

HUBER+SUHNER Net Sales -2.9% in the First Half 2015 Despite Strong CHF

In the first half of 2015 (January-June), HUBER+SUHNER saw its net sales decrease by 2.9% compared to the same period in 2014. Order intake at CHF 356.3 million fell significantly (-12.9 %) compared to the same period in 2014, but remained flat sequentially at the level of the second half of 2014.

HUBER+SUHNER Bookings and Billings 2015-2014

	1H-2015	1H-2014	Change %
Net sales			
Radio Frequency	103.5	116.1	-10.8%
Fiber Optics	138.9	115	20.7%
Low Frequency	113.7	135.7	-16.3%
Total	356.1	366.8	-2.9%
Order intake			
Radio Frequency	97.8	125.3	-21.9%
Fiber Optics	137.5	138.6	-0.8%
Low Frequency	121	145	-16.5%
Total	356.3	408.9	-12.9%

CHF million

Strong Growth in the Fiber Optics Segment

The Fiber Optics division posted an excellent result: With an increase of 20.7 %, net sales rose to a new record level. Cube Optics, which was acquired in 2014, has had a very successful half-year, achieving above average growth.

A Mixed Picture in Other Market Segments

With a leading position in the market for mobile phone infrastructure, net sales increased by 9% in the Communication segment and were primarily driven by the expansion of HUBER+SUHNER's position in this market. HUBER+SUHNER also gained a foothold in India as part of the LTE (long-term evolution) rollout and recorded further successes in Southeast Asia.

In China, where the merger of national rail manufacturers China Southern Rail (CSR) and China Northern Rail (CNR), resulted in project delays, and this was one of the main reasons that net sales in the Transportation market declined by 15% in the first half of 2015. Various delays in the railway market also impacted projects in Europe. However, HUBER+SUHNER expects that, looking forward, the SBB Twindexx project will have a positive effect on the railway segment.

Mainly due to a strong CHF and a further base effect in the solar business, net sales in the Industrial market decreased by 8% in the first six months of 2015. On the other hand, the Aerospace & Defense market segment is moving in positive territory again.

HUBER+SUHNER: outlook for the remainder of 2015

Assuming the average exchange rates remain similar to those in the first six months, HUBER+SUHNER expects net sales in the second half of the year to remain at similar levels as in the first six months of 2015. If the announced major rollouts of rail and communication infrastructure projects in China go ahead over the next few months, the order intake could catch momentum in the second half of the year.

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.

If the predictions of HUBER+SUHNER turn out to be accurate, net sales by the end of 2015 will settle just below the 2013 results at about 712 million CHF, or 4.8% below 2014. The result will be slightly below the world market average which we currently estimate at -3.2% for the full year 2015. Considering the hike the Swiss Franc has taken this year, especially versus the euro, this is a good result.

In the first six months of 2015, HUBER+SUHNER's net sales decreased by 8.5% compared to the same period in 2014, measured in US dollars using average exchange rates (see graph). This is below the industry average at -4.6% for the same period. However, measured in Swiss Franc, HUBER+SUHNER's net sales decreased by only 2.9%. HUBER+SUHNER continues to outperform the industry in various segments, notably the fiber optics market. In addition, it successfully positioned itself to win important large projects in the communication and transportation markets, which will potentially boost its net sales in the months ahead.

**HUBER+SUHNER Sales Performance Compared to the Global Industry
2009-2015**

