

HELLA H1 2024 RESULTS

Jan 1, 2024 – June 30, 2024

July 23, 2024

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AGENDA

- 01 Achievements
- 02 Financial Results
- 03 Competitiveness
Program for Europe
- 04 Outlook
- 05 Key Takeaways

01 ACHIEVEMENTS

HELLA H1 FY 2024

SLIGHT IMPROVEMENTS IN SALES AND EARNINGS IN A CHALLENGING MARKET ENVIRONMENT

Modest sales growth of 1.6% in a challenging market environment

- Group reported sales growing +0.9%
- Positive development in Lighting with full consolidation of HBBL (+€114m), growing 3.3% to €1,984m
- Electronics negatively impacted by customer mix and temporary slowdown of electrification in Europe; sales down by 1.0% to €1,511m
- Lifecycle Solutions impacted by declining market volumes of key customer groups, sales down by 2.7% to €531m

Operating Income and OI margin improved slightly YoY with step up of profitability in Q2

- Operating Income up 1.4% to €248m, Operating Margin at 6.2%
 - Improved Gross Profit margin
 - Better pass-through of inflation to customers in Q2
- Net Cash Flow of €86m close to the prior year level (PY €89m); ratio to sales at 2.1%
 - Increased CAPEX compensated by lower Working Capital
 - Reduction of factoring increase YoY

FURTHER LARGE-VOLUME SERIES PROJECTS WON IN Q2

Lighting with successful project nominations from US and Chinese manufacturers

- Headlamps demand from European premium OEMs, SOP 2027
- CBL package for international premium OEM, SOP 2026
- CBL and rear lamps for Chinese OEM, SOP 2025

More than $\frac{3}{4}$ of order intake in Electronics outside Europe, thereof ~70% in NSA

- Record order for smart car access from international OEM, SOP 2027
- Radar applications from German and European OEMs, SOP 2024 and 2026
- Strong order intake for energy management & lighting electronics from international OEMs, SOP 2024 & 2026

LCS successfully increased regional outreach with orders from Americas

- Signal lamp package for international E-cars OEM, SOP 2026
- Interior lighting package for European truck manufacturer, SOP 2027
- LED worklamp and headlamp for international manufacturers of agricultural machinery, SOP 2024 and 2027

FURTHER HIGHLIGHTS IN H1 FY 2024

Initiation of structural measures and continuation of portfolio management

Realignment of lighting production at the Lippstadt site

- Announcement of structural measures on June 26
- Focus on the most innovative headlamp solutions
- Relocation of existing production programs
- Reduction of around 420 permanent jobs planned, to be implemented by mid-2026 at the latest

BHTC = Behr-Hella Thermocontrol

Portfolio management – closing BHTC & People Sensing

- Successful completion of the sale of the 50% share in BHTC to AUO Corporation on April 2
- Successful sale of the People Sensing business to the Swiss company Xovis on May 31

„PACEpilot Innovation to Watch“-AWARD

- Award for HELLA's "intelligent Power Distribution Module" (iPDM)
- iPDMt ensures smooth power supply and prevents failures even in the event of overheating
- Particularly important for highly automated driving
- Start of series production in 2025 with a German OEM



02 FINANCIAL RESULTS

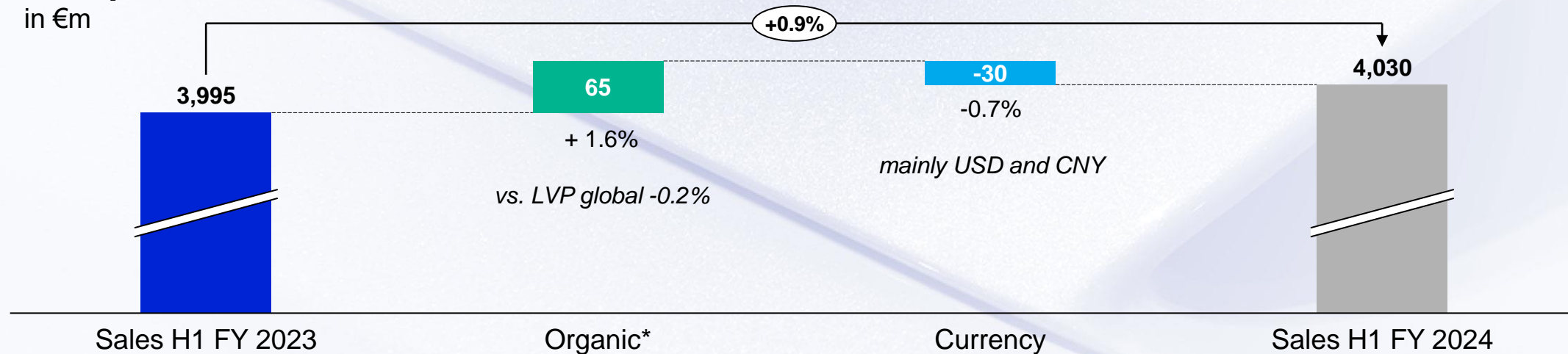
HELLA H1 FY 2024

LIMITED SALES MOMENTUM H1 FY 2024 IN A CHALLENGING MARKET ENVIRONMENT

- > Organic sales H1 FY 2024 up 1.6%*, -€30m negative FX in first 6 months
- > Reported sales H1 FY 2024 up by 0.9%
 - Negative customer mix particularly in China
 - Delays in individual series ramp-ups
 - Temporary slow-down of electrification in Europe

Group sales

in €m



*includes full consolidation (+€114m) of HBBL

LIGHTING WITH STABLE PROFITABILITY AND GROWING SALES

LIGHTING

In €m	H1 FY 2023	H1 FY 2024	
External Sales (€m)	1,921	1,984	<i>vs. LVP growth of -0.2%</i>
YoY organic*		+4.0%	
YoY FX**		-0.7%	
Intersegment Sales	31	28	
Total Sales	1,953	2,012	
Operating Income	64	66	
% of Total Sales	3.3%	3.3%	

Growth supported by HBBL and ramp-ups

- > Ramp-up of new programs in the Americas
- > Modest growth in Europe; SOPs and higher call-offs for certain projects could offset expiring projects
- > Full consolidation of HBBL
- > Negative impact due to end of high-volume series production in China at the end of last year

Operating Income +€2m (+3.3%) to €66m; OI margin stable at 3.3%

- > Improved Gross Profit margin due to product mix effects and positive impact of full HBBL consolidation
- > Better pass-through of inflation to customers in Q2
- > Increased R&D expenses due to new program developments and further localization of R&D esp. in Mexico and India

* includes full consolidation (+€114m) of HBBL

**approximation based on internal analyses

ELECTRONICS WITH MARGIN IMPROVEMENTS DESPITE FLATTISH SALES DEVELOPMENT

ELECTRONICS

In €m	H1 FY 2023	H1 FY 2024	
External Sales	1,526	1,511	<i>vs. LVP growth of -0.2%</i>
YoY organic		-0.3%	
YoY FX*		-0.6%	
Intersegment Sales	166	152	
Total Sales	1,691	1,663	
Operating Income	109	127	
% of Total Sales	6.5%	7.6%	

Flattish sales development due to customer mix effects and temporary slowdown of electrification in Europe

- > Successful 77 GHz radar ramp-ups in the US in Q2
- > Delays in various series ramp-ups
- > Temporary slowdown of electrification in Europe; negative sales impacted particularly for HV BMS
- > Negative customer and product mix effects especially in China

Operating Income +€18m (+16.0%) to €127m; OI margin improvement by 120bps to 7.6%

- > Improved Gross Profit margin
- > Lower R&D expenses; reduced use of external service providers

*approximation based on internal analyses

HV BMS = High Voltage Battery Management Systems



OPERATING INCOME DOWN WITH LOWER SALES

Lifecycle Solutions

In €m	H1 FY 2023	H1 FY 2024
External Sales	546	531
<i>YoY organic</i>		-1.6%
<i>YoY FX*</i>		-1.1%
Intersegment Sales	5	5
Total Sales	551	537
Operating Income	74	63
<i>% of Total Sales</i>	13.5%	11.7%

Low demand from commercial vehicle business negatively impacted sales development

- Continuous growth of the spare parts business in Europe with increased product offering
- Low demand in core customer segments of the commercial vehicle business like Agriculture, Trailer & Construction

Operating Income -€11m (-15.1%) to €63m; OI margin down by 170bps to 11.7%

- Increase of Gross Profit margin due to mix effects
- Increase of R&D expenses in preparation for upcoming programs after successful order intake in prior years
- Increased SG&A expenses with additional logistic costs as well as the integration of Hella Pagid

**approximation based on internal analyses*

HELLA IS OUTGROWING THE MARKETS GLOBALLY

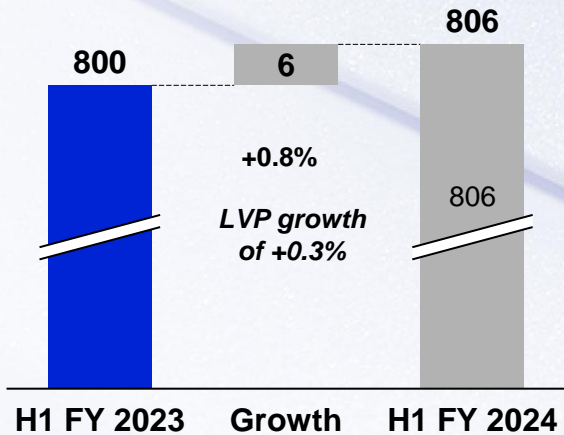
LVP global -0.2%

GROUP sales +0.9%
(organic* +1.6%*)

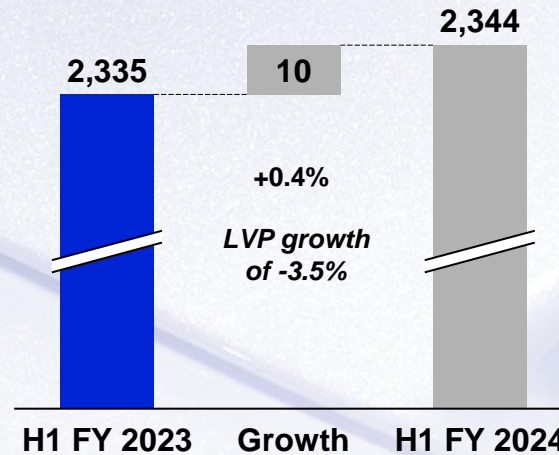
Outperformance 110ps
(organic* 180bps)



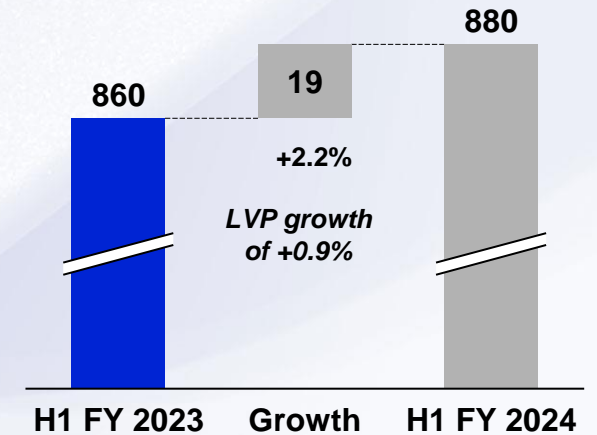
Reported sales
in €m



Reported sales
in €m



Reported sales*
in €m



*includes full consolidation (+€114m) of HBBL

SLIGHT IMPROVEMENT OF OPERATING INCOME IN ABSOLUTE AND RELATIVE FIGURES

In €m	H1 FY 2023	H1 FY 2024	YoY Change
Sales	3,995	4,030	+ 0.9%
COGS	(2,997)	(2,989)	- 0.3%
% of sales	-75.0%	-74.2%	+ 86bps
Gross Profit	998	1,041	+ 4.4%
% of Sales	25.0%	25.8%	+ 86bps
R&D	(436)	(451)	+ 3.5%
% of sales	-10.9%	-11.2%	- 28bps
SG&A	(317)	(342)	+ 7.9%
% of sales	-7.9%	-8.5%	- 55bps
(thereof distribution)	(191)	(197)	+ 3.6%
% of sales	-4.8%	-4.9%	- 13bps
(thereof admin)	(141)	(156)	+ 10.5%
% of sales	-3.5%	-3.9%	- 34bps
Operating Income	244.8	248.1	+1.4%
% of sales	6.1%	6.2%	+ 3bps
JV and other income from investments	4.3	-3.6	-183.0%
% of sales	0.1%	-0.1%	-14bps
Non-recurring OI& OE	(4.4)	72.5	
EBIT	244.6	317.0	+31.9%
% of sales	6.1%	7.9%	+174bps

Gross Profit margin up 86bps

- > Improvement in all business groups

R&D ratio up 28bps

- > Preparation for upcoming program launches

SG&A expenses increased by 7.9%

- > Continuous cost discipline; comparison with prior year impacted by scope change due to HBBL and Hella Pagid

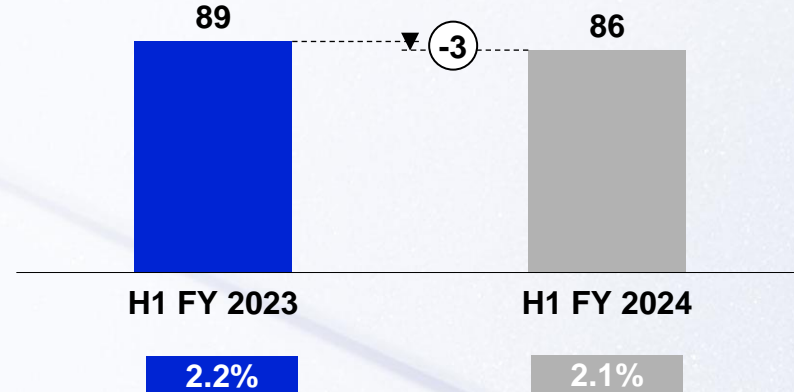
Non-recurring operating income and expenses at €72.5m

- > Including €119m capital gain from the sale of BHTC. Expected restructuring costs of €69m included. Please refer to Note 9 in the financial report for further details

H1 NET CASH FLOW DEVELOPMENT BROADLY STABLE WITH STRONG IMPROVEMENT IN Q2

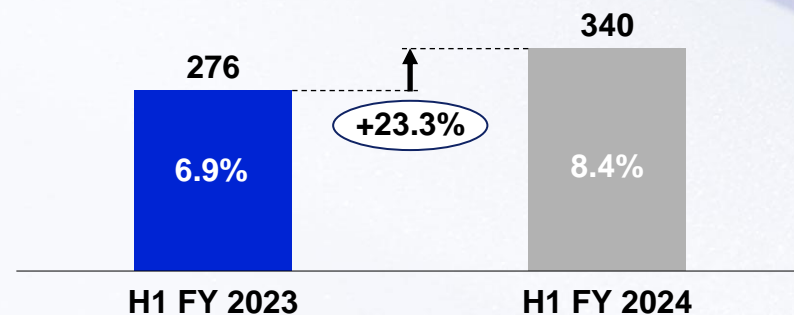
Net Cash Flow

in €m and % of sales



CAPEX

in €m and % of sales



Net Cash Flow broadly stable, minor decrease of €3m to €86m

- > Constant profitability in H1 with step-up in Q2
- > Higher CAPEX
- > Lower working capital
- > Reduction of factoring increase (€40m vs. €60m in H1 FY 2023)

CAPEX up by 23.3% (+€64m) to €340m

- > Investments in series projects after successful order intake in prior years
- > Increased standardization & automatization of production processes

Cash inflow of €202m from the sale of the 50% share in BHTC is included in CF from Investing activities



03 COMPETITIVENESS PROGRAM

HELLA H1 FY 2024

COMPETITIVENESS PROGRAM FOR EUROPE ON TRACK (I)

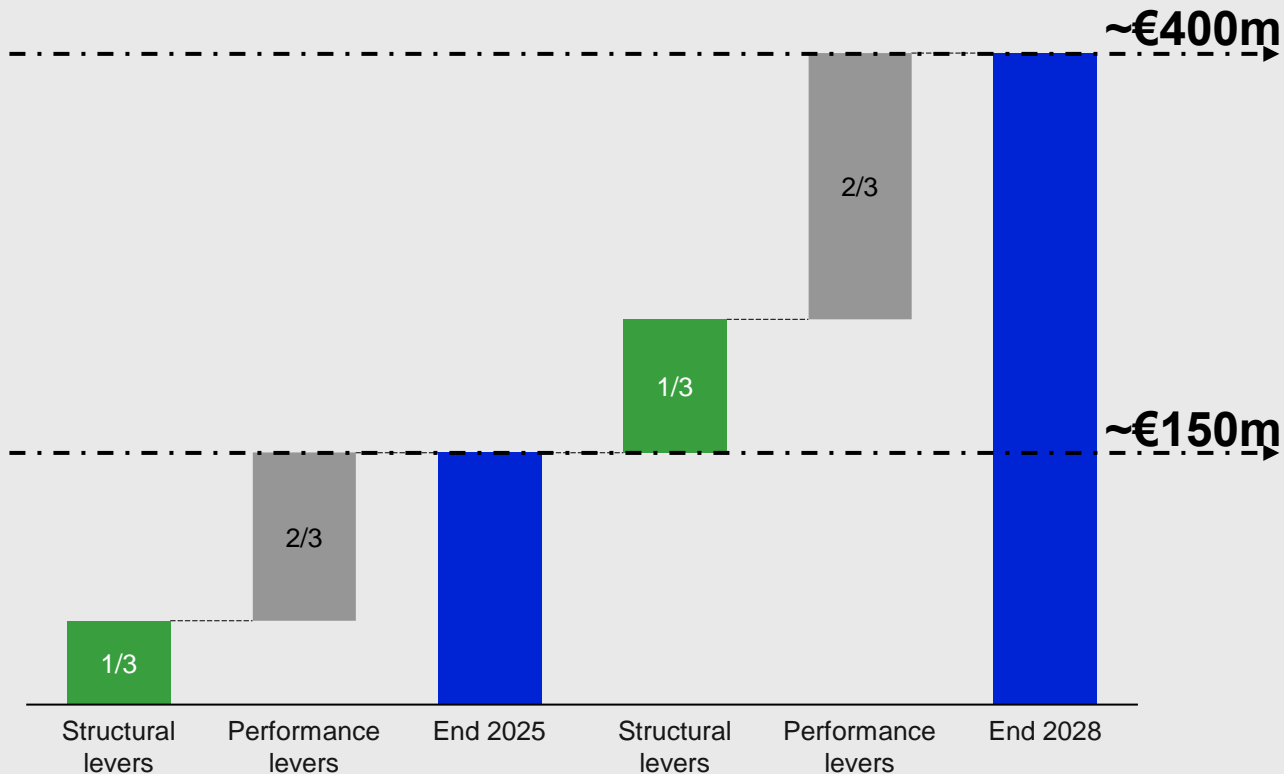
Improvement measures further substantiated

LEVER		MEASURES	CONTRIBUTION TO TARGETED GROSS SAVINGS
€200m spendings until 2028	STRUCTURAL	<p>Structural Improvements</p> <ul style="list-style-type: none"> • Relocation (shift of headcount from high cost to best cost) • Reorganization (change of operating model) • Rightsizing (reduction of headcount) • Portfolio management (focusing on core activities) 	€400m gross savings until 2028
	PERFORMANCE	<p>Performance Improvements</p> <ul style="list-style-type: none"> • Introduction of FES, advanced data mining, automation, standardization, Material savings e.g. DtC, ReDtC, re-negotiations • Scaling AI & digitalization, complexity reduction, outsourcing/insourcing, development of tool landscape, simplification • Scaling AI and digitalization, simplification of corporate processes 	
			<p>Around 1/3</p>
			<p>Around 2/3</p>

COMPETITIVENESS PROGRAM FOR EUROPE ON TRACK (II)

Achievement of gross savings until 2028 further substantiated

SPLIT OF TARGETED GROSS SAVINGS UNTIL 2028



Committed targets in 2025 and 2028 confirmed and further substantiated

- > Structural levers contribute around 1/3 of gross savings potential, thereof around 60% coming from operations
- > Performance levers contribute around 2/3 of gross savings potential
- > R&D levers contribute to around 1/3 of the full gross savings potential
- > Around €200m spendings until 2028, a large extend until end 2025
- > Spendings include e.g. restructuring costs, cost for relocations, investments in automatization, standardization, and AI

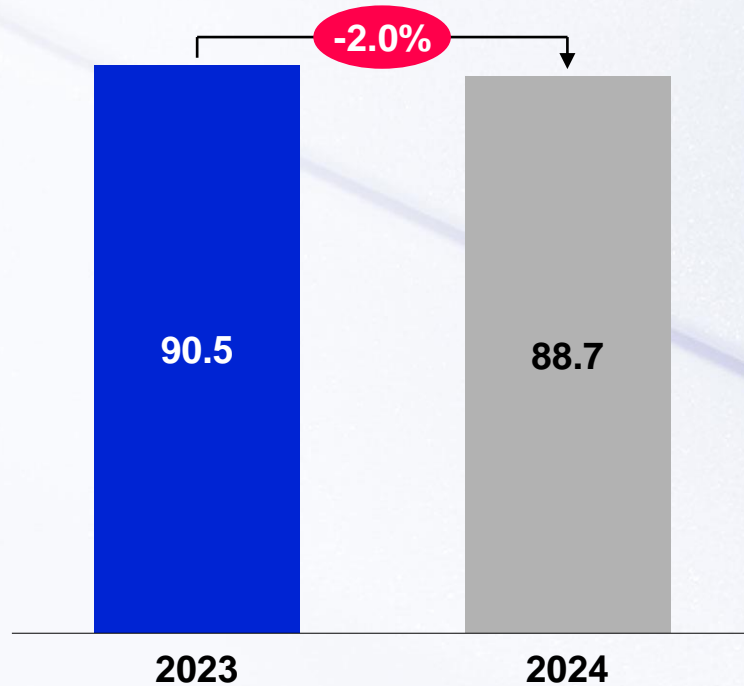
04 OUTLOOK

HELLA H1 FY 2024

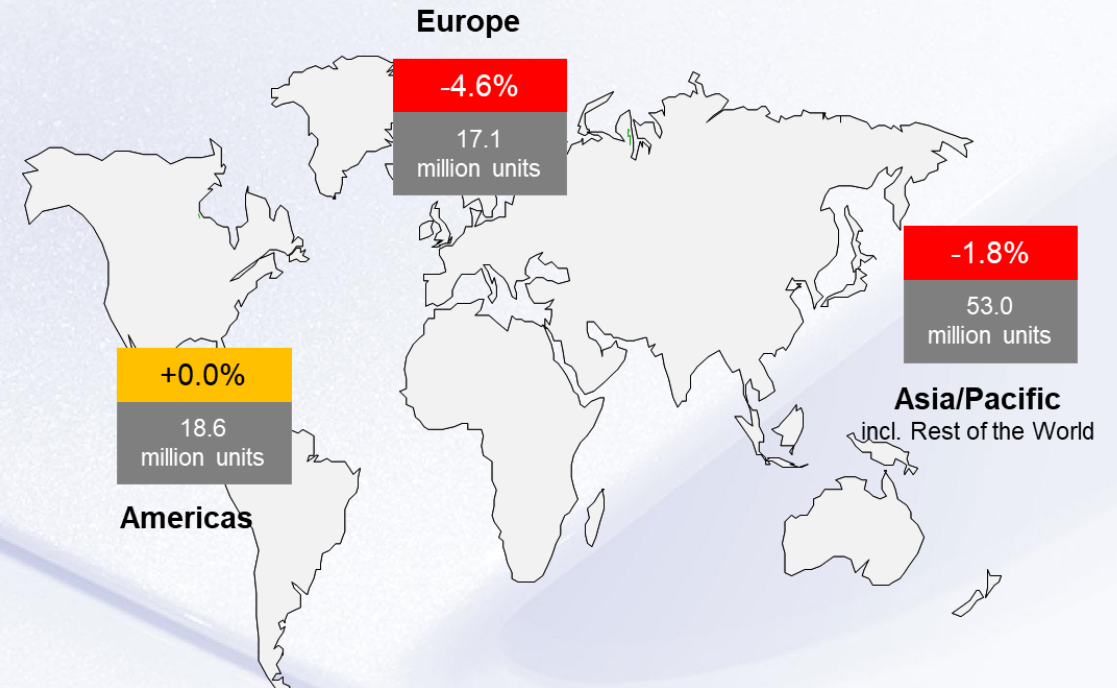


LATEST MARKET FORECASTS REVISED DOWNWARDS BY S&P; VOLUME DECLINE IN EUROPE ACCELERATED

Expected Global Light Vehicle production
in million units, S&P Global Mobility per July 2024



Expected Global Light Vehicle production
in million units, S&P Global Mobility per July 2024



Source: S&P Global Mobility (formerly IHS Markit | Automotive)

HELLA FY 2024 OUTLOOK CONFIRMED

Company Outlook Jan 1, 2024, to Dec 31, 2024

Taking into consideration the latest S&P forecast of 88.7 million light vehicles to be produced in 2024

Sales

Currency and portfolio adjusted

Between around € 8.1 to 8.6 billion

In the lower half of the given range

Operating Income Margin

Between around 6.0% to 7.0% of sales

In the lower half of the given range

Net Cash Flow / Sales

At approximately 3%

Specification within the expected ranges as the global production volumes in H2/FY 2024 will develop worse than assumed only a few months ago. Furthermore, impacts from customer mix, particularly in China and slower-than-anticipated series launches for individual customer programs are expected to continue.

Growth in the low-single-digit percentage range is expected for the business groups Lighting and Electronics. A slight sales decline is expected for Lifecycle Solutions.

A slight improvement in the OI margin compared to 2023 is expected for Electronics; the OI margin in Lighting is expected to stay at around the PY level. A slightly lower OI margin is expected for Lifecycle Solutions.

05 KEY TAKEAWAYS

HELLA H1 FY 2024

KEY TAKEAWAYS

H1 with slight improvement in sales and earnings

- Solid results in a challenging market environment
- Business proven to be very resilient and adaptable
- Q2 with strong sequential improvement of OI margin and NCF

Company outlook confirmed and specified within the expected ranges

- Latest market forecasts revised downwards by S&P
- Headwinds from the global production volumes that will develop worse than assumed as well as continuous impacts from customer mix and slower-than-anticipated series launches
- Sales and OI margin now expected in the lower half of the given forecast range
- NCF/Sales at approx. 3%

Competitiveness program for Europe further detailed

- Competitiveness program in Europe on track
- Around 2/3 of targeted gross savings from performance levers
- Target of €150m until end of 2025 further substantiated
- Committed improvement targets for 2025 and 2028 confirmed and substantiated

APPENDICES

LVP PRODUCTION AND GROUP SALES PER REGION

		H1 FY 2023	H1 FY 2024
HELLA Group sales in €m	Worldwide	3,995	4,030
	Europe	2,335	2,344 +0.4%
	Americas	780	800 +0.8%
	Asia/Pacific & Rest of World	860	880 +2.2%
Light vehicle production in 1.000 units	Worldwide	43,660	43,582
	Europe	9,369	9,043 -3.5%
	Americas	9,402	9,430 +0.3%
	Asia/Pacific & Rest of World	24,890	25,108 +0.9%

Note: Light Vehicle Production (LVP) based on &P Global Mobility per July 2024; Growth figures always compared with the same period of the previous year

UPCOMING EVENTS

October 17, 2024

- Prelim. 9M FY 2024

November 6, 2024

- 9M FY 2024

November 27, 2024

- Analysts Meeting Frankfurt

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