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Nine-monthly figures: HELLA showing successful performance in a demanding market environment

- Currency and portfolio-adjusted sales decline slightly by 0.9 percent to € 4.6 billion over the first nine months of the fiscal year 2021/2022; reported sales increase by 0.2 percent
- Adjusted earnings before interest and taxes decrease to € 238 million; adjusted EBIT margin is 5.1 percent
- Automotive sales significantly exceed general market development; successful spare parts business drives Aftermarket sales, workshop business also with sales rise; Special Applications benefiting from continuing strong business for agricultural and construction machinery
- HELLA confirms the company outlook adjusted at the end of November 2021; great risks and uncertainties arising from war in Ukraine, resource shortages and the consequences of the coronavirus pandemic, especially in China

International automotive supplier HELLA showed a successful performance over the first nine months of the fiscal year 2021/2022 (1 June 2021 to 28 February 2022) in an extremely demanding market environment that was marked by a significant decline in light vehicle production as a consequence of massive resource shortages. For instance, currency and portfolio-adjusted consolidated sales decreased only slightly by 0.9 percent to € 4.6 billion over this period (prior year: € 4.6 billion); reported sales increased by 0.2 percent on the prior year.

In the nine-month period, the adjusted earnings before interest and taxes (adjusted EBIT) fell to € 238 million (prior year: € 373 million); the adjusted EBIT margin is thus 5.1 percent (prior year: 8.0 percent). The lower profitability is primarily attributable to rising cost burdens as a consequence of component shortages, higher prices for energy and raw materials, as well as a higher level of capital expenditure on research and development. The reported earnings before interest and taxes (EBIT) fell to € 225 million (prior year: € 312 million); the reported EBIT margin is thus 4.8 percent (prior year: 6.7 percent).

“Despite the challenging market environment, we performed well over the first nine months of the current fiscal year. For instance, we once again demonstrated an appreciably better development than the market”, says HELLA CEO Dr. Rolf Breidenbach. “This speaks for our consistent alignment along key growth areas such as electromobility, autonomous driving, digital lighting and design. Most of all, we also benefited from our strong position in the Chinese market. At the same time, we are also exposed to increasing financial burdens on the cost side. Thanks to our tried-and-tested cost-control approach, we have largely kept the latter within limits and generated sound earnings under the given circumstances.”

Automotive sales clearly exceeding general market development

In the Automotive segment, sales declined by 1.6 percent to € 4.0 billion over the first nine months of the fiscal year 2021/2022 (prior year: € 4.0 billion). This means that the segment has nevertheless developed significantly better than global light vehicle production which recorded a decline of around 10 percent over this period as a consequence of considerable shortages of electronic components. HELLA's better development was primarily due to high-volume series launches in China and greater demand for lighting and electronics components overall. In the nine-month period, the Automotive segment's EBIT decreased to € 148 million (prior year: € 295 million); the EBIT margin is thus 3.7 percent (prior year: 7.3 percent). The decline in profitability is, firstly, a consequence of ongoing component shortages, which lead to lower production volumes, inefficiencies in production processes and higher material and logistics costs. Secondly, appreciably higher R&D capital expenditure to cope with the high order volume and rising prices for energy and raw materials had a negative impact on earnings, especially in the third quarter.

Successful spare parts business driving Aftermarket sales, workshop business also with sales rise

In the Aftermarket segment, sales rose by 17.0 percent to € 431 million in the reporting period (prior year: € 369 million). The increase is primarily attributable to the successful business in the independent spare parts business, which developed extraordinarily well in many national markets. The business with workshop equipment also contributed to the rise in sales, as it is benefiting in particular from the great demand for the mega macs X diagnostic device that was recently launched on the market. The segment's EBIT stands at € 49 million (prior year: € 48 million). On account of mix effects in product sales,

higher purchasing prices and increased logistics costs, the EBIT margin decreased slightly to 11.3 percent (prior year: 13.0 percent).

Special Applications benefiting from continuing strong business for agricultural and construction machinery

In the Special Applications segment, sales rose by 10.1 percent to € 284 million over the first nine months (prior year: € 258 million). Above all, sales were mainly driven by the continuing strong business with manufacturers of agricultural and construction machinery. In addition, the business with other customer groups, such as buses, trucks and trailers, saw a good development. Thanks to volume and mix effects, the segment's earnings before interest and taxes increased significantly to € 44 million (prior year: € 28 million). The EBIT margin therefore improved to 15.4 percent (prior year: 10.8 percent).

HELLA confirms the company outlook adjusted at the end of November 2021; great risks and uncertainties arising from war in Ukraine, resource shortages and consequences of the coronavirus pandemic

The company outlook for the full fiscal year 2021/2022 (1 June 2021 to 31 May 2022) remains in line with the forecast made on 29 November 2021. In light of such, for the current fiscal year HELLA projects currency and portfolio-adjusted sales of between around € 5.9 and 6.2 billion and an adjusted EBIT margin adjusted for structural measures and portfolio effects of around 3.5 to around 5.0 percent.

“Even if we are confirming our company outlook adjusted in November 2021, there remain great uncertainties and challenges in the industry environment. For instance, the full extent of the economic consequences of the war in Ukraine cannot yet be foreseen. Furthermore, there are still massive supply shortages for certain electronic components and materials and the development of the coronavirus pandemic also continues to give rise to significant risks, especially in the Chinese market”, says HELLA CEO Dr. Rolf Breidenbach. “At the same time, it can be assumed that the rise in prices, especially for raw and other materials, energy and logistics, will be ongoing. For this reason, we will maintain our constructive dialogue with suppliers and customers in addition to consistently applying our strict cost management approach going forward. The coming months will therefore remain demanding. We are, however, confident that on the basis of our well-filled order books and our good strategic alignment we will continue to enjoy significantly better developments than the global automotive market.”

Selected key financial indicators in € millions or as a percentage of sales for the first nine months (1 June to 28 February):

	Fiscal year 2021/2022	Fiscal year 2020/2021	Change
Sales currency and portfolio-adjusted	4,602	4,646	-0.9%
Sales reported	4,653	4,646	+0.2%
Adjusted earnings before interest and taxes (adjusted EBIT)	238	373	-36.2%
Earnings before interest and taxes (EBIT)	225	312	-28.0%
Adjusted EBIT margin	5.1%	8.0%	-2.9pp
EBIT margin	4.8%	6.7%	-1.9pp

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

The financial statement on the first nine months of fiscal year 2021/2022 can now be downloaded from the [website](#) of HELLA GmbH & Co. KGaA.

Please note: This text and corresponding photo material can also be found in our press database at: www.hella.com/press

About HELLA

HELLA is a listed subsidiary of Faurecia. Together they operate under the overarching umbrella brand FORVIA. Within the factual group, HELLA stands for high-performance lighting technology and automotive electronics. At the same time, the company covers a broad service and product portfolio for the spare parts and workshop business as well as for manufacturers of special vehicles with its Business Group Lifecycle Solutions. HELLA has 36,000 employees at more than 125 locations worldwide and generated currency and portfolio-adjusted sales of € 6.5 billion in the fiscal year 2020/2021.

About FORVIA

FORVIA comprises the complementary technology and industrial strengths of Faurecia and HELLA. With over 300 industrial sites and 77 R&D centers, 150,000 people, including more than 35,000 engineers across 40+ countries, FORVIA provides a unique and comprehensive approach to the automotive challenges of today and tomorrow. Composed of six Business Groups with 24

product lines, and a strong IP portfolio of over 14,000 patents, FORVIA is focused on becoming the preferred innovation and integration partner for OEMS worldwide. FORVIA aims to be a change maker committed to foreseeing and making the mobility transformation happen.
www.forvia.com

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