

Third quarter 2020 Investor relations handout

BUCHER

October 2020
Public



Contents

– Bucher at a glance	3
– Group: financial review	10
– Performance	11
– Invested capital	13
– Financing and risk management	19
– Divisions: our activities	22
– Kuhn Group	23
– Bucher Municipal	30
– Bucher Hydraulics	36
– Bucher Emhart Glass	42
– Bucher Specials	48
– Outlook and trends	52

BUCHER

Bucher at a glance

The five divisions of Bucher Industries

Bucher Specials
Individual businesses

Bucher Emhart Glass
Glass container industry

Bucher Municipal
Municipal vehicles

Kuhn Group
Agricultural machinery

Bucher Hydraulics
Hydraulic systems



CHF 3.1 billion sales, 13'100 employees, 9.2% EBIT margin

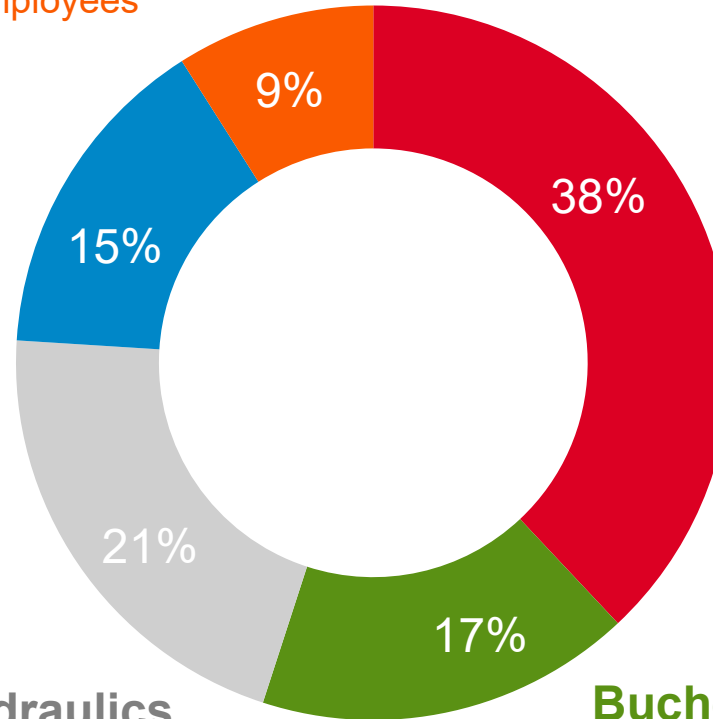
Bucher Industries 2019



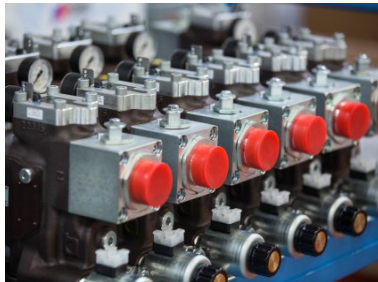
Bucher Specials
CHF 320 million sales
900 employees



Kuhn Group
CHF 1'180 million sales
5'200 employees



Bucher Emhart Glass
CHF 490 million sales
1'800 employees



Bucher Hydraulics
CHF 650 million sales
2'800 employees

Bucher Municipal
CHF 540 million sales
2'400 employees



International Group

62% Europe (of which Switzerland)
CHF 1'940 million sales (CHF 120 m)
8'500 employees (1'000)

18%
North America
CHF 560 million sales
1'600 employees

Central and South America
CHF 140 million sales
900 employees

5%

9%
Asia
CHF 290 million sales
1'700 employees

6%
Other
CHF 180 million sales
400 employees



Number 1 in selected markets



Kuhn Group

World market leader
in forage harvesting machinery
and feed mixers



Bucher Municipal

European market leader
in sweepers



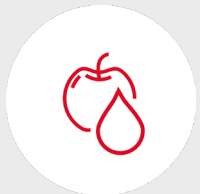
Bucher Hydraulics

World leader
in hydraulic power packs



Bucher Emhart Glass

World market leader in glass container
manufacturing equipment



Bucher Specials

World market leader
in fruit juice and
winemaking equipment

Aspiration

Diversified group

in mechanical and vehicle engineering

Technological leadership

for a strong market position

Solid balance sheet

for long-term, industrial independence

Decentralised responsibility

for products, markets and results
in the divisions; centrally co-ordinated

Strengthening

of divisions

Increase in enterprise value

(RONOA > WACC)

Principles

High level of independence for divisions

- No competition for resources and responsibilities
- Exchange of experiences on specialist topics

Leadership by

- Strategic planning
- Key financial figures
- Standardised values and prescribed governance requirements
- Division management appointments
- Selected, operational projects

Lean corporate centre structure

- With approx. 30 employees

Group: financial review

Key figures – third quarter 2020

Performance

CHFm	January – September				Change in	Full year
	2020	2019	%	% ¹⁾		
Order intake	1'959	2'215	-11.5	-6.6	-7.3	3'008
Net sales	2'010	2'364	-15.0	-10.4	-10.9	3'106
Order book	935	973	-4.0	1.1	0.2	1'019
Employees at closing date	12'538 ³⁾	13'224	-5.2		-6.1	13'107
CHFm	January – June				Change in	Full year
	2020	2019	%			
Operating profit (EBIT) as % of net sales	94 7.0%	155 9.3%	-39.0			285 9.2%
Profit for the period as % of net sales	68 5.0%	122 7.3%	-44.0			228 7.3%

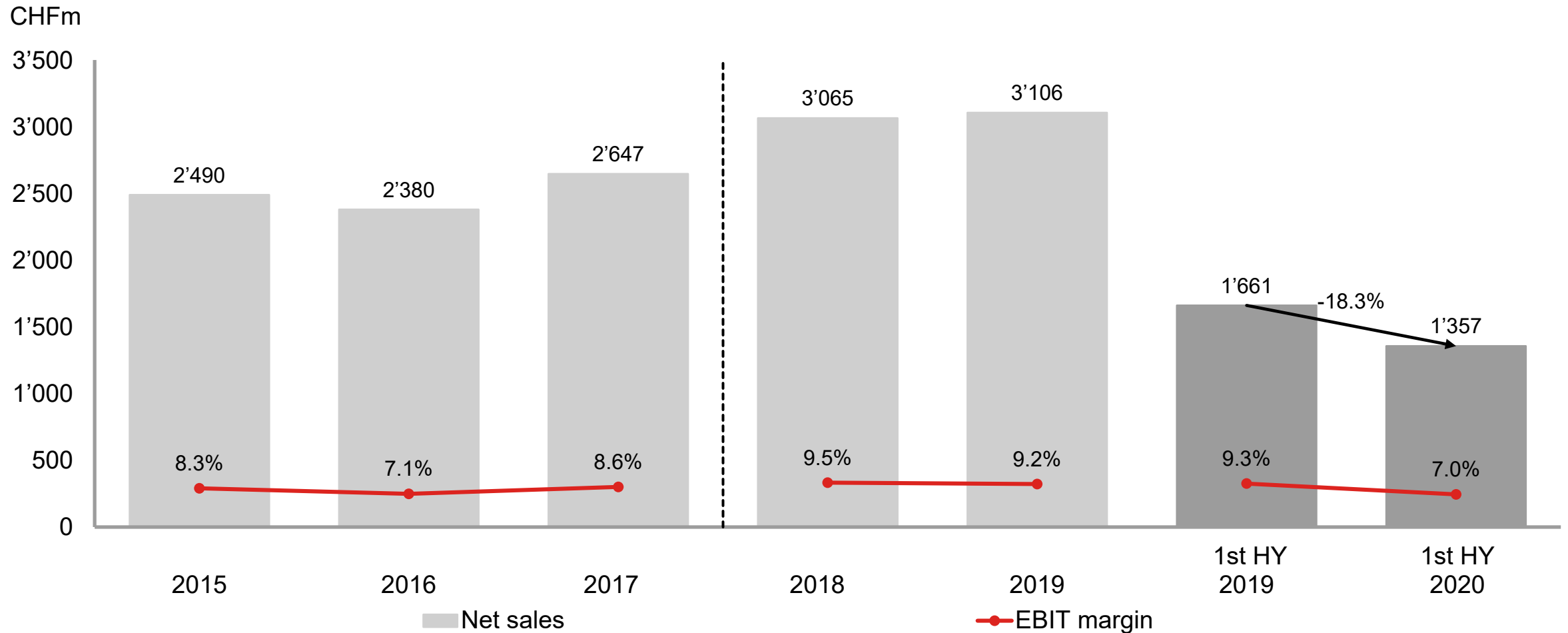
¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency, acquisition and divestment effects

³⁾ 12'686 employees (FTEs), of whom 148 on short-time work (2019: 13'267 employees, of whom 43 on short-time work)

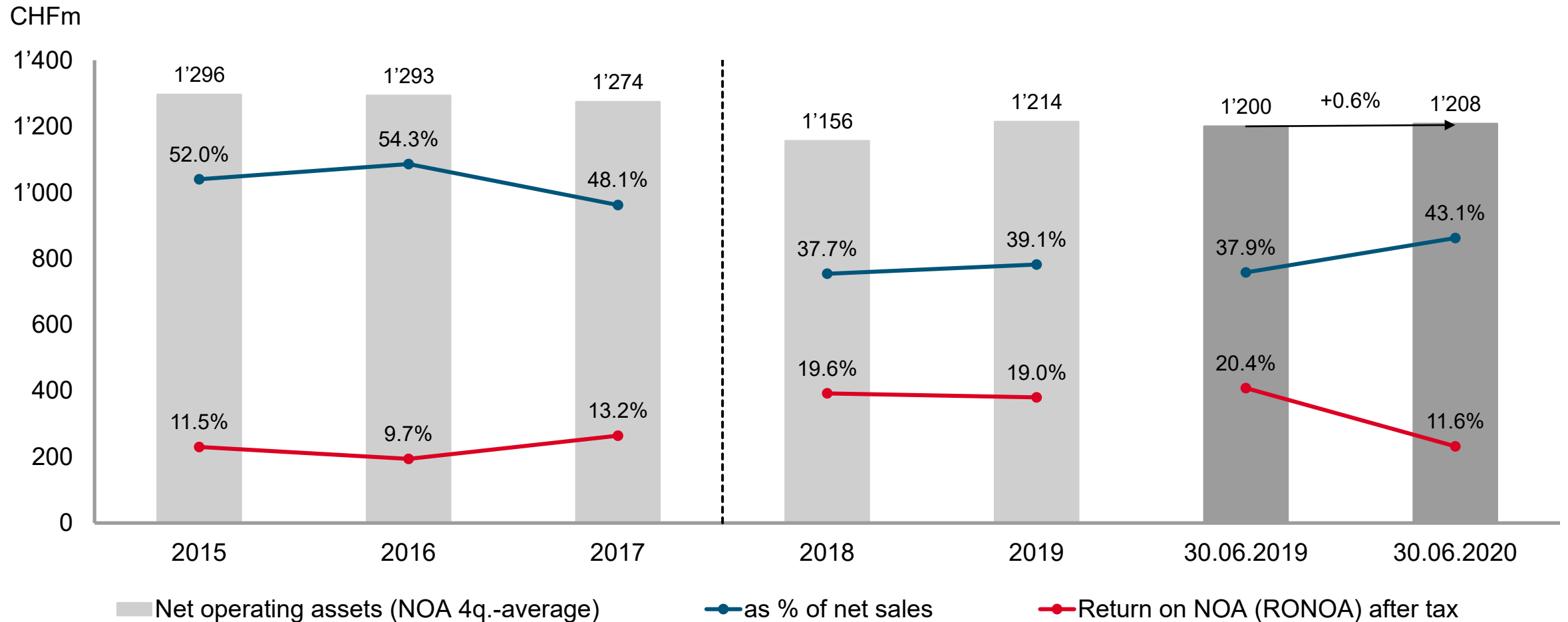
Decent first half year margin with a marked downturn in sales

Performance: Net sales and EBIT margin



Increase in NOA in percentage of sales

Invested capital: Net operating assets (NOA)



M&A transactions 2019 – 2020

2019

Bucher Municipal

Zynkon, China



Bucher Emhart Glass

Refractory business, USA



Asset Deal, sold to Rath Group

Bucher Specials

Elan Systems, Hungary



Bucher Emhart Glass

Symplex, Germany



2020

Bucher Municipal

Eurovoirie, France



Bucher Specials

Luzzysa, Spain



Bucher Municipal

Spoutvac, Australia



Net sales¹⁾
CHF 14 million

Employees
110

Net sales¹⁾
CHF 9 million

Employees
50

Net sales¹⁾
CHF 3 million

Employees
20

Net sales¹⁾
CHF 8 million

Employees
35

Net sales¹⁾
CHF 34 million²⁾

Employees
75

Net sales¹⁾
CHF 4 million

Employees
20

Net sales¹⁾
CHF 16 million

Employees
35

¹⁾ before acquisition/divestment

²⁾ of which more than half with Bucher Municipal equipment

Colour coding:

Acquisition

Divestment

Key investment projects

Invested capital: Fixed and intangible assets

Kuhn Group

“MGM Monswiller” extension near Saverne, France

Doubling of production halls in response to growing need for large agricultural machinery. Expected to be operational in early 2021.



Bucher Municipal

Production extension in Ventspils, Latvia

Assembly line built specifically for the serial production of the new “CityCat V20e” at the compact sweeper production site.



Bucher Hydraulics

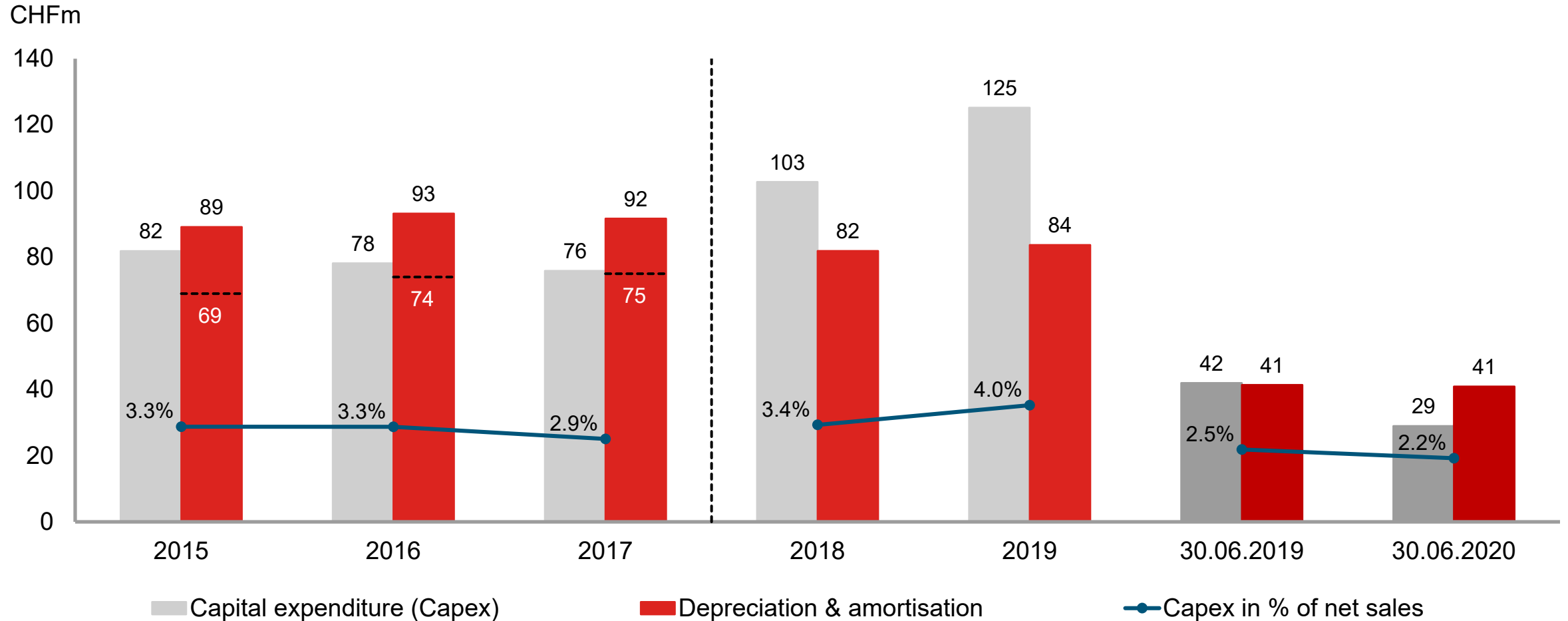
Expansion of production capacity in Gurgaon, India

Further development of a new product line for less demanding applications in the lower price segment.



Capital expenditure

Invested capital: Fixed and intangible assets



Selected development projects

Invested capital

Bucher Municipal

Electrification of all product groups

“CityCat V20e”: Battery is based on the latest technology and has been specially developed for use in this compact sweeper.



Bucher Hydraulics

Innovative axial piston line
AX pumps and AX motors

The AX series offers an exceptionally high efficiency rate in a wide range of rotational speeds as well as low-speed, smooth, accurate movements.



Bucher Vaslin

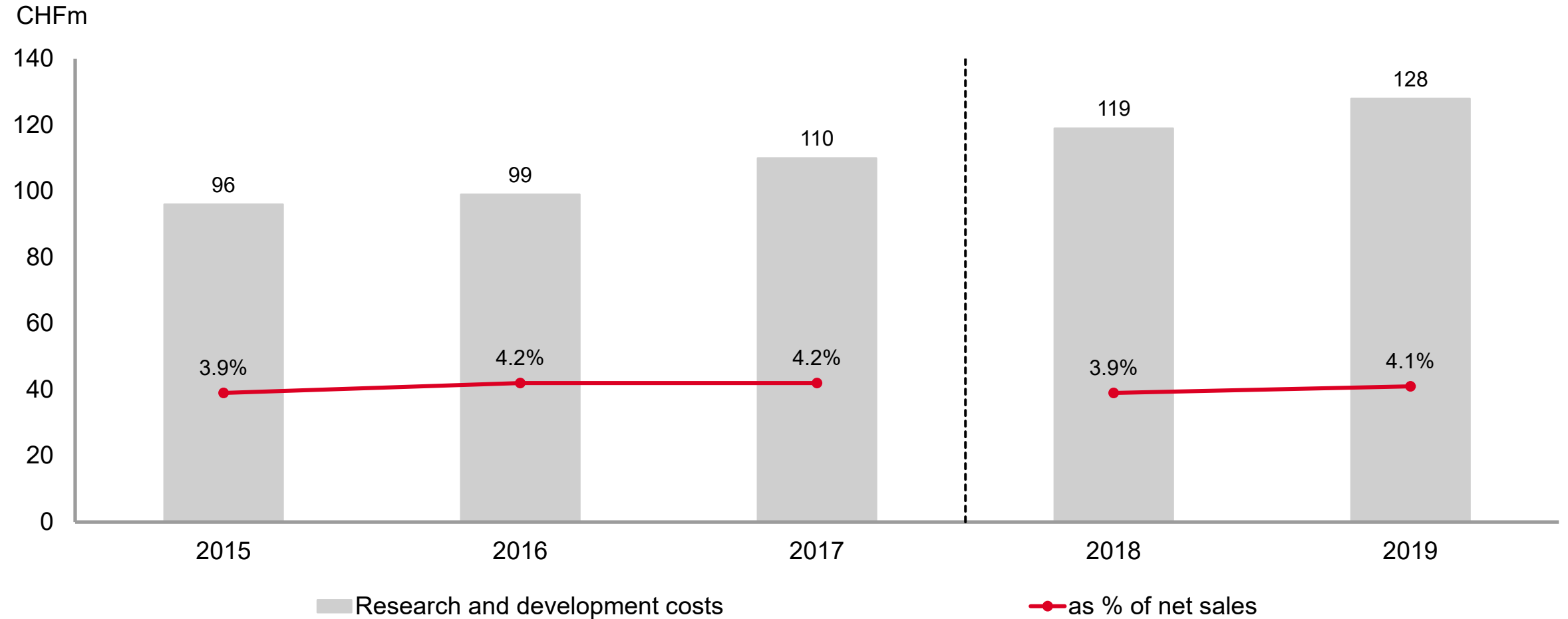
“Maestro”: Add-on to the
“Bucher XPert” grape press

“Maestro” controls all four phases of a complete cycle, improves productivity and delivers extensive information about the pressing process.



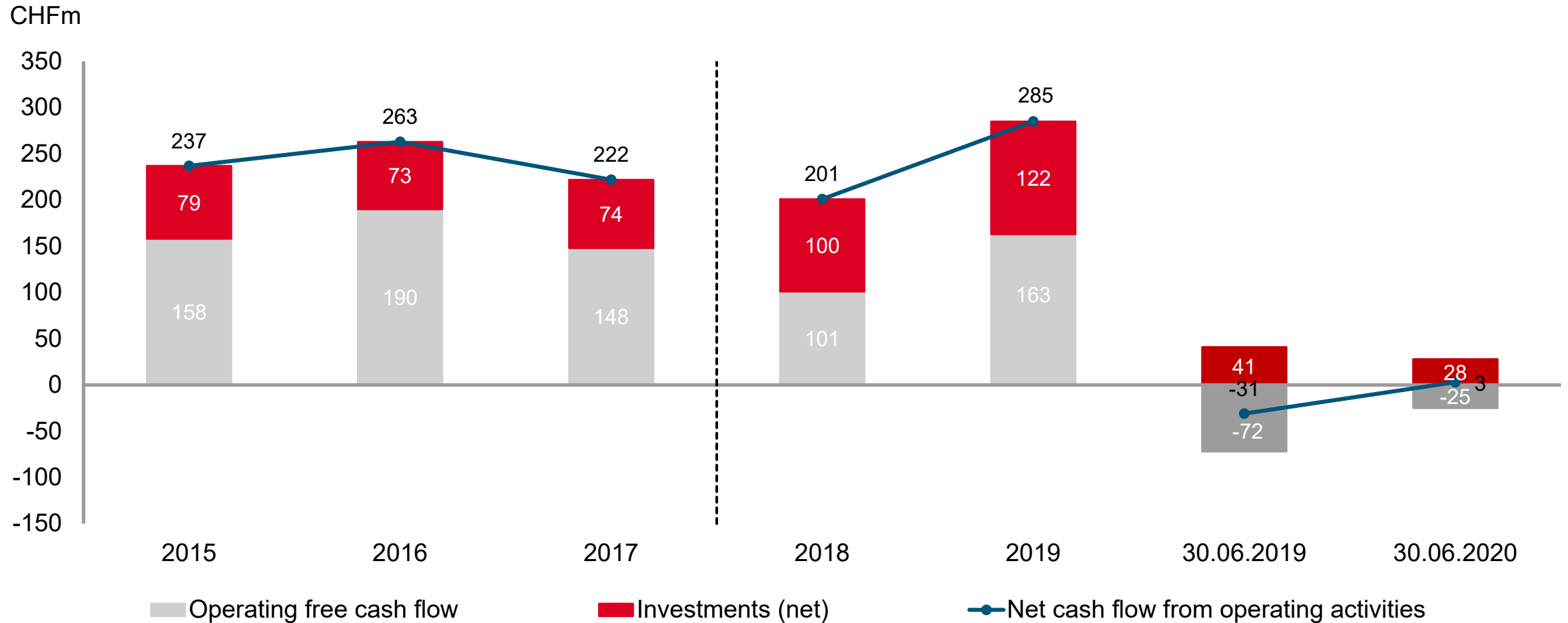
Research and development costs

Invested capital



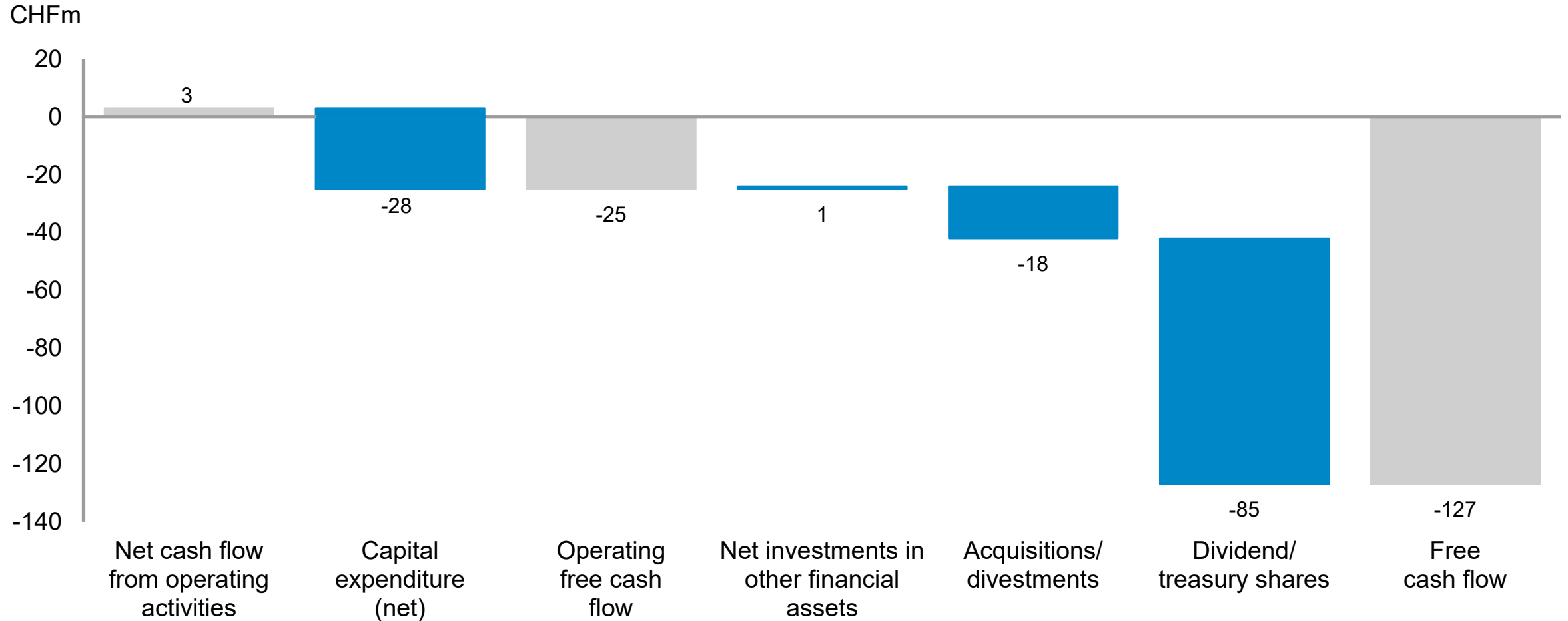
Cash flow and investments

Financing and risk management



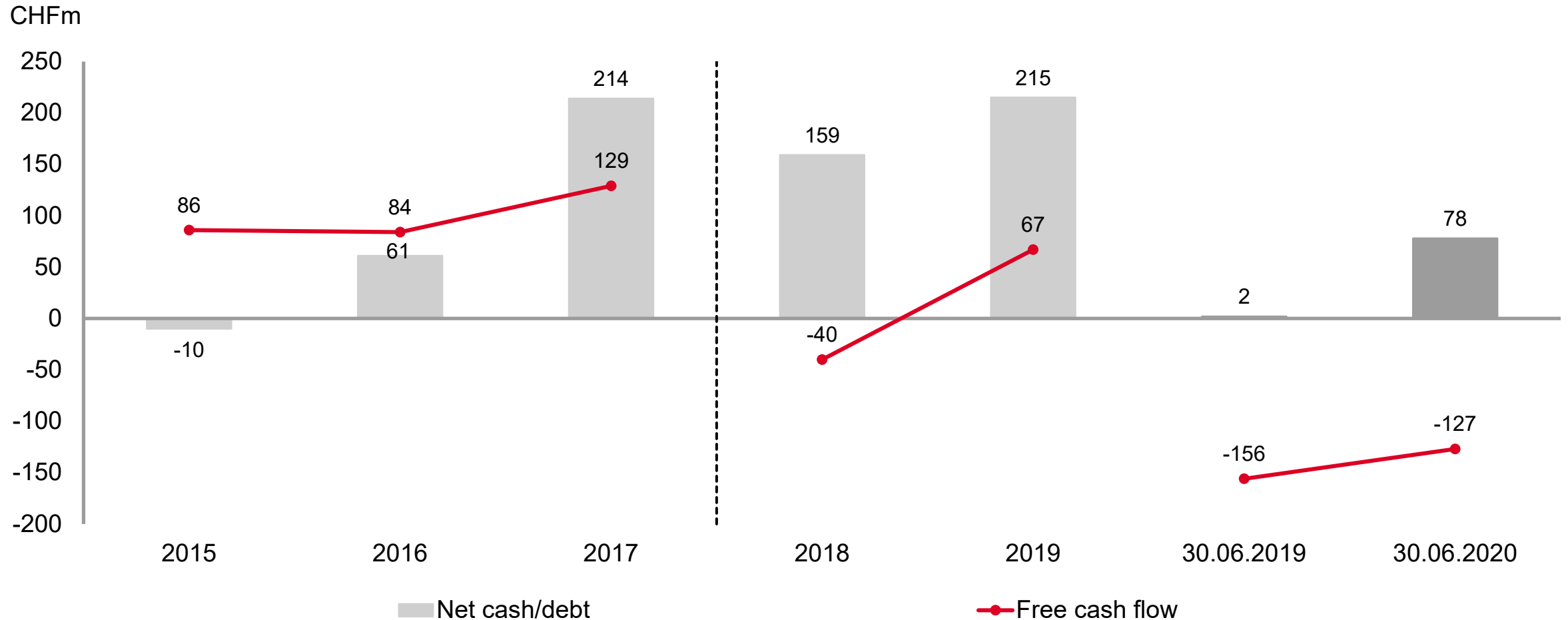
Free cash flow negative, as usual in first half-year

Financing and risk management



Improvement in free cash flow and net cash

Financing and risk management



Divisions: our activities

Kuhn Group

Large machines for large farms



Specialised agricultural machinery

Kuhn Group

Arable farming



Ploughing



Tillage



Seeding



Fertilisation



Spraying

Dairy and livestock farming



Hay and forage harvesting



Feed storage



Bedding and feeding



Manure spreaders



Hedge cutters

Landscape maintenance

Complete product range under the Kuhn brand

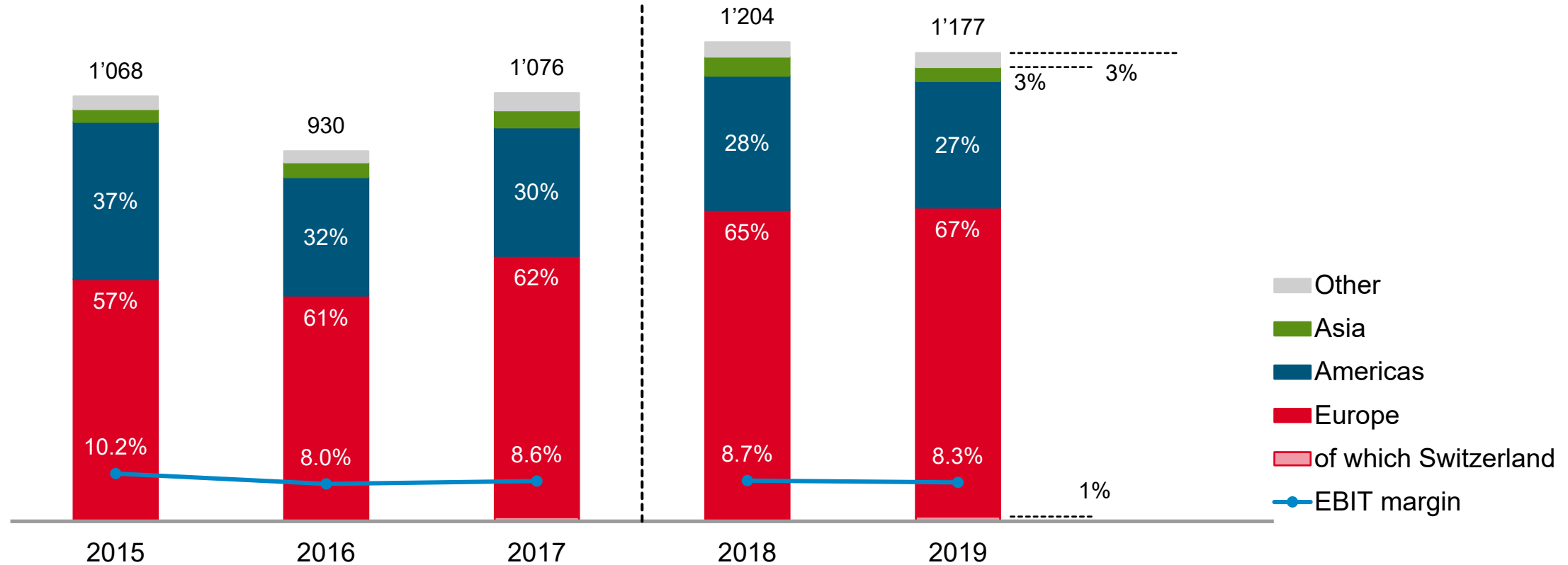
Kuhn Group

	Mowers	Hay and forage		Balers	Hedge cutters	Feed mixers	Tillage equipment		Seeders		Spreaders	Sprayers	Tractors	Harvesters self-propelled
		Tedders	Rakes				driven	non-driven	drilling	precision				
Kuhn Group														
John Deere														
CNH														
AGCO														
Claas														
Krone														
Amazone														
Pöttinger														
Kubota/KVE/ Great Plains														
Exel / Hardi														
Lemken														
Horsch														
Väderstad														
SDF														
Maschio														

Net sales by region

Kuhn Group

CHFm

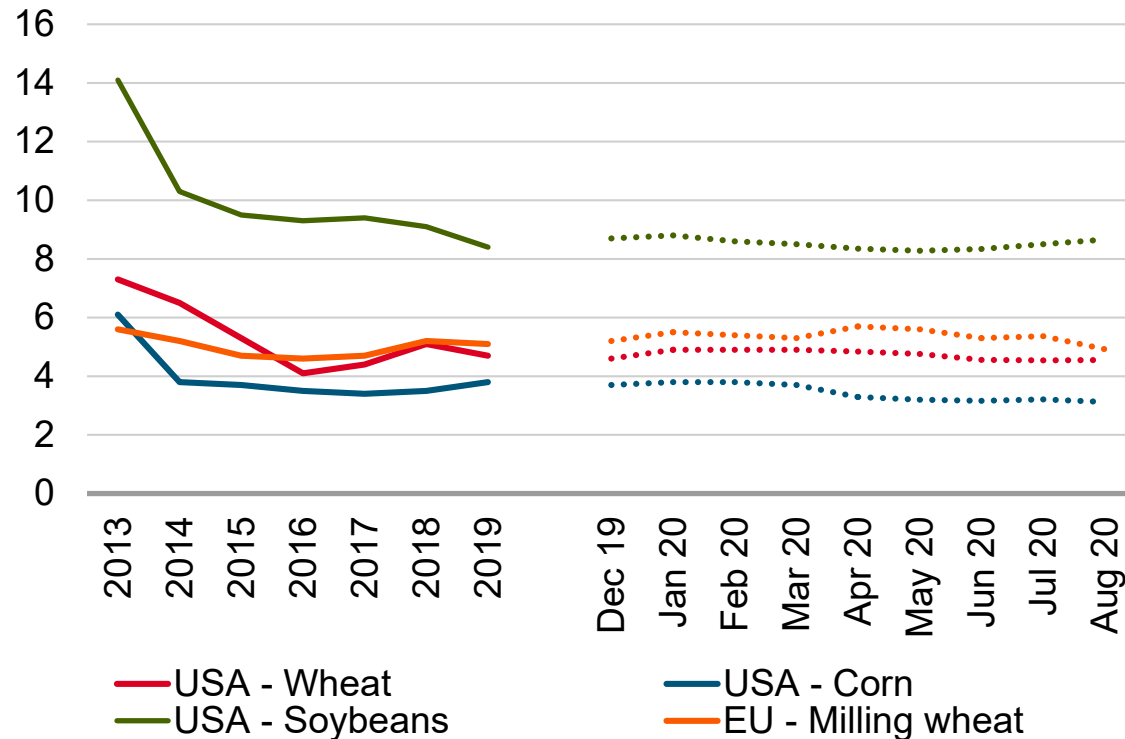


Price development soybeans, corn, wheat, milk

(average prices until September 2020)

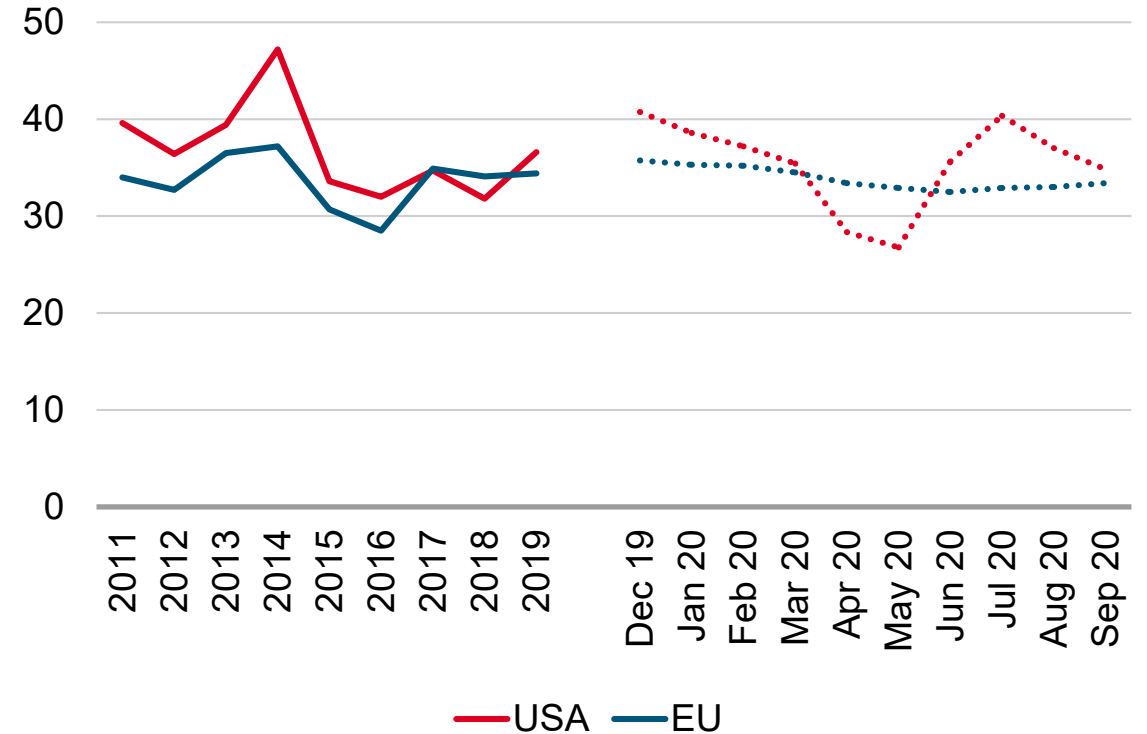
Crop price

EUR and USD / bushel



Milk price

EUR and USD / 100 kg



Note: Sep 20 prices not available yet

Source: USDA, AHDB (US price received / European physical price (Hamburg))

Note: Dec 19 – Sep 20 prices EU without UK. Sep 20 price USA based on USDA forecast

Source: https://www.clal.it/en/?section=latte_europa_mmo, USDA

Key figures

Kuhn Group

CHFm	January – September			Change in % ¹⁾	Full year 2019
	2020	2019	%		
Order intake	847	805	5.3	13.2	1'141
Net sales	821	901	-8.9	-2.4	1'177
Order book	419	353	18.7	26.1	411
Employees at closing date	5'118 ²⁾	5'180	-1.2		5'188

CHFm	January – June			Change in %	Full year 2019
	2020	2019	%		
Operating profit (EBITDA) as % of net sales	69 11.7%	81 11.8%	-14.9		135 11.5%
Operating profit (EBIT) as % of net sales	51 8.8%	62 9.2%	-17.7		98 8.3%

¹⁾ Adjusted for currency effects

²⁾ 5'124 employees (FTEs), of whom 6 on short-time work (2019: 5'223 employees, of whom 43 on short-time work)

Resilient agricultural market

Kuhn Group: Outlook for 2020

Low dealer inventories and government support measures for farmers strengthen demand for agricultural machinery

- North America: Volatile market environment, agricultural producers temporarily supported by massively increased government payments
- Europe: Good demand in dairy and livestock sector, uncertainties in the arable sector due to persistent drought in certain regions and regarding future agricultural policies
- Brazil: Very good market situation thanks to the favourable conditions for agricultural producers

Strategic focus

- Large machines for large farms
- Digital solutions for precision farming and customer retention
- Close to customers: Distribution centres in Brazil and Russia

For 2020: Decline in sales somewhat less than in the first nine months; operating profit margin lower than in the previous year

Bucher Municipal

Focus on electrification: the all-electric “CityCat V20e“



Municipal vehicles and winter maintenance equipment

Bucher Municipal

Compact sweepers



Truck mounted sweepers



Winter equipment



Sewer cleaning



Refuse collection



Complete product range under one brand

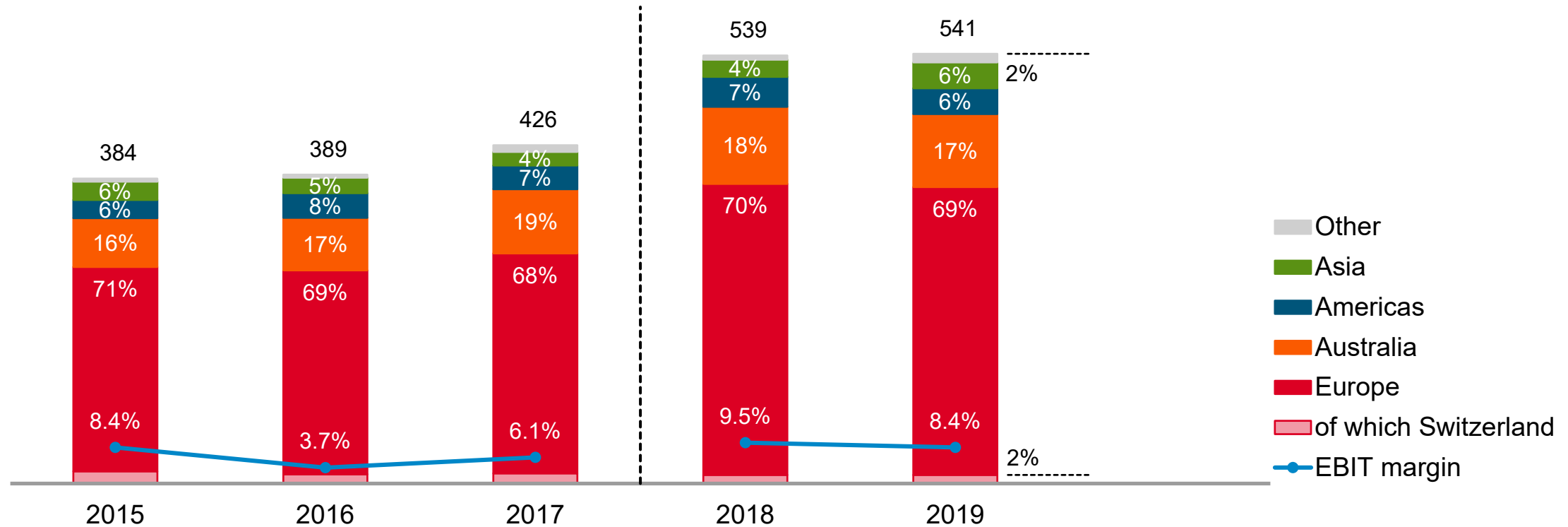
Bucher Municipal

Competitors	Sweepers				Refuse vehicles			Winter maintenance			Vacuum tankers	
	Vacuum		Mechanical		Front	Rear	Side	Spreaders	Ploughs	Snow blowers	Municipal	Industry
	Compact	Truck mounted	Compact	Truck mounted								
Bucher Municipal												
Federal Signal												
Alamo												
Douglas Dynamics												
Terberg-RosRoca												
Aebi-Schmidt												
Faun												
Fayat												
Hako												
Boschung												
Cappellotto												
Kaiser												
Zoomlion												

Net sales by region

Bucher Municipal

CHFm



Key figures

Bucher Municipal

CHFm	January – September				Change in	Full year
	2020	2019	%	% ¹⁾		
Order intake	343	377	-9.2	-4.6	-8.8	520
Net sales	320	393	-18.7	-14.6	-17.0	541
Order book	182	166	9.3	14.7	9.9	159
Employees at closing date	2'305 ³⁾	2'409	-4.3		-8.5	2'370
CHFm	January – June				Change in	Full year
	2020	2019	%			
Operating profit (EBITDA) as % of net sales	13 5.8%	26 10.2%	-52.7			55 10.2%
Operating profit (EBIT) as % of net sales	8 3.6%	22 8.5%	-64.5			46 8.4%

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

³⁾ 2'307 employees (FTEs), of whom 2 on short-time work

Further stabilisation in the remaining months

Bucher Municipal: Outlook for 2020

Slight recovery of business performance

- Demand overall satisfactory
- Further improvement in production conditions and supply chain

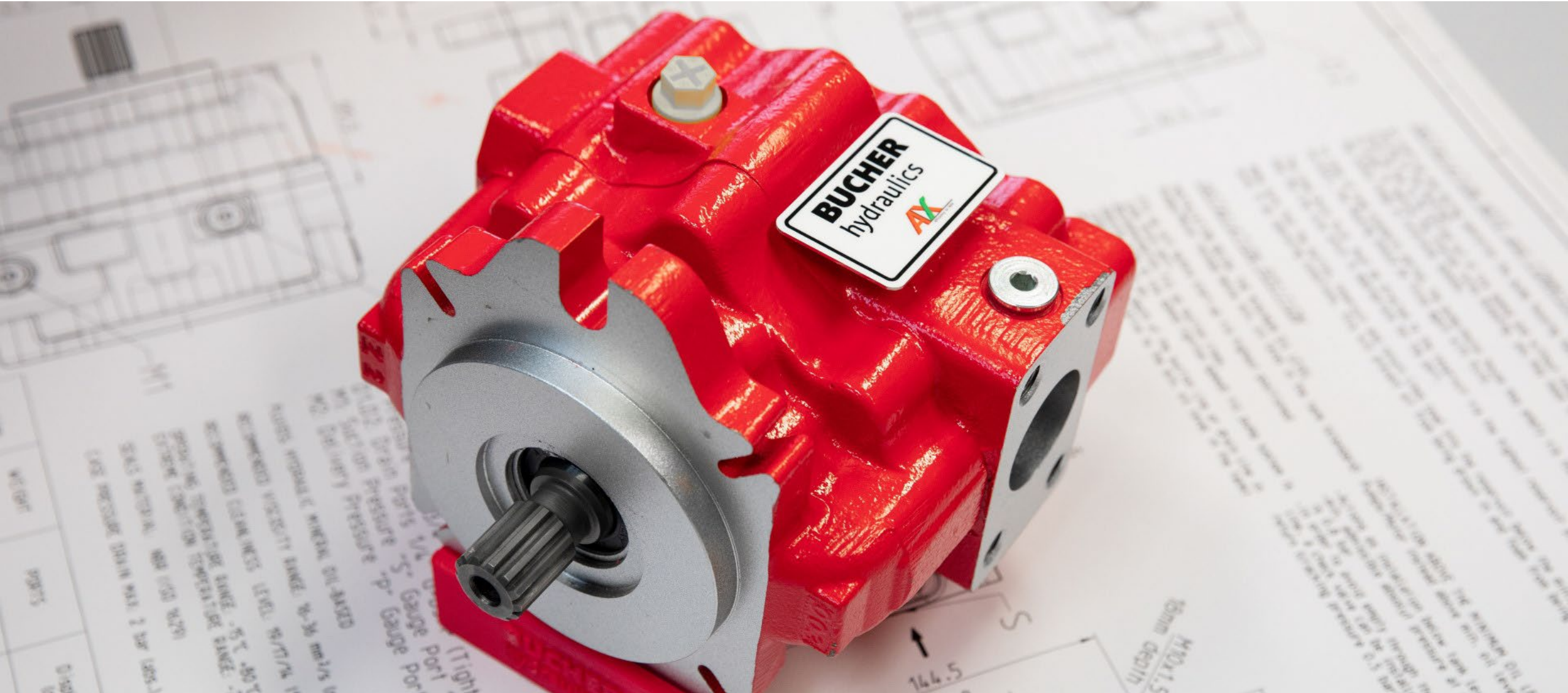
Strategic projects

- “One company – one brand”
- Launch of new electric compact sweeper “CityCat V20e”
- Integration of Eurovoirie and Spoutvac
- Greater efficiency due to modularisation

For 2020: Sales to recover in the remaining months; operating profit margin in the mid-single-digit range

Bucher Hydraulics

The new AX pumps and motors



Customised drive systems

Bucher Hydraulics



Pumps



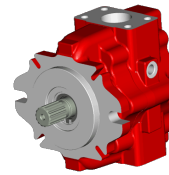
Valves



Subsystems



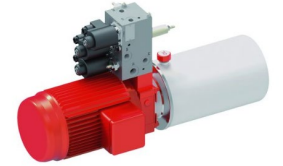
Tailor-made
customer solutions



Motors



Cylinders



Power packs

Agricultural machinery



Construction equipment



Materials handling



Industry



Other segments: Mining/tunnelling, energy technology, municipal vehicles, elevator technology, high-voltage switch gear

Leading manufacturer with wide range of products

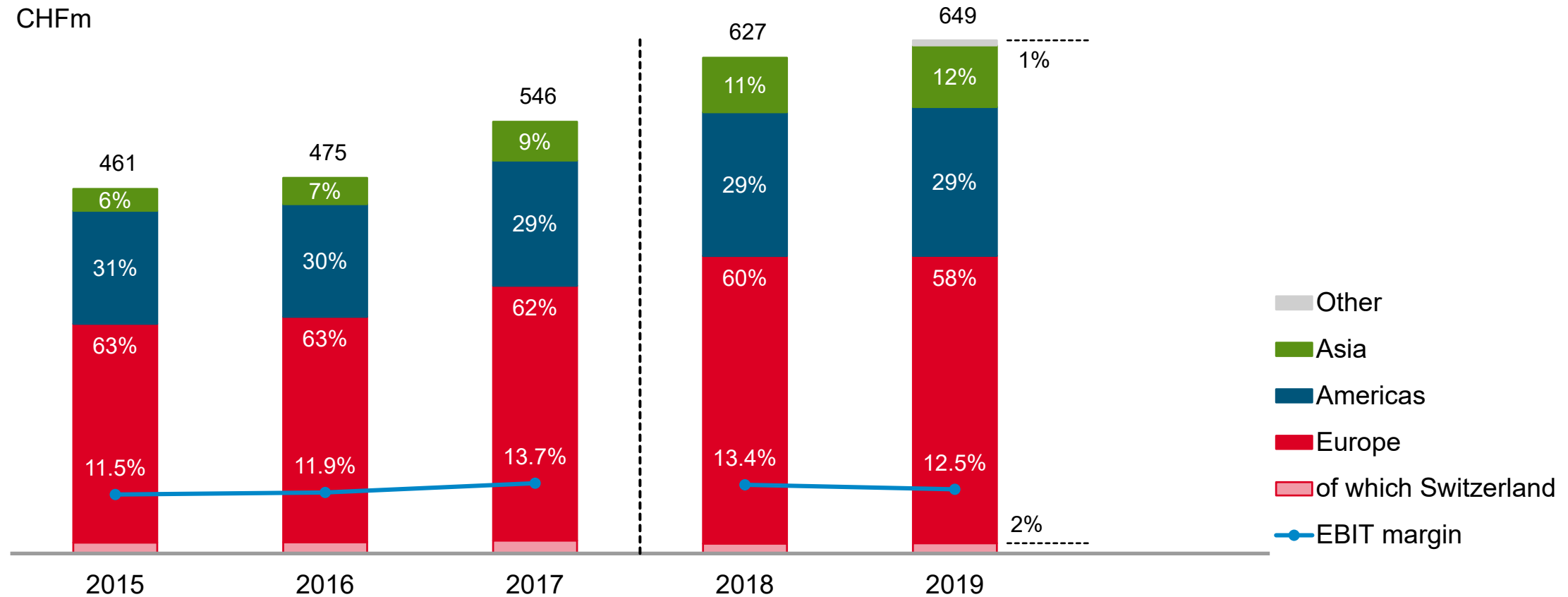
Bucher Hydraulics

Competitors	Pumps			Valves						Motors & cylinders			Accessories				Power packs	
	Piston	Vane	Gear	Industrial (Cetop)	Servo	Directional spool	Cartridge	HIC	Special	Gear	Piston	Cylinders	Electronics	Accumulators	Filters	Other	Compact	Contracting
Bucher Hydraulics																		
Parker (USA)																		
Eaton (USA)																		
Rexroth (DE)																		
Danfoss (DK)																		
Hydac (DE)																		
HAWE (DE)																		
Dana (IT)																		
Interpump (IT)																		
Argo-Hytos (DE)																		
Moog (USA)																		
Concentric (SE)																		
Husco (USA)																		
Sun Hydraulics (USA)																		
Hydraforce (USA)																		

Net sales by region

Bucher Hydraulics

CHFm



Key figures

Bucher Hydraulics

CHFm	January – September			Change in % ¹⁾	Full year 2019
	2020	2019	%		
Order intake	399	434	-8.2	-4.6	564
Net sales	403	513	-21.3	-18.2	649
Order book	105	121	-13.3	-9.5	113
Employees at closing date	2'513 ²⁾	2'834	-11.3		2'766

CHFm	January – June			Change in %	Full year 2019
	2020	2019	%		
Operating profit (EBITDA) as % of net sales	36 13.6%	56 15.9%	-35.2		102 15.8%
Operating profit (EBIT) as % of net sales	25 9.5%	45 12.8%	-43.8		81 12.5%

¹⁾ Adjusted for currency effects

²⁾ 2'596 employees (FTEs), of whom 83 on short-time work

Further stabilisation of hydraulics market

Bucher Hydraulics: Outlook for 2020

Signs of recovery in certain markets

- Upturn in key segments agricultural machinery and materials handling, construction equipment remains weak
- Regional differences in development
- Early measures and flexible cost structure help to adapt to lower capacity utilisation

Investments in the future

- Development of innovative AX axial piston line, particularly suitable for electrified machines
- Increasing focus on electrohydraulics
- Ongoing expansion of the product line in the lower price segment

For 2020: Decline in sales slightly less than in the first nine months; operating profit margin around the double-digit mark despite substantial decline in sales

Bucher Emhart Glass

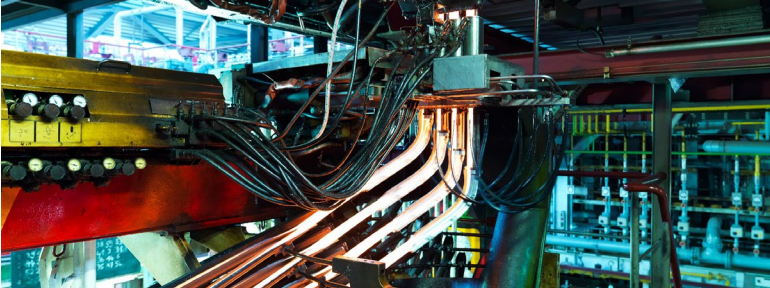
Complete "End to End" production line



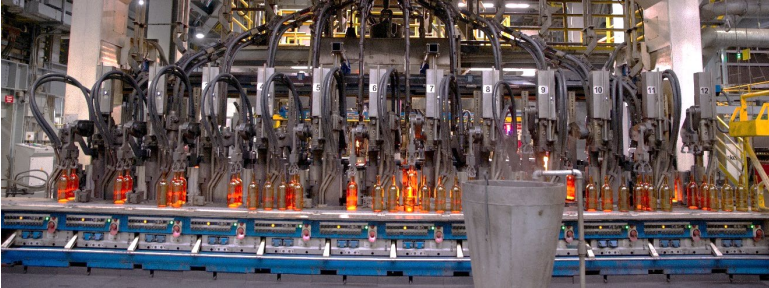
Glass container manufacturing equipment

Bucher Emhart Glass

Hot End



Gob forming

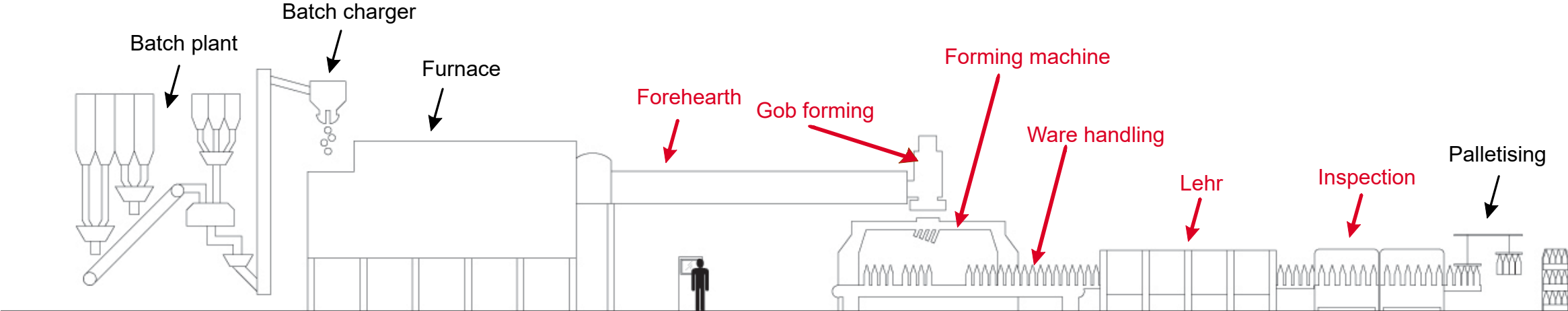


Glass-forming machine

Cold End



Inspection



Glass container manufacturing process

World's leading machinery manufacturer

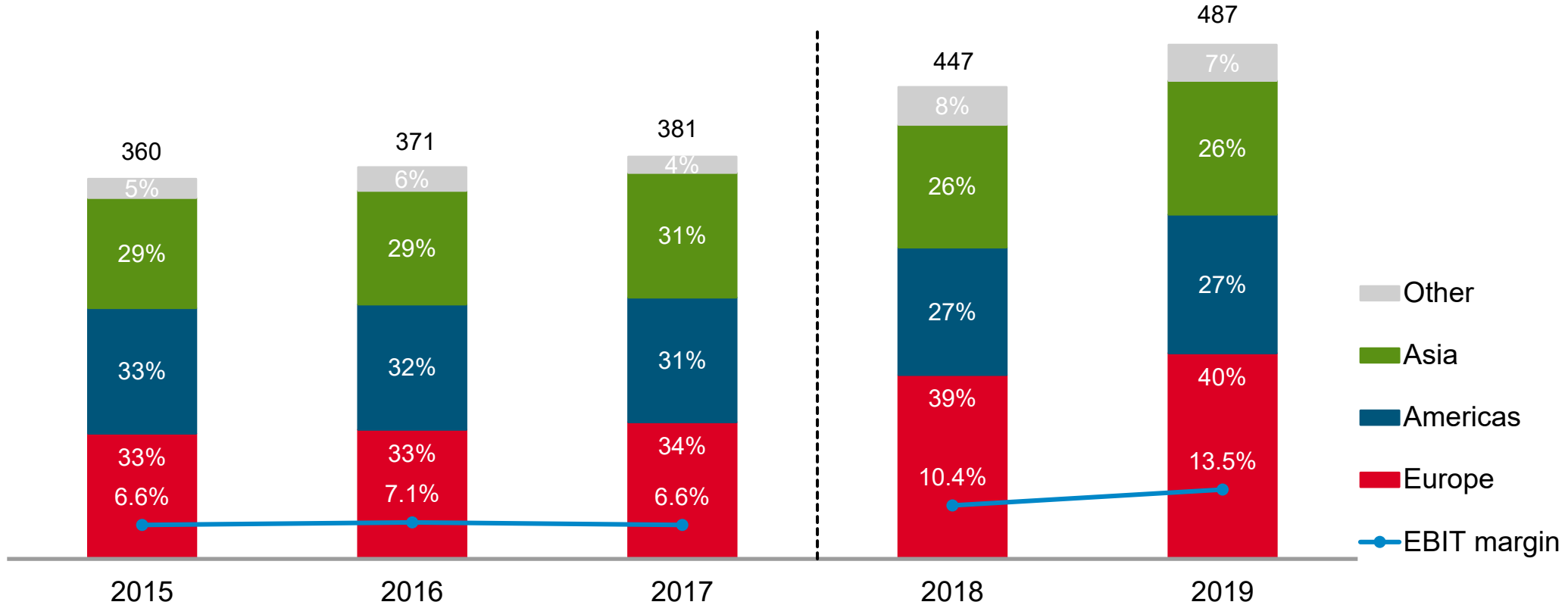
Bucher Emhart Glass

Competitors	Hot end								Cold end			
	IS forming machine											
	Refractory	Forehearth	Feeder & shear	NIS	BIS	AIS	IS	Ware handling	Lehr	Inspection	Palletising	Wrapping
Bucher Emhart Glass												
Bottero (IT)												
Heye (DE)												
Sklostroj (CZ)												
BDF (IT)												
Competitors (CN)												
Tiama (FR)												
PSR (UK)												

Net sales by region

Bucher Emhart Glass

CHFm



Key figures

Bucher Emhart Glass

CHFm	January – September		Change in		Full year
	2020	2019	%	% ¹⁾	2019
Order intake	223	412	-46.0	-43.4	524
Net sales	285	372	-23.5	-19.9	487
Order book	197	275	-28.4	-24.9	271
Employees at closing date	1'652	1'776	-7.0		1'770
CHFm	January – June		Change in		Full year
	2020	2019	%		2019
Operating profit (EBITDA) as % of net sales	20 11.0%	37 14.3%	-46.5		74 15.3%
Operating profit (EBIT) as % of net sales	15 8.4%	32 12.5%	-53.3		66 13.5%

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency, acquisition and divestment effects

Further improvement in demand

Bucher Emhart Glass: Outlook for 2020

Slow improvement in demand at a low level

- Slight upturn in project activities with some customers
- Negotiation of major projects and installation of equipment resumed
- China seems to have bottomed out

Further strengthening of market position

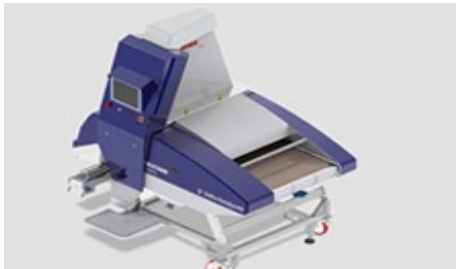
- Construction of first complete “End to End” production lines
- Expansion of services, e.g. “Training on glass”

For 2020: Further recovery of sales for the remainder of the year, but significantly lower year on year; operating profit margin around the double-digit mark

Bucher Specials

Individual businesses

Bucher Vaslin



Winemaking equipment

Bucher Unipektin



Equipment for fruit juice processing, beer filtration and drying

Bucher Landtechnik



Agricultural distributorship in Switzerland

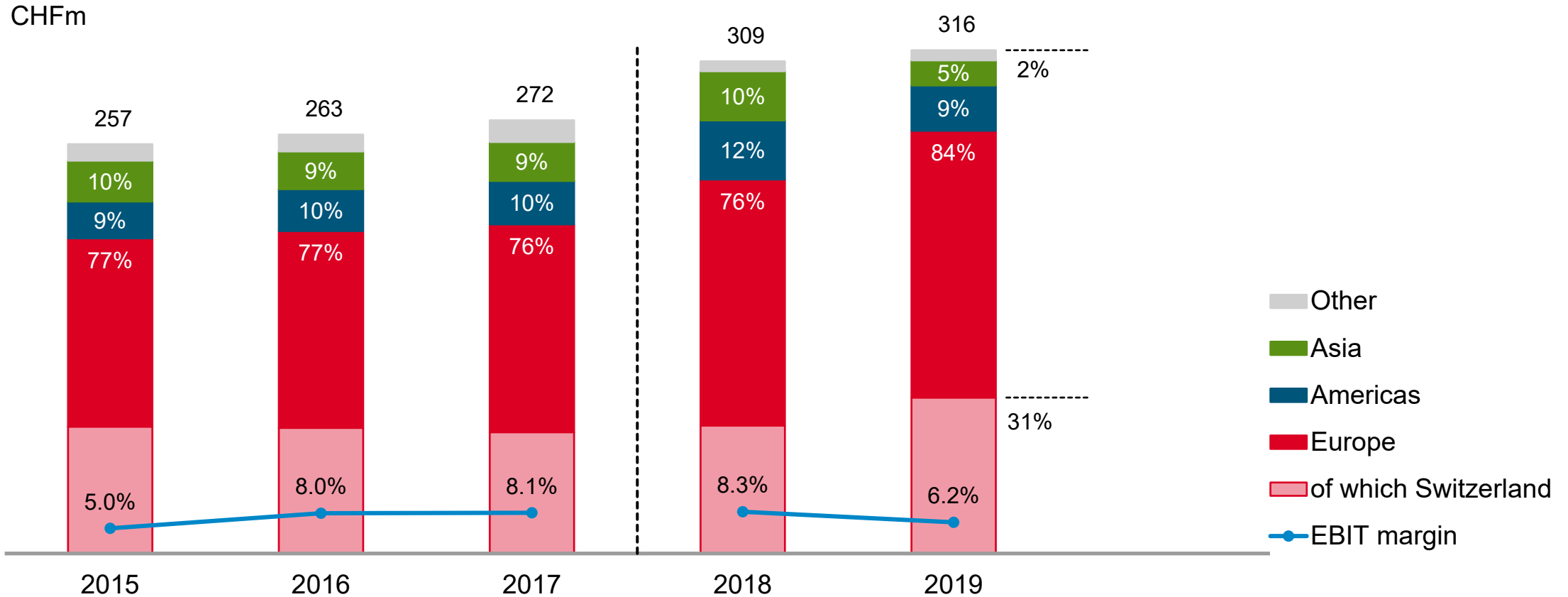
Jetter



Automation solutions

Net sales by region

Bucher Specials



Key figures

Bucher Specials

CHFm	January – September				Change in % ²⁾	Full year 2019
	2020	2019	%	% ¹⁾		
Order intake	184	236	-22.1	-20.3	-21.8	324
Net sales	219	233	-6.2	-4.1	-5.7	316
Order book	47	77	-39.0	-37.6	-39.4	82
Employees at closing date	888 ³⁾	960	-7.5		-9.3	948

CHFm	January – June			Change in %	Full year 2019
	2020	2019	%		
Operating profit (EBITDA) as % of net sales	7 5.0%	8 5.6%	-17.1		25 7.8%
Operating profit (EBIT) as % of net sales	5 3.4%	6 4.1%	-23.3		20 6.2%

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

³⁾ 945 employees (FTEs), of whom 57 on short-time work

Ongoing challenges in beverage industry

Bucher Specials: Outlook for 2020

Fourth quarter dominated by project postponements and a low order book

- Bucher Vaslin: Stabilising demand on low level in main markets
- Bucher Unipektin: Project postponements by customers
- Bucher Landtechnik: Continuously solid development despite the uncertainties regarding agricultural policy
- Jetter: Demand on low level, impacted by the development at Bucher Emhart Glass

For 2020: Marked decline in sales compared to 2019; operating profit margin positive, thanks to various cost-savings initiatives

Outlook and trends

Slight recovery of business performance

Group: Outlook for 2020

Outlook based on the assumption that all production sites remain operational

- **Kuhn Group:** Decline in sales somewhat less than in the first nine months; operating profit margin lower than in the previous year
- **Bucher Municipal:** Sales to recover in the remaining months; operating profit margin in the mid-single-digit range
- **Bucher Hydraulics:** Decline in sales slightly less than in the first nine months; operating profit margin around the double-digit mark despite substantial decline in sales
- **Bucher Emhart Glass:** Further recovery of sales for the remainder of the year, but significantly lower year on year; operating profit margin around the double-digit mark
- **Bucher Specials:** Marked decline in sales compared to 2019; operating profit margin positive, thanks to various cost-savings initiatives

For 2020: Decline in sales slightly less than in first nine months; operating profit margin around that for first half-year

Outlook and trends

Long-term earnings targets

	IFRS				FER				
	Full year				Full year		January - June		Targets
EBIT margin in %	2015	2016	2017	2018	2018	2019	2019	2020	
Kuhn Group	10.2	8.0	8.6	8.1	8.7	8.3	9.2	8.8	12
Bucher Municipal	8.4	3.7	6.1	9.0	9.5	8.4	8.5	3.6	9
Bucher Hydraulics	11.5	11.9	13.7	13.1	13.4	12.5	12.8	9.5	12
Bucher Emhart Glass	6.6	7.1	6.6	10.1	10.4	13.5	12.5	8.4	10
Bucher Specials	5.0	8.0	8.1	7.8	8.3	6.2	4.1	3.4	10
Bucher Industries	8.3	7.1	8.6	9.1	9.5	9.2	9.3	7.0	>10
Group and divisions	2015	2016	2017	2018	2018	2019	2019	2019	Targets
RONOA after tax	11.5	9.7	13.2	15.7	19.6	19.0	20.4	11.6	>20

Regionally divergent trends

require a geographically adapted strategy

Trends



Developed countries

Efficiency / sustainability

Emerging markets

Mechanisation / urbanisation

Topics



- Stricter environmental regulations
- Innovation
- Sensors, data, networking
- Electrification

- Market access
- Localisation
- Compliance

Selected projects



- Precision farming
- Electrification municipal equipment
- AX hydraulic pumps and motors
- “End to End” glass forming

- Kuhn Group in the east
- Expansion of Bucher Municipal Asia
- Selected acquisitions

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