

# 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)	
<b>Gross profit</b>		<b>166 709</b>	<b>34.9</b>	<b>174 463</b>	<b>36.5</b>
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	
<b>Operating profit (EBIT)</b>	<b>5</b>	<b>46 968</b>	<b>9.8</b>	<b>53 980</b>	<b>11.3</b>
Financial result		(1 584)		(631)	
<b>Income before taxes</b>		<b>45 384</b>	<b>9.5</b>	<b>53 349</b>	<b>11.2</b>
Income taxes		(7 153)		(9 546)	
<b>Net income</b>		<b>38 231</b>	<b>8.0</b>	<b>43 803</b>	<b>9.2</b>
Attributable to shareholders of HUBER+SUHNER AG		37 949		43 395	
Attributable to minority interests		282		408	
<b>Data per share</b>					
<b>in CHF</b>		<b>January–June 2023</b>		<b>January–June 2022</b>	
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	%
<b>Assets</b>					
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	
<b>Current assets</b>		<b>496 142</b>	<b>63.3</b>	<b>540 164</b>	<b>66.3</b>
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	
<b>Non-current assets</b>		<b>287 314</b>	<b>36.7</b>	<b>274 819</b>	<b>33.7</b>
<b>Assets</b>		<b>783 456</b>	<b>100.0</b>	<b>814 983</b>	<b>100.0</b>
<b>Liabilities and equity</b>					
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	
<b>Current liabilities</b>		<b>160 769</b>	<b>20.5</b>	<b>178 969</b>	<b>22.0</b>
Other long-term liabilities		2 673		2 667	
Long-term provisions		7 777		7 778	
Deferred tax liabilities		18 825		18 917	
<b>Non-current liabilities</b>		<b>29 275</b>	<b>3.8</b>	<b>29 362</b>	<b>3.6</b>
<b>Liabilities</b>		<b>190 044</b>	<b>24.3</b>	<b>208 331</b>	<b>25.6</b>
Share capital		5 050		5 050	
Capital reserves		33 478		33 480	
Treasury shares		(81 600)		(75 231)	
Retained earnings		633 320		640 058	
<b>Equity attributable to shareholders of HUBER+SUHNER AG</b>		<b>590 248</b>	<b>75.3</b>	<b>603 357</b>	<b>74.0</b>
Minority interests		3 164	0.4	3 295	0.4
<b>Total equity</b>		<b>593 412</b>	<b>75.7</b>	<b>606 652</b>	<b>74.4</b>
<b>Liabilities and equity</b>		<b>783 456</b>	<b>100.0</b>	<b>814 983</b>	<b>100.0</b>

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
<b>Net income</b>		<b>38 231</b>	<b>43 803</b>
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)
<b>Cash flow from operating activities</b>		<b>31 130</b>	<b>31 252</b>
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)
<b>Cash flow from investing activities</b>		<b>(21 488)</b>	<b>(25 552)</b>
Payment of dividend		(38 773)	(38 243)
Payment of dividend to minority interests		(318)	–
Purchase of treasury shares <sup>1)</sup>		(8 180)	(40 625)
<b>Cash flow from financing activities</b>		<b>(47 271)</b>	<b>(78 868)</b>
Effect of exchange rate changes on cash		(1 645)	(920)
<b>Net change in cash and cash equivalents</b>		<b>(39 274)</b>	<b>(74 088)</b>
Cash and cash equivalents at 1.1.		151 138	219 845
Cash and cash equivalents at 30.6.		111 864	145 757
<b>Net change in cash and cash equivalents</b>		<b>(39 274)</b>	<b>(74 088)</b>

<sup>1)</sup> 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
<b>Balance at 31.12.2021</b>	<b>5 050</b>	<b>33 083</b>	<b>(13 835)</b>	<b>787 367</b>	<b>(141 127)</b>	<b>(29 985)</b>	<b>616 255</b>	<b>640 553</b>	<b>3 197</b>	<b>643 750</b>
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)
<b>Balance at 30.6.2022</b>	<b>5 050</b>	<b>33 480</b>	<b>(52 716)</b>	<b>791 299</b>	<b>(141 127)</b>	<b>(33 860)</b>	<b>616 312</b>	<b>602 126</b>	<b>3 363</b>	<b>605 489</b>
<b>Balance at 31.12.2022</b>	<b>5 050</b>	<b>33 480</b>	<b>(75 231)</b>	<b>833 627</b>	<b>(146 980)</b>	<b>(46 589)</b>	<b>640 058</b>	<b>603 357</b>	<b>3 295</b>	<b>606 652</b>
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 <sup>1)</sup>	-	-	(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)
<b>Balance at 30.6.2023</b>	<b>5 050</b>	<b>33 478</b>	<b>(81 600)</b>	<b>831 403</b>	<b>(146 703)</b>	<b>(51 380)</b>	<b>633 320</b>	<b>590 248</b>	<b>3 164</b>	<b>593 412</b>

<sup>1)</sup> 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.

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

## 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.