

HUBER+SUHNER to introduce further measures in connection with Covid-19

The global spread of Covid-19 into a pandemic and the resulting countermeasures taken by governments have been having a noticeable impact on demand at HUBER+SUHNER for several weeks. The company is implementing further measures as a result of these changed conditions. The guidance for the 2020 financial year has been suspended.

As had already been reported at the media and analysts' conference on the annual results, the beginning of 2020 was characterised by a lower volume of business in the important production and sales region of North Asia due to the outbreak of SARS-CoV-2 in China. Business in China subsequently recovered quickly and has been at a good level ever since. Due to the fact that Covid-19 has meanwhile spread around the world, other important sales regions and plants of HUBER+SUHNER are now affected.

Production and procurement secured worldwide

Production at the Swiss plants could be maintained at all times with operational adjustments and by observing hygiene and physical distancing rules consistently. Operations at the production facilities in other countries were affected in part by temporary interruptions. At all locations, production was able to resume after a short time, albeit with partially reduced capacity. After the safety of its employees, the primary objective of HUBER+SUHNER is to continue to maintain its high delivery capacity.

On the procurement side, proactive measures have largely ensured security of supply of important materials and components.

Temporary adjustment of capacities and wage reduction by management

As a result of the measures taken by governments in most sales regions, customer call-offs have fallen noticeably in recent weeks. HUBER+SUHNER is currently assuming that it will take several weeks before demand recovers fully. With this in mind, and in order to counteract the effects that are expected, the company is adjusting capacities to reflect the new circumstances. After having primarily reduced holidays and existing time balances so far, HUBER+SUHNER is planning to introduce short-time working in Switzerland and in some other countries from May onwards. Production facilities are to be exempted from this as far as possible.

The members of the Board of Directors, Executive Group Management and senior management worldwide will temporarily waive 10 % of their fixed compensation. They are thus making their contribution in this extraordinary situation, as are the employees affected by short-time working.

Well prepared in the short term, very well positioned in the medium term

With a very strong balance sheet including high net liquidity, and its focus on promising growth markets in communication, transportation and industrial, HUBER+SUHNER is well prepared to weather even a temporary downturn in the market. With its solutions and products, the company has a presence in applications that are important and, as the current situation shows, that are system-critical. The distortions in the markets due to Covid-19 are indeed considerable. However, HUBER+SUHNER is convinced that the effects are temporary and that the company is very well positioned to benefit from the medium-term increase in volumes.

Waiver of outlook for 2020

HUBER+SUHNER already refrained from issuing an outlook for net sales in 2020 in mid-March. The current overall conditions and the associated uncertainties mean that the company has decided not to issue an outlook at this point in time and is suspending its guidance for the 2020 financial year.

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 longevity, 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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