

Lippstadt/Paris, 3 November 2022

**2022 Capital Markets Day:  
HELLA accelerates profitable growth  
under FORVIA Power25 plan**

- Significant market outperformance with annual sales growth of more than 10 percent to over €9.4 billion in 2025
- Substantial increase in operating margin to above 8 percent and net cash flow to around 4 percent of sales in 2025, supported by strong profitable growth in Electronics and a profitability turnaround in Lighting
- On track for announced FORVIA sales synergies of €300 million to €400 million and cost synergies of over €250 million by 2025, around half of which attributable to HELLA

HELLA, the automotive supplier operating under the FORVIA Group umbrella, intends to systematically expand its technology and market leadership and further accelerate its profitable growth. The company will present today its 2025 strategy and targets at a Capital Markets Day in Paris, the first to be held jointly with Faurecia since the two companies came together under the FORVIA umbrella, forming the world's seventh-largest automotive supplier.

To achieve its new objectives, in line with FORVIA's Power25 priorities, HELLA will leverage its three strategic pillars: technology and market leadership; global presence and broad customer portfolio; and operational excellence. Michel Favre, CEO of HELLA, declared: "Thanks to our unique positioning with the Lighting, Electronics and Lifecycle Solutions Business Groups, we are at the forefront of tomorrow's mobility. This is demonstrated by our financial performance, but also first and foremost by our strong order book. Around 80 percent of the sales expected in 2025 in Lighting and Electronics are already based on booked business."

**Significant market outperformance**

HELLA expects annual sales growth of more than 10 percent to over €9.4 billion by 2025, significantly outperforming global light vehicle production that is expected to increase by an average of over 3 percent per year to 88 million units over the period. HELLA's sales

outperformance will be driven by its market and technology leadership in the areas of Lighting, Electronics and Lifecycle Solutions.

HELLA will further expand its market position in the growing fields of electromobility and automated driving. In particular, the company recently acquired large-volume orders for high-voltage converters and 77 GHz radar sensors. With its SSL | HD digital headlamp system, FlatLight rear combination lamps and multifunctional Front Phygital Shields, HELLA has a large number of fast-growing, innovative technologies in the Lighting business. Growth in the Lifecycle Solutions Business Group is to be further boosted by new digital business models.

### **Substantial increase in profitability and net cash flow**

HELLA will also focus on increasing its operating margin to above 8 percent of sales by 2025, driven by strong profitable growth of Electronics and a return to a benchmark profitability in Lighting, while Lifecycle Solutions sustains its double-digit profitability.

Bernard Schäferbarthold, CFO of HELLA, declared: "In view of the massive price increases for materials, energy and logistics, we will continue to push dialogue with our partners. Our goal is to consistently pass on at least 80 percent of these price increases. We will also continue our proven cost management approach and further improve our efficiency in research and development as well as production, including through higher standardization, modularization and automation. In addition, a special focus will be put on the sustainable operational improvement of our Lighting business."

Net cash flow is to reach around 4 percent of sales by 2025. "At present, our cash flow is still primarily affected by the build-up of inventories as a result of the global component shortages," said CFO Schäferbarthold. "Improvements in inventory management are a key starting point. In addition, we want to allocate our investments even better and continue to drive forward the standardization and re-use of tools and equipment."

### **Considerable synergies with Faurecia**

HELLA's profitable growth path is supported in part by significant sales and cost synergies achieved with Faurecia. HELLA and Faurecia expect annual sales synergies of around €300 million to €400 million by 2025, primarily through joint customer acquisitions and improved access to markets, as well as close cooperation in the

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aftermarket. Cost synergies will have a total positive effect on EBIT of more than €250 million in 2025. Around half of these expected sales and EBIT effects will be attributable to HELLA and are reflected in HELLA's growth and profitability targets.

"The cooperation between HELLA and Faurecia is already bearing fruit. This shows how well the two companies complement each other," said Michel Favre, CEO of HELLA. "We will therefore continue to intensify our close cooperation and, on this basis, further accelerate HELLA's successful path under the FORVIA umbrella."

The full presentation document for the FORVIA Capital Markets Day will be available after the event on HELLA's homepage in the [Investor Relations](#) section.

**Please note:** This text and corresponding photo material can also be found in our press database at: [www.hella.com/press](http://www.hella.com/press). As regards Faurecia, please also refer to the press release issued separately by Faurecia today.

**About HELLA**

HELLA is a listed, internationally positioned automotive supplier operating under the umbrella brand FORVIA. Within this factual group, HELLA stands for high-performance lighting technology and automotive electronics. At the same time, the company covers a broad service and product portfolio for the spare parts and workshop business as well as for manufacturers of special vehicles with its Business Group Lifecycle Solutions. HELLA has 36,000 employees at more than 125 locations worldwide and generated consolidated sales of € 6.3 billion in the fiscal year 2021/2022.

**About FORVIA**

FORVIA comprises the complementary technology and industrial strengths of Faurecia and HELLA. With over 300 industrial sites and 77 R&D centers, 150,000 people, including more than 35,000 engineers across 40+ countries, FORVIA provides a unique and comprehensive approach to the automotive challenges of today and tomorrow. Composed of six Business Groups with 24 product lines, and a strong IP portfolio of over 14,000 patents, FORVIA is focused on becoming the preferred innovation and integration partner for OEMS worldwide. FORVIA aims to be a change maker committed to foreseeing and making the mobility transformation happen. [www.forvia.com](http://www.forvia.com)

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