

BUCHER

Annual report

For a better
environment

20
23



Cover picture Using great forces intelligently: The HELAX drive from Bucher Hydraulics is able to recuperate some of the energy from an excavator's lowering movement and use it again directly. In the picture: Jan Friedrich and Dierk Peitsmeyer.

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Key figures

Group

CHF million	Change					
	2023	2022	%	% ¹⁾	% ²⁾	
Order intake	3'170.1	3'858.3	-17.8	-14.2	-15.0	
Net sales	3'574.8	3'596.8	-0.6	3.7	2.8	
Order book	1'600.2	2'081.2	-23.1	-19.6	-20.2	
Operating profit before depreciation and amortisation (EBITDA)	510.4	511.0	-0.1			
% of net sales	14.3%	14.2%				
Operating profit (EBIT)	424.4	425.2	-0.2			
% of net sales	11.9%	11.8%				
Net financial result	12.1	-2.4	n.a.			
Income tax expense	-80.8	-88.2	8.4			
% of profit before tax	18.5%	20.9%				
Profit for the year	355.7	334.6	6.3			
% of net sales	9.9%	9.3%				
Earnings per share in CHF	34.38	32.36	6.2			
Capital expenditure	141.6	97.0	46.0			
Operating free cash flow	122.9	68.6	79.2			
Research and development costs	-132.8	-122.9	-8.1			
Net cash/debt	395.6	457.2	-13.5			
Total assets	2'958.4	2'978.7	-0.7			
Equity	1'815.9	1'701.8	6.7			
Equity ratio	61.4%	57.1%				
Return on equity (ROE)	20.2%	20.7%				
Net operating assets (NOA) average	1'398.1	1'178.1	18.7			
Return on net operating assets (RONOA) after tax	24.7%	28.6%				
Average number of FTEs	14'795	14'053	5.3		2.3	
Net sales per FTE	CHF 1'000	242	256	-5.5	-1.6	0.4
Employees at 31 December	14'858	14'876	-0.1		-0.3	
CO ₂ emissions	tCO ₂ e	81'510	89'672	-9.1		

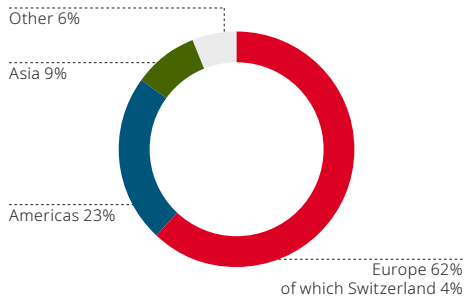
¹⁾ Adjusted for currency effects ²⁾ Adjusted for currency and acquisition effects

Divisions

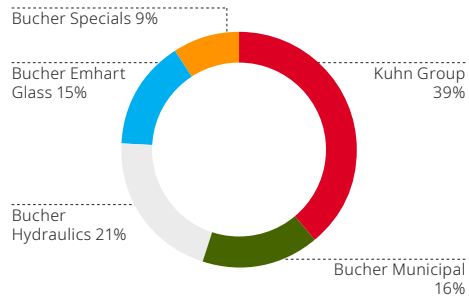
CHF million	Order intake		Net sales		Order book		Operating profit (EBIT)		Employees at 31 December	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Kuhn Group	1'120.6	1'612.5	1'421.8	1'510.3	670.4	1'018.9	162.6	176.3	5'791	6'011
Bucher Municipal	576.0	619.1	572.5	529.3	311.3	309.7	36.0	31.5	2'572	2'523
Bucher Hydraulics	670.3	763.5	743.6	755.5	230.0	315.9	103.5	101.4	3'198	3'092
Bucher Emhart Glass	519.7	577.9	523.6	525.2	301.9	318.9	102.0	97.5	1'693	1'678
Bucher Specials	368.7	363.4	398.0	347.1	121.8	153.7	33.0	29.9	1'532	1'503
Other/consolidation	-85.2	-78.1	-84.7	-70.6	-35.2	-35.9	-12.7	-11.4	72	69
Group	3'170.1	3'858.3	3'574.8	3'596.8	1'600.2	2'081.2	424.4	425.2	14'858	14'876

Net sales

by region

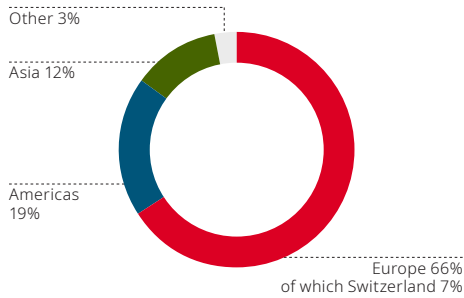


by division



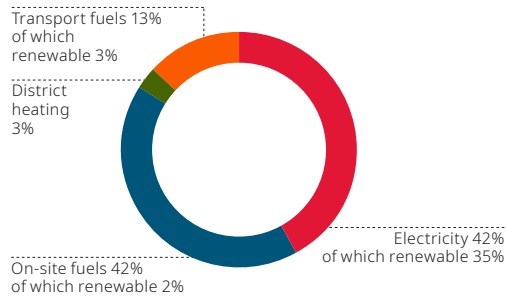
Employees

by region



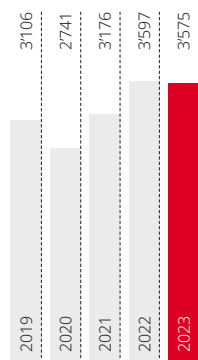
Energy consumption

by energy source

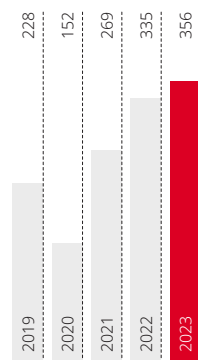


Five-year summary

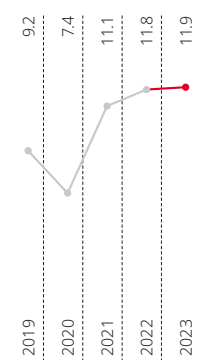
Net sales
CHF million



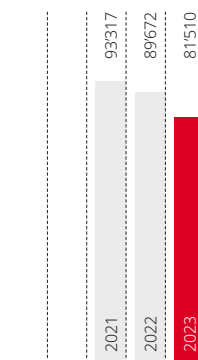
Profit for the year
CHF million



Operating profit margin
(EBIT margin) %



CO₂ emissions
tCO₂e



Report to shareholders

Dear Shareholders,

Over the course of the reporting period, demand for Bucher Industries' products and services declined in line with the general economic slowdown, and order intake normalised. Sales remained on a par with the prior-year level, with capacity utilisation lower in the second half of the year. The operating profit margin reached a very good 11.9%. The profit for the year was CHF 356 million, once again above the high figure of the previous year. Earnings per share were CHF 34.38, exceeding the prior year.

Strong business result

Demand for Bucher Industries' products and services declined in line with the general economic slowdown, and order intake normalised from its high prior-year figure. The increasing economic uncertainties were particularly noticeable in the agricultural machinery market. Kuhn Group, Bucher Municipal, Bucher Hydraulics and Bucher Emhart Glass each reported a downward trend in their order intake, albeit to varying degrees. Bucher Specials recorded an increase in orders as a result of an acquisition. Group sales remained on a par with the prior-year level, with price increases largely compensating the negative currency effects. Production capacity utilisation was lower in the second half of the year, and production planning was adjusted to the lower volumes on a case-by-case basis. The order book normalised while remaining high with a range of more than five months. The operating profit margin reached a very good 11.9%. The profit for the year was CHF 356 million, once again above the high figure of the previous year. Earnings per share were CHF 34.38, exceeding the prior year.

Pleasing return on assets

The return on net operating assets (RONOA) after tax was a high 24.7%, above the long-term target of 20% and thus also well above the cost of capital of 8%. The pleasing return is attributable to the good sales level and the resulting operating profit. Average net operating assets increased significantly year on year, due mainly to higher inventories in response to supply chain challenges, significantly lower advances from customers, and higher investments. 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 Group further invested in strengthening its IT infrastructure and security. The increase in net working capital, higher level of investment and payment of the dividend had a negative impact on free cash flow. The financial position remains very solid, with net liquidity of CHF 396 million at the end of the year and an equity ratio of 61%.

Kuhn Group

After two very strong financial years, demand for agricultural machinery weakened during the reporting period. Lower prices for agricultural commodities, a decline in income due to unfavourable weather conditions and high interest rates made farmers less willing to invest. This, along with the improved delivery capacity for agricultural



Philip Mosimann, Chairman of the Board of Directors, and Jacques Sanche, Chief Executive Officer

machinery, led to a rise in inventories in the dealer network and consequently a decline in demand. Kuhn Group's order intake was down by 31% compared with the high prior-year level, while sales fell by 6%. The operating profit margin of 11.4% was only slightly below the high level of the previous year.

Bucher Municipal

Bucher Municipal continued to experience high demand in a stable market situation. Order intake fell by 7% overall compared with the high prior-year level. The situation in the supply chain improved, and sales exceeded the prior year by 8%. The order book reached the same high level as in 2022, with a range of more than six months. The operating profit margin was 6.3% and included additional inventory write-downs at a site in Australia and expenses for the implementation of a new ERP system.

Bucher Hydraulics

Demand in the hydraulics markets weakened during the reporting period but remained at a high level, while Bucher Hydraulics' order intake was down 12% on the strong prior year. The construction machinery segment declined, with agricultural machinery also declining in the second half of the year. Materials handling was stable. The mobile electric drive technology solutions business continued to perform well. The division's sales remained on a par with the previous year due to the full order book at the end of 2022, falling by 2%. The operating profit margin improved slightly compared with 2022 to 13.9% thanks to the division's good cost structure and its ability to pass on some of the material price increases.

Bucher Emhart Glass

Demand for glass forming machinery and inspection machinery remained strong throughout much of the reporting period. Towards the end of 2023, however, a slowdown became apparent. Bucher Emhart Glass's order intake fell by 10% but was still at a very high level. Capacity utilisation continued to be very strong, and sales were maintained at the same high level as in the previous year. The operating profit margin increased further and reached a very good 19.5%. This was driven by the high capacity utilisation, the favourable product mix and positive currency effects.

Bucher Specials

Bucher Specials' markets were subject to varying developments during the reporting period. Demand at Bucher Vaslin developed negatively, while business at Bucher Unipektin remained stable. Bucher Landtechnik reported weakening business performance. Bucher Automation benefited from a positive market development. Order

intake was up 2% on the high level recorded in the previous year. Sales rose by 15%, attributable in part to the Polish company of Bucher Unipektin, which has been consolidated since the end of 2022. The operating profit margin was 8.3%.

Consistent dividend policy

The board of directors proposes a dividend of CHF 13.50 per share to the annual general meeting on 18 April 2024. The dividend paid in the previous year was CHF 13.00 per share. The proposal takes into account a consistent dividend policy, the profit for the year 2023, the solid financial position, the outlook for the current year as well as further internal and external investment opportunities.

Changes to the board of directors and group management

On 19 April 2023, the annual general meeting elected Urs Kaufmann as a new member of the board of directors. The board of directors proposes to the annual general meeting on 18 April 2024 the re-election of Urs Kaufmann as a member of the board of directors and proposes that he be elected as successor to Philip Mosimann as chairman of the board. As published in the press release of 10 January 2024, Frank Mühlon will take over the division management of Bucher Hydraulics from Daniel Waller effective 1 July 2024 and join group management. Both changes ensure long-term succession planning.

Innovations that inspire our customers

This year again saw our divisions launch various innovative products. Kuhn Group introduced an entirely new product range for mechanical weeding, so that cereals and row crops can be freed from weeds without the use of chemicals. At the Agritechnica, the division also presented "Karl", the autonomous agricultural robot. This versatile robot carries out work in the fields without human intervention, from tillage and seeding right through to crop protection. The electrified 4m³ compact sweeper in the "CityCat" line that was launched on the market for the first time in 2022 was approved for all markets. With this latest model, Bucher Municipal has now completed its range of electrified compact sweepers. Bucher Hydraulics' electrohydraulic systems were further expanded in the reporting period to include products that are easily configurable. At Bucher Emhart Glass, the "Smart Feeder" is now available for all product lines. This is a multi-axial feeder system with a camera-based shear mechanism. It continuously monitors and controls the gob-forming process in order to optimise the size and shape of the gobs and therefore the weight of the glass containers.

For a better environment

Bucher strives to develop products that will allow customers to reduce their ecological footprint in business operations. We present a selection of these products and services in this annual report. In addition, our production sites are being made more energy-efficient and environmentally friendly. Not only was energy consumption reduced in the reporting period, but the volume of self-generated solar power was more than doubled. Scope 1 and 2 CO₂ emissions have been cut by 8'000 tonnes, corresponding to a decrease of 9%.

Bucher, an attractive employer

Bucher wants to be an employer that offers its employees an exciting work environment where they can get involved and contribute their ideas. The employee surveys conducted by various business units exhibited satisfactory response rates, and many of those surveyed reported a high level of satisfaction with their work. Bucher Hydraulics celebrated its 100th anniversary in the reporting period, with celebrations held for employees at all major sites, which were greatly appreciated.

A huge thank you

The board of directors and group management would like to thank our employees for the good result. Because our success would not be possible without the expertise and tireless commitment of our employees, who do their utmost to provide our customers with the best-possible service and the degree of quality to which they have become accustomed. We would like to thank our employees for their continued hard work and dedication. We would also like to thank our shareholders, customers and business partners across the world for their trust and support.

Outlook for 2024

The Group anticipates that demand will continue to soften slightly in 2024 against an environment increasingly characterised by uncertainties. **Kuhn Group** expects sales to decrease and the operating profit margin to be lower but remaining in the double digits. **Bucher Municipal** forecasts sales in line with prior-year figures. The operating profit margin is likely to increase. Due to weakening market momentum, **Bucher Hydraulics** expects both sales and the operating profit margin to decline slightly. **Bucher Emhart Glass** anticipates slightly weaker sales compared with the very high sales of 2023. Accordingly, the operating profit margin is expected to be somewhat lower than in 2023. **Bucher Specials** assumes its sales and the operating profit margin will be on a par with the previous year. The **Group** expects a slight decline in sales as a result of the slowdown in business momentum for 2024. Due to the lower capacity utilisation as well as rising employment costs, the operating profit margin is also expected to decline, but still remaining in the double digits. Accordingly, the Group's profit for the year is expected to be lower than the high level recorded in the previous year.

Niederweningen, 1 March 2024



Philip Mosimann
Chairman of the Board of Directors

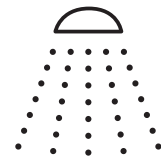


Jacques Sanche
Chief Executive Officer

How our customers improve their footprint

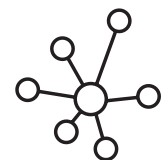
Sustainability is an integral part of Bucher’s corporate strategy. In this report, we show how we enable our customers to reduce their environmental footprint in their operations through innovative products and services.

01 Crop protection enhanced with spot spraying



Benjamin Desindes,
Product Marketing Manager
Sprayer Product Line (R&D),
Kuhn Group

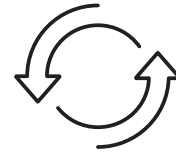
02 An entire cleaning fleet operating efficiently



Roland Fröhlich,
Director IoT and
Digital Services Platform,
Bucher Municipal

03

Using great forces intelligently



Dierk Peitsmeyer,
Product Portfolio and
Innovation Manager,
Bucher Hydraulics

04

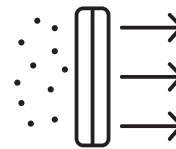
More knowledge, even better results



Peter Schulz,
Senior Production Specialist
and Project Leader,
Bucher Emhart Glass

05

In sync with each type of wine



Eugène Tcaciuc,
Project Manager for Filtration
and Innovation Research,
as well as Oenologist,
Bucher Vaslin

Bucher at a glance

We are passionate about developing machines and solutions that our customers can trust. We make a sustainable contribution to feeding the world's population, producing and preserving beverages, and building, maintaining and cleaning infrastructures. For a safe and healthy life for all.

Our success is built on proximity to the markets, innovation and flexible, efficient structures. The consistent long-term orientation of our corporate strategy, coupled with decentralised responsibility for management and performance, underpins our sustainable corporate development.

Our business activities and our business model

Bucher manufactures capital goods that help to meet fundamental human needs. Our products and services enable us to contribute sustainably to solving global challenges in three areas:

- feeding the world
- producing and preserving beverages
- creating, maintaining and cleaning infrastructures

Our business lines include agricultural machinery, municipal vehicles, hydraulic and electronic components as well as electrohydraulic systems, manufacturing equipment for the glass container industry, equipment for processing beverages and automation solutions.

Our business model comprises the following core activities: research and development, the production of components and assemblies, and the assembly of machines. We supply and advise our customers worldwide through our sales organisation or via trading partners and offer a comprehensive range of services.

We continuously strive to achieve an appropriate profit margin with our products and services, both now and in the long term, so we can continue to invest in innovation and production facilities, satisfy stakeholders such as employees and shareholders, and build up reserves.

Our mission

Bucher places a consistent focus on customers' needs and offers economical and environmentally sustainable solutions. Our customers benefit from reliable, high-performance and innovative machines and solutions, backed by outstanding service. Our products combine durability with high energy efficiency. We offer our committed and highly skilled employees attractive jobs in which they can contribute to solving global challenges. We use resources with care and protect our environment.

Our goals

We aim to achieve strong market positions and high profitability through customer proximity, technological leadership and strict cost management. We use our strong balance sheet to keep developing the Group for the long term with continuous innovations and investments. We prioritise organic growth, while also acquiring and integrating selected complementary businesses. Over an economic cycle, we aim to achieve an operating profit margin of more than 10% and a return on net operating assets (RONOA) after tax of more than 20%.

With respect to the non-financial targets, we focus on a number of different environmental aspects. We invest in our production sites and our range of solutions with a view to reducing the ecological footprint of our own manufacturing environment and that of our customers. In terms of our Scope 1 and 2 emissions, we will reduce our CO₂ intensity by a total of at least 10% by 2026 compared to 2021 using efficiency measures, shifting to renewable energies and increasing solar capacity. Various measures will be taken to help achieve this goal, such as building renovations, the procurement of more energy-efficient production equipment and the installation of photovoltaic systems.

Key trends

The global trends that are key to our activities are population growth, the growing middle class, urbanisation and climate change. One consequence is that significantly more food will have to be produced on limited agricultural land – and it will have to be produced more sustainably using less water, fertilisers and crop protection products. Food production will have to increase by 50% by 2050. Accordingly, demand is on the rise for effective and precise agricultural machinery and equipment for processing and preserving food.

Another consequence is that urban infrastructures will need to be expanded and used more intensively. This will require modern mobile working machinery with electrohydraulic drive components as well as municipal cleaning and clearance solutions. Increasingly extreme weather events are leading, in all of our business lines, to stricter environmental regulation and greater demand for more ecological products and solutions. This is reflected in the growing number of electrified and automated machines that can perform analytical data evaluation.

Strategy process

In an annual strategy process, the board of directors and group management analyse global trends and the resulting risks and opportunities for our business activities. This analysis considers, in terms of double materiality, both the influence of external trends on the Group and the impact of the Group's business activities on the environment and society.

Our five divisions then incorporate the findings from this analysis into their own strategies. Any resulting strategic initiatives are discussed in annual strategy reviews and mapped in medium-term plans. We use operational reviews to evaluate target achievement on the basis of financial and non-financial key indicators.

Risk management

Our financial risk management is based on internally formulated guidelines and responsibilities. The board of directors performs an in-depth assessment of the Group's risk situation once a year on the basis of a risk report. Risks classified as critical in the overall assessment are mitigated by appropriate measures in order to reduce their probability of occurrence or their impact. We take a risk-based management approach, covering the entire value-creation chain from personnel and procurement to production and assembly, marketing and distribution. This approach is derived from our own business activity or is relevant because of a business relationship. The risks are subdivided into strategic, operational, regulatory, financial and fundamental risks.





Consideration for all stakeholders

Our decision-making processes take account of economic, ecological and social aspects. In this way, we ensure that we create sustainable economic value in a way that is fair to all of our stakeholders. We maintain a regular dialogue with our stakeholders, including through daily interactions, formal discussions, training sessions, surveys, trade fairs and conferences, in order to understand their needs.

Our most important stakeholders are our customers, employees, suppliers and investors. Together we have developed Bucher Industries into a technology group with leading market positions in specialised areas of mechanical and vehicle engineering.

Material topics for sustainable corporate development

Our Group is founded on our products and solutions with which we make our contribution to society, our responsible corporate governance and our economic value creation. Our environment, in turn, also has a significant impact on our company. When determining our material topics, both of these perspectives were taken into consideration and confirmed through a survey conducted among various stakeholders. We see nine topics as being material for us in the area of the environment, social affairs and ethics. We have outlined our management approaches, where meaningful and possible, determined key indicators and set quantitative targets, as well as explained the respective developments in the reporting year. We monitor target achievement and reflect it in our management's remuneration.

Topics	Reports
Principles	
<ul style="list-style-type: none"> - Products and solutions that contribute to society - Good corporate governance 	<ul style="list-style-type: none"> Divisional reports p. 20 Corporate governance p. 50 Remuneration report p. 63
<ul style="list-style-type: none"> - Economic value creation 	<ul style="list-style-type: none"> Financial report p. 75
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Environment, social affairs and ethics	<ul style="list-style-type: none"> Environmental, social and ethics report p. 129
<hr/>	
 <p>Customers</p> <ul style="list-style-type: none"> - Valuable customer relationships - Innovative products and optimal solutions - Customer health and safety 	
<hr/>	
 <p>Employees</p> <ul style="list-style-type: none"> - Positive working environment - Qualified employees 	
<hr/>	
 <p>Environment</p> <ul style="list-style-type: none"> - Environmental impact of our products and services - Resource efficiency of production with a focus on the reduction of CO₂ emissions 	
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 <p>Compliance</p> <ul style="list-style-type: none"> - Compliance with laws and regulations - Supply chain – sound procurement practices 	
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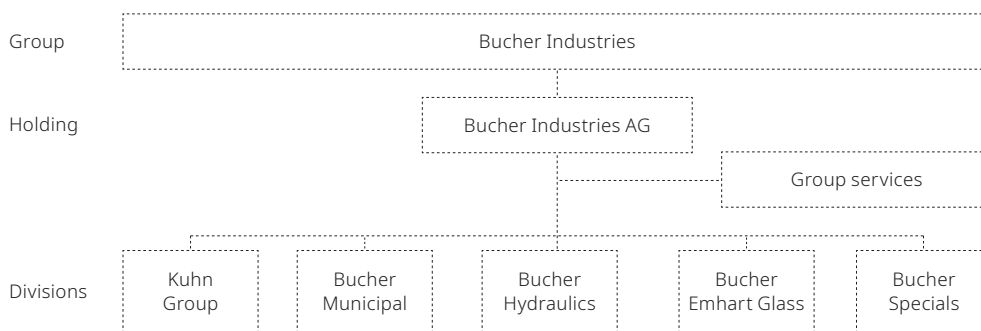
Our divisions implement these ambitions as part of their strategies. They are focused on continuously developing their products and solutions in order to optimise them for their customers while reducing their impact on the environment. The cross-divisional themes are electrification, automation and digital solutions. The current Group-wide focus themes are reducing our CO₂ intensity in terms of our Scope 1 and 2 emissions and employee satisfaction.

Good corporate governance

Bucher Industries has a clear divisional structure with decentralised responsibility for management and performance, and a correspondingly lean Corporate Center. We have a diversified setup with five divisions that operate in industrially related areas with significant growth and earnings potential and have strong positions in their respective markets.

Our shared values, principles and rules are documented in our Group-wide governance framework. Its highest level comprises our Group principles, articles of association, rules of organisation and Code of Conduct, as well as our Human Rights Statement. Our values, principles and standards regarding the environment and our employees are laid down in policies. The Group sets standards and issues instructions in the areas of compliance, finance, information security and branding, and documents these in corresponding directives. Our divisions implement these standards in their own strategies and governance frameworks. The Bucher Internal Control System (BICS) defines the requirements that apply throughout the Group regarding risk management.

This decentralised organisational structure makes Bucher Industries a flexible and adaptable group. The divisions have the flexibility they need to consistently tailor their product and service offerings to their customers' requirements and be close to their markets.



Simply great machines

Kuhn Group, one of the world's leading manufacturers of specialised agricultural machinery

Bucher Municipal, Europe's leading supplier of municipal vehicles

Bucher Hydraulics, a leading international manufacturer of hydraulic and electro-hydraulic systems

Bucher Emhart Glass, the world's leading supplier of technologies for manufacturing and inspecting glass containers

Bucher Specials includes Bucher Vaslin, Bucher Unipektin, Bucher Landtechnik and Bucher Automation.



Close to our customers, all over the world

With over 50 manufacturing and development sites on five continents and numerous distribution companies, we have a strong market presence worldwide and are close to our customers.



Divisional report

Kuhn Group

After two very strong financial years, demand for agricultural machinery weakened during the reporting period. Lower prices for agricultural commodities, a decline in income due to unfavourable weather conditions and high interest rates made farmers less willing to invest. This, along with the improved delivery capacity for agricultural machinery, led to a rise in inventories in the dealer network and consequently a decline in demand. Kuhn Group's order intake was down by 31% compared with the high prior-year level, while sales fell by 6%. The operating profit margin narrowed slightly to 11.4%. The division accounted for 39% of group sales (2022: 41%).

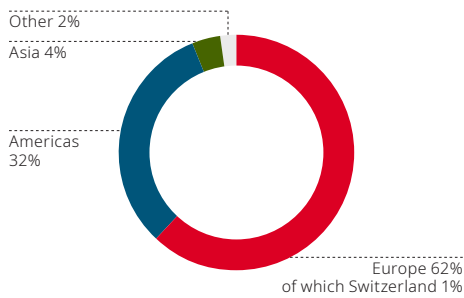
Key figures

CHF million	Change			
	2023	2022	%	% ¹⁾
Order intake	1'120.6	1'612.5	-30.5	-27.5
Net sales	1'421.8	1'510.3	-5.9	-1.7
Order book	670.4	1'018.9	-34.2	-31.0
Operating profit (EBITDA)	194.7	215.3	-9.6	
% of net sales	13.7%	14.3%		
Operating profit (EBIT)	162.6	176.3	-7.8	
% of net sales	11.4%	11.7%		
Average number of FTEs	5'991	5'994	-0.1	
Employees at 31 December	5'791	6'011	-3.7	

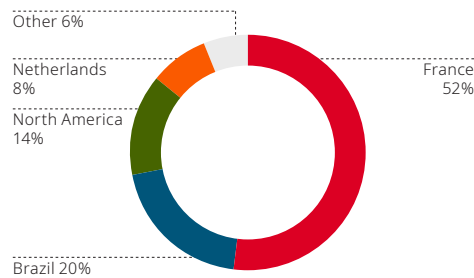
¹⁾ Adjusted for currency effects

Regional breakdown

Net sales

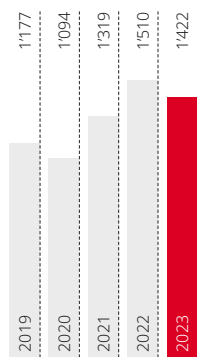


Employees

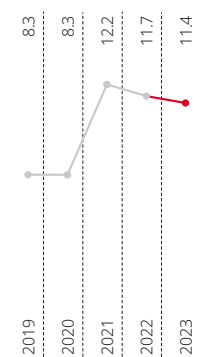


Five-year summary

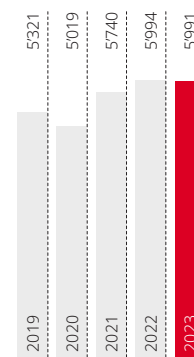
Net sales CHF million



Operating profit margin (EBIT margin) %



Average number of FTEs



Decline in demand after a prolonged strong cycle

After two very strong financial years, demand for agricultural machinery weakened during the reporting period. Lower prices for agricultural commodities, a decline in income due to unfavourable weather conditions and high interest rates, as well as lower subsidies in many markets, made farmers less willing to invest. This, along with the improved delivery capacity for agricultural machinery, led to a rise in inventories in the dealer network and consequently a decline in demand. Kuhn Group's order intake fell by 31% compared with the exceptionally high level seen in the previous year.

Slightly lower operating profit margin

Kuhn Group's sales fell by 6% compared with the strong prior year. The expected decline in Brazil could not be entirely offset by the rise in Europe. In North America, sales remained stable. Production planning was adjusted to the lower, but still solid order book on a case-by-case basis. Higher wage costs and the search for skilled labour exacerbated cost pressures, while material prices were down slightly on the record high of the previous year. The operating profit margin of 11.4% was only slightly below the high prior-year level.

Innovative and high-performing products

Around one third of the forty machines that Kuhn Group presented at the Agritechnica in Hanover, the world's most important trade fair for agricultural machinery, were new developments. A mower conditioner with integrated swath merging system was recognised as "Farm Machine of the Year 2024" in the livestock bedding and feeding equipment category by the publishers of various specialist magazines. It allows for much better results than conventional mowing combinations and has a variable working width of up to 13.4 metres. Kuhn Group also launched an entirely new product range for mechanical weeding, so that cereals and row crops can be freed from weeds without the use of chemicals. These product lines are the ideal complement to the division's existing range of crop protection products.

Cutting-edge precision farming and autonomous solutions

Precision farming means plants receiving exactly the treatment they need thanks to the latest technologies. In the process, technology and geographical data are used to ensure that farmers react to the prevailing circumstances for a field and are able to use the right amount of seed, fertilisers or crop protection, without having to make any concessions in terms of yields. The benefits of precision farming include economic advantages and reduced environmental impact. They often go hand in hand with the automation of farming operations. "Aura", the first autonomous loading and feeding solution, was launched on the market two years ago. At the Agritechnica in Hanover, Kuhn Group presented the autonomous agricultural robot for work in the fields, named "Karl". It is lighter, and the weight per area is better distributed thanks to its caterpillar drive mechanism than traditional tractors. "Karl" was developed for medium to large farms, since it can work either alone or together with several other units in the same field. This versatile robot carries out work in the fields without human intervention, from tillage and seeding right through to crop protection. Another new development in precision farming is the "Kuhn I-SPRAY", whose AI-based technology reduces the need for crop protection products by 70 to 95%. Smart cameras identify weeds so that only these locations have to be sprayed, rather than the entire field. Learn more about "Kuhn I-SPRAY" on the following pages.

Large agricultural enterprises

The world's population is increasing every day, and feeding this growing number of people presents a huge challenge. Industrially managed large agricultural enterprises play a key role in finding a solution to this dilemma. These often have a surface area far exceeding 1'000 hectares. The aim of the machines used on these farms is maximum

efficiency. Kuhn Group has introduced a number of different initiatives with a focus on this segment of large farms and rolled out several new machines. The “Kuhn Crop Days” event, held on the fields of a large agricultural company in Hungary in the summer of 2023, was a unique opportunity for Kuhn Group to present its latest offering of large attachments to hundreds of customers as part of live field demonstrations and workshops.

Investing in infrastructure

At the division’s largest site in Saverne, France, Kuhn Group decided to refurbish several buildings covering an area of almost 26’000 square metres. The aim is to achieve energy efficiency and technical improvements as well as process optimisations. In Passo Fundo, Brazil, production lines were expanded, and a new painting system commissioned. Four new assembly lines were set up, including one for precision planting and seeding machines, with a working width of up to 27 metres. The division’s largest forging press was successfully replaced by a modern, more efficient 6’400-tonne forging press. The new machine increases forging capacity by one fifth, improves the overall quality of manufactured products and reduces energy consumption. It is complemented by five new materials-handling robots, which improve working conditions for operating personnel.

Outlook for 2024

Demand for agricultural machinery is expected to decline further in 2024 as the strong cycle that has been ongoing for quite some time runs its course. For Europe, and Eastern Europe in particular, a market correction is expected. The downturn in South America is expected to stabilise, while North America should see stable development. Against this backdrop, Kuhn Group expects sales to decrease and the operating profit margin to be lower but to remain in the double digits.

Market position

Kuhn Group is one of the world’s leading manufacturers of specialised agricultural machinery, with a comprehensive range that is geared to all types of agricultural operations. The division is world market leader in hay and forage harvesting machinery and feed mixers and occupies a strong market position in Europe as well as in North and South America. It is also a leading manufacturer of equipment for tillage, planting and seeding, fertilisation and crop protection.

Strategic focus

In order to feed the world’s growing population sustainably, more and more food must be produced on limited arable land using fewer resources. That will increase the need for larger and more productive agricultural machinery with increasing digital connectivity and automation. This trend is being reinforced by the persisting consolidation of farms, demographic developments and urbanisation. With its ever-expanding portfolio of large and automated agricultural machinery and its solutions for conservation and precision farming, Kuhn Group helps farmers to produce food efficiently while conserving resources.

Division management At 1 March 2024

Thierry Krier,
Division president

Dominique Schneider,
Finance and controlling

Rolf Schneider,
Sales and marketing

Christophe Jeanroy,
Research and development

Patrick Gross,
Chief Information Officer

Frédéric Lacroix,
Kuhn-Huard

Sébastien Tremblais,
Kuhn-Audureau

Thierry Leroueil,
Artec Pulvérisation;
Kuhn Blanchard

Kurt Lievens,
Kuhn-Geldrop

Greg Petras,
Kuhn North America;
Kuhn Krause

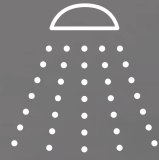
Nicolas Guillou,
Kuhn do Brasil

Kuhn Group

Crop protection enhanced with spot spraying



09:23:12
Weeds detected
and sprayed



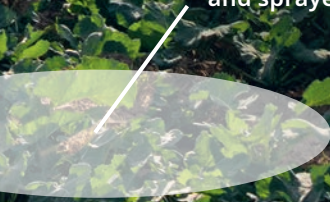
Up to 95% herbicide savings with the Kuhn I-SPRAY technology

Typically, only certain areas of a field grow weeds. The type and density of weeds in a crop vary based on a number of factors. Traditional crop protection involves spraying the entire field to control weeds. This approach requires larger amounts of herbicide and can lead to weed resistance. With the I-SPRAY technology of Kuhn Group, sensors mounted directly on the boom of a sprayer detect weeds in real time, allowing farmers to spray weeds efficiently and precisely. On average, this new technology can reduce herbicide use by 70%, and up to 95% on less infested fields.

09:23:11
Weeds detected
and sprayed



09:23:10
Weeds detected
and sprayed



Meet Benjamin Desindes, who stands behind technologies like the Kuhn I-SPRAY, which he believes are essential to a greener future for agriculture.



Divisional report

Bucher Municipal

Bucher Municipal continued to experience high demand in a stable market situation. Overall, order intake fell by 7% compared with the high prior-year level. The supply chain situation improved, and sales exceeded the prior-year period by 8%. The order book achieved the same high level seen in 2022, with a range of more than six months. The operating profit margin was 6.3%. The division accounted for 16% of group sales (2022: 15%).

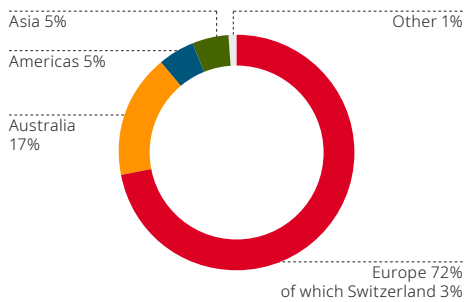
Key figures

CHF million	Change				
	2023	2022	%	% ¹⁾	% ²⁾
Order intake	576.0	619.1	-7.0	-1.4	-2.3
Net sales	572.5	529.3	8.2	14.2	13.0
Order book	311.3	309.7	0.5	6.3	2.1
Operating profit (EBITDA)	50.2	42.2	19.0		
% of net sales	8.8%	8.0%			
Operating profit (EBIT)	36.0	31.5	14.3		
% of net sales	6.3%	6.0%			
Average number of FTEs	2'545	2'421	5.1		3.9
Employees at 31 December	2'572	2'523	1.9		0.9

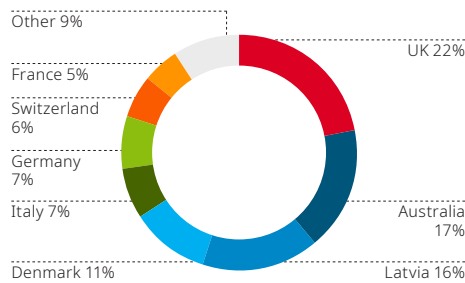
¹⁾ Adjusted for currency effects ²⁾ Adjusted for currency and acquisition effects

Regional breakdown

Net sales

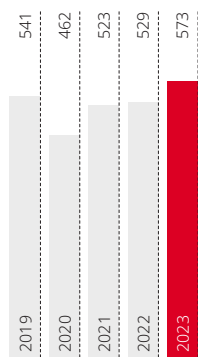


Employees

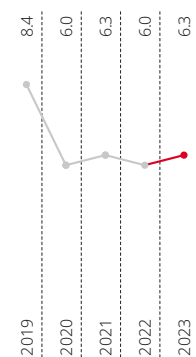


Five-year summary

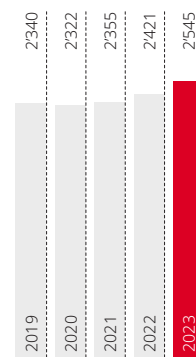
Net sales CHF million



Operating profit margin (EBIT margin) %



Average number of FTEs



Order intake still at a high level

Bucher Municipal continued to experience high demand in a stable market situation. Overall, order intake fell by 7% compared with the high prior-year level, which included several large orders. Considerably fewer orders were recorded in the sweepers segment in particular. The sewer cleaning vehicle business trended downwards at the start of the year due to higher financing costs for contractors but made a strong recovery towards the end of the financial year. Demand for refuse collection vehicles increased significantly, while orders in the winter maintenance equipment segment saw a slight decline. The maintenance services and spare parts business also developed well, recording a further increase year on year.

Sales growth thanks to an improved supply chain

The supply chain situation improved and led to a strong rise in sales, particularly in Europe in the sweepers segment. This also became apparent in the production of electrified vehicles. The trend towards electrification continued, with the share of sales of electrified products for sweepers now around one fifth. The division was also able to further expand the maintenance services and spare parts business. Sales were up year on year by 8%. The order book achieved the same high level seen in 2022, with a range of more than six months. The operating profit margin was 6.3% and included additional inventory write-downs at a site in Australia and expenses for the implementation of an ERP system.

Wide range of new models

The electrified 4m³ vehicle from the "CityCat" line, which was launched on the market for the first time in 2022, was released for all markets and received a Gold distinction at the German Innovation Awards. Bucher Municipal now has electrified compact sweepers across all size classes. This is an advantage, with many municipalities, in Europe in particular, striving to electrify their fleets. In North America, a 4m³ compact sweeper debuted on the market. With the "CityFlex" series, Bucher Municipal presented an electrified sewer cleaning vehicle for the first time. In China, various sewer cleaning vehicles were introduced, developed specially for the local market.

Optimisation through digital networking

Supporting customers throughout the entire product life cycle is an integral part of Bucher Municipal's philosophy. And it is for this reason that "Bucher Connect" was expanded further over the past few months to include a holistic after-sales solution. The fleet management system comprises planning and analysis options and also serves as a centralised platform for repair and service planning. Service technicians receive detailed information and can better plan any needed repair work, while operation monitoring provides customers with detailed information about how the vehicle is used and how efficient it is. A next step for the expansion of "Bucher Connect" will be linking it to an e-shop for spare parts. Learn more about "Bucher Connect" in the story on the following pages.

Employee development

Bucher Municipal conducted employee surveys at its sites in Switzerland and Latvia. Work-life balance and collaboration received particularly high marks. The division also invested in employee development at other sites, for example in Dorking, England, where a welder academy was set up. Further measures are being drawn up and implemented in various teams.

Installation of photovoltaic panels at various sites

In Ventspils, Latvia, one of Bucher Municipal's largest competence centres, the division built a new solar park, which has been in operation since September 2023. The municipality provided the space required for the site, while Bucher Municipal financed the installation. The power generated will be used in production in Ventspils. The division also commissioned photovoltaic panels at the sites in Clayton, Australia, and Wernberg, Germany.

Outlook for 2024

Bucher Municipal expects demand to decrease slightly but to remain at a high level. Thanks to the division's exceptionally strong order book, it forecasts sales in line with the prior-year figures, with electrical products and services also contributing. The operating profit margin is likely to increase.

Market position

Bucher Municipal is a European leading supplier of municipal vehicles. The division is market leader in sewer cleaning vehicles and sweepers in Scandinavia and England, and in refuse collection vehicles, sewer cleaning vehicles and sweepers in Australia. These are used for cleaning and clearance work in public and private traffic areas, ensuring a clean and safe environment, while reducing noise levels and the general impact on the environment.

Strategic focus

Urban infrastructures are being used with growing intensity due to urbanisation, and increasingly extreme weather events are subjecting them to greater strain. At the same time, demand for electrified and quiet municipal vehicles will continue to grow. Bucher Municipal offers its customers a comprehensive portfolio for their municipal needs, including electric models, and a high level of service coverage in the most important markets. Combined with the "Bucher Connect" digital platform, this helps its customers to optimise the operation of their fleets with a view to greater sustainability and also to save costs.

Division management At 1 March 2024

Aurelio Lemos,
Division president

Thomas Brustio,
Finance and controlling

Christian Johansson,
Chief Information Officer

Jussi Iltanen,
Chief Marketing Officer

Marco Meier,
Compact sweepers

Martin Starkey,
Truck-mounted sweepers

Per Lovring,
Special vehicles

Mihajlo Maravic,
Winter maintenance equipment

David Bishop,
Refuse collection vehicles and
Sales and service Oceania

Ottmar Steinebrunner,
Sales and service Europe
and America

Peter Rhodes,
Sales and service Asia

Bucher Municipal

An entire cleaning fleet operating efficiently



Work mode:
sweeping

Fan speed:
55%





Work distance:
21 km



Optimising operations and energy consumption at all levels with Bucher Connect.

Cities and municipalities want to use their cleaning fleets in an energy-efficient and cost-effective way. The Bucher Connect digital solution supports them: fleet and cleaning managers can monitor the condition of their fleet in real time and plan the use and maintenance of their vehicles in a resource-saving manner. When using the vehicles themselves, Bucher Connect helps to optimise route guidance and continuously monitors the central operating parameters, which saves fuel and energy. Based on current experience, with Bucher Connect cities and municipalities can increase the productivity of their vehicle fleet by 5% and reduce energy consumption by 3%.



Meet Roland Fröhlich and learn how Plaine Commune is reducing the footprint of its fleet with the help of Bucher Connect.



Divisional report

Bucher Hydraulics

Demand in the hydraulics markets weakened during the reporting period but remained at a high level, while Bucher Hydraulics' order intake fell compared with the strong prior year by 12%. The construction machinery segment declined, with agricultural machinery also declining in the second half of the year. Materials handling was stable. The mobile electric drive technology solutions business continued to perform well. The division's sales remained on a par with the previous year due to the full order book at the end of 2022, falling by 2%. The operating profit margin was 13.9%, up slightly compared with 2022. Bucher Hydraulics contributed 21% to group sales (2022: 21%).

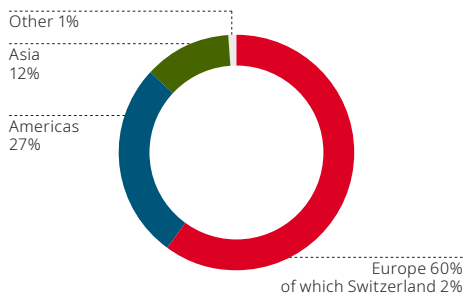
Key figures

CHF million	Change			
	2023	2022	%	% ¹⁾
Order intake	670.3	763.5	-12.2	-8.5
Net sales	743.6	755.5	-1.6	2.6
Order book	230.0	315.9	-27.2	-24.2
Operating profit (EBITDA)	123.8	121.7	1.7	
% of net sales	16.6%	16.1%		
Operating profit (EBIT)	103.5	101.4	2.1	
% of net sales	13.9%	13.4%		
Average number of FTEs	3'042	2'921	4.1	
Employees at 31 December	3'198	3'092	3.4	

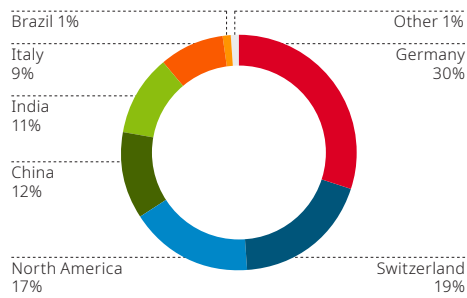
¹⁾ Adjusted for currency effects

Regional breakdown

Net sales

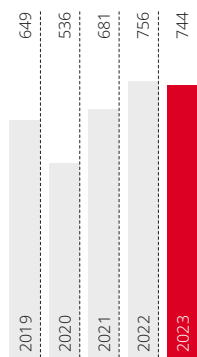


Employees

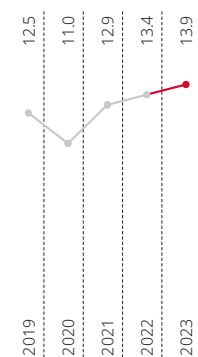


Five-year summary

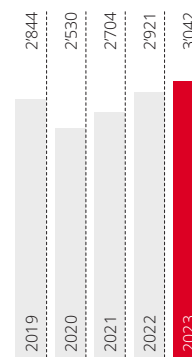
Net sales CHF million



Operating profit margin (EBIT margin) %



Average number of FTEs



Decline in demand but still at a high level

Demand in the hydraulics markets weakened during the reporting period as a result of the general economic slowdown, but it remained at a high level. Against the backdrop of this environment, Bucher Hydraulics' order intake normalised, falling by 12% compared with the strong prior-year level. The decrease in order intake was mainly attributable to China and North America. In Europa, order intake weakened significantly towards the end of the reporting period, while in India, demand increased further. The construction machinery segment declined, with agricultural machinery also declining in the second half of the year. Materials handling was stable throughout the whole reporting period. The mobile electric drive technology solutions business continued to perform well.

Slight improvement in operating profit margin

The order book normalised overall, but remained very high for some products compared with long-term data. Capacities continued to be heavily utilised, particularly in the first half of the year. The division's sales remained on a par with the previous year due to the full order book at the end of 2022, falling by 2%. An increase in Europe was able to offset a decline in sales in China and North America. The division's operating profit margin improved slightly compared with 2022, to 13.9%, thanks to the good cost structure and its ability to pass on some of the material price increases.

Compact design combined with scalability

The solutions from Bucher Hydraulics are characterised by their compact design, ease of configuration and scalability across a wide performance range. These are decisive properties for use in hybrid and electric vehicles. The compact hydraulic systems are used for work functions in electrified municipal vehicles and construction machinery, but also in solutions for auxiliary units. They are commonly used in generators, fans, power steering, air-conditioning compressors, onboard power converters and outlets for commercial vehicles. Demand for mobile, electrohydraulic drive systems therefore continues unabated.

Building on available strengths across the various sites

The reporting period saw the groundwork laid for the global direction and harmonisation of selected areas of the product portfolio, with implementation planned for the years ahead. As part of a division-wide initiative, each of the local development and production sites will gradually assume functions extending across sites, and the products will be manufactured at selected sites within the division.

100 years of Bucher Hydraulics

To celebrate 100 years of Bucher Hydraulics, celebrations were held for employees at all major sites. There were several days where relatives and local residents were invited to visit and take a look behind the scenes. The events, which were arranged by employees, were well received. Bucher Hydraulics shared anecdotes, stories and background information from the early days in 1923, and offered insights into how the small machine works in Griessen, Germany, developed into what is today a global division.

Investing in sites

In Klettgau, the new high-bay warehouse went into operation over the course of the reporting period. The new warehouse system means that materials handling across the board can be implemented much more effectively. This is another important step towards mapping the plant digitally. Also at the Klettgau site, a new car park was built, while the shading system was equipped with a photovoltaic installation. At the Frutigen site, meanwhile, construction began on a building extension aimed at increasing and modernising the available office space.

Outlook for 2024

Bucher Hydraulics anticipates that demand will decline at the start of the year. The division continues to benefit from the previous year's good order book, but expects sales and the operating profit margin to decline slightly due to weakening market momentum.

Market position

Bucher Hydraulics is a leading international manufacturer of advanced hydraulic and electronic components and sophisticated electrohydraulic systems. These enable machines to perform heavy-duty work with maximum precision even in harsh environments. Their most important fields of application are agricultural machinery, construction equipment and materials handling. The division occupies a leading position in mobile and elevator applications in Europe, as well as a strong presence in the USA, India and China.

Strategic focus

The trend towards the electrification of commercial and special vehicles will continue, which will further increase the demand for electrohydraulic systems. Its expertise in hydraulic components and customised solutions, and its new products such as the AX axial piston line or electric inverters and converters, allow Bucher Hydraulics to offer innovative new electrohydraulic subsystems on the market. These include innovative solutions for electric-powered mobile machinery, for example, which could not previously be realised in this form. As a global supplier, the division is also continuously expanding its product lines in the lower-priced segment.

Division management
At 1 March 2024

Daniel Waller,
Division president

Peter Minder,
Finance and controlling

Jens Kubasch,
Bucher Hydraulics Germany

Thomas Dubach,
Bucher Hydraulics
Switzerland

Alfonso Brighetti,
Bucher Hydraulics Italy


Bill Parks,
Bucher Hydraulics North
America

Kapil Sehgal,
Bucher Hydraulics India

Sam Wu,
Bucher Hydraulics China

Bucher Hydraulics

Using great
forces
intelligently



80kW
energy
recuperation
during
lowering

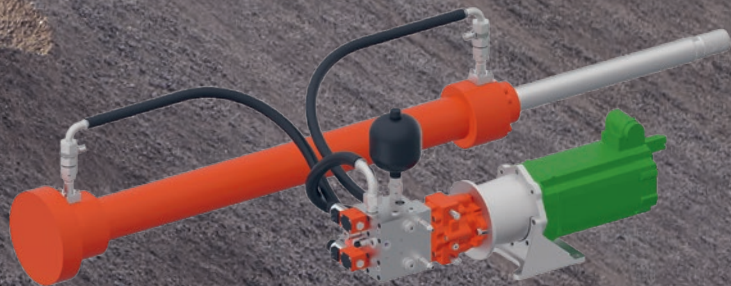


Recovering 70 to 90% of potential energy with HELAX

The use of machinery such as excavators, cranes or presses is energy-intensive. The HELAX hydraulic-electric drive is able to recuperate some of this energy and use it again directly. Integrated into an excavator boom, the HELAX absorbs the energy from the lowering movement, feeds it into the energy circuit and uses it for the lifting movement. Tests have shown that the HELAX requires 70 to 90% less energy than conventional valve control systems.



Get to know Dierk Peitsmeyer
and learn from him how the
HELAX drive reuses energy.



Divisional report

Bucher Emhart Glass

Demand for glass forming machinery and inspection machinery remained strong throughout much of the reporting period. Towards the end of 2023, however, a slowdown became apparent. Bucher Emhart Glass's order intake fell by 10% but was still at a very high level. Capacity utilisation continued to be very strong, and sales were maintained at the same high level as in the previous year. The operating profit margin rose to a high 19.5%. The division accounted for 15% of group sales (2022: 15%).

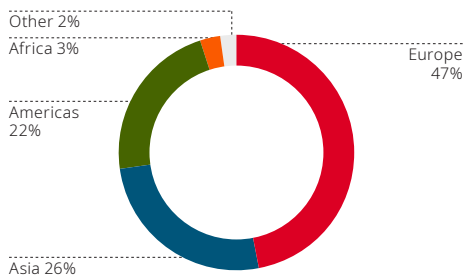
Key figures

CHF million	Change			
	2023	2022	%	% ¹⁾
Order intake	519.7	577.9	-10.1	-6.2
Net sales	523.6	525.2	-0.3	4.1
Order book	301.9	318.9	-5.3	-1.5
Operating profit (EBITDA)	111.8	106.2	5.3	
% of net sales	21.3%	20.2%		
Operating profit (EBIT)	102.0	97.5	4.6	
% of net sales	19.5%	18.6%		
Average number of FTEs	1'655	1'600	3.4	
Employees at 31 December	1'693	1'678	0.9	

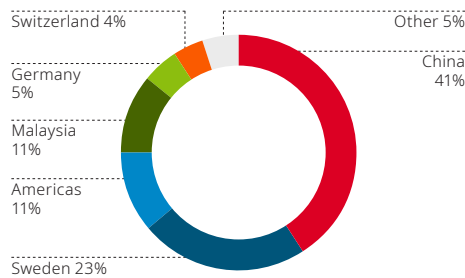
¹⁾ Adjusted for currency effects

Regional breakdown

Net sales

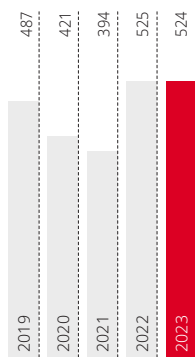


Employees

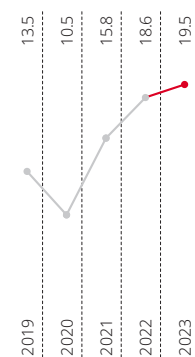


Five-year summary

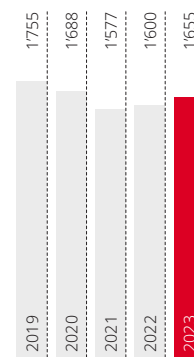
Net sales CHF million



Operating profit margin (EBIT margin) %



Average number of FTEs



Market momentum weakening

Demand for glass forming machinery and inspection machinery remained strong throughout much of the reporting period. Towards the end of 2023, however, a slowdown in market momentum became apparent. After two very productive years, the warehouses for glass producers and fillers are well stocked, and several glass plants are producing at reduced capacity. Bucher Emhart Glass's order intake fell by 10% but was still at a very high level. The trend towards "AIS" glass container forming machines continued, with many new orders received for this type of machine. "AIS" glass container forming machines are known for being highly efficient, and for their short changeover times and the wide range of products they can produce. This makes these machines extremely flexible, allowing customers to manufacture even small batch sizes in a way that is very economical. Energy-efficiency considerations and the shortage of skilled labour also encourage plant operators to automate their glass container forming plant.

High operating profit margin

Production capacity was very high at all sites, and the order book remained strong. Overall, the situation largely normalised in logistics and the supply chain; only the procurement of electronic components remained partially impacted. Sales were maintained at the same high level as in the previous year. The operating profit margin increased further and reached a very good 19.5%. This was driven by the high capacity utilisation, the favourable product mix and positive currency effects.

Trend towards automation for maximum efficiency

The innovations presented in 2022 at Glasstec, the glass container industry's most important trade fair, were all successfully launched on the market during the reporting period. The use of artificial intelligence in inspection machines for the fully automated setup of sidewall inspection, more reliable classification of defects and excellent detection rates is now available for all machine types. Even the "Smart Feeder", a multi-axial feeder system with a camera-based shear mechanism system, is now available for all production lines. This continuously monitors and controls the gob-forming process in order to optimise the size and shape of the gobs and therefore the weight of the glass containers.

Knowledge transfer for maximum production efficiency

Bucher Emhart Glass supports its customers with service programmes individually tailored to their needs. It requires a great deal of expertise to get the most out of molten glass and produce glass containers that weigh as little as possible, making them more environmentally friendly. Bucher Emhart Glass offers support with this in mind, whether at customer sites and when training employees or by offering remote support. You can read more about this on the following pages.

Development of motivated employees

In particular, the high workload over the past two years has made employee development an important focus area for Bucher Emhart Glass. Language courses and leadership training were offered at various sites. The division also continued to work on the topic areas that were identified in the global employee survey conducted in the previous year. These are process optimisations, cultivating a culture of feedback, and improving internal communication.

Investing in protecting the environment

Bucher Emhart Glass invested in a new painting line in China at the Sanjin, Zibo, plant. This is considerably more efficient and causes less harm to the environment. Since it uses more environmentally friendly paint and requires smaller amounts, excess paint is reclaimed and it is also more energy-efficient. The solar power system installed at the site in China in the previous year went into operation, as did a more energy-efficient cooling unit in the workshop as well as two further air compressors in assembly. The expansion of the Johor Bahru site in Malaysia is well under way and is scheduled to go into operation at the end of 2024. The solar power system at the Research Center in Windsor in the USA has been operational since mid-2023.

Outlook for 2024

After three exceptionally strong years, Bucher Emhart Glass expects the demand for glass container manufacturing equipment to normalise. Capacities should remain well utilised, particularly in the first half of the year. The division anticipates slightly weaker sales compared with the very high sales of 2023. Accordingly, the operating profit margin is expected to be somewhat lower than in 2023.

Market position

Bucher Emhart Glass is the world's leading supplier of advanced technologies for manufacturing and inspecting glass containers. Its portfolio of equipment and automation technologies is complemented by its broad range of consulting services and its support for customers in operating and optimising their own equipment. Bucher Emhart Glass is one of the top three companies for inspection machines worldwide.

Strategic focus

The trend towards increased use of glass containers is continuing because glass is a safe, sustainable and high-quality packaging material. However, the glass container industry is being challenged to reduce the ecological footprint of its production processes still further and to find solutions for its increasing shortage of personnel. Bucher Emhart Glass supports glass container manufacturers with "End to End" technologies and services that further automate the glass container forming process. This increases production efficiency and reduces production waste and energy consumption accordingly. It also makes the physically demanding work in the glass plants easier and improves occupational safety.

Division management
At 1 March 2024

Matthias Kümmerle,
Division president

Reto Semadeni,
Finance and controlling

Patrick Crous,
Projects and service

Juan P. Montes,
Logistics and manufacturing


Andreas Schaal,
Sales and marketing

Haijun Yu,
China

Thomas Bewer, Christian
von Ah and Thomas Huhn,
Research and development

Bucher Emhart Glass

More knowledge, even better results



Potential for
optimising
gob forming
identified



Increasing glass yield thanks to technology consulting

The goal of glass forming is always to achieve maximum glass yield (“pack-to-melt”). This requires not only modern glass forming machines, but also the knowledge to optimise the machine settings. This is where our on-site and online technology consulting offers crucial support – from gob forming at the hot end to the annealing lehr and inspection at the cold end. This direct and individual transfer of knowledge enables customers to continuously increase their glass yield and reduce their ecological footprint.



Get to know Peter Schulz and find out how he uses his technological expertise to increase customers' glass yields.



Divisional report

Bucher Specials

Bucher Specials' markets were subject to varying developments during the reporting period. Demand at Bucher Vaslin developed negatively, while business at Bucher Unipektin remained stable. Bucher Landtechnik reported weakening business performance. Bucher Automation, meanwhile, benefited from positive market development. Order intake was up 2% on the high level recorded in the previous year. Sales rose by 15%, due in part to Bucher Unipektin's Polish company, which has been consolidated since the end of 2022. The operating profit margin was 8.3%. The division accounted for 9% of group sales (2022: 8%).

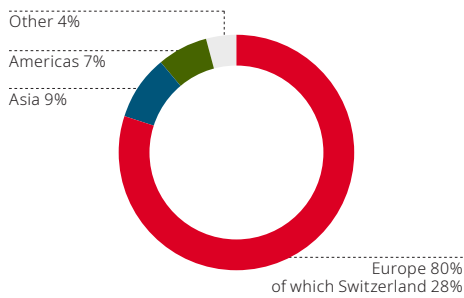
Key figures

CHF million	Change				
	2023	2022	%	% ¹⁾	% ²⁾
Order intake	368.7	363.4	1.5	3.7	-3.4
Net sales	398.0	347.1	14.7	17.1	9.3
Order book	121.8	153.7	-20.8	-19.2	-19.2
Operating profit (EBITDA)	40.2	34.5	16.5		
% of net sales	10.1%	9.9%			
Operating profit (EBIT)	33.0	29.9	10.4		
% of net sales	8.3%	8.6%			
Average number of FTEs	1'500	1'057	41.9		5.4
Employees at 31 December	1'532	1'503	1.9		1.9

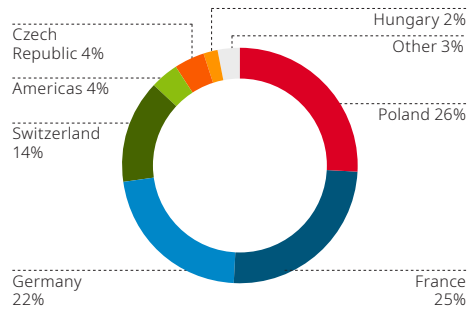
¹⁾ Adjusted for currency effects ²⁾ Adjusted for currency and acquisition effects

Regional breakdown

Net sales

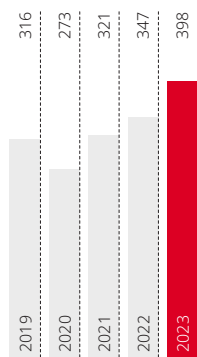


Employees

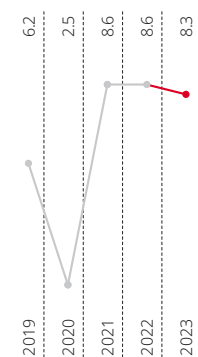


Five-year summary

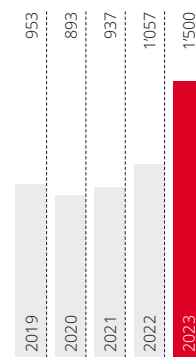
Net sales CHF million



Operating profit margin (EBIT margin) %



Average number of FTEs



Diverging market developments

Bucher Specials' markets were subject to varying developments during the reporting period. Demand at Bucher Vaslin developed negatively, while business at Bucher Unipektin remained stable. Bucher Landtechnik reported weakening business performance. Manufacturers' price increases and lower agricultural incomes caused problems for the Swiss agricultural market. Bucher Automation benefited from the positive market development at Bucher Emhart Glass and from its cooperation with Bucher Hydraulics. Order intake at Bucher Specials was up 2% against the high level recorded in the previous year. Sales rose by 15%, attributable in part to Bucher Unipektin's Polish company, which has been consolidated since the end of 2022. The operating profit margin was 8.3%.

Bucher Vaslin

Weaker harvest In both the southern and northern hemispheres, harvests were weak. The trend towards white wine, rosé and sparkling wine over red wine cushioned the negative harvest effect somewhat. Despite declining demand, Bucher Vaslin was able to increase sales further, partly due to the strong order book at the start of the year.

Higher production efficiency Better management of concentration, fewer blockages, reduced water consumption and a high degree of automation, while keeping quality constant, are decisive factors when it comes to wine filtration. It is exactly these features that Bucher Vaslin has combined in the newly developed "Flavy X-Treme". Customers benefit from higher production efficiency as well as reduced energy and water consumption. Furthermore, the filtration system is available in various sizes to suit any winery. You can read more about this on the following pages.

Bucher Unipektin

Good market environment Bucher Unipektin continued to benefit from a high willingness among customers to invest in equipment for producing and processing fruit juices and foodstuffs. In the beer business, a certain measure of restraint was evident, but demand remained generally solid. Sales saw a marked uptick overall, even without taking the acquisition in Poland into account.

Drying with less energy The drying of foodstuffs is a gentle method for preserving fruit, vegetables, vitamins and enzymes. A vacuum belt dryer facilitates processing of even sticky, highly viscous and hygroscopic foodstuffs. The vacuum belt dryers from Bucher Unipektin are now available in various sizes to meet any need. The vacuum drying process has a lower energy requirement, process management and cleaning are fully automated.

Training and development To promote employees' health, Bucher Unipektin conducted burnout prevention training at a number of different sites. A range of specific training and development programmes were offered in order to effectively integrate the new Polish colleagues from the company acquired at the end of 2022 into the business, and to smooth their integration into the Bucher Group.

Bucher Landtechnik

Business performance down The Swiss agricultural machinery market weakened further in recent months and stabilised at a low level towards the end of the year. Higher financing costs weighed on farmers' willingness to invest, and these uncertainties were compounded by high inventories in the sales channels. For Bucher Landtechnik, business performance was down accordingly.

Focus on precision farming At Bucher Landtechnik, precision farming is high on the agenda. Initiatives include autonomous steering, right down to the centimetre, of tractors

and machinery, easy-to-operate track guidance systems, non-chemical crop protection, precision field spraying, or even electric weed control. All these solutions share the same goal: to reduce the amount of fertiliser or spray agent used through precision or other processes, while operating the machines in an economical way. The data required in order to do so is sent to the drivers via telemetry.

Bucher Automation

Ongoing momentum Jetter completed its name change to Bucher Automation in the middle of the year, in order to benefit from the strong Bucher brand and underline its affiliation with the Bucher Group. The positive trend seen in the previous year continued at Bucher Automation, still driven largely by the good performance of internal customers Bucher Emhart Glass, and increasingly also Bucher Hydraulics, as well as by the improved situation in the supply chain. An important milestone was the new building in Marbach, which is replacing the previous site in Ludwigsburg. The new building meets the increased need for space and allows the optimal configuration of production lines. At the new site, Bucher Automation now has clean rooms at its disposal, enabling the manufacture of additional products. The first lines were set up in Marbach in December 2023, and have now been operational since the beginning of January. Sales were up significantly year on year.

Smart automation There is a growing need for automation and digitalisation at modern production facilities. Servo amplifiers are often used in controls for these facilities, and the requirements placed on them are continuously increasing. In the reporting period, Bucher Automation developed a new model in the “JetMove” series, characterised by its compact design, modular construction, integrated braking resistance and mesh filters, as well as up to two axis modules per device. Thanks to these features, the servo amplifier can be used in many different industrial applications.

Outlook for 2024

For Bucher Vaslin and Bucher Unipektin, the market environment is expected to continue to normalise, while Bucher Landtechnik will likely stagnate at a lower level. Bucher Automation should benefit from a market environment that will remain positive. The division expects sales and operating profit margin on a par with the previous year.

Market position

Bucher Specials comprises four business units.

- Bucher Vaslin: world market leader in winemaking equipment
- Bucher Unipektin: world market leader in fruit juice processing equipment
- Bucher Landtechnik: leading distributor of agricultural machinery in Switzerland
- Bucher Automation: supplier of control systems in industrial and mobile automation

Strategic focus

Bucher Vaslin, Bucher Unipektin and Bucher Landtechnik operate in mature markets but consistently align their solutions with the trend towards additional automation and sustainability. In the era of “Industry 4.0” and the “Internet of Things”, Bucher Automation’s automation solutions show attractive growth potential in both industrial and mobile applications. Bucher Specials is managed decentrally, with lean structures and a strong customer focus.

Division management
At 1 March 2024

Stefan Düring,
Division president

Bruno Estienne,
Bucher Vaslin

Daniel Schneider,
Bucher Unipektin

Jürg Minger,
Bucher Landtechnik

Christian Benz,
Bucher Automation

Bucher Vaslin

In sync with each
type of wine

Wine type
defined,
speed optimised:
0.2 m/s at
17 Hz.



Flavy FGC high performance filter:
60 to 97% less energy,
100% performance

The Flavy FGC high-performance filter lives up to its name: it is capable of handling a flow rate of 36'000 litres per hour. The special feature: it adapts central filter parameters such as the tangential velocity for each oenological product. This enables our customers to reduce their energy requirements during the filtering process by around 60% - and even by 95 to 97% for particularly easy-to-filter wine varieties such as Sauvignon Blanc.



Get to know the research engineer Eugène Tcaciuc and find out how he is making the Flavy FGC an industry benchmark.



BUCHER
maslin

Flavy FGC

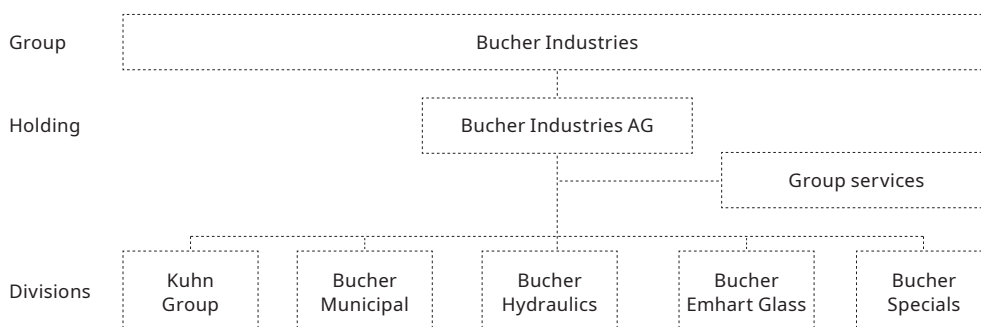
Corporate Governance

This report complies with the SIX Swiss Exchange Corporate Governance Directive, in its current version as of 1 January 2023, where applicable to Bucher Industries. Unless otherwise stated, the information presented reflects the situation on 31 December 2023.

Group structure and shareholders

Operational group structure

The Bucher Industries Group is organised in five divisions. The five divisions comprise: specialised agricultural machinery (Kuhn Group), municipal vehicles (Bucher Municipal), hydraulic and electronic components as well as electrohydraulic systems (Bucher Hydraulics), manufacturing equipment for the glass container industry (Bucher Emhart Glass), equipment for processing beverages and automation solutions (Bucher Specials). At group level, the corporate centre provides finance, group development, legal and compliance, communication and cyber security functions to support the Group and its companies in their activities. The Group's operational structure is shown in the chart below, and detailed segment information is presented in the notes to the consolidated financial statements on pages 89 and 90 of this annual report.



Group companies and consolidation

Bucher Industries AG, incorporated in Niederweningen, Switzerland, is the Group's holding company. Its registered shares are listed on the SIX Swiss Exchange. Details are given in the annex section on pages 144 and 145 of this annual report. The consolidation includes all group companies owned directly or indirectly by the holding company. The principal group companies are listed on pages 109 to 111 of this annual report. None of these companies is listed on a stock exchange.

Shareholders

The registered 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 is not aware of any other persons who hold more than 3% of the issued share capital of Bucher Industries AG and is 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. Notifications can be viewed via the SIX Swiss Exchange website. [ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html](https://www.bucher-industries.com/en/resources/notifications-market-participants/significant-shareholders.html)

There are no cross-shareholdings between Bucher Industries AG and other companies.

Capital structure

Capital

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.

Capital band and conditional capital There is no capital band in place. Since 19 April 2023, there is also no longer any conditional capital. With the amendments to the articles of association made at the annual general meeting on 19 April 2023, art. 3a of the articles of association of Bucher Industries AG was deleted and the conditional capital phased out.

Changes in capital There were no changes in capital in the last three reporting periods.

Shares

Bucher Industries AG has an issued share capital of CHF 2'050'000, divided into 10'250'000 registered shares with a par value of CHF 0.20 each. All shares are fully paid-up and rank for dividend. Each share carries one vote at general meetings of shareholders. Bucher Industries AG has not issued any participation or profit-sharing certificates.

Restrictions on transferability The company's registered shares are not subject to any restrictions on ownership or transferability. Pursuant to the articles of association of Bucher Industries, the board has established principles for the registration of nominees. Persons who do not expressly state in the application for registration that the shares are held for their own account, that there is no agreement regarding the redemption or return of corresponding shares and that the applicant bears the economic risk associated with the shares (hereinafter "nominees") will be recorded in the share register as shareholders with voting rights up to a maximum of 2% of the share capital then outstanding, provided that such persons have previously entered into a nominee agreement with Bucher Industries AG. If the 2% threshold is exceeded, registered shares held by nominees will be entered with voting rights only if the nominee agrees in writing to disclose the names, addresses and shareholdings of the persons for whose account the nominee holds 0.5% or more of the share capital then outstanding. The 2% threshold also applies to nominees who are affiliated by capital or votes, through common management or otherwise.

Convertible bonds and share options

Bucher Industries AG has no outstanding convertible bonds and no outstanding share options.

Board of directors



Above, from left to right:
Philip Mosimann,
Anita Hauser,
Michael Hauser

Below, from left to right:
Martin Hirzel,
Urs Kaufmann,
Stefan Scheiber

Members

Name	Born	Position	Appointed	Committees	
				Audit	Compensation
Philip Mosimann	1954	chairman	2016		
Anita Hauser	1969	deputy chairwoman	2007		x
Michael Hauser	1972		2011	x	
Martin Hirzel	1970		2018	C	
Urs Kaufmann	1962		2023		C
Stefan Scheiber	1965		2022	x	

All directors are non-executive and independent. Philip Mosimann was CEO and group management member of Bucher Industries until the annual general meeting on 15 April 2016. (C = chairman).

Philip Mosimann

1954, Swiss citizen, master’s degree in mechanical engineering (dipl. Ing. ETH) from the Swiss Federal Institute of Technology; since 2016 chairman of the board

- 2002–2016 Bucher Industries, CEO
- 1997 Sulzer AG, Winterthur, division president of Sulzer Textil
- 1993 Sulzer AG, Winterthur, division president of Sulzer Thermtec
- 1980 Sulzer Innotec AG, Winterthur

Other appointments and commitments:

Chairman of the board of Ammann Group Holding AG, Langenthal and of Uster Technologies AG, Uster; member of the board of Vanderlande Industries B.V., Veghel/NL

Anita Hauser

1969, Swiss citizen, master's degree in public affairs (lic. rer. publ. HSG) from the University of St. Gallen, MBA INSEAD, Fontainebleau; since 2007 member of the board, since 2011 deputy chairwoman of the board

- 2012–2017 Magenta Management AG, Zurich, managing director
- 2010 EF Education First AG, Lucerne, marketing director
- 2005 EF Education AG, Zurich, country manager
- 2000 Lindt & Sprüngli (International) AG, Kilchberg, international marketing manager
- 1993–1998 Unilever, Zug and Milan, european brand manager

Other appointments and commitments:

Member of the board of AMAG Group AG, Cham, of Roche Holding AG, Basel, and of Magenta Management AG, Zurich

Michael Hauser

1972, Swiss citizen, master's degree in mechanical engineering (dipl. Ing. ETH) from the Swiss Federal Institute of Technology, MBA INSEAD, Fontainebleau /Singapore; since 2011 member of the board

- since 2020 notime (Switzerland) AG, Zurich, CEO
- 2015 notime AG, Zurich, member of the board and of the management
- 2013 biuco GmbH, Austria, managing director
- 2009–2011 Strabag Energietechnik, Austria, managing director
- 2006 hs energieranlagen, Germany, member of the management
- 1998 Alstom/ABB, commissioning of gas turbines

No other appointments or commitments

Martin Hirzel

1970, Swiss citizen, master's degree in mechanical engineering (dipl. administration HWV) from the Höhere Wirtschafts- und Verwaltungsschule, GMP Harvard Business School; since 2018 member of the board

- since 2021 Swissmem (trade association of the Swiss mechanical, electrical and engineering industries), Zurich, president
- 2011–2019 Autoneum Holding AG, Winterthur, CEO
- 2007 Rieter Automotive Systems, São Paulo, division president

- 2000 Rieter Holding AG, Shanghai, general manager China
- 1997 Rieter Textile Systems, Winterthur, chief controller international

Other appointments and commitments:

Member of the board of Datwyler Holding AG, Altdorf, of IPZ Operation AG, Dübendorf, of Lantal Textiles AG, Langenthal, of Ronal AG, Härkingen and of TESTEX AG, Zurich

Urs Kaufmann

1962, Swiss citizen, master's degree in mechanical engineering (dipl. Ing. ETH) from the Swiss Federal Institute of Technology; since 2023 member of the board

- since 2017 Huber+Suhner AG, Pfäffikon, chairman of the board
- 2002 Huber+Suhner AG, Pfäffikon, CEO
- 1994 Huber+Suhner AG, Pfäffikon, various positions
- 1987 Zellweger Uster AG (now known as Uster Technologies AG), Uster, various positions

Other appointments and commitments:

Deputy chairman of the board of SFS Group AG, Heerbrugg; member of the board of Vetropack Holding AG, Saint-Prex (until April 2024), and of Müller Martini Holding AG, Hergiswil

Stefan Scheiber

1965, Swiss citizen, business economist St. Gallen University of Applied Sciences, IMD Lausanne, Harvard Business School; since 2022 member of the board

- since 2020 Bühler Group, Uzwil, member of the board
- since 2016 Bühler Group, Uzwil, CEO
- 1988 Bühler Group, Uzwil, various management positions

Other appointments and commitments:

Member of the board of Switzerland Innovation Park Ost, St. Gallen and of Kistler Holding AG, Winterthur

Independence

All members of the board of directors are non-executive and independent, which means they do not perform any operational duties within the Group, have not been members of the management of Bucher Industries for the last three years and do not have a material business relationship with the Group. Philip Mosimann was CEO and group management member of Bucher Industries until the annual general meeting on 15 April 2016.

Election and term of office

On 19 April 2023, the directors, the chairman of the board and the members of the compensation committee were each elected individually by the annual general meeting up until the close of the next annual general meeting. The re-election of members of the board of directors extends only to the date of the annual general meeting which follows the member's 70th birthday. The persons listed in the table on page 53 of this annual report were elected in the reporting period.

Number of admissible activities (external appointments)

Members of the board of directors may exercise a maximum of four appointments in listed companies and no more than ten in comparable functions in unlisted legal entities. Appointments in companies that are linked, but outside the Group, as well as appointments that are held in connection with the exercise of such a function, count as one appointment, as long as no more than 30 appointments in all are held with such linked companies. Pro bono appointments are not subject to the above-mentioned restrictions. However, no member of the board of directors may hold more than 20 such appointments. This regulation complies with art. 29 of Bucher Industries AG's articles of association.

Internal organisation

The board of directors determines the strategic direction and oversees the management of the company as provided in the Swiss Code of Obligations, in the articles of association and internal rules of organisation, an abridged version of which is available on the Bucher Industries website. It meets as often as business requires, holding at least six scheduled meetings each year, which generally take place every two months. The meetings are usually attended by the CEO and CFO and by other members of group management, members of division and segment management or specialists, depending on the items on the agenda. The secretary to the board takes minutes of the proceedings and resolutions. The meetings generally last one day; the annual strategy meeting lasts two days. In the reporting period, there were seven ordinary meetings, of which one was a two-day strategy trip in the UK and Sweden and one a video conference. One resolution was also passed by circular. All the meetings were attended by all members of the board of directors, the CEO and the CFO.

[bucherindustries.com/en/investors/corporate-governance](https://www.bucherindustries.com/en/investors/corporate-governance)

Committees

To assist with its responsibilities, the board of directors has an audit committee and a compensation committee appointed from among its members. The roles and responsibilities of the audit committee are described below and are published in the abridged version of the rules of organisation on the website of Bucher Industries; those of the compensation committee are listed in the remuneration report on pages 63 to 71 of this annual report. The committees report to the board of directors on their activities, findings and proposals. Overall responsibility for the tasks assigned to the committees rests with the board of directors. The annual term of office for audit and compensation committee members begins with the annual general meeting and continues until the next annual general meeting. Proceedings and resolutions of committee meetings are recorded in minutes.

bucherindustries.com/en/investors/corporate-governance

Audit committee

- **Organisation:** On 19 April 2023, the composition of the audit committee was determined by the board of directors as follows: Martin Hirzel, chairman, Michael Hauser and Stefan Scheiber. All of its members are non-executive and independent. The audit committee meets at least three times a year. A meeting generally lasts half a day. The chairman of the board, CEO and CFO attend the meetings in an advisory capacity. Depending on the items on the agenda, the internal or external auditors, members of group, division and segment management or specialists are consulted. Four meetings were held in the reporting period. All members of the audit committee, the chairman of the board, the CEO and the CFO were present at all the meetings.
- **Focus in the reporting period:** In addition to the ordinary tasks described below, the focus of activities in the reporting period was on financial planning and the determination of optimal liquidity as well as on assessing and implementing the revised accounting standards. The audit committee also dealt with personnel planning in the finance department and with the increasing requirements in the area of sustainability reporting.
- **Tasks:** The audit committee's main tasks include reviewing the organisation of the accounting system, the Group's financial controls and financial planning, and reviewing the financial statements of the Group and its subsidiaries, including those of individual projects involving significant commitment of capital, and now also assessing non-financial reporting. The audit committee is also responsible for monitoring the risk management system, particularly with respect to financial and regulatory risks as well as cyber risks. This includes defining and monitoring the effectiveness of the internal control system and ensuring a comprehensive and effective audit plan. The audit committee determines the key areas of the audit plan for the external and internal audits, receives reports from the auditors and appoints the head of the internal audit function, who reports to the chairman of the audit committee. For a preliminary decision, the audit committee evaluates the independence and performance of the external and internal auditors, finally determines the level of their remuneration and prepares the board's proposal for the appointment of the external auditor.

- **External audit:** The key areas of the audit plan in the reporting period related to the valuation of receivables and inventories, the sales process and revenue recognition, as well as management control processes. The external auditors also conducted an in-depth assessment of the existence of internal controls in the areas of the financial closing process and sales. The external auditors attended three meetings of the audit committee.
- **Internal audit:** Internal audit carries out audits in the Group in accordance with the audit plan proposed by the audit committee and determined by the board. The chairman of the audit committee agrees the audit programme with the chairman of the board. The coordination and implementation of audits are delegated to the CFO. The internal audit work is contracted out externally. The head of the internal audit function reports to the chairman of the audit committee. The internal audit function reports the results of its audits to the audit committee at a minimum of one meeting each year. The internal audit plan focused on comprehensive verification and evaluation of the internal control system processes at several group companies. In the reporting period, the internal auditors attended three meetings of the audit committee. Additionally, the Chief Information Security Officer is commissioned by the audit committee to carry out regular cyber security audits together with external audit companies. During these audits, the IT infrastructure of selected entities is analysed, and targeted measures are defined to eliminate vulnerabilities.

Compensation committee

Information about the compensation committee is given in the remuneration report on pages 64 and 65 of this annual report.

Authority and responsibility

The board has delegated the Group's operational management to the CEO, the CFO and other group management members. Their authority and responsibilities are set out in the internal rules of organisation. A short version of the rules of organisation is available on the Bucher Industries website. The board oversees the operational management.
[bucherindustries.com/en/investors/corporate-governance](https://www.bucherindustries.com/en/investors/corporate-governance)

Information and control systems relating to group management

As part of the management information system, the board receives monthly key figures, consolidated financial statements and management comments from group management, providing information on operational performance and performance indicators within the Group, divisions, segments and major group companies. At each meeting, the board is also informed about the course of business, important projects and risks. Once a year, it conducts an in-depth assessment of the Group's risk situation on the basis of a risk report prepared under the direction of the CEO, with the participation of members of group management and group services. Written proposals are prepared under the direction of the CEO for any major projects requiring a board decision. In addition to the chairman, each member of the board can attend one of the annual divisional strategy reviews, which are led by the CEO, in order to gain greater insight into the business. In the reporting period, the CEO, the CFO, the chairman of the board and various members of the board of directors all took part in the strategy meetings. The board of directors is also supported in its supervisory and control function by internal audit and the external auditors.



Stefan Düring, Manuela Suter, Thierry Krier, Daniel Waller, Aurelio Lemos, Matthias Kümmerle and Jacques Sanche (from left to right).

Group management

Members

Jacques Sanche

1965, Swiss and Canadian citizen, doctorate in economics (Dr. oec. HSG) from the University of St. Gallen; since 2016 CEO and since 2015 designated CEO

- 2007 Belimo Holding AG, Hinwil, CEO
- 2004 WMH Walter Meier Holding, Stäfa, member of the group management; WMH Tool Group, Chicago, USA, CEO
- 1997 WMH Walter Meier Holding, various management positions
- 1990 various positions as consultant

Other appointments and commitments:
Member of the board of Schweiter Technologies AG, Steinhausen

Manuela Suter

1974, Swiss citizen, master's degree in business economics (lic. oec. publ.) from the University of Zurich, Swiss certified public accountant; since 2018 CFO

- 2014 Bucher Industries, head of group controlling
- 2011 Bucher Industries, group controller
- 2010 SIX Exchange Regulation, Zurich, senior financial reporting specialist
- 2007 Holcim, Zurich, head of financial holdings
- 2001 Ernst&Young, Zurich, auditor

Other appointments and commitments:
Member of the board of SFS Group AG, Heerbrugg

Stefan Düring

1972, Swiss citizen, master's degree in economics (lic. oec. HSG) from the University of St. Gallen, certified public accountant Board of Accountancy, New Hampshire, chartered financial analyst Association for Investment Management and Research, Charlottesville; since 2014 division president of Bucher Specials

- since 2006 Bucher Industries, head of group development and since 2010 also responsible for Bucher Unipektin and Bucher Landtechnik
- 1998 PricewaterhouseCoopers, Zurich

No other appointments or commitments

Thierry Krier

1967, American and French citizen, master's degree in international business marketing, ESIDEC in Metz, bachelor's degree in agronomy, Dijon College of Agriculture; since 2014 division president of Kuhn Group

- 2008 Kuhn North America Inc., president and CEO
- 2002 Kuhn Knight Inc., president and CEO
- 1994 Kuhn Farm Machinery Inc., head of sales and marketing
- 1990 Kuhn SA, Saverne

Other appointments and commitments:
President of CEMA (European Agricultural Machinery Association); member of the board of VDMA Agricultural Machinery (trade association of the German Engineering Federation)

Matthias Kümmerle

1973, Swiss and German citizen, doctorate in materials engineering (Dr. sc. Techn.) EPFL Lausanne; master's degree in mechanical engineering (dipl. Ing. ETH) from the Swiss Federal Institute of Technology, MBA IMD Lausanne; since 2021 division president of Bucher Emhart Glass

- 2011 Emhart Glass SA, Steinhausen, head of technology
- 2005 Hilti AG, China and Liechtenstein
- 2001 Emhart Glass SA, Steinhausen

No other appointments or commitments

Aurelio Lemos

1962, Spanish citizen, machine designer with Swiss business diploma (VSH Handelsdiplom); since 2016 division president of Bucher Municipal

- 2012 Bucher Hydraulics Switzerland, managing director
- 2003 Bucher Hydraulics AG, Frutigen, managing director
- 1994 Bürkert Fluid Control Systems, Hünenberg, head of marketing and sales
- 1992 Weber Protection AG, Emmenbrücke, head of development and technology
- 1990 Weber AG, Emmenbrücke, business engineer
- 1989 BOA AG, Rothenburg
- 1988 Kent Moor AG, Baar
- 1980 Viscosuisse AG, Emmenbrücke

No other appointments or commitments

Daniel Waller

1960, Swiss citizen, master's degree in mechanical engineering (dipl. Ing. ETH/BWI) from the Swiss Federal Institute of Technology; since 2004 division president of Bucher Hydraulics

- 1999 Bucher Hydraulics AG, Frutigen, managing director
- 1996 Carlo Gavazzi AG, Steinhausen
- 1987 Rittmeyer AG, Zug

No other appointments or commitments

Number of admissible external activities

Members of the group management may exercise a maximum of two appointments in listed companies and no more than two in comparable functions in unlisted legal entities. Appointments in companies that are linked, but outside the Group, as well as appointments that are held in connection with the exercise of such a function, count as one appointment, as long as no more than 30 appointments in all are held with such linked companies. Pro bono appointments are not subject to the above-mentioned restrictions. However, no member of the group management may hold more than 20 such appointments. This regulation complies with art. 29 of Bucher Industries AG's articles of association.

Management contracts

Bucher Industries AG has not entered into any management contracts with third parties.

Shareholders' participation rights

Shareholders' rights with regard to remuneration are detailed in the remuneration report on pages 63 to 71 of this annual report.

Voting rights and proxy voting restrictions

There are no restrictions on voting rights or proxy voting.

Independent proxy holder

The independent proxy holder is elected on an annual basis by the annual general meeting. In the reporting period, the annual general meeting of 19 April 2023 elected Law Office Keller Ltd., Splügenstrasse 8, 8002 Zurich, Switzerland, to the office of independent proxy holder, which the firm will hold until the next annual general meeting. Art. 8 of Bucher Industries' articles of association stipulates that every shareholder with voting rights can issue a written or electronic proxy to arrange representation at the annual general meeting by the independent proxy holder.

Instructions to the independent proxy holder Bucher Industries AG's articles of association have no provision regarding the procedure for issuing instructions to the independent proxy holder. The board of directors determines, within the scope of legal provisions, the requirements relevant to proxies and instructions and can stipulate specific regulations. Details of such stipulations are provided with the invitation to the annual general meeting. In the reporting period, every shareholder received, along with the invitation to the annual general meeting, a form for the purpose of issuing a proxy, in writing or online, arranging representation at the annual general meeting and giving instructions to the independent proxy holder. Instructions were restricted to approval, rejection or abstention on each of the proposals. For additional proposals or amendments, shareholders were able to issue a global instruction to approve the respective proposal of the board of directors, reject them or abstain. Shareholders were given a deadline until 17 April 2023 at 3.30 p.m. for the issue of proxies and instructions online. Shareholders who had issued proxies online were not permitted to attend the annual general meeting personally as well.

Electronic participation in the annual general meeting

With the amendments to the articles of association from 19 April 2023, the option to hold a general meeting electronically, without a venue, as a virtual general meeting was added to art. 10 of the articles of association. No provision for a virtual general meeting was planned in the reporting period.

Required quorums

Resolutions at general meetings of shareholders are passed by an absolute majority of the votes of the shares represented. At least two-thirds of the votes represented and an absolute majority of the par value of the shares represented are required for special resolutions as prescribed in art. 704 para. 1 of the Swiss Code of Obligations, and for the introduction, amendment or cancellation of statutory opting-up and/or opting-out clauses in accordance with the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading.

Convocation of the general meeting of shareholders

There are no rules that differ from the law for the convocation of general meetings of shareholders. As provided in the articles of association, notice of a meeting is given to shareholders at least 20 days before the meeting. The notice convening the meeting sets out the date, the start, the type and the place of the general meeting, the agenda and resolutions proposed by the board and by shareholders, if any, together with a brief

statement of the reasons for such motions, as well as the name and address of the independent proxy holder. The board of directors may summarise the items on the agenda in the invitation, provided that it makes further details available to the shareholders by other means. According to the articles of association, the board of directors determines the date for registration of shareholders in the share register and announces the date in the invitation. As a rule, it is stipulated that shareholders must be registered four working days before the date of the meeting. Extraordinary general meetings are called as and when required, in particular in the cases provided by law. Shareholders representing at least 5% of the votes are entitled to call an extraordinary general meeting at any time provided that, in doing so, they indicate the agenda and the motions filed.

Requests for additions to the agenda

Shareholders representing at least 0.5% of the votes are entitled to request additions to the agenda to be included in the invitation to the general meeting, provided that, in doing so, they specify these additions. Shareholders may submit a brief statement of reasons together with their agenda items or their motions. This must be included in the invitation to the general meeting. The invitation and agenda must be submitted in writing. Requests for additions to the agenda must be submitted at least six weeks before a general meeting of shareholders.

Obligation to make an offer and clauses on changes of control

The annual general meeting of shareholders held on 26 April 2005 adopted an opting-up clause in the articles of association, requiring a purchaser of shares to make a public tender offer when reaching or crossing the threshold of 40% of the voting rights in accordance with the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading. There are no change of control clauses benefiting directors or group management members.

Auditors

Duration of the engagement and lead audit partner's tenure

PricewaterhouseCoopers AG, Zurich, or its predecessor companies, have served as statutory auditors of Bucher Industries AG since 1984. The lead audit partner, Thomas Illi, has been responsible for the audit engagement since 2020. In the reporting period, the external audit mandates in various countries were put out to tender and local audit firms were changed as necessary.

Audit fees and non-audit fees

For the reporting period, Bucher Industries was charged CHF 1'337'000 by PricewaterhouseCoopers and CHF 944'000 by other auditors for services rendered in connection with the audit of the financial statements of Bucher Industries AG and its subsidiaries, and the audit of the consolidated financial statements of Bucher Industries and the remuneration report. PricewaterhouseCoopers also rendered other services in the amount of CHF 506'000, of which CHF 420'000 was for tax consultancy.

Supervisory and control instruments pertaining to the audit

The audit committee reviews the audit programme, key audit areas and audit plan every year and discusses the audit findings with the auditors. Every year, the audit committee subsequently assesses the independence, performance and fees of the auditors.

Information policy

Publications

According to art. 36 of the articles of association, the official organ of publication of Bucher Industries AG is the Swiss Official Gazette of Commerce (SOGC). Communications and invitations to shareholders may also be made by regular letter to the addresses entered in the share register or by electronic means.

Reports and annual general meeting

Bucher Industries publishes the results of operations in an annual report (including a corporate governance, remuneration, financial, and environmental, social and ethics report) and an interim report. These publications and the invitation to the annual general meeting of shareholders are made available at the appropriate time on the Bucher Industries website.

bucherindustries.com/en/investors/financial-reports

bucherindustries.com/en/investors/annual-general-meeting

Press releases and calendar

Sales, order intake, order book and number of employees are published in press releases at the start of the year (relating to the financial year just ended) and at the first and third quarters of a financial year are published in press releases. The company holds an annual press conference and an annual analyst conference on the day of publication of the annual report. A video conference is also held at the end of the first half of the year on the day the interim results are published. Significant events are announced in compliance with the directive on ad hoc publicity issued by SIX Swiss Exchange. A calendar of forthcoming release dates scheduled for the current and next financial year is set out in the table on page 145 of this annual report. All information published as well as the contact address can be found on the website of Bucher Industries. The company's website also provides a facility to subscribe to an e-mail service to receive press releases published by Bucher Industries.

bucherindustries.com

bucherindustries.com/en/media

bucherindustries.com/en/media-info

Blackout periods

Bucher Industries keeps an insider list of individuals for which the general blackout periods for securities of Bucher Industries apply; these periods extend from the reporting date of the respective quarterly report (31 March, 30 June, 30 September and 31 December) up to and including the publication date of the respective quarterly, interim or annual report. The insider list specifies employees and external service providers who, by virtue of their activities, have access to insider information, specifically in connection with the preparation of financial information for quarterly reporting and market-relevant projects. Details are regulated in the internal insider trading policy.

Remuneration report

The remuneration report describes the remuneration policy and remuneration system of Bucher Industries and provides information about the annual remuneration of the members of the board of directors and group management. The 2023 remuneration report is based on art. 734a – 734f of the Swiss Code of Obligations (CO) as well as the Directive on Information relating to Corporate Governance (RLCG) published by SIX Swiss Exchange valid on 31 December 2023 and Bucher Industries AG's articles of association.

Remuneration policy

Bucher Industries' remuneration policy derives directly from its strategy, which is aligned with the interests of all of its stakeholders. The individual elements of the remuneration system aim to promote sustainable corporate development. The basic principles of the remuneration system are set out in art. 23 to 28 of the articles of association of Bucher Industries AG. Since 2015, the overall remuneration of the board of directors and group management has been subject to approval by the annual general meeting of shareholders. Directors are remunerated on a non-performance-related basis. Members of group management and senior management receive, in addition to their non-performance-related base salary, performance-related remuneration in recognition of their performance-oriented approach. All performance-related components of remuneration are subject to an upper limit and comprise a cash bonus and shares in the company. The objective of the remuneration system is to attract and retain highly qualified managers and specialists. The focus is on providing competitive remuneration comprising a fixed base salary and performance-related components. At the request of the compensation committee, the board of directors issues rules and regulations relevant to the remuneration system, which are additionally benchmarked against publicly available information about similar listed companies within the European mechanical engineering industry every three to five years and revised by the board if necessary, also at the request of the compensation committee.

bucherindustries.com/en/investors/corporate-governance

Annual general meeting

In accordance with art. 26 of the articles of association of Bucher Industries AG, the annual general meeting approves the total remuneration to be awarded to the board of directors for the period of office following the annual general meeting, the total amount of fixed remuneration for group management for the financial year following the annual general meeting and the total amount of variable remuneration for group management for the previous financial year. Additionally, the annual general meeting of shareholders takes note of the remuneration report on a non-binding and consultative basis.

Compensation committee

Responsibility The compensation committee comprises two to five members of the board of directors who are individually elected by the annual general meeting. The duties and responsibilities of the compensation committee are described in art. 20 and following of the company's articles of association, as well as in the summary of the internal rules of organisation that is publicly available. The compensation committee reports to the board of directors on its activities, findings and proposals. Overall responsibility for the tasks assigned to the compensation committee rests with the board of directors.

bucherindustries.com/en/investors/corporate-governance

Election and term of office The annual general meeting of 19 April 2023 elected Anita Hauser and Urs Kaufmann to the compensation committee until the next annual general meeting. The board of directors nominated Urs Kaufmann as chairman of the committee.

Tasks and responsibilities The compensation committee develops the remuneration policy and sets before the board of directors a proposal for a remuneration system, together with the appropriate corporate rules and regulations, for the directors, group management and senior management. It makes recommendations to the board for the annual remuneration of the board of directors and group management and the participants in the Bucher Participation Plan and takes note of the total remuneration for senior management. The compensation committee also sets before the board of directors proposals to be presented to the annual general meeting for the prospective approval of the total fixed remuneration for the board of directors and group management, as well as the retrospective approval of the total variable remuneration for group management, in accordance with art. 26 of the articles of association of Bucher Industries AG. It is also charged with the preparation of the remuneration report to be submitted to the board of directors. The compensation committee also reviews proposals to take on external directorships submitted by members of group management, in accordance with art. 29 of the articles of association of Bucher Industries AG. If agreement is unanimous, the committee recommends to the board of directors approval of the external mandates. The compensation committee also presents the board of directors with proposals for medium- and long-term personnel planning for the board of directors and group management. The committee provides the board of directors with proposals regarding the basic principles of the process for selecting candidates for the board of directors and group management and prepares selections based on these criteria.

Meetings and activities in the reporting period The compensation committee meets at least twice a year. The meetings usually last for several hours. The chairman of the board of directors and the CEO attend the meetings in an advisory capacity, except when their own remuneration is being determined. Depending on the items on the agenda, members of group management or specialists are consulted. The compensation committee held three meetings in the reporting period, which focused on the regular duties described above and on the promotion of diversity within the Group. A further six meetings were arranged to deal directly with succession planning for management and the board of directors. All members were present at each of the meetings.

Remuneration system

Board of directors

The members of the board of directors receive non-performance-related remuneration, which is proposed by the compensation committee and submitted for approval to the annual general meeting by the board of directors every year. The remuneration includes a base amount, half of which is paid in cash and half in shares. Work in the committees is remunerated in cash. All cash components of the remuneration are paid out to the board of directors on a monthly basis. The allocation of shares takes place on the day after the annual general meeting for the previous period of office. The number of the shares is calculated using the closing price on the day of the annual general meeting. The shares awarded are subject to a three-year blocking period.

Group management

Members of group management receive a fixed remuneration amount in the form of a base salary commensurate with their responsibilities and experience, and variable, performance-related remuneration paid out as a cash bonus and shares under the Bucher Participation Plan. Other benefits comprise a representation expense allowance and contributions to a supplementary pension plan. In addition, the members of group management may be provided with a mid-range company car. The fixed and variable components of remuneration specified in the employment contracts of the members of group management are conditional on the approval of the annual general meeting. Variable remuneration is paid after retrospective approval by the annual general meeting in the following spring. Variable remuneration depends on the base salary, the achievement of the annual financial targets set for the Group and divisions by the board of directors and the achievement of individual non-financial annual targets.

- **Annual financial targets** The annual financial targets for the variable, performance-related components of remuneration are determined at the start of the financial year by the board of directors. The targets take into account the Group's long-term targets, the budget for the current year and the general economic environment.
- **Individual annual targets** The individual annual targets are agreed between the board of directors and the CEO, while the CEO sets the targets for the members of group management after consultation with the chairman of the board of directors. The individual annual targets take the strategic initiatives of the respective divisions into account. In addition, each member of group management has at least one target related to the implementation of the Group-wide sustainability strategy.

The remuneration system for members of group management is structured as follows:

	Fixed remuneration		Variable remuneration		
	Base salary	Cash bonus	Bucher Participation Plan		
		Target ¹⁾	Range	Target ¹⁾	Range
CEO	100%	50%	0–75%	50%	0–75%
Other members	100%	40%	0–60%	30%	0–45%

¹⁾ 100% target achievement, all percentages are based on base salary.

Fixed remuneration The fixed base salary of group management members is determined with reference to market benchmarks for the specific position in the country concerned, based on the level of individual responsibility and experience of the person concerned.

Variable remuneration The performance-related components of the variable remuneration comprise a cash bonus and the Bucher Participation Plan. The level of individual target achievement ranges from zero to a maximum of 1.5 times the value for 100% target achievement.

- **Cash bonus** The remuneration system for the cash bonus is structured as follows: The financial targets are weighted at 80% and individual targets at 20%. The cash bonus for 100% target achievement is 50% of base salary for the CEO and 40% of base salary for all other members of group management. The financial criteria used to determine the cash bonus for the CEO and CFO are the Group's "profit for the year" and its "net operating assets as a percentage of sales". For the other members of group management, the financial criteria are "operating profit (EBIT)" and "net operating assets as a percentage of sales" for their respective divisions.
- **Bucher Participation Plan** The Bucher Participation Plan is a share-based, performance-related component of remuneration for the members of group management, senior management and selected specialists. The financial target determining the share awards is "earnings per share" and is set by the board of directors at the beginning of each financial year. The target takes into account the Group's long-term targets, the budget for the current year and the general economic environment. Share awards are based on a percentage of base salary. For 100% target achievement, the applicable percentage is 50% of base salary for the CEO, 30% for the other group management members and 10% for the other Bucher Participation Plan participants. The number and valuation of the shares is calculated using the closing price on the day of the annual general meeting. The shares awarded are subject to a three-year blocking period.

Termination of employment If employment is terminated for any reason other than by normal notice of termination, the cash bonus and awards under the Bucher Participation Plan will be paid on a pro-rata basis after the retrospective approval of the annual general meeting in the following spring. If employment is terminated by normal notice of termination, all rights under the Bucher Participation Plan lapse. The period of notice for members of group management is twelve months.

Termination benefits

There are no systems in place for termination benefits for either the board of directors or group management, and none were paid during the reporting period.

Remuneration in 2023

The remuneration of the board of directors and group management is reported here on an accrual basis.

Board of directors

The overall remuneration awarded to directors came to CHF 1.249 million (2022: CHF 1.174 million) and was within the total sum of CHF 1.300 million approved by the 2023 annual general meeting for the period of office. The increase compared with the prior year is mainly due to a one-time expense of CHF 50'000 in connection with the induction of the designated chairman of the board, as well as lower remuneration in the prior year for the period of office 2021/2022. From the period of office 2022/2023, the payment of flat-rate expenses was integrated into the base amount. This led to a shift within the categories. The base remuneration of the board for the period of office 2023/2024 remained unchanged and amounted to CHF 352'000 for the chairman, CHF 141'000 for the deputy chairwoman and CHF 126'000 for the other members of the board of directors. The base amount is paid half in cash and half in shares. The corresponding share allocations are based on the closing share price on the day of the annual general meeting. For their work in committees, committee members were each awarded CHF 10'000, with committee chairmen receiving an additional CHF 5'000. These, together with social security contributions and the one-time remuneration of the designated chairman of the board mentioned above, are included in the other remuneration.

Remuneration of the board of directors (audited)

CHF 1'000	Base remuneration in cash	Remuneration in shares	Other remuneration	Total remuneration
				2023
Philip Mosimann, chairman	176.0	176.0	34.5	386.5
Anita Hauser, deputy chairwoman	70.5	70.5	38.2	179.2
Michael Hauser	63.0	63.0	27.2	153.2
Martin Hirzel	63.0	63.0	32.9	158.9
Urs Kaufmann ¹⁾	42.0	42.0	77.7	161.7
Stefan Scheiber	63.0	63.0	27.2	153.2
Valentin Vogt ²⁾	21.0	21.0	14.3	56.3
Board of directors	498.5	498.5	252.0	1'249.0
Approval by the annual general meeting 2023				1'300.0
				2022
Philip Mosimann, chairman	174.0	174.0	38.0	386.0
Anita Hauser, deputy chairwoman	67.8	67.8	39.2	174.8
Michael Hauser	60.3	60.3	28.5	149.1
Martin Hirzel	60.3	60.3	34.2	154.8
Stefan Scheiber ³⁾	42.0	42.0	18.1	102.1
Heinrich Spoery ⁴⁾	18.3	18.3	15.7	52.3
Valentin Vogt	61.3	61.3	32.5	155.1
Board of directors	484.0	484.0	206.2	1'174.2
Approval by the annual general meeting 2022				1'300.0

¹⁾ From 19 April 2023

²⁾ Until 19 April 2023

³⁾ From 12 April 2022

⁴⁾ Until 12 April 2022

Group management

The total remuneration of group management was 2% below the level of the previous year and amounted to CHF 7.383 million (2022: CHF 7.507 million).

Fixed remuneration Fixed remuneration awarded to group management totalled CHF 4.334 million (2022: CHF 4.315 million) and was within the total of CHF 4.800 million approved by the 2022 annual general meeting.

Variable remuneration The variable remuneration of group management decreased by 4% compared with the previous year and amounted to CHF 3.049 million (2022: CHF 3.192 million). The decrease compared with the prior year is due to the lower target achievement. In the reporting period the target achievement determining the performance-related cash bonus for the CEO was 109% (119%) and for the other members it was between 89 and 116% (83 and 129%), and the target achievement for the Bucher Participation Plan was 121% (132%). The number of shares granted under the Bucher Participation Plan is calculated using the closing share price on the day of the annual general meeting. The cash bonus is paid out and the shares are allocated after approval by the annual general meeting. Other remuneration included social security contributions and expenses.

The cash bonus and the Bucher Participation Plan for 100% target achievement were each 50% of base salary for the CEO. For the other members of group management, the percentages for the cash bonus were between 37 and 40% and for the Bucher Participation Plan between 27 and 30%. These will be gradually adjusted over the next few years to 40 and 30% of base salary, respectively. The variable remuneration of CHF 3.177 million paid out to group management in spring 2023 for the financial year 2022 was less than the total amount of CHF 3.500 million approved retrospectively by the 2023 annual general meeting.

Remuneration of group management (audited)

CHF '000	Fixed remuneration			Variable remuneration			Total remuneration
	Base salary	Other remuneration	Total	Cash bonus	Remuneration in shares	Other remuneration	
							2023
Jacques Sanche, CEO	800.0	245.4	1'045.4	436.0	484.0	72.4	2'037.8
Other members	2'527.4	761.1	3'288.5	1'006.7	839.7	210.4	5'345.3
Group management	3'327.4	1'006.5	4'333.9	1'442.7	1'323.7	282.8	7'383.1
Approval by/proposal to the annual general meeting 2022/2024			4'800.0				3'500.0
							2022
Jacques Sanche, CEO	800.0	250.0	1'050.0	476.0	528.0	79.0	2'133.0
Other members	2'506.3	758.6	3'264.9	1'040.8	848.3	220.3	5'374.3
Group management	3'306.3	1'008.6	4'314.9	1'516.8	1'376.3	299.3	7'507.3
Approval by the annual general meeting 2021/2023			5'000.0				3'500.0

Additional remuneration, loans to members of governing bodies and interests in shares

No additional remuneration or fees were paid and no loans were granted to members of governing bodies in the reporting period. As at 31 December 2023, there were no outstanding loans or credits to current or former members of the board of directors or group management nor to persons connected with them. The interests in shares held at the end of the reporting period are set out in the tables below.

Directors' interests in shares (audited)

	Number of shares	
	2023	2022
Philip Mosimann, chairman	47'803	47'369
Anita Hauser, deputy chairwoman	441'002	440'828
Michael Hauser	605'938	605'782
Martin Hirzel	809	653
Urs Kaufmann	200	n.a.
Stefan Scheiber	236	80
Valentin Vogt	n.a.	5'335
Board of directors	1'095'988	1'100'047

Group management's interests in shares (audited)

		Number of shares	
		2023	2022
Jacques Sanche	CEO	8'634	7'332
Manuela Suter	CFO	1'534	1'184
Thierry Krier	Kuhn Group	4'308	3'900
Aurelio Lemos	Bucher Municipal	894	882
Daniel Waller	Bucher Hydraulics	9'847	9'499
Matthias Kümmerle	Bucher Emhart Glass	1'022	690
Stefan Düring	Bucher Specials	2'446	2'132
Group management		28'685	25'619

Other appointments and commitments of the board of directors (audited)

Other appointments and commitments	
Philip Mosimann, chairman	Chairman of the board of Ammann Group Holding AG, Langenthal and of Uster Technologies AG, Uster; member of the board of Vanderlande Industries B.V., Veghel/NL
Anita Hauser, deputy chairwoman	Member of the board of AMAG Group AG, Cham, of Roche Holding AG, Basel, and of Magenta Management AG, Zurich
Michael Hauser	CEO of notime (Schweiz) AG, Zurich; no other appointments or commitments
Martin Hirzel	President of Swissmem (trade association of the Swiss mechanical, electrical and engineering industries), Zurich; member of the board of Datwyler Holding AG, Altdorf, of IPZ Operation AG, Dübendorf, of Lantal Textiles AG, Langenthal, of Ronal AG, Härkingen and of TESTEX AG, Zurich
Urs Kaufmann	Chairman of the board of Huber+Suhner AG, Pfäffikon; deputy chairman of the board of SFS Group AG, Heerbrugg; member of the board of Vetropack Holding AG, Saint-Prex (until April 2024), and of Müller Martini Holding AG, Hergiswil
Stefan Scheiber	CEO and member of the board of Bühler Group, Uzwil; member of the board of Switzerland Innovation Park East, St. Gallen and of Kistler Holding AG, Winterthur

Other appointments and commitments of group management (audited)

Other appointments and commitments	
Jacques Sanche	Member of the board of Schweiter Technologies AG, Steinhausen
Manuela Suter	Member of the board of SFS Group AG, Heerbrugg
Thierry Krier	President of CEMA (European Agricultural Machinery Association); member of the board of VDMA Agricultural Machinery (trade association of the German Engineering Federation)
Aurelio Lemos	No other appointments or commitments
Daniel Waller	No other appointments or commitments
Matthias Kümmerle	No other appointments or commitments
Stefan Düring	No other appointments or commitments

Report of the statutory auditor

to the General Meeting of Bucher Industries AG

Niederweningen

Report on the audit of the remuneration report

Opinion

We have audited the remuneration report of Bucher Industries AG (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to article 734a-734f CO in the tables marked 'audited' on pages 68 to 71 of the remuneration report.

In our opinion, the information pursuant to article 734a-734f CO in the remuneration report complies with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the remuneration report' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked 'audited' in the remuneration report, the consolidated financial statements, the financial statements and our auditor's reports thereon.

Our opinion on the remuneration report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the remuneration report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the remuneration report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the remuneration report

The Board of Directors is responsible for the preparation of a remuneration report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a remuneration report that is free from material misstatement, whether due to fraud or error. It is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's responsibilities for the audit of the remuneration report

Our objectives are to obtain reasonable assurance about whether the information pursuant to article 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or

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error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this remuneration report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the remuneration report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

PricewaterhouseCoopers AG



Thomas Illi
Licensed audit expert
Auditor in charge



Oliver Illa
Licensed audit expert

Zürich, 26 February 2024

Financial report

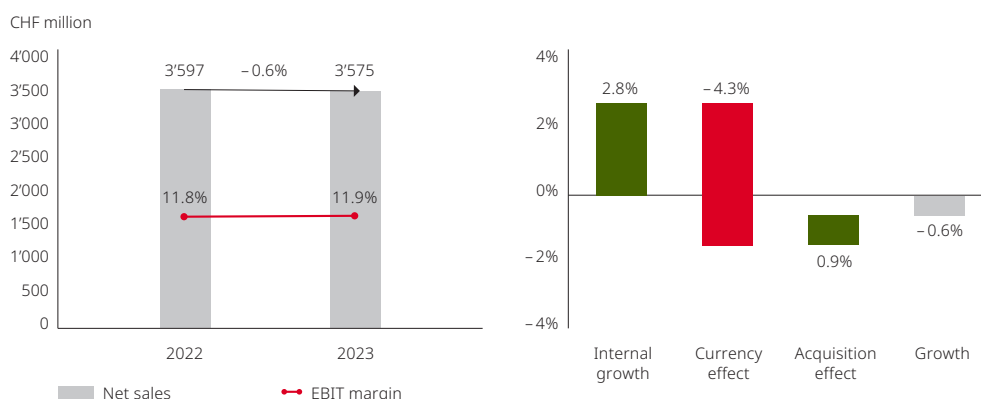
With sales at prior-year level and a high operating profit margin, Bucher Industries once again achieved a return on net operating assets of over 20%. The operating free cash flow was increased and the financial position remains extremely solid.

Financial review

Topic	Ambition	Key indicator and target	2023
Economic value creation	Our Group is founded on sustainable and responsible economic value creation, whereby we strive for high profitability and a high return on net operating assets.	Over a business cycle: – Operating profit margin of over 10% – Return on net operating assets (RONOA) after tax of over 20%	11.9% 24.7%

Performance

Sales development and operating profit margin



Sales at prior-year level In the course of the reporting period, demand for our products and services declined in line with the general economic slowdown, and the order intake dropped by 17.8% compared with the high prior-year amount. Net sales were at the prior-year level, with price increases compensating the negative currency effects of 4.3 percentage points. The effect of acquisitions on the net sales was CHF 33.0 million (0.9 percentage points). Further information about the exchange rates used and the acquisitions can be found in notes 4.7 and 5.1 to the consolidated financial statements.

	CHF million		Change
	2023	2022	%
Net sales	3'574.8	3'596.8	-0.6
Net sales adjusted for currency effects	3'730.9	3'596.8	3.7
Net sales adjusted for acquisition effects	3'541.8	3'596.8	-1.5
Net sales adjusted for currency and acquisition effects	3'697.7	3'596.8	2.8

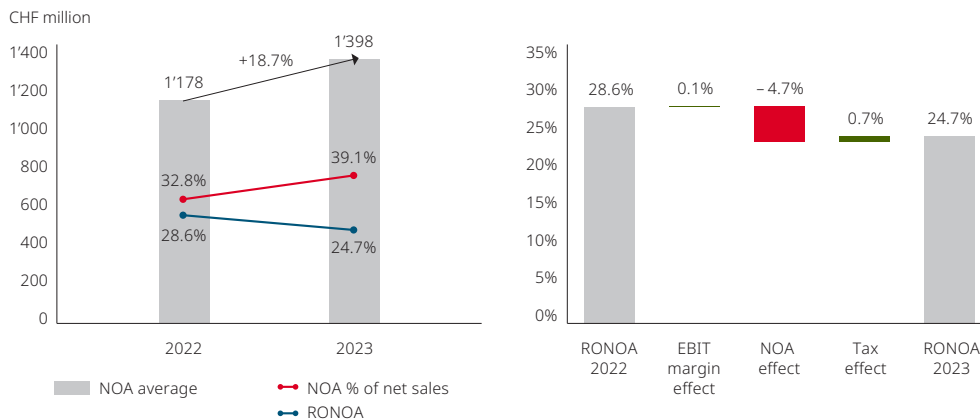
Production capacity was less utilised in the second half of the year, and production planning was adjusted to the lower volumes on a case-by-case basis. Consequently, the number of full-time equivalents fell during the course of the year. The average number of full-time equivalents for the year, adjusted for acquisitions, still rose slightly by 2.3%, but at the end of the year, it was just below the high prior-year number.

Continued high operating profit margin The operating profit margin was 11.9%, just above the prior year's good margin. This was due to good capacity utilisation, higher production efficiencies as a result of the improvement in the supply chain and the price increases initiated in the previous year. The further increase in the operating profit margin of Bucher Hydraulics and Bucher Emhart Glass compensated the decrease of Kuhn Group and Bucher Specials, which was mainly due to the lower capacity utilisation in the second half of the year. The operating profit of Bucher Municipal was negatively impacted by additional value adjustments of CHF 5.0 million on inventories at one location in Australia, while the Group's operating profit included a gain of CHF 9.7 million from the sale of real estate.

Marked increase in profit for the year Compared with the prior year, the profit for the year increased by CHF 21.1 million to CHF 355.7 million, amounting to 9.9% of net sales. The financial result was CHF 12.1 million (2022: CHF -2.4 million) and was characterised by higher interest income and the result of short-term investments, mainly in Brazil, as well as lower negative currency effects. The reduction of the effective tax rate to 18.5% (20.9%) is due in particular to geographical shifts in the taxable income as well as special effects in Brazil.

Invested capital

Economic value creation



Pleasing return on net operating assets (RONOA) The return on net operating assets (RONOA) after tax was a high 24.7%, above the long-term target of 20% and thus well above the cost of capital of 8%. The pleasing return is attributable to the good sales level with a continued high operating profit margin. Compared with the prior year, the average net operating assets (NOA) increased by 18.7% with a negative impact on the return. The main reasons for the increase were higher inventories as a result of challenges in the supply chain, significantly lower advances from customers as well as investments in internal and external growth. The average inventory turnover remained at a low level but towards the end of the reporting period, the inventories could be increasingly reduced.

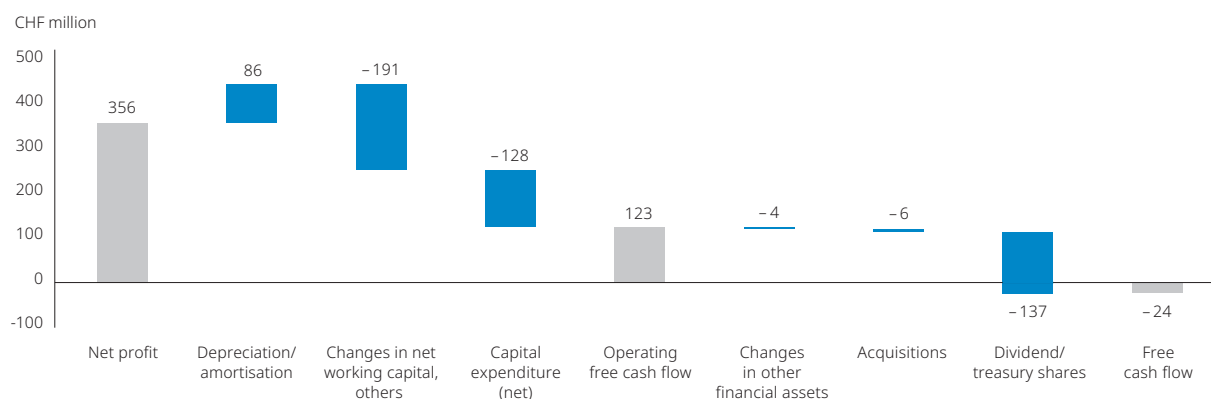
Strategic investments in internal and external growth The investments in the expansion of the production infrastructure and in the modernisation of production facilities amounted to CHF 141.6 million. The main focus was on the construction projects of Bucher Hydraulics and Bucher Automation in Germany, as well as Bucher Emhart Glass in Malaysia. The Group further invested in strengthening its IT infrastructure and security. Expenditure for research and development amounted to CHF 132.8 million, an increase of 8.1%. They included the development of digital solutions for precision farming, the electrification of municipal vehicles, the development of innovative electrohydraulic subsystems and “End to End” technology and services to further automate the glass-forming process. At the beginning of the reporting period, Bucher Municipal acquired the remaining 80% of the shares of SSV Environnement in France. The purchase consideration amounted to CHF 6.9 million and the cash outflow was CHF 5.0 million. The company acquired generated net sales of CHF 9.3 million since the acquisition date.

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

CHF million	Change		
	2023	2022	%
Trade receivables	532.8	568.6	
Inventories	1'056.3	1'022.4	
Other operating receivables, prepayments and accrued income	80.2	92.7	
Trade payables	-291.8	-348.6	
Advances from customers	-273.1	-358.1	
Current provisions	-82.3	-80.5	
Other operating liabilities, accruals and deferred income	-287.0	-285.7	
Net working capital	735.1	610.8	20.4
Property, plant and equipment	642.5	609.6	
Intangible assets	12.6	11.3	
Non-current operating receivables	3.0	5.1	
Non-current provisions	-8.8	-10.7	
Non-current operating liabilities	-11.4	-12.6	
Net operating assets (NOA)	1'373.0	1'213.5	13.1
Net operating assets (NOA) average	1'398.1	1'178.1	18.7
Operating profit (EBIT)	424.4	425.2	-0.2
Effective tax rate	18.5%	20.9%	
Return on net operating assets (RONOA) after tax	24.7%	28.6%	

Financing and risk management

Free cash flow



Higher operating free cash flow Compared with the prior year, the operating free cash flow rose by CHF 54.3 million, which is mainly due to the good operating performance and a lower increase in net working capital.

Free cash flow and net cash

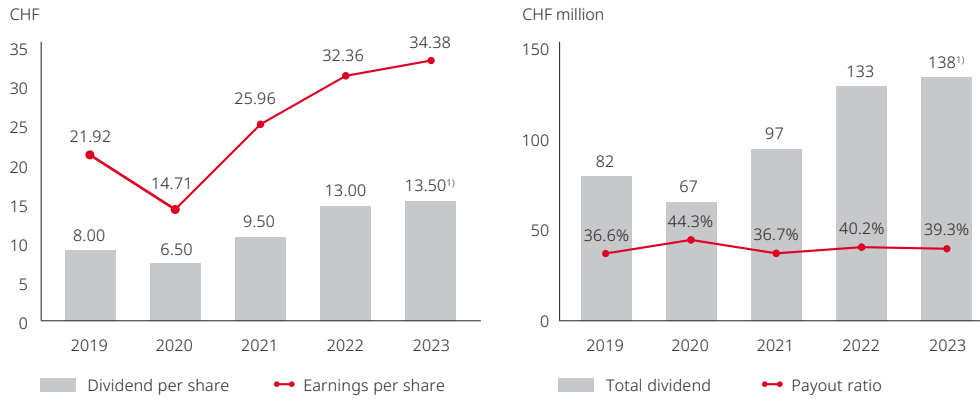
CHF million

	2023	2022
Profit for the year	355.7	334.6
Depreciation, impairment and amortisation	86.0	85.8
Changes in net working capital	-188.3	-262.3
Other changes	-3.0	5.6
Net investments in property, plant and equipment and intangible assets	-127.5	-95.1
Operating free cash flow	122.9	68.6
Changes in other non-current financial assets	-3.7	0.4
Acquisitions	-6.3	-41.0
(Purchases)/sale of treasury shares	-1.8	-
Dividend paid/received	-135.5	-99.6
Free cash flow	-24.4	-71.6
Net cash/debt	395.6	457.2
Net cash/debt average	341.3	396.2

Solid financial position Net cash was impacted by negative currency effects and decreased, also as a result of the negative free cash flow, to CHF 395.6 million at year end. It comprised cash and liquid assets of CHF 529.3 million and financial liabilities of CHF 133.7 million. In view of the very solid financial position, the unused committed credit facilities were further reduced by CHF 20.0 million to CHF 40.0 million at year end. The equity ratio was 61.4%. This solid financial position continues to secure the flexibility of Bucher Industries and to lay the foundations for further growth.

Shareholder value

Dividend and payout ratio



¹⁾ Proposal of the board of directors

Consistent dividend policy The board of directors proposes a dividend of CHF 13.50 per share to the annual general meeting on 18 April 2024. The proposal takes into account a consistent dividend policy, the profit for the year 2023, 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 2023 of CHF 381.17 (2022: CHF 367.50), the proposal of the board of directors is equivalent to a dividend yield of 3.5% (3.5%). The year-end market capitalisation was CHF 3.6 billion.

Group

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Consolidated income statement

CHF million	Note				
		2023	%	2022	%
Net sales	2.1	3'574.8	100.0	3'596.8	100.0
Changes in inventories of finished goods and work in progress		70.5		100.8	
Raw materials and consumables used		-1'861.7		-1'970.2	
Employment costs	2.2	-876.0		-832.8	
Other operating income	2.3	41.2		27.6	
Other operating expenses	2.4	-438.4		-411.2	
Operating profit before depreciation and amortisation (EBITDA)		510.4	14.3	511.0	14.2
Depreciation, impairment	3.3	-82.0		-82.0	
Amortisation	3.4	-4.0		-3.8	
Operating profit (EBIT)	2.1	424.4	11.9	425.2	11.8
Share of profit/(loss) of associates	2.5	2.9		2.0	
Finance costs	2.5	-4.6		-9.6	
Finance income	2.5	13.8		5.2	
Profit before tax		436.5	12.2	422.8	11.8
Income taxes	2.6	-80.8		-88.2	
Profit for the year		355.7	9.9	334.6	9.3
Attributable to owners of Bucher Industries AG		352.1		331.2	
Attributable to minority interests		3.6		3.4	
Basic and diluted earnings per share (CHF)	4.6	34.38		32.36	

Consolidated balance sheet

CHF million	Note	31 December 2023	31 December 2022
Cash and cash equivalents	4.1	488.0	536.9
Other financial assets	4.2	41.3	42.4
Trade receivables	3.1	532.8	568.6
Other receivables, prepayments and accrued income	3.1	88.4	99.7
Inventories	3.2	1'056.3	1'022.4
Current assets		2'206.8	2'270.0
Receivables	3.1	3.9	6.5
Property, plant and equipment	3.3	642.5	609.6
Intangible assets	3.4	12.6	11.3
Other financial assets	4.2	6.5	2.9
Investments in associates		14.6	13.8
Deferred income tax assets	2.6	71.5	64.6
Non-current assets		751.6	708.7
Assets		2'958.4	2'978.7
Financial liabilities	4.3	112.2	7.7
Trade payables		291.8	348.6
Advances from customers		273.1	358.1
Provisions	3.5	82.3	80.5
Other liabilities, accruals and deferred income	3.7	289.0	289.3
Current liabilities		1'048.4	1'084.2
Financial liabilities	4.3	21.5	114.4
Provisions	3.5	8.8	10.7
Other liabilities	3.7	11.5	12.8
Deferred income tax liabilities	2.6	29.4	30.5
Pension benefit obligations	6.1	22.9	24.3
Non-current liabilities		94.1	192.7
Total liabilities		1'142.5	1'276.9
Share capital	4.6	2.1	2.1
Treasury shares	4.6	-3.4	-3.4
Retained earnings		1'797.7	1'682.7
Attributable to owners of Bucher Industries AG		1'796.4	1'681.4
Attributable to minority interests		19.5	20.4
Equity		1'815.9	1'701.8
Liabilities and equity		2'958.4	2'978.7

Consolidated cash flow statement

CHF million	Note	2023	2022
Profit for the year		355.7	334.6
Income tax expense	2.6	80.8	88.2
Share of (profit)/loss of associates	2.5	-2.9	-2.0
Other net financial result	2.5	-9.2	4.4
Depreciation, impairment and amortisation	3.3, 3.4	86.0	85.8
Other operating cash flow items		8.7	0.6
Gain on sale of property, plant and equipment	2.3	-10.9	-1.1
Interest received		7.1	1.8
Interest paid		-2.5	-2.1
Income tax paid		-79.1	-72.8
Change in provisions and pension benefit obligations		5.0	-11.4
Change in trade receivables		2.2	-141.8
Change in other receivables, prepayments and accrued income		-1.7	-5.4
Change in inventories		-114.7	-204.8
Change in advances from customers		-65.0	31.6
Change in trade payables		-37.2	56.3
Change in other liabilities, accruals and deferred income		21.6	9.9
Other changes in net working capital		6.5	-8.1
Net cash flow from operating activities		250.4	163.7
Purchases of property, plant and equipment		-135.8	-94.2
Proceeds on disposal of non-current assets		14.1	1.9
Purchases of intangible assets	3.4	-5.8	-2.8
Purchases of other financial assets		-7.2	-11.2
Disposal of other financial assets		1.6	0.7
Acquisitions	5.1	-6.3	-41.0
Dividend received		0.3	0.5
Net cash flow from investing activities		-139.1	-146.1
(Purchases)/sale of treasury shares	4.6	-1.8	-
Proceeds from/(repayment of) non-current financial liabilities		-0.2	-0.5
Proceeds from/(repayment of) current financial liabilities		1.7	-32.2
Dividend paid		-135.8	-100.1
Net cash flow from financing activities		-136.1	-132.8
Effect of exchange rate changes		-24.1	-20.1
Net change in cash and cash equivalents		-48.9	-135.3
Cash and cash equivalents at 1 January		536.9	672.2
Cash and cash equivalents at 31 December		488.0	536.9

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				
Balance at 1 January 2023	2.1	-3.4	-311.4	-203.1	-0.6	2'197.8	1'681.4	20.4	1'701.8
Profit for the year						352.1	352.1	3.6	355.7
Change in currency translation reserve				-107.7			-107.7	-1.9	-109.6
Change in cash flow hedge reserve					4.4		4.4	-	4.4
(Purchase)/sale of treasury shares		-1.8					-1.8		-1.8
Share-based payments		1.8				0.7	2.5		2.5
Goodwill offset			-1.8				-1.8		-1.8
Gain of control of an associate ¹⁾						0.5	0.5		0.5
Dividend						-133.2	-133.2	-2.6	-135.8
Balance at 31 December 2023	2.1	-3.4	-313.2	-310.8	3.8	2'417.9	1'796.4	19.5	1'815.9
Balance at 1 January 2022	2.1	-5.9	-296.0	-151.1	-0.8	1'963.4	1'511.7	20.9	1'532.6
Profit for the year						331.2	331.2	3.4	334.6
Change in currency translation reserve				-52.0			-52.0	-1.1	-53.1
Change in cash flow hedge reserve					0.2		0.2	-	0.2
Share-based payments		2.5				0.5	3.0		3.0
Goodwill offset			-15.4				-15.4		-15.4
Dividend						-97.3	-97.3	-2.8	-100.1
Balance at 31 December 2022	2.1	-3.4	-311.4	-203.1	-0.6	2'197.8	1'681.4	20.4	1'701.8

¹⁾ Difference between share of fair value and equity value upon gain of control of SSV Environnement SAS, which was previously recognised as an associate.

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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 divisions in industrially related areas of mechanical and vehicle engineering.

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. 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 significant 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 significant 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). The functional currency is generally the same as 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 and impairment of non-financial assets, in particular the assessment 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 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 published on the website, and the following also in this report:

- 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
- Net cash/debt, see financial review
- Free cash flow, see financial review
- Internal growth, see financial review

bucherindustries.com/en/additional-performance-measures

2. Performance

2.1 Segment reporting

The Group comprises five divisions: specialised agricultural machinery (Kuhn Group), municipal vehicles (Bucher Municipal), hydraulic and electronic components as well as electrohydraulic systems (Bucher Hydraulics), manufacturing equipment for the glass container industry (Bucher Emhart Glass), equipment for processing beverages, and automation solutions (Bucher Specials).

Segment information

CHF million	Net sales			Operating profit (EBIT)			Net operating assets (NOA) ¹⁾		
	2023	2022	%	2023	2022	%	2023	2022	%
Kuhn Group	1'421.8	1'510.3	-5.9	162.6	176.3	-7.8	348.8	250.9	39.0
Bucher Municipal	572.5	529.3	8.2	36.0	31.5	14.3	309.5	274.7	12.7
Bucher Hydraulics	743.6	755.5	-1.6	103.5	101.4	2.1	292.8	321.0	-8.8
Bucher Emhart Glass	523.6	525.2	-0.3	102.0	97.5	4.6	222.6	203.5	9.4
Bucher Specials	398.0	347.1	14.7	33.0	29.9	10.4	172.2	136.1	26.5
Reportable segments	3'659.5	3'667.4	-0.2	437.1	436.6	0.1	1'345.9	1'186.2	13.5
Other/consolidation	-84.7	-70.6	-20.0	-12.7	-11.4	-11.4	27.1	27.3	-0.7
Group	3'574.8	3'596.8	-0.6	424.4	425.2	-0.2	1'373.0	1'213.5	13.1

¹⁾ At 31 December

The performance of each of the divisions is evaluated on the basis of operating profit, which is measured in 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 amounting to CHF 1.1 million (2022: CHF 8.7 million) as well as consolidation adjustments for intersegment transactions. In the reporting period there was also a gain of CHF 9.7 million from the sale of real estate. Intersegment sales amounted to CHF 13.6 million (CHF 15.4 million) for Kuhn Group, CHF 6.4 million (CHF 6.3 million) for Bucher Hydraulics and CHF 64.6 million (CHF 48.9 million) for Bucher Specials. The other divisions had only marginal intersegment sales.

CHF million	Capital expenditure				Research and development costs			
	2023	% ¹⁾	2022	% ¹⁾	2023	% ¹⁾	2022	% ¹⁾
Kuhn Group	40.1	2.8	36.3	2.4	-48.8	3.4	-45.0	3.0
Bucher Municipal	20.3	3.5	8.4	1.6	-22.4	3.9	-19.1	3.6
Bucher Hydraulics	28.6	3.8	25.4	3.4	-27.6	3.7	-27.5	3.6
Bucher Emhart Glass	22.3	4.3	13.2	2.5	-21.2	4.0	-19.9	3.8
Bucher Specials	28.0	7.0	12.8	3.7	-12.8	3.2	-11.4	3.3
Reportable segments	139.3	3.8	96.1	2.6	-132.8	3.6	-122.9	3.4
Other/consolidation	2.3	-	0.9	-	-	-	-	-
Group	141.6	4.0	97.0	2.7	-132.8	3.7	-122.9	3.4

¹⁾ Of net sales

Net sales by region

CHF million

	2023	%	2022	%
Switzerland	134.8	3.8	147.6	4.1
Germany	529.4	14.8	476.3	13.2
France	431.9	12.1	400.9	11.2
Rest of Europe	1'132.8	31.6	1'028.2	28.6
Europe	2'228.9	62.3	2'053.0	57.1
North America	559.6	15.7	599.6	16.7
Brazil	187.4	5.2	281.9	7.8
Rest of Americas	87.8	2.5	133.2	3.7
Americas	834.8	23.4	1'014.7	28.2
China	135.1	3.8	170.2	4.7
India	35.2	1.0	26.6	0.7
Rest of Asia	157.4	4.4	110.5	3.1
Asia	327.7	9.2	307.3	8.5
Australia	133.8	3.7	159.2	4.4
Other	49.6	1.4	62.6	1.8
Net sales	3'574.8	100.0	3'596.8	100.0

Net sales have been allocated to the countries of destination.

Reconciliation of segment results

CHF million

	2023	2022
Segment operating profit (EBIT)	437.1	436.6
Other/consolidation	-12.7	-11.4
Operating profit (EBIT)	424.4	425.2
Share of profit/(loss) of associates	2.9	2.0
Finance costs	-4.6	-9.6
Finance income	13.8	5.2
Profit before tax	436.5	422.8

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

	2023	2022
Wages and salaries	-624.4	-592.2
Share-based payments	-2.5	-2.8
Social security costs	-110.4	-104.4
Pension benefit expense	-44.1	-34.5
Other employment costs	-94.6	-98.9
Employment costs	-876.0	-832.8

Share-based payments include the Bucher Participation Plan as well as remuneration of the board of directors. In the reporting period, 6'773 shares (2022: 9'142) in total were issued. The shares awarded are subject to a three-year blocking period. Other employment costs include incidental costs of staff recruitment, retention, training and development as well as external staff costs.

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

	2023	2022
Own work capitalised	7.2	4.4
Gain on sale of property, plant and equipment	10.9	1.1
Miscellaneous income	23.1	22.1
Other operating income	41.2	27.6

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

	2023	2022
Energy, maintenance and repairs	-141.6	-130.5
Charges, levies, taxes and consulting fees	-40.5	-38.1
Marketing and distribution costs	-125.7	-130.4
Insurance expenses	-6.4	-5.6
Operating lease expenses	-17.6	-16.0
Miscellaneous operating expenses	-106.6	-90.6
Other operating expenses	-438.4	-411.2

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

	2023	2022
Share of profit/(loss) of associates	2.9	2.0
Interest expense	-2.9	-2.5
Financial foreign exchange gains and losses	-1.4	-6.6
Other finance costs	-0.3	-0.5
Finance costs	-4.6	-9.6
Interest income	6.6	1.8
Net gain on financial assets	7.2	3.4
Finance income	13.8	5.2
Financial result	12.1	-2.4

2.6 Income taxes

Effective income taxes

CHF million		
	2023	2022
Current income taxes	-91.4	-89.2
Deferred income taxes	10.6	1.0
Income taxes	-80.8	-88.2
Reconciliation:		
Profit before tax	436.5	422.8
Weighted average tax rate	22.1%	23.6%
Theoretical income tax charge	-96.3	-99.8
Utilisation of unrecognised tax loss carryforwards	0.5	0.2
Reappraisal of tax loss carryforwards	-1.9	-1.0
Reappraisal of other deferred tax assets	2.2	4.9
Expenses not deductible for tax purposes/income not subject to tax	-0.7	-1.6
(Under)/over provided in prior years	8.6	3.5
Changes in deferred taxes due to changes in tax rates	-	0.1
Other differences	6.8	5.5
Effective income taxes	-80.8	-88.2
Effective tax rate	18.5%	20.9%

The reduction of the effective tax rate to 18.5% (2022: 20.9%) is due in particular to geographical shifts in the taxable income as well as special effects in Brazil.

Movements in deferred income taxes

CHF million	Assets		Liabilities	
	2023	2022	2023	2022
Balance at 1 January	64.6	-30.5	57.7	-23.2
Exchange differences	-3.8	1.0	-1.4	0.6
Acquisition of subsidiaries	-	-0.8	0.8	-
(Charged)/credited to income statement	10.7	-0.1	7.6	-6.6
(Charged)/credited to equity	-	1.0	-0.1	-1.3
Balance at 31 December	71.5	-29.4	64.6	-30.5

Tax loss carryforwards

CHF million

	2023	2022
Tax loss carryforwards	57.9	35.1
Of which recognised in deferred income taxes	-34.1	-24.0
Unrecognised tax loss carryforwards	23.8	11.1
Thereof with expiration:		
Within 1 year	1.8	2.0
In 1 to 5 years	10.2	7.9
In more than 5 years	-	0.1
No expiration	11.8	1.1
Tax effect on unrecognised tax loss carryforwards	5.5	2.0

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 assets and 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. The deferred tax assets from tax loss carryforwards and temporary differences of CHF 71.5 million (2022: CHF 64.6 million) include value adjustments of CHF 19.3 million (CHF 19.1 million). The Group falls within the scope of the OECD Pillar Two model rules for taxes (the Global Anti-Base Erosion Proposal, or "GloBE"). These new rules are not expected to have a material impact on the net assets, financial position and results of operations of Bucher Industries in the short to medium term.

3. Invested capital

3.1 Receivables, prepayments and accrued income

CHF million	Current	Non-current	Total	Current	Non-current	Total
	2023			2022		
Trade receivables	510.6	0.5	511.1	549.1	1.1	550.2
Notes receivable	22.2	-	22.2	19.5	-	19.5
Trade receivables, net	532.8	0.5	533.3	568.6	1.1	569.7
Tax receivables	13.7	-	13.7	22.4	-	22.4
Prepayments to suppliers	10.5	-	10.5	12.3	-	12.3
Derivative financial instruments	8.2	0.1	8.3	7.0	0.6	7.6
Prepayments and accrued income	16.9	-	16.9	18.4	-	18.4
Other receivables	39.1	3.3	42.4	39.6	4.8	44.4
Other receivables, prepayments and accrued income	88.4	3.4	91.8	99.7	5.4	105.1
Receivables, prepayments and accrued income	621.2	3.9	625.1	668.3	6.5	674.8

Ageing analysis of trade receivables

CHF million	2023	2022
Trade receivables, gross	553.4	586.1
Value adjustments	-20.1	-16.4
Trade receivables, net	533.3	569.7
Not due	444.3	504.0
Not due, value adjustments	-5.3	-5.9
Past due, within 30 days	60.3	47.9
Past due, from 31 to 90 days	23.0	17.1
Past due, more than 90 days	25.8	17.1
Past due, value adjustments	-14.8	-10.5

Accounting policies

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

3.2 Inventories

CHF million

	2023	2022
Raw materials and consumables	435.4	434.5
Work in progress	243.8	266.2
Finished goods and goods for resale	525.2	454.7
Inventories, gross	1'204.4	1'155.4
Write-downs	-148.1	-133.0
Inventories, net	1'056.3	1'022.4

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
					2023
Cost at 1 January	705.9	613.3	261.8	55.8	1'636.8
Exchange differences	-42.0	-35.6	-16.2	-4.7	-98.5
Acquisition of subsidiaries	-	15.5	0.1	-	15.6
Additions	19.6	33.2	22.8	67.7	143.3
Disposals	-1.1	-8.3	-9.7	-	-19.1
Transfers	18.4	14.0	4.6	-37.0	-
Cost at 31 December	700.8	632.1	263.4	81.8	1'678.1
Accumulated depreciation at 1 January	-364.1	-464.1	-199.0	-	-1'027.2
Exchange differences	21.4	25.1	11.2	-	57.7
Depreciation for the year	-23.8	-38.2	-20.0	-	-82.0
Disposals	0.4	6.4	9.1	-	15.9
Accumulated depreciation at 31 December	-366.1	-470.8	-198.7	-	-1'035.6
Net book value at 31 December	334.7	161.3	64.7	81.8	642.5
					2022
Cost at 1 January	713.1	603.1	254.5	31.7	1'602.4
Exchange differences	-24.9	-22.8	-10.8	-1.6	-60.1
Acquisition of subsidiaries	9.1	9.7	0.3	0.2	19.3
Additions	6.8	23.6	20.4	47.0	97.8
Disposals	-2.1	-11.6	-8.9	-	-22.6
Transfers	3.9	11.3	6.3	-21.5	-
Cost at 31 December	705.9	613.3	261.8	55.8	1'636.8
Accumulated depreciation at 1 January	-348.2	-457.8	-197.6	-	-1'003.6
Exchange differences	12.3	17.4	8.2	-	37.9
Depreciation for the year	-24.1	-33.7	-18.1	-	-75.9
Impairment	-6.1	-	-	-	-6.1
Disposals	2.0	10.0	8.5	-	20.5
Accumulated depreciation at 31 December	-364.1	-464.1	-199.0	-	-1'027.2
Net book value at 31 December	341.8	149.2	62.8	55.8	609.6

The net book value of assets under finance leases increased as a result of an acquisition to CHF 12.3 million (2022: CHF 3.0 million). The impairment in the prior year related to a building in Russia.

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
				2023
Cost at 1 January	97.1	41.0	14.8	152.9
Exchange differences	-5.8	-2.0	-0.9	-8.7
Additions	-	5.1	0.7	5.8
Disposals	-	-0.1	-	-0.1
Transfers	-	0.3	-0.3	-
Cost at 31 December	91.3	44.3	14.3	149.9
Accumulated amortisation at 1 January	-94.1	-33.5	-14.0	-141.6
Exchange differences	5.7	1.7	0.8	8.2
Amortisation for the year	-0.5	-3.4	-0.1	-4.0
Disposals	-	0.1	-	0.1
Accumulated amortisation at 31 December	-88.9	-35.1	-13.3	-137.3
Net book value at 31 December	2.4	9.2	1.0	12.6
				2022
Cost at 1 January	101.3	42.8	15.1	159.2
Exchange differences	-4.1	-1.5	-0.7	-6.3
Additions	-	2.4	0.4	2.8
Disposals	-0.1	-2.7	-	-2.8
Cost at 31 December	97.1	41.0	14.8	152.9
Accumulated amortisation at 1 January	-97.7	-34.3	-14.6	-146.6
Exchange differences	4.1	1.2	0.7	6.0
Amortisation for the year	-0.6	-3.1	-0.1	-3.8
Disposals	0.1	2.7	-	2.8
Accumulated amortisation at 31 December	-94.1	-33.5	-14.0	-141.6
Net book value at 31 December	3.0	7.5	0.8	11.3

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

	2023	2022
Cost at 1 January	311.4	296.0
Acquisition of subsidiaries	1.8	16.6
Disposals	-	-1.2
Cost at 31 December at historical currency rates	313.2	311.4
Accumulated exchange differences	-58.6	-42.7
Cost at 31 December	254.6	268.7
Accumulated amortisation at 1 January	-215.6	-198.8
Exchange differences	14.9	3.8
Amortisation for the year	-20.1	-21.2
Disposals	-	0.6
Accumulated amortisation at 31 December	-220.8	-215.6
Theoretical net book value at 31 December	33.8	53.1
Equity according to balance sheet	1'815.9	1'701.8
Theoretical book value of goodwill	33.8	53.1
Theoretical shareholders' equity at 31 December including goodwill	1'849.7	1'754.9
Profit for the year	355.7	334.6
Theoretical amortisation of goodwill	-20.1	-21.2
Adjustment of result on disposal of goodwill	-	0.6
Theoretical profit for the year after goodwill adjustments	335.6	314.0

Accounting policies

Goodwill Goodwill is offset with equity at the date of the acquisition of a subsidiary or an investment in an associated company. Upon loss of control over a company, the relevant goodwill is charged to the income statement at the original cost. 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
				2023
Balance at 1 January	54.9	24.5	11.8	91.2
Exchange differences	-3.4	-1.1	-0.7	-5.2
Additional provisions	46.7	3.1	1.8	51.6
Unutilised amounts reversed	-1.8	-4.1	-0.5	-6.4
Utilised during year	-37.3	-1.4	-1.4	-40.1
Balance at 31 December	59.1	21.0	11.0	91.1
Current portion	57.6	20.1	4.6	82.3
Non-current portion	1.5	0.9	6.4	8.8
				2022
Balance at 1 January	47.2	26.1	13.9	87.2
Exchange differences	-2.0	-0.5	-0.4	-2.9
Additional provisions	44.6	3.9	0.8	49.3
Unutilised amounts reversed	-3.2	-3.0	-1.1	-7.3
Utilised during year	-31.7	-2.0	-1.4	-35.1
Balance at 31 December	54.9	24.5	11.8	91.2
Current portion	53.5	21.1	5.9	80.5
Non-current portion	1.4	3.4	5.9	10.7

Other provisions relate to risks associated with the Group's industrial operations as well as restructuring costs.

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 1.1 million in contingent liabilities (2022: CHF 1.2 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 (2022: 20%). The price for the 80% of the shares currently held amounted to CHF 34.3 million.

Other commitments There are commitments to purchase non-current assets amounting to CHF 25.1 million (2022: CHF 24.2 million).

3.7 Other liabilities, accruals and deferred income

CHF million

	2023	2022
Accruals and deferred income	179.8	176.9
Income tax liabilities	42.3	47.5
Social security and pensions	26.2	25.1
Sales and capital tax liabilities	32.9	28.1
Derivative financial instruments	1.8	3.6
Other liabilities	17.5	20.9
Other liabilities, accruals and deferred income	300.5	302.1
Current portion	289.0	289.3
Non-current portion	11.5	12.8

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

	2023	2022
Cash and bank accounts	180.7	252.9
Money market investments up to three months	307.3	284.0
Cash and cash equivalents	488.0	536.9

Accounting policies

Cash and cash equivalents Cash and cash equivalents are defined as liquid financial investments with an original maturity of less than three months that are readily convertible to defined cash amounts at short notice and are subject to insignificant risk of changes in value.

4.2 Other financial assets

CHF million

	2023	2022
Money market investments over three months	11.0	10.5
Bonds	30.3	31.9
Long-term loans	0.7	1.1
Other	5.8	1.8
Other financial assets	47.8	45.3
Current portion	41.3	42.4
Non-current portion	6.5	2.9

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

	2023	2022
Bonds	100.0	100.0
Other bank borrowings	5.6	3.5
Finance lease liabilities	10.2	1.9
Other financial liabilities	17.9	16.7
Financial liabilities	133.7	122.1
Current portion	112.2	7.7
Non-current portion	21.5	114.4

Bonds

CHF million	Company	Term	Currency	Nominal value	Effective interest rate	2023	2022
Bond, Switzerland 1.375%	Bucher Industries AG	2014–2024	CHF	100.0	1.4%	100.0	100.0
Bonds						100.0	100.0

Other bank borrowings The other bank borrowings include bilateral loans of CHF 5.6 million (2022: CHF 3.5 million), which bear interest at rates of between 0.5 and 3.9% and are due for repayment from 2024 to 2026. The undrawn committed credit facilities at 31 December 2023 totalled CHF 40.0 million (CHF 60.0 million). The financial covenants are reviewed every six months. All credit terms were complied with on the reporting date of 31 December 2023.

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 11.1 million (2022: CHF 10.6 million).

4.5 Leases

Future minimum lease payments from operating leases

CHF million	2023	2022
Within 1 year	10.2	9.7
From 1 to 5 years	23.5	18.9
More than 5 years	13.5	15.2
Minimum lease payments (non-cancellable within 1 year)	47.2	43.8

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 remains 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

		2023	2022
Share capital	CHF million	2.1	2.1
Par value of registered shares	CHF	0.20	0.20
Outstanding shares	number	10'239'321	10'237'548
Treasury shares	number	10'679	12'452
In issue and ranking for dividend	number	10'250'000	10'250'000
Authorised but unissued	number	-	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	
	2023		2022	
Balance at 1 January	12'452	3.4	21'594	5.9
Purchases of treasury shares	5'000	1.8	-	-
Reissued for share-based payments	-6'773	-1.8	-9'142	-2.5
Balance at 31 December	10'679	3.4	12'452	3.4

Earnings and dividend per share

		2023	2022
Profit attributable to owners of Bucher Industries AG	CHF million	352.1	331.2
Average number of shares outstanding (undiluted and diluted)	number	10'240'592	10'234'768
Basic and diluted earnings per share	CHF	34.38	32.36
Dividend per share ¹⁾	CHF	13.50	13.00
Total dividend ¹⁾	CHF million	138.4	133.3

¹⁾ 2023: 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. Liquidity requirements are managed through short- to medium-term liquidity planning to forecast future cash flows and financial items in each currency. The calculated liquidity requirements are always assessed in connection with existing credit facilities. 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

	2023	2022
Contract value	393.8	523.2
Currency contracts – assets	8.3	7.6
Currency contracts – liabilities	-1.8	-3.6
Derivative financial instruments	6.5	4.0

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 measured 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		
	2023	2022	%		2023	2022	%
1 AUD	0.5970	0.6621	-9.8	0.5688	0.6272	-9.3	
1 BRL	0.1797	0.1832	-1.9	0.1726	0.1748	-1.3	
1 CNY	0.1268	0.1416	-10.5	0.1180	0.1338	-11.8	
1 EUR	0.9702	1.0023	-3.2	0.9257	0.9854	-6.1	
1 GBP	1.1132	1.1752	-5.3	1.0653	1.1107	-4.1	
1 SEK	0.0849	0.0944	-10.1	0.0835	0.0887	-5.9	
1 USD	0.8974	0.9497	-5.5	0.8376	0.9231	-9.3	

5. Group structure

5.1 Changes in the group structure

Acquisitions

Company	Country	Division	Group interest %	Date of acquisition
2023				
SSV Environnement SAS	FR	BM	100	22 February 2023
2022				
Denwel spol. s r.o.	CZ	BSp	100	10 January 2022
Enway GmbH	DE	BM	100	22 September 2022
Enway Pte. Ltd.	SG	BM	100	22 September 2022
B&P Engineering Sp. z o.o.	PL	BSp	100	20 December 2022
B&P IP Engineering Sp. z o.o.	PL	BSp	100	20 December 2022

Divisions: BM Bucher Municipal, BSp Bucher Specials

Net assets acquired

CHF million	2023	2022
Cash and cash equivalents	1.9	1.8
Trade receivables	2.6	6.7
Inventories	0.3	12.6
Property, plant and equipment	15.6	19.3
Deferred income tax assets	–	0.8
Current financial liabilities	–0.9	–
Trade payables	–1.1	–6.9
Advances from customers	–0.1	–6.3
Current income tax liabilities	–	–0.4
Non-current financial liabilities	–10.9	–
Deferred income tax liabilities	–0.8	–
Other net assets	–0.2	–1.0
Net assets acquired	6.4	26.6

Net cash flow from acquisitions

CHF million

	2023	2022
Net assets acquired	6.4	26.6
Shares previously held	-1.3	-
Goodwill	1.8	15.7
Total purchase consideration	6.9	42.3
Cash and cash equivalents acquired	-1.9	-1.8
Contingent consideration	-	-1.5
Contingent consideration from previous acquisitions	1.1	1.3
Deferred consideration from previous acquisitions	0.2	0.7
Net cash flow from acquisitions	6.3	41.0

Goodwill

CHF million

	2023	2022
Goodwill from acquisitions	1.8	15.7
Adjustment of contingent consideration from previous acquisitions	-	0.9
Disposals	-	-1.2
Change in goodwill	1.8	15.4

The business acquired has generated net sales of CHF 9.3 million (2022: CHF 9.3 million) since the date of acquisition. The acquisition and integration costs were recognised in 2023, the period in which they were incurred, under other operating expenses.

Other changes The group structure was optimised through mergers and liquidations in the reporting period. This had no significant impact on the consolidated financial statements.

5.2 Group companies

Subsidiaries

Company, place of incorporation	Country	Currency	Share capital	Division	Activities	Group interest %	
						2023	2022
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 Group Finance AG, Kloten	CH	CHF	100'000	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
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
Khor Industrial Ltda., Tuparendi	BR	BRL	5'500'000	KG	P D	-	100
Kuhn do Brasil S/A, São José dos Pinhais	BR	BRL	301'753'305	KG	P D	100	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	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, Kyiv	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 %	
						2023	2022
Bucher Municipal Pty Ltd., Clayton North, Vic	AU	AUD	40'901'438	BM	P D	100	100
Bucher Municipal AG, Niederweningen	CH	CHF	10'000'000	BM	D S	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
Enway GmbH, Berlin	DE	EUR	54'981	BM	S	100	100
Bucher Municipal A/S, Silkeborg	DK	DKK	6'500'000	BM	P D S	100	100
Bucher Iberica SLU, Fuenlabrada, Madrid	ES	EUR	28'248	BM	D	60	60
Bucher Municipal Coudes Sàrl, Coudes	FR	EUR	200'000	BM	D	60	60
Bucher Municipal SAS, Senlis	FR	EUR	4'645'664	BM	D	100	100
SSV Environnement SAS	FR	EUR	504'900	BM	D S	100	20
Tecvia Eurl, Lyon	FR	EUR	38'112	BM	D	-	60
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
Enway Pte. Ltd., Singapore	SG	SGD	543'800	BM	S	100	100
J. Hvidtved Larsen US, Inc., Chicago IL	US	USD	10'000	BM	D	-	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, Neuheim	CH	CHF	1'200'000	BH	P D	100	100
Bucher Hydraulics AG Frutigen, Frutigen	CH	CHF	300'000	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	100
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 %	
						2023	2022
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	105'500'000	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'Isongo	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 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 Denwel, spol. s r.o., Prague	CZ	CZK	100'000	BSp	P D	100	100
Bucher Merk Process GmbH, Laufenburg	DE	EUR	501'000	BSp	P D	100	100
Bucher Exzel, S.L.U., 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	1'503'000	BSp	D	100	100
B&P IP Engineering Sp. z o.o., Przeworsk	PL	PLN	30'000	BSp	S	100	100
Bucher Unipektin Sp. z o.o., Przeworsk	PL	PLN	2'000'000	BSp	P D	100	100
Bucher-Landtechnik AG, Niederweningen	CH	CHF	4'000'000	BSp	D	100	100
Bucher Automation Technology (Shanghai) Co., Ltd., Shanghai	CN	CNY	12'820'627	BSp	D S	100	100
Bucher Automation AG, Ludwigsburg	DE	EUR	3'241'061	BSp	P D	100	100
Bucher Automation Tettngang GmbH, Tettngang	DE	EUR	260'000	BSp	P D	100	100
Bucher 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 %	
						2023	2022
Rauch Landmaschinenfabrik GmbH, Sinzheim	DE	EUR	1'650'000	O	P D	24	24

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 current financial status of the APK evaluated in accordance with Swiss GAAP FER 26 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%, which is unchanged since the prior year.

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 2.0 and 4.6% (2022: between 3.4 and 5.2%).

Economic benefits/obligations and pension benefit expense

CHF million	Pension plans			Total
	without surplus/deficit	with deficit	without own assets	
				2023
Balance at 1 January		4.6	19.7	24.3
Exchange differences		-0.3	-1.4	-1.7
Pension benefit expense in employment costs	42.4	0.5	1.2	44.1
Contributions and benefit payments	-42.4	-0.3	-1.1	-43.8
Change in pension benefit obligations		-0.1	-1.3	-1.4
Balance at 31 December		4.5	18.4	22.9
Deficit		4.5		4.5
				2022
Pension benefit expense in employment costs	40.5	-2.7	-3.3	34.5

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

	2023	2022
Net sales and expenditure:		
Net sales with associates	2.0	3.0
Products purchased from associates	-63.0	-56.2
Other expenditure with associates	-0.1	-0.1
Receivables and payables:		
Receivables from associates	0.1	0.6
Payables to pension funds	-3.1	-1.1
Payables to associates	-1.5	-1.1

6.3 Events occurring after the balance sheet date

Acquisition of minority interests in Giletta S.p.A. In February 2024 Bucher Industries agreed to acquire the remaining 40% of Giletta S.p.A. in March 2024. The purchase consideration amounts to around CHF 26 million and the expected goodwill CHF 9 million.

Publication of the consolidated financial statements The consolidated financial statements were approved for publication by the board of directors on 26 February 2024. They are subject to formal approval by the annual general meeting on 18 April 2024.

Report of the statutory auditor

to the General Meeting of Bucher Industries AG

Niederweningen

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Bucher Industries AG and its subsidiaries (the Group), which comprise the consolidated income statement for the year ended 31 December 2023, the consolidated balance sheet as at 31 December 2023, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 82 to 113) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview

Overall Group materiality: CHF 21'825'000



We concluded audit work (full scope audits and audits of accounts balances) at 22 reporting units in various countries. Our audit scope addressed over 73% of the group's net Sales.

As key audit matter the following area of focus has been identified:

Valuation of Inventories

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PricewaterhouseCoopers AG is a member of the global PricewaterhouseCoopers network of firms, each of which is a separate and independent legal entity.

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Overall Group materiality	CHF 21'825'000
Benchmark applied	Profit before tax
Rationale for the materiality benchmark applied	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured, and it is a generally accepted benchmark.

We agreed with the Audit Committee that we would report to them misstatements above CHF 1'090'000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Our involvement in the audits of subsidiaries comprised communicating the risks identified at Group level, assessing the applied materiality thresholds, participating in selected closing meetings, inspecting the reporting and conducting conference calls with the component auditors during the interim audit and the year-end audit. Through our involvement in the work of the component auditors, we ensured sufficient appropriate audit evidence was obtained to provide a basis for our opinion on the consolidated financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Inventories

Key audit matter

Bucher Industries carries significant inventories (CHF 1'056.3 million).

Determining production costs, write-downs and loss-free valuation involves significant scope for judgement, which must be monitored by management. An incorrect estimate by management could have a significant impact on the profit for the year.

Please refer to page 96 (Invested capital – Inventories) in the notes to the consolidated financial statements

How our audit addressed the key audit matter

In our audit of the valuation of inventories, we performed the following main audit procedures:

- We assessed the design and the existence of the key controls relating to the inventory valuation process and tested the effectiveness of selected controls.
- We were present at year-end inventory counts and assessed the design of the process.
- We analysed on a sample basis the standard cost calculations. Additionally, we assessed the differences between the standard and actual costs, and determined whether adequate measures had been taken with regard to the appropriate valuation of inventories.
- In order to verify the principles of loss-free valuation of inventories, we challenged the impairment parameters taking into account available historical data.

The results of our audit support management's valuations of the inventories in the consolidated financial statements.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.



Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERT-suisse's website: <http://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the consolidated financial statements.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG



Thomas Illi
Licensed audit expert
Auditor in charge



Oliver Illa
Licensed audit expert

Zurich, 26 February 2024

Holding company

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Income statement of Bucher Industries AG

CHF million

	2023	2022
Income from investments	330.9	89.1
Royalty income	23.9	23.7
Administrative expenses	-7.7	-6.9
Operating profit (EBIT)	347.1	105.9
Finance costs	-74.8	-107.7
Finance income	66.8	103.6
Profit before tax	339.1	101.8
Income tax expense	-1.9	0.7
Profit for the year	337.2	102.5

Balance sheet of Bucher Industries AG

CHF million	Note	31 December 2023	31 December 2022
Cash and cash equivalents		178.8	119.5
Other receivables		45.8	122.0
Accrued income		20.0	19.6
Current assets		244.6	261.1
Financial assets			
Loans		15.2	0.7
Investments		1'309.0	1'286.6
Non-current assets		1'324.2	1'287.3
Assets		1'568.8	1'548.4
Interest-bearing liabilities			
Bonds	2.2	100.0	–
Other interest-bearing liabilities	2.2	183.4	159.3
Other liabilities		16.7	15.0
Accrued liabilities and deferred income		2.1	2.8
Current liabilities		302.2	177.1
Interest-bearing liabilities			
Bonds	2.2	–	100.0
Loans and other bank borrowings	2.2	73.0	282.8
Other liabilities		0.1	0.1
Non-current liabilities		73.1	382.9
Total liabilities		375.3	560.0
Share capital	2.5	2.1	2.1
Statutory retained earnings		70.6	70.6
Voluntary retained earnings		769.4	796.8
Profit brought forward		17.6	18.2
Profit for the year		337.2	102.5
Treasury shares	2.6	–3.4	–1.8
Equity		1'193.5	988.4
Liabilities and equity		1'568.8	1'548.4

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 109 to 111 of the annual report.

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

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

	2023	2022
Other receivables	35.1	108.6
Accrued income	20.0	19.6
Financial assets	15.2	0.7
Interest-bearing liabilities	-183.4	-159.3
Other liabilities	-7.4	-5.9
Accrued liabilities and deferred income	-0.7	-0.2
Loans	-73.0	-282.8

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 103 of the annual report.

2.3 Assets and liabilities based on observable market data

CHF million

	2023	2022
Derivative financial instruments – assets	12.9	16.2
Derivative financial instruments – liabilities	-16.8	-15.0
Assets and liabilities based on observable market data	-3.9	1.2

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 204.5 million (2022: CHF 190.9 million). The amount used at the reporting date was CHF 66.3 million (CHF 51.9 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. 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.

2.6 Treasury shares

CHF million	Number of shares		Number of shares	
	2023		2022	
Balance at 1 January	12'452	1.8	21'182	4.9
Realised gain on treasury shares	-	1.6	-	-
Purchases of treasury shares	5'000	1.8	-	-
Reissued for share-based payments	-6'773	-1.8	-8'730	-3.1
Balance at 31 December	10'679	3.4	12'452	1.8

The voting rights for treasury shares are suspended in accordance with art. 659a paragraph 1 of the Swiss Code of Obligations.

Shares allocated to the directors In the reporting period, 1'232 shares (2022: 1'250) were allocated to the board of directors at a share price of CHF 405.80 (CHF 365.20) as part of their fees for their term of office 2022/2023 (term of office 2021/2022). Further information is disclosed in the remuneration report on page 68.

Proposal of the board of directors

Appropriation of retained earnings

CHF	2023	2022
Profit brought forward as at 1 January	120'736'549	130'451'170
Transfer to voluntary retained earnings	-	-15'000'000
Transfer from voluntary retained earnings	30'000'000	-
Dividend	-133'176'173	-97'256'706
Profit for the year	337'197'446	102'542'085
Retained earnings available for distribution	354'757'822	120'736'549

Proposal of the board of directors

CHF	2023	2022
Retained earnings available for distribution	354'757'822	120'736'549
Transfer to voluntary retained earnings	-100'000'000	-
Transfer from voluntary retained earnings	-	30'000'000
Dividend ¹⁾	-138'375'000	-133'250'000
Balance to be carried forward	116'382'822	17'486'549

¹⁾ 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.

Report of the statutory auditor

to the General Meeting of Bucher Industries AG

Niederweningen

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Bucher Industries AG, which comprise the income statement for the year ended 31 December 2023, the balance sheet as at 31 December 2023, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 120 to 125) comply with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview



Overall materiality: CHF 15'680'000

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

As key audit matter the following area of focus has been identified:

Valuation of Investments

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Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality	CHF 15'680'000
Benchmark applied	Total assets
Rationale for the materiality benchmark applied	We chose total assets as the benchmark because, in our view, it is a relevant benchmark against which holding companies can be assessed, and it is a generally accepted benchmark with regard to considerations of impairment regarding holding companies.

We agreed with the Audit Committee that we would report to them misstatements above CHF 784'000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Investments

Key audit matter	How our audit addressed the key audit matter
Investments recognised on the balance sheet amount to CHF 1'309.0 million, which represents a significant portion of total assets.	When identifying the potential need for impairment of investments, management follows a predefined impairment testing process.
The valuations of the companies are calculated using the intrinsic value method or the capitalised earnings method, all of which require significant judgement in determining the parameters such as the capitalisation rate.	We compared the carrying amount of the investments in the year under review with the pro-rata share of each investee's equity or its valuation according to the capitalised earnings and DCF method.
Please refer to page 122 (Information on this report – Investments) in the notes to the financial statements and to pages 109 to 111 (Group structure – Group companies) in the notes to the consolidated financial statements.	We performed sensitivity analyses using modified discount rates, sales and margins. These analyses enabled us to assess any potential impairment of the investments.
	The results of our audit support management's valuations of the investments in the financial statements.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website: <http://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the financial statements.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG



Thomas Illi
Licensed audit expert
Auditor in charge



Oliver Illa
Licensed audit expert

Zurich, 26 February 2024



Environmental, social and ethics report

This report describes the nine topics that are material for us and assigns them to the pillars Customers, Employees, Environment and Compliance. It explains the key indicators, targets and management approach for each topic and how each of these developed during the reporting period.

This report was drawn up with reference to the GRI standards (Global Reporting Initiative standards) and meets the non-financial reporting requirements of the Swiss Code of Obligations (art. 964 ff. CO).

This environmental, social and ethics report provides an account of environmental matters, especially CO₂ reduction, social matters, employee matters, respect for human rights and combating corruption. The report goes into more detail on the concepts pursued, the situation at Bucher Industries and the impact that its activities have on these matters as well as the measures taken.

Well-established sustainability management

Sustainability is well established in our organisation, and the responsibilities are clearly set out at all levels and closely linked with our strategy. The board of directors oversees and supports the development and implementation of the sustainability strategy and policies and is regularly updated on current developments by group management. The implementation of the sustainability strategy has been delegated to the members of group management.

Further information about the business model, strategic process and risk management can be found in the annual report in the section on “Bucher at a glance”.

We see nine topics as being material for us in the area of the environment, social affairs and ethics, and we have assigned these to the four pillars of Customers, Employees, Environment and Compliance. See the illustration below for details.

Environment, social affairs and ethics



Customers

- Valuable customer relationships
- Innovative products and optimal solutions
- Customer health and safety



Employees

- Positive working environment
- Qualified employees



Environment

- Environmental impact of our products and services
- Resource efficiency of production with a focus on the reduction of CO₂ emissions



Compliance

- Compliance with laws and regulations
- Supply chain – sound procurement practices



Customers

With over 100 sites worldwide, we are close to the markets and know our customers. We offer them innovative products and solutions together with outstanding service. We attach great importance to protecting our customers’ health and safety.

Topic	Key indicator and target	2023
Valuable customer relationships	Maintain and increase our market share	n. a. ¹⁾
Innovative products and optimal solutions	Expenditure on research and development is 4 to 5% of sales over a business cycle.	3.7%
Customer health and safety	No incidents with a significant negative impact on customer health and safety that were caused by any failures on our part to comply with safety regulations	Met

¹⁾ Not published for confidentiality reasons

Valuable customer relationships

Management approach

Our divisions operate in a variety of markets and our customer base is correspondingly diverse. With over 100 sites worldwide, our employees are close to our customers and keenly acquainted with their needs. They support them on site with spare parts, expertise, training and services as needed. Our customer relationships are geared to the long term and are a key component of Bucher Industries’ strategy. We strive to offer products and services that go beyond the market standard and inspire users.

Regular discussions are held with customers to ensure that Bucher Industries knows its customers and is able to offer them added value. Modern management systems or digital platforms such as “MyKUHN” or “Bucher Connect” are also used here. Our Code of Conduct for employees states that we will conduct ourselves fairly and properly towards our customers and will do business with integrity and in a professional manner.

Bucher Industries was assessed as a supplier on the “EcoVadis” platform and achieved a bronze rating as a group.

Innovative products and optimal solutions

Management approach

Our customers' needs and anticipated future requirements flow into our divisions' research and development activities. This enables us to offer products, solutions and services that are not only technologically and environmentally impressive, but also safe to use and user friendly – thereby ensuring our current and future success.

With our research and development activities, we strive to make our machines more efficient and easier to use. In addition, we strive to continuously update our offering, promote innovation, create added value, ensure our products are ergonomic and safe to use, and reduce production costs.

In the reporting period, CHF 133 million was invested in research and development, which corresponded to 3.7% (2022: 3.4%) of sales. The divisions again launched innovative products on the market, with a focus on increasing efficiency, advancing automation and reducing environmental impact during operation. The divisions offered training and services tailored to their customers' needs, intended to help them use the increasingly complex products.

Customer health and safety

Management approach

We attach great importance to our customers' health and safety, right from product development through to product manufacture, operation and final disposal.

Our divisions ensure – by means of technical safety precautions, regulatory compliance, regularly reviewed and updated product information, and instructions and training for their customers – that their products are safe to use. Ensuring that products are safe to use – by training customers, for example – is not only a matter of concern for Bucher Industries, but also part of our commitment to respecting human rights. Therefore, also cyber security has high priority as a topic because our products, solutions and services are digitally networked. Specialists in the divisions, supported by the central information security unit, are charged with implementing the Group-wide requirements and measures.

During the reporting period, no incidents with a significant negative impact on customer health and safety were caused by failures on the part of Bucher Industries to comply with safety regulations. One incident was reported at the end of the year that is currently under investigation. One case is still pending before the courts from previous years, while two cases were resolved during the reporting period by means of a settlement. In the opinion of Bucher Industries, these cases were not caused by product defects.



Employees

Our success is due to our employees’ expertise and high level of commitment. We offer them attractive jobs in which they can contribute to solving global challenges. We create a working environment that motivates, inspires, encourages and challenges our employees according to their skills and interests.

Topic	Key indicator and target	2023
Positive working environment	<ul style="list-style-type: none"> - Proportion of employee resignations to total regular employees less than 5% - Keeping the accident frequency rate as low as possible - No proven cases of discrimination 	6.7% AFR Index 10 Met
Qualified employees	<ul style="list-style-type: none"> - Over 22 hours of further training per employee per year - Two thirds of senior management recruited internally 	29 hours Almost two thirds

Positive working environment

Management approach

We want to be an attractive and fair employer that offers its employees an exciting place to work where they can get involved and contribute their ideas. For this reason, it is important to create a working environment in which employees feel safe and respected, with an inclusive and non-discriminatory culture. We place value on an active social dialogue with employee organisations and regular briefings and informal meetings with our employees, followed by question and answer sessions. We ensure freedom of association, collective bargaining and fair working conditions. Our online whistleblower system gives employees the opportunity to file complaints. We also investigate anonymous reports. Employee resignations, the accident frequency rate and cases of discrimination are further indicators of the working environment.

An important management tool is the annual appraisal meeting, during which we discuss the appraisal itself, further training and development opportunities, and the employment relationship more generally. We agree on annual targets with most employees and for managers, these are linked to performance-related variable remuneration.

Health and safety at the workplace is also a key concern for us. We comply with all laws and regulations that govern occupational health and safety in each country. All of our production sites have appropriate management systems, regulations, policies and procedures specific to their production environments, have a Health and Safety Officer, and conduct regular training sessions as well as internal and external

inspections. After any acquisition, we gradually introduce the new site to the standards of Bucher Industries. And, wherever possible, we automate any tasks that involve heightened health and safety risks.

We ensure that everyone is given equal opportunities. We make decisions regarding recruitment, employment, further training and development, and promotions objectively and base those decisions on qualifications, skills and performance, and attitudes, regardless of age, gender, sexual orientation, ethnic origin, nationality, religion, or physical or mental disabilities. We also encourage the promotion of employees from within our own ranks.

The Code of Conduct sets out the rights and obligations of the employees of Bucher Industries. All employees can expect that the Group companies will always perform their duties as employers in a timely and proper manner. The companies can, in turn, expect their employees to work to the best of their abilities. The common values, principles and standards for dealing with employees are laid down in the Human Rights Statement and an Employee Policy. The divisions themselves are responsible for implementing these values, principles and standards. We are a signatory to the UN Global Compact and endorse its principles on human rights and labour standards.

Employees

	Share		Share		Change
	2023	%	2022	%	%
Regulars	12'779	86.0	12'261	82.4	4.2
Trainees	445	3.0	418	2.8	6.5
Defined period and temporary staff	1'634	11.0	2'197	14.8	-25.6
Employees	14'858	100.0	14'876	100.0	-0.1
Regulars covered by collective agreements	7'592	59.4	7'291	59.5	4.1

The number of employees remained practically unchanged year on year. There was a shift, however, from defined period and temporary staff to regular employees. Bucher Industries also fulfils its responsibility as a place of training and signed on more trainees in the reporting year.

Composition of employees

%	Workload		Gender		Age		
	Full-time	Part-time	Male	Female	< 30 years	30 – 50 years	> 50 years
							2023
Regulars	94.6	5.4	85.0	15.0	15.2	54.6	30.2
of which senior management	–	–	95.7	4.3	–	27.7	72.3
of which group management	–	–	85.7	14.3	–	14.3	85.7
Board of directors	–	–	83.3	16.7	–	–	100.0
							2022
Regulars	95.1	4.9	85.4	14.6	15.4	54.4	30.2
of which senior management	–	–	95.7	4.3	–	32.6	67.4
of which group management	–	–	85.7	14.3	–	28.6	71.4
Board of directors	–	–	83.3	16.7	–	16.7	83.3

Gender distribution remained virtually unchanged year on year. This was the case for regular members of staff and upper management, as well as group management and the board of directors.

The low proportion of women at Bucher Industries is due to the fact that recruitment pool for jobs in the engineering industry tends to be dominated by men. Bucher Industries is committed to working together with educational institutions and offering flexible working hours to attract, retain, and promote more female employees.

Fluctuation

	2023	2022
Regulars at 1 January	12'261	11'342
Acquisition of subsidiaries	25	391
Joiners	1'954	1'827
Leavers	–1'461	–1'299
Regulars at 31 December	12'779	12'261
Turnover rate	11.7%	11.0%
Resignation rate	6.7%	7.2%

The situation on the labour markets remained tense, and it was difficult to recruit and retain qualified workers, especially in the USA. The turnover rate was lower than in the previous year, however.

Bucher Industries regularly conducts employee surveys across various business units. In 2023, a similar pattern to previous years emerged, with surveys achieving a satisfactory response rate and showing high satisfaction levels, placing in the top third. The findings from the surveys are used to implement targeted and site-specific measures to further increase employee satisfaction.

The accident frequency rate (AFR) was disclosed for the first time in the reporting period. In 2023, Bucher Industries reported ten accidents per million standard working hours, resulting in more than one day of absence. Keeping the accident frequency rate as low as possible is an important goal for Bucher Industries. For this reason, a higher number of training sessions were held in the reporting period on the topic of health and safety.

There were no proven cases of discrimination at Bucher Industries during the reporting period. Any cases involving allegations of harassment were investigated. In four cases, the allegations were substantiated, which led to appropriate personnel consequences.

Various business units regularly conduct pay equality analyses. The analyses conducted in 2023 covered one third of the employees. Two unwarranted pay discrepancies were identified at one site, which were immediately resolved.

Qualified employees

Management approach

It is important to us that the personnel and staff we employ for the various roles and duties at the company are optimally qualified for the job. In this way, we are able to improve the Group's performance while at the same time building a team of motivated employees who form the basis for our culture of trust.

We encourage and challenge our employees according to their interests and skills and offer them opportunities to develop within the company, whether through external training and development opportunities or internal development offerings and leadership training. At the group level, there are various training programmes that bring employees from all divisions together. These programmes aim to communicate Bucher Industries' culture and values and to strengthen cohesion within the Group, in addition to imparting technical content and strengthening employees' social and personal skills.

Training

	Change		
	2023	2022	%
Average number of training hours per regular employee	29	20	45.0
Of which health and safety training hours	6	4	50.0

The reporting period saw significant investments in the further training of employees, and the number of actual training hours exceeded the target of 22. One of the reasons for this was the introduction of ERP systems in several divisions, with appropriate training provided to employees. There was also a significant increase in the number of health and safety training hours.

The business units, comprising a total of three quarters of all employees, conducted external or internal audits on occupational health and safety. In the reporting period, a total of one third of all employees worked in accordance with occupational health and safety management systems, which are certified according to ISO 45001.

The few personnel changes in senior management had no significant impact on the overall picture: almost two thirds (2022: more than two thirds) of these managers were promoted to these functions from internal positions.



Environment

As a technology company, we contribute to ecological development on two levels. Our efficient and modern machines and systems enable our customers to reduce their ecological footprints. We also focus on energy efficiency and renewable energies, thereby reducing the emissions in our own production environment.

Topic ¹⁾	Key indicator and target	2023
Environmental impact of our products and services	Significantly increasing the efficiency of products and solutions with a focus on reducing resources and CO ₂ emissions	n. a. ²⁾
Resource efficiency of production with a focus on the reduction of CO ₂ emissions	Reducing Scope 1 and Scope 2 CO ₂ intensity (measured as CO ₂ emissions in relation to value added) by at least 10% by 2026 compared to 2021	10 to 20% reduction in CO ₂ intensity

¹⁾ Bucher Industries' water consumption data was collected and aggregated until the 2018 reporting period. As our activities are not water-intensive, we have stopped collecting this data centrally since the 2019 financial year and have increased our focus on the topic of energy. However, reducing water consumption remains a key concern – especially at sites that are located in areas with precarious water supplies.

²⁾ Bucher Industries is in the process of expanding its climate reporting and enhance greenhouse gas emission calculations, particularly in the area of Scope 3 emissions.

Environmental impact of our products and services

Management approach

A major lever for reducing our ecological footprint lies in our products and solutions. We therefore strive to develop machinery and systems that enable our customers to improve their environmental impact without having to compromise on customer benefits. Ecological considerations relating to our products are an integral part of the research and development phase and take account of the entire life cycle of the products, from their manufacture to their daily use and right through to their disposal.

Protection of the environment and natural resources is embedded in our Code of Conduct and in the Human Rights Statement. Our Group-wide Environmental Policy is the basis for our environmental management activities and specifies our shared values, principles and standards in this area. We are a signatory of the UN Global Compact and fully endorse the environmental principles enacted therein. We support efforts to mitigate climate change through our measures to reduce CO₂ emissions. We continuously develop and optimise our offering in line with our customers' needs and prevailing regulatory requirements. We strive to make our products and solutions more efficient and precise

through electrification or efficiency gains in order to reduce our consumption of energy and resources and through electronic control systems for fertilisers, crop protection products and road salt. These efforts are helping to reduce CO₂ emissions and the use of natural resources and chemicals.

In the reporting period, the divisions again developed new products and solutions that will enable their customers to reduce their environmental impact without compromising on user-friendliness, functionality and cost-effectiveness. These can be summarised in the following four strategic initiatives: solutions for conservation and precision farming, electrified mobile equipment, electrohydraulic components and systems, and automation and artificial intelligence in glass container manufacturing. Key products launched during the reporting period are presented in the divisional reports (from page 20).

Resource efficiency of production with a focus on the reduction of CO₂ emissions

Management approach

We have set ourselves the goal of reducing the CO₂ emissions generated by our own activities in proportion to value creation. We are taking action at various levels: by optimising buildings, by making efficiency gains in production, and by generating energy from renewable sources.

In the reporting period, we planned, developed and in some cases also implemented a wide variety of measures to reduce CO₂ intensity in relation to Scope 1 and Scope 2 emissions (see the divisional reports for further details). These were complemented by measures from the previous year, which took full effect in the reporting period.

Energy consumption

MWh	of which renewable		of which renewable		Change
	2023	%	2022	%	%
Conventional purchased electricity	104'142		129'421		-19.5
Renewable purchased electricity	50'879		34'653		46.8
Self-generated solar power	5'546		2'222		149.6
Electricity	160'567	35.1	166'296	22.2	-3.4
Heating oil	3'521		3'237		8.8
Natural gas	145'061		145'151		-0.1
Liquified petroleum gas (LPG)	9'903		13'269		-25.4
Bio mass	2'415		2'309		4.6
On-site fuels	160'900	1.5	163'966	1.4	-1.9
District heating	10'815	n.a.	13'684	n.a.	-21.0
Diesel	30'052		29'186		3.0
Petrol	10'067		9'129		10.3
Liquified petroleum gas (LPG)	5'648		4'448		27.0
Bio transport fuels	1'611		721		123.4
Transport fuels	47'378	3.4	43'484	1.7	9.0
Energy consumption	379'660	15.9	387'430	10.3	-2.0

One reason for the reduced energy consumption noted in the reporting period was the switch to more energy-efficient production equipment.

The volume of self-generated solar power was more than doubled compared with 2022 and this was due to new or expanded photovoltaic installations at locations in China and the USA. The installed solar capacity totalled 5'708 kWp (2022: 3'842 kWp).

The rise in services resulted in higher mileages and therefore also higher fuel consumption.

CO₂ emissions

tCO ₂ e	Share		Share		Change
	2023	%	2022	%	%
On-site fuels	32'642		33'364		-2.2
Transport fuels	11'958		11'206		6.7
Refrigerants	791		1'088		-27.3
Process emissions	158		343		-53.9
Scope 1	45'549	55.9	46'001	51.3	-1.0
Electricity	34'114		41'335		-17.5
District heating	1'847		2'336		-20.9
Scope 2	35'961	44.1	43'671	48.7	-17.7
CO₂ emissions	81'510	100.0	89'672	100.0	-9.1
Biogenic CO ₂ emissions	449		219		105.0

Calculation of CO₂ emissions

We have compiled our greenhouse gas inventory in accordance with the Greenhouse Gas Protocol and ISO standard 14064. Scope 1 emissions are from direct energy usage and non-energetic processes. Scope 2 emissions are from indirect energy use. Where possible, the market-based approach was used to calculate greenhouse gas emissions associated with electricity consumption. For any other electricity consumption, the location-based approach was applied.

There was a decline in CO₂ emissions during the reporting period. This was mainly due to reduced emissions associated with electricity consumption, achieved through the shift to renewable energy and the increase in self-generated solar power. Overall, the reduction in CO₂ intensity, measured as CO₂ emissions in proportion to value creation, was equivalent to between 10% and 20% of the emissions seen in the 2021 base year.

In 2023, there was one case of non-compliance with environmental laws and regulations at the production sites and the damage was repaired immediately.



Compliance

An important aspect of Bucher Industries’ more than 200-year success story is that it has a strong corporate culture with a long-term orientation. It is based on compliance with the law as well as fair and ethical behaviour towards all of its stakeholders including its customers, employees, business partners, competitors and authorities, and is the source of our excellent reputation.

Topic	Key indicator and target	2023
Compliance with laws and regulations	<ul style="list-style-type: none"> - No material incidents regarding our compliance with laws and regulations - Full compliance training for all affected employees - No significant deviations from our Group-wide requirements for risk controls (in accordance with our internal control system BICS) 	Met Met Met
Supply chain – sound procurement practices	Key indicators and targets are developed in line with any planned legal regulations	

Compliance with laws and regulations

Management approach

Our Code of Conduct describes how all Bucher Industries employees should conduct themselves in their business dealings with customers, fellow employees, business partners, competitors and the authorities: correctly, fairly, professionally and with integrity. Our business activities comply with all applicable laws and binding regulations in all of the countries in which we operate. Managers at all levels keep themselves informed about any relevant legal and regulatory frameworks and pass on any required instructions. Our employees are responsible for understanding and complying with the legal requirements in their areas of work. Group-wide policies, with specific requirements and instructions, are in place regarding the matters mentioned below. If any national or international regulations differ from our internal guidelines, we apply the stricter standard wherever possible and appropriate.

Anti-corruption Our Code of Conduct prohibits all forms of bribery and corruption. None of our employees or business partners may use corrupt practices in any countries where they operate. They must behave honestly and correctly in their dealings with both public officials and persons from the private sector and must learn about the local legal requirements in any countries in which they operate. Our anti-corruption guideline raises awareness of the dangers of corruption and provides concrete

guidance on how to deal with the issue. A separate guideline specifies how to ensure due diligence services and how to deal with intermediaries such as agents and distributors.

Competition law Our Code of Conduct states the guiding principle of adhering to fair competition, which ensures fair pricing and customer and consumer protection in particular. Our directive on competition law explains the basic provisions of competition law and provides guidance on how to avoid anti-competitive behaviour. It raises awareness of situations that could be problematic from a competition law perspective.

Trade controls In accordance with our Code of Conduct, we comply with all applicable trade control laws. Numerous import and export regulations apply to us because we operate in a global business environment. Our Trade Compliance Directive sets the framework for all of our divisions regarding compliance with these global trade regulations. Since the divisions have different business lines and organisational structures, the trade compliance controls (including their internal compliance programmes and related processes) must be risk adjusted and adapted to each division.

Data protection Our Code of Conduct states that we collect and store the personal data of employees and third parties in accordance with all applicable laws and regulations. This includes the right of individuals to be informed and to make decisions about any operations related to their personal data, including the collection, use, disclosure, retention, alteration and erasure. Our Data Protection Directive implements the EU General Data Protection Regulation (GDPR) by setting out and implementing its provisions and defining roles and responsibilities. We also comply with any applicable local data protection regulations.

Insider trading Employees are duty bound by the Code of Conduct to treat insider information as confidential, and the Code of Conduct forbids employees from making use of such insider information. The guideline on insider trading defines the terms “insider” and “prohibition on trading and making recommendations”, as well as the regular blocking periods for insiders and regulations for ad hoc blocking periods.

Due diligence obligations in dealings with suppliers See the sections on “Supply chain – sound procurement practices” and in the annex on “Due diligence obligations”

Compliance organisation The divisions are responsible for implementing the Group-wide principles and directives. The compliance organisation consists of a Group Compliance Officer and divisional and local compliance officers. These officers help the divisional and local management to implement the directives and serve as contact persons for the employees.

Online whistleblower system Employees may report any breaches of our Code of Conduct, the Human Rights Statement or directives to their line managers or the compliance organisation. Alternatively, employees or third parties may report actual or suspected serious breaches anonymously through our online whistleblower system. It is ensured that any actual or suspected compliance breaches are investigated and decided by unbiased persons.

Training During the induction process, all employees receive our Code of Conduct and any directives that relate to their functions. As part of online training sessions on the Group-wide compliance programme, employees receive annual training primarily on the topics of the Code of Conduct, corruption, conflicts of interest, data protection, competition law (in the case of exposed employees only) and the reporting system. In the coming year, there will be an additional focus on the topics of human rights and sustainable supply chains. The divisions conduct further training in specific areas (e.g. trade controls). Employees who do not have access to online training are trained by the divisions as required. The local and divisional compliance officers receive special and regular training for their tasks.

Compliance with the regulations Compliance with the regulations is monitored through twice-yearly Group-wide compliance reports and is included in regular internal audits. Any serious issues are escalated immediately. The internal control system also covers compliance-related issues.

The Group ensures that all relevant employees complete full compliance training and that there are no material deviations from the Group-wide control system. In doing so, it aims to prevent any material incidents regarding compliance with laws and regulations from occurring.

There were no material incidents regarding compliance with laws and regulations in 2023. No significant fines or non-monetary sanctions were incurred for violations of legal regulations. Nor were there any pending or completed proceedings regarding anti-competitive behaviour or cartels or monopolies.

The relevant employees have completed full compliance training. There were no significant deviations from our Group-wide requirements regarding risk controls.

Supply chain – sound procurement practices

Management approach

The Code of Conduct sets out our principles of conduct: propriety, fairness, integrity and professionalism. Our Human Rights Statement and our Employee and Environmental Policies set out our principles for respecting human rights, complying with labour law standards and protecting the environment. The divisions' due diligence obligations with respect to the supply chain have been set out in a policy on due diligence obligations in dealings with suppliers. We expect our suppliers to apply the same standards and we make them aware of our expectations.

Reliable and financially sustainable supply chains Well-functioning supply chains are crucial for us as an industrial company. When assessing our suppliers, we apply the Group-wide criteria of regionality, interest in long-term business relationships, competitive prices, financial soundness, and high delivery capability and quality.

Human rights Respect for human rights, as set out in the fundamental international conventions, is embedded in our core values and in particular in our Human Rights Statement. We are committed to respecting these as well as the laws that apply in the countries in which we operate. We expect our partners in the supply chain to apply the same standards, in particular the prohibition on child labour, forced labour and oppression, as well as occupational health and safety, freedom of association, the right to equality, the right to privacy, fair wages and working conditions, and the prohibition on corruption and bribery. Further information on human rights can be found in the annex on "Due diligence obligations".

Environment We strive to protect the environment and to use natural resources responsibly, efficiently and in accordance with all applicable laws and regulations. In our supply chain, in our own activities and with respect to our products in operation, we work on the premise that ecological sustainability includes protecting the environment throughout our products' life cycles.

Expenditure on raw materials, components and consumables amounted to CHF 1'862 million in total, corresponding to a decrease of 6% over the previous year. The divisions worked with 14'000 suppliers in the reporting period. Various sites conducted audits to check that their key suppliers were complying with the applicable efficiency criteria as well as the environmental, health and safety standards.

Bucher Industries defined a Human Rights Due Diligence Framework (HRDD Framework) during the reporting period that addresses due diligence obligations in the supply chain, see in the annex on "Due diligence obligations".

Approval of the environmental, social and ethics report

The environmental, social and ethics report was approved by the board of directors on 26 February 2024 and will be presented to the annual general meeting for approval on 18 April 2024.



Philip Mosimann
Chairman of the Board of Directors



Jacques Sanche
Chief Executive Officer

Annex

Shares

At 31 December		2023	2022	2021	2020	2019
Share capital						
Registered shares						
Par value	CHF	0.20	0.20	0.20	0.20	0.20
In issue and ranking for dividend	number	10'250'000	10'250'000	10'250'000	10'250'000	10'250'000
Authorised but unissued	number	–	1'184'100	1'184'100	1'184'100	1'184'100
Treasury shares	number	10'679	12'452	21'594	25'257	23'704
Issued share capital	CHF	2'050'000	2'050'000	2'050'000	2'050'000	2'050'000
Market capitalisation and dividends						
Market capitalisation	CHF million	3'616.5	3'959.9	4'613.0	4'147.2	3'474.9
% of equity	%	201.3	235.5	305.2	302.4	252.9
Gross dividend per share	CHF	13.50 ¹⁾	13.00	9.50	6.50	8.00
Total dividend	CHF million	138.4 ¹⁾	133.3	97.4	66.6	82.0
Payout ratio	%	39.3 ¹⁾	40.2	36.7	44.3	36.6
Per share data						
Profit for the year						
Basic earnings per share	CHF	34.38	32.36	25.96	14.71	21.92
Diluted earnings per share	CHF	34.38	32.36	25.96	14.71	21.92
Net cash flow from operating activities	CHF	24.45	15.99	33.47	37.14	27.85
Equity	CHF	175.44	164.24	147.79	134.12	134.37
Year high	CHF	435.20	479.00	505.00	413.00	360.20
Year low	CHF	317.20	304.00	409.60	228.80	259.40
Year-end price	CHF	353.20	386.80	451.00	405.60	339.80
Average price	CHF	381.17	367.50	463.36	318.02	315.98
Average dividend yield	%	3.5 ¹⁾	3.5	2.1	2.0	2.5
Average daily trading volume	number	9'912	11'697	12'611	22'855	26'576
Price/earnings ratio (year-end price)		10.3	12.0	17.4	27.6	15.5

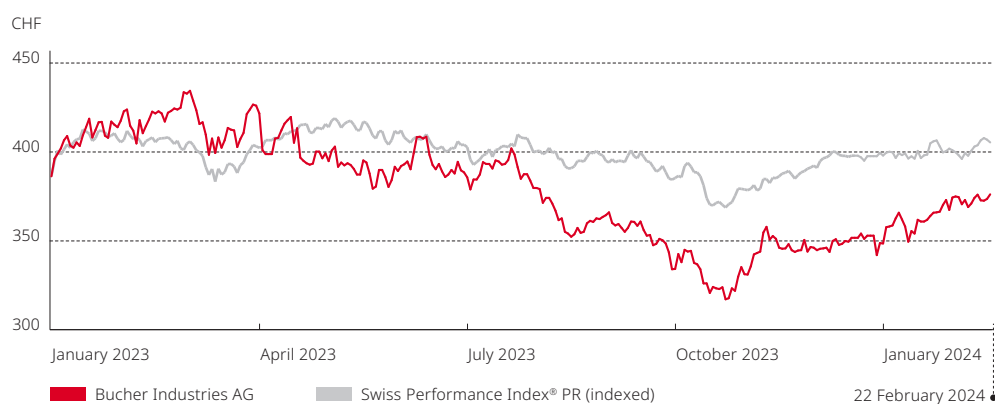
¹⁾ Proposal of the board of directors

Stock exchange listing

The registered shares of CHF 0.20 each are listed on the SIX Swiss Exchange:

Security No.	243217
ISIN	CH0002432174
SIX Swiss Exchange	BUCN
Reuters	BUCN.S
Bloomberg	BUCN SW

Share price performance



Financial calendar

Annual general meeting (Mövenpick Hotel, Regensdorf)	18 April 2024	3.30 p.m.
First trading date ex-dividend	22 April 2024	
Dividend payment	24 April 2024	
Release of first-quarter 2024 group sales	25 April 2024	6.00 a.m.
Interim report 2024	25 July 2024	6.00 a.m.
Video conference on the interim results 2024	25 July 2024	10.00 a.m.
Release of third-quarter 2024 group sales	24 October 2024	6.00 a.m.
Release of 2024 group sales	30 January 2025	6.00 a.m.
Annual report 2024	28 February 2025	6.00 a.m.
Annual press conference	28 February 2025	9.00 a.m.
Annual analysts' conference	28 February 2025	2.00 p.m.
Annual general meeting (Mövenpick Hotel, Regensdorf)	16 April 2025	3.30 p.m.
First trading date ex-dividend	22 April 2025	
Dividend payment	24 April 2025	
Release of first-quarter 2025 group sales	29 April 2025	6.00 a.m.
Interim report 2025	28 July 2025	6.00 a.m.
Video conference on the interim results 2025	28 July 2025	10.00 a.m.
Release of third-quarter 2025 group sales	28 October 2025	6.00 a.m.

Five-year summary

Group

CHF million

	2023	2022	2021	2020	2019
Order intake	3'170.1	3'858.3	3'948.3	2'837.5	3'008.0
Net sales	3'574.8	3'596.8	3'176.4	2'740.7	3'106.0
Order book	1'600.2	2'081.2	1'872.7	1'081.4	1'018.7
Operating profit before depreciation and amortisation (EBITDA)	510.4	511.0	436.6	287.3	368.3
% of net sales	14.3%	14.2%	13.7%	10.5%	11.9%
Operating profit (EBIT)	424.4	425.2	351.9	204.1	284.6
% of net sales	11.9%	11.8%	11.1%	7.4%	9.2%
Net financial result	12.1	-2.4	0.1	-3.9	-3.1
Income tax expense	-80.8	-88.2	-82.8	-48.3	-53.5
% of profit before tax	18.5%	20.9%	23.5%	24.1%	19.0%
Profit for the year	355.7	334.6	269.2	151.9	228.0
% of net sales	9.9%	9.3%	8.5%	5.5%	7.3%
Capital expenditure	141.6	97.0	73.5	72.2	125.2
Operating free cash flow	122.9	68.6	270.7	313.1	162.7
Research and development costs	-132.8	-122.9	-118.1	-112.0	-127.5
Total assets	2'958.4	2'978.7	2'768.2	2'430.8	2'545.1
Total liabilities	1'142.5	1'276.9	1'235.6	1'040.0	1'152.2
of which interest-bearing	133.7	122.1	154.7	147.3	247.3
Equity	1'815.9	1'701.8	1'532.6	1'390.8	1'392.9
Equity ratio	61.4%	57.1%	55.4%	57.2%	54.7%
Return on equity (ROE)	20.2%	20.7%	18.4%	10.9%	17.0%
Net cash/debt	395.6	457.2	550.9	403.8	214.6
Net working capital	735.1	610.8	380.9	364.0	523.9
Net operating assets (NOA) average	1'398.1	1'178.1	1'052.0	1'150.7	1'214.1
Return on net operating assets (RONOA) after tax	24.7%	28.6%	25.6%	13.5%	19.0%
Average number of FTEs	14'795	14'053	13'375	12'515	13'280
Net sales per FTE	CHF 1'000	242	256	237	234
Employees at 31 December	14'858	14'876	13'835		
Regulars covered by collective agreements	7'592	7'291	6'945		
Turnover rate	11.7%	11.0%	13.9%		
Resignation rate	6.7%	7.2%	7.1%		
Average training per regular employee	h	29	20	19	
Energy consumption	MWh	379'660	387'430	403'862	
CO ₂ emissions	tCO ₂ e	81'510	89'672	93'317	

General information regarding GRI reporting

The report covers the calendar year 2023. Bucher Industries follows an annual reporting process. Any restatement of previously reported non-financial data is explained in a footnote under the respective disclosure.

The reporting principles for defining report content and quality have been applied throughout the information collection and report development process. There were no significant changes to the size, structure, ownership or supply chain of Bucher Industries in 2023. The material topics were reviewed in the reporting year and adjusted where necessary. In the pillar "Customers", the material topic "satisfied customers" was renamed "valuable customer relationships", and in the pillar "Employees", the material topics "satisfied employees", "health and safety at work", and "equal opportunities" were consolidated and renamed "positive work environment". The content of the environmental, social and ethics report has not been externally audited.

Stakeholder groups

Stakeholder group	Key needs and concern in 2023
Customers	<ul style="list-style-type: none"> - Timely delivery of products in the usual high quality - Reliable customer service and high availability of spare parts - Efficiency, automation and digitalisation of products and solutions - Reduction of environmental impact when using the products
Dealers/distributors	<ul style="list-style-type: none"> - Support due to increasing complexity of vehicles and machines
Employees	<ul style="list-style-type: none"> - Job security - Health and safety - Compensation, development, training, flexible working arrangements and a say in the process - Balance between work and private life
Suppliers	<ul style="list-style-type: none"> - Clear specifications - Pricing and increasing demands regarding environmental and social issues - Required volumes
Investors and financial institutions	<ul style="list-style-type: none"> - Profitable and sustainable growth and long-term success - Transparent and regular communication
Local communities	<ul style="list-style-type: none"> - Financial, personnel and non-material support
Regulators and authorities	<ul style="list-style-type: none"> - Compliance and conformity with laws and regulations - Responsible application of tax laws and regulations

Five non-financial reporting matters

Five matters

Environment	GRI 302: Energy 2016
	GRI 305: Emissions 2016
Employee matters	GRI 401: Employment 2016
	GRI 403: Occupational Health and Safety 2018
	GRI 404: Training and Education 2016
	GRI 405: Diversity and Equal Opportunity 2016
	GRI 406: Non-discrimination 2016
	GRI 407: Freedom of Association and Collective Bargaining 2016
Human rights	GRI 408: Child Labor 2016
	GRI 409: Forced or Compulsory Labor 2016
Other social matters	GRI 413: Local Communities 2016
	GRI 415: Public Policy 2016
	GRI 416: Customer Health and Safety 2016
	GRI 418: Customer Privacy 2016
Anti-corruption and bribery	GRI 205: Anti-corruption 2016
	GRI 206: Anti-competitive Behaviour 2016
	GRI 207: Tax 2019

Memberships and initiatives

Charters, principles and initiatives

Group	Global Reporting Initiative (GRI)
	CDP
	UN Global Compact
	Swiss GAAP FER
Kuhn Group	Authorized Economic Operator (AEO)
Bucher Emhart Glass	Food Packaging Forum (FPF)
Bucher Unipektin	SUVA Safety Charter

Associations

Group	Swissholdings
	Swissmem
	Swiss-American Chamber of Commerce
	Swiss-Chinese Chamber of Commerce
Kuhn Group	Union des Industriels et Métiers de la Métallurgie (UIMM, France)
	Association of Equipment Manufacturers (AEM, USA)
	German Mechanical Engineering Industry Association (VDMA, Germany)
	Union des Industriels de l'Agroéquipement (AXEMA, France)
	European Agricultural Machinery Association (CEMA, Europe)
Bucher Municipal	EUnited (Europe)
	European Committee for Standardization (CEN, Europe)
	World Road Association (PIARC, Italy)
Bucher Hydraulics	German Mechanical Engineering Industry Association (VDMA, Germany)
	Swissmechanic
	National Fluid Power Association (NFPA, USA)
	National Truck Equipment Association (USA)
Bucher Emhart Glass	International Partners in Glass Research (IPGR)
Bucher Specials	Union des Industriels de l'Agroéquipement (AXEMA, Bucher Vaslin, France)
	International Fruit and Vegetable Juice Association (Bucher Unipektin)
	Swiss Agricultural Machinery Association (Bucher Landtechnik, Switzerland)
	Agricultural Industry Electronics Foundation (Bucher Automation)

GRI Content Index

Statement of use:

Bucher Industries AG has reported the information cited in this GRI content index for the calendar year 2023 with reference to the GRI Standards.

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Due diligence obligations

Human rights

(including conflict materials and child labour)

Policy declaration

Bucher Industries understands that its business dealings wherever it operates can have an impact on human rights, whether through its own activity or that of its business relationships along the supply chain. With our Human Rights Statement as well as a Human Rights Due Diligence Framework (HRDD Framework), we hope to lead the way as a role model in this respect and apply responsible business practices in accordance with internationally recognised human rights. This means that Bucher Industries continuously takes steps to identify, minimise and address risks and impacts. Responsible business conduct is gradually embedded into business processes, with monitoring and reporting on performance. Access to complaints and remedial action is facilitated, particularly for those who may potentially be affected.

The Human Rights Statement is based on the international frameworks listed in the section below. It also applies to all subsidiaries of Bucher Industries as well as the associated business activities and business relationships. The Human Rights Statement sets out our expectations regarding the prevention of child labour, forced labour and oppression, as well as occupational health and safety, freedom of association, the right to equality, the right to privacy, fair wages and working conditions, conflict minerals, and bribery and corruption.

We have set out internally binding instructions in our Code of Conduct, Environmental Policy, Employee Policy and Anti-Corruption Policy and implemented these accordingly. In December 2023, a policy on due diligence obligations in dealings with suppliers was also enacted.

General application of internationally recognised regulations

Bucher Industries places great emphasis on high standards in business ethics and integrity, including support and respect for internationally recognised human rights, as set out in the following international frameworks:

- The Universal Declaration of Human Rights
- The Ten Principles of the UN Global Compact
- Forced Labour Convention, 1930 (ILO Convention No. 29)
- Protocol of 2014 to the Forced Labour Convention, 1930 (ILO Convention No. 29)
- Abolition of Forced Labour Convention, 1957 (ILO Convention No. 105)
- Minimum Age Convention, 1973 (ILO Convention No. 138)
- Worst Forms of Child Labour Convention, 1999 (ILO Convention No. 182)
- ILO-IOE Child Labour Guidance Tool for Business of 15 December 2015
- United Nations Guiding Principles on Business and Human Rights (UNGPs)
- Minamata Convention on Mercury of 10 October 2013 (Minamata Convention)

Conflict minerals

Bucher Industries and its divisions did not import or process any conflict materials (ores and concentrates containing tin, tantalum, tungsten or gold; metals containing tin, tantalum, tungsten or gold) in Switzerland and the EU over the course of the reporting period. In accordance with art. 4 of the Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO), we are therefore exempt from the corresponding due diligence and reporting obligations in Switzerland and the EU.

Application of internationally recognised child labour regulations

With respect to child labour, Bucher Industries abides by the following internationally recognised regulations and applies these in their entirety:

- Minimum Age Convention, 1973 (ILO Convention No. 138)
- Worst Forms of Child Labour Convention, 1999 (ILO Convention No. 182)
- ILO-IOE Child Labour Guidance Tool for Business of 15 December 2015
- United Nations Guiding Principles on Business and Human Rights (UNGPs)

In accordance with art. 9 of the DDTrO, we are therefore exempt from the due diligence and reporting obligations relating to child labour as set out in the Swiss Code of Obligations and the DDTrO.

In this annual report, Bucher Industries reports on how we are addressing the topic of human rights, in accordance with art. 21 of the UNGPs. According to our risk assessment, there are no risks associated with Bucher Industries' activities or environment that would have serious implications for human rights as defined in art. 21 of the UNGPs.

Human Rights Due Diligence Management System

In the reporting period, Bucher Industries drafted and implemented a Human Rights Due Diligence Framework (HRDD Framework) and a policy on due diligence obligations in dealings with suppliers that includes the following main steps in accordance with the UNGPs:

Policy declaration See section on "Policy declaration"

Risk assessment Together with independent external experts, Bucher Industries conducted a risk assessment in the reporting period that looked at human rights along the value chain, and identified and prioritised potential risks to human rights. The prioritised salient human rights are listed in the Bucher Human Rights Statement: the prevention of child labour, forced labour and oppression, as well as occupational health and safety, freedom of association, the right to equality, the right to privacy, fair wages and working conditions, conflict minerals, and bribery and corruption. It has generally been established that we do not operate in critical sectors. This means that there is a higher likelihood of salient human rights either upstream or downstream in the supply chain, particularly beyond Tier 1 suppliers but a significantly lower likelihood of negative impacts in Bucher Industries' own operations.

Measures On the basis of this risk assessment, Bucher Industries has enacted a policy on due diligence obligations in dealings with suppliers. This policy, which is binding for the divisions, outlines the responsibilities and processes governing how we identify risks to human rights in the supply chain and bring to an end, prevent or minimise potential violations. The due diligence management system specified in this policy sets out the measures and tools (such as risk classification for suppliers, supplier screening and on-site audits, a code of conduct for suppliers and templates for contractual clauses, remedial measures, suspension and termination of supplier relations, monitoring and corrective measures, training). It also outlines the internal reporting, ad hoc reporting, documentation, processes with respect to conflict minerals, and the consequences associated with violations of this policy. As an early warning mechanism for identifying risks, Bucher Industries provides an online whistleblower system. See the section on "Complaints mechanism and remedial action".

Integration A human rights roadmap that covers the most important measures, goals and responsibilities has been approved by the board of directors and will be monitored by the Group Compliance Officer. The roadmap will be updated and revised annually and as required in order to address potential new risks to human rights and continuously improve Bucher Industries' HRDD Framework. Where possible, prevention and mitigation measures relating to human rights will be integrated into the divisions' processes, incentive schemes, training programmes, policies, management systems and decision-making mechanisms.

Monitoring and communication Implementation of the human rights roadmap will be monitored and tracked, e.g. on the basis of feedback from relevant internal and external stakeholders, which is used to inform and support continuous improvement and to ensure the effectiveness of Bucher Industries' HRDD Framework. We report on the results, progress and further measures relating to the HRDD Framework on an annual basis as part of our annual report and on our website.

Complaints mechanism and remedial action Bucher Industries places great emphasis on pursuing a culture of shared responsibility. Anyone with a concern relating to a possible violation of human rights may freely express this on a confidential basis, without any fear of reprisal. We maintain an online whistleblower system, which enables employees and potentially affected internal and external stakeholder groups to express their concerns about potential problems relating to compliance and human rights, including possible violations of the Bucher Human Rights Statement and the Bucher Code of Conduct. Should any negative impact on human rights be determined in relation to Bucher Industries' business activities or involvement in said business activities, we are committed to taking measures in a timely and transparent manner in order to fairly resolve these issues. Should Bucher Industries identify any impact that is directly associated with its business relationships, we will use our influence to encourage our business partners (and our suppliers in particular) to respect human rights, whether through collaboration and support, plans for corrective measures, suspension or termination of the business relationship in exceptional cases. In the reporting period, no concerns relating to human rights topics were reported or expressed.

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