Technology with Vision

HELLA Investor Update
9 months FY 2015/16

Conference Call on April 13th, 2016

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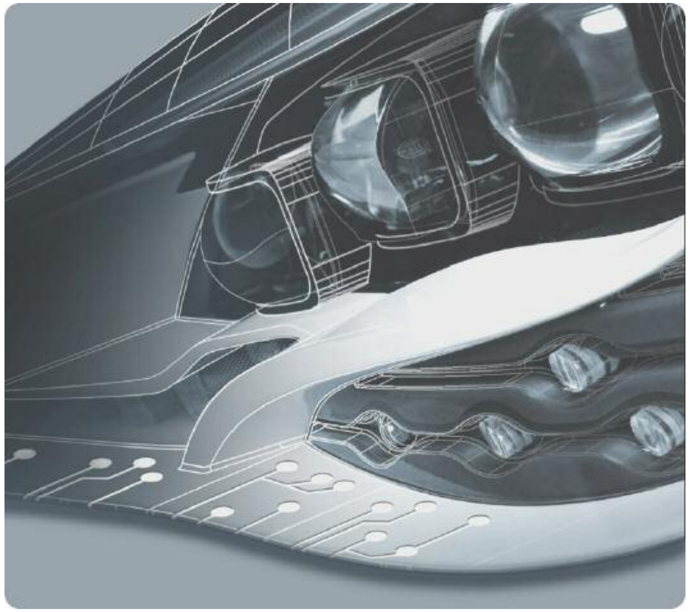

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This document contains an English translation of the accounts of the Company and its subsidiaries. In the event of a discrepancy between the English translation herein and the official German version of such accounts, the official German version is the legal valid and binding version of the accounts and shall prevail.

HELLA Investor Update 9 months 2015/16

Outline

HELLA Group Key Achievements

Financial Highlights 9 months 2015/16

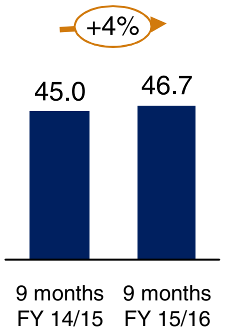
FINANCIAL HIGHLIGHTS

Sales	**HELLA Group sales up 10.3% YoY to 4.7 bill. EUR,** thereof **2.4%-points FX** effects (mainly USD and CNY) **Third party sales development per segment compared to previous year:** – **Automotive: +11.0%** driven by **product launches** in innovative **LED technologies** and electronic components for **industry megatrends** – **Aftermarket: +7.1%** driven by positive development of **independent aftermarket in Europe** as well as **positive** wholesale (**Nordic Forum**) and **workshop equipment business** with demand for **high-end diagnose** and **camera calibration tools** – **Special Applications: +2.0%** driven by **stabilization** in the **agricultural**, still under pre-crisis level
Profitability	**Gross Profit margin** at **26.6%** (**-0.4%-pointsYoY**) due to **supplier default**, excluding one-offs margin at **27.2% (+0.2%-points YoY**) due to continued productivity gains in automotive and decreasing launch costs for new technologies mainly in Eastern Europe **Structural cost development** without major impact on 9 months profitability**: R&D** cost ratio remained at **9.6%**. **Distribution** and **administrative expenses -0.1%-points YoY** each. R&D absolute increase due to developing costs for newly acquired business and investments in the international R&D network **EBIT** at **290 mill. EUR** (- 20 mill. EUR), **EBIT margin** at **6.2%** (-1.1%-points YoY) **Adj. EBIT** at **345 mill. EUR**, **adj. EBIT margin** at **7.4%**
Liquidity	**Operative Cash Flow** at **35 mill. EUR** compared to -19 mill. EUR 9 months FY14/15

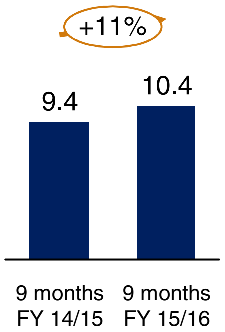
HELLA Group Key Achievements
Sales – Outperforming the market in the first 9 months of FY 2015/16

New passenger car registrations (in millions)

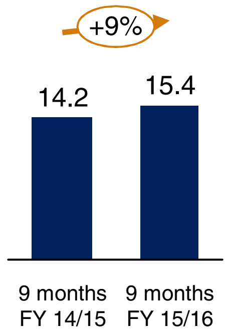
Global[1]



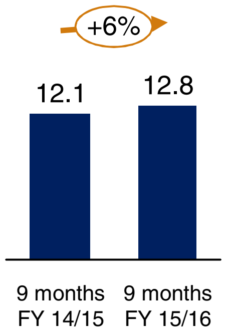
Europe



China



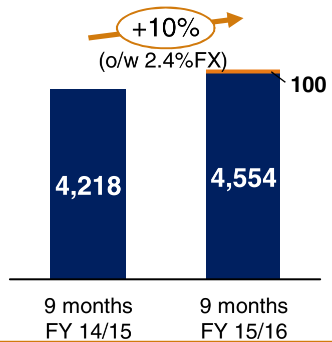
USA



HELLA revenue[2] (in EUR millions)

GROUP

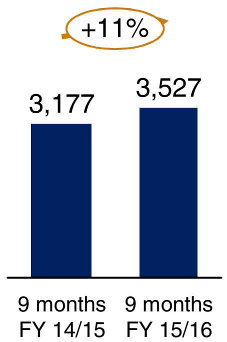
Global



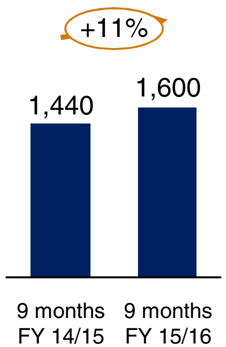
HELLA Group outperforms market by 6%-points

Automotive

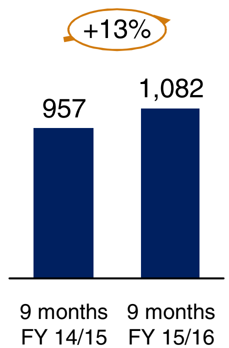
Global



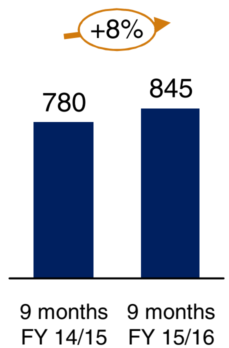
Europe



Asia/RoW



North/South America

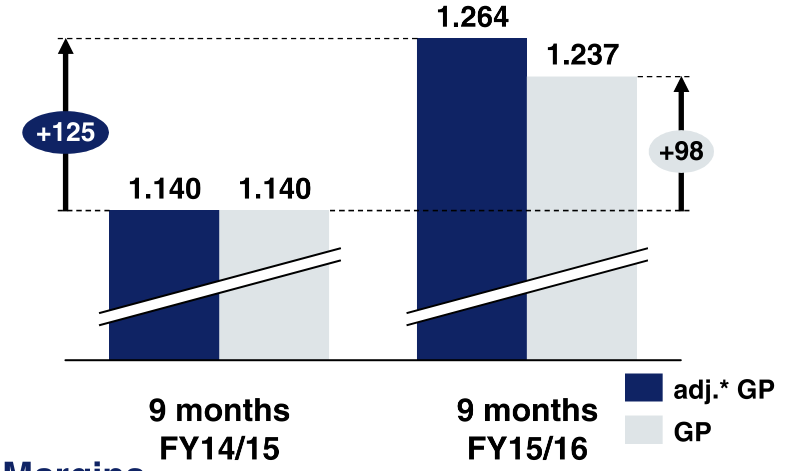


Source: HELLA; VDA Research 1. Approximation including only most important markets; 2. Regional market coverage by end customers

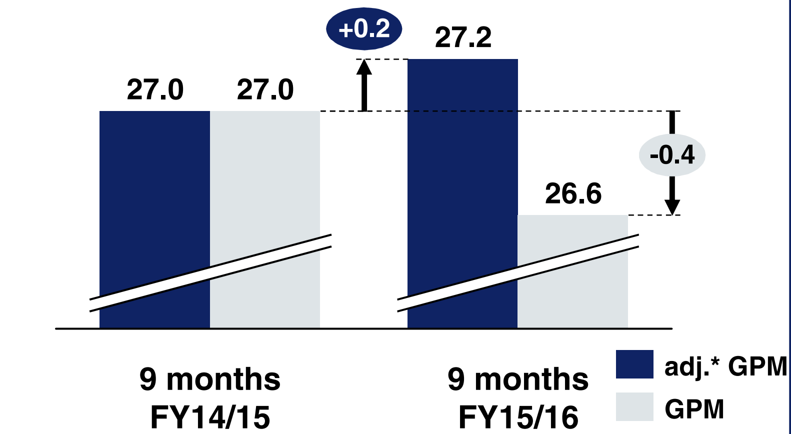
HELLA Group Key Achievements
P&L (I) – 9 months 2014/15 to 9 months 2015/16

EUR millions and % sales

Gross Profit and adj.* Gross Profit



Margins



Gross Profit and adj.* Gross Profit

Gross Profit 9 months FY 15/16 **increased** by **98 mill. EUR** (+9%) to **1,237 mill. EUR** after deduction of 27 mill. EUR one-off expenses for the supplier default

Excluding supplier default, Gross Profit **increased** by **125 mill EUR** (+11%) **to 1,264 mill. EUR**

Extraordinary expenses for supplier default **increased COGS** by 24 mill EUR in Q1 FY 15/16, by 3 mill. EUR in Q2 FY 15/16**, no effect** in **Q3 FY15/16**

Margins

Excluding supplier default, the **Gross Profit margin** improved by 0.2%-points to **27.2%** driven by

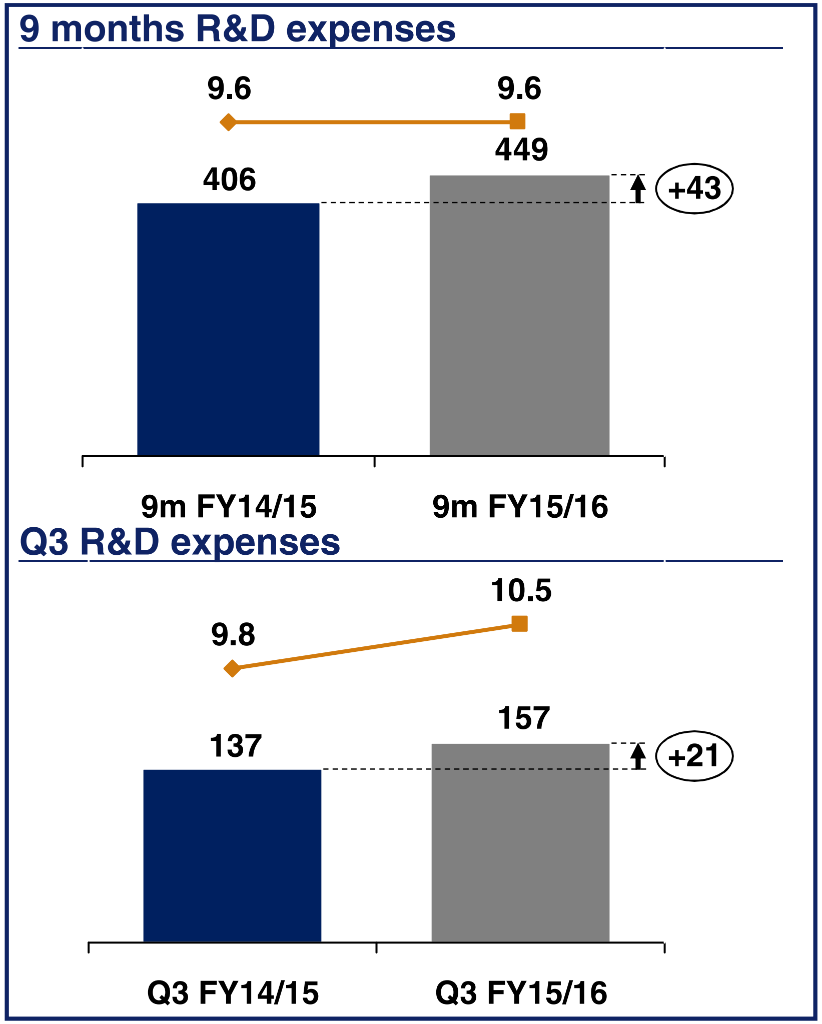
– **increased productivity** in the automotive segment and contrarily
– **decreasing launch cost** for new high-tech products mainly in EE
– **positive product mix** in Automotive, Aftermarket and SOE segment

Including charges for supplier default GPM decreased by 0.4%-points YoY

*adjusted for one-off charges for supplier default

HELLA Group Key Achievements
P&L (II) – 9 months 2014/15 to 9 months 2015/16, R&D expenses

EUR millions and % sales



R&D ratio 9 months FY15/16 **stable** at **9.6%** driven by **increase of ratio** in **Q3** FY15/16 by **0.7pp** to **10.5%** after over-proportional increase in absolute development costs

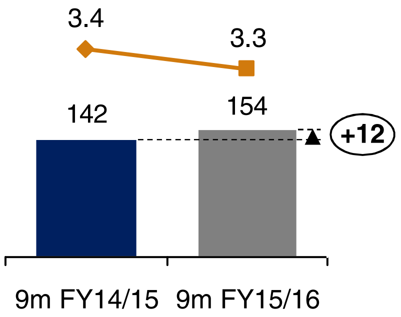
Absolute R&D expenses increased **9 months FY 15/16** by 43 mill. EUR to **449 mill. EUR**, in **Q3 FY 15/16** by 21 mill. EUR to **157 mill. EUR**

Newly acquired businesses need more development efforts than expected as **international R&D network** is **not as its targeted efficiency level**

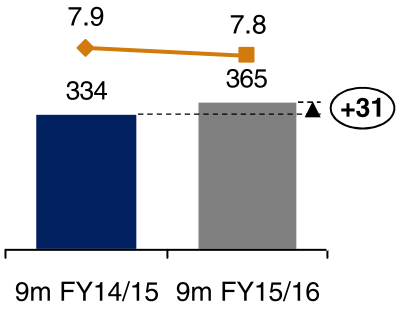
Absolute increase driven by strategic growth projects in automotive electronics esp. energy management/fuel efficiency, EPS, automated driving (radar) and in automotive lighting due to big project wins in complex LED technologies

HELLA Group Key Achievements
P&L (III) – 9 months 2014/15 to 9 months 2015/16

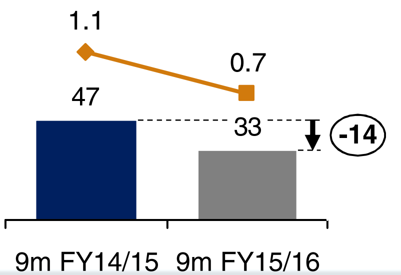
Administrative (in mill. EUR, % of sales)



Distribution (in mill. EUR, % of sales)



JV income (in mill. EUR, % of sales)



Comment

9 months FY15/16 ratio decreased by **0.1%-points** to **3.3%** driven by **strong top line growth** compared to 9 months previous year

Q3 FY15/16 ratio remained at **3.4%** driven by **weaker top line growth** compared to Q3 previous year, **absolute expenses increased** by **3 mill. EUR** to **50 mill. EUR**

Absolute administrative expenses with a rather stable development. Increase by 12 mill. EUR to **154 mill. EUR** due to **growth-related investments** in corporate functions

9 months FY15/16 ratio decreased by **0.1%-points** to **7.8%** driven by **strong top line growth** compared to 9 months previous year

Q3 FY15/16 ratio increased by 0.1%-points to 8.1% driven by **weaker top line growth** compared to Q3 previous year, **absolute expenses increased by 9 mill. EUR to 121 mill. EUR**

Absolute distribution expenses increased by 31 mill. EUR **to 365 mill. EUR** due to higher Aftermarket sales and **ramp-up of e-commerce** as well higher rental and transport costs in Eastern Europe due to **increased level of operations**

9 months FY15/16 ratio decreased by **0.4%-points** to **0.7%.** Decline in absolute contribution by 14 mill EUR to **33 mill. EUR** due to **high comparable basis** FY15/16, **additional tax-burden** and **weaker Asian markets**

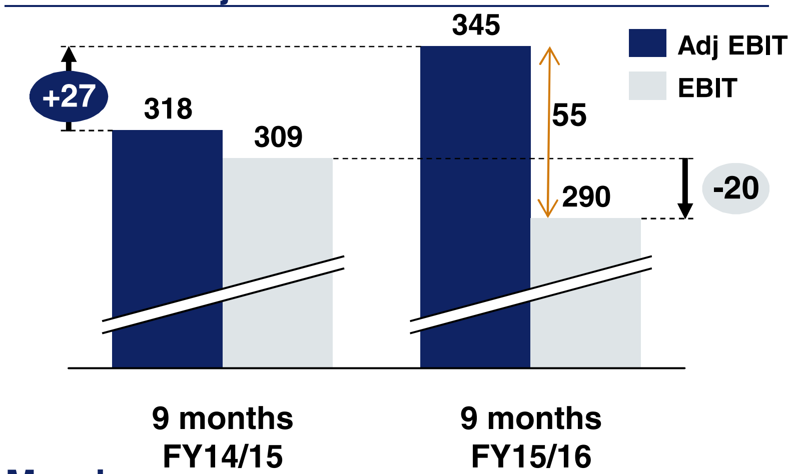
Q3 FY15/16 ratio decreased by 0.8%-points to 0.6% after absolute decline by 10 mill. EUR to **9 mill EUR.** Decline driven by **one-offs** (~5 mill EUR) and **operational weakness** in Asia.

HELLA Group Key Achievements

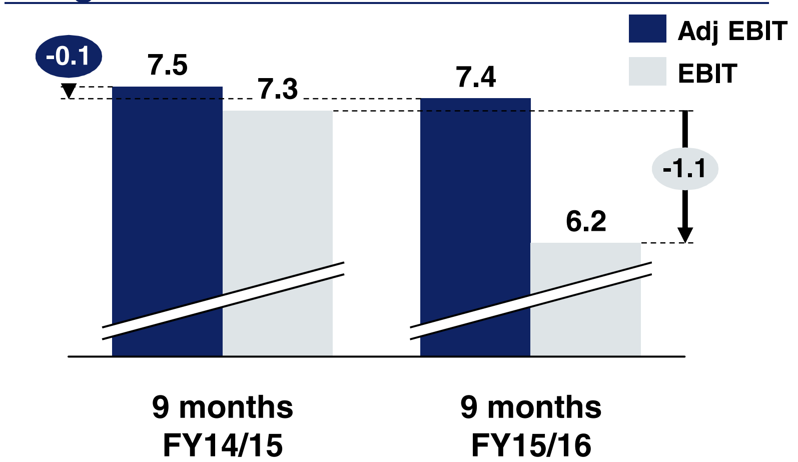
P&L (III) – 9 months 2014/15 to 9 months 2015/16

EUR millions and % sales

EBIT and adj. EBIT



Margins



EBIT and adj. EBIT

Adjusted EBIT (excluding restructuring costs and cost for supplier default) increased by 27 mill. EUR (9%) to **345 mill. EUR**

Supplier failure in China leads to one-off charges of **47 mill. EUR**

EBIT decreased by 20 mill EUR (6%) to **290 mill. EUR**

Restructuring expenses 9 months FY 15/16 of **8 mill. EUR** (-0.2 mill. EUR YoY)

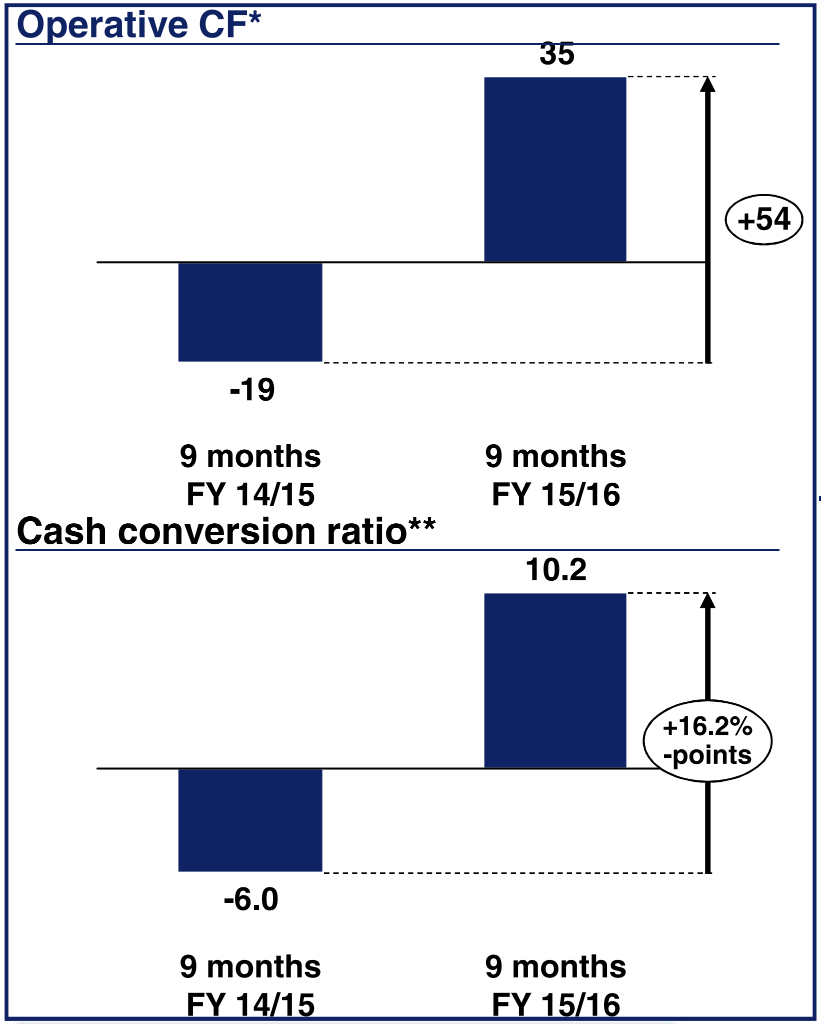
Margins

Adjusted EBIT margin decreased by **0.1%-points** to **7.4%** in 9 months FY15/16 due to **decrease in JV contribution** by **0.4%-points**

EBIT margin decreased by **1.0%-points** to **6.2%** mainly driven by **supplier default**

HELLA Group Key Achievements
Operative CF - 9 months 2014/15 to 9 months 2015/16

EUR millions and cash conversion ratio**



OCF

- **Operative CF*** increased by 54 mill. EUR to **35 mill. EUR**
- **Cash** settlements for **restructurings** of **12 mill. EUR** (31 mill. EUR in FY 14/15) and **34 mill. EUR** cash out for **supplier default** are **excluded**
- **Lower working capital consumption** compared to FY 14/15, mainly due to longer payment terms and temporarily delayed payments, partly reduced in Q3
- **20 mill. EUR** increase in receivables due to **reduced factoring program**

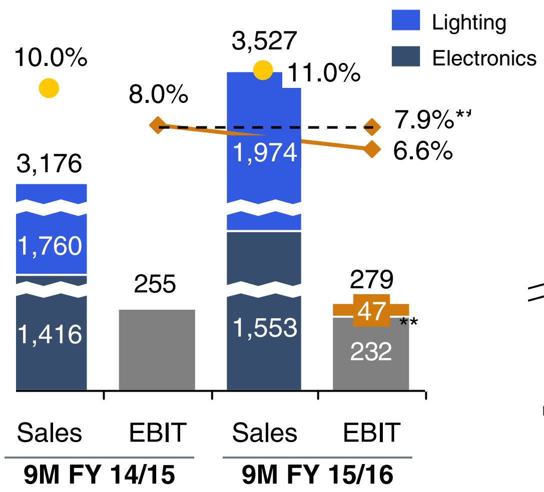
OCF / adj. EBIT

- **Cash conversion ratio**** increased by 16.2%-points to **10.2%**
- **Increase in line with expectations** due to profitable top-line growth and lower working capital increase

* 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)
**Operative Cash Flow / adj. EBIT (excl. restructuring costs and one-off effect from supplier default)

HELLA Group Key Achievements
Segment Highlights – 9 months 2014/15 to 9 months 2015/16

Automotive*



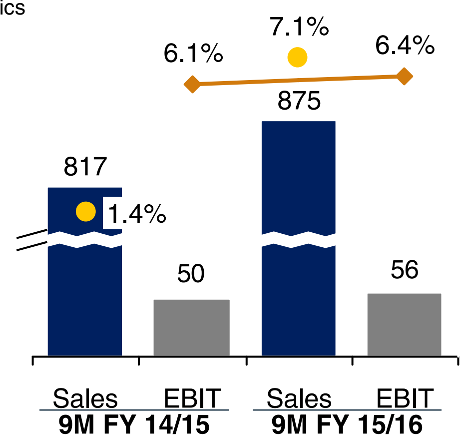
Strong demand **for innovative electronics** and **lighting products based on megatrends**

Positive **demand** in **Europe, NAFTA** and in **China**

Roll-out of **complex products** with LED technology still affects margin

Non-recurring charges after supplier failure decrease EBIT by **47 mill. EUR**

Aftermarket*

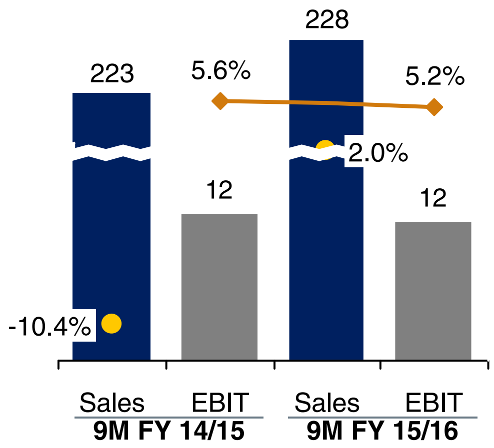


Independent aftermarket catching up after market recovery

Positive demand for **high-end diagnose** and **camera calibration tools**

Higher EBIT margin due to positive product mix and **increasing sales**

Special Applications*



Positive product mix in **SOE** with **increasing sales**

Stabilization in the agricultural sector, still under pre-crisis level

Reduced industry sales and **EBIT** contribution

* External sales
** Supplier failure effect; 7.9% margin ex. supplier failure

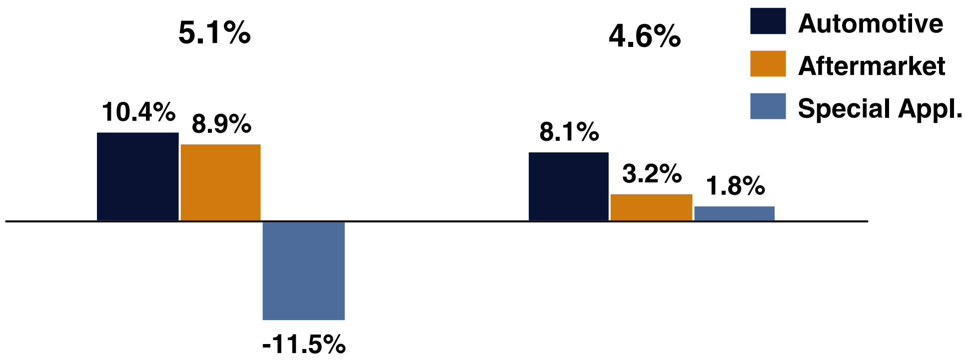
EBIT
EBIT Margin
Sales growth YoY

HELLA Group Key Achievements

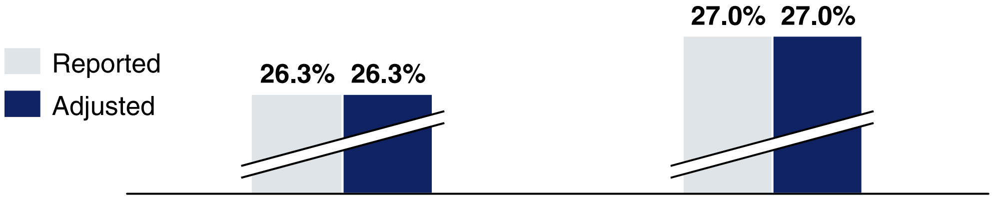
Quarterly Comparison – Q3 FY 15/16 vs. Q3 FY 14/15

	Q3 FY 14/15	Q3 FY 15/16
GROUP organic sales growth* (YoY)	5.6%	6.5%
FX (YoY)	3.1%	0.9%
NCR (YoY)**	5.1%	4.6%

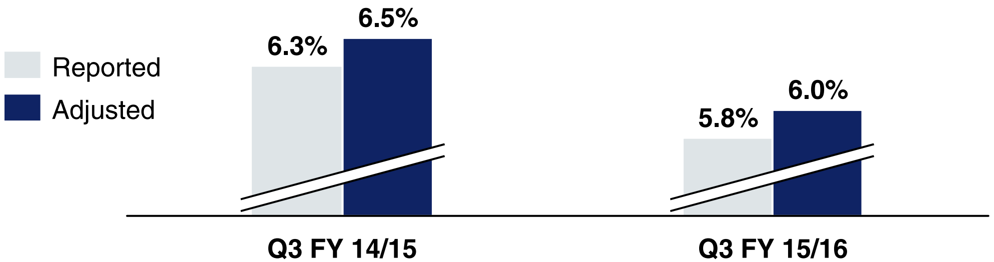
Segment growth* (YoY)**



GROUP Gross Profit Margin



GROUP EBIT Margin



Comment

- Strong organic growth in Q3 FY 15/16 in Automotive, stabilization in Special Applications but slow down of Aftermarket recovery
- GPM increase driven by operational improvements, product mix and decreasing launch costs
- No charges from supplier default in Q3 FY 15/16, restructuring expenses at 0.2% of sales
- Adjusted EBIT FY 15/16 driven by higher R&D expenses and lower JV income

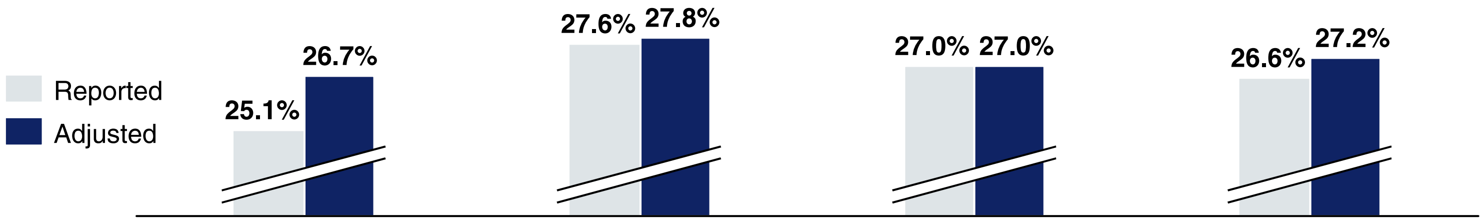
Quarterly comparison of limited relevance

** Excluding FX*
***New Car Registrations according to HELLA fiscal year, does not include all regions due to limited data availability, source: VDA, HELLA analysis*
****Third party sales only*

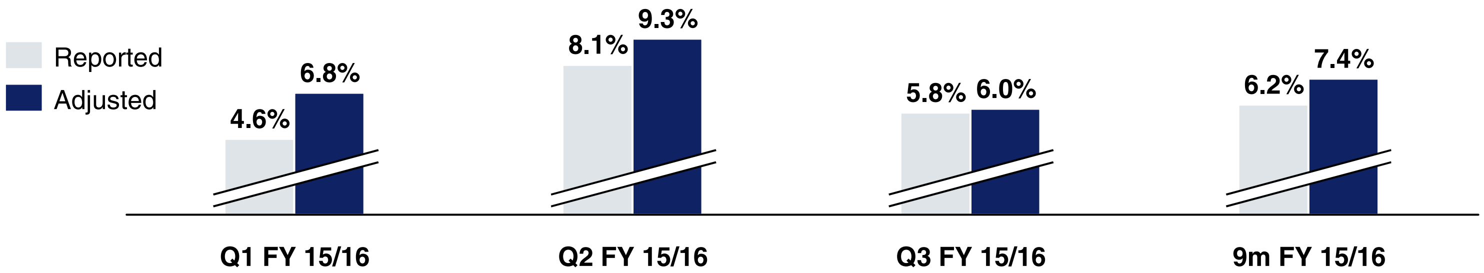
HELLA Group Key Achievements
Quarterly Comparison – 9 months 2015/16

	Q1 FY 15/16	Q2 FY 15/16	Q3 FY 15/16	9M FY 15/16
GROUP organic sales growth*(YoY)	9.5%	8.0%	6.5%	7.9%
FX (YoY)	4.0%	2.3%	0.9%	2.4%
GROUP Sales growth (YoY)	13.5%	10.3%	7.4%	10.3%
NCR* (YoY)	0.0%	6.0%	4.6%	3.6%

GROUP Gross Profit Margin



GROUP EBIT Margin



*Excluding FX
**New Car Registrations according to HELLA fiscal year, does not include all regions due to limited data availability, source: VDA, HELLA analysis

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Outline

Outlook
Market specific outlook

Region	Outlook Automotive Sales (in m pieces)	Comment
Germany	2015: 3.2 (+6%); 2016: 3.2 (+1%)	• Positive development of new car registrations in 2015 • Modest expected growth of approx. 1% for 2016
Western Europe incl. Germany	2015: 13.2 (+6%); 2016: 13.3 (+1%)	• Strong growth to above pre-crises levels in most Western European countries in 2015 • Modest growth in 2016 expected after strong 2015, low interest rate level and low fuel prices supportive
USA	2015: 17.4 (+6%); 2016: 17.5 (+1%)	• Positive growth in the calendar year 2015 of around 6% due to favorable economic environment • Modest growth of 1% in 2016 after strong 2015 expected
China	2015: 20.0 (+9%); 2016: 21.3 (+6%)	• Declining demand in first half 2015, government supported accelerated growth in last 3 months of 2015 • Positive growth in 2016 expected but instable forecast
TOTAL	CY 2015: 78 (+3%); CY 2016: ~80 (~2%)	• Overall growing expectations with significant regional differences. Uncertainty with respect to political tensions and economic conditions

Source: VDA (as of April 2016), HELLA own analysis

Outlook
Company specific outlook FY 2015/16

Presuming no serious economic turmoil, we assume a further positive development of the operative HELLA business, however a decline in EBIT due to one-off charges in the FY 2015/16:

	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)	**47 mill. EUR**	Already booked in 9 months FY 15/16, no further burden in Q4
EBIT	**Below previous year**	Drag on EBIT due to supplier default cannot be offset by strong sales development. EBIT margin will decrease relative to the prior year
EBIT adjusted by one-offs for supplier default	**Mid to high single-digit percentage growth**	No change in guidance without supplier case (as stated in Q1 & Q2)

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Thanks for your attention

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