

Group presentation

BUCHER

March 2020



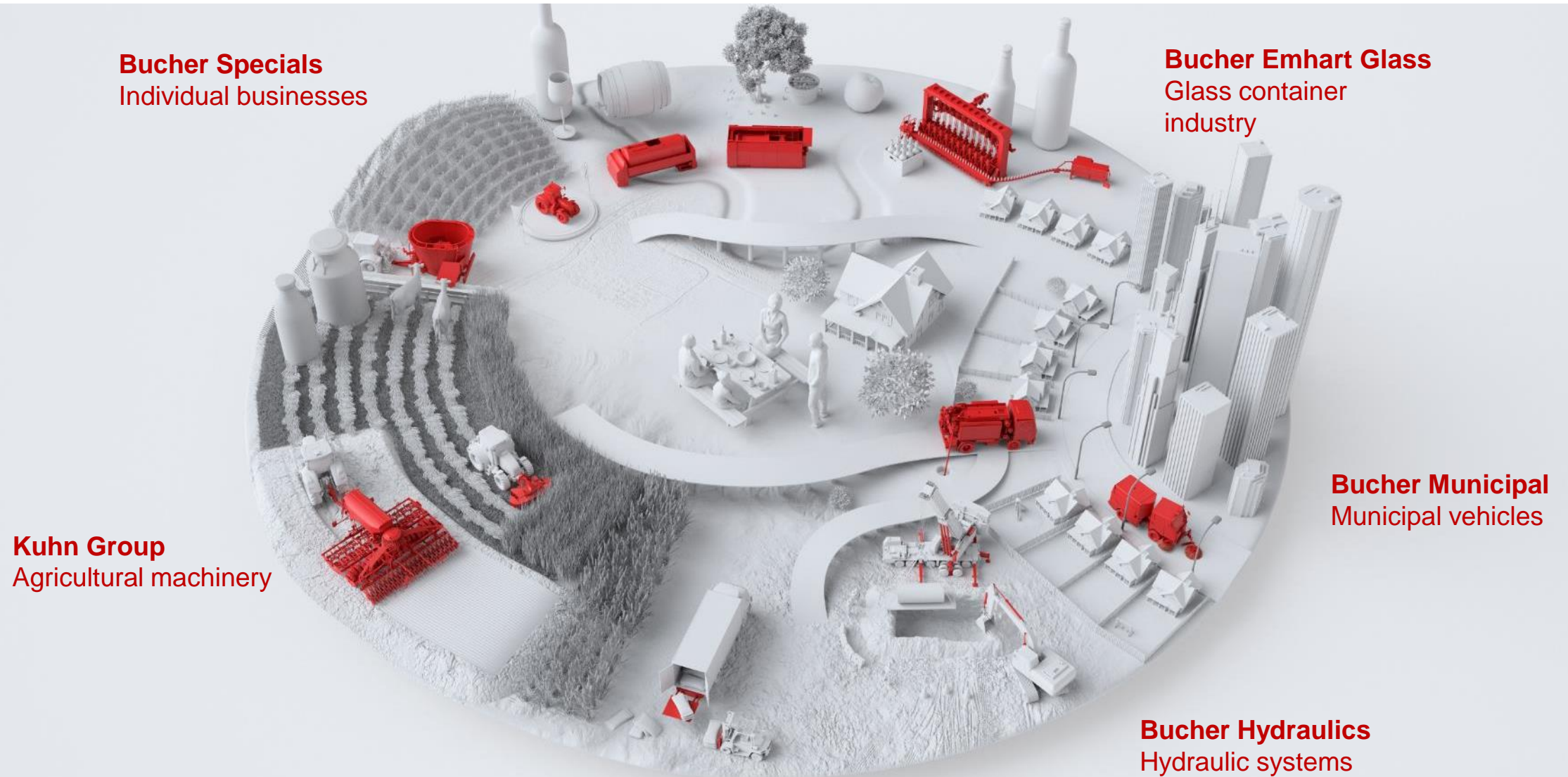
Bucher Industries



**Systems engineering
for beverage industry**

**Mobile
mechanisation**

The five divisions of Bucher Industries



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

Bucher Industries 2019



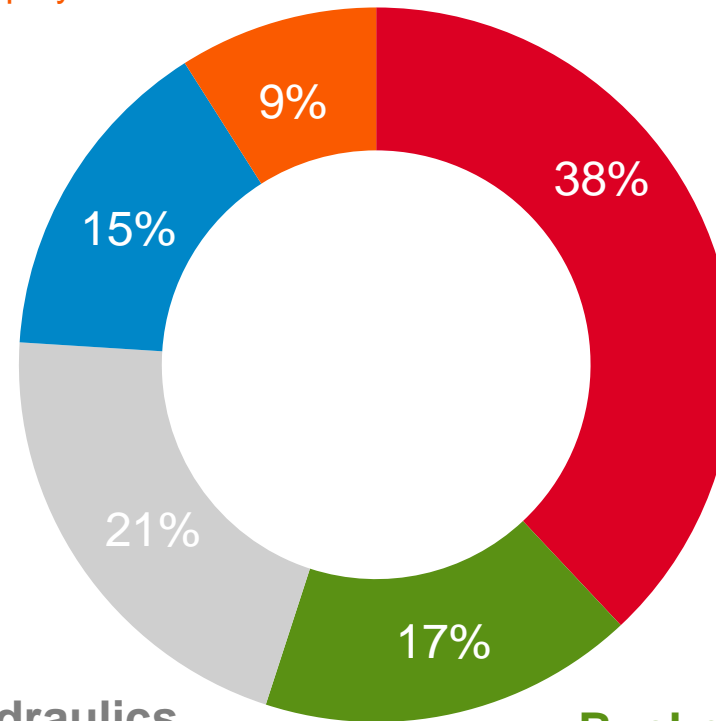
Bucher Specials
CHF 320 million sales
900 employees



Bucher Emhart Glass
CHF 490 million sales
1'800 employees



Bucher Hydraulics
CHF 650 million sales
2'800 employees

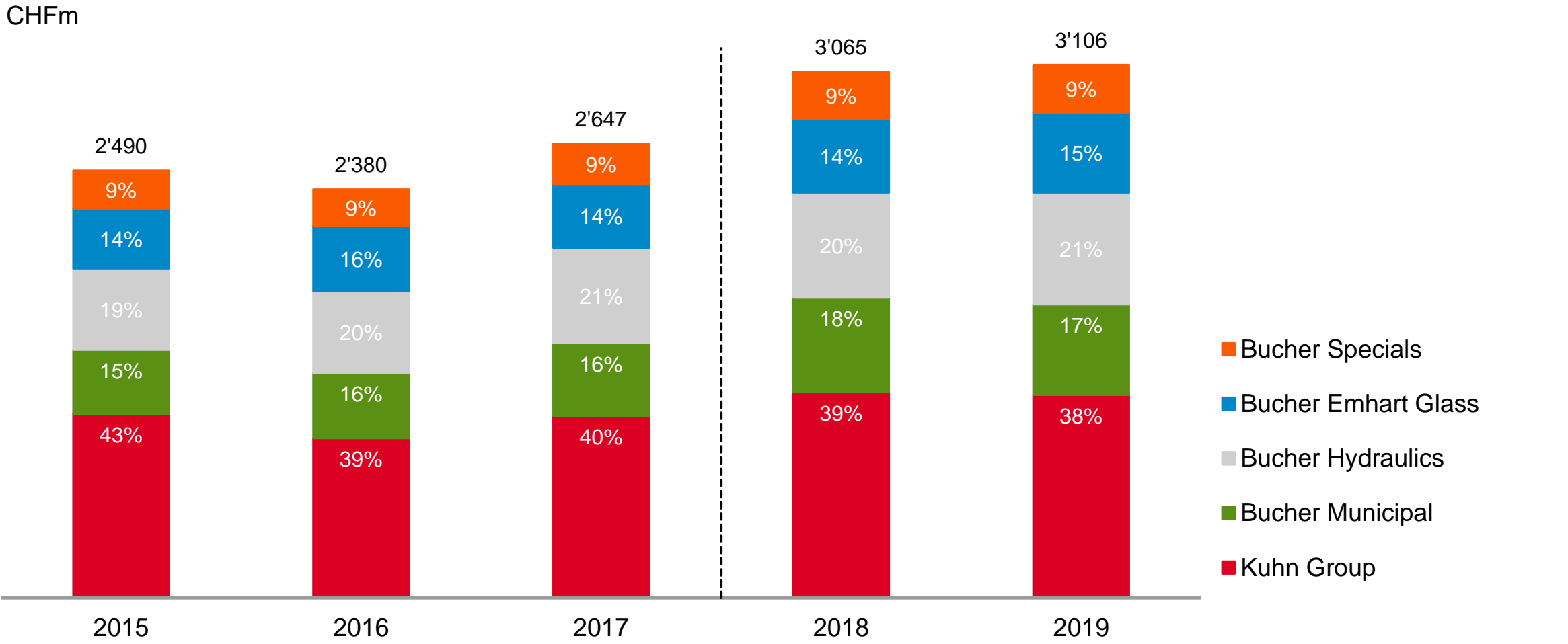


Kuhn Group
CHF 1'180 million sales
5'200 employees



Bucher Municipal
CHF 540 million sales
2'400 employees

Net sales by division



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

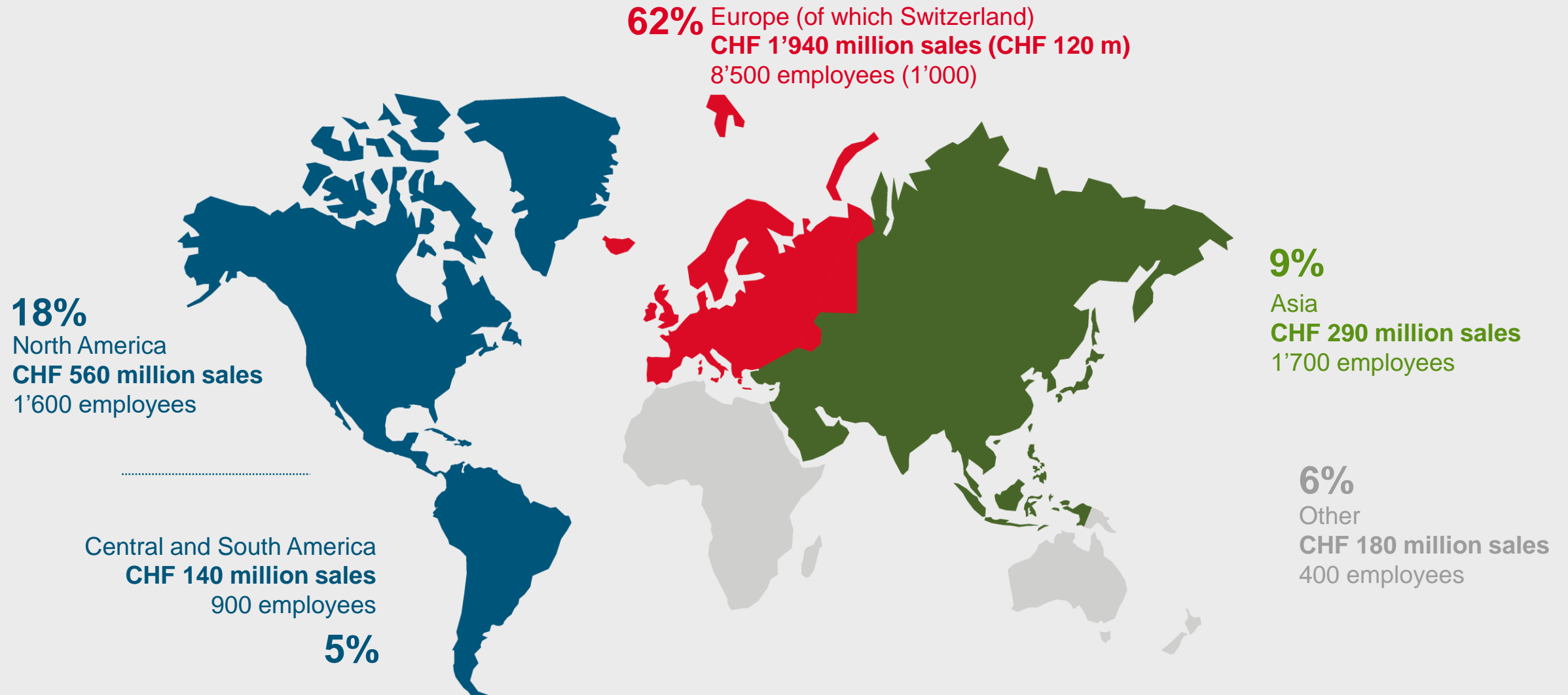
World market leader in fruit juice
and winemaking equipment

International Group

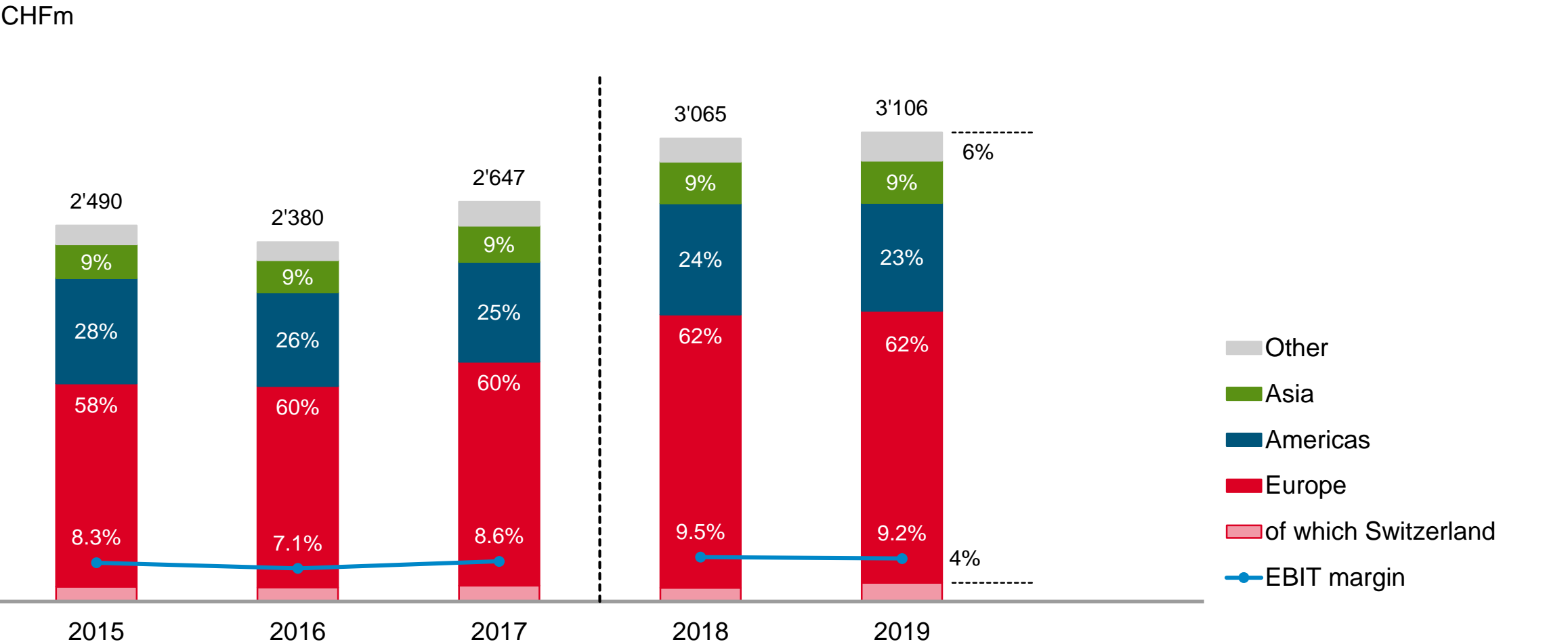
More than 40 manufacturing locations and development sites on five continents



International Group



Net sales by region



Aspirations

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)

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

Good result despite lower demand

Group: 2019 at a glance

Slight 1% increase in sales over the excellent previous year, operating profit margin of 9.2% fell slightly short of the 2018 level

- **Kuhn Group:** Difficult situation in the North American market, sales and operating profit margin slightly lower than in the previous year
- **Bucher Municipal:** Sales at the same high level as previous year despite weaker demand
- **Bucher Hydraulics:** Sharp drop in demand after exceptionally dynamic previous year, slight increase in sales
- **Bucher Emhart Glass:** Trend toward increased use of glass containers, sales and operating profit reached record high
- **Bucher Specials:** Challenges for Bucher Unipektin, positive development in the other business units

Key figures

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

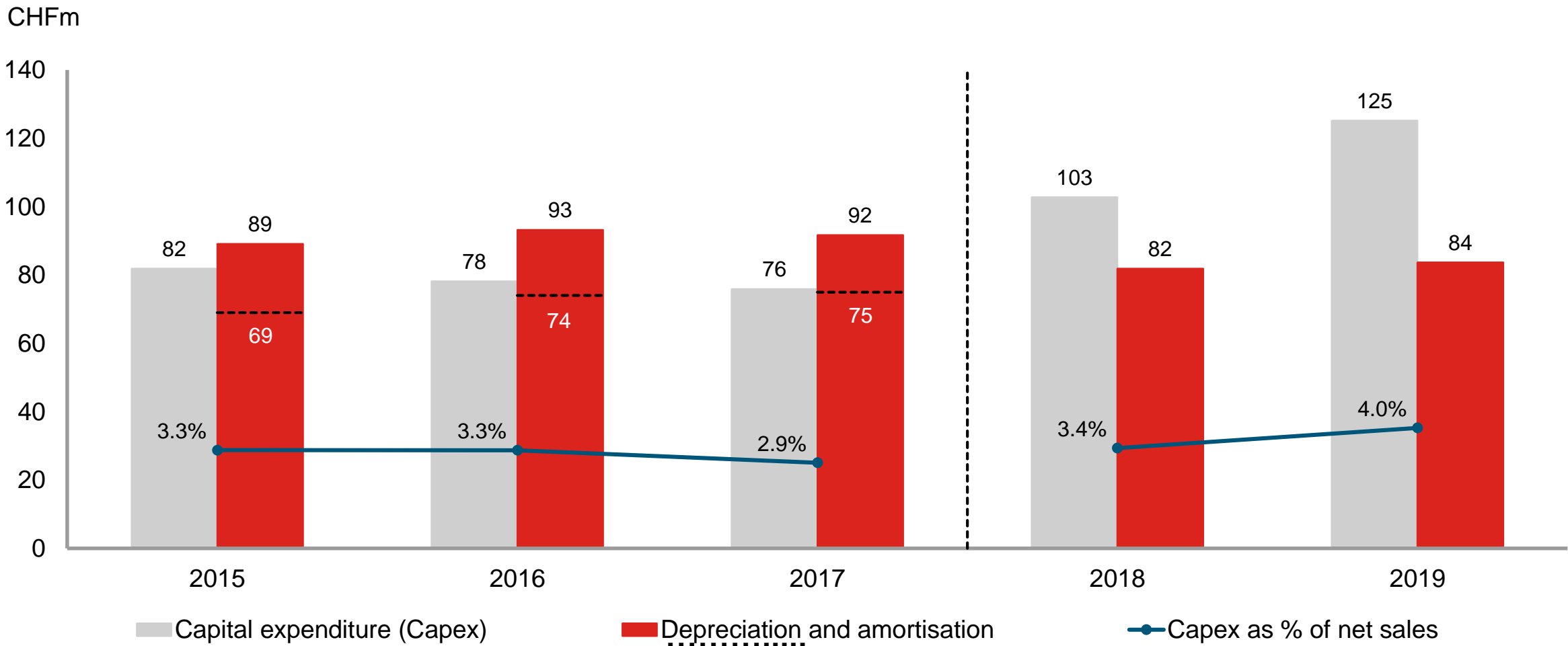
²⁾ Adjusted for currency, acquisition and divestment effects

Key figures

CHFm			Change in
	2019	2018	%
Profit for the year as % of net sales	228 7.3%	226 7.4%	0.9
Earnings per share in CHF	21.92	21.80	0.6
Capital expenditure	125	103	21.9
Operating free cash flow	163	101	61.6
Net cash/debt	215	159	34.7
Equity as % of total assets (equity ratio)	1'393 54.7%	1'296 51.0%	7.5
Net operating assets (NOA) average return (RONOA) after tax in %	1'214 19.0%	1'156 19.6%	5.1

Capital expenditure

Invested capital: Fixed and intangible assets



Key investment projects

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.



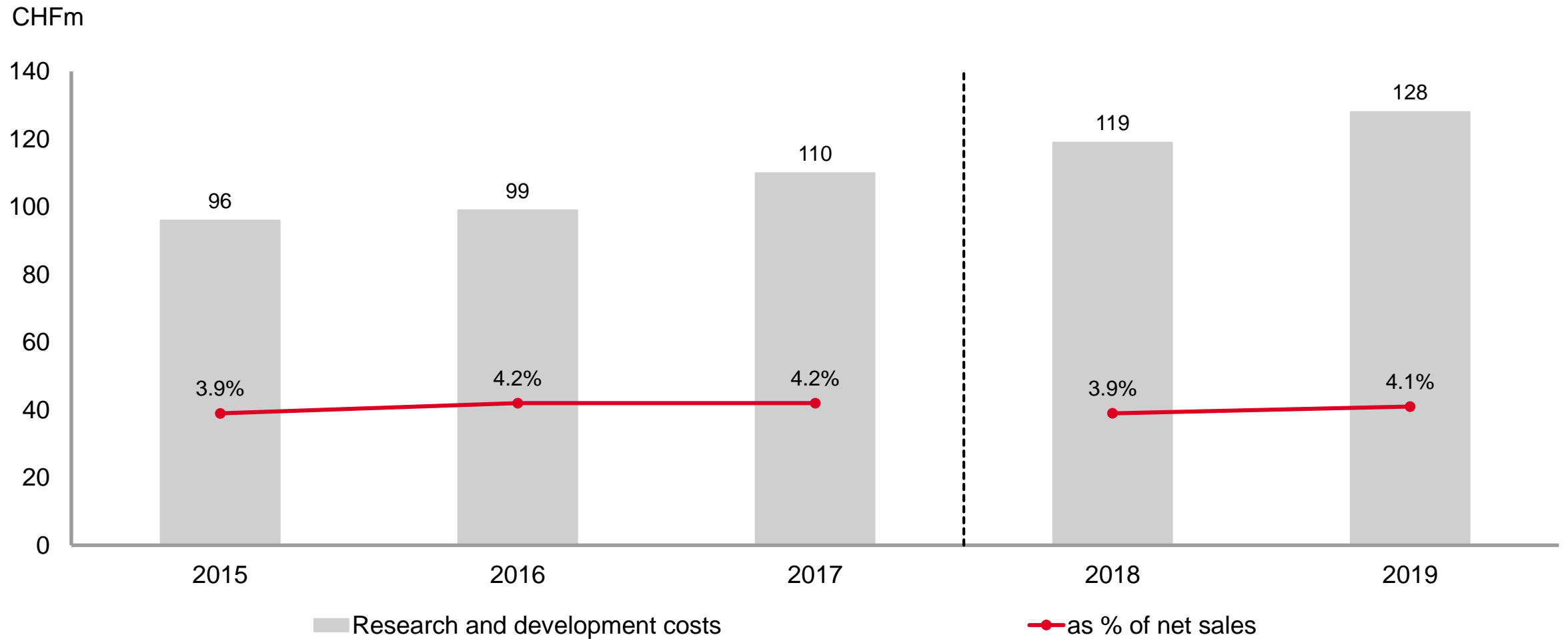
Bucher Hydraulics

Expansion of production capacity in
Gurgaon, India

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



Research and development costs



Selected development projects

Bucher Municipal

Electrification of all product groups

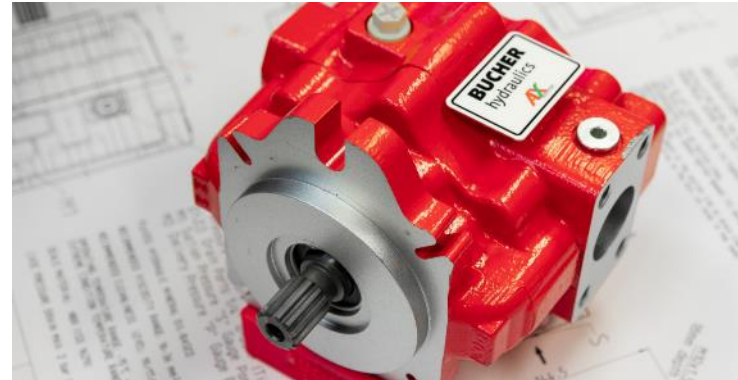
“CityCat V20e”: Battery is based on the latest technology and has been specially developed for use in this compact sweeper.



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.



M&A transactions 2018

Bucher Emhart Glass

Sanjin,
China



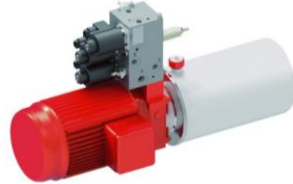
Purchase of
remaining shares
(37%)

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

¹⁾ before acquisition

M&A transactions 2019 – 2020

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

Employees
110

Net sales¹⁾
CHF 9 million

Employees
50

Net sales¹⁾
CHF 3 million

Employees
20

Net sales¹⁾
CHF 8 million

Employees
35

Net sales¹⁾
CHF 34 million²⁾

Employees
75

Net sales¹⁾
CHF 4 million

Employees
20

¹⁾ before acquisition/divestment

²⁾ of which more than half with Bucher Municipal equipment

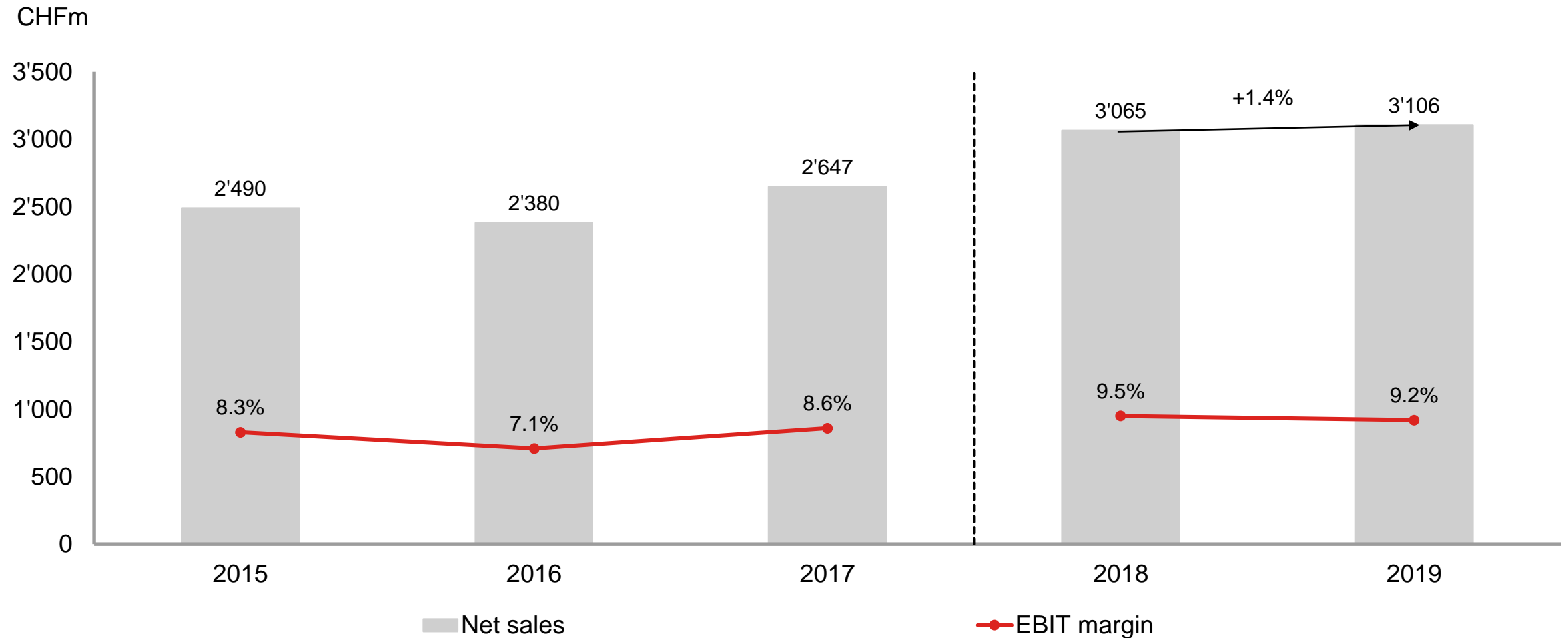
Colour coding:

Acquisition

Divestment

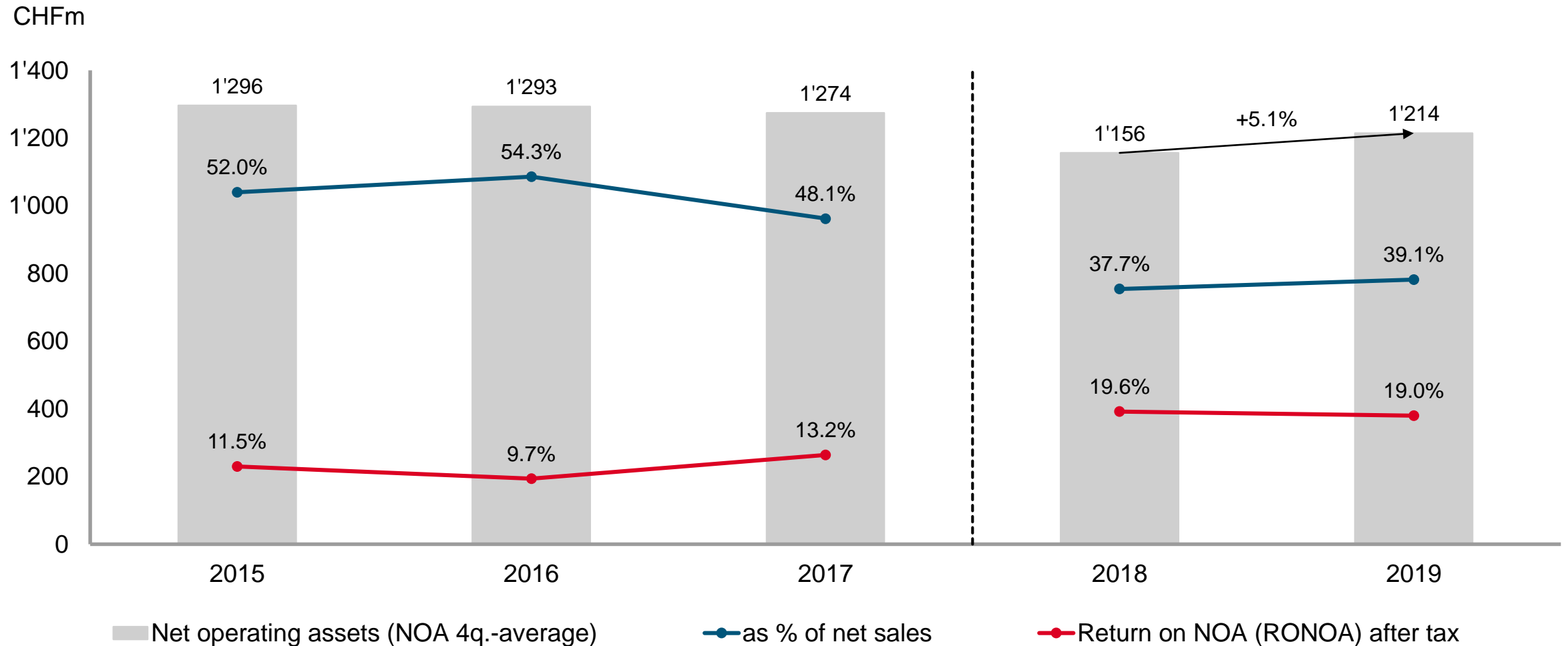
Record sales despite weaker demand

Performance: Net sales and EBIT margin



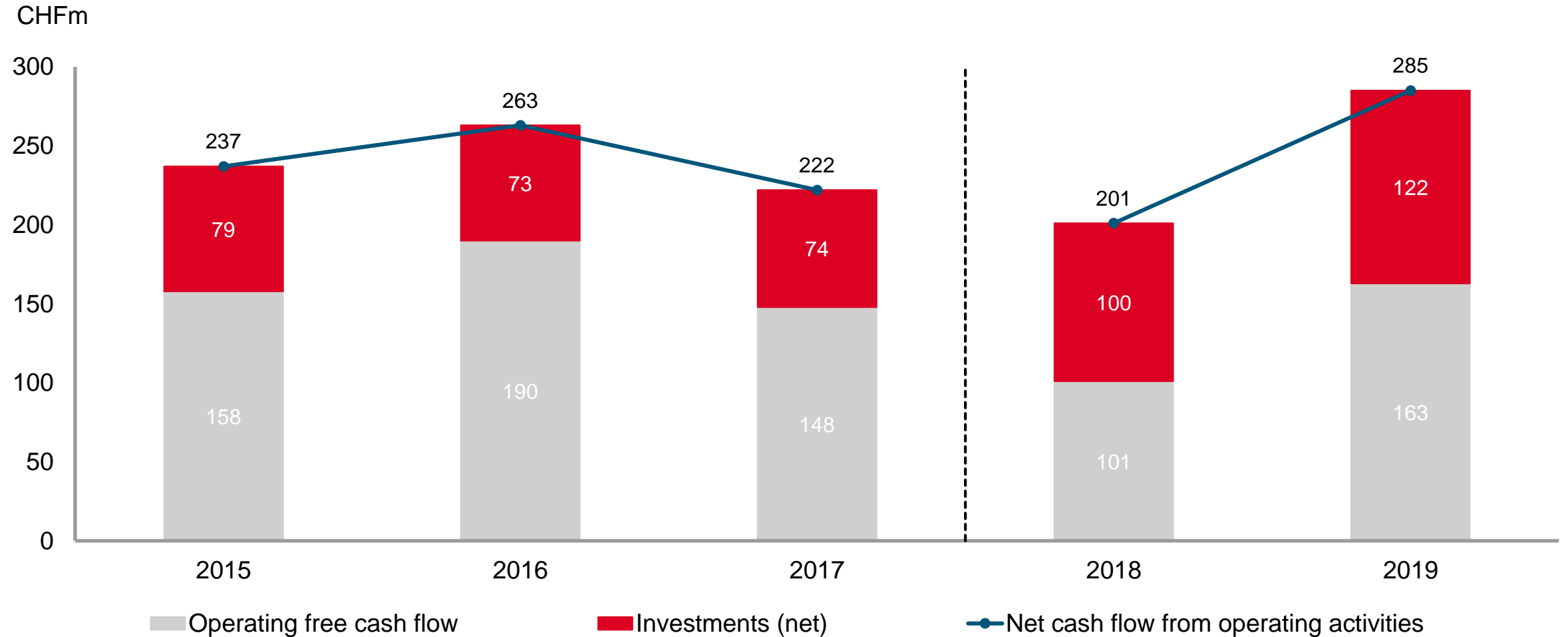
Increase in NOA in percentage of sales

Invested capital: Net operating assets (NOA)



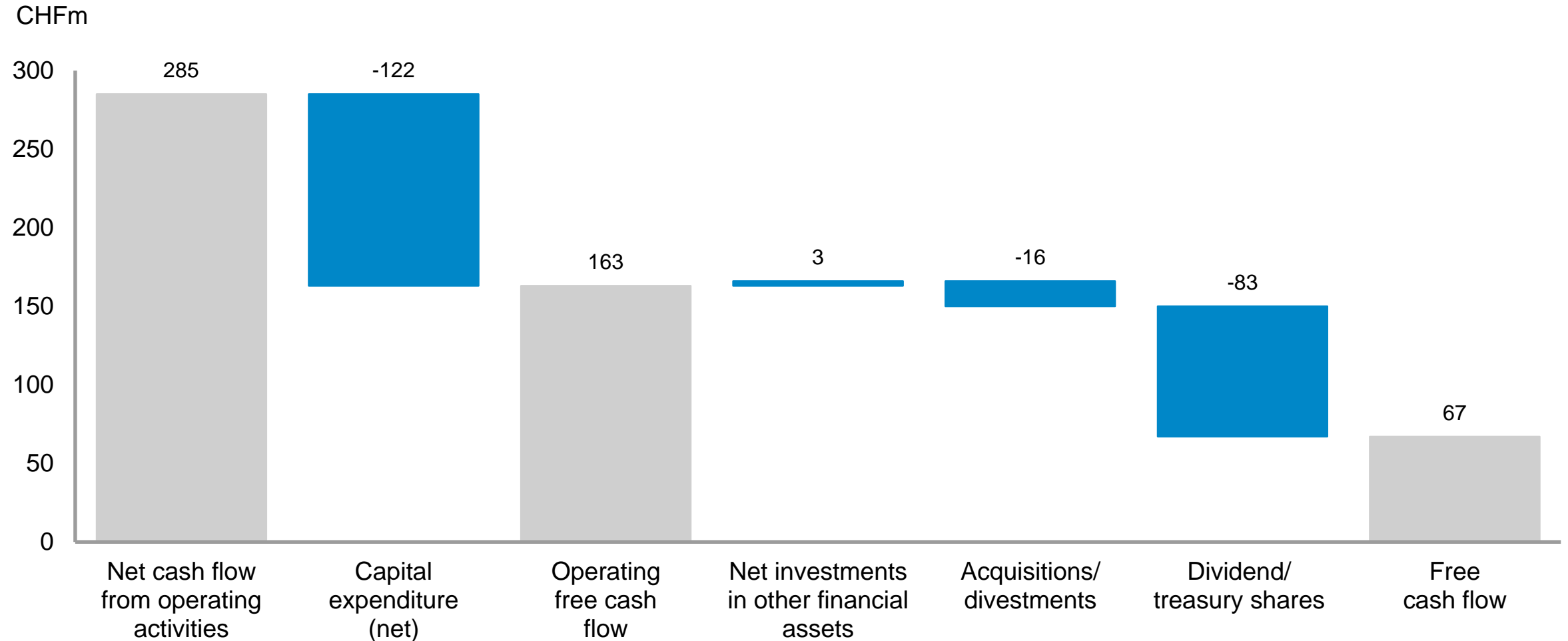
Cash flow and investments

Financing and risk management



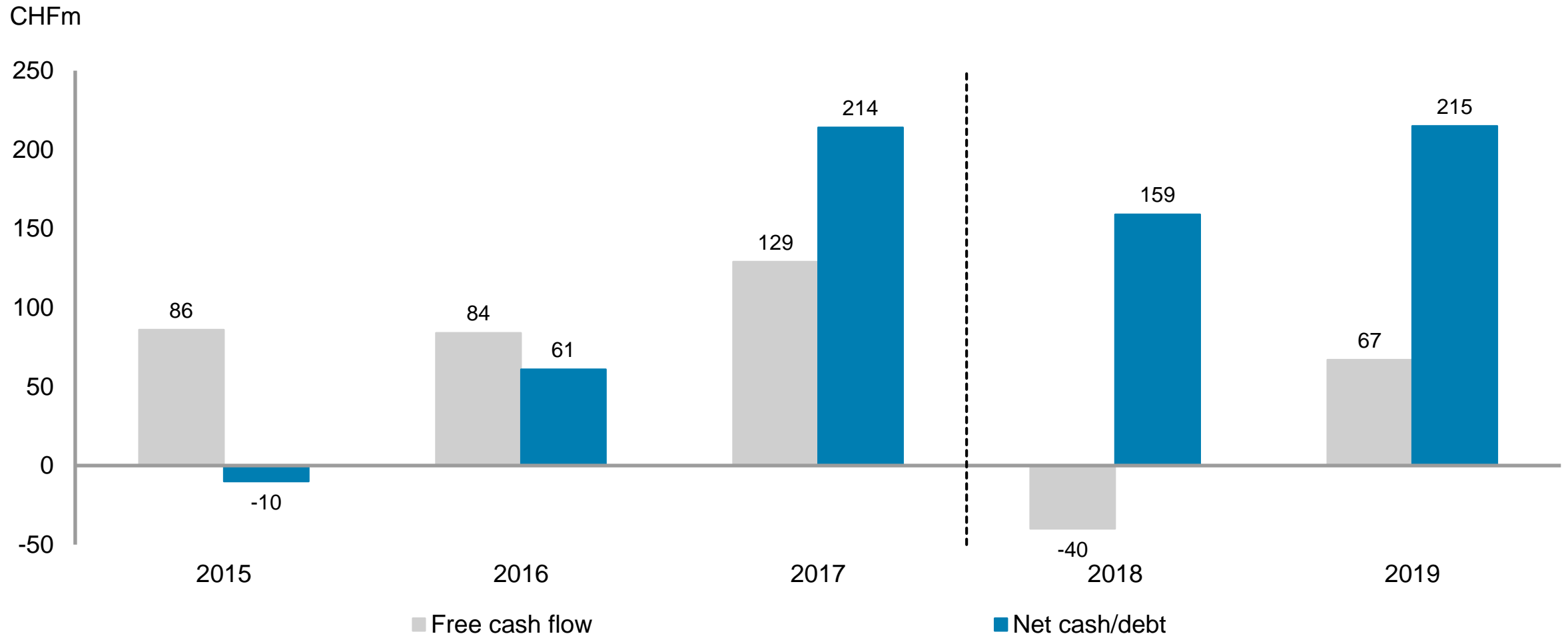
Positive free cash flow with brisk investment activity

Financing and risk management



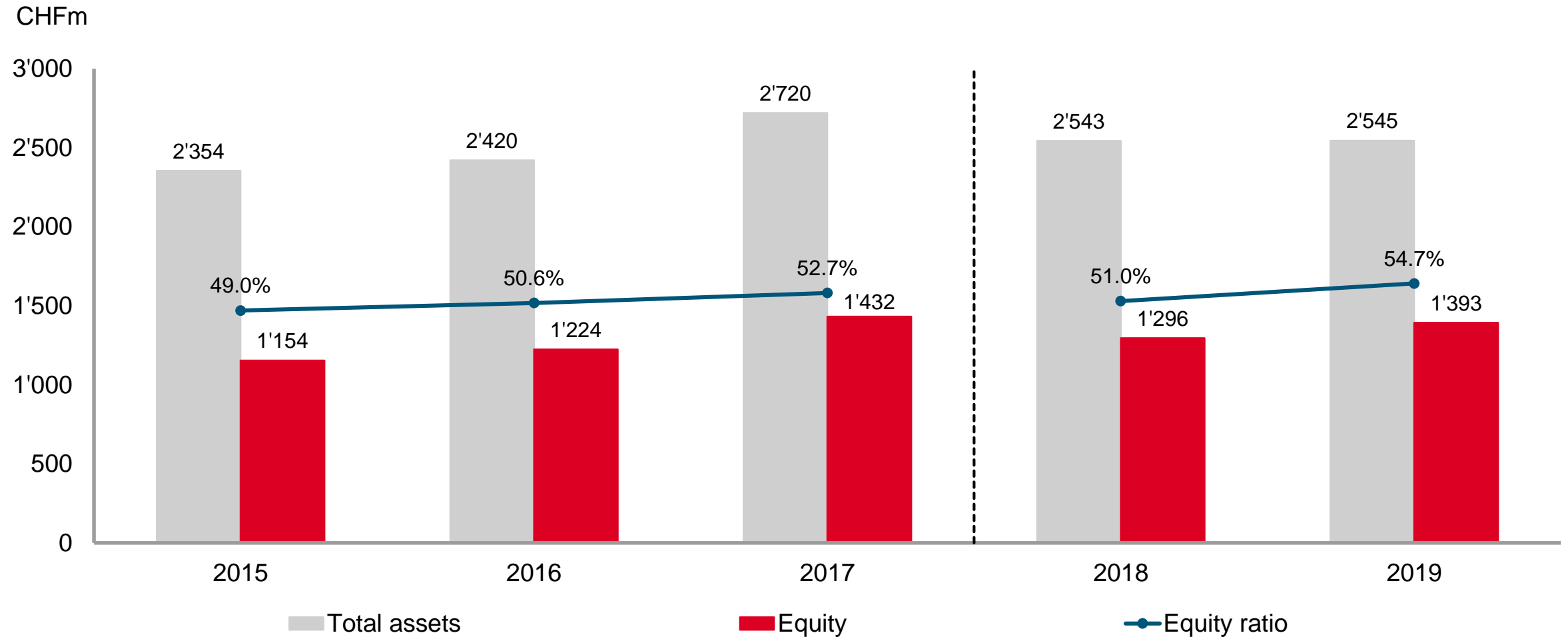
High net cash thanks to positive free cash flow

Financing and risk management



Solid balance sheet with an equity ratio of 55%

Financing and risk management



Operating profit by division

CHFm	EBIT	EBIT margin	EBIT	EBIT margin
	2019	2019	2018	2018
Kuhn Group	98	8.3%	104	8.7%
Bucher Municipal	46	8.4%	51	9.5%
Bucher Hydraulics	81	12.5%	84	13.4%
Bucher Emhart Glass	66	13.5%	47	10.4%
Bucher Specials	20	6.2%	26	8.3%
Other/consolidation	-26		-20	
Bucher Industries	285	9.2%	292	9.5%

Divisions

Kuhn Group

Specialised agricultural machinery

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

Difficult situation in the North American market

Kuhn Group: 2019 at a glance

Markets heterogeneous but increasingly challenging overall

- USA: Further deterioration in the situation for agricultural producers, farms undergoing consolidation at an increased pace
- Europe: Demand for machinery for the dairy and livestock sector satisfactory
- Brazil: Good performance

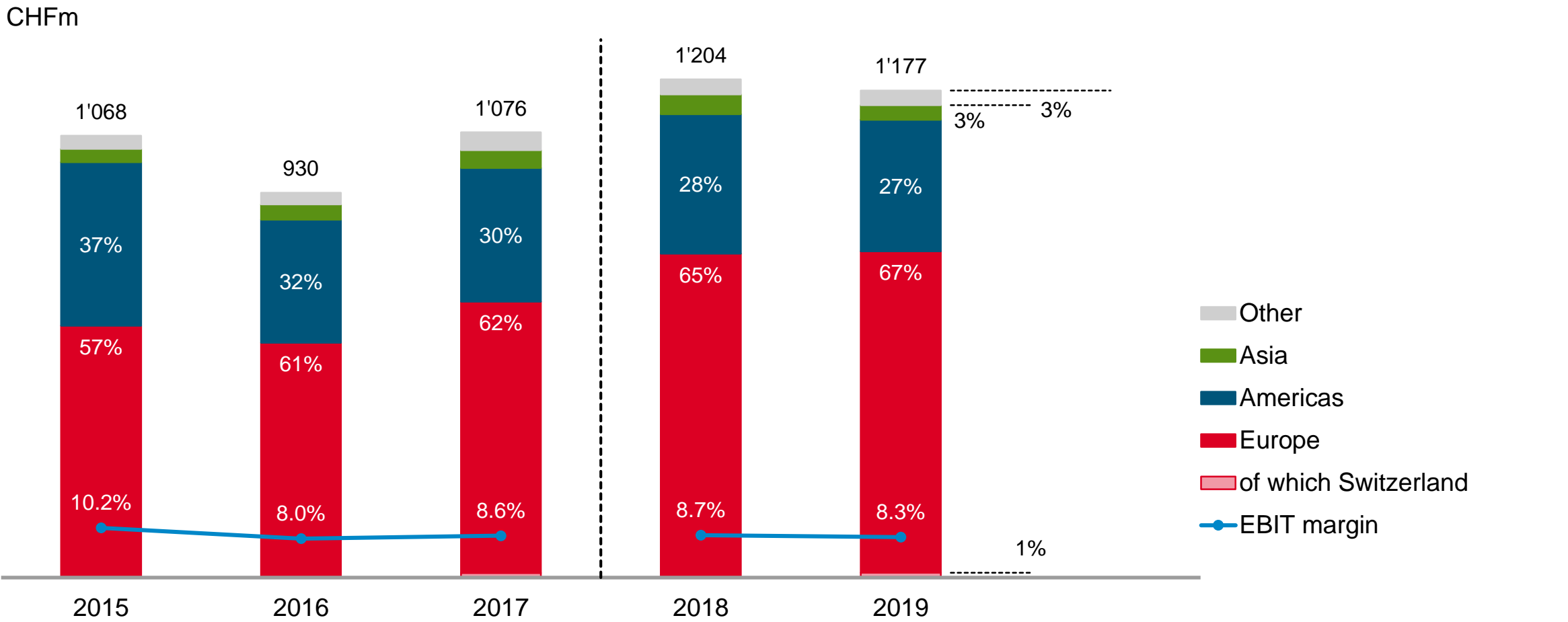
Order intake down by 6% and sales by 2%

Operating profit margin slightly below previous year at 8.3%

- Difficult situation in the North American market
- Efficiency gains in Europe and Brazil and higher prices in Europe

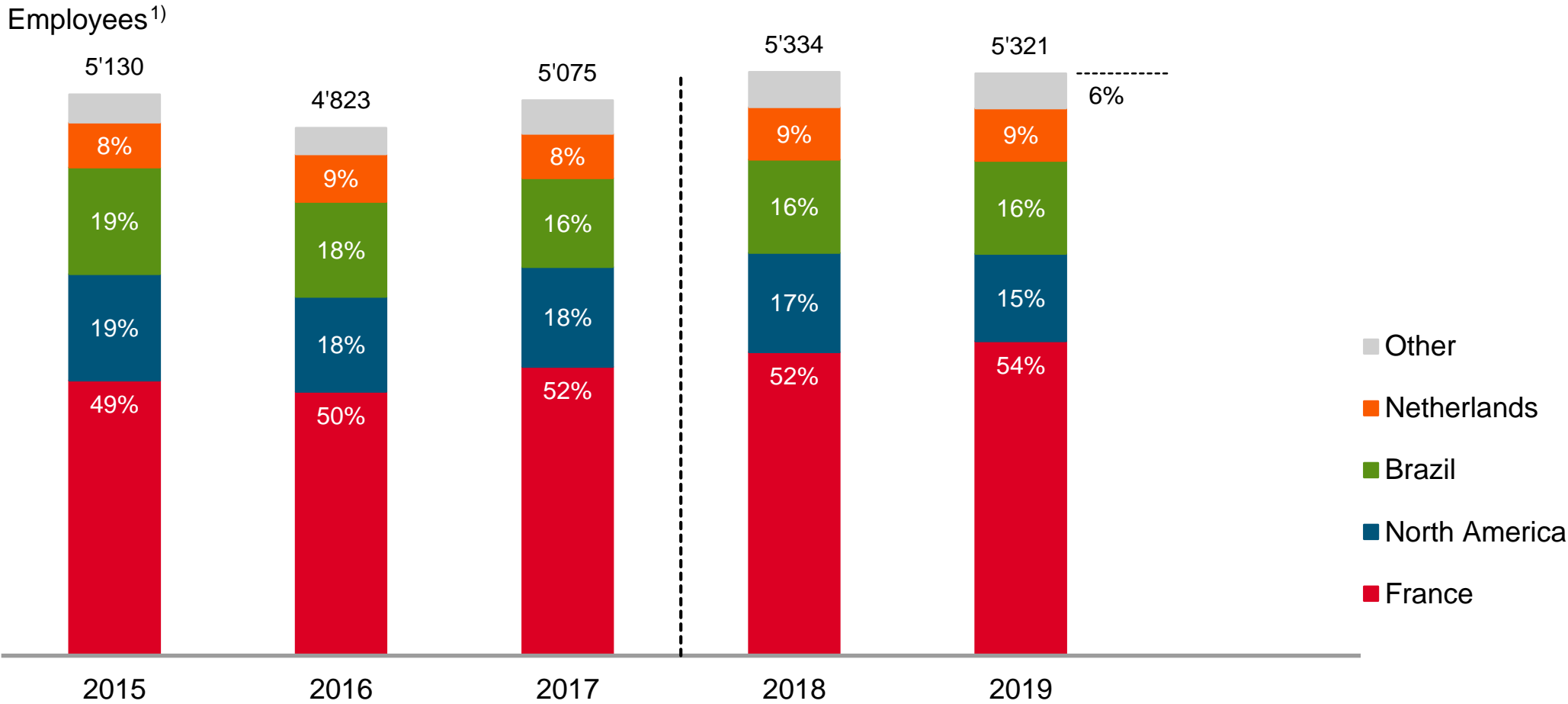
Net sales by region

Kuhn Group



Number of employees by region

Kuhn Group









¹⁾ Expressed in full-time equivalents; average

World market for agricultural machinery

Kuhn Group

Market served by Kuhn Group

				%	
World agricultural machinery market volume: Around EUR 107 billion (VDMA estimate)		Farm tractors	44%	28	
		Harvesting machinery		16	
		Hay and silage making machinery	56%	7	
		Tillage		8	
		Seeding, planting, fertilising and spraying machinery		11	
		Other agricultural machinery and attachments and parts		30	

Source: Freedonia – VDMA 2018/2019

Complete product range under one brand

Kuhn Group

	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														
SDF														
Maschio														

Market position

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

Compact sweepers



Truck mounted sweepers



Winter equipment



Sewer cleaning



Refuse collection



Good capacity utilisation despite weaker demand

Bucher Municipal: 2019 at a glance

Order intake down by 6% compared to very strong previous year

Decline in all product groups except winter maintenance equipment

Sales maintained exceptionally high level of previous year

- Strong order book at start of the reporting period
- Good capacity utilisation and ability to deliver

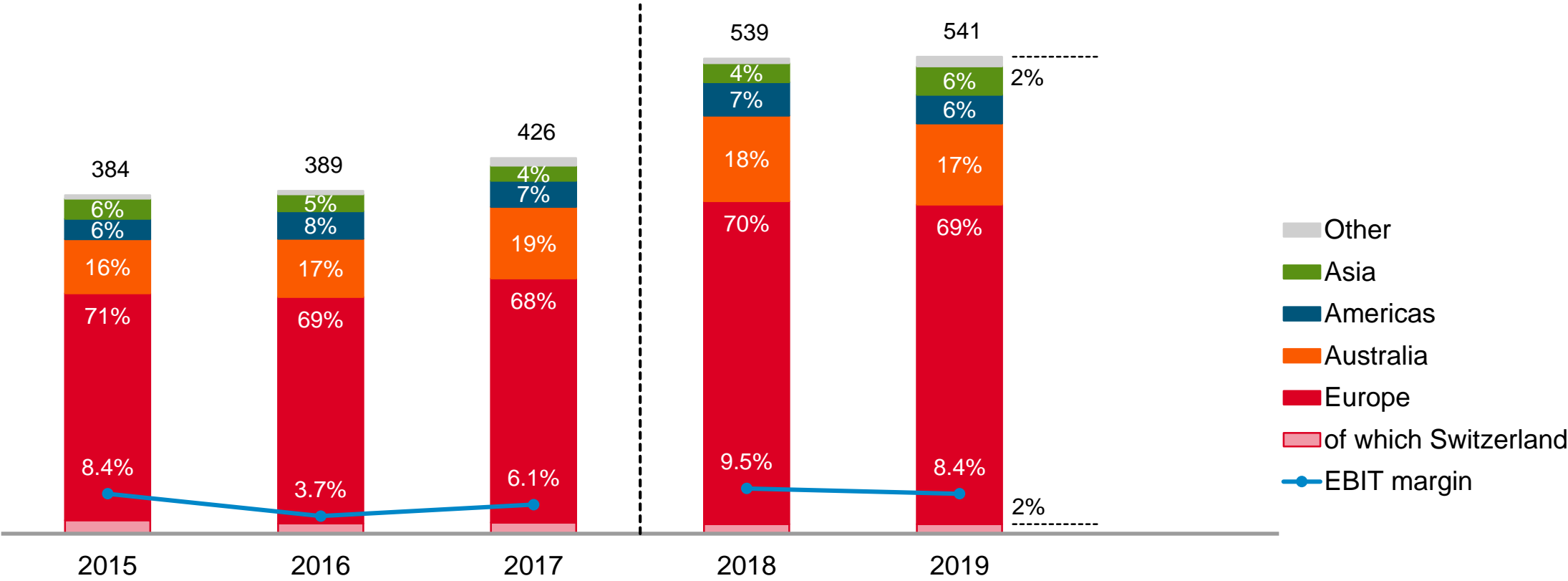
Operating profit margin fell short of previous year at 8.4%

- Consolidation of Zynkon
- Integration costs
- Higher expenditure for research and development

Net sales by region

Bucher Municipal

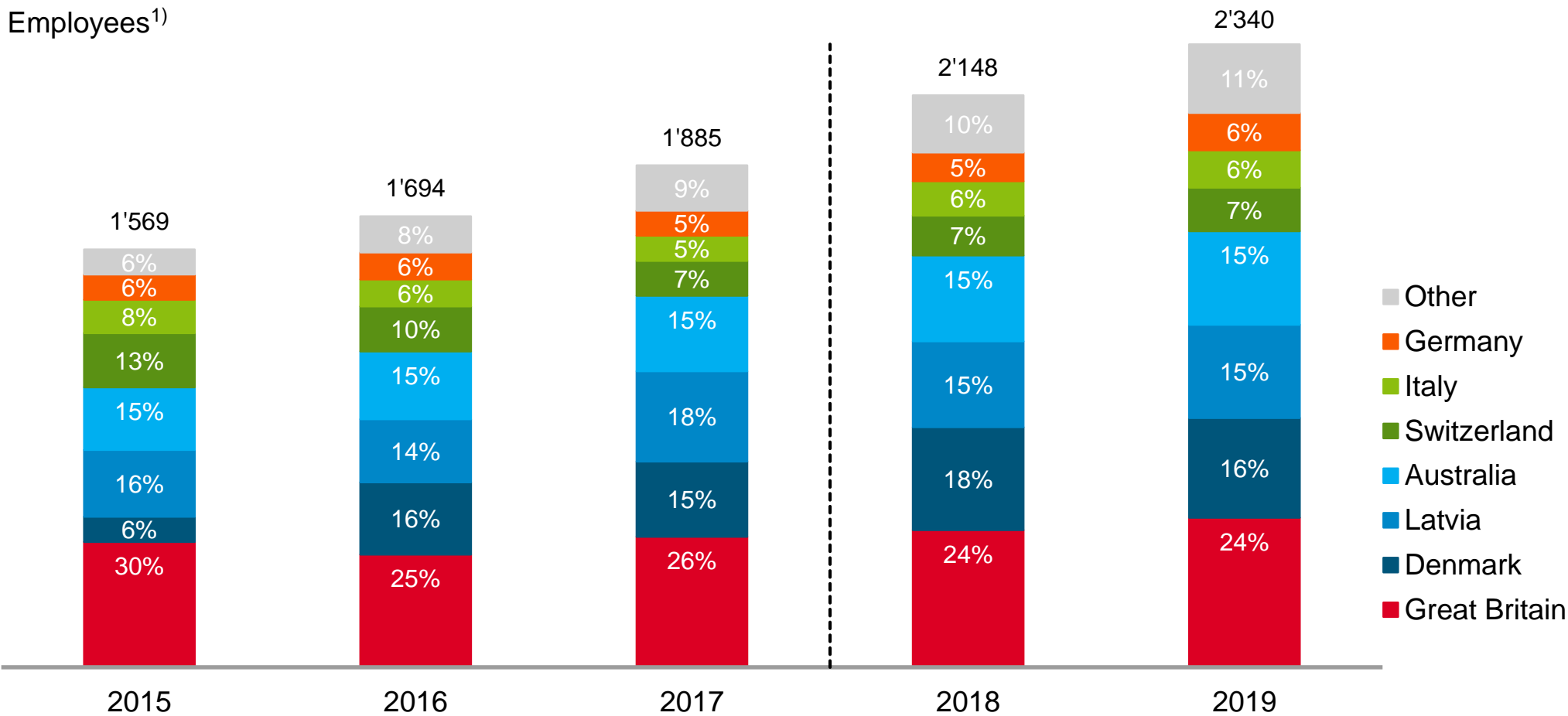
CHFm



Number of employees by region

Bucher Municipal

Employees¹⁾



¹⁾ Expressed in full-time equivalents; average

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												

Market position

Bucher Municipal



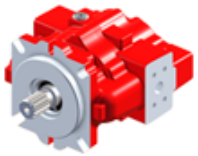
Leading supplier of municipal vehicles for use in cleaning and clearance work in public and private traffic areas

- 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



Pumps



Valves



Subsystems



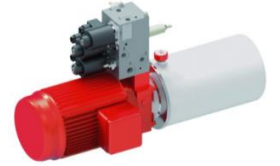
Tailor-made
customer solutions



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

Slight increase in sales despite strongly declining demand

Bucher Hydraulics: 2019 at a glance

Order intake down by 20%

- Decline in most markets and segments
- Very dynamic previous year influenced by early orders placed to avoid bottlenecks
- Corresponds overall to the trend in the hydraulics market

Sales up by 4%

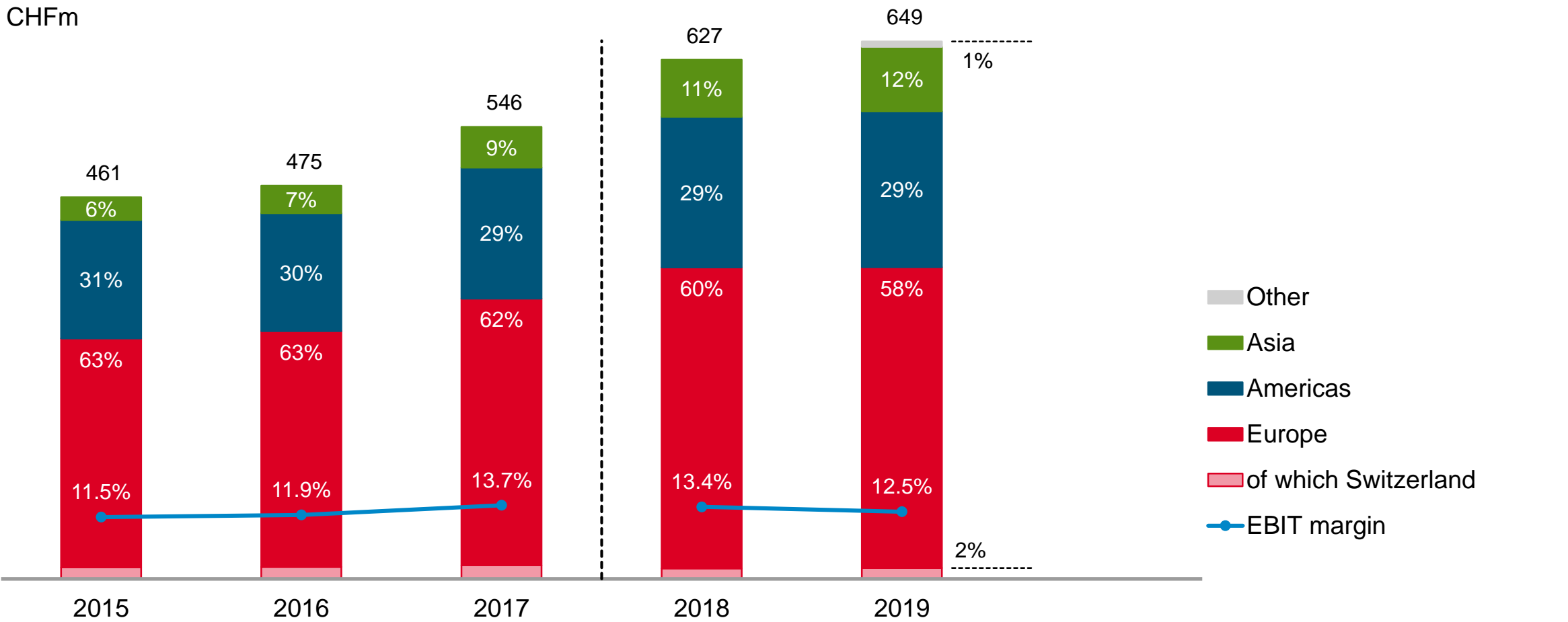
- Strong order book at start of the reporting period
- Full-year consolidation of Bucher Hydraulics Wuxi

Operating profit margin of 12.5% down from the previous year

- Expenditure related to product development and capacity expansion
- Integration of Bucher Hydraulics Wuxi
- Higher material prices

Net sales by region

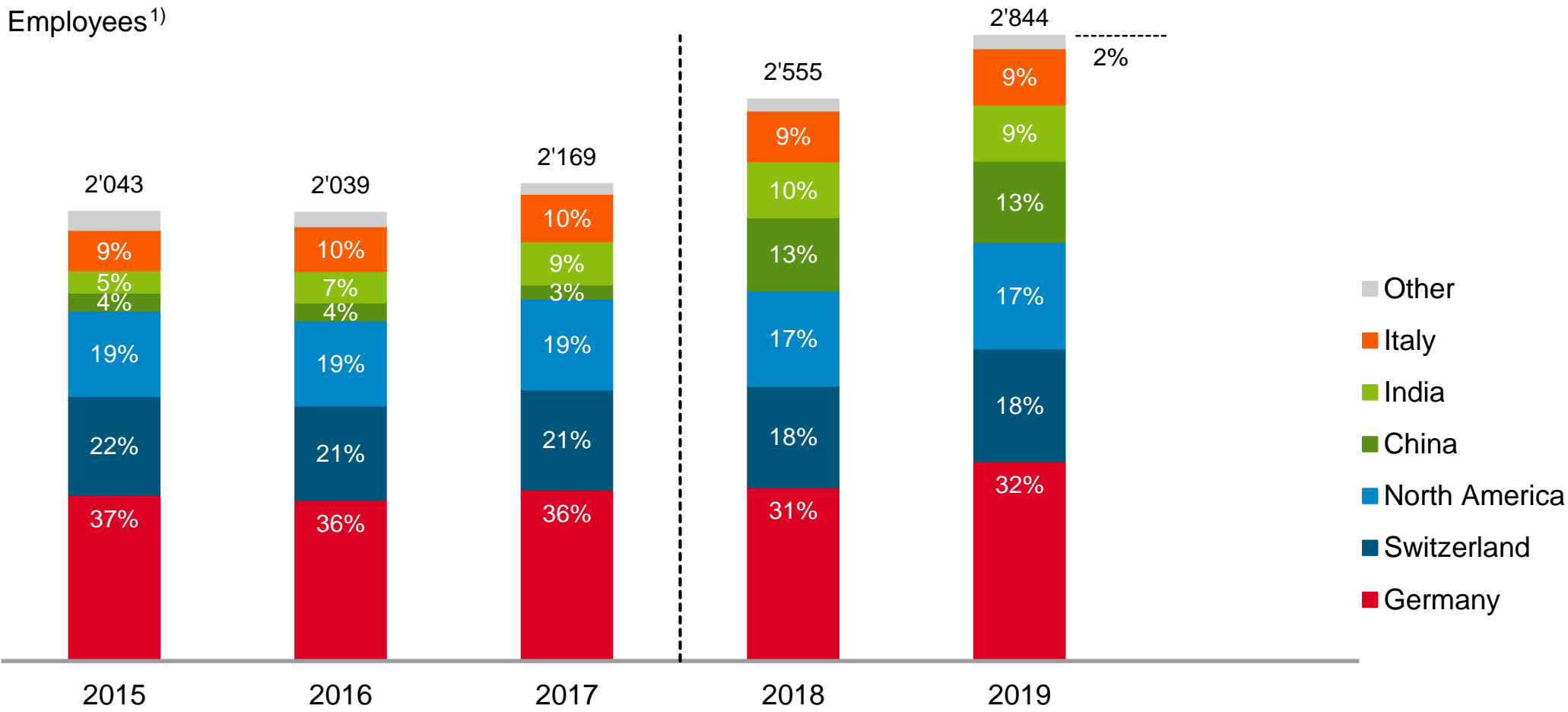
Bucher Hydraulics



Number of employees by region

Bucher Hydraulics

Employees¹⁾

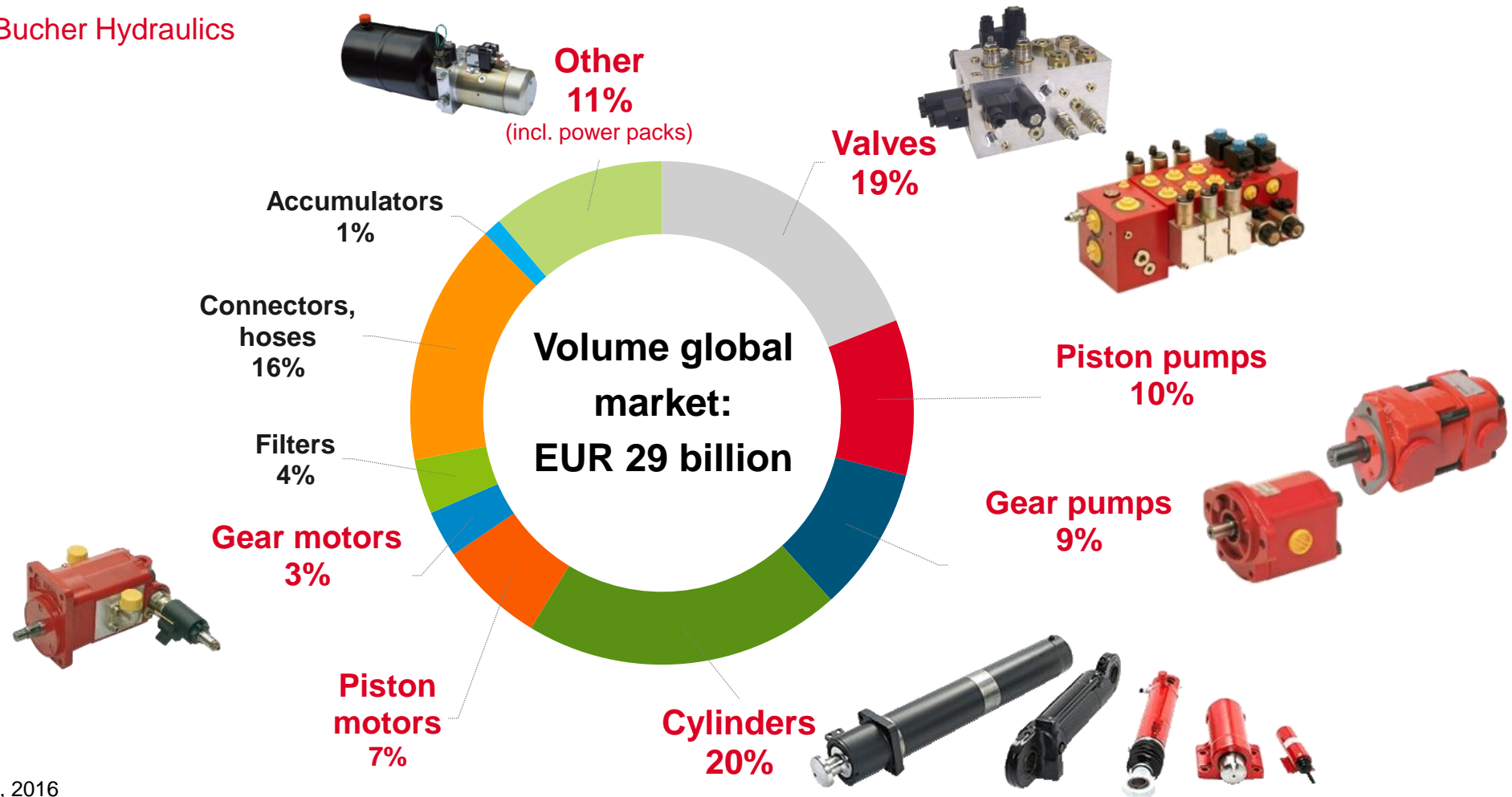


¹⁾ Expressed in full-time equivalents; average

World hydraulics component market

Bucher Hydraulics

Market served by Bucher Hydraulics



Source: CETOP Statistics, 2016

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)																		

Market position

Bucher Hydraulics



Leading international manufacturer of modern hydraulic systems

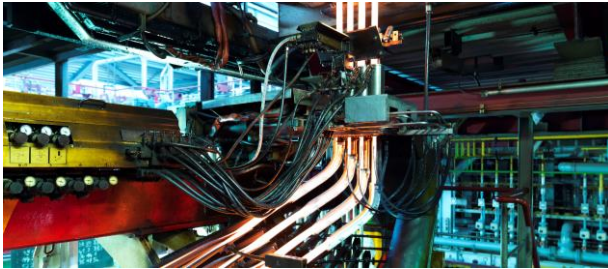
- European market leader in mobile and elevator hydraulics
- World leader in manufacturing hydraulic power packs
- Strong presence in the USA
- Expansion in India and China
- Concentration on customer-specific drive solutions



Bucher Emhart Glass

Glass container manufacturing equipment

Hot end



Gob forming

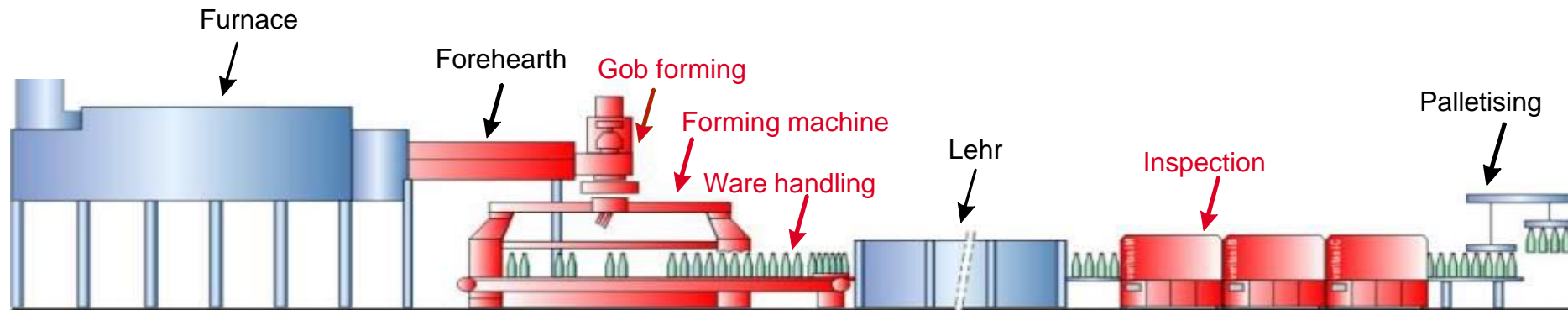


Glass-forming machine

Cold end



Inspection



Glass container manufacturing process

Record business volumes and operating profit

Bucher Emhart Glass: 2019 at a glance

Continuing trend toward use of glass instead of plastic containers

Momentum eased at a very high level towards the end of 2019

Order intake up by 5% and sales by 9%

Order book still well above the already high level of the previous year

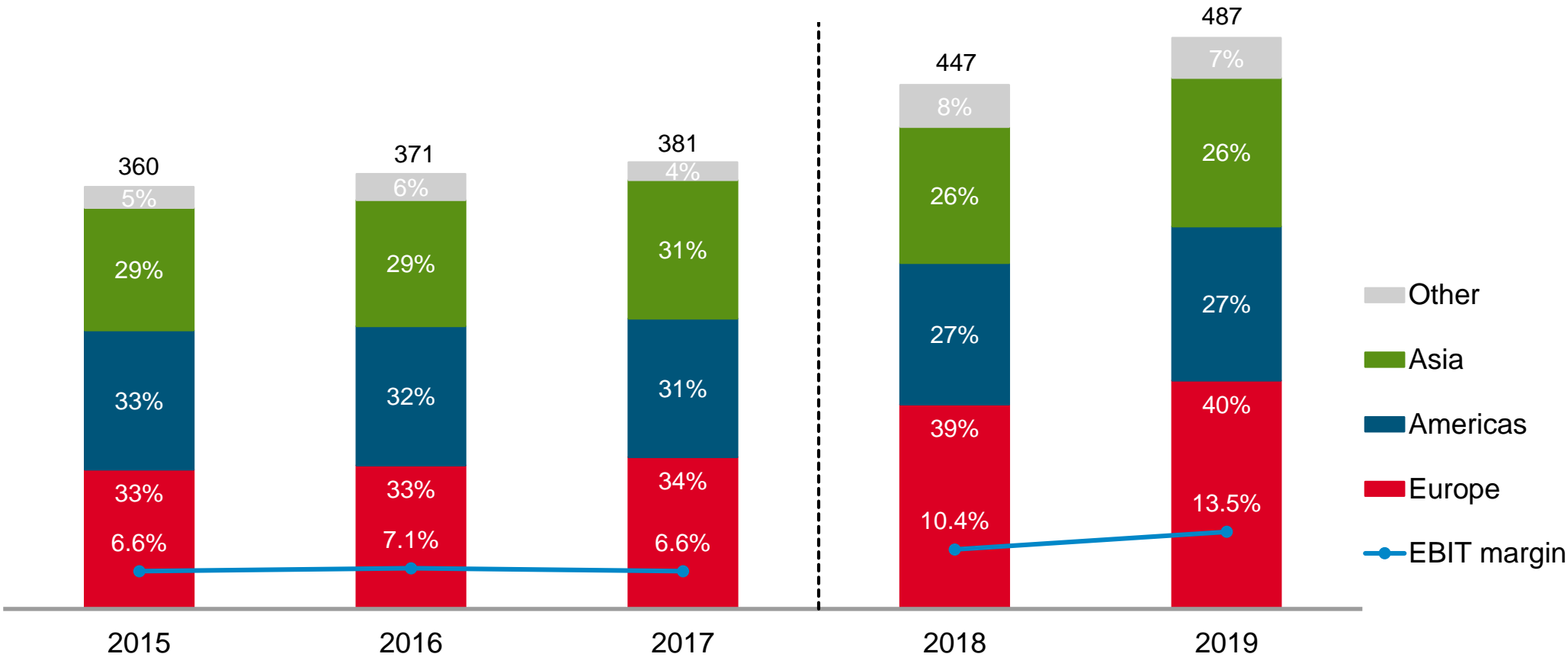
Operating profit margin at record high of 13.5%

- Production capacity fully utilised
- Technologically sophisticated project business
- Efficiency gains in China
- Positive one-time effects

Net sales by region

Bucher Emhart Glass

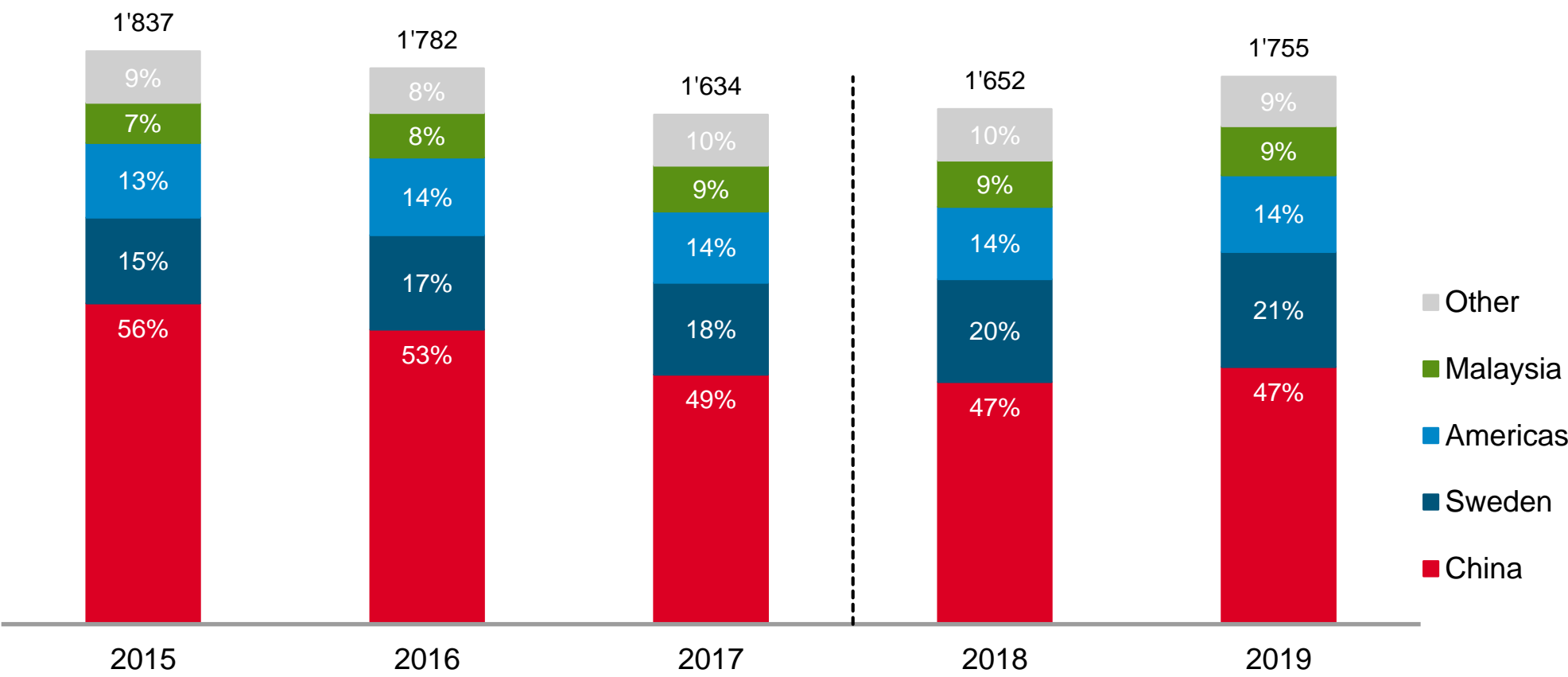
CHFm



Number of employees by region

Bucher Emhart Glass

Employees¹⁾

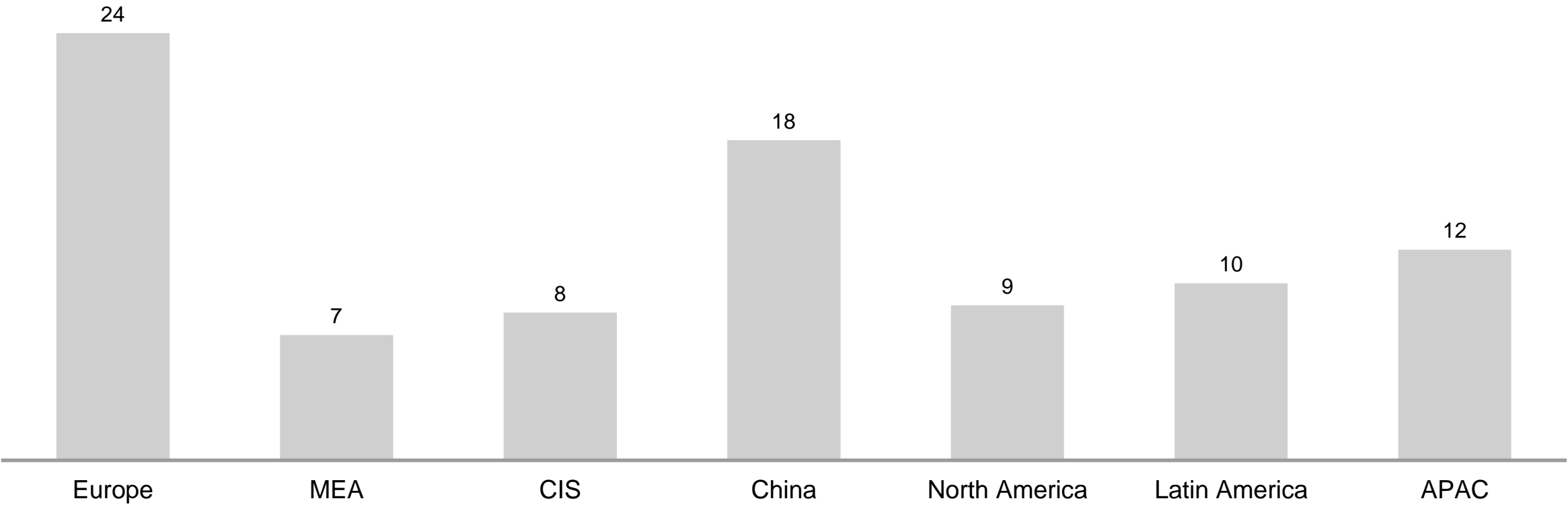


¹⁾ Expressed in full-time equivalents; average

Capacity for production of glass containers

Bucher Emhart Glass

Global capacity 2019: 88 million tons



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)												

Market position

Bucher Emhart Glass



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

- World market leader for glass-forming machinery and services
- Solid market position in inspection machines



Bucher Specials

Individual businesses

Bucher Vaslin



Winemaking equipment



Bucher Unipektin



Equipment for fruit juice processing, beer filtration and drying



Bucher Landtechnik



Agricultural distributorship in Switzerland



Jetter



Automation solutions



Acquisition-driven sales growth

Bucher Specials: 2019 at a glance

Order intake up by 8% and sales by 2%

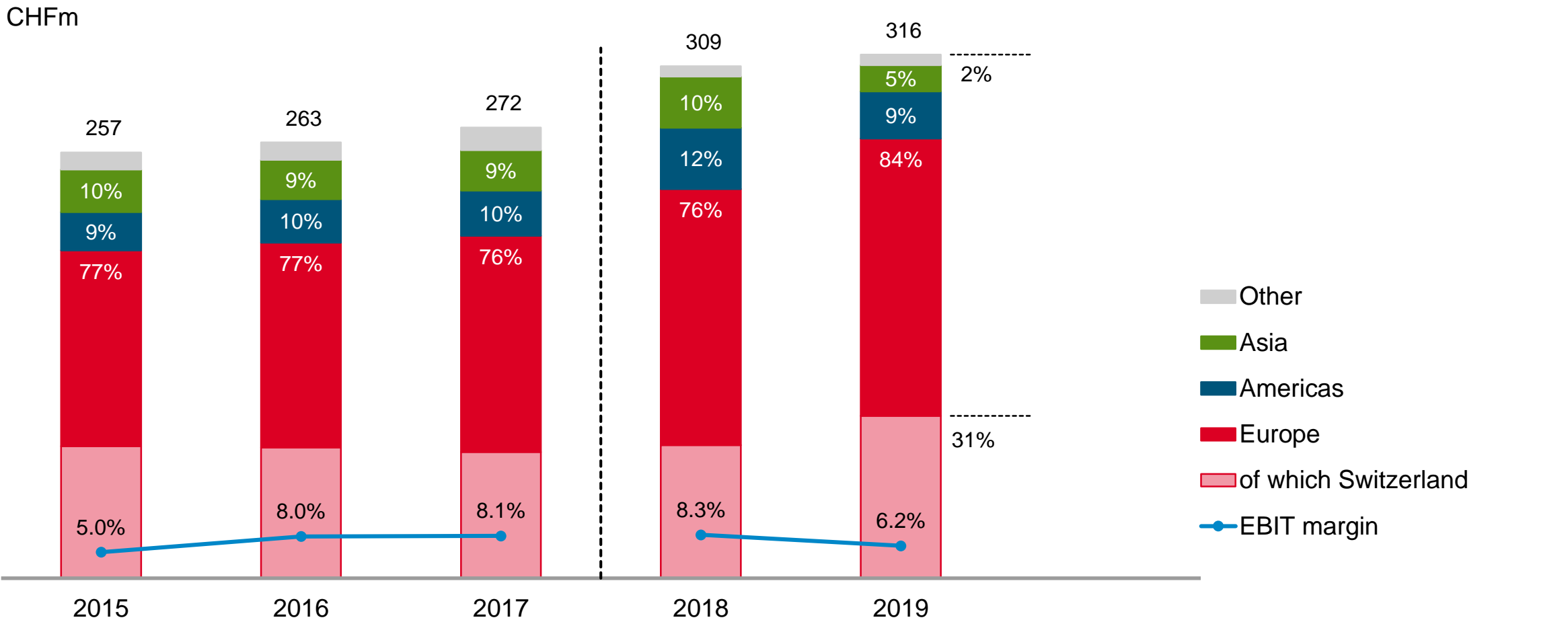
- Bucher Vaslin: Momentum slowed over the course of the year, good sales trend overall
- Bucher Unipektin: Challenging business environment, renewed rise in demand during second half-year
- Bucher Landtechnik: Growth in a stagnating market, supported by newly acquired products
- Jetter: Sales growth, high demand from glass container industry

Operating profit margin of 6.2% significantly below the previous year's level

- Challenging environment for Bucher Unipektin
- Acquisition-related integration costs
- Higher expenditure for development of new products and solutions

Net sales by region

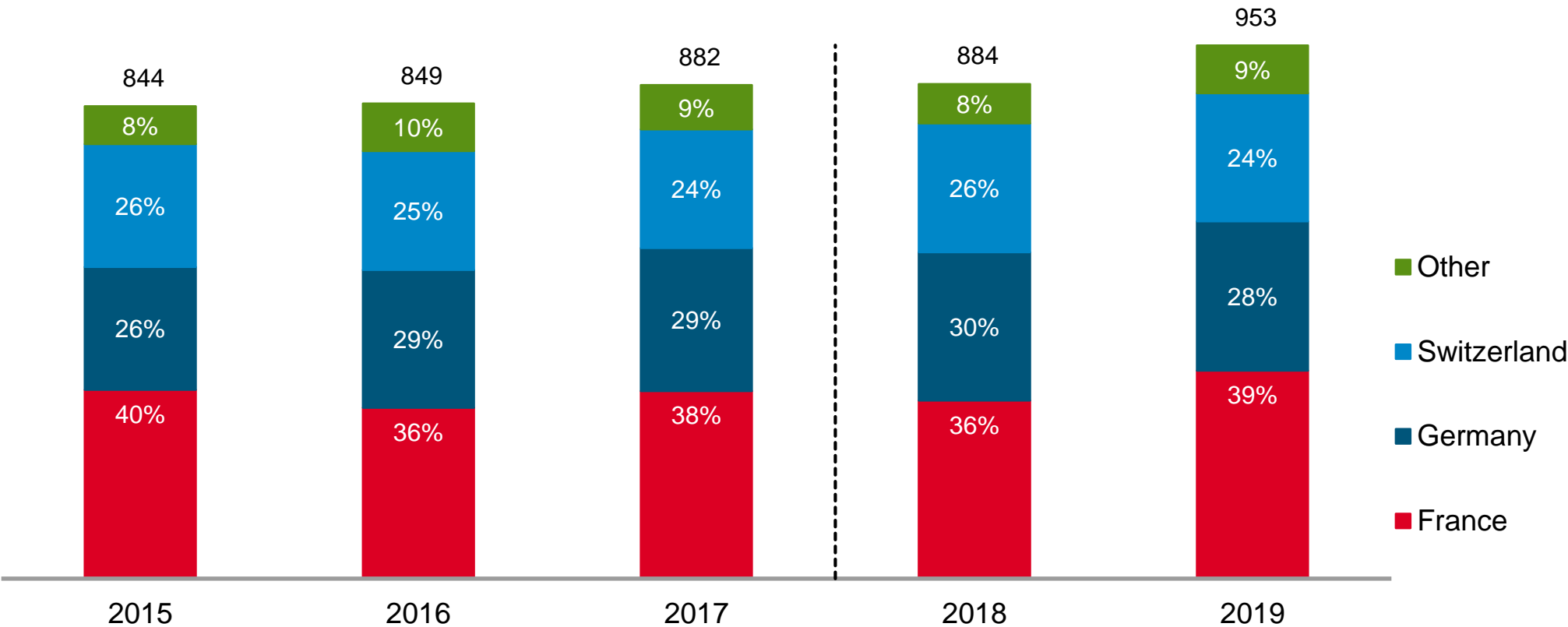
Bucher Specials



Number of employees by region

Bucher Specials

Employees¹⁾



¹⁾ Expressed in full-time equivalents; average

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				Hedge cutters	Feed mixers	Tillage equipment		Seeders		Spreaders	Sprayers	Tractors	Harvesters self-propelled	Wheel-loaders
	Mowers	Tedders	Rakes	Balers			driven	non-driven	drilling	precision					
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
 MF: Massey Ferguson

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)					

Market position

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 juice processing equipment



Outlook

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

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 customers: distribution centres in Brazil and Russia

For 2020: Somewhat lower sales year on year and slightly higher operating profit margin thanks to a marginally improved US market

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 Eurovoirie
- Launch of “CityCat V20e”
- Greater efficiency due to modularisation

For 2020: Sales in line with 2019 and operating profit margin slightly higher due to cost optimisation measures and streamlining of the product range

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 electrified machines
- Ongoing expansion of the product line in the lower price segment
- Increasing focus on electrohydraulics

For 2020: Decline in sales in the high single-digit percentage figures and operating profit margin lower year on year

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” production lines
- Expansion of services, e.g. “Training on glass”

For 2020: Sales in line with the previous year and operating profit margin lower than the record result of 2019 after adjusting for one-time 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 Luzzysa
- Bucher Landtechnik: Performance expected to remain solid despite agricultural policy uncertainties
- Jetter: Further slight growth, supported by the full-year consolidation of Elan Systems

For 2020: Moderate sales growth and recovery of operating profit margin from low level seen in 2019

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 figures and lower operating profit margin
- **Bucher Emhart Glass:** Sales in line with 2019 and operating profit margin lower year on year after adjusting for one-time effects
- **Bucher Specials:** Moderate sales growth and recovery of operating profit margin from previous year's low level

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

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