

HUBER+SUHNER: Net sales grows significantly in the first half year 2016 – pleasing development of profitability

Key figures in CHF million	H1 2016	H1 2015	Change in %
Group			
Order intake	388.4	356.3	9.0
Net sales	381.2	356.1	7.1
EBIT	38.4	23.3	65.2
in % of net sales	10.1	6.5	
Net income	29.9	6.1	392.2
in % of net sales	7.9	1.7	
Free operating cash flow	-3.2	12.1	n/a
Radio Frequency division			
Order intake	113.0	97.8	15.5
Net sales	110.3	103.5	6.5
EBIT	14.0	8.8	57.7
in % of net sales	12.7	8.5	
Fiber Optics division			
Order intake	170.2	137.5	23.8
Net sales	157.7	138.9	13.5
EBIT	21.4	14.4	48.3
in % of net sales	13.5	10.4	
Low Frequency division			
Order intake	105.2	121.0	-13.1
Net sales	113.2	113.7	-0.4
EBIT	6.6	3.6	81.7
in % of net sales	5.9	3.2	

HUBER+SUHNER recorded a dynamic first half year. In organic terms, all three divisions achieved higher net sales than in the previous year and increased earning power. Order intake reached CHF 388.4 million (+9.0 %), while net sales grew to CHF 381.2 million (+7.1 %). In organic terms, i.e. excluding currency and copper effects (+0.6 %) as well as portfolio effects (-0.2 %), growth in net sales amounted to 6.6%.

The development in profitability was particularly encouraging. The EBIT increased significantly to CHF 38.4 million (+65.2 %). The EBIT margin of 10.1 % (previous year 6.5 %) exceeded the medium term target range of 6-9 %. Net income rose markedly from CHF 6.1 million to CHF 29.9 million.

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Double-digit growth in net sales in Communication, Transportation and Industrial slightly above the previous year's level

The most important growth stimuli in Communication were generated by sustained success in India, positive development of business with large-scale communications equipment manufacturers and by the Cube Optics business unit. In overall terms, net sales in the Communication market saw double-digit growth (+12.5 %).

Net sales in Transportation were 3.2 % above those recorded in the previous year. Here the slight shortfall in net sales in the railway business was more than offset by attractive growth in the automotive business. Net sales in the industrial high-tech niches remained virtually constant (+0.6 %). Taking into consideration the portfolio effect generated by the sale of the Composites business unit in 2015, net sales in the Industrial market also grew by 2.2 %.

Radio Frequency records double-digit EBIT margin

The Radio Frequency division returned to a path of growth. Here the most important stimuli were likewise generated by the mobile communication business. In the high-tech niches, Astrolab recorded significant growth and was included in the specifications for various new customer projects in the Aerospace+Defense market segment. Net sales amounted to CHF 110.3 million (+6.5 %); order intake rose by as much as 15.5 % to CHF 113.0 million. The EBIT climbed to CHF 14.0 million (+57.7 %), corresponding to an encouraging EBIT margin of 12.7 %.

Fiber Optics once again sees record figures

The boom in Fiber Optics continued in the first half year of 2016. The LTE roll-outs continued to develop very positively in various countries. The business volume also increased in Industrial Applications. Cube Optics continued to demonstrate very dynamic growth, especially in the business with transceiver manufacturers.

The acquisition of the Polatis company in June 2016 generates new prospects. The leading technology in the field of optical switches offers great potential in the medium term for more efficient data management in data centers and in telecommunication networks. The Fiber Optics division achieved a further net sales record in the first half year with CHF 157.7 million (+13.5 %). Order intake increased even more markedly with a plus of 23.8 % compared with the previous year and amounted to CHF 170.2 million. Earning power rose significantly with an EBIT of CHF 21.4 million (+48.3 %) and an EBIT margin of 13.5 %.

Low Frequency boosts earning power

After a difficult previous year, the focus in Low Frequency was clearly on improving profitability. Progress has been considerable: the EBIT increased by 81.7 % to CHF 6.6 million; the EBIT margin reached 5.9 %. Overall, net sales remained stable at CHF 113.2 million (-0.4 %). By contrast, net sales rose by 3.9 %. Compared with the previous year order intake fell by 13.1 % to CHF 105.2 million. In particular, new orders in the field of Transportation in the European region weakened.

Outlook

HUBER+SUHNER anticipates continued positive development in the second half year of 2016. Despite the seasonal factors, which generally slightly lower the business volume during the second half year, HUBER+SUHNER expects to see growth in net sales compared with 2015 of at least 5 %, provided that the currency situation remains unchanged. The EBIT margin for 2016 as a whole will also probably slightly exceed the medium term target range of 6-9 %.

Media release



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This media release and the detailed half year results 2016 are also available on the website below
Company/Media.

HUBER+SUHNER Group

HUBER+SUHNER is a global company with headquarters in Switzerland which develops and manufactures components and system solutions for electrical and optical connectivity. With cables, connectors and systems – developed from the three core technologies of radio frequency, fiber optics and low frequency – the company serves customers in the communication, transportation and industrial sectors. The products deliver high performance, quality, reliability and long life – even under harsh environment conditions. Our global production network, combined with group companies and agencies in over 60 countries, puts HUBER+SUHNER close to its customers. Further information on the company can be found at www.hubersuhner.com.