

HUBER+SUHNER: A major project coming to an end and a weaker railway market in China result, as expected, in a lower business volume after nine months

Percentage decline in order intake and net sales unchanged compared to first half year – Europe showing strong growth, declining sales in Asia – Significant increase in the industrial market – Double-digit plus in net sales in the Radio Frequency technology segment – Outlook confirmed

Order intake and net sales after nine months

MCHF	2019	2018	Change in %
Order intake Group	629.1	722.8	-13
Radio Frequency technology segment	212.2	204.0	4
Fiber Optics technology segment	213.9	281.3	-24
Low Frequency technology segment	203.1	237.4	-14
Net sales Group	648.7	685.4	-5
Radio Frequency technology segment	214.6	193.0	11
Fiber Optics technology segment	224.3	268.6	-16
Low Frequency technology segment	209.9	223.8	-6

As expected, the first nine months of the year were marked by slower growth in the Chinese railway market and by a major project coming to an end. In addition, in the global supply chains some inventories were high due to the tight supply situation for certain materials in the previous year and were increasingly worked down.

The order intake of CHF 629.1 million after nine months was 13 % down on the previous year, and net sales decreased by 5 % to CHF 648.7 million. The percentage decline was thus at the same level as at the end of the first half year. Adjusted for currency, portfolio and copper effects, the decline in net sales compared with the same period last year was 3.5 %.

A nine-month analysis of main markets also reveals that the picture has barely changed compared with the development in the first half of the year. The shortfall in net sales in the communications and transportation markets was partially offset by significant growth in the industrial market due to gains in market share.

Radio Frequency grows unabated

After nine months, the Radio Frequency technology segment recorded a double-digit plus in net sales compared to the prior-year period, which had already been strong. Successes with new projects in the submarkets aerospace and defense as well as in test and measurement were the main drivers for this positive development. Additions to the portfolio through acquisitions in the area of antennas for railway and buses, as well as for safety-related communication were successfully completed.

Fiber Optics with expected decline as a result of a major project coming to an end

The change in order intake and net sales in the Fiber Optics technology segment was mainly attributable to a major project in India that had already generated lower volume in the first half of the year. As reported, the contract for the acquisition of the Bktel Group was signed on 30 September 2019. This acquisition will significantly strengthen the position of HUBER+SUHNER in the core market WAN / Access networks and enable the company to offer these customers complete network solutions consisting of active and passive components from a single source in the future. The acquisition is expected to be completed this December, contingent upon the approval of the German Federal Cartel Office.

Low Frequency experiences a weaker railway market in China and exploits opportunities in electromobility

In the Low Frequency technology segment, volumes in the railway submarket did not reach the very high levels of the prior-year period. Lower demand was particularly noticeable in the Chinese railway market. However, the many project tenders on a global level indicate that the medium-term market prospects remain positive. HUBER+SUHNER achieved significant growth with fast-charging systems for electric vehicles (RADOX® HPC), mainly for the North American market.

Outlook confirmed

For 2019 as a whole, the outlook communicated at the end of the first half of the year is confirmed, i.e. HUBER+SUHNER expects a decline in net sales by a mid-single-digit percentage compared to the previous year and an EBIT margin in the upper half of the medium-term target range of 8 – 10 %.

This media release is also available on the website under Company/Media.

HUBER+SUHNER Group

HUBER+SUHNER, based in Switzerland, is a globally active developer and supplier of components and system solutions for electrical and optical connectivity. Through its production of cables, connectors and systems in the three key technologies of radio frequency, fiber optics and low frequency, the company serves three markets: Communications, Transportation and Industrial. Its products excel in terms of their excellent performance, quality, reliability and durability, even in challenging conditions. HUBER+SUHNER has a global production network and provides local customer support via branch offices and representatives in over 80 countries. For more information on the company, visit hubersuhner.com.

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