KPMG

Bobst Group SA

Fairness Opinion for the board of directors of Bobst Group SA

Assessment of the financial adequacy of JBF Finance SA's public offer to acquire the remaining publicly held registered shares of Bobst Group SA

2 September 2022

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Assessment

Valuation range

Value per share range (DCF):

CHF 78 – 86

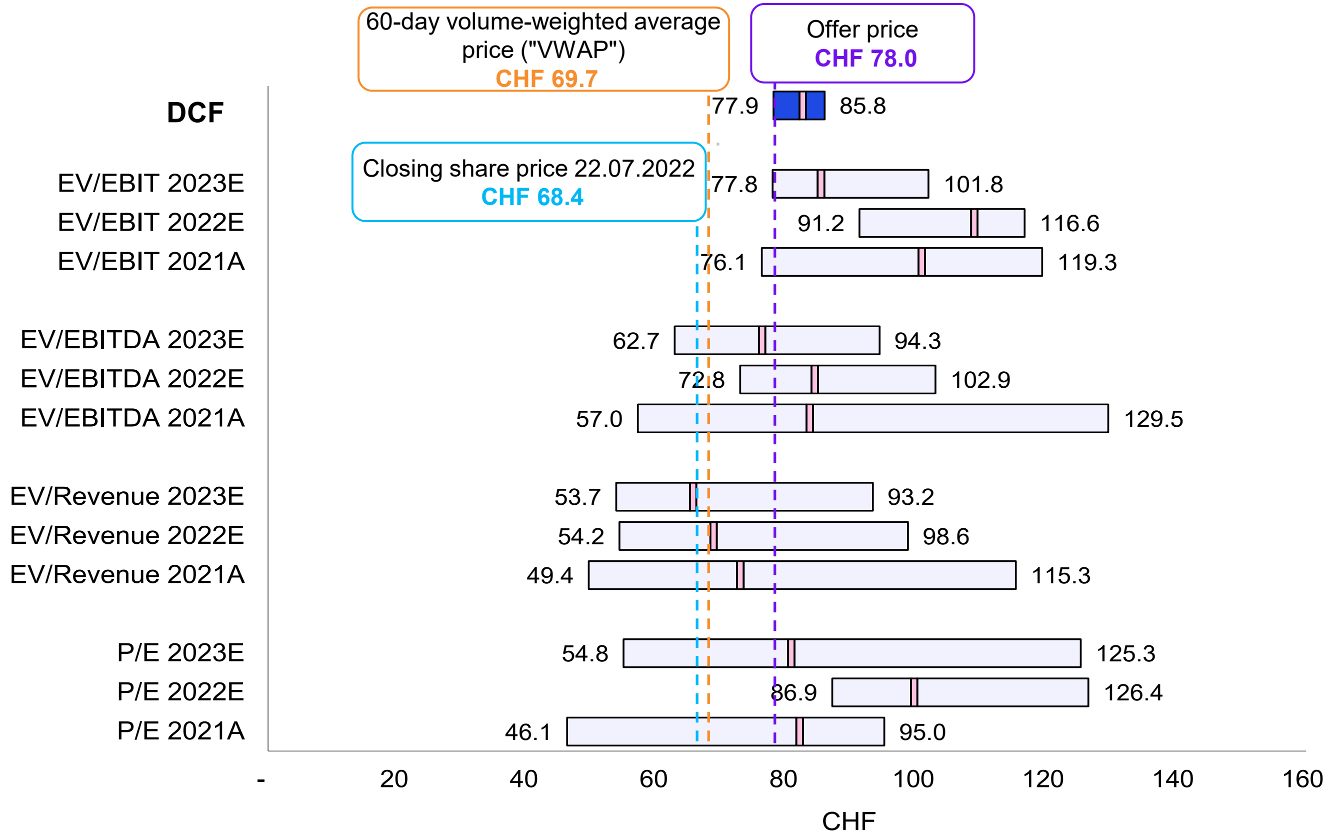
as of 22 July 2022

The assessed range of value per share of Bobst Group SA is primarily determined based on the DCF method.

For the purpose of corroborating the DCF-based results, KPMG also derived value ranges based on trading multiples, which support the results of the DCF method.

KPMG also analyzed transaction multiples. However, insufficient comparable transactions were identified. As such, transaction multiples were ultimately not relied upon for the value conclusion.

Value per share of Bobst Group SA



Source: S&P Capital IQ, Management, KPMG Analysis

Fairness opinion

Based on our analyses and value considerations, we summarize the following key results:

- Compared to the closing share price of Bobst Group SA of CHF 68.4 on July 22, 2022, the last trading day before the announcement of the public takeover offer, the offer price of CHF 78.0 per share corresponds to a premium of approximately 14.0%. Compared to the 60-day VWAP of CHF 69.7 as of July 22, 2022, the offer price per share represents a premium of approximately 11.9%
- Following the investments made by Bobst Group SA in recent years, it is expected to achieve above-average profitability and require lower investments in the coming years. On the other hand, Bobst Group SA remains exposed to the ongoing effects of the COVID-19 pandemic as well as geopolitical and macroeconomic challenges
- The DCF analysis results in a value range of CHF 77.9 to CHF 85.8 per share of Bobst Group SA as of 22 July 2022 (the "Valuation Date"), which includes the offer price per share of CHF 78.0
- Trading multiples support the result of the DCF analysis; Due to lack of comparability in profitability or growth expectations as well as the date of the respective transactions, transaction multiples do not offer an appropriate basis for the value derivation

Considering the value range of around CHF 78 to CHF 86 per share of Bobst Group SA based on the DCF analysis as of the Valuation Date and additional considerations, we estimate the offer of CHF 78 per share of Bobst Group SA made by JBF Finance SA as of 25 July 2022 to be financially fair and appropriate .

KPMG AG

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Basis of the fairness opinion

Background information

Bobst Group SA ("Bobst" or the "Company") was established in 1890 and is headquartered in Mex, Schweiz. Together with its subsidiaries (the "Group"), the Company is a leading supplier of equipment and services for packaging and label manufacturers in the folding cartons, corrugated boards and flexible materials segments.

In 2021, the Company generated a consolidated revenue of CHF 1.6 billion. The Group operates 19 production sites in 11 countries and employs more than 5,800 people worldwide.

Bobst is a public company. The registered share capital amounts to CHF 16,518,478 and is divided into the same number of registered shares with a nominal value of CHF 1.00 each, all of which are listed on the SIX Swiss Exchange.

On July 25, 2022, the majority shareholder of Bobst, the Swiss company JBF Finance SA ("JBF Finance"), domiciled in Buchillon, announced its intention to make a public takeover offer ("Offer") for all publicly held registered shares of Bobst within the meaning of Art. 125 et seq. of the Financial Market Infrastructure Act. JBF Finance is held by more than 60 shareholders belonging to families descending from the founder of Bobst. Since individual members of Bobst's board of directors also hold shares in JBF Finance, an independent board of directors ("Independent Board") comprised only of board members with no conflict of interest vis-à-vis JBF Finance has been established to protect the interests of Bobst's shareholders.

Prior to the announcement of the public tender offer ("Announcement"), JBF Finance held approximately 53.4% of the registered shares. For the remaining 46.6% of the shares, JBF Finance is offering CHF 78.0 per share ("Offer Price"). The Offer will not be extended to Bobst Shares held by JBF Finance or any of its direct or indirect subsidiaries.

Based on the closing price of Bobst on the last trading day prior to the publication of the Announcement, the Offer Price represents a premium of CHF 9.6 per share or 14.0%.

Based on the VWAP of Bobst shares traded on the SIX Swiss Exchange during the 60 trading days preceding the publication of the Announcement, the Offer Price represents a premium of CHF 8.3 per share or 11.9%.

The takeover offer does not contain any conditions regarding the acceptance of a minimum number of shares by the end of the offer period.

KPMG AG mandate

On July 3, 2022, Bobst, represented by its Independent Board, commissioned KPMG AG, Switzerland ("KPMG") to issue an opinion assessing the financial adequacy of the takeover offer by JBF Finance from the point of view of Bobst's public shareholders ("Fairness Opinion") .

The Fairness Opinion is addressed to Bobst's board of directors and, in accordance with the ordinance of the Swiss Takeover Board ("TOB"), will be included as part of the board of directors' report to the shareholders on the takeover bid.

This Fairness Opinion can be published in its entirety as part of the Offer, submitted to interested parties and mentioned in the Offer prospectus. Use for other purposes is not permitted.

The subject of the Fairness Opinion is the Bobst Group SA. The valuation is as of 22 July 2022. The Fairness Opinion does not constitute a recommendation to the public shareholders of Bobst to accept or reject the Offer from JBF Finance, nor does it contain an assessment of the following points:

– Terms of the takeover offer
– Legal and tax assessment of the transaction structure
– Impact that the decision to accept or reject may have on shareholders
– Future value of Bobst's stock price

In the context of this Fairness Opinion, KPMG has not performed a due diligence nor a corporate audit.

In preparing the Fairness Opinion, KPMG has assumed that Bobst's financial information and other information provided were accurate and complete and has not independently verified such information.

In this context, KPMG relies on the written representation of the Independent Board and management of Bobst ("Management") that they are not aware of any facts or circumstances that could cause the information provided to be incomplete, inaccurate or misleading.

KPMG's responsibility is limited to the careful and professional analysis and evaluation of the information made available to KPMG.

Valuation basis and methodology

KPMG conducted a comprehensive analysis of Bobst to assess the adequacy of the Offer. The subject of the valuation is Bobst and its subsidiaries on a consolidated basis. The result of our analysis is the determination of a range of value per share of Bobst. This range of values represents the benchmark against which a purchase offer is deemed to be financially fair and reasonable.

The valuation was performed on the basis of Bobst as a standalone company without consideration of potential synergies or any transaction costs. Effects at the level of the individual shareholder, such as tax effects, are also not considered.

The value range for Bobst and the resulting value per share were determined primarily on the basis of the discounted cash flow method ("DCF"). In addition, sensitivity analyses were carried out by changing key value drivers as part of the DCF method. A multiples-based market approach was also performed to corroborate the results obtained with the DCF method.

KPMG's assessment is based on the following data and sources of information:

- Publicly available information about Bobst. This includes the annual reports for the 2019 to 2021 period, analyst reports from various banks, newspaper reports and press releases
- Internal information of Bobst deemed relevant to the analysis, including the most recent financial projections for the 2022 – 2024 period
- Discussions with the Management and the Independent Board of Bobst regarding the financial position of Bobst and results of its operations, as well as the current and future market environment, value drivers and assumptions in the documents supporting the financial projections
- Capital market and financial data from Bobst and selected public comparable companies (Source: S&P Capital IQ)
- Macroeconomic data of the main countries in which the Group operates
- Data on corporate transactions for which the target companies are considered comparable to Bobst (sources: S&P Capital IQ, mergermarket)
- Relevant market studies on the packaging and label industry

The analysis considers available information as of the date of redaction of this report and is therefore subject to change.

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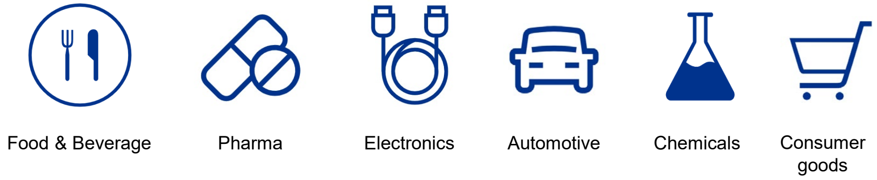
Market overview

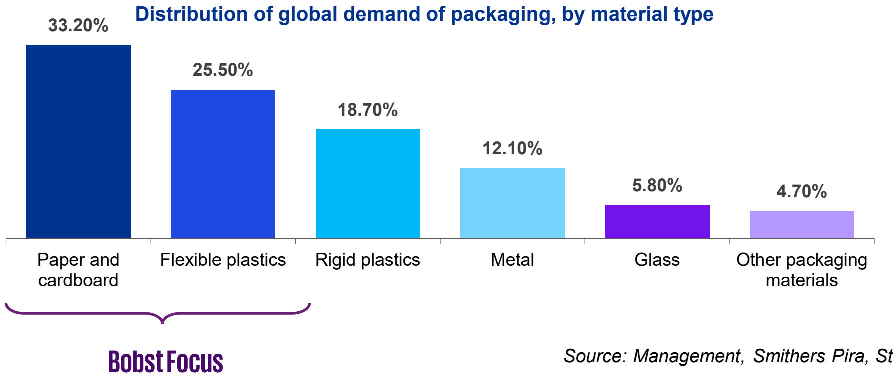
Market overview – Packaging and labelling industry

According to the Mordor Intelligence market research institute, the **global packaging market** is estimated at around USD 1,002 billion in size in 2021 and is expected to reach USD 1,275 billion by 2027 with a compound annual growth rate ("CAGR") of 3.9% over the same period.

The **main end markets** of the packaging industry are the following:



Furthermore, the packaging industry can be segmented according to packaging types. Bobst's product portfolio focuses on the **paper and board** as well as **flexible plastics**, which together represent close to 60% of the total global demand in packaging.



Source: Management, Smithers Pira, Statista

The **global packaging industry** has experienced continuous growth over the past decade and is expected to continue on a steady growth trajectory driven by the following **trends**:

- Increase in **sustainability requirements** at every stage of the value chain
- **Hygienic requirements** have become an important aspect
- Continuing growth in **electronics commerce**
- Rapid **change in consumer preferences**
- Rapid **change in consumer goods**
- **Decreasing retail margins**
- **Digitization of the packaging business**

According to Smithers Pira, the global label industry is expected to grow at a CAGR of 4.0% in the 2021 to 2026 period. Supporting this growth are industry-specific needs such as **security, transparency and traceability**, which drive demand for labels.

Additionally, the COVID-19 hygiene crisis has given both segments of Bobst strong tailwinds, due to increasing demand for food and pharmaceutical packaging.

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Company overview

Sales by segment and value chain

Business overview and sales by segment

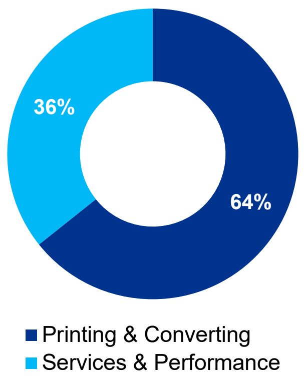
The Group operates through two main segments: **Printing & Converting** and **Services & Performance**, which account for 64% and 36% of total net sales, respectively.

In 2021, Bobst generated net sales of CHF 1,563 million with a growth of 14% compared to 2020.

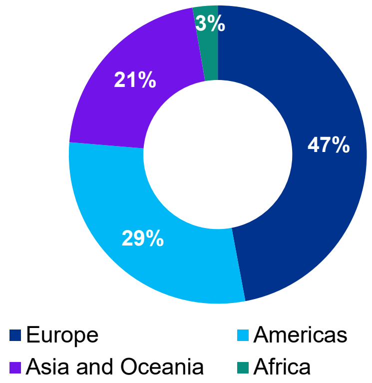
The Group operates 19 production sites in 11 different countries, as well as a sales and service network across more than 50 countries. Bobst employs over 5,800 people worldwide.

Similar to 2020, Europe accounted for the largest share of net sales in 2021. The proportion of sales generated in the Americas, Asia and Oceania each increased slightly, while sales generated in Africa decreased in comparison to the previous year.

2021 revenues by division



2021 revenues by region



Source: Management

Value chain & company positioning

Value chain	Raw material suppliers	Substrate manufacturers		Packaging converters				Brand owners	Retailers	Consumers
Operations	Raw materials	Paper Plastic	Ink	Artwork	Tooling	Pre-press	**Printing & Converting**	Filling	Sales & distribution	Consumption End of life

Bobst's focus

DIGITAL | **Labelling** | **Folding carton** | **Flexible materials** | **Corrugated board**

Source: Management

Business segments

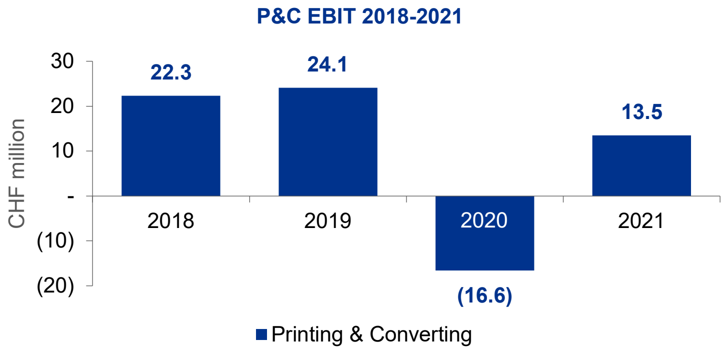
Printing & Converting ("P&C")

The P&C division brings together machines for the folding carton, corrugated board, flexible material and label industries.

Bobst systems range from standalone machines to fully integrated tailor-made systems.

The P&C division achieved an operating profit ("earnings before interest and taxes", "EBIT") of CHF 13.5 million in 2021.

While higher sales and improved utilization of industrial capacities led to a higher EBIT in 2021, price increases on the purchasing side hindered the improvement in operating profit.

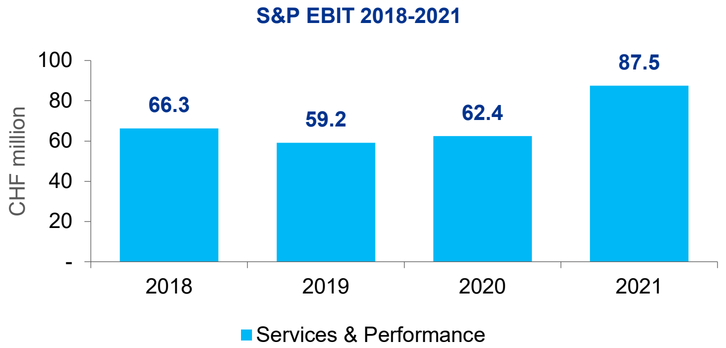


Services & Performance ("S&P")

The S&P division offers customers a comprehensive range of services for their Bobst equipment, including a global network of service centers and spare parts.

The S&P division significantly increased its EBIT in 2021 and achieved an EBIT of CHF 87.5 million.

Similar to the P&C division, the S&P division was affected by price increases for materials, parts and transport, but was able to pass these on to customers to a greater extent.



BOBST Connect

In addition, the Group has committed significant investments towards the digitization of the Company as well as its products and services. Among others, the investments gave rise to **BOBST Connect**, a digital all-in-one platform connecting Bobst systems and data using a uniform database. However, BOBST Connect is not managed as a separate business area.

Source: Management

Strategy

The Group's **medium and long-term strategy** is based on two key success factors:

Quality of the product and service offering and customer satisfaction: Bobst's primary goal is to build a trusting relationship with its customers. To this end, the Company launched quality campaigns in 2018, which led to significant improvement in customer satisfaction. In addition, the Company has recently made several investments in new production facilities. Finally, the Group plans to hire and train additional service specialists to further improve the quality of the service offering.

Digitization and innovation: The Company has made significant investments in the development of their integrated BOBST Connect platform. As previously described, the platform is an all-in-one tool for know-how collection, creating value for customers and monetizing available data. Bobst's innovation strategy rests on four distinct pillars:

- **Digitization**: fully digitized end-to-end solutions aimed at optimizing customers' production
- **Connectivity**: automatic connection of machines and tools, formulation management, facilitation of remote maintenance and services
- **Automatization**: higher productivity, fast changeover, smooth job preparation, improved quality control systems
- **Sustainability**: reduced waste, increased efficiency, compliance with regulations, eco-friendly flexible packaging solutions

With these two success factors, Bobst is addressing the most important trends in the packaging and labelling industry, digitization and sustainability, which will gain even greater importance in the future.

Source: Management

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Valuation analysis

Valuation of Bobst

The financial adequacy of the takeover offer for Bobst was determined primarily on the basis of the discounted cash flow ("DCF") method under the income approach. In addition, both an analysis of comparable listed companies and comparable transactions under the market approach were considered to verify the plausibility of the value range derived based on the DCF method.

Income approach

The value of a company corresponds to the expected net cashflows to investors (debt and equity investors).

Under the DCF method, the value of the operating business is determined by discounting the future cash flows (free cash flow, "FCF") by the weighted average cost of capital ("WACC") at the Valuation Date. Projected FCFs represent financial surpluses available to all investors (equity and debt holders) of the company. The value of equity is derived by taking into account non-operating assets and liabilities and by deducting the value of debt (net financial position).

The most recent available financial data of Bobst Group prior to the Announcement is dated as of 30 June 2022. Therefore, the valuation is performed as of 30 June 2022 in a first step and the equity value as of 22 July 2022 is determined in a second step by adding the accrued equity between 30 June 2022 and 22 July 2022 based on the cost of equity. The Independent Board of Bobst Group as well as Management confirmed that no material events or transactions occurred between 30 June 2022 and 22 July 2022 that would have a material impact on the valuation considerations.

In simplified terms, free cash flow is calculated as follows:

operating profit (EBIT)

- taxes

+ depreciation & amortization

- capital expenditures

+/- change in net working capital

= Free Cash Flow

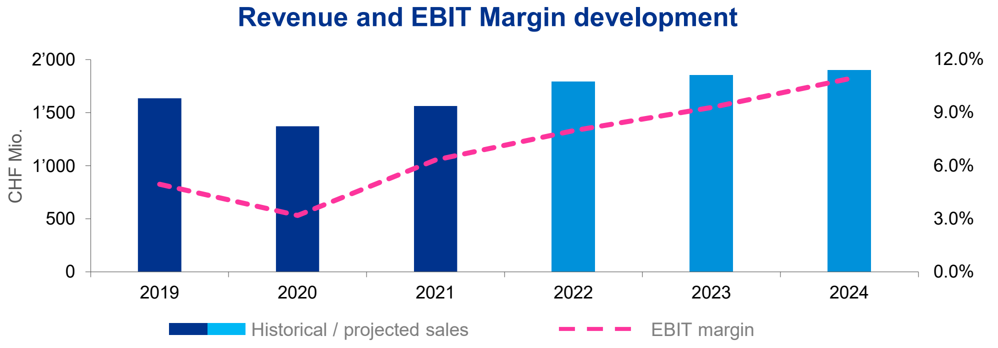
The operating enterprise value is the sum of the discounted future free cash flow in the explicit projection period and the terminal value. The consideration of a terminal value is based on the "going concern" assumption, which assumes the continuation of a company's operations into perpetuity.

The sustainable free cash flow in the terminal period is discounted using the capitalization rate which is the WACC less an assumed long-term growth rate ("LTGR").

The explicit projection period of the DCF valuation is based on Bobst's consolidated medium-term financial projections ("Business Plan") for the 2022 to 2024 period.

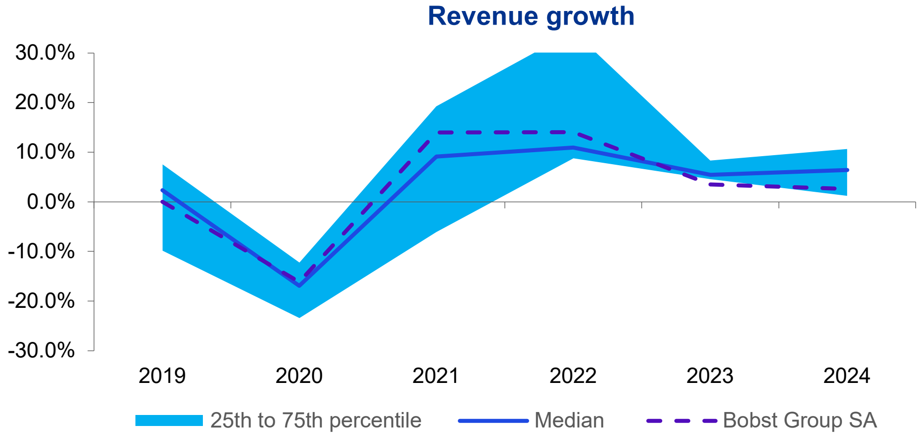
Business plan (1/2)

In this Fairness Opinion, the valuation of Bobst is based on the 2022 budget and the medium-term projections until 2024, which were prepared by the management of Bobst and approved by the board of directors of the Group. KPMG verified the plausibility of the Business Plan's key assumptions, taking into consideration the historical financial statements, the current geopolitical and macroeconomic risks, as well as the expected challenges to the Group's operations.



In the wake of the COVID-19 pandemic, Bobst's 2020 sales decreased to CHF 1,372 million, the lowest level in sales in the last three years. In 2021, sales increased by 14.0% to CHF 1,563.0 million, reaching sales slightly below pre-COVID levels. Management expects a similarly high sales growth for 2022. For the 2023 and 2024 period, Management expects an annualized sales growth rate of 3.0%, reaching sales of approximately CHF 1,900 million by the final projection year.

The benchmarking analysis confirms that Bobst's sales growth as projected in the Business Plan remains within a range of analyst projections for peer companies. Accordingly, Bobst's expected sales growth remains within the interquartile range (25% to 75% percentile) of the benchmarking analysis.



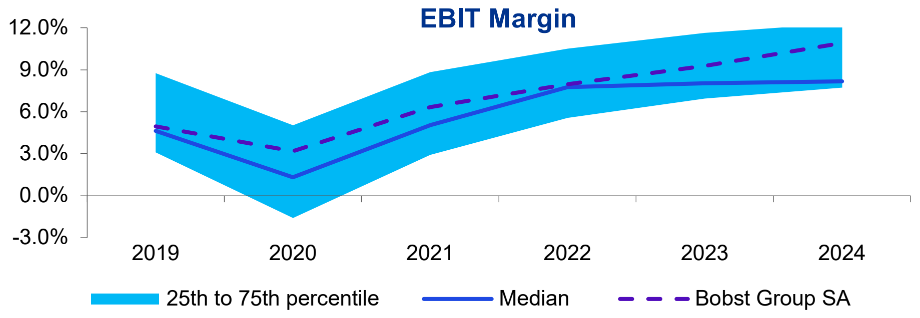
The benchmarking analysis suggests that the volatile historical and projected sales development does not apply only to Bobst but to the broader industry in which Bobst operates.

Source: Management, S&P Capital IQ, KPMG Analysis

Business plan (2/2)

In 2019 Bobst achieved an EBIT margin of 4.9%, which decreased to 3.2% in the first pandemic year of 2020 and increased back above the pre-COVID level to 6.3% in 2021. Management expects a steady increase in EBIT margin from 2022 to 2024, reaching 10.9% in 2024. Management expects Bobst to reach the peak of its economic cycle by 2024.

In the 2019 to 2021 period, Bobst's EBIT margin has developed in line with the peer companies. In 2023 and 2024, Bobst's EBIT margin is expected to improve in comparison to the peer companies as analysts' estimates for the peer companies project the median EBIT margin to stagnate during the same period after reaching approximately 8.0%.

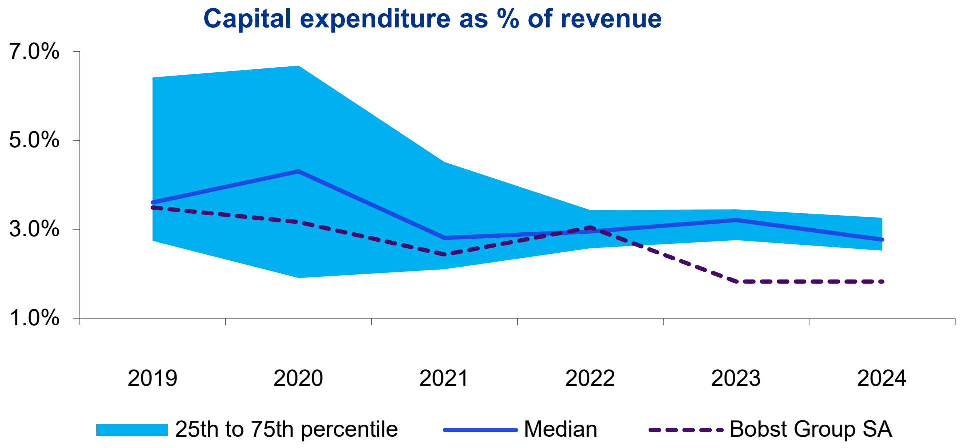


Source: Management, S&P Capital IQ, KPMG Analysis

Bobst's higher profitability compared to the peer companies as well as the Group's historical performance is partially due to the investments made in recent years.

In 2019, Bobst made investments ("capital expenditures" or "capex") amounting to CHF 56 million. By 2021, investments had decreased to CHF 39 million, which corresponds to a decrease in investments in proportion to annual sales from 3.4% to 2.5%.

According to Management, investments have already been made in the years prior to 2019, particularly in digitization and IT infrastructure. Following the completion of these investments and based on the expectation that there is sufficient headroom in terms of production capacity, Management does not expect specific expansion investments to be necessary in the following years. For this reason, Management estimates investments in proportion to annuals sales to remain at 1.8% for 2023 and 2024 period, and thus below the interquartile range of the peer companies.



Source: Management, S&P Capital IQ, KPMG Analysis

Terminal value

KPMG extended the Business Plan into 2025 in order to reflect a transition in sales growth, margin development as well as investments to a steady state.

For the period past the 2025 transition year, KPMG derived a terminal value, assuming a long-term growth rate of 1.9%.

The long-term growth rate reflects the sales- and cost-weighted average of the three currencies Bobst's operations are mostly exposed to (Euro, US Dollar and Swiss Franc). For each currency, we considered the appropriate long-term inflation expectations for the Euro zone, the US and Switzerland.

The sustainable free cash flow in the terminal value was determined based on sales in the last forecast/transition year 2025 and the above-mentioned long-term growth rate.

According to the Business Plan, Management expects an above-average EBIT margin for the explicit projection period (2022 to 2024), both in comparison to Bobst's historical financial performance as well as in comparison to peer companies, due to the investments made in recent years. In our opinion and according to Management, the EBIT margin assumed in the terminal value should be lower than the projected EBIT margin in the last projection year, as it cannot be assumed that an above-average competitive advantages will be maintained in the long term.

Therefore, we estimated a sustainable EBIT margin of 8.5% for the terminal value, which takes into account both the historical and projected profitability of the Group and is slightly above the average of the peer companies.

The capital expenditures assumed in the terminal value are based on the investment-to-sales ratio of 1.8%, as projected in the Business Plan for the 2023 and 2024 period. This takes into account the need for regular and sustainable replacement capex in a steady state under a normalized long-term growth scenario. Accordingly, the investment-to-sales ratio assumed in the terminal value remains below the investment level of the 2017 to 2022 period, in which Bobst invested more heavily in digitalization and the company's IT infrastructure. According to Management, investments can be kept comparatively lower in the long term, due to outsourcing measures implemented in the IT area, among others.

Cost of capital (1/2)

Income approach

The WACC used to discount the FCF, is based on the weighted cost of equity and cost of debt after tax as well as the median debt/equity ratio of the peer companies. As of 30 June 2022, we determined a **WACC of 10.2%** and **cost of equity of 10.9%** for Bobst. The latter is applied in the calculation of the accrued equity as of the Valuation Date based on the equity value as of the 30 June 2022. The individual parameters used to derive the WACC are explained below, followed by a visual representation of the WACC derivation.

A Beta

The unlevered beta is derived from the median unlevered equity betas of comparable listed companies based upon a comparison of weekly returns over the trailing two-year period as of the Valuation Date. The unlevered beta derived for Bobst is rounded to 1.05. Further details on the beta factors of the identified comparable companies is included in the Appendix. The **relevered beta of 1.13** was derived using the Harris-Pringle formula and assuming a capital structure corresponding to the median capital structure of the peer companies.

B Risk-free Rate (“RfR“)

The RfR represents a risk-free alternative investment for an equivalent period of time. The RfR for Bobst was determined based on a present value equivalent uniform interest rate derived from the zero coupon yield curve of the Swiss National Bank ("SNB"), the Federal Reserve ("FED") as well as the European Central Bank ("ECB") with maturities of up to 30 years. The risk-free rate, weighted by sales and costs in the three currencies Bobst is the most exposed to (Euro, US Dollar and Swiss Franc), amounts to **2.3%**.

C Market Risk Premium (“MRP”)

We applied an **MRP of 6.0%** based on historical and implied equity returns as well as on several international and national studies examining the spread between the average return of developed equity markets and the average return of the respective government bonds over a period of several decades.

D Small-Cap Premium (“SCP”)

Companies with a lower market capitalization are deemed riskier. Therefore, investments in smaller publicly traded companies are expected to generate a higher return. To reflect a higher expected return on investments made into companies of similar size to Bobst, we applied a **premium of 1.2%** (according to Kroll Cost of Capital Navigator, 2022).

E Country Risk Premium (“CRP”)

The CRP takes into account various risks associated with foreign investments, such as political, legal, regulatory and tax risks. The CRP is determined based on the yield spread (yield to maturity) between Euro- or US Dollar-denominated bonds of the respective country and Euro- or US Dollar-denominated benchmark bonds of the same maturity. Due to their mature and liquid capital markets, in combination with a de facto absence of default risk, German and US government bonds are used as benchmark bonds.

The revenue-weighted **CRP of 0.6%** considers the CRP of the countries in which Bobst generates sales. Each country's CRP is based on an internal KPMG study.

Cost of capital (2/2)

F Cost of debt ("CoD")

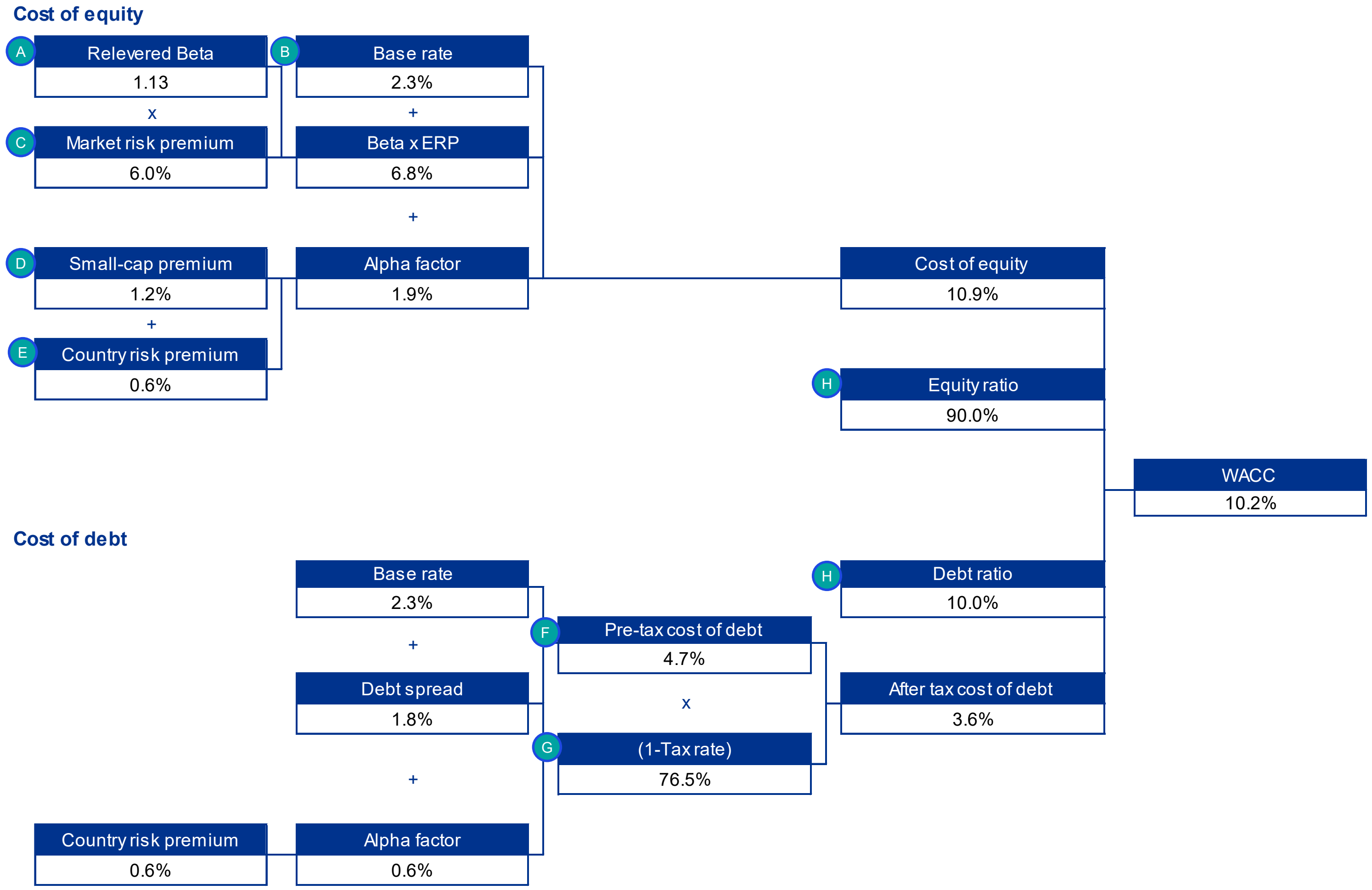
The CoD consists of the RfR, the CRP and a debt premium. The debt premium reflects the additional risk of debt compared to the RfR and is derived from the median debt spread of the peer companies. The resulting CoD (before taxes) amounts to **4.7%**.

G Tax rate

Based on discussions with Management, we applied a **tax rate of 23.5%** for Bobst.

H Capital structure

Based on the median capital structure of the peer companies, we determined Bobst's target **debt ratio at 10.0%**.



Source: S&P Capital IQ, KPMG Analysis

DCF Valuation

EV - Equity Bridge	
in CHF million (except for share price)	
Enterprice value (EV) as of 30 June 2022	**1’251.8**
1 less: Financial debt	(344.3)
2 less: Minority interest	(6.3)
3 added: Non-operating assets and liabilities	444.0
Implied value of equity as of 30 June 2022	**1’345.2**
4 Accrued equity factor based on 10.9% cost of equity	1.01
Implied value of equity as of Valuation Date	**1’353.6**
5 Number of shares outstanding as of Valuation Date	16’518’478
Implicit Share price as of Valuation Date (CHF)	**81.9**

Source: Management, KPMG Analysis

The Enterprise Value ("EV") of CHF 1,251.8 million is the result of the DCF valuation and, therefore, the sum of the cash flows in the projection period and the terminal value discounted with a WACC of 10.2%. All other positions considered in the EV-Equity bridge have been derived from Bobst's financial reports as of the first half of 2022, the last available financial statements prior to the Announcement and the Valuation Date.

1 Financial debt

This position includes current and non-current financial liabilities of CHF 344.3 million as of 30 June 2022.

2 Minority interest

Minority interests decreased from CHF 7.1 million as of 31 December 2021 to CHF 6.3 million in the first half of 2022.

3 Non-operating assets and liabilities

The EV-Equity bridge includes non-operating assets and liabilities in the amount of CHF 444.0 million, whereby a large part of these positions includes, in addition to investments, other financial assets as well as non-operating cash and cash equivalents. For the deferred tax assets, only the tax benefits recognized in the 2021 annual financial statements are taken into account. According to Management, the utilization of the tax benefits not recognized in the balance sheet is highly uncertain and, therefore, not taken into account as part of the EV-Equity bridge.

As part of non-operating liabilities, pensions and other employee obligations as well as non-operating provisions were specifically deducted as of 30 June 2022.

4 Accrued equity as of the Valuation Date

Accrued equity from 30 June 2022 to 22 July 2022 (Valuation Date) based on the cost of equity of 10.9%.

5 Shares outstanding

The number of outstanding shares was determined in accordance with Bobst's 2021 annual report and verified based on the commercial registers as of the Valuation Date. As of 22 July 2022 the number of shares remained unchanged and amounts to 16,518,478 shares.

Sensitivity analysis

Middle value - DCF:

CHF 81.9

as of 22 July 2022

Due to the central role that the EBIT margin plays in the Business Plan as well as a performance indicator for Management, we determined the sensitivity of Bobst's share price against a change in the long-term EBIT margin. The value range is based on a change in the margin of +/- 50 basis points and corresponds at the lower end to the minimum EBIT margin level of 8%, which management aims to achieve on average in the long-term over the business cycles.

DCF sensitivity analysis

Sensitivity analysis - value per share - Bobst

in CHF

WACC	Long-term EBIT Margin 8.0%	8.25%	**8.5%**	8.75%	9.0%
9.2%	88.1	90.3	92.8	95.3	97.3
9.7%	82.7	84.7	87.0	89.3	91.2
10.2%	**77.9**	**79.8**	**81.9**	**84.1**	**85.8**
10.7%	73.7	75.5	77.5	79.5	81.1
11.2%	69.9	71.6	73.4	75.3	76.8

Source: Management, KPMG Analysis

Market approach – Trading Multiples

Valuation based on listed peer companies (trading multiples)

This valuation approach is based on financial ratios (e.g. enterprise value to EBITDA ratio) of comparable listed companies. The first step consists in identifying the appropriate group of comparable listed companies. Bobst's peer companies should be comparable in terms of industry, business model, product and service portfolio, as well as size and financial ratios. A list of the selected companies and a brief description of their business activities is included in the Appendix.

The valuation is based on the median of ratios between the enterprise value derived based on the market capitalization and the historical and projected financial metrics of the peer companies. As shown in the table, the value per share of Bobst based on trading multiples ranges approximately from CHF 65 to 109. Taking into account this range of values based on the first to third quartile, we make the following observations in relation to the DCF analysis:

- Revenue multiples lead to significantly lower values; the relevance of revenue multiples is generally limited
- The derived range of value per share based on EV/EBITDA multiples is similar to the range of values based on the DCF analysis
- The values based on the 2021 and 2022 EV/EBIT multiples are significantly higher, which can be explained by the recent investments, among others
- The derived range of value per share value based on the 2021 and 2023 Price/Earnings ("P/E") multiples is similar to the range of values based on the DCF analysis; only the value per share based on the 2022 P/E multiple falls above the range of value per share based on the DCF analysis

Bobst valuation based on trading multiples

	EV/Revenue			EV/EBITDA			EV/EBIT			P/E		
	2021A	2022E	2023E	2021A	2022E	2023E	2021A	2022E	2023E	2021A	2022E	2023E
Median Peer Group	0.7x	0.6x	0.5x	8.6x	6.8x	5.3x	15.8x	11.9x	7.6x	14.8x	15.2x	10.0x
Implicit Share Price Bobst (CHF)	72.8	68.6	65.4	83.5	84.3	76.1	100.9	109.1	85.3	82.0	99.7	80.6

Source: Management, S&P Capital IQ, KPMG Analysis

The comparability of the trading multiples is limited. Nevertheless, the results support the valuation based on the DCF method.

Market approach – Transaction Multiples

Valuation based on completed M&A transactions involving comparable target companies (transaction multiples)

Transaction multiples are based on acquisitions involving target companies comparable to Bobst. The main selection criteria in the identification of comparable transactions include the following:

- The target company operates within the same industry as Bobst
- The transaction involves a change of control
- The transaction took place in the period between July 2017 and the Valuation Date, ideally closer to the Valuation Date
- Available information on the transaction price and material financial information related to the target company

When applying this method, it should be noted that transaction multiples may be influenced by transaction-specific aspects that are not apparent or unknown to outsiders. As an example, when submitting its offer, a buyer could consider potential synergies. It must also be taken into account that comparable transaction multiples observed before the outbreak of the COVID-19 pandemic or the conflict in Ukraine must be critically assessed in relation to a valuation as of the 22 July 2022 Valuation Date The comparability of transaction multiples may be significantly limited due to the above-mentioned effects, among others.

Based on the criteria listed above, KPMG searched for comparable transactions. However, it was not possible to identify sufficiently comparable transactions.

The transaction multiples were not considered in the assessment due to the limited data availability.

06

Liquidity and share price analysis

Liquidity analysis

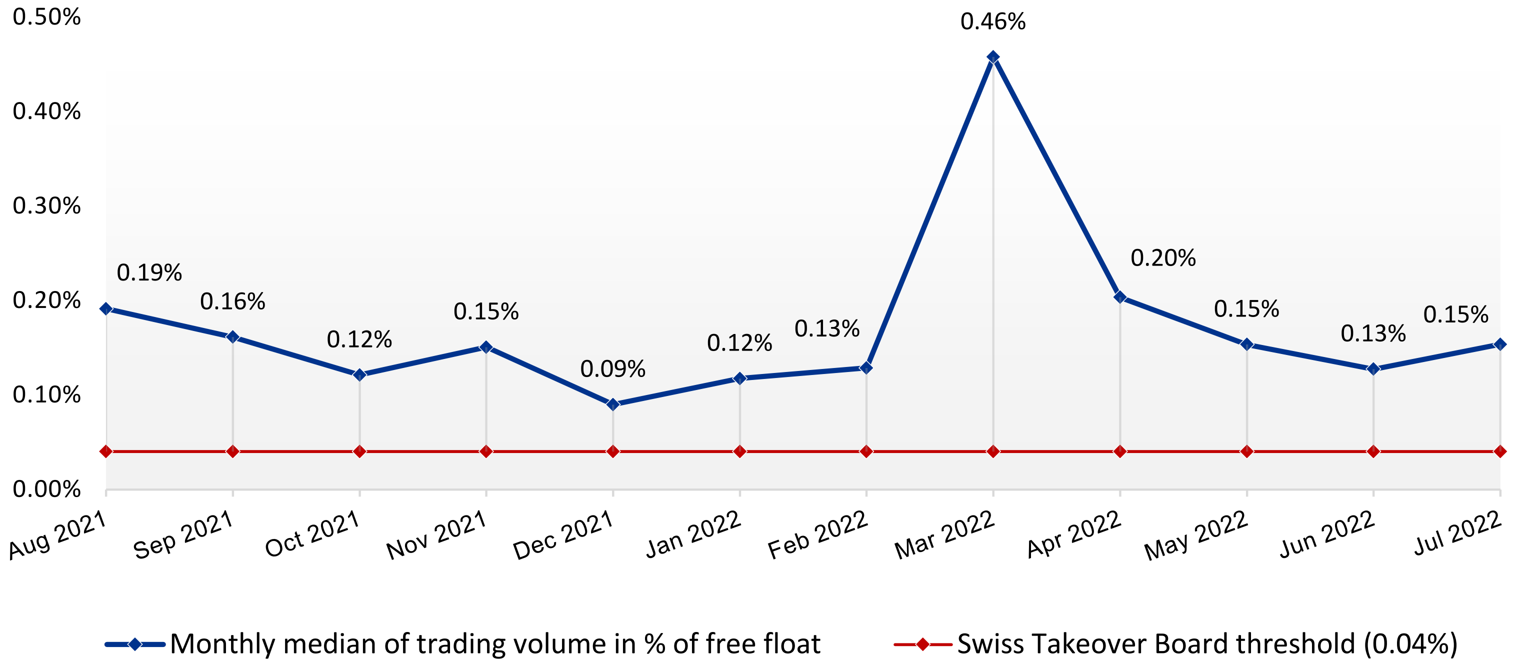
The Bobst Group share meets the liquidity criterion

In order for the share price of the target company to be considered in the assessment of the offer price, the share must be liquid, i.e. have sufficient trading volume.

The second TOB circular defines liquidity as follows:

"A non-SLI equity security is considered liquid if the monthly median daily trading volume of on-exchange transactions is equal to or greater than 0.04% of the tradable portion of the equity security (free float) in at least 10 out of 12 full months preceding the pre-announcement or the offering."

Bobst Group SA



Source: S&P Capital IQ, KPMG Analysis

Share price analysis

The Offer Price is 11.9% over the 60-day VWAP

On 22 July 2022, Bobst shares were trading at CHF 68.4, down 11.3% from 22 July 2021. In the past 12 months, the highest closing price was CHF 99.3 (21 March 2022) and the lowest closing price was CHF 59.5 (5 July 2022).

The chart on the right shows the VWAP for the 60 trading days prior to the announcement of the public tender offer on 25 July 2022. As the 60-day VWAP prior to the valuation date amounts to CHF 69.7, the Offer Price of CHF 78.0 represents a premium over the VWAP of 11.9%.

Bobst Group SA

Source: S&P Capital IQ, KPMG Analysis

Appendix

Appendix I: Comparable companies (1/3)

Comparable companies

Name	Description
Bystronic AG	Bystronic AG, through its subsidiaries, provides metal processing solutions for cutting, bending, and automation worldwide. It also provides integrated software solutions and consumables, as well as maintenance, support, and spare parts management services. The company was formerly known as Conzzeta AG and changed its name to Bystronic AG in May 2021. Bystronic AG was founded in 1912 and is based in Zurich, Switzerland.
HIRANO TECSEED Co.,Ltd.	HIRANO TECSEED Co.,Ltd. produces and sells coating/laminating and industrial machinery primarily in Japan. The company offers optical function film, flexible board, dry film, electronic material, battery electrode, adhesive, release film and paper, carbon fiber prepreg, synthetic leather, hot-melt, and other coating lines. It also provides non-woven dryers, ceramic sheet forming lines, film stretching lines, glass cloth production lines, and multicoaters. The company was founded in 1935 and is headquartered in Nara, Japan.
Klingelnberg AG	Klingelnberg AG develops, manufactures, and sells machines for bevel and cylindrical gear machining, and measuring centers for axially symmetrical components and gearing worldwide. The company offers bevel gear cutting, bevel gear grinding, bevel gear lapping, and bevel gear testing machines, as well as related software, tools and fixtures, after sales, and tool management products. It also provides cylindrical gear grinding and roll testing machines, machining products, and related software solutions; and precision measuring centers, application products, and accessories, as well as gear, general coordinate, form and position, roughness, contour, and optical measurement products. In addition, the company offers customized bevel gears; range of engineering services, including bearing-pattern optimization, calculations, design and simulation of gear components, and determination of static and dynamic factors of the complete system; and digital solutions, which include smart tooling and process control, machine status analyzer, OPC UA UMATI, and machine gate. It serves automotive, maritime propulsion, rail, mining/materials handling, oil and gas, agriculture, racing transmission, robot, aviation, electromobility, and wind power industries, as well as crusher gearboxes, commercial vehicles, industrial gear units, and contract manufacturers. The company was founded in 1863 and is headquartered in Zurich, Switzerland.
Koenig & Bauer AG	Koenig & Bauer AG develops and manufactures printing and postprint systems worldwide. It operates through three segments: Sheetfed, Digital & Webfed, and Special. The Sheetfed segment offers offset presses for packaging and commercial printing, as well as workflow and logistics solutions; and peripheral equipment for finishing and processing printed products, such as rotary/flatbed die cutters and folding-box gluing lines. The Digital & Web segment provides digital and offset web-fed presses for decor, flexible packaging, and newspaper and commercial printing applications. This segment also offers flexo presses for flexible packaging, as well as presses for flexo and digital printing of corrugated boards. The Special segment offers special presses for banknote and security printing applications; and systems for industrial marking and coding, as well as special systems for direct metal decorating and glass and hollow container printing. The company also provides inspection, maintenance, and calibration services; retrofits/upgrades and service contracts; and spare parts, consumables, and accessories for the presses. Koenig & Bauer AG was founded in 1817 and is headquartered in Würzburg, Germany.

Source: S&P Capital IQ, KPMG Analysis

Appendix I: Comparable companies (2/3)

Comparable companies

Name	Description
Komori Corporation	Komori Corporation engages in the manufacture, sale, and repair of printing presses in Japan, North America, Europe, and Greater China. Its products include offset printing presses, including the LITHRONE series; digital printing systems that include Impremia series; KP-Connect series; H-UV series; CMS based on offset printing systems; print quality control systems comprising KHS-AI, PDC, PQA, PCC, and KID series; currency printing presses; CHAMBON series packaging printing presses; and PEPIO series gravure offset printing machines. In addition, it offers post press machines, such as folding machines, cutter and cutting systems, die cutters, blanking systems, and digital cutting and creasing systems. Komori Corporation was founded in 1923 and is headquartered in Tokyo, Japan.
Krones AG	Krones AG, together with its subsidiaries, plans, develops, and manufactures machines and lines for the production, filling, and packaging technology in Germany and internationally. It operates in two segments, Machines and Lines for Product Filling and Decoration, and Machines and Lines for Beverage Production/Process Technology. The company provides process technology systems for use in beer, craft beer, juice, milk, soft drink, water, and spirit; Steinecker phoebus membrane filters; systems for ozonisation of water; bottle design; stretch blow molders; bottle washing machines; filling technology systems; inspection technology systems; labelers; conveyors; product treatment systems; packaging technology systems; palletizing technology systems; block technology systems; and recycling systems. It also offers solutions for intralogistics, material flow technology, or warehousing for the beverage and food sector; and IT solutions. It serves breweries; beverage producers; and companies from the food, chemical, pharmaceutical, and cosmetic industries. Krones AG was founded in 1951 and is headquartered in Neutraubling, Germany.
Masterwork Group Co., Ltd.	Masterwork Group Co., Ltd. manufactures and sells printing and packaging equipment in China and internationally. The company offers gravure, die cutting, bronzing, laser die cutting, folder gluer, inkjet, inspection, and mask machines. It serves medicine packaging, food packaging, electronic packaging, daily chemical packaging, and other fields. The company was formerly known as Masterwork Machinery Co., Ltd. and changed its name to Masterwork Group Co., Ltd. in July 2017. Masterwork Group Co., Ltd. was founded in 1995 and is based in Tianjin, China.
Rieter Holding AG	Rieter Holding AG, together with its subsidiaries, supplies systems for short-staple fiber spinning in Switzerland and internationally. The company operates through three segments: Machines & Systems, Components, and After Sales. The Machines & Systems segment develops and manufactures machinery and systems for processing natural and man-made fibers, as well as their blends into yarns. This segment offers blowrooms and carding machines for fiber preparation; draw frames, combing machines, and rowing frames for spinning preparation; and ring, compact, rotor, and air jet spinning machines for end spinning. The Components segment supplies technology components to spinning mills and textile machinery manufacturers, as well as precision winding machines. The After Sales segment develops, produces, and distributes spare parts for the company's machines; sells technology components; and provides services that enable its customers to enhance their spinning mills, as well as building conversions and modernization services. The company was founded in 1795 and is headquartered in Winterthur, Switzerland.

Source: S&P Capital IQ, KPMG Analysis

Appendix I: Comparable companies (3/3)

Comparable companies	
Name	**Description**
Komax Holding AG	Komax Holding AG, together with its subsidiaries, engages in the automated wire processing business. The company offers electrical, rotary, and coaxial wire strippers, as well as rotary jacket strippers; wire crimpers for the semiautomatic machine; cutting and stripping machines. In addition, the company offers flexible benchtop crimping platform for individual processing; flexible platform for specific customers; automated rotary table for time saving in double-sided processing; and customer-specific platforms. Further, it provides digital services; consulting and installation services comprising inspection, production analysis, feasibility testing, installation, leasing, and acceptance testing services; and technical support and maintenance services, including helpdesk, production and ramp-up support, emergency planning, relocation, repair, and service and maintenance contracting services, as well as spare and wear parts. Additionally, the company offers upgrades and calibration services, as well as online and onsite training services. The company serves automotive, aerospace, datacom/telecom, and industrial market segments. It operates in Switzerland, Europe, North and South America, Africa, and the Asia Pacific. The company was founded in 1975 and is headquartered in Dierikon, Switzerland.
Sumitomo Heavy Industries, Ltd.	Sumitomo Heavy Industries, Ltd. manufactures and sells general machinery, advanced precision machinery, construction machinery, ships, and environmental plant facilities in Japan and internationally. The company operates through four segments: Mechatronics, Industrial Machinery, Logistics & Construction, and Energy & Lifelines. Its Mechatronics segment offers gear reducers, motors, and boxes; motion control drives, inverters, precision positioning equipment, laser processing systems, control systems and components, motion components, and drive and collaborative robot solutions. The company's Industrial Machinery segment provides plastics machinery, film forming machines, cryogenic equipment, precision forgings, semiconductor production equipment, injection molding machines, transfer molding presses, cryocoolers, cryopumps, vacuum coating equipment, steel tube air forming systems, lifting magnets, spinning machines, clean room systems, dust collectors, cast iron and steel rolls, surface grinding machines, coolant systems, and extrusion coating products. The company was founded in 1888 and is headquartered in Tokyo, Japan.

Source: S&P Capital IQ, KPMG Analysis

Appendix II: Beta derivation

Beta as of 30 June 2022

2-year weekly equity beta						
Peer group		Levered beta	Net debt / total capital	Net debt / equity	Debt spread	Unlevered beta
Company name	Geographic location	2-year period weekly returns	Year-end balances	Year-end balances	Year-end balances	2-year period weekly returns
Bystronic AG	Switzerland	0.83	0.0%	0.0%	0.0%	0.83
HIRANO TECSEED Co.,Ltd.	Japan	1.07	0.0%	0.0%	0.0%	1.07
Klingelnberg AG	Switzerland	n/a	n/a	n/a	n/a	n/a
Koenig & Bauer AG	Germany	1.23	44.3%	79.4%	4.8%	1.04
Komori Corporation	Japan	1.00	0.0%	0.0%	0.0%	1.00
Krones AG	Germany	1.29	0.0%	0.0%	1.8%	1.29
Masterwork Group Co., Ltd.	China	1.26	47.7%	91.1%	5.8%	1.12
Rieter Holding AG	Switzerland	0.83	28.1%	39.1%	1.8%	0.68
Komax Holding AG	Switzerland	0.72	9.9%	10.9%	2.4%	0.69
Sumitomo Heavy Industries, Ltd.	Japan	1.15	15.9%	18.9%	2.4%	1.03
Minimum		0.72	0.00%	0.00%	0.00%	0.68
Median		**1.07**	**9.87%**	**10.95%**	**1.83%**	**1.03**
Mean		1.04	16.20%	26.61%	2.12%	0.97
Maximum		1.29	47.67%	91.09%	5.77%	1.29

Source: S&P Capital IQ, KPMG Analysis

Appendix III: Comparable company multiples

Trading multiples as of 22 July 2022

Peer companies	2021				2022				2023			
	EV/Revenue	EV/EBITDA	EV/EBIT	P/E	EV/Revenue	EV/EBITDA	EV/EBIT	P/E	EV/Revenue	EV/EBITDA	EV/EBIT	P/E
Bystronic AG	1.1x	12.6x	16.0x	n/m	1.0x	9.6x	12.2x	21.1x	1.0x	8.4x	10.1x	16.7x
HIRANO TECSEED Co.,Ltd.	0.4x	3.2x	3.6x	8.8x	0.4x	3.3x	4.2x	n/a	0.3x	3.0x	3.5x	n/a
Klingelnberg AG	1.2x	n/m	n/m	n/m	0.8x	8.1x	10.6x	10.4x	0.7x	6.2x	7.6x	7.3x
Koenig & Bauer AG	0.3x	6.1x	13.5x	17.3x	0.3x	5.9x	13.1x	13.0x	0.3x	4.2x	7.0x	5.8x
Komori Corporation	n/m	n/m	n/m	6.9x	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Krones AG	0.6x	8.1x	15.6x	17.3x	0.6x	7.1x	11.6x	16.2x	0.6x	5.9x	8.9x	12.8x
Masterwork Group Co., Ltd.	3.2x	19.4x	34.0x	n/m	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rieter Holding AG	0.7x	9.2x	17.9x	14.8x	0.5x	6.5x	12.7x	14.1x	0.5x	4.7x	7.6x	6.7x
Komax Holding AG	2.4x	17.6x	22.2x	29.5x	2.1x	14.5x	17.4x	20.4x	2.0x	12.4x	15.3x	18.1x
Sumitomo Heavy Industries, Ltd.	0.5x	4.5x	6.6x	8.0x	0.5x	5.7x	7.8x	n/a	0.5x	4.4x	6.7x	n/a
Minimum	3.2x	19.4x	34.0x	29.5x	2.1x	14.5x	17.4x	21.1x	2.0x	12.4x	15.3x	18.1x
25% Percentile	1.2x	13.8x	19.0x	17.3x	0.9x	8.5x	12.8x	19.3x	0.8x	6.7x	9.2x	15.7x
Average	1.2x	10.1x	16.2x	14.6x	0.8x	7.6x	11.2x	15.9x	0.7x	6.2x	8.3x	11.2x
Median	**0.7x**	**8.6x**	**15.8x**	**14.8x**	**0.6x**	**6.8x**	**11.9x**	**15.2x**	**0.5x**	**5.3x**	**7.6x**	**10.0x**
75% Percentile	0.5x	5.7x	11.8x	8.4x	0.4x	5.8x	9.9x	13.3x	0.4x	4.3x	6.9x	6.9x
Maximum	0.3x	3.2x	3.6x	6.9x	0.3x	3.3x	4.2x	10.4x	0.3x	3.0x	3.5x	5.8x

Source: S&P Capital IQ, KPMG Analysis

KPMG

Appendix IV: Glossary

Bobst	Bobst Group SA
CAGR	Compounded Annual Growth Rate
CHF	Swiss Franc
DCF	Discounted Cash Flow (Method)
EBIT	Earnings before Interests and taxes (operating profit)
EBITDA	Earnings before interests, taxes, depreciation and amortization
ECB	European Central Bank
e.g.	Example given / for example
EUR	Euro (currency)
EV	Enterprise Value
FCF	Free Cash Flow
FED	US Federal Reserve
i.e.	Id est (Latin) / that is (English)
LTGR	Long-term Growth Rate
M&A	Merger & Acquisition
P&C	Printing & Converting (Bobst business segment)
SNB	Swiss National Bank
S&P	Services & Performance (Bobst business segment)
TOB	Swiss Takeover Board
USD	US Dollar
VWAP	Volume Weighted Average Price
WACC	Weighted Average Cost of Capital

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