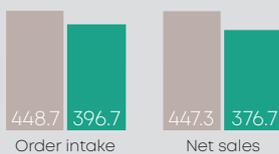
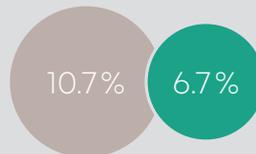


2020 Half-year Report

Order intake and net sales down compared to strong prior-year period



Solid EBIT margin of 6.7% despite challenging environment



Measures to reduce costs are showing results at EBIT level

Sustained clear double-digit EBIT margin in Radio Frequency, upward trend for Fiber Optics temporarily halted, solid results for Low Frequency

Growth initiatives comparatively less affected by decline in demand

Home working and accelerated digitalisation provide a successful response to lockdown in many countries

■ H1/2019 ■ H1/2020 in CHF million

Solid half-year results in a difficult environment



Urs Ryffel (CEO) and Urs Kaufmann (Chairman)

HUBER+SUHNER experienced an eventful first half of 2020. Against the backdrop of the ubiquitous coronavirus pandemic and its impact on the global economy, the company still achieved a solid result with an EBIT margin of 6.7% (prior-year period 10.7%) and operating profit of CHF 25.1 million (prior-year period CHF 47.8 million). At CHF 396.7 million, order intake was 11.6% below the figure for the strong prior-year period. Compared to the second half of the previous year, however, a positive development was achieved.

The measures taken by governments in the sales regions to contain the coronavirus significantly impacted economic activity in the reporting period. As the outbreak progressively evolved into a pandemic, most HUBER+SUHNER sites were also affected by temporary closures. As the entire supply industry was impacted to at least the same extent, the focus on the procurement side was on ensuring the supply of important materials and components. In addition, transport capacities were either completely lost or were in short supply and traded at many times normal tariffs. Maintaining global supply chains thus became the company's most important task in order to guarantee maximum availability of products to customers.

Through intensive communication with customers, prudent planning, close cooperation with the supplier network and the temporary relocation of individual product lines within the worldwide production network, the company succeeded in maintaining supply capability high throughout the entire period despite the restrictions. A big thank you goes out to all employees for their extraordinary commitment during this challenging time. This resulted in net sales of CHF 376.7 million, a decline of 15.8%, whereby the strong prior-year period (CHF 447.3 million) had again included a significant portion of the major project with Samsung on the Indian subcontinent. Adjusted for currency, copper and portfolio effects, the shortfall in net sales amounted to 15.0%. The book-to-bill rate reached 1.05 (prior-year period 1.0). The share of net sales by

main region shifted to Europe: EMEA accounted for 55% (prior-year period 48%), APAC 27% (prior-year period 31%) and the Americas 18% (prior-year period 21%). Headcount increased to 4,860 (prior-year period 4,665) primarily as a result of the acquisition of Bktel at the end of 2019 and a temporary relocation of activities to the plant in China in the second quarter.

Lively bidding activity in many submarkets – systemic importance of connectivity in crisis

All three of the main markets, communication (–18.6%), transportation (–14.9%) and industrial (–12.7%), were equally affected by the decline in net sales, with the result that their respective net sales shares remained virtually unchanged. The company actually recorded an increase in bidding activity in the reporting period. This was despite the fact that, due to the pandemic and imposed lockdowns, customer communication was exclusively via digital media. Unpredictability on the market development, however, resulted in greater restraint and caution on the part of customers in the awarding of new orders.

For HUBER+SUHNER, the industrial production closures imposed in some countries were usually of comparatively short duration. Public authorities in the various countries rated connectivity solutions as systemically important in terms of national digital security. Communication solutions, for instance, have become an essential part of a powerful infrastructure for dependable data transmission. Afforded similar importance were the availability of security solutions in industrial applications and the advancement of electro-mobility as the transport concept of the future.

These assessments prove once again that HUBER+SUHNER is focusing its products and solutions on applications that are promising for the future.

Continued clear double-digit EBIT margin for Radio Frequency

The Radio Frequency technology segment, marked by strong growth in previous years, could not fully escape the negative effects of the coronavirus crisis. Order intake amounted to CHF 130.9 million, which was 14.2% below the prior-year figure. The industrial submarkets of aerospace and defense as well as test and measurement fared comparatively well. Radio Frequency recorded a significant decline in net sales to CHF 121.3 million (–17.9%). The reported EBIT of CHF 15.0 million equates to an EBIT margin of 12.4%.

Temporarily halted upward trend for Fiber Optics

With an order intake of CHF 151.1 million, the Fiber Optics technology segment was on a par with the prior-year figure (CHF 150.3 million), although this figure was achieved without the acquired Bktel (WAN / Access networks). Net sales of

CHF 138.8 million were 11.9% below the prior-year figure. The Covid-19 measures in several regions prompted a slowdown of the mobile network (cell site) expansion to the 5G standard, while demand for data center solutions remained at a good level. The overall lower volume had a negative impact on the results of Fiber Optics, with reported EBIT of CHF 4.4 million, and an EBIT margin of 3.1%.

Low Frequency achieves solid result

In the Low Frequency technology segment, order intake declined significantly to CHF 114.7 million (-21.3%) compared to the prior-year period. Although bidding activity was extremely dynamic in both the railway and automotive submarkets, the awarding of contracts was sluggish in the first half of the year. The automotive submarket also developed negatively overall; the doubling of sales for electric vehicles did not compensate for the decline in conventional automotive business. Business with high-power charging systems developed well. With the newly launched RADOX® HPC500 and the uncooled RADOX® HPC200, the market leadership was further consolidated with the first design-ins. Net sales of Low Frequency amounted to CHF 116.6 million (-17.9%), while EBIT stood at CHF 7.9 million, corresponding to an EBIT margin of 6.8%.

Home working and accelerated digitalisation provided a successful response to lockdown, measures to reduce costs are showing results

The company reacted immediately to the extraordinary situation in the reporting period with far-reaching measures. These included, among other things, the stringent implementation of the hygiene and protection concept worldwide, which kept the number of employees tested positive for Covid-19 very low. In addition, administrative activities

were relocated to employees' home offices. Virtually overnight, new conditions were defined for a large section of the workforce, which called for a high degree of flexibility on all sides. The organisation proved itself capable of making effective use of the accelerated digitalisation of the workplace. Strict cost management was implemented early on. Due to the more noticeable impact of Covid-19 on the course of business from the second quarter onwards, short-time working was introduced in countries where this instrument was available. The members of the Board of Directors, Executive Group Management and senior management levels worldwide are making a solidarity-based contribution by temporarily waiving part of their fixed compensation.

Outlook

HUBER+SUHNER suspended its guidance for 2020 due to the unforeseeable developments following the coronavirus outbreak. With its focus on promising growth markets in communication, transportation and industrial, the company is well equipped to leverage its very strong positioning once the market weakness subsides. However, the uncertainties remain considerable. From today's perspective and provided that there are no further lockdown measures in key sales regions, the company expects sales in the second half of the year to be of a similar magnitude as in the first half. HUBER+SUHNER expects the EBIT margin for the full year to remain at least at the same level as in the reporting period.



Urs Kaufmann
Chairman of the Board of Directors



Urs Ryffel
CEO

Milestones

Communication
Optical switches



POLATIS high-radix switches help cloud service providers build energy-efficient next generation optical networks

Transportation
Railway



Framework agreement with Bombardier Transportation to supply RADOX® cables extended by five years – 25 years of cooperation

Industrial
High-power charging system



World first for new RADOX® HPC500, which allows continuous charging with currents of 500 A

Communication
WAN / Access networks



RF Video Overlay: unrestricted transmission quality for television and simultaneous home working

Key Figures H1/2020

Group in CHF million	January–June 2020	January–June 2019	Change	
Order intake	396.7	448.7	(11.6%)	
Order backlog as of 30.6.	204.9	235.1	(12.9%)	
Net sales	376.7	447.3	(15.8%)	
Gross margin	34.8%	37.2%		
EBITDA	39.2	63.3	(38.1%)	
as% of net sales	10.4%	14.2%		
EBIT	25.1	47.8	(47.5%)	
as% of net sales	6.7%	10.7%		
Financial result	0.1	(0.6)	n/m	
Net income	19.9	37.4	(46.8%)	
as% of net sales	5.3%	8.4%		
Purchases of PP&E and intangible assets	17.9	15.5	15.0%	
Cash flow from operating activities	5.0	33.9	(85.3%)	
Free operating cash flow	(12.0)	18.1	n/m	
Net liquidity as of 30.6.	141.6	166.9	(15.2%)	
Equity as of 30.6.	559.0	604.6	(7.5%)	
as% of balance sheet total	76.3%	77.9%		
Employees as of 30.6.	4 860	4 665	4.2%	
Data per share in CHF	January–June 2020	January–June 2019	Change	
Stock market price as of 30.6.	66.60	82.20	(19.0%)	
Net income	1.02	1.92	(47.1%)	
Segment information in CHF million	January–June 2020	January–June 2019	Change	
Radio Frequency	Order intake	130.9	152.6	(14.2%)
	Net sales	121.3	147.8	(17.9%)
	EBIT	15.0	27.0	(44.4%)
	as % of net sales	12.4%	18.3%	
Fiber Optics	Order intake	151.1	150.3	0.5%
	Net sales	138.8	157.5	(11.9%)
	EBIT	4.4	12.3	(64.4%)
	as % of net sales	3.1%	7.8%	
Low Frequency	Order intake	114.7	145.8	(21.3%)
	Net sales	116.6	142.0	(17.9%)
	EBIT	7.9	12.6	(37.1%)
	as % of net sales	6.8%	8.8%	

n/m = not meaningful

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

Financial calendar

Net sales / Order intake (9 months)	22.10.2020	Annual report 2020	09.03.2021
Net sales / Order intake 2020	22.01.2021	Media and analysts' conference	09.03.2021
		Annual General Meeting	31.03.2021

Detailed 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 1000	Notes	January–June 2020	%	January–June 2019	%
Net sales	6	376 718	100.0	447 342	100.0
Cost of goods sold		(245 668)		(280 773)	
Gross profit		131 050	34.8	166 569	37.2
Selling expense		(56 581)		(65 804)	
Administrative expense		(26 380)		(33 508)	
Research and development expense		(24 248)		(21 326)	
Other operating expense		(232)		(234)	
Other operating income		1 475		2 079	
Operating profit (EBIT)	6	25 084	6.7	47 776	10.7
Financial result		100		(625)	
Income before taxes		25 184	6.7	47 151	10.5
Income taxes		(5 294)		(9 797)	
Net income		19 890	5.3	37 354	8.4
Attributable to shareholders of HUBER+SUHNER AG		19 761		37 354	
Attributable to minority interests		129		–	
Data per share					
in CHF		January–June 2020		January–June 2019	
Undiluted / diluted earnings per share		1.02		1.92	

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

Consolidated Balance Statement

in CHF 1000	Notes	30.6.2020	%	31.12.2019	%
Assets					
Cash and cash equivalents		142 630		191 636	
Trade receivables		153 386		137 055	
Other short-term receivables		30 876		21 788	
Inventories		156 896		152 507	
Accrued income		3 767		2 567	
Current assets		487 555	66.6	505 553	67.4
Property, plant and equipment		190 447		191 929	
Intangible assets		20 472		20 463	
Financial assets		20 811		20 626	
Deferred tax assets		13 213		11 438	
Non-current assets		244 943	33.4	244 456	32.6
Assets		732 498	100.0	750 009	100.0
Liabilities and equity					
Short-term financial liabilities		612		761	
Trade payables		48 608		37 742	
Other short-term liabilities		56 841		56 866	
Short-term provisions		12 621		12 278	
Accrued liabilities		17 933		16 673	
Current liabilities		136 615	18.7	124 320	16.6
Long-term financial liabilities		447		634	
Other long-term liabilities		3 019		3 021	
Long-term provisions		8 780		8 982	
Deferred tax liabilities		24 619		25 339	
Non-current liabilities		36 865	5.0	37 976	5.0
Liabilities		173 480	23.7	162 296	21.6
Share capital		5 050		5 050	
Capital reserves		33 044		32 994	
Treasury shares		(182)		(719)	
Retained earnings		518 264		547 195	
Equity attributable to shareholders of HUBER+SUHNER AG		556 176	75.9	584 520	78.0
Minority interests		2 842	0.4	3 193	0.4
Total equity		559 018	76.3	587 713	78.4
Liabilities and equity		732 498	100.0	750 009	100.0

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

Consolidated Cash Flow Statement

in CHF 1000	Notes	January–June 2020	January–June 2019
Net income		19 890	37 354
Income taxes		5 294	9 797
Depreciation of property, plant and equipment and intangible assets		14 138	15 547
Other non-cash items		846	324
Loss/profit from the disposal of property, plant and equipment		(176)	(38)
Change in trade receivables		(22 413)	(19 913)
Change in inventories		(8 952)	(11 031)
Change in other receivables and accrued income		(9 131)	(14 219)
Change in trade payables		12 202	12 025
Change in other liabilities and accrued liabilities		1 200	11 323
Change in provisions		390	(1 516)
Income tax paid		(8 269)	(5 738)
Interest paid		(50)	(9)
Cash flow from operating activities		4 969	33 906
Purchases of property, plant and equipment		(16 557)	(12 705)
Proceeds from sale of property, plant and equipment		1 031	168
Purchases of intangible assets		(2 552)	(1 940)
Purchases of financial assets		(22)	(76)
Interest received		1 100	440
Cash outflow from acquisition	3	–	(1 699)
Cash flow from investing activities		(17 000)	(15 812)
Payment of dividend to shareholders of HUBER+SUHNER AG		(31 157)	(48 683)
Payment of dividend to minority interests		(451)	–
Purchase of treasury shares		(1 089)	(980)
Repayment of short-term financial liabilities		(303)	–
Cash flow from financing activities		(33 000)	(49 663)
Effect of exchange rate changes on cash		(3 975)	(358)
Net change in cash and cash equivalents		(49 006)	(31 927)
Cash and cash equivalents at 1.1.		191 636	198 826
Cash and cash equivalents at 30.6.		142 630	166 899
Net change in cash and cash equivalents		(49 006)	(31 927)

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

Consolidated Statement of Equity

in CHF 1000	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 31.12.2018	5 050	32 713	(1 402)	691 599	(97 512)	(9 696)	584 391	620 752	-	620 752
Net income	-	-	-	37 354	-	-	37 354	37 354	-	37 354
Dividend paid	-	-	-	(48 683)	-	-	(48 683)	(48 683)	-	(48 683)
Purchase of treasury shares	-	-	(980)	-	-	-	-	(980)	-	(980)
Share-based payment	-	281	2 200	(980)	-	-	(980)	1 501	-	1 501
Goodwill offset	-	-	-	-	(1 962)	-	(1 962)	(1 962)	-	(1 962)
Currency translation differences	-	-	-	-	-	(3 338)	(3 338)	(3 338)	-	(3 338)
Balance at 30.6.2019	5 050	32 994	(182)	679 290	(99 474)	(13 034)	566 782	604 644	-	604 644
Balance at 31.12.2019	5 050	32 994	(719)	705 618	(141 758)	(16 665)	547 195	584 520	3 193	587 713
Net income	-	-	-	19 761	-	-	19 761	19 761	129	19 890
Dividend paid	-	-	-	(31 157)	-	-	(31 157)	(31 157)	(451)	(31 608)
Purchase of treasury shares	-	-	(1 089)	-	-	-	-	(1 089)	-	(1 089)
Share-based payment	-	50	1 626	(1 300)	-	-	(1 300)	376	-	376
Goodwill offset	-	-	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	(16 235)	(16 235)	(16 235)	(29)	(16 264)
Balance at 30.6.2020	5 050	33 044	(182)	692 922	(141 758)	(32 900)	518 264	556 176	2 842	559 018

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 14 August 2020 and released for publication on 18 August 2020.

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 2019. 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 2019, the consolidated financial statements have been prepared under the historical cost convention.

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

3 Changes in the scope of consolidation and other changes

There were no changes in the scope of consolidation in the first half year 2020.

With effect of 2 December 2019, HUBER+SUHNER acquired 100% of the capital of the BKTel Group headquartered in Hückelhoven-Baal (GER). BKTel is reported in the FO technology segment.

On 19 July 2019 HUBER+SUHNER took over the antenna portfolio for security-relevant applications from Kathrein SE (Germany). The antenna portfolio for security-relevant applications is reported in the RF technology segment.

On 30 June 2019 HUBER+SUHNER took over the railway and bus antenna portfolio from Kathrein SE (Germany). The railway and bus antenna portfolio is reported in the RF technology segment.

4 Exchange rates for currency translation

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

	Spot rates for the consolidated balance sheet		Average rates for the consolidated income and cash flow statement	
	30.6.2020	31.12.2019	January–June 2020	January–June 2019
1 EUR	1.06	1.09	1.06	1.13
1 USD	0.95	0.98	0.97	1.00
100 CNY	13.41	13.96	13.71	14.74
1 GBP	1.17	1.28	1.21	1.30
100 INR	1.25	1.37	1.30	1.43

5 Impacts of Covid-19

Since the outbreak of the Covid-19 pandemic, HUBER+SUHNER has taken all the necessary measures to protect the health of its employees, customers, business partners and suppliers. Several sites in key sales regions around the world were affected by the measures to prevent the spread of Covid-19. Production at the Swiss sites was maintained throughout. At present, almost all plants worldwide are operating again without any major restrictions. Capacity bottlenecks were bridged by means of temporary relocations within the global production network, thus maintaining a high level of delivery capability to customers even under difficult conditions.

HUBER+SUHNER countered the noticeable weakening of business by implementing cost-saving measures at an early stage. These measures (e.g. for short-time work, governmental support and salary forgiveness for higher management), are recognised in the corresponding expense category as cost reduction.

For this Half-year Report 2020, HUBER+SUHNER considered all known consequences of the Covid-19 pandemic. Any further impacts that the Covid-19 pandemic may have on the current financial year are difficult to predict.

6 Segment information

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

Radio Frequency HUBER+SUHNER develops and manufactures radio frequency and microwave products for a highly diverse set of customer and market requirements. The wide product range encompasses all passive components like cables, connectors, cable assemblies, antennas, lightning protection and resistive components as well as active RF-over-Fiber systems, which make it possible to transmit radio frequency, microwave or LAN signals over greater distances. HUBER+SUHNER is constantly leveraging its outstanding knowledge of radio frequency and microwave technologies, sophisticated simulation processes and the most modern test methods to produce ever smaller components, continually expand their operating frequencies and minimise signal quality loss. Thanks to its own state-of-the-art electroplating processes, HUBER+SUHNER has generated substantial expertise in surface coating, a key technique in the development of modern radio frequency components.

Fiber Optics Fiber optics products manufactured by HUBER+SUHNER are suitable for complex applications with very high data rates. The comprehensive portfolio includes cables, connectors, cable assemblies, cable and distribution systems, optical transmitters, amplifiers and receivers as well as highly miniaturised wavelength multiplexers and all-optical switches. HUBER+SUHNER products can also be used in extreme environmental conditions. Pre-assembled, customer-specific systems, including the smallest components allowing the highest packing density, can be installed quickly and safely. The company has also developed an optimised polishing process for fiber optic connectors. This, together with a considerable expertise in the processing of high-performance materials and high-temperature polyamides into precision parts, are two of the main factors behind the high quality of optical connectivity technology from HUBER+SUHNER.

Low Frequency HUBER+SUHNER develops and manufactures low frequency products for highly sophisticated applications. The extensive portfolio includes single cores, cables, cable assemblies, hybrid cables and cable systems. Thanks to the high vertical manufacturing integration, coupled with a high level of automation and market-specific know-how, HUBER+SUHNER is able to meet its customers' diverse needs. HUBER+SUHNER specialises in polymer compounds for high-quality cable insulation, which it produces using formulations developed inhouse. Another core competency is electron beam cross-linking, which makes it possible to produce space-saving, lighter and longer-life cables that function reliably, even under extreme conditions.

Corporate This segment chiefly covers the expenses of corporate functions and all activities that cannot be allocated to one of the three technology segments.

Net sales by segment	January–June 2020	January–June 2019
Radio Frequency	121 310	147 800
Fiber Optics	138 791	157 507
Low Frequency	116 617	142 035
Total net sales	376 718	447 342
Operating profit (EBIT)	January–June 2020	January–June 2019
Radio Frequency	15 038	27 040
Fiber Optics	4 368	12 278
Low Frequency	7 903	12 566
Corporate	(2 225)	(4 108)
Total operating profit (EBIT)	25 084	47 776

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.

For further information on the
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www.hubersuhner.com.

Concept and editorial

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