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COMPANY EDITED TRANSCRIPT

Operator: Good morning, ladies and gentlemen, and welcome to the HELLA investor call for the HELLA annual results Fiscal Year 2025. The call will be hosted by Professor Peter Laier, the CEO, and Philippe Vienney, the CFO. At this time, all participants have been placed on a listen-only mode. The floor will be open to questions following the presentation. Let me now turn the floor over to your host, Professor Laier.

Peter Laier: Good morning, everybody, and a warm welcome in the name of Philippe Vienney and myself to our 2025 results call. We go at first through the presentation, with the following agenda: we would like to talk first about achievements in 2025. Then Philippe will have a look at the financial results in 2025 in more detail. And we'll talk about the outlook for financial year 2026. Then I will talk about the strategic priorities for 2026 and the key takeaways. And after that, we will come to questions. Let me first talk about the achievements in 2025. We have seen an increase in profitability in 2025 and a flattish development of sales, excluding FX, where we ended up with EUR 8,017 billion sales. If we consider FX, then we have a reduction in sales of 2.1% to EUR 7,855 billion. Our growth continues in Electronics, where we grow by 6.9% to more than EUR 3.2 billion, specifically driven by products like radar sensors, battery management systems, car access systems and others. And important to say, we grow in Electronics in all regions. On the other hand, Lighting sales, our other business group has dropped down in 2025 in comparison to 2024 by 8.2% to a little bit more than 3.6 billion euro. That is related to some phase-out of high-volume programs and only partially compensated by new ramp-ups of new business. Our third business group, Lifecycle Solutions, had a reduction of sales of 3.6%, down to EUR 975 million, mainly impacted by a declining market of key customer groups like commercial vehicles or off-highway products. Here we had two different half

years the first half year 2025 was characterized by a difficult market environment while the second-half year already shows improvements. With flattish sales um we have an operating margin improvement. We increased to 6%, that means an increase of around 50 basis points. That is the result of an acceleration of our cost reduction measures. We had, for example, a contribution from restructuring of around EUR 60 million in the OI margin. And as well, the focus on improvement on R&D expenses by a reduction to 9.3% of revenue, an improvement of nearly 70 basis points drove the operating margin improvement. Based on the operating income margin improvement, we had as well as significant improvement of our net cash flow. It increased by 68% to EUR 318 million, prior year it was EUR 189 million. That means our net cash flow to sales ratio increased from 2.4% to 4%. That has to do on the one side with increased funds from operations, but on the other side as well with strong optimization on CapEx. Related to that, we have a net income of 93 million in 2025. That is a significant difference to prior year, where we were at EUR 371 million, but this EUR 371 million included a book gain of EUR 116 million by the sale of shares of an invest and we have for sure restructuring costs in there. Based on EUR 93 million net income, we decided to continue with our established dividend policy to distribute about 30% of the net income and based on that we propose to the AGM, which will take place on April 30th, 22 cents per share as a dividend that means a total payout of round about EUR 24 million.

Another important figure for 2025 was our order intake, again, strong order intake in 2025 on the same level as 2024, EUR10 billion order intake. I think it is remarkable that we have more than 52% order intake from Asia Pacific and North- and South America, so non-European regions, which we have identified as a growth arena and we execute now the acquisition as well in that regard to growth specifically in APAC and North- and South America. Our growth specifically in Electronics will continue. Over 60% of the acquisition of the EUR10 billion came out of electronics and here specifically out of our innovation fields, like, for example, zonal modules, intelligent power distribution modules, smart car access or our radar sensors. And in addition, 18% of our acquisitions in the last year came from Chinese, Japanese, Korean

and Indian OEMs, which is another growth arena, which we have identified. For example, over EUR 1 billion of this 18% are coming from Chinese customers, which is showing that we are growing here in this market as well in the future. Some further highlights of 2025 to show that we are on a strong path to confirm our technological leadership. You see here on the left side that we showed on several areas, for example, in Auto Shanghai, some premiers, for example, our integrated iCon-F ASIC, which is an electronic fuse in a highly integrated electronic circuit module. We showed our next generation 4WaveE radar sensor, and we showed sustainable headlamps and rear lamps so that we have here strong new products in our portfolio. That led to prestigious awards, specifically in China, where we, for example, got the Zhilu awards for sustainable exterior lighting presented by a media group in China, or we got the Gasgoo award for COFI LEAF interior lighting or we got for iConF, our eFuses the development & innovation award and the Golden Ball award. So all of that is showing that our innovations are as well highly recognized in China, and that will lead in 2026 to further businesses. In regard of Lighting, we had a debut of our micro-matrix flat lighting as a daylight running light. Introduced last-last year on the rear lamp side and last year then on the front lamp side. And that significant innovation on the lighting side led then as well to the CLEPA Innovation Award, where we are specifically proud about in November 2025. Intelligent Power Distribution Management was launched into production as a first-kind of product and that is important because it's a failed operational power supply in the vehicle, which is needed specifically for the new architectures and the new safety regulations in vehicles. And the same is valid for our intelligent e-fuses. Yes, with that handing over to Philippe to talk briefly about our financial results in more detail.

Philippe Vienney: Thank you, Peter. In terms of sales, so sales are relatively stable if we exclude the FX impact. So you see we have published EUR 7.8 billion of sales, of which EUR 154 million is related to FX impact so relatively stable and again this is combining a sales increase in Electronic as it was already mentioned on several segments: in radar car access system and battery management system. Then Lifecycle was relatively stable when Lighting was also down versus last

year due to several projects which are ramping down mostly Asia. So Lighting specifically is excluding FX rate at 6.7% down in terms of sales at EUR 3.6 billion, operating margin at 2.9% versus 3.4%. So here again, we have suffered from various large programs which have ramped down, especially in Asia, and not fully offset by ramp-ups in North America or in Europe with other programs. So the volume has impacted the gross margin, not fully offset by fixed cost reduction, but we were able to reduce the SG&A and R&D, offsetting a bit this impact from the volume, so leading us to the 2.9% of operating margin. Going to Electronics, without exchange rate effect, Electronics grew by 8.7%, 3.2 billion. with an operating margin at 7.8% versus 6.9% last year. So here we are benefiting from the volume increase and the sales increase. And we have also been able to reduce the R&D costs and in SG&A. So this is leading to the, I would say, strong improvement in the operating margin for Electronics.

Lifecycle, so minus 0.6% on sales. which is mostly coming from H1, especially on the commercial vehicle linked to agriculture and construction business. H2 was back to a more stable sales or even slight increase versus last year, but all in all it's a sales reduction and leading to an operating margin of 11.1% versus 9.6%. So here also we have some benefits from the cost downs that were implemented already during the year. And we also have the profit of a building sale that is counting for EUR 7 million in this result.

So the full P&L, so here we have the sales decreasing by 2%, gross profit at 23% versus 22.8% this year, so here we have a slight decrease in the gross profit so the volume was not fully offset at the gross profit level by fixed cost reduction, so mainly coming from Lighting. We have also suffered from some warranty costs that were already highlighted in the previous calls. We have been able to reduce the R&D costs, so 9.3% versus 10% last year. So that's the consequence of the measure which has been taken on cost down reduction. And SG&A are flat, reducing in terms of absolute value to be stable relative to the sales which are going down. So OI at the end was at 6% versus 5.6% last year, EBIT at EUR 303 million versus EUR 469 million last year. So here we have the combined effect of last year, we had a profit linked to the BHTC sales for EUR 119 million in the EBIT. And this year we don't benefit from

this one-of positive effect. And on top we have also restructuring measure which has been booked close to EUR145 million for this year, '25. And we have also some impact on the taxes with different effects by countries which are also contributing to a higher tax effective rate than the one we had last year. So leading to EUR 92.7 million of net income versus EUR 370 million last year.

In terms of cash so I said, we have generated EUR 318 million of cash, so it's a strong increase versus '24, growing EUR 129 million more than in '24. So here we have the combined effect of better funds from operations, which are contributing to these results. We have a slight improvement on the working capital as well, thanks to payment terms, which are better in terms of accounts payables. And we have also a strong decrease in our CapEx, reducing by nearly 24% versus last year with a higher efficiency on the CapEx, also linked to the volume reduction that has contributed to this cash generation.

Now for 2026, so this was based on the S&P global mobility of February. So we were anticipating a decrease of 0.2% in terms of sales with a decrease in all markets in all regions. So with this we have built a guidance. So the guidance is in terms of sales between EUR 7.4 and 7.9 billion of sales. Here we still expect a decline in sales in Lighting, still suffering from the mix, product mix and customer mix. So still a deterioration is expected on the Lighting when the Electronic and Lifecycle are expected to show moderate growth versus 2025. OI margin is guided between 5.4% and 6%. So here, we also expect Lighting to be still degenerating versus 2025. Electronics and Lifecycle should be more at the prior year level. So Lighting, we are starting the transformation plan. Restructuring are taking place, but the full effect will be really visible in '27. And this is also why we have a cash flow which is guided at 1.8% of sales, so lower than what we have been generating in '25 because we're going to have much more cash out in terms of restructuring in '26 to the tune of more or less €50 million more. And we also have CapEx which are expected to be not as low as in '25 because we need to start to build and invest for the growth which is expected in the coming years. So that has

led us to guide the cash flow at a minimum 1.8% of sales. With that, I think we can move to strategic priorities, Peter.

Peter Laier: Yeah, thank you very much, Philippe. Then let me talk a little bit about strategic priorities. As described by myself before and by Philippe, we have a different nature of our businesses, actually. And this led us to the decision that we structure our businesses in two buckets, a growth bucket and a value bucket. And those two clusters are complementary for a company because you need to have those areas where you want to grow over-proportionally and you need to have groups in your business where you want to focus on performance and on bottom line improvement. We have decided that we want to specifically grow in the next few years in Electronics, and that's why we put Electronics in our growth cluster. It's our core engine of growth. This market is growing over proportionally. I mentioned on the Capital Markets Day that vehicle production will most probably grow by somehow 1% in the next few years, while we see a market growth in our areas where we play in Electronics of around about 10%, and we want to capture this market growth. And therefore, we want to accelerate our long-term growth over there and increase profitability. And we want to reinforce our technology leadership in that area. As I mentioned, we select carefully our areas to play in Electronics and select them by our strengths and by the market situation to assure that we can capture the growth in a profitable manner.

On the other side, we have our value segment, where we have our business group Lighting in there. In Lighting, as we have mentioned, we have seen a reduction of revenue in 2025 in comparison to 2024. And we have a margin situation, which is a call for action to improve sustainably the margin to unlock the potential which we have over there. Therefore, we have introduced a transformation program now in Lighting, where we have a strong focus on reducing costs and restoring our competitiveness, and where we have a strong focus on disciplined investment. Lighting is a technology leader where we have a strong and good relation to our customers. What we have to do now is we have to improve sustainably the margin by a consequent realization of the transformation program on the one side and on the other side, we have to

focus on acquisitions in lighting, profitable business acquisitions to support growth then in the years 2027 and beyond. Lifecycle Solutions is a totally different business than the OE businesses of Lighting and Electronics. Here we are a strong player in the independent aftermarket, but as well in commercial vehicles and off-highway vehicles, as well as in workshop products. Lifecycle Solutions will grow further, but we will have a strong focus in Lifecycle Solutions on cash flow generation on the one side and maintaining our double-digit margin. So it's a clear cash contributor for us as a company. Allow me to have a specific focus on Lighting. So if you look to the upper left side of this chart, what you see over there is the sales development on the one side and the operating income margin development on the other side in Lighting. So if you look a little bit more in detail to that, we have a reduction of sales in the last three half years, 2023 to 2024 was, if you compare financial years, somehow stable / slight increase. But if you look at the half years, you already see in second-half year 2024 a reduction of sales and that continued then step-by-step in the course of 2025 and first half year further reduction in comparison to second-half year 2024 and then half year to 2025 next reduction in sales. And that came specifically in second half of the year 2025 along with the reduction as well of OI margin. The sales reduction is driven by market volume losses and reductions in Europe. And as I mentioned, some high-volume programs which came to an end. And we have in principle, due to the overall situation in the market, pressure on margin and our businesses as well characterized by some operational topics where we have room for improvement. So all in all, what does it mean? We have experienced a sales reduction, and we have room for improvement on our performance, and that's why we have now initiated a program where we focus on the one side, and you see that on the right side of the chart, on streamlining our business by executing our European competitiveness program on the one side and where we address the overcapacities in our production network. We have a global cost reduction program initiated which we call SIMPLIFY to improve bottom line by several actions. This program is now up and running. And beside the improvement of bottom line performance, we have a strong focus on profitable acquisition of new business where we have started a design to cost and a strong target costing

initiative, a lean invest initiative to get more competitiveness on the Lighting side and then enhance our acquisitions, which will then drive in a second step further growth in Lighting as well. So to summarize Lighting, a strong focus in 2026 on bottom line performance improvement, while as well focusing on new profitable acquisitions to assure at first a margin improvement, then for the years to come, 27 and beyond, and on the other side, then realize growth with new acquisition. Next one. So you see here we have the growth of our customer base as a clear focus in Lighting. We want to grow specifically outside in Europe and North and South America as well as in China. We have now decided to enter as well as India as a market for Lighting. We have to stabilize our order intake in Europe, and we need to develop a future-proof portfolio with affordable innovations specifically to address the volume segment. Operations transformation: very important that we transform now fast our plants in Europe and in the Americas, have a strong focus on plant performance improvement by having a program introduced to focus specifically on that and using the FORVIA Excellent System as a joint program to improve our plants further. And a strong focus is on assets, lean investment, and that means an increase in asset utilization and optimizing of our material lines. In regard of competitiveness, we have our R&D improvement program up and running. Focus is to reduce costs and development lead times. We are working on an improved product and technology offering, the specific focus on modularization and standardization, which brings us as well in the position again to have a better usage of our equipment if we have modules and not customer or customized products which we are producing. And we have a strong focus on design to cost and redesign to cost to improve competitiveness further. And that all comes along with a streamlined organization with a clear end-to-end governance and the strengthening of our regions, which we call divisions. We want to have an empowerment of our regions and the decision-making over there to be faster and closer to the customers and with that gain further competitiveness.

With that, let's come to the key takeaways. So summarizing 2025, I think overall a very solid performance, stable sales, specifically supported by a

growth in Electronics. We have an increased profitability driven by acceleration of our cost reduction activities. We have a remarkable and significant improvement of our net cash flow driven by operational performance and capex savings. And we continue with our dividend policy, and that leads us via 30% of net income to 22 cent per share proposed to the AGM, which is taking place 30th of April. So overall, we have met 2025 fully our outlook, and that confirms the stability of the company on the one side and the outlook which we are giving can be trusted in. If you look to 2026, our outlook has a sales between EUR7.4 billion and EUR7.9 billion, operating income margin between 5.4% to 6% and a net cash flow to sales ratio of at least 1.8%. So would like to underline that this outlook is based on the assumption of a somehow flat light vehicle production volume of 92.8 million vehicles for 2026. But we have to consider we are living in a volatile and challenging industry environment, and we have to monitor closely what is happening geopolitically and macroeconomically and we will adjust fast to the changes which may be about to come. 2026 will be characterized as a transformation year on the one side and a year of preparation for further growth. So therefore, we have organized our portfolio now into two complementary clusters, with clear roles and strategic priorities. We have Electronics in the growth cluster to accelerate profitable long-term growth and related improvement of profitability, while we have Lighting and Lifecycle Solutions in the value cluster. Lighting has a clear focus on restoring competitiveness and with a holistic transformation, improve bottom-line performance. Lifecycle will sustain double-digit margin performance and is a strong contributor to cash flow generation. With that, I'm at the end of our presentation and would like to open the floor for your questions.

Operator: (Operator instructions) The first question comes from Christoph Laskawi from Deutsche Bank. The floor is yours.

Christoph Laskawi: Good morning. Thank you for taking my questions. The first one will be on current trading. If you could comment just how business was essentially year to date and if you saw any sort of impact from the Iran war with regards to volumes that changed short term or higher volatility, anything in cost or

availability of parts. And then the second question would be on Lighting. You highlight try to tap into the mass market more than the premium side to gain volumes. How easy is it for you to get business in that? And at what margin can you acquire that? Just thinking because you are chasing volume to some degree to improve utilization of the plants. Can you be very selective in what you take on as order intake and what the margin should be initially? Or is that something where you need volumes first and can be more selective later?
Thank you.

Peter Laier: Yes, thank you, Christoph, for the questions. Starting with what you call current trading. The first two months of this year were characterized by business as expected. So actually, in the first two months, we have not seen a specific influence of Iran war. What we have seen is specifically in China, a little bit longer closure of some of the OEMs after Chinese New Year because of the market overall situation. But in principle, I would say it's somehow according to our expectation the first two months. We have actually up to now no significant influence on our supply chains coming out of the actual geopolitical tensions. But what we have to say clearly, we have to monitor it very carefully further what is happening there and what does it mean for our supply chain, what does it mean for our bill of material and what does it mean for our overall business. We have introduced in the company here a task force which is working on that and we monitor it very closely to be fast in reaction of possible changes. But up to now, we do not experience some influence in that regard. In regard of Lighting, I confirm what we said. We have a clear focus on acquiring business in the volume market. We want to do that with our specific approach of affordable innovations. And based on that, we are convinced that we can do that with a related margin expectation. For sure, we will be selective on business acquisitions. And we need to find the right balance on filling our capacities on the one side and focusing on bottom line performance on the other side. We have a strong focus on that. And it is absolutely clear, it's a main target to improve profitability in Lighting in the upcoming years. We will have a close look at bottom line performance to assure that that is realized as well as the new acquisitions.

Christoph Laskawi: Thank you. Thank you very much.

Operator: The next question comes from Sanjay Bhagwani from Citi. The floor is yours.

Sanjay Bhagwani: Hi. Thank you very much for taking my question also. My first one is a follow-up to Christophe's question on the current trading. I think thank you for clarifying that so far you have not seen any significant impact from the supply chains. So when we have to think of the first quarter, now that we are already in March, are you already trading like the margins are within the guidance corridor? And if you can provide some color on the sales and margins for Q1.

Peter Laier: I want to say something that I think we do not give any comments on this going forward. The only comment we can give, I would propose, we have January, February, according to our expectation. March is an ongoing month, we cannot comment further. As I mentioned, we've seen no actual significant influence of the geopolitical tensions on our business, but we have to monitor that further. Do you want to add anything, Philippe?

Philippe Vinney: Q1 is already impacted by Chinese New Year, so it's a bit lower sales than the other quarters. But yes, no further comments.

Sanjay Bhagwani: Thank you. That's helpful. And my second one is on the pricing pass-throughs and probably a potential inflation. So maybe can you please remind us your exposure to oil and derivatives, for example, to the plastics or some sort of chemicals. What sort of like as a percentage of sales or cost that is, and the same for the metals. And on the pricing passthroughs, I understand that largely this is all indexed, and so I just wanted to understand what sort of time lag in the pass-throughs here we should keep in mind. If there is an inflation, of course, and then also I understand you may already have hedging in place for some parts.

Peter Laier: Yeah, maybe I'm starting: we have a common practice now since years how to handle inflation with our customers jointly together, and we always have

found reasonable solutions, and we will continue with that in principle. But there's a clear policy in the company that we are working on inflation effects on the supply base on the one side and on the customer side on the other side to assure our profitability. In regard to the influence of oil derivatives, you mentioned, Sanjay, rightfully, maybe the biggest influence of oil derivatives we have in molding material. We are already working with our supply base to find solutions in that regard and the related remaining effects we will then discuss with our customers. Metals do not play a significant role in our portfolio. So that I would say in regard of those major areas that is on the one side, molding material and on the other side, copper, which is having an influence on our business. We have contracts on the one side with our suppliers and on the other side with our customers, where we have classical material clauses in. They are different from customer to customer, they are different from supplier to supplier. But overall, our target is clearly that we are not suffering on the inflation that we are working in a partnership manner with suppliers and customers to find reasonable solutions to protect our bottom line.

Philippe Vienney: On electricity and gas, we have more or less more than 50% hedged. So that's protecting us a bit also.

Sanjai Bagwhani: Thank you. That's helpful. And final one on Lighting profitability improvement. I understand that this may continue to -- I mean, you have already said that this may be down for the full year. But would you expect the improvement may start coming already from H2 this year? Or this can be more of H1/27?

Peter Laier: We started initiatives on the bottom line. We will see step-by-step improvements on the bottom line. For sure, the majority of the effects we will see in 2027. But we expect some of the measures getting already or improving the situation as well as already in the second half of this year, but the majority of the effects we will see 2027. And in regard to acquisitions, you know the nature of the business, Sanjay. Acquisitions, which we are doing right now, a little bit depending on the region, are kicking in in '28, '29 and beyond. The

only exceptions may be China, where you have this Chinese speed, as well as some opportunities already to have maybe acquisitions, which are now done kicking in end of '27, beginning of '28.

Sanjai Bagwhani: Thank you. Very helpful. Thank you very much.

Operator: (Operator Instructions) We're going to give you another second to see if there is another question coming in. That is not the case. I hand back to Professor Laier for closing words.

Peter Laier: Then thank you very much for joining our investor call for the 2025 results and outlook 2026 this year. Thank you for your questions and I wish all of you a nice day. Thank you very much.

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