

## Press Releases

### INNOVATION DRIVER FOR DRIVER CONTROL SYSTEMS, E-MOBILITY AND CONNECTIVITY

Preh continues to grow even after spinning off its automation business

Bad Neustadt a. d. Saale. Preh GmbH focused fully on its automotive activities last year and set up the automation business of the PIA Group on July 1, 2017 in a legally independent manner. In spite of this change in the scope of consolidation, the Preh Group headquartered in Bad Neustadt continued to grow. The automotive supplier's revenue increased by 9.1% to around EUR 1.28 billion (2016: EUR 1.18 billion). Comparable growth (excluding PIA) was 14.7%.

Earnings before interest and taxes (EBIT) in 2017 were significantly above the previous year's level of EUR 90.6 million, but no comparison is stated due to the special effect of the sale of the Automation Division. From a purely operating point of view, EBIT did not quite reach the previous year's level, in particular due to high investments in development capacities - for example for the future market of electromobility. The supplier, which belongs to the Chinese Joyson Group, has also invested heavily in the further development of the workforce. At the end of 2017, the number of Preh employees increased by 10.5% to approximately 6,560 employees. At the end of 2016, the company still had around 5,930 employees in the automotive business. At the German headquarters many new jobs were also created. In Bad Neustadt, the number of Preh GmbH staff increased to around 1,710 automotive employees, which corresponds to an increase of 12.7% compared to the previous year, with 1,520 workers at the end of 2016. Despite the high competitive and cost pressures in the automotive industry, Preh's management continues to see the company on a stable growth path. In the first quarter of the current financial year, sales revenues at the Preh Group reached a single-digit growth above the comparable figure for the previous year. Due to the good overall situation with orders, Preh's management expects the growth course to continue for the full year as well.

Christoph Hummel, CEO of Preh, said: "In 2017, we set up our Automation Division completely independently within the Joyson Group. Preh GmbH is now a 'purebred' automotive supplier, while our colleagues at PIA can now adjust fully to their market requirements. Overall, 2017 was a successful year for Preh, which was shaped above all by our high investments in our new development center and our state-of-the-art e-mobility lab. At the same time, we also invested heavily in the further development of our automotive team - both at the headquarters in Bad Neustadt and worldwide." The production capacities in Mexico and Romania, for example, have been further expanded. Hummel nevertheless warned against resting on our laurels, on what Preh had already achieved, pointing out that competitive pressures continued to be extremely high in the industry and required consistent budget and cost discipline throughout the company.

China business is developing with high dynamic growth

Preh's business is developing very successfully in China, the largest automotive market in the world. Preh started to build production capacity in China in 2011, the year Joyson took over. While sales in 2011 were still below EUR 2 million, the company generated sales of around EUR 155 million in 2017. "In China, we started first with German and US customers or their Chinese joint ventures. In the meantime, we have also achieved our first sales successes with Chinese car manufacturers," says Preh CEO Hummel. Preh still has great growth potential which the supplier wants to realise in the coming years.

### New mission statement for the substantially larger Preh Group

Due to the successful partnership with the investor Joyson, the accelerated internationalization, and the acquisition of Preh Car Connect (formerly TechniSat Automotive), the Preh Group has developed very dynamically and changed a great deal not only in China, but also worldwide. From a thoroughly medium-sized enterprise with limited markets in Europe and North America with 2007 sales of around EUR 320 million and 2,200 employees, a global player has emerged with almost EUR 1.3 billion in revenues and around 6,500 employees by the 2017 reporting year. The company's product portfolio has also increased significantly thanks to Preh Car Connect. "This results primarily in new opportunities, but at the same time our corporate culture and our external image have to do justice to the extended product range and the changed workforce structure," said Christoph Hummel with conviction. The Preh group's much greater size needed a common mission statement that applied both to Preh's growing history and the new "members of the family". The management of Preh GmbH and Preh Car Connect GmbH, together with the heads of the personnel and marketing departments in the respective workshops, therefore assessed the current state of affairs at the newly established Preh Group and developed a new vision for the entire company. The result is a new mission statement summed up by the slogan "We drive Innovation!" "Our new vision sets the direction for the future," explains Preh CEO Christoph Hummel. "We aspire to be an innovation driver in designing the vehicle interior of tomorrow and the mobility of the future. But to do that, we need to work even more closely together and exploit the potential of Preh and PCC in the best possible way." In order to convey the new mission statement approach and further improve internal communication, Preh will, among other innovations, launch a new intranet that also includes an app for mobile phones in the second half of 2018. "We want to reach all employees - whether they are employed in Bad Neustadt, Novi or Ningbo - regardless of whether they have a PC workstation or work in production."

### About Preh

As a global automotive supplier, the Preh Group currently employs around 7,000 people and generates sales of around EUR 1.3 billion. Preh was founded in Bad Neustadt a. d. Saale in 1919 and has been part of the Joyson Group since 2011. Preh's development and manufacturing capabilities include, in particular, HMI systems for passenger cars and commercial vehicles, infotainment, and connectivity solutions, as well as e-mobility control units.

Within the Joyson group of companies, Ningbo (China), founded by Jeff Wang in 2004, Preh is a subsidiary of the listed Joyson Electronics Corp. (600699: Shanghai) and forms the

Automotive Electronics Division. Today, Joyson is one of the 30 largest automotive suppliers in the world.