



Technology with Vision

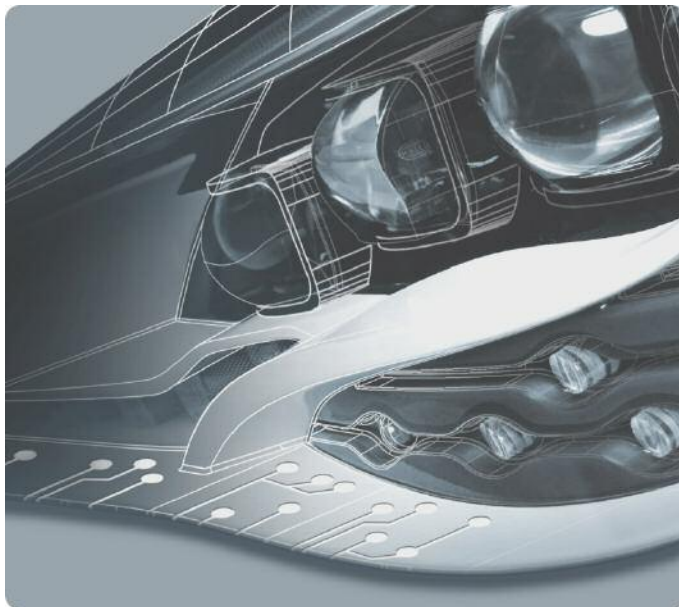
HELLA Prelim. results Q1 FY 15/16

Conference Call, September 18th, 2015

Dr. Rolf Breidenbach, CEO

Dr. Wolfgang Ollig, CFO

Carl Pohlschmidt, Finance Director



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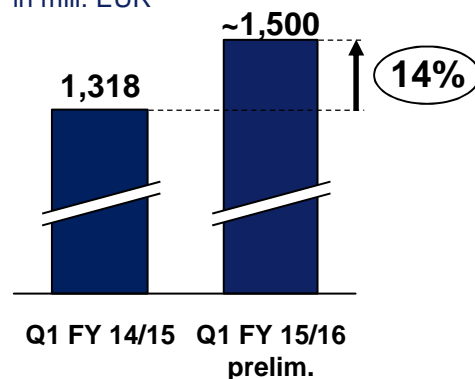
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HELLA – Prelim. Results

Q1 2015/16 vs. Q1 2014/15

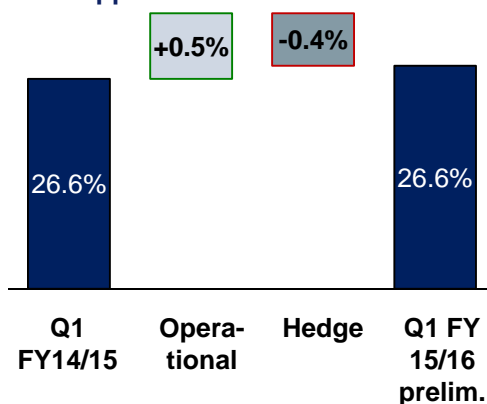
Sales

in mill. EUR



Gross Profit margin

Pre supplier default in % of sales

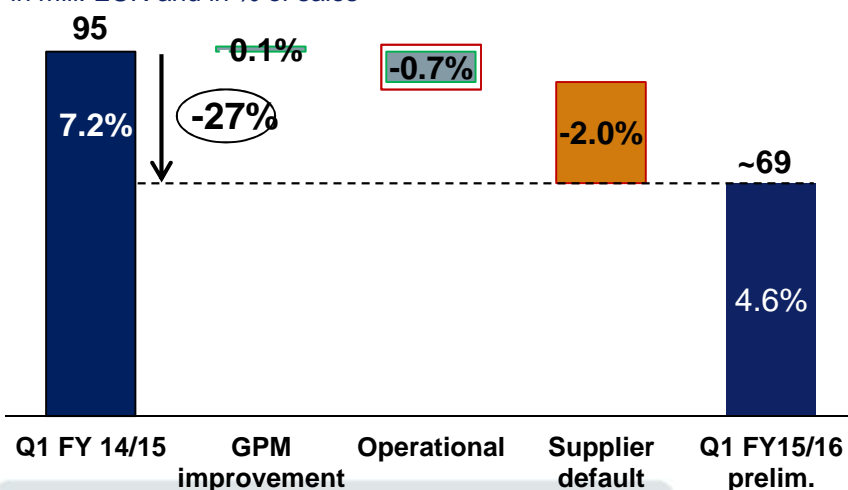


Comment

- **Preliminary sales** Q1 FY15/16 up by approximately **+14%** (including **+4% FX-effect**) driven by **positive automotive sales** growth and **aftermarket recovery**
- Regional growth mainly driven by positive development in NAFTA and Europe and China
- **Positive gross profit margin** development **+0.5%-points** counterbalanced by hedging costs (-0.4%YoY) leading to an approx. **0.1%-point improvement YoY**

Preliminary EBIT development

in mill. EUR and in % of sales



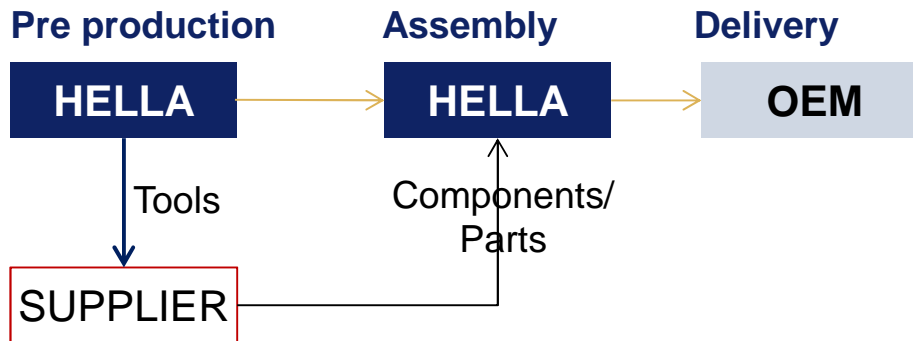
Comment

- Excl. one-offs, EBIT growth of around 4% expected, leading to a prelim. **EBIT margin** of approx. **6.6%**
- **Decline by 0.7%-points** mainly caused by **higher R&D expenses** driven by **high-tech product launches** and a **low comparable basis Q1 FY 14/15**: shift of development costs in Q2 FY 14/1; **lower JV earnings**
- Supplier failure estimated to cause **30 mill. EUR on-off charges**, negative margin impact of **~2.0%-points**
- Preliminary **EBIT Q1 FY15/16** declines by **~27%** to approx. **69 mill EUR**, **EBIT margin** declines by **2.6%-points** to **4.6%**

HELLA – Prelim. Results

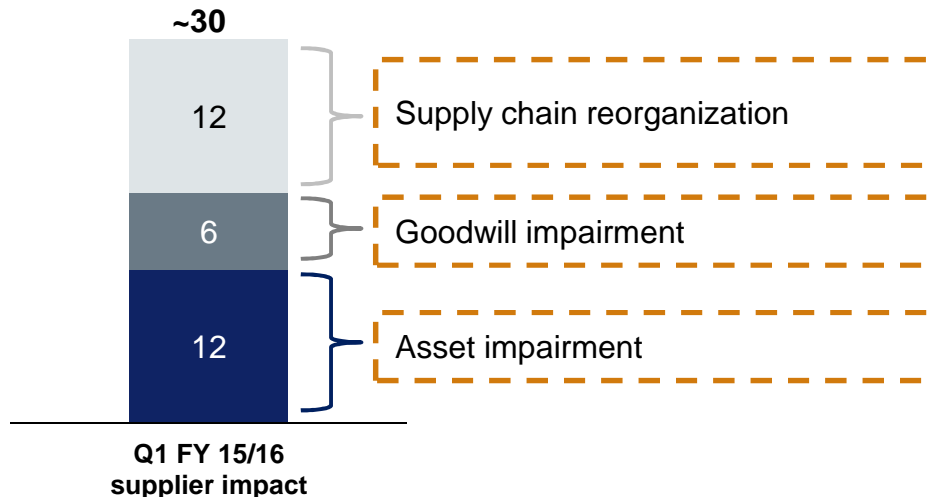
Supplier failure

Simplified supply chain



Overview of preliminary P&L impact Q1 FY 15/16

in mill. EUR



Comment

- Components with core competence produced in-house
- In context of supply agreement, HELLA hands over **tools** to supplier, which still remain **HELLA/OEM property** and are capitalized in HELLA balance sheet
- Supplier uses tools to fulfill his contractual obligations for parts/components delivery
- Assembly of final product by HELLA

Comment

- **Failure** of Chinese supplier for **injection molding components**
- Despite single source situation regarded as **extraordinary incident**
- Additional cost to protect supply chain and customer deliveries in **Q1 FY 15/16** of approximately **30 mill. EUR**
- **Up to 20 mill. EUR** additional costs expected **after Q1 FY 15/16**

HELLA – Prelim. Results

Company specific outlook full FY 15/16

	<u>Guidance</u>	<u>Comment</u>
Sales	Growth in medium to high one-digit percentage range	<ul style="list-style-type: none">▪ Sales still expected to grow in the middle to high single-digit percentage range over the full financial year
One-off charges (supplier failure)	Up to 50 mill. EUR	<ul style="list-style-type: none">▪ Extraordinary strains predominantly in COGS also in remaining quarters, particularly Q2 FY 15/16
EBIT	Below previous year	<ul style="list-style-type: none">▪ Drag on EBIT in the first quarter and the remainder of the year cannot be offset by strong sales development



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Thanks for your attention

Dr. Kerstin Dodel

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