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## HELLA with good business development in the first quarter, but massive component shortages lead to considerable burdens

- Currency and portfolio-adjusted sales improve by 9.5 percent to € 1.5 billion in the first quarter of the fiscal year; reported sales growth of 9.6 percent
- Adjusted EBIT increases to € 91 million; adjusted EBIT margin at 6.2 percent
- Automotive segment develops significantly better than the market, but is massively impaired as a result of the component crisis; Aftermarket with strong spare parts and workshop business; Special Applications grows due to good business with agricultural machinery manufacturers and further customer groups
- Company outlook for fiscal year 2021/2022 lowered already on 23 September 2021 in view of significantly reduced market expectations

**Lippstadt, 28 September 2021.** With the presentation of the complete and final results for the first quarter of the fiscal year (1 June to 31 August 2021), the internationally positioned automotive supplier HELLA confirms the preliminary key data already announced on 23 September 2021. Currency and portfolio-adjusted sales rose by 9.5 percent to € 1.5 billion in the first three months (prior year: € 1.3 billion). Reported sales growth was 9.6 percent. Adjusted earnings before interest and taxes (adjusted EBIT) increased to € 91 million (prior year: € 56 million) as a result of the improved business performance; the adjusted EBIT margin thus amounts to 6.2 percent (prior year: 4.2 percent). Reported earnings before interest and taxes (EBIT) amount to € 79 million (prior year: € -115 million), the reported EBIT margin is 5.4 percent (prior year: -8.6 percent). In the prior year, the expenses for the programme to sustainably increase competitiveness had led to a negative result.

"Given the current market conditions, the start of the new fiscal year was, as expected, very challenging. Our automotive business in particular was impacted by further increasing supply bottlenecks for certain electronic components," said HELLA CEO Dr. Rolf Breidenbach, commenting on the publication of the quarterly figures. "However, we once again outperformed the market. This speaks for our strong strategic positioning. Above all, the Aftermarket and Special Applications segments also developed very successfully."

### **Automotive segment significantly outperforms the market, but is massively impacted as a result of the component crisis**

In the Automotive segment, first-quarter sales rose by 7.2 percent to € 1.3 billion (prior year: € 1.2 billion). The increase in sales is primarily attributable to high demand for lighting and electronic products as well as new launches, especially in the Chinese market. As a result and despite the further worsening resource bottlenecks, the segment performed significantly better than global light vehicle production, which fell by 6.0 percent in the reporting period. The segment's earnings before interest and taxes (EBIT) rose to € 61 million (prior year: € 41 million) as a result of the higher business volume; the EBIT margin was 4.9 percent (prior year: 3.5 percent).

### **Aftermarket with strong spare parts and workshop business**

In the Aftermarket, sales increased by 24.6 percent to € 136 million (prior year: € 110 million). On the one hand, the segment benefited from the positive development of the independent aftermarket business in individual country markets such as Germany, Poland and the Americas, and on the other hand from the market launch of the new mega macs X diagnostic device. The segment's EBIT improved to € 16 million (prior year: € 11 million); the EBIT margin is thus 11.4 percent (prior year: 9.6 percent). The main reasons for the improvement in earnings were higher business volumes and savings in distribution and administrative expenses.

### **Special Applications grows due to good business with agricultural machinery manufacturers and further customer groups**

In the Special Applications segment, sales rose by 20.2 percent to € 91 million (prior year: € 75 million). The main drivers of sales growth were the continuing positive business for manufacturers of agricultural machinery and the significant market recovery of further customer groups. At the same time, earnings before interest and taxes doubled in the first quarter to € 14 million (prior year: € 7 million); the EBIT margin thus amounts to 15.9 percent (prior year: 9.0 percent). The reasons for this are, on the one hand, a higher gross profit margin due to volume and mix effects and, on the other hand, continued consistent cost management

**Company outlook for fiscal year 2021/2022 lowered already on 23 September 2021 in view of significantly reduced market expectations**

Against the backdrop of the significantly reduced market expectations, HELLA already lowered its company outlook for the current fiscal year on 23 September 2021. In this context, the Company has announced that for fiscal year 2021/2022 (1 June 2021 to 31 May 2022) it now expects currency and portfolio-adjusted sales in the range of around € 6.0 billion to € 6.5 billion (previously: around € 6.6 billion to € 6.9 billion) and an EBIT margin adjusted for structural measures and portfolio effects of around 5.0 percent to 7.0 percent (previously: approximately 8 percent).

"The industry environment deteriorated noticeably in the first quarter, in particular due to the worsening component crisis. According to the latest market forecasts, it can be assumed that in all likelihood around ten million fewer vehicles will be produced worldwide this fiscal year than was still expected in July of this year," says Dr. Rolf Breidenbach. "Even though we have taken appropriate countermeasures at an early stage and with foresight in order to stabilize our supply chains as best as possible and cushion the further increase in cost pressure, we will not be able to completely escape this general market trend. Nevertheless, we expect to continue to outperform the overall market."

**Selected key financial figures in € millions or as a percentage of sales for the first three months (1 June to 31 August 2021):**

	Fiscal year 2021/2022	Fiscal year 2020/2021	Change
<b>Sales</b> currency and portfolio-adjusted	<b>1,473</b>	1,344	+9.5%
<b>Sales</b> reported	<b>1,473</b>	1,344	+9.6%
<b>Adjusted earnings before interest and taxes (adjusted EBIT)</b>	<b>91</b>	56	+62.0%
<b>Earnings before interest and taxes (EBIT)</b>	<b>79</b>	-115	—
<b>Adjusted EBIT margin</b>	<b>6.2%</b>	4.2%	+2.0 pp
<b>EBIT margin</b>	<b>5.4%</b>	-8.6%	+13.9 pp

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

The financial statement for the first three months of the fiscal year 2021/2022 is now available on the [HELLA GmbH & Co. KGaA website](#).