

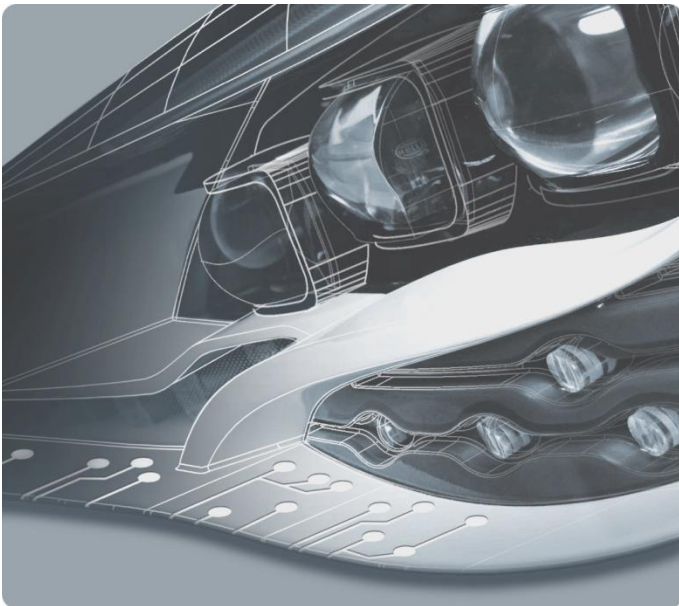


Technology with Vision

HELLA Investor Update 9M FY 2019/20

Conference Call on April 2, 2020

Dr. Rolf Breidenbach, CEO
Bernard Schäferbarthold, CFO



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This document contains an English translation of the accounts of the Company and its subsidiaries. In the event of a discrepancy between the English translation herein and the official German version of such accounts, the official German version is the legal valid and binding version of the accounts and shall prevail.

HELLA Investor Update 9M FY 2019/20

Outline

- HELLA Financial Highlights 9M FY 2019/20
- HELLA Financial Results 9M FY 2019/20
- Outlook
- Q&A

Expected negative sales and EBIT development in 9M FY 2019/20

Financial Highlights 9M FY 2019/20

Sales

- **HELLA Group** currency and portfolio adjusted **sales declined by 3.7% YoY** to 4.8 bill. EUR

Profitability

- **Adj. Gross Profit margin** at **25.6%** (-0.9%-points YoY)
- **Adj. EBIT** -62.6 mill. EUR (-15.3% YoY) at **347 mill. EUR**
- **Adjusted EBIT margin** -1.0%-points to **7.2%**

Liquidity

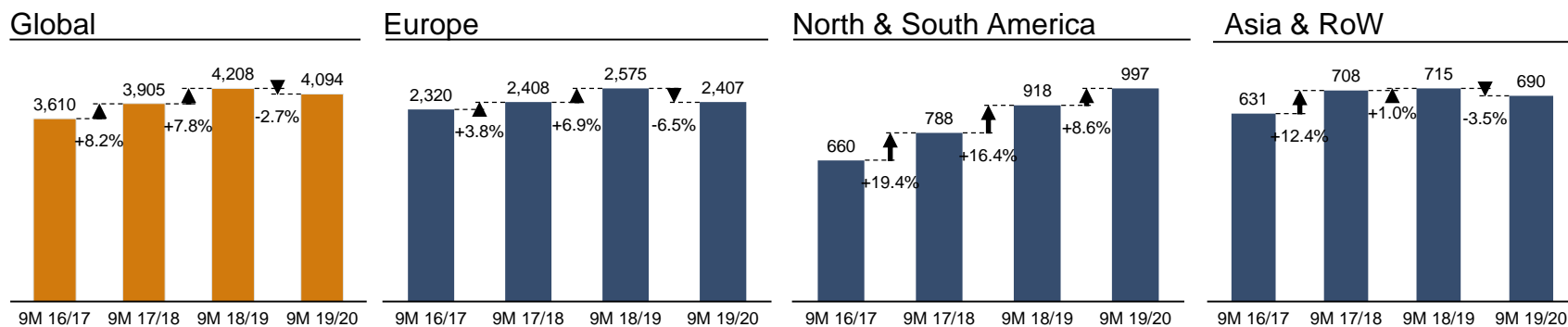
- **Adjusted Free Cash Flow from operating activities** increased by **22 mill. EUR** (+13.2% YoY) to **191 mill. EUR**

Note: In FY 18/19, HELLA successfully completed its exit from the wholesale business and sold its shares in Behr Hella Service, a joint venture, on 31 Dec 2019. To ensure comparability with the current fiscal year, the operative comparative values for the prior year have been adjusted for both FY18/19 and for the current FY19/20. 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.

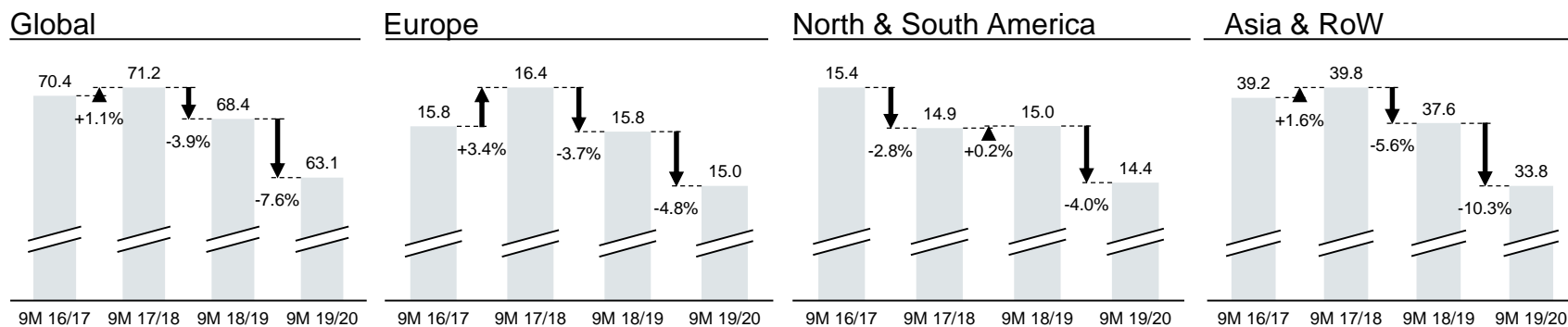
Automotive still outperforms LVP on a global basis

Financial Highlights 9M FY 2019/20

HELLA Automotive external sales by region (in EUR millions)



Light vehicle production (in million units)



HELLA Automotive growth vs. market (Light vehicle production growth):

Global: +7.1% (16/17), +11.7% (17/18), +5.0% (18/19)
 Europe: +0.4% (16/17), +10.6% (17/18), -1.7% (18/19)
 North & South America: +22.2% (16/17), +16.2% (17/18), +12.6% (18/19)
 Asia & RoW: +10.8% (16/17), +6.5% (17/18), +6.8% (18/19)

Source: HELLA; IHS (as of March 16, 2020)



HELLA Investor Update 9M FY 2019/20

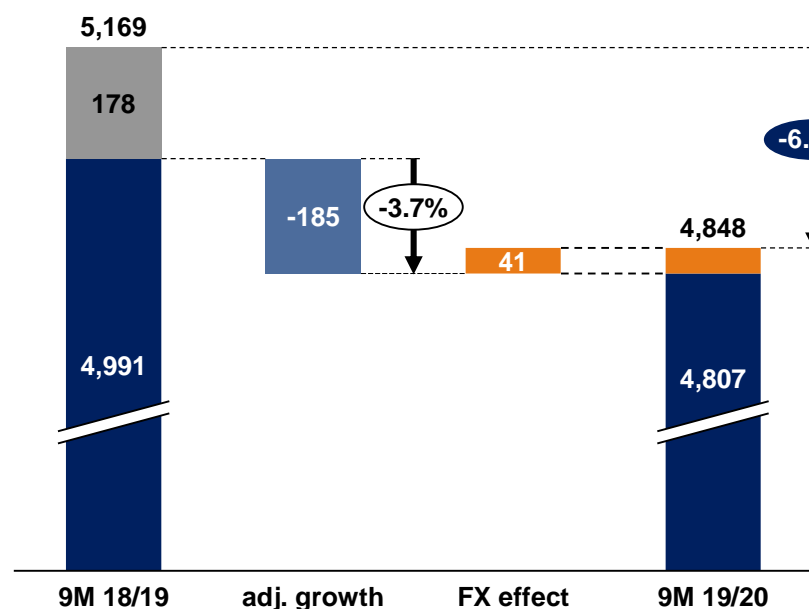
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HELLA top line with expected decline in 9M FY 19/20

Financial Results 9M FY 2019/20

HELLA Group sales (in EUR millions)



Wholesale sales & sales of thermal businesses
 Currency and portfolio adjusted sales

Comment

- **Currency (+0.8pp) and portfolio adjusted (-3.4pp) decrease of HELLA Group at 3.7% to 4,807 mill. EUR**
- **Reported sales of HELLA Group declined by 6.2% (decreased by 321 mill. EUR to 4,848 mill. EUR)**
 - **Automotive -2.5% to 4,135 mill. EUR.** Strong underlying demand especially for Electronics, but overall lower demand and impact of Corona virus in China
 - **Aftermarket -1.7% to 464 mill. EUR,** lower demand in South-West Europe and Middle East as well as for Workshop products
 - **Special Applications -8.7% to 272 mill. EUR** due to weakness in some customer segments like Trailer, Truck and Construction

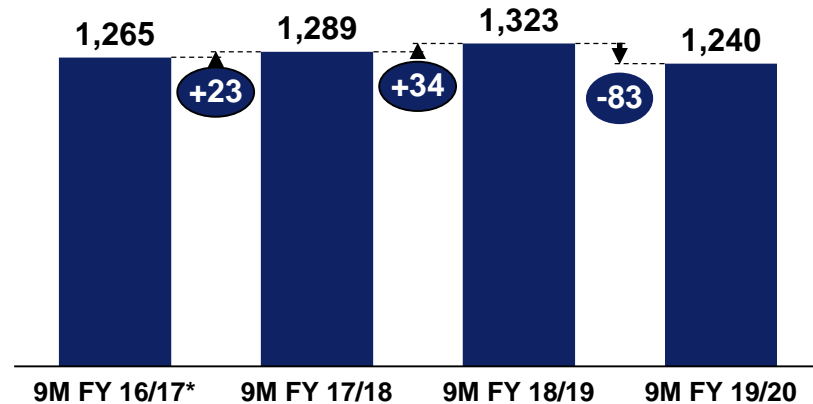
Note: Reported sales without consideration of currency and portfolio effects

Adj. GPM decreased despite savings due to negative growth, volatility in call offs and higher material costs

Financial results 9M FY 2019/20

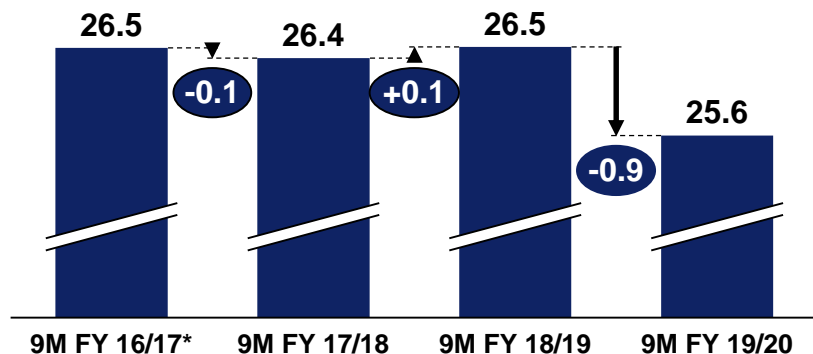
Adj. Gross Profit

EUR millions



Adj. Gross Profit margin

% sales



*Not restated for Wholesale effects

Highlights

- **Adj. Gross Profit decreased by 83 mill. EUR (-6.3%) to 1,240 mill. EUR**
 - **Automotive** -7.1% to 962 mill. EUR
 - **Aftermarket** +1.3% to 177 mill. EUR
 - **Special Applications** -11.0% to 100 mill. EUR

Highlights

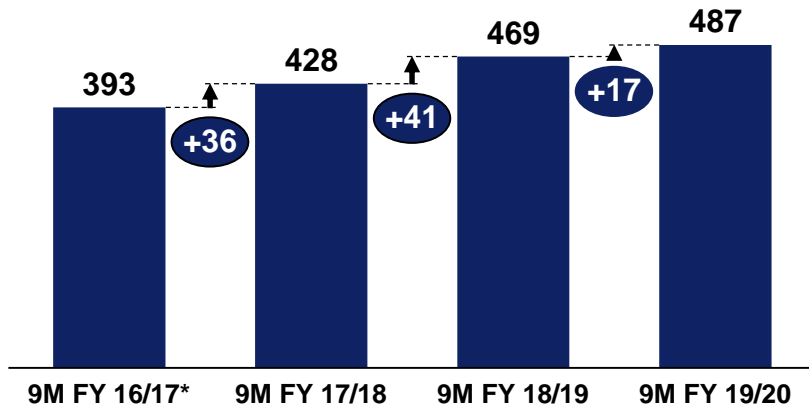
- **Adj. Gross Profit margin decreased by 0.9%-points to 25.6%**
 - Decreased GPM Automotive (-1.2pp): lower volumes and higher material cost for electronic components
 - increased GPM in Aftermarket (+1.1pp): positive mix effects and cost optimization
 - lower GPM in SA (-0.9pp): negative sales and mix effects despite material & personal cost efficiencies

Continuous high R&D expenses to prepare new customer projects and develop future technologies

Financial results 9M FY 2019/20

Adj. R&D expenses

EUR millions

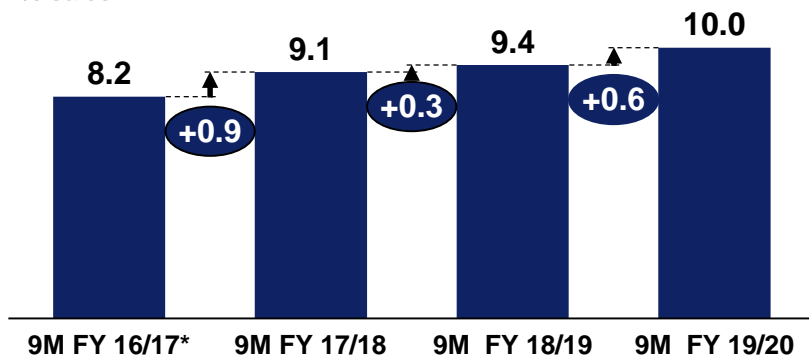


Highlights

- **Adj. absolute R&D expenses** increased by 17 mill. EUR (+3.7% YoY) to **487 mill. EUR**; main drivers:
 - Preparation of new customer projects
 - Development of new future technologies in accelerating industry change

Adj. R&D expenses ratio

% sales



Highlights

- **9M 19/20 ratio +0.6%-points** to **10.0%** due to over-proportional increase in absolute R&D expenses

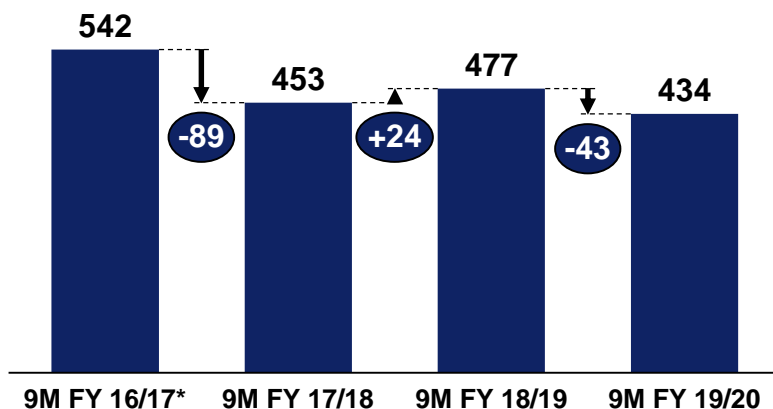
*Not restated for Wholesale effects.

SG&A costs declining due to continuous cost savings

Financial results 9M FY 2019/20

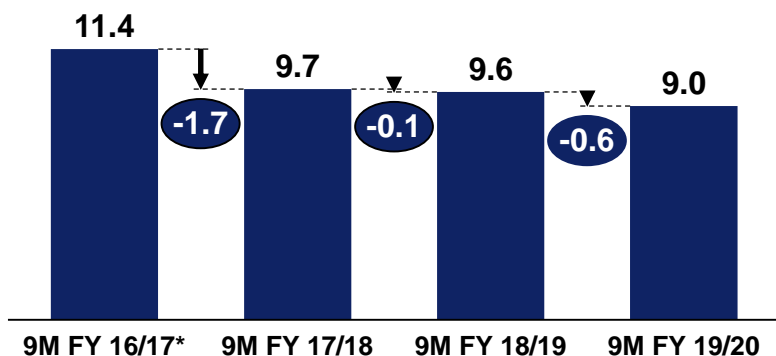
Adj. SG&A expenses

EUR millions



Adj. SG&A expenses ratio

% sales



*Not restated for Wholesale effects.

Highlights

- **Adj. SG&A costs** decreased (-43 mill. EUR, -8.9%) to 434 mill. EUR
 - Decrease in marketing and logistic costs (-30 mill. EUR) with realized savings potentials
 - Lower admin expenses (-8 mill. EUR) with stringent saving programs
 - Increased other adjusted income (+5 mill. EUR)

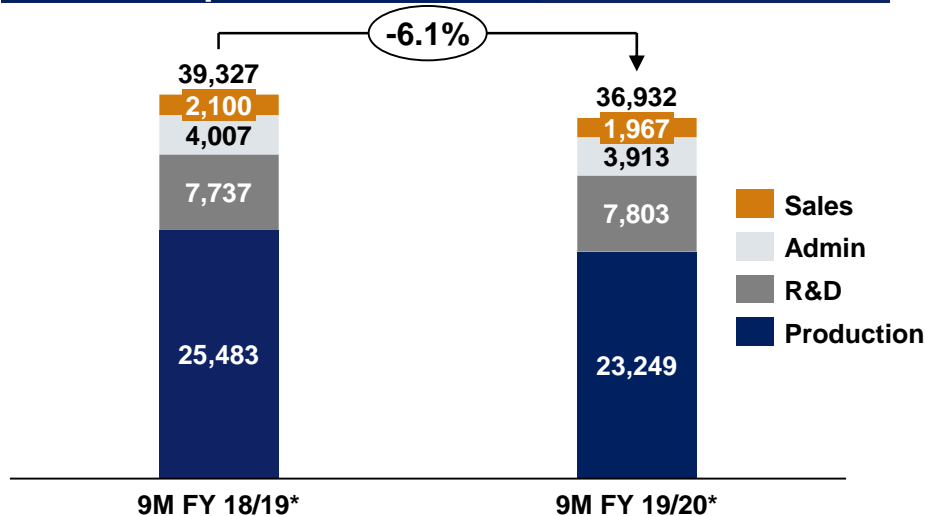
Highlights

- **Adj. SG&A ratio** decreased (-0.6%-points) to 9.0%
- Over-proportional decrease in absolute SG&A with savings programs and lower logistic costs

Structural cost measures with declining headcount development in the course of flexibilization and higher productivity

Financial results 9M FY 2019/20

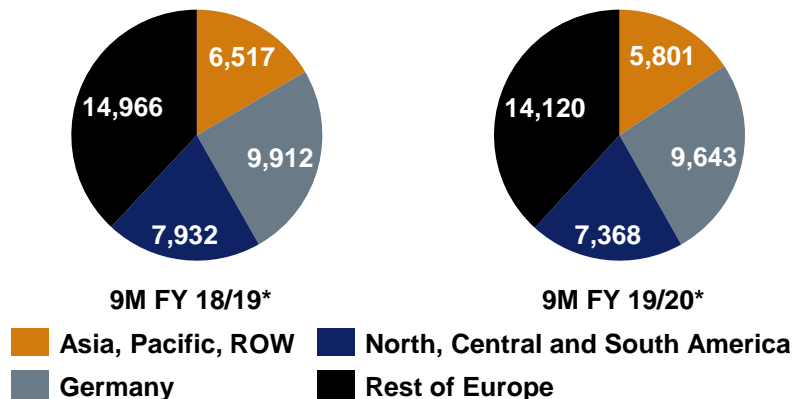
Headcount per functional Area



Highlights

- Overall headcount **decreased** by 6.1%:
 - production (-8.8%)
 - sales and marketing (-6.3%)
 - administration (-2.3%)
- Investments in R&D headcount with slight increase of 0.9%

Headcount per Region



Highlights

- Headcount reduction across all regions
 - NSA (-7.1%)
 - Germany (-2.7%)
 - Rest of Europe (-5.7%)
 - Asia, Pacific, ROW (-11.0%)

* As per February 29th

Stringent focus on cash – comprehensive measures taken on short-term, HELLA with financial strength to sustain crisis

Financial results 9M FY 2019/20

Focus on cash and liquidity

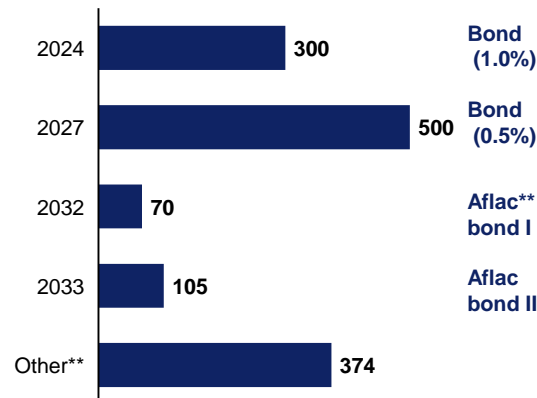
- **Focus on essential activities** to keep the business running:
 - series production
 - production ramp-ups & series development
 - maintaining supply chains
- Immediately **comprehensive package of measures** to minimize costs & expenses
 - **Short-time work** on domestic sites and similar measures at other international locations
 - **Global hiring freeze**
 - **Suspension** of all **internal projects**, including improvement, methodological and pre-development projects
 - **Discontinuation** of all **external service** and consulting activities
- **CAPEX optimization** with postponements and reduction of investments
- **Stringent Working Capital management**, focus on overdues, material inflows and supplier management
- **Weekly cash control board**

Stable and solid financial fundament

Based on strong balance sheet and cash and cash equivalents, solidly positioned also in severe crisis scenario

Key Indicator	per Feb 29
Cash & Cash Equivalents (mill. EUR)	1,211
Net Debt (mill. EUR)	138
Net Debt / EBITDA	0.2x
Total Equity (mill. EUR)	2,775
Total Debt (mill. EUR)	1,349
Equity Ratio (incl. cash)	44.6%
Interest Coverage*	17.3x

*EBITDA /Interest expenses



- **Ample liquidity** with EUR 1.2bn Cash & equivalents
- **Low gearing**
- **Strong interest coverage**
- **Cash generative** with EUR 191m OFCF 9M FY 19/20

- **Well balanced debt portfolio**
- **No near term re-financing needs**
- **Revolving Credit facility (2022) of EUR 450m (drawn)**
- **No covenants for EUR 800m bonds**

** Mostly long term debt; starting with Aug 2019 lease liabilities according to IFRS 16 ** Aflac bonds hedged values; Abbreviation for "American Family Life Insurance Company"
HELLA Investor Update 9M FY 2019/20, Conference Call on April 2, 2020

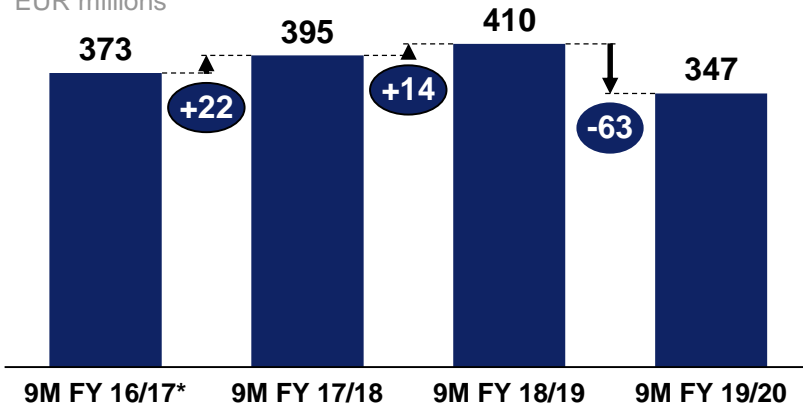


Adjusted EBIT below prior-year's level despite improved cost efficiency. Margin pressure from lower GPM and high R&D

Financial results 9M FY 2019/20

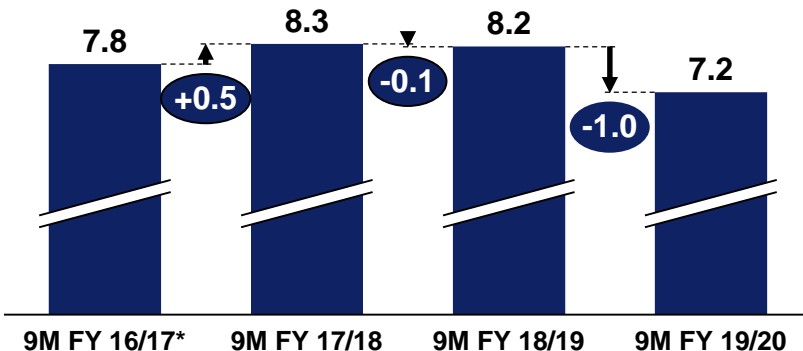
Adjusted EBIT

EUR millions



Adjusted EBIT margin

% sales



*Not restated for Wholesale effects.

Highlights

- **Adjusted EBIT** decreased by 63 mill. EUR (-15.3%) to **347 mill. EUR**:
 - decrease in adj. Gross Profit by 83 mill. EUR (-6.3%)
 - higher R&D (+17 mill. EUR, +3.7%)
 - decrease in adj. SG&A (lower distribution & admin) by 43 mill. EUR (-8.9%)
 - lower JV income (-4 mill. EUR) due to weakness of Chinese Joint Ventures

Highlights

- **Adj. EBIT margin** decreased by **1.0%-points** to **7.2%**, mainly:
 - decrease of adj. GPM by 0.9%-points
 - higher R&D expenses ratio (+0.7%-points)
 - lower SG&A ratio (-0.6%-points)

P&L including reconciliation

Financial results 9M FY 2019/20

FY comparison

HELLA GROUP in EUR mill.		9M FY 18/19	9M FY 19/20
Revenues	reported	5,169.4	4,848.0
	Adjustments	-178.0	
	adjusted	4,911.4	4,848.0
Gross Profit	reported	1,383.8	1,208.2
	Adjustments	-60.7	31.5
	adjusted	1,323.1	1,239.7
R & D expenses	reported	469.1	-488.0
	Adjustments		1.4
	adjusted	469.1	-486.6
Distribution	reported	-373.2	-280.1
	Adjustments	63.3	0.1
	adjusted	-309.9	-208.0
Admin	reported	-187.6	-172.9
	Adjustments	7.5	0.9
	adjusted	-180.2	-172.1
Other income & expenses	reported	262.1	16.7
	Adjustments	-248.9	1.1
	adjusted	13.1	17.7
EBIT	reported	649.2	312.1
	Adjustments	--239.5	34.9
	adjusted	409.6	347.0
Net financial result		-29.2	-25.4
Taxes		-110.0	-72.9
Earnings for the period		510.0	213.8
Earnings per share (EUR)		4.59	1.91

Comments

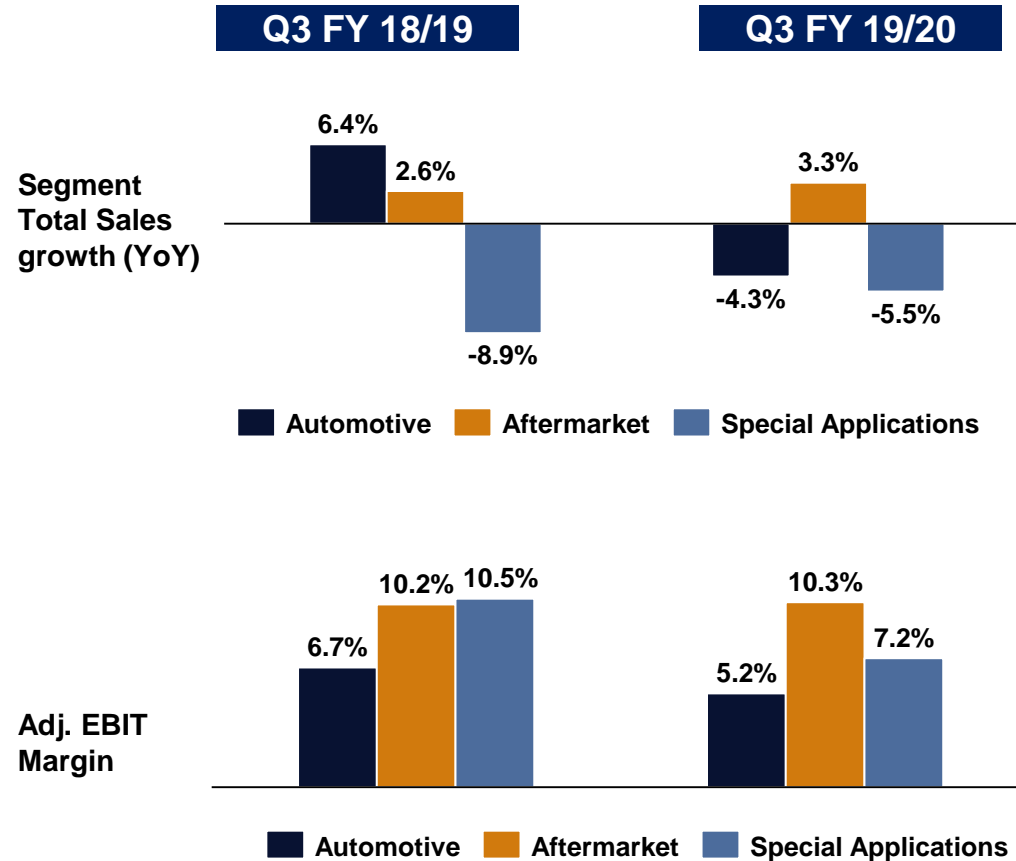
- Reported EBIT 9M 19/20 decreased by 337.1 mill. EUR mainly due to wholesale profit in FY 18/19. FY 19/20 lower Gross Profit and increased R&D despite cost savings
- Tax ratio at normalized level of 25.4%
- Earnings for the period decrease driven by lower operating result
- EPS decreased by 2.67 EUR (-58.3%) to 1.91 EUR

Note: adjustments include restatements for the sale of the wholesale distribution business, thermal business & restructuring. For details see financial report.

Q3 FY 19/20 Automotive business with negative growth dynamics and margin pressure

Financial results 9M FY 2019/20

Quarterly comparison



Comments

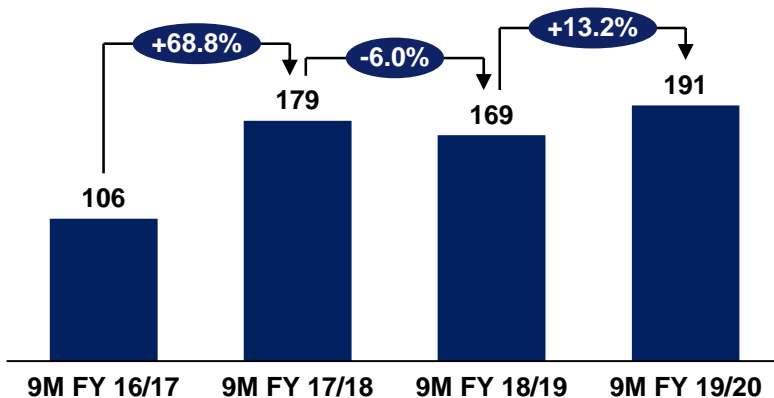
- Automotive negatively impacted by weak demand in Europa and Corona outbreak in China. Decrease could not been compensated by NSA growth
- Aftermarket sales increase due to IAM growth in Eastern Europe especially in Poland and Turkey
- Special Applications negative due to weak markets in Agro, Construction, Trailer & Trailer. PY decline affected by closure Australia plant
- Q3 Automotive margin affected (despite cost efficiencies) by missing leverage, increasing R&D, higher raw material prices and low capacity utilization
- Q3 Aftermarket margin increased due to increased sales, successful cost structure optimization and better product mix in IAM workshop business.
- Q3 margin SA decreased despite optimized costs with missing sales and investments in product portfolio for electronic components

Improvement of Adj. Free Cash Flow with strong increase in Cash Conversion ratio to 55.1%

Financial results 9M FY 2019/20

Adj.¹ FCF from operating activities

EUR millions

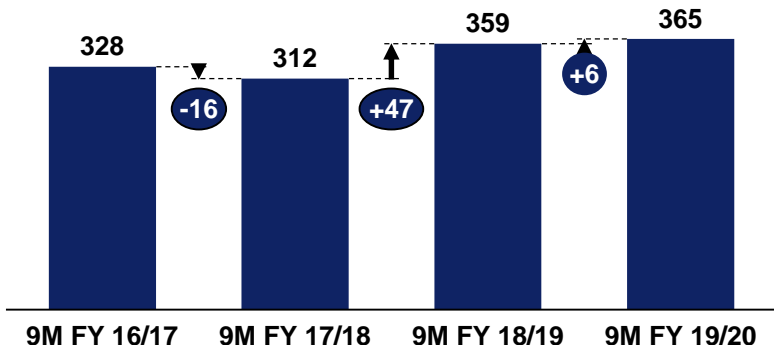


Highlights

- **Adj. Free Cash Flow from operating activities** increased by 22 mill. EUR to **191 mill. EUR**, mainly driven by lower tax payments
- **Cash Conversion³ ratio** increased by 13.9%-points to **55.1%**

Adj. Net CAPEX²

EUR millions



Highlights

- **Continuous investments** in customer-specific **equipment**

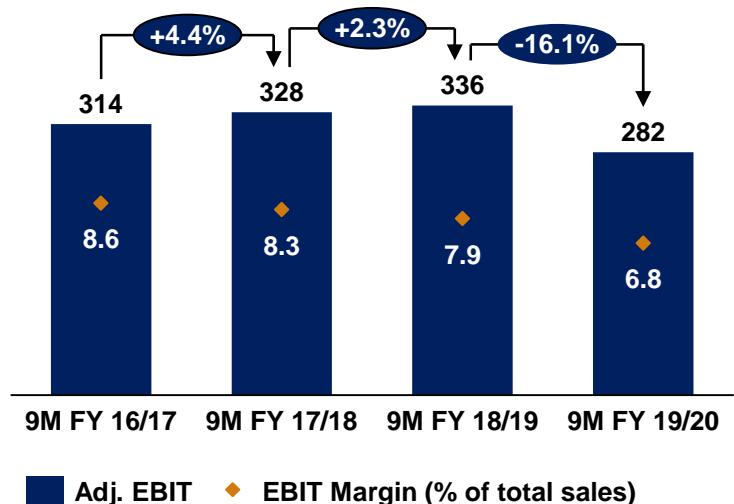
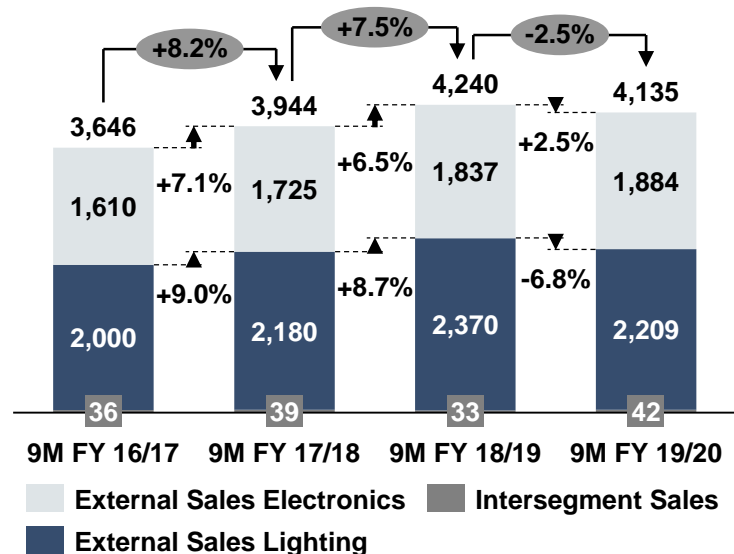
1) Adjustments of FCF include restructuring expenses, factoring, and payments received/made in connection with the sale of the Wholesale and thermal business as well as tax payments made in connection with the sale of shares in HSL Electronics Corporation JV (FY 19/20).

2) In accordance with IFRS 15 reimbursements are not deducted from CAPEX since FY 18/19, prior years have not been adjusted.

3) Adj. Free Cash Flow from operating activities / adj. EBIT

Automotive segment with sales decline due to weak market environment, profitability under pressure

Financial results 9M FY 2019/20



Automotive Sales

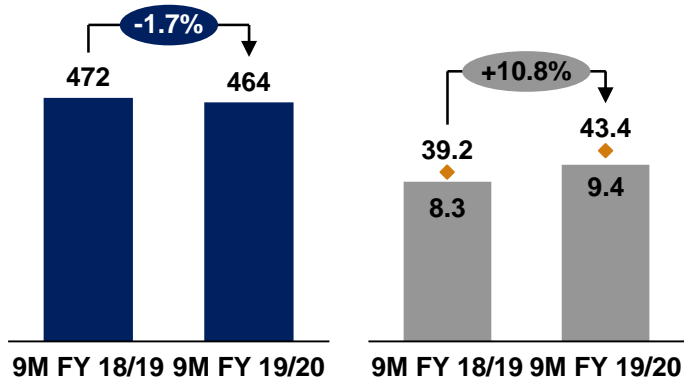
- **Decline of 2.5%** with lower production ramp-ups, expected EOPs and high comparable basis
 - Good underlying **demand** especially for **Electronics (energy management and sensor products)**, but **overall lower demand** and impact of **Corona virus in China** in **Q3**
 - **Fewer launches of lighting products**
 - Overall demand driven by **NSA**

Automotive Profitability

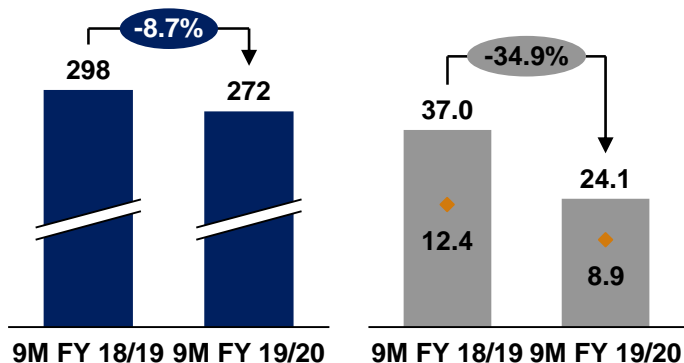
- **Decrease of adj. EBIT by -16.1% to 282 mill. EUR, margin -1.1%-points, mainly:**
 - **Decrease in Gross Profit (-7.1%)**, due to lower volumes, GPM decreased by 1.2%-points to 23.3%
 - **Increase in R&D (+3.1%)** with preparation of new customer projects (booked business) and development of new technologies

Non Automotive segments with negative sales development, profitability AM supported by savings program and mix effects

Financial results 9M FY 2019/20



■ EBIT
◆ EBIT Margin



■ Total Sales

■ Adj. EBIT
◆ EBIT Margin

Aftermarket

- **Total sales decline of 1.7%:** IAM suffering from weak markets especially in Southern and West Europe; Impact from Corona virus in China. WP decline mainly due to strong comparables PY
- **Increase in adj. EBIT with adj. EBIT margin at (9.4%):**
 - Growth in GPM by 1.1%-points due to better product mix in workshop business and strict cost savings
 - Cost optimization in distribution and admin

Special Applications

- **Negative top-line development (-8.7%):**
 - Weakness in some customer segments like Trailer, Truck and Construction
- **Adj. EBIT down by 34.9%, margin -3.6%-points to 8.9%:**
 - Gross Profit -11.0% due to missing sales
 - Investments in new products and distribution of core (VS* & E/E**) products with increased R&D expenses (+10.9%)

* Vehicle Specific Lighting, Electric/Electronic

HELLA Investor Update 9M FY 2019/20, Conference Call on April 2, 2020

HELLA Investor Update 9M FY 2019/20

Outline

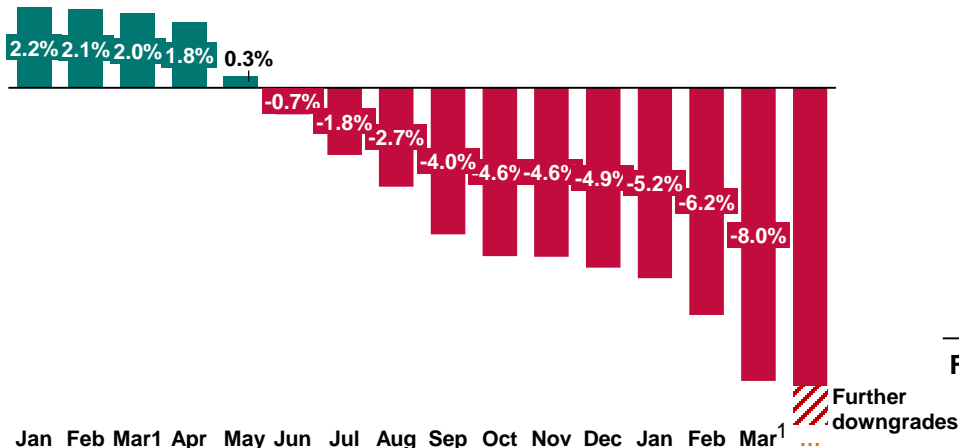
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Market outlook strongly dependent on development of COVID-19 pandemic with high uncertainties on future outcomes

Market Outlook

Unstable market environment

Global Light Vehicle Production
Comparison of IHS LVP estimates
Forecast for Fiscal Year 2019/20

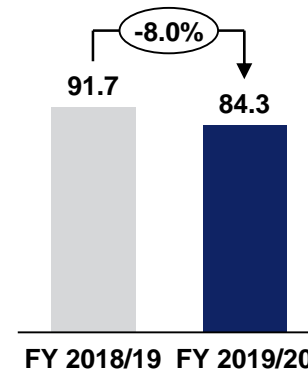


Jan Feb Mar1 Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar1 Further downgrades

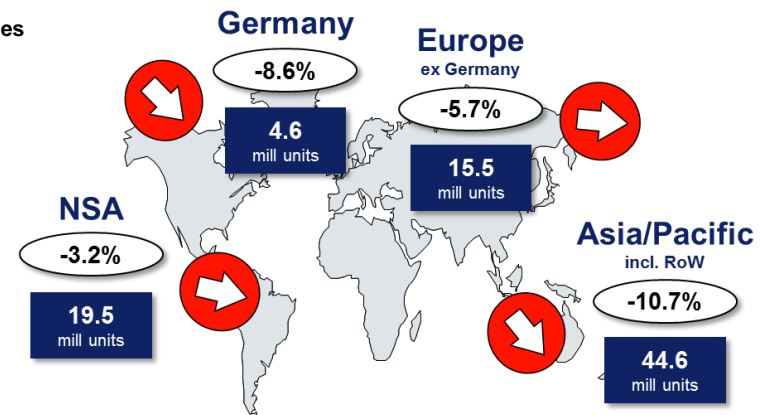
- 9M 19/20 LVP at -7.6%, higher than expected
- Global demand decline especially in China in February due to Corona virus
- Further downgrades with world-wide pandemics will happen, closures in NSA & Europe not or only partially accounted for in regular IHS update in March. 2nd release as of March 27 reflects impact more and forecasts a LVP decline of 13.8%
- Forecasting ability for Q4 FY 19/20 still limited

IHS as of March¹:

Development of Global Light Vehicle Production
FY 2019/20, in mill. units



- Decrease by 8.0% to 84.3 mill. units expected¹
- Decline in production especially in Europe and Asia/Pacific



1) IHS as of March 16th, 2nd IHS release as of March 27: -13.8% to ~79 mill. units

Originally sales and earnings forecast for current fiscal year not achievable due to COVID-19 pandemic

Company Guidance

Against the backdrop of a massively declining economic framework and high insecurities HELLA is currently expecting the following for FY 2019/20:

Currency and portfolio adjusted sales

- Below the originally forecasted range from 6.5 billion to 7.0 billion EUR

Adjusted EBIT margin excluding restructuring and portfolio effects

- Considerably below the originally forecasted range from 6.5% to 7.5%

HELLA Investor Update H1 FY 2019/20

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Technology with Vision

Thanks for your attention

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