

HELLA 9M 2024 RESULTS

January 1, 2024 – September 30, 2024

November 6, 2024

FORVIA



AGENDA

- 01 Achievements
- 02 Financial Results
- 03 Outlook
- 04 Key Takeaway

01 ACHIEVEMENTS

HELLA 9M FY 2024

STABLE SALES AND SOLID PROFITABILITY IN A CHALLENGING AUTOMOTIVE ENVIRONMENT

Organic sales grew by 0.8% to €6.0bn, outperforming global LVP by 240bps

- Group reported flat sales at €5.9bn
- Positive development in Lighting with full consolidation of HBBL* (+€193m), growing 4.3% to €2,946m
- Electronics negatively impacted by customer mix and slowdown in electrification in Europe; sales down by 3.2% to €2,220m
- Lifecycle Solutions impacted by declining market volumes of key customer groups, sales down by 5.8% to €763m

Operating Income margin down to 5.8% on volumes decline

- Operating Income down by 5.3% to €344m, margin at 5.8% (PY 6.1%)
 - Lower Gross Profit margin with lower volumes and negative mix effects
 - Positive effect from improved R&D ratio
- Net Cash Flow at -€8m (PY €40m); ratio to sales at -0.1% (PY 0.7%)
 - Significant NCF improvement expected in Q4

**Beijing Hella BHAP Automotive Lighting*

ORDER INTAKE IN FAST GROWING SEGMENTS FROM DIVERSIFIED CUSTOMER BASE

More than 2/3 of Automotive order intake outside Europe, thereof ~45% in APAC

Lighting with further footprint increase in NSA

- Headlamp & CBL packages for US OEM, SOP 2026 and 2028
- CBL packages for international premium OEM, SOP 2025, 2026

Electronics with major awards in APAC

- Order intake above three-digit-million for energy management & sensors for Japanese OEMs in India, SOP 2027 and China, SOP 2026
- Gen5 radar generation for US OEM, SOP 2024 and 2026

Lifecycle Solutions further increased customer outreach

- IBS for international truck manufacturer, SOP 2027
- LED headlamp for 2/3wheeler manufacturer in India, SOP 2025

FURTHER HIGHLIGHTS IN 9M FY 2024

INNOVATION LAUNCH

- > Launch of first RGB LED rear combination lamp with full-color light animations
- > Available in the Chinese market since beginning September for mid size sedan of Geely group
- > Successful application of interior lighting technology to exterior lighting



BEST BRAND AWARD

- > HELLA and Hella Gutmann recognized as one of the best commercial vehicle workshop brands 2024
- > Pioneering sustainable technologies for commercial vehicles presented at IAA Transportation together with FORVIA



RECOGNITION FOR ESG PERFORMANCE

- > First joint rating results
- > FORVIA recognized with 'A' score for transparency on climate change
- > FORVIA scored 74, placing the Group in the top 3% of companies in its category



ACCELERATING ON 4 KEY INITIATIVES TO ENSURE SUSTAINABLE PROFIT AND CASH GENERATION GOING FORWARD

INITIATIVE	FOCUS	IMPACT
WEST TO EAST	<ul style="list-style-type: none"> › Acquisition focus on Americas & Asia › Increase share with local OEMs in China and expand business activities in Japan › Benefit from India's growth 	<ul style="list-style-type: none"> › 2/3 of order intake outside Europe in 9M FY2024, thereof ~45% in APAC › Successful acquisition of series projects in Lighting and Electronics in APAC
MANAGE BY CASH OPERATIONAL EXCELLENCE	<ul style="list-style-type: none"> › Reduction of CAPEX and improvements in Working Capital › Focus on operational excellence › Increase collaboration and synergy realization with FORVIA 	<ul style="list-style-type: none"> › Cost synergies by end of 2025 revised upwards to €400m (from €350m) › €400m committed gross savings until 2028 on track
EUROPEAN COMPETIVENESS PROGRAM	<ul style="list-style-type: none"> › Continuous adoption to volume drop in Europe and changes in the OEM landscape › Structural adjustments in the European manufacturing and R&D set up 	<ul style="list-style-type: none"> › Acceleration of targeted gross savings until end 2025 to >40%
ENGAGE	<ul style="list-style-type: none"> › Simplification of processes & transformation of engineering and program management › Lead with AI/GenAI, leverage AI potential › "Design for Scope 3" 	<ul style="list-style-type: none"> › Significant reduction of external R&D spend in 2024, R&D ratio ambition of <10% from 2025 onwards

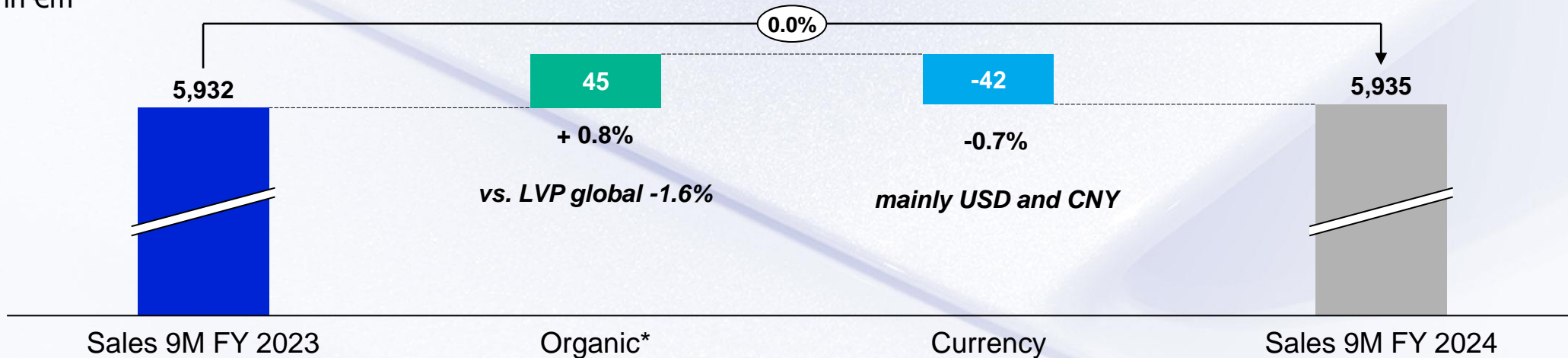
02 FINANCIAL RESULTS

HELLA 9M FY 2024

STABLE SALES 9M FY 2024 – OUTPERFORMANCE IN A CHALLENGING MARKET WITH DECLINING LVP

- > Organic sales 9M FY 2024 up 0.8%*, FX negative at -0.7% (-€42m) in the first 9 months
- > Reported sales 9M FY 2024 flat YoY
 - Stagnating LVP in the first six months 2024, volumes particularly down in Q3 YoY by -4.6%
 - Negative customer mix particularly in China
 - Customer-related postponements in individual series launches
 - Slower ramp-up of electromobility especially in Europe

Group sales in €m



*includes full consolidation (+€193m) of HBBL



LIGHTING WITH GROWING SALES AND PROFITABILITY IMPROVEMENT

LIGHTING

In €m	9M FY 2023	9M FY 2024	
External Sales (€m)	2,825	2,946	vs. LVP growth of -1.6%
YoY organic*		+4.9%	
YoY FX**		-0.6%	
Intersegment Sales	45	41	
Total Sales	2,870	2,987	
Operating Income	81	105	
% of Total Sales	2.8%	3.5%	

* includes full consolidation (+€193m) of HBBL

**approximation based on internal analyses

Growth supported by HBBL and ramp-ups

- > In Europe, new series launches and higher call-offs for certain projects could offset expiring projects
- > Ramp-up of new programs in the Americas
- > China sales supported by full consolidation of HBBL but penalized by end of high-volume series production

Operating Income +€24m (+29.3%) to €105m; OI margin +68bps to 3.5%

- > Improved Gross Profit margin due to product mix effects and accretive impact of HBBL full consolidation
- > Improved SG&A ratio with further savings

OPERATING INCOME IN ELECTRONICS DOWN WITH LOWER SALES

ELECTRONICS

In €m	9M FY 2023	9M FY 2024	
External Sales	2,294	2,220	<i>vs. LVP growth of -1.6%</i>
YoY organic		-2.7%	
YoY FX*		-0.5%	
Intersegment Sales	245	221	
Total Sales	2,539	2,441	
Operating Income	179	165	
% of Total Sales	7.1%	6.8%	

*approximation based on internal analyses

Negative sales growth due to customer mix effects and slowdown in electrification in Europe

- Successful 77 GHz radar business
- Customer-related postponements in new launches
- Slowdown in electrification in Europe; negative sales impacted particularly for HV BMS
- Negative customer and product mix effects especially in China

Operating Income -€14m (-7.7%) to €165m; OI margin down by 30bps to 6.8%

- Decline in Gross Profit margin due to lower sales volumes and negative product mix effects in Q3
- Lower R&D expenses; reduced use of external service providers

HV BMS = High Voltage Battery Management Systems



LIFECYCLE SOLUTIONS WITH DECLINE IN OPERATING INCOME – LOWER SALES ESPECIALLY IN Q3

LIFECYCLE SOLUTIONS

In €m	9M FY 2023	9M FY 2024
External Sales	810	763
YoY organic		-4.3%
YoY FX*		-1.5%
Intersegment Sales	8	8
Total Sales	818	771
Operating Income	107	78
% of Total Sales	13.1%	10.2%

*approximation based on internal analyses

Low demand from commercial vehicle business negatively impacted sales development

- Growth of the spare parts business in Europe with increased product offering, negative growth trend in Q3
- Low demand in several customer segments of the commercial vehicle business especially in Agriculture, Trailer & Construction due to a weaker economic environment

Operating Income -€29m (-26.8%) to €78m; OI margin down by 290bps to 10.2%

- Increase of Gross Profit margin due to mix effects. Reduction in Q3 YoY due to volume decline
- 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



HELLA IS OUTGROWING THE MARKET IN ALL REGIONS

Europe

57 %
of group sales



Americas

21 %
of group sales

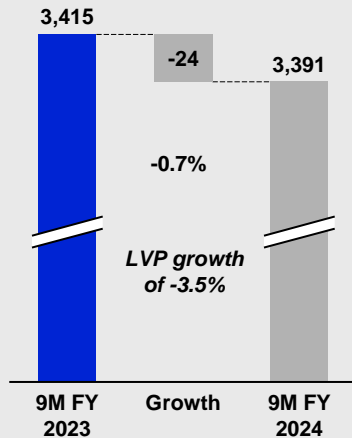


Asia/ Pacific incl. RoW

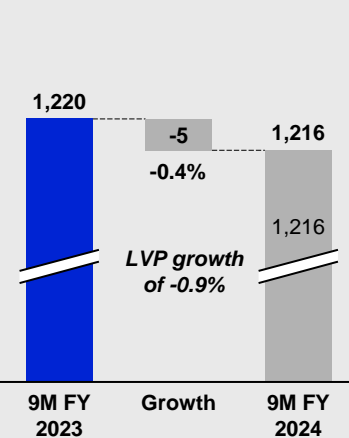
22 %
of group sales



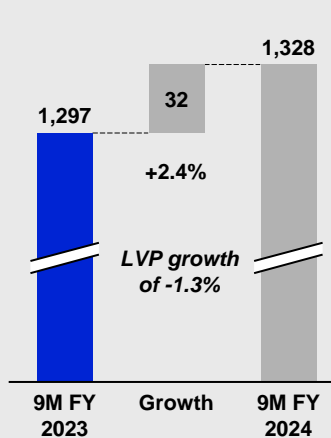
Reported sales
in €m



Reported sales
in €m



Reported sales*
in €m



- > Global LVP down by 1.6%
- > HELLA Group organic* sales growth at 0.8%, outperforming 240bps
- > Europe outperformance of 280bps
 - Lighting benefitting from new launches and in some cases higher volumes of ongoing series projects
 - Electronics suffering from a slowdown in electrification
- > Americas outperformance of 50bps
 - Ramp-up of new projects for headlamps, RCL and radar projects
 - EOPs in Lighting and Electronics
- > Asia/Pacific outperformance* of 370bps
 - Consolidation of HBBL

*includes full consolidation (+€193m) of HBBL.

OPERATING INCOME DOWN ON LOWER VOLUMES

In €m	9M FY 2023	9M FY 2024	YoY Change
Sales	5,932	5,935	+ 0.0%
COGS	(4,434)	(4,453)	+ 0.4%
% of sales	-74.7%	-75.0%	+ 29bps
Gross Profit	1,498	1,482	- 1.2%
% of Sales	25.3%	25.0%	- 29bps
R&D	(656)	(633)	- 3.5%
% of sales	-11.1%	-10.7%	- 39bps
SG&A	(479)	(505)	+ 5.4%
% of sales	-8.1%	-8.5%	+ 43bps
(thereof distribution)	(282)	(295)	+ 4.5%
% of sales	-4.8%	-5.0%	+ 21bps
(thereof admin)	(212)	(223)	+ 5.2%
% of sales	-3.6%	-3.8%	+ 18bps
Operating Income	363.0	343.6	-5.3%
% of sales	6.1%	5.8%	- 33bps
JV and other income from investments	10.8	-1.0	-109.4%
% of sales	0.2%	0.0%	-20bps
Non-recurring OI& OE	(10.3)	66.5	
EBIT	363.4	409.1	+12.6%
% of sales	6.1%	6.9%	+77bps

Gross Profit margin down by 29bps

- > Lower Gross Profit margin in Electronics, partly as a result of lower sales volumes and product mix effects

R&D down by 39bps

- > Preparation for upcoming program launches, savings with less use of external services

SG&A expenses increased by 5.4%

- > Higher distribution and administrative expenses with the integration of the brake business and higher logistics expenses

Non-recurring operating income and expenses at €66.5m

- > Including €119m capital gain from the sale of BHTC. Expected restructuring costs of €72m included*

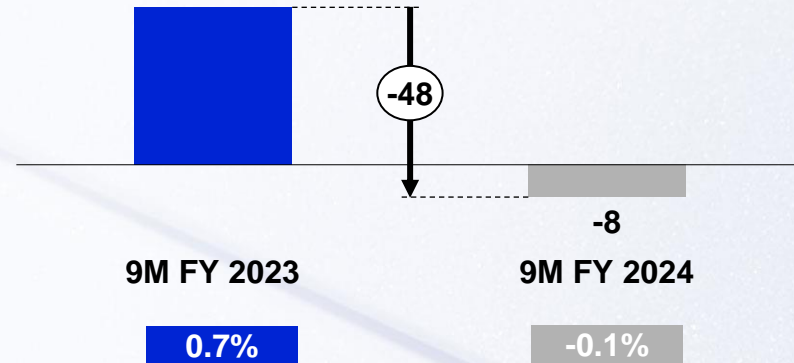
*Please refer to Note 4 in the financial report for further details



9M NET CASH FLOW DEVELOPMENT DOWN YEAR-ON-YEAR – Q3 WEAK AS EXPECTED

Net Cash Flow

in €m and % of sales

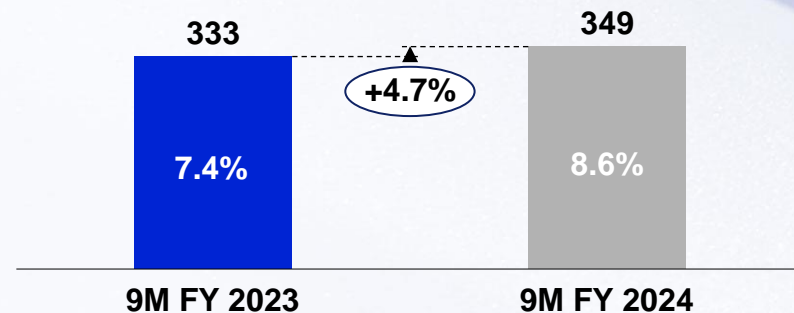


Net Cash Flow down, decrease of €48m to -€8m

- > Minor increases of working capital (€4m)
- > Reduction of factoring increase (€53m vs. €91m in 9M FY 2023)

CAPEX

in €m and % of sales



CAPEX up by 4.7% (+€16m) to €349m

- > 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



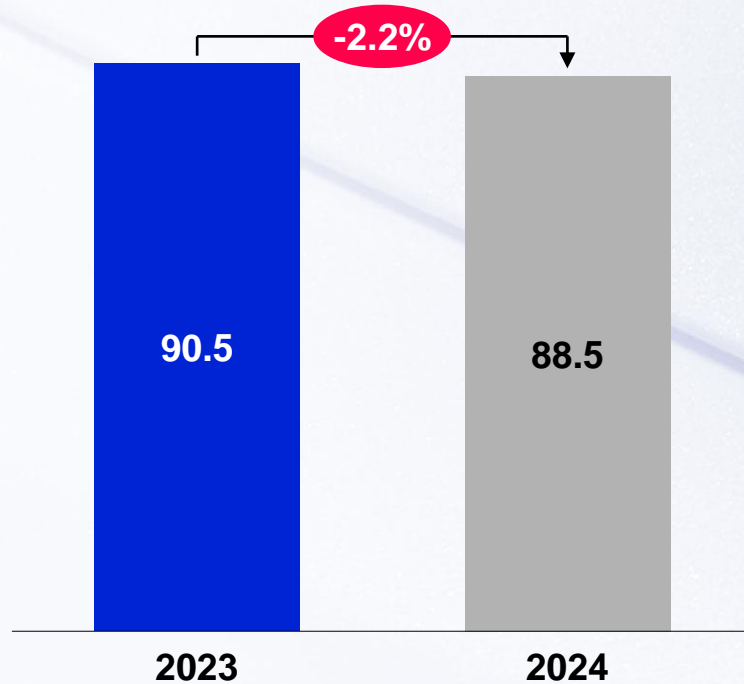
03 OUTLOOK

HELLA 9M FY 2024

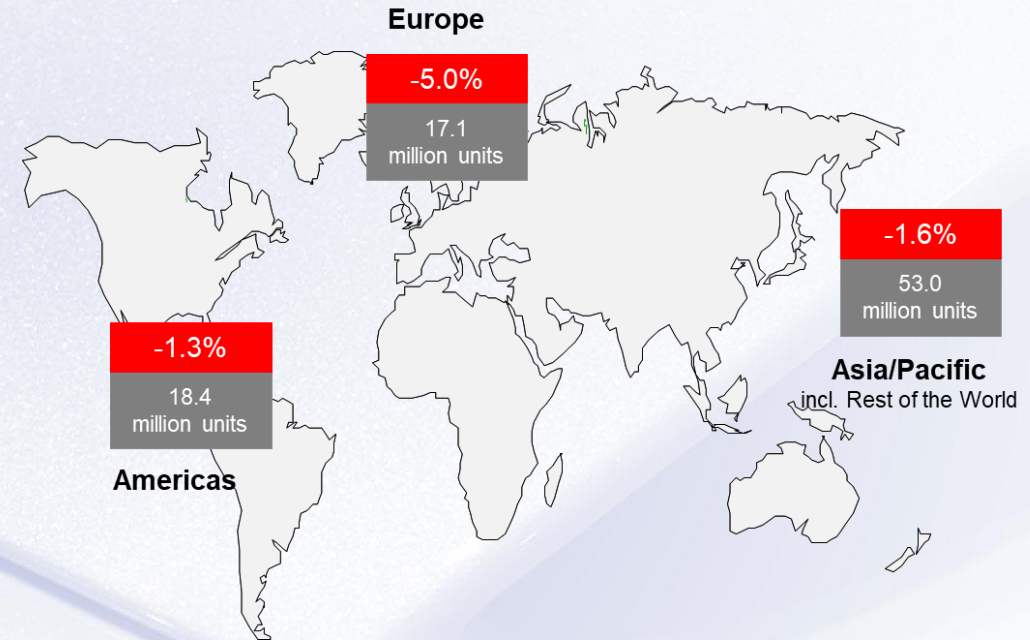


CONTINUED DOWNWARD CORRECTION OF LVP OUTLOOK BY S&P WITH EUROPEAN MARKET UNDER PRESSURE

Expected global light vehicle production
in million units, S&P Global Mobility per October 2024



Expected light vehicle production per region
in million units, S&P Global Mobility per October 2024



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

HELLA FY 2024 OUTLOOK CONFIRMED AFTER ADJUSTMENT IN SEPTEMBER

Company Outlook Jan 1, 2024, to Dec 31, 2024, after adjustment on September 26, 2024
Taking into consideration the latest S&P forecast of 88.5 million light vehicles to be produced in 2024

Sales

Currency and portfolio adjusted

Between around € 7.9 to 8.1 billion

Operating Income Margin

Between around 5.5% to 6.0% of sales

Net Cash Flow / Sales

Between around 2.2% to 2.7%

Lighting is expected to grow in the low to mid single-digit percentage range, for Electronics and Lifecycle Solutions a decline in sales in the low to mid single-digit percentage range is expected.

The OI margins in Lighting and Electronics are expected to remain approximately at the PY level. A lower OI margin is expected for Lifecycle Solutions.

04 KEY TAKEAWAYS

HELLA 9M FY 2024

KEY TAKEAWAYS

Solid performance during 9M FY 2024

- Solid results in a challenging market environment
- Market outperformance in all regions
- Business proven to be adaptable, partially compensating lower volumes
- Q3 with expected NCF development

Company outlook 2024 confirmed after adjustment

- On September 26, HELLA adjusted its FY 2024 outlook
- Adjusted outlook confirmed
 - Sales between around €7.9 and 8.1
 - OI margin of between around 5.5% and 6.0%
 - NCF/sales around 2.2% and 2.7%
- Volatile and challenging industry ahead in Q4 and 2025

Acceleration of initiatives to improve performance 2025ff

- New acquisitions in APAC and NSA
- Competitiveness program in Europe on track
- Acceleration on implementation of measures in 2025
- Cost synergies by end of 2025 revised upwards to €400m

APPENDICES

LVP PRODUCTION AND GROUP SALES PER REGION

		9M FY 2023	9M FY 2024
HELLA Group sales in €m	Worldwide	5,932	5,935
	Europe	3,415	3,391 -0.7%
	Americas	1,220	1,216 -0.4%
	Asia/Pacific & Rest of World	1,297	1,328 +2.4%
Light vehicle production in 1.000 units	Worldwide	66,274	65,186
	Europe	13,303	12,833 -3.5%
	Americas	14,126	13,996 -0.9%
	Asia/Pacific & Rest of World	38,845	38,356 -1.3%

Note: Light Vehicle Production (LVP) based on &P Global Mobility per Oct 15, 2024; Growth figures always compared with the same period of the previous year

UPCOMING EVENTS

November 27, 2024

- Analysts Meeting Frankfurt

February 27, 2025

- Prelim.12M FY 2024; FY 2025 Outlook

March 10, 2025

- 12M FY 2024

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