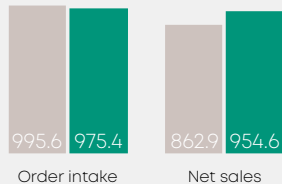


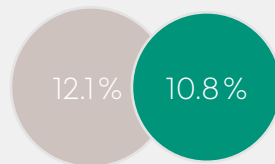
Management Report 2022

Key Facts at a glance

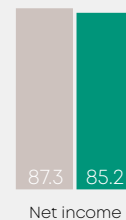
Organic growth in net sales by 12.9 % to new record level – order intake slightly exceeding net sales



At 10.8 %, EBIT margin remains in upper half of medium-term target range



Net income at the previous year's level – dividend increase to CHF 2.10



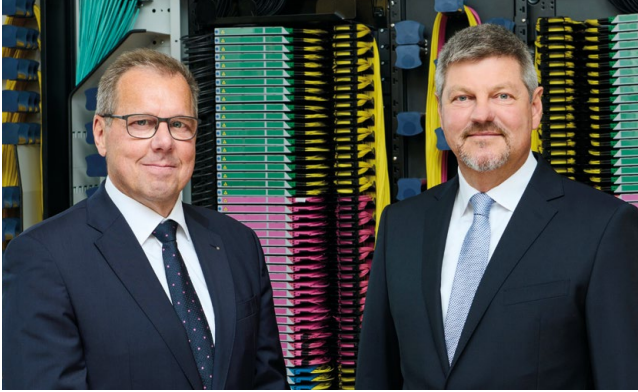
Growth in net sales across all three market segments and all three main regions

EV automotive, rail communications and data center growth initiatives provide above-average contribution to growth

Acquisition of Phoenix Dynamics Ltd. strengthens the range of services in aerospace and defense

■ 2021 ■ 2022 in CHF million

HUBER+SUHNER: impressive growth with double-digit EBIT margin



Urs Kaufmann (Chairman) and Urs Ryffel (CEO)

HUBER+SUHNER can again look back on a good financial year. Despite a challenging environment, the company succeeded in significantly increasing net sales and in confirming an operating margin in the double-digit percentage range.

The order intake of CHF 975.4 million in 2022 was 2.0 % below the very high figure recorded in the previous year (CHF 995.6 million) and exceeded net sales by 2.2 %, corresponding to a book-to-bill rate of 1.02 (PY 1.15). The high order backlog of the previous year could thus be maintained at a high level of CHF 320.0 million, despite the adjustment required for orders already booked from the Russian business.

The net sales of CHF 954.6 million achieved in 2022 were 10.6 % above the previous year's value (CHF 862.9 million). Once again, all three market segments contributed to growth. Adjusted for currency, copper price and portfolio effects – British company Phoenix Dynamics Ltd. was acquired at the end of October – growth in net sales amounted to 12.9 %.

The change in net sales share by region remained marginal, with 51 % (PY 54 %) in EMEA, followed by the Americas with 26 % (PY 25 %) and APAC with 23 % (PY 21 %).

At CHF 103.2 million, operating profit (EBIT) almost reached the record value of the previous year (CHF 104.6 million). This corresponds to an EBIT margin of 10.8 % (PY 12.1 %). Owing to an again low tax rate, net income of CHF 85.2 million was at almost the same level as in the previous year (CHF 87.3 million).

With regard to gross margin, the company experienced a decline of 2.5 percentage points, primarily due to a weaker margin in the Communication segment. Expenses in research and development saw a further increase of 5.9 % to CHF 59.2 million. This was largely attributable to the rail communications and advanced driver assistance system growth initiatives, which were both launched a year ago, as well as other promising technologies. Heading in

the right direction were administrative costs, which fell slightly. In contrast, the need to catch up on customer visits and resume trade fair attendance following the relaxation of pandemic-related restrictions resulted in higher sales expenses. Overall, administrative and selling expenses increased by 6.2 %. The number of employees worldwide declined over the reporting year to 4 469 (PY 4 588). In Switzerland, the number of employees rose slightly to 1 190 (PY 1 162).

A multitude of challenges after the global pandemic

2022 saw the lifting of restrictions related to the coronavirus pandemic in most markets around the world, most recently also in China. Nevertheless, the impact continued to be felt strongly throughout the reporting year in the form of material shortages, disrupted supply chains and limited transport capacities.

Following the onset of the Russian war of aggression against Ukraine, the company made the decision to withdraw from the Russian market, which it had been developing successfully for decades. Moreover, this war provoked an energy crisis and a massive increase in energy costs in an already inflationary environment. The company actively responded to the latter by making broad adjustments to its prices in the market, which took some time to take effect.

Industry market segment grows again with high profitability

With an increase in order intake of 4.7 % to CHF 310.5 million (PY CHF 296.6 million) and in net sales by 8.2 % to CHF 298.0 million (PY CHF 275.4 million), the Industry market segment continued to grow following the particularly dynamic previous year. The aerospace and defense subsegment declined after strong growth in the two previous years. By contrast, the three other subsegments test and measurement, general industrial and energy increased significantly. The latter benefited from a particularly strong demand for high-power charging systems. Thanks to a dynamic second half of the year, the EBIT margin of 21.3 % in this segment even exceeded the previous year's figure (21.2 %).

Growth in net sales in Communication market segment, but lower EBIT margin

Following the large jump in the previous year, the Communication market segment recorded a decline in order intake of 9.4 % to CHF 380.6 million (PY CHF 420.0 million). Net sales experienced a double-digit increase of 13.1 % to CHF 385.9 million (PY CHF 341.1 million). The two subsegments data center and mobile network developed particularly strongly, the latter as a result of the significant investments made in 5G infrastructure. Business volume with communication equipment manufacturers continued the downward trend of previous years. The decline in the EBIT margin to 8.9 % (PY 12.2 %) was mainly attributable to a change in

the business mix with major customers within the mobile network subsegment.

Net sales growth in Transportation market segment, profitability remaining below expectations

The order intake of CHF 284.4 million in the Transportation market segment was 1.9 % above the previous year (CHF 279.0 million). Net sales grew by 9.8 % to CHF 270.6 million (PY CHF 246.4 million). Almost all of the growth was attributable to the automotive subsegment and driven by the ongoing trend toward electric vehicles. Business with radar antennas for advanced driver assistance systems still accounted for a small share of sales.

In the railway subsegment, the total volume of business reached the previous year's level. High growth rates were achieved for applications relating to the rail communications growth initiative. Thanks to a significant improvement in the second half of the reporting year, the EBIT margin in this market segment again reached 5.1 % (PY 5.1 %).

Sustainability as an integral component of business strategy

Connectivity solutions from HUBER+SUHNER meet the needs of society – for communication, environmentally friendly mobility, and safety – both now and in the future. The company is also committed to sustainability and has made this an important part of its business strategy. This includes taking sustainability aspects into account when developing innovative solutions and the goal of reducing both scope 1 and 2 CO₂ emissions to net zero by 2030. The efforts taken by HUBER+SUHNER were rewarded in the reporting year by an improvement to "A minus" (PY B) in the rating scheme operated by CDP (formerly Carbon Disclosure Project), the leading non-profit organisation for assessing companies' environmental footprints. All sustainability reporting by HUBER+SUHNER for 2022 is now integrated in the Annual Report and can be found at reports.hubersuhner.com/2022/ar.

Risk management

At its meeting on 7 December 2022, the Board of Directors assessed the business risks as part of its ongoing risk management and approved the 2022 risk report including the defined measures.

Share buyback programme

As part of the programme launched at the end of October 2021 to buy back up to 5 % of the share capital over a maximum of three years, 928 084 shares or 4.6 % of registered shares were bought back by the end of the reporting year.

Dividend

The Board of Directors proposes to the Annual General Meeting a payout of CHF 2.10 (PY CHF 2.00) per share, resulting in a pay-out ratio of 47 %.

Elections to the Board of Directors

At the Annual General Meeting, the Board of Directors proposes the election of Marina Bill and Kerstin Günther as Members of the Board. Both are proven leaders in strategically important markets for HUBER+SUHNER. Marina Bill has more than 25 years of experience in management, sales and marketing positions in the industrial sector, Kerstin Günther looks back on more than 30 years of management experience in the telecommunications and information technology sectors.

Outlook

With the good result in the 2022 financial year, HUBER+SUHNER succeeded in mastering the numerous challenges in the business environment and confirmed its growth course with a double-digit operating profit margin. Thanks to its focus on attractive target markets, the dynamic development of growth initiatives and balanced diversification, the company has the resilience required to successfully counter the upcoming inflationary and recessionary trends. Although the company continues to perform well in many important applications, visibility in individual markets is currently limited. Due to these uncertainties, the company is not issuing a sales forecast for 2023 at present. HUBER+SUHNER will specify the outlook for the full year at the latest on the occasion of the publication of its half-year figures.

The medium-term target range of 9–12 % for the EBIT margin remains unchanged and is also the target for the current financial year. To achieve the EBIT guidance, it is important that key influence factors – such as a possible recession in the company's main sales markets, inflation, exchange rates and the availability of material and transport capacities – do not have an unduly adverse effect on the course of business.

Thank you

On behalf of the Board of Directors and Executive Group Management, we would like to thank our employees worldwide for their extraordinary commitment in challenging times. Through great dedication and agility, coupled with a strong focus on customer needs, they have made a decisive contribution to the success of the past financial year. We would also like to express special thanks to our shareholders, customers and suppliers for their valued cooperation and continued trust in our company, often over a period of many years.



Urs Kaufmann
Chairman of the Board of Directors



Urs Ryffel
Chief Executive Officer

Market segment Industry

Profitability maintained at a high level – acquisition strengthens competence in diverse submarkets

The test and measurement core market and the two subsegments general industrial and energy all grew at double-digit rates. The latter saw a more than fifty percent increase in net sales of high-power charging systems owing to the accelerated expansion of the high-power charging infrastructure. A growing number of vehicle manufacturers are also launching models that can accept higher charging currents, which requires a corresponding upgrade at the charging points.

The acquisition of Phoenix Dynamics Ltd. (UK) further expanded the product range for

customer-specific solutions, such as harnesses and electromechanical assemblies for demanding applications, especially in the aerospace and defense growth initiative.

The very good margins in the Industry segment can be attributed to the fact that, although connectivity is a critical function for most applications, customers often do not focus on the skills required in this area. As a result, HUBER+SUHNER can bring its full spectrum of expertise to bear in its relationship with the customer.

Key figures		2022	2021	%
Order intake	CHF million	310.5	296.6	4.7
Net sales	CHF million	298.0	275.4	8.2
Operating profit (EBIT)	CHF million	63.4	58.4	8.5
EBIT margin	%	21.3	21.2	

Market segment Communication

Expansion of mobile infrastructure drives growth in net sales – North American market flattens out

The high order backlog from the previous year, coupled with the expansion of the 5G mobile infrastructure in North America, enabled a significant increase in net sales in the reporting year. However, the momentum in this region slowed in the second half of the year as expected. This was offset by a fresh impetus from the 5G market in Asia.

The data center growth initiative showed a significant overall increase, despite isolated

project delays due to the uncertain power supply situation in Europe. The further expansion of the fixed network infrastructure and the associated need for additional transmission capacities in the fiber optic network also offered opportunities. HUBER+SUHNER provides solutions that address the lack of bandwidth in the fiber optic network either through the use of additional optical fibers or wavelength multiplexer products for existing fibers.

Key figures		2022	2021	%
Order intake	CHF million	380.6	420.0	(9.4)
Net sales	CHF million	385.9	341.1	13.1
Operating profit (EBIT)	CHF million	34.2	41.5	(17.6)
EBIT margin	%	8.9	12.2	

Market segment Transportation

Growth initiatives developing positively – automated driving and electromobility as technology drivers

The two subsegments railway and automotive continued to experience differences in momentum in the reporting year. In the railway market, there remained minimal new rolling stock entering circulation, whereas there was a significant upturn in the rail communications business.

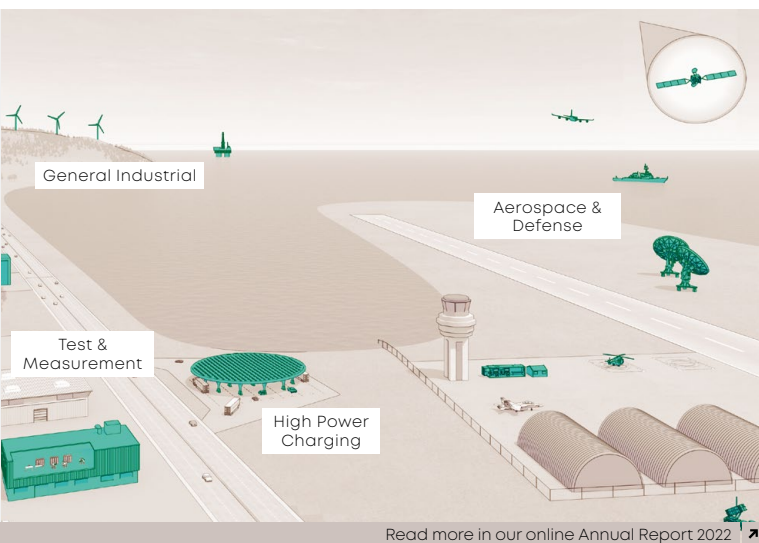
In the automotive subsegment, the reporting year again saw contracts signed with world-leading automotive suppliers and manufacturers for the development and production of distance radar antennas. This underscores the company's competitiveness in the advanced driver assistance system (ADAS) growth initiative,

thanks to differentiated technology solutions tailored to customer needs.

The company recorded high growth rates in the electric vehicle growth initiative, where the strategic focus is on commercial vehicles. The high requirements for cost effectiveness and service life in the commercial vehicle business align well with the expertise offered by HUBER+SUHNER. The company can draw upon its strengths in this promising market, based on its longstanding experience in the development of solutions for use in even the most challenging environmental conditions.

Key figures		2022	2021	%
Order intake	CHF million	284.4	279.0	1.9
Net sales	CHF million	270.6	246.4	9.8
Operating profit (EBIT)	CHF million	13.7	12.5	8.9
EBIT margin	%	5.1	5.1	

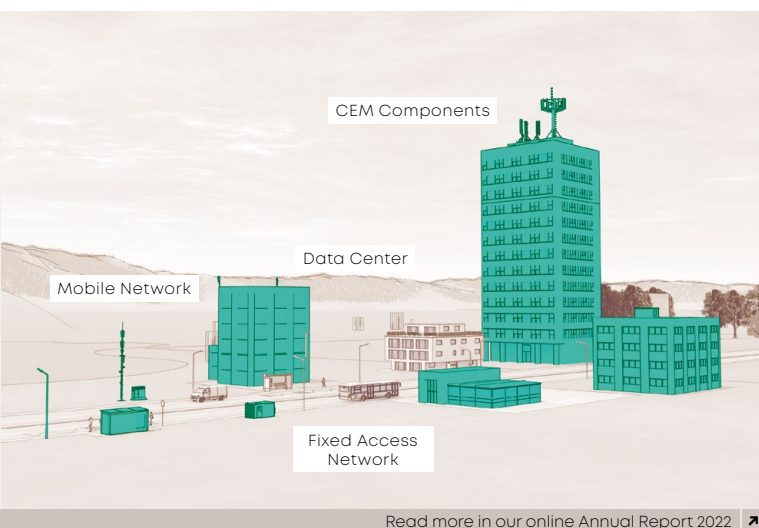
Our solutions for the Industry market



Securing Germany's energy future

Spurred by demand for more reliable and renewable energy sources, Germany is investing in the expansion of its 450 MHz network platform to support a transition to wind, solar and hydro energy sources. Germany selected 450connect, a joint venture backed by major German energy and water utilities, as the sole license holder and operator of the country's 450 MHz radio frequencies for the next 20 years. To bring the new network platform to life, 450connect turned to HUBER+SUHNER. Advanced solutions are used, including essential antennas and components that guarantee reliable connectivity and continuous coverage over medium and long distances and even in the harshest environmental conditions. These solutions are backed by our legacy of technology and innovation leadership and our global team of expert engineers.

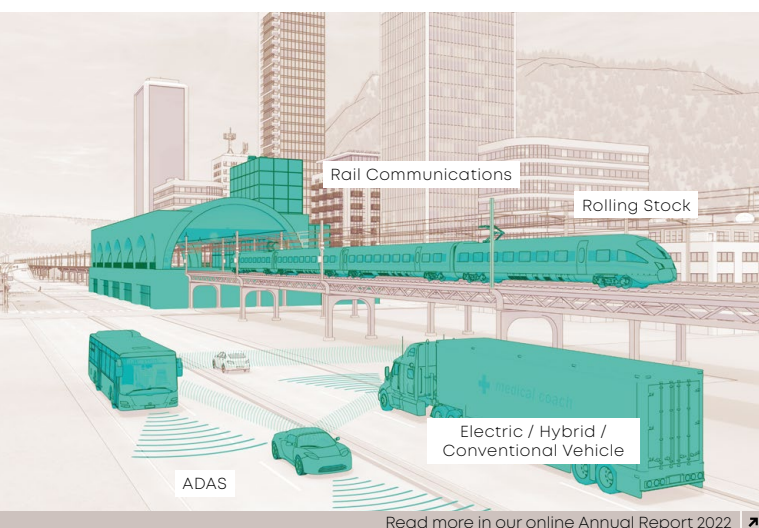
Our solutions for the Communication market



Unleashing the power of 5G around the world

As the digital transformation unfolds, a HUBER+SUHNER customer leads the way with secure, reliable network solutions, due in part to our dependable, well-established global supply chain, which is also reflected in our grade A supplier rating. With its sights set on next-generation technologies such as 5G, the customer is expanding and collaborating with mobile network operators around the world, blazing a path to the future, also in times of the Covid-19 pandemic. We have demonstrated the quality of our solutions and technical competence during the long-standing relationship. A testament to our supply chain strength was the ability to source, even during the pandemic, essential mobile network components from our manufacturing sites in India, Mexico and China to supply reliably our customer's projects worldwide.

Our solutions for the Transportation market



Keeping Beijing Olympic and Paralympic Games passengers connected

With a total of 187 events and sites around 180 km apart, the 2022 Beijing Olympic and Paralympic Games presented a big logistical challenge: athletes, officials and media representatives needed to be quickly moved between Beijing and Zhangjiakou. Chinese rolling stock manufacturer CRRC's 350 km/h Fuxing EMU high-speed bullet train with an onboard 5G live broadcasting studio was the answer, allowing to even broadcast live from the train. To make the high-bandwidth, minimal-delay 5G Wi-Fi network data highway happen, CRRC relied on HUBER+SUHNER cables and cable systems, data transmission solutions and 5G antennas. This enabled passengers to stream content and file stories for global coverage without interruption.

Key Figures and Financial Calendar

Group in CHF million	2022	2021	Change
Order intake	975.4	995.6	(2.0 %)
Order backlog as of 31.12.	320.0	323.4	(1.1 %)
Net sales	954.6	862.9	10.6 %
Gross margin	35.7 %	38.2 %	
EBITDA	135.3	137.6	(1.7 %)
as % of net sales	14.2 %	16.0 %	
EBIT	103.2	104.6	(1.3 %)
as % of net sales	10.8 %	12.1 %	
Financial result	(1.8)	(2.3)	n/m
Net income	85.2	87.3	(2.4 %)
as % of net sales	8.9 %	10.1 %	
Purchases of PP&E and intangible assets	45.3	50.7	(10.8 %)
Cash flow from operating activities	87.3	101.7	(14.1 %)
Free operating cash flow	37.7	56.6	(33.4 %)
Net liquidity as of 31.12.	151.1	219.8	(31.3 %)
Return on invested capital (ROIC) in %	20.9 %	23.2 %	
Equity as of 31.12.	606.7	643.8	(5.8 %)
as % of balance sheet total	74.4 %	77.2 %	
Employees as of 31.12.	4 469	4 588	(2.6 %)
Market capitalisation as of 31.12.	1 600.4	1 679.7	(4.7 %)
Data per share in CHF	2022	2021	Change
Stock market price as of 31.12.	86.30	87.00	(0.8 %)
Net income	4.47	4.45	0.5 %
Dividend	2.10 ¹⁾	2.00	5.0 %

¹⁾ Proposed dividend

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 the website under www.hubersuhner.com/en/company/investors/publications.

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Financial calendar

Annual General Meeting (Pfäffikon ZH)	29.03.2023
Half-year report	15.08.2023
Media and analysts' conference	15.08.2023
Sales and order intake (9 months)	24.10.2023

Detailed figures are available online at www.hubersuhner.com/en/company/investors/publications.
This management report is also available in German. The German version is binding.