

## Ad hoc announcement

Niederweningen, 28 July 2022 | Ad hoc announcement pursuant to article 53 listing rules

# Good result with a marked increase in sales

Bucher Industries' products and services continued to be in high demand in the first half of 2022. As a result, order intake increased further. Despite ongoing difficulties in procurement and logistics, sales increased. The operating profit margin was slightly higher and the Group's profit for the period grew considerably.

## Group

CHF million	January – June		Change			Full year
	2022	2021	%	% <sup>1)</sup>	% <sup>2)</sup>	2021
Order intake	1'882	1'722	9.3	12.1	10.7	3'948
Net sales	1'778	1'608	10.6	13.4	12.4	3'176
Order book	1'900	1'209	57.1	61.2	58.7	1'873
Operating profit (EBITDA)	243	221	10.1			437
% of net sales	13.7%	13.7%				13.7%
Operating profit (EBIT)	203	179	13.3			352
% of net sales	11.4%	11.2%				11.1%
Profit for the period	154	138	11.6			269
% of net sales	8.7%	8.6%				8.5%
Earnings per share in CHF	14.97	13.40	11.7			25.96
Operating free cash flow	-162	-8	n.a.			271
Net cash/debt	281	329	-14.5			551
Total assets	2'793	2'596	7.6			2'768
Equity	1'571	1'489	5.6			1'533
Equity ratio	56.3%	57.3%				55.4%
Return on equity (ROE)	18.6%	15.8%				18.4%
Net operating assets (NOA) average	1'083	1'079	0.4			1'052
Return on net operating assets (RONOA) after tax	28.9%	25.1%				25.6%
Number of employees at closing date	14'128	13'404	5.4		4.9	13'562

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

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

In the first half of 2022, demand for the products and services of Bucher Industries remained at a very high level. Order intake continued to grow, with all divisions except Bucher Hydraulics contributing. Bucher Municipal and Bucher Emhart Glass, in particular, recorded significant increases in orders compared to the prior-year period. Like the entire industrial sector worldwide, the divisions continued to face bottlenecks and delays in the supply chain and logistics, which hampered production. Difficulties in recruiting skilled staff also persisted, especially in the USA. Sales nevertheless grew again, due to higher volumes and price increases. This growth was particularly pronounced at Bucher Emhart Glass. The war between Russia and Ukraine and the strict COVID-19 measures in China led to uncertainties with noticeable consequences for the supply chains. Business activities in Russia were significantly reduced. The Group's order book remained extremely high. The operating profit margin increased slightly compared with the good prior-year period. The reasons for this good margin were strong capacity utilisation, the ability to pass on high material and transport costs, and the continued low cost base. The Group's profit for the period increased significantly.

**Another increase in return on net operating assets** The return on net operating assets (RONOA) was 28.9%, significantly above the long-term target of 20% and thus well above the cost of capital of 8%. This further increase in the return compared with the prior-year period is attributable to the strong growth in sales with the level of net operating assets remaining stable. Compared with the year end, the net operating assets increased markedly as a result of seasonal factors. This increase was exacerbated by difficulties in the supply chain and logistics and had a negative impact on free cash flow. Net cash amounted to CHF 281 million and will increase again by the end of the year. The equity ratio remained practically unchanged at 56%. In this reporting period, the Group continued to invest in projects that will ensure success in the longer term. The main focus was on the IT project of Kuhn Group and on the construction projects of Bucher Hydraulics and Jetter in Germany.

## Kuhn Group

CHF million	January – June		Change		Full year
	2022	2021	%	% <sup>1)</sup>	2021
Order intake	635	608	4.5	6.0	1'676
Net sales	799	728	9.8	12.4	1'319
Order book	730	467	56.3	58.3	941
Operating profit (EBITDA)	115	108	5.7		196
% of net sales	14.3%	14.9%			14.8%
Operating profit (EBIT)	98	91	7.6		161
% of net sales	12.2%	12.5%			12.2%
Number of employees at closing date	6'095	5'800	5.1		5'832

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

**Pleasing development overall in a challenging business environment** Agricultural machines continued to be in strong demand during the first half of 2022 as farm incomes remained at satisfactory levels. One reason was the good agricultural commodity prices. However, cost increases for fertiliser, feed and diesel put pressure on farmers' margins. In this environment, Kuhn Group's order intake increased at a high level. Its order book remained extremely high even after the cancellation of orders from Russia and Ukraine. In the second quarter, the difficulties in the supply chain eased partially and the division was able to complete and deliver a large number of machines. Sales increased overall, with Brazil contributing strongly. Thanks to the division's very strong capacity utilisation and the pricing measures implemented to absorb the massive increases in material and transport costs, the operating profit margin was close to the good level of the prior-year period.

## Bucher Municipal

CHF million	January – June		Change		Full year
	2022	2021	%	% <sup>1)</sup>	2021
Order intake	382	298	28.2	32.6	599
Net sales	238	256	-6.9	-3.7	523
Order book	368	204	80.3	86.4	237
Operating profit (EBITDA)	13	22	-40.2		44
% of net sales	5.5%	8.6%			8.4%
Operating profit (EBIT)	8	17	-53.6		33
% of net sales	3.2%	6.5%			6.3%
Number of employees at closing date	2'377	2'348	1.2		2'329

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

**Major difficulties in procurement** Demand for municipal vehicles also remained exceptionally strong. Order intake at Bucher Municipal grew by a third. Truck-mounted sweepers and the “CityCat V20” and “CityCat VR50” compact sweepers, including the electric models, were important drivers. The division was strongly affected by the difficulties in the global supply chains. Chassis, batteries, hydraulic components and electronics continued to be difficult to procure and then only with delays. As a result, sales were lower than in the prior-year period, while the order book increased by half compared with the end of 2021. Despite passing on the higher material prices, the operating profit margin was markedly below the prior-year period. This was due to difficulties in the supply chain, which affected efficiency, the reduction of activities in Russia and the consequently lower production output.

## Bucher Hydraulics

CHF million	January – June		Change			Full year
	2022	2021	%	% <sup>1)</sup>	% <sup>2)</sup>	2021
Order intake	401	429	-6.6	-4.9	-8.7	856
Net sales	387	338	14.5	16.1	13.0	681
Order book	327	225	45.3	47.4	37.0	320
Operating profit (EBITDA)	63	57	11.4			111
% of net sales	16.3%	16.8%				16.3%
Operating profit (EBIT)	53	46	15.5			88
% of net sales	13.7%	13.5%				12.9%
Number of employees at closing date	2'926	2'689	8.8		7.8	2'825

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

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

**Continued strong capacity utilisation** The hydraulics markets showed a downward trend at an exceptionally high level. Accordingly, order intake at Bucher Hydraulics was down on the prior-year period. In regional terms, the decline in order intake was mainly attributable to Asia, where a slowdown had already become apparent at the end of 2021 and was aggravated by COVID-19 restrictions in China. The division's capacity utilisation remained strong thanks to its continued very high order book. Shortages of staff and bottlenecks in the supply chain continued to pose difficulties for production. Sales rose again, nevertheless. This increase was particularly pronounced in North America. Thanks to these higher sales, the good cost structure and price adjustments, the operating profit margin was maintained at the high level of the prior-year period.

## Bucher Emhart Glass

CHF million	January – June		Change		Full year
	2022	2021	%	% <sup>1)</sup>	2021
Order intake	315	235	34.3	41.6	522
Net sales	230	172	33.3	39.8	394
Order book	358	221	61.8	70.9	285
Operating profit (EBITDA)	45	28	58.2		71
% of net sales	19.4%	16.4%			18.1%
Operating profit (EBIT)	40	24	70.0		62
% of net sales	17.5%	13.7%			15.8%
Number of employees at closing date	1'594	1'565	1.9		1'563

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

**Extraordinarily good sales development** The division had a very good start to the year. Customers of Bucher Emhart Glass approved projects to modernise and expand their plant. They also made investments in completely new production sites. The division's order intake, which was already at a good level, rose by a third. Demand was high in all important regions, including Asia, where a certain amount of caution had still been observed in the previous year. Sales grew by a third compared with the still low prior-year period. Capacity utilisation was very good, and the order book increased significantly compared with the end of 2021. Bottlenecks in logistics and the supply chain continued to cause difficulties. The operating profit margin rose again from a level that was already exceptionally high. This was due to the high sales volume and continued low cost base, combined with improved efficiency and an overall favourable product and project mix.

## Bucher Specials

CHF million	January – June		Change			Full year
	2022	2021	%	% <sup>1)</sup>	% <sup>2)</sup>	2021
Order intake	181	179	1.2	3.9	-0.8	366
Net sales	159	149	6.6	9.3	6.0	321
Order book	144	106	36.4	40.5	33.3	121
Operating profit (EBITDA)	14	14	1.4			32
% of net sales	9.0%	9.4%				10.0%
Operating profit (EBIT)	12	12	1.7			28
% of net sales	7.5%	7.9%				8.6%
Number of employees at closing date	1'076	941	14.3		9.7	953

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

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

**Stable business performance overall** The markets of Bucher Specials showed differing trends in the first half of 2022. Customers of Bucher Vaslin continued to show keen interest, but this was not reflected in its seasonal business trend due to the strained supply chain. Bucher Unipektin experienced a very positive first half-year and sales increased significantly thanks in part to the good order book. Business performance at Bucher Landtechnik declined, albeit at a high level and after several very good years. The positive trend from the previous year continued at Jetter. Overall, order intake and sales at Bucher Specials rose slightly. The operating profit margin was somewhat below the level of the previous year.

## Outlook for 2022

The Group expects demand to weaken over the second half of the year while still remaining at a very high level. The extraordinarily strong order book means that capacities will remain strongly utilised. Difficulties in procurement and logistics are likely to persist for the time being. The shortage of skilled labour will make it difficult to work through the record-high order book. The resulting inefficiencies in production and the generally rising cost base are likely to increase pressure on margins. This is compounded by uncertainties in connection with the war in Ukraine and COVID-19 measures in China. All the divisions are impacted by these challenges. **Kuhn Group** expects an increase in sales thanks to the high order book and an operating profit margin in the double digits. **Bucher Municipal** anticipates sales to be on a par with those of 2021. The operating profit margin should increase thanks to the efficiency measures implemented in the previous year. **Bucher Hydraulics** expects its sales to increase and its operating profit margin to be at a similar level to 2021. **Bucher Emhart Glass's** sales will rise considerably. Due to the change in the product mix and the general increase in the cost base, the operating profit margin is likely to be on a par with the previous year.

**Bucher Specials** expects higher sales and an operating profit margin on a par with that of 2021. The **Group** anticipates higher sales and a somewhat lower double-digit operating profit margin compared with 2021. The Group's profit for the year is expected to be on a par with the high level of the previous year.

The interim report as well as the investor relations handout on the results for the first half of 2022 are available on [bucherindustries.com](https://www.bucherindustries.com) under "Media dossiers".



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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, equipment for processing beverages, as well as automation solutions. 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)