

Press release

Niederweningen, 31 January 2018

2017 ends on a pleasing note

Bucher Industries posted strong order intake and higher sales for the 2017 reporting year. The markets in which the Group operates performed particularly well in the second half of the year. All divisions contributed to the increase in sales. For the reporting year 2017, the Group is forecasting an improved operating profit margin and a significant increase in group profit.

Group

| CHF million | 2017 | 2016 | Change in | | |
|------------------------------------|---------------|--------|-----------|-----------------|-----------------|
| | | | % | % ¹⁾ | % ²⁾ |
| Order intake | 2 871 | 2 386 | 20.3 | 18.9 | 18.3 |
| Net sales | 2 647 | 2 380 | 11.2 | 9.9 | 9.4 |
| Order book | 960 | 728 | 32.0 | 30.4 | 30.4 |
| Number of employees at 31 December | 12 108 | 11 175 | 8.3 | | 8.3 |

¹⁾ Adjusted for currency effects ²⁾ Adjusted for currency and acquisition effects

The demand for the specialised products of Bucher Industries saw a sharp increase in the reporting year. Prices in the dairy and livestock industries moved higher at the end of 2016 and stabilised at a good level in 2017, leading to a recovery in the agricultural machinery market. Municipal vehicles were able to benefit from the improving economy and the associated investments made by cities and municipalities. The market for hydraulic system solutions and components was very upbeat. There was once again an increase in the demand for glass-forming facilities from the glass container industry in emerging countries. The business units of Bucher Specials presented a mixed picture. The Group expects an improved operating profit margin for the 2017 reporting year.

Kuhn Group

| CHF million | 2017 | 2016 | Change in | |
|------------------------------------|-------|-------|-----------|-----------------|
| | | | % | % ¹⁾ |
| Order intake | 1 138 | 935 | 21.7 | 19.6 |
| Net sales | 1 076 | 930 | 15.7 | 13.5 |
| Order book | 440 | 371 | 18.5 | 16.6 |
| Number of employees at 31 December | 5 235 | 4 731 | 10.7 | |

¹⁾ Adjusted for currency effects

Positive market development After three difficult years, the agricultural machinery market enjoyed a recovery in 2017. Higher prices for milk and meat in Europe boosted demand for hay and forage harvesting as well as livestock bedding machinery. The arable sector, however, once again faced low and volatile prices. Farmers in North America in particular were cautious with investments in light of full warehouses and low income. The important market of France was still struggling with the impact of the poor harvest in the previous year. Apart from this, Europe performed well. The improved market conditions in the dairy and livestock industries had a positive impact on the order intake and sales of Kuhn Group. The division is expecting only a slight increase in the operating profit margin compared to the previous year as material costs have risen and sales in North America have remained low.

Bucher Municipal

| CHF million | 2017 | 2016 | Change in | | |
|------------------------------------|-------|-------|-----------|-----------------|-----------------|
| | | | % | % ¹⁾ | % ²⁾ |
| Order intake | 486 | 381 | 27.6 | 27.1 | 23.2 |
| Net sales | 426 | 389 | 9.4 | 8.9 | 5.9 |
| Order book | 165 | 104 | 58.2 | 58.0 | 58.0 |
| Number of employees at 31 December | 2 014 | 1 746 | 15.3 | | 15.3 |

¹⁾ Adjusted for currency effects ²⁾ Adjusted for currency and acquisition effects

Rising demand The markets of Bucher Municipal experienced a significant upturn. Demand rose for municipal vehicles in Europe, and Australia's economy continued to recover, sparking investment in infrastructure maintenance. The pleasing demand for 4m³ sweepers, truck-mounted sweepers as well as for refuse collection vehicles increased order intake for Bucher

Municipal significantly. The concentration of sweeper production in Latvia and the UK was completed at the end of the year, which enabled the division to fully exploit production capacity once again in the fourth quarter. The operating profit margin for the 2017 reporting year is likely to be higher due to the good capacity utilisation in comparison with the previous year.

Bucher Hydraulics

| CHF million | 2017 | 2016 | Change in | |
|------------------------------------|-------|-------|-----------|-----------------|
| | | | % | % ¹⁾ |
| Order intake | 581 | 482 | 20.6 | 19.8 |
| Net sales | 546 | 475 | 14.9 | 14.2 |
| Order book | 118 | 82 | 43.0 | 42.0 |
| Number of employees at 31 December | 2 319 | 2 061 | 12.5 | |

¹⁾ Adjusted for currency effects

Markets trending higher The key segments for Bucher Hydraulics – construction machinery, agricultural engineering, industrial hydraulics and materials handling – posted strong growth. Bucher Hydraulics delivered outstanding figures as regards order intake and sales. The demand for hydraulic solutions and components grew in almost every region, especially in Germany, North America and China. Changes to the product mix and the ability to process a growing number of orders with ever-shorter delivery times contributed to the successful performance. The division expects the operating profit margin for the reporting year to be higher than it was in 2016.

Bucher Emhart Glass

| CHF million | 2017 | 2016 | Change in | |
|------------------------------------|-------|-------|-----------|-----------------|
| | | | % | % ¹⁾ |
| Order intake | 449 | 351 | 27.9 | 26.0 |
| Net sales | 381 | 371 | 2.8 | 1.3 |
| Order book | 177 | 108 | 64.4 | 61.7 |
| Number of employees at 31 December | 1 630 | 1 757 | -7.2 | |

¹⁾ Adjusted for currency effects

Dynamic market trend Glass-forming machinery saw strong demand in most markets. Mexico expanded its capacity for beer production, and China recovered on a low level after the downward trend of the past few years. As a consequence, the division order intake rose sharply. Sales increased only modestly due to the lead times associated with the project business and the postponement of some projects to the 2018 reporting year. The positive trend in the spare parts business and the close cooperation with O-I also contributed to the solid performance. The operating profit margin is likely to come in slightly below the figure recorded in the previous year due to additional measures with respect to the Chinese joint venture.

Bucher Specials

| CHF million | 2017 | 2016 | Change in | |
|------------------------------------|------|------|-----------|-----------------|
| | | | % | % ¹⁾ |
| Order intake | 275 | 289 | -4.8 | -5.6 |
| Net sales | 272 | 263 | 3.1 | 2.3 |
| Order book | 80 | 76 | 4.5 | 3.9 |
| Number of employees at 31 December | 849 | 817 | 3.9 | |

¹⁾ Adjusted for currency effects

Varying market sentiment Bucher Unipektin and Bucher Vaslin had to struggle with bad weather conditions, which cut into client demand for fruit juice presses and winemaking equipment. The market for beverage technology rebounded over the course of the year, but remained volatile. The Swiss market for agricultural machinery trended cautiously lower. Demand for Jetter's automation solutions in the area of mobile and industrial automation increased. Sales rose modestly despite the decline in order intake. The operating profit margin for the reporting year is likely to remain unchanged from the previous year figure.

Outlook 2018 The Group is forecasting a mostly positive market environment for the current year. In agriculture, the conditions will continue to improve in the dairy and livestock industries. For arable sector products, however, pricing uncertainties will remain due to high inventories and good harvests. While the recovery in Europe is likely to continue, the rebound could take

more time in North America due to the low income of farmers. Kuhn Group is forecasting sales to grow in 2018 and for the operating profit margin to improve. Sales growth for municipal vehicles will be very strong in the first half of 2018 due to the robust order book for sweepers in Europe and for refuse collection vehicles in Australia. For 2018 overall, Bucher Municipal expects sales to grow and the operating profit margin to improve, not least because of the savings made thanks to the concentration of sweeper production. Bucher Hydraulics is forecasting demand to remain healthy in 2018, with continued growth in sales. The operating profit margin should remain at the previous year's high level, despite ongoing price pressure and higher costs for research and development. Market sentiment in the glass industry looks set to stay optimistic in 2018. Bucher Emhart Glass started the current year with a high order book. It expects sales to rise as well as a significant improvement in the operating profit margin. Sales and the operating profit margin at Bucher Specials are likely to increase, although market performance of the individual business units will be mixed. In light of the robust order book and the favourable market environment, the Group is forecasting both sales and the operating profit margin to increase for 2018 as a whole.

Contact

Jacques Sanche, CEO

Manuela Suter, CFO

Phone: +41 43 815 80 40

E-mail: media@bucherindustries.com

www.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 group's shares are traded on the SIX Swiss Exchange (SIX: BUCN). For further information, please visit www.bucherindustries.com.