

LIPPSTADT (GERMANY)
27 April 2023

First quarter 2023: HELLA improves profitability by 10 percent

- Sales grow by 14.4 percent to €2.0 billion; global vehicle production increases by around 6 percent in the same period
- Operating income improves to €111 million; operating income margin at 5.6 percent and largely at prior-year level; considerable investments to realize high order volumes
- Net cash flow in relation to sales amounts to -1.9 percent due to high investments and the significantly improved sales development
- All Business Groups record double-digit sales growth
- Company outlook for the fiscal year 2023 confirmed

The automotive supplier HELLA, which operates under the FORVIA umbrella brand, is growing significantly stronger than the global vehicle production in the first quarter of the fiscal year 2023 (1 January to 31 March 2023). Accordingly, HELLA generated sales of €2.0 billion. Compared to the first quarter of the calendar year 2022, this means growth of 14.4 percent (Q1 CY 2022: €1.7 billion¹). Global vehicle production increased by 5.7 percent in the same period.

Operating income improved by 10.3 percent to €111 million (Q1 CY 2022: €101 million); the operating income margin amounts to 5.6 percent and is largely at the prior-year level (Q1 CY 2022: 5.8 percent). Due to high investments implemented to sustain future growth and the significantly improved sales performance, the net cash flow in relation to sales amounts to -1.9 percent (Q1 CY 2022: 2.1 percent).

"The start into the new year was very strong overall. Our growth is more than twice as high as that of the global automotive market. This highlights our ability to grow disproportionately on the basis of our forward-looking business model," says HELLA CEO Michel Favre. "The profitability of the first quarter is also in line with our expectations. It reflects

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on the one hand our ability to compensate the impact of price increases, and includes on the other hand significant investments in research and development made to deliver our fast-growing backlog."

All Business Groups record double-digit sales growth

The successful start to the fiscal year was driven by all Business Groups, reporting double-digit sales growth. Compared to the first quarter of the calendar year 2022, the Electronics Business Group increased its sales by 10.9 percent to €842 million (Q1 CY 2022: €759 million), benefiting from high demand for radar sensors, high-voltage battery management systems and other core products from the electronics portfolio. Due to strong customer demand for sophisticated lighting solutions as well as continuous series launches, the Lighting Business Group's sales improved by 19.4 percent to €955 million (Q1 CY 2022: €799 million). In the Lifecycle Solutions Business Group, sales increased by 10.7 percent to €283 million (Q1 CY 2022: €255 million), driven by a strong spare parts and workshop business as well as a positive development in the agricultural and construction machinery sector.

Company outlook for the fiscal year 2023 is confirmed

For the full fiscal year 2023 (1 January to 31 December 2023), HELLA continues to expect currency and portfolio-adjusted Group sales between around €8.0 billion and 8.5 billion. The operating income margin is still forecast to be between around 5.5 and 7.0 percent. Regarding net cash flow in relation to sales, the company continues to forecast a target value of approximately 2 percent. This outlook is based on HELLA's expected global vehicle production of around 82 million vehicles.

"The results for the first quarter are fully in line with our expectations. In terms of sales, we expect to accelerate our successful business development in the following quarters and thus generate record sales in 2023," says HELLA CEO Michel Favre. "We expect the operating income margin and the expected net cash flow in relation to sales to be initially lower in the first half of the fiscal year. Here, however, we will gradually improve through higher sales volumes, the efficient management of cost structures and the passing on of price increases in the further course of the fiscal year. Synergies from the cooperation with Faurecia will give us additional momentum here."

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-purpose vehicles with its Lifecycle Solutions business group. HELLA has around 36,000 employees at more than 125 locations worldwide and generated sales of €4.4 billion in the seven-month short fiscal year 2022. www.hella.com

ABOUT FORVIA

FORVIA comprises the complementary technology and industrial strengths of Faurecia and HELLA. With over 290 industrial sites and 76 R&D centers, 157,000 people, including more than 15,000 R&D engineers across 40+ countries, FORVIA provides a unique and comprehensive approach to the automotive challenges of today and tomorrow. Composed of 6 business groups, 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

**Selected key financial figures in € millions or as a percentage of sales
in € millions or percent (each 1 January to 31 March):**

	1st Quarter 2023	1st Quarter 2022¹ (pro forma)
Sales	1,990	1,739
Operating income	111	101
Operating income margin	5.6%	5.8%
Net cash flow	-38	36
Net cash flow in relation to sales	-1.9%	2.1%

¹ HELLA changed its fiscal year to the calendar year as of 1 January 2023. For comparability with the first quarter of the calendar year 2022 (1 January to 31 March 2022), pro forma values are presented.

The financial statement for the first quarter of the 2023 fiscal year is now available for download on the [Website of HELLA GmbH & Co. KGaA](#).

Please note: This text and corresponding photo material can also be found in our press database at: www.hella.com/press

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