

## Ad hoc announcement

Niederweningen, 29 July 2021 | Ad hoc announcement pursuant to article 53 listing rules

# Strong result in a dynamic environment

Demand for Bucher Industries' products and services was strong in the first half of 2021. Order intake increased by 50% compared to the prior-year period. Despite difficulties in the supply chain, in logistics and in personnel recruitment, sales rose markedly, almost reaching the record level of 2019. The operating profit margin rose substantially. Operating profit and profit for the period practically doubled.

## Group

CHF million	January – June		Change in			Full year 2020
	2021	2020	%	% <sup>1)</sup>	% <sup>2)</sup>	
Order intake	1'722	1'153	49.3	50.3	48.3	2'838
Net sales	1'608	1'357	18.5	18.7	17.9	2'741
Order book	1'209	779	55.3	56.7	53.5	1'081
Operating profit (EBITDA)	221	135	63.3			287
as % of net sales	13.7%	10.0%				10.5%
Operating profit (EBIT)	179	94	89.9			204
as % of net sales	11.2%	7.0%				7.4%
Profit for the period	138	68	102.5			152
as % of net sales	8.6%	5.0%				5.5%
Earnings per share in CHF	13.40	6.71	99.7			14.71
Operating free cash flow	-8	-25	67.6			313
Net cash/debt	329	78	324.4			404
Total assets	2'596	2'369	9.6			2'431
Equity	1'489	1'322	12.6			1'391
Equity ratio	57.3%	55.8%				57.2%
Return on equity (ROE)	15.8%	13.2%				10.9%
Net operating assets (NOA) average	1'079	1'208	-10.7			1'151
Return on net operating assets (RONOA) after tax	25.1%	11.6%				13.5%
Number of employees at closing date <sup>3)</sup>	13'404	12'412	8.0		6.8	12'598

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

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

<sup>3)</sup> 13'428 employees (FTEs), of whom 24 on short-time work (June 2020: 12'811 employees, of whom 399 on short-time work)

The first half of 2021 was very dynamic for Bucher Industries. The recovery that had begun in mid-2020, especially in the agricultural machinery market, intensified and expanded to the other markets. Order intake rose substantially in all divisions. While all sites were operational, certain restrictions caused by COVID-19 concerning operational processes and international travel remained in place. The divisions had been facing difficulties in the supply chain and in logistics since the start of the year, but these intensified toward the end of the period, leading to delivery bottlenecks and longer delivery times in general. The divisions also found it increasingly difficult to recruit additional qualified employees, which in some instances prevented them from expanding capacities to the desired extent. Nevertheless, group sales rose markedly compared to the prior-year period, almost reaching the record level of 2019. The operating profit margin rose substantially, due to the high level of capacity utilisation but also as a result of optimisation measures implemented in the prior year and lower travel and marketing costs caused by COVID-19. Operating profit and profit for the period practically doubled.

**Significant increase in return on invested capital** The return on net operating assets (RONOA) was 25.1%, above the long-term target of 20% and therefore also significantly above the cost of capital of 8%. The high return is mainly attributable to the marked increase in the operating profit margin and the level of capital commitment, which remained low. The good operating performance and lower dividend payment had a positive effect on free cash flow and thus on net cash/debt. The main focus of internal investments has been on the construction projects of Kuhn Group in Russia, Bucher Municipal in the UK and Bucher Hydraulics in Germany. At the beginning of the reporting period, the Group invested further in external growth by acquiring Khor and Merk Process.

## Kuhn Group

CHF million	January – June		Change in			Full year
	2021	2020	%	% <sup>1)</sup>	% <sup>2)</sup>	2020
Order intake	608	427	42.4	48.1	46.8	1'290
Net sales	728	584	24.5	26.8	26.2	1'094
Order book	467	236	98.3	107.5	105.4	587
Operating profit (EBITDA)	108	69	58.1			125
as % of net sales	14.9%	11.7%				11.4%
Operating profit (EBIT)	91	51	77.4			91
as % of net sales	12.5%	8.8%				8.3%
Number of employees at closing date <sup>3)</sup>	5'800	5'158	12.4		11.0	5'194

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

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

<sup>3)</sup> 5'803 employees (FTEs), of whom 3 on short-time work (June 2020: 5'213 employees, of whom 55 on short-time work)

**Very dynamic markets, but challenges in production and the supply chain** Kuhn Group experienced exceptionally strong demand for machines and service parts, which was driven by multiple factors: high prices for agricultural products, the government support programmes for farmers in the previous year as well as overall favourable weather conditions. This resulted in a substantial upturn in North America, particularly in the arable sector, following several difficult years. In Europe, market conditions were good in both the arable sector and in the dairy and livestock industry. In Brazil, agricultural producers remained extremely eager to invest thanks to record-high margins. In this dynamic environment, the division saw order intake rise by nearly half. At the same time, however, Kuhn Group also grappled with challenges in the supply chain and production. Compared to the prior-year period, sales still rose substantially and even surpassed the first half of 2019. The higher sales volume resulted in a substantially higher operating profit margin.

## Bucher Municipal

CHF million	January – June		Change in			Full year
	2021	2020	%	% <sup>1)</sup>	% <sup>2)</sup>	2020
Order intake	298	225	32.2	28.9	25.2	460
Net sales	256	215	19.0	15.8	12.2	462
Order book	204	165	23.6	20.3	17.3	157
Operating profit (EBITDA)	22	13	75.2			38
as % of net sales	8.6%	5.8%				8.1%
Operating profit (EBIT)	17	8	112.8			28
as % of net sales	6.5%	3.6%				6.0%
Number of employees at closing date <sup>3)</sup>	2'348	2'309	1.7		-0.8	2'327

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

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

<sup>3)</sup> June 2020: 2'314 employees (FTEs), of whom 5 on short-time work

**Recovery in sales and operating profit margin** Demand for Bucher Municipal products was good. The division saw order intake rise markedly over the prior-year period, with this positive trend driven largely by truck-mounted sweepers and the new line of "CityCat V20" compact sweepers. Orders for sewer cleaning vehicles also rose, which was partly attributable to the acquisition of the Australian company Spoutvac in autumn 2020. Bucher Municipal's production continued to be hampered by COVID-19 measures and problems in the supply chain. Procuring chassis, hydraulic components and batteries became increasingly difficult. Nevertheless, sales were up significantly over the hard-hit prior-year period and ended up at virtually the same high level as in 2019. Accordingly, the operating profit margin increased despite a difficult procurement environment.

## Bucher Hydraulics

CHF million	January – June		Change in		Full year
	2021	2020	%	% <sup>1)</sup>	2020
Order intake	429	259	66.0	66.5	561
Net sales	338	268	26.3	26.8	536
Order book	225	100	124.2	124.9	134
Operating profit (EBITDA)	57	36	56.5		81
as % of net sales	16.8%	13.6%			15.1%
Operating profit (EBIT)	46	25	80.3		59
as % of net sales	13.5%	9.5%			11.0%
Number of employees at closing date <sup>2)</sup>	2'689	2'278	18.0		2'537

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

<sup>2)</sup> 2'691 employees (FTEs), of whom 2 on short-time work (June 2020: 2'558 employees, of whom 280 on short-time work)

**Very high capacity utilisation** Developments in the hydraulics markets were extremely dynamic. Demand for Bucher Hydraulics components and solutions was exceptionally high in all key regions and segments. This trend was reinforced by the fact that customers were stocking up their orders due to the general increase in industry delivery times. The division saw order intake rise by more than half over the prior-year period and the order book hit a record high. Making the necessary adjustments to production capacities was extremely challenging. Nevertheless, sales were up markedly over the first half of 2020 and were only slightly lower than the record level of 2019. Thanks to higher sales and the low cost base, the operating profit margin came in significantly higher than in the prior-year period.

**Focus on electrohydraulics** Bucher Hydraulics acquired the mobile electric drive technology business from Lenze Schmidhauser in Romanshorn, Switzerland, in early July 2021. Renamed Bucher Hydraulics Mobile Drives, this business unit develops and delivers frequency converters for mobile applications. With this acquisition, Bucher Industries is focusing more strongly on the trend towards electrification and positioning itself in the rapidly growing market for electrohydraulic solutions. Integration of the business is proceeding according to plan.

## Bucher Emhart Glass

CHF million	January – June		Change in		Full year
	2021	2020	%	% <sup>1)</sup>	2020
Order intake	235	134	74.8	70.6	317
Net sales	172	179	-3.9	-6.2	421
Order book	221	214	3.2	0.8	155
Operating profit (EBITDA)	28	20	43.1		53
as % of net sales	16.4%	11.0%			12.7%
Operating profit (EBIT)	24	15	57.0		44
as % of net sales	13.7%	8.4%			10.5%
Number of employees at closing date	1'565	1'694	-7.6		1'611

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

**Very good profitability despite slightly lower sales** Demand for glass container manufacturing equipment recovered in the first half of 2021. With the easing of restrictions in the gastronomic sector and at major public events, demand for glass containers rose again. Customers began more and more to approve projects and to invest in modernising their machines. Overall, the division's order intake rose by well over half compared to the very low level of the previous year, with a significant increase in orders for glass-forming machinery in particular. The recovery was reflected in sales, but with a delay. The capacity utilisation increased toward the end of the reporting period. Challenges were still posed by restrictions on travel, higher transport prices and bottlenecks in logistics, as well as the situation in Malaysia, where public authorities have imposed new restrictions due to COVID-19. In this environment, sales declined slightly on the prior-year period, which still benefited from a very high order book. The operating profit margin increased substantially, in part due to a favourable product mix.

## Bucher Specials

CHF million	January – June		Change in			Full year
	2021	2020	%	% <sup>1)</sup>	% <sup>2)</sup>	2020
Order intake	179	127	41.0	39.7	31.8	261
Net sales	149	137	8.4	7.5	7.1	273
Order book	106	72	47.8	46.3	26.0	70
Operating profit (EBITDA)	14	7	105.9			12
as % of net sales	9.4%	5.0%				4.4%
Operating profit (EBIT)	12	5	154.3			7
as % of net sales	7.9%	3.4%				2.5%
Number of employees at closing date <sup>3)</sup>	941	908	3.6		2.0	868

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

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

<sup>3)</sup> 960 employees (FTEs), of whom 19 on short-time work (June 2020: 967 employees, of whom 59 on short-time work)

**Higher order intake in all business units** The easing of pandemic-related restrictions in the gastronomic sector and at major public events in many regions of the world had a positive impact on Bucher Specials. Demand at Bucher Vaslin picked up again in the northern hemisphere. At Bucher Unipektin, as well, order intake rose over the very low prior-year period. The performance of the two acquisitions in the areas of processing equipment for citrus fruits and vacuum belt drying technology was encouraging. The project business relating to equipment for core and stone fruit processing and beer filtration also showed signs of a recovery. Bucher Landtechnik surpassed last year's good business trend despite challenges in the supply chain. At Jetter, recovery in the glass industry was reflected in a significant increase in orders related to industrial automation. In this positive environment, Bucher Specials was able to strongly increase its order intake. Sales also grew year on year and ended the period roughly on a par with the first half of 2019. The operating profit margin also increased considerably.

## Outlook for 2021

The Group expects the economic recovery to continue throughout the remainder of the year. However, the uncertainties related to the pandemic are likely to persist. In addition, there are difficulties in procurement and logistics, combined with strong increases in both material and transport costs. The increasing shortage of skilled labour will also make it more difficult to boost capacities. **Kuhn Group** anticipates a positive development in its most important markets. Challenges related to production and the supply chain are expected to persist and lead to higher costs in the second half of the year. The division expects a marked rise in sales for 2021. The operating profit margin is also likely to be considerably higher thanks to good capacity utilisation and price increases. **Bucher Municipal** anticipates good demand and expects sales to increase. The full-year consolidation of Spoutvac, the Australian manufacturer of sewer cleaning vehicles, as well as the newly launched electrified products, particularly in the sweeper and winter maintenance equipment businesses, will also make a contribution. The operating profit margin should increase due to better utilisation of production capacities and efficiency gains. **Bucher Hydraulics** expects the dynamic momentum in the hydraulics markets to continue. Capacity utilisation will remain at a high level. For 2021, the division anticipates marked growth in sales and the operating profit margin, despite the challenges it

faces in production. **Bucher Emhart Glass** expects demand to continue to rise and production capacity utilisation to be higher in the second half of the year. Given the low level of capacity utilisation in the first quarter, however, the division expects sales for the year as a whole to be down slightly on 2020. Thanks to the product mix, the operating profit margin is likely to be higher despite the fact that personnel and material costs will continue to rise over the course of the year. At **Bucher Specials**, ongoing restrictions will probably continue to cause a certain measure of restraint in the project business, however, uncertainties should diminish. The division expects significantly higher sales and an operating profit margin in the mid-to-high single-digit range thanks to the cost-savings measures put in place. Overall, the **Group** expects to see a substantial increase in sales, in the operating profit margin and in the profit for the year.

The interim report as well as the investor relations handout on the results for the first half of 2021 are available on [bucherindustries.com](http://bucherindustries.com) under “Media dossiers”.



#### Contact for investors and financial analysts

Manuela Suter, CFO

T +41 58 750 15 50

[ir@bucherindustries.com](mailto:ir@bucherindustries.com)

#### Contact for media

Silvia Oppliger, Head of Group Communications

T +41 58 750 15 40

[media@bucherindustries.com](mailto:media@bucherindustries.com)

---

#### Simply great machines

Bucher Industries is a global technology group with leading market positions in speciality areas of mechanical and vehicle engineering. The company's operations include specialised agricultural machinery, municipal vehicles, hydraulic components, manufacturing equipment for the glass container industry and for wine and fruit juice production, as well as automation technology. The company's shares are traded on the SIX Swiss Exchange (SIX: BUCN). Further information is available at [bucherindustries.com](http://bucherindustries.com).

Additional performance measures: Internally and externally Bucher Industries uses key figures that are not defined by Swiss GAAP FER. The composition and calculation of the individual performance measures are set out here: [bucherindustries.com/en/additional-performance-measures](http://bucherindustries.com/en/additional-performance-measures)