

Webasto: Focused Through Challenging Times

- **Significant sales growth due to acquisition of joint venture partner shares**
- **Results reflect high level of investment in the future**
- **Positive developments in the electromobility business**

Stockdorf/Munich – May 19, 2020 – “The weakening economy, the increased pricing pressure in the automobile industry and international trade conflicts have clearly left its marks on our business figures. Despite this situation we have taken a big step forward in Webasto’s further development towards becoming a global innovative systems partner also in the electromobility market,” explained Dr. Holger Engelmann, Chairman of the Management Board of Webasto SE, at the automotive supplier’s annual press conference.

In the past year, the Webasto Group realized **sales** of 3.7 billion euros. The increase of approximately nine percent compared with 2018 is primarily attributable to the takeover of the remaining shares in the South Korean joint venture, Webasto Donghee, in the spring of 2019. As expected this acquisition as well as continued high expenditures in new technologies led to a noticeable, decrease in Ebit. The **profit margin** fell from 5.9 percent (in 2018) to 2.9 percent (in 2019).

Contrary to the general market trend, the **roof systems** business increased in 2019 by eleven percent to 3.1 billion euros. At 84 percent, this business unit accounted for the largest sales share of the Webasto Group. There was a slight decrease in the sales of **heating and cooling solutions**. With 575 million euros (2018: 594 million euros), this product sector contributed 15 percent of total sales in 2019. Webasto more than doubled the sales of **battery and charging solutions** in comparison with the prior year. With these the company achieved 43 million euros (2018: 19 million euros).

Despite a clear economic downturn, China was again the strongest individual country market for Webasto with a 35 percent share of sales. Business in **Asia** reached 46 percent. **Europe** contributed 36 percent and the **Americas** 18 percent of sales. The number of **employees** at the Webasto Group globally increased moderately by 4 percent and totaled around 14,000 at the end of 2019. The workforce expansion occurred primarily in Asia and Europe.

Webasto invested massively in its sustainable further development again in 2019. The expenditures for **research and development** of 318 million euros were about 17 percent higher than in the previous year, with a focus on the areas of electromobility, advanced engineering for roof systems, innovative customer projects and the further enhancement of mechatronic competencies.

The level of **investment** – at 405 million euros in the past year – exceeded that of 2018 by more than 60 percent. The complete share takeover of the South Korean joint venture alone accounted for about 130 million euros thereof. Additional investments primarily were made to expand machinery and equipment in the new business fields in Germany and China.

Mastering the Crisis and Seizing Future Opportunities

Following a difficult first quarter in 2020 with sales deterioration of 18 percent in comparison to the previous year and a clearly negative profit margin – as consequences of the Corona

pandemic – Webasto does **not venture to provide a reliable forecast** for the current business year at this point. “Global production has been substantially affected, and the peak of the crisis has not yet been reached. This all has severe impacts on our business figures in the year at a minimum – but most likely also in the coming year,” commented Engelmann.

Due to the tremendous challenges, Webasto is now directing particular attention to **cost management** activities in all areas. “We must secure our scope of action as an independent company. That means: reducing expenses in the short term and optimizing structures in the long term. Our newly established organization – put in place last year – provides us with a good basis. It supports collaboration that extends across business units and beyond regions. Thus we are able to identify synergies and share capacities to increase our efficiency,” explained Engelmann.

In the current situation however, it is not a matter of cost savings alone. Despite limited resources, Webasto will continue to follow its dual strategy of “strengthening” and “participating” to expand its market position. Engelmann remarked, “The stepping up of our competencies and our product range in electromobility is beginning to pay off. Since our successful market entry in 2018 with charging solutions and battery systems, we have won numerous series production orders, such as recently from a Scandinavian truck manufacturer for wallboxes and from a South Korean car manufacturer for batteries.”

With a total of more than 22 billion euros for the next ten years, the order books of Webasto are well filled. The share of **order backlog** for customer projects with solutions for electromobility comprises 11 percent. This gives Engelmann cause for optimism: “As soon as the economy picks up again, we will continue our course of growth. As a family-owned company, Webasto has an equity ratio of 39 percent at its disposal. With over 50 locations, we are close to our customers worldwide, know the demands of the industry very well and expand our competencies further in digitalization and transformation as well.”

Webasto’s target is to stay focused in challenging times. “We are convinced that we will master the current crisis with skilled employees and great team spirit and emerge even stronger. We will continue to invest and actively shape the mobility of the future,” emphasized Engelmann.

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About Webasto:

The Webasto Group is a global innovative systems partner to almost all automobile manufacturers and among the top 100 suppliers in this industry sector. The company’s product portfolio comprises a broad range of roof and heating systems for every type of vehicle and all drive types as well as battery systems and charging solutions. Moreover, Webasto has a strong position in the aftermarket providing dealers and end customers with customized solutions and services relating to thermo management and electromobility. In 2019 the company generated sales of around 3.7 billion euros and had almost 14,000 employees at more than 50 locations (with over 30 of these being manufacturing plants). The headquarters of the company, founded in 1901, is located in Stockdorf near Munich (Germany). For more information please visit www.webasto-group.com / www.twitter.com/WebastoGroup

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