

Press Release

Niederweningen, 27 October 2020

Recovery in the third quarter

The demand for Bucher Industries' products and services normalised in the third quarter. Most production sites could resume operations without any notable restrictions and deliver to customers. The financial position of the Group remains solid.

Group

CHF million	January – September		Change in			Full year
	2020	2019	%	% ¹⁾	% ²⁾	2019
Order intake	1'959	2'215	-11.5	-6.6	-7.3	3'008
Net sales	2'010	2'364	-15.0	-10.4	-10.9	3'106
Order book	935	973	-4.0	1.1	0.2	1'019
Number of employees at closing date	12'538³⁾	13'224	-5.2		-6.1	13'107

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency, acquisition and divestment effects

³⁾ 12'686 employees (FTEs), of whom 148 on short-time work (2019: 13'267 employees, of whom 43 on short-time work)

After a very difficult second quarter, most of Bucher Industries' markets recovered in the third quarter of 2020. Demand improved across all divisions, with the exception of Bucher Specials. Most production sites could resume operations while complying with health protection measures. The situation with respect to the supply chain improved, while international travel remained restricted. Sales and service were hampered, given that digital communication could not fully substitute for direct interaction on site. The appreciation of the Swiss franc had a negative impact of 5 percentage points on order intake and sales. The Group implemented various measures to safeguard liquidity and profitability, and its financial position remains solid. The number of full-time employees on short-time work could be reduced again in the third quarter.

Kuhn Group

CHF million	January – September		Change in		Full year
	2020	2019	%	% ¹⁾	2019
Order intake	847	805	5.3	13.2	1'141
Net sales	821	901	-8.9	-2.4	1'177
Order book	419	353	18.7	26.1	411
Number of employees at closing date	5'118 ²⁾	5'180	-1.2		5'188

¹⁾ Adjusted for currency effects

²⁾ 5'124 employees (FTEs), of whom 6 on short-time work (2019: 5'223 employees, of whom 43 on short-time work)

Pleasant demand The market environment of Kuhn Group improved in the third quarter of 2020 compared to the difficult preceding months. Demand for agricultural machinery for the dairy and livestock industry in North America and Europe was positive, partly as a result of government support measures. Demand for machinery in the arable sector remained weak, owing to low producer prices for crops and the uncertainty stemming from the persistent drought in parts of Europe. In Brazil, the situation was very good thanks to the favourable conditions for agricultural producers. Overall, order intake at Kuhn Group advanced nicely, which was partially attributable to low dealer inventories. Sales also recovered in the third quarter, but for the reporting period as a whole they were still lower than in the previous year, due largely to currency effects.

Bucher Municipal

CHF million	January – September		Change in			Full year
	2020	2019	%	% ¹⁾	% ²⁾	2019
Order intake	343	377	-9.2	-4.6	-8.8	520
Net sales	320	393	-18.7	-14.6	-17.0	541
Order book	182	166	9.3	14.7	9.9	159
Number of employees at closing date	2'305 ³⁾	2'409	-4.3		-8.5	2'370

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

³⁾ 2'307 employees (FTEs), of whom 2 on short-time work

Challenging production conditions Demand for Bucher Municipal products recovered in the third quarter of 2020 and is currently at a satisfactory level. In the refuse collection and sewer cleaning equipment product groups, major orders served to keep order intake stable. In contrast, orders for sweepers were down, and demand for winter maintenance equipment was low compared with the good prior year. Conditions in production and the supply chain improved over the course of the third quarter. The situation in Australia remained challenging, as another widespread shutdown in the region around Melbourne brought economic and public life to a standstill in early July. Consequently, sales during the reporting period were down significantly on the very high prior-year figure.

Bucher Hydraulics

CHF million	January – September		Change in		Full year
	2020	2019	%	% ¹⁾	2019
Order intake	399	434	-8.2	-4.6	564
Net sales	403	513	-21.3	-18.2	649
Order book	105	121	-13.3	-9.5	113
Number of employees at closing date	2'513 ²⁾	2'834	-11.3		2'766

¹⁾ Adjusted for currency effects

²⁾ 2'596 employees (FTEs), of whom 83 on short-time work

Signs of a recovery Bucher Hydraulics saw a recovery in some markets in the third quarter. A pleasing upturn occurred in the key segments of agricultural machinery and materials handling. However, demand in the construction equipment segment remained low. As the recovery in China continued and a slight pick-up took hold in the USA, Europe persisted at a low level. Overall, the division's order intake and sales were still down on the prior-year period. The division resolutely implemented the measures initiated to adapt to the lower capacity utilisation. Job cuts mainly affected temporary workers, especially in Germany, India and Italy.

Bucher Emhart Glass

CHF million	January – September		Change in			Full year
	2020	2019	%	% ¹⁾	% ²⁾	2019
Order intake	223	412	-46.0	-43.4	-43.7	524
Net sales	285	372	-23.5	-19.9	-19.4	487
Order book	197	275	-28.4	-24.9	-24.9	271
Number of employees at closing date	1'652	1'776	-7.0		-7.0	1'770

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency, acquisition and divestment effects

Slight upturn in project business Bucher Emhart Glass saw a slow recovery in demand at a low level in the third quarter. Demand in China also seems to have bottomed out, after declining markedly since mid-2019. The division could resume project negotiations with several customers. Order intake during the reporting period fell by almost half versus the extraordinarily high prior-year figure, but the decline was less pronounced than in the first half of 2020. Sales also recovered, as installations and onsite service became at least partially possible again.

Bucher Specials

CHF million	January – September		Change in			Full year
	2020	2019	%	% ¹⁾	% ²⁾	2019
Order intake	184	236	-22.1	-20.3	-21.8	324
Net sales	219	233	-6.2	-4.1	-5.7	316
Order book	47	77	-39.0	-37.6	-39.4	82
Number of employees at closing date	888 ³⁾	960	-7.5		-9.3	948

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

³⁾ 945 employees (FTEs), of whom 57 on short-time work

Ongoing challenges in the beverage industry After a very difficult first half for Bucher Vaslin, demand stabilised in the third quarter of 2020, albeit at a low level. Project postponements remained a major problem for Bucher Unipektin, but sales developed positively. The business trend for Bucher Landtechnik remained positive, despite the uncertainties confronting Swiss farmers. Jetter felt the weak demand at Bucher Emhart Glass and among other customers. Overall, this led to a very strong decline in the division's order intake and order book.

Outlook for 2020

The Group anticipates a slight recovery in business performance for the remainder of the year. **Kuhn Group** expects the agricultural sector to benefit temporarily from government support measures, which should impact farm income positively, especially in North America. For 2020, the division expects the decline in sales to be somewhat less than in the first nine months of the year. The operating profit margin is likely to be lower than in the previous year. **Bucher Municipal** is anticipating a recovery in sales for the remainder of the year. The operating profit margin for the full year is expected to figure in the mid-single-digit range. **Bucher Hydraulics** expects the hydraulics market to stabilise further during the remainder of the year. The division expects the sales decline for 2020 to be slightly less than that seen in the first nine months of the year. Despite the substantial decline in sales, an operating profit margin around the double-digit mark is anticipated. **Bucher Emhart Glass** expects demand to improve further over the remainder of the year. Sales should continue to recover but will be significantly lower year on year. The operating profit margin is likely to be around the double-digit mark. **Bucher Specials** expects a challenging fourth quarter, due to ongoing uncertainties and the currently low order book. For the year as a whole, the division anticipates a marked decline in sales as compared to 2019. The operating profit margin should remain positive, thanks to various cost-savings initiatives. Despite the existing uncertainties, for the year as a whole the **Group** expects to see a sales decline that is slightly less than it was in the first nine months of the year, an operating profit margin that is around that for the first half of 2020 and a correspondingly lower profit for the year. The outlook is based on the assumption that all production sites are operational, with slight restrictions related to employee health protection measures.

Contact for investors and financial analysts

Manuela Suter, CFO

T +41 58 750 15 50

ir@bucherindustries.com

Contact for media

Silvia Oppliger, Head of Group Communications

T +41 58 750 15 40

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 SIX Swiss Exchange (SIX: BUCN). Further information is available at 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 performance measures are set out here: bucherindustries.com/en/additional-performance-measures