

Annual press and analysts' conference

BUCHER

4 March 2020



Good result despite lower demand

Group: 2019 at a glance

Slight 1% increase in sales over the excellent previous year, operating profit margin of 9.2% fell slightly short of the 2018 level

- **Kuhn Group:** Difficult situation in the North American market, sales and operating profit margin slightly lower than in the previous year
- **Bucher Municipal:** Sales at the same high level as previous year despite weaker demand
- **Bucher Hydraulics:** Sharp drop in demand after exceptionally dynamic previous year, slight increase in sales
- **Bucher Emhart Glass:** Trend toward increased use of glass containers, sales and operating profit reached record high
- **Bucher Specials:** Challenges for Bucher Unipektin, positive development in the other business units

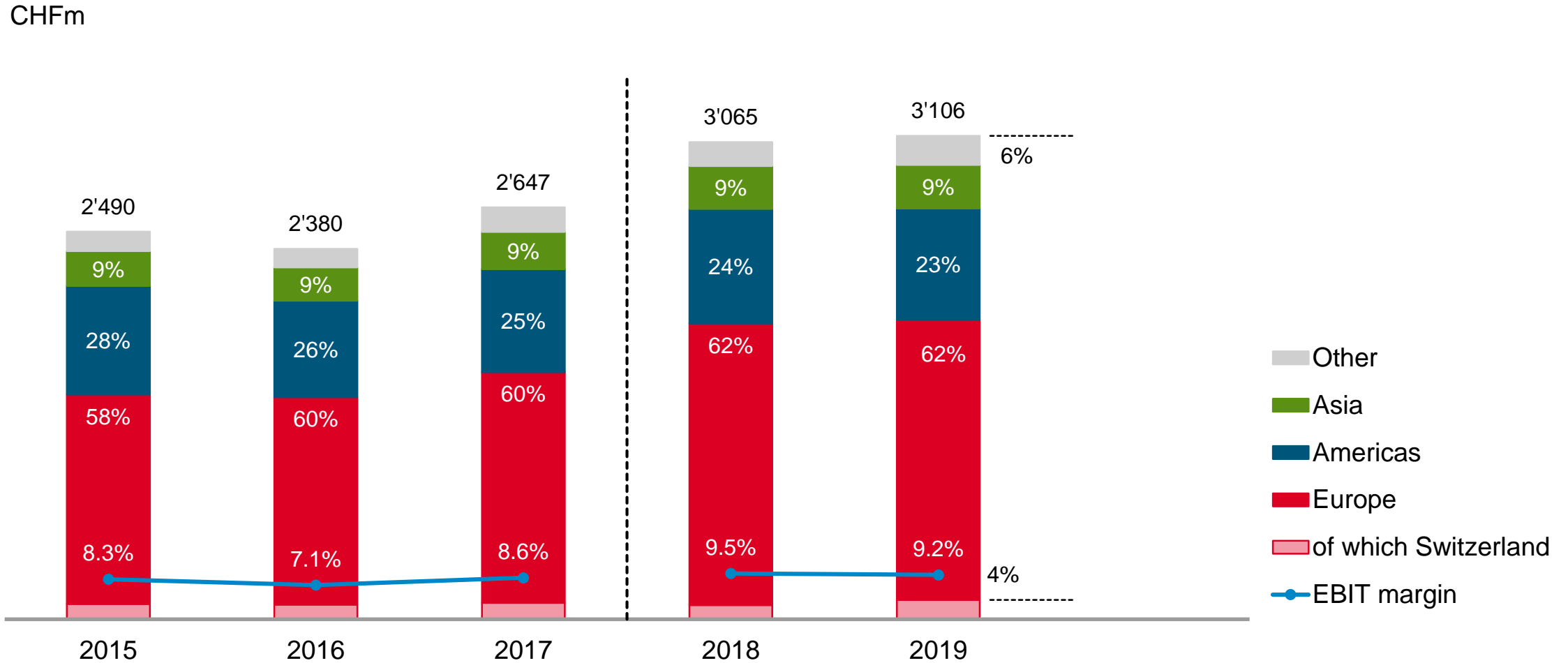
Key figures

CHFm						Change in
	2019	2018	%	% ¹⁾	% ²⁾	
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	
Operating profit (EBITDA) as % of net sales	368 11.9%	374 12.2%	-1.6			
Operating profit (EBIT) as % of net sales	285 9.2%	292 9.5%	-2.6			
Employees at 31 December	13'107	13'054	0.4		-0.6	
Average employees	13'280	12'636	5.1		2.6	

¹⁾ Adjusted for currency effects

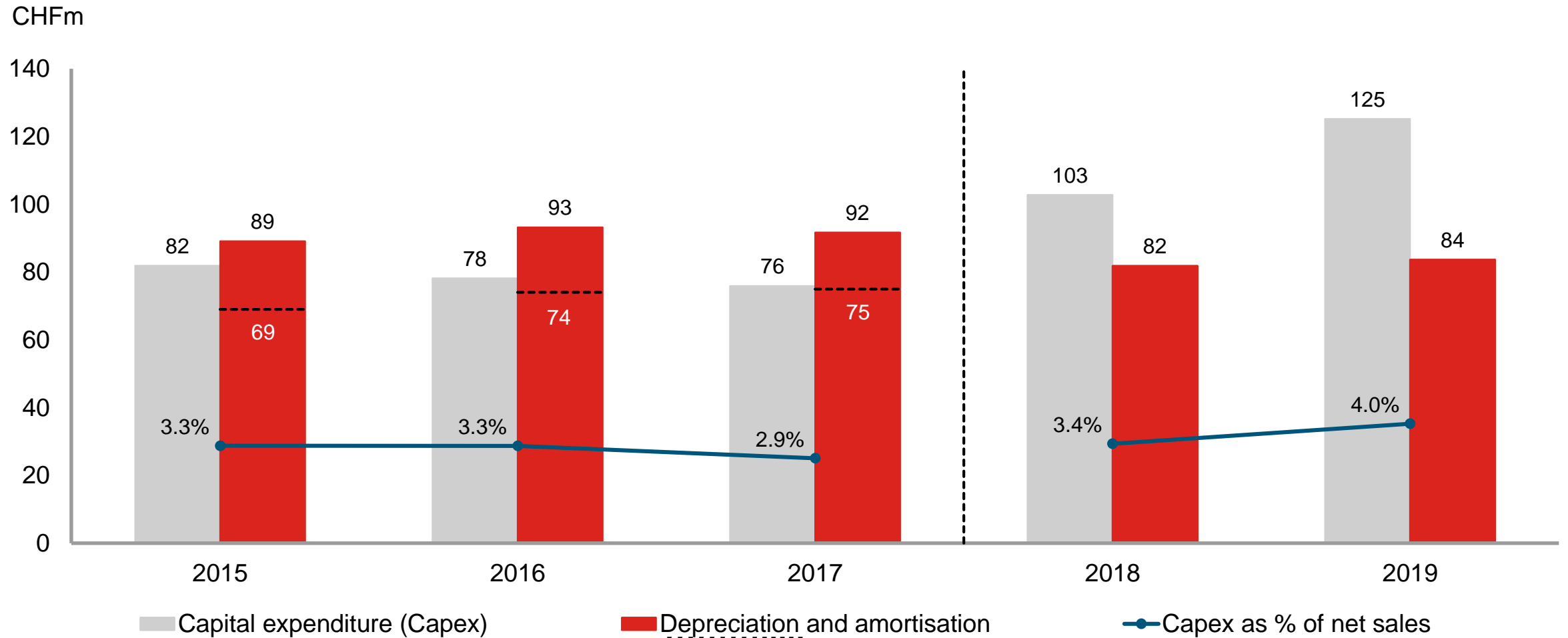
²⁾ Adjusted for currency, acquisition and divestment effects

Net sales by region



Capital expenditure

Invested capital: Fixed and intangible assets



Key investment projects

Fixed and intangible assets

Kuhn Group

“MGM Monswiller” extension
near Saverne, France

Doubling of production halls in
response to growing need for large
agricultural machinery. Expected to be
completed during summer of 2020.



Bucher Municipal

Production extension in Ventspils,
Latvia

Assembly line built specifically for the
serial production of the new
“CityCat V20e” at the compact
sweeper production site.



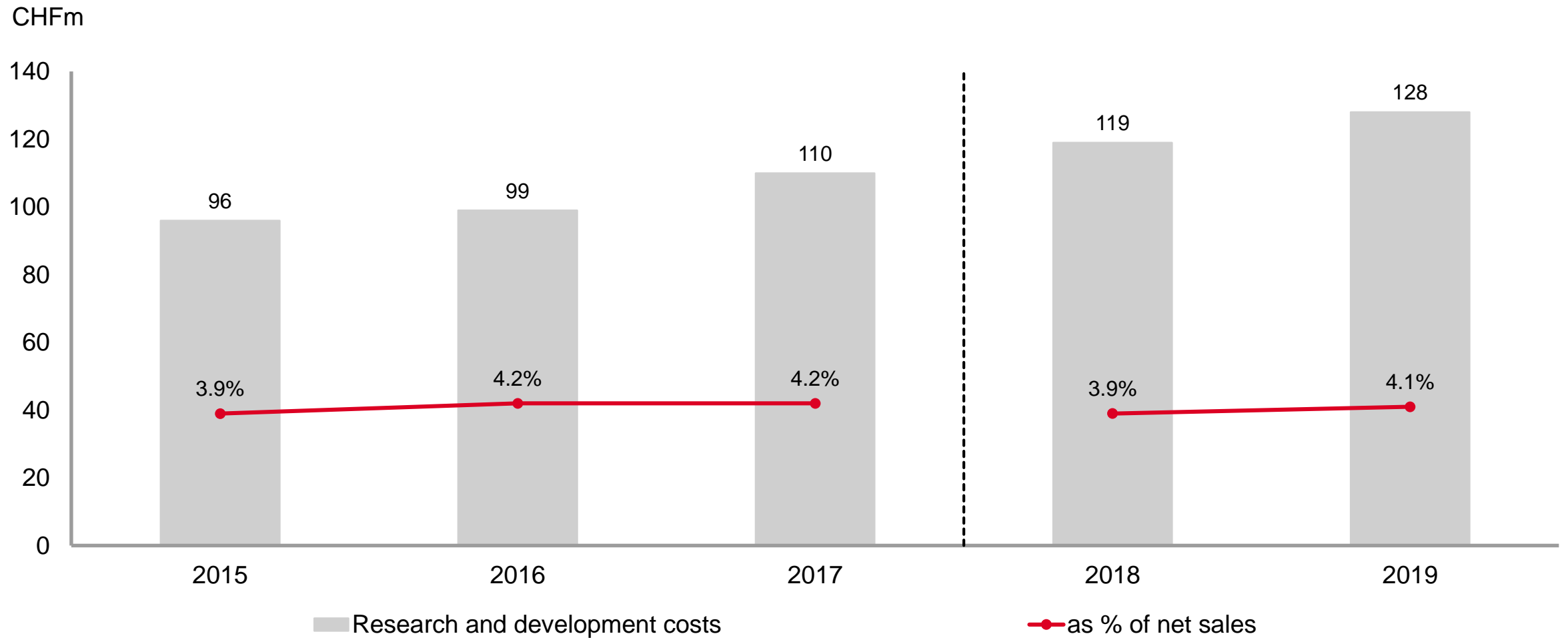
Bucher Hydraulics

Expansion of production capacity in
Gurgaon, India

Further development of a new
product line for less demanding
applications in the lower price
segment.



Research and development costs



Selected development projects

Bucher Municipal

Electrification of all product groups

“CityCat V20e”: Battery is based on the latest technology and has been specially developed for use in this compact sweeper.



Bucher Hydraulics

Innovative axial piston line
AX pumps and AX motors

The AX series offers an exceptionally high efficiency rate in a wide range of rotational speeds as well as low-speed, smooth, accurate movements.



Bucher Vaslin

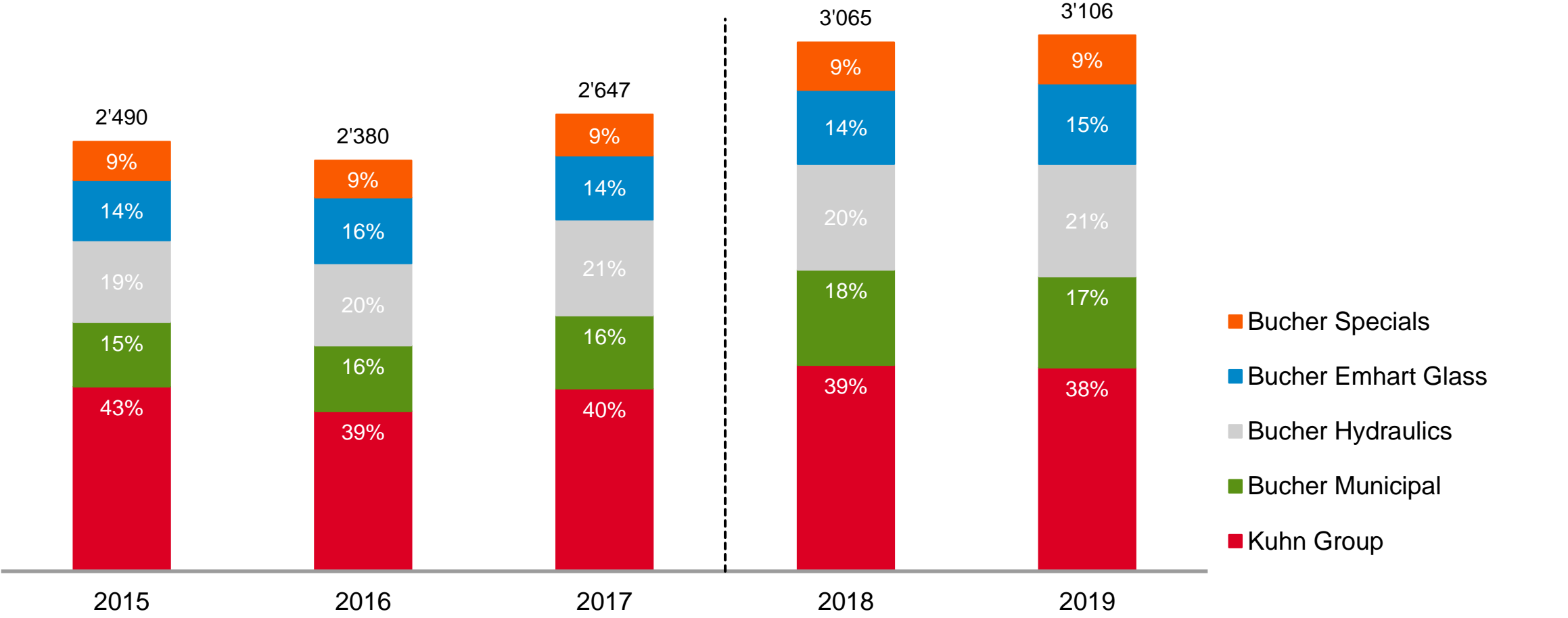
“Maestro”: Add-on to the
“Bucher XPert” grape press

“Maestro” controls all four phases of a complete cycle, improves productivity and delivers extensive information about the pressing process.



Net sales by division

CHFm



Kuhn Group

Large machines for large farms



Difficult situation in the North American market

Kuhn Group: 2019 at a glance

Markets heterogeneous but increasingly challenging overall

- USA: Further deterioration in the situation for agricultural producers, farms undergoing consolidation at an increased pace
- Europe: Demand for machinery for the dairy and livestock sector satisfactory
- Brazil: Good performance

Order intake down by 6% and sales by 2%

Operating profit margin slightly below previous year at 8.3%

- Difficult situation in the North American market
- Efficiency gains in Europe and Brazil and higher prices in Europe

Key figures

Kuhn Group

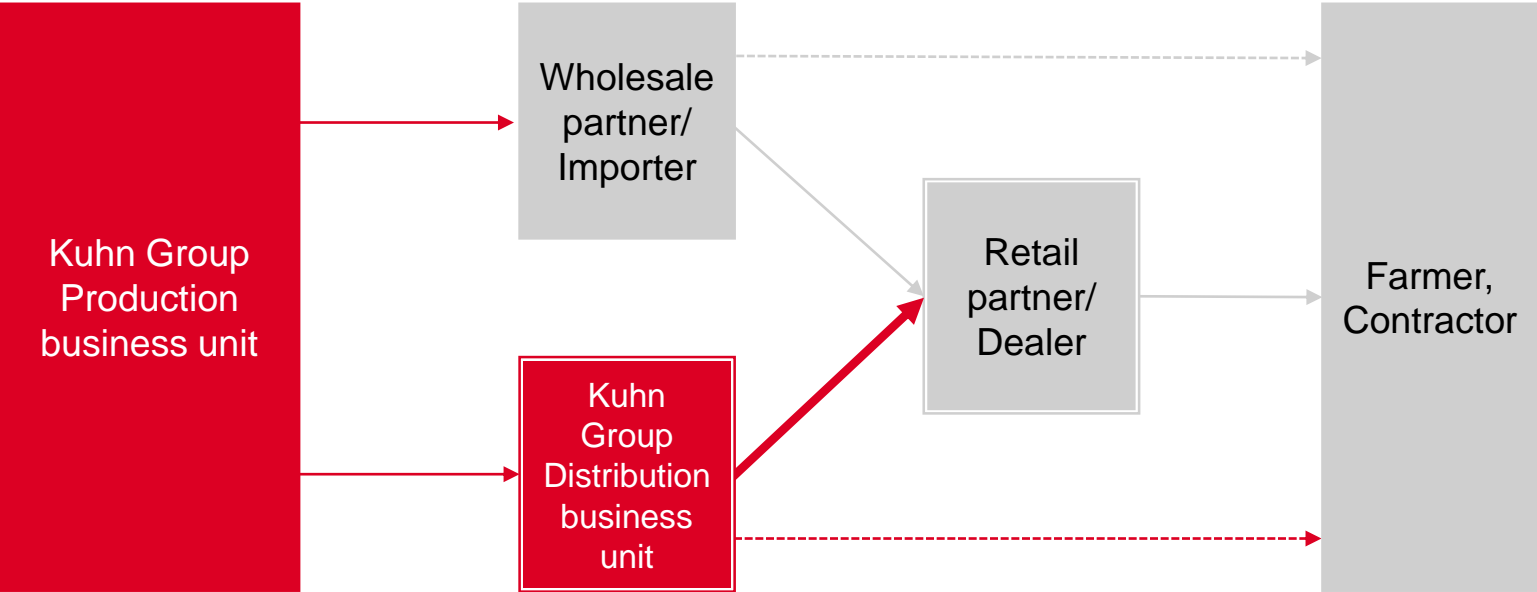
CHFm						Change in
	2019	2018	%	% ¹⁾	% ²⁾	
Order intake	1'141	1'210	-5.7	-2.9	-4.6	
Net sales	1'177	1'204	-2.3	0.7	-1.1	
Order book	411	461	-10.7	-8.2	-8.2	
Operating profit (EBITDA) as % of net sales	135 11.5%	141 11.7%	-4.1			
Operating profit (EBIT) as % of net sales	98 8.3%	104 8.7%	-5.9			
Employees at 31 December	5'188	5'352	-3.1		-3.1	
Average employees	5'321	5'334	-0.2		-1.2	

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

Close cooperation with the dealer

Kuhn Group distribution structure



Bucher Municipal

Focus on electrification: the all-electric "CityCat V20e"



Good capacity utilisation despite weaker demand

Bucher Municipal: 2019 at a glance

Order intake down by 6% compared to very strong previous year

Decline in all product groups except winter maintenance equipment

Sales maintained exceptionally high level of previous year

- Strong order book at start of the reporting period
- Good capacity utilisation and ability to deliver

Operating profit margin fell short of previous year at 8.4%

- Consolidation of Zynkon
- Integration costs
- Higher expenditure for research and development

Key figures

Bucher Municipal

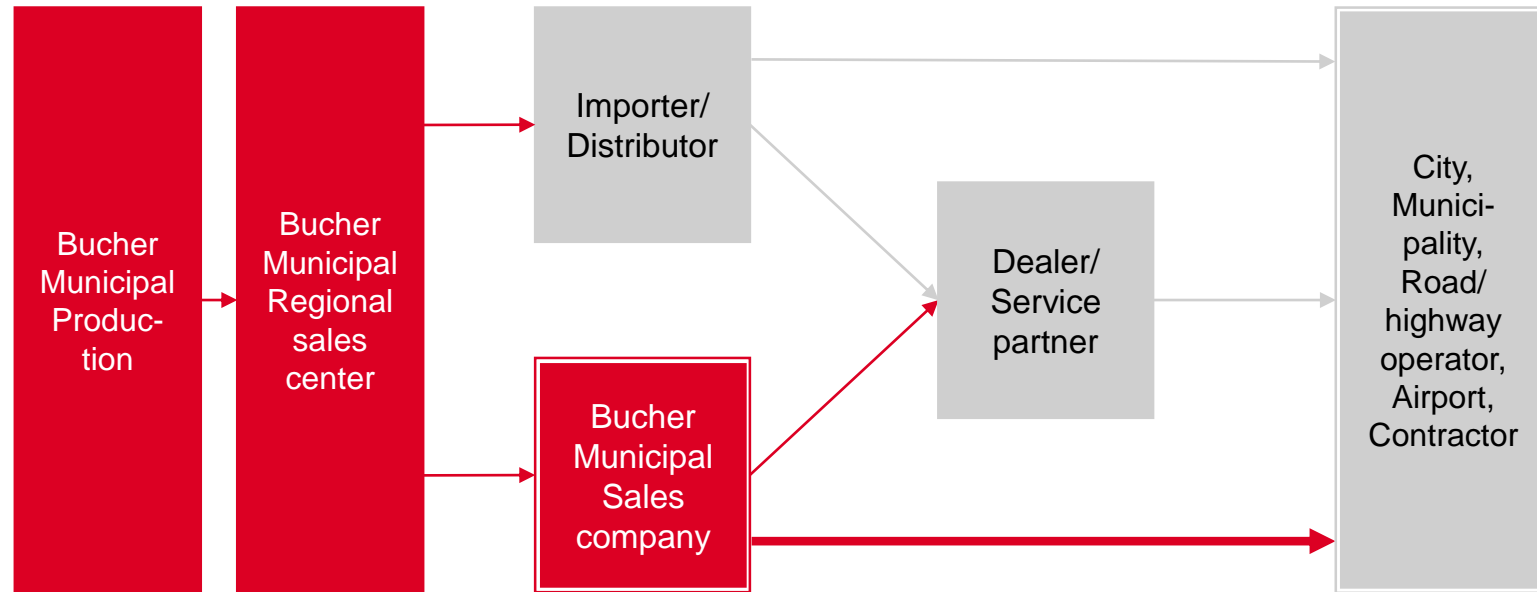
CHFm						Change in
	2019	2018	%	% ¹⁾	% ²⁾	
Order intake	520	556	-6.4	-3.6	-4.6	
Net sales	541	539	0.4	3.3	2.4	
Order book	159	183	-13.3	-10.5	-11.6	
Operating profit (EBITDA) as % of net sales	55 10.2%	60 11.1%	-8.3			
Operating profit (EBIT) as % of net sales	46 8.4%	51 9.5%	-10.4			
Employees at 31 December	2'370	2'215	7.0		1.8	
Average employees	2'340	2'148	8.9		6.3	

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

Knowing customers' needs precisely

Bucher Municipal distribution structure



Acquisition Eurovoirie

Bucher Municipal



Eurovoirie, France

Net sales¹⁾: CHF 34 million²⁾

Employees: 75

¹⁾ before acquisition

²⁾ of which more than half with Bucher Municipal equipment

Acquisition Zynkon

Bucher Municipal



Zynkon, China

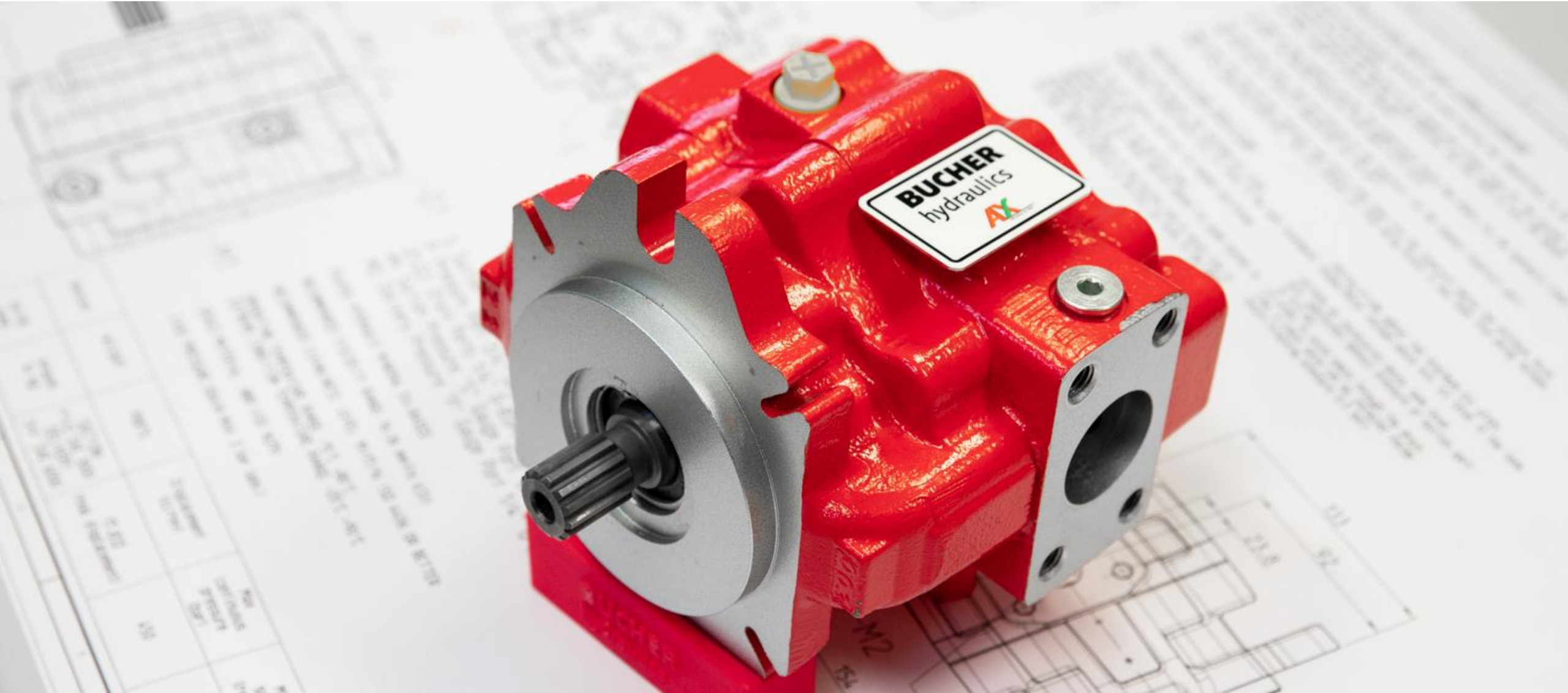
Net sales¹⁾: CHF 14 million

Employees: 110

¹⁾ before acquisition

Bucher Hydraulics

The new AX pumps and motors



Slight increase in sales despite strongly declining demand

Bucher Hydraulics: 2019 at a glance

Order intake down by 20%

- Decline in most markets and segments
- Very dynamic previous year influenced by early orders placed to avoid bottlenecks
- Corresponds overall to the trend in the hydraulics market

Sales up by 4%

- Strong order book at start of the reporting period
- Full-year consolidation of Bucher Hydraulics Wuxi

Operating profit margin of 12.5% down from the previous year

- Expenditure related to product development and capacity expansion
- Integration of Bucher Hydraulics Wuxi
- Higher material prices

Key figures

Bucher Hydraulics

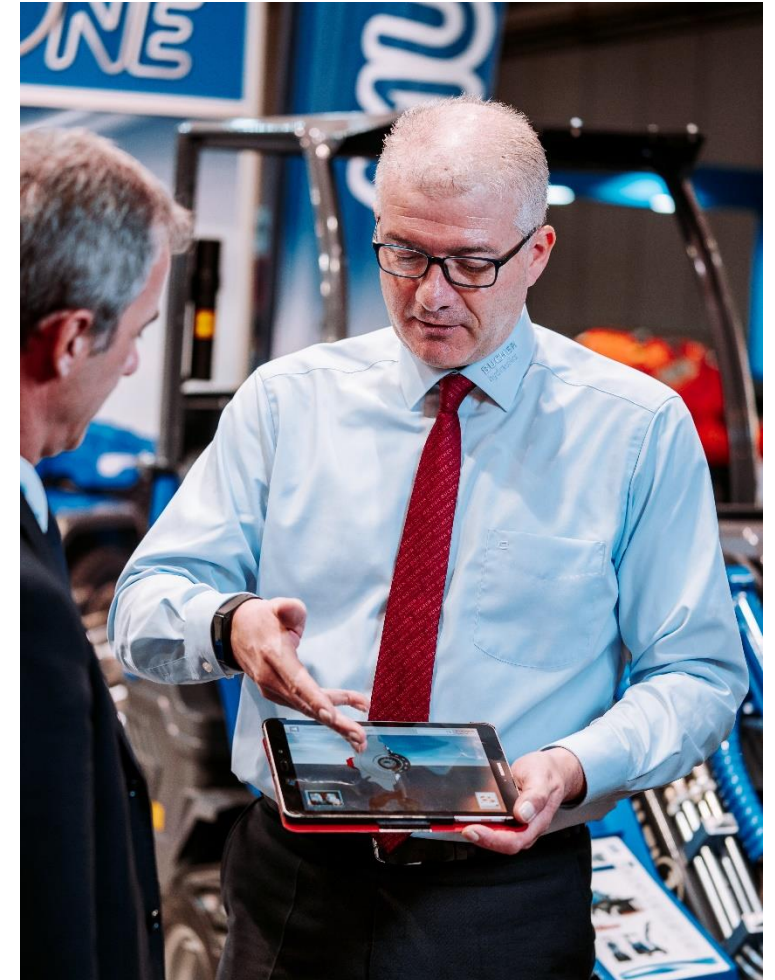
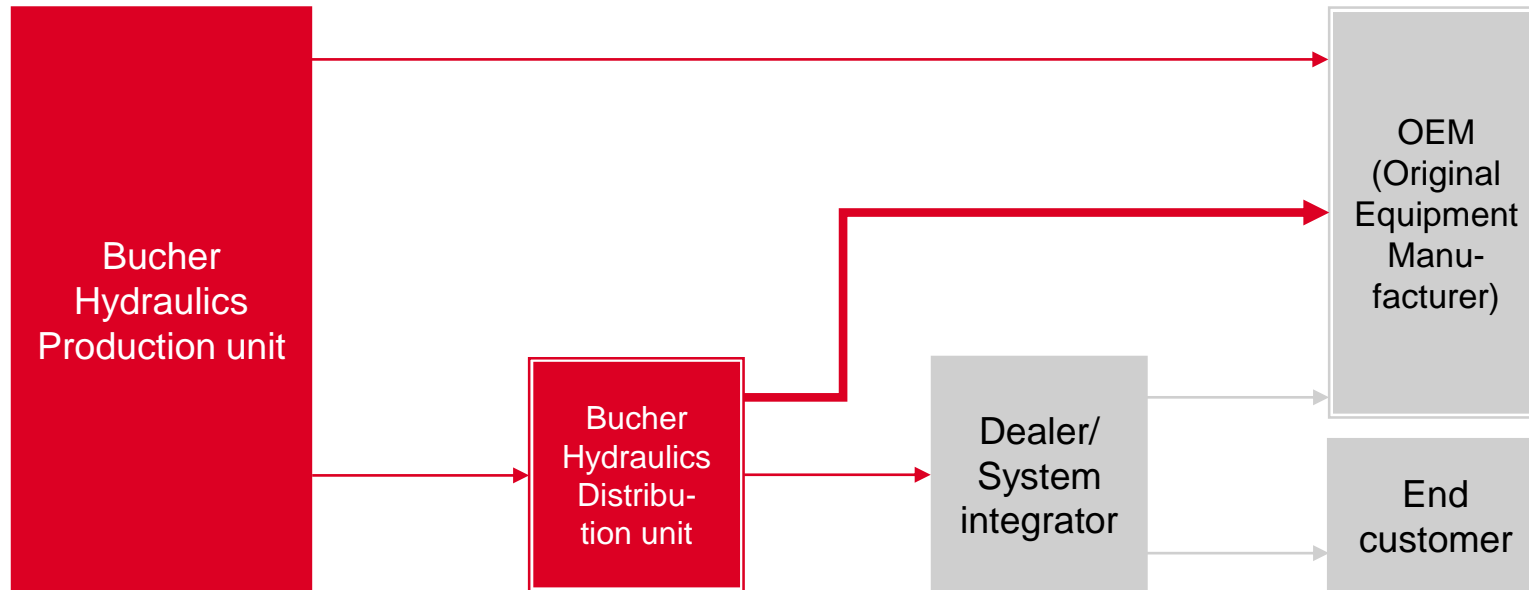
CHFm						Change in
	2019	2018	%	% ¹⁾	% ²⁾	
Order intake	564	700	-19.5	-18.1	-21.6	
Net sales	649	627	3.5	5.1	1.3	
Order book	113	201	-43.6	-42.5	-42.5	
Operating profit (EBITDA) as % of net sales	102 15.8%	104 16.6%	-1.5			
Operating profit (EBIT) as % of net sales	81 12.5%	84 13.4%	-4.2			
Employees at 31 December	2'766	2'835	-2.4		-2.4	
Average employees	2'844	2'555	11.3		4.2	

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

Support in design and conception

Bucher Hydraulics distribution structure



Bucher Emhart Glass

Complete «End to End» production line



Acquisition Symplex

Bucher Emhart Glass



Symplex, Germany

Net sales¹⁾: CHF 8 million

Employees: 35

¹⁾ before acquisition

Record business volumes and operating profit

Bucher Emhart Glass: 2019 at a glance

Continuing trend toward use of glass instead of plastic containers

Momentum eased at a very high level towards the end of 2019

Order intake up by 5% and sales by 9%

Order book still well above the already high level of the previous year

Operating profit margin at record high of 13.5%

- Production capacity fully utilised
- Technologically sophisticated project business
- Efficiency gains in China
- Positive one-time effects

Key figures

Bucher Emhart Glass

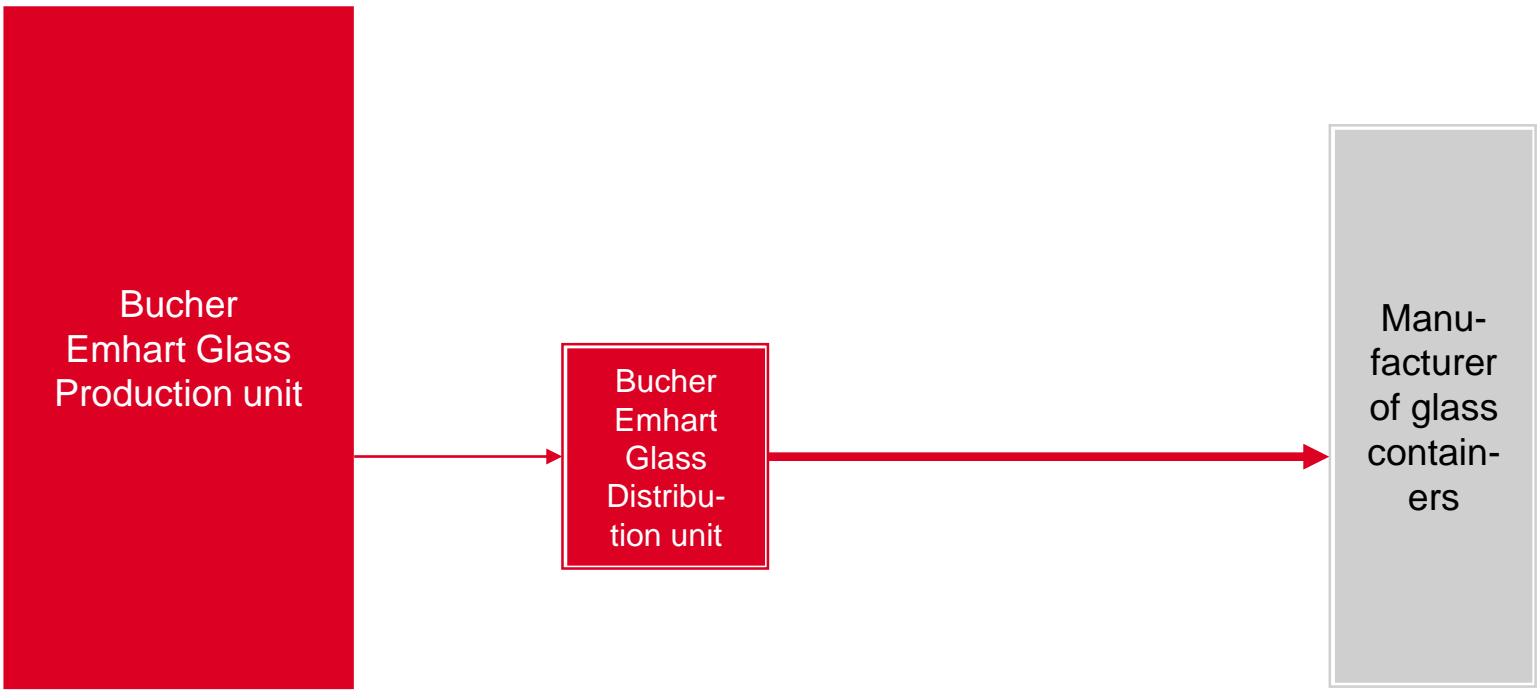
CHFm						Change in
	2019	2018	%	% ¹⁾	% ²⁾	
Order intake	524	499	4.9	8.8	9.3	
Net sales	487	447	9.1	13.1	12.2	
Order book	271	236	14.7	18.8	20.1	
Operating profit (EBITDA) as % of net sales	74 15.3%	56 12.5%	32.9			
Operating profit (EBIT) as % of net sales	66 13.5%	47 10.4%	40.6			
Employees at 31 December	1'770	1'696	4.4		4.9	
Average employees	1'755	1'652	6.2		6.2	

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency, acquisition and divestment effects

Strong key account management creates trust

Bucher Emhart Glass distribution structure



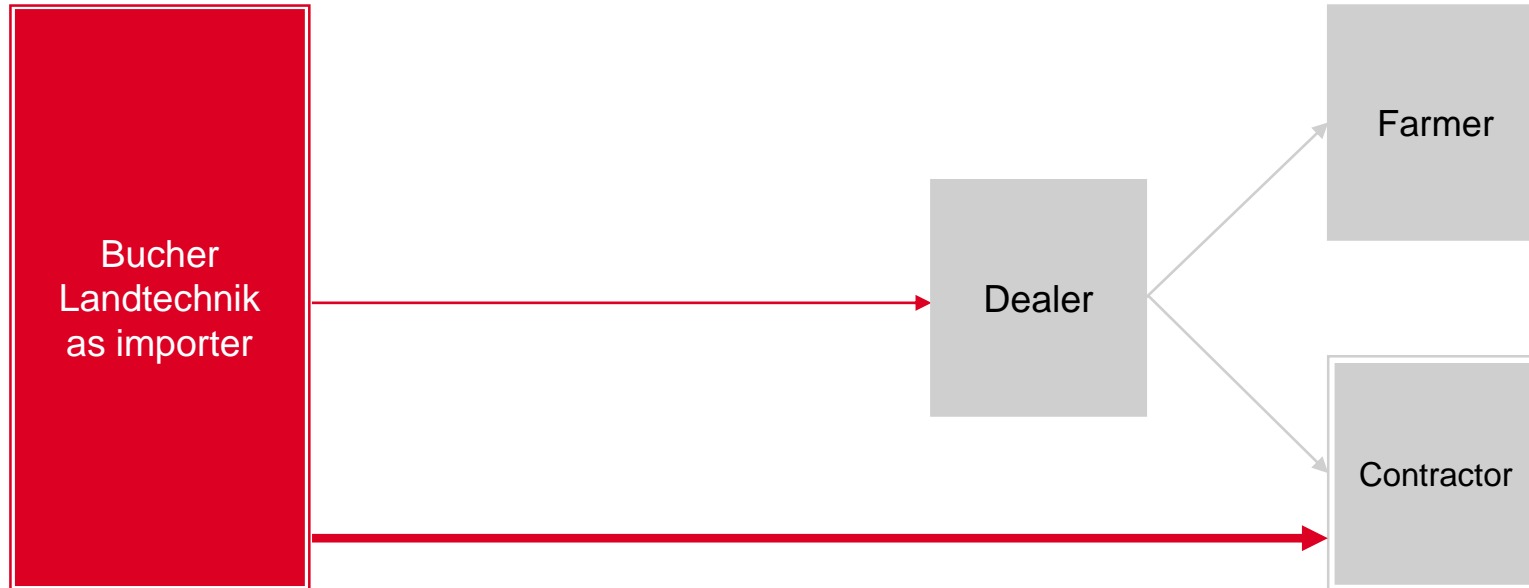
Bucher Specials

Precision Center – for a sustainable future



Individual consulting for individual smart farming solutions

Bucher Landtechnik distribution structure



Acquisition-driven sales growth

Bucher Specials: 2019 at a glance

Order intake up by 8% and sales by 2%

- Bucher Vaslin: Momentum slowed over the course of the year, good sales trend overall
- Bucher Unipektin: Challenging business environment, renewed rise in demand during second half-year
- Bucher Landtechnik: Growth in a stagnating market, supported by newly acquired products
- Jetter: Sales growth, high demand from glass container industry

Operating profit margin of 6.2% significantly below the previous year's level

- Challenging environment for Bucher Unipektin
- Acquisition-related integration costs
- Higher expenditure for development of new products and solutions

Key figures

Bucher Specials

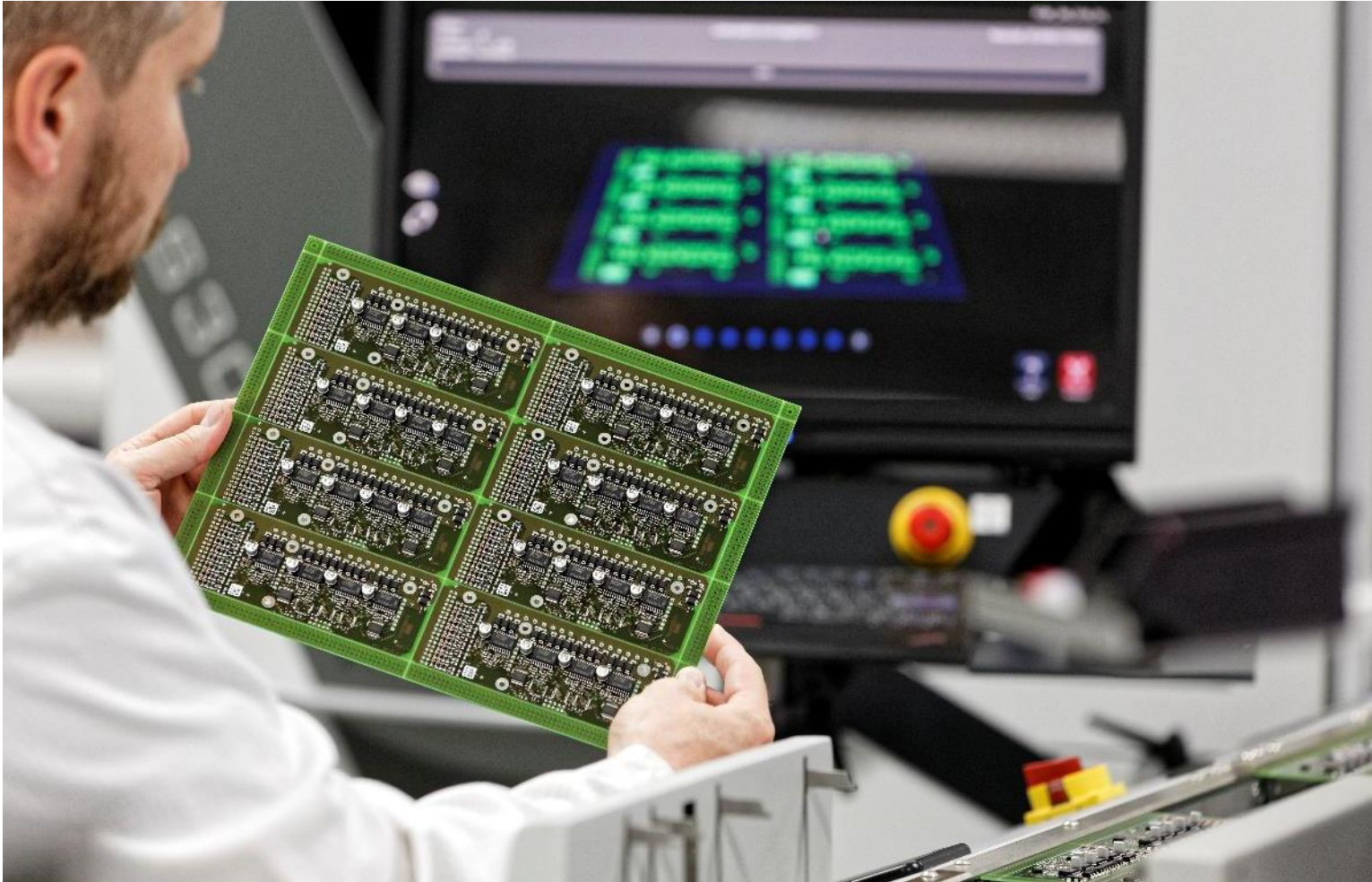
CHFm						Change in
	2019	2018	%	% ¹⁾	% ²⁾	
Order intake	324	301	7.7	9.5	5.2	
Net sales	316	309	2.3	4.1	-0.4	
Order book	82	74	10.3	11.7	11.2	
Operating profit (EBITDA) as % of net sales	25 7.8%	31 10.0%	-19.5			
Operating profit (EBIT) as % of net sales	20 6.2%	26 8.3%	-24.1			
Employees at 31 December	948	888	6.8		4.6	
Average employees	953	884	7.8		4.5	

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

Acquisition Elan Systems

Bucher Specials



Elan Systems, Hungary

Net sales¹⁾: CHF 3 million

Employees: 20

¹⁾ before acquisition

Acquisition Luzzysa

Bucher Specials



Luzzysa, Spain

Net sales¹⁾: CHF 4 million

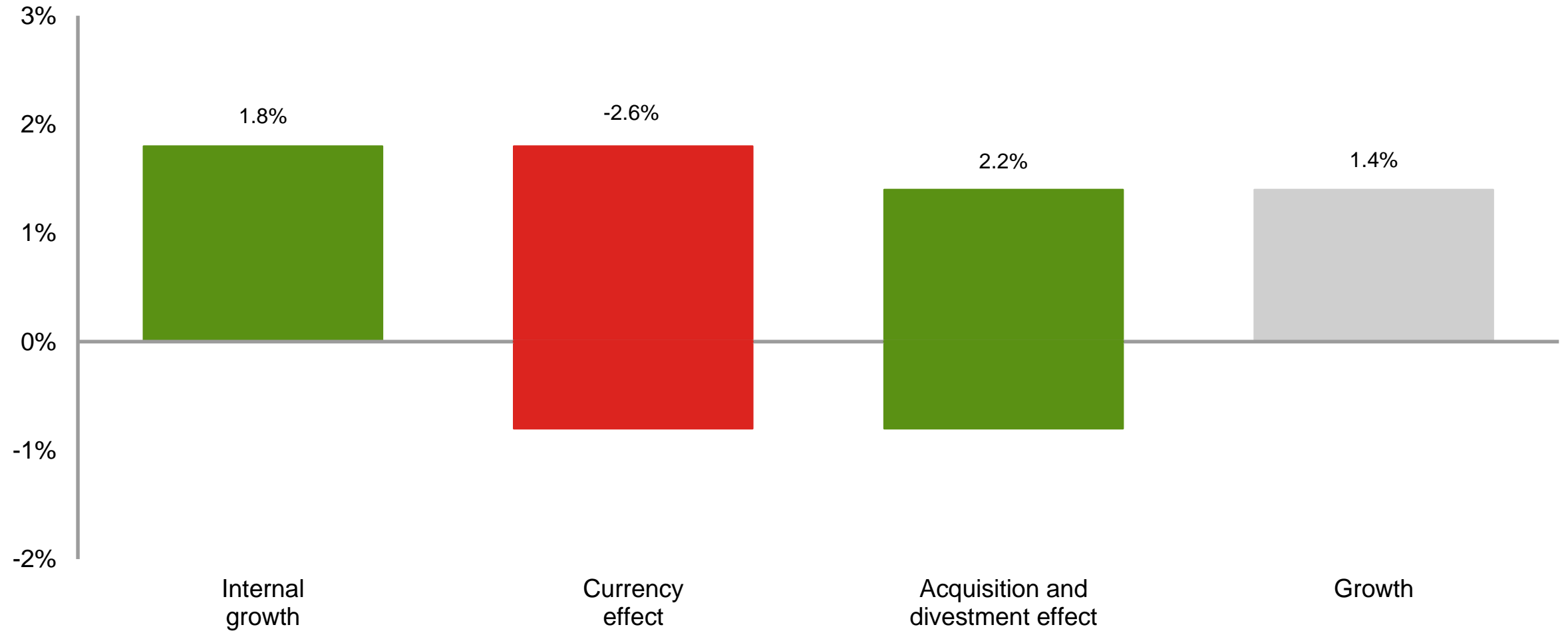
Employees: 20

¹⁾ before acquisition

Financial review 2019

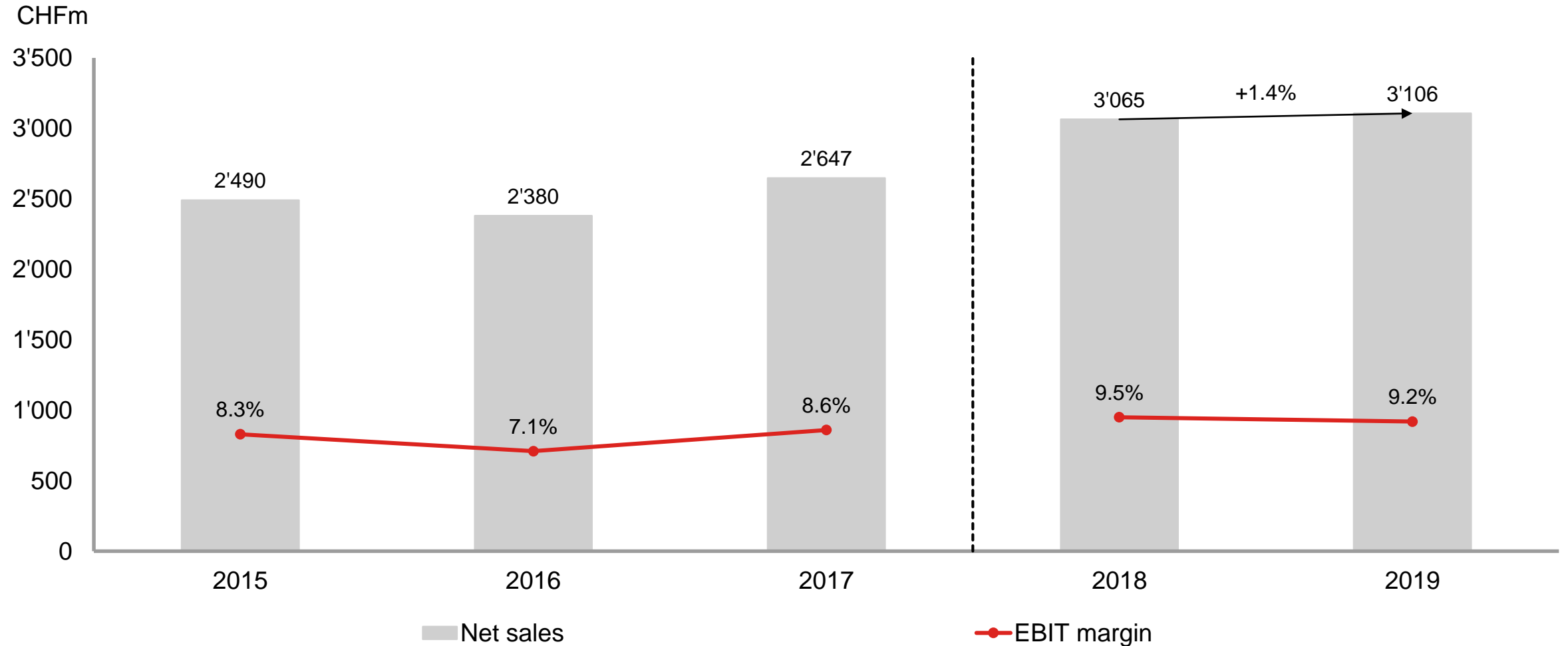
Internal growth of 1.8%

Performance: Net sales



Record sales despite weaker demand

Performance: Net sales and EBIT margin



Consolidated income statement

Performance

CHFm	2019	2018	Change in %
Net sales	3'106	3'065	1.4
Operating profit (EBITDA) as % of net sales	368 11.9%	374 12.2%	-1.6
Depreciation	-79	-78	-2.7
Amortisation	-4	-4	7.1
Operating profit (EBIT) as % of net sales	285 9.2%	292 9.5%	-2.6
Financial result	-3	-1	-416.7
Income taxes	-54	-65	18.6
Profit for the year as % of net sales	228 7.3%	226 7.4%	0.9
Earnings per share in CHF	21.92	21.80	0.6

Financial result

Performance

CHFm	2019	2018	Change
Share of profit/(loss) of associates	-	3	-3
Net interest expense	-1	-2	1
Net gain on financial assets	1	1	-
Foreign exchange gains and losses	-2	-2	-
Other financial result	-1	-1	-
Financial result	-3	-1	-2

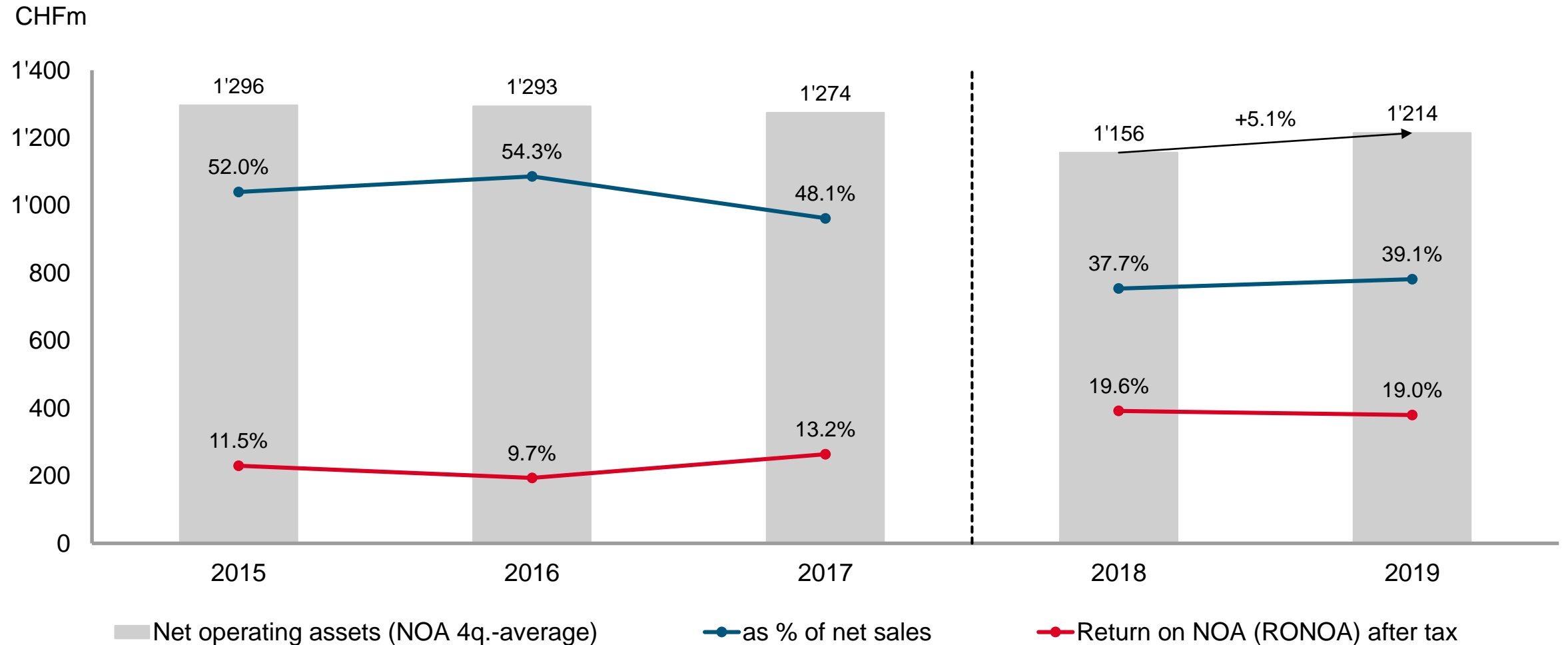
Income taxes

Performance

CHFm	2019	2018	Change in %
Profit before tax	282	291	-3.5
Income taxes	-54	-65	18.6
Weighted average tax rate	22.2%	22.6%	
Effective tax rate	19.0%	22.5%	

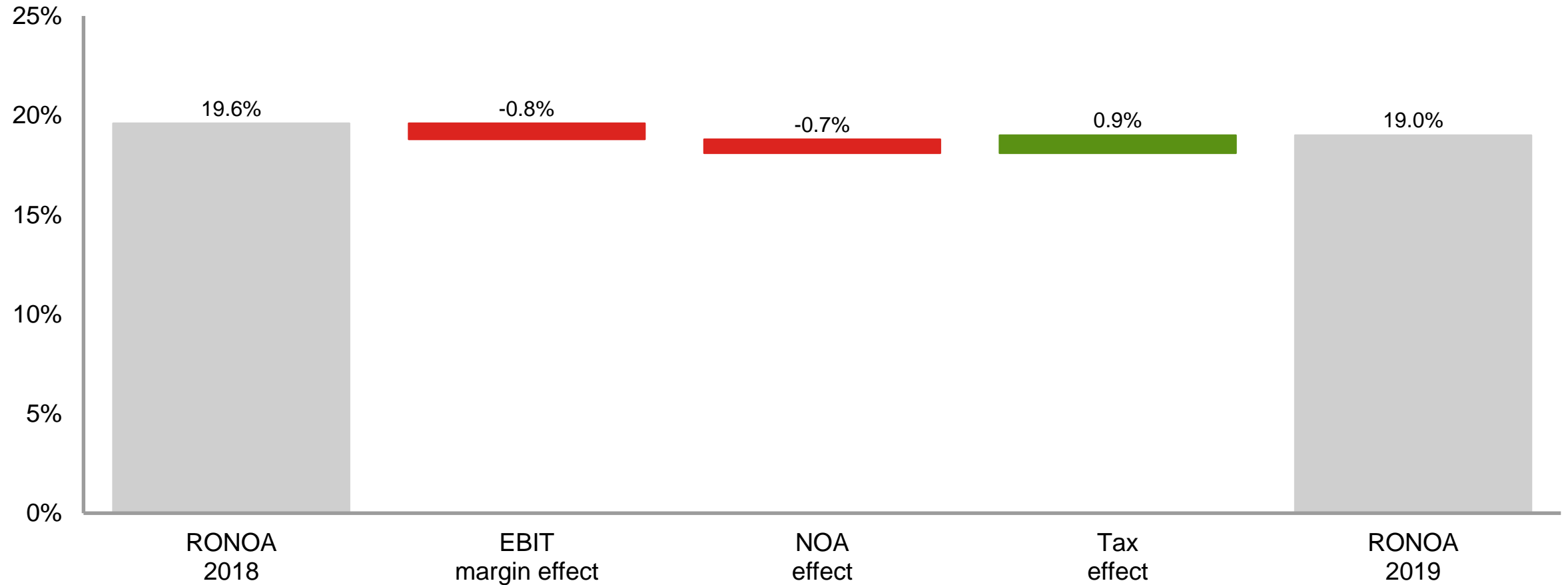
Increase in NOA in percentage of sales

Invested capital: Net operating assets (NOA)



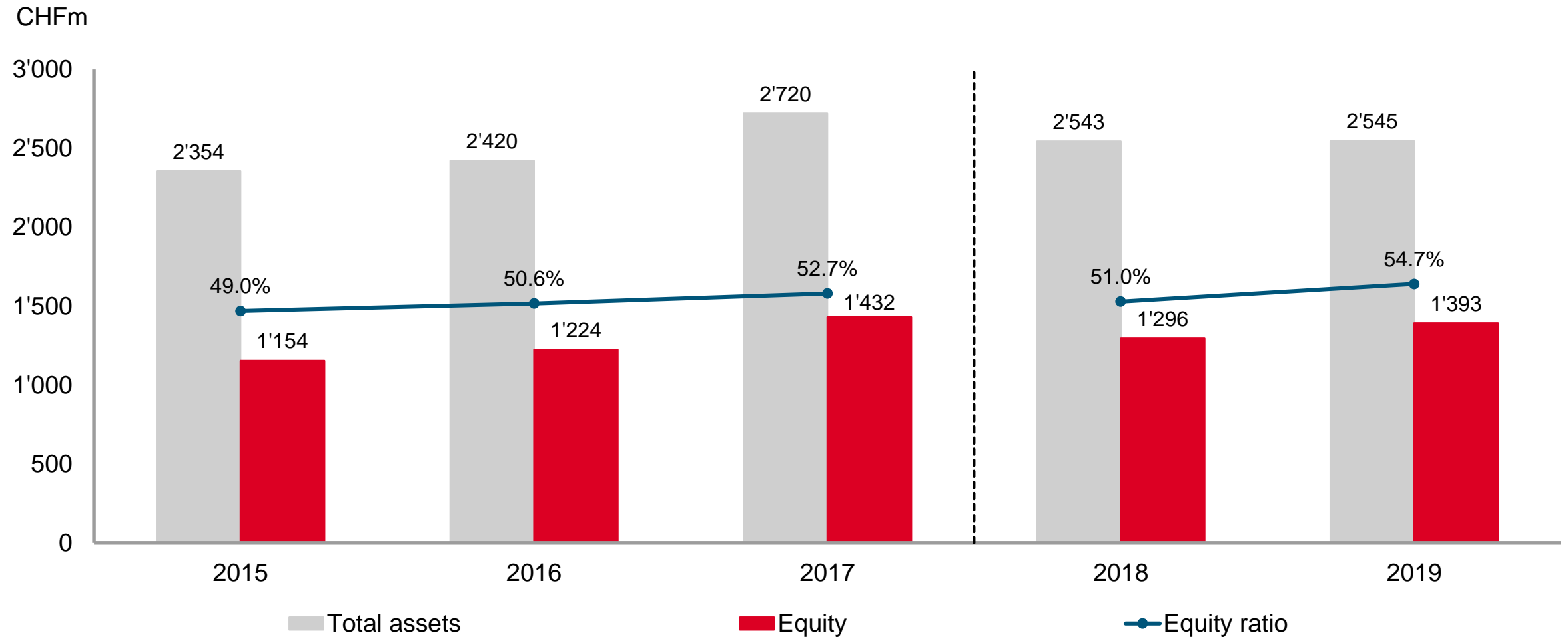
RONOA again clearly exceeding cost of capital

Invested capital: Return on net operating assets (RONOA)



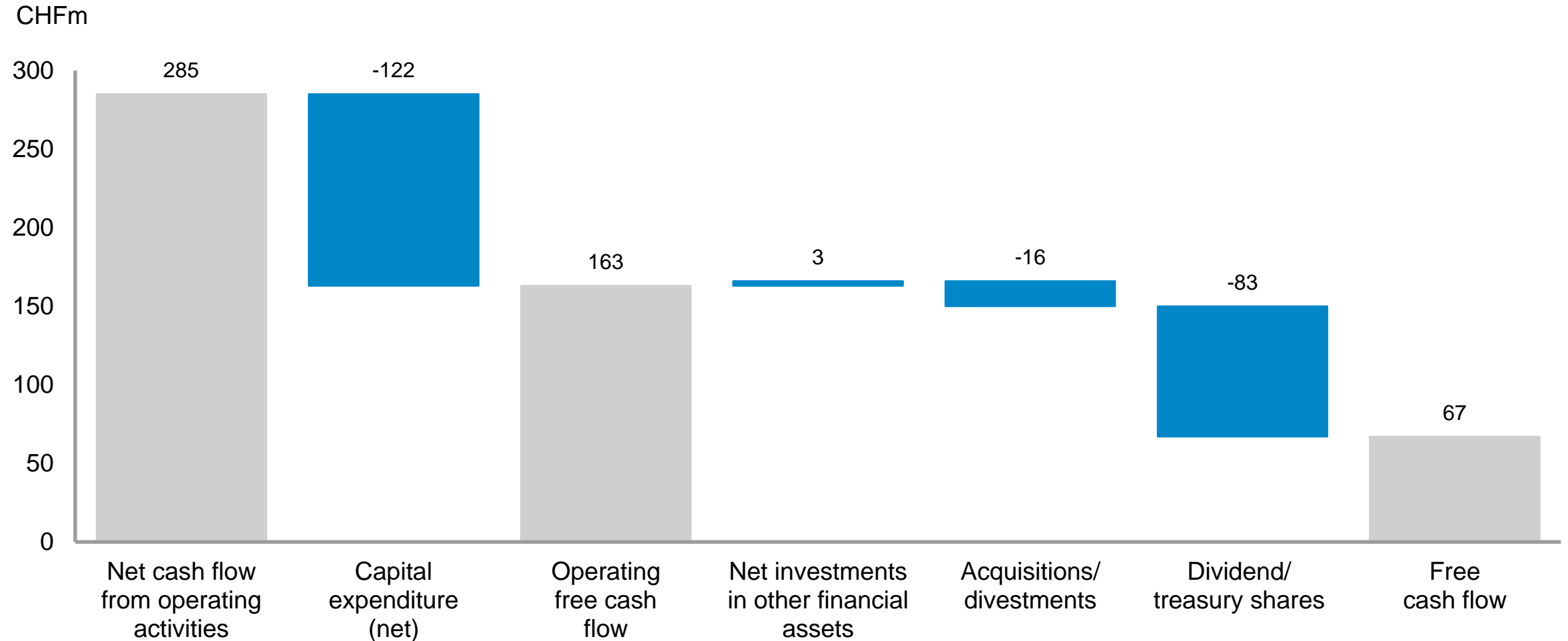
Solid balance sheet with an equity ratio of 55%

Financing and risk management



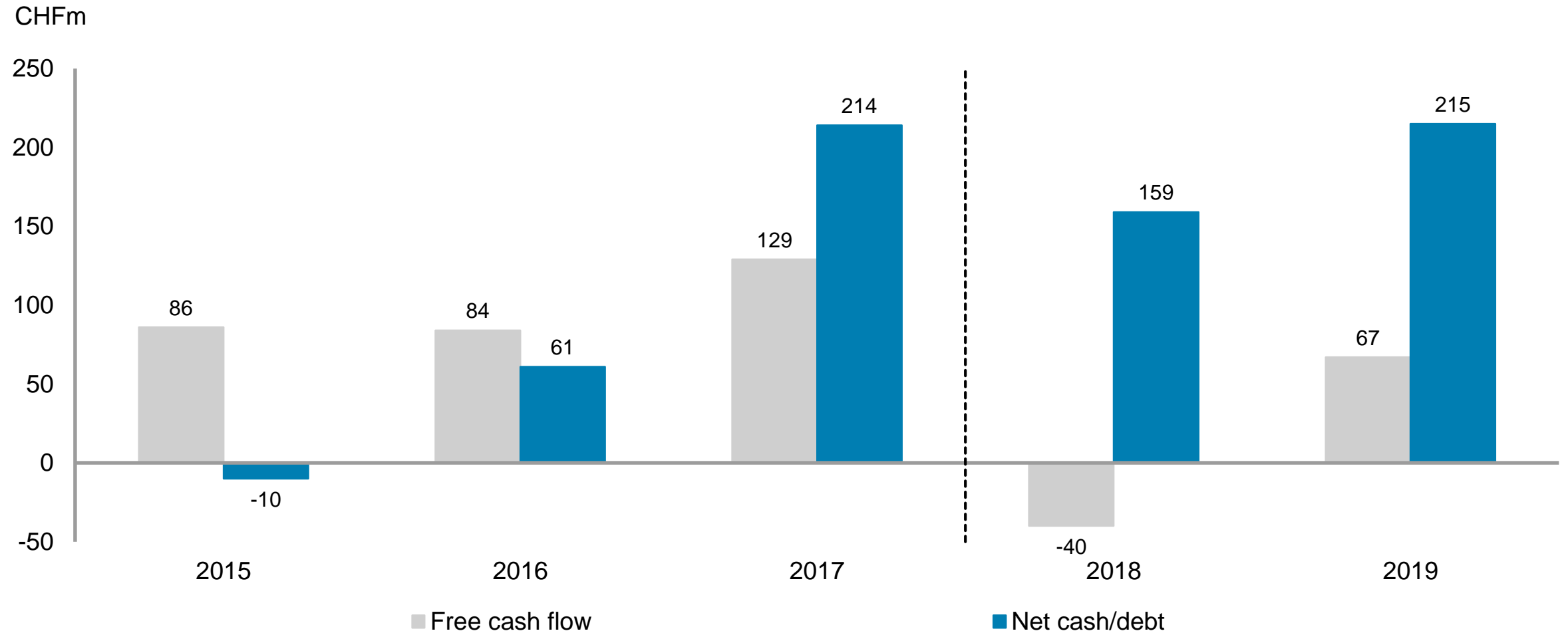
Positive free cash flow with brisk investment activity

Financing and risk management



High net cash thanks to positive free cash flow

Financing and risk management



Outlook for 2020

Slight improvement expected in North America

Kuhn Group: Outlook for 2020

Another challenging year

- North America: Marginal improvement from current very low level
- Europe: Dairy and livestock sector satisfactory; arable sector negatively impacted by unfavourable weather conditions and uncertainties about geopolitical and agricultural policy developments
- Brazil: Ongoing positive development

Strategic focus

- Large machines for large farms
- Digital solutions for precision farming and customer retention
- Close to customers: distribution centres in Brazil and Russia

For 2020: Somewhat lower sales year on year and slightly higher operating profit margin thanks to a marginally improved US market

Positive effects from integration and innovation

Bucher Municipal: Outlook for 2020

Demand weaker than good previous years but still high

Europe influenced by uncertainties associated with Brexit

Strategic projects initiated

- “One company – one brand”
- Integration of acquired companies: Zynkon and Eurovoirie
- Launch of “CityCat V20e”
- Greater efficiency due to modularisation

For 2020: Sales in line with 2019 and operating profit margin slightly higher due to cost optimisation measures and streamlining of the product range

Decline in demand on a high level

Bucher Hydraulics: Outlook for 2020

Further downward trend in hydraulics market

Flexible cost structure adapted to lower business volume

Investments in the future

- Development of new AX axial piston line, particularly suitable for electrified machines
- Ongoing expansion of the product line in the lower price segment
- Increasing focus on electrohydraulics

For 2020: Decline in sales in the high single-digit percentage figures and operating profit margin lower year on year

Normalisation of demand at very high level

Bucher Emhart Glass: Outlook for 2020

Normalisation of demand following extraordinary momentum of the last two years, business volume continuing at good level

- Record high order book
- Very good utilisation of production capacity

Further strengthening of market position

- Construction of first complete “End to End” production lines
- Expansion of services, e.g. “Training on glass”

For 2020: Sales in line with the previous year and operating profit margin lower than the record result of 2019 after adjusting for one-time effects

Moderate sales growth expected

Bucher Specials: Outlook for 2020

Solid development

- Bucher Vaslin: Neutral development in main markets, demand on par with the previous year
- Bucher Unipektin: Slight recovery in sales, positive contribution from acquisition of Luzzysa
- Bucher Landtechnik: Performance expected to remain solid despite agricultural policy uncertainties
- Jetter: Further slight growth, supported by the full-year consolidation of Elan Systems

For 2020: Moderate sales growth and recovery of operating profit margin from low level seen in 2019

Operating profit margin expected to be stable, sales slightly lower

Group: Outlook for 2020

For 2020

- Sales slightly below record figure of 2019
- Operating profit margin in line with 2019
- Lower profit for the year

Regionally divergent trends

require a geographically adapted strategy

Trends



Developed countries

Efficiency / sustainability

Emerging markets

Mechanisation / urbanisation

Topics



- Stricter environmental regulations
- Innovation
- Sensors, data, networking
- Electrification

- Market access
- Localisation
- Compliance

Selected projects



- Precision farming
- “CityCat V20e”
- AX hydraulic pumps and motors
- “End to End” glass forming

- Kuhn Group in the east
- Expansion of Bucher Municipal Asia
- Selected acquisitions

Annual general meeting 2020

Annual general meeting 2020

Agenda and proposals

- Annual general meeting 24 April 2020, start at 3.30 p.m.
- Standard agenda as in previous year
- Dividend suggested
 - CHF 8.00 per share (previous year CHF 8.00)
 - Yield of 2.4% relative to year-end share price 2019 of CHF 339.80

Questions and answers

BUCHER

