

LIPPSTADT (GERMANY)

**23 July 2024**

## **FORVIA HELLA publishes half-year results 2024: Slight improvement in sales and earnings in a challenging market environment**

- Currency-adjusted sales increase by 1.6 percent to €4.06 billion; reported growth of 0.9 percent
- Operating income amounts to €248 million, operating income margin increases slightly to 6.2 percent
- Net cash flow in relation to sales largely at the previous year's level at 2.1 percent
- Lighting increases sales due to full consolidation of a joint venture; electronics sales decline due to customer mix and temporary slowdown in electrification in Europe; declining market volumes of key customer groups impact sales of Lifecycle Solutions
- Further details for competitiveness program for Europe: Around two thirds of the targeted gross savings to be implemented via performance levers
- Company outlook confirmed and specified within the expected ranges

HELLA GmbH & Co. KGaA ("FORVIA HELLA") today announced its financial results for the first half of the fiscal year 2024 (1 January to 30 June 2024). Currency-adjusted sales improved by 1.6 percent to €4.06 billion (previous year: €3.99 billion); the reported growth amounted to 0.9 percent. Global vehicle production on the other side stagnated in the first six months of the year; market research institutes had previously forecasted a slight growth for this period.

Operating income amounted to €248 million in the first half of 2024 (previous year: €245 million), while the operating income margin rose slightly to 6.2 percent (previous year: 6.1 percent). At 2.1 percent, net cash flow in relation to sales is slightly below prior year's level (previous year: 2.2 percent) but has significantly improved compared to the first quarter, as expected.

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"We improved slightly in terms of sales and earnings in the first half of the year. Thanks to significant improvements in the second quarter, cash flow in the six-month period is also broadly in line with the previous year's level. In addition, we were once again able to win high-tech, large-volume series projects over the past three months," says Bernard Schäferbarthold, CEO of FORVIA HELLA. "Overall, we achieved very solid results in a challenging industry environment. The automotive market continued to weaken in the second quarter in particular, falling short of the production volumes originally forecasted for this period. With our performance in the first six months of the fiscal year, we have therefore once again proven to be very resilient and adaptable."

### **Lighting increases sales through full consolidation of the joint venture Beijing Hella BHAP Automotive Lighting**

In the first half of the fiscal year 2024, sales in the Lighting business group increased by 3.0 percent to €2.01 billion (previous year: €1.95 billion). This is primarily due to the full consolidation of the joint venture Beijing Hella BHAP Automotive Lighting since the start of the fiscal year. The lighting business was also supported by moderate growth in the Americas and Europe, including new series launches. Operating income in the Lighting business group rose slightly to €66 million (previous year: €64 million), meaning that the operating income margin remained at the previous year's level of 3.3 percent.

### **Electronics sales fall due to customer mix and a temporary slowdown in electrification in Europe**

In the Electronics business group, sales fell slightly by 1.7 percent to €1.66 billion (previous year: €1.69 billion). The radar business in particular has developed successfully, including new series launches for 77 GHz radar sensors in the American market. However, the business group's performance was impacted primarily by customer and product mix effects in the Chinese market and the temporary slowdown of the electrification in Europe. Operating income improved to €127 million (previous year: €109 million), while the operating income margin rose to 7.6 percent (previous year: 6.5 percent).

#### [ABOUT FORVIA HELLA](#)

FORVIA HELLA is a listed, internationally positioned automotive supplier. As a company of the FORVIA Group, FORVIA HELLA stands for high-performance lighting technology and vehicle electronics and, with the Lifecycle Solutions business group, also covers a broad service and product portfolio for the spare parts and workshop business as well as for manufacturers of special vehicles. With currently around 37,500 employees at over 125 locations, the company is active worldwide and generated adjusted sales of €8.1 billion in the fiscal year 2023. [www.hella.com](http://www.hella.com)

#### [ABOUT FORVIA](#)

FORVIA, the seventh largest supplier of automotive technology worldwide, combines the complementary technological and industrial strengths of Faurecia and HELLA. With around 260 industrial sites and 78 R&D centres, over 150,000 employees, including more than 15,000 R&D engineers, in over 40 countries, FORVIA offers a unique and comprehensive approach to the automotive challenges of today and tomorrow. FORVIA consists of six business groups and a strong portfolio of over 13,000 patents. FORVIA endeavours to become the preferred innovation and integration partner for automotive manufacturers worldwide. FORVIA sees itself as a pioneer of change that anticipates the transformation of mobility and turns it into reality. [www.forvia.com](http://www.forvia.com)

## **Declining market volumes of key customer groups impact sales of Lifecycle Solutions**

In the Lifecycle Solutions business group, sales in the first six months of 2024 fell by 2.6 percent to €0.54 billion (previous year: €0.55 billion). The independent aftermarket business has developed positively in key markets in Europe as a result of an expansion of the electrics/electronics portfolio. In contrast to that, significant other customer groups invested noticeably less in new commercial vehicles due to the economic slow-down and the overall higher interest rate level. Operating income in the Lifecycle Solutions business group fell to €63 million in the reporting period (previous year: €74 million), meaning that the operating income margin fell to 11.7 percent (previous year: 13.5 percent).

## **Further details for competitiveness program for Europe: Realization of around two thirds of the targeted gross savings via performance levers**

In view of the increasing cost and competitive pressure, particularly in Europe, FORVIA HELLA announced a comprehensive competitiveness program on 16 February 2024. Around two thirds of the annual gross savings of €400 million targeted by 2028 are to be realized via so-called performance levers. The focus here is on improving product costs, operational improvements as well as shortening development cycles and simplifying processes – for example through the use of artificial intelligence. The remaining third of the targeted total savings is to be achieved through structural levers, primarily by reducing overcapacities and relocating and bundling activities in the global network.

## **Company outlook confirmed and specified within the expected ranges**

"Market conditions will remain challenging. On the one hand, we see that global production volumes will develop worse in the second half of the year than assumed only a few months ago. On the other hand, we expect impacts from our customer mix, particularly in China, as well as slower-than-anticipated series launches for individual customer programs to continue in the second half of the year. In the context of this difficult industry environment, we are confirming our company outlook, but specifying it within the given ranges," says CEO Bernard Schäferbarthold.

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Accordingly, FORVIA HELLA continues to expect to generate currency and portfolio-adjusted Group sales of between around €8.1 billion and 8.6 billion in 2024. The operating income margin is still forecasted to be between around 6.0 and 7.0 percent. Both adjusted sales and the operating income margin are now expected to be in the lower half of the given forecast range. With regard to the net cash flow in relation to sales, FORVIA HELLA continues to forecast a figure of approximately 3 percent.

**Selected key financial figures in € million or as a percentage of reported sales for the first half of the fiscal year (1 January to 30 June in each case):**

	H1 Fiscal year 2024	H1 Fiscal year 2023	Change
<b>Sales adjusted</b>	<b>4,060</b>	3,995	+1.6%
<b>Sales reported</b>	<b>4,030</b>	3,995	+0.9%
<b>Operating income</b>	<b>248</b>	245	+1.4%
<b>Operating income</b> <small>in relation to reported sales</small>	<b>6.2%</b>	6.1%	+0.1 percentage points
<b>Net cash flow</b>	<b>86</b>	89	-3.7 percent
<b>Net cash flow</b> <small>in relation to reported sales</small>	<b>2.1%</b>	2.2%	-0.1 percentage points

The financial report for the first half of fiscal year 2024 is now available on the [website of HELLA GmbH & Co. KGaA](#).

**Note:** You can also find this text and suitable images in our press database at: [www.hella.com/press](http://www.hella.com/press)

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