P R E S S R E L E A S E

Eberspaecher reports successful financial year

- **Revenue of more than € 4.3 billion at high level**
- **Consolidated net income totaling € 61.0 million**
- **Outstanding operating performance with further internationalization**

Esslingen, 16 May 2017 — **At year-end 2016, the consolidated result of Eberspaecher Group increased significantly and revenue was high. These results reflect the Group's consistent implementation of its optimization programs. The German automotive supplier forecasts sustained positive income development with a slight increase in revenue for 2017.**

After years of above-average revenue growth, the Eberspaecher Group generated high-level consolidated revenue in fiscal year 2016, totaling € 4,323.6 million. The consolidated result of € 61.0 million was substantially up year-on-year (previous year: € -29.2 million). “Last year, we forecast a significant increase in the consolidated result. We achieved this by further improving our excellent operating performance,” comments Managing Partner Heinrich Baumann. The successful financial year is reflected in the improved EBIT (earnings before interest and taxes) of € 127.7 million. Research and development expenditure of € 147.3 million (previous year: € 149.6 million) remained on a high level. The number of people employed by the Group on average over the year rose to 9,063 (+5.2 percent). Eberspaecher created 452 new jobs worldwide.

Heinrich Baumann is optimistic about the current reporting period: “We are pursuing our goals and are generating targeted growth. With consistent investment in new technologies and markets, we are contributing to shaping the mobility of the future. We

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International presence expanded

The Group further expanded its international presence in the past year, and now operates at some 70 sites in 28 countries. New plants were built in Romania (for exhaust technology) and Poland (for vehicle heaters). A further exhaust system plant is under construction in Portugal, and is scheduled to start production in Fall 2017. "Being close to our customers is a key factor in our global competitiveness," Heinrich Baumann asserts. That closeness also extends to the innovation leader's development activities. In December last year construction began on a new Asian Tech Center in Shanghai. The center will in future bundle the Group's exhaust technology testing expertise and prototyping operations for customers in Asia.

Exhaust system sales at high level

In 2016, following above-average growth in the previous years, revenue of the Group's largest division, **Exhaust Technology**, decreased marginally by 1.7 percent to € 3,778.2 million. Ongoing positive trends in Europe and China could not fully compensate for the sharp decline on the commercial vehicle exhaust systems market in North America. As the market leader in implementing the latest commercial vehicle emissions standards – Euro 6 in Europe and EPA 2010 in the USA – Eberspaecher generates a third of its total sales from commercial vehicle exhaust systems. New customers were acquired, and new business was generated with existing customers, on the dynamically growing Asian market. Local operations were strengthened by expanded production capacities and the establishment of additional JIS (Just-In-Sequence) plants for direct supply. In the medium term, the Esslingen-based component supplier expects to achieve above-average growth in the exhaust-emission conversion technology sector. Eberspaecher already has solutions for meeting future emission standards, including close-coupled SCR systems and gasoline particulate filters.

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Increased demand for thermal management solutions

Revenue in the **Climate Control Systems** division increased by 5.6 percent to € 498.7 million. The rising sales of vehicles featuring alternative drive systems is reflected in the substantial increase in revenue from electrical vehicle heaters. Sales of fuel operated heaters achieved modest growth. Sales of bus A/C systems rose in the OE and Service & Parts sectors. Eberspaecher opened up further potential for growth with thermal management solutions especially for hybrid and electric-powered vehicles. In order to exploit that potential, in Summer 2016 the component supplier acquired the production facility of Paul Rauschert Steinbach GmbH in Hermsdorf. The facility develops and manufactures ceramic heating elements for electrical vehicle heaters. With effect from June 1, 2017, Dr. Jörg Schernikau will take over as COO of the Climate Control Systems division. Having previously worked for automotive component supplier MAHLE Behr, and possessing a doctorate in electrical engineering, he will bring to bear great experience in thermal management. He will be taking over from Heinrich Baumann, who has been managing the division on a temporary basis.

Vehicle electronics product portfolio expanded

The **Automotive Controls** division expanded its product portfolio in 2016 by acquiring an 80 percent majority share in the Canadian company Vecture Inc. The portfolio includes battery management systems for industry and medical technology. Despite seeing a 12.4 percent decline in segment revenue to € 46.6 million in the past reporting period, Baumann is optimistic about the division's future: “We are committed to expanding our vehicle electronics operations, because our products make a key contribution to future technologies such as autonomous driving and electromobility. We expect to see rising sales in the coming years based on nominations by additional automotive manufacturers in the fields of safe onboard network management, energy storage, and high-voltage technology.”

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Eberspaecher Group Key Performance Indicators

In EUR million

	2016	*Change on 2015 as a percentage*	2015	2014	2013	2012
Revenue	4,323.6	–1.1	4,370.8	3,598.5	2,916.4	2,826.5
Revenue generated abroad as a % of total revenue	67.0		67.4	62.4	60.0	60.0
Cashflow from operating activities*	137.0	106.0	66.5	21.3	96.5	61.8
Ratio of equity to total assets as a %	20.1		16.0	20.0	23.0	26.3
Equity ratio as a % **	21.9		17.8	22.0	25.2	29.0
Capital expenditure ***	131.4	6.7	123.2	142.5	134.9	114.1
Amortization, depreciation, and write-downs	91.7	8.3	84.7	72.7	64.3	51.2
Research and development expenses	147.3	–1.5	149.6	138.2	138.0	134.0
Personnel expenses	506.5	5.5	480.3	441.7	416.4	384.3
Net income/net loss for the year	61.0		–29.2	3.6	19.5	71.5
EBIT ******	127.7	1.0	126.4	57.7	52.9	89.2
EBITDA	219.4	3.9	211.1	130.3	117.2	140.4
Return on sales as a % (after taxes)	1.4		–0.7	0.1	0.7	2.5
Number of employees (average number of employees including trainees	9,063	5.2	8,611	8,385	7,888	7,348

* *Since fiscal year 2014, prepared in accordance with DRS 21 (German Accounting Standard No. 21)*
** *Including loan liabilities to partners*
*** *Without changes in the consolidated group*
**** *Earnings before tax, investment, and financial result*

Captions:

- *The Eberspaecher Group achieved consolidated net income of € 61.0 million in financial year 2016.*
- *Herxheim site: Eberspaecher catem is a market leader in electrical heaters for electric-powered and hybrid vehicles.*
- *New Oradea site: Eberspaecher has been producing automotive exhaust systems in Romania since fall 2016.*
- *Neunkirchen site: Production of state-of-the-art automotive exhaust systems for the European market.*
- *Landau site: Vehicle electronics with future potential based on nominations in the fields of safe onboard network management, energy storage and high-voltage technology.*

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About Eberspaecher:
The Eberspaecher Group is one of the world´s leading system developers and suppliers of exhaust technology, vehicle heaters and bus air conditioning systems. Eberspaecher is also a professional innovation partner for the automotive industry in air conditioning of special-purpose vehicles and in automotive electronics. Customers include almost all European and North American, and increasingly more Asian manufacturers of passenger cars and commercial vehicles. In 2016, the internationally positioned group, with more than 9,000 employees, posted sales of over 4.3 billion Euros.