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HELLA GmbH & Co. KGaA

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The company: key figures and brief portrait

Performance indicator in € million	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%
EBIT adjusted	233	572	-59.3%
EBIT margin adjusted	4.0%	8.4%	-4.4 percentage points
EBIT reported	-343	808	-142.5%
EBIT margin reported	-5.9%	8.4%	-17.4 percentage points
Earnings for the period	-432	630	-168.5%
Earnings per share in €	-3.88	5.67	-168.4%
Headcount (as at 31 May)	36,311	38,845	-6.5%

HELLA is a listed, globally positioned family-owned company with over 125 locations in some 35 countries. As at the balance sheet date on 31 May 2020, the company had around 36,000 employees worldwide, thereof almost 8,000 employees in research and development. As a leading automotive supplier, HELLA specializes in innovative lighting systems and vehicle electronics and, as one of the technology leaders, has been an important partner to the automotive industry and aftermarket for 120 years now. In the Special Applications segment, HELLA also develops, manufactures and distributes products for special vehicles. In the fiscal year 2019/2020, HELLA achieved sales of around € 5.8 billion.

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Since its foundation in 1899, the company with its headquarters in Lippstadt (North Rhine-Westphalia) has been one of the innovation leaders for vehicle lighting; in the electronics sector, HELLA has also achieved a leading market position in numerous prioritised product segments. With a portfolio that includes complex LED technologies and innovative electronic products, HELLA serves central market trends such as autonomous driving, efficiency and electrification, connectivity and digitalisation as well as individualisation. HELLA is also a partner of the spare parts wholesale trade and workshops. Additionally, HELLA develops and distributes lighting and electronics solutions for special vehicle and small-series manufacturers, such as buses, caravans and agricultural and construction machinery.

HELLA has a global presence with over 125 locations in some 35 countries and is continuing its global expansion to benefit from regional growth opportunities. Also, HELLA is working with industry partners for example in joint ventures as well as in open, flexible strategic partnerships to increase its company profile using this tried-and-tested network strategy.

HISTORY AND MILESTONES

- 1899** Founding of "Westfälische Metall-Industrie Aktien-Gesellschaft" as a specialty factory for lanterns, headlamps, horns, and pads for bicycles, wagons, and automobiles
- 1908** The "HELLA" trademark is created and the first product innovation hits the market—the "System HELLA" acetylene headlamp
- 1957** HELLA ventures into electronics and produces the first fully electronic flasher unit
- 1961** **Beginning of internationalisation with the first foreign factory**
- 1984** Sales exceed one billion for the first time (in Deutsche Mark)
- 1986** **Company changes its name to Hella KG Hueck & Co.**
- 1990** HELLA employs more than 20,000 employees worldwide
- 1992** HELLA founds its first subsidiary in Eastern Europe



- 1999** Beginning of the network strategy: joint venture with Behr
- 2000** Expansion of global activities through joint ventures in China and South Korea
- 2003** Change to a "Kommanditgesellschaft auf Aktien" (partnership limited by shares) under the name Hella KGaA Hueck & Co.
- 2013** Introduction of a state-of-the-art development center for electronics in Lippstadt. In the same year, HELLA introduces the world's first LED matrix headlamp
- 2014** HELLA opens the HELLA Globe, a guest house with conference center and sports facilities for international visitors to the Lippstadt location
- 2014** **Initial Public Offering: On November 11, 2014 HELLA shares are traded for the first time on the Frankfurt Stock Exchange**
- 2015** HELLA moves up into MDAX only a few months after the initial listing
- 2016** Presentation of MULTIBEAM LED headlamp, a development in partnership between Daimler and HELLA
- 2017** **Change of the corporate name to HELLA GmbH & Co. KGaA**
- 2018** Development of a comprehensive lighting package for new Audi A8 including front and rear lighting as well as the interior lighting in collaboration with Audi
- 2018** HELLA enters strategic partnerships with Plastic Omnium and Faurecia in the areas of car body and interior lighting
- 2019** HELLA advances the development of innovative battery module solutions for mild hybrid vehicles
- 2019** HELLA brings an innovative moisture sensor for aquaplaning detection onto the road
- 2020** HELLA enters into a development partnership with the US start-up Oculii in the field of radar technology
- 2020** The joint venture network is being further expanded: HELLA establishes new joint ventures in China with MINTH and Evergrande



Business divisions, segments and business activities

HELLA's business activities are divided into three segments: Automotive, Aftermarket, and Special Applications. The reporting segment Automotive consists of the divisions Lighting and Electronics and achieved sales of € 4.9 billion in the fiscal year 2019/2020, corresponding to a share of more than 80 percent of Group-wide sales. The segment supplies almost all major automotive manufacturers worldwide; other automotive suppliers also belong to the broad customer base of the automotive business.

The Aftermarket segment, which achieved sales of € 0.6 billion in the fiscal year 2019/2020, stands on two pillars: the independent aftermarket on the one hand, the business with sophisticated workshop equipment on the other.

In the Special Applications business segment, which achieved sales of € 0.3 billion in the fiscal year 2019/2020, HELLA develops, manufactures and sells lighting and electronics products for special vehicles such as buses, caravans, agricultural and construction machinery as well as for various small-series manufacturers, for example of electric vehicles.

Business division Lighting

In the business division Lighting, HELLA develops and produces headlamps, rear combination lamps as well as car body and interior lighting solutions. Based on its long-standing cooperation with premium original equipment manufacturers, HELLA has established a particularly strong position in the area of innovative high-end lighting products. After a successful market launch, HELLA has also been working intensively on modularization and the rollout of these technologies in other vehicle segments.



The innovative capacity of HELLA in the area of automotive lighting technology segment is central to the company's history: HELLA has launched a number of innovative lighting solutions since the company was founded: Starting with the first Acetylene headlamps in 1908 and the first headlamps with asymmetric light distribution in 1957 to the start of one of the world's first series production of full LED headlamps in 2008. This was followed in 2013 by the world's first Matrix LED headlamps, which emit a permanent high beam without dazzling oncoming traffic. In 2016, HELLA presented a world's first – the MULTIBEAM LED headlamp. This headlamp, developed in collaboration with Daimler, features 84 LEDs arranged in three rows, each of which can be controlled individually. This individual control allows for an extremely precise, highly-adjustable light distribution in the entire high beam range and, for the first time, emits a low beam which is not reliant on mechanical actuators. The next milestone followed in 2019: the development of the high-resolution matrix LED system "Digital Light SSL | HD" with more than 30,000 individually controllable pixels generated by light sources that are just the size of a fingernail. The headlamp system will be launched on the market in 2022.

Business division Electronics

In the business division Electronics, HELLA is particularly focusing on innovative product solutions for central market trends of the automotive industry, especially autonomous driving and electrification. Thanks to continuous innovations, HELLA has achieved a leading position on the global market in many fields.

HELLA's range of services in the business division Electronics includes sensors and actuators, body electronics, lighting electronics and innovative technologies for driver assistance, energy management systems as well as steering electronics. In spring 2020, for example, HELLA brought the latest 77 GHz radar technology onto the market,



which is a key technology that efficiently implements both assisted and automated driving functions.

HELLA also accompanies customers holistically on their way to electromobility and therefore offers the entire product range in addition to battery sensors for micro hybrids (start/stop functions) - from power electronics for mild hybrid vehicles based on 48V to battery electronics for high-voltage applications in full hybrids and fully electric vehicles. On this basis, HELLA is increasingly positioning itself as a supplier of subsystems in the field of electromobility. Core products are the 2019 newly introduced system solutions for mild hybrids - the Dual Voltage Battery Management System and the PowerPack 48V.

In addition, HELLA is continuously expanding its position as an important supplier in the area of steering electronics. Scalable fail operational modules pave the way for highly automated driving functions. They also permit the implementation of steer-by-wire systems, i.e. the transmission of steering commands by means of electrical impulses instead of a steering rod. In the field of comfort functions, HELLA is present worldwide with radio transmitter keys and rain/light/climate sensors, as well as a large number of further sensors and actuators for basic mobility.

Business segment Aftermarket

In the business segment Aftermarket, HELLA is one of the most important partners for spare parts distributors and independent workshops in Europe. In fiscal year 2019/2020, the business segment Aftermarket contributed € 0.6 billion to consolidated sales.

The business segment Aftermarket stands on two pillars: the independent aftermarket and the business with workshop equipment. HELLA is a leading independent



aftermarket partners in Europe for spare parts and for independent workshops. Via a dedicated network and together with a large number of partners, HELLA distributes a portfolio of some 35,000 vehicle-specific or universal wear parts, spare parts and accessories and offers its customers the highest level of technical service and sales support. With an offer of high-quality workshop equipment, at the heart of which is the company's subsidiary, Hella Gutmann Solutions, HELLA helps workshops to diagnose, maintain and repair vehicles. Thanks to the comprehensive expertise and longstanding experience, HELLA is a strong partner for workshops that require practical support with extensive vehicle data and diagnostics units that are intuitive to use.

Business segment Special Applications

In the business segment Special Applications, HELLA develops, manufactures and sells lighting and electronics products for special vehicles such as construction equipment, agricultural vehicles, buses and motor homes, as well as for the marine sector. The segment's customer base also includes various small-series manufacturers, for example of electric vehicles.

The high level of technological expertise in the Automotive segment provides, in addition to the stand-alone development of specific product solutions, the basis for innovative product solutions in this segment. Segment sales in fiscal year 2019/2020 came to around € 0.3 billion. The main driver of the business performance here, too, is the accelerated roll-out of LED technology as well as the transfer of knowledge from the business division Electronics.

HELLA offers standard products as well as vehicle-specific innovations for commercial and numerous special vehicles. As a result, customers benefit from technological and economical synergies with a large-scale automotive production. The highly diversified portfolio includes front and rear lights, work and auxiliary headlamps, beacons and roof



beams – a product portfolio, which is continuously expanded by the development of intelligent, adaptive headlamp solutions. The range of electric and electronic products includes components for smart energy management in vehicles, rain and light sensors, turning angle sensors, module switches and flasher units. HELLA's products are specially designed for the extreme external conditions to which agricultural and construction vehicles, municipal vehicles or off-road vehicles are exposed on a day-to-day basis.

Global presence and growth strategy

HELLA is a globally positioned company that started on the road to internationalisation in the 1960s. 1961 saw HELLA's very first foreign factory. In China HELLA has been present since the early 1990s. A central part of the corporate strategy is gaining a global presence in significant growth markets. In fiscal year 2019/2020, HELLA generated more than one third of its consolidated sales in the markets outside Europe.

Geographic proximity to customers is thus an important success factor for HELLA and ensures a great deal of flexibility in addressing local demand. In this regard, the HELLA "leading concept" is an important part of the growth strategy. Following this central strategy, HELLA co-ordinates worldwide development principally from Germany. In addition, there are local development centers in the large growth regions, which support regionally specific adaptation on the one hand and also advance independent developments for the relevant markets on the other. In this way, HELLA pursues market-driven customization of technologies and product designs to meet customer needs.

HELLA's success is also largely based on the innovation and technological leadership that has always been a feature of the company. Almost 8,000 employees throughout the world work in research and development, approximately one fifth of the entire

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permanent staff. In the past fiscal year HELLA invested over € 620 million in the development of new, advanced and future-oriented automotive technologies. This corresponds to over 10 percent of the consolidated sales and demonstrates a clear strategic objective of strengthening the position as an established technological leader in the automotive industry.

Company management

HELLA is an internationally operating, family-owned company with a history spanning more than 120 years. The company has borne the name "Hella" since 1986; 2003, HELLA changed to a "Kommanditgesellschaft auf Aktien" (partnership limited by shares). Since the successful initial public offering in November 2014, the HELLA shares are being traded in the Prime Standard of the regulated market of the Frankfurt stock exchange. Less than a year later, HELLA moved up into MDAX.

Currently, 60 percent of the shares are held by the shareholder family; these shares are subject to a pool agreement at least until 2024. The free float is 40 percent. According to the definition of Deutsche Börse (German Stock Exchange), the number of shares held by the family shareholders that are not included in the pool agreement accounts is assigned to the free float. The remaining shares are held by institutional investors as well as private shareholders.

The company is managed by the Hella Geschäftsführungsgesellschaft mbH headed by Dr. Rolf Breidenbach (President & CEO, Business Division Electronics, Purchasing, Quality, Legal and Compliance, Human Resources and Aftermarket). Further members of the management board are Bernard Schäferbarthold (Finance, Controlling, Information Technology, Process Management and Special Applications) as well as Björn Twiehaus (deputy managing director of the Electronics division). The Hella

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Geschäftsführungsgesellschaft mbH is the sole Managing General Partner of the company.

The Shareholder Committee, consisting of five family shareholders and three external members, is the major regulatory body of HELLA GmbH & Co KGaA. Together with the Supervisory Board it advises the Management Board and makes decisions on the actions of the Management Board that require approval.