

## Press Releases

### POSITIVE RESULT IN 2020 CRISIS YEAR – A GOOD START TO 2021

Cost-cutting program and new organizational structure lay foundation for solid development at Preh.

Bad Neustadt a. d. Saale. Preh GmbH performed well in the challenging industry environment that was the 2020 financial year. The specialist for driver control systems and e-mobility control units posted sales of almost EUR 1.2 billion (2019: EUR 1.5 billion). The decrease is largely due to the sale of Preh Car Connect GmbH (PCC) within the group, but after adjusting for the disposal, sales are almost at the previous year's level. In 2020, the automotive supplier's incoming orders fell by 14% year-on-year from just under EUR 1.4 billion to around EUR 1.2 billion. The sale of PCC also had an impact here. The cost-saving program, which was successfully implemented, is showing the first positive effects, but the EBITDA operating result of EUR 127.4 million was below the previous year's figure of EUR 142 million.

At the presentation of the 2020 balance sheet figures, the new CEO Zhengxin "Charlie" Cai, who has been a member of Preh's management for 10 years, explained: "Of course, like almost everywhere in the industry, the past two years were tough for Preh. Like many companies in our industry, we slipped into the red in the second quarter of 2020. The result is below our original plan, but we were able to improve continuously towards the end of the year and, as the Preh Group, show a positive result again for the year as a whole."

#### Cost reduction program successfully implemented

Preh's double-digit annual growth rates made a cost-cutting program and a new organizational structure necessary in 2019/2020. The cost-reduction program had already a substantial positive impact and it is being continued with various measurements. In spite of the challenges posed by the corona crisis and the generally high cost pressures in the automotive industry, Preh is confident about the future.

#### Growth in E-mobility

The comparatively new e-mobility business area saw an enormous increase in its turnover of around 65% in the past year. Since 2013 Preh had invested more than 100 million Euros in its E-mobility division and will continue to do so in alignment with the product strategy. Last year, the supplier has won important further orders for battery management, onboard chargers and 800V technology, thus underlining the company's strong positioning on this future market.

Preh has been part of the Joyson Group for 10 years

April 8, 2021 will mark the 10th anniversary of the acquisition of Preh GmbH by the Joyson Group from Ningbo/China. Preh benefited from the takeover by Joyson. While the automotive supplier had a turnover of EUR 351 million and employed 2,471 people in the year before the takeover, the company now employs around 7,200 people and has a turnover of around EUR 1.2 billion.

Forecast for 2021 cautiously optimistic

Preh got off to a good start in the 2021 financial year. The key figures in the first quarter exceeded the target. But CEO Cai also sees numerous challenges in the current financial year. These include difficulties in the semiconductor supply chain, some of which would probably extend into the first quarter of the 2022 financial year. In addition, there are increased freight costs and price increases in components. According to Cai, there is also a high and unprecedented risk of production stoppages if semiconductors are not delivered on time. "Our focus will continue to be on cost control and cost reduction. Should the situation deteriorate, we will be forced to make adjustments. But at the same time, I am optimistic that we will gain new business and that the situation can recover in the second half of the financial year. In the medium term, we want to continue growing and are aiming for a sales target of EUR 2 billion."