

Ad hoc announcement

Niederweningen, 27 January 2022 | Ad hoc announcement pursuant to article 53 listing rules

Exceptionally high demand

Bucher Industries' products and services enjoyed extremely strong demand in 2021. Order intake grew by more than a third. The divisions were faced with major challenges in the supply chain and logistics as well as staff bottlenecks, yet they succeeded in coping with them very well. Sales increased substantially as a result, ending the year slightly ahead of the high 2019 figures. The operating profit margin is likely to exceed the target of 10%, with a corresponding marked rise in the profit for the year.

Group

CHF million	Change				
	2021	2020	%	% ¹⁾	% ²⁾
Order intake	3'948	2'838	39.1	39.3	37.5
Net sales	3'176	2'741	15.9	15.9	14.2
Order book	1'873	1'081	73.2	73.5	71.3
Number of employees at closing date	13'562	12'598 ³⁾	7.7		6.7

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

³⁾ 2020: 12'727 employees (FTEs), of whom 129 on short-time work

Bucher Industries' markets reported extraordinarily strong, unexpected momentum during the reporting period. Order intake rose markedly in all five divisions, thus exceeding the high 2019 level by nearly a third. This was largely attributable to the very good economic development, but also to catch-up effects and precautionary orders. Like the entire industrial sector worldwide, the divisions found themselves faced with bottlenecks and delays in the supply chain and logistics as well as rising material and transport costs. This resulted in production challenges that intensified over the course of the reporting period. However, the divisions managed to cope with these challenges very well. Recruiting qualified employees became increasingly difficult. The divisions enlarged their workforce primarily by means of temporary workers but were unable to fill vacancies to the desired extent, particularly in the USA. Accordingly, the Group's order book grew by more than two thirds. Sales were up considerably year on year and exceeded the 2019 figures slightly.

Kuhn Group

CHF million	Change				
	2021	2020	%	% ¹⁾	% ²⁾
Order intake	1'676	1'290	29.9	31.8	30.9
Net sales	1'319	1'094	20.5	22.1	21.4
Order book	941	587	60.3	62.4	61.4
Number of employees at closing date	5'832	5'194	12.3		10.8

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

Exceptionally strong demand Demand for the division's products was very strong in all key regions. This was driven by the higher income of farmers due to good prices for agricultural products, various government support programmes and generally favourable weather conditions. Dealers' low inventory levels prompted early order placement and larger orders. The trend was also underpinned by a major need for more productive machines after the extended low cycle in the arable sector. This upswing was particularly pronounced in North America. Europe reported good development, and in Brazil agricultural producers' willingness to invest was extraordinarily high. Order intake at Kuhn Group rose by nearly one third. At the same time, the division found itself faced with problems in the supply chain and logistics. However, it was able to cope with them very successfully. Recruiting additional qualified employees was difficult, particularly in the USA. As a result, production capacities could only be partially adapted to the record-high order book. Nevertheless, sales rose markedly over 2020 and considerably exceeded the high level of 2019. Thanks to extremely good capacity utilisation and the passing-on of the rise in material prices, the operating profit margin is likely to reach a level around the target of 12%.

Bucher Municipal

CHF million	Change				
	2021	2020	%	% ¹⁾	% ²⁾
Order intake	599	460	30.1	27.5	24.9
Net sales	523	462	13.0	10.6	8.1
Order book	237	157	50.6	47.9	47.9
Number of employees at closing date	2'329	2'327 ³⁾	0.1		0.1

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

³⁾ 2020: 2'334 employees (FTEs), of whom 7 on short-time work

Rise in sales despite difficulties in production The market for Bucher Municipal's products was very brisk, especially in the important European region. Order intake rose markedly. This positive trend was driven largely by truck-mounted sweepers and the new modular line of "CityCat V20" compact sweepers together with the fully electric model. Orders for sewer cleaning vehicles increased as well, supported by the acquisition of the Australian company Spoutvac in autumn 2020. Production was greatly hampered by bottlenecks on the supply side, mainly among suppliers of chassis and other components. Especially in Australia, the stringent COVID-19 measures posed a challenge. In November, the division was forced to temporarily shut down its IT infrastructure following the early detection of a malware attack, which could be averted. Sales picked up markedly and ended the period just short of the high level of 2019, but the operating profit margin is likely to be only marginally higher than in 2020 due to the difficulties in the supply chain and production.

Bucher Hydraulics

CHF million	Change				
	2021	2020	%	% ¹⁾	% ²⁾
Order intake	856	561	52.5	52.4	49.4
Net sales	681	536	26.9	26.8	25.0
Order book	320	134	139.2	138.8	125.7
Number of employees at closing date	2'825	2'537 ³⁾	11.4		10.3

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

³⁾ 2020: 2'602 employees (FTEs), of whom 65 on short-time work

Record-high sales Developments in the hydraulics markets were exceptionally dynamic in 2021. Demand for Bucher Hydraulics' components and solutions was extremely high in all key regions and segments. One reason for this, apart from the strong economic development, was the fact that customers were placing precautionary orders due to the generally long delivery times. The division's order intake increased by half. Adjusting the production capacities to the required level was very challenging and the order book doubled. Added to that were supply chain bottlenecks, which hampered production efficiency. Nevertheless, Bucher Hydraulics handled these challenges very well and boosted its sales markedly thus exceeding the high 2019 level. In light of the higher sales and good cost structure, the operating profit margin is expected to increase substantially. The integration of the mobile electric drive technology business, which Bucher Hydraulics acquired from Lenze Schmidhauser in Romanshorn, Switzerland, in early July 2021, is proceeding according to plan.

Bucher Emhart Glass

CHF million	2021	2020	Change	
			%	% ¹⁾
Order intake	522	317	64.7	62.6
Net sales	394	421	-6.4	-7.7
Order book	285	155	83.8	81.4
Number of employees at closing date	1'563	1'611	-3.0	

¹⁾ Adjusted for currency effects

Strong momentum The division experienced a rapid upturn following the slump of the previous year. This was attributable to catch-up effects as well as structural demand for glass containers. Over the course of the year, customers started investing again in modernisation and expansion of their plant as well as in completely new production locations. Order intake grew by nearly two thirds compared to the low level of the previous year, putting it back to the very high level of 2019. There was a significant increase in orders for glass-forming machinery in particular. Starting from a low level in the first quarter, production capacity utilisation rose sharply in the course of the reporting period. Major challenges were posed by bottlenecks for raw materials, components and in logistics as well as the severe government-imposed COVID-19 restrictions in Malaysia. All of these caused sales to decline slightly on the previous year. The operating profit margin is likely to see another marked increase over the first half of 2021 thanks to the favourable product mix and the cost base, which was low for the entire reporting period.

Bucher Specials

CHF million	Change				
	2021	2020	%	% ¹⁾	% ²⁾
Order intake	366	261	40.3	39.9	35.2
Net sales	321	273	17.6	17.2	11.3
Order book	121	70	72.1	71.4	69.7
Number of employees at closing date	953	868 ³⁾	9.8		7.5

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

³⁾ 2020: 925 employees (FTEs), of whom 57 on short-time work

Strong recovery in sales The markets of Bucher Specials were very dynamic and order intake rose by more than one third. The easing of restrictions in the gastronomic sector and at major public events over the course of 2021 had a positive impact on the business units serving the beverage industry. Customers approved projects that they had postponed in the previous year. Demand for mobile and industrial automation solutions also picked up again strongly. Sales rose considerably and ended the period slightly above the high 2019 level. The operating profit margin should be in the higher single-digit range due to better capacity utilisation and cost-savings measures put in place in the previous year. In mid-January 2022, Bucher Unipektin took over the Czech company Denwel with a workforce of around 40 employees. The company manufactures specialised products and systems for the filtration area in breweries. The business unit thus strengthens its expertise enabling it to offer a complete programme of process technologies for the whole cold block to its brewery customers.

Outlook for 2022

The Group expects demand to weaken at a very high level. The extraordinarily high order book at the end of 2021 means that capacities will remain strongly utilised, particularly in the first half of the year. Difficulties in procurement and logistics are likely to persist at least for the time being. The resulting inefficiencies in production and the rising cost base are likely to increase pressure on margins. In addition, the shortage of skilled labour will make it difficult to clear the record-high order book. **Kuhn Group** anticipates that demand for agricultural machines will weaken at a very high level, especially in North and South America. Difficulties in the supply chain and logistics will remain, at least during the first half of the year. Thanks in part to the full order book, the division expects sales to rise slightly. Despite higher material and personnel costs, the operating profit margin is likely to remain in the double digits. **Bucher Municipal** expects demand in the municipal vehicle market to remain high. Supply chain challenges are likely to persist, and especially chassis

are expected to remain in short supply. The division therefore expects sales to be on a par with those of 2021. Improved production efficiency should lead to a higher operating profit margin. **Bucher Hydraulics** expects demand to be weaker, although still very high. Capacity utilisation will remain high, in part due to the very good order book, and shortages of both staff and material will persist. Accordingly, the division expects ongoing production challenges and a moderate increase in sales. The operating profit margin is likely to be at a similar level to that of 2021. **Bucher Emhart Glass** expects demand to remain good. Production capacity utilisation will be at an extremely high level due to the very high order book, and the division expects sales to rise considerably as a result. Due to the change in the product mix and the generally increasing cost base, the operating profit margin is likely to be lower but still markedly above the long-term target of 10%.

Bucher Specials expects a good market environment overall. Thanks to the well-filled order book at the start of the year, the division is forecasting a modest increase in sales. The operating profit margin is likely to be on a par with that of 2021, since the major part of the increase in material, personnel and other costs can be compensated. The **Group** expects to see slightly higher sales and an operating profit margin that is still in the double-digit range. The profit for the year is likely to decrease slightly.

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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](https://www.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](https://www.bucherindustries.com/en/additional-performance-measures).