



## **HELLA compensates for challenging market conditions and outperforms the automotive sector in the fiscal year 2018/2019**

- **Currency and portfolio-adjusted sales rise by 5.0 percent in the fiscal year 2018/2019; portfolio effects reduce reported consolidated sales by 1.0 percent to € 7.0 billion**
- **Adjusted earnings before interest and taxes improve to € 585 million; adjusted EBIT margin increases to 8.4 percent**
- **Automotive segment benefits from high demand for lighting systems and electronic components; Aftermarket significantly improves profitability; Special Applications sees positive progress in the business for agricultural and construction vehicles**
- **Special dividend proposed as a result of strong development of the balance sheet and the sale of the wholesale business; total dividend at € 3.35 per share**
- **Company outlook reflects major uncertainties in market environment and further declining industry development**

**Lippstadt, 9 August 2019.** Globally positioned automotive supplier HELLA has ended the fiscal year 2018/2019 (1 June 2018 to 31 May 2019) with an increase in sales and earnings. Currency and portfolio-adjusted sales have risen by 5.0 percent compared to the previous year. Reported sales decreased to € 7.0 billion (previous year: € 7.1 billion) as a result of divestment from the wholesale business and taking the effects of exchange rates into consideration.

Earnings before interest and taxes adjusted for restructuring measures and portfolio effects (adjusted EBIT) increased by 5.9 percent to € 585 million (previous year: € 552 million). This corresponds to an adjusted EBIT margin of 8.4 percent (previous year: 8.3 percent). Reported earnings before interest and taxes (EBIT) increased to € 808 million (previous year: € 574 million); above all this was due to extraordinary income from the successful divestment from the wholesale business. The reported EBIT margin is therefore 11.6 percent (previous year: 8.1 percent).



“The general conditions for HELLA have noticeably deteriorated in the past fiscal year. Global light vehicle production on the whole is in decline,” says HELLA CEO Dr. Rolf Breidenbach. “The fact that we were still able to substantially outperform the market is above all attributable to our solid business model, which includes innovative lighting and electronic solutions for the major trends on the automotive market, as well as to our broad international positioning.” HELLA has grown rapidly over the course of the past fiscal year, in particular in North, Central and South America, which saw an increase in sales of 13 percent. However, business developed positively also in Europe, with growth of over 6 percent. This made it possible to offset fluctuations in demand on other important markets such as China.

## **Automotive segment benefits from high demand for lighting systems and electronic components**

The Automotive segment in particular was the main driver for the company-wide increase in sales in the fiscal year 2018/2019. This was due to high demand for lighting systems and electronic solutions, especially in the area of driver assistance systems and energy management. As a result, reported sales in the segment increased by 6.1 percent to € 5.8 billion (previous year: € 5.4 billion). Given the increases in capital expenditure on research and development and ever-increasing material and personnel costs, the segment’s adjusted EBIT decreased slightly compared with the previous year to € 452 million (previous year: € 459 million). The adjusted EBIT margin therefore decreased accordingly to 7.8 percent (previous year: 8.5 percent).

## **Aftermarket sees significantly improved profitability**

Not including the divested wholesale business, sales in the Aftermarket segment rose by 2.7 percent to € 665 million (previous year: € 647 million). Sales of sophisticated workshop equipment, such as emissions testing devices and beamsetters, saw strong growth. The segment’s adjusted EBIT increased substantially to € 70 million (previous year: € 53 million) and the adjusted EBIT margin consequently rose to 10.5 percent (previous year: 8.1 percent). The increase in earnings was bolstered by a higher gross



profit margin and improved cost efficiency following the segment's strategic realignment.

## **Special Applications sees positive progress in the business for agricultural and construction vehicles**

In the Special Applications segment, the agricultural and construction vehicles business was particularly successful. However, due to closure of the production site in Australia, reported sales for the segment decreased by 7.0 percent overall to € 399 million (previous year: € 430 million). Excluding this site closure, the segment's sales would have increased by 2.2 percent. Adjusted EBIT for the segment rose significantly to € 61 million (previous year: € 48 million). The adjusted EBIT margin increased to 15.2 percent (previous year: 11.2 percent). The significant improvement in profitability is the result of good business development in products for agricultural and construction vehicles as well as income from the site closure in Australia.

## **Special dividend proposed as a result of strong development of the balance sheet and the sale of the wholesale business; total dividend at € 3.35 per share**

In line with the Company's established policy for dividend development, the payment of a regular dividend amounting to € 1.05 per share (previous year: € 1.05) is proposed for fiscal year 2018/2019. Furthermore, given the strong development in the balance sheet in recent years and the successful divestment from the wholesale business, company management at HELLA GmbH & Co. KGaA will propose the payment of a special dividend amounting to € 2.30 per share at the annual general meeting on 27 September 2019. The total dividend for the fiscal year 2018/2019 would therefore be € 3.35 per share.

## **Company outlook reflects major uncertainties in market environment and further declining industry development**

In view of the continuing high uncertainties in the market environment and the further declining industry development, HELLA expects for the current fiscal year 2019/2020



currency and portfolio-adjusted sales in the range from around € 6.5 billion to € 7.0 billion (previous year portfolio-adjusted: approx. € 6.8 billion) as well as an EBIT margin adjusted for restructuring measures and portfolio effects in the range from around 6.5 percent to 7.5 percent (previous year portfolio-adjusted: 8.4 percent). “The automotive industry will not recover in the short term. We assume instead that markets will continue to decline,” says Dr. Rolf Breidenbach. “Despite these challenges, our strategic orientation and our well filled order books mean that we have the potential to outperform the automotive market also in the future, and to benefit from changes in the industry in the long term.”

**Selected key financial indicators (in € million or as a percentage of sales):**

	<b>Fiscal year 2018/2019</b>	<b>Fiscal year 2017/2018</b>	<b>Change</b>
<b>Sales reported</b>	6,990	7,060	-1.0%
<b>Sales portfolio-adjusted</b>	6,968	6,619	+5.3%
<b>Adjusted earnings before interest and taxes (adjusted EBIT)</b>	585	552	+5.9%
<b>Earnings before interest and taxes (EBIT)</b>	808	574	+40.6%
<b>Adjusted EBIT margin</b>	8.4%	8.3%	+0.1 pp
<b>EBIT margin</b>	11.6%	8.1%	+3.4 pp

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

The annual report for the fiscal year 2018/2019 is now available for download on 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)

## PRESS RELEASE



**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.

**For more 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