HELLEA Prelim. results
Q1 FY 15/16

Conference Call, September 18th, 2015

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**HELMA – Prelim. Results**
Q1 2015/16 vs. Q1 2014/15

### Sales

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (mill. EUR)</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 FY 14/15</td>
<td>1,318</td>
<td></td>
</tr>
<tr>
<td>Q1 FY 15/16</td>
<td>1,500</td>
<td>+14%</td>
</tr>
</tbody>
</table>

**Comment**
- Preliminary sales Q1 FY15/16 up by approximately +14% (including +4% FX-effect) driven by positive automotive sales growth and aftermarket recovery.
- Regional growth mainly driven by positive development in NAFTA and Europe and China.
- Positive gross profit margin development +0.5%-points counterbalanced by hedging costs (-0.4%YoY) leading to an approx. 0.1%-point improvement YoY.

### Gross Profit margin

<table>
<thead>
<tr>
<th>Year</th>
<th>Pre supplier default</th>
<th>Operational</th>
<th>Hedge</th>
<th>Q1 FY 15/16 prelim.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 FY14/15</td>
<td>26.6%</td>
<td></td>
<td></td>
<td>26.6%</td>
</tr>
<tr>
<td>Q1 FY15/16</td>
<td>(incl. +0.5% FX-effect)</td>
<td>-0.4%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Comment**
- Excl. one-offs, EBIT growth of around 4% expected, leading to a prelim. EBIT margin of approx. 6.6%.
- Decline by 0.7%-points mainly caused by higher R&D expenses driven by high-tech product launches and a low comparable basis Q1 FY 14/15: shift of development costs in Q2 FY 14/1; lower JV earnings.
- Supplier failure estimated to cause 30 mill. EUR on-off charges, negative margin impact of ~2.0%-points.
- Preliminary EBIT Q1 FY15/16 declines by ~27% to approx. 69 mill EUR, EBIT margin declines by 2.6%-points to 4.6%.

### Preliminary EBIT development

<table>
<thead>
<tr>
<th>Year</th>
<th>GPM improvement</th>
<th>Operational</th>
<th>Supplier default</th>
<th>Q1 FY15/16 prelim.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 FY 14/15</td>
<td>7.2%</td>
<td></td>
<td>-2.0%</td>
<td>~69</td>
</tr>
<tr>
<td>Q1 FY 15/16</td>
<td>-0.1%</td>
<td>-27%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Comment**
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HELLA – Prelim. Results
Supplier failure

Simplified supply chain

Pre production
HELLA
Tools
SUPPLIER

Assembly
HELLA
Components/Parts

Delivery
OEM

Overview of preliminary P&L impact Q1 FY 15/16
in mill. EUR

~30

12
Supply chain reorganization

6
Goodwill impairment

12
Asset impairment

Q1 FY 15/16 supplier impact

Comment
- Components with core competence produced in-house
- In context of supply agreement, HELLA hands over tools to supplier, which still remain HELLA/OEM property and are capitalized in HELLA balance sheet
- Supplier uses tools to fulfill his contractual obligations for parts/components delivery
- Assembly of final product by HELLA

Comment
- Failure of Chinese supplier for injection molding components
- Despite single source situation regarded as extraordinary incident
- Additional cost to protect supply chain and customer deliveries in Q1 FY 15/16 of approximately 30 mill. EUR
- Up to 20 mill. EUR additional costs expected after Q1 FY 15/16
### HELLA – Prelim. Results
Company specific outlook full FY 15/16

<table>
<thead>
<tr>
<th></th>
<th>Guidance</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>Growth in medium to high one-digit percentage range</td>
<td>• Sales still expected to grow in the middle to high single-digit percentage range over the full financial year</td>
</tr>
<tr>
<td><strong>One-off charges (supplier failure)</strong></td>
<td>Up to 50 mill. EUR</td>
<td>• Extraordinary strains predominantly in COGS also in remaining quarters, particularly Q2 FY 15/16</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>Below previous year</td>
<td>• Drag on EBIT in the first quarter and the remainder of the year cannot be offset by strong sales development</td>
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</table>
Thanks for your attention

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