

Press release

Niederweningen, 2 February 2016

Exchange rates and economic situation hold back sales in 2015

Bucher Industries recorded an 11% fall in both sales and order intake in fiscal 2015, with currency effects accounting for around 7% of the decline. For 2015 as a whole, the Group is expecting a decrease in operating profit and profit for the year.

Group

CHF million	2015	2014	Change in		
			%	% ¹⁾	% ²⁾
Order intake	2 440	2 742	-11.0	-3.8	-4.3
Net sales	2 490	2 806	-11.2	-4.4	-4.9
Order book	688	789	-12.7	-5.4	-5.4
Number of employees at 31 December	11 072	11 554	-4.2		-4.2

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

In the reporting year, Western Europe showed a low level of economic growth, whereas Eastern Europe saw demand decreasing. With the exception of the agricultural machinery segment, market demand in North America remained brisk. By contrast, Brazil was affected by a deep recession, while the downturn in China continued. This difficult market environment led to a decrease in both order intake and sales. For 2015 as a whole, the Group is expecting a decline in operating profit and profit for the year. The operating profit margin is likely to remain below the level seen during the first half of 2015 due to seasonal, economic and above all currency factors.

Kuhn Group

CHF million	2015	2014	Change in		
			%	% ¹⁾	% ²⁾
Order intake	1 009	1 221	-17.4	-9.2	-10.3
Net sales	1 068	1 262	-15.3	-7.5	-8.5
Order book	363	454	-20.1	-12.9	-12.9
Number of employees at 31 December	4 830	5 207	-7.2		-7.2

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

Challenging market conditions Kuhn Group held up remarkably well in a difficult year. The worldwide decline in agriculture steepened from the middle of the reporting year. The downturn was most marked in the arable sector, but the dairy industry was also affected by falling prices. This trend resulted in lower incomes for farmers and significantly dampened their willingness to invest. By contrast, demand in the meat sector remained largely stable. As a result, the operating profit margin for 2015 as a whole is likely to be below the value for the first half of the year.

Bucher Municipal

CHF million	2015	2014	Change in	
			%	% ¹⁾
Order intake	374	416	-10.1	-3.7
Net sales	384	419	-8.2	-2.1
Order book	85	101	-15.8	-9.8
Number of employees at 31 December	1 525	1 557	-2.1	

¹⁾ Adjusted for currency effects

Stable markets Bucher Municipal's markets did not change significantly in the reporting year, demand for sweepers and winter maintenance equipment remained at a low, but stable, level. The refuse collection vehicle segment was affected by the subdued economic development in Australia. In this economic climate, Bucher Municipal defended its high market shares well, but saw falling sales as a result of the smaller scale of the follow-up order from the city of Moscow. Business in Great Britain and the USA surpassed expectations, developing gratifyingly well thanks to the need of private service providers to renew their vehicle fleets. Accordingly, the operating profit margin for the year as a whole should be well above the level seen in the first half of 2015.

Bucher Hydraulics

CHF million	2015	2014	Change in	
			%	% ¹⁾
Order intake	461	485	-4.8	-0.6
Net sales	461	475	-2.9	1.3
Order book	75	78	-4.1	-0.2
Number of employees at 31 December	2 034	2 043	-0.4	

¹⁾ Adjusted for currency effects

North America underpins business performance In the reporting year, the demand for hydraulic systems in North America showed very welcome progress, resulting in a high level of sales growth in the region. On the other hand, Europe experienced faltering demand, particularly in agricultural machinery, while there were positive stimuli in industrial applications. Bucher Hydraulics generated modest sales growth in local currencies in 2015. This solid performance is based on incoming orders, which all but compensated for the decline in the agricultural machinery sector. As a result, the operating profit margin for 2015 as a whole is likely to be below the value for the first half of the year.

Bucher Emhart Glass

CHF million	2015	2014	Change in	
			%	% ¹⁾
Order intake	400	367	8.9	20.8
Net sales	360	389	-7.6	2.0
Order book	126	95	32.8	48.5
Number of employees at 31 December	1 819	1 890	-3.8	

¹⁾ Adjusted for currency effects

Stronger demand Bucher Emhart Glass began the reporting year with a low order book. However, the business with glass-forming and inspection machinery improved steadily during the course of the year, and the division maintained its strong market positions well on the whole. Sales increased slightly in local currencies, order intake actually showed a marked improvement, and the division can take advantage of a healthy order book at the start of the

year. The spare parts business and the South America region, where major beer brewers are investing in the production capacity of glass containers, developed positively. The operating profit margin for the year as a whole is likely to be above the value for the first half of the year.

Bucher Specials

CHF million	2015	2014	Change in	
			%	% ¹⁾
Order intake	238	299	-20.6	-16.1
Net sales	257	305	-15.5	-11.2
Order book	51	73	-30.5	-26.6
Number of employees at 31 December	802	793	1.1	

¹⁾ Adjusted for currency effects

Downturn in performance Demand for winemaking equipment returned to more normal levels compared to the very lively situation the previous year. Competitive pressure in the fruit juice processing equipment segment increased due to the strength of the Swiss franc while customers delayed a number of projects because of the uncertain economic situation. The fall in beer consumption worldwide for the first time in many years was a further negative influence on demand for beer filtration systems. As a result, Bucher Specials experienced a pronounced decline in sales. The good performance of the Swiss distributorship for tractors and agricultural machinery and the pleasing development of the automation technology segment were unable to counteract this trend. The operating profit margin for the year as a whole should exceed the level seen in the first half of 2015.

Outlook for 2016 For the year in progress, the Group is expecting the volatile economic climate to persist. Kuhn Group expects the downward trend in demand to continue, affecting arable farming as well as the dairy and meat sectors. Bucher Municipal is not counting on a significant recovery and will also have to get along without a follow-up order from the city of Moscow, which brought in CHF 30 million the previous year. Except for the agricultural machinery segment, Bucher Hydraulics is anticipating modest growth in Europe and the USA. The market launch of a new generation of inspection machines and the cooperation with O-I should boost demand at Bucher Emhart Glass. Bucher Specials expects the mood in the market to remain unchanged, though demand for equipment and technologies for processing fruit juice and beer should improve. Overall, the Group expects a slight downturn in sales in 2016 and an operating profit and profit for the year on a par with the previous year.

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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 divisions include specialised agricultural machinery, municipal vehicles, hydraulic components, manufacturing equipment for the glass container industry, beverages production, environmental technology and automation. The group's shares are traded on the SIX Swiss Exchange (SIX: BUCN). For further information please visit www.bucherindustries.com.