

## HUBER+SUHNER with a rise in net sales and with a significant increase in order intake after nine months

### Order intake and net sales after nine months

in CHF million	2017	2016	Change in %
<b>Order intake</b>	<b>623.6</b>	<b>567.8</b>	<b>10</b>
Radio Frequency division	180.3	168.0	7
Fiber Optics division	263.7	246.2	7
Low Frequency division	179.6	153.6	17
<b>Net sales</b>	<b>588.3</b>	<b>558.8</b>	<b>5</b>
Radio Frequency division	173.1	163.8	6
Fiber Optics division	252.4	230.0	10
Low Frequency division	162.9	165.0	-1

**In the first nine months, HUBER+SUHNER reported CHF 623.6 million order intake, which represents an increase of 10 % on the same period last year. Net sales rose to CHF 588.3 million (+5 %) over the same period. Organically, i.e. adjusted for portfolio, currency and copper effects, net sales rose at 3.3 %.**

In the third quarter, the volume of business (order intake of CHF 198.5 million, net sales of CHF 177.6 million) did not keep pace with the dynamic first half of the year, although this was as expected. However, order intake for all three markets, i.e. Communication, Transportation and Industrial, showed growth year-on-year for the third quarter. The Communication market has developed heterogeneously: While there has been growth in business with mobile operators and with data centers, there has also been a sharp drop in orders from communication equipment manufacturers. Demand in the Transportation market has been brisk, especially from rail customers in the Asian region, with signs of re-emergence already since this spring. The Industrial market also contributed towards the overall positive trend.

In terms of net sales, the third quarter was at the previous year's level. While the Low Frequency division developed better and the Radio Frequency division continued to perform well, the Fiber Optics division experienced a significant drop in net sales from wavelength-division multiplexer products (WDM). This was due to market and supply chain effects with 100 Gigabit/s Ethernet CFP transceivers that caused WDM product sales to collapse by over a half.

The sale of the build-to-print harnessing business in the European railway market, which was announced as part of a strategic streamlining in July 2017, was concluded.

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### **Radio Frequency remains on a growth path**

The Radio Frequency division grew in the third quarter again compared to the previous year period. In a year-on-year comparison for the nine month period, it saw a rise of 7 % in order intake and of 6 % in net sales.

### **Fiber Optics with slower growth**

The Fiber Optics division saw a rise in order intake in the third quarter compared to the previous year period, whereas net sales fell. After nine months, order intake was up 7 %, and net sales were 10 % higher than they had been in the previous year period.

### **Low Frequency recovery continues**

Following on from a sharp rise in the Transportation market in the third quarter, order intake in the Low Frequency division was up 17 % on the first nine months of last year. This positive development also led to a marked improvement in net sales – they were only down 1 % on the same period last year.

### **Outlook**

HUBER+SUHNER assumes that net sales and profitability will be stable in the Radio Frequency division and that the recovery in the Low Frequency division will continue.

In the Fiber Optics division, the 100 Gigabit/s Ethernet CFP transceiver market volume with WDM components is expected to be substantially lower. Furthermore, there is sustained pressure on pricing in large projects in the Communication market. Therefore, profitability in Fiber Optics, the largest of the divisions, is temporarily not set to match the figures from previous years. The shift in the business mix towards orders with more advantageous margins will be pushed decisively and will bear fruit in the medium term. The temporary slowdown in the Fiber Optics division does not change the very positive outlook for the fiber optics market.

HUBER+SUHNER expects to see growth in net sales of around 4 % in 2017 compared to the previous year, with a comparable currency situation. In view of the much lower volume of business in the Fiber Optics division compared to the first half of the year, HUBER+SUHNER from today's perspective assumes an EBIT margin of at least 7 % for the full-year 2017.

Since the beginning of 2017 the consolidated financial statements have been prepared in accordance with Swiss GAAP FER.

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

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#### **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 [.hubersuhner.com](http://hubersuhner.com).