

Alternative Performance Measures

Bobst Group SA

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 and reconciled to Swiss GAAP FER performance measures as explained below.

Net cash / Net debt

Net cash / Net debt is our financial liquidity metric that measures our company 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. It is defined as:

Net cash / Net debt	31 December 2020 (In million CHF)	31 December 2019 (In million CHF)
+ Cash and cash equivalent	357.1	241.3
- Non-current borrowings	-340.3	-137.0
- Current borrowings	-12.9	-162.9
Total	3.9	-58.6

Net cash / Net debt	30 June 2021 (In million CHF)	30 June 2020 (In million CHF)
+ Cash and cash equivalent	417.4	360.1
- Non-current borrowings	-339.0	-343.0
- Current borrowings	-6.4	-170.3
Total	72.0	-153.2

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 assets.

Capital expenditure (CAPEX)	31 December 2020 (In million CHF)	31 December 2019 (In million CHF)
Purchase of intangible assets	14.3	15.6
Purchase of tangible assets	28.9	41.5
Total	43.2	57.1

Capital expenditure (CAPEX)	30 June 2021 (In million CHF)	30 June 2020 (In million CHF)
Purchase of intangible assets	7.1	6.9
Purchase of tangible assets	7.9	17.1
Total	15.0	24.0

Return on capital employed (ROCE)

ROCE is a profitability ratio that measures how efficiently a company can generate profits from its capital employed by comparing operating result to capital employed. At BOBST it is defined as:

Return on capital employed (ROCE)	31 December 2020 (In million CHF)	31 December 2019 (In million CHF)
Non-current assets	453.0	489.9
- Investments in associates	-57.5	-57.5
- Employer contribution reserves	-32.7	-51.0
+ Inventories	378.5	385.6
+ Receivables	315.1	372.0
+ Finance lease receivables	2.2	4.6
+ Income tax receivables	4.7	4.1
+ Prepaid expenses	20.7	21.3
- Non-current trade and other payables	-13.0	-34.3
- Current trade and other payables	-411.0	-388.6
- Accrued expenses	-127.8	-116.9
- Income tax payables	-3.7	-3.0
Capital employed	528.5	626.2
Operating result (EBIT)	43.7	81.0
ROCE	8.3%	12.9%

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. At BOBST it is defined as:

Net working capital (NWC)	31 December 2020 (In million CHF)	31 December 2019 (In million CHF)
+ Inventories	378.5	385.6
+ Current receivables	315.1	372.0
+ Current finance lease receivables	2.2	4.6
+ Current prepaid expenses	20.7	21.3
+ Non-current receivables	5.8	2.8
+ Non-current finance lease receivables	5.0	6.9
+ Non-current prepaid expenses	1.5	1.5
- Current trade and other payables	-411.0	-388.6
- Current accrued expenses	-127.8	-116.9
- Non-current trade and other payables	-13.0	-34.3
Net working capital	177.0	254.9

Net working capital (NWC)	30 June 2021 (In million CHF)	30 June 2020 (In million CHF)
+ Inventories	498.4	461.4
+ Current receivables	304.5	297.5
+ Current finance lease receivables	2.9	5.1
+ Current prepaid expenses	23.2	25.8
+ Non-current receivables	5.4	4.3
+ Non-current finance lease receivables	7.0	3.1
+ Non-current prepaid expenses	1.5	1.6
- Current trade and other payables	-559.4	-388.2
- Current accrued expenses	-129.4	-105.2
- Non-current trade and other payables	-18.0	-35.9
Net working capital	136.1	269.5

Certain statements in the Alternative Performance measures, including but not limited to those regarding expectations for general economic development and the market situation, expectations for customer industry profitability and investment willingness, expectations for Company growth, development and profitability and the realization of synergy benefits and cost savings, and statements preceded by "expects", "estimates", "forecasts" or similar expressions, are forward-looking statements. These statements are based on current decisions and plans as well as on currently known factors. They involve known and unknown risks and uncertainties which may cause the actual results to materially differ from the results currently expected by the Company.

Potential risks and uncertainties include such factors as general economic conditions, foreign exchange rate fluctuations and interest rate fluctuations, competitive product and pricing pressures, the Company's operating conditions, and regulatory developments.