

Broad-based optimization program of Webasto proves to be effective

Tense situation in the automotive industry requires consistent continuation of measures and targeted investments to pursue the sharpened strategy

Stockdorf – July 29, 2024 – After a weak financial year 2023, the business situation of Webasto, a top 100 supplier to the mobility sector worldwide, improved in the first half of this year. Despite a slight decline in turnover, the company has succeeded in significantly reducing its expenses and increasing its earnings. These results are part of a program launched at the start of 2024 to strengthen the financial resilience of the company. "We are on the right track and have made good operational progress in recent months to strengthen our financial performance. Structurally, we have been able to achieve the necessary job cuts through natural fluctuation so far and we are taking a restrictive approach to new hires," explains Dr. Holger Engelmann, CEO of Webasto SE.

The systematic review of capacities and processes at the beginning of the program revealed some potential for optimization in regions, functions and business units. "As part of the expansion of our product portfolio towards electromobility and in anticipation of continuous strong growth, Webasto had built up structures in recent years which we now had to put to the test. This was particularly necessary because global conditions had deteriorated and the economy had clouded over considerably," says Engelmann.

As a result, Webasto initiated various measures in the areas of research and development, purchasing and production. Particular attention is being paid to reducing direct and indirect costs, improving the performance and efficiency of the plants worldwide and increasing the profitability of customer projects. Engelmann emphasizes: "The overarching goal of these coordinated measures is to further our ability to invest in innovative vehicle technologies, even under difficult conditions. This is the only way we will maintain our competitive position in the roof systems and electromobility sectors."

Focus on roof and electrification business

Following important decisions in 2022, such as the expansion of roof expertise in the direction of glass refinement and the partner search for the charging business, Webasto realigned its strategic direction last year. With its "**RE: focus**" strategy, the technology company is concentrating on the areas of "**R**oof" (roof systems) and "**E**lectrification" (batteries and thermo management solutions) in order to make a significant contribution to more climate-friendly mobility with innovative products in the future. Webasto has also defined five key success factors where special **focus** is set upon, including strengthening its financial resilience. "Only by continuing the long-term optimization program, can we successfully pursue our corporate strategy, which was sharpened in 2023," says Engelmann.

Press Release

Annual financial statements 2023: Stable sales with a black zero, electromobility division records significant growth

In 2023, the Webasto Group achieved a profit margin of less than one percent on sales of around 4.6 billion euros. Of that, 3.7 billion euros of Group sales were attributable to roof systems business ("Roof" business area), while the company generated 900 million euros with battery systems, heating and cooling solutions, and thermo management solutions ("Electrification" business area). Sales of batteries for hybrid and electric vehicles once again recorded particularly rapid growth, more than doubling for the fourth year in a row to 226 million euros. Overall, the turnover of the Group increased by seven percent in 2023 compared to the previous year (2022: 4.3 billion euros), while the number of employees stagnated.

In regional terms, Europe made the largest contribution to the sales of Webasto last year with 38 percent, followed by North America (25 percent), China (22 percent) and the Asia-Pacific region (15 percent). The development of the individual regions compared to the previous year varied greatly. While most regions developed positively, sales in China fell for the first time since the company entered the market more than 20 years ago. This decline also had a negative impact on the net profit of the Group.

Despite the tense situation, Webasto continued to invest in its already advanced transformation in 2023. At 242 million euros, the investment ratio was 5.2 percent. The focus was on building up expertise and capacity for acquired projects in the roof and battery sectors. Expenditure on research and development in 2023 was primarily driven by the battery business and, at 347 million euros, exceeded the expenditure of previous years. This was 7.4 percent of turnover.

Structural changes essential for recurrent success

Engelmann underlines: "We continue our investment course, but the challenges in our industry remain huge and often incalculable. It is already clear that we must intensify our efforts to improve our financial situation and leverage further optimization potential in order to remain fit for the future." The CEO of Webasto sees the cooperation with vehicle manufacturers as a key approach to this. "The times of stable growth are over. The contractual arrangements from the pre-crisis era are no longer sustainable. In view of the enormous price developments and strongly fluctuating call-offs as part of series projects, we need to readjust our business relationships. We are affected by a structural issue that will ultimately weaken the entire automotive industry. We have to solve this together," demands Engelmann.

About Webasto

As a global innovative systems partner to the mobility industry, Webasto is one of the 100 largest suppliers to the automotive sector worldwide. In development, manufacturing and sales, the company focuses on roof systems on the one hand and on vehicle electrification on the other hand. The product range includes openable and fixed roofs, electric high-voltage heaters and batteries, as well as thermo management solutions. Among the customers of Webasto are manufacturers of passenger cars, commercial vehicles, and boats, as well as dealers and end customers. In 2023, the Group generated sales of around 4.6 billion euros and employed more than 16,600 people at over 50 locations. The headquarters of the company, which was founded in 1901, is located in Stockdorf near Munich (Germany). For more information, please visit www.webasto.com

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