

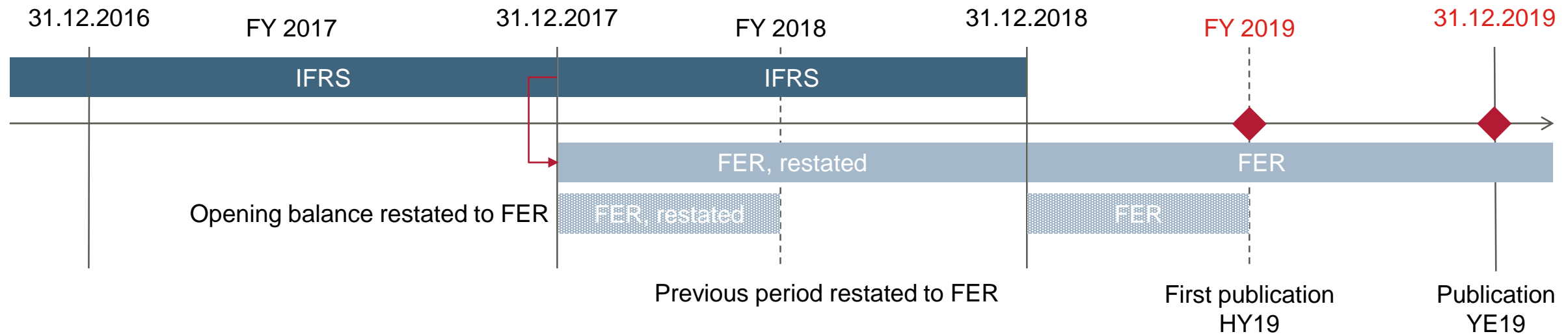
Investor Relations – Handout

Third quarter 2019



From IFRS to FER as of 1 January 2019

Change to Swiss GAAP FER (FER): the interim report was prepared for the first time in accordance with the accounting standards of FER instead of IFRS. For the purpose of comparability, **the prior-year figures were restated accordingly.**



Major deviations (IFRS/FER)

- Goodwill and other intangible assets from acquisitions are offset with equity
- Elimination of amortisation from acquisitions has a positive impact on the income statement
- Pension benefit obligations: the economic impact is recognised (currently no liabilities from Swiss pension plans)
- Deferred taxes on the above

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

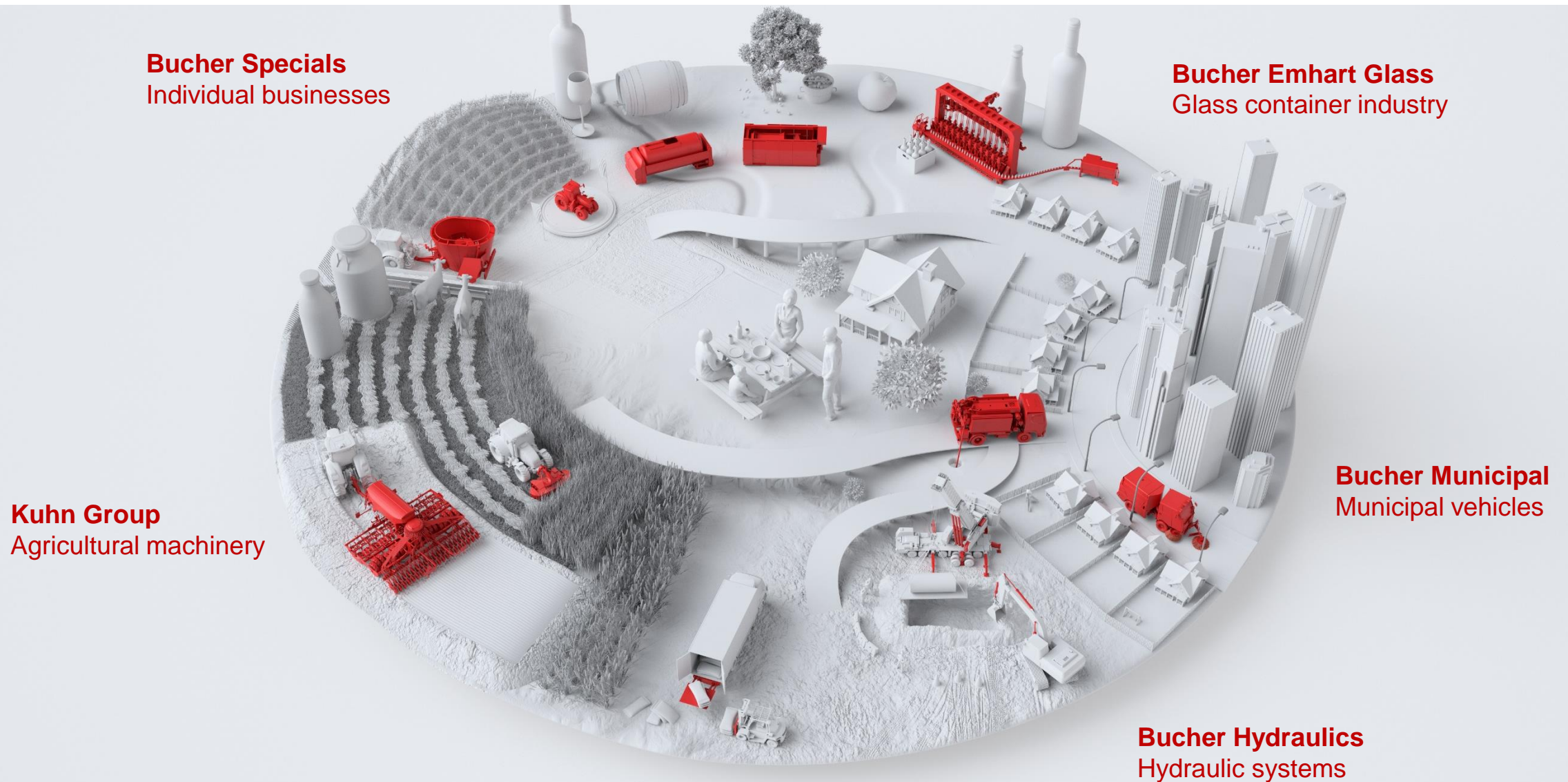
IFRS versus FER – effects

CHF million	IFRS audited	FER restated	IFRS/FER effects	FER Targets
Bucher Industries	2018	2018		
Net operating assets (NOA) average as % of return after tax (RONOA)	1 373 15.7%	1 156 19.6%	-217 3.9%	>20%
Equity	1 490	1 296	-194	
EBIT margin	9.1%	9.5%	0.4%	>10%
Divisions, EBIT margin				
Kuhn Group	8.1%	8.7%	0.6%	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%

Group

The world of Bucher Industries – five divisions

BUCHER



Bucher Industries 2018

BUCHER

CHF 3.1 billion sales, 13 100 employees, 9.5%¹⁾ EBIT margin



Bucher Specials

CHF 310 million sales
900 employees



Kuhn Group

CHF 1 200 million sales
5 400 employees



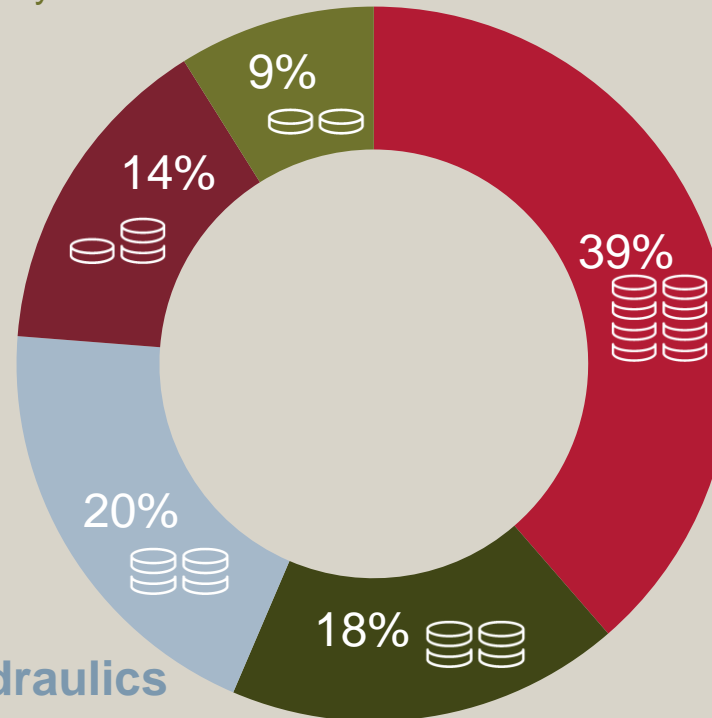
Bucher Emhart Glass

CHF 450 million sales
1 700 employees



Bucher Hydraulics

CHF 630 million sales
2 800 employees

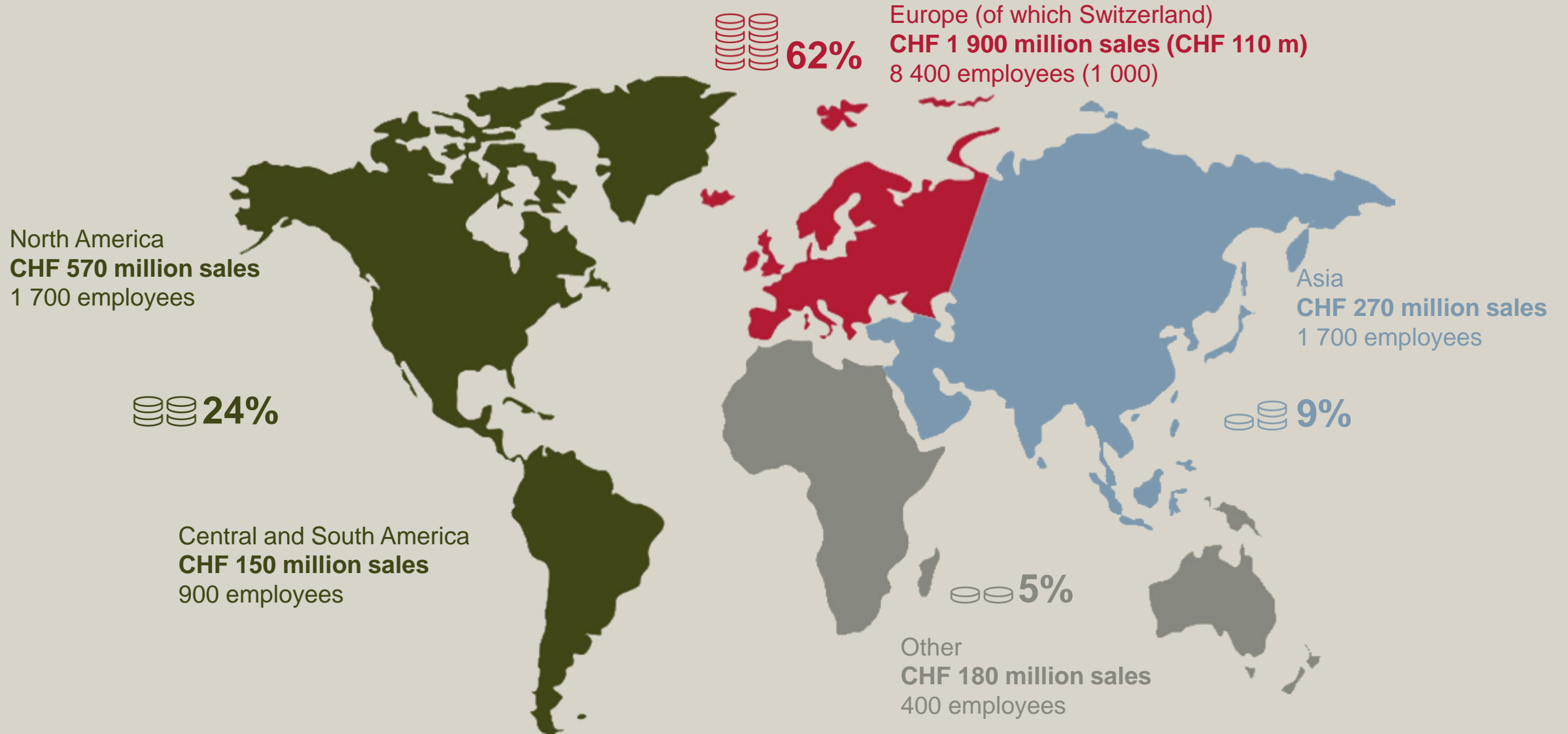


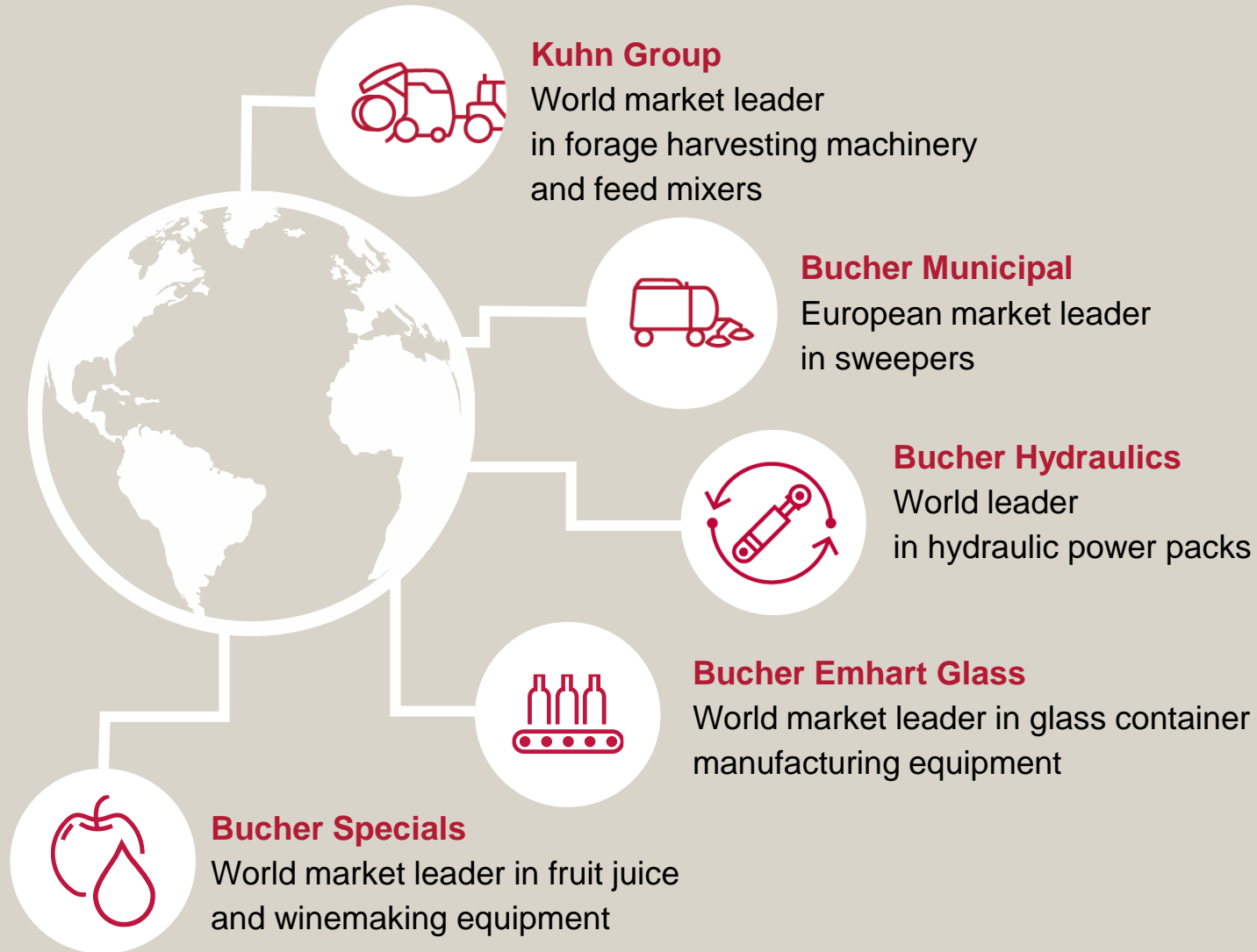
Bucher Municipal

CHF 540 million sales
2 200 employees



¹⁾ Restated to Swiss GAAP FER





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

Group 2018
Update first half year 2019

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.

Group

Key figures – third quarter 2019

CHF million	January – September		Change in			Full year
	2019	2018	%	% ¹⁾	% ²⁾	2018
Order intake	2 215	2 357	-6.0	-3.3	-5.7	3 206
Net sales	2 364	2 253	4.9	7.8	5.1	3 065
Order book	973	1 095	-11.1	-8.3	-9.7	1 137
Employees at closing date	13 224	12 850	2.9		1.3	13 054

CHF million	January – June		Change in			Full year
	2019	2018	%			2018
Operating profit (EBITDA) as % of net sales	196 11.8%	191 12.2%	2.9			374 12.2%
Operating profit (EBIT) as % of net sales	155 9.3%	150 9.6%	3.1			292 9.5%
Profit for the period as % of net sales	122 7.3%	117 7.5%	3.8			226 7.4%

¹⁾ Adjusted for currency effects

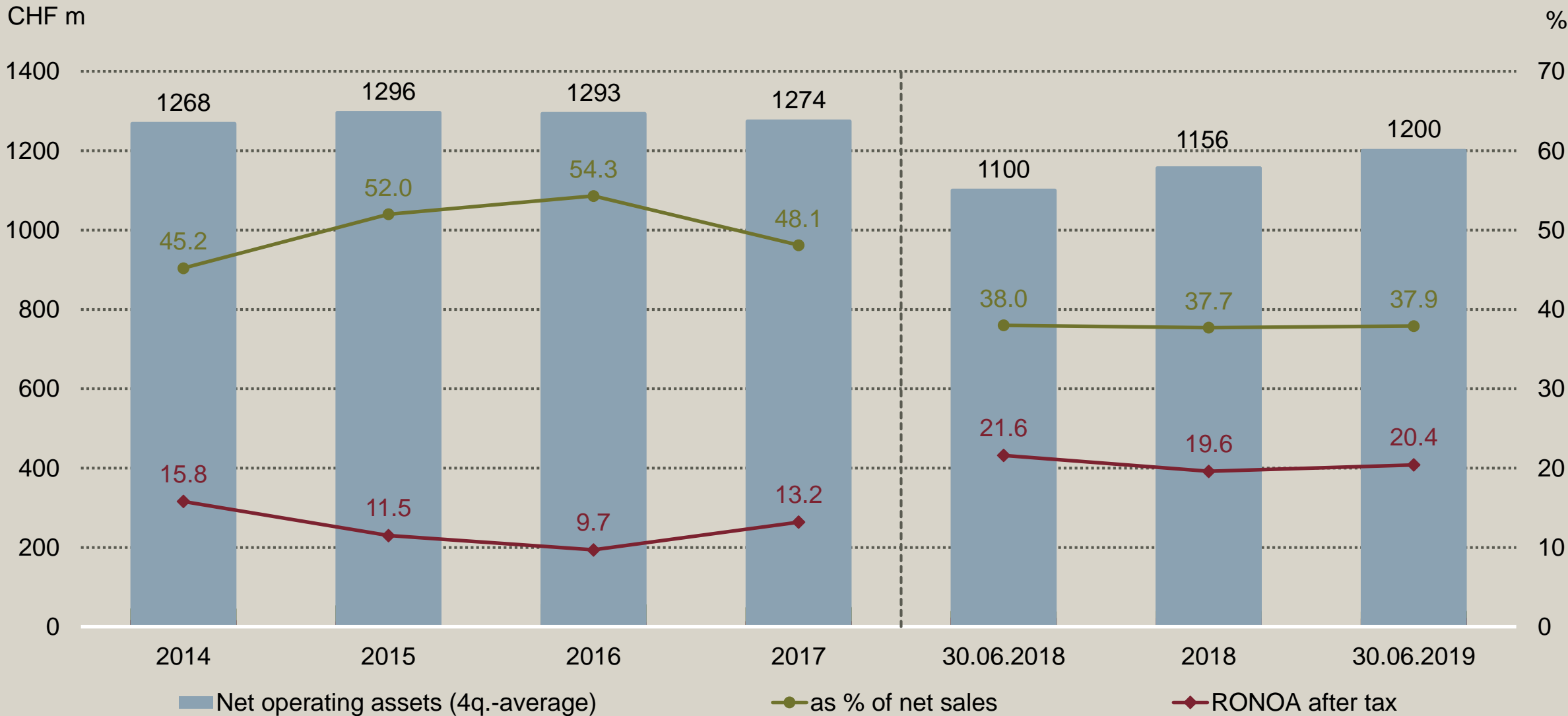
²⁾ Adjusted for currency, acquisition and divestment effects

Group

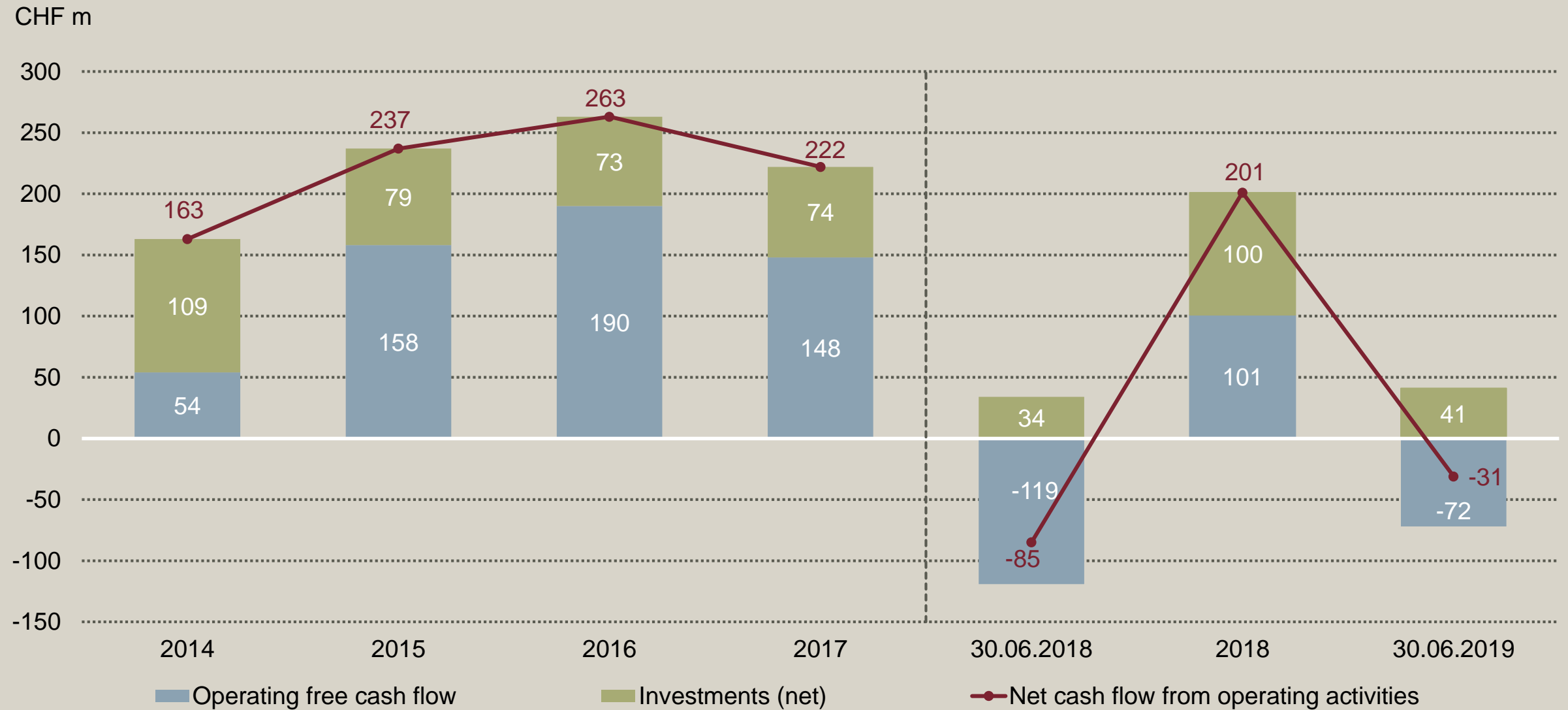
Key figures – first half

CHF million	January – June		Change in	Full year
	2019	2018	%	2018
Profit/(loss) for the period as % of net sales	122 7.3%	117 7.5%	3.8	226 7.4%
Earnings per share in CHF	11.77	11.42	3.1	21.80
Capital expenditure	42	35	19.5	103
Operating free cash flow	-72	-119	39.6	101
Net cash/debt	2	-14	112.9	159
Equity as % of total assets (equity ratio)	1 315 52.2%	1 244 51.3%	5.7	1 296 51.0%
Net operating assets (NOA) average as % of return after tax (RONOA)	1 200 20.4%	1 100 21.6%	9.1	1 156 19.6%

Net operating assets (NOA) and RONOA after tax

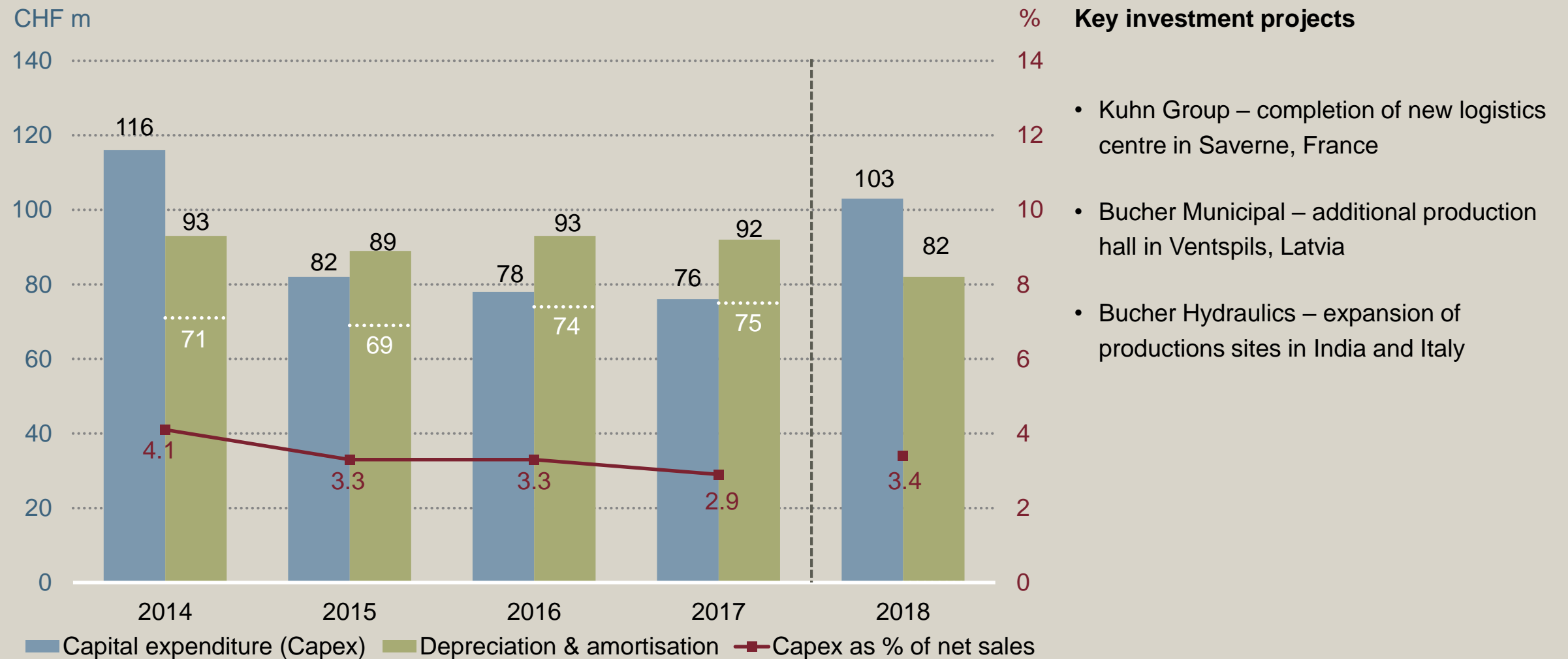


Cash flow and investments



Investments in the future

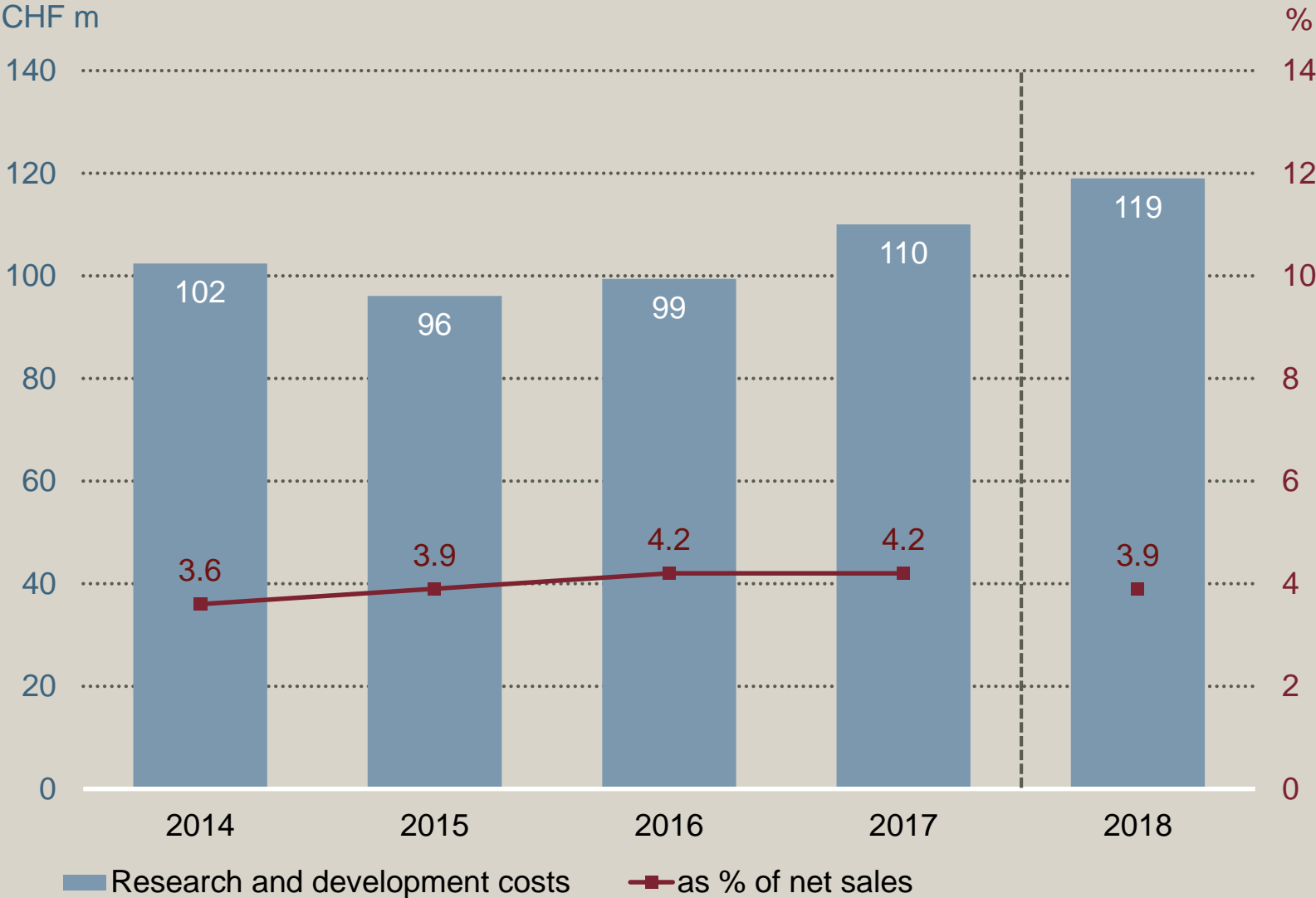
Fixed and intangible assets



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

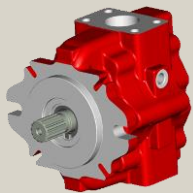
Investments in the future

Research and development costs



Selected development projects

Bucher Hydraulics
AX motors



Bucher Emhart Glass
Flex Control Center



Bucher Municipal
Phoenix Electra



M&A transactions 2018 – 2019

2018

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

2019

Bucher Municipal

Zynkon,
China



Net sales¹⁾
CHF 14 million

Employees
110

Bucher Emhart Glass

Refractory
business,
USA



Asset deal, sold
to RATH Group

Net sales¹⁾
CHF 9 million

Employees
50

Bucher Specials

Elan Systems,
Hungary



Net sales¹⁾
CHF 3 million

Employees
20

Bucher Emhart Glass

Symplex,
Germany



Net sales¹⁾
CHF 8 million

Employees
35

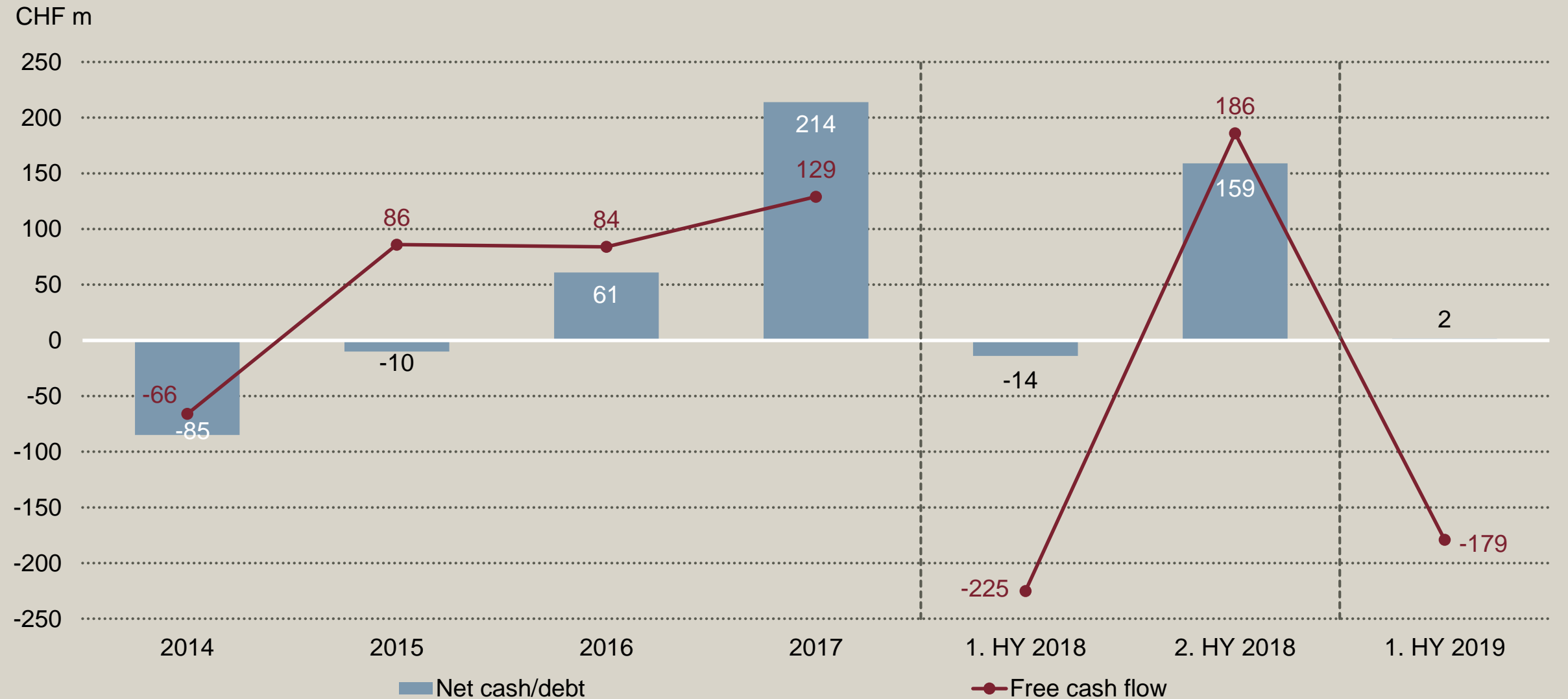
Colour coding

Acquisition

Disposal

¹⁾ Before acquisition/disposal

Net cash/debt and free cash flow



Divisions

Kuhn Group

Specialised agricultural machinery

BUCHER

Arable farming



Ploughing



Tillage



Seeding



Fertilisation



Spraying

Dairy and livestock farming



Hay and forage harvesting



Feed storage



Bedding and feeding



Manure spreaders



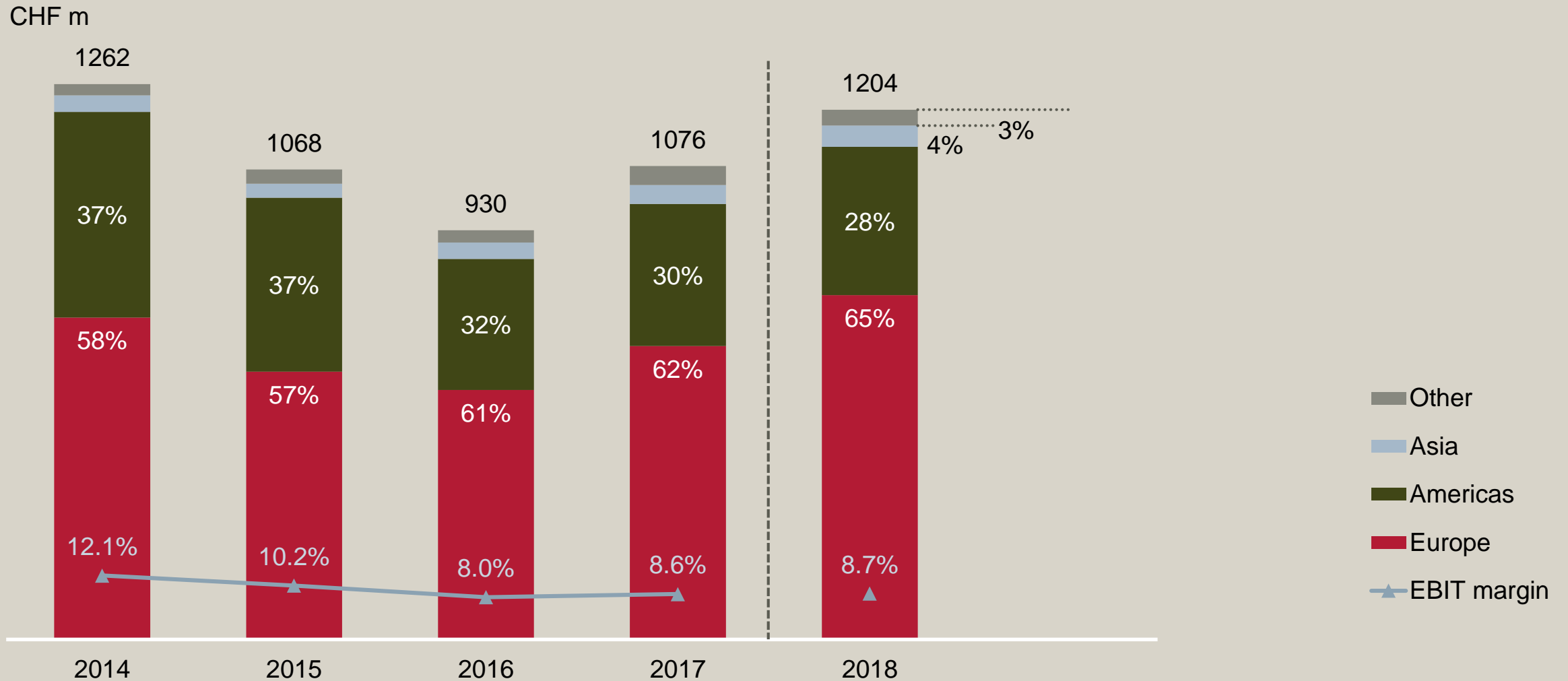
Hedge cutters

Landscape maintenance

Kuhn Group

Net sales by region

BUCHER



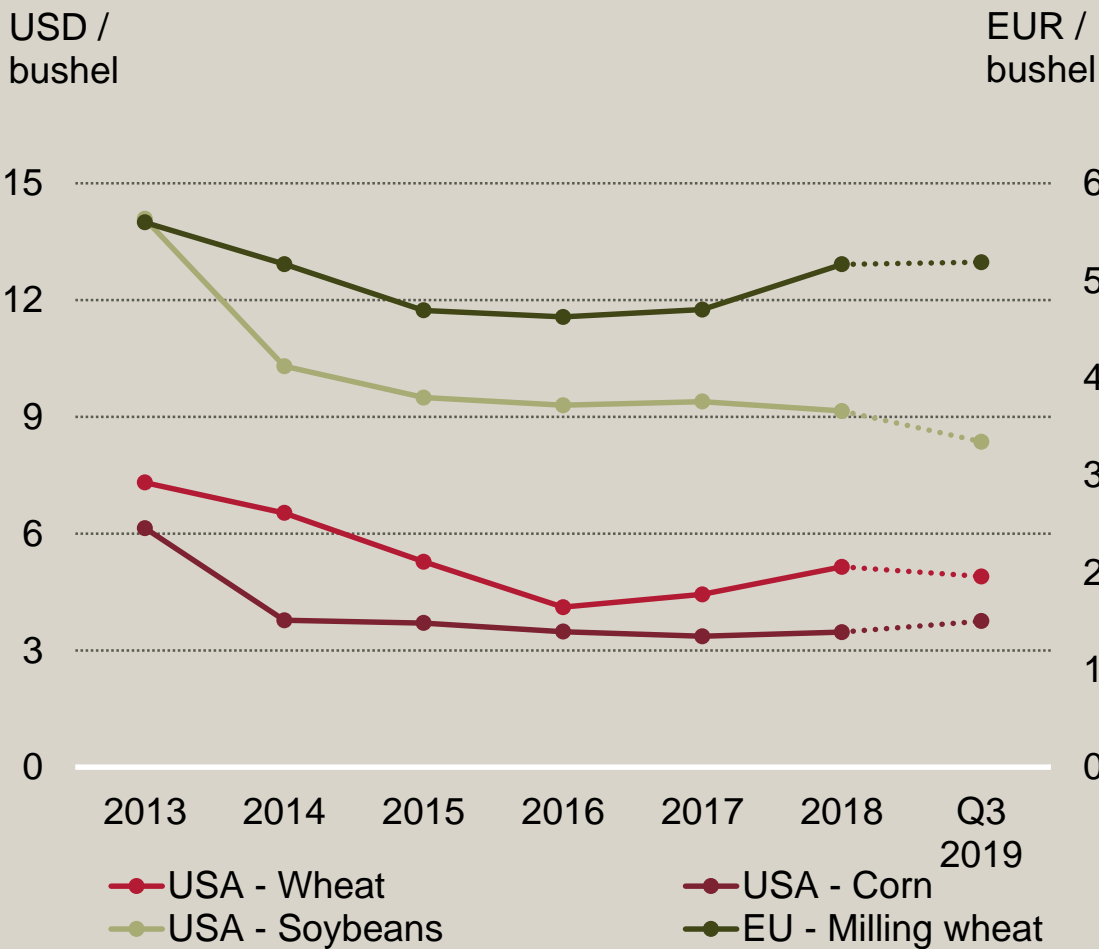
Kuhn Group

Complete product range under one brand

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

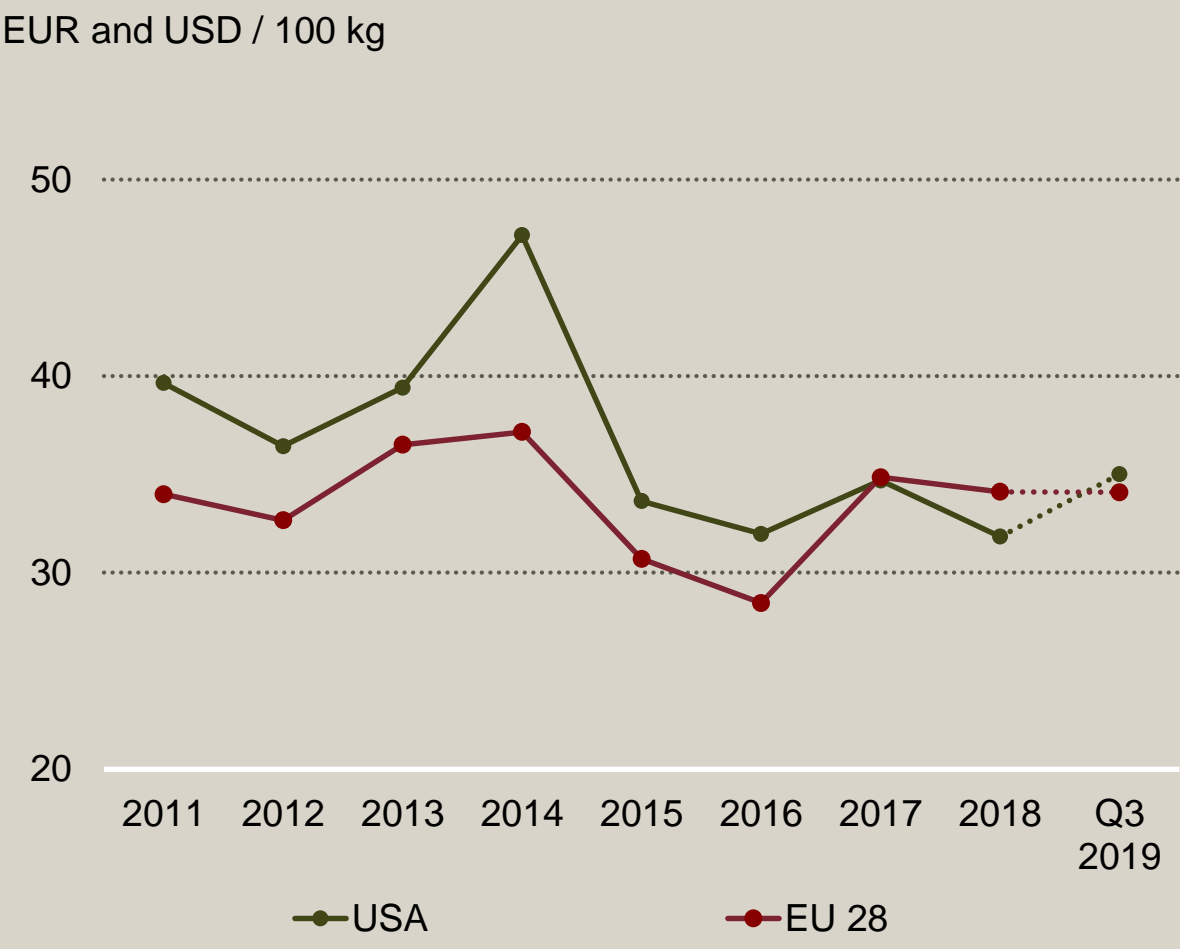
Price development Soybeans, Corn, Wheat, Milk (average prices until September 2019)

Crop Price



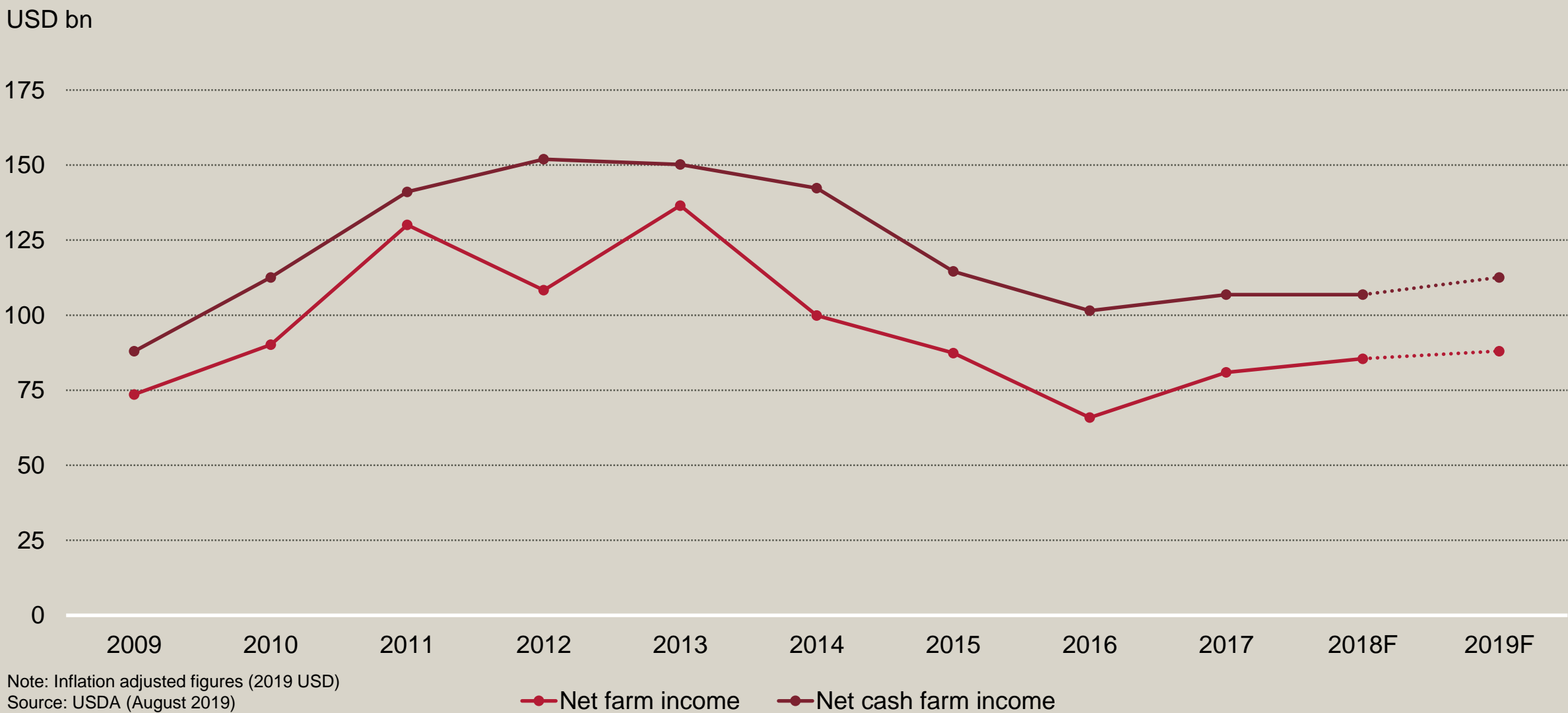
Source: USDA (not available for Sep), AHDB (US price received / European physical price)

Milk Price



Source: www.clal.it, USDA (not available yet for Sep)

US farm income (August 2019)



Kuhn Group

Key figures – third quarter

BUCHER

CHF million	January – September		Change in			Full year
	2019	2018	%	% ¹⁾	% ²⁾	2018
Order intake	805	860	-6.4	-3.4	-5.7	1 210
Net sales	901	902	-0.1	3.1	0.9	1 204
Order book	353	409	-13.8	-11.0	-12.8	461
Employees at closing date	5 180	5 241	-1.2		-2.3	5 352

CHF million	January – June		Change in			Full year
	2019	2018	%			2018
Operating profit (EBITDA) as % of net sales	81 11.8%	79 11.7%	1.5			141 11.7%
Operating profit (EBIT) as % of net sales	62 9.2%	61 9.1%	1.8			104 8.7%

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

Kuhn Group

Outlook for 2019

- Increasingly challenging market trends
 - Extremely difficult situation for farmers and uncertainties in the USA made worse by very unfavourable weather conditions
 - European dairy and livestock sector satisfactory at a stable level
 - Trade conflicts and Brexit
 - Consequences of drought in Europe and Australia
- Consolidation of Artec impacts sales positively
- Introduction of new products for large farms and contractors as well as digital solutions
- Expansion of presence in Russia and China
- **For 2019: due to the difficult situation in North America, sales and operating profit margin are expected to be slightly lower than in 2018.**

Bucher Municipal

Municipal vehicles and winter maintenance equipment

BUCHER

Sweeper equipment



Compact sweepers



Truck mounted sweepers

Winter equipment



Spreaders

Ploughs

Sewer cleaning

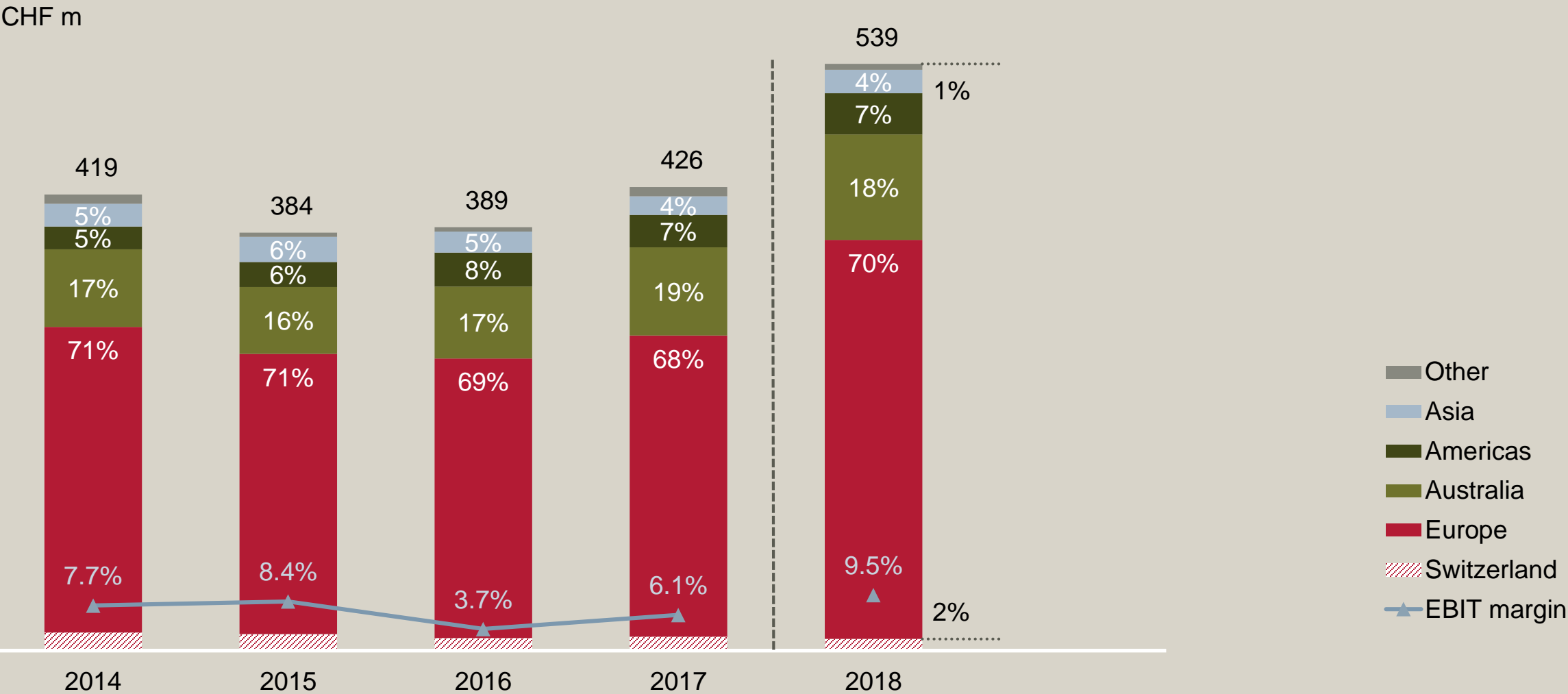


Refuse collection



Bucher Municipal

Net sales by region



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	Truck mounted	Compact	Truck mounted								
Bucher Municipal												
Federal Signal												
Alamo												
Douglas Dynamics												
Terberg-RosRoca												
Aebi-Schmidt												
Faun												
Fayat												
Hako												
Boschung												
Cappellotto												
Kaiser												
Zoomlion												

Bucher Municipal

Key figures – third quarter

BUCHER

CHF million	January – September		Change in			Full year
	2019	2018	%	% ¹⁾	% ²⁾	2018
Order intake	377	419	-10.0	-7.0	-7.3	556
Net sales	393	371	6.0	9.4	9.0	539
Order book	166	216	-22.9	-20.2	-21.8	183
Employees at closing date	2 409	2 208	9.1		4.0	2 215

CHF million	January – June		Change in			Full year
	2019	2018	%			2018
Operating profit (EBITDA) as % of net sales	26 10.2%	26 10.6%	1.5			60 11.1%
Operating profit (EBIT) as % of net sales	22 8.5%	22 8.7%	2.3			51 9.5%

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

Bucher Municipal Outlook for 2019

- Demand for municipal vehicles still high but weaker
- Uncertainties in the important European market, especially relating to Brexit
- Stronger integration
 - Optimisation of sales and improved service organisation
 - Harmonisation of brand
- Further development of electric sweepers
- Integration of Chinese sewer cleaning vehicle business (Zynkon)

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

Bucher Hydraulics

Customised drive systems

BUCHER



Agricultural machinery



Construction equipment

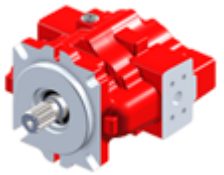


Materials handling



Industry

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



Pumps



Motors



Valves



Power units



Electronics



Cylinder



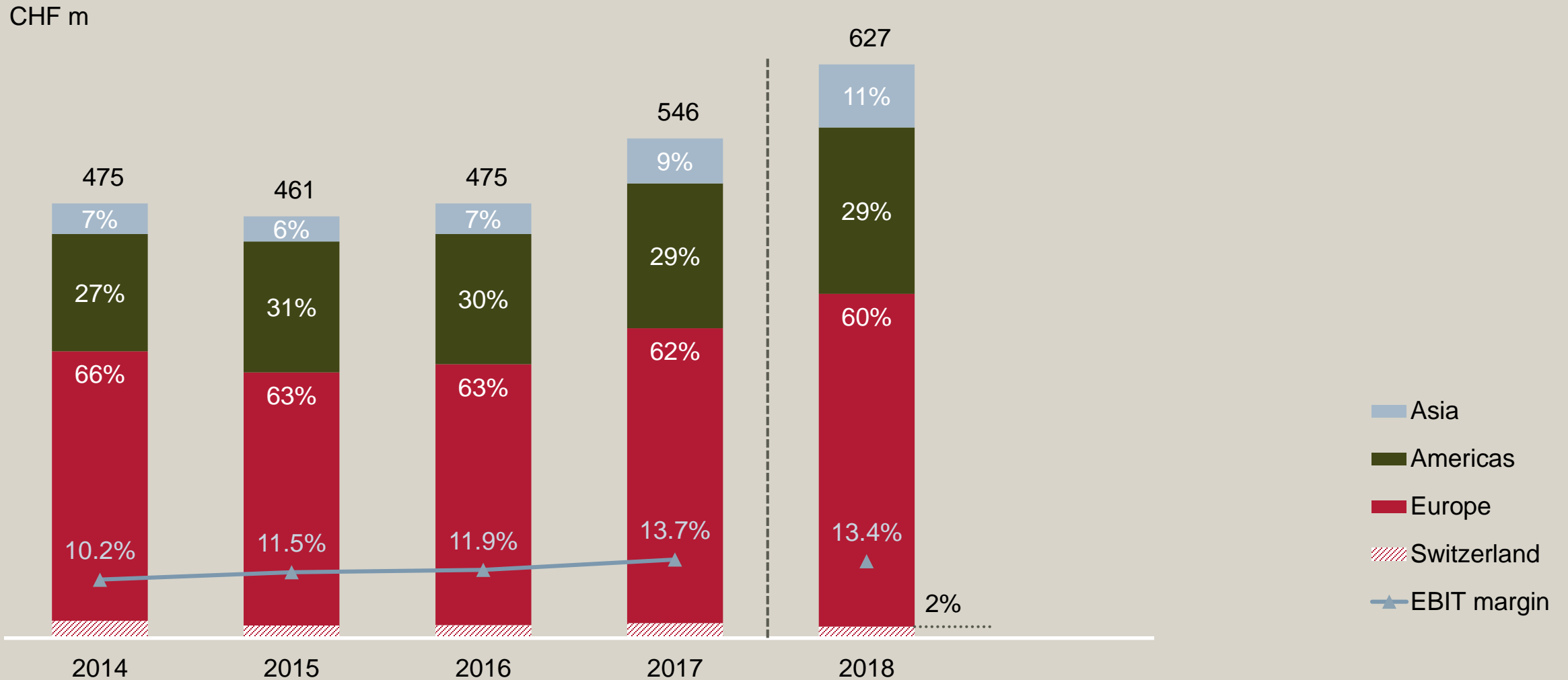
Subsystem



tailor-made
customer solutions

Bucher Hydraulics

Net sales by region



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

Key figures – third quarter

CHF million	January – September		Change in			Full year
	2019	2018	%	% ¹⁾	% ²⁾	2018
Order intake	434	540	-19.6	-18.2	-22.8	700
Net sales	513	471	8.9	10.5	5.4	627
Order book	121	197	-38.9	-37.7		201
Employees at closing date	2 834	2 809	0.9			2 835

CHF million	January – June		Change in			Full year
	2019	2018	%			2018
Operating profit (EBITDA) as % of net sales	56 15.9%	56 17.6%	0.7			104 16.6%
Operating profit (EBIT) as % of net sales	45 12.8%	46 14.7%	-2.4			84 13.4%

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

Bucher Hydraulics

Outlook for 2019

- Normalisation of demand
 - Decline at high level in virtually all markets, especially significant in North America
 - High levels in 2018 influenced by safety orders
- Very strong order book at the start of the year
- Capacity expansions, while keeping cost structure as flexible as possible
 - Expansion in India and Italy
 - Investments in machinery
 - Cost-cutting measures
- Introduction of an innovative hydraulic piston engine
- **For 2019: sales are expected to increase slightly from their 2018 level, with operating profit margin lower.**

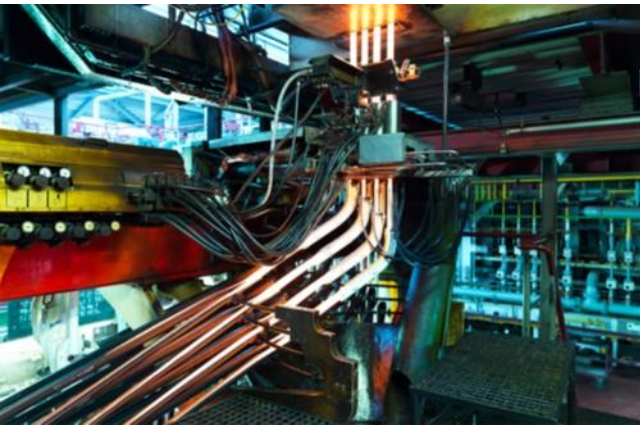
Bucher Emhart Glass

Glass container manufacturing equipment

BUCHER

Hot End

Cold End



Gob forming



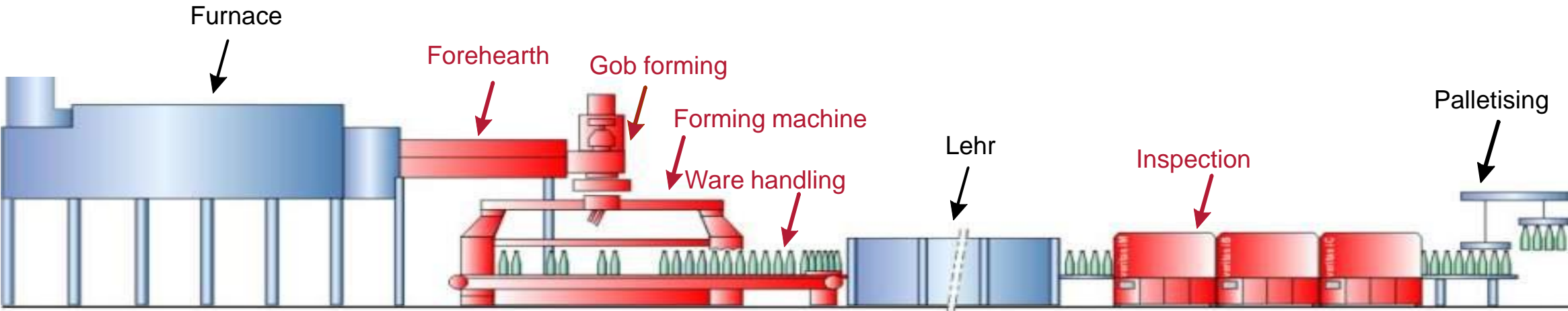
Glass-forming machine



Ware handling



Inspection

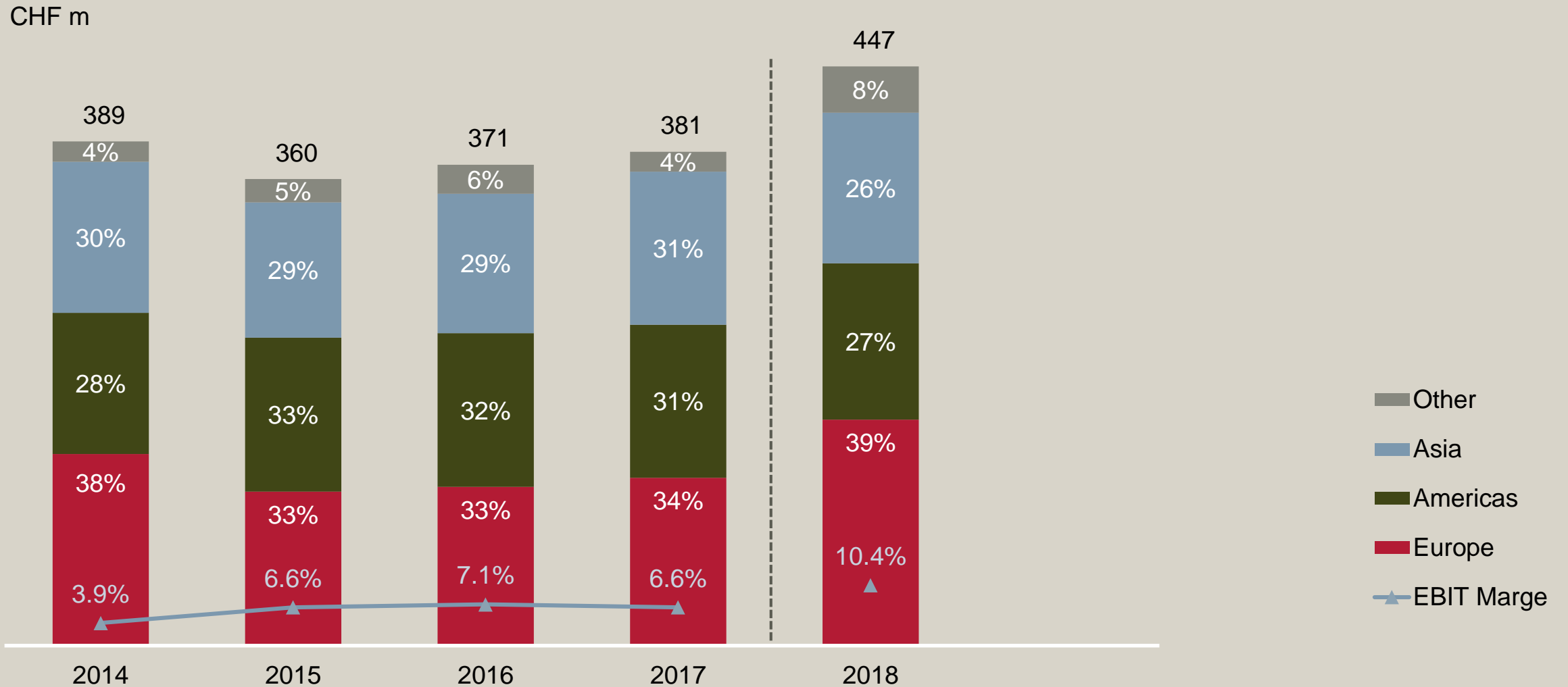


Glass container manufacturing process

Bucher Emhart Glass

Net sales by region

BUCHER



Bucher Emhart Glass

World's leading machinery manufacturer

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)												
Mitbewerber (CN)												
Tiama (FR)												
PSR (UK)												

Bucher Emhart Glass

Key figures – third quarter

BUCHER

CHF million	January – September		Change in			Full year
	2019	2018	%	% ¹⁾	% ²⁾	2018
Order intake	412	357	15.4	19.8	19.6	499
Net sales	372	328	13.4	17.8	16.7	447
Order book	275	214	28.8	33.6	33.1	236
Employees at closing date	1 776	1 652	7.5		8.2	1 696

CHF million	January – June		Change in			Full year
	2019	2018	%			2018
Operating profit (EBITDA) as % of net sales	37 14.3%	25 11.7%	45.5			56 12.5%
Operating profit (EBIT) as % of net sales	32 12.5%	21 9.5%	56.0			47 10.4%

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency, acquisition and divestment effects

Bucher Emhart Glass

Outlook for 2019

- Continued encouraging market development on a very high level
 - Excess demand for glass containers despite major investment activity in 2018
 - Expansion and renewal projects at glass container manufacturers worldwide
- Capacity utilisation at a pleasing level
- Sanjin to be further developed
- Strengthening the core business and driving forward the “end-to-end” strategy
 - Sale of the refractory business
 - Integration of Symplex
- **For 2019: sales and operating profit margin expected to be significantly higher than in 2018; additional gain in the high single-digit millions from the sale of the refractory business.**

Bucher Specials

Individual businesses

BUCHER

Bucher Vaslin



Winemaking equipment

Bucher Unipektin



Fruit juice processing systems,
beer filtration, drying equipment

Bucher Landtechnik



Agricultural distributorship in Switzerland

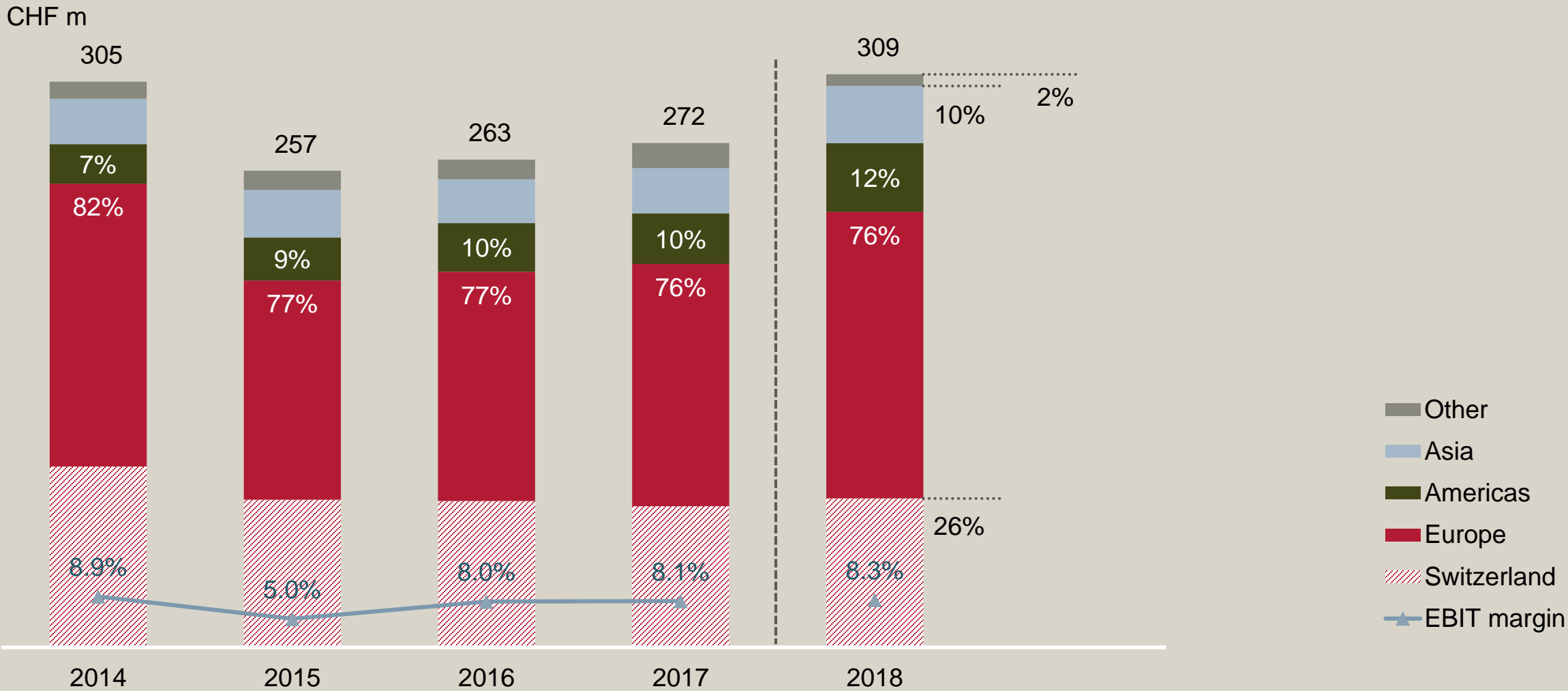
Jetter



Automation solutions

Bucher Specials

Net sales by region



Bucher Specials

Key figures – third quarter

CHF million	January – September		Change in			Full year
	2019	2018	%	% ¹⁾	% ²⁾	2018
Order intake	236	225	4.9	6.7	2.3	301
Net sales	233	228	2.2	4.2	-1.1	309
Order book	77	77	-0.5	0.8	-1.5	74
Employees at closing date	960	875	9.7		5.3	888

CHF million	January – June		Change in			Full year
	2019	2018	%			2018
Operating profit (EBITDA) as % of net sales	8 5.6%	13 8.9%	-34.4			31 10.0%
Operating profit (EBIT) as % of net sales	6 4.1%	10 7.3%	-41.2			26 8.3%

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

Bucher Specials

Outlook for 2019

- Bucher Vaslin: positive development in the Northern Hemisphere thanks to the very good grape harvest in 2018
- Bucher Unipektin: political uncertainties and customers' financing difficulties continue to have a negative impact; additional burden due to this year's below-average apple harvest in Europe
- Bucher Landtechnik: pleasing business development thanks to inclusion of new brands in the portfolio, compensating for the cautious spending due to ongoing uncertainties about Swiss agricultural policy
- Jetter: positive trend in mobile and industrial automation technology, integration of Elan Systems
- **For 2019: slight increase in sales compared with 2018 and lower year-on-year operating profit margin expected, due to difficult environment for Bucher Unipektin and integration costs related to acquisitions.**

Group outlook

- **Kuhn Group:** market trend increasingly challenging, market environment in North America very difficult, stable in Europe; sales and operating profit margin expected to be slightly lower than in 2018
- **Bucher Municipal:** varying market trends, Brexit is a cause of uncertainty; slight decline in sales and lower operating profit margin expected
- **Bucher Hydraulics:** demand down but on a high level; slight increase in sales and lower operating profit margin expected
- **Bucher Emhart Glass:** demand for glass container manufacturing equipment remains high; sales and operating profit margin expected to rise significantly compared to 2018, plus gain from divestment
- **Bucher Specials:** diverging market developments; slight increase in sales compared with 2018 and lower year-on-year operating profit margin expected

Overall, the Group expects sales to match the good level of 2018; operating profit and profit for the year not quite at last year's good level.

Development of margins and medium-term earnings targets

	IFRS					FER			
						Full year	January - June		
EBIT margin in %	2014	2015	2016	2017	2018	2018	2018	2019	Targets
Kuhn Group	12.1	10.2	8.0	8.6	8.1	8.7	9.1	9.2	12
Bucher Municipal	7.7	8.4	3.7	6.1	9.0	9.5	8.7	8.5	9
Bucher Hydraulics	10.2	11.5	11.9	13.7	13.1	13.4	14.7	12.8	12
Bucher Emhart Glass	3.9	6.6	7.1	6.6	10.1	10.4	9.5	12.5	10
Bucher Specials	8.9	5.0	8.0	8.1	7.8	8.3	7.3	4.1	10
Bucher Industries	9.2	8.3	7.1	8.6	9.1	9.5	9.6	9.3	>10
Group and divisions									
RONOA after tax	15.8	11.5	9.7	13.2	15.7	19.6	21.6	20.4	>20

Regionally varying trends demand a strategy adapted to geographical areas

Trends



Developed countries

Efficiency / sustainability

Emerging markets

Mechanisation / urbanisation

Topics



- Innovation
- Sensors, data, interconnectedness
- Electrification

- Market access
- Localisation
- Compliance

Selected projects



- Precision Farming
- CityCat 2020ev
- “End-to-end” glass forming

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

Many thanks

Your contacts

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