

LIPPSTADT (GERMANY)

16 February 2023

Preliminary figures and company outlook published: HELLA expects record sales and further improved profitability for 2023

- Solid performance in short fiscal year 2022 (1 June to 31 December 2022): sales at € 4.4 billion on a preliminary basis; adjusted EBIT margin at 5.0 percent
- Order intake of around € 7 billion within short fiscal year 2022
- Successful business development in all Business Groups due to high demand for core products
- Cost synergies from cooperation with Faurecia under the FORVIA umbrella expected to reach more than € 300 million at the end of 2025
- Fiscal year 2023: Currency and portfolio-adjusted sales expected to be in the range of around € 8.0 to 8.5 billion and operating income margin at around 5.5 to 7.0 percent; projected net cash flow at approximately 2 percent of sales

HELLA, the automotive supplier operating under the FORVIA umbrella brand, today announced its preliminary results for the short fiscal year 2022 (1 June to 31 December 2022) and the outlook for the fiscal year 2023. HELLA generated sales of € 4.4 billion in the short fiscal year 2022. The adjusted earnings before interest and taxes (adjusted EBIT) amount to € 222 million, the adjusted EBIT margin is 5.0 percent (fiscal year 2021/2022: 4.4 percent). Adjusted free cash flow from operating activities amounts to € 83 million. HELLA reports results for a short fiscal year after the fiscal year was changed to the calendar year with effect as of 1 January 2023.

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"In the short fiscal year 2022, we delivered a solid business performance and again won numerous high-technology, large-volume customer projects with an order intake of around € 7 billion," says HELLA CEO Michel Favre. "As expected, profitability, and cash flow have also improved. We were able to successfully mitigate the continued high-costs for materials, energy and logistics by passing on price increases as well as manage our cost base efficiently."

Successful business development in all Business Groups due to high demand for core products

In the short fiscal year 2022, sales in the Lighting Business Group amount to € 2.1 billion. Especially in the Chinese market, the lighting business has developed successfully, also due to series launches, which have now continued to ramp up. Earnings before interest and taxes (EBIT) amount to € 44 million, the EBIT margin improves to 2.1 percent (fiscal year 2021/2022: 0.4 percent).

In the Electronics Business Group, sales amount to € 1.9 billion. Main contributors were the business with energy management, body electronics, sensors, and actuators. EBIT amount to € 124 million, and the EBIT margin has increased to 6.5 percent (fiscal year 2021/2022: 5.5 percent).

The Lifecycle Solutions Business Group generated sales of € 0.6 billion. The spare parts business was successful in key regions; the commercial vehicle business recorded high demand from manufacturers of agricultural machinery, trucks and trailers. EBIT amounted to € 58 million, the EBIT margin was 10.1 percent (fiscal year 2021/2022: 12.4 percent).

Expected cost synergies from cooperation with Faurecia increase to more than € 300 million at the end of 2025

In the short fiscal year 2022, the cooperation with Faurecia under the umbrella brand FORVIA has progressed further. Both companies have recorded significant successes in the realization and identification of cost synergies. The total cost synergies for FORVIA are expected to reach over € 300 million at the end of 2025. HELLA will account for about the half of it.

[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 6 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.

Company outlook forecasts record sales in the range of around € 8.0 to 8.5 billion in the fiscal year 2023

For the fiscal year 2023 (1 January to 31 December 2023), HELLA expects to generate currency and portfolio-adjusted sales in the range of around € 8.0 to 8.5 billion. The operating income margin* is forecasted to be in the range of around 5.5 to 7.0 percent. For net cash flow in relation to sales HELLA expects a target value of approximately 2 percent. This outlook is based on HELLA's expectation that global automotive production will be around 82 million vehicles.

"We expect the market environment to continue to be volatile. However, thanks to our solid order book, we remain optimistic about the future. Therefore, we expect to achieve record sales in 2023 and to exceed € 8 billion in sales for the first time. This shows our strong outperformance of the market in our key regions, and we expect to deliver a solid improvement of our operating income and net cash flow," says CEO Michel Favre. "In terms of the forecasted operating income margin and net cash flow in relation to sales, we expect an initially lower value in the first half of the fiscal year. However, we will increase these KPIs in the further course of the fiscal year."

An analyst and investor call with Michel Favre (CEO) and Bernard Schäferbarthold (CFO) will take place today, 09:00 (CET), regarding the publication of the outlook for the fiscal year 2023. The final results for the short fiscal year 2022 will be announced as planned on 21 March 2023.

* Operating income margin (as a new relevant indicator): reported operating earnings before interest and taxes (EBIT) adjusted for special items, excluding the contribution to earnings of associates and joint ventures in relation to portfolio-adjusted sales

Note: You will find text and images in our press database at: www.hella.com/press

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