

First half year 2013

20 August 2013 | Media and analysts' conference



Agenda

Overview of first half year 2013	Urs Kaufmann (CEO)
Financial results	Ivo Wechsler (CFO)
Outlook	Urs Kaufmann
Questions	
Integration of Astrolab into H+S	Reto Bolt (COO Radio Frequency)
Tour of plating facility	
Buffet lunch	

20 August 2013 | Media and analysts' conference



Marked increase in net sales and profit

- Net sales grow by an impressive 23% compared with the previous year
- All three business divisions contribute to growth in net sales
- EBIT margin of 7.6% once again in the medium-term target range
- One-off effects (mainly Solar business provisions) prevent an even better result
- High free cash flow (CHF 44m)
- Integration of Astrolab on course – pleasing contribution to net sales and profits

But

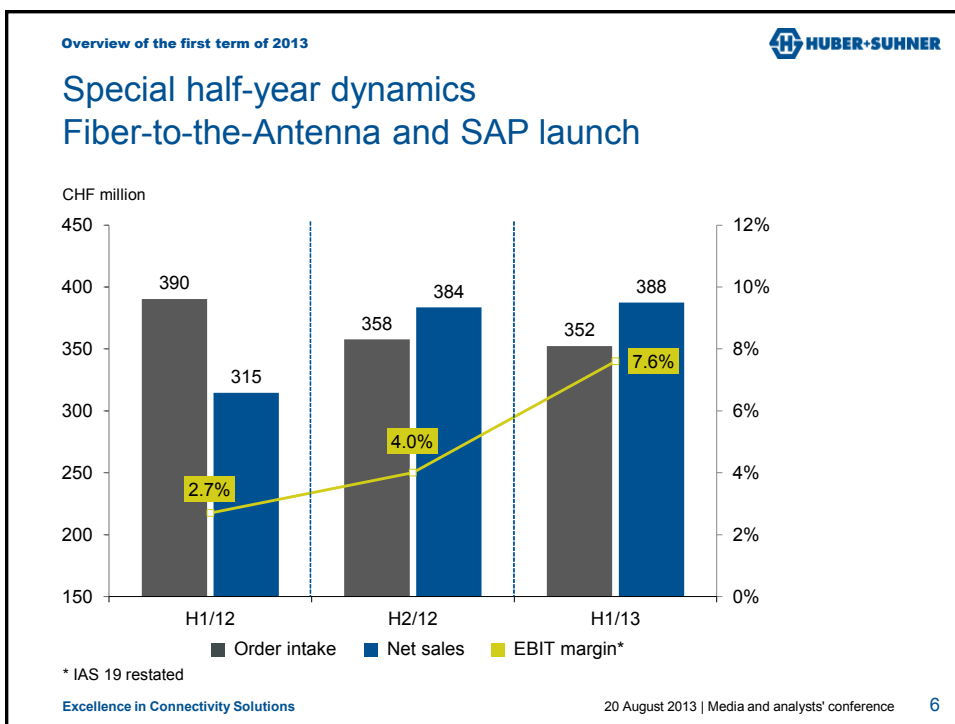
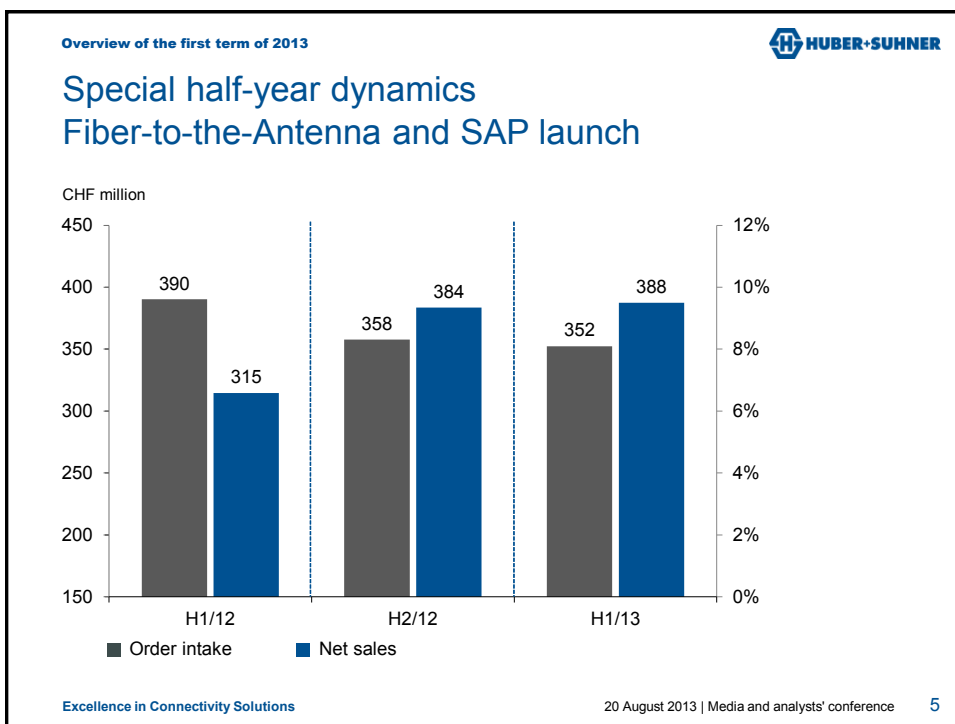
- Order intake remains behind net sales as anticipated (special dynamics in Fiber-to-the-Antenna business)

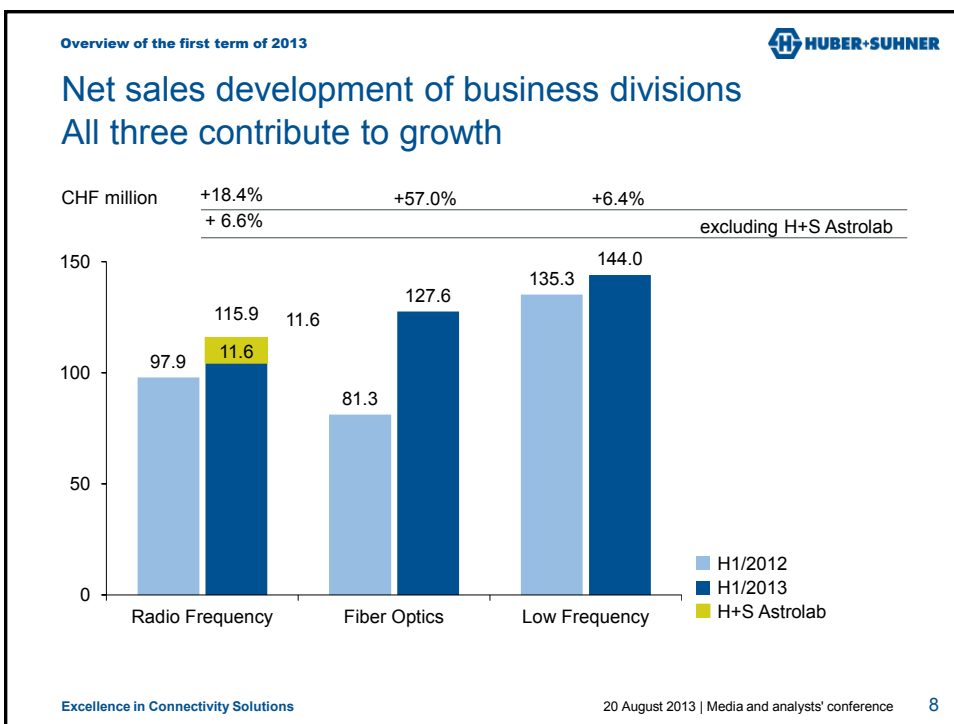
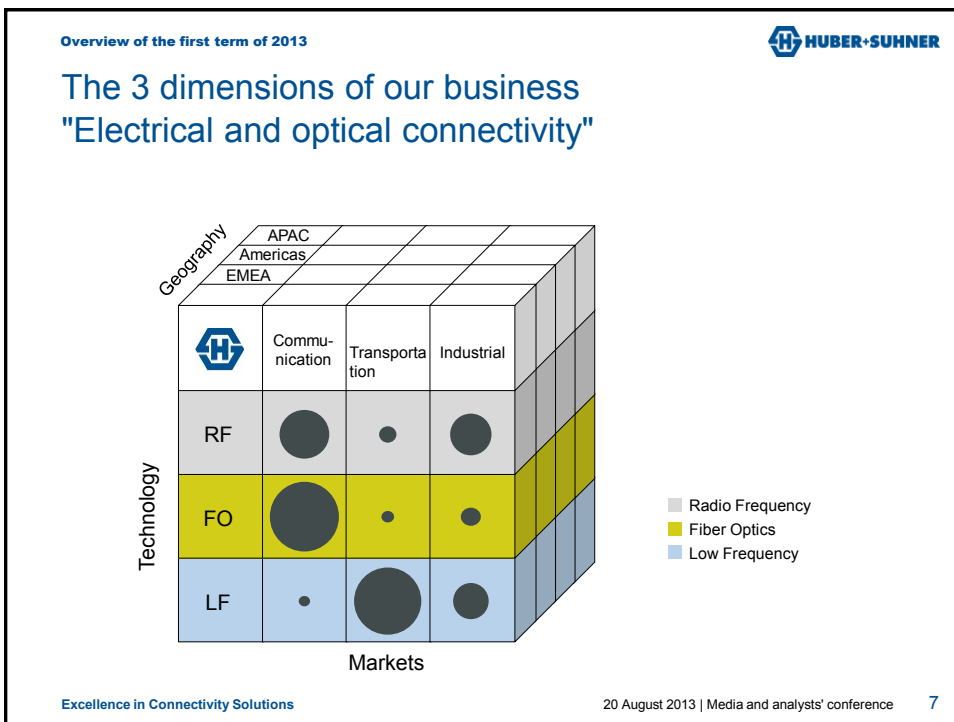
Figures at a glance

CHF million

	H1/13	H1/12	Δ %
Order intake	352.4	390.2	-9.7
Net sales	387.5	314.5	+23.2
Operating profit (EBIT)			
before one-off effects	39.7	6.5*	+510.8
• as % of net sales	10.2	2.1*	
Operating profit (EBIT)			
before one-off effects	29.4	8.5*	+245.0
• as % of net sales	7.6	2.7*	
Net income	23.0	6.2*	+273.0
• as % of net sales	5.9	2.0*	

* IAS 19 restated





Overview of the first term of 2013



Radio Frequency division

Attractive earning power again / Astrolab integration

CHF million

	H1/13	H1/12	Δ %
Order intake	107.0	114.6	-6.6
Net sales	115.9	97.9	+18.4
Operating profit (EBIT*)	17.3	3.6	+372.8
• as % of net sales*	14.9	3.7	

Most important aspects

- Growth in net sales in established business as well
- Lower order intake
- Double-digit EBIT margin again
- Adjusted structures and product mix with stronger margins
- Positive contribution to net sales and profits from Astrolab

* IAS 19 restated

Excellence in Connectivity Solutions

20 August 2013 | Media and analysts' conference

9

Overview of the first term of 2013



Fiber Optics division

Sput in growth and high earning power

CHF million

	H1/13	H1/12	Δ %
Order intake	94.6	116.3	-18.7
Net sales	127.6	81.3	+57.0
Operating profit (EBIT*)	18.2	8.8	+108.1
• as % of net sales*	14.3	10.8	

Most important aspects

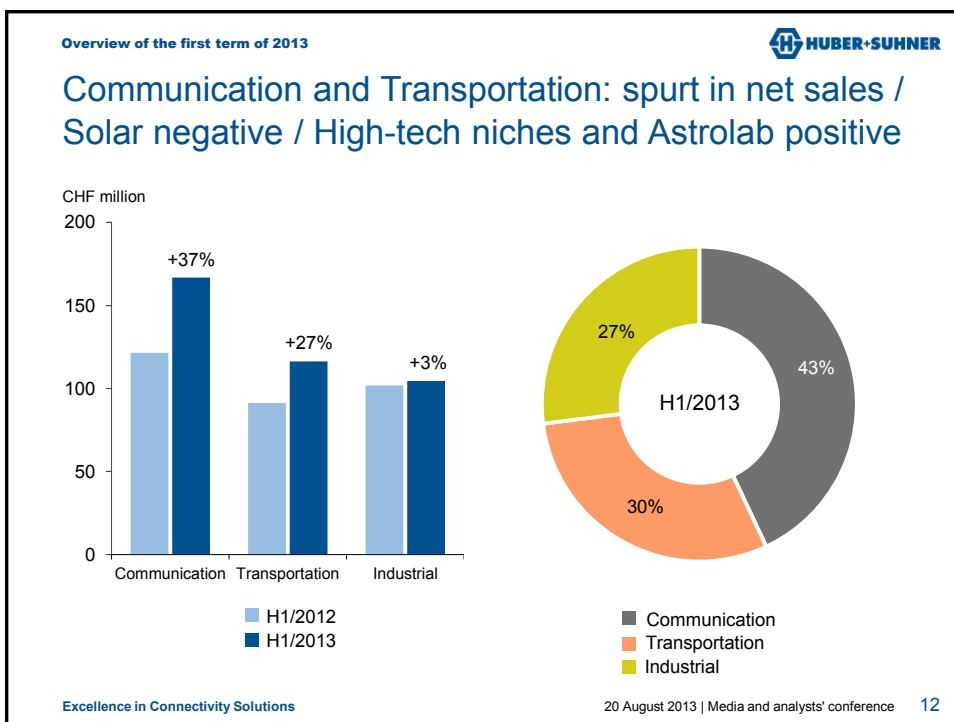
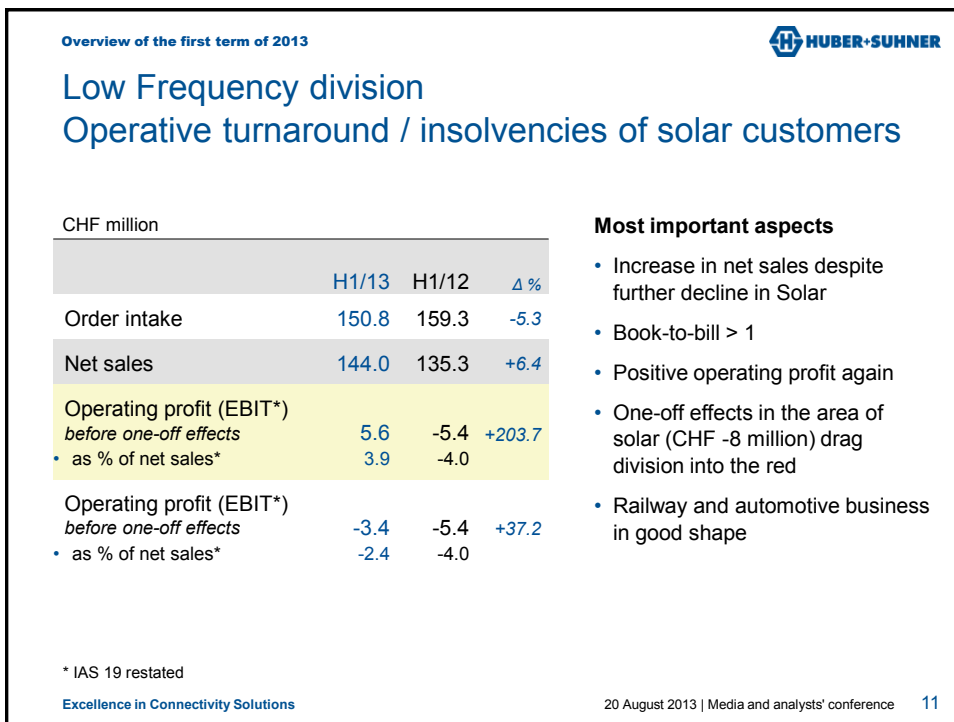
- Booming net sales as the result of FTFA deliveries in North America
- As anticipated, lower order intake
- Operative margin improved once again
- Stabilisation to over CHF 200m net sales foreseeable
- Good project pipeline

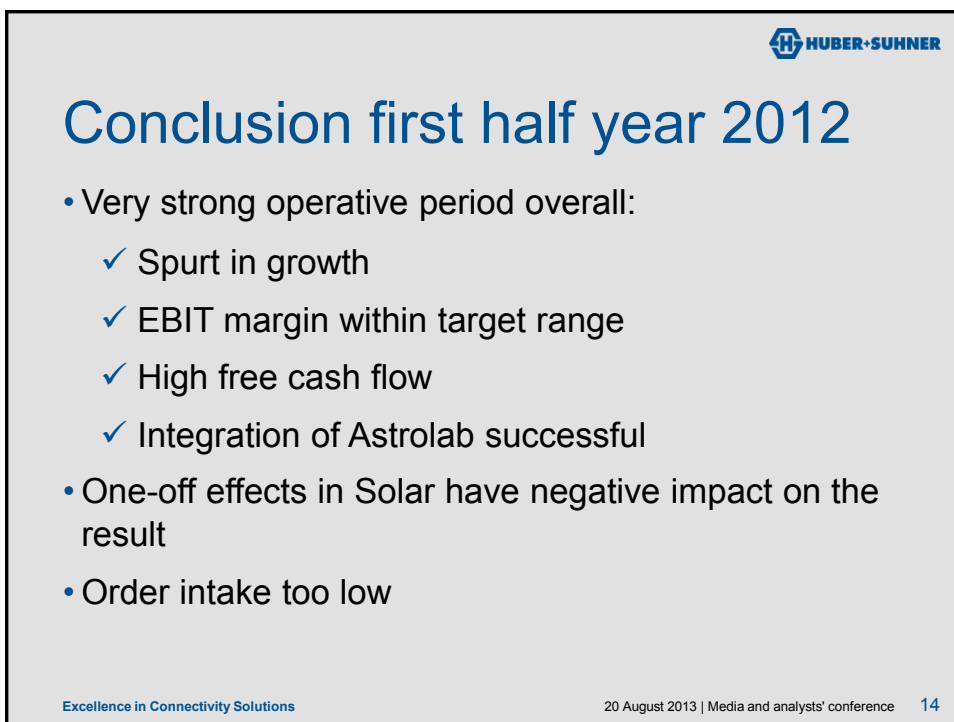
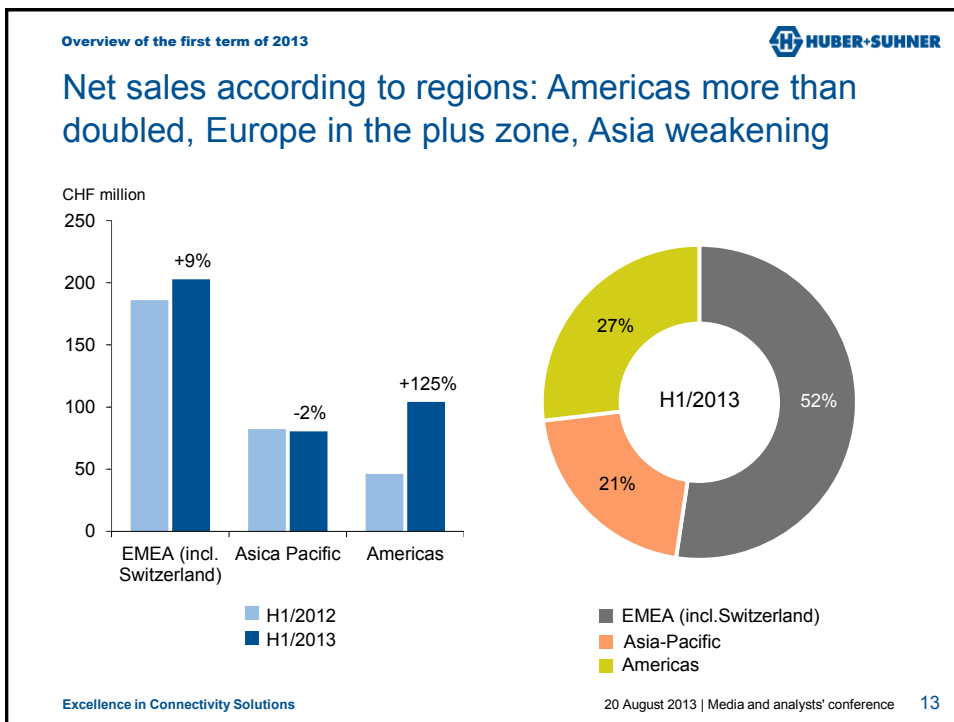
* IAS 19 restated

Excellence in Connectivity Solutions

20 August 2013 | Media and analysts' conference

10





Agenda

Overview of first half year 2013

Urs Kaufmann (CEO)

Financial results

Ivo Wechsler (CFO)

Outlook

Urs Kaufmann

Questions

Integration of Astrolab into H+S

Reto Bolt (COO Radio Frequency)

Tour of plating facility

Buffet lunch



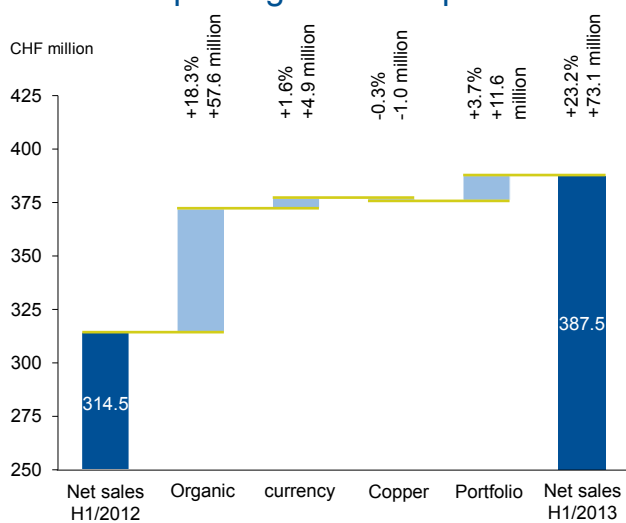
20 August 2013 | Media and analysts' conference

Excellence in Connectivity Solutions

Financial performance



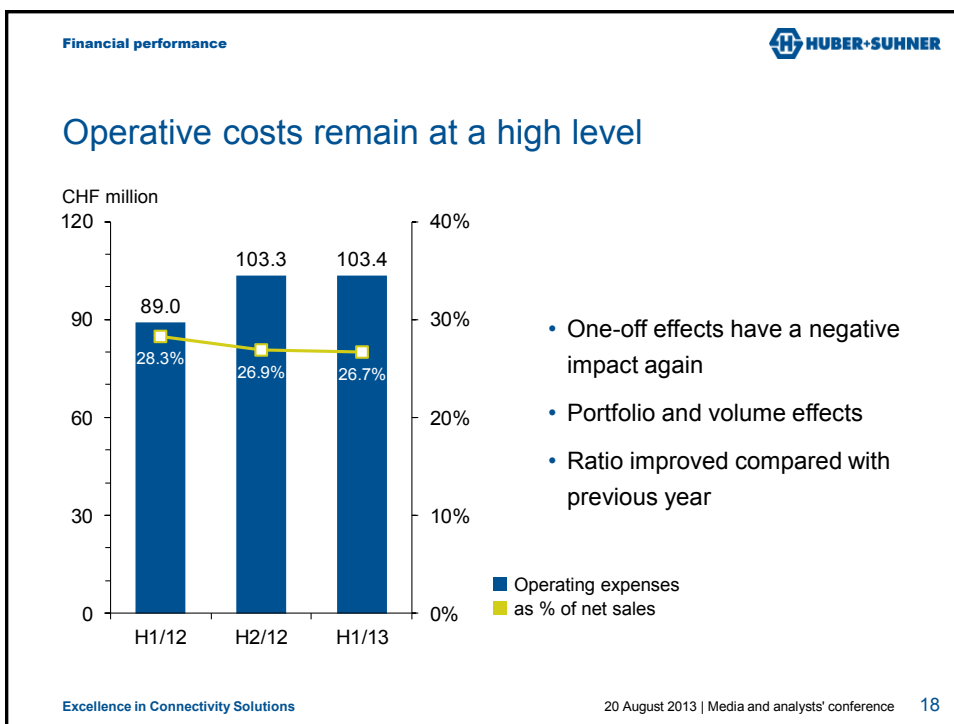
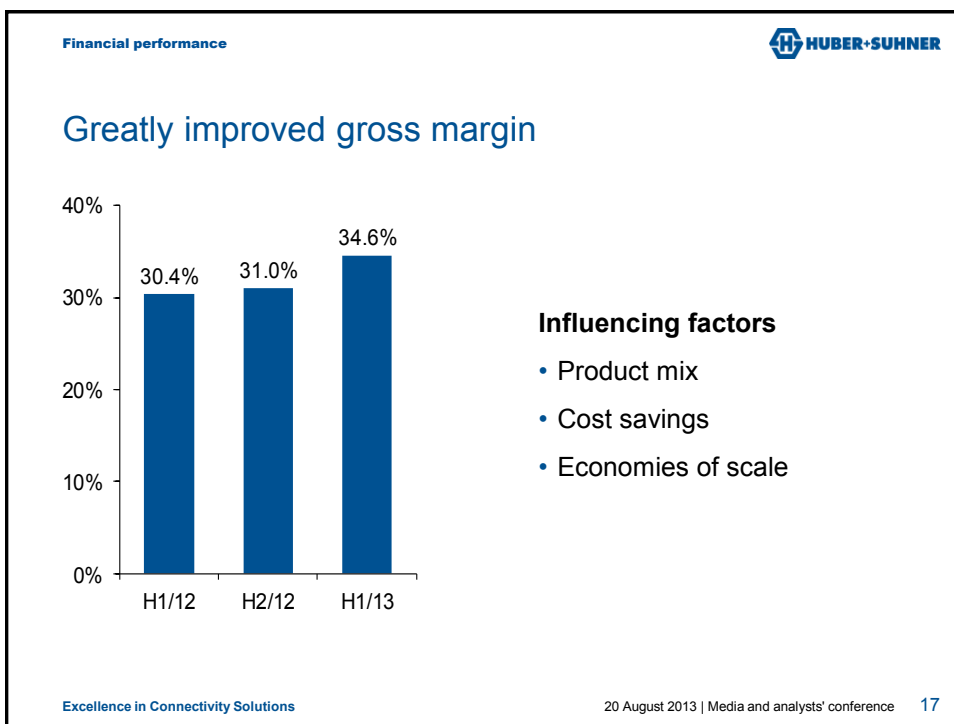
Factors impacting on the "top line"

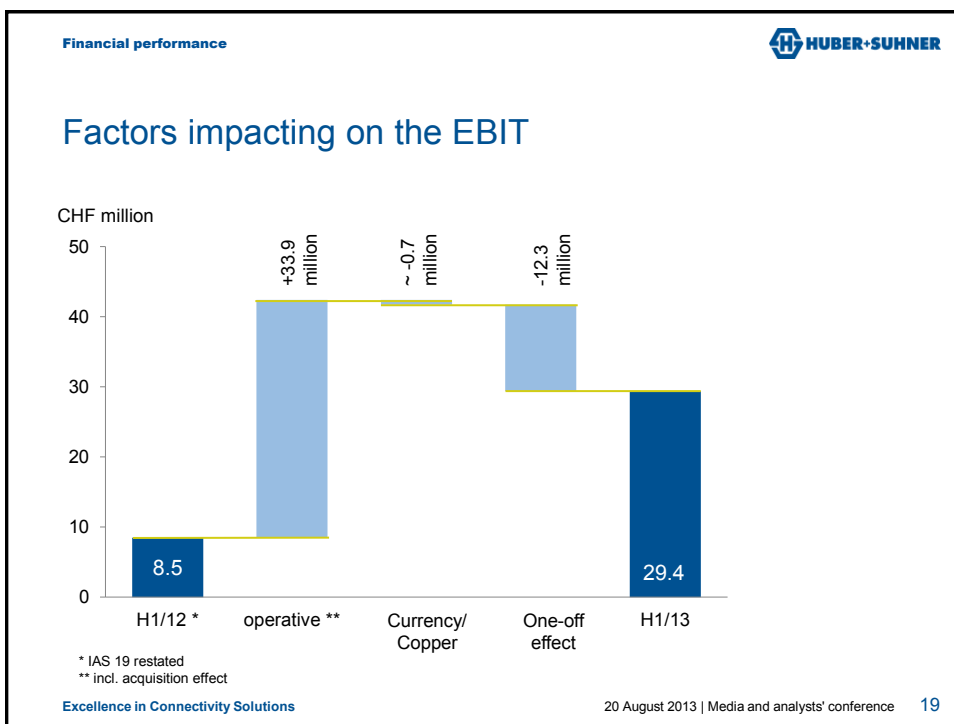


Excellence in Connectivity Solutions

20 August 2013 | Media and analysts' conference

16





Financial performance HUBER-SUHNER

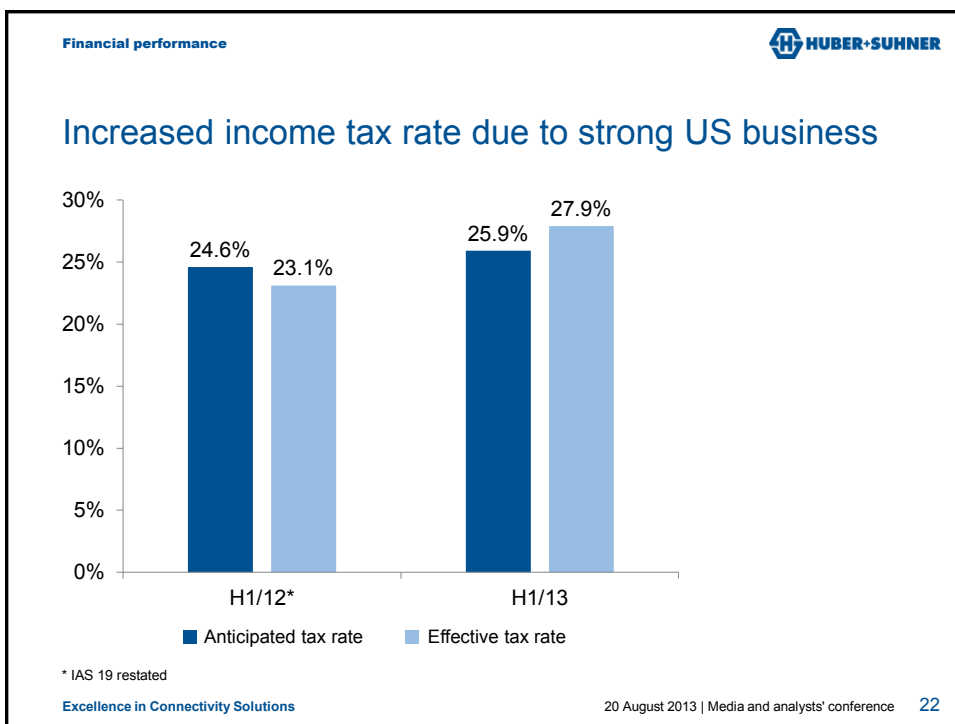
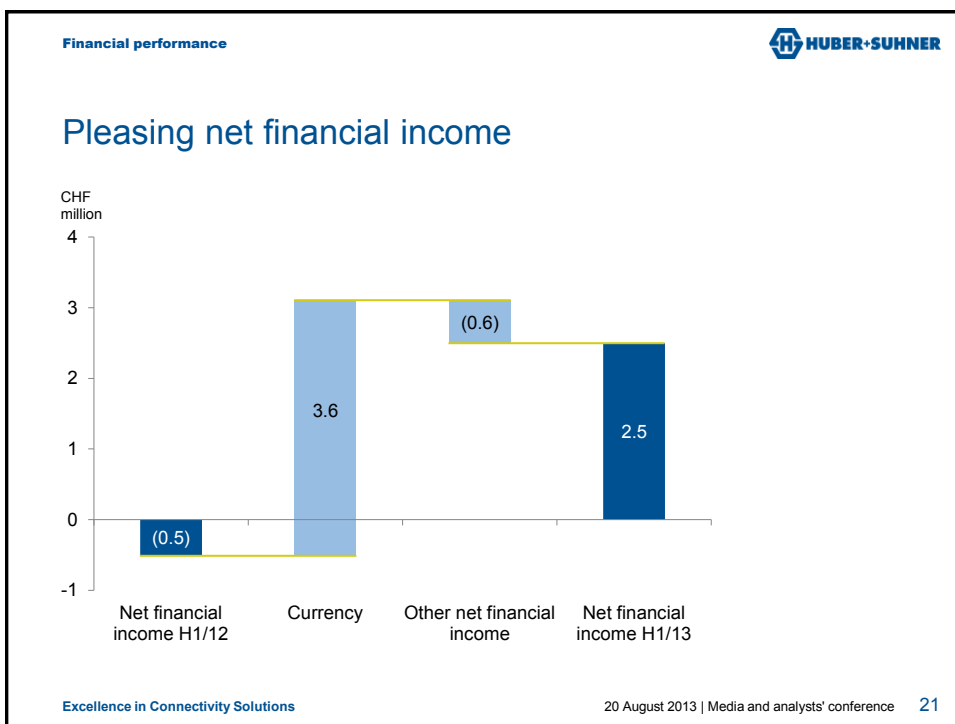
Business divisions: double-digit EBIT margins in RF and FO – LF affected by provisions

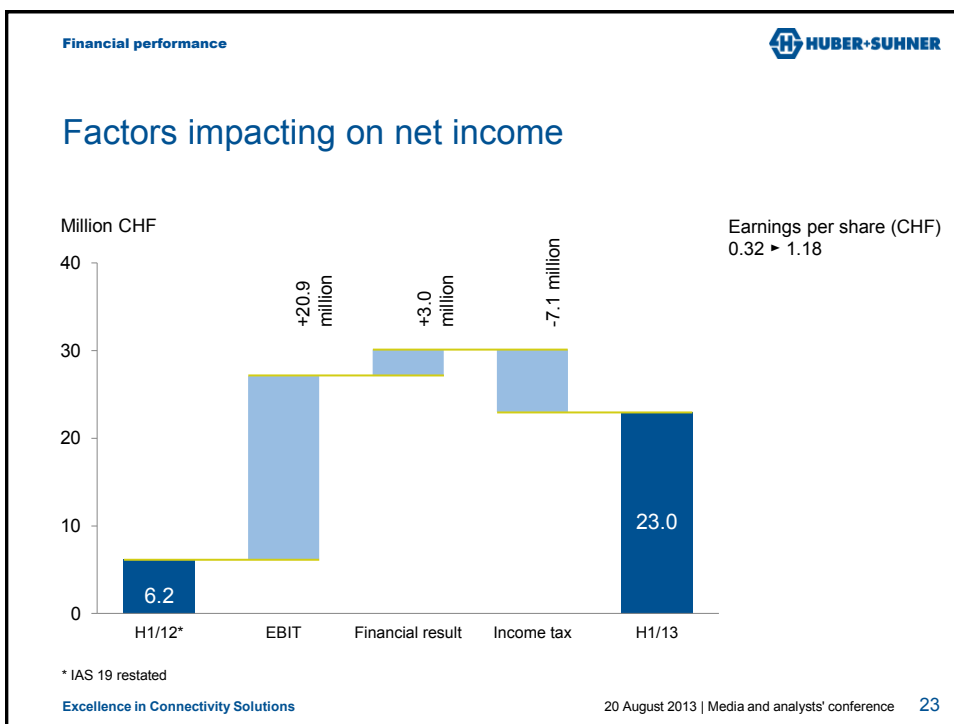
CHF million

	H1 2013	as %	H1 2012*	as %
Radio Frequency	17.3	14.9	3.6	3.7
Fiber Optics	18.2	14.3	8.8	10.8
Low Frequency	(3.4)	(2.2)	(5.4)	(4.0)
Corporate	(2.7)		1.5	
Total EBIT	29.4	7.6	8.5	2.7

* IAS 19 restated

Excellence in Connectivity Solutions 20 August 2013 | Media and analysts' conference 20





Financial performance HUBER-SUHNER

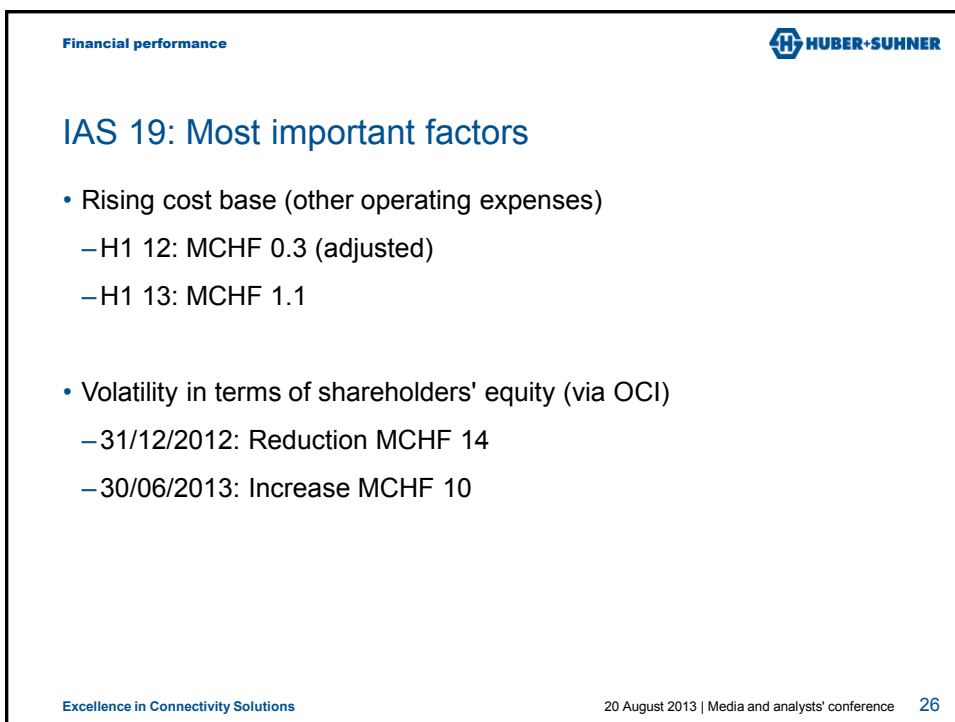
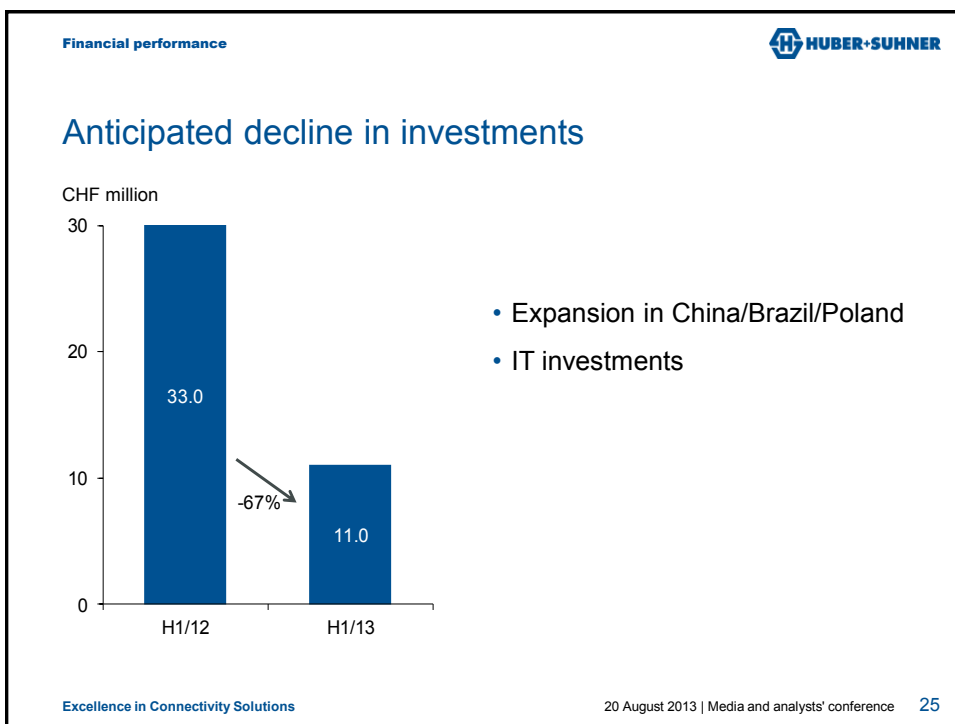
Very solid consolidated balance sheet

CHF million

	30.6. 2013	as %	31.12. 2012*	as %
Cash and cash equivalents	131	18%	85	12%
Other current assets	319	43%	345	49%
Non current assets	286	39%	275	39%
Interest bearing liabilities	0		0	
Other liabilities	147	20%	144	20%
Shareholders' equity	589	80%	561	80%
Balance sheet total	736	100%	705	100%

* IAS 19 restated

Excellence in Connectivity Solutions 20 August 2013 | Media and analysts' conference 24



Financial performance



Very high free cash flow: high cash flow from operating activities, low level of investment

CHF million

	H1/13	H1/12
Net cash from operating activities	67.9	21.2
Net cash from investing activities*	(13.2)	(33.4)
Free operative cash flow	54.7	(12.2)
Dividend paid	(9.7)	(18.5)
Change in treasury shares	(0.5)	0
Free cash flow	44.4	(30.7)

* Excluding changes of marketable securities and derivate financial instruments

Excellence in Connectivity Solutions

20 August 2013 | Media and analysts' conference 27

Agenda

Overview of first half year 2013	Urs Kaufmann (CEO)
Financial results	Ivo Wechsler (CFO)
Outlook	Urs Kaufmann
Questions	
Integration of Astrolab into H+S	Reto Bolt (COO Radio Frequency)
Tour of plating facility	
Buffet lunch	

20 August 2013 | Media and analysts' conference



Outlook 

Growth drivers

Broadband communication



Electric mobility



Renewable energies



High-tech niches



Excellence in Connectivity Solutions 20 August 2013 | Media and analysts' conference **29**

Outlook 

Attractive growth prospects in the medium term



Appetite for bandwidth

- Smartphones, mobile internet, app culture, HDTV...
- Long Term Evolution (LTE) and point-to-point links
- Fiber optics captures the fixed line network (Fiber to the Home, Fiber in the Home)
- Data centers as new application field



Increasing mobility

- Eco friendliness
- Investment in public transportation
- Hybrid and electric vehicles
- Increasing demand for safety and comfort and outsourcing of cable systems



Constant technology change

- Higher data rates and higher frequency bands
- More electronics and sensors
- Higher safety requirements
- Miniaturization
- Data and signal integrity
- New technologies (e.g. minimally invasive surgery)



"Connected Mobility"

Excellence in Connectivity Solutions 20 August 2013 | Media and analysts' conference **30**

Outlook

Growth drivers

Broadband communication

Electric mobility

High-tech niches

Approx. net sales share

Market	Share
Communication	40%
Transportation	30%
Industrial	30%

Excellence in Connectivity Solutions 20 August 2013 | Media and analysts' conference **31**

Outlook

Anticipated trends in the second half year 2013 (compared with the first term)

Geography

Technology

		APAC	Americas	EMEA
		Commu- nication	Transporta- tion	Industrial
Technology	RF	● →	●	● →
	FO	● ↘	●	● ↗
	LF	●	● →	● →
		Markets		

- Radio Frequency
- Fiber Optics
- Low Frequency

Excellence in Connectivity Solutions 20 August 2013 | Media and analysts' conference **32**

Outlook for the full year 2013

- Economic environment continues to be unstable
- Robust business development anticipated overall
- Second term will not follow on seamlessly from the first - due to special dynamics in Fiber Optics
- Keep an eye on insolvency procedures of solar clients
- **Anticipated result for 2013:**
 - **Growth in net sales of approx. 5% compared with the previous year**
 - **EBIT margin within our target range of 6-9%**