

# Trends of the market OEMs, suppliers, and Lighting suppliers

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# A2S Consulting is an independent consulting firm with a deep knowledge and experience of the Global Automotive market.

## We focus on 3 support activities:

### 1. Business Development

- Leveraging contacts with OEMs (Audi, BMW, Mercedes-Benz, Renault, Stellantis, VW...) and long-established relationships with the main lighting Tier Ones: Hella, Marelli AL, OP Mobility, Valeo, ZKW.

### 2. Strategy

- Team of former CEOs, CFO, CTOs with Global Tier Ones (FORVIA, Valeo, ...)

### 3. M&A and Partnerships

- Knowledge of the worldwide lighting market

## We offer you:

### 1. Proven Expertise in the automotive lighting industry

- Comprehensive understanding of the lighting ecosystem

### 2. Hands-on Experience

- Large automotive experience in strategy execution, industrial footprint, and engineering transformation, Joint venture, partnership, and turnaround

### 3. Market Knowledge and Data Access thanks to:

- Strong link with DVN
- Worldwide presence in universities, institutional organization, and regulations through a Network of specialists and the experience at DVN

# Worldwide Automotive Status

## Headwinds

- War In Ukraine
- Inflation (Raw Materials, Energy)
- Tarifs & Trade Tensions
- Electronic Components Shortage
- Interest Rates

## Consequences

- Lack Of Customer Confidence
- Precovid Market Volumes In Europe Not Recovered
- Car Prices Too High Vs Customer Capability
- Start Of Price War
- Sale And Profitability Pressure
- Competitiveness Deficit For International Players (Vs Chinese Players)
- Significant Cost Pressure Mainly On European Car Suppliers

# Key Market Trends For Automotive Carmakers

- New energy vehicles (BEV and hybrid cars have become a reality : From 5% in volume in 2020 to 22% in 2025 and 50% (?) in 2030.
- SDV, ADAS, Infotainment are becoming discriminant mainly to attract young people.
- Emergence of powerful new players : tesla (1.6m) , BYD (4.5m CARS) and...
- Chinese carmakers are taking significant market shares:  
31 million cars in 2025 – almost one third of the worldwide market-



# Tough time for European carmakers

- Significant losses of market shares and volumes mainly in China, Africa and middle east
- Loss of worldwide technology leadership mainly on Bev vehicles
- Loss of competitiveness vs Chinese carmakers due to energy costs and procurement costs (batteries, semi-conductors,...)
- Under utilization of industrial facilities : around 60% on 3 shifts

# Main risks for European carmakers (2026-2027)

- Loss of volumes and price war in Europe : cars are too expensive and some powerful newcomers ( byd, geely,...).
- Cars becoming obsolete : new technologies (solid battery in 2027, new concepts of infotainment coming from China, robotaxis,...)
- Political and social turmoil and risk reputation if some players must close a significant number of plants in western countries
- Not supportive EU regulations : EU still focused to boost small (low weight) cars and Bev; 1st draft of EU content not applicable

# Tough time for European car suppliers

- Loss of market shares and volumes through their core customers ( German, French, tesla) → no more growth of sales.
- Negative mix as their traditional activities in thermal engines (mainly powertrain) were/are very profitable.
- Too high level of debts for many European players which could put them at risk (zf, forvia, valeo, opmobility, mahle, marelli,...).
- No full passthrough of inflation (raw materials, semiconductors, energy,...) in the period 2021-2023 → significant loss of margin of around 150 bps.

# Lighting Evolution

- Still a key sizeable function (>300€ per car; over 40b€ market) and still in growth (cagr > 5%).

BUT

- Headlamps and rear lamps are in a way of « commoditization »:  
performance is no more discriminant
- Growth on new parts:  
lighting decorative parts as phygital shields, logos, front central area,...
- Too many players with some powerful newcomers (xingyu, hasco, OPM, ..)  
with the risk of price war(s). Almost all the players have lost margins in the last 3 years.
- Drop of « accessible » market as some key Asian carmakers are integrated :  
Hyundai, great wall, BYD, SAIC,...

# Conclusion

## **International (not Chinese) car players are heavily challenged:**

- Loss of technology leadership.
- Late in new battery generation and infotainment/SDV.
- Too complex and heavy legacy business, too long TTM

## **Situation even worse for suppliers:**

- No more growth, negative mix of business.
- Some businesses on the way of “commoditization”  
performance is less and less discriminant.
- Too high level of debts.

# Conclusion Potential Answers to European Lighting Players

Drastically change the way to work  
revisit the specifications,  
the organization,...

Select its fights:  
geography, models,...

Define 2 years action plans to cut price and costs by 20% which means as well to adjust the structures.