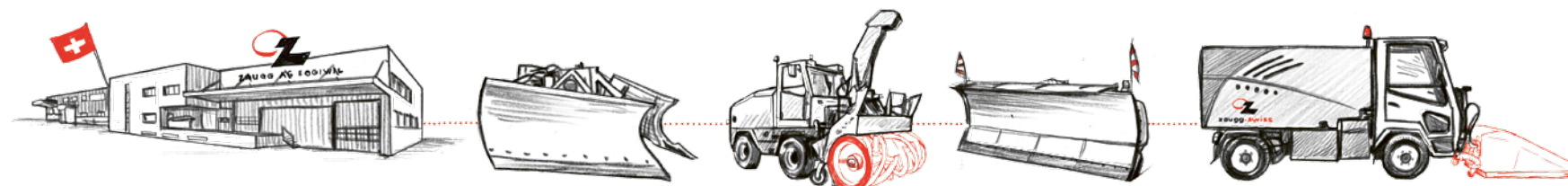


In the Field

Swiss exporters stand out with their innovation, reliability, agility and high-quality products. This year's examples in the field fully reflect these qualities.



Swiss Snow Blower for the World's Northernmost Railway Line

The Swedish Iron Ore Line is exposed to hard winters and was in need of a new snow blower. The Swiss company Zaugg AG Eggwil replaced the obsolete blower with a newly developed snow-clearing rail vehicle, ensuring that the Iron Ore Line is able to operate all year round. But snowfall is not always as reliable as it is on the world's northernmost railway line, and demand fluctuates. How does Zaugg deal with this?

On the world's northernmost railway line, the Malm-banan, which runs between Luleå in Sweden and Narvik in Norway, 27 million tonnes of iron ore are transported each year over a distance of 473 km. In order to keep pace with this enormous volume, the railway must continue to operate during the winter months. In winter, however, adverse weather conditions are a common feature, with storms leading to snow piled up several metres high. Snow blowers are therefore essential to keeping the railway running. However, the existing snow blower was not as young as it used to be and the Swedish infrastructure operator was therefore on the lookout for a new snow-clearing rail vehicle.

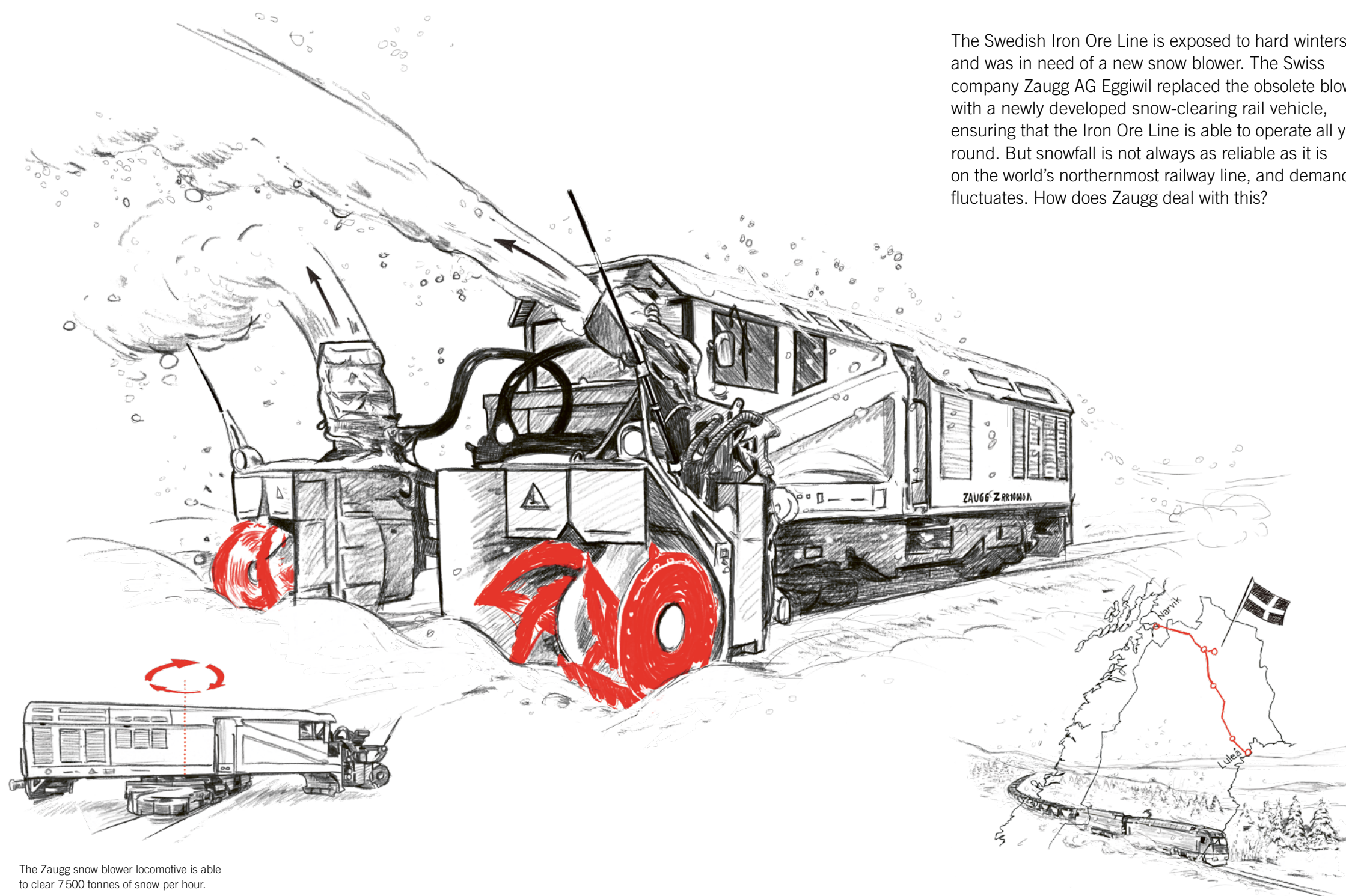
Swiss Quality for the Malm-banan

The contract was awarded to Zaugg AG Eggwil, based in Eggwil in the Canton of Bern. This comes as no surprise, as Zaugg manufactures impressive, technically sophisticated products. "Our equipment was used at the Olympic Games," CEO Daniel Frutiger comments. Zaugg is a world leader in the development and manufacture of machines for clearing snow from roads, railways and airports and for grooming snow slopes. With 160 employees, Zaugg is an important employer in the Upper Emmental region.

Following a call for tenders, the company supplied the Swedish customer with a 70-tonne snow blower locomotive that is able to clear 7 500 tonnes of snow per hour from the Malm-banan. The massive machine cost CHF 9.5 million and was developed, designed and manufactured by Zaugg.

"We have no control over whether or not it snows, but we are able to make the most of it. That's our mission."

Daniel Frutiger
CEO



The Zaugg snow blower locomotive is able to clear 7 500 tonnes of snow per hour.

That was back in 2016. As the buyer required another machine and knew it could rely on the quality of Zaugg's products, it ordered a second locomotive in 2019 following another call for tenders. SERV covered both transactions with working capital insurance, pre-shipment risk insurance and contract bond insurance as well as with a counter guarantee.

A Niche Market That is Exposed to the Elements

Despite Zaugg's success, its business also has its pitfalls. "We operate in a small niche market," Daniel Frutiger explains. Zaugg manufactures its products in small batches and is exposed to the vagaries of the weather in a very literal sense. "We have no control over whether or not it snows, but we are able to make the most of it. That's our mission," says Daniel Frutiger. The number of orders the company receives varies as much as the winter weather. A further factor is that the number of days of snow cover has decreased by 25 to 50 per cent over the last 30 years. This has led Zaugg to expand its range of products, and the company has for some time now also been developing equipment to clean highly soiled ground areas. Furthermore, SERV products enable Zaugg to take on orders of such a magnitude as this delivery to Sweden.

Innovation is in the company's DNA

As a multinational company, Bobst is constantly adapting to market requirements. The Swiss company's capacity for innovation has made it the global market leader. Bobst focuses not only on technological advances, but also on risks and financing options for export transactions.

Bobst AG is a multinational enterprise that caters to two-thirds of the world's packaging industry. However, it hasn't always been this way. Bobst's story began in 1890, when Joseph Bobst opened a printing supplies shop in Lausanne. It later evolved into a repair business, which grew in popularity. Numerous patent applications followed.

Always in tune with market requirements

Bobst has registered around 1400 patents to date. "Innovation is in our company's DNA," says Stefano Bianchi, Group Treasurer and Investor Relations. Bobst has always adapted to stay competitive; that's

why the company as well as its range of products and services continue to grow. Bobst supplies substrate processing, printing and converting equipment and services for the label, flexible packaging, folding carton and corrugated industries. The company now is present in more than 50 countries and has around 5600 employees as well as 15 production locations in eight countries.

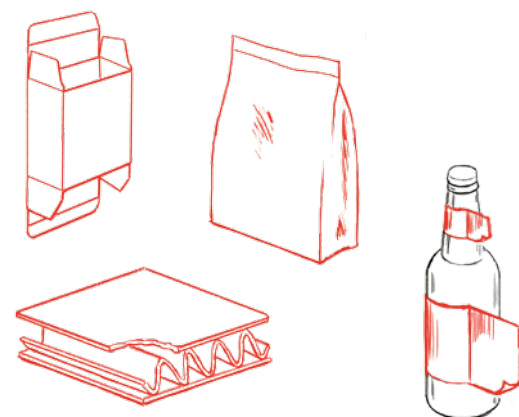
As the global market leader, most of Bobst's deliveries and services are provided to customers outside Switzerland, which means that certain issues arise when it comes to determining contractual conditions and financing options. This is another example of how Bobst adapts to the market to remain competitive: Bobst works with leasing companies to give its customers access to alternative financing options. When agreeing payment periods with customers abroad, Bobst also carefully weighs country and buyer risks.

Financing thanks to SERV insurance

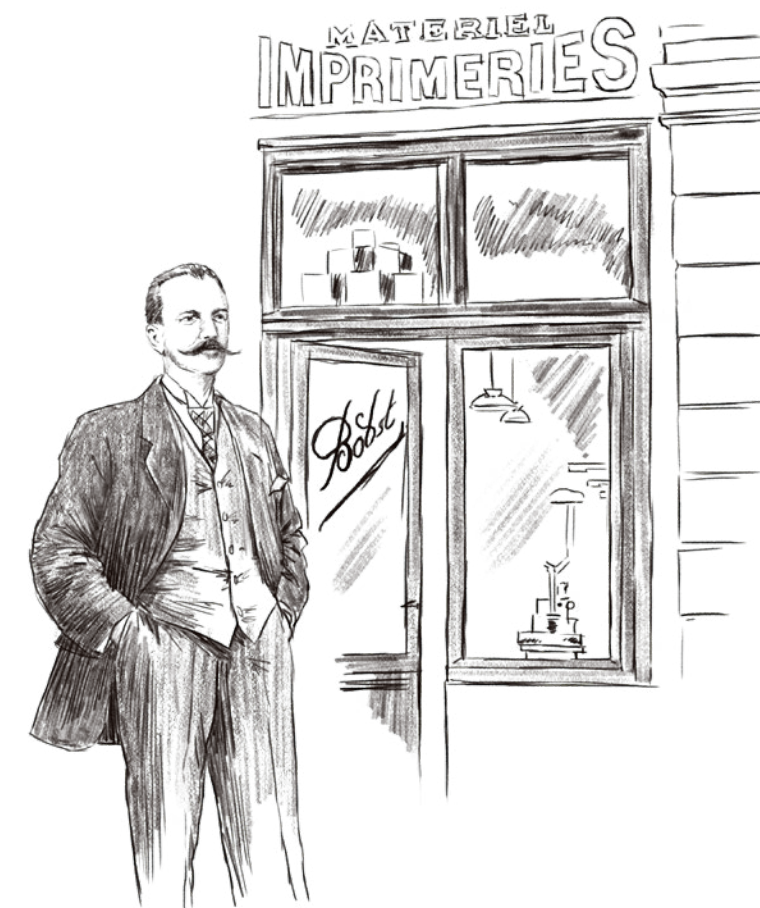
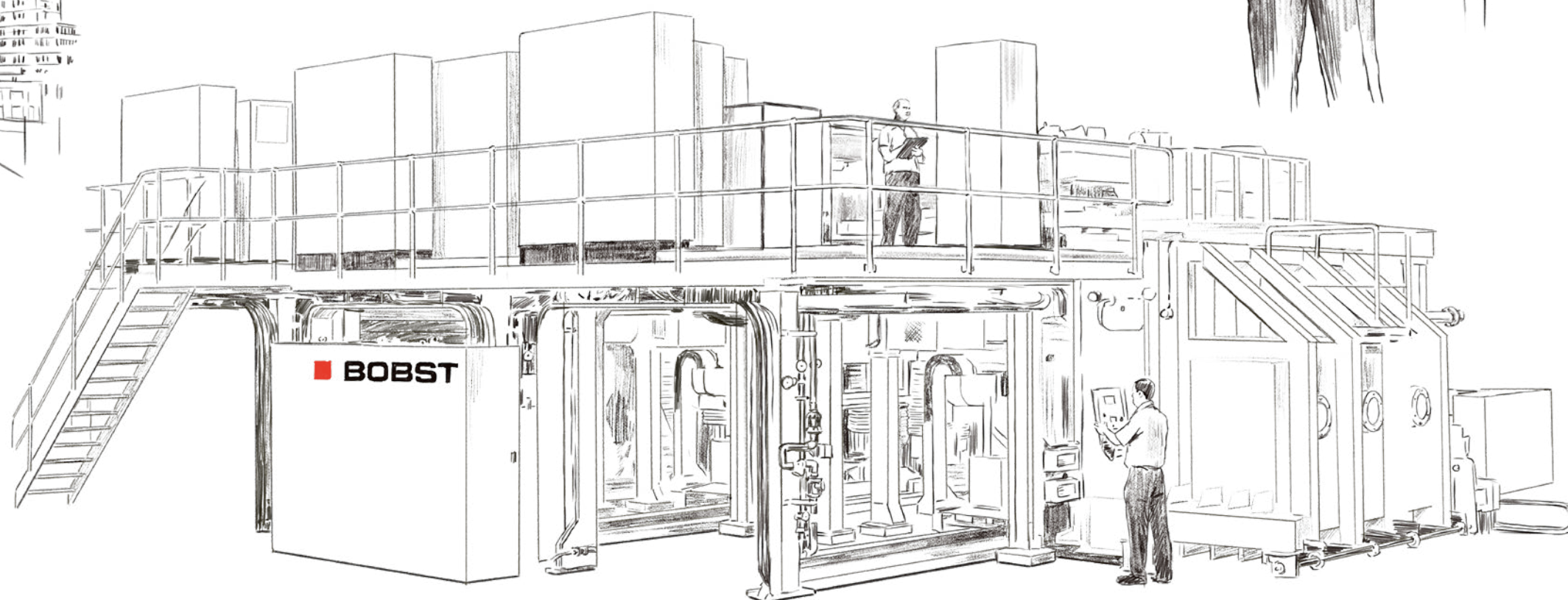
For many years, Bobst has insured a portion of its transactions with SERV to reduce its risk. "Transactions covered by SERV are an important addition to our range, particular for long terms and risky markets. We can reduce our risks while also offering our customers long-term financing," explains Stefano Bianchi.

"Our ability to offer financing to customers in these regions gives us a crucial competitive edge."

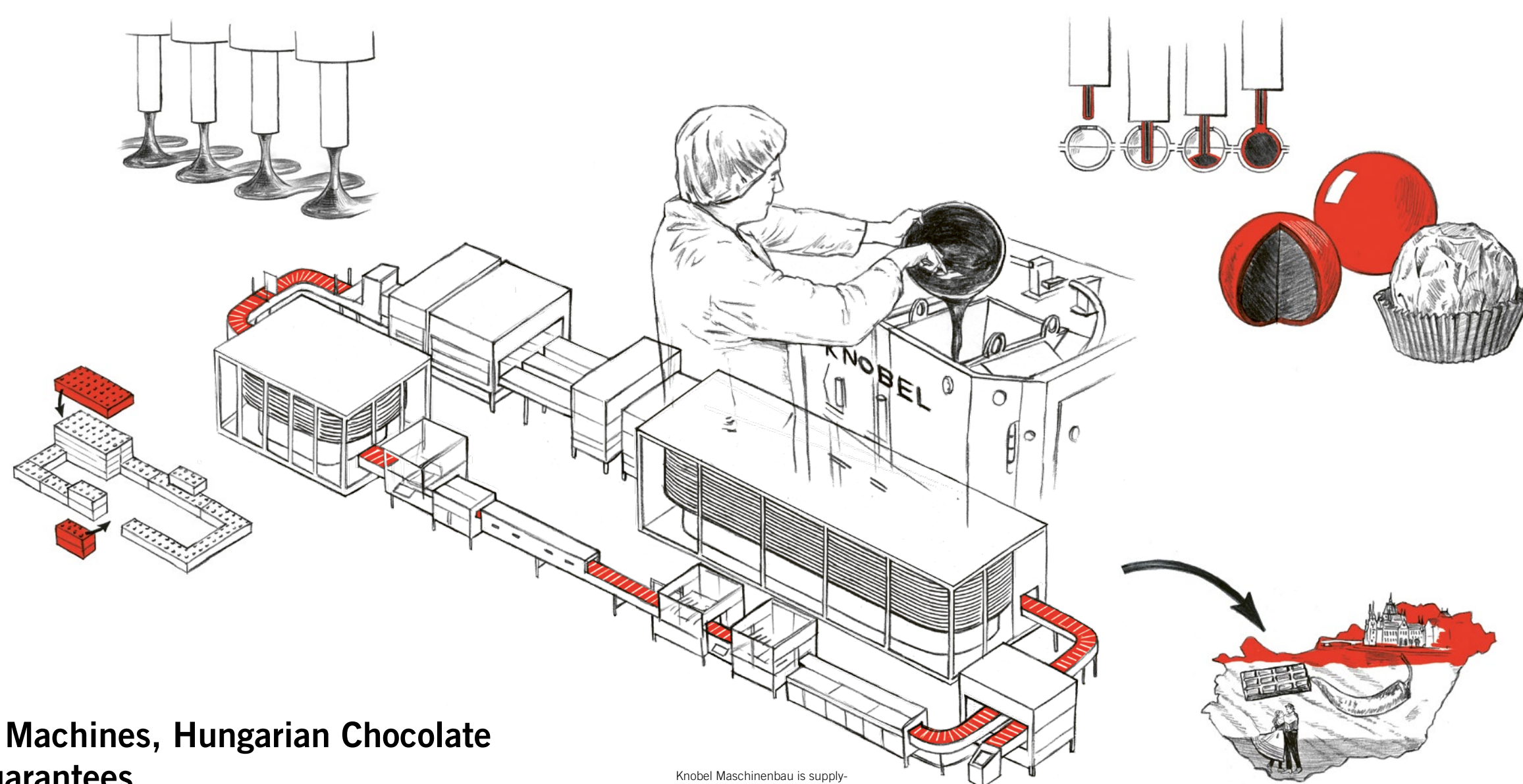
Stefano Bianchi
Group Treasurer and Investor Relations



Bobst supplies two thirds of the world's packaging industry.



In 2019, Bobst has continued to rely on SERV insurance to cover four transactions on three different continents with a total order value of around CHF 6.5 million. Advance payment of just 15 to 30 per cent with a credit period of five years was agreed to for each of these deliveries. Supplier credit insurance was taken out in each case. Stefano Bianchi explains how important SERV's products are for Bobst's business operation: "In the current low interest environment, it has become easier for customers in industrialised nations to obtain a bank loan. However, this is not always possible in emerging markets. Our ability to offer financing to customers in these regions gives us a crucial competitive edge."



Knobel Maschinenbau is supplying a Hungarian wholesaler with a plant for the manufacture of chocolate products.

Swiss Moulding Machines, Hungarian Chocolate and Contract Guarantees

Knobel Maschinenbau AG is a leading supplier to the chocolate industry. Along with numerous other customers, a Hungarian wholesaler has ordered a machine from Knobel. Knobel's healthy order books mean that the required advance payment and warranty bond will place a strain on this medium-sized company's liquidity.

It was a premiere: at the start of the 80s, Knobel Maschinenbau AG unveiled its very first chocolate moulding machine. Since then, the pioneer from Felben in the Canton of Thurgau has launched a range of products and continues to be the leading supplier to the chocolate industry. How has it managed to achieve this? Knobel employs a modular system that gives the customer as much flexibility as possible. Furthermore, Managing Director Guido Knobel claims its machines beat all competitors when it comes to speed and precision. As a result, more than 1600 Knobel machines are currently in operation worldwide and 95 per cent of its machines are sold abroad.

A Plant for a Hungarian Wholesaler

One of Knobel's many customers is a Hungarian wholesaler, which has in the past been confronted with bottlenecks when procuring chocolate and has therefore decided to distribute its own. To do so, it has opted for the quality that Knobel is renowned for and has ordered a complete plant for the production of chocolate products. This plant pours chocolate into a wide variety of moulds in a matter of seconds. It also allows additional stages in the process to be automated, such as vibrating, cooling, separating and even decorating the chocolate.

Liquidity for the Implementation of Major Projects

The Hungarian buyer has received subsidies from the European Union for the order, which is worth several million Euros. These subsidies came with the condition that a guarantee was provided for the advance payment. The sales contract also provides for a performance bond. Both guarantees have an impact on Knobel's liquidity. "In addition, we currently have a lot of major projects with a similar timescale, which puts additional strain on our liquidity," Guido Knobel states. That is why this medium-sized company has asked SERV to provide contract bond insurance in

"We currently have a lot of major projects with a similar time-scale, which puts additional strain on our liquidity."

Guido Knobel
Managing Director

combination with a counter guarantee for each of these two guarantees. "The SERV products allow us to use the advance payment to finance the project," Guido Knobel says. Knobel and SERV have collaborated for many years, going right back to the Export Risk Guarantee (ERG). Guido Knobel says: "We appreciate the fact that SERV is willing to help. SERV's support allows us to implement projects that we would otherwise have had to decline."

