



## **HELLA experiences slow start to the new fiscal year as expected**

- **Currency and portfolio-adjusted sales decline by 5.5 percent to € 1.6 billion in the first quarter; reported sales drop by 12.1 percent after portfolio changes**
- **Adjusted earnings before interest and taxes decrease in the first three months to € 113 million; adjusted EBIT margin is 7.2 percent**
- **Further decline in industry development negatively impacts Automotive sales; Aftermarket segment maintains profitability at the previous year's level; Special Applications has a weak business in individual customer markets**
- **Outlook for the current fiscal year 2019/2020 confirmed**

**Lippstadt, 26 September 2019.** Globally positioned automotive supplier HELLA has concluded the first three months of the new fiscal year with the anticipated decline in sales and earnings. In the first quarter of fiscal year 2019/2020 (1 June to 31 August 2019), currency and portfolio-adjusted sales fell by 5.5 percent to € 1.6 billion (prior year: € 1.7 billion) due to the further decline of the automotive market. Reported consolidated sales also dropped by 12.1 percent as the result of portfolio changes.

At the same time, the adjusted earnings before interest and taxes (adjusted EBIT) decreased to € 113 million (prior year: € 134 million). The adjusted EBIT margin has therefore declined to 7.2 percent (prior year: 8.1 percent). Taking into account restructuring measures and portfolio effects, the reported earnings before interest and taxes (EBIT) fell to € 111 million (prior year: € 139 million), corresponding to a reported EBIT margin of 7.1 percent (prior year: 7.8 percent).

“It was the difficult start to the new fiscal year that we anticipated. The automotive industry continued to weaken in the first quarter, with light vehicle production again declining significantly,” said HELLA CEO Dr. Rolf Breidenbach. “Despite the negative industry trend, our Automotive business developed better than the market as a whole. This affirms our strategy of consistently aligning our activities with major trends such as electrification and autonomous driving.”



## **Further decline in industry development negatively impacts Automotive sales**

Reported sales from the Automotive segment decreased in the first quarter by 3.6 percent to € 1.3 billion (prior year: € 1.4 billion). A major cause of this was, on the one hand, the continuing decline in the industry development, with global light vehicle production falling by 7.1 percent over the same period. On the other hand, pull-forward effects related to the WLTP introduction in September 2018 led to an extraordinarily high prior-year figure. As a result of the reduced business volume and continued increase in capital expenditure for research and development, the segment's earnings before interest and taxes in the first quarter decreased to € 93 million (prior year: € 106 million). The EBIT margin subsequently dropped to 7.0 percent (prior year: 7.6 percent).

## **Aftermarket segment maintains profitability at the previous year's level**

In the Aftermarket segment, reported sales declined by 8.9 percent to € 159 million (prior year: € 174 million). The cause for this was lower market demand in the spare parts business. Moreover, the corresponding quarter in the previous year was characterised by exceptionally high demand for workshop products due to new regulatory requirements in Germany. The segment's earnings before interest and taxes fell to € 13 million in the first three months (prior year: € 15 million). Thanks to improved cost efficiency, the EBIT margin of 8.4 percent was maintained at the previous year's level.

## **Special Applications has a weak business in individual customer markets**

In the first three months of the fiscal year, sales in the Special Applications segment declined to € 83 million (prior year: € 100 million). This decline is mainly attributable to weaker demand in the business for agricultural and construction vehicles, as well as for trailers. Despite further efficiency improvements, the segment's EBIT dropped to € 8 million (prior year: € 13 million) due to lower sales and higher cost ratios for



research and development as well as distribution. The EBIT margin therefore comes to 9.4 percent (prior year: 12.8 percent).

## **Outlook for the current fiscal year 2019/2020 confirmed**

After the first quarter, HELLA confirms its company outlook for the current fiscal year 2019/2020. "The industry is still facing a great deal of uncertainties and challenges. We still do not expect the market to recover. Quite the opposite: the global automotive industry will continue to weaken in the foreseeable future," said Dr. Rolf Breidenbach. "Nevertheless, we are still on track to achieve our targets for the year at the present time." For the current fiscal year 2019/2020, HELLA expects currency and portfolio-adjusted sales in the range from around € 6.5 billion to € 7.0 billion, and an EBIT margin adjusted for restructuring measures and portfolio effects in the range from around 6.5 percent to 7.5 percent.



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

	<b>Fiscal year 2019/2020</b>	<b>Fiscal year 2018/2019</b>	<b>Change</b>
<b>Sales</b> currency and portfolio-adjusted	1,558	1,650	-5.5%
<b>Sales</b> reported	1,570	1,787	-12.1%
<b>Adjusted earnings before interest and taxes</b> (adjusted EBIT)	113	134	-15.6%
<b>Earnings before interest and taxes (EBIT)</b>	111	139	-19.8%
<b>Adjusted EBIT margin</b>	7.2%	8.1%	-0.9 pp
<b>EBIT margin</b>	7.1%	7.8%	-0.7 pp

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

The financial statement on the first quarter of fiscal year 2019/2020 can now be downloaded from the HELLA GmbH & Co. KGaA [website](#).

**Please note:**

This text and corresponding photo material can also be found in our press database at: [www.hella.com/press](http://www.hella.com/press)

**HELLA GmbH & Co. KGaA, Lippstadt:** HELLA is a global, family-owned company, listed on the stock exchange, with over 125 locations in some 35 countries. With sales of € 7.0 billion in the fiscal year 2018/2019 and 39,000 employees, HELLA is one of the leading automotive suppliers. HELLA specializes in innovative lighting systems and vehicle electronics and has been an important partner to the automotive industry and aftermarket for more than a century. Furthermore, in its Special Applications segment, HELLA develops, manufactures and sells lighting and electronic products for specialist vehicles.

# PRESS RELEASE



**For additional information please contact:**

Dr Markus Richter  
Company spokesman  
HELLA GmbH & Co. KGaA  
Rixbecker Strasse 75  
59552 Lippstadt  
Germany  
Phone: +49 (0)2941 38-7545  
Fax: +49 (0)2941 38-477545  
Markus.Richter@hella.com  
[www.hella.com](http://www.hella.com)