

Press Releases

PREH BREAKS SALES BARRIER OF €500 MILLION IN 2013

Major investment of €11 million in facilities to accelerate growth in 2014-2016.

Bad Neustadt a.d. Saale/Ningbo – In fiscal year 2013, Preh GmbH sales rose by 12.5 % to €520 million, thereby surpassing the €0.5 billion threshold for the first time. This growth was driven by all participating markets of the automotive supplier in Europe, North America and China. Net income also improved: Operating income before interest and tax (EBIT) rose from €29.8 million to €41.7 million, an increase of 40 percent over the previous year).

This strong across-the-board growth in earnings results from a number of factors, including the improved profitability of the company's international locations following the investments made there during previous years, and an optimized product development process across all business lines.

In addition, Preh benefits from low interest expenditures due to its high equity ratio. The company's positive business growth is also reflected in its workforce. At year's end 2013, Preh employed about 3,430 people worldwide, roughly seven percent more than the year before. Employment also grew in the Bad Neustadt location: Just under 90 new jobs were created at Preh headquarters in 2013, increasing the workforce in Bad Neustadt to approximately 1,435 (a 6.5 percent increase) by year's end.

As the largest company in the Joyson Group, Preh GmbH also made a major contribution to the growth of its parent company—Joyson Electronics, which is listed on the Shanghai Stock Exchange, increasing its sales by 13 percent to the equivalent of about €720 million.

Prospects are also good for the current fiscal year, during which Preh will celebrate its 95th anniversary. During the first quarter, Preh sales grew by 16 percent over the previous year. The company's management board again expects a double-digit increase in sales. According to the budget plan, net income will also continue to grow.

Preh President and CEO Dr. Michael Roesnick expressed great satisfaction with the company's performance and announced a construction investment program to drive growth further during the period 2014 to 2016:

"We don't want to rest on our achievements; instead, we want to give Preh additional momentum. In Bad Neustadt alone, we will therefore invest €11 million in the improvement above all of our product development processes. I regard it as a great sign of confidence of our shareholder Jeff Wang that he supports the continued expansion of our traditional corporate headquarters without reservation."

Preh recently took the first step to create space for the planned expansion by buying the adjacent Gass property. Preh is interested in acquiring further properties in the direct vicinity

of its head office, in particular to address the lack of parking space and is already discussing the options with city officials.

Growth will remain a priority on the management agenda. "Alongside organic growth, we are also looking into the potential for creating new growth opportunities by targeted rounding off and adding to our capabilities," says Preh's Dr. Roesnick. The company took a first step in this direction with the acquisition of Innoventis GmbH in Würzburg in August 2013. With this software development company, Preh has further extended its capabilities in the field of networked electronic systems for motor vehicles.

Roesnick also sees great potential for Preh in the electromobility market. With its newly established product division, "Battery Management and E-Mobility," Preh has already created the organizational foundation for further growing its position in this future-oriented market.

Ambitious economic targets are, however, not the only item on the Preh agenda. The company's management is also devoted to employee satisfaction. It has, for example, invested more than €1 million in a new canteen.

"This further investment in our headquarters confirms that our partner Jeff Wang also sets great value on employee satisfaction in all locations of the Joyson Group," said Dr. Roesnick.

About Preh

The Joyson Group, Ningbo (China), reported sales of (converted) \$1 billion in 2013. The group's automotive activities are combined in the listed company Joyson Electronics, which comprises the divisions Automotive Electronics (Preh) and Automotive Components (Joyson). The automotive supplier Joyson was founded in 2004, while Preh, founded in 1919, has a corporate tradition spanning almost a century. The majority acquisition of Preh was begun in 2011, and Preh has been a fully owned subsidiary of Joyson Electronics since year's end 2012.

Preh is a globally operating automotive supplier with currently 3,500 employees in Germany, Portugal, Romania, Mexico, the United States and China. The company's head office is located in Bad Neustadt a. d. Saale/Germany. Preh development and production capacities focus on climate and driver control systems, electronic control units for the battery management of E-vehicles and assembly systems for leading automotive manufacturers. For more information, please visit www.preh.com.