

## Ad hoc announcement

Niederweningen, 2 March 2022 | Ad hoc announcement pursuant to article 53 listing rules

# Marked increase in sales and operating profit margin

Demand for Bucher Industries' products and services was very strong in the reporting period. Sales were up substantially and slightly exceeded the high 2019 figures. The operating profit margin rose to a very good 11.1% and profit for the year increased to CHF 269 million. The board of directors proposes a dividend of CHF 9.50 per share.

## Group

CHF million	2021	2020	Change		
			%	% <sup>1)</sup>	% <sup>2)</sup>
Order intake	3'948	2'838	39.1	39.3	37.5
Net sales	3'176	2'741	15.9	15.9	14.2
Order book	1'873	1'081	73.2	73.5	71.3
Operating profit (EBITDA)	437	287	52.0		
% of net sales	13.7%	10.5%			
Operating profit (EBIT)	352	204	72.4		
% of net sales	11.1%	7.4%			
Profit for the year	269	152	77.2		
% of net sales	8.5%	5.5%			
Earnings per share in CHF	25.96	14.71	76.5		
Operating free cash flow	271	313	-13.5		
Net cash/debt	551	404	36.4		
Total assets	2'768	2'431	13.9		
Equity	1'533	1'391	10.2		
Equity ratio	55.4%	57.2%			
Return on equity (ROE)	18.4%	10.9%			
Net operating assets (NOA) average	1'052	1'151	-8.6		
Return on NOA (RONOA) after tax	25.6%	13.5%			
Employees at 31 December	13'562	12'598 <sup>3)</sup>	7.7		6.7
Average number of employees during year <sup>4)</sup>	13'375	12'515	6.9		5.7

<sup>1)</sup> Adjusted for currency effects      <sup>2)</sup> Adjusted for currency and acquisition effects

<sup>3)</sup> 2020: 12'727 employees (FTEs), of whom 129 on short-time work

<sup>4)</sup> Average 13'401 employees (FTEs), of whom 26 on short-time work (2020: 12'868 employees, of whom 353 on short-time work)

**Very good business performance** Bucher Industries' products and services enjoyed very strong demand in the reporting period. Order intake rose markedly in all five divisions and overall exceeded the high figures of 2019 by nearly a third. This was largely attributable to the very good economic development, but also to catch-up effects and precautionary orders. Like the entire industrial sector worldwide, the divisions found themselves faced with bottlenecks and delays in the supply chain and logistics as well as rising material and transport costs. This resulted in production challenges that intensified over the course of the reporting period. However, the divisions managed to cope with these challenges very well. They enlarged their workforce primarily by means of temporary workers but were unable to fill vacancies to the desired extent, particularly in the USA. Accordingly, the Group's order book grew by more than two thirds. Sales were up considerably year on year and slightly exceeded the 2019 figures. The operating profit amounted to CHF 352 million. The operating profit margin rose to a very good 11.1% and profit for the year to a pleasing CHF 269 million. Earnings per share amounted to CHF 25.96.

**Significant increase in return on invested capital** The return on net operating assets after tax (RONOA) was 25.6%, above the long-term target of 20% and therefore also far above the cost of capital of 8%. The high return is mainly attributable to the marked increase in the operating profit margin and the level of invested capital, which remained low. The good operating performance and lower dividend payment for 2020 had a positive effect on free cash flow and thus on net cash/debt, which amounted to CHF 551 million. The equity ratio remained nearly unchanged at 55%.

**Strengthening of divisions** Three smaller acquisitions were made in the past 14 months that strengthened the business activities of Kuhn Group in Brazil and of Bucher Unipektin in the areas of vacuum belt drying technology and of beer filtration. Furthermore, Bucher Hydraulics acquired the mobile electric drive technology business from Lenze Schmidhauser in Romanshorn, Switzerland. Renamed "Bucher Mobile Drives", this business unit develops and delivers frequency converters for mobile applications. This move enables Bucher Hydraulics to combine both its hydraulics and electrotechnical expertise to position itself in the rapidly growing market for electrohydraulic solutions. Integration of the business and its approximately 30 employees is proceeding on schedule.

## Kuhn Group

CHF million	2021	2020	Change		
			%	% <sup>1)</sup>	% <sup>2)</sup>
Order intake	1'676	1'290	29.9	31.8	30.9
Net sales	1'319	1'094	20.5	22.1	21.4
Order book	941	587	60.3	62.4	61.4
Operating profit (EBITDA)	196	125	56.4		
% of net sales	14.8%	11.4%			
Operating profit (EBIT)	161	91	76.9		
% of net sales	12.2%	8.3%			
Employees at 31 December	5'832	5'194	12.3		10.8
Average number of employees during year	5'740	5'019 <sup>3)</sup>	14.4		12.9

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

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

<sup>3)</sup> 2020: Average 5'168 employees (FTEs), of whom 149 on short-time work

**Marked increase in operating profit margin** Demand for the division's products was very strong, driven by farmers' higher income. Dealers' low inventory levels prompted substantial early order placements. The trend was also underpinned by a major need for new, more productive machines in the arable sector after the extended low cycle. Order intake rose by nearly one third. At the same time, the division found itself faced with challenges in the supply chain and logistics, which it was able to cope with very successfully. Recruiting additional qualified employees was difficult, particularly in the USA. Nevertheless, sales rose markedly over 2020 and considerably exceeded the high level of 2019. The very good capacity utilisation and the pricing measures implemented to absorb the massive increases in material and transport costs caused the operating profit margin to rise markedly.

## Bucher Municipal

CHF million	2021	2020	Change		
			%	% <sup>1)</sup>	% <sup>2)</sup>
Order intake	599	460	30.1	27.5	24.9
Net sales	523	462	13.0	10.6	8.1
Order book	237	157	50.6	47.9	47.9
Operating profit (EBITDA)	44	38	16.5		
% of net sales	8.4%	8.1%			
Operating profit (EBIT)	33	28	18.5		
% of net sales	6.3%	6.0%			
Employees at 31 December	2'329	2'327 <sup>3)</sup>	0.1		0.1
Average number of employees during year <sup>4)</sup>	2'355	2'322	1.4		-0.4

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

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

<sup>3)</sup> 2020: 2'334 employees (FTEs), of whom 7 on short-time work

<sup>4)</sup> Average 2'359 employees (FTEs), of whom 4 on short-time work (2020: 2'364 employees, of whom 42 on short-time work)

**Operating profit margin adversely affected** The market for Bucher Municipal's products was very brisk. Order intake rose markedly. This positive trend was driven largely by truck-mounted sweepers and the new modular line of "CityCat V20" compact sweepers together with the fully electric model. Production was greatly hampered by bottlenecks among suppliers, particularly those of chassis and other components. Especially in Australia, the strict COVID-19 measures continued to pose a challenge. In November, the division was forced to temporarily shut down its IT infrastructure following the early detection of a malware attack, which was blocked thanks to the immediate, secured system shutdown. Bucher Municipal's sales still rose substantially and ended the year just below the high level of 2019. Compared to 2020, the operating profit margin rose only marginally due to difficulties in the supply chain and production.

## Bucher Hydraulics

CHF million	2021	2020	Change		
			%	% <sup>1)</sup>	% <sup>2)</sup>
Order intake	856	561	52.5	52.4	49.4
Net sales	681	536	26.9	26.8	25.0
Order book	320	134	139.2	138.8	125.7
Operating profit (EBITDA)	111	81	36.7		
% of net sales	16.3%	15.1%			
Operating profit (EBIT)	88	59	48.9		
% of net sales	12.9%	11.0%			
Employees at 31 December	2'825	2'537 <sup>3)</sup>	11.4		10.3
Average number of employees during year <sup>4)</sup>	2'704	2'530	6.9		6.3

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

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

<sup>3)</sup> 2020: 2'602 employees (FTEs), of whom 65 on short-time work

<sup>4)</sup> Average 2'712 employees (FTEs), of whom 8 on short-time work (2020: 2'634 employees, of whom 104 on short-time work)

**Order book doubled** Developments in the hydraulics markets were very dynamic. The division reported exceptionally high demand for components and solutions. One reason for this, apart from the strong economic development, was the fact that customers were placing precautionary orders due to the generally long delivery times in the industrial sector. Order intake increased by half. Adjusting the production capacities to the required level was very challenging and the order book doubled. The division increased its sales considerably, thereby exceeding the high level of 2019. One major driver of this was Asia, which reported above-average growth in China and India. Thanks to the higher sales and good cost structure, the operating profit margin grew markedly.

## Bucher Emhart Glass

CHF million	2021	2020	Change	
			%	% <sup>1)</sup>
Order intake	522	317	64.7	62.6
Net sales	394	421	-6.4	-7.7
Order book	285	155	83.8	81.4
Operating profit (EBITDA)	71	53	33.6	
% of net sales	18.1%	12.7%		
Operating profit (EBIT)	62	44	40.4	
% of net sales	15.8%	10.5%		
Employees at 31 December	1'563	1'611	-3.0	
Average number of employees during year	1'577	1'688	-6.6	

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

**Very high operating profit margin** The division experienced a rapid upturn on the heels of the slump of the previous year. Order intake at Bucher Emhart Glass grew by nearly two thirds, putting it back at the very high level of 2019. Starting from a low level in the first quarter, production capacity utilisation rose sharply in the course of the reporting period. Bottlenecks for raw materials and components, and in logistics, as well as government-imposed COVID-19 restrictions in Malaysia posed major challenges. All this caused sales to decline slightly year on year. The operating profit margin was outstanding. This was mainly due to a favourable product mix and the cost base, which remained low throughout the entire reporting period.

## Bucher Specials

CHF million	2021	2020	Change		
			%	% <sup>1)</sup>	% <sup>2)</sup>
Order intake	366	261	40.3	39.9	35.2
Net sales	321	273	17.6	17.2	11.3
Order book	121	70	72.1	71.4	69.7
Operating profit (EBITDA)	32.2	12	168.3		
% of net sales	10.0%	4.4%			
Operating profit (EBIT)	28	7	298.6		
% of net sales	8.6%	2.5%			
Employees at 31 December	953	868 <sup>3)</sup>	9.8		7.5
Average number of employees during year <sup>4)</sup>	937	893	4.9		3.1

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

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

<sup>3)</sup> 2020: 925 employees (FTEs), of whom 57 on short-time work

<sup>4)</sup> Average 951 employees (FTEs), of whom 14 on short-time work (2020: 951 employees, of whom 58 on short-time work)

**Solid operating profit margin** The division's financial year was characterised by dynamic developments in its markets. The easing of restrictions in the gastronomic sector and at major public events over the course of 2021 had a positive impact on the business units serving the beverage industry. Customers approved projects that they had postponed in the previous year. Catch-up effects kept business in the Swiss market for agricultural machinery very brisk. Demand for mobile and industrial automation solutions also picked up again strongly. Overall, order intake was up by more than a third. Sales also rose considerably and ended the period slightly above the high 2019 level. The operating profit margin increased to a solid figure due to better capacity utilisation and cost-savings measures put in place in the previous year.

## Outlook for 2022

The Group expects demand to weaken at a very high level. The extraordinarily strong order book at the end of 2021 means that capacities will remain strongly utilised, particularly in the first half of the year. Difficulties in procurement and logistics are likely to persist at least for the time being. The resulting inefficiencies in production and the rising cost base are likely to increase pressure on margins. In addition, the shortage of skilled labour will make it difficult to work through the record-high order book. **Kuhn Group** anticipates that demand for agricultural machines will normalise, especially in North and South America, following a year where it was at an extremely high level, in part due to catch-up demand. Difficulties in the supply chain and logistics will continue, at least during the first half of the year. Thanks in part to the full order book, the division expects sales to rise slightly. Despite higher material and personnel costs, the operating profit

margin is likely to remain in the double digits. **Bucher Municipal** expects demand for municipal vehicles to remain high. Supply chain challenges are likely to persist with delays, in particular, in the delivery of chassis. The division therefore expects sales to be on a par with those of 2021. Improved production efficiency should lead to a higher operating profit margin. **Bucher Hydraulics** expects demand to be weaker yet still at a very high level. Capacity utilisation will remain high, in part due to the very good order book, and shortages of staff will persist. Accordingly, the division expects ongoing production challenges and a moderate increase in sales. The operating profit margin is likely to be at a similar level to that of 2021. **Bucher Emhart Glass** expects demand to remain good. Production capacity utilisation will be at an extremely high level due to the very high order book, and the division expects sales to rise considerably as a result. Due to the change in the product mix and the general increase in the cost base, the operating profit margin is likely to be lower but still markedly above the long-term target of 10%. **Bucher Specials** expects a good market environment overall. Thanks to the well-filled order book at the start of the year, the division is forecasting a modest increase in sales. The operating profit margin is likely to be on a par with that of 2021, since the major part of the increase in material, personnel and other costs can be compensated. The **Group** expects to see slightly higher sales and a slightly lower operating profit margin in the double-digit range. The Group's profit for the year is expected to be almost on par with the high 2021 figures.

## Consistent dividend policy

The board of directors proposes a dividend of CHF 9.50 per share to the annual general meeting on 12 April 2022. The dividend paid in the previous year was CHF 6.50 per share. This proposal is in keeping with a consistent dividend policy and takes account of the profit for the year 2021, the solid financial position, the outlook for the current year as well as internal and external investment opportunities.

## Annual general meeting

The annual general meeting of Bucher Industries AG will be held on 12 April 2022 at the Hotel Mövenpick in Regensdorf, starting at 3.30 p.m. The board of directors proposes to the annual general meeting the re-election of Philip Mosimann, as chairman, and the current members of the board of directors and of the compensation committee – with the exception of Heinrich Spoerry, who will not stand for re-election due to the age limit set in the internal rules of organisation. The board of directors thank him for his dedicated service, in particular during his many years as chairman of the audit committee. It proposes that the annual general meeting elect Stefan Scheiber as a new board member. Further resolutions proposed can be found in the invitation to the annual general meeting, which will be sent out to shareholders on 11 March 2022. Shareholders registered in the company's share register with voting rights on 6 April 2022 will be entitled to vote at the annual general meeting. From 7 to 12 April 2022 the share register will be closed for entries. Shares purchased on or after 14 April 2022 are not entitled to a dividend. The dividend will be paid on 20 April 2022. The annual report for 2021 will be available for download from 2 March 2022, and the invitation to



the annual general meeting from 11 March 2022, at bucherindustries.com. A printed version of the annual report 2021 will be available from 2 March 2022.



The annual report, the presentation for the annual press and analysts' conference and the investor relations handout for the financial year 2021 (English) are available at bucherindustries.com under "Media dossiers".

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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). 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.