

Group presentation

March 2019



Systems engineering for beverage industry

Mobile mechanisation

The world of Bucher Industries – five divisions

BUCHER

Bucher Specials
Individual businesses

Bucher Emhart Glass
Glass container industry

Kuhn Group
Agricultural machinery

Bucher Municipal
Municipal vehicles

Bucher Hydraulics
Hydraulic systems

Bucher Industries 2018

CHF 3.1 billion sales, 13 100 employees, 9.1% EBIT margin



Bucher Specials

CHF 310 million sales
900 employees



Kuhn Group

CHF 1 200 million sales
5 400 employees



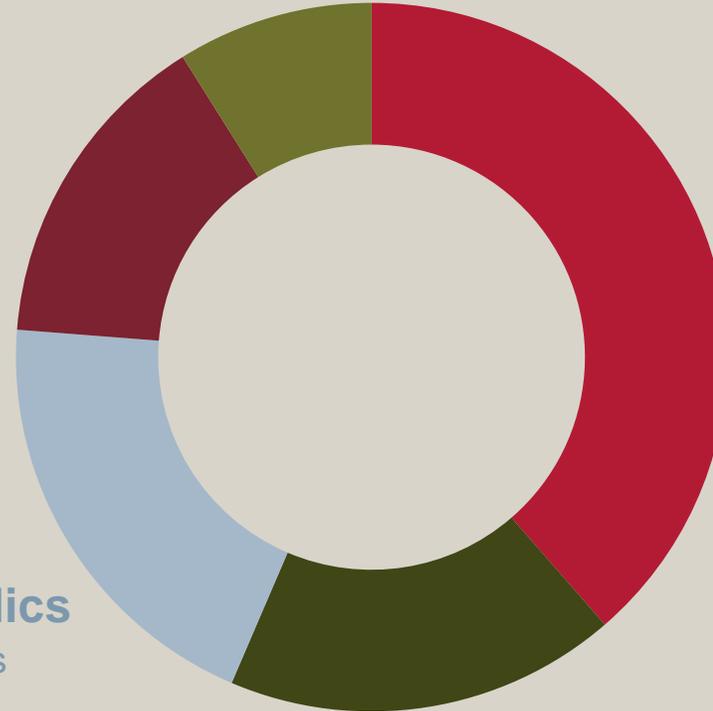
Bucher Emhart Glass

CHF 450 million sales
1 700 employees



Bucher Hydraulics

CHF 630 million sales
2 800 employees



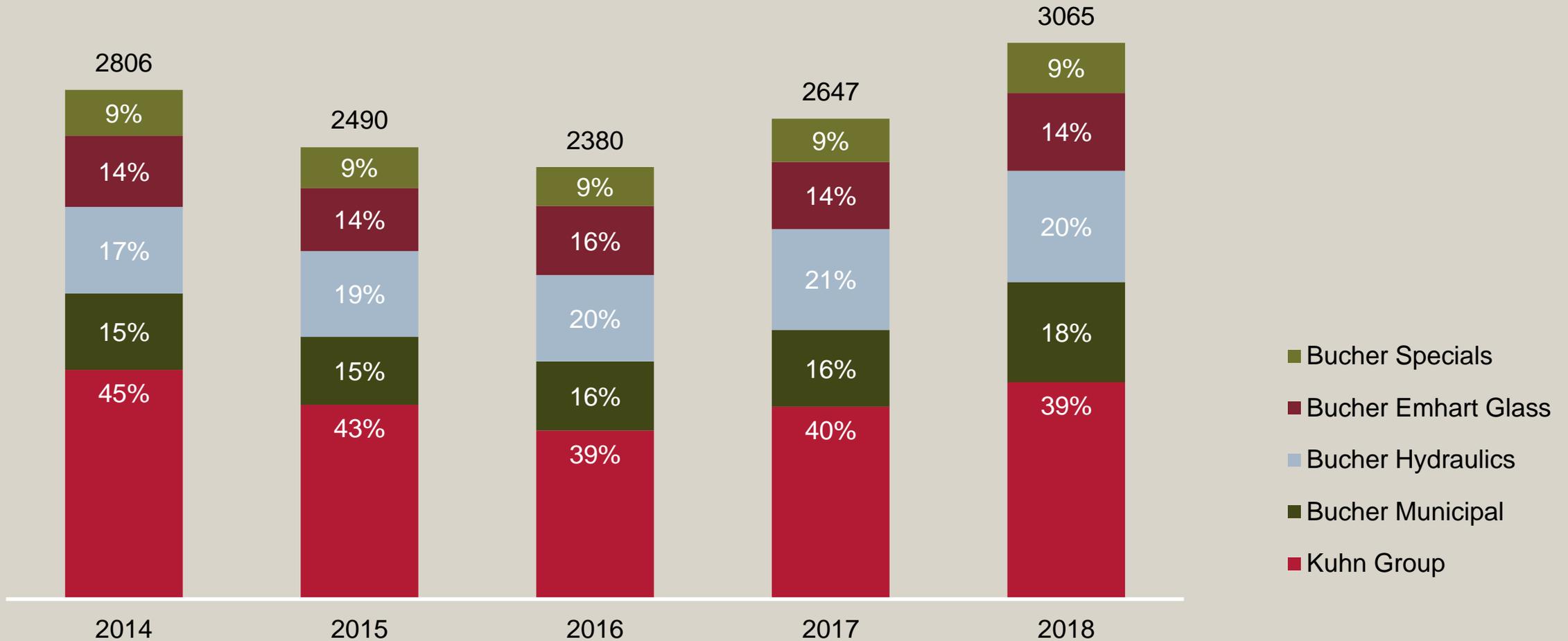
Bucher Municipal

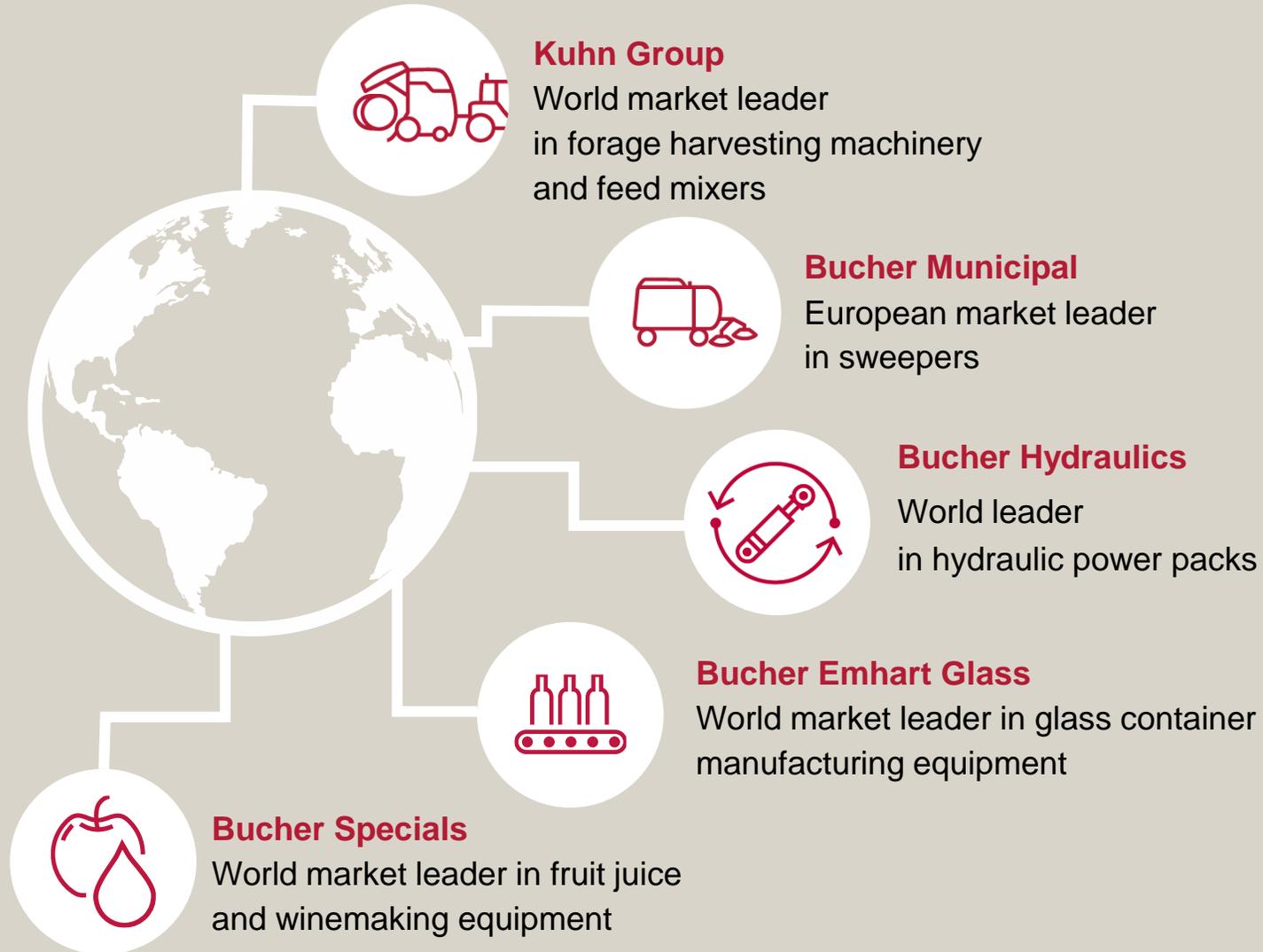
CHF 540 million sales
2 200 employees



Net sales by division

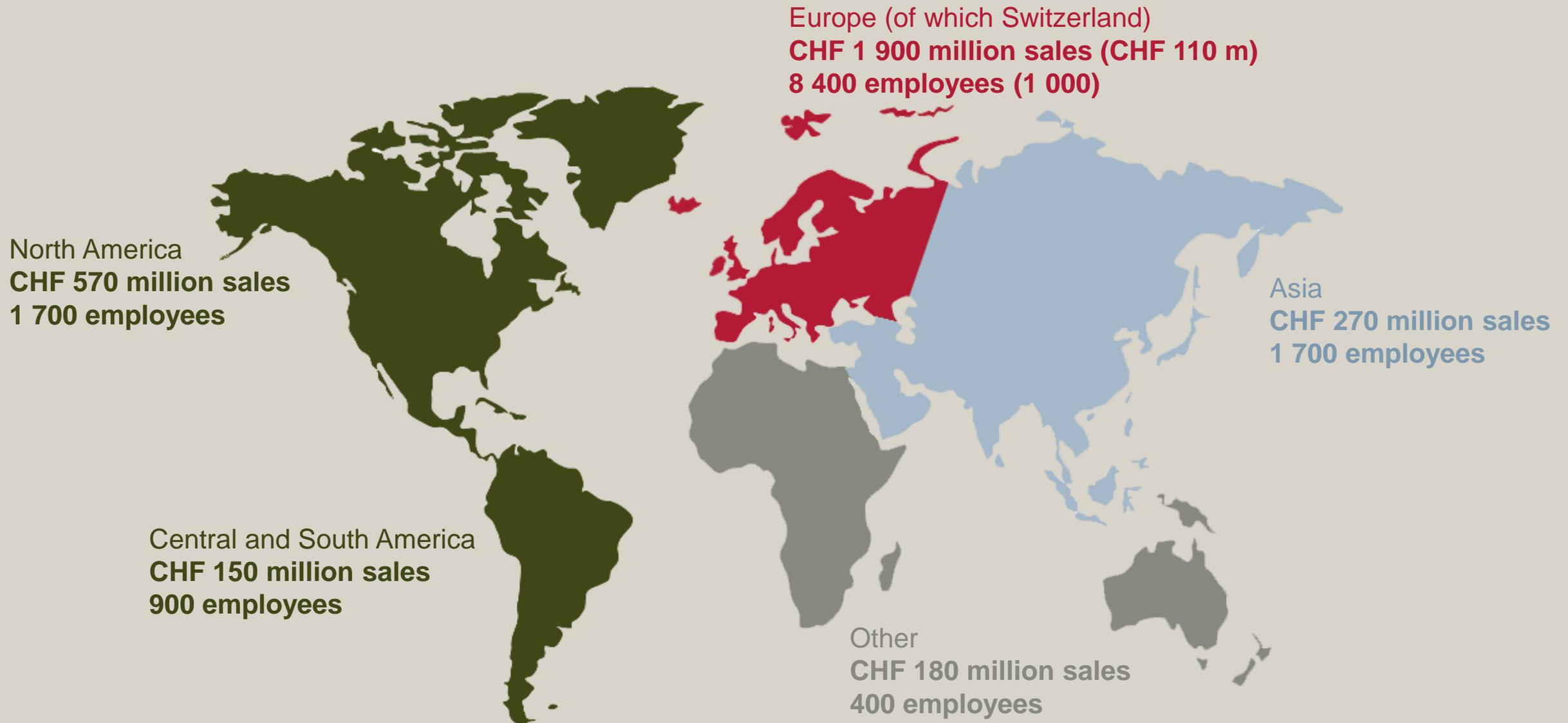
CHF m



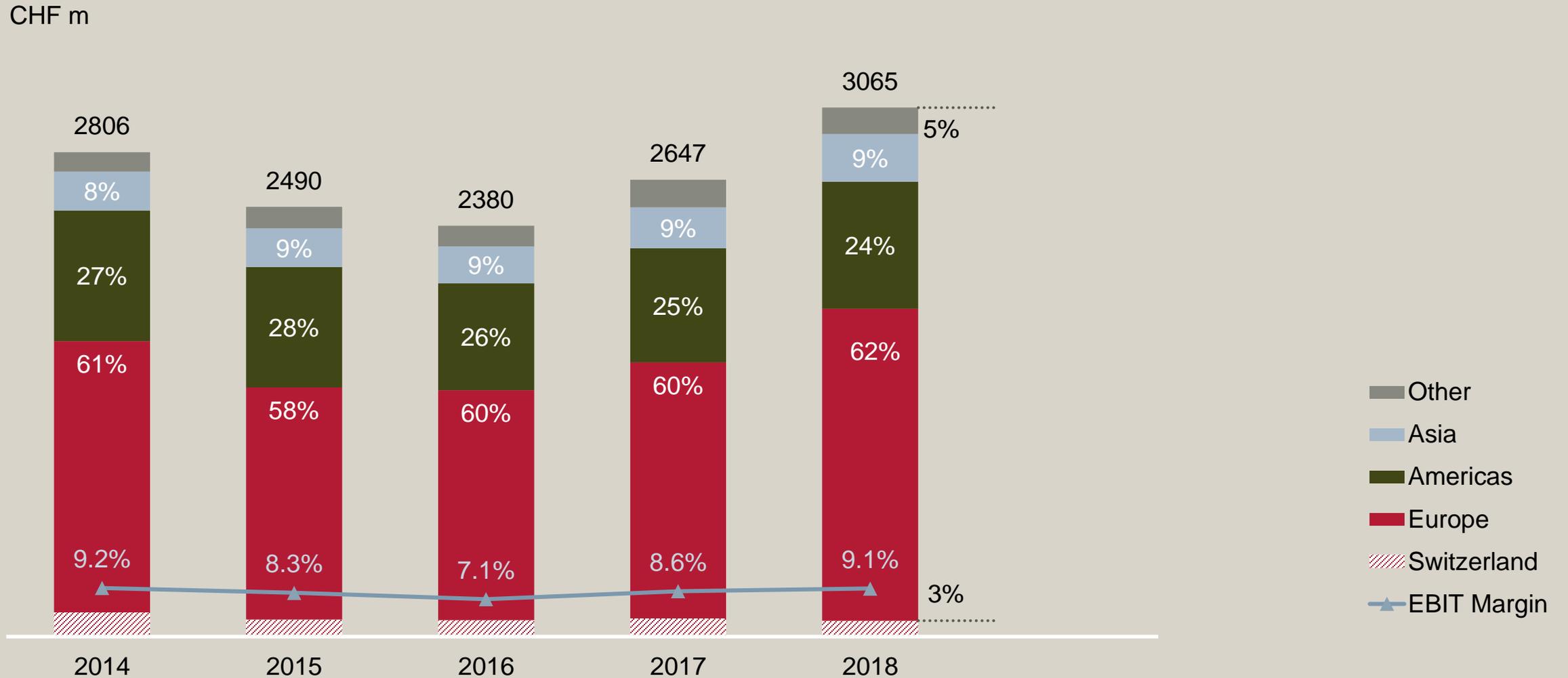


More than 40 manufacturing locations and development sites on five continents





Net sales by region



Aspirations

BUCHER

Diversified group

in mechanical and vehicle engineering

Decentralised responsibility

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

Technological leadership

for a strong market position

Strengthening

of divisions

Solid balance sheet

for long-term, industrial independence

Increase in enterprise value

(RONOA > WACC)

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

Successful 2018 financial year, with double-digit percentage sales growth in all divisions

- **Kuhn Group:** differences in regional development, robust demand in the European dairy and livestock sector leading to pleasing increase in sales
- **Bucher Municipal:** sales increased by more than a quarter thanks to broad-based demand for municipal vehicles in Europe and Australia
- **Bucher Hydraulics:** robust demand for hydraulic components, mainly from construction equipment, materials handling and other mobile applications segments
- **Bucher Emhart Glass:** strong expansion of glass container production capacity globally, continuing high capacity utilisation
- **Bucher Specials:** all business units contributing to sales growth, major projects at Bucher Unipektin

Group sales increased by 16% over the prior-year level, exceeding CHF 3 billion in sales for the first time.

Key figures

CHF million			Change in		
	2018	2017	%	% ¹⁾	% ²⁾
Order intake	3 206	2 871	11.7	10.1	9.3
Net sales	3 065	2 647	15.8	14.2	13.4
Order book	1 137	960	18.4	15.9	14.2
Operating profit (EBITDA) as % of net sales	373 12.2%	318 12.0%	17.2		
Operating profit (EBIT) as % of net sales	278 9.1%	226 8.6%	22.6		
Employees at 31 December	13 054	12 108	7.8		4.6
Average employees during year	12 636	11 707	7.9		6.8

¹⁾ Adjusted for currency effects

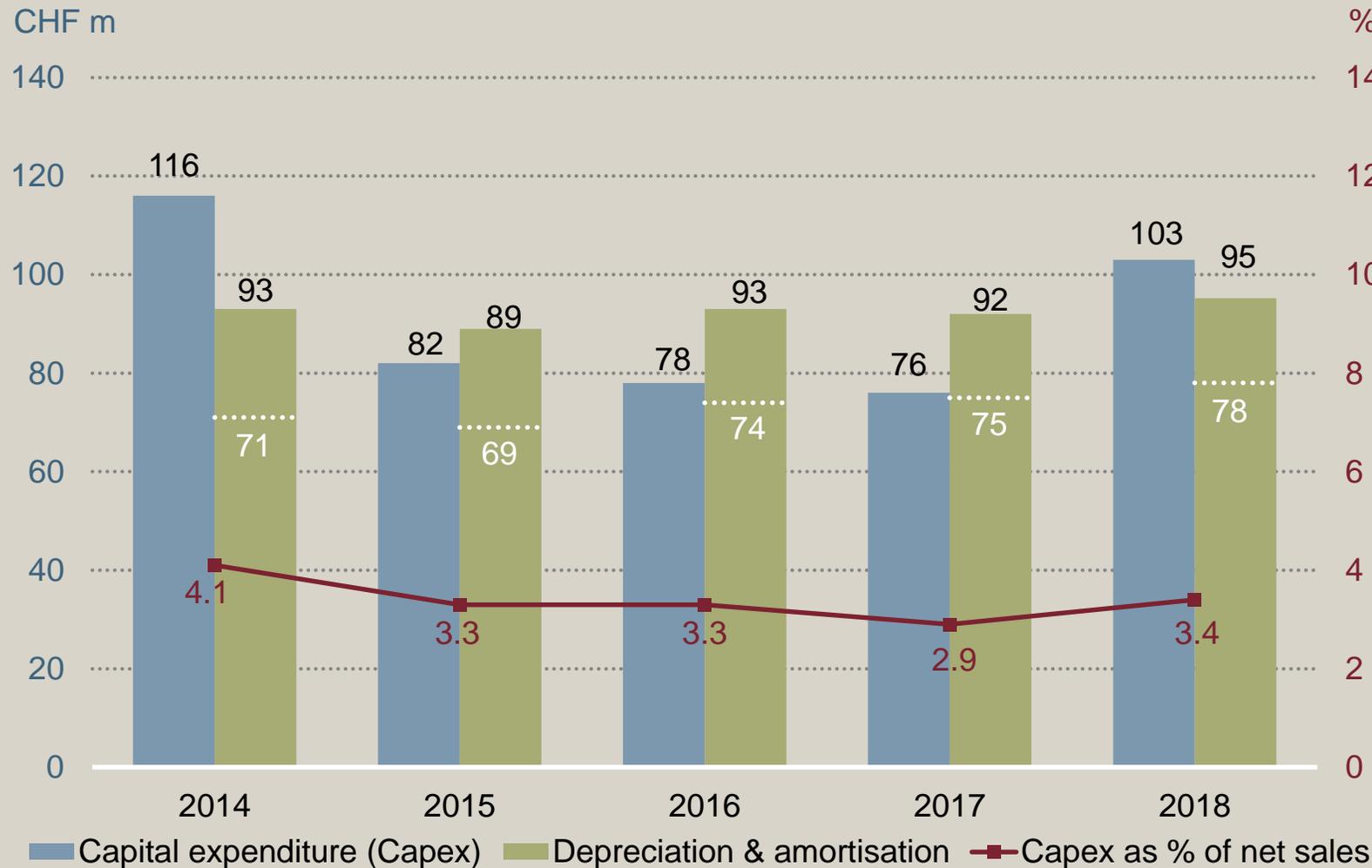
²⁾ Adjusted for currency and acquisition effects

Key figures

CHF million			Change in
	2018	2017	%
Profit/(loss) for the year as % of net sales	215 7.0%	168 6.3%	28.4
Earnings per share in CHF	20.77	16.81	23.6
Capital expenditure	103	76	34.8
Operating free cash flow	101	148	-32.1
Net cash/debt	159	214	-25.6
Equity as % of total assets (equity ratio)	1 490 53.7%	1 432 52.7%	4.0
Net operating assets (NOA) average as % of return after tax (RONOA)	1 373 15.7%	1 274 13.2%	7.8

Investments in the future

Fixed and intangible assets



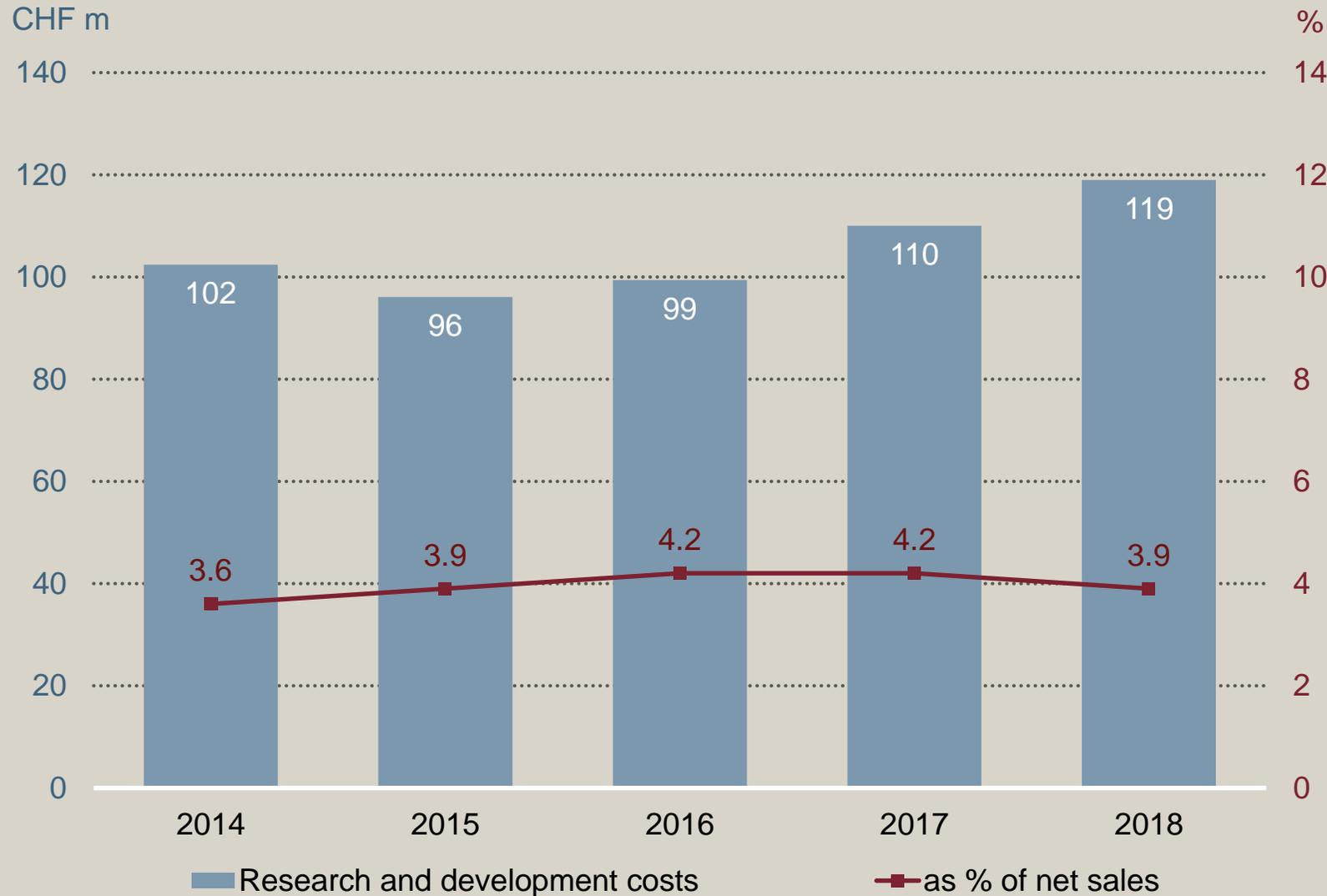
Key investment projects

- Kuhn Group – completion of new logistics centre in Saverne, France
- Bucher Municipal – additional production hall in Ventspils, Latvia
- Bucher Hydraulics – expansion of productions sites in India and Italy

Comment: Investments in property, plant and equipment and intangible assets

Investments in the future

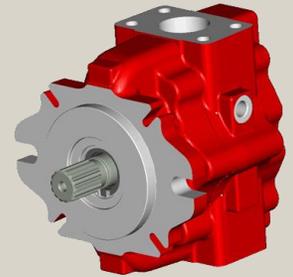
Research and development costs



Selected development projects

Bucher Emhart Glass
Flex Control Center

Bucher Hydraulics
AX motors



Bucher Municipal
Phoenix Electra



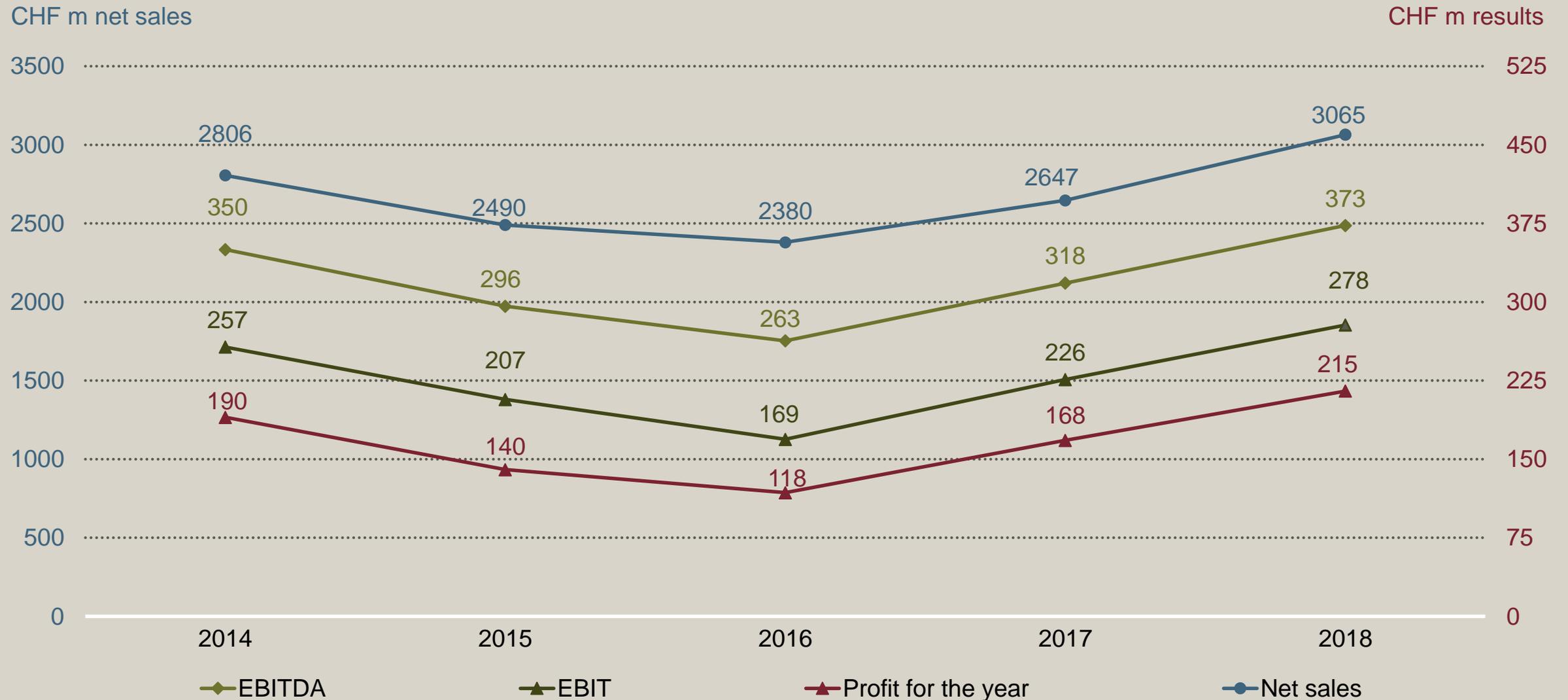
Acquisitions 2014 to 2018

2014	2016	Bucher Municipal	2018	Bucher Hydraulics	Kuhn Group	Bucher Specials
Kuhn Group	Bucher Municipal	Bucher Municipal	Bucher Emhart Glass	Bucher Hydraulics	Kuhn Group	Bucher Specials
Montana Indústria de Máquinas, Brazil	J. Hvidtved Larsen (JHL), Denmark	PakMor, Australia	Sanjin, China	Wuxi Deli, China	Artec, France	Import business of Grunderco, Switzerland
						
			Purchase of remaining shares (37%)	Joint Venture (70%)	Purchase of remaining shares (62%)	Asset deal ²⁾
Net sales ¹⁾ CHF 60 million	Net sales ¹⁾ CHF 60 million	Net sales ¹⁾ CHF 10 million	Net sales ¹⁾ CHF 55 million	Net sales ¹⁾ CHF 40 million	Net sales ¹⁾ CHF 20 million	Net sales ¹⁾ CHF 20 million
Employees 600	Employees 200	Employees 50	Employees 800	Employees 300	Employees 60	Employees 30

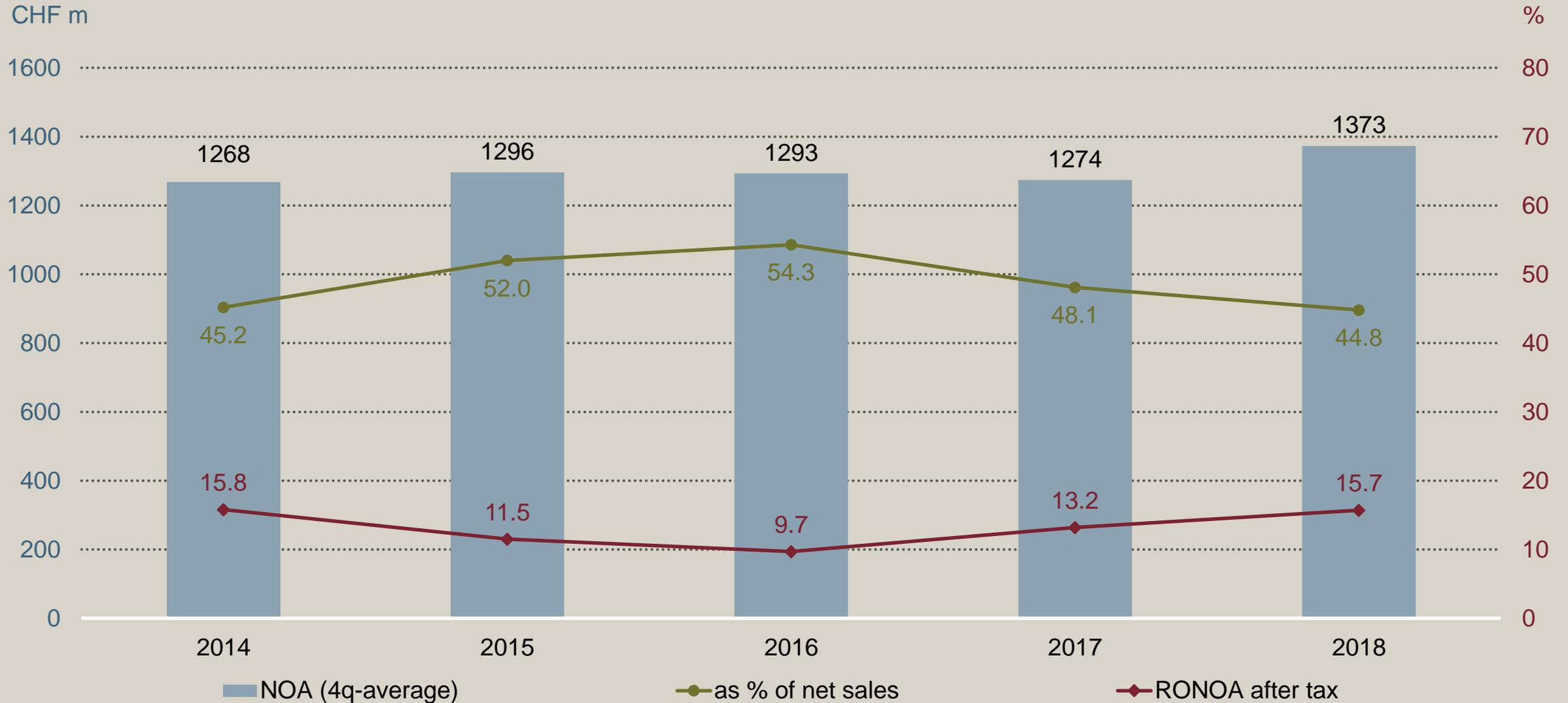
¹⁾ Before acquisition

²⁾ Acquisition of import and trading business for the harvesting technology of the “New Holland” brand and for the “Pronar” brand, specialised in agricultural logistics

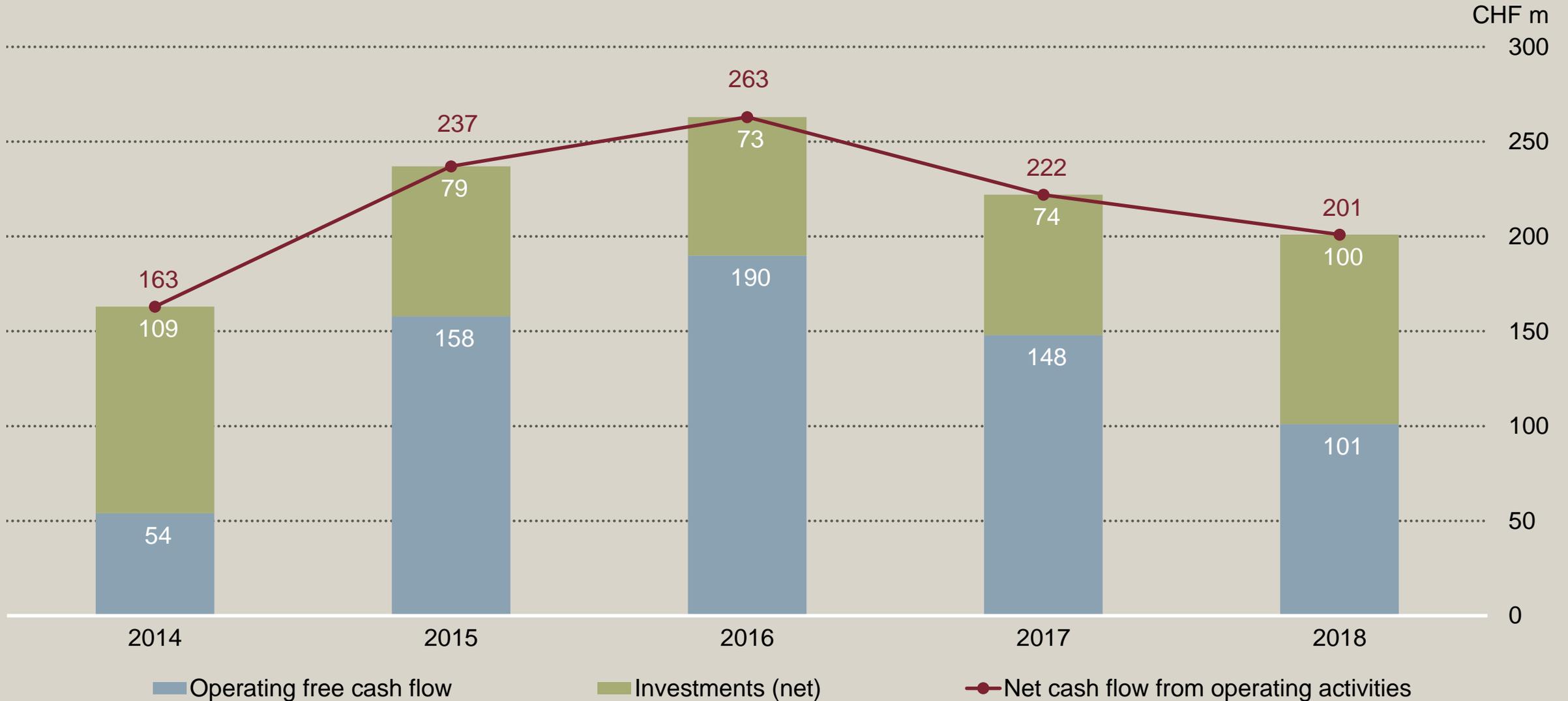
Net sales and results



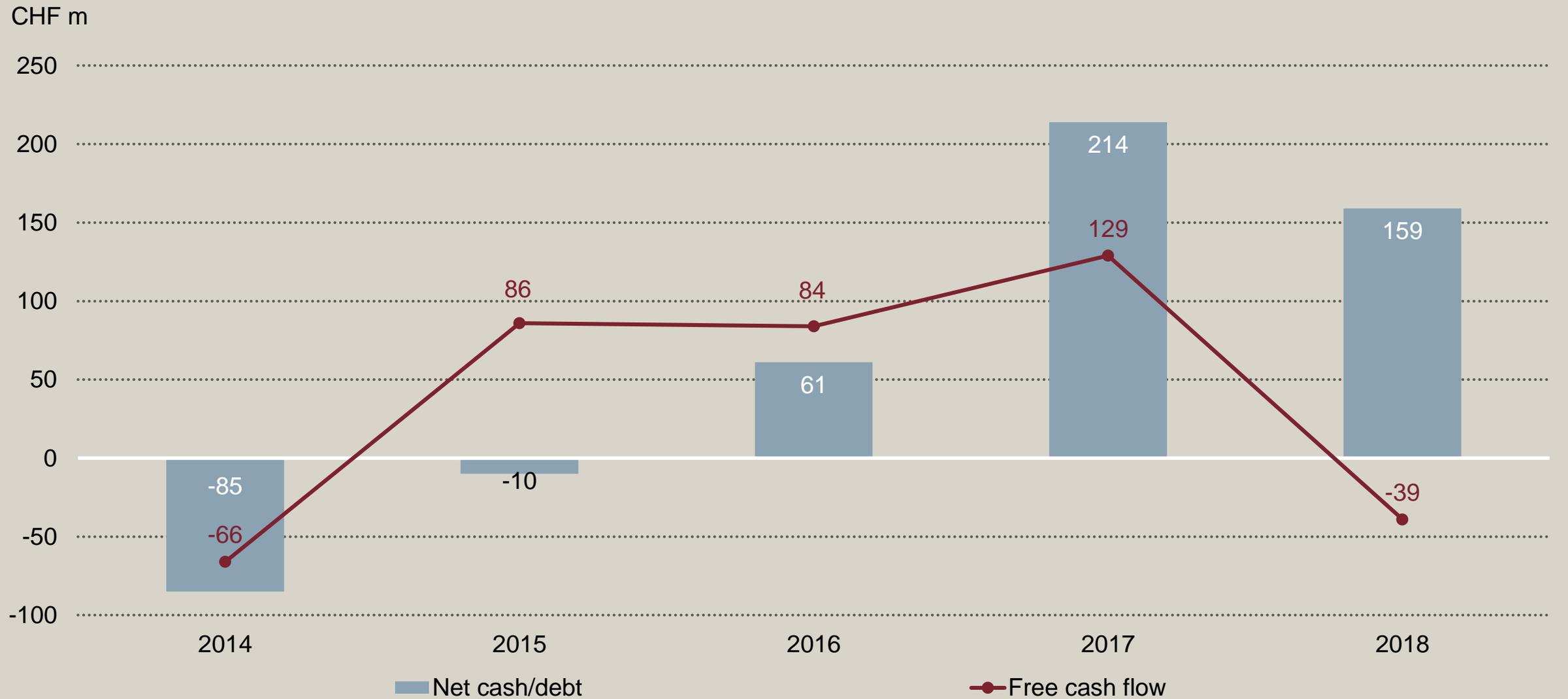
Net operating assets (NOA) and RONOA after tax



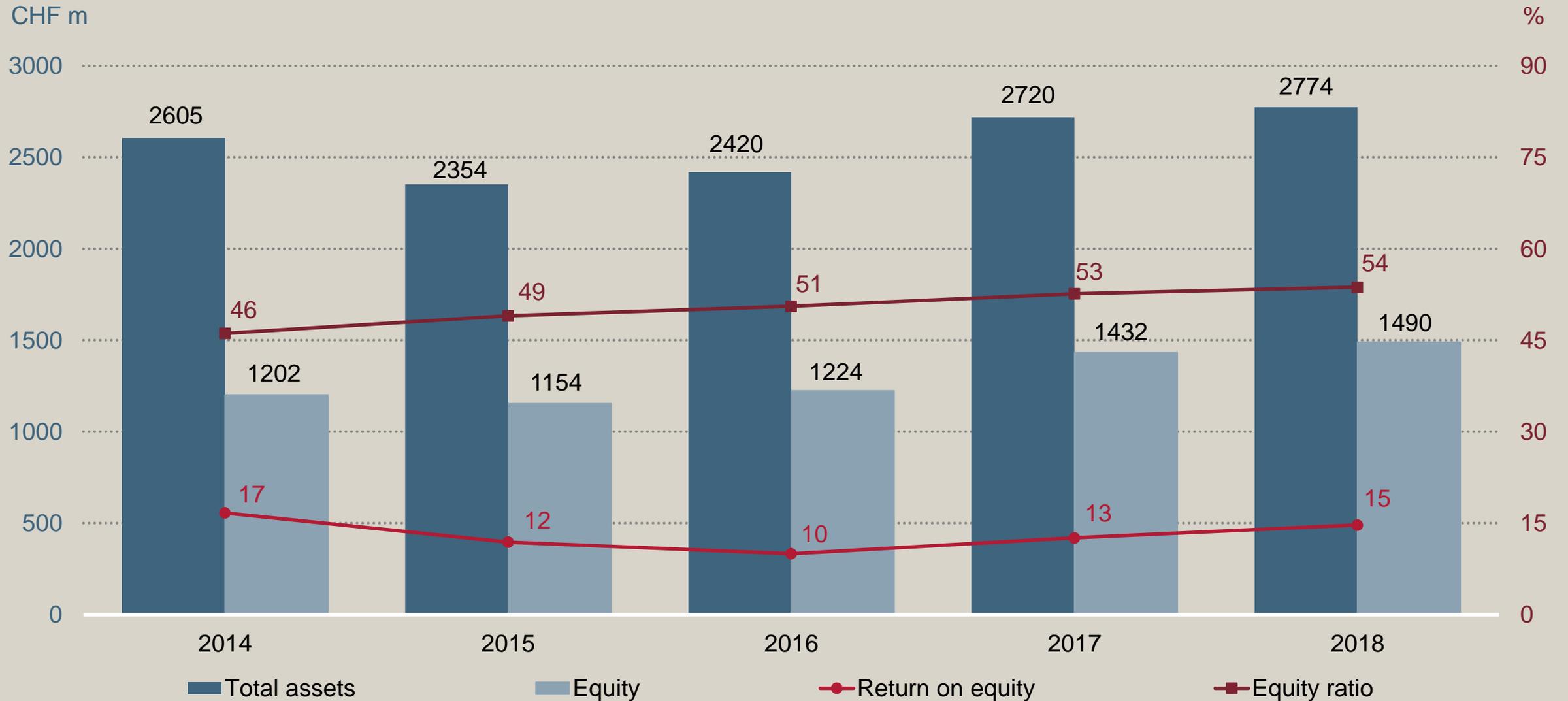
Cash flow and investments



Net cash/debt and free cash flow



Total assets and equity



Results by division

CHF million	EBIT	EBIT margin	EBIT	EBIT margin
	2018	2018	2017	2017
Kuhn Group	98	8.1%	93	8.6%
Bucher Municipal	49	9.0%	26	6.1%
Bucher Hydraulics	82	13.1%	75	13.7%
Bucher Emhart Glass	45	10.1%	25	6.6%
Bucher Specials	24	7.8%	22	8.1%
Other/consolidation	-20		-15	
Bucher Industries	278	9.1%	226	8.6%

Divisions

Kuhn Group Specialised agricultural machinery

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Arable farming



Ploughing



Tillage



Seeding



Fertilisation



Spraying

Dairy and livestock farming



Hay and forage harvesting



Feed storage



Bedding and feeding



Manure spreaders



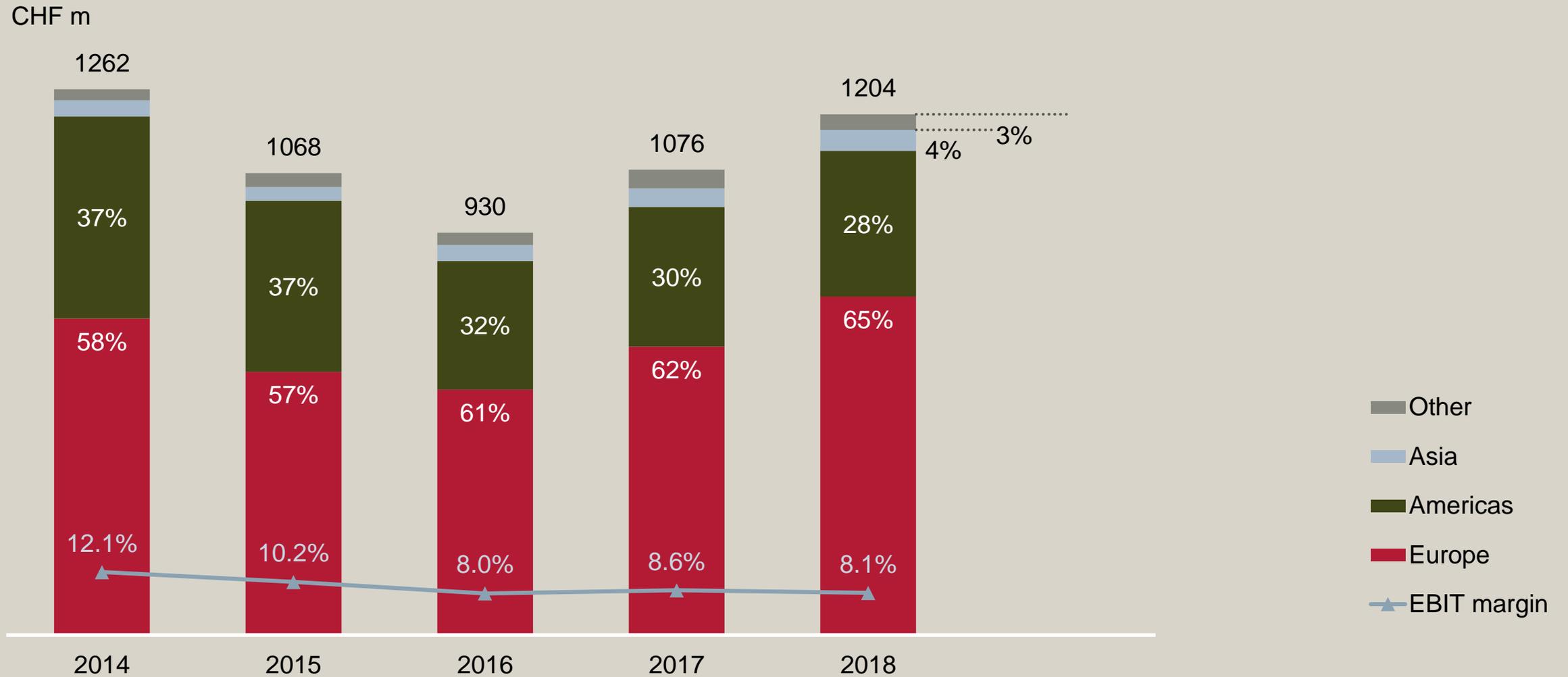
Hedge cutters

Landscape maintenance

- Moderate market growth overall, but with regional variations
 - Europe: solid trend in dairy and livestock sector with stable prices; long-lasting drought in Northern European regions has adverse effects on production of cereals and grass in the second half of the year; pleasing upturn in important French market
 - North America: persistently challenging market environment due to farmers' low incomes, high production costs and Chinese tariffs on US agricultural products
 - Brazil: market recovery in the second half of the year
- Overall continuing low prices and cautious business trend in arable sector
- Order intake up by 6% and sales by a gratifying 12%
- EBIT margin slightly down from previous year at 8.1%
 - Challenges in supply chain and in expansion of workforce
 - Low sales levels at American production sites
 - Higher prices, especially for steel

Kuhn Group

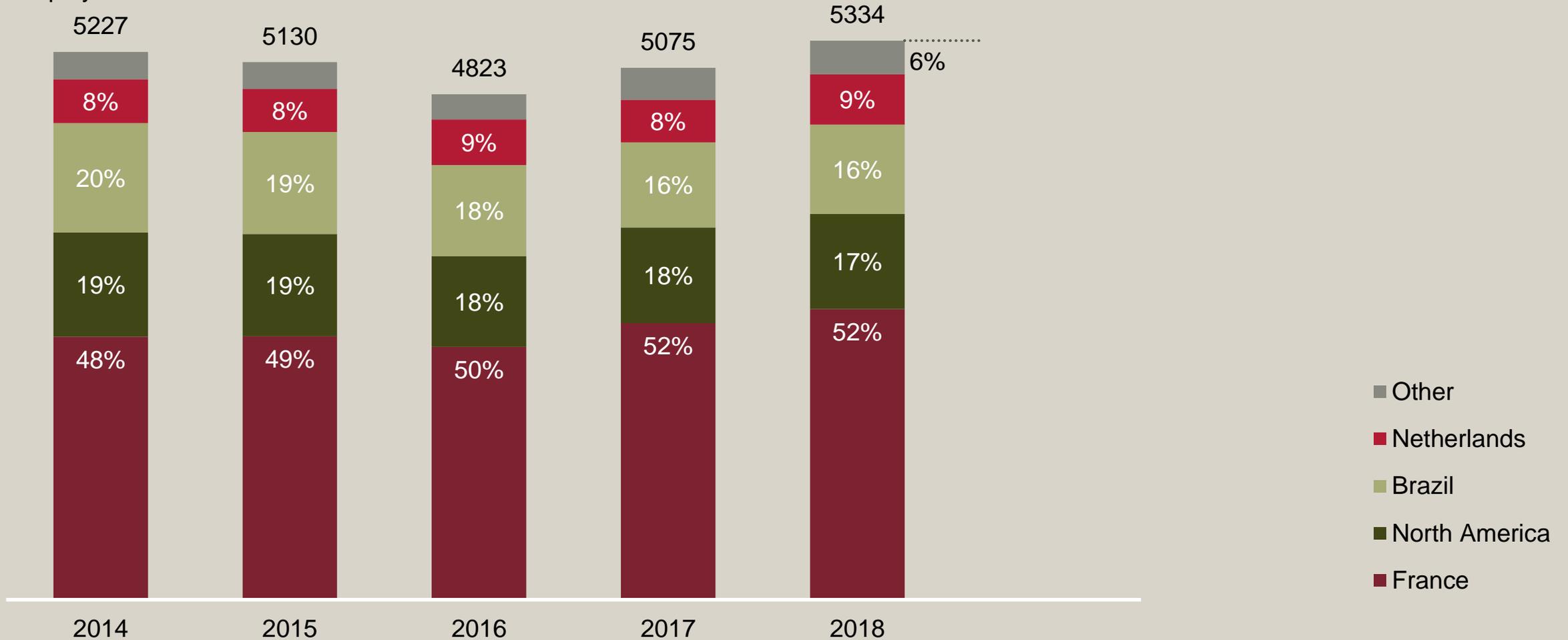
Net sales by region



Kuhn Group

Number of employees by region

Employees ¹⁾



¹⁾ Expressed in full-time equivalents; average during year

Kuhn Group

World market for agricultural machinery

Market served by Kuhn Group

World agricultural machinery market volume:
Around EUR 108 billion (VDMA estimate)

			%
	Tractors	45%	29
	Harvesting machinery		16
	Forage harvesting machinery	55%	7
	Soil preparation		7
	Seed drills, sprayers, fertiliser spreaders		10
	Other farm equipment machinery and spare parts		31

Source: Freedonia – VDMA 2017/2018

Kuhn Group

Complete product range under one brand

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

Kuhn Group

World's leading manufacturer of specialised and tractor-related agricultural equipment



- Comprehensive range of agricultural machinery
- World market leader in hay and forage harvesting machinery and feed mixers
- Leader in tillage, fertilisation and planting and seeding equipment
- Strong market positions in Europe and in North and South America
- Extensive network of independent dealers and distributors
- Products and services marketed worldwide under the Kuhn brand

Bucher Municipal Municipal vehicles and winter maintenance equipment

Sweeper equipment



Compact sweepers



Truck-mounted sweepers

Winter equipment



Spreaders

Ploughs

Sewer cleaning



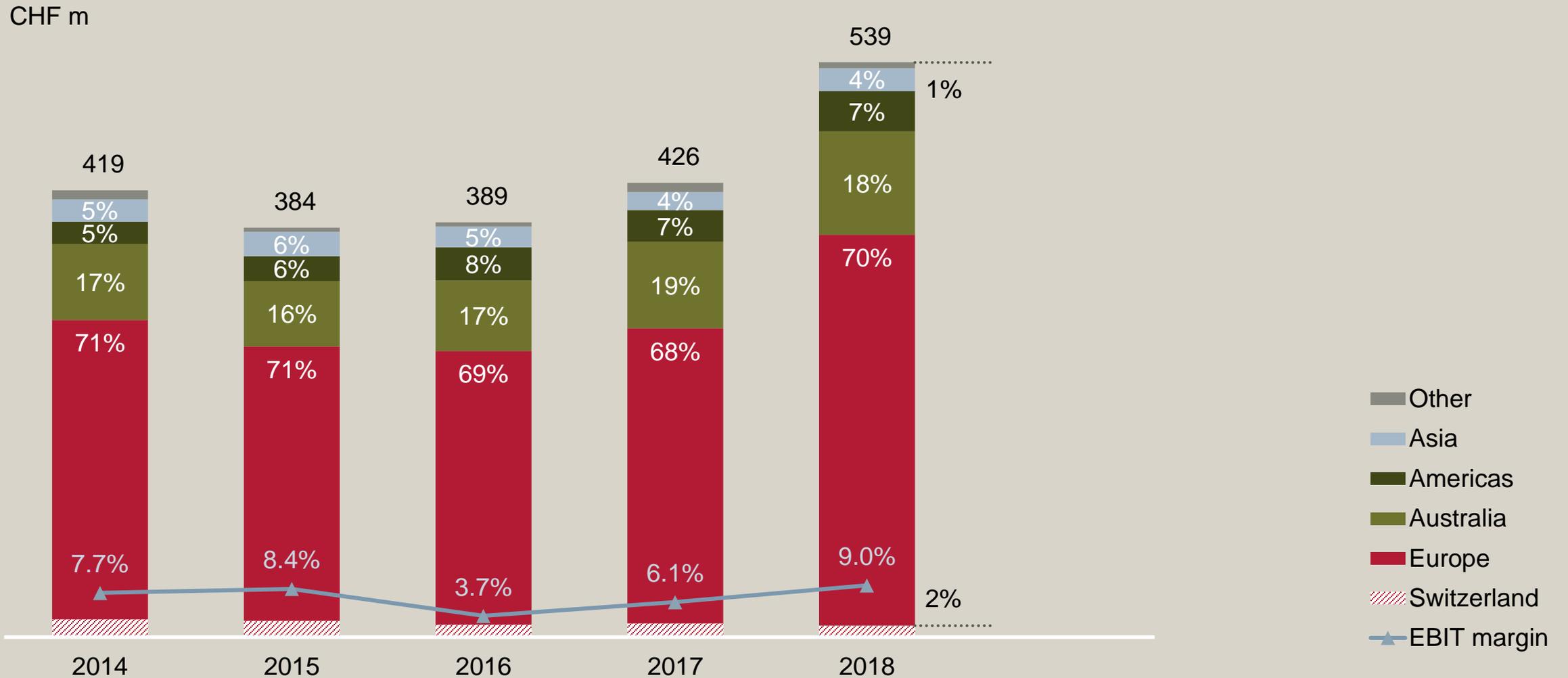
Refuse collection



Bucher Municipal 2018 in brief

- Strong demand for municipal vehicles in the main markets of Europe and Australia
 - Significant demand for sewer cleaning vehicles throughout the year
 - Marked upturn in winter maintenance equipment due to the long winter of 2017/2018
 - Growth in sweeper and refuse collection vehicles tapering off at a high level from midyear on
- Order intake up by 14%
- Exceptionally high sales increase of 27%
 - All business units operating at close to full capacity and contributing to positive development
- Operating profit margin of 9.0%
 - Very high capacity utilisation
 - Optimised organisation for sweeper production

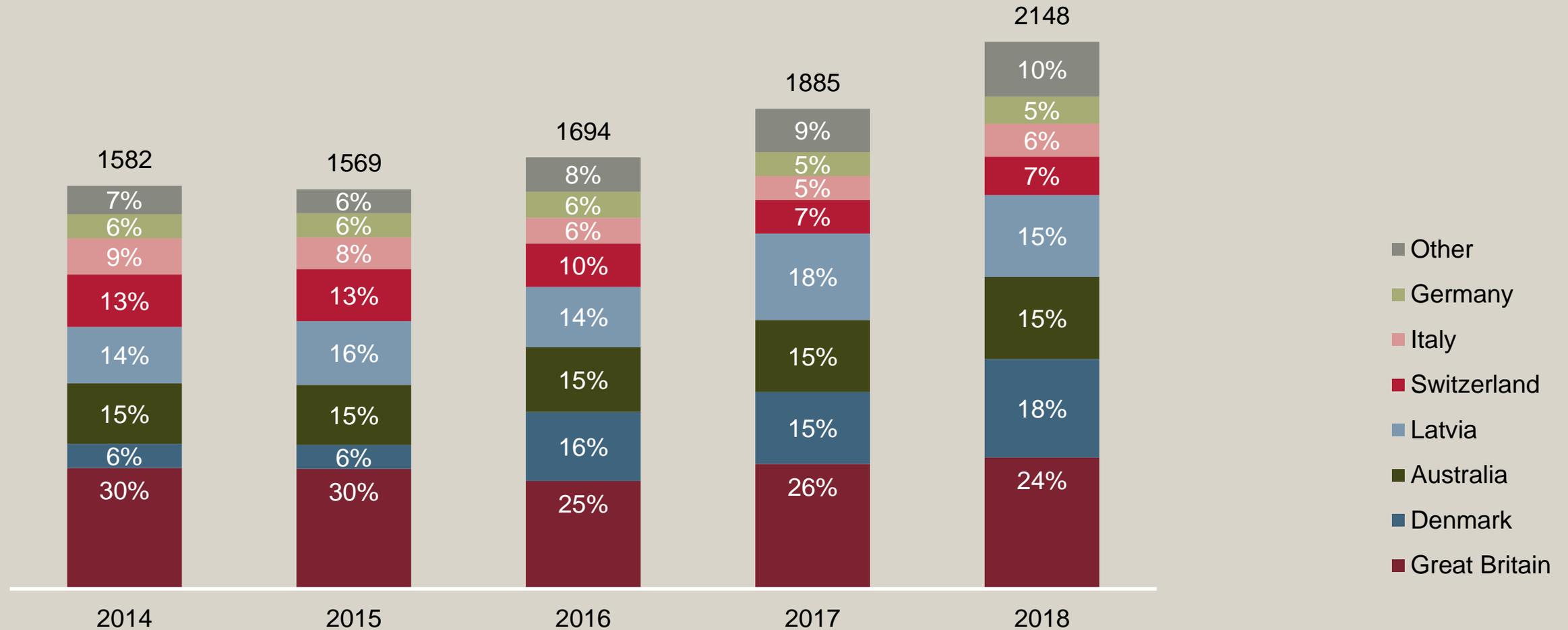
Bucher Municipal Net sales by region



Bucher Municipal

Number of employees by region

Employees ¹⁾



¹⁾ Expressed in full-time equivalents; average during year

Bucher Municipal Complete product range

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

Bucher Municipal

Leading supplier of municipal vehicles for use in cleaning and clearance work in public and private traffic areas

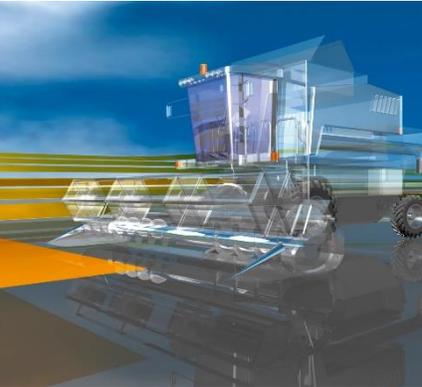


- Comprehensive product range for the municipal vehicles market
- European market leader in sweepers and winter maintenance
- Market leader in sweepers in Great Britain
- Market leader in refuse collection vehicles and sweepers in Australia
- Market leader in sewer cleaning in Scandinavia and Great Britain

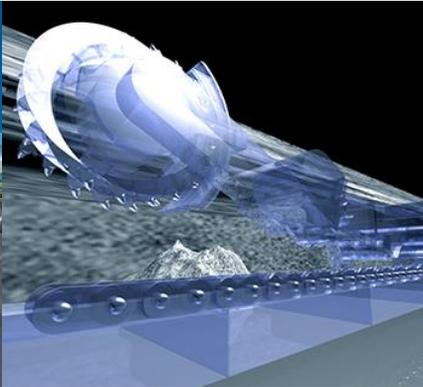
Bucher Hydraulics

Customised drive systems

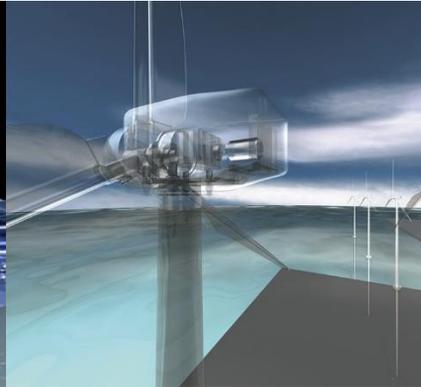
BUCHER



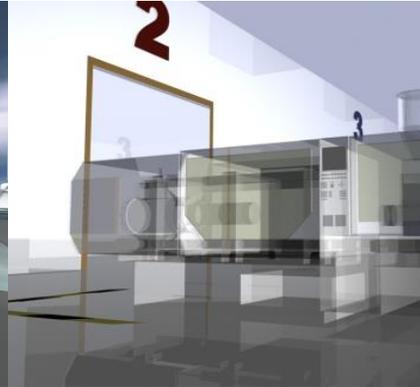
Agricultural machinery



Mining / tunnelling



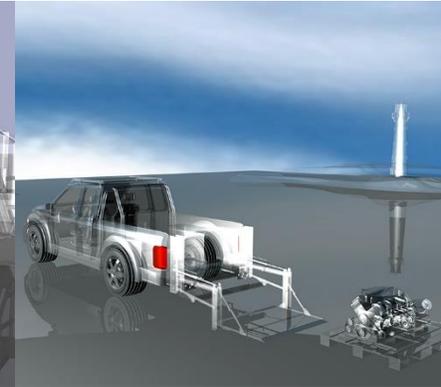
Energy technology



Industry



Municipal vehicles



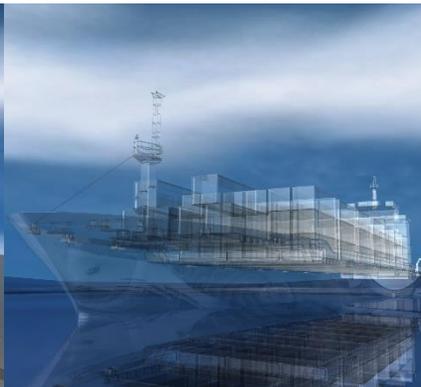
Lift gates



Construction equipment



Materials handling



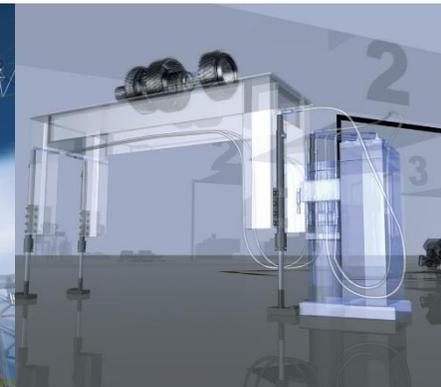
Marine/offshore



Elevator technology



High-voltage switch gear

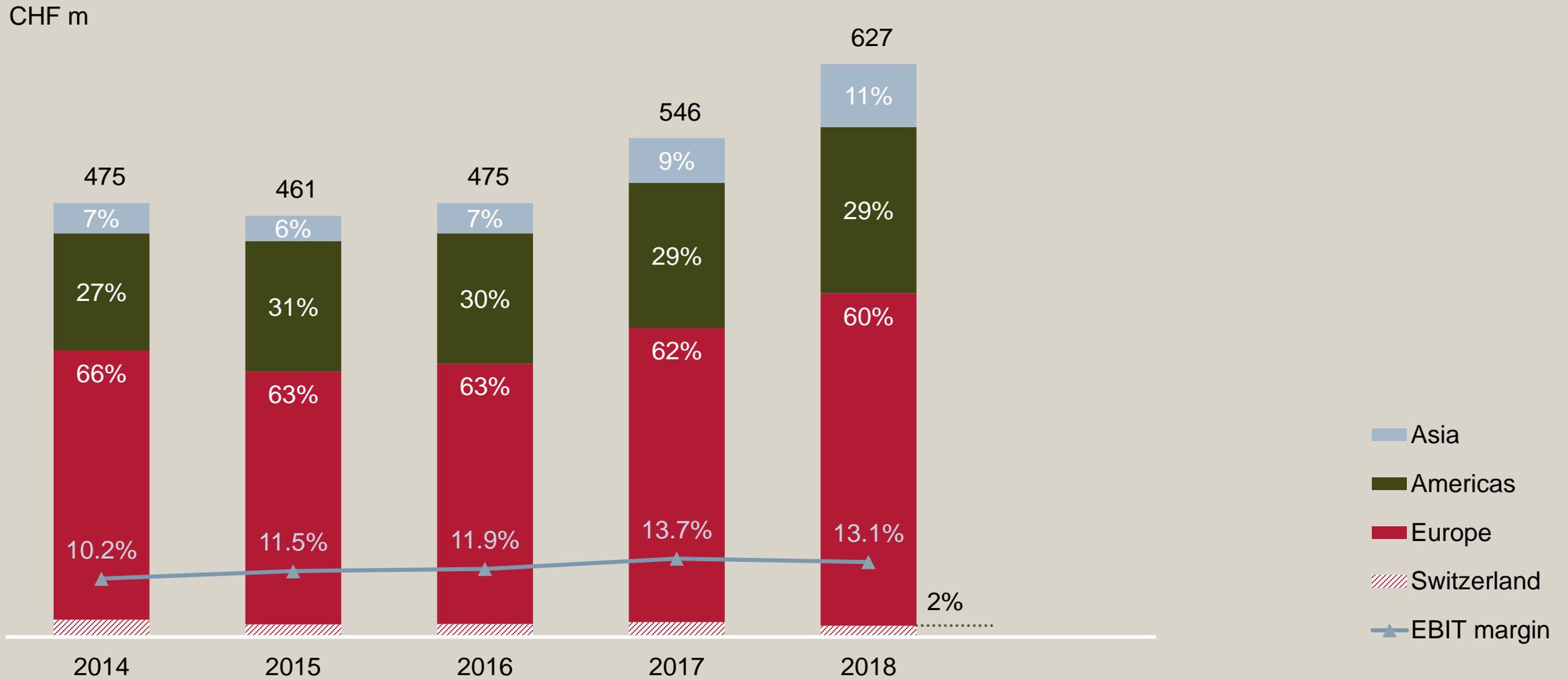


Dyna-Lift

- Extremely dynamic market, demand mainly from construction equipment, materials handling and other mobile applications segments
- New Bucher Hydraulics Wuxi joint venture in China focusing on hydraulic power packs
- Order intake up by 21%
- Sales increase by 15%
 - Consolidation of Bucher Hydraulics Wuxi contributes three percentage points
- Very high capacity utilisation in most production sites
- Operating profit margin of 13.1% slightly below high prior-year level
 - Consolidation of Bucher Hydraulics Wuxi
 - Additional costs due to very high capacity utilisation
 - Increases in materials and personnel costs

Bucher Hydraulics

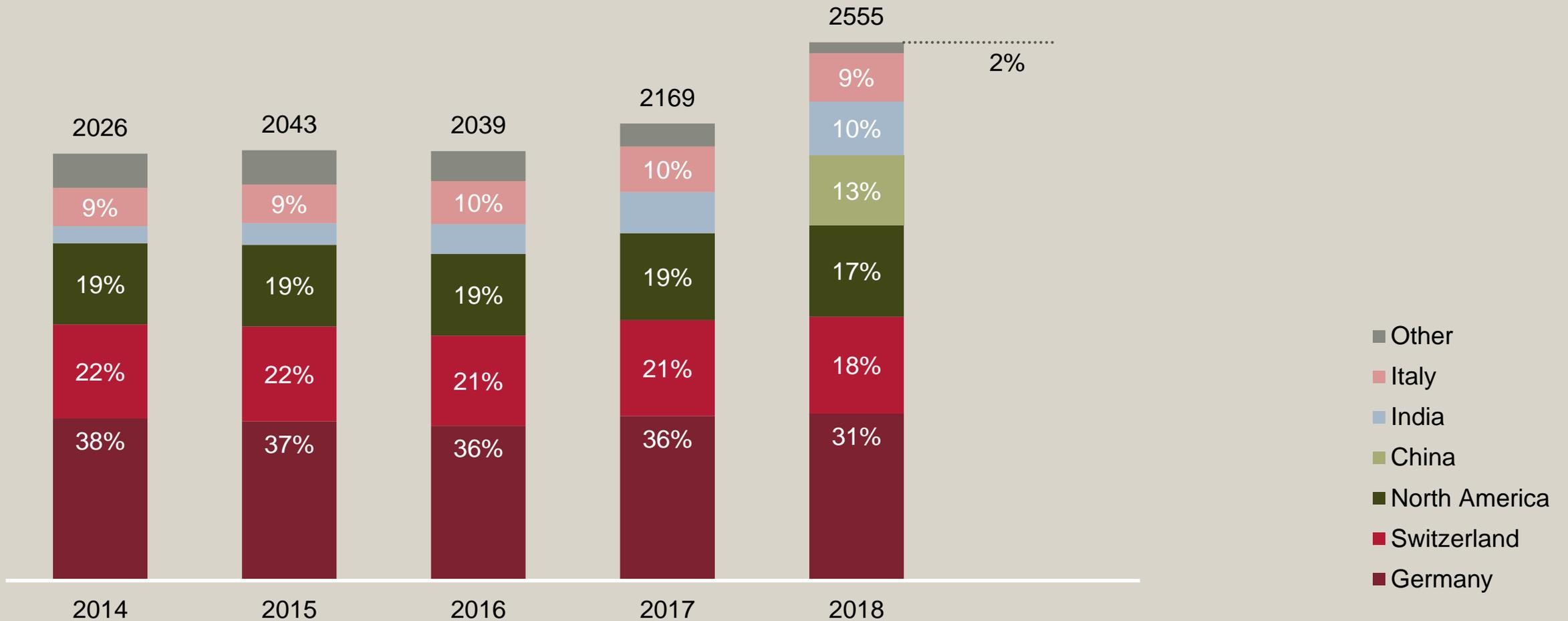
Net sales by region



Bucher Hydraulics

Number of employees by region

Employees ¹⁾

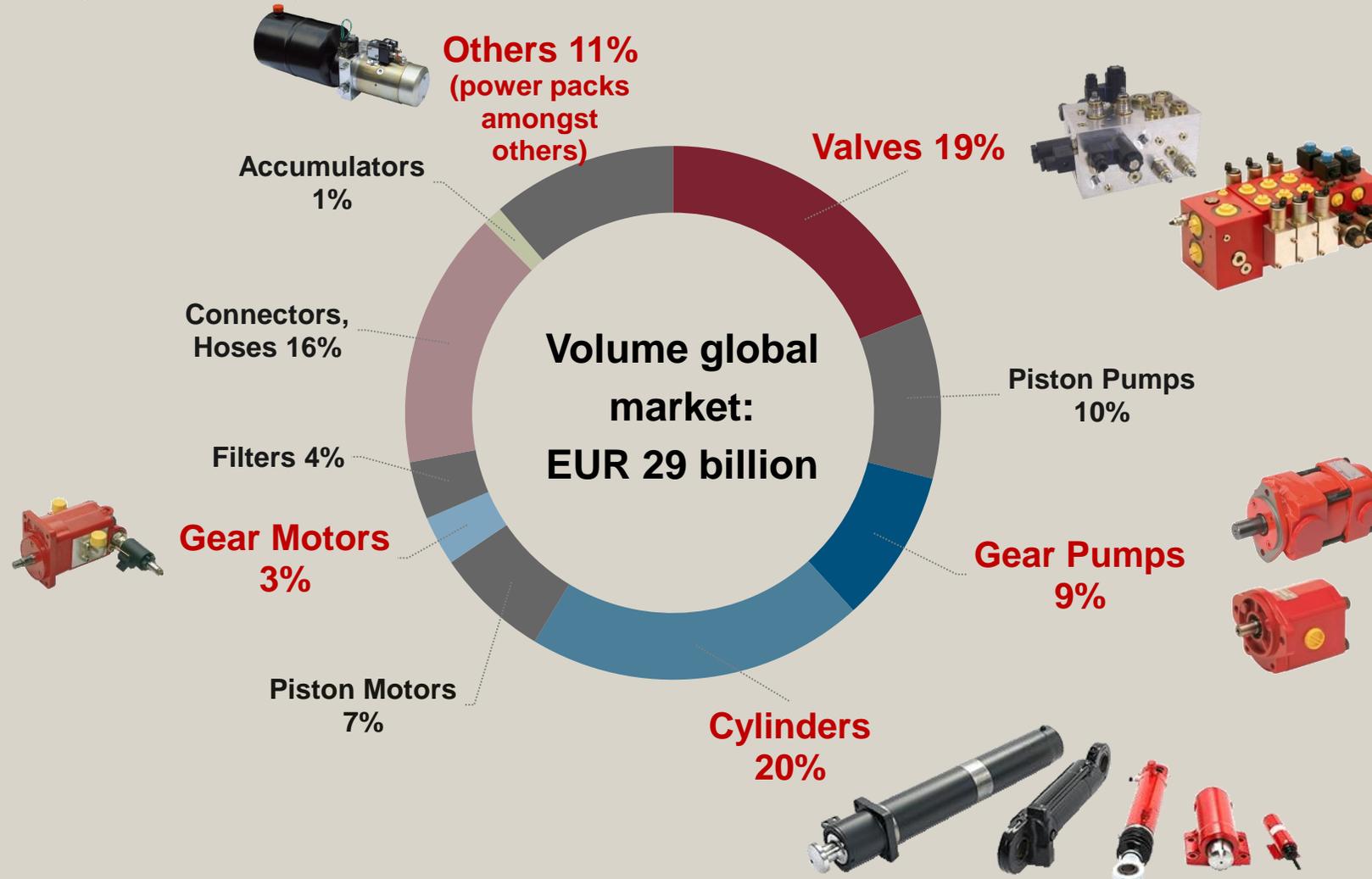


¹⁾ Expressed in full-time equivalents; average during year

Bucher Hydraulics

World hydraulics component market

Market served by Bucher Hydraulics



Source: CETOP Statistics, 2016

Bucher Hydraulics

Complete product range

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)																		

Bucher Hydraulics

Market position

Bucher Hydraulics

Leading international manufacturer of modern hydraulic systems



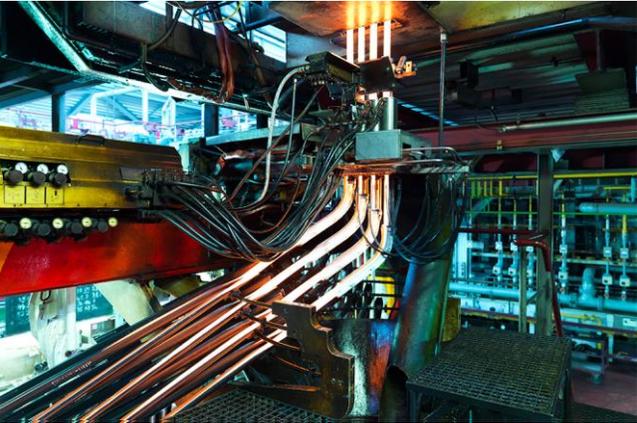
- European market leader in mobile and elevator hydraulics
- World leader in hydraulic power packs
- Strong presence in the USA
- Growth in Brazil, India and China
- Concentration on customer-specific drive solutions

Bucher Emhart Glass

Glass container manufacturing equipment

Hot End

Cold End



Gob forming



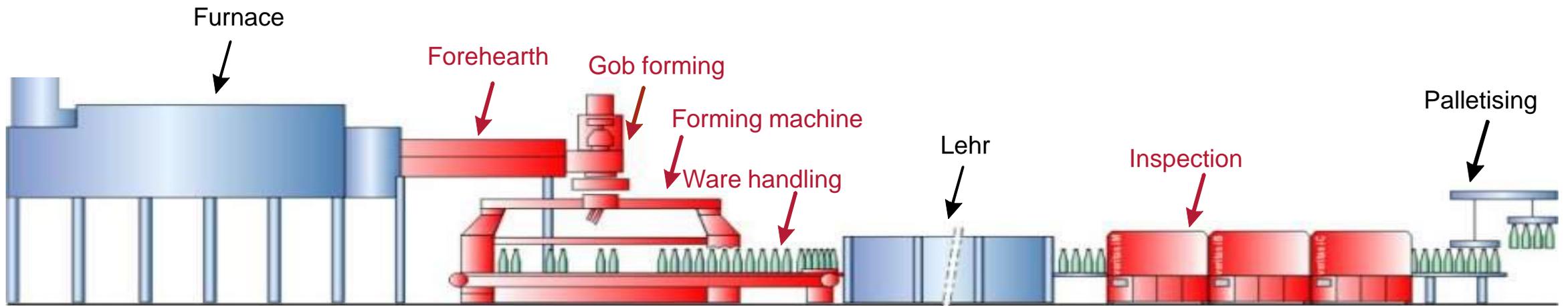
Glass-forming machine



Ware handling



Inspection



Glass container manufacturing process

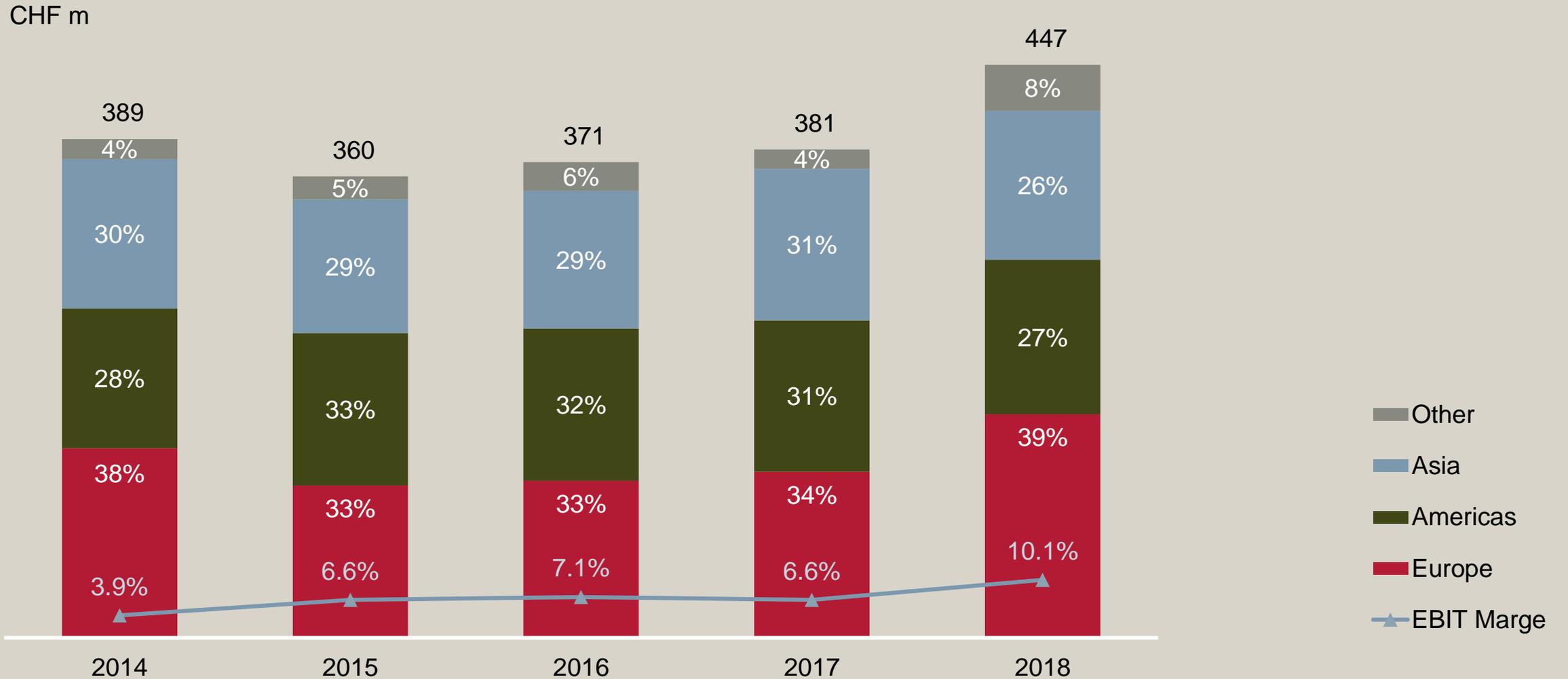
Bucher Emhart Glass

2018 in brief

- Strong demand for glass containers
 - Growing demand for glass containers due to higher consumption caused by strong economy
 - Current trend in society towards use of recyclable glass rather than plastics
 - Glass container production capacity expanding globally
- Order intake up by 11%
- Significant increase in sales of 17%
 - Above-average increase in sales for Sanjin
 - Good co-operation with O-I
 - Inspection machinery business continues to recover
- Very pleasing operating profit margin of 10.1%
 - Very good capacity utilisation
 - Optimisation programmes and improvement at Sanjin

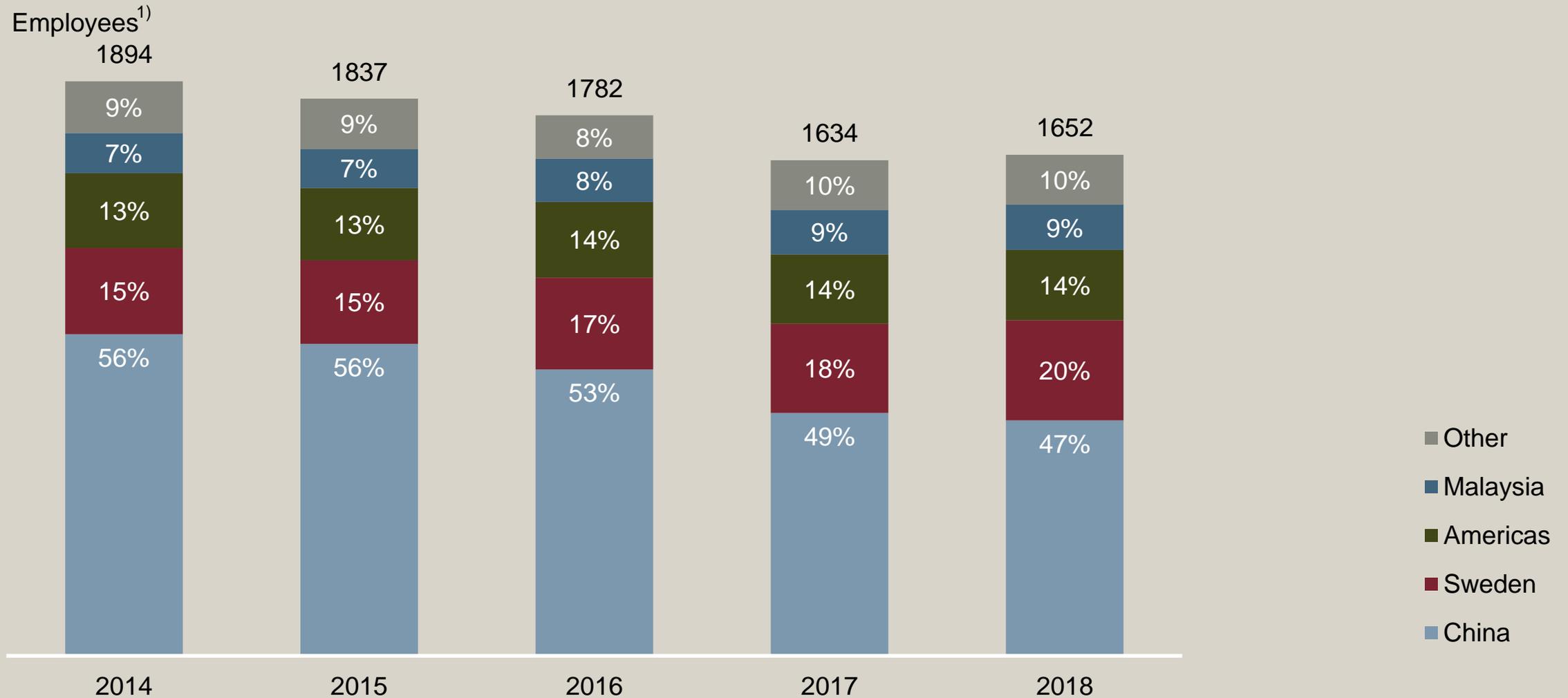
Bucher Emhart Glass

Net sales by region



Bucher Emhart Glass

Number of employees by region



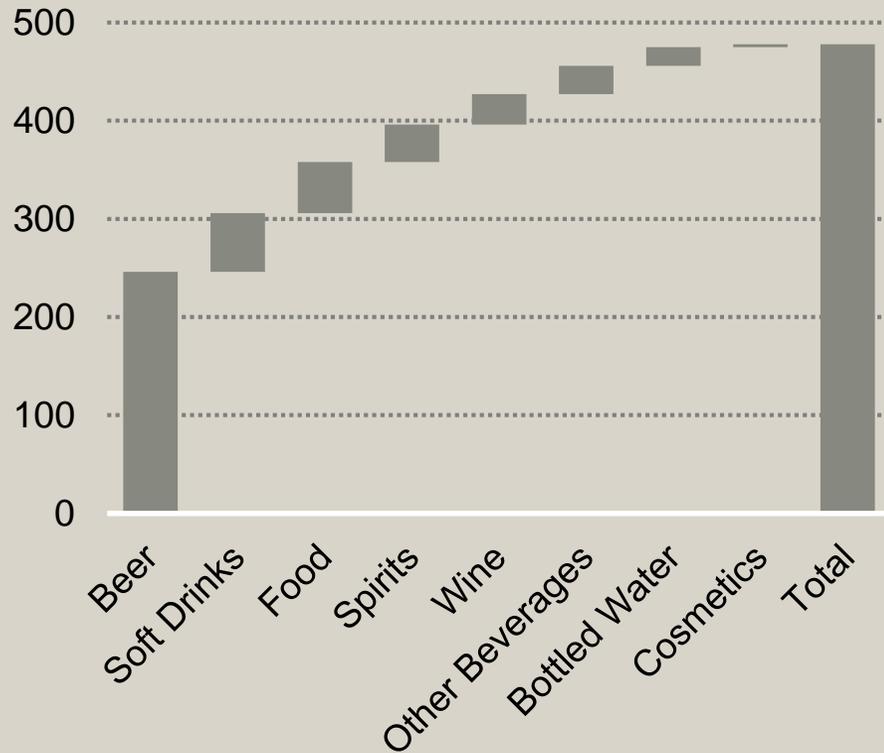
¹⁾ Expressed in full-time equivalents; average during year

Bucher Emhart Glass

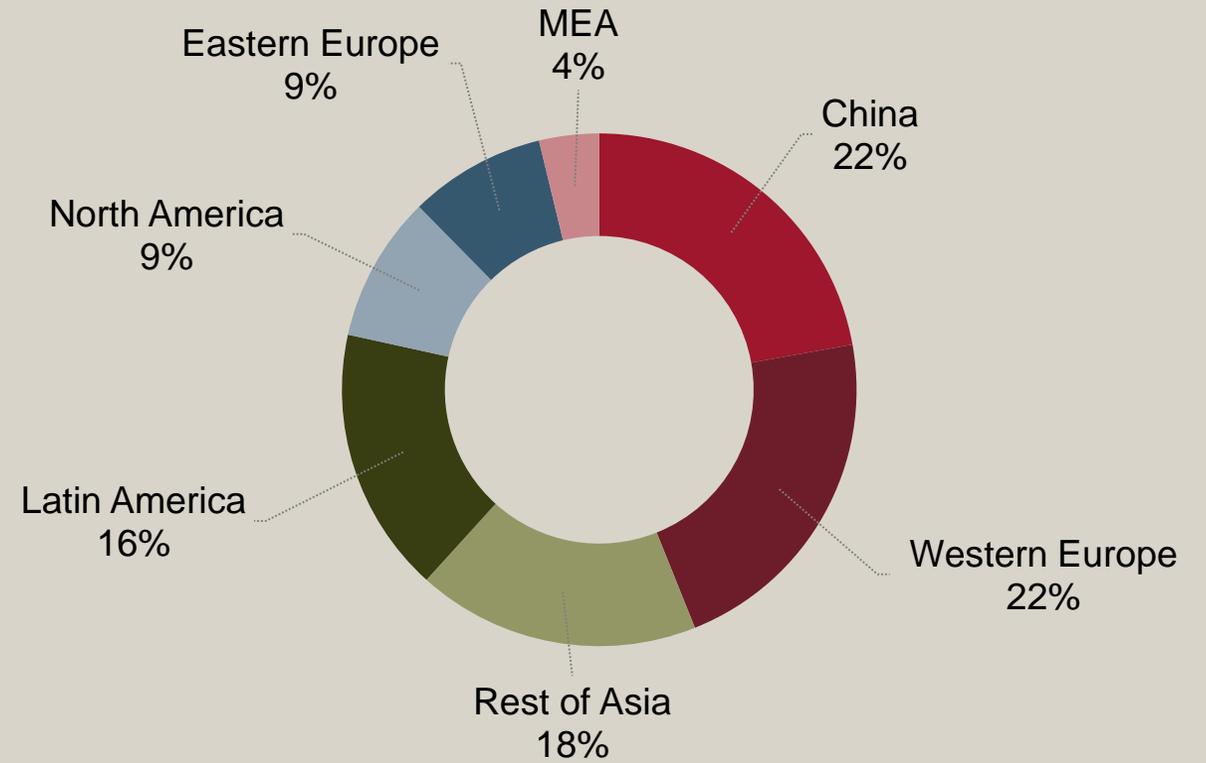
Glass fillings per capita

Glass fillings

Billion units



Glass fillings per regions



Source: Euromonitor International (2015)

Bucher Emhart Glass

World's leading machinery manufacturer

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

Bucher Emhart Glass

Market position

Bucher Emhart Glass

World's leading supplier of machinery, equipment and services for glass container manufacturers



- World market leader for glass-forming machinery and servicing
- Solid market position in inspection machines
- Global partnership with O-I (USA), the world's biggest manufacturer of glass containers

Bucher Specials Individual businesses

Bucher Vaslin



Winemaking equipment

Bucher Unipektin



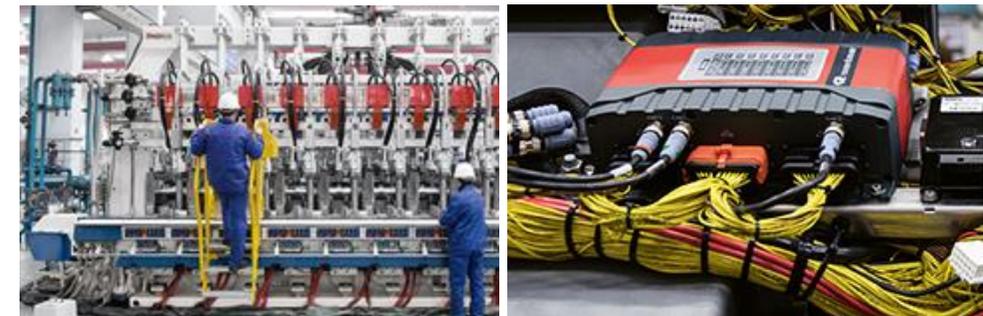
Fruit juice processing systems,
beer filtration, drying equipment

Bucher Landtechnik



Agricultural distributorship in Switzerland

Jetter



Automation solutions

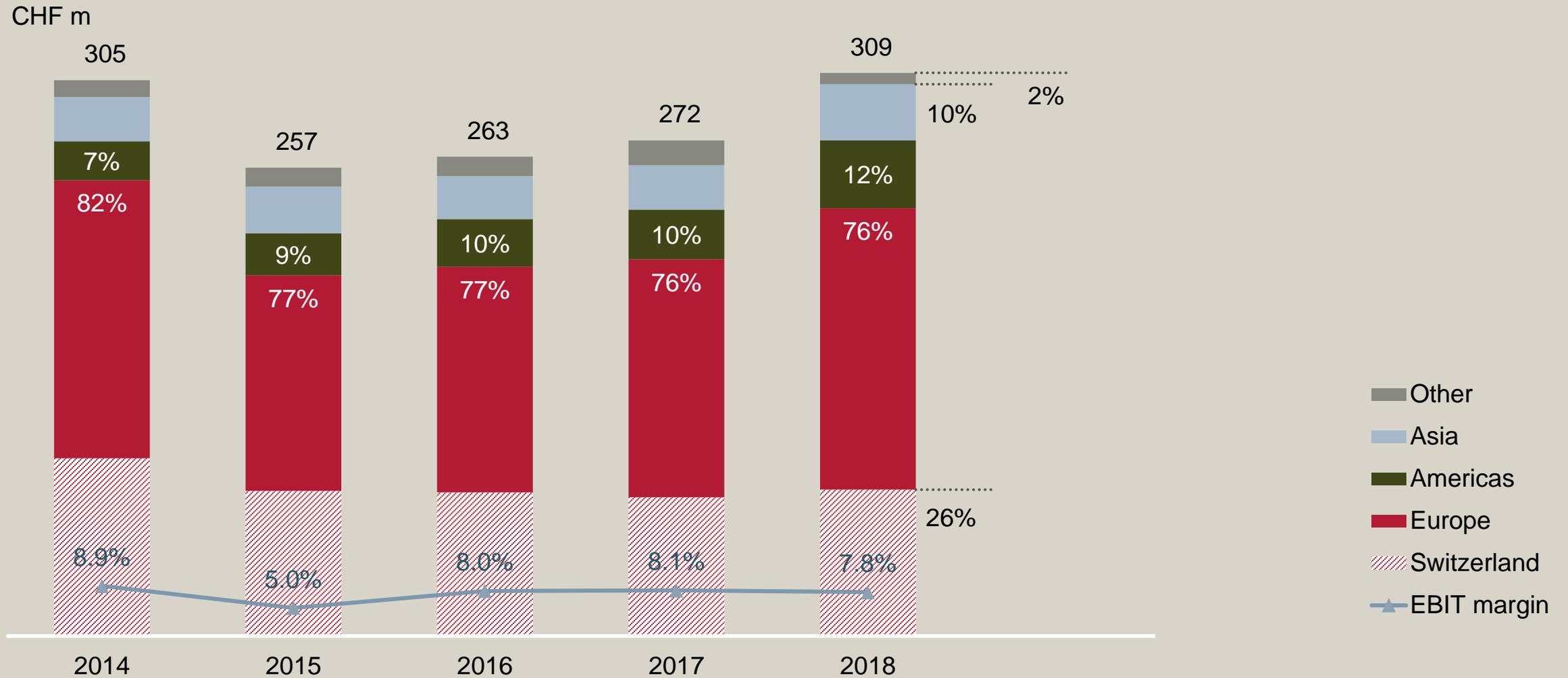
Bucher Specials

2018 in brief

- Market trends positive overall
- Order intake up by 9%
- Encouraging 14% increase in sales, with positive contributions from all business units
 - Bucher Vaslin: wine production equipment business more positive than expected
 - Bucher Unipektin: good financial year thanks to high order book at start of year, despite adverse developments in main markets
 - Bucher Landtechnik: expansion of product range increases sales despite reluctance of Swiss farmers to invest
 - Jetter: further increase in demand for automation solutions, growth in order intake and sales
- Operating profit margin slightly down from previous year at 7.8%
 - Takeover of Grunderco import business brings acquisition and integration costs

Bucher Specials

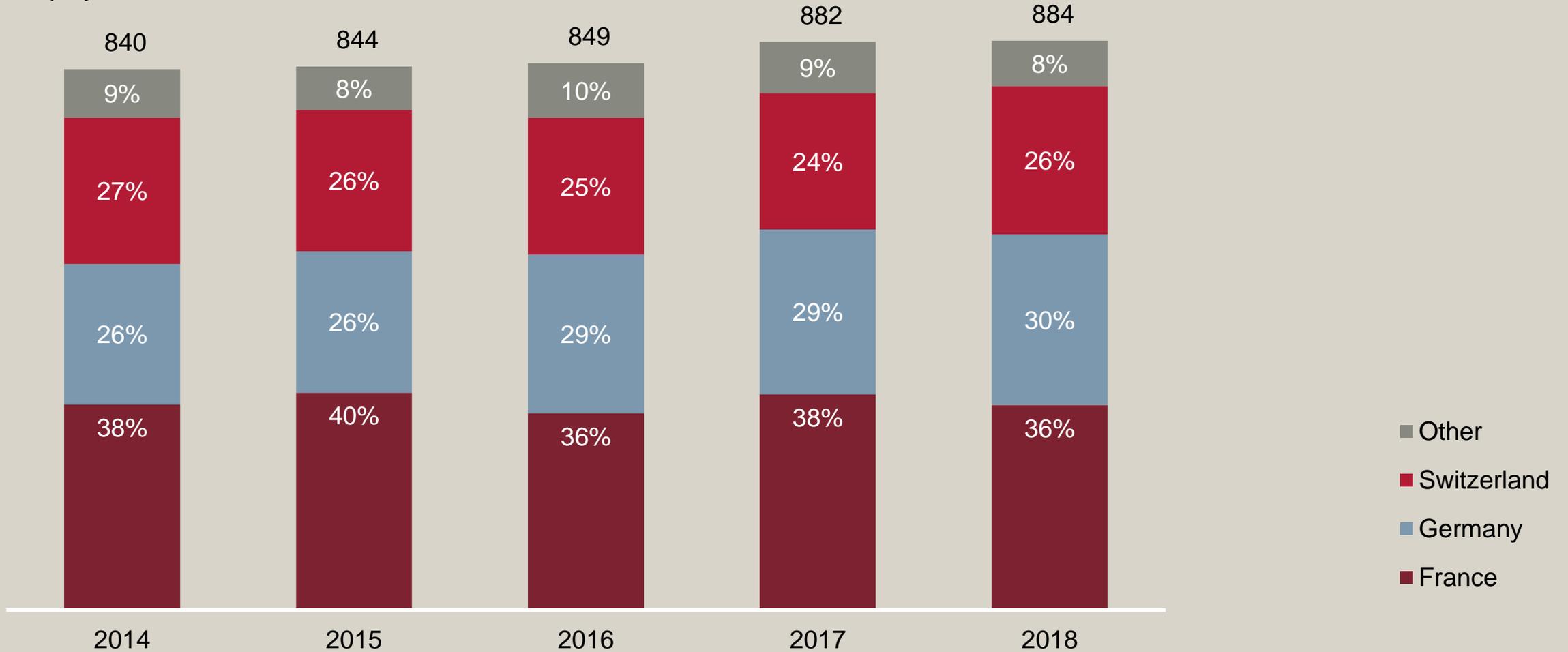
Net sales by region



Bucher Specials

Number of employees by region

Employees¹⁾



¹⁾ Expressed in full-time equivalents; average during year

Bucher Vaslin

World market leader in wine production

Competitors	Reception	Crushing	Pressing	Fermentation	Filtration	Filling
Bucher Vaslin						
Diemme (IT)						
Della/Toffola (IT)						
Pellenc/Pera (FR)						
Willmes (DE)						
Gai (IT)						

Bucher Unipektin

World market leader in fruit juice production

Competitors	Reception	Milling	Mash heating	Dejuicing	Pasteurisation	Filtration	Adsorption	Evaporation
Bucher Unipektin								
Flottweg (DE)								
Bauer & Partners (PL)								
GEA Group (DE)								
Alfa Laval (SE)								
Schmidt-Bretten (DE)								
Bellmer (DE)								
Kaimi (CN)								

Bucher Landtechnik

Market leader in Switzerland

Competitors	Hay and forage		Balers	Hedge cutters	Feed mixers	Tillage equipment		Seeders		Spreaders	Sprayers	Tractors	Harvesters self-propelled	Wheel-loaders
	Mowers	Tedders				Rakes	driven	non-driven	drilling					
Bucher Landtechnik	Kuhn	Kuhn	Kuhn	Kuhn	Kuhn	Kuhn	Kuhn	Kuhn	Kuhn	Kuhn	Kuhn	CNH	CNH	Weide-Mann, Merlo
Matra (John Deere)														
GVS (AGCO)	Krone	Krone	Krone	Krone		Rabe	Rabe	Rabe	Rabe			Fendt / MF / Valtra	Fendt / MF / Krone	Bichon
Serco (Claas)														InTrac
Ott Landmaschinen	Kv	Kv	Kv	Kv		Kv	Amazone Kv	Amazone Kv	Amazone Kv	Amazone Kv	Amazone Rauch / Kv	Amazone Kv		
Pöttinger CH														

Kv = Kverneland
 CNH = Case New Holland

Jetter

Market position in Europe

Competitors	Field level		Control level	Diagnostic level	Enterprise level
Industrial automation	Sensors	Actuators (amplifiers, motors, field devices)	Control systems	HMI's and Visualisation	Enterprise- and manufacturing control (MES)
Jetter					
Siemens (DE)					
Schneider (FR)					
Beckhoff (DE)					
B&R (AT)					
Mobile automation	Sensors	Actuators (amplifiers, motors, field devices)	Control systems	HMI's and Visualisation	Enterprise- and manufacturing control (MES)
Jetter		Cooperation with Bucher Hydraulics			
ifm (DE)					
Müller Elektronik (DE)					
Moba (DE)					

Bucher Specials

World market leader in fruit juice and wine production equipment



- **Bucher Vaslin:** world market leader in wine production equipment
- **Bucher Unipektin:** world market leader in fruit and vegetable juice processing equipment

Outlook

Regionally varying trends demand a strategy adapted to geographical areas

Trends



Developed countries

Efficiency / sustainability

Emerging markets

Mechanisation / urbanisation

Topics



- Innovation
- Sensors, data, functionalities

- Market access
- Localisation
- Compliance

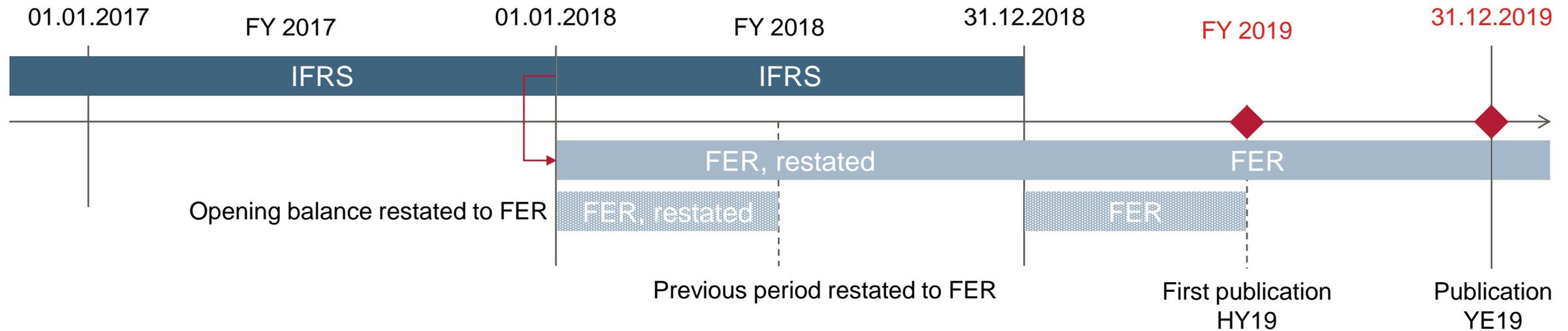
Selected projects



- Precision farming
- CityCat 2020ev
- End-to-end glass forming

- Kuhn Group goes east
- Expansion of Bucher Hydraulics in India
- Selected acquisitions

From IFRS to FER as of 1 January 2019



Major deviations (IFRS/FER)

- Goodwill and other intangible assets from acquisitions will be offset against equity
- Elimination of amortisation from acquisitions, which will have a positive impact on the income statement
- Post-employment benefits, presentation of the economic impacts from pension benefit obligations
- Deferred taxes on the above

⇒ Bucher Industries will continue to guarantee **transparent reporting** that gives a **true and fair view** of the financial statements

IFRS versus FER – potential effects

CHF million	IFRS audited	FER unaudited	IFRS/FER approximate effects	FER Targets
Bucher Industries	2018	2018¹⁾		
Net operating assets (NOA) average as % of return after tax (RONOA)	1 373 15.7%	1 170 19.7%	-200 4.0%	>20%
Equity	1 490	1 290	-200	
EBIT margin	9.1%	9.5%	~0.4%	>10%
Divisions, EBIT margin				
Kuhn Group	8.1%	8.6%	~0.5%	12%
Bucher Municipal	9.0%	9.5%	~0.5%	9%
Bucher Hydraulics	13.1%	13.4%	~0.3%	12%
Bucher Emhart Glass	10.1%	10.4%	~0.3%	10%
Bucher Specials	7.8%	8.3%	~0.5%	10%

¹⁾ Indicative figures subject to further revision

Kuhn Group

Outlook for 2019

- Market trends generally flat
 - European dairy and livestock industry on stable level, positive trend in France
 - Low incomes of US farmers, partly due to low prices for corn, soy and dairy products
 - Trade disputes and Brexit
 - Effects of droughts in Northern Europe and Australia
- Artec consolidation and price increases introduced in the previous year have positive impact on sales
- Introduction of new products for large farms and contractors, as well as digital solutions
- Expansion of presence in Russia and China

- **For 2019: sales in line with 2018 and – due to price increases, improved efficiency and productivity measures – slightly higher operating profit margin expected**

- Varying developments
 - Uncertainties in the important European market, especially concerning Brexit
 - Opportunities for growth in the American market, in particular with sewer cleaning vehicles
- Stronger integration
 - Optimisation of sales and improvement of service organisation
 - Rollout of new IT infrastructure
- Further development of electric sweepers

- **For 2019: sales are expected to decrease slightly from their record high in 2018, which was characterised by an exceptionally high capacity utilisation, with operating profit margin likely to be slightly lower**

Bucher Hydraulics Outlook for 2019

- Demand tapering off on a high level
- Growth in construction machinery and materials handling
- Very full order book
- Expansion of capacity
 - Increasing the size of the production areas in India and Italy
 - Renewals in Klettgau
 - Investments in machine parks
- Integration of Bucher Hydraulics Wuxi
- Launch of an innovative hydraulic piston motor

- **For 2019: sales are expected to increase slightly from their 2018 level, with operating profit margin somewhat lower**

Bucher Emhart Glass

Outlook for 2019

- Continued encouraging market development on a very high level
 - Excess demand for glass containers despite strong investment activities in 2018
 - Expansion and renewal projects at glass container manufacturers
- Pleasing capacity utilisation
- Sanjin to be further developed
- End-to-end strategy to be promoted

- **For 2019: sales and operating profit margin expected to be at a similar level to the very good 2018**

Bucher Specials

Outlook for 2019

- Bucher Vaslin: very good grape harvest in 2018 makes for good conditions in the main markets of France, Italy and Spain
- Bucher Unipektin: continuing negative impact of political uncertainties and financing difficulties on the customer side
- Bucher Landtechnik: expanded portfolio due to additional brands to compensate for ongoing uncertainties about Swiss agricultural policy
- Jetter: positive trend in industrial and mobile automation technology
- **For 2019: sales expected to increase slightly with operating profit margin in line with 2018**

- **Kuhn Group:** overall flat market development, stable level in Europe, low income of farmers in the USA; sales in line with 2018 and slight increase in operating profit margin expected
- **Bucher Municipal:** varying market trends, Brexit as a major cause of uncertainty; slight decrease in sales and slightly lower operating profit margin expected
- **Bucher Hydraulics:** demand flattening on a high level; slight increase in sales and slightly lower operating profit margin expected
- **Bucher Emhart Glass:** demand for glass container production equipment continues on a high level; sales and operating profit margin expected to be similar to 2018, which was a very good year
- **Bucher Specials:** varied market trends; slight increase in sales and operating profits margin comparable to that of 2018 expected

Overall, the Group expects sales, operating profit and profit for the year to be at a similar level to 2018, which was a good financial year. The switch to Swiss GAAP FER is likely to lead to an increase of up to half a percentage point in the operating profit margin.

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Public