

Press release

Niederweningen, 6 March 2018

Pleasing business results in 2017

In 2017, the performance of Bucher Industries was pleasing overall. Order intake surged 20% year on year, and sales rose by 11%. The operating profit margin improved by 1.5 percentage points to 8.6% due to higher sales and optimised structures. The profit for the year amounted to CHF 168 million. The board of directors is proposing a dividend of CHF 6.50 per registered share.

Group

CHF million	2017	2016	Change in		
			%	% 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)	318	263	21.1		
<i>as % of net sales</i>	<i>12.0%</i>	<i>11.0%</i>			
Operating profit (EBIT)	226	169	33.7		
<i>as % of net sales</i>	<i>8.6%</i>	<i>7.1%</i>			
Profit/(loss) for the year	168	118	41.6		
<i>as % of net sales</i>	<i>6.3%</i>	<i>5.0%</i>			
Earnings per share in CHF	16.81	11.73	43.3		
Operating free cash flow	148	190	-21.8		
Net cash/debt	214	61	248.9		
Total assets	2 720	2 420	12.4		
Equity	1 432	1 224	17.0		
<i>Equity ratio</i>	<i>52.7%</i>	<i>50.6%</i>			
<i>Return on equity (ROE)</i>	<i>12.6%</i>	<i>10.0%</i>			
Net operating assets (NOA) Average	1 274	1 293	-1.5		
<i>Return on net operating assets (RONOA) after tax</i>	<i>13.2%</i>	<i>9.7%</i>			
Employees at 31 December	12 108	11 175	8.3		8.3
Average number of employees during year	11 707	11 251	4.1		3.7

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

Positive market development Demand for the specialised products of Bucher Industries increased sharply in the reporting year. The important agricultural equipment market started to recover after three difficult years thanks to rising prices in dairy and livestock industries. Cities and municipalities responded to improving economy by investing more in municipal vehicles. The upward trend in the market for hydraulic system solutions and components continued. In the glass container industry, investments started to rise in general, and more specifically and encouragingly, in the emerging countries as well. Bucher Specials' markets presented a mixed picture.

Successful business performance Order intake at group level was CHF 2 871 million, 20% higher than in the previous year. Sales rose by 11% to CHF 2 647 million, with all divisions contributing to the increase. Operating profit came in at CHF 226 million. Thanks to higher sales and optimised structures, the operating profit margin rose by a pleasing 1.5 percentage points to 8.6%. The Group's profit for the year amounted to CHF 168 million and earnings per share were CHF 16.81.

Financial situation In the wake of the long-term corporate development, Bucher Industries increased its spending on innovation by CHF 11 million. In addition, CHF 76 million was invested in expanding production infrastructure and in modernising and automating the means of production. Net operating assets were reduced by 6 percentage points to 48.1% of sales. Due to the increased profitability and lower capital commitment, the return on net operating assets after tax (RONOA) improved to 13.2% (2016: 9.7%). As such, the return remained significantly higher than the cost of capital. The positive free cash flow resulted in a net liquidity of CHF 214 million (CHF 61 million). With an equity ratio of 52.7% and high liquid assets, the Group's financial independence and opportunities for further growth remain secure.

Kuhn Group

CHF million	2017	2016	Change in	
			%	% ¹⁾
Order intake	1 138	935	21.7	19.6
Net sales	1 076	930	15.7	13.5
Order book	440	371	18.5	16.6
Operating profit (EBITDA)	133	116	15.2	
<i>as % of net sales</i>	<i>12.4%</i>	<i>12.4%</i>		
Operating profit (EBIT)	93	74	25.3	
<i>as % of net sales</i>	<i>8.6%</i>	<i>8.0%</i>		
Employees at 31 December	5 235	4 731	10.7	
Average number of employees during year	5 075	4 823	5.2	

¹⁾ Adjusted for currency effects

Pleasing market recovery After three difficult years, a recovery began in the markets of Kuhn Group. In Europe in particular, demand for machinery for hay and forage harvesting as well as livestock bedding and feeding increased in response to higher prices for milk and meat. The arable sector continued to suffer from low and volatile prices and full inventories. Farmers in North America in particular were cautious about investing at a time when their incomes were low and stagnating. France still struggled with the impact of the poor harvests in the previous year. Apart from this, Europe performed well. Farmers resumed investing in new machinery and dealers built up their inventories. Order intake went up by 22% year on year and sales rose by 16%. The operating profit margin was slightly higher at 8.6%, influenced by higher material costs and the low sales volumes in North America.

Bucher Municipal

CHF million	2017	2016	Change in		
			%	% ¹⁾	% ²⁾
Order intake	486	381	27.6	27.1	23.2
Net sales	426	389	9.4	8.9	5.9
Order book	165	104	58.2	58.0	58.0
Operating profit (EBITDA)	37	25	50.0		
<i>as % of net sales</i>	<i>8.7%</i>	<i>6.4%</i>			
Operating profit (EBIT)	26	15	80.0		
<i>as % of net sales</i>	<i>6.1%</i>	<i>3.7%</i>			
Employees at 31 December	2 014	1 746	15.3		15.3
Average number of employees during year	1 885	1 694	11.3		9.0

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

Strong order intake The economic conditions in the markets served by Bucher Municipal improved considerably in the reporting year. There was increasing demand for sweepers in Europe, above all in France, Germany and Russia, as well as for refuse collection vehicles in Australia. The early arrival of winter boosted the market for winter maintenance equipment in Europe. Bucher Municipal was able to make the most of the upturn in its markets and recorded a strong increase in order intake of 28%. At 9%, the rise in sales was held back by production capacities being temporarily limited due to the concentration of sweeper production in Latvia and England. Even so, the division's operating margin improved to 6.1%. The concentration of sweeper production was concluded as planned at the end of the year.

Bucher Hydraulics

CHF million	2017	2016	Change in	
			%	% ¹⁾
Order intake	581	482	20.6	19.8
Net sales	546	475	14.9	14.2
Order book	118	82	43.0	42.0
Operating profit (EBITDA)	94	76	24.0	
<i>as % of net sales</i>	<i>17.3%</i>	<i>16.0%</i>		
Operating profit (EBIT)	75	57	32.0	
<i>as % of net sales</i>	<i>13.7%</i>	<i>11.9%</i>		
Employees at 31 December	2 319	2 061	12.5	
Average number of employees during year	2 169	2 039	6.4	

¹⁾ Adjusted for currency effects

Sustained upward trend Demand for hydraulic system solutions and components rose sharply in the important segments for Bucher Hydraulics, namely construction machinery, industrial hydraulics, agricultural engineering and materials handling. The German market, after five years of stagnation, saw strong growth, as did demand in North America, India and China. Bucher Hydraulics was able to cope with the rising order volume without any delays for its customers. Furthermore, adjustments to the product mix and the good position of the division contributed to the successful business performance. Order intake rose by 21% and sales increased by 15%, both record figures. Bucher Hydraulics' posted a pleasing operating profit margin of 13.7%, exceeding the previous year's high level.

Bucher Emhart Glass

CHF million	2017	2016	Change in	
			%	% ¹⁾
Order intake	449	351	27.9	26.0
Net sales	381	371	2.8	1.3
Order book	177	108	64.4	61.7
Operating profit (EBITDA)	36	39	-6.4	
<i>as % of net sales</i>	9.6%	10.5%		
Operating profit (EBIT)	25	26	-4.2	
<i>as % of net sales</i>	6.6%	7.1%		
Employees at 31 December	1 630	1 757	-7.2	
Average number of employees during year	1 634	1 782	-8.3	

¹⁾ Adjusted for currency effects

Robust order book After a slow start, demand for glass forming machinery increased throughout the reporting year in nearly all the markets of Bucher Emhart Glass. It remained high and stable in Europe, while the manufacturers of glass bottles in North America again started to invest more, and Mexico, a significant market for beer, further increased its capacities. The first indications of a recovery were seen in China. The division benefited from the favourable market development and posted a strong 28% increase in order intake. Due to the long lead times associated with the project business and some customers' postponements of projects to 2018, sales were up only modestly year on year by 3%. As a result, the order book increased by 64%. Measures implemented at the Sanjin joint venture in China weighed on the operating profit margin, which at 6.6% was slightly below the previous year's level.

Bucher Specials

CHF million	2017	2016	Change in	
			%	% ¹⁾
Order intake	275	289	-4.8	-5.6
Net sales	272	263	3.1	2.3
Order book	80	76	4.5	3.9
Operating profit (EBITDA)	28	27	3.7	
<i>as % of net sales</i>	10.3%	10.2%		
Operating profit (EBIT)	22	21	4.7	
<i>as % of net sales</i>	8.1%	8.0%		
Employees at 31 December	849	817	3.9	
Average number of employees during year	882	849	3.9	

¹⁾ Adjusted for currency effects

Varied markets Europe suffered from adverse weather conditions, which did not leave Bucher Specials unaffected. Unfavourable weather conditions in spring and summer resulted in bad harvests for grapes and apples and had a negative impact on the main markets for wine production equipment and fruit juice presses. Bucher Vaslin managed to compensate in other regions for the decline in the important French market and achieved a positive order intake. Sales for winemaking equipment remained stable despite smaller volumes harvested, while the market for beverage technologies was volatile. Delays to projects and customers' financial difficulties weighed on the order intake of Bucher Unipektin. Despite this, sales posted higher thanks to the full order book at the start of the year. While remaining at a high level, the Swiss agricultural machinery market underwent a slight decline, which resulted in a modest decrease in order intake and in sales. Favourable market conditions in mobile and industrial automation boosted order intake and sales at Jetter. Bucher Specials was able to increase its sales by 3% overall. The operating profit margin, impacted by material costs, stood at the previous year's level of 8.1%.

Outlook for 2018 For the current year, the Group is reckoning with a mostly positive market environment. The improved market conditions in the dairy and livestock industries should continue, while the arable sector will need more time to recover, especially in North America, due to high inventories and good harvests. Against this background, Kuhn Group is forecasting that sales and the operating profit margin will rise. The robust order book for sweepers in Europe and refuse collection vehicles in Australia will ensure significant sales growth for Bucher Municipal in the first half of 2018. The concentration of sweeper production in Europe in 2017 will enable the expected cost savings. For the entire year, the division anticipates an increase in sales and an improved operating profit margin. Bucher Hydraulics expects demand to remain healthy in 2018 and sales to enjoy continued growth. The operating profit margin is likely to remain at the previous year's high level, despite ongoing price pressure and higher costs for research and development. Market sentiment in the glass container industry looks set to stay optimistic in 2018. Bucher Emhart Glass started the current year with a robust order book. It expects sales to rise and the operating profit margin to improve significantly. Sales and the operating profit margin at Bucher Specials should increase, although the performance of the individual business units will likely be mixed. In light of the robust order book and the positive market environment, the Group is expecting both sales and the profit for the year to increase for 2018 as a whole.

Dividend At the annual general meeting on 18 April 2018, the board of directors will propose the distribution of a dividend of CHF 6.50 per registered share. The dividend paid in the previous year was CHF 5.00 per share. This proposal is in keeping with a consistent dividend policy and takes account of both the group profit for the year 2017 and the prospects for the current reporting year.

Annual general meeting The annual general meeting of Bucher Industries AG will be held on 18 April 2018 at the Hotel Mövenpick in Regensdorf, starting at 3.30 p.m. At the general meeting, the board of directors will propose that Philip Mosimann, its chairman, and the current members of the board of directors and of the compensation committee be re-elected, and will propose that the general meeting elects Martin Hirzel as a new member of the board of

directors. Further resolutions that are to be proposed will be found in the invitation to the general meeting, which will be sent out to shareholders on 16 March 2018. Shareholders registered in the company's share register on 13 April 2018 will be entitled to vote at the annual general meeting. On 14 April 2018, the share register will be closed for entries. Shares purchased on or after 20 April 2018 are not entitled to a dividend. The dividend will be paid out on 24 April 2018. The annual report 2017 of Bucher Industries will be available for downloading from 6 March 2018 onwards, and the invitation to the annual general meeting from 16 March 2018 onwards, at www.bucherindustries.com. The annual report 2017 will be available in print from 6 March 2018 onwards.

Contact

Jacques Sanche, CEO

Manuela Suter, CFO

Phone +41 43 815 80 40

E-mail: media@bucherindustries.com

www.bucherindustries.com

Simply great machines

Bucher Industries is a global technology group with leading market positions in speciality areas of mechanical and vehicle engineering. The company's operations include specialised agricultural machinery, municipal vehicles, hydraulic components, manufacturing equipment for the glass container industry and for wine and fruit juice production, as well as automation technology. The company's shares are traded on the SIX Swiss Exchange (SIX: BUCN). For further information, please visit www.bucherindustries.com.