

Press release

Lippstadt, 13 January 2022



HELLA presents half-year results: sales burdened by massive bottlenecks for electronic components, but develops significantly better than the automotive market

- Currency and portfolio-adjusted consolidated sales fall in the first six months by 2.6 percent to € 3.0 billion (second quarter: -11.9 percent)
- In the half-year period, adjusted EBIT falls to € 156 million (prior year: € 269 million); adjusted EBIT margin at 5.1 percent compared to 8.7 percent in prior year (second quarter: 4.1 percent)
- Despite a decline in sales, the Automotive segment posts stronger development than the overall market; strong spare parts and workshop business drive positive development in the Aftermarket segment; Special Applications benefits from positive business for agricultural and construction machinery
- The forecast for the full fiscal year 2021/2022 was already adjusted on 29 November 2021 due to the business performance to date, the expected lack of market recovery in the second half of the year and increasing cost burdens

In the first six months of the fiscal year 2021/2022, massive bottlenecks with electronic components have significantly burdened the development of sales and earnings at the international automotive supplier HELLA. As of today, HELLA has presented the complete and final half-year figures, thereby confirming preliminary key figures published on 29 November 2021. The currency and portfolio-adjusted sales of the HELLA Group fell accordingly in the first half-year (1 June until 30 November 2021) by 2.6 percent to € 3.0 billion (prior year: € 3.1 billion); as reported, sales declined by 2.0 percent. In the second quarter, the currency and portfolio-adjusted sales fell by 11.9 percent to € 1.5 billion (prior year: € 1.8 billion).

Press release

Lippstadt, 13 January 2022



Due to the reduced sales volumes and increasing cost pressure, the adjusted earnings before interest and taxes (adjusted EBIT) fell to € 156 million in the first six months (prior year: € 269 million); the adjusted EBIT margin is at 5.1 percent (prior year: 8.7 percent). In the second quarter, the adjusted EBIT margin amounted to 4.1 percent (prior year: 12.1 percent). In the first half-year, the reported earnings before interest and taxes (EBIT) is at € 149 million (prior year: € 94 million); the reported EBIT margin amounts to 4.9 percent (prior year: 3.0 percent). The lower figures from the prior year can be attributed to the expenses recorded for the programme to sustainably improve competitiveness.

“At present, there are great challenges in the market environment. Due to the massive bottlenecks in the global supply and logistics chains, the global light vehicle production sustained a drastic collapse in the second fiscal quarter in particular”, says HELLA CEO Dr. Rolf Breidenbach. “Despite these adverse conditions, however, we performed well overall. Our Automotive segment continued to develop significantly better than the overall market, which underscores our strong strategic orientation in this area. In addition, the business development posted by both of our other segments Aftermarket and Special Applications was also favourable.”

Despite a decline in sales, the Automotive segment posts stronger development than the overall market

In the Automotive segment, sales declined by 4.9 percent to € 2.6 billion in the first half-year (prior year: € 2.7 billion). Nonetheless, due to new, high-volume series launches, among other things, the segment recorded a significantly stronger development than that of the global automotive market, which contracted by more than 15 percent over the same period. The earnings before interest and taxes (EBIT) of the Automotive segment fell to € 92 million (prior year: € 218 million); the EBIT margin thus stands at 3.6 percent (prior year: 8.1 percent). This decline in earnings can be attributed, above all, to the severe bottlenecks with electronic components. Coupled with lower sales volumes, this led to increasing material and logistics costs, as well as greater inefficiency in production. In addition, there was an increase in the research and development expenses to cope with the large volume of newly acquired customer projects.

Press release

Lippstadt, 13 January 2022



Strong spare parts and workshop business drive positive development in the Aftermarket segment

In the Aftermarket segment, sales rose by 17.1 percent to € 283 million in the first half-year (prior year: € 241 million). The independent spare parts business developed particularly well in Germany, Poland and the Americas. In the workshop area, a particularly positive influence on sales came from the market launch of the new mega macs X diagnostic device. As a result of the higher sales volumes, the Aftermarket segment's earnings before interest and taxes (EBIT) improved to € 33 million in the first six months (prior year: € 29 million); the EBIT margin stands at 11.8 percent (prior year: 11.9 percent).

Special Applications benefits from positive business for agricultural and construction machinery

In the Special Applications segment, sales rose by 13.2 percent to € 189 million in the half-year period (prior year: € 167 million). Above all, sales were mainly driven by the continued positive business for agricultural and construction machinery. Other key customer groups in the segment also recovered in the first half of the year. Volume and mix effects as well as successful cost savings resulted in EBIT increasing to € 32 million (prior year: € 19 million), thus corresponding to an EBIT margin of 17.1 percent (prior year: 11.3 percent).

Forecast for the full fiscal year 2021/2022 was already adjusted on 29 November 2021

Given the business development to date, the expected lack of market recovery in the second half of the year and increasing cost burdens, HELLA further lowered its sales and earnings forecast for the current fiscal year already on 29 November 2021. For fiscal year 2021/2022 (1 June 2021 until 31 May 2022), the Company anticipates currency and portfolio-adjusted sales of between around € 5.9 and 6.2 billion (previously adjusted: around € 6.0 to 6.5 billion) and an EBIT margin adjusted for structural measures and portfolio effects of around 3.5 to 5.0 percent (previously adjusted: around 5.0 to 7.0 percent). Especially with a view to the third quarter of the fiscal year, the Company sees major challenges with lower production volumes and

Press release

Lippstadt, 13 January 2022



further increasing cost burdens in light of the ongoing shortage of materials and components.

“The industry environment remains challenging. For the current fiscal year, we anticipate a considerable decline in light vehicle production. The component shortages are expected to persist into 2023. The coronavirus pandemic is continuing to cause considerable uncertainties as well”, says HELLA CEO Dr. Rolf Breidenbach. “Nevertheless, not least because of our established cost management, our innovative product portfolio and well-filled order book, we are confident that our development will remain significantly better than that of the overall market.”

Selected key financial figures in € millions or as a percentage of sales for the first six months (1 June to 30 November):

	Fiscal year 2021/2022	Fiscal year 2020/2021	Change
Sales currency and portfolio-adjusted	3,019	3,100	-2.6%
Sales reported	3,037	3,100	-2.0%
Adjusted earnings before interest and taxes (adjusted EBIT)	156	269	-42.1%
Earnings before interest and taxes (EBIT)	149	94	+59.0%
Adjusted EBIT margin	5.1%	8.7%	-3.5 pp
EBIT margin	4.9%	3.0%	+1.9 pp

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

The financial report on the first half 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

Press release

Lippstadt, 13 January 2022



HELLA GmbH & Co. KGaA, Lippstadt: HELLA is a global automotive supplier with over 125 locations in some 35 countries. With currency and portfolio-adjusted sales of € 6.5 billion in fiscal year 2020/2021 and more than 36,000 employees, HELLA is one of the world's leading automotive supplier companies. HELLA specialises in innovative lighting systems and vehicle electronics and has been an important partner to the automotive industry and aftermarket for more than a century. Furthermore, in its Special Applications segment, HELLA develops, manufactures and sells lighting and electronic products for specialist vehicles.

For more information, please contact:

Dr. Markus Richter
Company spokesman
Tel.: +49 (0)2941 38-7545
Markus.Richter@hella.com

HELLA GmbH & Co. KGaA
Rixbecker Straße 75
59552 Lippstadt / Germany
www.hella.com