

# Annual press and analysts' conference

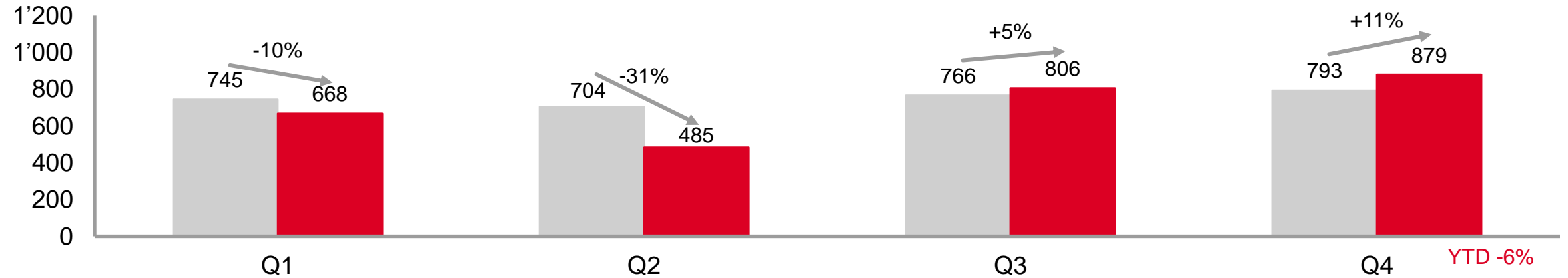
**BUCHER**

3 March 2021

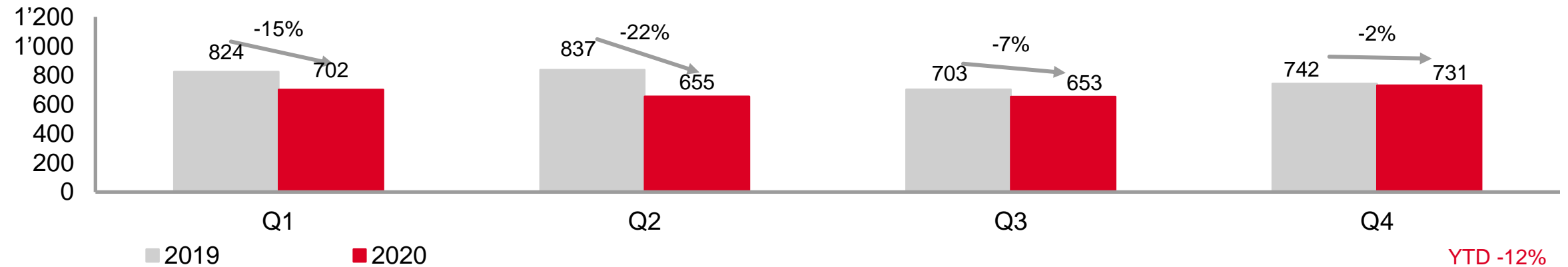


# Good order intake in second half of the year

Order intake, CHFm



Net sales, CHFm



# Key figures

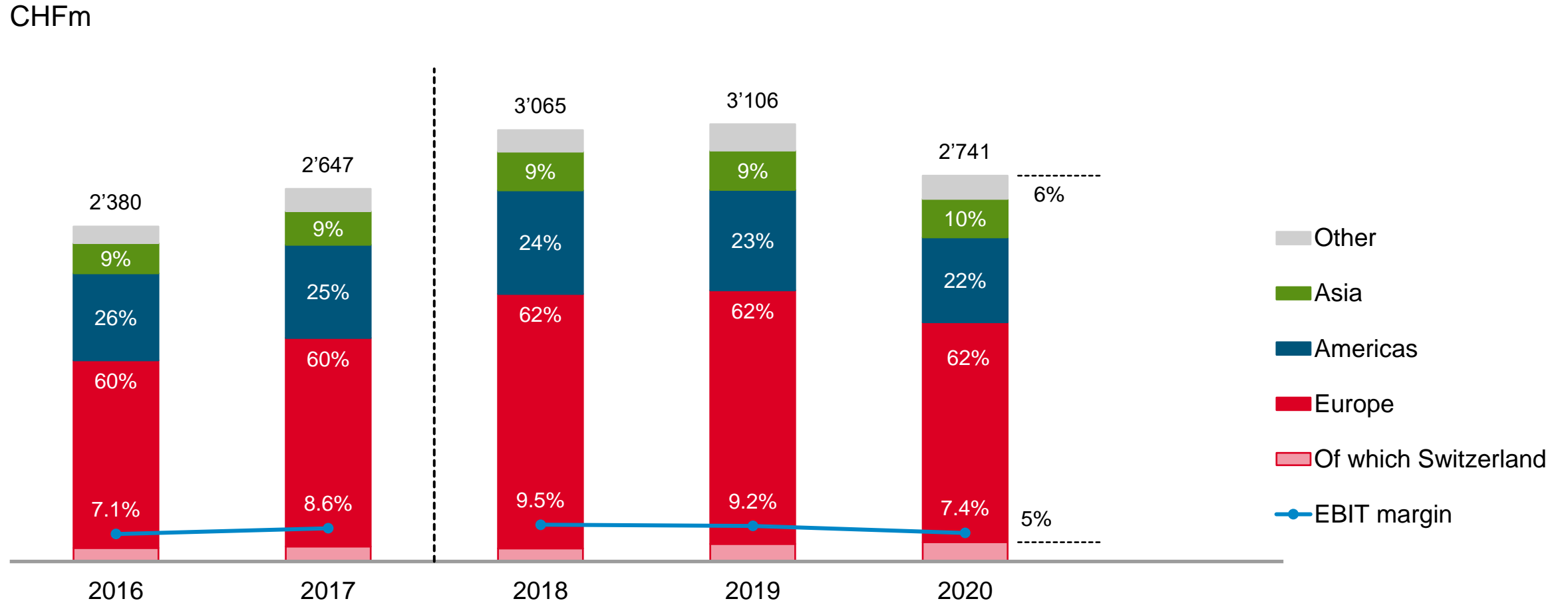
CHFm					Change in
	2020	2019	%	% <sup>1)</sup>	% <sup>2)</sup>
Order intake	2'838	3'008	-5.7	-0.4	-1.2
Net sales	2'741	3'106	-11.8	-7.2	-7.8
Order book	1'081	1'019	6.2	12.1	10.9
Operating profit (EBITDA) as % of net sales	287 10.5%	368 11.9%	-22.0		
Operating profit (EBIT) as % of net sales	204 7.4%	285 9.2%	-28.3		
Employees at 31 December	12'598 <sup>3)</sup>	13'107	-3.9		-5.0
Average employees	12'515 <sup>3)</sup>	13'280	-5.8		-7.0

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

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

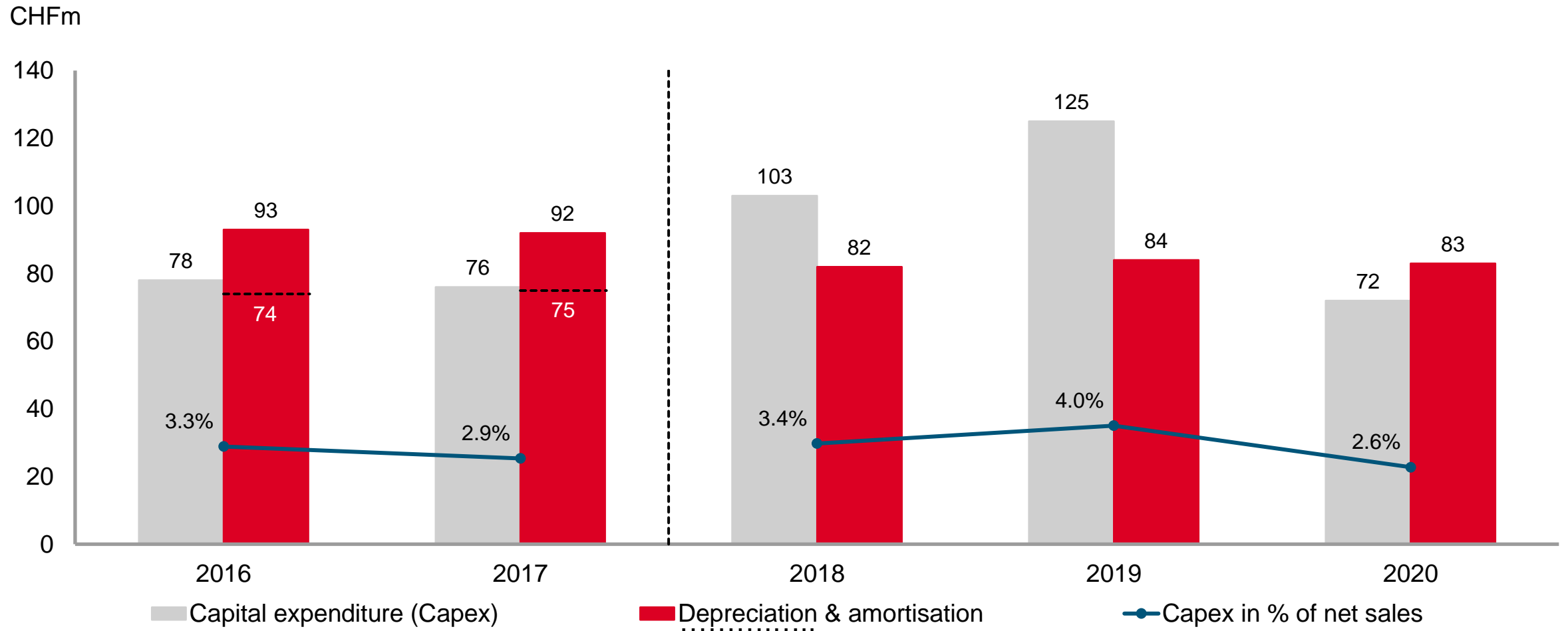
<sup>3)</sup> 12'727 employees (FTEs), of whom 129 on short-time work; average 12'868 employees (FTEs), of whom 353 on short-time work

# Net sales by region



# Reduced investment activity

Invested capital: Capital expenditure



# Key investment projects

Fixed and intangible assets

## Kuhn Group

“MGM Monswiller” extension near Saverne, France

The expanded facilities provide space for the safe and efficient assembly of some of the largest machinery produced by Kuhn Group.



## Kuhn Group

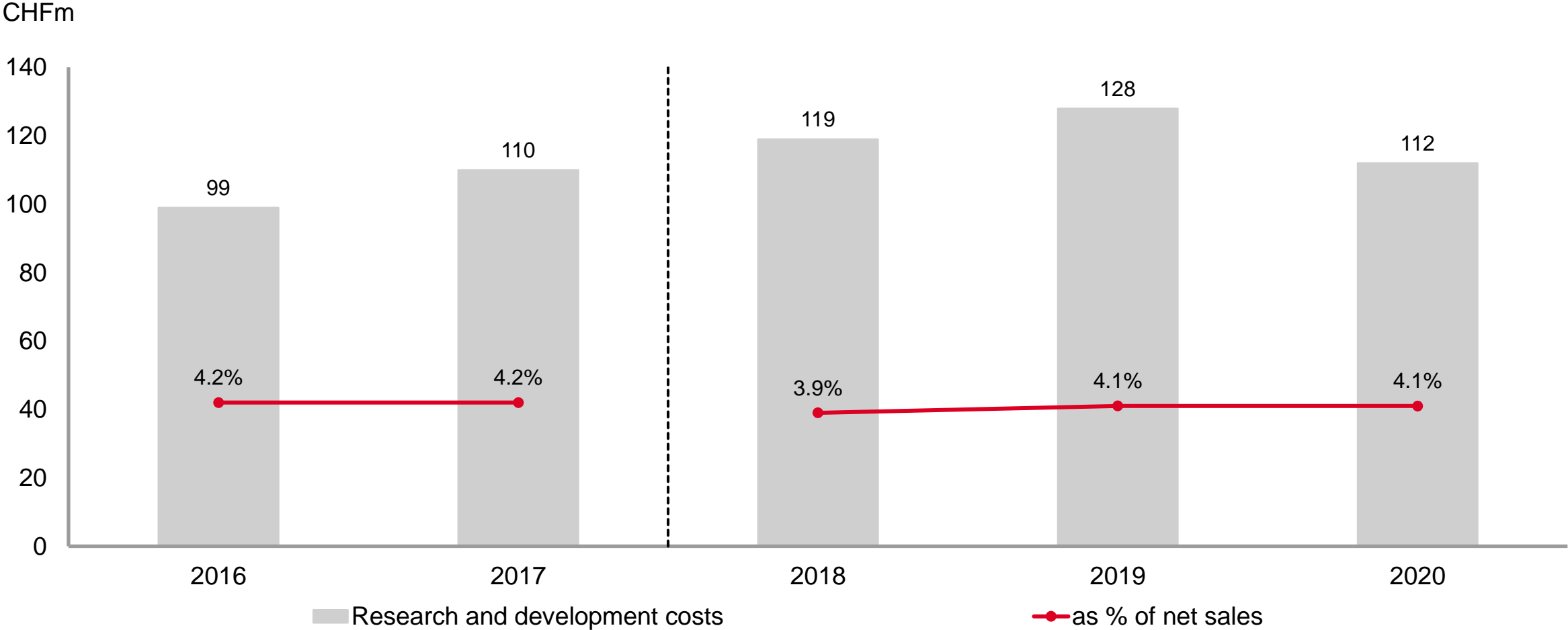
Flagship location in the Russian agricultural region of Voronezh

The new assembly, distribution, service and training facility is scheduled to commence operations in autumn 2021.



# Continued investment in innovation

Invested capital: Research and development costs



# Selected development projects

## Kuhn Group

Launch of the “AURA” autonomous feed mixer

Navigates independently through facilities, loads itself with feed and distributes prescribed mixed feed rations to livestock several times a day.



## Bucher Municipal

First “UrBin RL110e” electric rear loaders delivered in Australia

Ongoing expansion of electric-powered products, which are in high demand among customers.



## Bucher Emhart Glass

“Smart Feeder” with “GobRadar” as the latest closed-loop control

Camera-based sensor that optically monitors the weight and shape of each individual gob during forming and adjusts feeder automatically.





# There for our customers



# Kuhn Group

Large machines, high precision and ease of use



# Turbulent financial year ends positively

Kuhn Group: 2020 at a glance

Agricultural machinery market robust overall, with a strong recovery from mid-year onwards; order intake up by 13%

- Europe: Market conditions in the dairy and livestock sector were generally satisfactory, facilitated by fair producer prices and government support; arable sector suffered from smaller harvest volumes but was generally stable
- North America: Significant increase in income among US farmers, thanks to generous direct payments; strong rise in crop prices is generating new optimism in the arable sector
- Brazil: Business situation very good, owing to farmers' high margins

Sales down by 7%, adjusted for currency effects on par with the previous year

Production activities in France had to temporarily be halted in the spring, but from mid-May onwards production volume was above average

Operating profit margin pleasing at 8.3%, like in the prior year

- Lower material prices and various short-term cost savings
- Very good operating performance was made possible by the dedication of many employees

# Key figures

Kuhn Group

CHFm				Change in	
	2020	2019	%	% <sup>1)</sup>	
Order intake	1290	1'141	13.1	21.8	
Net sales	1'094	1'177	-7.1	-0.3	
Order book	587	411	42.8	52.6	
Operating profit (EBITDA) as % of net sales	125 11.4%	135 11.5%	-7.2		
Operating profit (EBIT) as % of net sales	91 8.3%	98 8.3%	-7.4		
Employees at 31 December	5'194	5'188	0.1		
Average employees	5'019 <sup>2)</sup>	5'321	-5.7		

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

<sup>2)</sup> Average 5'168 employees (FTEs), of whom 149 on short-time work



# The right part, at the right time, at the right place

Kuhn Parts main distribution centre in Saverne, France



# Acquisition Khor

Kuhn Group



Khor, Brazil

Net sales<sup>1)</sup>: CHF 5 million

Employees: 80

<sup>1)</sup> before acquisition

# Bucher Municipal

«Driven by better»: focus remains on electrification





# Major challenges in production

Bucher Municipal: 2020 at a glance

Soft demand despite recovery as of mid-year, order intake down 12% on the good prior year

- Restrictions imposed by public authorities caused a pronounced decline in demand in the second quarter in the key markets of the UK, Russia, France, Italy and Spain; recovery started as of mid-year
- Refuse collection and sewer cleaning equipment product groups developed positively, orders were down for sweepers and winter maintenance equipment

Production badly hampered, sales down by 15% on the very high prior-year figure

- Temporary closure of a number of sites
- Difficulties in the supply chain
- Production subject to restrictions and the resulting inefficiencies
- Positive contribution from acquisitions (Zynkon, Eurovoirie, Spoutvac, Richards Coach Works)

Operating profit margin at 6.0%, due to lower sales and production inefficiencies

# Key figures

## Bucher Municipal

CHFm						Change in
	2020	2019	%	% <sup>1)</sup>	% <sup>2)</sup>	
Order intake	460	520	-11.5	-7.3	-11.5	
Net sales	462	541	-14.6	-10.6	-14.0	
Order book	157	159	-1.1	3.4	-3.5	
Operating profit (EBITDA) as % of net sales	38 8.1%	55 10.2%	-31.7			
Operating profit (EBIT) as % of net sales	28 6.0%	46 8.4%	-39.6			
Employees at 31 December	2'327 <sup>3)</sup>	2'370	-1.8		-7.5	
Average employees	2'322 <sup>3)</sup>	2'340	-0.8		-6.8	

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

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

<sup>3)</sup> 2'334 employees (FTEs), of whom 7 on short-time work; average 2'364 employees (FTEs), of whom 42 on short-time work

# Acquisition Spoutvac

Bucher Municipal



Spoutvac, Australia

Net sales<sup>1)</sup>: CHF 16 million

Employees: 35

<sup>1)</sup> before acquisition



# Support in the service depot

Bucher Municipal service depot in Slough, UK



# When urgent problems arise: service technicians help on site

Bucher Municipal's mobile service



# Acquisition Richards Coach Works

Bucher Municipal



Richards Coach Works, Australia

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

Employees: 20

<sup>1)</sup> before acquisition

# Bucher Hydraulics

Development of innovative electrohydraulic subsystems – for example, “HELAX”





# Strong recovery in demand in the second half of the year

## Bucher Hydraulics: 2020 at a glance

### Order intake ended up on a par with the previous year

- Strong drop in demand in the second quarter, followed by a recovery from mid-year onwards, gaining momentum towards the end of the reporting period
- Recovery was driven by the agricultural machinery and materials handling segments, construction equipment recuperated only very gradually
- Regionally divergent developments

### Sales down 17% overall, despite recovery in second half of the year

- Decline in demand beginning in 2019 until mid-year 2020
- Site closures and short-time working caused by the pandemic

### Operating profit margin a pleasing 11.0% despite markedly lower sales

- Consistent adjustment of capacities to utilisation and initiation of optimisation measures
- Job cuts mainly affecting temporary personnel and staff on fixed-term contracts

# Key figures

## Bucher Hydraulics

CHFm	Change in			
	2020	2019	%	% <sup>1)</sup>
Order intake	561	564	-0.5	3.5
Net sales	536	649	-17.3	-14.1
Order book	134	113	17.9	23.1
Operating profit (EBITDA) as % of net sales	81 15.1%	102 15.8%	-20.9	
Operating profit (EBIT) as % of net sales	59 11.0%	81 12.5%	-26.9	
Employees at 31 December	2'537 <sup>2)</sup>	2'766	-8.3	
Average employees	2'530 <sup>2)</sup>	2'844	-11.0	

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

<sup>2)</sup> 2'602 employees (FTEs), of whom 65 on short-time work; average 2'634 employees (FTEs), of whom 104 on short-time work

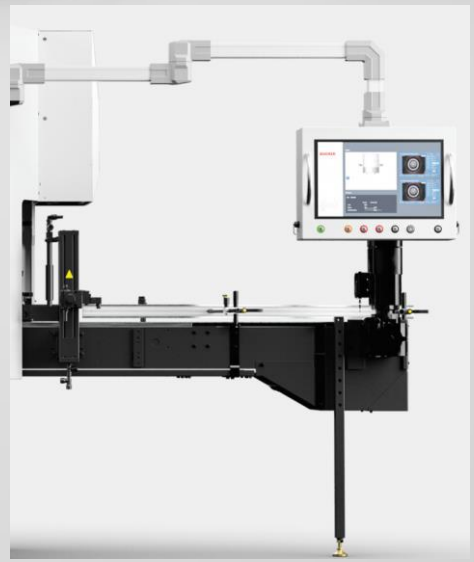
# Continuous cooperation with the machinery manufacturer

Bucher Hydraulics



# Bucher Emhart Glass

First "End to End" lines in operation



# Collapse in demand due to curtailment of public life

Bucher Emhart Glass: 2020 at a glance

Fall in demand after exceptionally strong previous year, order intake down by 40%

- Significantly less demand for glass containers due to massive curtailment of public life
- Project negotiations postponed and investment programmes suspended by customers
- Demand for spare parts higher, as more maintenance done on existing equipment
- Slow recovery at a low level from mid-year onwards; towards the end of the reporting period, demand returned to a level comparable to that before the exceptionally strong years of 2018 and 2019

Sales down by 14%, slight recovery in the second half of the year

In the first half of the year, operations were affected by temporary closures of production sites, travel restrictions and logistics bottlenecks

Operating profit margin a good 10.5% despite marked decline in sales

- Various measures implemented to reduce costs
- Continuing capacity adjustments in China
- High proportion of spare part sales

# Key figures

## Bucher Emhart Glass

CHFm	Change in				
	2020	2019	%	% <sup>1)</sup>	% <sup>2)</sup>
Order intake	317	524	-39.5	-37.0	-37.1
Net sales	421	487	-13.5	-10.0	-9.5
Order book	155	271	-42.6	-40.2	-40.2
Operating profit (EBITDA) as % of net sales	53 12.7%	74 15.3%	-28.4		
Operating profit (EBIT) as % of net sales	44 10.5%	66 13.5%	-32.4		
Employees at 31 December	1'611	1'770	-9.0		-9.0
Average employees	1'688	1'755	-3.8		-3.5

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

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

# Close guidance through remote support

Bucher Emhart Glass: installation of a glass production line



# Bucher Vaslin's comprehensive after-sales services

So winemakers can concentrate on the wine production





# Significant drop in demand in the beverage industry

Bucher Specials: 2020 at a glance

Order intake down by 19% and sales by 14%

- **Bucher Vaslin:** Customers postponed investment projects and did more maintenance on existing equipment; production sites in France closed in spring
- **Bucher Unipektin:** Customers postponed projects and invested more in retrofitting and maintaining existing machinery; acquisition of Luzzysa made a positive contribution to sales
- **Bucher Landtechnik:** Very pleasing business performance in the robust Swiss agricultural machinery market
- **Jetter:** Decreasing demand at Bucher Emhart Glass and other customers

Operating profit margin at 2.5%

- Pressure from restructuring measures in France
- Thanks to various cost-saving initiatives, in positive territory despite drop in sales

# Key figures

## Bucher Specials

CHFm						Change in
	2020	2019	%	% <sup>1)</sup>	% <sup>2)</sup>	
Order intake	261	324	-19.3	-17.7	-19.0	
Net sales	273	316	-13.5	-11.8	-13.3	
Order book	70	82	-14.3	-12.9	-14.3	
Operating profit (EBITDA) as % of net sales	12 4.4%	25 7.8%	-51.4			
Operating profit (EBIT) as % of net sales	7 2.5%	20 6.2%	-64.6			
Employees at 31 December	868 <sup>3)</sup>	948	-8.4		-10.2	
Average employees	893 <sup>3)</sup>	953	-6.3		-9.0	

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

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

<sup>3)</sup> 925 employees (FTEs), of whom 57 on short-time work; average 951 employees (FTEs), of whom 58 on short-time work

# Acquisition Merk Process

Bucher Specials



Merk Process, Germany

Net sales<sup>1)</sup>: CHF 5 million

Employees: 20

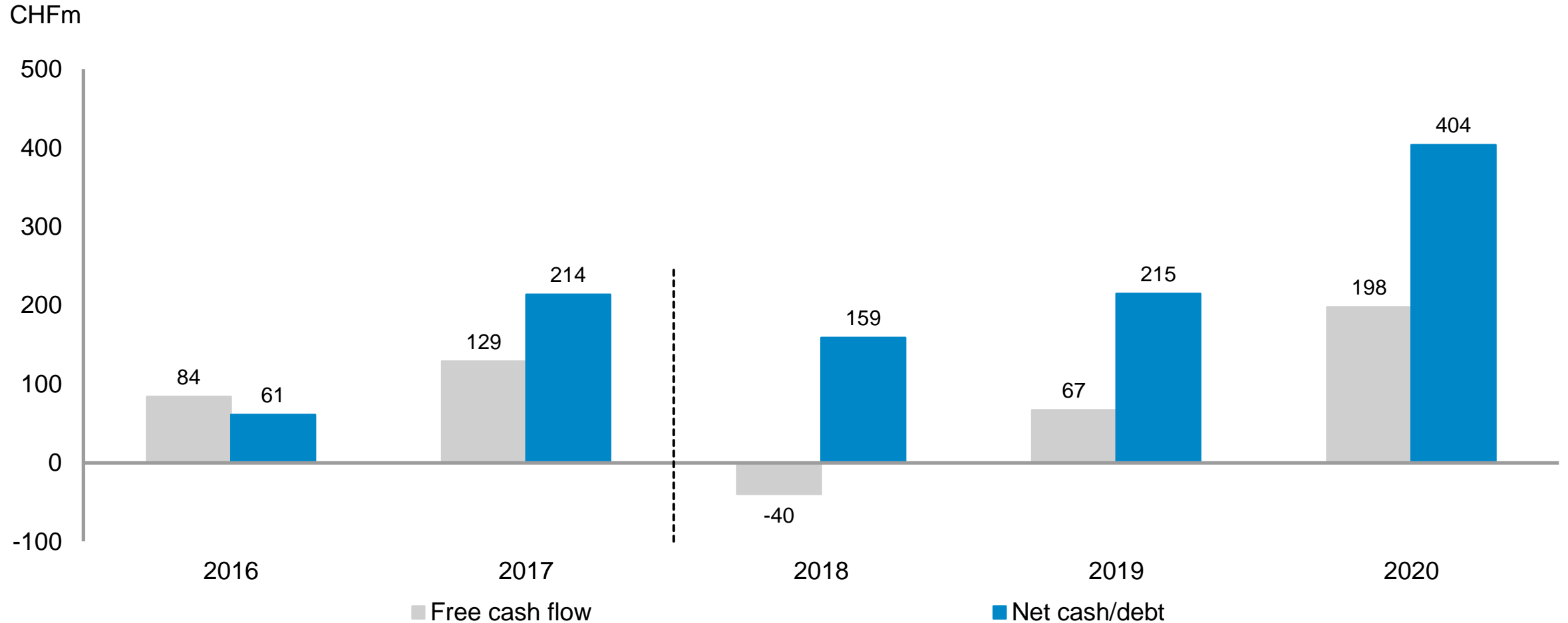
<sup>1)</sup> before acquisition

## Financial review 2020

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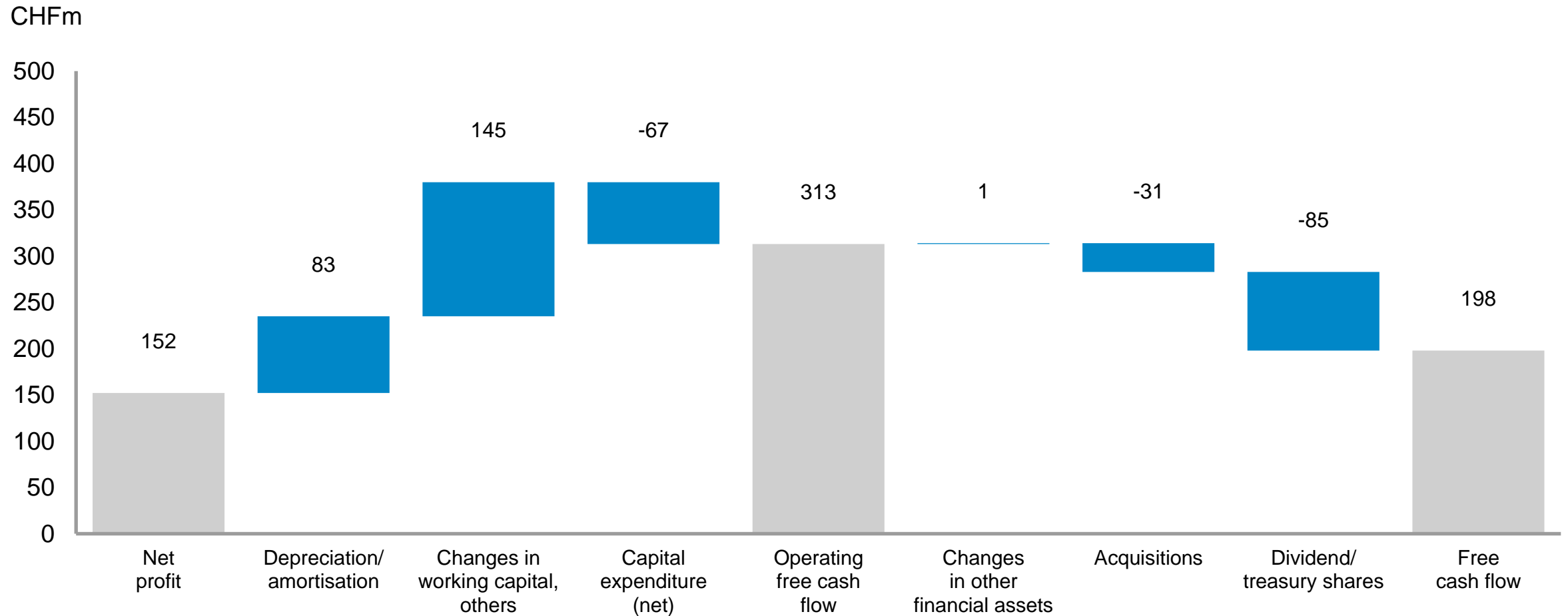
# Successful cash management in the crisis

## Financing and risk management



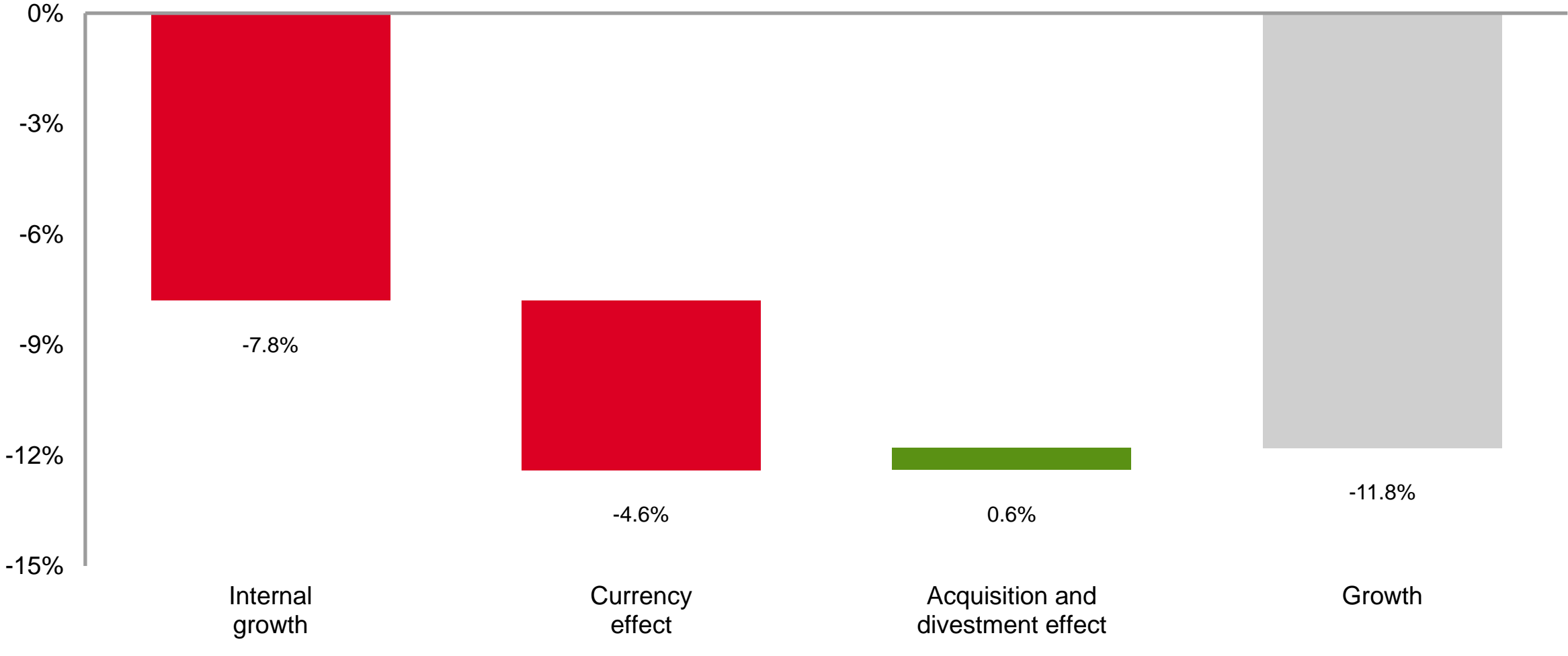
# Positive free cash flow

## Financing and risk management



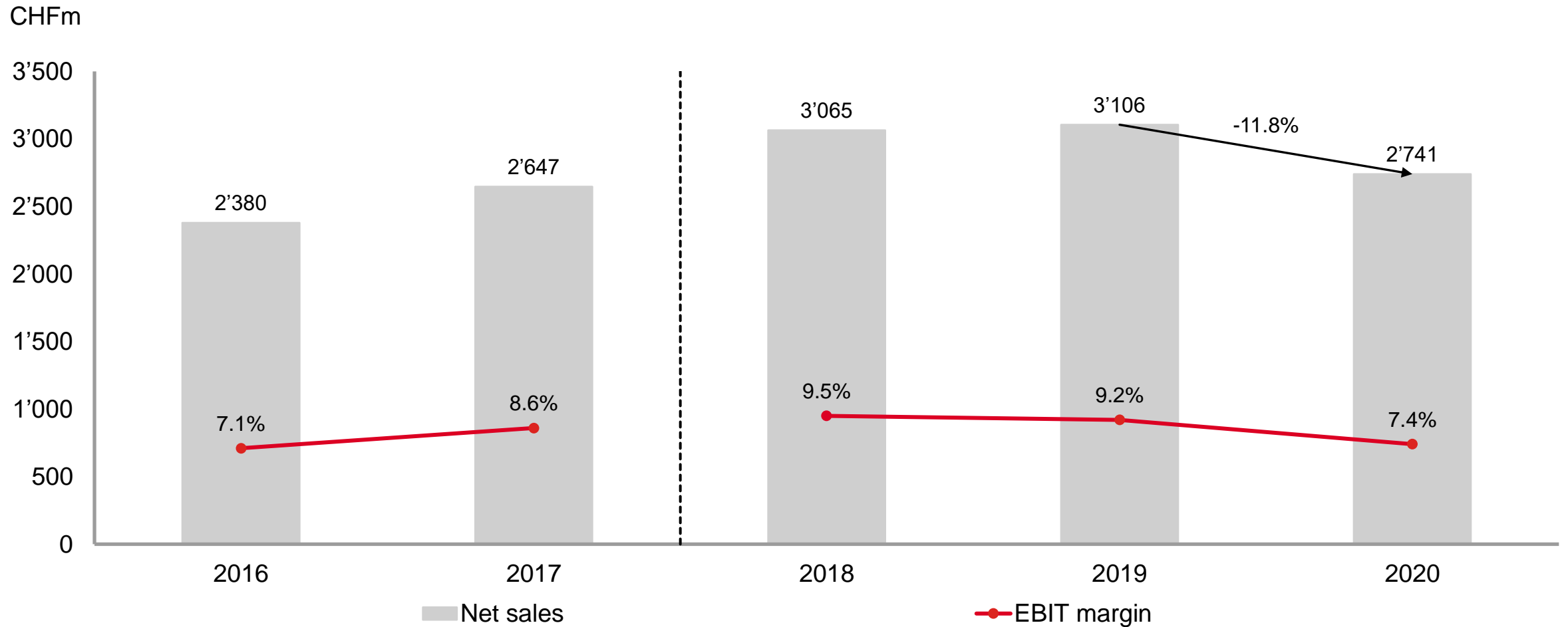
# Organic decline of 8%, currency effect -5 percentage points

Performance: Net sales



# Robust profitability in a difficult year

Performance: Net sales and EBIT margin





# Low interest environment and strong CHF

Performance: Financial result

CHFm	2020	2019	Change
Share of profit/(loss) of associates	1	-	1
Net interest expense	-1	-1	-
Net gain on financial assets	1	1	-
Foreign exchange gains and losses	-3	-2	-1
Other financial result	-2	-1	-1
<b>Financial result</b>	<b>-4</b>	<b>-3</b>	<b>-1</b>

# Effective tax rate in line with expectation

Performance: Income tax

CHFm	Change in		
	2020	2019	%
Profit before tax	200	282	-28.9
Income taxes	-48	-54	9.7
Weighted average tax rate	26.0%	22.2%	
Effective tax rate	24.1%	19.0%	

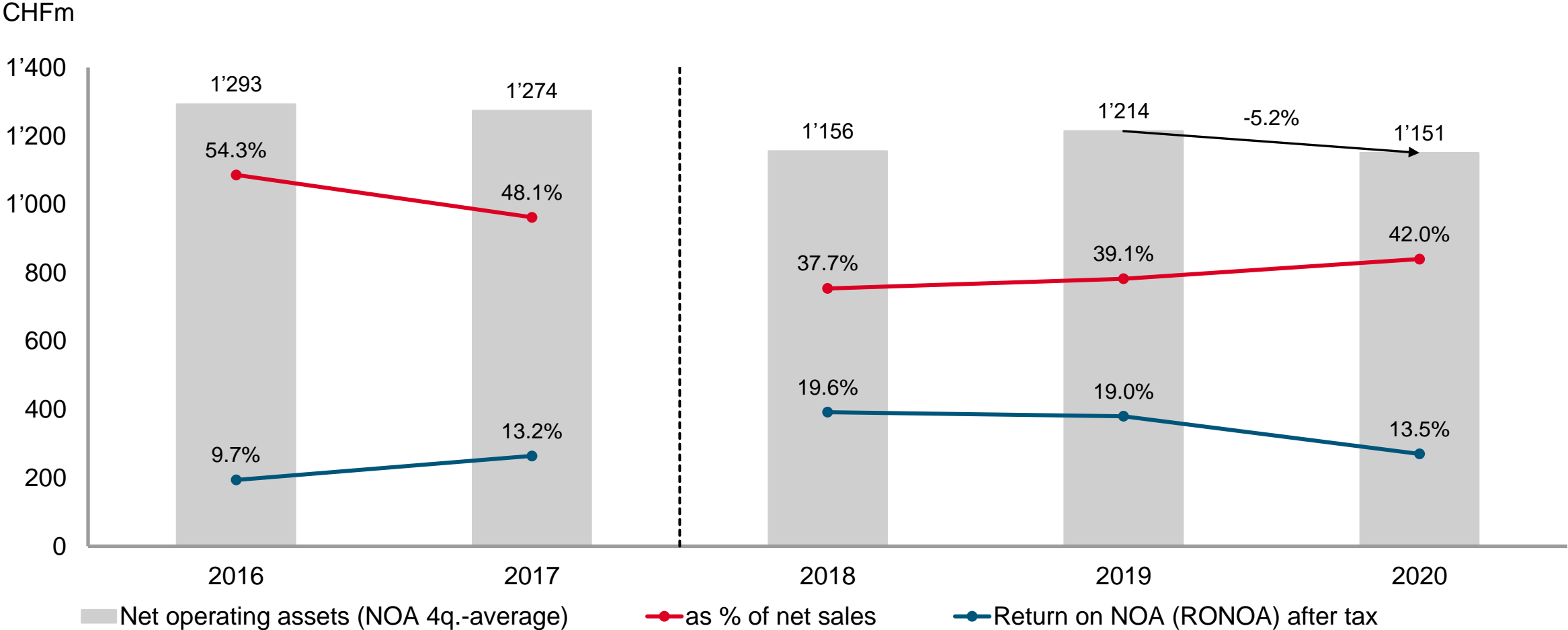
# Key figures

## Performance, invested capital

CHFm			Change in
	2020	2019	%
Profit for the year as % of net sales	152 5.5%	228 7.3%	-33.4
Earnings per share in CHF	14.71	21.92	-32.9
Capital expenditure	72	125	-42.3
Operating free cash flow	313	163	92.4
Net cash/debt	404	215	88.2
Equity as % of total assets (equity ratio)	1'391 57.2%	1'393 54.7%	-0.2
Net operating assets (NOA) average return (RONOA) after tax %	1'151 13.5%	1'214 19.0%	-5.2

# 5% reduction in average net operating assets

Invested capital: Net operating assets (NOA)



## Outlook for 2021

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# Positive development in the most important markets

Kuhn Group: Outlook for 2021

High crop prices are generating new optimism in the arable sector, dairy and livestock industry may be increasingly negatively impacted by rising feed costs

- North America: Improvement expected following several difficult years
- Europe: Market conditions satisfactory in the dairy and livestock sector; arable sector impacted by smaller harvest volumes, but generally stable
- Brazil: Ongoing positive development

For 2021: Moderate growth in sales and slightly higher operating profit margin than in 2020, despite rising material costs

## Strategic focus

- Large machines for large farms
- Digital solutions for precision farming and customer retention
- Close to customers: Distribution centres in Brazil and Russia

# Sales growth despite ongoing uncertainties

Bucher Municipal: Outlook for 2021

Demand at a decent level, but lower than in the extraordinarily strong years of 2018 and 2019

Uncertainties present due to the ongoing pandemic, Brexit and potential savings measures to combat the high national debt levels

**For 2021:** Moderate rise in sales facilitated by full-year consolidation of Spoutvac and growth in electric-powered products; operating profit margin higher than in 2020 due to improved production efficiency

## Strategic focus

- “One company – one brand” for optimised sales and service
- Market penetration with new line of electric-powered sweepers, winter maintenance equipment and refuse collection vehicles
- Greater efficiency due to modularisation
- Integration of companies acquired in China, France and Australia

# Market environment for hydraulics more positive

Bucher Hydraulics: Outlook for 2021

## Recovery ongoing in key regions and segments

- Early recovery in China should continue thanks to infrastructure projects
- Further increase in demand in the agricultural machines and materials handling segments, but also for construction machinery

**For 2021:** Slight growth in sales, operating profit margin at the good level achieved in 2020 thanks to systematically continuing the optimisation measures already initiated

## Strategic focus

- Extend new AX axial piston line, particularly suitable for electric-powered machines
- Develop innovative electrohydraulic subsystems
- Ongoing expansion of the product line in the lower price segment



# Recovery of demand at a low level

Bucher Emhart Glass: Outlook for 2021

## Further recovery in demand expected, but challenges will persist

- Slight upturn in project business among some customers: negotiation of major projects and installation of equipment resumed
- However, demand for glass containers will continue to be negatively impacted by the suspension of restaurant business and major public events

**For 2021:** Decrease in sales and operating profit margin compared to 2020 due to lower capacity utilisation in the first half of the year

## Strategic focus

- Provide customers with “End to End” solutions and automation technologies to integrate the “hot end” to the “cold end”
- Expand services, e.g. “Training under glass”
- Develop inspection machine business

# Ongoing uncertainties in the beverage industry

## Bucher Specials: Outlook for 2021

### Customers reluctant to invest in cyclical project business

- **Bucher Vaslin:** Recovery of sales at a low level, mainly in Europe and the USA
- **Bucher Unipektin:** Further postponements of projects by customers, with investments in maintenance and retrofitting of existing equipment instead; sales only slightly higher, due to the extremely low order book
- **Bucher Landtechnik:** Stable sales development following a very pleasing 2020
- **Jetter:** Recovery at a low level

**For 2021:** Slight growth in sales compared with 2020 and operating profit margin in the mid-single-digit range thanks to the cost-saving measures put in place

# Slight increase in sales and operating profit margin

Group: Outlook for 2021

The outlook is based on the assumption that all production sites remain operational.

- Slight increase in sales
- Slightly higher operating profit margin
- Improved profit for the year

# Annual general meeting 2021

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# Annual general meeting 2021

## Agenda and proposals

- Annual general meeting 15 April 2021, start at 3:00 p.m.
- Without the physical attendance of shareholders
- Standard agenda as in previous year
- Proposed dividend
  - CHF 6.50 per share (previous year CHF 8.00)
  - Yield of 2.0% relative to year-end share price 2020 of CHF 405.60

# Questions and answers

**BUCHER**

3 March 2021

