

Ad hoc announcement

Niederweningen, 27 July 2023 | Ad hoc announcement pursuant to article 53 listing rules

Further increase in sales and significant rise in operating profit

Demand for the products and services of Bucher Industries declined in the first half of 2023 from an extremely high level in 2022 in line with the general economic slowdown. The Group's order intake declined in all divisions except Bucher Emhart Glass and Bucher Specials, which maintained the level of the prior year. Sales again rose significantly. The operating profit margin exceeded the prior year's very good level. The Group's profit for the period also increased significantly.

Group

CHF million	January – June		Change			Full year
	2023	2022	%	% ¹⁾	% ²⁾	2022
Order intake	1'587	1'882	-15.7	-12.0	-12.7	3'858
Net sales	1'939	1'778	9.1	13.7	12.8	3'597
Order book	1'681	1'900	-11.5	-7.7	-8.9	2'081
Operating profit (EBIT)	246	203	21.3			425
% of net sales	12.7%	11.4%				11.8%
Profit for the period	199	154	29.4			335
% of net sales	10.3%	8.7%				9.3%
Earnings per share in CHF	19.35	14.97	29.3			32.36
Operating free cash flow	-77	-162	52.3			69
Net cash/debt	226	281	-19.6			457
Total assets	2'944	2'793	5.4			2'979
Equity	1'742	1'571	10.8			1'702
Equity ratio	59.2%	56.3%				57.1%
Return on equity (ROE)	22.9%	18.6%				20.7%
Net operating assets (NOA) average	1'287	1'083	18.9			1'178
Return on net operating assets (RONOA) after tax	30.2%	28.9%				28.6%
Average number of FTEs	14'920	13'948	7.0	4.0		14'053

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

In the first half of 2023, demand for the products and services of Bucher Industries declined from an extremely high level in line with the general economic slowdown, although it remained good. The Group's order intake declined in all divisions except Bucher Emhart Glass and Bucher Specials, which maintained the level of the prior year. Sales again rose significantly, despite negative currency effects, due to price increases and an expansion of production capacity. The increase in volume was also due to improvements in the supply chain and consequently in production efficiency. The order book decreased compared to the prior year. However, it remained high with a range of more than five months, which provides valuable visibility in an increasingly uncertain environment. The operating profit margin exceeded the prior year's very good level. This was due to strong capacity utilisation and passing on price increases. It is encouraging that all of the divisions contributed to this margin increase. The Group's profit for the period also increased significantly.

Another increase in return on net operating assets The return on net operating assets (RONOA) was 30.2%, significantly above the long-term target of 20% and therefore far above the cost of capital of 8%. Average net operating assets rose compared to the prior-year period due to volume-related factors and projects that allow further growth. The main focus was on the construction projects of Bucher Hydraulics and Bucher Automation in Germany as well as Bucher Emhart Glass in Malaysia. The seasonal increase in net working capital, higher investments and payment of the dividend had a negative impact on free cash flow. Net liquidity was correspondingly lower and will increase again by the end of the year. The equity ratio grew to 59%.

Kuhn Group

CHF million	January – June		Change		Full year
	2023	2022	%	% ¹⁾	2022
Order intake	467	635	-26.5	-23.6	1'613
Net sales	852	799	6.6	11.0	1'510
Order book	604	730	-17.4	-14.1	1'019
Operating profit (EBIT)	114	98	16.5		176
% of net sales	13.4%	12.2%			11.7%
Average number of FTEs	6'185	6'030	2.6		5'994

¹⁾ Adjusted for currency effects

Good sales development Demand for agricultural machinery decreased in the first half of 2023 after two very strong financial years. Kuhn Group's order intake declined significantly, especially in the seasonally weakest second quarter. This was due to high production costs for farmers, combined with lower prices for agricultural commodities and lower yield expectations in some areas due to the droughts in Europe and North America. In addition, interest rates and machinery prices remained high. This put pressure on farm incomes and discouraged new investments. Lower retail sales led to a rebuilding of inventories in the dealer

network. Overall, the division achieved higher sales in the first half of the year than in the prior-year period, due to its continued strong order book and the improved production conditions. The expected start of a downturn in Brazil was more than offset by increases in Europe and North America. The shortage of skilled labour continues to be a problem, especially in North America. Thanks to good capacity utilisation, improved production efficiency and price increases, the operating profit margin exceeded the good result achieved in the prior-year period.

Bucher Municipal

CHF million	January – June		Change			Full year
	2023	2022	%	% ¹⁾	% ²⁾	2022
Order intake	301	382	-21.2	-16.4	-16.6	619
Net sales	267	238	11.9	18.3	17.5	529
Order book	343	368	-6.7	-1.4	-3.8	310
Operating profit (EBIT)	14	8	83.1			32
% of net sales	5.3%	3.2%				6.0%
Average number of FTEs	2'524	2'351	7.4		6.2	2'421

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

Significant increase in sales thanks to improved delivery situation In the first half of 2023, demand for municipal vehicles was characterised by a decline at a high level. Bucher Municipal's order intake fell compared to the prior-year period, which included several large orders. Significantly fewer orders were recorded for sweepers and sewer cleaning vehicles. Demand for refuse collection vehicles clearly exceeded the prior year's level, and demand for winter maintenance equipment as well as maintenance services and spare parts also developed positively. The situation in the supply chain eased, and sales significantly exceeded the prior-year period. The order book consequently decreased at a high level and still has a range of more than seven months. Preparations for the gradual introduction of a new ERP solution at all sites are progressing well. The operating profit margin recovered from the low prior-year period. This was due in part to improved production efficiency and strong growth in sweepers and maintenance services, as well as price increases.

Bucher Hydraulics

CHF million	January – June		Change		Full year
	2023	2022	%	% ¹⁾	2022
Order intake	361	401	-10.0	-6.5	764
Net sales	400	387	3.4	7.4	756
Order book	268	327	-18.1	-14.9	316
Operating profit (EBIT)	60	53	13.0		101
% of net sales	14.9%	13.7%			13.4%
Average number of FTEs	3'007	2'880	4.4		2'921

¹⁾ Adjusted for currency effects

Downturn in the markets The hydraulics markets declined at a high level during the first half of 2023. Bucher Hydraulics' order intake did not escape this general trend and fell somewhat compared to the prior-year period. Demand in the agricultural machinery market segment remained at a high level, as did demand in the mobile electric drive technology business. The decrease in order intake was mainly due to China and North America. Demand varied in Europe but remained satisfactory overall. The division's capacity utilisation remained very high. The very high order book at the end of 2022 fell somewhat in the first half of the year but remained high at the end of the reporting period. The shortages in staff and machine hours still caused delays in delivery for some products. Despite this, the division increased its sales. This was driven in particular by significant growth in Europe and India. The division's operating profit margin rose compared to the prior-year period thanks to higher sales, its good cost structure and its ability to pass on some of the material price increases.

Bucher Emhart Glass

CHF million	January – June		Change		Full year
	2023	2022	%	% ¹⁾	2022
Order intake	314	315	-0.4	4.4	578
Net sales	270	230	17.6	23.6	525
Order book	355	358	-0.8	3.8	319
Operating profit (EBIT)	54	40	33.7		98
% of net sales	20.0%	17.5%			18.6%
Average number of FTEs	1'647	1'590	3.6		1'600

¹⁾ Adjusted for currency effects

Utilisation remains exceptionally high Demand for glass containers remained very high in the first half of 2023, not least due to environmental considerations. Order intake remained on a par with the prior year's level. Despite a slight easing in recent months, global capacity for glass container manufacturing remained tight, and this prompted customers of Bucher Emhart Glass to modernise and expand their existing plant. New production facilities were also planned, especially in South America. Energy-efficiency considerations and the shortage of skilled labour are also relevant. Both of these factors are encouraging plant operators to equip their glass container forming plant with innovative technologies from Bucher Emhart Glass. Capacity utilisation remained very good. Sales again increased significantly. The order book remained at the prior year's high level. The operating profit margin exceeded the prior year's already very high level. This was driven by the high capacity utilisation, the favourable product mix and positive currency effects. The encouraging business result in China also contributed to this. In view of the structural improvements in the market and the division's very positive financial development in recent years, the long-term operating profit margin target for Bucher Emhart Glass over a business cycle was raised from 10% to 12%.

Bucher Specials

CHF million	January – June		Change			Full year
	2023	2022	%	% ¹⁾	% ²⁾	2022
Order intake	182	181	0.8	3.5	-2.9	363
Net sales	195	159	22.7	25.5	16.3	347
Order book	140	144	-2.6	–	-10.1	154
Operating profit (EBIT)	16	12	37.8			30
% of net sales	8.4%	7.5%				8.6%
Average number of FTEs	1'497	1'037	44.4		6.8	1'057

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

Varied developments Bucher Specials' markets presented a mixed picture in the first half of 2023 but remained at a good level overall. Bucher Vaslin's order intake remained at the prior year's high level, although the markets were less dynamic. Sales grew significantly once again. Bucher Unipektin recorded a positive result for the first half of the year. This was mainly due to its good order book at the beginning of the year and its consolidation of the Polish company since the end of 2022. Order intake and sales increased significantly. For Bucher Landtechnik, the market was down overall. Farmers' willingness to invest remained low in the first half of the year. This was due to the high investment volumes in recent years and the uncertainty caused by significantly increased prices for machinery at a time of mounting pressure on farm income. As of 1 July, Jetter was renamed Bucher Automation in order to benefit from the strong Bucher brand. The positive trend from the prior year remained intact in this business unit. This continued to be driven by the dynamic development at Bucher Emhart Glass and cooperation with Bucher Hydraulics. Overall,

Bucher Specials' increase in order intake was on a par with the prior-year period. Its sales and operating profit margin showed encouraging growth over the prior year.

Outlook for 2023

The Group expects demand to normalise further in the second half of the year, starting from a good level in an increasingly uncertain environment. Thanks to the high order book, capacity utilisation will also remain good in the second half of the year, although weaker than in the strong prior-year period. The procurement challenges are likely to persist. Increased personnel and other operating costs will increase pressure on margins in the second half of the year, which will also be weaker due to seasonal factors. Negative currency translation effects should be offset by price increases of a similar size. Thanks to the strong first half, **Kuhn Group** expects its sales and operating profit margin to be in line with 2022, despite the downturn in Brazil and the current challenges facing its supply chain. Thanks to the division's exceptionally strong order book, **Bucher Municipal** expects sales to grow slightly, with electrical products contributing to this growth. The operating profit margin is likely to recover as a result of an improved supply chain and production efficiency. Total annual sales for **Bucher Hydraulics** will be on a par with those of 2022. The good operating profit margin achieved in the prior year should be achieved again, despite a significant increase in personnel costs. **Bucher Emhart Glass** anticipates a slight increase in sales and operating profit margin compared to 2022's very high levels. **Bucher Specials** expects its sales to increase, partly as a result of its consolidation of Bucher Unipektin's Polish company since the end of 2022, and its operating profit margin to be in line with 2022. The **Group** expects sales in the range of 2022 as well as a slightly higher operating profit margin. Accordingly, the Group's profit for the year should be slightly higher than the prior-year period's high level.

The interim report as well as the investor relations handout on the results for the first half of 2023 are available on [bucherindustries.com](https://www.bucherindustries.com) under "Media dossiers".

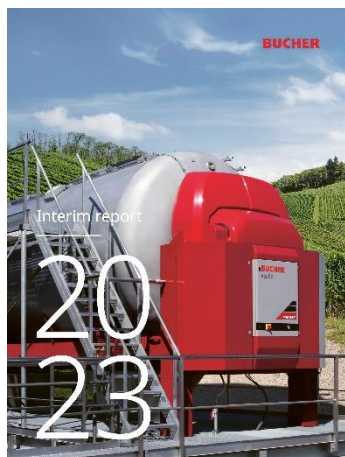
The video conference on the interim results will be held on 27 July 2023 at 10 am CEST. The link to the conference is available on [bucherindustries.com](https://www.bucherindustries.com) under "Events".

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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)