



HELLA significantly grows sales in fiscal year 2015/2016

- **Group sales rise to about EUR 6.4 billion (+8.9 per cent)**
- **Adjusted EBIT improves to about EUR 476 million (+7.1 per cent)**
- **Adjusted EBIT margin of 7.5 per cent in line with the previous year**
- **Proposed stable dividend of EUR 0.77 per share**

Lippstadt, 11 August 2016. HELLA KGaA Hueck & Co., a globally leading supplier of lighting technology and electronic products for the automotive industry, increased Group sales by 8.9 per cent to about EUR 6.4 billion in fiscal year 2015/2016 ending on 31 May 2016 (previous year: EUR 5.8 billion). Adjusted operating earnings (EBIT) also increased by 7.1 per cent year on year from EUR 445 to EUR 476 million. The adjusted EBIT margin was 7.5 per cent (previous year: 7.6 per cent). Special items with negative impacts on earnings - which include particularly the effects of the extraordinary supplier failure in China in September 2015 - pushed EBIT down by approximately 2.3 per cent year on year from EUR 430 million to EUR 420 million. At the reporting date on 31 May 2016, HELLA had about 34,000 permanent employees, almost 5.7 per cent more than in the previous year.

“We have again grown strongly in 2015/2016 in what has been a challenging market environment,” says CEO Dr Rolf Breidenbach. “We are especially proud that HELLA could improve sales across all three segments – Automotive, Aftermarket and Special Applications. This confirms us in our belief that our focused product portfolio and our broad global footprint have put us on the road to success. We intend to continue down this route going forward.”



Sales increase across all segments – Automotive remains growth driver

The Automotive segment again recorded significant growth in fiscal year 2015/2016 on the back of new products and a strong automotive market. External segment sales grew by 10.1 per cent to EUR 4.8 billion (previous year: EUR 4.4 billion). Due to an exceptional, non-recurring charge of EUR 47 million from the failure of a Chinese supplier in September 2015, the earnings of the segment declined by EUR 11 million to EUR 343 million. Growth was driven predominantly by new product launches – including complex LED technologies, electronic systems and components for energy management, driver assistance and electronic steering. HELLA's broad regional presence was also beneficial.

The Aftermarket segment generated robust sales growth in fiscal year 2015/2016. External segment sales increased by 5.9 per cent to EUR 1.2 billion (previous year EUR 1.1 billion). Operating earnings grew by EUR 7 million to EUR 80 million. Growth was driven mainly by the wholesale business in Denmark and Poland, the garage equipment business and the tangible recovery of the independent spare parts market in Europe.

The Special Applications segment succeeded in stabilising in spite of the still weak demand in the agriculture sector. Sales in the segment grew by 2.0 per cent to EUR 315 million (previous year EUR 308 million). EBIT declined from EUR 19 million to EUR 5 million which resulted from the operating development in the Industries and Airport Lighting sub-segments and the sale of these activities. HELLA has sold these sub-segments in May of the past fiscal year in the context of its portfolio optimisation.



Emphasis on research & development ensures technology leadership

Research & development expenditures in fiscal year 2015/2016 increased by EUR 80 million year on year to EUR 623 million or 9.8 per cent of Group sales, up from 9.3 per cent in the previous year. They resulted mainly from the development of complex innovative product generations and investments in the global development network. The number of employees working globally in research and development increased to about 6,400 in fiscal year 2015/2016. By now, almost every fifth HELLA employee works in research and development.

“Technology leadership is a key differentiator for HELLA,” says Dr Breidenbach. “The passion to innovate and investments in new technologies are integral parts of HELLA’s DNA and the cornerstone of additional global growth.”

Today, HELLA’s development activities in the lighting business focus inter alia on so-called high-definition headlights that improve visibility with several hundred thousand of lighting spots each of which can be activated individually and which result in a significantly higher resolution. In electronics, HELLA supports its clients in the development and implementation of advanced functions that correspond to global market trends including autonomous driving, connectivity and energy efficiency. HELLA continuously adds to its already extensive know-how in these areas.

Solid financing

HELLA continues to rely on its solid long-term financing as the foundation for profitable organic growth. As of 31 May 2016, the equity ratio reached 40 per cent, up one percentage point year on year from 39 per cent. Liquidity (cash and short-term fiscal assets) amounted to about EUR 914 million.



Growth also driven by international networking strategy

In addition to its core business, HELLA also follows a cooperation approach: its international networking strategy has been designed to drive growth further through partnerships with other companies in joint ventures, mainly in order to gain access to complimentary technologies, tap into new markets or client segments and benefit from economies of scale. Overall, external sales of companies recorded at equity amounted to EUR 3.3 billion, out of which EUR 1.3 billion were attributed to HELLA. The pro rata at equity result reached EUR 53 million.

Proposed dividend of EUR 0.77 per share

The management will ask the annual general meeting to approve a dividend of EUR 0.77 per share for fiscal year 2015/2016. This dividend will remain in line with the previous year in spite of the non-recurring charges. Based on 111,111,112 no par value shares, the total dividend payment would amount to EUR 86 million.

Outlook for fiscal year 2016/2017

HELLA also anticipates positive business performance in fiscal year 2016/2017. This outlook is supported by the Group's three strategic approaches: HELLA will continue to focus strongly on building its own market position based on its significant technological know-how and innovative product solutions that cater to the key megatrends environment and energy efficiency, safety and styling and comfort. HELLA also intends to further advance its global expansion, mainly in China and North America (NAFTA) where the company has identified promising opportunities. The objective is to further strengthen HELLA's position as a core vendor and solutions supplier to the automotive industry. In addition, HELLA seeks to further increase its own operational excellence in the global HELLA network.

PRESS RELEASE



For fiscal year 2016/2017, the HELLA Group expects sales and adjusted EBIT growth in the middle single-digit percentage range and an adjusted EBIT margin that is more or less at the prior year's level.

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HELLA KGaA Hueck & Co., Lippstadt: HELLA is a global, family-owned company, listed on the stock exchange, with approx. 34,000 employees at over 125 locations in more than 35 countries. The HELLA Group develops and manufactures lighting technology and electronic components and systems for the automotive industry and also has one of the largest retail organizations for automotive parts, accessories, diagnostics, and services within Europe. Complete vehicle modules, air-conditioning systems, and vehicle electrical systems are also produced in joint venture companies. With more than 6,000 people working in research and development, HELLA is one of the most important innovation drivers on the market. In addition, with sales of EUR 6.4 billion in fiscal year 2015/2016, the HELLA Group is one of the top 40 automotive suppliers in the world and one of the 100 largest German industrial companies.

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