

# HALF-YEAR REPORT 2018

Bobst Group SA

## KEY FIGURES

In million CHF	June 2018	June 2017	June 2016	June 2015
<b>Sales</b>	<b>762.5</b>	<b>643.2</b>	<b>600.4</b>	<b>524.7</b>
<b>Operating result (EBIT)</b>	<b>35.2</b>	<b>39.8</b>	<b>18.0</b>	<b>14.7</b>
In % of sales	4.6%	6.2%	3.0%	2.8%
<b>Net result</b>	<b>24.9</b>	<b>27.7</b>	<b>9.7</b>	<b>14.8</b>
In % of sales	3.3%	4.3%	1.6%	2.8%
<b>Earnings per share</b>	<b>1.88</b>	<b>1.70</b>	<b>0.57</b>	<b>0.86</b>
<b>Headcount</b>	<b>5515</b>	<b>5185</b>	<b>4992</b>	<b>4884</b>
% change compared with same period of previous year	6.4%	3.9%	2.2%	0.6%
<b>Capital expenditures</b>	<b>19.8</b>	<b>22.2</b>	<b>9.8</b>	<b>7.9</b>

## Distribution of sales by Business Unit

In million CHF	Jan-Jun 2018		Jan-Jun 2017		Jan-Jun 2016		Jan-Jun 2015	
Sheet-fed	391.0	51.3%	302.3	47.0%	289.2	48.2%	235.8	45.0%
Web-fed	134.1	17.6%	119.5	18.6%	100.6	16.7%	108.2	20.6%
Services	237.1	31.1%	221.2	34.4%	210.1	35.0%	180.2	34.3%
Other	0.3	0.0%	0.2	0.0%	0.5	0.1%	0.5	0.1%
<b>Total</b>	<b>762.5</b>	<b>100.0%</b>	<b>643.2</b>	<b>100.0%</b>	<b>600.4</b>	<b>100.0%</b>	<b>524.7</b>	<b>100.0%</b>

## Distribution of sales by business activity

In million CHF	Jan-Jun 2018		Jan-Jun 2017		Jan-Jun 2016		Jan-Jun 2015	
Machines	522.9	68.6%	420.5	65.4%	388.6	64.7%	343.0	65.4%
Spare parts and services	239.6	31.4%	222.7	34.6%	211.8	35.3%	181.7	34.6%
<b>Total</b>	<b>762.5</b>	<b>100.0%</b>	<b>643.2</b>	<b>100.0%</b>	<b>600.4</b>	<b>100.0%</b>	<b>524.7</b>	<b>100.0%</b>

## Distribution of sales by geographical zone

In million CHF	Jan-Jun 2018		Jan-Jun 2017		Jan-Jun 2016		Jan-Jun 2015	
Europe	369.4	48.4%	279.6	43.5%	309.1	51.5%	274.7	52.3%
Americas	221.8	29.1%	173.0	26.9%	161.3	26.8%	143.5	27.4%
Asia and Oceania	150.7	19.8%	170.7	26.5%	100.8	16.8%	97.5	18.6%
Africa	20.6	2.7%	19.9	3.1%	29.2	4.9%	9.0	1.7%
<b>Total</b>	<b>762.5</b>	<b>100.0%</b>	<b>643.2</b>	<b>100.0%</b>	<b>600.4</b>	<b>100.0%</b>	<b>524.7</b>	<b>100.0%</b>

# EVOLUTION OF THE GROUP'S BUSINESS ACTIVITY DURING THE FIRST HALF-YEAR OF 2018

- Sales up 19% compared to H1 2017.
- EBIT decreased to CHF 35.2 million from CHF 39.8 million in 2017.
- Net result was CHF 24.9 million compared with CHF 27.7 million in 2017.
- Order entries increased by 13% and backlog by 14% compared to previous year.

## KEY FIGURES

During the first half of 2018, consolidated sales amounted to CHF 762.5 million, representing an increase of CHF 119.3 million, or +18.6%, compared with the same period in 2017. This evolution was mainly driven by a high backlog at the beginning of the year and an overall good level of activity in all three Business Units. Volume and price variances had a positive impact of CHF 93.2 million, or +14.5%. An improvement of CHF 0.2 million came from the creation of two new entities in Vietnam and in the Netherlands.

The exchange rates had an overall positive impact on sales of CHF 25.9 million. The evolution due to the conversion of foreign currencies for consolidation accounts for CHF 19.7 million, or +3.1%, and the transactional impact on sales volume from our Swiss operations accounts for CHF 6.2 million, or +1.0%.

Sales by BU	30 June 2018 (In million CHF)	30 June 2017 (In million CHF)	Δ %
BU Sheet-fed	391.0	302.3	+29.3
BU Web-fed	134.1	119.5	+12.3
BU Services	237.1	221.2	+7.2
Other	0.3	0.2	+32.5
<b>Total</b>	<b>762.5</b>	<b>643.2</b>	<b>+18.6</b>

The operating result (EBIT) reached CHF 35.2 million compared with CHF 39.8 million for the same period in 2017. An unfavorable product mix, the ramp-up of the digital printing activities as well as further investments to strengthen the Group's sales and service network, and capabilities in growing markets, more than compensated the positive contribution from higher sales, leading to the reduction of the operating result (EBIT).

Business Unit Sheet-fed increased its operating result (EBIT) by CHF 17.1 million to reach CHF 29.7 million due to the strong increase in sales in the first half of the year and an optimal utilization of the industrial capacities. Business Unit Web-fed continues to have an unfavorable product mix and high pressure on margins. The ramp-up of the new site in China and of the product lines structure, as well as higher than expected restructuring efforts at one of our German entities, had also a negative impact on the Business Unit's profitability. The operating result (EBIT) was CHF -20.2 million in the first half of 2018 compared to CHF -5.3 million in the first six months of 2017. Business Unit Services has significantly increased the number of field service technicians and technical support people, according with the Group's strategy. The induction and training costs have a negative impact on the Business Unit's operating result (EBIT), which was CHF 27.4 million in H1 2018 compared with CHF 33.2 million in the same period in 2017. All three Business Units have higher costs due to the ramp-up of the Group's digital printing activities (Mouvent) which have been part of BOBST since June 1<sup>st</sup>, 2017.

EBIT by BU	30 June 2018 (In million CHF)	30 June 2017 (In million CHF)	Δ (In million CHF)
BU Sheet-fed	+29.7	+12.6	+17.1
BU Web-fed	-20.2	-5.3	-14.9
BU Services	+27.4	+33.2	-5.8
Other	-1.7	-0.7	-1.0
<b>Total</b>	<b>+35.2</b>	<b>+39.8</b>	<b>-4.6</b>

Net result reached CHF 24.9 million, compared to CHF 27.7 million in 2017. The decrease in net result is mainly due to lower operating result (EBIT) and lower result from associates.

Net cash reduced to CHF 31.8 million from CHF 132.9 million at the end of 2017. This is mainly due to dividends paid and temporarily higher inventories for machines to be invoiced in the second half of the year. The consolidated shareholders' equity reached 35.0% of the total balance sheet, compared to 35.6% at the end of 2017.

## **BUSINESS ACTIVITY AND OUTLOOK BY BUSINESS UNIT**

### **Business Unit Sheet-fed**

Total bookings follow a positive trend with an increase of 13% compared to the same period in 2017 and a continuous good performance in the corrugated board industry, with 17% increase; folding carton is at a similar level with good potential for the rest of the year. Mature markets continue to lead the growth, with North America showing better result than last year, with 25% increase. China has improved bookings by more than 35%, due to the new China 4.0 strategy implemented in the first quarter of this year, and expects good results for the months to come, with the last successful Open House held in June at the Shanghai premises.

Thanks to the opportunity to ship machines very early in the year, the first half of 2018 was very strong, with an improvement in sales of 29% versus last year, in both corrugated board and folding carton industries, mainly in the mature markets with North America ahead by more than 50% in comparison with last year. In the emerging markets, only China is doing better than last year, due to the new China 4.0 strategy.

Overall the outlook for the full year is promising, based upon the current backlog and an expected solid second half. There will of course be challenges still to meet, especially for the hot foil stamping products and part of the emerging markets, especially Middle East and Africa.

### **Business Unit Web-fed**

Business activity in flexible materials remains at a good level with regards to bookings, with an increase of 13% compared to the previous year. There were no significant changes in the market compared to 2017. Mature countries remain in line with the expected volumes. In the emerging countries, except for a slow start in South-East Asia, Africa and Middle East, the remaining countries are at a good level of activity.

Business Unit Web-fed participated in numerous international exhibitions, such as Plast India in Ahmedabad, Plast Print Pack in Karachi, Expo Print in São Paulo, amongst others. The roadshows with partners organized in Europe, Middle East, Asia, Central and South Americas were well attended and welcomed by prospects and customers.

In May, the new China plant and Competence Center in Changzhou was inaugurated. This new infrastructure will allow Business Unit Web-fed to increase its footprint in Asia and to better serve the local market.

First half-year sales increased by 12% compared with the same period in 2017 but with a completely different, and less favorable product mix. The Business Unit expects a very busy second half of the year leading to an even more unbalanced situation than in previous years.

In order to reach an ambitious growth plan until 2020, the overall structure of the product lines was reinforced to support the future growth.

### **Business Unit Services**

First half-year sales for the Business Unit Services were 7% above the same period in 2017. In the European markets, the business volume increased, mainly through more maintenance programs, machinery inspections and contracts for remote troubleshooting and monitoring.

The emerging markets, such as Middle East and Africa (MENA) and India, recorded the highest growth rates. It reflects the efficiency of the new organization's implementation and the standardization of business processes, which have increased customer satisfaction. While MENA and India grew by more than 25% compared to 2017, North America showed only a slight increase in service business. In Japan and South-East Asia, overall service business is stagnating compared to 2017. We expect to see normal business development for the second half of 2018, if no major changes in the world economy or exchange rates occur.

The Business Unit Services will continue to increase in competencies to support the worldwide growth of machine installations and increasing demands of customers. The focus for the remainder of 2018 will therefore be to 'hire, train and retain' service technicians, to further optimize the distribution centers in Asia and in North America, and to continue to further improve customer satisfaction.

### OUTLOOK FOR THE SECOND HALF OF 2018

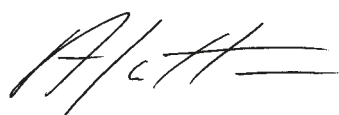
The Group expects to see continued good demand for its products and services, leading to a very active second half of 2018 in nearly all plants. Based on the strong sales growth and a good overall market situation, the Group has accelerated some measures to:

- Invest in quality upgrades on some new products launched in recent years;
- Launch a range of digital printing products;
- Strengthen its activities in Internet-of-Things (IoT);
- Increase its sales and service network, and capabilities in growing markets.

All these measures, combined with an unfavorable product mix in Business Unit Web-fed, and higher than expected restructuring efforts at one of our German entities, have a significant negative impact on the Group's 2018 profitability.

At current exchange rates, and barring unforeseen circumstances, the Group expects to improve its full year 2018 sales by 5–7% compared to 2017, which is at the higher end of the guidance issued at the end of February 2018. The guidance for the full year operating result (EBIT) which was "slightly higher than previous year (CHF 119 million)", has to be reduced due to the aforementioned reasons. The Group expects to achieve an operating result (EBIT) higher than CHF 90 million for the full year 2018.

The mid- to long-term financial targets of at least 8% operating result (EBIT) and a minimum 20% return on capital employed (ROCE) remain unchanged.



**Alain Guttmann**  
Chairman of the Board



**Jean-Pascal Bobst**  
Chief Executive Officer

Financial calendar

08 November 2018	Conference for financial analysts and the media
25 February 2019	Publication of financial statements for the 2018 financial year
	Results press conference and presentation of the 2018 financial statements
04 April 2019	Annual General Meeting of Shareholders

# INTERIM CONSOLIDATED PROFIT AND LOSS

In million CHF	Notes	Jan-Jun 2018	Jan-Jun 2017	Jan-Dec 2017
<b>Sales</b>		<b>762.5</b>	<b>643.2</b>	<b>1 528.6</b>
Other operating income		8.0	10.0	23.9
Raw materials and services		-497.3	-435.3	-923.9
Changes in inventories		53.1	76.8	-0.6
Personnel costs		-265.7	-228.2	-454.3
Depreciation and amortization		-18.8	-19.4	-41.2
Other operating expenses		-6.6	-7.3	-13.8
<b>Operating result (EBIT)</b>		<b>35.2</b>	<b>39.8</b>	<b>118.7</b>
Share of result of associates		2.5	3.8	10.7
Interest expenses		-2.9	-2.9	-6.1
Other financial income		2.4	2.1	8.0
Other financial expenses		-1.9	-2.3	-5.5
<b>Result before income tax</b>		<b>35.3</b>	<b>40.5</b>	<b>125.8</b>
Income tax		-10.4	-12.8	-18.9
<b>Net result</b>		<b>24.9</b>	<b>27.7</b>	<b>106.9</b>
<b>Attributable:</b>				
To shareholders		31.1	28.1	114.4
To non-controlling interest		-6.2	-0.4	-7.5
Earnings per registered share (in CHF)		1.88	1.70	6.93
Diluted earnings per registered share (in CHF)		1.88	1.70	6.93

# INTERIM CONSOLIDATED BALANCE SHEET

In million CHF	Notes	June 2018	June 2017	December 2017
Intangible fixed assets		38.2	36.1	36.5
Tangible fixed assets		256.8	249.2	260.6
Financial assets other		23.4	15.8	23.3
Investments in associates		47.9	39.3	50.2
Employer contribution reserves		25.8	25.8	25.8
Receivables		4.9	4.4	4.8
Finance lease receivables		7.8	6.4	7.8
Prepaid expenses and accrued income		1.5	1.3	1.4
Deferred tax assets		46.8	37.2	40.9
<b>Non-current assets</b>		<b>453.1</b>	<b>415.5</b>	<b>451.3</b>
Inventories		465.7	436.0	391.2
Receivables		307.0	276.9	311.3
Finance lease receivables		2.6	2.8	2.7
Income tax receivables		11.4	6.8	15.8
Prepaid expenses and accrued income		16.9	9.3	15.5
Derivative financial instruments		1.3	3.0	3.4
Cash and cash equivalents		300.6	282.0	402.8
<b>Current assets</b>		<b>1 105.5</b>	<b>1 016.8</b>	<b>1 142.7</b>
<b>Total assets</b>		<b>1 558.6</b>	<b>1 432.3</b>	<b>1 594.0</b>
Share capital		16.5	16.5	16.5
Reserves		498.5	420.7	436.9
Net result		31.1	28.1	114.4
<b>Shareholders' equity</b>		<b>546.1</b>	<b>465.3</b>	<b>567.8</b>
Non-controlling interest		-14.8	-1.2	-8.4
<b>Equity</b>		<b>531.3</b>	<b>464.1</b>	<b>559.4</b>
Borrowings		152.9	263.7	263.1
Provisions		9.5	16.7	9.4
Employee benefits		42.5	38.5	41.1
Trade and other payables		29.4	19.5	27.1
Deferred tax liabilities		39.6	51.2	41.0
<b>Non-current liabilities</b>		<b>273.9</b>	<b>389.6</b>	<b>381.7</b>
Borrowings		115.9	10.7	6.8
Provisions		50.6	45.8	54.0
Employee benefits		5.3	5.0	5.2
Trade and other payables		458.6	420.0	441.7
Accrued expenses and deferred income		97.8	81.6	110.8
Income tax payables		11.9	10.5	20.1
Derivative financial instruments		13.3	5.0	14.3
<b>Current liabilities</b>		<b>753.4</b>	<b>578.6</b>	<b>652.9</b>
<b>Total liabilities and equity</b>		<b>1 558.6</b>	<b>1 432.3</b>	<b>1 594.0</b>

# INTERIM CONSOLIDATED CASH FLOW STATEMENT

In million CHF		Jan-Jun 2018	Jan-Jun 2017	Jan-Dec 2017
<b>Net result</b>		<b>24.9</b>	<b>27.7</b>	<b>106.9</b>
Elimination of income from associates		-2.5	-3.8	-10.7
Elimination of income taxes		10.4	12.8	18.9
Elimination of depreciation, amortization and provisions		16.9	17.4	38.4
Elimination of the result on disposal of assets		0.3	0.3	0.5
Elimination of interest expenses/(income)		2.2	2.1	3.7
Changes in derivative financial instruments		-0.3	0.5	1.4
Changes in inventories		-76.9	-105.2	-48.8
Changes in receivables		6.8	19.4	-17.2
Changes in payables		1.3	49.0	85.1
Paid taxes		-19.9	-9.5	-28.1
<b>Cash flow from (used in) operating activities</b>	<b>Total A</b>	<b>-36.8</b>	<b>10.7</b>	<b>150.1</b>
Acquisition of subsidiaries, net of cash acquired		0.0	-1.3	-1.4
Acquisition of business activities		-1.1	0.0	0.0
Purchase of intangible assets		-5.9	-7.2	-14.7
Purchase of tangible assets		-12.6	-16.7	-39.1
Purchase of investments in associates		0.0	0.0	-1.0
Loans and advances made		-0.3	-0.1	-0.4
Proceeds from sale of tangible assets		0.6	0.3	4.0
Loan repayments and advances received		0.1	0.1	0.2
Interest received		0.7	0.8	2.4
Dividends received		4.0	3.9	3.9
<b>Cash flow from (used in) investing activities</b>	<b>Total B</b>	<b>-14.5</b>	<b>-20.2</b>	<b>-46.1</b>
Proceeds from non-controlling interest		0.0	0.3	0.2
Purchase of own shares		-0.3	0.0	0.0
Proceeds from borrowings		2.0	4.7	0.8
Repayments of borrowings		-2.9	-8.2	-8.0
Interest paid		-3.0	-2.9	-6.1
Dividends paid to shareholders		-42.9	-28.1	-28.1
Dividends paid to non-controlling interest		-0.1	0.0	-0.3
<b>Cash flow from (used in) financing activities</b>	<b>Total C</b>	<b>-47.2</b>	<b>-34.2</b>	<b>-41.5</b>
<b>Effects of exchange variances</b>	<b>Total D</b>	<b>-3.7</b>	<b>0.2</b>	<b>14.8</b>
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>A+B+C+D</b>	<b>-102.2</b>	<b>-43.5</b>	<b>77.3</b>
Cash and cash equivalents at beginning of period		402.8	325.5	325.5
Cash and cash equivalents at end of period		300.6	282.0	402.8
<b>Variance</b>		<b>-102.2</b>	<b>-43.5</b>	<b>77.3</b>

# INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In million CHF	Share capital	Own shares	Hedge reserve	Translation reserve	Other reserves	Goodwill offset	Retained earnings	Total shareholders' equity	Non-controlling interest	Total equity
<b>Balance at 1 January 2017</b>	<b>16.5</b>	<b>0.0</b>	<b>-0.1</b>	<b>-36.5</b>	<b>0.5</b>	<b>-142.5</b>	<b>637.4</b>	<b>475.3</b>	<b>2.2</b>	<b>477.5</b>
Result for the period							28.1	28.1	-0.4	27.7
Currency translation differences				-3.0				-3.0	0.1	-2.9
Net gain/(loss) on cash flow hedges reclassified to profit and loss during the year			0.0					0.0		0.0
Net gain/(loss) on cash flow hedges during the year			-1.9					-1.9		-1.9
Income tax			0.3					0.3		0.3
Goodwill on acquisition						-4.9		-4.9		-4.9
Share-based payments					-0.5			-0.5		-0.5
Dividends							-28.1	-28.1		-28.1
Non-controlling interests arising on business combinations								0.0	-3.1	-3.1
<b>Balance at 30 June 2017</b>	<b>16.5</b>	<b>0.0</b>	<b>-1.7</b>	<b>-39.5</b>	<b>0.0</b>	<b>-147.4</b>	<b>637.4</b>	<b>465.3</b>	<b>-1.2</b>	<b>464.1</b>
<b>Balance at 1 January 2018</b>	<b>16.5</b>	<b>0.0</b>	<b>-10.2</b>	<b>-15.3</b>	<b>0.5</b>	<b>-147.4</b>	<b>723.7</b>	<b>567.8</b>	<b>-8.4</b>	<b>559.4</b>
Result for the period							31.1	31.1	-6.2	24.9
Currency translation differences				-8.3				-8.3	-0.1	-8.4
Net gain/(loss) on cash flow hedges reclassified to profit and loss during the year			9.9					9.9		9.9
Net gain/(loss) on cash flow hedges during the year			-11.3					-11.3		-11.3
Income tax			2.0					2.0		2.0
Goodwill on acquisition						-1.4		-1.4		-1.4
Share-based payments					-0.5			-0.5		-0.5
Acquisition of own shares		-0.3						-0.3		-0.3
Dividends							-42.9	-42.9	-0.1	-43.0
<b>Balance at 30 June 2018</b>	<b>16.5</b>	<b>-0.3</b>	<b>-9.6</b>	<b>-23.6</b>	<b>0.0</b>	<b>-148.8</b>	<b>711.9</b>	<b>546.1</b>	<b>-14.8</b>	<b>531.3</b>

# INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In million CHF	Share capital	Hedge reserve	Translation reserve	Other reserves	Goodwill offset	Retained earnings	Total shareholders' equity	Non-controlling interest	Total equity
<b>Balance at 1 January 2017</b>	<b>16.5</b>	<b>-0.1</b>	<b>-36.5</b>	<b>0.5</b>	<b>-142.5</b>	<b>637.4</b>	<b>475.3</b>	<b>2.2</b>	<b>477.5</b>
Result for the period						114.4	114.4	-7.5	106.9
Currency translation differences			21.2				21.2	0.2	21.4
Net gain/(loss) on cash flow hedges reclassified to profit and loss during the year		-0.1					-0.1		-0.1
Net gain/(loss) on cash flow hedges during the year		-9.9					-9.9		-9.9
Income tax		-0.1					-0.1		-0.1
Non-controlling interests arising on business combinations							0.0	-3.1	-3.1
Share-based payments				0.0			0.0		0.0
Dividends						-28.1	-28.1	-0.2	-28.3
Goodwill on acquisition					-4.9		-4.9		-4.9
<b>Balance at 31 December 2017</b>	<b>16.5</b>	<b>-10.2</b>	<b>-15.3</b>	<b>0.5</b>	<b>-147.4</b>	<b>723.7</b>	<b>567.8</b>	<b>-8.4</b>	<b>559.4</b>

# NOTES

## **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**

### **BASIS OF PREPARATION AND ACCOUNTING POLICIES**

These consolidated interim financial statements are published in English and cover the unaudited half-year results for the six months ending 30 June 2018. They have been prepared in accordance with Swiss GAAP FER (Accounting and Reporting Recommendations).

These interim financial statements do not contain all the information and disclosures required in the annual consolidated financial statements. They should therefore be read in conjunction with the consolidated financial statements as of 31 December 2017. In these consolidated interim financial statements, management made no new assumptions or estimates compared with the consolidated financial statements as of 31 December 2017.

## **NOTE 3**

### **CHANGES IN SCOPE OF CONSOLIDATION**

There were two changes in the scope of consolidation during the period under review. On 12 February 2018, the Group founded Bobst Vietnam Company Limited at Ho Chi Minh City, Vietnam, and on 1 April 2018, the Group founded Brausse Europe B.V. at Hertogenbosch, Netherlands. On 3 April, Brausse Europe B.V. acquired the activity of distribution and services for Gordon machines in Europe. The total acquired assets are as follows :

- Fixed assets CHF 0.3 million,
- Current assets CHF 0.4 million.

The purchase agreement for the acquisition of the Gordon machines distribution and services in Europe also comprises an earn-out clause depending on the financial performance of the acquired business. As of 30 June 2018, a contingent liability estimated at CHF 1.0 million was recorded on the consolidated balance sheet.

## **NOTE 4**

### **SEASONALITY OF OPERATIONS**

Even if there is no reason to expect seasonality from the nature of the Group activities, in recent years its customers have appeared to be more inclined to take delivery in the second half of the year. Consequently, higher revenues and operating profits are usually observable during that period than during the first six months.

# NOTES

## NOTE 5 SEGMENT REPORTING

In million CHF	June 2018	June 2017	December 2017
<b>Revenue</b>			
Sheet-fed third party sales	391.0	302.3	745.3
Sheet-fed inter-segment	12.1	11.4	23.0
Sheet-fed total revenue	403.1	313.7	768.3
Web-fed third party sales	134.1	119.5	330.2
Web-fed inter-segment	2.2	1.9	4.2
Web-fed total revenue	136.3	121.4	334.4
Services third party sales	237.1	221.2	452.5
Other third party sales	0.3	0.2	0.6
Eliminations inter-segment	-14.3	-13.3	-27.2
<b>Total third party sales</b>	<b>762.5</b>	<b>643.2</b>	<b>1 528.6</b>
<b>Results</b>			
Sheet-fed	29.7	12.6	64.0
Web-fed	-20.2	-5.3	-7.1
Services	27.4	33.2	63.1
Other	-1.7	-0.7	-1.3
<b>Total segment operating result (EBIT)</b>	<b>35.2</b>	<b>39.8</b>	<b>118.7</b>

# NOTES

## NOTE 6 INCOME TAX

Taxes for the half-year period are accrued at expected tax rates, on an annual basis, prevailing in the different countries.

## NOTE 7 EQUITY

At the Annual General Meeting of Shareholders held on 28 March 2018, the shareholders approved the distribution of an ordinary dividend of CHF 2.60 per share (2017: CHF 1.70 per share).

## NOTE 8 SUBSEQUENT EVENTS

The condensed interim consolidated financial statements were approved for publication by the Board of Directors on 24 July 2018. No events have occurred up to 24 July 2018 which would necessitate additional adjustments to the book values of the Group's assets or liabilities, or which require disclosure.

## NOTE 9 EXCHANGE RATES

	Jan-Jun 2018	Jan-Jun 2017	Jan-Dec 2017
<b>Profit and loss statement</b>			
1 EUR	1.17	1.08	1.12
1 USD	0.97	1.00	0.98
1 GBP	1.33	1.25	1.28
1 CNY	0.15	0.14	0.15

	Jun 2018	Jun 2017	Dec 2017
<b>Balance sheet</b>			
1 EUR	1.16	1.09	1.17
1 USD	0.99	0.96	0.98
1 GBP	1.30	1.25	1.32
1 CNY	0.15	0.14	0.15

Certain statements in the half-year 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 fluctuations and interest rate fluctuations, competitive product and pricing pressures, the Company’s operating conditions, and regulatory developments.

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