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Q1/2015

### **KSPG: sales outgrowing market, earnings outpacing sales**

With higher sales and an even sharper (20 percent) gain in EBIT, the KSPG Group in the first quarter of 2015 has benefited from its forward-pointing product line-up, its favorable positions in the auto industry's growth markets (especially China) and, not least of all, from an improved operating performance. During the first three months of 2015, the Group generated sales of €664 million (up around 8 percent over Q1/2014's €617 million). Adjusted for exchange-rate effects, the sales rise was 5 percent.

During the same period, EBIT improved by €9 million to €55 million and hence the operating result margin from 7.5 to 8.3 percent (year-on-year quarterly comparison). The Chinese joint ventures not included in the sales figures raised their quarterly sales by 41 percent to €212 million (on the basis of 100 percent).

The Group's sales surge was thus easily in excess of the global auto economy's 1.2-percent rise for the period. With production up by 8.5 percent, China was once again the growth motor; Western Europe (up 2.9 percent) and NAFTA (up 2.3 percent) were also important sales regions for KSPG.

Assuming that the global auto market remains stable, KSPG is looking to sales of €2.5 to €2.6 billion for the current fiscal period and hence an operating result margin of 8 percent for all of 2015.

### **About KSPG**

The KSPG Group (Kolbenschmidt Pierburg), which represents the Mobility sector within the Rheinmetall Group, has annual sales of €2.45 billion (2014) and ranks among the 100 biggest auto-industry suppliers worldwide. Some 11,000 employees at around 40 production plants in Europe, the Americas, Japan, India and China develop and manufacture components, modules and assemblies for the drive systems of present and future vehicles.

This first-tier supplier, present on the international automotive markets, consists of three divisions: Hardparts, Mechatronics, and Aftermarket. Clustered under the Kolbenschmidt brand is the business of KSPG's Hardparts division comprising car and commercial vehicle pistons, large-bore pistons, engine blocks, cylinder heads, and structural parts in aluminum. Also included are other castings, plain bearings and continuous castings.

Under the Pierburg brand, KSPG's Mechatronics division specializes in modules and assemblies for emission control, solenoid valves, actuators and valve train systems, oil, water and vacuum pumps for cars, trucks and offroad vehicles. Last but not least, under its Motorservice brand the Aftermarket division embraces the global aftermarket business in group brands and other products in over 130 countries. As a foremost supplier of engine components Motorservice offers its customers an extensive lineup of engine parts all from a single source.