

Press release

Niederweningen, 26 October 2017

Significant increase in order intake

The markets in which Bucher Industries operates have enjoyed a recovery in the first nine months of the year. The Group experienced a significant growth in order intake, and sales have increased pleasingly, with all divisions contributing to the higher Group sales.

Group

CHF million	Jan. – Sept.		Change in			Full year 2016
	2017	2016	%	% ¹⁾	% ²⁾	
Order intake	2 040	1 693	20.5	20.4	19.5	2 386
Net sales	1 939	1 800	7.7	7.5	6.9	2 380
Order book	831	616	34.9	35.1	35.1	728
Number of employees at closing date	11 955	11 068	8.0		8.0	11 175

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

Profitable market environment The Group benefitted in the first nine months of 2017 from a more positive mood in its markets. Demand in the farming sector picked up in most regions, with higher milk and meat prices contributing to this. Cereal prices, on the other hand, remained low and volatile. Cities and municipalities became more willing to invest in municipal vehicles. The demand for hydraulic system solutions and components likewise increased with the good economic development, particularly for construction and agricultural machines. In developing countries, additional capacities for bottle production were created or machines were modernised. The situation in the markets served by Bucher Specials presented a varied picture. These overall better conditions resulted in a significant increase in order intake at Bucher Industries. The Group likewise recorded a pleasing improvement in sales.

Kuhn Group

CHF million	Jan. – Sept.		Change in			Full year 2016
	2017	2016	%	% ¹⁾		
Order intake	793	629	26.0	25.0		935
Net sales	807	735	9.7	8.6		930
Order book	360	261	38.1	37.8		371
Number of employees at closing date	5 156	4 583	12.5			4 731

¹⁾ Adjusted for currency effects

Continued improvement in market conditions The agricultural equipment market recorded a better performance worldwide in the first nine months of the current year. Milk prices rose and then stabilised, with meat prices also rising somewhat later. Both of these factors had a positive effect on the dairy and livestock industry. In the arable segment, however, cereal prices remained low and volatile owing to higher stocks as well as record harvests. The situation in western Europe developed generally positively. Only France was still affected by the poor harvest of 2016 and by the lower income of local farmers. In North America, the arable segment remained under pressure due to the volatile price development. However, the market for hay and forage harvesting as well as feeding technology experienced a slow recovery. Demand in the South American markets was generally positive, albeit volatile. There was also an increase in demand in Asia, Russia and Ukraine. Supported by these improvements in market conditions, Kuhn Group recorded a significantly increased order intake, which resulted in a growth in sales in almost every region.

Bucher Municipal

CHF million	Jan. – Sept.		Change in			Full year 2016
	2017	2016	%	% ¹⁾	% ²⁾	
Order intake	342	261	31.1	32.1	26.4	381
Net sales	284	266	6.5	7.5	3.0	389
Order book	162	106	51.8	52.7	52.7	104
Number of employees at closing date	1 965	1 769	11.1		11.1	1 746

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

Good level of demand in Europe In the first nine months of the current year, demand for municipal vehicles in Europe increased in comparison with the same period last year. The situation in Russia improved and the demand for refuse collection vehicles rose somewhat in Australia on the basis of a brighter economic situation. This recovery resulted in a considerable rise in the order intake, which was made up in particular of orders in the sweeper and refuse collection vehicle business. Sales at Bucher Municipal only increased slightly. The concentration of sweeper production in Great Britain and Latvia is for the most part complete, thus allowing the division to increase production capacity at the end of the third quarter.

Bucher Hydraulics

CHF million	Jan. – Sept.		Change in		Full year 2016
	2017	2016	%	% ¹⁾	
Order intake	428	362	18.3	18.5	482
Net sales	409	366	11.7	11.9	475
Order book	101	72	41.4	41.8	82
Number of employees at closing date	2 262	2 053	10.2		2 061

¹⁾ Adjusted for currency effects

Continued upward trend The market for hydraulic system solutions and components showed a significant upturn in the three main regions of Europe, North America and Asia in the reporting period. In comparison to the same period last year, there was a significant increase in demand in the construction machinery, industrial hydraulics and agricultural machinery segments, while material handling continued to pick up momentum. Bucher Hydraulics benefitted from the positive trend also in the third quarter and recorded a considerable increase in its order intake and sales. All applications and regions contributed to the good performance, with the division in Germany and North America seeing the highest sales growth.

Bucher Emhart Glass

CHF million	Jan. – Sept.		Change in		Full year 2016
	2017	2016	%	% ¹⁾	
Order intake	324	272	19.1	19.6	351
Net sales	269	263	2.2	2.5	371
Order book	163	137	19.1	19.6	108
Number of employees at closing date	1 623	1 754	-7.5		1 757

¹⁾ Adjusted for currency effects

Solid demand in all regions The pleasing development of the glass-forming machinery market continued apace. The important European market for Bucher Emhart Glass remained stable at a high level. The North and South American markets were up on the same period last year, while other sales regions also demonstrated solid demand overall. The Chinese market recovered slowly, but remained at a low level. The increase in demand for glass-forming machinery, as well as in the spare parts and service business, influenced the division's business performance. Compared with the same period a year ago, order intake at Bucher Emhart Glass showed a significant improvement. However, the increase in sales was less marked because many of the orders taken are not due for delivery until the end of the current year or in 2018.

Bucher Specials

CHF million	Jan. – Sept.		Change in		Full year 2016
	2017	2016	%	% ¹⁾	
Order intake	192	206	-6.9	-6.9	289
Net sales	211	207	1.7	1.6	263
Order book	58	50	14.8	14.9	76
Number of employees at closing date	887	849	4.5		817

¹⁾ Adjusted for currency effects

Diverse development In the first nine months of 2017, developments in the Bucher Specials markets varied. The demand for winemaking equipment in the northern hemisphere suffered due to bad weather conditions, most notably in France. The market for beverage technologies recovered slightly, but remained volatile overall because of difficulties

experienced by customers with financing. The Swiss market for agricultural machines remained stable, and demand for mobile and industrial automation solutions showed a pleasing trend. In much the same vein as developments in the market, business development also varied: The good business performance for winemaking equipment worldwide was able to offset the negative impact of adverse weather in France. The project business with beverage technologies remained volatile, which resulted in a decreasing order intake and higher sales. The Swiss distributorship for agricultural machines was down slightly, while Jetter developed positively. Overall, order intake at Bucher Specials fell and sales grew slightly.

Outlook for 2017 For the current year, the Group anticipates an improvement in the business performance compared with 2016. Kuhn Group expects a continued recovery in the market for agricultural equipment. The division is expecting stable milk prices until the end of 2017, and therefore an increase over the previous year, which could continue to stabilise the good demand in the market for hay and forage harvesting as well as feeding technology. Cereal prices and the market for agricultural machinery in this segment are likely to remain volatile. For 2017, the division anticipates an increase in sales and a year-on-year rise in operating profit margin, despite higher material costs. Bucher Municipal expects the demand for municipal vehicles to remain buoyant until the end of 2017. The concentration of sweeper production in Great Britain and Latvia will be completed by the end of the year. The good level of capacity utilisation should have a favourable impact on profitability. The division therefore anticipates higher sales and an improvement in the operating profit margin for 2017 as a whole. Bucher Hydraulics is expecting the favourable market environment to be sustained. The division is set to achieve higher sales and an increased operating profit margin in the current year. Bucher Emhart Glass expects demand to remain at a good level in the project business. The division will continue its projects to improve profitability. The high order book will have a positive impact on sales growth up until the end of the year. For the 2017 business year as a whole, Bucher Emhart Glass anticipates sales growth. The operating profit margin, however, is likely to be down on the previous year due to additional

measures having to be taken in connection with the Chinese joint venture. Bucher Specials expects an improvement in business performance thanks to its beverage technologies and automation solutions. For 2017, the division is forecasting a slight rise in sales and a somewhat lower operating profit margin. For the current year as a whole, the Group expects increased sales and an improved operating profit margin.

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