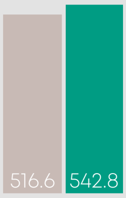
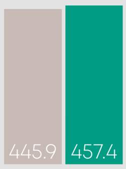
Letter to Shareholders
H1/2026

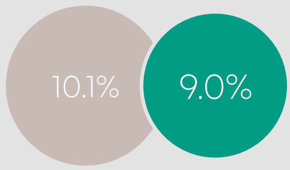
Order intake up 5.1% –
book-to-bill rate of 1.19



Net sales 2.6% above prior-year level, with 6.0% organic growth



EBIT margin lower due to capacity expansion for future growth



Industry segment achieves double-digit growth and increases profit

Profitability in the Communication segment strongly impacted by upfront investments in the OCS business

Transportation segment records improved order intake thanks to growth initiatives

H1/2025 H1/2026 in CHF million

HUBER+SUHNER

HUBER+SUHNER sees continued positive order momentum and invests in future growth

Urs Kaufmann (VRP) and Urs Ryffel (CEO)

The first half of 2026 presented a differentiated market environment. While economic conditions generally remained challenging, with subdued investment activity in some areas, the Industry segment in particular experienced strong demand. Overall, HUBER+SUHNER clearly increased order intake and achieved slightly higher net sales.

Order intake in the first half of the year amounted to CHF 542.8 million, a gain of 5.1% year-over-year. At the end of June, the order backlog stood at a high CHF 516.7 million. The book-to-bill rate was 1.19, compared with 1.16 in the prior-year period. Net sales rose by 2.6% to CHF 457.4 million. Adjusted for currency, copper price and portfolio effects, growth amounted to 6.0%. The EMEA region contributed 60% to overall sales (PY 54%), while Asia-Pacific accounted for 19% (PY 23%) and the Americas for 21% (PY 23%).

Due to substantial upfront investments to expand the development and production capacities for Optical Circuit Switches (OCS), after HUBER+SUHNER had secured significant orders in 2025, operating profit (EBIT) declined by 8.4% to CHF 41.2 million during the reporting period. This corresponds to an EBIT margin of 9.0%, 110 basis points below the prior-year level. Net income decreased by 4.6% to CHF 34.9 million.

Lower earnings and strong investment activity also impacted free operating cash flow, which amounted to CHF -25.2 million. Net liquidity was at CHF 146.1 million.

At the end of June, HUBER+SUHNER had 4'488 employees worldwide (PY 4'058). The majority of the increase compared with the prior-year figure was attributable to higher staffing requirements related to OCS. 1'204 of the company's employees were based in Switzerland (PY 1'173).

Continued strong growth in the Industry segment

The Industry segment built on last year's positive development with even greater momentum. Order intake in the first half of 2026 increased by 41.7% to CHF 241.8 million compared to the prior-year period. Net sales rose by 22.1% to CHF 189.4 million, resulting in a book-to-bill rate of 1.28. The double-digit growth was primarily driven by strong demand in the subsegments Aerospace & Defense, one of HUBER+SUHNER's growth initiatives, and Test & Measurement. Other niche markets also contributed to the strong performance. By contrast, sales in the High Power Charging subsegment were little changed. The EBIT margin in the Industry segment climbed by 270 basis points to 19.6%.

Upfront investments weigh on profitability in the Communication segment

The Communication segment recorded lower business volumes in the first half of 2026. Order intake decreased by 30.0% to CHF 140.0 million compared to the prior-year period, while net sales declined by 14.1% to CHF 132.4 million. The book-to-bill rate amounted to 1.06. The segment continued to be impacted by weaker demand in the Mobile Network and CEM Components subsegments. On the other hand, the large OCS orders from an operator of hyperscaler infrastructures secured in 2025 made a first sales contribution in the Data Center growth initiative. As the expansion of development and production capacities for OCS involves significant upfront investments, the EBIT margin in the Communication segment was negative at -0.8%.

Growth initiatives support order intake in the Transportation segment

The Transportation segment saw higher business volumes in the first half of the year, mainly thanks to the positive development in the Automotive subsegment. After the Electric Vehicle growth initiative had not met expectations in recent years, demand recovered slightly in the reporting period. The Railway subsegment recorded higher order intake thanks to the Rail Communications growth initiative, but sales remained below the prior-year level. Overall, order intake in the segment increased by 10.4% to CHF 161.0 million, while net sales were almost unchanged at CHF 135.6 million. This resulted in a book-to-bill rate of 1.19. The EBIT margin rose by 60 basis points to 9.0%.

Acquisition of Ingun

After the end of the reporting period, HUBER+SUHNER signed an agreement to acquire Ingun, a leading provider of high-precision test and electrical contacting solutions headquartered in Germany. Ingun will add complementary technology to HUBER+SUHNER's test and measurement portfolio, broaden access to existing and adjacent markets, and enhance its end-to-end testing capabilities for high frequency, digital and energy applications. In 2025, Ingun generated sales in the double-digit million range. The transaction is expected to be completed by the end of the third quarter of 2026.

Outlook

HUBER+SUHNER's strategic focus on current megatrends such as artificial intelligence, electrification and security, combined with the strong order backlog at the end of June 2026, provides a promising foundation for the remainder of the year and beyond.

In the Industry segment, the company continues to expect robust demand, particularly in Aerospace & Defense and Test & Measurement. In the Communication segment, conditions in the fixed access and mobile network end markets are likely to remain challenging for the time being. By contrast, the Data Center growth initiative is expected to see a significant increase in sales from the second half of 2026 based on the existing OCS order backlog and the investments already made. In the Transportation segment, the recently improved demand in the Electric Vehicle growth initiative should provide support, while the Railway business is expected to be stable overall – with positive momentum from the Rail Communications growth initiative.

From today's perspective and assuming a significantly better second half of the year, HUBER+SUHNER continues to aim for organic sales growth of at least 10% for 2026. The company still expects to reach an EBIT margin of between 10.5% and 12.0%, corresponding to the upper half of the medium-term target range of 9–12%. The guidance assumes that key influencing factors such as inflation, exchange rates, economic developments, and geopolitical conflicts do not excessively impact business performance.

Urs Kaufmann	Urs Ryffel
Chairman of the Board of Directors	Chief Executive Officer

Key figures H1/2026

Group in CHF million	**January–June 2026**	**January–June 2025**	**Change**
Order intake	542.8	516.6	5.1%
Order backlog as of 30.6.	516.7	342.1	51.0%
Net sales	457.4	445.9	2.6%
Gross margin	36.6%	37.7%	
EBITDA	61.8	63.8	(3.2%)
as % of net sales	13.5%	14.3%	
EBIT	41.2	45.0	(8.4%)
as % of net sales	9.0%	10.1%	
Financial result	(0.4)	(0.9)	n/m
Net income	34.9	36.6	(4.6%)
as % of net sales	7.6%	8.2%	
Purchases of PP&E and intangible assets	27.2	24.9	9.2%
Cash flow from operating activities	2.9	63.3	(95.5%)
Free operating cash flow	(25.2)	35.3	(171.3%)
Net liquidity as of 30.6.	146.1	178.1	(18.0%)
Return on invested capital (ROIC) in %	15.1%	16.9%	
Equity as of 30.6.	671.6	639.2	5.1%
as % of balance sheet total	74.0%	76.2%	
Employees as of 30.6.	4'488	4'058	10.6%

Data per share in CHF	**January–June 2026**	**January–June 2025**	**Change**
Stock market price as of 30.6.	223.00	88.60	151.7%
Net income	1.88	1.97	(4.3%)

Segment information in CHF million		**January–June 2026**	**January–June 2025**	**Change**
Industry	Order intake	241.8	170.7	41.7%
	Net sales	189.4	155.1	22.1%
	EBIT	37.1	26.2	41.4%
	as % of net sales	19.6%	16.9%	
Communication	Order intake	140.0	200.2	(30.0%)
	Net sales	132.4	154.1	(14.1%)
	EBIT	(1.0)	12.3	(108.2%)
	as % of net sales	(0.8%)	8.0%	
Transportation	Order intake	161.0	145.8	10.4%
	Net sales	135.6	136.8	(0.9%)
	EBIT	12.2	11.5	6.3%
	as % of net sales	9.0%	8.4%	

n/m = not meaningful

Alternative Performance Measures (APM) are key figures not defined by Swiss GAAP FER. HUBER+SUHNER uses APM as guidance parameters for both internal and external reporting to stakeholders. For the definition of APM, please visit www.hubersuhner.com/en/company/investors/publications.

Financial calendar

Capital Market Day 2026 (Pfäffikon ZH)	18.09.2026	Annual Report 2026	16.03.2027
Order intake/net sales 2026 (9 months)	20.10.2026	Media and analyst conference / Webcast	16.03.2027
Order intake/net sales 2026 (12 months)	21.01.2027	Annual General Meeting (Rapperswil SG)	07.04.2027

Figures are available online at www.hubersuhner.com/en/company/investors/publications.
This letter to shareholders is also available in German. The German version is binding.

Photo: HUBER+SUHNER