



HELLA and Faurecia agree to combine their businesses: Partnership opens additional growth potential

- **Faurecia acquires the 60 percent stake from the pool shareholders of HELLA and announces tender offer to acquire the remaining HELLA shares for € 60 per share**
- **Combination of the two companies creates 7th largest global automotive supplier and a global market leader in high-growth technology areas**
- **HELLA focus areas to continue significant investment in research and development and to retain a high degree of operative responsibility**
- **Management, Shareholders' Committee and Supervisory Board welcome the transaction**

Lippstadt, 14 August 2021. The lighting and electronics specialist HELLA and French automotive supplier Faurecia today signed an agreement on the combination of the two companies. As part of the transaction, Faurecia will acquire the 60 percent stake held by HELLA pool shareholders. In addition, Faurecia has announced a voluntary public tender offer to acquire the remaining HELLA shares at an offer price of € 60 per share (gross offer price of € 60.96 including the expected dividend of € 0.96 per HELLA share). The closing of the transaction is subject to regulatory approvals and is expected in early 2022. The pool shareholders of HELLA will retain an up to 9% stake in the listed parent company via a reverse shareholding and therefore will continue to closely accompany HELLA in the future. A pool representative is also to join Faurecia's Board of Directors.

By combining their activities, HELLA and Faurecia will become the 7th largest global automotive supplier. This opens up significant potential for further profitable growth. HELLA and Faurecia today already are global market leaders in their respective fields. By combining their respective strengths, HELLA and Faurecia aim to further expand their market position, particularly in key growth areas such as Electric Mobility, Automated Driving and Vehicle Interior Design, and to further strengthen their position across customers and regions.

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"Faurecia and HELLA are a very good fit. This especially applies to product range and market coverage. In addition, both partners place a high value on consequent customer orientation, operative excellence and technology leadership," said HELLA CEO Dr. Rolf Breidenbach. "Therefore, it is only logical that we join forces to drive the future of mobility together. With Faurecia at our side, we will have even more opportunities to do so than before."

"As family shareholders, we are fulfilling our corporate and entrepreneurial responsibility for Hella by turning the company HELLA over to new owners early on, before our family pool agreement expires. This move will further improve the strategic positioning of the company – for the benefit of HELLA and its 36,000 employees. At the same time, the family will continue to accompany the development of this leading European company as a shareholder in Faurecia," said Dr Jürgen Behrend, Chairman of the family pool. "With Faurecia as the new majority shareholder, HELLA will be able to play to its strengths even more effectively. The competences of both companies complement each other perfectly. We have secured long-term commitments for HELLA's locations and its investments in future business areas. HELLA, thus, has the ideal prerequisites to continue to be successful in the long term."

"This combination is a unique opportunity to create a global leader in automotive technologies. I am convinced that Faurecia and HELLA have an outstanding fit as we share common vision, values and culture," said Patrick Koller, CEO of Faurecia. "Our two talented teams have been cooperating very efficiently since end 2018, they have demonstrated their combined capabilities. Together, we will have the critical edge to benefit from the strategic drivers that are transforming the automotive industry. By combining the product portfolios and market reach, we will accelerate profitable growth, through innovation, with more electronic and software content and enhanced execution quality. Our financial profile will remain solid, with strong attention paid to sustained cash generation and deleveraging the company. I am confident that this acquisition will create sustainable value for Faurecia's and HELLA's customers, employees and shareholders."



Combination creates 7th largest global automotive technology supplier and a global market leader in high-growth technology fields

The combination of HELLA and Faurecia will create a global technology leader covering both a broad customer portfolio and significant future trends in the automotive sector. Faurecia's good access to key Chinese, Japanese and US original equipment manufacturers will create new growth potential for the business areas of HELLA. Further opportunities arise primarily in the areas of Electric Mobility, Automated Driving, Cockpit of the Future, and Lifecycle Value Management (including Aftermarket and Special Applications). Throughout these the two companies have complementary business activities which together offer a high-performance portfolio with broad market access.

The transaction will for example create a global supplier for Electric Mobility with a comprehensive range of services. HELLA will contribute its strong portfolio in energy management, sensors and actuators, while Faurecia will provide sophisticated hydrogen storage solutions and stacks systems. In Automated Driving, the combination will also create a global technology leader with a broad range of products and systems. To this end, Faurecia is contributing the expertise of its subsidiary Faurecia Clarion Electronics, among others.

Based on the close development partnership between the two companies regarding innovative lighting solutions for vehicle interiors, which has been in place since 2018, these activities will be further accelerated by incorporating Faurecia's competencies in Seating and Interiors as well as the HELLA expertise in Interior Lighting, sensors and electronics for vehicle access systems. Further benefits will arise from combining the HELLA aftermarket activities and business with specialty vehicle manufacturers with Faurecia's Lifecycle Value Management activities.

HELLA focus areas to continue significant investment in R&D and maintain a high degree of operative responsibility

To fully leverage the potential of both partners, the HELLA focus areas are to be integrated into the Faurecia Group while retaining a high degree of operative



responsibility. At the same time, the business combination agreement between the two companies foresees the continuation of HELLA's multi-pillar business strategy and consistent investments in the development of future automotive technologies in order to secure its position as a technology and market leader. The established cooperation network of HELLA, consisting of numerous joint ventures and strategic partnerships, will also be further strengthened. Committees with equal representation will monitor implementation and ensure compliance with the business combination agreement.

The agreement also includes far-reaching commitments to the HELLA employees. All works agreements and collective tariff agreements will be retained. No changes are to be made to the works council structure either. Employee co-determination on the Supervisory Board is also to be retained. According to the agreement between the two companies, the company headquarter in Lippstadt will remain a central location in the joint group.

"The agreements with Faurecia reflect that both partners share a great deal of common ground when it comes to general objectives and fundamental corporate values. In my view, these are important prerequisites for continuing our successful course", said HELLA CEO Dr. Rolf Breidenbach. "I am looking forward to the partnership with Faurecia. Together we will be able to generate even more added value for our stakeholders."

Management, Shareholders' Committee and Supervisory Board welcome the transaction

In connection to the acquisition of the 60 percent stake held by the HELLA pool shareholders and the combination agreement, Faurecia has announced a voluntary public tender offer for the acquisition of the outstanding HELLA shares in free float. The offer price amounts to € 60 per HELLA share. The gross offer price will amount to € 60.96 per HELLA share; this corresponds to the share purchase price agreed with the pool shareholders and a total value of all HELLA shares of approximately € 6.8bn. This corresponds to a premium of 33 percent on the closing price of HELLA GmbH & Co.

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KGaA on 26 April 2021 and of 24 percent based on the weighted average price of the HELLA Share of the last three months until 26 April 2021.

Subject to the review of Faurecia's offer document, which is yet to be published, the Management, Shareholders' Committee and the Supervisory Board of HELLA welcome the combination and support the offer.

In accordance with the requirements of the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz, "WpÜG"), the offer document is expected to be published mid-September after approval by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, "BaFin"). The Management Board and the Supervisory Board of HELLA will carefully review the Offer Document and issue a reasoned statement in accordance with section 27 WpÜG. From today's perspective, the Management and the Supervisory Board of HELLA expect to recommend the acceptance of the Offer to shareholders.

No minimum acceptance threshold is foreseen for the Offer. The Offer Document and other notifications relating to the Offer will be made available on the Internet. The specific deadline for acceptance of the Offer will also be published on the website.

HELLA will host an investor call in English on 16 August 2021 at 9:30 a.m. (CEST).

Perella Weinberg Partners is serving as financial advisor to the HELLA Management, Freshfields Bruckhaus Deringer is serving as legal advisor and Brunswick Group is providing communications advice.

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

HELLA GmbH & Co. KGaA, Lippstadt: HELLA is a global, family-owned company, listed on the stock exchange, with over 125 locations in some 35 countries. With sales of € 5.8 billion in the fiscal year 2019/2020 and 36,000 employees, HELLA is one of the leading automotive suppliers. HELLA specialises in innovative lighting systems and vehicle electronics and has been an important partner to the automotive industry and aftermarket for more than a century.

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Furthermore, in its Special Applications segment, HELLA develops, manufactures and sells lighting and electronic products for specialist vehicles.

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

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