



HELLA increases sales and earnings in a challenging market environment

- **Currency- and portfolio-adjusted sales increase by 7.3% in the first half of the fiscal year; reported sales increase by 2.8% to € 3.6 billion taking into account the effects of exchange rates as well as the divestment of the wholesale distribution business**
- **Adjusted EBIT improves by 5.5 percent to € 302 million; adjusted EBIT margin is 8.6 percent**
- **Automotive segment drives group-wide growth; business with workshop equipment supports growth in Aftermarket; Special Applications shows positive development in the business for agricultural and construction vehicles**
- **Continuing positive business development expected for the current fiscal year 2018/2019**

Lippstadt, January 11, 2019. HELLA, a global automotive supplier, has concluded the first six months of the fiscal year 2018/2019 (June 1 to November 30, 2018) with positive sales and earnings in a challenging market environment. Thus, the currency- and portfolio-adjusted consolidated sales rose by 7.3 percent. Taking into account exchange rate effects and the divestment of the wholesale distribution business, the reported sales increased by 2.8 percent to € 3.6 billion (previous year: € 3.5 billion).

The adjusted earnings before interest and taxes (adjusted EBIT) increased during the six-month period by 5.5 percent to € 302 million (prior year: € 286 million). This corresponds to an adjusted EBIT margin of 8.6 percent (prior year: 8.7 percent). Particularly in light of the divestment of the wholesale distribution business, the reported earnings before interest and taxes (EBIT) increased significantly to €537 million (previous year: €290 million). The reported EBIT margin therefore is 15.1 percent (prior year: 8.4 percent).

"We now have a challenging first half-year behind us that was marked by further increasing market uncertainty and high fluctuations in demand. Our increase in sales and earnings shows that to date, we have been able to compensate for these



challenges," says HELLA CEO Dr. Rolf Breidenbach. "This is proof of the resilience and good strategic alignment of our business model along major automotive market trends such as Autonomous Driving, Electromobility and Digitization. Still, we have to expect that the headwinds will continue to increase in the months to come."

Automotive segment drives Group-wide sales growth

The group-wide increase in sales was supported in particular by the Automotive segment in the first half-year, which grew by 8.1 percent to € 2.9 billion (previous year: € 2.7 billion). The increased sales are primarily the result of continued high demand for lighting systems and electronics solutions, especially in the Driver Assistance Systems and Energy Management areas. The adjusted EBIT of the segment increased to € 244 million (prior year: € 238 million). The adjusted EBIT margin is thus reduced, among other things due to a disproportionate increase in research and development expenditure, to 8.5 percent (previous year: 9.0 percent).

Workshop equipment business supports growth in Aftermarket

In the Aftermarket segment, without taking the sold wholesale distribution business activities into account, sales increased by 4.5 percent to € 336 million (prior year: € 321 million) in the first half-year. In particular, the business with sophisticated workshop equipment such as emissions testing devices and beamsetters supported sales growth. Adjusted EBIT of the segment remains at the prior-year level with € 25 million. The adjusted EBIT margin thus is 7.6 percent (prior year: 7.7 percent).

Special Applications shows positive development in the business for agricultural and construction vehicles

In the Special Applications segment, the business for agricultural and construction vehicles and trailers has developed successfully. However, the reported sales of the segment declined by a total of 3.7 percent to € 204 million (previous year: € 211 million) as a result of the closing of the production location in Australia. In contrast, the



profitability of the segment has improved further. The segment's reported EBIT increased by 14.3 percent to €27 million (prior year: €24 million); the reported EBIT margin therefore amounts to 13.3 percent (prior year: 11.2 percent).

Continuing positive business development expected for the current fiscal year 2018/2019

From the current perspective, the HELLA Group continues to anticipate positive business development for the current fiscal year 2018/2019 (June 1, 2018, to May 31, 2019) and confirms its current company outlook. "However, we assume that the market environment will continue to weaken in the months to come," Dr. Breidenbach adds. "This is primarily due to the significant decline in demand from the Chinese automotive market, volatility in conjunction with the new WLTP emission testing method, and uncertainty in the overall economic environment." Assuming that the automotive market will not suffer any additional weakening in the second half of the fiscal year, HELLA is currently expecting that the currency- and portfolio-adjusted sales growth will be at the lower end and the increase in earnings before interest and taxes adjusted by restructuring measures and portfolio effects (adjusted EBIT) will be in the lower half of the given forecast range from 5 to 10 percent. With regard to the EBIT margin adjusted for restructuring measures and portfolio effects, an adjusted EBIT margin approximately equivalent to the value of the prior year is still expected.



Selected key financial figures (in € millions or as a percentage of sales):

	H1 2018/2019	H1 2017/2018	Change
Sales reported	3,550	3,452	+2.8%
Sales portfolio-adjusted	3,529	3,301	+6.9%
Adjusted earnings before interest and taxes (adjusted EBIT)	302	286	+5.5%
Earnings before interest and taxes (EBIT)	537	290	+85.4%
Adjusted EBIT margin	8.6%	8.7%	-0.1 pp
EBIT margin	15.1%	8.4%	+6.7 pp

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

The six month report for the fiscal year 2018/2019 can now be downloaded on the [website](#) of HELLA GmbH & Co. KGaA.

PRESS RELEASE



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HELLA GmbH & Co. KGaA, Lippstadt: HELLA is a global, family-owned company listed on the stock exchange, employing over 40,000 people at more than 125 locations in some 35 countries. The HELLA Group develops and manufactures products for lighting technology and electronics for the automotive industry and also has one of the largest retail organizations for automotive parts, accessories, diagnostics, and services within Europe. With more than 7,000 people working in research and development, HELLA is one of the most important innovation drivers on the market. Furthermore, with sales of € 7.1 billion in the fiscal year of 2017/2018, the HELLA Group is one of the top 40 automotive parts suppliers in the world and one of the 100 largest German industrial companies.

For additional information, refer to:

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