

Financial year 2020

BUCHER

Investor relations handout – spring 2021
Public



Contents

Bucher at a glance	3
Group: financial review	11
– Key figures	12
– Performance	14
– Invested capital	16
– Financing and risk management	24
Divisions: our activities	27
– Kuhn Group	28
– Bucher Municipal	36
– Bucher Hydraulics	42
– Bucher Emhart Glass	48
– Bucher Specials	54
Outlook and trends	59

Bucher at a glance

The five divisions of Bucher Industries

Bucher Specials
Individual businesses

Bucher Emhart Glass
Glass container industry

Kuhn Group
Agricultural machinery

Bucher Municipal
Municipal vehicles

Bucher Hydraulics
Hydraulic systems



CHF 2.7 billion sales, 12'600 employees, 7.4% EBIT margin

Bucher Industries 2020



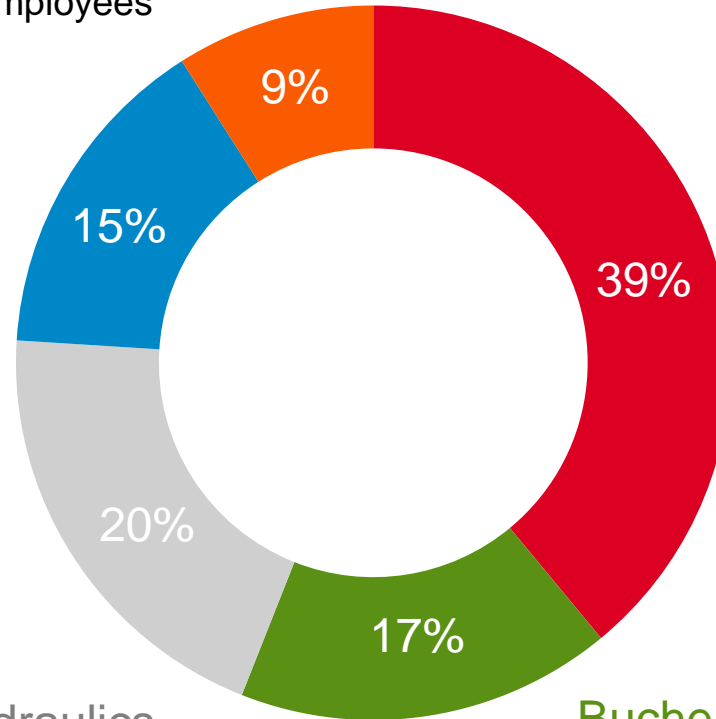
Bucher Specials

CHF 270 million sales
900 employees



Kuhn Group

CHF 1'090 million sales
5'200 employees



Bucher Emhart Glass

CHF 420 million sales
1'600 employees



Bucher Hydraulics

CHF 540 million sales
2'500 employees



Bucher Municipal

CHF 460 million sales
2'300 employees

International Group

62% Europe
CHF 1'700 million sales (Switzerland: CHF 130 m)
8'200 employees (Switzerland: 1'000)

16%
North America
CHF 450 million sales
1'500 employees

Central and South America
CHF 160 million sales
900 employees

6%

10%
Asia
CHF 270 million sales
1'600 employees

6%
Other
CHF 160 million sales
400 employees



Number 1 in selected markets



Kuhn Group

World market leader
in forage harvesting machinery
and feed mixers



Bucher Municipal

European market leader
in sweepers and winter maintenance



Bucher Hydraulics

World market 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

Aspirations

Diversified group

in mechanical and vehicle engineering

Technological leadership

for a strong market position

Solid balance sheet

for long-term, industrial independence

Decentralised responsibility

for products, markets and results in the divisions;
centrally co-ordinated

Strengthening

of divisions

Increase in enterprise value

(RONOA > WACC)

Principles

High level of independence for divisions

Leadership by

- Strategic planning
- Key financial figures
- Standardised values and prescribed governance requirements

Lean corporate center structure

with approx. 30 employees

Sustainability strategy

Objectives



Customers

- Keep customers happy
- Develop innovative products and optimal solutions
- Ensure customer health and safety practices and procedures



Employees

- Be an attractive employer and offer internal career opportunities
- Develop employees by offering training
- Safeguard health and safety at work
- Foster a diverse and inclusive culture



Environment

- Develop new machinery and equipment that enable customers to improve their environmental sustainability
- Reduce CO₂ emissions in production



Compliance

- Do business with integrity and professionalism and conduct ourselves fairly towards customers, colleagues, business partners, competitors and authorities

Group: financial review

Key figures

CHFm					Change in
	2020	2019	%	% ¹⁾	% ²⁾
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 ³⁾	13'107	-3.9		-5.0
Average employees	12'515 ³⁾	13'280	-5.8		-7.0

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency, acquisition and divestment effects

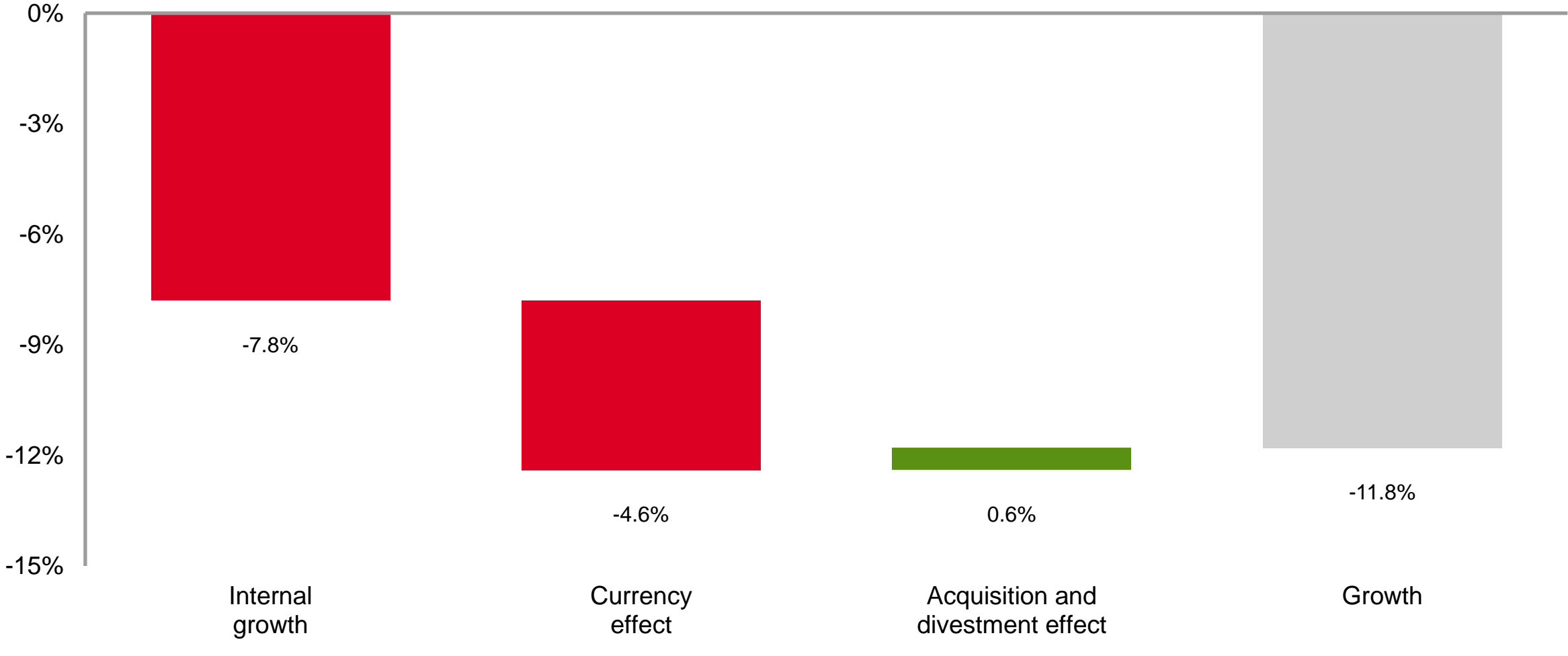
³⁾ 12'727 employees (FTEs), of whom 129 on short-time work; average 12'868 employees (FTEs), of whom 353 on short-time work

Key figures

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

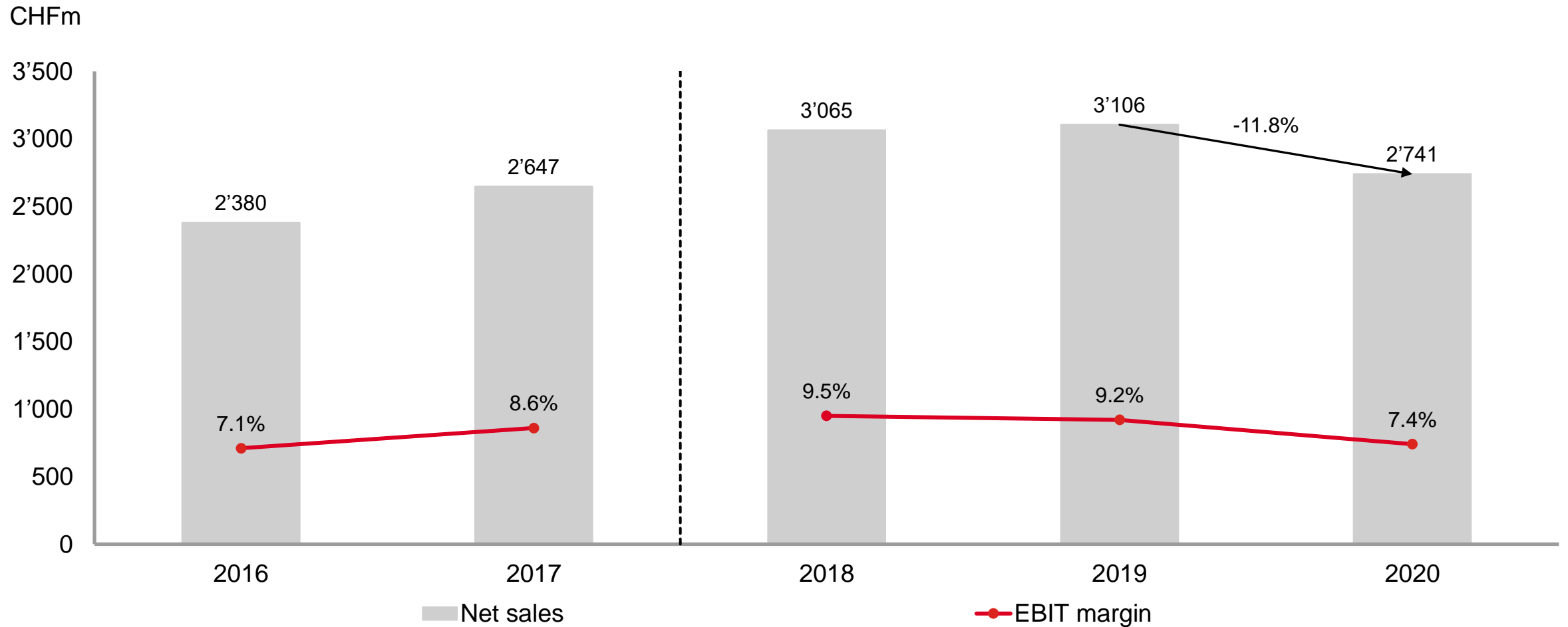
Organic decline of 8%, currency effect -5 percentage points

Performance: Net sales



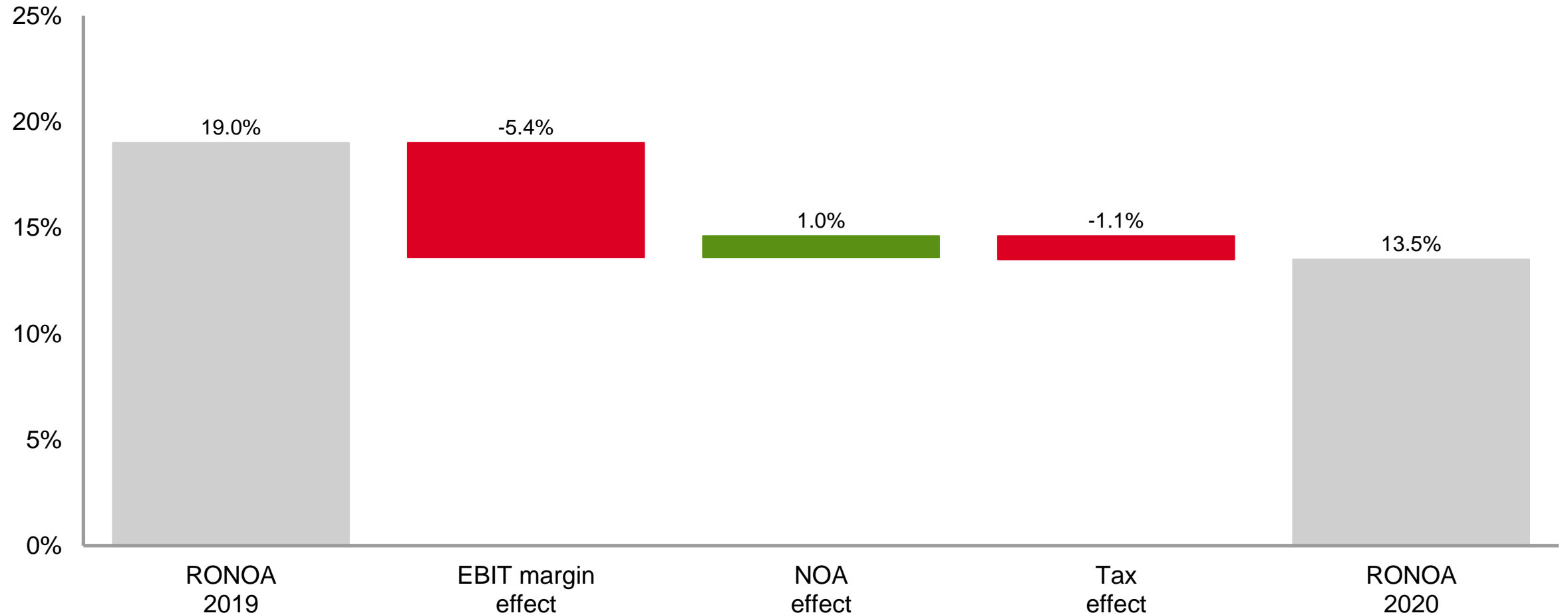
Robust profitability in a difficult year

Performance: Net sales and EBIT margin



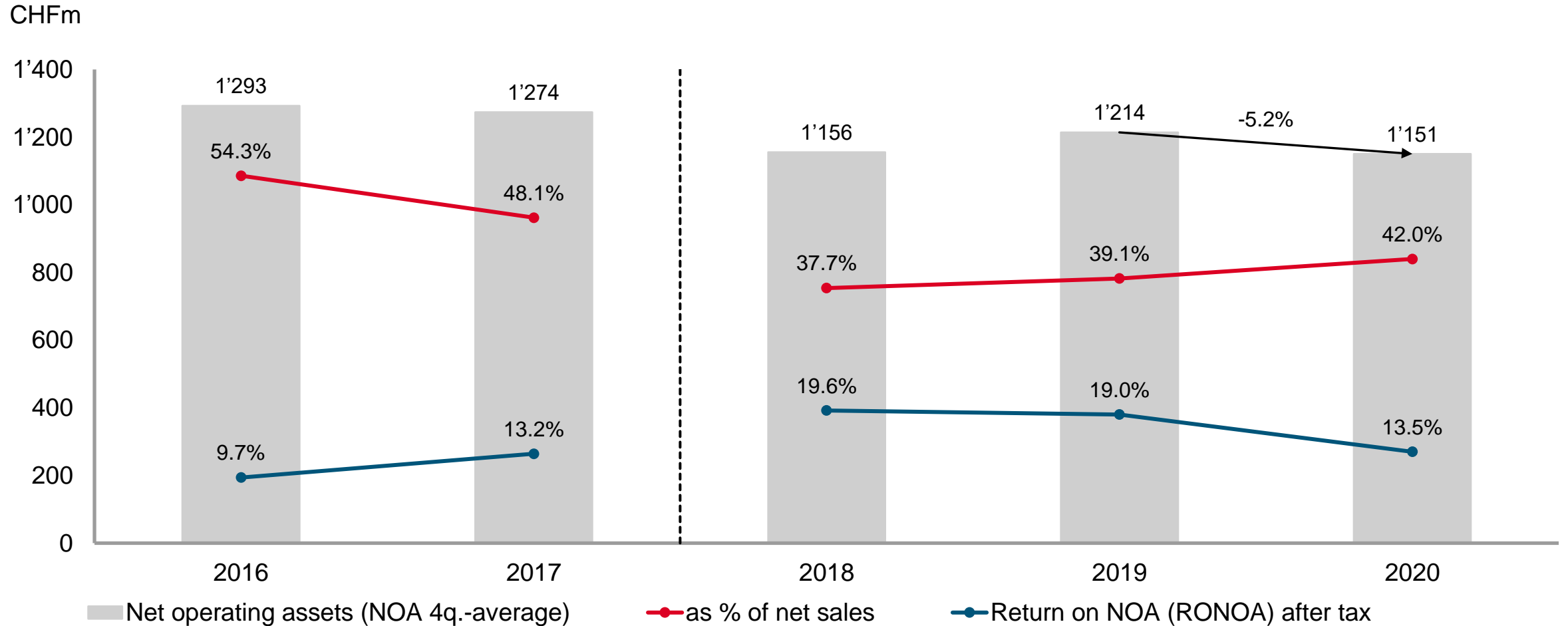
RONOA continues to exceed the cost of capital

Invested capital: Return on net operating assets (RONOA)



5% reduction in average net operating assets

Invested capital: Net operating assets (NOA)



M&A transactions 2019

Invested capital

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

Color coding:

Acquisition

Divestment

¹⁾ before acquisition/divestment

M&A transactions 2020 – 2021

Invested capital

2020

Bucher
Municipal

Eurovoirie,
France



Bucher
Specials

Luzzysa,
Spain



Bucher
Municipals

Spoutvac,
Australia



Asset Deal

Net sales¹⁾
CHF 16 million

Employees
35

Richards Coach
Works,
Australia



Asset Deal

Net sales¹⁾
CHF 1 million

Employees
20

2021

Kuhn Group

Khor,
Brazil



Net sales¹⁾
CHF 5 million

Employees
80

Bucher
Specials

Merk Process,
Germany



Net sales¹⁾
CHF 5 million

Employees
20

¹⁾ before acquisition

²⁾ of which more than half with Bucher Municipal equipment

Key investment projects

Invested capital

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

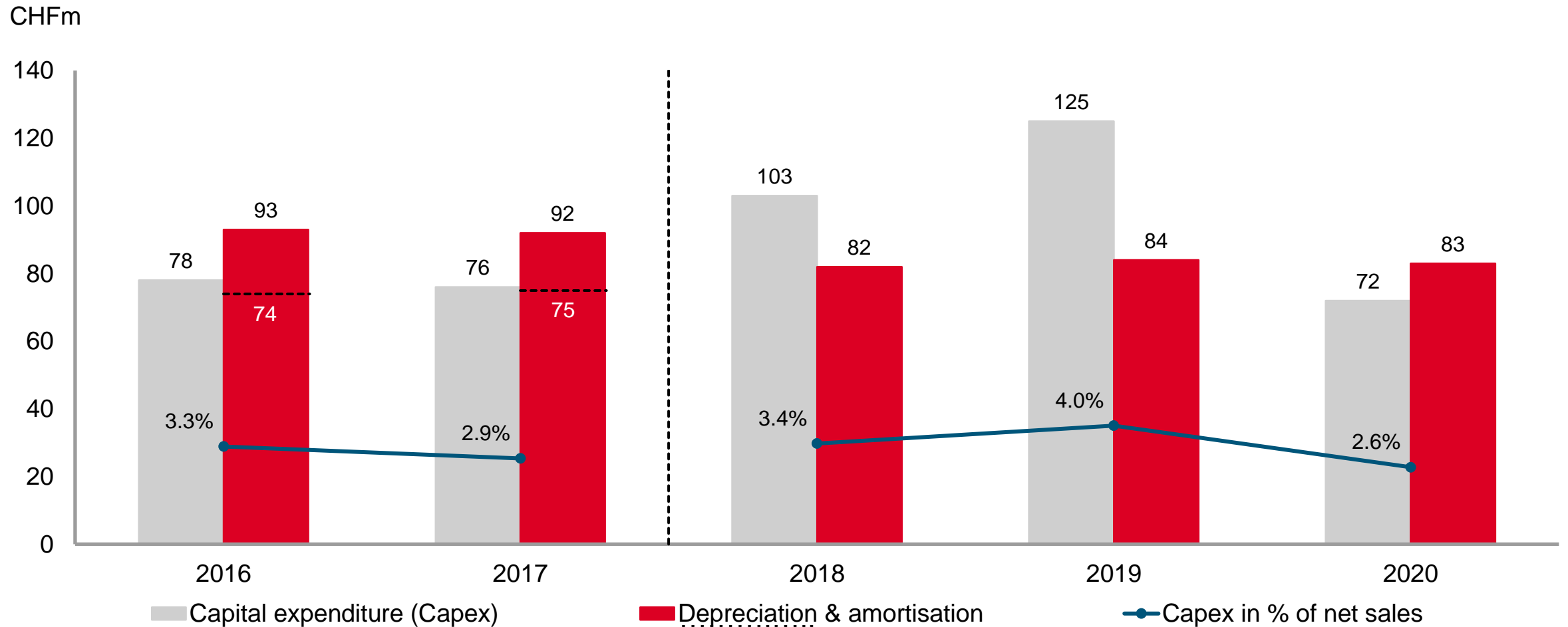
Flagship location in the Russian agricultural region of Voronezh

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



Reduced investment activity

Invested capital: Capital expenditure



Selected development projects

Invested capital

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

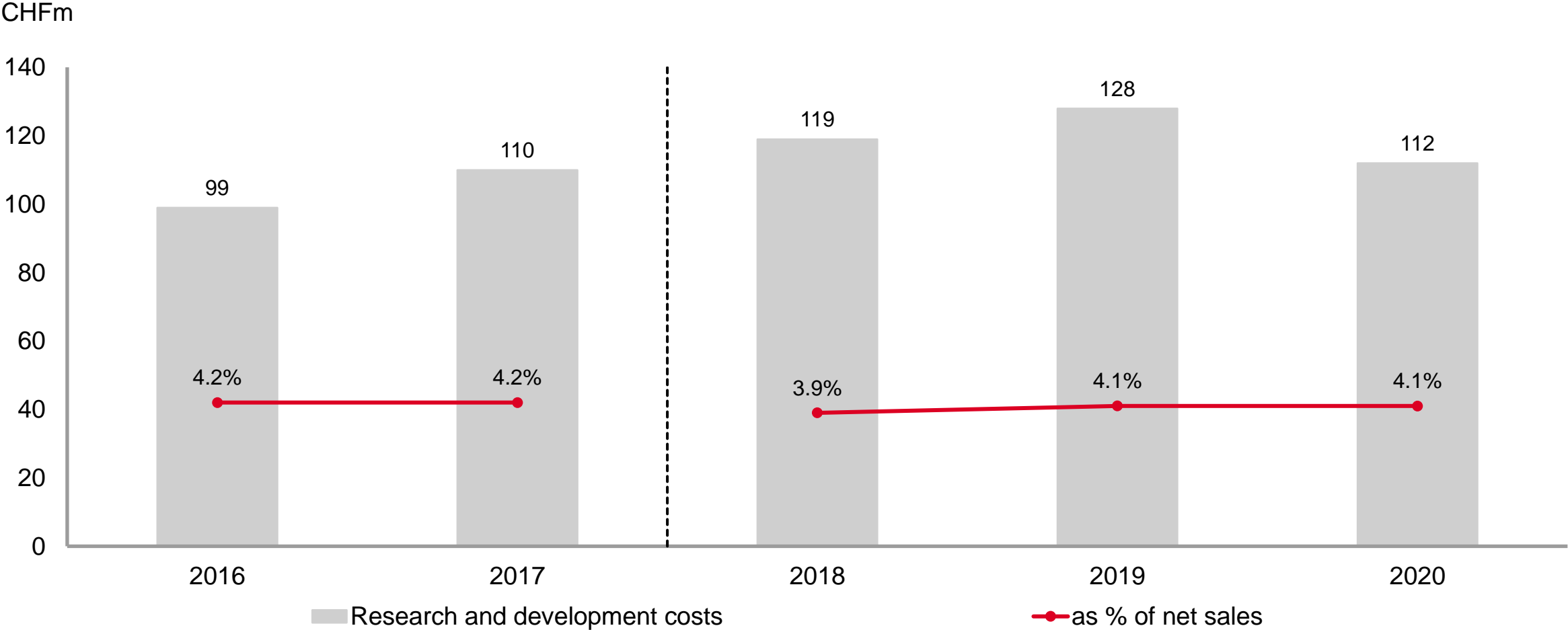
“Smart Feeder” with “GobRadar” as the latest closed-loop control

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



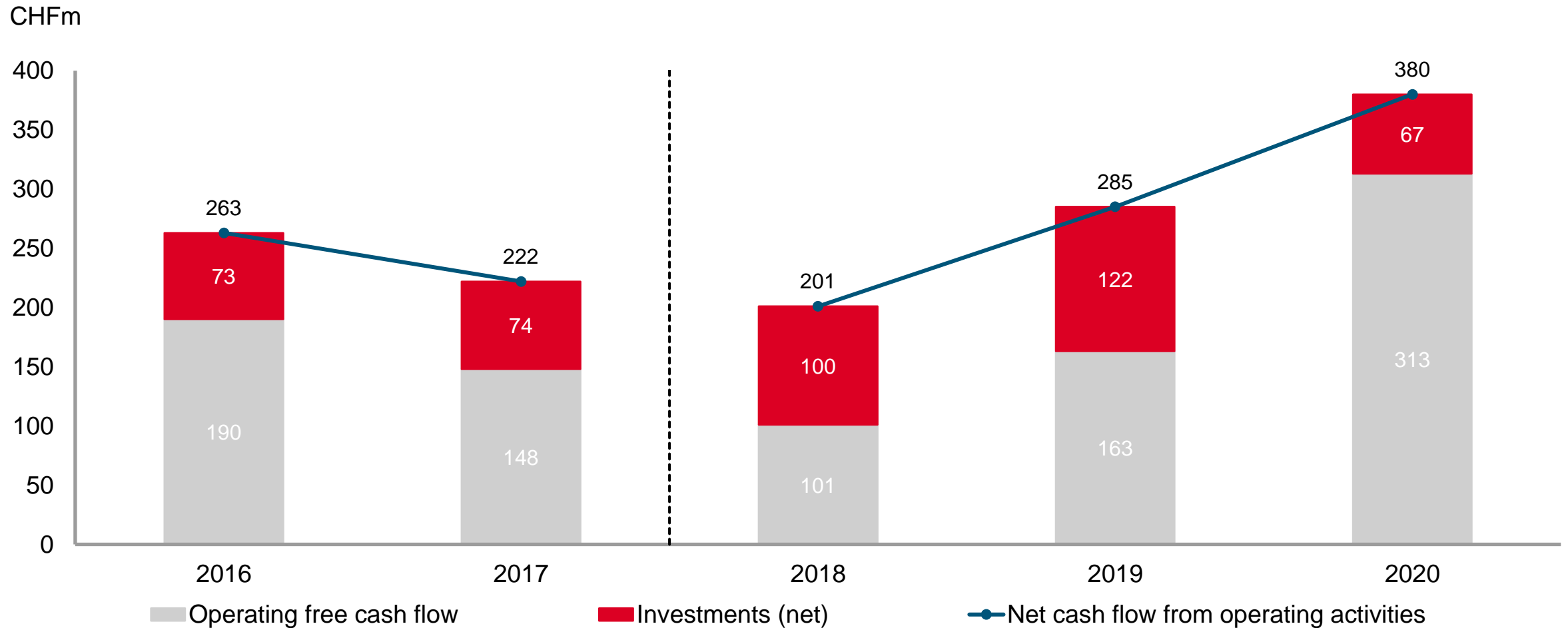
Continued investment in innovation

Invested capital: Research and development costs



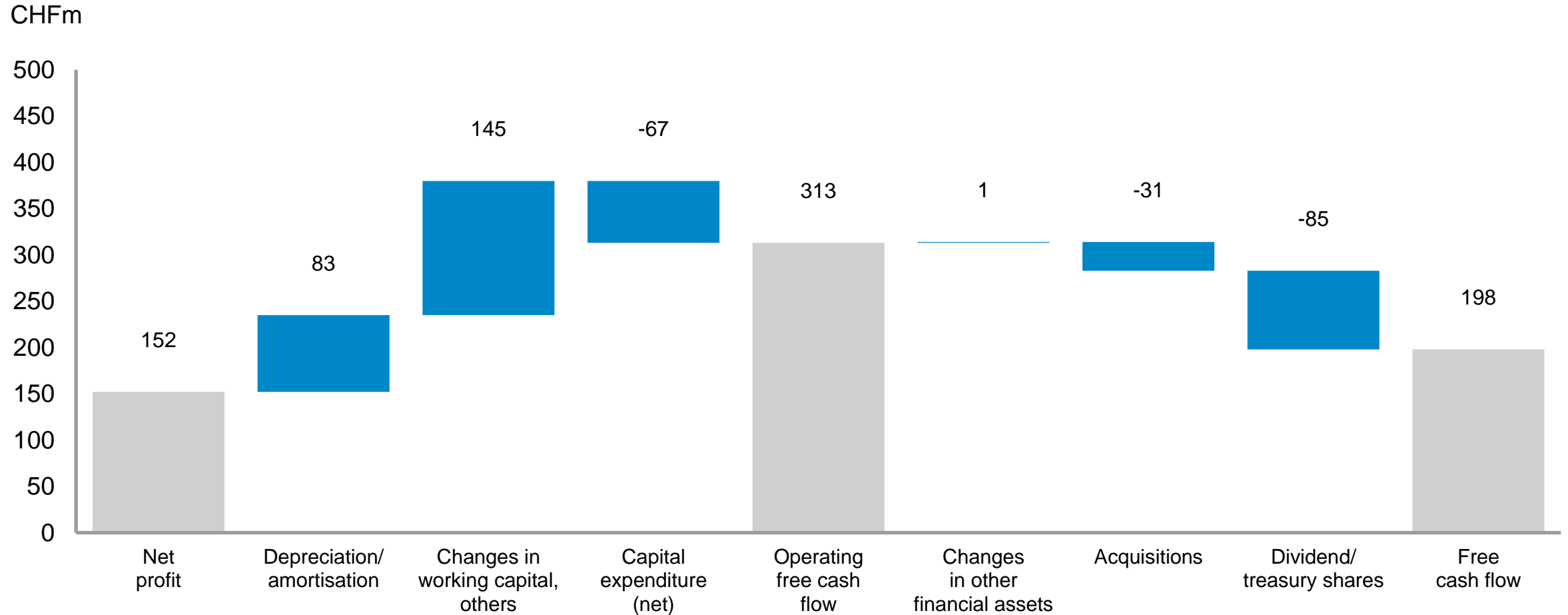
Strong increase of operating free cash flow

Financing and risk management



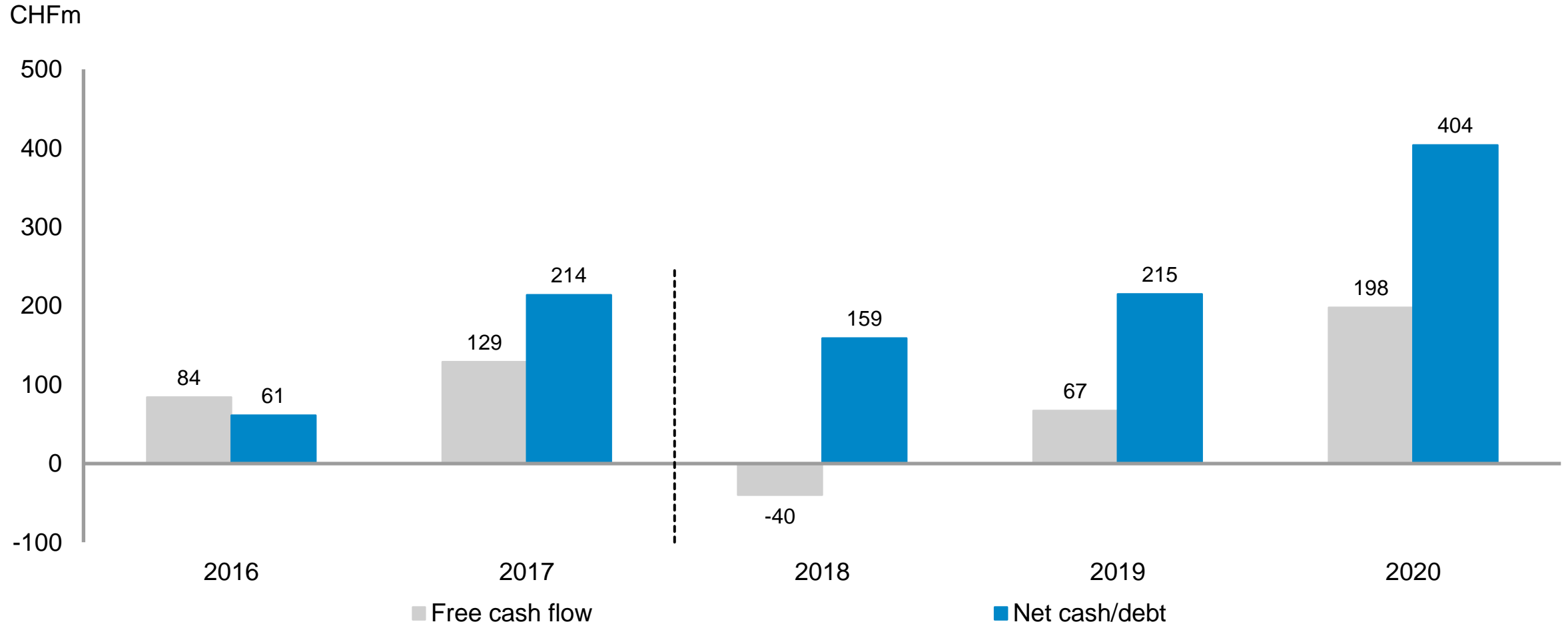
Positive free cash flow

Financing and risk management



Successful cash management in the crisis

Financing and risk management



Divisions: our activities

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

A key player in the global agricultural equipment market

Strategic focus of Kuhn Group



Support modern agriculture and connect with customers

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

Complete product range under the Kuhn brand

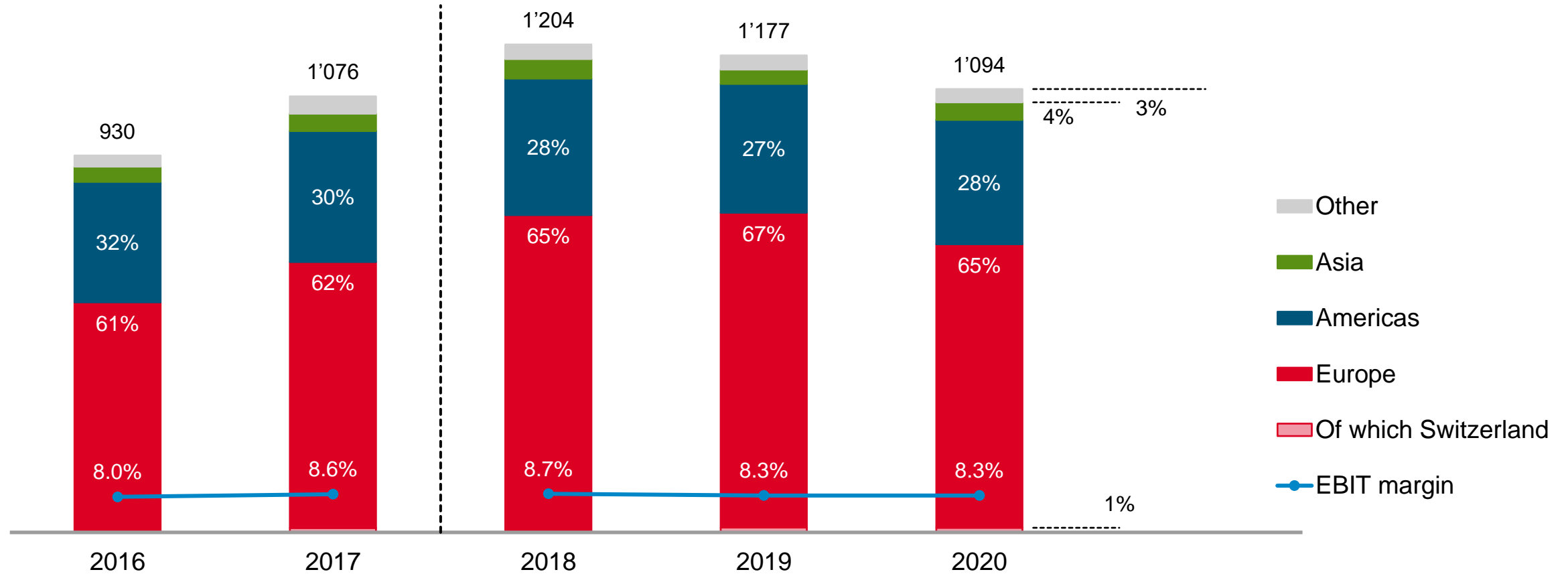
Kuhn Group

	Mowers	Hay and forage		Balers	Hedge cutters	Feed mixers	Tillage equipment		Seeding	Planting	Spreaders	Sprayers	Tractors	Harvesters self-propelled
		Tedders	Rakes				powered	non-powered						
Kuhn Group														
John Deere														
CNHi														
AGCO														
Claas														
Krone														
Amazone														
Pöttinger														
Kubota / Kverneland / Great Plains														
Exel Group / Hardi														
Lemken														
Horsch														
Väderstad														
Same-Deutz-Fahr														
Maschio														

Net sales by region

Kuhn Group

CHFm

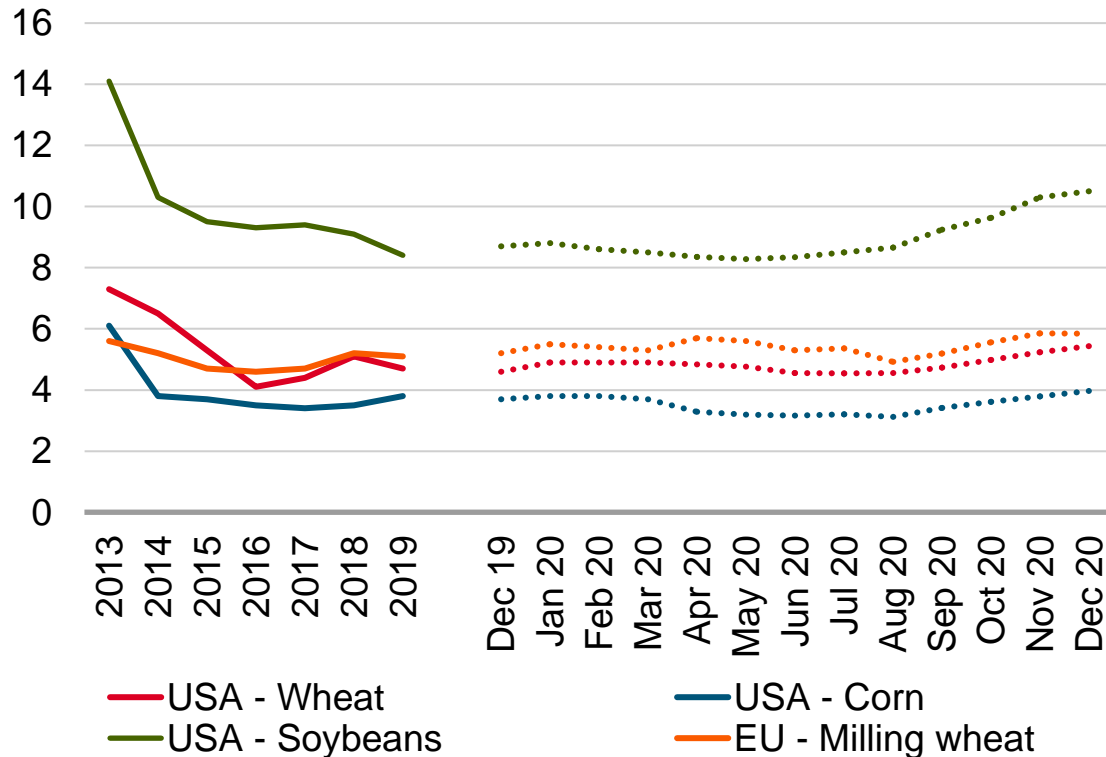


Price development soybeans, corn, wheat, milk

(average prices until December 2020)

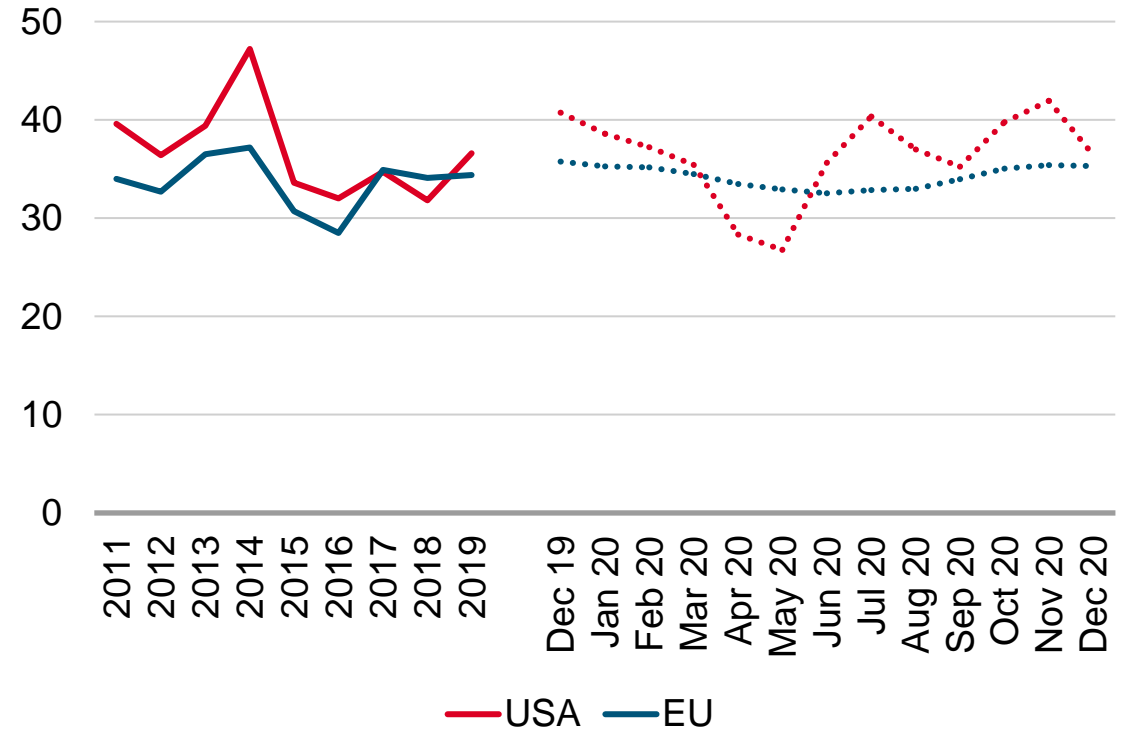
Crop price

EUR and USD / bushel



Milk price

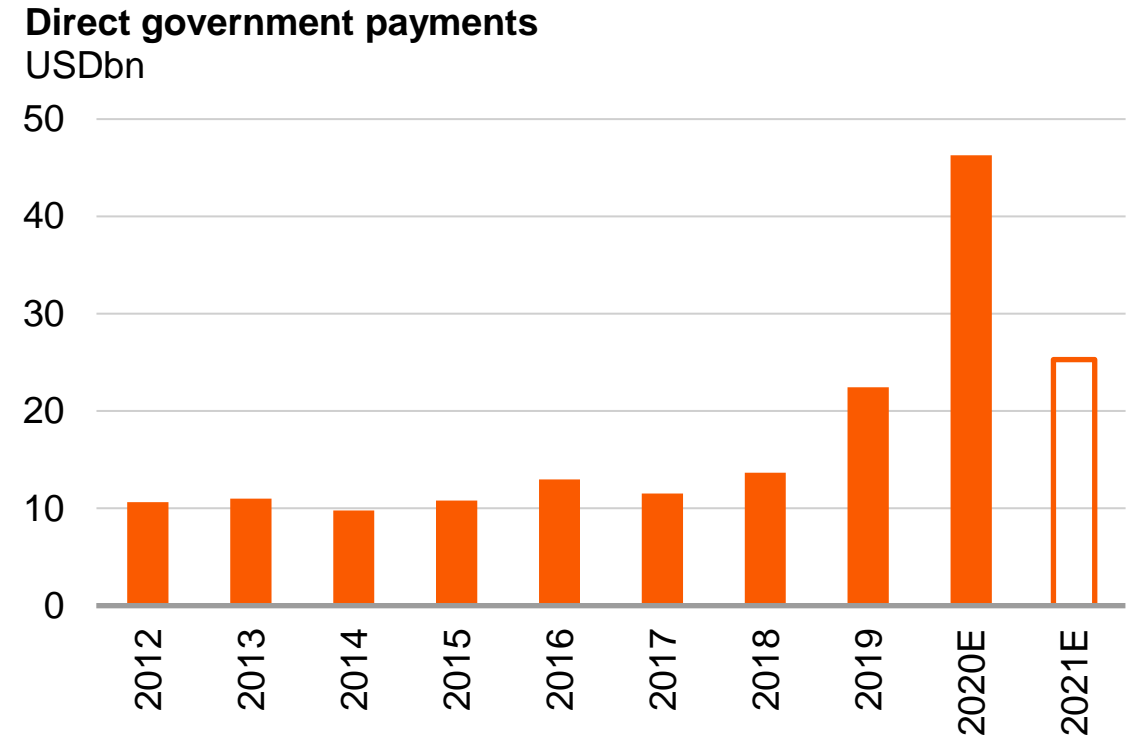
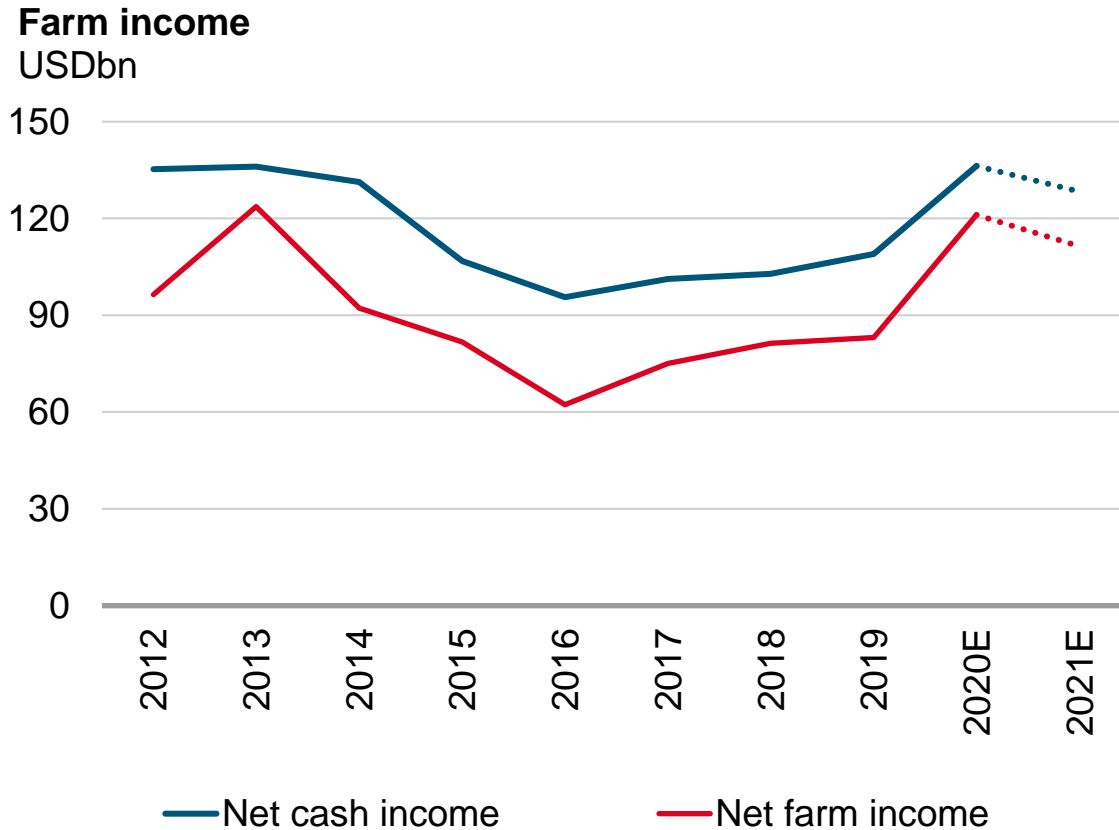
EUR and USD / 100 kg



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

Note: Dec 19 – Dec 20 prices for EU without UK
 Source: www.clal.it/en/?section=latte_europa_mmo, USDA

US farm income (USDA)



Source: USDA; value in nominal (current) dollars

Key figures

Kuhn Group

CHFm				Change in	
	2020	2019	%	% ¹⁾	
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 ²⁾	5'321	-5.7		

¹⁾ Adjusted for currency effects

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

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

Bucher Municipal

Municipal vehicles and winter maintenance equipment

Compact sweepers



Truck mounted sweepers



Winter equipment

Sewer cleaning

Refuse collection

“Driven by better”

Strategic focus of Bucher Municipal



Industrialise production and build service presence

- “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

Complete product range under one brand

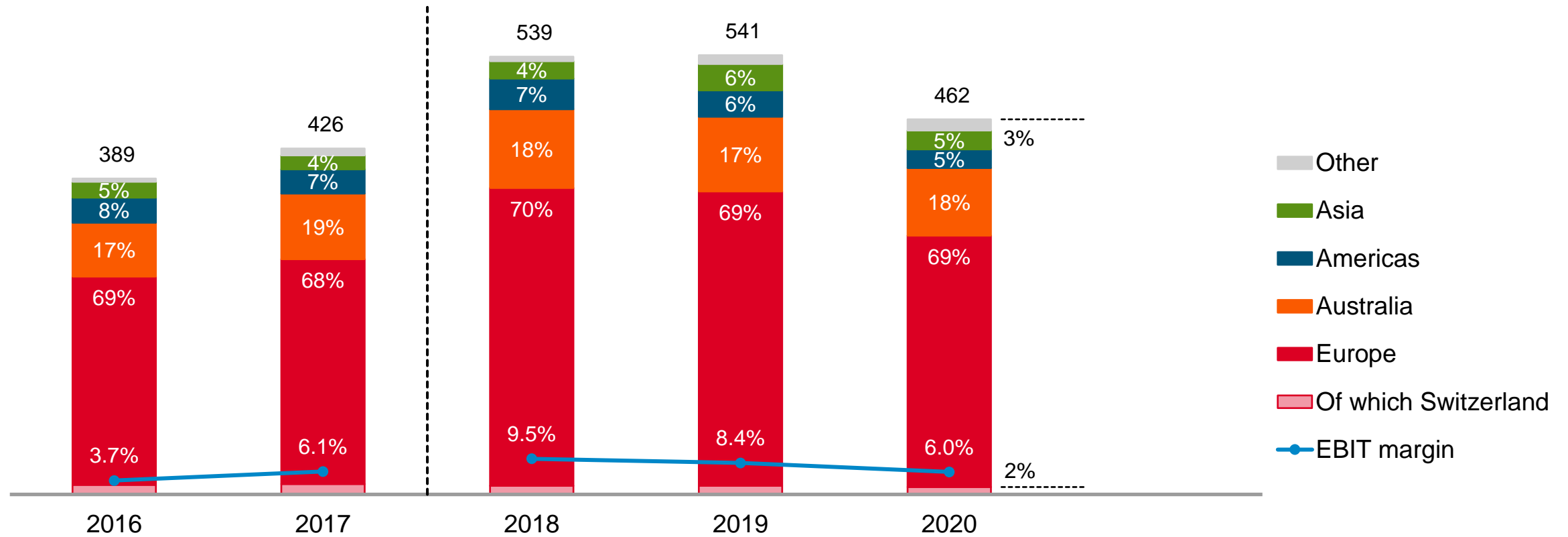
Bucher Municipal

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												

Net sales by region

Bucher Municipal

CHFm



Key figures

Bucher Municipal

CHFm	Change in				
	2020	2019	%	% ¹⁾	% ²⁾
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 ³⁾	2'370	-1.8		-7.5
Average employees	2'322 ³⁾	2'340	-0.8		-6.8

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

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

Sales growth despite ongoing uncertainties

Bucher Municipal: Outlook for 2021

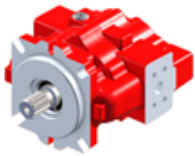
Demand at a decent level, but lower than in the extraordinarily strong years of 2018 and 2019

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

Bucher Hydraulics

Customised drive systems



Pumps



Valves



Subsystems



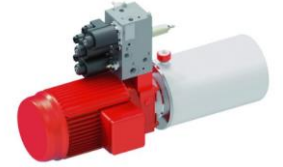
Tailor-made
customer solutions



Motors



Cylinders



Power packs

Agricultural machinery



Construction equipment



Materials handling



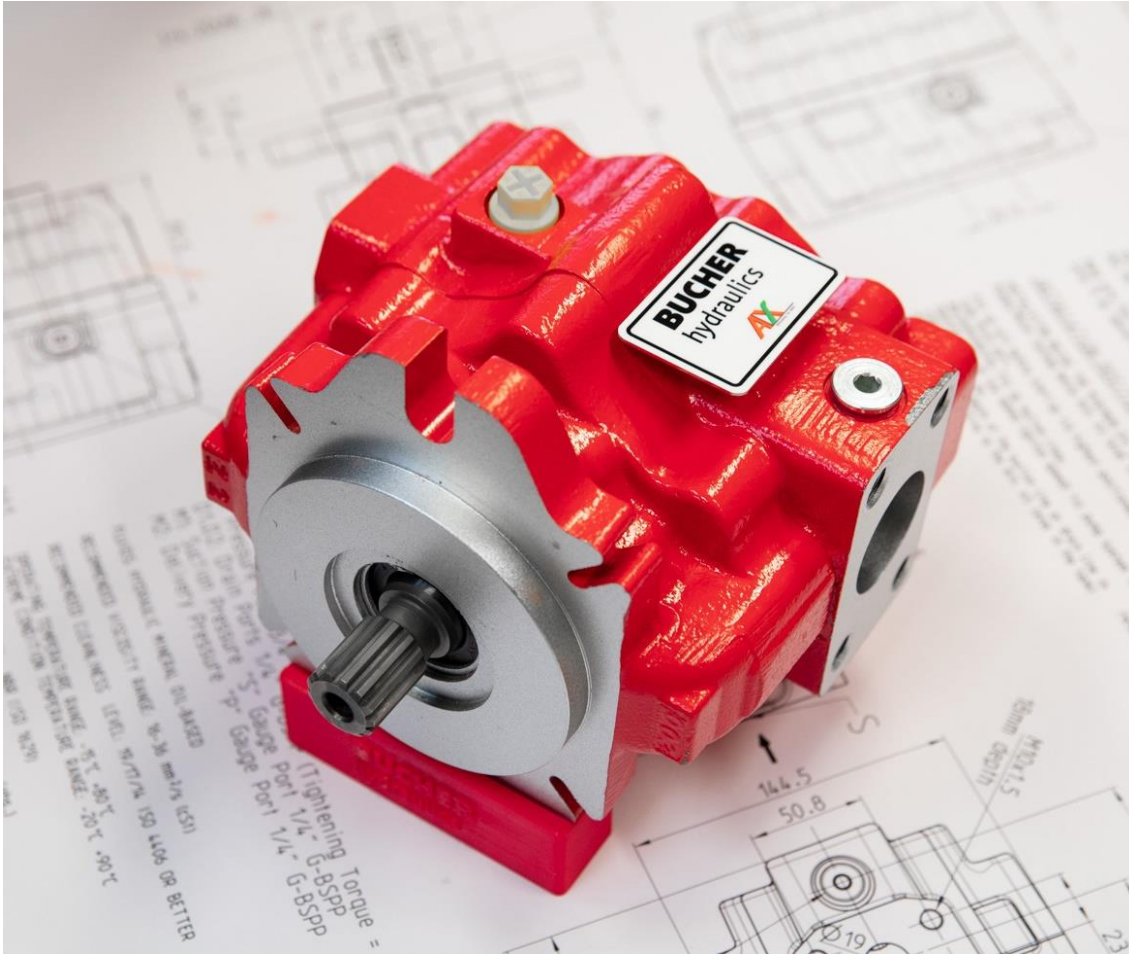
Industry



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

Investment in the future

Strategic focus of Bucher Hydraulics



Leverage electrification and broaden product offering

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

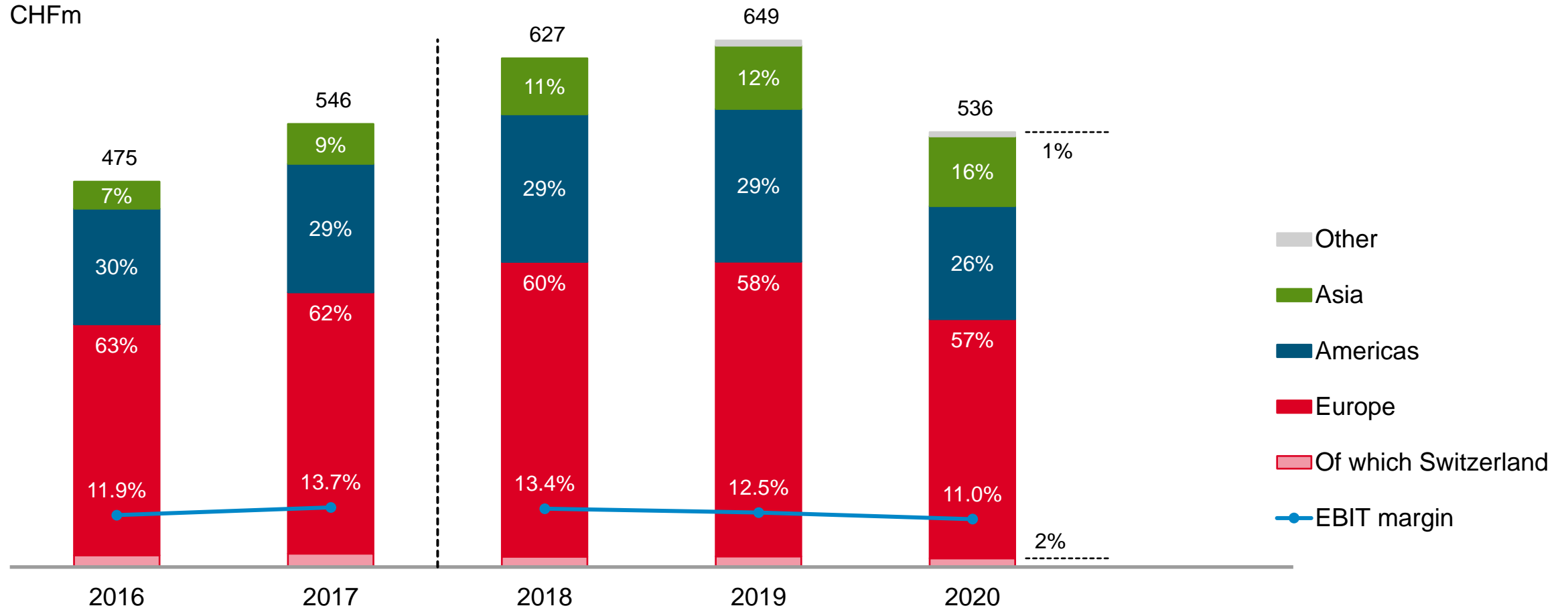
Leading manufacturer with wide range of products

Bucher Hydraulics

Competitors	Pumps			Valves						Motors and 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)																		

Net sales by region

Bucher Hydraulics



Key figures

Bucher Hydraulics

CHFm	Change in			
	2020	2019	%	% ¹⁾
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 ²⁾	2'766	-8.3	
Average employees	2'530 ²⁾	2'844	-11.0	

¹⁾ Adjusted for currency effects

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

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

Bucher Emhart Glass

Glass container manufacturing equipment

Hot End



Gob forming

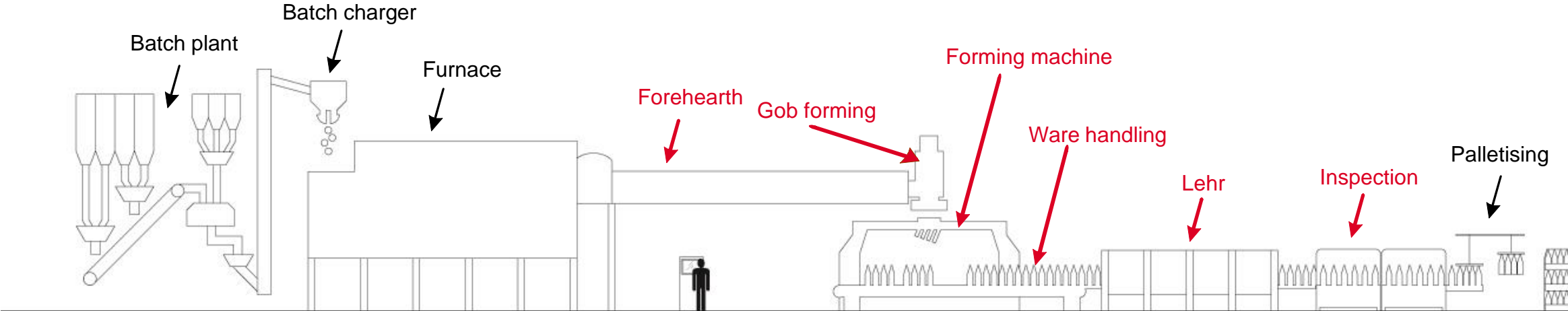


Glass-forming machine

Cold End



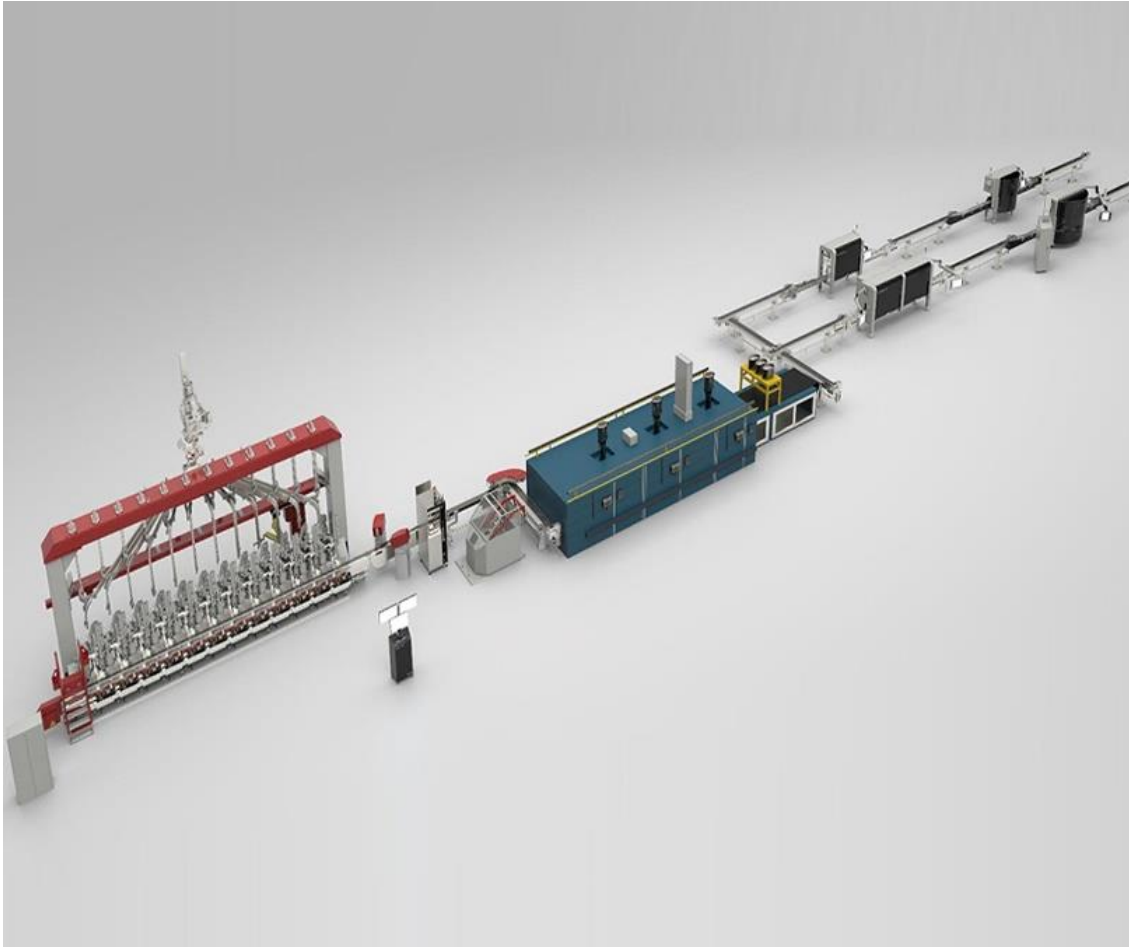
Inspection



Glass container manufacturing process

Further strengthening of market position

Strategic focus of Bucher Emhart Glass



Drive customers' production efficiency

- 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

World's leading machinery manufacturer

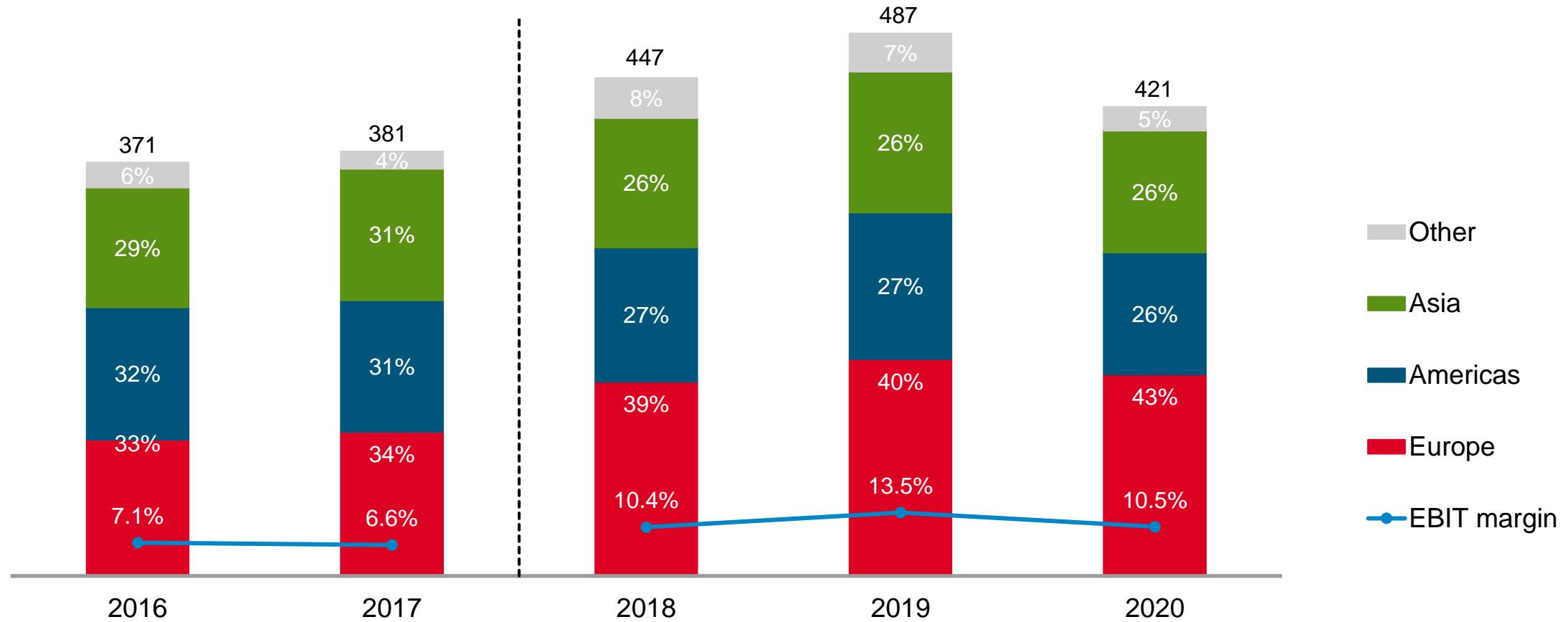
Bucher Emhart Glass

Competitors	Hot end							Cold end			
	Furnace	Forehearth	Feeder and shear	IS forming machine			Ware handling	Lehr	Inspection	Palletising	Wrapping
				NIS	AIS	IS					
Bucher Emhart Glass											
Bottero (IT)											
Heye (DE)											
Sklostroj (CZ)											
BDF (IT)											
Competitors (CN)											
Tiama (FR)											
Sorg											
Horn											

Net sales by region

Bucher Emhart Glass

CHFm



Key figures

Bucher Emhart Glass

CHFm						Change in
	2020	2019	%	% ¹⁾	% ²⁾	
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	

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency, acquisition and divestment effects

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

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

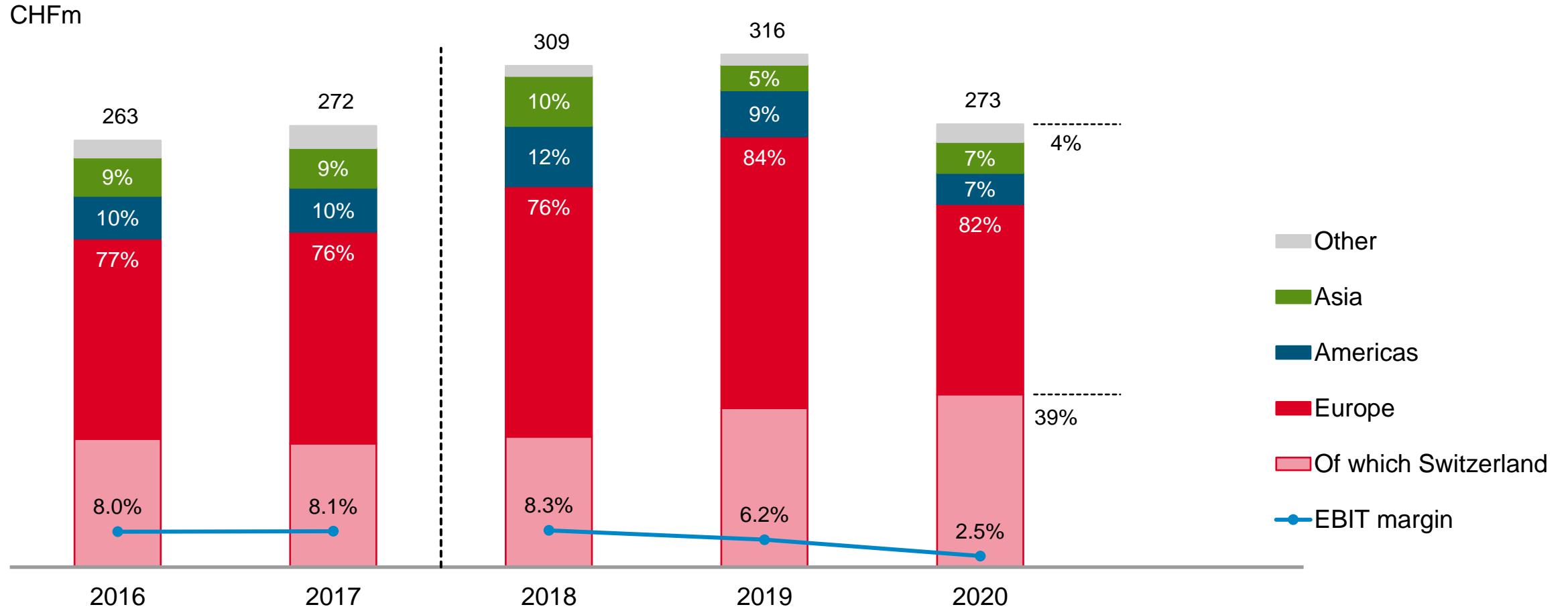


Automation solutions



Net sales by region

Bucher Specials



Key figures

Bucher Specials

CHFm						Change in
	2020	2019	%	% ¹⁾	% ²⁾	
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 ³⁾	948	-8.4		-10.2	
Average employees	893 ³⁾	953	-6.3		-9.0	

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

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

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

There for our customers



Outlook and trends

Bucher Industries



Systems engineering for beverage industry

Mobile mechanisation

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.

- **Kuhn Group:** Moderate growth of sales and slightly higher operating profit margin
- **Bucher Municipal:** Moderate growth of sales and higher operating profit margin
- **Bucher Hydraulics:** Slight growth of sales; operating profit margin stable at the good level achieved in 2020
- **Bucher Emhart Glass:** Decline in sales and operating profit margin
- **Bucher Specials:** Slight growth in sales compared with 2020 and operating profit margin in the mid-single-digit range

For 2021: Slight increase in sales and operating profit margin and improved profit for the year versus 2020

Long-term earnings targets

Outlook and trends

	IFRS			FER				
EBIT margin in %	2016	2017	2018	2018	2019	2020	Targets	
Kuhn Group	8.0	8.6	8.1	8.7	8.3	8.3	12	
Bucher Municipal	3.7	6.1	9.0	9.5	8.4	6.0	9	
Bucher Hydraulics	11.9	13.7	13.1	13.4	12.5	11.0	12	
Bucher Emhart Glass	7.1	6.6	10.1	10.4	13.5	10.5	10	
Bucher Specials	8.0	8.1	7.8	8.3	6.2	2.5	10	
Bucher Industries	7.1	8.6	9.1	9.5	9.2	7.4	>10	
Group and divisions	2016	2017	2018	2018	2019	2020	Target	
RONOA after tax	9.7	13.2	15.7	19.6	19.0	13.5	>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
- Electrification municipal equipment
- 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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