Financial Report

HUBER+SUHNER Group Financial Statements

Key Figures

Group

in CHF million	2024	2023	Change
Order intake	908.0	821.4	10.5%
Order backlog as of 31.12.	291.0	271.9	7.0%
Net sales	893.9	851.1	5.0%
Gross margin	35.4%	35.3%	
EBITDA	122.6	110.5	11.0%
as % of net sales	13.7%	13.0%	
EBIT	86.6	77.6	11.7%
as % of net sales	9.7%	9.1%	
Financial result	(0.8)	(2.9)	n/m
Net income	72.3	64.8	11.5%
as % of net sales	8.1%	7.6%	
Purchases of PP&E and intangible assets	44.7	51.4	(13.1%)
Cash flow from operating activities	90.2	115.7	(22.0%)
Free operating cash flow	53.4	63.7	(16.2%)
Net liquidity as of 31.12.	184.1	163.1	12.9%
Return on invested capital (ROIC) in %	16.8%	15.8%	
Equity as of 31.12.	656.5	609.6	7.7%
as % of balance sheet total	73.8%	78.4%	
Employees as of 31.12.	3 975	4 109	(3.3%)
Market capitalisation as of 31.12.	1 369.2	1 254.7	9.1%

n/m = not meaningful

Data per share

in CHF	2024	2023	Change
Stock market price as of 31.12.	74.20	68.00	9.1%
Net income	3.87	3.48	11.3%
Dividend	1.90[1]	1.70	11.8%

[1] Proposed dividend

Segment information

in CHF million		2024	2023	Change
Industry	Order intake	306.1	258.1	18.6%
	Net sales	276.7	285.3	(3.0%)
	EBIT	47.0	46.8	0.4%
	as % of net sales	17.0%	16.4%	
Communication	Order intake	343.2	283.4	21.1%
	Net sales	353.6	280.3	26.1%
	EBIT	28.7	13.7	108.9%
	as % of net sales	8.1%	4.9%	
Transportation	Order intake	258.7	279.9	(7.6%)
	Net sales	263.6	285.5	(7.6%)
	EBIT	19.1	25.9	(26.1%)
	as % of net sales	7.3%	9.1%	

Consolidated Income Statement

in CHF 1 000	Notes	2024	%	2023	%
Net sales	6	893 874	100.0	851 062	100.0
Cost of goods sold		(577 726)		(550 493)	
Gross profit		**316 148**	**35.4**	**300 569**	**35.3**
Selling expense		(127 044)		(119 332)	
Administrative expense		(49 297)		(49 954)	
Research and development expense		(56 164)		(57 354)	
Other operating expense		(634)		(818)	
Other operating income	7	3 610		4 448	
Operating profit (EBIT)	6	**86 619**	**9.7**	**77 559**	**9.1**
Financial result	8	(834)		(2 929)	
Income before taxes		**85 785**	**9.6**	**74 630**	**8.8**
Income taxes	9	(13 511)		(9 783)	
Net income		**72 274**	**8.1**	**64 847**	**7.6**
Attributable to shareholders of HUBER+SUHNER AG		71 383		64 221	
Attributable to minority interests		891		626	

Data per share

in CHF	Notes	2024		2023	
Undiluted / diluted earnings per share	30	3.87		3.48	
Dividend		1.90[1]		1.70	

[1] Proposed dividend

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

Consolidated Balance Sheet

in CHF 1 000	Notes	31.12.2024	%	31.12.2023	%
Assets					
Cash and cash equivalents	16	174 133		108 100	
Marketable securities	17	10 000		55 000	
Trade receivables	18	210 522		131 101	
Other short-term receivables	19	23 590		21 444	
Inventories	20	155 433		163 190	
Accrued income		7 290		5 115	
Current assets		**580 968**	**65.3**	**483 950**	**62.3**
Property, plant and equipment	22	233 591		226 554	
Intangible assets	23	31 626		28 820	
Financial assets	24	25 103		23 703	
Deferred tax assets	28	17 872		13 999	
Non-current assets		**308 192**	**34.7**	**293 076**	**37.7**
Assets		**889 160**	**100.0**	**777 026**	**100.0**
Liabilities and equity					
Trade payables	25	113 611		60 614	
Other short-term liabilities	26	57 235		49 910	
Short-term provisions	27	11 913		10 158	
Accrued liabilities		18 279		15 654	
Current liabilities		**201 038**	**22.6**	**136 336**	**17.6**
Other long-term liabilities		2 222		2 345	
Long-term provisions	27	7 630		7 433	
Deferred tax liabilities	28	21 748		21 283	
Non-current liabilities		**31 600**	**3.6**	**31 061**	**4.0**
Liabilities		**232 638**	**26.2**	**167 397**	**21.6**
Share capital[1]	29	4 798		5 050	
Capital reserves[1]		(47 524)		33 478	
Treasury shares[1]		(930)		(82 379)	
Retained earnings		697 238		650 997	
Equity attributable to shareholders of HUBER+SUHNER AG		**653 582**	**73.5**	**607 146**	**78.1**
Minority interests		2 940	0.3	2 483	0.3
Total equity		**656 522**	**73.8**	**609 629**	**78.4**
Liabilities and equity		**889 160**	**100.0**	**777 026**	**100.0**

[1] See footnote 3) at the end of the Consolidated Statement of Equity.

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

Consolidated Cash Flow Statement

in CHF 1 000	Notes	2024	2023
Net income		**72 274**	**64 847**
Income taxes		13 511	9 783
Depreciation of property, plant and equipment and intangible assets	14	35 985	32 940
Other non-cash items		(5 247)	1 485
Loss/profit from the disposal of property, plant and equipment		(219)	(572)
Change in trade receivables		(76 400)	22 706
Change in inventories		10 006	24 455
Change in other receivables and accrued income		(6 779)	7 116
Change in trade payables		51 930	(12 148)
Change in other liabilities and accrued liabilities		6 311	(12 361)
Change in provisions		2 001	(7 139)
Income tax paid		(13 107)	(15 411)
Interest paid		(75)	(40)
Cash flow from operating activities		**90 191**	**115 661**
Purchases of property, plant and equipment	22	(32 321)	(44 351)
Proceeds from sale of property, plant and equipment	22	279	847
Purchases of intangible assets	23	(7 025)	(7 934)
Purchases and disposals of financial assets		(30)	(91)
Purchases and sales of marketable securities	17	45 000	(55 000)
Interest received		2 274	1 831
Cash outflow from acquisitions and disposals	4	–	(2 289)
Cash flow from investing activities		**8 177**	**(106 987)**
Payment of dividend		(31 388)	(38 773)
Payment of dividend to minority interests		(447)	(318)
Purchase of treasury shares[1]		(1 640)	(8 959)
Cash flow from financing activities		**(33 475)**	**(48 050)**
Effect of exchange rate changes on cash		1 140	(3 662)
Net change in cash and cash equivalents		**66 033**	**(43 038)**
Cash and cash equivalents at beginning of year		108 100	151 138
Cash and cash equivalents at end of year	16	174 133	108 100
Net change in cash and cash equivalents		**66 033**	**(43 038)**

Included in the cash flow from investing activities			
Government grants related to property, plant and equipment		119	–

[1] See footnote 3) at the end of the Consolidated Statement of Equity.

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

Consolidated Statement of Equity

in CHF 1 000	Share capital[1]	Capital reserves	Treasury shares	Other retained earnings	Goodwill offset	Translation differences	Retained earnings	Equity attributable to shareholders of H+S AG	Minority interests	Total equity
Balance at 1.1.2023	**5 050**	**33 480**	**(75 231)**	**833 627**	**(146 980)**	**(46 589)**	**640 058**	**603 357**	**3 295**	**606 652**
Change in scope of consolidation[2]	–	–	–	–	–	–	–	–	(1 036)	(1 036)
Net income	–	–	–	64 221	–	–	64 221	64 221	626	64 847
Dividend paid	–	–	–	(38 773)	–	–	(38 773)	(38 773)	(318)	(39 091)
Purchase of treasury shares[3]	–	–	(8 959)	–	–	–	–	(8 959)	–	(8 959)
Share-based payment	–	(2)	1 811	(550)	–	–	(550)	1 259	–	1 259
Goodwill offset[4]	–	–	–	–	277	–	277	277	–	277
Currency translation differences	–	–	–	–	–	(14 236)	(14 236)	(14 236)	(84)	(14 320)
Balance at 31.12.2023	**5 050**	**33 478**	**(82 379)**	**858 525**	**(146 703)**	**(60 825)**	**650 997**	**607 146**	**2 483**	**609 629**
Net income	–	–	–	71 383	–	–	71 383	71 383	891	72 274
Dividend paid	–	–	–	(31 388)	–	–	(31 388)	(31 388)	(447)	(31 835)
Capital reduction[3]	(252)	(81 165)	81 417	–	–	–	–	–	–	–
Purchase of treasury shares	–	–	(1 640)	–	–	–	–	(1 640)	–	(1 640)
Share-based payment	–	163	1 672	(146)	–	–	(146)	1 689	–	1 689
Currency translation differences	–	–	–	–	–	6 392	6 392	6 392	13	6 405
Balance at 31.12.2024	**4 798**	**(47 524)**	**(930)**	**898 374**	**(146 703)**	**(54 433)**	**697 238**	**653 582**	**2 940**	**656 522**

[1] See note 29

[2] See note 4

[3] Following approval by the Annual General Meeting on 27 March 2024, the shares acquired as part of the share buyback programme completed in March 2023 have been cancelled by means of a capital reduction. In total 1'010'000 treasury shares were purchased back at an average share price of CHF 80.61, amounting to CHF 81.4 million.

[4] See note 23

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

Notes to Group Financial Statements

1 General

These consolidated financial statements were approved by the Board of Directors on 10 March 2025 and released for publication on 11 March 2025. They are subject to the approval of the shareholders at the Annual General Meeting on 2 April 2025.

2 Accounting policies

2.1 Basis of preparation

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 all of the existing guidelines of the accounting and reporting recommendations of Swiss GAAP FER. Unless otherwise stated in the consolidation and accounting policies, 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.
The financial year-end date for HUBER+SUHNER AG, all subsidiaries and the Group financial statements is 31 December.

2.2 Scope and principles of consolidation

Investments in subsidiaries are included in the Group financial statements as follows:

- All subsidiaries which HUBER+SUHNER controls are fully consolidated. Control is usually presumed where the Group directly or indirectly owns more than 50 % of the voting rights of the subsidiaries. All of the assets and liabilities as well as the income and expenses of these companies are fully included. Minority interests in the consolidated equity and net income are shown separately. All intercompany transactions and balances as well as intercompany profits in inventory and other assets are eliminated on consolidation.
- Those companies purchased during the reporting year are included in the consolidation as at the date on which control was effectively transferred. All previously recognised assets and liabilities as well as contingent liabilities of the company are valued from the date of transfer of control and at fair value. Companies which have been divested during the reporting year are included in the consolidated financial statements until the date on which control ceased.
- Joint ventures and investments with voting rights of between 20 % and 50 % are recognised using the equity method and with the proportionate equity share as at the balance sheet date. They are reported under financial assets in the balance sheet and as joint ventures and investments in the notes. Using the equity method, the proportional share of net income is shown as income (expense) in the consolidated income statement.
- Capital consolidation is based on the purchase method (acquisition method). The net assets acquired are revalued at the acquisition date and compared with the purchase price; only previously recognised assets are revalued. Any resulting goodwill is directly offset against equity. This approach is used for both positive and negative goodwill. If parts of the purchase price are dependent on future results, they are estimated as accurately as possible at the date of acquisition and recognised in the balance sheet. In the event of disparities the goodwill offset in equity is adjusted accordingly.

2.3 Foreign currency translation

Functional and presentation currency

The consolidated financial statements are prepared in Swiss francs (CHF). CHF is the Group's presentation currency and, unless stated otherwise, the information is given in CHF 1 000 (KCHF).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Group companies

The results and financial position of all the Group entities with a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities, for each balance sheet, are translated at the closing rate on the balance sheet date;
- income and expenses, for each income statement, are translated at average exchange rates of the period;
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, profit and loss are not affected by exchange differences arising from the translation of the net investment in foreign operations and of borrowings and other currency instruments which are designated as hedges of such investments.

2.4 Cash and cash equivalents

Cash and cash equivalents include cash on hand, postal and bank accounts, cheques and term deposits with an original maturity of three months or less. Cash and cash equivalents are stated at nominal value.

2.5 Marketable securities

Marketable securities are short-term investments in readily realisable notes, bonds, quoted shares and term deposits, which are traded in liquid markets. Marketable securities are stated at fair value. Term deposits are stated at nominal value.

2.6 Trade receivables and other short-term receivables

Trade receivables and other short-term receivables are valued at nominal value less provision for doubtful trade receivables, if any. Indications for provisions for doubtful trade receivables are substantial financial problems on the customer side, a declaration of bankruptcy or a material delay in payment.

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of goods comprises direct material and production costs and related production overheads. Borrowing costs are excluded. Early payment discounts are treated as a deduction of the purchase price. The inventory valuation is based on standard costs; these are verified annually. Slow-moving and obsolete stock that have insufficient inventory turnover are systematically value-adjusted, either partially or fully.

2.8 Property, plant and equipment

Property, plant and equipment are stated on the balance sheet at the purchased or manufactured cost less accumulated depreciation and impairment. Using the straight-line method, depreciation is charged over the estimated useful lives of the related assets. Investment properties (including undeveloped property) are held for the purposes of rental income and capital gains. They are valued at purchase cost less accumulated depreciation and impairment, and are depreciated over their estimated useful life (20 to 40 years) using the straight-line method. Land is not depreciated. Assets under construction, which are not yet available for use, are depreciated when the asset is in use.

Asset category	Useful life in years
Land	not depreciated
Buildings	20-40 years
Technical equipment and machinery	5-15 years
Leasehold improvements	5-10 years
Office furniture and fixtures	3-5 years
IT hardware	3-5 years
Other equipment	3-7 years

2.9 Intangible assets

Software

Acquired computer software and other intangible assets are capitalised on the basis of the costs incurred to acquire and bring the asset to use. These costs are amortised over their estimated useful life (3 to 10 years). Development costs for software are capitalised on the basis that the asset generates future economic benefits such as revenues or owner-utilisation and that the costs of the asset can be identified reliably. Self-developed intangible assets are not capitalised (including internal costs associated with developing or maintaining computer software).

Other intangible assets

Acquired rights of land use are capitalised on the basis of the acquisition costs incurred. They are amortised on a straight-line basis for the full term of the rights.

2.10 Impairment of assets

Property, plant and equipment and other long-term assets including intangible assets are reviewed for impairment if events or changes in circumstances have occurred that indicate that the book value cannot be recovered. Assets with a book value above the recoverable amount are deemed impaired and are carried at no more than the recoverable amount. The recoverable amount is the higher of an asset's fair value less the cost to sell and value in use. To determine the reduction in value, assets are allocated to specific cash-generating units; cash flows for the latter are determined separately.
If there is an indication that the impairment in the prior period no longer exists or has decreased, the carrying amount is, with the exception of goodwill, increased to its recoverable amount and is recognised immediately in the income statement.

2.11 Financial assets

Financial assets include securities with a long-term investment horizon where the share in equity is less than 20 %, joint ventures and investments as well as loans, assets from employer contribution reserves, long-term rental deposits and re-insurance of retirement plans. As a general rule, marketable securities are valued at the current market price; in some circumstances, they are valued at the cost of acquisition. Joint ventures and investments are accounted for using the equity method (in case that the investment is negative it is recognised in the balance sheet under other long-term liabilities). Loans are valued based on the nominal values less any value adjustments. Assets from employer contribution reserves are valued at their current value; long-term rental deposits are valued at their nominal value and are only discounted if material. Re-insurance of retirement plans is accounted for using an actuarial valuation.

2.12 Financial liabilities

Financial liabilities consist of bank debt and are recognised at nominal value.

2.13 Trade payables and other short-term liabilities

Trade payables and other short-term liabilities are recognised at nominal value.

2.14 Provisions

Provisions are made for warranties, personnel expenses, restructuring costs, as well as legal and other miscellaneous operational risks that meet the recognition criteria. They are recognised when the Group has a current legal or constructive obligation as a result of past events and if it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.
Warranty provisions are generally measured and recognised based on prior experience. The amount of the provision is measured by the current value of the expected cash outflows insofar as the cash outflow substantially underlies interest effects.

2.15 Off-balance-sheet transactions

Contingent liabilities and other non-recognisable commitments are valued and disclosed at each balance sheet date. If contingent liabilities and other non-recognisable commitments lead to an outflow of funds without a simultaneous usable inflow of funds, and the outflow of funds is probable and can be measured reliably, a corresponding provision is made.

2.16 Employee benefits

Companies in the HUBER+SUHNER Group operate employee pension plans in accordance with the regulations of the country where the given company is domiciled.
The economic impact of these pension plans on the HUBER+SUHNER Group is determined annually. For Swiss pension plans, economic benefits and/or economic obligations are determined on the basis of the annual financial statement, which is prepared in accordance with Swiss GAAP FER 26. The economic impact of foreign pension plans is determined according to the methods applied in the given country.

An economic benefit is capitalised if it is permissible and the intention is to use the pension plan funds to cover the company's future pension expense. An economic obligation is recognised when the conditions for the recognition of a provision are met. Existing employer contribution reserves are recognised as a financial asset. Changes in the economic benefit or the economic obligation are recognised in the income statement as personnel expenses incurred during the reporting period.

2.17 Share-based payment

Members of the Board of Directors, Executive Group Management and selective Senior Management employees are partly compensated in HUBER+SUHNER AG shares. These are issued with a blocking period of at least three years. The allocation of shares is subject to approval Notes to Group Financial Statements 78 HUBER+SUHNER Annual Report 2024 by the Annual General Meeting for Members of the Board of Directors and Executive Group Management; the valuation of the share-based payment is determined at the grant date (i.e. the date at which the share allocation was approved by the Annual General Meeting). Share-based payment transactions which have not yet been approved by the Annual General Meeting are valued at the year-end share price. The market value of the shares is fully recognised in equity based on the accruals principle and the one-year vesting period in the accounts of the respective year under review. Any subsequent variances between the year-end share price and the share price at the date of the retroactive approval by the Annual General Meeting are recorded in the income statement of the following year.

2.18 Revenue recognition

HUBER+SUHNER generates revenues mainly from the sale of products and systems. Revenues from these sales are recognised upon delivery to the customer. Depending on the terms of the sales contract, delivery is made when the risks and rewards of the sold products are transferred to the customer or when the service has been performed. Sales are shown as a net amount in the income statement. They represent the total value of invoices to third parties less sales taxes, credits for returns and revenue reductions (primarily rebates and discounts).

2.19 Gross profit

The income statement is presented by function, whereby gross profit represents net sales less the cost of goods sold.

2.20 Income taxes

Income taxes are accounted for on the basis of the income for the reporting year, less the use of tax losses carried forward, using expected effective (local) tax rates. Income tax receivables and payables outstanding at the balance sheet date are disclosed under other short-term receivables or other short-term liabilities. Deferred income tax is calculated using the liability method for any temporary difference between the carrying amount according to Swiss GAAP FER and the tax basis of assets and liabilities. Deferred income tax is measured at tax rates that are expected to apply to the period when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates/laws that have been enacted or substantively enacted at the balance sheet date.
Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be offset.

Deferred income tax is provided for temporary differences on investments in subsidiaries and associates, except when the Group can control the timing of the reversal of the temporary difference or the reversal is not probable in the foreseeable future.

From 2024, HUBER+SUHNER will be subject to the provisions of the pillar two OECD/G20 BEPS 2.0 project (a global minimum tax of 15%) in several jurisdictions. The respective top up tax consequences are considered.

2.21 Alternative Performance Measures

Alternative Performance Measures are key figures not defined by Swiss GAAP FER. HUBER+SUHNER uses alternative performance measures as guidance parameters for both internal and external reporting to stakeholders. For the definition of Alternative Performance Measures please visit Publications.

3 Changes in Swiss GAAP FER accounting principles per 1 January 2024

The **Swiss GAAP FER 28** standard “Government grants” was published in 2022 with effective date 1 January 2024. Government grants are recognised when there is reasonable assurance that the HUBER+SUHNER Group complies with any conditions attached to the grant and the value can be estimated reliably.

Government grants related to assets are offset against the purchased or manufactured cost of the asset. The reduced depreciation amounts are thus taken into account in profit or loss over the useful life of the assets. Government grants related to income are presented in the income statement as “Other operating income” or in objectively justified cases are offset against the corresponding expenses.

The adoption of the new Swiss GAAP FER 28 standard has no impact on HUBER+SUHNER Group's net income, because the accounting entries had been already booked accordingly in previous years.

The **Swiss GAAP FER 30** standard “Consolidated financial statements” was revised in 2022 with effective date 1 January 2024. The implication of the revised Swiss GAAP FER 30 was assessed and it was decided, that the following accounting policy choice regarding goodwill and intangible accounting regarding acquired businesses is applied: As of 1 January 2024, acquired intangible assets which are relevant to the decision to obtain control are identified, recognised and amortised over the useful life (Swiss GAAP FER 30, 14). The remaining goodwill or badwill are offset as in the past against equity (Swiss GAAP FER 30, 15 and 19).

Previously, any resulting goodwill was directly and completely offset against equity after deducting the net assets acquired and revalued at the acquisition date, without identifying, recognising and amortising acquired intangible assets separately.

4 Changes in the scope of consolidation and other changes

On 19 April 2024, ARGE Connectivity Systems GbR, a partnership under the German Civil Code (Gesellschaft bürgerlichen Rechts [GbR]) was founded based on a customer request in the framework of a public tender. The control of HUBER+SUHNER is 50% and the company is recognised using the equity method. The net income distribution of the partnership is 70% (HUBER+SUHNER) : 30% between the partnership parties. See chapter Joint Ventures and Investments.

On 1 August 2023, HUBER+SUHNER sold the majority share (51 %) of BKtel Pacific Rim (Japan) Inc, a fully consolidated H+S Group company, to the minority shareholder for a price of CHF 1.1 million, which is equivalent to 51 % of equity. After the deduction of sold net cash (CHF 1.7 million) and the deferred payments to receive (CHF 0.2 million) the net cash outflow was CHF 0.8 million in 2023. In the consolidated Statement of Equity the derecognition of minority interests (49 %) is recognised in the line “change in scope of consolidation”. The year 2023 includes net sales and operating profit until 31 July 2023 while the comparative period includes twelve months. Pro rata net sales 2023 amounted to CHF 1.1 million (net sales 2022: CHF 1.9 million). The transaction resulted in a gain on sale of CHF 0.02 million, which was recognised in 2023 in the position “Other operating income”. BKtel Pacific Rim (Japan) Inc was reported in the Communication segment.

The following net assets were derecognized:

Effect of deconsolidation	**Fair Value**
Cash and cash equivalents	1 726
Trade receivables	3
Other short-term receivables	276
Inventories	44
Other short-term assets	63
Property, plant and equipment	31
Financial assets	16
Trade payables	(154)
Other short-term and accrued liabilities	(125)
Derecognised net assets	**1 880**

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.

A complete list of all Group companies can be found in chapter Joint Ventures and Investments.

5 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	
	31.12.2024	**31.12.2023**	**2024**	**2023**
1 EUR	0.94	0.94	0.95	0.97
1 USD	0.90	0.85	0.88	0.90
100 CNY	12.34	11.93	12.26	12.64
1 GBP	1.13	1.09	1.13	1.12
100 INR	1.05	1.02	1.05	1.09
1 PLN	0.22	0.22	0.22	0.21
1 HKD	0.12	0.11	0.11	0.11
1 AUD	0.56	0.58	0.58	0.60

6 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 to develop advanced and differentiated solutions for demanding applications in a variety of industrial markets. Customers benefit from a wide range of components, including 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 vehicle 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 close customer proximity 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 draw from products such as 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 beyond.

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 to create 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, enabling mobility while staying 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 durability, 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

	2024	2023
Industry	276 659	285 296
Communication	353 569	280 295
Transportation	263 646	285 471
Total net sales	**893 874**	**851 062**

Net sales by region (sales area)

	2024	2023
Switzerland	43 098	44 770
EMEA (Europe, Middle East and Africa [excl. CH])	404 303	427 099
APAC (Asia-Pacific)	278 894	221 261
Americas (North and South America)	167 580	157 931
Total net sales	**893 874**	**851 062**

Operating profit (EBIT)

	2024	2023
Industry	47 037	46 836
Communication	28 663	13 721
Transportation	19 146	25 913
Corporate	(8 227)	(8 911)
Total operating profit (EBIT)	**86 619**	**77 559**

7 Other operating income

	2024	2023
Government grants received	1 289	1 634
Other operating income	2 321	2 814
Total other operating income	**3 610**	**4 448**

Government grants received are related to research and development projects in Switzerland, Germany, United Kingdom and France. Other operating income includes amongst others licence and rental income.

8 Financial result

	2024	2023
Interest income	2 713	1 888
Foreign exchange gains incl. derivative financial instruments	945	2 243
Other financial income	4	8
Total financial income	**3 662**	**4 139**
Interest expense	(74)	(37)
Foreign exchange losses incl. derivative financial instruments	(3 881)	(5 200)
Share of profit/(loss) from joint ventures and investments	(25)	–
Other financial expense	(516)	(1 831)
Total financial expense	**(4 496)**	**(7 068)**
Total financial result	**(834)**	**(2 929)**

Other financial expense includes amongst others bank charges (in previous year non-refundable withholding taxes on dividends from Group companies are included, see note 9).

9 Income taxes

	2024	2023
Current income taxes	(16 489)	(11 686)
Deferred income taxes	2 978	1 903
Total income taxes	**(13 511)**	**(9 783)**

The differences between the expected and the effective income taxes were as follows:

	2024	2023
Net income before taxes	85 785	74 630
Expected income tax rate	**18.1%**	**17.4%**
Expected income taxes	(15 492)	(13 005)
Effect of utilisation of non-recognised tax losses carry-forward	656	661
Effect of non-tax-deductible expenses and non-taxable income	2 408	2 569
Effect of non-recognition of current tax losses	(1 207)	(2 015)
Effect of increased/reduced allowance on deferred tax balances	(39)	(8)
Effect of changes in tax rates on deferred tax balances	286	(67)
Effect of non-refundable withholding taxes on dividends	(846)	–
Effect of BEPS Pillar 2.0 (15% minimum taxation)	(568)	–
Effect of tax credits/debits from prior years and other effects	1 291	2 082
Effective income taxes	**(13 511)**	**(9 783)**
Effective income tax rate	**15.7%**	**13.1%**

The expected Corporate income tax rate corresponds to the weighted average income tax rate based on the net income before taxes and the income tax rate of each individual Group company. The net income before taxes complies with the ordinary result according to Swiss GAAP FER.

In the reporting year, the difference between the expected income tax rate of 18.1 % and the effective income tax rate of 15.7% is mainly attributable to the following five factors: First, in several countries (Switzerland, China, France, UK, Germany) research and development and other tax benefits are available, that are used by HUBER+SUHNER (shown in the line “effect of non-tax-deductible expenses and non-tax-deductible income”). Second, in accordance with the valuation principles for recognizing tax assets on losses carried forward, one subsidiary recognised only a portion of the potential tax asset on current year tax loss (shown in the line “effect of non-recognition of current tax losses”). Third, due to the deviation from the assumed income tax rate and the effective income tax rate and prior-year true-up in Switzerland (shown in the line “effect of tax credits/debits from prior years and other effects”). Fourth, in line with the CbCR filing to Swiss tax authority in 2024 and the BEPS Pillar 2 developments, non-refundable withholding taxes on dividends from Group companies are booked as current income taxes from 2024 onwards (shown in the line “effect of non-refundable withholding taxes on dividends”). Last but not least, for 2024, HUBER+SUHNER will be subject to the provisions of the pillar two OECD/G20 BEPS 2.0 project (a global minimum tax of 15%) in several jurisdictions (shown in the line “effect of BEPS Pillar 2.0 (15% minimum taxation))".

The capitalised deferred tax assets on losses carried forward amount to CHF 7.4 million (previous year: CHF 4.7 million). The increase compared to prior year is mainly related to the recognition of current year tax losses in three subsidiaries. The unrecognised tax loss carried forward was CHF 35.1 million (previous year: CHF 28.7 million). This corresponds to a potential tax asset of CHF 8.8 million (previous year: CHF 8.0 million). In 2024, no tax losses carried forward expired (previous year: CHF 0.0 million).

The valuation of related tax assets on losses carried forward is generally based on business plans. The capitalisation of usable tax losses carried forward is assessed on a yearly basis. Tax losses carried forward are recognised only to the extent that it is probable that future taxable profits will be available and therefore allow the assets to be utilised. In countries and for subsidiaries where the use of tax losses carried forward is not foreseeable, tax loss is not capitalised. For the calculation of deferred income taxes in the consolidated balance sheet, the expected tax rate per tax subject is applied.

10 Personnel expenses

Personnel expenses included in the income statement amount to:

	2024	2023
Total personnel expenses	**287 000**	**279 071**

11 Post-employment benefits

According to local law, autonomous pension funds bear the risks relating to the defined benefits. In the event of restructuring measures, the employer must pay an additional contribution alongside its normal contributions. Through the HUBER+SUHNER AG pension fund, HUBER+SUHNER AG provides pension benefits for its employees in the event of retirement, invalidity and death.
The leading body administering the fund is the Board of Foundation, which comprises an equal number of employee and employer representatives. The Board of Foundation establishes an Investment Committee, which is responsible for investing the funds held by the pension plan in accordance with the investment regulations defined by the Board of Foundation. All insured persons can claim their pension or part thereof in the form of either capital or retirement pension payments. HUBER+SUHNER AG also has two paternal foundations.

Most HUBER+SUHNER subsidiaries operate defined contribution pension plans. As a general rule, these involve employees and employer paying into pension funds administered by third parties. The HUBER+SUHNER Group has no payment obligations beyond these defined contributions, which are recognised as personnel costs in the profit and loss. The economic obligation recognised in the balance sheet for pension plans without own assets (mainly for a few retired executives) concern pension plans operated in Germany and the USA.

Employer contribution reserves (ECR)

	Nominal value	Waiver of use	Accu-mulation	Balance sheet		Income statement impact from ECR	
	31.12.2024	2024	2024	31.12.2024	31.12.2023	2024	2023
Employer contribution reserves[1]	18 299	–	386	18 299	17 913	386	11
Total	**18 299**	**–**	**386**	**18 299**	**17 913**	**386**	**11**

[1] The ECR are based on the annual reports of the paternal fund from the previous year. The economic benefits/economic obligations are assessed at each balance sheet date. In 2024 as well as in 2023, interest on the paternal fund of the ECR is recognised as financial income.

Economic benefit/economic obligation and pension benefit expenses

	Funding surplus	Economic part of the organisation		Change from prior year with income statement impact	Change from prior year with no income statement impact	Contribu-tions for the period	Pension costs within personnel expenses	
	31.12.2024	31.12.2024	31.12.2023	2024	2024	2024	2024	2023
Paternal fund[1]	61 786	–	–	–	–	–	–	–
Pension plans with surplus[1]	47 883	–	–	–	–	(9 427)	(9 427)	(9 314)
Pension plans without own assets	–	1 349	1 419	(18)	88	–	(18)	(98)
Total	**109 669**	**1 349**	**1 419**	**(18)**	**88**	**(9 427)**	**(9 445)**	**(9 412)**

[1] The paternal fund and the funding surplus of the pension plan of HUBER+SUHNER AG are based on annual reports issued by the corresponding institutions for the previous year. The economic benefits / economic obligations are assessed at each balance sheet date.

12 Share-based payment

Compensation and remuneration for Members of the Board of Directors, for Members of the Executive Group Management and for selective Senior Management employees includes, amongst others, long-term incentives in the form of shares (see Compensation Report, Notes 2 and 3).

The Members of the Board of Directors annually receive a long-term incentive in the form of a fixed number of HUBER+SUHNER AG shares, with a blocking period after assignment of at least three years.

As long-term compensation, the Members of Executive Group Management receive a variable number of HUBER+SUHNER AG shares each year. The number of shares that are effectively granted is determined by the Board of Directors and driven by long-term business success, which is assessed according to three factors: market environment, strategy implementation and financial situation. The shares are allocated also with a blocking period of at least three years.

As part of the yearly compensation, selective Senior Management employees receive a variable number of HUBER+SUHNER AG shares each year. The number of shares that are effectively granted is determined by the CEO and driven by long-term business success, which is assessed according to three factors: market environment, strategy implementation and financial situation. The shares are allocated also with a blocking period of at least three years.

Share-based compensation is calculated based on the market price of CHF 75.50 (previous year: CHF 78.30) at date of allotment for 2 000 shares (previous year: 1 600 shares) allotted during the year and the 2024 year-end share price of CHF 74.20 for outstanding shares (previous year: CHF 68.00). In the year under review, 28 557 shares (previous year: 23 900 shares) were allocated. Expenses, which included social security, in the amount of CHF 2.4 million (previous year: CHF 1.8 million) are recognised accordingly in the income statement. For members of Board of Directors and Executive Group Management, the assignment is subject to approval by the Annual General Meeting. The 2 000 shares (previous year: 1 600 shares) that were allotted during the year were assigned to the Board of Directors in turn of the Annual General Meeting held in 2024.

13 Related party transactions

Business relationships with joint ventures and investments are as follows:

Net sales and other income

	2024	**2023**
Net sales with joint ventures and investments	3 657	n/a
Other income with joint ventures and investments	29	n/a

Receivables

	31.12.2024	**31.12.2023**
Trade receivables from joint ventures and investments	388	n/a

There were no services purchased from other related parties in 2024 and 2023.

The joint venture is described in Note 4.

Pension contributions to the HUBER+SUHNER AG pension plan are disclosed in Note 11, line item 'Pension plan with surplus'.

14 Depreciation and amortisation

Depreciation and amortisation expenses included in the income statement are as follows:

	2024	2023
Depreciation of property, plant and equipment	31 029	28 571
Amortisation of intangible assets	4 956	4 369
Total depreciation and amortisation	**35 985**	**32 940**

15 Liabilities from operating lease

Some Group companies lease a number of offices, warehouses and cars under operating lease contracts which cannot be cancelled at short notice.

Liabilities from operating lease

	31.12.2024	31.12.2023
Less than 1 year	6 881	6 424
Between 1 and 5 years	19 975	15 724
More than 5 years	13 008	9 056
Total liabilities from operating lease	**39 864**	**31 204**

16 Cash and cash equivalents

	31.12.2024	31.12.2023
Cash at bank and on hand	44 634	51 839
Term deposits < 3 month term, in CHF	118 000	40 000
Term deposits < 3 month term, in other currency	11 499	16 261
Total cash and cash equivalents	**174 133**	**108 100**

17 Marketable securities

	31.12.2024	31.12.2023
Term deposits > 3 month term, in CHF	10 000	55 000
Total marketable securities	**10 000**	**55 000**

18 Trade receivables

	31.12.2024	31.12.2023
Trade receivables from third parties	213 585	132 914
Provision for doubtful trade receivables	(3 063)	(1 813)
Total trade receivables, net	**210 522**	**131 101**

In the reporting year, the increase is mainly due to a major ongoing project in India to expand the mobile communications infrastructure.

19 Other short-term receivables

	31.12.2024	31.12.2023
Other short-term receivables	23 516	20 578
Derivative financial instruments	74	866
Total other short-term receivables	**23 590**	**21 444**

Other short-term receivables include value-added and withholding tax receivables, current income tax receivables, received letters of credit, and other short-term receivables such as a receivable relating to prepayments, pledged fixed deposits to secure a bank guarantee and letter of credits and other current assets.

20 Inventories

	31.12.2024	31.12.2023
Raw materials and supplies	86 866	94 472
Work in progress	14 918	11 295
Finished goods	94 910	104 111
Total inventories, gross	**196 694**	**209 878**
Inventory provision	(41 261)	(46 688)
Total inventories, net	**155 433**	**163 190**

In the reporting year, the decrease of the inventory provision is caused by decreasing slow moving parts mainly in the Communication segment.

21 Derivative financial instruments

To hedge exposure related to fluctuation in foreign currencies, the Group uses derivative financial instruments, in particular forward exchange contracts. Derivative financial instruments used for hedging balance sheet items are recognised at current value and at the date a derivative contract is entered into. They are recorded as other short-term receivables or other short-term liabilities. Derivatives are subsequently re-measured, based on current market prices, to their fair value at each balance sheet date; unrealised gains and losses are recognised in the income statement.

Derivative financial instruments

	Positive market value	Negative market value	Purpose	Positive market value	Negative market value	Purpose
		31.12.2024			31.12.2023	
Foreign exchange	74	358	Hedging	866	130	Hedging
Total	**74**	**358**		**866**	**130**	

22 Property, plant and equipment

	Unde-veloped property	Land and buildings	Technical equipment and machinery	Other equip-ment	Assets under construc-tion	Total
Cost at 1.1.2023	**2 971**	**221 614**	**371 118**	**91 376**	**22 948**	**710 027**
Additions	–	1 829	5 844	2 424	33 895	43 992
Disposals	–	(3 018)	(12 312)	(2 793)	(445)	(18 568)
Reclassifications	(911)	5 860	20 036	5 735	(30 720)	–
Change in consolidation scope	–	–	–	(64)	–	(64)
Currency translation differences	20	(2 711)	(5 995)	(874)	458	(9 102)
Cost at 31.12.2023	**2 080**	**223 574**	**378 691**	**95 804**	**26 136**	**726 285**
Additions	–	610	4 343	2 126	29 842	36 921
Disposals	–	(647)	(28 462)	(9 952)	(192)	(39 253)
Reclassifications	–	900	12 609	3 920	(17 429)	–
Change in consolidation scope	–	–	–	–	–	–
Currency translation differences	–	960	2 434	582	80	4 056
Cost at 31.12.2024	**2 080**	**225 397**	**369 615**	**92 480**	**38 437**	**728 009**
Accumulated depreciation and impairment at 1.1.2023	**–**	**(128 801)**	**(291 086)**	**(75 273)**	**–**	**(495 160)**
Additions	–	(5 263)	(16 601)	(6 707)	–	(28 571)
Impairments	–	–	–	–	–	–
Disposals	–	3 009	12 066	2 719	–	17 794
Reclassifications	–	–	–	–	–	–
Change in consolidation scope	–	–	–	31	–	31
Currency translation differences	–	1 059	4 424	692	–	6 175
Accumulated depreciation and impairment at 31.12.2023	**–**	**(129 996)**	**(291 197)**	**(78 538)**	**–**	**(499 731)**
Additions	–	(6 031)	(18 206)	(6 792)	–	(31 029)
Impairments	–	–	–	–	–	–
Disposals	–	609	28 404	9 743	–	38 756
Reclassifications	–	3	37	(40)	–	–
Change in consolidation scope	–	–	–	–	–	–
Currency translation differences	–	(294)	(1 693)	(427)	–	(2 414)
Accumulated depreciation and impairment at 31.12.2024	**–**	**(135 709)**	**(282 655)**	**(76 054)**	**–**	**(494 418)**
Net book value at 1.1.2023	**2 971**	**92 813**	**80 032**	**16 103**	**22 948**	**214 867**
Net book value at 31.12.2023	**2 080**	**93 578**	**87 494**	**17 266**	**26 136**	**226 554**
Net book value at 31.12.2024	**2 080**	**89 688**	**86 960**	**16 426**	**38 437**	**233 591**

[1] Other equipment includes vehicles as well as IT, measurement and testing equipment.

23 Intangible assets

	Software	Other	Total
Cost at 1.1.2023	**94 606**	**1 357**	**95 963**
Additions	7 409	–	7 409
Disposals	(540)	–	(540)
Change in consolidation scope	–	–	–
Currency translation differences	(68)	(139)	(207)
Cost at 31.12.2023	**101 407**	**1 218**	**102 625**
Additions	7 768	–	7 768
Disposals	(1 031)	–	(1 031)
Change in consolidation scope	–	–	–
Currency translation differences	32	42	74
Cost at 31.12.2024	**108 176**	**1 260**	**109 436**
Accumulated amortisation and impairment at 1.1.2023	**(69 406)**	**(307)**	**(69 713)**
Additions	(4 339)	(30)	(4 369)
Disposals	189	–	189
Impairments	–	–	–
Change in consolidation scope	–	–	–
Currency translation differences	53	35	88
Accumulated amortisation and impairment at 31.12.2023	**(73 503)**	**(302)**	**(73 805)**
Additions	(4 928)	(28)	(4 956)
Disposals	990	–	990
Impairments	–	–	–
Change in consolidation scope	–	–	–
Currency translation differences	(26)	(13)	(39)
Accumulated amortisation and impairment at 31.12.2024	**(77 467)**	**(343)**	**(77 810)**
Net book value at 1.1.2023	**25 200**	**1 050**	**26 250**
Net book value at 31.12.2023	**27 904**	**916**	**28 820**
Net book value at 31.12.2024	**30 709**	**917**	**31 626**

Other intangible assets include amongst others the land use right in Changzhou, China.

Theoretical movement schedule for goodwill

Goodwill from acquisitions is fully offset against equity at the date of acquisition. The theoretical amortisation of goodwill is based on the straight-line method over the useful life of five years. Goodwill from new acquisitions is set in Swiss francs and calculated based on the closing rate at the acquisition date. This procedure means that the movement schedule no longer has to include foreign exchange differences. The impact of the theoretical capitalisation and amortisation of goodwill is presented below:

Cost

	2024	2023
Balance at 1.1.	146 703	146 980
Additions from acquisitions	–	–
Reduction of goodwill	–	(277)
Balance at 31.12.	**146 703**	**146 703**

For the changes in goodwill see note 4.

Accumulated amortisation

	2024	2023
Balance at 1.1.	(134 280)	(124 332)
Amortisation expense	(8 972)	(9 948)
Balance at 31.12.	**(143 252)**	**(134 280)**
Theoretical net book value at 31.12.	**3 451**	**12 423**

Impact on balance sheet

	31.12.2024	31.12.2023
Equity according to the balance sheet	656 522	609 628
Theoretical capitalisation of goodwill	3 451	12 423
Theoretical equity incl. net book value of goodwill	**659 973**	**622 051**

Impact on income statement

	2024	2023
Net income	72 274	64 847
Amortisation of goodwill	(8 972)	(9 948)
Theoretical net income	**63 302**	**54 899**

24 Financial assets

	31.12.2024	31.12.2023
Assets from employer contribution reserves	18 299	17 913
Others	6 804	5 790
Total financial assets	**25 103**	**23 703**

Others include rental deposits and re-insurance from retirement plan obligations.

25 Trade payables

	31.12.2024	31.12.2023
Trade payables	**113 611**	**60 614**

In the reporting year, the increase is mainly due to a major ongoing project in India to expand the mobile communications infrastructure.

26 Other short-term liabilities

	31.12.2024	31.12.2023
Accrual for personnel expenses	32 432	27 797
Advance payments from customers	1 767	1 056
Derivative financial instruments	358	130
Current income tax liabilities	13 091	11 010
Other liabilities	9 587	9 917
Total other short-term liabilities	**57 235**	**49 910**

Other liabilities include indirect tax liabilities and advance payments from other third parties (not customers).

27 Provisions

	Retirement plan obligations	Employee-related provisions	Order-related provisions	Other provisions	Total
Balance at 1.1.2023	**1 481**	**4 544**	**14 472**	**4 456**	**24 953**
Additions	173	251	489	33	946
Releases	(75)	(570)	(1 630)	(2)	(2 277)
Utilisation	(90)	(916)	(4 771)	(2)	(5 779)
Change in consolidation scope	–	–	–	–	–
Currency translation differences	(70)	(57)	(111)	(14)	(252)
Balance at 31.12.2023	**1 419**	**3 252**	**8 449**	**4 471**	**17 591**
Additions	31	1 914	1 757	737	4 439
Releases	(12)	(26)	(1 156)	(198)	(1 392)
Utilisation	(91)	(70)	(932)	(22)	(1 115)
Change in consolidation scope	–	–	–	–	–
Currency translation differences	(1)	(14)	62	(27)	20
Balance at 31.12.2024	**1 346**	**5 056**	**8 180**	**4 961**	**19 543**
Short-term provisions	–	763	7 415	1 980	10 158
Long-term provisions	1 419	2 489	1 034	2 491	7 433
Total provisions at 31.12.2023	**1 419**	**3 252**	**8 449**	**4 471**	**17 591**
Short-term provisions	–	1 648	7 585	2 680	11 913
Long-term provisions	1 346	3 408	595	2 281	7 630
Total provisions at 31.12.2024	**1 346**	**5 056**	**8 180**	**4 961**	**19 543**

Retirement plan obligations include liabilities in connection with defined contribution plans (pension plans without own assets) and primarily concern specific former employees.

Employee-related provisions mainly include length-of-service rewards and obligations to employees. In 2024, for HUBER+SUHNER AG the amount for length-of-service rewards has been benchmarked and improved.

Order-related provisions are directly related to services arising from product deliveries and projects, and are formulated based on the experience and estimation of each project. Order-related provisions relate to warranties, customer claims, penalties and other guarantees.

Other provisions include obligations which do not fit into the aforementioned categories, such as current or possible litigations arising from divestments, licence agreements or duties as well as other constructive or legal obligations.

Due to the nature of the long-term provisions, the timing of the cash outflows is uncertain. However, a partial cash outflow can be expected within two to three years, on average.

In both the reporting and the prior-year period, there were no restructuring provisions.

28 Deferred tax assets and liabilities

	Deferred tax assets	Deferred tax liabilities
Balance at 1.1.2023	**10 494**	**18 917**
Additions	5 753	2 394
Releases / utilisation	(1 456)	–
Releases through equity	–	–
Reclassifications	–	–
Change in consolidation scope	–	–
Currency translation differences	(792)	(28)
Balance at 31.12.2023	**13 999**	**21 283**
Additions	3 947	464
Releases / utilisation	(540)	(35)
Releases through equity	–	–
Reclassifications	–	–
Change in consolidation scope	–	–
Currency translation differences	466	36
Balance at 31.12.2024	**17 872**	**21 748**

29 Share capital

As at 31 December 2024, 19 190 000 (previous year: 20 200 000) registered shares, with a nominal value of CHF 0.25, were outstanding. The Company has no authorised or conditional capital. Reserves which are not disposable or distributable amount to CHF 2.4 million as at 31 December 2024 (previous year: CHF 2.5 million).

The following table shows transactions and balances relating to treasury shares:

	Quantity	Transaction price (Ø) in CHF	Purchase cost	Quantity	Transaction price (Ø) in CHF	Purchase cost
	2024			2023		
Balance at 1.1.	**1 748 640**		**82 379**	**1 655 799**		**75 231**
Purchases of treasury shares	22 300	73.54	1 640	115 941	77.27	8 959
Disposals of treasury shares	(24 300)	68.81	(1 672)	(23 100)	78.39	(1 811)
Cancellation by means of capital reduction	(1 010 000)	80.61	(81 417)	–	–	–
Balance at 31.12.	**736 640**		**930**	**1 748 640**		**82 379**

Out of the total purchases of treasury shares of 22 300 (previous year: 115 941), in 2024, 22 300 treasury shares were purchased for remuneration purposes (previous year: 34 025). In addition, in 2023, 81 916 treasury shares were purchased as part of the share buyback programme.

Following approval by the Annual General Meeting on 27 March 2024, the shares acquired as part of the share buyback programme completed in March 2023 have been cancelled by means of a capital reduction. In total 1 010 000 treasury shares were purchased back at an average share price of CHF 80.61, amounting to CHF 81.4 million.

As at the balance sheet date, foundations related to the HUBER+SUHNER Group hold 274 716 shares in HUBER+SUHNER AG (previous year: 274 716). Pension funds connected with the HUBER+SUHNER Group directly hold no shares in HUBER+SUHNER AG.

30 Earnings per share

	2024	2023
Net income attributable to shareholders of HUBER+SUHNER AG	71 383	64 221
Average number of outstanding shares	18 459 742	18 476 202
Undiluted / diluted earnings per share (CHF)	**3.87**	**3.48**

The average number of outstanding shares is calculated based on issued shares less the weighted average of treasury shares. There are no conversion or option rights outstanding; therefore, there is no dilution of earnings per share.

31 Future commitments

The Group companies have committed to various capital expenditures essential for the day-to-day business operations. At year-end, there were commitments for the purchase of property, plant and equipment and intangible assets amounting to CHF 24.4 million (previous year: CHF 30.0 million).

32 Contingent liabilities

As at 31 December 2024, parent guarantees in the amount of CHF 9.9 million (previous year: CHF 7.9 million) exist in favour of a third party for a long-term lease agreement, of a repayment of an advance payment and of a bank to secure bank guarantees and letter or credits. This amount represents the maximum amount of the obligation assumed. HUBER+SUHNER Group has not given any other guarantees in respect of its business relationships with third parties.

33 Events after the balance sheet date

No events occurred between the balance sheet date and the date these consolidated financial statements were approved by the Board of Directors (10 March 2025) which affect the annual results or require any adjustments to the Group’s assets and liabilities.

Group Companies

Companies at 31.12.2024 (all fully consolidated)		Domicile		Capital stock	Ownership	Purpose
Switzerland	HUBER+SUHNER AG	Herisau	CHF	4 798	parent company	▲■
Australia	HUBER+SUHNER (Australia) Pty Ltd.	Frenchs Forest, New South Wales	AUD	5 000	100%	▲■
Brazil	HUBER+SUHNER América Latina Ltda.	São José dos Campos	BRL	39 197	100%	–
Canada	HUBER+SUHNER (Canada) Ltd.	Ottawa	CAD	2 350	100%	–
China	HUBER+SUHNER (Hong Kong) Ltd.	Hong Kong	HKD	12 325	100%	◆■
	HUBER+SUHNER (Shanghai) Co. Ltd.[1]	Shanghai	CNY	19 970	100%	■
	HUBER+SUHNER CCT (Shanghai) Co. Ltd.[1]	Shanghai	CNY	27 854	100%	■
	HUBER+SUHNER CCM (Changzhou) Co. Ltd.[1]	Changzhou	CNY	126 246	100%	▲
Costa Rica	HUBER+SUHNER Astrolab Costa Rica S.r.l.[2]	San José	USD	–	100%	▲
France	BKtel photonics SAS[3]	Lannion	EUR	10	57%	▲■
	HUBER+SUHNER (France) SAS	Voisins-le-Bretonneux	EUR	200	100%	■
Germany	HUBER+SUHNER BKtel GmbH	Hückelhoven	EUR	600	100%	▲■
	HUBER+SUHNER GmbH	Unterhaching	EUR	3 068	100%	◆■
	HUBER+SUHNER Cube Optics AG[4]	Mainz	EUR	590	100%	▲■
India	HUBER+SUHNER Electronics Pvt. Ltd.[5]	New Delhi	INR	170 000	100%	▲■
Malaysia	HUBER+SUHNER (Malaysia) Sdn Bhd[6]	Kuala Lumpur	MYR	2 500	100%	▲■
Netherlands	HUBER+SUHNER B.V.	Rosmalen	EUR	200	100%	–
Poland	HUBER+SUHNER Sp. z o.o.	Tczew	PLN	5 600	100%	▲
	HUBER+SUHNER Polatis Sp. z o.o.[7]	Nawojowa Góra	PLN	6 205	100%	▲
Singapore	HUBER+SUHNER (Singapore) Pte Ltd.	Singapore	SGD	3 000	100%	◆■
Spain	HUBER&SUHNER (Spain)[8]	Madrid	EUR	3	100%	▲
Tunisia	HUBER+SUHNER (Tunisie) SARL	Sousse	TND	4 000	100%	▲
United Kingdom	HUBER+SUHNER (UK) Ltd.	Bicester	GBP	4 000	100%	▲■
	HUBER+SUHNER Polatis Ltd.	Cambridge	GBP	12 700	100%	▲■
	HUBER+SUHNER Phoenix Dynamics Ltd.[9]	Staffordshire	GBP	10	100%	▲■
USA	HUBER+SUHNER (North America) Corp.	Charlotte, North Carolina	USD	1	100%	◆
	HUBER+SUHNER, Inc.[10]	Charlotte, North Carolina	USD	50	100%	▲■
	HUBER+SUHNER Astrolab, Inc.[10]	Warren, New Jersey	USD	12 000	100%	▲■

1) Subsidiary of HUBER+SUHNER (Hong Kong) Ltd.
2) Subsidiary of HUBER+SUHNER Astrolab, Inc.
3) Subsidiary of HUBER+SUHNER BKtel GmbH
4) Subsidiary of HUBER+SUHNER GmbH
5) Subsidiary of HUBER+SUHNER AG and of HUBER+SUHNER B.V.
6) Subsidiary of HUBER+SUHNER (Singapore) Pte Ltd.
7) Subsidiary of HUBER+SUHNER Polatis Ltd. and HUBER+SUHNER Sp. z o.o.
8) Subsidiary of HUBER+SUHNER Cube Optics AG
9) Subsidiary of HUBER+SUHNER (UK) Ltd.
10) Subsidiary of HUBER+SUHNER (North America) Corp.

Joint Ventures and Investments

Company at 31.12.2024 (equity method applied)		Domicile		Capital stock	Ownership	Purpose
Germany	ARGE Connectivity Systems GbR[1]	Unterhaching		–[2]	50%[3]	■

1) ARGE Connectivity Systems GbR was founded on 19 April 2024.
2) Partnership under the German Civil Code (Gesellschaft bürgerlichen Rechts [GbR]) has no capital stock.
3) Control of the partnership is 50% : 50% between the partnership parties. Net income distribution of the partnership is 70% (HUBER+SUHNER) : 30% between the partnership parties.

◆ Holding/Finance companies
▲ Production and assembly plants
■ Sales organisations
– Dormant / in liquidation

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To the General Meeting of
Huber+Suhner AG, Herisau

Basle, 10 March 2025

Report of the statutory auditor

Report on the audit of the consolidated financial statements

Opinion
We have audited the consolidated financial statements of HUBER+SUHNER AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2024, the consolidated income statement, the consolidated cash flow statement and the consolidated statement of equity for the year then ended and notes to consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 70 to 94) give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

Basis for opinion
We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor's responsibilities for the audit of the consolidated financial statements” section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the “Auditor's responsibilities for the audit of the consolidated financial statements” section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the consolidated financial statements.

Valuation of inventories

Areas of focus	As of 31 December 2024, inventories amounted to CHF 155.4 million, representing 17.5% of the Group's total assets. As indicated in Note 2.7 to the consolidated financial statements, inventories are valued at the lower of cost and net realisable value. Cost is determined according to the standard costing method. For slow-moving and obsolete stock the Group recognizes an inventory allowance based on the inventory turnover. Due to the significance of the carrying values of inventories and the degree of management judgment involved in determining production costs, write-downs and fair value less cost to sell, this matter was considered significant to our audit.
Our audit response	Our audit procedures included, amongst other: • We gained an understanding of the inventory valuation process, the valuation method, as well as the underlying assumptions applied. • On a sample basis we analysed the standard cost calculations and verified the differences between the standard and actual costs. • We challenged the estimates made by Management regarding write-downs by assessing whether they are in line with historical experience. • We reviewed inventory ratio's and audited underlying data of the inventory ageing list. • We verified compliance with the principle of net realisable value for finished goods by comparing production costs with the expected net sale proceeds. Our audit procedures did not lead to any reservations regarding to the valuation of inventories.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the HUBER+SUHNER Group Financial Statements, the Financial Statements of HUBER+SUHNER AG, the tables on page 59 to 65 in the compensation report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the consolidated financial statements
The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on other legal and regulatory requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd

Iwan Zimmermann
(Qualified Signature)

Licensed audit expert
(Auditor in charge)

Erik Zeller
(Qualified Signature)

Licensed audit expert

Five-Year Financial Summary

in CHF million	2020	2021	2022	2023	2024
Order intake	**748.2**	**995.6**	**975.4**	**821.4**	**908.0**
change in % over prior year	(6.6)	33.1	(2.0)	(15.8)	10.5
Order backlog as of 31.12.	**195.5**	**323.4**	**320.0**	**271.9**	**291.0**
change in % over prior year	(8.5)	65.4	(1.1)	(15.0)	7.0
Net sales	**737.9**	**862.9**	**954.6**	**851.1**	**893.9**
change in % over prior year	(11.2)	16.9	10.6	(10.8)	5.0
Gross margin	**35.4%**	**38.2%**	**35.7%**	**35.3%**	**35.4%**
EBITDA	**89.3**	**137.6**	**135.3**	**110.5**	**122.6**
as % of net sales	12.1	16.0	14.2	13.0	13.7
EBIT	**61.2**	**104.6**	**103.2**	**77.6**	**86.6**
as % of net sales	8.3	12.1	10.8	9.1	9.7
change in % over prior year	(24.0)	70.9	(1.3)	(24.8)	11.7
Financial result	**(0.6)**	**(2.3)**	**(1.8)**	**(2.9)**	**(0.8)**
Net income	**52.3**	**87.3**	**85.2**	**64.8**	**72.3**
as % of net sales	7.1	10.1	8.9	7.6	8.1
change in % over prior year	(16.7)	66.9	(2.4)	(23.9)	11.5
Purchases of PP&E and intangible assets	**37.7**	**50.7**	**45.3**	**51.4**	**44.7**
change in % over prior year	0.4	34.6	(10.8)	13.6	(13.1)
Cash flow from operating activities	**86.5**	**101.7**	**87.3**	**115.7**	**90.2**
change in % over prior year	(33.0)	17.5	(14.1)	32.5	(22.0)
Free operating cash flow	**50.2**	**56.6**	**37.7**	**63.7**	**53.4**
change in % over prior year	11.3	12.7	(33.4)	69.1	(16.2)
Net liquidity as of 31.12.	**202.9**	**219.8**	**151.1**	**163.1**	**184.1**
change in % over prior year	6.7	8.3	(31.3)	7.9	12.9
Return on invested capital (ROIC) in %[1)]	**–**	**23.2%**	**20.9%**	**15.8%**	**16.8%**
Equity as of 31.12.	**591.6**	**643.8**	**606.7**	**609.6**	**656.5**
as % of balance sheet total	79.9	77.2	74.4	78.5	73.8
Employees at year-end (permanent employees)	**4 410**	**4 588**	**4 469**	**4 109**	**3 975**
change in % over prior year	(8.6)	4.0	(2.6)	(8.1)	(3.3)
Employees, yearly average (permanent employees)	**4 726**	**4 466**	**4 608**	**4 279**	**4 122**

[1)] as from 2021 onwards ROIC is disclosed as an additional KPI (see APM ROIC).

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.

	2024	2023
Net sales	893.9	851.1
Cost of goods sold	(577.7)	(550.5)
Gross profit	**316.1**	**300.6**
Selling, administrative and research and development expense	(232.5)	(226.6)
Other operating expense / income	3.0	3.6
EBIT (= operating profit)	**86.6**	**77.6**

Alternative Performance Measures — All amounts are in CHF million 99

EBITDA

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

	2024	2023
EBIT (= operating profit)	**86.6**	**77.6**
Depreciation of property, plant and equipment	31.0	28.6
Amortisation of intangible assets	5.0	4.4
EBITDA	**122.6**	**110.5**

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.

Invested capital and NOPAT are defined as follows:

	31.12.2024	31.12.2023
Trade receivables	210.5	131.1
Other short-term receivables (excl. derivative financial instruments)	23.5	20.6
Inventories	155.4	163.2
Accrued income	7.3	5.1
Property, plant and equipment (excl. undeveloped property)	231.5	224.5
Intangible assets	31.6	28.8
Deferred tax assets	17.9	14.0
Operating assets	**677.8**	**587.3**
Trade payables	(113.6)	(60.6)
Other short-term liabilities (excl. derivative financial instruments)	(56.9)	(49.8)
Short-term provisions	(11.9)	(10.2)
Accrued liabilities	(18.3)	(15.7)
Other long-term liabilities	(2.2)	(2.3)
Long-term provisions (excl. retirement plan obligations)	(6.3)	(6.0)
Deferred tax liabilities	(21.7)	(21.3)
Operating liabilities	**(230.9)**	**(165.8)**
Invested capital	**446.8**	**421.4**
	2024	**2023**
Average invested capital	**434.1**	**426.0**
EBIT (= operating profit)	**86.6**	**77.6**
Effective income tax rate	15.7%	13.1%
Income taxes	(13.6)	(10.2)
NOPAT (= net operating profit after taxes)	**73.0**	**67.4**
Return on invested capital (ROIC) in % = NOPAT / average invested capital	**16.8%**	**15.8%**

Alternative Performance Measures — All amounts are in CHF million 100

Free operating cash flow

Free operating cash flow is defined as cash flow from operating activities (excl. purchases of marketable securities) less cash flow from investing activities.

	2024	2023
Cash flow from operating activities	90.2	115.7
Cash flow from investing activities (excl. marketable securities)	(36.8)	(52.0)
Free operating cash flow	**53.4**	**63.7**

Free cash flow

	2024	2023
Free operating cash flow	53.4	63.7
Payment of dividend	(31.4)	(38.8)
Payment of dividend to minority interests	(0.4)	(0.3)
Purchase of treasury shares	(1.6)	(9.0)
Free cash flow	**19.9**	**15.6**

Net liquidity

	2024	2023
Cash and cash equivalents	174.1	108.1
Marketable securities	10.0	55.0
Short-term financial liabilities	0	0
Net liquidity	**184.1**	**163.1**

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.

Alternative Performance Measures — All amounts are in CHF million

Financial Report

Financial Statements HUBER+SUHNER AG

Income Statement

in CHF 1 000	Notes	2024	2023
Net Sales		427 940	455 493
Other operating income	3.1	25 203	24 499
Change in semi-finished and finished goods		(1 443)	(8 342)
Total operating income		**451 700**	**471 650**
Material expenses		(178 774)	(205 179)
Personnel expenses		(151 982)	(146 755)
Other operating expenses		(62 505)	(65 533)
Depreciation and amortisation		(21 619)	(22 552)
Total operating expenses		**(414 880)**	**(440 019)**
Operating profit (EBIT)		**36 820**	**31 631**
Financial income		5 076	4 883
Financial expense		(118)	(3 441)
Income from investments	3.2	18 392	30 938
Non-operating income		1 342	1 248
Non-operating expenses		(1 040)	(969)
Income before taxes		**60 472**	**64 290**
Income taxes		(4 934)	(3 771)
Net Income		**55 538**	**60 519**

Balance Sheet

in CHF 1 000	Notes	31.12.2024	%	31.12.2023	%
Assets					
Cash and cash equivalents		137 813		67 116	
Marketable securities		10 000		55 000	
Trade receivables third party		22 592		22 339	
Trade receivables group companies		32 106		30 266	
Other short-term receivables third party		5 751		4 910	
Other short-term receivables group companies		2 070		2 152	
Inventories	3.3	32 340		34 750	
Accrued income		4 951		3 418	
Current assets		**247 623**	**43.8**	**219 951**	**41.4**
Property, plant, equipment and intangible assets	3.4	105 398		105 327	
Investments in subsidiaries	3.5	174 144		163 670	
Long-term loans group companies		38 343		42 046	
Non-current assets		**317 885**	**56.2**	**311 043**	**58.6**
Assets		**565 508**	**100.0**	**530 994**	**100.0**
Liabilities and equity					
Trade payables third party		29 717		24 530	
Trade payables group companies		9 732		8 341	
Other short-term liabilities third party		18 120		16 115	
Short-term provisions		1 098		561	
Accrued liabilities		3 857		5 294	
Current liabilities		**62 524**		**54 841**	
Long-term provisions		33 249		30 514	
Other long-term liabilities		2 095		2 345	
Non-current liabilities		**35 344**		**32 859**	
Liabilities		**97 868**	**17.3**	**87 700**	**16.5**
Share capital	3.6	4 798		5 050	
Legal reserves		40 271		40 271	
General reserves		91 154		90 991	
Retained earnings		332 351		389 366	
Treasury shares	3.7	(934)		(82 384)	
Equity		**467 640**	**82.7**	**443 294**	**83.5**
Liabilities and equity		**565 508**	**100.0**	**530 994**	**100.0**

Notes to Financial Statements

1 General

The financial statements of HUBER+SUHNER AG, domiciled in Herisau, are prepared in accordance with the Swiss Code of Obligations (OR).

2 Accounting policies

2.1 General

These financial statements were prepared in accordance with the commercial accounting provisions of the Swiss Code of Obligations. The accounting of major balance sheet and income statement positions is disclosed hereinafter.

2.2 Foreign currency translation

All assets and liabilities denominated in foreign currencies are converted into Swiss francs at the year-end exchange rates according to the imparity principle. Income and expenses as well as transactions in foreign currencies are converted at the conversion rate valid at the transaction date. The resulting foreign exchange differences are recognised in the income statement.

2.3 Revenue recognition

Revenues from the sale of products are recognised when the risks and rewards of the products sold have been transferred to the customer.

2.4 Trade receivables

Trade receivables are measured at nominal value less allowances. Indications of impairment are substantial financial problems on the customer side, a declaration of bankruptcy or a material delay in payment. In addition, a fiscally permitted allowance is recognised in the remaining trade receivables.

2.5 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of goods comprises direct material and production costs and related production overheads. The valuation of the inventory is based on standard costs that are verified annually. Slow-moving and obsolete stock that have insufficient inventory turns are systematically revaluated, either partly or fully. In addition, a fiscally permitted allowance is recognised in the remaining inventories.

2.6 Property, plant, equipment and intangible assets

Property, plant, equipment and intangible assets are stated at the purchased or manufactured cost less fiscally permitted accumulated depreciation. If there are indications that the carrying amount is overstated, property, plant, equipment and intangible assets are reviewed for impairment and, where necessary, written down to the recoverable amount.

2.7 Investments in subsidiaries

Investments are initially recognised at cost. Investments are assessed annually and individually.

2.8 Provisions

Provisions are made for warranties, personnel expenses, restructuring costs, as well as legal and other miscellaneous operational risks that meet the recognition criteria. They are recognised when the company has a present legal or constructive obligation as a result of past events and if it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Warranty provisions are generally measured and recognised based on experience values. Additional provisions may be made if permitted under tax regulations.

2.9 Treasury shares

Treasury shares are stated at acquisition cost and presented as a negative position in the shareholders' equity. No subsequent valuation is made. If the treasury shares are disposed of later, the resulting gain or loss is recognised in the reserves.

3 Details to individual positions

3.1 Other operating income

Other operating income includes income from other activities such as the sale of scrap, miscellaneous services, the capitalisation of internally produced capital goods, the release of provisions and miscellaneous, not periodical, operating revenues from third parties.

3.2 Income from investments

Income from investments includes dividend payments from subsidiaries in the amount of KCHF 18 392 (previous year: KCHF 30 938). No impairments of investments were recognised (previous year: no impairment) or reversed (previous year: no reversal).

3.3 Inventories

in CHF 1 000	**31.12.2024**	**31.12.2023**
Raw materials and supplies	15 553	20 173
Work in progress	6 065	6 095
Semi-finished and finished goods	58 110	59 553
Inventory provision	(47 388)	(51 071)
Total	**32 340**	**34 750**

3.4 Property, plant, equipment and intangible assets

in CHF 1 000	31.12.2024	31.12.2023
Land	6 225	6 225
Buildings	40 661	43 107
Technical equipment and machinery	19 184	17 946
Other equipment	752	688
Assets under construction	6 476	7 824
Investment property	2 080	2 080
Intangible assets	30 020	27 457
Total	**105 398**	**105 327**

3.5 Investments in subsidiaries

Directly and indirectly held subsidiaries are listed in chapter Group Companies of the Group Financial Statements.

3.6 Share capital

The share capital at 31 December 2023 was composed of 20 200 000 registered shares, with a nominal value of CHF 0.25 each.

Following approval by the Annual General Meeting on 27 March 2024, the shares acquired as part of the share buyback programme completed in March 2023 have been cancelled by means of a capital reduction. In total 1 010 000 treasury shares were purchased back at an average share price of CHF 80.61, amounting to CHF 81.4 million. As a result the share capital has decreased to 19 190 000 registered shares, with a nominal value of CHF 0.25 each, as of 31 December 2024.

The composition of capital stock is disclosed in the Notes to the Group Financial Statements (see Note 29).

The company holds 736 640 treasury shares (726 640 treasury stock and 10 000 other treasury shares for remuneration purposes).

3.7 Treasury shares

	2024	2023
Number at 1.1.	1 748 640	1 655 799
Purchases	22 300	115 941
Allotment	(24 300)	(23 100)
Cancellation	(1 010 000)	–
Number at 31.12.	736 640	1 748 640

For details of transactions and balances relating to treasury shares see note 29 of the Notes to Group Financial Statements.

4 Contingent liabilities

in CHF 1 000	31.12.2024	31.12.2023
Parent guarantee for long-term lease	6 303	5 971
Parent guarantee for repayment of an advance payment	1 879	1 888
Parent guarantee for security of a credit line	1 738	–

5 Liabilities to pension funds

in CHF 1 000	31.12.2024	31.12.2023
Total liabilities to pension funds	–	–

6 Net release of undisclosed reserves

in CHF 1 000	2024	2023
Total net release of undisclosed reserves	218	–

7 Allotted Shares

Allotted number of shares to:

	2024	2023
Board of Directors	8 000	7 600
Executive Group Management	14 750	11 800
Employees	5 807	4 500

Allotted shares

in CHF 1 000	2024	2023
Expensed amount in Income Statement	2 122	1 625

The expense amount excluding social security is based on the market price of CHF 75.50 at date of allotment for 2 000 shares allotted during the year and the 2024 year-end share price of CHF 74.20 for outstanding shares (previous year: CHF 68.00). For members of Board of Directors and Executive Group Management, the assignment is subject to approval by the Annual General Meeting. The 2 000 shares that were allotted during the year were assigned to the Board of Directors in turn of the Annual General Meeting held in 2024.

8 Full-time positions

As in the previous year, HUBER+SUHNER AG had over 250 employees (full-time-equivalent) in 2024.

9 Equal pay analysis

HUBER+SUHNER AG has performed an equal pay analysis based on the reference month March 2021, as required by Article 13a of the Gender Equality Act. The analysis concluded that the employee pay-related gender effect is clearly within the tolerance threshold. Ernst & Young Ltd certified that all legal requirements had been met in full. In 2024, HUBER+SUHNER AG performed another equal pay analysis on a voluntary basis, although it would have been exempt from the repetition requirement under Article 13a para. 3 of the Gender Equality Act. The analysis in 2024 confirmed again the results of the analysis in 2021. As a consequence, HUBER+SUHNER AG received the salary equality certificate for 2024 in Switzerland.

10 Leasing obligations not recorded in the balance sheet

At the balance sheet date there are neither short-term obligations with a duration of less than one year (previous year: KCHF 0.0) nor obligations in excess of one year (previous year: none).

11 Events after the balance sheet date

There were no events after the balance sheet date which affect the annual results or would require an adjustment to the carrying amounts of the HUBER+SUHNER AG assets and liabilities.

12 Additional disclosures, cash flow statement and management report

Pursuant to Article 961d para. 1 of the Swiss Code of Obligations, no additional disclosures are made, as HUBER+SUHNER AG prepares Group Financial Statements in accordance with generally accepted accounting principles (Swiss GAAP FER).

Recommendation for Appropriation of Earnings

The Board of Directors of HUBER+SUHNER AG recommends to the Annual General Meeting the following appropriation of available earnings for the year 2024:

in CHF 1 000	**2024**	**2023**
Prior-year retained earnings	357 978	328 847
Reserve for treasury shares - netting	(81 165)	–
Net income for the year	55 538	60 519
Total retained earnings	**332 351**	**389 366**
Dividend	(35 061)	(31 388)
Total appropriation	**(35 061)**	**(31 388)**
Retained earnings carried forward	**297 290**	**357 978**

If this recommendation is accepted the following amounts will be valid for each registered share, with a nominal value of CHF 0.25 each:

	CHF	**CHF**
Gross dividend	1.900	1.700
Less 35 % withholding tax	0.665	0.595
Net dividend	**1.235**	**1.105**

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To the General Meeting of
Huber+Suhner AG, Herisau

Basle, 10 March 2025

Report of the statutory auditor

Report on the audit of the financial statements

Opinion
We have audited the financial statements of HUBER+SUHNER AG (the Company), which comprise the balance sheet as at 31 December 2024, the income statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 103 to 109) comply with Swiss law and the Company's articles of incorporation.

Basis for opinion
We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Valuation of inventories

Area of Focus	As of 31 December 2024, inventories amounted to CHF 32.3 million, representing 5.7% of HUBER+SUHNER AG's total assets. As indicated in Note 2.5 of the notes to the stand-alone financial statements of HUBER+SUHNER AG, inventories are valued at the lower of cost and net realisable value. Cost is determined according to the standard costing method. For slow-moving and obsolete stock the entity recognizes an inventory allowance based on the inventory turnover. Due to the significance of the carrying values of inventories and the degree of Management judgment involved in determining production costs, write-downs and fair value less cost of sales, this matter was considered significant to our audit.
Our audit response	Our audit procedures included, amongst other: • We gained an understanding of the inventory valuation process, the valuation method, as well as the underlying assumptions applied. • On a sample basis we analysed the standard cost calculations and verified the differences between the standard and actual costs. • We challenged the estimates made by Management regarding write-downs by assessing whether they are in line with historical experience. • We reviewed inventory ratio's and audited underlying data of the inventory ageing list. • We verified compliance with the principle of net realisable value for finished goods by comparing production costs with the expected net sale proceeds. Our audit procedures did not lead to any reservations regarding to the valuation of inventories

Valuation of investments to subsidiaries and loans to group companies

Area of Focus	As of 31 December 2024, the HUBER+SUHNER AG holds investments in subsidiaries of CHF 174.1 million and loans to group companies of CHF 38.3 million, which corresponds to 30.8% and 6.8% respectively of total assets. The investments in subsidiaries are disclosed in the note "Group Companies" of the consolidated financial statements of HUBER+SUHNER AG. Investments in subsidiaries and loans to group companies are material to the entity and may be subject to changes in value. Accordingly, Management performs regular impairment considerations and calculations to determine the value of each investment and loan. The investments in subsidiaries and the loans to group companies were considered significant to our audit as the amounts concerned are material and the assessments involve judgment in preparing the underlying key assumptions for the valuation.

Our audit response	Our audit work for the valuation of the investments in subsidiaries and loans to group companies consisted of auditing Management's valuation assessments and the underlying key assumptions. We also assessed the historical accuracy of the Company's estimates and long-term business plans. Our audit procedures did not lead to any reservations regarding to the valuation of investments in subsidiaries and loans to group companies

Other information
The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the HUBER+SUHNER Group Financial Statements, the Financial Statements of HUBER+SUHNER AG, the tables on page 59 to 65 in the compensation report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the financial statements
The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on other legal and regulatory requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Furthermore, we confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Iwan Zimmermann (Qualified Signature)	Erik Zeller (Qualified Signature)
Licensed audit expert (Auditor in charge)	Licensed audit expert

Share Data

HUBER+SUHNER AG is a company listed in Switzerland and whose shares are traded on the SIX Swiss Exchange, and which has the following listing details:

Registered office	9100 Herisau, Switzerland
Listing	SIX Swiss Exchange, Swiss Reporting Standard
Security number	3'038'073
ISIN	CH0030380734
Security symbol	HUBN
Nominal value	CHF 0.25

Registered shares at 31.12. (nominal value CHF 0.25)	**2020**	**2021**	**2022**	**2023**	**2024**
Number of issued shares	20 200 000	20 200 000	20 200 000	20 200 000	19 190 000
Number of shares entitled to a dividend	19 472 360	19 306 860	18 544 201	18 451 360	18 453 360
Number of shareholders at 31.12.	5 365	6 861	6 054	7 353	6 996
Stock market price (in CHF)					
high	78.80	88.00	95.60	92.40	89.60
low	44.80	69.00	71.50	59.90	60.40
year-end	69.90	87.00	86.30	68.00	74.20
Amounts per registered share[1] (in CHF)					
Net income	2.66	4.45	4.47	3.48	3.87
Dividend	1.30	2.00	2.10	1.70	1.90[3]
Pay-out ratio	49%	45%	47%	49%	49%
Market capitalisation[2]					
in CHF million	1 361	1 680	1 600	1 255	1 369
as % of net sales	184	195	168	147	153
as % of shareholders' equity	230	262	265	207	209

1) Based on the average outstanding shares
2) Stock market price at year-end × number of shares entitled to a dividend
3) Proposed dividend

For further information on the HUBER+SUHNER Group, please visit www.hubersuhner.com.