

**Six-month financial report
fiscal year 2023**

30 June 2023

FORVIA



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Key performance indicators

	First half-year		2nd quarter	
	1 January to 30 June 2023	1 June to 30 November 2022	1 April to 30 June 2023	1 September to 30 November 2022
Currency and portfolio-adjusted sales (in € million)	4,100	3,818	2,074	2,026
Operating income margin	6.1%	4.6%	6.6%	4.9%
Net cash flow in relation to sales	2.2%	1.8%	6.1%	3.9%

In € million	First half-year		2nd quarter	
	1 January to 30 June 2023	1 June to 30 November 2022	1 April to 30 June 2023	1 September to 30 November 2022
Sales	3,995	3,818	2,005	2,026
Operating Income	245	176	133	100
Earnings before interest and taxes (EBIT)	245	162	139	87
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	505	388	268	196
Earnings for the period	163	135	92	85
Earnings per share (in €)	1.45	1.21	0.82	0.76
Net cash flow	89	70	127	80
Capital expenditures	276	357	119	170
Research and development (R&D) expenses	436	391	221	205

	First half-year		2nd quarter	
	1 January to 30 June 2023	1 June to 30 November 2022	1 April to 30 June 2023	1 September to 30 November 2022
EBIT margin	6.1%	4.3%	6.9%	4.3%
EBITDA margin	12.6%	10.2%	13.4%	9.7%
Capital expenditure in relation to sales	6.9%	9.4%	5.9%	8.4%
R&D expenses in relation to sales	10.9%	10.2%	11.0%	10.1%

	30 June 2023	31 December 2022
Net financial debt / net financial liquidity (in € million)	-196	43
Equity ratio	40.2%	41.9%
Employees	37,628	36,280

HELLA has changed its fiscal year to the calendar year with effect from 1 January 2023. Due to seasonal effects, the periods presented for the first half of the year and the second quarter are comparable only to a limited extent.

- **In the first half of the fiscal year 2023, global light vehicle production** stands at 43.3 million new passenger cars and light commercial vehicles
- **Currency and portfolio-adjusted sales increase** by 7.4% to €4,100 million compared to the first half of the short fiscal year 2022 and by 4.6% to €3,995 million on a reported basis
- **Operating income** stands at €245 million; operating income margin improves to 6.1%
- **Net cash flow in relation to sales** improves to 2.2%
- **Lighting segment sales** amount to €1,953 million, driven among other things by strong business in Europe
- **Electronics** achieves sales of €1,691 million, mainly due to demand for product solutions for automated driving and energy management
- **Sales in the Lifecycle Solutions segment** amount to €551 million; successful spare parts business, new particle counter and high demand in the agricultural and construction machinery sector lead to sales growth
- **Relative to pro forma comparatives for the first half of calendar year 2022**, reported sales growth is 17.3%; operating income margin improves by 2.0 percentage points; net cash flow to sales up 2.4 percentage points from -0.2% in the prior year
- **Company outlook** for the fiscal year 2023 is confirmed

HELLA on the capital market

Low liquidity of HELLA shares

The average daily XETRA trading volume in the first half of the fiscal year 2023 (1 January to 30 June 2023) was around 12,500 shares, the equivalent of around €0.9 million (H1 short fiscal year 2022: around 20,230, approx. €1.42 million). The further decline in the liquidity of the shares is due to the acquisition of the majority of HELLA shares by Faurecia on 31 January 2022. With the number of issued shares remaining unchanged, the market capitalisation as at the reporting date of 30 June 2023 came to €8.01 billion (30 June 2022: €8.91 billion). The HELLA share is currently listed in the MDAX.

Easing inflationary pressures and an end to tight monetary policy: Recovery on the stock markets

In the first half of the fiscal year 2023, the capital markets showed a significant overall recovery in a dynamic market environment. Whereas the MDAX, rose by about 10%, the shares of German automotive stocks, the DAXsector Automobile (hereafter: Prime Automotive), recorded a significant price gain of about 28%.

At the beginning of the year, the expectation of a prospectively less tight monetary policy by the US Federal Reserve and progress by the European Central Bank (ECB) in tackling high inflation led to a strong rally on the capital markets. This initially caused the MDAX and the Prime Automotive to rise by around 13% and 15% respectively by the end of February. Subsequently, in March, turbulence

among regional US banks and fears of a possible spread to the entire sector caused significant price drops on individual days. The stabilisation of the banking sector and positive economic data from China brightened the mood on the stock exchanges again in the further course. The broader capital market indices such as the MDAX showed significant volatility in the second quarter of the half year, with negative news, primarily driven by weak economic and business climate data, central bank decisions on further interest rate hikes and the ongoing US debt dispute, dominating general stock market activity. The Automotive Prime stocks in particular benefited from positive price impulses due to the suspension of the US debt ceiling and the easing of price pressure following the publication of inflation data in June. In addition, positive news from individual companies in the automotive sector led to significant price gains. Thus, the Prime Automotive was able to further expand its gains from the first quarter and closed the second quarter with a gain of around 11%, while the MDAX maintained the level of the first three months.

HELLA share with weaker price performance

The HELLA share ended the first half of the fiscal year 2023 with a price loss of around 5% and a closing price of €72.10. The share price development showed high volatilities at times, which can be attributed to the uncertain capital market environment on the one hand and the share's low trading volume on the other. Accordingly, the share was unable to keep pace with the performance of the broader stock markets in the first two months despite positive impulses from the half-year reporting in mid-January and the presentation of preliminary results for the short fiscal year 2022 including the forecast for 2023 in mid-February.

While the HELLA share initially reacted to the uncertainties triggered by the banking crisis in the USA with price reductions in March, in line with the general market, it showed a below-average price performance in the following months. In May, a technical price discount after payment of the dividend for the short fiscal year 2022 (€2.88 per share, including a special dividend after the HBPO share sale) had a negative impact on the share price development. Although the share followed the upward trend of the markets at the end of the first half of the year, it was not able to compensate for its previous month's losses and closed the second quarter with a minus of around 10%.

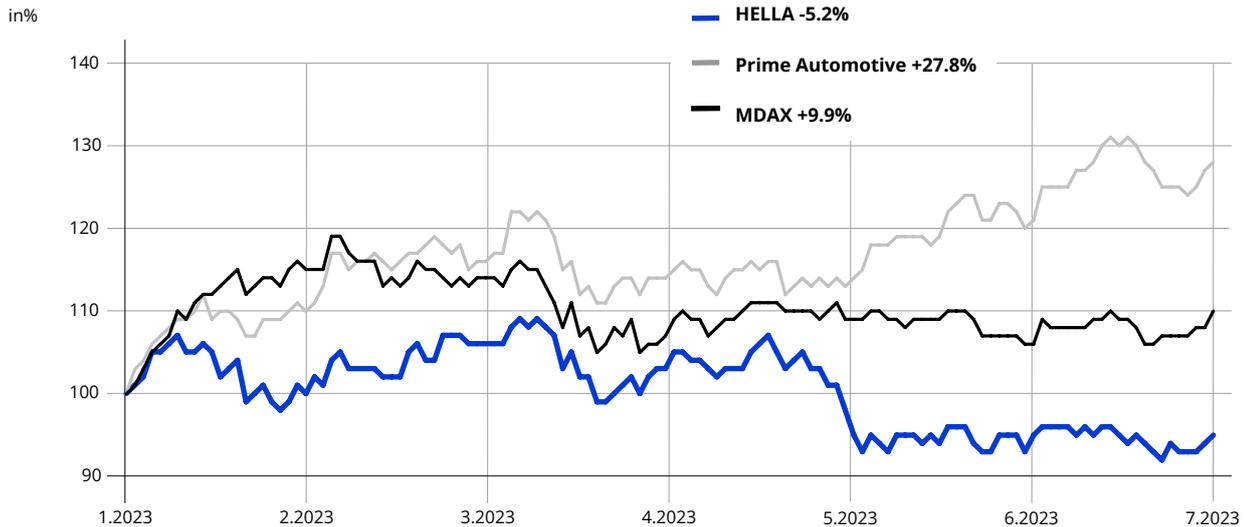
HELLA bonds

Currently, HELLA has two bonds issued: one 1.000% EURO bond (WKN A19HBR) for €300 million, with a seven-year term running until 17 May 2024 and one 0.500% EURO bond (WKN A2YN2Z) for €500 million, also with a seven-year term, running until 26 January 2027.

The corporate rating by Moody's rating agency remains unchanged at the level of Baa3 with a negative outlook. This means that the Company's investment grade rating continues to be confirmed.

Price performance of HELLA shares

indexed to 1 January 2023, compared to MDAX and Prime Automotive

**Data on HELLA shares**

Initial stock market quotation	11 November 2014
Ticker symbol	HLE
ISIN	DE000A13SX22
SIN	A13SX2
Share class	No-par value ordinary bearer shares
Market segments	Prime Standard (Frankfurt Stock Exchange) Regulated market (Luxembourg Stock Exchange)
Index	MDAX

HELLA share KPIs

	€	First half of 2023 (1 January to 30 June)	First half of 2022 (1 June to 30 November)
Closing price	€	72.10	80.20
Highest price	€	82.70	82.10
Lowest price	€	70.00	63.65
Number of shares issued (30 June 2023/30 November 2022)	Number of shares	111,111,112	111,111,112
Market capitalization (30 June 2023/30 November 2022)	€ billion	8.01	8.91
Daily trading volume (average, XETRA trading)	€ million / no. of shares	0.94 / 12,487	1.42 / 20,230
Earnings per share	€	1.45	1.21

Current rating
01 February 2023**Rating agency**

Moody's

Rating

Baa3 / P-3

Outlook

negative

Interim Group management report

Economic development

- According to IMF estimates (as of April 2023), the global economy will grow only moderately by 2.8% in 2023
- High inflation and consequences of the Russian attack on Ukraine weigh on economic development, especially in the industrialised countries

According to the forecast of the International Monetary Fund (IMF) published in April 2023, global economic growth will only increase by 2.8% in the current calendar year. In the previous year, the global gross domestic product had increased by 3.4%. However, due to high inflation and the consequences of Russia's attack on Ukraine, the growth of the global economy is now weakening significantly again; this is particularly affecting the industrialised nations. According to the IMF, the main drivers of the moderate growth expected for 2023 are the economies in China and India. Further information on the expected economic development in 2023 is presented in the forecast report.

Industry development

- 43.3 million new passenger cars and light commercial vehicles were produced in the first half of the fiscal year 2023
- Compared to the first half of the calendar year 2022, this would correspond to a market growth of 11.2%

The figures updated in July 2023 of market research institute S&P Global (formerly IHS Markit) state that 43.3 million new passenger cars and light commercial vehicles were produced in the first half of the fiscal year 2023 (1 January to 30 June 2023) (H1 short fiscal year 2022: 43.9 million units). Compared to the first half of calendar year 2022, this would correspond to growth of 11.2% (H1 calendar year 2022: 38.9 million units).

In Europe, light vehicle production in the first half of 2023 was 9.2 million units (H1 short fiscal year 2022: 8.2 million units), with the German automotive market accounting for 2.3 million units here (H1 short fiscal year 2022: 1.9 million units). In the

Americas, 9.4 million new passenger cars and light commercial vehicles were produced in the half-year period (H1 short fiscal year 2022: 8.9 million units), 5.3 million units of which in the US market (H1 short fiscal year 2022: 5.1 million units). In Asia/Pacific/Rest of World, the production volume was 24.7 million new vehicles (H1 short fiscal year 2022: 26.9 million units), the share of the Chinese market

in this region is 12.4 million units (H1 short fiscal year 2022: 14.6 million units). The lower volumes in the Asian market are due in particular to expiring promotional programmes in the comparison period and the associated pull-forward effects.

Production of passenger cars and light commercial vehicles during first six months

in thousands	First half-year 2023 1 January to 30 June	First half-year 2022 1 June to 30 November
Europe	9,157	8,150
<i>of which Germany</i>	2,296	1,912
North, Central and South America	9,396	8,924
<i>of which USA</i>	5,299	5,084
Asia / Pacific / RoW	24,747	26,870
<i>of which China</i>	12,444	14,592
Worldwide	43,300	43,944

Source: S&P Global Light Vehicle Production Forecast, July 2023

Business development of the HELLA Group

Business development

- Currency and portfolio-adjusted sales increase by 7.4% to €4,100 million and by 4.6% to €3,995 million on a reported basis
- Operating income stands at €245 million; operating income margin improves to 6.1%
- Net cash flow in relation to sales improves to 2.2%
- Relative to pro forma comparatives for the first half of calendar year 2022, reported sales growth is 17.3%; operating income margin improves by 2.0 percentage points; net cash flow to sales up 2.4 percentage points from -0.2% in the prior year

HELLA changed its fiscal year to the calendar year with effect from 1 January 2023. The first half of the fiscal year 2023 therefore covers the period from 1 January to 30 June 2023; the comparative period refers to the first six months of the short fiscal year 2022 (1 June to 30 November 2022). Due to seasonal effects, the two periods are only comparable to a limited extent. Therefore, with regard to the

three most significant performance indicators of the company – currency and portfolio-adjusted sales growth, operating income margin and net cash flow in relation to sales – supplementary additional disclosures are made comparing the current reporting period with the first half of the calendar year 2022 (1 January to 30 June 2022).

In the first half of the fiscal year 2023, HELLA generated Group-wide currency and portfolio-adjusted sales of €4,100 million (H1 short fiscal year 2022: €3,818 million). Taking into account exchange rate effects the reported sales improved to €3,995 million (H1 short fiscal year 2022 year: €3,818 million). In the reporting period, there were no portfolio effects that required adjustment. Compared to the pro forma comparatives for the first half of calendar year 2022 (1 January to 30 June 2022), the reported sales growth would be 17.3% (H1 calendar year 2022: €3,406 million).

Sales in Europe are €2,335 million (H1 short fiscal year 2022: €2,004 million), in North, Central and South America €800 million (H1 short fiscal year 2022: €813 million) and in Asia/Pacific/Rest of

Reported sales of the HELLA Group

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

H1 fiscal year 2021/2022 (1 June to 30 November 2021)	3,037
H1 short fiscal year 2022 (1 June until 30 November 2022)	3,818
H1 fiscal year 2023 (1 January to 30 June 2023)	3,995

Consolidated income statement

in € million	First half-year		2nd quarter	
	1 January to 30 June 2023	1 June to 30 November 2022	1 April to 30 June 2023	1 September to 30 November 2022
Sales	3,995	3,818	2,005	2,026
Cost of sales	-2,997	-2,934	-1,496	-1,553
Gross profit	998	883	509	473
Ratio of gross profit to sales	25.0%	23.1%	25.4%	23.4%
Research and development expenses	-436	-391	-221	-205
Distribution expenses	-191	-182	-95	-93
Administrative expenses	-141	-138	-66	-76
Other income and expenses	14	4	7	2
Operating Income	245	176	133	100
Operating income margin	6.1%	4.6%	6.6%	4.9%

HELLA has changed its fiscal year to the calendar year as of 1 January 2023. Due to seasonal effects, the periods presented are comparable only to a limited extent.

World €860 million (H1 short fiscal year 2022: €1,000 million). The sales decline in the Asian markets can be attributed in particular to lower demand in China, as subsidy programmes expired in the comparison period, which also led to pull-forward effects.

Operating income (adjusted earnings before interest and taxes without contribution to earnings from associates and joint ventures) improved on the comparative period to €245 million (H1 short fiscal year 2022: €176 million), corresponding to an operating income margin (operating income in relation to reported sales) of 6.1% (H1 short fiscal year 2022: 4.6%). The higher profitability was driven in particular by the increased gross profit as well as an improved distribution and administrative expense ratio. In the first half of calendar year 2022 the operating income margin (pro forma comparative) was 4.1%.

In the first half of the fiscal year 2023, gross profit improved to €998 million (H1 short fiscal year 2022: €883 million). Accordingly, the gross profit margin increases significantly to 25.0% (H1 short fiscal year 2022: 23.1%). This was due on the one hand to higher production volumes in the course of the improved sales development and on the other hand to successful cost compensations and an easing of inflation-related cost pressure in some areas.

Research and development expenses increased to €436 (H1 short fiscal year 2022: €391 million). The

R&D ratio thus increases to 10.9% (H1 short fiscal year 2022: 10.2%). Expenditure on research and development was incurred in particular against the background of high order volumes and in preparation for corresponding production launches; in the reporting period, additional investment activities also took place in individual development projects in the electronics area with particularly high safety requirements.

At €317 million, expenses for distribution and administration and the balance of other income and expenses are largely at the level of the comparative period (H1 short fiscal year 2022: €316 million). The higher sales reduces the ratio of expenses to income to 7.9% (H1 short fiscal year 2022: 8.3%).

The net financial result for the first half is -28 million (H1 short fiscal year 2022 year: -€21 million). Earnings before income taxes (EBT) improve significantly to €217 million (H1 short fiscal year 2022: €141 million). Expenses relating to income taxes amount to €54 million (H1 short fiscal year 2022: €6 million).

The first half of fiscal year 2023 closed overall with earnings for the period totalling €163 million (H1 short fiscal year 2022 year: €135 million). Earnings per share are thus €1.45 (H1 short fiscal year 2022: €1.21).

Regional market coverage by customer

	First half-year 2023 1 January to 30 June 2023		First half-year 2022 1 June to 30 November 2022	
	Absolute (in € million)	Relative (in %)	Absolute (in € million)	Relative (in %)
Europe	2,335	58	2,004	53
North, Central and South America	800	20	813	21
Asia / Pacific / RoW	860	22	1,000	26
Total	3,995	100	3,818	100

Financial status

In the first six month period of the fiscal year 2023, net cash flow from operating activities dropped by €62 million to €365 million when compared with the prior-year period (H1 short fiscal year 2022: €427 million). This development is primarily due to a deterioration in working capital, which was caused on the one hand by the growth in sales and on the other hand by continued high inventories as a result of market volatility.

Cash investing activities for intangible assets and property, plant and equipment decreased to €276 million in the six-month period as part of active investment management (H1 short fiscal year 2022: € 357 million). Investing activities 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. Relative to the level of sales in the first half, capital expenditures dropped to 6.9% (H1 short fiscal year 2022: 9.4%).

Net cash flow, the key performance indicator newly introduced in the fiscal year 2023, improved to €89 million in the six-month period of the fiscal year 2023 (H1 short fiscal year 2022: €70 million). The net cash flow in relation to sales fell to 2.2% (H1 short fiscal year 2022: 1.8%). In addition to an expansion of the factoring programme in Mexico,

changes to the programme in Europe are also included in the net cash flow (€60 million in total). The net cash flow margin for the first half of calendar year 2022 was -0.2% (pro forma comparative).

As part of the active management of the liquid funds available to the Group, €28 million accrued from securities in the reporting period (H1 short fiscal year 2022: €215 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.

The dividend of €2.88 per share (including a special dividend after the sale of HBPO shares) adopted at the Annual General Meeting on 28 April 2023 amounted to a total of €320 million and was paid out in full to the shareholders (H1 short fiscal year 2022: €54 million).

Total cash outflows from financing activities came to around €454 million (H1 short fiscal year 2022: €14 million). The net decrease in borrowings amounted to €134 million (H1 short fiscal year 2022: net increase in borrowings of €40 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 €355 million to €931 million (31 Decem-

Operating income

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

H1 fiscal year 2021/2022 (1 June to 30 November 2021)	142 (4.7%)
H1 short fiscal year 2022 (1 June until 30 November 2022)	176 (4.6%)
H1 fiscal year 2023 (1 January to 30 June 2023)	245 (6.1%)

ber 2022: €1,286 million). Including current financial assets, essentially comprising securities of €154 million (31 December 2022: €186 million), the available funds fell to €1,084 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 prior short fiscal year 2022, total assets decreased by €266 million to €7,032 million (31 December 2022: €7,298 million). The equity ratio stood at 40.2% (31 December 2022: 41.9%). The equity ratio relative to total assets adjusted for liquidity comes to 47.6% (31 December 2022: 52.5%).

Current and non-current financial liabilities decreased by €148 million to €1,281 million (31 December 2022: €1,429 million). Net financial debt as the balance of cash and current financial assets as well as current and non-current financial liabilities increased by a total of €239 million to €196 million (31 December 2022: net financial liquidity €43 million).

As at the half-yearly reporting date (30 June 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 referred to HELLA's current rating also in its credit opinion of 20 February 2023.

Net cash flow

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

H1 fiscal year 2021/2022 (1 June to 30 November 2021)	-231 (-7.6%)
H1 short fiscal year 2022 (1 June until 30 November 2022)	70 (+1.8%)
H1 fiscal year 2023 (1 January to 30 June 2023)	89 (+2.2%)

Human Resources

As at the reporting date of the first half of fiscal year 2023 (30 June 2023), HELLA had a total global permanent workforce of 37,628 employees (30 November 2022 year: 36,363 employees). This corresponds to a 3.5% increase in staff compared to the half-year reporting date of the short fiscal year 2022. Personnel resources were increased in particular in the areas of research & development (+6.2%) and production (+2.7%).

Permanent workforce in the HELLA Group

30 November 2021	35,800
30 November 2022	36,363
30 June 2023	37,628

In Europe, HELLA had a total of 22,985 employees as at the half-year reporting date (30 November 2022: 22,526), of which 7,881 were employed at the German sites (30 November 2022: 7,969 employees). As at the reporting date, HELLA employed 7,730 people in North, Central and South America (30 November 2022: 7,290 employees) and 6,913 people in Asia/Pacific/Rest of World (30 November 2022: 6,547 employees).

Further events in the second quarter

■ Annual General Meeting

At the Annual General Meeting of HELLA GmbH & Co. KGaA on 28 April 2023, the shareholders approved the management's proposal to pay a dividend of €2.88 per share for the short fiscal year 2022 with a large majority of 99.99%. This includes a regular dividend of €0.27 per share. The company is thus continuing its established dividend policy of distributing around 30% of the balance sheet profit (excluding the sale of HBPO shares) as a dividend. Secondly, in view of the exit from the HBPO joint venture completed on 12 December 2022, an additional special dividend of €2.61 was paid. In total, the distribution amount is €320 million. The shareholders also approved all other items on the agenda with a broad majority. The HELLA Annual General Meeting was held in Rheda-Wiedenbrück for the first time. Around 120 shareholders and other guests attended the presence event (87.93% of the share capital).

■ E-mobility

HELLA has received numerous series orders from various customers, with which the company is further expanding its leading market position in the growth field of electrification and energy management. Customer projects include nominations for high-voltage battery management, actuator technology and intelligent battery sensors. These series projects will start within the next one to two years in the worldwide HELLA network.

Business development of the segments

Lighting

- Lighting segment sales amount to €1,953 million, mainly due to strong business in Europe
- Operating income stands at to €64 million; operating income margin improves to 3.3%

In the first six months of the 2023 fiscal year, the Lighting Segment generated sales of €1,953 million (H1 short fiscal year 2022: €1,839 million). The increase in sales is mainly based on higher production volumes of current series productions; above all the European markets have supported the successful business development of the Lighting Segment in this context. In contrast, business activities in China in particular have developed weaker. This is due to the generally restrained market environment, which was characterized by the expiration of subsidy programmes and corresponding pull-forward effects.

The operating income of the Lighting Segment amounts to €64 million (H1 short fiscal year 2022: €24 million), the operating income margin thus improves significantly to 3.3% (H1 short fiscal year 2022: 1.3%). This was largely due to higher sales volumes in the wake of improved business performance, as well as successful management of inflation-related price increases, although persistently high inflation continued to have a negative impact on the segment's profitability.

Income statement for the Lighting segment

in € million	First half-year	
	1 January to 30 June 2023	1 June to 30 November 2022
Sales with third-party entities	1,921	1,808
Intersegment sales	31	31
Segment sales	1,953	1,839
Cost of sales	-1,644	-1,582
Gross profit	309	258
Ratio of gross profit to sales	15.8%	14.0%
Research and development expenses	-153	-141
Distribution expenses	-38	-37
Administrative expenses	-58	-57
Other income and expenses	5	2
Operating Income	64	24
Operating income margin	3.3%	1.3%

Electronics

- Electronics achieves sales of €1,691 million, primarily through product solutions for automated driving and energy management
- Operating income stands at €109 million; operating income margin improves to 6.5%

In the first six months of fiscal year 2023, sales in the Electronics segment amounts to €1,691 million (H1 short fiscal year: € 1,654 million). The main drivers were in particular the business activities in the areas of automated driving and energy management, for example with radar sensors and high-voltage battery management systems. The improvement mainly stems from the European market.

The segment's operating income amounts to €109 million (H1 short fiscal year 2022; €101 million), the operating income margin increases to 6.5% (H1 short fiscal year 2022: 6.1%). This was primarily driven by a significantly improved gross profit margin. This was in parts offset by further intensified research and development activities to realise the high order backlog. In this context, additional development expenses have also been incurred for individual development projects with particularly high functional safety requirements. This includes projects for radar sensors and steering electronics.

Income statement for the Electronics segment

in € million	First half-year	
	1 January to 30 June 2023	1 June to 30 November 2022
Sales with third-party entities	1,526	1,508
Intersegment sales	166	146
Segment sales	1,691	1,654
Cost of sales	-1,232	-1,232
Gross profit	459	422
Ratio of gross profit to sales	27.1%	25.5%
Research and development expenses	-259	-228
Distribution expenses	-34	-34
Administrative expenses	-64	-59
Other income and expenses	7	0
Operating Income	109	101
Operating income margin	6.5%	6.1%

Lifecycle Solutions

- Sales of the Lifecycle Solutions segment amount to €551 million; successful spare parts business, new particle counter and high demand in the agricultural and construction machinery sector lead to sales growth
- Operating income stands at €74 million; operating income margin improves to 13.5%

In the Lifecycle Solutions segment, sales in the first half of fiscal year 2023 totalled €551 million (H1 short fiscal year 2022: €500 million). Firstly, a strong spare parts business contributed to this, among other things in the country markets of Poland, Mexico and Brazil; secondly, the market launch of a new particle counter in the workshop equipment seg-

ment supported business development. Thirdly, the agricultural and construction machinery business continued to develop successfully, partly as a result of seasonal effects; the segment also grew with customers from the bus and truck sector.

The operating income of the Lifecycle Solutions segment amounts to €74 million (H1 short fiscal year 2022: €52 million), the operating income margin is 13.5% (H1 short fiscal year 2022: 10.5%). The main drivers for the significantly improved profitability are, in particular, the higher product volumes, which led to an improved gross profit margin despite high cost burdens in materials, energy and personnel, as well as a reduced distribution and administrative expense ratio.

Income statement for the Lifecycle Solutions segment

in € million	First half-year	
	1 January to 30 June 2023	1 June to 30 November 2022
Sales with third-party entities	546	494
Intersegment sales	5	5
Segment sales	551	500
Cost of sales	-319	-297
Gross profit	232	203
Ratio of gross profit to sales	42.1%	40.7%
Research and development expenses	-23	-21
Distribution expenses	-118	-112
Administrative expenses	-23	-20
Other income and expenses	6	2
Operating Income	74	52
Operating income margin	13.5%	10.5%

Opportunity and risk report

As at the half-yearly reporting date of 30 June 2023, the company's long-term risk position has not changed fundamentally. Therefore, for further details of the significant opportunities and risks, please refer the statements made in the Annual Report 2022, published by the Company on 21 March 2023.

In the short term, there are still uncertainties due to the continuing shortage of components. Although the general supply situation has stabilised to some extent, there are still ongoing bottlenecks in certain electronic components, which can lead to reduced production volumes in the automotive market, additional costs for materials and logistics, and inefficiencies in the production process.

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, the war continues to lead to persistently high costs for energy, logistics and raw materials, even though the situation on the energy

markets in particular has stabilised again in parts. At the same time, high inflation can cause further risks for the Company's business development, on the one hand through general burdens in the market and economic environment and on the other hand through a default risk on the supplier side. In geopolitical context, HELLA is also attentively and intently following other conflicts, especially the relationship between China and Taiwan. This also includes risks for own production sites in China as well as further impacts on global supply chains.

The risk associated with the further development of the coronavirus pandemic has been significantly reduced, according to the company's assessment, due to the increasing immunisation within the population. This also includes the Chinese market after the lifting of the restrictive corona measures there. Nevertheless, the occurrence of virus variants that evade population immunity and could thus cause renewed severe waves of infection cannot be ruled out in the future.

Forecast report

- Economy recovering only slowly: slight growth of global gross domestic product by 2.8% expected in calendar year 2023 (IMF forecast as of April 2023)
- Production of passenger cars and light commercial vehicles will increase by 5.3% to 86.7 million units in 2023 (S&P Global outlook as of July 2023)
- Company outlook for the fiscal year 2023 confirmed

Economic outlook

As outlined in the introductory section on economic development, the International Monetary Fund (IMF) expects the global economy to recover only slowly. In its study published in April 2023, the IMF put global economic growth at 2.8% and revised its growth expectations downwards by 0.1 percentage points compared to its previous forecast (IMF Outlook January 2023). According to the IMF, economic development is being impaired in particular by persistently high inflation and the consequences of the Russian war of aggression on Ukraine. According to the IMF, the economy will grow only slowly in the current calendar year, especially in the indus-

trialised countries, while the IMF estimates that China and India will account for around half of global growth.

Accordingly, in its April outlook, the IMF expects the economy in the eurozone to grow only moderately by 0.8%; Germany is one of the few industrialised nations for which the IMF expects a recession according to current estimates (-0.1%). Economic growth is expected to be 1.6% in the USA and 5.2% in China.

Industry outlook

According to the July 2023 outlook update from market research firm S&P Global (formerly IHS Markit), global production of passenger cars and light commercial vehicles will increase by 5.3% to 86.7 million units in the fiscal year 2023 (1 January to 31 December 2023) (calendar year 2022: 82.3 million units). The industry outlook has thus been revised upwards compared to the April forecast, in particular due to a more optimistic market expectation in the European and American markets (industry outlook as of April 2023: +3.8%), even though market volumes will still be significantly below the pre-crisis level according to current estimates.

Expected production of passenger cars and light commercial vehicles and change compared to the prior year (in %)

in thousands	1 January until 31 December 2023	+/-	1 January to 31 December 2022
Europe	17,435	+10.1%	15,829
<i>of which Germany</i>	4,381	+21.6%	3,604
North, Central and South America	18,300	+6.9%	17,120
<i>of which USA</i>	10,286	+5.4%	9,758
Asia / Pacific / RoW	50,958	+3.2%	49,397
<i>of which China</i>	26,304	+0.6%	26,150
Worldwide	86,694	+5.3%	82,346

Source: S&P Global Light Vehicle Production Forecast, July 2023

For the European market, S&P Global currently forecasts growth of 10.1% to 17.4 million new passenger cars and light commercial vehicles (calendar year 2022: 15.8 million units); the German market is expected to grow by 21.6%. Vehicle production in North, Central and South America is forecast to grow by 6.9% in comparison to the prior year to 18.3 million units (calendar year 2022: 17.1 million units); within this region, the US market is expected to grow by 5.4%. In Asia/Pacific/Rest of World, production figures will increase modestly by 3.2% to 51.0 million units (calendar year 2022: 49.4 million units); this will be driven by the automotive markets in India and Japan, among others, whereas the Chinese market is forecast to grow only very slightly by 0.6%.

Company outlook

Based on current estimates, HELLA now expects light global vehicle production to be around 86 million units in the period of the fiscal year 2023 (1 January to 31 December 2023). Based on this assumption, the Company's outlook remains in line with the forecast published in the Annual Report 2022.

Accordingly, the Company expects to achieve currency and portfolio-adjusted Group sales in the range of around €8.0 billion to €8.5 billion. The operating income margin is still forecast to be in the range of around 5.5% to 7.0%. Both adjusted sales and operating income margin are expected to be around the midpoint of the forecast range. With regard to net cash flow in relation to sales, HELLA continues to forecast a target value of approximately 2%.

The company expects profitability in the Lighting and Electronics segments to develop further based on the level of the short fiscal year 2022.

Condensed Interim consolidated financial statements

Consolidated income statement
of HELLA GmbH & Co. KGaA

€ thousand	First half-year 1 January to 30 June 2023 1 June to 30 November 2022		2nd quarter 1 April to 30 June 2023 1 September to 30 November 2022	
	2023	2022	2023	2022
Sales	3,994,945	3,817,514	2,005,270	2,025,976
Cost of sales	-2,997,238	-2,934,230	-1,496,436	-1,552,564
Gross profit	997,706	883,284	508,834	473,412
Research and development expenses	-435,866	-391,221	-221,081	-205,394
Distribution expenses	-190,525	-182,336	-95,182	-93,431
Administrative expenses	-140,986	-137,577	-66,015	-76,191
Other income	20,259	11,912	10,968	5,444
Other expenses	-5,837	-8,260	-4,195	-3,667
Operating Income	244,751	175,803	133,328	100,173
Earnings from investments accounted for using the equity method	6,297	25,500	6,545	9,902
Other income from investments	-1,991	374	464	374
Non-periodic operating income	10,843	7,872	7,230	1,182
Non-periodic operating expenses	-15,259	-47,187	-8,788	-24,224
Earnings before interest and taxes (EBIT)	244,641	162,360	138,779	87,407
Financial income	16,436	15,547	3,989	2,108
Financial expenses	-44,450	-36,601	-20,525	-13,977
Net financial result	-28,014	-21,053	-16,536	-11,869
Earnings before income taxes (EBT)	216,626	141,307	122,243	75,538
Income taxes	-53,507	-6,393	-30,571	9,392
Earnings for the period	163,120	134,914	91,671	84,929
of which attributable:				
to the owners of the parent company	161,536	133,978	91,238	84,282
to non-controlling interests	1,584	936	434	647
Basic earnings per share in €	1.45	1.21	0.82	0.76
Diluted earnings per share in €	1.45	1.21	0.82	0.76

Consolidated statement of comprehensive income

(after-tax analysis) of HELLA GmbH & Co. KGaA

€ thousand	First half-year 1 January to 30 June 2023 1 June to 30 November 2022		2nd quarter 1 April to 30 June 2023 1 September to 30 November 2022	
	2023	2022	2023	2022
Earnings for the period	163,120	134,914	91,671	84,929
Currency translation differences	-74,474	-14,364	-51,743	-80,779
Changes recognised in equity	-74,474	-14,364	-51,743	-80,779
Profits (-) / losses (+) reclassified to profit or loss	0	0	0	0
Financial instruments for cash flow hedging	13,122	23,070	3,167	10,769
Changes recognised in equity	23,836	16,434	9,615	17,782
Profits (-) / losses (+) reclassified to profit or loss	-10,713	6,636	-6,448	-7,013
Change in fair value of debt capital instruments held	-1,203	-986	-4,441	357
Changes recognised in equity	-1,089	-1,024	-2,910	338
Profits (-) / losses (+) reclassified to profit or loss	-114	38	-1,531	19
Share of other comprehensive income attributable to associates and joint ventures	-10,609	-3,778	-8,250	-8,366
Items that were or can be transferred to profit or loss	-62,555	7,720	-53,017	-69,653
Remeasurements of defined benefit plans	-11,276	10,563	-2,620	899
Share of other comprehensive income attributable to associates and joint ventures	6	0	6	-15
Items never transferred to profit or loss	-11,276	10,563	-2,620	899
Other earnings for the period	-73,831	18,283	-55,637	-68,754
Comprehensive income for the period	89,289	153,197	36,034	16,175
of which attributable:				
to the owners of the parent company	88,708	152,581	36,435	15,830
to non-controlling interests	581	616	-401	345

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

€ thousand	30 June 2023	31 December 2022	30 November 2022
Cash and cash equivalents	930,585	1,285,924	841,389
Financial assets	153,913	185,780	204,412
Trade receivables	1,077,100	1,012,367	1,266,924
Other receivables and non-financial assets	287,639	269,842	216,931
Inventories	1,197,836	1,168,198	1,185,488
Current tax assets	32,032	33,807	34,300
Contract assets	122,796	48,834	44,391
Assets held for sale	0	0	31,471
Current assets	3,801,901	4,004,752	3,825,304
Intangible assets	480,868	477,552	436,736
Property, plant and equipment	2,197,096	2,267,298	1,970,398
Financial assets	74,864	94,069	101,195
Investments accounted for using the equity method	197,303	203,008	203,020
Deferred tax assets	96,680	93,411	106,456
Contract assets	82,111	69,958	57,082
Other non-current assets	100,983	87,492	83,459
Non-current assets	3,229,905	3,292,788	2,958,344
Assets	7,031,805	7,297,540	6,783,648
Financial liabilities	428,796	253,861	277,006
Trade payables	1,392,820	1,334,840	1,264,338
Current tax liabilities	60,924	54,015	56,538
Other liabilities	523,651	422,837	450,531
Provisions	242,032	227,603	157,616
Contract obligations	117,175	110,797	122,092
Current liabilities	2,765,397	2,403,953	2,328,121
Financial liabilities	851,795	1,174,952	1,161,068
Deferred tax liabilities	34,977	42,152	59,317
Other liabilities	60,719	48,476	57,884
Provisions	488,739	566,938	339,366
Non-current liabilities	1,436,330	1,832,519	1,617,635
Subscribed capital	222,222	222,222	222,222
Reserves and unappropriated surplus	2,603,808	2,835,100	2,612,203
Equity before non-controlling interests	2,826,030	3,057,322	2,834,425
Non-controlling interests	4,047	3,747	3,468
Equity	2,830,078	3,061,069	2,837,893
Equity and liabilities	7,031,805	7,297,540	6,783,648

Consolidated statement of changes in equity of HELLA GmbH & Co. KGaA

€ thousand	Subscribed capital	Capital reserve	Reserve for currency translation differences	Reserve for financial instruments for cash flow hedging	Reserve for debt capital instruments
As at: 01 June 2022	222,222	250,234	14,337	-32,724	-11,063
Earnings for the period	0	0	0	0	0
Other earnings for the period	0	0	-14,043	23,070	-986
Comprehensive income for the period	0	0	-14,043	23,070	-986
Distributions to shareholders	0	0	0	0	0
Transactions with shareholders	0	0	0	0	0
As at: 30 November 2022	222,222	250,234	294	-9,654	-12,049
As at: 01 January 2023	222,222	250,233	-16,975	-6,743	-17,221
Earnings for the period	0	0	0	0	0
Other earnings for the period	0	0	-73,471	13,122	-1,203
Comprehensive income for the period	0	0	-73,471	13,122	-1,203
Distributions to shareholders	0	0	0	0	0
Transactions with shareholders	0	0	0	0	0
As at: 30 June 2023	222,222	250,234	-90,445	6,379	-18,424

See also Chapter 16 for notes on equity.

Consolidated statement of changes in equity of HELLA GmbH & Co. KGaA

€ thousand	Remeasure- ments of defined benefit plans	Other retained earnings/ profit carried forward	Reserves and unappropri- ated surplus	Equity before non- controlling interests	Non- controlling interests	Equity
As at: 01 June 2022	-49,153	2,342,436	2,514,066	2,736,288	2,852	2,739,140
Earnings for the period	0	133,978	133,978	133,978	936	134,914
Other earnings for the period	10,563	0	18,604	18,604	-321	18,283
Comprehensive income for the period	10,563	133,978	152,581	152,581	616	153,197
Distributions to shareholders	0	-54,444	-54,444	-54,444	0	-54,444
Transactions with shareholders	0	-54,444	-54,444	-54,444	0	-54,444
As at: 30 November 2022	-38,591	2,421,969	2,612,203	2,834,425	3,468	2,837,893
As at: 01 January 2023	-12,714	2,638,520	2,835,100	3,057,322	3,747	3,061,069
Earnings for the period	0	161,536	161,536	161,536	1,584	163,120
Other earnings for the period	-11,277	0	-72,828	-72,828	-1,003	-73,831
Comprehensive income for the period	-11,277	161,536	88,708	88,708	581	89,289
Distributions to shareholders	0	-320,000	-320,000	-320,000	-280	-320,280
Transactions with shareholders	0	-320,000	-320,000	-320,000	-280	-320,280
As at: 30 June 2023	-23,991	2,480,055	2,603,808	2,826,030	4,047	2,830,078

See also Chapter 16 for notes on equity.

Consolidated cash flow statement

of HELLA GmbH & Co. KGaA from 1 January to 30 June 2023 and from 1 June to 30 November 2022

€ thousand	2023	2022
Earnings before income taxes (EBT)	216,626	141,307
Depreciation, amortisation, recorded impairments and reversals of impairments	259,866	225,383
Change in provisions	-72,960	17,429
Other non-cash income and cash flows not attributable to operating activities	-22,287	-21,832
Losses (+)/ profits (-) from the sale of property, plant and equipment and intangible assets	-5,501	1,076
Net financial result	28,014	21,053
Change in trade receivables and other assets not attributable to investing or financing activities	-164,001	-167,293
Change in inventories	-60,057	-54,204
Change in trade payables and other liabilities not attributable to investing or financing activities	246,647	288,894
Tax refunds received	1,728	5,398
Taxes paid	-58,007	-34,635
Dividends received	1,901	11,710
Interest received	10,686	5,969
Interest paid	-17,603	-13,072
Net cash flow from operating activities	365,053	427,184
Cash receipts from the sale of intangible assets and property, plant and equipment	13,878	8,800
Payments for the purchase of intangible assets and property, plant and equipment	-289,892	-366,281
Change in financing receivables and liabilities from investments	-1,341	-2,583
Payments for capital contributions to associated companies, joint ventures and unconsolidated companies	-1,006	-3,015
Payments made for acquiring non-consolidated subsidiaries and other investments	-2,803	-364
Cash receipts from the sale of associate investments and joint ventures and from other investments	0	3,213
Net payments for the purchase, sale and withdrawal of securities	27,919	215,036
Net cash flow from investing activities	-253,246	-145,195
Payments for the repayment of financial liabilities	-140,825	-22,216
Cash receipts from changes in financial liabilities	6,721	62,447
Dividends paid	-320,088	-54,497
Net cash flow from financing activities	-454,193	-14,266
Net change in cash and cash equivalents	-342,385	267,722
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	-12,953	-2,463
Cash and cash equivalents at the end of the reporting period	930,585	841,389

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, joint venture companies produce complete vehicle modules and air-conditioning systems. 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 Forvia S.E., Nanterre (Hauts-de-Seine), France, which represents the ultimate controlling company. The consolidated financial statements of Forvia S.E. is published via the French online portal BODACC (Bulletin officiel des annonces civiles et commerciales) and also announced in the Germany’s Federal Gazette (Bundesanzeiger).

This interim report has been prepared as a condensed interim report in accordance with the requirements of the International Financial Reporting Standards (IFRS) applicable as at 30 June 2023 and as adopted by the European Union. The interim report was created in accordance with IAS 34 Interim Financial Reporting. Income taxes are rec-

ognised based on the estimate of the weighted average income tax rate expected for the full year. The tax effects of certain significant matters that are only attributable to the respective reporting period are taken into account. The interim financial statements are accompanied by an interim management report. The comparative prior year values have been determined according to the same principles. The condensed interim consolidated financial statements and the interim group management report have neither been reviewed pursuant to Section 37w (5) WpHG nor audited in accordance with Section 317 HGB.

The interim financial statements are prepared in euros (€). Amounts are stated in thousands of euros (€ thousand). The interim financial statements are prepared using accounting policies 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. 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 Scope of consolidation

In addition to HELLA GmbH & Co. KGaA, all significant domestic and foreign subsidiaries that are directly or indirectly controlled by HELLA are included in the scope of consolidation. Material joint ventures are included in the consolidated financial statements using the equity method of accounting.

Number	30 June 2023	31 Dec 2022	30 Nov 2022
Fully consolidated companies	75	77	78
Companies accounted for using the equity method	23	22	46

In the current fiscal year 2023, the company HELLA Finance International BV was liquidated and the company HELLA Electronics Engineering GmbH was merged. The associated company Hella Faway Automotive Lighting (Tianjin) Co., Ltd was founded.

03 Accounting policies and measurement methods

The accounting policies and measurement methods used in the interim report are the same as those used in the consolidated financial statements as at 31 December 2022. These accounting policies and measurement methods were explained in the annual report 2022.

Application of the other IFRS amendments that are mandatory as at 30 June 2023 does not materially influence the presentation of the condensed interim consolidated financial statements.

To simplify interim reporting, IAS 34.41 allows greater use of estimates and assumptions than in the annual financial statements, provided all material financial information that is relevant for understanding the net assets, financial position and results of operations is appropriately disclosed.

04 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 half-year		Reporting date		
	2023	2022	30 June 2023	31 December 2022	30 November 2022
€ 1 = US dollar	1.0799	1.0136	1.0866	1.0666	1.0376
€ 1 = Czech koruna	23.6821	24.5575	23.7420	24.1160	24.3380
€ 1 = Japanese yen	145.6928	141.4055	157.1600	140.6600	144.2800
€ 1 = Mexican peso	19.6347	20.2958	18.5614	20.8560	20.0111
€ 1 = Chinese renminbi	7.4825	7.0226	7.8983	7.3582	7.3437
€ 1 = Romanian leu	4.9333	4.9211	4.9635	4.9495	4.9245
€ 1 = Indian rupee	88.7854	81.2927	89.2065	88.1710	84.4215

05 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 (€115.751 thousand) was repaid. This leaves financial liabilities to banks in the amount of USD 75 million.

06 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 30 June 2023 is compared with the period from 1 June to 30 November 2022 as a comparative period. In the consolidated balance sheet, the valuations as at 30 June 2023 are compared with the valuations as at 30 November 2022. In the tables of the financial statement, the current first half is titled 2023, the first half of the short fiscal year 2022 is titled 2022.

As already announced in the annual report for the short fiscal year 2022, the HELLA Group reports 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 is introduced as a new key figure in the consolidated income statement. Accordingly, the previous year's figures are also shown 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 18. 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 half 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)	141,307	0	141,307
Depreciation, amortisation, recorded impairments and reversals of impairments	225,383	0	225,383
Change in provisions	17,429	0	17,429
Other non-cash income and cash flows not attributable to operating activities	-21,832	0	-21,832
Losses (+)/ profits (-) from the sale of property, plant and equipment and intangible assets	1,076	0	1,076
Net financial result	21,053	0	21,053
Change in trade receivables and other assets not attributable to investing or financing activities	-167,293	0	-167,293
Change in inventories	-54,204	0	-54,204
Change in trade payables and other liabilities not attributable to investing or financing activities	288,894	0	288,894
Tax refunds received	5,398	0	5,398
Taxes paid	-34,635	0	-34,635
Dividends received	11,710	0	11,710
Interest received	0	5,969	5,969
Interest paid	0	-13,072	-13,072
Net cash flow from operating activities	434,287	-7,103	427,184
Cash receipts from the sale of intangible assets and property, plant and equipment	8,800	0	8,800
Payments for the purchase of intangible assets and property, plant and equipment	-366,281	0	-366,281
Change in financing receivables and liabilities from investments	-2,583	0	-2,583
Payments for capital contributions to associated companies, joint ventures and unconsolidated companies	-3,015	0	-3,015
Payments made for acquiring non-consolidated subsidiaries and other investments	-364	0	-364
Cash receipts from the sale of associate investments and joint ventures and from other investments	3,213	0	3,213
Net payments for the purchase, sale and withdrawal of securities	215,036	0	215,036
Interest received	5,969	-5,969	0
Net cash flow from investing activities	-139,226	-5,969	-145,195
Payments for the repayment of financial liabilities	-22,216	0	-22,216
Cash receipts from changes in financial liabilities	62,447	0	62,447
Interest paid	-13,072	13,072	0
Dividends paid	-54,497	0	-54,497
Net cash flow from financing activities	-27,339	13,072	-14,266
Net change in cash and cash equivalents	267,722	0	267,722
Cash and cash equivalents at the beginning of the reporting period	576,129	0	576,129
Effect of exchange rate changes on cash and cash equivalents	-2,463	0	-2,463
Cash and cash equivalents at the end of the reporting period	841,389	0	841,389

07 Sales

Sales for the first half of fiscal year 2023 amounted to €3,994,945 thousand (prior year: €3,817,514 thousand). Sales are attributable entirely to the sale of goods and performance of services.

They can be classified as follows:

€ thousand	2023	2022
Sales from the sale of goods	3,814,074	3,652,598
Sales from the rendering of services	180,871	164,915
Total sales	3,994,945	3,817,514

Sales by region (based on the headquarters of Hella's customers):

€ thousand	2023	2022
Europe	2,334,797	2,004,293
North, Central and South America	799,681	813,400
Asia / Pacific / RoW	860,467	999,821
Consolidated sales	3,994,945	3,817,514

08 Income taxes

€ thousand	2023	2022
Effective income tax expense	-66,023	-45,402
Deferred income tax expense	12,516	39,009
Total income taxes	-53,507	-6,393

A statement on the reported income taxes is provided in the interim reporting period on the basis of the best estimate of the weighted average annual income tax rate which is expected for the full fiscal year. This takes into account that deferred tax assets are recognised only to the extent that the use of the underlying temporary differences and loss carryforwards against future taxable profits is probable based on the Group's planning.

09 Earnings per share

Basic earnings per share are calculated by dividing the share of earnings attributable to the shareholders of HELLA GmbH & Co. KGaA by the weighted average number of ordinary shares issued.

Basic earnings per share amounted to €1.45 (prior year: €1.21) and correspond to the diluted earnings.

of units	30 June 2023	30 November 2022
Weighted average number of shares in circulation during the period		
Basic ordinary shares	111,111,112	111,111,112
Diluted ordinary shares	111,111,112	111,111,112
€ thousand	2023	2022
Share of profit attributable to owners of the parent company	161,536	133,978
€	2023	2022
Basic earnings per share	1.45	1.21
Diluted earnings per share	1.45	1.21

10 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 fiscal year 2023, the operating income margin has taken on a prominent role in the management of the HELLA Group, in addition to the continued 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-periodic income of €10,843 thousand (prior year: €7,872 thousand) results from income from the revaluation of investments of €5,682 thousand (prior year: €3,440 thousand) and from the sale of shares in venture capital activities of €3,867 thousand (prior year: €2,192 thousand). Furthermore, income of €1,294 thousand (prior year: €2,240 thousand) was recognised from the recharging of costs to the Forvia Group that arose in connection with additional expenses due to the merger.

The non-recurring expenses of €15,259 thousand (prior year: €47,187 thousand) mainly include costs for restructuring measures of €12,897 thousand (prior year: €11,316 thousand). Furthermore, expenses from the remeasurement of investments amounting to €2,362 thousand (prior year: €21,271 thousand) were incurred.

In addition, expenses of €14,601 thousand were adjusted in six-month period of the prior year for expected costs in the context of a legal dispute.

11 Segment reporting

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 measurement of profitability.

The HELLA Group's business activities are divided into three segments: Lighting, Electronics and Lifecycle Solutions:

The product portfolio of the Lighting Segment is divided into four product lines: headlamps, combination rear lamps, body lighting and interior lighting.

The Electronics segment focuses on the product lines of Automated Driving, Sensors and Actuators, Body Electronics and Energy Management.

Both the Lighting and Electronics segments serve automotive manufacturers and other tier-1 suppliers in the premium and volume segments worldwide with a variety of lighting and electronic components.

The Lifecycle Solutions segment consists of the three divisions Independent Aftermarket, Workshop Solutions and Special Original Equipment. In

the Independent Aftermarket, HELLA sells vehicle-specific or universally applicable wear parts, spare parts and accessories to dealers and independent workshops in Europe. The Workshop Solutions division's core offering includes vehicle diagnostics, emissions testing, battery testing, light adjustment, and calibration, as well as service and data-based services. In the Special Original Equipment division, HELLA develops, manufactures and distributes lighting and electronic products for special-purpose vehicles such as construction and agricultural machinery, buses and motor homes, as well as for the marine sector. The starting point for this is above all the high level of technological competence from the automotive core business.

All other Group segments are subordinate in terms of their economic significance and are therefore not segmented further. Their functions relate mainly to Group financing.

Currency and portfolio-adjusted revenue growth and the operating income margin are used to manage the business segments; assets and liabilities are not reported. The internal reporting applies the same accounting and measurement principles as the consolidated financial statements. Special items that are not included in the segment results are identified for the individual reporting periods. These special items are presented in the reconciliation table.

The segment information for the first six months (1 January to 30 June 2023 and 1 June to 30 November 2022) of the fiscal years 2023 and 2022 is as follows:

€ thousand	Electronics		Lighting		Lifecycle Solutions	
	2023	2022	2023	2022	2023	2022
Sales with third-party entities	1,525,693	1,508,336	1,921,338	1,808,181	546,030	494,438
Intersegment sales	165,769	145,590	31,447	31,212	5,200	5,315
Segment sales	1,691,462	1,653,926	1,952,785	1,839,393	551,231	499,753
Cost of sales	-1,232,422	-1,231,664	-1,643,547	-1,581,656	-319,419	-296,587
Gross profit	459,040	422,262	309,238	257,736	231,811	203,166
Research and development expenses	-258,604	-228,381	-153,359	-141,277	-23,286	-21,106
Distribution expenses	-34,003	-33,994	-38,424	-36,774	-118,141	-112,088
Administrative expenses	-64,397	-58,966	-58,219	-57,385	-22,662	-20,025
Other income	7,462	2,751	9,052	5,203	6,931	3,445
Other expenses	-221	-2,494	-4,209	-3,598	-508	-985
Operating Income	109,276	101,177	64,078	23,905	74,145	52,406
Additions to property, plant and equipment and intangible assets	109,272	137,536	109,474	125,101	14,169	18,223

Sales with external third parties for the first six months of fiscal years 2023 and 2022 are as follows:

€ thousand	Electronics		Lighting		Lifecycle Solutions	
	2023	2022	2023	2022	2023	2022
Sales from the sale of goods	1,453,636	1,430,514	1,843,839	1,756,553	516,599	465,531
Sales from the rendering of services	72,057	77,823	77,499	51,628	29,431	28,907
Sales with third-party entities	1,525,693	1,508,336	1,921,338	1,808,181	546,030	494,438

Sales reconciliation:

€ thousand	2023	2022
Total sales of the reporting segments	4,195,478	3,993,072
Sales in other divisions	2,067	6,659
Elimination of intersegment sales	-202,601	-182,217
Consolidated sales	3,994,945	3,817,514

Reconciliation of the segment results with consolidated net profit:

€ thousand	2023	2022
Operating income of the reporting segments	247,500	177,489
Operating income from other areas	-2,748	-1,686
Non-periodic operating income	10,843	7,872
Non-periodic operating expenses	-15,259	-47,187
Result from other investments	-1,991	374
Earnings from investments accounted for using the equity method	6,297	25,500
Net financial result	-28,014	-21,053
Consolidated EBT	216,626	141,307

The operating income of other areas includes expenses for strategic investments in potential new technologies and business fields, depreciation and amortisation of assets not used for operations and expenses for central functions.

12 Financial assets

€ thousand	30 June 2023		31 December 2022	
	Non-current	Current	Non-current	Current
Securities	19,552	132,174	27,973	154,791
Other investments	55,145	0	65,928	0
Loans	127	20,271	128	19,635
Other financial assets	40	1,467	40	11,355
Total	74,864	153,913	94,069	185,780

13 Other receivables and non-financial assets

€ thousand	30 June 2023	31 December 2022
Other current assets	26,175	22,412
Receivables from finance leases	18,921	17,937
Insurance receivables	1,747	3,118
Positive market value of currency hedges	51,410	32,284
Subtotal other financial assets	98,254	75,751
Advance payments for services	6,879	6,810
Advance payments for insurances	14,796	26,246
Advance payments for licences	25,348	19,836
Other advance payments	48,996	41,083
Receivables for partial retirement	368	441
Advance payments to employees	2,595	2,154
Other tax receivables	90,404	97,522
Total	287,639	269,842

14 Other non-current assets

€ thousand	30 June 2023	31 December 2022
Receivables from finance leases	32,226	27,855
Other non-current assets	553	827
Subtotal of other financial assets	32,779	28,683
Advance payments	66,162	53,555
Credit balances for insolvency protection of partial retirement schemes	2,042	5,254
Total	100,983	87,492

15 Other liabilities

€ thousand	30 June 2023		31 December 2022	
	Non-current	Current	Non-current	Current
Derivatives	48,068	18,962	36,128	16,016
Other financial liabilities	12,642	248,757	12,333	223,012
Subtotal other financial liabilities	60,711	267,719	48,461	239,028
Other taxes	9	68,851	15	37,587
Accrued personnel liabilities	0	187,080	0	146,221
Total	60,719	523,651	48,476	422,837

16 Financial liabilities

Current financial liabilities due in less than one year amount to €428,796 thousand (31 December 2022: €253,861 thousand) and include a bond of €299,830 thousand (31 December 2022: €299,734 thousand) with a nominal amount of €300,000 thousand, an interest rate of 1.0% and a maturity date of 17 May 2024. Also included are notes payable of €73,175 thousand (31 December 2022: €73,576 thousand), a current portion from finance leases of €33,766 thousand (31 December 2022: €33,626 thousand) and current financial liabilities of €7,949 thousand to a factoring company (31 December 2022: €12,757 thousand). Current financial liabilities were reduced compared to the end of the previous year by the repayment of a loan denominated in US dollars, which had a term until 29 January 2023 and was reported at €117,195 thousand as at 31 December 2022.

Non-current financial liabilities amount to €851,795 thousand (31 December 2022: €1,174,952 thousand) and include a bond that was issued on 3 September 2019 and matures on 26 January 2027 over seven years. It has a value of €499,159 thousand (31 December 2022: €499,046 thousand) with a nominal volume of €500,000 thousand and an interest rate of 0.5%. Financial liabilities also include €76,355 thousand (31 December 2022: €85,312 thousand) attributable to notes certificates denominated in yen issued in fiscal years

2002 and 2003 with a 30-year maturity, and a loan of €72,379 thousand (31 December 2022: €78,753 thousand) denominated in yen with a 30-year maturity, both of which are fully currency-hedged to a value totalling €175,177 thousand (31 December 2022: €175,177 thousand). Also included is a loan of €69,023 thousand (31 December 2022: €70,317 thousand) denominated in US dollars and maturing on 29 January 2026. Capital from profit participation certificates of €5,000 thousand (31 December 2022: €5,000 thousand) and finance lease liabilities amounting to €129,810 thousand (31 December 2022: €136,675 thousand) are also recognised. Non-current financial liabilities were reduced compared to the end of the previous year mainly due to the reclassification of a bond from non-current to current financial liabilities.

In September 2022, HELLA negotiated a syndicated credit facility amounting to €450 million and an increase option of €150 million. This facility was concluded with a syndicate of international banks and has a term of three years (including two extension options of one year each) until September 2025. In the event of a loss of the investment grade rating, the continued existence of the syndicated credit facility is not at risk and it will remain in place. The banks would only have a special right of termination in the event of the entry of a squeeze-out or a domination agreement in the commercial register.

€ thousand	30 June 2023	31 December 2022
Cash and cash equivalents	930,585	1,285,924
Financial assets	153,913	185,780
Current financial liabilities	-428,796	-253,861
Non-current financial liabilities	-851,795	-1,174,952
Net financial debt (-) / net financial liquidity (+)	-196,094	42,890

17 Equity

On the liabilities side, nominal capital is recognised at its nominal value under the "Subscribed capital" item. The nominal capital amounts to €222,222 thousand. The no-par value shares are issued to the bearer. All issued shares are fully paid up. Each share confers one voting right and a right to dividends if distributions are agreed.

In addition to "Other retained earnings/profit carried forward" and the capital reserve, "Reserves and unappropriated surplus" include the differences stemming from the currency translation of the annual financial statements of foreign subsidiaries not recognised in the income statement and the impact arising from the measurement of derivative financial instruments acquired for hedging purposes also not recognised in the income statement, as well as the reserve for the financial instruments from the available-for-sale category (IAS 39) and/or the reserve for debt capital instruments (IFRS 9). Also included are the results from the remeasurement of defined benefit plans, recognised directly in equity. A detailed overview of the composition and changes in the results recognised directly in equity is presented in the consolidated statement of changes in equity.

Actuarial losses after taxes of €11,276 thousand was recognised during the six-month period (prior year: income after taxes of €10,563 thousand). The change in value of the defined benefit liabilities or of the assigned plan assets is attributable to calculation parameters and in particular the discount rate used here, which was 3.49% at the end of June 2023 (November 2022: 3.14%).

The owners of the parent company will receive a dividend of €320,000 thousand for the short fiscal

year 2022 (1 June 2022 to 31 December 2022), which has already been distributed in full (prior year: €54,444 thousand). This corresponds to €2.88 per no-par value share (including the special dividend of €2.61 per no-par value share from the sale of HBPO shares); the previous year's dividend was €0.49 per no-par value share.

The objective of the Group is to maintain a strong equity base. The Group strives to strike a balance between a higher return on equity, which would be possible through greater external financing, and the advantages and security offered by a sound equity position. The Group is aiming for a ratio on a rolling 12-month basis of less than 1.0 for net financial debt to earnings before interest, taxes, depreciation and amortisation (EBITDA) in the long term. The ratio was 0.2 on 30 June 2023 (30 November 2022 year: 0.5).

18 Notes to the cash flow statement

As was the case in the prior year period, the cash funds are solely made up of cash and cash equivalents.

In the current reporting period, depreciation, amortisation, recognised impairment losses and reversals of impairment losses of €259,866 thousand (prior year: €225,383 thousand) were recognised.

The change in provisions in the current financial year was significantly influenced by the utilisation of provisions for delivery and sales obligations as well as personnel obligations.

The other non-cash income and expenses and cash flows not attributable to operating activities reported in the cash flow statement mainly include valuation effects and the result from investments accounted for using the equity method.

As a result of the factoring programme, the Group's cash and cash equivalents changed by a total of €54,769 thousand (prior year: € 167,005 thousand) of which €59,635 thousand (prior year: €112,563 thousand) had a positive effect on the change in trade receivables and other assets not attributable to investing or financing activities through the sale of receivables, and €4,866 thousand was reported as an addition to current financial liabilities to a factoring company (prior year: addition of €54,442 thousand).

The current fiscal year includes cash inflows from the sale of securities amounting to €27,919 thousand (prior year: €215,036 thousand).

In the current reporting period, the payments from the repayment of financial liabilities are significantly influenced by the timely repayment of the bank loan of a Mexican subsidiary in the amount of €115,751 thousand as at the end of January 2023 (prior year: €22,216 thousand).

After the Annual General Meeting on 28 April 2023, dividends totalling €320,000 thousand (€2.88 per no-par value share) were distributed to owners of the parent company. In the previous reporting period, dividends totalling €54,444 thousand (€0.49 per no-par value share) were distributed to owners of the parent company.

19 Net cash flow

Relative to sales, net cash flow investments rose to 2.2% (prior year: 1.8%).

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 2023 fiscal year. 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 inflows 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.

In absolute terms, net cash flow improved in the half of 2023 to €89,039 thousand (prior year: €69,703 thousand), despite a reduction in net cash flow from operating activities compared to the prior-year period to €365,053 thousand (prior year: €427,184 thousand). This development is mainly due to a deterioration in working capital. On the other hand, lower cash investment activities for intangible assets and property, plant and equipment had an overcompensating effect, amounting to €276,014 thousand, which was lower than in the same period of the previous year (prior year: €357,481 thousand). Net cash flow increased to 2.2% (previous year: 1.8%) due to the absolute contribution of €89,039 thousand (previous year: €69,703 thousand) in relation to turnover of €3,994,945 thousand (previous year: €3,817,514 thousand).

The performance of the net cash flow for the first six 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	365,053	427,184
Cash receipts from the sale of intangible assets and property, plant and equipment	13,878	8,800
Payments for the purchase of intangible assets and property, plant and equipment	-289,892	-366,281
Net cash flow	89,039	69,703

20 Disclosures on financial instruments

The carrying amounts and fair values of classes of financial instruments and the carrying amounts in accordance with IFRS 9 measurement categories as at 30 June 2023 and 31 December 2022 are set out below.

Six-month financial report for the fiscal year 2023 **Further notes**

€ thousand	Measurement category under IFRS 9	Carrying amount 30 June 2023	Fair value 30 June 2023	Carrying amount 31 Dec 2022	Fair value 31 Dec 2022	Fair value hierarchy
Cash and cash equivalents	Amortised cost	930,585	930,585	1,285,924	1,285,924	
Trade receivables	Amortised cost	1,077,100	1,077,100	1,012,367	1,012,367	
Financial assets						
Equity instruments	FVPL	0	0	0	0	Level 1
Debt capital instruments	FVOCI	132,174	132,174	154,791	154,791	Level 1
Loans	Amortised cost	20,271	20,271	19,635	19,635	
Other bank balances	Amortised cost	1,467	1,467	11,355	11,355	
Other financial assets						
Derivatives used for hedging	n.a.	48,583	48,583	30,692	30,692	Level 2
Derivatives not used for hedging	FVPL	2,827	2,827	1,593	1,593	Level 2
Other receivables associated with financing activities	Amortised cost	46,844	46,844	43,467	43,467	
Current financial assets		2,259,852	2,259,852	2,559,822	2,559,822	
Financial assets						
Equity instruments	FVPL	55,145	55,145	65,928	65,928	Level 3
Debt capital instruments	FVPL	19,552	19,552	27,973	27,973	Level 2
Loans	Amortised cost	127	127	128	128	Level 2
Other receivables associated with financing activities	Amortised cost	40	40	40	40	Level 2
Other financial assets						
Trade receivables	Amortised cost	32,779	32,779	28,683	28,683	Level 2
Non-current financial assets		107,643	107,643	122,752	122,752	
Financial assets		2,367,495	2,367,495	2,682,574	2,682,574	
Financial liabilities						
Financial liabilities to banks and bond	Amortised cost	395,030	395,030	220,235	220,235	
Trade payables	Amortised cost	1,392,820	1,392,820	1,334,840	1,334,840	
Other financial liabilities						
Derivatives used for hedging	n.a.	15,420	15,420	14,628	14,628	Level 2
Derivatives not used for hedging	FVPL	3,542	3,542	1,388	1,388	Level 2
Other financial liabilities	Amortised cost	248,757	248,757	223,012	223,012	
Current financial liabilities		2,055,568	2,055,568	1,794,103	1,794,103	
Financial liabilities						
Financial liabilities to banks	Amortised cost	146,641	160,668	154,184	173,142	Level 2
Bonds	Amortised cost	575,344	791,933	884,093	784,496	Level 1
Other financial liabilities						
Derivatives used for hedging	n.a.	19,959	19,959	23,493	23,493	Level 2
Derivatives not used for hedging	FVPL	28,109	28,109	12,635	12,635	Level 2
Other financial liabilities	Amortised cost	12,642	12,642	12,333	12,333	
Non-current financial liabilities		782,696	1,013,312	1,086,738	1,006,099	
Financial liabilities		2,838,264	3,068,880	2,880,841	2,800,202	

€ thousand	Carrying amount 30 June 2023	Fair value 30 June 2023	Carrying amount 31 Dec 2022	Fair value 31 Dec 2022
Of which aggregated under IFRS 9 measurement categories:				
Financial assets				
FVPL	77,524	77,524	95,494	95,494
Amortised cost	2,109,213	2,109,213	2,401,598	2,401,598
FVOCI	132,174	132,174	154,791	154,791
Financial liabilities				
Amortised cost	2,771,234	3,001,850	2,828,696	2,748,057
FVPL	31,651	31,651	14,024	14,024

Notes on the abbreviations used:

FVPL: Fair Value through Profit or Loss.

FVOCI: Fair Value through Other Comprehensive Income, with reclassification to profit or loss.

The valuation technique used for financial assets and financial liabilities measured at fair value depends on the available inputs. If quoted prices can be accessed for identical assets in active markets, those prices are used to measure fair value (Level 1). If this is not possible, fair value is measured using the fair values of comparable market transactions as well as financial methods based on observable market data (Level 2). Fair values not based on observable market data are measured using generally recognised financial modelling methods or observable achievable prices from recent qualified funding rounds while taking account of the entity's life and development cycle (Level 3).

The Group reports possible transfers between different levels of the fair value hierarchy at the end of the six-month period in which the change occurred. As in the prior year, no transfers were made between different levels of the fair value hierarchy during the current six-month period. The carrying amounts of current financial instruments at the balance sheet date correspond to the market value owing to their short residual term and the fact that they are recognised at market value.

Non-current financial instruments on the assets side are mainly determined by the other investments, securities as covering assets for pension provisions and loans. The fair values of these shares of equity measured at acquisition costs could not be determined as no stock exchange or market prices were available. The long-term equity instruments are interests in other entities and non-consolidated affiliates, are recognised as FVPL and measured at cost because the fair values cannot be reliably determined. In isolated cases, the investments can be valued by way of stock exchange listings.

21 Information on leases

The HELLA Group as lessee

The HELLA Group regularly operates as a lessee.

HELLA has entered into lease agreements for various assets and includes leases for buildings, vehicles and office equipment in the accounting accordingly. Leases are usually fixed for a particular

period – generally 4 years for motor vehicles and between 5 and 15 years for buildings – but may include extension options. Some leases for buildings and office equipment include extension and termination options for the Group as a whole. These terms are utilised to maximise operational flexibility. Most extension and termination options can only be exercised by the Group, not by the lessor.

Leases are negotiated individually and cover a wide range of different terms and contract conditions. The HELLA Group is not subject to any obligations or restrictions from leases.

Usufructuary rights to assets:

€ thousand	Land and buildings	Machinery	Operating and office equipment	Total
As at: 1 June 2022	125,303	2,741	9,604	137,648
Additions	4,281	739	3,414	8,434
Depreciation/amortisation	-11,580	-661	-2,738	-14,979
Disposals	-1,835	0	-99	-1,934
Reclassifications	-99	0	99	0
Currency translation	1,447	42	13	1,501
As at: 30 November 2022	117,517	2,861	10,293	130,670

€ thousand	Land and buildings	Machinery	Operating and office equipment	Total
As at: 1 January 2023	151,695	2,721	10,741	165,156
Additions	8,285	27	4,249	12,561
Depreciation/amortisation	-13,896	-595	-2,999	-17,490
Disposals	-1,489	0	-70	-1,559
Reclassifications	38	0	-38	0
Currency translation	-1,385	-41	-9	-1,435
As at: 30 June 2023	143,248	2,111	11,874	157,234

The right-of-use assets are measured at amortised cost and so do not require additional notes on remeasurement.

Lease liabilities:

€ thousand	30 June 2023	31 December 2022
Up to 1 year	33,766	33,626
Between 1 and 5 years	93,423	94,452
More than 5 years	36,387	42,223
Total	163,577	170,301

Amounts recognised in profit or loss:

€ thousand	30 June 2023	30 November 2022
Interest expenses for lease liabilities	-2,715	-2,010
Variable lease payments that are not included in the valuation of the lease liability	-1,027	-1,716
Expenses from current leases	-4,467	-4,768
Expenses from leases of low-value assets	-1,672	-1,016

Interest expenses for lease liabilities are reported within financial expenses in the income statement.

Payments from the repayment of financial liabilities relating to lease liabilities of €19,037 thousand were recognised in the cash flow statement (prior year: €18,913).

The portfolio of short-term leases, low-value assets and variable lease payments is identical to the portfolio "up to one year". There are no additional lease liabilities.

There are no leases with residual value guarantees or pending leases that the Group has committed to.

The HELLA Group as lessor

In the Lifecycle Solutions segment, HELLA concludes finance lease agreements with workshops for its portfolio of diagnostic testing equipment and workshop equipment. The term of the contracts is usually four and five years. All lease agreements are concluded in euros and relate exclusively to business within the EU.

To reduce the risk associated with the transactions, HELLA conducts a credit check for each potential customer and, if needed, obtains bank guarantees for the full term of the lease. There are no variable lease payments that depend on an index or rate. Financial income from net capital expenditure in leasing for the period amounts to €1,404 thousand (prior year: €1,381 thousand).

Distribution of minimum lease payments (not discounted):

€ thousand	30 June 2023	31 December 2022
Up to 1 year	19,283	20,507
Between 1 and 2 years	18,859	15,632
Between 2 and 3 years	11,221	10,034
Between 3 and 4 years	6,758	4,616
Between 4 and 5 years	2,653	800
More than 5 years	0	0
Future interest income under finance leases	-7,627	-5,797
Total	51,147	45,792

Distribution of the present values of minimum lease payments:

€ thousand	30 June 2023	31 December 2022
Up to 1 year	18,921	17,937
Between 1 and 5 years	32,226	27,855
More than 5 years	0	0
Total	51,147	45,792

As at 30 June 2023, impairments for unrecoverable receivables from leases amounted to €239 thousand (31 December 2022: €231 thousand).

22 Events after the balance sheet date

With effect from 1 July 2023, FORVIA and HELLA have established FH Services S.A.S. (FHS), a joint venture jointly managed by HELLA and FORVIA. FHS will act as a global provider of leading IT and Indirect Purchasing (IDP) solutions for the combined 150,000 internal business users worldwide. FHS will be guided by a Board of Directors, comprised of equal members representing the interests of Faurecia and HELLA. Under their direction, the mission of FHS will be to drive synergies and implement best practices to enhance the IT and IDP services delivered to both HELLA and Faurecia.

Lippstadt, 19 July 2023

The Managing General Partner of HELLA GmbH &
Co. KGaA

Hella Geschäftsführungsgesellschaft mbH



Michel Favre
(President and CEO of
Hella Geschäftsführungsgesellschaft mbH)



Yves Andres
(Director of
Hella Geschäftsführungsgesellschaft mbH)



Bernard Schäferbarthold
(Director of
Hella Geschäftsführungsgesellschaft mbH)



Stefan van Dalen
(Director of
Hella Geschäftsführungsgesellschaft mbH)



Jörg Weisgerber
(Director of
Hella Geschäftsführungsgesellschaft mbH)

Responsibility statement

on the interim consolidated financial statements
and interim Group management report of HELLA
GmbH & Co. KGaA as at 30 June 2023

To the best of our knowledge, the interim consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with applicable accounting principles and the interim Group management report includes a true and fair review of the development and performance of the busi-

ness and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Lippstadt, 19 July 2023



Michel Favre
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