALL IN PRINT**  
Shanghai, China

**SEPTEMBER**

18–20 Sept.  
**BOBST MEERBUSCH EXPERTDAYS**  
Meerbusch, Germany

24–25 Sept.  
**CORREXPO**  
Indianapolis, USA

25–27 Sept.  
**FACHPACK**  
Nuremberg, Germany

25–27 Sept.  
**LABELXPO AMERICAS**  
Rosemont, USA

**JUNE**

4–8 June  
**COMPETENCE 18**  
Mex, Switzerland

26–29 June  
**ROSUPACK**  
Moscow, Russia

**MAY**

6–9 May  
**INFOFLEX**  
Indianapolis, USA

16–18 May  
**BOBST CHANGZHOU OPEN HOUSE**  
Changzhou, China

**MAY**

7–13 May  
**INTERPACK**  
Düsseldorf, Germany

**SEPTEMBER**

14–18 Sept.  
**SUPERCORREXPO**  
Orlando, USA

**JUNE**

16–26 June  
**DRUPA**  
Düsseldorf, Germany

# DRIVEN BY INNOVATION



## Group Executive Committee

**Philippe Milliet**  
Head of Business Unit Sheet-fed  
since 08.11.2011.  
1963, Swiss national.

**Attilio Tissi**  
Chief Financial Officer  
since 08.11.2011.  
1968, Swiss and Italian national.

**Stephan März**  
Head of Business Unit Services  
since 01.04.2011.  
1971, German national.

**Jean-Pascal Bobst**  
Chief Executive Officer  
since 07.05.2009.  
1965, Swiss national.

**Erik Bothorel**  
Head of Business Unit Web-fed  
since 01.01.2010.  
1962, French national.

### BOBST follows a long-term strategy

By focusing on our strategic objectives, we aim to be, or become, number one or two in the markets we operate in, and achieve the same in any new markets we enter. Delivering these objectives involves a range of initiatives covering the quality of our products and services, optimizing our organization, focusing on customers, operational excellence, developing new products, and digitalization. Innovation in digital printing solutions will be one of our main focus points for the years to come. We will continue to invest in our people, from those focused internally to those providing market coverage, as well as process specialists who help our customers maximize their productivity. New ranges of products and services will be launched, including in the area of printing and converting, packaging, labels and other printing materials, thus extending our global offering. This will further contribute to the long-term sustainable development of the Group.

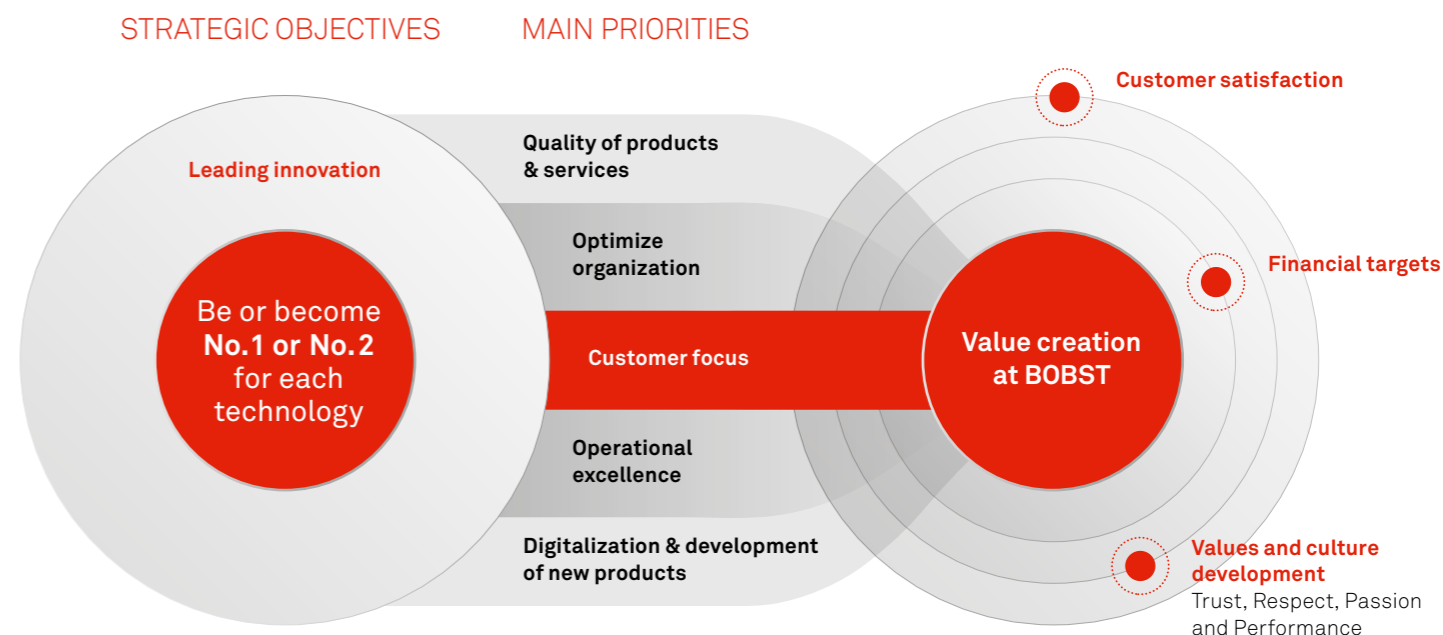
### Values

The phrase that exemplifies BOBST is “People, Knowledge and Values” because it is the people of our Group and the vast technical knowledge they have which translates into success. The values we aim to hold, both as a Group and as individuals, include Trust, Respect, Passion and Performance. These are the foundation of all collaborations that help us achieve our common goals and sustain our future. With these we aim to ensure, among other things, a life-work balance, a pleasant work environment and a higher social responsibility.

### Shareholders

We seek to achieve sustainable profitability across business cycles, ensuring “value creation” for our Group. Our challenge is to be the leading technical innovator in the packaging and label industry, delivering the highest quality and productivity. This will involve developing even stronger relationships with our customers, partners and suppliers, to ensure both a “common good” and mutual longevity.

## THE BOBST GROUP STRATEGY FRAMEWORK





**Jean-Pascal Bobst**  
Chief Executive Officer

**Alain Guttmann**  
Chairman of the Board

# GUIDED BY VALUES

In the course of 2017 and for the first time in its history, BOBST has increased its market capitalization up to CHF 2 billion, with a share price moving up from CHF 70.– to CHF 130.–. We are proud to have achieved more than 8% EBIT (without restructuring costs) almost two years earlier than expected.

## LEADING INNOVATION

This performance secures us a strong financial position and reveals our real potential. It also demonstrates the increased level of confidence of our investors towards our industry.

These good results are mainly due to three factors:

- The state of the global economy is good in most regions, hence an increased consumption of packaging and labels.
- With a high level of investments, our innovation drive is proving effective as the products we develop correspond to market needs and the quality of our services is improving and more adapted.
- We continue to invest for growth, while improving our processes and keeping costs under control.

This performance is also the result of the work of good and dedicated people throughout the Group – congratulations to all of them. Our strong strategy and consistent value creation effort is generating cash and a robust return on capital employed. We are focusing on creating a better customer experience and financial value for our stakeholders.

For decades, we have been pursuing with passion our quest for innovation and excellence. We are inventors and one of the world leaders in our industrial sector – in packaging and label solutions. Our expertise is not limited to producing the machines which have made our reputation, we have also developed a range of services which cover the entire conversion process and its optimization and furthermore increase competencies in the application, chemistry and software domains.

### Digital printing, applications and software, a strong focus towards our future

Digital printing is on all the lips around the world. It opens up good opportunities using pioneering digital technology in a variety of industrial applications. Nowadays, digital techniques can be used to print on a wide range of materials, such as glass, plastic, paper, aluminum and fabric. We find in our environment numerous objects including components printed using this technology such as dashboards, upholstery and so many other things.

Since July 6, 2017 our own vision of innovation has a name, Mouvent, Bobst Group's new Swiss based start-up company. With a staff of around 100 employees, it covers the entire chain of design, integration and production of inkjet printing engines or clusters, chemicals, pre-coating, varnish, inks and software. BOBST will not have to rely on the strategy of just one supplier anymore. This venture will also become the digital printing Competence Center and solutions provider of Bobst Group.

Mouvent will operate independently allowing it to focus on new business models and new competitors' landscapes. In terms of strategy, we will be able to move into new markets with unique products tailored for digital printing. The Mouvent technology's USPs are numerous: innovative, compact, high print quality, reliable, easy to use and also impressively advantageous with regard to total cost of ownership.

At LabelExpo Europe 2017 in September, Mouvent revealed its new range of highly innovative digital label printers. They can print up to seven colors on a large variety of substrates – paper, self-adhesive and wet-glue labelstock and flexible materials – at production speeds of up to 100 m/min with a native resolution of 1200 x 1200 and optical 2000 dpi. Central to the digital innovation of these machines is the Mouvent™ Cluster, an ingenious digital printing technology based on a highly integrated component cluster, which represents a quantum leap for the industry.

- The **LB701-UV** mini label press is the smallest high productivity label press on the market. It is extremely compact and ergonomic, with a very low TCO (total cost of ownership), which means even the smallest print shops can take on high quality and highly flexible label production.
- The **LB702-WB** label press is a game-changer in digital label production, using 100% water-based Mouvent™ Inks, making it 100% free of VOCs (volatile organic compounds) and 100% food safe. This is a paradigm shift in high-volume label production, making possible the production of long lasting, high-quality labels, using an environmentally-friendly printing method, all at a very economical cost.

In November 2017 at ShanghaiTex, Mouvent made its textile debut and showcased its ground-breaking 8-color multi-pass digital textile printer TX801.

To boost productivity up to 200 m<sup>2</sup>/h, the TX801 also utilizes the Mouvent™ Cluster technology. This is associated with speed, precision and scalability, deploying up to 16 g/m<sup>2</sup> of ink in a single pass. The TX801 prints with an optical resolution of up to 2000 dpi, resulting in the highest print quality of the finished product. The machine can process knitted, woven and non-woven textiles with a maximum fabric width of 1820 mm with roll diameters of

up to 400 mm. The TX801 is a very durable, compact and accessible printer and has a very competitive price performance ratio compared with basic digital printers and unrivalled print quality.

To drive and lead innovation, we are focusing on a four step approach in our core business:

**Learn.** BOBST tracks today's needs and packaging trends to develop innovative solutions for the world market and create value for its customers.

**Innovate.** BOBST invests up to 6% of its turnover into R&D every year. We have a global reputation for delivering innovations that drive performance and quality.

**Industrialize.** BOBST transforms today's packaging trends into outstanding packaging solutions. For more than 125 years we have successfully taken innovations from prototyping to market serialization. We have however to increase our focus and efficiency.

**Implement.** BOBST production lines are designed to deliver accuracy, flexibility, performance, and ease of use, while the wide variety of processes, sizes and levels of automation available suit the needs of a huge range of users.

As a proof of our search for excellence in innovation, we are proud to say that BOBST was presented in October with the coveted FEFCO Gold Award for Best Innovation 2017 for its PREMIUM GAP CONTROL, an independent unit positioned after the counter ejector on the Flexo Folder-Gluers. It ensures that 100% of delivered boxes are folded with total quality and to exact specifications, bringing total control of the folding process and major resource savings.

MyBOBST, our online B2B services site, has revolutionized the way we do business. It is more than simple e-commerce, it will monitor all customer transactions, allowing us to become more knowledgeable about customers' needs, anticipate them and reply faster. Each customer can find what he or she needs, be it a quote, equipment documentation or maintenance reports; he or she can monitor production performance remotely, or place an order and even make appointments for a technician to install ordered spare parts.

#### Order Entries

The Group started 2017 with a lower machine backlog than the year before and order entries during 2017 have been higher than in the previous year for both of the machinery Business Units and particularly for the Business Unit Sheet-fed. Globally, order entries increased by nearly 17% compared to the previous year, driven by very high activity in Europe. The Americas, Asia and Africa remained stable. The Group finished the reporting year with a more than 20% higher machine backlog than in 2016.

#### Turnover

Consolidated sales for the full year 2017 amounted to CHF 1 529 million, representing an increase of CHF 82 million, or 5.7%, compared to 2016. All three Business Units have experienced good growth during 2017. Business Unit Services is up CHF 30 million, or 7.1%. Business Unit Web-fed sales increased by CHF 21 million, or 6.9%, and Business Unit Sheet-fed increased its sales by 31 million, or 4.4%.

#### Profitability

The operating profit (EBIT) for the Group was CHF 119 million, representing an increase of CHF 15 million, or 14.5%, compared to the previous year. At CHF 107 million, our consolidated net result represents an increase of CHF 23 million, or 26.8%, compared to 2016. This includes a CHF 15 million favorable one-time impact due to tax law changes. The successful business operations, as well as continued efforts to optimize net working capital and capital employed, resulted in an increase of the net cash position of CHF 82 million in 2017. The return on capital employed (ROCE) increased to 23.2% compared to 19.9% in 2016 and consequently the Group has again created significant value for its stakeholders.

In line with the continued strong underlying performance of the Group, the Board of Directors proposes to the Annual General Meeting of Shareholders a dividend for 2017 of CHF 2.60 per share (CHF 1.70 for 2016).

#### Board of Directors re-election/election

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 2018, Alain Guttman, Thierry de Kalbermatten, Jürgen Brandt, Gian-Luca Bona, Philip Mosimann and Patrice Bula will be proposed for re-election for a new period of one year.

The Board of Directors wishes to propose Alain Guttman as Chairman.

#### Outlook and strategy

We are living in a fast moving world and the markets are challenging. We need strong leaders to adapt to new business models and seize the many opportunities which constant change offers. The packaging and label industries keep good perspectives and will support the growth of BOBST markets in the coming years. We are tailoring our Group for the future as we adapt and innovate continuously to keep our place at the top, with the best products and services, while expanding our innovation in digital printing and software offering. To support our strategic ambition, we have developed a program called Ambition 2020 with the following priorities and focus:

- **Increase customer satisfaction.** We will recruit and train technicians to support growth and customer satisfaction initiatives. Effective design to cost, good installation,

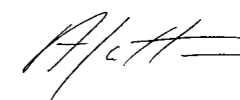
fast snag list clearance and improved time to market will be our focus to reach our target.

- **Expand the Group's presence.** We will increase market share and profitability through investments to build up an enlarged product portfolio and increased services capabilities, to implement our Group strategy in South-East Asia, Africa and North America, and to give our business in China a new impulse. We are setting up new Competence Centers by technology in 2018 in Lyon (France), in China, and in 2019 in San Giorgio (Italy).
- **Improve business processes.** We are developing a common business process / IT backbone called Bobst Business Systems (BBS) which is establishing the Group business blueprint for processes and applications. Once fully deployed, it will run all our local entities across the world in an efficient and harmonized way, whether they are production sites or local sales and service entities.
- **Digitalization development through Mouvent.** We aim to play a leading role in the fourth emerging printing technology in packaging after offset, flexo and gravure, and increase our offering in connectivity and software.

#### Vision

Bobst Group's new developments are reinforcing our position as a technical trendsetter and contributing to the expansion of our market presence in the packaging and label industries. Our vision is one of "leading innovation" for machines and services, while we are focusing strongly on future technical breakthroughs in digital printing applications, software and connectivity. Our vision will evolve into its final shape within the next two years and BOBST should become the preferred supplier for machines, services, digital print and software offerings. We prepare ourselves carefully for each challenging technology shift coming our way, with their ensuing opportunities and risks. Our success will strongly depend on our capabilities to re-invent BOBST with dedicated leadership while instilling value creation into our Group.

We wish to thank all our collaborators for their stalwart support, their dedication, professionalism and their determination to accomplish the company strategy in a constructive and progressive spirit. We also thank our shareholders, suppliers and financial partners for their unwavering, and long-standing support. They can count on our commitment to further strengthening the position of Bobst Group during the years to come.



**Alain Guttman**  
Chairman of the Board



**Jean-Pascal Bobst**  
Chief Executive Officer

## CONSOLIDATED PROFIT AND LOSS

In million CHF	2017	2016
<b>Sales</b>	<b>1 528.6</b>	<b>1 446.6</b>
Other operating income	23.9	14.5
Raw materials and services	-923.9	-887.8
Changes in inventories	-0.6	23.2
Personnel costs	-454.3	-443.2
Depreciation and amortization	-41.2	-34.7
Other operating expenses	-13.8	-14.9
<b>Operating result (EBIT)</b>	<b>118.7</b>	<b>103.7</b>
Share of net result in associates	10.7	8.4
Interest expenses	-6.1	-6.0
Other financial income	8.0	9.4
Other financial expenses	-5.5	-7.1
<b>Result before income tax</b>	<b>125.8</b>	<b>108.4</b>
Income tax	-18.9	-24.1
<b>Net result</b>	<b>106.9</b>	<b>84.3</b>
<b>Attributable:</b>		
To shareholders	114.4	83.8
To non-controlling interest	-7.5	0.5
Earnings per registered share (in CHF)	6.93	5.08
Diluted earnings per registered share (in CHF)	6.93	5.08

Source: Annual report 2017 – Financial statements 2017 – Consolidated financial statements.

## CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER

In million CHF	31 December 2017	31 December 2016
Intangible fixed assets	36.5	32.0
Tangible fixed assets	260.6	250.8
Financial assets other	23.3	15.9
Investments in associates	50.2	38.7
Employer contribution reserves	25.8	25.8
Receivables	4.8	5.6
Finance lease receivables	7.8	4.4
Prepaid expenses and accrued income	1.4	1.5
Deferred tax assets	40.9	38.3
<b>Non-current assets</b>	<b>451.3</b>	<b>413.0</b>
Inventories	391.2	331.7
Receivables	311.3	301.4
Finance lease receivables	2.7	6.5
Income tax receivables	15.8	12.1
Prepaid expenses and accrued income	15.5	6.4
Derivative financial instruments	3.4	6.1
Cash and cash equivalents	402.8	325.5
<b>Current assets</b>	<b>1 142.7</b>	<b>989.7</b>
<b>Total assets</b>	<b>1 594.0</b>	<b>1 402.7</b>
Share capital	16.5	16.5
Reserves	436.9	375.0
Net result	114.4	83.8
<b>Shareholders' equity</b>	<b>567.8</b>	<b>475.3</b>
Non-controlling interest	-8.4	2.2
<b>Equity</b>	<b>559.4</b>	<b>477.5</b>
Borrowings	263.1	264.1
Provisions	9.4	15.6
Employee benefits	41.1	39.3
Trade and other payables	27.1	19.1
Deferred tax liabilities	41.0	50.8
<b>Non-current liabilities</b>	<b>381.7</b>	<b>388.9</b>
Borrowings	6.8	10.1
Provisions	54.0	50.2
Employee benefits	5.2	4.9
Trade and other payables	441.7	360.9
Accrued expenses and deferred income	110.8	91.1
Income tax payables	20.1	13.6
Derivative financial instruments	14.3	5.5
<b>Current liabilities</b>	<b>652.9</b>	<b>536.3</b>
<b>Total liabilities and equity</b>	<b>1 594.0</b>	<b>1 402.7</b>

Source: Annual report 2017 – Financial statements 2017 – Consolidated financial statements.

## CONSOLIDATED CASH FLOW STATEMENT

In million CHF		2017	2016
<b>Net result</b>		<b>106.9</b>	<b>84.3</b>
Elimination of net result in associates		-10.7	-8.4
Elimination of income taxes		18.9	24.1
Elimination of depreciation, amortization and provisions		38.4	36.6
Elimination of the result on disposal of assets		0.5	2.5
Elimination of interest expenses(income)		3.7	3.0
Elimination of derivative financial instruments results		1.4	-4.4
Changes in inventories		-48.8	-10.0
Changes in receivables		-17.2	4.6
Changes in payables		85.1	8.4
Paid taxes		-28.1	-32.5
<b>Cash flow from operating activities</b>	<b>Total A</b>	<b>150.1</b>	<b>108.2</b>
Acquisition of subsidiaries, net of cash acquired		-1.4	-8.9
Purchase of intangible fixed assets		-14.7	-15.0
Purchase of tangible fixed assets		-39.1	-10.9
Purchase of investments in associates		-1.0	-0.7
Loans and advances made		-0.4	-0.1
Proceeds from sale of tangible fixed assets		4.0	1.1
Proceeds from sale of financial assets		0.0	0.0
Loan repayments and advances received		0.2	1.7
Interest received		2.4	3.0
Dividends received		3.9	3.2
<b>Cash flow from(used in) investing activities</b>	<b>Total B</b>	<b>-46.1</b>	<b>-26.6</b>
Proceeds of non-controlling interest		0.2	0.0
Proceeds from borrowings		0.8	3.4
Repayments of borrowings		-8.0	-10.9
Interest paid		-6.1	-6.0
Dividends paid to Group shareholders		-28.1	-20.6
Dividends paid to non-controlling interest		-0.3	0.0
<b>Cash flow from(used in) financing activities</b>	<b>Total C</b>	<b>-41.5</b>	<b>-34.1</b>
<b>Effects of exchange variances</b>	<b>Total D</b>	<b>14.8</b>	<b>-1.2</b>
<b>Change in cash and cash equivalents</b>	<b>A+B+C+D</b>	<b>77.3</b>	<b>46.3</b>
Cash and cash equivalents at beginning of period		325.5	279.2
Cash and cash equivalents at end of period		402.8	325.5
<b>Variance</b>		<b>77.3</b>	<b>46.3</b>

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are easily and quickly convertible to a known amount of cash.

Source: Annual report 2017 – Financial statements 2017 – Consolidated financial statements.

## SEGMENT REPORTING

In million CHF	2017	2016
<b>Revenue</b>		
Sheet-fed third party sales	745.3	714.1
Sheet-fed inter-segment	23.0	21.4
Sheet-fed total revenue	768.3	735.5
Web-fed third party sales	330.2	308.8
Web-fed inter-segment	4.2	4.0
Web-fed total revenue	334.4	312.8
Services third party sales	452.5	422.6
Other third party sales	0.6	1.1
Eliminations inter-segment	-27.2	-25.4
<b>Total third party sales</b>	<b>1528.6</b>	<b>1446.6</b>

No operating segments were aggregated to form the above reportable operating segments.

Inter-segment operations correspond to the contribution paid by the Business Unit Services to the other Business Units for the right to sell spare parts and services for their equipment. These contributions do not generate internal margin.

In million CHF	Sheet-fed		Web-fed		Services		Other		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<b>Results</b>										
<b>Total segment operating result (EBIT)</b>	<b>64.0</b>	<b>39.5</b>	<b>-7.1</b>	<b>10.9</b>	<b>63.1</b>	<b>54.4</b>	<b>-1.3</b>	<b>-1.1</b>	<b>118.7</b>	<b>103.7</b>
Share of result of associates	10.7	8.4							10.7	8.4
Financial result									-3.6	-3.7
<b>Result before income tax</b>									<b>125.8</b>	<b>108.4</b>

Source: Annual report 2017 – Financial statements 2017 – Consolidated financial statements.

Certain statements in the annual profile, including but not limited to those regarding expectations for general economic development and the market situation, expectations for customer industry profitability and investment willingness, expectations for Company growth, development and profitability and the realization of synergy benefits and cost savings, and statements preceded by "expects", "estimates", "forecasts" or similar expressions, are forward-looking statements. These statements are based on current decisions and plans as well as on currently known factors. They involve known and unknown risks and uncertainties which may cause the actual results to materially differ from the results currently expected by the Company. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange rate fluctuations and interest rate fluctuations, competitive product and pricing pressures, the Company's operating conditions, and regulatory developments.

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SIX Telekurs: BOBNN,4 or 1268465,4  
Bloomberg: BOBNN SW  
Reuters: BOBNN.S

## Disclosure of shareholdings

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the Organization Regulations of Bobst Group SA,  
the Worldwide code of employee and business conduct,  
the Charter of Group policy with regard to health,  
safety at work and environmental protection.  
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