



HELLA increases sales and earnings in the first half year

- **Consolidated sales increase to EUR 3.2 billion: +2.4 percent after adjustment for currency and portfolio effects (reported +1.2 percent)**
- **Adjusted earnings before interest and taxes (adjusted EBIT) grow by 4.9 percent to EUR 268 million**
- **Adjusted EBIT margin improves by 0.3 percentage points to 8.4 percent**
- **Full-year sales and earnings guidance confirmed**
- **Dr Werner Benade appointed new managing director of the business division Aftermarket and Special Applications effective 1 April 2017**

Lippstadt, 12 January 2017. HELLA KGaA Hueck & Co., a globally leading supplier of lighting technology and electronic products for the automotive industry, further improved sales and earnings over the first six months (1 June to 30 November 2016) of this fiscal year 2016/2017. Sales increased by 1.2 percent to EUR 3.2 billion. Adjusted for currency and portfolio effects (disposal of the Industries and Airport Lighting business), sales in the first half year grew by 2.4 percent. Over the same period, earnings before interest and taxes adjusted for special effects (adjusted EBIT) increased by 4.9 percent to EUR 268 million (previous year: EUR 256 million); the adjusted EBIT margin improved accordingly to 8.4 percent (previous year: 8.1 percent). Not taking into account special effects, EBIT increased by 20.9 percent to EUR 245 million, producing an increase of the EBIT margin by 1.3 percentage points to 7.7 percent.

“We are delighted with our earnings performance. Major contributions have come particularly from operational improvements in our Eastern European plants,” says Dr Rolf Breidenbach, CEO of HELLA. “Sales in the first half have been driven mainly by our Aftermarket segment. Our Automotive business reported rather modest growth in the first half ahead of upcoming new production ramp-ups. In view of these new projects, we however expect that the segment will pick up growth momentum again.”



Automotive segment with significant profitability gains

External sales in the first half of fiscal year 2016/2017 grew by 0.6 percent to EUR 2.41 billion in the Automotive segment (previous year: EUR 2.39 billion). The modest growth of sales compared to the prior-year period is to be seen in the context of new production ramp-ups in the segment. The sales growth is mainly attributable to a high demand for electronics solutions, such as products for energy management, as well as to a positive business performance in the Chinese and NAFTA markets. The profitability of the segment increased significantly over the first half: Compared to the adjusted EBIT of the previous year, EBIT rose by 11.2 percent to EUR 227 million, which corresponds to an EBIT margin of 9.4 percent (previous year: adjusted 8.5 percent). Unadjusted for special effects in the previous year, earnings before interest and taxes in the Automotive segment increased by 44.5 percent, which translates into an increase in the EBIT margin to 9.4 percent (previous year: 6.5 percent).

Continued growth in the Aftermarket business

The Aftermarket segment continued its upwards trend and made a significant contribution to consolidated sales growth. External segment sales increased by 5.4 percent to EUR 629 million over the first six months of the financial year (previous year: EUR 597 million). A significant 11.1 percent EBIT increase to EUR 42 million (previous year: EUR 37 million) pushed the EBIT margin up to 6.4 percent (previous year: 6.0 percent). The segment benefited particularly from the positive development of the wholesale business and the activities with innovative workshop equipment.

Special Applications segment in consolidation phase

The disposal of the Industries and Airport Lighting business activities in the previous financial year and the weak demand for agricultural machinery on the back of the difficult market environment in the agricultural sector meant that sales of the Special Applications segment fell by 5.0 percent to EUR 146 million (previous year: EUR 154 million) in the



first half. Adjusted for the portfolio optimisation, external sales in the remaining businesses declined only slightly by 0.3 percent. The segment's operating earnings (EBIT) decreased to EUR 0.6 million (previous year: EUR 9.8 million), mainly due to the wind-down of the divested business areas and the relocation of production capacities to Eastern Europe. The EBIT margin fell accordingly to 0.4 percent (previous year: 6.3 percent).

Outlook remains positive

Six months into financial year 2016/2017, HELLA Group remains confident that the business will continue to grow. HELLA continues to project a currency and portfolio-adjusted sales growth as well as a rise in the adjusted EBIT in the mid-single-digit percentage range and an adjusted EBIT margin at the prior-year level for financial year 2016/2017.

Dr Werner Benade will become new managing director of the Aftermarket and Special Applications business

The shareholder committee of HELLA KGaA Hueck & Co. appointed Dr Werner Benade (53) as new managing director of the business division Aftermarket and Special Applications. Werner Benade, who has a PhD in mechanical engineering, currently heads the Power Tool business unit Accessories of Swiss-based Scintilla AG, a subsidiary of Bosch Group. He will commence in his new role on 1 April 2017. Until then, Dr Rolf Breidenbach, CEO of HELLA, will continue to head the business division.

PRESS RELEASE



Selected financials (in EUR million or percent of sales respectively):

	H1 2016/2017	H1 2015/2016	Change
Sales	3,198	3,159	+1.2%
Adjusted earnings before interest and taxes (adj. EBIT)	268	256	+4.9%
Earnings before interest and taxes (EBIT)	245	203	+20.9%
Adjusted EBIT margin	8.4%	8.1%	+0.3ppts
EBIT margin	7.7%	6.4%	+1.3ppts

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

The half-yearly report for the first six months of financial year 2016/2017 is available for downloading from today on the website of HELLA KGaA Hueck & Co.

Please note:

This text and matching pictures are also available from our press database on:

www.hella.com/press

HELLA KGaA Hueck & Co., Lippstadt: HELLA is a global, family-owned company, listed on the stock exchange, with approx. 35,000 employees at over 125 locations in some 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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