

## HARTING Announces 3.7% Revenue Growth

The HARTING Technology Group, headquartered in Espelkamp, Eastern Westphalia, issued a press release reporting €567 million in sales for FY 2015 (01-Oct-2014 to 30-Sep-2015), up +3.7% over 2014 sales of €547 million and a company sales record.

All four regions achieved positive growth in the past financial year. Highest growth was achieved in North America with a 17.3% increase to €61 million. Europe - excluding Germany - showed a 4.6% rise in revenues to €183 million (previous year was €175 million). HARTING's revenues in Germany remained flat at €194 million. In the Asia, HARTING posted a 2.4% increase in revenues to reach €129 million euro (previous year 126 million euro).

At the beginning of December 2014, the HARTING management board had forecasted lower single-digit sales gains. "We have delivered." stated Philip Harting, chairman and personally liable partner. Philip Harting also stated "The reindustrialization of the USA is a growth driver, while the interest in HARTING's 'Industry 4.0' solutions is also decidedly substantial". HARTING is stepping up its activities in the Americas and production will soon be kicking off at the Silao location, in Mexico. This facility will produce small size switch cabinets, as well as molded cables and wiring harnesses. "We are expanding the worldwide HARTING manufacturing network step by step", Philip Harting added.

The HARTING Technology Group generated over two-thirds of total revenues (65.8 %) abroad. Over one third (34.2%) of revenues were generated in Germany.

HARTING takes a cautiously optimistic view of the 2015/16 business year that started on 1 October 2015. The global business outlook has clouded further, including weaker growth in China, and the growth slowing down in emerging economies.

### HARTING Sales, Fiscal 2010 to 2015

Region	2010	2011	2012	2013	2014	2015	5-Year CAGR
<b>Consolidated</b>	413.0	481.0	479.0	484.0	547.0	567.0	
YoY Growth	27.1%	16.5%	-0.4%	1.0%	13.0%	3.7%	6.5%
<b>Asia</b>	89.0	93.0	82.0	90.0	126.0	129.0	
YoY Growth	39.1%	4.5%	-11.8%	9.8%	40.0%	2.4%	7.7%
<b>EMEA (excl. Germany)</b>	140.0	163.0	170.0	174.0	175.0	183.0	
YoY Growth	18.6%	16.4%	4.3%	2.4%	0.6%	4.6%	5.5%
<b>Germany</b>	146.0	181.0	177.0	174.0	194.0	194.0	
YoY Growth	23.7%	24.0%	-2.2%	-1.7%	11.5%	0.0%	5.8%
<b>North America</b>	37.0	44.0	50.0	46.0	52.0	61.0	
YoY Growth	48.0%	18.9%	13.6%	-8.0%	13.0%	17.3%	10.5%

€Millions

## Bishop & Associates' Comments

HARTING has outperformed the connector industry in sales growth in 8 out of the past 10 years with revenues measured in euro. With revenues calculated in US dollar (at average annual exchange rates), HARTING beat the industry in 5 out of the past 10 years. HARTING's revenues in FY2015 correspond with \$650.5 million versus \$742.5 million (FY2014) at average exchange rates. While the connector industry has increased in local currencies by an estimated 3.4% in Europe in 2015 (YTD October 2015, calendar year), in US dollar the industry in Europe has actually declined by 11.7% over the same 10 months of 2015. See The Bishop Report November 2015 for more details.

In the industrial market sector, we see a similar picture. This segment is more relevant as a benchmark than the total connector market for HARTING as a large share of HARTING's revenues are generated in this market sector. Where the global industrial market for connectors grew by a compound average growth rate (CAGR) of 1.5% between 2010 and 2015E, HARTING revenues grew with a CAGR of 6.5% over the same period. Measured in US dollars, HARTING recorded a CAGR of 3.0% over the same 5-year period, still double the market rate. The global connector industry grew with a CAGR of 1.8% over the same period.

HARTING's cautiously optimistic view of 2016 corresponds with the low single-digit growth forecast for the next calendar year by Bishop & Associates at 2.0% growth. For more information about our forecast please refer to our latest Connector Market Forecast report, released in November 2015.

### HARTING Sales Performance Comparison

