

# Financial report

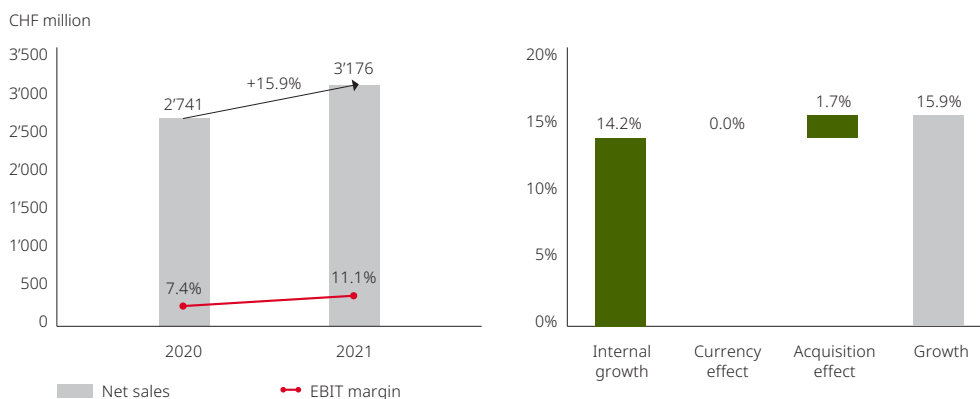
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The financial year was characterised by exceptionally high demand, but also by challenges in the supply chain and logistics. In addition to the increase in volume, lower travel and marketing costs and a favourable product mix contributed to the high operating profit margin and the significantly improved return on net operating assets. The financial position remained very solid.

# Financial review

## Performance

### Significantly higher margin with a marked upturn in sales



**Exceptionally high demand** The strong demand for Bucher Industries' products and services was reflected in the significant increase in order intake of 39.1%. However, the financial year was also characterised by challenges in the supply chain and logistics. This led to delivery bottlenecks and generally longer delivery times. Accordingly, the increase in net sales of 15.9% was less pronounced, but, thanks to the recovery, slightly above the high value of 2019. The order book at the end of the year was at a very high level and corresponded to 7.1 months of the full-year sales of 2021. The offsetting currency effects, mainly from the euro and the US dollar, almost neutralised each other. The effect of acquisitions on the net sales was CHF 45.1 million. Further information about the exchange rates used and the acquisitions is to be found in notes 4.7 and 5.1 to the consolidated financial statements.

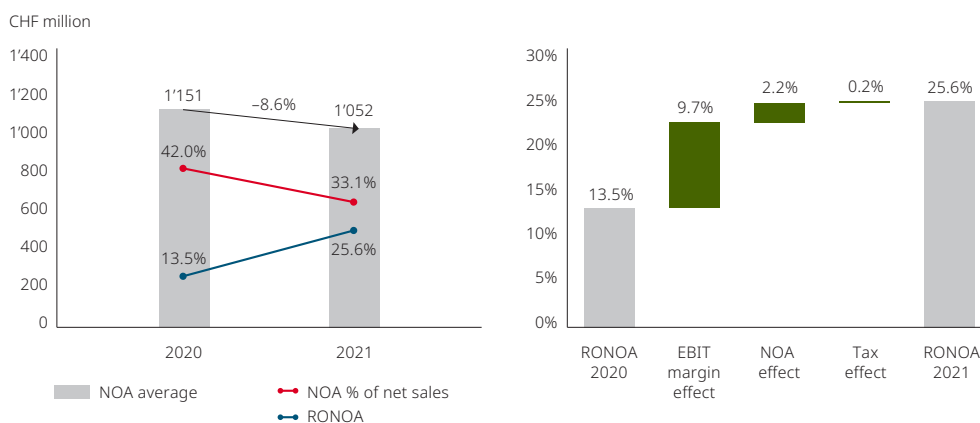
CHF million	Change		
	2021	2020	%
Net sales	3'176.4	2'740.7	15.9
Net sales adjusted for currencies	3'176.1	2'740.7	15.9
Net sales adjusted for acquisitions	3'131.3	2'740.7	14.2
Net sales adjusted for currencies and acquisitions	3'131.2	2'740.7	14.2

**Positive operating performance** The operating profit margin was 11.1% and thus significantly higher than the long-term target of 10%. Higher sales volumes, lower travel and marketing costs as a result of COVID-19 and positive currency effects from unhedged foreign currency items as well as a favourable product mix, particularly at Bucher Emhart Glass, contributed to the good result. The higher material and transport costs could be passed on. Bringing the number of employees in line with production capacity could only be achieved with a delay. Adjusted for acquisitions and the reported short-time work, the increase in average full-time equivalents was only 3.0%.

**Marked increase in profit for the year** Compared with the prior year the net profit increased by CHF 117.3 million to CHF 269.2 million, or 8.5% of the net sales. The financial result was just above zero and was influenced by low debt, the low interest rate environment and a positive result from associates. The income tax expense was accrued on the basis of the expected effective tax rates for the current year and amounted to CHF 82.8 million. The effective tax rate of 23.5% was slightly lower than the prior-year rate.

## Invested capital

### Significant increase in return on net operating assets (RONOA)



**The return on net operating assets significantly exceeded the cost of capital** The return on net operating assets (RONOA) after tax was 25.6%, above the long-term target of 20%, and thus significantly higher than the cost of capital of 8%. The high return is mainly due to the marked increase in the operating profit margin. Compared with the prior year, the average net operating assets decreased by 8.6%. The reduction is due to shorter payment periods by customers, higher operating liabilities and significantly increased advances from customers.

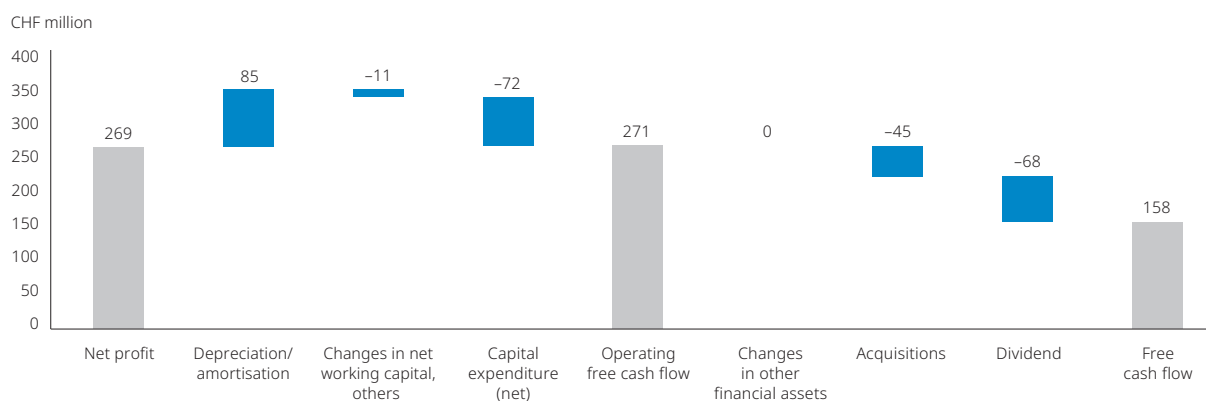
**Strategic investments in internal and external growth** The investments in the expansion of the production infrastructure and in the modernisation of production facilities amounted to CHF 73.5 million. The main focus was on the construction projects of of Kuhn Group in Russia, Bucher Municipal in the UK and Bucher Hydraulics in Germany. Expenditure for research and development amounted to CHF 118.1 million and included the development of digital solutions for precision farming, the electrification of municipal vehicles, the development of innovative electrohydraulic subsystems and the “End to End” glass forming. In the reporting period, additional investments were made in external growth with the acquisitions of Khor, Merk Process and the operating business of Lenze Mobile Drives. The purchase consideration for the businesses acquired amounted to CHF 49.9 million and the cash flow from acquisitions was CHF -45.2 million. The businesses acquired have generated net sales of CHF 32.6 million since the dates of acquisition.

## Invested capital and return on net operating assets (RONOA) after tax

CHF million	2021	2020	Change %
Trade receivables	438.0	408.4	
Inventories	845.2	686.6	
Other operating receivables, prepayments and accrued income	83.7	71.8	
Trade payables	-297.8	-238.9	
Advances from customers	-335.5	-247.9	
Provisions	-76.3	-66.4	
Other operating liabilities, accruals and deferred income	-276.4	-249.6	
<b>Net working capital</b>	<b>380.9</b>	<b>364.0</b>	<b>4.6</b>
Property, plant and equipment	598.8	616.2	
Intangible assets	12.6	16.1	
Non-current operating receivables	7.3	5.6	
Provisions	-10.9	-10.7	
Non-current operating liabilities	-13.8	-11.2	
<b>Net operating assets (NOA)</b>	<b>974.9</b>	<b>980.0</b>	<b>-0.5</b>
Net operating assets (NOA) average	1'052.0	1'150.7	-8.6
Operating profit (EBIT)	351.9	204.1	72.4
Effective tax rate	23.5%	24.1%	
<b>Return on net operating assets (RONOA) after tax</b>	<b>25.6%</b>	<b>13.5%</b>	

## Financing and risk management

### High positive free cash flow



**Positive free cash flow** The free cash flow amounted to CHF 157.7 million and is mainly the result of the good operating performance. Cash was utilised for the following purposes: growth-related investments in the increase in net working capital, net investments in operating assets, acquisitions and the dividend payment, which was lower than in the previous year.

## High net cash as a result of continued positive free cash flow

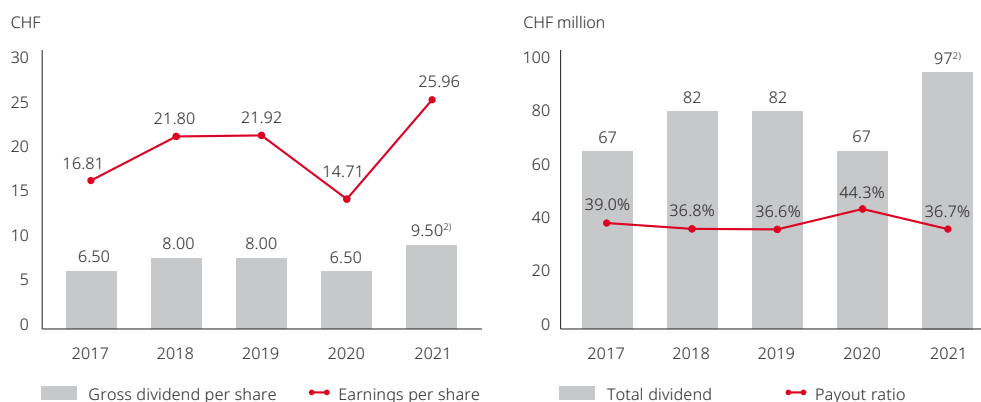
CHF million

	2021	2020
<b>Profit for the year</b>	<b>269.2</b>	<b>151.9</b>
Depreciation and amortisation	84.7	83.2
Changes in net working capital	-53.8	133.4
Other changes	42.2	11.2
Net investments in property, plant and equipment and intangible assets	-71.6	-66.6
<b>Operating free cash flow</b>	<b>270.7</b>	<b>313.1</b>
Changes in other non-current financial assets	0.1	0.6
Acquisitions	-45.2	-31.3
Acquisition of minority interests	-0.2	-
(Purchase)/sale of treasury shares	-	-2.8
Dividend paid/received	-67.7	-81.9
<b>Free cash flow</b>	<b>157.7</b>	<b>197.7</b>
Net cash/debt	550.9	403.8
Net cash/debt average	408.2	186.3

**Solid financial position** As a result of the continued positive free cash flow, net cash increased to CHF 550.9 million at year end. It comprised cash and liquid assets of CHF 705.6 million and financial liabilities of CHF 154.7 million. In addition, CHF 250.0 million was available in unused committed credit facilities. This continues to secure the financial flexibility of Bucher Industries and to lay the foundations for further internal and external growth.

## Shareholder value

### Dividend and payout ratio<sup>1)</sup>



<sup>1)</sup> 2017 IFRS    <sup>2)</sup> Proposal of the board of directors

**Consistent dividend policy** The board of directors proposes a dividend of CHF 9.50 per share to the annual general meeting on 12 April 2022. The proposal takes into account a consistent dividend policy, the profit for the year 2021, the solid financial position, the outlook for the current year as well as further internal and external investment opportunities. Based on the average share price for 2021 of CHF 463.36 the proposal of the board of directors is equivalent to a dividend yield of 2.1% (2020: 2.0%). The year-end market capitalisation of CHF 4.6 billion was equivalent to a price/book ratio of 3.1 (3.0).

# Group

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## Consolidated income statement

CHF million	Note				
		2021	%	2020	%
<b>Net sales</b>	2.1	<b>3'176.4</b>	<b>100.0</b>	<b>2'740.7</b>	<b>100.0</b>
Changes in inventories of finished goods and work in progress		103.3		-26.0	
Raw materials and consumables used		-1'703.3		-1'368.7	
Employment costs	2.2	-813.8		-747.2	
Other operating income	2.3	24.1		28.0	
Other operating expenses	2.4	-350.1		-339.5	
<b>Operating profit before depreciation and amortisation (EBITDA)</b>		<b>436.6</b>	<b>13.7</b>	<b>287.3</b>	<b>10.5</b>
Depreciation	3.3	-79.3		-79.2	
Amortisation	3.4	-5.4		-4.0	
<b>Operating profit (EBIT)</b>		<b>351.9</b>	<b>11.1</b>	<b>204.1</b>	<b>7.4</b>
Share of profit/(loss) of associates	2.5	2.2		1.2	
Finance costs	2.5	-4.7		-7.0	
Finance income	2.5	2.6		1.9	
<b>Profit before tax</b>		<b>352.0</b>	<b>11.1</b>	<b>200.2</b>	<b>7.3</b>
Income taxes	2.6	-82.8		-48.3	
<b>Profit for the year</b>		<b>269.2</b>	<b>8.5</b>	<b>151.9</b>	<b>5.5</b>
Attributable to owners of Bucher Industries AG		265.5		150.4	
Attributable to minority interests		3.7		1.5	
Basic and diluted earnings per share (CHF)	4.6	25.96		14.71	

## Consolidated balance sheet

CHF million	Note	31 December 2021	31 December 2020
Cash and cash equivalents	4.1	672.2	514.7
Other financial assets	4.2	33.4	36.4
Trade receivables	3.1	438.0	408.4
Other receivables, prepayments and accrued income	3.1	85.6	76.2
Inventories	3.2	845.2	686.6
<b>Current assets</b>		<b>2'074.4</b>	<b>1'722.3</b>
Receivables	3.1	8.4	7.7
Property, plant and equipment	3.3	598.8	616.2
Intangible assets	3.4	12.6	16.1
Other financial assets	4.2	3.4	3.6
Investments in associates		12.9	11.7
Deferred income tax assets	2.6	57.7	53.2
<b>Non-current assets</b>		<b>693.8</b>	<b>708.5</b>
<b>Assets</b>		<b>2'768.2</b>	<b>2'430.8</b>
Financial liabilities	4.3	37.4	12.6
Trade payables		297.8	238.9
Advances from customers		335.5	247.9
Provisions	3.5	76.3	66.4
Other liabilities, accruals and deferred income	3.7	279.5	250.8
<b>Current liabilities</b>		<b>1'026.5</b>	<b>816.6</b>
Financial liabilities	4.3	117.3	134.7
Provisions	3.5	10.9	10.7
Other liabilities	3.7	14.1	11.5
Deferred income tax liabilities	2.6	23.2	20.0
Pension benefit obligations	6.1	43.6	46.5
<b>Non-current liabilities</b>		<b>209.1</b>	<b>223.4</b>
<b>Total liabilities</b>		<b>1'235.6</b>	<b>1'040.0</b>
Share capital	4.6	2.1	2.1
Treasury shares	4.6	-5.9	-6.9
Retained earnings		1'515.5	1'376.1
<b>Attributable to owners of Bucher Industries AG</b>		<b>1'511.7</b>	<b>1'371.3</b>
Attributable to minority interests		20.9	19.5
<b>Equity</b>		<b>1'532.6</b>	<b>1'390.8</b>
<b>Liabilities and equity</b>		<b>2'768.2</b>	<b>2'430.8</b>



## Consolidated cash flow statement

CHF million	Note	2021	2020
<b>Profit for the year</b>		<b>269.2</b>	<b>151.9</b>
Income tax expense	2.6	82.8	48.3
Share of (profit)/loss of associates	2.5	-2.2	-1.2
Other net financial result	2.5	2.1	5.1
Depreciation and amortisation	3.3, 3.4	84.7	83.2
Other operating cash flow items		1.6	-2.0
Gain on sale of property, plant and equipment	2.3	-0.2	-0.5
Interest received		2.1	1.4
Interest paid		-1.6	-2.5
Income tax paid		-53.3	-56.0
Change in provisions and pension benefit obligations		10.9	18.6
Change in trade receivables		-33.9	42.0
Change in other receivables, prepayments and accrued income		-14.8	13.5
Change in inventories		-168.7	86.9
Change in advances from customers		94.0	1.7
Change in trade payables		64.7	-13.8
Change in other liabilities, accruals and deferred income		16.6	8.5
Other changes in net working capital		-11.7	-5.4
<b>Net cash flow from operating activities</b>		<b>342.3</b>	<b>379.7</b>
Purchases of property, plant and equipment		-71.5	-69.0
Proceeds on disposal of non-current assets		1.9	5.6
Purchases of intangible assets	3.4	-2.0	-3.2
Purchases of other financial assets		-0.4	-0.5
Disposal of other financial assets		2.3	1.1
Acquisitions	5.1	-45.2	-31.3
Dividend received		0.4	0.2
<b>Net cash flow from investing activities</b>		<b>-114.5</b>	<b>-97.1</b>
(Purchases)/sale of treasury shares	4.6	-	-2.8
Proceeds from/(repayment of) non-current financial liabilities		-0.2	5.1
Proceeds from/(repayment of) current financial liabilities		7.1	-104.9 <sup>1)</sup>
Acquisition of minority interests	5.1	-0.2	-
Dividend paid		-68.1	-82.1
<b>Net cash flow from financing activities</b>		<b>-61.4</b>	<b>-184.7</b>
Effect of exchange rate changes		-8.9	-8.9
<b>Net change in cash and cash equivalents</b>		<b>157.5</b>	<b>89.0</b>
Cash and cash equivalents at 1 January		514.7	425.7
<b>Cash and cash equivalents at 31 December</b>		<b>672.2</b>	<b>514.7</b>

<sup>1)</sup> including repayment of bond CHF -100.0 million

## Consolidated statement of changes in equity

CHF million	Share capital	Treasury shares	Retained earnings			Other retained earnings	Attributable to owners of Bucher Industries AG	Minority interests	Total equity
			Offset goodwill	Currency translation reserve	Cash flow hedge reserve				
<b>Balance at 1 January 2021</b>	<b>2.1</b>	<b>-6.9</b>	<b>-254.5</b>	<b>-134.1</b>	<b>2.4</b>	<b>1'762.3</b>	<b>1'371.3</b>	<b>19.5</b>	<b>1'390.8</b>
Profit for the year						265.5	265.5	3.7	269.2
Change in currency translation reserve				-17.0			-17.0	-0.5	-17.5
Change in cash flow hedge reserve					-3.2		-3.2	-	-3.2
Share-based payments		1.0				2.1	3.1		3.1
Goodwill offset			-41.5				-41.5		-41.5
Change in minority interests							-	-0.2	-0.2
Dividend						-66.5	-66.5	-1.6	-68.1
<b>Balance at 31 December 2021</b>	<b>2.1</b>	<b>-5.9</b>	<b>-296.0</b>	<b>-151.1</b>	<b>-0.8</b>	<b>1'963.4</b>	<b>1'511.7</b>	<b>20.9</b>	<b>1'532.6</b>
<b>Balance at 1 January 2020</b>	<b>2.1</b>	<b>-6.5</b>	<b>-237.6</b>	<b>-79.0</b>	<b>1.0</b>	<b>1'694.1</b>	<b>1'374.1</b>	<b>18.8</b>	<b>1'392.9</b>
Profit for the year						150.4	150.4	1.5	151.9
Change in currency translation reserve				-55.1			-55.1	-0.5	-55.6
Change in cash flow hedge reserve					1.4		1.4	-	1.4
Purchase/sale of treasury shares		-2.8					-2.8		-2.8
Share-based payments		2.4				-0.4	2.0		2.0
Goodwill offset			-16.9				-16.9		-16.9
Dividend						-81.8	-81.8	-0.3	-82.1
<b>Balance at 31 December 2020</b>	<b>2.1</b>	<b>-6.9</b>	<b>-254.5</b>	<b>-134.1</b>	<b>2.4</b>	<b>1'762.3</b>	<b>1'371.3</b>	<b>19.5</b>	<b>1'390.8</b>

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## Notes to the consolidated financial statements

### 1. Information on this report

#### 1.1 General information

Bucher Industries AG is a public limited company incorporated in Switzerland whose shares are publicly traded on SIX Swiss Exchange. Its registered office is in Niederweningen, Switzerland. The Group comprises five specialised divisions in industrially related areas of mechanical and vehicle engineering. The Group seeks to achieve superior profitability and a sound balance sheet through technological leadership, a strong market position and strict cost management.

#### 1.2 Basis of preparation

The consolidated financial statements have been prepared in accordance with the entire Swiss GAAP FER accounting and reporting recommendations and the requirements of the Listing Rules of SIX Swiss Exchange, and they comply with Swiss law. They are prepared in Swiss francs (CHF) and are based on the group companies' separate financial statements as at 31 December using uniform classification and measurement criteria. Unless stated otherwise, the consolidated financial statements have been prepared in accordance with the historical cost convention and the going concern principle.

#### 1.3 General principles

**Consolidated financial statements** The consolidated financial statements include Bucher Industries AG and all group companies that the company controls by holding directly or indirectly more than 50% of the voting rights or by means of contractual agreements (subsidiaries). Using the full consolidation method, 100% of the assets and liabilities as well as income and expenses of the consolidated companies are included in the consolidation. Companies are consolidated from the date when control is acquired and deconsolidated from the date when control is transferred. The minority interests in shareholders' equity and net result are disclosed separately in the consolidated balance sheet and income statement. Intercompany receivables and payables as well as income and expenses are offset and intercompany profits are eliminated. Business combinations are accounted for using the acquisition method. The assets and liabilities of the acquired company are valued at fair values using uniform accounting policies. The differences between the cost of acquisition and the fair value of the net assets acquired are recognised as goodwill and offset with equity. When a company is divested, the original cost of the goodwill is included in the gain or loss on disposal. Transaction costs in connection with acquisitions and divestments are recognised directly in the income statement. Upon acquisition of minority interests in a fully consolidated company, the difference between the purchase price and the carrying value of the minority interests is recognised directly in retained earnings. A reduction in the ownership interest without the loss of control is also recognised in equity.

**Associated companies** Companies in which the Group can exercise a decisive influence are included in the consolidation using the equity method. The investment is valued at the Group's share of the equity, and the Group's share of the net result is included in the consolidated income statement. A decisive influence is assumed if the Group holds at least 20% but less than 50% of the voting rights. Goodwill arising from the acquisition of an associated company is offset with equity.

**Foreign currency translation** The financial statements of foreign subsidiaries are maintained in the currency of the primary economic environment in which the company operates (functional currency). Within Bucher Industries the functional currency is

generally the local currency. Transactions in foreign currencies in the subsidiaries are converted to the functional currency using the applicable exchange rate on the day of the transaction. Foreign exchange gains and losses from such transactions and from the conversion of monetary assets and liabilities in foreign currencies are recognised in the income statement. The consolidated financial statements are presented in Swiss francs. The balance sheets of companies with a different functional currency are translated into Swiss francs using the closing exchange rates at the balance sheet date, and the income statements and cash flow statements are translated using average exchange rates. The resulting translation differences are recognised directly in equity. Foreign exchange differences on non-current intercompany loans of an equity nature are also recognised directly in equity. Upon loss of control over a company, the related cumulative translation differences are reclassified to the income statement.

#### 1.4 Significant management assumptions and estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of income, expenses, assets, liabilities and contingent assets and liabilities. All estimates and judgements are reviewed regularly. They are based on historical experience and assumptions about future events. Actual outcomes may differ from these estimates. The consolidated financial statements are adjusted in the reporting period in which the circumstances change.

Assumptions and estimates in the following areas have a significant influence on the consolidated financial statements:

- Determination of the amount of income tax assets and liabilities, see note 2.6
- Write-down of inventories, see note 3.2
- Recognition of non-current provisions, see note 3.5
- Actuarial calculations of foreign pension benefit obligations, see note 6.1

#### 1.5 COVID-19 impacts

The good economic development and catch-up effects impacted the Group's business in the reporting period. Because of this, together with the measures undertaken in the prior year such as the increased focus on reducing net working capital, postponed investments and increased credit facilities, the Group has high liquidity at its disposal. The pandemic had no significant impacts on the valuation of assets and liabilities in the balance sheet in the reporting period and the prior year. Contributions from support schemes were deducted from costs in the income statement.

#### 1.6 Performance measures not defined by Swiss GAAP FER

Internally and externally the Group uses additional performance measures that are not defined by Swiss GAAP FER. The composition and calculation of the individual performance measures are set out in this report and also on the website.

- Operating profit before depreciation and amortisation (EBITDA), see consolidated income statement
- Operating profit (EBIT), see consolidated income statement
- Net operating assets (NOA), see financial review
- Return on net operating assets (RONOA) after tax, see financial review
- Cash and liquid assets, and net cash/debt, see financial review
- Free cash flow, see financial review

## 2. Performance

### 2.1 Segment reporting

The Group comprises five divisions: specialised agricultural machinery (Kuhn Group), municipal vehicles (Bucher Municipal), hydraulic components (Bucher Hydraulics), manufacturing equipment for the glass container industry (Bucher Emhart Glass), equipment for the production of wine, fruit juice, beer and instant products, a Swiss distributorship for tractors and specialised agricultural machinery, as well as automation solutions (Bucher Specials).

### Segment information

CHF million	Net sales			Operating profit (EBIT)			Net operating assets (NOA)		
	2021	2020	%	2021	2020	%	2021	2020	%
Kuhn Group	1'318.9	1'094.2	20.5	160.8	90.9	76.9	214.9	226.5	-5.1
Bucher Municipal	522.6	462.4	13.0	32.7	27.6	18.5	246.6	228.3	8.0
Bucher Hydraulics	680.7	536.3	26.9	88.0	59.1	48.9	286.0	267.8	6.8
Bucher Emhart Glass	394.3	421.4	-6.4	62.2	44.3	40.4	129.7	154.0	-15.8
Bucher Specials	321.3	273.2	17.6	27.5	6.9	298.6	72.9	78.1	-6.7
<b>Reportable segments</b>	<b>3'237.8</b>	<b>2'787.5</b>	<b>16.2</b>	<b>371.2</b>	<b>228.8</b>	<b>62.2</b>	<b>950.1</b>	<b>954.7</b>	<b>-0.5</b>
Other/consolidation	-61.4	-46.8	-31.2	-19.3	-24.7	21.9	24.8	25.3	-2.0
<b>Group</b>	<b>3'176.4</b>	<b>2'740.7</b>	<b>15.9</b>	<b>351.9</b>	<b>204.1</b>	<b>72.4</b>	<b>974.9</b>	<b>980.0</b>	<b>-0.5</b>

The performance of each of the divisions is evaluated on the basis of operating profit, which is measured the same way for management reporting as in the consolidated financial statements. The figures reported in "Other/consolidation" comprise the results of the holding, finance and management companies, the economic effects of the pension plans of foreign subsidiaries as well as consolidation adjustments for intersegment transactions. Intersegment sales amounted to CHF 17.6 million (2020: CHF 13.5 million) for Kuhn Group, CHF 5.0 million (CHF 3.7 million) for Bucher Hydraulics and CHF 38.7 million (CHF 29.5 million) for Bucher Specials. The other divisions had only marginal intersegment sales.

CHF million	Capital expenditure				Research and development costs			
	2021	% <sup>1)</sup>	2020	% <sup>1)</sup>	2021	% <sup>1)</sup>	2020	% <sup>1)</sup>
Kuhn Group	26.6	2.0	34.4	3.1	-43.9	3.3	-42.4	3.9
Bucher Municipal	17.6	3.4	9.0	1.9	-18.1	3.5	-16.4	3.5
Bucher Hydraulics	18.4	2.7	13.5	2.5	-26.2	3.9	-22.1	4.1
Bucher Emhart Glass	4.8	1.2	7.7	1.8	-18.0	4.6	-17.9	4.2
Bucher Specials	5.2	1.6	6.9	2.5	-11.9	3.7	-13.2	4.8
<b>Reportable segments</b>	<b>72.6</b>	<b>2.2</b>	<b>71.5</b>	<b>2.6</b>	<b>-118.1</b>	<b>3.6</b>	<b>-112.0</b>	<b>4.0</b>
Other/consolidation	0.9	-	0.7	-	-	-	-	-
<b>Group</b>	<b>73.5</b>	<b>2.3</b>	<b>72.2</b>	<b>2.6</b>	<b>-118.1</b>	<b>3.7</b>	<b>-112.0</b>	<b>4.1</b>

<sup>1)</sup> Of net sales

## Net sales by region

CHF million

	2021	%	2020	%
Switzerland	146.2	4.6	127.5	4.6
Germany	457.8	14.4	407.8	14.9
France	371.1	11.7	361.2	13.2
Rest of Europe	931.7	29.3	803.1	29.3
<b>Europe</b>	<b>1'906.8</b>	<b>60.0</b>	<b>1'699.6</b>	<b>62.0</b>
USA	481.7	15.2	416.0	15.2
Canada	43.9	1.4	34.7	1.3
Rest of Americas	225.0	7.1	155.0	5.6
<b>Americas</b>	<b>750.6</b>	<b>23.7</b>	<b>605.7</b>	<b>22.1</b>
China	167.8	5.3	156.7	5.7
India	39.9	1.2	22.8	0.8
Rest of Asia	110.6	3.5	92.2	3.4
<b>Asia</b>	<b>318.3</b>	<b>10.0</b>	<b>271.7</b>	<b>9.9</b>
Other	200.7	6.3	163.7	6.0
<b>Net sales</b>	<b>3'176.4</b>	<b>100.0</b>	<b>2'740.7</b>	<b>100.0</b>

Net sales have been allocated to the countries of destination.

## Reconciliation of segment results

CHF million

	2021	2020
Segment operating profit (EBIT)	371.2	228.8
Other/consolidation	-19.3	-24.7
<b>Operating profit (EBIT)</b>	<b>351.9</b>	<b>204.1</b>
Share of profit/(loss) of associates	2.2	1.2
Finance costs	-4.7	-7.0
Finance income	2.6	1.9
<b>Profit before tax</b>	<b>352.0</b>	<b>200.2</b>

### Accounting policies

**Revenue recognition** Net sales of goods and products are recognised when the performance obligation has been satisfied or when control is transferred to the customer. The timing of the transfer depends on specific contract terms or the agreed international commercial terms ("Incoterms"). Sales from services are recognised over the period in which the service is rendered. Sales are all amounts collected and still to be collected from third parties for goods, products and services. Sales are measured at the expected fair value of the consideration received, net of value-added tax and sales deductions such as sales incentives, rebates and trade discounts.

**Research and development costs** Internally generated research and development costs are charged directly to the income statement.

## 2.2 Employment costs

CHF million

	2021	2020
Wages and salaries	-571.0	-532.1
Share-based payments	-3.1	-2.0
Social security costs	-100.7	-95.0
Pension benefit expense	-42.6	-47.9
Other employment costs	-96.4	-70.2
<b>Employment costs</b>	<b>-813.8</b>	<b>-747.2</b>

Share-based payments include the Bucher Participation Plan as well as remuneration of the board of directors. In the reporting period, 3'663 shares (2020: 8'437) in total were issued. The shares awarded are subject to a three-year vesting period. Other employment costs include incidental costs of staff recruitment, training and development as well as external staff costs. In the prior year the employment costs were reduced as the result of adjusting the number of employees to the utilisation of capacities, bonus reductions and the reduction of accrued holidays as well as support schemes, such as compensation for short-time work. In the reporting period an average of 0.2% (2.7%) of the FTEs were on short-time work.

### Accounting policies

**Bucher Participation Plan** The Bucher Participation Plan is a share-based, performance-related component of remuneration for the members of group and division management and selected specialists. The allocation is based on a percentage of the base salary and the achievement of the annual financial "earnings per share" target. The relevant expense is reported under employment costs with an offsetting entry in equity. The number of shares allocated is calculated based on the share price on the date of the annual general meeting of the following year.

## 2.3 Other operating income

CHF million

	2021	2020
Own work capitalised	3.4	4.1
Gain on sale of property, plant and equipment	0.2	0.5
Miscellaneous income	20.5	23.4
<b>Other operating income</b>	<b>24.1</b>	<b>28.0</b>

Miscellaneous income includes rental income and other revenue which is outside the normal course of the Group's business.



## 2.4 Other operating expenses

CHF million

	2021	2020
Energy, maintenance and repairs	-116.1	-97.7
Charges, levies, taxes and consulting fees	-37.7	-40.5
Marketing and distribution costs	-100.1	-86.3
Insurance expenses	-5.7	-5.7
Operating lease expenses	-15.8	-14.2
Miscellaneous operating expenses	-74.7	-95.1
<b>Other operating expenses</b>	<b>-350.1</b>	<b>-339.5</b>

Miscellaneous operating expenses include services for research and development, IT costs, operating foreign exchange effects and changes in operating provisions that cannot be charged to an appropriate expense account.

## 2.5 Financial result

CHF million

	2021	2020
<b>Share of profit/(loss) of associates</b>	<b>2.2</b>	<b>1.2</b>
Interest expense	-2.2	-2.6
Financial foreign exchange gains and losses	-1.5	-2.7
Other finance costs	-1.0	-1.7
<b>Finance costs</b>	<b>-4.7</b>	<b>-7.0</b>
Interest income	2.0	1.4
Net gain on financial assets	0.6	0.5
<b>Finance income</b>	<b>2.6</b>	<b>1.9</b>
<b>Financial result</b>	<b>0.1</b>	<b>-3.9</b>

In the prior year the share of profit/(loss) of associates included a revaluation of CHF 0.6 million in connection with the first-time consolidation of Bucher Leopard Enterprise Management Co., Ltd., which was held as an associated company until September 2020.

## 2.6 Income taxes

### Effective income taxes

CHF million		
	2021	2020
Current income taxes	-78.2	-49.4
Deferred income taxes	-4.6	1.1
<b>Income taxes</b>	<b>-82.8</b>	<b>-48.3</b>
Reconciliation:		
Profit before tax	352.0	200.2
Weighted average tax rate	24.9%	26.0%
<b>Theoretical income tax charge</b>	<b>-87.8</b>	<b>-52.1</b>
Utilisation of unrecognised tax loss carryforwards	0.9	0.7
Reappraisal of tax loss carryforwards	-0.1	-0.9
Reappraisal of other deferred tax assets	0.2	-1.8
Expenses not deductible for tax purposes/income not subject to tax	-0.7	-0.1
(Under)/over provision in prior years	2.7	4.7
Changes in deferred taxes due to changes in tax rates	-0.7	-2.9
Other differences	2.7	4.1
<b>Effective income taxes</b>	<b>-82.8</b>	<b>-48.3</b>
Effective tax rate	23.5%	24.1%

### Movements in deferred income taxes

CHF million	Assets		Liabilities	
	2021	2020	2021	2020
Balance at 1 January	53.2	-20.0	63.0	-29.3
Exchange differences	-0.7	0.2	-2.8	0.3
Acquisition of subsidiaries	5.7	-	1.1	-0.1
(Charged)/credited to income statement	-0.6	-4.0	-8.0	9.1
(Charged)/credited to equity	0.1	0.6	-0.1	-
<b>Balance at 31 December</b>	<b>57.7</b>	<b>-23.2</b>	<b>53.2</b>	<b>-20.0</b>

## Tax loss carryforwards

CHF million

	2021	2020
Tax loss carryforwards	41.0	46.1
Of which recognised in deferred income taxes	-28.9	-22.0
<b>Unrecognised tax loss carryforwards</b>	<b>12.1</b>	<b>24.1</b>
Thereof with expiration:		
Within 1 year	1.9	3.2
In 1 to 5 years	4.4	0.8
In more than 5 years	-	-
No expiration	5.8	20.1
Tax effect on unrecognised tax loss carryforwards	2.6	7.5

### Accounting policies

**Income taxes** The tax expense for the period comprises current and deferred income taxes. Current income taxes are calculated on the basis of the local tax laws, and deferred income taxes are calculated based on the temporary differences between the tax bases of assets and liabilities of the individual subsidiaries and their carrying amounts in the consolidated balance sheet. The deferred income taxes are calculated using the expected local tax rates. Potential tax savings arising from tax loss carryforwards and temporary differences are only recognised when it is highly probable that they can be offset with future profits. Deferred tax liabilities in connection with undistributed profits of subsidiaries and associated companies are recognised unless the Group can fully control the distribution policy of these companies and no dividend payments are expected in the foreseeable future. Taxes are recognised in the income statement unless they relate to items recognised directly in equity. In this case the taxes are also recognised in equity.

### Significant management assumptions and estimates

**Income tax assets and liabilities** The measurement of the tax liabilities depends on the interpretation of the tax laws in the relevant countries; the reasonableness of these interpretations is determined in connection with the final tax assessment or with tax audits conducted by the tax authorities. As a result, significant adjustments to the tax expense may be necessary.

### 3. Invested capital

#### 3.1 Receivables, prepayments and accrued income

CHF million	Current	Non-current	Total	Current	Non-current	Total
	<b>2021</b>			<b>2020</b>		
Trade receivables	422.4	1.1	423.5	390.9	0.9	391.8
Notes receivable	15.6	-	15.6	17.5	-	17.5
<b>Trade receivables, net</b>	<b>438.0</b>	<b>1.1</b>	<b>439.1</b>	<b>408.4</b>	<b>0.9</b>	<b>409.3</b>
Tax receivables	24.1	-	24.1	25.4	-	25.4
Prepayments to suppliers	10.9	-	10.9	8.4	-	8.4
Derivative financial instruments	1.9	-	1.9	4.4	0.4	4.8
Prepayments and accrued income	13.1	-	13.1	11.1	-	11.1
Other receivables	35.6	7.3	42.9	26.9	6.4	33.3
<b>Other receivables, prepayments and accrued income</b>	<b>85.6</b>	<b>7.3</b>	<b>92.9</b>	<b>76.2</b>	<b>6.8</b>	<b>83.0</b>
<b>Receivables, prepayments and accrued income</b>	<b>523.6</b>	<b>8.4</b>	<b>532.0</b>	<b>484.6</b>	<b>7.7</b>	<b>492.3</b>

#### Ageing analysis of trade receivables

CHF million	2021	2020
Trade receivables, gross	456.0	433.9
Value adjustments	-16.9	-24.6
<b>Trade receivables, net</b>	<b>439.1</b>	<b>409.3</b>
Not due	374.9	340.6
Not due, value adjustments	-3.9	-5.2
Past due, within 30 days	42.5	53.8
Past due, from 31 to 90 days	20.5	19.1
Past due, more than 90 days	18.1	20.4
Past due, value adjustments	-13.0	-19.4

#### Accounting policies

**Receivables** Receivables are valued at nominal value net of adjustments for credit risks.

### 3.2 Inventories

CHF million

	2021	2020
Raw materials and consumables	322.7	247.1
Work in progress	215.8	181.7
Finished goods and goods for resale	423.0	369.9
<b>Inventories, gross</b>	<b>961.5</b>	<b>798.7</b>
Write-downs	-116.3	-112.1
<b>Inventories, net</b>	<b>845.2</b>	<b>686.6</b>

#### Accounting policies

**Inventories** Inventories are valued at the lower of cost and net realisable value. Depending on the division, cost is determined using either the weighted average or first-in, first-out method. The same method is used for inventories having a similar nature and use to the company. Provision is made for all foreseeable losses from obsolete or slow-moving inventories, with write-downs recognised in changes in inventories of finished goods and work in progress.

#### Significant management assumptions and estimates

**Write-down of inventories** The assessment of the recoverable value of inventories is based on estimates of the future consumption and price development (net realisable value). These estimates are constantly reviewed and adjusted if necessary. Changes in sales figures or other influences such as technological advances can lead to an adjustment of the book value.

### 3.3 Property, plant and equipment

CHF million	Land and buildings	Plant and machinery	Furniture, fixtures and equipment	Prepayments and assets under construction	Total
					<b>2021</b>
Cost at 1 January	682.6	605.5	249.1	44.4	1'581.6
Exchange differences	-14.3	-15.8	-3.5	-0.5	-34.1
Acquisition of subsidiaries/businesses	-	0.5	0.4	-	0.9
Additions	17.2	18.7	12.8	25.4	74.1
Disposals	-1.6	-10.1	-8.1	-0.3	-20.1
Transfers	29.2	4.3	3.8	-37.3	-
<b>Cost at 31 December</b>	<b>713.1</b>	<b>603.1</b>	<b>254.5</b>	<b>31.7</b>	<b>1'602.4</b>
Accumulated depreciation at 1 January	-332.4	-444.9	-188.1	-	-965.4
Exchange differences	7.5	13.1	2.5	-	23.1
Depreciation for the year	-24.6	-35.6	-19.1	-	-79.3
Disposals	1.3	9.6	7.1	-	18.0
<b>Accumulated depreciation at 31 December</b>	<b>-348.2</b>	<b>-457.8</b>	<b>-197.6</b>	<b>-</b>	<b>-1'003.6</b>
<b>Net book value at 31 December</b>	<b>364.9</b>	<b>145.3</b>	<b>56.9</b>	<b>31.7</b>	<b>598.8</b>
					<b>2020</b>
Cost at 1 January	682.0	590.1	244.7	43.2	1'560.0
Exchange differences	-17.8	-15.1	-6.7	-1.9	-41.5
Acquisition of subsidiaries/businesses	2.7	0.7	0.9	-	4.3
Additions	7.1	21.1	14.5	32.6	75.3
Disposals	-1.7	-5.4	-9.0	-0.4	-16.5
Transfers	10.3	14.1	4.7	-29.1	-
<b>Cost at 31 December</b>	<b>682.6</b>	<b>605.5</b>	<b>249.1</b>	<b>44.4</b>	<b>1'581.6</b>
Accumulated depreciation at 1 January	-315.7	-423.9	-182.1	-	-921.7
Exchange differences	6.1	9.3	4.7	-	20.1
Depreciation for the year	-24.3	-35.5	-19.4	-	-79.2
Disposals	1.5	5.2	8.7	-	15.4
<b>Accumulated depreciation at 31 December</b>	<b>-332.4</b>	<b>-444.9</b>	<b>-188.1</b>	<b>-</b>	<b>-965.4</b>
<b>Net book value at 31 December</b>	<b>350.2</b>	<b>160.6</b>	<b>61.0</b>	<b>44.4</b>	<b>616.2</b>

The net book value of assets under finance leases amounted to CHF 3.7 million in the reporting period (2020: CHF 5.2 million).

#### Accounting policies

**Property, plant and equipment** Property, plant and equipment are measured at historical cost less accumulated depreciation. Expenditure on improvements is capitalised. The costs of repairs and maintenance as well as low-value assets are charged to the income statement as incurred. Depreciation is charged on a straight-line basis over the estimated useful lives of the assets. The useful lives of buildings are 10 to 50 years, plant and machinery 5 to 12 years and furniture, fixtures and equipment 2 to 15 years. The book values and remaining useful lives of property, plant and equipment are reviewed regularly and adjusted if necessary.

### 3.4 Intangible assets

CHF million	Licences/ patents	Software	Other	Total
				<b>2021</b>
Cost at 1 January	106.1	42.5	15.9	164.5
Exchange differences	-4.6	-1.4	-0.8	-6.8
Acquisition of subsidiaries	-	0.3	-	0.3
Additions	0.1	1.8	0.1	2.0
Disposals	-0.3	-0.4	-0.1	-0.8
<b>Cost at 31 December</b>	<b>101.3</b>	<b>42.8</b>	<b>15.1</b>	<b>159.2</b>
Accumulated amortisation at 1 January	-100.6	-32.5	-15.3	-148.4
Exchange differences	4.3	1.3	0.8	6.4
Amortisation for the year	-1.7	-3.5	-0.2	-5.4
Disposals	0.3	0.4	0.1	0.8
<b>Accumulated amortisation at 31 December</b>	<b>-97.7</b>	<b>-34.3</b>	<b>-14.6</b>	<b>-146.6</b>
<b>Net book value at 31 December</b>	<b>3.6</b>	<b>8.5</b>	<b>0.5</b>	<b>12.6</b>
				<b>2020</b>
Cost at 1 January	111.1	44.1	17.6	172.8
Exchange differences	-2.1	-0.2	-0.1	-2.4
Additions	-	3.0	0.2	3.2
Disposals	-2.9	-4.8	-1.4	-9.1
Transfer	-	0.4	-0.4	-
<b>Cost at 31 December</b>	<b>106.1</b>	<b>42.5</b>	<b>15.9</b>	<b>164.5</b>
Accumulated amortisation at 1 January	-105.2	-30.2	-16.5	-151.9
Exchange differences	2.1	0.2	0.1	2.4
Amortisation for the year	-0.4	-3.3	-0.3	-4.0
Disposals	2.9	0.8	1.4	5.1
<b>Accumulated amortisation at 31 December</b>	<b>-100.6</b>	<b>-32.5</b>	<b>-15.3</b>	<b>-148.4</b>
<b>Net book value at 31 December</b>	<b>5.5</b>	<b>10.0</b>	<b>0.6</b>	<b>16.1</b>

From 2021 software is disclosed as a separate category within intangible assets. The prior-year figures have been restated accordingly. In the prior year, planned consultancy services for one software project were internalised to a greater extent, partly as a result of COVID-19, and the prepayments were refunded.

#### Accounting policies

**Intangible assets** Intangible assets are licenses, patents, software and similar rights and are capitalised only if they will generate quantifiable economic benefits over several years. They are measured at historical cost less accumulated amortisation. Amortisation is charged on a straight-line basis over the estimated useful lives of 5 to 20 years, depending on the asset.

### Theoretical capitalisation of goodwill

CHF million

	2021	2020
Cost at 1 January	254.5	237.6
Acquisition of subsidiaries/businesses	41.5	16.9
<b>Cost at 31 December at historical currency rates</b>	<b>296.0</b>	<b>254.5</b>
Accumulated exchange differences	-37.8	-37.4
<b>Cost at 31 December</b>	<b>258.2</b>	<b>217.1</b>
Accumulated amortisation at 1 January	-177.9	-178.8
Exchange differences	0.5	18.4
Amortisation for the year	-21.4	-17.5
<b>Accumulated amortisation at 31 December</b>	<b>-198.8</b>	<b>-177.9</b>
<b>Theoretical net book value at 31 December</b>	<b>59.4</b>	<b>39.2</b>
Equity according to balance sheet	1'532.6	1'390.8
Theoretical book value of goodwill	59.4	39.2
<b>Theoretical shareholders' equity at 31 December including goodwill</b>	<b>1'592.0</b>	<b>1'430.0</b>
Profit for the year	269.2	151.9
Theoretical amortisation of goodwill	-21.4	-17.5
<b>Theoretical profit for the year after goodwill amortisation</b>	<b>247.8</b>	<b>134.4</b>

#### Accounting policies

**Goodwill** Goodwill is offset with equity at the date of the acquisition of a subsidiary or an investment in an associated company. The theoretical capitalisation of goodwill with straight-line amortisation over five years would impact the consolidated balance sheet and consolidated income statement as shown above.



### 3.5 Provisions

CHF million	Warranties	Legal claims	Other	Total
				<b>2021</b>
Balance at 1 January	44.1	18.2	14.8	77.1
Exchange differences	-1.4	-1.0	-0.5	-2.9
Acquisition of subsidiaries	0.1	-	-	0.1
Additional provisions	40.0	13.7	4.1	57.8
Unutilised amounts reversed	-3.5	-2.8	-1.3	-7.6
Utilised during year	-32.1	-2.0	-3.2	-37.3
<b>Balance at 31 December</b>	<b>47.2</b>	<b>26.1</b>	<b>13.9</b>	<b>87.2</b>
Current portion	45.7	22.7	7.9	76.3
Non-current portion	1.5	3.4	6.0	10.9
				<b>2020</b>
Balance at 1 January	42.6	16.8	8.4	67.8
Exchange differences	-1.3	-1.8	-0.1	-3.2
Acquisition of subsidiaries	0.3	0.1	-	0.4
Additional provisions	34.8	6.2	9.0	50.0
Unutilised amounts reversed	-2.8	-2.2	-0.5	-5.5
Utilised during year	-29.5	-0.9	-2.0	-32.4
<b>Balance at 31 December</b>	<b>44.1</b>	<b>18.2</b>	<b>14.8</b>	<b>77.1</b>
Current portion	42.6	14.7	9.1	66.4
Non-current portion	1.5	3.5	5.7	10.7

Other provisions relate to risks associated with the Group's industrial operations as well as restructuring costs. The amounts of other provisions recognised in previous years that were utilised in the reporting period are primarily due to the restructuring measures implemented at Bucher Emhart Glass in China and Bucher Vaslin in France.

#### Accounting policies

**Provisions** A provision is recognised when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required in future to settle the obligation, and the amount can be estimated reliably. Provisions for warranties are recognised when the products are sold and are measured on the basis of historical data for the past two years. The provisions for legal claims cover risks associated with accidents, distribution rights, patents and other legal disputes.

#### Significant management assumptions and estimates

**Recognition of non-current provisions** In the course of normal business operations, group companies may become involved in litigation. Provisions for pending cases are recognised on the basis of available information and the expected cash outflows. Depending on the outcome of the cases, claims may arise against the Group that are not or not completely covered by provisions.

### 3.6 Contingent liabilities and other commitments

**Contingent liabilities** The CHF 1.8 million in contingent liabilities (2020: CHF 1.9 million) consists of guarantees given in respect of goods sold and services provided. This amount represents the maximum amount of the obligation assumed. These contingent liabilities are not expected to result in an outflow of resources.

**Outstanding put options** In connection with the acquisition of Bucher Hydraulics (Wuxi) Co., Ltd. there are put options for the remaining 20% of the shares (2020: 20%). They can only be exercised from 2022, the fourth year after the acquisition. The price for the 80% shares currently held amounted to CHF 34.3 million.

**Other commitments** There are commitments to purchase non-current assets amounting to CHF 9.8 million (2020: CHF 16.6 million).

### 3.7 Other liabilities, accruals and deferred income

CHF million

	2021	2020
Accruals and deferred income	175.5	151.5
Income tax liabilities	41.8	28.3
Social security and pensions	23.8	27.0
Sales and capital tax liabilities	26.9	34.5
Derivative financial instruments	3.0	1.3
Other liabilities	22.6	19.7
<b>Other liabilities, accruals and deferred income</b>	<b>293.6</b>	<b>262.3</b>
Current portion	279.5	250.8
Non-current portion	14.1	11.5

Accruals and deferred income include mainly accruals for employment costs such as accrued holiday and overtime pay and variable remuneration, as well as accruals for commissions and contract-related liabilities.

## 4. Financing and risk management

### 4.1 Cash and cash equivalents

CHF million

	2021	2020
Cash and bank accounts	318.7	250.4
Short-term money market investments	353.5	264.3
<b>Cash and cash equivalents</b>	<b>672.2</b>	<b>514.7</b>

#### Accounting policies

**Cash and cash equivalents** Cash and cash equivalents are defined as short-term, liquid financial investments that are readily convertible to defined cash amounts within a three-month period and are subject to insignificant risk of changes in value.

### 4.2 Other financial assets

CHF million

	2021	2020
Money market investments	0.3	2.1
Bonds	33.1	34.3
Long-term loans	1.6	2.1
Other	1.8	1.5
<b>Other financial assets</b>	<b>36.8</b>	<b>40.0</b>
Current portion	33.4	36.4
Non-current portion	3.4	3.6

#### Accounting policies

**Other financial assets** Money market investments and bonds are initially recognised at historical cost, with transaction costs being charged to the income statement. The fair values of the money market investments and bonds are based on observable market information at the end of the reporting period. Non-current loans and other financial assets are valued at amortised cost less impairment charges.

### 4.3 Financial liabilities

CHF million

	2021	2020
Bonds	100.0	100.0
Other bank borrowings	19.2	20.8
Finance lease liabilities	2.9	4.0
Other financial liabilities	32.6	22.5
<b>Financial liabilities</b>	<b>154.7</b>	<b>147.3</b>
Current portion	37.4	12.6
Non-current portion	117.3	134.7

## Bonds

CHF million	Company	Term	Currency	Nominal value	Effective interest rate	2021	2020
Bond, Switzerland 1.375%	Bucher Industries AG	2014-2024	CHF	100.0	1.4%	100.0	100.0
<b>Bonds</b>						<b>100.0</b>	<b>100.0</b>

**Other bank borrowings** The other bank borrowings include CHF 15.0 million (2020: CHF 15.0 million) in bilateral loans from committed credit facilities as well as CHF 4.3 million (CHF 5.8 million) from uncommitted credit facilities. The bilateral loans bear interest at rates of between 0.5 and 0.87% and are due for repayment from 2022 to 2026. The undrawn committed credit facilities at 31 December totalled CHF 250.0 million (CHF 300.0 million). The financial covenants are reviewed every six months. All credit terms were complied with on the reporting date of 31 December 2021.

### Accounting policies

**Financial liabilities** Financial liabilities are initially recognised at fair value less any directly attributable transaction costs. They are subsequently valued at amortised cost using the effective interest method.

## 4.4 Pledged assets

The book value of assets pledged or assigned to secure the Group's obligations was CHF 9.7 million (2020: CHF 7.8 million).

## 4.5 Leases

### Future minimum lease payments from operating leases

CHF million	2021	2020
Within 1 year	10.0	10.4
From 1 to 5 years	19.1	19.0
More than 5 years	18.3	16.8
<b>Minimum lease payments (non-cancellable within 1 year)</b>	<b>47.4</b>	<b>46.2</b>

### Accounting policies

**Leases** A distinction is made between finance leases and operating leases. Finance lease contracts are recognised in property, plant and equipment when most of the risks and rewards are transferred to the Group upon signing of the contract. Finance leases are recognised initially at the lower of fair value and the present value of the future minimum lease payments. Depreciation is charged over the shorter of the estimated useful life and the lease term. The corresponding lease obligations are reported as liabilities. An operating lease exists when a significant part of the risks of ownership remain with the lessor. Payments for operating leases are charged to the income statement on a straight-line basis over the lease term.

#### 4.6 Share capital and earnings per share

		2021	2020
<b>Share capital</b>	<b>CHF million</b>	<b>2.1</b>	<b>2.1</b>
Par value of registered shares	CHF	0.20	0.20
Outstanding shares	number	10'228'406	10'224'743
Treasury shares	number	21'594	25'257
<b>In issue and ranking for dividend</b>	<b>number</b>	<b>10'250'000</b>	<b>10'250'000</b>
Authorised but unissued	number	1'184'100	1'184'100

The share capital of Bucher Industries AG consists of one class of voting rights.

#### Treasury shares

CHF million	Number of shares		Number of shares	
	2021		2020	
Balance at 1 January	25'257	6.9	23'704	6.5
Purchases of treasury shares	-	-	9'990	2.8
Reissued for share-based payments	-3'663	-1.0	-8'437	-2.4
<b>Balance at 31 December</b>	<b>21'594</b>	<b>5.9</b>	<b>25'257</b>	<b>6.9</b>

#### Earnings and dividend per share

		2021	2020
Profit attributable to owners of Bucher Industries AG	CHF million	265.5	150.4
Average number of shares outstanding (undiluted and diluted)	number	10'227'342	10'223'918
Basic and diluted earnings per share	CHF	25.96	14.71
Dividend per share <sup>1)</sup>	CHF	9.50	6.50
Total dividend <sup>1)</sup>	CHF million	97.4	66.6

<sup>1)</sup> 2021: proposal of the board of directors

#### Accounting policies

**Treasury shares** Treasury shares are recognised at historical cost as a deduction from equity. Realised gains or losses from the disposal of treasury shares are recorded directly in equity. The average number of shares outstanding is calculated on the basis of the number of shares issued, less the weighted average number of treasury shares held.

#### 4.7 Financial risk management

The Group's international operations expose it to a variety of financial risks, such as credit, liquidity, price and market risks. Group financial risk management is based on internally formulated guidelines and responsibilities. These include criteria for general financial risk management and also for specific areas, such as the management of interest, exchange rate and counterparty risks as well as the use of derivative financial instruments. With the exception of the management of credit risks from operating activities, financial risk management is carried out by the central treasury function. Group treasury identifies and assesses financial risks and hedges them in close collaboration with the Group's operating companies. The risk management process implemented also includes regular reporting on the development of the financial risks.

**Credit risk** Credit risk arises from the possibility of partial or total default on contractual payments and/or performance obligations. It also includes exposure to losses in the value of financial items due to a deterioration in credit quality or counterparty risks under financial contracts. As part of their receivables management, the individual companies determine the credit terms and monitor the customers, taking into account their past payment history and an analysis of their credit rating. Owing to the diverse industries and geographical regions in which the Group's customers operate, the credit risk on trade receivables was limited in the reporting period and the Group had no cluster risk. In addition to this natural diversification, the credit risk was further minimised by security in the form of credit insurance, advance payments from customers, letters of credit and bank guarantees. Bucher Industries invested its free cash in short-term money market investments with various banking institutions that have a very good international risk rating, as well as in top-rated money market funds and in short-term realisable financial assets with a high credit rating. The Group had no concentration of credit risk associated with receivables from banks. The maximum credit risk is equal to the carrying amounts of the financial assets reported in the consolidated balance sheet.

**Liquidity risk** Bucher Industries defines liquidity risk as the risk that the Group and/or any of its subsidiaries may not have sufficient financial resources available to meet all of their payment obligations at any given time. In order to anticipate and manage liquidity requirements, group treasury conducts short- to medium-term liquidity planning in coordination with the companies' finance departments to forecast future cash flows and financial items in each currency. The calculated liquidity requirements are always matched with existing credit facilities so that appropriate measures can be taken in good time to ensure the ability to meet current and future financial obligations. The necessary funds are raised as and when required in the money and capital markets.

**Interest and price risks** Interest risks result from changes in market interest rates that have an impact on the profit or loss for the year and the fair values of the financial instruments. The risk of a change in interest rates is constantly monitored and managed. Where necessary, interest rate forwards are used to hedge specific interest risks.

**Exchange rate risk** As the Group operates internationally, Bucher Industries is mainly exposed to the risk of changes in the exchange rates of the euro, US dollar, British pound and Swedish krona in its most important sales and procurement markets. Individual subsidiaries' cash inflows and outflows denominated in foreign currencies are hedged using appropriate financial instruments based on the respective underlying transactions.

### Derivative financial instruments

CHF million

	2021	2020
<b>Contract value</b>	<b>432.1</b>	<b>488.2</b>
Currency contracts – assets	1.9	4.8
Currency contracts – liabilities	-3.0	-1.3
<b>Derivative financial instruments</b>	<b>-1.1</b>	<b>3.5</b>

#### Accounting policies

**Derivative financial instruments** Derivative financial instruments that are used to hedge the foreign exchange risk of balance sheet items and expected future cash flows are valued at fair value. Changes in the fair values are booked to the income statement with the exception of transactions that are designated as hedge accounting transactions. The changes in their fair values are initially booked directly to equity. Once the underlying transactions have been recognised, the changes in the fair values of the corresponding derivative financial instruments are transferred from equity to the income statement.

### Exchange rates

1 CHF	Income statement annual average rates			Change %	Balance sheet closing rates		
	2021	2020			2021	2020	Change %
1 AUD	0.6870	0.6497	5.7	0.6609	0.6801	-2.8	
1 BRL	0.1701	0.1869	-9.0	0.1637	0.1695	-3.4	
1 CNY	0.1415	0.1362	3.9	0.1436	0.1346	6.7	
1 EUR	1.0809	1.0714	0.9	1.0329	1.0804	-4.4	
1 GBP	1.2568	1.2081	4.0	1.2294	1.2030	2.2	
1 SEK	0.1067	0.1023	4.3	0.1007	0.1077	-6.5	
1 USD	0.9130	0.9411	-3.0	0.9119	0.8806	3.6	

## 5. Group structure

### 5.1 Changes in the group structure

#### Acquisitions

Company	Country	Division	Group interest %	Date of acquisition
<b>2021</b>				
Merk Process GmbH	DE	BSp	100	5 January 2021
Khor Industrial Ltda.	BR	KG	100	6 January 2021
Operating business of Lenze Mobile Drives	CH	BH	n.a. <sup>1)</sup>	1 July 2021
<b>2020</b>				
Eurovoirie SAS	FR	BM	100	13 January 2020
Industria de Maquinaria Luzzisa, S.L.	ES	BSp	100	6 February 2020
Operating business of Richards Coach Works Pty Ltd.	AU	BM	n.a. <sup>1)</sup>	4 September 2020
Bucher Leopard Enterprise Management Co., Ltd.	CN	BM	100 <sup>2)</sup>	22 September 2020
Operating business of Spoutvac Industries Pty Ltd.	AU	BM	n.a. <sup>1)</sup>	30 September 2020

Divisions: KG Kuhn Group, BM Bucher Municipal, BH Bucher Hydraulics, BSp Bucher Specials

<sup>1)</sup> Asset deal

<sup>2)</sup> In September 2020, Bucher Industries acquired the remaining 50% of the shares of Bucher Leopard Enterprise Management Co, Ltd.

#### Net assets acquired

CHF million	2021	2020
Cash and cash equivalents	2.1	3.7
Trade receivables	1.1	8.2
Inventories	6.1	13.8
Property, plant and equipment	0.9	4.3
Intangible assets	0.3	-
Investments in associates	-	0.9
Deferred income tax assets	5.7	1.1
Trade payables	-0.6	-6.6
Advances from customers	-5.6	-1.9
Current provisions	-0.1	-0.4
Current income tax liabilities	-0.2	-
Deferred income tax liabilities	-	-0.1
Retirement benefit obligations	-	-0.4
Other net assets	-1.5	-3.7
<b>Net assets acquired</b>	<b>8.2</b>	<b>18.9</b>



### Net cash flow from acquisitions

CHF million

	2021	2020
Net assets acquired	8.2	18.9
Shares previously held	-	-0.7
Goodwill	41.7	17.2
<b>Total purchase consideration</b>	<b>49.9</b>	<b>35.4</b>
Cash and cash equivalents acquired	-2.1	-3.7
Contingent consideration	-1.9	-
Deferred consideration	-0.8	-0.5
Deferred consideration relating to previous years	0.1	0.1
<b>Net cash flow from acquisitions</b>	<b>45.2</b>	<b>31.3</b>

### Goodwill

CHF million

	2021	2020
Goodwill from acquisitions	41.7	17.2
Adjustment of contingent consideration from previous acquisitions	-0.2	-0.3
<b>Change in goodwill</b>	<b>41.5</b>	<b>16.9</b>

The businesses acquired have generated net sales of CHF 32.6 million (2020: CHF 14.9 million) since the dates of acquisition. The acquisition and integration costs were recognised in 2021, the period in which they were incurred, under other operating expenses.

**Other changes** In the reporting period the group structure was optimised by merging or liquidating companies. This had no significant impact on the consolidated financial statements. In 2021, Bucher Industries increased its shareholding in Bucher Hydraulics KK, Tokyo by 15% to 100%. The purchase price of CHF 0.2 million was recognised as an acquisition of minority interests in the cash flow from financing activities.

## 5.2 Group companies

### Subsidiaries

Company, place of incorporation	Country	Currency	Share capital	Division	Activities	Group interest %	
						2021	2020
Bucher Industries AG, Niederweningen	CH	CHF	2'050'000	O	S		
Bucher Sudamerica Participações Ltda., São Paulo	BR	BRL	24'600'000	O	S	100	100
Bucher Beteiligungs-Stiftung, Niederweningen	CH	CHF	250'000	O	S	100	100
Bucher BG Finanz AG, Steinhausen	CH	CHF	26'505'000	O	S	100	100
Bucher-Guyer AG, Niederweningen	CH	CHF	10'000'000	O	S	100	100
Bucher Management AG, Kloten	CH	CHF	6'600'000	O	S	100	100
Bucher (China) Investment Co., Ltd., Beijing	CN	CNY	276'924'701	O	S	100	100
Dynasty China Holding Limited, Kowloon	CN	HKD	1	O	S	100	100
Wuhan Hanbao Machineries Co., Ltd., Wuhan	CN	USD	3'490'000	O	S	100	100
Bucher Beteiligungen GmbH, Klettgau	DE	EUR	4'500'000	O	S	100	100
Bucher Beteiligungsverwaltung GmbH, Munich	DE	EUR	50'000	O	S	100	100
Kuhn Deutschland GmbH, Emmendingen	DE	EUR	4'000'000	O	S	100	100
Bucher Industries Danmark ApS, Silkeborg	DK	DKK	51'000	O	S	100	100
Kuhn Group SAS, Strasbourg	FR	EUR	225'072'400	O	S	100	100
Bucher Industries Italia S.p.A., Reggio Emilia	IT	EUR	3'380'000	O	S	100	100
Bucher Industries US, Inc., Enfield CT	US	USD	3	O	S	100	100
Kuhn Argentina S/A, Buenos Aires	AR	ARS	49'532'097	KG	D	100	100
Kuhn-Montana Argentina S/A, Casilda	AR	ARS	3'412'326	KG	D	100	100
Kuhn Farm Machinery Pty Ltd., Deer Park, Vic	AU	AUD	100'000	KG	D	100	100
Kuhn do Brasil S/A, Passo Fundo	BR	BRL	320'077'812	KG	P D	-	100
Kuhn do Brasil S/A, São José dos Pinhais	BR	BRL	301'753'305	KG	P D	100	100
Khor Industrial Ltda., Tuparendi	BR	BRL	5'500'000	KG	P D	100	-
Kuhn Farm Machinery Inc., Sainte Madeleine	CA	CAD	150'100	KG	D	100	100
Kuhn Tianjin Farm Machinery Ltd., Tianjin	CN	CNY	20'000'000	KG	D	100	100
Kuhn Maschinen-Vertrieb GmbH, Schopisdorf	DE	EUR	300'000	KG	D	100	100
Kuhn Ibérica SA, Huesca	ES	EUR	100'000	KG	D	100	100
Artec Pulvérisation SAS, Corpe	FR	EUR	2'000'000	KG	P D	100	100
Contifonte SAS, Saverne	FR	EUR	48'000	KG	P D	100	100
Kuhn-Audureau SAS, La Copechagnière	FR	EUR	4'070'000	KG	P D	100	100
Kuhn Blanchard SAS, Chaumes-en-Retz	FR	EUR	2'000'000	KG	P D	100	100
Kuhn-Huard SAS, Châteaubriant	FR	EUR	4'800'000	KG	P D	100	100
Kuhn MGM SAS, Monswiller	FR	EUR	2'000'000	KG	P D	100	100
Kuhn Parts SAS, Monswiller	FR	EUR	5'000'000	KG	D	100	100
Kuhn SAS, Saverne	FR	EUR	19'488'000	KG	P D	100	100
Kuhn Farm Machinery Ltd., Telford	GB	GBP	100'000	KG	D	100	100
Kuhn Mezőgazdasági Géb Kft., Kecskemét	HU	HUF	200'000'000	KG	D	100	100
Kuhn Italia S.r.l., Melegnano	IT	EUR	520'000	KG	D	100	100
Kuhn-Geldrop B.V., Geldrop	NL	EUR	15'000'000	KG	P D	100	100
Kuhn Maszyn Rolnicze Sp. z o.o., Suchy Las	PL	PLN	10'000'000	KG	D	100	100
Kuhn Vostok LLC, Voronezh	RU	RUB	150'000'000	KG	D	100	100
Kuhn Ukraine LLC, Kiev	UA	UAH	650'000	KG	D	100	100
Kuhn Krause, Inc., Hutchinson KS	US	USD	4'462'050	KG	P D	100	100
Kuhn North America, Inc., Brodhead WI	US	USD	60'110'000	KG	P D	100	100

Divisions: KG Kuhn Group, O Other

Activities: P Production, D Distribution, S Services

Company, place of incorporation	Country	Currency	Share capital	Division	Activities	Group interest %	
						2021	2020
Bucher Municipal Pty Ltd., Clayton North, Vic	AU	AUD	5'901'438	BM	P D	100	100
Bucher Municipal AG, Niederweningen	CH	CHF	10'000'000	BM	D S	100	100
Bucher Leopard Enterprise Management Co., Ltd., Zibo	CN	CNY	10'000'000	BM	D	100	100
Wuhan Zynkon Special Purpose Vehicle Manufacturing Co., Ltd., Wuhan	CN	CNY	20'000'000	BM	P D	100	100
Zynkon Special Purpose Vehicles Co., Ltd., Shanghai	CN	CNY	9'107'293	BM	D	100	100
Bucher Municipal GmbH, Hanover	DE	EUR	3'000'000	BM	D	100	100
Bucher Municipal Wernberg GmbH, Wernberg-Köblitz	DE	EUR	25'565	BM	P D	60	60
Bucher Municipal A/S, Silkeborg	DK	DKK	6'500'000	BM	P D S	100	100
Bucher Iberica SL, Fuenlabrada, Madrid	ES	EUR	28'248	BM	D	60	60
Bucher Municipal Coudes Sàrl, Coudes	FR	EUR	200'000	BM	D	59	59
Bucher Municipal SAS, Senlis	FR	EUR	4'645'664	BM	D	100	100
Tecvia Eurl, Lyon	FR	EUR	38'112	BM	D	60	60
J. Hvidtved Larsen UK Ltd., Coalville	GB	GBP	1	BM	D	-	100
Bucher Municipal Ltd., Dorking	GB	GBP	8'000	BM	P D	100	100
Bucher Municipal Ireland Ltd., Thurles	IE	EUR	2'000'001	BM	D	100	100
Giletta S.p.A., Revello	IT	EUR	1'250'000	BM	P D S	60	60
Bucher Municipal Ltd., Seoul	KR	KRW	350'000'000	BM	P D	100	100
Bucher Municipal SIA, Ventspils	LV	EUR	3'630'400	BM	P	100	100
Bucher Municipal LLC, Kaluga	RU	RUB	420'000	BM	P D	60	60
J. Hvidtved Larsen US, Inc., Chicago IL	US	USD	10'000	BM	D	100	100
Bucher Municipal North America, Inc., Mooresville NC	US	USD	500'000	BM	P D	100	100
Bucher Hidráulica Ltda., Canoas, Porto Alegre	BR	BRL	12'313'572	BH	P D	100	100
Bucher Hydraulics Corp., London	CA	CAD	75'000	BH	D	100	100
Bucher Hydraulics AG Frutigen, Frutigen	CH	CHF	300'000	BH	P D	100	100
Bucher Hydraulics AG, Neuheim	CH	CHF	1'200'000	BH	P D	100	100
Bucher Hydraulics (Wuxi) Co., Ltd., Wuxi	CN	CNY	25'000'000	BH	P D	80	80
Suzhou Bucher Hydraulics Co., Ltd., Wujiang	CN	CNY	13'640'071	BH	P D	100	100
Bucher Hydraulics Dachau GmbH, Dachau	DE	EUR	30'000	BH	P D	100	100
Bucher Hydraulics Erding GmbH, Erding	DE	EUR	25'000	BH	P D	100	100
Bucher Hydraulics GmbH, Klettgau	DE	EUR	4'000'000	BH	P D	100	100
Bucher Hydraulics Remscheid GmbH, Remscheid	DE	EUR	25'000	BH	P D	100	100
Bucher Hydraulics SAS, Rixheim	FR	EUR	200'000	BH	D	100	100
Bucher Hydraulics Ltd., Nuneaton	GB	GBP	10'000	BH	D	100	100
Bucher Hydraulics Pvt Ltd., Gurgaon	IN	INR	49'966'680	BH	P D	100	100
Bucher Hydraulics S.p.A., Reggio Emilia	IT	EUR	1'500'000	BH	P D	100	100
Bucher Hydraulics KK, Tokyo	JP	JPY	10'000'000	BH	D	100	85
Bucher Hidrolik Sistemleri Tic. Ltd. Sti., Istanbul	TR	TRY	3'000'000	BH	D	100	100
Bucher Hydraulics, Inc., Grand Rapids MI	US	USD	12'473'000	BH	P D	100	100

Divisions: BM Bucher Municipal, BH Bucher Hydraulics

Activities: P Production, D Distribution, S Services

Company, place of incorporation	Country	Currency	Share capital	Division	Activities	Group interest %	
						2021	2020
Emhart Glass International SA, Steinhausen	CH	CHF	100'000	BEG	S	100	100
Emhart Glass SA, Steinhausen	CH	CHF	10'000'000	BEG	D S	100	100
Shandong Sanjin Glass Machinery Co., Ltd., Zibo	CN	CNY	72'000'000	BEG	P D	100	100
Emhart Glass GmbH, Leipzig	DE	EUR	50'000	BEG	S	100	100
Emhart Glass Vision GmbH, Planegg, Munich	DE	EUR	25'000	BEG	P	100	100
Emhart Glass S.r.l., Savona	IT	EUR	320'000	BEG	S	100	100
Emhart Glass Japan Co. Ltd., Kawasaki	JP	JPY	10'000'000	BEG	S	100	100
Emhart Glass Sdn Bhd., Ulu Tiram, Johor Bahru	MY	MYR	35'500'000	BEG	P	100	100
Emhart Glass Sweden AB, Sundsvall	SE	SEK	30'000'000	BEG	P	100	100
Emhart Glass Pte. Ltd., Singapore	SG	SGD	2	BEG	S	100	100
Emhart Glass, Inc., Windsor CT	US	USD	2	BEG	S	100	100
Emhart Glass Manufacturing, Inc., Horseheads NY	US	USD	1'000	BEG	P	100	100
Bucher Vaslin Argentina S.A., Mendoza	AR	ARS	7'341'800	BSp	D	100	100
Bucher Vaslin Sudamérica S.P.A., Santiago de Chile	CL	CLP	3'449'571'856	BSp	P D	100	100
Bucher Vaslin SA, Chalonnes-sur-Loire	FR	EUR	2'400'000	BSp	P D	100	100
Bucher Vaslin S.r.l., Romans d'Isonzo	IT	EUR	100'000	BSp	D	100	100
Bucher Vaslin North America, Inc., Santa Rosa CA	US	USD	87'500	BSp	D	100	100
Bucher Engineering Ges.m.b.H., Vösendorf	AT	EUR	36'336	BSp	D	100	100
Bucher Unipektin AG, Niederweningen	CH	CHF	600'000	BSp	P D	100	100
Beijing Bucher Unipektin Equipment Co., Ltd., Beijing	CN	CNY	3'098'895	BSp	P D	100	100
Bucher Merk Process GmbH, Laufenburg	DE	EUR	501'000	BSp	P D	100	-
Bucher Exzel, S.L., El Puig, Valencia	ES	EUR	6'311	BSp	P D	100	100
Bucher Unipektin Latin America S. de R.L. de C.V., Mexico City	MX	MXN	5'000	BSp	D	100	100
Bucher-Alimentech Ltd., Auckland	NZ	NZD	2'503'000	BSp	D	100	100
Bucher Landtechnik AG, Niederweningen	CH	CHF	4'000'000	BSp	D	100	100
Jetter Automation Technology (Shanghai) Co., Ltd., Shanghai	CN	CNY	12'820'627	BSp	D S	100	100
futronic GmbH, Tett nang	DE	EUR	260'000	BSp	P D	100	100
Jetter AG, Ludwigsburg	DE	EUR	3'241'061	BSp	P D	100	100
Jetter Automation Hungary Kft., Budapest	HU	HUF	3'000'000	BSp	P D	100	100

Divisions: BEG Bucher Emhart Glass, BSp Bucher Specials

Activities: P Production, D Distribution, S Services

### Significant associated companies

Company, place of incorporation	Country	Currency	Share capital	Division	Activities	Group interest %	
						2021	2020
Rauch Landmaschinenfabrik GmbH, Sinzheim	DE	EUR	1'650'000	O	P D	24	24
SSV Environnement SAS, Goussainville	FR	EUR	504'900	O	D S	20	20

Divisions: O Other

Activities: P Production, D Distribution, S Services

## 6. Other information

### 6.1 Pension benefit obligations

The Group has significant pension plans in Switzerland, France, Germany and the USA in accordance with the relevant national regulations. These are generally institutions and foundations that are independent of the Group, and they are normally financed by employer and employee contributions.

**Swiss plan** The Angestellten-Pensionskasse Bucher Schweiz (Bucher Switzerland employee pension fund, APK) has the legal form of a semi-autonomous foundation and is subject to the minimal legal requirements for pension plans, which are governed by the Federal Act on Occupational Old Age, Survivors' and Invalidity Pension Provision (BVG). The economic impact on the Group is evaluated on the basis of the provisional financial statements of the APK as at 31 December 2021, which are prepared in accordance with Swiss GAAP FER 26. The current financial status of the APK shows an estimated coverage in accordance with BVG of over 100%, as in the prior year. The calculation of the pension liabilities is based on a discount rate of 1.75% (2020: 2.5%).

**Foreign plans** The economic impacts of the foreign pension plans are based on country-specific actuarial valuations in accordance with generally accepted accounting principles. Depending on the country and the composition of the plan participants, the pension obligations are discounted at an interest rate of between 0.4 and 2.5% (2020: between 0.0 and 1.4%).

#### Economic benefits/obligations and pension benefit expense

CHF million	Pension plans			Total
	without surplus/deficit	with deficit	without own assets	
				<b>2021</b>
Balance at 1 January		19.9	26.6	46.5
Exchange differences		-	-0.8	-0.8
Pension benefit expense in employment costs	40.3	1.6	0.7	42.6
Contributions and benefit payments	-40.3	-3.1	-1.3	-44.7
<b>Change in pension benefit obligations</b>		<b>-1.5</b>	<b>-1.4</b>	<b>-2.9</b>
<b>Balance at 31 December</b>		<b>18.4</b>	<b>25.2</b>	<b>43.6</b>
Deficit		18.4		18.4
				<b>2020</b>
Pension benefit expense in employment costs	38.8	7.9	1.2	47.9

#### Accounting policies

**Pension benefit obligations** Surpluses and deficits are determined based on the financial statements of the pension plans or actuarial valuations. An economic benefit is only recognised if it is permissible and it is intended to utilise the surplus to reduce future employer contributions. An economic obligation is recognised, provided that the requirements for recognising a provision are met. Changes in the economic benefit or economic obligations as well as the contributions accrued for the period are booked as employment costs in the income statement.

## Significant management assumptions and estimates

**Actuarial calculations of pension benefit obligations** The calculations of surpluses and deficits of the foreign pension plans are based on assumptions such as expected inflation rates, future salary increases, employee turnover, the life expectancy of the insured participants and the discount rate. These assumptions are made by management and may differ from the actual future developments.

## 6.2 Related parties and companies

CHF million

	2021	2020
Net sales and expenditure:		
Net sales with associated companies	1.6	2.0
Products purchased from associated companies	-45.1	-42.6
Other expenditure with associated companies	-0.2	-0.2
Receivables and payables:		
Receivables from pension funds	-	0.5
Receivables from associates	0.4	0.3
Payables to pension funds	-18.2	-6.5
Payables to associates	-1.2	-1.3

## 6.3 Events occurring after the balance sheet date

**Changes in the group structure** In January 2022, Bucher Industries acquired a 100% interest in Denwel spol. s r.o., Prague, Czech Republic, a supplier of specialised filtration products and systems for breweries. The company has 40 employees and generated net sales of CHF 7 million in 2020. It has been renamed to Bucher Denwel spol. s r.o. and will be integrated into the Bucher Specials division.

**Publication of the consolidated financial statements** The consolidated financial statements were approved for publication by the board of directors on 24 February 2022. They are subject to formal approval by the annual general meeting on 12 April 2022.



# Holding company

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## Income statement of Bucher Industries AG

CHF million

	2021	2020
Income from investments	85.8	72.0
Royalty income	19.7	16.0
Administrative expenses	-5.9	-6.2
<b>Operating profit (EBIT)</b>	<b>99.6</b>	<b>81.8</b>
Finance costs	-80.8	-92.3
Finance income	80.5	80.8
<b>Profit before tax</b>	<b>99.3</b>	<b>70.3</b>
Income tax expense	-2.3	-0.8
<b>Profit for the year</b>	<b>97.0</b>	<b>69.5</b>

## Balance sheet of Bucher Industries AG

CHF million	Note	31 December 2021	31 December 2020
Cash and cash equivalents		287.1	168.0
Other receivables		42.1	28.3
Accrued income		16.2	13.7
<b>Current assets</b>		<b>345.4</b>	<b>210.0</b>
Financial assets			
Loans		425.7	447.4
Investments		859.5	859.5
Intangible assets		–	0.1
<b>Non-current assets</b>		<b>1'285.2</b>	<b>1'307.0</b>
<b>Assets</b>		<b>1'630.6</b>	<b>1'517.0</b>
Interest-bearing liabilities			
Loans and other bank borrowings	2.2	15.0	–
Other interest-bearing liabilities	2.2	244.6	156.8
Other liabilities		7.4	12.0
Accrued liabilities and deferred income		3.3	1.8
<b>Current liabilities</b>		<b>270.3</b>	<b>170.6</b>
Interest-bearing liabilities			
Bonds	2.2	100.0	100.0
Loans and other bank borrowings	2.2	279.1	297.9
Other liabilities		0.3	0.2
Provisions		0.9	0.7
<b>Non-current liabilities</b>		<b>380.3</b>	<b>398.8</b>
<b>Total liabilities</b>		<b>650.6</b>	<b>569.4</b>
Share capital	2.5	2.1	2.1
Statutory reserves		70.6	70.6
Distributable reserves		781.8	771.8
Retained earnings		33.4	40.4
Profit for the year		97.0	69.5
Treasury shares	2.6	–4.9	–6.8
<b>Equity</b>		<b>980.0</b>	<b>947.6</b>
<b>Liabilities and equity</b>		<b>1'630.6</b>	<b>1'517.0</b>

## Notes to the financial statements of Bucher Industries AG

### 1. Information on this report

#### 1.1 General information

These financial statements of Bucher Industries AG, incorporated in Niederweningen, have been prepared in accordance with the provisions of Swiss accounting law (Title 32 of the Swiss Code of Obligations). The main valuation principles applied, other than those prescribed by law, are described below. In accordance with art. 961d paragraph 1 of the Swiss Code of Obligations, Bucher Industries AG did not present additional data in the notes or a cash flow statement, referring instead to the consolidated financial statements of Bucher Industries AG for the relevant information. The company does not have any employees.

#### 1.2 Accounting policies

**Cash pooling** To ensure group-wide financial balance, group companies are integrated into Bucher Industries AG's cash pooling. The cash pool accounts are recognised at par value and recorded in other receivables and other interest-bearing liabilities.

**Derivative financial instruments** These instruments are shown in other receivables and other liabilities and are used to hedge exposure to interest rate and foreign currency fluctuations. The first-time accounting and the subsequent valuations are made at the respective fair value. This is based on observable market information at the end of the reporting period. Changes in fair value are recognised in the income statement.

**Investments** Investments are recognised at amortised cost, net of write-downs in the case of impairment. To evaluate an impairment, the carrying amount is compared with the recoverable amount. Investments which are considered an economic unit within the company, in the management and in the assessment of the business, are treated as a valuation unit. Information on the investments held, directly and indirectly, by Bucher Industries AG is provided in the list of group companies on pages 101 to 103 of the annual report.

**Treasury shares** Treasury shares are deducted from equity at cost. When resold, the gain or loss is recognised directly in equity.

**Interest income/dividends** Interest income is recorded over the anticipated term, so that it reflects the effective income on an asset. Dividends are recognised in income from investments at the time when the company becomes legally entitled to them.

**Royalty income** Royalty income consists of fees charged to group companies for the use of brand names.

## 2. Notes

### 2.1 Balances with group companies

CHF million

	2021	2020
Other receivables	37.4	22.0
Accrued income	16.2	13.7
Financial assets	425.7	447.4
Interest-bearing liabilities	-244.6	-156.8
Other liabilities	-3.5	-5.9
Accrued liabilities and deferred income	-	-0.1
Loans	-279.1	-282.9

### 2.2 Interest-bearing liabilities

Interest-bearing liabilities include mainly bonds, bank borrowings and loans and cash pool accounts with group companies. Further information on the bond is disclosed on page 95 of the annual report.

### 2.3 Assets and liabilities based on observable market data

CHF million

	2021	2020
Derivative financial instruments – assets	8.7	8.6
Derivative financial instruments – liabilities	-7.6	-12.1
<b>Assets and liabilities based on observable market data</b>	<b>1.1</b>	<b>-3.5</b>

### 2.4 Contingent liabilities

The contingent liabilities have been incurred by the company mainly to cover group companies' obligations to banks in respect of credit and cash pool agreements. The maximum exposure was CHF 166.8 million (2020: CHF 193.7 million). The amount used at the reporting date was CHF 44.6 million (CHF 48.3 million). Bucher Industries AG is jointly liable for the VAT group of Bucher-Guyer AG as part of group taxation arrangements.

### 2.5 Share capital and shareholders

The issued share capital of Bucher Industries AG stands at CHF 2'050'000. It is composed of 10'250'000 registered shares at a par value of CHF 0.20 each. Bucher Industries AG has conditional authorised but unissued capital up to a maximum of CHF 236'820. This is reserved for the exercise of warrants or conversion rights attached to bonds and of rights issued to shareholders. Shareholders have no pre-emption rights.

**Significant shareholders and their investments** The shares are widely held by public shareholders. A group of shareholders organised under a shareholders' agreement, represented by Rudolf Hauser, Zurich, holds a total of 35.2% of the voting rights, according to the most recent information published in the Swiss Official Gazette of Commerce (SOGC) on 10 May 2005 and subsequent to the share capital reduction in June 2012. The main conditions of the shareholders' agreement and the number of shares held by individual group members have not been published. At the reporting date, the board of Bucher Industries AG was not aware of any other persons who hold more than 3% of the issued share capital of Bucher Industries AG and was not aware of any shareholders entered in the share register with voting rights or groups of shareholders subject to voting agreements who hold more than 3% of the issued share capital.

## Directors' interests in shares

	Number of shares	
	2021	2020
Philip Mosimann, chairman	46'903	48'559
Anita Hauser, deputy chairwoman	440'656	440'529
Claude R. Cornaz	n. a.	4'149
Michael Hauser	605'631	605'519
Martin Hirzel	502	390
Heinrich Spoerry	4'249	4'137
Valentin Vogt	5'176	5'058
<b>Board of directors</b>	<b>1'103'117</b>	<b>1'108'341</b>

In the reporting period, 1'037 shares (2020: 1'910) were allocated to the board of directors at a share price of CHF 495.00 (CHF 268.00) as part of their fees for their term of office 2020/2021 (term of office 2019/2020). Further information is disclosed in the remuneration report on page 64.

## Group management's interests in shares

		Number of shares	
		2021	2020
Jacques Sanche	CEO	5'689	5'107
Manuela Suter	CFO	747	948
Stefan Düring	Bucher Specials	1'768	1'639
Thierry Krier	Kuhn Group	3'403	3'222
Matthias Kümmerle	Bucher Emhart Glass	283	n. a.
Martin Jetter	Bucher Emhart Glass	n. a.	6'063
Aurelio Lemos	Bucher Municipal	768	839
Daniel Waller	Bucher Hydraulics	9'092	9'942
<b>Group management</b>		<b>21'750</b>	<b>27'760</b>

In the reporting period, 1'462 shares (2020: 3'500) were allocated to group management for financial year 2020 at a share price of CHF 495.00 (CHF 268.00). Further information is disclosed in the remuneration report on page 65.

## 2.6 Treasury shares

CHF million	Number of shares		Number of shares	
	2021		2020	
Balance at 1 January	24'845	6.8	23'292	6.2
Purchases of treasury shares	-	-	9'990	2.8
Reissued for share-based payments	-3'663	-1.9	-8'437	-2.2
<b>Balance at 31 December</b>	<b>21'182</b>	<b>4.9</b>	<b>24'845</b>	<b>6.8</b>

Additional shares are held by the Bucher Beteiligungs-Stiftung. At the reporting date it held less than 0.1% of the issued share capital. The voting rights for treasury shares are suspended in accordance with art. 659a paragraph 1 of the Swiss Code of Obligations.

## Proposal of the board of directors

### Appropriation of retained earnings

CHF		
	2021	2020
Retained profit carried forward as at 1 January	109'923'648	147'243'607
Transfer to distributable reserves	-10'000'000	-25'000'000
Dividend	-66'487'317	-81'801'240
Profit for the year	97'014'839	69'481'281
<b>Retained earnings available for distribution</b>	<b>130'451'170</b>	<b>109'923'648</b>

### Proposal of the board of directors

CHF		
	2021	2020
Retained earnings available for distribution	130'451'170	109'923'648
Transfer to distributable reserves	-15'000'000	-10'000'000
Dividend <sup>1)</sup>	-97'375'000	-66'625'000
<b>Balance to be carried forward</b>	<b>18'076'170</b>	<b>33'298'648</b>

<sup>1)</sup> The dividend is based on the issued share capital as at 31 December. No dividends will be distributed for treasury shares held by Bucher Industries AG.