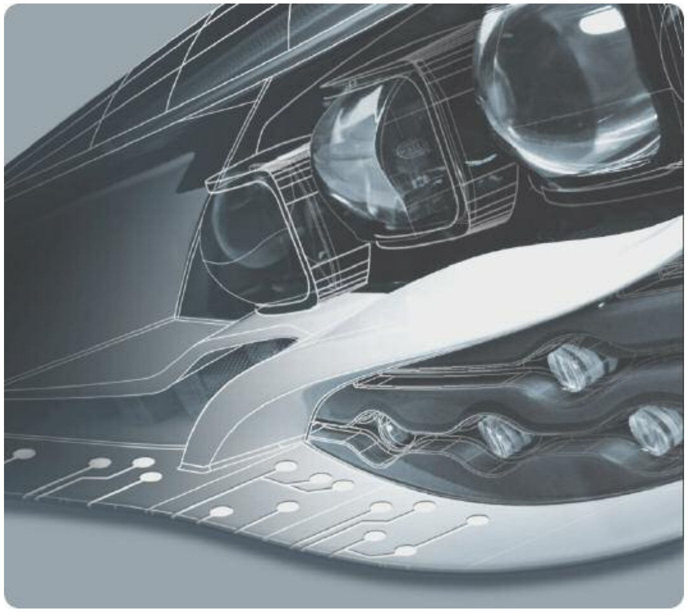
Technology with Vision

# HELLA
# Q1 FY 15/16 Roadshow



**October, 2015**

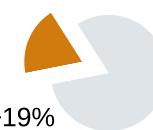
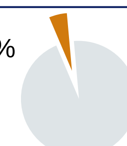
# HELLA – Q1 FY 15/16 Roadshow
## Agenda

- HELLA at a Glance
- Drivers for future Growth
- Financial Performance FY 14/15
- Results Q1 FY 15/16

ANNEX

# Market and technology leadership as key strategic principles

## HELLA at a glance

| Segment | | Description | Sales / EBIT Margin 2014/15* (€bn) / (%) |
|---|---|---|---|
| Group | | Partner of the automotive industry and the aftermarket for over 100 years<br>~32,000 employees, thereof ~6,000 in R&D**<br>>100 locations in >35 countries | **€5.8bn / 7.6%*** |
| Automotive – Lighting |  | # 1 market position in LED headlamps[1]<br># 3-4 global and #1-2 European market position in OE passenger car lighting[1] | <br>**€4.4bn / 8.1%** |
| Automotive – Electronics |  | # 2-3 global and<br># 1-2 European position in defined automotive electronic segments[1] | |
| Aftermarket |  | # 1-3 in all relevant sub-segments and countries[1] | <br>**€1.1bn / 6.5%** |
| Special Applications |  | # 1 European market position in selected segments for main target groups[1] | <br>**€0.3bn / 6.1%** |

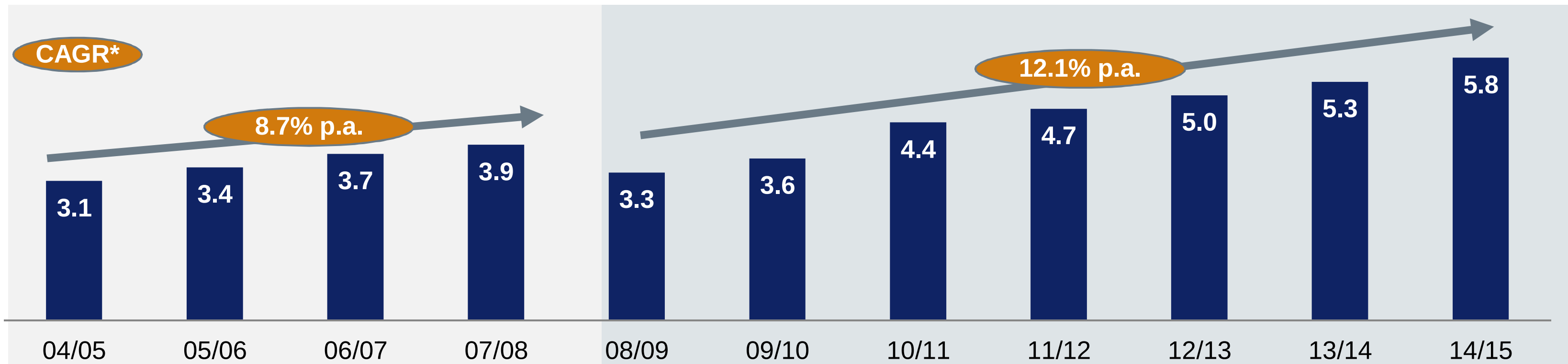
* External sales volume, not including inter-segment sales
** Employee figures as of May 31, 2015
*** Adjusted for one-off-effects related to the voluntary severance and partial retirement program

1) Source: external market study commissioned by HELLA (2014), HELLA analysis; all figures related to selected markets and product categories based on HELLA's portfolio, as covered in the market study

# Track record of steady growth across the cycle and resilience of business model

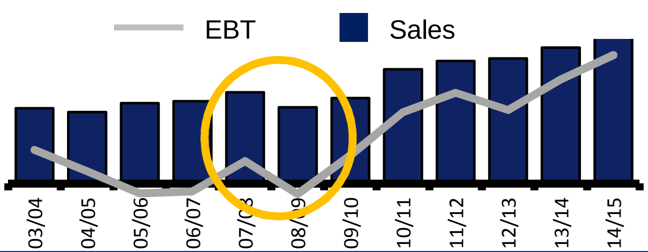
## HELLA at a glance

### **HELLA GROUP** sales* in €bn

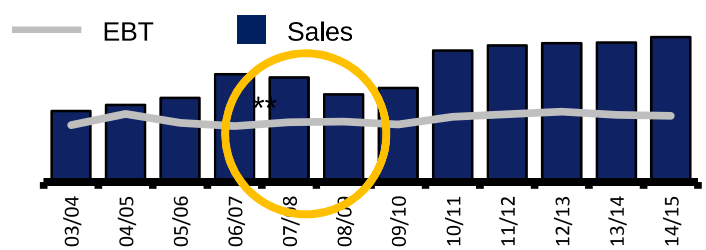



**Sustainable long term growth across the cycle during the last ten years with a clear focus on organic growth (CAGR of 6.5% p.a. since FY 2004/05)**

### Automotive*




### Aftermarket*




**Resilient business model with stable cash flow generation through strong share of aftermarket business**

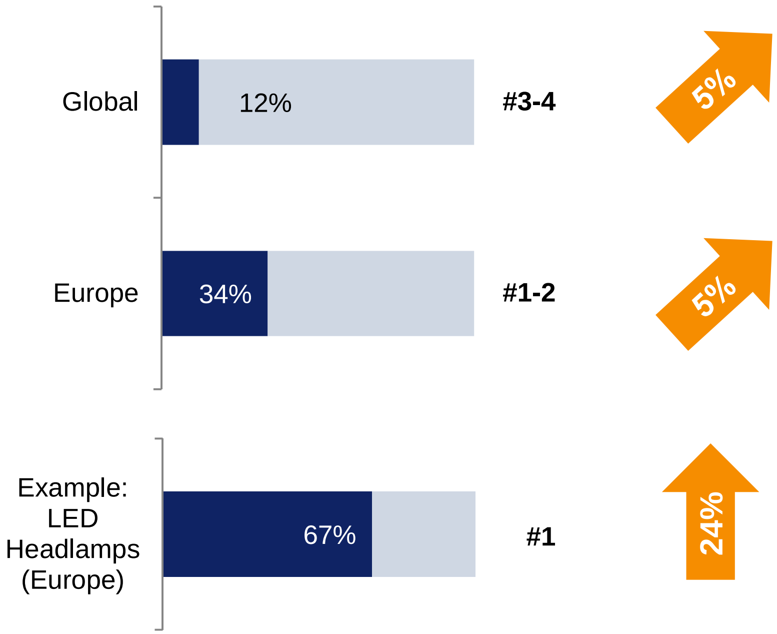
*Cumulated Annual Growth Rate; sales as reported w/o adjustments for consolidation or accounting changes,**incl. sale of Danish subsidiary Holger Christianses A/S

# Leading market positions in lighting and electronics products

## HELLA at a glance

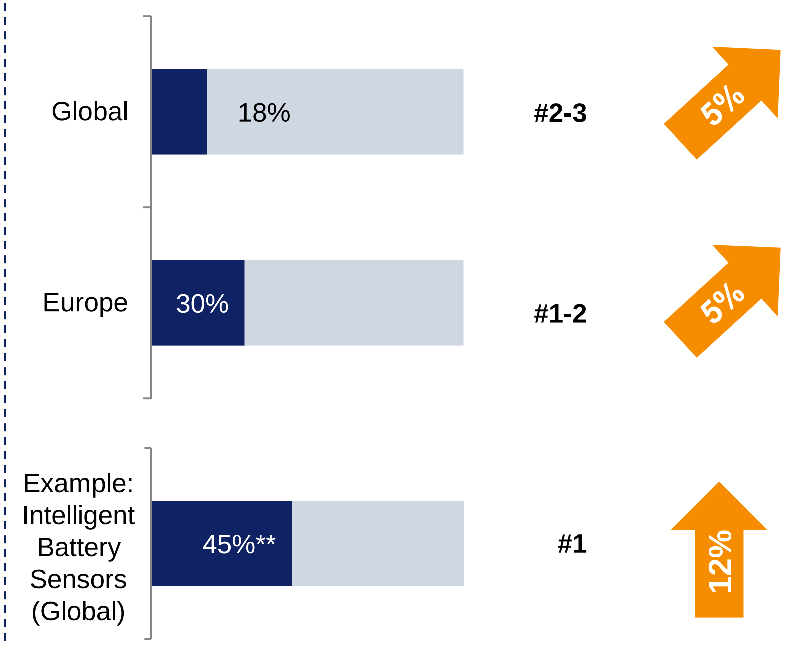
### Lighting

**Market share & position in selected submarkets*** | **Market value growth***




### Electronics

**Market share & position in selected submarkets*** | **Market value growth***

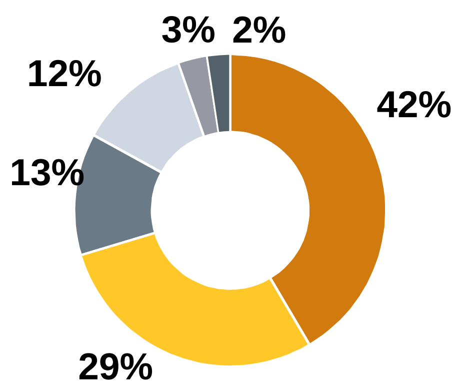



*Source: external market study commissioned by HELLA (2014), HELLA analysis; all figures relating to selected markets and product categories based on HELLA's product portfolio, as covered in the market study; Growth: CAGR 2013/14-2018/19 **Including 100% of related JV sales

# Favorable customer mix and attractive regional exposure
## HELLA at a glance

### Automotive Product Sales

**By OEM Home Base FY 2014/15***

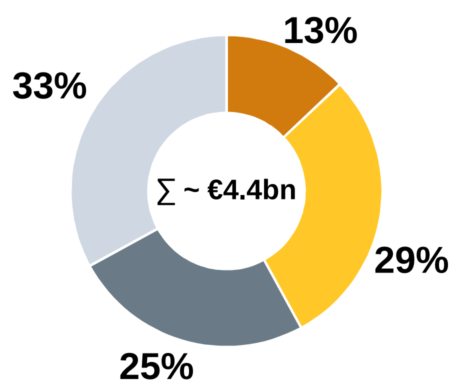



- German OEM
- Tier X
- Asian OEM and Others
- US OEM **
- European OEM
- Trucks

**High exposure to German OEMs**

### Automotive Sales

**By Region FY 2014/15*****

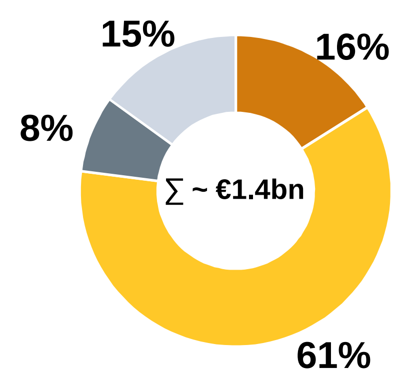



- Germany
- Europe w/o Germany
- NAFTA/South America
- APAC/RoW

**Automotive with global demand footprint**

### Aftermarket and Special Applications Sales

**By Region FY 2013/14*****




- Germany
- Europe w/o Germany
- NAFTA/South America
- APAC/RoW

**Aftermarket and Special Applications with main focus on Europe "Local business"**

* Automotive sales excl. non-product sales, e.g. customer reimbursements ** Thereof ~30% with Europe-based production locations *** External sales volume, not including inter-segment sales

# Network approach as integrated part of HELLA business model
## HELLA at a glance

### HELLA network strategy

- HELLA counts on JVs and partnerships for **more than 15 years**
- **Key strategic rationale**
  - **Access to technology know-how** in order to strengthen product portfolio offer
  - **Access to new markets or customer groups** via partners' established network
  - **Economies of scale** in operations, e.g. purchasing and production

### Selected examples from the HELLA network

| | Lighting | Electronics | Aftermarket |
|---|---|---|---|
| European Industry Partners | HBPO THE MODULE COMPANY — 1999 | BHTC COMFORT IN MOTION — 1999<br>InnoSenT Innovative Sensor Technology — 2012 | BEHR HELLA SERVICE — 2005<br>HELLA PAGID BRAKE SYSTEMS — 2013 |
| Korean Partners | BSL — 2003 | SL HELLA HSL Electronics — 2000<br>MHE — 2008 | |
| Chinese Partners | HELLA FAWAY — 2012<br>BHAP — 2014 | | |

Joint venture established in

**Total sales FY 2014/15: ~ €2.9bn***

**Total EBIT FY 2014/15: ~ €161m***

*Based on non-audited, internal IFRS reporting as of May 31, 2015; all equity accounted investments added together (on a hypothetical 100% basis, irrespective of HELLA's percentage share)

# Complete aftermarket solutions with leading market positions along the value chain

## HELLA at a glance

### Independent Aftermarket

- Sale of parts to independent wholesalers
- Particularly strong position of sales network and brand presence in European home market

+

### Wholesale

- Sale of full product range to garages
- Market leader in Denmark, and second largest wholesaler in Poland

+

### Workshop Equipment

- Sale of diagnostic equipment and software to garages
- One of the two largest suppliers in German-speaking markets

**#1-3 European IAM***

**#1-2 in selected Countries****

**#2 diagnostics in Europe**

**HELLA provides the full portfolio including services and solutions and can deliver the entire value chain which generates push and pull effects**

Source: external market study commissioned by HELLA (2014), HELLA analysis, *market share for selected products reviewed in study, excluding tyre business, **based on markets in which HELLA is active

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# Attractive technology portfolio addresses global megatrends

## Drivers for future growth

**Energy management**

- → Intelligent battery sensors
- → DC/DC converter

**Driver-assistance systems**

- → 24 GHz radar sensors for rear applications, e.g. lane-change assistant, rear cross-traffic alert

**Interior lighting**

- → Ambient lighting
- → Overhead consoles
- → Reading lights

**Body electronics**

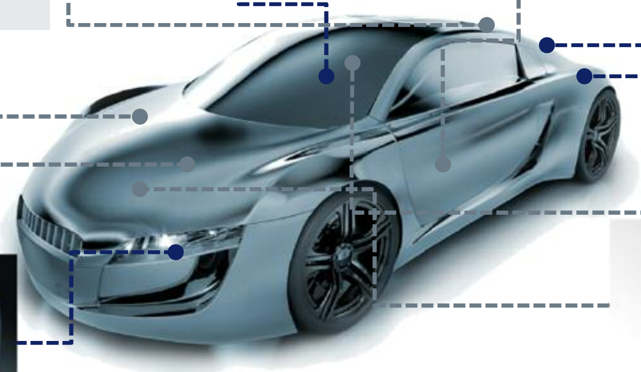
- → Car access systems
- → Central control units

**Rear lamps**

- → Hybrid
- → Full-LED

**Small lamps**

- → Fog lamps
- → License plate lamps
- → Supplementary brake lights



**Steering systems**

- → EPS control units
- → Steering sensors

**Headlamps**

- → Halogen
- → Xenon
- → LED

**Lighting division**

**Electronics division**

**Actuators**

- → Engine-compartment actuators
- → Grill shutter actuators
- → Vacuum pumps

**Sensors**

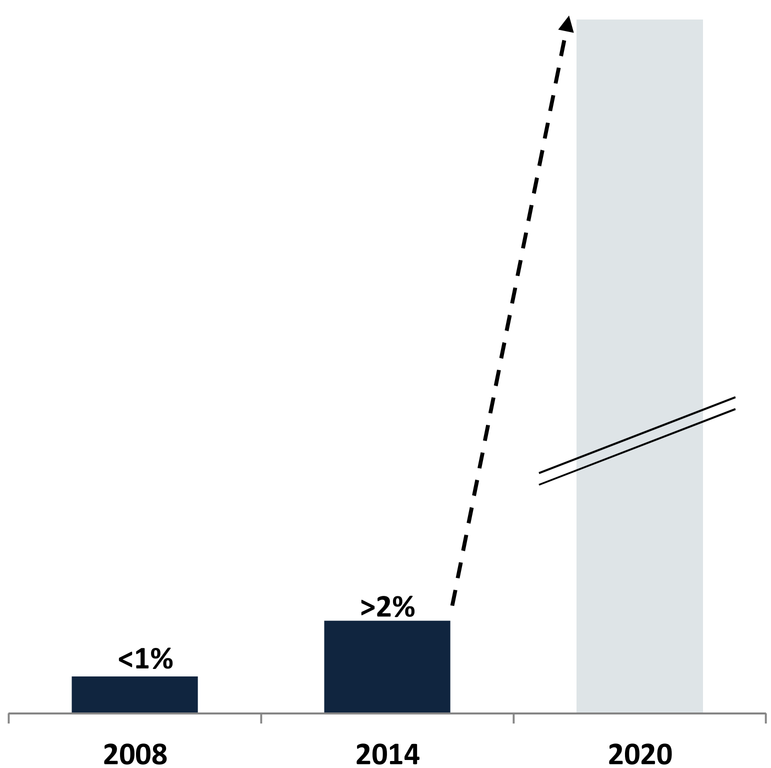
- → Pedal sensors
- → Rain light sensors
- → CIPOS sensors

**HELLA is very well-positioned: Lighting and Electronics are increasingly interlinked**

# Lighting: Megatrend LED
## Drivers for future growth

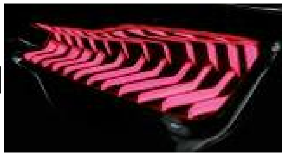
### Global megatrend LED

Share in the global headlamp market:
**The LED era begins**




- **Establishment** of LED technology in the **volume segment** and **development** of complex **high-definition headlamps**
- **Marker light** adds to road safety

- Accelerated development in the **OLED** segment increases scope for brand differentiation through **lighting design**

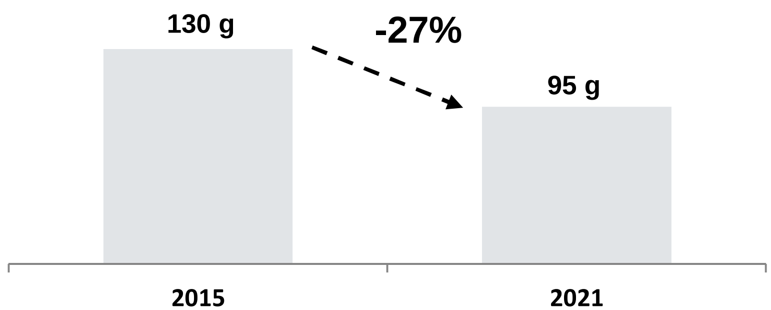


- **Ambient lighting** sets the stage in the passenger compartment

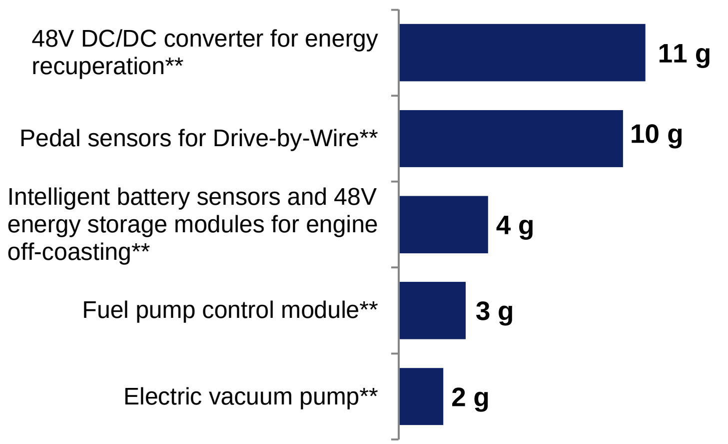
# Electronics: Megatrend efficient driving
## Drivers for future growth

### Save energy

**Stricter EU targets for CO2***




**HELLA Electronic products; CO2 savings potential in g/km (up to)**




**HELLA electronics** contributes to **achieve** the EU **targets** for CO2 emission

- **Transition to efficient under-pressure provision** for the braking system due to demand-oriented electric vacuum pumps

- **Advancement of the engine-off coasting** for economical driving and to reach CO2 targets
- Development of pioneering **battery management systems** for PHEV (Plug-in Hybrid Electric Vehicle) and BEV (Battery Electric Vehicle)

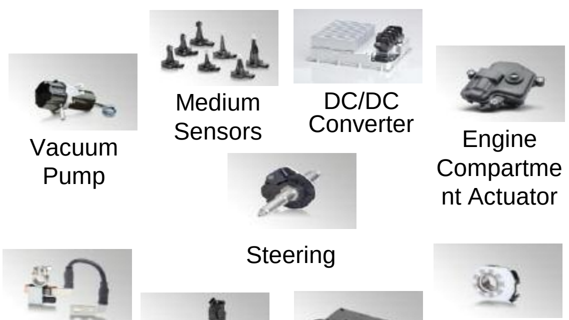
* Average fleet emission of new vehicles in gram/kilometer after regulations (EU) No 333/2014 of the European Parliament and of the Council of 11 March 2014 | ** CO2 savings related to the system that includes the respective component, *** CO2 savings related to the product

# Electronics: Focus on Environment – Product examples

## Driver for future growth

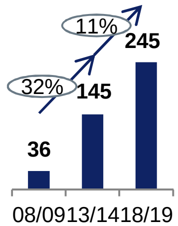
## Environment

Stricter CO2 emission targets and strengthened environmental consciousness lead to new and innovative products.




### DCDC

Est. demand in **Europe***
in m €

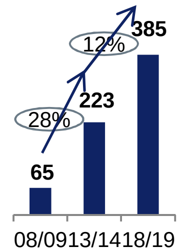



*Start-stop functionality

- Converts electricity from a higher to a lower voltage level or vice versa
- Can be used for start-stop applications and for board network conversions
- **Major player in the market for high-performance converters**
- **Market pos.: EU Top 3**

### IBS

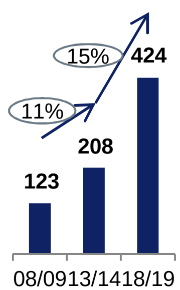
Est. **global** demand
in m €




- Checks battery performance to improve cranking ability and reduce breakdown risk
- Installed in cars with start-stop or a large number of electrical components
- For battery management in hybrid and electric cars
- **Market pos.: EU #1 global #2**

### ECA

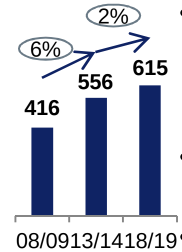
Est. **global** demand
in m €




- Control positioning of air intake flaps in turbochargers
- High accuracy over full temperature range
- High reliability due to extremely robust design
- Precise position control with CIPOS® technology
- **Market pos.: EU #1 global Top 3**

### Electrical Power Steering

Est. demand in **Europe**
in m €




- Provides steering assistance to driver of car
- Controls system's electric motor power supply, enabling comfortable and fuel efficient driving
- **Most compact ECU of its kind on the market**
- **Market position: EU Top 3**

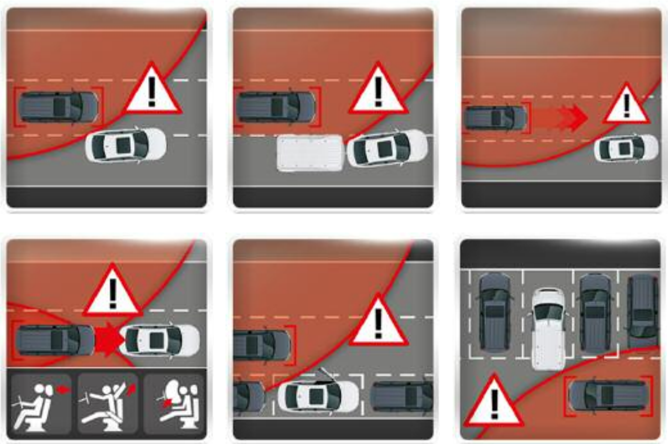
### Upcoming topics

- **Advancement of the engine-off coasting** for economical driving and to reach CO2 targets
- Development of pioneering **battery management systems** for hybrids and E-cars

# Electronics: Megatrend autonomous driving
## Drivers for future growth

### Synthesis of safety and comfort

TODAY



TOMORROW

**Leading today: 24 GHz radar driver-assistance systems by HELLA**

- Blind spot assistant
- Lane change assistant
- Pre-crash-rear assistant
- Exit assistant
- Rear-cross-traffic assistant

**In the pipeline: automated parking**

- Development of radar sensors for autonomous parking and reverse parking based on the identification of objects in the parking area

**For the future: applications to support autonomous driving**

- Development of radar sensors
  - for front-side-applications (i.e. intersection assistant)
  - for the 360° environment recognition to realize autonomous driving

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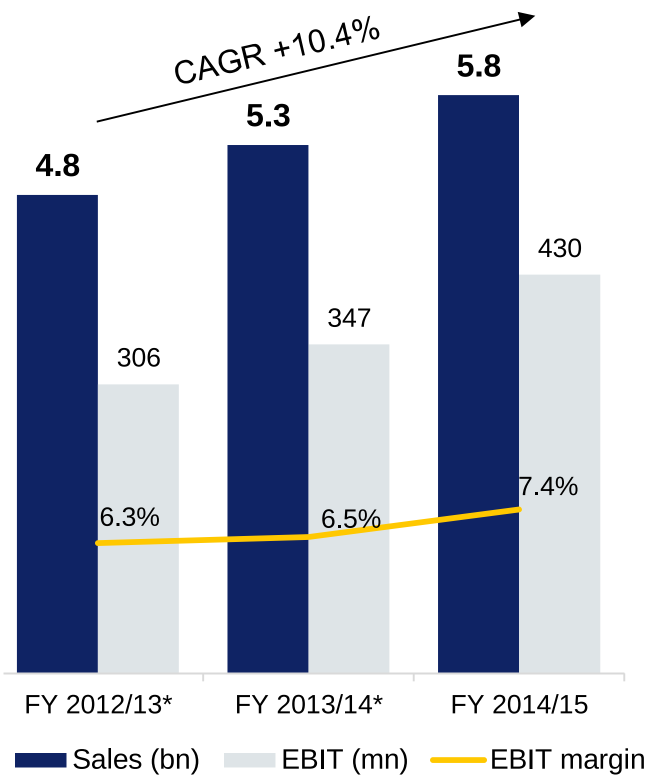
ANNEX

# Strong organic growth driven by globalization and innovation leadership

Financial performance FY 14/15

## Profitable growth trend

in bill. / mill. EUR




## Strong top-line growth

- Targeted growth trend continued in financial year 2014/15
- Organic growth along the megatends: around 5% outperformance of global automotive market

## Further increase of profitability

- Substantial improvements in the automotive business

## Enhanced innovation leadership

- Milestones in the electronics business with radar and sensors and new major projects in the lighting business

## Further expansion of global network

- Enhanced global footprint thanks to stronger international operations particularly in the development network

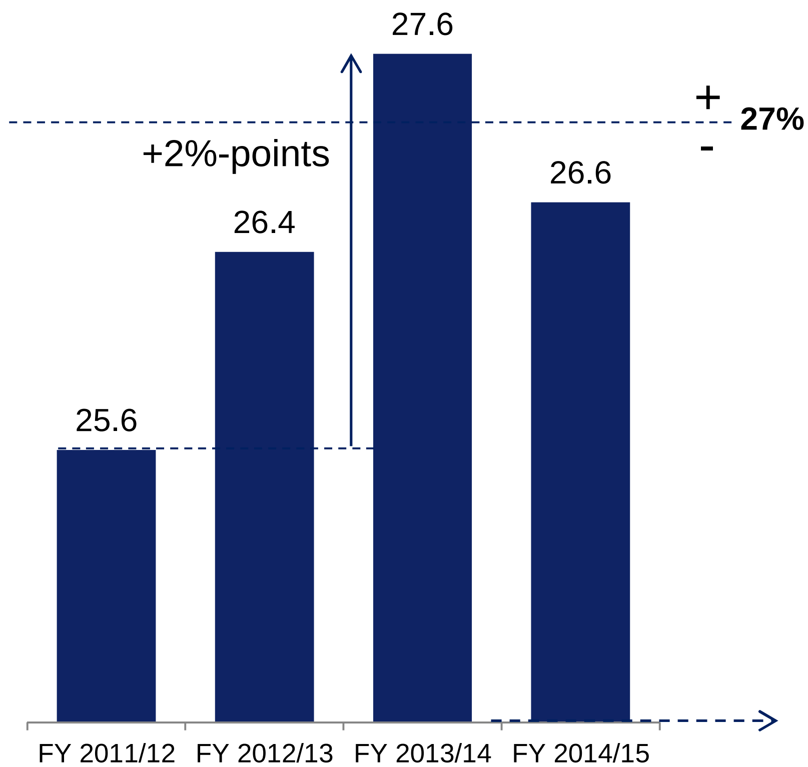
*Adjusted in accordance with IAS 19, IFRS 11. Adjusted on account of reclassification of other financial results. See Note 6 to the Consolidated Financial Statement.

# Gross Profit Margin improved with fluctuation around 27%

## Financial performance FY 14/15

### Gross profit margin development*

In % of sales




**Improvement** of **gross profit margin achieved**

- Approx. 2.0%-points within 2 years until FY 2013/14
- Improvement driven by **focus on scale effects** based on new profitable product generations, and operational excellence

Deviations from +/- 27% driven by **segment mix, one-offs** and **new launches in** high tech products

- Gross profit margin of 26.6% FY 2014/15 especially influenced by these items

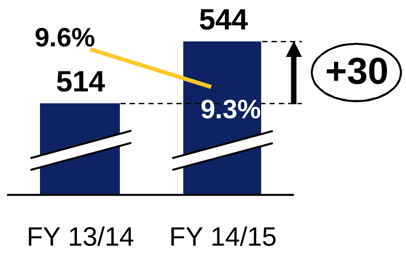
Gross profit margin **level +/-27%** regarded as **industry competitive**

* FY 12/13 adjusted to reflect new IFRS 11 and IAS 19, FY 11/12 adjusted to reflect new IFRS 11

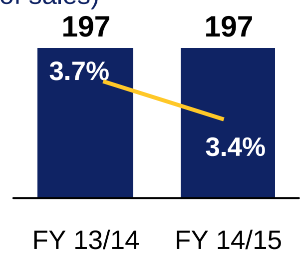
# Visible improvement of main structural costs

## Financial performance FY 14/15

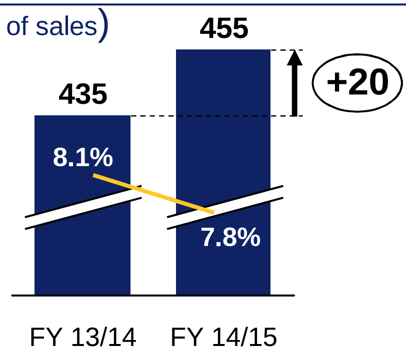
**R&D costs** (in mill. EUR, % of sales)




**Administrative costs** (in mill. EUR, % of sales)




**Distribution costs** (in mill. EUR, % of sales)




- **R&D** expenses **increased** by **30 mill. EUR to 544 mill. EUR** driven by build-up of **local know-how**, high investment in **new technologies** (basic research), **increased product complexity** and **new product categories** (e.g. radar)
- **R&D ratio decreased by 0.3%-points to 9.3%** driven by strong top line growth
- **Capitalized R&D** at **50 mill. EUR** (vs. 35 mill EUR FY13/14)

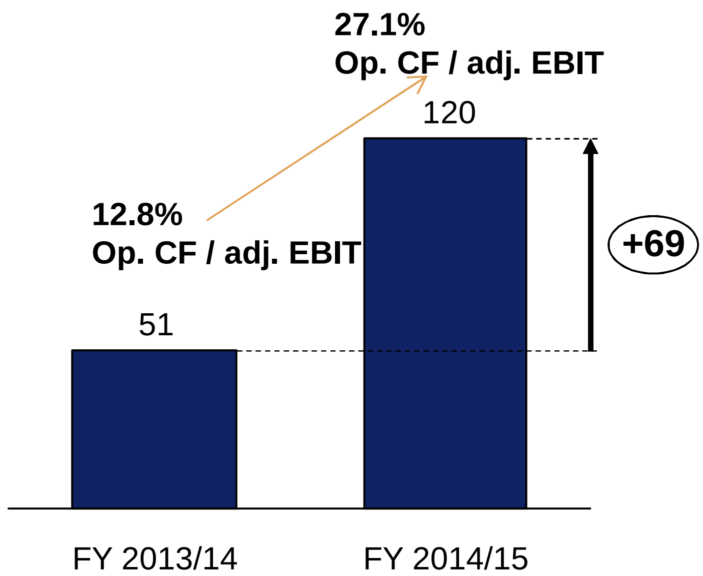
- **Administrative** expenses stayed at **197 mill. EUR**, ratio decreased by 0.3%-points to **3.4%**
- **Efficiency gains** through re-location to best cost countries and shared service center as driver
- **Restructuring initiatives** continue in FY15/16

- **Distribution** expenses **increased by 20 mill. EUR** to **455 mill. EUR,** ratio decreased by 0.3%-points to **7.8%**
- **Efficiencies gains, tailored cost measures** as well as **declining aftermarket business** as drivers

# Strong cash flow  and ROIC improvement achieved
## Financial performance FY 14/15

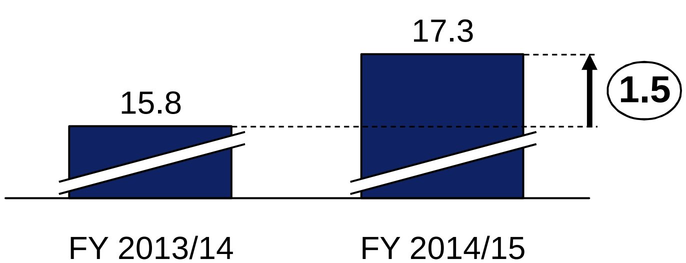
### Operative CF development

in mill. EUR and cash conversion ratio (Operative Cash Flow / adj. EBIT)




### ROIC development

in %

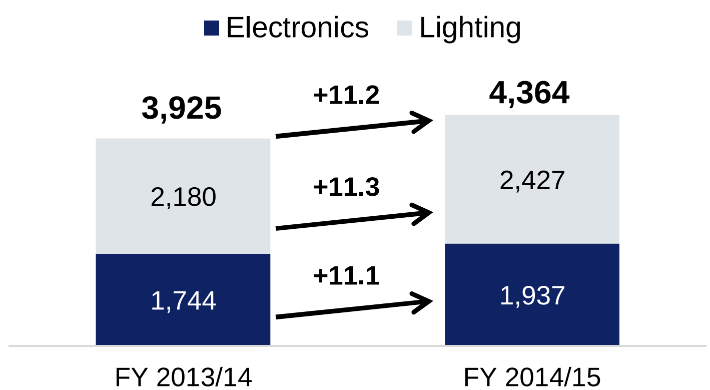



- **Operative CF*** increased by 69 mill. EUR to **120 mill. EUR**, whereby **cash** settlements for **restructurings** of **38 mill. EUR** (15 mill. EUR in FY 13/14) are **excluded**
- **Cash conversion ratio*** increased by 14.3%-points to **27.1%**
- After two years of globalization initiative **strong increase in line with expectations** driven by profitable top-line growth and under-proportional increase of cash-effective working capital
- **ROIC** at **17.3%** (+1.5%-points** YoY)

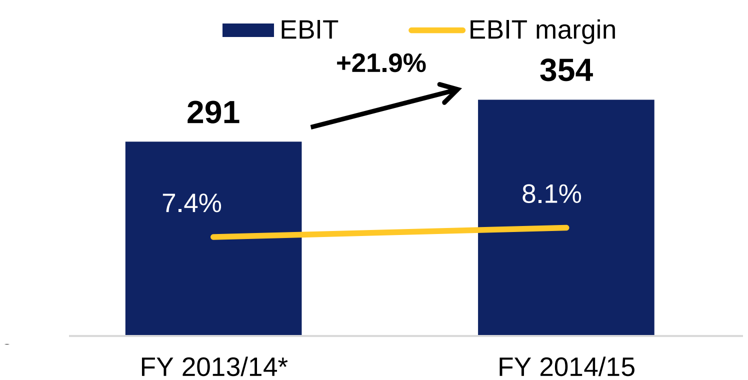
*Operative Cash Flow before dividends and net capital expenditure on financial assets or shares in associates (excluding cash restructuring payments) )
**ROIC FY 13/14 at 15.8%  after reclassification of income from securities and net other financial income/expenses

# Automotive: Strong performance, significant profit growth
## Financial performance FY 14/15

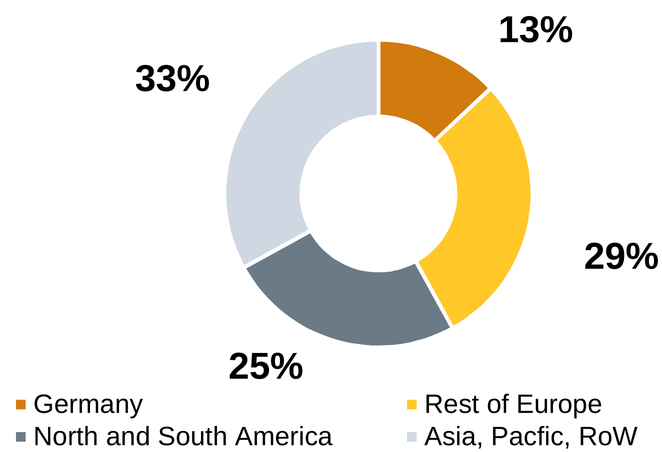
### External sales
in mill. EUR




### EBIT and EBIT margin
in mill. EUR and as % of sales




- **Attractive position** with products where demand significantly **outperforms market growth**:
  - LED market with two-digit growth rates
  - Significant **increase of electronic components** in vehicles
- **Strong position** in **the premium segment**
- Advantageous position in **regional** markets**:



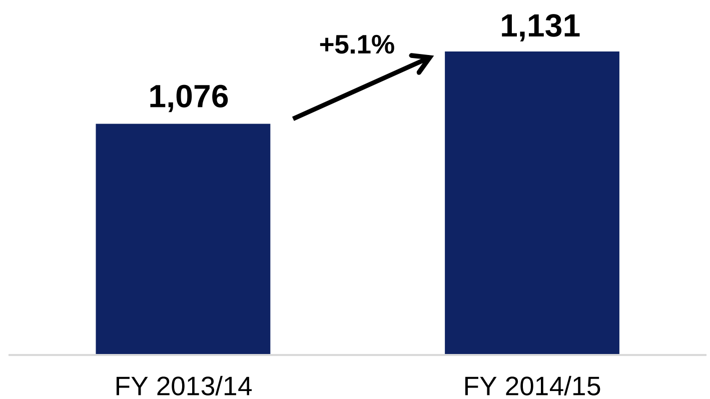

* Adjusted due to the reclassification of the other financial result | **Regional market coverage by end customers

# Aftermarket: Growth in a challenging environment

## Financial performance FY 14/15

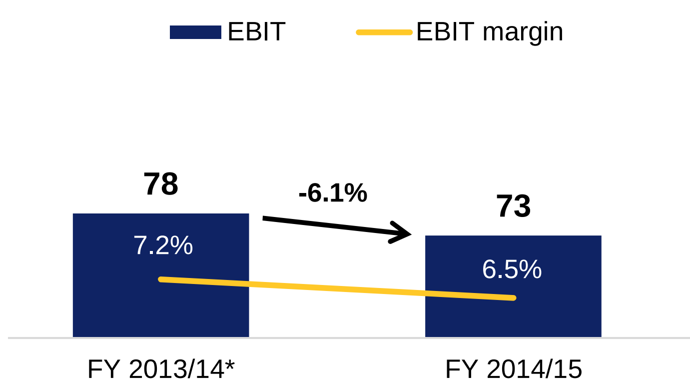
### External sales

in mill. EUR




### EBIT and EBIT margin

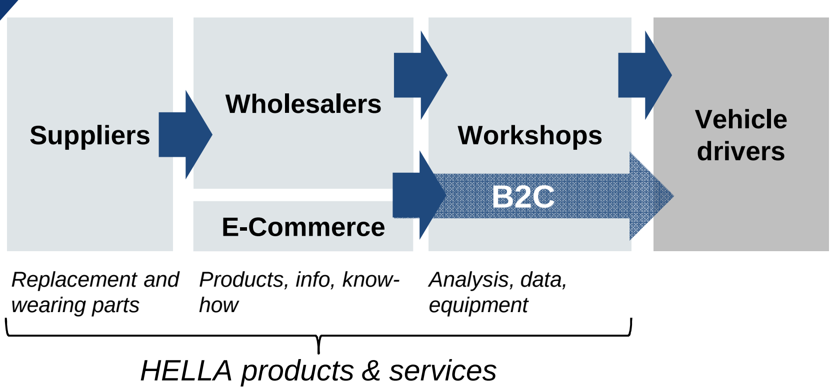
in mill. EUR and as % of sales




* Adjusted due to the reclassification of the other financial result

- **Recovery** in the **independent spare parts business** in the second half
- **Positive development** in the **wholesale** and **garage business**
- **Negative volume** and **mix effects** on **profitability**
- Positioned for **industry consolidation**

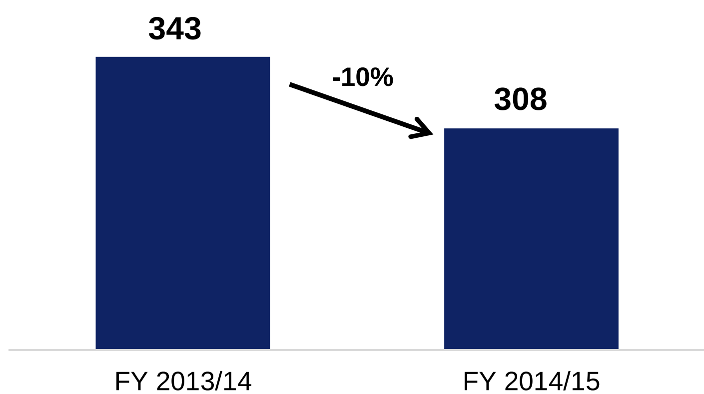
### HELLA in the value chain



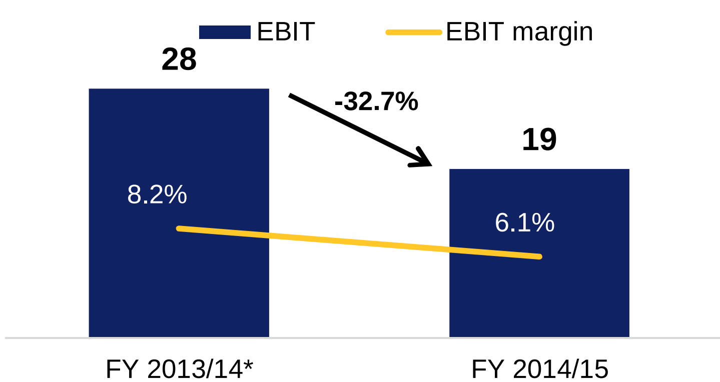

**Attractively positioned to participate in the structural change of the aftermarket**

# Special Applications: Difficult market environment
## Financial performance FY 14/15

### External sales
in mill. EUR




### EBIT and EBIT margin
in mill. EUR and as % of sales




* Adjusted due to the reclassification of the other financial result

- Currently **difficult** economic **conditions** particularly in **agriculture** (Ukraine and US)
- **Target: reaching critical size across individual target groups**

### Applications

# HELLA – Q1 FY 15/16 Roadshow
## Agenda

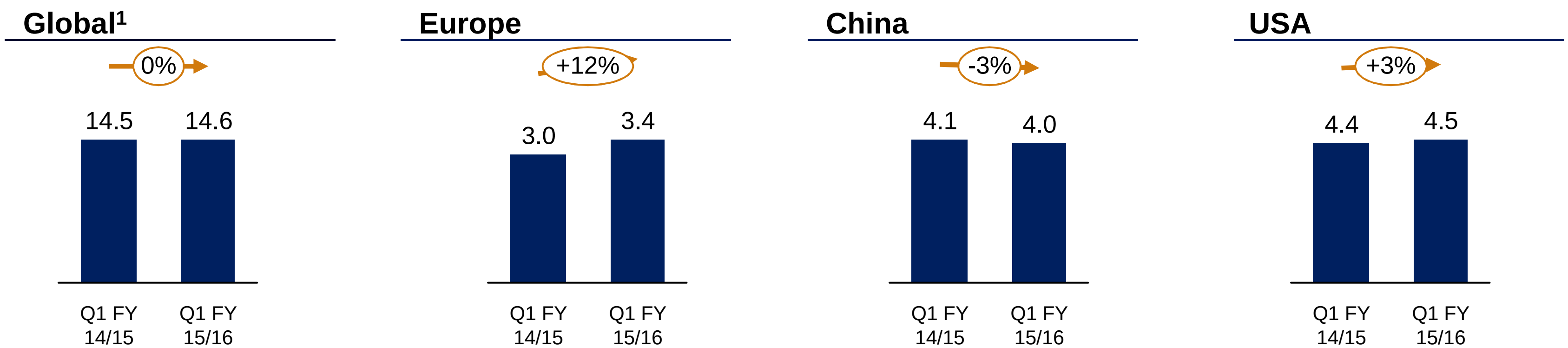
- HELLA at a Glance
- Drivers for future Growth
- Financial Performance FY 14/15
- Q1 FY 15/16

ANNEX

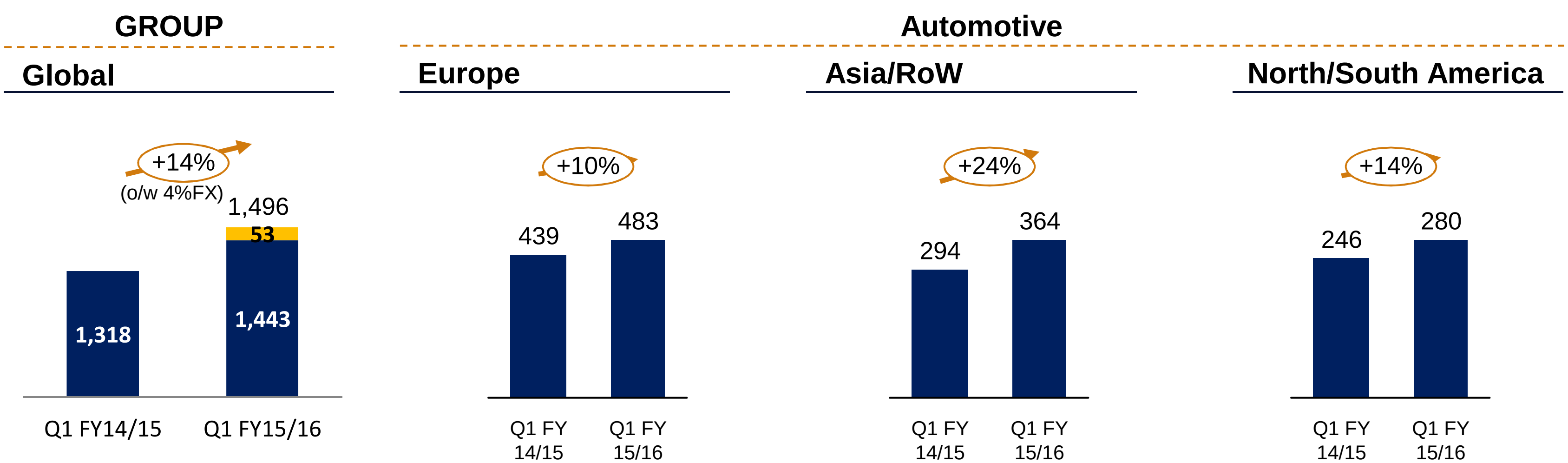
# Outperforming Markets Q1 2015/16

## Q1 FY 15/16

### New passenger car registration (registrations in millions; growth in %)



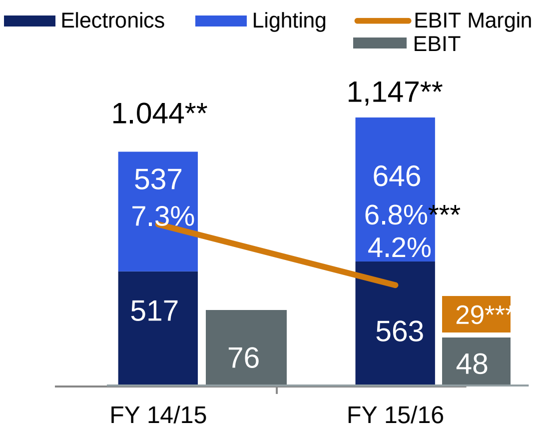

### HELLA revenue[2] (in EUR millions, growth in %)



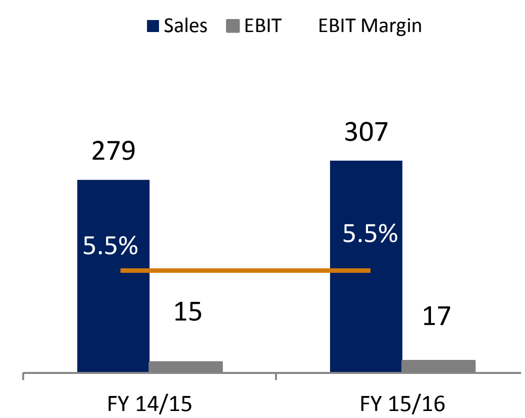

Source: HELLA; VDA Research 1. Approximation including only most important markets; 2. Regional market coverage by end customers

# Strong Automotive growth, Aftermarket recovery
## Q1 FY 15/16

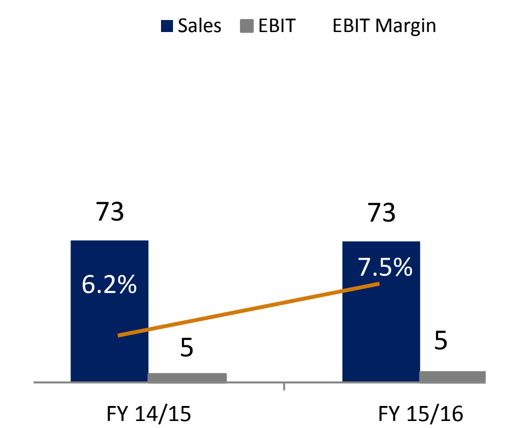
### Automotive*
in mill. EUR** and in % sales




### Aftermarket*
in mill. EUR and in % sales




### Special Applications*
in mill. EUR and in % sales




- Strong demand **for innovative electronics** and **lighting products based on megatrends**
- Positive **demand** in **Europe, NAFTA,** new **product launches in China**
- Tech **roll-out** of **complex products** with LED technology affects margin
- **Non-recurring charges** after supplier failure decrease EBIT by **29 mill. EUR**

- **Recovery** in independent aftermarket in Europe
- **Wholesale** and **workshop** equipment business **positive**
- **Negative product mix-effect** compensated by increased distribution efficiency

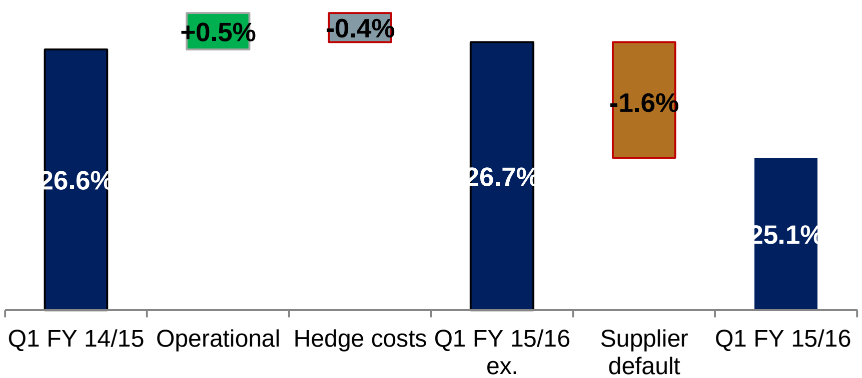
- **Further weak** demand in **Agriculture** sector, however **stabilization**
- Outdoor lighting sales reduced
- **Positive product mix** affects margin

* Total sales including intersegment sales
** Sales figures for Lighting & Electronics do not add up to Automotive sales due to sales between those two business divisions
*** Supplier failure effect; 6.8% margin ex. supplier failure

# Positive Gross Profit margin development before one-offs
Q1 FY 15/16

## Gross Profit margin

in % of sales*

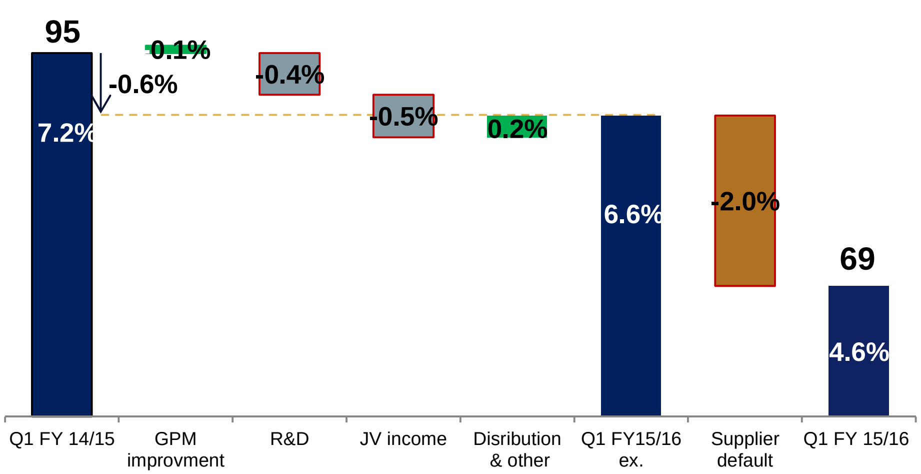



## Comment

- Excluding one-off charges from the supplier default**, positive gross profit margin** development **by +0.5%-points** due to operational improvements
- Negative impact of **hedging costs** by -0.4% YoY
- **Gross profit margin** improvement of **0.1%-point YoY**
- **Extraordinary expenses increases** COGS by around **24 mill. EUR,** including 12 mill. EUR asset impairment
- **Gross profit margin after one-off charges** at **25.1%**

## Preliminary EBIT development

in mill. EUR and in % of sales*



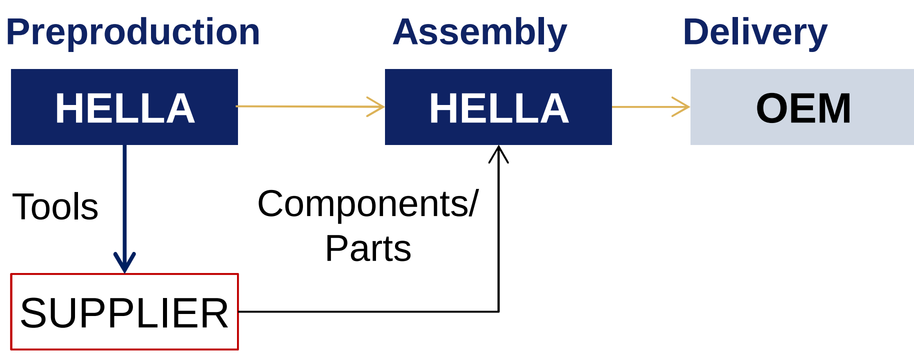

## Comment

- Excl. one-offs, EBIT growth of around 4%, leading to a **EBIT margin** of **6.6%**
- **Decline by 0.6%-points** mainly caused by **higher R&D expenses** and **lower JV earnings.**
- **JV income declined by 5 mill**. EUR to 8 mill EUR due to less positive sales development in Korea and additional tax payment in one JV
- **Supplier failure** caused **29 mill. EUR one-off** charges, negative margin impact of **2.0%-points**
- **EBIT Q1 FY15/16** declined by ~27% to **69 mill EUR**, **EBIT margin** declined by 2.6%-points to **4.6%**

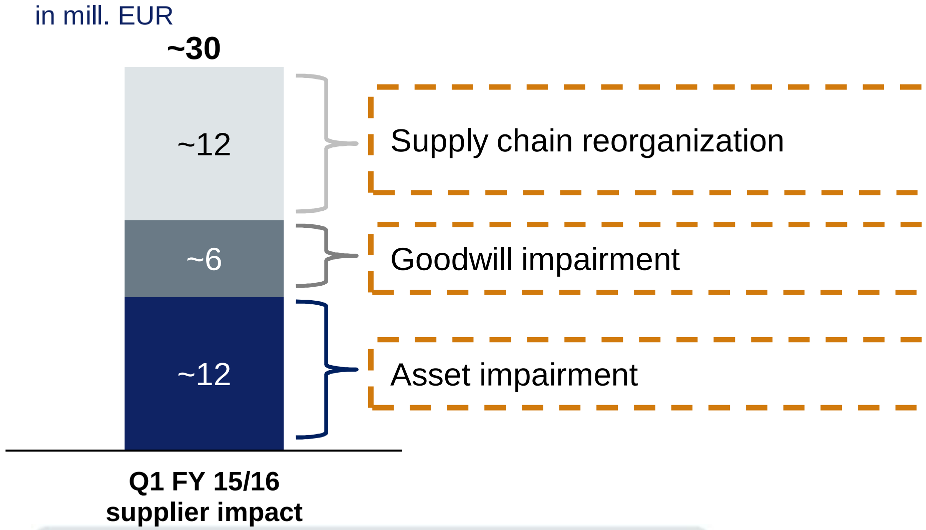
* Differences in the presentation may arise as a result of commercial rounding

# Reorganization and write-offs after supplier failure
Q1 FY 15/16

## Simplified supply chain




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




## Comment

- Components with core competence produced in-house (HELLA preproduction)
- 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 for parts/components delivery
- Assembly of final product by HELLA using in-house and external supplier parts

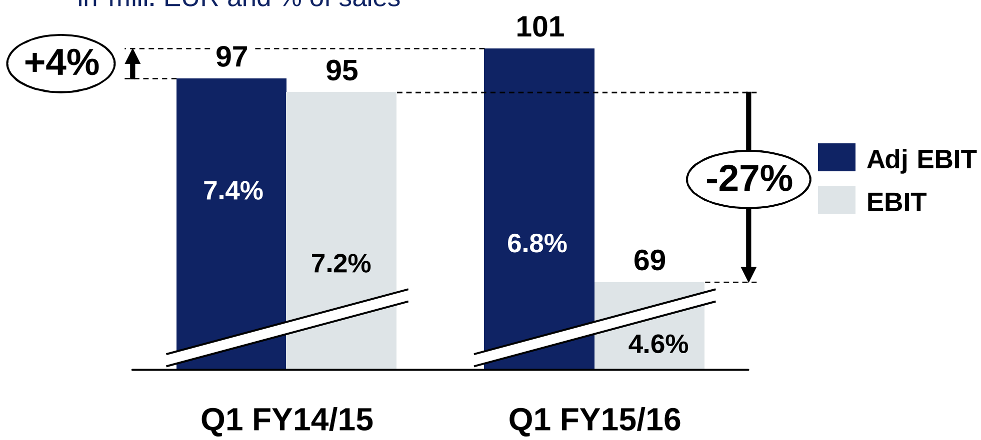
## Comment

- **Failure** of Chinese external 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**
- Asset and goodwill impairment at HELLA preproduction entity
- **Up to 20 mill. EUR** additional costs expected **after Q1 FY 15/16**

# Q1 strained by supplier failure
## Q1 FY 15/16

### EBIT and Adj. EBIT

in mill. EUR and % of sales




### Comment

- **Adjusted EBIT** (excluding restructuring costs and supplier failure) increased 4% to **101 mill. EUR,** margin decreased by 0.6%-points to **6.8%** in FY15/16
- **Supplier failure** in China leads to one-off charges of 29 mill. EUR
- **EBIT** decreased 27% to **69 mill. EUR**, margin decreased by 2.6%-points to **4.6%**
- **Restructuring expenses** on prior year level **3 mill. EUR**

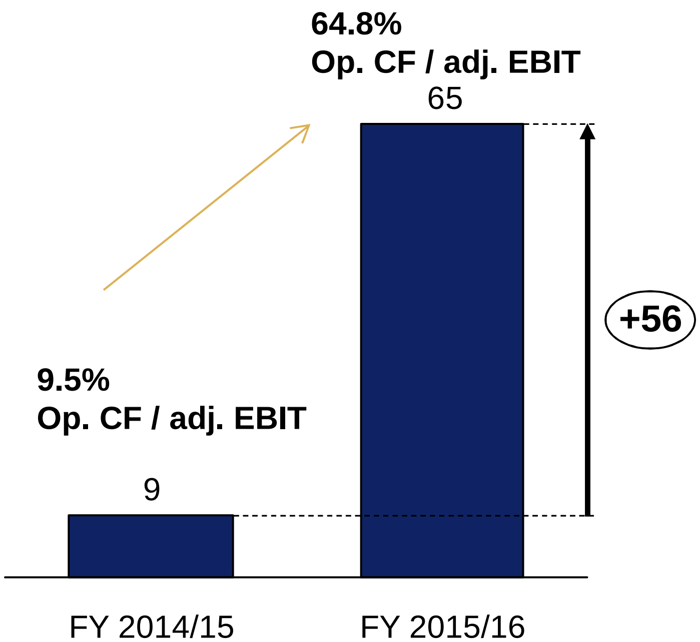
### Comments to main cost driver

- **R&D** expenses **increased** by **23 mill. EUR to 140 mill. EUR driven** by **high-tech product launches,** R&D effort for **high order intake** and a **low comparable** basis **Q1 FY 14/15**: shift of development costs in Q2 FY 14/15. **R&D ratio increased by 0.4%-points to 9.3%** to level of previous full year
- **Administrative** expenses with constant ratio of **3.5%** after realized efficiency gains and continuing restructuring initiatives in FY15/16
- **Distribution** expenses ratio decreased by 0.2%-points to **7.9%** due to **leverage of** the existing aftermarket **distribution network**

# Operative CF improvement
## Q1 FY 15/16

### Operative CF development

in mill. EUR and cash conversion ratio (Operative Cash Flow / adj. EBIT*)




### Comment

- **Operative CF*** increased by 56 mill. EUR to **65 mill. EUR**, whereby **cash** settlements for **restructurings** of **3 mill. EUR** (3 mill. EUR in FY 14/15) are **excluded**
- **Cash conversion ratio**** increased by 55.3%-points to **64.8%**
- After two years of globalization initiative **strong increase in line with expectations** driven by profitable top-line growth and reduced net CAPEX

* Excl. restructuring costs and one-off effect from supplier default
** Operative Cash Flow before dividends and net capital expenditure on financial assets or shares in associates (excluding cash restructuring payments and one-off effect from supplier default)

# Positive growth in selected regions
## Q1 FY 15/16

| Region | Outlook Automotive Sales (in m pieces) | | Comment |
|---|---|---|---|
| | 2014 | 2015 | |
| Germany | +2%<br>3.0 | +2%<br>3.1 | • Positive development of new car registrations in the first months of 2015<br>• Modest expected economic growth of approx. 1% for 2015 |
| Western Europe incl. Germany | +5%<br>12.1 | +6%<br>12.8 | • Positive growth to or above pre-crises levels in most Western European countries<br>• Recovery gaining momentum in the fist 8 months of 2015 |
| USA | +6%<br>16.4 | +3%<br>16.9 | • Positive growth in the first months of the calendar year 2015 of around 4%<br>• Favorable economic environment and solid domestic demand based on low fuel prices |
| China | +13%<br>18.4 | +4%<br>19.1 | • Decline in economic growth during 2015, uncertainty on full year development<br>• Impairment of economic situation could influence consumption and demand for automobiles negatively |
| TOTAL | +2%<br>75 | ~1%<br>~76 | • Overall growing expectations with significant regional differences. Assumed growth includes risk assessment on global economic development |

Source: VDA, HELLA own analysis

# Company specific outlook for FY 15/16 needed to be adjusted
## Q1 FY 15/16

| | Guidance | Comment |
|---|---|---|
| **Sales** | **Growth in medium to high one-digit percentage range** | ▪ 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** | ▪ Extraordinary strains predominantly in COGS also in remaining quarters, particularly Q2 FY 15/16 |
| **EBIT** | **Below previous year** | ▪ Drag on EBIT in the first quarter and the remainder of the year cannot be offset by strong sales development |

# Thanks for your attention

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# Annex
## Key figures

**Figures**
in mill. EUR if not otherwise stated

**Key Financial Metrics**

| | 31-Aug-15 Actual | 31-Aug-14 Actual |
|---|---|---|
| Sales | 1,496 | 1,318 |
| EBITDA | 175 | 174 |
| EBIT | 69 | 95 |
| Gross CAPEX | 129 | 174 |
| % of Sales | 8.6% | 13.2% |
| EPS (EUR) | 0.37 | 0.62 |
| Operating FCF | 65 | 9 |
| Net Debt | 68 | 423 |
| Equity | 1,919 | 1,393 |
| Equity Ratio | 39.7% | 30.9% |
| Net Debt / EBITDA (LTM) | 0.1x | 0.6x |
| Interest coverage ratio (min. 5x)* | 23.2x | 20.7x |
| Net Debt / Equity | 0.0x | 0.3x |

*** Interest coverage and Gearing are covenants for Syn Loan**

# Annex
## Income statement – Q1 2015/16

| in mill. EUR | 3 months FY 2015/16 | | 3 months FY 2014/15 | |
|---|---|---|---|---|
| Sales | 1,496 | 100.0% | 1,318 | 100.0% |
| Cost of sales | -1,121 | -74.9% | -968 | -73.4% |
| **Gross Profit** | **375** | **25.1%** | **350** | **26.6%** |
| Research and development costs | -140 | -9.3% | -117 | -8.9% |
| Distribution costs | -119 | -7.9% | -108 | -8.2% |
| Administrative costs | -52 | -3.5% | -46 | -3.5% |
| Other income and expenses | -3 | -0.2% | 2 | 0.1% |
| Income from associates | 8 | 0.5% | 13 | 1.0% |
| Other income from investments | 0 | 0.0% | 0 | 0.0% |
| **EBIT** | **69** | **4.6%** | **95** | **7.2%** |
| Financial income | 5 | 0.3% | 4 | 0.3% |
| Financial expenses | -15 | -1.0% | -16 | -1.2% |
| **Earnings before taxes** | **59** | **4.0%** | **82** | **6.2%** |
| Taxes on income | -16 | -1.1% | -19 | -1.4% |
| **Earnings for the period** | **43** | **2.9%** | **64** | **4.8%** |

# Annex
## Balance sheet – Assets: August 31, 2015

| in mill. EUR | August 31, 2015 | | August 31, 2014 | |
|---|---|---|---|---|
| Cash, cash equivalents and financial assets | 1,050 | 21.7% | 1,014 | 22.5% |
| Trade receivables | 745 | 15.4% | 639 | 14.2% |
| Other receivables and non-financial assets | 195 | 4.0% | 160 | 3.6% |
| Inventories | 658 | 13.6% | 642 | 14.2% |
| Current assets | 2,647 | 54.8% | 2,456 | 54.5% |
| Property, plant and equipment and intangible assets | 1,763 | 36.5% | 1,627 | 36.1% |
| Shares in associated companies and joint ventures and other investments | 235 | 4.9% | 225 | 5.0% |
| Other non-current assets | 188 | 3.9% | 202 | 4.5% |
| Non-current assets | 2,185 | 45.2% | 2,054 | 45.5% |
| **Total assets** | **4,833** | **100.0%** | **4,510** | **100.0%** |

# Annex
## Balance sheet – Equity and liabilities: August 31, 2015

| in mill. EUR | August 31, 2015 | | August 31, 2014 | |
|---|---|---|---|---|
| Financial liabilities | 68 | 1.4% | 315 | 7.0% |
| Trade payables | 581 | 12.0% | 491 | 10.9% |
| Other liabilities | 544 | 11.2% | 472 | 10.5% |
| Provisions (current) | 80 | 1.6% | 108 | 2.4% |
| Current liabilities | 1,273 | 26.3% | 1,387 | 30.8% |
| Non-current financial liabilities | 1,050 | 21.7% | 1,122 | 24.9% |
| Deferred tax liabilities | 37 | 0.8% | 69 | 1.5% |
| Other non-current liabilities | 220 | 4.6% | 233 | 5.2% |
| Other provisions | 334 | 6.9% | 305 | 6.8% |
| Non-current liabilities | 1,641 | 33.9% | 1,729 | 38.3% |
| Total equity | 1,919 | 39.7% | 1,393 | 30.9% |
| **Total equity & liabilities** | **4,833** | **100.0%** | **4,510** | **100.0%** |

# Annex
## Cash Flow – Q1 2015/16

| in mill. EUR | FY 2015/16 | FY 2014/15 |
|---|---|---|
| EBIT | 69 | 95 |
| Gross depreciation | 106 | 80 |
| Working capital changes | 21 | 27 |
| Payments received for serial production | 23 | 15 |
| Tax payments | -26 | -23 |
| Other operating activities (e.g. change in provisions) | 1 | -10 |
| Gross Capital Expenditures | -131 | -174 |
| Revenue from sale of assets | 2 | 1 |
| **Operative Free Cash Flow** | **65** | **9** |
| Dividends paid | -1 | 0 |
| Restructuring payments, Consolidation group changes, FX effects & other evaluation effects | 4 | -4 |
| Pension, Factoring, Operating Lease | -5 | -3 |
| **Change in financial net debts** | **63** | **2** |

- **Higher operative Cash Flow** mainly due to lower gross capital expenditures
- **Decrease in net capex*** from 159 mill. EUR to 106 mill. EUR; customer payments exceeding previous year's level (23 vs 15 mill. EUR)
- **Operative Free Cash Flow** of 65 mill. EUR

*Includes gross capital expenditures, less revenue from sale of assets, and less payments received for serial production

# Annex
## Financial Debt Structure – August 31, 2014 vs. August 31, 2015

Figures in mill. EUR

### Financial Debt Structure August 2014 vs. August 2015

| | Maturity | August 31, 2014 | Deviation | August 31, 2015 |
|---|---|---|---|---|
| AFLAC Notes and Loan* | 2032/33 | 175 | 0 | 175 |
| 7.25% Notes 2009/2014** | 2014 | 200 | -200 | 0 |
| 2.375% Notes 2013/2020** | 2020 | 500 | 0 | 500 |
| 1.25% Notes 2014/2017** | 2017 | 300 | 0 | 300 |
| Loan European Investment Bank | 2015 | 150 | -150 | 0 |
| Other Financial Debt, Accruals and Revaluation | | 112 | 31 | 143 |
| **Gross Financial Debt** | | **1,437** | **-319** | **1,118** |
| Cash and cash equivalents | | 646 | 77 | 723 |
| Financial Assets | | 367 | -41 | 327 |
| **Net Debt** | | **423** | **-355** | **68** |
| Revolving credit facility (2015-2020) of 450 mill. EUR | | | | |
| **Net Debt / EBITDA (LTM)** | | **0,6x** | | **0,1x** |

**Changes**

- **Increase of other financial debt, accruals and revaluation (+31 mill. EUR) including also additional external loans of 44 mill. EUR in China**
- **EIB Loan repayment (150 mill. EUR) in January 2015 and redemption of 200 mill. EUR for a bond maturing in October**
- **Refinancing and reduction of synloan facility to 450 mill. EUR in June**

* hedged value ** nominal amount



HELLA