

Press Releases

AUTOMOTIVE SUPPLIER EXCEEDS PLANNING BY ALMOST NINE PERCENT

Preh with dynamic sales growth of 24% in 2022 - challenging market environment expected in 2023

Bad Neustadt a. d. Saale. Automotive supplier Preh GmbH increased its sales by around 24% to EUR 1.67 billion in fiscal year 2022 (2021: around EUR 1.34 billion). This is 8.9 percent more than originally planned. Preh's market success was also reflected in its order intake in 2022, where the specialist for driver control systems and e-mobility components increased by nearly 15% to EUR 1.68 billion. This corresponds to an increase of 6.9 percent compared to planning. The number of employees rose to 7,354 at the end of 2022 (2021: 7,054), corresponding to a year-on-year increase of around 4.3%. At the headquarters in Bad Neustadt, the number of employees was kept stable at about 1,700. Thanks to strict cost discipline and efficient procurement management, Preh also succeeded in improving its own profitability and reached an EBITDA of EUR 206 million.

At the presentation of the 2022 balance sheet figures in Bad Neustadt, Germany, Preh CEO Zhengxin "Charlie" Cai explained: "Thanks to the enormous commitment of our Preh team, we have developed significantly above plan in 2022. In terms of the Preh Group as a whole, our key figures are very positive overall against the backdrop of the burdens from Covid and supply chain bottlenecks. Looking ahead to the current year, however, we see various challenges. Although we have had a successful start to the first quarter of 2023, we continue to be affected by industry-wide supply shortages and rising prices, in addition to consistently high competitive pressure. Our growth course must be supported by improvements in profitability. This applies to some of our plants and in particular also to our headquarters' plant in Bad Neustadt."

Plant transformation program With the project name "Future Factory NES", the automotive supplier shifts the manufacturing focus in this plant entirely to components for e-mobility. HMI manufacturing processes with a higher manual labour content are to be increasingly taken over by foreign Preh locations, while the plant in Bad Neustadt will build up further high-tech capacities for e-mobility products. This transformation process, to secure the future of the Preh plant in Bad Neustadt, anticipates current market requirements, for example flexible working time models. "Unlike some market players, we will stick to manufacturing in Germany. Our order situation is good. At the same time, we must work intensively to improve our competitiveness and profitability at the Bad Neustadt manufacturing site," says Preh CEO Cai.

Record order for e-mobility The start to the financial year has been difficult. However, according to Cai, the recent major order from a renowned automobile manufacturer with a record volume in the e-mobility sector was very good news in the first quarter. It is the largest single order in Preh's more than 100-year history. The site in Bad Neustadt, among others, will also benefit from it.

Overall, however, Preh CEO Cai was cautious in his assessment of the current year. He believes that the tense geopolitical situation worldwide will continue to affect the automotive industry. Added to this are rising costs for raw materials and intermediate products. Charlie Cai: "Preh is strongly positioned in the market and we continue to be on a robust growth course internationally. However, due to the factors that we ourselves cannot control or can only control to a limited extent, I am only cautiously optimistic for the full year 2023."

Great progress in terms of sustainability Cai also pointed out the positive development in terms of sustainability. For the second time, Preh 2022 had participated in the EcoVadis evaluation process. EcoVadis evaluates sustainability in 175 countries and in 200 industries in the areas of environmental protection, human rights and working conditions, among others. In 2022, Preh improved in the evaluation from bronze status to silver status. "This places Preh in the top 13 percent of companies in the category for automotive suppliers," Cai explained.

About Preh As a global automotive supplier, the Preh Group currently employs around 7,300 people and achieved sales of around EUR 1.67 billion in 2022. Preh was founded in Bad Neustadt a. d. Saale in 1919 and since 2011 has been part of the Joyson Group. Preh's development and manufacturing expertise includes, in particular, HMI systems for cars and commercial vehicles, as well as e-mobility components in the low-voltage and high-voltage range.

As a subsidiary of the listed Joyson Electronics Corp. (600699: Shanghai), Preh is the Automotive Electronics division within the Joyson group of companies, Ningbo (China), which was founded by Jeff Wang in 2004.

[Link to the consolidated financial statements and management report](#)