

## Ad hoc announcement

Niederweningen, 26 January 2023 | Ad hoc announcement pursuant to article 53 listing rules

# Pleasing performance in a challenging environment

Demand for Bucher Industries' products and services normalised at a very high level over the course of 2022. Sales again increased significantly, despite continuing challenges in procurement and personnel. The operating profit margin is likely to exceed the previous year's high figure. Profit for the year should be substantially higher than in the previous year.

## Group

CHF million	Change				
	2022	2021	%	% <sup>1)</sup>	% <sup>2)</sup>
Order intake	3'858	3'948	-2.3	1.5	0.7
Net sales	3'597	3'176	13.2	17.2	16.5
Order book	2'081	1'873	11.1	15.9	14.2
Average number of employees	14'053	13'375	5.1		4.6

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

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

While Bucher Industries' markets weakened over the course of 2022, sentiment remained positive overall. Order intake continued to rise until mid-year but then declined from a very high level in the second half of the year. The situation in the supply chain improved towards the middle of the year but remained challenging due to the COVID-19 measures in China and the tense energy situation. Recruiting qualified employees was also difficult, particularly in the USA. Although this negatively impacted process efficiency, sales again increased significantly which was partly due to increased prices as well as higher volumes. Strengthening of the Swiss franc was reflected in negative currency effects of around four percentage points. The Group's order book remained very strong, with seven months of orders. The operating profit margin is likely to exceed the previous year's figure. Profit for the year should be substantially above the previous year due to the higher operating profit and a lower tax rate.

## Kuhn Group

CHF million	2022	2021	Change	
			%	% <sup>1)</sup>
Order intake	1'613	1'676	-3.8	-0.6
Net sales	1'510	1'319	14.5	17.6
Order book	1'019	941	8.3	12.1
Average number of employees	5'994	5'740	4.4	

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

**Very high production volumes** Agricultural machinery remained in strong demand during 2022. Good prices for agricultural products ensured that farm incomes were on a high level despite increasing cost pressures. Problems faced by agricultural machinery manufacturers to deliver goods, customers' expectations that prices will continue to increase and generally low inventory levels in the distribution network all combined to boost demand. From mid-2022, however, dealers reported slightly weaker sales to agricultural producers. Mainly due to currency effects, Kuhn Group's order intake fell below the previous year's exceptionally high level; its order book increased further. Supply chain and recruitment difficulties persisted. Capacity utilisation was very high throughout the whole year. Production volumes were correspondingly high which, combined with price increases, led to a significant increase in sales, especially in Brazil. The operating profit margin is likely to be roughly in line with the previous year.

## Bucher Municipal

CHF million	2022	2021	Change		
			%	% <sup>1)</sup>	% <sup>2)</sup>
Order intake	619	599	3.4	8.2	
Net sales	529	523	1.3	5.9	
Order book	310	237	30.9	37.1	
Average number of employees	2'421	2'355	2.8		2.6

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

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

**Difficulties in procurement** Demand was exceptionally high during the first half of the year but a normalisation became apparent from mid-year onwards. Bucher Municipal's order intake increased overall, largely driven by compact and special truck-mounted sweepers. As in the previous year, production in 2022

was severely impacted by bottlenecks in global supply chains. These had a negative effect on production efficiency, especially in the first half of the year. Production volumes increased in the second half of the year and sales ended in line with the previous year overall. The operating profit margin is likely to be in line with the previous year's low level. This was due to the difficulties that the division faced in its supply chain, the reduction of its operations in Russia and the challenging business environment in China.

## Bucher Hydraulics

CHF million	Change				
	2022	2021	%	% <sup>1)</sup>	% <sup>2)</sup>
Order intake	764	856	-10.8	-8.3	-10.2
Net sales	756	681	11.0	13.5	12.0
Order book	316	320	-1.2	1.9	1.9
Average number of employees	2'921	2'704	8.0		7.5

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

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

**Very high capacity utilisation** Following an exceptionally dynamic previous year, demand for hydraulic solutions weakened overall on a very high level in the reporting period. The decrease was particularly pronounced in China. During the second half of the year, the situation also began to normalise in parts of Europe and in North America. While there was a clear decline in the important materials handling and construction equipment segments, demand for hydraulic solutions in agricultural machinery remained at a high level. Capacity utilisation was high throughout the whole year. The division's sales grew significantly, partly due to price increases, and this growth was particularly noticeable in North America. The operating profit margin is likely to improve compared to the previous year due to higher sales, the good cost structure and price adjustments.

## Bucher Emhart Glass

CHF million	2022	2021	Change	
			%	% <sup>1)</sup>
Order intake	578	522	10.8	18.3
Net sales	525	394	33.2	42.2
Order book	319	285	11.8	19.5
Average number of employees	1'600	1'577	1.5	

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

**Strong sales increase** Glass containers stayed on trend throughout the whole reporting period, which kept customers' production utilisation very high. The rapid upturn in investments that had begun in 2021 therefore continued, despite the high energy prices that negatively impacted glass container producers particularly in Europe. The division's order intake rose considerably from a very high level. Production capacity was highly utilised at all sites. Sales grew significantly compared to the low level still seen in the previous year. The operating profit margin is likely to increase significantly from an already high level, also due to a strong performance in the second half of the year. This very pleasing development is due to the division's high sales volume and continued low cost base, combined with its improved efficiency, positive currency effects and its overall favourable product and project mix.

## Bucher Specials

CHF million	2022	2021	Change		
			%	% <sup>1)</sup>	% <sup>2)</sup>
Order intake	363	366	-0.8	3.2	-1.7
Net sales	347	321	8.0	12.1	8.8
Order book	154	121	27.6	34.4	8.6
Average number of employees	1'057	937	12.8		8.0

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

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

**Different market developments** The reporting period was characterised by positive market sentiment overall. Only the markets of Bucher Landtechnik declined from their high level after several years of very good performance. Order intake at Bucher Specials was in line with the previous year. All four business units continued to struggle with problems in their supply chains. The supply situation was especially challenging

for electronic components and agricultural machinery. Sales increased, partly due to the strong order book at the beginning of the year. The operating profit margin is likely to remain stable despite a significant increase in material costs as well as expenses for acquisitions. In December, Bucher Unipektin acquired B&P Engineering, a Polish company with sales of CHF 40 million and 400 employees that manufactures fruit juice production equipment and stainless steel tanks for the beverage industry. With this acquisition, Bucher Unipektin can offer its customers the entire production line from a single source.

## Outlook for 2023

The Group expects demand to continue to normalise at a very high level in the course of this year. The extraordinarily strong order book at the end of 2022 means that capacities will remain highly utilised, particularly in the first half of the year. Increased personnel and other operating costs can only be absorbed in part through price increases and are therefore likely to intensify pressure on margins. All the divisions are impacted by these challenges but to different degrees. **Kuhn Group** expects sales and the operating profit margin to be roughly in line with 2022. **Bucher Municipal** anticipates that sales will grow slightly and the operating profit margin will recover. **Bucher Hydraulics** expects similar sales as in 2022 and a slightly lower operating profit margin. **Bucher Emhart Glass** anticipates that sales will be in line with the very high level of 2022. The operating profit margin should be in the range of the 2021 value. **Bucher Specials** expects sales to increase, partly as a result of its acquisition of B&P Engineering, and the operating profit margin to be roughly in line with the previous year. The **Group** anticipates that sales will be roughly in line with 2022, with offsetting price and currency effects. The operating profit margin is likely to come under pressure, mainly due to higher personnel costs, and should be slightly below 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 company's operations include agricultural machinery, municipal vehicles, hydraulic components and electrohydraulic systems, 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)