

HUBER+SUHNER Bookings Grow +11.5% while Billings Decline -0.2% in First Nine Months of 2024

For the first nine months of 2024, HUBER+SUHNER reported sales of 665.2 CHF (\$754.6 million), up +2.3% in US dollars and down -0.2% in Swiss francs (CHF), compared to first nine months of 2023.

Orders for the first nine months of 2024 were 712.8 CHF (\$808.7 million). This is an increase of +11.5% in Swiss francs and +14.2% in US dollars compared to the first nine months of 2023.

Market segment performance for the first nine months of calendar year 2024 can be seen in the following table.

HUBER+SUHNER First Nine Months 2023 vs. First Nine Months 2024 Order Intake and Net Sales

	Through 3Q 2023	Through 3Q 2024	Percent Change
Order Intake			
Industry Segment	204.5	231.3	13.1%
Communications Segment	206.9	281.0	35.9%
Transportation Segment	227.9	200.5	-12.0%
Total	639.2	712.8	11.5%
Net Sales			
Industry Segment	223.0	205.5	-7.8%
Communications Segment	224.3	256.0	14.1%
Transportation Segment	219.0	203.8	-7.0%
Total	666.3	665.2	-0.2%

CHF millions

According to HUBER+SUHNER, "In the first nine months of the financial year, HUBER+SUHNER saw a significant increase in order intake compared to the prior-year period. This was supported in particular by Communication customers and new orders in the Industry segment – especially in the Asia-Pacific and Americas regions. The Transportation segment fell short of the good result in the previous year.

Order intake of CHF 712.8 million after nine months was 11.5 % higher than the prior-year figure. Thanks to a strong third quarter, net sales of CHF 665.2 million now largely matched the level of the corresponding period in 2023 (CHF 666.3 million), after still being down 9.8 % at the end of the first half of 2024. Adjusted for currency, copper price and portfolio effects, sales increased by 1.9 % compared to the previous year.

Industry segment sees growth in order intake and lower sales

The Industry market segment recorded higher order intake across all subsegments, especially in the aerospace and defense growth initiative. Overall, the increase was 13.1 %. Despite the good order intake, sales were still down 7.8 % versus the prior-year result. However, the gap to 2023 compared to the half-year figures (-15.5 %) has now been reduced by half. In the high-power charging subsegment, in particular, volumes in the first nine months of 2024 did not reach the level of the prior-year period.

Communication segment benefits from mobile project in Asia and investments in AI data centers

The Communication market segment recovered significantly compared to the same period last year. The strong order situation (+35.9 %) in the first nine months of 2024 was mainly supported by a major project to expand the mobile communications infrastructure in Asia and successes in the data center growth initiative thanks to investments in artificial intelligence (AI). This also had a positive impact on sales (+14.1 %). The other subsegments, communication equipment manufactures and fixed access network, also achieved higher order intake, with HUBER+SUHNER successfully countering the persistently weak global demand in the communications market.

Transportation segment with decline in order intake and sales

The Transportation market segment was unable to build on the dynamic of the prior-year period, recording declines in both order intake (-12.0 %) and sales (-7.0 %). In the railway subsegment, order intake eased slightly, while sales increased at a comparable rate. Demand in the rail communications growth initiative continued to develop positively. Meanwhile, the automotive subsegment recorded significant declines in order and sales volumes. This was due to both the current stagnating demand for commercial vehicles affecting the electric vehicles growth initiative as well as a slower-than-expected development in the ADAS (advanced driver assistance system) business.

Outlook

The significant recovery in order intake overall in the first nine months is expected to support sales – especially in the Industry and Communication market segments – in the remainder of the financial year. Therefore, HUBER+SUHNER continues to anticipate organic net sales growth for 2024 and also confirms its guidance of 9.0–10.5% for the operating profit margin in the full year.

Bishop & Associates' Comments

HUBER+SUHNER's strong bookings through the first nine months of 2024 are not only a good sign that they will finish 2024 with mid-to-low single digit growth, but that the connector industry will also finish 2024 with positive growth. Although billings through the first nine months of 2024 remain flat to slightly down, -0.2%, this should change in the fourth quarter of 2024, led by their strong bookings, especially in the communications segment. The transportation segment, the only segment where HUBER+SUHNER witnessed negative bookings and billings through the first nine months, is not a true reflection of performance in that segment since the decline is lead primarily by a decline in the automotive industry and not the overall transportation industry as defined by Bishop, sentiment shared by other connector manufacturers.