

## Press release

Niederweningen, 25 April 2019

### First quarter of 2019 with significant increase in sales

Bucher Industries' order intake in the first quarter of 2019 was in line with the very good prior-year period. Sales rose in four of the five divisions, resulting in a significant increase in group sales of 14%.

#### Group

CHF million	January - March		Change in			Full year 2018
	2019	2018	%	% <sup>1)</sup>	% <sup>2)</sup>	
Order intake	745	748	-0.5	1.9	-1.2	3 206
Net sales	824	721	14.3	16.6	14.0	3 065
Order book	1 042	1 012	2.9	5.2	3.1	1 137
Number of employees at closing date	13 522	12 422	8.9		5.7	13 054

<sup>1)</sup> Adjusted for currency effects

<sup>2)</sup> Adjusted for currency and acquisition effects

**Development in line with expectations** The trends that set in towards the end of 2018 in the markets of Bucher Industries continued into the current year. Demand flattened out at a high level, which meant that the order intake in the first three months of 2019 was in line with the very good prior-year period. Based on the strong order book at the start of the year, the Group posted a significant rise in sales, to which four of the five divisions contributed. A negative currency effect of about two percentage points was offset by a positive acquisition effect.

**Kuhn Group**

CHF million	January - March		Change in			Full year 2018
	2019	2018	%	% <sup>1)</sup>	% <sup>2)</sup>	
Order intake	248	263	-5.9	-2.9	-5.7	1 210
Net sales	350	315	11.3	14.1	11.9	1 204
Order book	351	400	-12.2	-9.9	-11.8	461
Number of employees at closing date	5 660	5 401	4.8		3.7	5 352

<sup>1)</sup> Adjusted for currency effects

<sup>2)</sup> Adjusted for currency and acquisition effects

**Challenging situation in North America** The market for agricultural technology was once again mixed in the first quarter of 2019. While demand in the dairy and livestock sector was stable, the arable sector remained challenging overall due to lower grain prices. Farmers in North America remained reluctant to invest due to their low income levels and Chinese tariffs on US agricultural products. Extreme weather events during the reporting period presented additional challenges to farmers in the Midwest of the USA. Developments in Europe were satisfactory overall, primarily due to the robust demand in France and Great Britain. In Brazil, good harvests, high prices for soy in particular and government subsidy programmes continued to have a positive impact. Thanks to the good order book at the beginning of the year, which was influenced by early customer orders, and the improved production efficiency, the division posted double-digit growth in sales.

**Bucher Municipal**

CHF million	January - March		Change in		Full year 2018
	2019	2018	%	% <sup>1)</sup>	
Order intake	133	136	-2.3	0.4	556
Net sales	135	118	14.4	17.1	539
Order book	179	186	-4.1	-1.5	183
Number of employees at closing date	2 269	2 088	8.7		2 215

<sup>1)</sup> Adjusted for currency effects

**Good sales trend** As expected, the demand for municipal vehicles decreased slightly in the first three months of 2019 compared to the strong prior-year period. While demand was up for sewer cleaning vehicles, winter maintenance equipment and truck mounted sweepers, the demand for compact sweepers and refuse collection vehicles declined, but was still at a very high level. All business units contributed to the good sales development. In Great Britain, the prospect of Brexit expected at the end of March had an additional positive impact on sales.

### Bucher Hydraulics

CHF million	January - March		Change in			Full year 2018
	2019	2018	%	% <sup>1)</sup>	% <sup>2)</sup>	
Order intake	161	176	-8.4	-7.5	-14.3	700
Net sales	179	158	13.4	13.9	7.8	627
Order book	182	138	32.4	33.1	26.2	201
Number of employees at closing date	2 880	2 354	22.3		9.1	2 835

<sup>1)</sup> Adjusted for currency effects

<sup>2)</sup> Adjusted for currency and acquisition effects

**Sales higher once again** A normalisation of demand for hydraulic components that set in at a high level at the end of 2018 continued into the first quarter of 2019. The material handling segment still saw an increase in order intake, while in the construction machinery, agricultural machinery and other mobile applications segments, the demand for hydraulic components declined compared to the prior-year period. The division started the year with an exceptionally high order book. Thanks to this and the expansion of production capacity, the division was able to further increase sales in the first three months of 2019 compared to the prior-year period, with the joint venture Bucher Hydraulics Wuxi, which has been consolidated since August 2018, also making a contribution.

**Bucher Emhart Glass**

CHF million	January - March		Change in		Full year 2018
	2019	2018	%	% <sup>1)</sup>	
Order intake	130	101	27.9	31.6	499
Net sales	117	87	35.4	39.3	447
Order book	244	200	22.0	25.5	236
Number of employees at closing date	1 722	1 636	5.3		1 696

<sup>1)</sup> Adjusted for currency effects

**Demand continues to rise** The demand for glass containers continued to rise globally due to the robust economy and the increased use of recyclable glass. As a result, the producers of glass containers also invested in the expansion and modernisation of their production lines in the first quarter of 2019. Against this background Bucher Emhart Glass posted strong growth in both order intake and sales. The Chinese subsidiary Sanjin, the good cooperation with O-I and the business with inspection machines once again also contributed to this development.

Thanks to this very dynamic market environment the production capacities of the division are well utilised.

**Bucher Specials**

CHF million	January - March		Change in			Full year 2018
	2019	2018	%	% <sup>1)</sup>	% <sup>2)</sup>	
Order intake	91	86	5.7	7.1	2.8	301
Net sales	61	62	-1.3	0.4	-2.9	309
Order book	103	104	-1.6	-0.5	-4.5	74
Number of employees at closing date	923	881	4.8		2.2	888

<sup>1)</sup> Adjusted for currency effects

<sup>2)</sup> Adjusted for currency and acquisition effects

**Positive order intake** Overall Bucher Specials saw a good order intake in the first quarter of 2019. The very good grape harvest in Europe in 2018 in terms of both quantity and quality already had a positive impact in the first quarter on the orders for Bucher Vaslin winemaking equipment. The business with beverage technologies remained challenging due to financing

difficulties among customers. Under these difficult circumstances, Bucher Unipektin won a number of large orders in the first quarter of 2019, but remained below the very good figures of the previous year. Swiss farmers continued to be cautious with their investments due to uncertainty of the future direction of agricultural policy and the ongoing drought. Despite this difficult environment, Bucher Landtechnik was able to increase its order intake thanks to the expansion of its product portfolio with additional brands. The demand for solutions for automation technology remained positive, driven primarily by the high demand for control systems for glass-forming machinery.

**Outlook 2019** The Group is forecasting that the market environment will remain largely positive in the current year, with a slowdown in demand at a high level. **Kuhn Group** expects that the overall market trend will be flat, with the market environment in North America remaining challenging, and is therefore forecasting that sales for the current year will be in line with 2018. The operating profit margin is likely to increase slightly. At **Bucher Municipal** there are some uncertainties especially in the key European market, and with regard to Brexit in particular. The division anticipates that for 2019 there will be a modest decline in sales compared to the record high of 2018, which was characterised by exceptionally high capacity utilisation. The operating profit margin is likely to decline slightly. **Bucher Hydraulics** expects that demand will continue to flatten. Together with the acquisition of the joint venture Bucher Hydraulics Wuxi, the division is forecasting a modest increase in sales for the current year. The operating profit margin is likely to be somewhat lower than in 2018 due to capacity expansions and the consolidation of Bucher Hydraulics Wuxi. **Bucher Emhart Glass** expects the good business performance to continue. For 2019, the division anticipates that sales and the operating profit margin will be in line with the levels seen in the last year. The market environment of **Bucher Specials** is likely to see a mixed development. Thanks to the acquisition of the import business of Grunderco and the continued positive development in mobile and industrial automation, the division is, however, expecting a slight increase in sales in the current year and an operating profit margin that is in line with 2018. Due to the high order book at the start of the current year and the expected economic environment, the **Group's**

sales are likely to be in line with the sound 2018 financial year. The operating profit and the profit for the year should also be at a similar level to last year.

The accounting standards were changed from IFRS to Swiss GAAP FER with effect from 1 January 2019. This has no impact on order intake or sales. However, it will lead to an increase of up to half a percentage point in the operating profit margin of the divisions and the Group and will improve Group profit for the year by a few percent. In addition, at the beginning of 2019 the change led to a reduction in net operating assets and equity of approximately CHF 200 million, which had to do primarily with the offsetting of goodwill and acquisition-related intangible assets with equity. The impact of the change in accounting standards is not reflected in the outlook of the divisions and the Group provided above.

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**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](http://www.bucherindustries.com).