

## Press release

Niederweningen, 30 January 2020

### Record sales despite weaker demand in 2019

For Bucher Industries, 2019 was a year defined by a challenging market environment. Demand declined overall, albeit from a very high level. Thanks to the exceptionally strong order book at the beginning of the reporting period and a significant increase at Bucher Emhart Glass, sales rose again slightly over the very strong previous year. The Group expects operating profit for the reporting period to fall just slightly short of the good result achieved in 2018. The Group's profit for the year is expected to be on a par with that of the previous year.

#### Group

CHF million	2019	2018	Change in		
			%	% <sup>1)</sup>	% <sup>2)</sup>
Order intake	3'008	3'206	-6.2	-3.6	-5.6
Net sales	3'106	3'065	1.4	4.0	1.8
Order book	1'019	1'137	-10.4	-7.8	-7.9
Number of employees at 31 December	13'107	13'054	0.4		-0.6

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

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

Order intake in 2019 at Bucher Industries was below the very high level of the previous year, with the three largest divisions recording a decline. Developments at Kuhn Group were especially impacted by the difficult conditions for agricultural producers in the USA. Bucher Municipal saw a decline in all its product groups, with the exception of winter maintenance equipment. Order intake at Bucher Hydraulics decreased in practically all of its markets and segments. Order intake was up again at Bucher Emhart Glass and Bucher Specials. Thanks to the exceptionally strong order book at the beginning of the reporting period and good delivery capacity, the Group's sales increased again somewhat to reach a new peak. Bucher Emhart Glass contributed significantly to this growth with a marked increase. The currency, acquisition

and divestment effects more or less offset each other in both order intake and sales. The Group expects operating profit in 2019 to be below the level and profit for the year to be on a par with that of the previous year.

### Kuhn Group

CHF million	2019	2018	Change in		
			%	% <sup>1)</sup>	% <sup>2)</sup>
Order intake	<b>1'141</b>	1'210	-5.7	-2.9	-4.6
Net sales	<b>1'177</b>	1'204	-2.3	0.7	-1.1
Order book	<b>411</b>	461	-10.7	-8.2	
Number of employees at 31 December	<b>5'188</b>	5'352	-3.1		

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

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

### Difficult North American market

The division's markets saw diverging trends during the reporting period but on balance became more challenging. In the USA, net income of small and medium-sized agricultural producers remained under pressure which increased the pace at which operations are being consolidated. This was mainly due to lower Chinese demand for US agricultural products caused by tariffs introduced in the context of the trade conflict and smaller harvests resulting from extreme weather events. The division introduced phases of furlough at both its US production units. In Western Europe, demand in the dairy and livestock sector was satisfactory, with France and Poland providing positive impetus. The Brazilian market performed well for the division. In this mixed but increasingly demanding environment, Kuhn Group's order intake and sales were down overall. The operating profit margin for 2019 is likely to show a slight year-on-year decrease, as efficiency gains in Europe and Brazil and higher prices in Europe were not sufficient to offset the impact of the difficult North American market situation.

## Bucher Municipal

CHF million	2019	2018	Change in		
			%	% <sup>1)</sup>	% <sup>2)</sup>
Order intake	520	556	-6.4	-3.6	-4.6
Net sales	541	539	0.4	3.3	2.4
Order book	159	183	-13.3	-10.5	-11.6
Number of employees at 31 December	2'370	2'215	7.0		1.8

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

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

### Good capacity utilisation

In the 2019 financial year, the demand for municipal vehicles declined compared with the very strong previous year. Order intake at Bucher Municipal was therefore down in all product groups except winter maintenance equipment. Thanks to the strong order book at the beginning of the year and good delivery capacity, sales were unchanged from the exceptionally high level of the previous year. Capacities were well utilised at all production sites. The division expects the operating profit margin for 2019 to be below the previous year's level, due to the consolidation of Zynkon, integration costs and higher expenditure for research and development.

## Bucher Hydraulics

CHF million	2019	2018	Change in		
			%	% <sup>1)</sup>	% <sup>2)</sup>
Order intake	564	700	-19.5	-18.1	-21.6
Net sales	649	627	3.5	5.1	1.3
Order book	113	201	-43.6	-42.5	
Number of employees at 31 December	2'766	2'835	-2.4		

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

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

### Slight increase in sales

The markets of Bucher Hydraulics experienced a significant drop in demand, albeit in comparison with an extremely dynamic prior year. The division's order intake was lower in most markets and segments, with a particularly strong decline recorded in the first half of the year.

Thanks to the strong order book at the start of the reporting period and the full-year consolidation of Bucher Hydraulics Wuxi, sales increased again over the very good prior year. The division expects the operating profit margin for 2019 to be lower than in 2018 due to higher costs relating to product development and capacity expansions as well as to the integration of Bucher Hydraulics Wuxi and higher material prices.

### Bucher Emhart Glass

CHF million	2019	2018	Change in		
			%	% <sup>1)</sup>	% <sup>2)</sup>
Order intake	524	499	4.9	8.8	9.3
Net sales	487	447	9.1	13.1	12.2
Order book	271	236	14.7	18.8	20.1
Number of employees at 31 December	1'770	1'696	4.4		4.9

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

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

### Record business volume

Demand for glass containers was strong in 2019, just as it was in the previous year. Manufacturers continued to invest in expanding and modernising their production capacities. Momentum eased off at a very high level in the last few months of 2019. Order intake at Bucher Emhart Glass reached record levels. Thanks to increased capacities through production optimisation, the division was able to further raise sales significantly. The continued good collaboration with O-I and a recovery in the business with inspection machines supported this growth. The division expects the operating profit margin for 2019 to significantly exceed the previous year's very good level, thanks to the fully utilised production capacities, good margins in project business and efficiency gains in China. This is complemented by one-time effects from the divestment of the refractory business and an adjustment to pension costs, which together are expected to make a net positive contribution to profit in the mid single-digit millions.

**Bucher Specials**

CHF million	2019	2018	Change in		
			%	% <sup>1)</sup>	% <sup>2)</sup>
Order intake	324	301	7.7	9.5	5.2
Net sales	316	309	2.3	4.1	-0.4
Order book	82	74	10.3	11.7	11.2
Number of employees at 31 December	948	888	6.8		4.6

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

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

**Acquisition-driven sales growth**

The financial year for Bucher Specials was characterised by lower order intake and sales at Bucher Unipektin's project business at the beginning of the reporting period. Demand picked up again in the second half of the year. Overall, the other business units performed positively. The division's order intake and sales rose accordingly over the previous year, supported by the acquisition of the import business of Grunderco as well as Elan Systems. Due to the challenging environment for Bucher Unipektin and acquisition-related integration costs, as well as higher expenditure for the development of new products and solutions, Bucher Specials expects the operating profit margin for 2019 to be significantly below the prior-year figure.

**Outlook for 2020**

The Group continues to expect economic uncertainties and diverging market developments for the divisions in 2020. Demand for the Group's products is expected to decline slightly overall but to remain at a solid level.

**Kuhn Group** anticipates another challenging year with sales coming in somewhat below 2019. Thanks to a marginal improvement on the US market from the current very low level, the division's operating profit margin is likely to increase slightly.

**Bucher Municipal** anticipates that demand in 2020 will weaken from the strong levels seen in previous years but will remain good. Thanks to a number of new, innovative products and the full-year consolidation of Zynkon and Eurovoirie, the division expects to achieve sales in line with 2019. The operating profit margin should increase slightly due to positive effects from the cost optimisation measures initiated and the streamlining of the product range.

**Bucher Hydraulics** anticipates a downward trend in the hydraulics market in the current year following the recent strong growth rates. The division therefore expects a decline in sales in the

high single-digit percentage figures. The operating profit margin is also expected to be down on 2019, primarily due to the lower sales.

**Bucher Emhart Glass** expects demand to normalise in 2020, following the extraordinary momentum of the last two years. Thanks to the record order book and continued strong demand, the division expects sales to be in line with the reporting period. The operating profit margin is likely to be down on the record result of 2019 after adjusting for the one-time effects.

**Bucher Specials** anticipates diverging market developments. Overall, the division expects marginal growth in sales for 2020. The operating profit margin is likely to recover from the low level seen in 2019.

The **Group's** sales for 2020 are expected to be slightly below 2019's record figure. The operating profit margin is likely to be on a par with that of the reporting period. The profit for the year is expected to be below the prior-year level.

#### **Contact for investors and financial analysts**

Manuela Suter, CFO

Phone +41 43 815 80 50

[ir@bucherindustries.com](mailto:ir@bucherindustries.com)

#### **Contact for media**

Silvia Oppliger, Head of Group Communications

Phone +41 43 815 80 40

[media@bucherindustries.com](mailto:media@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 Swiss stock exchange (SIX: BUCN). For further information, please visit [www.bucherindustries.com](http://www.bucherindustries.com).

***Additional performance measures:** Internally and externally Bucher Industries uses key figures that are not defined by Swiss GAAP FER. The composition and calculation of the individual key figures are to be found on [www.bucherindustries.com/en/additional-performance-measures](http://www.bucherindustries.com/en/additional-performance-measures).*