

**BUCHER**

Annual report

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20  
22



**Cover picture** For Yolanda Cobos (right), Head of Management Systems at Bucher Municipal, it is clear that the combination of a wide range of measures and many ideas from all employees can create really sustainable solutions.

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# Key figures

## Group

CHF million	Change				
	2022	2021	%	% <sup>1)</sup>	% <sup>2)</sup>
Order intake	3'858.3	3'948.3	-2.3	1.5	0.7
Net sales	3'596.8	3'176.4	13.2	17.2	16.5
Order book	2'081.2	1'872.7	11.1	15.9	14.2
Operating profit before depreciation and amortisation (EBITDA)	511.0	436.6	17.0		
% of net sales	14.2%	13.7%			
Operating profit (EBIT)	425.2	351.9	20.8		
% of net sales	11.8%	11.1%			
Net financial result	-2.4	0.1	n.a.		
Income tax expense	-88.2	-82.8	-6.5		
% of profit before tax	20.9%	23.5%			
Profit for the year	334.6	269.2	24.3		
% of net sales	9.3%	8.5%			
Earnings per share in CHF	32.36	25.96	24.7		
Capital expenditure	97.0	73.5	32.0		
Operating free cash flow	68.6	270.7	-74.7		
Research and development costs	-122.9	-118.1	-4.1		
Net cash/debt	457.2	550.9	-17.0		
Total assets	2'978.7	2'768.2	7.6		
Equity	1'701.8	1'532.6	11.0		
Equity ratio	57.1%	55.4%			
Return on equity (ROE)	20.7%	18.4%			
Net operating assets (NOA) average	1'178.1	1'052.0	12.0		
Return on net operating assets (RONOA) after tax	28.6%	25.6%			
Average number of FTEs	14'053	13'375	5.1		4.6
Net sales per FTE	CHF 1'000	256	237	8.0	11.8
Employees at 31 December	14'876	13'835	7.5		4.2
CO <sub>2</sub> emissions	tCO <sub>2</sub> e	89'672	93'317	-3.9	

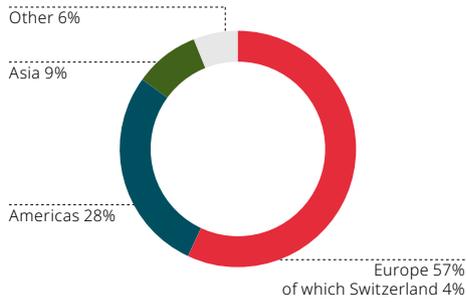
<sup>1)</sup> Adjusted for currency effects    <sup>2)</sup> Adjusted for currency and acquisition effects

## Divisions

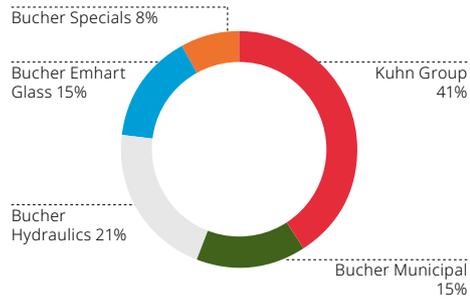
CHF million	Order intake		Net sales		Order book		Operating profit (EBIT)		Employees at 31 December	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Kuhn Group	1'612.5	1'675.7	1'510.3	1'318.9	1'018.9	941.0	176.3	160.8	6'011	5'830
Bucher Municipal	619.1	598.7	529.3	522.6	309.7	236.6	31.5	32.7	2'523	2'404
Bucher Hydraulics	763.5	855.7	755.5	680.7	315.9	319.6	101.4	88.0	3'092	2'928
Bucher Emhart Glass	577.9	521.7	525.2	394.3	318.9	285.2	97.5	62.2	1'678	1'614
Bucher Specials	363.4	366.4	347.1	321.3	153.7	120.5	29.9	27.5	1'503	995
Other/consolidation	-78.1	-69.9	-70.6	-61.4	-35.9	-30.2	-11.4	-19.3	69	64
<b>Group</b>	<b>3'858.3</b>	<b>3'948.3</b>	<b>3'596.8</b>	<b>3'176.4</b>	<b>2'081.2</b>	<b>1'872.7</b>	<b>425.2</b>	<b>351.9</b>	<b>14'876</b>	<b>13'835</b>

### Net sales

by region

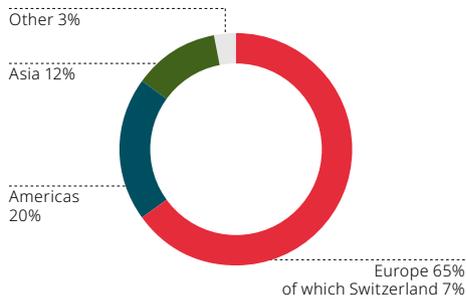


by division



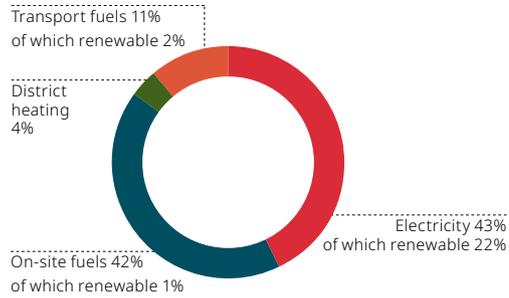
### Employees

by region



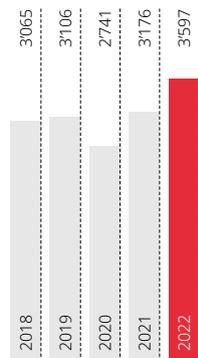
### Energy consumption

by energy source

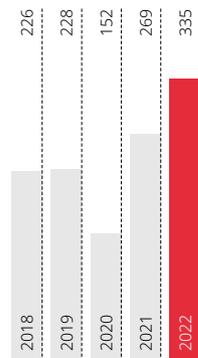


### Five-year summary

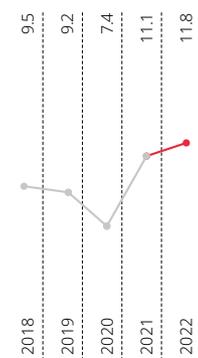
Net sales  
CHF million



Net profit  
CHF million



Operating profit margin  
(EBIT margin) %



CO<sub>2</sub> emissions  
tCO<sub>2</sub>e



# Report to shareholders

## Dear Shareholders,

In the course of the reporting period, demand for our products and services normalised after the extraordinarily dynamic previous year. Thanks to our employees' hard work, the divisions again coped very well with the difficulties in the supply chain and they increased their sales by 13%. The operating profit margin rose to a very good 11.8%. Profit for the year amounted to CHF 335 million, significantly higher than the previous year, and earnings per share were a high CHF 32.36.

### Strong business result

While the markets that our divisions operate in weakened over the course of 2022, sentiment remained positive overall. Order intake continued to rise until mid-year, but it declined in the second half of the year and ended at the same high level as last year overall. The difficulties in the supply chain remained challenging due to the COVID-19 measures in China and the tense energy situation. It was also difficult to recruit qualified employees, particularly in the USA. Although this negatively impacted process efficiency, sales increased by 13% due to increased prices and higher volumes. The Group's order book remained very strong, with seven months of sales. The operating profit rose to CHF 425 million and the operating profit margin to a very good 11.8%. Profit for the year amounted to CHF 335 million, which was significantly higher than in the previous year, and earnings per share were a high CHF 32.36.

### Further increase in return on invested capital

The return on net operating assets after tax (RONOA) increased again and reached a very high 28.6%. This is due to the strong sales growth and the resulting further increase in the operating profit margin. Net operating assets increased markedly year on year due to volume-related factors. The increase was exacerbated by the difficulties in the supply chain and logistics, as well as price increases for purchased parts, and had a negative impact on free cash flow. The reporting period saw the Group make further investments in projects aimed at securing its long-term success. The main focus was on the start of Kuhn Group's implementation of the ERP system and the construction projects of Bucher Hydraulics and Jetter in Germany. With three acquisitions, further investments were made in external growth. The financial position remains very solid, with net liquidity of CHF 457 million at the end of the year and an equity ratio of 57%.

### Kuhn Group

Agricultural machines remained in strong demand during the reporting period. Prices for agricultural products stayed at a good level, which ensured high farm incomes despite rising cost pressures. Dealers, however, reported slightly weaker machinery purchases by farmers from mid-2022. Kuhn Group's order intake fell 4% below the previous year's exceptionally high level, mainly due to currency effects; its order book increased further. Supply chain and recruitment difficulties persisted. Capacity utilisation was very high



Philip Mosimann, Chairman of the Board of Directors, and Jacques Sanche, Chief Executive Officer

throughout the whole year. The high production volumes, combined with price increases, led to a significant increase in sales of 15%, especially in Brazil. The operating profit margin of 11.7% was only slightly below the previous year's high level and included impairments of CHF 6 million for the business activities in Russia.

### **Bucher Municipal**

After a very dynamic first half of the year, order intake began to normalise from mid-year onwards and it increased by 3% overall. As in the previous year, production in 2022 was severely impacted by bottlenecks in global supply chains. This had a negative impact on production efficiency, especially in the first half of the year. Production volumes increased in the second half of the year and sales ended in line with the previous year overall. The operating profit margin decreased slightly to 6.0% due to the delivery delays, the reduction of operations in Russia and the challenging business environment in China.

### **Bucher Hydraulics**

Order intake declined by 11% from a very high level. This decline was particularly pronounced in China. Normalisation of demand also set in during the second half of the year in parts of Europe and in North America. While there was a clear decline in the important materials handling and construction machinery segments, demand remained at a high level for hydraulic solutions in agricultural machinery. Capacity utilisation was high throughout the whole year. The division's sales rose by 11%, partly due to price increases, especially in North America. The operating profit margin rose to 13.4% due to higher sales, the good cost structure and price adjustments.

### **Bucher Emhart Glass**

Glass containers enjoyed strong demand and customers' production capacities remained tight. The rapid upturn in investments in plant for the production of glass containers therefore continued, despite high energy prices particularly in Europe. Bucher Emhart Glass' order intake rose by 11% from a very high level. The production capacity was heavily utilised at all locations. Sales grew by 33% compared with the low level of the previous year. The operating profit margin increased further from an already high level and reached an excellent 18.6%. This was due to the division's high sales volume and continued low cost base, combined with its improved efficiency and positive currency effects.

### Bucher Specials

The reporting period was characterised by positive market sentiment overall. Only the markets of Bucher Landtechnik declined from their high level after several years of very good performance. Bucher Specials' order intake was in line with the previous year. All four business units continued to struggle with bottlenecks on the supplier side. Sales increased by 8%, partly due to the strong order book at the beginning of the year. The operating profit margin remained stable at 8.6% despite a significant increase in material costs and expenditure on acquisitions.

### Consistent dividend policy

The board of directors proposes a dividend of CHF 13.00 per share to the annual general meeting on 19 April 2023. The dividend paid in the previous year was CHF 9.50 per share. The proposal takes into account a consistent dividend policy, the profit for the year 2022, the solid financial position, the outlook for the current year as well as internal and external investment opportunities.

### Board of directors

The annual general meeting elected Stefan Scheiber, CEO of Bühler Group, as a new member of the board of directors on 12 April 2022. Valentin Vogt, who has been a member of the board of directors since 2014, will not stand for re-election. We would like to thank him for his dedicated service, in particular as the long-standing chairman of the compensation committee, and for his valued entrepreneurial spirit. The board of directors proposes to the annual general meeting on 19 April 2023 the election of Urs Kaufmann as a new board member. Urs Kaufmann is chairman of Huber+Suhner's board of directors and has many years of experience in the manufacturing industry in an international environment. With long-term succession planning in mind, the board has also nominated Urs Kaufmann to the annual general meeting in 2024 as successor to Philip Mosimann for chairman of the board of directors. Philip Mosimann will not stand for re-election in 2024 as he will have reached the age limit set in the rules of organisation.

### Our long-term and sustainable contribution

Our strategy has always been geared to the long term and we further refined and formalised that strategy over the past year with a view to economic, ecological and social considerations. The foundation of our Group are the products and solutions with which we make our contribution to society, responsible corporate governance and sustainable economic value creation. In addition to these three principles, we have defined eleven topics in the area of environment, social affairs and ethics that are material for us, with corresponding ambitions, key indicators and goals. With this annual report, we are therefore moving to combined reporting that provides information on the four areas of finance, environment, social affairs and ethics.

### Innovative solutions with added value for customers and the environment

Our divisions once again launched new products and services that will make work easier for our customers, increase their efficiency and have less impact on the environment. Kuhn Group's modern high-performance baler-wrapper combination enables farmers to produce uniformly shaped, compact bales of all materials and under all operating conditions. Bucher Municipal launched the world's first all-electric sewer cleaning vehicle which, with its compact size and reduced emissions, is suitable for use in urban, densely populated areas. Bucher Hydraulics continued to expand its range of electrohydraulic drive systems during the reporting period. Bucher Emhart Glass' latest artificial-intelligence-based technology for the fully automated setup of sidewall inspection systems is another milestone in glass container inspection.

### A big thank you to our employees

We know that our success is due to our employees' expertise and high level of commitment. They proved this once again during the reporting period by performing outstandingly under very difficult circumstances. They did all they could to ensure that our customers received their orders on time wherever possible and in the quality they are accustomed to, despite the bottlenecks in the supply chain. We would like to sincerely thank our employees for their continued commitment. In the reporting period, we documented our long-standing values, principles and standards for dealing with our employees in a policy.

### Reducing our ecological footprint

We continuously optimise our products to reduce their environmental impact during operation, and also strive to reduce the carbon footprint at our own sites. We have developed, initiated or already implemented various measures for this purpose. They are aimed at optimising the energy efficiency of buildings and building management, increasing energy efficiency in production and generating solar power. Energy consumption and CO<sub>2</sub> emissions fell by 4% overall compared to 2021. This was also due to the mild winter months and the higher awareness for the need to save energy. We have included five stories in this annual report that provide an insight into our efforts. We documented the basis for our environmental management activities in another policy.

### Outlook for 2023

We expect demand to continue to normalise starting from a very high level in the course of this year. The extraordinarily strong order book at the end of 2022 means that capacities will remain highly utilised, particularly in the first half of the year. Increased personnel and other operating costs can only be absorbed in part through price increases and are therefore likely to intensify pressure on margins. All the divisions are impacted by these challenges but to different degrees. **Kuhn Group** expects sales and the operating profit margin to be roughly in line with 2022. **Bucher Municipal** anticipates that sales will grow slightly and the operating profit margin will recover. **Bucher Hydraulics** expects similar sales as in 2022 and a slightly lower operating profit margin. **Bucher Emhart Glass** anticipates that sales will be in line with the very high level of 2022. The operating profit margin should be in the range of the 2021 value. **Bucher Specials** expects sales to increase, partly as a result of an acquisition made in the reporting period, and the operating profit margin to be roughly in line with 2022. The **Group** anticipates that sales will be roughly in line with 2022, with offsetting price and currency effects. The operating profit margin will come under pressure, mainly due to higher personnel costs, and should be slightly below 2022. As a result, the profit for the year is likely to be slightly lower.

Niederweningen, 24 February 2023



Philip Mosimann  
Chairman of the Board of Directors



Jacques Sanche  
Chief Executive Officer

# Powerful ideas for the future

Sustainability is an integral part of Bucher's corporate strategy. Our divisions live up to this claim by making their products and production increasingly energy-efficient and ecological. In this report, we show how our employees are committed to continuously improving the carbon footprint at our sites.

## 01



**Using waste heat as an energy source**

Stéphane Schissele  
Facility Manager  
Kuhn Group, Saverne  
France



## 02



**The power of many ideas for one common goal**

Yolanda Cobos  
Head of Management Systems  
Bucher Municipal, Dorking  
England



03



**Water from the “deep” for cooling processes**

Hansruedi Lauener  
Manufacturing Supervisor  
Bucher Hydraulics, Frutigen  
Switzerland



04



**Harnessing the power of the sun**

Yawei Wang  
Facility Department Manager  
Bucher Emhart Glass, Zibo  
China



05



**New building with top energy standards**

Marion Hauser  
Executive Assistant and  
coordinator of the building site  
Jetter, Ludwigsburg  
Germany



# Bucher at a glance

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Our passion is to engineer trusted machinery solutions to sustainably feed the world, produce and preserve beverages, and to create, maintain and clean infrastructure. For a safe and healthy life for all.

Our success is built on proximity to the markets, innovation and flexible, efficient structures. The consistent long-term orientation of our corporate strategy, coupled with decentralised responsibility for management and performance, ensures sustainable corporate development.

## Our mission

Bucher develops and manufactures state-of-the-art, economical and ecological components, machinery and systems. We systematically align our activities with customer needs and offer solutions for harvesting, producing and packaging foods, keeping roads and public spaces clean and safe, and providing electrohydraulic drive systems for sophisticated machines. Our customers benefit from reliable, high-performance and innovative machines and solutions, accompanied by outstanding service. Bucher products combine durability with high energy efficiency. We offer our committed and highly skilled employees attractive jobs in which they can contribute to solving global challenges. We use resources with care and protect our environment.

## Our goals

We strive to achieve strong market positions, together with high profitability, through customer proximity, technological leadership and strict cost management. We use our strong balance sheet to keep developing the Group for the long term with continuous innovations and investments. We focus primarily on organic growth, while also acquiring and integrating selected complementary businesses. We invest in our sites and product offerings to reduce the ecological footprint in our own production environment as well as that of our customers.

Over a business cycle, we strive to achieve an operating profit margin of more than 10% and a return on net operating assets (RONOA) after tax of more than 20%. In terms of our Scope 1 and 2 emissions, we are implementing efficiency measures and expanding our solar capacity to reduce our CO<sub>2</sub> intensity by at least 10% by 2026 compared to 2021.

## Business activities

Bucher manufactures capital goods to meet fundamental human needs. Our operations include agricultural machinery, municipal vehicles, hydraulic components and electrohydraulic systems, manufacturing equipment for the glass container industry, equipment for processing beverages, as well as automation solutions. With our products we contribute to solving global challenges in three areas:

- feeding the world
- producing and preserving beverages
- creating, maintaining and cleaning infrastructure

## Key trends

The global trends that are key to our activities are population growth, the growing middle class, urbanisation and climate change. One consequence is that significantly more food will have to be produced on a limited amount of arable land, and it will have to be produced more sustainably using less water and fewer fertilisers and crop protection products. Food production will have to increase by 50% by 2050. Accordingly, demand for effective and precise agricultural machinery and equipment for manufacturing and storing food is also on the rise.

Another consequence is that urban infrastructures will expand and be used more intensively. This will require modern mobile working machinery with electrohydraulic drive components as well as municipal cleaning and clearing solutions. Increasingly extreme weather events are leading, in all of our operations, to greater environmental regulation and higher demand for more ecological products and solutions. This is reflected in the growing number of electrified and automated machines with optimised data analysis capabilities.

## Strategy process

In an annual strategy process, the board of directors and group management analyse global trends and the resulting risks and opportunities for our business activities. This analysis considers, according to the concept of double materiality, both the influence of external trends on the Group and the impact of the Group's business activities on the environment and society.

Our five divisions then incorporate the findings from the situation analysis into their own strategies. The resulting strategic initiatives are discussed in annual strategy reviews and mapped in medium-term plans. We use operational reviews to evaluate target achievement on the basis of financial and non-financial key indicators.

## Risk management

Our risk management is based on internally formulated guidelines and responsibilities. The board of directors carries out an in-depth assessment of the Group's risk situation once a year on the basis of a risk report. Risks classified as critical in the overall assessment are mitigated by appropriate measures in order to reduce their probability of occurrence or their impact. We take a risk-based management approach to Group-wide risks, covering the entire value-creation chain from procurement and production to marketing and distribution.

## Consideration of all stakeholders

Our decision-making processes take account of economic, ecological and social aspects. We thereby ensure that we create sustainable economic value in a way that takes all of our stakeholders into consideration. We conduct a regular exchange with them, including through daily interactions, formal discussions, training sessions, surveys, trade fairs and conferences, in order to understand their needs.

Our most important stakeholders are our customers, employees, suppliers and investors. Together we have developed Bucher into a technology group with leading market positions in specialised areas of mechanical and vehicle engineering.

## Material topics for sustainable corporate development

Our Group is founded on the products and solutions with which we make our contribution to society, responsible corporate governance and sustainable economic value creation. We see a further eleven topics as being material for us in the area of environment, social affairs and ethics. We have defined our corresponding ambitions, determined related key indicators and, where meaningful and possible, set quantitative targets. We monitor target achievement and reflect it in our management’s remuneration.

Topics	Reports
<b>Principles</b>	
<ul style="list-style-type: none"> <li>- Solutions with a purpose</li> <li>- Good corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>Divisional reports p. 18</li> <li>Corporate governance p. 50</li> <li>Remuneration report p. 63</li> <li>Financial report p. 73</li> </ul>
<hr/>	
<b>Environment, social affairs and ethics</b>	Environmental, social and ethics report p. 127
 <p><b>Customers</b></p> <ul style="list-style-type: none"> <li>- Satisfied customers</li> <li>- Innovative products and optimal solutions</li> <li>- Customer health and safety</li> </ul>	
<hr/>	
 <p><b>Employees</b></p> <ul style="list-style-type: none"> <li>- Satisfied employees</li> <li>- Qualified employees</li> <li>- Health and safety at work</li> <li>- Equal opportunities</li> </ul>	
<hr/>	
 <p><b>Environment</b></p> <ul style="list-style-type: none"> <li>- Environmental impact of our products and services</li> <li>- Resource efficiency of production with a focus on the reduction of CO<sub>2</sub> emissions</li> </ul>	
<hr/>	
 <p><b>Compliance</b></p> <ul style="list-style-type: none"> <li>- Compliance with laws and regulations</li> <li>- Supply chain – sound procurement practices</li> </ul>	

Bucher Industries is little affected by issues such as child and forced labour, conflict materials, hazardous waste and water consumption because our divisions are mainly involved in processing metals and assembling machinery and vehicles. Bucher Industries’ water consumption data was collected and aggregated until the 2018 reporting period. As our activities are not water-intensive, we have waived the central collection of this data and have increased our focus on the topic of energy. However, reducing water consumption remains a key concern, especially at sites that are located in areas with precarious water supplies.

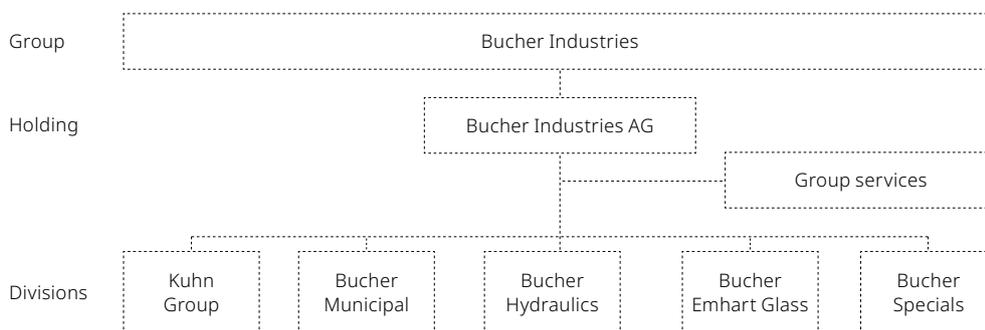
Our divisions are implementing these ambitions as part of their strategies. They are focused on continuously developing their products and solutions in order to optimise them for their customers while reducing their impact on the environment. Cross-divisional themes are electrification, automation and digital solutions. Current Group-wide focus topics are the reduction of our CO<sub>2</sub> intensity in terms of our Scope 1 and 2 emissions, and employee satisfaction.

## Good corporate governance

Bucher Industries has a clear divisional structure with decentralised management and profit responsibility, and a correspondingly lean Corporate Center. We are diversified with five divisions that operate in industrially related areas with significant growth and earnings potential and have strong positions in their respective markets.

Our shared values, principles and rules are documented in our Group-wide governance framework. Its highest level comprises our Group principles, articles of association, rules of organisation and Code of Conduct. Our values, principles and standards regarding the environment and our employees are laid down in policies. The Group sets standards and issues instructions in the areas of compliance, finance, information security and branding, and documents them in corresponding directives. Our divisions implement the Group-wide standards in their own strategies and governance frameworks. The Bucher Internal Control System (BICS) defines the requirements that apply throughout the Group regarding risk management.

This decentralised organisational structure makes Bucher Industries a flexible and adaptable group. The divisions have the flexibility they need in order to consistently tailor their product and service offerings to their customers' needs and to be close to their markets.



# Simply great machines

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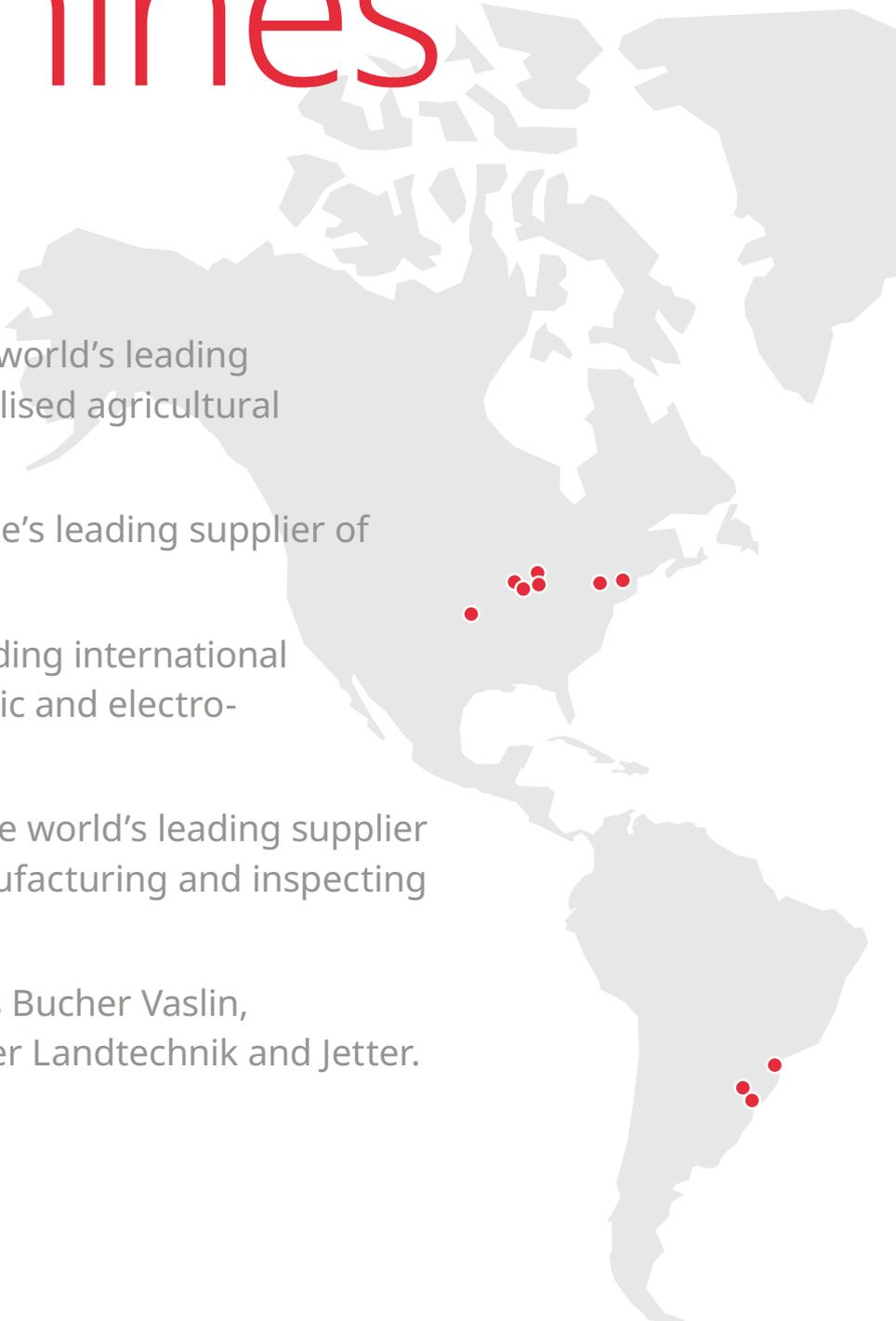
**Kuhn Group**, one of the world's leading manufacturers of specialised agricultural machinery

**Bucher Municipal**, Europe's leading supplier of municipal vehicles

**Bucher Hydraulics**, a leading international manufacturer of hydraulic and electro-hydraulic systems

**Bucher Emhart Glass**, the world's leading supplier of technologies for manufacturing and inspecting glass containers

**Bucher Specials** includes Bucher Vaslin, Bucher Unipektin, Bucher Landtechnik and Jetter.



## Close to our customers, all over the world

With over 50 manufacturing and development sites on five continents and numerous distribution companies, we have a strong market presence worldwide and are close to our customers.



## Divisional report

# Kuhn Group

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Agricultural machines were in strong demand in the reporting period. Good commodity prices ensured that farm incomes were on a high level despite increasing cost pressures. Mainly due to currency effects, Kuhn Group's order intake fell by 4%. Supply chain and recruitment difficulties persisted. Capacity utilisation was very high. Production volumes were correspondingly high and sales increased by 15%. The operating profit margin was 11.7%. The division accounted for 41% of group sales (2021: 41%).

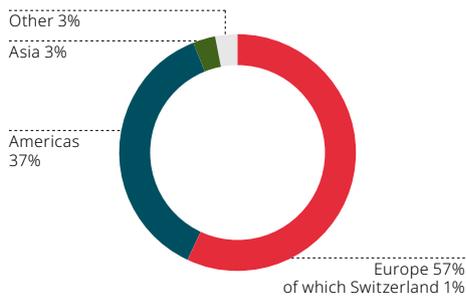
## Key figures

CHF million	Change			
	2022	2021	%	% <sup>1)</sup>
Order intake	1'612.5	1'675.7	-3.8	-0.6
Net sales	1'510.3	1'318.9	14.5	17.6
Order book	1'018.9	941.0	8.3	12.1
Operating profit (EBITDA)	215.3	195.6	10.1	
% of net sales	14.3%	14.8%		
Operating profit (EBIT)	176.3	160.8	9.6	
% of net sales	11.7%	12.2%		
Average number of FTEs	5'994	5'740	4.4	
Employees at 31 December	6'011	5'830	3.1	

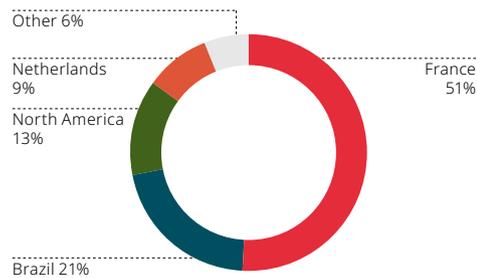
<sup>1)</sup> Adjusted for currency effects

## Regional breakdown

### Net sales

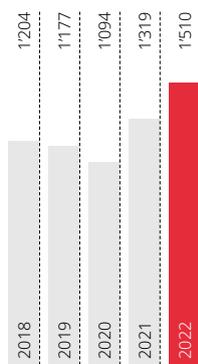


### Employees

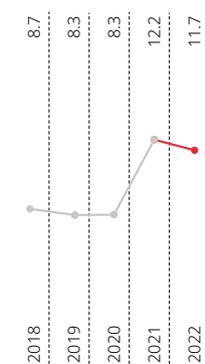


## Five-year summary

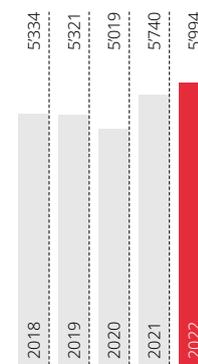
### Net sales CHF million



### Operating profit margin (EBIT margin) %



### Average number of FTEs



### Strong demand overall

Agricultural machines continued to be in strong demand in 2022 as good commodity prices kept farm incomes at high levels despite increasing cost pressures. Problems faced by agricultural machinery manufacturers to deliver goods, customers' expectations that prices will continue to increase and generally low inventory levels in the distribution network all combined to boost demand. Over the course of the year, however, higher costs for inputs such as fertiliser, feed and diesel, the increase in interest rates as well as below-average harvest yields due to extended droughts in some regions led to a cooling off in demand on a very high level. From mid-2022, dealers reported an increasing cautiousness on the part of agricultural producers to purchase machinery. This was more pronounced in the dairy and livestock business than in the crop production sector because of higher feed costs. Mainly due to currency effects, Kuhn Group's order intake decreased by 4% compared to the previous year's exceptionally high level; its order book increased further.

### Very high production volumes

The disruptions in the supply chain persisted with very long lead times, late deliveries and allocation quotas causing delays and inefficiencies at the American and some European production sites. Difficulties in recruiting skilled manufacturing labour continued, especially in the USA. Capacity utilisation was very high throughout the whole year. The high production volumes combined with price increases led to a significant growth in sales of 15%, with Brazil contributing significantly. The operating profit margin was 11.7%, just below the previous year's high level, and included impairments of assets of CHF 6 million for the business activities in Russia.

### Industry awards for versatile and high-performing products

Amongst the products launched in 2022 was a new variable large-scale baler-wrapper combination. A high-performance machine which fulfils many requirements: from producing large, dense straw bales to perfectly shaped, short crop silage bales with high moisture content. It received the "Farm Machine 2023" award in the baler category at the SIMA agricultural show. Another important market launch was the "Smart Soil Technology" on the large tillage tools produced in the USA. By using electronic controls, the technology provides up to eight user-defined presets. This allows for any operator to make multiple adjustments simultaneously with a simple touch of a button, whilst sitting comfortably in the tractor cab. The division received an "AE50" award from the "American Society of Agricultural and Biological Engineers" for this innovative technology.

### Supporting agricultural producers with "KUHN Connect"

Optimising the usage of agricultural equipment through data management and connectivity is becoming more and more important. Therefore, Kuhn Group developed and introduced several connected digital services in recent years. With the new "KUHN Connect" telematics service, for example, farmers and contractors can keep a close eye on the usage of their self-propelled mixer fleets and better manage the machines' performance and fuel efficiency as well as anticipating maintenance operations. These digital services are available on "MyKUHN", the portal for end-customers, which is available in all relevant markets.

### Kuhn Group's purpose and values

More than 100 leaders and managers from all sites shared their thoughts about the division's current core values and what they expected them to be in ten years' time. The result of this division-wide evaluation is a clearer and more impactful purpose statement, mission, vision and values. For the employees, who once again gave their best in a very

challenging business environment in 2022, it was motivating to know the company values even better and to “live” Kuhn Group’s purpose: to actively contribute to feeding the world.

### Investments in efficiency

The new ERP (enterprise resource planning) system went live in a pilot project at Kuhn-Huard in Châteaubriant, France. This followed a period of extensive preparation, workshops and training to make the successive introduction at all of Kuhn Group’s sites as smooth as possible. Also at Kuhn-Huard, substantial progress was made in the replacement of the division’s largest forging press with a larger, more efficient screw press. The new machine increases the capacity of the forging operation by 20%, improves the overall quality of the finished products and reduces energy consumption. It will be coupled with five new material-handling robots thus relieving employees of heavy loading work. In Brazil, the Passo Fundo production site was expanded. The new hall features a well-insulated roof, which keeps it cooler in summer and warmer in winter. For several years, at the division’s headquarters in Saverne, France, waste heat has been recovered and reused for heating as the story on the following pages shows.

### Outlook for 2023

Agricultural machinery sales volumes are expected to decrease slightly on a high level in 2023. A substantial correction is anticipated for Brazil following a period of record-high, overheated demand. North America should be stable or improving. Europe will be affected by energy-related uncertainties and the continued drought conditions in the South. The supply chain issues are likely to persist for the time being. Thanks to the high order book at the beginning of the year, Kuhn Group expects sales and the operating profit margin to be roughly in line with 2022.

### Market position

Kuhn Group is one of the world’s leading manufacturers of specialised farm implements and self-propelled machinery, with a comprehensive range that is geared to all types of agricultural operations.

- World market leader in hay and forage harvesting machinery and feed mixers
- Leader in tillage, planting and seeding, nutrition management and crop protection equipment
- Strong market positions in Europe and in North and South America
- Extensive network of independent dealers and distributors
- Products and services marketed worldwide under the Kuhn brand

### Strategic focus

Significantly more food will have to be produced using less inputs on a limited amount of arable land in order to feed a growing world population sustainably. Due to these factors, but also ongoing farm consolidation, demographic developments and a marked trend towards urbanisation, the need for larger and more productive agricultural machinery with increasing digital connectivity and automation will grow. With its ever-expanding portfolio of large and automated agricultural machinery as well as solutions for conservation and precision farming, Kuhn Group contributes to farmers’ efforts to produce food efficiently while conserving natural resources.

Division management  
At 24 February 2023

Thierry Krier,  
Division president

Dominique Schneider,  
Finance and controlling

Rolf Schneider,  
Sales and marketing

Christophe Jeanroy,  
Research and development

Patrick Gross,  
Chief Information Officer

Frédéric Lacroix,  
Kuhn-Huard

Sébastien Tremblais,  
Kuhn-Audureau

Thierry Leroueil,  
Artec Pulvérisation;  
Kuhn-Blanchard

Thierry Krier (ad interim),  
Kuhn-Geldrop

Greg Petras,  
Kuhn North America;  
Kuhn Krause

Nicolas Guillou,  
Kuhn do Brasil



Stéphane Schissele is Facility Manager at Kuhn Group in Saverne.



# 01

Kuhn Group, Saverne

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## Using waste heat as an energy source

The energy obtained heats all the buildings of the Saverne site.





The enormous heat from the foundry is recovered and reused.



Environmental awareness and corresponding measures have been an integral part of Kuhn Group's agenda for decades. As early as 1996, a building management system was introduced at the headquarters in Saverne, covering the entire site. In 2013, the use of air compressors for energy recovery was the next milestone. The most recent measure was the installation of a latest-generation chiller. The chiller uses a heat exchanger to transfer the immense heat generated in the foundry and hardening shop during production and put it to a new use: instead of being discharged as waste, it warms water that is then used to clean production parts before they go into assembly. Furthermore, in winter, the energy is used to heat all the buildings at the site. This way, Kuhn Group saves 5'000 MWh of natural gas every year, which is equivalent to 900 tonnes of CO<sub>2</sub>.



Learn more about how Kuhn Group in Saverne uses waste heat as an energy source:  
[bucherindustries.com](http://bucherindustries.com)

## Divisional report

# Bucher Municipal

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Demand was exceptionally high during the first half of the year but a normalisation became apparent from mid-year onwards. Bucher Municipal's order intake rose by 3% overall. Production was severely impacted by bottlenecks in global supply chains, which had a negative effect on production efficiency. Production volumes increased in the second half of the year, and sales ended in line with the previous year. The operating profit margin was 6.0%. The division accounted for 15% of group sales (2021: 17%).

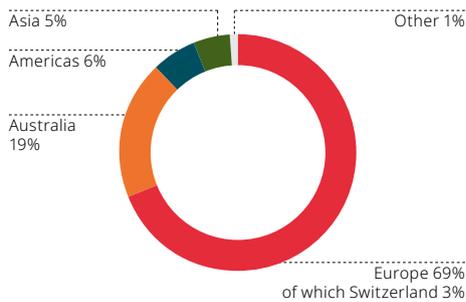
## Key figures

CHF million	Change				
	2022	2021	%	% <sup>1)</sup>	% <sup>2)</sup>
Order intake	619.1	598.7	3.4	8.2	
Net sales	529.3	522.6	1.3	5.9	
Order book	309.7	236.6	30.9	37.1	
Operating profit (EBITDA)	42.2	43.7	-3.4		
% of net sales	8.0%	8.4%			
Operating profit (EBIT)	31.5	32.7	-3.7		
% of net sales	6.0%	6.3%			
Average number of FTEs	2'421	2'355	2.8		2.6
Employees at 31 December	2'523	2'404	5.0		4.4

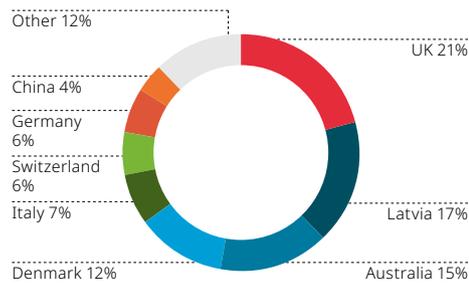
<sup>1)</sup> Adjusted for currency effects    <sup>2)</sup> Adjusted for currency and acquisition effects

## Regional breakdown

### Net sales

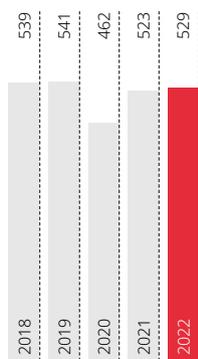


### Employees

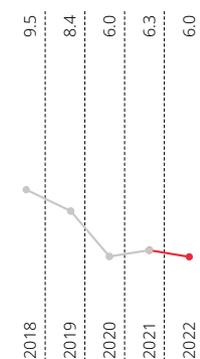


## Five-year summary

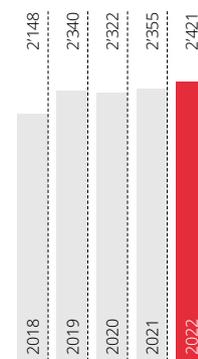
### Net sales CHF million



### Operating profit margin (EBIT margin) %



### Average number of FTEs



### Normalisation of demand from mid-year

Demand for Bucher Municipal's products remained exceptionally high in the first half of 2022. A normalisation became apparent from mid-year onwards compared with the high prior-year period, which had been characterised by a catch-up effect following the pandemic-related downturn. Overall, order intake was up by 3%. Important drivers were compact sweepers, where the electric models enjoyed very strong demand, and special truck-mounted sweepers. Thanks to the introduction of new spreaders, order intake for winter maintenance equipment was also clearly higher than the previous year's level. Demand for refuse collection vehicles recovered. The only area in which there were fewer orders was sewer cleaning, where customers were not able to procure enough truck chassis to assemble the equipment. In China, demand was restrained due to government-imposed COVID-19 restrictions.

### Difficulties in procurement

As in the previous year, production in 2022 was severely impacted by bottlenecks in global supply chains. Chassis for truck-mounted sweepers, sewer cleaning and refuse collection vehicles, batteries, hydraulic components and electronics continued to be difficult and slow to procure. This had a negative impact on production efficiency, especially in the first half of the year. Australia, in particular, experienced staff shortages as well. Accordingly, the order book increased by 31% from an already high level. Fortunately, production volumes increased in the second half of the year. Sales ended up on a par with and the operating profit margin slightly below the previous year's level. The low operating profit margin was due to difficulties in the supply chain, the reduction of operations in Russia and the challenging business environment in China.

### Electrified models in all product groups

With the electric 4-cubic-metre compact sweeper, Bucher Municipal expanded its range of electrified models in the "CityCat" line during the reporting period. In the sewer cleaning product group, it launched the first fully electric vehicle worldwide: all of its sewer cleaning equipment is mounted on an electric chassis and is electrically powered. The Danish Association for Construction and Building presented the division with its innovation award in recognition of this achievement. The launch of the new 12-cubic-metre truck-mounted sweeper was another highlight. The division previously manufactured sweepers of this size as customised special machines but it now produces them as the largest model in its "MaxPowa" range. The standardised approach improves efficiency, while its modularity still allows customers' needs to be met.

### From digital networking to autonomous solutions

The "Bucher Connect" customer service platform was expanded during the reporting period. This platform enables customers to choose service packages that are tailored to their needs: from fully digital fleet management and spare parts procurement to comprehensive support and service with Bucher quality. In September, Bucher Municipal acquired Enway, a software development company with 15 employees and sites in Berlin and Singapore. This start-up develops software and robotics solutions for autonomous sweepers. The solution is already in use on a Bucher electric compact sweeper and was approved in January 2021 for trial use on certain public roads in Singapore. This acquisition complements the division's digital product offering and strengthens its skills in the automation of work functions.

### Offering employees prospects for the future

Bucher Municipal too is finding the shortage of labour a challenge. The division therefore focused on employee concerns during the reporting period. For several years, the division policy has been for management positions to be filled internally whenever possible, in order to offer employees development prospects within the company. These measures have produced the desired results and will continue to be pursued consistently.

### Major projects and initiatives for the benefit of the environment

Concern for the environment is deeply embedded in the division's day-to-day operations and is also reflected in its compliance with key environmental standards. Consequently, all of Bucher Municipal's production sites are ISO 14001 certified. This comes into play throughout the division, whether in large-scale projects such as the modernisation of existing buildings and construction of new buildings, which can also include renaturalisation work, or the installation of solar power systems, or also in connection with process optimisation initiatives. Examples during the reporting period were the installation of LED lighting at various sites, the replacement of older machines with more energy-efficient ones and the installation of systems for measuring energy consumption. The production facility in Dorking, England, is an example of what can be done to increase the energy efficiency, and reduce the ecological footprint, of a site that has grown over the years. The story on the following pages describes this.

### Outlook for 2023

Bucher Municipal expects demand to decrease at a high level. Difficulties related to procurement, Russia and China are likely to persist. Thanks to the division's exceptionally strong order book, it expects sales to grow slightly, with electrical products contributing to this growth. The division's operating profit margin is likely to increase as a result of improved production efficiency.

### Market position

Bucher Municipal is a European leading supplier of municipal vehicles and machinery. These are used for cleaning and clearance work in public and private traffic areas, ensuring a clean and safe environment while doing so in an ever quieter and environmentally friendlier manner.

- Comprehensive product range for the municipal vehicles market
- European market leader in sweepers
- Market leader in refuse collection vehicles and sweepers in Australia
- Market leader in sewer cleaning vehicles in Scandinavia and the UK

### Strategic focus

Urban infrastructures are being used with growing intensity due to urbanisation, and increasingly extreme weather events are subjecting them to greater strain. At the same time, demand for electrified and quiet municipal vehicles will continue to grow. Bucher Municipal offers its customers a comprehensive portfolio for their municipal needs, including electric models, and a high level of service coverage in the most important markets. Combined with the "Bucher Connect" digital platform, this helps its customers to optimise the operation of their fleets sustainably and to save costs.

Division management  
At 24 February 2023

Aurelio Lemos,  
Division president

Thomas Brustio,  
Finance and controlling

Christian Johansson,  
Chief Information Officer

Jussi Iltanen,  
Chief Marketing Officer

Marco Meier,  
Compact sweepers

Martin Starkey  
(from 1 July 2023),  
Truck-mounted sweepers

Per Lovring, Special vehicles

Mihajlo Maravic, Winter  
maintenance equipment

David Bishop,  
Refuse collection vehicles and  
Sales and service Oceania

Ottmar Steinebrunner, Sales  
and service Europe and  
America

Peter Rhodes, Sales and  
service Asia



# 02

Bucher Municipal, Dorking

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The power of  
many ideas for  
one common goal

Engaging with employees  
is key to creating  
sustainable solutions.





Yolanda Cobos is Head  
of Management Systems  
at Bucher Municipal  
in Dorking.

Situated in the Surrey Hills, a declared “Area of Outstanding Natural Beauty”, nature is literally on the doorstep of the Bucher Municipal site in Dorking, England. Therefore, fostering sustainability in everything they do feels natural for the company. Management-driven measures such as new buildings with sustainability certification and photovoltaic installations are complemented by 490 employees who develop sustainability-focused ideas based on their decades of experience and expertise, as well as their everyday observations. The most promising ideas are implemented on site, for example simple changes in the painting lines such as reducing nozzle sizes, sorting parts into similar shapes, good door seals and perfecting curing times, have all had a positive effect on performance. By combining all these ideas, Bucher Municipal in Dorking constantly drives improvements that reduce its CO<sub>2</sub> emissions.



Learn more about how Bucher  
Municipal uses the power of many  
ideas for one common goal:  
[bucherindustries.com](http://bucherindustries.com)

## Divisional report

# Bucher Hydraulics

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Overall, demand for hydraulics solutions weakened during the reporting period. Order intake declined by 11% from a very high level. While there was a clear decline in the important materials handling and construction machinery segments, demand remained at a high level for hydraulic solutions in agricultural machinery. Capacity utilisation was high throughout the whole year. The division increased sales by 11% and its operating profit margin rose to 13.4%. Bucher Hydraulics contributed 21% to group sales (2021: 21%).

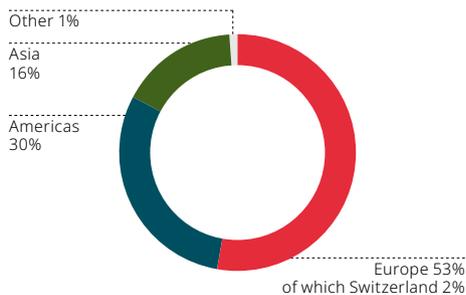
## Key figures

CHF million	Change				
	2022	2021	%	% <sup>1)</sup>	% <sup>2)</sup>
Order intake	763.5	855.7	-10.8	-8.3	-10.2
Net sales	755.5	680.7	11.0	13.5	12.0
Order book	315.9	319.6	-1.2	1.9	1.9
Operating profit (EBITDA)	121.7	110.6	10.0		
% of net sales	16.1%	16.3%			
Operating profit (EBIT)	101.4	88.0	15.2		
% of net sales	13.4%	12.9%			
Average number of FTEs	2'921	2'704	8.0		7.5
Employees at 31 December	3'092	2'928	5.6		5.6

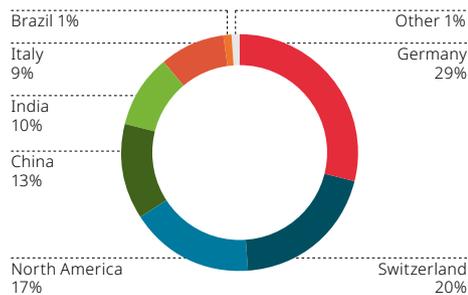
<sup>1)</sup> Adjusted for currency effects    <sup>2)</sup> Adjusted for currency and acquisition effects

## Regional breakdown

### Net sales

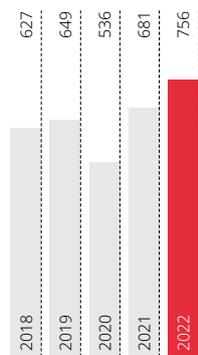


### Employees

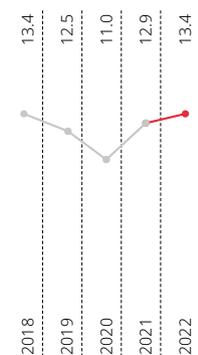


## Five-year summary

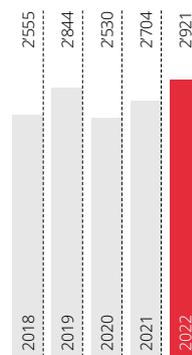
### Net sales CHF million



### Operating profit margin (EBIT margin) %



### Average number of FTEs



### Normalisation of demand at an exceptionally high level

Demand for hydraulic solutions weakened overall in 2022 after an exceptionally dynamic previous year. Bucher Hydraulics' order intake declined by 11% from a very high level. This decline was particularly pronounced in China, where the slowdown had already begun in late 2021 and intensified as a result of the COVID-19 restrictions during the reporting period. Normalisation also set in during the second half of the year in parts of Europe and in North America. While there was a clear decline in the important materials handling and construction machinery segments, demand remained at a high level for hydraulic solutions in agricultural machinery. Demand for electrical inverters was exceptionally strong, partly due to precautionary orders being placed in response to the delivery difficulties.

### Very high capacity utilisation

The order book remained at a very high level and capacity utilisation was high throughout the whole year. The shortage of qualified personnel remained challenging, especially in the USA but also in Europe. The bottlenecks in the supply chain eased somewhat, except for the availability of electronic components for the production of inverters. The division's sales rose by 11%, partly due to price increases. This sales growth was particularly pronounced in North America, where recovery from the slump triggered by the pandemic started later than in Asia and Europe. The operating profit margin rose to 13.4% due to higher sales, the good cost structure and price adjustments.

### Growth in electrohydraulic drive systems

Especially in Europe, manufacturers of utility and specialty vehicles need solutions for the electrification of their products. Bucher Hydraulics continued to advance its development of electrohydraulic drive systems and now offers a range of solutions in various performance categories. Well-known companies have taken notice and are showing interest in these energy-efficient solutions for their own applications. Electrohydraulic subsystems are to drive the various functions, not only in municipal vehicles but also in construction machines. During the reporting period, customers used the first such drive systems as prototypes in their applications.

### Standardised production geared to local needs

How can the division ensure that local customer needs are met despite standardisation? Bucher Hydraulics is increasingly focusing on streamlining and standardising its product groups. Internal gear pumps, compact hydraulic power units and cartridge valves are manufactured at the different sites, almost but not completely identically, using the same components and the same principles, but gearing them to the needs and cost structures of the local markets. This not only increases efficiency in production but also promotes learning from one another and the adoption of best practices.

### Diversity and team performance

This is also one of the goals of the "Bucher Hydraulics Development Training", as well as boosting mutual understanding and strengthening the team spirit. The participants are expected to benefit from the group's diversity, learn from one another and put this knowledge to use at the sites where they work. In 2022, 25 young employees from all over the world completed the first training course, which consists of various modules and lasts for several years. The employee survey conducted at the end of 2021 was evaluated during the reporting period. This survey was based on responses from two-thirds of all employees, with satisfaction rates varying from region to region. Measures to improve employee satisfaction were identified at each site and are now being implemented step by step. A new survey will be conducted in order to evaluate the effectiveness of these measures.

### Steady expansion of photovoltaics

Bucher Hydraulics expanded the solar power system at its production site in India to cover the entire usable area of the roof. This enables the site to meet between 25 and 30% of its energy requirements with self-generated solar power. In 2022, this amounted to almost 800 MWh of electric power. This helps to significantly reduce the site's CO<sub>2</sub> emissions, because fossil energy represents a very high proportion of the electricity mix in India. The division is investing in further photovoltaic installations, especially at sites that have a CO<sub>2</sub>-intensive electricity mix, as well as in measures to reduce its energy consumption with more energy-efficient production equipment and innovative production processes. A good example is the use of groundwater to cool machine tools at the production site in Frutigen in Switzerland. This site's operations are nearly CO<sub>2</sub> neutral, as the story on the following pages describes.

### Outlook for 2023

Bucher Hydraulics expects the markets to continue to decline slightly at a high level. Attracting and retaining skilled labour will continue to be difficult. Particularly in light of its very strong order book, the division anticipates that sales will be similar to 2022. The operating profit margin is likely to be slightly lower than in 2022, mainly due to rising personnel costs.

### Market position

Bucher Hydraulics is a leading international manufacturer of advanced hydraulic and electronic components and sophisticated electrohydraulic systems. These enable machines to perform heavy-duty work with maximum precision even in harsh environments. Their most important fields of application are agricultural machinery, construction machinery and materials handling.

- European market leader in mobile and elevator hydraulics
- World's leading manufacturer of compact hydraulic power units
- Strong presence in the USA, India and China
- Development of sustainable customised electrohydraulic systems

### Strategic focus

The trend towards electrification of utility and specialty vehicles will continue, which will further increase the demand for electrohydraulic systems. With its expertise in hydraulic components and customised solutions, and its new AX axial piston line, Bucher Hydraulics is in a perfect position to develop electrohydraulic systems that can be incorporated into applications as plug-and-play solutions. As a global supplier, the division is also continuously expanding its product lines in the lower-priced segment.

Division management  
At 24 February 2023

Daniel Waller,  
Division president

Peter Minder,  
Finance and controlling

Jens Kubasch,  
Bucher Hydraulics Germany

Thomas Dubach,  
Bucher Hydraulics  
Switzerland

Alfonso Brighetti,  
Bucher Hydraulics Italy

Bill Parks,  
Bucher Hydraulics North  
America

Kapil Sehgal,  
Bucher Hydraulics India

Sam Wu,  
Bucher Hydraulics China



# 03

Bucher Hydraulics, Frutigen

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## Water from the “deep” for cooling processes



The groundwater enters the cooling circuit via a shaft and flows back again untouched.





For Hansruedi Lauener, protecting the environment is a matter close to his heart.

Responsibility for the community and the environment as well as energy and cost efficiency are the basis for Bucher Hydraulics' business success, and also a reason why the Frutigen site is already largely CO<sub>2</sub> neutral. Electricity from hydroelectric power and district heating, combined with advanced heat-insulated production halls, enable the room temperature and fresh air supply to be regulated efficiently and ecologically with the help of rotary and plate heat exchangers. In addition, groundwater is used for cooling processes: the water is pumped up from the depths, cooling both the machines for the energy- and heat-intensive high-precision production of hydraulic components and the buildings themselves, in a closed circuit. Afterwards, the groundwater flows back into nature via a seepage well, warmed by a maximum of three degrees but otherwise untouched. In this way, Bucher Hydraulics makes smart use of a local natural cooling source, saving 375 MWh of energy every year.



Learn more about how Bucher Hydraulics uses water from the "deep" for cooling processes:  
[bucherindustries.com](http://bucherindustries.com)

## Divisional report

# Bucher Emhart Glass

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Glass containers stayed on trend throughout the whole reporting period, and customers' production capacities remained tight. The rapid upturn in investments that had begun in 2021 therefore continued. Bucher Emhart Glass's order intake increased by 11% from a very high level. Production capacity utilisation was at a high level at all sites. Sales grew by 33% compared to the low level of the previous year. The operating profit margin rose to an excellent 18.6%. The division accounted for 15% of group sales (2021: 12%).

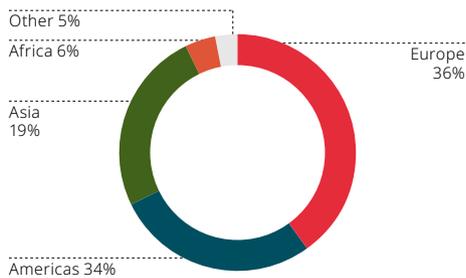
## Key figures

CHF million	Change			
	2022	2021	%	% <sup>1)</sup>
Order intake	577.9	521.7	10.8	18.3
Net sales	525.2	394.3	33.2	42.2
Order book	318.9	285.2	11.8	19.5
Operating profit (EBITDA)	106.2	71.2	49.2	
% of net sales	20.2%	18.1%		
Operating profit (EBIT)	97.5	62.2	56.8	
% of net sales	18.6%	15.8%		
Average number of FTEs	1'600	1'577	1.5	
Employees at 31 December	1'678	1'614	4.0	

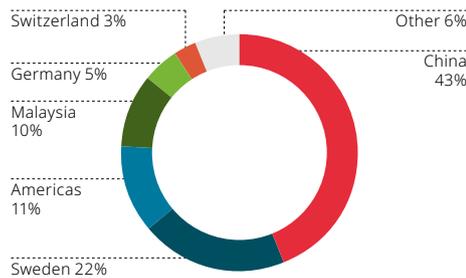
<sup>1)</sup> Adjusted for currency effects

## Regional breakdown

### Net sales

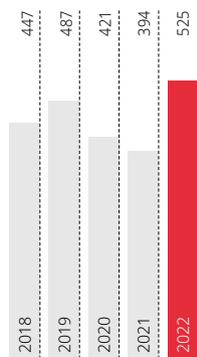


### Employees

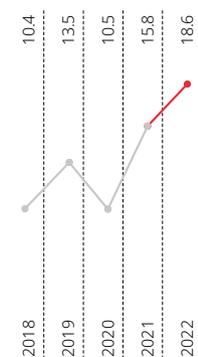


## Five-year summary

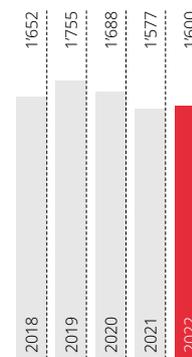
### Net sales CHF million



### Operating profit margin (EBIT margin) %



### Average number of FTEs



### High demand and tight production capacities

Demand for glass containers remained strong throughout the whole reporting period, partly because of the catch-up effect after the slump triggered by COVID-19 and partly because of the trend towards increased use of glass instead of plastic containers. On the other hand, production capacities continued to be tight on the customer side. The rapid upturn that had begun in 2021 therefore continued. Customers of Bucher Emhart Glass approved projects to modernise and expand their plant and also made investments in completely new production sites. This occurred despite the high energy prices that are affecting producers, particularly in Europe. The division's order intake rose by 11% from a very high level. There was an increase, in particular, in orders for new glass-forming machines, for the modernisation of existing equipment and for related spare parts.

### High operating profit margin

Production capacity utilisation was very good at all sites and the order book increased significantly once again. The division continued to adjust its capacities successfully in order to increase production. The situation in logistics and the supply chain improved overall. However, difficulties in procuring electronic components increased further. Sales grew by 33% compared with the low level of the previous year. This was also the case in China, although the pandemic-related measures adopted by the authorities continued to have an adverse impact on the business environment. The operating profit margin increased further from an already high level and reached a very good 18.6%. This was due to the division's high sales volume and continued low cost base, combined with its improved efficiency and positive currency effects.

### State-of-the-art technology, highest efficiency ...

The innovations that Bucher Emhart Glass presented at Glasstec, the glass container industry's most important trade fair, met with keen interest. The use of artificial intelligence in glass container inspection enables the fully automated setup of side-wall inspection, more reliable classification of defects and excellent detection rates. The "Smart Feeder", which is already in use on the first production lines, is a new, multi-axial feeder system with a camera-based closed-loop control system. It continuously monitors and controls the gob-forming process in order to optimise the size and shape of the gobs and therefore the weight of the glass containers. The "FlexRobot" is replacing manual lubrication of the moulds on more and more production lines and thereby increasing occupational safety markedly. With these technologies and solutions, Bucher Emhart Glass is helping glass container manufacturers to increase their production efficiency and reduce waste.

### ... and reduction of CO<sub>2</sub> emissions

The division offers its customers service programmes that are tailored to their needs so that they can make optimal use of these increasingly complex technologies. Glass container manufacturers can then exploit the full potential of the range. This not only helps them to save costs, but also benefits the environment. More efficient production with less waste reduces both energy consumption and CO<sub>2</sub> emissions. Another initiative is the further development of the proven "AIS" glass container forming machine, which is characterised by an efficient and flexible cooling system. Thanks to the latest innovation, moulds from older machine generations can also be used on it. This enables those glass container manufacturers who have a large and valuable stock of older moulds to still switch to much more efficient machines. That in turn benefits both our customers and the environment.

### Motivated employees

The topics of leadership and corporate culture were high on the division's list of priorities during the reporting period. It conducted various training sessions for middle and lower management and actively communicated with employees about these topics. A global employee survey showed that this training was well received: the response rate was around 90% and the survey revealed a very high level of general satisfaction. A large majority of employees stated that they identified with the values and culture of Bucher Emhart Glass and that the company really lived its values.

### Investing in efficiency and protecting the environment

Bucher Emhart Glass made further investments in the USA and China. Its Research Center in Windsor, USA, converted all of its lighting to LED and started construction of a solar power system that will be commissioned in 2023. As in the previous year, the site in China implemented various measures in production. As well as a new, more energy-efficient air compressor on the assembly line, a large solar power system was installed and successfully commissioned, which will supply 2'200 MWh of electricity annually from 2023. The story on the following pages describes this impressive system and who is behind it.

### Outlook for 2023

Bucher Emhart Glass expects demand for glass container manufacturing equipment to normalise and remain high, despite growing uncertainties caused by high energy prices and rising interest rates. Capacity utilisation should remain very good, but there are some risks due to persistent difficulties in procuring electronic components. The division anticipates sales in line with 2022's very high level. The operating profit margin should be in the range of the 2021 figure due to higher personnel, material and other costs.

### Market position

Bucher Emhart Glass is the world's leading supplier of advanced technologies for manufacturing and inspecting glass containers. Its portfolio of equipment and automation technologies is complemented by its broad range of consulting services and its support for customers in operating and optimising their own equipment.

- World leader in the manufacture of glass-forming machines
- Solid market position in inspection machines

### Strategic focus

The trend towards increased use of glass containers is continuing because glass is a safe, sustainable and high-quality packaging material. However, the glass container industry is being challenged to reduce the ecological footprint of its production processes still further and to find solutions for its worsening shortage of personnel. Bucher Emhart Glass supports glass container manufacturers with "End to End" technologies and services that further automate the glass container forming process. This increases production efficiency and reduces production waste and energy consumption accordingly. It also makes the physically demanding work in the glass plants easier and improves occupational safety.

Division management  
At 24 February 2023

Matthias Kümmerle,  
Division president

Reto Semadeni,  
Finance and controlling

Patrick Crous,  
Projects and service

Juan P. Montes,  
Logistics and manufacturing

Werner Gessner,  
Sales and marketing

Haijun Yu,  
China

Thomas Bewer, Christian  
von Ah and Thomas Huhn,  
Research and development

# 04

Bucher Emhart Glass, Zibo

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## Harnessing the power of the sun



Yawei Wang is dedicated to reducing CO<sub>2</sub> emissions.



Solar energy powers the new generation of quenching machines.



The large-scale solar power installation provides more than 2'000 MWh of electricity per year.

The production of glass forming machines requires high amounts of electric power. The Bucher Emhart Glass Sanjin site in Zibo, China, took steps to become more energy efficient, less dependent on the power grid and to comply with strict local regulations regarding CO<sub>2</sub> reductions by installing 25'000 square metres of photovoltaic cells to generate 25% of its electricity consumption on site. The installation also functions as a protective layer against the heat of the sun, meaning the site requires less cooling in summer. Inside the buildings, a new generation of compressors and quenching machines significantly lowers energy consumption during the production process. In addition, electric fork lifts and LED lights also contribute to sustainable energy consumption, while also improving the working environment and satisfaction of employees. As a result of all these measures, the Bucher Emhart Glass plant has reduced its annual carbon footprint by almost 2'000 tonnes.



Learn more about how Bucher Emhart Glass harnesses the power of the sun:  
[bucherindustries.com](http://bucherindustries.com)

## Divisional report

# Bucher Specials

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The reporting period was characterised by positive market sentiment overall. Only the markets of Bucher Landtechnik declined from their high level after several years of very good performance. Bucher Specials' order intake was in line with the previous year. All four of its business units continued to struggle with problems in their supply chains. Sales increased by 8%, partly due to the strong order book at the beginning of the year. The operating profit margin remained at the previous year's level of 8.6%. The division accounted for 8% of group sales (2021: 9%).

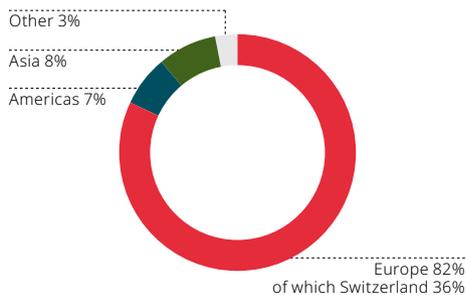
## Key figures

CHF million	Change				
	2022	2021	%	% <sup>1)</sup>	% <sup>2)</sup>
Order intake	363.4	366.4	-0.8	3.2	-1.7
Net sales	347.1	321.3	8.0	12.1	8.8
Order book	153.7	120.5	27.6	34.4	8.6
Operating profit (EBITDA)	34.5	32.2	7.1		
% of net sales	9.9%	10.0%			
Operating profit (EBIT)	29.9	27.5	8.7		
% of net sales	8.6%	8.6%			
Average number of FTEs	1'057	937	12.8		8.0
Employees at 31 December	1'503	995	51.1		6.2

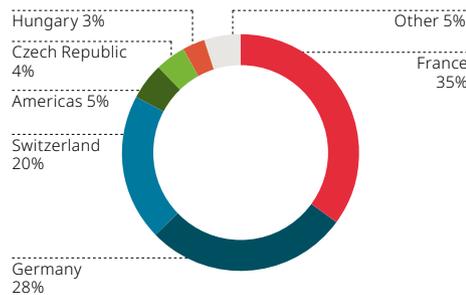
<sup>1)</sup> Adjusted for currency effects    <sup>2)</sup> Adjusted for currency and acquisition effects

## Regional breakdown

### Net sales

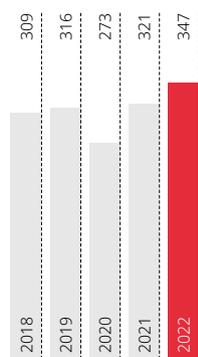


### Employees

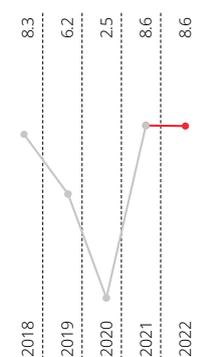


## Five-year summary

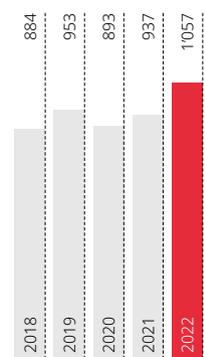
### Net sales CHF million



### Operating profit margin (EBIT margin) %



### Average number of FTEs



### Diverging market developments

The reporting period was characterised by positive market sentiment overall. Only the markets of Bucher Landtechnik declined from their high level after several years of very good performance. Bucher Specials' order intake was in line with the previous year. All four of its business units continued to struggle with problems in their supply chains. The supply situation was especially difficult for electronic components and agricultural machinery. Sales increased by 8%, partly due to the strong order book at the beginning of the year. The operating profit margin remained stable at 8.6% despite a significant increase in material costs as well as expenditure on acquisitions.

### Bucher Vaslin

**Dynamic markets** Positive sentiment prevailed in the wine production markets. This was due to good harvests in France, Germany, Austria and Switzerland, the ongoing catch-up effect after the decline triggered by COVID-19, and continued government subsidy programmes. Bucher Vaslin's sales continued to grow at a high level in this dynamic environment.

**Increasing energy efficiency** Bucher Vaslin is advancing sustainability at various levels. One example is a new filtration line, which enables productive, stable and high-quality wine filtration while significantly reducing water and energy consumption. The line received a bronze award for innovation at the Vinitech-Sifel and SIMEI fairs in 2022. The business unit offers its customers training on energy efficiency and decarbonisation to help them realise the full potential of this highly efficient equipment.

### Bucher Unipektin

**Good business performance** With a brisk demand and a good order book at the beginning of the year, Bucher Unipektin increased its sales significantly. Its beer business grew significantly, driven in particular by its acquisition of Denwel in January 2022. In the fruit juice production sector, its energy-efficient evaporator systems were in high demand, especially for upgrading existing systems. In December, Bucher Unipektin acquired B&P Engineering, a Polish company with sales of CHF 40 million and 400 employees. The company manufactures fruit juice production equipment and stainless steel tanks for the beverage industry, with a focus on cost-efficient production. Following this acquisition, Bucher Unipektin can offer its customers the entire production line from a single source.

**High energy efficiency thanks to steam recompression** The greatest leverage for reducing energy consumption in the production of fruit juice concentrates lies in the evaporation of water. This is where Bucher Unipektin's mechanical vapour recompression (MVR) technology comes in: it mechanically compresses the water vapour that is extracted from the juice and then reuses it to heat the same evaporator. This newly developed multiple MVR technology can be used in both new and existing systems. Customers can use it to reduce their energy consumption in the production of fruit juice concentrate by up to two thirds, which reduces their CO<sub>2</sub> emissions and operating costs.

### Bucher Landtechnik

**Hesitance in the Swiss agricultural machinery market** Uncertainties present in the Swiss agricultural market weighed on farmers' willingness to invest, and these uncertainties were compounded by difficulties with deliveries and significant price increases by manufacturers. As a result, Bucher Landtechnik's business performance declined slightly, albeit at a high level and after several years of very good performance.

**Electrification high on the agenda** Electrification was also a high priority for Bucher Landtechnik during the reporting period. The business unit now offers an electrified model for three of the brands it sells in Switzerland. It has already launched Merlo's and Weidemann's electrified telescopic handlers. This year, New Holland's electric tractor will join them; it is equipped with sensors, cameras and control units on its roof and features autonomous driving functions.

## Jetter

**Continued momentum** At Jetter, the positive trend of the previous year continued, driven heavily by the dynamic development at Bucher Emhart Glass. One milestone was its assembly of a new production line for the manufacture of electrical inverters for Bucher Hydraulics, with the line producing its first units in the summer.

**Focused on the markets' needs** To strengthen its expertise in the application markets, Jetter formed dedicated teams that focus on these markets and the needs of the various customer groups. A market specialist, a sales representative, a programmer and a product manager work together in a team and use this customer-centric and cross-skilled cooperation to develop optimal solutions for their market segment. Agricultural machinery was the first segment to have such a team and another was established during the reporting period for municipal services. This interdepartmental cooperation has achieved its first successes, and is now embedded in Jetter's corporate culture. It is also expressed in the architecture of the new company building in Marbach, as the story on the following pages describes.

## Outlook for 2023

The market environment is expected to remain positive for Bucher Vaslin, Bucher Unipektin and Jetter, but it is likely to remain rather cautious for Bucher Landtechnik in 2023. The shortage of electronic components and the delivery difficulties faced by agricultural machinery manufacturers are likely to persist in the near term. The division expects its sales to increase, partly as a result of its acquisition of B&P Engineering, and its operating profit margin to be roughly in line with 2022.

## Market position

Bucher Specials comprises four business units.

- Bucher Vaslin: world market leader in winemaking equipment
- Bucher Unipektin: world market leader in fruit juice processing equipment
- Bucher Landtechnik: leading distributor of agricultural machinery in Switzerland
- Jetter: supplier of control systems in industrial and mobile automation, global leader in the glass container production sector

## Strategic focus

Bucher Vaslin, Bucher Unipektin and Bucher Landtechnik operate in mature markets but consistently align their solutions with the trend towards additional automation and sustainability. In the era of "Industry 4.0" and the "Internet of Things", Jetter's automation solutions show attractive growth potential in both industrial and mobile applications. Bucher Specials is managed decentrally, with lean structures and a strong customer focus.

Division management  
At 24 February 2023

Stefan Düring,  
Division president

Bruno Estienne,  
Bucher Vaslin

Daniel Schneider,  
Bucher Unipektin

Jürg Minger,  
Bucher Landtechnik

Christian Benz,  
Jetter



Marion Hauser co-ordinates the complex construction project.

# 05

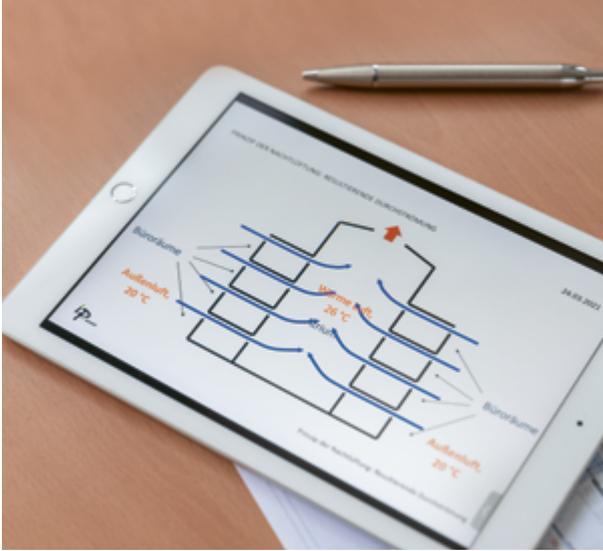
Jetter, Ludwigsburg

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## New building with top energy standards

Construction on the new building has begun.





Highest energy and architectural standards, brought together in one building.

Due to growth in recent years, Jetter's premises at the Ludwigsburg site had spread out over various buildings and become cramped. This prompted Jetter to design a new building according to the latest standards in nearby Marbach: photovoltaic systems on the roof and facades generate electricity for building services and production. Heat pumps heat or cool water that flows through ceiling sails and maintain optimal air temperatures in the rooms during the day. Strategically placed concrete elements with thermal energy storage capacity help keep the indoor climate constant. Air vents in the windows and ventilation flaps in the skylights allow air to ventilate naturally at night through a specially designed atrium. Jetter is seizing the new building as an opportunity to combine the highest energy standards, efficiency and corporate culture in a way that benefits everyone, at one common site.



Learn more about how Jetter achieves the highest energy and architectural standards in a new building:  
[bucherindustries.com](http://bucherindustries.com)



# Corporate governance

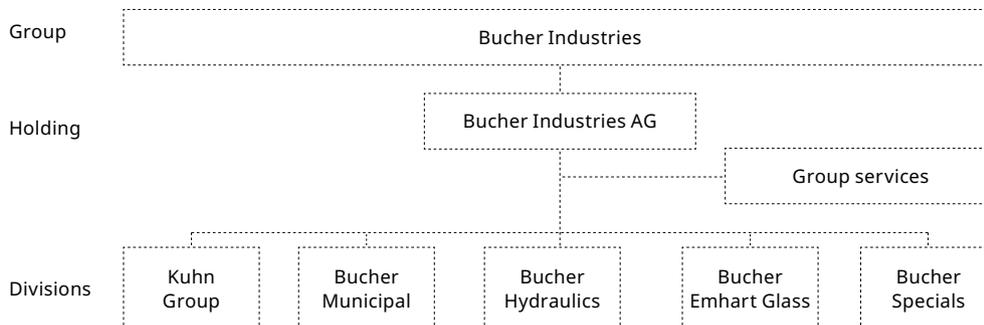
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This report complies with the SIX Swiss Exchange Corporate Governance Directive, in its current version as of 1 October 2021, where applicable to Bucher Industries. Unless otherwise stated, the information presented reflects the situation on 31 December 2022.

## Group structure and shareholders

### Operational group structure

The Bucher Industries Group is organised in five divisions. The divisions comprise: agricultural machinery (Kuhn Group), municipal vehicles (Bucher Municipal), hydraulic components and electrohydraulic systems (Bucher Hydraulics), manufacturing equipment for the glass container industry (Bucher Emhart Glass), equipment for processing beverages, as well as automation solutions (Bucher Specials). At group level, the corporate centre provides finance, group development, legal and compliance, communications and cyber security functions to support the Group and its companies in their activities. The Group's operational structure is shown in the chart below, and detailed segment information is presented in the notes to the consolidated financial statements on pages 87 and 88 of this annual report.



### Group companies and consolidation

Bucher Industries AG, incorporated in Niederweningen, Switzerland, is the Group's holding company. Its registered shares are listed on the main segment of SIX Swiss Exchange. Details are given in the annex section on pages 142 and 143 of this annual report. The consolidation includes all group companies owned directly or indirectly by the holding company. The principal group companies are listed on pages 107 to 109 of this annual report. None of these companies is listed on a stock exchange.

### Shareholders

The registered shares are widely held by public shareholders. A group of shareholders organised under a shareholders' agreement, represented by Rudolf Hauser, Zurich, holds a total of 35.2% of the voting rights, according to the most recent information published in the Swiss Official Gazette of Commerce (SOGC) on 10 May 2005 and subsequent to the share capital reduction in June 2012. The main conditions of the shareholders' agreement and the number of shares held by individual group members have not been published. At the reporting date, the board of Bucher Industries AG is not aware of any other persons who hold more than 3% of the issued share capital of Bucher Industries AG and is not aware of any shareholders entered in the share register with voting rights or groups of shareholders subject to voting agreements who hold more than 3% of the issued share capital. Notifications can be viewed via the SIX Swiss Exchange website. [ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html](https://www.six.ch/en/resources/notifications-market-participants/significant-shareholders.html)

There are no cross-shareholdings between Bucher Industries AG and other companies.

## Capital structure

### Capital

The issued share capital of Bucher Industries AG stands at CHF 2'050'000. It is composed of 10'250'000 registered shares at a par value of CHF 0.20 each. Bucher Industries AG has conditional authorised but unissued capital up to a maximum of CHF 236'820. There is no additional authorised capital.

**Conditional authorised but unissued capital** The share capital of Bucher Industries AG may be increased by a maximum of CHF 236'820 through the issuance of up to 1'184'100 registered shares with a par value of CHF 0.20 each. The conditional authorised but unissued capital is reserved for the exercise of warrants or conversion rights attached to bonds and of rights issued to shareholders. Shareholders have no pre-emption rights. Holders of warrants, options or conversion rights are entitled to subscribe for new shares. No such rights are outstanding at present. Warrant or conversion terms are determined by the board of directors. The board is authorised to disapply shareholders' pre-emption rights for good cause, as provided in art. 653c par. 2 of the Swiss Code of Obligations. In such cases, the board is responsible for specifying the structure, life and amount of the issue as well as the warrant or conversion terms according to market conditions at the time of issue.

**Changes in capital** There were no changes in capital in the last three reporting periods.

### Shares

Bucher Industries AG has an issued share capital of CHF 2'050'000, divided into 10'250'000 registered shares with a par value of CHF 0.20 each. All shares are fully paid-up and rank for dividend. Each share carries one vote at general meetings of shareholders. Bucher Industries AG has not issued any participation or profit-sharing certificates.

**Restrictions on transferability** The company's registered shares are not subject to any restrictions on ownership or transferability. Pursuant to the articles of association of Bucher Industries, the board has established principles for the registration of nominees. Persons who do not expressly state in the application for registration that the shares are held for their own account (hereinafter "nominees") will be recorded in the share register as shareholders with voting rights up to a maximum of 2% of the share capital then outstanding, provided that such persons have previously entered into a nominee agreement with Bucher Industries AG. If the 2% threshold is exceeded, registered shares held by nominees will be entered with voting rights only if the nominee agrees in writing to disclose the names, addresses and shareholdings of the persons for whose account the nominee holds 0.5% or more of the share capital then outstanding. The 2% threshold also applies to nominees who are affiliated by capital or votes, through common management or otherwise.

### Convertible bonds and share options

Bucher Industries AG has no outstanding convertible bonds and no outstanding share options.

## Board of directors



Above, from left to right:  
Philip Mosimann,  
Anita Hauser,  
Michael Hauser

Below, from left to right:  
Martin Hirzel,  
Stefan Scheiber,  
Valentin Vogt

## Members

Name	Born	Position	Appointed	Committees	
				Audit	Compensation
Philip Mosimann	1954	chairman	2016		
Anita Hauser	1969	deputy chairwoman	2007		x
Michael Hauser	1972		2011	x	
Martin Hirzel	1970		2018	C	
Stefan Scheiber	1965		2022	x	
Valentin Vogt	1960		2014		C

All directors are non-executive and independent. Philip Mosimann was CEO and group management member of Bucher Industries until the annual general meeting on 15 April 2016. (C = chairman).

### Philip Mosimann

1954, Swiss citizen, master’s degree in mechanical engineering (dipl. Ing.) from the Swiss Federal Institute of Technology (ETH) Zurich; since 2016 chairman of the board

- 2002–2016 Bucher Industries, CEO
- 1997 Sulzer AG, Winterthur, division president of Sulzer Textil
- 1993 Sulzer AG, Winterthur, division president of Sulzer Thermtec
- 1980 Sulzer Innotec AG, Winterthur

### Other appointments:

Chairman of the board of Uster Technologies AG, Uster, and of Ammann Group Holding AG, Langenthal; member of the board of Bobst Group SA, Mex, and of Vanderlande Industries B.V., Veghel/NL

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### Anita Hauser

1969, Swiss citizen, master's degree in public affairs (lic. rer. publ.) from the HSG University of St. Gallen, MBA INSEAD, Fontainebleau; since 2007 member of the board, since 2011 deputy chairwoman of the board

- 2012–2017 Magenta Management AG, Zurich, managing director
- 2010 EF Education First AG, Lucerne, marketing director
- 2005 EF Education AG, Zurich, country manager
- 2000 Lindt & Sprüngli (International) AG, Kilchberg, international marketing manager
- 1993–1998 Unilever, Zug and Milan, European brand manager

#### Other appointments:

Member of the board of AMAG Group AG, Cham, and of Roche Holding AG, Basel

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### Michael Hauser

1972, Swiss citizen, master's degree in mechanical engineering (dipl. Ing.) from the Swiss Federal Institute of Technology (ETH) Zurich, MBA INSEAD, Fontainebleau/Singapore; since 2011 member of the board

- since 2020 notime AG, Zurich, CEO
- 2015 notime AG, Zurich, member of the board and of the management
- 2013 biuco GmbH, Austria, managing director
- 2009–2011 Strabag Energietechnik, Austria, managing director
- 2006 hs energieanlagen, Germany, member of the management
- 1998 Alstom/ABB, commissioning of gas turbines

No other appointments or commitments

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### Martin Hirzel

1970, Swiss citizen, degree in business administration (HWV), GMP Harvard Business School; since 2018 member of the board

- since 2021 president of Swissmem (trade association of the Swiss mechanical, electrical and engineering industries), Zurich
- 2011–2019 Autoneum Holding AG, Winterthur, CEO
- 2007 Rieter Automotive Systems, São Paulo, division president
- 2000 Rieter Holding AG, Shanghai, general manager China

- 1997 Rieter Textile Systems, Winterthur, chief controller international

#### Other appointments:

Member of the board of Dätwyler Holding AG, Altdorf, and of Ronal AG, Härkingen; vice-president of Economiesuisse (umbrella organisation for the Swiss economy), chairman of the Regional Economic Council of the Swiss National Bank

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### Stefan Scheiber

1965, Swiss citizen, business economist St. Gallen University of Applied Sciences, IMD Lausanne, Harvard Business School; since 2022 member of the board

- since 2020 Bühler Group, Uzwil, member of the board
- since 2016 Bühler Group, Uzwil, CEO
- 1988 Bühler Group, Uzwil, various management positions

#### Other appointments:

Member of the board of Kistler Holding AG, Winterthur; member of the executive committee of Swissmem (the trade association of the Swiss mechanical, electrical and engineering industries), Zurich, member of the board of management of Economiesuisse (umbrella organisation for the Swiss economy)

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### Valentin Vogt

1960, Swiss citizen, master's degree in economics (lic. oec.) from the HSG University of St. Gallen; since 2014 member of the board

- since 2019 Kistler Holding AG, Winterthur, chairman of the board
- 2011–2020 Burckhardt Compression AG, Winterthur, chairman of the board
- 2000 Burckhardt Compression AG, Winterthur, delegate of the board and CEO
- 1992 Sulzer Metco AG, Switzerland, managing director
- 1989 Sulzer Metco Division, Switzerland, CFO
- 1986 Alloy Metals, USA, CFO
- 1985 Sulzer AG, Switzerland, financial controller

#### Other appointments:

Member of the board of Ernst Göhner Stiftung Beteiligungen AG, Zurich; chairman of the Swiss Employers Confederation, Zurich; member of the board of trustees of the Hirschmann Foundation, Zug

### Independence

All directors are non-executive and independent, which means they do not perform any operational duties within the Group, have not been members of the management of Bucher Industries for the last three years and do not have a material business relationship with the Group. Philip Mosimann was CEO and group management member of Bucher Industries until the annual general meeting on 15 April 2016.

### Election and term of office

On 12 April 2022, the directors, the chairman of the board and the members of the compensation committee were each elected individually by the annual general meeting up until the close of the next annual general meeting. The re-election of members of the board of directors extends only to the date of the annual general meeting which follows the member's 70th birthday. The persons listed in the table on page 53 of this annual report were elected in the reporting period.

### Number of admissible activities (external appointments)

Members of the board of directors may exercise a maximum of four appointments in listed companies and no more than ten in unlisted legal entities as a member of the senior management or administrative body. Appointments in companies that are linked, but outside the Group, as well as appointments that are held in connection with the exercise of such a function, count as one appointment, as long as no more than 30 appointments in all are held with such linked companies. Pro bono appointments are not subject to the above-mentioned restrictions. However, no member of the board of directors may hold more than 20 such appointments. This regulation complies with art. 29 of Bucher Industries AG's articles of association.

### Internal organisation

The board determines the strategic direction and oversees the management of the company as provided in the Swiss Code of Obligations, in the articles of association and internal rules of organisation, an abridged version of which is available on the Bucher Industries website. It meets as often as business requires, holding at least six scheduled meetings each year, which generally take place every two months. The meetings are usually attended by the CEO and CFO and by other members of group management, members of division and segment management or specialists, depending on the items on the agenda. The secretary to the board takes minutes of the proceedings and resolutions. The meetings generally last one day; the annual strategy meeting lasts two days. Seven ordinary meetings, one of which was part of a five-day strategy trip in the USA, and one extraordinary meeting, which was conducted as a conference call, took place in the reporting period. All the meetings were attended by all board members, the CEO and the CFO.

[bucherindustries.com/en/investors/corporate-governance](https://www.bucherindustries.com/en/investors/corporate-governance)

## Committees

To assist with its responsibilities, the board of directors has an audit committee and a compensation committee appointed from among its members. The roles and responsibilities of the audit committee are described below and are published in the abridged version of the rules of organisation on the website of Bucher Industries; those of the compensation committee are listed in the remuneration report on pages 63 to 70 of this annual report. The committees report to the board of directors on their activities, findings and proposals. Overall responsibility for the tasks assigned to the committees rests with the board of directors. The annual term of office for audit and compensation committee members begins with the annual general meeting and continues until the next annual general meeting. Proceedings and resolutions of committee meetings are recorded in minutes.

[bucherindustries.com/en/investors/corporate-governance](https://bucherindustries.com/en/investors/corporate-governance)

### Audit committee

- **Organisation:** On 12 April 2022, the composition of the audit committee was determined by the board of directors as follows: Martin Hirzel, chairman, Michael Hauser and Stefan Scheiber. All of its members are non-executive and independent. The audit committee meets at least three times a year. A meeting generally lasts half a day. The chairman of the board, CEO and CFO attend the meetings in an advisory capacity. Depending on the items on the agenda, the internal or external auditors, members of group, division and segment management or specialists are consulted. Four meetings were held last year. All members of the audit committee, the chairman of the board, the CEO and the CFO were present at all the meetings, with the exception of one meeting, at which one member was excused.
- **Focus in the reporting period:** In addition to the ordinary tasks described below, the focus of activities in the reporting period was on financial planning and the determination of optimal liquidity as well as on implementing the new audit plan for internal and external auditing. The audit committee also dealt with personnel planning in the finance department and the increasing requirements in the area of sustainability reporting.
- **Tasks:** The audit committee's main tasks include reviewing the organisation of the accounting system, the Group's financial controls and financial planning, and reviewing the plans, budgets and financial statements of the Group and its group companies, including those of individual projects involving significant commitment of capital. The audit committee is also responsible for monitoring the risk management system, particularly with respect to financial and regulatory risks as well as cyber risks. This includes defining and monitoring the effectiveness of the internal control system and ensuring a comprehensive and effective audit plan. The audit committee determines the key areas of the audit plan for the external and internal audits, receives reports from the auditors and appoints the head of the internal audit function, who reports to the chairman of the audit committee. For a preliminary decision, the audit committee evaluates the independence and performance of the external and internal auditors, finally determines the level of their remuneration and prepares the board's proposal for the appointment of the external auditor.
- **External audit:** The key areas of the audit plan in the reporting period related to the valuation of receivables and inventories, the sales process and revenue recognition, as well as management control processes. The external auditors also reviewed the implementation of the revised internal control system in general and conducted an in-depth review of the existence of internal controls in the areas of purchasing, investments and personnel. The external auditors attended four meetings of the audit committee.

– **Internal audit:** Internal audit carries out audits in the Group in accordance with the audit plan proposed by the audit committee and determined by the board. The chairman of the audit committee agrees the audit programme with the chairman of the board. The coordination and implementation of audits are delegated to the CFO. The internal audit work is contracted out externally. The head of the internal audit function reports to the chairman of the audit committee. The internal audit function reports the results of its audits to the audit committee at a minimum of one meeting each year. The internal audit plan focused on comprehensive verification and evaluation of the internal control system processes at several group companies. In the reporting period, four meetings took place with the internal auditors. Additionally, the Chief Information Security Officer is commissioned by the audit committee to carry out regular cyber security audits together with external audit companies. During these audits, the IT infrastructure of selected units is analysed and targeted measures are defined to eliminate vulnerabilities.

#### Compensation committee

Information about the compensation committee is given in the remuneration report on pages 64 and 65 of this annual report.

#### Authority and responsibility

The board has delegated the Group's operational management to the CEO, the CFO and other group management members. Their authority and responsibilities are set out in the internal rules of organisation. A short version of the rules of organisation is available on the Bucher Industries website. The board oversees the operational management.  
[bucherindustries.com/en/investors/corporate-governance](https://www.bucherindustries.com/en/investors/corporate-governance)

#### Information and control systems relating to group management

As part of the management information system, the board receives monthly key figures, consolidated financial statements and management comments from group management, providing information on operational performance and performance indicators within the Group, divisions, segments and major group companies. At each meeting, the board is also informed about the course of business, important projects and risks. Once a year, it conducts an in-depth assessment of the Group's risk situation on the basis of a risk report prepared under the direction of the CEO, with the participation of members of group management and group services. Written proposals are prepared under the direction of the CEO for any major projects requiring a board decision. In addition to the chairman, one member of the board can attend each of the annual divisional strategy reviews, which are led by the CEO, in order to gain greater insight into the business. In the reporting period, the CEO, the CFO, the chairman of the board and a member of the board of directors all took part in the strategy meetings. The board of directors is also supported in its supervisory and control function by internal audit and the external auditors.



Stefan Düring, Manuela Suter, Thierry Krier, Daniel Waller, Aurelio Lemos, Matthias Kümmerle and Jacques Sanche (from left to right).

## Group management

### Members

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#### Jacques Sanche

1965, Swiss and Canadian citizen, doctorate in economics (Dr. oec.) from the HSG University of St. Gallen; since 2016 CEO and since 2015 designated CEO

- 2007 Belimo Holding AG, Hinwil, CEO
- 2004 WMH Walter Meier Holding, Stäfa, member of the group management; WMH Tool Group, Chicago, USA, CEO
- 1997 WMH Walter Meier Holding, various management positions
- 1990 various positions as consultant

#### Other appointments:

Member of the board of Schweiter Technologies, Steinhausen

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#### Manuela Suter

1974, Swiss citizen, master's degree in business economics (lic. oec. publ.) from the University of Zurich, Swiss certified public accountant; since 2018 CFO

- 2014 Bucher Industries, head of group controlling
- 2011 Bucher Industries, group controller
- 2010 SIX Exchange Regulation, Zurich, senior financial reporting specialist
- 2007 Holcim, Zurich, head of financial holdings
- 2001 Ernst&Young, Zurich, auditor

#### Other appointments:

Member of the board of SFS Group AG, Heerbrugg; member of the board of Swissholdings (association of industrial and service companies in Switzerland), Berne

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#### Stefan Düring

1972, Swiss citizen, master's degree in economics (lic. oec.) from the HSG University of St. Gallen, certified public accountant Board of Accountancy, New Hampshire, chartered financial analyst Association for Investment Management and Research, Charlottesville; since 2014 division president of Bucher Specials

- since 2006 Bucher Industries, head of group development and since 2010 also responsible for Bucher Unipektin and Bucher Landtechnik
- 1998 PricewaterhouseCoopers, Zurich

No other appointments or commitments

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### Thierry Krier

1967, American and French citizen, master's degree in international business marketing, ESIDEC in Metz, bachelor's degree in agronomy, Dijon College of Agriculture; since 2014 division president of Kuhn Group

- 2008 Kuhn North America Inc., president and CEO
- 2002 Kuhn Knight Inc., president and CEO
- 1994 Kuhn Farm Machinery Inc., head of sales and marketing
- 1990 Kuhn SA, Saverne

Other appointments:

President of CEMA (European Agricultural Machinery Association); member of the board of VDMA Agricultural Machinery (trade association of the German Engineering Federation)

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### Matthias Kümmerle

1973, Swiss and German citizen, doctorate in materials engineering (Dr. sc. techn.) EPFL Lausanne, master's degree in mechanical engineering (dipl. Ing.) from the Swiss Federal Institute of Technology (ETH) Zurich, MBA IMD Lausanne; since 2021 division president of Bucher Emhart Glass

- 2011 Emhart Glass SA, Steinhausen, head of technology
- 2005 Hilti AG, China and Liechtenstein
- 2001 Emhart Glass SA, Steinhausen

No other appointments or commitments

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### Aurelio Lemos

1962, Spanish citizen, machine designer with Swiss business diploma (VSH Handelsdiplom); since 2016 division president of Bucher Municipal

- 2012 Bucher Hydraulics Switzerland, managing director
- 2003 Bucher Hydraulics AG, Frutigen, managing director
- 1994 Bürkert Fluid Control Systems, Hünenberg, head of marketing and sales
- 1992 Weber Protection AG, Emmenbrücke, head of development and technology
- 1990 Weber AG, Emmenbrücke, business engineer
- 1989 BOA AG, Rothenburg
- 1988 Kent Moor AG, Baar
- 1980 Viscosuisse AG, Emmenbrücke

No other appointments or commitments

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### Daniel Waller

1960, Swiss citizen, master's degree in mechanical engineering (dipl. Ing.) from the Swiss Federal Institute of Technology (ETH/BWI) Zurich; since 2004 division president of Bucher Hydraulics

- 1999 Bucher Hydraulics AG, Frutigen, managing director
- 1996 Carlo Gavazzi AG, Steinhausen
- 1987 Rittmeyer AG, Zug

No other appointments or commitments

## Number of admissible external activities

Members of the group management may exercise a maximum of two appointments in listed companies and no more than two in unlisted legal entities as a member of the senior management or administrative body. Appointments in companies that are linked, but outside the Group, as well as appointments that are held in connection with the exercise of such a function, count as one appointment, as long as no more than 30 appointments in all are held with such linked companies. Pro bono appointments are not subject to the above-mentioned restrictions. However, no member of the group management may hold more than 20 such appointments. This regulation complies with art. 29 of Bucher Industries AG's articles of association.

## Management contracts

Bucher Industries AG has not entered into any management contracts with third parties.

## Shareholders' participation rights

Shareholders' rights with regard to remuneration are detailed in the remuneration report on pages 63 to 70 of this annual report.

### Voting rights and representation restrictions

There are no restrictions on voting rights or proxy voting.

### Independent proxy holder

The independent proxy holder is elected on an annual basis by the annual general meeting. In the reporting period, the annual general meeting of 12 April 2022 elected Law Office Keller Partnership, Alfred-Escher-Strasse 11, 8002 Zurich, Switzerland, to the office of independent proxy holder, which the firm will hold until the next annual general meeting. Art. 8 of the company's articles of association stipulates that every shareholder with voting rights can issue a written or electronic proxy to arrange representation at the annual general meeting by the independent proxy holder.

**Instructions to the independent proxy holder** Bucher Industries AG's articles of association have no provision regarding the procedure for issuing instructions to the independent proxy holder. The board of directors determines, within the scope of legal provisions, the requirements relevant to proxies and instructions and can stipulate specific regulations. Details of such stipulations are provided with the invitation to the annual general meeting. In the reporting period, every shareholder received, along with the invitation to the annual general meeting, a form for the purpose of issuing a proxy, in writing or online, arranging representation at the annual general meeting and giving instructions to the independent proxy holder. Instructions were restricted to approval, rejection or abstention on each of the proposals. For additional proposals or amendments, shareholders were able to issue a global instruction to approve, reject or abstain from the respective proposal of the board of directors. Shareholders were given a deadline until 10 April 2022 at 3.30 p.m. for the issue of proxies and instructions online. Shareholders who had issued proxies online were not permitted to attend the annual general meeting personally.

### Electronic participation in the annual general meeting

The articles of association of Bucher Industries AG contain no provision regarding electronic participation of shareholders in the annual general meeting. Likewise, no such provision was planned in the reporting period.

### Required quorums

Resolutions at general meetings of shareholders are passed by an absolute majority of the votes of the shares represented. At least two-thirds of the votes represented and an absolute majority of the par value of the shares represented are required for special resolutions as prescribed in art. 704 par. 1 of the Swiss Code of Obligations.

### Convocation of the general meeting of shareholders

There are no rules that differ from the law for the convocation of general meetings of shareholders. As provided in the articles of association, notice of a meeting is given to shareholders at least 20 days before the meeting. The notice convening the meeting sets out the agenda and resolutions proposed by the board and by shareholders who have requested an item to be added to the agenda. According to the articles of association, the board of directors determines the date for registration of shareholders in the share register and announces the date in the invitation. As a rule, it is stipulated that shareholders must be registered four working days before the date of the meeting. Extraordinary general meetings are called as and when required, in particular in the cases

provided by law. Shareholders representing at least one tenth of the share capital may at any time request that a meeting be convened stating the business to be transacted and resolutions proposed.

#### Requests for additions to the agenda

Shareholders representing shares with a combined par value of CHF 20'000 may request that an item be added to the agenda. Requests for additions to the agenda must be submitted at least six weeks before a general meeting of shareholders.

#### Obligation to make an offer and clauses on changes of control

The annual general meeting of shareholders held on 26 April 2005 adopted an opting-up clause in the articles of association, requiring a purchaser of shares to make a public tender offer when reaching or crossing the threshold of 40% of the voting rights in accordance with the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading. There are no change of control clauses benefiting directors or group management members.

## Auditors

#### Duration of the engagement and lead audit partner's tenure

PricewaterhouseCoopers AG, Zurich, or its predecessor companies, has served as statutory auditors of Bucher Industries AG since 1984. The lead audit partner, Thomas Illi, has been responsible for the audit engagement since 2020. In the reporting period, the external audit mandates in various countries were put out to tender and local audit firms were changed as necessary.

#### Audit fees and non-audit fees

For the reporting period, Bucher Industries was charged CHF 1'355'000 by PricewaterhouseCoopers and CHF 912'000 by other auditors for services rendered in connection with the audit of the financial statements of Bucher Industries AG and its group companies, and the audit of the consolidated financial statements of Bucher Industries and the remuneration report. In addition, PricewaterhouseCoopers charged Bucher Industries a fee of CHF 360'000 for non-audit services, comprising financial and tax services.

#### Supervisory and control instruments pertaining to the audit

The audit committee reviews the audit programme, key audit areas and audit plan every year and discusses the audit findings with the auditors. Every year, the audit committee subsequently assesses the independence, performance and fees of the auditors.

## Information policy

### Publications

According to art. 36 of the articles of association, the official organ of publication of Bucher Industries AG is the Swiss Official Gazette of Commerce (SOGC). Communications and invitations to shareholders may also be made by regular letter to the addresses recorded in the share register.

### Reports and annual general meeting

Bucher Industries publishes the results of operations in an annual report (including a corporate governance, remuneration and financial report) and an interim report. For the first time, this annual report contains an environmental, social and ethical report with non-financial information according to the GRI Standards that, prior to this, had been published in a separate sustainability report in June of the following year. These publications and the invitation to the annual general meeting of shareholders are made available at the appropriate time on the Bucher Industries website.

[bucherindustries.com/en/investors/financial-reports](https://bucherindustries.com/en/investors/financial-reports)

[bucherindustries.com/en/investors/annual-general-meeting](https://bucherindustries.com/en/investors/annual-general-meeting)

### Press releases and calendar

Sales, order intake, order book and number of employees at the end of the first and third quarters of a financial year are published in press releases. The company holds an annual press conference and an annual analyst conference to present full-year results on the day of publication of the annual report. A video conference is also held at the end of the first half of the year on the day the interim results are published. Significant events are announced in compliance with the directive on ad hoc publicity issued by SIX Swiss Exchange. A calendar of forthcoming release dates scheduled for the current and next financial year is set out in the table on page 143 of this annual report. All information published as well as the contact address can be found on the website of Bucher Industries. The company's website also provides a facility to subscribe to an e-mail service to receive press releases published by Bucher Industries.

[www.bucherindustries.com/en/media](https://www.bucherindustries.com/en/media)

[bucherindustries.com](https://bucherindustries.com)

[bucherindustries.com/en/media-info](https://bucherindustries.com/en/media-info)

## Blackout periods

Bucher Industries keeps an insider list of individuals for which the general blackout periods for securities of Bucher Industries apply; these periods extend from the reporting date of the respective quarterly report (31 March, 30 June, 30 September and 31 December) up to and including the publication date of the respective quarterly, interim or annual report. The insider list specifies employees and external service providers who, by virtue of their activities, have access to insider information, specifically in connection with the preparation of financial information for quarterly reporting and market-relevant projects. Details are regulated in the internal insider trading policy.

# Remuneration report

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The remuneration report describes the remuneration policy and remuneration system of Bucher Industries and provides information about the annual remuneration of the members of the board of directors and group management. The 2022 remuneration report is based on the Ordinance against Excessive Compensation in Listed Corporations (VegüV) as well as the Directive on Information relating to Corporate Governance (RLCG) published by SIX Swiss Exchange valid on 31 December 2022 and Bucher Industries AG's articles of association.

## Remuneration policy

Bucher Industries' remuneration policy derives directly from its strategy, which is aligned with the interests of all of its stakeholders. The individual elements of the remuneration system aim to promote sustainable corporate development. The basic principles of the remuneration system are set out in art. 23 to 28 of the articles of association of Bucher Industries AG. Since 2015, the overall remuneration of the board of directors and group management has been subject to approval by the annual general meeting of shareholders. Directors are remunerated on a non-performance-related basis. Members of group management and senior management receive, in addition to their non-performance-related base salary, performance-related remuneration in recognition of their performance-oriented approach. All performance-related components of remuneration are subject to an upper limit and comprise a cash bonus and shares in the company. The objective of the remuneration system is to attract and retain highly qualified managers and specialists. The focus is on providing competitive remuneration comprising a fixed base salary and performance-related components. At the request of the compensation committee, the board of directors issues rules and regulations relevant to the remuneration system, which are additionally benchmarked against publicly available information about similar listed companies within the European mechanical engineering industry every three to five years and revised by the board if necessary, also at the request of the compensation committee.

[bucherindustries.com/en/investors/corporate-governance](https://bucherindustries.com/en/investors/corporate-governance)

### Annual general meeting

In accordance with art. 26 of the articles of association of Bucher Industries AG, the annual general meeting approves the total remuneration to be awarded to the board of directors for the period of office following the annual general meeting, the total amount of fixed remuneration for group management for the financial year following the annual general meeting and the total amount of variable remuneration for group management for the previous financial year. Additionally, the annual general meeting of shareholders takes note of the remuneration report on a non-binding and consultative basis.

### Compensation committee

**Responsibility** The compensation committee comprises two to five members of the board of directors who are individually elected by the annual general meeting. The duties and responsibilities of the compensation committee are described in art. 20 and following of the company's articles of association, as well as in the summary of the internal rules of organisation that is publicly available. The compensation committee reports to the board of directors on its activities, findings and proposals. Overall responsibility for the tasks assigned to the compensation committee rests with the board of directors.

[bucherindustries.com/en/investors/corporate-governance](https://bucherindustries.com/en/investors/corporate-governance)

**Election and term of office** The annual general meeting of 12 April 2022 elected Anita Hauser and Valentin Vogt to the compensation committee until the next annual general meeting. The board of directors nominated Valentin Vogt as chairman of the committee.

**Tasks and responsibilities** The compensation committee develops the remuneration policy and sets before the board of directors a proposal for a remuneration system, together with the appropriate corporate rules and regulations, for the directors, group management and senior management. It makes recommendations to the board for the annual remuneration of the board of directors and group management and the participants in the Bucher Participation Plan and takes note of the total remuneration for senior management. The compensation committee also sets before the board of directors proposals to be presented to the annual general meeting for the prospective approval of the total fixed remuneration for the board of directors and group management, as well as the retrospective approval of the total variable remuneration for group management, in accordance with art. 26 of the articles of association of Bucher Industries AG. It is also charged with the preparation of the remuneration report to be submitted to the board of directors. The compensation committee also reviews proposals to take on external directorships submitted by members of group management, in accordance with art. 29 of the articles of association of Bucher Industries AG. If agreement is unanimous, the committee recommends to the board of directors approval of the external mandates. The compensation committee also presents the board of directors with proposals for medium- and long-term personnel planning for the board of directors and group management. The committee provides the board of directors with proposals regarding the basic principles of the process for selecting candidates for the board of directors and group management and prepares selections based on these criteria.

**Meetings and activities in the reporting period** The compensation committee meets at least twice a year. The meetings usually last for several hours. The chairman of the board of directors and the CEO attend the meetings in an advisory capacity, except when their own remuneration is being determined. Depending on the items on the agenda, members of group management or specialists are consulted. The compensation committee held four meetings in the reporting period. The committee's meetings focused on succession planning for management and the board of directors and on the promotion of diversity within the Group. The compensation committee also examined, with external support, the remuneration of the group management and dealt with the regular duties described above.

## Remuneration system

### Board of directors

The members of the board of directors receive non-performance-related remuneration, which is proposed by the compensation committee and submitted for approval to the annual general meeting by the board of directors every year. The remuneration includes a total amount, half of which is paid in cash and half is paid in shares. Work in the committees is remunerated in cash. All cash components of the remuneration are paid out to the board of directors on a monthly basis. The allocation of shares takes place on the day after the annual general meeting for the previous period of office. The number of the shares is calculated using the closing price on the day of the annual general meeting. The shares awarded are subject to a three-year vesting period.

### Group management

Members of group management receive a fixed remuneration amount in the form of a base salary commensurate with their responsibilities and experience and performance-related remuneration paid out as a cash bonus and shares under the Bucher Participation Plan. Other benefits comprise a representation expense allowance and contributions to a supplementary pension plan. In addition, the members of group management may be provided with a mid-range company car. The fixed and variable components of remuneration specified in the employment contracts of the members of group management are conditional on the approval of the annual general meeting. Variable remuneration is paid after retrospective approval by the annual general meeting in the following spring. Variable remuneration depends on the base salary, the achievement of the annual financial targets set for the Group and divisions by the board of directors and the achievement of individual non-financial annual targets.

- **Annual financial targets** The annual financial targets for the variable, performance-related components of remuneration are determined at the start of the financial year by the board of directors. The targets take into account the Group's long-term targets, the budget for the current year and the general economic environment.
- **Individual annual targets** The individual annual targets are agreed between the board of directors and the CEO, while the CEO sets the targets for the members of group management after consultation with the chairman of the board of directors. The individual annual targets take the strategic initiatives of the respective divisions into account. In addition, each member of group management has at least one target related to the implementation of the Group-wide sustainability strategy.

The remuneration system for members of group management is structured as follows:

	Fixed remuneration		Variable remuneration		
	Base salary	Cash bonus		Bucher Participation Plan	
		Target <sup>1)</sup>	Range	Target <sup>1)</sup>	Range
CEO	100%	50%	0 – 75%	50%	0 – 75%
Other members	100%	40%	0 – 60%	30%	0 – 45%

<sup>1)</sup> 100% target achievement, all percentages are based on base salary.

**Fixed remuneration** The fixed base salary of group management members is determined with reference to market benchmarks for the specific position in the country concerned, based on the level of individual responsibility and experience of the person concerned.

**Variable remuneration** The performance-related components of the variable remuneration comprise a cash bonus and the Bucher Participation Plan. The level of individual target achievement ranges from zero to a maximum of 1.5 times the value for 100% target achievement.

- **Cash bonus** The remuneration system for the cash bonus is structured as follows: The financial targets are weighted at 80% and individual targets at 20%. The cash bonus for 100% target achievement is 50% of base salary for the CEO and 40% of base salary for all other members of group management. The financial criteria used to determine the cash bonus for the CEO and CFO are the Group's "profit for the year" and its "net operating assets as a percentage of sales". For the other members of group management, the financial criteria are "operating profit (EBIT)" and "net operating assets as a percentage of sales" for their respective divisions.
- **Bucher Participation Plan** The Bucher Participation Plan is a share-based, performance-related component of remuneration for the members of group management, senior management and selected specialists. The financial target determining the share awards is "earnings per share" and is set by the board of directors at the beginning of each financial year. The target takes into account the Group's long-term targets, the budget for the current year and the general economic environment. Share awards are based on a percentage of base salary. For 100% target achievement, the applicable percentage is 50% of base salary for the CEO, 30% for the other group management members and 10% for other Bucher Participation Plan participants. The number and valuation of the shares is calculated using the closing price on the day of the annual general meeting. The shares awarded are subject to a three-year vesting period.

**Termination of employment** If employment is terminated for any reason other than by normal notice of termination, the cash bonus and awards under the Bucher Participation Plan will be paid on a pro-rata basis after the retrospective approval of the annual general meeting in the following spring. If employment is terminated by normal notice of termination, all rights under the Bucher Participation Plan lapse. The period of notice for members of group management is twelve months.

#### **Termination benefits**

There are no systems in place for termination benefits for either the board of directors or group management, and none were paid during the reporting period.

## Remuneration in 2022

The remuneration of the board of directors and group management is reported here on an accrual basis.

### Board of directors

The overall remuneration awarded to directors came to CHF 1.174 million (2021: CHF 1.176 million) and was within the total sum of CHF 1.300 million approved by the 2022 annual general meeting for the period of office. While the chairman's remuneration remained unchanged, the total amount for the other members of the board was increased by CHF 10'000. In addition, as of the new period of office, the payment of flat-rate expenses was waived and integrated into the total amount. This led to a shift within the categories. The flat-rate expenses for the chairman amounted to CHF 12'000 and CHF 6'000 for the other members. The total amount is paid half in cash and half in shares. The total compensation for the new period of office 2022/2023 for the chairman was CHF 352'000, for the deputy chairwoman CHF 141'000 and for the other members of the board of directors CHF 126'000. For their work in committees, committee members were each awarded CHF 10'000, with committee chairmen receiving an additional CHF 5'000. The corresponding share allocations are based on the closing share price on the day of the annual general meeting. Other remuneration included social security contributions, expenses and fees for service on the board committees.

### Remuneration of the board of directors (audited)

CHF 1'000	Base compensation in cash	Compensation in shares	Other remuneration	Total remuneration
				<b>2022</b>
Philip Mosimann, chairman	174.0	174.0	38.0	<b>386.0</b>
Anita Hauser, deputy chairwoman	67.8	67.8	39.2	<b>174.8</b>
Michael Hauser	60.3	60.3	28.5	<b>149.1</b>
Martin Hirzel	60.3	60.3	34.2	<b>154.8</b>
Stefan Scheiber <sup>1)</sup>	42.0	42.0	18.1	<b>102.1</b>
Heinrich Spoerry <sup>2)</sup>	18.3	18.3	15.7	<b>52.3</b>
Valentin Vogt	61.3	61.3	32.5	<b>155.1</b>
<b>Board of directors</b>	<b>484.0</b>	<b>484.0</b>	<b>206.2</b>	<b>1'174.2</b>
<b>Approval by the annual general meeting 2022</b>				<b>1'300.0</b>
				<b>2021</b>
Philip Mosimann, chairman	170.0	170.0	45.2	<b>385.2</b>
Anita Hauser, deputy chairwoman	62.5	62.5	41.8	<b>166.8</b>
Claude R. Cornaz <sup>3)</sup>	18.3	18.3	14.4	<b>51.0</b>
Michael Hauser	55.0	55.0	31.3	<b>141.3</b>
Martin Hirzel	55.0	55.0	35.0	<b>145.0</b>
Heinrich Spoerry	55.0	55.0	28.5	<b>138.5</b>
Valentin Vogt	58.0	58.0	31.7	<b>147.7</b>
<b>Board of directors</b>	<b>473.8</b>	<b>473.8</b>	<b>227.9</b>	<b>1'175.5</b>
<b>Approval by the annual general meeting 2021</b>				<b>1'300.0</b>

<sup>1)</sup> From 12 April 2022

<sup>2)</sup> Until 12 April 2022

<sup>3)</sup> Until 15 April 2021

## Group management

The total remuneration of group management was 2% below the level of the previous year and amounted to CHF 7.507 million (2021: CHF 7.661 million).

**Fixed remuneration** Fixed remuneration awarded to group management totalled CHF 4.315 million (2021: CHF 4.377 million) and was within the total of CHF 5.000 million approved by the 2021 annual general meeting.

**Variable remuneration** The variable remuneration of group management decreased by 3% compared with the previous year and amounted to CHF 3.192 million (2021: CHF 3.284 million). The percentage for the cash bonus and the Bucher Participation Plan allocated to the CEO was 50% of base salary. For the other members of group management, the percentages for the cash bonus and the Bucher Participation Plan were between 36 and 40% and between 25 and 30%, respectively. These will be gradually adjusted over the next few years to 40 and 30% of base salary, respectively. The variable remuneration of CHF 3.421 million paid out to group management in spring 2022 for the financial year 2021 was less than the total amount of CHF 3.500 million approved retrospectively by the 2022 annual general meeting. In the reporting period, the target achievement determining the performance-related cash bonus was between 83 and 129%, and the target achievement for the Bucher Participation Plan was 132% (150%). Target achievement in percentage terms was thus about ten percentage points below the previous year's high level. The number of shares granted under the Bucher Participation Plan is calculated using the closing share price on the day of the annual general meeting. The cash bonus is paid out and the shares are allocated after approval by the annual general meeting. Other remuneration included social security contributions and expenses.

## Remuneration of group management (audited)

CHF '000	Fixed remuneration			Variable remuneration			Total remuneration
	Base salary	Other remuneration	Total	Cash bonus	Remuneration in shares	Other remuneration	
							<b>2022</b>
Jacques Sanche, CEO	800.0	250.0	<b>1'050.0</b>	476.0	528.0	79.0	<b>2'133.0</b>
Other members	2'506.3	758.6	<b>3'264.9</b>	1'040.8	848.3	220.3	<b>5'374.3</b>
<b>Group management</b>	<b>3'306.3</b>	<b>1'008.6</b>	<b>4'314.9</b>	<b>1'516.8</b>	<b>1'376.3</b>	<b>299.3</b>	<b>3'192.4</b>
<b>Approval by/proposal to the annual general meeting 2021/2023</b>			<b>5'000.0</b>				<b>3'500.0</b>
							<b>2021</b>
Jacques Sanche, CEO	800.0	243.4	<b>1'043.4</b>	524.0	600.0	88.8	<b>2'256.2</b>
Other members	2'546.7	786.7	<b>3'333.4</b>	1'098.1	736.9	236.1	<b>5'404.5</b>
<b>Group management</b>	<b>3'346.7</b>	<b>1'030.1</b>	<b>4'376.8</b>	<b>1'622.1</b>	<b>1'336.9</b>	<b>324.9</b>	<b>3'283.9</b>
<b>Approval by the annual general meeting 2020/2022</b>			<b>5'000.0</b>				<b>3'500.0</b>

### Additional remuneration, loans to members of governing bodies and interests in shares

No additional remuneration or fees were paid and no loans were granted to members of governing bodies in the reporting period. As at 31 December 2022, there were no outstanding loans or credits to current or former members of the board of directors or group management nor to persons connected with them. The interests in shares held at the end of the reporting period are set out in the tables below.

#### Directors' interests in shares

	Number of shares	
	2022	2021
Philip Mosimann, chairman	47'369	46'903
Anita Hauser, deputy chairwoman	440'828	440'656
Michael Hauser	605'782	605'631
Martin Hirzel	653	502
Stefan Scheiber	80	n.a.
Heinrich Spoerry	n.a.	4'249
Valentin Vogt	5'335	5'176
<b>Board of directors</b>	<b>1'100'047</b>	<b>1'103'117</b>

#### Group management's interests in shares

		Number of shares	
		2022	2021
Jacques Sanche	CEO	7'332	5'689
Manuela Suter	CFO	1'184	747
Thierry Krier	Kuhn Group	3'900	3'403
Aurelio Lemos	Bucher Municipal	882	768
Daniel Waller	Bucher Hydraulics	9'499	9'092
Matthias Kümmerle	Bucher Emhart Glass	690	283
Stefan Düring	Bucher Specials	2'132	1'768
<b>Group management</b>		<b>25'619</b>	<b>21'750</b>

# Report of the statutory auditor

## to the General Meeting of Bucher Industries AG

### Niederweningen

#### Report on the audit of the remuneration report

##### Opinion

We have audited the remuneration report of Bucher Industries AG (the Company) for the year ended 31 December 2022. The audit was limited to the information on remuneration, loans and advances pursuant to Art. 14 to 16 of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (Ordinance) in the tables marked "audited" on pages 68 to 70 of the remuneration report.

In our opinion, the information on remuneration, loans and advances in the remuneration report (pages 68 to 70) complies with Swiss law and article 14 to 16 of the Ordinance.

##### Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the remuneration report" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked "audited" in the remuneration report, the financial statements and our auditor's reports thereon.

Our opinion on the remuneration report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the remuneration report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the remuneration report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

##### Board of Directors' responsibilities for the remuneration report

The Board of Directors is responsible for the preparation of a remuneration report in accordance with the provisions of Swiss law and the company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a remuneration report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

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PricewaterhouseCoopers AG is a member of the global PricewaterhouseCoopers network of firms, each of which is a separate and independent legal entity.

**Auditor's responsibilities for the audit of the remuneration report**

Our objectives are to obtain reasonable assurance about whether the information on remuneration, loans and advances pursuant to article 14 to 16 of the Ordinance is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this remuneration report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the remuneration report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

PricewaterhouseCoopers AG



Thomas Illi  
Licensed audit expert  
Auditor in charge



Oliver Illa  
Licensed audit expert

Zurich, 21 February 2023

# Financial report

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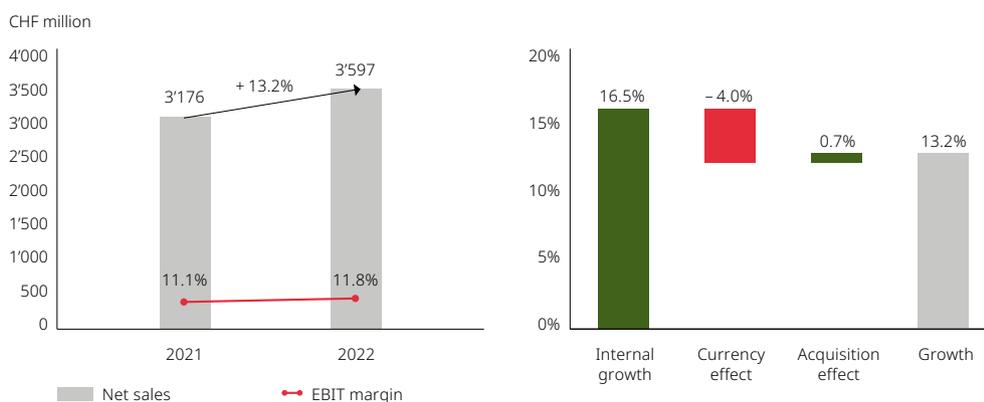
The financial year was characterised by a normalisation in demand at a very high level and by challenges in the supply chain and recruitment. The increase in volume, price increases and the continuing low cost base all contributed to both the high operating profit margin and the significantly improved return on net operating assets. The financial position remained very solid.

# Financial review

Topic	Ambition	Key indicator and target	2022
Economic value creation	Our Group is founded on sustainable and responsible economic value creation, whereby we strive for high profitability and a high return on net operating assets.	Over a business cycle: – Operating profit margin of over 10% – Return on net operating assets (RONOA) after tax of over 20%	11.8% 28.6%

## Performance

### Strong internal growth



**Marked increase in net sales** In the course of the reporting period, demand for our products and services normalised after the exceptionally dynamic prior year. Adjusted for currency and acquisition effects, the order intake was CHF 4.0 billion, roughly on a par with the prior year. In spite of continued challenges in procurement and personnel, net sales could once again be increased markedly. The negative currency effects of 4.0 percentage points were mainly a result of the weaker euro. The effect of acquisitions on the net sales was CHF 19.7 million (0.7 percentage points). Further information about the exchange rates used and the acquisitions can be found in notes 4.7 and 5.1 to the consolidated financial statements.

	CHF million		Change
	2022	2021	%
Net sales	3'596.8	3'176.4	13.2
Net sales adjusted for currencies	3'722.3	3'176.4	17.2
Net sales adjusted for acquisitions	3'577.1	3'176.4	12.5
Net sales adjusted for currencies and acquisitions	3'701.4	3'176.4	16.5

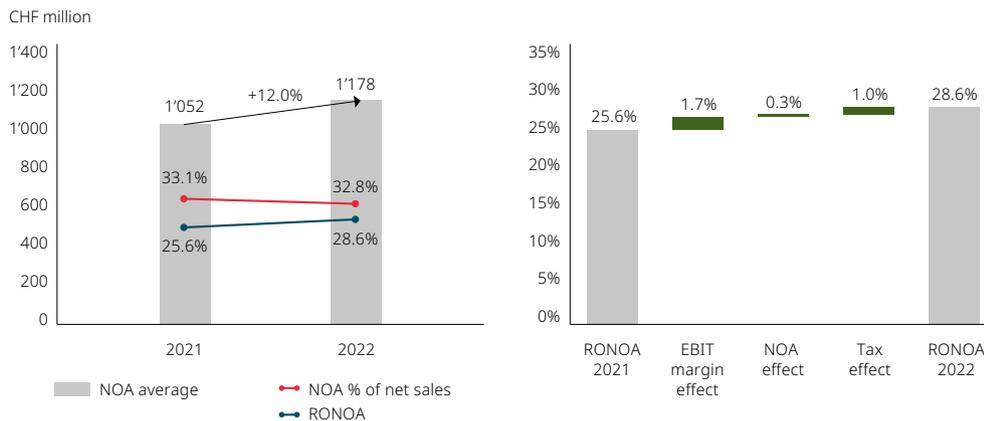
At the end of the reporting period, the order book continued to be at a very high level, amounting to 6.9 months of the annual net sales for 2022.

**Continued high operating profit margin** The operating profit margin was 11.8%, 0.7 percentage points above the prior year’s good margin. This was due to high capacity utilisation, the pass-through of the high cost of materials and transport, and the continued low cost base, through which the inefficiencies in production could be compensated. This was reinforced by the strong business performance in the glass container industry and in the agricultural business in Brazil. The positive effects of the valuation of the pension benefit obligations in the amount of CHF 8.7 million were partly offset by the exceptional impairment of assets for the business in Russia amounting to CHF 6.1 million. Challenges in the recruitment of qualified staff persisted, especially in the USA. The number of full-time equivalents increased, particularly in Europe and Brazil, and the average FTEs rose by 4.6%, adjusted for acquisitions.

**Marked increase in profit for the year** The profit for the year amounted to CHF 334.6 million, an increase of 24.3% compared with the prior year. The financial result was CHF –2.4 million (2021: CHF 0.1 million), mainly due to negative currency effects from unhedged balances in foreign currencies. The reduction of the effective tax rate to 20.9% (23.5%) is due in particular to one-time effects in Brazil.

## Invested capital

### Economic value creation



**Further increase in return on net operating assets** The return on net operating assets (RONOA) after tax was an exceptionally high 28.6%. This further improvement compared with the prior year is due to the strong growth in net sales and the related further improvement in the operating profit margin. Compared with the prior year, the net operating assets increased by 24.5%. The increase resulting from the higher volumes was amplified by bottlenecks in the supply chain, which led to a significantly lower inventory turnover, as well as by investments in internal and external growth.

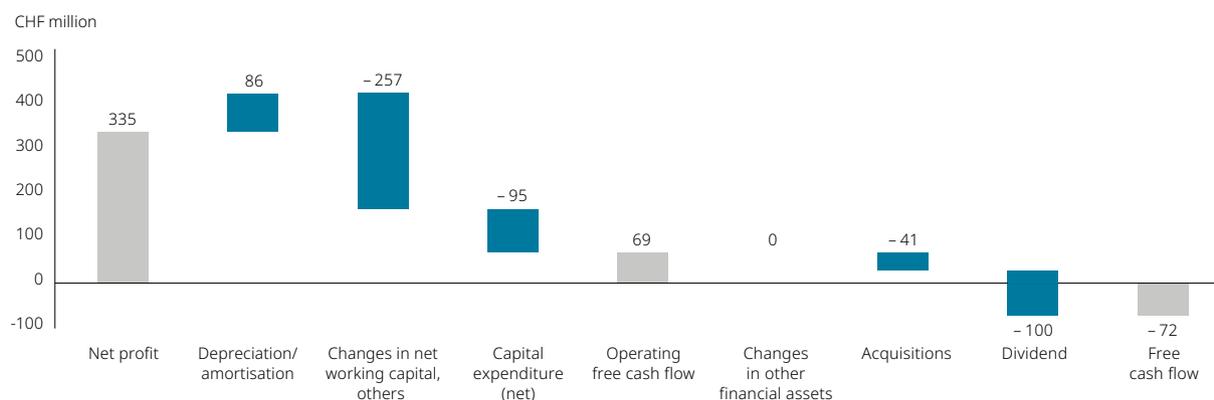
**Strategic investments in internal and external growth** The investments in the expansion of the production infrastructure and in the modernisation of production facilities amounted to CHF 97.0 million. The main focus was on the construction projects of Bucher Hydraulics and Jetter in Germany. Expenditure for research and development amounted to CHF 122.9 million, an increase of 4.1%. They included the development of digital solutions for precision farming, the electrification of municipal vehicles, the development of innovative electrohydraulic subsystems and the "End to End" glass forming. The IT costs amounted to 1.5% of net sales and include expenditure in connection with the ERP projects at Kuhn Group and Bucher Municipal as well as further investments in cyber security. Additional investments were made in external growth with the acquisition of Denwel, Enway and B&P Engineering. The purchase consideration for the businesses acquired amounted to CHF 42.3 million and the net assets acquired totalled CHF 26.6 million.

### Invested capital and return on net operating assets (RONOA) after tax

CHF million	Change		
	2022	2021	%
Trade receivables	568.6	438.0	
Inventories	1'022.4	845.2	
Other operating receivables, prepayments and accrued income	92.7	83.7	
Trade payables	-348.6	-297.8	
Advances from customers	-358.1	-335.5	
Provisions	-80.5	-76.3	
Other operating liabilities, accruals and deferred income	-285.7	-276.4	
<b>Net working capital</b>	<b>610.8</b>	<b>380.9</b>	<b>60.4</b>
Property, plant and equipment	609.6	598.8	
Intangible assets	11.3	12.6	
Non-current operating receivables	5.1	7.3	
Provisions	-10.7	-10.9	
Non-current operating liabilities	-12.6	-13.8	
<b>Net operating assets (NOA)</b>	<b>1'213.5</b>	<b>974.9</b>	<b>24.5</b>
Net operating assets (NOA) average	1'178.1	1'052.0	12.0
Operating profit (EBIT)	425.2	351.9	20.8
Effective tax rate	20.9%	23.5%	
<b>Return on net operating assets (RONOA) after tax</b>	<b>28.6%</b>	<b>25.6%</b>	

## Financing and risk management

### Free cash flow



**Negative free cash flow** The cash outflow is due to the increase in net working capital, higher investments and the higher dividend. Expenditure on external growth was roughly in line with the prior year.

### High net cash

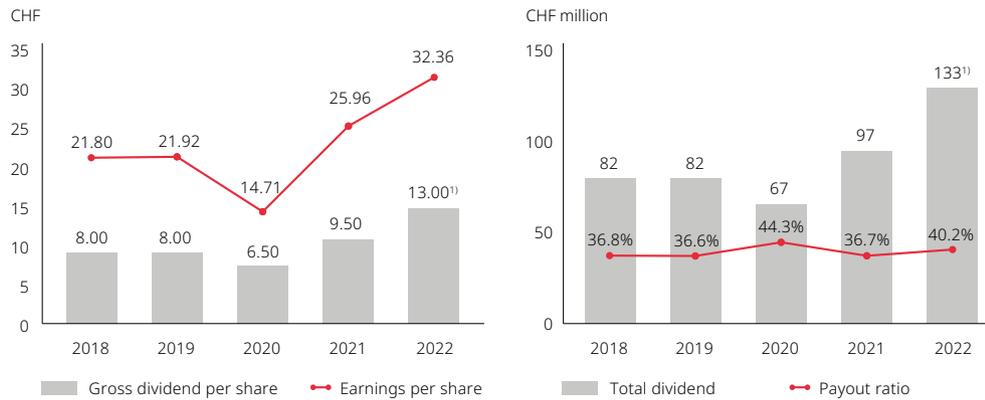
CHF million

	2022	2021
<b>Profit for the year</b>	<b>334.6</b>	<b>269.2</b>
Depreciation, impairment and amortisation	85.8	84.7
Changes in net working capital	-262.3	-53.8
Other changes	5.6	42.2
Net investments in property, plant and equipment and intangible assets	-95.1	-71.6
<b>Operating free cash flow</b>	<b>68.6</b>	<b>270.7</b>
Changes in other non-current financial assets	0.4	0.1
Acquisitions	-41.0	-45.2
Dividend paid/received	-99.6	-67.7
<b>Free cash flow</b>	<b>-71.6</b>	<b>157.9</b>
Net cash/debt	457.2	550.9
Net cash/debt average	396.2	408.2

**Solid financial position** As a result of the negative free cash flow, net cash decreased to CHF 457.2 million at year end. It comprised cash and liquid assets of CHF 579.3 million and financial liabilities of CHF 122.1 million. In view of the very solid financial position, the syndicated loan facility of CHF 150.0 million that expired in June 2022 was not renewed. This reduced the unused committed credit facilities to CHF 60.0 million at year end. The equity ratio was 57.1%. This solid financial position continues to secure the flexibility of Bucher Industries and to lay the foundations for further growth.

## Shareholder value

### Dividend and payout ratio



<sup>1)</sup> Proposal of the board of directors

**Consistent dividend policy** The board of directors proposes a dividend of CHF 13.00 per share to the annual general meeting on 19 April 2023. The proposal takes into account a consistent dividend policy, the profit for the year 2022, the solid financial position, the outlook for the current year as well as further internal and external investment opportunities. Based on the average share price for 2022 of CHF 367.50, the proposal of the board of directors is equivalent to a dividend yield of 3.5% (2021: 2.1%). The year-end market capitalisation of CHF 4.0 billion was equivalent to a price/book ratio of 2.3 (3.1).

# Group

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## Consolidated income statement

CHF million	Note				
		2022	%	2021	%
<b>Net sales</b>	2.1	<b>3'596.8</b>	<b>100.0</b>	<b>3'176.4</b>	<b>100.0</b>
Changes in inventories of finished goods and work in progress		100.8		103.3	
Raw materials and consumables used		-1'970.2		-1'703.3	
Employment costs	2.2	-832.8		-813.8	
Other operating income	2.3	27.6		24.1	
Other operating expenses	2.4	-411.2		-350.1	
<b>Operating profit before depreciation and amortisation (EBITDA)</b>		<b>511.0</b>	<b>14.2</b>	<b>436.6</b>	<b>13.7</b>
Depreciation, impairment	3.3	-82.0		-79.3	
Amortisation	3.4	-3.8		-5.4	
<b>Operating profit (EBIT)</b>	<b>2.1</b>	<b>425.2</b>	<b>11.8</b>	<b>351.9</b>	<b>11.1</b>
Share of profit/(loss) of associates	2.5	2.0		2.2	
Finance costs	2.5	-9.6		-4.7	
Finance income	2.5	5.2		2.6	
<b>Profit before tax</b>		<b>422.8</b>	<b>11.8</b>	<b>352.0</b>	<b>11.1</b>
Income taxes	2.6	-88.2		-82.8	
<b>Profit for the year</b>		<b>334.6</b>	<b>9.3</b>	<b>269.2</b>	<b>8.5</b>
Attributable to owners of Bucher Industries AG		331.2		265.5	
Attributable to minority interests		3.4		3.7	
Basic and diluted earnings per share (CHF)	4.6	32.36		25.96	

## Consolidated balance sheet

CHF million	Note	31 December 2022	31 December 2021
Cash and cash equivalents	4.1	536.9	672.2
Other financial assets	4.2	42.4	33.4
Trade receivables	3.1	568.6	438.0
Other receivables, prepayments and accrued income	3.1	99.7	85.6
Inventories	3.2	1'022.4	845.2
<b>Current assets</b>		<b>2'270.0</b>	<b>2'074.4</b>
Receivables	3.1	6.5	8.4
Property, plant and equipment	3.3	609.6	598.8
Intangible assets	3.4	11.3	12.6
Other financial assets	4.2	2.9	3.4
Investments in associates		13.8	12.9
Deferred income tax assets	2.6	64.6	57.7
<b>Non-current assets</b>		<b>708.7</b>	<b>693.8</b>
<b>Assets</b>		<b>2'978.7</b>	<b>2'768.2</b>
Financial liabilities	4.3	7.7	37.4
Trade payables		348.6	297.8
Advances from customers		358.1	335.5
Provisions	3.5	80.5	76.3
Other liabilities, accruals and deferred income	3.7	289.3	279.5
<b>Current liabilities</b>		<b>1'084.2</b>	<b>1'026.5</b>
Financial liabilities	4.3	114.4	117.3
Provisions	3.5	10.7	10.9
Other liabilities	3.7	12.8	14.1
Deferred income tax liabilities	2.6	30.5	23.2
Pension benefit obligations	6.1	24.3	43.6
<b>Non-current liabilities</b>		<b>192.7</b>	<b>209.1</b>
<b>Total liabilities</b>		<b>1'276.9</b>	<b>1'235.6</b>
Share capital	4.6	2.1	2.1
Treasury shares	4.6	-3.4	-5.9
Retained earnings		1'682.7	1'515.5
<b>Attributable to owners of Bucher Industries AG</b>		<b>1'681.4</b>	<b>1'511.7</b>
Attributable to minority interests		20.4	20.9
<b>Equity</b>		<b>1'701.8</b>	<b>1'532.6</b>
<b>Liabilities and equity</b>		<b>2'978.7</b>	<b>2'768.2</b>

## Consolidated cash flow statement

CHF million	Note	2022	2021
<b>Profit for the year</b>		<b>334.6</b>	<b>269.2</b>
Income tax expense	2.6	88.2	82.8
Share of (profit)/loss of associates	2.5	-2.0	-2.2
Other net financial result	2.5	4.4	2.1
Depreciation, impairment and amortisation	3.3, 3.4	85.8	84.7
Other operating cash flow items		0.6	1.6
Gain on sale of property, plant and equipment	2.3	-1.1	-0.2
Interest received		1.8	2.1
Interest paid		-2.1	-1.6
Income tax paid		-72.8	-53.3
Change in provisions and pension benefit obligations		-11.4	10.9
Change in trade receivables		-141.8	-33.9
Change in other receivables, prepayments and accrued income		-5.4	-14.8
Change in inventories		-204.8	-168.7
Change in advances from customers		31.6	94.0
Change in trade payables		56.3	64.7
Change in other liabilities, accruals and deferred income		9.9	16.6
Other changes in net working capital		-8.1	-11.7
<b>Net cash flow from operating activities</b>		<b>163.7</b>	<b>342.3</b>
Purchases of property, plant and equipment		-94.2	-71.5
Proceeds on disposal of non-current assets		1.9	1.9
Purchases of intangible assets	3.4	-2.8	-2.0
Purchases of other financial assets		-11.2	-0.4
Disposal of other financial assets		0.7	2.3
Acquisitions	5.1	-41.0	-45.2
Dividend received		0.5	0.4
<b>Net cash flow from investing activities</b>		<b>-146.1</b>	<b>-114.5</b>
Proceeds from/(repayment of) non-current financial liabilities		-0.5	-0.2
Proceeds from/(repayment of) current financial liabilities		-32.2	7.1
Acquisition of minority interests		-	-0.2
Dividend paid		-100.1	-68.1
<b>Net cash flow from financing activities</b>		<b>-132.8</b>	<b>-61.4</b>
Effect of exchange rate changes		-20.1	-8.9
<b>Net change in cash and cash equivalents</b>		<b>-135.3</b>	<b>157.5</b>
Cash and cash equivalents at 1 January		672.2	514.7
<b>Cash and cash equivalents at 31 December</b>		<b>536.9</b>	<b>672.2</b>

## Consolidated statement of changes in equity

CHF million	Share capital	Treasury shares	Retained earnings			Other retained earnings	Attributable to owners of Bucher Industries AG	Minority interests	Total equity
			Offset goodwill	Currency translation reserve	Cash flow hedge reserve				
<b>Balance at 1 January 2022</b>	<b>2.1</b>	<b>-5.9</b>	<b>-296.0</b>	<b>-151.1</b>	<b>-0.8</b>	<b>1'963.4</b>	<b>1'511.7</b>	<b>20.9</b>	<b>1'532.6</b>
Profit for the year						331.2	331.2	3.4	334.6
Change in currency translation reserve				-52.0			-52.0	-1.1	-53.1
Change in cash flow hedge reserve					0.2		0.2	-	0.2
Share-based payments		2.5				0.5	3.0		3.0
Goodwill offset			-15.4				-15.4		-15.4
Dividend						-97.3	-97.3	-2.8	-100.1
<b>Balance at 31 December 2022</b>	<b>2.1</b>	<b>-3.4</b>	<b>-311.4</b>	<b>-203.1</b>	<b>-0.6</b>	<b>2'197.8</b>	<b>1'681.4</b>	<b>20.4</b>	<b>1'701.8</b>
<b>Balance at 1 January 2021</b>	<b>2.1</b>	<b>-6.9</b>	<b>-254.5</b>	<b>-134.1</b>	<b>2.4</b>	<b>1'762.3</b>	<b>1'371.3</b>	<b>19.5</b>	<b>1'390.8</b>
Profit for the year						265.5	265.5	3.7	269.2
Change in currency translation reserve				-17.0			-17.0	-0.5	-17.5
Change in cash flow hedge reserve					-3.2		-3.2	-	-3.2
Share-based payments		1.0				2.1	3.1		3.1
Goodwill offset			-41.5				-41.5		-41.5
Change in minority interests						-	-	-0.2	-0.2
Dividend						-66.5	-66.5	-1.6	-68.1
<b>Balance at 31 December 2021</b>	<b>2.1</b>	<b>-5.9</b>	<b>-296.0</b>	<b>-151.1</b>	<b>-0.8</b>	<b>1'963.4</b>	<b>1'511.7</b>	<b>20.9</b>	<b>1'532.6</b>

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## Notes to the consolidated financial statements

### 1. Information on this report

#### 1.1 General information

Bucher Industries AG is a public limited company incorporated in Switzerland whose shares are publicly traded on SIX Swiss Exchange. Its registered office is in Niederweningen, Switzerland. The Group comprises five divisions in industrially related areas of mechanical and vehicle engineering.

#### 1.2 Basis of preparation

The consolidated financial statements have been prepared in accordance with the entire Swiss GAAP FER accounting and reporting recommendations and the requirements of the Listing Rules of SIX Swiss Exchange, and they comply with Swiss law. They are prepared in Swiss francs (CHF) and are based on the group companies' separate financial statements as at 31 December using uniform classification and measurement criteria. Unless stated otherwise, the consolidated financial statements have been prepared in accordance with the historical cost convention and the going concern principle.

#### 1.3 General principles

**Consolidated financial statements** The consolidated financial statements include Bucher Industries AG and all group companies that the company controls by holding directly or indirectly more than 50% of the voting rights or by means of contractual agreements (subsidiaries). Using the full consolidation method, 100% of the assets and liabilities as well as income and expenses of the consolidated companies are included in the consolidation. Companies are consolidated from the date when control is acquired and deconsolidated from the date when control is transferred. The minority interests in shareholders' equity and net result are disclosed separately in the consolidated balance sheet and income statement. Intercompany receivables and payables as well as income and expenses are offset and intercompany profits are eliminated. Business combinations are accounted for using the acquisition method. The assets and liabilities of the acquired company are valued at fair values using uniform accounting policies. The differences between the cost of acquisition and the fair value of the net assets acquired are recognised as goodwill and offset with equity. Transaction costs in connection with acquisitions and divestments are recognised directly in the income statement. Upon acquisition of minority interests in a fully consolidated company, the difference between the purchase price and the carrying value of the minority interests is recognised directly in retained earnings. A reduction in the ownership interest without the loss of control is also recognised in equity.

**Associated companies** Companies in which the Group can exercise a decisive influence are included in the consolidation using the equity method. The investment is valued at the Group's share of the equity, and the Group's share of the net result is included in the consolidated income statement. A decisive influence is assumed if the Group holds at least 20% but less than 50% of the voting rights. Goodwill arising from the acquisition of an associated company is offset with equity.

**Foreign currency translation** The financial statements of foreign subsidiaries are maintained in the currency of the primary economic environment in which the company operates (functional currency). The functional currency is generally the same as the local currency. Transactions in foreign currencies in the subsidiaries are converted to the functional currency using the applicable exchange rate on the day of the transaction. Foreign exchange gains and losses from such transactions and from the conversion of

monetary assets and liabilities in foreign currencies are recognised in the income statement. The consolidated financial statements are presented in Swiss francs. The balance sheets of companies with a different functional currency are translated into Swiss francs using the closing exchange rates at the balance sheet date, and the income statements and cash flow statements are translated using average exchange rates. The resulting translation differences are recognised directly in equity. Foreign exchange differences on non-current intercompany loans of an equity nature are also recognised directly in equity. Upon loss of control over a company, the related cumulative translation differences are reclassified to the income statement.

#### 1.4 Significant management assumptions and estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of income, expenses, assets, liabilities and contingent assets and liabilities. All estimates and judgements are reviewed regularly. They are based on historical experience and assumptions about future events. Actual outcomes may differ from these estimates. The consolidated financial statements are adjusted in the reporting period in which the circumstances change.

Assumptions and estimates in the following areas have a significant influence on the consolidated financial statements:

- Determination of the amount of income tax assets and liabilities, see note 2.6
- Write-down and impairment of non-financial assets, in particular the assessment of inventories, see note 3.2
- Recognition of non-current provisions, see note 3.5
- Actuarial calculations of foreign pension benefit obligations, see note 6.1

#### 1.5 Performance measures not defined by Swiss GAAP FER

Internally and externally the Group uses additional performance measures that are not defined by Swiss GAAP FER. The composition and calculation of the individual performance measures are set out in this report and also on the website:

- Operating profit before depreciation and amortisation (EBITDA), see consolidated income statement
- Operating profit (EBIT), see consolidated income statement
- Net operating assets (NOA), see financial review
- Return on net operating assets (RONOA) after tax, see financial review
- Cash and liquid assets, and net cash/debt, see financial review
- Free cash flow, see financial review

## 2. Performance

### 2.1 Segment reporting

The Group comprises five divisions: agricultural machinery (Kuhn Group), municipal vehicles (Bucher Municipal), hydraulic components and electrohydraulic systems (Bucher Hydraulics), manufacturing equipment for the glass container industry (Bucher Emhart Glass), equipment for processing beverages, as well as automation solutions (Bucher Specials).

### Segment information

CHF million	Net sales			Operating profit (EBIT)			Net operating assets (NOA)		
	2022	2021	%	2022	2021	%	2022	2021	%
Kuhn Group	1'510.3	1'318.9	14.5	176.3	160.8	9.6	250.9	214.9	16.8
Bucher Municipal	529.3	522.6	1.3	31.5	32.7	-3.7	274.7	246.6	11.4
Bucher Hydraulics	755.5	680.7	11.0	101.4	88.0	15.2	321.0	286.0	12.2
Bucher Emhart Glass	525.2	394.3	33.2	97.5	62.2	56.8	203.5	129.7	56.9
Bucher Specials	347.1	321.3	8.0	29.9	27.5	8.7	136.1	72.9	86.7
<b>Reportable segments</b>	<b>3'667.4</b>	<b>3'237.8</b>	<b>13.3</b>	<b>436.6</b>	<b>371.2</b>	<b>17.6</b>	<b>1'186.2</b>	<b>950.1</b>	<b>24.9</b>
Other/consolidation	-70.6	-61.4	-15.0	-11.4	-19.3	40.9	27.3	24.8	10.1
<b>Group</b>	<b>3'596.8</b>	<b>3'176.4</b>	<b>13.2</b>	<b>425.2</b>	<b>351.9</b>	<b>20.8</b>	<b>1'213.5</b>	<b>974.9</b>	<b>24.5</b>

The performance of each of the divisions is evaluated on the basis of operating profit, which is measured in the same way for management reporting as in the consolidated financial statements. The figures reported in "Other/consolidation" comprise the results of the holding, finance and management companies, the economic effects of the pension plans of foreign subsidiaries as well as consolidation adjustments for intersegment transactions. Intersegment sales amounted to CHF 15.4 million (2021: CHF 17.6 million) for Kuhn Group, CHF 6.3 million (CHF 5.0 million) for Bucher Hydraulics and CHF 48.9 million (CHF 38.7 million) for Bucher Specials. The other divisions had only marginal intersegment sales.

CHF million	Capital expenditure				Research and development costs			
	2022	% <sup>1)</sup>	2021	% <sup>1)</sup>	2022	% <sup>1)</sup>	2021	% <sup>1)</sup>
Kuhn Group	36.3	2.4	26.6	2.0	-45.0	3.0	-43.9	3.3
Bucher Municipal	8.4	1.6	17.6	3.4	-19.1	3.6	-18.1	3.5
Bucher Hydraulics	25.4	3.4	18.4	2.7	-27.5	3.6	-26.2	3.9
Bucher Emhart Glass	13.2	2.5	4.8	1.2	-19.9	3.8	-18.0	4.6
Bucher Specials	12.8	3.7	5.2	1.6	-11.4	3.3	-11.9	3.7
<b>Reportable segments</b>	<b>96.1</b>	<b>2.6</b>	<b>72.6</b>	<b>2.2</b>	<b>-122.9</b>	<b>3.4</b>	<b>-118.1</b>	<b>3.6</b>
Other/consolidation	0.9	-	0.9	-	-	-	-	-
<b>Group</b>	<b>97.0</b>	<b>2.7</b>	<b>73.5</b>	<b>2.3</b>	<b>-122.9</b>	<b>3.4</b>	<b>-118.1</b>	<b>3.7</b>

<sup>1)</sup> Of net sales

## Net sales by region

CHF million

	2022	%	2021	%
Switzerland	147.6	4.1	146.2	4.6
Germany	476.3	13.2	457.8	14.4
France	400.9	11.2	371.1	11.7
Rest of Europe	1'028.2	28.6	931.7	29.3
<b>Europe</b>	<b>2'053.0</b>	<b>57.1</b>	<b>1'906.8</b>	<b>60.0</b>
North America	599.6	16.7	525.6	16.6
Brazil	281.9	7.8	169.0	5.3
Rest of Americas	133.2	3.7	56.0	1.8
<b>Americas</b>	<b>1'014.7</b>	<b>28.2</b>	<b>750.6</b>	<b>23.7</b>
China	170.2	4.7	167.8	5.3
India	26.6	0.7	39.9	1.2
Rest of Asia	110.5	3.1	110.6	3.5
<b>Asia</b>	<b>307.3</b>	<b>8.5</b>	<b>318.3</b>	<b>10.0</b>
Australia	159.2	4.4	143.9	4.5
Other	62.6	1.8	56.8	1.8
<b>Net sales</b>	<b>3'596.8</b>	<b>100.0</b>	<b>3'176.4</b>	<b>100.0</b>

Net sales have been allocated to the countries of destination.

## Reconciliation of segment results

CHF million

	2022	2021
Segment operating profit (EBIT)	436.6	371.2
Other/consolidation	-11.4	-19.3
<b>Operating profit (EBIT)</b>	<b>425.2</b>	<b>351.9</b>
Share of profit/(loss) of associates	2.0	2.2
Finance costs	-9.6	-4.7
Finance income	5.2	2.6
<b>Profit before tax</b>	<b>422.8</b>	<b>352.0</b>

### Accounting policies

**Revenue recognition** Net sales of goods and products are recognised when the performance obligation has been satisfied or when control is transferred to the customer. The timing of the transfer depends on specific contract terms or the agreed international commercial terms ("Incoterms"). Sales from services are recognised over the period in which the service is rendered. Sales are all amounts collected and still to be collected from third parties for goods, products and services. Sales are measured at the expected fair value of the consideration received, net of value-added tax and sales deductions such as sales incentives, rebates and trade discounts.

**Research and development costs** Internally generated research and development costs are charged directly to the income statement.

## 2.2 Employment costs

CHF million

	2022	2021
Wages and salaries	-592.2	-571.0
Share-based payments	-2.8	-3.1
Social security costs	-104.4	-100.7
Pension benefit expense	-34.5	-42.6
Other employment costs	-98.9	-96.4
<b>Employment costs</b>	<b>-832.8</b>	<b>-813.8</b>

Share-based payments include the Bucher Participation Plan as well as remuneration of the board of directors. In the reporting period, 9'142 shares (2021: 3'663) in total were issued. The shares awarded are subject to a three-year vesting period. Other employment costs include incidental costs of staff recruitment, training and development as well as external staff costs.

### Accounting policies

**Bucher Participation Plan** The Bucher Participation Plan is a share-based, performance-related component of remuneration for the members of group and division management and selected specialists. The allocation is based on a percentage of the base salary and the achievement of the annual financial "earnings per share" target. The relevant expense is reported under employment costs with an offsetting entry in equity. The number of shares allocated is calculated based on the share price on the date of the annual general meeting of the following year.

## 2.3 Other operating income

CHF million

	2022	2021
Own work capitalised	4.4	3.4
Gain on sale of property, plant and equipment	1.1	0.2
Miscellaneous income	22.1	20.5
<b>Other operating income</b>	<b>27.6</b>	<b>24.1</b>

Miscellaneous income includes rental income and other revenue which is outside the normal course of the Group's business.

## 2.4 Other operating expenses

CHF million

	2022	2021
Energy, maintenance and repairs	-130.5	-116.1
Charges, levies, taxes and consulting fees	-38.1	-37.7
Marketing and distribution costs	-130.4	-100.1
Insurance expenses	-5.6	-5.7
Operating lease expenses	-16.0	-15.8
Miscellaneous operating expenses	-90.6	-74.7
<b>Other operating expenses</b>	<b>-411.2</b>	<b>-350.1</b>

Miscellaneous operating expenses include services for research and development, IT costs, operating foreign exchange effects and changes in operating provisions that cannot be charged to an appropriate expense account.

## 2.5 Financial result

CHF million

	2022	2021
<b>Share of profit/(loss) of associates</b>	<b>2.0</b>	<b>2.2</b>
Interest expense	-2.5	-2.2
Financial foreign exchange gains and losses	-6.6	-1.5
Other finance costs	-0.5	-1.0
<b>Finance costs</b>	<b>-9.6</b>	<b>-4.7</b>
Interest income	1.8	2.0
Net gain on financial assets	3.4	0.6
<b>Finance income</b>	<b>5.2</b>	<b>2.6</b>
<b>Financial result</b>	<b>-2.4</b>	<b>0.1</b>

## 2.6 Income taxes

### Effective income taxes

CHF million		
	2022	2021
Current income taxes	-89.2	-78.2
Deferred income taxes	1.0	-4.6
<b>Income taxes</b>	<b>-88.2</b>	<b>-82.8</b>
Reconciliation:		
Profit before tax	422.8	352.0
Weighted average tax rate	23.6%	24.9%
<b>Theoretical income tax charge</b>	<b>-99.8</b>	<b>-87.8</b>
Utilisation of unrecognised tax loss carryforwards	0.2	0.9
Reappraisal of tax loss carryforwards	-1.0	-0.1
Reappraisal of other deferred tax assets	4.9	0.2
Expenses not deductible for tax purposes/income not subject to tax	-1.6	-0.7
(Under)/over provided in prior years	3.5	2.7
Changes in deferred taxes due to changes in tax rates	0.1	-0.7
Other differences	5.5	2.7
<b>Effective income taxes</b>	<b>-88.2</b>	<b>-82.8</b>
Effective tax rate	20.9%	23.5%

The reduction of the effective tax rate to 20.9% (2021: 23.5%) is due in particular to one-time effects in Brazil.

### Movements in deferred income taxes

CHF million	Assets		Liabilities	
	2022	2021	2022	2021
Balance at 1 January	57.7	-23.2	53.2	-20.0
Exchange differences	-1.4	0.6	-0.7	0.2
Acquisition of subsidiaries	0.8	-	5.7	-
(Charged)/credited to income statement	7.6	-6.6	-0.6	-4.0
(Charged)/credited to equity	-0.1	-1.3	0.1	0.6
<b>Balance at 31 December</b>	<b>64.6</b>	<b>-30.5</b>	<b>57.7</b>	<b>-23.2</b>

## Tax loss carryforwards

CHF million

	2022	2021
Tax loss carryforwards	35.1	41.0
Of which recognised in deferred income taxes	-24.0	-28.9
<b>Unrecognised tax loss carryforwards</b>	<b>11.1</b>	<b>12.1</b>
Thereof with expiration:		
Within 1 year	2.0	1.9
In 1 to 5 years	7.9	4.4
In more than 5 years	0.1	-
No expiration	1.1	5.8
Tax effect on unrecognised tax loss carryforwards	2.0	2.6

### Accounting policies

**Income taxes** The tax expense for the period comprises current and deferred income taxes. Current income taxes are calculated on the basis of the local tax laws, and deferred income taxes are calculated based on the temporary differences between the tax bases of assets and liabilities of the individual subsidiaries and their carrying amounts in the consolidated balance sheet. The deferred income taxes are calculated using the expected local tax rates. Potential tax savings arising from tax loss carryforwards and temporary differences are only recognised when it is highly probable that they can be offset with future profits. Deferred tax liabilities in connection with undistributed profits of subsidiaries and associated companies are recognised unless the Group can fully control the distribution policy of these companies and no dividend payments are expected in the foreseeable future. Taxes are recognised in the income statement unless they relate to items recognised directly in equity. In this case the taxes are also recognised in equity.

### Significant management assumptions and estimates

**Income tax assets and liabilities** The measurement of the tax liabilities depends on the interpretation of the tax laws in the relevant countries; the reasonableness of these interpretations is determined in connection with the final tax assessment or with tax audits conducted by the tax authorities. As a result, significant adjustments to the tax expense may be necessary.

### 3. Invested capital

#### 3.1 Receivables, prepayments and accrued income

CHF million	Current	Non-current	Total	Current	Non-current	Total
	<b>2022</b>			<b>2021</b>		
Trade receivables	549.1	1.1	550.2	422.4	1.1	423.5
Notes receivable	19.5	-	19.5	15.6	-	15.6
<b>Trade receivables, net</b>	<b>568.6</b>	<b>1.1</b>	<b>569.7</b>	<b>438.0</b>	<b>1.1</b>	<b>439.1</b>
Tax receivables	22.4	-	22.4	24.1	-	24.1
Prepayments to suppliers	12.3	-	12.3	10.9	-	10.9
Derivative financial instruments	7.0	0.6	7.6	1.9	-	1.9
Prepayments and accrued income	18.4	-	18.4	13.1	-	13.1
Other receivables	39.6	4.8	44.4	35.6	7.3	42.9
<b>Other receivables, prepayments and accrued income</b>	<b>99.7</b>	<b>5.4</b>	<b>105.1</b>	<b>85.6</b>	<b>7.3</b>	<b>92.9</b>
<b>Receivables, prepayments and accrued income</b>	<b>668.3</b>	<b>6.5</b>	<b>674.8</b>	<b>523.6</b>	<b>8.4</b>	<b>532.0</b>

#### Ageing analysis of trade receivables

CHF million	2022	2021
Trade receivables, gross	586.1	456.0
Value adjustments	-16.4	-16.9
<b>Trade receivables, net</b>	<b>569.7</b>	<b>439.1</b>
Not due	504.0	374.9
Not due, value adjustments	-5.9	-3.9
Past due, within 30 days	47.9	42.5
Past due, from 31 to 90 days	17.1	20.5
Past due, more than 90 days	17.1	18.1
Past due, value adjustments	-10.5	-13.0

#### Accounting policies

**Receivables** Receivables are valued at nominal value net of adjustments for credit risks.

### 3.2 Inventories

CHF million

	2022	2021
Raw materials and consumables	434.5	322.7
Work in progress	266.2	215.8
Finished goods and goods for resale	454.7	423.0
<b>Inventories, gross</b>	<b>1'155.4</b>	<b>961.5</b>
Write-downs	-133.0	-116.3
<b>Inventories, net</b>	<b>1'022.4</b>	<b>845.2</b>

#### Accounting policies

**Inventories** Inventories are valued at the lower of cost and net realisable value. Depending on the division, cost is determined using either the weighted average or first-in, first-out method. The same method is used for inventories having a similar nature and use to the company. Provision is made for all foreseeable losses from obsolete or slow-moving inventories, with write-downs recognised in changes in inventories of finished goods and work in progress.

#### Significant management assumptions and estimates

**Write-down of inventories** The assessment of the recoverable value of inventories is based on estimates of the future consumption and price development (net realisable value). These estimates are constantly reviewed and adjusted if necessary. Changes in sales figures or other influences such as technological advances can lead to an adjustment of the book value.

### 3.3 Property, plant and equipment

CHF million	Land and buildings	Plant and machinery	Furniture, fixtures and equipment	Prepayments and assets under construction	Total
					<b>2022</b>
Cost at 1 January	713.1	603.1	254.5	31.7	1'602.4
Exchange differences	-24.9	-22.8	-10.8	-1.6	-60.1
Acquisition of subsidiaries	9.1	9.7	0.3	0.2	19.3
Additions	6.8	23.6	20.4	47.0	97.8
Disposals	-2.1	-11.6	-8.9	-	-22.6
Transfers	3.9	11.3	6.3	-21.5	-
<b>Cost at 31 December</b>	<b>705.9</b>	<b>613.3</b>	<b>261.8</b>	<b>55.8</b>	<b>1'636.8</b>
Accumulated depreciation at 1 January	-348.2	-457.8	-197.6	-	-1'003.6
Exchange differences	12.3	17.4	8.2	-	37.9
Depreciation for the year	-24.1	-33.7	-18.1	-	-75.9
Impairment	-6.1	-	-	-	-6.1
Disposals	2.0	10.0	8.5	-	20.5
<b>Accumulated depreciation at 31 December</b>	<b>-364.1</b>	<b>-464.1</b>	<b>-199.0</b>	<b>-</b>	<b>-1'027.2</b>
<b>Net book value at 31 December</b>	<b>341.8</b>	<b>149.2</b>	<b>62.8</b>	<b>55.8</b>	<b>609.6</b>
					<b>2021</b>
Cost at 1 January	682.6	605.5	249.1	44.4	1'581.6
Exchange differences	-14.3	-15.8	-3.5	-0.5	-34.1
Acquisition of subsidiaries/businesses	-	0.5	0.4	-	0.9
Additions	17.2	18.7	12.8	25.4	74.1
Disposals	-1.6	-10.1	-8.1	-0.3	-20.1
Transfers	29.2	4.3	3.8	-37.3	-
<b>Cost at 31 December</b>	<b>713.1</b>	<b>603.1</b>	<b>254.5</b>	<b>31.7</b>	<b>1'602.4</b>
Accumulated depreciation at 1 January	-332.4	-444.9	-188.1	-	-965.4
Exchange differences	7.5	13.1	2.5	-	23.1
Depreciation for the year	-24.6	-35.6	-19.1	-	-79.3
Disposals	1.3	9.6	7.1	-	18.0
<b>Accumulated depreciation at 31 December</b>	<b>-348.2</b>	<b>-457.8</b>	<b>-197.6</b>	<b>-</b>	<b>-1'003.6</b>
<b>Net book value at 31 December</b>	<b>364.9</b>	<b>145.3</b>	<b>56.9</b>	<b>31.7</b>	<b>598.8</b>

The net book value of assets under finance leases amounted to CHF 3.0 million (2021: CHF 3.7 million). The impairment in the reporting period relates to a building in Russia.

#### Accounting policies

**Property, plant and equipment** Property, plant and equipment are measured at historical cost less accumulated depreciation. Expenditure on improvements is capitalised. The costs of repairs and maintenance as well as low-value assets are charged to the income statement as incurred. Depreciation is charged on a straight-line basis over the estimated useful lives of the assets. The useful lives of buildings are 10 to 50 years, plant and machinery 5 to 12 years and furniture, fixtures and equipment 2 to 15 years. The book values and remaining useful lives of property, plant and equipment are reviewed regularly and adjusted if necessary.

### 3.4 Intangible assets

CHF million	Licences/ patents	Software	Other	Total
				<b>2022</b>
Cost at 1 January	101.3	42.8	15.1	159.2
Exchange differences	-4.1	-1.5	-0.7	-6.3
Additions	-	2.4	0.4	2.8
Disposals	-0.1	-2.7	-	-2.8
<b>Cost at 31 December</b>	<b>97.1</b>	<b>41.0</b>	<b>14.8</b>	<b>152.9</b>
Accumulated amortisation at 1 January	-97.7	-34.3	-14.6	-146.6
Exchange differences	4.1	1.2	0.7	6.0
Amortisation for the year	-0.6	-3.1	-0.1	-3.8
Disposals	0.1	2.7	-	2.8
<b>Accumulated amortisation at 31 December</b>	<b>-94.1</b>	<b>-33.5</b>	<b>-14.0</b>	<b>-141.6</b>
<b>Net book value at 31 December</b>	<b>3.0</b>	<b>7.5</b>	<b>0.8</b>	<b>11.3</b>
				<b>2021</b>
Cost at 1 January	106.1	42.5	15.9	164.5
Exchange differences	-4.6	-1.4	-0.8	-6.8
Acquisition of subsidiaries	-	0.3	-	0.3
Additions	0.1	1.8	0.1	2.0
Disposals	-0.3	-0.4	-0.1	-0.8
<b>Cost at 31 December</b>	<b>101.3</b>	<b>42.8</b>	<b>15.1</b>	<b>159.2</b>
Accumulated amortisation at 1 January	-100.6	-32.5	-15.3	-148.4
Exchange differences	4.3	1.3	0.8	6.4
Amortisation for the year	-1.7	-3.5	-0.2	-5.4
Disposals	0.3	0.4	0.1	0.8
<b>Accumulated amortisation at 31 December</b>	<b>-97.7</b>	<b>-34.3</b>	<b>-14.6</b>	<b>-146.6</b>
<b>Net book value at 31 December</b>	<b>3.6</b>	<b>8.5</b>	<b>0.5</b>	<b>12.6</b>

#### Accounting policies

**Intangible assets** Intangible assets are licenses, patents, software and similar rights and are capitalised only if they will generate quantifiable economic benefits over several years. They are measured at historical cost less accumulated amortisation. Amortisation is charged on a straight-line basis over the estimated useful lives of 5 to 20 years, depending on the asset.

## Theoretical capitalisation of goodwill

CHF million

	2022	2021
Cost at 1 January	296.0	254.5
Acquisition of subsidiaries/businesses	16.6	41.5
Disposals	-1.2	-
<b>Cost at 31 December at historical currency rates</b>	<b>311.4</b>	<b>296.0</b>
Accumulated exchange differences	-42.7	-37.8
<b>Cost at 31 December</b>	<b>268.7</b>	<b>258.2</b>
Accumulated amortisation at 1 January	-198.8	-177.9
Exchange differences	3.8	0.5
Amortisation for the year	-21.2	-21.4
Disposals	0.6	-
<b>Accumulated amortisation at 31 December</b>	<b>-215.6</b>	<b>-198.8</b>
<b>Theoretical net book value at 31 December</b>	<b>53.1</b>	<b>59.4</b>
Equity according to balance sheet	1'701.8	1'532.6
Theoretical book value of goodwill	53.1	59.4
<b>Theoretical shareholders' equity at 31 December including goodwill</b>	<b>1'754.9</b>	<b>1'592.0</b>
Profit for the year	334.6	269.2
Theoretical amortisation of goodwill	-21.2	-21.4
Adjustment of result on disposal of goodwill	0.6	-
<b>Theoretical profit for the year after goodwill adjustments</b>	<b>314.0</b>	<b>247.8</b>

### Accounting policies

**Goodwill** Goodwill is offset with equity at the date of the acquisition of a subsidiary or an investment in an associated company. Upon loss of control over a company, the relevant goodwill is charged to the income statement at the original cost. The theoretical capitalisation of goodwill with straight-line amortisation over five years would impact the consolidated balance sheet and consolidated income statement as shown above.

### 3.5 Provisions

CHF million	Warranties	Legal claims	Other	Total
				<b>2022</b>
Balance at 1 January	47.2	26.1	13.9	87.2
Exchange differences	-2.0	-0.5	-0.4	-2.9
Additional provisions	44.6	3.9	0.8	49.3
Unutilised amounts reversed	-3.2	-3.0	-1.1	-7.3
Utilised during year	-31.7	-2.0	-1.4	-35.1
<b>Balance at 31 December</b>	<b>54.9</b>	<b>24.5</b>	<b>11.8</b>	<b>91.2</b>
Current portion	53.5	21.1	5.9	80.5
Non-current portion	1.4	3.4	5.9	10.7
				<b>2021</b>
Balance at 1 January	44.1	18.2	14.8	77.1
Exchange differences	-1.4	-1.0	-0.5	-2.9
Acquisition of subsidiaries	0.1	-	-	0.1
Additional provisions	40.0	13.7	4.1	57.8
Unutilised amounts reversed	-3.5	-2.8	-1.3	-7.6
Utilised during year	-32.1	-2.0	-3.2	-37.3
<b>Balance at 31 December</b>	<b>47.2</b>	<b>26.1</b>	<b>13.9</b>	<b>87.2</b>
Current portion	45.7	22.7	7.9	76.3
Non-current portion	1.5	3.4	6.0	10.9

Other provisions relate to risks associated with the Group's industrial operations as well as restructuring costs.

#### Accounting policies

**Provisions** A provision is recognised when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required in future to settle the obligation, and the amount can be estimated reliably. Provisions for warranties are recognised when the products are sold and are measured on the basis of historical data for the past two years. The provisions for legal claims cover risks associated with accidents, distribution rights, patents and other legal disputes.

#### Significant management assumptions and estimates

**Recognition of non-current provisions** In the course of normal business operations, group companies may become involved in litigation. Provisions for pending cases are recognised on the basis of available information and the expected cash outflows. Depending on the outcome of the cases, claims may arise against the Group that are not or not completely covered by provisions.

### 3.6 Contingent liabilities and other commitments

**Contingent liabilities** The CHF 1.2 million in contingent liabilities (2021: CHF 1.8 million) consists of guarantees given in respect of goods sold and services provided. This amount represents the maximum amount of the obligation assumed. These contingent liabilities are not expected to result in an outflow of resources.

**Outstanding put options** In connection with the acquisition of Bucher Hydraulics (Wuxi) Co., Ltd. there are put options for the remaining 20% of the shares (2021: 20%). The price for the 80% of the shares currently held amounted to CHF 34.3 million.

**Other commitments** There are commitments to purchase non-current assets amounting to CHF 24.2 million (2021: CHF 9.8 million).

### 3.7 Other liabilities, accruals and deferred income

CHF million

	2022	2021
Accruals and deferred income	176.9	175.5
Income tax liabilities	47.5	41.8
Social security and pensions	25.1	23.8
Sales and capital tax liabilities	28.1	26.9
Derivative financial instruments	3.6	3.0
Other liabilities	20.9	22.6
<b>Other liabilities, accruals and deferred income</b>	<b>302.1</b>	<b>293.6</b>
Current portion	289.3	279.5
Non-current portion	12.8	14.1

Accruals and deferred income include mainly accruals for employment costs such as accrued holiday and overtime pay and variable remuneration, as well as accruals for commissions and contract-related liabilities.

## 4. Financing and risk management

### 4.1 Cash and cash equivalents

CHF million

	2022	2021
Cash and bank accounts	252.9	318.7
Short-term money market investments	284.0	353.5
<b>Cash and cash equivalents</b>	<b>536.9</b>	<b>672.2</b>

#### Accounting policies

**Cash and cash equivalents** Cash and cash equivalents are defined as short-term, liquid financial investments that are readily convertible to defined cash amounts within a three-month period and are subject to insignificant risk of changes in value.

### 4.2 Other financial assets

CHF million

	2022	2021
Money market investments	10.5	0.3
Bonds	31.9	33.1
Long-term loans	1.1	1.6
Other	1.8	1.8
<b>Other financial assets</b>	<b>45.3</b>	<b>36.8</b>
Current portion	42.4	33.4
Non-current portion	2.9	3.4

#### Accounting policies

**Other financial assets** Money market investments and bonds are initially recognised at historical cost, with transaction costs being charged to the income statement. The fair values of the money market investments and bonds are based on observable market information at the end of the reporting period. Non-current loans and other financial assets are valued at amortised cost less impairment charges.

### 4.3 Financial liabilities

CHF million

	2022	2021
Bonds	100.0	100.0
Other bank borrowings	3.5	19.2
Finance lease liabilities	1.9	2.9
Other financial liabilities	16.7	32.6
<b>Financial liabilities</b>	<b>122.1</b>	<b>154.7</b>
Current portion	7.7	37.4
Non-current portion	114.4	117.3

## Bonds

CHF million	Company	Term	Currency	Nominal value	Effective interest rate	2022	2021
Bond, Switzerland 1.375%	Bucher Industries AG	2014–2024	CHF	100.0	1.4%	100.0	100.0
<b>Bonds</b>						<b>100.0</b>	<b>100.0</b>

**Other bank borrowings** The other bank borrowings include bilateral loans of CHF 3.5 million (2021: CHF 19.2 million), which bear interest at rates of between 0.4 and 0.5% and are due for repayment from 2023 to 2026. The undrawn committed credit facilities at 31 December totalled CHF 60.0 million (CHF 250.0 million). The financial covenants are reviewed every six months. All credit terms were complied with on the reporting date of 31 December 2022.

### Accounting policies

**Financial liabilities** Financial liabilities are initially recognised at fair value less any directly attributable transaction costs. They are subsequently valued at amortised cost using the effective interest method.

## 4.4 Pledged assets

The book value of assets pledged or assigned to secure the Group's obligations was CHF 10.6 million (2021: CHF 9.7 million).

## 4.5 Leases

### Future minimum lease payments from operating leases

CHF million	2022	2021
Within 1 year	9.7	10.0
From 1 to 5 years	18.9	19.1
More than 5 years	15.2	18.3
<b>Minimum lease payments (non-cancellable within 1 year)</b>	<b>43.8</b>	<b>47.4</b>

### Accounting policies

**Leases** A distinction is made between finance leases and operating leases. Finance lease contracts are recognised in property, plant and equipment when most of the risks and rewards are transferred to the Group upon signing of the contract. Finance leases are recognised initially at the lower of fair value and the present value of the future minimum lease payments. Depreciation is charged over the shorter of the estimated useful life and the lease term. The corresponding lease obligations are reported as liabilities. An operating lease exists when a significant part of the risks of ownership remain with the lessor. Payments for operating leases are charged to the income statement on a straight-line basis over the lease term.

#### 4.6 Share capital and earnings per share

		2022	2021
<b>Share capital</b>	<b>CHF million</b>	<b>2.1</b>	<b>2.1</b>
Par value of registered shares	CHF	0.20	0.20
Outstanding shares	number	10'237'548	10'228'406
Treasury shares	number	12'452	21'594
<b>In issue and ranking for dividend</b>	<b>number</b>	<b>10'250'000</b>	<b>10'250'000</b>
Authorised but unissued	number	1'184'100	1'184'100

The share capital of Bucher Industries AG consists of one class of voting rights.

#### Treasury shares

CHF million	Number of shares		Number of shares	
		2022		2021
Balance at 1 January	21'594	5.9	25'257	6.9
Reissued for share-based payments	-9'142	-2.5	-3'663	-1.0
<b>Balance at 31 December</b>	<b>12'452</b>	<b>3.4</b>	<b>21'594</b>	<b>5.9</b>

#### Earnings and dividend per share

		2022	2021
Profit attributable to owners of Bucher Industries AG	CHF million	331.2	265.5
Average number of shares outstanding (undiluted and diluted)	number	10'234'768	10'227'342
Basic and diluted earnings per share	CHF	32.36	25.96
Dividend per share <sup>1)</sup>	CHF	13.00	9.50
Total dividend <sup>1)</sup>	CHF million	133.3	97.4

<sup>1)</sup> 2022: proposal of the board of directors

#### Accounting policies

**Treasury shares** Treasury shares are recognised at historical cost as a deduction from equity. Realised gains or losses from the disposal of treasury shares are recorded directly in equity. The average number of shares outstanding is calculated on the basis of the number of shares issued, less the weighted average number of treasury shares held.

#### 4.7 Financial risk management

The Group's international operations expose it to a variety of financial risks, such as credit, liquidity, price and market risks. Group financial risk management is based on internally formulated guidelines and responsibilities. These include criteria for general financial risk management and also for specific areas, such as the management of interest, exchange rate and counterparty risks as well as the use of derivative financial instruments. With the exception of the management of credit risks from operating activities, financial risk management is carried out by the central treasury function. Group treasury identifies and assesses financial risks and hedges them in close collaboration with the Group's operating companies. The risk management process implemented also includes regular reporting on the development of the financial risks.

**Credit risk** Credit risk arises from the possibility of partial or total default on contractual payments and/or performance obligations. It also includes exposure to losses in the value of financial items due to a deterioration in credit quality or counterparty risks under financial contracts. As part of their receivables management, the individual companies determine the credit terms and monitor the customers, taking into account their past payment history and an analysis of their credit rating. Owing to the diverse industries and geographical regions in which the Group's customers operate, the credit risk on trade receivables was limited in the reporting period and the Group had no cluster risk. In addition to this natural diversification, the credit risk was further minimised by security in the form of credit insurance, advance payments from customers, letters of credit and bank guarantees. Bucher Industries invested its free cash in short-term money market investments with various banking institutions that have a very good international risk rating, as well as in top-rated money market funds and in short-term realisable financial assets with a high credit rating. The Group had no concentration of credit risk associated with receivables from banks. The maximum credit risk is equal to the carrying amounts of the financial assets reported in the consolidated balance sheet.

**Liquidity risk** Bucher Industries defines liquidity risk as the risk that the Group and/or any of its subsidiaries may not have sufficient financial resources available to meet all of their payment obligations at any given time. Liquidity requirements are managed through short- to medium-term liquidity planning to forecast future cash flows and financial items in each currency. The calculated liquidity requirements are always assessed in connection with existing credit facilities. The necessary funds are raised as and when required in the money and capital markets.

**Interest and price risks** Interest risks result from changes in market interest rates that have an impact on the profit or loss for the year and the fair values of the financial instruments. The risk of a change in interest rates is constantly monitored and managed. Where necessary, interest rate forwards are used to hedge specific interest risks.

**Exchange rate risk** As the Group operates internationally, Bucher Industries is mainly exposed to the risk of changes in the exchange rates of the euro, US dollar, British pound and Swedish krona in its most important sales and procurement markets. Individual subsidiaries' cash inflows and outflows denominated in foreign currencies are hedged using appropriate financial instruments based on the respective underlying transactions.

### Derivative financial instruments

CHF million

	2022	2021
<b>Contract value</b>	<b>523.2</b>	<b>432.1</b>
Currency contracts – assets	7.6	1.9
Currency contracts – liabilities	-3.6	-3.0
<b>Derivative financial instruments</b>	<b>4.0</b>	<b>-1.1</b>

#### Accounting policies

**Derivative financial instruments** Derivative financial instruments that are used to hedge the foreign exchange risk of balance sheet items and expected future cash flows are measured at fair value. Changes in the fair values are booked to the income statement with the exception of transactions that are designated as hedge accounting transactions. The changes in their fair values are initially booked directly to equity. Once the underlying transactions have been recognised, the changes in the fair values of the corresponding derivative financial instruments are transferred from equity to the income statement.

### Exchange rates

1 CHF	Income statement annual average rates			Change %	Balance sheet closing rates		
	2022	2021			2022	2021	Change %
1 AUD	0.6621	0.6870	-3.6	0.6272	0.6609	-5.1	
1 BRL	0.1832	0.1701	7.7	0.1748	0.1637	6.8	
1 CNY	0.1416	0.1415	0.1	0.1338	0.1436	-6.8	
1 EUR	1.0023	1.0809	-7.3	0.9854	1.0329	-4.6	
1 GBP	1.1752	1.2568	-6.5	1.1107	1.2294	-9.7	
1 SEK	0.0944	0.1067	-11.5	0.0887	0.1007	-11.9	
1 USD	0.9497	0.9130	4.0	0.9231	0.9119	1.2	

## 5. Group structure

### 5.1 Changes in the group structure

#### Acquisitions

Company	Country	Division	Group interest %	Date of acquisition
<b>2022</b>				
Denwel spol. s r.o.	CZ	BSp	100	10 January 2022
Enway GmbH	DE	BM	100	22 September 2022
Enway Pte. Ltd.	SG	BM	100	22 September 2022
B&P Engineering Sp. z o.o.	PL	BSp	100	20 December 2022
B&P IP Engineering Sp. z o.o.	PL	BSp	100	20 December 2022
<b>2021</b>				
Merk Process GmbH	DE	BSp	100	5 January 2021
Khor Industrial Ltda.	BR	KG	100	6 January 2021
Operating business of Lenze Mobile Drives	CH	BH	n.a. <sup>1)</sup>	1 July 2021

Divisions: KG Kuhn Group, BM Bucher Municipal, BH Bucher Hydraulics, BSp Bucher Specials

<sup>1)</sup> Asset deal

#### Net assets acquired

CHF million	2022	2021
Cash and cash equivalents	1.8	2.1
Trade receivables	6.7	1.1
Inventories	12.6	6.1
Property, plant and equipment	19.3	0.9
Intangible assets	–	0.3
Deferred income tax assets	0.8	5.7
Trade payables	–6.9	–0.6
Advances from customers	–6.3	–5.6
Current provisions	–	–0.1
Current income tax liabilities	–0.4	–0.2
Other net assets	–1.0	–1.5
<b>Net assets acquired</b>	<b>26.6</b>	<b>8.2</b>

### Net cash flow from acquisitions

CHF million

	2022	2021
Net assets acquired	26.6	8.2
Goodwill	15.7	41.7
<b>Total purchase consideration</b>	<b>42.3</b>	<b>49.9</b>
Cash and cash equivalents acquired	-1.8	-2.1
Contingent consideration	-0.2	-1.9
Deferred consideration	-	-0.8
Deferred consideration from previous acquisitions	0.7	0.1
<b>Net cash flow from acquisitions</b>	<b>41.0</b>	<b>45.2</b>

### Goodwill

CHF million

	2022	2021
Goodwill from acquisitions	15.7	41.7
Adjustment of contingent consideration from previous acquisitions	0.9	-0.2
Disposals	-1.2	-
<b>Change in goodwill</b>	<b>15.4</b>	<b>41.5</b>

The businesses acquired have generated net sales of CHF 9.3 million (2021: CHF 32.6 million) since the dates of acquisition. The acquisition and integration costs were recognised in 2022, the period in which they were incurred, under other operating expenses.

**Other changes** The group structure was optimised through mergers and liquidations in the reporting period. This resulted in a disposal of goodwill, which is included in other operating expenses.

## 5.2 Group companies

### Subsidiaries

Company, place of incorporation	Country	Currency	Share capital	Division	Activities	Group interest %	
						2022	2021
Bucher Industries AG, Niederweningen	CH	CHF	2'050'000	O	S		
Bucher Sudamerica Participações Ltda., São Paulo	BR	BRL	24'600'000	O	S	100	100
Bucher Beteiligungs-Stiftung, Niederweningen	CH	CHF	250'000	O	S	100	100
Bucher BG Finanz AG, Steinhausen	CH	CHF	26'505'000	O	S	-	100
Bucher Group Finance AG, Kloten	CH	CHF	100'000	O	S	100	-
Bucher-Guyer AG, Niederweningen	CH	CHF	10'000'000	O	S	100	100
Bucher Management AG, Kloten	CH	CHF	6'600'000	O	S	100	100
Bucher (China) Investment Co., Ltd., Beijing	CN	CNY	276'924'701	O	S	100	100
Dynasty China Holding Limited, Kowloon	CN	HKD	1	O	S	100	100
Wuhan Hanbao Machineries Co., Ltd., Wuhan	CN	USD	3'490'000	O	S	100	100
Bucher Beteiligungen GmbH, Klettgau	DE	EUR	4'500'000	O	S	100	100
Bucher Beteiligungsverwaltung GmbH, Munich	DE	EUR	50'000	O	S	-	100
Kuhn Deutschland GmbH, Emmendingen	DE	EUR	4'000'000	O	S	100	100
Bucher Industries Danmark ApS, Silkeborg	DK	DKK	51'000	O	S	100	100
Kuhn Group SAS, Strasbourg	FR	EUR	225'072'400	O	S	100	100
Bucher Industries Italia S.p.A., Reggio Emilia	IT	EUR	3'380'000	O	S	100	100
Bucher Industries US, Inc., Enfield CT	US	USD	3	O	S	100	100
Kuhn Argentina S/A, Buenos Aires	AR	ARS	49'532'097	KG	D	100	100
Kuhn-Montana Argentina S/A, Casilda	AR	ARS	3'412'326	KG	D	100	100
Kuhn Farm Machinery Pty Ltd., Deer Park, Vic	AU	AUD	100'000	KG	D	100	100
Kuhn do Brasil S/A, São José dos Pinhais	BR	BRL	301'753'305	KG	P D	100	100
Khor Industrial Ltda., Tuparendi	BR	BRL	5'500'000	KG	P D	100	100
Kuhn Farm Machinery Inc., Sainte Madeleine	CA	CAD	150'100	KG	D	100	100
Kuhn Tianjin Farm Machinery Ltd., Tianjin	CN	CNY	20'000'000	KG	D	100	100
Kuhn Maschinen-Vertrieb GmbH, Schopisdorf	DE	EUR	300'000	KG	D	100	100
Kuhn Ibérica SA, Huesca	ES	EUR	100'000	KG	D	100	100
Artec Pulvérisation SAS, Corpe	FR	EUR	2'000'000	KG	P D	100	100
Contifonte SAS, Saverne	FR	EUR	48'000	KG	P D	100	100
Kuhn-Audureau SAS, La Copechagnière	FR	EUR	4'070'000	KG	P D	100	100
Kuhn Blanchard SAS, Chaumes-en-Retz	FR	EUR	2'000'000	KG	P D	100	100
Kuhn-Huard SAS, Châteaubriant	FR	EUR	4'800'000	KG	P D	100	100
Kuhn MGM SAS, Monswiller	FR	EUR	2'000'000	KG	P D	100	100
Kuhn Parts SAS, Monswiller	FR	EUR	5'000'000	KG	D	100	100
Kuhn SAS, Saverne	FR	EUR	19'488'000	KG	P D	100	100
Kuhn Farm Machinery Ltd., Telford	GB	GBP	100'000	KG	D	100	100
Kuhn Mezőgazdasági Géb Kft., Kecskemét	HU	HUF	200'000'000	KG	D	100	100
Kuhn Italia S.r.l., Melegnano	IT	EUR	520'000	KG	D	100	100
Kuhn-Geldrop B.V., Geldrop	NL	EUR	15'000'000	KG	P D	100	100
Kuhn Maszyn Rolnicze Sp. z o.o., Suchy Las	PL	PLN	10'000'000	KG	D	100	100
Kuhn Vostok LLC, Voronezh	RU	RUB	150'000'000	KG	D	100	100
Kuhn Ukraine LLC, Kyiv	UA	UAH	650'000	KG	D	100	100
Kuhn Krause, Inc., Hutchinson KS	US	USD	4'462'050	KG	P D	100	100
Kuhn North America, Inc., Brodhead WI	US	USD	60'110'000	KG	P D	100	100

Divisions: KG Kuhn Group, O Other

Activities: P Production, D Distribution, S Services

Company, place of incorporation	Country	Currency	Share capital	Division	Activities	Group interest %	
						2022	2021
Bucher Municipal Pty Ltd., Clayton North, Vic	AU	AUD	40'901'438	BM	P D	100	100
Bucher Municipal AG, Niederweningen	CH	CHF	10'000'000	BM	D S	100	100
Bucher Leopard Enterprise Management Co., Ltd., Zibo	CN	CNY	10'000'000	BM	D	-	100
Wuhan Zynkon Special Purpose Vehicle Manufacturing Co., Ltd., Wuhan	CN	CNY	20'000'000	BM	P D	100	100
Zynkon Special Purpose Vehicles Co., Ltd., Shanghai	CN	CNY	9'107'293	BM	D	100	100
Bucher Municipal GmbH, Hanover	DE	EUR	3'000'000	BM	D	100	100
Enway GmbH, Berlin	DE	EUR	54'981	BM	S	100	-
Bucher Municipal Wernberg GmbH, Wernberg-Köblitz	DE	EUR	25'565	BM	P D	60	60
Bucher Municipal A/S, Silkeborg	DK	DKK	6'500'000	BM	P D S	100	100
Bucher Iberica SLU, Fuenlabrada, Madrid	ES	EUR	28'248	BM	D	60	60
Bucher Municipal Coudes Sàrl, Coudes	FR	EUR	200'000	BM	D	60	60
Bucher Municipal SAS, Senlis	FR	EUR	4'645'664	BM	D	100	100
Tecvia Eurl, Lyon	FR	EUR	38'112	BM	D	60	60
Bucher Municipal Ltd., Dorking	GB	GBP	8'000	BM	P D	100	100
Bucher Municipal Ireland Ltd., Thurles	IE	EUR	2'000'001	BM	D	100	100
Giletta S.p.A., Revello	IT	EUR	1'250'000	BM	P D S	60	60
Bucher Municipal Ltd., Seoul	KR	KRW	350'000'000	BM	P D	100	100
Bucher Municipal SIA, Ventspils	LV	EUR	3'630'400	BM	P	100	100
Bucher Municipal LLC, Kaluga	RU	RUB	420'000	BM	P D	60	60
Enway Pte. Ltd., Singapore	SG	SGD	543'800	BM	S	100	-
J. Hvidtved Larsen US, Inc., Chicago IL	US	USD	10'000	BM	D	100	100
Bucher Municipal North America, Inc., Mooresville NC	US	USD	500'000	BM	P D	100	100
Bucher Hidráulica Ltda., Canoas, Porto Alegre	BR	BRL	12'313'572	BH	P D	100	100
Bucher Hydraulics Corp., London	CA	CAD	75'000	BH	D	100	100
Bucher Hydraulics AG Frutigen, Frutigen	CH	CHF	300'000	BH	P D	100	100
Bucher Hydraulics AG, Neuheim	CH	CHF	1'200'000	BH	P D	100	100
Bucher Hydraulics (Wuxi) Co., Ltd., Wuxi	CN	CNY	25'000'000	BH	P D	80	80
Suzhou Bucher Hydraulics Co., Ltd., Wujiang	CN	CNY	13'640'071	BH	P D	100	100
Bucher Hydraulics Dachau GmbH, Dachau	DE	EUR	30'000	BH	P D	100	100
Bucher Hydraulics Erding GmbH, Erding	DE	EUR	25'000	BH	P D	100	100
Bucher Hydraulics GmbH, Klettgau	DE	EUR	4'000'000	BH	P D	100	100
Bucher Hydraulics Remscheid GmbH, Remscheid	DE	EUR	25'000	BH	P D	100	100
Bucher Hydraulics SAS, Rixheim	FR	EUR	200'000	BH	D	100	100
Bucher Hydraulics Ltd., Nuneaton	GB	GBP	10'000	BH	D	100	100
Bucher Hydraulics Pvt Ltd., Gurgaon	IN	INR	49'966'680	BH	P D	100	100
Bucher Hydraulics S.p.A., Reggio Emilia	IT	EUR	1'500'000	BH	P D	100	100
Bucher Hydraulics KK, Tokyo	JP	JPY	10'000'000	BH	D	100	100
Bucher Hidrolik Sistemleri Tic. Ltd. Sti., Istanbul	TR	TRY	3'000'000	BH	D	100	100
Bucher Hydraulics, Inc., Grand Rapids MI	US	USD	12'473'000	BH	P D	100	100

Divisions: BM Bucher Municipal, BH Bucher Hydraulics

Activities: P Production, D Distribution, S Services

Company, place of incorporation	Country	Currency	Share capital	Division	Activities	Group interest %	
						2022	2021
Emhart Glass International SA, Steinhausen	CH	CHF	100'000	BEG	S	100	100
Emhart Glass SA, Steinhausen	CH	CHF	10'000'000	BEG	D S	100	100
Shandong Sanjin Glass Machinery Co., Ltd., Zibo	CN	CNY	72'000'000	BEG	P D	100	100
Emhart Glass GmbH, Leipzig	DE	EUR	50'000	BEG	S	100	100
Emhart Glass Vision GmbH, Planegg, Munich	DE	EUR	25'000	BEG	P	100	100
Emhart Glass S.r.l., Savona	IT	EUR	320'000	BEG	S	100	100
Emhart Glass Japan Co. Ltd., Kawasaki	JP	JPY	10'000'000	BEG	S	100	100
Emhart Glass Sdn Bhd., Ulu Tiram, Johor Bahru	MY	MYR	35'500'000	BEG	P	100	100
Emhart Glass Sweden AB, Sundsvall	SE	SEK	30'000'000	BEG	P	100	100
Emhart Glass Pte. Ltd., Singapore	SG	SGD	2	BEG	S	100	100
Emhart Glass, Inc., Windsor CT	US	USD	2	BEG	S	100	100
Emhart Glass Manufacturing, Inc., Horseheads NY	US	USD	1'000	BEG	P	100	100
Bucher Vaslin Argentina S.A., Mendoza	AR	ARS	7'341'800	BSp	D	100	100
Bucher Vaslin Sudamérica S.P.A., Santiago de Chile	CL	CLP	3'449'571'856	BSp	P D	100	100
Bucher Vaslin SA, Chalonnnes-sur-Loire	FR	EUR	2'400'000	BSp	P D	100	100
Bucher Vaslin S.r.l., Romans d'Isonzo	IT	EUR	100'000	BSp	D	100	100
Bucher Vaslin North America, Inc., Santa Rosa CA	US	USD	87'500	BSp	D	100	100
Bucher Engineering Ges.m.b.H., Vösendorf	AT	EUR	36'336	BSp	D	-	100
Bucher Unipektin AG, Niederweningen	CH	CHF	600'000	BSp	P D	100	100
Beijing Bucher Unipektin Equipment Co., Ltd., Beijing	CN	CNY	3'098'895	BSp	P D	100	100
Bucher Denwel spol. s r.o., Prague	CZ	CZK	100'000	BSp	P D	100	-
Bucher Merk Process GmbH, Laufenburg	DE	EUR	501'000	BSp	P D	100	100
Bucher Exzel, S.L., El Puig, Valencia	ES	EUR	6'311	BSp	P D	100	100
Bucher Unipektin Latin America S. de R.L. de C.V., Mexico City	MX	MXN	5'000	BSp	D	100	100
Bucher-Alimentech Ltd., Auckland	NZ	NZD	1'503'000	BSp	D	100	100
B&P Engineering Sp. z o.o., Przeworsk	PL	PLN	1'000'000	BSp	P D	100	-
B&P IP Engineering Sp. z o.o., Przeworsk	PL	PLN	30'000	BSp	S	100	-
Bucher-Landtechnik AG, Niederweningen	CH	CHF	4'000'000	BSp	D	100	100
Jetter Automation Technology (Shanghai) Co., Ltd., Shanghai	CN	CNY	12'820'627	BSp	D S	100	100
futronic GmbH, Tett nang	DE	EUR	260'000	BSp	P D	100	100
Jetter AG, Ludwigsburg	DE	EUR	3'241'061	BSp	P D	100	100
Jetter Automation Hungary Kft., Budapest	HU	HUF	3'000'000	BSp	P D	100	100

Divisions: BEG Bucher Emhart Glass, BSp Bucher Specials  
 Activities: P Production, D Distribution, S Services

### Significant associated companies

Company, place of incorporation	Country	Currency	Share capital	Division	Activities	Group interest %	
						2022	2021
Rauch Landmaschinenfabrik GmbH, Sinzheim	DE	EUR	1'650'000	O	P D	24	24
SSV Environnement SAS, Goussainville	FR	EUR	504'900	O	D S	20	20

Divisions: O Other  
 Activities: P Production, D Distribution, S Services

## 6. Other information

### 6.1 Pension benefit obligations

The Group has significant pension plans in Switzerland, France, Germany and the USA in accordance with the relevant national regulations. These are generally institutions and foundations that are independent of the Group, and they are normally financed by employer and employee contributions.

**Swiss plan** The Angestellten-Pensionskasse Bucher Schweiz (Bucher Switzerland employee pension fund, APK) has the legal form of a semi-autonomous foundation and is subject to the minimal legal requirements for pension plans, which are governed by the Federal Act on Occupational Old Age, Survivors' and Invalidity Pension Provision (BVG). The current financial status of the APK evaluated in accordance with Swiss GAAP FER 26 shows an estimated coverage in accordance with BVG of over 100%, as in the prior year. The calculation of the pension liabilities is based, as in the previous year, on a discount rate of 1.75%.

**Foreign plans** The economic impacts of the foreign pension plans are based on country-specific actuarial valuations in accordance with generally accepted accounting principles. Depending on the country and the composition of the plan participants, the pension obligations are discounted at an interest rate of between 3.4 and 5.2% (2021: between 0.4 and 2.5%). One pension plan in the USA was closed in 2022.

#### Economic benefits/obligations and pension benefit expense

CHF million	Pension plans			Total
	without surplus/deficit	with deficit	without own assets	
				<b>2022</b>
Balance at 1 January		18.4	25.2	43.6
Exchange differences		0.1	-1.2	-1.1
Pension benefit expense in employment costs	40.5	-2.7	-3.3	34.5
Contributions and benefit payments	-40.5	-11.2	-1.0	-52.7
<b>Change in pension benefit obligations</b>		<b>-13.8</b>	<b>-5.5</b>	<b>-19.3</b>
<b>Balance at 31 December</b>		<b>4.6</b>	<b>19.7</b>	<b>24.3</b>
Deficit		4.6		4.6
				<b>2021</b>
Pension benefit expense in employment costs	40.3	1.6	0.7	42.6

#### Accounting policies

**Pension benefit obligations** Surpluses and deficits are determined based on the financial statements of the pension plans or actuarial valuations. An economic benefit is only recognised if it is permissible and it is intended to utilise the surplus to reduce future employer contributions. An economic obligation is recognised, provided that the requirements for recognising a provision are met. Changes in the economic benefit or economic obligations as well as the contributions accrued for the period are booked as employment costs in the income statement.

Significant management assumptions and estimates

**Actuarial calculations of pension benefit obligations** The calculations of surpluses and deficits of the foreign pension plans are based on assumptions such as expected inflation rates, future salary increases, employee turnover, the life expectancy of the insured participants and the discount rate. These assumptions are made by management and may differ from the actual future developments.

## 6.2 Related parties and companies

CHF million

	2022	2021
Net sales and expenditure:		
Net sales with associates	3.0	1.6
Products purchased from associates	-56.2	-45.1
Other expenditure with associates	-0.1	-0.2
Receivables and payables:		
Receivables from associates	0.6	0.4
Payables to pension funds	-1.1	-18.2
Payables to associates	-1.1	-1.2

## 6.3 Events occurring after the balance sheet date

**Publication of the consolidated financial statements** The consolidated financial statements were approved for publication by the board of directors on 21 February 2023. They are subject to formal approval by the annual general meeting on 19 April 2023.

# Report of the statutory auditor

to the General Meeting of Bucher Industries AG

Niederweningen

## Report on the audit of the consolidated financial statements

### Opinion

We have audited the consolidated financial statements of Bucher Industries AG and its subsidiaries (the Group), which comprise the consolidated income statement for the year ended 31 December 2022, the consolidated balance sheet as at 31 December 2022, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 80 to 111) give a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

### Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report.

We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Our audit approach

#### Overview

Overall Group materiality: CHF 21'100'000



We concluded full scope audit work at 21 reporting units in various countries. Our audit scope addressed over 74% of the group's net Sales.

In addition, we performed audits of specific account balances at other reporting units, which account for further 2% of the Group's net sales.

As key audit matter the following area of focus has been identified:

Valuation of inventories

### Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

<b>Overall Group materiality</b>	CHF 21'100'000
<b>Benchmark applied</b>	Profit before tax
<b>Rationale for the materiality benchmark applied</b>	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured, and it is a generally accepted benchmark

We agreed with the Audit Committee that we would report to them misstatements above CHF 950'000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

### Audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Our involvement in the audits of subsidiaries comprised communicating the risks identified at Group level, assessing the applied materiality thresholds, participating in selected closing meetings, inspecting the reporting and conducting conference calls with the component auditors during the interim audit and the year-end audit. Through our involvement in the work of the component auditors, we ensured sufficient appropriate audit evidence was obtained to provide a basis for our opinion on the consolidated financial statements.

### Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Valuation of inventories**

**Key audit matter**

Bucher Industries carries significant inventories (CHF 1'022.4 million), which are recognised in accordance with Swiss GAAP FER.

Determining production costs, write-downs and loss-free valuation involves significant scope for judgement, which must be monitored by management. An incorrect estimate by management could have a significant impact on the profit for the year.

Please refer to page 94 (Invested capital – Inventories) in the notes to the consolidated financial statements.

**How our audit addressed the key audit matter**

In our audit of the valuation of inventories, we performed the following main audit procedures:

- We assessed the design and the existence of the key controls relating to the inventory valuation process and tested the effectiveness of selected controls.
- We were present at year-end inventory counts and assessed the design of the process.
- We analysed on a sample basis the standard cost calculations. Additionally, we assessed the differences between the standard and actual costs, and determined whether adequate measures had been taken with regard to the appropriate valuation of inventories.
- In order to verify the principles of loss-free valuation of inventories, we challenged the impairment parameters taking into account available historical data.

The results of our audit support management's valuations of the inventories in the consolidated financial statements.

**Other information**

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Board of Directors for the consolidated financial statements**

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.



#### Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the website of EXPERTsuisse: <http://expertsuisse.ch/en/audit-report-for-public-companies>. This description forms part of our auditor's report.

#### Report on other legal and regulatory requirements

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG



Thomas Illi  
Audit expert  
Auditor in charge



Oliver Illa  
Audit expert

Zürich, 21 February 2023



# Holding company

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## Income statement of Bucher Industries AG

CHF million

	2022	2021
Income from investments	89.1	85.8
Royalty income	23.7	19.7
Administrative expenses	-6.9	-5.9
<b>Operating profit (EBIT)</b>	<b>105.9</b>	<b>99.6</b>
Finance costs	-107.7	-80.8
Finance income	103.6	80.5
<b>Profit before tax</b>	<b>101.8</b>	<b>99.3</b>
Income tax expense	0.7	-2.3
<b>Profit for the year</b>	<b>102.5</b>	<b>97.0</b>

## Balance sheet of Bucher Industries AG

CHF million	Note	31 December 2022	31 December 2021
Cash and cash equivalents		119.5	287.1
Other receivables		122.0	42.1
Accrued income		19.6	16.2
<b>Current assets</b>		<b>261.1</b>	<b>345.4</b>
Financial assets			
Loans		0.7	425.7
Investments		1'286.6	859.5
<b>Non-current assets</b>		<b>1'287.3</b>	<b>1'285.2</b>
<b>Assets</b>		<b>1'548.4</b>	<b>1'630.6</b>
Interest-bearing liabilities			
Loans and other bank borrowings	2.2	–	15.0
Other interest-bearing liabilities	2.2	159.3	244.6
Other liabilities		15.0	7.4
Accrued liabilities and deferred income		2.8	3.3
<b>Current liabilities</b>		<b>177.1</b>	<b>270.3</b>
Interest-bearing liabilities			
Bonds	2.2	100.0	100.0
Loans and other bank borrowings	2.2	282.8	279.1
Other liabilities		0.1	0.3
Provisions		–	0.9
<b>Non-current liabilities</b>		<b>382.9</b>	<b>380.3</b>
<b>Total liabilities</b>		<b>560.0</b>	<b>650.6</b>
Share capital	2.5	2.1	2.1
Statutory reserves		70.6	70.6
Distributable reserves		796.8	781.8
Retained earnings		18.2	33.4
Profit for the year		102.5	97.0
Treasury shares	2.6	–1.8	–4.9
<b>Equity</b>		<b>988.4</b>	<b>980.0</b>
<b>Liabilities and equity</b>		<b>1'548.4</b>	<b>1'630.6</b>

## Notes to the financial statements of Bucher Industries AG

### 1. Information on this report

#### 1.1 General information

These financial statements of Bucher Industries AG, incorporated in Niederweningen, have been prepared in accordance with the provisions of Swiss accounting law (Title 32 of the Swiss Code of Obligations). The main valuation principles applied, other than those prescribed by law, are described below. In accordance with art. 961d paragraph 1 of the Swiss Code of Obligations, Bucher Industries AG did not present additional data in the notes or a cash flow statement, referring instead to the consolidated financial statements of Bucher Industries AG for the relevant information. The company does not have any employees.

#### 1.2 Accounting policies

**Cash pooling** To ensure Group-wide financial balance, group companies are integrated into Bucher Industries AG's cash pooling. The cash pool accounts are recognised at par value and recorded in other receivables and other interest-bearing liabilities.

**Derivative financial instruments** These instruments are shown in other receivables and other liabilities and are used to hedge exposure to interest rate and foreign currency fluctuations. The first-time accounting and the subsequent valuations are made at the respective fair value. This is based on observable market information at the end of the reporting period. Changes in fair value are recognised in the income statement.

**Investments** Investments are recognised at amortised cost, net of write-downs in the case of impairment. To evaluate an impairment, the carrying amount is compared with the recoverable amount. Investments which are considered an economic unit within the company, in the management and in the assessment of the business, are treated as a valuation unit. Information on the investments held, directly and indirectly, by Bucher Industries AG is provided in the list of group companies on pages 107 to 109 of the annual report.

**Treasury shares** Treasury shares are deducted from equity at cost. When resold, the gain or loss is recognised directly in equity.

**Interest income/dividends** Interest income is recorded over the anticipated term, so that it reflects the effective income on an asset. Dividends are recognised in income from investments at the time when the company becomes legally entitled to them.

**Royalty income** Royalty income consists of fees charged to group companies for the use of brand names.

## 2. Notes

### 2.1 Balances with group companies

CHF million

	2022	2021
Other receivables	108.6	37.4
Accrued income	19.6	16.2
Financial assets	0.7	425.7
Interest-bearing liabilities	-159.3	-244.6
Other liabilities	-5.9	-3.5
Accrued liabilities and deferred income	-0.2	-
Loans	-282.8	-279.1

### 2.2 Interest-bearing liabilities

Interest-bearing liabilities include mainly bonds, bank borrowings and loans and cash pool accounts with group companies. Further information on the bond is disclosed on page 101 of the annual report.

### 2.3 Assets and liabilities based on observable market data

CHF million

	2022	2021
Derivative financial instruments – assets	16.2	8.7
Derivative financial instruments – liabilities	-15.0	-7.6
<b>Assets and liabilities based on observable market data</b>	<b>1.2</b>	<b>1.1</b>

### 2.4 Contingent liabilities

The contingent liabilities have been incurred by the company mainly to cover group companies' obligations to banks in respect of credit and cash pool agreements. The maximum exposure was CHF 190.9 million (2021: CHF 166.8 million). The amount used at the reporting date was CHF 51.9 million (CHF 44.6 million). Bucher Industries AG is jointly liable for the VAT group of Bucher-Guyer AG as part of group taxation arrangements.

### 2.5 Share capital and shareholders

The issued share capital of Bucher Industries AG stands at CHF 2'050'000. It is composed of 10'250'000 registered shares at a par value of CHF 0.20 each. Bucher Industries AG has conditional authorised but unissued capital up to a maximum of CHF 236'820. This is reserved for the exercise of warrants or conversion rights attached to bonds and of rights issued to shareholders. Shareholders have no pre-emption rights.

**Significant shareholders and their investments** The shares are widely held by public shareholders. A group of shareholders organised under a shareholders' agreement, represented by Rudolf Hauser, Zurich, holds a total of 35.2% of the voting rights, according to the most recent information published in the Swiss Official Gazette of Commerce (SOGC) on 10 May 2005 and subsequent to the share capital reduction in June 2012. The main conditions of the shareholders' agreement and the number of shares held by individual group members have not been published. At the reporting date, the board of Bucher Industries AG was not aware of any other persons who hold more than 3% of the issued share capital of Bucher Industries AG and was not aware of any shareholders entered in the share register with voting rights or groups of shareholders subject to voting agreements who hold more than 3% of the issued share capital.

### Directors' interests in shares

	Number of shares	
	2022	2021
Philip Mosimann, chairman	47'369	46'903
Anita Hauser, deputy chairwoman	440'828	440'656
Michael Hauser	605'782	605'631
Martin Hirzel	653	502
Stefan Scheiber	80	n.a.
Heinrich Spoerry	n.a.	4'249
Valentin Vogt	5'335	5'176
<b>Board of directors</b>	<b>1'100'047</b>	<b>1'103'117</b>

In the reporting period, 1'250 shares (2021: 1'037) were allocated to the board of directors at a share price of CHF 365.20 (CHF 495.00) as part of their fees for their term of office 2021/2022 (term of office 2020/2021). Further information is disclosed in the remuneration report on page 68.

### Group management's interests in shares

		Number of shares	
		2022	2021
Jacques Sanche	CEO	7'332	5'689
Manuela Suter	CFO	1'184	747
Thierry Krier	Kuhn Group	3'900	3'403
Aurelio Lemos	Bucher Municipal	882	768
Daniel Waller	Bucher Hydraulics	9'499	9'092
Matthias Kümmerle	Bucher Emhart Glass	690	283
Stefan Düring	Bucher Specials	2'132	1'768
<b>Group management</b>		<b>25'619</b>	<b>21'750</b>

In the reporting period, 4'119 shares (2021: 1'462) were allocated to group management for financial year 2021 at a share price of CHF 365.20 (CHF 495.00). Further information is disclosed in the remuneration report on page 69.

## 2.6 Treasury shares

CHF million	Number of shares		Number of shares	
	2022		2021	
Balance at 1 January	21'182	4.9	24'845	6.8
Reissued for share-based payments	-8'730	-3.1	-3'663	-1.9
<b>Balance at 31 December</b>	<b>12'452</b>	<b>1.8</b>	<b>21'182</b>	<b>4.9</b>

The voting rights for treasury shares are suspended in accordance with art. 659a paragraph 1 of the Swiss Code of Obligations.

## Proposal of the board of directors

### Appropriation of retained earnings

CHF		
	2022	2021
Retained earnings carried forward as at 1 January	130'451'170	109'923'648
Transfer to distributable reserves	-15'000'000	-10'000'000
Dividend	-97'256'706	-66'487'317
Profit for the year	102'542'085	97'014'839
<b>Retained earnings available for distribution</b>	<b>120'736'549</b>	<b>130'451'170</b>

### Proposal of the board of directors

CHF		
	2022	2021
Retained earnings available for distribution	120'736'549	130'451'170
Transfer to distributable reserves	-	-15'000'000
Transfer from distributable reserves	30'000'000	-
Dividend <sup>1)</sup>	-133'250'000	-97'375'000
<b>Balance to be carried forward</b>	<b>17'486'549</b>	<b>18'076'170</b>

<sup>1)</sup> The dividend is based on the issued share capital as at 31 December. No dividends will be distributed for treasury shares held by Bucher Industries AG.

# Report of the statutory auditor

## to the General Meeting of Bucher Industries AG

### Niederweningen

#### Report on the audit of the financial statements

##### Opinion

We have audited the financial statements of Bucher Industries AG, which comprise the income statement for the year ended 31 December 2022, the balance sheet as at 31 December 2022, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 118 to 123) as at 31 December 2022 comply with Swiss law and the company's articles of incorporation.

##### Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the entity in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Our audit approach

###### Overview

Overall materiality: CHF 15'400'000



We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the entity, the accounting processes and controls, and the industry in which the entity operates.

As key audit matter the following area of focus has been identified:

Valuation of investments

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**Materiality**

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

<b>Overall materiality</b>	CHF 15'400'000
<b>Benchmark applied</b>	Total assets
<b>Rationale for the materiality benchmark applied</b>	We chose total assets as the benchmark because, in our view, it is a relevant benchmark against which holding companies can be assessed, and it is a generally accepted benchmark with regard to considerations of impairment regarding holding companies.

We agreed with the Audit Committee that we would report to them misstatements above CHF 770'000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

**Audit scope**

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

**Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Valuation of investments**

<b>Key audit matter</b>	<b>How our audit addressed the key audit matter</b>
Investments recognised on the balance sheet amount to CHF 1'286.6 million, which represents a significant portion of total assets.	When identifying the potential need for impairment of investments, management follows a predefined impairment testing process.
The valuations of the companies are calculated using the intrinsic value method or the capitalised earnings method, all of which require significant judgement in determining the parameters such as the capitalisation rate.	We compared the carrying amount of the investments in the year under review with the pro-rata share of each investee's equity or its valuation according to the capitalised earnings method.
Please refer to page 120 (Information on this report – Investments) in the notes to the financial statements and to pages 107 to 109 (Group structure – Group companies) in the notes to the consolidated financial statements.	We performed sensitivity analyses using modified discount rates, sales and margins. These analyses enabled us to assess any potential impairment of the investments.
	The results of our audit support management's valuations of the investments in the financial statements.



#### Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the website of EXPERT-suisse: <http://expertsuisse.ch/en/audit-report-for-public-companies>. This description forms part of our auditor's report.

#### Report on other legal and regulatory requirements

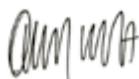
In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG



Thomas Illi  
Audit expert  
Auditor in charge



Oliver Illa  
Audit expert

Zurich, 21 February 2023

# Environmental, social and ethics report

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This report describes the eleven topics which are material for us in the area of the environment, social affairs and ethics, and assigns them to our customer, employee, environment and compliance pillars. It sets out an ambition, key indicator, target and management approach for each topic and how they have developed during the reporting period.



# Customers

With over 100 sites worldwide, we are close to the markets and know our customers. We offer them innovative products and solutions together with outstanding service. We attach great importance to protecting our customers’ health and safety.

Topic	Ambition	Key indicator and target	2022
Satisfied customers	Customer satisfaction is central to our activities. That is how we secure our position in the markets and our long-term success.	Maintain and increase our market share	n.a. <sup>1)</sup>
Innovative products and optimal solutions	We know our customers’ needs and anticipate future requirements, we systematically align our research and development initiatives with them, and we offer solutions that generate added value.	Expenditure on research and development is 4 to 5% of sales over a business cycle	3.4%
Customer health and safety	We ensure that our products and solutions are safe to use.	No incidents with a significant negative impact on customer health and safety caused by any failures on our part to comply with safety regulations	No significant incidents

<sup>1)</sup>No meaningful Group-wide figure available or not published for reasons of confidentiality.

### Management approach

Our Code of Conduct states that we will behave properly and fairly towards our customers and will conduct business with integrity and in a professional manner.

**Processes** The divisions are responsible for implementing our standards for dealing with customer issues, and they use modern management systems for this purpose. They are in regular contact with our customers, including through daily discussions with our major customers, via digital platforms such as “MyKUHN” or “Bucher Connect” for the divisions that have many smaller customers and end users, and via customer surveys, product surveys and trade fairs.

Bucher Industries was assessed as a supplier on the “EcoVadis” platform and for the Group achieved a bronze rating.

## Satisfied customers

### Management approach

Our divisions operate in a variety of markets and the customer base is correspondingly diverse. With over 100 sites worldwide, our employees are close to the customers and know their needs very well. They support them on site with spare parts, expertise and services as needed and cultivate long-term relationships.

Meeting delivery deadlines was a key issue for our customers in 2022. Our employees responded by doing their utmost under very difficult circumstances to ensure that our customers received their orders as far as possible on time and in the quality that they were accustomed to. Many important trade fairs took place again following the interruption caused by the pandemic. These offered a much-appreciated opportunity to network as well as a platform for presenting innovations.

## Innovative products and optimal solutions

### Management approach

Our customers' needs and anticipated future requirements are integrated into our divisions' research and development activities. This enables us to offer products, solutions and services that are not only technologically and environmentally impressive but also effective, high quality and user friendly – thereby ensuring our current and future success.

In the reporting period, CHF 123 million was invested in research and development, 3.4% (2021: 3.7%) of sales. The divisions again launched innovative products, with a focus on increasing their products' efficiency, automation, digitalisation and connectivity, and on reducing their products' environmental impact during operation. The divisions offered service programmes tailored to their customers' needs in order to help them use the increasingly complex products.

## Customer health and safety

### Management approach

We attach great importance to protecting our customers' health and safety, right from product development through to product manufacture, use and final disposal. Our divisions ensure, by means of technical safety precautions, regulatory compliance, homologation and other approval procedures, product certifications, regularly reviewed and updated product information, and instructions and training for customers, that the products are safe to use. Cyber security has high priority as a topic because our products, solutions and services are digitally interconnected. Specialists in the divisions, with the support of our central information security department, implement the Group-wide requirements and measures defined in the "Cyber Security Baseline Policy".

During the reporting period, no incidents with a significant negative impact on customer safety or health were caused by any failures on Bucher Industries' part to comply with security regulations. Three cases that relate to incidents from previous years which, in Bucher Industries' view, were not caused by product defects are pending before the courts.



# Employees

Our success is due to our employees’ expertise and high level of commitment. We offer them attractive jobs in which they can contribute to solving global challenges. We create a working environment that motivates, inspires, nurtures and challenges our employees according to their skills and interests.

Topic	Ambition	Key indicator and target	2022
Satisfied employees	We want to be an attractive and fair employer that offers its employees exciting work in an environment that they can help to shape.	Proportion of employee resignations to total permanent employees less than 5%	7.2%
Qualified employees	We nurture and challenge our employees according to their interests and skills and offer them opportunities to develop within the company.	<ul style="list-style-type: none"> <li>- Over 20 hours of training per employee per year</li> <li>- Two thirds of senior management recruited internally</li> </ul>	20 hours More than two thirds
Health and safety at work	We protect our employees by ensuring the highest possible level of health and safety in the workplace.	Keep the accident frequency rate as low as possible	n.a. <sup>1)</sup>
Equal opportunities	We ensure that everyone is given equal opportunities from the time that they apply for a job, through their employment and on to their promotion, regardless of their age, gender, sexual orientation, ethnic origin, nationality, religion, or physical or mental disability.	No proven cases of discrimination	No proven cases

<sup>1)</sup> No meaningful Group-wide figure available or not published for reasons of confidentiality.

### Management approach

The Code of Conduct sets out the rights and obligations of the employees of Bucher Industries. All employees can expect that the Group companies will always perform their duties as employers in a timely and proper manner. The companies can, in turn, expect their employees to work to the best of their abilities. The shared values, principles and standards for dealing with employees are laid down in the Group-wide Employee Policy. We are a signatory to the UN Global Compact and fully endorse its principles on human rights and labour standards.

**Processes** The divisions and their management are responsible for implementing our standards for dealing with employees. Our whistleblower system allows employees to file complaints regarding discrimination. We also investigate anonymous reports.

**Social dialogue** We maintain an active social dialogue with employee organisations and an open-dialogue culture with regular briefings and informal meetings with our employees, followed by question and answer sessions. We ensure freedom of association, collective bargaining and fair working conditions.

**Human rights** Respect for human rights, as set out in the fundamental international conventions, is embedded in our core values. We are committed to complying with them as well as with the laws that apply in the countries in which we operate. Our operations do not use any compulsory, forced or child labour and we prohibit any involvement in human trafficking or modern slavery.

The Group-wide Employee Policy was developed and issued during the reporting period. It is based on the Code of Conduct and documents our shared values, principles and standards in dealing with employees. As every year, we informed the European employee representative committees (“Eurocommittees”) about relevant current topics and business development, followed by question and answer sessions.

### Employees

	Change				
	2022	%	2021	%	%
Regulars	12'261	82.4	11'342	82.0	8.1
Trainees	418	2.8	393	2.8	6.4
Defined period and temporary staff	2'197	14.8	2'100	15.2	4.6
<b>Employees</b>	<b>14'876</b>	<b>100.0</b>	<b>13'835</b>	<b>100.0</b>	<b>7.5</b>
Regulars covered by collective agreements	7'291	59.5	6'945	61.2	5.0

Despite the tight labour market, the divisions were able to increase the numbers of their employees to cope with the high production volume. Almost half of the increase was due to acquisitions.

## Satisfied employees

### Management approach

An important management tool is the annual appraisal, during which we discuss the appraisal itself, further training and development opportunities and the employment relationship in general. We agree annual targets with most employees, and, for managers, these are linked to performance-related variable remuneration. Our corporate culture is characterised by decentralised organisation, which enables our employees at all levels to contribute and help to shape their own work environment. The business units conduct periodic surveys to determine employee satisfaction.

### Staff turnover

	2022	2021
Regulars at 1 January	11'342	11'302
Acquisition of subsidiaries	391	119
Joiners	1'827	1'494
Leavers	-1'299	-1'573
<b>Regulars at 31 December</b>	<b>12'261</b>	<b>11'342</b>
Turnover rate	11.0%	13.9%
Resignation rate	7.2%	7.1%

In the reporting period, the situation on the labour markets was very tense. It was difficult to retain and recruit qualified employees, especially in the USA and Australia. Many employees experienced a very high workload and there was correspondingly greater wish for work-life balance.

Various business units conducted employee surveys, which showed a similar picture to the previous year's surveys. The response rate was three quarters and the proportion of those with high satisfaction (in the top third) were around 75%. The findings from the surveys are used to implement targeted and site-specific measures to further increase employee satisfaction.

## Qualified employees, health and safety at work

### Management approach

**Qualified employees** Acquiring, developing, distributing and using knowledge, is one of our key objectives. We promote this with external training and development opportunities as well as internal development opportunities and leadership training. At the group level, there are various training programmes that bring employees from all divisions together. These programmes aim to communicate Bucher Industries’ culture and values and to strengthen cohesion within the Group, in addition to imparting technical content and strengthening employees’ social and personal skills.

**Health and safety at work** We comply with all laws and regulations that govern occupational health and safety in each country. All of our production sites have appropriate management systems, regulations, policies and procedures specific to their production environments, have a health and safety officer, and conduct regular educational and training sessions as well as internal and external audits. After each acquisition, we gradually introduce the new site to the Bucher Industries standards. And, wherever possible, we automate any tasks that involve heightened health and safety risks.

### Training

	Change		
	2022	2021	%
Average number of training hours per regular employee	20	19	3.6
Of which health and safety training hours	4	3	41.0

In the reporting period, many training courses that had been cancelled during the pandemic were held again. This was especially true of division-wide and Group-wide training, which brings employees from around the world together.

The few changes in senior management had no impact on the overall picture: more than two-thirds of these managers were promoted from internal positions to these functions.

Business units representing three quarters of all employees conducted external or internal audits on occupational health and safety. The occupational health and safety management systems of business units representing one third of all employees were certified according to ISO 45001 or OHSAS 18001 in the reporting period.

## Equal opportunities

### Management approach

Bucher Industries offers equal opportunities for all. We make decisions regarding recruitment, employment, training and development, and promotion objectively and base those decisions on qualifications, skills and work performance, and attitudes, regardless of age, gender, sexual orientation, ethnic origin, nationality, religion, or physical or mental disabilities. We are committed to paying equal wages for equal qualifications and performance in accordance with local law. We encourage hiring locally and promoting from within our own ranks. As an employer operating around the world, diversity is a matter of course for us. We strive to promote gender diversity at all levels and especially in our management bodies.

There were no proven cases of discrimination at Bucher Industries during the reporting period. There were a few cases involving allegations of harassment, which were investigated and often resolved using simple measures. In four cases, the allegations were substantiated, which led to personnel consequences.

Various business units regularly conduct equal pay analyses, usually for regulatory reasons. The analyses conducted in 2022 covered one third of the employees and did not identify any significant unexplained pay discrepancies.

### Composition of employees

%	Workload		Gender		Age		
	Full-time	Part-time	Male	Female	< 30 years	30-50 years	> 50 years
							<b>2022</b>
Regulars	95.1	4.9	85.4	14.6	15.4	54.4	30.2
of which senior management	–	–	95.7	4.3	–	32.6	67.4
of which group management	–	–	85.7	14.3	–	28.6	71.4
Board of directors	–	–	83.3	16.7	–	16.7	83.3
							<b>2021</b>
Regulars	94.9	5.1	85.6	14.4	15.1	54.9	30.0
of which senior management	–	–	95.8	4.2	–	39.6	60.4
of which group management	–	–	85.7	14.3	–	42.9	57.1
Board of directors	–	–	83.3	16.7	–	16.7	83.3

Overall, the workload distribution and the gender and age structure remained at a similar level during the reporting period.

The low proportion of women at Bucher Industries is due to the fact that many jobs in companies in the engineering industry are of a technical nature, and the recruitment pool for such jobs tends to be dominated by men. The divisions are also trying to find, retain and promote female employees by working with educational institutions to increase female students' interest in technical careers and by making the working hours more flexible for employees who have family responsibilities.



# Environment

As a technology company, we contribute to ecological development on two levels. Our efficient and modern machines and systems enable our customers to reduce their ecological footprint. We also focus on energy efficiency and renewable energies and thereby reduce the emissions in our own production environment.

Topic	Ambition	Key indicator and target	2022
Environmental impact of our products and services	We continuously optimise our products and launch new solutions that enable our customers to reduce their ecological footprint without compromising on efficiency or functionality.	Substantial increase in the efficiency of products and solutions with a focus on reducing resources and CO <sub>2</sub> emissions	n.a. <sup>1)</sup>
Resource efficiency of production with a focus on the reduction of CO <sub>2</sub> emissions	We are reducing our own ecological footprint through measures in various areas.	Reduction of Scope 1 and Scope 2 CO <sub>2</sub> intensity (measured as CO <sub>2</sub> emissions in relation to value added) by at least 10% by 2026 compared to 2021	Reduction in the mid-single-digit percentage range

<sup>1)</sup>No meaningful Group-wide figure available or not published for reasons of confidentiality.

### Management approach

Protection of the environment and natural resources is embedded in our Code of Conduct. Our Group-wide Environmental Policy is the basis for our environmental management activities and specifies our shared values, principles and standards in this area. We are a signatory of the UN Global Compact and fully endorse the environmental principles embodied in it. We support efforts to mitigate climate change through our measures to reduce CO<sub>2</sub> emissions.

**Processes** Responsibility for implementing our standards for dealing with environmental issues lies with our divisions – with their research and development and product management departments as well as with their building and energy management teams. They use modern management systems for this purpose. They are also in contact with the relevant stakeholders, such as customers and authorities. Ecological considerations are an integral part of the research and development phase and take account of the entire life cycle of the products, from their manufacture to their daily use and then to their disposal.

The Group-wide Environmental Policy was developed and implemented during the reporting period. Based on our Code of Conduct, it forms the basis for our environmental management activities and documents our shared values, principles and standards in this area. Business units representing just under half of group sales have environmental management systems that are certified according to ISO 14001. The share was about 10% with regard to energy management systems that are certified according to ISO 50001.

## Environmental impact of our products and services

### Management approach

A major lever for reducing our ecological footprint lies in our products and solutions. We are continuously developing and optimising them in line with our customers' needs and the regulatory requirements. Our products and solutions are becoming ever more efficient, effective and precise due to electrification, efficiency gains to reduce energy and resource consumption, as well as electronic control systems that enable more targeted use of fertilisers, crop protection products and road salt. These efforts are helping our customers reduce CO<sub>2</sub> emissions and the use of natural resources and chemicals. However, we are currently unable to set quantitative overall reduction targets due to the broad range of our product portfolios.

In the reporting period, the divisions again developed new products and solutions that will enable their customers to reduce their environmental impact without compromising user-friendliness, functionality and cost-effectiveness. These can be summarised in the following four strategic initiatives: solutions for conservation and precision agriculture, electrified mobile machinery, electrohydraulic components and systems, and automation and artificial intelligence in glass container manufacturing. The products launched during the reporting period are presented in the divisional reports (from page 18).

## Resource efficiency of production with a focus on the reduction of CO<sub>2</sub> emissions

### Management approach

We have set ourselves the goal of reducing the CO<sub>2</sub> emissions generated by our own activities in relation to value added. We are taking action at various levels: by optimising buildings, by achieving efficiency gains in production, and by generating energy from renewable sources.

In the reporting period, we planned and developed a wide variety of measures to reduce Scope 1 and Scope 2 CO<sub>2</sub> intensity, some of which have already been implemented (see the divisional reports and stories for further details).

### Energy consumption

MWh	of which renewable		of which renewable		Change
	2022	%	2021	%	%
Conventional purchased electricity	129'421		128'188		1.0
Renewable purchased electricity	34'653		35'176		-1.5
Self-generated solar power	2'222		1'145		94.1
<b>Electricity</b>	<b>166'296</b>	<b>22.2</b>	<b>164'509</b>	<b>22.1</b>	<b>1.1</b>
Heating oil	3'237		3'703		-12.6
Natural gas	145'151		159'177		-8.8
Liquified petroleum gas (LPG)	13'269		14'165		-6.3
Bio mass	2'309		2'385		-3.2
<b>On-site fuels</b>	<b>163'966</b>	<b>1.4</b>	<b>179'430</b>	<b>1.3</b>	<b>-8.6</b>
<b>District heating</b>	<b>13'684</b>	<b>n.a.</b>	<b>17'299</b>	<b>n.a.</b>	<b>-20.9</b>
Diesel	29'186		28'908		1.0
Petrol	9'129		8'397		8.7
Liquified petroleum gas (LPG)	4'448		4'468		-0.4
Bio transport fuels	721		851		-15.3
<b>Transport fuels</b>	<b>43'484</b>	<b>1.7</b>	<b>42'624</b>	<b>2.0</b>	<b>2.0</b>
<b>Energy consumption</b>	<b>387'430</b>	<b>10.3</b>	<b>403'862</b>	<b>9.8</b>	<b>-4.1</b>

Energy consumption decreased despite higher production volumes. The largest decrease was in on-site fuels, due to the mild winter months and the closure of an old, energy-inefficient building. Measures that we had already implemented for heat recovery and process optimisation also contributed, as did our employees' increased awareness of the need to save energy, which was also driven by the high energy prices. In the case of district heating, the higher temperatures and process optimisations were also key to reducing our energy consumption.

The doubling of megawatt hours of self-generated solar power compared to 2021 was due to new or expanded photovoltaic installations at three locations in China, India and Germany. The installed solar capacity at nine business units totalled 3'842 kWp.

## CO<sub>2</sub> emissions

tCO <sub>2</sub> e	Change				
	2022	%	2021	%	%
On-site fuels	33'364		36'540		-8.7
Transport fuels	11'206		10'953		2.3
Refrigerants	1'088		1'254		-13.2
Process emissions	343		325		5.5
<b>Scope 1</b>	<b>46'001</b>	<b>51.3</b>	<b>49'072</b>	<b>52.6</b>	<b>-6.3</b>
Electricity	41'335		41'292		0.1
District heating	2'336		2'953		-20.9
<b>Scope 2</b>	<b>43'671</b>	<b>48.7</b>	<b>44'245</b>	<b>47.4</b>	<b>-1.3</b>
<b>CO<sub>2</sub> emissions</b>	<b>89'672</b>	<b>100.0</b>	<b>93'317</b>	<b>100.0</b>	<b>-3.9</b>
Biogenic CO <sub>2</sub> emissions	219		253		-13.4

### Calculation of CO<sub>2</sub> emissions

The greenhouse gas inventory was compiled in accordance with the Greenhouse Gas Protocol and ISO standard 14064. Scope 1 emissions are from direct energy usage and non-energy processes. Scope 2 emissions are from indirect energy use. Where possible, the market-based approach was used to calculate greenhouse gas emissions associated with electricity consumption. For all other electricity consumption, the location-based approach was applied.

Our CO<sub>2</sub> emissions also developed in line with our energy consumption. The decrease was driven by the decline in on-site fuels and district heating. Overall, the reduction in CO<sub>2</sub> intensity, measured as CO<sub>2</sub> emissions in relation to value added, was in the mid-single-digit percentage range compared to the 2021 base year. However, this was largely due to the mild winter months and our efficient use of input energy due to high capacity utilisation.

In 2022, there were no cases of non-compliance with environmental laws and regulations at Bucher Industries' production sites, and we therefore did not incur any fines or non-monetary sanctions.



# Compliance

An important aspect of Bucher Industries’ more than 200-year success story is that it has a strong corporate culture with a long-term orientation. It is based on compliance with the law as well as fair and ethical behaviour towards all of its stakeholders such as customers, employees, business partners, competitors and authorities, and is the source of our excellent reputation.

Topic	Ambition	Key indicator and target	2022
Compliance with laws and regulations	We implement all applicable laws and comply with them fully.	<ul style="list-style-type: none"> <li>- No significant incidents regarding our compliance with laws and regulations</li> <li>- Full compliance training for all employees concerned</li> <li>- No significant deviations from our Group-wide requirements for risk controls (in accordance with BICS)</li> </ul>	<p>No significant incidents</p> <p>Fully completed</p> <p>No significant deviations</p>
Supply chain – sound procurement practices	We take sustainability aspects into account when selecting our suppliers.	Key indicators and targets are developed in line with planned legal regulations	n.a. <sup>1)</sup>

<sup>1)</sup>No meaningful Group-wide figure available or not published for reasons of confidentiality.

## Compliance with laws and regulations

### Management approach

Our Code of Conduct describes how all Bucher Industries employees should conduct themselves in their business dealings with customers, fellow employees, business partners, competitors and the authorities: correctly, fairly, with integrity and professionally. Our business activities comply with all applicable laws and binding regulations in all of the countries in which we operate. Managers at all levels keep themselves informed about any relevant legal and regulatory frameworks and pass on any required instructions. Our employees are responsible for understanding and complying with the legal requirements in their areas of work. Group-wide directives, with specific requirements and instructions, are in place regarding the matters mentioned below. If any Swiss or international regulations differ from our internal guidelines, we apply the stricter standard wherever possible and appropriate.

**Anti-corruption** Our Code of Conduct prohibits all forms of bribery and corruption. None of our managers, employees or business partners may engage in any corrupt practices, regardless of the

countries in which they operate. They must behave honestly and correctly in their dealings with both public officials and persons from the private sector and must learn about the local legal requirements in any countries in which they operate. Our Anti-Corruption Directive raises awareness of the dangers of corruption and provides concrete guidance on how to deal with it. A separate directive specifies how to deal with intermediaries.

**Competition law** Our Code of Conduct states the guiding principle of adhering to fair competition, which ensures fair pricing and customer and consumer protection in particular. Our Competition Law Directive explains the basic provisions of competition law and provides guidance on how to avoid anti-competitive behaviour. It raises awareness of situations that could be problematic from a competition law perspective.

**Trade controls** In accordance with our Code of Conduct, we fully comply with all applicable trade control laws. Numerous import and export regulations apply to us because we operate in a global business environment. Our Trade Compliance Directive sets the framework for all of our divisions to comply with these global trade regulations. Since the divisions have different lines of business and organisational structures, their trade compliance controls (including their internal compliance programmes and related processes) are risk adjusted and adapted to each division.

**Data protection** Our Code of Conduct states that we must collect and store the personal data of employees and third parties in accordance with all applicable laws and regulations. This includes the right of individuals to be informed and to make decisions about any operations related to their personal data, including their collection, use, disclosure, retention, alteration and erasure. Our Data Protection Directive implements the EU General Data Protection Regulation (GDPR) by setting out and implementing its provisions and defining roles and responsibilities. We also comply with any applicable local data protection regulations.

**Processes** The divisions are responsible for implementing our Group-wide principles and directives. The compliance function consists of a Group Compliance Officer and divisional and local compliance officers. These officers help the divisional and local management to implement the directives and are contact persons for the employees.

Employees may report any breaches of our Code of Conduct or directives to their line managers, the division president, the CEO of Bucher Industries, the Group Compliance Officer or a compliance officer. Alternatively, employees or third parties may report actual or suspected serious breaches anonymously through our online whistleblower system. We ensure that any actual or suspected compliance breaches are investigated and decided by unbiased persons.

At the commencement of their employment, all employees receive our Code of Conduct and any directives that relate to their functions and are trained on them. Subsequently, they complete annual online training on the Group-wide compliance programme, the directives, any applicable instructions and requirements, and the reporting system. The divisions conduct further training in specific areas (e.g. trade controls). The local and divisional compliance officers receive special and regular training on their tasks.

Compliance with the regulations is monitored through twice-yearly Group-wide compliance reports and is included in regular internal audits. Any serious issues are escalated immediately. The internal control system also covers compliance-related issues.

The Group ensures that all relevant employees complete full compliance training and that there are no significant deviations from the Group-wide control system. In doing so, it aims to prevent any significant incidents regarding compliance with laws and regulations.

There were no significant incidents regarding compliance with laws and regulations in 2022. No significant fines or non-monetary sanctions were incurred for violations of legal regulations. Nor were there any pending or completed proceedings regarding anti-competitive behaviour or cartels or monopolies. Correct behaviour on the part of our employees prevented some improper attempts by suppliers to influence decisions. We sent certain suppliers and employees written reminders of the applicable rules.

All employees concerned completed full compliance training and there were no significant deviations from our Group-wide risk control requirements.

## Supply chain – sound procurement practices

### Management approach

Our Code of Conduct sets out our principles of conduct: propriety, fairness, integrity and professionalism. Our Employee and Environmental Policies likewise set out our principles for respecting human rights and protecting the environment. We expect our suppliers to apply the same standards and we make them aware of our expectations.

**Reliable and financially sustainable supply chains** Well-functioning supply chains are crucial for us as an industrial company. When assessing our suppliers, we apply Group-wide criteria of regionality, interest in long-term and stable business relationships, competitive prices, financial soundness, and high delivery capability and quality.

**Human rights** Respect for human rights, as set out in the fundamental international conventions, is embedded in our core values. We are committed to respecting them as well as the laws that apply in the countries in which we operate. We prohibit any involvement in compulsory, forced or child labour, human trafficking or modern slavery. We expect our partners in the supply chain to apply the same standards.

**Environment** We strive to protect the environment and to use natural resources responsibly, efficiently and in accordance with all applicable laws and regulations. In our supply chain, in our own activities and with respect to our products in operation, we work on the premise that ecological sustainability includes protecting the environment throughout the whole of our products' life cycles.

**Processes** Our divisions are responsible for implementing our procurement arrangements. We apply the above-mentioned principles, standards and criteria when selecting suppliers and check that they comply with such principles, standards and criteria on the basis of defined key indicators. We carry out regular audits of key suppliers on the basis of a risk assessment. Each division implements an internal programme in accordance with the Trade Compliance Policy to ensure that it complies with applicable export control and customs regulations.

Delivery difficulties continued to be a key issue in working with our suppliers in 2022. Delivery quotas, delays and quality deficiencies impaired efficiency in production, in some cases significantly. Overall, our expenditure on raw materials, components and consumables amounted to CHF 1'970 million, an increase of 15.7% over the previous year. The divisions worked with 14'000 suppliers in the reporting period. Various sites conducted audits to check that their key suppliers were complying with the applicable efficiency criteria as well as the environmental, health and safety standards.

Bucher Industries will revise its internal guidelines and processes in this area during the current year to meet current and future customer and regulatory requirements.

# Annex

## Shares

At 31 December		2022	2021	2020	2019	2018
<b>Share capital</b>						
Registered shares						
Par value	CHF	0.20	0.20	0.20	0.20	0.20
In issue and ranking for dividend	number	10'250'000	10'250'000	10'250'000	10'250'000	10'250'000
Authorised but unissued	number	1'184'100	1'184'100	1'184'100	1'184'100	1'184'100
Treasury shares	number	12'452	21'594	25'257	23'704	37'775
Issued share capital	CHF	2'050'000	2'050'000	2'050'000	2'050'000	2'050'000
<b>Market capitalisation and dividends</b>						
Market capitalisation	CHF million	3'964.7	4'622.8	4'157.4	3'483.0	2'710.1
% of equity	%	235.8	305.8	303.2	253.5	212.1
Gross dividend per share	CHF	13.00 <sup>1)</sup>	9.50	6.50	8.00	8.00
Total dividend	CHF million	133.3 <sup>1)</sup>	97.4	66.6	82.0	82.0
Payout ratio	%	40.2 <sup>1)</sup>	36.7	44.3	36.6	36.8
<b>Per share data</b>						
Profit for the year						
Basic earnings per share	CHF	32.36	25.96	14.71	21.92	21.80
Diluted earnings per share	CHF	32.36	25.96	14.71	21.92	21.79
Net cash flow from operating activities	CHF	15.99	33.47	37.14	27.85	19.65
Equity	CHF	164.24	147.79	134.12	134.37	125.10
Year high	CHF	479.00	505.00	413.00	360.20	448.40
Year low	CHF	304.00	409.60	228.80	259.40	256.00
Year-end price	CHF	386.80	451.00	405.60	339.80	264.40
Average price	CHF	367.50	463.36	318.02	315.98	345.55
Average dividend yield	%	3.5 <sup>1)</sup>	2.1	2.0	2.5	2.3
Average daily trading volume	number	11'697	12'611	22'855	26'576	28'763
Price/earnings ratio (year-end price)		12.0	17.4	27.6	15.5	12.1

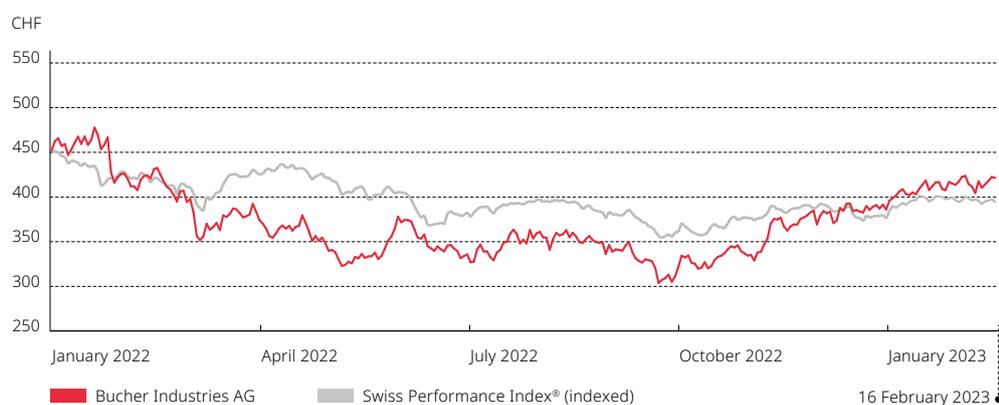
<sup>1)</sup> Proposal of the board of directors

## Stock exchange listing

The registered shares of CHF 0.20 each are listed in the main segment of SIX Swiss Exchange:

Security No.	243217
ISIN	CH0002432174
SIX Swiss Exchange	BUCN
Reuters	BUCN.S
Bloomberg	BUCN SW

## Share price performance



## Financial calendar

Annual general meeting (Mövenpick Hotel, Regensdorf)	19 April 2023	3.30 p.m.
First trading date ex-dividend	21 April 2023	
Dividend payment	25 April 2023	
Release of first-quarter 2023 group sales	27 April 2023	6.00 a.m.
Interim report 2023	27 July 2023	6.00 a.m.
Video conference on the interim results 2023	27 July 2023	10.00 a.m.
Release of third-quarter 2023 group sales	26 October 2023	6.00 a.m.
Release of 2023 group sales	25 January 2024	6.00 a.m.
Annual report 2023	1 March 2024	6.00 a.m.
Annual press conference	1 March 2024	9.00 a.m.
Annual analysts' conference	1 March 2024	2.00 p.m.
Annual general meeting (Mövenpick Hotel, Regensdorf)	18 April 2024	3.30 p.m.
First trading date ex-dividend	22 April 2024	
Dividend payment	24 April 2024	
Release of first-quarter 2024 group sales	25 April 2024	6.00 a.m.
Interim report 2024	25 July 2024	6.00 a.m.
Video conference on the interim results 2024	25 July 2024	10.00 a.m.
Release of third-quarter 2024 group sales	24 October 2024	6.00 a.m.

## Five-year summary

### Group

CHF million

	2022	2021	2020	2019	2018
Order intake	3'858.3	3'948.3	2'837.5	3'008.0	3'205.9
Net sales	3'596.8	3'176.4	2'740.7	3'106.0	3'064.5
Order book	2'081.2	1'872.7	1'081.4	1'018.7	1'136.8
Operating profit before depreciation and amortisation (EBITDA)	511.0	436.6	287.3	368.3	374.1
% of net sales	14.2%	13.7%	10.5%	11.9%	12.2%
Operating profit (EBIT)	425.2	351.9	204.1	284.6	292.2
% of net sales	11.8%	11.1%	7.4%	9.2%	9.5%
Net financial result	-2.4	0.1	-3.9	-3.1	-0.6
Income tax expense	-88.2	-82.8	-48.3	-53.5	-65.7
% of profit before tax	20.9%	23.5%	24.1%	19.0%	22.5%
Profit for the year	334.6	269.2	151.9	228.0	225.9
% of net sales	9.3%	8.5%	5.5%	7.3%	7.4%
Capital expenditure	97.0	73.5	72.2	125.2	102.7
Operating free cash flow	68.6	270.7	313.1	162.7	100.7
Research and development costs	-122.9	-118.1	-112.0	-127.5	-118.5
Total assets	2'978.7	2'768.2	2'430.8	2'545.1	2'543.2
Total liabilities	1'276.9	1'235.6	1'040.0	1'152.2	1'247.2
of which interest-bearing	122.1	154.7	147.3	247.3	282.2
Equity	1'701.8	1'532.6	1'390.8	1'392.9	1'296.0
Equity ratio	57.1%	55.4%	57.2%	54.7%	51.0%
Return on equity (ROE)	20.7%	18.4%	10.9%	17.0%	17.8%
Net cash/debt	457.2	550.9	403.8	214.6	159.3
Net working capital	610.8	380.9	364.0	523.9	510.7
Net operating assets (NOA) average	1'178.1	1'052.0	1'150.7	1'214.1	1'155.5
Return on net operating assets (RONOA) after tax	28.6%	25.6%	13.5%	19.0%	19.6%
Average number of FTEs	14'053	13'375	12'515	13'280	12'636
Net sales per FTE	CHF 1'000	256	237	219	234
Employees at 31 December	14'876	13'835			
Regulars covered by collective agreements	7'291	6'945			
Turnover rate	11.0%	13.9%			
Resignation rate	7.2%	7.1%			
Average hours of training per regular employee	20	19			
Energy consumption	MWh	387'430	403'862		
CO <sub>2</sub> emissions	tCO <sub>2</sub> e	89'672	93'317		

## General information regarding GRI reporting

The reporting period comprises the calendar year 2022. Bucher Industries follows an annual reporting process. The last report was published in June 2022. Any restatement of previously reported non-financial data is explained in a footnote under the respective disclosure.

The reporting principles for defining report content and quality have been applied throughout the information collection and report development process. There were no significant changes to the size, structure, ownership or supply chain of Bucher Industries in 2022. There were no significant changes in the list of material topics compared to previous reporting periods. The content of the environmental, social and ethics report has not been externally audited.

### Stakeholder groups

Stakeholder group	Key needs and concern in 2022
Customers	<ul style="list-style-type: none"> <li>- Timely delivery of products in the usual high quality</li> <li>- Reliable customer service and high availability of spare parts</li> <li>- Efficiency, automation and digitalization of products and solutions</li> <li>- Reduction of environmental impact when using the products</li> </ul>
Dealers/distributors	<ul style="list-style-type: none"> <li>- Support due to increasing complexity of vehicles and machines</li> </ul>
Employees	<ul style="list-style-type: none"> <li>- Job security</li> <li>- Health and safety</li> <li>- Compensation, development, training, flexible working arrangements and a say in the process</li> <li>- Balance between work and private life</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>- Clear specifications</li> <li>- Pricing and increasing demands regarding environmental and social issues</li> <li>- Required volumes</li> </ul>
Investors and financial institutions	<ul style="list-style-type: none"> <li>- Profitable and sustainable growth and long-term success</li> <li>- Transparent and regular communication</li> </ul>
Local communities	<ul style="list-style-type: none"> <li>- Financial, personnel and non-material support</li> </ul>
Regulators and authorities	<ul style="list-style-type: none"> <li>- Compliance and conformity with laws and regulations</li> <li>- Responsible application of tax laws and regulations</li> </ul>

Five non-financial reporting matters

Five matters

Environment	GRI 302: Energy 2016 GRI 305: Emissions 2016
Employee matters	GRI 401: Employment 2016 GRI 403: Occupational Health and Safety 2018 GRI 404: Training and Education 2016 GRI 405: Diversity and Equal Opportunity 2016 GRI 406: Non-discrimination 2016 GRI 407: Freedom of Association and Collective Bargaining 2016
Human rights	GRI 408: Child Labor 2016 GRI 409: Forced or Compulsory Labor 2016
Other social matters	GRI 413: Local Communities 2016 GRI 415: Public Policy 2016 GRI 416: Customer Health and Safety 2016 GRI 418: Customer Privacy 2016
Anti-corruption and bribery	GRI 205: Anti-corruption 2016 GRI 206: Anti-competitive Behaviour 2016 GRI 207: Tax 2019

## Memberships and initiatives

### Charters, principles and initiatives

Group	Global Reporting Initiative (GRI)
	CDP
	UN Global Compact
	Swiss GAAP FER
Kuhn Group	Authorized Economic Operator (AEO)
Bucher Emhart Glass	Food Packaging Forum (FPF)
Bucher Unipektin	SUVA Safety Charter

### Associations

Group	Swissholdings
	Swissmem
	Swiss-American Chamber of Commerce
	Swiss-Chinese Chamber of Commerce
Kuhn Group	Union des Industriels et Métiers de la Métallurgie (UIMM, France)
	Association of Equipment Manufacturers (AEM, USA)
	German Mechanical Engineering Industry Association (VDMA, Germany)
	Union des Industriels de l'Agroéquipement (AXEMA, France)
	European Agricultural Machinery Association (CEMA, Europe)
Bucher Municipal	EUnited (Europe)
	European Committee for Standardization (CEN, Europe)
	World Road Association (PIARC, Italy)
Bucher Hydraulics	German Mechanical Engineering Industry Association (VDMA, Germany)
	Swissmechanic
	National Fluid Power Association (NFPA, USA)
	National Truck Equipment Association (USA)
Bucher Emhart Glass	International Partners in Glass Research (IPGR)
	Cétie, standards for Glass and PET packaging
Bucher Specials	Union des Industriels de l'Agroéquipement (AXEMA, Bucher Vaslin, France)
	International Fruit and Vegetable Juice Association (Bucher Unipektin)
	Swiss Agricultural Machinery Association (Bucher Landtechnik, Switzerland)
	Agricultural Industry Electronics Foundation (Jetter)

## GRI Content Index

### Statement of use:

Bucher Industries AG has reported the information cited in this GRI content index for the calendar year 2022 with reference to the GRI Standards.

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Annual report 2022

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