HELLA Investor Update

Results Q1 FY 2024 (Jan 1, 2024 - Mar 31, 2024)

April 25th, 2024
Summary

01  Highlights
02  Financial Results Q1 FY 2024
03  Outlook FY 2024
04  Key takeaways
Highlights
Q1 FY 2024 highlights

Successful placement of promissory note loan totaling €200m
- Transaction significantly oversubscribed and increased from €100m to €200m
- Issued with terms of 3, 5, 7 years maturing March ’27, ’29, and ’31
- Serves primary to refinance a bond maturing in May ’24

Completion of the sale of the 50% share in BHTC
- Agreement signed on October 2nd, 2023; purchase price is based on an EV €600m
- Closing April 2nd, 2024
- Capital gain around €100m, proceeds of €205m in Q2 FY 2024

Selective order intake for high content technologies
- Demand for Headlamp, IL* and CBL* packages from German and international OEMs, SOPs 2025 and 2027
- Strong order intake for energy management and lighting electronics for international OEMs, SOP 2024 to 2026

Publication of Sustainability Report 2023
- Doubling of scope compared to the last report, including a total of around 60 KPIs in more detail than ever before
- Please use link download the entire Sustainability Report 2023 (chapter in the Annual Report, from page 81)

*IL=Interior Lighting, CBL: Car Body Lighting
Solid start to the fiscal year 2024 with sales and margin development in Q1 as expected

Modest sales growth within a market environment which is slightly down

- Organic sales +2.2%* vs. -0.8% overall market growth
- Positive development in Lighting and Lifecycle Solutions
  - Electronics at €738m, -2.2% organic growth
  - Lighting at €988m, +5.8%* organic growth
  - LCS at €275, +1.4% organic growth
- Group reported sales growth at 0.6%

Operating Income and OI margin as expected at PY level

- Operating Income constant at €111m, OI margin at 5.6%
  - Improved gross profit margin
  - Partly offset by higher R&D and increased SG&A
- Net Cash Flow at -€51m, NCF/Sales at -2.6%
  - CAPEX increased by 23.9% to €195m, primarily due to investments for series projects and for further automation
  - Increase of Working Capital

*Includes full consolidation (+€77m) of HBBL (Chinese lighting joint venture Beijing Hella BHAP Automotive Lighting) after its shareholders agreed on the continuation and strategic development of the joint venture that was founded in 2014. HBBL was previously accounted by the equity method.
Financial Results Q1 FY 2024
Slightly lower sales momentum in Q1 FY 2024 in market environment which is slightly down

› Organic sales Q1 FY 2024 up 2.2%*, €-30m negative FX in first 3 months
› Reported sales Q1 FY 2024 up by 0.6%
› Sales development **primarily driven by growth in Lighting**
› Electronics with positive radar business
› Growth in the Independent Aftermarket

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**Group Sales**

in €m

- Organic: 43 (+2.2%*)
- Currency: -30 (-1.5%)
- Sales Q1 FY 2024: 2,002

*includes full consolidation (+€77m) of HBBL

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LVP global -0.8%

mainly USD and CNY
Lighting with profitability improvement due to growth and savings

**Growth driven mainly outside Europe**
- Full consolidation of HBBL
- Demand for latest lighting technologies from manufacturers of electric vehicles in Asia and Americas
- Ramp-up of new programs in the Americas
- Growth in China negatively impacted by change of important car models

**Operating Income +€8m (+33.8%) to €30m; OI margin improvement by 70bps to 3.0%**
- Positive operating leverage and accretive impact of full HBBL consolidation
- SG&A savings with lower personnel and other external costs

### LIGHTING

<table>
<thead>
<tr>
<th></th>
<th>Q1 FY 2023</th>
<th>Q1 FY 2024</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>External Sales (€m)</strong></td>
<td>946</td>
<td>988</td>
</tr>
<tr>
<td>YoY organic*</td>
<td>+5.8%</td>
<td></td>
</tr>
<tr>
<td>YoY FX**</td>
<td>-1.3%</td>
<td></td>
</tr>
<tr>
<td>Intersegment Sales</td>
<td>9</td>
<td>14</td>
</tr>
<tr>
<td><strong>Total Sales</strong></td>
<td>955</td>
<td>1,002</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>23</td>
<td>30</td>
</tr>
<tr>
<td>% of Total Sales</td>
<td>2.4%</td>
<td>3.0%</td>
</tr>
</tbody>
</table>

* includes full consolidation (+€77m) of HBBL
**approximation based on internal analyses

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HELLA Investor Update | Q1 FY 2024 | Conference Call, April 25, 2024
Electronics with margin improvements despite weaker top line

Slight sales decline due to customer mix effects and delayed project launches
- Radar business with continuous growth
- Negative customer mix effects in Europe and Asia
- Slowdown of electrification in Europe at the beginning of 2024 and delayed series launches

Operating Income +€4m (+7.3%) to €51m; OI margin improvement by 60bps to 6.3%
- Improved gross profit margin with reduced material costs
- Lower R&D expenses with less external services and SG&A cost savings

<table>
<thead>
<tr>
<th>ELECTRONICS</th>
<th>Q1 FY 2023</th>
<th>Q1 FY 2024</th>
<th>vs. LVP growth of -0.8%</th>
</tr>
</thead>
<tbody>
<tr>
<td>External Sales</td>
<td>763</td>
<td>738</td>
<td></td>
</tr>
<tr>
<td>YoY organic</td>
<td>-2.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>YoY FX*</td>
<td>-1.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intersegment Sales</td>
<td>79</td>
<td>75</td>
<td></td>
</tr>
<tr>
<td>Total Sales</td>
<td>842</td>
<td>813</td>
<td></td>
</tr>
<tr>
<td>Operating Income</td>
<td>48</td>
<td>51</td>
<td></td>
</tr>
<tr>
<td>% of Total Sales</td>
<td>5.7%</td>
<td>6.3%</td>
<td></td>
</tr>
</tbody>
</table>

*approximation based on internal analyses
## LCS with further sales growth and good operational performance

### Organic growth due to successful spare parts business
- Continuous growth of the spare parts business in Europe esp. in the UK, Poland, and Turkey
- Workshop business negatively impacted by high PY-basis with strong particle counter demand
- Lower investment activities in core segments of the commercial vehicle business like Agriculture and Trailer

### Operating Income
- €3m (-8.5%) to €34m; OI margin down by 90bps to 12.1%
  - Higher GP margin due to improved product mix
  - Rising R&D with higher personnel costs
  - Increased SG&A costs with additional logistics and marketing costs and expenses related to the acquisition of 50% of Hella Pagid

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### LCS

<table>
<thead>
<tr>
<th>In €m</th>
<th>Q1 FY 2023</th>
<th>Q1 FY 2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>External Sales</td>
<td>280</td>
<td>275</td>
</tr>
<tr>
<td>YoY organic</td>
<td></td>
<td>+1.4</td>
</tr>
<tr>
<td>YoY FX*</td>
<td></td>
<td>-3.1%</td>
</tr>
<tr>
<td>Intersegment Sales</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Total Sales</td>
<td>283</td>
<td>278</td>
</tr>
<tr>
<td>Operating Income</td>
<td>37</td>
<td>34</td>
</tr>
<tr>
<td>% of Total Sales</td>
<td>13.1%</td>
<td>12.1%</td>
</tr>
</tbody>
</table>

*approximation based on internal analyses

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*HELLA Investor Update | Q1 FY 2024 | Conference Call, April 25, 2024*
Sales decline in Europe and America primarily driven by market weakness; growth in Asia based on one-off effect

**Americas**
- 19% of group sales
- Reported Sales: €393 (Q1 FY 2023) → €388 (Q1 FY 2024) (-1.2%)
- LVP growth: 0.3%

**Europe**
- 58% of group sales
- Reported Sales: €1,174 (Q1 FY 2023) → €1,157 (Q1 FY 2024) (-1.5%)
- LVP growth: -2.5%

**Asia/ Pacific incl. RoW**
- 23% of group sales
- Reported Sales: €423 (Q1 FY 2023) → €457 (Q1 FY 2024) (+8.2%)
- LVP growth: -0.7%

**GROUP sales**
- +0.6% (organic +2.2%*)

**Outperformance**
- 140bps (organic 300bps)

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*LVP global -0.8%

*includes full consolidation (+€77m) of HBBL
Operating income in absolute and relative figures at prior year level – improvement of GP margin

<table>
<thead>
<tr>
<th>In €m</th>
<th>Q1 FY 2023</th>
<th>Q1 FY 2024</th>
<th>YoY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>1,990</td>
<td>2,002</td>
<td>+ 0.6%</td>
</tr>
<tr>
<td>COGS</td>
<td>(1,501)</td>
<td>(1,497)</td>
<td>- 0.3%</td>
</tr>
<tr>
<td>% of sales</td>
<td>-75.4%</td>
<td>-74.7%</td>
<td>+ 68bps</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>489</td>
<td>506</td>
<td>+ 3.4%</td>
</tr>
<tr>
<td>% of Sales</td>
<td>24.6%</td>
<td>25.3%</td>
<td>+ 68bps</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>(215)</td>
<td>(225)</td>
<td>+ 4.7%</td>
</tr>
<tr>
<td>% of sales</td>
<td>-10.8%</td>
<td>-11.2%</td>
<td>- 44bps</td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>(163)</td>
<td>(169)</td>
<td>+ 4.1%</td>
</tr>
<tr>
<td>% of sales</td>
<td>-8.2%</td>
<td>-8.5%</td>
<td>- 28bps</td>
</tr>
<tr>
<td>(thereof distribution)</td>
<td>(95)</td>
<td>(100)</td>
<td>+ 4.8%</td>
</tr>
<tr>
<td>% of sales</td>
<td>-4.8%</td>
<td>-5.0%</td>
<td>+ 20bps</td>
</tr>
<tr>
<td>(thereof admin)</td>
<td>(75)</td>
<td>(76)</td>
<td>+ 1.7%</td>
</tr>
<tr>
<td>% of sales</td>
<td>-3.8%</td>
<td>-3.8%</td>
<td>- 4bps</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>111.4</td>
<td>111.5</td>
<td>+ 0.1%</td>
</tr>
<tr>
<td>% of sales</td>
<td>5.6%</td>
<td>5.6%</td>
<td>- 3bps</td>
</tr>
<tr>
<td>JV and other income from investments</td>
<td>-2.7</td>
<td>-6.6</td>
<td>-143.1%</td>
</tr>
<tr>
<td>% of sales</td>
<td>-0.1%</td>
<td>-0.3%</td>
<td>-19bps</td>
</tr>
<tr>
<td>Non-recurring OI&amp; OE</td>
<td>(2.9)</td>
<td>(5.6)</td>
<td>- 96.3%</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>105.9</td>
<td>99.3</td>
<td>- 6.2%</td>
</tr>
<tr>
<td>% of sales</td>
<td>5.3%</td>
<td>5.0%</td>
<td>- 36bps</td>
</tr>
</tbody>
</table>

- **Gross Profit margin up 68bps** with improved operating performance, positive volume & mix effects and a lower materials ratio
- **R&D ratio up 44bps** in preparation for upcoming project launches and inflation related increases in personnel costs
- **SG&A expenses increased by 4.1%:** continuous cost discipline but selective cost increase due additional logistics & marketing costs in LCS
- **Non-recurring operating income and expenses at -€5.6m** including e.g. restructuring measures of €3m and expenses from the remeasurement of investments of €2m
Net Cash Flow decreased by €13m to €51m

- Higher cash flow from operating activities
- Higher working capital
  - Increase in receivables
  - Decrease in trade payables
- Reduction of factoring impact (€48m vs. €90m in Q1 FY 2023)
- Increase of investments

CAPEX up by 23.9% (+€38m) to €195m

- Investments in series projects after high acquisition success
- Increased standardization and automatization of production processes
- Inclusion of investments at HBBL
The global market is expected to be flat with around 90m vehicles produced in 2024; volume decline in Europe

Source: S&P Global Mobility (formerly IHS Markit | Automotive)
HELLA FY 2024 outlook expects slight improvements in sales, earnings and NCF in a persistently volatile market environment

Outlook for the period January 1, 2024, to December 31, 2024
Based on an assumed LVP production of ~90 million vehicles for the period

Sales
- Currency and portfolio adjusted
- Between around € 8.1 to 8.6 billion

Operating Income Margin
- Between around 6.0% to 7.0% of sales

Net Cash Flow / Sales
- At approximately 3%

The guidance assumes no significant market deviation due to political, economical or social crises.
Sales outlook includes full consolidation of HELLA BHAP Automotive Lighting ("HBBL").
OI Margin and Net Cash flow/Sales are expected to sequentially improve in H2 2024 vs. H1 2024.
Growth in the mid-single-digit percentage range is expected for the business groups.
A slight improvement in the OI margin compared to 2023 is expected for Lighting and Electronics; a slightly lower OI margin is expected for Lifecycle Solutions.
Key Takeaways
Key Takeaways

❯ Start into FY 2024 as expected
  • Satisfactory results in market which is slightly down
  • Growth performance and profitability in Q1 in line with expectations

❯ Outlook FY 2024 confirmed with moderate improvements in the key performance indicators
  • Ramp-up of projects expected to support the performance in the course of 2024
  • Profitability and cash improvements expected in H2 with better inflation pass-through, reimbursements and cost reduction actions

❯ Continuous focus on profitability and cash
  • Started to deploy competitiveness program in Europe, further details will be provided in the coming months (presumably by summer at the latest)
  • High quality order intake focusing on fast-growing segments and high technology content
## LVP production and Group sales per region

<table>
<thead>
<tr>
<th></th>
<th>Q1 FY 2023</th>
<th>Q1 FY 2024</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HELLA Group sales</strong></td>
<td>Worldwide</td>
<td>1,990</td>
<td>2,002</td>
</tr>
<tr>
<td></td>
<td>Europe</td>
<td>1,174</td>
<td>1,157</td>
</tr>
<tr>
<td></td>
<td>Americas</td>
<td>393</td>
<td>388</td>
</tr>
<tr>
<td></td>
<td>Asia/Pacific &amp; Rest of World</td>
<td>423</td>
<td>457</td>
</tr>
<tr>
<td><strong>Light vehicle production</strong></td>
<td>Worldwide</td>
<td>21,374</td>
<td>21,195</td>
</tr>
<tr>
<td></td>
<td>Europe</td>
<td>4,633</td>
<td>4,519</td>
</tr>
<tr>
<td></td>
<td>Americas</td>
<td>4,558</td>
<td>4,572</td>
</tr>
<tr>
<td></td>
<td>Asia/Pacific &amp; Rest of World</td>
<td>12,184</td>
<td>12,104</td>
</tr>
</tbody>
</table>

Note: Light Vehicle Production (LVP) based on &P Global Mobility per April 2024; Growth figures always compared with the same period of the previous year.
Upcoming events

April 26, 2024  AGM FY 2023
July 23, 2024  H1 FY 2024
November 7, 2024  9M FY 2024
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