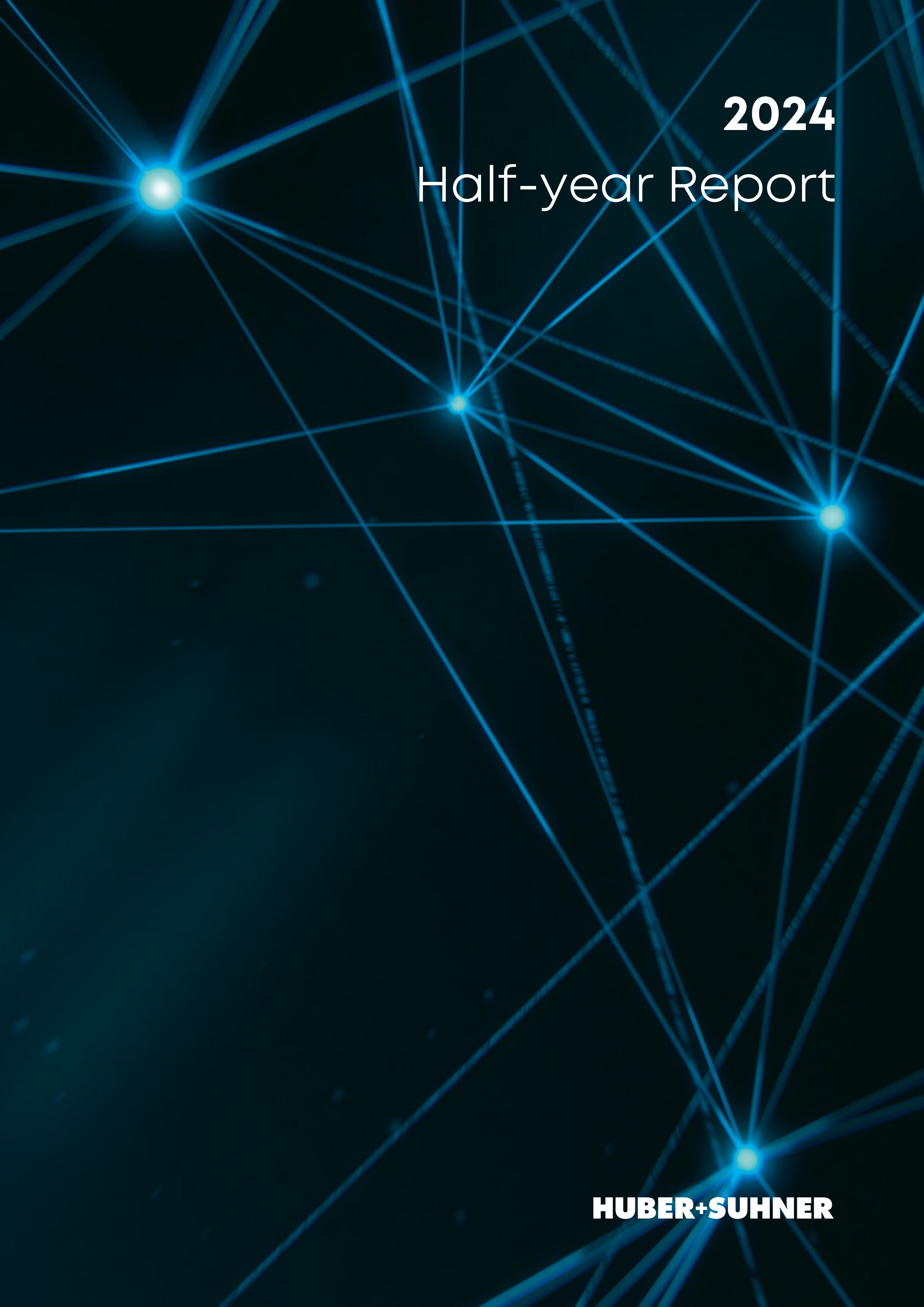


2024

Half-year Report

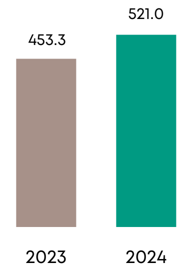
HUBER+SUHNER

Connecting – today and beyond

Contents

Key facts at a glance

Order intake

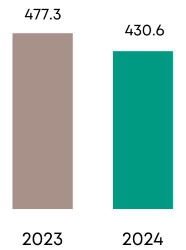


In CHF million

Considerable increase in order intake compared to previous year

Industry segment bottomed out in order intake, recording good profitability

Net sales

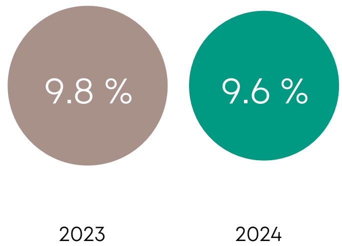


In CHF million

Net sales below strong prior-year figure

High order intake and improved profitability in the Communication segment in a challenging market environment

Operating profit margin



Operating profit margin within medium-term target range – guidance for full year confirmed

Solid profitability at lower volumes in the Transportation segment

HUBER+SUHNER reports clear upward trend compared to second half of 2023

Urs Kaufmann (Chairman) and Urs Ryffel (CEO)

Following the low order intake of the second half of 2023, HUBER+SUHNER reported a vigorous upturn in demand in the first half of 2024, resulting in a 14.9 % increase in order intake compared to the strong previous-year period to CHF 521.0 million. This was 41.5 % higher than the second half of 2023, underscoring the clear upward trend.

Solid demand in aerospace and defense enabled the Industry segment to escape, as expected, the trough it had experienced in the second half of 2023. Despite a persistently weak global market environment, the Communication segment reported a strong upward trend thanks to individual major project wins. Following the strong recovery of the previous two years, the Transportation segment did not reach the highs of the prior-year period.

At CHF 430.6 million, net sales were 9.8 % below the previous-year level (CHF 477.3 million). Compared to the second half of 2023, however, this equalled a strong upturn of 15.2 %. The book-to-bill rate improved to 1.21 (PY 0.95), increasing the order backlog to CHF 367.4 million. Adjusted for currency, copper price and portfolio effects, the shortfall in net sales amounted to 7.3 %. Year on year, net sales share by region remained stable with EMEA at 55 % (PY 54 %), APAC at 27 % (PY 27 %) and the Americas at 18 % (PY 19 %).

At 9.6 %, the EBIT margin was within the medium-term target range of 9–12 %, which was clearly above the figure for 2023 as a whole. This was due to an improved gross margin resulting from a larger net sales share from the high-margin growth initiatives, and both reduced inventory levels and production capacities.

Net income for the first half of the year reached CHF 34.8 million (PY CHF 38.2 million), helped by an again low tax rate. After the cancellation of 5 % of shares following the 2024 Annual General Meeting, the number of remaining shares stands at 19,190,000.

Free operating cash flow for the first six months was CHF 19.4 million (PY CHF 9.6 million). The global workforce stood at 4,150 (PY 4,278). This decline was primarily associated with China and Switzerland, where workforce fell to 1,171 (PY 1,184).

Industry segment showing good profitability after bottoming out in order intake

In the Industry market segment, incoming orders turned positive over the course of the reporting period. Of all the subsegments, the aerospace and defense growth initiative reported the strongest year-on-year growth. The sustained strong demand was driven by successes in both defense and space projects. Also the two subsegments of high power charging and test and measurement posted more orders than in the prior-year period. By contrast, the lower order intake from the second half of 2023 resulted in lower net sales in the first half of 2024 across all subsegments compared to the same period in the previous year. Order intake stood at CHF 165.7 million (PY CHF 148.6 million) and net sales at CHF 134.8 million, which was 15.5 % below the prior-year period. This resulted in a book-to-bill rate of 1.23 (PY 0.93). The reported EBIT of CHF 22.9 million (PY CHF 30.2 million) corresponds to an EBIT margin of 17.0 % (PY 18.9 %).

High order intake and improved profitability in the Communication segment in a challenging market environment

In the Communication market segment, following a severe slump in demand in the second and third quarters of 2023, order intake started improving slightly in the final quarter of 2023, rising significantly in the reporting year. This development was attributable to substantial orders associated with the expansion of mobile communications infrastructure in Asia as well as successes in the data center growth initiative. There has, as yet, been no recovery of the communication market as a whole. The data center business benefited from growing demand for optical switches resulting from the expansion of AI infrastructure. To cater to this increased demand for such high-tech products, construction of a new production site was started in Poland in the immediate vicinity of the existing site. The remaining two subsegments, communication equipment manufacturers and fixed access network, also reported a significantly higher order intake. The positive momentum of order intake in the Communication segment has not yet been fully reflected in net sales, which fell short of the previous-year period but were, however, 41.2 % higher than in the second half of 2023. Order intake in the first half of the year stood at CHF 214.9 million (PY CHF 148.1 million) and net sales at CHF 156.0 million, 8.2 % less than the previous year. The book-to-bill rate thus reached a high 1.38 (PY 0.87). With EBIT amounting to CHF 10.4 million (PY CHF 6.2 million), the EBIT margin almost doubled year on year to 6.7 % (PY 3.7 %). This is also the result of the measures implemented in the previous year to reduce both capacity and the cost base.

Solid profitability at lower volumes in the Transportation segment

Having experienced remarkable growth during the previous year, the Transportation market segment had to contend with a decline in order and sales volumes in the first half of 2024.

In the automotive subsegment, the electric vehicle growth initiative secured further important nominations by renowned commercial vehicle manufacturers. However, despite being market-ready, the platforms are not selling as rapidly as originally planned. The same pattern was observed in the second growth initiative ADAS (advanced driver assistance system). In the railway subsegment, order intake was slightly lower and net sales slightly higher compared to the prior-year period. In the rail communications growth initiative in particular, an important milestone was reached with the Deutsche Bahn (DB) project.

The Transportation segment reported orders of CHF 140.4 million, down 10.4 % on the previous-year period, while net sales amounted to CHF 139.8 million (PY CHF 147.9 million), a shortfall of 5.5 %. The book-to-bill rate reached 1.00 (PY 1.06). With EBIT amounting to CHF 12.4 million (PY CHF 15.5 million), the EBIT margin of 8.9 % (PY 10.5 %) was slightly below the level of the Group as a whole.

Outlook

Compared with the weak second half of 2023, all segments reported growth in the first half of 2024, some even significant, in both order intake and net sales. The HUBER+SUHNER Group has thus held its ground well in an environment with diverse challenges and is in a solid position for the year as a whole. The company continues to see attractive opportunities in the target markets. In the Industry segment, the company sees further potential in the aerospace and defense sectors and, over the medium term, anticipates renewed momentum in the field of high power charging. In the global communication market, recovery across the board is likely to take a little longer. Thanks to its unique technologies, however, HUBER+SUHNER expects to benefit from business opportunities that are decoupled from general market trends. In the transportation market, market-ready electrified commercial vehicles are now available for almost all needs, and it should only be a matter of time before e-trucks and e-buses break through.

From today's perspective, the company can confirm the guidance communicated for fiscal year 2024: organic growth in net sales and an operating profit margin in the lower half of the medium-term target range of 9–12 %. Accordingly, sales in the second half of 2024 are expected to be slightly higher than in the first six months. This guidance is based on the assumption that key influencing factors, such as inflation, exchange rates and economic and political conflicts, do not have an excessively negative impact on business development.

Urs Kaufmann
Chairman of the Board of Directors

Urs Ryffel
Chief Executive Officer

Key figures H1/2024

Group

in CHF million	January–June 2024	January–June 2023	Change
Order intake	521.0	453.3	14.9%
Order backlog as of 30.6.	367.4	288.9	27.2%
Net sales	430.6	477.3	(9.8%)
Gross margin	36.2%	34.9%	
EBITDA	58.9	63.5	(7.3%)
as % of net sales	13.7%	13.3%	
EBIT	41.5	47.0	(11.7%)
as % of net sales	9.6%	9.8%	
Financial result	(0.4)	(1.6)	n/m
Net income	34.8	38.2	(9.0%)
as % of net sales	8.1%	8.0%	
Purchases of PP&E and intangible assets	20.2	28.5	(29.2%)
Cash flow from operating activities	37.8	31.1	21.3%
Free operating cash flow	19.4	9.6	100.7%
Net liquidity as of 30.6.	151.7	111.9	35.6%
Return on invested capital (ROIC) in %	16.2%	17.8%	
Equity as of 30.6.	621.9	593.4	4.8%
as % of balance sheet total	75.4%	75.7%	
Employees as of 30.6.	4 150	4 278	(3.0%)

n/m = not meaningful

Data per share

in CHF	January–June 2024	January–June 2023	Change
Stock market price as of 30.6.	76.50	73.80	3.7%
Net income	1.87	2.05	(8.8%)

Segment information

in CHF million		January–June 2024	January–June 2023	Change
Industry	Order intake	165.7	148.6	11.5%
	Net sales	134.8	159.6	(15.5%)
	EBIT	22.9	30.2	(24.1%)
	as % of net sales	17.0%	18.9%	
Communication	Order intake	214.9	148.1	45.1%
	Net sales	156.0	169.8	(8.2%)
	EBIT	10.4	6.2	67.8%
	as % of net sales	6.7%	3.7%	
Transportation	Order intake	140.4	156.6	(10.4%)
	Net sales	139.8	147.9	(5.5%)
	EBIT	12.4	15.5	(19.7%)
	as % of net sales	8.9%	10.5%	

Alternative Performance Measures (APM) are key figures not defined by Swiss GAAP FER. HUBER+SUHNER uses APM as guidance parameters for both internal and external reporting to stakeholders. For the definition of APM, please visit www.hubersuhner.com/en/company/investors/publications.

Financial calendar

Capital Market Day (Herisau)	20.9.2024
Sales and order intake (9 months) 2024	22.10.2024
Sales and order intake (12 months) 2024	23.1.2025
Annual Report 2024	11.3.2025
Media and analysts' conference	11.3.2025
Annual General Meeting (Rapperswil SG)	2.4.2025

Figures are available online at www.hubersuhner.com/en/company/investors/publications.
This letter to shareholders is also available in German. The German version is binding.

Consolidated Income Statement

in CHF 1 000	Notes	January–June 2024	%	January–June 2023	%
Net sales	6	430 587	100.0	477 273	100.0
Cost of goods sold		(274 524)		(310 564)	
Gross profit		**156 063**	**36.2**	**166 709**	**34.9**
Selling expense		(61 916)		(62 360)	
Administrative expense		(25 694)		(29 225)	
Research and development expense		(28 324)		(29 218)	
Other operating expense		(132)		(319)	
Other operating income		1 489		1 381	
Operating profit (EBIT)	**6**	**41 486**	**9.6**	**46 968**	**9.8**
Financial result		(385)		(1 584)	
Income before taxes		**41 101**	**9.5**	**45 384**	**9.5**
Income taxes		(6 301)		(7 153)	
Net income		**34 800**	**8.1**	**38 231**	**8.0**
Attributable to shareholders of HUBER+SUHNER AG		34 532		37 949	
Attributable to minority interests		268		282	

Data per share

in CHF	January–June 2024		January–June 2023	
Undiluted / diluted earnings per share	1.87		2.05	

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

Consolidated Balance Sheet

in CHF 1 000	Notes	30.06.2024	%	31.12.2023	%
Assets					
Cash and cash equivalents		126 660		108 100	
Marketable securities		25 000		55 000	
Trade receivables		178 169		131 101	
Other short-term receivables		22 715		21 444	
Inventories		161 964		163 190	
Accrued income		8 842		5 115	
Current assets		**523 350**	**63.5**	**483 950**	**62.3**
Property, plant and equipment		231 105		226 554	
Intangible assets		29 487		28 820	
Financial assets		24 240		23 703	
Deferred tax assets		15 817		13 999	
Non-current assets		**300 649**	**36.5**	**293 076**	**37.7**
Assets		**823 999**	**100.0**	**777 026**	**100.0**
Liabilities and equity					
Trade payables		85 072		60 614	
Other short-term liabilities		58 117		49 910	
Short-term provisions		10 321		10 158	
Accrued liabilities		17 662		15 654	
Current liabilities		**171 172**	**20.8**	**136 336**	**17.6**
Other long-term liabilities		2 345		2 345	
Long-term provisions		7 396		7 433	
Deferred tax liabilities		21 180		21 283	
Non-current liabilities		**30 921**	**3.8**	**31 061**	**4.0**
Liabilities		**202 093**	**24.6**	**167 397**	**21.6**
Share capital[1]		4 798		5 050	
Capital reserves[1]		(47 550)		33 478	
Treasury shares[1]		(192)		(82 379)	
Retained earnings		662 065		650 997	
Equity attributable to shareholders of HUBER+SUHNER AG		**619 121**	**75.1**	**607 146**	**78.1**
Minority interests		2 785	0.3	2 483	0.3
Total equity		**621 906**	**75.4**	**609 629**	**78.4**
Liabilities and equity		**823 999**	**100.0**	**777 026**	**100.0**

[1] See footnote 1) 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	January–June 2024	January–June 2023
Net income		**34 800**	**38 231**
Income taxes		6 301	7 153
Depreciation of property, plant and equipment and intangible assets		17 389	16 548
Other non-cash items		64	(5 931)
Loss/profit from the disposal of property, plant and equipment		(74)	(372)
Change in trade receivables		(43 233)	(14 994)
Change in inventories		4 845	14 591
Change in other receivables and accrued income		(7 398)	2 345
Change in trade payables		23 146	(4 155)
Change in other liabilities and accrued liabilities		8 506	(5 375)
Change in provisions		52	(4 538)
Income tax paid		(6 604)	(12 337)
Interest paid		(26)	(36)
Cash flow from operating activities		**37 768**	**31 130**
Purchases of property, plant and equipment		(17 091)	(15 928)
Proceeds from sale of property, plant and equipment		191	244
Purchases of intangible assets		(2 692)	(5 080)
Purchases and disposals of financial assets		14	(57)
Sale of marketable securities		30 000	–
Interest received		1 161	831
Cash outflow from acquisition	4	–	(1 498)
Cash flow from investing activities		**11 583**	**(21 488)**
Payment of dividend		(31 388)	(38 773)
Payment of dividend to minority interests		–	(318)
Purchase of treasury shares[1]		(902)	(8 180)
Cash flow from financing activities		**(32 290)**	**(47 271)**
Effect of exchange rate changes on cash		1 499	(1 645)
Net change in cash and cash equivalents		**18 560**	**(39 274)**
Cash and cash equivalents at 1.1.		108 100	151 138
Cash and cash equivalents at 30.6.		126 660	111 864
Net change in cash and cash equivalents		**18 560**	**(39 274)**

[1] See footnote 1) 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	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 31.12.2022	**5 050**	**33 480**	**(75 231)**	**833 627**	**(146 980)**	**(46 589)**	**640 058**	**603 357**	**3 295**	**606 652**
Net income	–	–	–	37 949	–	–	37 949	37 949	282	38 231
Dividend paid	–	–	–	(38 773)	–	–	(38 773)	(38 773)	(318)	(39 091)
Purchase of treasury shares[1]	–	–	(8 180)	–	–	–	–	(8 180)	–	(8 180)
Share-based payment	–	(2)	1 811	(1 400)	–	–	(1 400)	409	–	409
Goodwill offset	–	–	–	–	277	–	277	277	–	277
Currency translation differences	–	–	–	–	–	(4 791)	(4 791)	(4 791)	(95)	(4 886)
Balance at 30.6.2023	**5 050**	**33 478**	**(81 600)**	**831 403**	**(146 703)**	**(51 380)**	**633 320**	**590 248**	**3 164**	**593 412**
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	–	–	–	34 532	–	–	34 532	34 532	268	34 800
Dividend paid	–	–	–	(31 388)	–	–	(31 388)	(31 388)	–	(31 388)
Capital reduction[1]	(252)	(81 165)	81 417	–	–	–	–	–	–	–
Purchase of treasury shares	–	–	(902)	–	–	–	–	(902)	–	(902)
Share-based payment	–	137	1 672	(870)	–	–	(870)	939	–	939
Currency translation differences	–	–	–	–	–	8 794	8 794	8 794	34	8 828
Balance at 30.6.2024	**4 798**	**(47 550)**	**(192)**	**860 799**	**(146 703)**	**(52 031)**	**662 065**	**619 121**	**2 785**	**621 906**

[1] 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.

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

Notes to Group Financial Statements

1 General

This unaudited Half-year Report was approved by the Board of Directors on 15 August 2024 and released for publication on 20 August 2024.

2 Accounting policies

The consolidated Half-year Report was prepared in accordance with Swiss GAAP FER 31 “Complementary recommendation for listed companies” and the accounting policies set out in the Annual Report 2023. Additionally, Swiss GAAP FER 28 “Government grants” and Swiss GAAP FER 30 “Consolidated financial statements” entered into force per 1 January 2024 (see note 3).

This Half-year Report is an interim report, which allows simplifications in comparison to an Annual Report.

The consolidated financial statements of the HUBER+SUHNER Group are based on the individual financial statements of the Group companies and were prepared in accordance with current Swiss GAAP FER (Swiss Accounting and Reporting Recommendations) guidelines. Unless otherwise stated in the Annual Report 2023, the consolidated financial statements have been prepared under the historical cost convention.

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

3 Changes in 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

There were no changes in the scope of consolidation in the first half year 2024.

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.

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**	
	30.06.2024	**31.12.2023**	**January–June 2024**	**January–June 2023**
1 EUR	0.96	0.94	0.97	0.99
1 USD	0.90	0.85	0.89	0.91
100 CNY	12.34	11.93	12.38	13.08
1 GBP	1.14	1.09	1.13	1.13
100 INR	1.07	1.02	1.07	1.11
1 PLN	0.22	0.22	0.22	0.21
1 HKD	0.11	0.11	0.11	0.12
1 AUD	0.60	0.58	0.59	0.61

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

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

Communication segment

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

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

Transportation segment

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

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

Corporate

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

Net sales by segment	**January–June 2024**	**January–June 2023**
Industry	134 846	159 575
Communication	155 952	169 815
Transportation	139 789	147 883
Total net sales	**430 587**	**477 273**

Operating profit (EBIT)	**January–June 2024**	**January–June 2023**
Industry	22 936	30 213
Communication	10 431	6 218
Transportation	12 428	15 483
Corporate	(4 309)	(4 946)
Total operating profit (EBIT)	**41 486**	**46 968**

7 Events after the balance sheet date

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

Alternative Performance Measures

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

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

Organic sales development

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

Order intake

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

Book-to-bill

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

Order backlog

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

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

EBIT

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

	January–June 2024	January–June 2023
Net sales	430.6	477.3
Cost of goods sold	(274.5)	(310.6)
Gross profit	**156.1**	**166.7**
Selling, administrative and research and development expense	(115.9)	(120.8)
Other operating expense / income	1.4	1.1
EBIT (= operating profit)	**41.5**	**47.0**

Alternative Performance Measures — All amounts are in CHF million 17

EBITDA

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

	January–June 2024	January–June 2023
EBIT (= operating profit)	**41.5**	**47.0**
Depreciation of property, plant and equipment	15.2	14.5
Amortisation of intangible assets	2.2	2.1
EBITDA	**58.9**	**63.5**

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. The half-year EBIT is annualized by multiplying by two for the calculation of the ROIC.

Invested capital and NOPAT are defined as follows:

	30.06.2024	30.06.2023
Trade receivables	178.2	173.8
Other short-term receivables (excl. derivative financial instruments)	22.4	26.3
Inventories	162.0	177.4
Accrued income	8.8	6.4
Property, plant and equipment (excl. undeveloped property)	229.0	221.1
Intangible assets	29.5	28.0
Deferred tax assets	15.8	12.1
Operating assets	**645.7**	**645.0**
Trade payables	(85.1)	(70.9)
Other short-term liabilities (excl. derivative financial instruments)	(57.9)	(58.5)
Short-term provisions	(10.3)	(12.5)
Accrued liabilities	(17.7)	(18.6)
Other long-term liabilities	(2.3)	(2.7)
Long-term provisions (excl. retirement plan obligations)	(6.0)	(6.4)
Deferred tax liabilities	(21.2)	(18.8)
Operating liabilities	**(200.5)**	**(188.4)**
Invested capital	**445.2**	**456.7**

	January–June 2024	January–June 2023
Average invested capital	**433.3**	**443.7**
EBIT (= operating profit) (12 months annualized)	**83.0**	**93.9**
Effective income tax rate	15.3%	15.8%
Effective income taxes	(12.7)	(14.8)
NOPAT (= net operating profit after taxes) (12 months annualized)	**70.3**	**79.1**
Return on invested capital (ROIC) in % = NOPAT / average invested capital	**16.2%**	**17.8%**

Alternative Performance Measures — All amounts are in CHF million 18

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.

	January–June 2024	January–June 2023
Cash flow from operating activities	37.8	31.1
Cash flow from investing activities (excl. marketable securities)	(18.4)	(21.5)
Free operating cash flow	**19.4**	**9.6**

Free cash flow

	January–June 2024	January–June 2023
Free operating cash flow	19.4	9.6
Payment of dividend	(31.4)	(38.8)
Payment of dividend to minority interests	–	(0.3)
Purchase of treasury shares	(0.9)	(8.2)
Free cash flow	**(12.9)**	**(37.6)**

Net liquidity

	30.06.2024	30.06.2023
Cash and cash equivalents	126.7	111.9
Marketable securities	25.0	0
Short-term financial liabilities	0	0
Long-term financial liabilities	0	0
Net liquidity	**151.7**	**111.9**

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

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Design and Type
NeidhartSchön AG

HUBER+SUHNER AG

Degersheimerstrasse 14
CH-9100 Herisau AR
Phone +41 71 353 41 11
Tumbelenstrasse 20
CH-8330 Pfäffikon ZH
Phone +41 44 952 22 11

www.hubersuhner.com