

Group presentation

October 2018

The five divisions of Bucher Industries

BUCHER



Kuhn Group

Agricultural machinery

- Tillage
- Seeding
- Fertilisation
- Spraying
- Landscape maintenance
- Hay and forage harvesting

2017
Sales CHF 1 080 million
Employees 5 200

Bucher Municipal

Municipal vehicles

- Compact and truck-mounted sweepers
- Refuse collection vehicles
- Sewer cleaning vehicles
- Salt spreaders
- Snow plough

2017
Sales CHF 430 million
Employees 2 000

Bucher Hydraulics

Hydraulic systems

- Mobile and industrial hydraulics
- Pumps
- Motors
- Valves
- Cylinders
- Elevator drives

2017
Sales CHF 550 million
Employees 2 300

Bucher Emhart Glass

Glass container industry

- Glass-forming machinery
- Inspection machinery
- Transport and handling systems
- Integrated systems

2017
Sales CHF 380 million
Employees 1 600

Bucher Specials

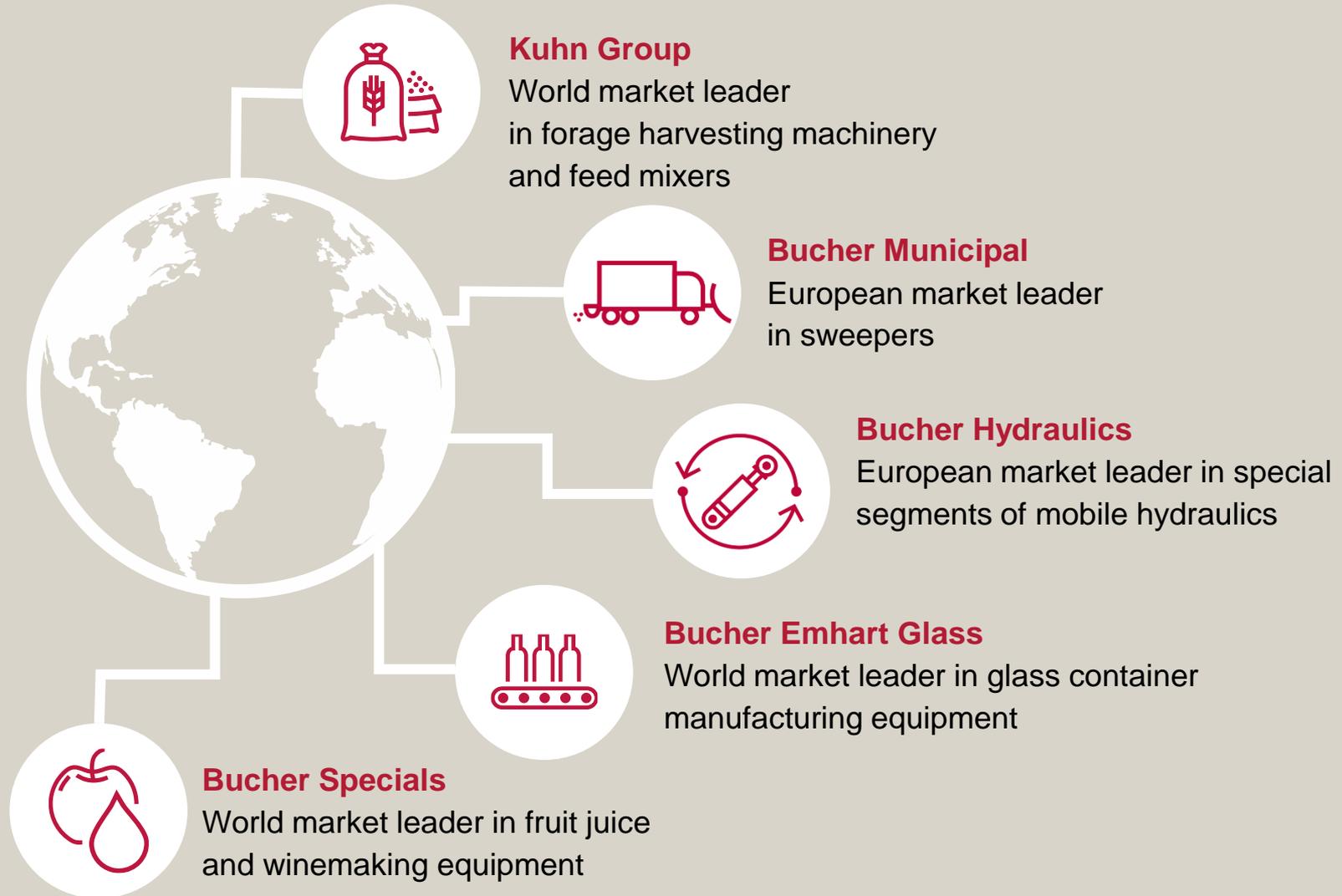
Individual businesses

- Equipment for processing wine, fruit juice, beer and instant products
- Swiss distributorship for agricultural machinery
- Control and automation technology

2017
Sales CHF 270 million
Employees 850

Number 1 in selected markets

BUCHER



38 production sites on 5 continents

BUCHER



Net sales in 2017 in CHF million

Annual average number of employees in full-time equivalents in 2017



Aspirations

BUCHER

Diversified group

in mechanical and vehicle engineering

Decentralised responsibility

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

Technological leadership

for a strong market position

Strengthening

of divisions

Solid balance sheet

for long-term, industrial independence

Increase in enterprise value

(RONOA > WACC)

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

Pleasing business performance in divisions

- **Kuhn Group:** The agricultural equipment market started to recover thanks to rising prices for dairy and livestock farming in Europe. Strong sales growth.
- **Bucher Municipal:** Encouraging demand for municipal vehicles in Europe and Australia. Sales higher than previous year.
- **Bucher Hydraulics:** Increased demand in the industrial hydraulics, construction machinery, agriculture engineering and materials handling segments. Strong sales growth.
- **Bucher Emhart Glass:** Increasing investments by producers of glass bottles in almost all markets, even in China. Stable sales.
- **Bucher Specials:** Volatile market for beverage technology. Positive development in automation solutions. Stable sales.

Group sales up 11% on previous year's figure.

Key figures

CHF million	Change in				
	2017	2016	%	% ¹⁾	% ²⁾
Order intake	2 871	2 386	20.3	18.9	18.3
Net sales	2 647	2 380	11.2	9.9	9.4
Order book	960	728	32.0	30.4	30.4
Operating profit (EBITDA) as % of net sales	318 12.0%	263 11.0%	21.1		
Operating profit (EBIT) as % of net sales	226 8.6%	169 7.1%	33.7		
Employees at 31 December	12 108	11 175	8.3		8.3
Average employees during year	11 707	11 251	4.1		3.7

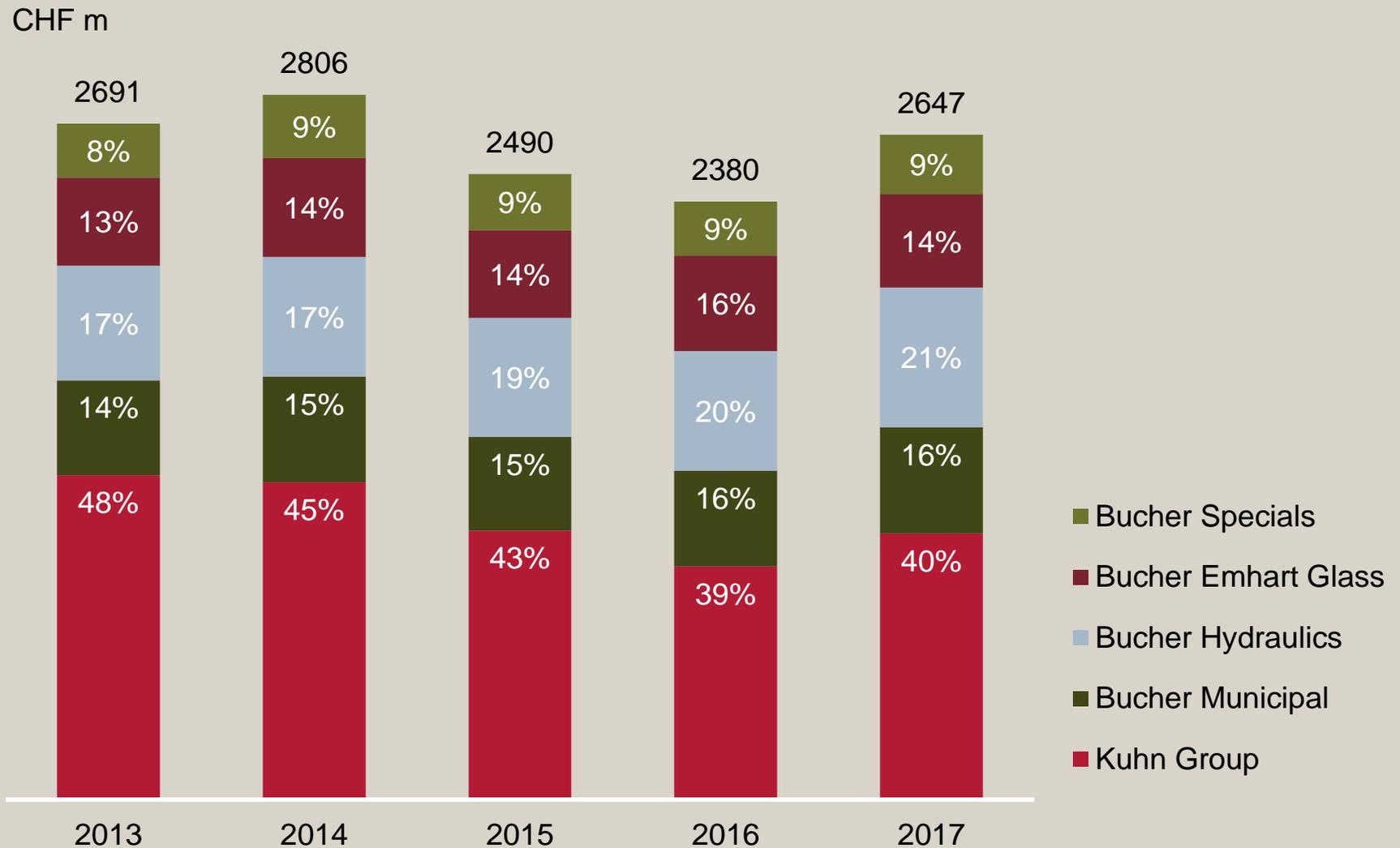
¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

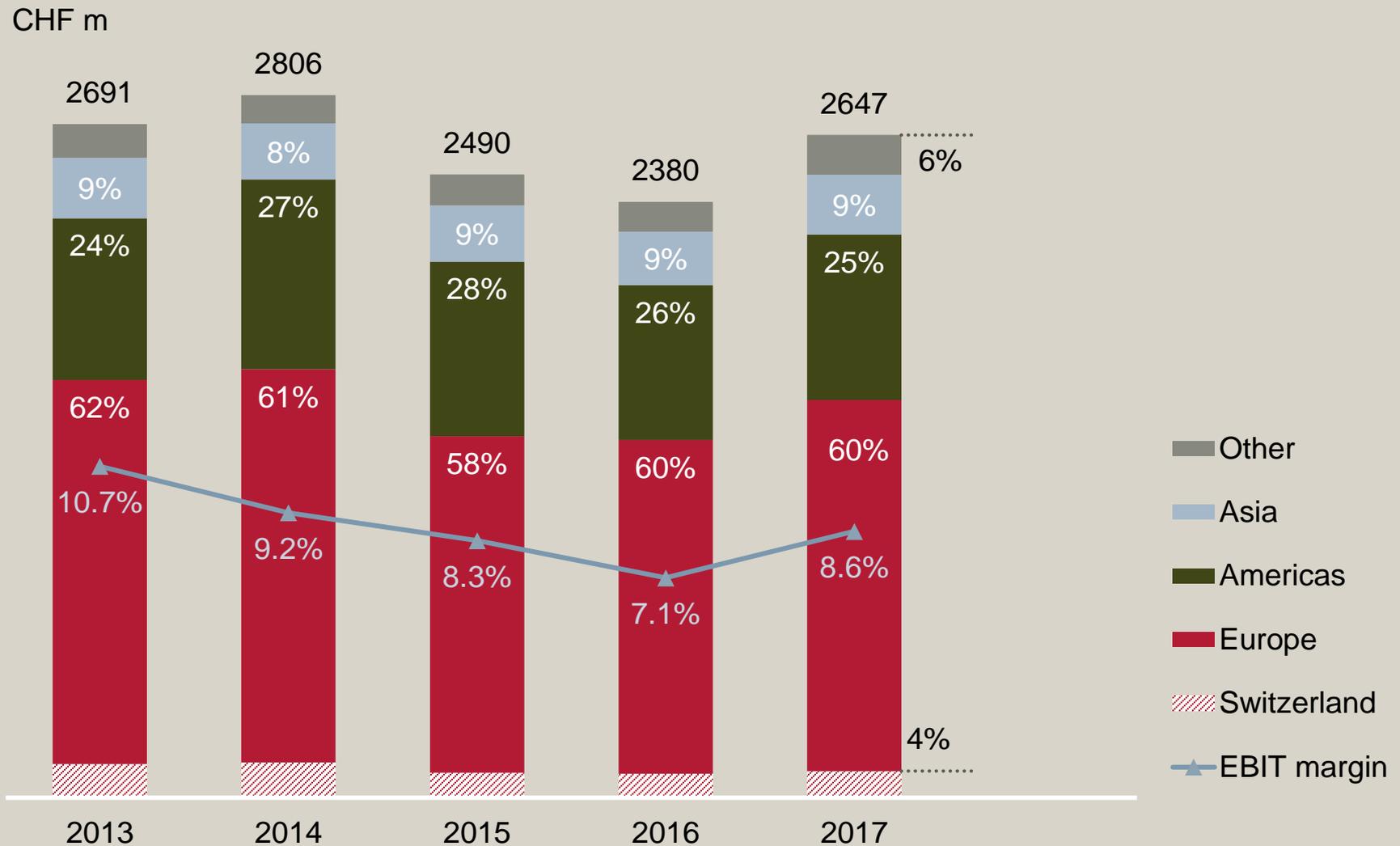
Key figures

CHF million			Change in
	2017	2016	%
Profit/(loss) for the year as % of net sales	168 6.3%	118 5.0%	41.6
Earnings per share in CHF	16.81	11.73	43.3
Capital expenditure	76	78	-2.6
Operating free cash flow	148	190	-21.8
Net cash/debt	214	61	248.9
Equity as % of total assets (equity ratio)	1 432 52.7%	1 224 50.6%	17.0
Net operating assets (NOA) average as % of return after tax (RONOA)	1 274 13.2%	1 293 9.7%	-1.5

Net sales by division

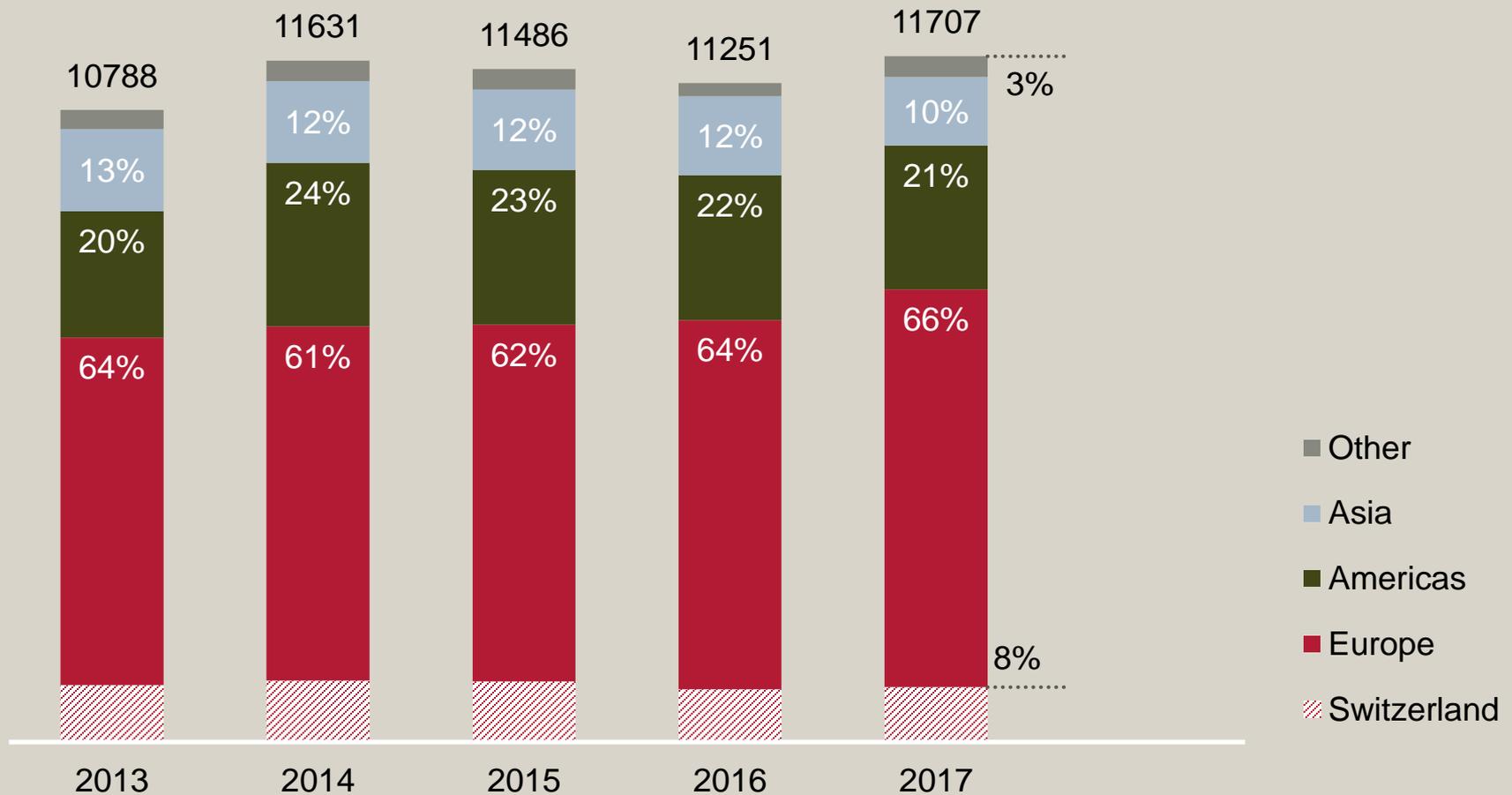


Net sales by region



Number of employees by region

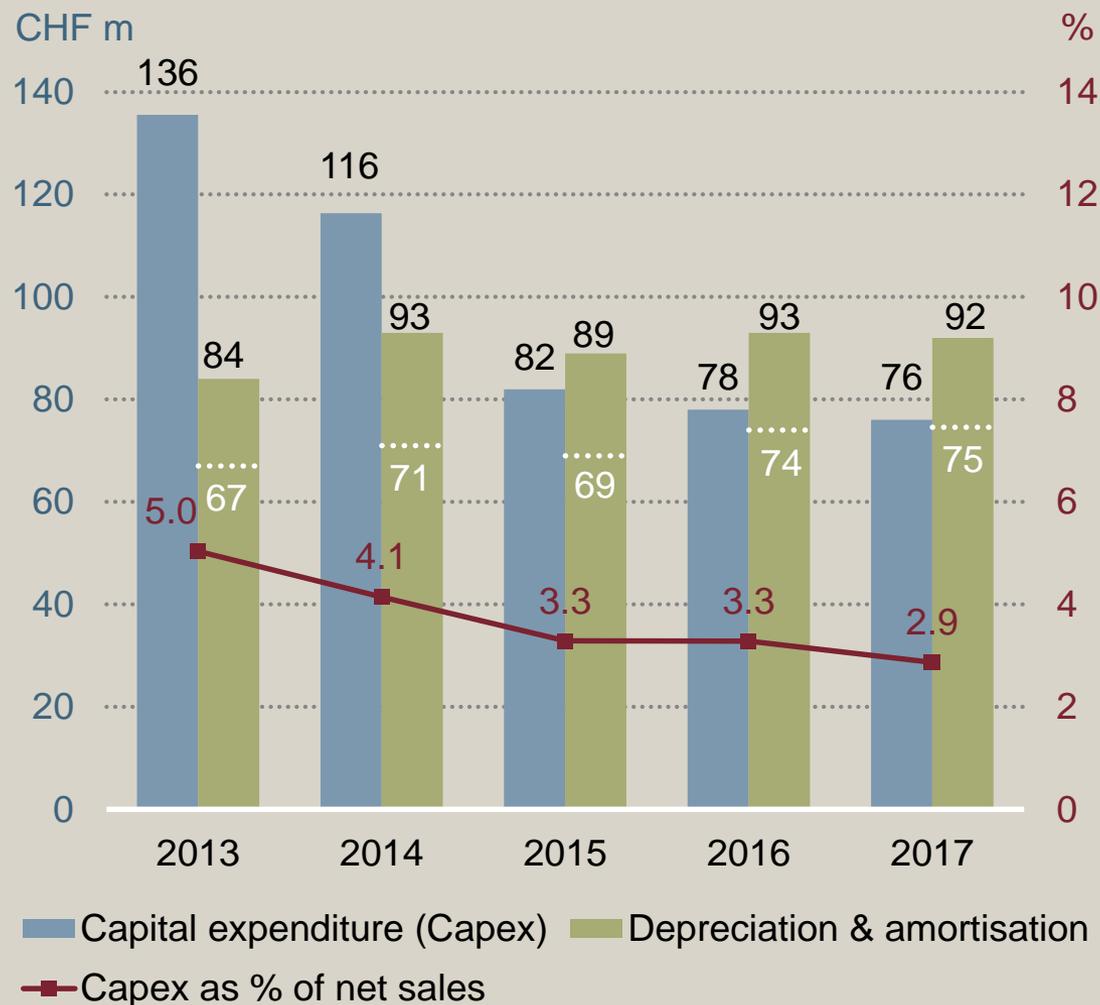
Employees¹⁾



¹⁾ Expressed in full-time equivalents; average during year

Investments in the future

Fixed and intangible assets



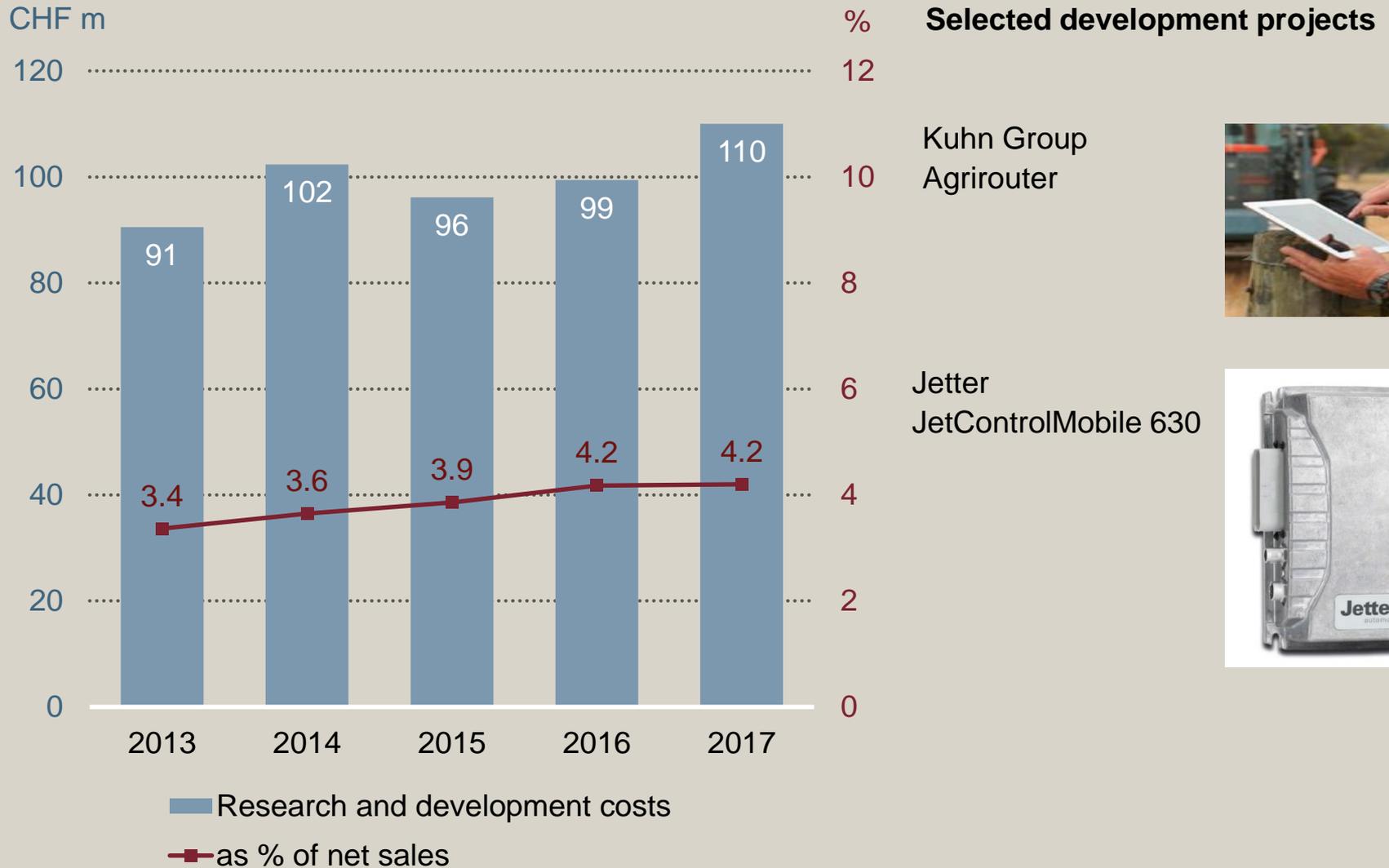
Key investment projects

- Kuhn Group – Construction of new logistics centre Saverne, France
- Kuhn Group – Purchase of land Voronezh, Russia
- Bucher Municipal – Expansion of production facility Ventspils, Latvia

Comment: Investments in property, plant and equipment and intangible assets

Investments in the future

Research and development costs



Acquisitions 2013 – 2017

2013

Bucher Hydraulics

Eco
Systemas,
Brazil



Net sales¹⁾
CHF 10 Mio.

Employees
60

Bucher Hydraulics

Ölhydraulik
Altenerding,
Germany



Net sales¹⁾
CHF 40 Mio.

Employees
250

Bucher Specials

Filtrox
Engineering,
Switzerland



Net sales¹⁾
CHF 30 Mio.

Employees
35

Bucher Specials

Jetter AG,
Germany



Net sales¹⁾
CHF 50 Mio.

Employees
230

2014

Kuhn Group

Montana
Indústria de
Máquinas,
Brazil



Net sales¹⁾
CHF 60 Mio.

Employees
600

2016

Bucher Municipal

J. Hvidtved
Larsen
(JHL),
Denmark



Net sales¹⁾
CHF 60 Mio.

Employees
200

Bucher Municipal

PakMor
Australia

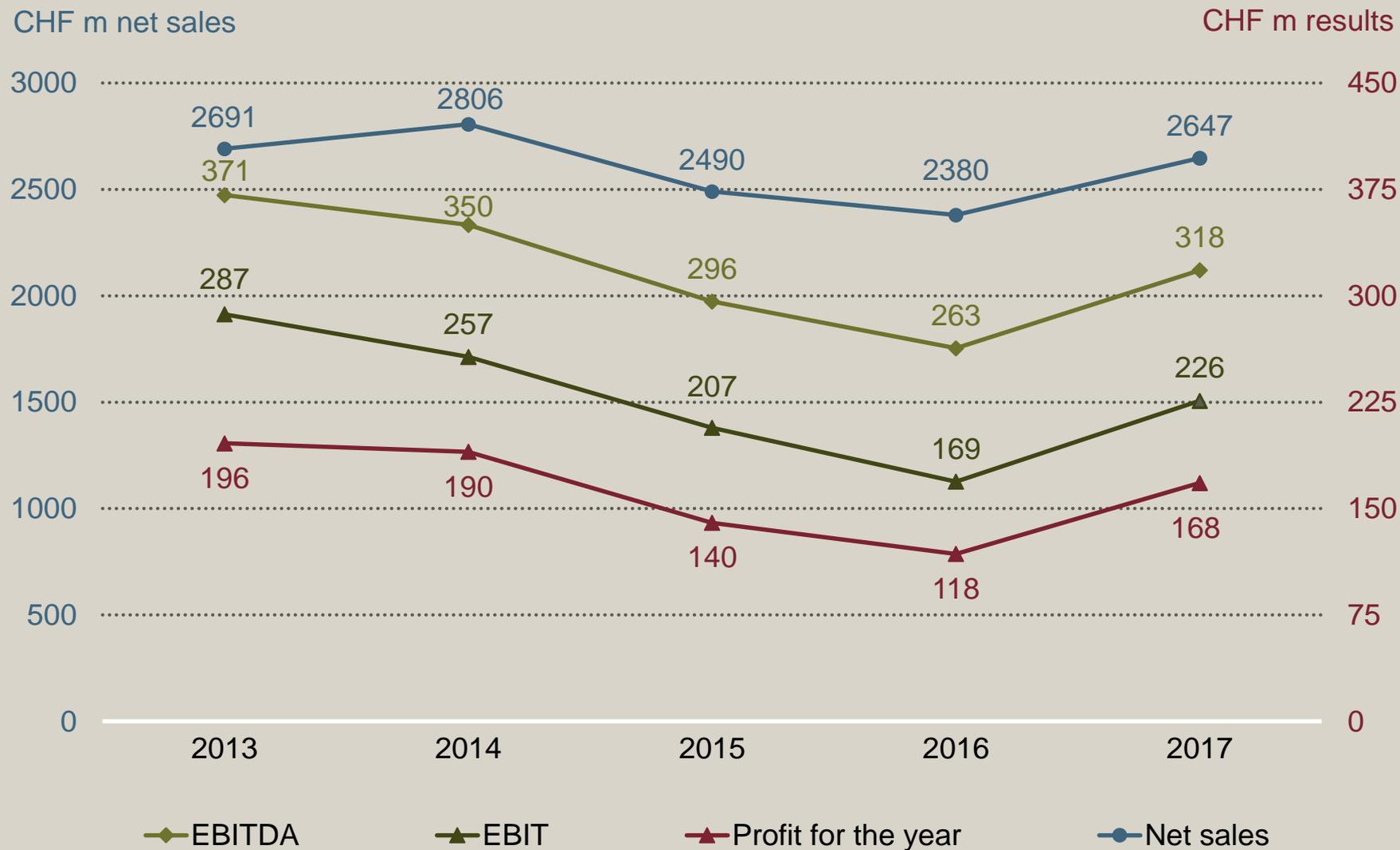


Net sales¹⁾
CHF 10 Mio.

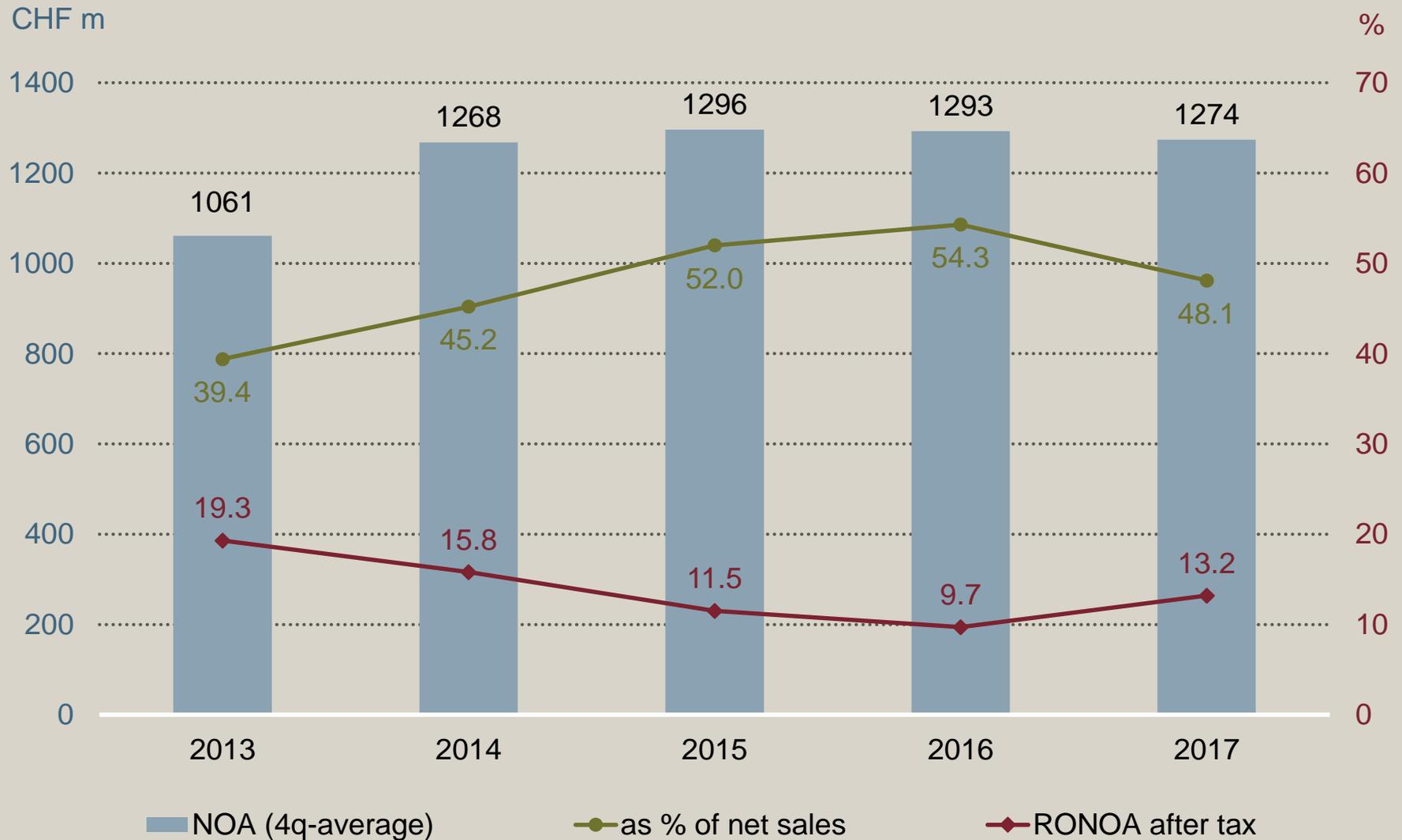
Employees
50

¹⁾ Prior acquisition

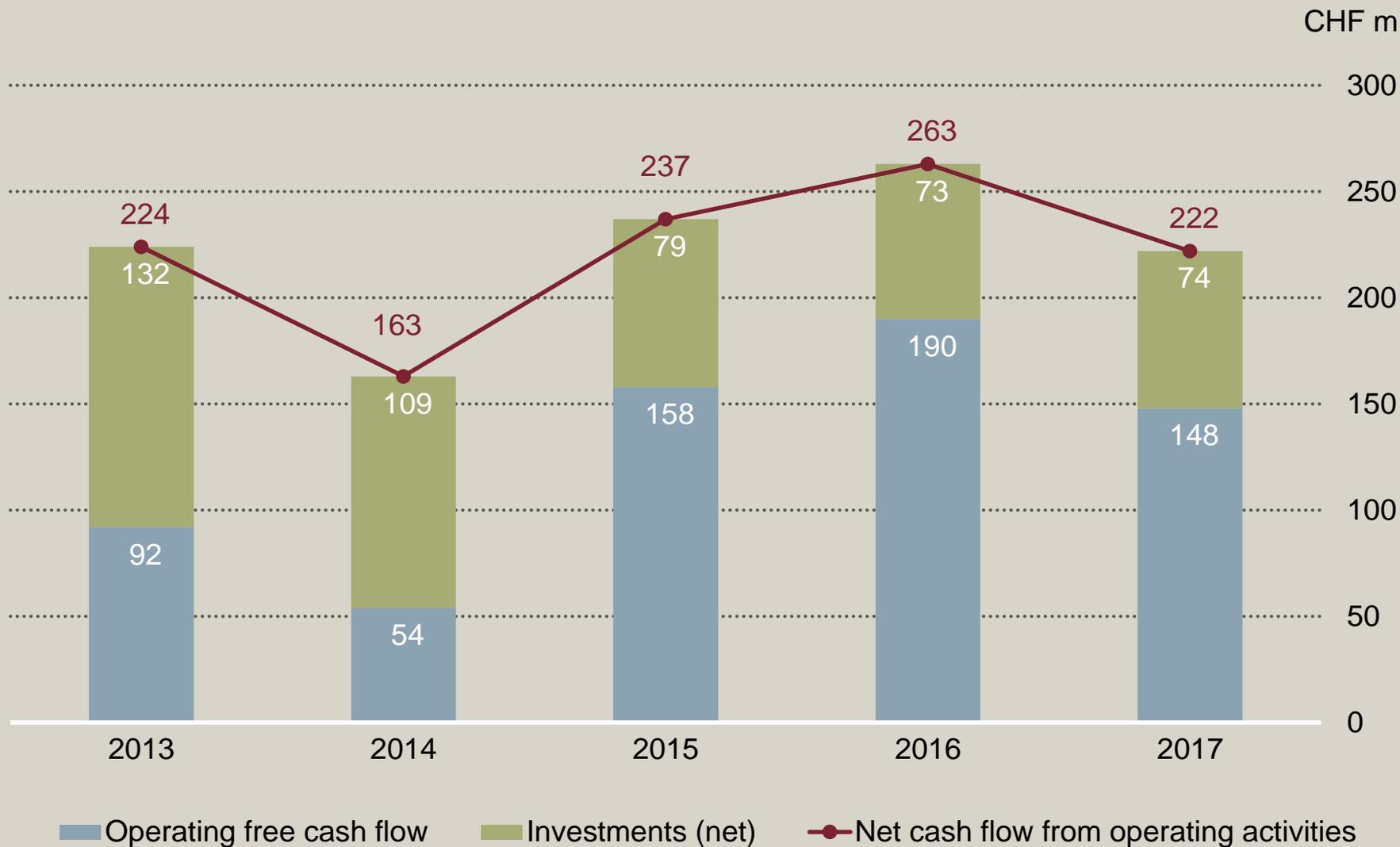
Net sales and results



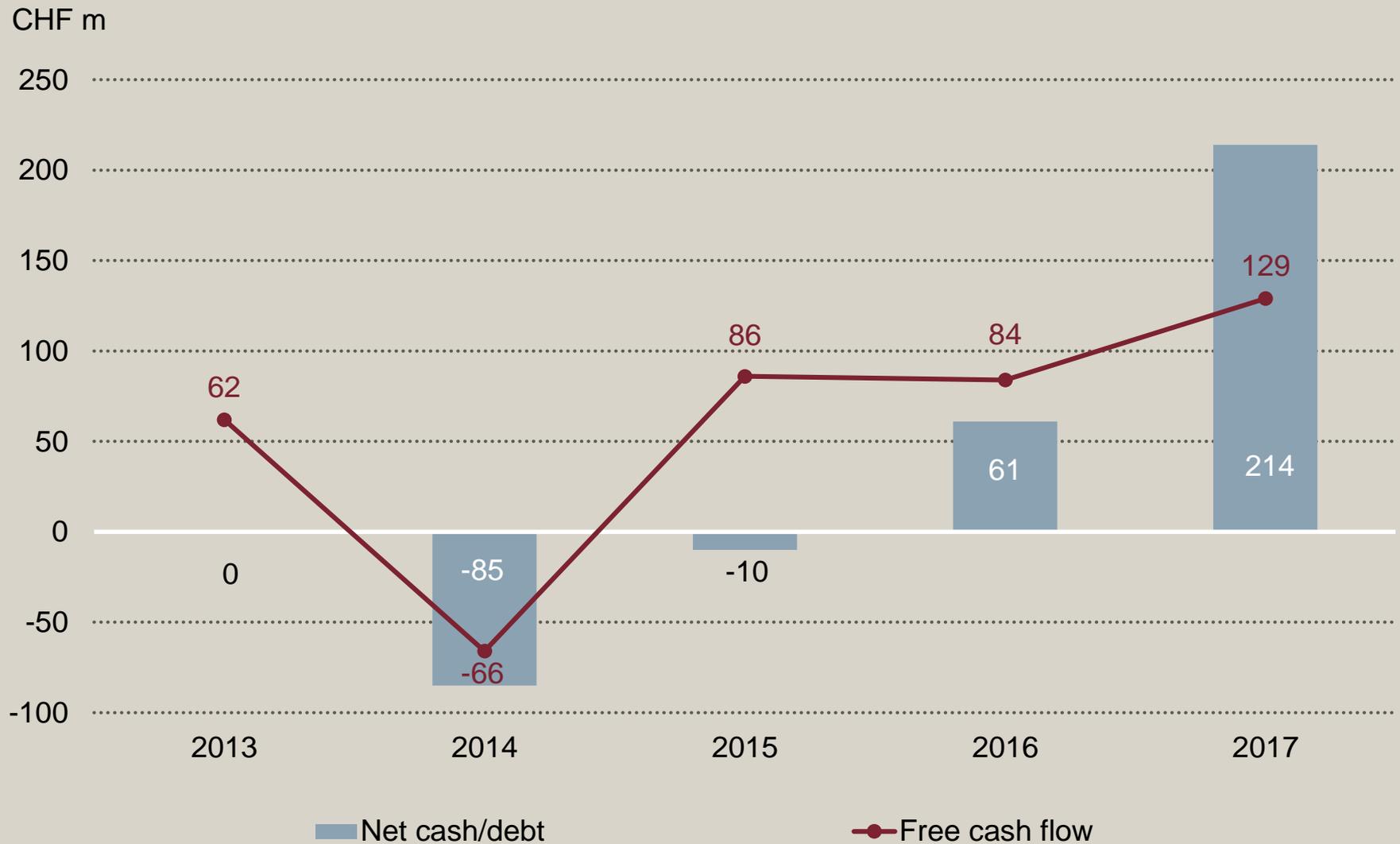
Net operating assets (NOA) and RONOA after tax



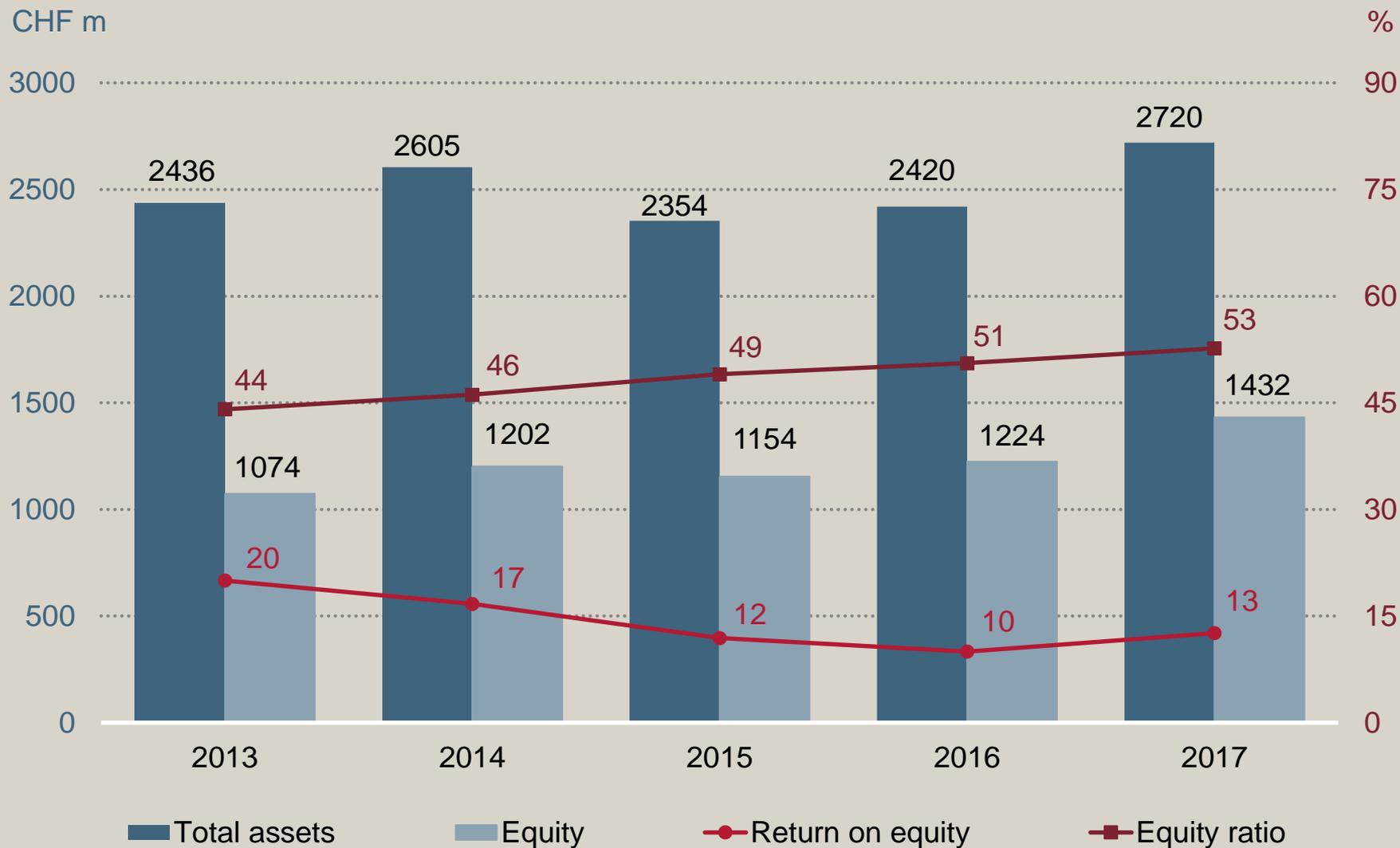
Cash flow and investments



Net cash/debt and free cash flow



Total assets and equity



Results by division

BUCHER

CHF million	EBIT	EBIT margin	EBIT	EBIT margin
	2017	2017	2016	2016
Kuhn Group	93	8.6%	74	8.0%
Bucher Municipal	26	6.1%	15	3.7%
Bucher Hydraulics	75	13.7%	57	11.9%
Bucher Emhart Glass	25	6.6%	26	7.1%
Bucher Specials	22	8.1%	21	8.0%
Other/consolidation	-15		-24	
Bucher Industries	226	8.6%	169	7.1%

Divisions

Kuhn Group Specialised agricultural machinery

BUCHER

Arable farming



Ploughing



Tillage



Seeding



Fertilisation



Spraying

Dairy and livestock farming



Hay and forage
harvesting



Feed storage



Bedding
and feeding



Manure spreaders



Hedge cutters

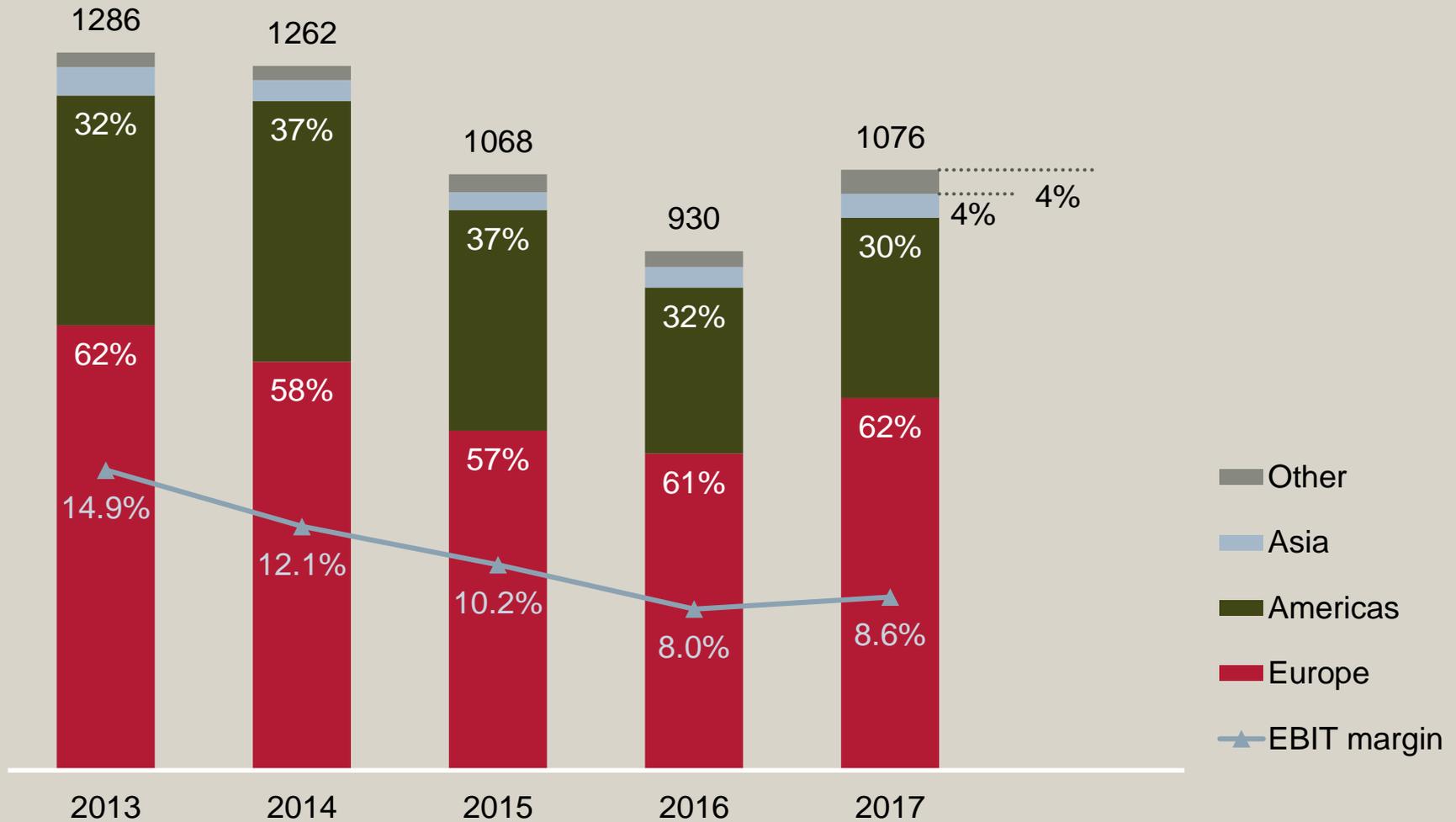
Landscape maintenance

- The agricultural equipment market started to recover after three difficult years.
- Dairy product and meat prices in Europe went up.
- Western European agricultural technology markets recorded positive growth, but not in France, which was still suffering from the poor harvest in 2016 and the low incomes of local farmers.
- Overproduction and stagnating demand led to high inventories of cereals, volatile prices and lower incomes for farmers in North America.
- Satisfying increase in order intake of 22% and sales of 16%.
- In light of rising material costs, the EBIT margin was modestly higher: from 8.0% to 8.6%.

Kuhn Group

Net sales by region

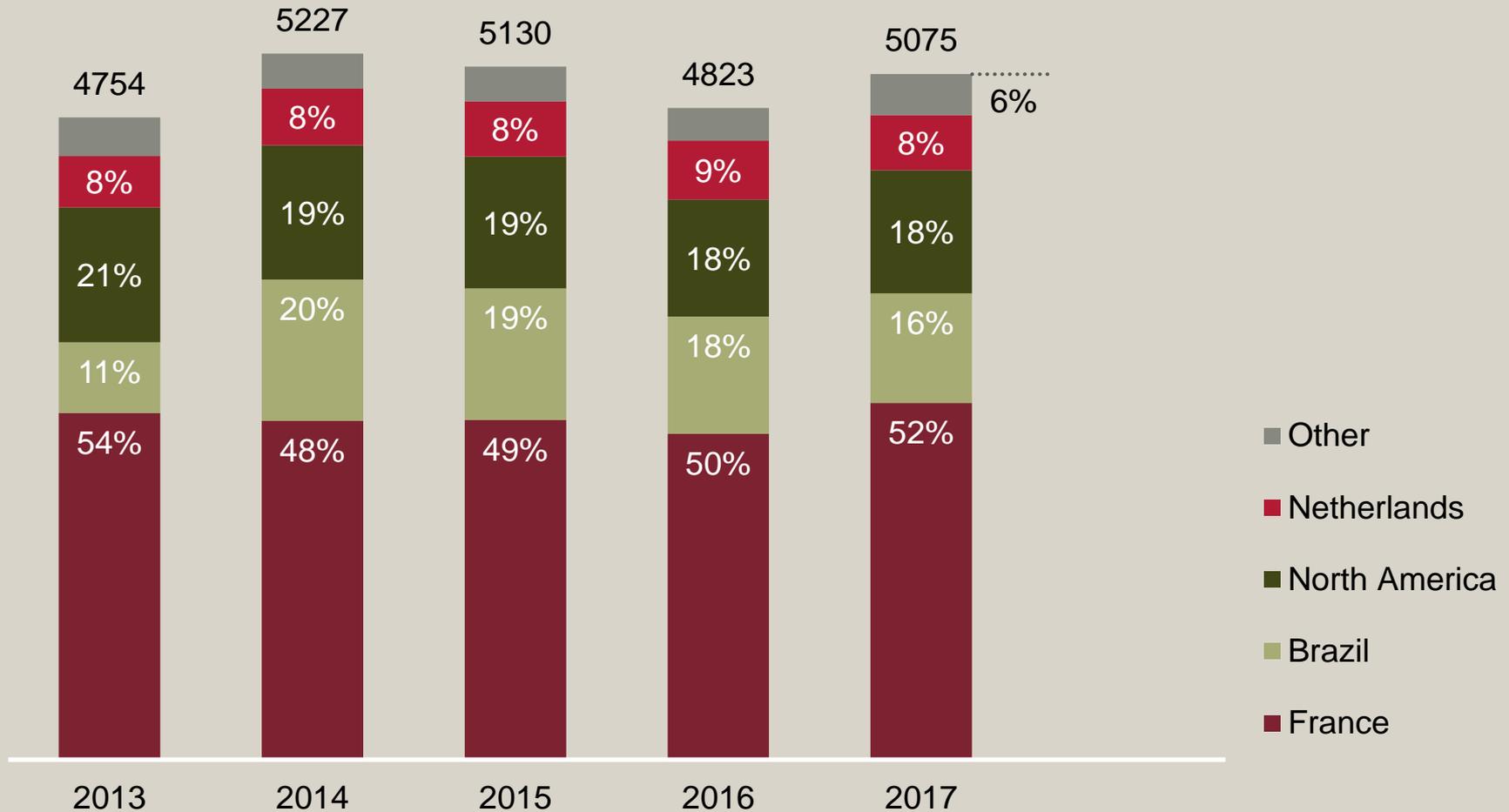
CHF m



Kuhn Group

Number of employees by region

Employees¹⁾



¹⁾ Expressed in full-time equivalents; average during year

Kuhn Group World farm equipment market

BUCHER



**Equipment market
(in value)**

%

Farm tractors

29

Harvesting machinery

16

Hay & silage making
machinery

7

Tillage

7

Seeding, planting,
fertilizing and spraying
machinery

10

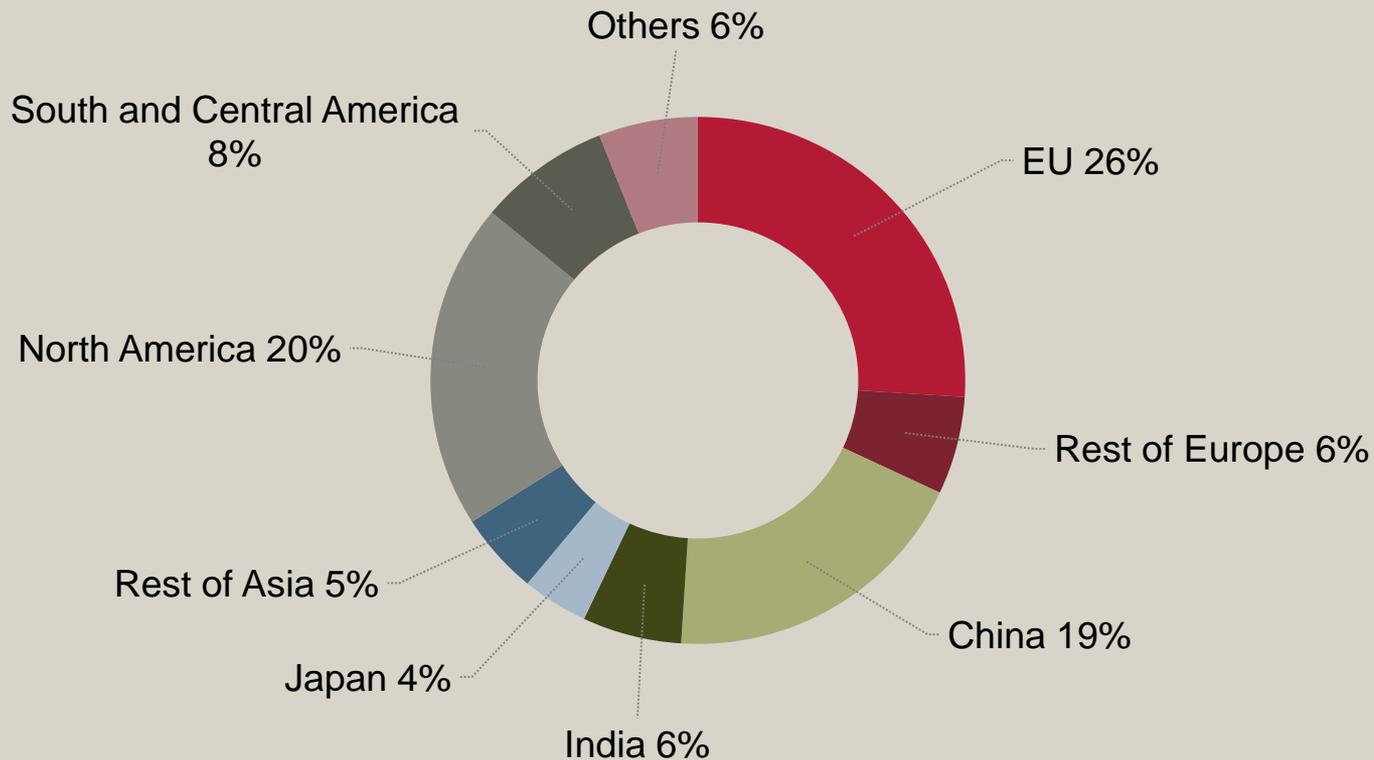
Other ag. machinery +
attachments & parts

31

Source: Freedonia

Kuhn Group World farm equipment market

By region 2017 (VDMA estimate in value)



Source: VDMA

Kuhn Group

Complete product range under one brand

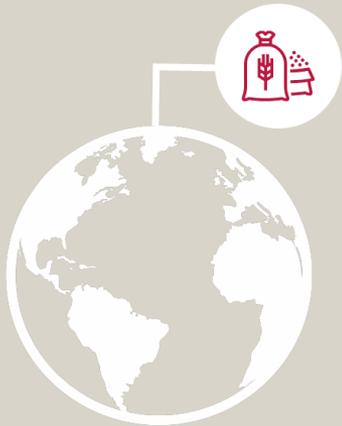
Competitors	Hay and forage		Balers	Hedge cutters	Feed mixers	Tillage equipment		Seeders		Spreaders	Sprayers	Tractors	Harvesters self-propelled
	Mowers	Tedders				Rakes	driven	non-driven	drilling				
Kuhn Group													
John Deere													
CNH													
AGCO													
Claas													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

Kuhn Group

Market position

Kuhn Group

World's leading manufacturer of specialised and tractor-related agricultural equipment.



- Market share of 30% or more depending on product family and region.
- Comprehensive range of agricultural machinery.
- World market leader in hay and forage harvesting machinery and feed mixers.
- Leader in tillage equipment, fertilisation and feeding technology.
- Strong position in Europe and in North and South America.
- Extensive and independent network of dealers.
- Sold throughout the world under the Kuhn brand.

Kuhn Group

Outlook for 2018

- Slightly positive development in Europe:
 - While some regions suffer from materially lower harvest volumes due to the long-lasting drought, less affected countries benefit from higher wheat prices.
 - Dairy and livestock farming positive (especially in France), but with declining momentum towards year end because of increasing fodder costs.
- Continuously low farmer incomes causing subdued demand in North America:
 - Punitive Chinese tariffs on US agricultural products as well as oversupplies lead to low prices for grain and milk.
 - Margins squeezed by increasing farm production expenses.
- Rising material costs, especially for steel in USA.
- For 2018: Higher sales with an operating profit margin slightly below the level of the previous year expected.

Bucher Municipal Municipal vehicles and winter maintenance equipment

BUCHER

Sweeper equipment



Compact sweepers



Truck-mounted sweepers

Winter equipment



Spreaders

Ploughs

Special vehicles



Sewer cleaning

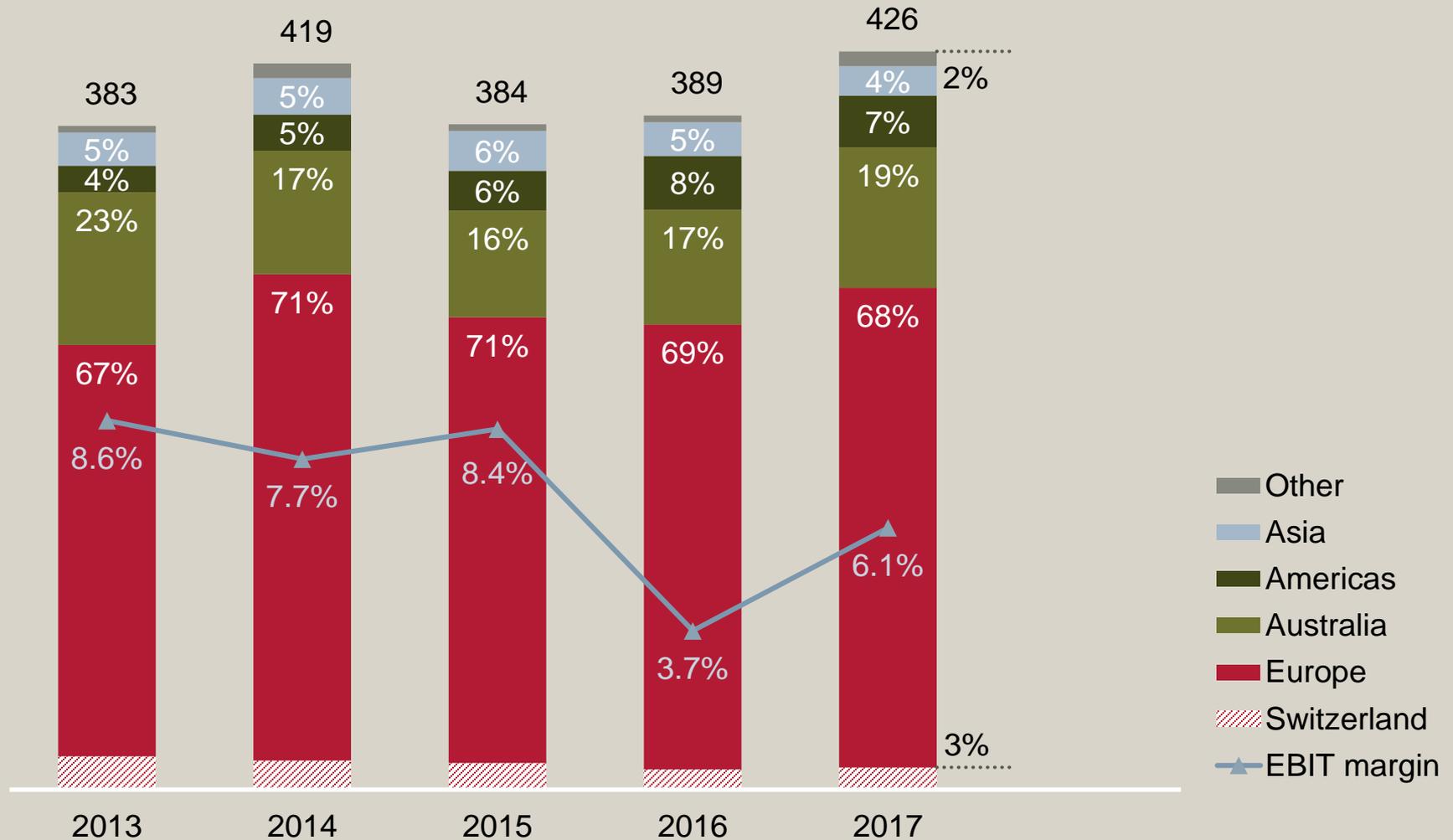
Refuse collection

Bucher Municipal 2017 in brief

- Increased demand for municipal vehicles in Europe.
- Improved economic situation in Australia increased demand for refuse collection vehicles and refuse compactors.
- Sewer cleaning vehicles business in Europe stable.
- Winter maintenance equipment business positively impacted by early onset of winter.
- Concentration of sweeper vehicle production in Great Britain and Latvia completed.
- Significant increase in order intake of 28%.
- Sales up 9%.
- EBIT margin of 6.1%.

Bucher Municipal Net sales by region

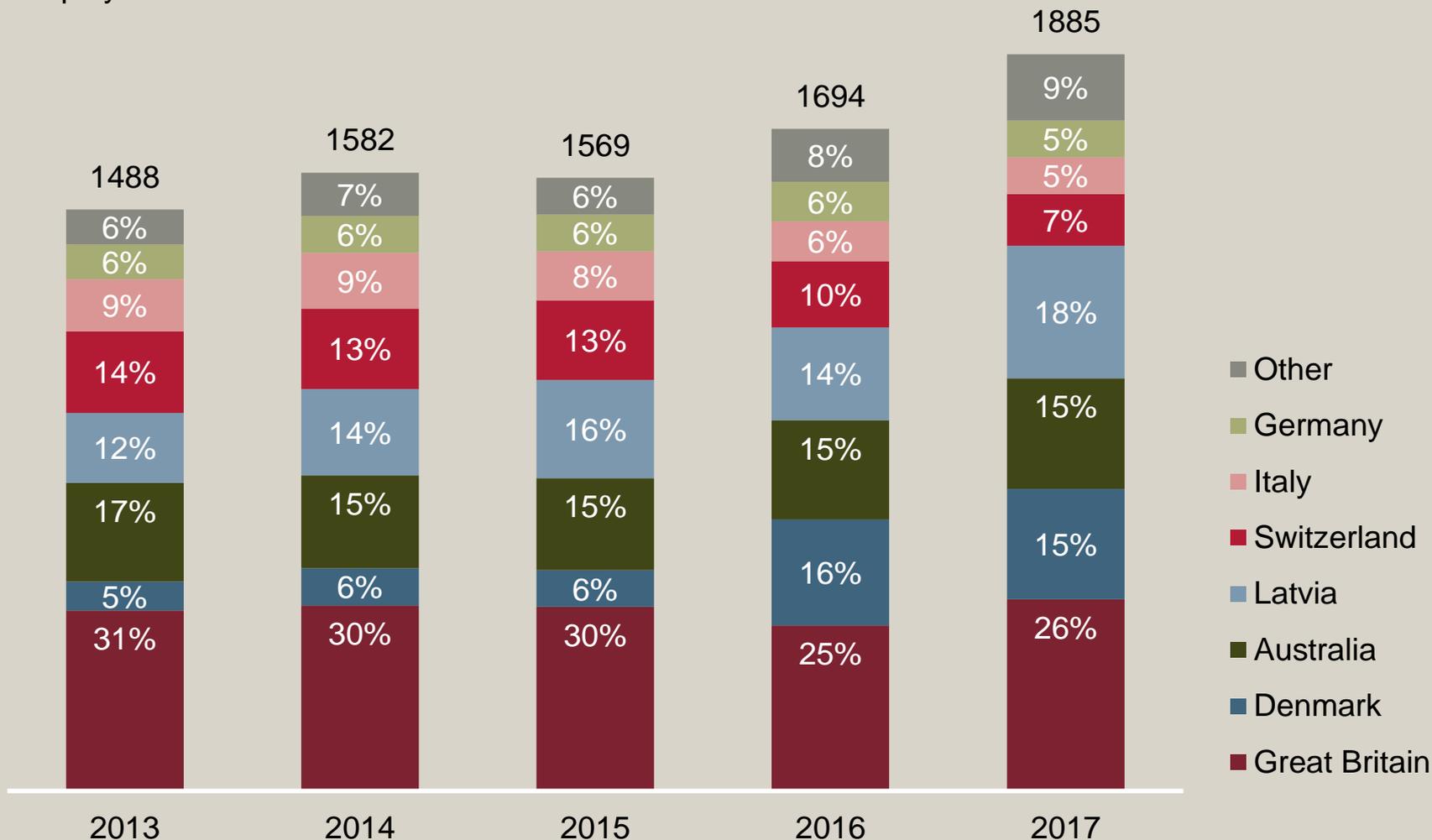
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Bucher Municipal

Number of employees by region

Employees¹⁾



¹⁾ Expressed in full-time equivalents; average during year

Bucher Municipal Complete product range

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

Bucher Municipal Market position

Bucher Municipal

Leading supplier of municipal vehicles for use in cleaning and clearance work in public and private traffic areas.



- Comprehensive offering for the municipal vehicles market.
- Market leader in Europe.
Some market shares higher than 30%.
- European market leader in sweepers.
Strong presence in Great Britain.
- Market leader in refuse collection vehicles in Australia.
Market shares well over 30%.

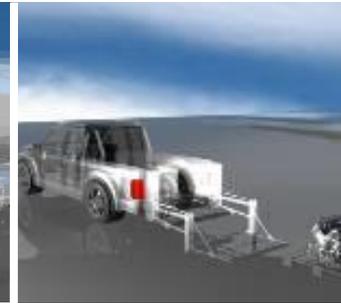
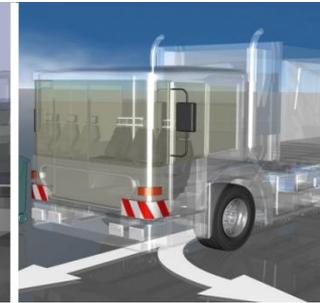
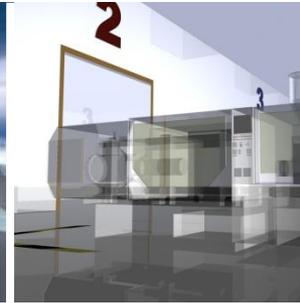
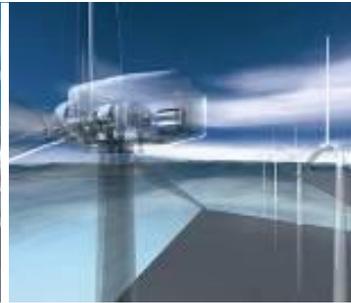
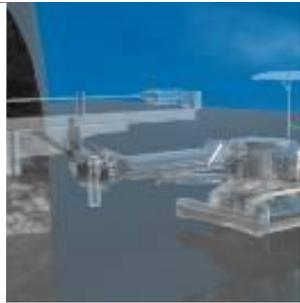
Bucher Municipal Outlook for 2018

- Strong demand for sweepers and refuse collection vehicles.
 - Growth rates slightly below the very high levels of the previous months.
- Continuously high demand for sewer cleaning vehicles.
- Positive development in the winter maintenance equipment business due to the long and snowy winter 2017/2018 and the recovery of the Russian market.
- For 2018: Sharp increase in sales and in the operating profit margin expected.
 - Production capacity will remain well utilised, due to a well-filled order book and continued robust order intake.

Bucher Hydraulics

Customised drive systems

BUCHER



Agricultural machinery

Mining / tunnelling

Energy technology

Industry

Municipal vehicles

Lift gates



Construction equipment

Materials handling

Marine/offshore

Elevator technology

High-voltage switch gear

Dyna-Lift

Bucher Hydraulics

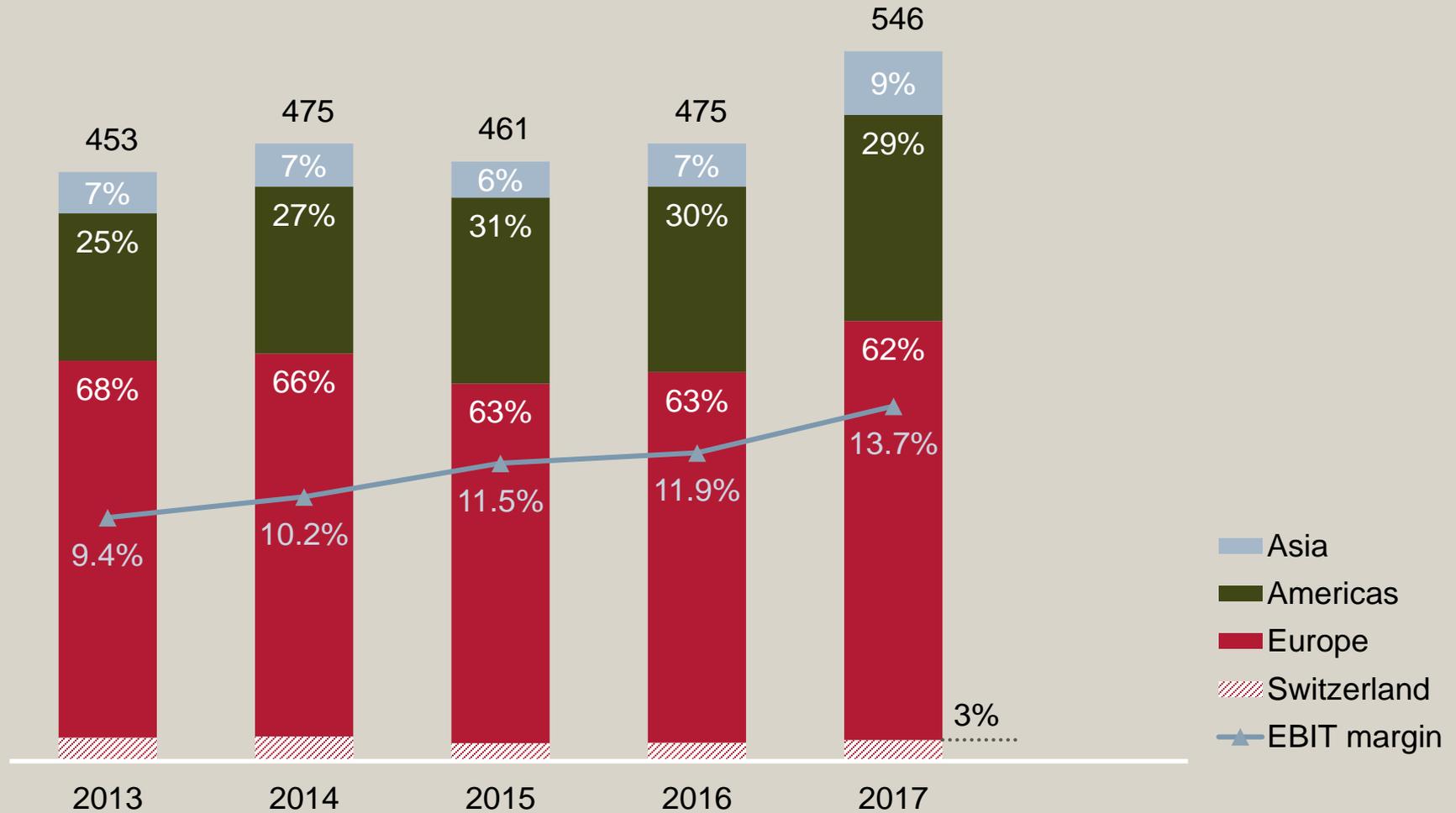
2017 in brief

- Increasing demand in construction machinery, industrial hydraulics, agricultural engineering and materials handling segments.
- Germany has recovered after five years of stagnation.
- Positive development in North America, India and China.
- Outstanding operational performance with sales growth of 15%.
- Order intake up by 21%.
- EBIT margin increased by 1.8 percentage points to 13.7%.

Bucher Hydraulics

Net sales by region

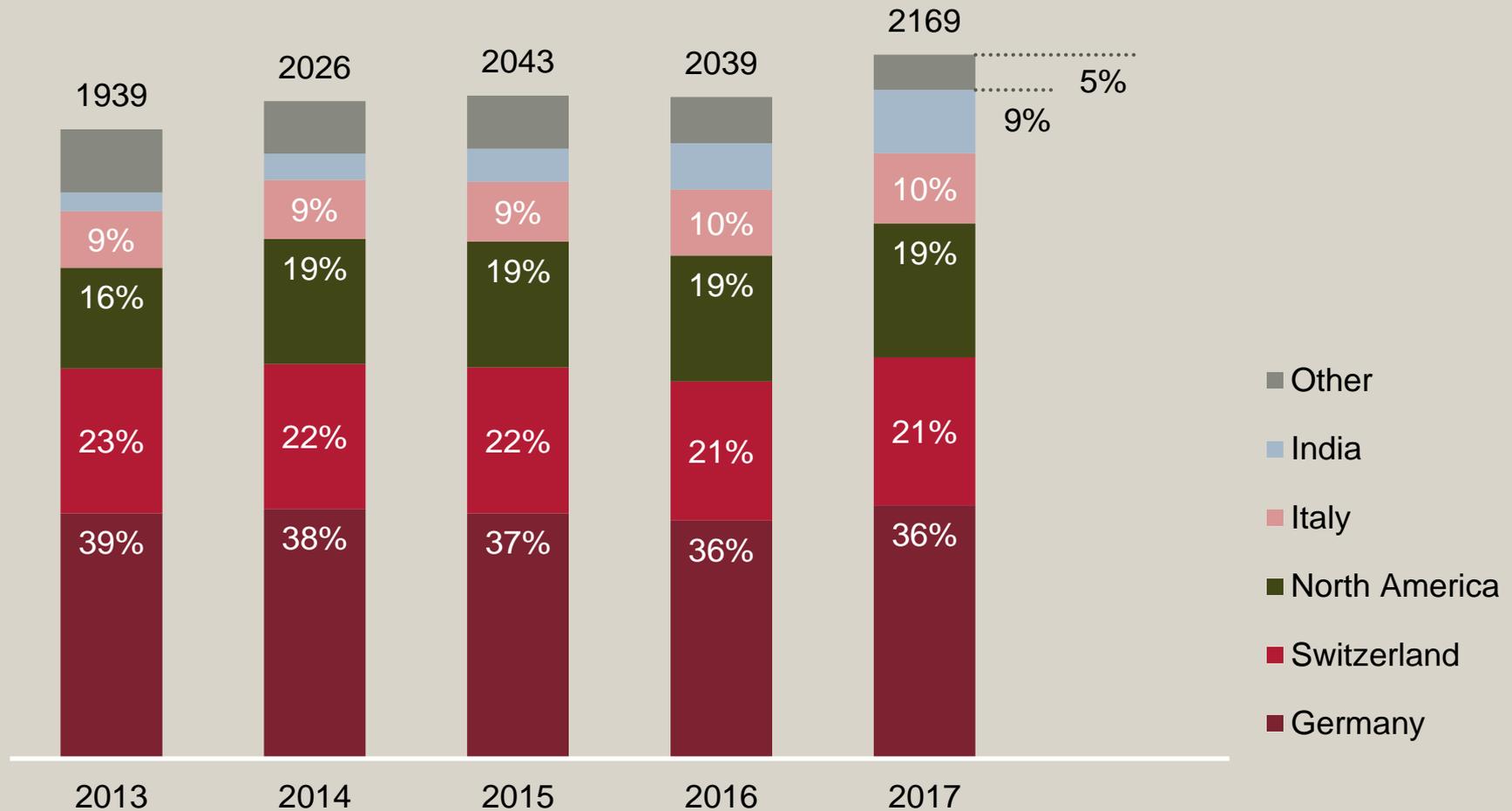
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Bucher Hydraulics

Number of employees by region

Employees ¹⁾

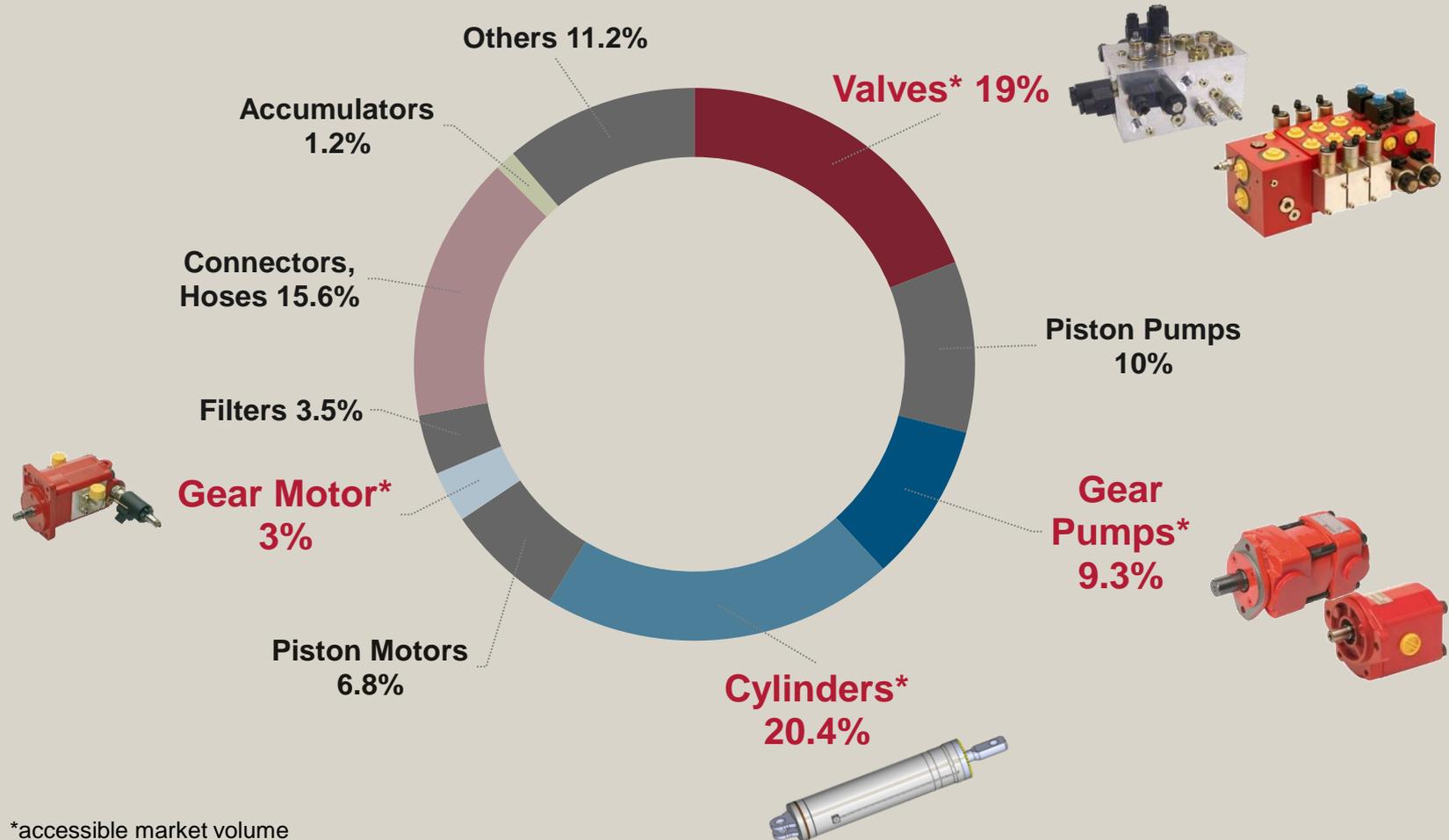


¹⁾ Expressed in full-time equivalents; average during year

Bucher Hydraulics

World hydraulics component market

Total EUR 29 billion



*accessible market volume

Bucher Hydraulics

Complete product range

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)																		

Bucher Hydraulics

Market position

Bucher Hydraulics

Leading international manufacturer of modern hydraulic systems.



- European market leader in mobile and elevator hydraulics. 10% to 20% market share across Europe in specialised areas of hydraulic engineering.
- Strong presence in the USA.
- Growth in Brazil, India and China.
- Concentration on customer-specific drive solutions.

Bucher Hydraulics

Outlook for 2018

- Sustained high demand, above all in North America and Asia.
- Demand in Europe still very high, with a slowing momentum especially in the important German market.
- Investments in research and development and expanding capacities at several locations.
- For 2018: Significant increase in sales expected. The operating profit margin is likely to be below the previous year's high level because of:
 - consolidation of the joint venture Bucher Hydraulics (Wuxi) Co., Ltd.,
 - additional costs due to very high capacity utilisation,
 - higher material and employment costs.

Bucher Emhart Glass Glass container manufacturing equipment

BUCHER

Hot End



Gob forming



Glass-forming machine

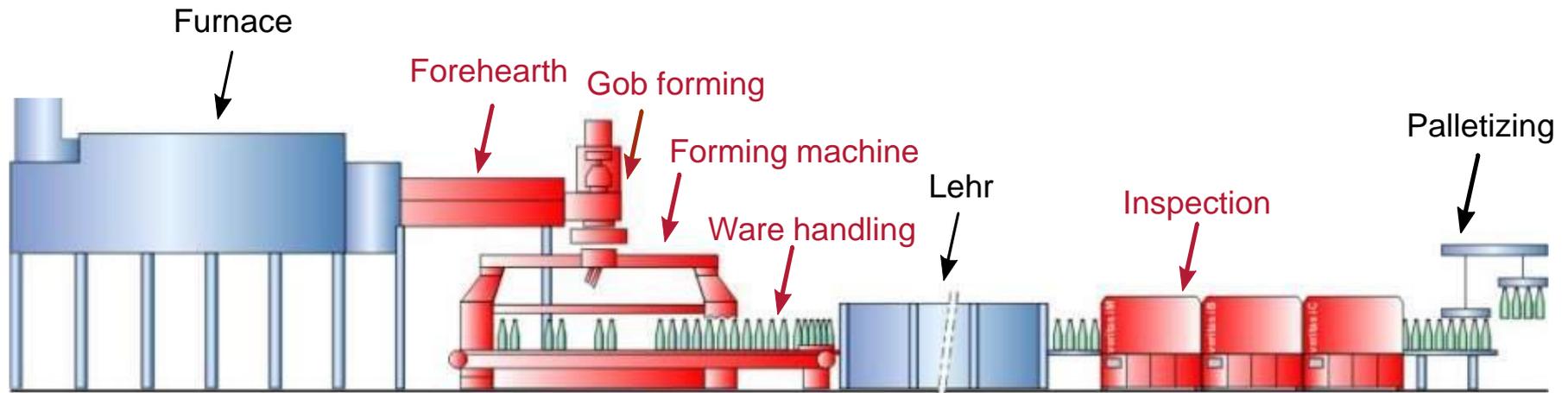


Ware handling

Cold End



Inspection



Glass container manufacturing process

Bucher Emhart Glass

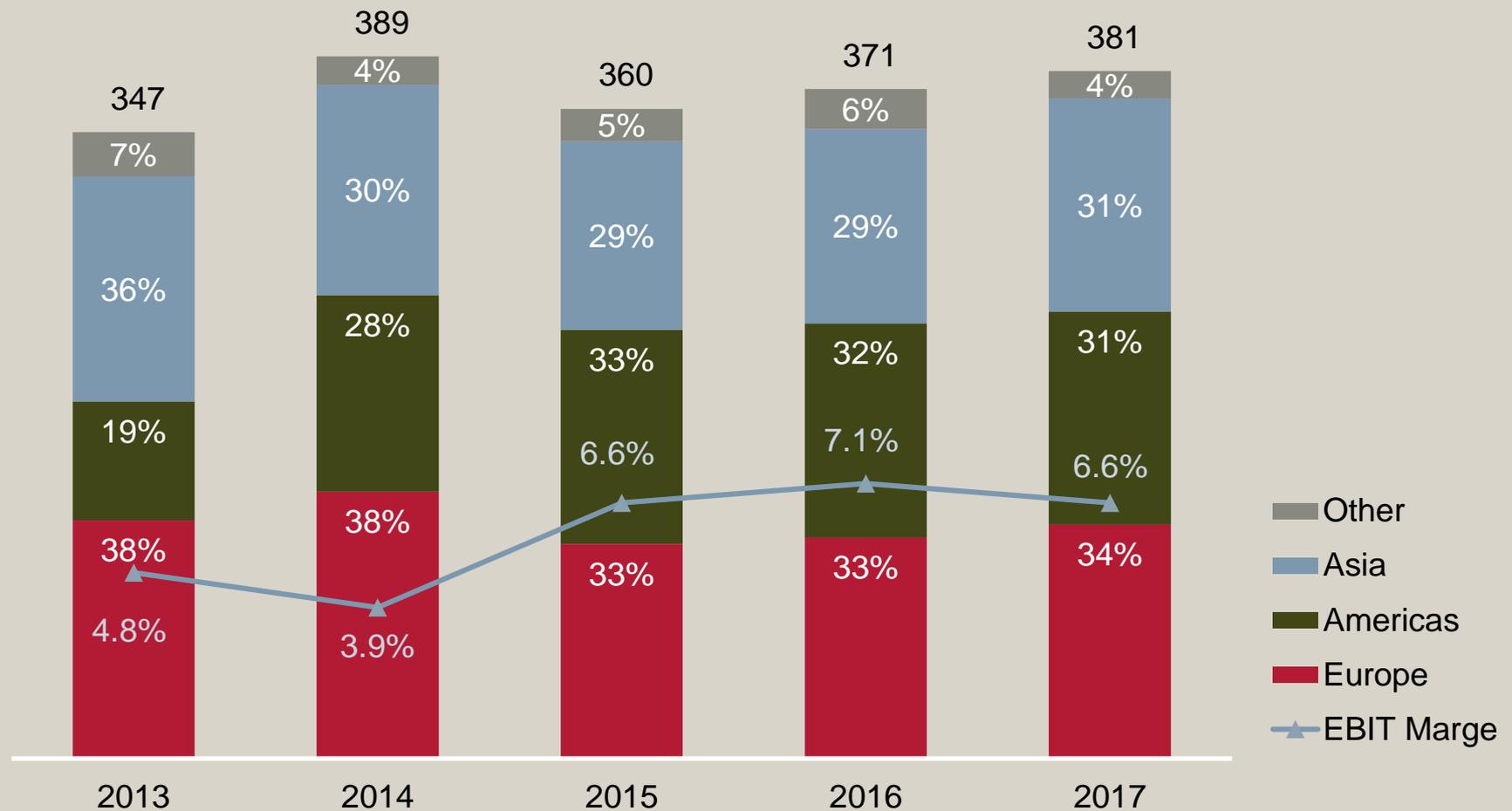
2017 in brief

- Overall, demand for glass-forming and inspection machinery rose in nearly all markets.
- Good business performance, partly attributable to cooperation with O-I.
- Significant increase in order intake of 28%.
- Modest increase in sales of 3% due to long lead times in project business.
- EBIT margin kept down to 6.6% by inventory adjustments at the joint venture Sanjin.

Bucher Emhart Glass

Net sales by region

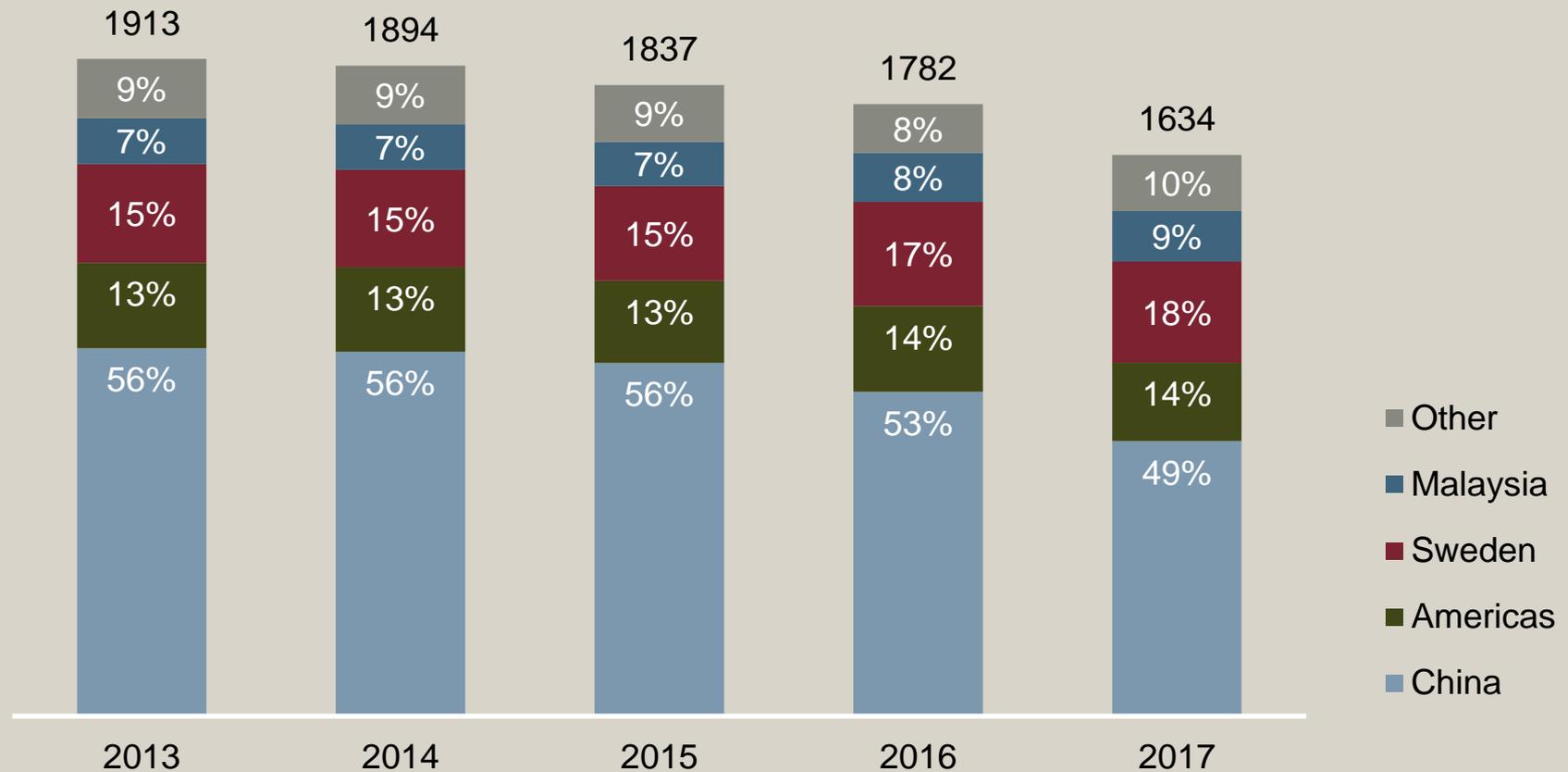
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Bucher Emhart Glass

Number of employees by region

Employees ¹⁾

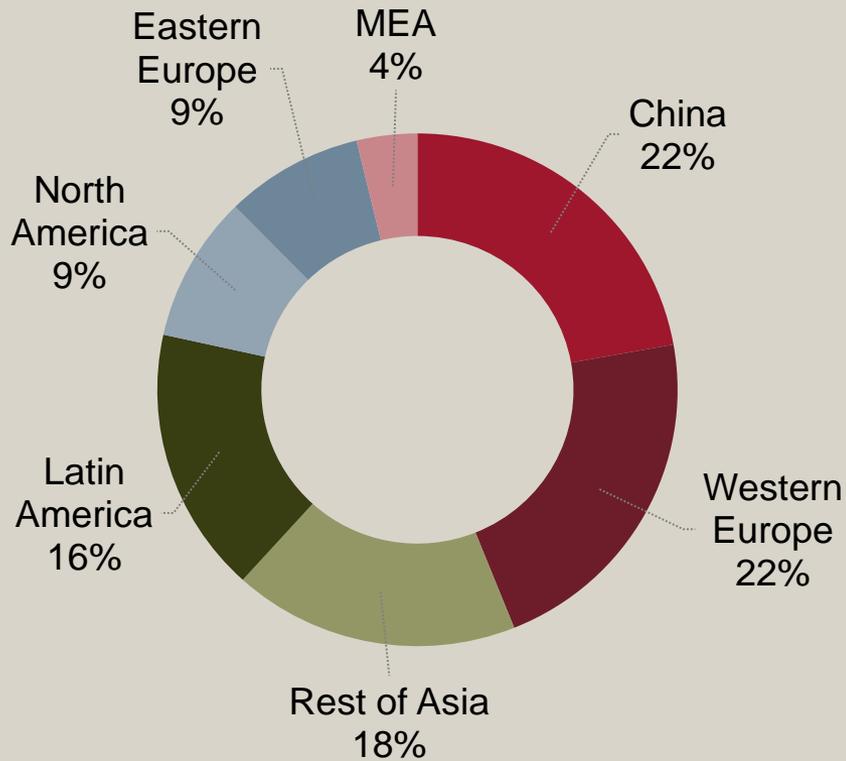


¹⁾ Expressed in full-time equivalents; average during year

Bucher Emhart Glass

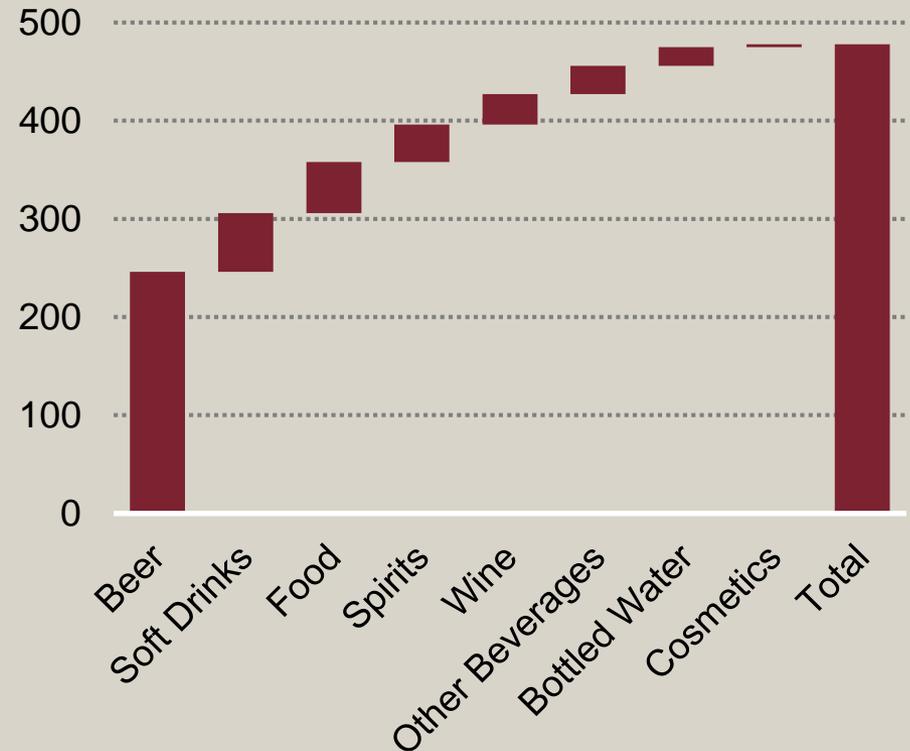
Glass consumption per capita

Glass consumption per regions



Glass consumption

Billion units



Source: Euromonitor International (2015)

Bucher Emhart Glass

World's leading machinery manufacturer

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

Bucher Emhart Glass

Market position

Bucher Emhart Glass

World's leading supplier of machinery, equipment and services for glass container manufacturers.



- 50% market share worldwide for glass-forming machinery and servicing.
- Solid market position in inspection machines.
- Global partnership with O-I (USA), the world's biggest manufacturer of glass containers.

Bucher Emhart Glass

Outlook for 2018

- High order book at the start of the year.
- Stable demand for glass container production machinery.
- Further development of subsidiary Sanjin, China.
- End-to-end vision to be promoted.
- For 2018: Significant increase in sales expected. The division is confident of exceeding the long-term goal of an operating profit margin of 9% thanks to
 - high capacity utilisation,
 - optimisation programmes,
 - good development in China.

Bucher Vaslin



Winemaking equipment

Bucher Unipektin



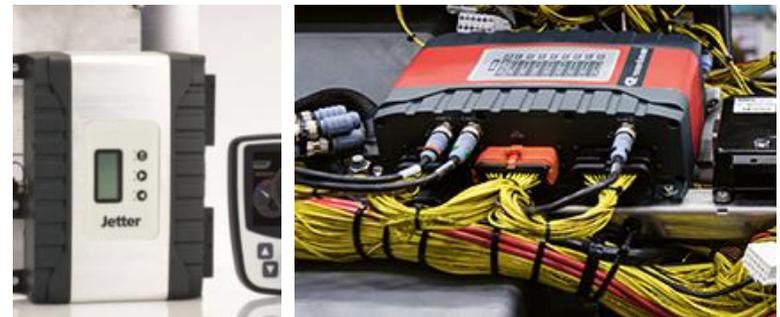
Fruit juice processing systems,
beer filtration, drying equipment

Bucher Landtechnik



Agricultural distributorship in Switzerland

Jetter

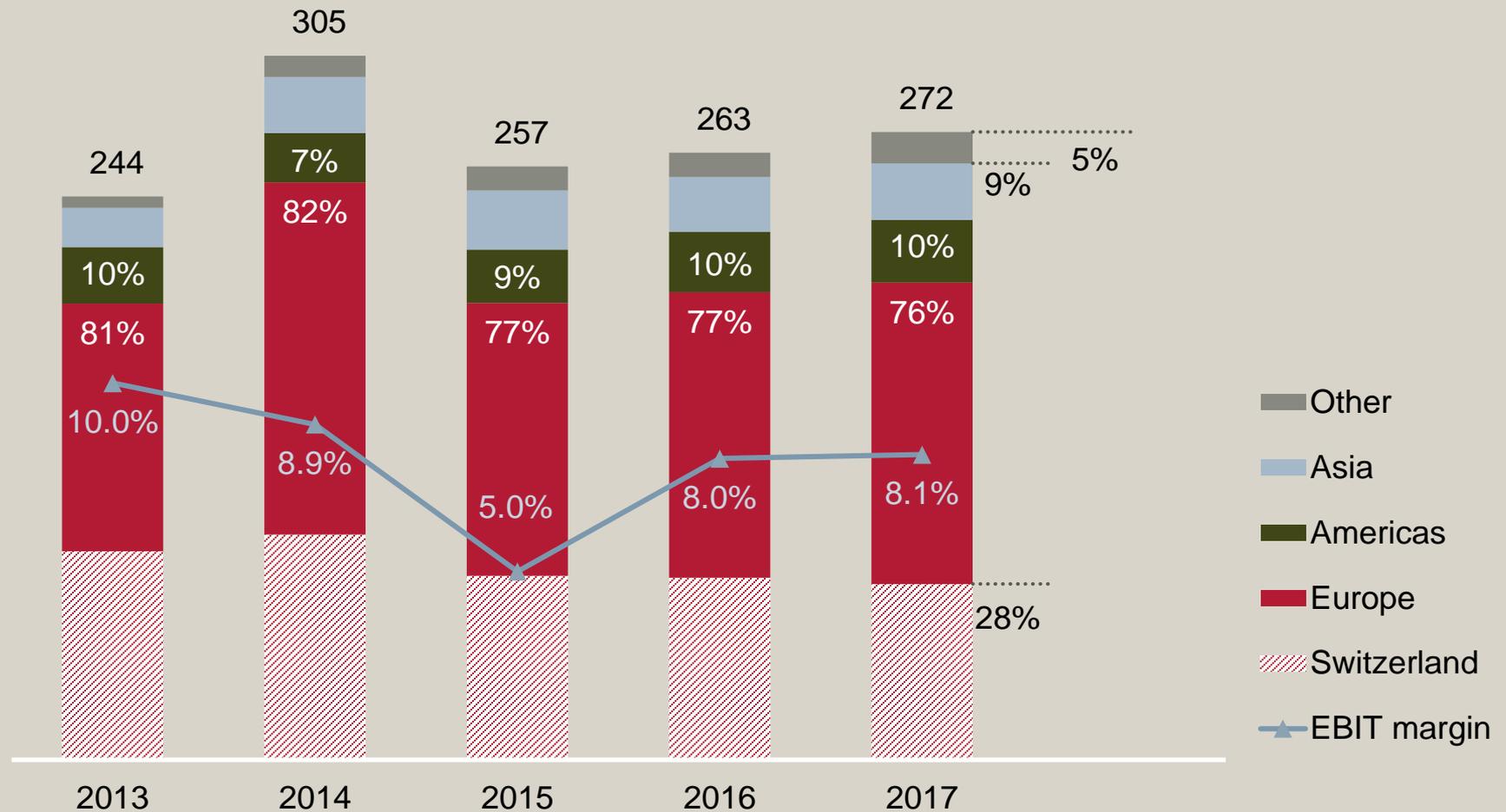


Automation solutions

Bucher Specials

Net sales by region

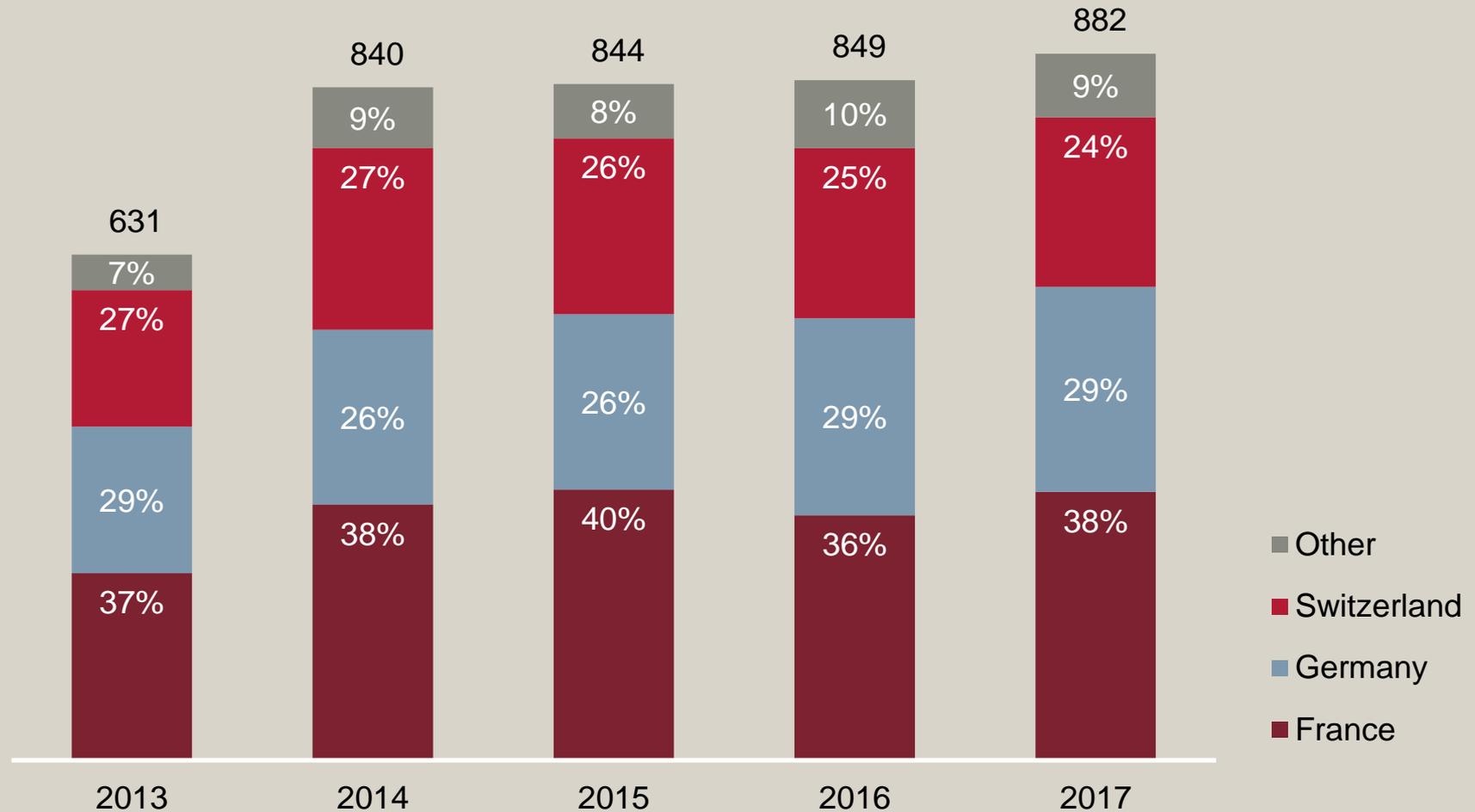
CHF m



Bucher Specials

Number of employees by region

Employees ¹⁾



¹⁾ Expressed in full-time equivalents; average during year

Bucher Specials

2017 in brief

- Varied market trends
 - Winemaking equipment: stable order intake; main markets suffering from adverse weather conditions.
 - Project business in beverage technologies: solid demand, but some financing-related customer delays.
 - Agricultural machinery business in Switzerland: subdued trend at a high level.
 - Automation solutions: good performance and pleasing sales progress.
- Sales up 3%.
- 8.1% EBIT margin slightly up on previous year, but kept down by high material costs.

Bucher Vaslin

World market leader in wine production

Competitors	Reception	Crushing	Pressing	Fermentation	Filtration	Filling
Bucher Vaslin						
Diemme (IT)						
Della/Toffola (IT)						
Pellenc/Pera (FR)						
Willmes (DE)						
Gai (IT)						

Bucher Unipektin

World market leader in juice production

Competitors	Reception	Milling	Mash heating	Dejuicing	Pasteurisation	Filtration	Adsorption	Evaporation
Bucher Unipektin								
Flottweg (DE)								
Bauer & Partners (PL)								
GEA Group (DE)								
Alfa Laval (SE)								
Schmidt-Bretten (DE)								
Bellmer (DE)								
Kaimi (CN)								

Bucher Landtechnik

Market leader in Switzerland

Competitors	Hay and forage		Balers	Hedge cutters	Feed mixers	Tillage equipment		Seeders		Spreaders	Sprayers	Tractors	Harvesters self-propelled	Wheel-loaders	
	Mowers	Tedders				Rakes	driven	non-driven	drilling						precision
Bucher Landtechnik	Kuhn	Kuhn	Kuhn	Kuhn	Kuhn	Kuhn	Kuhn	Kuhn	Kuhn	Kuhn		Kuhn	CNH		Weide-Mann, Merlo
Matra (John Deere)															
GVS (AGCO)	Krone	Krone	Krone	Krone			Rabe	Rabe	Rabe	Rabe			Fendt / MF / Valtra	Fendt / MF / Krone	Bichon
Serco (Claas)															InTrac
Ott Landmaschinen	Kv	Kv	Kv	Kv		Kv	Amazone Kv	Amazone Kv	Amazone Kv	Amazone Kv	Amazone Rauch / Kv	Amazone Kv			
Pöttinger CH															

Kv = Kverneland

Jetter

Market position in Europe

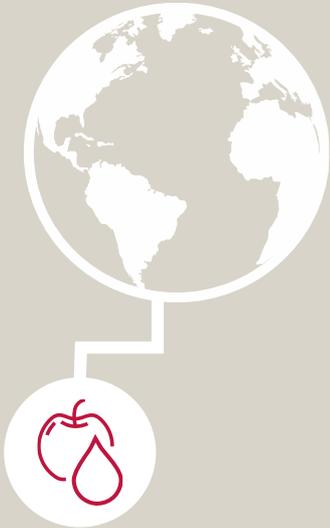
Competitors	Field level		Control level	Diagnostic level	Enterprise level
	Sensors	Actuators (amplifiers, motors, field devices)	Control systems	HMI's and Visualization	Enterprise- and manufacturing control (MES)
Industrial automation					
Jetter					
Siemens (DE)					
Schneider (FR)					
Beckhoff (DE)					
B&R (AT)					
Mobile automation					
Jetter		Cooperation with Bucher Hydraulics			
ifm (DE)					
Müller Elektronik (DE)					
Moba (DE)					

Bucher Specials

Market position

Bucher Specials

World market leader in fruit juice and wine production equipment.



- **Bucher Vaslin** World market leader in wine production equipment.
Market share ranges from 35% to 45% worldwide.
- **Bucher Unipektin** World market leader in fruit and vegetable juice processing equipment.
Market share ranges from 35% to 45% worldwide.
- **Bucher Landtechnik** Swiss distributorship for tractors, agricultural attachments and farm loaders.
Domestic market shares range from 20% to 30%.
- **Jetter** Industrial and mobile automation technology.
Market shares around 3% in specific segments.

Bucher Specials

Outlook for 2018

- Stable demand for wine production equipment despite poor harvests in 2017 in main markets.
- Positive development of the market for beverage technology.
 - In anticipation of an above-average apple harvest in Europe, investments were made in plants making apple juice.
- Swiss agricultural machinery business suffering from political and exchange rate uncertainties.
 - Bucher is still endeavouring to assist the Swiss Competition Commission (COMCO) with its investigations into Bucher Landtechnik AG and to help fully resolve the issues.
- Positive trend in industrial and mobile automation.
- For 2018: Higher sales and an improvement of the operating profit margin expected.

Outlook

- **Kuhn Group:** Positive development in dairy and livestock farming in Europe, delayed recovery in North America. Higher sales with an operating profit margin slightly below the level of the previous year expected.
- **Bucher Municipal:** Well-filled order book, and good, but slowing market conditions. Sharp increase in sales and in the operating profit margin expected.
- **Bucher Hydraulics:** Demand to remain strong. Significant increase in sales, with an operating profit margin below the previous year's high level expected.
- **Bucher Emhart Glass:** Optimism on the markets and high order book. Significant increase in sales expected. Division is confident of exceeding the long-term goal of an operating profit margin of 9%.
- **Bucher Specials:** Overall robust market trends. Higher sales and an improved operating profit margin expected.

Overall, the Group expects both sales and the profit for the year to increase.

Medium-term earnings targets

EBIT margin in %	2013	2014	2015	2016	2017	targets
Kuhn Group	14.9	12.1	10.2	8.0	8.6	12
Bucher Municipal	8.6	7.7	8.4	3.7	6.1	8
Bucher Hydraulics	9.4	10.2	11.5	11.9	13.7	11
Bucher Emhart Glass	4.8	3.9	6.6	7.1	6.6	9
Bucher Specials	10.0	8.9	5.0	8.0	8.1	10
Bucher Industries	10.7	9.2	8.3	7.1	8.6	10
Group and divisions						
RONOA after tax	19.3	15.8	11.5	9.7	13.2	>16

Regionally varying trends demand a geographically adapted strategy

Trends



Developed countries

Efficiency / sustainability

Emerging markets

Mechanisation / urbanisation

Topics



- Innovation
- Sensors, data, functionalities

- Market access
- Localisation
- Compliance

Selected projects



- Precision farming
- CityCat 2020ev
- End-to-end glass forming

- Kuhn Group in CIS
- Expansion of Bucher Hydraulics in India
- Selected acquisitions

Your Contacts:

Tel. +41 43 815 80 40

media@bucherindustries.com

www.bucherindustries.com