

HUBER+SUHNER Sales Increase +4.4% in 2016

In 2016, HUBER+SUHNER achieved CHF 737.2 million in net sales and CHF 746.6 million in order intake. HUBER+SUHNER reported a very dynamic first half year, followed by a weaker third quarter, and renewed demand in the fourth quarter.

HUBER+SUHNER Bookings/Billings by Division 2014-2016

	2016	2015	2014	Change 2016/2015%
Net sales				
Radio Frequency	219.7 CHF	206.6 CHF	235.0 CHF	6.3%
Fiber Optics	305.7 CHF	280.7 CHF	249.9 CHF	8.9%
Low Frequency	211.8 CHF	219.0 CHF	263.6 CHF	-3.3%
Total	737.2 CHF	706.3 CHF	748.5 CHF	4.4%
Order intake				
Radio Frequency	226.4 CHF	201.2 CHF	238.7 CHF	12.5%
Fiber Optics	322.3 CHF	270.8 CHF	271.0 CHF	19.0%
Low Frequency	198.0 CHF	230.8 CHF	258.4 CHF	-14.2%
Total	746.7 CHF	702.8 CHF	768.1 CHF	6.2%

CHF million

Net sales increased by +4.4% for the year, while organic sales growth, excluding currency, copper and portfolio impacts, amounted to +3.8%.

Both the Fiber Optics division and the Radio Frequency division recorded double-digit growth in order intake (+19.0 % and +12.5% respectively), while the Low Frequency division experienced a sales decline due to low demand in the railway market (-14.2 %), despite growth in the automotive market. In the railway market, low demand for cable systems from the European countries and delayed orders in China were the key issues. Overall, order intake grew by +6.2% for the year.

Communication market drove the market

The communication market was the driver for growth in 2016. Net sales in the communication market rose by +9.4 % to CHF 372.6 million. Order intake grew by +21.2 % to CHF 390.4 million. HUBER+SUHNER gained market share with the big communication network suppliers, and continued to be successful with fiber-to-the-antenna applications. The Cube Optics business unit also made a significant contribution to the growth. The acquisition of Polatis, a technology leader in the field of 'All-optical switches', further boosted HUBER+SUHNER's position and outlook in the market for data centers.

Transportation and Industrial markets remained stable

Sales and order intake in the transportation and industrial markets remained stable compared to 2015. Net sales in the transportation market were just below last year's level (CHF 198.5 million, -1.8 %), however, order intake was significantly lower than in 2015 (CHF 187.4 million, -11.8 %). As mentioned, reduced demand in the railway market was the main cause and was partially off-set by higher net sales in the automotive market. Net sales and order intake in the industrial high-tech niches increased slightly (net sales: CHF 166.1 million, +1.5 %; order intake: CHF 168.8 million, +0.4 %). HUBER+SUHNER Astrolab, acquired in 2012, reported healthy growth, boosting the Aerospace and Defense market segment.

HUBER+SUHNER Net Sales by Market 2013-2015

	2016	Change 2016/2015%
Net sales		
Communication	372.6 CHF	9.4%
Transportation	198.5 CHF	-1.8%
Industrial	166.1 CHF	1.5%
Total	737.2 CHF	4.4%

CHF million

HUBER+SUHNER: Outlook for 2017

With a healthy order book towards the end of 2016, HUBER+SUHNER got off to a good start for the 2017 financial year. Growth drivers continue to be: the market's appetite for bandwidth, the exponential growth of data communication and storage, the need of the growing urban population for environmentally-friendly mobility, and the sustained technology development and need for innovation in the high-tech niches.

Although trends in the global economy are difficult to evaluate, because of the political and macroeconomic risks, HUBER+SUHNER expects in 2017 – assuming stable exchange rates – to be able to stay on a growth path for sales and profit.

Bishop & Associates' Comments

Swiss-based HUBER+SUHNER Group, a leading company in the markets for RF, LF and FO connectors and cable assemblies, is a key supplier in the Industrial, Communication, Automotive and Transportation markets.

For the full year 2016, HUBER+SUHNER's net sales increased by 2.0% compared with 2015 measured in US dollars using average exchange rates. This is below the industry average, which recorded an increase of 4.1% for the full year. Measured in Swiss Francs however, net sales growth came to 4.4%, which is above the industry average. In fact, HUBER+SUHNER outperformed the market, in US dollar, in the first half of 2016, but fell back in the second half of 2016 when the global connector market continued to do very well.

HUBER+SUHNER was faced with the sharp downturn in the solar market, which began hitting their results in 2011/2012, and by the sudden increase in the value of the Swiss Franc since January 2015. Both events had a major impact on HUBER+SUHNER's results. Today, the company is clearly on a growth path again. Order intake in 2016 promises a good start for 2017 and, if the business metrics remain in place and the market dynamics do not change for the worse, HUBER+SUHNER is poised to record further growth in 2017.

HUBER+SUHNER Sales Performance Compared to the Global Industry 2006-2016

