

ANNUAL REPORT 2023

Bobst Group SA

KEY FIGURES

In million CHF		2023		2022		2021		2020		2019	
Assets	Non-current assets	463.4	26%	469.4	24%	479.4	26%	453.0	29%	489.9	32%
	Current assets	1 305.4	74%	1 457.7	76%	1 362.9	74%	1 089.7	71%	1 034.9	68%
		1 768.8	100%	1 927.1	100%	1 842.3	100%	1 542.7	100%	1 524.8	100%
Liabilities	Equity	454.6	26%	556.8	29%	595.4	32%	511.6	33%	559.2	37%
	Non-current liabilities	293.4	16%	437.8	23%	440.6	24%	418.8	27%	234.6	15%
	Current liabilities	1 020.8	58%	932.5	48%	806.3	44%	612.3	40%	731.0	48%
		1 768.8	100%	1 927.1	100%	1 842.3	100%	1 542.7	100%	1 524.8	100%
Net working capital (NWC)		247.3		113.2		77.2		177.0		254.9	
Net cash/Net debt		(133.8)		67.0		153.9		3.9		(58.6)	
Sales		1 960.3		1 840.9		1 563.4		1 372.0		1 636.3	
Operating result (EBIT)		147.2		141.3		99.0		43.7		81.0	
As % of sales			7.5%		7.7%		6.3%		3.2%		5.0%
Net result		119.3		115.3		93.4		17.3		52.6	
As % of sales			6.1%		6.3%		6.0%		1.3%		3.2%
As % of equity			26.2%		20.7%		15.7%		3.5%		9.4%
Capital expenditure (CAPEX)		38.0		41.3		38.8		43.2		57.1	
Return on capital employed (ROCE)		24.9%		28.7%		22.0%		8.3%		12.9%	
Share income											
Share price at the end of the year		64.6		57.3		82.9		53.5		56.4	
Market capitalization		1 067.1		946.5		1 369.4		882.9		930.8	
EPS (16 518 478 shares)		7.19		6.92		5.51		1.85		4.12	
Price-earnings ratio		9.0		8.3		15.1		28.9		13.7	
Dividend paid:											
– total, in million CHF		82.6		165.2		132.1		0.0		24.8	
– payout ratio			69.2%		143.3%		141.5%				47.1%
– dividend yield			7.7%		17.5%		9.6%				2.7%
Headcount		6 363		6 111		5 809		5 662		5 555	
% change compared to previous year			4.1%		5.2%		2.6%		1.9%		(1.9%)

LONG-TERM FINANCIAL TARGETS

Sales (in million CHF)	1 800 – 1 900
Operating result (EBIT)	min. 8%
Return on capital employed (ROCE)	min. 20%
Payout ratio	min. 50%
Equity ratio	30 – 35%

CONTENTS

Annual report 2023	02
Letter to our shareholders	03
Corporate governance	08
Financial statements 2023	22
Contents	23
Consolidated financial statements	26
Bobst Group SA, statutory accounts	72

ANNUAL REPORT 2023

Bobst Group SA

DEAR SHAREHOLDERS

2023 – A record year

The packaging industry is in the midst of a digital revolution, which is forcing every company to innovate, challenge their approach, think end to end and digital, and leverage networks and platforms to deliver new business models for their clients. At BOBST, we support this transformation and despite the CHF 20 million year on year investments on digitalization to implement our vision of Shaping the Future of the Packaging World, our results 2023 show a turnover of CHF 1.96 billion and 7.5% EBIT.

Leaders have to be prepared for all types of events: 2023 was a year with a lower booking already in H1 and the slowdown continued in H2. In the midst of a record year, we suffered two main business interruptions, a cyber-attack attempt and the flooding in Firenze which affected the full year results.

The Easter weekend attempted cyber-attack served as a powerful learning experience for the top management, for IT teams worldwide and all our employees. You feel as if a robber has broken into your home, playing with your organization until you can detect, isolate and protect your systems and data again.

We have drawn lessons from this event, as do all companies which must answer the question “when will it happen? and not “if”. The crisis management was very good, and our strong cohesion allowed us to restore business operations in services, sales, production and R&D in record time. A big THANK YOU to all our employees and external partners for their rapid and effective response.

Taking our responsibilities, we held on to our defense line, getting more resilient, improving our security strategy and our systems recovery capabilities, company culture and people education.

Flooding at Bobst Firenze (BFL) site – in the night of November 2nd, following a week of ceaseless rain, the Bisenzio river overflowed and entered our facility. Luckily, no one from BOBST was injured although nine families incurred substantial losses. Machines and buildings were impacted. Thanks to the great contribution of volunteers, Group support, local employees, and suppliers, BFL was already able to ship the first M1 machine in December, a nice recovery! Congratulations to everyone who invested enormous energy into the recovery.

THANK YOU for your great support and for your belief in our vision and in the future of the company.

2023 was very busy with some key projects supporting the Group strategy:

- **Acquisition of Dücker Robotics**, now Bobst Novara. BOBST acquired 70% of the equity of Dücker Robotics srl, a specialized supplier of robotic systems in April 2023. The integration of a wide range of robotic solutions will allow us to configure complete and seamless production lines for our customers.
- In October, BOBST acquired **51% of the company CnS**, a manufacturer of Flexo Printer Slotters and Flexo Folder Gluers in South Korea. This will enable BOBST to offer a full range of Flexo Folder Gluers to the corrugated board industry.

- **Competence 23 – Folding Carton and Corrugated Board in Mex** – At the end of June, we announced our latest innovations in printing, converting, services and performance to help our customers thrive in the packaging industry. Our Vision of the packaging supply chain becoming fully digital is the **engine** behind these innovations and BOBST Connect is at its **heart**. Our innovative solutions in Flexible Packaging, Labels, Folding Carton, Corrugated Board, Services, and our activities in the domain of Sustainability are the latest in a line of continuous innovation.
- **Labelexpo Europe 2023**, in September, the product line Narrow mid-web introduced the DIGITAL MASTER, a testament to the collective dedication, hard work and passion of ONE Team. Four years ago, we were still presenting machines with different brand and colors!

Also in September, BOBST sold its **100th digital machine**. The company reaffirms its continued commitment to offering the most comprehensive portfolio of presses with flexo, pure digital and All-in-One (hybrid) technologies.

- **CORRUGATED 23 and FEFCO** – In October, we welcomed in Bobst Lyon about 150 customers from all over the world, combining the customer event with the technical seminar FEFCO to showcase our end-to-end solutions for the corrugated industry. It was an opportunity to share valuable inputs with the industry on energy efficiency and on multi-out applications on casemakers and to showcase our latest innovations and our commitment to sustainability.
- **Resilience – a strategic advantage**: Following the events that have disrupted its business over the past three years, the Group has decided to strengthen its resilience, i.e. its ability to quickly resume normal business activity to continue serving its customers. To achieve this, Business Unit Printing & Converting is deploying and certifying **Business Continuity Management Systems (BCMS)** at its production sites in compliance with **ISO 22301**, so that it can continue to serve its customers by delivering machines, products and services at predefined levels of capacity following a disruption.

In terms of innovations which exemplify our vision, we have:

- **The solutions of Bobst Novara (Robotics)** to reinforce our automation and connectivity streams, while offering opportunities in the folding carton industry.
- BOBST DIGITAL MASTER “All-in-One” printing machines that integrate fully into BOBST Connect.
- **Job recipe and Software** – BOBST aims to provide unique functionalities to remotely set-up the equipment recipe. Based on the artwork and job-related data it will be possible to send digital parameters to the machines to decrease set-up time and reduce potential errors. A true demonstration of connectivity and automation. The features will be available progressively on the equipment range.
- In the context of **Environmental, Social and Governance (ESG)**, BOBST reports based on the Greenhouse gas (GHG) protocol. In 2022 BOBST has committed to Science-Based Targets initiative (SBTi) methodology. BOBST’s GHG inventory shows that most carbon emissions occur downstream in its value chain. BOBST has joined the SBTi, reflecting its commitment to urgent climate action. BOBST has clearly formalized the company’s targets and is evaluating decarbonization options for its operational activities (scope 1&2) to reduce by 42% its carbon footprint. BOBST is working actively on scope 3 reduction which includes the reduction of its machines’ electricity consumption up to 20% and actively partnering with our suppliers upstream targeting overall 25% reduction by 2030 (scope 3). Other key ESG-related activities include the ongoing development of recyclable

substrates, the development of water-based inks and the refurbishment of existing equipment.

- With our partners, we won the **PEUOL Award** for oneBARRIER FibreCycle in the Recyclable Packaging (Pre-Commercialized) category at this year's Sustainability Awards. Developed as a joint end-to-end project by BOBST, UPM and Michelman, FibreCycle is a high barrier, recycle-ready fiber-based structure and is the successful outcome of four years of in-depth R&D studies and an extensive test program, carried out on production scale equipment.

The Group started 2023 with a 20% higher machine backlog than the year before. During this year, orders for the Business Unit Printing & Converting were 30% below the previous year with different trends by industry. Orders for the Business Unit Services & Performance remained on a similar level as in 2022.

Consolidated sales for the full year 2023 increased by CHF 119 million, or 6.5%, to CHF 1.960 billion. Adjusted for currency effects and acquisitions, organic sales were up CHF 179 million, or 9.7%, in 2023.

An improvement of CHF 9 million, or 0.5%, came from a change in scope of consolidation due to the acquisitions done in 2023. The unfavourable evolution of exchange rates had a negative effect on sales of CHF 68 million, or -3.7%. The operating result (EBIT) was CHF 147 million, or 7.5% of sales, compared to CHF 141 million, or 7.7% of sales in 2022.

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

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

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

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

The return on capital employed (ROCE) decreased to 24.9% in the reporting year and remains above the Group's target level of minimum 20%. The reduction compared to the 28.7% all-time high reached in 2022 is mainly due to the increase in net working capital. The equity ratio decreased from 28.9% in the previous year to 25.7% in 2023. The reduction of the ratio is mainly due to the distribution of ordinary and extraordinary dividends in the reporting year.

Dividend proposal and Annual General Meeting

The Group's dividend policy recommends a payout of at least 50% of the net consolidated profit after tax. The Board of Directors recommends to the Annual General Meeting of Shareholders to pay in 2024 a dividend of CHF 5 per share (CHF 5 regular dividend, plus an extraordinary dividend of CHF 5 per share paid in 2023).

The mandates of all the members of the Board of Directors become due for renewal for a one-year period. At the forthcoming Annual General Meeting of Shareholders on 28 March 2024, Alain Guttmann, Thierry de Kalbermatten, Montserrat Peidro-Insa, Jürgen Brandt, Gian-Luca Bona and Marc Schuler will be proposed for re-election for a new period of one year.

2024 priorities and outlook

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

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

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

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

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

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


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

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

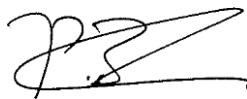
Based on today's evaluation of the overall business environment and prospects, the Group is expecting 2024 full year sales and operating result (EBIT) to be lower than the levels reached in 2022. Bobst Group has issued on 31 January, 2024, a CHF 200 million debenture bond. The proceeds will be used to reimburse the CHF 135 million debenture bond maturing on 27 September, 2024, and for general corporate purposes.

The challenges ahead do not shake our confidence and optimism, on the contrary! We believe in the great abilities and strengths of our more than 6 300 collaborators. We wish to express our sincere gratitude to them and to our shareholders, customers and partners who have again supported BOBST on its mid- and long-term journey.

We look forward to working closely with you in 2024.



Alain Guttmann
Chairman of the Board



Jean-Pascal Bobst
Chief Executive Office

CORPORATE GOVERNANCE

1. GROUP STRUCTURE AND SHAREHOLDERS

Group structure

Bobst Group, supplier of equipment and services for printing, coating & laminating, cutting, folding and gluing, as well as other processes linked to the manufacturing of packaging and labels, is organized by technical processes in two Business Units (BU):

- BU Printing & Converting: combines products for the folding carton, corrugated board, flexible materials and label industries;
- BU Services & Performance: with a worldwide network of service centers, provides spare parts and services to customers in the packaging industries and offers a full range of solutions allowing them to get the most from their equipment.

Two sales organization, one for products and one for services, are identically organized (per regions and industries) – serving folding carton, corrugated board, flexible materials, and labels – and aligned with the activities of customers.

Bobst Group SA, based in Mex, Switzerland, is the holding company with registered number CHE-109.107.774 and owns a number of non-listed companies as shown on pages 64–65.

BOARD OF DIRECTORS

Alain Guttman

Chairman.
1958, Swiss national.

MScE, University of Lausanne, Switzerland (HEC).

Since 2005
Managing partner of Alpavest SA, Switzerland.

2000 – 2004
Founder of SFF Financial Services, Switzerland, and manager of a private equity vehicle.

1996 – 2000
Ernst & Young Consulting: Executive Vice President Central Europe and CEO for Switzerland.

1986 – 1996
Director and partner of ICME management consulting Lausanne, Switzerland, and Paris, France.

1983 – 1986
Marketing brand manager for Jacobs Suchard, Switzerland.

Other Board Membership in Switzerland:
Alpavest SA, Vich;
Biokema SA, Crissier;
CIEL Électricité SA, Lausanne;
JBF Finance SA, Buchillon;
LBIS SA, Lausanne;
Voxia Communication SA, Geneva;
Wider SA, Clarens;
Retripa SA, Crissier;
Fondation Espoir, Berne.

Thierry de Kalbermatten

Vice Chairman.
1954, Swiss national.

MSc, University of Lausanne (HEC). MBA, IMD Lausanne, Switzerland.

1994 – 2005
Member of Bobst Group Executive Committee, Switzerland.

1990 – 1994
Head of Logistics Department at Bobst SA, Switzerland.

1986 – 1990
Marketing Manager at Bobst Group Inc., Roseland, USA.

1984 – 1986
Rolex SA, Geneva, Switzerland.

1980 – 1982
UBS, Lausanne and Zurich, Switzerland.

Other Board Memberships in Switzerland:
JBF Finance SA, Buchillon, Vice Chairman.

Jürgen Brandt

1956, Swiss and German national.

Bachelor of Science in Economic Engineering (Dipl. Wirtschafts-Ingenieur), Esslingen, Germany.

Since 2015
Owner of Brandt International Consulting GmbH, Switzerland.

2010 – 2014
CFO of Sulzer Ltd, Winterthur, Switzerland.

2007 – 2010
CFO and Member of the Management Board, Austrian Energy & Environment Group GmbH, Austria.

2006 – 2007
CFO of Von Roll Inova AG, Zurich, Switzerland.

2006
CFO of Power Group Europe, Foster Wheeler, Finland.

2005 – 2006
CFO of Sylvania Lighting International Ltd, Germany.

1999 – 2004
Senior Vice President Finance of Power and Environment Division, Alstom Power, France and Belgium.

Other Board Memberships in Switzerland:
Belimed Life Science AG, Sulgen.

Hesse Digital AG, Liechtenstein.

Gian-Luca Bona

1957, Swiss national.

Prof. em. Dr. for Photonics,
ETH Zurich and EPF
Lausanne, Switzerland.

2009 – 2022

Director Empa – Material
Science & Technology,
Switzerland.

2008 – 2009

Director Tape Storage
Solutions, IBM Server and
Technology Group, Tucson,
USA.

2004 – 2008

Research Manager Science
& Technology, IBM San Jose
and Tucson, USA.

1987 – 2004

Research Staff member
and Research Manager
Photonics, IBM Research
Laboratory, Rüschlikon,
Switzerland.

Other Board Memberships
in Switzerland:

Technopark Zurich
Foundation, Zurich;
Integra Holding, Wallisellen;
Integra Metering, Therwil;
Swiss Innovation Park Ost AG,
St. Gallen.
SATW Executive Board
Member.

Bundesanstalt für Materialien
(BAM), Berlin, Germany.

Montserrat Peidro-Insa

1972, Spanish national.

Eng. in Telecom., UPC; PDD
Prog. for Mngrs Devt, IESE,
Spain, Structuring M&A Prog.,
New York Institute of Finance.

Since 2023

Senior VP of Strategy EMEA,
Pax8, Barcelona, Spain.

2020 – 2023

CEO and Adm., ALSO Cloud
Spain, Barcelona, Spain.

2016 – 2020

Senior VP, Head of Digital
Print BU WW, Heidelberg
Druckmaschinen AG,
Heidelberg, Germany.

2014 – 2016

Director, WW Current
Bus. Mgmt – HP Graphics BU,
Hewlett-Packard Española,
Barcelona, Spain.

2011 – 2014

Manager, EMEA Comm. Bus.
(Sales & Mktg) – HP Indigo,
Hewlett-Packard Española,
Barcelona, Spain.

2005 – 2011

EMEA Segment Mngr
Graphic Arts Division – HP,
Hewlett-Packard Española,
Barcelona, Spain.

2000 – 2005

Future Products Mngr – EMEA
Large Format Printing Group,
Hewlett-Packard GmbH,
Boeblingen, Germany.

1995-2000

R&D Eng., Semiconductors
Testing Div., Agilent GmbH,
Boeblingen, Germany.

Marc Schuler

1968, Swiss national.

Economic and Social
Sciences, University of
Neuchâtel; Digital Business
Transformation, IMD
Lausanne; Business/
Managerial Economics
MBA, Edinburgh.

Since 2024

COO
Dixi Group, Le Locle,
Switzerland.

Since 2009

Managing Director, Dixi
Polytool SA, Le Locle,
Switzerland.

1998 – 2009

Sales and Marketing
Director, Dixi Polytool SA,
Le Locle, Switzerland.

1993 – 1998

Product Manager,
Howmedica International,
Ireland.

Other Board Memberships
in Switzerland:

President of the Association
PME and Créateurs
d'Entreprise;
Usines Métallurgiques de
Vallorbe;
Vice President of the
Member of the Swissmem
Committee;
Microcity SA, Neuchâtel;
Dixi Group, Le Locle.

Significant shareholders

Following the public tender offer announced by JBF Finance SA and the subsequent delisting of the Bobst Group SA registered shares from SIX Swiss Exchange in 2022, the main shareholder of Bobst Group SA is JBF Finance SA, Buchillon, holding 85.29% of Bobst Group SA's share capital, as at 31 December 2023 (see also page 76).

The Bobst Group shares are tradable via Swiss over-the-counter (OTC) trading platforms.

Cross-shareholdings

There are no cross-shareholdings with other companies.

2. CAPITAL STRUCTURE

Capital

The amount of the ordinary share capital is CHF 16 518 478.–.

The ordinary share capital is divided into 16 518 478 registered shares.

The share capital of Bobst Group SA is structured in registered shares of CHF 1.–.

Authorized and conditional capital/Shares and participation certificates/ Dividend-right certificates

There is no authorized and conditional capital, and there are no participation certificates, nor profit sharing certificates.

Changes in capital within the last three years

See notes to the statutory accounts, page 76.

Limitations on transferability and nominee registrations

According to Article 11 of the Articles of Association (investors.bobst.com/documents) the number of shares registered in the name of nominees shall not exceed 20% of the shares issued by the company.

Convertible bonds and warrants/options

There are no convertible bonds or warrants/options.

3. BOARD OF DIRECTORS

Members of the Board of Directors/Other activities and vested interest

This information is available on pages 10–11 under the individual CV's of the Board members.

The members of the Board are all non-executive and none of them has operational management tasks for Bobst Group SA, or for any subsidiary. None of the members of the Board has been a member of the management of Bobst Group SA, or of any subsidiary, for the last three years. None of the members of the Board has significant business connections with Bobst Group SA or any subsidiary.

Number of permitted activities pursuant to the Ordinance against Excessive Remuneration

Pursuant to Article 25 ter of the Articles of Association, each member of the Board of Directors may accept up to twenty functions in the supreme governing body of legal entities which are required to be registered in the commercial register in Switzerland or in a comparable foreign register. Among those twenty functions, up to five functions may be in legal entities listed on a stock exchange, of which no more than three functions as chairman of the board. Up to five functions in different legal entities which are subject to joint control are deemed to constitute one function.

No members of the Board of Directors exceeds the set limits for functions outside Bobst Group SA.

Elections and terms of office (see table below)

The members of the Board are elected or re-elected for periods of one year.

Members of the Board of Directors	Since	To be re-elected
Alain Guttman, Chairman	2009	2024
Thierry de Kalbermatten ²⁾ , Vice Chairman	2005	2024
Jürgen Brandt ³⁾ , ⁵⁾	2013	2024
Gian-Luca Bona ¹⁾	2015	2024
Montserrat Peidro-Insa ²⁾	2023	2024
Marc Schuler ⁴⁾	2023	2024

¹⁾ Chairman of the Remuneration and Nomination Committee.

²⁾ Member of the Remuneration and Nomination Committee.

³⁾ Chairman of the Audit Committee.

⁴⁾ Member of the Audit Committee.

⁵⁾ Independent Director.

Internal organizational structure

The Board of Directors is self-organized. The **Board** has a Chairman, a Vice Chairman, an independent Director and a Secretary.

The Board meets at least five times per year in order to deal with the items on the agenda prepared by the Chairman. In 2023, the Board met five times – four meetings of a day and a half, and one half-day meeting. The meetings were attended by all Board members.

For each meeting, Board members receive the necessary documents in advance. The Board meetings are usually held at the head office of Bobst Group SA but, occasionally, the Board convenes at the site of one of the Group companies, or at other business-related locations. While, from time to time, the Board meets with only its members present, as a rule the members of the Group Executive Committee are present and inform the Board about the activity in their respective areas of responsibility.

The General Counsel attended all the meetings and acted as Secretary.

The **Remuneration and Nomination Committee** is composed of Board members designated by the Board and assumes the functions defined in the Remuneration and Nomination Committee Charter (investors.bobst.com/documents).

The Remuneration and Nomination Committee meets at least twice a year. In 2023, its members met three times. All meetings were attended by all Committee members, the Chairman of the Board, the Chief Executive Officer and the Chief Human Resources Officer, who acted as Secretary of the Committee.

The **Audit Committee** is composed of Board members designated by the Board and assumes the functions defined in the Audit Committee Charter under investors.bobst.com/documents.

In 2023, three half-day meetings were attended by all Audit Committee members and by the Chairman of the Board, the Chief Executive Officer and the Chief Financial Officer.

The General Counsel, who acted as Secretary, and the lead external auditor attended all meetings.

Definition of areas of responsibility

Pursuant to the Organization Regulations of the company (investors.bobst.com/documents), the Board delegates the management of the company and the Group to the CEO who chairs the Group Executive Committee.

The Board retains the attributions which are expressly conferred to it by law or the Articles of Association (investors.bobst.com/documents), and the attributions which cannot be delegated pursuant to Article 716a of the Swiss Code of Obligations.

In addition, pursuant to the Organization Regulations of the Board (investors.bobst.com/documents), the Board retains certain key responsibilities, in particular: to exercise the overall management of the company and the Group and issue the necessary regulations, in accordance with the applicable Swiss laws and regulations; to determine the company's and the Group's organization, including the enactment and amendment of the regulations of the Board (including the present Organization Regulations); to organize the accounting, financial control and financial planning systems as required for the management of the company; to determine the strategy and the goals of the company and the Group, and to determine the financial strategy; to approve the annual budget of the company and the consolidated budget of the Group; to approve investments in excess of CHF 5 million if they are part of the approved budget, and in excess of CHF 1 million if they have not been included in the approved budget; to approve research and development projects, the costs of which have not been approved as part of the annual budget; to define the compensation system for the members of the Board and of the GEC; to approve the annual accounts to be brought before the Annual General Meeting for adoption, and to review off-balance sheet items on an annual basis; to propose and approve the compensation to be paid to the members of the Board and to the members of the GEC; to approve the procurement of credit (bonds, private placements, confirmed credit lines, or similar) by the company or any Affiliated company if the amount exceeds CHF 30 million or if the total of credit procurement per financial year exceeds CHF 50 million, or if such approval is a condition by the creditor; to approve the granting of guarantees or letters of comfort for amounts in excess of CHF 10 million per creditor in the aggregate other than for the procurement of credit; to supervise the execution by the GEC, led by the CEO, and any other persons entrusted with managing the company of the management duties delegated to them; to designate and revoke the members of the GEC as proposed by the CEO; to decide on requests by members of the GEC or other employees to be allowed to accept mandates with other companies, as members of their board or in similar functions; to designate and revoke the persons authorized to engage the company with their signature, with or without registering them in the competent Commercial Register; to verify the Internal Control System and the Risk Evaluation Process; to supervise the application of Corporate Governance principles in the Group; to bring any issue before the General Meeting; to create or dissolve Affiliated Companies held directly or indirectly by the company; to acquire or dispose of equity participations in other companies held directly or indirectly by the company; to determine the rules applicable to the acquisition or disposal of shares of the company; to decide on the initiation and termination of legal proceedings of fundamental importance; to supervise and update the share register; to file an application for a debt restructuring moratorium and notify the court in the event that the company is overindebted (see articles 725 et seqq. CO); and any other matter reserved to the Board by applicable law, the Articles of Association and these Organization Regulations.

The responsibilities of the Chief Executive Officer are defined in the Organization Regulations of the company (investors.bobst.com/documents).

The Group Executive Committee (GEC) consists of:

- The Chief Executive Officer (CEO);
- The Chief Financial Officer (CFO);
- The managers of the Business Units.

Its responsibilities are defined in the Organization Regulations of the company (investors.bobst.com/documents).

Information and control instruments vis-à-vis the GEC

Except for the month of January 2023, for which a lighter close process is applied, the GEC and the Board receive a monthly detailed **financial report** presenting business activity and profitability, the evolution of the key items on the balance sheet and the treasury situation. The report compares the actual figures with the budget, the forecast and prior year. In November and December, the budget and the medium-term business plan of the Group are reviewed in detail. The Group has internal control procedures which are regularly analyzed by the external auditors.

The **internal audit** function provides separate evaluations of the effectiveness and efficiency of the internal control systems at the level of the Group companies, Group functions and processes. On the basis of these evaluations, recommendations for improvement are formulated. Resources for this function are organized by project with multidisciplinary teams created in relation to the type of engagement. When needed, external resources are involved. The Head of Internal Audit establishes an annual engagement plan to determine the priorities of the internal audit activity, along with the companies to be analyzed. The plan is submitted to the Audit Committee for approval. Audit results are discussed with the management of the companies concerned, who have to define deadlines and actions for the implementation of the recommendations. The Head of Internal Audit regularly reports to the Audit Committee on performance relative to the initial audit plan, as well as any significant risk exposures and control issues.

The Board of Directors and the GEC attach great importance to the thorough handling of risks, in particular in the areas of markets, operations, finance, R&D, resources and environment, and the continuous development of the **risk management system**. The Group wide risk management is based on the COSO Enterprise Risk Management as well as the ISO9001 frameworks. It is closely aligned with the Group's strategy and business planning process. A senior member of the Group Finance Management acts as Head of Group Risk Management. The Head of Group Risk Management is supported by various Business Unit representatives and internal experts of the corporate management. The GEC discussed risk identification and categories, assessments, mitigation, organization, processes and adequate measures at the various levels of the Group. The Audit Committee of the Board of Directors dealt with the findings presented by the Head of Group Risk Management, with subsequent reporting to the Board of Directors in two separate meetings.

Risk dialogues with Group managers and Business Unit representatives serve the Group Risk Management function as an important means to identify and assess risks. In close cooperation with the respective risk owners, key risks and appropriate mitigation measures are defined. A bi-annual internal risk report, presented to the GEC and the Audit Committee of the Board of Directors (and subsequently to the Board of Directors), is used to document the risk management process and to provide risk transparency.

The handling of financial and operational risks is explained in the financial statements in the separate chapter "Risk management and capital structure".

4. GROUP EXECUTIVE COMMITTEE (GEC)

Members of senior management/Other activities and vested interest

This information is available on pages 16–17 under the individual CVs of the GEC members.

**GROUP EXECUTIVE
COMMITTEE (GEC)**

Jean-Pascal Bobst

Chief Executive Officer
since 07.05.2009.
1965, Swiss national.

Mechanical Engineer HES
(University of Applied
Sciences), INSEAD: Service
for Executive and PED
(Program for Executive
Development), Switzerland.

Since 1994 with Bobst:
various Management
positions.

1991
Schindler Berlin, Production
Eastern Europe.

Board Memberships in
Switzerland:
JBF Finance SA, Buchillon;
Foundation Aslane,
Corseaux, Chairman;
Foundation Lumière & Vie,
Epalinges.

Member of various boards
within the Bobst Group
organization.

Attilio Tissi

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

Lic. oec. HSG, University
of St. Gallen, Switzerland.

Since 2008 with Bobst,
Switzerland as Controller
Group Supply Production
and Logistics, Managing
Director Bobst SA, and CFO
ad interim from May until
October 2011.

2002 – 2007
Associate of MCC
Management Consulting &
Coaching, Schaffhausen,
Switzerland.

1998 – 2001
SIG Positec International AG,
Neuhausen, Switzerland,
successively as Head
Mergers & Acquisitions,
CFO.

1994 – 1997
Assistant to the Group
CFO at SIG Holding AG,
Neuhausen, Switzerland.

Board Memberships:
BHS Corrugated Maschinen-
und Anlagenbau GmbH,
Weiherhammer, Germany;
IVG Weiherhammer GmbH,
Weiherhammer, Germany.

Member of various boards
within the Bobst Group
organization.

Alain Berger

*Head of Business Unit
Printing & Converting*
since 01.01.2022.
1971, Swiss national.

Master degree in
Mathematics, University
of Grenoble, France.

Since 2021 with Bobst:
Head of PL DSF PCR, LLAM
and relevant production
sites.

2018 – 2020
Schaublin Machines SA,
Switzerland, as CEO.

2008 – 2017
Georg Fischer Ltd,
Switzerland, successfully
by GF Piping System as
Managing Director GF JRG
AG and by GF Machining
Solutions as Managing
Director and Head of
Technical Unit EDM.

2004 – 2007
Similor Group, Switzerland,
as Head of Supply Chain.

1997 – 2003
GF Agie Charmilles Group,
Switzerland, successively
as Head of Quality, Head
of Machines Production.

Member of various boards
within the Bobst Group
organization.

Raphaël Indermühle

*Head of Business Unit
Services & Performance*
since 01.01.2022.
1966, Swiss national.

Electrical Engineer HES
(University of Applied
Sciences), INSEAD: YMP
(Young Management
Program), IMD: PED
(Program for Executive
Development) & HPL (High
Performance Leadership).

Since 1999 with Bobst:
various Management
positions.

1994 – 1999
Microdia SA, Head of Sales
Extrusion Technology,
Switzerland.

1990 – 1994
Nokia-Maillefer, Head of
Operation Special Cable
Division, Switzerland.

Member of various boards
within the Bobst Group
organization.

Number of permitted activities pursuant to the Ordinance against Excessive Remuneration

Pursuant to Article 25 ter of the Articles of Association, each member of the GEC may accept up to three non-executive functions in the supreme governing body of legal entities which are required to be registered in the commercial register in Switzerland or in a comparable foreign register, of which no more than one function in a legal entity listed on a stock exchange, but not as chairman of the board. Up to two functions in different legal entities which are subject to joint control are deemed to constitute one function.

The following functions are exempt from the restrictions in the preceding paragraph:

- Functions in legal entities that are controlled by the company or that control the company;
- Up to ten functions in non-commercial or charitable legal entities;
- Up to five functions in legal entities not belonging to the Group that are accepted at the request or order of the company or one of the legal entities which it controls.

No members of the GEC exceeds the set limits for functions outside Bobst Group SA.

Management contracts

There are no management contracts with legal entities or individuals outside the Bobst Group.

5. REMUNERATION, SHAREHOLDINGS AND LOANS

Remuneration and Shareholding Programs

The members of the Board of Directors receive a fixed remuneration.

The members of the GEC receive a fixed remuneration and a variable remuneration. The variable remuneration can reach 200 percent of the fixed annual remuneration. The variable remuneration is paid according to the degree of achievement of individual quantitative and qualitative objectives. The objectives and the level of achievement are determined by the Board of Directors upon recommendation by the Remuneration and Nomination Committee. Up to 30 percent of the variable remuneration can be paid in the form of shares of the company. These shares are allocated definitely, but are blocked in general for three years. They are allocated at their fair market value at grant. The Board of Directors further determines the blocking conditions.

6. SHAREHOLDERS' PARTICIPATION

Voting rights restrictions and representation

Only shareholders registered with voting rights and the Independent Representative elected by the General Meeting may represent shareholders at the General Meeting of Shareholders. See Articles 18 and 23 bis of the Articles of Association (investors.bobst.com/documents).

Instructions to Independent Representative

The invitation to the Annual General Meeting of Shareholders indicates the procedure by which registered shareholders can give their voting instructions to the Independent Representative in electronic form. Shareholders may continue to provide voting instructions in writing. See Articles 21 and 23 bis of the Articles of Association (investors.bobst.com/documents).

Statutory quorums

The decisions by the General Meeting of Shareholders which require a qualified majority are mentioned in Article 22 of the Articles of Association (investors.bobst.com/documents).

Agenda

Article 17 of the Articles of Association (investors.bobst.com/documents) stipulates that requests for including items in the agenda of the General Meeting of Shareholders have to be made at least forty days prior to the date of the meeting.

Shareholders who, together or alone, hold at least 5% of the share capital or of the votes can ask for the inclusion of an item in the agenda, as well as motions relating to items on the agenda be included in the notice convening the General Meeting.

Inscriptions into the share register

The share register is closed for new registrations a few days prior to the date of the General Meeting of Shareholders.

7. AUDITORS

Duration of the mandate and term of office of the lead auditor

The auditors of Bobst Group SA are PricewaterhouseCoopers SA (PwC) which are acting as statutory auditors of the holding company Bobst Group SA, as auditors of the consolidated financial statements of Bobst Group and as auditors of the Swiss affiliated companies. For the affiliated companies abroad, functions of auditors are assumed mainly by PwC. The auditors were reappointed by the Annual General Meeting of Shareholders of Bobst Group SA of 30 March 2023. PwC's mission started with the audit of the fiscal year 2016.

The responsibility of the engagements is assumed by one head auditor. Pursuant to Article 730a of the Swiss Code of Obligations, a head auditor may be in charge of an audit for seven years at most. In 2023 a new PwC head auditor has been appointed. The previous PwC head auditor was in charge since the audit of the 2016 financial statements until 2022.

Auditing fees/Additional fees

Fees billed by PricewaterhouseCoopers (worldwide) for the audit of the individual statements of Bobst Group SA and its subsidiaries, on the one hand, and for the audit of the consolidated financial statements on the other hand, for the year 2023, amounted to CHF 1 019 774.-.

For other professional services, additional fees billed by PricewaterhouseCoopers (worldwide), for the same period, amounted to CHF 455 630.-, of which CHF 385 552.- was for tax advice and compliance, CHF 15 214.- for consulting services and CHF 54 864.- for audit related services.

Informational instruments pertaining to the external audit

In 2023, PricewaterhouseCoopers participated in each of the three Audit Committee meetings held during the year. The Reports to the Audit Committee prepared by the external auditors are the basis for discussions on the annual financial statements.

Once a year, the Audit Committee reviews the performance, independence and remuneration (based on a benchmark) of the external auditors, and submits a proposal to the Board of Directors on which auditing company should be nominated for election at the General Meeting of Shareholders.

On an annual basis, the Audit Committee also reviews the scope of external auditing, approves the audit plan, and discusses the corresponding audit results with the external auditors.

8. INFORMATION POLICY

Bobst Group SA publishes:

an *annual report* in English, together with the financial statements as at 31 December, the consolidated financial statements, source and utilization of funds, notes to the consolidated financial statements, statutory accounts with notes, auditors' reports, an *annual profile* in English (on-line only and available as from June 2024) of which a printed condensed version will be available at the Annual General Meeting, and a *half-year report* in English. All these documents are available on the website (investors.bobst.com/publications), along with a *sustainability report* in English and French (investors.bobst.com/documents). In order to meet the ever-growing expectations of stakeholders and to provide a more transparent and consistent sustainability report, Bobst Group has decided to establish its future sustainability reports as per the Global Reporting Initiative (GRI), the TCFD standards and Swiss law. Consequently, BOBST publishes a non-financial report at the same time of the annual report. As a transitional year, the content of the 2023 sustainability report will be developed and published in the course of 2024. In the future, the sustainability report including the non-financial report will be published at the same time as the annual report.

Press releases, available on the same day on the website (investors.bobst.com/publications) – traditionally one when publishing the annual report, one when publishing the half-year report, and others as the need may occur pursuant to rules on ad hoc publicity.

Conferences for financial analysts and the media: one is held on the day of the publication of the annual financial statements, another takes place in November. Presentations are available on the same day on the website (investors.bobst.com/publications).

Annual General Meeting of Shareholders.

Teleconferences for financial analysts and the media, available next day on the website (investors.bobst.com/publications): one when publishing the half-year report and the related press release, and others as the need may occur.

9. QUIET PERIODS

Two ordinary quiet periods can be introduced before the publication of the full year figures (January/February) and the half-year figures (June/July). The autumn quiet period depends on the development of key performance indicators (KPIs) and the timing of investor relations activities in November/December with the conference for analysts and journalists including an update of current year guidance. Generally, the ordinary quiet periods are fixed according to the following principles:

- Minimum duration of four weeks before the publication of the price sensitive information and/or the analysts conference;
- The starting date of the quiet period of January/February is fixed on the first trading date of January;
- Cool-off periods of two trading days following the publication of price sensitive information and/or the analysts conference to enable the market to absorb new price sensitive information following its publication.

Extraordinary quiet periods can be set for potentially price-sensitive projects or in case of internal possession of potentially price-sensitive information.

Quiet periods are applicable to the members of the Board of Directors, the GEC and the employees of the senior management of Bobst Group SA and any of its group companies, the finance community as well as, and as designated from time to time, to the service providers, consultants and agents.

Website links and contact

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P.O. Box
CH-1001 Lausanne
Switzerland
Tel. +41 21 621 21 11
www.bobst.com – to reach the site home page.

investors.bobst.com – to reach the investors' pages directly and get the press releases and ad hoc publicity (investors.bobst.com/adhocreleases), the agenda of events (investors.bobst.com/agenda), the annual and half-year reports, the teleconferences and the presentations for financial analysts and the media (investors.bobst.com/publications), the Articles of Association of Bobst Group SA (investors.bobst.com/documents), the Organization Regulations of Bobst Group SA, the Remuneration and Nomination Committee Charter and the Audit Committee Charter.

investors.bobst.com – to find or order financial information and to subscribe to our newsletter.

investors@bobst.com – to mail questions not addressed in the above documentation.

Disclosure of shareholdings

Bobst Group SA
Share Register
P.O. Box
CH-1001 Lausanne
Switzerland
E-mail: shareholders@bobst.com

FINANCIAL STATEMENTS

CONTENTS

The consolidated financial statements have been structured in order to provide users with financial information which is more understandable and better structured to explain the performance and financial position of the Group. The notes have been grouped in five sections. Each section starts with an introduction which explains the purpose and content of that section. Accounting policies and accounting judgments and estimates applied to the preparation of the consolidated financial statements are at the beginning of the note to which they relate in order to provide appropriate context.

Comments	24
Primary statements	
Consolidated profit and loss	26
Consolidated balance sheet as at 31 December	27
Consolidated cash flow statement	28
Changes in consolidated equity	29
Accounting information and policies	
Note 1 General information	30
Note 2 Accounting information and policies	30
Note 3 Alternative Performance Measures (APM)	33
Result for the year	
Note 4 Segment reporting	34
Note 5 Sales	36
Note 6 Other operating income	37
Note 7 Personnel costs	37
Note 8 Research & Development	38
Note 9 Other operating expenses	39
Note 10 Financial result	39
Note 11 Taxation	40
Operating assets and liabilities	
Note 12 Intangible fixed assets	42
Note 13 Goodwill	44
Note 14 Investments in associates	46
Note 15 Tangible fixed assets	47
Note 16 Receivables	50
Note 17 Finance lease receivables	50
Note 18 Credit risk related to client receivables and financial counterparties	51
Note 19 Inventories	52
Note 20 Provisions	52
Note 21 Employee benefits	54
Risk management and capital structure	
Note 22 Risk management	55
Note 23 Derivative financial instruments	56
Note 24 Borrowings	58
Note 25 Capital management	59
Note 26 Earnings per share	59
Note 27 Dividends	59
Other financial information	
Note 28 Changes in the scope of consolidation	60
Note 29 Commitments and contingencies	61
Note 30 Related parties	62
Note 31 Subsequent events	63
Note 32 List of the Group companies	64
Report of the Group auditors	66
Financial statements of Bobst Group SA, statutory accounts	72
Report of the statutory auditors	79

COMMENTS

ORDER ENTRIES AND BACKLOG

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

SALES

Consolidated sales for the full year 2023 increased by CHF 119 million, or 6.5%, to CHF 1.960 billion. Adjusted for currency effects and acquisitions, organic sales were up CHF 179 million, or 9.7%, in 2023.

An improvement of CHF 9 million, or 0.5%, came from a change in scope of consolidation due to the acquisitions done in 2023. The unfavorable evolution of exchange rates had a negative effect on sales of CHF 68 million, or -3.7%.

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

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

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

OPERATING RESULT (EBIT)

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

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

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

COMMENTS

NET RESULT

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

BALANCE SHEET

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

The return on capital employed (ROCE) decreased to 24.9% in the reporting year and remains above the Group's target level of minimum 20%. The reduction compared to the 28.7% all-time high reached in 2022 is mainly due to the increase in net working capital. The equity ratio decreased from 28.9% in the previous year to 25.7% in 2023. The reduction of the ratio is mainly due to the distribution of ordinary and extraordinary dividend in the reporting year.

DIVIDEND PROPOSAL

The Group's dividend policy recommends a payout of at least 50% of the net consolidated profit after tax. The Board of Directors recommends to the Annual General Meeting of Shareholders to pay in 2024 a dividend of CHF 5 per share (CHF 5 regular dividend, plus an extraordinary dividend of CHF 5 per share paid in 2023).

CONSOLIDATED PROFIT AND LOSS

In million CHF	Notes	Jan-Dec 2023	Jan-Dec 2022
Sales	05	1 960.3	1 840.9
Other operating income	06	22.0	19.7
Material costs and subcontractors		(954.9)	(838.8)
Changes in inventories		62.4	7.5
Personnel costs	07	(539.8)	(518.8)
Depreciation and amortization	12, 15	(41.7)	(41.1)
Other operating expenses	09	(361.1)	(328.1)
Operating result (EBIT)		147.2	141.3
Share of net result in associates	14	6.1	5.1
Interest expenses	10	(6.0)	(4.1)
Other financial income	10	22.3	14.9
Other financial expenses	10	(8.1)	(10.8)
Result before income tax		161.5	146.4
Income tax	11	(42.2)	(31.1)
Net result		119.3	115.3
Attributable:			
To shareholders		118.7	114.3
To non-controlling interest		0.6	1.0
Earnings per registered share (in CHF)	26	7.19	6.92
Diluted earnings per registered share (in CHF)	26	7.19	6.92

The accompanying notes form an integral part of the consolidated financial statements.

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER

In million CHF	Notes	31 Dec 2023	31 Dec 2022
Intangible fixed assets	12	41.0	48.7
Tangible fixed assets	15	235.9	242.2
Financial assets other		40.4	48.1
Investments in associates	14	62.9	61.2
Employer contribution reserves	21	25.7	25.7
Receivables	16	15.3	5.0
Finance lease receivables	17	8.6	4.1
Prepaid expenses and accrued income		1.5	1.6
Derivative financial instrument	23	2.3	1.3
Deferred tax assets	11	29.8	31.5
Non-current assets		463.4	469.4
Inventories	19	580.9	534.2
Receivables	16	413.3	453.2
Finance lease receivables	17	4.3	7.1
Income tax receivables		8.1	12.6
Prepaid expenses and accrued income		27.3	21.1
Derivative financial instruments	23	19.1	19.0
Cash and cash equivalents		252.4	410.5
Current assets		1 305.4	1 457.7
Total assets		1 768.8	1 927.1
Share capital		16.5	16.5
Reserves		317.7	419.1
Net result		118.7	114.3
Shareholders' equity		452.9	549.9
Non-controlling interest		1.7	6.9
Equity		454.6	556.8
Borrowings	24	201.2	336.9
Provisions	20	2.2	2.4
Employee benefits	21	15.2	16.2
Trade and other payables		40.7	48.6
Deferred tax liabilities	11	34.1	33.4
Derivative financial instruments	23	0.0	0.3
Non-current liabilities		293.4	437.8
Borrowings	24	185.0	6.6
Provisions	20	56.2	45.7
Employee benefits	21	2.6	2.5
Trade and other payables		556.8	690.0
Accrued expenses and deferred income		206.3	174.5
Income tax payables		12.8	5.8
Derivative financial instruments	23	1.1	7.4
Current liabilities		1 020.8	932.5
Total liabilities and equity		1 768.8	1 927.1

The accompanying notes form an integral part of the consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

In million CHF	Notes	2023	2022
Net result		119.3	115.3
Elimination of net result in associates		(6.1)	(5.1)
Elimination of income taxes		42.2	31.1
Elimination of depreciation/amortization on fixed assets		41.7	41.1
Elimination of changes in provisions		12.0	(0.1)
Elimination of changes in employee benefits		(0.1)	(3.3)
Elimination of the result on disposal of assets		3.1	1.0
Elimination of interest expenses/(income)		2.1	1.6
Elimination of derivative financial instruments results		(7.6)	(4.9)
Changes in inventories		(69.8)	(75.8)
Changes in receivables		0.6	(119.0)
Changes in payables		(64.7)	150.6
Paid taxes		(27.9)	(39.7)
Cash flow from (used in) operating activities	Total A	44.8	92.8
Acquisition of business activities		(6.0)	0.0
Purchase of intangible fixed assets		(11.1)	(17.5)
Purchase of tangible fixed assets		(26.9)	(23.8)
Purchase of financial assets		(1.3)	(2.2)
Loans and advances made		(0.9)	(9.4)
Proceeds from sale of tangible fixed assets		0.4	7.2
Proceeds from sale of financial assets		0.0	0.1
Loan repayments and advances received		2.9	0.4
Interest received		3.9	2.4
Dividends received		0.6	0.6
Cash flow from (used in) investing activities	Total B	(38.4)	(42.2)
Purchase of non-controlling interest		(16.6)	(3.4)
Purchase of own shares		0.0	0.0
Proceeds from borrowings		45.8	8.3
Repayments of borrowings		(3.1)	(5.4)
Repayments of borrowings to non-controlling interest		0.0	0.0
Interest paid		(6.0)	(4.1)
Dividends paid to Group shareholders		(165.2)	(132.1)
Dividends paid to non-controlling interest		(0.8)	(1.2)
Cash flow from (used in) financing activities	Total C	(145.9)	(137.9)
Effects of exchange variances	Total D	(18.6)	2.9
Change in cash and cash equivalents	A+B+C+D	(158.1)	(84.4)
Cash and cash equivalents at beginning of period		410.5	494.9
Cash and cash equivalents at end of period		252.4	410.5
Variance		(158.1)	(84.4)

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.

The accompanying notes form an integral part of the consolidated financial statements.

CHANGES IN CONSOLIDATED EQUITY

In million CHF	Share capital	Own share	Hedge reserve	Translation reserve	Other reserves	Goodwill offset	Retained earnings	Total shareholders' equity	Non-controlling interest	Total equity
Balance at 1 January 2022	16.5	0.0	7.5	(65.1)	(0.3)	(173.2)	802.9	588.3	7.1	595.4
Result for the period							114.3	114.3	1.0	115.3
Currency translation differences				(19.1)				(19.1)	(0.3)	(19.4)
Net gain/(loss) on cash flow hedges reclassified to profit and loss during the year			(8.5)					(8.5)		(8.5)
Net gain/(loss) on cash flow hedges during the year			13.1					13.1		13.1
Income tax			(1.0)		(1.0)			(2.0)		(2.0)
Goodwill on acquisition										
Non-controlling interests acquisition							(3.4)	(3.4)	0.3	(3.1)
Share-based payments					(0.7)			(0.7)		(0.7)
Changes in own shares										
Dividends							(132.1)	(132.1)	(1.2)	(133.3)
Balance at 31 December 2022	16.5	0.0	11.1	(84.2)	(2.0)	(173.2)	781.7	549.9	6.9	556.8
Balance at 1 January 2023	16.5	0.0	11.1	(84.2)	(2.0)	(173.2)	781.7	549.9	6.9	556.8
Result for the period							118.7	118.7	0.6	119.3
Currency translation differences				(32.3)				(32.3)	(0.4)	(32.7)
Net gain/(loss) on cash flow hedges reclassified to profit and loss during the year			(13.1)					(13.1)		(13.1)
Net gain/(loss) on cash flow hedges during the year			12.6					12.6		12.6
Income tax			0.4		(0.1)			0.3		0.3
Goodwill on acquisition						(6.8)		(6.8)	0.7	(6.1)
Non-controlling interests acquisition							(11.2)	(11.2)	(5.3)	(16.5)
Dividends							(165.2)	(165.2)	(0.8)	(166.0)
Balance at 31 December 2023	16.5	0.0	11.0	(116.5)	(2.1)	(180.0)	724.0	452.9	1.7	454.6

Retained earnings include non-distributable, statutory or legal reserves, amounting to CHF 7.2 million (2022: CHF 7.2 million). As of 31 December 2023, the Group does not have any own shares (2022: 8 own shares).

The accompanying notes form an integral part of the consolidated financial statements.

ACCOUNTING INFORMATION AND POLICIES

This section describes the basis of preparation of the consolidated financial statements and the Group's accounting policies that are applicable to the financial statements as a whole. Accounting policies, critical accounting estimates and judgements that are specific to a note are included in the note to which they relate. This section also explains new accounting principles that the Group has adopted in the current financial year. The notes on pages 32 to 66 are an integral part of these consolidated financial statements.

NOTE 1

GENERAL INFORMATION

Bobst Group SA, a company incorporated in Switzerland and having its main offices at 3, Route de Faraz, in Mex, Switzerland, is the holding company of the Bobst Group, one of the world's leading suppliers of equipment and services to packaging and label manufacturers in the folding carton, corrugated board and flexible materials industries.

NOTE 2

ACCOUNTING INFORMATION AND POLICIES

Basis of preparation

The consolidated financial statements have been prepared in accordance with the entire existing accounting principles of Swiss GAAP FER (Generally Accepted Accounting Principles FER) and are based upon the financial statements of the Group companies as at 31 December which are prepared using uniform classification and accounting policies.

The consolidated financial statements have been prepared in accordance with the historical acquisition costs principle with the exception of securities and derivative financial instruments which are measured at fair value.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of Bobst Group SA and its subsidiaries (the Group).

The subsidiaries are those companies controlled, directly or indirectly, by Bobst Group SA. The control is effective when Bobst Group SA is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary to direct the relevant activities.

Group companies are consolidated from the date on which control is transferred to the Group, while subsidiaries intended for disposal are excluded from the consolidation from the date on which control ceases.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by the Group.

All intra-Group transactions, balances, income and expenses (including dividends) are eliminated during the consolidation.

ACCOUNTING INFORMATION AND POLICIES

Companies acquired over the course of the year are revalued and consolidated in accordance with Group principles upon the date of control. The difference between the acquisition costs and the proportional revalued net assets is referred to as goodwill. Within the scope of acquisitions, potentially existing but until now not capitalized intangible assets such as brand names, distribution channels and technologies are not recognized separately but instead remain part of goodwill.

Goodwill may also arise from investments in associated companies and is defined as the difference between the acquisition costs of the investment and its proportional revalued net assets. The goodwill resulting from acquisitions is offset directly in Group equity. The Note 13 discloses the effects that a theoretical capitalization and amortization of the acquired goodwill would have.

In the event that shares of Group or associated companies are sold, the difference between the proceeds from the sale and the proportional book value of the net assets, including historical goodwill, is recognized as a gain or loss in the profit and loss statement.

Companies over which the Group has the power to exercise significant influence, generally accompanying a shareholding of between 20% and 50% of the voting rights, are classified as associates and accounted for using the equity method.

Non-controlling interests are presented separately in the consolidated balance sheet and the consolidated income statement, as a component of consolidated equity and consolidated net result.

Scope of consolidation

The changes in the scope of consolidation with respect to the prior year are shown in Note 28. The consolidated companies are listed on Note 32. The closing date of the companies is 31 December.

Foreign currencies

Translation in the financial statements of the Group companies

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Swiss Francs, which is the functional currency of Bobst Group SA and the presentation currency for the consolidated financial statements. Foreign exchange gains or losses from the conversion of intercompany loans of an equity nature are recognized in equity without affecting the income statement.

ACCOUNTING INFORMATION AND POLICIES

Translation of individual financial statements to be consolidated

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, all items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Exchange differences arising from the settlement of monetary items, and from the retranslation of monetary items, are included in profit and loss for the period, except when deferred in equity as qualifying cash flow hedges.

In order to hedge its exposure to certain foreign exchange risks, the Group enters into forward contracts and options (see Note 22 for details of the Group's accounting policies in respect of such derivative financial instruments).

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign currency operations (including comparatives) are translated into Swiss Francs using exchange rates prevailing on the balance sheet date. Income, expense and cash flow items (including comparatives) are translated at the average exchange rates for the period. The exchange differences arising on translation for consolidation are recognized in equity.

The principal foreign exchange rates used in the translation of financial statements for the two years ended 31 December 2023 and 2022 were as follows:

		Balance sheet		Profit & loss statement	
		2023	2022	2023	2022
Main exchange rates					
Euro zone	1 EUR	0.93	0.99	0.97	1.00
USA	1 USD	0.84	0.93	0.89	0.96
United Kingdom	1 GBP	1.07	1.11	1.12	1.18
China	1 CNY	0.12	0.13	0.13	0.14

Significant accounting judgements and estimates

The preparation of consolidated financial statements in accordance with Swiss GAAP FER requires the use of certain assumptions and estimates that influence the figures presented in this report. They are based on analyses and judgements which are continuously reviewed and adapted if necessary.

ACCOUNTING INFORMATION AND POLICIES

NOTE 3

ALTERNATIVE PERFORMANCE MEASURES (APM)

Bobst Group uses certain key figures to measure its performance that are not defined by Swiss GAAP FER. Management believes that these non-Swiss GAAP FER performance measures provide useful information regarding the Group's financial and operating performance.

As these measures are not defined by Swiss GAAP FER, the calculation may differ from similar figures presented by other companies. The APM used by Bobst Group are explained as follows:

Net cash/Net debt

Net cash/Net debt is our financial liquidity metric that measures our company's ability to pay all its debts if they were due today. This ratio describes the cash and cash equivalents minus the borrowings. A positive amount indicates net cash while a negative amount means net debt.

Capital expenditure (CAPEX)

CAPEX corresponds to the addition of the cash outflows relating to the purchase of intangible fixed assets and the purchase of tangible fixed assets.

Return on capital employed (ROCE)

ROCE is a profitability ratio that measures how efficiently Bobst Group can generate profits from its capital employed by comparing operating result to capital employed.

Net working capital (NWC)

The NWC is the receivables accounts and the inventories minus the payables accounts. It is a measure of a company's liquidity and its ability to meet short-term obligations, as well as fund operations of the business.

The detailed calculation of the APM key figures can be found on the Bobst Group website.

RESULTS FOR THE YEAR

This section explains the results and performance of the Group for the two financial years 2022 and 2023. Disclosures are provided for segment reporting, operating expenses and income, financial expenses and income and taxation. For taxation, balance sheet disclosures are also provided in this section. The disclosures for the Group's share of net result in associates are provided in the operating assets and liabilities section.

NOTE 4 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the Group Executive Committee (GEC). The GEC is responsible for allocating resources and assessing performance of the operating segment.

The GEC is identified as chief operating decision-maker and reviews the Group's internal reporting in order to assess performance and allocate resources.

Internal reporting is based on the same accounting principles as the ones used to establish these financial statements and segment performance is assessed based on the operating result (EBIT).

Group financing (including finance costs and financial income) and income taxes are managed on a Group basis and are not allocated to operating segments.

The reportable segments of the Group are as follows:

- BU Printing & Converting combines products for the folding carton, corrugated board, flexible materials and label industries.
- BU Services & Performance with a worldwide network of service centers, provides spare parts and services to customers in the packaging industries and offers a full range of solutions allowing them to get the most from their equipment.
- The segment "Other" includes secondary activities which are not significant for the Group.

RESULTS FOR THE YEAR

NOTE 4 (CONTINUED) SEGMENT REPORTING

No operating segments were aggregated to form the reportable segments.

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

In million CHF	2023	2022
Revenue		
Printing & Converting third party sales	1 316.0	1 219.1
Printing & Converting inter-segment	38.7	37.3
Printing & Converting total revenue	1 354.7	1 256.4
Services & Performance third party sales	644.2	621.8
Other third party sales	0.1	0.0
Eliminations inter-segment	(38.7)	(37.3)
Total third party sales	1 960.3	1 840.9

In million CHF	Printing & Converting		Services & Performance		Other		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Results								
Total segment operating result (EBIT)	42.2	47.3	107.8	96.6	(2.8)	(2.6)	147.2	141.3
Share of result of associates	6.1	5.1					6.1	5.1
Financial result							8.2	0.0
Result before income tax							161.5	146.4

GEOGRAPHIC INFORMATION

In million CHF	2023		2022	
Revenue from external sales				
Europe	938.1	47.9%	875.8	47.6%
Americas	609.7	31.1%	594.3	32.3%
Asia & Oceania	341.2	17.4%	327.3	17.8%
Africa	71.3	3.6%	43.5	2.3%
Total	1 960.3	100.0%	1 840.9	100.0%

Revenues are allocated to countries on the basis of the client's location.

RESULTS FOR THE YEAR

NOTE 5 SALES

Accounting policies

Revenue from the sale of goods and services is measured at the fair value of the consideration received or receivable, net of returns, trade discounts, rebates and other sales taxes or duty.

The Group recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities as described below.

Sale of goods – machines. Revenue from the sale of machines is recognized when the significant risks and rewards have been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuing management involvement with the machines and the amount of revenue can be measured reliably.

Sale of goods – spare parts. Spare parts revenue is mainly recognized upon shipment representing the time of transfer of significant risks and rewards.

Sale from services. Revenue from services rendered include various services, such as maintenance contracts, reactive services and upgrades. Sales of services are recognized as revenue in the accounting period in which the services are rendered, which means that they are allocated over the contractual period.

If a machine sale includes subsequent delivery of parts and/or service, the corresponding amount is deferred and recognized as revenue when the recognition criteria are met for the corresponding category.

Business segment information is stated in Note 4.

In million CHF

	2023	2022
Distribution by business activity		
Machines	1 335.0	1 223.5
Spare parts and services	625.3	617.4
Total third party sales	1 960.3	1 840.9

RESULTS FOR THE YEAR

NOTE 6 OTHER OPERATING INCOME

In million CHF	2023	2022
Gain on sales of assets	0.1	0.1
Government grants	2.5	0.0
Transfer of operating charges	5.2	5.3
Commissions on sales	0.7	0.8
Income from leased machines	0.2	0.2
Insurance reimbursement	4.9	0.0
Other operating income	8.4	13.3
Total	22.0	19.7

Flooding event in Italy

On November 2nd, 2023, the group suffered a major flood in the manufacturing site nearby Firenze, which damaged its assets and inventory. The Group has an insurance policy that covers flooding risk and on December 28, 2023 received an upfront payment of CHF 4.9 million from the insurance company, recognized in the Group accounts as Other Operating Income. The evaluation of the damages and the negotiations with the insurance company are still ongoing, and the final settlement amount and its timing are uncertain, but the Group expects to recognize additional Other operating income in 2024. The impact on Inventory is further described in Note 19.

Cyberattack

In April 2023 the Group incurred a cyberattack. Negotiations with the insurance company are still in progress, and given the incertitude around the amount and timing of the settlement, the Group decided not to recognize any amount in Other Operating Income in 2023, even though it expects to receive insurance payments in 2024.

NOTE 7 PERSONNEL COSTS

In million CHF	2023	2022
Wages and salaries	422.6	411.2
Social expenses and other personnel expenses	117.2	107.6
Total	539.8	518.8

RESULTS FOR THE YEAR

NOTE 8 RESEARCH & DEVELOPMENT

Accounting policies

Internal research costs are costs incurred to gain new technical knowledge and understanding. These costs are charged directly to profit and loss.

Internal development costs are incurred for the application of research findings to plan and develop new products for commercial production. These costs would qualify for capitalization as intangible assets only if the Group can demonstrate all of the following criteria:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- Its intention to complete and its ability to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset;
- The ability to measure reliably the expenditure during development.

The development projects undertaken by the Group are subject to technical and other uncertainties such that, in the opinion of the management, the criteria for capitalization are not met unless prior products have been successfully launched in the market. Internal development costs that do not meet the criteria for capitalization as intangible asset are charged to profit and loss.

CHF 94.3 million was spent on Research & Development (CHF 85.8 million in 2022). These costs were not capitalized in 2023 and 2022. Both business segments have focused their efforts on the improvement of existing models, on the development of new products, as well as on research for the standardization of the components of manufactured products of the Group.

RESULTS FOR THE YEAR

NOTE 9 OTHER OPERATING EXPENSES

In million CHF	2023	2022
Rent, Maintenance, Energy	73.0	64.7
Marketing, Communication, Travel	68.9	59.3
External staff	34.1	31.3
Transport, Customs, Insurance	76.1	75.0
Administration and other costs	96.6	88.8
Taxes on capital and other taxes	7.3	6.7
Non recurrent charges	2.6	1.0
Other	2.5	1.3
Total	361.1	328.1

The non-recurrent charges include disposals and the write-off of fixed assets which were no longer used.

NOTE 10 FINANCIAL RESULT

Accounting policies

Interest income is accrued on a time basis, by reference to the principal outstanding.

In million CHF	2023	2022
Interest expenses	(6.0)	(4.1)
Interest income	4.0	2.4
Gains on derivative financial instruments	13.5	6.4
Exchange rate gains	3.7	4.7
Other financial income	1.1	1.4
Total other financial income	22.3	14.9
Exchange rate losses	0.0	0.0
Losses on derivative financial instruments	(2.3)	(6.9)
Other financial expenses	(5.8)	(3.9)
Total other financial expenses	(8.1)	(10.8)

RESULTS FOR THE YEAR

NOTE 11 TAXATION

Income tax

Accounting policies

The tax expense for the period comprises current and deferred tax. Tax is recognized in the profit and loss statement, except to the extent that it relates to items recognized directly in equity. In this case, the tax is also recognized directly in equity.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates prevailing at the balance sheet date.

Accounting judgements and estimates

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expenses already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences in interpretations may arise for a wide variety of issues depending on the conditions prevailing in the respective domicile of the Group companies.

In million CHF	2023	2022
Result before income tax (including result of associates)	161.5	146.4
Result of associates	(6.1)	(5.1)
Result before income tax (excluding result of associates)	155.4	141.3
Weighted average tax rate	17.8%	20.8%
Tax calculated at applicable tax rate	27.8	29.4
Current income taxes	39.1	27.1
Deferred income taxes	3.1	4.0
Income taxes	42.2	31.1
Difference between applicable and effective income taxes	14.4	1.7
The above difference for each year can be reconciled as follows:		
Tax effect of utilization of tax losses not previously recognized	(2.0)	(1.2)
Deferred tax asset recognized on prior year losses	(4.2)	0.0
Tax loss for which no deferred tax asset was recognized during the year	10.1	2.8
Deferred tax reversal recognized in prior years	7.3	0.0
Non taxable income	(1.1)	(0.7)
Non deductible expenses	1.7	2.7
Withholding taxes on dividend	0.3	1.5
Deductible statutory expenses	0.0	(2.5)
Other effects	2.3	(0.9)
Difference between applicable and effective income taxes	14.4	1.7

RESULTS FOR THE YEAR

NOTE 11 (CONTINUED)

TAXATION

The weighted average income tax rate based on rates prevailing in the different jurisdictions reached 17.8% in 2023 (20.8% in 2022). The decrease of the applicable weighted average tax rate was caused by a favorable change in the profitability mix of the Group's subsidiaries in the different countries in 2023.

Deferred tax

Accounting policies

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available, against which deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences arising from investments in subsidiaries and associates, as well as from interests in joint ventures, except where the Group is able to control the reversal of the temporary difference, and where it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority, within the same taxable entity, and when the Group intends to settle its current tax assets and liabilities on a net basis.

Accounting judgements and estimates

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax asset that can be recognized, based upon the likely timing and level of future taxable profits together with future tax strategies.

On the balance sheet date, the Group has unrecognized tax losses carryforwards of CHF 188.2 million (2022: CHF 169.6 million) available to offset against future profits, for which no deferred tax is recognized. The potential tax relief effect amounts to CHF 60.6 million (2022: CHF 54.1 million).

As of 31 December 2023, tax loss carryforwards of CHF 18.3 million (2022: CHF 32.9 million) were capitalized, resulting in a deferred tax asset of CHF 5.5 million (2022: CHF 10.5 million).

No material additional tax liabilities due to dividend payments from subsidiaries and associates are expected.

OPERATING ASSETS AND LIABILITIES

This section describes the assets used to generate the Group's performance and the liabilities incurred. Liabilities relating to the Group's financing activities are included in section 'Risk management and capital structure' and balance sheet information in respect of taxation are covered in section 'Results for the year'. This section also provides detailed disclosures on the Group's employee benefits.

NOTE 12 INTANGIBLE FIXED ASSETS

Accounting policies

Brands and Patents. Brands and patents are measured initially at purchase cost and are amortized on a straight-line basis over the shorter of their contractual or useful economic lives (10–20 years).

Computer Software. Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and put into service the specific software. These costs are amortized on a straight-line basis over their estimated useful life (3–7 years).

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Intangible assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

In million CHF	Brands and Patents	Software	Other	In progress	Total
Gross value					
At the beginning of the year 2023	23.2	163.5	6.3	12.8	205.8
Additions	0.0	3.8	0.0	7.3	11.1
Disposals and decreases	0.0	(0.7)	0.0	(0.5)	(1.2)
Change in the scope of consolidation	0.1	0.1	0.0	0.0	0.2
Currency variances	(0.6)	(0.8)	(0.7)	0.0	(2.1)
Transfers	0.0	9.3	0.0	(10.7)	(1.4)
At year-end 2023	22.7	175.2	5.6	8.9	212.4
Accumulated amortization					
At the beginning of the year 2023	(22.5)	(132.6)	(2.0)	0.0	(157.1)
Amortization	(0.2)	(15.6)	(0.2)	0.0	(16.0)
Impairment	0.0	0.0	0.0	0.0	0.0
Disposals and decreases	0.0	0.3	0.0	0.0	0.3
Change in the scope of consolidation	0.0	0.0	0.0	0.0	0.0
Currency variances	0.5	0.7	0.2	0.0	1.4
Transfers	0.0	0.0	0.0	0.0	0.0
At year-end 2023	(22.2)	(147.2)	(2.0)	0.0	(171.4)
Net value at year-end 2023	0.5	28.0	3.6	8.9	41.0

OPERATING ASSETS AND LIABILITIES

NOTE 12 (CONTINUED)

INTANGIBLE FIXED ASSETS

In million CHF	Brands and Patents	Software	Other	In progress	Total
Gross value					
At the beginning of the year 2022	23.7	156.4	6.4	8.4	194.9
Additions	0.0	6.2	0.3	11.0	17.5
Disposals and decreases	0.0	(6.3)	0.0	0.0	(6.3)
Change in the scope of consolidation	0.0	0.0	0.0	0.0	0.0
Currency variances	(0.5)	(0.6)	(0.4)	0.0	(1.5)
Transfers	0.0	7.8	0.0	(6.6)	1.2
At year-end 2022	23.2	163.5	6.3	12.8	205.8
Accumulated amortization					
At the beginning of the year 2022	(22.7)	(125.7)	(2.0)	0.0	(150.4)
Amortization	(0.2)	(13.6)	(0.2)	0.0	(14.0)
Impairment	0.0	0.0	0.0	0.0	0.0
Disposals and decreases	0.0	6.2	0.1	0.0	6.3
Change in the scope of consolidation	0.0	0.0	0.0	0.0	0.0
Currency variances	0.4	0.5	0.1	0.0	1.0
Transfers	0.0	0.0	0.0	0.0	0.0
At year-end 2022	(22.5)	(132.6)	(2.0)	0.0	(157.1)
Net value at year-end 2022	0.7	30.9	4.3	12.8	48.7

OPERATING ASSETS AND LIABILITIES

NOTE 13 GOODWILL

Goodwill is fully offset against equity at the time of purchase of a subsidiary or an investment in an associated company. Goodwill is theoretically amortized on a straight-line basis over five years. The carrying amounts of goodwill existing on conversion from IFRS to Swiss GAAP FER at 1 January 2015 have been included in the theoretical movement schedule below using the closing rates prevailing at 1 January 2015. Goodwill from new acquisitions is converted into Swiss Francs using the rate as at acquisition date. With this procedure no exchange differences result in the movement schedule.

The impact of the theoretical capitalization and amortization of goodwill is disclosed below:

In million CHF	2023			2022		
	Goodwill Group companies	Goodwill associated companies	Total	Goodwill Group companies	Goodwill associated companies	Total
Cost						
As of 1 January	140.8	32.4	173.2	140.8	32.4	173.2
Additions	6.7	0.0	6.7	0.0	0.0	0.0
Disposals	0.0	0.0	0.0	0.0	0.0	0.0
As of 31 December	147.5	32.4	179.9	140.8	32.4	173.2
Accumulated amortization						
As of 1 January	(126.7)	(32.4)	(159.1)	(121.3)	(32.4)	(153.7)
Amortization	(5.6)	0.0	(5.6)	(5.4)	0.0	(5.4)
Disposals	0.0	0.0	0.0	0.0	0.0	0.0
As of 31 December	(132.3)	(32.4)	(164.7)	(126.7)	(32.4)	(159.1)
Theoretical net book value at year-end	15.2	0.0	15.2	14.1	0.0	14.1

Addition 2023 of 6.7 million is mainly related to the following acquisitions of:

- 51% of Bobst Korea CO, Ltd. Yangsan-si, South Korea;
- 70% of Dücker Robotics Srl, renamed into Bobst Novara Srl, Momo, Italy;

OPERATING ASSETS AND LIABILITIES

NOTE 13 (CONTINUED) GOODWILL

In million CHF	2023	2022
Theoretical impact on equity		
Equity per balance sheet	454.6	556.8
Theoretical capitalization of net book value of goodwill	15.2	14.1
Theoretical equity including net book value of goodwill	469.8	570.9
Theoretical impact on equity		
Net result per profit and loss statement	119.3	115.3
Theoretical amortization of goodwill	(5.6)	(5.4)
Theoretical net result after goodwill amortization	113.7	109.9

OPERATING ASSETS AND LIABILITIES

NOTE 14 INVESTMENTS IN ASSOCIATES

Accounting policies

An associate is an entity over which the Group has significant influence.

Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The results, assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting.

Under the equity method, investments in associates are carried in the consolidated balance sheet at cost, as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments.

If an associate is over-indebted and the Group's interest is reduced to zero, additional losses are accounted for only to the extent that the Group has a legal or constructive obligation.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate, recognized at the date of acquisition, is recognized as goodwill. The goodwill is offset directly in Group equity.

Where a Group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

In million CHF

	2023	2022
Changes over the period are the following:		
Beginning of the year	61.2	59.4
Share of net result of associates	6.1	5.1
Dividends received	(0.6)	(0.6)
Exchange differences	(3.8)	(2.7)
Total	62.9	61.2

There are no unrecognized losses on investments in associates.

OPERATING ASSETS AND LIABILITIES

NOTE 15 TANGIBLE FIXED ASSETS

Accounting policies

Land is booked at purchase cost and is not depreciated.

The other tangible fixed assets are booked at purchase or manufacturing costs less accumulated depreciation and accumulated impairment. Depreciation on other tangible fixed assets is calculated using the straight-line method as follows:

Building	10–30 years
Technical installation, industrial equipment	7–20 years
Machines leased to customers	According to their useful life
IT equipment	4 years
Other	5–7 years
In progress	Not depreciated

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the profit and loss statement.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor. Bobst Group companies may act as direct lessor to customers. Leases where the Group transfers substantially all risks and benefits of ownership of the leased machine are disclosed as finance lease receivables. Amounts due from lessees under finance leases are recorded as finance lease receivables at the amount of the Group's net present value for expected lease payments. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Leases where the Group does not transfer substantially all risks and benefits of ownership of the asset are classified as operating leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Tangible assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

OPERATING ASSETS AND LIABILITIES

NOTE 15 (CONTINUED)

TANGIBLE FIXED ASSETS

In million CHF	Land and buildings	Technical instal., industrial equipment	Machines leased to customers	IT equipment	Other	In progress	Total
Gross value							
At the beginning of the year 2023	515.3	149.4	0.8	36.7	25.4	5.0	732.6
Additions	5.2	3.3	0.0	2.1	4.1	12.3	27.0
Disposals and decreases	(1.7)	(1.3)	0.0	(1.7)	(0.9)	0.0	(5.6)
Change in the scope of consolidation	3.0	0.3	0.0	0.0	0.2	0.0	3.5
Reclassified as held for sale	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Currency variances	(11.7)	(4.2)	(0.1)	(1.1)	(1.1)	(0.3)	(18.5)
Transfers	4.1	(0.3)	0.0	(0.2)	1.2	(3.9)	0.9
At year-end 2023	514.2	147.2	0.7	35.8	28.9	13.1	739.9
Accumulated depreciation							
At the beginning of the year 2023	(327.4)	(113.1)	(0.6)	(30.4)	(18.9)	0.0	(490.4)
Depreciation	(12.6)	(5.6)	(0.2)	(2.7)	(2.4)	0.0	(25.6)
Impairment	0.0	0.0	0.0	0.0	(2.1)	0.0	0.0
Disposals and decreases	0.5	0.8	0.0	1.3	0.4	0.0	3.0
Change in the scope of consolidation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reclassified as held for sale	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Currency variances	4.6	2.4	0.1	0.8	0.8	0.0	8.7
Transfers	(2.3)	1.7	0.0	1.5	(0.6)	0.0	0.3
At year-end 2023	(337.2)	(113.8)	(0.7)	(29.5)	(22.8)	0.0	(504.0)
Net value at year-end 2023	177.0	33.4	0.0	6.3	6.1	13.1	235.9

There were no borrowing costs capitalized during the years ended 31 December 2022 and 2023.

OPERATING ASSETS AND LIABILITIES

NOTE 15 (CONTINUED) TANGIBLE FIXED ASSETS

In million CHF	Land and buildings	Technical instal., industrial equipment	Machines leased to customers	IT equipment	Other	In progress	Total
Gross value							
At the beginning of the year 2022	509.5	146.4	0.8	37.0	28.4	7.0	729.1
Additions	8.3	5.9	0.0	2.0	2.2	5.2	23.6
Disposals and decreases	(0.2)	(3.9)	0.0	(1.0)	(0.5)	0.0	(5.6)
Change in the scope of consolidation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reclassified as held for sale	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Currency variances	(8.5)	(3.1)	0.0	(0.7)	(0.8)	(0.2)	(13.3)
Transfers	6.2	4.1	0.0	(0.6)	(3.9)	(7.0)	(1.2)
At year-end 2022	515.3	149.4	0.8	36.7	25.4	5.0	732.6
Accumulated depreciation							
At the beginning of the year 2022	(315.1)	(110.5)	(0.5)	(28.9)	(18.8)	0.0	(473.8)
Depreciation	(14.7)	(6.9)	(0.1)	(3.0)	(2.4)	0.0	(27.1)
Impairment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Disposals and decreases	0.2	2.9	0.0	0.8	0.5	0.0	4.4
Change in the scope of consolidation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reclassified as held for sale	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Currency variances	3.2	1.7	0.0	0.6	0.5	0.0	6.0
Transfers	(1.0)	(0.3)	0.0	0.1	1.3	0.0	0.1
At year-end 2022	(327.4)	(113.1)	(0.6)	(30.4)	(18.9)	0.0	(490.4)
Net value at year-end 2022	187.9	36.3	0.2	6.3	6.5	5.0	242.2

There are no significant tangible fixed assets financed with leases.

OPERATING ASSETS AND LIABILITIES

NOTE 16 RECEIVABLES

In million CHF	2023			2022		
	Current	Non-current	Total	Current	Non-current	Total
Trade receivables from third parties	374.9	12.9	387.8	378.0	2.5	380.5
Receivables from the sale of fixed assets	0.0	0.0	0.0	0.0	0.0	0.0
Other receivables from third parties	52.9	2.8	55.7	89.4	2.9	92.3
Total gross	427.8	15.7	443.5	467.4	5.4	472.8
Less provision for impairment	(14.5)	(0.4)	(14.9)	(14.2)	(0.4)	(14.5)
Total net	413.3	15.3	428.6	453.2	5.0	458.3

NOTE 17 FINANCE LEASE RECEIVABLES

In million CHF	2023	2022
Maturity within one year	4.8	7.7
Maturity between one to five years	9.2	4.5
Maturity after five years	0.0	0.0
Total	14.0	12.2
Less unearned finance income	(1.1)	(1.0)
Total	12.9	11.2
Analyzed as		
Recoverable within one year	4.3	7.1
Recoverable between one and five years	8.6	4.1
Recoverable after five years	0.0	0.0
Total	12.9	11.2

The Group enters into finance lease arrangements with clients for the machines sold.

The weighted average term of finance lease contracts is 3.5 years (2022: 4.3 years). The average interest rate of all the lease contracts is approximately 4.0% (2022: 3.7%) per annum.

OPERATING ASSETS AND LIABILITIES

NOTE 18

CREDIT RISK RELATED TO CLIENT RECEIVABLES AND FINANCIAL COUNTERPARTIES

Credit risks are linked with the inability or unwillingness of counterparties to a transaction to fulfill their obligations.

Customers: determination of the payment conditions resulting in the trade receivables takes into consideration the country risk as well as solvency of the counterparty. Reserve of property clauses are also utilized until final payment.

In relation to longer-term payment conditions agreed upon, and depending on the negotiations with the customer, guarantees including, among others, export credit agencies and private insurers are used.

When risk conditions allow it, it is also regular practice to discount without recourse amounts due by customers. There is no particular risk concentration on the customer receivables. Local and Group finance members monitor the payment conditions.

Banks and counterparties: for other financial assets the concern of credit risk imposes the use of good quality counterparties. Cash is deposited with a variety of well-established banks to protect against any concentration risk.

In million CHF	2023	2022
Trade receivables	387.8	380.5
Finance lease receivables	12.9	11.2
Total gross value	400.7	391.7
Less provision for impairment	(14.9)	(14.6)
Total for the analysis	385.8	377.1
The aging of the amounts past due but not impaired is as follows:		
< 2 months	52.6	38.8
2–6 months	26.4	23.6
> 6 months	24.0	11.8
+ not yet due	282.8	302.9
Total	385.8	377.1

The maximum exposure to credit risk at the reporting date is the carrying amount of client receivables mentioned above.

OPERATING ASSETS AND LIABILITIES

NOTE 19 INVENTORIES

Accounting policies

Raw materials are stated at the lower of either the cost or the net realizable value, using the weighted average method. Work in progress and finished products are stated at the lower of the production costs or the net realizable value. Production costs comprise direct materials and, where applicable, direct labor costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Accounting judgements and estimates

Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Valuation adjustments are made for slow-moving items and excess stock.

In million CHF	2023	2022
Raw materials	315.4	297.4
Work in progress	128.7	110.1
Finished products*	136.8	126.7
Total	580.9	534.2

* Including CHF 28.9 million (2022: CHF 33.4 million) for demonstration machines.

The amount for write-down recognized as expense during the year is CHF 21.8 million (2022: CHF 14.6 million).

Flooding event in Italy

As disclosed in Note 6, the flooding in Firenze produced significant damage to the company's inventory. The company booked an allowance of CHF 17 million (CHF 14 million for Finished products, CHF 3 million for Materials) which is the result of management's best estimate of the recoverable value of damaged inventories.

NOTE 20 PROVISIONS

Accounting policies

Provisions are recognized when the Group has a present obligation as a result of a past event, and when it is probable that the Group will be required to settle that obligation.

Provisions are evaluated based upon the best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material. Provisions are classified as warranties/product liabilities, litigations, restructuring and other.

Accounting judgements and estimates

Provisions are created for a variety of possible events. However, by definition, provisions contain a higher degree of estimates than other balance sheet items, since the estimated obligations can cause greater or less cash drain depending on how the situation materializes.

OPERATING ASSETS AND LIABILITIES

NOTE 20 (CONTINUED)

PROVISIONS

In million CHF	Warranties/ Product liabilities	Litigations	Restructuring	Other	Total
At the beginning of the year 2023	31.7	10.1	0.6	5.7	48.1
Change in the scope of consolidation	0.1	0.5	0.0	0.0	0.6
Additions	26.0	14.5	0.2	4.9	45.6
Utilizations	(21.7)	(6.6)	(0.2)	(2.7)	(31.2)
Releases	(4.6)	0.0	(0.1)	2.3	(2.4)
Currency translation adjustment	(1.4)	(0.7)	0.0	(0.2)	(2.3)
Transfers	(1.1)	1.1	0.0	0.0	0.0
At year-end 2023	29.0	18.9	0.5	10.0	58.4
Of which non-current	0.8	1.4	0.0	0.0	2.2
Of which current	28.2	17.5	0.5	10.0	56.2
At year-end 2023	29.0	18.9	0.5	10.0	58.4
At the beginning of the year 2022	36.5	8.1	0.7	3.4	48.7
Additions	26.0	8.2	0.2	5.0	39.4
Utilizations	(25.4)	(4.5)	(0.1)	(3.6)	(33.6)
Releases	(4.3)	(1.4)	(0.2)	0.9	(5.0)
Currency translation adjustment	(1.1)	(0.3)	0.0	0.0	(1.4)
Transfers	0.0	0.0	0.0	0.0	0.0
At year-end 2022	31.7	10.1	0.6	5.7	48.1
Of which non-current	0.7	1.7	0.0	0.0	2.4
Of which current	31.0	8.4	0.6	5.7	45.7
At year-end 2022	31.7	10.1	0.6	5.7	48.1

Warranties/Product liabilities include provisions for technical risks, customer claims and penalties in the context of product deliveries and services. The provision is based on expected claims for product liabilities on sales that have already taken place, on historical warranty data and a weighting of all possible outcomes against their associated probabilities. Warranty expenses are expected before expiration of the granted warranty period.

Litigations include provisions for current and probable legal proceedings related to events in the past. A number of subsidiaries are subject to various legal proceedings that arise including product liability, commercial, employment and tax litigations or intellectual property disputes. The expected timing of future cash outflows is uncertain as it will depend upon the outcome of the legal proceedings.

For restructuring provisions, constructive obligation to restructure arises only when a detailed formal plan exists which identifies at least the business or part of the business concerned, the principal sites affected, the location, function and approximate number of employees who will be compensated for terminating their services, the expenditures that will be undertaken, and the timing of the implementation; and when the features of this plan have been communicated in a manner that raised a valid expectation in those affected by it that the restructuring plan will be carried out.

OPERATING ASSETS AND LIABILITIES

NOTE 21 EMPLOYEE BENEFITS

Accounting policies

Pension obligations

The Group operates various employee benefits plans in and outside Switzerland for employees who satisfy the participation criteria. The pension and retirements benefits are based on the regulations and practices in the respective countries. They are financed either by means of contribution to legally independent pension/insurance funds, or by recognition as liabilities in the balance sheet of the respective Group companies. An economical obligation or a benefit from Swiss pension schemes is determined from the financial statements of such pension schemes prepared in accordance with Swiss GAAP FER 26 “Accounting of Pension Plans” and recognized in the balance sheet accordingly.

Other post-employment benefits

Other employee benefits represent amounts due to employees under deferred compensation arrangements such as long-service awards, jubilee premiums and end of service indemnities depending upon certain seniority criteria.

Post-employment health care plans are limited to the USA.

The employee benefits situation of the Swiss pension schemes is as follows:

In million CHF	Nominal value 31.12.2023	Waiver of use	Balance sheet 31.12.2023	Increase/ decrease in 2023	Balance sheet 31.12.2022	Income statement impact	
						2023	2022
Employer contributions reserves							
Patronage funds	25.7	0.0	25.7	0.0	25.7	0.0	0.0
Pension plans	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	25.7	0.0	25.7	0.0	25.7	0.0	0.0

The table below shows the economic benefit and the economic obligation at the end of the year under review and for the previous year, as well as the development of pension benefit expenses.

In million CHF	Group's economic share			Changes from previous year with impact on income	Contri- butions for the period	Pensions costs in personnel expenses	
	Surplus/ deficit 2023	2023	2022			2023	2022
Patronage funds	7.9	0.0	0.0	0.0	0.0	0.0	0.0
Pension plans	0.0	0.0	0.0	0.0	14.4	14.4	14.0
Total	7.9	0.0	0.0	0.0	14.4	14.4	14.0

The surplus of the pension fund does not result in an economic benefit to the Group and is therefore not recognized as an asset in the balance sheet.

The technical interest rate used is 1.75% in 2023 (2022: 1.75%).

The life table used in 2023 is LPP2020 (P2021) and in 2022 is LPP2020 (P2021).

RISK MANAGEMENT AND CAPITAL STRUCTURE

This section sets out the policies and procedures applied to manage the Group's capital structure and the risks the Group is exposed to. Bobst Group considers as permanent financing or capital resources the following: borrowings and equity. Bobst Group manages its permanent financing or capital resources to achieve capital efficiency, provide flexibility to invest through the economic cycle and give efficient access to debt markets at attractive cost levels.

NOTE 22 RISK MANAGEMENT

Risk assessment

In the context of the defined, Group-wide risk management process (see "Risk Management" part in the "Corporate Governance" section), Bobst Group identified, assessed, and reported key risks to the GEC, the Audit Committee of the Board of Directors and subsequently to the Board of Directors. Risk catalogues and maps were prepared by the Business Units and Corporate functions. The probability of the risks enlisted were classified into various categories. The risk descriptions contained measures, and where appropriate and possible, the risks identified were accompanied by a quantified assessment. The bi-annual internal risk report provided under the current risk management system was reviewed by the GEC and the Audit Committee with subsequent reporting to the Board of Directors. In particular, the Corporate and Business Unit risk maps, the defined key risks, the mitigation measures, and the risk management process were analyzed. The risk management process and the review of the bi-annual internal risk report are closely aligned with the Group's strategy and business planning process.

The activities of Bobst Group are subject to various risks. Key risks were identified as political and economic risks on a global scale, currency fluctuations, disruptive technologies, quality/suitability of products and supply chain. Measures to reduce these and other risks were defined and are being implemented in accordance with the strategic priorities of the Group and its Business Units.

Financial risk management

The Group's activities expose it to a variety of financial risks, including liquidity, foreign exchange and credit risk. The Group's overall risk management seeks to minimize potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as foreign exchange contracts to hedge certain exposures. The Group does not enter into derivative or other financial transactions which are unrelated to its business needs or for speculative purposes.

Financial risk management within the Group is governed by policies approved by key management personnel. It provides principles for overall risk management as well as policies covering specific areas such as foreign exchange risk, credit risk, use of derivative financial instruments and investing of cash.

Liquidity risk

The Group monitors its liquidity risk by consolidating monthly a cash flow forecast and by preparing yearly long term stress scenarios. It maintains cash and unused committed credit lines to meet its liquidity requirements. For that purpose, in March 2023, Bobst Group SA entered into a CHF 100 million committed revolving facility with a syndicate of banks. The facility has a five years maturity and CHF 40 million were used per end 2023. The credit line is subject to standard covenants for this type of transaction including financial covenants. In addition, the strong credit worthiness of the Group allows it to access international financial markets for financing purposes.

RISK MANAGEMENT AND CAPITAL STRUCTURE

NOTE 22 (CONTINUED) RISK MANAGEMENT

The table below summarizes the maturity profile of the Group's financial liabilities, based on contractual undiscounted payments.

In million CHF	2023	Less than 1 year	Between 1 and 5 years	Over 5 years	2022	Less than 1 year	Between 1 and 5 years	Over 5 years
Borrowings	389.6	187.1	202.5	0.0	348.2	7.9	340.3	0.0
Trade and other payables	350.5	309.8	40.7	0.0	379.5	330.9	48.6	0.0
Accrued expenses	149.4	149.4	0.0	0.0	127.5	127.5	0.0	0.0
Derivatives financial instruments	1.1	1.1	0.0	0.0	7.7	7.4	0.3	0.0
Total	890.6	647.4	243.2	0.0	862.9	473.7	389.2	0.0

Foreign exchange risks

Transaction risks: as per Group policy, companies are instructed to hedge significant transaction risks with the appropriate derivatives when they arise, with the aim of guaranteeing margins achieved when selling products.

Translation risk: are not hedged and the relative amounts end up in equity under translation reserve. The Group utilizes natural hedge in order to offset some of these risks.

NOTE 23 DERIVATIVE FINANCIAL INSTRUMENTS

Accounting policies

The Group uses derivative financial instruments (forward currency contracts) to manage its exposure to foreign exchange rate risk, according to Group's management policies. The Group does not use derivative financial instruments for speculative purposes.

The Group may hedge certain cash flows for projected intra or extra-Group transactions. This is documented accordingly upon conclusion of the transaction. In this case, the effective portion of changes in the fair value of derivatives that are designated as cash flow hedges is recognized in equity. The gain or loss relating to the ineffective portion of the hedging instrument is recognized in the profit and loss statement under financial result.

Amounts recognized in equity are recycled in the profit and loss statement in the periods when the hedged item affects gain or loss. The gain or loss from the effective portion of the hedging instrument related to purchase of goods is recognized in the profit and loss statement under raw material and services and under sales if the hedging related to sale of goods.

In million CHF	2023		2022	
	Assets	Liabilities	Assets	Liabilities
Current forward foreign exchange contracts	19.1	1.1	19.0	7.4
Non-current forward foreign exchange contracts	2.3	0.0	1.3	0.3
Total	21.4	1.1	20.3	7.7

RISK MANAGEMENT AND CAPITAL STRUCTURE

NOTE 23 (CONTINUED)

DERIVATIVE FINANCIAL INSTRUMENTS

Currency derivatives (forwards)

The Group utilizes currency derivatives to hedge significant future transactions and cash flows. The Group is party to a variety of foreign currency forward contracts to manage its exchange exposures. The instruments purchased are primarily denominated in the invoicing currencies of the Group. The forwards are in principle designated to address exchange rate exposures for the following twelve months and are renewed on a revolving basis as required.

At the balance sheet date, the total notional amount of outstanding forward foreign exchange contracts to which the Group is committed amounts to CHF 793.1 million (2022: CHF 963.6 million).

The fair value of currency derivatives that are designated and effective as cash flow hedges (hedge accounting) representing a net liability of CHF 12.6 million (2022: a net liability of CHF 13.1 million) is recorded in equity. This represents a variation of CHF 0.5 million (2022: CHF 4.6 million) when compared with the previous year.

The Group does not currently designate its foreign currency denominated debt as a hedging instrument for the purpose of hedging the translation of its foreign operations.

RISK MANAGEMENT AND CAPITAL STRUCTURE

NOTE 24 BORROWINGS

Accounting policies

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

In million CHF	2023			2022		
	Current	Non-current	Total	Current	Non-current	Total
Bank borrowings	49.6	0.7	50.3	6.3	1.2	7.5
Debenture bonds	135.0	200.0	335.0	0.0	335.0	335.0
Other borrowings	0.4	0.5	0.9	0.3	0.7	1.0
Total	185.0	201.2	386.2	6.6	336.9	343.5
Those due in < 1 year	185.0	0.0	185.0	6.6	0.0	6.6
Those due in 1–5 years	0.0	201.2	201.2	0.0	336.9	336.9
Those due in > 5 years	0.0	0.0	0.0	0.0	0.0	0.0
Total	185.0	201.2	386.2	6.6	336.9	343.5
Currency composition of borrowings:						
CHF			97.4%			97.9%
EUR			1.8%			1.2%
USD			0.0%			0.0%
Other			0.8%			0.9%
Total			100.0%			100.0%
The effective interest rates at the balance sheet date (current and non-current) were as follows:						
Bank and other borrowings			3.4%			4.1%
Debenture bonds			0.8%			0.8%
Borrowings:						
Borrowings at floating rate			1.1			0.0
Borrowings at fixed rate			385.1			343.5
Total			386.2			343.5

The main borrowings are:

- A debenture bond issued by Bobst Group SA of CHF 135 million, maturing in September 2024, fixed interest rate of 1.125%, no clause of anticipated repayment, quoted at SIX Swiss Exchange;
- A debenture bond issued by Bobst Group SA of CHF 200 million, maturing in February 2026, fixed interest rate of 0.50%, no clause of anticipated repayment, quoted at SIX Swiss Exchange;
- Various utilizations under bank facilities, such as current account overdrafts and fixed term loans, most of them non-secured. There are no assets pledged for this purpose.

RISK MANAGEMENT AND CAPITAL STRUCTURE

NOTE 25 CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders as well as to maintain an optimal capital structure to reduce cost of the capital.

In order to maintain or adjust the capital structure, the Group may adapt the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets.

The Group monitors capital on the basis of the equity ratio. This ratio is calculated as equity divided by the total assets of the balance sheet. Equity is defined as shown in the consolidated balance sheet. The Group's policy is to maintain an equity ratio of 30%–35% as per the Group's long-term management objectives.

In million CHF	2023	2022
Total equity	454.6	556.8
Total balance sheet	1 768.8	1 927.1
Equity ratio	25.7%	28.9%

NOTE 26 EARNING PER SHARE

In million CHF	2023	2022
Net result attributable to shareholders	118.7	114.3
Average number of registered shares	16 518 478	16 518 470
Earnings per registered share (in CHF)	7.19	6.92
Diluted earnings per registered share (in CHF)	7.19	6.92

The average number of registered shares is calculated based on the number of outstanding shares. Since there were no conversion rights and no option rights outstanding, earnings per registered share have not been diluted.

NOTE 27 DIVIDENDS

On 5 April 2023, a dividend of CHF 5.00 plus an extraordinary dividend of CHF 5.00 was paid to shareholders.

A dividend of CHF 5.00 will be proposed by the Board of Directors. This proposal is subject to approval by the shareholders at the Annual General Meeting of Shareholders on 28 March 2024.

OTHER FINANCIAL INFORMATION

This section includes additional financial information that is either required by the accounting standards or management considers to be relevant information for shareholders.

NOTE 28 CHANGES IN THE SCOPE OF CONSOLIDATION

Company	Transaction	Acquired %	Business Unit	Country	Date
2023					
Cerutti America Corporation, Delaware	Merger*	100.0%	Services & Performance	US	01/01/2023
Bobst Grenchen AG, Grenchen	Merger**	100.0%	Printing & Converting	CH	01/01/2023
Cito-System GmbH, Schwaig bei Nürnberg	Acquisition	39.0%	Services & Performance	DE	31/03/2023
Bobst Novara Srl, Momo	Acquisition	70.0%	Printing & Converting	IT	28/04/2023
Cito FormLine GmbH, Wien	Liquidation	100.0%	Services & Performance	AU	15/06/2023
Bobst Restauration Sàrl, Mex	Creation	100.0%	Other	CH	19/06/2023
Bobst Korea Co, Ltd, Yangsan-si	Acquisition	51.0%	Printing & Converting	KR	02/10/2023
2022					
Cito Italia Srl, Muggia	Acquisition	25.5%	Services & Performance	IT	31/01/2022
Bobst Istanbul Ambalaj A.S., Istanbul	Acquisition	10.0%	Services & Performance	TR	06/05/2022
Boxplan GmbH & Co.KG, Radolfzell am Bodensee	Acquisition	25.0%	Services & Performance	DE	30/06/2022
24/7 Cerutti Service Srl, Casale Monferrato	Liquidation	100.0%	Services & Performance	IT	15/11/2022
Boxplan GmbH & Co.KG, Radolfzell am Bodensee	Merger***	100.0%	Services & Performance	DE	31/12/2022
* Merger with Bobst North America Inc.					
** Merger with Bobst Mex SA					
*** Merger with Bobst Stuttgart GmbH, Meerbusch which was renamed Boxplan GmbH.					

The acquisition of non-controlling interest of Cito-System GmbH in 2023 relate to entities which were already consolidated according to the full consolidation method since 2020.

The total fixed assets arising from the two companies acquired in 2023 amount to CHF 3.5 million, the current assets including cash amount to CHF 11.9 million and the current liabilities amount to CHF 13.4 million.

The agreements related to the acquisition of 70% of Bobst Novara Srl and 51% of Bobst Korea Co, Ltd also included a purchase call option and a written put option for the remaining 30% and 49% of the shares. Consequently, the Group has the option or may be required by the minority interest holders to acquire the entirety of the remaining shares of each company.

As of 31 December 2023:

- a liability estimated at CHF 11.5 million was recorded on the consolidated balance sheet for the remaining 30% of Bobst Novara and 49% of Bobst Korea Co, Ltd;
- a liability estimated at CHF 4.4 million (2022: CHF 22.8 million) has been recognized on the consolidated balance sheet for the remaining 10% of Cito-System GmbH;
- a liability estimated at CHF 12.5 million (2022: 13.3 million) has been recognized on the consolidated balance sheet for the remaining 51% of Jetpack SAS and 51% of Cm Service Italia.

OTHER FINANCIAL INFORMATION

NOTE 29 COMMITMENTS AND CONTINGENCIES

a. Guarantees

In million CHF	2023	2022
Guarantee obligations in favor of third parties	6.8	8.7

Contingent liabilities are mentioned for the full nominal amount.

b. Maturities of commitments under operating leases

The Group's operating leasing commitments that cannot be cancelled within 12 months and which are not recognized in the balance sheet are due as follows:

In million CHF	2023	2022
Less than 1 year	0.9	1.0
Between 2 and 5 years	4.0	3.8
Over 5 years	1.0	3.1
Total	5.9	7.9

OTHER FINANCIAL INFORMATION

NOTE 30

RELATED PARTIES

Investments in associates BHS Group, D-Weiherhammer.
Duo-Technik GmbH, D-Lauterbach.
IVG Weiherhammer GmbH, Weiherhammer.

Main shareholder JBF Finance SA, CH-Buchillon.

Key management personnel Board members of Bobst Group SA.
Thierry de Kalbermatten,
as *Vice Chairman of our Board* and
Chairman of the Board of JBF Finance SA.
Alain Guttman,
as *Chairman of our Board*,
and *member of the Board of JBF Finance SA*.
GEC members.
Jean-Pascal Bobst,
as *CEO of our GEC*,
and *member of the Board of JBF Finance SA*.

BOBST employee benefit plans

Entities controlled by members of key management personnel Alpavest SA,
CH-Vufflens-le-Château.

Transactions with related parties during 2023 and 2022:

In million CHF	2023	2022
Investments in associates		
Sales	0.0	0.2
Purchases	3.5	4.5
Receivables and prepaid expenses	0.1	0.1
Trade and other payables	0.3	0.7
Rendering or receiving of services/transfer of R&D	0.1	0.1

Sales were made at usual list prices, discounted, to reflect the quantity of goods in question and the relationship between parties at market prices.

In million CHF	2023	2022
Key management personnel compensation		
Short-term benefits	5.8	5.3
Post-employment benefits	0.3	0.4
Share-based compensation	0.0	0.0
Bobst employee benefit institutions		
Open payables due to them at year-end	4.5	0.0
Entities controlled by members of key management personnel		
Honorarium billed to Bobst Group SA	0.0	0.0

There is no commitment with related parties.

OTHER FINANCIAL INFORMATION

NOTE 31 SUBSEQUENT EVENTS

The consolidated financial statements were approved for publication by the Board of Directors on 23 February 2024. They are also subject to approval by the Annual General Meeting of Shareholders.

On 31 January 2024, Bobst Group SA issued a debenture bond of CHF 200 million, maturing in January 2029 with fixed interest rate of 2.545%. The proceeds will be used to reimburse the CHF 135 million debenture bond maturing on 27 September 2024, and for general corporate purposes.

No other events have occurred up to 23 February 2024 that would necessitate additional adjustments to the book values of the Group's assets or liabilities, or which require disclosure.

OTHER FINANCIAL INFORMATION

NOTE 32

LIST OF GROUP COMPANIES

		Currency	Share capital in local currency	Ownership and voting %	Consolidation	Production	Sales and services	Other
Holding company								
Switzerland	Bobst Group SA, Mex	CHF	16 518 478					▪
Affiliated companies								
Austria	Bieling & Petsche Stanzformen GmbH, Elixhausen	EUR	100 000	90.0	C	▪		
Belgium	Bobst Benelux NV, Berchem	EUR	1 624 000	100.0	C		▪	
Brazil	Bobst Latinoamerica do Sul Ltda, Itatiba	BRL	20 672 014	100.0	C	▪	▪	
China	Bobst (Shanghai) Ltd, Shanghai	CNY	52 216 742	100.0	C	▪	▪	
	Gordon Ltd, Hong Kong	CNY	10 681	100.0	C	▪	▪	
	Bobst (Changzhou) Ltd, Changzhou	CNY	42 000 000	100.0	C	▪	▪	
	Shanghai Eternal Machinery Co. Ltd, Dongtai	CNY	15 000 000	70.0	C	▪		
Czech Republic	Bobst Central Europe s.r.o., Brno	CZK	100 000	100.0	C		▪	
	Cito CZ s.r.o., Strážnice	CZK	200 000	90.0	C	▪	▪	
Denmark	Bobst Scandinavia ApS, Brøndby	DKK	125 000	100.0	C		▪	
France	Bobst Paris SAS, Villeurbanne	EUR	611 289	100.0	C		▪	
	Bobst France Participations SAS, Villeurbanne	EUR	612 289	100.0	C			▪
	Bobst Lyon SAS, Villeurbanne	EUR	11 360 000	100.0	C	▪	▪	
	Bobst-Jetpack SAS, Paris	EUR	20 000	51.0	C		▪	
Germany	Bobst Beteiligungsgesellschaft mbH, Meerbusch ²⁾	EUR	9 407 771	100.0	C			▪
	Bobst Meerbusch GmbH, Meerbusch ²⁾	EUR	2 000 000	100.0	C		▪	
	Bobst Bielefeld GmbH, Bielefeld ²⁾	EUR	1 534 000	100.0	C	▪	▪	
	Boxplan GmbH, Steisslingen ¹⁾	EUR	2 602 000	100.0	C	▪	▪	
	Cito-System GmbH, Schwaig bei Nürnberg	EUR	27 777	90.0	C	▪	▪	
India	Bobst India Private Ltd, Pune	INR	235 311 400	100.0	C	▪	▪	
Indonesia	PT Bobst Jakarta, Jakarta	IDR	923 613 969	100.0	C		▪	
Italy	Bobst Italia SpA, Piacenza	EUR	6 486 000	100.0	C	▪	▪	
	Bobst Firenze Srl, Capalle-Campi Bisenzio	EUR	1 500 000	100.0	C	▪	▪	
	Cito Italia Srl, Muggia	EUR	245 000	90.0	C		▪	
	Cm Service Italia Srl, Lonato del Garda	EUR	300 000	51.0	C		▪	
	Bobst Novara Srl, Momo	EUR	90 000	70.0	C	▪		
Japan	Bobst Japan Ltd, Tokyo	JPY	200 000 000	100.0	C		▪	
Malaysia	Bobst Malaysia Sdn. Bhd., Petaling Jaya	MYR	500 000	100.0	C		▪	
Malta	Lime Street Insurance PCC Ltd – Bobst Cell, Floriana	EUR	2 222 000	100.0	C			▪
Mexico	Bobst Latinoamerica Norte SA de CV, Mexico	MXN	394 165	100.0	C		▪	
Netherlands	Eterna Europe BV, Hertogenbosch	EUR	2 425 000	100.0	C		▪	
	PolyMX BV, Raamsdonksveer	EUR	18 000	90.0	C	▪		
Nigeria	Bobst Lagos Ltd, Lagos	NGN	10 000 000	100.0	C		▪	
Poland	Bobst Polska Sp. z o.o., Lodz	PLN	50 000	100.0	C		▪	
Russia	Bobst CIS LLC, Moscow	RUB	200 000	100.0	C		▪	
South Korea	Bobst Korea Co Ltd, Yangsan-si	KRW	102 050 000	51.0	C	▪		
Spain	Bobst Ibérica, S.L., Barcelona	EUR	700 000	100.0	C		▪	

C = Full consolidation method E = Equity method

OTHER FINANCIAL INFORMATION

NOTE 32 (CONTINUED) LIST OF GROUP COMPANIES

		Currency	Share capital in local currency	Ownership and voting %	Consolidation	Production	Sales and services	Other
Switzerland	Bobst Mex SA, Mex	CHF	30 409 730	100.0	C	▪	▪	
	Bobst Restauration Sàrl, Mex	CHF	20 000	100.0	C			▪
Thailand	Bobst (Thailand) Ltd, Bangkok	THB	17 510 000	100.0	C	▪		
Tunisia	Bobst Africa & Middle East Ltd, Tunis	TND	10 000	100.0	C	▪		
Turkey	Bobst İstanbul Ambalaj A.Ş., Istanbul	TRY	50 000	100.0	C	▪		
United Kingdom	Bobst UK Holdings Ltd, Redditch	GBP	100 000	100.0	C			▪
	Bobst UK & Ireland Ltd, Redditch	GBP	2	100.0	C	▪		
	Bobst Manchester Ltd, Heywood	GBP	4 000 100	100.0	C	▪	▪	
	CITO UK Ltd, Alfreton	GBP	502 000	90.0	C	▪		
United States	Bobst North America Inc, Parsippany	USD	575 960	100.0	C	▪		
Vietnam	Bobst Vietnam Co. Ltd, Ho Chi Minh City	VND	2268 826 050	100.0	C		▪	
Associated companies								
Germany	Duo Technik GmbH, Wartenberg	EUR	72 000	40.0	E	▪		
	BHS Corrugated Maschinen- und Anl. GmbH, Weiherhammer	EUR	6 000 000	30.0	E	▪	▪	▪
	IVG Weiherhammer GmbH, Weiherhammer	EUR	25 000	30.0	E			▪

C = Full consolidation method E = Equity method

Note:

- (1) The affiliated companies gave made use of the exemption pursuant to section 264 (3) H6B.
- (2) Boxplan GmbH ownership has been increased at 100 %, and then has been merged with Bobst Stuttgart GmbH, Meerbusch.

Report of the statutory auditor

to the General Meeting of Bobst Group SA

Mex

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Bobst Group SA and its subsidiaries (the Group), which comprise the consolidated profit and loss for the year ended 31 December 2023, the consolidated balance sheet as at 31 December 2023 and the consolidated cash flow statement and the changes in consolidated equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 26 to 65) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview

Overall Group materiality: CHF 8.1 million



We concluded full scope audit work at 6 reporting units in 5 countries and audits of specific balances on a further 3 reporting units in 1 country. Our audit scope addressed over 77.6% of the Group's revenue and 76.7% of the Group's assets

As key audit matter the following area of focus has been identified:

Allowances on inventories and recognition of insurance claims following flooding event at a factory in Italy

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Overall Group materiality	CHF 8.1 million
Benchmark applied	Profit before tax
Rationale for the materiality benchmark applied	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured, and it is a generally accepted benchmark.

We agreed with the Audit Committee that we would report to them misstatements above CHF 0.4 million identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Following our assessment of the risk of material misstatement in the Group financial statements, we selected nine components which represent the principal business units within the Group's reportable segments. 6 components were subject to a full scope audit and 3 components were subject to an audit of specific balances. The Group audit team directed the component teams at all stages of the audit by sending audit instructions and regular communications. For the remaining components, we performed other procedures to test or assess that there were no significant risks of material misstatement in these components in relation to the Group financial statements. The components subject to a full scope audit and audit of specific balances together addressed 77.6% of Group revenue and 76.7% of the Group's assets. The Group audit team was directly responsible for auditing two components, both of which were subject to a full scope audit. In relation to the key audit matter below, the Group audit team supervised and closely monitored the work performed by the Italian component team

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Allowances on inventories and recognition of insurance claims following flooding event at a factory in Italy

Key audit matter	How our audit addressed the key audit matter
<p>As referenced in notes 6 and 19 to the consolidated financial statements, a major flooding event occurred on 2 November 2023 at one of the Group’s manufacturing sites located near Florence, Italy. This led, among other things, to damage to the finished products. As a consequence, allowances on inventories of CHF 17 million are booked as at 31 December 2023, of which the majority relates to finished products.</p> <p>The Group has insurance for flooding incidents that covers damage to fixed assets and inventories as well as business interruption. The insurance company has acknowledged the incident and is involved in estimating the damage and any related reimbursements to the Group.</p> <p>While investigations and negotiations with the insurance company are ongoing, there is still uncertainty about the amount of the final settlement. As such, only the upfront payment of CHF 4.9 million already obtained was recognised in other operating income.</p> <p>The significant extent of the damage and uncertainties relating to the timing of recognising future payments from the insurance company was one focus of our audit. As a result, we deemed the valuation of the finished products and the recognition of the claim towards the insurance company to be a key audit matter, also considering management’s estimates with regard to the recoverable value of damaged finished products, which involves significant judgement.</p>	<p>We performed the following audit procedures to assess whether the allowances on inventories and the claim towards the insurance company were appropriately accounted for:</p> <ul style="list-style-type: none"> • We obtained the relevant documentation underlying the preliminary assessments on the damage incurred and insured. • In addition, we physically inspected the damaged finished products during our inventory observation and assessed the list of damaged finished products for completeness, thus gaining an understanding of the impact of the flooding. • We inquired with both group and local management about the impact of the damage and to what extent parts from damaged finished products could be recovered. • We obtained the calculation of booked allowances for finished products, reconciled those and the carrying value of underlying data, which form the basis of the calculation to the trial balance, and assessed the assumptions retained by management for the calculation of the allowance for reasonableness. • We obtained relevant written communications with the insurance company and traced the payments obtained (CHF 4.9 million) to the local company’s bank records. • We assessed the timing and adequacy of the recognition of the claim towards the insurance company in other operating income. <p>As a result of the procedures performed, we consider management’s approach of determining the allowances on inventories and the accounting for the claim towards the insurance company to be reasonable.</p>

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements and our auditor’s reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them regarding all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the consolidated financial statements.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers SA

Mario Berckmoes

Licensed audit expert
Auditor in charge

G rard Ambrosio

Licensed audit expert

Lausanne, 23 February 2024

STATUTORY ACCOUNTS

BALANCE SHEET AS AT 31 DECEMBER OF BOBST GROUP SA

In million CHF		2023	2022
Assets	Cash and cash equivalents	113.3	134.1
	Receivables from affiliated companies	80.6	22.0
	Other receivables	0.1	0.0
	Derivative financial instruments	11.6	7.2
	Prepaid expenses and accrued income	0.7	0.0
	Current assets	206.3	163.3
	Loans to affiliated companies	147.7	211.8
	Derivative financial instruments	1.2	0.6
	Other financial fixed assets	5.7	6.1
	Investments in subsidiaries	492.0	478.9
	Financial fixed assets	646.6	697.4
	Total assets	852.9	860.7
Liabilities	Debenture bonds	135.0	0.0
	Other debts to affiliated companies	177.8	113.7
	Short-term debts	3.7	11.1
	Short-term interest bearing liabilities	40.0	0.0
	Current liabilities	356.5	124.8
	Debenture bonds	200.0	335.0
	Other debts to affiliated companies	1.2	0.6
	Provisions	1.7	1.7
	Non-current liabilities	202.9	337.3
	Share capital	16.5	16.5
	Legal reserve from retained earnings	7.2	7.2
	Available earnings – balance carried forward	209.8	309.6
	– profit for the year	60.0	65.3
	Equity	293.5	398.6
	Total liabilities and equity	852.9	860.7

PROFIT AND LOSS STATEMENT OF BOBST GROUP SA

In million CHF		2023	2022
Income	Income from affiliated companies	81.9	79.3
	Financial income	2.7	10.7
	Total	84.6	90.0
Costs	Administration and other costs	(10.0)	(9.6)
	Financial costs	(14.6)	(15.1)
	Total	(24.6)	(24.7)
	Profit before direct taxes	60.0	65.3
	Direct taxes	0.0	0.0
	Net profit	60.0	65.3

NOTES TO THE FINANCIAL STATEMENTS AND PROPOSAL FOR THE APPROPRIATION OF AVAILABLE EARNINGS (BOBST GROUP SA)

ACCOUNTING PRINCIPLES

General

Bobst Group SA is the holding company of the Bobst Group. The annual accounts are prepared in accordance with Swiss law and with generally accepted accounting principles.

The company does not and did not have any employee.

Conversion of foreign currencies

Transactions in foreign currencies are converted to Swiss Francs (CHF) at the prevailing rate on the date of the transaction.

Investments in subsidiaries and receivables related to investments

Investments in subsidiaries and loans are carried at their gross acquisition values, reduced by necessary provisions.

EXPLANATORY NOTES FOR VARIOUS ELEMENTS

BALANCE SHEET

Debenture bonds

Amount:	CHF 200.0 million
Length:	Six years, fixed
Maturity:	17 February 2026
Rate:	0.5%
Quotation:	SIX Swiss Exchange

Amount:	CHF 135.0 million
Length:	Six years, fixed
Maturity:	27 September 2024
Rate:	1.125%
Quotation:	SIX Swiss Exchange

Financial guarantees

2023: CHF 111.8 million

2022: CHF 68.8 million

Investments in subsidiaries

Direct and indirect investments in corporate companies of Bobst Group SA include the companies listed on page 64-65 of this annual report.

SUBSEQUENT EVENTS

On 31 January 2024, Bobst Group SA issued a debenture bond of CHF 200 million, maturing in January 2029 with fixed interest rate of 2.545%. The proceeds will be used to reimburse the CHF 135 million debenture bond maturing on 27 September 2024, and for general corporate purposes.

NOTES TO THE FINANCIAL STATEMENTS AND PROPOSAL FOR THE APPROPRIATION OF AVAILABLE EARNINGS (BOBST GROUP SA)

PROFIT AND LOSS STATEMENT

All income and expenses exclusively concern the activities of the holding company and require no special comments.

Proposal for the appropriation of available earnings

In million CHF	2023	2022
Balance carried forward	209.8	309.6
Change in reserve for treasury shares	0.0	0.0
Profit for the year	60.0	65.3
Total	269.8	374.9
The proposal is as follows:		
Dividend of CHF 5.00 / CHF 10.00 per share	82.6	165.2
Balance to retained earnings	187.2	209.7
Total	269.8	374.9

NOTES TO THE FINANCIAL STATEMENTS AND PROPOSAL FOR THE APPROPRIATION OF AVAILABLE EARNINGS (BOBST GROUP SA)

SHARE CAPITAL

	2023		2022		2021	
	Number of registered shares par value CHF 1.-		Number of registered shares par value CHF 1.-		Number of registered shares par value CHF 1.-	
Issued shares						
Balance at 1 January	16 518 478		16 518 478		16 518 478	
Reduction	0		0		0	
Balance at 31 December	16 518 478		16 518 478		16 518 478	

Significant shareholders

Shareholders as per Share Register as at 31 December 2023

	2023		2022		2021	
	Number of registered shares par value CHF 1.-		Number of registered shares par value CHF 1.-		Number of registered shares par value CHF 1.-	
JBF Finance SA	14 089 390	85.29%	14 089 390	85.29%	8 709 040	52.72%
Other Shareholders	2 429 088	14.71%	2 429 080	14.71%	7 809 438	47.28%
Total shares outstanding	16 518 478		16 518 470		16 518 478	
Treasury shares	0	0.00%	8	0.00%	0	0.00%
Total shares issued	16 518 478	100.00%	16 518 478	100.00%	16 518 478	100.00%

NOTES TO THE FINANCIAL STATEMENTS AND PROPOSAL FOR THE APPROPRIATION OF AVAILABLE EARNINGS (BOBST GROUP SA)

SHARE OWNERSHIP

The total number of Bobst Group SA shares owned as at 31 December 2023 by non-executive members of the Board of Directors, by GEC members, and by persons closely linked to them was as per the table below:

Non-executive Members of the Board of Directors	Number of shares owned	Group Executive Committee (GEC) Members	Number of shares owned
Alain Guttman	0	Jean-Pascal Bobst	15 052
Thierry de Kalbermatten	0	Attilio Tissi	13 752
Jürgen Brandt	0	Alain Berger	0
Gian-Luca Bona	0	Raphaël Indermühle	0
Montserrat Peidro-Insa	0		
Marc Schuler	0		
Total 2023	0	Total 2023	28 804

The total number of Bobst Group SA shares owned as at 31 December 2022 by non-executive members of the Board of Directors, by GEC members, and by persons closely linked to them was as per the table below:

Non-executive Members of the Board of Directors	Number of shares owned	Group Executive Committee (GEC) Members	Number of shares owned
Thierry de Kalbermatten	0	Jean-Pascal Bobst	15 052
Jürgen Brandt	0	Attilio Tissi	13 752
Philip Mosimann	0	Alain Berger	0
		Raphaël Indermühle	0
Total 2022	0	Total 2022	28 804

Persons closely linked to the non-executive members of the Board of Directors and to the GEC members are their spouses, their children under the age of eighteen, any legal entities that they own or otherwise control, or any legal or natural person who is acting as their fiduciary.

Report of the statutory auditor

to the General Meeting of Bobst Group SA

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Report on the audit of the financial statements

Opinion

We have audited the financial statements of Bobst Group SA (the Company), which comprise the balance sheet as at 31 December 2023, and the profit and loss statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 73 to 78) comply with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality	CHF 3.0 million
Benchmark applied	Profit before tax
Rationale for the materiality benchmark applied	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the company is most commonly measured, and it is a generally accepted benchmark.

We agreed with the Audit Committee that we would report to them misstatements above CHF 0.2 million identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

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Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Key audit matters

We have determined that there are no key audit matters to communicate in our report.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting

from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them regarding all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the financial statements.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers SA

Mario Berckmoes
Licensed audit expert
Auditor in charge

G rard Ambrosio
Licensed audit expert

Lausanne, 23 February 2024

Certain statements in the annual report, 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 and interest rate fluctuations, competitive product and pricing pressures, the company’s operating conditions, and regulatory developments.

Updated March 1, 2024.

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