HELLA Investor Update

Conference Call on May 26, 2020

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

Executive Summary

<table>
<thead>
<tr>
<th>A</th>
<th>COMPANY OUTLOOK FY 2019/20</th>
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<tbody>
<tr>
<td></td>
<td>■ Significant <strong>impact of Covid-19 pandemic</strong> led to <strong>withdrawal</strong> of original <strong>guidance</strong> in <strong>March 2020</strong></td>
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<td>■ On the basis of actual information HELLA specifies its outlook and expects <strong>Group sales in the range from 5.7bn. EUR to 5.8 bn. EUR</strong> (PY 6,770 mill. EUR)</td>
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<td>■ <strong>Preliminary adjusted EBIT margin</strong> around 4%</td>
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<th>B</th>
<th>MARKET OUTLOOK mid- &amp; long-term</th>
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<td>■ <strong>Assumed LVP mid- and long-term significantly below pre Corona-crisis planning levels</strong> leading to <strong>asset impairment</strong> in Q4 FY 2019/20 of around 500 mill. EUR</td>
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<td>■ <strong>Asset impairment</strong> results in a <strong>net loss</strong> for the FY 2019/20. <strong>Due to net loss and the negative market expectations</strong>, the management board <strong>proposes to suspend the dividend payment</strong> for the FY 2019/20</td>
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<td>■ HELLA well positioned with <strong>balanced customer portfolio</strong> and <strong>technological strength</strong> but in coming months <strong>focus will be sharpened</strong> as well <strong>cost base and structures will be adapted</strong> to reduced market volumes</td>
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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

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

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<th>Group sales</th>
<th>In the range from 5.7 to 5.8 billion EUR</th>
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<tr>
<td>Adjusted EBIT margin excluding restructuring and portfolio effects</td>
<td>Around 4.0%</td>
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Accelerating COVID19-pandemic with severe impact on demand, production and supply chain, leading to deterioration of IHS estimates for FY 19/20

<table>
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<tr>
<th>IHS ESTIMATES FOR FY 19/20</th>
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<tr>
<td>2.2% 2.0% 1.8% 0.3%</td>
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<th>IHS ESTIMATES AS OF</th>
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<td>Jan 19 Mar 19 April 19 May 19 Jan 20 Mar 20 Apr 20 May 20</td>
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Global LVP
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

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

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%

**ASSET IMPAIRMENTS BY REGION**

- Germany: 52.8%
- Europe: 23.4%
- Asia/Pacific: 15.2%
- NAFTA: 8.6%

**ASSET IMPAIRMENTS BY SEGMENT**

- Automotive: 91.7%
- Aftermarket: 8.3%
- Special Applications: 0.0%
Thanks for your attention

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