

## HUBER+SUHNER Sales Up +5.0% in 2017 Orders Up +10.7%

In 2017, HUBER+SUHNER achieved CHF 774.0 million in net sales and CHF 826.3 million in order intake. Among others, HUBER+SUHNER reported a growth spurt in order intake (+29.9 %) in the Low Frequency division, driven by a significant increase in demand from both the railway and automotive markets.

### HUBER+SUHNER Bookings and Billings by Division 2015-2017

	2017	2016	2015	Change 2017/2016%
<b>Net sales</b>				
Radio Frequency	231.2 CHF	219.7 CHF	206.6 CHF	5.2%
Fiber Optics	316.2 CHF	305.7 CHF	280.7 CHF	3.4%
Low Frequency	226.6 CHF	211.8 CHF	219.0 CHF	7.0%
<b>Total</b>	<b>774.0 CHF</b>	<b>737.2 CHF</b>	<b>706.3 CHF</b>	<b>5.0%</b>
<b>Order intake</b>				
Radio Frequency	239.9 CHF	226.4 CHF	201.2 CHF	6.0%
Fiber Optics	329.2 CHF	322.3 CHF	270.8 CHF	2.1%
Low Frequency	257.2 CHF	198.0 CHF	230.8 CHF	29.9%
<b>Total</b>	<b>826.3 CHF</b>	<b>746.7 CHF</b>	<b>702.8 CHF</b>	<b>10.7%</b>

CHF million

Net sales increased by 5.0% for the year, while organic sales growth, which excludes currency, copper and portfolio impacts, amounted to 2.2%. EMEA accounted for 45% of net sales (46% in 2016), APAC accounted for 36% on net sales (previous year 34%) and the Americas represented 19% of net sales (2016: 20%).

#### Communication market remained flat

The communication market was a growth driver in 2016, but after significant growth in the first 6 months of 2017, the situation went in reverse and HUBER+SUHNER's full-year sales in this market was just 0.8% above the 2016 result. Order intake in this segment rose by 0.2% to CHF 391.1 million for the full year. Net sales and order intake from mobile network operators and the data center sector outperformed the waning business with communication equipment manufacturers.

#### Transportation market order intake driving growth

Sales in the transportation market grew by 8.9% compared to 2016, while order intake increased by a strong 30.3% to CHF 244.3 million driven by an increased momentum in the Asian railway market for both cable and system solutions. The business environment in automotive market sector also remained favorable.

## Industrial high-tech market niches recorded highest net sales growth

Net sales in the industrial high-tech niches increased by 9.7%, while order intake increased by 13.1% to CHF 190.9 million. RF-over-fiber, where radio frequency signals are transmitted over fiber optics, and complete radio frequency solutions have been opening up further promising opportunities in the aerospace and defense market segment. With the acquisition of Inwave Elektronik AG in Switzerland, HUBER+SUHNER made a targeted investment in know-how in both radio frequency and RF-over-fiber solutions.

### HUBER+SUHNER Net Sales by Market 2016-2017

	2017	2016	Change 2017/2016%
<b>Net sales</b>			
Communication	375.7 CHF	372.6 CHF	0.8%
Transportation	216.1 CHF	198.5 CHF	8.9%
Industrial	182.2 CHF	166.1 CHF	9.7%
<b>Total</b>	<b>774.0 CHF</b>	<b>737.2 CHF</b>	<b>5.0%</b>

CHF million

## HUBER+SUHNER: Outlook for 2018

With a solid order backlog at the beginning of 2018, HUBER+SUHNER got off to a good start and the company expects to stay on the growth path. The Communication market looks poised for continued growth in the emerging economies, albeit with sustained price pressure. Demand for fast Internet connections remains high, thus creating opportunities in the Fiber-to-the-home (FTTH) market, while the worldwide increase in data volume is driving demand for new data centers. The Asian railway market is expected to continue to drive sales in the transportation segment, while in the automotive market, the widespread development of electric vehicles will offer additional opportunities for growth. Positive results are also expected from the aerospace and defense submarkets.

### *Bishop & Associates' Comments*

Swiss-based HUBER+SUHNER Group, a leading company in the markets for RF, Low Frequency and Fiber Optic connectors, cable assemblies and system solutions, is a key supplier in the Industrial, Communication, Automotive and Transportation markets.

For the full-year 2017, HUBER+SUHNER's net sales increased by 4.8% compared to 2016 measured in US dollars using average exchange rates. This is well below the industry average, which recorded an increase of 11.0% for the full year. Measured in Swiss Francs, net sales growth came to 5.0%, and organic sales growth, excluding currency, copper and portfolio impacts, amounted to 2.2%. Despite the positive growth figures, HUBER+SUHNER has been lagging global market growth (in USD) in its main markets Transportation (+12.6%), Automotive (+12.4%), Industrial (+11.7%) and Telecom/Datacom (+11.9%). Nevertheless, HUBER+SUHNER has embarked on a growth path and is laying the foundations for future growth in automotive, aerospace and defense markets, while continuing to expand its portfolio and presence in the transportation and communication market. The large order backlog in the railway business gives the company enough buoyancy to make 2018 another growth year. Total order intake at CHF 826.3 million is 6.7% above 2017 net sales, so if HUBER+SUHNER can keep the momentum going, 2018 is poised to continue its growth trend.

## HUBER+SUHNER 10-Year Sales Performance Versus Industry 2008-2017

