



HELLA presents final figures for the fiscal year 2019/2020

- **Consolidated sales adjusted for currency and portfolio effects fall by 14.3 percent to € 5.8 billion, adjusted earnings before interest and taxes fall to € 233 million, adjusted EBIT margin stands at 4.0 percent**
- **Reported EBIT comes to minus € 343 million due to non-cash impairments; dividend payment to be suspended**
- **Adjusted free cash flow from operating activities at € 227 million despite the clearly negative market environment**
- **Automotive sales fall significantly, but continue to perform better than the market; Aftermarket impacted by market weakness in the workshop and spare parts business; Special Applications impacted by weak business for agricultural and construction vehicles and also by the Covid-19 pandemic**
- **Forecast for current fiscal year 2020/2021 reflects the high level of market uncertainty and lower light vehicle production**

Lippstadt, 14 August 2020. Today HELLA GmbH & Co. KGaA presented its annual report for the fiscal year 2019/2020 (1 June 2019 to 31 May 2020) and at the same time confirmed the preliminary figures already published. In this context, the international automotive supplier's consolidated sales adjusted for exchange rate and portfolio effects decreased by 14.3 percent to € 5.8 billion (previous year: € 6.8 billion) on account of the clearly negative market environment. The adjusted earnings before interest and taxes (adjusted EBIT) fell to € 233 million due to the lower volume of business (previous year: € 572 million); the adjusted EBIT margin thus stands at 4.0 percent (previous year: 8.4 percent).

In addition, HELLA had to recognise non-cash impairments of € 533 million in the fourth quarter of the past fiscal year. These resulted from the assumption that the worldwide production volume of cars and light commercial vehicles would be significantly below the planning assumptions and market expectations forecast before the coronavirus crisis in the medium to long term, and that this would lead to lower utilisation of the global HELLA production network.



Consequently, HELLA ended the fiscal year with reported earnings before interest and taxes (EBIT) of minus € 343 million (previous year: € 808 million). The high previous year's figure was due to the non-recurring income generated by HELLA from the sale of the wholesale activities. The reported EBIT margin consequently stands at minus 5.9 percent in the fiscal year 2019/2020 (previous year: 11.6 percent). In light of the net loss and the negative market expectations, the Company's management will propose to the annual general meeting to be held on 25 September 2020 that the dividend payment be suspended for the fiscal year 2019/2020.

"Global light vehicle production collapsed by around 18 percent in the past fiscal year. This means that some 16 million fewer vehicles were manufactured than the previous year", said HELLA CEO Dr. Rolf Breidenbach. "One significant reason for this development is the global Covid-19 pandemic. But the markets were already in decline beforehand. In light of the challenging market environment, we can nevertheless be satisfied with our results overall. By taking resolute action at an early stage, we were able to partially compensate, specifically on the costs side, for the loss of business."

In the past fiscal year 2019/2020, HELLA reported a positive adjusted free cash flow from operating activities of € 227 million (previous year: € 243 million) despite the demanding market environment. All in all, HELLA is currently in a good position to successfully meet the prevailing market challenges with a financial cushion of around € 2 billion.

Automotive sales fall significantly, but continue to perform better than the market

As a consequence of the significant fall in light vehicle production, the sales generated by the Automotive segment fell by 14.3 percent in the fiscal year 2019/2020 to € 4.9 billion (previous year: € 5.8 billion). The initial signs of recovery in the Chinese automotive market towards the end of the fiscal year were not able to compensate for the considerable losses incurred, particularly in the European and American markets. All in all, the segment continued to perform better than the market, which contracted by 17.7 percent over the same period. Because of the reduced volume of business and a



slight rise in research and development expenditure, the segment's EBIT fell to € 164 million (prior year: € 452 million). The segment's EBIT margin therefore stands at 3.3 percent (previous year: 7.8 percent).

Aftermarket impacted by market weakness in the workshop and spare parts business

In the Aftermarket segment, sales decreased by 7.1 percent to € 560 million in the past fiscal year (previous year: € 604 million). Both the spare parts business and business involving advanced workshop equipment declined on account of the Covid-19 pandemic. In addition, the spare parts business suffered from ongoing low market demand in Southwest Europe and the Middle East. The decline in the aftermarket products business is attributable to the prior-year period being characterised by an exceptional non-cyclical demand caused by the introduction of new regulatory requirements. The segment's EBIT fell to € 51 million in the fiscal year 2019/2020 (previous year: € 63 million). The segment's EBIT margin therefore stands at 9.2 percent (previous year: 10.4 percent).

Special Applications impacted by weak business for agricultural and construction vehicles and also by the Covid-19 pandemic

Sales in the Special Applications segment declined by 14.2 percent to € 343 million over the fiscal year 2019/2020 (previous year: € 399 million). This was mainly attributable to the sustained market weakness in the business for agricultural and construction machinery, which had a detrimental effect on the segment's business development over the entire reporting period. Additional burdens stemmed from the consequences of the global Covid-19 pandemic. The earnings before interest and taxes fell to € 27 million (previous year: € 61 million); the EBIT margin thus stands at 8.0 percent (previous year: 15.2 percent). The major factors in the decline in earnings include the lower volume of business and capital expenditure on expanding the electronics portfolio. The high previous year's figure also results from income from the sale of a building.



Forecast for current fiscal year 2020/2021 reflects the high level of market uncertainty and lower light vehicle production

As already announced at the end of July, HELLA anticipates for the current fiscal year 2020/2021 (1 June 2020 to 31 May 2021) consolidated sales adjusted for exchange rate and portfolio effects in a range between around € 5.6 billion and € 6.1 billion (previous year: € 5.7 billion*) and an EBIT margin adjusted for restructuring measures and portfolio effects in a range between around 4.0 percent and 6.0 percent (previous year: 4.0 percent*).

"All in all, uncertainty remains high – both with regard to the general industry development and the development of the Covid-19 pandemic", Dr. Rolf Breidenbach said emphatically. "Global light vehicle production will in all probability remain significantly below the pre-crisis level also over the coming years. We are proactively adapting to this situation at an early stage. Our business model in conjunction with our tried and tested cost control approach put us into a strong position to successfully develop even under these demanding market conditions."

* adjusted for the thermal management activities divested as of 31 December 2019 (Behr Hella Service)



Selected key financial figures (in € millions or as a percentage of sales):

	Fiscal year 2019/2020	Fiscal year 2018/2019	Change
Sales currency and portfolio-adjusted	5,800	6,770	-14.3%
Sales reported	5,829	6,990	-16.6%
Adjusted earnings before interest and taxes (adjusted EBIT)	233	572	-59.3%
Earnings before interest and taxes (EBIT)	-343	808	-142.5%
Adjusted EBIT margin	4.0	8.4%	-4.4 pp
EBIT margin	-5.9%	11.6%	-17.4 pp

Where sums and percentages have been rounded, differences may arise as a result of commercial rounding.

The annual report for the fiscal year 2019/2020 can now be downloaded from the HELLA GmbH & Co. KGaA [website](#).

Please note:

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HELLA GmbH & Co. KGaA, Lippstadt: HELLA is a listed, global, family-owned company with more than 125 locations in around 35 countries. With sales of € 5.8 billion in fiscal year 2019/2020 and 36,000 employees, HELLA is one of the world's leading automotive suppliers. Specialising in innovative lighting systems and vehicle electronics, HELLA has been an important partner for the automotive industry and the aftermarket for more than one hundred years. Furthermore, HELLA's Special Applications segment develops, manufactures and sells lighting and electronics products for special vehicles.

PRESS RELEASE



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