

HELLA INVESTOR UPDATE

Extraordinary Call

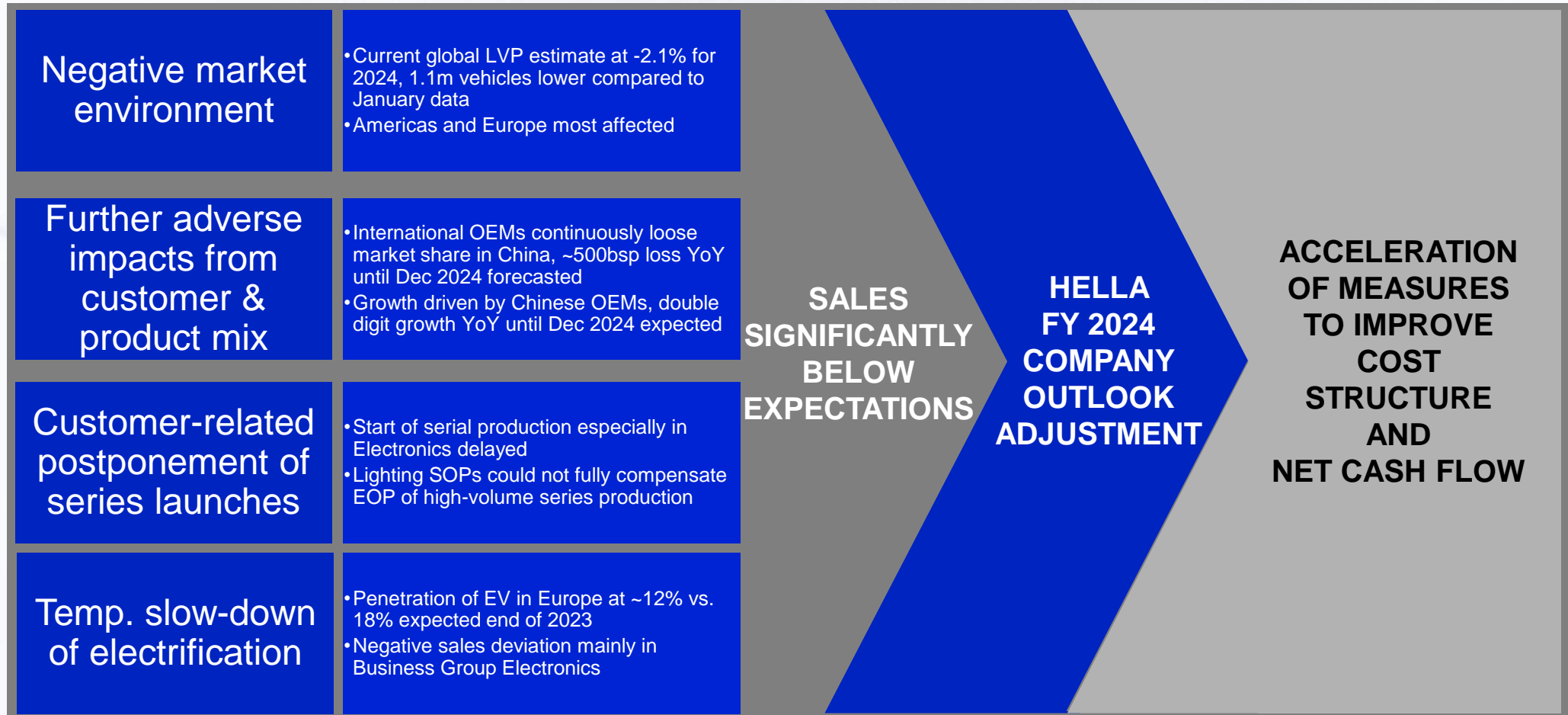
September 26, 2024

FORVIA



HELLA ACCELERATES THE MEASURES ALREADY INITIATED TO FURTHER IMPROVE COST STRUCTURE AND NET CASH FLOW

Company outlook adjusted downwards to reflect increasing negative impact from deterioration of industry environment



HELLA COMPANY OUTLOOK – DOWNWARD ADJUSTMENT FOR FY 2024

Revision as of September 26, 2024

Company Outlook Jan 1, 2024, to Dec 31, 2024

Taking into consideration the latest S&P forecast of 88.5 million light vehicles to be produced in 2024

	ACTUAL OUTLOOK	PRIOR
Sales Currency and portfolio adjusted	Between around € 7.9 to 8.1 billion	Between around € 8.1 to 8.6 billion <i>In the lower half of the given range</i>
Operating Income Margin	Between around 5.5% to 6.0% of sales	Between around 6.0% to 7.0% of sales <i>In the lower half of the given range</i>
Net Cash Flow / Sales	Between around 2.2% to 2.7%	At approximately 3%

COST-CUTTING MEASURES FURTHER ACCELERATED TO SUSTAINABLY IMPROVE OPERATING INCOME AND NET CASH FLOW

Next to structural adjustments in the European network, prioritization and improvements in working capital and CAPEX are key levers

FOCUS AREA	ACTIONS	IMPACT
REGION AND CUSTOMER MIX	<ul style="list-style-type: none"> › Acquisition focus on Americas & Asia › Increased customer proximity with C-OEMs › Expand business activities in Japan and India 	<ul style="list-style-type: none"> › 2/3 of order intake outside Europe in H1 2024 › >2bn order H1 2024 for Electronics and Lighting from US OEM › Successful acquisition of series projects in Lighting and Electronics in China and India
COST BASE	<ul style="list-style-type: none"> › Acceleration of Competitiveness program in Europe › Intensification of measures to improve costs globally › Increase collaboration and synergy realization 	<ul style="list-style-type: none"> › ~350 HC reduced in Europe 2024 Ytd, ~1,500 globally* › Significant reduction of external R&D spend in 2024, R&D ratio <10% from 2025 onwards › Constant reduction of costs base until 2025 by ~120 bps vs. 2023 › Higher cost synergies
CASH FLOW	<ul style="list-style-type: none"> › Consequent management of CAPEX, stringent prioritization of investments › Working capital improvements by implementation of FES (FORVIA Excellence System) 	<ul style="list-style-type: none"> › Considerable reduction of tangible CAPEX in 2024 by around 15% YoY › Capex/ Sales ratio improvement in 2025 ff. › DPO and reduction of inventory days in 2025 ff.

*31.12.2023 to 31.08.2024, global excl. HBBL (Chinese lighting JV)

KEY TAKEAWAYS

Necessity to adjust FY 2024 outlook; acceleration of cost-cutting and cash enhancement measures to sustainably improve operating income and net cash flow

Company Outlook FY 2024	<ul style="list-style-type: none">➤ Adjustment of outlook with deterioration of general industry condition by far more than expected➤ Outlook FY 2025 will be published February 2025
Scope of Business Activities	<ul style="list-style-type: none">➤ Further balance global business and drive stronger growth particularly in the Americas and Asia➤ Increase share with local OEMs in China
Cost Structure	<ul style="list-style-type: none">➤ Acceleration of Competitiveness Program in Europe➤ Improvements of global cost structure➤ Intensified collaboration and increase of cost synergy targets
Cash Flow	<ul style="list-style-type: none">➤ Reduction of CAPEX with prioritization and optimization➤ Improvement of Working Capital

UPCOMING EVENTS

October 17, 2024

- Prelim. 9M FY 2024 (Sales Update)

November 6, 2024

- 9M FY 2024

November 27, 2024

- Analysts Meeting Frankfurt

February 27, 2025

- Prelim. 12M FY 2024; FY 2025 Outlook

March 10, 2025

- 12M FY 2024

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