

## Press release

Niederweningen, 6 March 2019

### Successful 2018 financial year

Bucher Industries increased sales by 16% in the 2018 financial year, exceeding the CHF 3 billion mark. All divisions increased sales in double-digit percentage terms. The Group posted an operating profit margin of 9.1%. The profit for the year amounted to CHF 215 million, showing a much stronger growth than sales. The board of directors is proposing a dividend of CHF 8.00 per registered share.

#### Group

CHF million	2018	2017	Change in		
			%	% <sup>1)</sup>	% <sup>2)</sup>
Order intake	<b>3 206</b>	2 871	11.7	10.1	9.3
Net sales	<b>3 065</b>	2 647	15.8	14.2	13.4
Order book	<b>1 137</b>	960	18.4	15.9	14.2
Operating profit (EBITDA)	<b>373</b>	318	17.2		
<i>as % of net sales</i>	<i>12.2%</i>	<i>12.0%</i>			
Operating profit (EBIT)	<b>278</b>	226	22.6		
<i>as % of net sales</i>	<i>9.1%</i>	<i>8.6%</i>			
Profit/(loss) for the period	<b>215</b>	168	28.4		
<i>as % of net sales</i>	<i>7.0%</i>	<i>6.3%</i>			
Basic earnings per share in CHF	<b>20.77</b>	16.81	23.6		
Operating free cash flow	<b>101</b>	148	-32.1		
Net cash/debt	<b>159</b>	214	-25.6		
Total assets	<b>2 774</b>	2 720	2.0		
Equity	<b>1 490</b>	1 432	4.0		
<i>Equity ratio</i>	<i>53.7%</i>	<i>52.7%</i>			
<i>Return on equity (ROE)</i>	<i>14.7%</i>	<i>12.6%</i>			
Net operating assets (NOA) Average	<b>1 373</b>	1 274	7.8		
<i>Return on net operating assets (RONOA) after tax</i>	<i>15.7%</i>	<i>13.2%</i>			
Number of employees at 31 December	<b>13 054</b>	12 108	7.8		4.6
Average number of employees during year	<b>12 636</b>	11 707	7.9		6.8

<sup>1)</sup> Adjusted for currency effects

<sup>2)</sup> Adjusted for currency and acquisition effects

**Sales exceed CHF 3 billion** Overall, the markets of Bucher Industries developed well in the reporting period. In this positive environment, the group was able to increase both order intake and sales to more than CHF 3 billion. All divisions increased sales in double-digit percentage terms and contributed to this pleasing growth. The Group posted an operating profit of CHF 278 million, with the operating profit margin rising to 9.1%. With an increase of 28%, the profit for the year grew much more strongly than sales and amounted to CHF 215 million, translating into earnings per share of CHF 20.77.

**Solid financial situation** Bucher Industries invested in the expansion of production infrastructure and significantly raised its spending on the development of new products. Net operating assets as a percentage of sales were reduced slightly, despite acquisitions and higher capital expenditures. This, combined with the higher profitability, improved the return on net operating assets after taxes (RONOA) to 15.7%. With an equity ratio of 53.7% and liquid assets of CHF 159 million, the financial independence and opportunities for further growth remain intact.

**Strength through acquisitions** Five acquisitions helped to strengthen the product range and expand the presence in Asia. Bucher Hydraulics took over a majority interest in Wuxi Deli Fluid Technology, thereby becoming a leading global provider of hydraulic power packs. Following the complete takeover of the Sanjin joint venture in China, Bucher Emhart Glass is now driving forward Sanjin's consistent and rapid development. Bucher Emhart Glass also acquired the laser marking business for hot glass containers from Qualimarq, a pioneer in the field and the leading global provider of this technology. Kuhn Group acquired the remaining 62% of the shares of Artec, one of the leading providers of self-propelled agricultural sprayers in France. Bucher Landtechnik, a business unit of Bucher Specials, purchased the import business of Grunderco in Switzerland.

**Kuhn Group**

CHF million	2018	2017	Change in		
			%	% <sup>1)</sup>	% <sup>2)</sup>
Order intake	<b>1 210</b>	1 138	6.3	5.3	4.8
Net sales	<b>1 204</b>	1 076	12.0	11.0	10.5
Order book	<b>461</b>	440	4.7	2.4	0.8
Operating profit (EBITDA)	<b>141</b>	133	5.6		
<i>as % of net sales</i>	<i>11.7%</i>	<i>12.4%</i>			
Operating profit (EBIT)	<b>98</b>	93	5.4		
<i>as % of net sales</i>	<i>8.1%</i>	<i>8.6%</i>			
Number of employees at 31 December	<b>5 352</b>	5 235	2.2		1.1
Average number of employees during year	<b>5 334</b>	5 075	5.1		4.9

<sup>1)</sup> Adjusted for currency effects

<sup>2)</sup> Adjusted for currency and acquisition effects

**Regionally diverse markets** The gratifying double-digit sales growth of Kuhn Group was primarily due to the robust development of the European dairy and livestock sector at the start of the reporting period. In contrast, the North American market for agricultural machinery was challenging, and business in the arable sector was generally cautious. The Brazilian market was positive, however, as it recovered over the course of the year, and so was the important French market, which posted a pleasing upturn. The slight decline in the operating profit margin year-on-year was due to challenges in the supply chain and with personnel capacities, the ongoing low sales level in North America and high steel costs.

**Bucher Municipal**

CHF million	2018	2017	Change in	
			%	% <sup>1)</sup>
Order intake	<b>556</b>	486	14.3	13.2
Net sales	<b>539</b>	426	26.6	25.5
Order book	<b>183</b>	165	11.2	9.7
Operating profit (EBITDA)	<b>60</b>	37	60.8	
<i>as % of net sales</i>	<i>11.1%</i>	<i>8.7%</i>		
Operating profit (EBIT)	<b>49</b>	26	85.8	
<i>as % of net sales</i>	<i>9.0%</i>	<i>6.1%</i>		
Number of employees at 31 December	<b>2 215</b>	2 014	10.0	
Average number of employees during year	<b>2 148</b>	1 885	14.0	

<sup>1)</sup> Adjusted for currency effects

**Increase in operating profit margin** Bucher Municipal benefited in the reporting period from the strong demand for municipal vehicles in the main markets of Europe and Australia. All business units operated at close to full capacity, contributing to the more than 25% increase in sales to a very high level. Thanks to this excellent development and the optimised organisation of sweeper production, the operating profit margin rose to a pleasing 9.0%.

### Bucher Hydraulics

CHF million	2018	2017	Change in		
			%	% <sup>1)</sup>	% <sup>2)</sup>
Order intake	<b>700</b>	581	20.5	19.1	16.1
Net sales	<b>627</b>	546	14.8	13.4	10.2
Order book	<b>201</b>	118	70.5	68.2	62.3
Operating profit (EBITDA)	<b>104</b>	94	9.6		
<i>as % of net sales</i>	<i>16.5%</i>	<i>17.3%</i>			
Operating profit (EBIT)	<b>82.1</b>	75	9.9		
<i>as % of net sales</i>	<i>13.1%</i>	<i>13.7%</i>			
Number of employees at 31 December	<b>2 835</b>	2 319	22.3		9.0
Average number of employees during the year	<b>2 555</b>	2 169	71.8		12.4

<sup>1)</sup> Adjusted for currency effects

<sup>2)</sup> Adjusted for currency and acquisition effects

**Capacity utilisation remains high** The markets of Bucher Hydraulics saw extremely dynamic developments. The demand for hydraulic components came primarily from the construction equipment, materials handling and other mobile applications segments. The first-time consolidation of the joint venture Bucher Hydraulics Wuxi was one of the factors leading to the increase in sales. The order book rose significantly due to the high capacity utilisation. The consolidation of Bucher Hydraulics Wuxi, additional costs as a result of the very high capacity utilisation and higher material and personnel costs resulted in a slightly lower operating profit margin compared to the high level of the previous year.

**Bucher Emhart Glass**

CHF million	2018	2017	Change in	
			%	% <sup>1)</sup>
Order intake	499	449	11.1	7.6
Net sales	447	381	17.1	13.3
Order book	236	177	33.1	28.8
Operating profit (EBITDA)	56	36	53.3	
<i>as % of net sales</i>	12.5%	9.6%		
Operating profit (EBIT)	45	25	78.6	
<i>as % of net sales</i>	10.1%	6.6%		
Number of employees at 31 December	1 696	1 630	4.0	
Average number of employees during year	1 652	1 634	1.1	

<sup>1)</sup> Adjusted for currency effects

**Double-digit operating profit margin** The demand for glass containers rose in the reporting period thanks to the good state of the global economy and the trend in society towards a greater use of recyclable glass. The manufacturers of glass containers responded by expanding their production capacities. Bucher Emhart Glass benefited from this exceptionally positive market environment and increased its sales significantly, with contributions also coming from Sanjin, the good cooperation with O-I and the business with inspection machines. The very pleasing operating profit margin of 10.1% was due to the very good capacity utilisation, the optimisation programmes that were launched in recent years and the improvement at Sanjin.

**Bucher Specials**

CHF million	2018	2017	Change in		
			%	% <sup>1)</sup>	% <sup>2)</sup>
Order intake	301	275	9.4	7.8	7.5
Net sales	309	272	13.7	12.1	12.1
Order book	74	80	-6.8	-8.4	-11.6
Operating profit (EBITDA)	31	28	9.3		
<i>as % of net sales</i>	9.9%	10.3%			
Operating profit (EBIT)	24	22	8.6		
<i>as % of net sales</i>	7.8%	8.1%			
Number of employees at 31 December	888	849	4.6		1.9
Average number of employees during year	884	882	0.2		-

<sup>1)</sup> Adjusted for currency effects

<sup>2)</sup> Adjusted for currency and acquisition effects

**Overall positive market development** All business units contributed to the pleasing increase in sales at Bucher Specials. The business with the winemaking equipment of Bucher Vaslin was more positive than expected. Despite complicating developments in the principal markets, Bucher Unipektin succeeded in recording a good financial year thanks to the high order book at the start of the year. Bucher Landtechnik reported an increase in sales thanks primarily to new products, despite the reluctance to invest on the part of Swiss farmers. Jetter continued to benefit from the rising demand for automation solutions. In connection with the acquisition of the import business of Grunderco and the associated acquisition and integration costs, Bucher Specials posted a slight decrease in the operating profit margin compared to the previous year.

**Outlook 2019** The Group is forecasting that the market environment will remain largely positive in the current year, with a slowdown in growth momentum at a high level. **Kuhn Group** expects that the overall market trend will be flat, and is therefore forecasting that sales for the current financial year will be in line with 2018. The operating profit margin is likely to increase slightly. **Bucher Municipal** is facing some uncertainties, especially in the key European market, and with regard to Brexit in particular. The division anticipates that there will be a modest decline in sales in 2019 compared to the record high of 2018, which was characterised by exceptionally high capacity utilisation. The operating profit margin is likely to decline slightly. **Bucher Hydraulics** expects that demand will continue to flatten. Together with the acquisition of the joint venture Bucher Hydraulics Wuxi, the division is forecasting a modest increase in sales for the current year. The operating profit margin is likely to be somewhat lower than 2018 due to capacity expansions and the consolidation of Bucher Hydraulics Wuxi. **Bucher Emhart Glass** expects the good business performance to continue. The division anticipates that sales and the operating profit margin for 2019 will be on a par with the levels seen in the past year. The market environment of **Bucher Specials** is likely to see a mixed development. Thanks to the acquisition of the import business of Grunderco and the continued positive development in mobile and industrial automation, the division is, however, expecting a slight increase in sales in the current year and an operating profit margin that is in line with 2018. **Group** sales are likely to be in line with the good 2018 business year thanks to the high order book at the start

of the current year and the expected economic situation. The operating profit and the profit for the year should also be at a similar level to last year.

The accounting standards were changed from IFRS to Swiss GAAP FER with effect from 1 January 2019. The switch will not have any impact on order intake or sales. However, it will lead to an increase of up to half a percentage point in the operating profit margin of the divisions and the Group, and will boost Group profit for the year by a few percent. The impact of the change in accounting standards is not reflected in the outlook of the divisions and the Group provided above.

**Dividend** The Board of Directors will propose a dividend of CHF 8.00 per registered share to the annual general meeting on 17 April 2019. The dividend paid in the previous year was CHF 6.50 per share. This proposal is in keeping with a consistent dividend policy and takes account of both the Group profit for 2018 and the outlook for the current year.

**Annual General Meeting** The annual general meeting of Bucher Industries AG will be held on 17 April 2019 at the Hotel Mövenpick in Regensdorf, starting at 3.30 p.m. At the annual general meeting, the board of directors will propose that Philip Mosimann, its chairman, and the current members of the board of directors and of the compensation committee be re-elected. Further resolutions that are to be proposed will be found in the invitation to the annual general meeting, which will be sent out to shareholders on 15 March 2019. Shareholders registered in the company's share register on 12 April 2019 will be entitled to vote at the annual general meeting. From 13 April 2019 the share register will be closed for entries. Shares purchased on or after 23 April 2019 are not entitled to a dividend. The dividend will be paid out on 25 April 2019. The 2018 annual report of Bucher Industries will be available for downloading from 6 March 2019, and the invitation to the annual general meeting from 15 March 2019, at [www.bucherindustries.com](http://www.bucherindustries.com). A printed version of the 2018 annual report will be available from 6 March 2019.

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**Simply great machines**

Bucher Industries is a global technology group with leading market positions in speciality areas of mechanical and vehicle engineering. The areas of activity 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). Please see [www.bucherindustries.com](http://www.bucherindustries.com) for further information.