Company Presentation

HELLA KGaA Hueck & Co.

FY 2016/17
Disclaimer

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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 – Company Presentation FY 2016/17

Agenda

- Financial Highlights FY 2016/17
- Financial Results FY 2016/17
- Outlook

BACKUP
Positive sales growth and strong EBIT increase in FY 2016/17
Financial Highlights FY 2016/17

- **Sales**
  - HELLA Group currency and portfolio adjusted sales grew by 4.3% YoY to 6.6 bill. EUR
  - Acceleration of adjusted sales growth to 6.5% in Q4

- **Profitability**
  - Adjusted Gross Profit margin at 27.5% (+0.5%-points YoY), Q4 at 27.6% due to higher Automotive margin after efficient project ramp-ups
  - Adjusted EBIT +57 mill. EUR (+12.0% YoY) at 534 mill. EUR, Q4 +29 mill. EUR (+22.3% YoY) at 161 mill. EUR
  - Adjusted EBIT margin at 8.1% (+0.6%-points YoY), Q4 adj. EBIT margin +1.1%-points at 8.9% due to lower R&D ratio and higher Gross Profit margin

- **Liquidity**
  - Adjusted Free Cash Flow from operating activities\(^1\) decreased by 6 mill. EUR (-3.9% YoY) to 149 mill. EUR mainly due to higher net CAPEX, Q4 -31 mill. EUR to 43 mill. EUR
  - Cash and short term financial assets of 1,098 mill. EUR, debt repayment of 300 mill EUR in September 2017

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1) Calculation of adj. Free Cash Flow from operating activities revised by reclassification of interest payments, see page 13 and APPENDIX
**HELLA top line growth with expected development in FY 16/17**

**Financial Highlights FY 2016/17**

<table>
<thead>
<tr>
<th>HELLA group sales (EUR millions)</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HELLA Group</strong> sales increase by 233 mil. EUR (+3.7%) to 6,585 mil. EUR:</td>
<td></td>
</tr>
<tr>
<td><strong>Currency and portfolio adjusted</strong> growth HELLA Group at 4.3%</td>
<td></td>
</tr>
<tr>
<td><strong>HELLA reported Group sales</strong> increased</td>
<td></td>
</tr>
<tr>
<td><strong>Automotive</strong> + 3.8% to 5,029 mil. EUR. Demand for energy management products drives electronic business.</td>
<td></td>
</tr>
<tr>
<td>Growth in electronics and lighting impacted by the preparation for ramp-ups in H1 FY16/17. H2 FY 16/17 with strong increase in growth dynamics</td>
<td></td>
</tr>
<tr>
<td><strong>Aftermarket</strong> +3.7% to 1,222 mil. EUR with positive development in all segments</td>
<td></td>
</tr>
<tr>
<td><strong>Special Applications</strong> +0.3% to 385 mil. EUR, portfolio adjusted sales growth at 5.2%</td>
<td></td>
</tr>
</tbody>
</table>
Automotive growth in H2 FY 16/17 above market

Financial Highlights FY 2016/17

HELLEA Automotive external sales by region (in EUR millions)

<table>
<thead>
<tr>
<th>Region</th>
<th>FY 13/14</th>
<th>FY 14/15</th>
<th>FY 15/16</th>
<th>FY 16/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global</td>
<td>3,924</td>
<td>4,364</td>
<td>4,804</td>
<td>4,980</td>
</tr>
<tr>
<td>Europe</td>
<td>2,738</td>
<td>2,880</td>
<td>3,180</td>
<td>3,174</td>
</tr>
<tr>
<td>North &amp; South America</td>
<td>632</td>
<td>769</td>
<td>828</td>
<td>948</td>
</tr>
<tr>
<td>Asia &amp; RoW</td>
<td>555</td>
<td>714</td>
<td>795</td>
<td>858</td>
</tr>
</tbody>
</table>

Light vehicle production (in million units)

<table>
<thead>
<tr>
<th>Region</th>
<th>FY 13/14</th>
<th>FY 14/15</th>
<th>FY 15/16</th>
<th>FY 16/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global</td>
<td>86.3</td>
<td>87.7</td>
<td>89.5</td>
<td>94.6</td>
</tr>
<tr>
<td>Europe</td>
<td>20.1</td>
<td>20.3</td>
<td>21.3</td>
<td>21.9</td>
</tr>
<tr>
<td>North &amp; South America</td>
<td>20.7</td>
<td>20.7</td>
<td>20.8</td>
<td>20.8</td>
</tr>
<tr>
<td>Asia &amp; RoW</td>
<td>44.6</td>
<td>45.3</td>
<td>46.5</td>
<td>50.3</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Region</th>
<th>FY 13/14</th>
<th>FY 14/15</th>
<th>FY 15/16</th>
<th>FY 16/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global</td>
<td>+9.6%</td>
<td>+8.0%</td>
<td>-2.0%</td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td>+3.9%</td>
<td>+5.7%</td>
<td>-2.9%</td>
<td></td>
</tr>
<tr>
<td>North &amp; South America</td>
<td>+21.6%</td>
<td>+8.9%</td>
<td>+13.0%</td>
<td></td>
</tr>
<tr>
<td>Asia &amp; RoW</td>
<td>+27.0%</td>
<td>+8.7%</td>
<td>-0.3%</td>
<td></td>
</tr>
</tbody>
</table>

Please note that where sums and percentages in the presentation have been rounded, differences may arise as a result of commercial rounding.

Source: HELLA; IHS (as of July 2017)
HELLA – Company Presentation FY 2016/17
Agenda

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BACKUP
Improved productivity in Automotive results in GPM increase

Financial results FY 2016/17

- Adjusted Gross Profit increased by 97 mill. EUR (+6%) to 1,812 mill. EUR
- Adjusted Gross Profit margin improved by 0.5%-points to 27.5%.
- Efficient production ramp-ups, positive product mix effect with increasing content and high utilization drove margin
High R&D expenses to secure future growth
Financial results FY 2016/17

EUR millions and % sales

**R&D expenses**

<table>
<thead>
<tr>
<th></th>
<th>FY 13/14</th>
<th>FY 14/15</th>
<th>FY 15/16</th>
<th>FY 16/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absolute</td>
<td>514</td>
<td>544</td>
<td>623</td>
<td>636</td>
</tr>
<tr>
<td>Increase</td>
<td>30</td>
<td>80</td>
<td>13</td>
<td></td>
</tr>
</tbody>
</table>

**R&D expenses ratio**

<table>
<thead>
<tr>
<th></th>
<th>FY 13/14</th>
<th>FY 14/15</th>
<th>FY 15/16</th>
<th>FY 16/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>9.6</td>
<td>9.3</td>
<td>9.8</td>
<td>9.7</td>
</tr>
<tr>
<td>Change</td>
<td>-0.3</td>
<td>+0.5</td>
<td>-0.2</td>
<td></td>
</tr>
</tbody>
</table>

- **Absolute R&D** expenses increased by 13 mill. EUR (+2% YoY) to **636 mill. EUR** mainly to prepare future projects and to secure technology leadership.
- Focus on advanced **lighting** and driver assistance systems & **energy management** products.
- FY16/17 ratio decreased by **0.2%-points** to **9.7%** due to high comparable basis in FY 15/16.
- Ratio accounts for increased order intake and conscious investments in opportunities as well as low capitalization level.
Relatively stable development of SG&A costs
Financial results FY 2016/17

Adjusted SG&A expenses:
- FY 2014/15: 604 EUR
- FY 2015/16: 669 EUR (+11%)
- FY 2016/17: 695 EUR (+4%)

Adjusted SG&A expenses ratio:
- FY 2014/15: 11.3%
- FY 2015/16: 10.5%
- FY 2016/17: 10.5%

Key points:
- **Distribution expenses**: +12 mill. EUR (+2.5% YoY) to 506 mill. EUR driven by higher Aftermarket sales and business extension in Poland.
- **Adj. other income and expenses**: -2 mill. EUR (-4.1% YoY) to 41 mill. EUR.
- **Admin. expenses**: +12 mill. EUR (+5.4%) to 230 mill. EUR due to investments in corporate functions & systems.

SG&A ratio at 10.5%, ratio of structural costs shows a stable development:
- **Distribution cost** ratio -0.1%-points to 7.7%
- **Administrative cost** ratio +0.1%-points to 3.5%
- **Adjusted other income and expenses** -0.1%-points to 0.6%
Adjusted EBIT and EBIT margin above prior-year’s level
Financial results FY 2016/17

EUR millions and % sales

### Adjusted EBIT

<table>
<thead>
<tr>
<th>FY 13/14</th>
<th>FY 14/15</th>
<th>FY 15/16</th>
<th>FY 16/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>399</td>
<td>445</td>
<td>476</td>
<td>534</td>
</tr>
</tbody>
</table>

**Increase of Adjusted EBIT**
- Adjusted EBIT increased by 57 mill. EUR (+12.0%) to 534 mill. EUR
- Increase of Adj. Gross Profit and under proportional increase of R&D expenses in Automotive main driver

### Adjusted EBIT margin

<table>
<thead>
<tr>
<th>FY 13/14</th>
<th>FY 14/15</th>
<th>FY 15/16</th>
<th>FY 16/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.5</td>
<td>7.6</td>
<td>7.5</td>
<td>8.1</td>
</tr>
</tbody>
</table>

**Increase of Adjusted EBIT margin**
- Adj. EBIT margin increased by 0.6%-points to 8.1% mainly due to increased GPM (+0.5%-points) and lower R&D expenses (-0.2%-points)
## P&L including reconciliation
Financial results FY 2016/17

### HELLA GROUP

<table>
<thead>
<tr>
<th>In EUR mill.</th>
<th>FY 15/16</th>
<th>FY 16/17</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross profit</td>
<td>1,688.2</td>
<td>1,812.0</td>
<td>1,812.0</td>
</tr>
<tr>
<td>(Admin)</td>
<td>-218.2</td>
<td>-229.6</td>
<td>-229.6</td>
</tr>
<tr>
<td>Other income and expenses</td>
<td>13.9</td>
<td>15.0</td>
<td>15.0</td>
</tr>
<tr>
<td>EBIT</td>
<td>419.8</td>
<td>507.2</td>
<td>507.2</td>
</tr>
<tr>
<td>Net financial result</td>
<td>-39.5</td>
<td>-44.2</td>
<td>-44.2</td>
</tr>
<tr>
<td>Taxes</td>
<td>-108.4</td>
<td>-119.8</td>
<td>-119.8</td>
</tr>
<tr>
<td>Earnings for the period</td>
<td>271.9</td>
<td>343.1</td>
<td>343.1</td>
</tr>
<tr>
<td>Earnings per share (EUR)</td>
<td>2.42</td>
<td>3.08</td>
<td>3.08</td>
</tr>
<tr>
<td>Dividend per share (EUR)</td>
<td>0.77</td>
<td>0.92</td>
<td>0.92</td>
</tr>
</tbody>
</table>

- Reported EBIT margin FY 15/16 negatively impacted by effects of supplier default and restructuring expenses in Germany
- Reported EBIT margin FY 16/17 adversely impacted by expenses in connection with the proceedings initiated by the European cartel authorities and restructuring expenses in Germany
- Net financial result weaker due to hedging costs for newly issued bond and lower interest income in Q4 FY16/17
- Earnings for the period increased with higher EBIT compared to previous year
- EPS increased to 3.08 EUR vs. 2.42 EUR last year
- Proposed dividend of EUR 0.92 (+19% YoY)
Adj. Free Cash Flow from operating activities relatively flat due to high investments
Financial results FY 2016/17

<table>
<thead>
<tr>
<th>Adj. FCF from operating activities</th>
<th>Adj. Net Cash Flow from operating activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR millions</td>
<td>EUR</td>
</tr>
<tr>
<td>FY 13/14</td>
<td>84</td>
</tr>
<tr>
<td>FY 14/15</td>
<td>158</td>
</tr>
<tr>
<td>FY 15/16</td>
<td>155</td>
</tr>
<tr>
<td>FY 16/17</td>
<td>149</td>
</tr>
<tr>
<td>Thereof reclassification of interest</td>
<td></td>
</tr>
<tr>
<td>EUR millions</td>
<td>EUR</td>
</tr>
<tr>
<td>FY 13/14</td>
<td>33</td>
</tr>
<tr>
<td>FY 14/15</td>
<td>120</td>
</tr>
<tr>
<td>FY 15/16</td>
<td>134</td>
</tr>
<tr>
<td>FY 16/17</td>
<td>128</td>
</tr>
</tbody>
</table>

Adj. Free Cash Flow

- Adj. Free Cash Flow from operating activities decreased by 6 mill. EUR to 149 mill. EUR mainly due to higher Net CAPEX
- Adj. Net Cash Flow from operating activities increased by 92 mill. EUR to 793 mill. EUR

Net CAPEX

- Net CAPEX increased by 54 mill. EUR to 517 mill. EUR
- Continuous investments in customer-specific equipment, start of capacity extension
- Reimbursements increased by 48 mill. EUR to 132 mill. EUR depending on project launches
Automotive with increased profitability
Financial results FY 2016/17

Automotive Sales
- Moderate growth of 3.8% with project ramp-ups starting in Q3 FY 16/17
- Demand for energy management products drives electronic business
- Demand for LED headlamps in lighting business
- Ongoing growth dynamics expected
- Slightly negative FX effect in FY 16/17

Automotive Profitability
- Strong increase of adj. EBIT margin to 8.8%, mainly on the basis of
  - increased adj. GPM due to improved operational efficiency and increasing content with high innovative products
  - lower R&D ratio after high comparable basis FY 15/16. Absolute expenses on high level for upcoming product generations
Non Automotive segments with positive contribution

Financial results FY 2016/17

**Aftermarket**

- All Aftermarket divisions with positive sales development
  - Strong wholesale and IAM business
  - Positive demand for workshop products
- Slight decrease in EBIT margin (-0.2pp) to 6.2%.
  - GPM with positive development (+0.6pp to 33.9%) due to product mix
  - Investment in structures e.g. branches, logistics, e-commerce to secure future growth and profitability

**Special Applications**

- Special Application in a transition year after sale of Industries and Airport Lighting activities and production relocation
- Agricultural sector leads to weak development of Special OE sales, other product groups e.g. trailer still growing
- Costs for wind-down of Industries & Airport lighting activities and production relocation affect margin negatively (in total 17 mill. EUR)

New structure after change of organizational responsibility for some production companies from Aftermarket to Special Applications
Q4 FY 16/17 with profitability increase compared to previous year
Financial results FY 2016/17

<table>
<thead>
<tr>
<th>HELLA GROUP</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Currency and portfolio adjusted sales growth (YoY)</strong></td>
<td>Q4 FY 16/17 with positive organic growth due to Automotive and Aftermarket, previous year driven by Automotive growth; slow down of IAM catch up effect.</td>
</tr>
<tr>
<td><strong>FX (YoY)</strong></td>
<td>Higher adj. Gross Profit and GPM driven by top line and operational leverage (positive product mix effects and further operational improvements)</td>
</tr>
<tr>
<td><strong>Portfolio (YoY)</strong></td>
<td>Adj. EBIT margin Q4 FY 16/17 driven by higher GPM and lower R&amp;D ratio</td>
</tr>
<tr>
<td><strong>Global LVP according to HELLA FY (YoY)</strong></td>
<td>Adj. FCF from operating activities declined in Q4 FY 16/17 due to higher CAPEX and Working Capital</td>
</tr>
<tr>
<td><strong>Adj. EBIT Margin</strong></td>
<td>Ad</td>
</tr>
</tbody>
</table>
Q4 FY 16/17 with stronger profitability in Automotive
Financial results FY 2016/17

**HELLA SEGMENTS DEVELOPMENT (OLD STRUCTURE)**

<table>
<thead>
<tr>
<th>Segment</th>
<th>Total Sales growth (YoY)</th>
<th>Adj. EBIT Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q4 FY 15/16</td>
<td>Q4 FY 16/17</td>
</tr>
<tr>
<td></td>
<td>6.4% 2.2% 2.5%*</td>
<td>7.4% 5.8% -2.4%*</td>
</tr>
<tr>
<td></td>
<td>8.6% 7.3% -7.9%*</td>
<td>9.4% 6.4% 11.6%*</td>
</tr>
</tbody>
</table>

**Comment**

- Q4 FY 16/17 with continuous acceleration of Automotive sales
- Strong Aftermarket with growing IAM, WD, WP business
- Special Applications with seasonal better agricultural business and positive caravan and trailer sales, Special Applications core business grew by 4.9%
- Adjusted EBIT Automotive increased due to higher GPM and lower R&D ratio
- Aftermarket adjusted EBIT margin declined due to increasing admin driven by growth related investments in corporate structures
- Special Applications with 2.6 mill. EUR negative effects from Industries and Airport Lighting disposal

*including Industries and Airport Lighting activities*
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BACKUP
## Overall market FY 17/18 expected to grow by 1.1% according to IHS Outlook

<table>
<thead>
<tr>
<th>Region</th>
<th>Expected Light Vehicle Production (in m units)</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td><img src="image" alt="+1.5%" /> 22.2</td>
<td>Continuing moderate growth in 2017/18 expected</td>
</tr>
<tr>
<td>NSA</td>
<td><img src="image" alt="+0.3%" /> 20.8</td>
<td>After peak of US market in 2015 the LVP is expected to stay nearly flat in 2017/18</td>
</tr>
<tr>
<td>China</td>
<td><img src="image" alt="+1.1%" /> 27.7</td>
<td>Growth forecasted to slow down in 2017/18</td>
</tr>
<tr>
<td>Global</td>
<td><img src="image" alt="+1.1%" /> +95.6 27.7</td>
<td>Overall market expected to grow by 1.1%</td>
</tr>
</tbody>
</table>

Source: IHS Light Vehicle Production (LVP) (as of July 2017)
Company specific development for FY 2017/18 confirmed

Outlook

Presuming no serious economic turmoil, we assume a positive development of the operative HELLA business for FY 2017/18:

<table>
<thead>
<tr>
<th>Guidance</th>
<th>Sales growth</th>
<th>Adj. EBIT growth</th>
<th>Adj. EBIT margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth excluding FX</td>
<td>Growth</td>
<td>Growth</td>
<td>Margin</td>
</tr>
<tr>
<td>between 5-10%</td>
<td>between 5-10%</td>
<td>around 8%</td>
<td></td>
</tr>
</tbody>
</table>
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BACKUP

- HELLA at a Glance
Market and technology leadership as key strategic principles
HELLA at a glance – Overview

KEY FACTS

- Founded 1899 in Lippstadt (Germany)
- Global footprint with around 38,000 employees at more than 125 locations in some 35 countries
  - Thereof: 41 research & 28 production sites
- Integrated business portfolio in Automotive, Aftermarket, and Special Applications
- Leading market positions in automotive Lighting and Electronics
- One of the top 40 automotive suppliers in the world and one of the 100 largest German industrial companies

SALES BY BUSINESS SEGMENT

external sales, fiscal year 2016/2017

- Automotive Electronics €2,191 million (33%)
- Automotive Lighting €2,788 million (43%)
- Aftermarket €1,185 million (18%)
- Special Applications €384 million (6%)
- Total €6.6 billion group sales

SALES BY REGION

based on the HQs of HELLA’s customers, fiscal year 2016/2017

- Germany €2,243 million (34%)
- Rest of Europe €2,218 million (34%)
- Asia, Pacific, RoW €1,063 million (16%)
- North & South America €1,061 million (16%)
- Total €6.6 billion group sales

KEY FINANCIALS

in EUR millions and % of sales

<table>
<thead>
<tr>
<th></th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>6,352</td>
<td>6,585</td>
<td>+3.7%</td>
</tr>
<tr>
<td>Adjusted EBIT</td>
<td>476</td>
<td>534</td>
<td>+12.0%</td>
</tr>
<tr>
<td>Adjusted EBIT margin</td>
<td>7.5%</td>
<td>8.1%</td>
<td>+0.6% points</td>
</tr>
<tr>
<td>Adjusted Free Cash Flow</td>
<td>155</td>
<td>149</td>
<td>-3.9%</td>
</tr>
</tbody>
</table>
HELLA has shown sustainable profitable growth since automotive crisis

HELLA at a glance – Sales and EBIT development

- **Sustainable growth** during the last years mainly driven by **Automotive**
- **Aftermarket** and **Special Applications** also with positive growth

- **Continuous EBIT increase** despite large investments in global structures and R&D
- **Overall stable margin level** through growth driven by technology leadership and increased efficiency
High financial stability ensuring long-term growth perspective
HELLE at a glance – Financial stability

Solid capital structure

<table>
<thead>
<tr>
<th>Leverage (Net debt / EBITDA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 12</td>
</tr>
<tr>
<td>0.5x</td>
</tr>
</tbody>
</table>

Debt and maturity profile*, in millions EUR

<table>
<thead>
<tr>
<th>Bond (1.15%) matures Sep 17</th>
<th>Bond (2.375%) issued May 17</th>
<th>Aflac*** bond I</th>
<th>Aflac bond II</th>
<th>Other Debt**</th>
</tr>
</thead>
<tbody>
<tr>
<td>300</td>
<td>500</td>
<td>300</td>
<td>70</td>
<td>105</td>
</tr>
<tr>
<td>2017</td>
<td>2020</td>
<td>2024</td>
<td>2023</td>
<td>2033</td>
</tr>
</tbody>
</table>

Gearing (Net debt / Equity)

<table>
<thead>
<tr>
<th>Gearing (Net debt / Equity)</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 12</td>
</tr>
<tr>
<td>0.3x</td>
</tr>
</tbody>
</table>

Strategic flexibility

HELLE has a stable and solid financial fundament which forms the basis for its future strategic plans

→ Prudent financial policy throughout the cycle with leverage < 1.0x
→ Financing of long-term growth strategy secured
→ Well balanced debt portfolio
→ New issuing (senior, unsecured / bearer debt) for attractive conditions
→ Mid term target: Leverage < 1.0x

→ Capital-market-oriented capital structure with investment grade rating
→ Good liquidity profile and consistent liquidity management
→ EUR 86m dividends (0.77EUR/share) paid September 2016
→ Equity ratio at 39.5% and cash & assets at 1,098 mill. EUR

* As of August, 2017; Euro Bond I: 1.15%, Euro Bond II: 2.375%, Euro Bond III: 1.00%; Aflac bonds hedged values ** Mostly short term loans and evaluation impact *** Abbreviation for “American Family Life Insurance Company”
Broad automotive portfolio in strong growing areas
HELLA at a glance – Business Segment Automotive

BUSINESS OVERVIEW*

<table>
<thead>
<tr>
<th>Lighting</th>
<th>Electronics</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Headlamps&lt;br&gt;• Rear Combination Lamps&lt;br&gt;• Small Lamps&lt;br&gt;• Interior Lighting&lt;br&gt;• Lighting Electronics</td>
<td>• Components&lt;br&gt;• Energy Management&lt;br&gt;• Driver Assistance Systems&lt;br&gt;• Body Electronics&lt;br&gt;• Steering</td>
</tr>
<tr>
<td>#1 market position in LED headlamps Europe&lt;br&gt;#3-4 global and #1-2 European market position in OE passenger car lighting</td>
<td>#2-3 global and #1-2 European market position in defined automotive electronic segments</td>
</tr>
</tbody>
</table>

KEY FINANCIALS

<table>
<thead>
<tr>
<th></th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>External Sales</td>
<td>4,804</td>
<td>4,980</td>
<td>+3.7%</td>
</tr>
<tr>
<td>Adjusted EBIT**</td>
<td>390</td>
<td>444</td>
<td>+13.8%</td>
</tr>
<tr>
<td>Adjusted EBIT margin**</td>
<td>8.1%</td>
<td>8.8%</td>
<td>+0.7% points</td>
</tr>
<tr>
<td>Ext. Sales Lighting</td>
<td>2,720</td>
<td>2,788</td>
<td>2.5%</td>
</tr>
<tr>
<td>Ext. Sales Electronics</td>
<td>2,084</td>
<td>2,191</td>
<td>5.2%</td>
</tr>
</tbody>
</table>

AUTOMOTIVE SALES BY CUSTOMERS

fiscal year 2016/2017

- Tier X: 29%
- German OEM: 43%
- US OEM: 11%
- Asian OEM: 13%
- Other**: 6%

- Tier X: 29%
- German OEM: 43%
- US OEM: 11%
- Asian OEM: 13%
- Other**: 6%

AUTOMOTIVE SALES BY REGIONS

fiscal year 2016/2017

- North & South America: €948 million
- Germany: €1,906 million
- Asia, Pacific, RoW: €858 million
- Rest of Europe: €1,268 million

*) All figures related to the selected markets and product categories based on HELLA’s portfolio, as covered in an external market study commissioned by HELLA (2014)

**) Adjustments including restructuring expenses and supplier default in FY 15/16

***) Including European OEM (ex Germany) and trucks.
Over the last years HELLA was 1st to market with several technologies which support strong market positions

**Innovation Leadership – Automotive**

**SELECTED INNOVATION HIGHLIGHTS**

<table>
<thead>
<tr>
<th>Global Market Position</th>
<th>Global Market Position</th>
<th>Global Market Position</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>#1-2</strong></td>
<td><strong>#1</strong></td>
<td><strong>#2</strong></td>
</tr>
<tr>
<td><strong>Milestones</strong></td>
<td><strong>Milestones</strong></td>
<td><strong>Milestones</strong></td>
</tr>
<tr>
<td><strong>2006</strong></td>
<td><strong>2009</strong></td>
<td><strong>2005</strong></td>
</tr>
<tr>
<td>Cadillac Escalade Platinum: Full-LED headlamp (1st to segment)</td>
<td>Audi Q7: Introduction of Lane Change Assistant (1st Generation)</td>
<td>BMW 5-series: Introduction of first IBS product (1st Generation)</td>
</tr>
<tr>
<td><strong>2010</strong></td>
<td><strong>2012</strong></td>
<td><strong>2008</strong></td>
</tr>
<tr>
<td>Audi A8: Full-LED headlamp with AFS functions (1st to market)</td>
<td>Audi A8: Lane Change Assistant + Pre-Crash Rear (2nd Generation)</td>
<td>Hyundai Sonata: Rollout of IBS product in Korea (2nd Generation)</td>
</tr>
<tr>
<td><strong>2013</strong></td>
<td><strong>2014</strong></td>
<td><strong>2012</strong></td>
</tr>
<tr>
<td>Audi A8: LED Matrix headlamp with glare-free high beam (1st to market)</td>
<td>VW Golf: Blind-Spot Detect + Rear Cross Traffic Alert (3rd Generation)</td>
<td>VW Passat: Global VW platform for IBS product (3rd Generation)</td>
</tr>
<tr>
<td><strong>2016</strong></td>
<td><strong>2017</strong></td>
<td><strong>2015</strong></td>
</tr>
<tr>
<td>Mercedes E-Class: LED Matrix with glare-free high beam (1st to market)</td>
<td>Opel Mokka: Lane Change Assist + Blind Spot Detect (4th Generation)</td>
<td>Honda Accord: Global platform for IBS product (4th Generation)</td>
</tr>
</tbody>
</table>
HELLA will benefit in its core business thanks to favorable positioning along major automotive market trends

Business decisions – Electronic and Lighting

MAJOR AUTOMOTIVE MARKET TRENDS

<table>
<thead>
<tr>
<th>AUTONOMOUS DRIVING</th>
<th>EFFICIENCY &amp; ELECTRIFICATION</th>
<th>CONNECTIVITY &amp; DIGITALIZATION</th>
<th>INDIVIDUALIZATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>![Autonomous Driving Icon]</td>
<td>![Efficiency &amp; Electrification Icon]</td>
<td>![Connectivity &amp; Digitalization Icon]</td>
<td>![Individualization Icon]</td>
</tr>
</tbody>
</table>

Selected Examples

- **Electronic portfolio**
  - Camera Software
  - 77 GHz Radar Sensor
  - 48V DC/DC Converter
  - Battery Management System
  - Particulate Matter Sensor
  - Passive Entry System

- **Lighting portfolio**
  - Driving Status Projections
  - LED Technology
  - High Definition LCD headlamp
  - Ambient & Relaxing Interior lighting

HELLE Company Presentation | FY 2016/17
Focus on advanced vision IP and development approaches to enable roadmap towards autonomous driving

Autonomous Driving – Technology Highlights

Current Assistance Functions (NCAP 2018):

TECHNOLOGY
Camera Software: Vision IP

Conventional computer vision approach

Based on Deep Learning
New business model for camera software: Flexible, scalable approach for realization of autonomous driving functionality

Autonomous Driving – Technology Highlights

TECHNOLOGY
Camera Software: „Software as Product“

Current Market Model

CLOSED SYSTEM
- Proprietary microprocessor with fixed software package
- System-on-chip and vision IP fixed („blackbox“ approach)
- Limited options for integration and extension of system for customers
- No support for USP creation at customer side

HELLA Approach

OPEN SYSTEM as flexible, scalable package

Software suppliers (vision IP)

Tier 1 IP
One or more HELLA IP
3rd Party IP

Tier 1

Semiconductor suppliers (system-on-chip)

KEY BENEFITS
- Open systems supports various scalable hardware platforms and vision IP from different sources (own IP, 3rd-party IP)
- Freedom of choice at customer side which vision IP and system-in-chip to integrate → creation of USPs possible
- Flexible, scalable approach enables cost-efficient solutions for volume markets
HELLE’s 77 GHz radar sensor solution enables efficient 360° environment recognition for the entire vehicle
Autonomous Driving – Technology Highlights

TECHNOLOGY
77 GHz Radar Sensor

KEY FACTS
- Highly integrated RF-CMOS Radar System Chip
- Higher functional object detection performance
- Dimensions: 65 x 61 x 15 mm

KEY BENEFITS
- **Reduced size & weight** (significant package reduction compared to previous sensors)
- **Identifies & reacts to approaching vehicles from front-side** when entering a junction or pulling out forward from parking space
- **Identifies & warns of objects in blind spot**

MAIN FUNCTIONALITIES
- Intersection Assistant
- Automated Parking
- Automated Driving
Consequent roll-out of 48V DC/DC converter in order to participate in growing 48V market, especially in China

Efficiency & Electrification – Technology Highlights

TECHNOLOGY
48V DC/DC-Converter

KEY FACTS
- Conversion efficiency > 95%
- Power rating according to alternator up to 3kW
- Scalability thanks to multi-phase approach

KEY BENEFITS
- Enables new applications such as stop/start and idle cruising, whilst ensuring the supply of fuel-efficient power loads such as electrical power-steering actuators
- Innovative vehicle applications, which support fuel efficient drive concepts such as high power regenerative braking or engine-off coasting applications

MAIN FUNCTIONALITIES
- Enhanced Start-Stop
- Engine-Off-Coasting
- Boosting
- High Power Braking
- Backup Energy
- Fuel Economy

Awarded by 3 Customers
HELLA offers the full electronics solution for lithium-ion battery management system
Efficiency & Electrification – Technology Highlights

**TECHNOLOGY**
**BATTERY MANAGEMENT SYSTEM**

**KEY FACTS**

- **BMS ECU:** Battery state calculation and control of safety functions
- **Cell Controller:** Voltage and temperature measurements as well as cell balancing
- **High Voltage Current Sensor:** Measurement of battery current
- **Insulation Monitoring Device:** Measurement of insulation resistance between HV and LV
- **(Integrated) Relay Box:** Charge, pre-charge and main relays packaged including control electronics

**KEY BENEFITS**

- **Modular and scalable platform** for 12V, 48V and high voltage lithium-ion batteries
- **Best-in-class insulation monitoring device** in exclusive cooperation with BENDER

**MAIN FUNCTIONALITIES**

**CALCULATE BATTERY STATE**

- State of Charge
- State of Health
- Power capability
- Resistance

**PROTECT BATTERY AND VEHICLE DRIVER**

- Battery overheating
- Over voltage and current
- Contactor State of Health (SoH)

**MEASURE**

- Current
- Cell voltages
- Cell temperatures
- Battery voltages

**CONTROL**

- Contactor
- Communication
- Limp home
- Pre-charge
The electrification of the drivetrain leads to a variety of vehicle architectures with different costs and CO2 savings

### EFFICIENCY & ELECTRIFICATION

<table>
<thead>
<tr>
<th>Architecture</th>
<th>CO2 Reduction*</th>
<th>Additional Costs**</th>
<th>Voltage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal Combustion Engine (ICE)</td>
<td>-10% to -20%</td>
<td>5% to 10%</td>
<td>12V &amp; 48V</td>
</tr>
<tr>
<td>48V Mild Hybrid (MHV)</td>
<td>-30%</td>
<td>50% to 60%</td>
<td>12V &amp;&gt; 120V</td>
</tr>
<tr>
<td>Full-hybrid (FHEV) &amp; Plug-in Hybrid (PHEV)</td>
<td>-100%</td>
<td>30% to 50%</td>
<td></td>
</tr>
<tr>
<td>Battery Electric Vehicle (BEV)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### MARKET PENETRATION***

<table>
<thead>
<tr>
<th>Year</th>
<th>Electric Vehicles</th>
<th>Conventional Combustion Engine</th>
</tr>
</thead>
<tbody>
<tr>
<td>today</td>
<td>69% 28%</td>
<td>0%</td>
</tr>
<tr>
<td>2020</td>
<td>34% 53%</td>
<td>5%</td>
</tr>
<tr>
<td>2025</td>
<td>24% 47%</td>
<td>18%</td>
</tr>
</tbody>
</table>

* CO2 reduction related to local emissions only
** Assumptions on technical concept for high volume car
*** Source: IHS Engine Forecast, December 2016

- HELLA Company Presentation | FY 2016/17
Innovative approach to optimize air quality in the vehicle based on particulate sensor and cloud-based solutions

Connectivity & Digitalization – Technology Highlight

TECHNOLOGY
Cloud-Based Air Quality Management

**KEY FACTS**
- Particulate Matter Sensor (PM2.5)
- For vehicles with automatic climate control
- Measurement of air properties, in the range of 25 µg / m³ - 500 µg / m³
- Particle size distribution detection by scattered light detection // amplitude of diffractive light depends on PM concentration

**KEY BENEFITS**
- Detection of particulate matter < 2.5 µm (fine dust) in the inner cabin & ambient air
- Greater driving comfort due to continual optimization of the air quality in the vehicle
- High particle concentration leads e.g. to: sensor function for ventilation flap controlling (lowers in-cabin pollution level) or fine dust pollution level display as warning feature

**MAIN FUNCTIONALITIES**
- Pollution Notifications
- Cloud-Based Clean Routing Option
- Cloud-Based Health Recommendations

First to market
HELLA’s multi lens array improves comfort and safety by supportive road projects for different driving situations

Autonomous Driving – Technology Highlights

**TECHNOLOGY**

Multi Lens Array

**KEY FACTS**
- Generation of sharp, contrasting and homogeneous images
- No loss of the graphic even by partially dirty lens, 170 micro projection lenses per Multi-Lens-Array generating 1 image
- Integration of projections with car sensors

**KEY BENEFITS**
- Enhances safety through communication with pedestrians and other vehicles
- Evokes emotions by dynamic / changing lighting
- Enables information about autonomous driving status

**MAIN FUNCTIONALITIES**

- Welcome Light
- Driving Status Projections
- Safety Projections

First to market

Welcome Light

Driving Status Projections

Safety Projections
High definition LCD headlamp accelerates functionalities and customer benefits
Connectivity & Digitalization – Technology Highlights

**TECHNOLOGY**
High definition LCD headlamp

**KEY FACTS**
- High definition lighting system
- Liquid Crystal with >50.000 Pixel

**KEY BENEFITS**
- **State of the art functions**, e.g. bend light, glare-free high beam, etc. with optimized end-user impact
- **New functionalities**, e.g. C2P (Car To Pedestrian) and C2D (Car To Driver)
- **High end resolution**

**NEW FUNCTIONALITIES**
- Pedestrian marking
- Projection of cross-walk
- Highlight the walk way

HELLA Company Presentation | FY 2016/17
Enhancing user experience and safety with HELLA’s dynamic ambient lighting system

Individualization – Technology Highlights

**TECHNOLOGY**

Dynamic Ambient Lighting System

**KEY FACTS**
- Competence in light & electronics
- Light as a complementary information source for driving tasks
- Infinite number of high speed light scenarios

**KEY BENEFITS**
- **Integration in** customer E/E architecture
- **Supports** partially and high **automated driving**
- **Enhances safety** in complex traffic situations through warning function
- **Improves driving comfort** by personalization of light

**MAIN FUNCTIONALITIES**

- **Future option**
  - Advanced Welcome Scenario
  - Collision Warning
  - Ambient & Relaxing
LED competence as driver for HELLA Lighting

HELLA at a glance – Business Segment Automotive

LED to change the automotive market...

- LED headlamp sets in million units
- CAGR +22.9%
- Value (EUR bn) 2017 2022 2027
  - 2.9 9.1 12.1
  - 7.8 29.9 51.8
- Penetration (%) 2017-27 15.2%

...with penetration rates of LED to explode

- Half of produced light vehicles equipped with LED headlamps in 2027
- Driver:
  - Need for advanced lighting based assistance systems
  - Need for energy efficient lighting system
  - Need for designed parts and distinguishable lighting elements

HELLA offers scalable solutions for premium and volume segments

- HELLA Company Presentation | FY 2016/17
Competitive advantage through complete aftermarket solutions
HELLA at a glance – Business Segment Aftermarket

BUSINESS OVERVIEW

Independent Aftermarket (IAM)
- Sale of own and third-party spare parts to IAM wholesalers
- Own sales presence in >25 countries
- Strong position of sales network and brand presence in European market (#1-3)

Wholesale Distribution
- Building holistic product portfolio from part suppliers and offering to IAM garages
- Market position: #1 🇩🇰 #2 🇩🇪 #3 🇫🇷
- Synergies through HELLA wholesale organization “Nordic Forum”

Workshop Equipment
- Premium provider of workshop solutions, diagnostic tools and advanced equipment to garages
- Offering of professional services, e.g. technical data/hotline, trainings & financial services
- Market position: #1 🇩🇪 🇨🇭 #3 🇪🇺

KEY FINANCIALS

in EUR millions and % of sales

<table>
<thead>
<tr>
<th></th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1,179</td>
<td>1,222</td>
<td>+3.7%</td>
</tr>
<tr>
<td>EBIT</td>
<td>76.9</td>
<td>73.0</td>
<td>-5.0%</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>6.5%</td>
<td>6.0%</td>
<td>-0.5%</td>
</tr>
<tr>
<td>Sales IAM</td>
<td>530</td>
<td>553</td>
<td>+4.4%</td>
</tr>
<tr>
<td>Sales Wholesale</td>
<td>523</td>
<td>550</td>
<td>+5.2%</td>
</tr>
<tr>
<td>Sales Garage Equipment</td>
<td>58</td>
<td>66</td>
<td>+12.7%</td>
</tr>
</tbody>
</table>
IAM keeps strengthening its core product portfolio and seeks further cooperation for third party OE competence
HELLA at a glance – Segment Aftermarket: Independent Aftermarket

**Focus on**

1. **Strengthening of HELLA’s OE core products**

   **Products**
   - Vehicle-specific lighting
   - Electronics

2. **Partnership with strong 3rd party OE suppliers for IAM**

   **Strategic directions**
   - **Expand portfolio** and leverage own OE know-how with special focus on E/E and more complex products, e.g. radar sensors
   - **Shift from crash to wear parts**
   - **Roll-out of global portfolio** into regions and leverage of local portfolio additions

   - **Enhancement** of HELLA portfolio by 3rd party OE products and leverage of distribution network and proximity to customers
HELLA’s integrated wholesale concept ensures broad and deep customer reach in order to generate further growth.

HELLA at a glance – Segment Aftermarket: Wholesale

**POSITIONING ALONG VALUE CHAIN**

**STRATEGIC DIRECTION**

Capture chances from digitalization

- Intensification of **E-commerce business** in Denmark and Poland
- Further development of **service platform** in first market Denmark and roll-out to further wholesale markets
- Increase in customer loyalty with **digital solutions**, e.g. connected cars and telematics
- Strengthen **B2C business** and further **end-user services**
HELLA enables workshops to conduct complex repair and maintenance activities with innovative and cost efficient solutions

HELLA at a glance – Segment Aftermarket: Workshop Products

- **State of the art workshop equipment to address more complex car**
  - Provide [professional workshop equipment](#) e.g. multi-brand diagnostics, air-conditioning service as well as testing and adjusting tools e.g. for [camera and sensor calibration](#)
  - **Example:** Camera and sensor calibration
    - Growing importance of cameras and sensors due to [automotive megatrends](#) (e.g. autonomous driving)
    - **Easy application** for all brands, smart and cost-efficient solution
    - Tool offers [independent workshops](#) possibility to [extend business activities](#) beyond traditional scope

- **New cloud-based workshop solutions to solve diagnostic problems**
  - **Existing diagnostics business model**
    - [Localized offline data base](#), not accessible for external parties
    - Technical support offered by [hotline](#), e.g. for interpretation of complex failure codes into easy-to-understand failure analysis

  - **Cloud platform**
    - HELLA know-how is transferred to a [cloud platform](#)
    - Third parties can [access data base through web services](#) like API
    - **Predictive services** become possible

  - **New applications**
    - New partners access the data base to offer [innovative](#) services and applications for car diagnostics (“micro services”)
    - Examples: driver logbooks, pay-per-diagnosis
Diversification of business portfolio based on existing strengths
HELLA at a glance – Business Segment Special Applications

BUSINESS OVERVIEW

- Development, production and sale of lighting and electronics products for special vehicle manufacturers
- “Fast follower” of technological innovations in automotive segment along megatrends LED, energy efficiency and safety
- Application of know-how through own research and development resources and dedicated production footprint
- Strong market position in lighting product areas based on long-standing experience, in particular in Europe
- Focusing on a variety of attractive target groups

TARGET GROUPS

- Off-highway
- Highway & Leisure Vehicles
- Premium & Special Vehicles

KEY FINANCIALS

<table>
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<tr>
<td>Sales</td>
<td>384</td>
<td>385</td>
<td>+0.3%</td>
</tr>
<tr>
<td>EBIT</td>
<td>8.2</td>
<td>19.7</td>
<td>+140.3%</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>2.1%</td>
<td>5.1%</td>
<td>+3.0% points</td>
</tr>
</tbody>
</table>

STRATEGIC FOCUS

1. Drive LEDification in all customer segments
   - Further focus on offering of LED solutions and participate in LEDification trend e.g. in recreational vehicles and trailers
   - Invest into innovative product roadmap, e.g. Shapeline and multi-function lamp platform
   - Revitalize products e.g. modular work lamps and rear lamps
   - Drive advanced engineering e.g. light tunnel and matrix beam

2. Push further application of Electrics / Electronics
   - Transfer and adaptation of electronic automotive know-how to further participate in Electrification trend for special vehicles
   - Focus on application of existing Automotive products e.g. pedal sensors
   - Extension of Electronics scope e.g. radar solutions for smart farming to avoid collision and to measure seeds and speed
Thanks for your attention

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Head of Investor Relations

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