

Financial statement, 31 March 2023

**First quarter
of fiscal year 2023**

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Key performance indicators

	1st quarter	
	1 January to 31 March 2023	1 June to 31 August 2022
Currency and portfolio-adjusted sales (in € million)	2,026	1,792
Operating income margin	5.6%	4.2%
Ratio of net cash flow to sales	-1.9%	-0.6%

in € million	1st quarter	
	1 January to 31 March 2023	1 June to 31 August 2022
Sales	1,990	1,792
Operating Income	111	76
Earnings before interest and taxes (EBIT)	106	75
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	237	192
Earnings for the period	71	50
Earnings per share (in €)	0.63	0.45
Net cash flow	-38	-10
Capital expenditures	157	188
Research and development (R&D) expenses	215	186

	1st quarter	
	1 January to 31 March 2023	1 June to 31 August 2022
EBIT margin	5.3%	4.2%
EBITDA margin	11.9%	10.7%
Capital expenditure in relation to sales	7.9%	10.5%
R&D expenses in relation to sales	10.8%	10.4%

	31 March 2023	31 December 2022
	Net financial liquidity (in € million)	4
Equity ratio	43.2%	41.9%
Employees	36,860	36,280

HELLA changed its fiscal year to the calendar year with effect from 1 January 2023. The first quarter of the fiscal year 2023 covers the period from 1 January to 31 March 2023; the corresponding figures for the prior year relate to the first fiscal quarter of the short fiscal year 2022 (1 June to 31 August 2022). Due to seasonal effects, the two periods are only comparable to a limited extent.

- In the first quarter of the fiscal year 2023, **global light vehicle production** is at 21.1 million new passenger cars and light commercial vehicles
- **Currency and portfolio-adjusted sales** increase by 13.1% to €2,026 million and by 11.1% to €1,990 million on a reported basis compared to the first quarter of the short fiscal year 2022
- **Operating Income** increases to €111 million; operating income margin improves to 5.6%
- **Net cash flow in relation to sales** is at -1.9%
- **Successful business development of** the Company is supported by all business groups
- Compared to the **first quarter of calendar year 2022**, reported sales growth is 14.4%; operating income margin is down 0.2 percentage points and net cash flow in relation to sales 4.0 percentage points
- **Company outlook for** the fiscal year 2023 confirmed

Industry development

- In the first quarter of the fiscal year 2023, global light vehicle production is at 21.1 million new passenger cars and light commercial vehicles

According to market research institute IHS Markit (as of April 2023), 21.1 million new passenger cars and light commercial vehicles (Q1 short fiscal year 2022: 21.1 million units) were produced worldwide in the first quarter of HELLA's fiscal year 2023 (1 January to 31 March 2023). Compared to the first quarter of calendar year 2022, this would correspond to growth of 5.7% (Q1 calendar year 2022: 19.9 million units).

In terms of market volumes by region, light vehicle production in Europe was 4.6 million units (Q1 short fiscal year 2022: 3.6 million units); of which

1.2 million units were produced in the German market (Q1 short fiscal year 2022: 0.8 million units). In North, Central and South America, 4.6 million units were produced in the corresponding period (Q1 short fiscal year 2022: 4.4 million units), of which 2.6 million units were produced in the US market (Q1 short fiscal year 2022: 2.5 million units). In Asia/Pacific/Rest of World, the market volume was 11.9 million new passenger cars and light commercial vehicles (Q1 short fiscal year 2022: 13.1 million units); the share of the Chinese market in this region is 5.7 million units (Q1 short fiscal year 2022: 7.1 million units).

Production of passenger cars and light commercial vehicles during first quarter

in thousands	1st quarter 1 January to 31 March 2023	1st quarter 1 June to 31 August 2022
Europe	4,588	3,598
<i>of which Germany</i>	1,199	812
North, Central and South America	4,568	4,423
<i>of which USA</i>	2,602	2,476
Asia / Pacific / RoW	11,907	13,128
<i>of which China</i>	5,681	7,143
Worldwide	21,063	21,149

Source: IHS Light Vehicle Production Forecast, April 2023

Business development of the HELLA Group

Business development

- Currency and portfolio-adjusted sales increase by 13.1% to €2,026 million and by 11.1% to €1,990 million on a reported basis, compared to the first quarter of the short fiscal year 2022
- Operating income increases to €111 million; operating income margin improves to 5.6%
- Net cash flow (€-38 million) in relation to sales (€1,990 million) is at -1.9%
- Successful business development is supported by all business groups
- Compared to the first quarter of calendar year 2022, reported sales growth is 14.4%; operating income margin is down 0.2 percentage points and net cash flow in relation to sales by 4.0 percentage points

HELLA changed its fiscal year to the calendar year with effect from 1 January 2023. The first quarter of the fiscal year 2023 therefore covers the period from 1 January to 31 March 2023. Unless otherwise stated, the comparative period refers to the first fiscal quarter of the short fiscal year 2022 (1 June to 31 August 2022). Due to seasonal effects, the two periods are only comparable to a limited extent.

In the first quarter of fiscal year 2023, the currency and portfolio-adjusted sales for the HELLA Group increased by 13.1% to €2,026 million (Q1 short fiscal year 2022 year: €1,792 million). Taking exchange rate effects into account, the reported sales improved by 11.1% to €1,990 million (Q1 short fiscal year 2022 year: €1,792 million). In the reporting period, there were no adjustments for portfolio effects.

Compared to the unaudited pro forma figures for the first quarter of calendar year 2022 (1 January to 31 March 2022), the reported sales growth would be 14.4% (Q1 calendar year 2022: €1,739 million).

The successful business development was supported by all reporting segments. The Electronics business group increased sales to €842 million (Q1 short fiscal year 2022: €799 million), due to high demand for radar sensors, high-voltage battery management systems and other core products. Due to overall high production volumes, the Lighting business group's sales improved to €955 million (Q1 short fiscal year 2022: €838 million). In the Life-cycle Solutions business group, sales increased to €283 million (Q1 short fiscal year 2022: €240 million). Contributing factors included a strong spare parts and workshop business as well as a positive development in the agricultural and construction machinery sector.

Reported sales of the HELLA Group

for the first three months of the fiscal year (in € million)

Q1 fiscal year 2021/2022 (1 June to 31 August 2021)	1,473
Q1 short fiscal year 2022 (1 June to 31 August 2022)	1,792
Q1 fiscal year 2023 (1 January to 31 March 2023)	1,990

Consolidated income statement

in € million	1st quarter 1 January to 31 March 2023	1st quarter 1 June to 31 August 2022
Sales	1,990	1,792
Cost of sales	-1,501	-1,382
Gross profit	489	410
Ratio of gross profit to sales	24.6%	22.9%
Research and development expenses	-215	-186
Distribution expenses	-95	-89
Administrative expenses	-75	-61
Other income and expenses	8	2
Operating Income	111	76
Operating income margin	5.6%	4.2%

In the regions, the sales of the total European market increased to €1,174 million compared to the comparative period (Q1 short fiscal year 2022: €906 million). In contrast, seasonal effects reduced sales in the American and Asian markets. In North, Central and South America, sales contracted slightly to €393 million (Q1 short fiscal year 2022: €407 million). In Asia/Pacific/Rest of the World, this decreased to €423 million (Q1 short fiscal year 2022: €478 million). This is due in particular to the Chinese New Year, which now falls within the corresponding reporting period due to the change of the fiscal year.

Operating income (adjusted earnings before interest and taxes excluding the contribution of the associates and joint ventures in relation to reported sales) improved significantly on the comparative period to €111 million (Q1 short fiscal year 2022: €76 million), corresponding to an operating income margin of 5.6% (Q1 short fiscal year 2022: 4.2%). In the first quarter of calendar year 2022, the unaudited operating income margin (pro forma figure) was 5.8%.

The improved profitability was driven in particular by a significant increase in gross profit in the wake of the considerably improved business development. Thus, in the first quarter of the fiscal year 2023, gross profit improved to €489 million (Q1

short fiscal year 2022: €410 million), resulting in a significant increase in the gross profit margin to 24.6% (Q1 short fiscal year 2022: 22.9%).

Research and development expenses increased to €215 million (Q1 short fiscal year 2022: €186 million). The R&D ratio thus increases slightly to 10.8% (Q1 short fiscal year 2022: 10.4%). Research and development expenses arose in particular against the background of high order volumes and in preparation for the corresponding series launches.

Expenses for distribution and administration and the balance of other income and expenses increased to €163 million (Q1 short fiscal year 2022: €148 million). The corresponding ratio of these expenses and income is 8.2% (Q1 short fiscal year 2022: 8.3%).

The net financial result for the first quarter is -€11 million (Q1 short fiscal year 2022 year: -€9 million). Earnings before income taxes have improved to €94 million (Q1 short fiscal year 2022: €66 million). Expenses relating to income taxes amount to €23 million (Q1 short fiscal year 2022: €16 million).

The first quarter of fiscal year 2023 closed with earnings for the period totalling €71 million (Q1 short fiscal year 2022 year: €50 million). Earnings per share are thus €0.63 (Q1 short fiscal year 2022: €0.45).

Operating income

for the first three months of the fiscal year (in € million and as % of sales)

Q1 fiscal year 2021/2022 (1 June to 31 August 2021)	89 (6.0%)
Q1 short fiscal year 2022 (1 June to 31 August 2022)	76 (4.2%)
Q1 fiscal year 2023 (1 January to 31 March 2023)	111 (5.6%)

Financial status

In the first three months of the fiscal year 2023, net cash flow from operating activities dropped by €58 million to €120 million when compared with the prior-year quarter (Q1 short fiscal year 2022: €178 million). This development is mainly due to an increase in working capital, driven by a significant increase in receivables due to higher sales compared to the same quarter of the prior year.

Cash investing activities, without cash payments or receipts for the purchase or sale of company shares, capital increases or repayments, loans granted to investments or securities, amounted to €157 million (Q1 short fiscal year 2022 year: €188 million). These mainly included capital expenditures towards the long-term expansion of the worldwide development, administration and production network. HELLA also invested considerable sums in product-specific capital equipment and in booked series launch preparation projects. Cash-effective capital expenditure fell to 7.9% in relation to sales (Q1 short financial year 2022: 10.5%).

Net cash flow, the key performance indicator newly introduced in the short fiscal year 2022, deteriorated to -€38 million in the first quarter of 2023 (Q1 short fiscal year 2022: -€10 million). This devel-

opment is mainly due to the effects in net cash flow from operating activities and the change in cash investing activities. The net cash flow in relation to sales fell to -1.9% (Q1 short fiscal year 2022: -0.6%). The unaudited net cash flow margin for the first quarter of calendar year 2022 was 2.1% (pro forma value).

As part of the active management of the liquid funds available to the Group, there were outflows of €31 million from securities in the reporting period (Q1 short fiscal year 2022: inflow of €175 million). For liquidity management purposes, capital is usually invested in short-term securities or securities with a liquid market so the funds can be made available for potential operating requirements at short notice.

Cash outflows from financing activities totalled around €127 million (Q1 short fiscal year 2022: inflow of €57 million), mainly due to the timely repayment of the bank loan of a Mexican subsidiary in the amount of USD 125 million at the end of January 2023.

Compared to the end of the prior short fiscal year 2022, liquidity from cash and cash equivalents decreased by €197 million to €1,089 million

Net cash flow

for the first three months of the fiscal year (in € million and in % of sales)

-43 (-2.9%)	Q1 fiscal year 2021/2022 (1 June to 31 August 2021)
-10 (-0.6%)	Q1 short fiscal year 2022 (1 June to 31 August 2022)
-38 (-1.9%)	Q1 fiscal year 2023 (1 January to 31 March 2023)

(31 December 2022: €1,286 million). Including current financial assets, essentially comprising securities of €214 million (31 December 2022: €186 million), the available funds fell to €1,303 million (31 December 2022: €1,472 million).

On this basis, the Management Board is of the opinion that HELLA is able to satisfy its payment obligations.

Financial position

Compared to the reporting date at the end of the short fiscal year 2022, total assets decreased by €83 million to €7,214 million (31 December 2022: €7,298 million). The equity ratio stood at 43.2% and was thus above the level on the balance sheet date of 31 December 2022 (41.9%). The equity ratio relative to total assets adjusted for liquidity comes to 52.7% (31 December 2022: 52.5%).

Current and non-current financial liabilities decreased by €130 million to €1,299 million (31 December 2022: €1,429 million). Net financial liquidity as the balance of cash and current financial assets as well as current and non-current financial liabilities decreased by a total of €39 million to €4 million (31 December 2022: net financial liquidity €43 million).

As at the quarterly reporting date (31 March 2023), the corporate rating by Moody's rating agency remained unchanged at the level of Baa3 with a negative outlook. This means that the Company's investment grade rating continues to be confirmed. Moody's most recently referred to HELLA's current rating in its credit opinion of 20 February 2023.

Further events in the first quarter

New members on the Management board

- HELLA's Shareholder Committee decided in February 2023 to appoint Jörg Weisgerber and Stefan van Dalen as new members of the Management Board of HELLA GmbH & Co. KGaA. Jörg Weisgerber took over the management of HELLA's global electronics business on 1 April 2023; Stefan van Dalen has become the new director of the Lifecycle Solutions business group on 1 April 2023 also. They succeed Björn Twiehaus and Dr. Lea Corzilius who, at their own request and for personal reasons, had agreed with the Shareholder Committee on a mutually agreed termination of their contracts in December 2022 against the background of the contractually agreed special termination rights following a change of control.

Climate-friendly and recyclable headlamps

- Together with other partners, HELLA is researching how headlamps can be made more climate-friendly. Alongside HELLA, the BMW Group, Covestro, geba, Miele, the Heinz Nixdorf Institute at the University of Paderborn, the Fraunhofer Institute for Mechatronic Systems Design IEM and Hamm-Lippstadt University of Applied Sciences are also involved in the NALYSES research project. The results of the project are to be incorporated into the development of future generations of headlamps, but are also to be made available for use in other application and product areas. The three-year project is funded by the Federal Ministry of Education and Research (BMBF). Ways to reduce the carbon footprint of a headlamp over its entire life cycle are being examined. In essence, the aim is to research how products and raw materials can be used for as long as possible consistent with circular economy. The project is also relevant because findings from the project are also to be transferred to vehicle components from the electronics sector as well as to other industries, for example to the production of household appliances.

Opportunity and risk report

As at the quarterly reporting date of 31 March 2023, the company's long-term risk position has not changed fundamentally. Therefore, for further details of the significant opportunities and risks, please refer to the statements made in the annual report 2022, published by the Company on 21 March 2023.

In the short term, there are still uncertainties in the current industry environment due to the continuing shortage of components. The general supply situation has stabilised to some extent. Nevertheless, there are still bottlenecks in certain electronic components, which can lead to reduced production volumes, additional costs for materials and logistics, and inefficiencies in the production processes.

Secondly, there are risks in connection with the war in Ukraine. HELLA does not have its own production or development sites in Ukraine or Russia. Nevertheless, high costs for energy, logistics and

raw materials, uncertainties in energy supply as well as general strains on the market and economic environment can cause risks for the Company's business development. In this context, HELLA is also following other geopolitical conflicts with close attention, especially the relationship between China and Taiwan.

Thirdly, the removal of the coronavirus protection measures in China could lead to a further easing of tensions with regard to the further impact of the coronavirus pandemic. Nevertheless, negative effects resulting from the Covid-19 pandemic on the Company's unit sales and procurement situation still cannot be ruled out at this time.

Forecast report

- According to current forecasts, global light vehicle production will increase by 3.8% to 85.5 million units in the fiscal year 2023 (IHS outlook, as of April 2023)
- Company outlook for the fiscal year 2023 confirmed

Industry outlook

In the fiscal year 2023 (1 January to 31 December 2023), global production of passenger cars and light commercial vehicles will increase by 3.8% to 85.5 million units (calendar year 2022: 82.3 million units) according to current estimates by market research institute IHS Markit (as of April 2023). The industry outlook has been raised slightly from the forecast published in February this year.

According to the current status, IHS Markit thus continues to assume that light vehicle production will increase in all regional markets compared to the prior year. In this regard, IHS currently expects the overall European market to grow by 7.0% to 16.9 million units (calendar year 2022: 15.8 million units); the German automotive market is currently forecast to grow by 19.7%. With regard to the North, Central and South America region, IHS Markit expects light vehicle production there to grow by 5.1% in comparison to the prior year to 18.0 million units (calendar year 2022: 17.1 million units); within this region, the US market is expected to grow by 3.4%. According to current estimates, light vehicle production in Asia/Pacific/Rest of World will grow comparatively moderately by 2.4% to 50.5 million units (calendar year 2022: 49.4 million units), the Chinese market is expected to stagnate at the previous year's level.

Expected production of passenger cars and light commercial vehicles and change compared to the prior year

in thousands	Fiscal year 2023		+/-	Calendar year 2022	
	1 January to 31 December 2023			1 January to 31 December 2022	
Europe	16,938	+7.0%	15,826		
<i>of which Germany</i>	4,311	+19.7%	3,601		
North, Central and South America	17,989	+5.1%	17,122		
<i>of which USA</i>	10,095	+3.4%	9,759		
Asia / Pacific / RoW	50,542	+2.4%	49,366		
<i>of which China</i>	26,155	0.0%	26,150		
Worldwide	85,470	+3.8%	82,314		

Source: IHS Light Vehicle Production Forecast, April 2023

Company outlook

HELLA confirms the outlook for the fiscal year 2023 (1 January to 31 December 2023). Accordingly, the Company expects to generate currency and portfolio-adjusted consolidated sales in the range of around €8.0 to €8.5 billion. With regards to the operating income margin, a figure in the range of around 5.5% to 7.0% continues to be forecast. The Company expects that profitability in the Lighting and Electronics segment will continue to develop in the fiscal year 2023 based on the level of the short fiscal year 2022. With respect to net cash flow in

relation to sales, HELLA still forecasts a target value of approximately 2%. In this regard, HELLA expects an initially lower figure for the operating income margin and the expected net cash flow in relation to sales in the first half of the fiscal year.

The Company's outlook assumes a lower volume development of global light vehicle production compared to the IHS Markit outlook and is thus based on the Company's expected global light vehicle production of around 82 million vehicles.

Selected financial information

Consolidated income statement of HELLA GmbH & Co. KGaA

€ thousand	1st quarter 1 January to 31 March 2023	1st quarter 1 June to 31 August 2022
Sales	1,989,675	1,791,538
Cost of sales	-1,500,803	-1,381,666
Gross profit	488,873	409,872
Research and development expenses	-214,785	-185,827
Distribution expenses	-95,342	-88,905
Administrative expenses	-74,971	-61,385
Other income	9,291	6,468
Other expenses	-1,642	-4,593
Operating Income	111,423	75,630
Earnings from investments accounted for using the equity method	-248	15,598
Other income from investments	-2,455	0
Non-periodic operating income	3,614	6,689
Non-periodic operating expenses	-6,471	-22,964
Earnings before interest and taxes (EBIT)	105,862	74,953
Financial income	12,446	13,440
Financial expenses	-23,925	-22,624
Net financial result	-11,479	-9,184
Earnings before income taxes (EBT)	94,384	65,769
Income taxes	-22,935	-15,785
Earnings for the period	71,448	49,985
of which attributable:		
to the owners of the parent company	70,298	49,696
to non-controlling interests	1,150	289
Basic earnings per share in €	0.63	0.45
Diluted earnings per share in €	0.63	0.45

Segment reporting

Sales with external third parties for the first three months of the fiscal year 2023 (1 January to 31 March) and for the short fiscal year 2022 (1 June to 31 August) are as follows:

€ thousand	Electronics		Lighting		Lifecycle Solutions	
	2023	2022	2023	2022	2023	2022
Sales with third-party entities	762,915	731,497	945,910	821,548	280,058	237,157
Intersegment sales	78,625	67,825	8,927	16,054	2,561	2,697
Segment sales	841,540	799,321	954,837	837,602	282,619	239,854

Segment sales for the first three months of the fiscal year 2023 (1 January to 31 March) and the short fiscal year 2022 (1 June to 31 August) are as follows:

€ thousand	Electronics		Lighting		Lifecycle Solutions	
	2023	2022	2023	2022	2023	2022
Sales from the sale of goods	720,599	703,123	910,114	813,322	264,115	222,905
Sales from the rendering of services	42,316	28,373	35,796	8,225	15,943	14,252
Sales with third-party entities	762,915	731,497	945,910	821,548	280,058	237,157

The reconciliation of sales for the first three months of the fiscal year 2023 (1 January to 31 March) and the short fiscal year 2022 (1 June to 31 August) is as follows:

€ thousand	2023	2022
Total sales of the reporting segments	2,078,996	1,876,777
Sales in other divisions	974	1,381
Elimination of intersegment sales	-90,296	-86,621
Consolidated sales	1,989,675	1,791,538

Consolidated statement of financial position of HELLA GmbH & Co. KGaA

€ thousand	31 March 2023	31 December 2022	31 August 2022
Cash and cash equivalents	1,089,107	1,285,924	804,462
Financial assets	213,642	185,780	244,689
Trade receivables	1,078,648	1,012,367	1,143,857
Other receivables and non-financial assets	274,316	269,842	240,712
Inventories	1,199,975	1,168,198	1,240,473
Current tax assets	41,675	33,807	33,586
Contract assets	58,757	48,834	44,117
Non-current assets held for sale	0	0	31,471
Current assets	3,956,121	4,004,752	3,783,368
Intangible assets	482,208	477,552	414,655
Property, plant and equipment	2,226,199	2,267,298	1,980,688
Financial assets	88,362	94,069	113,086
Investments accounted for using the equity method	200,402	203,008	203,279
Deferred tax assets	93,227	93,411	95,190
Contract assets	75,357	69,958	68,943
Other non-current assets	92,222	87,492	74,633
Non-current assets	3,257,976	3,292,788	2,950,474
Assets	7,214,097	7,297,540	6,733,841
Financial liabilities	134,460	253,861	292,745
Trade payables	1,284,157	1,334,840	1,154,263
Current tax liabilities	66,541	54,015	44,167
Other liabilities	501,321	422,837	456,824
Provisions	197,409	227,603	145,809
Contract obligations	91,176	110,797	85,091
Current liabilities	2,275,065	2,403,953	2,178,899
Financial liabilities	1,164,772	1,174,952	1,177,599
Deferred tax liabilities	40,768	42,152	55,045
Other liabilities	46,168	48,476	84,540
Provisions	573,381	566,938	361,597
Non-current liabilities	1,825,088	1,832,519	1,678,780
Subscribed capital	222,222	222,222	222,222
Reserves and unappropriated surplus	2,887,373	2,835,100	2,650,818
Equity before non-controlling interests	3,109,595	3,057,322	2,873,040
Non-controlling interests	4,349	3,747	3,122
Equity	3,113,944	3,061,069	2,876,163
Equity and liabilities	7,214,097	7,297,540	6,733,841

Consolidated cash flow statement of HELLA GmbH & Co. KGaA

€ thousand	1st quarter 1 January to 31 March 2023	1st quarter 1 June to 31 August 2022
Earnings before income taxes (EBT)	94,384	65,769
Depreciation, amortisation, recorded impairments and reversals of impairments	130,707	116,737
Change in provisions	-33,289	6,140
Other non-cash income/ expenses and cash flows not attributable to operating activities	-8,002	-8,453
Profits/losses from the sale of property, plant and equipment and intangible assets	-5,947	166
Net financial result	11,479	9,184
Change in trade receivables and other assets not attributable to investing or financing activities	-77,319	-39,429
Change in inventories	-42,297	-79,707
Change in trade payables and other liabilities not attributable to investing or financing activities	70,933	116,480
Net tax payments	-16,819	-14,979
Dividends received	0	9,928
Interest received	4,982	1,436
Interest paid	-9,237	-5,697
Net cash flow from operating activities	119,574	177,575
Cash receipts from the sale of intangible assets and property, plant and equipment	10,901	3,392
Payments for the purchase of intangible assets and property, plant and equipment	-168,325	-191,044
Net payments for loans granted to investments	259	-68
Net payments from changes in equity to investments	0	-3,026
Acquisitions/sales of investments and businesses, net of cash and cash equivalents	-25	3,016
Net payments for the purchase, sale and of redemption of securities	-30,766	175,252
Net cash flow from investing activities	-187,956	-12,479
Net payments from the borrowing/repayment of financial liabilities	-126,858	57,288
Dividends paid	-38	0
Net cash flow from financing activities	-126,896	57,288
Net change in cash and cash equivalents	-195,278	222,384
Cash and cash equivalents at the beginning of the reporting period	1,285,924	576,129
Effect of exchange rate changes on cash and cash equivalents	-1,539	5,949
Cash and cash equivalents at the end of the reporting period	1,089,107	804,462

Further notes

01 Basic information

HELLA GmbH & Co. KGaA and its subsidiaries (collectively referred to as the “Group”) develop and manufacture lighting technology and electronics components and systems for the automotive industry. In addition to the development and manufacture of components, the Group also produces complete vehicle modules and air-conditioning systems in joint venture companies. The Group’s production and manufacturing sites are located across the globe; its most significant markets are in Europe, the USA and Asia, particularly China. In addition, HELLA has its own international sales network for all kinds of vehicle accessories.

The Company is a listed stock corporation, which was founded and is based in Lippstadt, Germany. The address of the Company’s registered office is Rixbecker Str. 75, 59552 Lippstadt, Germany. HELLA GmbH & Co. KGaA is registered in the Commercial Register B of the Local Court of Paderborn under the number HRB 6857. Its direct parent company is Forvia Germany GmbH. HELLA GmbH & Co. KGaA is included in the higher-level consolidated financial statements of Faurecia S.E., Nanterre (Hauts-de-Seine), France, which constitutes the highest level controlling company. The consolidated financial statements of Faurecia S.E. are prepared using the French online portal BODACC (Bulletin officiel des annonces civiles et commerciales) and also announced in Germany’s Federal Gazette (Bundesanzeiger).

The information in the financial statement as at 31 March 2023 is stated in thousands of euros (€ thousand). The financial statement is prepared using accounting and measurement methods that are

applied consistently within the Group on the basis of amortised historical cost. This does not apply to assets that are available for sale and derivative financial instruments, which are measured at fair value. The consolidated income statement is prepared using the cost-of-sales method. External segment reporting is based on internal reporting (“management approach”). Segment reporting is based solely on financial information used by the Company’s decision-makers for the internal management of the Company and to make decisions regarding the allocation of resources and the measurement of profitability. Special effects which are clearly differentiated from the operational business are not assessed as part of the operational profitability and are not included in the segment reporting. The current/non-current distinction is observed in the consolidated statement of financial position. The amounts stated under current assets and liabilities are for the most part due for settlement within twelve months. Accordingly, non-current items are mainly due for settlement in more than twelve months. In order to enhance the clarity of the presentation, items of the consolidated statement of financial position and consolidated income statement have been grouped together where this is appropriate and possible. Please note that where sums and percentages in the report have been rounded, differences may arise as a result of commercial rounding.

02 Currency translation

Currency translation differences arising from the translation of earnings and balance sheet items of all Group companies which have a functional currency deviating from the euro are reported within the currency translation differences reserves.

The exchange rates used to translate the main currencies for HELLA were as follows:

	Average 1st fiscal quarter		Reporting date		
	1 January to 31 March 2023	1 June to 31 August 2022	31 March 2023	31 December 2022	31 August 2022
€ 1 = US dollar	1.0730	1.0294	1.0875	1.0666	1.0000
€ 1 = Czech koruna	23.7846	24.6271	23.4920	24.1160	24.5500
€ 1 = Japanese yen	141.9770	139.1302	144.8300	140.6600	138.7200
€ 1 = Mexican peso	20.0453	20.7959	19.6392	20.8560	20.2044
€ 1 = Chinese renminbi	7.3408	6.9394	7.4763	7.3582	6.8947
€ 1 = Romanian leu	4.9197	4.9258	4.9490	4.9495	4.8595
€ 1 = Indian rupee	88.2535	81.3765	89.3995	88.1710	79.5465

03 Notable events

In January 2023, a factoring agreement was concluded for the revolving sale of trade receivables in Mexico. For the receivables sold under the agreement, essentially all opportunities and risks are transferred to the buyer of the receivables; the receivables are consequently derecognised in full.

In the same month, part of the loans within the subsidiary in Mexico totalling USD 125 million was repaid. This leaves financial liabilities to banks in the amount of USD 75 million.

04 Prior-year figures

With effect from 1 January 2023, the fiscal year of HELLA GmbH & Co. KGaA was changed to the period from 1 January to 31 December of the respective year. For the prior year, the period from 1 June 2022 to 31 December 2022 was a short fiscal year. In the consolidated income statement, the reporting period from 1 January 2023 to 31 March 2023 is compared with the period from 1 June to 31 August 2022. In the consolidated balance sheet, the valuations as at 31 March 2023 are compared with the valuations as at 31 August 2022. In the tables of the financial statement, the current first quarter is titled 2023, and the first quarter of the prior short fiscal year 2022 is titled 2022.

As already announced in the annual report for the short fiscal year 2022, the HELLA Group will report the special items previously reported as adjustments as non-periodic income and expenses from the beginning of the fiscal year. At the same time, operating income will be introduced as a new key figure in the consolidated income statement. Accordingly, the previous year's figures are also reported in the new structure.

In addition, the presentation of interest paid and received in the consolidated cash flow statement was adjusted in the current reporting period: Previously, interest paid was reported in net cash flow from financing activities and interest received in net cash flow from investing activities. In future, both interest components will be allocated to net cash flow from operating activities. This adjustment results from the introduction of net cash flow as a performance indicator for Group management, where both interest components are also included. Further details on this can be found in Chapter 06. The change in cash and cash equivalents remains unaffected by this adjustment. This does not result in any changes to other reporting elements. The following table presents the consolidated cash flow statement for the first quarter of the short fiscal year 2022 after the reclassification of the interest components:

€ thousand	2022 as reported	Adjustments	2022 adjusted
Earnings before income taxes (EBT)	65,769	0	65,769
Depreciation and amortisation	116,737	0	116,737
Change in provisions	6,140	0	6,140
Other non-cash income/expenses and cash flows not attributable to operating activities	-8,453	0	-8,453
Losses/profits from the sale of property, plant and equipment and intangible assets	166	0	166
Net financial result	9,184	0	9,184
Change in trade receivables and other assets not attributable to investing or financing activities	-39,429	0	-39,429
Change in inventories	-79,707	0	-79,707
Change in trade payables and other liabilities not attributable to investing or financing activities	116,480	0	116,480
Net tax payments	-14,979	0	-14,979
Dividends received	9,928	0	9,928
Interest received	-	1,436	1,436
Interest paid	-	-5,697	-5,697
Net cash flow from operating activities	181,836	-4,261	177,575
Cash receipts from the sale of intangible assets and property, plant and equipment	3,392	0	3,392
Payments for the purchase of intangible assets and property, plant and equipment	-191,044	0	-191,044
Net payments for loans granted to investments	-68	0	-68
Net payments from changes in equity to investments	-3,026	0	-3,026
Acquisitions/sales of investments and businesses, net of cash and cash equivalents	3,016	0	3,016
Net payments for the purchase, sale and of redemption of securities	175,252	0	175,252
Interest received	1,436	-1,436	-
Net cash flow from investing activities	-11,042	-1,436	-12,479
Net payments from the borrowing/repayment of financial liabilities	57,288	0	57,288
Interest paid	-5,697	5,697	-
Net cash flow from financing activities	51,590	5,697	57,288
Net change in cash and cash equivalents	222,384	0	222,384
Cash and cash equivalents as at 1 June	576,129	0	576,129
Effect of exchange rate changes on cash and cash equivalents	5,949	0	5,949
Cash and cash equivalents as at 31 August	804,462	0	804,462

05 Non-recurring operating income and expenses

The HELLA Group is managed by the Management Board using financial key performance indicators. With the start of the new fiscal year, the operating income margin has now assumed greater significance in the management of the HELLA Group, in addition to the continued tracking of currency and portfolio-adjusted sales growth. A major guideline in assessing the suitability of management indicators is that they have to provide a transparent picture of the Company's operational performance.

Non-recurring operating income and expenses represent one-off effects that by their nature or amount lead to distortions and thus provide an inadequate assessment of the company's operating performance. This essentially comprises income and expenses in connection with changes in the legal structure of the Group, site closures, restructuring measures or the measurement of financial instruments. Therefore, non-recurring operating income and expenses are not included in operating income or the operating income margin.

Non-recurring operating income and expenses are tracked uniformly and consistently across the Group. The main components are explained below:

In the current reporting period 2023, the non-recurring income of €3,614 thousand (prior year: €6,689 thousand) results from income from the remeasurement of investments amounting to €3,614 thousand (prior year: €3,440 thousand). In the reporting period of the prior year, non-recurring income of €2,104 thousand from the sale of shares in the context of venture capital activities and a further €1,146 thousand for income from the recharging of costs incurred in connection with the sale process to the Faurecia Group were also recognised. The non-recurring expenses of €6,471 thousand (prior year: €22,964 thousand) mainly include costs for restructuring measures of €5,918 thousand (prior year: €9,588 thousand). Furthermore, expenses from the remeasurement of investments amounting to €554 thousand (prior year: €13,376 thousand) were incurred.

06 Net cash flow

For the internal management of the HELLA Group, net cash flow has been used as a performance indicator for Group management since the beginning of the fiscal year 2023. Net cash flow is a key performance indicator that is not defined in the International Financial Reporting Standards. However, it is reported as additional information in the HELLA Group's financial reporting as it is used for internal management purposes. The net cash flow is shown in relation to sales in order to provide appropriate information independent of the respective business volume of a reporting period.

For this purpose, the cash receipts from the sale of intangible assets and property, plant and equipment as well as the payments for the procurement of intangible assets and property, plant and equipment are added to the net cash flow from operating activities. The resulting figure is the net cash flow. No adjustment is performed.

Net cash flow deteriorated in the first quarter of 2023 to €-37,850 thousand (prior year: €-10,078 thousand), mainly caused by the reduction in net cash flow from operating activities to €119,574

thousand compared to the same quarter of the prior year (prior year: €177,575 thousand). This development is mainly due to deteriorations in working capital, driven by a massive increase in receivables due to higher sales compared to the same quarter of the prior year. On the other hand, lower cash investment activities without payments or receipts for the purchase or sale of company shares, capital increases or repayments, loans to investments, and securities, which at €157,424 thousand were lower than in the same quarter of the prior year (prior year: €187,653 thousand), had a slightly positive effect. Relative to sales, net cash flow investments fell to -1.9% (prior year: -0.6%).

The performance of the net cash flow for the first three months of the fiscal year 2023 and the short fiscal year 2022 are shown in the following table:

€ thousand	2023	2022
Net cash flow from operating activities	119,574	177,575
Cash receipts from the sale of intangible assets and property, plant and equipment	10,901	3,392
Payments for the purchase of intangible assets and property, plant and equipment	-168,325	-191,044
Net cash flow	-37,850	-10,078

Lippstadt, 21 April 2023

The Managing General Partner of
HELLA GmbH & Co. KGaA

Hella Geschäftsführungsgesellschaft mbH



Michel Favre
(CEO of
Hella Geschäftsführungsgesellschaft mbH)



Yves Andres
(Managing Director of
Hella Geschäftsführungsgesellschaft mbH)



Dr. Lea Corzilius
(Managing Director of
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Bernard Schäferbarthold
(Managing Director of
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Stefan van Dalen
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Jörg Weisgerber
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