

Press release

Niederweningen, 30 April 2014

Slight downturn in business in the first quarter of 2015

With contrasting developments in the principal markets served by the Group, order intake and sales in local currencies fell by 3.7% and 3.5%, respectively. The currency effect was significant.

Group

CHF million	2015	2014	Change in		
			%	% ¹⁾	% ²⁾
January–March					
Order intake	637.2	705.8	-9.7	-3.7	-5.6
Net sales	648.6	712.5	-9.0	-3.5	-5.2
Order book	731.1	831.9	-12.1	-6.6	-6.9
Number of employees at 31 March	11 917	11 244	6.0		1.8

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

Contrasting market developments In the first quarter of 2015, the pace of economic development overall in Europe slowed to some extent; in North America, by contrast, remained brisk. Brazil showed a marked downturn, while the trend in Asia was subdued. Whereas the slowdown in agriculture continued, the market for municipal vehicles in Europe remained stable at a low level. Hydraulic systems in particular benefitted from the positive impetus in North America. However, investment in glass-forming and inspection machinery as well as fruit juice processing equipment was noticeably restrained. In mid-January 2015, the Swiss National Bank discontinued the minimum euro rate of CHF 1.20, which had a marked negative effect on the Group in terms of translation of foreign currencies.

Slight downturn in business As expected, the first quarter saw a slowdown in sales at Bucher Industries. The decrease amounted to 3.5% in local currencies; expressed in Swiss francs it was 9.0%. Order intake in local currencies came in 3.7% lower than the same period a year ago. The slowdown was particularly marked at Bucher Specials. The division felt the effects of customer restraint in investments in fruit juice processing and beer filtration equipment. Kuhn Group was unable to escape the effects of the downtrend in demand for specialised agricultural machinery. Despite a follow-up order worth CHF 30 million from the city of Moscow, business at Bucher Municipal slowed down. The follow-up order was CHF 23 million lower than the major order from the same period of 2014. Bucher Hydraulics developed very well, clearly outperforming the market in Europe. Bucher Emhart Glass reported strong demand in the spare parts and service business and significantly increased order intake. The overall performance at Bucher Specials declined year on year, with volumes in the project business at a low level.

Kuhn Group

CHF million January–March	2015	2014	Change in		
			%	% ¹⁾	% ²⁾
Order intake	240.1	274.5	-12.6	-5.3	-10.2
Net sales	332.2	370.2	-10.3	-4.1	-7.4
Order book	332.7	386.2	-13.9	-7.6	-8.3
Number of employees at 31 March	5 460	4 965	10.0		0.5

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

Further downturn The expected downward trend in the market for specialised agricultural machinery continued in the first quarter of 2015. Tillage machinery was particularly hard hit. However, demand from farmers in the livestock and dairy segments remained at an attractive level. The persistent sluggishness of the economy and higher financing costs for farmers in Brazil put a brake on investment. Currency effects also had a negative impact on the key figures in Swiss francs.

Bucher Municipal

CHF million January–March	2015	2014	Change in	
			%	% ¹⁾
Order intake	115.8	135.7	-14.7	-9.9
Net sales	82.6	83.9	-1.5	2.7
Order book	128.6	154.4	-16.7	-12.1
Number of employees at 31 March	1 620	1 555	4.2	

¹⁾ Adjusted for currency effects

Stable sales trend In the reporting period, developments in the markets served by Bucher Municipal presented a varied picture. In Europe and Australia, demand for municipal vehicles continued to be stable at a low level. As the result of another mild winter season, the business with winter maintenance equipment remained at a low level. Despite the challenging market environment, the division was awarded a follow-up order worth CHF 30 million from the city of Moscow. This was CHF 23 million lower than the major order in the same period of 2014.

Bucher Hydraulics

CHF million January–March	2015	2014	Change in	
			%	% ¹⁾
Order intake	132.1	129.8	1.8	5.4
Net sales	121.3	125.3	-3.2	0.6
Order book	86.1	73.3	17.5	20.4
Number of employees at 31 March	2 052	1 979	3.7	

¹⁾ Adjusted for currency effects

Positive business performance In the first quarter of 2015, Bucher Hydraulics increased order intake, despite the challenging market conditions. Thanks to brisk demand from North America and ongoing serial orders in Europe, the division was able to compensate for the weakness of the markets in Europe. The division benefitted particularly in the materials handling, industrial hydraulics and construction machinery segments. By contrast, demand in the key agricultural machinery segment declined further, in line with expectations.

Bucher Emhart Glass

CHF million January–March	2015	2014	Change in	
			%	% ¹⁾
Order intake	88.5	85.7	3.3	14.4
Net sales	73.1	83.7	-12.7	-4.2
Order book	102.8	119.9	-14.3	-5.6
Number of employees at 31 March	1 860	1 836	1.3	

¹⁾ Adjusted for currency effects

Solid order intake Bucher Emhart Glass increased order intake in the first quarter. Adjusted for currency effects, the growth was even more pronounced. This was mainly due to the very good result in the spare parts and service business. The project business with glass-forming and inspection machinery stagnated. The division concentrated further on improving profitability, systematically implementing a corresponding programme of measures.

Bucher Specials

CHF million January–March	2015	2014	Change in	
			%	% ¹⁾
Order intake	70.5	88.9	-20.7	-17.3
Net sales	50.6	61.4	-17.6	-14.0
Order book	90.4	105.7	-14.5	-11.4
Number of employees at 31 March	862	848	1.7	

¹⁾ Adjusted for currency effects

Delayed project business Delays affecting large-scale projects and significant currency effects resulted in a marked decline in order intake and sales compared with the high level recorded in the same period of last year. Demand for winemaking equipment was encouraging, particularly in the southern hemisphere. The project business with machinery and systems for processing fruit juice as well as beer filtration equipment declined year on year. At the end of the quarter, however, there were several interesting projects pending. Demand for tractors and agricultural machinery developed positively thanks to sales promotion measures. The business with control systems for industrial and mobile automation performed well.

Outlook for 2015 The Group does not anticipate any significant improvement in the economic situation during the current business year. In addition, uncertainties concerning currency effects remain at a high level. Kuhn Group expects the market for agricultural machinery to show a further slight decline. In the business with municipal vehicles, sales at Bucher Municipal are likely to be significantly lower than the previous year, despite the follow-up order worth CHF 30 million from the city of Moscow, received in February 2015. Bucher Hydraulics is anticipating a slight recovery in demand, while Bucher Specials expects that business will remain stable. Bucher Emhart Glass does not consider it likely that there will be any significant change in its markets and will concentrate on improving profitability. Accordingly, without taking account of the impact of currency influences since the middle of January of the current year, the Group's 2015 projections are for a slight drop in sales and operating profit on a par with the 2014 level.

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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 group's shares are traded on the SIX Swiss Exchange (SIX: BUCN). For further information please visit www.bucherindustries.com.