

Financial Year 2019

BUCHER

Investor relations handout

27 March 2020



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Bucher at a glance

The five divisions of Bucher Industries

Bucher Specials
Individual businesses

Bucher Emhart Glass
Glass container industry

Kuhn Group
Agricultural machinery

Bucher Municipal
Municipal vehicles

Bucher Hydraulics
Hydraulic systems



CHF 3.1 billion sales, 13'100 employees, 9.2% EBIT margin

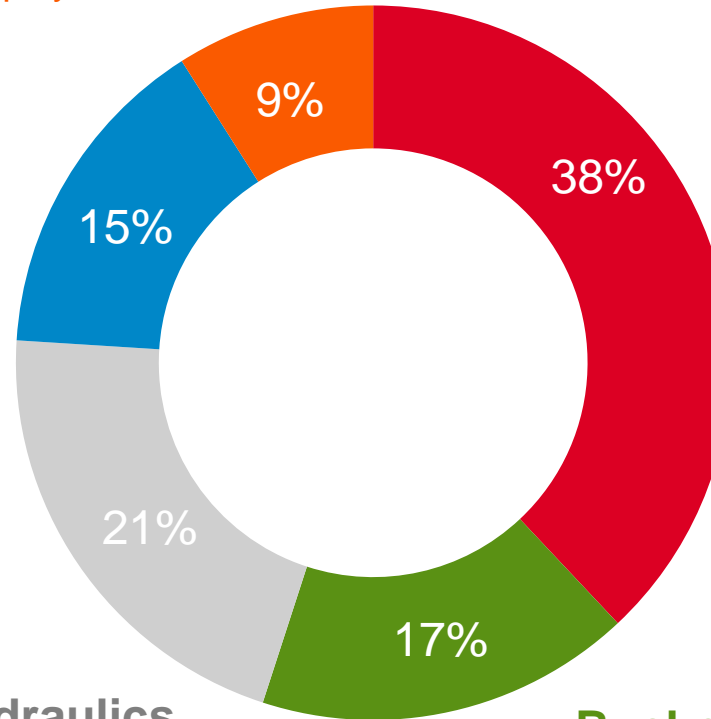
Bucher Industries 2019



Bucher Specials
CHF 320 million sales
900 employees



Kuhn Group
CHF 1'180 million sales
5'200 employees



Bucher Emhart Glass
CHF 490 million sales
1'800 employees



Bucher Hydraulics
CHF 650 million sales
2'800 employees

Bucher Municipal
CHF 540 million sales
2'400 employees



International Group

62% Europe (of which Switzerland)
CHF 1'940 million sales (CHF 120 m)
8'500 employees (1'000)

18%
North America
CHF 560 million sales
1'600 employees

Central and South America
CHF 140 million sales
900 employees

5%

9%
Asia
CHF 290 million sales
1'700 employees

6%
Other
CHF 180 million sales
400 employees



Number 1 in selected markets



Kuhn Group

World market leader
in forage harvesting machinery
and feed mixers



Bucher Municipal

European market leader
in sweepers



Bucher Hydraulics

World leader
in hydraulic power packs



Bucher Emhart Glass

World market leader in glass container
manufacturing equipment



Bucher Specials

World market leader in fruit juice
and winemaking equipment

Aspirations

Diversified group

in mechanical and vehicle engineering

Technological leadership

for a strong market position

Solid balance sheet

for long-term, industrial independence

Decentralised responsibility

for products, markets and results
in the divisions; centrally co-ordinated

Strengthening

of divisions

Increase in enterprise value

(RONOA > WACC)

Principles

High level of independence for divisions

- No competition for resources and responsibilities
- Exchange of experiences on specialist topics

Leadership by

- Strategic planning
- Key financial figures
- Standardised values and prescribed governance requirements
- Division management appointments
- Selected, operational projects

Lean corporate centre structure

- With approx. 30 employees

Group: financial review

Key figures

Performance

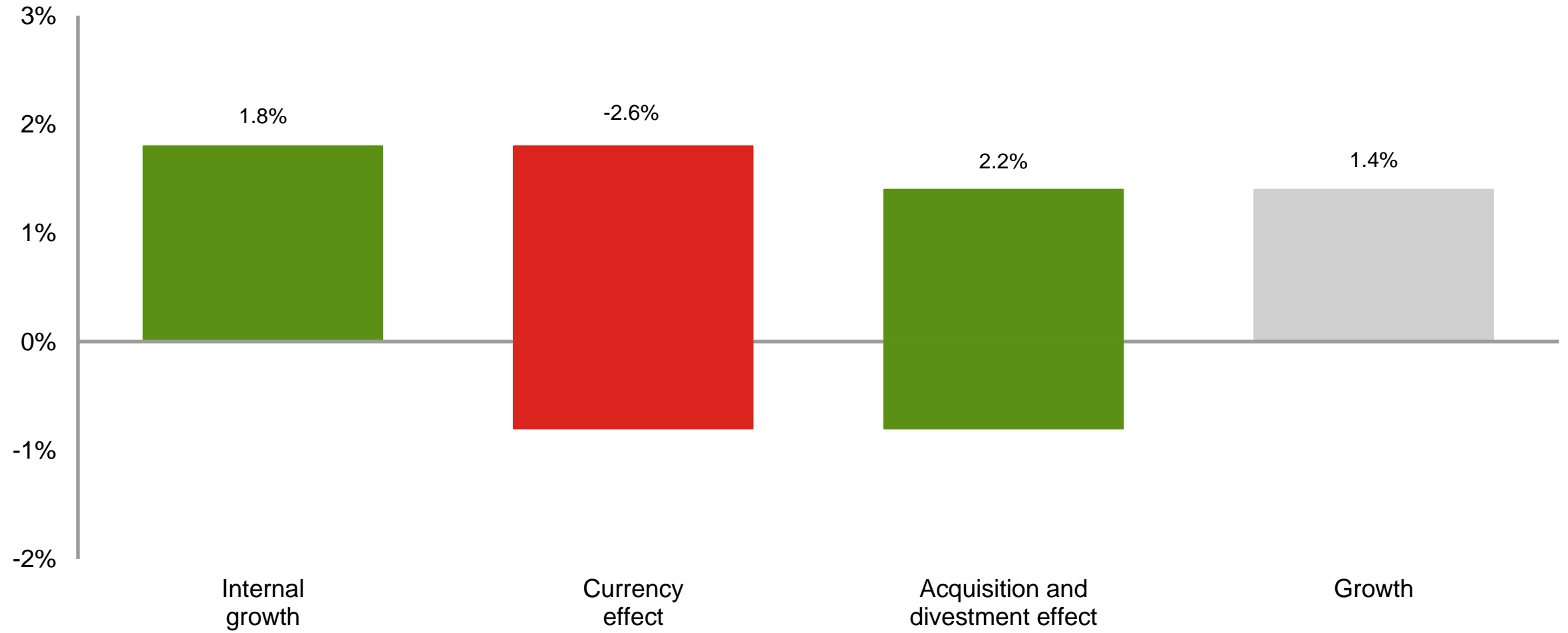
CHFm	Change in				
	2019	2018	%	% ¹⁾	% ²⁾
Order intake	3'008	3'206	-6.2	-3.6	-5.6
Net sales	3'106	3'065	1.4	4.0	1.8
Order book	1'019	1'137	-10.4	-7.8	-7.9
Operating profit (EBITDA) as % of net sales	368 11.9%	374 12.2%	-1.6		
Operating profit (EBIT) as % of net sales	285 9.2%	292 9.5%	-2.6		
Employees at 31 December	13'107	13'054	0.4		-0.6
Average employees	13'280	12'636	5.1		2.6

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency, acquisition and divestment effects

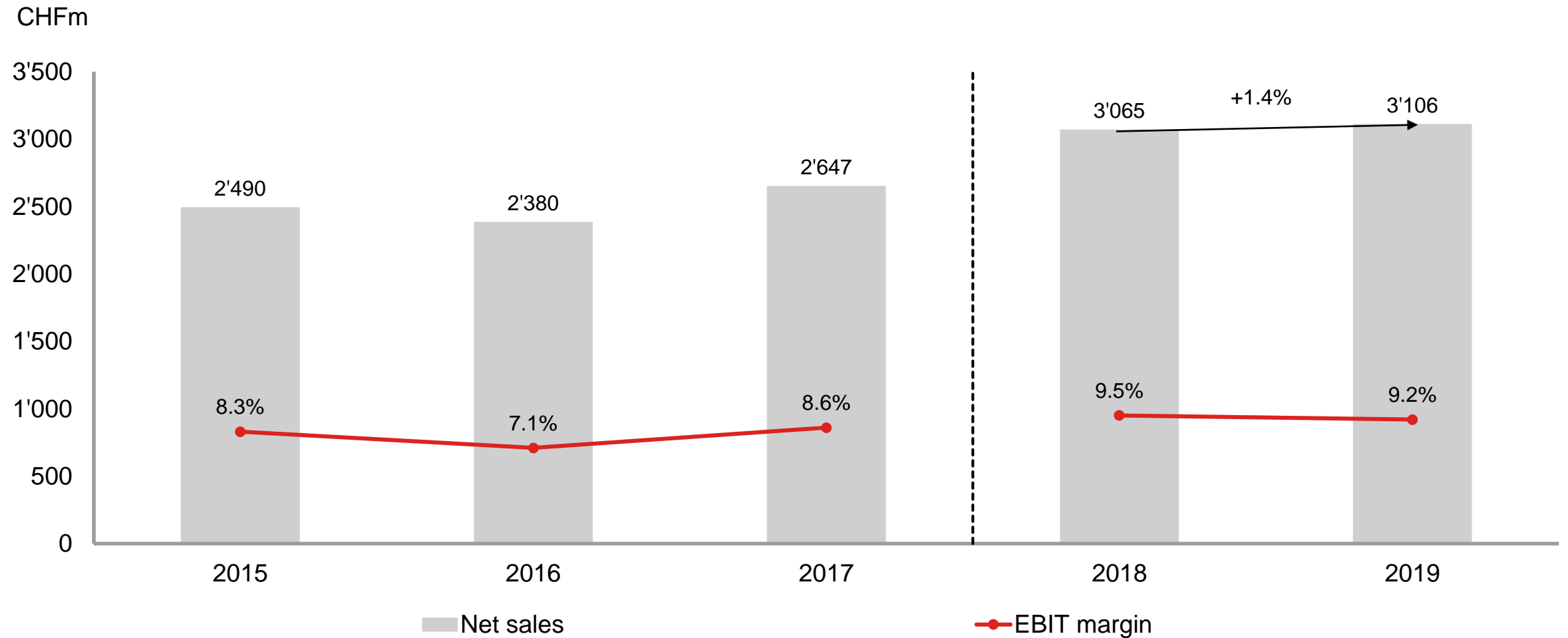
Internal growth of 1.8%

Performance: Net sales



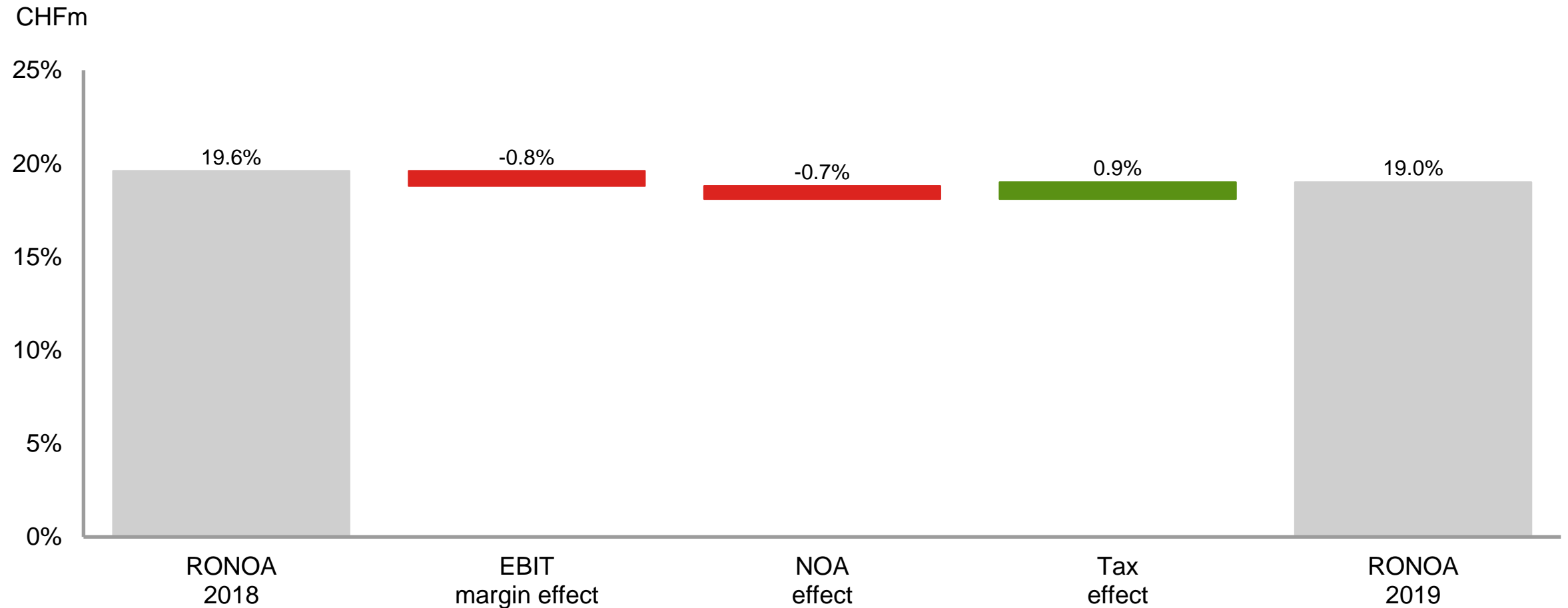
Record sales despite weaker demand

Performance: Net sales and EBIT margin



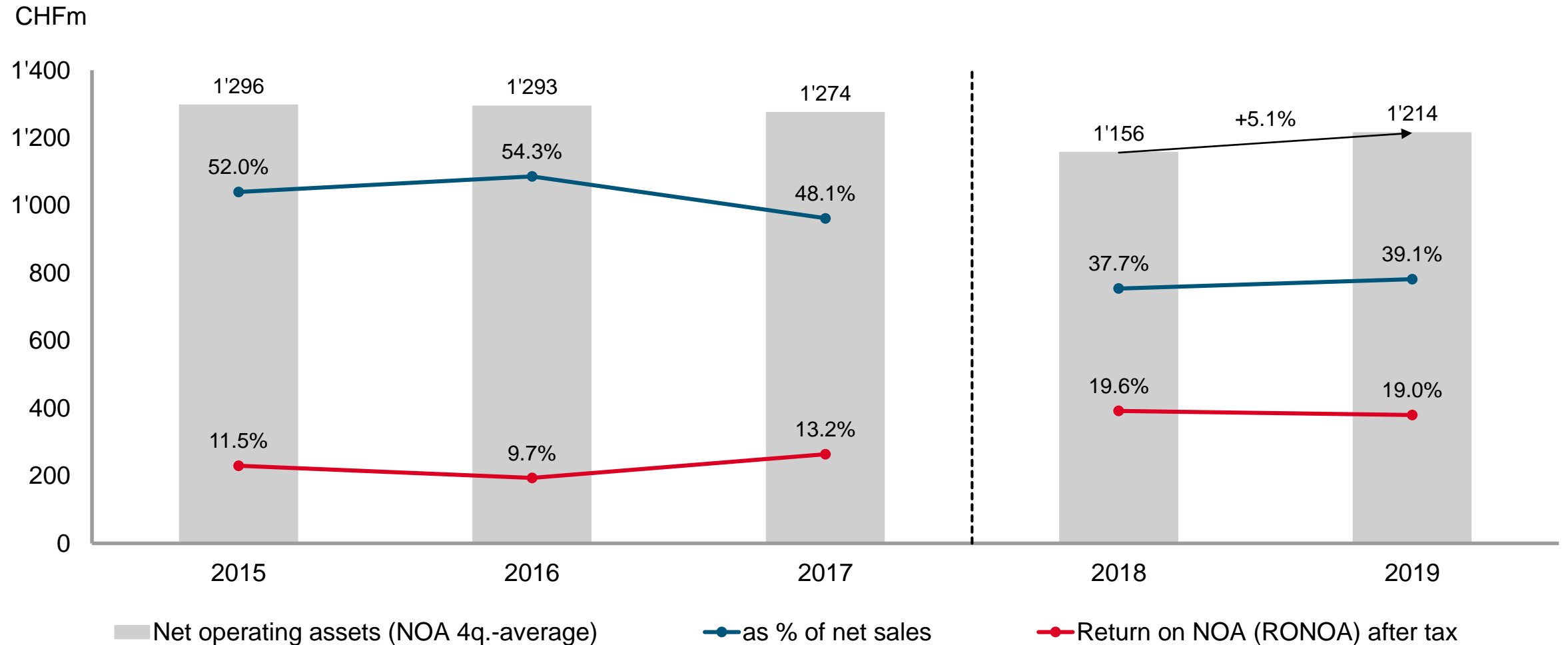
RONOA again clearly exceeding cost of capital

Invested capital: Return on net operating assets (RONOA)



Increase in NOA in percentage of sales

Invested capital: Net operating assets (NOA)



M&A transactions 2018

Invested capital

Bucher Emhart Glass

Sanjin,
China



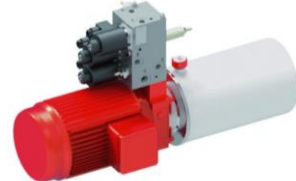
Purchase of
remaining shares
(37%)

Net sales¹⁾
CHF 55 million

Employees
800

Bucher Hydraulics

Wuxi Deli,
China



Joint Venture
(70%)

Net sales¹⁾
CHF 40 million

Employees
300

Kuhn Group

Artec,
France



Purchase of
remaining shares
(62%)

Net sales¹⁾
CHF 20 million

Employees
60

Bucher Specials

Import business
of Grunderco,
Switzerland



Asset Deal

Net sales¹⁾
CHF 20 million

Employees
30

¹⁾ before acquisition

M&A transactions 2019 – 2020

Invested capital

2019

Bucher Municipal

Zynkon,
China



Bucher Emhart Glass

Refractory
business, USA



Asset Deal,
sold to
Rath Group

Bucher Specials

Elan Systems,
Hungary



Bucher Emhart Glass

Symplex,
Germany



2020

Bucher Municipal

Eurovoirie,
France



Bucher Specials

Luzzysa,
Spain



Net sales¹⁾
CHF 14 million

Net sales¹⁾
CHF 9 million

Net sales¹⁾
CHF 3 million

Net sales¹⁾
CHF 8 million

Net sales¹⁾
CHF 34 million²⁾

Net sales¹⁾
CHF 4 million

Employees
110

Employees
50

Employees
20

Employees
35

Employees
75

Employees
20

¹⁾ before acquisition/divestment

²⁾ of which more than half with Bucher Municipal equipment

Colour coding:

Acquisition

Divestment

Key investment projects

Invested capital: Fixed and intangible assets

Kuhn Group

“MGM Monswiller” extension
near Saverne, France

Doubling of production halls in
response to growing need for large
agricultural machinery. Expected to be
completed during summer of 2020.



Bucher Municipal

Production extension in Ventspils,
Latvia

Assembly line built specifically for the
serial production of the new
“CityCat V20e” at the compact
sweeper production site.



Bucher Hydraulics

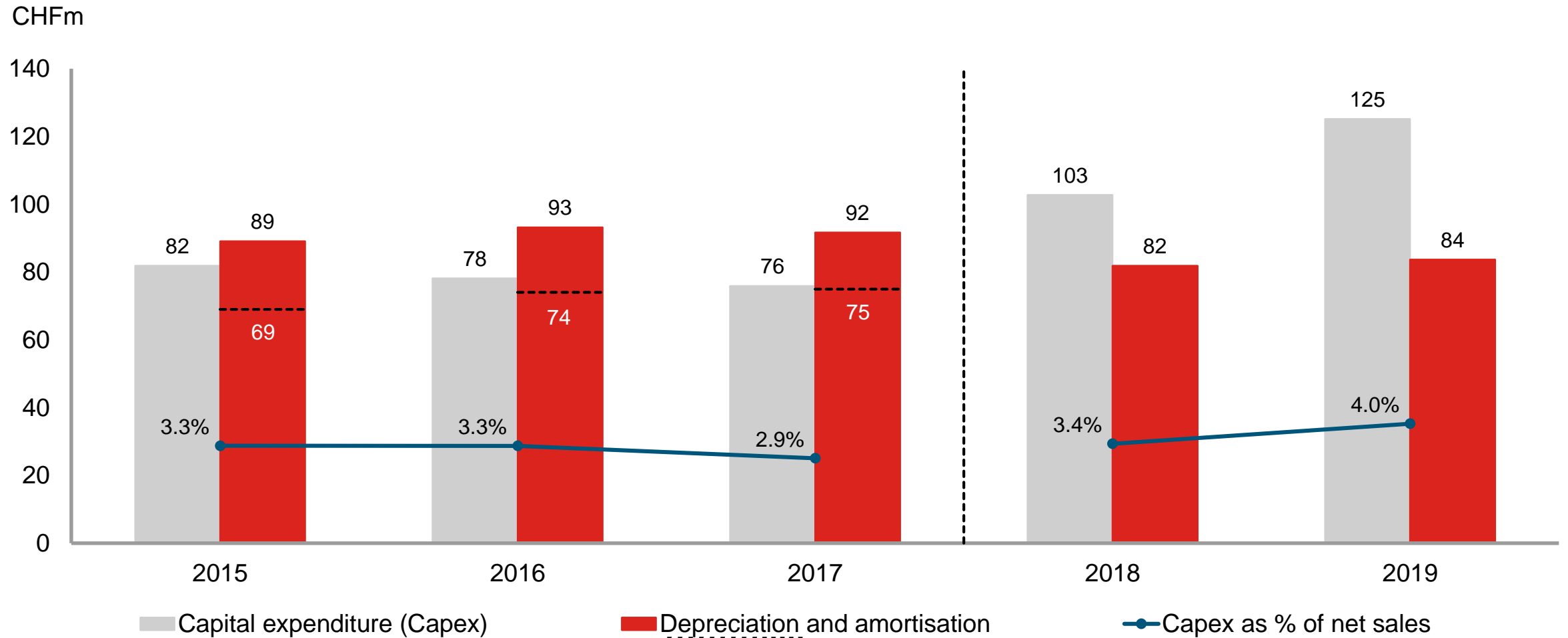
Expansion of production capacity in
Gurgaon, India

Further development of a new
product line for less demanding
applications in the lower price
segment.



Capital expenditure

Invested capital: Fixed and intangible assets



Selected development projects

Invested capital

Bucher Municipal

Electrification of all product groups

“CityCat V20e”: Battery is based on the latest technology and has been specially developed for use in this compact sweeper.



Bucher Hydraulics

Innovative axial piston line
AX pumps and AX motors

The AX series offers an exceptionally high efficiency rate in a wide range of rotational speeds as well as low-speed, smooth, accurate movements.



Bucher Vaslin

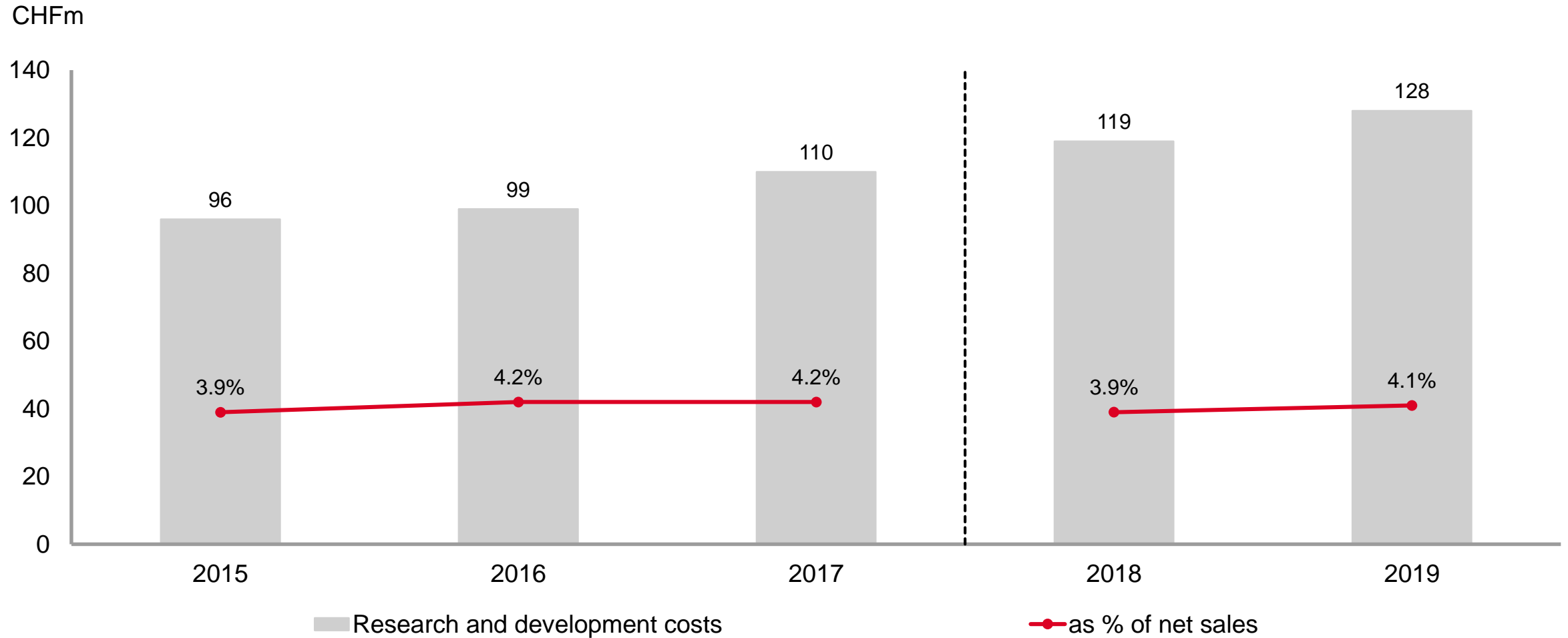
“Maestro”: Add-on to the
“Bucher XPert” grape press

“Maestro” controls all four phases of a complete cycle, improves productivity and delivers extensive information about the pressing process.



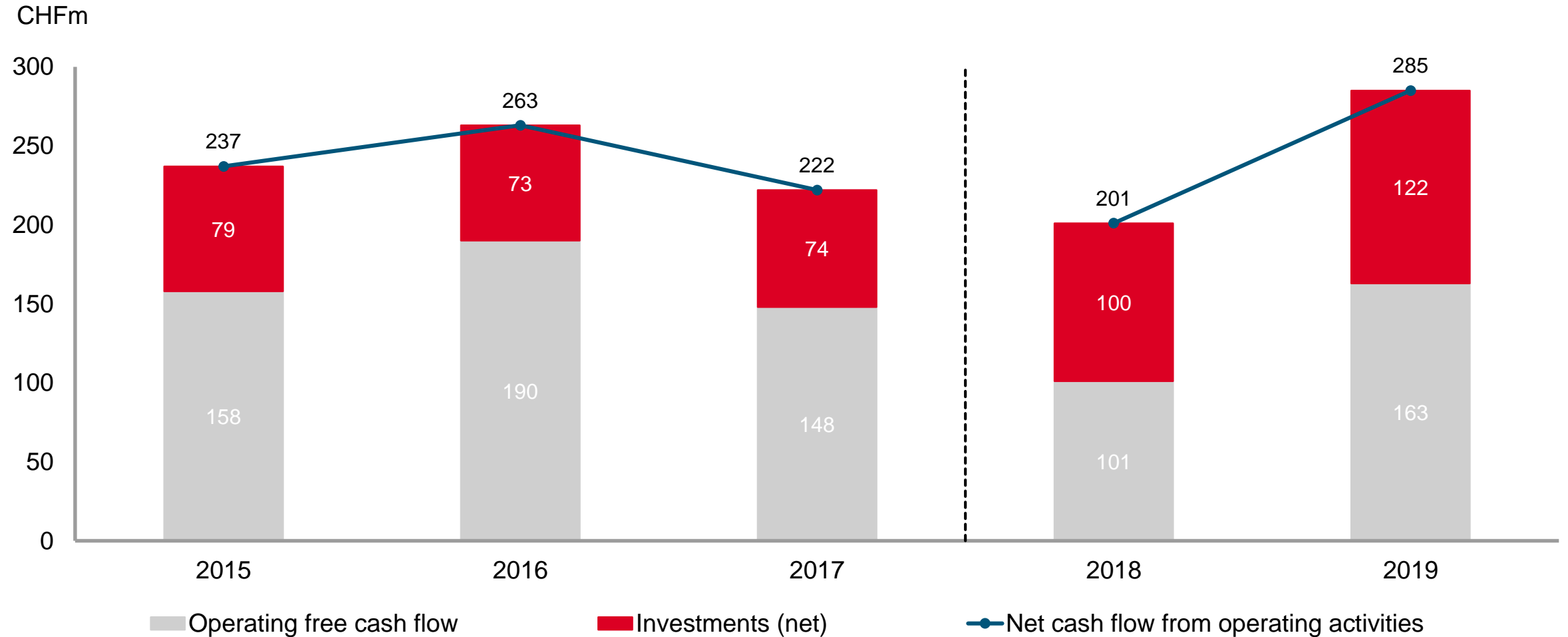
Research and development costs

Invested capital



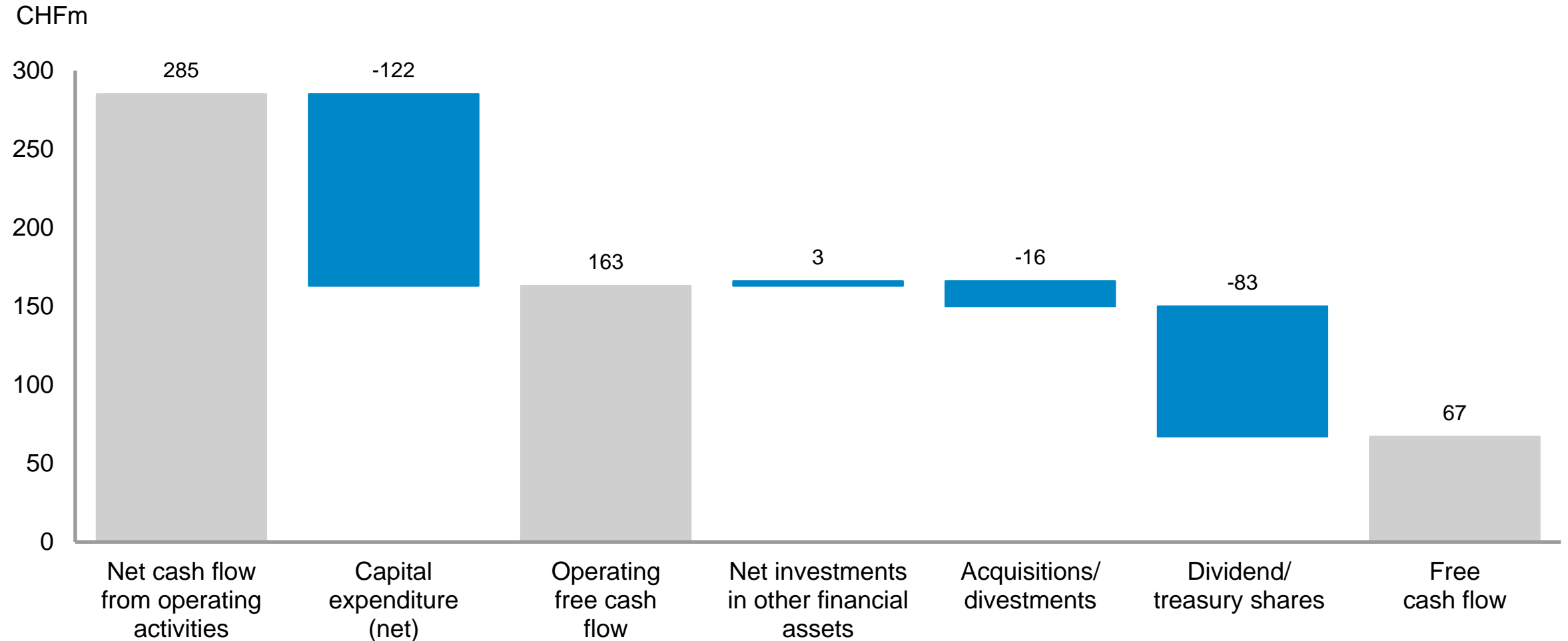
Cash flow and investments

Financing and risk management



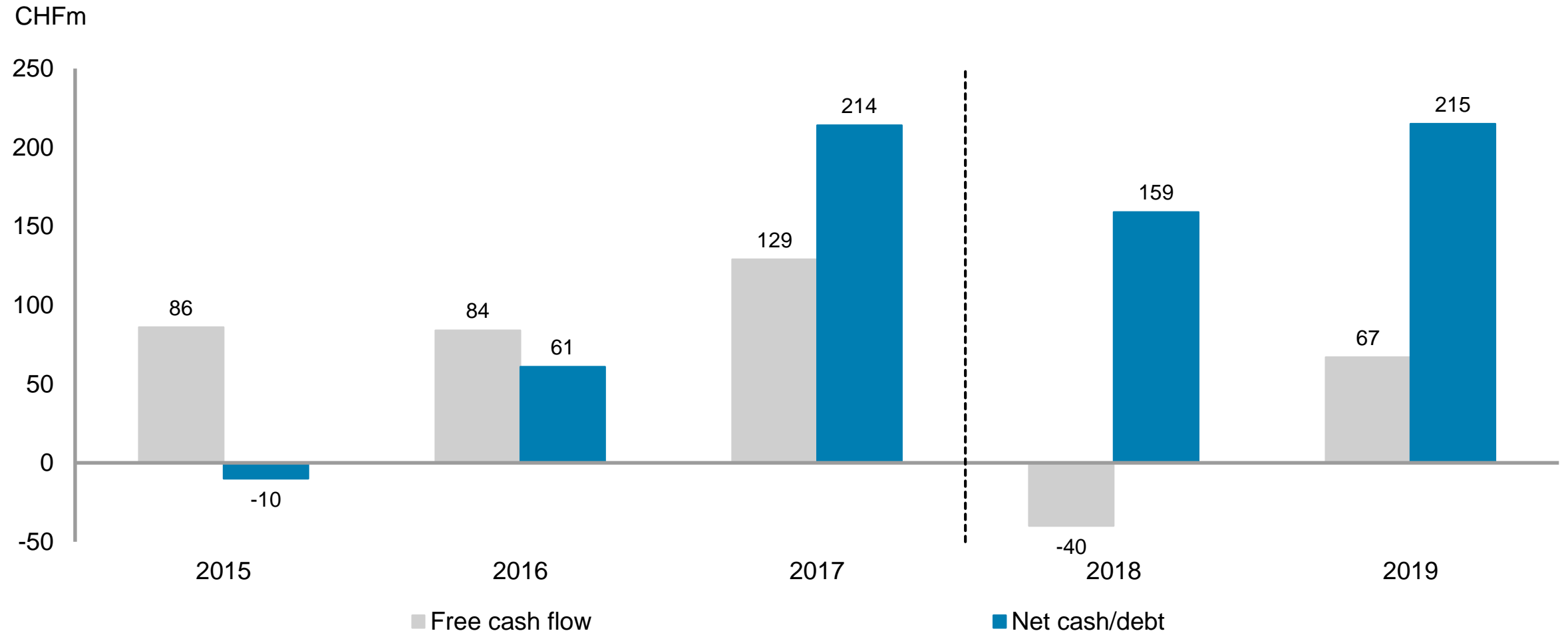
Positive free cash flow with brisk investment activity

Financing and risk management



High net cash thanks to positive free cash flow

Financing and risk management



Divisions: our activities

Kuhn Group

Large machines for large farms



Specialised agricultural machinery

Kuhn Group

Arable farming



Ploughing



Tillage



Seeding



Fertilisation



Spraying

Dairy and livestock farming



Hay and forage harvesting



Feed storage



Bedding and feeding



Manure spreaders



Hedge cutters

Landscape maintenance

Complete product range under one brand

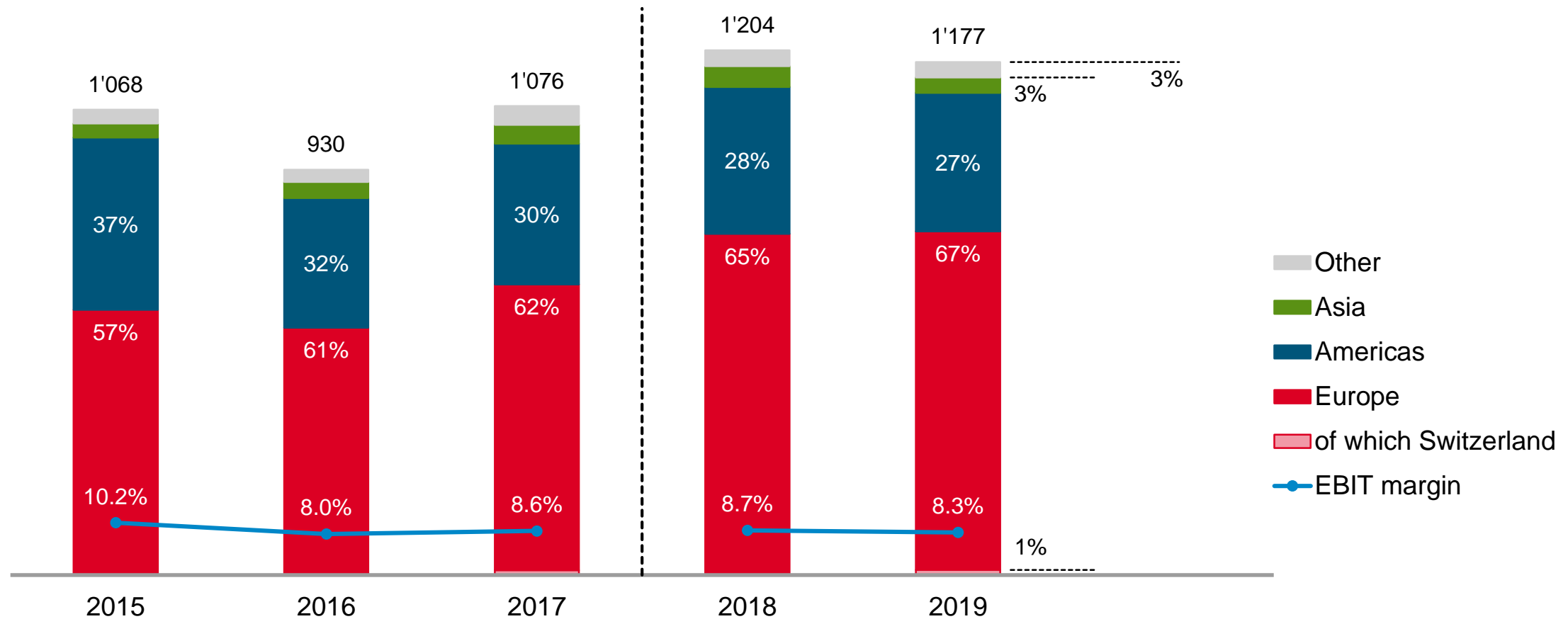
Kuhn Group

	Mowers	Hay and forage		Balers	Hedge cutters	Feed mixers	Tillage equipment		Seeders		Spreaders	Sprayers	Tractors	Harvesters self-propelled
		Tedders	Rakes				driven	non-driven	drilling	precision				
Kuhn Group														
John Deere														
CNH														
AGCO														
Claas														
Krone														
Amazone														
Pöttinger														
Kubota/KVE/ Great Plains														
Exel / Hardi														
Lemken														
Horsch														
Väderstad														
SDF														
Maschio														

Net sales by region

Kuhn Group

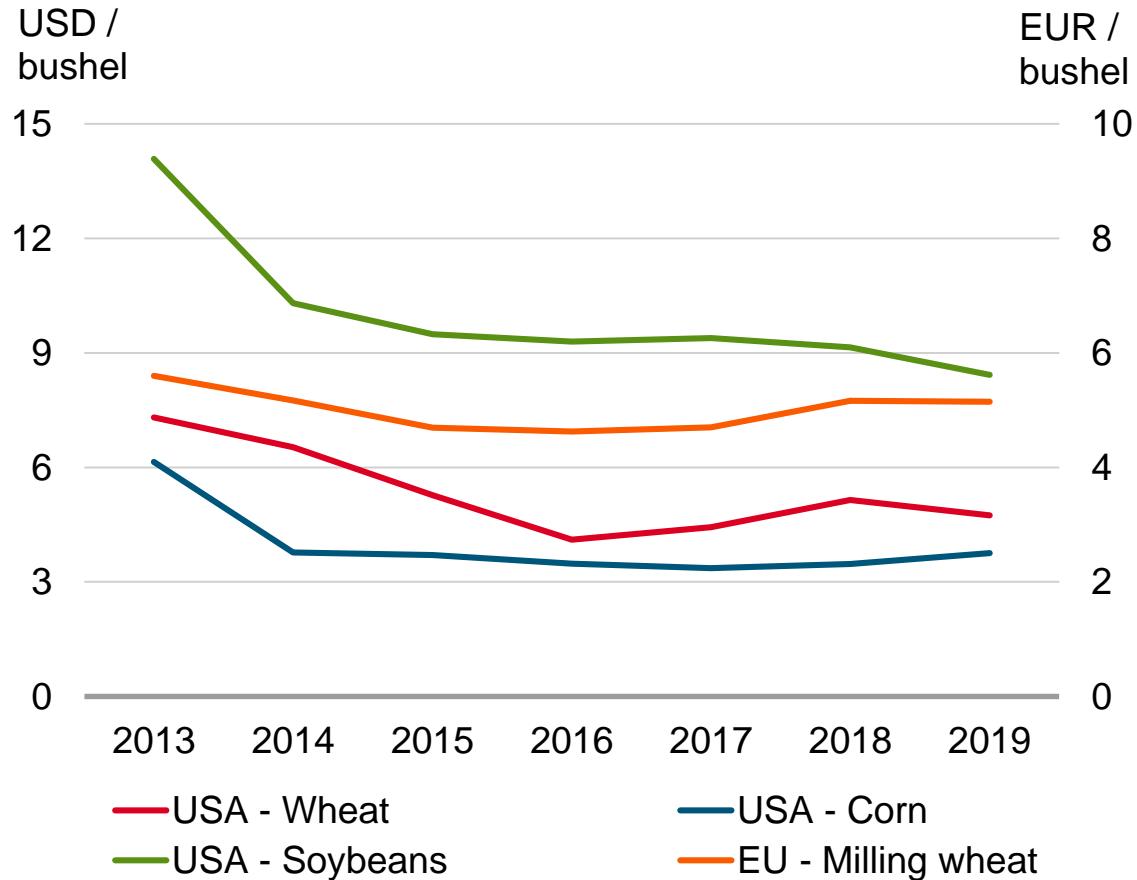
CHFm



Price development soybeans, corn, wheat, milk

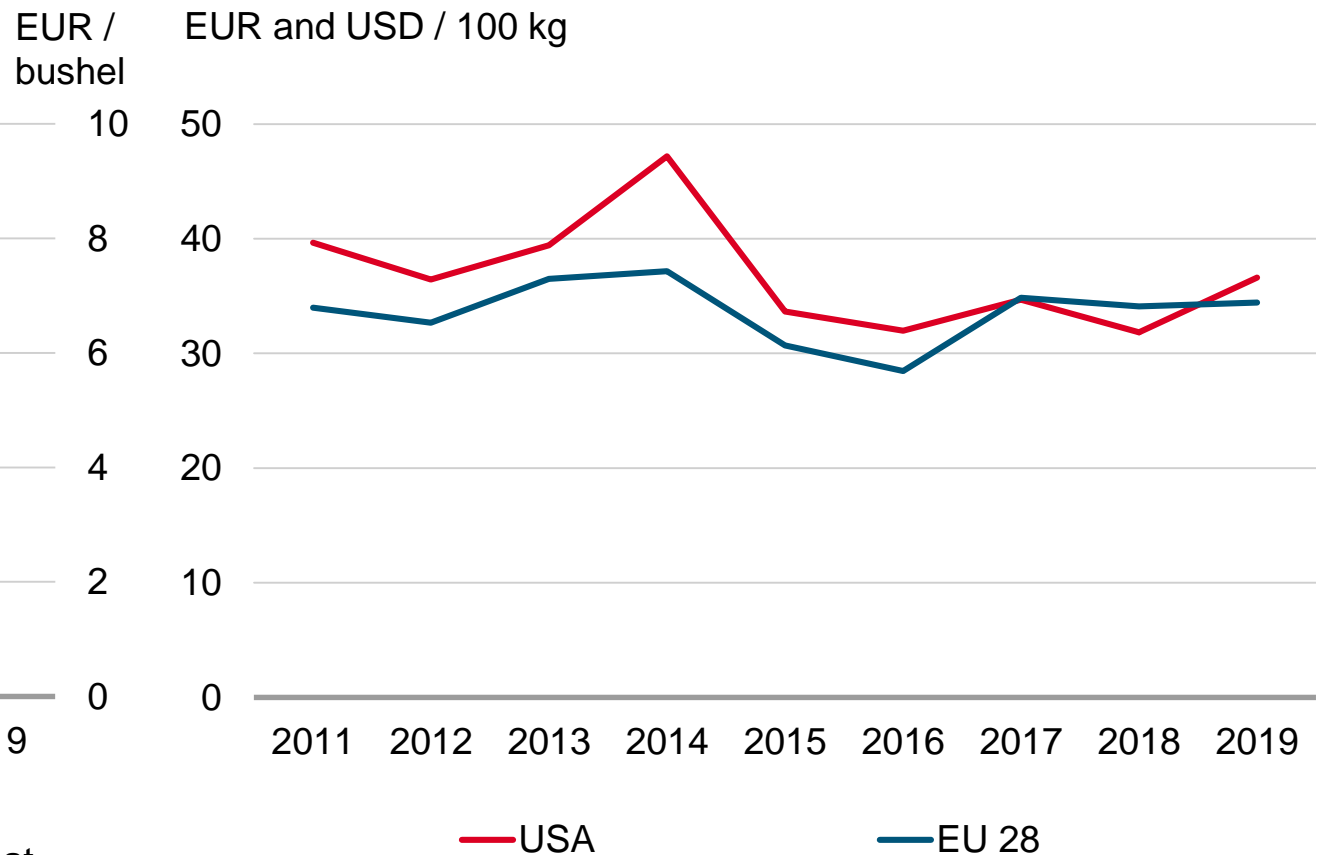
(average prices until December 2019)

Crop price



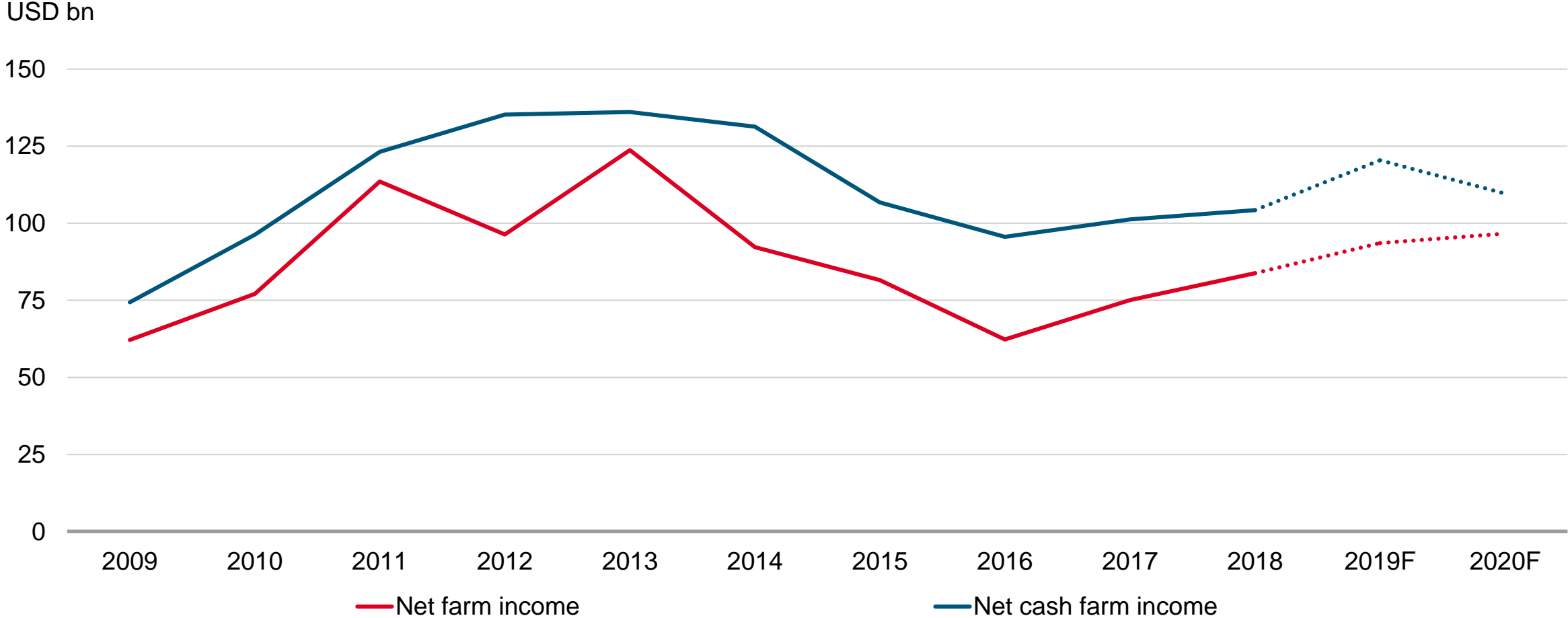
Source: USDA, AHDB (US price received / European physical price)

Milk price



Source: https://www.clal.it/en/?section=latte_europa_mmo, USDA

US farm income (USDA)



Source: USDA (5 February 2020), nominal figures (current dollars)

Key figures

Kuhn Group

CHFm						Change in
	2019	2018	%	% ¹⁾	% ²⁾	
Order intake	1'141	1'210	-5.7	-2.9	-4.6	
Net sales	1'177	1'204	-2.3	0.7	-1.1	
Order book	411	461	-10.7	-8.2	-8.2	
Operating profit (EBITDA) as % of net sales	135 11.5%	141 11.7%	-4.1			
Operating profit (EBIT) as % of net sales	98 8.3%	104 8.7%	-5.9			
Employees at 31 December	5'188	5'352	-3.1		-3.1	
Average employees	5'321	5'334	-0.2		-1.2	

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

Slight improvement expected in North America

Kuhn Group: Outlook for 2020

Another challenging year

- North America: Marginal improvement from current very low level
- Europe: Dairy and livestock sector satisfactory; arable sector negatively impacted by unfavourable weather conditions and uncertainties about geopolitical and agricultural policy developments
- Brazil: Ongoing positive development

Strategic focus

- Large machines for large farms
- Digital solutions for precision farming and customer retention
- Close to customer centres in Brazil and Russia

For the time being, the evolution of the COVID-19 pandemic is unclear and the effect on Bucher Industries' business is unpredictable. A guidance for 2020 is presently not possible, and the outlook issued on 4 March 2020 is hence repealed.

Somewhat lower sales year on year and slightly higher operating profit margin thanks to a marginally improved US market

Bucher Municipal

Focus on electrification: the all-electric "CityCat V20e"



Municipal vehicles and winter maintenance equipment

Bucher Municipal

Compact sweepers



Truck mounted sweepers



Winter equipment



Sewer cleaning



Refuse collection



Complete product range under one brand

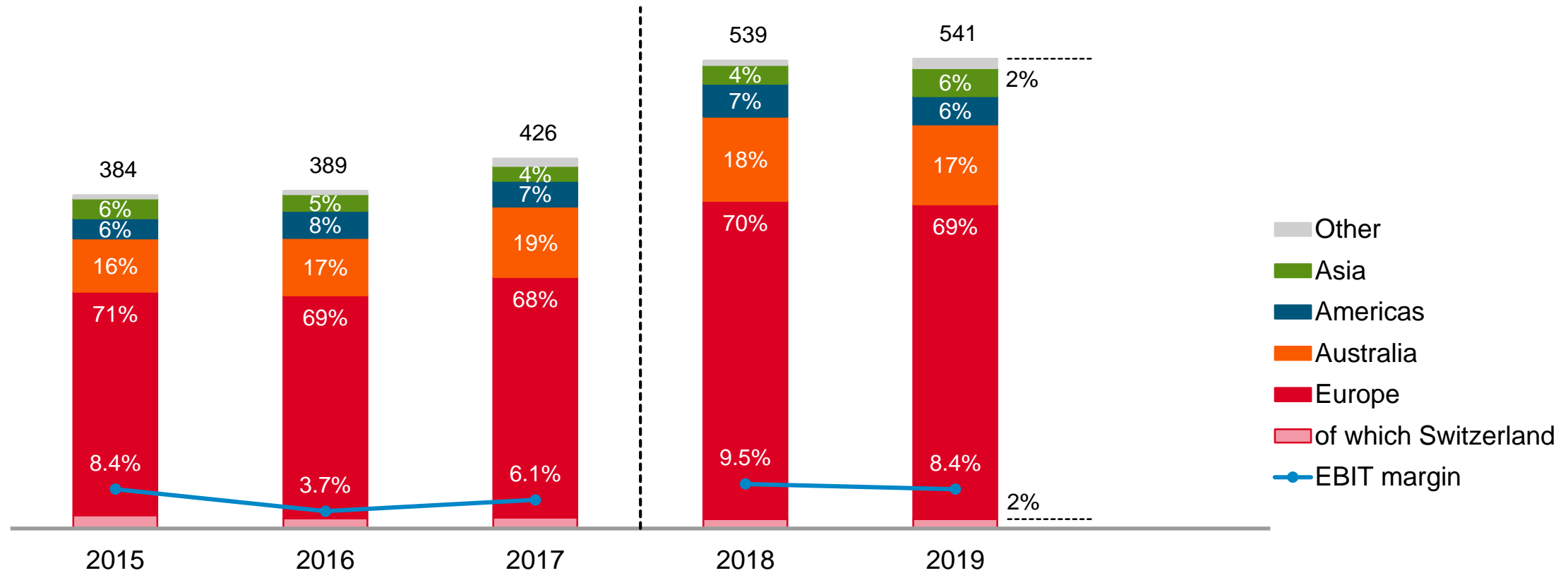
Bucher Municipal

Competitors	Sweepers				Refuse vehicles			Winter maintenance			Vacuum tankers	
	Vacuum		Mechanical		Front	Rear	Side	Spreaders	Ploughs	Snow blowers	Municipal	Industry
	Compact	Truck mounted	Compact	Truck mounted								
Bucher Municipal												
Federal Signal												
Alamo												
Douglas Dynamics												
Terberg-RosRoca												
Aebi-Schmidt												
Faun												
Fayat												
Hako												
Boschung												
Cappellotto												
Kaiser												
Zoomlion												

Net sales by region

Bucher Municipal

CHFm



Key figures

Bucher Municipal

CHFm						Change in
	2019	2018	%	% ¹⁾	% ²⁾	
Order intake	520	556	-6.4	-3.6	-4.6	
Net sales	541	539	0.4	3.3	2.4	
Order book	159	183	-13.3	-10.5	-11.6	
Operating profit (EBITDA) as % of net sales	55 10.2%	60 11.1%	-8.3			
Operating profit (EBIT) as % of net sales	46 8.4%	51 9.5%	-10.4			
Employees at 31 December	2'370	2'215	7.0		1.8	
Average employees	2'340	2'148	8.9		6.3	

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

Positive effects from integration and innovation

Bucher Municipal: Outlook for 2020

Demand weaker than good previous years but still high

Europe influenced by uncertainties associated with Brexit

Strategic projects initiated

- “One company – one brand”
- Integration of acquired companies: Zynkon and Eurovoire
- Launch of “CityCat V20e”
- Greater efficiency due to modular

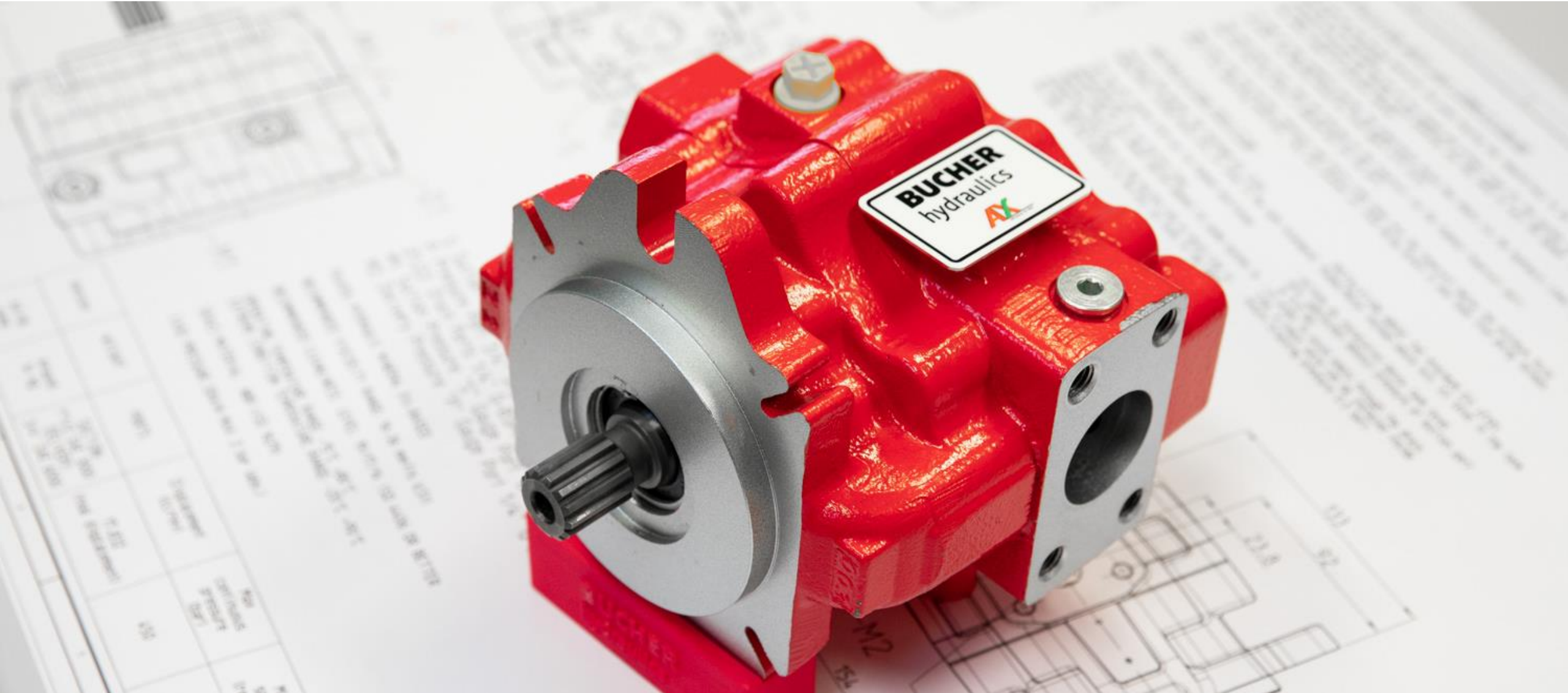
For 2020:

For the time being, the evolution of the COVID-19 pandemic is unclear and the effect on Bucher Industries' business is unpredictable.
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2019 and operating profit margin slightly higher due to cost
reductions and streamlining of the product range

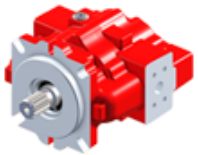
Bucher Hydraulics

The new AX pumps and motors



Customised drive systems

Bucher Hydraulics



Pumps



Valves



Subsystems



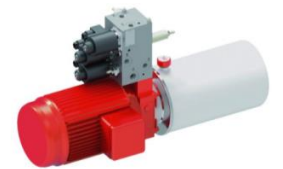
Tailor-made
customer solutions



Motors



Cylinders



Power packs

Agricultural machinery



Construction equipment



Materials handling



Industry



Other segments: Mining/tunnelling, energy technology, municipal vehicles, elevator technology, high-voltage switch gear

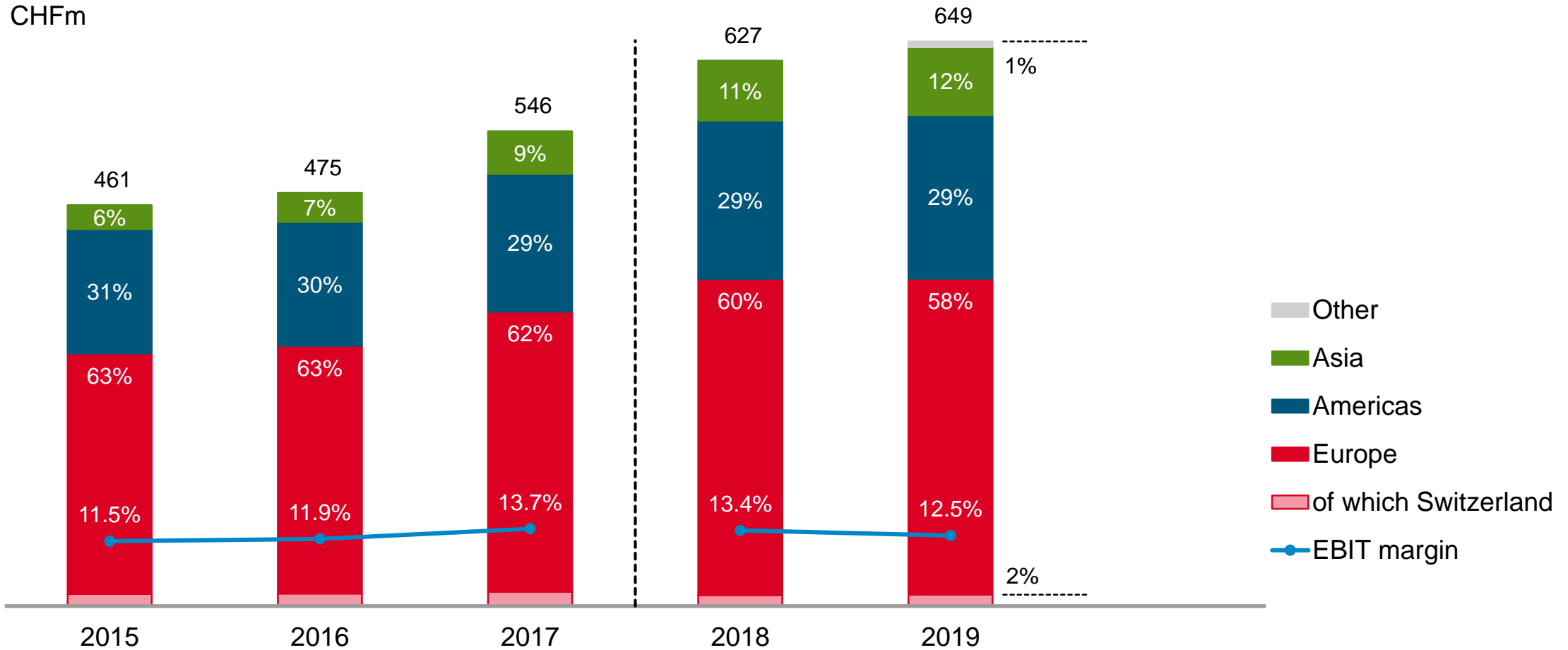
Complete product range under one brand

Bucher Hydraulics

Competitors	Pumps			Valves						Motors & cylinders			Accessories				Power packs	
	Piston	Vane	Gear	Industrial (Cetop)	Servo	Directional spool	Cartridge	HIC	Special	Gear	Piston	Cylinders	Electronics	Accumulators	Filters	Other	Compact	Contracting
Bucher Hydraulics																		
Parker (USA)																		
Eaton (USA)																		
Rexroth (DE)																		
Danfoss (DK)																		
Hydac (DE)																		
HAWE (DE)																		
Dana (IT)																		
Interpump (IT)																		
Argo-Hytos (DE)																		
Moog (USA)																		
Concentric (SE)																		
Husco (USA)																		
Sun Hydraulics (USA)																		
Hydraforce (USA)																		

Net sales by region

Bucher Hydraulics



Key figures

Bucher Hydraulics

CHFm						Change in
	2019	2018	%	% ¹⁾	% ²⁾	
Order intake	564	700	-19.5	-18.1	-21.6	
Net sales	649	627	3.5	5.1	1.3	
Order book	113	201	-43.6	-42.5	-42.5	
Operating profit (EBITDA) as % of net sales	102 15.8%	104 16.6%	-1.5			
Operating profit (EBIT) as % of net sales	81 12.5%	84 13.4%	-4.2			
Employees at 31 December	2'766	2'835	-2.4		-2.4	
Average employees	2'844	2'555	11.3		4.2	

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

Decline in demand on a high level

Bucher Hydraulics: Outlook for 2020

Further downward trend in hydraulics market

Flexible cost structure adapted to lower business volume

Investments in the future

- Development of new AX axial piston line, particularly suitable for electrohydraulics
- Ongoing expansion of the product line in the lower price range
- Increasing focus on electrohydraulics

For 2020: Decline in sales volume, margin lower than in 2019. The evolution of the COVID-19 pandemic is unclear and the effect on Bucher Industries' business is unpredictable. A guidance for 2020 is presently not possible, and the outlook issued on 4 March 2020 is hence repealed.

Bucher Emhart Glass

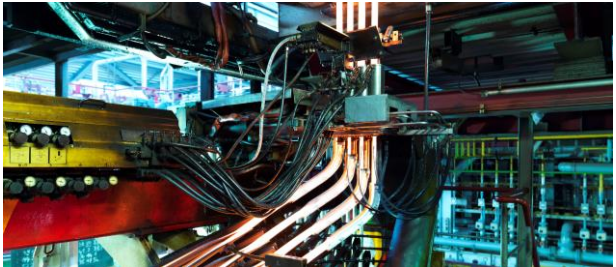
Complete «End to End» production line



Glass container manufacturing equipment

Bucher Emhart Glass

Hot end



Gob forming

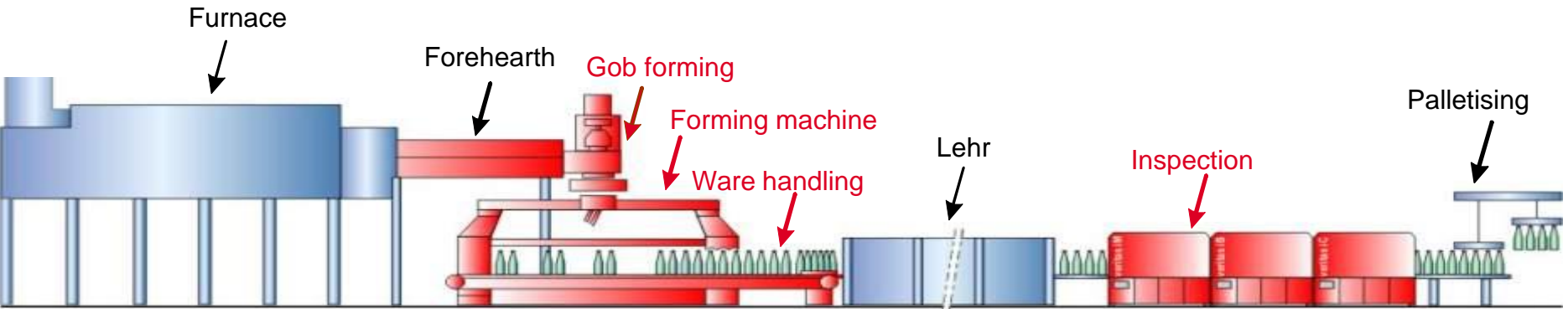


Glass-forming machine

Cold end



Inspection



Glass container manufacturing process

World's leading machinery manufacturer

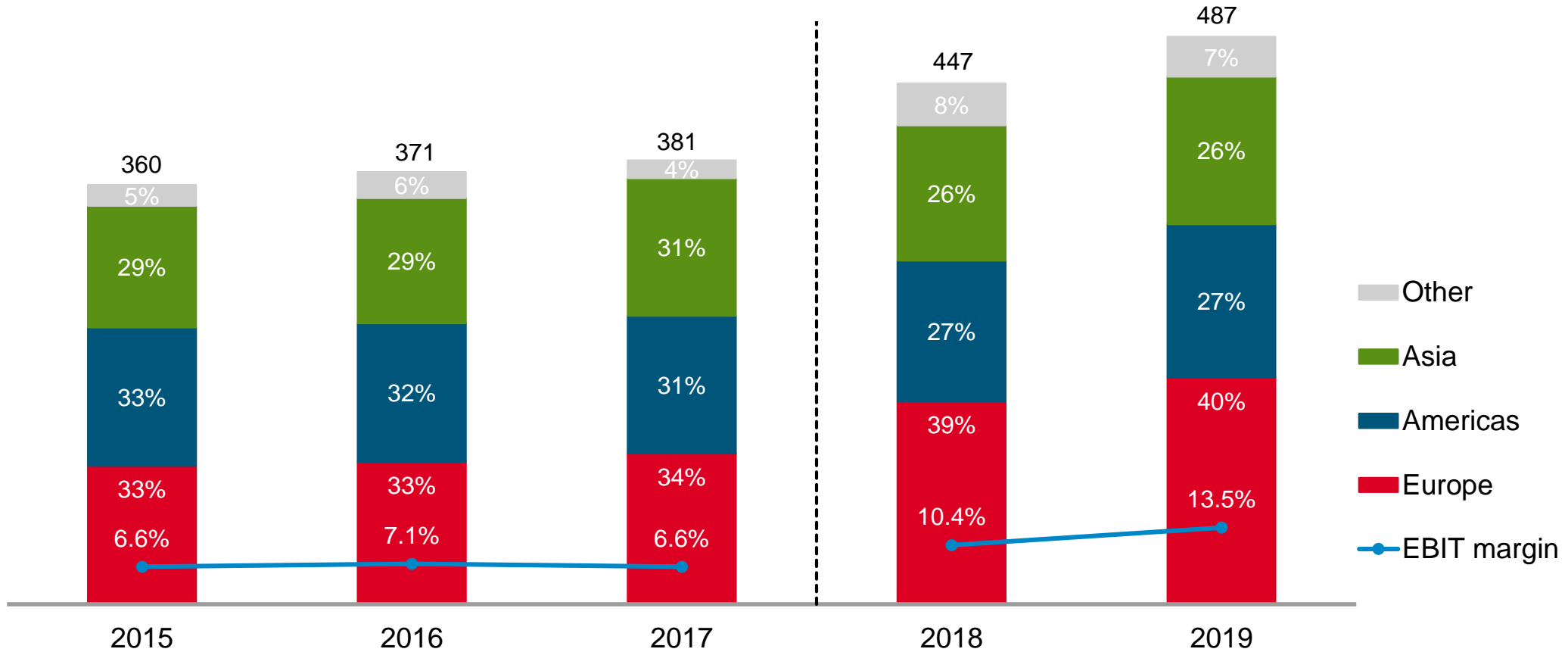
Bucher Emhart Glass

Competitors	Hot end								Cold end			
	IS forming machine											
	Refractory	Forehearth	Feeder & shear	NIS	BIS	AIS	IS	Ware handling	Lehr	Inspection	Palletising	Wrapping
Bucher Emhart Glass												
Bottero (IT)												
Heye (DE)												
Sklostroj (CZ)												
BDF (IT)												
Competitors (CN)												
Tiama (FR)												
PSR (UK)												

Net sales by region

Bucher Emhart Glass

CHFm



Key figures

Bucher Emhart Glass

CHFm						Change in
	2019	2018	%	% ¹⁾	% ²⁾	
Order intake	524	499	4.9	8.8	9.3	
Net sales	487	447	9.1	13.1	12.2	
Order book	271	236	14.7	18.8	20.1	
Operating profit (EBITDA) as % of net sales	74 15.3%	56 12.5%	32.9			
Operating profit (EBIT) as % of net sales	66 13.5%	47 10.4%	40.6			
Employees at 31 December	1'770	1'696	4.4		4.9	
Average employees	1'755	1'652	6.2		6.2	

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency, acquisition and divestment effects

Normalisation of demand at very high level

Bucher Emhart Glass: Outlook for 2020

Normalisation of demand following extraordinary momentum of the last two years, business volume continuing at good level

- Record high order book
- Very good utilisation of production capacity

Further strengthening of market position

- Construction of first complete “End to End” product
- Expansion of services, e.g. “Training on site”

For 2020: Sales in line with record year and operating profit margin lower than the year 2019, adjusting for one-time effects

For the time being, the evolution of the COVID-19 pandemic is unclear and the effect on Bucher Industries' business is unpredictable. A guidance for 2020 is presently not possible, and the outlook issued on 4 March 2020 is hence repealed.

Individual businesses

Bucher Specials

Bucher Vaslin



Winemaking equipment

Bucher Unipektin



Equipment for fruit juice processing, beer filtration and drying

Bucher Landtechnik



Agricultural distributorship in Switzerland

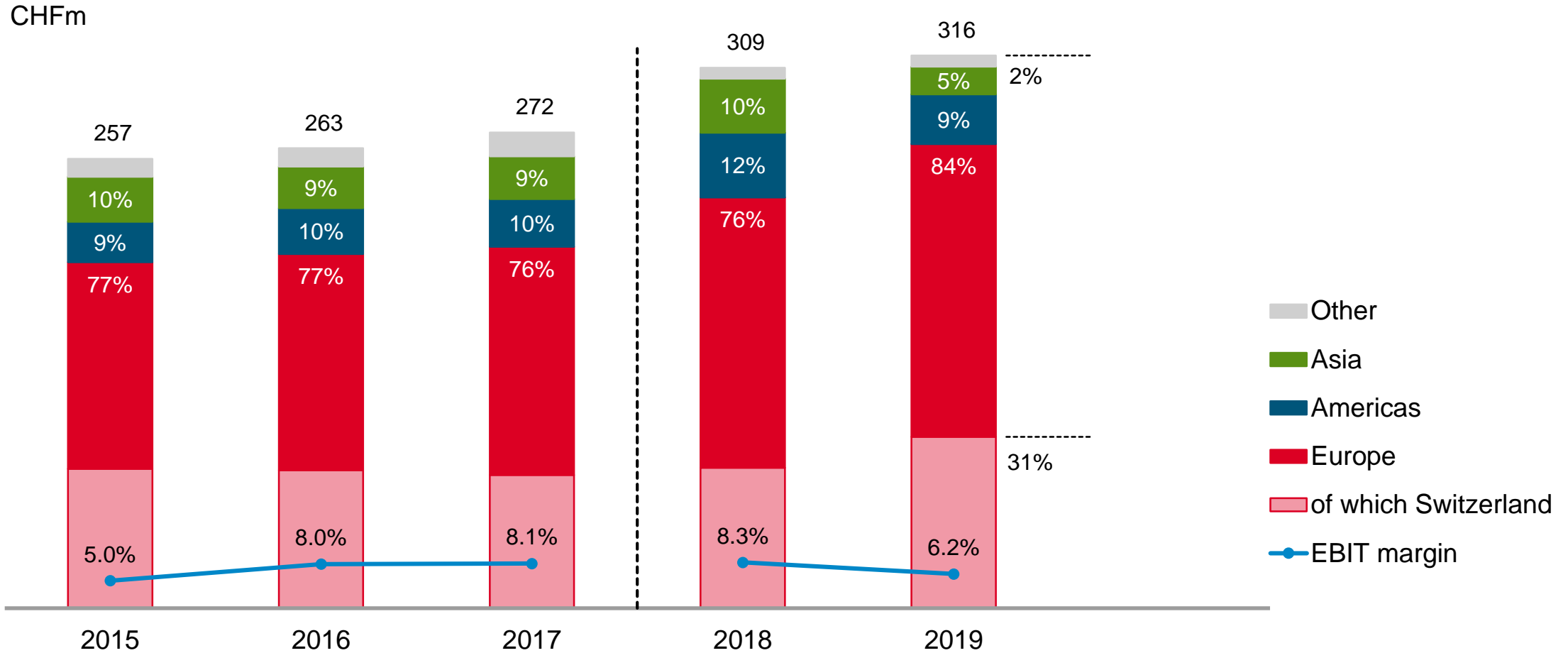
Jetter



Automation solutions

Net sales by region

Bucher Specials



Key figures

Bucher Specials

CHFm						Change in
	2019	2018	%	% ¹⁾	% ²⁾	
Order intake	324	301	7.7	9.5	5.2	
Net sales	316	309	2.3	4.1	-0.4	
Order book	82	74	10.3	11.7	11.2	
Operating profit (EBITDA) as % of net sales	25 7.8%	31 10.0%	-19.5			
Operating profit (EBIT) as % of net sales	20 6.2%	26 8.3%	-24.1			
Employees at 31 December	948	888	6.8		4.6	
Average employees	953	884	7.8		4.5	

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

Moderate sales growth expected

Bucher Specials: Outlook for 2020

Solid development

- Bucher Vaslin: Neutral development in main markets, demand on par with the previous year
- Bucher Unipektin: Slight recovery in sales, positive contribution from acquisition of I...
- Bucher Landtechnik: Performance expected to remain solid despite agricultural uncertainties
- Jetter: Further slight growth, supported by the full... of Elan Systems

For 2020: Moderate sales growth... in 2019... operating profit margin from low level seen

«For the time being, the evolution of the COVID-19 pandemic is unclear and the effect on Bucher Industries' business is unpredictable. A guidance for 2020 is presently not possible, and the outlook issued on 4 March 2020 is hence repealed.»

Outlook and trends

Operating profit margin expected to be stable, sales slightly lower

Group: Outlook for 2020

- **Kuhn Group:** Sales somewhat below 2019, slightly higher operating profit margin thanks to marginal recovery in the USA
- **Bucher Municipal:** Sales in line with previous year and slight increase in operating profit margin
- **Bucher Hydraulics:** Decline in sales in the high single-digit percentage, operating profit margin
- **Bucher Emhart Glass:** Sales in line with 2019 year after adjusting for one-time effect
- **Bucher Specials:** Marginal decline in sales and recovery of operating profit margin from previous year

For the time being, the evolution of the COVID-19 pandemic is unclear and the effect on Bucher Industries' business is unpredictable. A guidance for 2020 is presently not possible, and the outlook issued on 4 March 2020 is hence repealed.

2020: Sales slightly below record figure of 2019, operating profit margin in line with 2019, lower profit for the year

Long-term earnings targets

Outlook and trends

				IFRS			FER
EBIT margin in %	2015	2016	2017	2018	2018	2019	Targets
Kuhn Group	10.2	8.0	8.6	8.1	8.7	8.3	12
Bucher Municipal	8.4	3.7	6.1	9.0	9.5	8.4	9
Bucher Hydraulics	11.5	11.9	13.7	13.1	13.4	12.5	12
Bucher Emhart Glass	6.6	7.1	6.6	10.1	10.4	13.5	10
Bucher Specials	5.0	8.0	8.1	7.8	8.3	6.2	10
Bucher Industries	8.3	7.1	8.6	9.1	9.5	9.2	>10
Group and divisions	2015	2016	2017	2018	2018	2019	Targets
RONOA after tax	11.5	9.7	13.2	15.7	19.6	19.0	>20

Regionally divergent trends

require a geographically adapted strategy

Trends



Developed countries

Efficiency / sustainability

Emerging markets

Mechanisation / urbanisation

Topics



- Stricter environmental regulations
- Innovation
- Sensors, data, networking
- Electrification

- Market access
- Localisation
- Compliance

Selected projects



- Precision farming
- “CityCat V20e”
- AX hydraulic pumps and motors
- “End to End” glass forming

- Kuhn Group in the east
- Expansion of Bucher Municipal Asia
- Selected acquisitions

BUCHER

Contact for investors and financial analysts

Phone +41 43 815 80 50

ir@bucherindustries.com

www.bucherindustries.com