Press Releases

AUTOMOTIVE SUPPLIER MAKES PRECISION LANDING IN DIFFICULT MARKET ENVIRONMENT

Preh to achieve its sales targets in 2021 - for 2022, CEO promotes "shoulder-to-shoulder cooperation" between carmakers and suppliers

Bad Neustadt a. d. Saale. In the past fiscal year, Preh GmbH generated sales of EUR 1.34 billion (2020: approx. EUR 1.2 billion). The automotive supplier was thus able to just meet the targets it had set itself in an extremely difficult market environment. As the external conditions are likely to remain tense in 2022, CEO Zhengxin "Charlie" Cai sees high cost burdens for the company and the industry as a whole.

Preh GmbH's earnings are also in line with expectations. EBITDA was acceptable overall at EUR 177.7 million (2020: EUR 127.4 million). "We owe this to the highest efforts of the team, which in a joint show of strength has mitigated external cost effects and tapped internal optimization potential. An achievement we can all be very proud of together," says CEO Zhengxin "Charlie" Cai.

Cai is cautious about the outlook for 2022: "Rising inflation, higher energy costs, enormous price increases in materials purchasing, a shortage of skilled workers and the unstable global political situation - these are all factors that we cannot avoid. These conditions will continue to impact our costs this year. This applies not only to Preh GmbH, but to the automotive industry as a whole. "If we want to secure value creation and thus jobs in Germany, we need a joint shoulder-to-shoulder effort by carmakers and suppliers," says Cai. In the year under review, 7,054 employees worked for Preh GmbH; in 2020, the figure was 7,194.

Innovations in the field of HMI and E-Mobility In 2021, Preh GmbH was again able to draw attention to itself through innovation leadership. One highlight was the Ford World Excellence Award in the category "must-have products and services" for the touchscreen with haptic rotary knob in the Mustang Mach-E and the F-150 Lightning. "We see great potential in smart surfaces as well as in haptic controls with a high level of function integration and the combination of touchscreens with haptic operating elements," says Cai. "In the growth segment of e-mobility, we supply OnBoard Chargers (OBC) for passenger cars and commercial vehicles. Recently, an OBC went into production in the Volvo XC40 Recharge, and a new bi-directional OBC is currently in development for a well-known automotive brand." Overall, the demand for electrically powered vehicles is also making itself felt at Preh GmbH. The e-mobility division's share of total sales rose from 17 percent in 2020 to 20.5 percent in the past fiscal year - with an upward trend. Both pillars - HMI and e-Mobility - are to become equally strong in the future.

Sustainability as an integral part of the company vision Preh GmbH's innovative approach in all areas is evident both on the product side and in its financial structure. In December 2021, for example, the company concluded a syndicated loan with Commerzbank that is tied to

sustainability criteria. "The loan managed by Commerzbank places particular emphasis on environmental, social and corporate governance criteria. We have positioned ourselves for the future also in this respect and at the same time created the necessary stability and flexibility to cope with market turbulence and to finance growth," emphasizes Cai.

About Preh As a global automotive supplier, the Preh Group currently employs around 7,000 people and in 2021 achieved sales of around EUR 1.3 billion. 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.