

# First quarter 2020 Investor relations handout

**BUCHER**

April 2020



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Bucher at a glance

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# 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



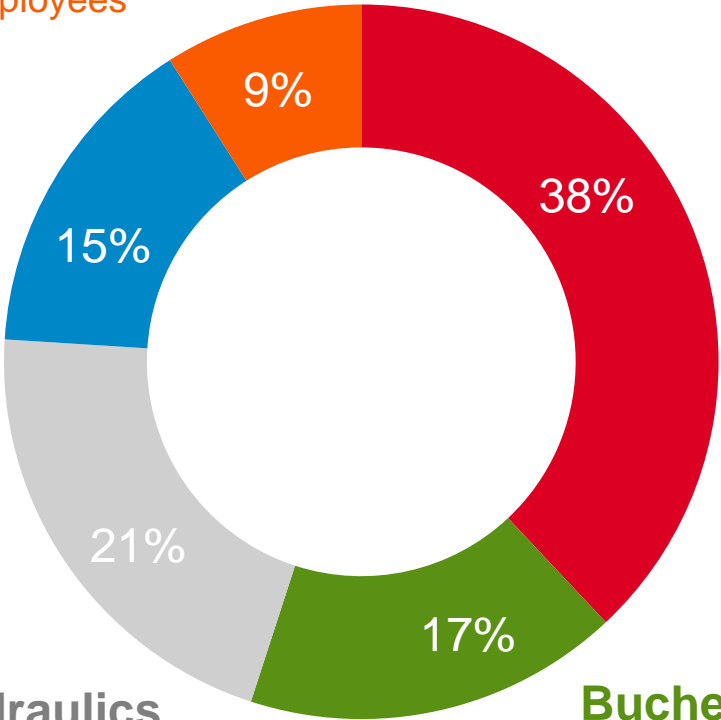
**Kuhn Group**  
CHF 1'180 million sales  
5'200 employees



**Bucher Emhart Glass**  
CHF 490 million sales  
1'800 employees



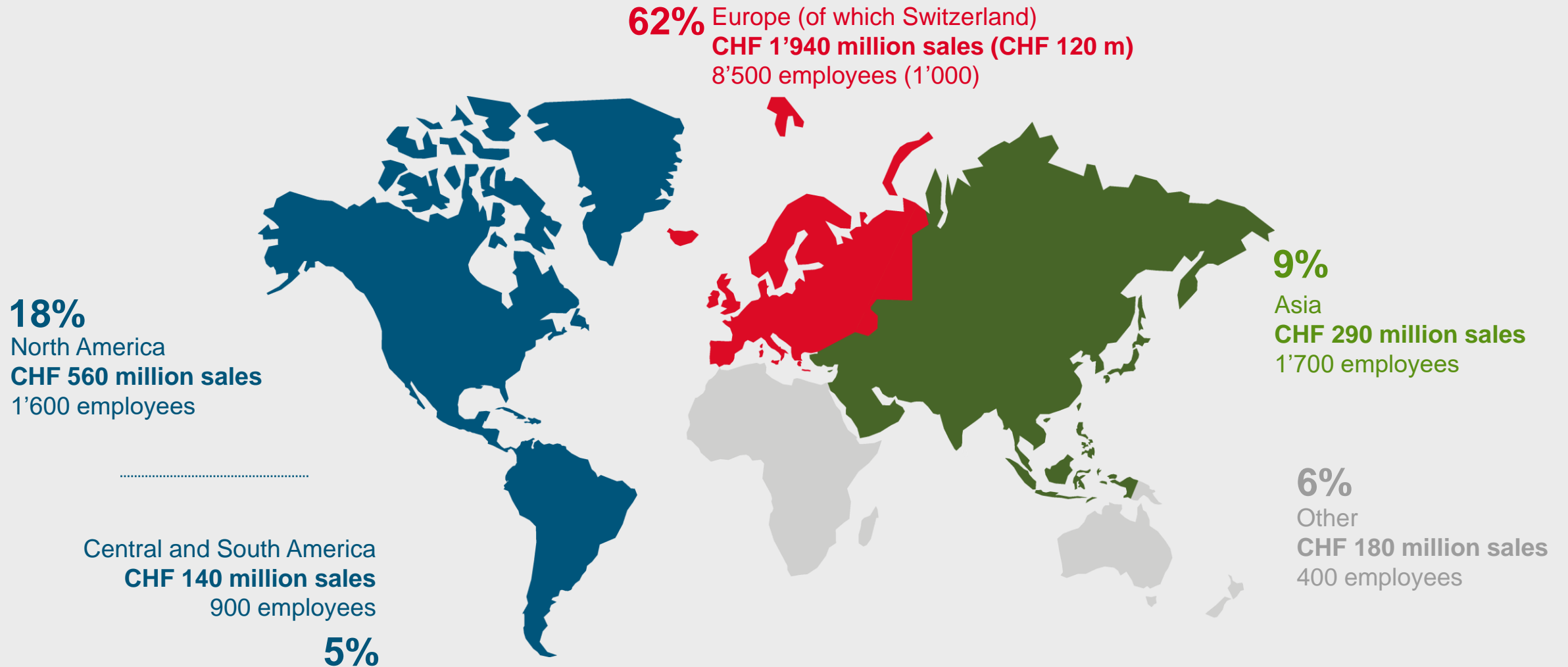
**Bucher Hydraulics**  
CHF 650 million sales  
2'800 employees



**Bucher Municipal**  
CHF 540 million sales  
2'400 employees



# International Group



# Number 1 in selected markets



# 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

Group: financial review

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# Key figures

Group

CHFm					Change in
First quarter	2020	2019	%	% <sup>1)</sup>	% <sup>2)</sup>
Order intake	668	745	-10.3	-5.7	-6.3
Net sales	702	824	-14.9	-10.8	-11.2
Order book	955	1'042	-8.3	-3.6	-4.2
Number of employees at closing date	12'276 <sup>3)</sup>	13'522	-9.2		-10.7
Full year	2019	2018	%	% <sup>1)</sup>	% <sup>2)</sup>
Order book	1'019	1'137	-10.4	-7.8	-7.9
Net sales	3'106	3'065	1.4	4.0	1.8
Operating profit (EBIT) as % of net sales	285 9.2%	292 9.5%	-2.6		

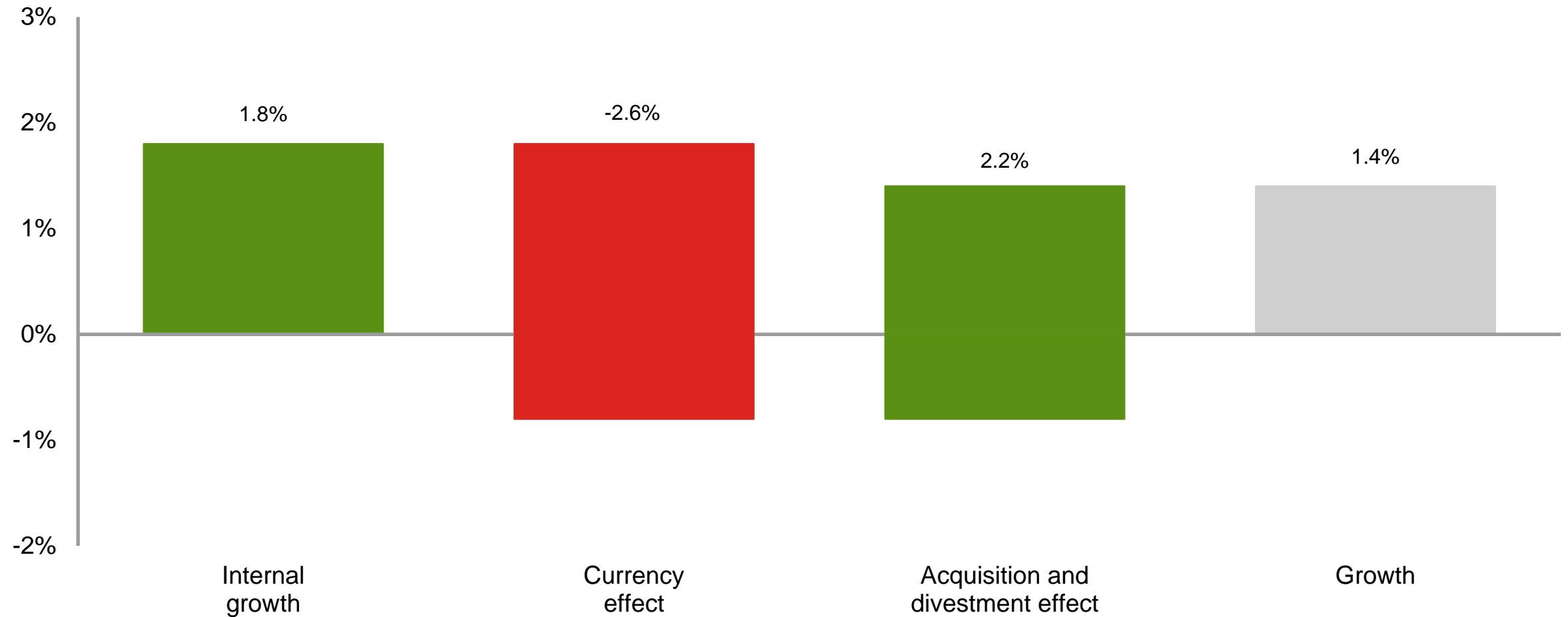
<sup>1)</sup> Adjusted for currency effects

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

<sup>3)</sup> 13'163 employees (FTEs), of whom 887 on short-time work

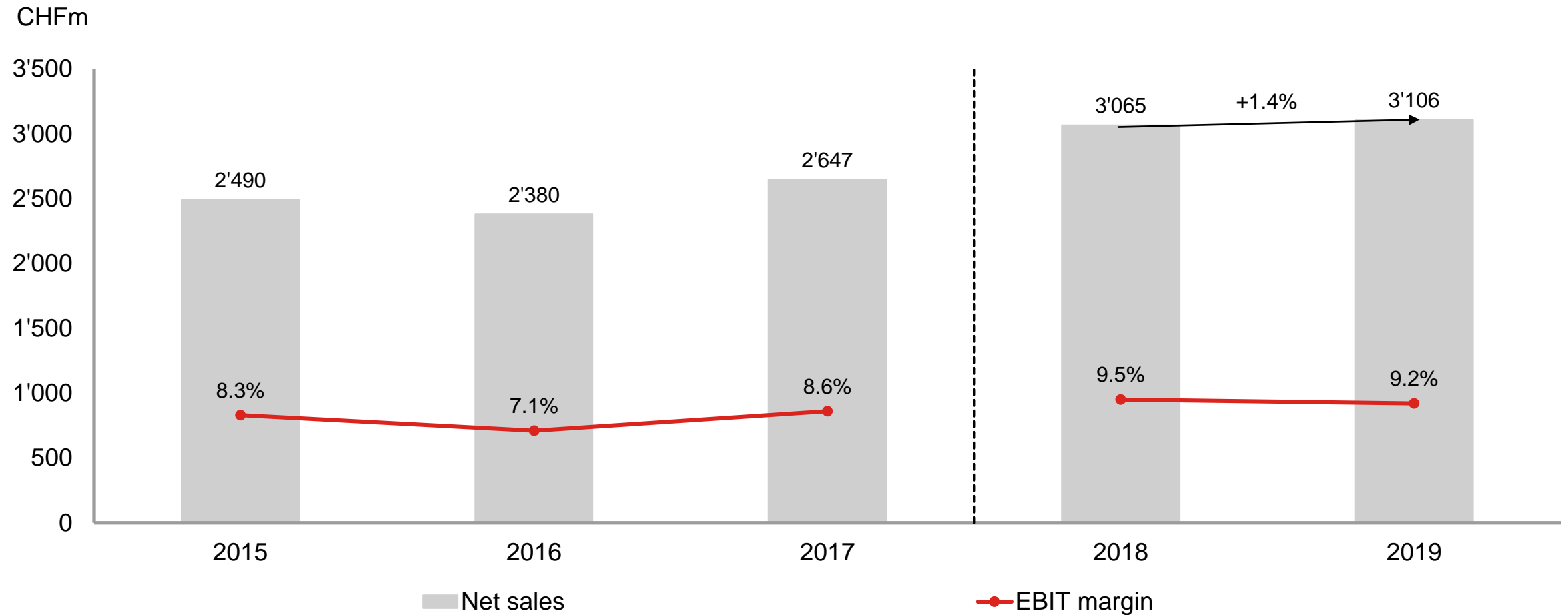
# Internal growth of 1.8%

Performance: Net sales



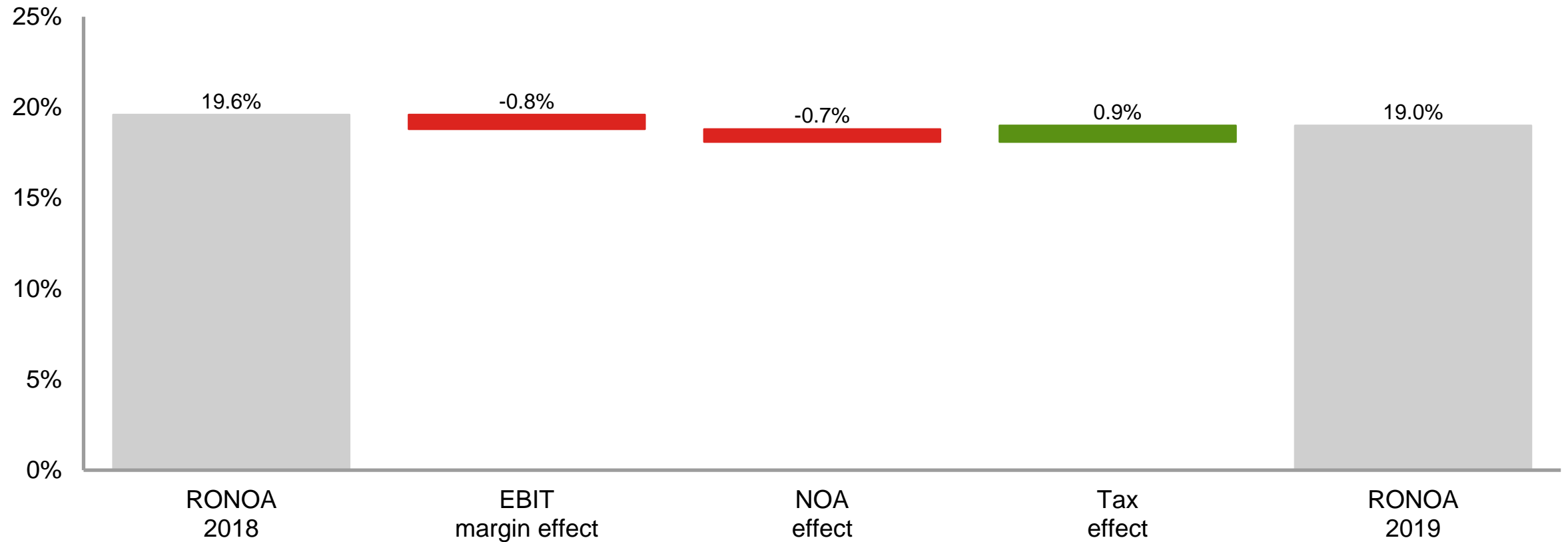
# Record sales despite weaker demand

Performance: Net sales and EBIT margin



# RONOA again clearly exceeding cost of capital

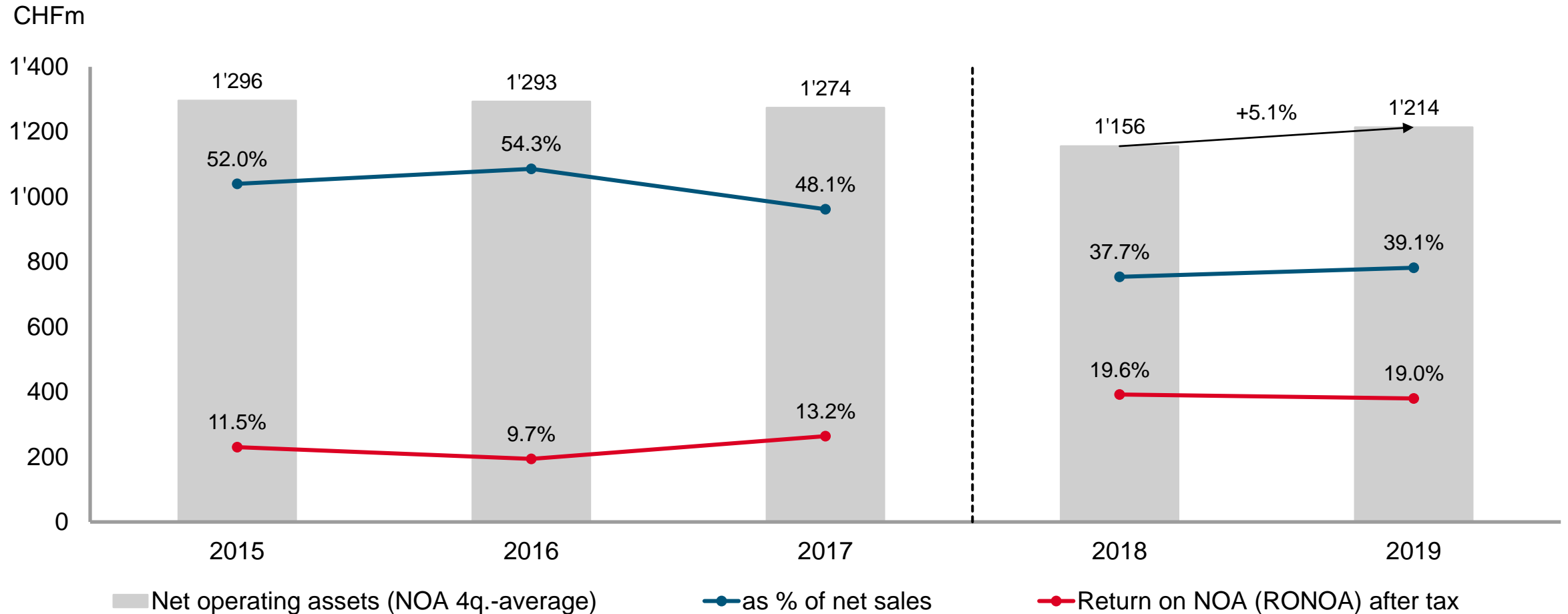
Invested capital: Return on net operating assets (RONOA)





# Increase in NOA in percentage of sales

Invested capital: Net operating assets (NOA)



# M&A transactions 2018

## Bucher Emhart Glass

Sanjin,  
China



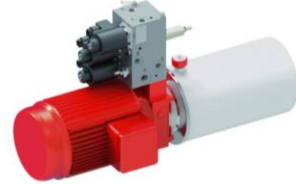
Purchase of  
remaining shares  
(37%)

Net sales<sup>1)</sup>  
CHF 55 million

Employees  
800

## Bucher Hydraulics

Wuxi Deli,  
China



Joint Venture  
(70%)

Nettoumsatz<sup>1)</sup>  
CHF 40 Mio.

Mitarbeitende  
300

## Kuhn Group

Artec,  
France



Purchase of  
remaining shares  
(62%)

Net sales<sup>1)</sup>  
CHF 20 million

Employees  
60

## Bucher Specials

Import business  
of Grunderco,  
Switzerland



Asset Deal

Net sales<sup>1)</sup>  
CHF 20 million

Employees  
30

<sup>1)</sup> 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 sales<sup>1)</sup>  
CHF 14 million

Employees  
110

Net sales<sup>1)</sup>  
CHF 9 million

Employees  
50

Net sales<sup>1)</sup>  
CHF 3 million

Employees  
20

Net sales<sup>1)</sup>  
CHF 8 million

Employees  
35

Net sales<sup>1)</sup>  
CHF 34 million<sup>2)</sup>

Employees  
75

Net sales<sup>1)</sup>  
CHF 4 million

Employees  
20

<sup>1)</sup> before acquisition/divestment

<sup>2)</sup> of which more than half with Bucher Municipal equipment

Colour coding:

Acquisition

Divestment

# 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**

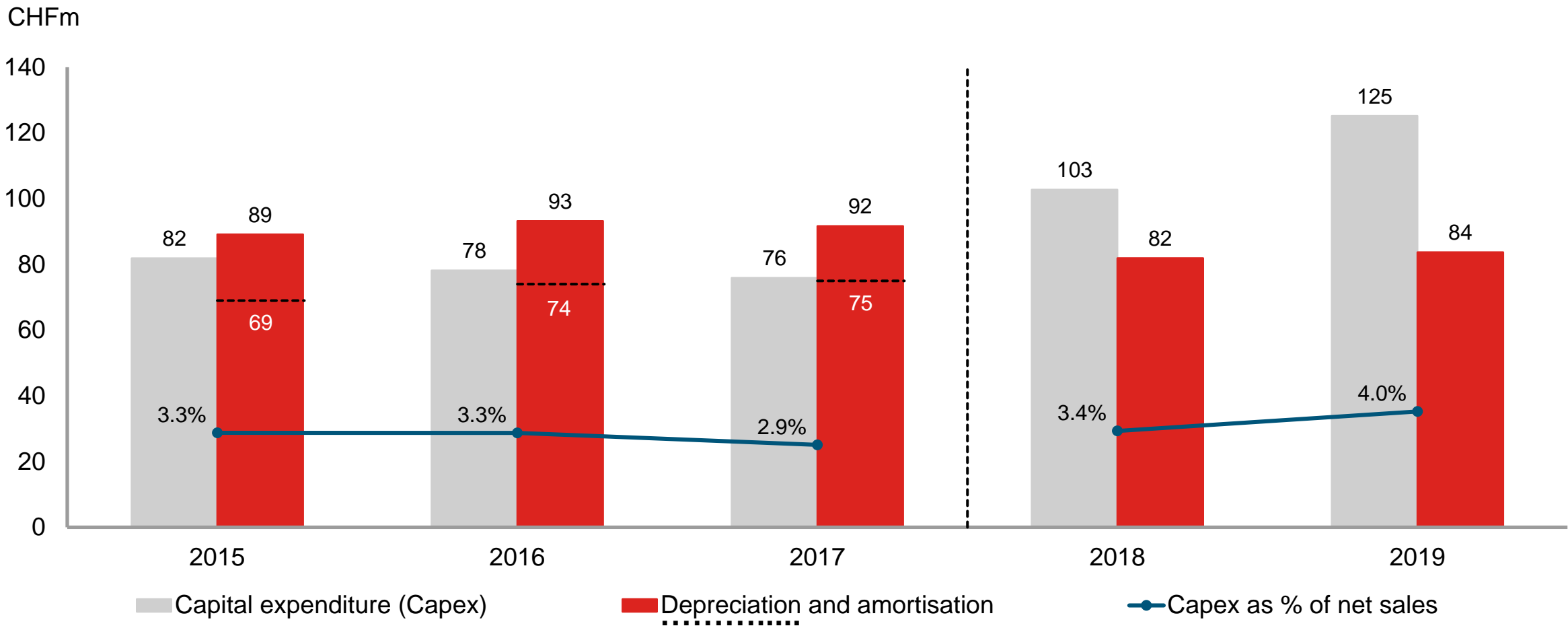
Expansion of production capacity in Gurgaon, India

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



# Capital expenditure

Invested capital: Fixed and intangible assets



# Selected development projects

## **Bucher Municipal**

Electrification of all product groups

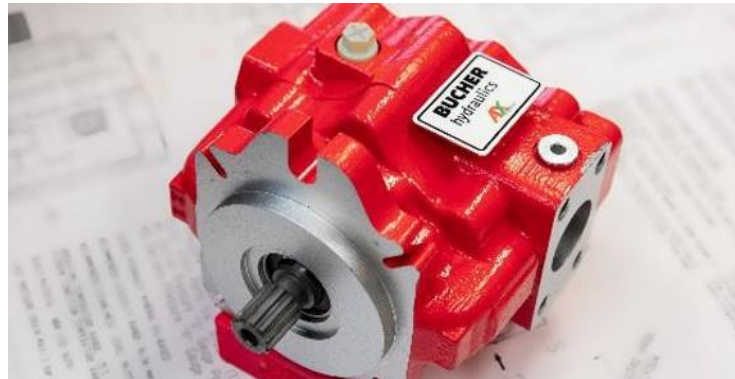
“CityCat V20e”: Battery is based on the latest technology and has been specially developed for use in this compact sweeper.



## **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**

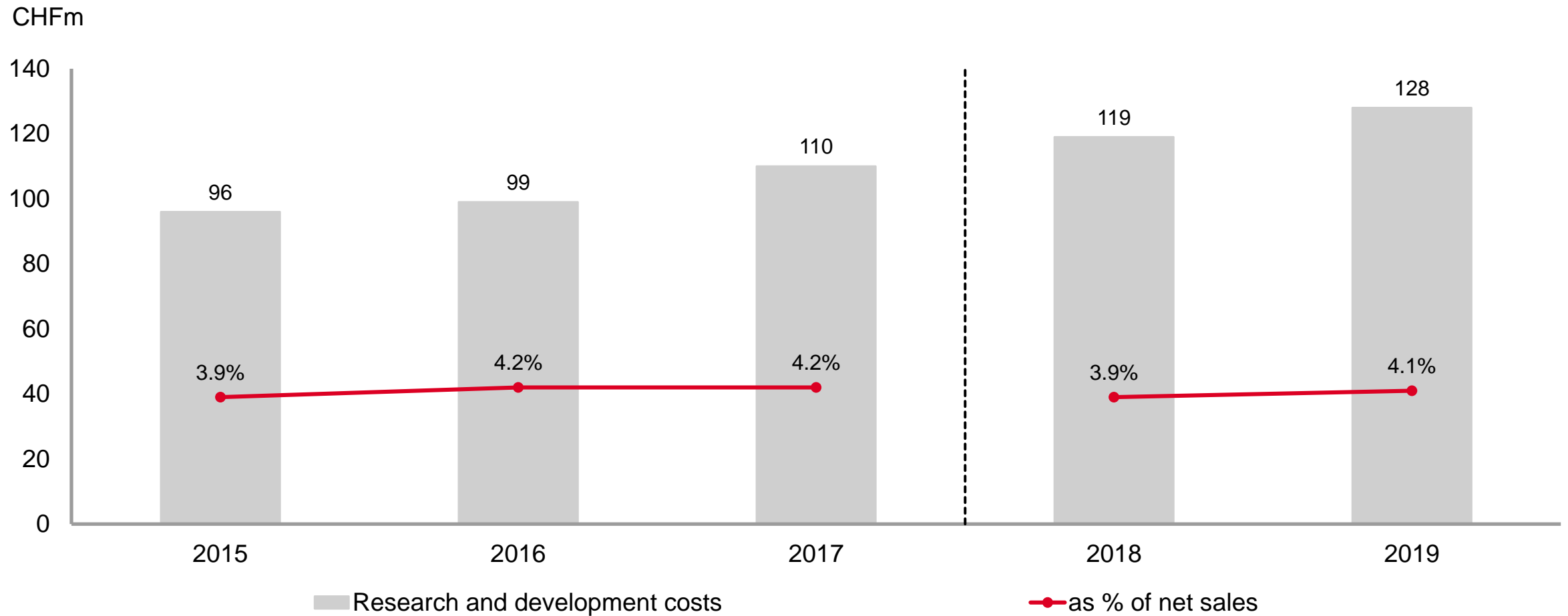
“Maestro”: Add-on to the  
“Bucher XPert” grape press

“Maestro” controls all four phases of a complete cycle, improves productivity and delivers extensive information about the pressing process.



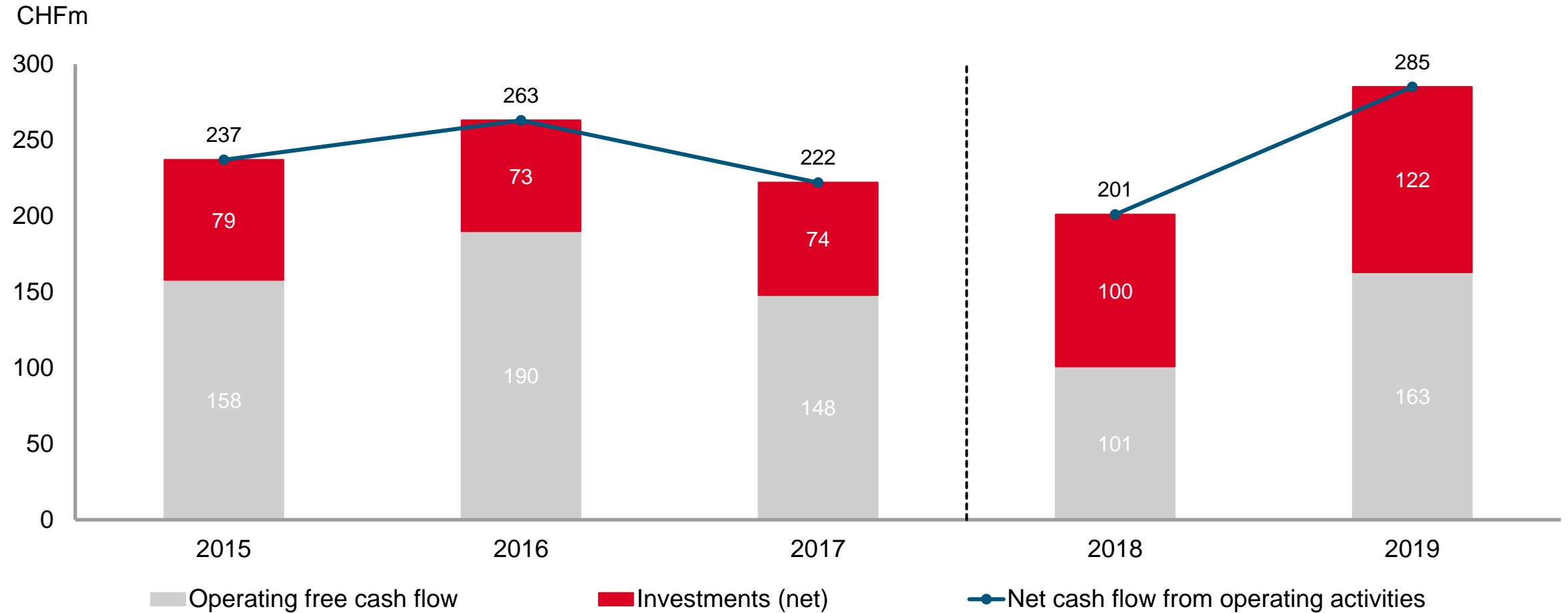


# Research and development costs



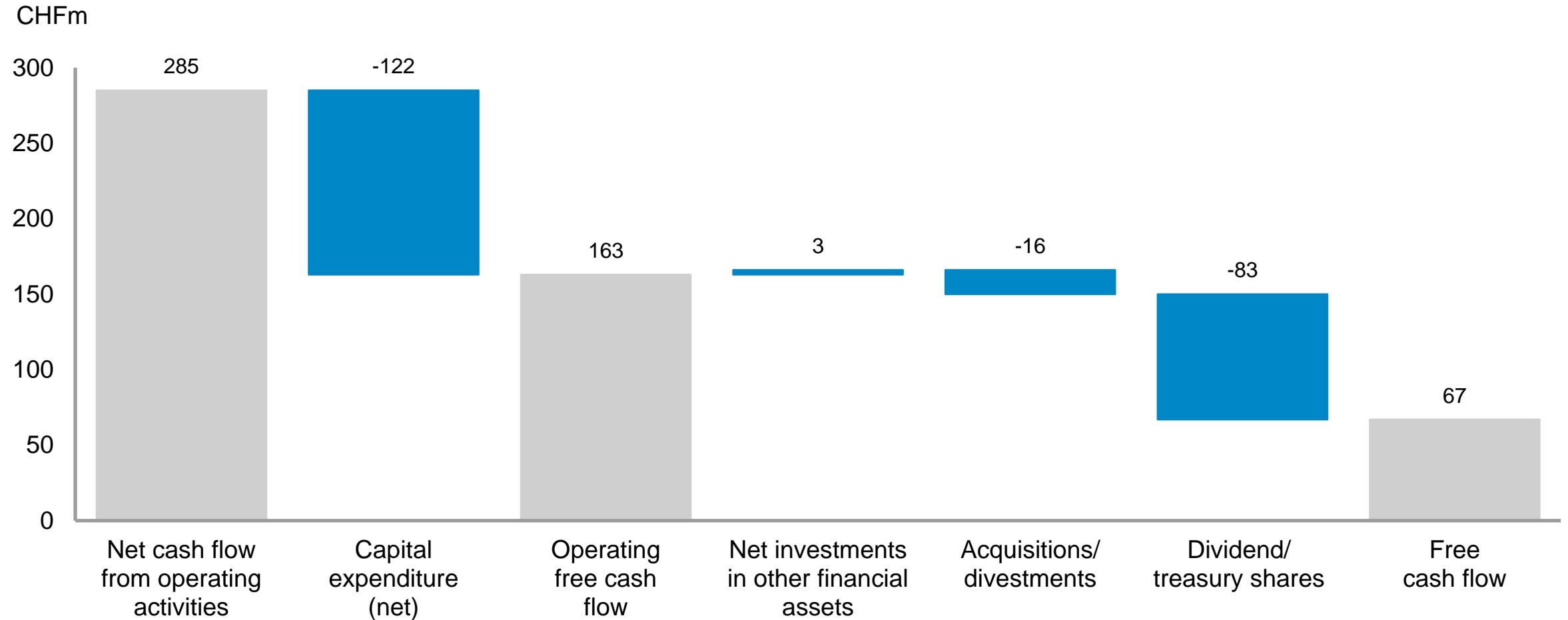
# Cash flow and investments

## Financing and risk management



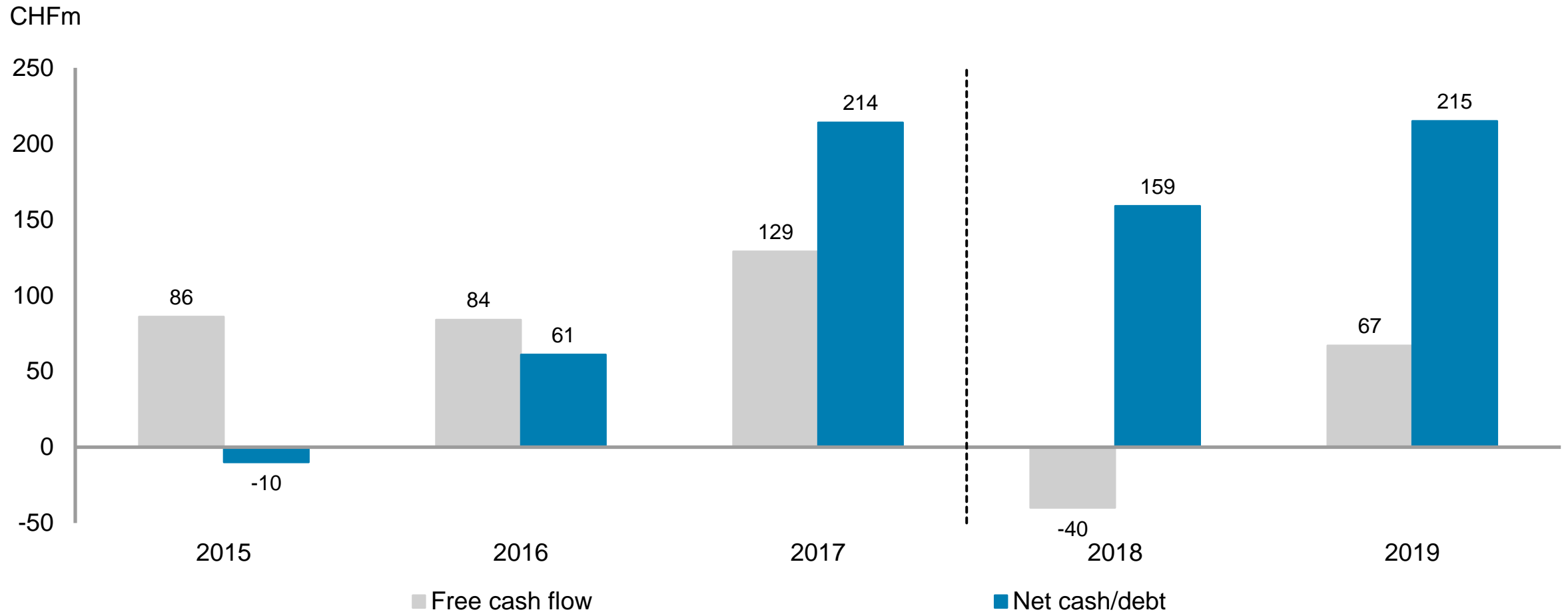
# Positive free cash flow with brisk investment activity

## Financing and risk management



# High net cash thanks to positive free cash flow

## Financing and risk management



Divisions: our activities

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# Kuhn Group

Large machines for large farms





# 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

# Complete product range under one brand

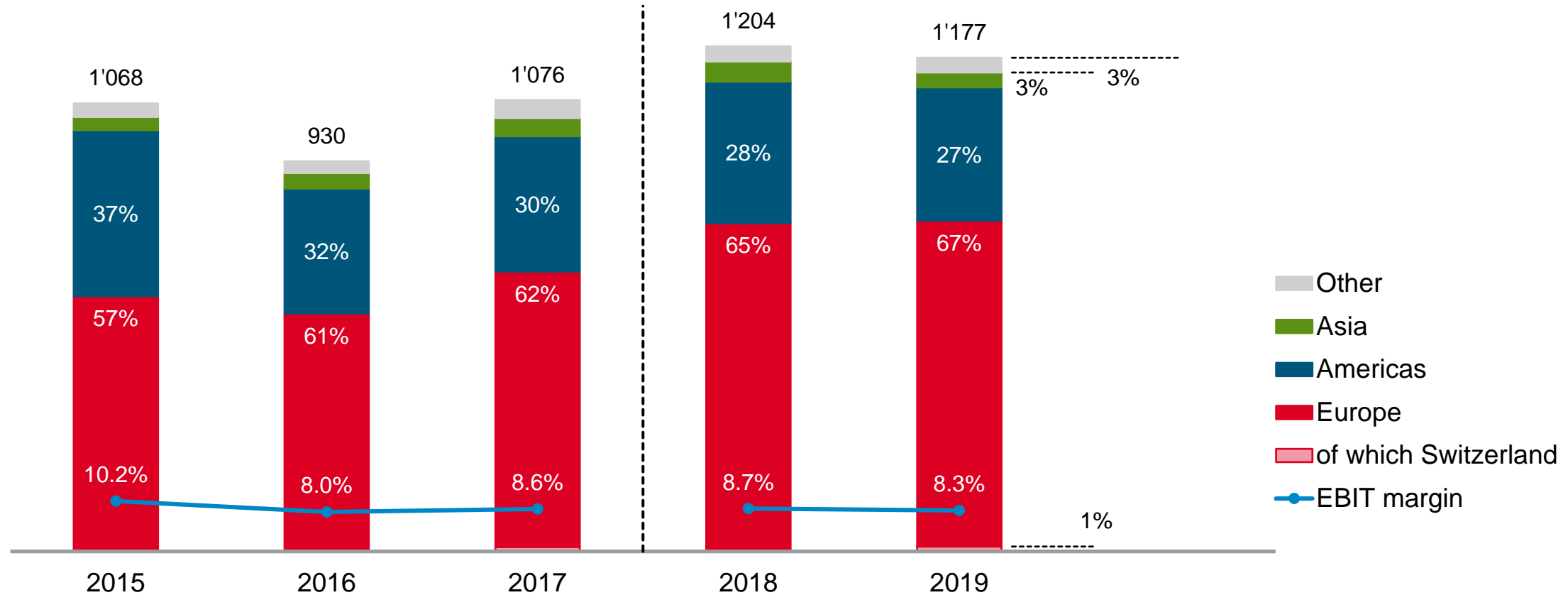
Kuhn Group

	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
<b>Kuhn Group</b>														
John Deere														
CNH														
AGCO														
Claas														
Krone														
Amazone														
Pöttinger														
Kubota/KVE/ Great Plains														
Exel / Hardi														
Lemken														
Horsch														
Väderstad														
SDF														
Maschio														

# Net sales by region

Kuhn Group

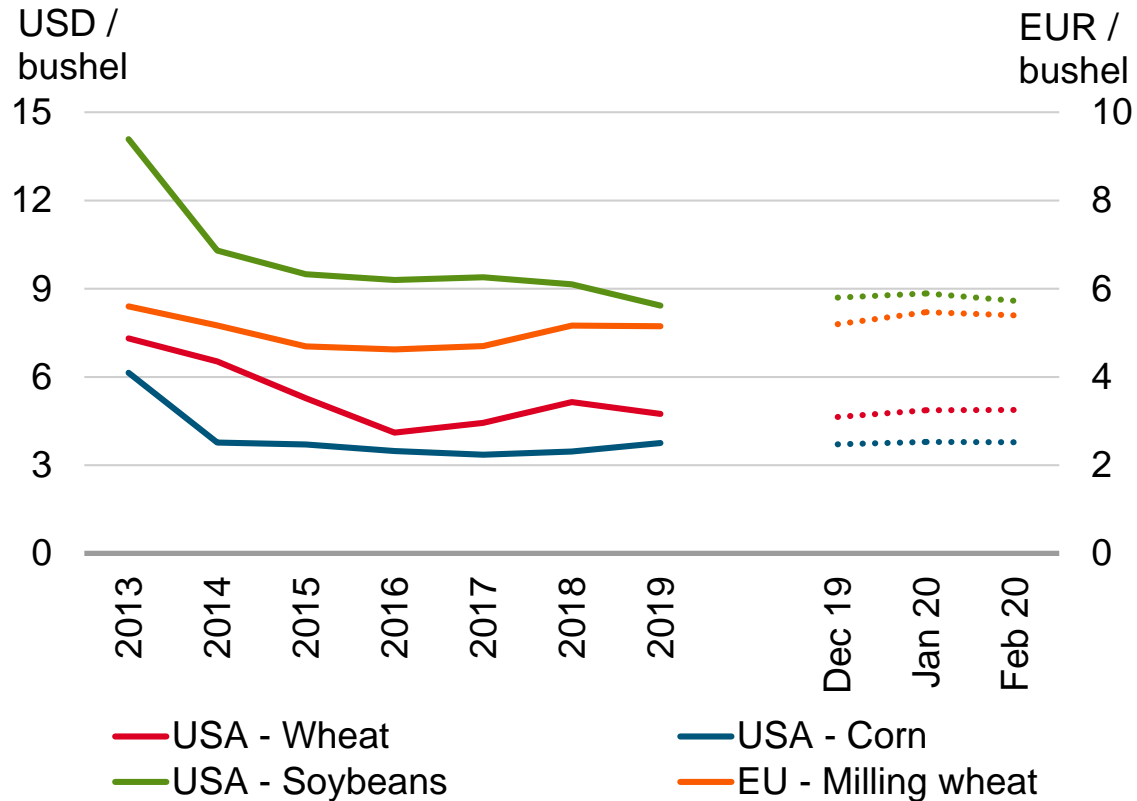
CHFm



# Price development soybeans, corn, wheat, milk

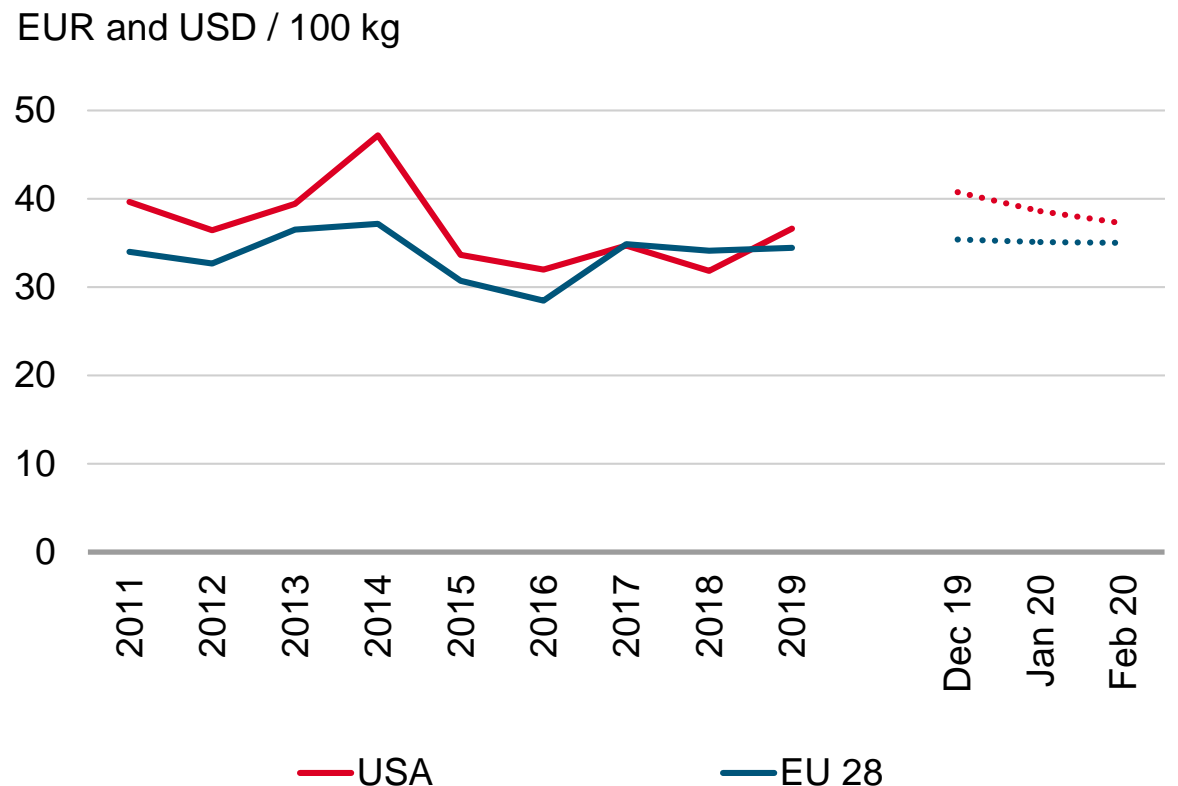
(average prices until February 2020)

## Crop price



Source: USDA, AHDB (US price received / European physical price)

## Milk price



Source: [https://www.clal.it/en/?section=latte\\_europa\\_mmo](https://www.clal.it/en/?section=latte_europa_mmo), USDA

# Key figures

Kuhn Group

CHFm					Change in
First quarter	2020	2019	%	% <sup>1)</sup>	
Order intake	237	248	-4.4	1.5	
Net sales	300	350	-14.2	-9.5	
Order book	333	351	-5.2	-	
Number of employees at closing date	4'476 <sup>3)</sup>	5'660	-20.9		
Full year	2019	2018	%	% <sup>1)</sup>	% <sup>2)</sup>
Order book	411	461	-10.7	-8.2	-8.2
Net sales	1'177	1'204	-2.3	0.7	-1.1
Operating profit (EBIT) as % of net sales	98 8.3%	104 8.7%	-5.9		

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

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

<sup>3)</sup> 5'262 employees (FTEs), of whom 786 on short-time work



# Bucher Municipal

Focus on electrification: the all-electric “CityCat V20e”



# Municipal vehicles and winter maintenance equipment

Bucher Municipal

## Compact sweepers



## Truck mounted sweepers



## Winter equipment



## Sewer cleaning



## Refuse collection





# Complete product range under one brand

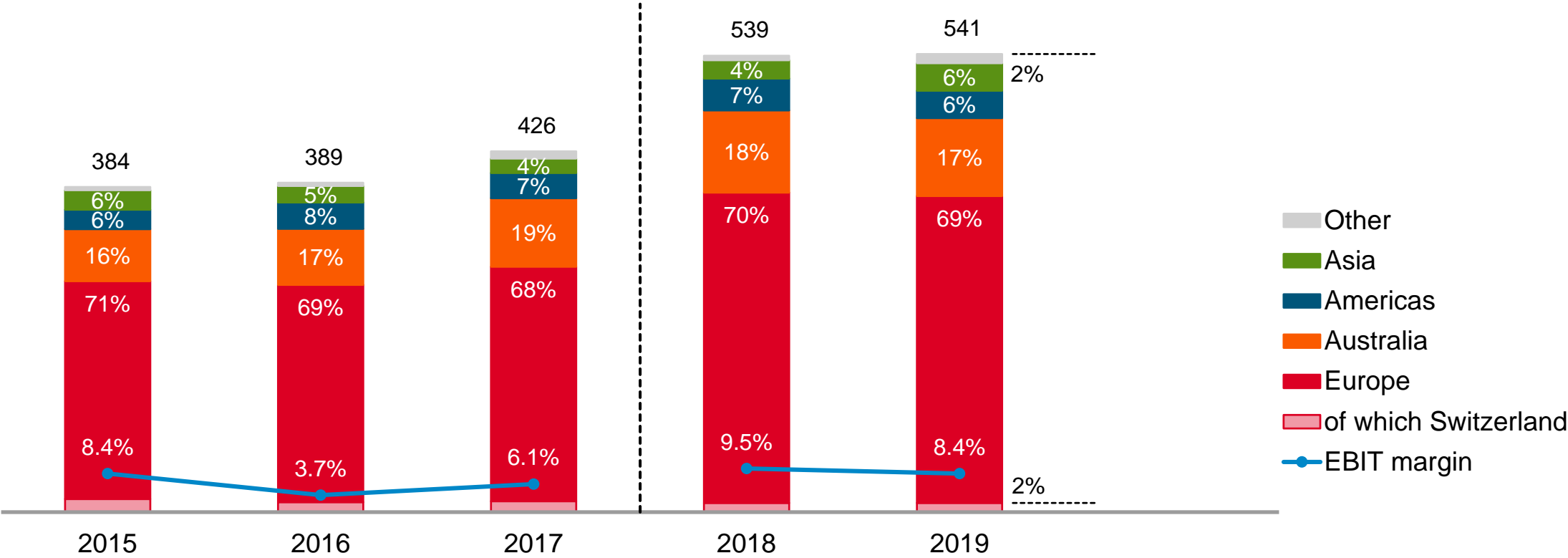
Bucher Municipal

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								
<b>Bucher Municipal</b>												
Federal Signal												
Alamo												
Douglas Dynamics												
Terberg-RosRoca												
Aebi-Schmidt												
Faun												
Fayat												
Hako												
Boschung												
Cappellotto												
Kaiser												
Zoomlion												

# Net sales by region

Bucher Municipal

CHFm



# Key figures

## Bucher Municipal

CHFm					Change in
First quarter	2020	2019	%	% <sup>1)</sup>	% <sup>2)</sup>
Order intake	132	133	-0.7	4.9	-0.1
Net sales	114	135	-15.3	-10.9	-12.4
Order book	174	179	-2.7	2.6	-2.6
Number of employees at closing date	2'399 <sup>3)</sup>	2'269	5.7		-1.8
Full year	2019	2018	%	% <sup>1)</sup>	% <sup>2)</sup>
Order book	159	183	-13.3	-10.5	-11.6
Net sales	541	539	0.4	3.3	2.4
Operating profit (EBIT) as % of net sales	46 8.4%	51 9.5%	-10.4		

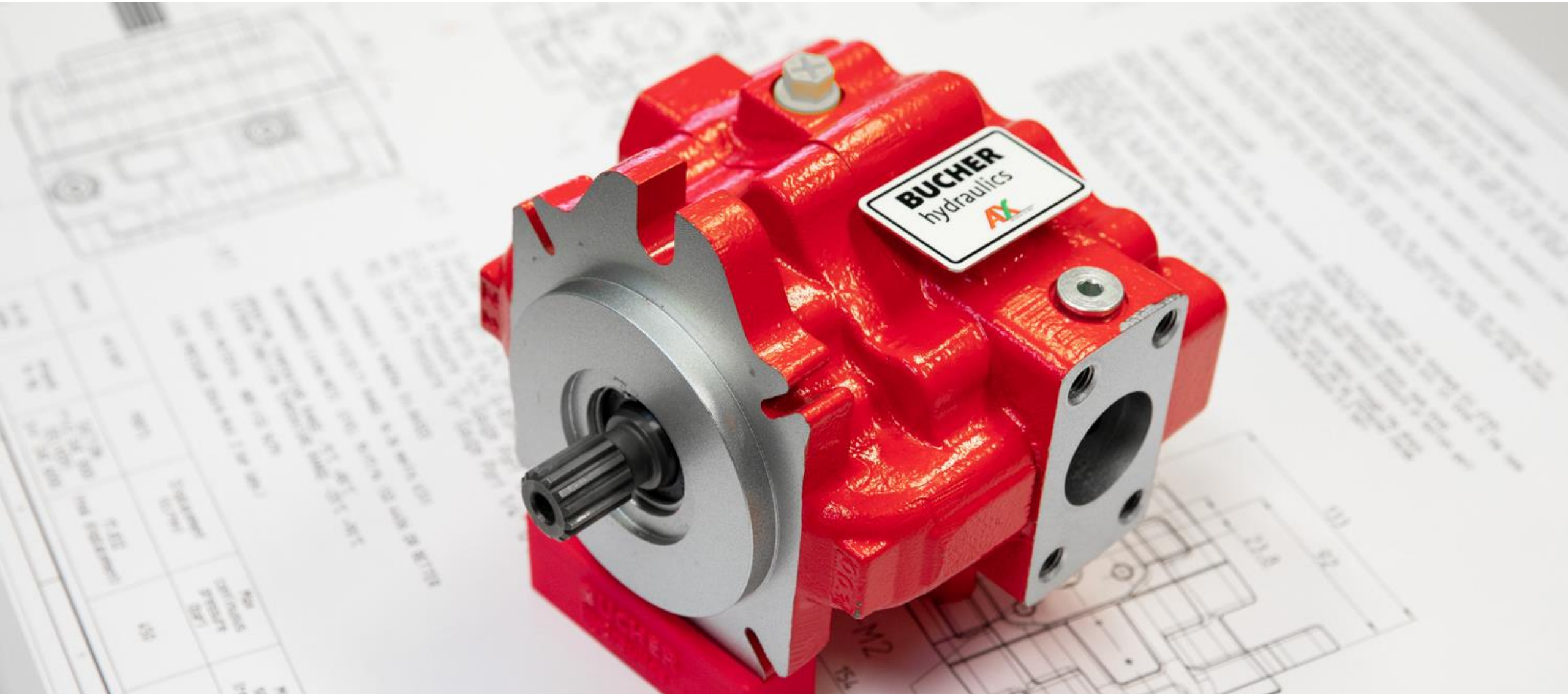
<sup>1)</sup> Adjusted for currency effects

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

<sup>3)</sup> 2'431 employees (FTEs), of whom 32 on short-time work

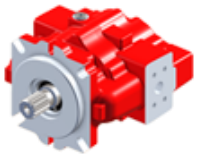
# Bucher Hydraulics

The new AX pumps and motors



# Customised drive systems

Bucher Hydraulics



Pumps



Valves



Subsystems



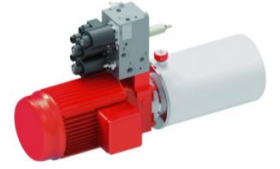
Tailor-made  
customer solutions



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

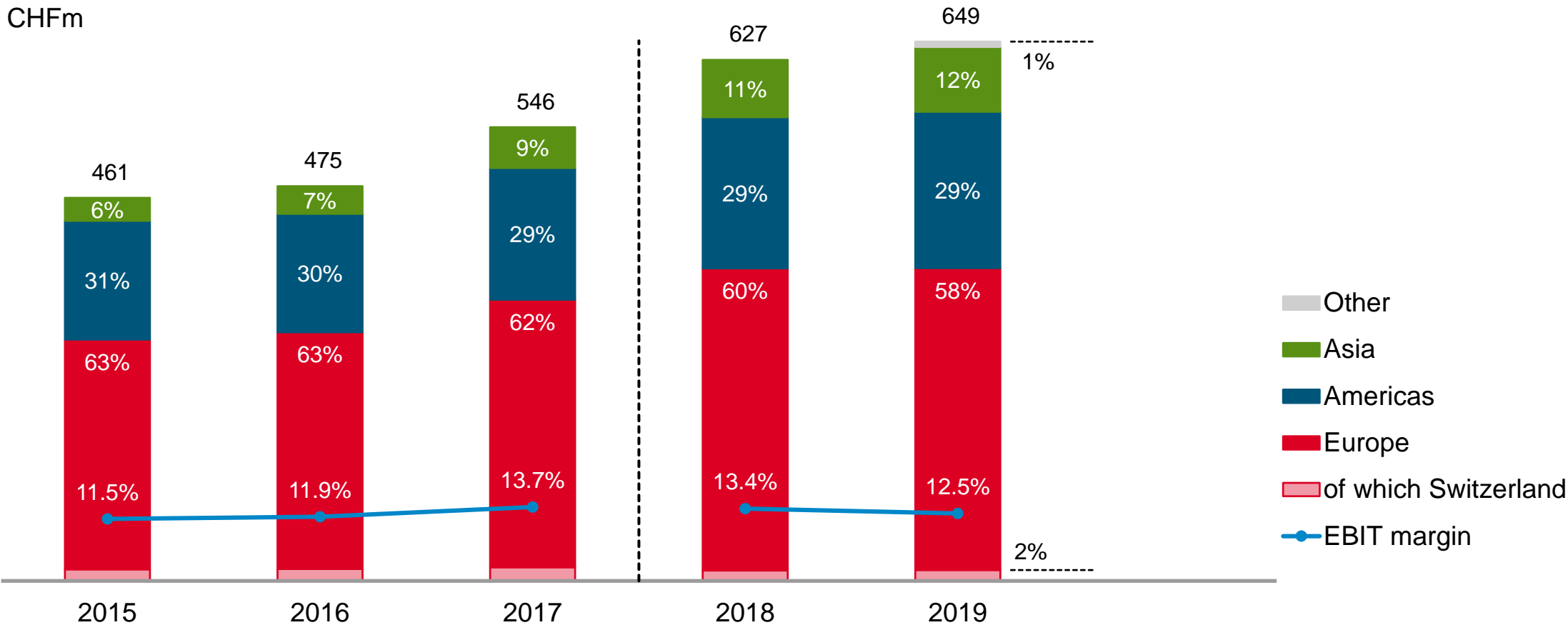
# Complete product range under one brand

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
<b>Bucher Hydraulics</b>																		
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)																		

# Net sales by region

Bucher Hydraulics





# Key figures

## Bucher Hydraulics

CHFm					Change in
First quarter	2020	2019	%	% <sup>1)</sup>	
Order intake	158	161	-2.0	1.6	
Net sales	150	179	-16.3	-13.3	
Order book	118	182	-35.1	-32.5	
Number of employees at closing date	2'631 <sup>3)</sup>	2'880	-8.6		
Full year	2019	2018	%	% <sup>1)</sup>	% <sup>2)</sup>
Order book	113	201	-43.6	-42.5	-42.5
Net sales	649	627	3.5	5.1	1.3
Operating profit (EBIT) as % of net sales	81 12.5%	84 13.4%	-4.2		

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

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

<sup>3)</sup> 2'700 employees (FTEs), of whom 69 on short-time work

# Bucher Emhart Glass

Complete «End to End» production line



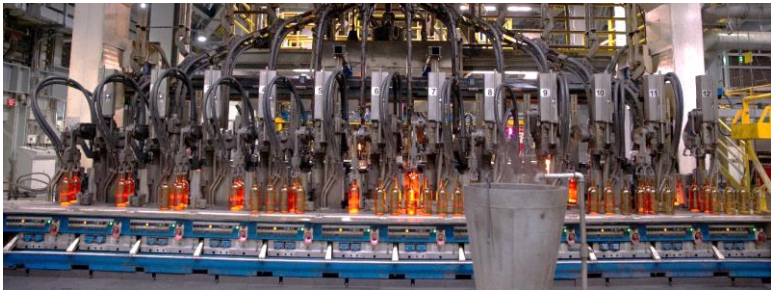
# Glass container manufacturing equipment

Bucher Emhart Glass

Hot End



Gob forming

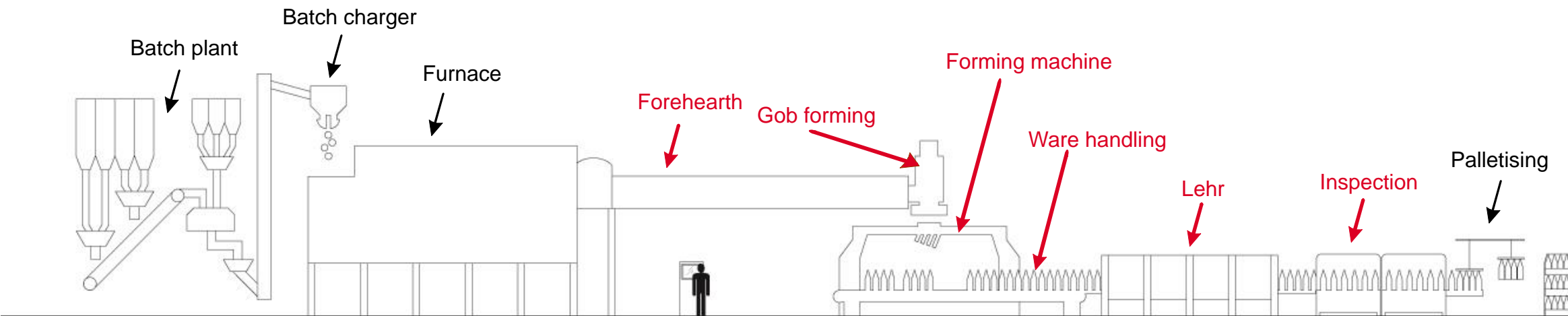


Glass-forming machine

Cold End



Inspection



Glass container manufacturing process

# World's leading machinery manufacturer

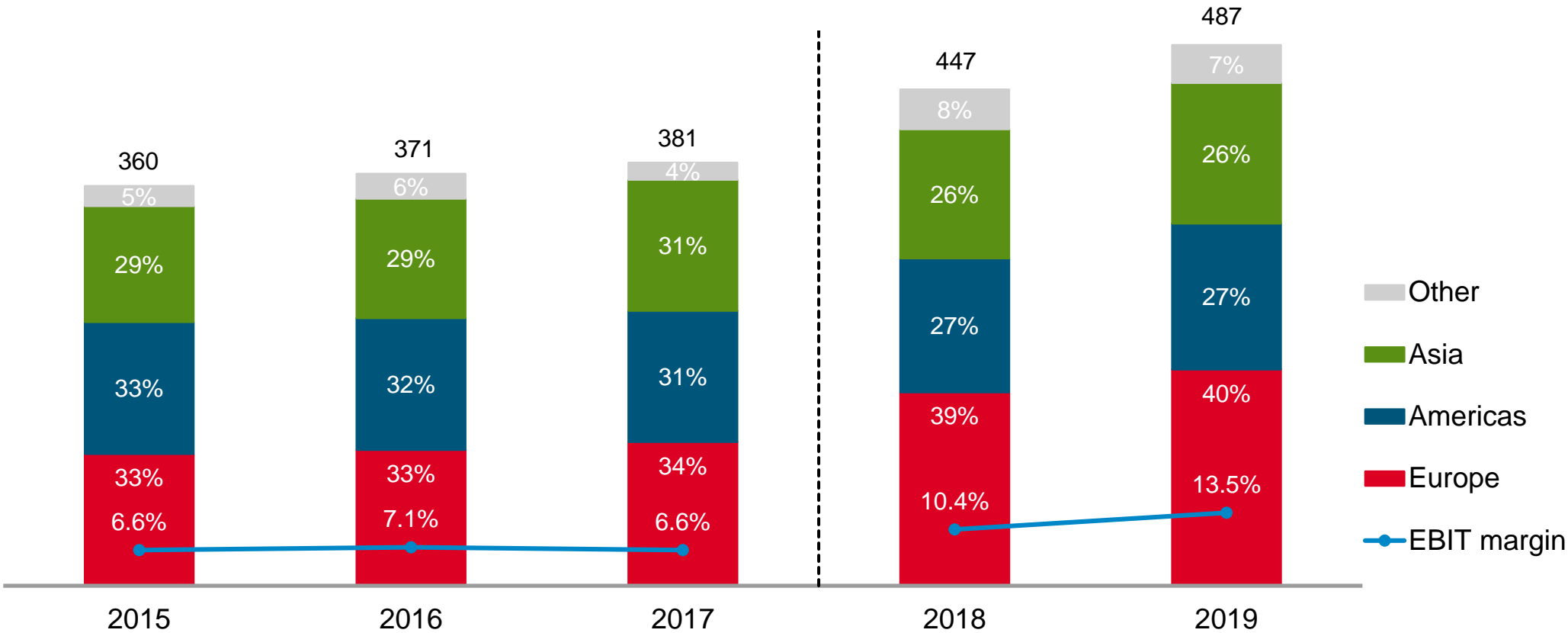
Bucher Emhart Glass

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

# Net sales by region

Bucher Emhart Glass

CHFm



# Key figures

Bucher Emhart Glass

CHFm					Change in
First quarter	2020	2019	%	% <sup>1)</sup>	% <sup>2)</sup>
Order intake	84	130	-35.3	-31.7	-30.1
Net sales	91	117	-22.5	-18.2	-18.2
Order book	253	244	3.9	9.8	12.2
Number of employees at closing date	1'738	1'722	0.9		1.3
Full year	2019	2018	%	% <sup>1)</sup>	% <sup>2)</sup>
Order book	271	236	14.7	18.8	20.1
Net sales	487	447	9.1	13.1	12.2
Operating profit (EBIT) as % of net sales	66 13.5%	47 10.4%	40.6		

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

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



# 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

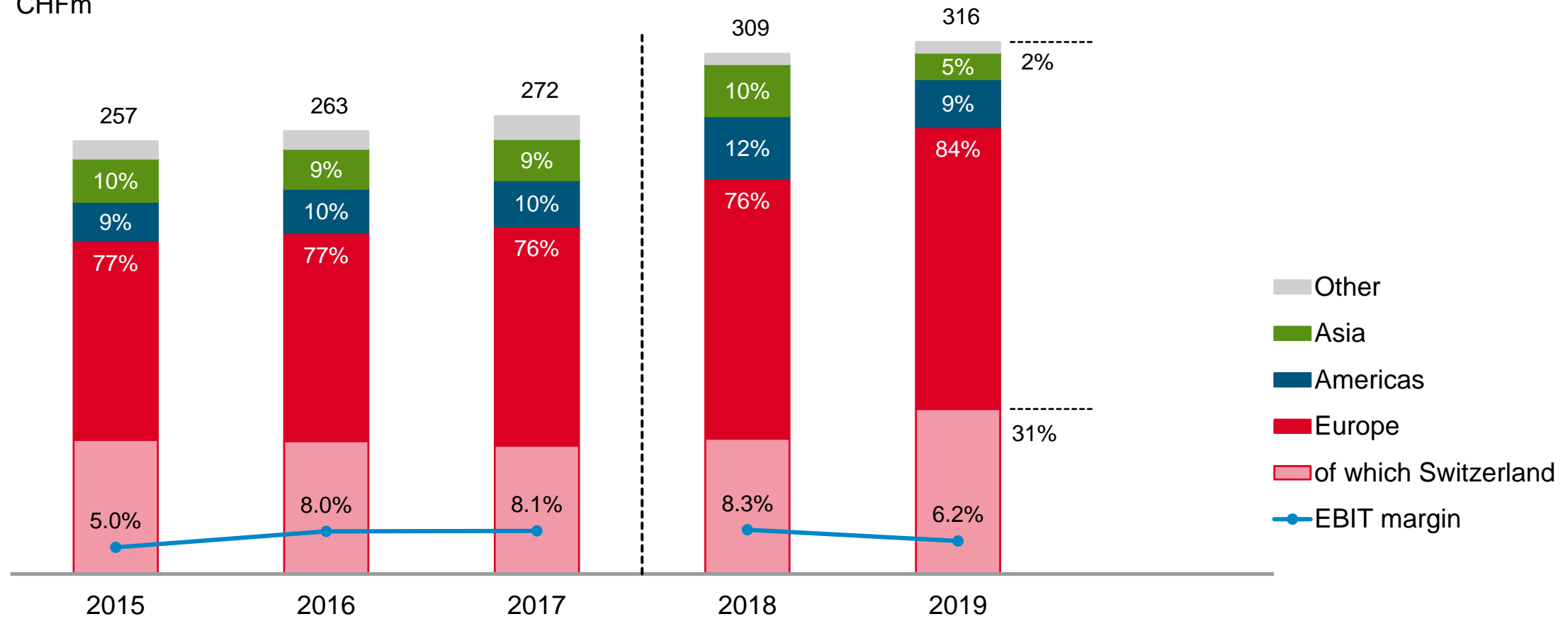




# Net sales by region

Bucher Specials

CHFm



# Key figures

## Bucher Specials

CHFm					Change in
First quarter	2020	2019	%	% <sup>1)</sup>	% <sup>2)</sup>
Order intake	69	91	-23.7	-21.6	-22.5
Net sales	61	61	-0.7	1.7	-1.0
Order book	91	103	-11.8	-9.6	-11.1
Number of employees at closing date	968	923	4.9		1.1
Full year	2019	2018	%	% <sup>1)</sup>	% <sup>2)</sup>
Order book	82	74	10.3	11.7	11.2
Net sales	316	309	2.3	4.1	-0.4
Operating profit (EBIT) as % of net sales	20 6.2%	26 8.3%	-24.1		

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

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

## Outlook and trends

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# Group: Outlook for 2020

- Strong uncertainties due to COVID-19-crisis
- Increasingly negative impact on demand for the products and services of Bucher Industries
- Expectation of a very difficult further course of the financial year
- Measures for safeguarding liquidity and profitability

**For 2020:** Expectation of a strong decrease in sales. Flexible cost structure should lead to operating profit margin in the low to mid-single-digit range and a continued positive profit for the year, though markedly lower than in 2019.

# Outlook and trends

## Long-term earnings targets

				IFRS			FER
EBIT margin in %	2015	2016	2017	2018	2018	2019	Targets
Kuhn Group	10.2	8.0	8.6	8.1	8.7	8.3	12
Bucher Municipal	8.4	3.7	6.1	9.0	9.5	8.4	9
Bucher Hydraulics	11.5	11.9	13.7	13.1	13.4	12.5	12
Bucher Emhart Glass	6.6	7.1	6.6	10.1	10.4	13.5	10
Bucher Specials	5.0	8.0	8.1	7.8	8.3	6.2	10
<b>Bucher Industries</b>	<b>8.3</b>	<b>7.1</b>	<b>8.6</b>	<b>9.1</b>	<b>9.5</b>	<b>9.2</b>	<b>&gt;10</b>
Group and divisions	2015	2016	2017	2018	2018	2019	Targets
RONOA after tax	11.5	9.7	13.2	15.7	19.6	19.0	>20

# 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

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