HELLA ANALYSTS MEETING

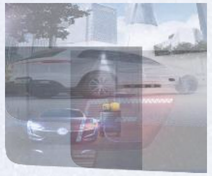
Deutsches Eigenkapitalforum

27 November 2024

AGENDA

Current Business Perspective

Group Strategic Outlook



Business Groups Strategic Outlook

Key Takeaways

01 CURRENT BUSINESS PERSPECTIVE

IN A CHALLENGING MARKET ENVIRONMENT HELLA ACCELERATED MEASURES TO IMPROVE COST STRUCTURE AND NCF

Necessity to adjust of outlook with deterioration of industry by far more than expected

CHALLENGING MARKET

- **LVP estimate[1] at -2.2% for 2024**, -1.1m vehicles vs. January data, deterioration mostly in Europe
- **Adverse impacts from customer & product mix**, international OEMs losing market share
- **Customer-related post-ponement of series launches** specially in Business Group Electronics
- **Slow-down of electrification**, negative sales deviation mainly in Business Group Electronics

FY 2024 OUTLOOK ADJUSTED ON SEPTEMBER 26, 2024

Sales[2]	**between around €7.9bn and €8.1bn**, prior between around €8.1 to €8.6bn: in the lower half of the given range
Operating Income Margin	**between around 5.5% and 6.0%**, prior between around 6.0% to 7.0%: in the lower half of the given range
Net Cash Flow/ Sales	**between around 2.2% and 2.7%**, prior at approximately 3%

ACCELERATION OF MEASURES, FOCUS AREAS

Scope of Business Activities	Focus on acquisitions in Americas & Asia Focus on local OEMs especially in China
Cost Structure	Accelerate Competitiveness Program in Europe Improve global cost structure Intensify collaboration & increase cost synergies
Cash Flow	Reduce CAPEX with prioritization & optimization Improve Working Capital

1)S&P Mobility as of October 2024
2) Portfolio- and currency adjusted, consolidated sales

HELLA SHOWED A SOLID 9M FY 2024 PERFORMANCE AND CONFIRMED THE FY 2024 GUIDANCE

Acceleration of measures with proven impact to prepare for volatile & challenging industry ahead

RESULTS 9M FY 2024

Cons. Sales	**Organic sales grew by 0.8% to €6.0bn**, outperforming global LVP by 240bps, market **outperformance in all regions**
Operating Income Margin	**Business** proven to be **adaptable**, with **Operating Income margin** of **5.8%,** partially compensating lower volumes
Net Cash Flow/ Sales	**9 months** with **expected Net Cash Flow development**, significant **improvement** in **Q4** expected
Scope of Business Activities	**2/3 of order intake outside Europe**, thereof ~45% in APAC **Successful acquisition** of series projects in Lighting and Electronics in **APAC and NSA**
Cost Structure	**Cost synergies** by end of 2025 revised upwards to **€400m** (from >€350m) **€400m committed gross savings from** Competitiveness program until 2028 **on track,** acceleration of achievement level until end **2025 to >40%** (from €150m)
Cash Flow	**Significant reduction of external R&D spend** in 2024, R&D ratio ambition of <10% from 2025 onwards (vs. 11% in 2023)

02 GROUP STRATEGIC OUTLOOK

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BUILD ON ITS 3 STRATEGIC PILLARS, HELLA IS WELL POSITIONED TO FURTHER BENEFIT FROM INDUSTRY TRENDS

Ensure sustainable profit & cash generation going forward with four key initiatives

INDUSTRY TRENDS

Electrification
- **Growth of EV**, acceleration of **changes in E/E architecture**

Automated Driving
- **Increasing levels of automated driving**, especially L3
- Growing **car parc with ADAS components**

Digital & sustainable experiences
- **Penetration of digital solutions**
- **Strong CO_2 neutrality requirements** & increasing **demand** for **climate-friendly, sustainable products**

Regulation
- **Future requirements** (e.g. **NCAP**) drive new functions and certain products

New OEMs
- Rapid **growth of Chinese OEMs**, potential OEM consolidation
- **Increased development speed/flexibility** requirements

Deglobalization
- Potential increase of **geopolitical tensions** and **trade barriers**

HELLA 3 STRATEGIC PILLARS AND KEY INITIATIVES

1 MARKET AND TECHNOLOGY LEADERSHIP

- **Pursue consequent portfolio management** approach and **focused investments**
- **Use technology leadership** to include **CO_2 requirements into product designs**

2 GLOBAL PRESENCE AND BROAD CUSTOMER BASE

WEST TO EAST
- **Balance global business** and drive growth in the Americas and Asia
- **Drive local-for-local**, establish & empower local teams

EUROPEAN COMPETIVENESS PROGRAM
- **Adopt to volume drop in Europe** and changes in OEM landscape
- **Do structural adjustments** in the **manufacturing** & **R&D** set up

3 OPERATIONAL EXCELLENCE AND CAPITAL EFFICIENCY

OPERATIONAL EXCELLENCE & MANAGE BY CASH
- **Reduce CAPEX** and **improve Working Capital**
- **Increase collaboration** and **synergy realization** with FORVIA

ENGAGE
- **Simplify processes** and transform engineering **using AI potential**
- **Design for Scope 3**

HELLA TAKES AMBITIOUS ACTION TO CONTRIBUTE TO LIMITING GLOBAL WARMING – ENVIRONMENTAL PROTECTION IS A KEY GOAL

Increasing focus on CO_2 reduction Along Value Chain

FORVIA 1st automotive company with net zero target approved by SBTi

CLIMATE

2025: 100% neutral production (Scope 1 & 2)[1]

2030: -45% FORVIA **CO2 footprint** vs. **2019**[2]

2045: NetZero company[3]

ENERGY

2025: 100% renewable electricity supply

Transition to renewable heat

2025: -20% energy intensity vs. 2019

WASTE

2025: -9% waste intensity in our operations vs. 2019

WATER

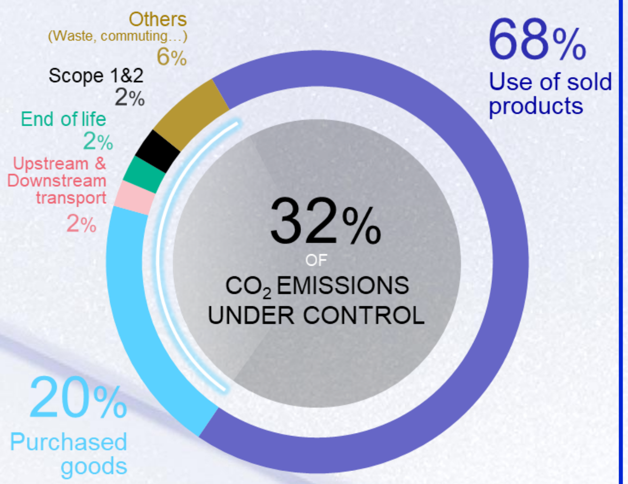
2030: >7% water intensity reduction in our operations vs. 2023

FORVIA SELECTED RATINGS

CDP FORVIA Score A | ecovadis FORVIA 74/100 | SUSTAINALYTICS ESG Risk Rating 12.9 Low Risk

FORVIA HELLA CO_2 Footprint 2023

10.1mn tons of CO_2



1)100% CO_2 Scope 1 & 2 reduction by 2025 vs. 2019 incl. compensation
2)HELLA target: -38% vs. 2019
3)STBi approved

LEVERS TO ADDRESS CO_2 EMISSIONS
BEYOND SCOPE 1 & 2

Purchased goods

Use less:

- Weight of products

Use better:

- Recycled or renewable/ bio-based materials
- CO_2 reduction plans at suppliers

Transports

Use less:

- Transport optimization
- Local-for-local sourcing
- Local-for-local production

Use better:

- Low-emission means of transport

End of life

Use longer:

- Recyclability at the end of the lifecycle

Use better:

- Eco-design

Use of sold products

Use less:

- Weight of products
- Energy consumption of products

Use better:

- Opportunities with low-emission and emission-free vehicles

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HELLA OFFERS PRODUCTS WITH SUSTAINABLE MATERIALS AND FRUGAL DESIGN TO REDUCE ITS ENVIRONMENTAL FOOTPRINT

Sustainable headlamp as innovative proof point for sustainable mobility

SUSTAINABLE HEADLAMP

- **Significant reduction of CO_2** footprint without compromising safety
- **70% cut in CO_2 emissions** over the entire **product lifecycle**
- **CO_2 oriented mechanical design**, repairable and recyclable alternative materials
- **Focus on essential performance features**, adaptive use
- Embedded within a **circular lifecycle**

COMPARED TO A CONVENTIONAL HEADLAMP IT DELIVERS:

60 % Weight savings

USE LESS

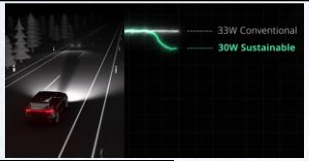
1. Cover lens
2. Signal light
3. Carrier frame
4. Optical system
5. Headlamp levelling
6. Housing

LESS PARTS, LESS WEIGHT

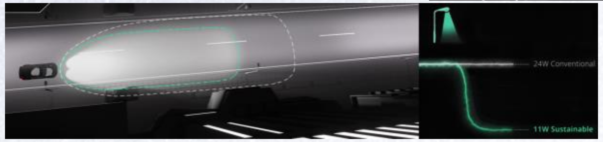
60 % Energy savings

USE BETTER

Daytime running light, adaptive dimming based on daylight levels



Glare-free high beam, light distribution automatically adapted to the traffic situation

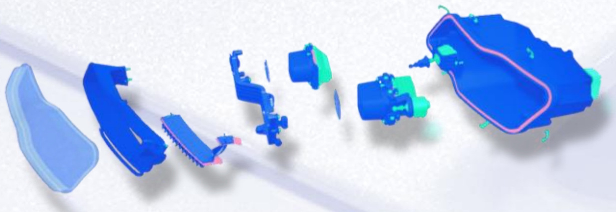


Adaptive low beam
Reduced brightness in highly illuminated areas

ENERGY-EFFICIENT MODULES AND FUNCTIONS

90% Recyclability

USE LONGER



- Single grade materials
- Reusable components
- Waste reduction

KEEPING PRODUCTS AND MATERIALS IN THE LOOP

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03
BUSINESS GROUPS STRATEGIC OUTLOOK

LIGHTING TO KEEP ITS TECHNOLOGY LEADERSHIP – PROFITABLE GROWTH TRAJECTORY CONFIRMED

POSITIONING

- **#1 player high-end LED** solutions
- **Technology leader** with high customer intimacy
- **System supplier** for integrated lighting solutions
- **Leader** with **Front Phygital Shields** for EVs

KEY TRENDS

- **Increasing CpV** with further tech. penetration
- **Penetration of high-end digital light** solutions
- **Efficient lighting concepts** and exterior displays to differentiate carlines
- Significant potential in **illuminated grills** and panels for EVs

CORE PRODUCTS TO DRIVE GROWTH

HEADLAMPS

- **LED headlamp** with >32.000 LEDs and communication matrix for dynamic light signatures


SMART LIGHTS

- **Personalized interior illumination** and smart technology integration


FRONT AND REAR PHYGITAL SHIELDS

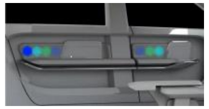
- **Front Phygital Shield** with animated functions, sensor functionalities, self-healing surfaces

- **Rear Phygital Shield** as highly integrated rear module

- **Digital FlatLight** 1st integration in rear lamp incl. tail & brake

ADVANCED LIGHTING CONCEPTS

- **Modular Surface illumination** with light tiles integrated in vehicle side



- **Ultra slim surface illumination**, sensors integration, heating and touch functions

STRATEGIC LEVERS

- Rebalance customer mix with focus on C-OEMs and Detroit 3
- Leverage technology leadership position
- Rollout sustainable HL concept in other lighting products
- Push ReDtC /DtC measures
- Realize standardization & improve efficiency in R&D and operations
- Implement FES globally and implement UAL
- Transform EU setup to new market conditions

CpV = Content per Vehicle; FES = FORVIA Excellence System; FPS = Front Phygital Shield; HL= HeadLamp; UAL = Universal Assembly Line

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ELECTRONICS TO GROW IN ATTRACTIVE MARKETS WITH STRONG PORTFOLIO

POSITIONING

- **Within top 3 on most key products**
- **Leading radar supplier,** with 20+ years of expertise
- **20+ years** of experience in **battery applications**
- **25+ years experience in development** of embedded software & integration of 3rd party software

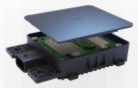
KEY TRENDS

- **Increasing demand on sensors & actuators** driven by regulation
- **Uncertain L3+** adoption pace
- **Electric vehicle market growth** led by Chinese OEMs
- **Changing E/E architecture** towards software defined vehicle

INNOVATIONS AS KEY SUCCESS FACTOR

AUTOMATED DRIVING

- **77Ghz Radar** for environment detection of stationary & dynamic objects



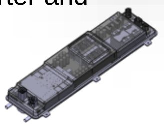
- **Touchpad Pedal** as 1st brake pedal without a mechanical linkage to the brake system, fulfills ASIL-D fail operational

- **New radar generation incl. Waveguide antennas** enables high level ADAS systems
- Extended distance recognition and greater precision over the whole field of view

ENERGY MANAGEMENT

- **12V LIIB** replacement for conventional batteries, supports a compact size and a lightweight design

- **HV Powerbox** combination of HV DC/DC Converter and OBC for safe & stable power supply



- 1st to market with **Intelligent Power Distribution Module** with **eFuse** to observe all system components

KEYLESS CAR ACCESS AND DETECTION SYSTEMS

- **Smart Car Access** with UWB technology
- **Software Add-Ons** for extended functionalities like Child Presence Detection

STRATEGIC LEVERS

- Foster growth markets and business with new players
- Drive Energy management, Radar, Lighting Electronics
- Enhance business fields by, e.g. E-motor, iPDM/E-Fuse
- Transform portfolio from ICE to EV products
- Foster innovation pipeline e.g. Front Radar, UWB add-ons
- Increase efficiency in R&D and administration
- Spend CAPEX diligently and improve inventory level

DC/DC= Direct Current / Direct Current; iPDM = intelligent Power Distribution Module; LIIB= Lithium Ilonen Battery; OBC = Onboard Charger

LIFECYLE SOLUTIONS WITH FULL FOCUS ON GROWTH AND COMPETITIVENESS

POSITIONING

- **HELLA IAM** as **leading aftermarket branded spare parts supplier**
- **HELLA Gutmann Solution** is the **leader** in **multi-brand diagnostics**
- **HELLA SOE** is the **leading OE supplier**

KEY TRENDS

- **IAM** with **increasing competitive pressure**, OEMs & copy players gaining share in VSL, wholesalers push own private brands
- **Workshop tools need to handle higher complexity**, high services needs to support workshops
- **SOE** to handle **limited growth** in **Off-highway** segment and **new requirements**

STRONG PRODUCT RANGE & TECH. PIPELINE

AFTERMARKET

- Comprehensive **HELLA VSL OE** range

- Strong **HELLA E/E** products

- **ADAS & BEV spare-parts**, e.g. low energy UL LED solutions
- **BEV offering** for e.g. electrical drive, energy & thermo management
- **Brake products** after full integration of HELLA Pagid

WORKSHOP PRODUCTS

- **Mega macs X HV** diagnostic tool to support BEV vehicles

- **One Cloud data platform** as scalable software platform for diagnostics

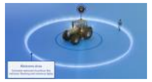
- **Digital diagnostics solution** as 1st remote diagnostics solution which allows a deep vehicle diagnostics through a telematics dongle

SPECIAL ORIGINAL EQUIPMENT

- Reliable and robust **work lamps** incl. projection technology
- Smart **Martix Worklight Systems** using vehicle intelligence to control worklamps

- Broad range of **E/E products** for emission reduction e.g. IBS 12V

- **Bluetooth based Vehicle Access System** that can open and start your vehicle with a smart phone



STRATEGIC LEVERS

- Add product groups in IAM, focus on lighting, E/E
- Enhance Workshop portfolio by leveraging digital products
- Foster innovation based on software and data
- Increase share-of-wallet and add new truck customers in SOE
- Increase digitalization in all business divisions
- Further optimize inventory structure
- Focus on cash conversion with customers & suppliers

E/E= Electrics and Electronics; UL=Universal Lights; VSL= Vehicle Specific Lighting

04
KEY TAKEAWAYS

HELLA TO SUSTAIN A STRONG POSITION IN A CHANGING INDUSTRY

HELLA with clear priorities to secure profitable growth & cash generation going forward

- **Pursue consequent portfolio management**
- **Focus** on **megatrends** as Electrification & Automated Driving to drive future growth
- **Expand towards new customers** to strengthen global customer base & allocate volumes to OEMs with stronger momentum
- **Pursue local-for-local** approach
- **Simplify processes, reduce complexity** and **improve** agility to increase efficiency as key enablers to ensure competitiveness
- **Collaborate within FORVIA** to strengthen all initiatives
- **Build upon** a **solid financial profile** for future **value creation**
- **Focus** on **cash generation** to enable further investments in innovation and growth

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