

**2023**

# Half-year Report

## Alternative Performance Measures

# 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)
<b>Gross profit</b>	<b>166.7</b>	<b>174.5</b>
Selling, administrative and research and development expense	(120.8)	(121.6)
Other operating expense / income	1.1	1.1
<b>EBIT (= operating profit)</b>	<b>47.0</b>	<b>54.0</b>

## 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
<b>EBIT (= operating profit)</b>	<b>47.0</b>	<b>54.0</b>
Depreciation of property, plant and equipment	14.5	13.5
Amortisation of intangible assets	2.1	1.8
<b>EBITDA</b>	<b>63.5</b>	<b>69.3</b>

## 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
<b>Operating assets</b>	<b>645.0</b>	<b>638.4</b>
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)
<b>Operating liabilities</b>	<b>(188.4)</b>	<b>(204.4)</b>
<b>Invested capital</b>	<b>456.7</b>	<b>434.0</b>
<b>Average invested capital</b>	<b>443.7</b>	<b>417.0</b>
<b>EBIT (= operating profit) (12 months annualized)</b>	<b>93.9</b>	<b>108.0</b>
Effective income tax rate	15.8%	17.9%
Effective income taxes	(14.8)	(19.3)
<b>NOPAT (= net operating profit after taxes) (12 months annualized)</b>	<b>79.1</b>	<b>88.6</b>
<b>Return on invested capital (ROIC) in % = NOPAT / average invested capital</b>	<b>17.8%</b>	<b>21.3%</b>

## 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)
<b>Free operating cash flow</b>	<b>9.6</b>	<b>5.7</b>

## 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)
<b>Free cash flow</b>	<b>(37.6)</b>	<b>(73.2)</b>

## 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
<b>Net liquidity</b>	<b>111.9</b>	<b>145.8</b>

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.