Press Releases

PREH CONTINUES GROWTH IN CENTENARY YEAR

Preh GmbH continued the growth of the last ten years in 2018. The automotive supplier's sales increased by 7.8%, rising to a new record of around EUR 1.32 billion, up from around EUR 1.22 billion in 2017. New orders at the Preh Group increased by 7.1% compared to the previous year. Several factors had a negative impact on Preh's profitability, however, such as increased material costs, negative currency effects from the stronger U.S. dollar and increased customer needs to economize.

As a result, earnings before interest and taxes (EBIT) of EUR 44.8 million were well below the previous year's figure of EUR 52.7 million after adjusting for special items. In addition to high investments in future markets, the company again invested heavily in building up its workforce. At the end of 2018, the Preh Group employed around 7,200 people, an increase of around 10% compared to the previous year, with 6,560 employees at the end of 2017. New jobs were created not only internationally, but also at the headquarters in Bad Neustadt, where the number of employees rose by 4% to 1,770, up from 1,700 people at the end of 2017. For the Preh Group, the start to 2019 was characterized by the generally subdued sector economy and continuing increases in cost pressures. Preh continues to grow in its centenary year, but the management has initiated a cost-cutting program to improve the company's earnings performance.

"The difficult industry environment also affected Preh in the course of 2018," said Christoph Hummel, President and CEO at Preh GmbH. "We are on a robust growth path in terms of sales and orders and have invested heavily in Preh's future viability, but we cannot be satisfied with the operating result," continued Hummel. The increased cost pressure had led to Preh introducing measures to reduce costs and increase profitability that affected all divisions. At the same time, Preh boss Hummel was also sure that the traditional automotive supplier would again increase its profitability on the basis of the savings which had been undertaken. "We have mastered many challenges in our 100-year history with Preh's typical team spirit and inventiveness. We will succeed this time, too. So we will also stick to our plans to celebrate our centenary properly. After all, one becomes 100 years old just once."

Important achievements in China and on the e-mobility market Despite high cost pressures, Preh also has plenty of grounds for optimism. In particular, Preh Car Connect's Chinese company JPCC has achieved major successes on the market. JPCC benefited from its involvement in the dynamic growth areas of connectivity, navigation, infotainment, and telematics. In addition, support from the Chinese parent company Joyson paid off in opening up the Chinese market. JPCC's success also has a positive impact on PCC in Dresden as the development team there is closely involved in projects on the Chinese market. Equally gratifying is that Preh's investment in the e-mobility market bore fruit in 2018. The division significantly exceeded its targets for sales and new project acquisitions. The increase in the number of employees shows that Preh remains on its course of robust growth. At the end of 2018, the Preh Group had 7,200 employees. By the end of 2019, the workforce is expected to

grow to almost 9,000.

“Recent successes in order acquisition show that our clients see us as very attractive drivers of innovation. We therefore also need to reinforce our team so that we can successfully put the new projects into production and continue our growth course,” concludes Preh CEO Christoph Hummel.