

Capital Market Day 2024

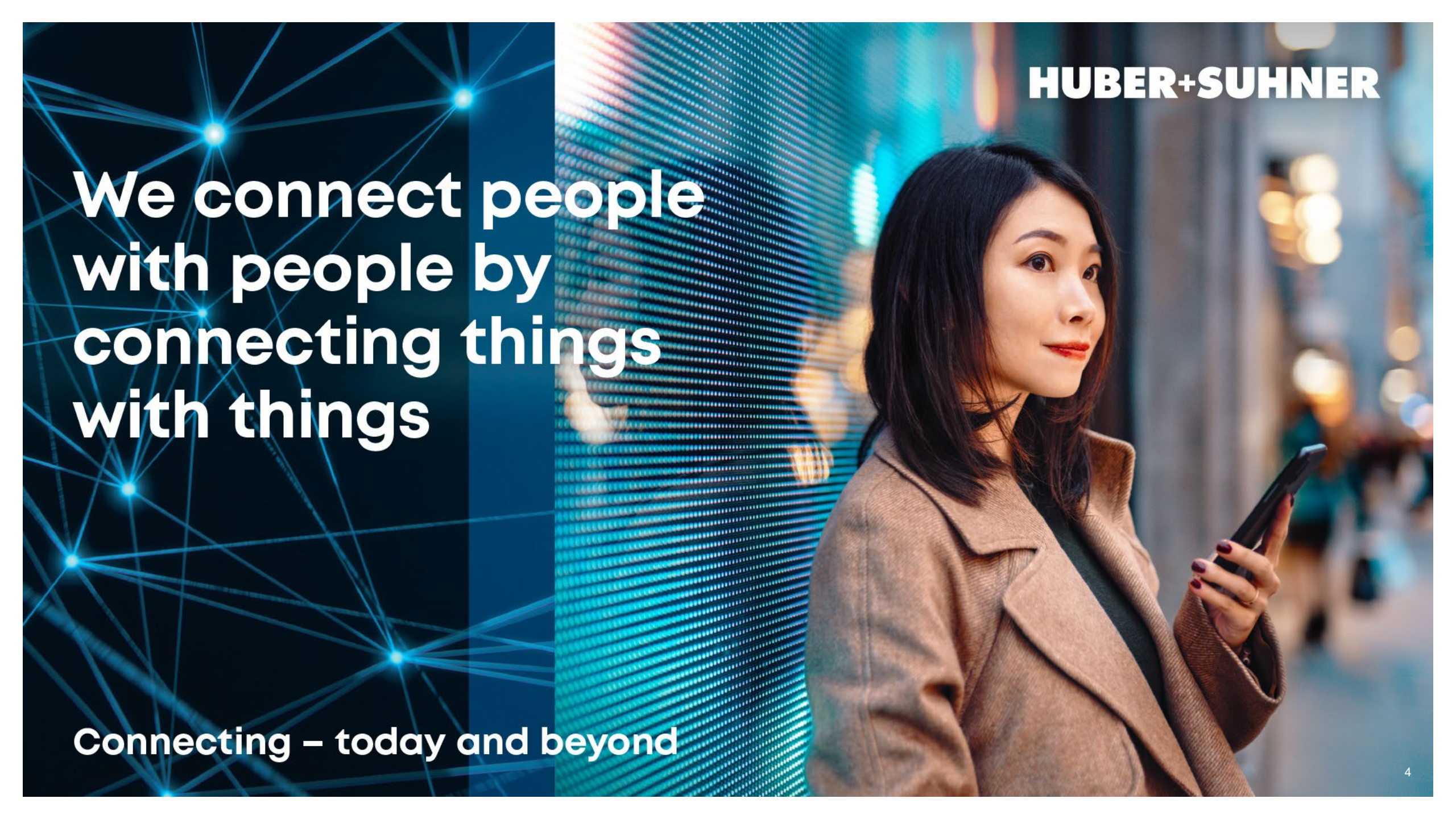
HUBER+SUHNER

Agenda

Topic	Speaker
Strategic overview	Urs Ryffel, CEO
Break-out sessions	
Industry	Reto Bolt, COO Industry segment
Communication	Jürgen Walter, COO Communication segment
Transportation	Drew Nixon, COO Transportation segment
Financial insights	Ivo Wechsler, CFO

Strategic overview

Urs Ryffel, CEO

A woman with dark hair, wearing a brown coat, is holding a smartphone and looking off to the side. The background is a blue digital grid with glowing points, suggesting a network or data theme.

HUBER+SUHNER

**We connect people
with people by
connecting things
with things**

Connecting – today and beyond

HUBER+SUHNER at a glance

Business activity

- Our world is based on connections between humans, places, and systems. They are essential for the functioning of society.

Solutions offering

- Connectors, cables, antennas and systems
- Based on three technologies RF, FO, LF

Product range, development, operations

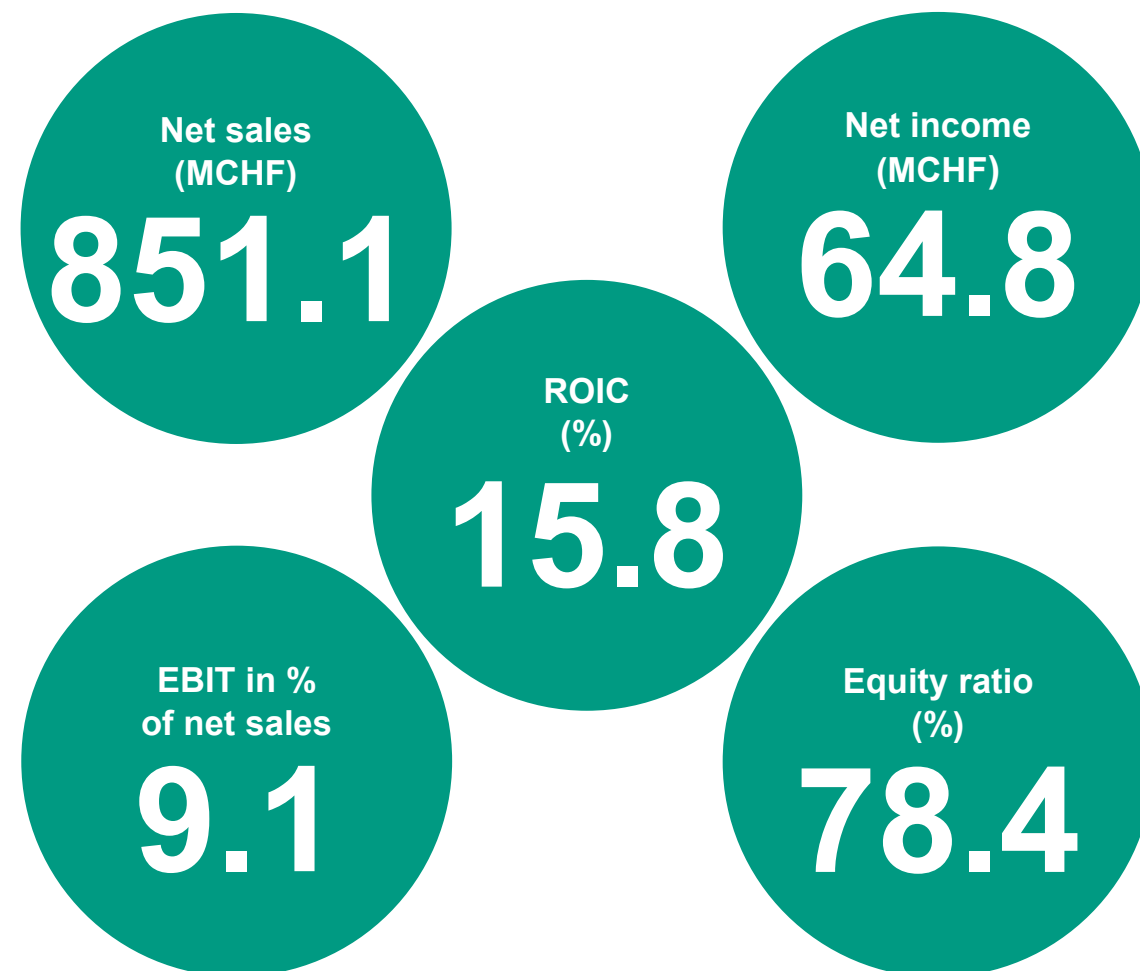
- 2/3 customer specific, 1/3 standardised
- R&D spending >6 % of net sales p.a.
- CAPEX investments of ~6 % of net sales p.a.

Customer proximity

- HUBER+SUHNER has around 4,500 employees and is operating in more than 80 countries

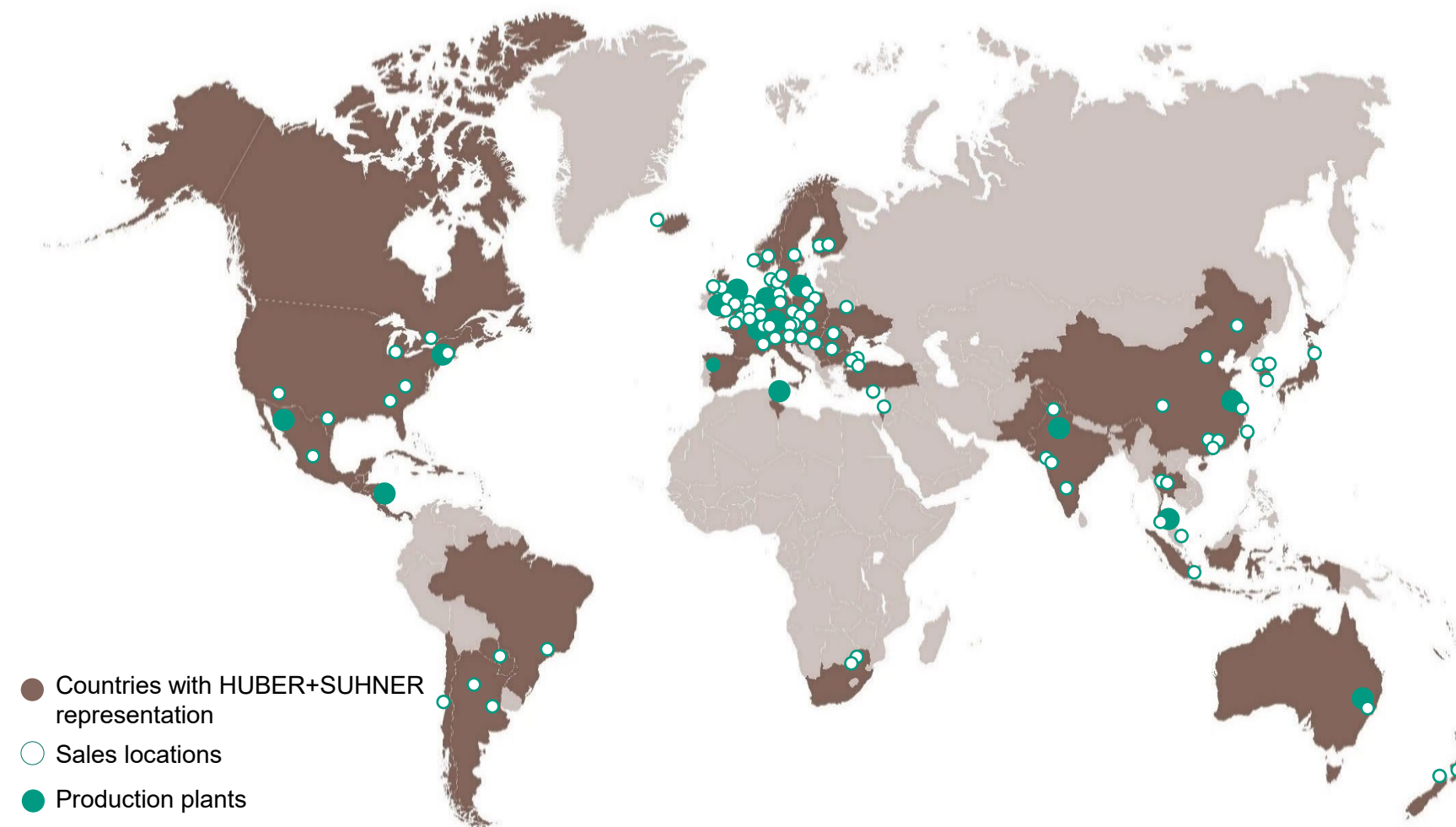
Target markets

- Industrial, Communication, Transportation



Global network

Engineering, production and sales



The global organisation places HUBER+SUHNER close to its customers.

Over 400 sales employees serve customers face to face across all markets, continents and technologies.

Network of distributors adds additional points of sales.

Standard products are increasingly sold via online channels.

18 manufacturing sites ensure regional supply chains and short reaction times.

Five reasons to invest in HUBER+SUHNER

(1)

Unique value proposition ensures strong customer loyalty

(2)

End-to-end value chain guarantees focus on profitability

(3)

Growth strategy targets attractive markets

(4)

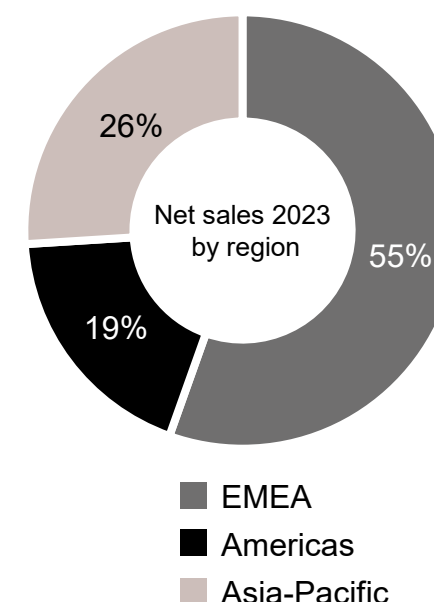
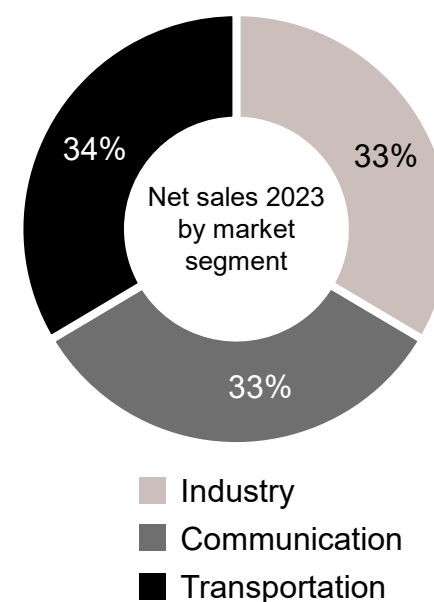
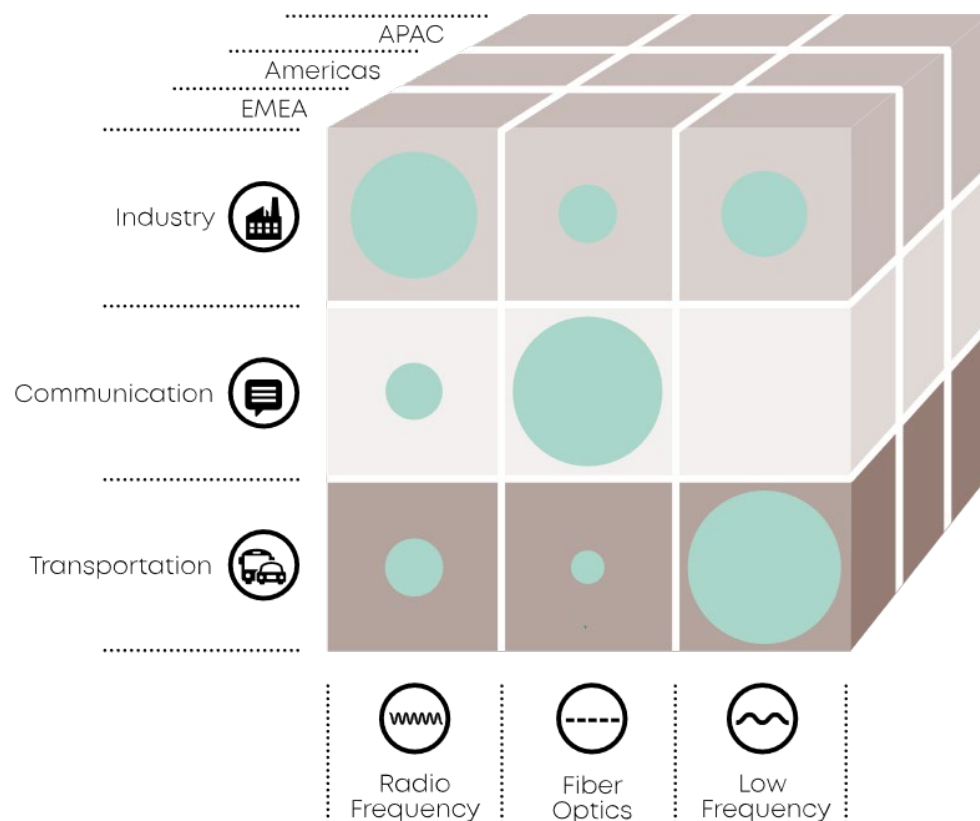
Strong position in essential markets and applications

(5)

HUBER+SUHNER is shareholder-oriented
(addressed by CFO)

1. Unique value proposition ensures strong customer loyalty

Broad customer base and balanced portfolio across markets and regions



- Broad base of several thousand buying customers
- Approximately 40 customers generate 50 % of sales
- More than 2/3 are recurring customers

2. End-to-end value chain guarantees focus on profitability

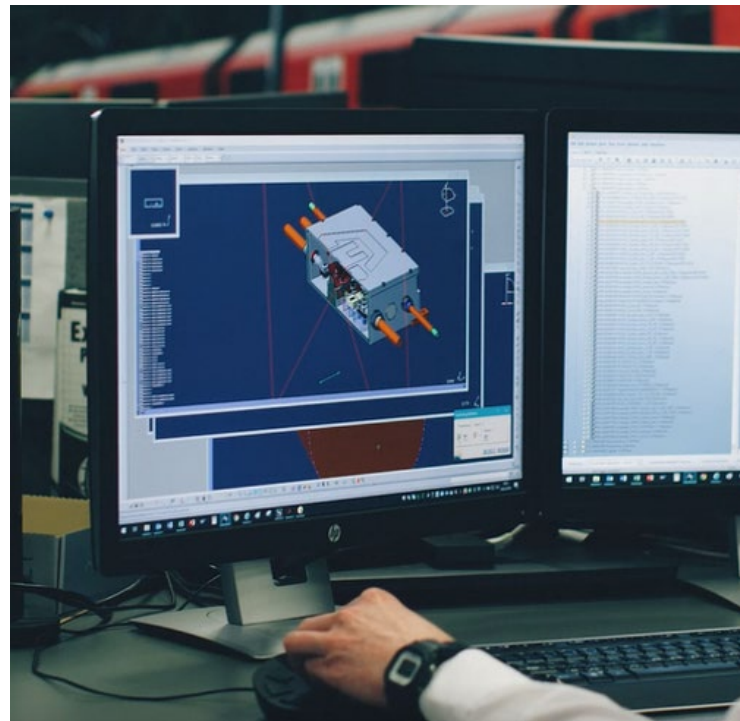
Business model with strong focus on sales, R&D and manufacturing

Direct sales secure strong position in target markets



Customer insights | One-stop shop for connectivity | Single point of contact

Engineering establishes technology and innovation leadership



Technology roadmaps | Innovation project selection | Flow of opportunities | R&D spend

Mastering the manufacturing ensures operational excellence

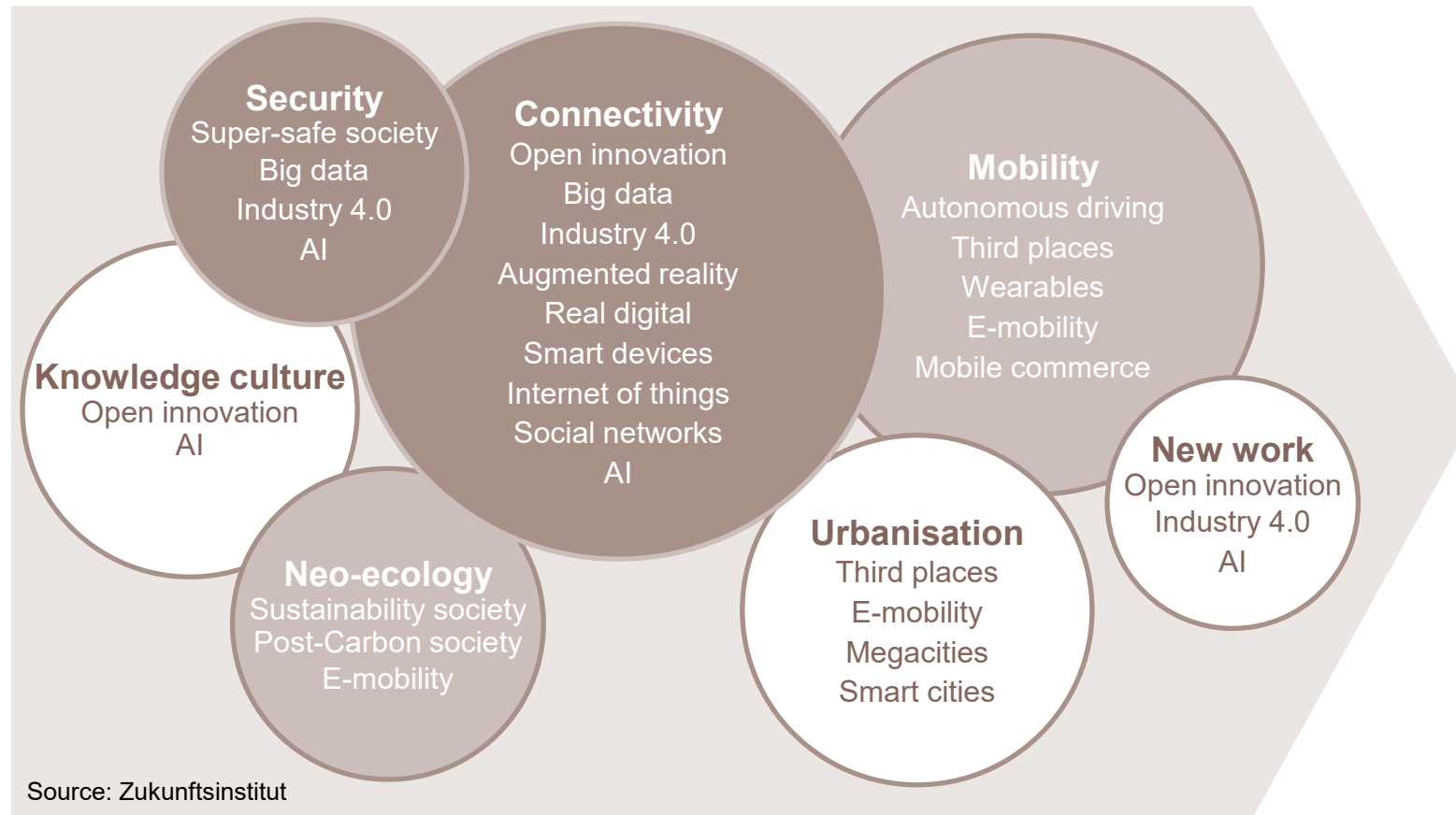


Global footprint | Efficient processes | CI mindset | Organizational stability

3. Growth strategy targets attractive markets

Strategic focus aligned with megatrends

Megatrends



Strategic growth initiatives

Aerospace & Defense

Data Center

Rail Communications

Advanced Driver Assistance System (ADAS)

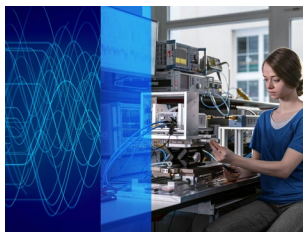
Electric Vehicle

4. Strong position in essential markets and applications

Industry: High tech applications allow for high differentiation/high margin

Core market

Test & Measurement



T&M business is suffering from the slump in the communications and electronics market

Opportunities identified in lab automation to compensate for weaker markets

Growth initiative

Aerospace & Defense



Rising defense budgets and commercial satellite programmes

Investments in communications solutions for A&D applications and near space applications

Other markets

High Power Charging



Fast charging a pre-condition to increase acceptance of EV

Significant densification of fast charging networks globally to reduce range anxiety and waiting times

General Industrial

Energy
Medical Device
Process Ind.

High-tech niches such as energy, medical, and quantum computing offering high degree of differentiation

HUBER+SUHNER has the technologies, solutions, and access to key customers

4. Strong position in essential markets and applications

Communication: Technologies to cope with increasing data traffic and AI

Core markets

Growth initiative

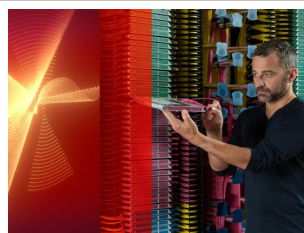
CEM Components



Trend to faster network components from 200 → 400 → 800Gbit unbroken

WCM technology enables the cost-effective development of ever faster electronics/transceivers

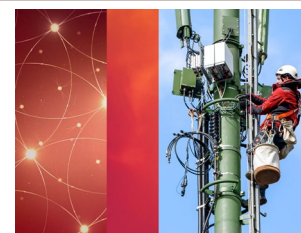
Fixed Access Network



Data traffic doubling every three years

Expandability of fiber networks at low costs and with high efficacy to master complexity

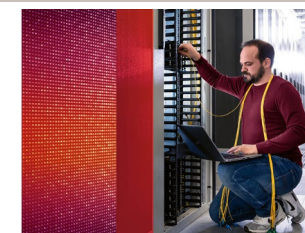
Mobile Network



Evolution of 5G infrastructure towards higher data rates

Market leaders, including HUBER+SUHNER, already work on 6G for 2030 and beyond

Data Center



Investments in data centers driven by continuous data traffic growth

AI poses unique challenges for data centers and opens up opportunities for high-tech products

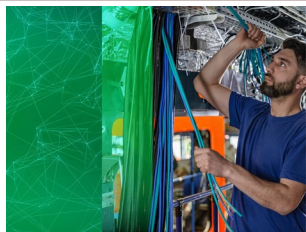
HUBER+SUHNER has the technologies, solutions, and access to key customers

4. Strong position in essential markets and applications

Transportation: Environmentally friendly mobility offers high growth potential

Core market

Rolling Stock



Ecological mobility in urban areas = substantial investments in rail infrastructure

Market solid again after the dip following Covid

Growth initiatives

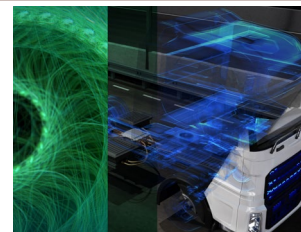
Advanced Driver Assistance System



Level 3 automated driving becoming the standard

High resolution radar systems are key in reaching level 3; however, adoption rate slower than anticipated

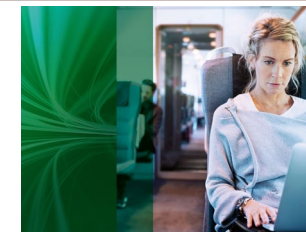
Electric Vehicle



Electrification adopted by commercial vehicles, Gen 2 platforms on the market

Increasing voltages for Gen 3; growth rate for E-trucks slower than anticipated

Rail Communications



On-board and train-to-ground communication need substantial improvements

Strong demand for high performance systems; H+S climbing up in the food chain from antennas to systems

HUBER+SUHNER has the technologies, solutions, and access to key customers

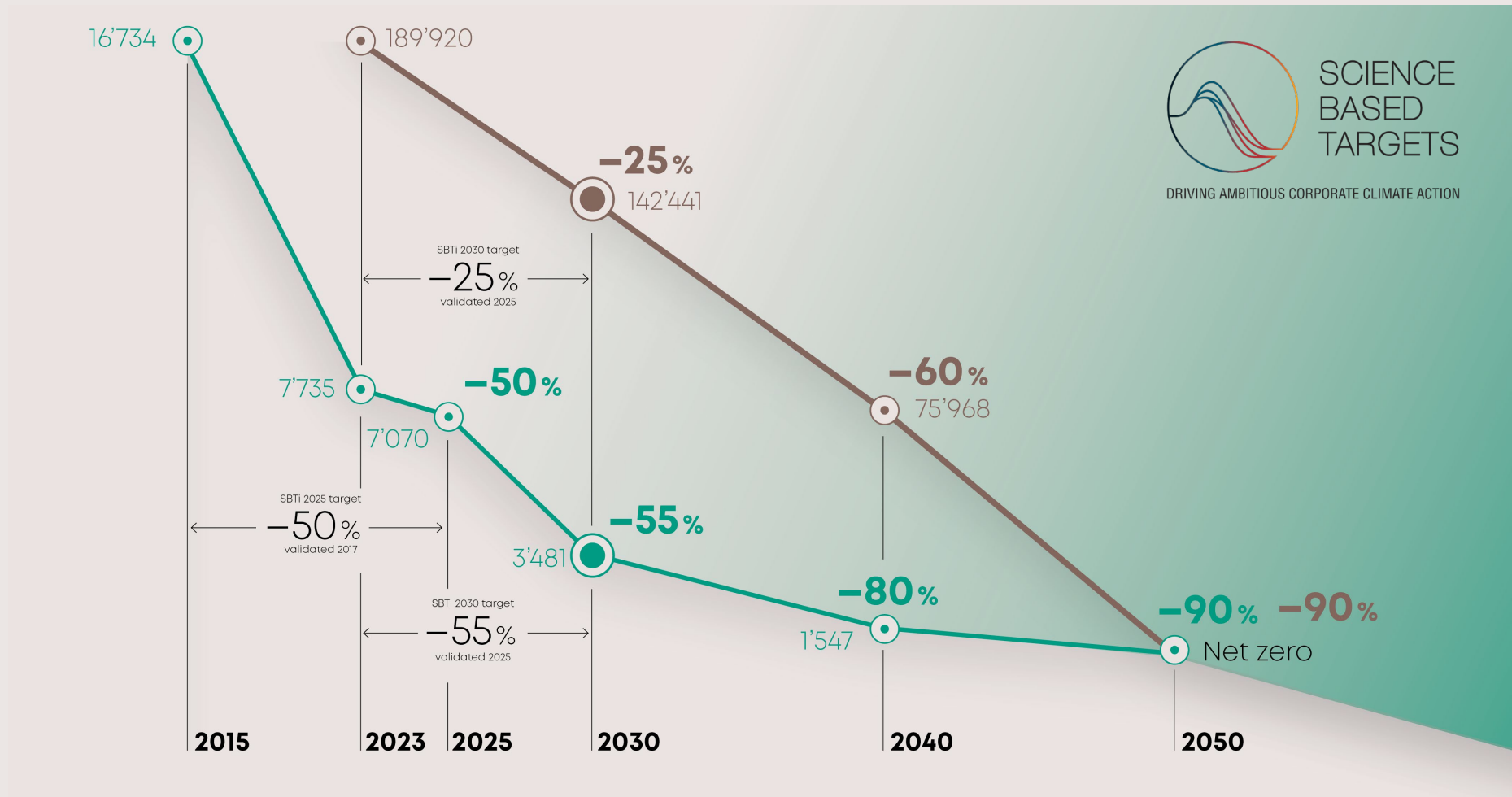
Customer market verticals

Sales by segment		Sales by customer market		H1/2024 growth	Long term growth drivers
Industry 	31 %	Industrials • Test & Measurement • Energy • High Power Charging	• Medical Device • Process Industries	19 %	 Increasing demand for power and data connectivity (IoT, Industry 4.0,...)
		Aerospace & Defense		12 %	 Communication satellite coverage Defense spendings
Communication 	36 %	Fixed Network • Equipment Manufacturers • Fixed Access Network • Data Center		17 %	 Data traffic growth, Artificial Intelligence
		Mobile Network		19 %	 4G → 5G → 6G
Transportation 	33 %	Railway • Rolling Stock • Rail Communications		20 %	 Low-emission mobility Communication on the move
		Automotive • Electric Vehicle • ADAS		13 %	 Electrification Autonomous driving

Figures: H1/2024 (as of 30 June 2024)

Working towards a low-carbon future

Our climate transition plan 2030 and beyond

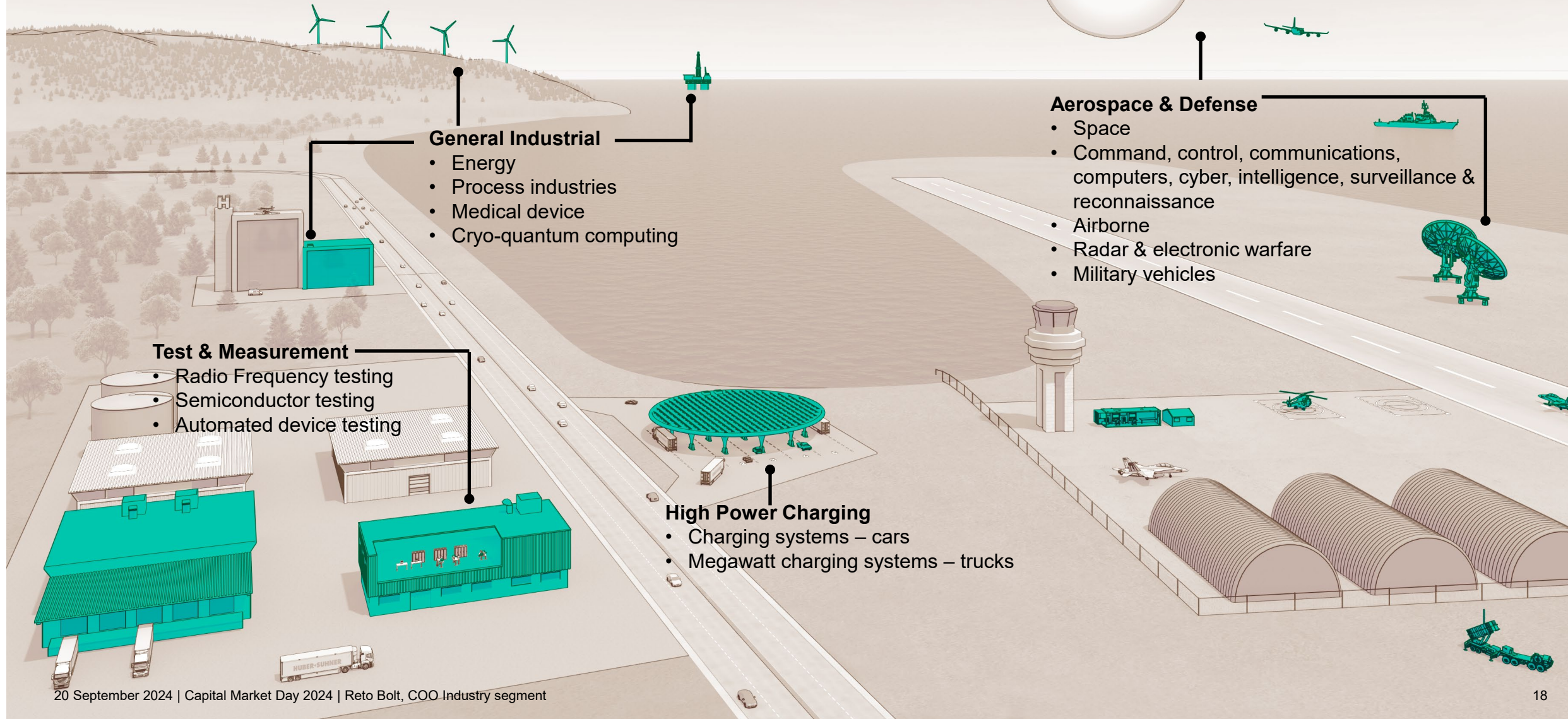


Insight into the activities of the three market segments

Industry

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Our solutions for the Industry market



Trends & drivers

24/7 reliable and available solutions for critical infrastructure



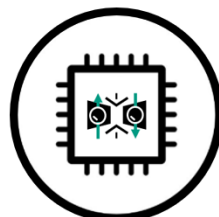
Increasing demand for internet devices, mobility & higher data rates

Drive demand for **chip & wireless** test equipment



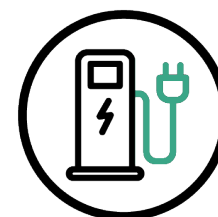
Smart grids for power generation and distribution

Means **secure communication** between products, systems, equipment and electricity networks



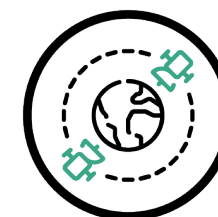
Solving complex problems requires faster and more powerful **computing**

Cryo **quantum computers** are fundamental to support AI, complex R&D or accurate climate models



E-mobility is the new reality and range requirements are **increasing**

Thousands of **new charging points annually** installed for EV charging



Accelerating growth in space market

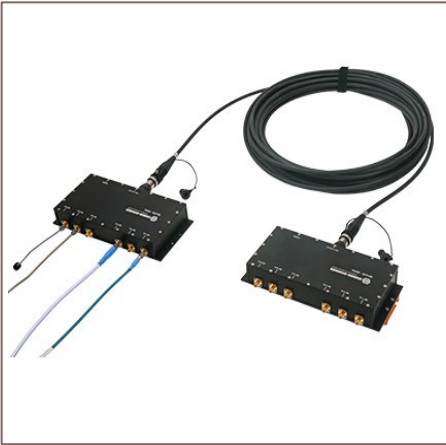
For broad-based **satellite communication** offering tangible value for businesses, society, and consumers



Geopolitics drive defense budgets up

Contractors to **leverage innovation** for building advanced military capabilities

Technology trends and strong value propositions for the different applications

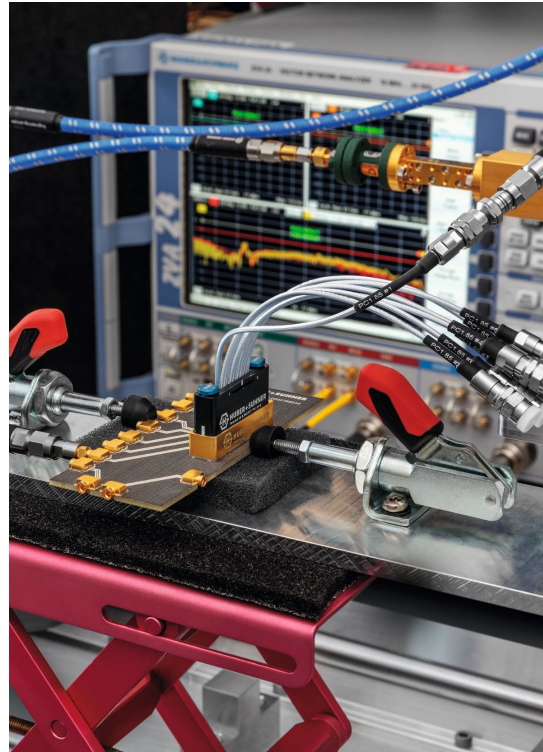
Higher density	Higher data rates lower signal loss	Signal integrity	Higher electrical power	Weight saving
				
Compact multiport connectivity combined with “bend-to-the-end” → miniaturisation and design flexibility	Modulating RF signals onto light → higher data rates over longer distances	Compact, highly shielded, multiport connectors → accurate, repeatable product verification	DC charging with cooled cable technology → faster & continuous vehicle charging	Robust, lighter cable design with thin wall insulation → total cost and CO ₂ reduction

Serving a wide range of customers with different approaches to market

Focus on US and EU
Aerospace & Defense,
leveraging all three
technologies



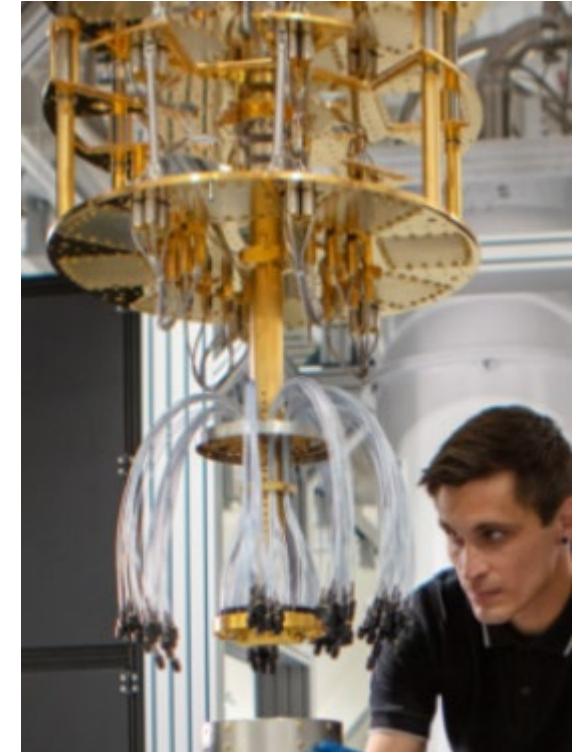
Cover Test & Measurement
OEMs and broad end-users
Opportunities identified in
lab automation



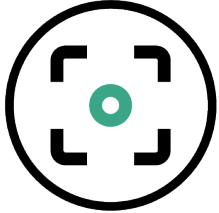
Focused account base in
High Power Charging
Market will come back after
the pitstop



Developing emerging
opportunities in promising
new applications such as
quantum computing

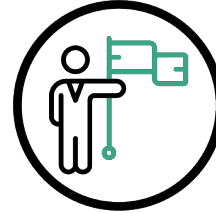


Key take-aways



Early mover in attractive niche markets

- Presence in high-end verticals
- Early in the life-cycle, offering growth potential
- Generating attractive profitability



Working with the market leaders

- Local engineering, fully understanding the customer application
- Innovative solutions with high differentiation
- Keeping HUBER+SUHNER at the forefront of innovation



Managed complexity

- Bundling of all technologies offers cross-selling advantages (radio frequency, low frequency and fiber optic connectivity technologies)
- Professional global sales partner management
- Maintaining economies of scale

Communication

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Our solutions for the Communication market

Data Center

- Structured cabling
- Bandwidth expansion and transceivers
- Optical circuit switching
- Timing synchronisation

CEM Components

- Radio frequency components
- Fiber optic components
- Optical coupling modules for transceivers

Mobile Network

- Timing synchronisation
- Optical circuit switching
- Harsh environment cabling
- Antenna solutions
- Bandwidth expansion and transceivers

Fixed Access Network

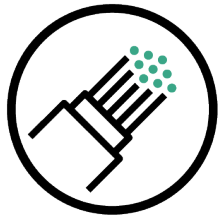
- Outdoor connectivity
- Indoor connectivity
- Bandwidth expansion and transceivers
- Optical circuit switching
- RF video overlay
- Hybrid Fiber Coax solutions

Trends & drivers

Data traffic growth and AI drive communication infrastructure



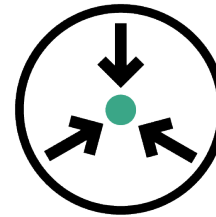
Data traffic growth continues, driven by **video and cloud-based applications** and by broad availability of **affordable 5G handsets** and terminals



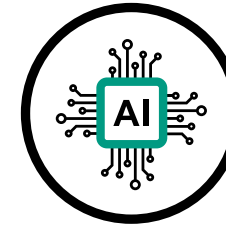
Fiber is a key prerequisite for **data connectivity** and is required for **fixed and wireless** networks



5G evolution will push wireless investments for next years across the globe in consecutive waves with Fixed Wireless Access (**FWA**) as major application



Convergence of IT and networking industries continues with emerging **eco-systems** (O-RAN¹) and **cloud** technologies (C-RAN²)



Artificial Intelligence drives demand for **low latency connectivity** and **fully optical GPU³ networks**



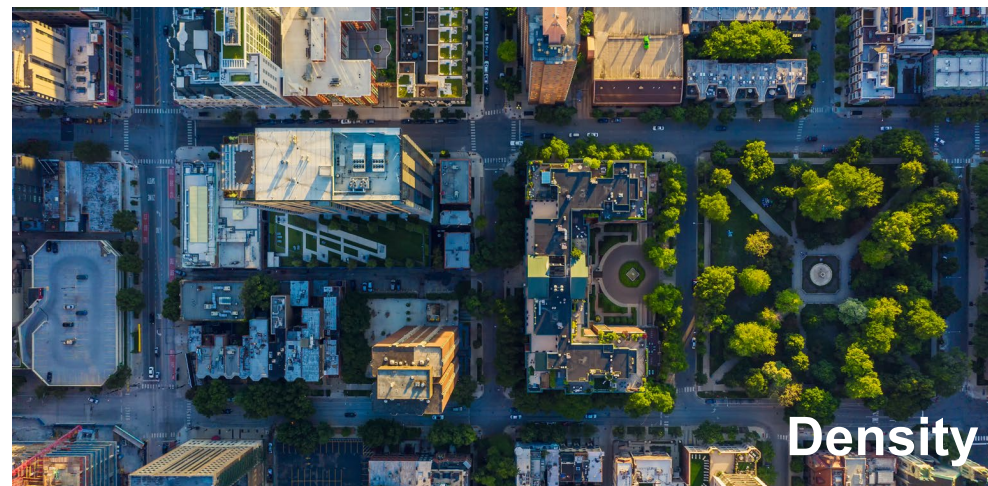
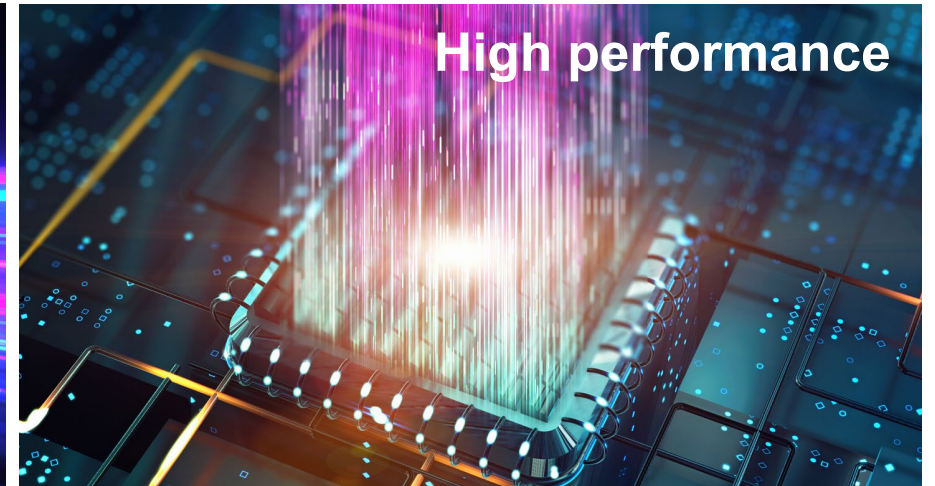
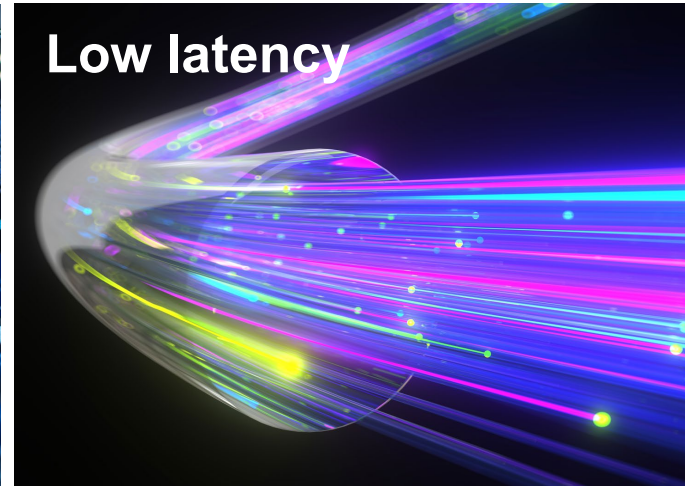
Sustainability and cost efficiency calls for **simplified** data center **architecture** based on **Optical Circuit Switching**

¹ open radio access network

² cloud radio access network

³ Graphics Processing Unit

Key requirements for the physical layer



Strong value propositions for the different applications

Antenna solutions

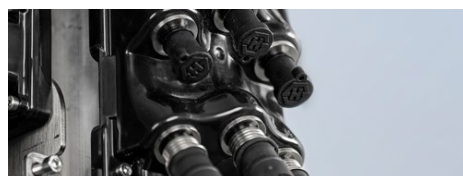


Compact and customisable macro and small cell antenna solutions

Harsh environment connectivity – Fiber optic components, connectors and cable systems



Rugged and integrated connector offering, high variability and reliability



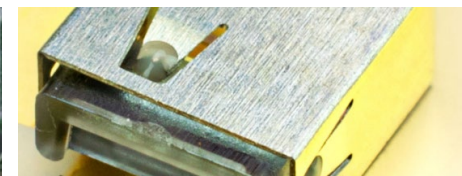
Fast, scalable and modular installation solutions for mobile (F/P/HTTA) and fixed access networks

Radio frequency components



Reliable, miniaturised printed circuit board (PCB) connectivity

Optical coupling modules for transceivers



High-performance optical engines assemblies for chip on board and co-packaged optics transceivers

Bandwidth expansion and transceivers



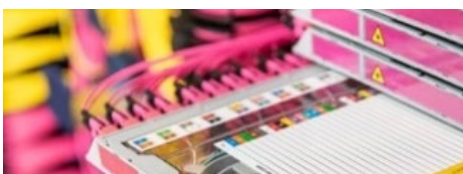
Customised solutions for increased transmission bandwidth from network to cell site

Hybrid Fiber Coax solutions



Strengths in RF and analogue / digital optics - form factor and outdoor fit for low power consumption

Structured cabling



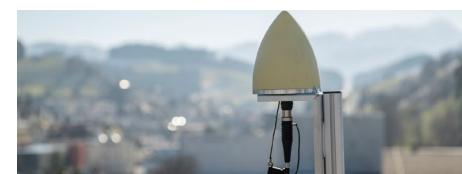
Highly dense, efficient and scalable cable systems and fiber management systems, tailored to customer needs

Optical circuit switching



Automated, remote and secure switching of fiber connections with full signal integrity

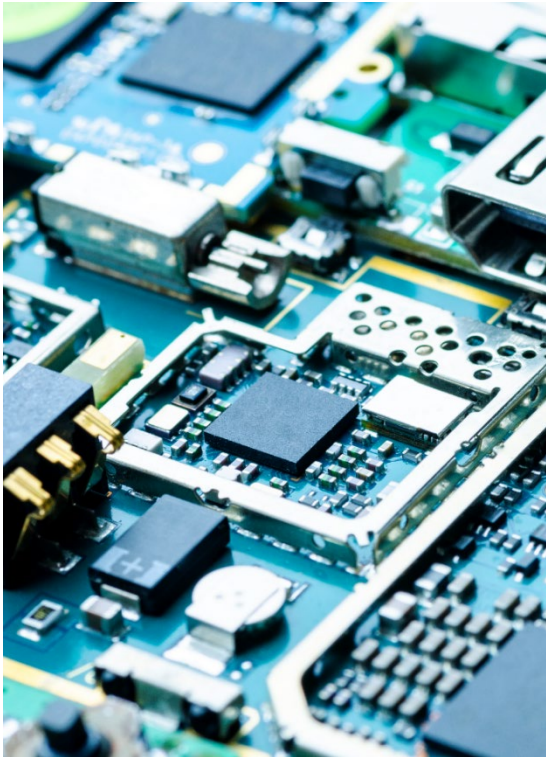
Timing synchronisation



Guaranteed time data transmission powered over fiber

Serving different customer groups with their different business models

**Communication
Equipment
Manufacturer (CEM)**



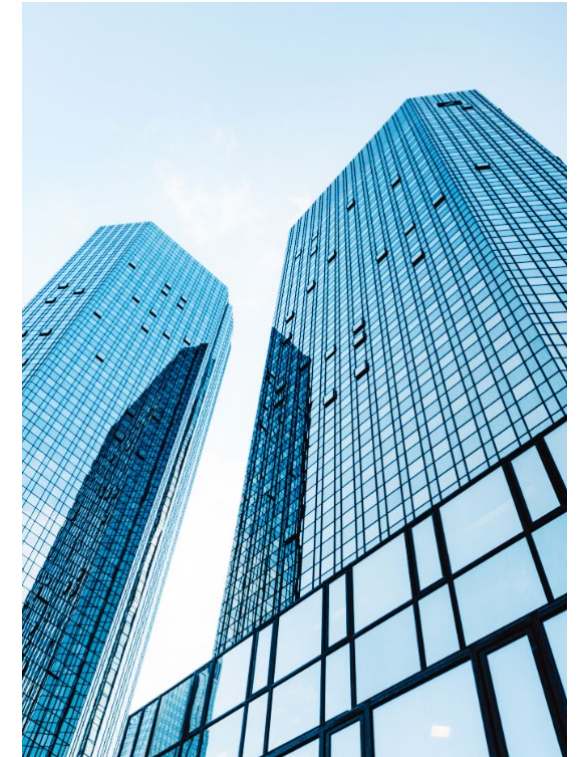
**Telecoms Service
Provider**



Neutral host



Enterprise

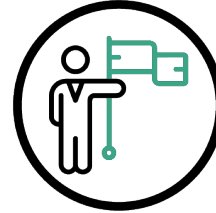


Key take-aways



Favourable market trends

- Megatrends are driving the demand for communication equipment and networks globally
- Evolution of mobile networks infrastructure will extend beyond initial 5G roll-outs
- Artificial Intelligence (AI) drives demand for leading edge optical connectivity technologies



Well positioned

- Differentiated and broad solution offering
- Global access to all communication customer groups
- Strong brand recognition and reputation



Strong execution

- Global production network
- Proven supply chain that is resilient and agile
- Tailor-made end-to-end solutions with unique value propositions

Transportation

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Our solutions for the Transportation market

Rolling Stock

- In-carriage wiring solutions
- Inter-carriage wiring solutions

Rail Communications

- Train-to-ground communication
- Ground communication
- Communication-based train control (CBTC)

Advanced driver assistance system (ADAS)

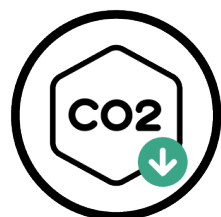
- Wireless communication between vehicles
- V2X (vehicle to X)

Electric Vehicle

- On-board network wiring
- High-voltage power distribution

Trends & drivers

The world of mobility is changing!



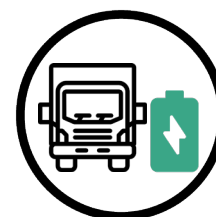
Decarbonisation:
increased
investments into
public
transportation
and infrastructure

Eco-friendliness:
reduce, reuse and
recycle



Urbanisation
fuels build-out of
public
transportation

Cities as
forerunners for
clean vehicles



Electrification
(BEV/FCEV)
adopted by all
types of vehicles

Increasing
voltages: 400V –
800V – 1000V with
high lifetime
expectation



Ubiquitous
wireless train-to-
ground
communication

Means secure
communication
between products,
systems,
equipment and
electricity networks



ADAS pushed by
regulatory
framework

V2X: Future
vehicles are fully
connected and
always online;
software to
become key for
OEM

Customers

Global supplier to all leading OEMs, operators and system integrators

Rolling Stock & Rail Communications



System integrators



Operators

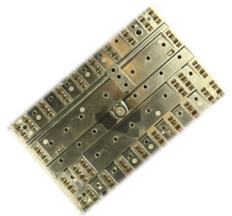
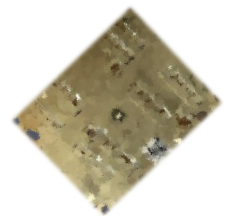
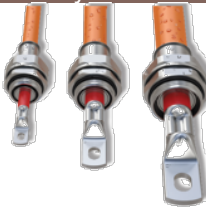
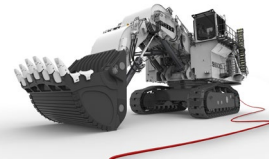


OEMs



Customers

Global supplier to leading Automotive Tier 1 and manufacturers

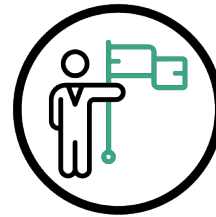
ADAS			EV			
 The Future in Motion  Distance radar antenna 	  Distance radar antenna 	 주식회사 에이치엘클레무브  Distance radar antenna 	  High Voltage Cable System 	  High Voltage Cables 	 Daimler Buses  High Voltage Cable System 	  High Voltage Charging Systems 

Key take-aways



Favourable market trends

-
- Megatrends are driving the demand for communication equipment and networks globally
 - Ecological mobility becomes an even stronger criteria for building the transport systems of the future
 - Electric drive as key technology in the future vehicle market, regardless of vehicle type (battery/hydrogen)



Well positioned

-
- Best in class high-voltage solutions to meet highest temperature, service life, weight and space requirements
 - Differentiation with active rooftop antenna and FO rail communications products for railway OEMs and operators
 - Successful transfer of long-time radio frequency experience into ADAS automotive applications



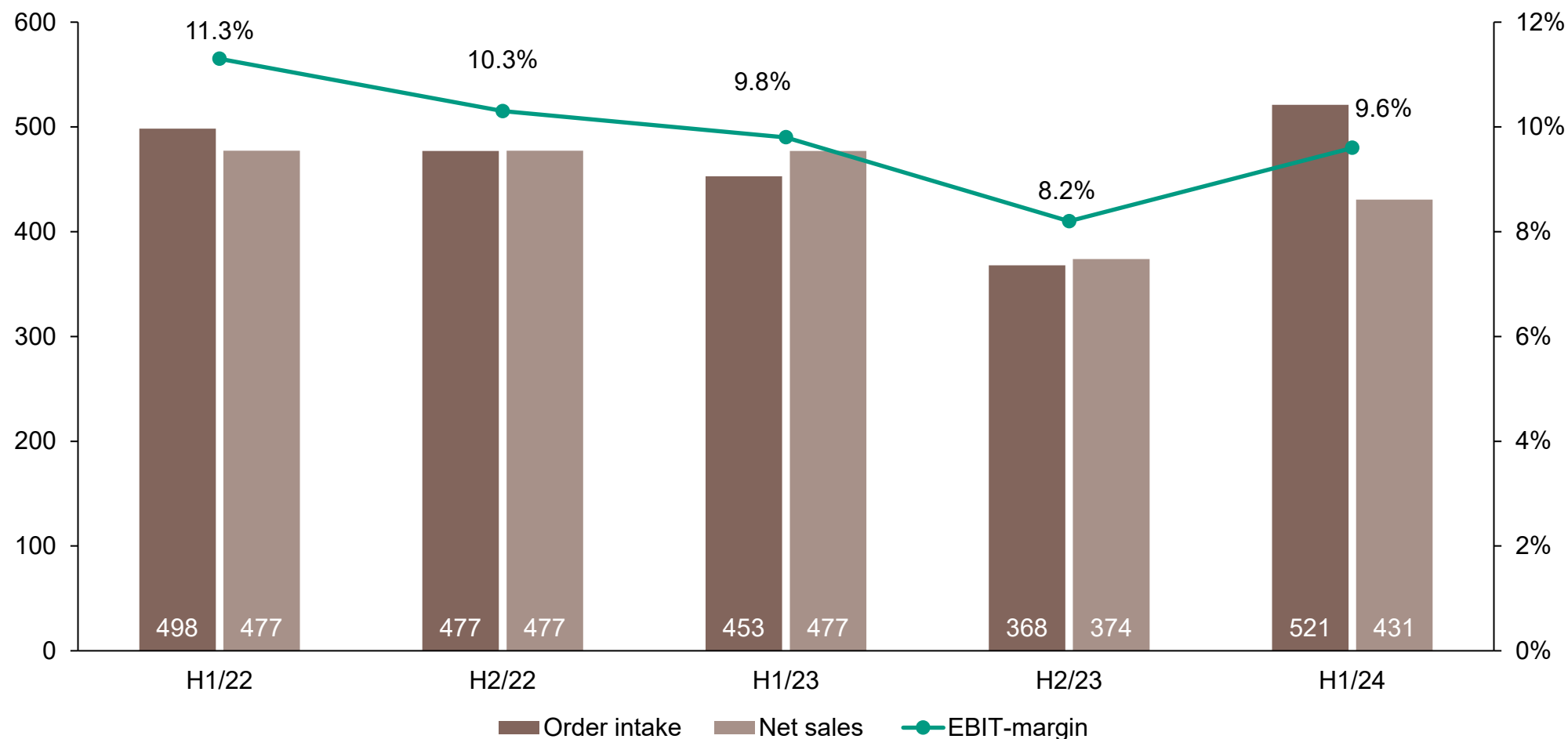
Strong execution

-
- Global production network
 - Proven supply chain that is resilient and agile
 - Experience in highly complex, turn-key systems and solutions
 - Full vertical integration: from in-house development to cost-efficient (mass volume) production

Financial insights Ivo Wechsler, CFO

Highlights from H1/2024 reporting

Turnaround compared to second half of 2023



Highlights from H1/2024 reporting

Good in Industry, improved in Communication, solid in Transportation

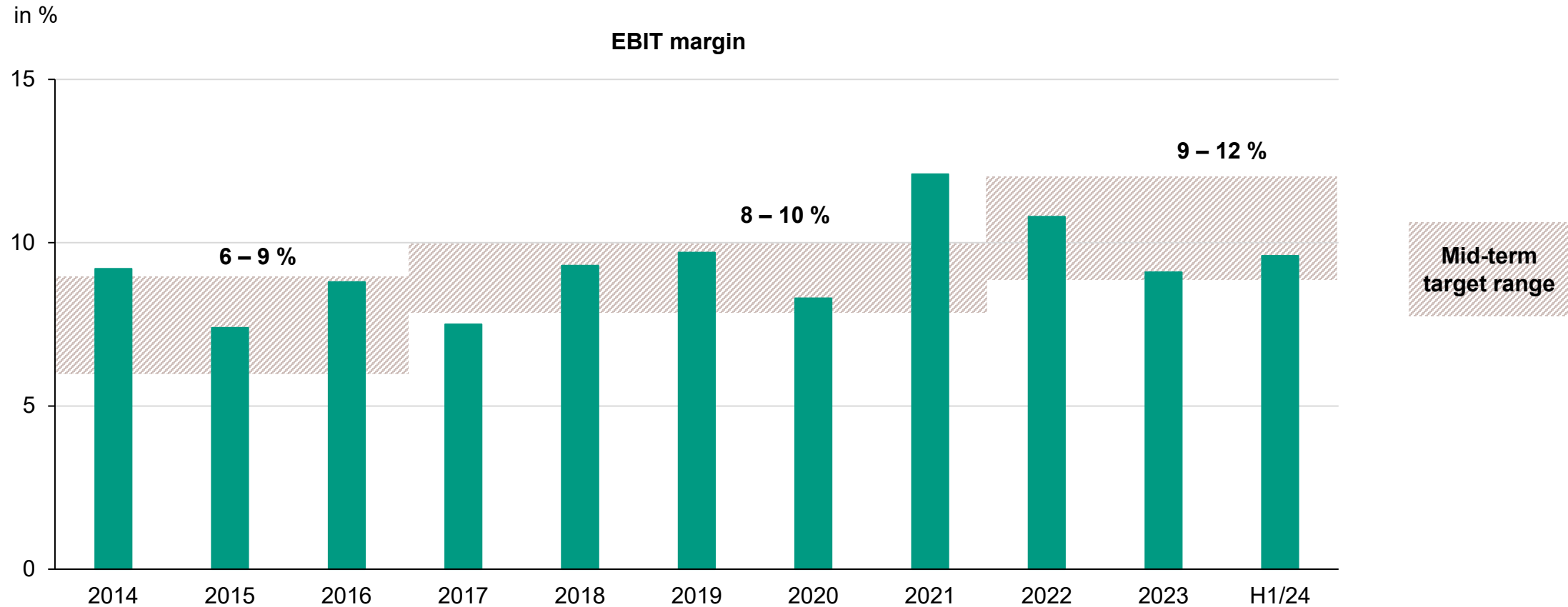
MCHF

	H1/2024	in %	H1/2023	in %
Industry	22.9	17.0	30.2	18.9
Communication	10.4	6.7	6.2	3.7
Transportation	12.4	8.9	15.5	10.5
Corporate	(4.3)		(4.9)	
Total EBIT	41.5	9.6	47.0	9.8

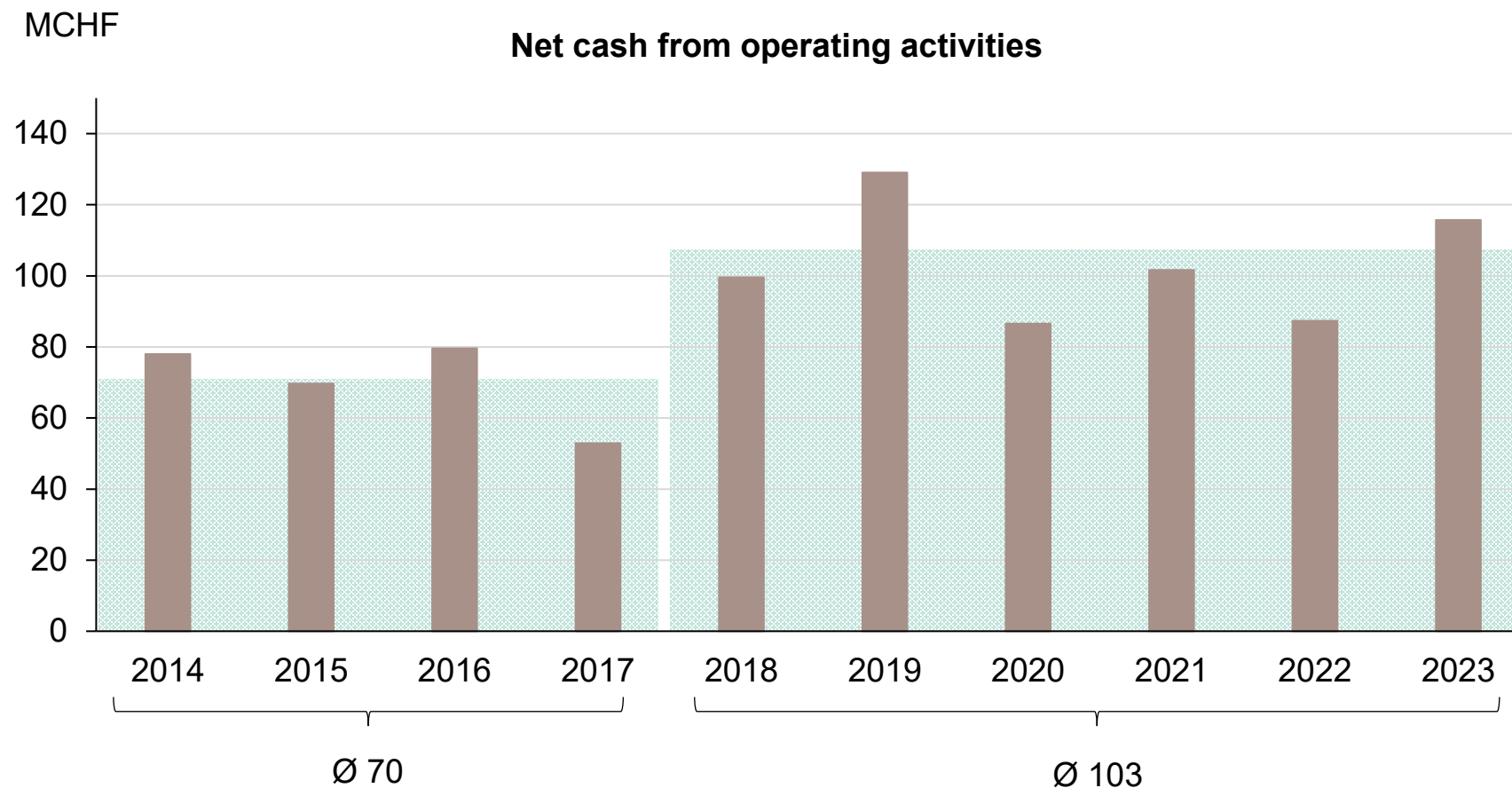
Guidance 2024 and mid-term target

	2024	Mid-term target
Net sales	Organic growth	> CHF 1 billion
EBIT margin	9 – 10.5 %	9 – 12 %

Lifting the operational profitability over the last decade



Improving the cash conversion over the last decade



Significant cash returns to shareholders

Dividend policy

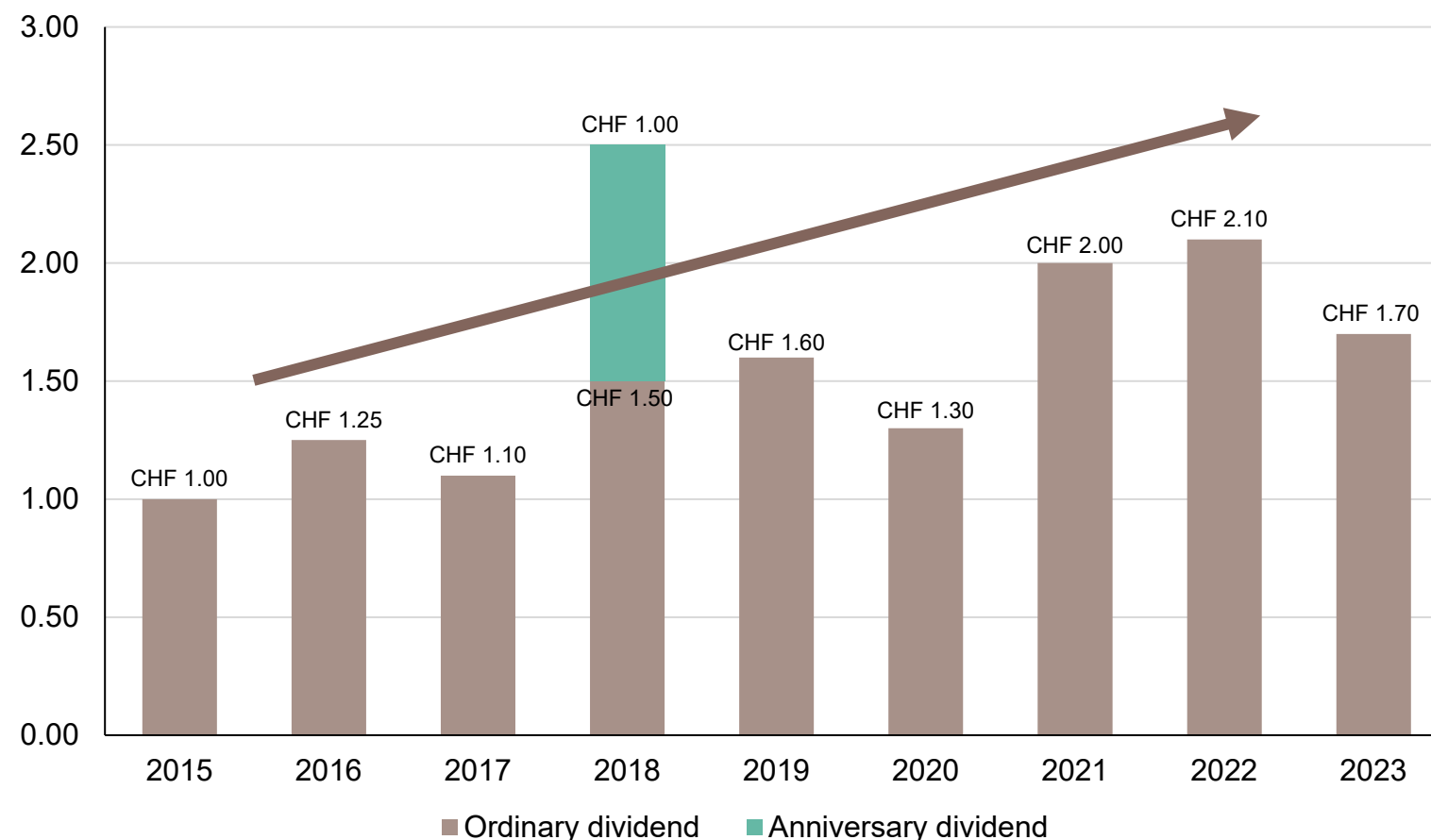
- Profit-oriented: Target pay-out ratio of 40-50 % of net income

Completed share buy back programme

- 5 % of shares (CHF 81 million during 2021-2023)

Excess cash and debt capacity

- Strong (debt free) balance sheet with high equity ratio





Connecting – today and beyond

Disclaimer

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