

Press release
Net sales for 4th quarter 2018

DELFINGEN continues its growth,
 despite more difficult market conditions

**A strong 4th quarter (+ 8.5 %) confirming sales growth
 by 9.6 % in 2018, at constant exchange rates**

Consolidated sales at the end of December 2018

In millions euros	2018 ¹	2017	Published
Net sales	214.0	204.0	4.9 %

In millions euros	2018 ¹	2017	Published
Automotive	170.8	160.6	6.4 %
Specialty markets	43.3	43.4	- 0.3 %

¹ Non audited

Organic growth	Exchange rates impact
9.6 %	- 4.7 %

Organic growth	Exchange rates impact
11.4 %	- 5.0 %
2.9 %	- 3.3 %

**Automotive market: growth is 11.4 %
 in a market that went down by 1 %**

In the 4th quarter of 2018, automotive production was down by 4.2 %, still impacted by the implementation of WLTP³ standards and by uncertainties in trade relations between the United States and China. In this unfavorable context, DELFINGEN continued its strong sales momentum (+ 7.6 %).

Throughout 2018:

At constant exchanges rates, net sales increased by 11.4 % at the end of December 2018 (+ 6.4 % based on published figures) while the global automotive production was down by 1 %.

Net sales of the "on-board networks protection" business (60.2 % of overall sales) increased by 5.3 % at constant exchange rates (+ 0.5 % based on published figures).

The "technical tubing for fluid transfer" business increased by 54.5 % at constant exchange rates (+ 48.9 % based on published figures) with the ramp-up of the Celaya plant (Mexico).

The "assembly" business increased by 6.6 % at constant exchange rates (+ 1.6 % based on published figures).

The impact of exchange rates on "Automotive" sales at the end of December 2018 was unfavorable by 8.1 M€ mainly due to the parity (€/€).

At constant exchange rates, sales by region evolved as follow:

- + 7.4 % in Europe-Africa (35.7 % of "Automotive" sales) in a market that fell by 1.4 %²;
- + 17.3 % in the Americas (48.9 % of "Automotive" sales) in a market that fell by 0.6 %²;
- + 3.9 % in Asia (15.4 % of "Automotive" sales) including + 19.2 % in India and + 1 % in China, in a market that fell by 1 %².

Specialty markets

Sales in the specialty markets increased by 2.9 % at constant exchange rates (- 0.3 % based on published figures).

- Sales at constant exchange rates for Drossbach North America increased by 5.2 % (+ 0.5 % based on published figures);
- The non-automotive "electrical and thermal insulation" business increased by 5.5 % (+ 1.1 % based on published figures);
- The non automotive "technical textiles" business fell by 3.2 %.

The impact of exchange rates on "Specialty markets" sales at the end of December 2018 was unfavorable by 1.4 M€ mainly due to the parity (€/€).

The increase of sales at constant exchange rates in 2018 confirms DELFINGEN's growth potential, in line with its strategic plan: leadership in the "on-board networks protection" business and diversification in the "technical tubing for fluid transfer" business.

In terms of operations and in line with the first half of the year, performance was still significantly affected by the deterioration in gross margin due to the cost of raw materials. The estimated impact for the year is a deterioration in current operating income of around 2 pts. The impact of these increases on customers and the easing in prices observed since November should have a positive impact on the margin in the first quarter of 2019.

The increase in media content and security constraints, the development of hybrid and electric engines, as well as the appearance of connected and autonomous cars, make wire harness the vehicle's real nervous system. DELFINGEN's mission: to protect it by providing ever more innovative and value-added solutions.

² Source: IHS December 2018

³ Worldwide Harmonised Light Vehicle Test Procedure