ANNUAL REPORT 2020

Innovations for a **better world.**

BÜHLER

BUSINESS REVIEW

PROVEN RELIABILITY – BOUNDED OPTIMISM

Dear customers, colleagues,
and business partners,

2020 provided us with the opportunity to prove our reliability in critical times to all of our stakeholders: customers, employees, bondholders, business partners, and owners. It was our highest priority to ensure the health of our employees and others, while also securing operations, supply chains, deliveries, and services to our customers.

From a financial point of view, we even strengthened our stability by increasing our equity ratio as well as our financial reserves.

While managing the pandemic, we did not lose sight of our true course, which is our purpose of innovating for a better world. Our answer to the many challenges of the pandemic was to keep our innovation rate high. We launched 86 new products, opened new application centers and training centers, and held another Innovation Challenge, an internal competition to produce sustainable business ideas. More than 400 ideas were submitted. After a selection and voting process of over 100 promising ideas, six were chosen and these teams have begun implementing their inspiring ideas.

As many physical events such as trade shows or customer visits had been limited or were even impossible, we switched to digital tools to keep communication running. We learned that many of these new digital practices are not only a substitute – a great deal of them turned out to be more efficient and effective compared to their primary analog. 2020 marked a step change in the digital transformation of our company.

We attribute our operation results to agility and point-to-point navigation within the context of a clear strategic framework – our “true north.” In 2020, we started the rollout of our new Destination25 strategy wherein we define our ambition and pathway to create real impact for a better world and for profitable growth. We are committed to our goals to reduce energy, water, and waste by 50% in our customers’ value chains by 2025 and quantifying the impact of our technologies, processes, and services. It is our commitment to consider not only economic successes, but the preservation of nature and humanity in every decision – it is our ambition to be a best company. This resolution has provided us direction and the energy, to remain focused and steadfast despite the many challenges and setbacks posed in 2020, such as the passing of our dear colleague, Dieter Vögtli.

In 2020, our company has turned 160-years young. We did not find the time to commemorate this anniversary – instead, our celebratory energy was dedicated to bringing our marvelous company through these challenging times in good health and with the strength to bounce back once this crisis is over. This was only possible with the amazing and unfailing support of our employees, customers, partners, and the owners.

We look forward with bounded optimism to a return to profitable growth while creating impact for a better world. We wish to express our sincere gratitude to our customers, employees and everyone close to Bühler. Our ability to remain reliable and to progress is due to your continued commitment and trust. We are excited to working closely with you for years to come, and thank you for the trust you are placing in Bühler.

Yours faithfully,

Calvin Grieder
Chairman of the Board

Stefan Scheiber
Chief Executive Officer

REASONABLE PERFORMANCE UNDER ADVERSE CONDITIONS

Corresponding to the diverse course of the pandemic, Bühler's business development showed strong variation in the markets and regions. As a Group, we gained financial strength while limiting impact to our performance. We kept profitability at a reasonable level and increased our innovation rate. We look into the future with optimism. We expect a stable trend in the short- and midterm and are laying the ground for future growth.

BUSINESS REVIEW 2020

Managing the Covid-19 crisis has demanded everything possible from Bühler's employees and leaders in terms of flexibility, creativity, and endurance. The top priority was, and still is, health and safety – not only of Bühler employees, but also of our customers and partners. When the crisis first hit China, we immediately established global and regional task forces to keep our employees safe and our global supply chain running. We managed to keep the number infected employees under control, and thankfully we have not suffered any fatalities.

From day one, securing the supply and services chain was key to maintaining delivery schedules for our customers. We found solutions for all the challenges we faced thanks to our global production network of 33 factories. Our concept "in the region, for the region" proved to be very robust and we were able to honor all of our contracts without delays. We benefited from our 100 service stations across the globe, as well as from our standardized processes and digital platforms such as myBühler.

Whenever possible, we switched to digital solutions to ensure continuation of the business and to communicate. Driven by the demand to fill the gap of physical presence, we discovered new, even more efficient procedures. Just two of many examples: we commissioned a large wheat mill in Ivory Coast (Côte d'Ivoire) using fully remote, digital support from experts in Switzerland.

In May, we organized our first Bühler Virtual World as a digital alternative to the Interpack trade show which could not take place in Düsseldorf, Germany. Visitors experienced our 3D solution space, attended a content-rich live program, and entered one-to-one sessions in our virtual conference zone. In both cases, customer feedback was overwhelming.

Gaining additional of financial strength

From a financial perspective, protecting liquidity had the highest priority over the course of the year. The goal was to remain independent and strong, while ensuring sufficient cash to repay the first tranche of the bond in 2021. By consistently managing cash flow, net working capital and costs, Bühler succeeded in increasing net liquidity considering the decreased volume and profitability.

Driven by diligent finance management, operating cash flow jumped from CHF 151 million to CHF 470 million (+211%), and net liquidity soared from CHF 449 million to CHF 749 million (+66.8%). In addition, equity ratio improved to 44.2% (previous year: 42.8%).

Robust business results

On Group level, order intake went down 16.7% to CHF 2.6 billion. Turnover stood at CHF 2.7 billion (-17.0%). Due to strict cost management and margin protection, EBIT (earnings before interest and taxes) amounted to CHF 146 million (previous year: CHF 248 million), reflecting an EBIT margin of 5.4% (previous year: 7.6%).

The 2020 figures are impacted by the development of currency exchange rates, specifically of the Chinese yuan, euro, and US dollar against the Swiss franc. Adjusted for the impact of the foreign exchange rates, the reduction of the top-line versus last year was 13%.

Strategic investments in our infrastructure and R&D (research and development) remained at a high level. The expenses for R&D were slightly adapted to CHF 139 million (previous year: CHF 149 million), leading to an increase relative to Group turnover to 5.2% (previous year: 4.6%). This is in line with Bühler's strategy to be an innovation leader in its industries. Over the year, we continued to launch new products and solutions, some of them groundbreaking, such as the new integrated grinding system, Arrius. The first two Carat 560 die-casting machines were built in 2020 and shipped to a customer in Vietnam. The new solution was officially launched to the market in a virtual event held in November. For the automotive industry, the Leybold Optics HIS was introduced, which is designed for mass production of the coating of head-up displays in cars, and the ChromeLine for inline sputtering for chrome deposition, which makes the process more environmentally friendly.

BUSINESS REVIEW 2020

Following the vast variety of impacts caused by the pandemic, the businesses and regions showed strong variance in performance. Although the overall investment climate was overshadowed, our Grains & Food (GF) business was robust with a limited decrease in turnover of -7.2% to CHF 1.7 billion, as a result of the ongoing demand for staple foods. In contrast, Consumer Foods (CF) including Chocolate, Wafer, and Biscuits, declined by -25.8% to CHF 574 million. Advanced Materials had to accept an even stronger drop of -31.7% to CHF 443 million, caused by the severe weakness of the global automotive industry.

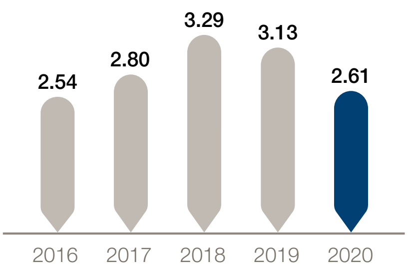
As a consequence of lower turnover, EBIT went down by 41.3% to CHF 146 million, corresponding to an EBIT margin of 5.4% (previous year: 7.6%). With a tax rate of 24.9% (previous year: 19.5%) and a financial result of CHF 0.3 million (previous year: CHF 2.4 million), net profit was CHF 110 million (previous year: CHF 202 million).

Along with the divergent course of our businesses, there was also a shift in regional development with a further big step towards a leading role of Asia. While all markets suffered from double digit setbacks, Bühler Asia managed to be quite stable driven by the strong growth of our business in China. Order intake in China rose sharply by 15% for the full year. With regard to turnover, Asia now makes up 35% (previous year: 31%), Europe 30% (30%), North America 16% (16%), Middle East & Africa 11% (14%), South America 5% (6%), and South Asia 3% (3%).

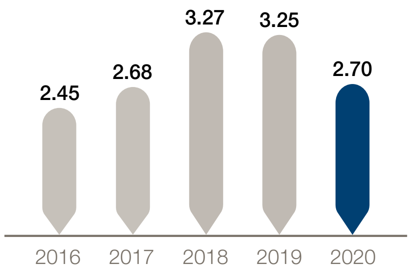
Structurally, Bühler was able to slightly improve the breadth of its portfolio in 2020. Turnover of Customer Service (CS) and the Single Machine Business decreased comparatively less, resulting in a rise in share from 30% to 33% of total turnover. The e-commerce platform myBühler made a substantial contribution to the CS business. In 2020, the number of active customers increased from 5,500 to 6,600, the orders through the system from 12,800 to 16,400, and the revenue from CHF 41.5 million to CHF 59 million.

RESULTS AT A GLANCE

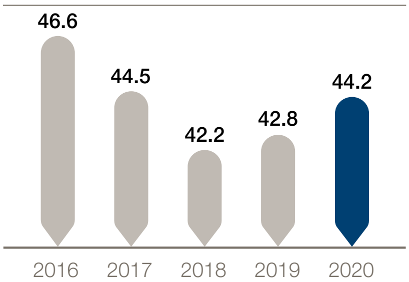
Order intake
(in billion CHF)
-16.7%



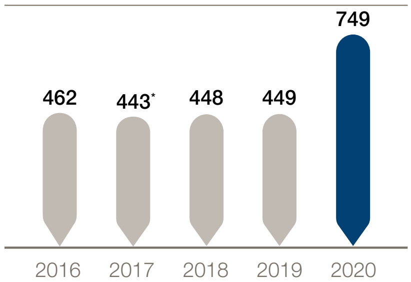
Turnover
(in billion CHF)
-17.0%



Equity ratio
(in %)
+1.4pp

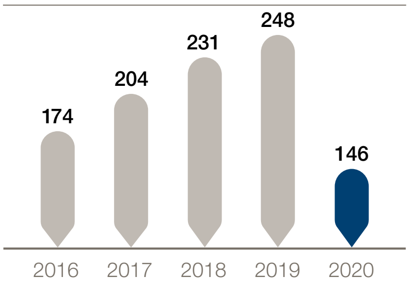


Net liquidity
(in million CHF)
+66.8%

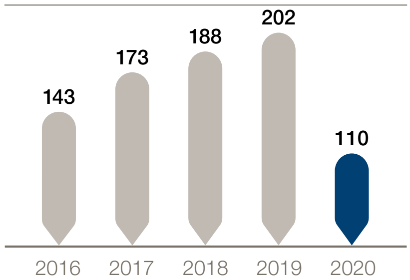


* Excluding corporate bond of CHF 420 m.

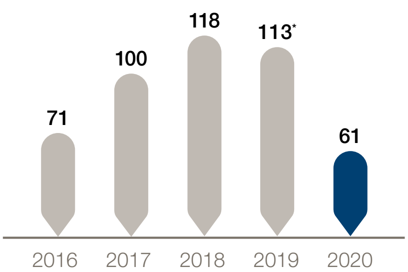
EBIT
(in million CHF)
-41.3%



Net profit
(in million CHF)
-45.6%

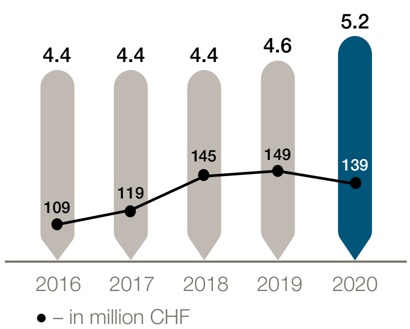


Investments into asset base
(in million CHF)
-46.1%



* Excluding changes in accounting standards and others.

R&D expenses
(as % of turnover)
5.2%



More about the 2020 business year

Grains & Food

Order intake*

CHF **1.6 billion** **-13.9%**

Turnover

CHF **1.7 billion** **-7.2%**

*Due to the Group reorganization in 2019, the Consumer Food area, which was under Grains & Food is now under the Consumer Foods business, together with Haas.

GRAINS & FOOD

In 2020, Grains & Food (GF) demonstrated its strength with important product launches and winning large projects, which limited the impact of the pandemic. The protein business shine with its best result ever. Overall, order intake went down -13.9% to CHF 1.6 billion, and turnover decreased by -7.2% to CHF 1.7 billion. With the implementation of innovative solutions such as Mill E3, GF further expanded its position as a technological leader. The strategic partnership with Premier Tech was expanded into a joint venture.

Digital Technologies (DT) achieved a major milestone with the strategic partnership of Canada-based Premier Tech and Bühler, which was expanded to a joint venture named Bühler Premier Tech (Wuxi) Packaging Machinery Co. Ltd. The companies jointly develop cost efficient, fully-automated packaging solutions. Bühler Premier Tech started production from Bühler Wuxi in China and has shipped the first products.

DT successfully passed stringent inspections by the US Federal Drug Administration for Laatu, a new solution using low-energy electron beam technology to eliminate food-borne pathogens in dry food. A first customer in the North American spice market is already working with Laatu. Laatu ensures complete surface microbial reduction while using less energy. Other highlights in DT were a new digital solution to improve optical sorting for plastics, first orders from a large Italian customer to sort hazelnuts, and the successful launch of a new sorter for the staple food market in Asia.

Milling Solutions progressed in installing its first Mill E3 for a UK-based customer. Start of production is foreseen within the first half of 2021. Mill E3 is a revolutionary concept to build a mill, saving around 30% of building volume, 10% of energy, and 30% of installation time. The background of these achievements is a new, integrated, and modular design of key components such as the Arrius integrated grinding system. By integrating the drive and switch cabinet into the machine, Arrius can be flexibly positioned and quickly installed. Thanks to the integration of components and reducing the number of power of data cables from around 10 to only three, Arrius can be installed in a third of the time. Arrius was launched in late 2020 in a fully virtual event attracting nearly 1,000 customers.

A highlight within its SmartMill and digitalization strategy, Milling Solutions connected 13 milling units based in five plants of a US-based customer to our Bühler Insights platform, thereby enabling the customer to gain full transparency of its processes with various digital applications and services.

In Grain Quality & Supply (GQ), Bühler won all larger major malting and brewing projects in 2020. In terms of innovation, GQ developed two new solutions for rice customers: The UniLine 5.0 was launched in Europa and Asia and is a breakthrough innovation, ideal for low- and medium-capacity customers looking for standardized packages. RiceLinePro, an in-line sensor for raw and steam rice varieties that enables digital quality measurement, was also launched in 2020. In the grain storage segment, the Enclosed Belt Conveyor was launched and installed at a customer plant in the Ukraine. Its fully covered design allows for dust emission-free operation and protects the transported grains from moisture and other environmental influences.

For GQ, 2020 was also marked by the inauguration of the new application center for processing, malting, and brewing in Beilngries, Germany. Spread across more than 1,500 m2, the new center is home to the latest technologies in the field of malting, brewing, and grain storage. This means that grain can be processed through a whole grain handling line and a complete malting line with up to 1.5-ton batch size, as well as the dry part of a brewing plant, where mills and sifting can be tested. This set-up gives customers the flexibility to either do trials just on one machine or run complete process lines. It is also equipped with the newest monitoring devices to record all necessary parameters and to give recommendations about yield increase.

Value Nutrition (VN) enjoyed strong profitable growth resulting in its best year ever. The key reason for this is the strong consumer trend toward meat alternatives, triggering a boom in the plant-based protein market and its related technologies. Bühler offers leading extrusion solutions to manufacture meat alternatives. In our application centers on all continents, customers can test new recipes and processes to prepare for industrial production. In 2020, international food processors have jumped on that trend, ordering several large-scale lines. Even under the difficult conditions of the coronavirus pandemic, Bühler ensured installation and the timely start of production.

VN also profited from positive developments in the feed markets. With its single screw extruder introduced to the market last year, VN completed its portfolio. Large orders confirmed the leading position of Bühler in the market.

More about Grains & Food

Consumer Foods

Order intake	
CHF 549 million	-29.2%
Turnover	
CHF 574 million	-25.8%

CONSUMER FOODS

In 2020, the markets of Bühler Consumer Foods (CF) were facing severe declines as important points of sales for our customers, such as duty-free shops at airports, restaurants, and hotels, broke down to a large extent. The seasonal dependency of consumer behavior also impacted selling. As a result, the order intake of CF went down -29.2% to CHF 549 million, turnover decreased -25.8% to CHF 574 million.

Due to the countermeasures taken to contain the pandemic, the business development within the segment was very diverse. The majority of our customers saw solid volumes in product segments addressing home consumption and conventional mainstream products, for example in crackers, tablet chocolates, mainstream biscuits, and family-size packages. By contrast, gifting, and seasonal-related product categories, which are often distributed through flagship stores and airport shopping, experienced a sharp decline if not a standstill. A reduction in spontaneous purchases in supermarkets, such as confectionery products on display in cashier areas and products for immediate consumption, such as ice-cream, also impacted the segment.

The snack segment was also affected by an increased number of people working from home. To offer processors the option to quickly adapt to changing consumer behavior, CF evolved its global application center network to virtual product development trails and tests, for products including biscuit, wafer, chocolate, and confectionery. The fact that schools and universities were closed in many parts of the world led to a swift decline from point-of-sales snacks partly serving as meal replacements, such as cereal, nut, and protein bars towards more traditional and mainstream snack products, including chips and tortillas.

Although some segments showed even stronger volume growth compared to the previous year, it was particularly the missing volume in the premium and high margin categories which lead to a much stronger impact on our customer's profitability. Also, many of those players that were able to increase their sales volume could not show this increase in their bottom line.

Consequently, Consumer Foods faced a diverse market environment in which smaller projects have been stopped or shifted, whereas producers were continuing with bigger projects for their strategic long-term initiatives. However, these larger projects could not compensate for the shortfall in the small- to midsize business.

One highlight for CF was the continued buildup of a food complex in Egypt – globally one of the largest food plants ever built. The state-of-the art food complex includes bakery, wafer, biscuits, confectionery, chocolate, pasta, and milling solutions. This order confirms our positioning as a true solution provider to our industries. The first lines are already in installation and start of production is planned to begin in 2021. The whole food complex will be completed by 2022.

With the launch and go-live of innovative solutions, CF demonstrated technology leadership, both for sustainability and productivity. For a customer in Norway, Bühler build and commissioned the first ultra-low emission coffee plant. With the latest Meincke Turbu E tunnel oven Bühler rings in the green transition in the bakery industry switching from gas to electricity. To meet the demand for modular and flexible solutions, Bühler developed together with an international partner a fully new machine concept under the name ChocoX. This new equipment allows for rapid product changes and unlimited process configurations for new products with the shortest possible changeover times and improved energy consumption.

More about Consumer Foods

Advanced Materials

Order intake	
CHF 453 million	-7.2%
Turnover	
CHF 443 million	-31.7%

ADVANCED MATERIALS

The markets of Advanced Materials (AM) showed a diverse development in 2020. Although a further slowdown was anticipated, Die Casting and Grinding & Dispersing faced especially difficult market conditions. On the other hand, Leybold Optics delivered one of its record years. Turnover was CHF 443 million, which compared to 2019 is a reduction of 31.7%. Order intake decreased by 7.2% to CHF 453 million. With the continued execution of its innovation roadmap, AM prepared for future growth. The business's technology leadership was proven by the German Future Prize, which was awarded to customers using Bühler equipment.

Irrespective of the challenging business situation, Die Casting (DC) has rolled out new solutions. The first two Carat 560 machines were built in 2020 and shipped to a customer in Vietnam. In a virtual event held in November 2020, we presented the latest additions to our die-casting portfolio – the new Carat 560 and Carat 610 with locking forces of up to 61,000 kilonewton (kN). Additionally, we announced the Carat 840 with a locking force of 84,000 kN.

The Carat 610 is currently the largest die-casting solution on the market. The Carat 840 will open completely new applications, allowing Die Casting to provide cost-effective solutions for even larger parts, such as for 5G antennas and large battery housings for electric vehicles.

The SmartCMS, the brain of die-casting cells that provides operators with the possibility to view, control, and program the entire cell, was introduced to the market in 2019. It is a key component of the digitalization strategy of DC, and was installed in our application center in Uzwil in 2020. The new Fusion 140 three-platen die-casting platform, offering 3,500 to 14,000 kilonewton (kN) locking force, closed-loop control, modular design, and Industry 4.0 capability, was released for sale. DC also built on its leading position with large orders for its Ecoline S die-casting series of machines in China and therefore continued to grow in this region.

After a tough first half-year, Grinding & Dispersing (GD) achieved a turnaround of order intake by securing two large plants projects. For an ink producer in Turkey, we will build one of the biggest ink plants in the history of GD. For a German battery customer, GD will build a pilot plant with its unique process solution to mix battery slurry. Although the battery solutions business could not fulfill all expectations, the development in Europe was very promising. Here, Bühler is part of the community and is the first address in Europe for high efficiency Lithium-ion battery slurry mixing systems. With our references at key players in the market, we are very well positioned in the Western world.

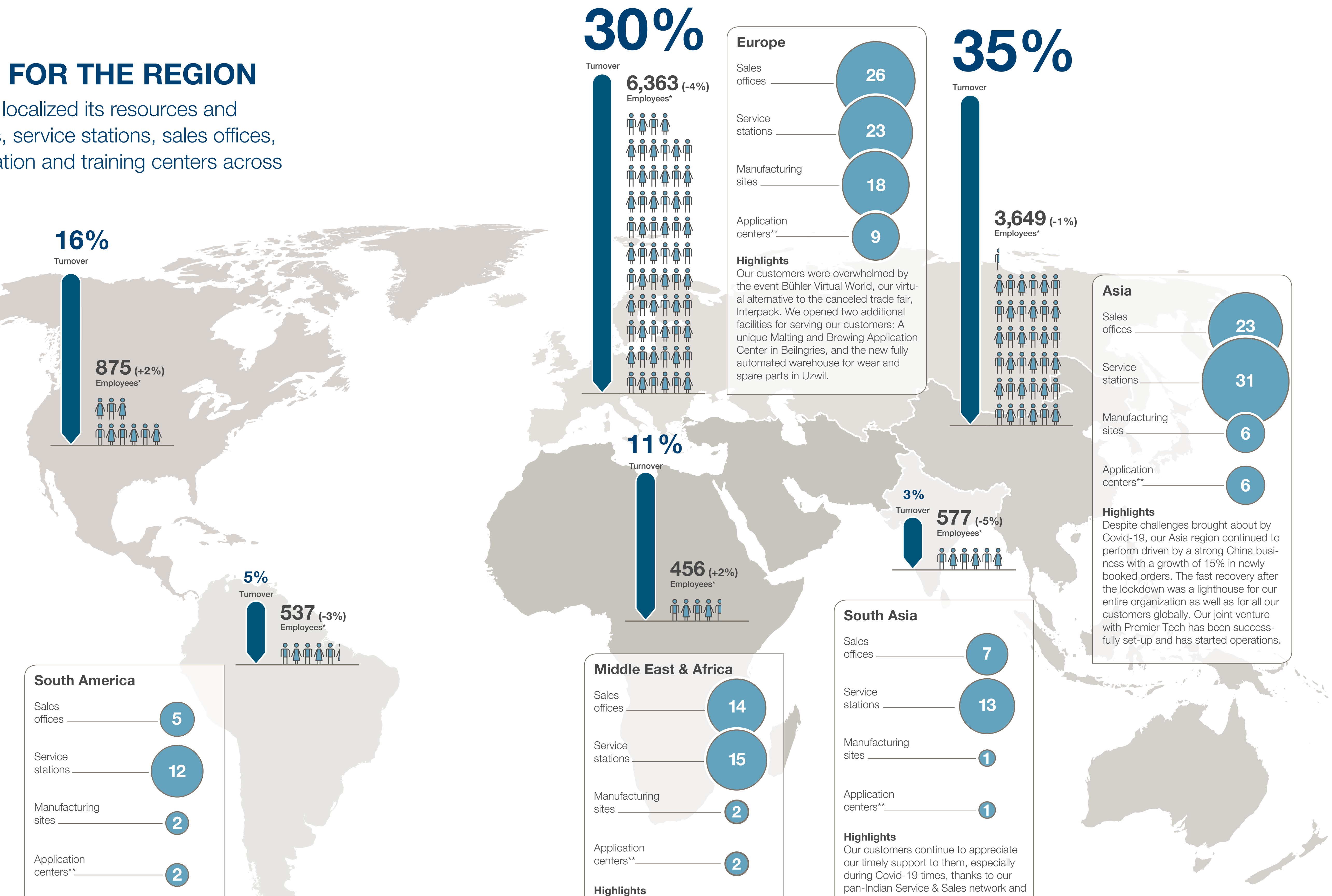
Bühler Leybold Optics (LO) experienced an excellent year of business increasing orders and turnover to one of the best years in its history. Political, economic, and Covid-19 related impacts have fueled uncertainties but also opportunities alike, for instance in the telecom and in the high-tech industries, thereby positively affecting market activities, especially in Asia. Reasons for the positive development are the leading technologies, for instance the precision coating solution Helios for which we received multiple orders to produce optical sensors at the wafer level. Furthermore, LO won one glass coater project for a customer in China. Customer Service contributed to the excellent year with big upgrade projects.

A highlight of the year was the renowned German Future Prize, the German Federal President's Award for Technology and Innovation, which was given to the team of Carl Zeiss SMT, Trumpf Lasersystems, and the Fraunhofer Institute for Applied Optics and Precision Engineering for an outstanding solution for EUV lithography. Bühler Leybold Optics made a major contribution to the project with a highly specialized system to coat the essential, curved mirrors in the production process.

More about Advanced Materials

IN THE REGION, FOR THE REGION

Bühler has systematically localized its resources and offers manufacturing sites, service stations, sales offices, R&D facilities, and application and training centers across 140 countries.



North America

Sales offices	8
Service stations	6
Manufacturing sites	4
Application centers**	4

Highlights
We celebrated the grand opening of our Food Application Center in Minneapolis with GO!2020, a groundbreaking virtual event. Our market presence strengthened through the integration of our sales teams, and expansion of our key account management platform. Proximity to our customers was improved with the addition of the Springdale, Arkansas facility, and the launch of BühlerVision, a digital service product allowing our service technicians to provide next-level virtual support during a time of travel restrictions.

South America

Sales offices	5
Service stations	12
Manufacturing sites	2
Application centers**	2

Highlights
Following the move of our manufacturing, our sales and administrative activities were also transferred to Curitiba and we have consolidated our facilities in Brazil. With our strong service station footprint, we were able to support all our customers across South America during this pandemic, thereby avoiding any food supply chain shortages.

Europe

Sales offices	26
Service stations	23
Manufacturing sites	18
Application centers**	9

Highlights
Our customers were overwhelmed by the event Bühler Virtual World, our virtual alternative to the canceled trade fair, Interpack. We opened two additional facilities for serving our customers: A unique Malting and Brewing Application Center in Beilngries, and the new fully automated warehouse for wear and spare parts in Uzwil.

Middle East & Africa

Sales offices	14
Service stations	15
Manufacturing sites	2
Application centers**	2

Highlights
We continued to support our customers despite heavy travel restrictions and did the first ever fully remote commissioning of a flour mill. After the very tragic blast in Beirut, our teams helped the mills around the harbor to be up again after three days. The new President for the Region Middle East & Africa, Heiko Feuring, joined the Dubai office in the third quarter.

South Asia

Sales offices	7
Service stations	13
Manufacturing sites	1
Application centers**	1

Highlights
Our customers continue to appreciate our timely support to them, especially during Covid-19 times, thanks to our pan-Indian Service & Sales network and the implementation of the digital set-up across the Bühler offices in India.

Asia

Sales offices	23
Service stations	31
Manufacturing sites	6
Application centers**	6

Highlights
Despite challenges brought about by Covid-19, our Asia region continued to perform driven by a strong China business with a growth of 15% in newly booked orders. The fast recovery after the lockdown was a lighthouse for our entire organization as well as for all our customers globally. Our joint venture with Premier Tech has been successfully set-up and has started operations.

= 2020 turnover share by region

= Total 12,457 employees* in 2020 compared to 12,767 in 2019

Total number of Bühler sites across the world in 2020:

- 83 sales offices
- 100 service stations
- 33 manufacturing sites
- 24 application centers**

* FTE (= full time equivalent)

** Bühler has Application & Training Centers in 24 countries, some of which cover multiple industrial applications.

BÜHLER – A PURPOSE-LED COMPANY

In 2020, we completed our Destination25 strategy as our previous framework Bühler2020 came to its end. Taking the impacts of the pandemic into account, we took the chance to not only define our way forward in terms of markets, regions, and technologies, but also regarding our purpose. We felt that under these circumstances, we had to sharpen our "reason why." After years of building up an industry-wide global ecosystem to address the impacts of climate change and the growing population, we have taken the next steps to focusing on the solutions to create impact. Destination25 is our pathway for creating real impact for a better world. We want to evolve our industries and ourselves such that every human being can enjoy a good life, and have access to affordable, healthy food, and clean mobility within the boundaries of our planet.

With Destination25, we are putting every single aspect of our company into service toward this task. Our businesses have pledged to develop sustainable solutions that enable 50% less energy use, water consumption, and waste in our customers' value chains. With innovative technologies, we design the food of the future with inherent sustainability. Our value services business will enable us to bring the current industry asset base to the next level of efficiency and productivity. By enhancing the skills and agility of our employees and customers, we empower our organization and partners for the upcoming extensive transformation. It is our ambition to be a "best company" by balancing the demands of nature and humanity with business needs. Not to be mistaken, we do not see ourselves as the best company, but with this concept have defined our true north. We invite all our partners to join this vision.

Expansion of our innovation ecosystem

To this effect, we have further expanded our innovation ecosystem with two important initiatives. We have established a partnership with Givaudan, the global leader in flavors and fragrances, and have built an Innovation Center dedicated to plant-based foods in Singapore.

The opening of the new facility was delayed due to the coronavirus and is now planned for March 2021. The new facility, located at Givaudan's Woodlands site, will be run by the two companies, bringing together a pilot plant featuring Bühler extrusion and processing equipment and a kitchen and flavor laboratory by Givaudan. The facility will be supported by experts from both companies. The Innovation Center will welcome food processing companies, start-ups, and university researchers looking to develop novel plant-based food products. Second, Bühler and Big Idea Ventures have joined forces to accelerate the success journey of promising start-ups, creating great tasting alternatives to animal-derived protein products. Big Idea Ventures, a global venture capital fund, recently launched the New Protein Fund. The fund will invest in and accelerate up to 100 plant-based and cell-based companies globally. Big Idea Ventures runs four accelerator programs annually in New York and Singapore. Bühler and Big Idea Ventures will work together to build great companies responding to consumer demands for tasty food that is good for them and good for the planet.

Innovation Challenge 160

To walk the talk ourselves, we kicked off another Innovation Challenge – our internal competition to ignite all Bühler employees to produce new business ideas. As 2020 has marked the 160th year of Bühler, we named the event Innovation Challenge 160 (IC160). The internal project was launched with the aim to find the most promising ideas that will help to reduce waste, energy, and water by 50% in our customers' value chains.

The IC160 broke many records. More than 7,000 Bühler employees engaged and a total of 418 ideas were submitted from around the Bühler world. After a first level of screening, 103 idea teams pitched in front of regional juries in five virtual roadshows. Thirty-three ideas qualified for the voting and collaboration stage. Overall, 4,285 colleagues voted. Eight ideas were selected and moved to the acceleration stage. In November, the IC160 finals took place and the eight teams pitched in front of the Executive Board member jury. Six teams were granted the opportunity to implement their business ideas, among others, an energy-based recirculation model for paddy and pulse dryers, a new anti-reflective coating on photovoltaic glass, and a moisture and temperature control in a cooler for every feed mill.

United we stand – people

Bühler continued to invest into its global network of schools, training, and excellence centers. The Bühler Cocoa Competence Center in Abidjan, Ivory Coast (Côte d'Ivoire) was opened to support the region with R&D, training, and services and the aim to increase local processing of raw materials. With the same approach, Bühler established the International Rice Milling Academy (IRMA) at its site in Bangalore. IRMA offers the world's first comprehensive Paddy to Rice Diploma course, a month-long course covering the full value chain from paddy to rice. Whereas these new competence hot spots focus on professional qualifications, we are aware that such skills only can flourish when embedded into personal capabilities. To foster our corporate culture in this respect, we have globally rolled out our new company values which are trust, ownership, and passion (TOP). Two strong examples how we at Bühler aim to live these values were given by our local team in Beirut, Lebanon, who went the extra mile to secure the food supply chain in the country after a major explosion at the capital's port in August. The second example is our apprentices in Switzerland, who won eight medals in four categories in the 2020 SwissSkills championships. (See the section about our employees on pages 15–18.)

2020 was also marked by a change in leadership in Human Resources. Dipak Mane handed over the Executive Board function of Chief Human Resources Officer (CHRO) to Irene Mark-Eisenring. Dipak Mane has significantly contributed to increasing the market leadership position of Bühler over the past decades, holding leadership roles at Bühler since 1992. As a successful business unit manager building up the business for Bühler in India, he was instrumental in creating a leading position for Bühler in the market for rice processing technologies, among others. In 2015, Dipak Mane assumed the function of CHRO and Member of the Executive Board. He successfully shaped Bühler's global human resources strategy over many years and collaborated closely with Irene Mark-Eisenring so she could take over as his successor in September 2020. He is now pursuing other important management tasks within the organization, supporting the Executive Board.

Irene Mark-Eisenring joined Bühler in 2016 as Head of Corporate Personnel Development. She has been responsible for setting and implementing strategies in the fields of global human resources (HR) development, HR marketing and employer branding, talent and performance management, strategic recruiting, and Diversity & Inclusion. Irene Mark-Eisenring has a broad human resources background, with a 20-year record of accomplishment of managing HR projects and holding leading HR roles, primarily in the financial industry.

We are extremely happy to have found Irene Mark-Eisenring as an experienced leader and human resources expert for this key function. She is the right personality to shape the future of our work for, and with, our people for the next phase of our company.

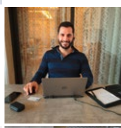
Outlook: bounded optimism

Still being in the midst of the pandemic, we do not expect a fast recovery of markets and a quick return to normal. In fact, we see a "new normal" arising with far more digital applications, virtual communication, and remote solutions. In our view, the pandemic not only sped up digitalization but also the trends towards a bipolar world with the two centers of power being China and the United States.

The new Asian agreement Regional Comprehensive Economic Partnership (RCEP) which reflects a third of global trade is a strong step into this direction. Other important trends which affect our business is the increasing demand of sustainable solutions, be it by CO2 reduced emissions, nutritious and healthy food, or clean mobility.

We are convinced that Bühler is very well positioned even in this volatile market environment. To gain even more flexibility and agility, we are continuing to work on our business excellence, among others by starting the migration of our ERP (Enterprise Resource Planning) systems onto SAP S/4HANA within the next years. For 2021, we expect our business volume and profitability to stay stable. We are now laying ground to return to profitable growth.





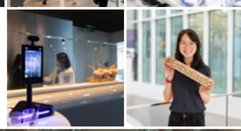

UNITED WE STAND

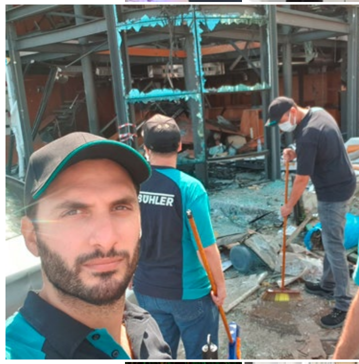
Bühler has demonstrated agility by adapting to changing global circumstances while maintaining and strengthening our culture of solidarity, care, people development, and lifelong learning for all employees.

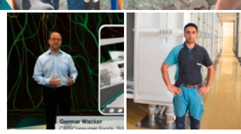
Bühler employees united to face the uncertainties posed by the Covid-19 global pandemic. The top priority for the company has been the safety and continued development of employees, and ongoing training for our customers. Our IT department increased the capabilities of our global network to ensure that employees who are able to work remotely could do so. At peak lockdown periods, over 4,500 people around the globe were working securely from home. We adapted to a culture of virtual meetings and workshops, rolling out new collaboration tools, and embracing what has been a more inclusive global exchange of ideas.

We would like to thank our employees for the resilience and innovative spirit they have shown as they adapted to what has become a new normal. Covid-19 has taught us the power of agility, creativity, and solidarity. A special mention should be made to our colleagues in Beirut who went beyond their normal duties to try to avert a food crisis when an explosion at the Lebanese capital's port threatened grain supplies. On August 4, the world held its breath when it witnessed a massive explosion which destroyed large parts of the Beirut port including an iconic grain silo, which Bühler had built in the 1970s and was still servicing daily. The large, concrete grain silos appear to have prevented further devastation of the area by dissipating a great deal of energy. Additionally, many food processing and milling plants at the location had been damaged. Immediately after the blast, the Bühler team took action, supporting their local partners day and night to secure the food supply chain as quickly as possible. In an inspiring joint effort, the most important mills and facilities were again in operation after only three days. Their resilience during this tragic event illustrates leadership in moments of crisis.

2020 was also overshadowed by the passing of our dear colleague, Dieter Vögtli, in June. Dieter Vögtli was an Executive Board Member, heading the global Services & Sales (SAS) organization of the company. He was fundamental to Bühler's growth, particularly in Asia, a region he built up as Head of Bühler Group Asia Pacific. Dieter Vögtli cared passionately for his customers, our employees, and for our company. In his passing, we lost a great person, powerful manager, and close friend. Executive Board Member, Samuel Schär took on the responsibilities of the global SAS organization in addition to his role as and CEO of Advanced Materials. We are fortunate to ensure the continuity of our global Services & Sales organization with Samuel Schär, who has been with Bühler since 2002.







Diversity and inclusion

For the third year running, Bühler has affirmed its commitment to support gender equality by joining with over 100 Swiss-based companies in its commitment to improve gender balance in the workplace by 1% year over year. 2020 has seen the continued development of the Bühler Beyond Bias workshops launched in 2019. The aim of Beyond Bias is to address unconscious bias in the workplace and to help foster an inclusive environment. With workshops carried out across global locations, every region was able to tailor the training sessions to address local cultural circumstances.

In 2020, 180 participants attended 15 workshops, and 12 new facilitators were certified in Bühler's Beyond Bias "Train the Facilitator" program, to support the running of the workshops. Due to Covid-19 constraints, these workshops were adapted from face-to-face to virtual experiences. Bühler has continued to build the partnership with the continuous-education program, Women Back to Business, at the University of St. Gallen, Switzerland. The program is designed to help women back into the workplace after taking a career break. Making sure we regain talent is part of our success story, and we are pleased to report Bühler recruited the first return-to-work employee from the program in 2020.

Bühler published its first Diversity & Inclusion Annual Report for the year 2019 in early 2020. A 2020 report, which includes key achievements and plans, is in development. We also launched an online diversity dashboard, enabling employees to access specific diversity metrics to support key performance indicators, and two new e-learning modules covering inclusivity in the workplace were launched.

Future readiness

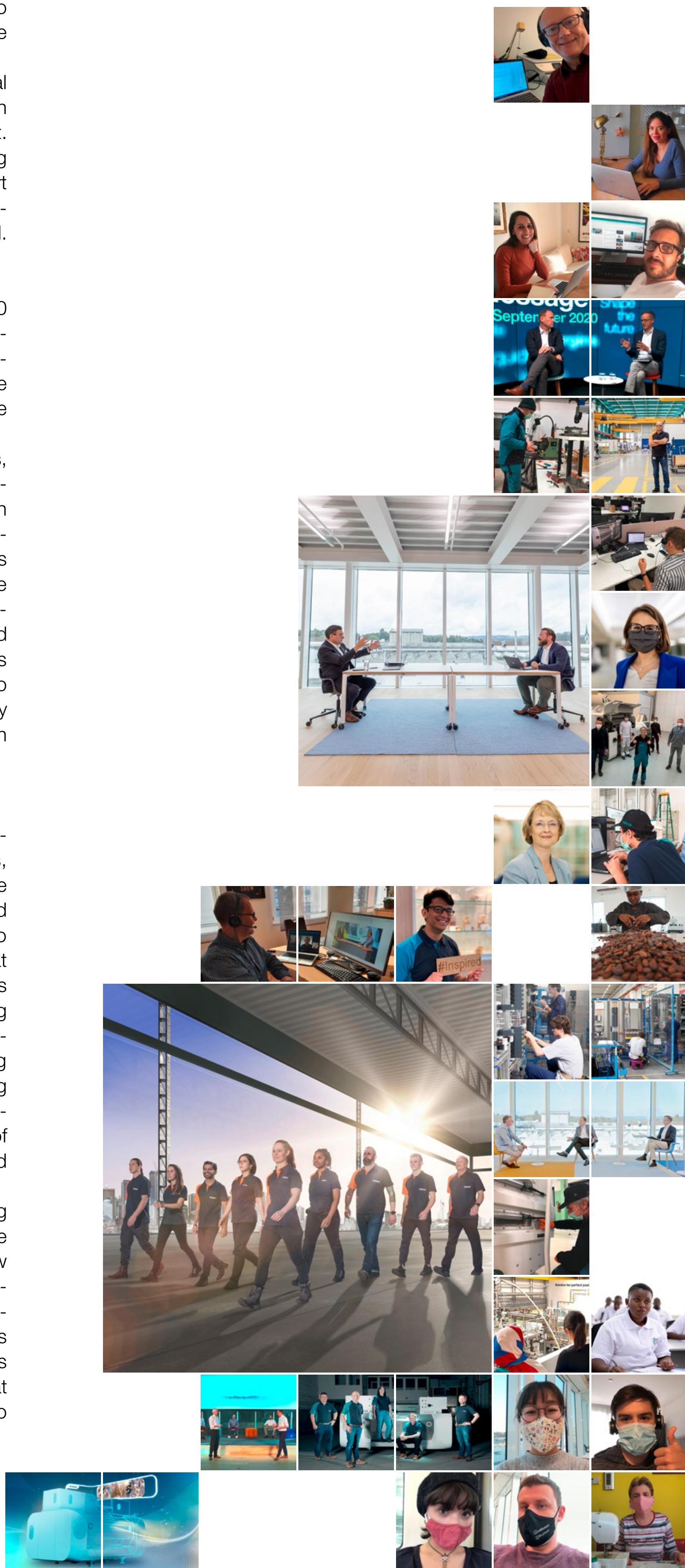
Bühler's Generation B (GenB) movement grew to 700 members and 75 active ambassadors globally. GenB initiative brings employees together to create the company "people want to work for." In 2020, it reached over 1,400 unique attendances with hybrid events on topics such as climate change, diversity and inclusion, and knowledge sharing.

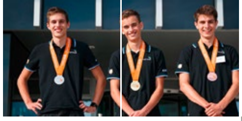
GenB has also established long-term change initiatives, including Women in STEM (science, technology, engineering, and mathematics), which encourages young women to pursue STEM subjects, and the SWAP reverse mentoring program where junior and less experienced colleagues have the opportunity to provide insight and knowledge to someone more senior and experienced to foster intergenerational dialogue. GenB often acts as a sounding board to the leadership, providing feedback on topics such as how the business will navigate the new normal. GenB also supports in deploying the Destination25 strategy, linking key elements of the strategy to the events and initiatives within the movement.

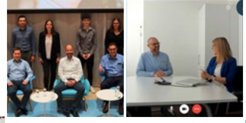
Virtual learning and talent development

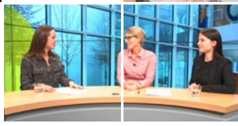
To become a best company, Bühler believes it is critical to facilitate lifelong learning among all employees, regardless of their age or what stage of their career they are at. This is manifested in a global learning initiative launched in 2020. Bühler is committed to enable all employees to strive at work, develop the latest skills, and perform tasks at their best. Key to this is ensuring flexible learning programs that enable employees to use the most appropriate learning medium for them at different life stages. Bühler has continued to develop B-Learning, a state-of-the-art learning platform designed to deliver a broad spectrum of learning opportunities through videos, e-learnings, classroom trainings, webinars, and mobile apps. Despite the impact of Covid-19, over 700 internal training sessions were carried out over the year.

Bühler has continued with its Next Generation Learning Program, designed to ensure today's employees have the skills and knowledge to be able to quickly adapt to new technologies and economic drivers. Covid-19 has demonstrated how employee versatility is integral to business resilience. The Next Generation Learning Program addresses how innovation shapes the way employees learn. Bühler is working with professionals to create training formats that are short, relevant, engaging, personalized, and mobile, to meet the needs of the modern learner. We have also upgraded our Employee Performance Man-









agement System (EPS), designed to ensure employees receive the right career support and help when establishing targets and developing training plans.

Sales staff development and customer training

It is often the frontline staff interacting with customers who need to be most adept at adapting at the same pace as the markets change. This is why, in 2020, Bühler dedicated resources and time to refreshing and revamping the Bühler Sales and Service Academy, creating new curriculums and career paths for employees.

Bühler's training focus is not restricted to employees but includes customers who attend high-end training programs at our application and training centers in 24 locations around the world. Subject experts running the training programs help customers develop and improve their knowledge of Bühler technologies and services. Again, these programs took place in the context of Covid-19, requiring Bühler to be both versatile and innovative in the way it leveraged technology to make sure training continued uninterrupted as travel restrictions started to grip. Training was delivered virtually at all locations. These included the milling schools in Switzerland and Kenya, the chocolate training centers in Ivory Coast (Côte d'Ivoire), Indonesia and Switzerland and the International Rice Milling Academy in India.

Vocational training

Each year, Bühler offers three-and-four-year courses across eight different professional fields. In 2020, we provided 576 apprenticeships across Europe, North America, South America, Africa, and Asia. These apprenticeships are based on the Swiss dual-vocational model where students receive a mix of practical and academic training. The apprentices are paid during their training and Bühler also provides tools, books, computers, and uniforms. The Swiss model is seen as a global benchmark and has been adapted by other countries. The model is evolving as the skills needed by employers change and provides Bühler with a talent pipeline at entry level. More than 70% of apprentices will go on to have careers with Bühler.

Bühler apprentices have taken home several medals in the prestigious 2020 SwissSkills championship, which is part of the global WorldSkills movement to raise the ambitions and opportunities of vocational education and training for young people, employers, and societies.

Twelve of our young apprentices participated in five disciplines, winning eight medals. They took home gold, silver, and bronze in the discipline "industrial designers"; silver and bronze in "automation engineers"; bronze in "polymechanics"; and gold and silver in the "sheet metal" competition.

While this is a truly exceptional feat, its foundation is firmly rooted in our commitment to training apprentices across the globe and valuing them as vital contributors to our success. Our apprenticeship system has long been implemented in and recognized by many countries, including the US, where tackling the shortage of skilled workers was a key focus of the Obama administration. In 2014, Professor – and now First Lady – Jill Biden visited Bühler Uzwil to see first-hand how we train and promote apprentices.

Gratitude is owed to our educational team and all trainers at Bühler who lay the basis for these achievements in their daily dedication to develop young people.

Succession planning

Bühler has several different initiatives to ensure the senior leaders of tomorrow are nurtured from the best talents from within and outside Bühler. Now in its fourth year, the Excelerator Program is designed to develop the specific needs of individuals to make sure talented employees are first recognized from within the company and then enabled to mature and develop into leadership roles.

Covid-19 has required us to adapt the program from a face-to-face to virtual interactions. Employees who are showing the most promise are first nominated from across all our global operations. Following an assessment program 20 candidates are shortlisted. Individual development plans are drawn up for each participant to build on their strengths and develop their leadership capabilities.

Our second management pipeline is the Bühler International Management Trainee Program. Designed to attract and develop the best talents leaving universities and business schools the three-year program takes trainees and fast-tracks them through the Bühler corporate experience. They have the opportunity to work with top management on the Executive Board as well as with regional heads. Within



the context of the pandemic, Bühler made the assessment program virtual within days of travel bans being imposed and selected six candidates out of over 130. The six started with Bühler in the third quarter of 2020.

Corporate values

During challenging times, it is even more important that we reinforce our corporate values to ensure we live by them and that our employees understand the contribution they make to the organization in terms of the expression of those values. Designed to be concise and unambiguous our values are encompassed in the acronym TOP, standing for trust, ownership, and passion. Trust relates to integrity, partnership skills and the credibility required for Bühler to form collaborative networks with customers, start-ups, academia, and NGOs to address global challenges.

Ownership is about taking responsibility for decisions taken in the interest of our customers, and Passion drives people at Bühler to live their intentions, to learn each day, and to support others and to drive success. These values were integrated into the Employee Performance Management System in 2020 to make sure they reach deep into the organization.

Destination25

In 2020, the HR Destination 2025 strategy was launched in line with the Bühler Destination25 business strategy. The HR strategy aims to focus on leadership, our employees, and our HR function in a bid to prepare Bühler for future challenges. Our winning ambition is to have a diverse group of leaders who all express our TOP values and are equipped with solid inclusive leadership competencies for a new era of leadership, who will be expected to drive a high-performance culture in which they and their teams are held accountable for their results and on how those results are achieved.

In parallel, we want to enable highly engaged, competent employees who are driven by our purpose, using digital tools, sharing success and failures, and demonstrating strong competencies. It aims to facilitate an inclusive culture that embraces diversity, lifelong learning, and career agility for all generations. Employees will be willing and able to continue developing their skills to flexibly adapt to changing circumstances.

Human resources processes will enable our team members in Human Resources (HR) to work as employee champions and to add strategic business value by aligning with our business leaders and organizational development. HR aims to be a role model for global teamwork with high professionalism, integrity, financial discipline, and business orientation.

Employer branding

In 2020, Bühler also adapted its approach to employer branding due to the pandemic. We developed strategies to reach prospective employees through a significant increase in social media usage and virtual events. We also launched a globally standardized toolkit for career fairs while running over 40 virtual career events and live streams.

For the second year running, Bühler is pleased to have won the prestigious Swiss Leading Employer Award ranking it among the top 1% of nominated Swiss employers.

At Bühler our sense of purpose, our care for people and our family values provide a solid foundation in challenging times. Our aim in Human Resources is to relentlessly focus on adding business value and ensure our leaders and employees are "future fit." Together we aim to shape our culture so that Bühler becomes "a best company."

GOVERNANCE

GROUP STRUCTURE

Bühler follows international standards of corporate governance. Its corporate governance activities are based on the principles of the Swiss Code of Best Practice – an instrument for clearly defining internal powers and responsibilities and optimally designing the interaction between the Board of Directors, the Executive Board, and the Group Internal Audit.

As a non-listed, family-owned, but economically significant company, Bühler has decided to pay special attention to the design of its corporate governance. As a consequence, Bühler's corporate governance goes far beyond the statutory requirements of Swiss corporate law and incorporates, to a great extent, the recommendations contained in the "Swiss Code of Best Practice for Corporate Governance" issued by economiesuisse. Bühler's Articles of Incorporation set the material parameters of the corporate governance system.

The Articles of Incorporation are complemented by Bühler's Organizational Regulations, which further specify the responsibilities, competencies, and regulations of the governing bodies of the company. Unless prescribed by law or the Articles of Incorporation, the management is delegated by the Board of Directors, with the power to subdelegate to the Chief Executive Officer, the Executive Board, and its members. Separate charters specify the organization of the Nomination and Compensation Committee and the Audit Committee. The Board of Directors has also issued and updated a regulation governing the cooperation between the Board of Directors, the CEO/Executive Board, and the Urs Bühler Innovation Fund.

Bühler remains a family-owned company

In 2014, Urs Bühler transferred his shares in Bühler to his three daughters, Karin, Dr. Maya, and Jeannine Bühler, each of whom owns a third of the company. For the three sisters, continuity is the top priority, as they want to build on the strengths and values of Bühler. They continue to maintain optimal general conditions for the company to operate in: a stable shareholder structure, a long-term orientation, steady company management that is not subject to the constraints of quarterly reporting – but nevertheless a management style pursuing business success. The three owners are represented on the Board of Directors and act in one unified voice in relation to company issues and decisions.

BOARD OF DIRECTORS

Chairman
Calvin Grieder

Linda Yang

Stefan Scheiber[1]

Nomination and Compensation Committee

Dr. Konrad Hummler (Chairman)

Karin Bühler

Frank N.J. Braeken

Jeannine Bühler

Audit Committee

Ruth Metzler-Arnold (Chairwoman)[2]

Dr. Maya Bühler

Clemens E. Blum

Rainer E. Schulz

EXECUTIVE BOARD

CEO
Stefan Scheiber

CFO
Dr. Mark Macus

Grains & Food
Johannes Wick

Consumer Foods
Germar Wacker

Advanced Materials
Samuel Schär

CTO
Dr. Ian Roberts

Manufacturing, Logistics & Supply Chain
Dr. Holger Feldhege

Human Resources
Irene Mark-Eisenring

Services & Sales
Samuel Schär

BUSINESSES

Grains & Food

Grain Quality & Supply

Milling Solutions

Value Nutrition

Digital Technologies

Consumer Foods

Bakery

Wafer

Biscuit

Chocolate & Coffee

Confectionery

Non-food

Advanced Materials

Die Casting

Leybold Optics

Grinding & Dispersing

REGIONS

North America

South America

Europe

Middle East & Africa

Asia

South Asia

URS BÜHLER INNOVATION FUND

Founder
Urs Bühler

Peter Stähli

Chairman
Dr. Ian Roberts

Dr. Mark Macus

Prof. Dr. Edward S. Steinfeld

Prof. Dr.-Ing. Werner Bauer

Dr. Matthias Kaiserswerth

Prof. Dr. Lino Guzzella

Hal Gurley[3]

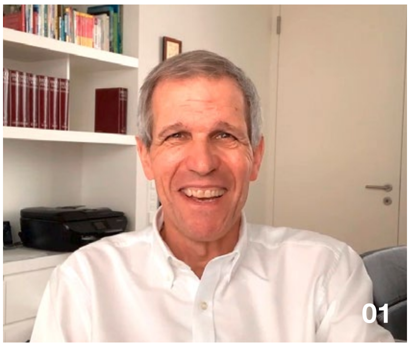
[1] Effective from Aug. 28, 2020

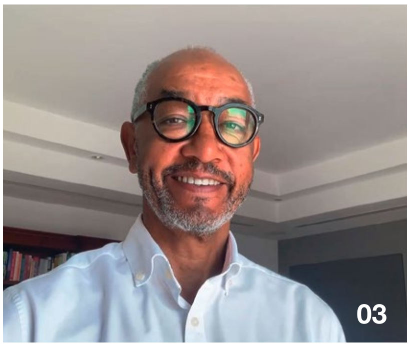
[2] Resigned effective Feb. 2021

[3] Stepped down as per Dec. 31, 2020

BOARD OF DIRECTORS

BOARD OF DIRECTORS





Calvin Grieder
Chairman

Calvin Grieder has held various executive positions at Swiss and German companies active in the areas of control technology, automation, and system engineering. In these roles, he was primarily responsible for successfully establishing and expanding international business. In 2001, Calvin Grieder moved from Swisscom to Bühler Group, where he acted as CEO for 15 years. In February 2014, he was elected Chairman of the Board of Directors of Bühler Group and named to the Board of Directors of Givaudan, becoming Chairman of the Board in 2017. In 2020, he was named Chairman of the Board of Directors of Société General de Surveillance (SGS). Other roles of his include, Chairman of the Board of Directors of AWK Group, member of the Advisory Board of the ETH, Department of Mechanical and Process Engineering, as well as Member of the Board of Trustees of Avenir Suisse. Calvin Grieder has been educated at the ETH in Zurich (Master of Science) and completed his Studies at the Harvard University Boston (AMP). He is a citizen of Switzerland and was born 1955 in the USA.

Dr. Konrad Hummler
Member of the Board

Dr. Konrad Hummler graduated in Law from the University of Zurich and in Economic Science from the US University of Rochester. In the eighties, he acted as the personal assistant to the Chairman of the Board of Directors of what is now UBS, Dr. Robert Holzach. From 1991 to 2012, he was Managing Partner with unlimited liability of Wegelin & Co. Private Bankers (St. Gallen). In addition to his bank activities, he was a member of the Board of various companies, including Neue Zürcher Zeitung (NZZ), Swiss National Bank (SNB), or the German Stock Exchange. Dr. Konrad Hummler heads the M1 AG, a private think tank dealing with strategic issues of current interest, and is Chairman of the Board of Private Client Bank in Zurich. Dr. Konrad Hummler was appointed as a Member of the Board of Bühler in 2010 and as a Chairman of the Nomination and Compensation Committee in 2016. He is strongly committed to cultural and social projects. Dr. Konrad Hummler was born in 1953 and is Swiss.

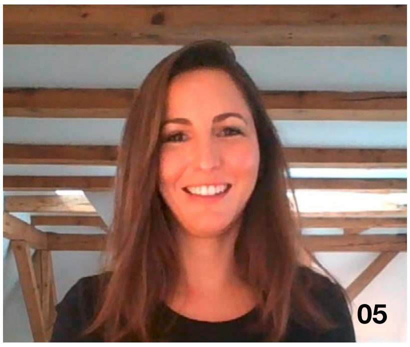
Frank N.J. Braeken
Member of the Board

Frank N. J. Braeken graduated with a degree in Law and holds an MBA degree in Finance from the University of Leuven (Belgium). He is an alumnus of the Wharton Executive Program, Penn University (Philadelphia / US). In his professional career, he has specialized in finances and general management. From 1996 to 2013, he held various management functions in different countries for Unilever, including a position as Group Vice President of Unilever China (Shanghai), Executive Vice President of Unilever Namca (Dubai / UAE), and Executive Vice President of Unilever Africa (Dubai / Durban). After leaving Unilever, Frank N. J. Braeken acted as investment advisor and investor for large-scale agro and food enterprises on the African continent. From 2016 to 2020, he was elected Chairman of the Board of Feronia Inc, a Toronto-listed palm oil producer in Africa. Frank N. J. Braeken is also a non-executive Board Member of Marie Stopes International, AGRA and AECF, all non-profit organizations, as well as of Black Volta Ventures and Zambeef. He was elected to the Board of Directors of Bühler in 2014. Frank Braeken was born in 1960 and is Belgian.

BOARD OF DIRECTORS

Dr. Maya Bühler
Member of the Board

Dr. Maya Bühler studied Veterinary Science at the University of Zurich. After completing her studies, she held various positions in the horse surgery department of the animal hospital in Zurich and became a Veterinary Specialist for Horses (FVH) in 2012. At the beginning of 2013, she became the owner and Managing Director of the company Pferdeklinik Thurland in Uzwil. Dr. Maya Bühler was re-elected to the Board of Directors of Bühler in 2017. Dr. Maya Bühler was born in 1981 and is Swiss.



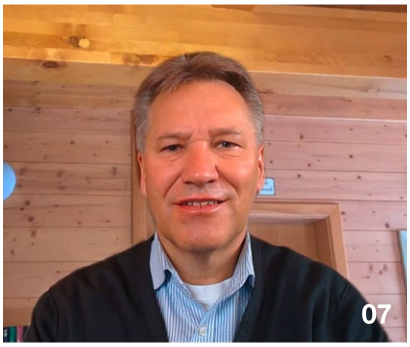
Jeannine Bühler
Member of the Board

After successfully completing her federal vocational matriculation certificate and passerelle (supplementary exam certificate) in St. Gallen, Jeannine Bühler was awarded a Bachelor of Arts degree from the University of Zurich. She later received a Master of Arts in Social Sciences majoring in journalism, communication sciences, and political science. Following completion of her studies, she joined the development organization Helvetas Swiss Intercooperation. From February 2018 to March 2020, Jeannine Bühler acted as an Asset Manager for Swiss Prime Site Immobilien AG. Jeannine Bühler was elected to the Board of Directors of Bühler in 2016. Jeannine Bühler was born in 1986 and is Swiss.

Karin Bühler
Member of the Board

After obtaining her university entry qualifications, Karin Bühler acquired a degree in Marketing. Following several activities in the fields of marketing, communications, and equestrian sports, she became General Manager of Horse Vision AG as the owner in 2008. She has been with Uze AG since 2011, first as Manager Marketing, then as member of the General Management in charge of Human Resources & Marketing, and from 2014 to 2020 as General Manager. In 2020, Karin Bühler was elected as a member of the Board of Directors and as an Executive Board Member of Uze AG. Karin Bühler was re-elected to the Board of Directors in 2017. Karin Bühler was born in 1978 and is Swiss.

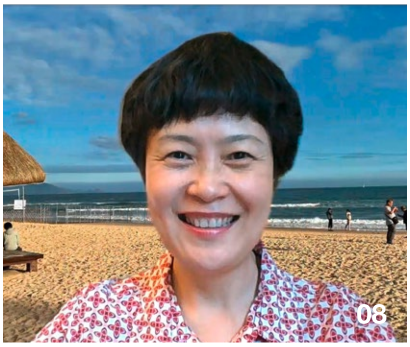
BOARD OF DIRECTORS



Rainer Schulz

Member of the Board

After obtaining his degree in Production Engineering, Rainer Schulz first held various materials management and production supply chain positions in the electronics and mechanical engineering industries. Since 1995, Rainer Schulz has acted as head of production and later on as general head of purchasing in charge of global procurement at the jet engine manufacturer BMW Rolls-Royce AeroEngines. In 2001, Rainer Schulz moved on to the global REHAU Group. As Chief Operating Officer, he was first in charge within the context of the company management of the engineering, production, and materials management functions. In 2010, Rainer Schulz was appointed Chief Executive Officer of the REHAU Group, holding this position up to mid-2018. Rainer Schulz was appointed to the Bühler Board of Directors in 2019. He is a member of the Board of Directors of Eisenmann SE (DE) and RUAG International Holding AG, where he is also Chairman of the Nomination & Compensation Committee. He was called as Member of the Advisory Board of the German Röchling SE & Co KG in June 2020. Rainer Schulz is a Swiss national who was born in Germany in 1965.



Linda Yang

Member of the Board

Linda Yang holds Bachelor's degrees in both Mathematics and Business / Finance from Nan Kai University (Tianjin, China). She graduated from the Executive MBA program at the China Europe International Business School (CEIBS) in 2009. Following various assignments in China in the fields of consumer insight, consulting, and marketing, at companies such as Procter & Gamble (China) Ltd., she acted from 2001 to 2004 for Nestlé (China) Ltd. as Head of Consumer Insight. Since then, she has been the General Manager of BSI (Tianjin) Foods Co. Ltd., a subsidiary of Savencia Fromage & Dairy (previously known as Bongrain SA) in China. Thanks to her experience and training, Linda Yang has a proven understanding of the Chinese market. She has been a Member of the Bühler Board of Directors since 2014. Linda Yang was born in 1971 and is Chinese.

Clemens Blum

Member of the Board

Clemens Blum has a degree in Electronic Engineering from Furtwangen University (Germany) and Business Management from Pforzheim University (Germany). After holding various positions in sales in different companies, he joined the Swiss Industrial Group (SIG) as Sales Director of SIG Positec Automation in 1992 and was promoted to General Manager in 1997. In 2000, Schneider Electric acquired the SIG Positec activities from SIG, and Clemens Blum then took on various executive positions within the Schneider Electric Group. From July 2010 until December 2016, he acted as Executive Vice President of the industry business, located in Foxborough (Massachusetts / US) for two years. Until his retirement, Clemens Blum was responsible for specific merger and acquisition strategies and key executive customers in the industrial automation market. He currently supports international private equity companies. In April 2018, he was appointed by one of those companies to the Advisory Board of Laird Connectivity, Ohio / US, a manufacturer of professional Wi-Fi, antenna and IoT platform technologies. In January 2020, he was also appointed to the Supervisory Board of Rafi GmbH & Co.Kg, Germany, a leading supplier of Human Machine Interface Technology. Clemens Blum was elected a Member of the Board of Bühler in December 2015. Clemens Blum was born in 1955 and is German.

BOARD OF DIRECTORS

Ruth Metzler-Arnold [1]

Member of the Board

Ruth Metzler studied Law at the University of Freiburg i. Ue. and is a Federally Certified Auditor. From 1990 to 1999, she was active for PricewaterhouseCoopers in St. Gallen. In addition, she was a member of the Cantonal Government of Appenzell IR (Director of Finance) for three years. From 1999 to 2003, she was member of the Swiss Government and headed the Federal Department of Justice and Police. Ruth Metzler then held leading positions at Novartis and was a member of the Board of SIX Group. Ruth Metzler is Chairwoman of the Board of Switzerland Global Enterprise, FehrAdvice & Partners AG and the foundation of the Pontifical Swiss Guard. She is Deputy Chairwoman of AXA Switzerland and a Board Member of Reyl & Cie SA, and the Swiss Medical Network SA, among others. Ruth Metzler was elected as a Member of the Board of Bühler in December 2011 and as Chairwoman of the Audit Committee in February 2014. Ruth Metzler-Arnold was born in 1964 and is Swiss.

[1] Resigned effective Feb. 2021

Stefan Scheiber

Chief Executive Officer,
Member of the Executive Board

Stefan Scheiber graduated in Business Administration from the University of Applied Science in St.Gallen and later continued his education at the Institute IMD Lausanne and the Harvard Business School. Stefan Scheiber started his career at Bühler in 1986 and has spent more than 30 years with Bühler in different functions. From 1988, he has worked in various international management positions within Bühler worldwide, including East and South Africa, Eastern Europe, and Germany. In 1999, he took charge of the Brewing/Malting and Rice business units and thereafter, assumed overall responsibility for Bühler in Germany. From mid-2005, Stefan Scheiber headed the Sales & Services division as a Member of the Executive Board. In 2009, he was assigned Division Manager of the Engineered Products Division which he reorganized into the Food Processing and the Advanced Material divisions. He led the Food Processing division as of 2009. In 2014, he integrated the Food Processing and the Grain Processing divisions, creating the Grains & Food business, which he led until 2016. Stefan Scheiber was appointed CEO of the Bühler Group on July 1, 2016 and as a Member of the Board of Directors on August 28, 2020. He is a Member of the Board of Directors of the Kistler Group and a Member of the Executive Committee of Swissmem. Stefan Scheiber was born in 1965 and is Swiss.

EXECUTIVE BOARD

EXECUTIVE BOARD

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Chief Executive Officer,
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Dr. Mark Macus

Chief Financial Officer

Dr. Mark Macus graduated with a PhD in Business Administration from the University of St.Gallen with an exchange at the Wharton School of the University of Pennsylvania. Later he earned his certification as a Swiss Certified Public Accountant. Prior to his employment as Head of Corporate Controlling at Bühler in 2013, Dr. Mark Macus held management positions at KPMG and the Holcim Group. In 2018, he joined the Vitra Group as Group CFO, before returning to Bühler and assuming the role of Group CFO as of September 1, 2019. He is a member of the Board of Corvaglia Group and Vice Chairman of the Board of Spital Bülach AG. Dr. Mark Macus was born in 1972 and is Swiss.

Samuel Schär

Chief Services & Sales Officer – Group,
CEO Advanced Materials

After obtaining a diploma as a Physics Engineer from the Swiss Federal Institute of Technology in Lausanne (EPFL) and accumulating three years of experience with the consultancy McKinsey, Samuel Schär joined Bühler in 2002. He took charge of the Nanotechnology business unit in 2005. From 2009 to 2012, he bore overall responsibility for the Grinding & Dispersing business area. Samuel Schär has headed the Advanced Materials business since 2013 and was appointed CEO of Advanced Materials as of September 2014. In addition to his responsibility as CEO of Advanced Materials, he took up the role of Chief Services & Sales Officer – Group in June 2020. Samuel Schär was born in 1975 and is Swiss.

EXECUTIVE BOARD

Johannes Wick
CEO Grains and Food

Johannes Wick joined Bühler in 2014 and took over the management of Grain Milling, the largest business area. He has led the Bühler Grains & Food business since April 1, 2016. Before joining Bühler, he worked for more than 20 years in different management positions in the energy and infrastructure sector at ABB, ABB Alstom Power, Iberdrola, and Alstom. Johannes Wick earned a Master's degree in Engineering at the ETH in Zurich with an exchange at the Technical University in Madrid. He expanded his knowledge with an MBA from IESE in Barcelona with an exchange at Sloan Management School of Business at the Massachusetts Institute of Technology (MIT) in Boston. Johannes Wick was born in 1969 and is Swiss.

Germar Wacker
CEO Consumer Foods

After receiving a degree in Business from the University of Regensburg, Germany, and a master's degree in Business Administration from Murray State University, US, Germar Wacker began his professional career in the automotive industry at Daimler Chrysler AG. In 2000, he moved on to the Canadian rail vehicle manufacturer Bombardier Transportation, where he held executive positions in the areas of restructuring, operations, project management, and service. From 2010, he was responsible for several divisions of the group, sustainably expanding its international market position. Among other things, he was also Chairman of the Supervisory Board of Bombardier Transportation Austria. From September 2017, Germar Wacker was CEO of the Haas Group, which became part of the Bühler Group in January 2018. He has led the Consumer Foods business at Bühler since January 2019. Germar Wacker was born in 1970 and is German.

Dr. Holger Feldhege
COO, Manufacturing, Logistics & Supply Chain

Dr. Holger Feldhege studied Business Administration and holds a PhD in Production Management. He has extensive experience in the sales and service business as well as production, engineering, and logistics. He worked in various management positions at Mannesmann and ThyssenKrupp Elevator, spending nearly 8 years in Asia. Upon his return to Germany in 2010, Dr. Holger Feldhege took on the position of CEO Manufacturing for the business unit Central, Eastern, and Northern Europe and later Senior Vice President Manufacturing Elevator for the worldwide group. In 2014, He joined Bühler as Head of Manufacturing & Logistics. In 2017, he was named Chief Operations Officer responsible for Manufacturing, Logistics & Supply Chain. Dr. Holger Feldhege was born in 1968 and is German.

EXECUTIVE BOARD

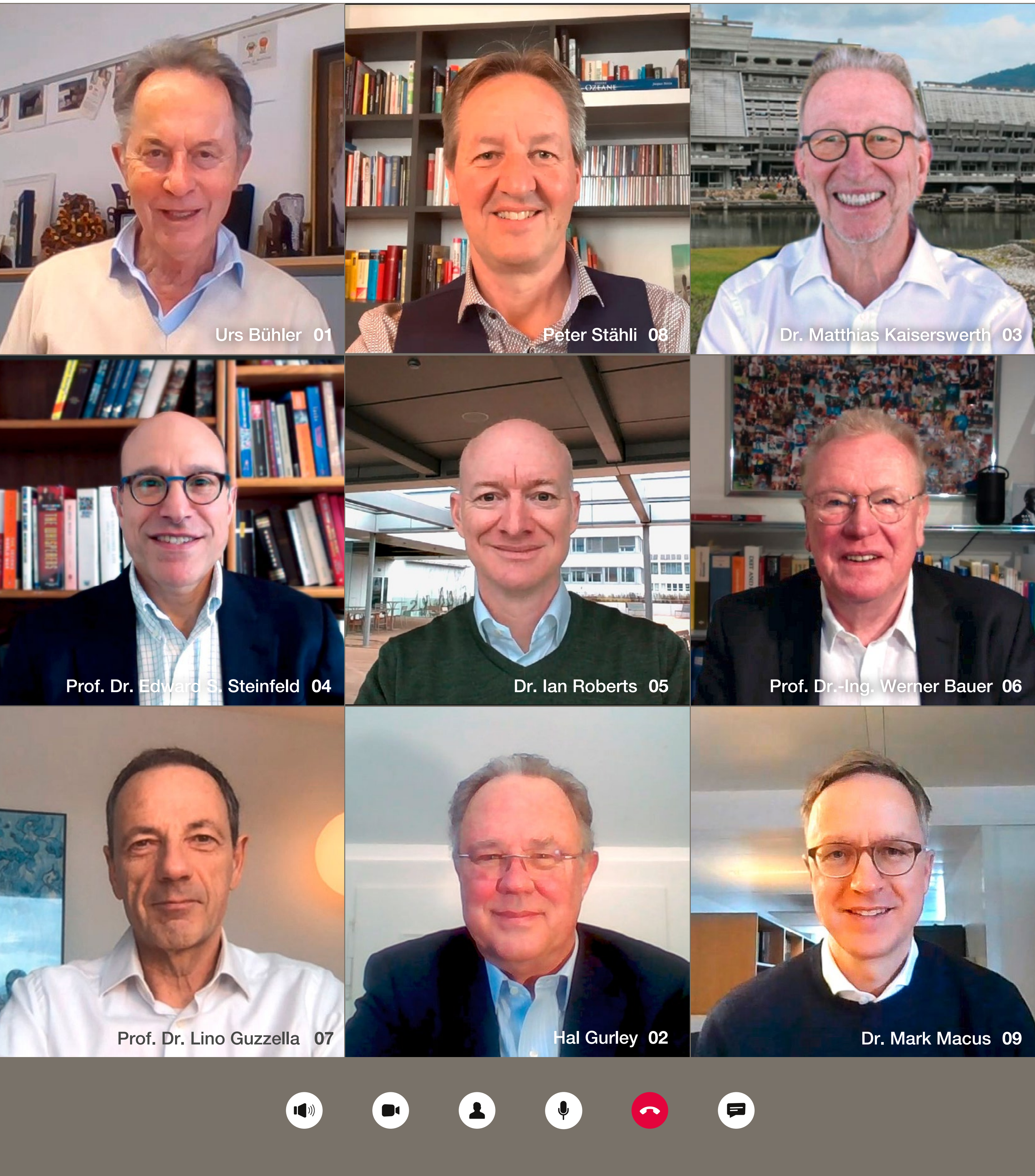
Dr. Ian Roberts
Chief Technology Officer

Dr. Ian Roberts graduated in Chemical Engineering and obtained a PhD in Process Engineering from the University of Wales (Great Britain). From 1997 to 2009, he held various management positions at Nestlé, focusing on innovation and business development. He has been Chief Technology Officer at Bühler since 2011. He has been particularly active in driving the cultural change program towards collaborative innovation, the sustainability mission, the digital transformation, and the entry into new business sectors. He is Co-chairman of the Evaluation Board of the Wyss Institute Zürich and President of MassChallenge Switzerland. Dr. Ian Roberts was born in 1970 and is British.

Irene Mark-Eisenring
Chief Human Resources Officer

Irene Mark-Eisenring graduated in Business Administration from the University of Applied Sciences in St. Gallen, Switzerland. She expanded her studies with additional diplomas in personnel management, profiling, psychology, and project management. Mark-Eisenring has a broad human resources background and extensive experience in human resources leadership and projects, primarily in the financial industry. From 1996 to 2016, she held various human resources leadership roles at UBS Investment Bank and UBS AG in Zurich, Switzerland, and has lead projects in different countries, such as London, UK. She joined Bühler in 2016 as Head of Corporate Personnel Development. In that role she was responsible for setting and implementing strategies in the fields of global human resources development, strategic recruiting, and Diversity & Inclusion. She is also on the Board of the local Business & Professional Women Network Eastern Switzerland. In 2020, she was named Chief Human Resources Officer of the Bühler Group. Irene Mark-Eisenring was born in 1967 and is Swiss.

ADVISORY BOARD
Urs Bühler Innovation Fund



ADVISORY BOARD
Urs Bühler Innovation Fund

The Urs Bühler Innovation Fund (UBIF) was established in 2014 to support the company's innovation efforts. Bühler invests between 4% to 5% of its turnover in research and development every year – developing breakthrough technologies and services to strengthen Bühler's market position as well as exploiting new opportunities to stay ahead of the innovation curve. The Advisory Board managing the UBIF focuses on accelerating innovation and developing relevant ecosystems.

ADVISORY BOARD
Urs Bühler Innovation Fund

Urs Bühler
Founder

Hal Gurley [1]
Automation intelligence expert and Founding Member of UBIF

Dr. Matthias Kaiserswerth
Managing Director, Hasler Stiftung

Urs Bühler graduated as a mechanical engineer from the Swiss Federal Institute of Technology in Zurich (ETH). After holding a number of positions in Switzerland and abroad, he was appointed to the Corporate Management of Bühler AG in 1975, in charge of sales and development. From 1980 to 1984, he was President of Bühler GmbH, Braunschweig (Germany). In 1986, Urs Bühler was appointed CEO of Bühler in Uzwil, Switzerland. He handed over the executive management duties of the company to Calvin Grieder at the beginning of 2001. Urs Bühler was a Member of the Board since 1981, from 1991 as its Vice Chairman and from 1994 to 2014 as its Chairman. He was a member of the Board of several Swiss companies. Urs Bühler was born in 1943 and is Swiss.

Hal Gurley holds Bachelor's and Master's degrees in Electrical Engineering from the Georgia Institute of Technology (US), and an Executive MBA from the Institute IMD (Switzerland). Before moving to Switzerland in 1995, Gurley was President and Founder of Automation Intelligence Inc., a US-based advanced systems integration and software development firm specializing in real-time communications and control systems for industrial, robotic, and military applications. Prior to joining Cisco in 2000, Gurley was CTO at SIG Packaging Technology and later Director Internet/IP at Swisscom. During his 17-year career at Cisco, Gurley held executive leadership positions within Cisco's professional services, management consulting, and sales organizations. From 2013 until his retirement in 2017, Hal Gurley had global responsibility for Cisco's Cloud/Network Management and Automation software sales and go-to-market execution. He served as sole Managing Director and legal representative of Cisco Systems (Switzerland) GmbH. He is currently working as an independent IoT strategy consultant. He was a UBIF member from 2014 to end of 2020. Hal Gurley was born in 1955. He is Swiss and American.

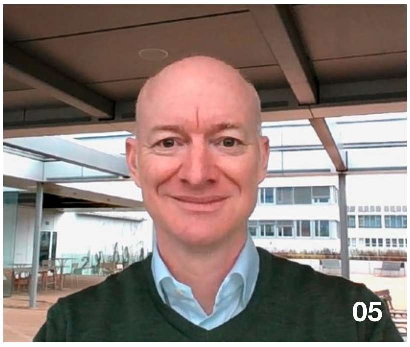
Dr. Matthias Kaiserswerth studied Computer Science at the Friedrich-Alexander University in Erlangen-Nuremberg (Germany) and at McGill University in Montreal (Canada). He obtained his PhD in Engineering from Erlangen University. From 1988 to 2015, Dr. Matthias Kaiserswerth worked for IBM. He has spent almost his entire career as a researcher in the areas of high-performing communication and security in Switzerland and the US apart from mid-2002 to the end of 2005, when he was responsible for global IBM business relations with a large international industrial customer. For more than 11 years Dr. Matthias Kaiserswerth was Director of the IBM Research Laboratory in Rüschlikon (Switzerland) until he became Managing Director of the nonprofit Hasler Stiftung in Berne, in May 2015. This foundation supports education, research, and innovation in information and communication technologies. Dr. Matthias Kaiserswerth was born in 1956. He is Swiss and German.

[1] Stepped down as per Dec. 31, 2020

ADVISORY BOARD
Urs Bühler Innovation Fund

Prof. Dr. Edward S. Steinfeld
Professor of Political Science;
Director, Thomas J. Watson,
Jr. Institute for International
Public Affairs, Brown University

Prof. Dr. Edward S. Steinfeld studied Government and Political Science at Harvard University (US) and holds a PhD in Political Science. From 1996 to 2013, he was a Professor of Political Economy and Management at the Massachusetts Institute of Technology (US). He also served as a visiting scholar at the Tsinghua University School of Public Policy and Management in Beijing from 2012 to 2013. From 2005 to 2013, he was Director of the China Energy Program at the MIT Industrial Performance Center. In 2013, Prof. Dr. Edward S. Steinfeld moved to Brown University (US), where he currently directs the Watson Institute for International and Public Affairs as well as the Brown China Initiative and is a Professor of the Department of Political Science. Besides his university engagement, Prof. Dr. Edward S. Steinfeld is a member of various boards of directors, and academic and advisory boards in the US, Asia, and Europe. In 2012, he was appointed as a member of the China Advisory Board of Bühler Group. Prof. Dr. Edward S. Steinfeld was born in 1966 and is American.



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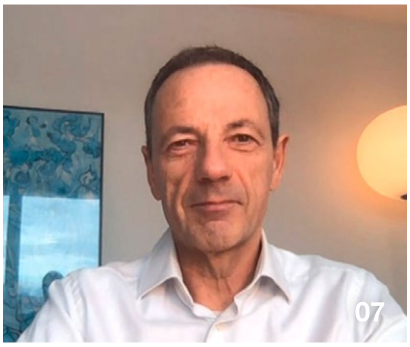
Prof. Dr.-Ing. Werner Bauer
Food Science, biotechnology,
and R&D expert

Prof. Dr.-Ing. Werner Bauer started his career as a university professor in chemical engineering at the Technical University in Hamburg, Germany. After serving as the Director of the Fraunhofer Institute for Food Technology & Packaging and as Professor in Food Bioprocessing Technology at the Technical University of Munich from 1985 to 1990, he joined Nestlé as Head of Nestlé Research worldwide in 1990. After commercially heading Nestlé South and East Africa, he joined general management as Executive Vice President in 2002, responsible for Technical, Production, Environment, and R&D. In 2007 he became Chief Technology Officer and Head of Innovation, Technology, Research and Development, a post from which he retired in September 2013. Prof. Dr.-Ing. Werner Bauer holds mandates in companies that are quoted on an official stock exchange and in companies that are non-quoted. He received a diploma and a PhD in Chemical Engineering from the University Erlangen-Nürnberg in Germany. Prof. Dr.-Ing. Werner Bauer was born in 1950 and is German and Swiss.

ADVISORY BOARD
Urs Bühler Innovation Fund



Prof. Dr. Lino Guzzella
Professor of Thermotronics
Swiss Federal Institute of Technology, ETH

Peter Stähli
CEO Swiss Entrepreneurs Foundation

Dr. Mark Macus
Chief Financial Officer

Lino Guzzella received his mechanical engineering diploma in 1981 from ETH Zurich, followed by his doctoral degree in 1986. Since 1999, Lino Guzzella has been a full professor in the Mechanical and Process Engineering Department of ETH where he teaches all introductory classes in control systems and system dynamics. From 2012 to 2014 he was Rector and from 2015 to 2018 President of ETH. Lino Guzzella held positions in industry (Sulzer Brothers, Winterthur and Hilti, Schaan) and academia (in the EE and ME department of ETH, and as Honda Visiting Professor at OSU, Columbus, Ohio and as Springer Visiting Professor at UC Berkeley, California). With his group he focused his research on novel approaches in system dynamics and control of energy conversion systems. A particular emphasis was placed on the minimization of fuel consumption and pollutant emission of vehicle propulsion systems. He is a fellow of IFAC and of IEEE and a member of the Swiss Academy of Engineering Sciences. In addition to his academic activities he is a member of several boards of directors and advisory committees. Lino Guzzella was born in 1957 and is a Swiss and Italian citizen.

Peter Stähli is a graduate electrical engineer, with higher degrees in business management and energy technology. He is also a graduate of the University of Michigan executive program in innovation marketing. He has been an independent entrepreneur since 1992, having founded six companies and made three exits. In 1999, he founded the Swiss Economic Forum together with Stefan Linder, today Switzerland's leading business and networking platform. They have managed it for 18 years as CEO and Chairman. In the last 15 years, in his role as expert for the Swiss Economic Award, Switzerland's major prize for young entrepreneurs, he has assessed over 1,500 start-up business plans and undertaken over 300 company visits involving detailed analyses and due diligence evaluations. In 2016, they sold Swiss Economic Forum (SEF) to the Neue Zürcher Zeitung newspaper. Within the SEF's growth initiative, he helped provide start-ups and SMEs with CHF 100 million of growth capital (borrowed capital and equity). He is active as a recognized strategy expert in his own consultancy firm, sits on a number of boards of directors, and undertakes targeted investments in start-ups. He also has a management mandate for the Swiss Entrepreneurs Foundation, which is under the patronage of the Federal Council Guy Parmelin. Peter Stähli was born in 1964 and is Swiss.

Dr. Mark Macus graduated with a PhD in Business Administration from the University of St.Gallen with an exchange at the Wharton School of the University of Pennsylvania. Later he earned his certification as a Swiss Certified Public Accountant. Prior to his employment as Head of Corporate Controlling at Bühler in 2013, Dr. Mark Macus held management positions at KPMG and the Holcim Group. In 2018, he joined the Vitra Group as Group CFO, before returning to Bühler and assuming the role of Group CFO as of September 1, 2019. He is a member of the Board of Corvaglia Group and Vice Chairman of the Board of Spital Bülach AG. Dr. Mark Macus was born in 1972 and is Swiss.

COLLABORATION
principles

Permitted external activities of the Board of Directors and the Executive Board

Bühler's Articles of Incorporation provide for a certain restriction of the permitted external activities of the Members of the Board of Directors. Members of the Board of Directors may not hold more than four additional mandates in listed companies, eight additional mandates against remuneration in unlisted companies, and eight unpaid additional mandates. Not included in these limitations are mandates in companies affiliated with Bühler, corporate mandates of Bühler, and mandates in associations, foundations, employee welfare foundations, charitable organizations, and other comparable structures. However, no Board Member shall hold more than 20 such additional mandates. Mandates refers to mandates in the supreme governing body of a legal entity registered in the commercial register in Switzerland or elsewhere. Members of the Executive Board are limited to two mandates at public companies or other legal entities against remuneration and four unpaid mandates.

Elections and term of office of the Board of Directors

Bühler's Articles of Incorporation provide for the annual election by the General Assembly of all Board Members, its Chairman, and the Members of its Nomination and Compensation Committee. Term of office shall be one year, starting with the General Assembly at which each individual member is elected and ending with the following General Assembly. The Members of the Audit Committee are annually elected by the Board of Directors. Board Members will generally not be re-elected once they pass their 70th birthday or have been on the Board for 12 years.

Election date and attendance

For the year of first election to the Board of Directors, please refer to the individual curriculum vitae of each Board Member on pages 5–8. At the General Assembly, the Board of Directors gives account to the shareholders on the attendance of Board and Committee meetings by each individual Board Member.

Audit Committee

The Audit Committee shall monitor the integrity of the financial statements of the Company, including its Annual Report. It promotes effective communication between the management, internal and external audits. The Audit Committee regularly reviews the functionality and effectiveness of the internal control system. It supports the Board of Directors in corporate governance issues.

Nomination and Compensation Committee

The Nomination and Compensation Committee determines and agrees with the Board of Directors on the policy for the compensation of the Members of the Board of Directors and of the Executive Board. It approves the design of, and determines targets for any performance-related compensation schemes operated by the Company and approves the total annual payments made under such schemes. Within the parameters of the agreed policy the Nomination and Compensation Committee determines the total individual compensation package for each Member of the Board of Directors as well as of the Executive Board and prepares the remuneration report.

Work method of the Board of Directors and its committees

Board meetings are held as often as matters require or upon the request of a Board Member, but at least four times per year. The agenda of the meeting shall be announced when it is convened, and pertinent information, if needed, shall be sent 10 days before the meeting to each Board Member. On unannounced items the Board can only decide if all Members of the Board are in attendance. Decisions may also be taken by circulation, provided that none of the Board Members request a formal meeting. Meetings of the Board Committees are convened separately from the Board meetings and scheduled as often as business requires. The Board of Directors receives verbal updates after each meeting of its Committees by their Chairperson.

COLLABORATION principles

Areas of responsibilities

The Board of Directors is responsible for the ultimate direction, strategic supervision, and control of the management of the Company, and for other matters which are, by law, under its responsibility. Such inalienable duties include, essentially, (i) the ultimate management of the Company, (ii) the determination of its organization, (iii) the structuring of its accounting system and of the financial controlling, (iv) financial planning, (v) the appointment, removal, and ultimate supervision of persons entrusted with the management and representation of the Company, (vi) the preparation of the business report as well as the General Assembly and the implementation of its resolutions.

Executive Board

The Executive Board is responsible for all areas of operational management of the Company that are not reserved to the Board of Directors. The Executive Board is chaired by the Chief Executive Officer.

Urs Bühler Innovation Fund (UBIF)

The Advisory Board of the Urs Bühler Innovation Fund supports and advises the Board of Directors in innovation strategy matters as well as in defining and executing an innovation strategy that provides future-oriented answers to market trends and the needs of current and future customers.

External auditors

The external auditors are appointed at the General Assembly and present the outcome of the audit to the Audit Committee.

COMPLIANCE

Effective corporate governance

Effective corporate governance is a precondition for Bühler to ensure a long-term and sustainable increase of its corporate value. Bühler bases this both on the Swiss Code of Best Practice for Corporate Governance and the OECD Principles of Corporate Governance. Corporate governance at Bühler is organized with the interests of its stakeholders in mind, including customers, employees, suppliers, and public communities. It also comprises compliance with environmental and social standards as well as an uncompromising commitment to financial integrity. As an international Swiss company, strict observation of local laws on a global scale and systematic and continuous monitoring of compliance in all markets are indispensable for Bühler. This is the only way to prevent operating risks and an impairment of reputation that might be caused by violation of compliance rules.

An active Code of Conduct

The Code of Conduct is part of the so-called Bühler Essentials. It serves all employees as a beacon, showing them how to live the Group's core corporate principles (Trust, Ownership and Passion) in their day-to-day jobs. It states what is expected of employees and business partners, defines the standards governing compliance with laws and regulations, and includes the fundamentals of communications, employee rights, health and safety, and financial integrity.

Bühler regularly reviews its own principles of corporate governance to ensure that they are up to date. Its Code of Conduct also includes binding standards for its business partners. The Code of Conduct is continuously adjusted to the changing environment. Furthermore, a Supplier Code of Conduct for business partners exists and its roll-out is ongoing as part of the onboarding process.

Clear rules against corruption and bribery

The so-called ABC (Anti Bribery & Corruption) rules against bribery and corruption unmistakably state that no violations will be tolerated. They concern, in particular, collaboration with agents. Furthermore, it is mandatory for all employees with access to the learning platform to undergo the state-of-the-art online training program (Web Based Training, WBT) and to pass a final test. Employees without access take part in an offline classroom training. Participation in the training takes place upon entry into the company and the training must be repeated every three to five years.

Compliance organizational structure proves its effectiveness

Bühler further decentralized the organizational structure of its compliance function. In six Bühler regions regional compliance officers act as the first contact, except for compliance cases involving special risks, which are handled directly by the Compliance Board. This decentralization has greatly streamlined and accelerated the related processes. This is also because linguistic barriers have been eliminated, and the regional compliance officers are familiar with local regulations and conditions.

Compliance reporting

Clear accountability and defined actions ensure that compliance-related incidents are systematically reported to the central Compliance Board. This transparency is a precondition for ensuring that the company can gain the necessary insight from such incidents and take the required measures in response.

Bühler is happy to report that awareness of the benefits of a transparent compliance reporting system have become increasingly acknowledged.

Trade compliance

The trade compliance program addresses customs, sanctions and export controls. This area was demanding in 2020 mainly due to a number of changes in customs tariffs and international sanctions imposed by the US government and other countries.

Trade Compliance is supported by the Export Compliance Program and trainings for management and employees. Furthermore in 2020 it is mandatory for all relevant employees to undergo the state-of-the-art online training program (Web Based Training, WBT) and to pass a final test.

COMPLIANCE

Group Internal Audit

The Internal Audit Department reports functionally to the Board of Directors, represented by the Audit Committee and administratively to the Chief Financial Officer. Meetings between internal and external auditors take place on a regular basis. The audit plan is aligned with the strategy and key business risks. A yearly risk assessment is prepared by Group Internal Audit. It is the basis for the yearly audit plan, which is approved by the Audit Committee. The results of the audits are discussed with the management of the audited unit, and major topics are presented to the Executive Board and the Audit Committee and thereafter reported to the Board of Directors. In 2020, nine worldwide audits were carried out. Group Internal Audit also reviews Groupwide compliance with the Code of Conduct as part of their internal audits. Violations are reported to the Compliance Board, Audit Committee and the Executive Board.

Risk management

Risks are assessed regularly as part of the company`s integrated risk management process. The results are discussed with the management. The risk management system includes all measures in a systematic and transparent approach towards risks. It aims to identify, evaluate, handle or avoid them using suitable measures.

Bühler Group renews ISO certification for quality and environmental management

With the extension of the certificates for a further three years, Bühler continues to comply with the highest internationally recognized quality and environmental standards. In the ISO revision process, the standards for both quality and environmental management were standardized. The focus was on a risk-based approach to all corporate processes. This was the result of the random sample check at our Bühler locations Bühler AG (BUZ), Uzwil, Switzerland; Bühler UK Limited (BUKL), London, UK; Haas do Brasil Industria de Maquinas ltda. (BHDB) and Bühler Industria e Comercio (BCTC), Curitiba, Brazil; Buhler (China) Holding Co. Ltd. (BCHN), Wuxi, China; Wuxi Buhler Machinery Manufacturing Co. Ltd. (BWUX), China; and Buhler (Wuxi) Commercial Co. Ltd. (BCOM), Wuxi, China, Bühler Vietnam Company Limited, Tan Binh HCMC, Vietnam; all of which have successfully passed SGS audits. The ISO 9001 and ISO 14001 certificates will be extended for a further 3 years until November 2023.

Initial certification according to ISO 45001 for occupational safety and health

With the Uzwil site, Bühler successfully certified another site in accordance with the new ISO 45001 standard in 2020.

SEDEX / SMETA 4-pillar re-certification

In addition, the headquarters of Bühler AG (BUZ) in Uzwil, Switzerland, successfully passed the SEDEX/SMETA-4 audit. The aim is to use the SMETA audit (Sedex Members' Ethical Trade Audit) procedure to ensure greater transparency and security across the entire supply chain. Issues such as employee rights (e.g. wages, benefits, working hours, etc.), business ethics, health and safety and environmental management were audited. Thus SGS will extend the existing declaration of conformity until September 2023. In addition, two further locations in China, Buhler Machinery Manufacturing Co. Ltd. (BWUX) and Buhler (Changzhou) Machinery Co., Ltd. (BCHA) were successfully audited according to SMETA-4.

REMUNERATION report

Attract, develop, perform and retain

Boosting employee future skills, excelling at global talent management and embedding workforce agility as well as employability are key drivers in human resources to achieve the Bühler mission. A high employee engagement and a focus on people development paired with leadership excellence are required for Bühler to play to win. The Remuneration Policies are designed with this purpose in mind.

Remuneration governance

Overview

The Members of the Nomination and Compensation Committee (NCC) are elected by the General Assembly. The Board of Directors (BoD) appoints the Chairman from among the elected members. The NCC supports the BoD in the remuneration issues defined here, with responsibilities being retained by the BoD. The NCC is in charge of defining and periodically reviewing the Remuneration Policy. It prepares all the relevant decisions of the BoD in the area of remuneration, for the Members of the BoD, Members of the Executive Board (EB), and submits its proposals (remuneration type and annual remuneration) to the BoD. In addition, it submits proposals to the BoD defining the annual goals for success and performance-related remuneration, and then defines the circle of potential recipients of this success- and performance-related remuneration.

Nomination and Compensation Committee

For the year under review, the Members of the Nomination and Compensation Committee (NCC) were Dr. Konrad Hummler (Chairman), Frank N. J. Braeken, Karin Bühler, and Jeannine Bühler. Permanent invitees were Calvin Grieder, Chairman of the Board of Directors; Stefan Scheiber, CEO; Dipak Mane, Chief HR Officer (until Aug. 31, 2020); Irene Mark-Eisenring, Chief HR Officer (as of Sept. 1, 2020); and Christof Oswald, Head of HR Region Switzerland. Four meetings were held. The NCC Chairman reported to the BoD after each meeting, and the minutes were kept and distributed in a timely manner.

Authority chart

Subject	Recommendation	Final approval
Definition of Remuneration System and Policy for remuneration paid to the Board of Directors and the Executive Board	NCC	Board of Directors
Development of variable remuneration schemes plus approval of all annually paid performance-related remuneration at Bühler Group	NCC	Board of Directors
Definition of individual remuneration, including bonus, variable portion, deferred compensation, etc., to the Executive Board and the Board of Directors	NCC	Board of Directors General Assembly

REMUNERATION
report

Remuneration principles

Bühler is committed to performance- and market-related remuneration. Success as a result of sound individual performance plus the success of the organization will impact the remuneration. All employees, including the Executive Board, shall undergo a formalized annual performance appraisal process (Employee Performance Management, EPM). The Individual Performance Goals are defined and agreed upon jointly with each employee at the start of the fiscal year. The financial success of the organization, which is measured on the basis of EBIT, also impacts performance-related remuneration.

Principles of Remuneration Policy

Fairness, consistency, and transparency	The remuneration schemes shall be simple, clearly structured, and transparent. They give consideration to the responsibilities and powers of the individual functions, thereby ensuring fair remuneration at all levels.
Performance-related remuneration	Variable remuneration is directly tied to the success of Bühler (EBIT) and to individual performance (EPM).
Long-term success sharing	Part of the remuneration of the Executive Board shall be paid in the form of deferred compensation in order to ensure long-term sharing in the success of Bühler.
Orientation toward the labor market	In order to attract and retain talent, qualified and dedicated management staff and employees, remuneration shall be oriented toward the market environment and be regularly subjected to benchmarking.
Bühler values: TOP	The Remuneration Policy is oriented toward the Bühler values of TOP (Trust, Ownership, and Passion). These values are incorporated into the above-mentioned principles and determine the “Bühler way of doing business” in all respects.

REMUNERATION
elements

Overall remuneration model for employees and the Executive Board

	Instrument	Purpose	Influencing factors
Fixed annual base salary	Monthly cash remuneration	Regular, predictable remuneration for the specific function	Sphere of work, complexity, and responsibility of the function, competencies, and experience of the function owner, Function benchmarks
Performance-related variable portion	Annual cash remuneration	Remuneration for performance	Success of the organization (EBIT) and individual performance (EPM) on an annual basis
Deferred compensation plan	Deferred compensation plan with a vesting period of three to ten years	Sharing in long-term success	Hierarchical position of the function within the organization
Other employee benefits	Pension and insurance schemes; other fringe benefits	Protection against risks and coverage of expenses	Local legislation and market practice

REMUNERATION
elements

Remuneration of the Board of Directors

The Members of the Board of Directors shall receive a fixed cash payment and be remunerated as Committee Members (if applicable).

	Office
Basic remuneration	Membership in the Board of Directors
Additional remuneration	Chairmanship of the Board of Directors Vice Chairmanship of the Board of Directors
	Chairmanship of the Audit Committee Activity in the Audit Committee
	Chairmanship of the Nomination and Compensation Committee Activity in the Nomination and Compensation Committee
	Other Committee Chairmanship/Memberships Other activities
Expenses	Only expenses incurred are reimbursed

Remuneration of the Executive Board

The Members of the Executive Board shall receive a basic salary, a variable cash remuneration portion, employer contributions to pension funds and social security institutions, and long-term remuneration in the form of a deferred compensation plan with a vesting period of three to 10 years. In addition, the lump-sum expenses allowance regulations apply.

SUSTAINABILITY REPORT

REPORTING OF TRACKED INDICATORS.

Reporting according to the guidelines of the Global Reporting Initiative (GRI).

Bühler has reached the end of its first five-year reporting cycle aligned to the Bühler 2020 strategy process. The baseline is set at 2015 and the reporting is in accordance with the guidelines of the Global Reporting Initiative (GRI).

Throughout the five-year period, Bühler has sought to improve the quality of its sustainability reporting in terms of data quality and data collection methodology, while increasing the coverage in terms of the number of locations and activities. Bühler has reported on 35 key performance indicators (KPIs). For the five environmental KPIs, the 17 major Bühler sites – covering more than 87% of all productive in-house manufacturing hours – were covered throughout the period. In 2020, we have integrated the five major sites from the 2018 acquisition of the company Haas. This slightly increases Bühler's coverage in 2020 to 88% of the entire Group in-house manufacturing hours. To allow comparability of environmental KPIs with previous years, the environmental KPIs of the former Haas sites are listed separately. The other 30 KPIs apply to the entire company from 2019 onwards, unless specifically stated otherwise.

As well as representing an extremely valuable period of learning, there are several notable improvements apparent in the KPIs tracked during the reporting period.

Bühler focused on employee health and safety

- A dedicated Health & Safety team has been put in place, behavioral and awareness programs (e.g. TAKE FIVE), training tools (e.g. WORKPLACE-RISK-MATRIX), improved reporting and compulsory e-learnings have been introduced and management attention and engagement is constant. Total Recordable Injuries (TRI) have reduced from 2.9 to 0.9 per 100 employees across the reporting period.

Tackling and reducing the CO_2 equivalent footprint of Bühler locations

- Bühler has actively addressed its procured energy mix, with nine of the 22 sites reporting that they are now buying certified green electricity, and three sites in China using self-generated renewable electricity. The latter covering 10%, 40% and 60% of their consumption. To capture this impact, we have stated market based CO_2 equivalent figures for 2020. Despite a decrease in global in-house manufacturing hours across the period, we see a decline in CO_2e from 12.8 to 8.9 t/1,000 hrs, equal to a 30% reduction.
- Water withdrawal has been reduced from 84.1 to 64.1 m3/1,000 hrs of in-house manufacturing hours and waste from 3.7 to 2.4 t/1,000 hrs) across the reporting period. This is a reduction of 24% and 35% respectively and results from improved monitoring and reduction programs across the Group.

Compliance

- A global initiative against corruption and bribery was rolled out in 2018. An e-learning program was developed and made compulsory for all employees with a Bühler email address and this coverage has been extended to include all former Haas Group employees. The roll-out has been extremely successful with 97% completion of the training achieved in 2020. During the reporting period there have been no fines for compliance issues above CHF 200,000 and the number of compliance cases has halved from 64 to 28 cases.
- The introduction of the Bühler Supplier Code of Conduct in 2017 has resulted in 80% of top suppliers having signed the Bühler Supplier Code of Conduct or having in place an equivalent industry standard code. The Bühler procurement team has actively engaged with suppliers to increase this from 50% in 2019 to 80% in 2020.

Innovation aligned to our goals

In 2019, Bühler increased its targets for impact in its customers' value chains from delivering a 30% to a 50% reduction in waste, energy, and water. It is critical to have the correct focus across the R&D portfolio to ensure that global R&D spend is focused on the correct topics.

- It is positive to see the increased focus on energy reduction during the reporting period, with R&D projects specifically targeting this covering 38% of the portfolio, a significant increase from 24% in 2015. It is also notable to state that this does not cover projects where energy reduction is not the target, but turns out to be another result of the project.
- To increase the yield of a plant and produce the maximum value from every kilogram of raw materials is economically important, but also contributes to reduce waste. The

increase in R&D focus on this topic has almost doubled during the reporting period from 22% in 2015 to consistently above 40% since 2017.
- Food Safety has gained significant visibility and priority in our company. Close to 5,000 employees have received food safety training and with this increased understanding and awareness we see that the 36% of Bühler's food-related R&D projects have a primary focus on improving food safety.
- The focus on operational safety has increased during the last four reporting years with 35% of the R&D portfolio having a primary focus on this topic. This coincides with the heightened awareness and focus on health and safety highlighted above.

At Bühler we are convinced that delivering against our targets will not be possible alone. Therefore, the company's R&D model was transformed to involve partners, to engage across value chains, and within ecosystems. During the reporting cycle, the number of R&D projects engaging partners has increased from 44% to consistently above 50%.

Bühler's innovation-culture transformation cannot rely only on external partnerships. It requires cross-functional and interdisciplinary engagement within the company. The biennial Innovation Challenge encourages and enables Bühler employees to contribute to the future of the company by creating business ideas that enable it to deliver against its targets. In 2020, a record high of 56% of our global employee base engaged in the program, delivering over 400 business ideas, of which six have received the green light for the teams to go into execution phase.

Engaged, informed employees and a culture of continuous learning

During the reporting period, the global employee databases have been evolving and final, full integration of the former Haas Group is ongoing, but the employee base represented in the 2020 report is 81% of our global salary base.

Percentage of training costs on a base of total personnel costs is maintained at target of 1% in 2020 and the number of annual training days per employee remains above the target of two. This reflects the strategy to enhance the quality of our career-long learning opportunities for our employees.

The training and development is managed in a global program of Employee Performance Management covering more than 90% of employees. A systematic implementation of succession planning with key positions at management level 1, 2, and 3 defined across the company and succession plans are in place in 95% of cases in 2020. Mirroring this, 4.3% of employees are identified as high potential and are developed and tracked.

The focus on gender diversity has maintained the percentage of female employees at 17%, however this figure does not yet reflect the importance given to this topic. School and university programs, active support for women in STEM (science, technology, engineering and mathematics), viable female candidates required for key positions, and constant management attention is expected to result in a higher number of female employees in the coming years.

Partners in Food Solutions (PFS), an independent non-profit organization, is working to strengthen food security, improve nutrition, and increase economic development across Africa by promoting the competitiveness of the food processing sector, offers employees the opportunity to use their skills and experience to support small and growing food companies in Africa. Bühler employee engagement increased once more with 56 projects supported in 2020.

The Bühler apprentice scheme is embedded in the culture of the company and underpins its future success. Despite the uncertainty surrounding the economy in the wake of the global coronavirus pandemic, 64% of graduating apprentices were hired. The remainder all entered new career steps with the majority joining other companies or continuing academic studies and one becoming a professional athlete.

Bühler continues to become increasingly attractive as an employer and the number of applications per open position has almost doubled to 30 over the reporting period.

Commitment to transparency

Recognizing the importance of best industry practices and the need to undergo Corporate Social Responsibility (CSR) rating exercises recognized industry bodies such as EcoVadis, Carbon Disclosure Project (CDP) and the Drive Sustainability Programme as well as undergoing a number of certification programs, such as ISO 9001; ISO 14001; ISO 45001; SEDEX / SMETA 4-pillar.
- Each year since 2018, Bühler has received an increased score in the EcoVadis CSR rating. The EcoVadis assessment evaluates how well a company has integrated the principles of CSR into its business and management systems.
- CDP is a not-for-profit organization that runs the global disclosure system for investors, companies, cities, states, and regions to manage their environmental impacts. Bühler participated in 2019 and 2020 in the annual CDP assessment (Climate Change).
- In 2019, Bühler passed the assessment, which, at time of publication, is still valid, of the Drive Sustainability program, an automotive partnership facilitated by CSR Europe between BMW Group, Daimler AG, Ford, Honda, Jaguar Land Rover, Groupe Renault, Scania CV AB, Toyota Motor Europe, Volkswagen Group, Volvo Cars, and Volvo Group.
- Bühler joined the World Business Council for Sustainable Development (WBCSD) as a member in March 2019 and engages in programs and initiatives such as the Food Reform for Sustainability and Health (FReSH) group. WBCSD is a global, CEO-led organization of over 200 leading

businesses working together to accelerate the transition to a sustainable world. WBCSD is uniquely positioned to work with member companies along and across value chains to deliver high-impact business solutions to the most challenging sustainability issues.

This material references as declared Disclosures 205-1 and 205-2 from GRI 205: ANTI-CORRUPTION 2016; Disclosure 302-3 from GRI 302: ENERGY 2016; Disclosure 303-1 from GRI 303: WATER 2016; Disclosure 305-4 from GRI 305: EMISSIONS 2016; Disclosure 306-2 from GRI 306: EFFLUENTS AND WASTE 2016; Disclosure 308-1 from GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016; Disclosure 401-1 from GRI 401: EMPLOYMENT 2016; Disclosure 403-2 from GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2016; Disclosures 404-1, 404-2, and 404-3 from GRI 404: TRAINING AND EDUCATION 2016; Disclosure 405-1 from GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016; Disclosure 416-1 from GRI 416: CUSTOMER HEALTH AND SAFETY 2016; Disclosure 419-1 from GRI 419: SOCIOECONOMIC COMPLIANCE 2016.

ECONOMIC SUSTAINABILITY

Key performance indicator (KPI)	Reference to GRI standards	Target 2020	Base year 2015	2016	2017	2018	2019	2020	Status
Number of Bühler sites audited on corruption prevention	Related to 205-1	≥ 10	8	9	11	4[1]	8	8	●
Number of Bühler sites audited on fraud prevention	Related to 205-1	≥ 10	8	9	11	4[1]	8	8	●
Percentage of employees with a Bühler email address who have attended the online training against corruption and bribery	Related to 205-2	100%	97%	92%	87%	62%[2]	90%[3]	97%	●
Number of whistleblowing cases	Additional	Best practice in definition with peers	11	5	2	10	6	5	○
Number of all compliance cases	Additional	Best practice in definition with peers	64	47	11	45	37	28	○

[1] Reason for decrease: Efforts were targeted toward upgrading Bühler's internal control system and launching a control self-assessment globally in order to improve identification of key risks and define risk-mitigation actions. [2] Reason for decrease: The target group increased to include all employees with a Bühler email address. Previous years only covered employees with sales, purchasing, and management functions. [3] Scope: w/o former Haas Group.

Achieved vs. stated target ●
Gap vs. stated target ●
Not applicable ○

ENVIRONMENTAL SUSTAINABILITY

Key performance indicator (KPI)		Reference to GRI standards	Target 2020	Base year 2015	2016	2017	2018	2019	2020	Status
Energy consumption relative to productive in-house hours from manufacturing (GJ/1,000 hrs)	At the 17 major Bühler sites	302-3	30% reduction to base year	91.5	77.1	79.9	95.4[1,2]	98.1[4]	100.6[4]	🟠
	At the 5 major sites from former Haas Group		–	NA	NA	NA	NA	NA	88.6	○
Water withdrawal relative to productive in-house hours from manufacturing (m^3/1,000 hrs)	At the 17 major Bühler sites	Related to 303-1	30% reduction to base year	84.1	89.5	55.5	73.5[1,3]	68.2	64.1	🟠
	At the 5 major sites from former Haas Group		–	NA	NA	NA	NA	NA	35.1	○
CO_2 equivalents relative to productive in-house hours from manufacturing (t/1,000 hrs)	At the 17 major Bühler sites	305-4	30% reduction to base year	12.8[7]	10.8[7]	10.1[7]	11.8[1,2,7]	11.7[5,7]	8.9[8]	🟢
	At the 5 major sites from former Haas Group		–	NA	NA	NA	NA	NA	2.9[8]	○
Amount of waste (including material collected for recycling) relative to productive in-house hours from manufacturing (kg/1,000 hrs)	At the 17 major Bühler sites	Related to 306-2	30% reduction to base year	3,715	3,178	2,266	3,038[1,2]	2,926	2,395	🟢
	At the 5 major sites from former Haas Group		–	NA	NA	NA	NA	NA	2,091	○
Amount of hazardous waste relative to productive in-house hours from manufacturing (kg/1,000 hrs)	At the 17 major Bühler sites	Related to 306-2	30% reduction to base year	246	151	153	454[1,2]	305[6]	208	🟠
	At the 5 major sites from former Haas Group		–	NA	NA	NA	NA	NA	209	○
Percentage of top suppliers who have signed the Bühler Supplier Code of Conduct or have an equivalent code		Related to 308-1	100%	NA	NA	30%	40%	50%	80%	🟠
Percentage of R&D projects with a focus on improving energy efficiency per ton of end product or finished piece		Additional	≥ 70%	24%	29%	37%	35%	33%	38%	🟠
Percentage of R&D projects with a focus on improving product yield		Additional	≥ 50%	22%	29%	40%	42%	40%	41%	🟠

[1] Reasons for increase: improved data collection and quality. The decrease in productive in-house hours from manufacturing is reported against total site resource use. [2] Additional reason for increase: significant construction and layout reorganization at the Bühler Uzwil site. [3] Additional reasons for increase: significant construction and layout reorganization at the Bühler Uzwil site. The exceptionally hot and long summer period in China increased water consumption at sites. [4] Absolute energy consumption remained the same or decreased but not more than the decrease in productive in-house hours in manufacturing. [5] CO_2e emissions decreased compared to energy consumption due to introduction of self-generated electricity from renewable resources in Changzhou, China. [6] Although reduced, the construction and layout reorganization at the major site of Bühler Uzwil, Switzerland, continued. [7] Scope 1 and 2 emissions. Location based method for purchased electricity. [8] Scope 1 and 2 emissions. Market based method for purchased electricity. In 2020, the scope 1 and 2 emissions (location based method for purchased electricity) are 12.4 [t CO_2e/1,000 hrs] at the 17 major Bühler sites and 5.2 [t CO_2e/1,000 hrs] at the five major sites from former Haas Group.

Achieved vs. stated target 🟢
Gap vs. stated target 🟠
Not applicable ○

SOCIAL SUSTAINABILITY

Key performance indicator (KPI)	Reference to GRI standards	Target 2020	Base year 2015	2016	2017	2018	2019	2020	Status
Percentage of terminations within the first 12 months of employment	Related to 401-1	≤ 5.0%	9.0%[1]	3.0%[1]	8.0%[1]	5.8%[1]	5.0%[1]	8.6%	🟠
Percentage of terminations within the first 3 months of employment	Related to 401-1	≤ 1.0%	1.0%[1]	2.0%[1]	4.0%[1]	3.5%[1]	3.0%[1]	2.6%	🟠
Percentage of employee turnover	Related to 401-1	≤ 8.0%	8.0%	7.5%	8.3%	9.1%	8.5%	11.8%[8]	🟠
Number of work-related injuries per 100 permanent employed full-time employees[2]	Related to 403-2	0	2.9	2.9	2.3	2.3	1.4[3]	0.9	🟠
Sickness-related absenteeism (days per employee and year)[1]	Related to 403-2	0	2.0	3.8	2.4	5.8[4]	5.4	5.7	🟠
Percentage of training costs over total personnel costs	Related to 404-1	≥ 1.0%	1.2%	1.9%	0.9%	1.5%	1.0%[3]	1.0%[5]	🟢
Number of training days per full-time employee per year	Related to 404-1	≥ 2.0	2.0	2.3	1.9	2.0	2.1[3]	2.1[5]	🟢
Number of employees who have received training in food safety since 2013	Related to 404-2	≥ 3,000	498	1,572	1,884	2,284	3,256	4,992	🟢
Percentage of employees who go through the Employee Performance Management process each year[3]	404-3	≥ 80%	80%	86%	89%	93%	91%	92%	🟢
Percentage of employees who are high potentials[3]	Related to 404-3	≥ 5.0%	2.8%	3.1%	3.2%	3.0%	5.2%[4]	4.3%	🟠
Percentage of apprentices who are hired subsequent to their apprenticeship[6]	Related to 405-1	–	77%	71%	73%	73%	71%	64%	🟢
Percentage of female employees[7]	Related to 405-1	≥ 20%	15%	16%	15%	16%	17%	17%	🟠
Percentage of R&D projects in food businesses with a focus on improving food safety	Related to 416-1	≥ 50%	28%	29%	34%	42%	34%	36%	🟠
Percentage of R&D projects in food businesses with a focus on improving nutrition	Related to 416-1	≥ 20%	8%	10%	23%	13%	11%	10%	🟠
Percentage of R&D projects with a primary focus on improving operational safety	Related to 416-1	≥ 50%	48%	43%	22%	24%	26%	35%	🟠
Number of relevant fines for compliance issues (>CHF 200,000)	Related to 419-1	0	0	0	0	0	0	0	🟢
The key positions for the senior functions at management level 1, 2, and 3 have been defined, and potential successors have been determined	Additional	100%	100%	80%	88%	90%	90%	95%	🟠
Percentage of employees participating in the Bühler Innovation Challenge (run every two years)	Additional	–	NA	32%	NA	45%	NA	56%	🟢
Percentage of implemented business ideas from the Bühler Innovation Challenge (run every two years)	Additional	–	NA	2.0%	NA	1.5%	NA	1.4%	🟢
Percentage of R&D projects run in collaboration with partners (suppliers, customers, universities)	Additional	≥ 50%	44%	47%	53%	51%	57%	54%	🟢
Number of applications received per open position	Additional	≥ 30	16[1]	23[1]	22[1]	25[1]	43	30	🟢
Number of projects supported by Bühler employees in volunteer programs such as Partners in Food Solutions	Additional	≥ 10	NA	NA	12	22	50	56	🟢

[1] Scope: Bühler AG, and until their fusion on January 1, 2020 also Bühler Management AG, in Switzerland only. Due to globally heterogeneous human resource systems, the data for these KPIs were/are not reported across the entire company. [2] Scope: sites with manufacturing only. [3] Scope: w/o former Haas Group. [4] Reason for increase: improved data quality and stricter reporting. [5] Scope: former Haas Group is partially integrated. [6] Scope: Bühler AG in Switzerland only. [7] Comprehensive Diversity & Inclusion program was kicked off in 2018. [8] Voluntary leavers, 5.4%

Achieved vs. stated target 🟢
Gap vs. stated target 🟠
Not applicable ○

A STAKEHOLDER PERSPECTIVE

Setting up a program for the upcoming 5 years is an important moment to reflect and to adjust course. Who better to provide perspective than global stakeholders?

The Bühler Sustainability Team asked stakeholders, internally and externally, to share their perspective on the company's biggest impact areas. Balancing the needs of economy, humanity, and nature, 48 topics were predefined. The team started with the classic material assessment topics based on the GRI standard and strongly individualized them to have a true fit for Bühler's business. The goal was to lower the risks of blind spots and increase global reach, therefore customers, various business areas and functions, partners from NGOs, and academia were all taken into account.

These three questions guided through each topic:

1. How significant is the impact of Bühler in these topics?
2. How significant is the impact of these topics on Bühler?
3. How important is it for you that Bühler targets these topics?

Here are the highest ranked topics in the areas of economy, humanity, and nature.

The top four for economy:

1. Assessment of corruption risks and incidents in operations
2. Designing sustainable solutions
3. Ethical non-compliance reporting
4. Addressing customers' concerns related to sustainability

The top three for humanity:

1. Zero tolerance towards discrimination
2. Zero tolerance towards human rights violations
3. Ensuring equal and fair payment

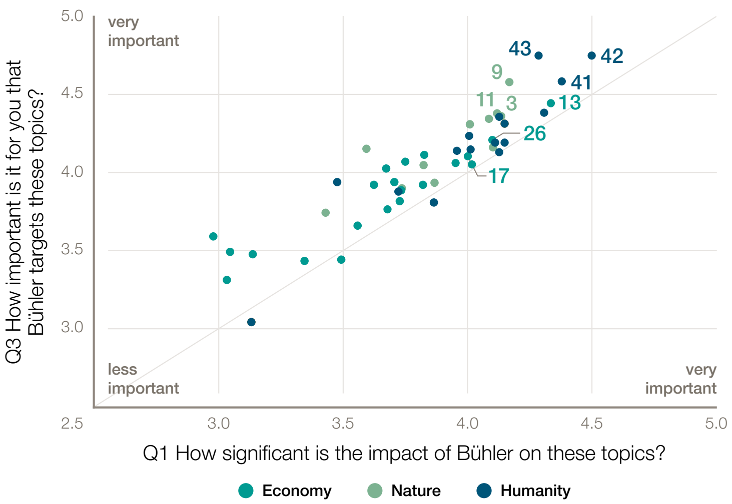
The top four for nature:

1. Energy consumption reduction within the value chain
2. Reducing greenhouse gas emissions in the value chain
3. Waste reduction within the value chain
4. Water usage reduction within the value chain

Based on these priorities, we are readjusting our KPIs and are steering our actions the next 5 years.

To see the detailed results of this analysis, please refer to the Materiality Assessment.

Impacts of Bühler and perception of all stakeholders



FINANCIAL REPORT

Financial Report
Bühler Group

Consolidated income statement

	Notes	2020 CHF m	2019 CHF m
Revenue	3.1	2,699.8	3,254.4
Other operating income	3.2	32.3	49.7
Total operating income		**2,732.1**	**3,304.1**
Cost of materials		–1,152.5	–1,485.1
Changes in inventories of finished goods and work in progress		–22.7	2.8
Employee benefit expenses	3.3	–912.6	–998.5
Other operating expenses	3.4	–415.7	–488.4
Net result from associates	4.4	3.6	1.9
Operating result before interest, taxes, depreciation and amortization (EBITDA)		**232.2**	**336.8**
Depreciation and amortization	4.1/4.2/4.3	–86.5	–88.8
Operating result before interest and taxes (EBIT)		**145.7**	**248.0**
Interest income and expenses	3.5	–0.9	–3.7
Other financial income	3.5	1.2	6.1
Financial result		**0.3**	**2.4**
Profit before taxes		**146.0**	**250.4**
Income taxes	3.6	–36.4	–48.8
Net profit		**109.6**	**201.6**
Attributable to:			
– Owners of the parent		105.0	197.3
– Non-controlling interests		4.6	4.3

Consolidated statement of comprehensive income

	Notes	2020 CHF m	2019 CHF m
Net profit		**109.6**	**201.6**
Other comprehensive income			
Translation differences of foreign operations		–57.6	–38.5
– Realized through income statement		0.0	1.0
Net gain (loss) on hedge of net investment		–8.4	–12.2
– Tax effect		0.8	1.2
Cash flow hedges			
– Changes recycled in the income statement		–2.1	1.5
– Changes recognized in OCI		8.4	2.4
– Tax effect		–0.9	–0.3
Other comprehensive income to be reclassified to profit or loss in subsequent periods		**–59.8**	**–44.9**
Remeasurements of defined benefit plans	4.12.3	–6.7	–14.4
– Tax effect		0.7	–1.7
Financial assets at fair value through OCI		–3.5	4.5
– Tax effect		0.3	–0.6
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		**–9.2**	**–12.2**
Total other comprehensive income		**–69.0**	**–57.1**
Total comprehensive income		**40.6**	**144.5**
Attributable to:			
– Owners of the parent		36.9	141.2
– Non-controlling interests		3.7	3.3

Consolidated balance sheet

Assets	Notes	Dec. 31, 2020 CHF m	Dec. 31, 2019 CHF m
Property, plant and equipment	4.1	691.3	713.7
Right-of-use assets	4.2	60.5	62.7
Intangible assets and goodwill	4.3	683.3	690.9
Investments in associates	4.4	32.1	27.4
Non-current financial and other assets	4.5	113.5	185.2
Deferred tax assets	3.6.4	52.9	59.2
Non-current assets		**1,633.6**	**1,739.1**
Inventories	4.6	461.7	536.3
Contract assets relating to production orders in progress	3.1	383.0	455.3
Trade accounts receivable	4.7	560.2	688.6
Other receivables	4.7	102.0	128.0
Current income tax assets		5.5	6.1
Marketable securities	2.3.2	81.8	82.2
Cash and cash equivalents	4.8	708.2	396.5
Current assets		**2,302.4**	**2,293.0**
Total assets		**3,936.0**	**4,032.1**
Equity and liabilities			
Share capital	4.13	15.0	15.0
Capital reserves		185.1	185.1
Other reserves / retained earnings		1,506.0	1,495.0
Equity attributable to the owners of the parent		**1,706.1**	**1,695.1**
Non-controlling interests		**32.1**	**31.6**
Total equity		**1,738.2**	**1,726.7**
Non-current financial liabilities	2.2	553.0	632.6
Non-current lease liabilities	4.2	42.9	45.6
Deferred tax liabilities	3.6.4	109.6	117.5
Defined benefit obligations	4.12.4	112.5	103.3
Non-current provisions	4.10	39.5	38.9
Non-current liabilities		**857.5**	**937.9**
Current financial liabilities	2.2	41.3	32.3
Current lease liabilities	4.2	17.5	16.6
Trade accounts payable	4.9	327.8	389.4
Contract liabilities relating to production orders in progress	3.1	551.9	473.5
Current provisions	4.10	69.8	85.5
Other current liabilities	4.11	299.9	315.7
Current income tax liabilities		32.1	54.5
Current liabilities		**1,340.3**	**1,367.5**
Total liabilities		**2,197.8**	**2,305.4**
Total equity and liabilities		**3,936.0**	**4,032.1**

Consolidated statement of changes in equity

	Notes	Share capital CHF m	Capital reserve CHF m	Retained earnings CHF m
January 1, 2019		15.0	185.1	1,607.0
Dividends paid	6.4			–23.0
Changes in non-controlling interests				–0.6
Net profit				197.3
Other comprehensive income				–16.1
December 31, 2019		**15.0**	**185.1**	**1,764.6**
January 1, 2020		15.0	185.1	1,764.6
Dividends paid	6.4			–25.0
Changes in non-controlling interests				–0.9
Net profit				105.0
Other comprehensive income				–6.0
December 31, 2020		**15.0**	**185.1**	**1,837.7**

Hedge reserve CHF m	Financial assets at fair value through OCI CHF m	Foreign currency translation reserves CHF m	Total other reserves and retained earnings CHF m	Equity attributable to the owners of the parent CHF m	Non-controlling interests CHF m	Total equity CHF m
–1.5	–0.5	–227.6	1,377.4	1,577.5	31.0	1,608.5
			–23.0	–23.0	–2.7	–25.7
			–0.6	–0.6	0.0	–0.6
			197.3	197.3	4.3	201.6
3.6	3.9	–47.5	–56.1	–56.1	–1.0	–57.1
2.1	**3.4**	**–275.1**	**1,495.0**	**1,695.1**	**31.6**	**1,726.7**
2.1	3.4	–275.1	1,495.0	1,695.1	31.6	1,726.7
			–25.0	–25.0	–4.1	–29.1
			–0.9	–0.9	0.9	0.0
			105.0	105.0	4.6	109.6
5.4	–3.2	–64.3	–68.1	–68.1	–0.9	–69.0
7.5	**0.2**	**–339.4**	**1,506.0**	**1,706.1**	**32.1**	**1,738.2**

Consolidated statement of cash flows

	Notes	2020 CHF m	2019 CHF m
Profit before taxes		146.0	250.4
Financial result	3.5	–0.3	–2.4
Operating result before interest and taxes (EBIT)		**145.7**	**248.0**
Depreciation and amortization	4.1/4.2/4.3	86.5	88.8
Other items not affecting cash flow		–0.3	–6.4
Changes in provisions		9.7	2.3
Changes in trade accounts receivable		103.8	1.0
Changes in inventories		57.3	–16.8
Changes in trade accounts payable		–48.4	42.0
Changes in contract assets/liabilities relating to production orders in progress		154.4	–180.4
Changes in other net operating assets		13.4	28.5
Gains/losses on disposal of fixed assets		5.3	3.3
Interest received		5.3	5.0
Interest paid		–4.5	–4.4
Income taxes paid		–58.6	–45.1
Cash flow from operating activities		**469.6**	**165.8**
Purchase of property, plant and equipment		–57.5	–105.3
Disposal of property, plant and equipment		3.1	10.2
Purchase of intangible assets		–5.2	–7.5
Cash flow from acquisition of Group companies, net of cash acquired	1.5	1.1	0.0
Cash flow from disposals of Group companies, net of cash disposed		0.0	14.0
Purchase of marketable securities		–97.9	–46.0
Disposal of marketable securities		82.3	32.0
Purchase of non-current financial assets		–3.6	–18.7
Disposal of non-current financial assets		0.9	4.7
Cash flow from investing activities		**–76.8**	**–116.6**
Proceeds from financial liabilities	2.2	19.0	0.0
Repayment of financial liabilities	2.2	–34.1	–11.0
Cash outflow for leases	4.2	–20.4	–26.4
Dividends paid of Bühler Holding AG	6.4	–25.0	–23.0
Dividends paid to non-controlling interests		–4.1	–2.7
Acquisitions and other transactions with non-controlling interests		0.0	–0.4
Cash flow from financing activities		**–64.6**	**–63.5**
Translation differences		–16.5	–6.6
Changes in cash and cash equivalents		**311.7**	**–20.9**
Cash and cash equivalents at the beginning of period		396.5	417.4
Cash and cash equivalents at the end of period		708.2	396.5

Notes to the financial statements

1. Group information

1.1 General information

The consolidated financial statements of the Bühler Group and its subsidiaries (collectively, the Group) for the year ended December 31, 2020, were authorized for issue in accordance with a resolution of the Board of Directors on February 11, 2021. Bühler Holding AG (the Company or the parent) is a company incorporated and domiciled in Switzerland whose shares are privately held. The registered office is located in Uzwil, Switzerland.

The Group is a globally active solutions provider for the industrial manufacturing of food and advanced materials. The worldwide solutions portfolio contains engineering, application development, manufacturing, services, and training.

These financial statements are the consolidated financial statements of Bühler Holding AG and its subsidiaries. The list of significant Group companies can be found on pages 13 to 15.

The consolidated financial statements of the Bühler Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and comply with Swiss law. The consolidated financial statements are based on the single-entity financial statements of the Group companies, which are prepared in accordance with consistent accounting principles. The consolidated financial statements are prepared under the historical cost convention. Any exceptions to this general rule are outlined in the respective note. The overall accounting principles applied to the Annual Report as a whole are described below. The accounting policies related to specific line items are described in the notes to which they relate.

Due to rounding, the numbers do not necessarily correspond exactly with the totals.

COVID-19. The current, unpredictable, and volatile environment significantly impacted Bühler's financial performance for the twelve month period ended 31 December 2020. Customers responded to the COVID-19 crisis by postponing capital expenditures. Consequently, Bühler experienced adverse impacts on volumes, requiring the Group to reassess the underlying assumptions and estimates affecting these consolidated financial statements.

Bühler's decentral set-up and the flexibility of the global production footprint has helped to sustain the supply chain and to continue to serve customer demands efficiently in several industries critical to addressing the pandemic impacts. This allowed Bühler to achieve a profitable EBIT margin of 5.4% (prior year: 7.6%).

However, forward looking statements on the potential financial impact of COVID-19 for 2021, are not possible, as they depend on various factors which currently cannot be predicted, such as the extent and duration of the pandemic, the impact on customers and suppliers, etc.

Cash collections continue to be according to normal trade terms. The Group has managed to improve its cash flow and net liquidity thanks to various measures during the year 2020.

1.2 Use of estimates

The preparation of the consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets, and liabilities and the related disclosures at the date of the financial statements. These estimates are based on management's best knowledge of current events and possible future measures. However, actual results could differ from those estimates.

If in the future such estimates and assumptions, which are based on management's best knowledge at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change.

The estimates and assumptions that may have a higher degree of uncertainty to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial periods relate primarily to goodwill and intangible assets with an indefinite useful life (Note 4.3) and, to a lesser extent, revenue (Note 3.1) and defined benefit obligations (Note 4.12).

Estimates related to specific line items are described in the notes to which they relate.

1.3 Foreign currency translation

The individual financial statements of the Group companies are measured using the currency of the primary economic environment in which the entity operates ("the functional currency") and are translated into Swiss francs for consolidation purposes. Year-end exchange rates are used for the balance sheet and the average exchange rate for the income statement, statement of other comprehensive income, and statement of cash flows.

Differences resulting from the application of these different exchange rates for the balance sheet and the income statement and from equity transactions are recognized directly in the consolidated statement of other comprehensive income.

Goodwill arising on the acquisition of a foreign entity is expressed in the functional currency of the foreign operation and is translated at the closing rate.

Foreign currency transactions translated into the functional currency are accounted for at the exchange rates prevailing at the date of the transactions; gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when they are deferred outside the income statement as qualifying cash flow hedges.

Foreign exchange differences arising on monetary items that form part of a company's net investment in a foreign operation are reclassified to equity (currency translation adjustment) in the consolidated financial statements and are only fully recycled to the income statement when the Group loses control of a subsidiary or loses significant influence in an associate.

For foreign currency translation, the Bühler Group used the following exchange rates:

	Average exchange rates		Closing rates 31.12.	
	2020 CHF	2019 CHF	2020 CHF	2019 CHF
BRL	0.1841	0.2523	0.1700	0.2400
CAD	0.7002	0.7490	0.6920	0.7440
CNY	0.1360	0.1439	0.1356	0.1392
CZK	0.0405	0.0433	0.0414	0.0428
DKK	0.1436	0.1490	0.1460	0.1460
EUR	1.0705	1.1126	1.0850	1.0890
GBP	1.2042	1.2689	1.1990	1.2750
INR	0.0127	0.0141	0.0121	0.0136
JPY	0.0088	0.0091	0.0086	0.0089
MXN	0.0440	0.0516	0.0446	0.0517
SGD	0.6806	0.7286	0.6677	0.7206
THB	0.0300	0.0320	0.0295	0.0323
USD	0.9388	0.9939	0.8850	0.9730
ZAR	0.0573	0.0689	0.0604	0.0695

1.4 Principles of consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The cost of an acquisition is measured at the fair value of the consideration transferred at the date of exchange. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed in the income statement. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at fair value at the date of acquisition, irrespective of the extent of any non-controlling interest assumed. When the Bühler Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances, and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the acquisition date fair value of the Group's previously held equity interest in the acquiree is remeasured to fair value at the date control is obtained. Any gain or loss arising from such remeasurement is recognized in the income statement.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration are recognized in the income statement.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

All intercompany transactions and balances between Group companies are eliminated in full.

Investments in associated companies are accounted for using the equity method of accounting. These are companies over which the Group generally holds between 20% and 50% of the voting rights and has significant influence but does not exercise control. Goodwill arising on the acquisition is included in the carrying amount of the investment in associated companies. The Group does not recognize further losses when the carrying amount of the investment together with any long-term interest in an associated company reaches zero, unless the Group has in addition either incurred or guaranteed additional obligations in respect to the associated company.

Investments below 20% are recognized at fair value and classified as financial assets at fair value through profit or loss. Changes in fair value are recognized in the income statement.

Any non-current assets held for sale and discontinued operations are presented separately on the face of the balance sheet. This includes all those assets associated with the discontinuation of entire lines of business or geographical areas of operation, which are to be realized through a sale transaction rather than through continued use. Reclassifications are only made if management is committed to the sale and has started seeking buyers. In addition, the asset or disposal group must be available for sale in its current condition and its sale must be highly probable within one year. Non-current assets or disposal groups classified as held for sale are no longer depreciated. If necessary, they are written down for impairment.

The income and expenses of discontinued operations are separated from ordinary income and expenses in the income statement for both the reporting period and the prior year down to the "profit after tax" level. The resulting gain or loss (after taxes) is presented separately in the income statement.

1.5 Additions and disposals of Group companies

Additions

2020
On December 31, 2020, the Group acquired 100% of the shares of a leading supplier of roller mill parts with an extensive portfolio of services. With the acquisition the Group expands its Customer Service network. The company would have contributed to the Bühler financial performance with revenues of CHF 12.2 million, if the acquisition had taken place at the beginning of the year. The net profit would have been CHF 1.1 million.

The goodwill of CHF 6.7 million arising from the acquisition is mainly attributable to a strengthening of the market position, the expertise of the workforce and the expected synergies from combining the operations of the acquired business with the Bühler Group. None of the goodwill is expected to be deductible for income tax purposes.

There was no other significant addition.

2019
There was no significant addition in 2019.

Disposals

2020
There was no disposal in 2020.

2019
There was no significant disposal in 2019.

Identifiable assets and liabilitites fair value at the acquisition date

	Design Corrugating 2020 CHF m
Cash and cash equivalents	1.1
Trade accounts receivable gross	1.5
Other receivables	0.1
Inventories	2.7
Current assets	**5.4**
Property, plant and equipment	3.1
Non-current assets	**3.1**
Trade accounts payable	–0.8
Other current liabilities, accruals and deferred income	–0.8
Current liabilities and provisions	**–1.6**
Deferred tax liabilities	–0.3
Non-current liabilities and provisions	**–0.3**
Change in net assets	**6.6**
Goodwill arising on acquisitions	6.7
Addition to the Group	**13.3**
Cash disposed (–) / acquired (+)	1.1
Cash flow from changes in the scope of consolidation	**1.1**
Thereof relating to the current year	1.1

1.6 Significant Group companies

Name of company	Country	Share capital in millions of local currency	Participation rate	Holding / financing company	Held by
Switzerland					
Bühler Holding AG, Uzwil	CH	CHF 15.00		O	
Bühler AG, Uzwil	CH	CHF 30.00	100.0%		Bühler Holding AG, Uzwil
Bühler-Immo Betriebs AG, Uzwil	CH	CHF 0.10	100.0%		Bühler Holding AG, Uzwil
UBIF AG, Uzwil	CH	CHF 4.00	100.0%		Bühler Holding AG, Uzwil
Bühler Insect Technology Solutions AG, Uzwil	CH	CHF 1.46	80.0%		Bühler Holding AG, Uzwil
Benlink AG, Zurich	CH	CHF 0.10	100.0%		Bühler Holding AG, Uzwil
Bühler + Scherler AG, St. Gallen	CH	CHF 0.80	60.0%		Bühler Holding AG, Uzwil
Europe					
FHW Franz Haas Waffelmaschinen GmbH, Leobendorf	AT	EUR 0.04	100.0%		Bühler Food Equipment GmbH, Leobendorf
Bühler Food Equipment GmbH, Leobendorf	AT	EUR 4.40	100.0%	O	Bühler AG, Uzwil
Metall- und Kunststoffwaren Erzeugungs-ges.m.b.H, Heidenreichstein	AT	EUR 2.91	100.0%		Bühler Food Equipment GmbH, Leobendorf
Bühler CZ s.r.o., Zamberk	CZ	CZK 265.20	100.0%		Bühler Holding AG, Uzwil
Bühler Deutschland GmbH, Beilngries	DE	EUR 0.03	100.0%		Bühler AG, Uzwil
Bühler GmbH, Beilngries	DE	EUR 16.00	100.0%		Bühler Deutschland GmbH, Beilngries
Bühler Deutschland Holding GmbH, Braunschweig	DE	EUR 0.03	100.0%	O	Bühler AG, Uzwil
Bühler Barth GmbH, Leingarten	DE	EUR 1.14	100.0%		Bühler Deutschland Holding GmbH, Braunschweig
Bühler GmbH, Reichshof	DE	EUR 0.28	100.0%		Bühler Deutschland Holding GmbH, Braunschweig
Bühler GmbH, Braunschweig	DE	EUR 12.63	100.0%		Bühler Deutschland Holding GmbH, Braunschweig
Leybold Optics Verwaltungs GmbH, Alzenau	DE	EUR 0.44	100.0%	O	Bühler Deutschland Holding GmbH, Braunschweig
Bühler Alzenau GmbH, Alzenau	DE	EUR 0.05	100.0%		Leybold Optics Verwaltungs GmbH, Alzenau
Bühler GmbH, Leingarten	DE	EUR 2.43	100.0%		Bühler Deutschland Holding GmbH, Braunschweig
Haas-Meincke A/S, Ballerup	DK	DKK 5.00	100.0%		Bühler Food Equipment GmbH, Leobendorf
Buhler S.A., Madrid	ES	EUR 0.06	100.0%		Bühler Holding AG, Uzwil
Bühler SAS, Haguenau	FR	EUR 0.20	100.0%		Bühler Holding AG, Uzwil
Buhler UK Holdings Ltd., London	GB	GBP 3.60	100.0%	O	Bühler Holding AG, Uzwil
Buhler UK Ltd., London	GB	GBP 1.25	100.0%		Buhler UK Holdings Ltd., London
CDD Automation Solutions Limited, Peter-borough	GB	GBP 0.01	100.0%		Buhler UK Holdings Ltd., London
Buhler S.p.A., Milano	IT	EUR 2.67	100.0%		Bühler Holding AG, Uzwil
Haas-Mondomix B.V., Almere	NL	EUR 0.50	100.0%		Bühler Food Equipment GmbH, Leobendorf
OOO Haas, Moscow	RU	RUB 3.21	100.0%		FHW Franz Haas Waffelmaschinen GmbH, Leobendorf

Name of company	Country	Share capital in millions of local currency	Participation rate	Holding / financing company	Held by
North America					
Buhler US Holding Inc., Minneapolis	**US**	USD 0.05	100.0%	O	Bühler Holding AG, Uzwil
Buhler Inc., Minneapolis	**US**	USD 3.20	100.0%		Buhler US Holding Inc., Minneapolis
BuhlerPrince Inc., Holland	**US**	USD 0.38	100.0%		Buhler US Holding Inc., Minneapolis
Buhler Sputtering Components Inc., Owatonna	**US**	USD 0.02	100.0%		Buhler US Holding Inc., Minneapolis
Franz Haas Machinery of America Inc., Richmond	**US**	USD 0.01	100.0%		Bühler Food Equipment GmbH, Leobendorf
Latin America					
Buhler S.A., Buenos Aires	**AR**	ARS 1.10	100.0%		Bühler Holding AG, Uzwil
Buhler Indústria e Comércio de Equipamentos Industriais Ltda, Curitiba	**BR**	BRL 20.69	100.0%		Bühler Holding AG, Uzwil
Buhler Sanmak Industria de Maquinas Ltda., Blumenau	**BR**	BRL 10.00	100.0%		Bühler Holding AG, Uzwil
Haas do Brasil Industria de Maquinas Ltda., Curitiba	**BR**	BRL 3.04	100.0%		Bühler Food Equipment GmbH, Leobendorf
Buhler S.A. de C.V., Toluca	**MX**	MXN 50.00	100.0%		Bühler Holding AG, Uzwil
Haas Colombia S.A.S., Envigado	**CO**	COP 129.23	100.0%		FHW Franz Haas Waffelmaschinen GmbH, Leobendorf
Middle East and Africa					
Buhler Limited, Nairobi	**KE**	KES 900.00	100.0%		Bühler Holding AG, Uzwil
Buhler (Pty) Ltd., Johannesburg	**ZA**	ZAR 141.37	90.0%		Bühler Holding AG, Uzwil

Name of company	Country	Share capital in millions of local currency	Participation rate	Holding / financing company	Held by
Asia					
Buhler (Changzhou) Machinery Co. Ltd., Liyang City	**CN**	CNY 320.00	100.0%		Buhler (China) Holding Co. Ltd., Wuxi
Buhler (China) Holding Co. Ltd., Wuxi	**CN**	USD 123.60	100.0%	o	Bühler Holding AG, Uzwil
Buhler (China) Machinery Manufacturing Co. Ltd., Wuxi	**CN**	CNY 150.00	100.0%		Buhler (China) Holding Co. Ltd., Wuxi
Buhler (Wuxi) Commercial Co. Ltd., Wuxi	**CN**	USD 5.50	100.0%		Buhler (China) Holding Co. Ltd., Wuxi
Buhler Aquatic Equipment (Changzhou) Co. Ltd., Liyang City	**CN**	CNY 10.00	100.0%		Buhler (China) Holding Co. Ltd., Wuxi
Buhler (Changzhou) Insect Technologies Co. Ltd., Changzhou	**CN**	CNY 10.00	100.0%		Bühler Insect Technology Solutions AG, Uzwil
Buhler Equipment (Xian) Co. Ltd., Xi'an	**CN**	CNY 28.00	100.0%		Bühler Holding AG, Uzwil
Buhler Mechanical Equipment (Shenzhen) Co. Ltd., Shenzhen	**CN**	USD 4.00	100.0%		Bühler Holding AG, Uzwil
Wuxi Buhler Machinery Manufacturing Co. Ltd., Wuxi	**CN**	USD 23.00	51.0%		Bühler Holding AG, Uzwil
Buhler Leybold Optics Equipment (Beijing) Co. Ltd., Beijing	**CN**	CNY 10.10	100.0%		Bühler Alzenau GmbH, Alzenau
Franz Haas Food Machinery (Shanghai) Co. Ltd., Shanghai	**CN**	USD 1.50	100.0%		Bühler Food Equipment GmbH, Leobendorf
Buhler (India) Private Ltd., Bangalore	**IN**	INR 100.00	100.0%		Bühler Holding AG, Uzwil
Buhler K.K., Yokohama	**JP**	JPY 250.00	100.0%		Bühler Holding AG, Uzwil
Buhler Ltd., Seoul	**KR**	KRW 250.00	100.0%		Bühler Holding AG, Uzwil
Buhler Asia Private Limited, Singapore	**SG**	USD 14.38	100.0%	o	Bühler Holding AG, Uzwil
Buhler Asia Vietnam Limited, Long An	**VN**	VND 149,815.50	100.0%		Buhler Asia Private Limited, Singapore
Buhler (Thailand) Limited, Bangkok	**TH**	THB 110.00	100.0%		Buhler Asia Private Limited, Singapore
PT Buhler Indonesia, Jakarta	**ID**	IDR 68,500.00	100.0%		Buhler Asia Private Limited, Singapore

No significant change to prior year.

2. Financial risk management

The Group is exposed to financial market risks (foreign exchange risk, interest rate risk, and price risk), credit risks, and liquidity risks as a result of its global activities. Financial risk management focuses on the management of foreign exchange risk, credit risk, and liquidity risk. The Group's risk management aims to minimize the potential adverse impact of developments on the financial markets on the Group's financial conditions and secure its financial stability.

The corporate treasury executes the risk management function in accordance with the directives issued by the Board of Directors. Financial risks are identified, evaluated, and mitigated in close cooperation with the Group's business units and subsidiaries.

Foreign exchange risk. Due to the nature of a global business, the Group is exposed to future business transactions or assets and liabilities recognized on the balance sheet denominated in another currency than the functional currency (transaction risk). The objective is to minimize transaction risks arising from sales contracts and purchase commitments in non-functional currencies. In order to hedge such transaction risks, subsidiaries use foreign currency contracts with the corporate treasury as counterparty, if permitted by local legislation. The corporate treasury manages these positions by entering into foreign currency spot, forward, swap, and derivative contracts with financial institutions.

The Group's main business is project-based with an execution over a longer period of time. Small projects and customer service transactions are continuously monitored and hedged based on the expected sales volume. Hedge accounting is applied.

Foreign exchange risks also arise from net investments in foreign Group companies (translation risk). Net investments in foreign Group companies are long term in nature. Their fair value changes with exchange rates. However, in the long run the spread in the inflation rate should match the corresponding exchange-rate movements, so that changes in the fair value of foreign net investments will offset the exchange-rate related changes in value. For this reason, the Group currently does not hedge its net investments in foreign Group companies.

The table below shows the changes in the key currency pairs on profit after taxes and equity, based on the assumption that all other variables remained constant. The volatility value used in the calculation is that of one-year historical volatility as per December 31.

2020	Currency pair	EUR/CHF	USD/CHF	CNY/CHF	GBP/CHF
Volatility		5.1%	6.4%	8.3%	7.4%
Effect on profit after taxes (rate increase) CHF m		1.5	0.6	6.2	0.5
Effect on profit after taxes (rate decrease) CHF m		–1.5	–0.6	–6.2	–0.5
Effect on equity (rate increase) CHF m		11.4	–1.2	3.3	–0.1
Effect on equity (rate decrease) CHF m		–11.4	1.2	–3.3	0.1

2019	Currency pair	EUR/CHF	USD/CHF	CNY/CHF	GBP/CHF
Volatility		4.7%	6.0%	8.4%	7.8%
Effect on profit after taxes (rate increase) CHF m		1.3	0.7	6.9	0.2
Effect on profit after taxes (rate decrease) CHF m		–1.3	–0.7	–6.9	–0.2
Effect on equity (rate increase) CHF m		8.4	–2.6	3.9	–1.5
Effect on equity (rate decrease) CHF m		–8.4	2.6	–3.9	1.5

Interest rate risk. The Group held, with the exception of cash and time deposits, no material interest-bearing assets during the reporting and the prior-year period. Both income and cash flow from operations are therefore unaffected by the market interest rates. The liabilities contain mainly two corporate bonds with a fixed interest rate, which are measured at amortized costs. Hence, the Group is not exposed to a fair value risk.

Price risk. Holding marketable securities exposes the Group to a risk of price fluctuation that can result in proportional changes in the carrying amount. The Group's balance of marketable securities was not material at the end of the reporting and the prior-year period.

Credit risk. Credit risks arise in connection with investments of liquid funds, derivative financial instruments, and receivables from customers. The Group does not expect to incur any material loss as a result of its counterparties being unable to meet their contractual obligations, nor does it have any cluster risks with respect to individual sectors or countries.

Financial institutions: The default risk on investments, derivative financial instruments, money market funds, deposits, and cash is minimized by selecting different counterparties with at least an investment-grade rating. The risks are monitored and kept within periodically reviewed and approved limits.

Receivables from customers: In order to minimize potential losses on customers' receivables, an Operational Risk Management (ORM) guideline has been implemented. The evaluation of our customers' financial reliability and/or the terms of payment and hedging on our deliveries are key concerns in this respect. In addition, it can be stated that none of our customers has outstanding payments accounting for more than 5% of total sales revenue. The nominal value of the trade accounts receivable less valuation allowances is considered an approximation of the receivables' fair value. The book value stated represents the maximum credit risk. Information on the analysis of outstanding receivables and allowance for bad debts is disclosed in Note 4.7.

Liquidity risk. Liquidity risk refers to the risk of the Group being unable to fulfill its obligations when due or at a reasonable price. The Group's liquidity management includes holding adequate reserves of cash and committed credit lines with different banks to ensure financial stability and to use free cash flows as a source of financing. Group management monitors the Group's net liquidity position by means of ongoing forecasts based on expected cash flows.

Maturity analysis

2020	Book value Dec. 31, 2020 CHF m	Cash outflow Total CHF m	< 1 year CHF m	1–5 years CHF m	> 5 years CHF m
Trade accounts payable to third parties	325.5	325.5	325.5		
Liabilities to associates and related parties	175.7	175.7	49.1	102.6	24.0
Other liabilities (incl. derivative financial instruments through profit or loss)	71.2	71.2	69.0	2.2	0.0
Corporate bonds	420.6	429.0	1.6	185.9	241.5
Derivative financial instruments held for hedging	4.7	4.7	4.5	0.2	
Total	**997.7**	**1,006.1**	**449.7**	**290.9**	**265.5**

2019	Book value Dec. 31, 2019 CHF m	Cash outflow Total CHF m	< 1 year CHF m	1–5 years CHF m	> 5 years CHF m
Trade accounts payable to third parties	385.9	385.9	385.9		
Liabilities to associates and related parties	232.0	232.0	41.2	73.9	116.9
Other liabilities (incl. derivative financial instruments through profit or loss)	84.4	84.4	84.2	0.2	0.0
Corporate bonds	420.7	430.6	1.6	186.1	242.9
Derivative financial instruments held for hedging	6.1	6.1	5.7	0.4	
Total	**1,129.1**	**1,139.0**	**518.6**	**260.6**	**359.8**

Capital management. The Group's objectives in relation to capital management are to safeguard the Group's financial stability, its financial independence, and its ability to continue as a going concern in order to generate returns for shareholders and benefits for all other stakeholders. In addition, capital management aims to maintain an optimal capital structure. As at December 31, 2020, the equity ratio amounts to 44.2% (prior year: 42.8%).

2.1 Financial assets

Financial assets are initially recognized at fair value plus transaction costs that are directly attributable to the acquisition of the asset, except for financial assets held at fair value through profit or loss where the transaction costs are expensed immediately to the income statement.

The subsequent valuation depends on the Group's business model for managing the respective asset and the cash flow characteristics of the assets:

- Cash, time deposits, receivables, non-current interest-bearing receivables, and other financial assets are valued at amortized costs.
- Debt instruments are valued at fair value through profit or loss due to the irrevocable election of the fair value option.
- Equity instruments acquired with the intention of generating a profit or compensatory effect from short-term price fluctuations are considered operational investments and are valued at fair value through profit or loss.
- Equity instruments acquired for long-term strategic reasons are considered strategic investments and are valued at fair value through other comprehensive income with no future recycling to the income statement. As of December 31, 2020, all non-current private equity investments were considered strategic investments and their fair value amounted to CHF 21.8 million (prior year: 22.1 million).

Credit risks relating to debt instruments valued at amortized cost are considered to be low. The Group therefore determines the impairment allowance as the credit losses expected in the next 12 months. Lifetime expected credit losses would be recognized when the credit risk is no longer regarded as low risk.

For trade receivables and construction assets, allowances are calculated in the amount of the expected credit losses over the term. The Group analyses the credit losses incurred in the past and also estimates anticipated credit losses based on the economic conditions.

As at December 31, 2020, capital commitments of CHF 10.7 million (prior year: 11.5 million) had not yet been drawn.

Information on derivative financial instruments is disclosed in Note 2.3.

2020	Cash and cash equivalents CHF m	Marketable securities CHF m	Non-current financial assets CHF m	Receivables CHF m	Total book value CHF m	Total market value CHF m
Financial assets at amortized costs	708.2		42.8	603.9	1,354.9	1,354.9
Financial assets at fair value through profit or loss		74.7	23.2		97.9	97.9
Financial assets held for hedging		7.1	0.3		7.4	7.4
Financial assets at fair value through OCI			21.8		21.8	21.8
Total financial assets	**708.2**	**81.8**	**88.1**	**603.9**	**1,482.0**	**1,482.0**

2019	Cash and cash equivalents CHF m	Marketable securities CHF m	Non-current financial assets CHF m	Receivables CHF m	Total book value CHF m	Total market value CHF m
Financial assets at amortized costs	396.5		113.7	736.8	1,247.0	1,247.0
Financial assets at fair value through profit or loss		73.9	27.5		101.4	101.4
Financial assets held for hedging		8.3	0.5		8.8	8.8
Financial assets at fair value through OCI			22.1		22.1	22.1
Total financial assets	**396.5**	**82.2**	**163.8**	**736.8**	**1,379.3**	**1,379.3**

2.2 Financial liabilities

Financial liabilities are initially recognized at fair value, net of transaction cost incurred. Subsequently, financial liabilities are measured at amortized cost using the effective interest method with any difference between net proceeds and the principal value due on redemption being recognized in the income statement over the term of the borrowings. Financial liabilities are de-recognized when the contractual obligations are discharged, cancelled, or expired.

2020	Current financial liabilities CHF m	Non-current financial liabilities CHF m	Payables CHF m	Total book value CHF m	Total market value CHF m
Financial liabilities at amortized costs	33.4	552.8	403.4	989.6	995.8
Financial liabilities at fair value through profit or loss	3.4			3.4	3.4
Financial liabilities held for hedging	4.5	0.2		4.7	4.7
Total financial liabilities	**41.3**	**553.0**	**403.4**	**997.7**	**1,003.9**

2019	Current financial liabilities CHF m	Non-current financial liabilities CHF m	Payables CHF m	Total book value CHF m	Total market value CHF m
Financial liabilities at amortized costs	16.3	632.2	449.2	1,097.7	1,102.6
Financial liabilities at fair value through profit or loss	10.3			10.3	10.3
Financial liabilities held for hedging	5.7	0.4		6.1	6.1
Total financial liabilities	**32.3**	**632.6**	**449.2**	**1,114.1**	**1,119.0**

Corporate bonds

	Company	Term	Currency	Nominal value CHF m	Effective interest rate	2020 CHF m	2019 CHF m
Bond, Switzerland 0.1%	Bühler Holding AG	12/2017 – 12/2022	CHF	180.0	0.11%	180.0	179.9
Bond, Switzerland 0.6%	Bühler Holding AG	12/2017 – 12/2026	CHF	240.0	0.55%	240.6	240.8
Total corporate bonds						**420.6**	**420.7**

The corporate bonds are listed on the SIX Swiss Exchange.

Reconciliation of liabilities arising from financing activities

			Non-cash changes			
	2019 CHF m	Cash flows CHF m	Others CHF m	FX movement CHF m	Reclassification CHF m	2020 CHF m
Current financial liabilities	32.3	–0.1	8.9	0.0	0.2	41.3
Non-current financial liabilities	632.6	–15.0	–64.4	0.0	–0.2	553.0
Total liabilities from financing activities	**664.9**	**–15.1**	**–55.5**	**0.0**	**0.0**	**594.3**

			Non-cash changes			
	2018 CHF m	Cash flows CHF m	Others CHF m	FX movement CHF m	Reclassification CHF m	2019 CHF m
Current financial liabilities	34.9	0.0	–2.5	0.0	–0.1	32.3
Non-current financial liabilities	526.7	–11.0	116.8	0.0	0.1	632.6
Total liabilities from financing activities	**561.6**	**–11.0**	**114.3**	**0.0**	**0.0**	**664.9**

2.3 Marketable securities and derivative financial instruments

Derivative financial instruments and hedge accounting. Derivative financial instruments with banks are mainly concluded to hedge foreign exchange risks. They are initially recognized at fair value and are subsequently measured at fair value (replacement cost). The method applied for recognizing the resulting profits or losses depends on whether a derivative was designated for hedging, and if so, on the type of position being hedged. Certain derivatives may be used to hedge foreign exchange risks in connection with a transaction that is highly likely to take place in future, or to hedge a fixed commitment (hedging of cash flows). When the hedge is implemented, the Group documents the relationship between the hedging instrument and the risk being hedged, as well as setting out risk management objectives and strategies. Furthermore, the Group records its assessment of the effectiveness of the hedging instrument with respect to the hedged cash flows, both when the hedging transaction is concluded and on an ongoing basis.

The fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

The hedging of cash flows is undertaken for certain anticipated Group-internal transactions as well as for the foreign exchange risk of firm commitments. For hedges with designated hedging relationships that meet the qualifying criteria, the effective portion of the change in fair value of derivatives used for the hedging of cash flows is recognized in other comprehensive income. The ineffective portion of the hedging instrument is immediately recognized in the income statement.

Amounts accumulated in other comprehensive income are recycled in the income statement in the periods when the hedged item affects profit or loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss that was recorded in other comprehensive income is immediately transferred to the income statement.

Derivatives not designated as hedge accounting instruments are accounted for at fair value through profit or loss. Changes in the fair value of these derivative instruments are recognized immediately in the income statement.

Futures and options were entered into with banks mainly to hedge foreign exchange risks. The following positions were open as of December 31, 2020:

2.3.1 Derivative financial instruments	Contract or underlying principal amount 2020 CHF m	2019 CHF m	Positive fair values 2020 CHF m	2019 CHF m	Negative fair values 2020 CHF m	2019 CHF m
Currency-related instruments						
Forward foreign exchange rate contracts	1,400.1	2,300.1	11.7	17.7	8.1	12.3
– held for trading	520.8	1,213.4	4.3	8.9	3.4	6.2
– cash flow hedges (effective part)	879.3	1,086.7	7.4	8.8	4.7	6.1
Over-the-counter currency options	0.0	68.1	0.0	0.9	0.0	0.6
Total of currency-related instruments	**1,400.1**	**2,368.2**	**11.7**	**18.6**	**8.1**	**12.9**
Options	0.0	68.1	0.0	0.9	0.0	0.6
Futures	1,400.1	2,300.1	11.7	17.7	8.1	12.3
Sum of derivative financial instruments	**1,400.1**	**2,368.2**	**11.7**	**18.6**	**8.1**	**12.9**
Thereof included in securities and in current financial liabilities	1,341.4	2,290.9	11.4	18.1	7.9	12.5
Thereof included in other non-current financial assets and financial liabilities	58.7	77.3	0.3	0.5	0.2	0.4

	USD CHF m	EUR CHF m	Other currencies CHF m	Total 2020 CHF m	Total 2019 CHF m
Currency-related instruments					
Forward foreign exchange rate contracts	265.8	963.1	171.2	1,400.1	2,300.1
– held for trading	136.8	343.6	40.4	520.8	1,213.4
– cash flow hedges	129.0	619.5	130.8	879.3	1,086.7
Over-the-counter currency options	0.0	0.0	0.0	0.0	68.1
Total of currency-related instruments	**265.8**	**963.1**	**171.2**	**1,400.1**	**2,368.2**
Options	0.0	0.0	0.0	0.0	68.1
Futures	265.8	963.1	171.2	1,400.1	2,300.1
Sum of derivative financial instruments	**265.8**	**963.1**	**171.2**	**1,400.1**	**2,368.2**

Positive replacement values are included in marketable securities or non-current financial assets and negative replacement values are included in current and non-current financial liabilities.

2.3.2 Marketable securities	2020 CHF m	2019 CHF m
Equity securities	4.2	4.2
Bonds	0.6	0.0
Derivative financial instruments	11.4	18.1
Other securities	65.6	59.9
Total marketable securities	**81.8**	**82.2**

2.4 Estimation of fair values

The fair values of financial instruments that are actively traded on markets are based on the relevant trading exchange prices (offer prices) on the balance sheet reference date. Instruments of this nature are classified as Level 1. The fair values of financial instruments that are not actively traded on markets (e.g. derivative OTC instruments) are determined using valuation models. If all the parameters required for the valuation are based on observable market data, the instrument in question is classified as Level 2. If one or more parameters are based on unobservable market data, the instrument is classified as Level 3. In the period under review as well as in the prior year no transfer occurred within the levels.

2020	CHF m	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss		70.4	4.3	23.2	97.9
Derivative financial assets held for hedging			7.4		7.4
Financial assets at fair value through OCI				21.8	21.8
Total financial assets		**70.4**	**11.7**	**45.0**	**127.1**
Financial liabilities at fair value through profit or loss			3.4		3.4
Financial liabilities held for hedging			4.7		4.7
Total financial liabilities		**0.0**	**8.1**	**0.0**	**8.1**

2019	CHF m	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss		64.1	9.8	27.5	101.4
Derivative financial assets held for hedging			8.8		8.8
Financial assets at fair value through OCI				22.1	22.1
Total financial assets		**64.1**	**18.6**	**49.6**	**132.3**
Financial liabilities at fair value through profit or loss			6.8	3.5	10.3
Financial liabilities held for hedging			6.1		6.1
Total financial liabilities		**0.0**	**12.9**	**3.5**	**16.4**

3. Detailed information on consolidated income statement

3.1 Revenue

Revenue is measured based on the consideration specified in the contract with a customer and excludes amounts collected on behalf of third parties. Depending on the specific contractual circumstances, the Group recognizes revenue over time or when it transfers control over a product or service to a customer, at a point in time.

The input method is used to measure progress for each performance obligation satisfied over time. Revenue recognition over time requires the use of estimates and forecasts concerning future costs that affects the stage of completion. Thus, there is a higher degree of uncertainty that actual costs in the next financial periods may differ from these estimates. The forecasts are reviewed on a regular basis and adjusted if necessary.

These adjustments affect costs, the stage of completion, and both realized and anticipated profits. Any changes in estimates are recognized in the period in which they occur. Losses can occur when the expected contract costs exceed the expected revenue. Losses are recognized as an expense immediately when identified.

Revenue recognized at a point in time also requires the use of estimates regarding the exact time when control transfers to a customer. Thus, there is an uncertainty that the point in time when control actually transfers deviates from these estimates.

The following is a description of the principal activities of the Group, segregated by business type:

Business type	Nature, timing of satisfaction of performance obligations, and significant payment terms
Project/Plant	Projects with a higher degree of complexity or customization usually have no alternative use. The general contract terms do not include a right of return and require a down payment upon contract signing with a letter of credit covering the remaining amount. This constitutes a right to payment. Revenue for these projects is recognized over time. Revenue for all other projects is recognized at a point in time.
Single Machines	The Group recognizes revenue when the customer takes possession of the goods. This is usually when the goods arrive at the customer site. The general contract terms do not include a right of return and require a down payment upon contract signing with a letter of credit covering the remaining amount in some cases.
Customer Service	The Group recognizes revenue for spare parts when the customer takes possession of the goods. This is usually when the goods are shipped. The general contract terms do not include a right of return. Revenue for service contracts is recognized over time.

In the following table, revenue is disaggregated by primary geographical market, major products / service lines, and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's three businesses, which are its reportable segments (see Note 5).

Disaggregation of revenue 2020	Grains & Food CHF m	Advanced Materials CHF m	Consumer Foods CHF m	Corporate Functions CHF m	Group CHF m
North America	228.2	78.5	122.3	0.6	429.6
South America	96.3	7.0	31.4	1.0	135.7
Europe	421.6	145.1	241.9	14.6	823.2
Middle East and Africa	195.0	11.0	83.7	0.4	290.1
South Asia	56.5	4.9	12.6	0.0	74.0
Asia	668.1	196.8	82.0	0.3	947.2
Total revenue by geography	**1,665.7**	**443.3**	**573.9**	**16.9**	**2,699.8**
Revenue recognized at a point in time	580.2	389.0	343.2	16.9	1,329.3
Revenue recognized over time	1,085.5	54.3	230.7	0.0	1,370.5
Total revenue by timing of revenue recognition	**1,665.7**	**443.3**	**573.9**	**16.9**	**2,699.8**
Revenue Project/Plant	1,085.5	306.0	416.1	9.8	1,817.4
Revenue Single Machines	227.6	9.3	5.8	1.8	244.5
Revenue Customer Service	352.6	128.0	152.0	5.3	637.9
Total revenue by product	**1,665.7**	**443.3**	**573.9**	**16.9**	**2,699.8**

Disaggregation of revenue 2019	Grains & Food CHF m	Advanced Materials CHF m	Consumer Foods CHF m	Corporate Functions CHF m	Group CHF m
North America	217.0	152.4	146.5	0.9	516.8
South America	121.5	9.8	47.0	0.6	178.9
Europe	417.8	260.1	283.0	25.4	986.3
Middle East and Africa	320.1	10.2	135.2	–0.8	464.7
South Asia	81.1	21.9	10.3	–0.6	112.7
Asia	636.9	194.2	151.6	12.3	995.0
Total revenue by geography	**1,794.4**	**648.6**	**773.6**	**37.8**	**3,254.4**
Revenue recognized at a point in time	632.5	580.4	491.1	37.8	1,741.8
Revenue recognized over time	1,161.9	68.2	282.5	0.0	1,512.6
Total revenue by timing of revenue recognition	**1,794.4**	**648.6**	**773.6**	**37.8**	**3,254.4**
Revenue Project/Plant	1,161.9	469.6	614.1	29.6	2,275.2
Revenue Single Machines	263.7	14.7	5.0	1.9	285.3
Revenue Customer Service	368.8	164.3	154.5	6.3	693.9
Total revenue by product	**1,794.4**	**648.6**	**773.6**	**37.8**	**3,254.4**

The following table provides the information about receivables, contract assets, and contract liabilities from contracts with customers.

Contract balances	2020 CHF m	2019 CHF m
Trade accounts receivable	**560.2**	**688.6**
Production orders in progress	743.2	725.2
Advance payments from customers	–360.2	–269.9
Contract assets relating to production orders in progress	**383.0**	**455.3**
Production orders in progress	12.4	11.3
Advance payments from customers	–564.3	–484.8
Contract liabilities relating to production orders in progress	**–551.9**	**–473.5**
Accumulated costs and recognized profits	2,489.0	2,326.1

The contract assets primarily relate to the Group's rights to consideration for work completed but not invoiced at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. The contract liabilities primarily relate to the advanced consideration received from customers, for which revenue is recognized on completion or if the advanced consideration received exceeds the work completed. The complete prior-year contract liability balance of CHF 473.5 million was recognized in the income statement in the current year (prior year: CHF 576.3 million).

The following table includes revenue expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

Performance obligation	2021 CHF m	2022 CHF m	2023 CHF m	2024 CHF m
Project/Plant	1,048.6	202.6	39.7	4.0
Single Machines	73.0	0.0	0.0	0.0
Customer Service	150.8	3.4	0.7	0.0

Management does not expect commission fees paid to intermediaries to be recoverable. The Group therefore recognizes the incremental costs of obtaining contracts as an expense when incurred.

3.2 Other operating income

	2020 CHF m	2019 CHF m
Dividend income	0.1	0.5
Earnings from coordination of consortium business	0.3	6.9
Gains from sale of fixed assets	1.0	2.7
Gains from sale of part of businesses	0.0	8.5
Gains from sale of scrap materials	3.5	3.2
Government grants	4.0	4.2
Interest income from trade finance	0.4	0.7
License revenue	3.1	0.0
Rental income	1.5	0.8
Supplier discounts	1.7	2.2
Other operating income related parties	0.9	0.6
Others	15.8	19.4
Total	**32.3**	**49.7**

Others comprises a number of individually immaterial items.

3.3 Employee benefit expenses

	2020 CHF m	2019 CHF m
Wages and salaries	704.5	791.5
Social security and employee benefit expenses	144.6	135.9
Other personnel expenses	63.5	71.1
Total	**912.6**	**998.5**

3.4 Other operating expenses

	2020 CHF m	2019 CHF m
Administration expenses	91.4	127.5
Rental and leasing expenses	21.0	19.9
Energy, maintenance and repairs	34.3	34.7
Travel expenses	50.0	90.6
Outbound freight costs	76.8	80.1
Consultancy fees	24.0	24.7
Marketing costs	9.8	15.4
Agency fees	26.2	24.8
Warranty costs, loss orders	16.3	5.9
Contributions and memberships	4.3	4.2
Fixed assets < 10 kCHF	2.6	3.4
Losses on accounts receivables	22.8	11.4
Losses on sales of fixed assets	6.3	6.0
Other operating expenses related parties (Note 6.2, Related parties)	12.3	13.0
Others	17.6	26.8
Total	**415.7**	**488.4**

3.5 Financial result

	2020 CHF m	2019 CHF m
Interest income	5.4	4.6
Interest income from related parties	0.3	1.0
Interest expenses	–4.3	–6.9
Interest expenses from related parties	–2.3	–2.4
Total interest income and expenses	**–0.9**	**–3.7**
Total other financial income	**1.2**	**6.1**
Total financial result	**0.3**	**2.4**

The interest expenses of CHF –4.3 million (previous year: CHF –6.9 million) include the interest payments to bond holders and interest components from leasing and pension fund obligations in accordance with IFRS 16 and IAS 19. Other financial income mainly includes gains from asset management.

3.6 Taxes

Income taxes comprise the tax expense in respect of all recognized profits for the reporting period. They include current and deferred income taxes. Current income taxes are calculated on taxable profit. Provisions for deferred taxes are calculated according to the liability method. Deferred taxes are recognized for temporary differences between the carrying amounts of assets and liabilities in the balance sheet and their tax base, taking into account actual or substantively enacted tax rates. Changes in deferred tax balances are recognized in the income statement, except when they relate to items recognized outside the income statement, in which case the deferred tax is treated accordingly.

Current income tax relating to items recognized directly in equity is recognized in equity.

Deferred tax assets are only recognized for temporary differences and unused tax loss carry-forwards to the extent that it is probable that future taxable profit will be available, against which temporary differences or unused tax losses can be utilized. This assessment is based on estimates, which could differ from actual results and require a valuation allowance.

3.6.1 Income taxes	**2020 CHF m**	**2019 CHF m**
Income taxes relating to the reporting period	–39.7	–65.9
Income taxes relating to prior periods	1.2	0.0
Deferred taxes due to temporary differences	0.8	0.1
Deferred taxes due to recognition of tax loss carry-forwards	–0.8	2.6
Deferred taxes due to changes in tax rates	2.1	14.4
Total	**–36.4**	**–48.8**
Deferred taxes recognized in other comprehensive income	0.9	–1.4

3.6.2 Reconciliation of income taxes	**2020 CHF m**	**2019 CHF m**
Profit before taxes	146.0	250.4
Components of tax expenses:		
Income taxes at anticipated tax rate	–39.6	–57.6
Income and expenses not subject to tax	5.1	2.9
Income taxes relating to prior periods	1.2	0.0
Deferred taxes due to changes in tax rates	2.1	14.4
Effect of tax loss carry-forwards	0.3	1.7
Effect of losses without recognition of deferred tax assets	–3.5	–1.8
Other impacts	–2.0	–8.4
Income taxes disclosed (current and deferred)	–36.4	–48.8
Total income taxes in % of profit before taxes	24.9%	19.5%

The anticipated tax rate was 27.1% (prior year 23.0%) and consisted of the weighted average of the applicable local tax rates for income taxes. The effective tax rate increased to 24.9% in 2020 from 19.5% in 2019. The main contributory factors for the resulting tax rate were the change in the geographic allocation of taxable profits as a result of the varying impact of COVID-19 on turnover volumes as well as the one time positive impact in prior year resulting from changes in tax rates. The revaluation of deferred tax assets and liabilities had an impact on the income statement and on other comprehensive income.

3.6.3 Tax loss carry-forwards	2020 CHF m	2019 CHF m
Expiry		
Unlimited	88.7	104.0
In more than five years	43.1	22.8
In two to five years	13.0	13.6
Within one year	6.7	2.0
Total	**151.5**	**142.4**
Tax loss carry-forwards accounted for in deferred taxes	136.4	131.5
Tax loss carry-forwards not accounted for in deferred taxes	15.1	10.9
Tax effect on tax loss carry-forwards unaccounted for	3.7	2.7

The change in tax loss carry-forwards results from the use of tax losses in particular in Germany, China, and Brazil as well as from the impact of additional tax loss carry-forwards in particular in Switzerland, Germany and Denmark.

3.6.4 Breakdown of deferred taxes per line item	2020 CHF m Assets	2020 CHF m Liabilities	2019 CHF m Assets	2019 CHF m Liabilities
Property, plant and equipment	5.7	32.6	6.0	32.8
Post-employment benefits	19.5	2.9	15.5	5.9
Provisions	16.7	13.0	8.6	11.2
Other items (mainly inventory, construction contracts and other current liabilities)	102.6	185.9	76.0	149.8
Tax loss carry-forwards	33.2	0.0	35.3	0.0
Total deferred taxes gross	**177.7**	**234.4**	**141.4**	**199.7**
Offset	–124.8	–124.8	–82.2	–82.2
Total deferred taxes net	**52.9**	**109.6**	**59.2**	**117.5**

Deferred tax assets and liabilities are offset if there is a legally enforceable right to set them off and if the calculations of income taxes relate to the same taxation authority.

3.7 Research and development costs

Research costs are recognized in the income statement in the period in which they are incurred. Development costs are capitalized only if, and to the extent that, the IFRS criteria are met and it is probable that the present value of the expected returns will exceed the development costs. Capitalized development costs are amortized on a systematic basis over the period in which the returns are expected to flow to the Group.

Research and development costs directly charged to the income statement in the reporting period amounted to CHF 139.0 million (prior year: CHF 149.2 million).

4. Detailed information on consolidated balance sheet

4.1 Property, plant and equipment

Property, plant, and equipment is valued at acquisition or construction cost less depreciation and write-downs for impairment. Items of property, plant, and equipment are depreciated on a straight-line basis over their estimated useful life, except for land, which is not depreciated. Estimated useful lives of major classes of depreciable assets are as follows:

→ Building shell:	40–80 years
→ Installations/extensions:	20–25 years
→ Machinery and technical equipment:	10 years
→ Other tangible fixed assets:	3–10 years

The estimated useful life of the assets is regularly reviewed and, if necessary, the future depreciation charge is accelerated.

Costs are only included in the asset's carrying amount when it is probable that economic benefits associated with the item will flow to the Group in future periods and the cost of the item can be measured reliably.

Borrowing costs. Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualified asset are capitalized as part of the cost of that asset.

Impairment of assets. At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest cash-generating unit to which the asset belongs. The recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognized immediately in the income statement.

Where an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount. However, this increased amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for that asset or cash-generating unit in prior periods. A reversal of an impairment loss is recognized immediately in the income statement.

Acquisition cost	Land and buildings CHF m	Machinery and technical equipment CHF m	Other tangible assets CHF m	Assets under construction CHF m	Total CHF m
January 1, 2019	429.9	311.8	163.1	78.0	982.8
Additions	145.7	15.9	15.6	54.2	231.4
Disposals	–7.0	–12.8	–16.9	–7.1	–43.8
Changes in the scope of consolidation	–8.9	–0.7	–0.3	0.0	–9.9
Reclassifications	56.4	24.0	7.2	–87.6	0.0
Translation differences	–10.6	–8.1	–3.1	–0.9	–22.7
December 31, 2019	**605.5**	**330.1**	**165.6**	**36.6**	**1,137.8**
Additions	6.0	13.2	6.7	31.6	57.5
Disposals	–1.5	–15.1	–25.4	–4.9	–46.9
Changes in the scope of consolidation	1.8	1.2	0.1	0.0	3.1
Reclassifications	28.6	11.3	1.4	–41.3	0.0
Translation differences	–13.8	–10.5	–4.0	–0.9	–29.2
December 31, 2020	**626.6**	**330.2**	**144.4**	**21.1**	**1,122.3**
Depreciation					
January 1, 2019	–112.7	–186.7	–118.0	–0.7	–418.1
Additions	–17.1	–22.9	–12.7	–0.1	–52.8
Disposals	4.2	10.6	15.5	0.0	30.3
Changes in the scope of consolidation	5.2	0.3	0.2	0.0	5.7
Impairment	0.0	0.0	0.0	0.0	0.0
Reclassifications	0.0	–0.1	0.1	0.0	0.0
Translation differences	3.3	5.3	2.2	0.0	10.8
December 31, 2019	**–117.1**	**–193.5**	**–112.7**	**–0.8**	**–424.1**
Additions	–19.0	–24.0	–12.2	0.0	–55.2
Disposals	1.0	12.6	24.9	0.0	38.5
Changes in the scope of consolidation	0.0	0.0	0.0	0.0	0.0
Impairment	0.0	–0.3	–2.7	0.0	–3.0
Reclassifications	–3.1	0.1	2.2	0.8	0.0
Translation differences	3.2	6.6	3.0	0.0	12.8
December 31, 2020	**–135.0**	**–198.5**	**–97.5**	**0.0**	**–431.0**
Net book values					
January 1, 2020	488.4	136.6	52.9	35.8	713.7
December 31, 2020	491.6	131.7	46.9	21.1	691.3

Net loss on disposal of tangible fixed assets amounted to CHF –5.3 million (prior year: net loss CHF -3.3 million). Commitments relating to property, plant, and equipment, which are not shown in the balance sheet, amounted to CHF 4.1 million (prior year: CHF 10.5 million) and are mainly related to machinery in the US.

4.2 Leases

General accounting policies. At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains a lease, if the contract conveys the right to use an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether it:

→ obtains substantially all of the economic benefits from the use of the asset; and
→ directs the use of the asset.

The Group leases various real estate buildings, vehicles, machinery, and other assets. Rental contracts typically run for a period of two to six years. Some leases include an option to renew, extend, and terminate the lease. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets are capitalized at the date of the commencement of the lease term at the present value of the minimum future lease payment or, if lower, at the amount equal to the fair value of the leased asset as determined at the inception of the lease. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The associated liabilities are recognized as either current or non-current lease liabilities, depending on their due dates. Lease liabilities include the net present value of the following lease payments:

→ fixed payments, less any lease incentives receivable
→ variable lease payments that are based on an index or a rate
→ the exercise price of a purchase option if the lessee is reasonably certain to exercise that option.

The present value calculation uses the countries and maturity range incremental borrowing rate. This rate is calculated based on the risk-free rate of the country plus a risk premium.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

In accordance with IFRS 16.5 the Group makes use of the recognition exemption for short-term leases and leases for which the underlying asset is of low value. Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss in accordance with IFRS 16.6. Short-term leases are leases with a lease term of 12 months or less.

Leases where substantially all the risks and rewards of ownership are not transferred to the Group are classified as operating leases. Payments under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

Acquisition cost	Real estate leasing CHF m	Vehicle leasing CHF m	Other assets CHF m	Total CHF m
January 1, 2019	70.8	6.7	2.5	80.0
Additions	7.8	4.2	0.4	12.4
Disposals	–9.2	–0.8	–0.1	–10.1
Changes in the scope of consolidation	–0.3	–0.1	0.0	–0.4
Translation differences	–1.4	–0.2	–0.1	–1.7
December 31, 2019	**67.7**	**9.8**	**2.7**	**80.2**
Additions	17.0	3.7	0.3	21.0
Disposals	–4.2	–1.5	–0.1	–5.8
Changes in the scope of consolidation	0.0	0.0	0.0	0.0
Translation differences	–1.7	–0.4	–0.1	–2.2
December 31, 2020	**78.8**	**11.6**	**2.8**	**93.2**
Depreciation				
January 1, 2019	0.0	0.0	0.0	0.0
Additions	–21.3	–3.7	–0.8	–25.8
Disposals	7.1	0.5	0.1	7.7
Changes in the scope of consolidation	0.2	0.0	0.0	0.2
Impairment	0.0	0.0	0.0	0.0
Translation differences	0.3	0.1	0.0	0.4
December 31, 2019	**–13.7**	**–3.1**	**–0.7**	**–17.5**
Additions	–15.4	–3.6	–0.7	–19.7
Disposals	2.4	1.3	0.1	3.8
Changes in the scope of consolidation	0.0	0.0	0.0	0.0
Impairment				0.0
Translation differences	0.5	0.1	0.1	0.7
December 31, 2020	**–26.2**	**–5.3**	**–1.2**	**–32.7**
Net book values				
January 1, 2020	54.0	6.7	2.0	62.7
December 31, 2020	52.6	6.3	1.6	60.5

Lease liabilities

Maturity analysis	Real estate leasing CHF m	Vehicle leasing CHF m	Other assets CHF m	2020 CHF m
Less than one year	13.8	3.0	0.7	17.5
One to five years	32.9	3.3	0.9	37.1
More than five years	5.8	0.0	0.0	5.8
December 31, 2020	**52.5**	**6.3**	**1.6**	**60.4**

Maturity analysis	Real estate leasing CHF m	Vehicle leasing CHF m	Other assets CHF m	2019 CHF m
Less than one year	12.8	3.1	0.7	16.6
One to five years	31.1	3.6	1.3	36.0
More than five years	9.6	0.0	0.0	9.6
December 31, 2019	**53.5**	**6.7**	**2.0**	**62.2**

Amounts recognized in profit and loss	2020 CHF m	2019 CHF m
Depreciation expense on right-of-use assets	19.7	25.9
Interest expenses (included in finance costs)	1.0	1.2
Rental and leasing expenses including related parties		
Expense relating to short-term leases	4.9	6.5
Expense relating to low-value leases	0.4	0.5
Expense relating to service expenses	7.7	6.9
Expense relating to insurance	6.5	6.7
Expense relating to other	1.7	1.5
Total recognized in profit and loss	**41.9**	**49.2**

Amounts recognized in the statement of cash flows	2020 CHF m	2019 CHF m
Cash outflow for leases	**20.4**	26.4

4.3 Intangible assets and goodwill

Goodwill represents the excess of the aggregate of the consideration transferred and the amount recognized for the non-controlling interest over the fair value of the net identifiable assets acquired and liabilities assumed. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates.

Goodwill and intangible assets with indefinite useful life are tested annually for impairment or whenever there are impairment indicators, and is carried at cost less accumulated impairment losses.

If the consideration transferred is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement.

On disposal of a subsidiary, associate, or joint venture, the related goodwill is included in the determination of profit or loss on disposal.

Goodwill on acquisitions of subsidiaries and interests in joint ventures is allocated to cash-generating units for the purpose of impairment testing. Impairment losses relating to goodwill cannot be reversed in future periods.

Acquired patents, licenses, and similar rights are initially recorded at cost and amortized on a straight-line basis over their estimated useful life or a period not exceeding 15 years. Acquired trademarks with a Group-wide purpose, well established umbrella trademarks, can have an indefinite useful life. All other trademarks are amortized as described above. Intangible assets acquired through business combinations are carried in the balance sheet at the fair value allocated in the acquisition accounting and amortized over their estimated useful life.

Other intangible assets mainly comprise customer relationships, technologies, patents, and software.

Acquisition cost	Goodwill CHF m	Trademarks CHF m	Other intangible assets CHF m	Total CHF m
January 1, 2019	602.7	110.6	140.9	854.2
Additions	0.0	0.0	7.5	7.5
Disposals	0.0	0.0	–4.0	–4.0
Changes in the scope of consolidation	–0.2	0.0	0.0	–0.2
Translation differences	–18.6	–3.7	–3.7	–26.0
December 31, 2019	**583.9**	**106.9**	**140.7**	**831.5**
Additions	0.0	0.0	5.2	5.2
Disposals	0.0	0.0	–2.5	–2.5
Changes in the scope of consolidation	6.7	0.0	0.0	6.7
Translation differences	–10.2	–0.7	–5.4	–16.3
December 31, 2020	**580.4**	**106.2**	**138.0**	**824.6**

Amortization				
January 1, 2019	–27.3	0.0	–111.2	–138.5
Additions	0.0	0.0	–10.2	–10.2
Disposals	0.0	0.0	4.0	4.0
Changes in the scope of consolidation	0.0	0.0	0.0	0.0
Translation differences	0.7	0.0	3.4	4.1
December 31, 2019	**–26.6**	**0.0**	**–114.0**	**–140.6**
Additions	0.0	0.0	–8.6	–8.6
Disposals	0.0	0.0	2.4	2.4
Changes in the scope of consolidation	0.0	0.0	0.0	0.0
Translation differences	1.0	0.0	4.5	5.5
December 31, 2020	**–25.6**	**0.0**	**–115.7**	**–141.3**

Net book values				
January 1, 2020	557.3	106.9	26.7	690.9
December 31, 2020	554.8	106.2	22.3	683.3

Impairment test

Goodwill and other intangible assets with an indefinite useful life are allocated to the identifiable cash-generating units of the Group, which were defined based on a business perspective. As of January 1, 2020 the Business Area Value Nutrition was reorganized and its management reporting structure changed accordingly. This change led to an aggregation of the former cash-generating units Feed, Pasta & Noodles, Nutrition and Aeroglide. The Business Area Value Nutrition newly represents the cash-generating unit.

The recoverable amounts have been determined based on a value-in-use calculation per cash-generating unit. This calculation uses cash flow projections based on financial budgets approved by management covering a five-year period.

Key assumptions used in value-in-use calculations. The calculations of values in use are most sensitive to the following assumptions:

→ Discount rate
→ Growth rate
→ Revenue growth
→ EBIT margin growth

Discount rate – The discount rates that are used to calculate the discounted present value of the future cash flows are derived from a capital asset pricing model using market data such as the yield on a 10-year government bond of the respective country or specific country risk premiums. The review of our peer group and other parameters resulted in overall higher discount rates in the reporting period.

Growth rate – The assumptions used in the calculation reflect the long-term expected growth rate of the operational business and are based on the growth strategy of the Group.

Revenue growth – The assumptions used in the calculation reflect the expected order backlog at year-end as well as the expected market development based on the strategic priorities set by the Group.

EBIT margin growth – The EBIT margin growth used in the calculation reflects the margin goal as defined in the Group's vision and is based on the margin improvement projects initiated.

Result of the impairment test. The impairment tests performed on a annual basis support the value of the carrying amount. No impairment arose on December 31, 2020.

Sensitivity to changes in assumptions. For Haas the following change in key assumptions would result in a value in use equal to the carrying amount:

Key assumptions	Haas
Discount rate	+0.8675%
Growth rate	–1.1151%
Revenue growth	–3.3057%
EBIT margin growth	–0.4180%

For all other cash-generating units, no reasonably possible changes in key assumptions would neutralize the headroom.

Goodwill and trademarks 2020	Goodwill CHF m	Trademarks CHF m	Base data used (goodwill / trademarks) Discount rate	Long-term growth rate	Revenue growth	EBIT margin growth
Milling Solutions	18.0	0.0	7.0%	1.8%	4.6%	0.4%
Grain Quality & Supply	37.2	0.0	7.1%	2.2%	7.6%	1.5%
Digital Technologies	6.5	0.0	8.7%	2.4%	7.6%	1.5%
Value Nutrition	65.8	0.0	7.2%	2.0%	3.2%	0.7%
Die Casting	1.7	0.0	7.5%	1.3%	15.9%	2.3%
Grinding & Dispersing	0.6	0.0	8.1%	1.4%	17.0%	2.3%
Leybold Optics	94.6	3.1	8.1% / 7.3%	1.9% / 2.0%	6.3% / 11.1%	0.8% / -
Consumer Foods	46.1	11.5	5.9% / 5.8%	1.5% / 1.8%	7.6% / 5.8%	0.9% / -
Haas	284.3	91.6	6.1% / 6.1%	1.7% / 1.7%	9.9% / 8.7%	2.5% / -
Total at December 31, 2020	**554.8**	**106.2**				

Goodwill and trademarks 2019	Goodwill CHF m	Trademarks CHF m	Base data used (goodwill / trademarks) Discount rate	Long-term growth rate	Revenue growth	EBIT margin growth
Milling Solutions	11.4	0.0	7.7%	2.2%	4.2%	0.3%
Grain Quality & Supply	37.3	0.0	8.2%	4.0%	5.7%	0.6%
Digital Technologies	6.6	0.0	9.4%	2.6%	3.4%	0.4%
Feed	3.1	0.0	8.1%	2.2%	1.5%	1.3%
Pasta & Noodles	2.3	0.0	6.4%	1.0%	8.9%	1.9%
Nutrition	5.7	0.0	7.9%	2.1%	3.6%	0.5%
Aeroglide	60.4	0.0	7.7%	2.0%	6.0%	1.7%
Die Casting	1.7	0.0	8.6%	1.2%	0.8%	0.4%
Grinding & Dispersing	0.7	0.0	9.2%	1.4%	4.7%	0.7%
Leybold Optics	96.4	3.4	9.1% / 9.5%	1.8% / 2.0%	3.9% / 3.9%	0.6% / -
Consumer Foods	46.3	11.5	6.5% / 7.0%	1.4% / 3.0%	4.6% / 5.0%	0.5% / -
Haas	285.4	92.0	7.0% / 7.0%	1.9% / 1.8%	5.8% / 6.0%	0.9% / -
Total at December 31, 2019	**557.3**	**106.9**				

4.4 Investments in associates

Net book values	Share in equity CHF m	Goodwill CHF m	2020 CHF m	2019 CHF m
January 1	19.2	8.2	27.4	27.6
Additions	1.2	0.0	1.2	0.0
Share of net profit	3.6	0.0	3.6	1.9
Dividends received	0.0	0.0	0.0	–1.1
Translation differences	–0.1	0.0	–0.1	–1.0
December 31	**23.9**	**8.2**	**32.1**	**27.4**

Translation differences are recognized in other comprehensive income. The Group purchased goods in the amount of CHF 7.8 million (prior year: CHF 7.1 million) and sold goods in the amounts of CHF 1.2 million (prior year: CHF 1.8 million) to associated companies. Cumulative values of the associated companies are disclosed as only one of the associated companies is material to the Group.

Cumulative values of the associated companies	2020 CHF m	2019 CHF m
Share of revenue	26.7	25.4
Share of net profit	3.6	1.9
Balance sheet values:		
Non-current assets	9.3	19.5
Current assets	17.1	25.1
Non-current liabilities	0.0	2.0
Current liabilities	6.3	5.7
Shareholders' equity	20.1	36.8

The associated companies comprise two companies located in Southern Europe and two in East Asia. The Group has a shareholding of 26%, twice 49%, and 44%, respectively. The figures are based on available preview closing data as of December 31, 2020.

In 2020 the group recognized a gain from a transaction with one of its associated companies in the amount of CHF 1.6 million, which is included in the CHF 3.6 million Share of net profit. The accounting treatment is based on the amendment to IAS 28 (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture) and IFRS 10 published by the IASB in September 2014, which the group decided to early adopt in 2020.

4.5 Non-current financial and other assets

December 31, 2020	Due 1–5 years CHF m	> 5 years CHF m	Total CHF m
Securities	7.0	38.0	45.0
Other non-current financial assets	37.6	5.5	43.1
Overfunding of post-employment benefit plans	0.0	25.4	25.4
Total	**44.6**	**68.9**	**113.5**

December 31, 2019	Due 1–5 years CHF m	> 5 years CHF m	Total CHF m
Securities	0.0	38.4	38.4
Other non-current financial assets	113.6	11.9	125.5
Overfunding of post-employment benefit plans	0.0	21.3	21.3
Total	**113.6**	**71.6**	**185.2**

4.6 Inventories

Inventories are carried at the lower of cost or net realizable value. The cost of finished goods, semi-finished goods, and work in progress includes raw materials, direct labor, and other directly attributable costs and overheads based on the normal capacity of production facilities, excluding borrowing costs. Cost is determined using the standard cost method. Standard costs are regularly reviewed and, if necessary, revised in light of current conditions. Net realizable value is the estimated selling price less cost to completion and selling expenses. Obsolete inventories and goods with a low rate of inventory turnover are written down.

In the prior year, value adjustments deducted from inventories amounted to CHF –50.1 million. No material reversals of value adjustments of the prior year were recognized in the reporting year.

Advance payments to suppliers are also included in inventories.

	Gross value CHF m	Value adjustments CHF m	2020 CHF m	2019 CHF m
Raw materials and supplies	231.3	–37.9	193.4	218.9
Unfinished goods	60.1	–13.6	46.5	54.1
Finished goods and merchandise	71.4	–7.1	64.3	77.1
Work in progress	116.2	0.0	116.2	126.0
Advance payments to suppliers	41.3	0.0	41.3	60.2
Total	**520.3**	**–58.6**	**461.7**	**536.3**

4.7 Trade accounts and other receivables

Trade accounts and other receivables are carried at the original invoice amount less allowances made for doubtful accounts, trade discounts, volume rebates, and similar items. Financing of customer orders using the Group's own funds as part of its treasury strategy is included in this item.

Trade accounts receivable include supplier credits of CHF 84.8 million (prior year: CHF 66.4 million), which are financed in accordance with the treasury strategy.

	2020 CHF m	2019 CHF m
– from third parties	578.6	712.1
– from associates	0.0	0.1
Allowance for bad debts	–18.4	–23.6
Total trade accounts receivable	**560.2**	**688.6**

	2020 CHF m	2019 CHF m
Value added tax credits	27.3	46.8
Other receivables		
– from third parties	42.8	48.5
– from associates	0.3	0.0
– from related parties	2.0	0.0
Prepayments	31.0	33.0
Allowance for bad debts	–1.4	–0.3
Total other receivables	**102.0**	**128.0**

Receivables outstanding analysis

2020	Total book value Dec. 31, 2020 CHF m	Not due CHF m	Overdue ≤ 3 months CHF m	4–6 months CHF m	7–9 months CHF m	10–12 months CHF m	> 12 months CHF m
Accounts receivable trade and other	679.7	566.4	54.9	11.3	7.9	5.5	33.7
Allowance for bad debts	–19.8	–0.4	–1.8	–0.2	–0.2	–2.4	–14.8
Associated companies and other related parties	2.3	2.3					
Total accounts receivable, net	**662.2**	**568.3**	**53.1**	**11.1**	**7.7**	**3.1**	**18.9**

2019	Total book value Dec. 31, 2019 CHF m	Not due CHF m	Overdue ≤ 3 months CHF m	4–6 months CHF m	7–9 months CHF m	10–12 months CHF m	> 12 months CHF m
Accounts receivable trade and other	840.4	649.0	83.1	26.6	21.2	9.1	51.4
Allowance for bad debts	–23.9	0.0	–0.8	–0.1	–0.1	–0.1	–22.8
Associated companies and other related parties	0.1	0.1					
Total accounts receivable, net	**816.6**	**649.1**	**82.3**	**26.5**	**21.1**	**9.0**	**28.6**

Allowance for bad debts

	2020 CHF m	2019 CHF m
January 1	–23.9	–14.3
Additions	–11.1	–13.5
Consumption	5.9	1.0
Release	9.1	2.3
Changes in scope of consolidation	0.0	0.2
Translation differences	0.2	0.4
December 31	**–19.8**	**–23.9**

4.8 Cash and cash equivalents

In the consolidated cash flow statement, cash and cash equivalents includes cash in hand, deposits held at call with banks, other current highly liquid investments with original maturities of three months or less, and bank overdrafts. In the consolidated balance sheet, bank overdrafts are shown within current financial liabilities.

Cash and cash equivalents include bank accounts and time deposits with an original maturity of a maximum of three months.

4.9 Trade accounts payable

	2020 CHF m	2019 CHF m
– to third parties	325.5	385.9
– to associates	1.6	1.7
– to related parties	0.7	1.8
Total	**327.8**	**389.4**

4.10 Provisions and contingent liabilities

Provisions are recognized when the Group has a legal or constructive obligation arising from past events, an outflow of resources embodying economic benefits to settle the obligation is probable, and a reliable estimate can be made of this amount. Actual expenses may differ from the accrued amounts.

A contingent liability is disclosed when there is a possible obligation that arises from a past event and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. A contingent liability is also disclosed when there is a present obligation that arises from past events but is not recognized, because an outflow of resources embodying economic benefits to settle the obligation is not probable, or the respective amount of the obligation cannot be measured with sufficient reliability.

When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance expense.

Warranty provisions are created with a view to meet potential guarantee obligations arising from the sale of machinery and technical equipment. The calculation is based on historic values as well as recognized claims. In 2020, the group introduced a change in estimate and included a forward looking element into the warranty provision calculation methodology. A significant portion of the warranty provision increase in 2020 is related to this change in estimate. The prior years were not restated since the updated methodology represents a change in estimate.

Provisions for personnel expenses mainly include long-term employee benefits, such as long-service benefits, partial retirement, jubilee benefits, and deferred compensation plans.

Among other things, the other provisions include provisions for pending legal cases, other project risks, as well as for restructuring.

Approximately 42% (prior year: 33%) of the cash outflows of the non-current provisions are expected to materialize within the next three years.

The Group recognizes a collective valuation allowance based on its past experience of warranty costs on projects with similar conditions. Other known risks and risks related to projects with special conditions are estimated on a case-by-case basis and measured individually. The actual warranty costs incurred may differ from the costs provided for.

	Provisions for warranties CHF m	Provisions for personnel expenses CHF m	Other provisions CHF m	2020 CHF m	2019 CHF m
January 1	40.5	69.5	14.4	124.4	124.0
Additions	28.6	10.2	23.4	62.2	43.9
Utilization	–12.7	–16.6	–13.2	–42.5	–28.7
Release	–5.7	–3.8	–0.4	–9.9	–12.8
Changes in the scope of consolidation	0.0	0.0	0.0	0.0	–0.1
Reclassification	0.0	–21.8	–0.7	–22.5	0.0
Translation differences	–1.3	–0.4	–0.7	–2.4	–1.9
December 31	**49.4**	**37.1**	**22.8**	**109.3**	**124.4**
Thereof current	45.8	8.7	15.3	69.8	85.5
Thereof non-current	3.6	28.4	7.5	39.5	38.9

Contingent liabilities

	2020 CHF m	2019 CHF m
Sureties, guarantees and other obligations	17.0	22.3
Total	**17.0**	**22.3**

4.11 Other current liabilities

	2020 CHF m	2019 CHF m
Value added tax owed	9.7	15.0
Other liabilities		
– to third parties	53.8	59.1
– to related parties	21.8	0.7
Personnel-related accruals	75.4	102.6
Other accruals	139.2	138.3
Total	**299.9**	**315.7**

4.12 Defined benefit obligations

The Group's main defined benefit pension plans are in Switzerland, Austria, and Germany. The defined benefit plans in Switzerland are funded through legally separate trustee-administered funds. The cash funding of these plans, which may from time to time involve special payments, is designed to ensure that present and future contributions should be sufficient to meet future liabilities. The defined benefit plans in Germany and Austria are partially unfunded.

Pension plans in Switzerland. The Group's Swiss pension plans contain a cash balance benefit formula, accounted for as a defined benefit plan. Employer and employee contributions are defined in the pension fund rules in terms of an age-related sliding scale of percentages of salary. Under Swiss law the pension fund guarantees the vested benefit amount as confirmed annually to members. Interest may be added to member balances at the discretion of the Board of Trustees. At retirement date members have the right to take their retirement benefit as a lump sum, an annuity, or part as a lump sum with the balance converted to a fixed annuity at the rates defined in the fund rules. The Board of Trustees may change the annuity at their discretion subject to the plan's funded status, including sufficient free funds as determined according to Swiss statutory valuation rules.

Swiss pension law requires the Board of Trustees to take measures to resolve a statutory underfunding. The possible measures affect both employers and employees (risk sharing).

Pension plans in Austria. The Group's Austrian pension plans are based on individual pension commitments starting upon leaving the company or reaching a certain age. The employer promises to pay out lifelong pensions as contractually agreed that are adjusted annually based on changes in the consumer price index. The Group is furthermore required by Austrian law to pay a lump sum amount to its employees upon retirement or for other important reasons (e.g. invalidity). The lump sum amount increases with the length of service. All pension promises are funded via book reserve accruals.

Pension plans in Germany. The Group's German pension plans have defined benefit rights based on their length of service and/or final pensionable pay. The employer gives a direct promise to the employee to pay him a certain amount once he retires. At retirement date the value of the employee's benefits is paid as an annuity. The Group is required by German law to increase pensions all three years according to price inflation, as measured by the Consumer Price Index or according to comparable pay grades. Direct pension promises are usually funded via book reserve accruals. In 2008, the Group set up a trust fund to fund their pension liabilities for Bühler GmbH, Braunschweig. No material business combinations/curtailments/settlements occurred during the reported financial period.

Status of the Group's defined benefit plans. The status of the Group's defined benefit plans using actuarial assumptions determined in accordance with IAS 19 is summarized below.

Employee benefits – defined benefit plans. These plans are generally funded through payments to legally independent pension or insurance funds.

The aggregate of the present value of the defined benefit obligation and the fair value of plan assets for each plan is recorded in the balance sheet as net defined benefit liability or net defined benefit asset under non-current financial and other assets. The defined benefit obligation is determined annually by independent actuaries using the projected unit credit method. If the fair value of the plan assets exceeds the present value of the defined benefit obligation, only a net pension asset is recorded, taking account of the asset ceiling.

Pension costs consist of three elements: service costs, net interest, and remeasurements of employee benefits.

Service costs are part of personnel expenses and consist of current service costs, past service costs (including gains/losses from plan amendments or curtailments) and gains/losses from plan settlements.

Net interest is recorded as part of financial expenses and is determined by applying the discount rate to the net defined liability or net defined asset that exists at the beginning of the year.

The gains and losses resulting from the actuarial valuation are immediately recorded in other comprehensive income as remeasurements of employee benefits. The return on plan assets (excluding interest based on the discount rate) and any change in the effect of an asset ceiling are also recorded in this item. Remeasurements of employee benefits are not recycled through the income statement at any later point in time.

Pension assets and pension liabilities in different defined benefit plans are not offset unless the Group has a legally enforceable right to use the surplus in one plan to settle obligations in the other plan.

Employee benefits – defined contribution plans. In addition to the defined benefit plans described above, some Group companies sponsor defined contribution plans based on local practices and regulations. The Group's contributions to defined contribution plans are charged to the income statement to which the contributions relate.

Employee benefits – other long-term employment benefits. Other long-term employment benefits include jubilee, early retirement, or other long-term service benefits, as well as deferred compensation, if not due to be settled within 12 months after the year-end.

The obligations for other long-term employment benefits are disclosed as provisions for personnel expenses. The measurement of these obligations differs from defined benefit plans in that all actuarial gains and losses are recognized immediately in the income statement.

4.12.1 Actuarial assumptions	**2020**	**2019**
Discount rate (weighted)	0.2%	0.3%
Future salary increases	1.0%	1.0%
Future pension increases	0.2%	0.2%

The discount rates are determined by referencing market yields at the end of the reporting period on AA- and AAA-rated corporate bonds. In recent years, longevity has increased in all major countries in which the Group sponsors pension plans. The Group sets mortality assumptions after considering the most recent statistics available and uses generational mortality tables to estimate probable future mortality improvements.

Risk sharing. As in the prior year, the defined benefit obligation was valued using a risk-sharing approach. This approach reflects the shared burden among employer and employees to keep the pension fund balanced in case this is necessary. The assumptions remained mainly unchanged compared to the prior year.

Sensitivities of significant actuarial assumptions. The discount rate and the future increase in salaries were identified as significant actuarial assumptions. The following impacts on the defined benefit obligation are to be expected:

- 0.25% increase/decrease in the discount rate would lead to a decrease of 3.3% (prior year: 3.4%) / an increase of 3.6% (prior year: 3.6%) in the defined benefit obligation.
- 0.25% increase/decrease in the expected increase in salaries would lead to a decrease of 0.3% (prior year: 0.2%) / increase of 0.3% (prior year: 0.2%) in the defined benefit obligation.

The sensitivity analysis is based on realistically possible changes as of the end of the reporting year.

The average duration of the defined benefit plan obligation at the end of the reporting period is 13.8 years (prior year: 14.0 years).

The cost of defined benefit pension plans and other long-term employee benefits is determined using actuarial valuations. Actuarial valuations involve making assumptions about discount rates, future salary increases, mortality rates, and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Due to a plan amendment in Switzerland, past service costs in the prior year amount to CHF 13.9 million.

4.12.2 Reconciliation of defined benefit obligation and fair value of plan assets	**2020 CHF m**	**2019 CHF m**
Defined benefit obligation at January 1	1,485.5	1,388.8
Interest costs	4.9	14.0
Current service costs (employer)	27.7	24.5
Contributions by plan participants	18.3	18.5
Past service costs	0.0	–13.9
Benefits (paid) / deposited	–78.3	–70.3
Curtailment and settlements	0.0	–1.8
Other effects	0.7	0.9
Remeasurements on obligations	32.0	128.4
Currency translation adjustments	–2.4	–3.6
Defined benefit obligation at December 31	**1,488.4**	**1,485.5**
Reconciliation of the fair value of plan assets		
Fair value of plan assets at January 1	1,403.5	1,293.3
Interest	4.2	12.5
Contributions by the employer	28.3	28.9
Contributions by plan participants	18.3	18.5
Benefits (paid) / deposited	–76.3	–63.0
Return on plan assets (excluding interest)	25.3	114.0
Currency translation adjustments	–2.0	–0.7
Fair value of plan assets at December 31	**1,401.3**	**1,403.5**
Actual return on plan assets	29.5	126.5

4.12.3 Remeasurements of defined benefit plans	2020 CHF m	2019 CHF m
Return on plan assets excluding interest income	–25.3	–114.0
Current-year actuarial loss (gain) on benefit obligation:		
– change in demographic assumptions	–1.3	–0.3
– change in financial assumptions	22.0	115.3
– experience adjustments	11.3	13.4
Remeasurements recognized in other comprehensive income	**6.7**	**14.4**
Cumulative amount recognized in other comprehensive income	**213.9**	**207.2**

4.12.4 Reconciliation of the amount recognized in the balance sheet at year-end	2020 CHF m	2019 CHF m
Present value of funded defined benefit obligation	1,488.4	1,485.5
Fair value of plan assets	1,401.3	1,403.5
Deficit/(surplus)	87.1	82.0
Liability (asset) recognized in the balance sheet	**87.1**	**82.0**
Thereof recognized as separate asset	–25.4	–21.3
Thereof recognized as separate liability	112.5	103.3

4.12.5 Pension expenses recognized in the income statement	2020 CHF m	2019 CHF m
Current service costs (employer)	27.7	24.5
Net interest employee benefit	0.7	1.5
Past service costs	0.0	–13.9
Effect of curtailment and settlements	0.0	–1.8
Other effects	0.7	0.9
Expenses recognized in the income statement	**29.1**	**11.2**
Thereof service costs and administration costs	28.4	9.7
Thereof net interest on the net defined benefit liability (asset)	0.7	1.5

4.12.6 Best estimate of contributions	2021 CHF m
Contributions by the employer	**30.2**

4.12.7 Plan assets at fair value consist of	2020 CHF m	2019 CHF m
Equity instruments third parties	416.6	441.5
Debt instruments third parties	395.0	446.5
Real estate	474.1	413.9
Cash and cash equivalents	51.6	47.7
Others	64.0	53.9
Total plan assets at fair value	**1,401.3**	**1,403.5**
Thereof quoted	872.2	951.0
Thereof unquoted	529.1	452.5

4.12.8 Information about significant plans	2020 Switzerland	2020 Austria	2020 Germany	2019 Switzerland	2019 Austria	2019 Germany
Discount rate	0.1%	1.0%	1.1%	0.3%	0.9%	0.9%
Future salary increases	1.0%	2.5%	1.6%	1.0%	2.5%	1.5%
Costs of defined benefit plans	26.7	0.8	1.2	9.1	–0.5	1.8
Remeasurements employee benefits	7.3	–1.0	–0.5	–3.6	5.2	11.1

4.12.9 Defined contribution plan	2020 CHF m	2019 CHF m
Expenses for defined contribution plan	**7.5**	**7.9**

4.13 Share capital

As of December 31, 2020, share capital amounted to CHF 15.0 million (prior year: CHF 15.0 million) and consisted of 105,000 (prior year: 105,000) registered shares with nominal value of CHF 100 each and 112,500 (prior year: 112,500) with nominal value of CHF 40 each.

5. Segment reporting

Segment information. The Group consists of three reportable segments which are identified on the basis of internal business updates that are regularly reviewed by the Chief Executive Officer (CEO). The CEO, being the Chief Operating Decision Maker, regularly reviews the allocation of resources to the three reportable segments. The Group is managed under its businesses Grains & Food, Advanced Materials, and Consumer Foods.

Grains & Food: Engineering and sale of industrial process technologies and solutions for the food and feed industry, such as the processing of grains, rice, coffee, and other raw materials for intermediate and finished products.

Advanced Materials: Engineering and sale of solutions for die-casting, grinding and dispersion, and surface-coating technologies in high-volume application areas such as automotive, optics, inks, and batteries.

Consumer Foods: Engineering and sale of solutions for cocoa processing, chocolate mass production, moulding, and wafer equipment, with its portfolio ranging from weighing and mixing of raw materials to cooking and aerating of masses through extrusion, depositing, and forming up to baking and enrobing.

5.1 Segment reporting

Segment reporting 2020	Grains & Food CHF m	Advanced Materials CHF m	Consumer Foods CHF m	Corporate Functions CHF m	Group CHF m
Segment revenue	1,669.8	443.5	575.6	16.9	2,705.8
Less intersegment revenue	–4.1	–0.2	–1.7	0.0	–6.0
Total segment revenue third parties	**1,665.7**	**443.3**	**573.9**	**16.9**	**2,699.8**
EBIT	148.6	23.4	23.4	–49.7	145.7
in % of revenue	8.9%	5.3%	4.1%	–294.1%	5.4%
Non-current assets	**425.0**	**207.9**	**586.4**	**248.0**	**1,467.3**

Segment reporting 2019	Grains & Food CHF m	Advanced Materials CHF m	Consumer Foods CHF m	Corporate Functions CHF m	Group CHF m
Segment revenue	1,802.0	648.9	775.3	37.8	3,264.0
Less intersegment revenue	–7.6	–0.3	–1.7	0.0	–9.6
Total segment revenue third parties	**1,794.4**	**648.6**	**773.6**	**37.8**	**3,254.4**
EBIT	150.1	42.1	71.6	–15.8	248.0
in % of revenue	8.4%	6.5%	9.3%	–41.8%	7.6%
Non-current assets	**436.1**	**221.8**	**600.0**	**236.8**	**1,494.7**

Internal and external reporting are both based on the same valuation and accounting principles, and there is therefore no need to provide a reconciliation.

The business results are carried over to the Group's consolidated figures by including the results of units with no market operations as well as consolidation effects.

5.2 Geographical information

Segment revenue	2020 CHF m	2019 CHF m
North America	429.6	516.8
South America	135.7	178.9
Europe	823.2	986.3
Middle East and Africa	290.1	464.7
South Asia	74.0	112.7
Asia	947.2	995.0
Total	**2,699.8**	**3,254.4**
- thereof Switzerland	55.4	82.5
- thereof US	287.7	342.1
- thereof China	573.9	542.2

Segment non-current assets	2020 CHF m	2019 CHF m
North America	135.8	143.5
South America	8.3	9.7
Europe	1,138.0	1,143.5
Middle East and Africa	14.1	16.5
South Asia	7.6	9.9
Asia	163.5	171.6
Total	**1,467.3**	**1,494.7**
- thereof Switzerland	355.0	346.7
- thereof US	132.1	139.5
- thereof China	151.5	157.1

The information about geographical areas is determined based on the Group's operations. The Group operates in six geographical areas: North America, South America, Europe, Middle East and Africa, South Asia, and Asia. Revenues are shown based on the physical location of the equipment.

6. Other disclosures

6.1 Assets pledged or assigned to secure own liabilities

In connection with the long-term loan from related parties of CHF 13.0 million and open legal cases, assets of CHF 45.0 million and CHF 0.7 million, respectively (prior year: CHF 45.0 million and CHF 1.1 million) serve as collateral for own liabilities where the right of disposal is limited.

6.2 Related parties

Related-party transactions. Total loans from the shareholders of CHF 130.0 million (prior year: CHF 211.5 million) are disclosed under non-current financial liabilities and of CHF 21.6 million (prior year: CHF 16.3 million) under current financial liabilities. A loan toward the shareholders in the amount of CHF 21.3 million (prior year: CHF 91.2 million) is disclosed under other non-current financial assets and of CHF 2.0 million (prioir year: CHF 0 million) under current financial assets.

Expenses for rental, energy, and maintenance to related parties amounted to CHF 12.3 million (prior year: 13.0 million) and are included in other operating expenses. Other related-party positions are disclosed separately in the notes.

Liabilities to pension plans amounted to CHF 0.1 million as per 2020 (prior year: CHF 0.2 million). This amount is included in other current liabilities.

Key management compensation. Key management (defined as Group Management and Board of Directors) received a total current paid out compensation of CHF 9.1 million (prior year: CHF 9.3 million). In addition, pension and social security contributions of CHF 1.7 million (prior year: CHF 1.5 million) are recorded as expenses. The provisions and liabilities for other long-term benefits amount to CHF 23.2 million (prior year: CHF 35.7 million).

The Bühler Group operates deferred compensation plans for members of the management. The deferred compensation plans comprise a vesting period of three years and an execution period of 10 years from the grant date. The amounts are charged to the income statement over the relevant vesting periods and are adjusted to reflect actual and expected levels of vesting. The value of the deferred compensation is determined annually based on the Group's net profit for the three preceding years and equity at year-end.

6.3 Government grants

Government grants are offset with the items of expense which they finance. Government grants related to assets are deducted from the assets in deriving the carrying amount of the asset. In 2020 the Group received government grants of CHF 4.0 million (prior year: CHF 4.2 million).

6.4 Proposal of the Board of Directors

At the General Meeting, the Board of Directors proposes a dividend of CHF 25.0 million (prior year: CHF 25.0 million) or CHF 166.6 (prior year: CHF 166.6) per registered share with a nominal value of CHF 100 and CHF 66.7 (prior year: CHF 66.7) per registered share with a nominal value of CHF 40. The dividend payment to the shareholders of Bühler Holding AG amounted to CHF 25.0 million in the financial year 2020 (prior year: CHF 23.0 million).

6.5 Release for publication of the consolidated financial statements

The consolidated financial statements were released for publication by the Board of Directors of Bühler Holding AG on February 11, 2021.

6.6 Subsequent events

No material events have occurred after the balance sheet date.

Report of the statutory auditor

to the General Meeting of Bühler Holding AG

Uzwil

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Bühler Holding AG and its subsidiaries (the Group), which comprise the consolidated income statement and consolidated statement of comprehensive income for the year ended 31 December 2020, the consolidated balance sheet as at 31 December 2020 and the consolidated statement of changes in equity and consolidated statement of cash flows 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 3 to 54) give a true and fair view of the consolidated financial position of the Group as at 31 December 2020 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) and comply with Swiss law.

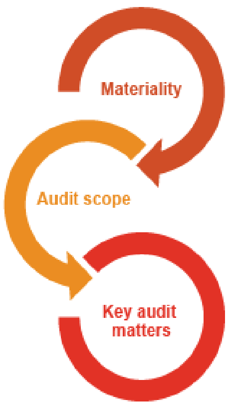
Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs) 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, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code), 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 9'850'000

We concluded full scope and specific accounts audit work at 19 reporting units in 10 countries. Our audit scope addressed over 73% of the Group's revenue.

As key audit matters the following areas of focus have been identified:

Accounting for customer orders (Project/Plant)

Impairment testing of goodwill and intangible assets with indefinite useful life

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.

Overall Group materiality	CHF 9'850'000
How we determined it	0.37% of revenue
Rationale for the materiality benchmark applied	We chose total revenue as the benchmark because, in our view, this benchmark takes into account the volatility of the business environment and it is a generally accepted benchmark for materiality considerations.

We agreed with the Audit Committee that we would report to them misstatements above CHF 500'000 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.

The audit strategy for the audit of the consolidated financial statements was determined taking into account the work performed by the component auditors. As Group auditor, we performed the audit of the consolidation, disclosures and presentation of the consolidated financial statements and of the impairment testing of goodwill and intangible assets with indefinite useful life. Where full scope audits or specific accounts audit work was performed by component auditors, we ensured that, as Group auditor, we were adequately involved in the audit in order to assess whether sufficient appropriate audit evidence was obtained from the work of the component auditors to provide a basis for our opinion. Our involvement comprised communicating the risks identified at Group level, specifying the audit procedures relating to the accounting for customer orders (Project/Plant), specifying the materiality thresholds to be applied, participating in local closing meetings (virtual), conducting telephone calls with the component auditors during the interim audit and the year-end audit and reviewing the reporting.

Key audit matters

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.

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Accounting for customer orders (Project/Plant)

Key audit matter	How our audit addressed the key audit matter
The Bühler Group has customer orders, where the performance obligations are satisfied either over time or at a point in time in accordance with IFRS 15 'Revenue from contracts with customers'. In the year under review, revenue from customer orders in the amount of CHF 1'370.5 million were recorded over time using the input method to measure the satisfaction of the performance obligation. Management measures the progress as of the balance sheet date based on relative costs incurred to the total costs expected to fulfil the performance obligation. An incorrect estimate of the expected costs could have a significant impact on the recorded revenue and the net profit of the Group. Please refer to page 9 (Use of estimates) and pages 25 - 27 (Revenue) in the notes to the consolidated financial statements.	Our audit of revenue from customer orders where the performance obligations are satisfied over time mainly comprised the following procedures: • We assessed the design and the existence of the key controls regarding the customer orders and tested the effectiveness of selected controls. • We assessed whether the internal guidelines regarding the approval of the costs and margins had been adhered to. • We selected a number of customer orders based on the contract volumes, the contribution margin and changes in the margin compared with prior year and the planning phase, and focused our testing on the following, in particular: - We assessed the contracts in respect of the classification of revenue recognition. - We assessed whether the contractual terms and the approved planned costs had been recorded appropriately in the project accounting system. - We discussed with the project controllers and project managers the progress of the projects based on the latest project reports and assessed the costs still to be incurred until their completion and changes in the margin. • We obtained written information from the legal representatives of the Group. We inspected this written information with regard to indications of potential quality deficiencies or penalties for non-performance and if applicable assessed whether these matters were recorded appropriately in the consolidated financial statements. • For the customer orders completed during the year under review, we compared various final parameters with the estimates made in the planning phase or those as of the previous balance sheet date in order to assess, with hindsight, the accuracy of the estimates made by Management. We consider Management's process and assumptions to be reasonable for purposes of determining the accounting for customer orders (Project/Plant).

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Impairment testing of goodwill and intangible assets with indefinite useful life

Key audit matter	How our audit addressed the key audit matter
The impairment testing of goodwill and intangible assets with indefinite useful life was deemed a key audit matter for the following reasons: Goodwill and intangible assets with indefinite useful life are significant items on the consolidated balance sheet (CHF 661.0 million); they are not amortised but tested for impairment at least annually. In calculating the value-in-use of the assets for these tests, the Board of Directors and Management have significant scope for judgement in defining the cash-generating units (CGUs), in allocating the goodwill and net operating assets to the CGUs and in determining the underlying assumptions (discount rate, royalty rates, growth rates, revenue growth and EBIT margin growth). Management adopted an established process in order to forecast the cash flows. The Board of Directors monitored adherence to this process. Please refer to page 9 (Use of estimates) and pages 37 - 40 (Intangible assets) in the notes to the consolidated financial statements.	In our audit of the impairment testing of goodwill and intangible assets with indefinite useful life, we performed audit procedures including the following: • We assessed the design and the existence of the key controls regarding the impairment testing of goodwill and intangible assets with indefinite useful life. Furthermore, we checked whether the Board of Directors reviewed the impairment tests. • We assessed how the CGUs were defined, taking into account the accounting standards and our knowledge of the organisation of the Group. • We assessed the appropriateness of Management's process for allocating goodwill and net operating assets to the CGUs. • We compared the revenue and the EBIT of the year under review with the budget (adjusted for COVID-19 impacts) in order to identify, in retrospect, any forecasts that were too optimistic and to assess the accuracy of the estimates that were made. • We performed plausibility checks on the key assumptions Management used for the impairment tests as well as on the changes in net working capital resulting from the application of these assumptions. To this end, we involved our internal valuation experts, who compared the assumptions with data from analogous companies and market data. Furthermore, we assessed the technical and mathematical correctness of the valuation model. • We assessed the sensitivity analyses carried out by Management. In addition, we performed our own sensitivity analyses using different discount rates, revenues and gross profit margins. • We assessed the appropriateness of the disclosures in the notes to the consolidated financial statements in accordance with IAS 36 'Impairment of Assets'. We consider the valuation process and the assumptions applied by Management to be an appropriate and reasonable for purposes of the impairment testing of goodwill and intangible assets with indefinite useful life.

Other information in the annual report

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

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Our opinion on the consolidated financial statements does not cover the other information in the annual report 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 in the annual report 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 IFRS 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, ISAs 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

René Rausenberger	Oliver Illa
Audit expert Auditor in charge	Audit expert

Zürich, 11 February 2021

pwc

Financial Statements Bühler Holding AG

Income statement Bühler Holding AG

	Notes	2020 CHF m	2019 CHF m
Investment income	11	92.1	111.3
Financial income	12	18.5	31.6
Exchange gains on foreign currency valuation	13	3.2	0.0
Other operating income	14	8.8	9.2
Total operating income		**122.6**	**152.1**
Investment expenses	15	–0.5	–6.8
Financial expenses	16	–5.0	–4.2
Exchange losses on foreign currency valuation	13	0.0	–12.1
Other operating expenses	17	–7.6	–8.6
Operating expenses		**–13.1**	**–31.7**
Profit before taxes		**109.5**	**120.4**
Taxes		–2.0	–2.2
Net profit		**107.5**	**118.2**

Balance sheet Bühler Holding AG

Assets	Notes	2020 CHF m	2019 CHF m
Cash and cash equivalents		141.5	24.1
Other accounts receivable third parties		0.1	0.2
Other accounts receivable Group	5	258.9	150.5
Current loans third parties		0.0	0.1
Current loans Group	5	0.6	17.3
Accrued income and prepaid expense		0.2	0.1
Current assets		**401.3**	**192.3**
Non-current securities		7.9	7.9
Other financial assets third parties		18.2	18.2
Other financial assets related parties	8	21.3	91.2
Other financial assets Group	6	669.7	715.7
Investments	18	881.0	872.6
Non-current assets		**1,598.1**	**1,705.6**
Total assets		**1,999.4**	**1,897.9**

Equity and liabilities			
Financial liabilities related parties	8	19.0	0.0
Accounts payables third parties		0.1	0.7
Accounts payables related parties		0.0	0.6
Accounts payables Group	7	145.7	70.4
Current provisions	10	12.0	21.5
Other liabilities third parties		0.4	0.0
Other liabilities Group	7	1.8	0.0
Deferred income and accrued expense		3.5	3.8
Current liabilities		**182.5**	**97.0**
Financial liabilities third parties	9	420.0	420.0
Financial liabilities related parties	8	117.0	183.5
Non-current liabilities		**537.0**	**603.5**
Total liabilities		**719.5**	**700.5**
Share capital		15.0	15.0
Legal reserves		7.5	7.5
Other free reserves		275.6	275.6
Available earnings brought forward from prior year		874.3	781.1
Net profit		107.5	118.2
Shareholders' equity		**1,279.9**	**1,197.4**
Total shareholders' equity and liabilities		**1,999.4**	**1,897.9**

Notes to the financial statements Bühler Holding AG

1 General information
The financial statements of Bühler Holding AG, domiciled in Uzwil SG, were prepared in accordance with the regulations of Swiss financial reporting law.

Bühler Group prepares consolidated financial statements on a Group level according to International Financial Reporting Standards (IFRS). Therefore, Bühler Holding AG does not publish additional notes, a cash flow statement, and management reporting according to article 961d of the Swiss Code of Obligations.

2 Valuation principles
The financial statement accounting policies meet the requirements of Swiss financial reporting law. The main financial statement line items are accounted for as described below.

The balance sheet positions in foreign currency have been valued at the following closing rates:

	2020 CHF	2019 CHF
CNY	0.1356	0.1392
EUR	1.0850	1.0890
GBP	1.1990	1.2750
USD	0.8850	0.9730

Loans to Group subsidiaries are recorded at their nominal value. If necessary, value adjustments are made for potential impairment losses.

3 Number of full-time equivalents
The number of full-time equivalents is on average less than 10 employees (prior year: less than 10 employees).

4 Definition of related parties and Group companies
Related parties are companies that are directly or indirectly owned by the Bühler family. Also included are members of the Bühler family as well as the Board of Directors and companies owned by Members of the Board of Directors of the Bühler Group.

Group companies are companies in which the Bühler Group holds direct or indirect investments and are included in the consolidated Group financial statements.

5 Other accounts receivable and current loans Group
Accounts receivable and current loans Group mainly include current loans to Group companies for working capital financing purposes.

6 Other financial assets Group
Financial assets mainly include loans to Group companies, which are granted at market conditions and are non-current (more than one year).

7 Liabilities Group
Liabilities Group consist primarily of current liabilities related to cash pooling (mainly Bühler AG, Uzwil) as part of the Group's cash management.

8 Other financial assets/liabilities related parties
These loans are owed from and to the shareholders as well as from other related parties (associates).

9 Financial liabilities third parties
This position contains corporate bonds issued to third parties.

Nominal amount in CHF m	Valor	Interest rate	Period of validity	Expiration nominal value
180	38,960,607	0.10%	12/21/2017 – 12/21/2022	12/21/2022
240	38,960,608	0.60%	12/21/2017 – 12/21/2026	12/21/2026

10 Provisions
This item mainly includes provisions for currency risks relating to loans to Group companies and accounts receivable from Group companies.

11 Investment income
This position mainly contains dividend income from subsidiaries and other participations.

12 Financial income
Financial income mainly includes interest income on loans to Group companies.

13 Exchange gains/losses on foreign currency valuation
Exchange gains/losses on foreign currency valuation contains currency gains and losses.

14 Other operating income
Other operating income contains mainly licence fee income.

15 Investment expenses
Investment expenses include impairments on Group investments.

16 Financial expenses
Financial expenses primarily include interest on foreign expenses paid to Group companies and interest payments for corporate bonds issued to third parties.

17 Other operating expenses
Other operating expenses predominantly include service fee expenses and non-refundable withholding taxes.

18 Investments
Investments are recorded at cost less economically necessary adjustments. The principal investments that are held directly or indirectly by Bühler Holding AG are shown in the table on pages 13 to 15. The participation rate is equal to the voting rights and share in capital.

19 Contingent liabilities

	2020 CHF m	2019 CHF m
Sureties, guarantees and other obligations in favor of Group companies	466.6	579.5
Sureties, guarantees and other obligations in favor of third parties	125.9	102.0

Bühler Holding AG issued a letter of comfort for Bühler Barth GmbH, Germany, on August 17, 2017. With this letter of comfort, Bühler Holding AG commits itself to financially support Bühler Barth GmbH in order that Bühler Barth GmbH is able to meet its current and future obligations at all times. The issued letter of comfort is valid as long as Bühler Barth GmbH belongs to the Bühler Group, at the latest until December 31, 2021.

20 Proposal of the Board of Directors for the appropriation of available earnings

	2020 CHF m	2019 CHF m
Balance brought forward from prior year	874.3	781.1
Net profit of the year	107.5	118.2
Available earnings at the disposal of the General Meeting	**981.8**	**899.3**
The Board of Directors proposes to the General Meeting:		
- The distribution of a dividend	25.0	25.0
- Allocation to other reserves	0.0	0.0
- Carry forward to new accounting period	956.8	874.3

The statutory obligation of appropriation to reserves is waived as the legal reserve amounts to 50% of the paid-in share capital.

21 Others
CHF 11 million hidden reserves were released in the reporting period (prior year: CHF 0 million).

22 Significant events after the balance sheet date
No material events have occurred after the balance sheet date.

Report of the statutory auditor

to the General Meeting of Bühler Holding AG

Uzwil

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Bühler Holding AG, which comprise the income statement for the year ended 31 December 2020, the balance sheet as at 31 December 2020 and notes for the year then ended, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements (pages 61 to 64) as at 31 December 2020 comply with Swiss law and the company's articles of incorporation.

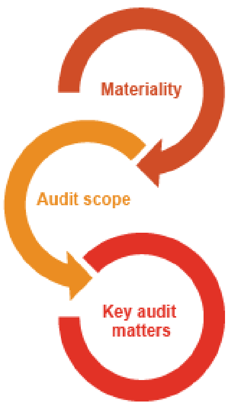
Basis for opinion

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 19'990'000

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

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.

Overall materiality	CHF 19'990'000
How we determined it	1% of total assets
Rationale for the materiality benchmark applied	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 materiality considerations in holding companies.

We agreed with the Audit Committee that we would report to them misstatements above CHF 990'000 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

Key audit matter	How our audit addressed the key audit matter
Investments in subsidiaries represent a significant balance sheet line item (CHF 881.0 million). The Board of Directors uses business valuations in order to test these investments for impairment. The company valuations are prepared using the "practitioner's method". In cases were indications of impairment exist, the book values of the investments were compared with the impairment test prepared to assess the goodwill at the Group level. In calculating these company valuations, there is significant scope for judgement in determining the underlying assumptions, particularly with regard to the future business results and the discount rate to apply to the forecast cash flows. Management adopts a specified impairment testing process to identify the potential need for the impairment of investments. Please refer to pages 64 (Investments) in the notes to the financial statements.	In our audit of the investments in subsidiaries, we performed audit procedures including the following: • We assessed the design and the existence of the key controls regarding the valuation of the investments. • We compared the book value of the investments in the year under review with the results from using the practitioner's method of valuation. If there were indications of impairment, the book values of the investments were compared with the impairment test applied to assess the goodwill at the Group level. • We performed plausibility checks on the key assumptions applied by Management used for the impairment tests. To this end, we involved our internal valuation experts, who compared the assumptions with data from analogous companies and market data. Furthermore, we assessed the technical and mathematical correctness of the valuation model. We consider the valuation process and the assumptions used to be an appropriate and adequate basis for the impairment testing of investments in subsidiaries as at 31 December 2020.

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 EXPERTsuisse: http://expertsuisse.ch/en/audit-report-for-public-companies. This description forms part of our auditor's report.

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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

René Rausenberger	Oliver Illa
Audit expert Auditor in charge	Audit expert

Zürich, 11 February 2021