



2023

Half-year Report

HUBER+SUHNER

Connecting – today and beyond

Contents

Key Facts at a glance	4
Letter to Shareholders	5
Key Figures H1/2023	8
Consolidated Income Statement	10
Consolidated Balance Sheet	11
Consolidated Cash Flow Statement	12
Consolidated Statement of Equity	13
Notes to Group Financial Statements	14
Alternative Performance Measures	17

Key Facts at a glance

Order intake



In CHF million

Order intake below strong prior-year figure

Share buyback programme completed successfully

Net sales

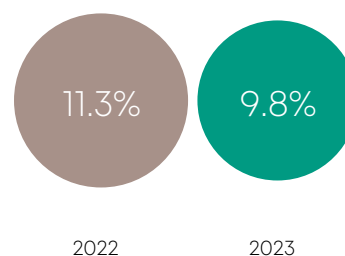


In CHF million

Net sales reach high level of previous year – organic growth of 5.4 %

Net sales growth and sustained high profitability in Industry – Communication strongly affected by decline in North American 5G market – turnaround in Transportation with double-digit EBIT margin

Operating profit margin



Operating profit margin down year-on-year, but within medium-term target range

High level of quotation activity indicates intact medium-term growth opportunities in many submarkets

HUBER+SUHNER maintains net sales at previous-year level with lower profitability



Urs Kaufmann (Chairman) and Urs Ryffel (CEO)

During the first half of the year, development was heterogeneous across the three HUBER+SUHNER segments. Thanks to the strong growth in the two market segments Industry and Transportation, net sales overall were maintained at the high level of the previous-year period. Order intake, however, was well below the high prior-year level. Orders decreased in all subsegments of the Communication segment, with the decline in the North American 5G business in the largest subsegment, mobile network, being particularly significant. The modest decline in the Industry segment was mainly due to overstocked inventory levels at customers. By contrast, the Transportation segment reported further growth, confirming the strong upward trend of the past twelve months.

The operating profit (EBIT) margin of 9.8 % was within the medium-term target range of 9–12 %, but below the strong figure for the same period in the previous year (PY 11.3 %). Net income for the first half of the year reached CHF 38.2 million (PY CHF 43.8 million).

The order intake of CHF 453.3 million was 9.0 % below the high figure of the previous year (CHF 498.4 million).

At CHF 477.3 million (PY CHF 477.4 million), net sales remained at the previous year's level. Due to this development, the book-to-bill rate was 0.95 (PY 1.04). Organically, i.e., adjusted for currency, copper price and portfolio effects, net sales increased by 5.4 %.

The programme launched on 29 October 2021 to buy back registered shares in HUBER+SUHNER AG totalling 5 % of the share capital was successfully completed on 30 March 2023. The 1,010,000 shares acquired under this programme will be proposed for cancellation by means of capital reduction at the next Annual General Meeting on 27 March 2024. After six months, free operating cash flow amounted to CHF 9.6 million.

The adjustment in capacities necessitated by the lower order intake – especially at production sites in Mexico, Tunisia, Poland and China – resulted in a decrease in the global workforce to 4,278 (PY 4,678). In Switzerland, the number of employees remained stable at 1,184.

By region, EMEA accounted for 54 % of net sales (PY 53 %). The shift in shares between the Americas 19 % (PY 26 %) and APAC 27% (PY 21 %) can be attributed to the resurgence of important Asian economies, particularly those of India and Australia, coupled with a noticeable decline in net sales in North America.

Further net sales increase in Industry segment with sustained high profitability

The Industry market segment saw order intake develop differently across the individual subsegments. While the aerospace and defense growth initiative recorded a significant increase, the other subsegments of high power charging, test and measurement as well as general industrial fell short of the previous year's figures. Earlier order releases as a result of the extended delivery periods in 2022 led to above-average customer stock levels and correspondingly lower order volumes in the reporting year to date. The continued high level of quotation activity in most industrial submarkets is not indicative of structural problems. Growth in net sales was driven by aerospace and defense and high power charging for electric vehicles. The development of the network for high-power charging points is progressing steadily, even though the expansion of the charging infrastructure is not keeping pace with market needs in all places. Order intake was CHF 148.6 million (PY CHF 157.6 million) with net sales of CHF 159.6 million, equivalent to a 10.1 % increase on the previous year. The EBIT of CHF 30.2 million (PY CHF 28.7 million) equates to another high EBIT margin of 18.9 % (PY 19.8 %).

End of North American 5G rollouts in Communication segment impacts sales and profitability

The Communication market segment suffered a significant decline after two strong previous-year periods. Investments made by North American mobile network operators to roll out the 5G standard had reached their peak in 2021. The large volumes associated with these projects, which had previously made a significant contribution to the growth and good profitability of this segment, decreased significantly in the first six months of this year due to the advanced stage of the rollouts. In the reporting period, this decline was offset only to a lesser extent by rising order and sales volumes from the Asian market. It was also not possible to achieve the figures from the previous-year period in the business with communication equipment manufacturers and the data center growth initiative. Imponderables relating to the security of energy supplies led, for example, to the temporary postponement of planned projects by operators of the energy-intensive data centers. At CHF 148.1 million, order intake was 23.3 % below the figure for the previous year, while net sales fell by 13.8 % to CHF 169.8 million. This resulted in a significantly lower EBIT of CHF 6.2 million, which reduced the EBIT margin to 3.7 % (PY 12.6 %). As a result of this negative development in profitability, measures to reduce both capacity and the cost base were initiated in the Communication segment.

Transportation segment: turnaround and double-digit operating profit margin

The automotive subsegment confirmed its path of growth in the first half of the year. The trend toward the electrification of commercial vehicles continued and contributed significantly to the positive development of the electric vehicle growth initiative. The broadening of the customer base in the relatively new ADAS (advanced driver assistance system) growth initiative represented a further success, although the contribution of this business to net sales and profitability is currently still marginal.

Following a long, pandemic-related dry spell in the railway subsegment, there was renewed activity in this business, which is typically characterised by long-term cycles. In the rolling stock area, several new orders were won for inter-vehicle jumper cables and carriage cabling. Growth was also achieved in the rail communication growth initiative. In addition to providing equipment for new trains, this growth initiative includes technical upgrades to existing rolling stock and installations along the rail tracks to ensure seamless reception and allow passengers to work or stream content while on board.

The Transportation segment confirmed its positive development path and thus a successful turnaround. Order intake reached CHF 156.6 million, an increase of 6.1 % compared to the previous-year period, while net sales increased by 9.2 % to CHF 147.9 million. With an EBIT of CHF 15.5 million (PY CHF 4.7 million), the EBIT margin more than tripled to 10.5 % (PY 3.4 %).

Outlook

In the first half of fiscal year 2023, the situation continued to ease and supply chains were once again functioning normally. The required logistics capacities were available with few restrictions, and raw materials and semi-finished products were generally available, albeit mostly at a higher price level. The situation also normalised on the demand side, after the risk of a lack of supply security had previously driven up customer stock levels. However, inflationary trends and geopolitical tensions persisted and are likely to shape the economic environment for some time. In particular, the issue around energy supply and costs will remain a challenge.

The strategy of balanced diversification provides the company with resilience in the current volatile economic environment. The desires for personal security, seamless communication and environmentally friendly mobility that underlie the business of HUBER+SUHNER will remain fundamentally positive growth drivers. Increases in government budgets to protect citizens and territorial integrity, the recent rapid development of artificial intelligence with enormous demands on data centers, or the increasing electrification of rail and road transport are just three examples of applications where the company's forward-looking and highly differentiated connectivity solutions are providing attractive potential for sustainable growth.

From today's perspective, assuming a comparable exchange rate situation and taking into account the weaker order intake in the year to date, HUBER+SUHNER expects significantly lower net sales for the second half of the year compared to the first half, with a corresponding impact on the year as a whole. Regarding operating profit margin, the company expects a value in the lower half of the medium-term target range of 9–12 %.



Urs Kaufmann

Chairman of the Board of Directors



Urs Ryffel

Chief Executive Officer

Key figures H1/2023

Group

in CHF million	January–June 2023	January–June 2022	Change
Order intake	453.3	498.4	(9.0%)
Order backlog as of 30.6.	288.9	333.1	(13.3%)
Net sales	477.3	477.4	(0.0%)
Gross margin	34.9%	36.5%	
EBITDA	63.5	69.3	(8.3%)
as % of net sales	13.3%	14.5%	
EBIT	47.0	54.0	(13.0%)
as % of net sales	9.8%	11.3%	
Financial result	(1.6)	(0.6)	n/m
Net income	38.2	43.8	(12.7%)
as % of net sales	8.0%	9.2%	
Purchases of PP&E and intangible assets	28.5	23.8	20.1%
Cash flow from operating activities	31.1	31.3	(0.4%)
Free operating cash flow	9.6	5.7	69.2%
Net liquidity as of 30.6.	111.9	145.8	(23.3%)
Return on invested capital (ROIC) in %	17.8%	21.3%	
Equity as of 30.6.	593.4	605.5	(2.0%)
as % of balance sheet total	75.7%	74.6%	
Employees as of 30.6.	4 278	4 678	(8.6%)

n/m = not meaningful

Data per share

in CHF	January–June 2023	January–June 2022	Change
Stock market price as of 30.6.	73.80	76.20	(3.1%)
Net income	2.05	2.28	(9.9%)

Segment information

in CHF million		January–June 2023	January–June 2022	Change
Industry	Order intake	148.6	157.6	(5.7%)
	Net sales	159.6	145.0	10.1%
	EBIT	30.2	28.7	5.1%
	as % of net sales	18.9%	19.8%	
Communication	Order intake	148.1	193.1	(23.3%)
	Net sales	169.8	197.0	(13.8%)
	EBIT	6.2	24.8	(74.9%)
	as % of net sales	3.7%	12.6%	
Transportation	Order intake	156.6	147.7	6.1%
	Net sales	147.9	135.4	9.2%
	EBIT	15.5	4.7	234.2%
	as % of net sales	10.5%	3.4%	

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 www.hubersuhner.com/en/company/investors/publications

Financial calendar

Net sales / Order intake (9 months)	24.10.2023
Net sales / Order intake 2023	23.01.2024
Annual Report 2023	05.03.2024
Media and analysts' conference	05.03.2024
Annual General Meeting (Rapperswil SG)	27.03.2024

Figures are available online at www.hubersuhner.com/en/company/investors/publications

This letter to shareholders is also available in German. The German version is binding.

Consolidated Income Statement

in CHF 1 000	Notes	January–June 2023	%	January–June 2022	%
Net sales	5	477 273	100.0	477 371	100.0
Cost of goods sold		(310 564)		(302 908)	
Gross profit		166 709	34.9	174 463	36.5
Selling expense		(62 360)		(64 746)	
Administrative expense		(29 225)		(26 819)	
Research and development expense		(29 218)		(29 998)	
Other operating expense		(319)		(205)	
Other operating income		1 381		1 285	
Operating profit (EBIT)	5	46 968	9.8	53 980	11.3
Financial result		(1 584)		(631)	
Income before taxes		45 384	9.5	53 349	11.2
Income taxes		(7 153)		(9 546)	
Net income		38 231	8.0	43 803	9.2
Attributable to shareholders of HUBER+SUHNER AG		37 949		43 395	
Attributable to minority interests		282		408	
Data per share					
in CHF		January–June 2023		January–June 2022	
Undiluted / diluted earnings per share		2.05		2.28	

The notes are an integral part of the consolidated financial statements.

Consolidated Balance Sheet

in CHF 1 000	Notes	30.06.2023	%	31.12.2022	%
Assets					
Cash and cash equivalents		111 864		151 138	
Trade receivables		173 830		162 232	
Other short-term receivables		26 727		28 742	
Inventories		177 354		193 919	
Accrued income		6 367		4 133	
Current assets		496 142	63.3	540 164	66.3
Property, plant and equipment		224 087		214 867	
Intangible assets		28 028		26 250	
Financial assets		23 120		23 208	
Deferred tax assets		12 079		10 494	
Non-current assets		287 314	36.7	274 819	33.7
Assets		783 456	100.0	814 983	100.0
Liabilities and equity					
Trade payables		70 873		76 079	
Other short-term liabilities		58 726		66 263	
Short-term provisions		12 531		17 175	
Accrued liabilities		18 639		19 452	
Current liabilities		160 769	20.5	178 969	22.0
Other long-term liabilities		2 673		2 667	
Long-term provisions		7 777		7 778	
Deferred tax liabilities		18 825		18 917	
Non-current liabilities		29 275	3.8	29 362	3.6
Liabilities		190 044	24.3	208 331	25.6
Share capital		5 050		5 050	
Capital reserves		33 478		33 480	
Treasury shares		(81 600)		(75 231)	
Retained earnings		633 320		640 058	
Equity attributable to shareholders of HUBER+SUHNER AG		590 248	75.3	603 357	74.0
Minority interests		3 164	0.4	3 295	0.4
Total equity		593 412	75.7	606 652	74.4
Liabilities and equity		783 456	100.0	814 983	100.0

The notes are an integral part of the consolidated financial statements.

Consolidated Cash Flow Statement

in CHF 1 000	Notes	January–June 2023	January–June 2022
Net income		38 231	43 803
Income taxes		7 153	9 546
Depreciation of property, plant and equipment and intangible assets		16 548	15 288
Other non-cash items		(5 931)	2 070
Loss/profit from the disposal of property, plant and equipment		(372)	(7)
Change in trade receivables		(14 994)	(24 262)
Change in inventories		14 591	(15 745)
Change in other receivables and accrued income		2 345	(4 863)
Change in trade payables		(4 155)	5 583
Change in other liabilities and accrued liabilities		(5 375)	10 960
Change in provisions		(4 538)	(812)
Income tax paid		(12 337)	(10 163)
Interest paid		(36)	(146)
Cash flow from operating activities		31 130	31 252
Purchases of property, plant and equipment		(15 928)	(21 580)
Proceeds from sale of property, plant and equipment		244	49
Purchases of intangible assets		(5 080)	(4 333)
Purchases and disposals of financial assets		(57)	(172)
Interest received		831	727
Cash outflow from acquisition	3	(1 498)	(243)
Cash flow from investing activities		(21 488)	(25 552)
Payment of dividend		(38 773)	(38 243)
Payment of dividend to minority interests		(318)	–
Purchase of treasury shares ¹⁾		(8 180)	(40 625)
Cash flow from financing activities		(47 271)	(78 868)
Effect of exchange rate changes on cash		(1 645)	(920)
Net change in cash and cash equivalents		(39 274)	(74 088)
Cash and cash equivalents at 1.1.		151 138	219 845
Cash and cash equivalents at 30.6.		111 864	145 757
Net change in cash and cash equivalents		(39 274)	(74 088)

¹⁾ During H1 2023, 81'916 (H1 2022 498'234) treasury shares were purchased as part of the share buyback programme at an average share price of CHF 78.70 (H1 2022 CHF 81.54) in the amount of CHF 6.4 million (H1 2022 CHF 40.6 million). Per 30 March 2023 the share buyback programme, launched in October 2021, has been completed. In total 1'010'000 treasury shares were purchased at an average share price of CHF 80.61, amounting to CHF 81.4 million. The shares acquired under this programme will be proposed for cancellation by means of capital reduction at the next Annual General Meeting on 27 March 2024.

The notes are an integral part of the consolidated financial statements.

Consolidated Statement of Equity

in CHF 1 000	Share capital	Capital reserves	Treasury shares	Other retained earnings	Goodwill offset	Transla- tion dif- ferences	Retained earnings	Equity attribut- able to share- holders of H+S AG	Minority interests	Total equity
Balance at 31.12.2021	5 050	33 083	(13 835)	787 367	(141 127)	(29 985)	616 255	640 553	3 197	643 750
Net income	–	–	–	43 395	–	–	43 395	43 395	408	43 803
Dividend paid	–	–	–	(38 243)	–	–	(38 243)	(38 243)	–	(38 243)
Purchase of treasury shares	–	–	(40 625)	–	–	–	–	(40 625)	–	(40 625)
Share- based payment	–	397	1 744	(1 220)	–	–	(1 220)	921	–	921
Goodwill offset	–	–	–	–	–	–	–	–	–	–
Currency translation differences	–	–	–	–	–	(3 875)	(3 875)	(3 875)	(242)	(4 117)
Balance at 30.6.2022	5 050	33 480	(52 716)	791 299	(141 127)	(33 860)	616 312	602 126	3 363	605 489
Balance at 31.12.2022	5 050	33 480	(75 231)	833 627	(146 980)	(46 589)	640 058	603 357	3 295	606 652
Net income	–	–	–	37 949	–	–	37 949	37 949	282	38 231
Dividend paid	–	–	–	(38 773)	–	–	(38 773)	(38 773)	(318)	(39 091)
Purchase of treasury shares ¹⁾	–	–	(8 180)	–	–	–	–	(8 180)	–	(8 180)
Share- based payment	–	(2)	1 811	(1 400)	–	–	(1 400)	409	–	409
Goodwill offset	–	–	–	–	277	–	277	277	–	277
Currency translation differences	–	–	–	–	–	(4 791)	(4 791)	(4 791)	(95)	(4 886)
Balance at 30.6.2023	5 050	33 478	(81 600)	831 403	(146 703)	(51 380)	633 320	590 248	3 164	593 412

¹⁾ See footnote 1) at the end of the Cash Flow Statement.

The notes are an integral part of the consolidated financial statements.

Notes to Group Financial Statements

1 General

This unaudited Half-year Report was approved by the Board of Directors on 10 August 2023 and released for publication on 15 August 2023.

2 Accounting policies

The consolidated Half-year Report was prepared in accordance with Swiss GAAP FER 31 "Complementary recommendation for listed companies" and the accounting policies set out in the Annual Report 2022. This Half-year Report is an interim report, which allows simplifications in comparison to an Annual Report.

The consolidated financial statements of the HUBER+SUHNER Group are based on the individual financial statements of the Group companies and were prepared in accordance with current Swiss GAAP FER (Swiss Accounting and Reporting Recommendations) guidelines. Unless otherwise stated in the Annual Report 2022, the consolidated financial statements have been prepared under the historical cost convention.

Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided. All ratios and deltas are calculated using the underlying amount rather than the presented rounded amount.

3 Changes in the scope of consolidation and other changes

There were no changes in the scope of consolidation in the first half year 2023.

In June 2023 the outstanding payment for the acquisition of Phoenix Dynamics Ltd. (acquired in 2022), has been reduced from CHF 1.8 million to CHF 1.5 million as the criteria for deferred payment were not fully achieved. CHF 1.5 million was paid and the goodwill was reduced accordingly by CHF 0.3 million. Phoenix Dynamics Ltd. is reported in the Industry segment.

With effect of 31 October 2022 HUBER+SUHNER acquired 100 % of the capital of Phoenix Dynamics Ltd., based in Staffordshire, UK.

From the acquisition of ROADMap Systems Ltd., Cambridge, UK, in 2021, the remaining payment of CHF 0.2 million was paid in April 2022.

4 Exchange rates for currency translation

The following exchange rates were used for the Group's main currencies:

	Spot rates for the consolidated balance sheet		Average rates for the consolidated income and cash flow statement	
	30.06.2023	31.12.2022	January–June 2023	January–June 2022
1 EUR	0.98	0.99	0.99	1.03
1 USD	0.90	0.93	0.91	0.95
100 CNY	12.39	13.29	13.08	14.54
1 GBP	1.14	1.12	1.13	1.22
100 INR	1.09	1.12	1.11	1.23
1 PLN	0.22	0.21	0.21	0.22
1 HKD	0.11	0.12	0.12	0.12
1 AUD	0.59	0.63	0.61	0.68

5 Segment information

The segment reporting of HUBER+SUHNER consists of three market segments and Corporate.

Industry segment

HUBER+SUHNER utilises its expertise in electrical and optical connectivity in developing advanced and differentiated solutions for demanding applications in a variety of industrial markets. Customers benefit from a wide range that encompasses components such as cables, connectors, cable assemblies, antennas, lightning protection and resistive components – all of which can be customised to meet specific requirements. This comprehensive portfolio features products specifically designed to withstand the extreme environments of space and offshore applications, ensure data integrity and connectivity to safeguard protective forces, guarantee accuracy and repeatability for test and measurement systems, maintain safe-handling in high power electric car charging, provide lifetime data transfer and control for wind energy and industrial automation, and deliver the precision and flexibility necessary for medical applications in improving lives.

Markets served: test and measurement, aerospace and defense, high power charging, general industrial.

Communication segment

HUBER+SUHNER is a strategic partner to the communication market combining profound technical expertise with extensive customer intimacy to meet the needs of mobile networks, fixed access networks, data centers and communication equipment manufacturers. Customers benefit from a comprehensive and customisable portfolio of physical layer connectivity products and systems that are based on fiber optic and radio frequency technologies. HUBER+SUHNER provides an extensive range of reliable, future-ready solutions that pull from products including harsh environment connectivity, antenna transmission, residential access, video overlay, bandwidth expansion, cable systems, cable management, hardware interconnection, optical switching and wavelength-selective switching. Each solution is designed and engineered to provide the highest performance, density and scalability for today and far into the future.

Markets served: mobile network, fixed access network, data center, communication equipment manufacturer.

Transportation segment

HUBER+SUHNER develops comprehensive and sustainable connectivity solutions for the transportation market by combining three in-house technologies into innovations. The solutions in the transportation segment address the mobility needs of today and tomorrow in the railway and automotive markets. These needs also include the addition of communication solutions and thus the possibility of being mobile while being connected. The portfolio includes an extensive range of cables, cable assemblies, hybrid cables and cable systems, as well as antennas, radar and connectors. By specialising in polymer compounds using a patented formula developed in-house for high-quality cable insulation, and in combination with electron beam cross-linking technology, low frequency cable products offer competitive advantages of space and weight savings, and long lifetime, even under extreme conditions. Altogether, customers benefit from efficient electrical transmission, high-speed data transfer, and autonomous control in future ready transportation concepts.

Markets served: railway (rolling stock, rail communications), automotive (electric vehicle, advanced driver assistance system).

Corporate

This segment chiefly covers the expenses of corporate functions in Switzerland and all business activities that cannot be allocated to one of the three market segments.

Net sales by segment	January–June 2023	January–June 2022
Industry	159 575	145 000
Communication	169 815	196 950
Transportation	147 883	135 421
Total net sales	477 273	477 371
Operating profit (EBIT)	January–June 2023	January–June 2022
Industry	30 213	28 740
Communication	6 218	24 799
Transportation	15 483	4 633
Corporate	(4 946)	(4 192)
Total operating profit (EBIT)	46 968	53 980

6 Events after the balance sheet date

No events occurred between the balance sheet date and the date this half-year report was approved by the Board of Directors which affect the half-year results or require any adjustments to the Group's assets and liabilities.

Alternative Performance Measures

HUBER+SUHNER uses alternative performance measures as guidance parameters for both internal and external reporting to stakeholders. HUBER+SUHNER uses the following definitions, which may differ from the one other companies use.

This document has been prepared in conformity with the Directive on the Use of Alternative Performance Measures issued by SIX Exchange Regulation Ltd.

Organic sales development

The organic sales development is calculated by adjusting the reported net sales for the impact of currency effects, copper price effects as well as portfolio effects (acquisitions and disposals). When determining the currency effects, the functional currency that is valid in the respective country is used.

Order intake

A new order is recognised as an order intake only when the contract creates enforceable obligations between the Group and its customer. When this condition is met, the order is recognised at the contract value.

Book-to-bill

The book-to-bill is the ratio of total order intake third to total net sales third.

Order backlog

The order backlog represents the amount of booked orders not yet delivered/invoiced at a closing date. The order backlog is calculated as follows:

- order backlog at the beginning of the year;
- plus order intake during the reporting period;
- less cancellations of orders recorded;
- less sales recognised during the reporting period.

EBIT

EBIT is calculated by subtracting cost of goods sold and operating expenses from net sales.

	January–June 2023	January–June 2022
Net sales	477.3	477.4
Cost of goods sold	(310.6)	(302.9)
Gross profit	166.7	174.5
Selling, administrative and research and development expense	(120.8)	(121.6)
Other operating expense / income	1.1	1.1
EBIT (= operating profit)	47.0	54.0

EBITDA

The EBITDA corresponds to the operating profit (EBIT) before depreciation of property, plant and equipment and amortisation of intangible assets.

	January–June 2023	January–June 2022
EBIT (= operating profit)	47.0	54.0
Depreciation of property, plant and equipment	14.5	13.5
Amortisation of intangible assets	2.1	1.8
EBITDA	63.5	69.3

Return on invested capital (ROIC)

The return on invested capital (ROIC) measures how efficiently the invested capital is used. It is defined as net operating profit after taxes (NOPAT) divided by the average invested capital. The average is calculated by adding the invested capital at the beginning of the period to that at the end of the period and dividing the sum by two. The half-year EBIT is annualized by multiplying by two for the calculation of the ROIC.

Invested capital and NOPAT are defined as follows:

	January–June 2023	January–June 2022
Trade receivables	173.8	168.0
Other short-term receivables (excl. derivative financial instruments)	26.3	30.2
Inventories	177.4	186.3
Accrued income	6.4	5.9
Property, plant and equipment (excl. undeveloped property)	221.1	213.8
Intangible assets	28.0	24.0
Deferred tax assets	12.1	10.2
Operating assets	645.0	638.4
Trade payables	(70.9)	(69.0)
Other short-term liabilities (excl. derivative financial instruments)	(58.5)	(70.1)
Short-term provisions	(12.5)	(16.7)
Accrued liabilities	(18.6)	(22.0)
Other long-term liabilities	(2.7)	(2.7)
Long-term provisions (excl. retirement plan obligations)	(6.4)	(6.6)
Deferred tax liabilities	(18.8)	(17.3)
Operating liabilities	(188.4)	(204.4)
Invested capital	456.7	434.0
Average invested capital	443.7	417.0
EBIT (= operating profit) (12 months annualized)	93.9	108.0
Effective income tax rate	15.8%	17.9%
Effective income taxes	(14.8)	(19.3)
NOPAT (= net operating profit after taxes) (12 months annualized)	79.1	88.6
Return on invested capital (ROIC) in % = NOPAT / average invested capital	17.8%	21.3%

Free operating cash flow

Free operating cash flow is defined as cash flow from operating activities less cash flow from investing activities.

	January–June 2023	January–June 2022
Cash flow from operating activities	31.1	31.3
Cash flow from investing activities	(21.5)	(25.6)
Free operating cash flow	9.6	5.7

Free cash flow

	January–June 2023	January–June 2022
Free operating cash flow	9.6	5.7
Payment of dividend	(38.8)	(38.2)
Payment of dividend to minority interests	(0.3)	–
Purchase of treasury shares	(8.2)	(40.6)
Free cash flow	(37.6)	(73.2)

Net liquidity

	30.06.2023	30.06.2022
Cash and cash equivalents	111.9	145.8
Short-term financial liabilities	0	0
Long-term financial liabilities	0	0
Net liquidity	111.9	145.8

Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided. All ratios and deltas are calculated using the underlying amount rather than the presented rounded amount.

Publishing information

Concept and Editorial

Corporate Finance

HUBER+SUHNER, CH-8330 Pfäffikon

Design and Type

NeidhartSchön AG

HUBER+SUHNER AG

Degersheimerstrasse 14

CH-9100 Herisau AR

Phone +41 71 353 41 11

Tumbelenstrasse 20

CH-8330 Pfäffikon ZH

Phone +41 44 952 22 11

www.hubersuhner.com