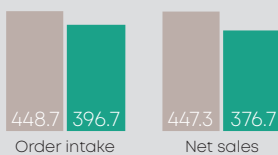


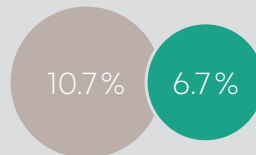
Letter to Shareholders

H1/2020

Order intake and net sales down compared to strong prior-year period



Solid EBIT margin of 6.7% despite challenging environment



Measures to reduce costs are showing results at EBIT level

Sustained clear double-digit EBIT margin in Radio Frequency, upward trend for Fiber Optics temporarily halted, solid results for Low Frequency

Growth initiatives comparatively less affected by decline in demand

Home working and accelerated digitalisation provide a successful response to lockdown in many countries

■ H1/2019 ■ H1/2020 in CHF million

Solid half-year results in a difficult environment



Urs Ryffel (CEO) and Urs Kaufmann (Chairman)

HUBER+SUHNER experienced an eventful first half of 2020. Against the backdrop of the ubiquitous coronavirus pandemic and its impact on the global economy, the company still achieved a solid result with an EBIT margin of 6.7% (prior-year period 10.7%) and operating profit of CHF 25.1 million (prior-year period CHF 47.8 million). At CHF 396.7 million, order intake was 11.6% below the figure for the strong prior-year period. Compared to the second half of the previous year, however, a positive development was achieved.

The measures taken by governments in the sales regions to contain the coronavirus significantly impacted economic activity in the reporting period. As the outbreak progressively evolved into a pandemic, most HUBER+SUHNER sites were also affected by temporary closures. As the entire supply industry was impacted to at least the same extent, the focus on the procurement side was on ensuring the supply of important materials and components. In addition, transport capacities were either completely lost or were in short supply and traded at many times normal tariffs. Maintaining global supply chains thus became the company's most important task in order to guarantee maximum availability of products to customers.

Through intensive communication with customers, prudent planning, close cooperation with the supplier network and the temporary relocation of individual product lines within the worldwide production network, the company succeeded in maintaining supply capability high throughout the entire period despite the restrictions. A big thank you goes out to all employees for their extraordinary commitment during this challenging time. This resulted in net sales of CHF 376.7 million, a decline of 15.8%, whereby the strong prior-year period (CHF 447.3 million) had again included a significant portion of the major project with Samsung on the Indian subcontinent. Adjusted for currency, copper and portfolio effects, the shortfall in net sales amounted to 15.0%. The book-to-bill rate reached 1.05 (prior-year period 1.0). The share of net sales by

main region shifted to Europe: EMEA accounted for 55% (prior-year period 48%), APAC 27% (prior-year period 31%) and the Americas 18% (prior-year period 21%). Headcount increased to 4,860 (prior-year period 4,665) primarily as a result of the acquisition of BKtel at the end of 2019 and a temporary relocation of activities to the plant in China in the second quarter.

Lively bidding activity in many submarkets – systemic importance of connectivity in crisis

All three of the main markets, communication (–18.6%), transportation (–14.9%) and industrial (–12.7%), were equally affected by the decline in net sales, with the result that their respective net sales shares remained virtually unchanged. The company actually recorded an increase in bidding activity in the reporting period. This was despite the fact that, due to the pandemic and imposed lockdowns, customer communication was exclusively via digital media. Unpredictability on the market development, however, resulted in greater restraint and caution on the part of customers in the awarding of new orders.

For HUBER+SUHNER, the industrial production closures imposed in some countries were usually of comparatively short duration. Public authorities in the various countries rated connectivity solutions as systemically important in terms of national digital security. Communication solutions, for instance, have become an essential part of a powerful infrastructure for dependable data transmission. Afforded similar importance were the availability of security solutions in industrial applications and the advancement of electro-mobility as the transport concept of the future.

These assessments prove once again that HUBER+SUHNER is focusing its products and solutions on applications that are promising for the future.

Continued clear double-digit EBIT margin for Radio Frequency

The Radio Frequency technology segment, marked by strong growth in previous years, could not fully escape the negative effects of the coronavirus crisis. Order intake amounted to CHF 130.9 million, which was 14.2% below the prior-year figure. The industrial submarkets of aerospace and defense as well as test and measurement fared comparatively well. Radio Frequency recorded a significant decline in net sales to CHF 121.3 million (–17.9%). The reported EBIT of CHF 15.0 million equates to an EBIT margin of 12.4%.

Temporarily halted upward trend for Fiber Optics

With an order intake of CHF 151.1 million, the Fiber Optics technology segment was on a par with the prior-year figure (CHF 150.3 million), although this figure was achieved without the acquired BKtel (WAN / Access networks). Net sales of

CHF 138.8 million were 11.9% below the prior-year figure. The Covid-19 measures in several regions prompted a slowdown of the mobile network (cell site) expansion to the 5G standard, while demand for data center solutions remained at a good level. The overall lower volume had a negative impact on the results of Fiber Optics, with reported EBIT of CHF 4.4 million, and an EBIT margin of 3.1%.

Low Frequency achieves solid result

In the Low Frequency technology segment, order intake declined significantly to CHF 114.7 million (-21.3%) compared to the prior-year period. Although bidding activity was extremely dynamic in both the railway and automotive submarkets, the awarding of contracts was sluggish in the first half of the year. The automotive submarket also developed negatively overall; the doubling of sales for electric vehicles did not compensate for the decline in conventional automotive business. Business with high-power charging systems developed well. With the newly launched RADOX® HPC500 and the uncooled RADOX® HPC200, the market leadership was further consolidated with the first design-ins. Net sales of Low Frequency amounted to CHF 116.6 million (-17.9%), while EBIT stood at CHF 7.9 million, corresponding to an EBIT margin of 6.8%.

Home working and accelerated digitalisation provided a successful response to lockdown, measures to reduce costs are showing results

The company reacted immediately to the extraordinary situation in the reporting period with far-reaching measures. These included, among other things, the stringent implementation of the hygiene and protection concept worldwide, which kept the number of employees tested positive for Covid-19 very low. In addition, administrative activities

were relocated to employees' home offices. Virtually overnight, new conditions were defined for a large section of the workforce, which called for a high degree of flexibility on all sides. The organisation proved itself capable of making effective use of the accelerated digitalisation of the workplace. Strict cost management was implemented early on. Due to the more noticeable impact of Covid-19 on the course of business from the second quarter onwards, short-time working was introduced in countries where this instrument was available. The members of the Board of Directors, Executive Group Management and senior management levels worldwide are making a solidarity-based contribution by temporarily waiving part of their fixed compensation.

Outlook

HUBER+SUHNER suspended its guidance for 2020 due to the unforeseeable developments following the coronavirus outbreak. With its focus on promising growth markets in communication, transportation and industrial, the company is well equipped to leverage its very strong positioning once the market weakness subsides. However, the uncertainties remain considerable. From today's perspective and provided that there are no further lockdown measures in key sales regions, the company expects sales in the second half of the year to be of a similar magnitude as in the first half. HUBER+SUHNER expects the EBIT margin for the full year to remain at least at the same level as in the reporting period.



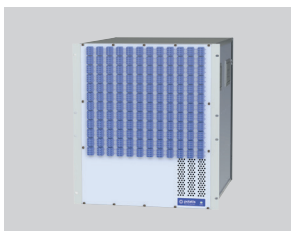
Urs Kaufmann
Chairman of the Board of Directors



Urs Ryffel
CEO

Milestones

Communication
Optical switches



POLATIS high-radix switches help cloud service providers build energy-efficient next generation optical networks

Transportation
Railway



Framework agreement with Bombardier Transportation to supply RADOX® cables extended by five years – 25 years of cooperation

Industrial
High-power charging system



World first for new RADOX® HPC500, which allows continuous charging with currents of 500 A

Communication
WAN / Access networks



RF Video Overlay: unrestricted transmission quality for television and simultaneous home working

Key figures H1/2020

Group in CHF million	January–June 2020	January–June 2019	Change	
Order intake	396.7	448.7	(11.6%)	
Order backlog as of 30.6.	204.9	235.1	(12.9%)	
Net sales	376.7	447.3	(15.8%)	
Gross margin	34.8%	37.2%		
EBITDA	39.2	63.3	(38.1%)	
as% of net sales	10.4%	14.2%		
EBIT	25.1	47.8	(47.5%)	
as% of net sales	6.7%	10.7%		
Financial result	0.1	(0.6)	n/m	
Net income	19.9	37.4	(46.8%)	
as% of net sales	5.3%	8.4%		
Purchases of PP&E and intangible assets	17.9	15.5	15.0%	
Cash flow from operating activities	5.0	33.9	(85.3%)	
Free operating cash flow	(12.0)	18.1	n/m	
Net liquidity as of 30.6.	141.6	166.9	(15.2%)	
Equity as of 30.6.	559.0	604.6	(7.5%)	
as% of balance sheet total	76.3%	77.9%		
Employees as of 30.6.	4 860	4 665	4.2%	
Data per share in CHF	January–June 2020	January–June 2019	Change	
Stock market price as of 30.6.	66.60	82.20	(19.0%)	
Net income	1.02	1.92	(47.1%)	
Segment information in CHF million	January–June 2020	January–June 2019	Change	
Radio Frequency	Order intake	130.9	152.6	(14.2%)
	Net sales	121.3	147.8	(17.9%)
	EBIT	15.0	27.0	(44.4%)
	as % of net sales	12.4%	18.3%	
Fiber Optics	Order intake	151.1	150.3	0.5%
	Net sales	138.8	157.5	(11.9%)
	EBIT	4.4	12.3	(64.4%)
	as % of net sales	3.1%	7.8%	
Low Frequency	Order intake	114.7	145.8	(21.3%)
	Net sales	116.6	142.0	(17.9%)
	EBIT	7.9	12.6	(37.1%)
	as % of net sales	6.8%	8.8%	

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

Net sales / Order intake (9 months)	22.10.2020	Annual report 2020	09.03.2021
Net sales / Order intake 2020	22.01.2021	Media and analysts' conference	09.03.2021
		Annual General Meeting	31.03.2021

Detailed 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.