

Ad hoc announcement pursuant to Art. 53 LR

## HUBER+SUHNER: weak North American market and high customer inventories lead to lower business volume after nine months

Industry segment maintains turnover – Communication segment reports significant decline – Transportation segment remains on a dynamic growth path – strategic growth initiatives continue to make a positive contribution overall – first signs of recovery in individual submarkets

### Order intake and net sales after nine months

In CHF million	2023	2022	Change in %
<b>Order intake Group</b>	<b>639.2</b>	<b>757.0</b>	<b>(16)</b>
Industry segment	204.5	243.6	(16)
Communication segment	206.9	298.0	(31)
Transportation segment	227.9	215.4	6
<b>Net sales Group</b>	<b>666.3</b>	<b>732.7</b>	<b>(9)</b>
Industry segment	223.0	223.9	(0)
Communication segment	224.3	305.5	(27)
Transportation segment	219.0	203.3	8

As expected, the first nine months of the reporting year were characterised by lower order intake in two of the three market segments. While high inventory levels at industrial and communications customers continued to delay the awarding of new orders, the weak North American market due to declining 5G rollouts was another reason for the decline in volume in the Communication segment. In the Transportation segment, however, the very good development compared to the same period of the previous year was confirmed. The five strategic growth initiatives also made a positive contribution overall.

The order intake of CHF 639.2 million after nine months was 15.6 % below the prior-year value, while net sales of CHF 666.3 million were 9.1 % lower. Adjusted for currency, copper price and portfolio effects, the decline in sales compared to the same period last year was 4.1 %.

### Industry segment maintains turnover

In the Industry segment, the strong increase in order intake in the aerospace and defense growth initiative could not compensate for the currently lower demand in the other subsegments. While deliveries of high-power charging systems for electric vehicles in the first nine months even slightly exceeded the high level of the previous-year period, regulatory uncertainties in the US market led to a

temporary delay in the placement of new orders. The numerous project tenders in all submarkets of the Industry segment, despite the still high inventories at customers, point to structurally healthy markets.

## **Communication segment with expected decrease as a result of declining 5G rollouts**

The general decline in investments by communications customers was felt in large parts of the market. In the Communication market segment, the sharp decline in order intake and net sales compared to the same period of the previous year was mainly due to the already sharply declining volumes from the roll-out of mobile networks to the 5G standard in North America throughout the year and additionally full warehouses at customers. The development of demand for such products from the Asian market was positive, albeit to a lesser extent. New major impulses in the Communication segment are expected in the near future, for example from data center customers. HUBER+SUHNER has promising technologies for the necessary expansion of computing power in connection with artificial intelligence (AI) applications, which is gaining momentum.

## **Transportation segment remains on a dynamic growth path**

In the Transportation market segment, both order intake and net sales continued to grow substantially compared to the same period last year. The automotive subsegment, which has been on the road to success for some time now, received significant impetus from the two growth initiatives electric vehicles and advanced driver assistance system (ADAS). In the other subsegment, investments in rail bound transport continued their recovery after the lean period during the pandemic. Accordingly, business with railway customers continued to enjoy good, broad-based demand in the third quarter and grew in both order intake and sales.

## **Outlook**

The overall significantly weaker order intake towards the end of the first semester continued over the summer months, during which there have been increasing signs of a recovery in individual submarkets in recent weeks. In the Industry segment, the low point has probably been reached, although the current level of demand will continue for a few months until customers' inventories are completely depleted. In the Communication segment, initial indications suggest that the trough has been passed and that the order situation in the global markets could improve somewhat in the coming months. The Transportation segment continues to have good opportunities to confirm its positive development in a persistently favourable market environment.

This media release can also be found under <https://www.hubersuhner.com/en/company/media/news>

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.

Date 24 October 2023  
Location Pfäffikon ZH / Herisau  
Page 3 of 3

## Further calendar dates

23 January 2024	Net sales / Order intake (12 months)
5 March 2024	Annual Report 2023, Media and analysts' conference on fiscal year 2023
27 March 2024	Annual General Meeting (Rapperswil SG)

---

## **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.