

LEADING INNOVATION

Annual Profile 2019

Bobst Group SA



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		2018		2017		2016		2015	
Assets	Non-current assets	501.9	29%	451.3	28%	413.0	29%	419.7	31%
	Current assets	1 219.7	71%	1 142.7	72%	989.7	71%	928.6	69%
		1 721.6	100%	1 594.0	100%	1 402.7	100%	1 348.3	100%
Liabilities	Equity	553.5	32%	559.4	35%	477.5	34%	421.8	31%
	Non-current liabilities	405.5	24%	381.7	24%	388.9	28%	391.7	29%
	Current liabilities	762.6	44%	652.9	41%	536.3	38%	534.8	40%
		1 721.6	100%	1 594.0	100%	1 402.7	100%	1 348.3	100%
Net cash/Net debt		-20.7		132.9		51.3		-1.7	
Sales		1 634.5		1 528.6		1 446.6		1 330.9	
Operating result (EBIT)		86.5		118.7		103.7		83.9	
As % of sales		5.3%		7.8%		7.2%		6.3%	
Net result		50.4		106.9		84.3		67.1	
As % of sales		3.1%		7.0%		5.8%		5.0%	
As % of equity		9.1%		19.1%		17.7%		15.9%	
Capital expenditure (CAPEX)		55.2		53.4		27.0		20.9	
Return on capital employed (ROCE)		14.2%		23.2%		19.9%		16.0%	
Share income									
Share price at the end of the year		68.3		129.6		70.8		42.0	
Market capitalization		1 128.2		2 140.8		1 169.5		693.0	
EPS (16 518 478 shares)		3.84		6.93		5.08		4.02	
Price-earnings ratio		17.8		18.7		13.9		10.4	
Dividend paid:									
– total, in million CHF		24.8		42.9		28.1		20.6	
– payout ratio		49.2%		40.1%		33.3%		30.7%	
– dividend yield		2.2%		2.0%		2.4%		3.0%	
Headcount		5 660		5 397		5 055		4 907	
% change compared to previous year		4.9%		6.8%		3.0%		1.4%	

Long-term financial targets

- Sales (in million CHF) 1700 – 1800
- 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

**PACKAGING
AND LABEL
CONVERTERS**
BOBST customers



FOLDING
CARTON

FLEXIBLE
MATERIALS

CORRUGATED
BOARD

LABEL

4 MAIN
INDUSTRIES
SERVED

with innovative packaging
and label solutions

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 2019

KEY FIGURES

CHF

1.63

billion turnover
in 2018

More than **5600**
highly qualified employees
worldwide



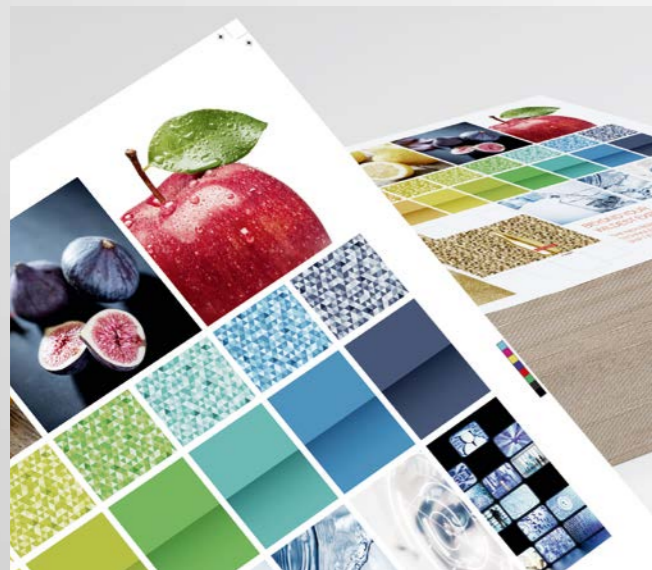
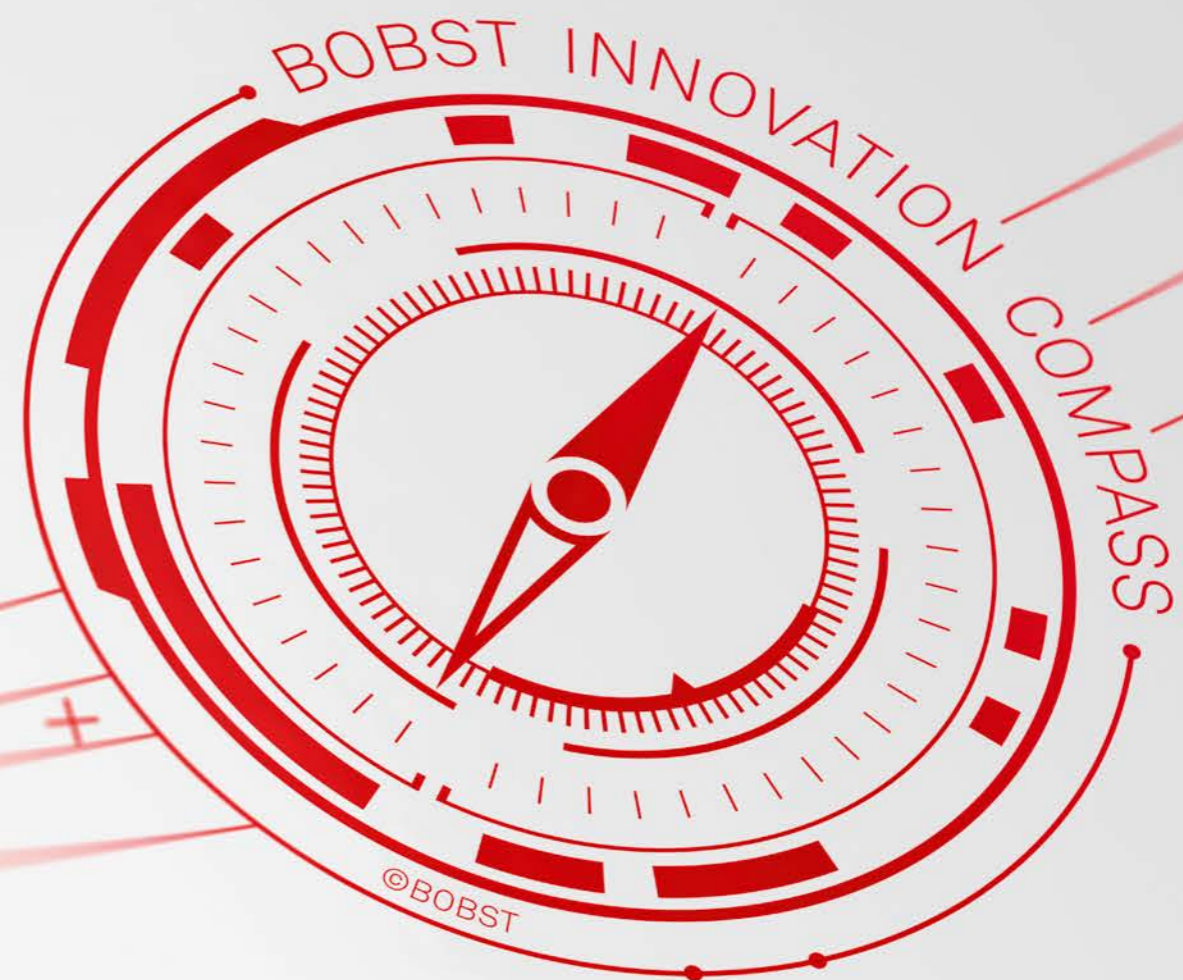
More than **1400**
machines sold
in 2018



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

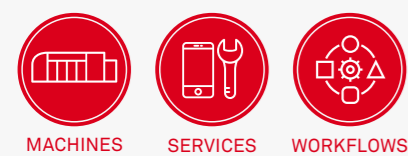
Global packaging industry: \$ 828 billion sales in 2016*

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



BOBST



CUSTOMERS OF BOBST

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.

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.

Mouvent, the Digital Printing Competence Center of BOBST, created the **Mouvent™ Cluster**: a printing solution for all substrates, applications and markets.



1940 1942 1992 2000 2008 2010 2011 2012 2013 2015 2017 2018 2019

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**, including the MW 85F in the picture.

From solid board up to double wall corrugated board boxes, the highly productive and fully automated **SPEED-PACK** delivers strapped bundles in a wide range of formats.

DELIVERING DIGITALIZED SOLUTIONS

BOBST is investing to enable the digitalization of packaging production, helping brand owners to operate agile facilities. From product design to printing and converting, each of the machines will be connected to exchange digital information, enabling smart functionalities and remote services capabilities. The Internet of Things (IoT) is part of the BOBST digitalization, impacting the way packages will be produced in the future.



6%
Investment in R&D

INVEST FOR THE FUTURE

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

580
R&D Employees

STRIVING FOR NEW PERSPECTIVES

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

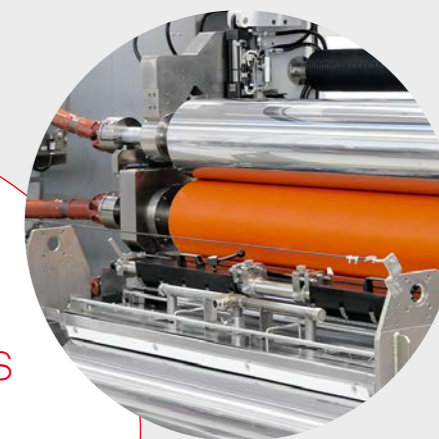
LEADING INNOVATION

Intellectual property fosters our innovation and development.

3150
Filed, registered or granted intellectual property rights

STATE-OF-THE-ART COATING SOLUTIONS

To strengthen its leadership in coating, Bobst Technology Center in San Giorgio Monferrato is developing a new pilot line, ready in 2019.





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 implementing new technologies into the production of mature products.

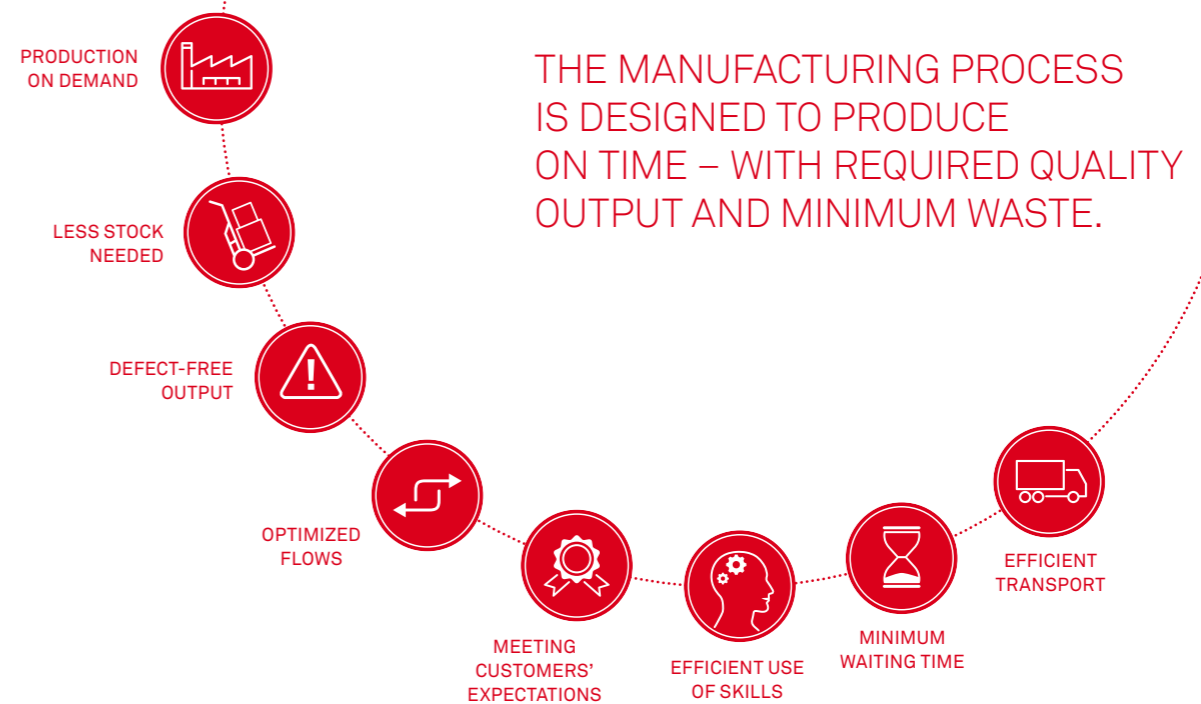
Through constantly listening to customers, investing in R&D, and by accumulating unmatched skills and experience among our people, BOBST has been producing equipment at the forefront of technology for decades in converting, coating and laminating, printing, and printing and converting.

Redesigning the production process

BOBST relies on 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 culture.



EXPANDED PROCESS CONSISTENCY

BOBST DELIVERING ON CUSTOMER NEEDS

A GAME-CHANGING QUALITY SHIFT IN PROCESS CONSISTENCY

The very latest press in the range of BOBST CI flexo printing solutions, the 20SEVEN press, sums up the objectives of BOBST's continuous updating and upgrading of its flexo printing technology, aimed at maximizing process consistency and delivering solutions which are ready to take on the future requirements of packaging.

BRIGHT STRIKING COLORS



The 20SEVEN press delivers increased efficiency with conventional printing, and the notable improvements in mechanical design and process control make the machine a perfect fit for the requirements of the 7-color Extended Color Gamut (ECG) printing process.

FAST CHANGE-OVERS

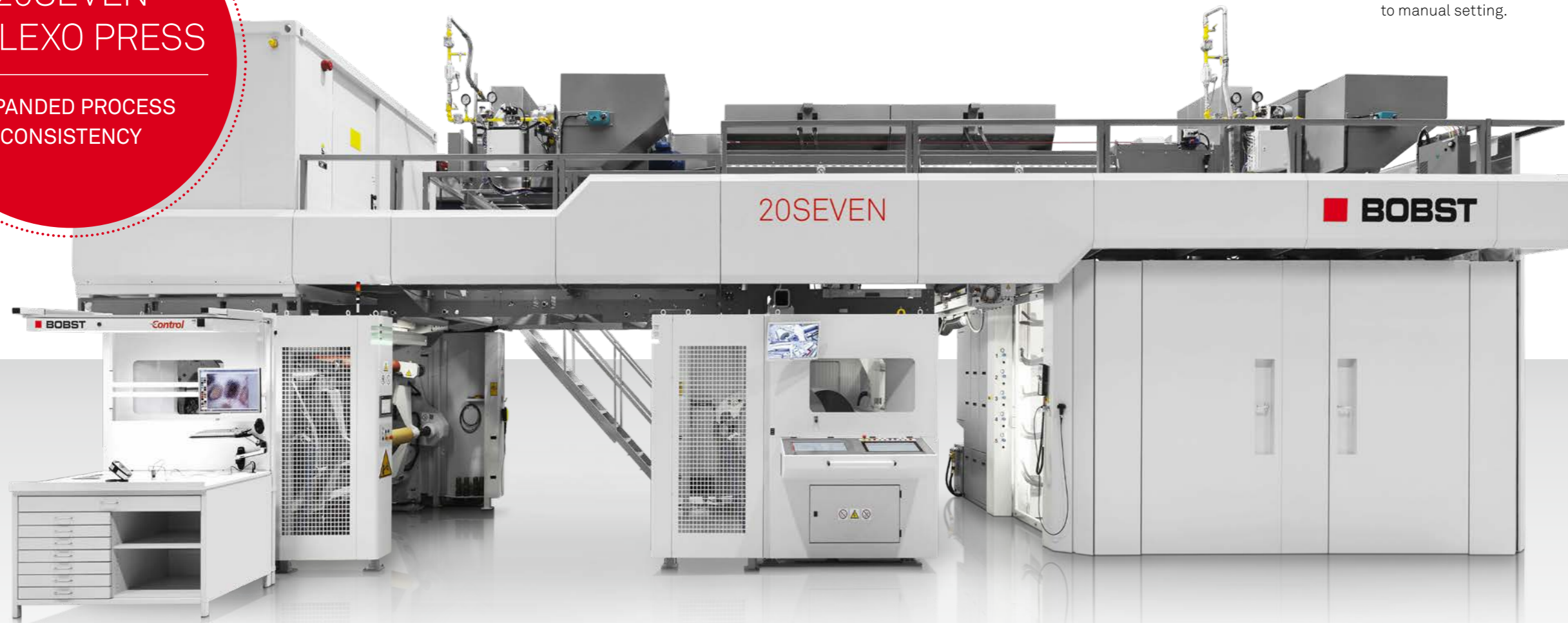


By eliminating manual locking, the triLOCK system avoids process inconsistency and even the slightest deviation from perfect positioning, in addition to making the work sequences easier and faster for the operator.

MAXIMIZING PROCESS CONSISTENCY



The features of the smartFLO inking system and chamber doctor blade deliver predictable, stable and controlled printing results. This enables users to take full advantage of the opportunities of ECG to reduce manufacturing costs, increase consistency, and reduce errors and variables due to manual setting.



TRANSFORMING SOLUTIONS



CUSTOMER NEEDS

Traditional metallization (even with Plasma treatment) can result in poor metal to polymer substrate bonding. This produces delamination which leads to packaging failure. Metal adhesion has long been a challenge in the packaging world due to this interlayer bonding failure.



BOBST
AluBond®
HYBRID
COATING PROCESS

BOBST DELIVERS

BOBST has developed an innovative approach to address this common issue in the packaging industry through its vacuum metallizers, eliminating the need for chemically treated films.

SURFACE ENERGY RETENTION

Increase dyne level retention

In addition BOBST AluBond® has also been shown to significantly increase dyne level retention. This is an added benefit to the improved metal bonding strength which translates in improved ink wettability during printing and enhances structure stability during lamination.

HIGH ADHESION ON METALLIZED FILMS

Increase metal bond strength

BOBST AluBond® has been shown to greatly increase metal bond strength and metal adhesion on the most commonly used substrates (PET, BOPP, CPP and PE) during aluminum vacuum metallization. BOBST AluBond® stimulates the chemical bonding at the interface hence.

ENHANCED BARRIER

High barrier on BOPP and CPP Films

When AluBond® is applied to BOPP and CPP films it provides enhancement of oxygen (OTR) and water vapor (WVTR) barrier performance.

PROCESS KNOW-HOW AND CONSULTANCY

Training program

As well as developing and supplying innovative solutions to the industry, BOBST is unique in the vacuum metallizing industry as a supplier who can also help customers to optimize processes such as BOBST AluBond® for their own specific film requirements.

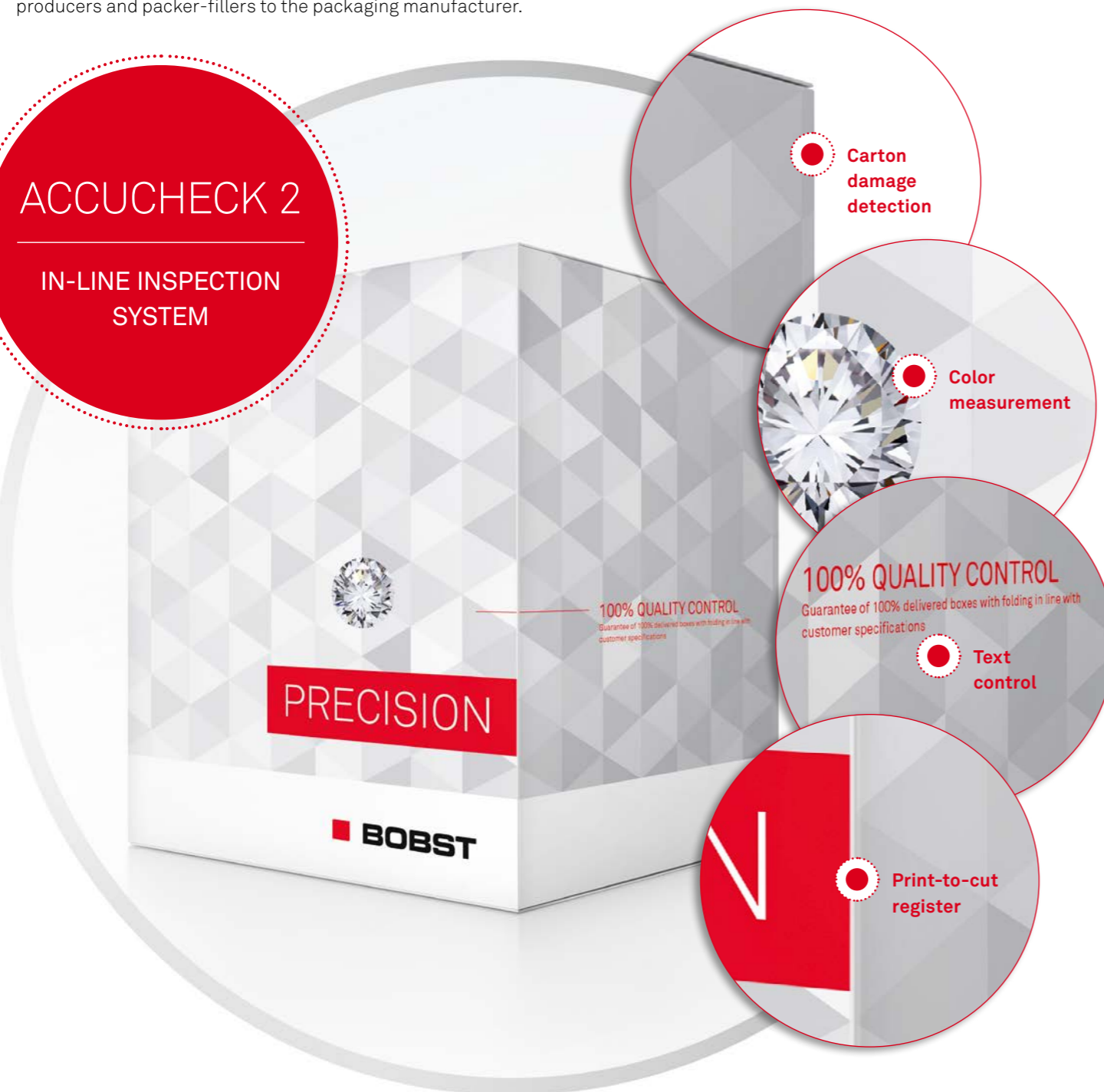


ZERO-FAULT PACKAGING



CUSTOMER NEEDS

In today's hectic and time-pressured world, zero-fault packaging is the Holy Grail of packaging production. Most companies no longer have the luxury of Quality Control personnel carefully checking their packing and filling process – ever-tighter margins and increasing competition have seen to that. So instead, packaging must be – in theory – fault-free on arrival. The onus for quality assurance has shifted from the goods producers and packer-fillers to the packaging manufacturer.



BOBST DELIVERS

This in-line inspection system for MASTERFOLD 75 | 110 and EXPERTFOLD 50 | 80 | 110 folder-glueers carefully checks carton blanks for defects and guarantees complete quality consistency. Based on the 25-year experience of BOBST's Registron technology, this highly flexible tool allows to inspect different box areas according to various quality criteria, while remaining easy and quick to operate.

IMPECCABLE RESULTS

Inspection capabilities

- 100% quality controlled production.
- Ability to deliver zero-defect products.
- Precise definition of control sensitivity through dedicated zones.
- Inspection capabilities include stable and accurate color measurement and enhanced text inspection, regardless of text position or color.

SIMPLE USE

Human Machine Interface SPHERE

- Several operating modes for customized setting and easy operation, to perfectly adapt to the set quality criteria.
- Inspection parameters can be saved and recalled.
- Repeat order sets within seconds.
- Automatic ejection of faulty boxes.

HIGH ADAPTABILITY

Performance

- In-line system, avoiding an extra step in the production process.
- Cuts running costs of quality checks.
- Highly customized inspection.
- Quality control reporting according to customer validation targets.
- New energy-efficient motors.
- Dust elimination device, removes particles to avoid external contamination.



PACKAGING EXPERT AND PRINTING EXPERT

POWERING PRINTING AND PACKAGING ACROSS INDUSTRIES TO HELP CONVERTERS AND BRAND OWNERS WORK MORE EFFICIENTLY.



Labels
From 1 to 1 million labels. Access the most advanced technologies. Inkjet printing, Digital REVO Flexo (ECG) and X-Flower™ flexo process answer the needs of the most demanding clients.



Flexible materials
Cutting edge technologies – gravure and CI flexo – combined with high manufacturing standards ensure premium print quality and long-lasting value for any jobs.



Folding carton
Inkjet, flexo, gravure. Technologies and experience to deliver all jobs – from sampling to long runs with the highest press uptime and best economics.



Corrugated board
Continuous innovations delivering all that corrugated production requires. Unmatched print quality, high productivity, great flexibility and low cost with high flexo process efficiency THQ FlexoCloud, and the forthcoming inkjet direct to board printing.



SUBSTRATE
FLEXIBILITY

CHOICE OF
TECHNOLOGIES

PRODUCTIVITY

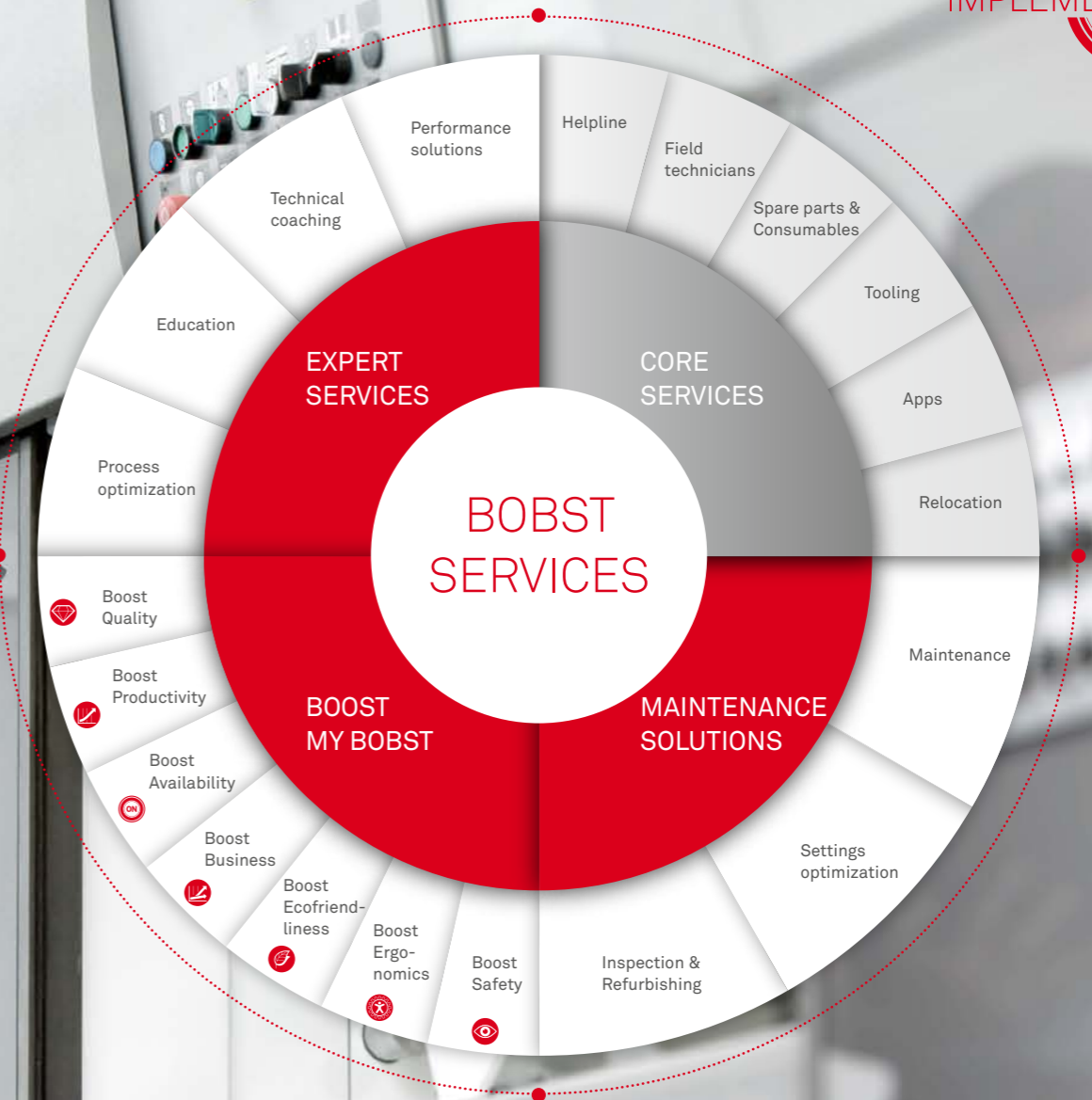
COLOR
ACCURACY

LEADING
ECONOMICS

PRINTING IS A KEY COMPONENT IN PACKAGING PRODUCTION. INNOVATIONS AND ENGINEERING EXPERIENCE CREATE VALUE FOR CONVERTERS, BRAND OWNERS AND CONSUMERS.

The role of packaging is evolving. The way brands design and distribute products is changing. BOBST works on new solutions to support the requirements of converters, brands and retailers.

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 large stock of different components 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 repair sessions: 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 PERSPECTIVES

MyBOBST is a new and resourceful 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.



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.



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.



Spare parts

The portal offers a spare parts catalog with interactive drawings 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.



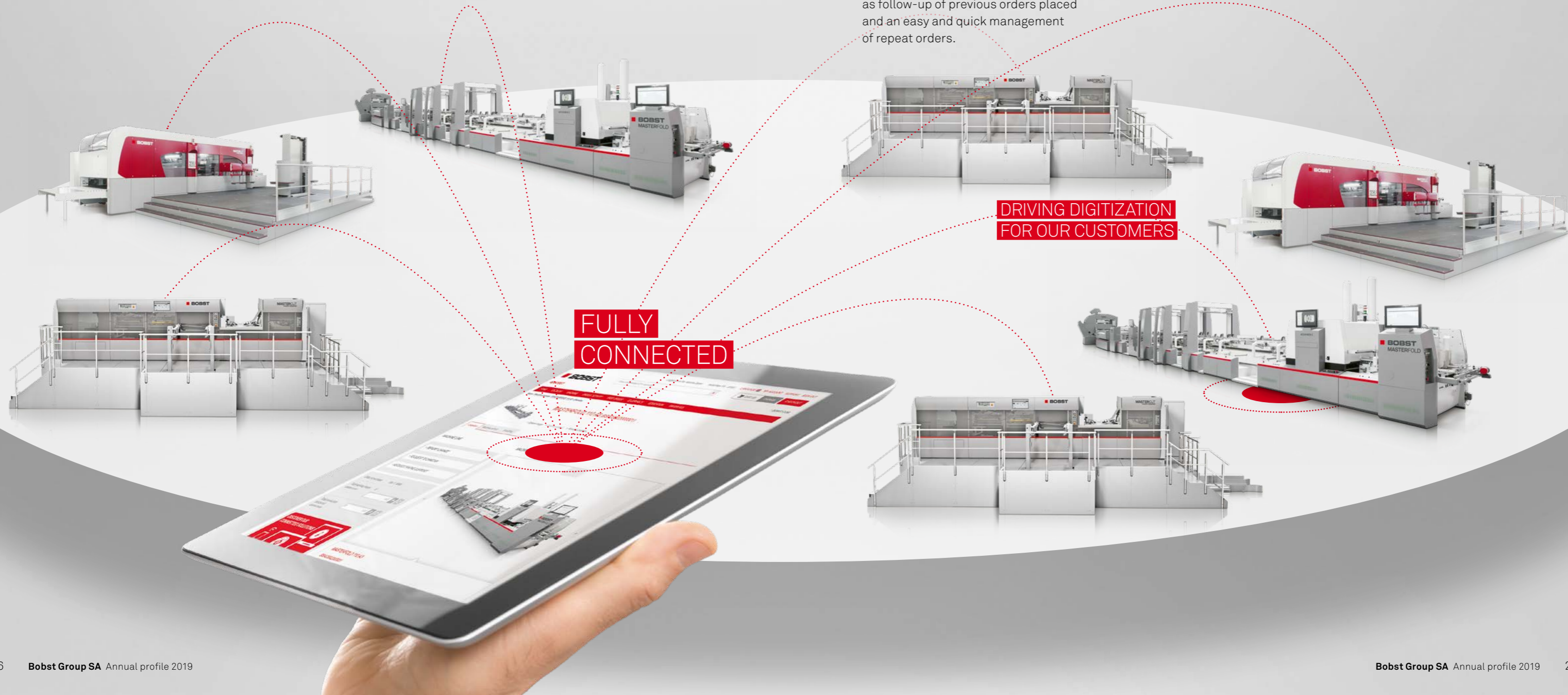
Technical assistance

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



Documentation manuals

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



POWERING PRODUCTIVITY

BOBST DIGITAL INSPECTION TABLE – A GAME CHANGING QUALITY ASSURANCE CENTRE

The BOBST Digital Inspection Table is the most rapid and assured way to proof printed sheets and die-cut blanks for quality control. The product sample sheet is placed on the table and the original artwork is projected onto it. The HD digital projectors enable to clearly see – in real-time – exactly how the sample compares to the original, highlighting any discrepancies. When everything is digital there is no need for storage of tracings.

FOCUSED QUALITY CHECKS

ENHANCED OPERATOR SKILLS

DATA DRIVEN DECISION MAKING

DIGITAL INSPECTION TABLE

GAME CHANGING QUALITY ASSURANCE

DEFECTS FOUND & CORRECTED

PRINT DEFECTS FOUND AND CORRECTED

- Fast and accurate operator identification.
- Avoid costly customer rejections.

ACCURATE REGISTRATION

FAST, ACCURATE AND PAPERLESS REGISTRATION

Cut-crease side and grip edge.

WARP ANALYSIS

INDUSTRY FIRST – DIGITAL WARP ANALYSIS

Clear pass / fail indication.

DATA REPORTING

FULLY INTEGRATED DATA REPORTING

Live data feeds to PC and tablet.

LEADING COMPETENCE

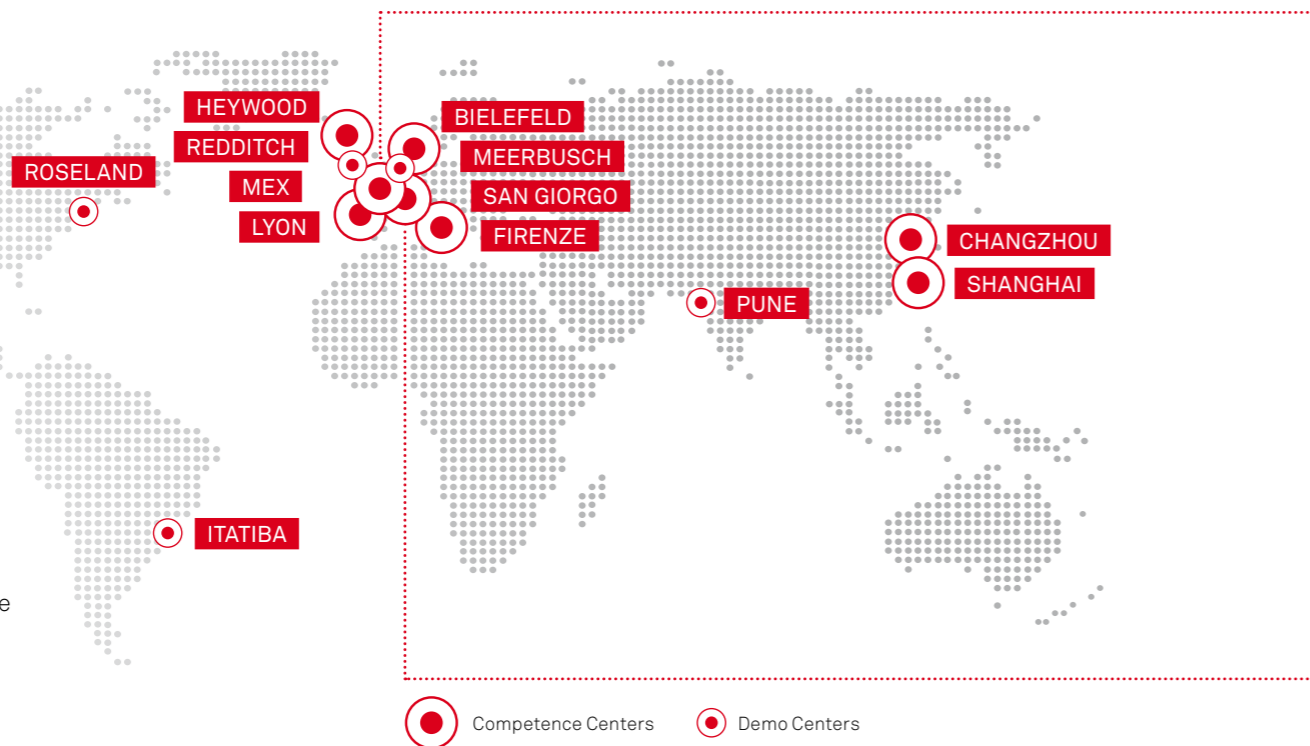
Demonstrating its commitment to working closely alongside its customers, BOBST operates facilities across the world for its customers to view and trial the advanced technology solutions that are available, as well as furthering the joint development of improved processes.



Competence Center in Lyon, France.

PROXIMITY

BOBST invests to be closer to customers and their needs. By the end of 2019, eight Competence Centers will be in operation across the world. These exclusive facilities enable us to demonstrate both our expertise and our innovative approach to customer processes.



Competence Center in Mex, Switzerland.



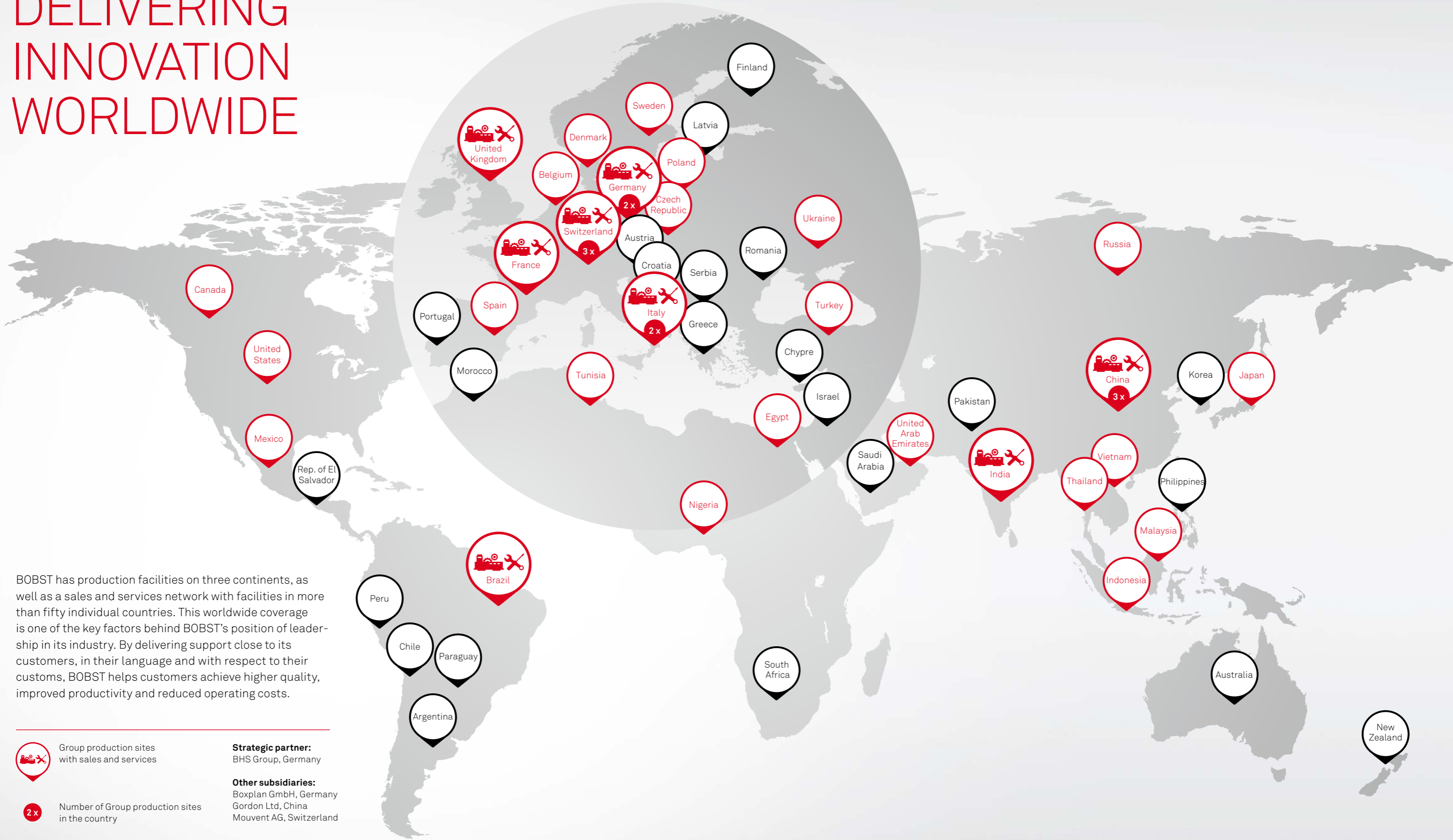
Competence Center in San Giorgio, Italy.

PERFORMANCE





Ideal locations for training and customer testing, BOBST Competence Centers operate primarily as laboratories, allowing us to validate materials and equipment in real operating conditions while integrating the specific workflow requirements of the customer.

BOBST experts tailor all visits by customers to their exact requirements, to generate the best results, for both processes and solutions.

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
 -  Number of Group production sites in the country
 -  Group companies and representative offices for sales and services
 -  Agencies and representatives for sales and services
- Strategic partner:**
BHS Group, Germany
- Other subsidiaries:**
Boxplan GmbH, Germany
Gordon Ltd, China
Mouvent AG, Switzerland

EMPOWERING SUSTAINABILITY

As one of the global 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.



4 QUALITY EDUCATION



SUSTAINABILITY AND MEDIA CREATION

Educating young people about sustainable strategies, nurturing their creativity and encouraging collaborative work are the goals of the Shine School Media Awards, which reward secondary schools in the UK for an outstanding

media project. Bobst UK & Ireland sponsors this competition and thus encourages understanding of the role of design for packaging and consideration of a career in this area.

8 DECENT WORK AND ECONOMIC GROWTH



INNOVATIVE, RECYCLABLE AND DURABLE SUBSTRATES

The latest state-of-the-art vacuum metallizers and wet coating equipment from BOBST make it possible to greatly reduce the thickness of aluminum applied to packaging films, without altering their

barrier function, to make recycling feasible. In the future, the Group will pursue the study of other more environmentally friendly production processes to massively reduce the carbon footprint of packaging.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



PRINT THAT RESPECTS THE ENVIRONMENT

With less ink, fewer printing plates, and reduced color changes, BOBST's THQ FlexoCloud printing process delivers the highest print quality while

offering substantial cost and consumables savings. A solution that respects the environment and is more productive. It is a win-win across the board.



For more information, please read: Sustainable Development Report 2018

INSPIRING THE FUTURE

HIGHLIGHTS AND MILESTONES

JANUARY

5–8 Jan.
ARABPLAST
Dubai, United Arab Emirates

FEBRUARY

1–6 Feb.
PRINT PACK INDIA
Delhi, India

MARCH

28 Feb.–4 March
INDIAPLAST
Delhi, India

5–8 March
EXPOGRAFICA
Mexico City, Mexico

12–14 March
ICE EUROPE
Munich, Germany

12–15 March
PROPAK AFRICA
Johannesburg, South Africa

19–21 March
FLEXO & LABELS
São Paulo, Brazil

MAY

7–9 May
LABELXPO SOUTH EAST ASIA
Bangkok, Thailand

May
BOBST LYON OPEN HOUSE
Bron, France

JUNE

16–26 June
DRUPA
Düsseldorf, Germany

2020

SEPTEMBER

13–17 Sept.
SUPERCORREXPO
Orlando, USA

OCTOBER

20–24 Oct.
ALL IN PRINT
Shanghai, China

APRIL

1–5 April
BOBST MEERBUSCH MASTER DAYS
Meerbusch, Germany

1–4 April
BOBST FIRENZE OPEN HOUSE
Firenze, Italy

9–13 April
PRINT CHINA
Dongguan city, China

15–18 April
GULF PRINT & PACK
Dubai, United Arab Emirates

2019

DECEMBER

3–6 Dec.
LABELXPO ASIA
Shanghai, China

OCTOBER

2–4 Oct.
BOBST ITALIA OPEN HOUSE
San Giorgio, Italy

15 Oct.
BOBST MANCHESTER OPEN HOUSE
Heywood, United Kingdom

16–23 Oct.
K 2019
Düsseldorf, Germany

23–24 Oct.
BOBST SHANGHAI OPEN HOUSE
Shanghai, China

SEPTEMBER

12–14 Sept.
ESU TECHNOLOGY FORUM
Luxembourg, Luxembourg

18–21 Sept.
PACK PRINT INTERNATIONAL
Bangkok, Thailand

JUNE

18–21 June
ROSUPACK
Moscow, Russia

24–27 Sept.
LABEL EXPO EUROPE
Brussels, Belgium

MAY

1–3 May
ODYSSEY EXPO
Atlanta, USA

21–24 May
CHINAPLAS
Guangzhou, China

FEBRUARY

PLASTINDIA
New Delhi, India

2021

MARCH

ICE USA
USA

MAY

PRINT4ALL
Italy

DECEMBER

LABELXPO ASIA
Shanghai, China

NOVEMBER

19–22 Nov.
ANDINA PACK
Bogota, Colombia

DRIVEN BY INNOVATION

Group Executive Committee



Stephan März
Head of Business Unit Web-fed
since 01.01.2019.
1971, German national.

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

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

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

Julien Laran
Head of Business Unit Services
since 01.01.2019.
1977, 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 to 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.

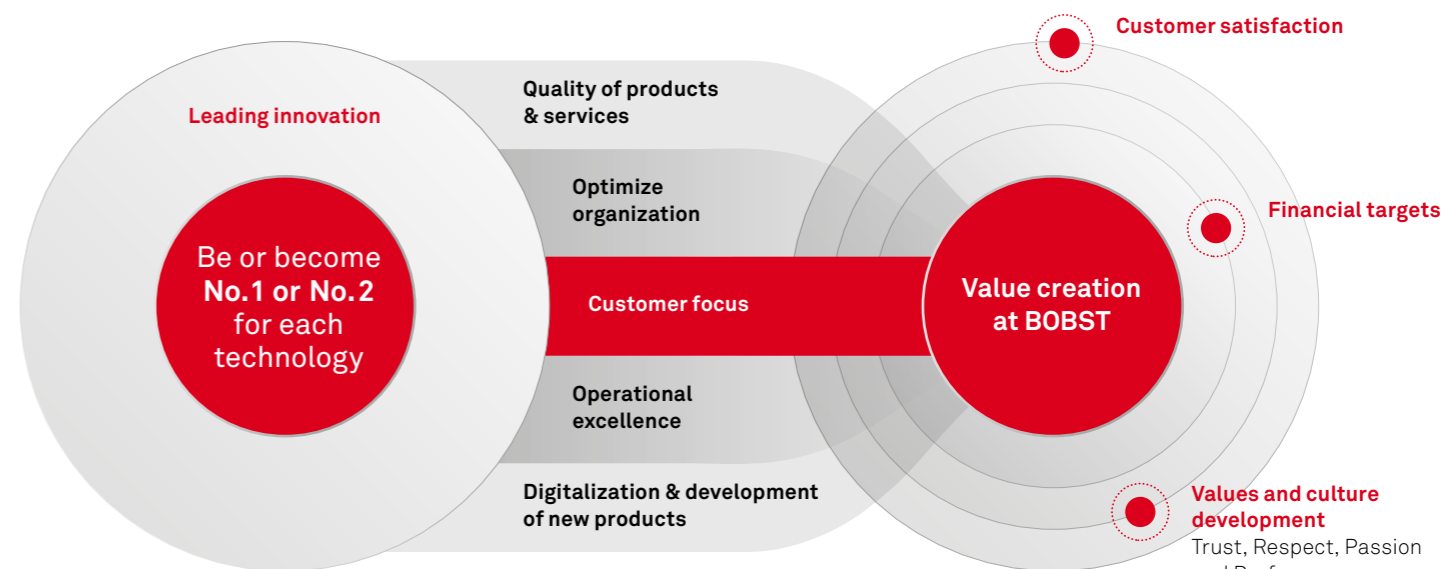
Shareholders

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

STRATEGIC OBJECTIVES

MAIN PRIORITIES





Jean-Pascal Bobst
Chief Executive Officer

Alain Guttmann
Chairman of the Board

DEAR SHAREHOLDERS

Pleased with the Group's innovation drive, its overall market and digitalization strategy, but disappointed by the decrease in profitability. This is how we could sum up the year 2018!

Bobst Group recorded a strong first half-year and a revenue increase of 19% compared to H1 2017. However, the EBIT decrease of CHF 4.6 million to CHF 35.2 million, compared to H1 2017, forced us to issue a release last July stating that our year 2018 profitability ambitions had to be reduced. Quality issues relating to the new generation of products, and pressure on prices and margins of Business Unit Web-fed, extra costs due to the Group expansion in China, digital printing activities and Internet of Things (IoT) investments, created this exceptional and unsatisfactory financial situation. Reinforcing trends over the past few years have been the increasing demand of the brands for better visibility, shorter delays and faster time to market for the launch of new products, together with continuous pressure on costs and an increased sustainability awareness. In turn, these requirements drive customers to look for more complete integrated solutions, "from PDF file to finished product", generating less waste and protecting their profitability. Increased digitalization in the packaging supply chain, the use of connected services (IoT), digital printing machines and the production of goods in a more sustainable way are becoming priorities, together with the processing of thinner and more complex materials. Product packaging is likely to become more functional, convenient, ready-to-consume, re-sealable and adjusted to households' size.

Breakthrough innovation, always innovation

In 2018, BOBST has continued its quest for innovation and excellence. Not limited to the production of machines, it is also focusing on a range of services, which cover the entire conversion process and its optimization. Breakthrough innovation implies long-term commitment. As Jeff Bezos, CEO of Amazon said: "If you are going to do large-scale invention, you have to be willing to do three things: you must be willing to fail, you have to be willing to think long term; and you have to be willing to be misunderstood for long periods of time." Our most innovative solutions to some of the trends facing packaging converters, together with exciting developments in the field of Services, were presented during the year:

The **EXPERTFOLD 165** with **SPEEDPACK** automated packer, a natural extension of a corrugated folder-gluer; the **MASTERCUT 106 PER** and **145 PER**, the most automated and productive die-cutters on the market; the **EXPERTFOIL 142**, the only genuine size VI hot-foil-stamper in the world; the **MASTERFOLD 230** with its modular design, single box set-up and superb reliability; the **GYROBOX XL** for complex designs in a single pass; and a **LEMANIC®** press with in-line M8 flexo printing units.

We also focused on specific technologies:

- **Printing expert** – comprehensive capabilities and process technologies for printing labels, flexible materials, folding carton and corrugated board packaging, such as Extended Color Gamut (**ECG**) process, **THQ FlexoCloud** technology for post-print flexo on corrugated board, bringing unmatched quality at lower cost in one pass, and the ECG Center of Excellence in Bielefeld.
- **Automation and sustainability.**
- **Tooling** – providing optimized productivity on any die-cutter.
- **Digital Inspection Table** – a unique system offering designed to drive quality assurance, productivity and virtually remove print production errors.

In the digital printing area, we have invested heavily in **Mouvent**, created in 2017 as our Competence Center for all digital printing activities. In 2018, we put the emphasis on the stabilization of the technology embedded in the **Mouvent™ cluster, software and ink** at the heart of the technology; we have installed more than ten machines in the field.

Mouvent's product range comprises highly innovative digital label and textile printers:

- The **LB701-UV** (170 mm) and the **LB702-UV** (340 mm) mini label presses are the smallest high productivity label presses on the market.
- The **LB702-WB** (water-based ink) label press, a game-changer in digital label production, uses water-based Mouvent™ Inks, making it completely free of VOCs (volatile organic compounds) and 100% food safe.
- The 8 color multi-pass digital textile printer **TX801** had a good start, while the **TX802** will be launched early 2019. Customers are very satisfied with printing quality and performance.

Overall, this big investment helped us to master five new core competencies over the last eighteen months: workflow, digital front end (DFE), raster image process (RIP), water-based ink, and integration of digital heads (DOD), to build a digital printing culture, service and product range. Innovation is not only about bright ideas coming to life and being industrialized, it is also about the conservation of resources, which is becoming key in terms of sustainability and fully belongs to our guiding principle for the development of production processes and new products. We have an ecological responsibility in the prevention of production waste and the reduction of CO₂ emissions.

True customer satisfaction

Our close relationships with customers should bring out the best in us and quality challenges are a spur for **continuous improvement** in all domains. Our core services provide performance levels at all times, with remote assistance and monitoring of applications, tooling and maintenance solutions, with a spare parts portal offering a direct placement of orders and with documentation manuals.

In 2018, our Services business has grown to CHF 486 million and the customer satisfaction index has increased for all industries. We are on the way to becoming a benchmark for services overall.

Growth

In March 2018, we successfully launched our **China 4.0 strategy**, aiming at production made in China for China. Our ambition is to become a major player in the country over the coming years with our two brands, BOBST and Eterna – which is holding a strong market position in folding carton and corrugated converting.

We opened a **third production facility and a Competence Center** in Changzhou to boost industrial capacity in China. The Group will develop and build machines such as the **RS 3.0** gravure printing press and the **CL 750D** compact multi-technology laminator, designed for the domestic and export markets.

The main reason behind this investment is the increase of our market share and presence in China. By the end of 2018, Bobst Changzhou had more than 100 employees.

Digitalization, a journey and a major investment for BOBST

Our digitalization journey has three main dimensions:

- The internal standardization of our core processes based on a common IT platform (BBS);
- The increased connected services and use cases offered to our clients (IoT), and;
- Our digital printing Competence Center based on our new digital front end (DFE), raster image process (RIP) and ink development.

The **BOBST Business System (BBS)** program once fully deployed will run all our local entities across the world in an efficient and harmonized way. It will cover all Business Units and functions. This year we focused on:

- The integration of Bobst Lyon into the BBS SAP manufacturing platform, already used by three of the Group's production sites (Bobst India, Bobst Shanghai and Bobst Changzhou). Most of the European sales and service local entities also joined this venture in 2018.

The team's high professionalism proved that we could meet the challenges together and successfully complete this huge program by 2021.

On average, industries are less than 40 percent digitalized, despite the relatively deep penetration of these technologies in media, retail and high tech.

Although our main business will remain focused on machine and services development, tightly integrated digital strategies will be a big differentiator between companies that win and companies that don't, and the payouts will go to those that best master the digital disruptions with current business expertise.

BOBST has developed its **vision of the industry for packaging**, which is going to transform the Group's culture. We investigated new opportunities that arise from connecting to our machines and applying analytics and more software capabilities. Under IoT, we understand digitalization of internal processes, digitally-enabled products, connected services and business models offered to customers and to the packaging world. One prominent example of such a service is predictive maintenance, where a software application predicts when a wearing machine part needs to be replaced before it fails. IoT is enabling a vast amount of such products and services that will significantly improve the factories of our customers.

Our key asset

Congratulations and thank you to all our employees who come to work every day committed to operational excellence and customer satisfaction. We owe to them a safe and rewarding work environment. Our retention, training and onboarding processes contribute to the development of an inspiring workplace; the Leadership and People Development program strives to improve people management and leadership capabilities focusing on the BOBST four values and eight behaviors.

Order Entries

The Group started 2018 with a more than 20% higher machine backlog than the year before. 2018 order entries were at the same level as the year before, with a small increase in Business Unit Sheet-fed.

Turnover

For the full year 2018, consolidated sales increased by CHF 106 million, or 6.9%, to CHF 1 635 million. All three Business Units have contributed to the growth in 2018. Business Unit Services is up CHF 33 million, or 7.4%. Business Unit Web-fed sales increased by CHF 13 million, or 3.9%, and Business Unit Sheet-fed increased its sales by 60 million, or 8.0%.

Profitability

The operating result (EBIT) was CHF 87 million, or 5.3% of sales compared to CHF 119 million, or 7.8% of sales in 2017. Based on the strong sales growth and a good overall market situation, the Group has accelerated measures to launch a range of digital printing products and strengthened its activities in IoT. Quality upgrades on some products launched in recent years and additional transformation measures in the Business Unit Web-fed had a significant negative impact on the operating result (EBIT) of the reporting year.

The net result reached CHF 50 million (CHF 107 million in 2017). The decrease came from lower operating result, missing positive one-time favorable tax impact of CHF 15 million recognized in 2017 and due to losses, on which no deferred tax assets are recognized in 2018. The return on capital employed (ROCE) decreased to 14.2% in the reporting year, compared to 23.2% in 2017, and the shareholders' equity ratio decreased temporarily to 33.4%, from 35.6% in the previous year, due to the additional bond issued in September of the reporting year.

In line with the performance of the Group, the Board of Directors proposes to the Annual General Meeting of Shareholders a dividend for 2018 of CHF 1.50 per share (CHF 2.60 for 2017).

Group Organization

The Business Unit Web-fed faces various challenges linked to its strategy implementation, market penetration and profitability improvement, and the Group is therefore implementing executive changes in this Business Unit.

The Group Executive Committee is evolving. Erik Bothorel, in charge of the Business Unit Web-fed, left the Group Executive Committee at the end of 2018. Stephan März, in charge of the Business Unit Services, took on responsibility for the Business Unit Web-fed on 1 January, 2019, while Julien Laran, in charge of Supply Chain and Operations within the Business Unit Services, was appointed Head of Business Unit Services as of 1 January, 2019.

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 4 April 2019, Alain Guttman, Thierry de Kalbermatten, Jürgen Brandt, Gian-Luca Bona and Philip Mosimann will be proposed for re-election for a new period of one year.

Patrice Bula will not be standing for re-election due to other commitments. We express our warmest thanks for this various contributions. The Board of Directors wishes to propose Alain Guttman as Chairman.

Outlook and strategy

The consumption level worldwide is still good, supporting the overall business environment. We expect that political tensions will remain, likely leading to a slow down of the economy. We prepare the Group to further seize opportunities, and for a potential economic down turn.

To support our strategic objectives we remain focused on the following priorities:

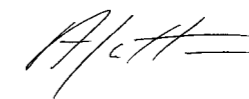
- As we increase our customer satisfaction, which we measure through the Net Promoter Score methodology (NPS), we aim to continuously develop and retain our technicians, while increasing spare parts' availability worldwide thanks to our hub concept. We will keep improving the execution of quality deliveries of our machines and services;
- We will continue to expand and invest in China, South East Asia and the Middle East regions, adapting our offerings for machines and services to markets' trends;
- The digitalization of our core processes is taking the Group to a higher level of efficiency, integration, and in the mid term, of performance improvement;
- The digital printing journey is well underway and we will offer to the textile and label sectors a comprehensive portfolio of products during 2019. This is the start of a new venture for BOBST Group and demonstrates its ability to reach new market segments.

Vision

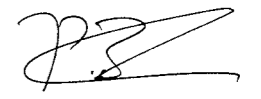
In this increasingly collaborative and connected world, Bobst Group's ambition is to be a leading technology company in the packaging world, bringing to its current and future customers what they need in terms of quality, innovation, connectivity and global solutions.

Our success will strongly depend on a dedicated and visionary leadership able to drive change, on how well we use our available skills and funds to deliver our vision, while instilling value creation into the Group.

A warm "thank you" to each and every customer for allowing us to serve you, to our shareholders for your support and to our 5 660 employees for your stalwart support, your dedication and your endeavors to reach high standards of quality and performance. We are committed 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	2018	2017
Sales	1 634.5	1 528.6
Other operating income	19.5	23.9
Raw materials and services	-1 052.0	-923.9
Changes in inventories	39.3	-0.6
Personnel costs	-499.4	-454.3
Depreciation and amortization	-38.3	-41.2
Other operating expenses	-17.1	-13.8
Operating result (EBIT)	86.5	118.7
Share of net result in associates	9.8	10.7
Interest expenses	-6.1	-6.1
Other financial income	3.4	8.0
Other financial expenses	-6.0	-5.5
Result before income tax	87.6	125.8
Income tax	-37.2	-18.9
Net result	50.4	106.9
Attributable:		
To shareholders	63.5	114.4
To non-controlling interest	-13.1	-7.5
Earnings per registered share (in CHF)	3.84	6.93
Diluted earnings per registered share (in CHF)	3.84	6.93

Source: Annual report 2018 – Financial statements 2018 – Consolidated financial statements.

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER

In million CHF	31 December 2018	31 December 2017
Intangible fixed assets	41.8	36.5
Tangible fixed assets	264.1	260.6
Financial assets other	23.1	23.3
Investments in associates	53.9	50.2
Employer contribution reserves	64.7	25.8
Receivables	3.6	4.8
Finance lease receivables	8.4	7.8
Prepaid expenses and accrued income	1.5	1.4
Deferred tax assets	40.8	40.9
Non-current assets	501.9	451.3
Inventories	454.4	391.2
Receivables	320.9	311.3
Finance lease receivables	3.4	2.7
Income tax receivables	18.8	15.8
Prepaid expenses and accrued income	22.7	15.5
Derivative financial instruments	3.2	3.4
Cash and cash equivalents	396.3	402.8
Current assets	1 219.7	1 142.7
Total assets	1 721.6	1 594.0
Share capital	16.5	16.5
Reserves	495.4	436.9
Net result	63.5	114.4
Shareholders' equity	575.4	567.8
Non-controlling interest	-21.9	-8.4
Equity	553.5	559.4
Borrowings	287.7	263.1
Provisions	7.9	9.4
Employee benefits	36.9	41.1
Trade and other payables	29.6	27.1
Deferred tax liabilities	43.4	41.0
Non-current liabilities	405.5	381.7
Borrowings	129.4	6.8
Provisions	57.2	54.0
Employee benefits	5.3	5.2
Trade and other payables	433.3	441.7
Accrued expenses and deferred income	112.2	110.8
Income tax payables	17.7	20.1
Derivative financial instruments	7.5	14.3
Current liabilities	762.6	652.9
Total liabilities and equity	1 721.6	1 594.0

Source: Annual report 2018 – Financial statements 2018 – Consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

In million CHF		2018	2017
Net result		50.4	106.9
Elimination of net result in associates		-9.8	-10.7
Elimination of income taxes		37.2	18.9
Elimination of depreciation, amortization and provisions		38.0	38.4
Elimination of the result on disposal of assets		1.4	0.5
Elimination of interest expenses/(income)		4.5	3.7
Elimination of derivative financial instruments results		1.5	1.4
Changes in inventories		-72.4	-48.8
Changes in receivables		-19.7	-17.2
Changes in employer contribution reserves		-39.0	0.0
Changes in payables		2.2	85.1
Paid taxes		-40.3	-28.1
Cash flow from (used in) operating activities	Total A	-46.0	150.1
Acquisition of subsidiaries, net of cash acquired		0.0	-1.4
Acquisition of business activities		-1.2	0.0
Purchase of intangible fixed assets		-14.6	-14.7
Purchase of tangible fixed assets		-39.4	-39.1
Purchase of investments in associates		0.0	-1.0
Loans and advances made		-0.8	-0.4
Proceeds from sale of tangible fixed assets		0.9	4.0
Loan repayments and advances received		0.2	0.2
Interest received		1.6	2.4
Dividends received		4.0	3.9
Cash flow from (used in) investing activities	Total B	-49.3	-46.1
Proceeds of non-controlling interest		0.0	0.2
Purchase of own shares		-0.4	0.0
Proceeds from borrowings		151.3	0.8
Repayments of borrowings		-5.0	-8.0
Interest paid		-4.8	-6.1
Dividends paid to Group shareholders		-43.0	-28.1
Dividends paid to non-controlling interest		-0.2	-0.3
Cash flow from (used in) financing activities	Total C	97.9	-41.5
Effects of exchange variances	Total D	-9.1	14.8
Change in cash and cash equivalents	A+B+C+D	-6.5	77.3
Cash and cash equivalents at beginning of period		402.8	325.5
Cash and cash equivalents at end of period		396.3	402.8
Variance		-6.5	77.3

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 2018 – Financial statements 2018 – Consolidated financial statements.

SEGMENT REPORTING

In million CHF	2018	2017
Revenue		
Sheet-fed third party sales	804.6	745.3
Sheet-fed inter-segment	24.8	23.0
Sheet-fed total revenue	829.4	768.3
Web-fed third party sales	342.9	330.2
Web-fed inter-segment	4.3	4.2
Web-fed total revenue	347.2	334.4
Services third party sales	486.2	452.5
Other third party sales	0.8	0.6
Eliminations inter-segment	-29.1	-27.2
Total third party sales	1 634.5	1 528.6

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	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Results										
Total segment operating result (EBIT)	59.7	64.0	-37.4	-7.1	66.3	63.1	-2.1	-1.3	86.5	118.7
Share of result of associates	9.8	10.7							9.8	10.7
Financial result									-8.7	-3.6
Result before income tax									87.6	125.8

Source: Annual report 2018 – Financial statements 2018 – 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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ISIN: CH0012684657
SIX Telekurs: BOBNN,4 or 1268465,4
Bloomberg: BOBNN SW
Reuters: BOBNN.S

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