HELLA Investor Update
9M FY 2021/22

Lippstadt, April 07, 2022

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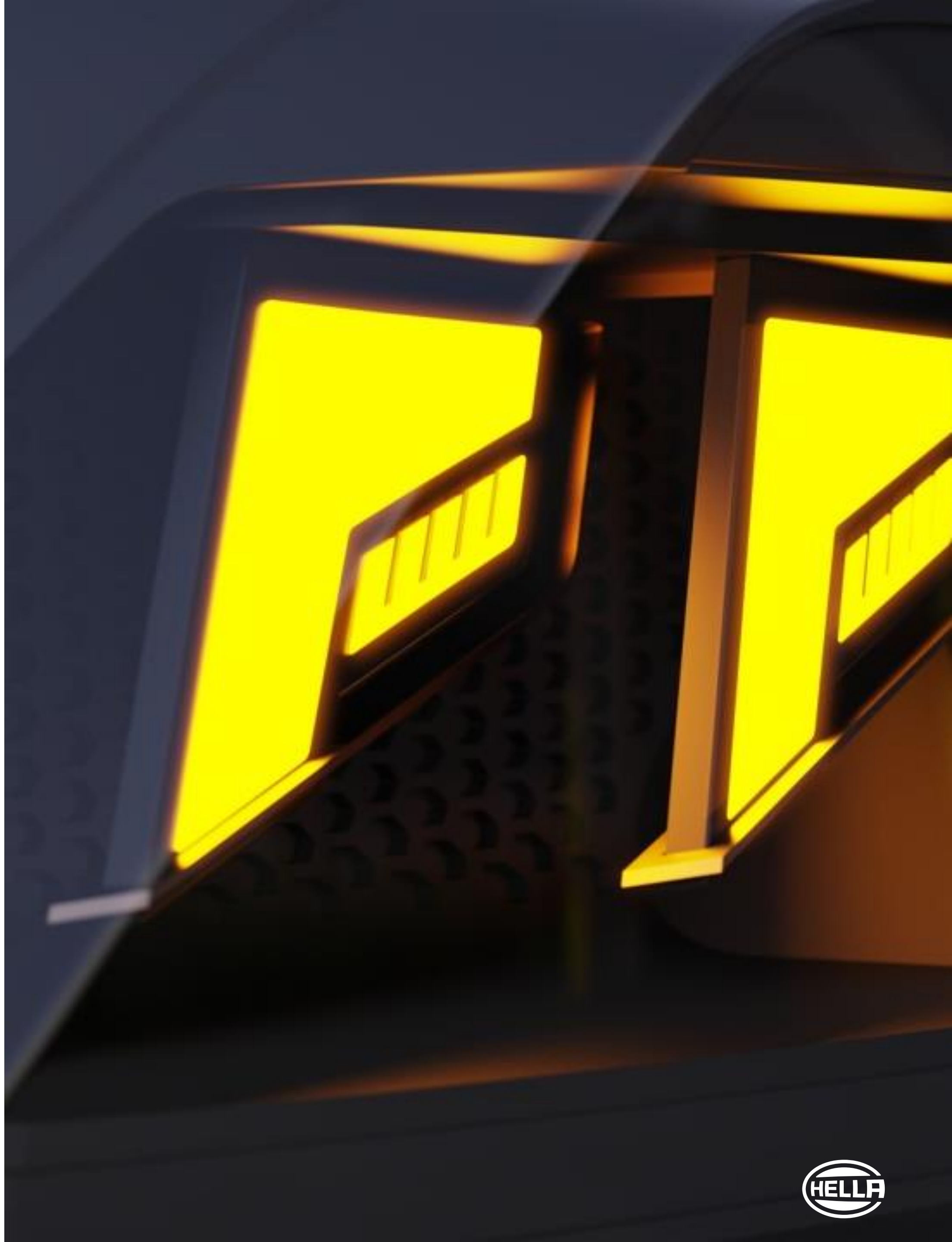
HELLA Investor Update 9M FY 2021/22

Sales nearly constant at EUR 4.6 bn, adjusted EBIT margin down to 5.1% in 9M FY 2021/22

Sales	▪ Currency and portfolio adjusted **sales decreased by 0.9% YoY to 4.6 bill. EUR**
Profitability	▪ **Adj. Gross Profit margin** at **24.2%** (-0.9%-points YoY) ▪ **Adj. EBIT** at **238 mill. EUR** (-36.2% YoY) ▪ **Adjusted EBIT margin** -2.9%-points to **5.1%** ▪ **Reported EBIT margin** at **4.8%** including restructuring costs of 18 mill. EUR mainly for the improvement program in Germany
Liquidity	▪ **Adjusted Free Cash Flow from operating activities decreased** by **325 mill. EUR** to **-228 mill. EUR**

Note. Adjustments of profitability figures for all years include restructuring expenses. For details see financial report. Please note that where sums and percentages in the presentation have been rounded, differences may arise as a result of commercial rounding.



Automotive outperforms the global automotive market which is characterized by massive downgrades, especially China supported by ramp-ups

	9M FY 19/20	9M FY 20/21	9M FY 21/22
HELLA Automotive external sales growth	-2.2%	-5.2%	-1.8%
Light Vehicle Production growth	-7.4%	-0.5%	-10.1%
Outperformance HELLA Automotive vs. market in percentage points	5.3	-2.3	8.2
Outperformance (percentage points) **Europe**	-2.0	+5.0	+11.2
Outperformance (percentage points **North & South America**	+14.2	-0.4	+2.3
Outperformance (percentage points) **Asia/Pacific & Rest of World**	+6.6	-0.5	+39.6

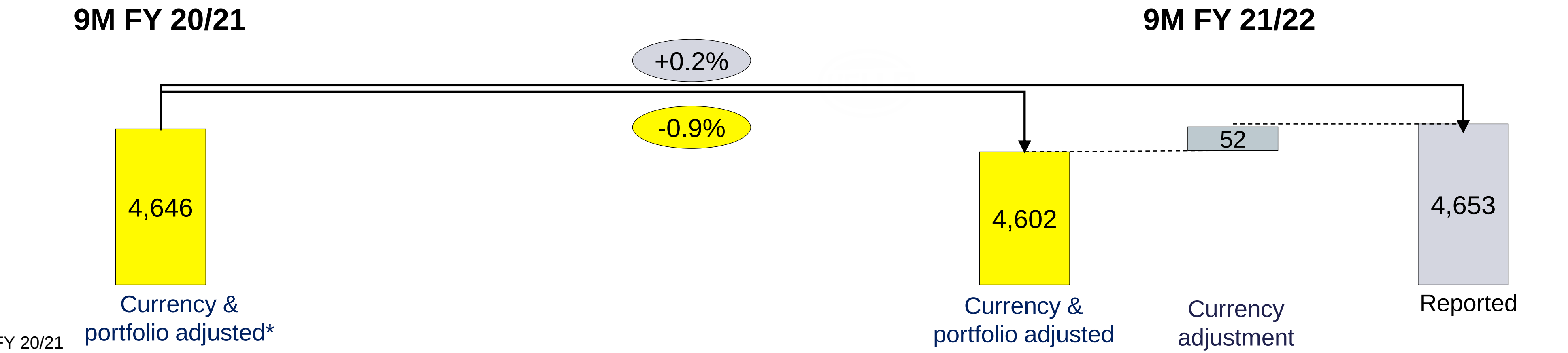
			9M FY18/19	9M FY19/20	9M FY20/21	9M FY21/22
HELLA Automotive external sales in € million	Worldwide		4,208	4,117	4,000	3,928
	Europe		2,575	2,416	2,346	2,125
		Growth		-6.2%	-2.9%	-9.4%
	North & South America		918	1010	928	821
		Growth		+10.1%	-8.2%	-11.5%
	Asia/Pacific & Rest of World		715	690	727	981
		Growth		-3.5%	+5.2%	+35.1%
Light vehicle production in 1.000 units	Worldwide		68,391	63,314	62,968	56,663
	Europe		15,791	15,133	13,944	11,077
		Growth		-4.2%	-7.9%	-20.6%
	North & South America		14,969	14,351	13,242	11,411
		Growth		-4.1%	-7.7%	-13.8%
	Asia/Pacific & Rest of World		37,631	33,831	35,781	34,146
		Growth		-10.1%	+5.8%	-4.6%

Note: Light Vehicle Production (LVP) based on IHS data as of March 16, 2022; Growth figures always compared with the same period of the previous year

HELLA Investor Update 9M FY 2021/22

Sales decline due to Automotive; segment suffered from negative market environment impacted by bottlenecks especially in H1 FY 21/22

Group Sales
in € million



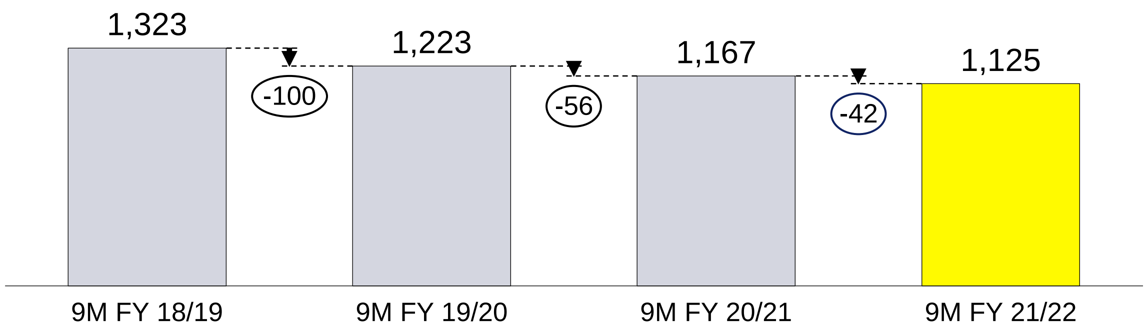
* No portfolio adjustment in 9M FY 20/21

Highlights

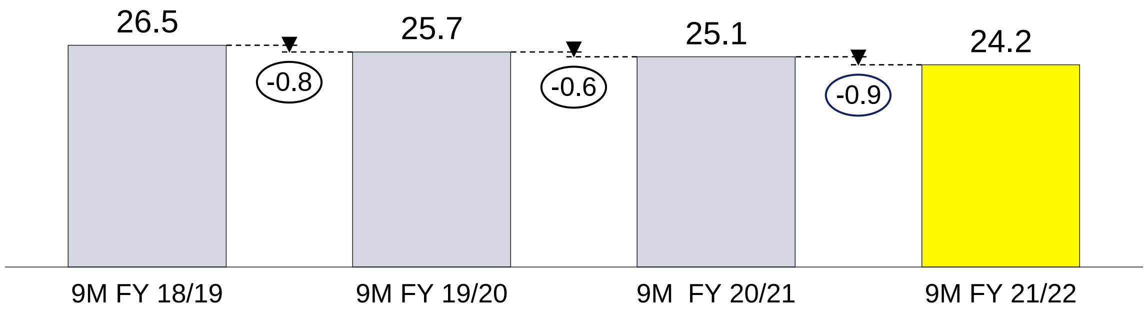
- Currency and portfolio adjusted sales decreased 0.9% to 4,602 mill. EUR, adjusting for positive FX effects in 9M FY 21/22 (52 mill. EUR), no portfolio adjustment in 9M FY 20/21
- Reported sales of HELLA Group increased by 0.2% (increased by 8 mill. EUR to 4,653 mill. EUR)
  - Automotive -1.6% to 3,980 mill. EUR: sales impacted by persistent bottlenecks especially for electronic components such as semiconductors and microchips which worsened considerably, especially in the second half of CY 2021
  - Aftermarket +17.0% to 431 mill. EUR: very positive development in IAM supported by strong business in Germany, Poland and the Americas region. Growth in workshop business driven by demand for recently introduced diagnostic tool mega macs X
  - Special Applications +10.1% to 284 mill. EUR: continuously positive demand in agriculture and construction machinery with strong market demand. Recovery in other key customer segments like bus and trucks partly in connection with a low comparable basis due to the pandemic

Adjusted GPM decreased with sales decline in Automotive and strong cost inflation especially for material and logistics

Adjusted Gross Profit
in € million



Adjusted Gross Profit Margin
% sales

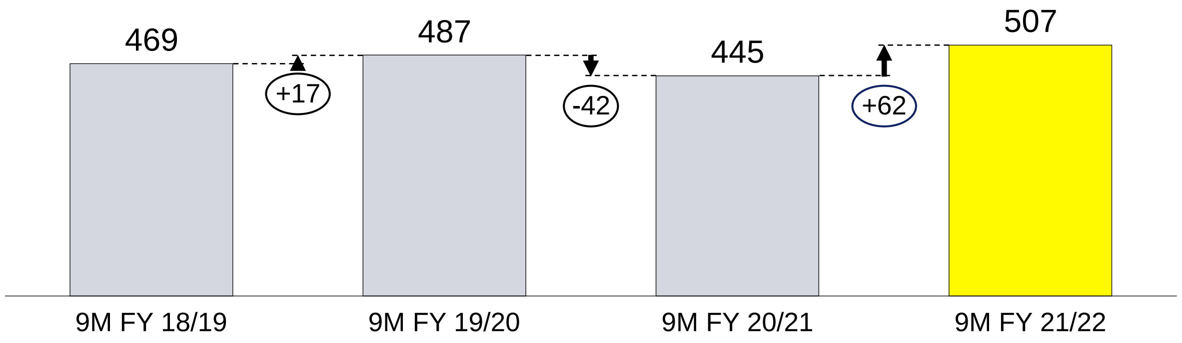


Highlights

- Adj. Gross Profit decreased by 42 mill. EUR (-3.6%) to 1,125 mill. EUR
  - Automotive -8.4% to 825 mill. EUR
  - Aftermarket +9.5% to 182 mill. EUR
  - Special Applications +17.7% to 113 mill. EUR
- Adj. Gross Profit margin decreased by 0.9%-points to 24.2%
  - GPM Automotive -1.5%-points: lower production volumes and rising costs for material, logistics and freight and rising energy prices. In addition, production inefficiencies due to increasing shortages weight down margin
  - GPM Aftermarket -2.9%-points: higher material expenses and logistic costs as well as negative product mix effects
  - GPM Special Applications +2.6%-points: sales growth and positive mix effects could overcompensate negative effects from rising martial prices

Increased R&D expenses due to high order book and expansion of activities after strict focus in the prior year on series developments and production ramp-ups

Adjusted R&D expenses
in € million



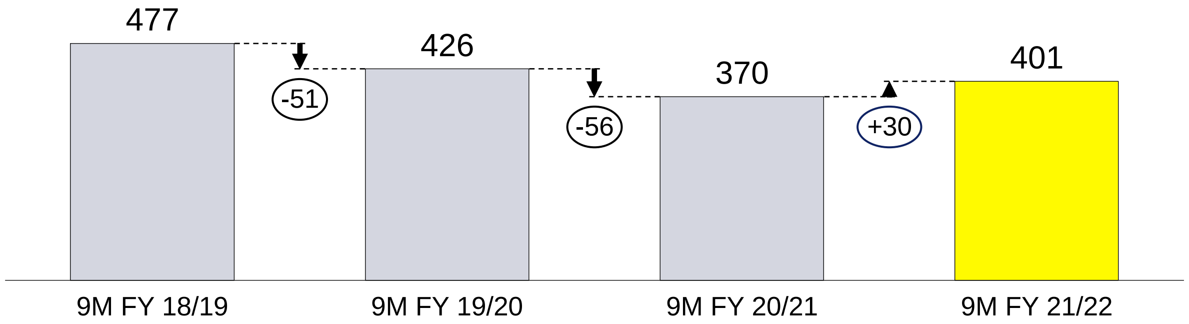
Adjusted R&D expenses ratio
% sales

Highlights

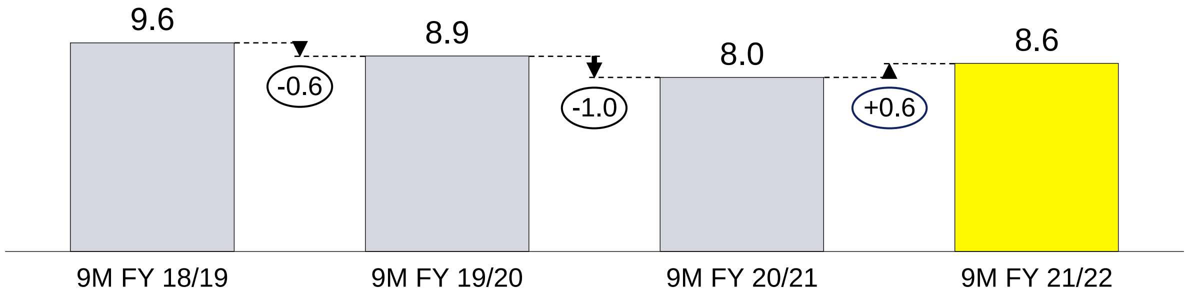
- Adj. absolute R&D expenses increased by 62 mill. EUR (+13.9% YoY) to 507 mill. EUR
  - Increase of development expenses as a result of significantly higher volume of acquired customer projects compared to the previous year
  - Gradual expansion of research and development activities (e. g. additional ground research and pre-development activities) after focus of activities in the previous year on necessary series development and production ramp-ups
- 9M FY21/22 ratio increased by 1.3%-points to 10.9%
- Over-proportional growth of absolute R&D expenses

SG&A costs increased with normalization of costs; prior year basis comparably low due to continuous use of short-time work and positive one-of effect

Adjusted SG&A expenses
in € million



Adjusted SG&A expenses ratio
% sales

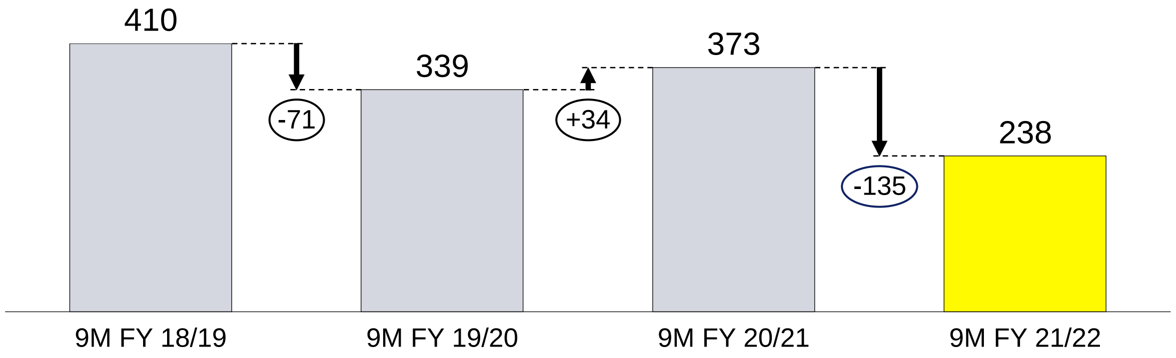


Highlights

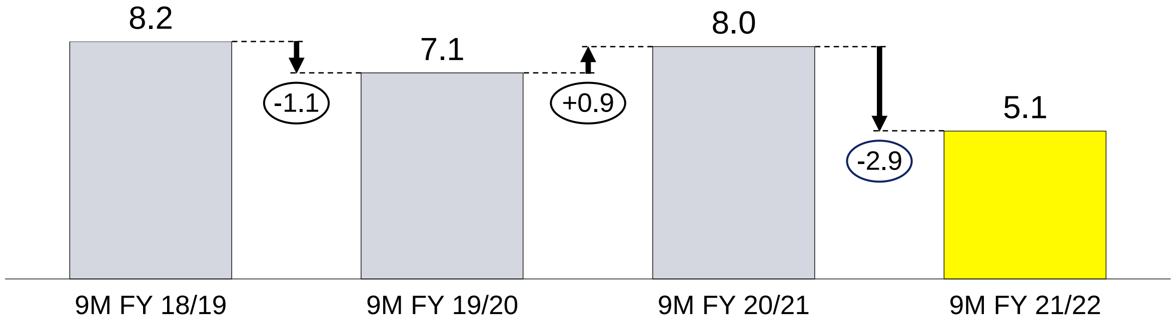
- Adj. SG&A costs increased by 30 mill. EUR (+8.2%) to 401 mill. EUR
  - small increase in marketing and logistic costs (+8 mill. EUR) with normalized employment (after short-term work in prior year)
  - Small increase in admin expenses (+3 mill. EUR) with continuous savings
  - decrease of other adjusted operating result (-20 mill. EUR) due to positive one-of effect (reversal of impairment of JV of 19 mill. EUR) in prior year
- Adj. SG&A ratio increased by 0.6%-points to 8.6%
  - higher logistic cost ratio (+0.2%-points to 5.3%)
  - higher admin expense ratio (+0.1%-points to 3.7%)
  - lower OOI ratio (-0.4%-points to 0.3%)

Adjusted EBIT below prior-year's level with weak top line development and strong cost inflation

Adjusted EBIT
in € million



Adjusted EBIT margin
% sales



Highlights

- Adjusted EBIT decreased by 135 mill. EUR (-36.2%) to 238 mill. EUR
  - decrease in adj. Gross Profit by 42 mill. EUR (-3.6%)
  - higher adj. R&D (+62 mill. EUR, +13.9%)
  - increase in adj. SG&A by 30 mill. EUR (+8.2%)
  - lower JV income (- 1 mill. EUR, -3.5%) due to negative market environment, income supported by a reversal of an impairment loss for a Chinese JV due to improved business outlook
- Adjusted EBIT margin decreased by 2.9%-points to 5.1%
  - decrease of adj. GPM by 0.9%-points
  - higher R&D ratio (increase of 1.3%-points)
  - higher SG&A ratio (increase of 0.6%-points)

P&L including reconciliation; main adjustment 9M FY2020/21 for improvement program

HELLA Group		9M FY 2020/21	9M FY 2021/22
Revenues reported		**4,645.6**	**4,653.4**
	Adjustments	0.0	0.0
Revenues adjusted		**4,645.6**	**4,653.4**
Gross Profit reported		**1,157.5**	**1,111.5**
	Adjustments	9.4	13.5
Gross Profit adjusted		**1,167.0**	**1,125.0**
R & D expenses reported		-588.5	-503.6
	Adjustments	143.4	-3.6
R&D expenses adjusted		-445.1	-507.2
Distribution expenses reported		-237.3	-246.3
	Adjustments	0.6	1.6
Distribution expenses adjusted		-236.7	-244.6
Admin expenses reported		-196.2	-177.6
	Adjustments	28.7	7.6
Admin expenses adjusted		-167.5	-170.0
Other income reported		168.3	43.6
	Adjustments	-128.9	-25.4
Other income adjusted		39.4	18.2
Other expenses reported		-7.9	-21.0
	Adjustments	2.5	16.8
Other expenses adjusted		5.4	-4.2
Earnings from investments* reported		16.3	18.2
	Adjustments	5.1	2.5
Earnings from investments* adjusted		21.5	20.8
EBIT reported		312.2	224.9
	Adjustments	60.9	13.1
EBIT adjusted		**373.2**	**238.0**
Net financial result		-10.1	-14.8
Taxes		-65.9	-56.5
Earnings for the period		**236.3**	**153.6**
Earnings per share (EUR)		**2.1**	**1.4**

Note: For details on adjustments see financial report. *including other income from investments

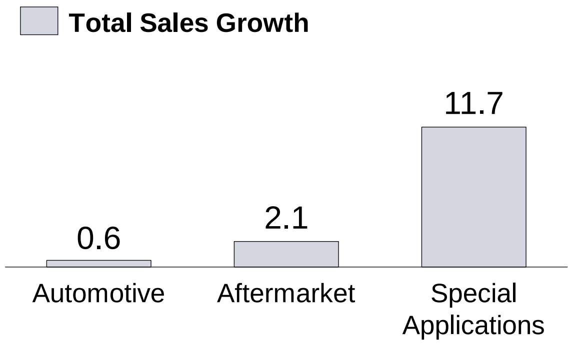
Highlights

- Decrease of reported EBIT 9M FY 21/22 due to higher cost base at similar sales level despite higher restructuring expenses in prior year
- Tax ratio at a level of 26.9%
- Earnings for the period increased driven by lower operating result
- EPS decreased by 0.8 EUR to 1.4 EUR

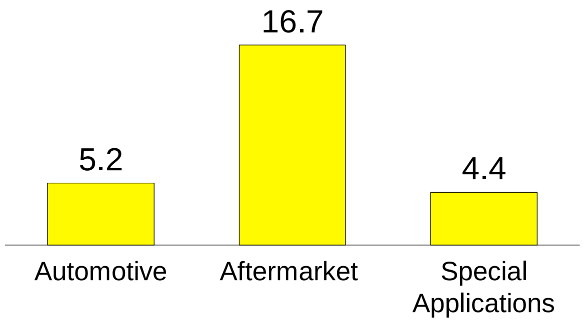
Q3 FY 2021/22 business with negative cost dynamics especially in Automotive, other two segments still with strong contributions

Quarterly Comparison

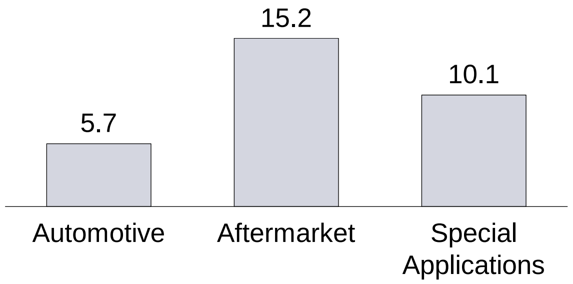
Q3 FY 20/21 Total Sales Growth in %



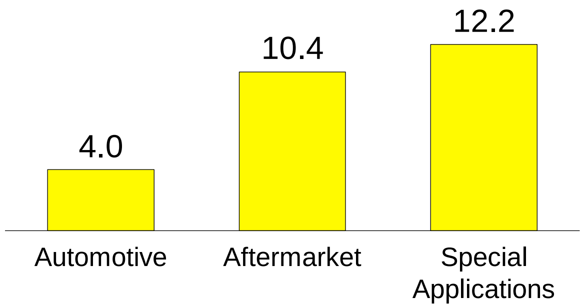
Q3 FY 21/22 Total Sales Growth in %



Q3 FY 20/21 Adj. EBIT margin in %



Q3 FY 21/22 Adj. EBIT margin %

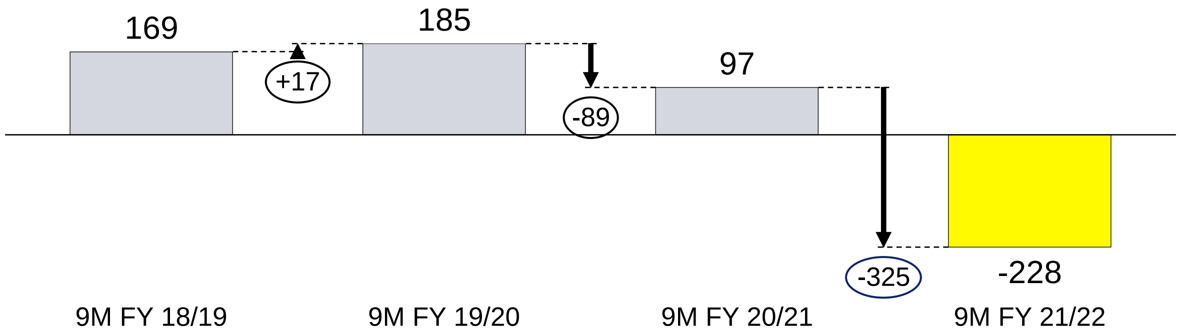


Highlights

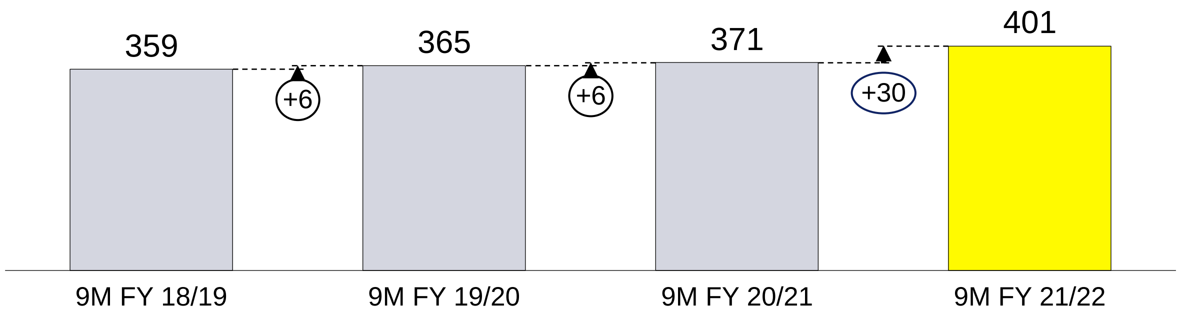
- Sales in Automotive still negatively impacted by bottlenecks, market environment improving compared to PY
- Strong spare parts business due to healthy markets in Germany, Poland and Americas. Demand for diagnostic tools from independent workshops
- Special Applications with continuously positive development in agricultural & construction and other main customer groups
- Automotive profitability further reduced by additional cost for raw material and energy; R&D expenditure increasing
- Aftermarket profitability below prior-year level due to further increases in material prices, rising logistics costs and ongoing negative product mix effects
- Special Application profitability strongly increased mainly due to higher gross profit margin in connection with the improved business development, as well as continued strict cost management

Adjusted Free Cash Flow negatively impacted by lower sales, working capital changes and investments needs

Adj. FCF from operating activities*
in € million



Adj. Net CAPEX
in € million



* Adjustments of FCF (41 mill. EUR) include restructuring expenses and payments received/made in connection with the sale of the camera software business and the thermal business.

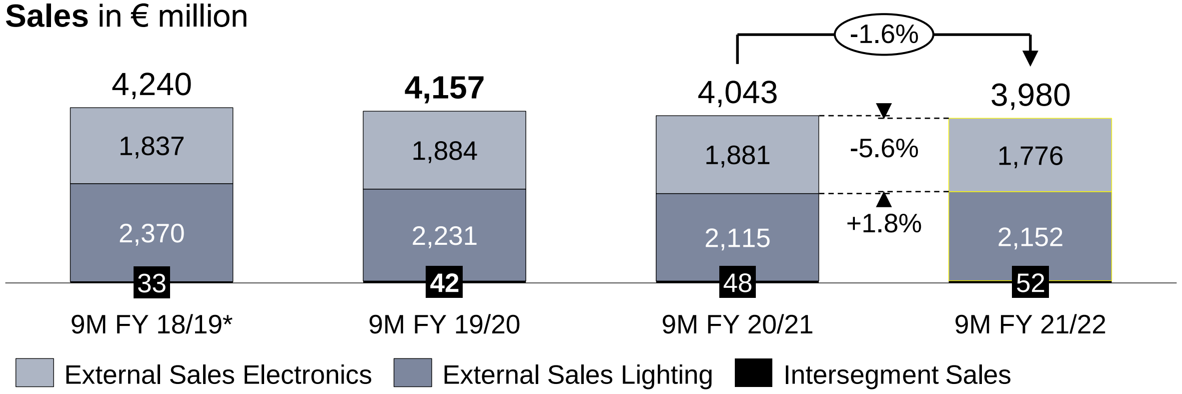
Highlights

- Adj. Free Cash Flow from operating activities decreased by 325 mill. EUR to -228 mill. EUR
  - lower operating profit
  - change in WC negatively influenced by abnormal increase of inventories due to global raw material crisis and supply chain disruptions. No near-term normalization of working capital expected
  - higher CAPEX with investments in worldwide development, administration and production network including CAPEX in connection with the restructuring program in Germany as well as automation initiatives especially in lighting
  - considerable investments into product-specific equipment and projects for the preparation of serial production

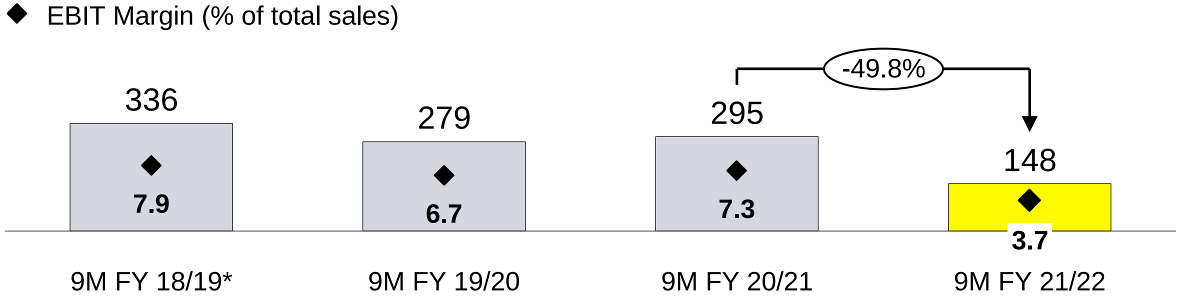
Automotive sales decline due to weak H1, margin slump with decrease in Gross Profit margin and further R&D expenses

Automotive

Sales in € million



EBIT in € million



Note: At the beginning of FY 2020/21 the Spanish production company MAESA has been allocated to the Automotive segment. Previously, MAESA has been reported as part of the segment Special Applications. The P&L of the segments Automotive and Special Applications are adjusted accordingly only for FY 2019/20.
* Including MAESA (previously reported as part of the segment Special Applications)

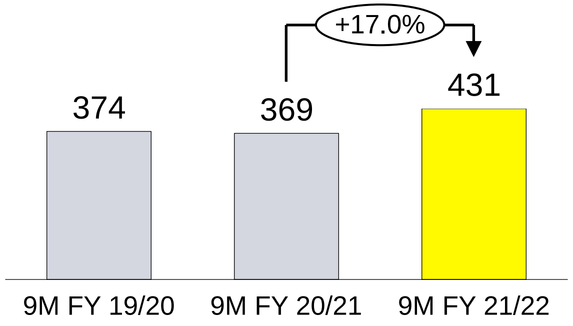
Highlights

- Sales decline of 1.6% due to weak market environment
  - worsening resource bottlenecks for electronic components especially in the first half of FY 2021/22 and continuing negative effects of the Corona pandemic
  - demand for lighting and electronic products, several SOPs especially in China led to outperformance of the automotive market
- Decrease of EBIT by 49.8% to 148 mill. EUR, margin -3.6%-points, mainly
  - decrease of Gross Profit margin by 1.5%-points due lower volumes, higher material prices as well as special freight costs and production inefficiencies in course of shortages and pandemic
  - increased R&D activities in connection with acquired customer projects, expenses increased 14.6%, ratio increased 1.7%-points to 12.0%
  - savings in distribution and admin, OOI down by 64.6% due to positive one-off effect in prior year. Overall SG&A ratio +0.4%-points
  - small increase in JV income (+4%), contribution flat at 0.5%

Aftermarket and Special Applications with strong customer demands, profitability supported by growth and cost management

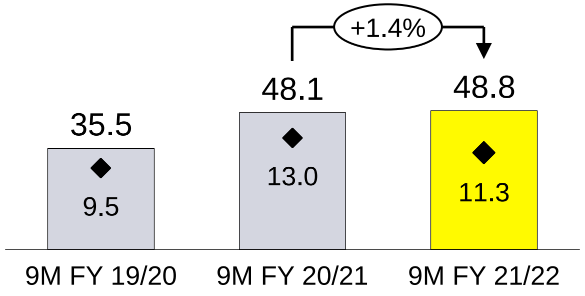
Aftermarket

Total sales in € million



EBIT in € million

◆ **EBIT Margin (% of total sales)**

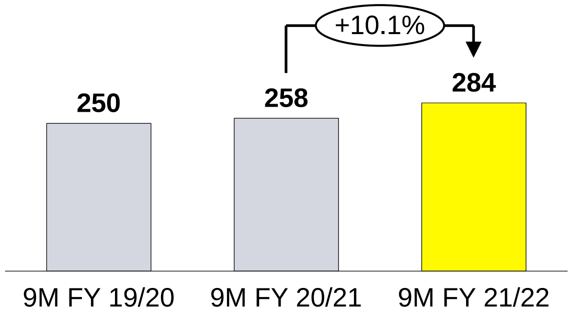


Highlights

- Positive development in IAM supported by strong business in Germany, Poland and the Americas region
- Growth in workshop business driven by demand for mega macs X, a new diagnostic tool which was introduced to the market
- EBIT margin down 1.7%-points to 11.3%:
  - lower GPM: down 2.9%-points with higher material expenses as well as negative product mix effects
  - strict cost management and distribution efficiencies: distribution ratio -1.0%-points to 24.7%, admin ratio -1.3%-points to 3.4%

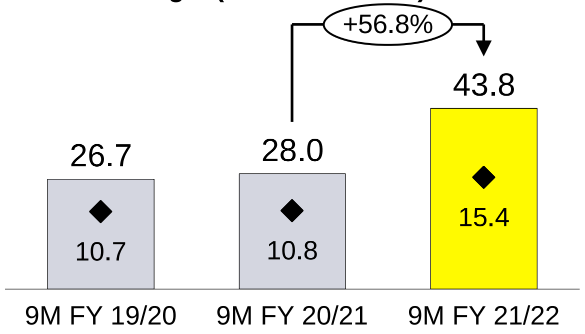
Special Applications

Total sales in € million



EBIT in € million

◆ **EBIT Margin (% of total sales)**



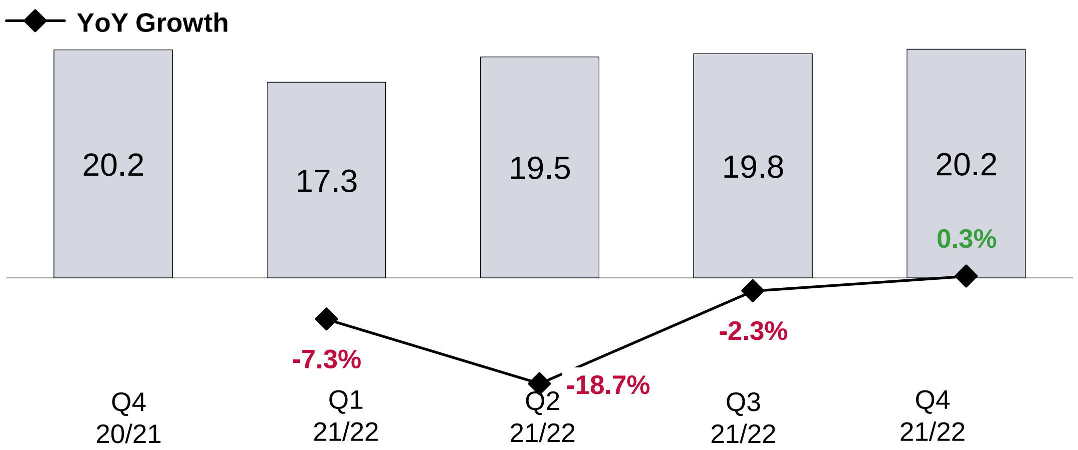
Highlights

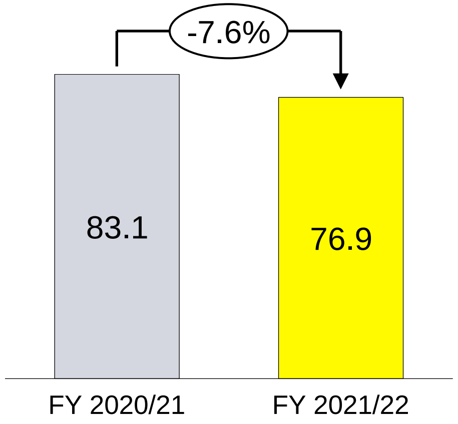
- Positive top-line development (+10.1%):
  - continuously positive demand in agriculture and constriction machinery. Recovery in other key customer segments partly in connection with a low comparative base due to the pandemic
- EBIT up by 56.8%, margin +4.6%-points to 15.4%:
  - GPM increased strongly by 2.6%-points with sales growth and positive mix effects
  - further savings in SG&A, distribution efficiencies: ratio -0.3%-points to 15.1%, admin ratio -1.7%-points to 5.7%

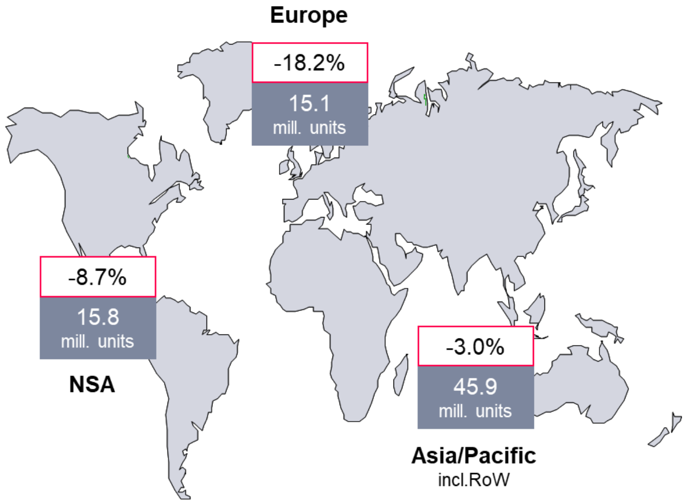
HELLA Investor Update 9M FY 2021/22

Automotive market with risk for future volume reductions due to Ukraine crisis and COVID-19 restrictions especially in China

Global Light Vehicle Production
in million units, IHS per 16 March 2022







- IHS March estimates still more positive than December figures (growth FY 2021/22 -7.6% compared to -9.2%)
- Estimates for HELLA Q2 and Q3 better (compared to IHS Dec) but still negative especially in Q2 (Dec: Q2 -21.4%; Q3 -8.2%)
- Q4 outlook corrected downwards to +0.3% vs. +2.6% IHS December forecast (and vs. 5.7% estimated in February)
- Full impact of Ukraine crisis still not visible, risks for further volume reductions in Q4 (and upcoming) quarters, also due to Covid restrictions especially in China

- With its March figures IHS estimates a decline of 7.6% for the global LVP. This is an improvement compared to the Dec and Nov forecasts but constitutes a strong negative revision compared to the February numbers before the Ukraine crisis
- Estimated units around 77m, ~1.4 m higher compared to the December forecast
- Upwards revision only in Asia Pacific (+1.7m vehicles), respectively China, for Europe revised downwards by ~300tds vehicles
- Strongest decline in Europe (-18.2 % thereof Germany -21.6%)

Company outlook remains in line with forecast that was lowered in November to reflect the lack of market recovery and rising cost burdens

Guidance Fiscal Year 2021/2022

June 1, 2021, to May 31, 2022

Currency and portfolio adjusted **Group sales**	In the range of around **5.9 billion to 6.2 billion EUR** (previously: around 6.0 billion to 6.5 billion EUR)
Adjusted EBIT margin excluding restructuring and portfolio effects	In the range of around **3.5% to 5.0%** (previously: in the range of around 5.0% to 7.0%)

- In view of the lack of market recovery in the second half of fiscal year 2021/2022 and rising cost burdens HELLA lowered its forecast for the full fiscal year (June 1, 2021 to May 31, 2022) on November 29, 2021
- Current outlook remains in line with November forecast
- General industry environment remains subject to high risks and uncertainties
  - bottlenecks for electronic components in the global supply and logistics chains remain, cost inflation ongoing
  - war in Ukraine adds significant pressure on supply chains and input cost base
  - further lock downs and other Covid-related restriction can hamper production and demand
- Guidance assume no further significant market loss in the fourth quarter of the current fiscal year

HELLA Investor Update 9M FY 2021/22

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