



Capital Markets Day 2020: HELLA intends to continue to grow faster than the market

- **HELLA is using the current market weakness to further strengthen its own position by making targeted future-oriented investments and following a strict cost management programme**
- **Large customer orders for the latest radar sensor generations, lighting technology and energy management products underline the strength of the business model**
- **In the medium term, HELLA expects light vehicle production to stagnate or grow slightly**
- **Due to its good strategic positioning, HELLA has the potential to develop significantly better than the market even in this environment: medium-term target corridor for sales growth of 5 to 10 percent; medium-term profitability target of at least 8 percent**

Lippstadt/Berlin, 26 February 2020. In order to continue on its path of success in a market environment that remains challenging, lighting and electronics expert HELLA will continue to invest consistently in future-oriented automotive topics that follow the major market trends, while at the same time focusing on strict cost and efficiency management. The automotive supplier has now presented this central approach to investors and analysts at this year's Capital Markets Day in Berlin while also providing information about further strategic developments.

"Global light vehicle production is unlikely to recover in the short term. On the contrary: In view of the current coronavirus epidemic, a further decline is to be expected", said Dr. Rolf Breidenbach, HELLA president and CEO, at the Capital Market Day. "In the medium term we expect stagnating or slightly growing markets. Thanks to our good strategic orientation, even in this environment we have all the prerequisites to develop significantly better than the market with sales growth of 5 to 10 percent and profitability of over 8 percent.



Major customer orders for new lighting and electronics solutions

Numerous major orders for the latest lighting technologies and electronic solutions underline the strength and future viability of the HELLA business model. For example, HELLA has recently started the series production of 77 GHz radar sensors and high-voltage battery management systems for electric and hybrid vehicles in order to further promote key market trends such as autonomous driving and electrification. "These customer orders illustrate once again that we are already profiting from the transformation of mobility and are occupying key growth areas. We therefore expect to be able to significantly increase sales in these areas in the next few years", said Dr. Rolf Breidenbach.

In addition, HELLA is pushing the digitalisation of automotive lighting with the headlamp technology "Digital Light SSL | HD". The technology is a consistent further development and miniaturization of existing matrix LED systems. With over 30,000 light points, it makes a wide variety of new safety- and comfort-relevant functionalities possible, such as optical lane assistants or projected protection zones for cyclists and pedestrians. Serial production of SSL | HD technology will start in summer 2022.

In order to take advantage of the growth opportunities offered by changes in the industry, HELLA will also continuously expand its existing network of partners. For example, HELLA recently entered into a development partnership with the US start-up company Oculii in the field of high-performance radar solutions. At the same time, the newly established cooperations with French technology partners Faurecia for automotive interior lighting and Plastic Omnium for integrated solutions for the front and rear area of vehicles have received a positive response from the market. The first series and pre-development projects have already been acquired as part of both partnerships.



Strict cost discipline and process optimization

At the Capital Markets Day, HELLA also emphasised that it would use the current phase of market weakness to consistently further optimize cost structures and efficiency on a sustainable basis. "We introduced a comprehensive and forward-looking cost management programme at an early stage. This helped us to save around 60 million euros in the past fiscal year alone. We will continue to pursue this approach keeping in mind the still challenging market environment", said HELLA CFO Bernard Schäferbarthold. "At the same time, we will increase our efficiency throughout the company, for example, by further advancing the digitalization of administrative company processes and automation in production. Based on this, we consider it realistic to achieve a profitability target of 8 percent while at the same time pursuing organic growth in the medium term."

The complete presentation document for the Capital Markets Day 2020 can be found on the HELLA homepage in the Investor Relations section under Publications.

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HELLA GmbH & Co. KGaA, Lippstadt: HELLA is a global, family-owned company, listed on the stock exchange, with over 125 locations in some 35 countries. With sales of € 7.0 billion in the fiscal year 2018/2019 and 39,000 employees, HELLA is one of the leading automotive suppliers. HELLA specialises in innovative lighting systems and vehicle electronics and has been an important partner to the automotive industry and aftermarket for more than a century. Furthermore, in its Special Applications segment, HELLA develops, manufactures and sells lighting and electronic products for specialist vehicles.

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