

Press release

Niederweningen, 28 January 2021

Robust business development in a difficult year

Demand for the products and services of Bucher Industries declined notably in the first half of 2020 as a consequence of the spread of COVID-19. A recovery set in at mid-year and gained momentum towards the end of the reporting period, but order intake and sales were nevertheless lower overall. The Group expects the operating profit margin for 2020 to be slightly higher than at mid-year and profit for the period to be correspondingly lower versus 2019.

Group

CHF million	Change in				
	2020	2019	%	% ¹⁾	% ²⁾
Order intake	2'838	3'008	-5.7	-0.4	-1.2
Net sales	2'741	3'106	-11.8	-7.2	-7.8
Order book	1'081	1'019	6.2	12.1	10.9
Number of employees at closing date	12'598 ³⁾	13'107	-3.9		-5.0

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency, acquisition and divestment effects

³⁾ 12'727 employees (FTEs), of whom 129 on short-time work

The reporting period got off to a good start with solid demand, but the spread of COVID-19 led to major disruptions. Difficult months followed with reduced customer activity, delays and interruptions in the supply chain and site closures. At the middle of the year, the situation began normalising and all sites were operational again. Certain restrictions, especially concerning international travel, remained in place. This hampered business, in particular sales and service of equipment for the beverage industry. Thanks to a strong recovery in the agricultural machinery market, order intake for the Group adjusted for currency effects matched that of the previous year. Sales were down on the record highs set in 2019, despite the stabilisation that occurred from mid-2020 onwards. The Group implemented various measures to safeguard profitability and liquidity, and its financial position remains solid. The Group expects the operating profit margin for 2020 to be slightly higher than at mid-year and profit for the period to be correspondingly lower versus 2019.

Strengthening the divisions In early January 2021, two smaller acquisitions were concluded with a sales volume totalling around CHF 10 million. Kuhn Group acquired Khor Industrial Ltda., a leading manufacturer of commodity trailers, such as grain carts, and primary tillage equipment in Brazil. The Khor products are well adapted to the needs of the Brazilian producers and complement the existing product range of Kuhn Group in Brazil. Bucher Unipektin's acquisition of Merk Process GmbH in Germany further expanded its leading market position in the niche area of vacuum belt drying technology for the food industry.

Kuhn Group

CHF million	2020	2019	Change in	
			%	% ¹⁾
Order intake	1'290	1'141	13.1	21.8
Net sales	1'094	1'177	-7.1	-0.3
Order book	587	411	42.8	52.6
Number of employees at closing date	5'194	5'188	0.1	

¹⁾ Adjusted for currency effects

Turbulent financial year ends positively The agricultural machinery market proved resilient in the reporting period. Following months of uncertainty in the spring, a strong recovery set in at the middle of the year. In Europe and North America, market conditions in the dairy and livestock sector were generally satisfactory, owing to reasonable producer prices and government support. Europe's arable sector suffered from smaller harvest volumes but was overall stable. Income among US farmers increased significantly, thanks to generous direct payments. In addition, a strong rise in crop prices towards the end of the reporting period generated new optimism. The business situation in Brazil remained very good. Overall, order intake at Kuhn Group advanced substantially, which was partially attributable to low dealer inventories at the end of the season. The production sites in France were temporarily shut down in the spring, but the division was producing again at full capacity as of mid-May and was able to successively reduce the fall in sales over the course of the rest of the year. The effects of various short-term cost savings, especially lower prices for materials, should put the operating profit margin for 2020 at the same level as in 2019.

Bucher Municipal

CHF million	Change in				
	2020	2019	%	% ¹⁾	% ²⁾
Order intake	460	520	-11.5	-7.3	-11.5
Net sales	462	541	-14.6	-10.6	-14.0
Order book	157	159	-1.1	3.4	-3.5
Number of employees at closing date	2'327 ³⁾	2'370	-1.8		-7.5

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

³⁾ 2'334 employees (FTEs), of whom 7 on short-time work

Soft demand despite recovery as of mid-year The demand for municipal vehicles weakened significantly in the first six months of 2020. It began recovering as of mid-year, but overall was still lower than the high level seen in the previous year. The refuse collection and sewer cleaning equipment product groups developed positively, thanks to major orders. In contrast, orders for sweepers were down, and demand for winter maintenance equipment was low compared with the good prior year. Order intake decreased accordingly. Bucher Municipal's production was badly hampered by the temporary closure of production sites and problems in the supply chain. As of mid-year, all sites were operational again, although still subject to restrictions and resulting inefficiencies, especially in Australia. In this difficult environment, the division's sales were significantly down on the very high prior-year figure. The operating profit margin is likely to figure in the mid-single-digit range.

Bucher Hydraulics

CHF million	Change in			
	2020	2019	%	% ¹⁾
Order intake	561	564	-0.5	3.5
Net sales	536	649	-17.3	-14.1
Order book	134	113	17.9	23.1
Number of employees at closing date	2'537 ²⁾	2'766	-8.3	

¹⁾ Adjusted for currency effects

²⁾ 2'602 employees (FTEs), of whom 65 on short-time work

Stable demand due to a strong recovery in the second half of the year Demand for the components and solutions offered by Bucher Hydraulics collapsed in the second quarter of 2020, because customers were forced to temporarily shut down their production. A recovery set in at mid-year and gained momentum towards the end of the reporting period, driven by the important agricultural machinery and materials

handling segments. Demand for construction machinery, on the other hand, recovered only very slowly and on a low level. The picture was also mixed at the regional level. China recovered early and was significantly ahead of the 2019 figures at year end. In the USA an increase was also posted against the low prior-year figures. The recovery in Europe was delayed and weaker. Overall, order intake at Bucher Hydraulics was on a par with the previous year. Sales were down substantially especially in the first half of the year, however, owing to the lower demand and production site closures caused by the pandemic. From the mid-year, the decrease in sales was successively reduced over the course of the rest of the year. The division consistently adjusted its capacities to utilisation and initiated optimisation measures during the reporting period. It expects the operating profit margin to be lower compared to 2019 but to remain in the double digits.

Bucher Emhart Glass

CHF million	Change in				
	2020	2019	%	% ¹⁾	% ²⁾
Order intake	317	524	-39.5	-37.0	-37.1
Net sales	421	487	-13.5	-10.0	-9.5
Order book	155	271	-42.6	-40.2	-40.2
Number of employees at closing date	1'611	1'770	-9.0		-9.0

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency, acquisition and divestment effects

Plummeting demand followed by a slow recovery from mid-year onwards After an exceptionally strong 2019, demand for the division's equipment plummeted in the first half of 2020. The massive curtailment of public life in many countries led to significantly lower demand for glass containers. Manufacturers postponed project negotiations and temporarily suspended investment programmes. In contrast, the demand for spare parts increased, as more was invested in the maintenance of existing equipment. From the mid-year, a slow recovery at a low level was observable. Overall, order intake at Bucher Emhart Glass posted a major decline. Sales were also down against the very good previous year, although the decline was less pronounced in the second half of the year. The division implemented various measures to reduce costs. In China, it continued adapting capacities. For these reasons, the operating profit margin is likely to be around the double-digit mark.

Bucher Specials

CHF million	Change in				
	2020	2019	%	% ¹⁾	% ²⁾
Order intake	261	324	-19.3	-17.7	-19.0
Net sales	273	316	-13.5	-11.8	-13.3
Order book	70	82	-14.3	-12.9	-14.3
Number of employees at closing date	868 ³⁾	948	-8.4		-10.2

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

³⁾ 925 employees (FTEs), of whom 57 on short-time work

A very difficult year Bucher Vaslin and Bucher Unipektin were greatly affected by the pandemic. Customers postponed new and replacement investments and instead focused on maintaining or upgrading existing equipment. In addition, travel restrictions hampered the sale, installation and commissioning of plant. Bucher Landtechnik reported a very pleasing business performance in the resilient Swiss agricultural machinery market. Jetter was impacted by the decreasing demand at Bucher Emhart Glass and among other customers. At the end of the reporting period, a modest recovery of demand at a low level was generally observable. In this difficult environment, order intake and sales at Bucher Specials posted a significant decrease. Thanks to various cost-savings initiatives, the operating profit margin is likely to remain positive, despite one-time restructuring costs in France.

Outlook for 2021

The Group expects the economic recovery to slowly continue. Uncertainties are likely to persist, however, especially in the first half of the year. The outlook assumes that all production sites remain operational. **Kuhn Group** anticipates a positive development in its most important markets, in particular in the arable sector owing to high crop prices. The dairy and livestock sector may be increasingly impacted negatively by rising feed costs. Overall, the division expects a moderate rise in sales for 2021. The operating profit margin is likely to be slightly higher, despite rising costs for materials. **Bucher Municipal** anticipates decent demand. The ongoing pandemic and Brexit as well as potential savings measures to combat the high national debt levels could have a dampening effect. In this environment, Bucher Municipal expects to see a moderate rise in sales facilitated by the full-year consolidation of Spoutvac, a manufacturer of sewer cleaning equipment in Australia, and the newly launched electrified sweepers and winter maintenance products. With improved production efficiency, the operating profit margin should increase. **Bucher Hydraulics** expects the hydraulics market to recover further. The division will continue to systematically pursue the optimisation measures it has launched and will invest further in innovation. Consequently, the division expects sales to pick up slightly and the operating profit margin to remain on a par with the good level achieved in 2020. **Bucher Emhart Glass** is facing continuing challenges in the current year. Capacity utilisation is likely to be low in the first half of 2021, due to project postponements. The division therefore expects to see a decline in sales and the operating profit margin for the year as a whole. **Bucher Specials** anticipates that uncertainties will persist owing to the

pandemic, causing reluctance in the cyclical project business. The division expects to see a slight growth in sales and an operating profit margin in the mid-single-digit range thanks to the cost-saving measures put in place. Overall, the **Group** expects a slight increase in sales and in the operating profit margin and an improved profit for the year.

Annual general meeting

In accordance with Article 27 of Federal Council Ordinance 3 on Measures to Combat the Coronavirus (COVID-19 Ordinance 3), the annual general meeting on 15 April 2021 will be held without the physical attendance of shareholders, as in the previous year. The exercise of voting rights may be delegated to the independent proxy holder by written or electronic proxy. Further information will be provided in the invitation to shareholders.

Contact for investors and financial analysts

Manuela Suter, CFO

T +41 58 750 15 50

ir@bucherindustries.com

Contact for media

Silvia Oppliger, Head of Group Communications

T +41 58 750 15 40

media@bucherindustries.com

Simply great machines

Bucher Industries is a global technology group with leading market positions in speciality areas of mechanical and vehicle engineering. The company's operations include specialised agricultural machinery, municipal vehicles, hydraulic components, manufacturing equipment for the glass container industry and for wine and fruit juice production, as well as automation technology. The company's shares are traded on the SIX Swiss Exchange (SIX: BUCN). Further information is available at bucherindustries.com.

Additional performance measures: Internally and externally Bucher Industries uses key figures that are not defined by Swiss GAAP FER. The composition and calculation of the individual performance measures are set out here: bucherindustries.com/en/additional-performance-measures.