



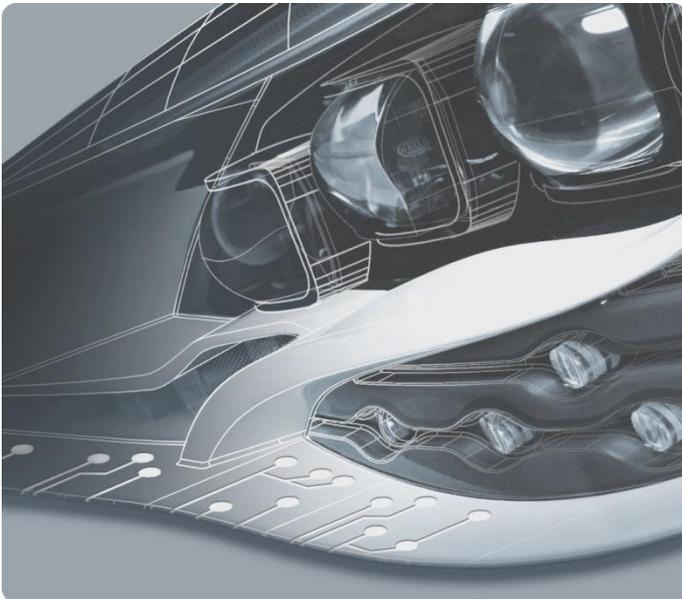
Technology with Vision

HELLA Investor Update

Conference Call on May 26, 2020

Dr. Rolf Breidenbach, CEO

Bernard Schäferbarthold, CFO



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HELLA specifies guidance for FY 19/20; mid- and long-term outlook below pre-crisis level, dividend suspension proposed

Executive Summary

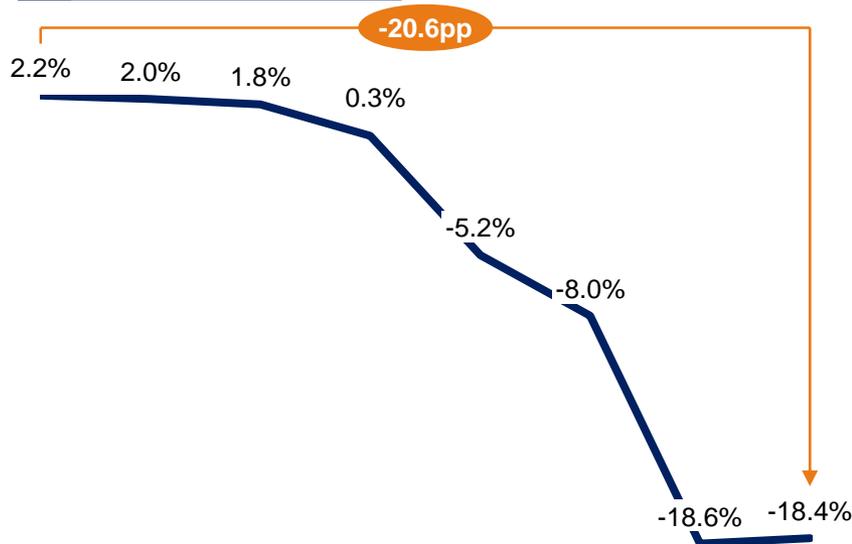
A	COMPANY OUTLOOK FY 2019/20	<ul style="list-style-type: none">■ Significant impact of Covid-19 pandemic led to withdrawal of original guidance in March 2020■ On the basis of actual information HELLA specifies its outlook and expects Group sales in the range from 5.7bn. EUR to 5.8 bn. EUR (PY 6,770 mill. EUR)■ Preliminary adjusted EBIT margin around 4%
B	MARKET OUTLOOK mid- & long- term	<ul style="list-style-type: none">■ Assumed LVP mid- and long-term significantly below pre Corona-crisis planning levels leading to asset impairment in Q4 FY 2019/20 of around 500 mill. EUR■ Asset impairment results in a net loss for the FY 2019/20. Due to net loss and the negative market expectations, the management board proposes to suspend the dividend payment for the FY 2019/20■ HELLA well positioned with balanced customer portfolio and technological strength but in coming months focus will be sharpened as well cost base and structures will be adapted to reduced market volumes

Due to massive economic consequences of the COVID-19 pandemic HELLA specifies the guidance for FY 2019/20

A. Guidance FY 2019/20 – Company outlook

Accelerating COVID19-pandemic with severe impact on demand, production and supply chain, leading to deterioration of IHS estimates for FY 19/20

IHS ESTIMATES FOR FY 19/20



IHS ESTIMATES AS OF

Jan 19 Mar 19 April 19 May 19 Jan 20 Mar 20 Apr 20 May 20

— Global LVP

Immediate massive cost-cutting measures above the existing cost control program could not fully compensate for the massive market slump leading to a negative EBIT in Q4 FY 19/20

Therefore, HELLA is currently expecting the following for FY 2019/20:

GUIDANCE

Fiscal Year 2019/20

June 1, 2019 to May 31, 2020

Group sales

In the range from **5.7 to 5.8 billion EUR**

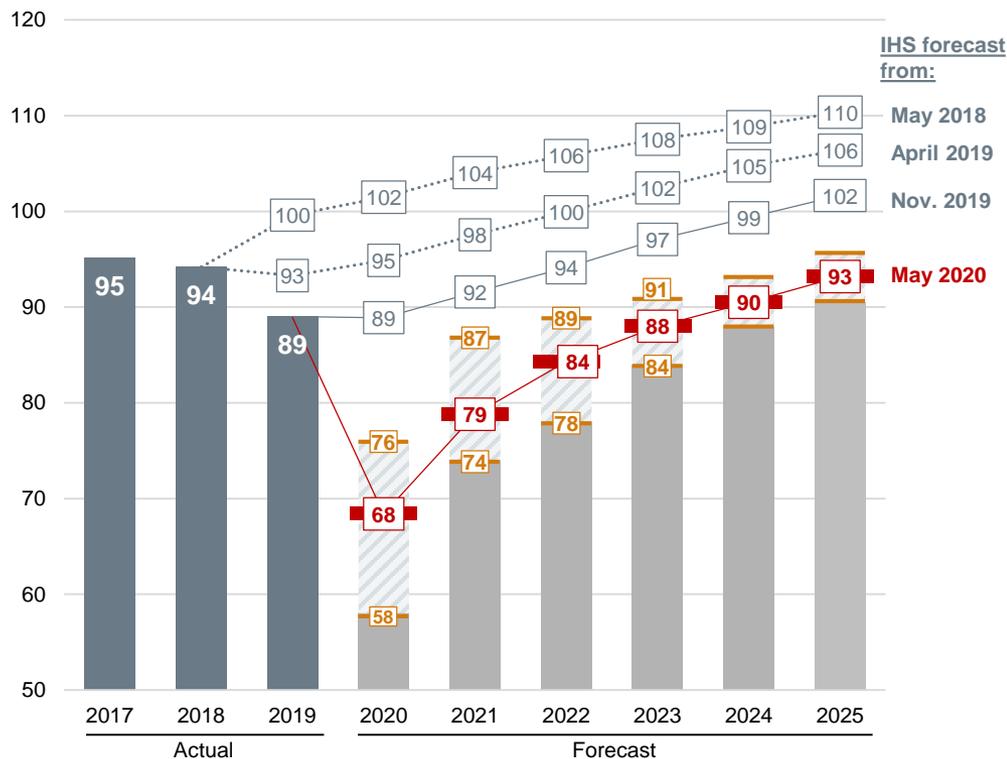
Adjusted **EBIT margin** excluding restructuring and portfolio effects

Around **4.0%**

Significantly reduced market volumes make asset impairments necessary and lead to a net loss for the FY 2019/20

B. Market outlook mid- and long-term

Global light vehicle production will remain significantly below the HELLA planning assumptions and market expectations made prior to the corona crisis in the medium to long term



Negative market expectations and the significantly reduced market volumes make non-cash impairments necessary

- Significantly reduced market forecasts; IHS as of 5/2020:
 - for 2022 16% below forecast from April 2019 and even 20% below forecast from May 2018
 - for 2025 12% below forecast from April 2019 and even 16% below forecast from May 2018
- HELLA market assumptions even more conservative, LVP assumed between lower end of range and IHS
- Asset impairments of around 500 mill. EUR in Q4 FY 2019/20 necessary
- Impairments are not cash-relevant
- No impact on the adjusted EBIT margin
- Including impairments, net loss for HELLA Group for FY 2019/20 expected

Management board decided to propose the suspension of the dividend payment to AGM on September 25

1) Considering market studies from McKinsey, BCG, Roland Berger, Bain, HSBC, Citi Bank, Evercore



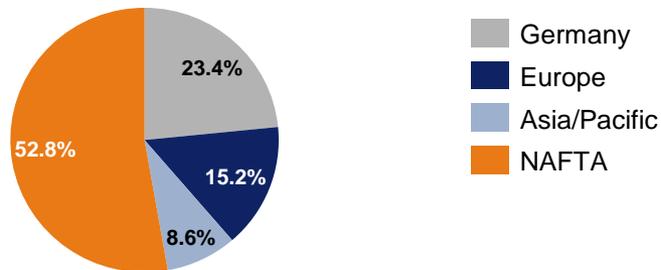
BACKUP

Impairments mainly due to lower capacity utilization in Automotive and primarily related to assets in Europe & NAFTA

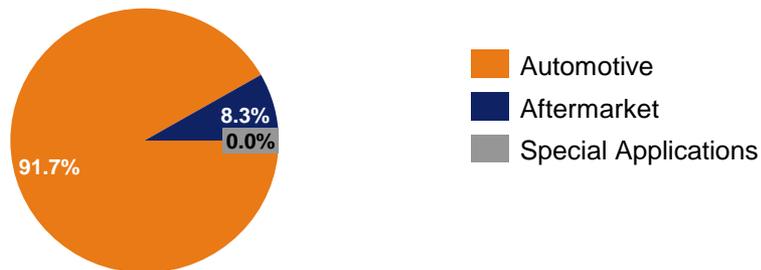
Back-Up – Asset impairments

Automotive market expected to be considerably smaller than originally expected in previous years. Lower capacity utilization especially in Automotive

ASSET IMPAIRMENTS BY REGION



ASSET IMPAIRMENTS BY SEGMENT



COVID-19 pandemic identified as a general external cause for impairment tests and as a trigger for possible impairments (not only goodwill, but also assets)

- **Mid- and long-term expectations** from previous IHS forecasts will **no longer be reached**
- **Updated framework conditions** incorporated into **impairment tests**, especially WACC (e.g. increase in Germany around 1.5pp)
- Impairments of around 500 mill. EUR represent approx. **20%** of related **assets**
- **Goodwill share** below 10%



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Thanks for your attention

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