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Auto-industry supplier KSPG AG continuing to grow

Auto-industry supplier KSPG AG, a member of the Rheinmetall Group, expects added sales and another improvement in operating result for the present fiscal year. Says CEO of the Neckarsulm-based Group, Horst Binnig: "We achieved a record result in 2014 and this year, besides again bolstering our organic growth, our focus will be on additionally enhancing our operating performance."

With a product lineup virtually completely aligned to the global trend toward eco-friendly mobility, the Group, which is represented on all the important auto markets, again reports dynamic growth for fiscal 2014. At €2,448 million, sales were up 8 percent (exchange-rate adjusted by as much as 10 percent) over the prior year's €2,262 million. No longer included in these figures are the sales and operating result generated by the Castings unit which has been contributed to a joint venture with China's HUAYU Automotive Systems Co. Ltd (Shanghai) and is therefore no longer consolidated in the annual accounts. The prior year's figures have been adjusted accordingly.

KSPG's growth rate for the period is well ahead of the some 3-percent gain in global automobile production for 2014. In Europe, still the Group's most significant market, sales were up by 9 percent (well superior to the 3-percent production rise by the European automobile industry).

The operating result for fiscal 2014 amounted to a record €184 million, an improvement of €26 million or 17 percent over 2013. The operating result margin thus rose from 7.0 to 7.5 percent.

With sales up 13 percent, the Mechatronics division was the prime growth driver at KSPG, with products such as electric pumps and exhaust-gas recirculation systems needed in order to arrive at the regulatory emission restrictions. The Hardparts division achieved double-digit growth at its Chinese joint ventures and together with its partner SAIC, is China's biggest producer of car engine pistons and cylinder heads.

In all, the Chinese 50/50 joint ventures again made very solid progress, their sales (likewise unconsolidated) surging 26 percent to €628 million. The wholly owned subsidiaries in China, included among the consolidated companies, also showed dynamic growth, their sales in fiscal 2014 almost doubling from €29 million to €53 million. During the period, automobile production in China advanced 9 percent.

For 2015, experts are currently expecting international automobile production to increase by around 2.5 percent and on this assumption, the Group is looking to annual sales of between €2.5 billion and €2.6 billion and targeting an operating result margin of 8 percent.

About KSPG AG

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 12,000 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.



Production of steel pistons at Kolbenschmidt in Neckarsulm

*Press contact:
Folke Heyer
Head of PR
Tel +49 7132 33 3148*