

Press release

Niederweningen, 28 April 2020

Sales decline in an increasingly difficult market environment

Bucher Industries was confronted with lower capacity utilisation and the growing repercussions of the COVID-19 pandemic during the first quarter of 2020. Order intake and sales were down. Production had to be temporarily halted at various locations and difficulties arose in the supply chain. Measures were implemented to safeguard liquidity and profitability.

Group

CHF million	January – March		Change in			Full year 2019
	2020	2019	%	% ¹⁾	% ²⁾	
Order intake	668	745	-10.3	-5.7	-6.3	3'008
Net sales	702	824	-14.9	-10.8	-11.2	3'106
Order book	955	1'042	-8.3	-3.6	-4.2	1'019
Number of employees at closing date	12'276³⁾	13'522	-9.2		-10.7	13'107

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency, acquisition and divestment effects

³⁾ 13'163 employees (FTEs), of whom 887 on short-time work

At the beginning of the first quarter of 2020, demand for the products and services of Bucher Industries was solid overall, as expected. However, the sometimes drastic measures adopted by the authorities worldwide in response to the pandemic led to severe economic restrictions. Towards the end of the reporting period, numerous production sites were confronted with delays and interruptions in the supply chain, employee absences and reduced customer activity. The Group was therefore forced to temporarily halt production at several sites. Some sites were shut down by official order of the authorities. Sales were thus down significantly on the very high prior-year figure. The renewed appreciation of the Swiss franc against the major currencies had a negative impact of around 4 percentage points. As in previous economic downturns, Bucher Industries initiated measures to safeguard liquidity and profitability. The Group is expanding the committed credit facilities by CHF 140 million to CHF 300 million,

implementing various cost-cutting programmes and adjusting capacities to the lower production volumes. As of the reporting date, 887 full-time equivalent positions of the Group's workforce were on reduced hours. This short-time work applied to employees mainly in France and Italy.

Kuhn Group

CHF million	January – March		Change in		Full year 2019
	2020	2019	%	% ¹⁾	
Order intake	237	248	-4.4	1.5	1'141
Net sales	300	350	-14.2	-9.5	1'177
Order book	333	351	-5.2	–	411
Number of employees at closing date	4'476 ²⁾	5'660	-20.9		5'188

¹⁾ Adjusted for currency effects

²⁾ 5'262 employees (FTEs), of whom 786 on short-time work

Production in France temporarily halted After a good start to the year, the division saw the market environment deteriorate. COVID-19 caused changes in consumer behaviour and logistical disruptions, which put pressure on the prices of dairy products and meat. At the beginning of the year, the North American market improved as expected at a low level, but the first negative effects of the pandemic then became more and more apparent for Kuhn Group. In Europe, these negative impacts compounded the existing challenges posed by drought and the uncertainties surrounding agricultural policy. Production in France had to be halted in mid-March. Critical activities such as customer support and spare parts deliveries were maintained. In this difficult environment, Kuhn Group's sales declined significantly.

Bucher Municipal

CHF million	January – March		Change in			Full year 2019
	2020	2019	%	% ¹⁾	% ²⁾	
Order intake	132	133	-0.7	4.9	-0.1	520
Net sales	114	135	-15.3	-10.9	-12.4	541
Order book	174	179	-2.7	2.6	-2.6	159
Number of employees at closing date	2'399 ³⁾	2'269	5.7		-1.8	2'370

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

³⁾ 2'431 employees (FTEs), of whom 32 on short-time work

Stable demand The division's order intake continued at a high level, due to larger orders for truck-mounted sweepers and refuse collection vehicles and the lead times for project tenders. Demand for winter maintenance equipment weakened significantly compared to the good prior-year period, owing to the mild winter in Europe and Russia. The demand for sewer cleaning vehicles also declined slightly. Sales developed negatively for all product groups. This was due to the weaker order book at the beginning of the reporting period, the temporary closure of the production sites in China, Italy and France, and interruptions in the supply chain that impacted production. The order book remained at approximately the same good level as in the prior-year period.

Bucher Hydraulics

CHF million	January – March		Change in		Full year 2019
	2020	2019	%	% ¹⁾	
Order intake	158	161	-2.0	1.6	564
Net sales	150	179	-16.3	-13.3	649
Order book	118	182	-35.1	-32.5	113
Number of employees at closing date	2'631 ²⁾	2'880	-8.6		2'766

¹⁾ Adjusted for currency effects

²⁾ 2'700 employees (FTEs), of whom 69 on short-time work

Capacity adjustments At Bucher Hydraulics, demand fell only slightly overall in the first quarter of 2020. This solid performance was impacted by customers' varied responses to the COVID-19 pandemic, which ranged from temporary site closures with order freezes to a build-up of inventories resulting in significantly higher order volumes. The marked decline in sales was primarily due to the lower order book versus the strong previous year. In addition, the division was increasingly confronted with production-related challenges: difficulties in the supply chain and temporary closures of the sites in China, India and Italy. The division initiated various measures to adjust to the lower capacity utilisation, including a reduction in temporary staff.

Bucher Emhart Glass

CHF million	January – March		Change in			Full year 2019
	2020	2019	%	% ¹⁾	% ²⁾	
Order intake	84	130	-35.3	-31.7	-30.1	524
Net sales	91	117	-22.5	-18.2	-18.2	487
Order book	253	244	3.9	9.8	12.2	271
Number of employees at closing date	1'738	1'722	0.9		1.3	1'770

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency, acquisition and divestment effects

Strong decrease from a very good previous year Bucher Emhart Glass recorded a strong decrease in order intake and sales from their very high levels in the same period of 2019. This was due to postponements in connection with the switch to the new ERP product management system and the repercussions of the pandemic: temporary production shutdowns in China, Malaysia and partly in the USA and travel restrictions that made it difficult or impossible to install the systems at customers' sites. The order book continued to grow and is now at a very high level.

Bucher Specials

CHF million	January – March		Change in			Full year 2019
	2020	2019	%	% ¹⁾	% ²⁾	
Order intake	69	91	-23.7	-21.6	-22.5	324
Net sales	61	61	-0.7	1.7	-1.0	316
Order book	91	103	-11.8	-9.6	-11.1	82
Number of employees at closing date	968	923	4.9		1.1	948

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

Sustained sales despite strongly decreasing demand Bucher Vaslin was severely affected by the pandemic, as the two production sites in France were halted in mid-March. Bucher Unipektin felt the effects mainly in its order intake, which decreased strongly as a consequence of customers postponing their orders. At Bucher Landtechnik, the negative developments in the first quarter of 2020 were not yet reflected in the figures, thanks to strong marketing activities. However, the business unit is feeling customers' increased uncertainty. Jetter experienced a strong decline in demand.

Outlook 2020

The ongoing COVID-19 crisis has significantly increased the uncertainty and is likely to have an increasingly negative impact on demand for the products and services of Bucher Industries. The Group is therefore preparing for a very difficult further course of the financial year. Based on current estimates, the Group expects a strong decrease in sales for the current year. The flexible cost structure should lead to an operating profit margin in the low to mid-single-digit range and a continued positive profit for the year, though markedly lower than in the previous year. With cash and cash equivalents of CHF 350 million at the end of March and the expansion of the committed credit facilities to CHF 300 million, the Group is well equipped financially for the crisis.

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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.

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 set out at www.bucherindustries.com/en/additional-performance-measures.