

# Press release

Nanterre (France), February 7, 2022

## **FAURECIA & HELLA DAY ONE OF THE NEW COMBINED GROUP**

- ✓ **Strong strategic rationale between two highly complementary companies**
- ✓ **Ambition to reach sales above €33bn, operating margin above 8.5% and c. €1.75bn of net cash flow in 2025**
- ✓ **A sustainable governance in place to accelerate collaboration and achieve above €250million in cost synergies**
- ✓ **The combined Group's new name will be announced during a press conference to be held today at 11.00am (Paris time)**

Following the successful completion of the acquisition of a controlling stake in HELLA by Faurecia on January 31, 2022, the newly combined Group celebrates today its DAY ONE.

Faurecia and HELLA will continue to operate as two independent legal companies, closely collaborating to create value for customers and shareholders through technology solutions and synergies generated in the best interest of both companies.

**Patrick Koller, Chief Executive Officer of Faurecia, declared:** *"By combining our strengths, we will have the critical size and advanced technology capability in all our Business Groups, making us an even more valued partner for the automotive industry. We look forward to playing a major role as a global innovator and solutions provider, shaping a safe, sustainable, advanced and customized mobility. Focused on growth opportunities, we will bring long-term value for our customers and shareholders, as well as offering a more responsible and sustainable mobility for future generations."*

**Michel de Rosen, Chairman of Faurecia's Board of Directors added:** *"The Board of Faurecia is delighted to see this breakthrough in our project to create a Group that is balanced, independent and strongly positioned for sustainable growth. We have every confidence in the management teams of both Faurecia and HELLA, to achieve our joint ambitions."*

### **A compelling strategic rationale**

Faurecia's acquisition of HELLA is a unique opportunity for two advanced technology companies to accelerate their transformation, achieve critical size and leading positions in Electronics (€7bn of sales by 2025) and Lifecycle Solutions. These two compatible and profitable companies are highly complementary in terms of technology, customer and geographic fit. They are completely aligned with automotive megatrends. The combined Group will extend its reach, strengthening proximity and customer intimacy, accelerating growth in Asia, and providing an enhanced electronics and electrification offer (BEVs & FCEVs).

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The Group's exposure to Internal Combustion Engine (ICE) will be reduced to about 10% of its sales in 2025. The quality of these sales is part of our strategic response to this key transformation challenge for the automotive industry.

### **A sustainable setup with clear governance and cooperation framework**

Faurecia is now the controlling shareholder of HELLA. HELLA will continue to be a listed company with its own independent governance, and will be fully consolidated into Faurecia's financial accounts as from February, 1, 2022. A clear governance model has been established along with appropriate legal frameworks to allow Faurecia and HELLA to work efficiently together in all domains and enable the combined Group to steer progress in the best interests of both companies and their stakeholders. To align the business models of both companies, HELLA has formally established three Business Groups (Electronics, Lighting and Lifecycle Solutions), headquartered in Lippstadt (Germany), each with full P&L accountability, and both companies will continue to converge towards common processes to ensure a consistent Group approach and consolidation.

As the Hueck family pool has become Faurecia's largest shareholder with a stake of c. 9%, Dr Jürgen Behrend's appointment to the Faurecia Board of Directors, as representative of the Family pool, will be proposed at the next Faurecia shareholders' meeting, underlining the Family pool's strong interest in the combined group.

### **Ready to achieve cost synergies above €250m and create strong value**

Faurecia has successfully finalized the acquisition of HELLA in a short period of time, demonstrating the effective preparation and successful teamwork between the two companies. Our teams are now ready to execute 10 validated synergy projects representing more than 95% of the full potential.

The execution of a significant cost synergies and optimization plan will generate over €250m EBIT run-rate, above what was initially announced, with an 80% P&L impact to be achieved in 2024. Revenue synergies are expected to reach between €300m and €400m of sales by 2025, and cash-flow optimizations are expected to generate around €200m per year on average from 2022 to 2025.

### **An increased scope, scale and ambition targeting sales above €33 billion, above 8.5% of operating margin and c. €1.75bn of net cash flow in 2025**

The combined Group operates through six Business Groups – Interiors, Seating, Electronics, Clean Mobility, Lighting and Lifecycle Solutions – with leading positions and critical size. It deploys a portfolio of 24 product lines.

The 2025 ambition combines strong sales outperformance, best-in-class profitability and strong cash generation, thus contributing to quick deleveraging post-acquisition.

### **Frame everything through the lens of sustainability**

Climate change affects every single person and community on our planet. Together, Faurecia and HELLA have a role to play in limiting its progression. Acting responsibly is key to ensuring sustainable development for future generations. The combined Group will

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continue to develop through the lens of sustainability by confirming a commitment to become CO<sub>2</sub> neutral in operations (scopes 1&2) by 2025 and CO<sub>2</sub> Net Zero no later than 2050.

**The combined Group will present its ambitions and reveal its new name during a press conference planned today at 11.00am (Paris time)**

<https://day1-faurecia-hella.com/register-login>

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#### About Faurecia

Founded in 1997, Faurecia has grown to become a major player in the global automotive industry. With 266 industrial sites, 39 R&D centres and 114,000 employees in 35 countries, Faurecia is a global leader in its four areas of business: seating, interiors, Clarion Electronics and clean mobility. The Group's strong technological offering provides carmakers with solutions for the cockpit of the future and sustainable mobility. In 2020, the Group reported total turnover of €14.7 billion. Faurecia is listed on the Euronext Paris market and is a component of the CAC Next 20 index. Find out more at: [www.faurecia.com](http://www.faurecia.com)