

Ad hoc announcement pursuant to Art. 53 LR

Record results for HUBER+SUHNER in 2021

Order intake and net sales significantly above previous year – EBIT margin and net income at record levels – Double-digit percentage growth in order intake and net sales in all three market segments – Medium-term EBIT margin target range revised up to 9–12 %

Key figures

in CHF million	2021	2020	Veränderung in %
Group			
Order intake	995.6	748.2	33.1
Net sales	862.9	737.9	16.9
EBIT	104.6	61.2	70.9
in % of net sales	12.1	8.3	
Net income	87.3	52.3	66.9
in % of net sales	10.1	7.1	
Free operating cash flow	56.6	50.2	12.7
Industry segment		¹⁾	
Order intake	296.6	239.8	23.7
Net sales	275.4	225.9	21.9
EBIT	58.4	36.4	60.5
in % of net sales	21.2	16.1	
Communication segment		¹⁾	
Order intake	420.0	286.4	46.6
Net sales	341.1	289.1	18.0
EBIT	41.5	15.4	168.2
in % of net sales	12.2	5.3	
Transportation segment		¹⁾	
Order intake	279.0	222.0	25.7
Net sales	246.4	222.9	10.6
EBIT	12.5	16.2	-22.3
in % of net sales	5.1	7.3	

¹⁾ Regarding adjustments due to the new segment structure see note 5 in the online annual report 2021

2021 was the best financial year in the HUBER+SUHNER history. In an environment that continues to be beset by uncertainties, the company's strong focus on the needs of its customers resulted in significant growth across all key indicators.

In 2021, order intake stood at a very high CHF 995.6 million (previous year CHF 748.2 million), representing a leap of 33.1 %. This strong increase was due to the consistently high demand over the entire reporting period without major seasonal fluctuations. The basis for this was the significantly higher activity in many target markets, which the company was able to successfully take advantage of.

Net sales in 2021 amounted to CHF 862.9 million, which represents a 16.9 % increase year on year (PY CHF 737.9 million). Adjusted for currency and copper price effects, growth in net sales amounted

to 13.8 %. Revenues in the second half of the year were, on the whole, slightly higher than in the first half. The book-to-bill rate of 1.15 (PY 1.01) reflects the increase in the order backlog to CHF 323.4 million at the end of the year. By region, the net sales share in EMEA stood at 54 % (PY 54 %), followed by the Americas at 25 % (PY 18 %) and APAC at 21 % (PY 28 %). All three market segments contributed to the year-on-year growth in net sales.

The operating profit (EBIT) of CHF 104.6 million is a record figure for the company and corresponds to an EBIT margin of 12.1 % (PY 8.3 %). Year on year, the gross margin increased by almost three percentage points. In the case of net income, which rose sharply by around two thirds to CHF 87.3 million (PY CHF 52.3 million), the company also benefited from a low tax rate.

A further rise in research and development expenses to CHF 55.9 million (+17 % year on year) reflects the commitment of HUBER+SUHNER to maintaining and building on its innovation leadership. Despite the higher volumes, there was a disproportionately low increase of 7.4 % in administrative and selling expenses. Employee numbers worldwide grew by 178 to 4588 in the reporting year. In Switzerland, the number of employees fell to 1162 (PY 1225).

New market-segment-based organisation lays foundation for increased market and customer focus

The reorientation of the organisation around the three market segments Industry, Communication and Transportation at the beginning of the reporting year was implemented successfully. This new organisation has increased market focus and simplified structures by abolishing the sales region matrix. Today, customers are served by global sales teams, resulting in greater customer proximity. It provides the basis for offering customers the entire portfolio of innovative HUBER+SUHNER products across all technologies, thus opening up new potential for the company.

Industry market segment sees impressive growth coupled with high profitability

The Industry market segment developed particularly dynamically with a notable increase of 23.7 % in order intake to CHF 296.6 million and of 21.9 % in net sales to CHF 275.4 million. In percentage terms, the test and measurement core market, the aerospace and defense growth initiative and the two other subsegments energy and general industrial all made an equal contribution to growth. Overall, business with industrial customers saw above-average growth as a result of the cross-technology portfolio within the new organisation. With an EBIT margin of 21.2 % (PY 16.1 %), the segment made a significant contribution to the Group's overall result.

Leap in volume in Communication market segment, EBIT margin improved into double digits

The Communication market segment recorded a big jump in order intake of 46.6 % to CHF 420.0 million, attributable to the accelerated expansion of both 5G mobile network and fixed network infrastructure. The data center growth initiative also contributed considerably to the increase. Net sales rose by 18 % to CHF 341.1 million in the reporting year, resulting in a significant increase in the order backlog. The market segment also posted a markedly improved EBIT margin of 12.2 % (PY 5.3 %).

Transportation market segment grows thanks to automotive business, EBIT margin expectations missed

With an order intake of CHF 279.0 million, the Transportation market segment reported a strong 25.7 % increase compared to the previous year. Net sales still showed an increase of 10.6 % to CHF 246.4 million. Business developed very differently in the two subsegments. In the automotive subsegment, orders and net sales increased by around half. The electric vehicle growth initiative made a particularly large contribution to this. By contrast, the railway subsegment moved sideways, while sales decreased slightly. Public transport was severely hit by the pandemic, which led to a decline in projects for new rolling stock, especially in China. With an EBIT margin of 5.1 % (PY 7.3 %), the Transportation segment failed to meet expectations. This was due to rising raw material prices, which could not yet be fully passed on to customers in the reporting period, and significant upfront investments in solutions for autonomous driving.

Business of HUBER+SUHNER driven by people's need for communication, mobility, safety, and sustainability

Being able to communicate, being mobile, feeling safe and preserving the environment are important human needs that call for innovative connectivity solutions from HUBER+SUHNER. By connecting people and bringing them together through its products and solutions, the company is making an important contribution to society and derives its purpose from this. With the vision "Connecting – today and beyond", HUBER+SUHNER combines the claim to serve the needs of society today and tomorrow with connectivity solutions, while at the same time helping to shape the future with innovative solutions. The company's commitment to sustainable business is underscored, for example, by its commitment to achieving net-zero CO2 emissions by 2030. Information about the sustainability strategy of HUBER+SUHNER is provided in the separate Sustainability Report 2021.

Dividend

The Board of Directors proposes to the Annual General Meeting a payout of CHF 2.00 (PY CHF 1.30) per share, resulting in a distribution ratio of 45 %.

Outlook

With the record result in the 2021 financial year, HUBER+SUHNER has developed very positively in a dynamic but also quite challenging environment. The high order backlog at the end of the year ensured the company a good start into the current financial year. HUBER+SUHNER is very well positioned in attractive and robust target markets. Many relevant demand parameters – growing need for communication solutions and higher data volumes, increasing need for mobility, as well as increased demand for security solutions – continue to offer a favourable environment in the future.

Therefore, the company expects higher profitability over the cycle and adjusts the medium-term target range for the operating margin to 9–12 % (previously 8–10 %). In terms of sales, the company is targeting mid-single-digit percentage growth in the current year.

The prerequisite for achieving the medium-term EBIT target range and the targeted growth in 2022 is

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that the current challenges such as rising inflation rates, a strong Swiss franc or bottlenecks in the global supply and transport chains do not accentuate. In addition, the war in Ukraine is creating uncertainties whose impact on the economic environment cannot yet be assessed.

This media release can also be found under <https://www.hubersuhner.com/en/company/media/news>
Annual Report 2021 online interactive <https://reports.hubersuhner.com>

Annual Report 2021 as PDF ([Link](#))

Management Report 2021 as PDF ([Link](#))

Sustainability Report 2021 ([Link](#))

All publications as well as the definition of Alternative Performance Measures can be found under <https://www.hubersuhner.com/en/company/investors/publications>

This media release is also available in German. The German version is binding.

Further calendar dates

6 April 2022	Annual General Meeting (in absence of shareholders)
16 August 2022	Publication Half-year report 2022 / Media and analysts' conference (Webcast)
23 September 2022	Capital Market Day (Herisau)
24 October 2022	Order intake and Net sales (9 months)
20 January 2023	Order intake and Net sales (12 months)

HUBER+SUHNER Group

The globally active Swiss company HUBER+SUHNER develops and produces components and system solutions for electrical and optical connectivity. The company serves the three main markets Industry, Communication and Transportation with applications from the three technologies of radio frequency, fiber optics and low frequency. HUBER+SUHNER products excel in excellent performance, quality, reliability and long service lives - even under the most demanding conditions. Through a global production network, combined with subsidiaries and representatives in over 80 countries, the company is close to its customers worldwide.