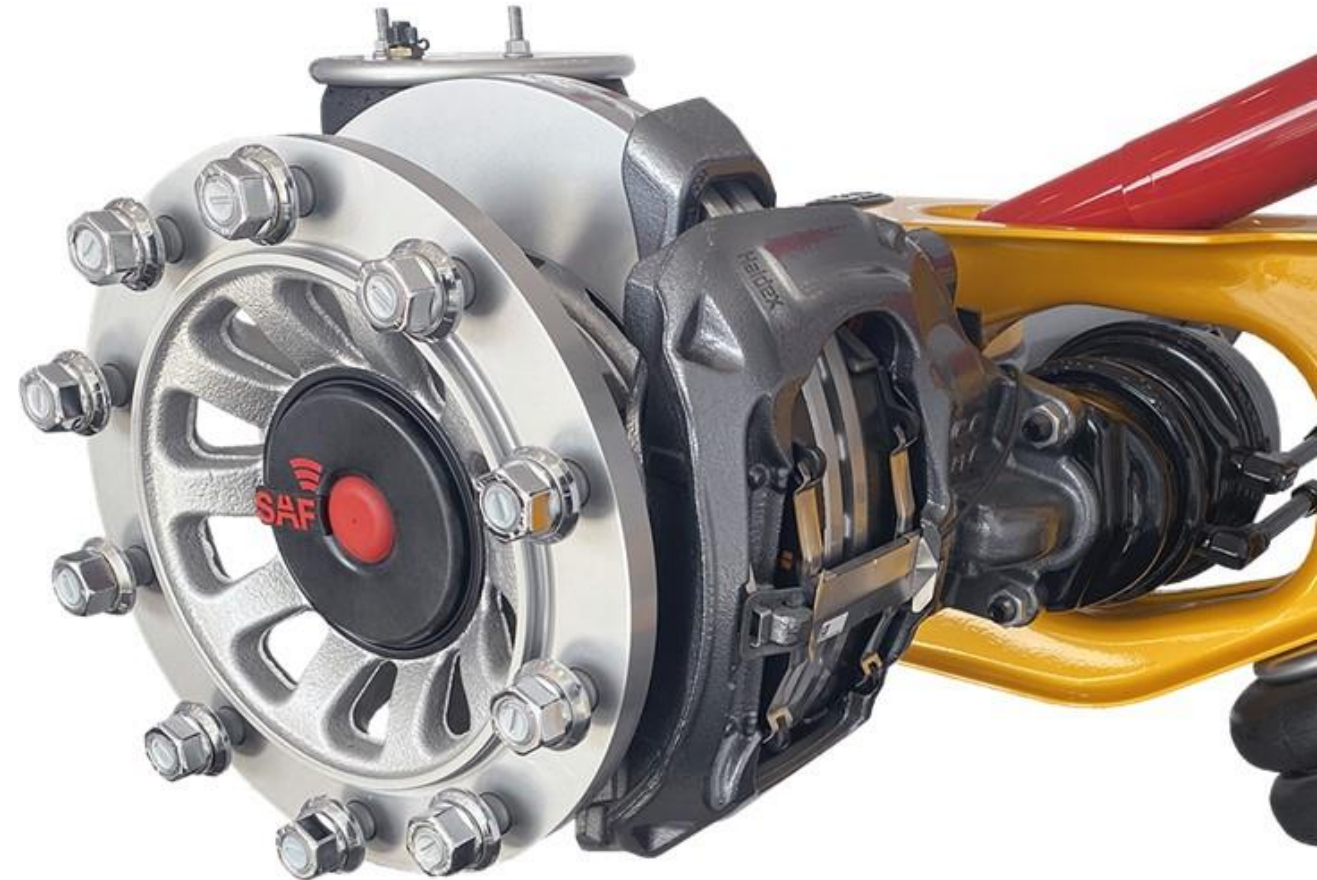


SAF-HOLLAND SE

Investor Presentation

SEPTEMBER 2023

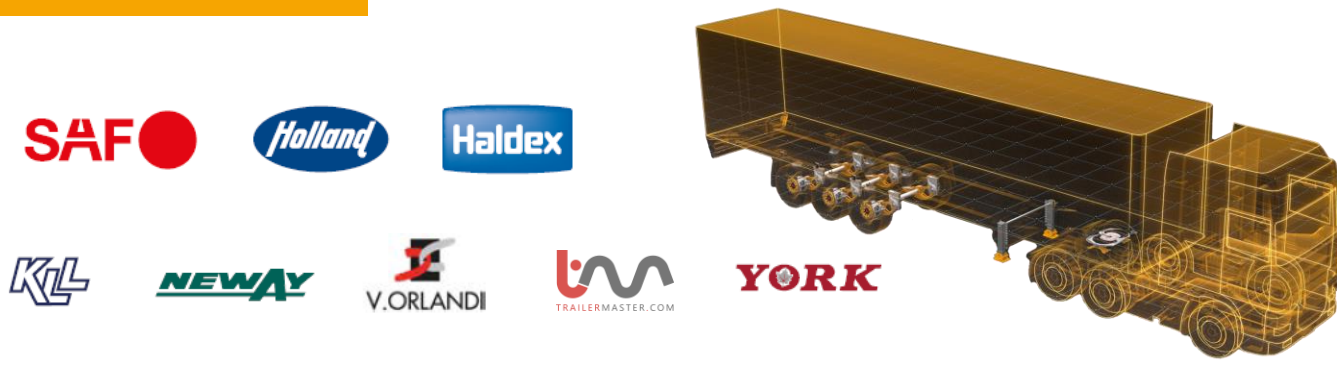


SAF-HOLLAND at a Glance

Company Profile

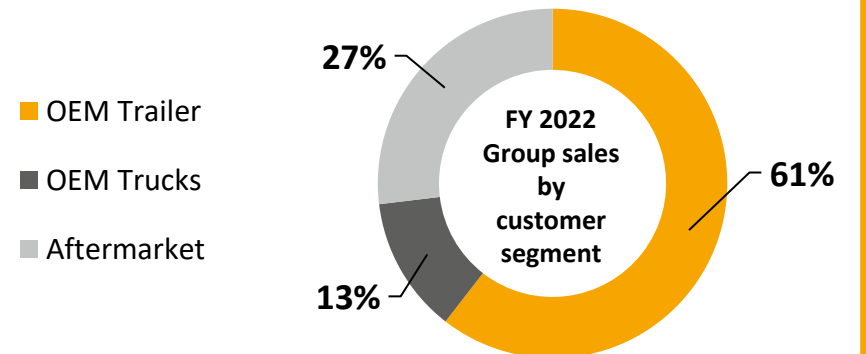
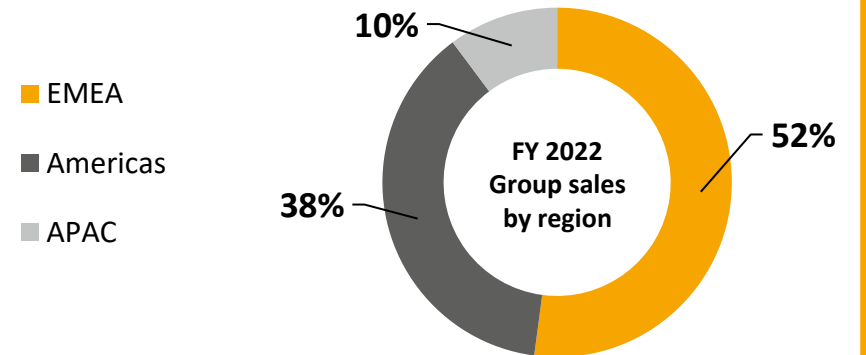
- SAF-HOLLAND is **one of the world leaders**, manufacturing **chassis-related assemblies and components**, primarily for **trailers, semi-trailers** as well as for **trucks and buses**
- Offering includes **axle and suspension systems** for trailers, **fifth wheels and coupling systems** for trucks, trailers and semi-trailers as well as **breaking and electronic braking systems** plus **solutions for “Smart Trailers”**
- SAF-HOLLAND has a **global production footprint** with a **local-for-local approach** and c. **12,000 spare parts & service stations**

Brands



Numbers

- SAF-HOLLAND employs **~6,000 people** on **six continents**
- FY 2022 revenues were c. **1.6bn EUR** and adj. **EBIT margin 8.0%**



Business model and financial overview



OUR VISION

To be the most trusted and reliable systems partner in the commercial vehicle industry

A Compelling Case: SAF-HOLLAND Investment Highlights

1 SAF-HOLLAND strongly positioned to benefit from **global road freight volume to almost triple** until FY 2050, creating **further need for transportation equipment**

2 Industry megatrends such as digitalization, electrification, autonomous driving and safety **all addressed by SAF-HOLLAND's comprehensive product and solution portfolio**

3 SAF-HOLLAND with **strong market position** based on **one-stop-shop offering**, incl. **local-for-local approach** and **direct access to fleet customers**

4 **Resilient and highly profitable aftermarket** sales streams of around one third of Group sales, **supporting Group adj. EBIT significantly**

Attractive Financial Framework of SAF-HOLLAND

Resilient aftermarket share

Around **30% of Group sales** are based on resilient and highly profitable aftermarket business

Robust sales and margin targets for FY 2027

Targeting **organic sales CAGR of 4.5%*** to around **EUR 2.5 bn** and an **adj. EBIT margin of 9 to 9.5%**, implying an **adj. EBIT of > EUR 200 mn**

Asset light business model

Planning with stable **CAPEX ratio of up to 3%** of sales until FY 2027. **Low fixed cost structure** supports margin resilience

Sustainable cash generation

Despite strong sales growth and Haldex acquisition rolling 8-quarter average** **NWC ratio of 15% in line with FY 2027 target** of 15 to 16%

Strong ROCE achievements

Rolling 8-quarter average*** **ROCE of 15%, above WACC**, creating constant shareholder value generation and **matching FY 2027 target** of at least 15%

Attractive dividend policy

Dividend policy calls for a **pay-out ratio of 40 to 50%** of available net income to shareholders

* 2023 to 2027 CAGR calculated with FY 2027 sales target at mid-point against FY 2023 sales of slightly above EUR 2,000 mn of slightly below 12%

** Rolling past eight quarter average

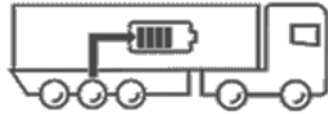
*** Rolling past eight quarter average ROCE against FY 2022 Group WACC

SAF-HOLLAND Very Well Positioned to Benefit from Increasing Transportation Demand

Overarching demand driver: Global road freight demand set to almost triple to 844 bn kilometres until 2050*

Commercial Vehicle Industry Megatrends

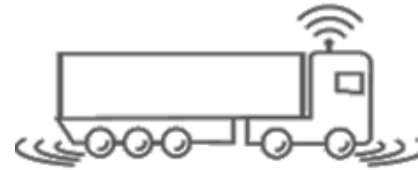
Electrification



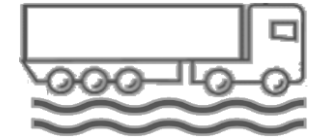
Digitalization



Automated Driving



Traffic Safety



Drivers

- CO₂ reduction
- Noise reduction
- Legislation

- Predictive maintenance
- Optimisation of uptime
- Increased efficiency
- Security increase

- CO₂ reduction
- Increased efficiency
- Driver shortage

- Brake regulation and reduced stopping distances
- Driver shortage

Offering

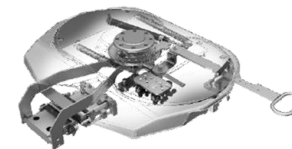
Electrified axle solutions



Digital trailer management



Automated coupling






Tire pressure monitoring







* Source: OECD non-urban freight model in billion kilometers, Aug 2023

Strong Market Access and Product Offering of SAF-HOLLAND plus Haldex

Advantages from the Haldex acquisition

			
MARKET ACCESS			
Fleets	+	0	+
Small/Mid OEs	+	0	+
Big OEs	+	0	+
PRODUCT CAPABILITIES			
Brake & Chassis Control	-	+	+
E/E-Vehicle-Architect.	0	0	+
Axle & Suspension	+	-	+
Telematics solutions	+	0	+
Wheel Brake	0	+	+
Wheel Hub	+	-	+
Tire Pressure Monitoring	0	-	0

 Competitive Advantage
  Neutral competitive position
  Competitive Disadvantage

Development to  progressing

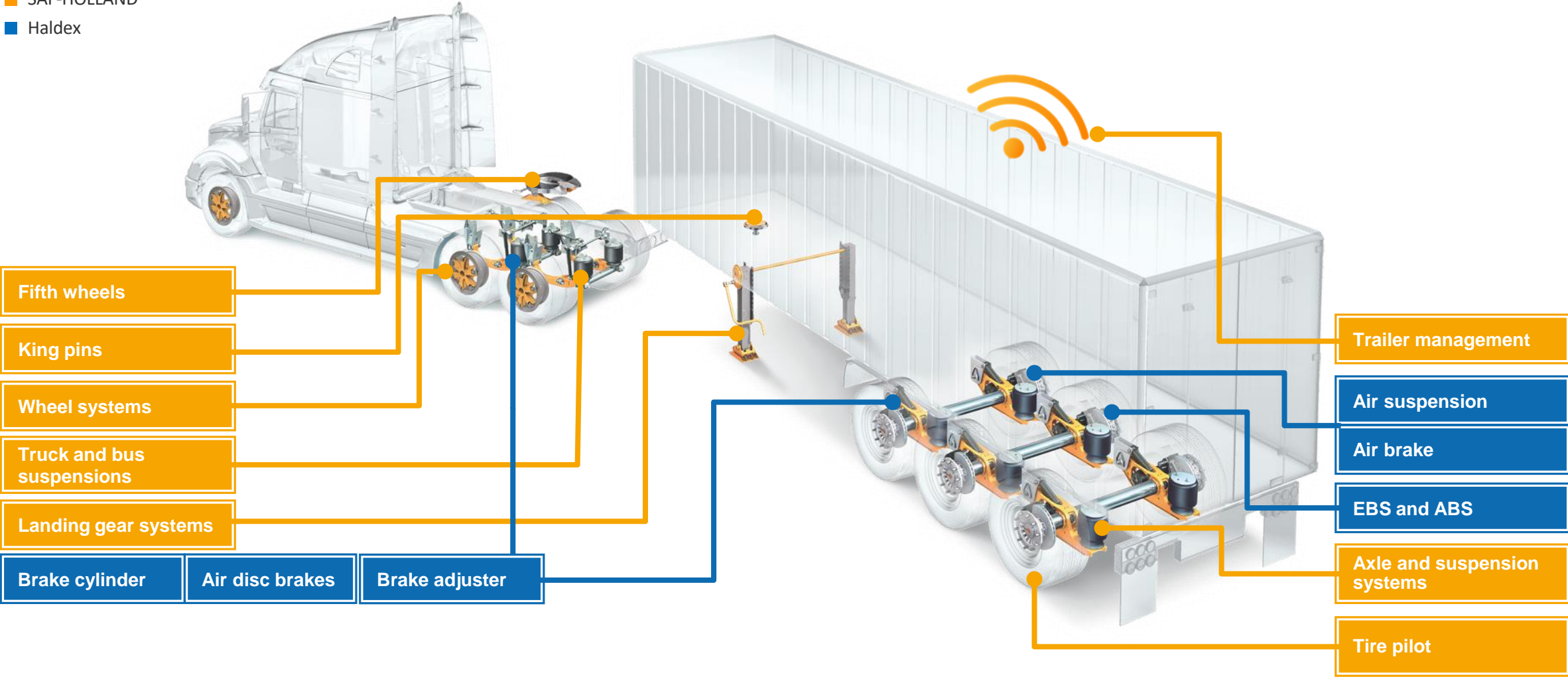
Note: Indicative competitive advantages

Deeper insight into the combined Group

- **SAF-HOLLAND acquired HALDEX** and included it in the scope of consolidation as of February 22, 2023
- The combined Group has a **strong position as a one-stop-shop product and solution provider**
- **Comprehensive product portfolio** consisting of axles & suspension systems, brake & chassis control and telematics
- The combined product portfolio allows for additional solutions such as predictive maintenance or smart functions (e.g., burglary protection, trailer temperature measurement etc.)
- **Strong advantage specially from air disc brake solutions by Haldex**, offering significant sales growth opportunities in both trailer and truck markets
- **Synergies from the acquisition** are expected to be EUR 10 to 12 mn in FY 2023 and EUR 20 to 35 mn in FY 2027
- **SAF-HOLLAND should benefit from cross-selling synergies** of c. EUR 40 mn in FY 2023 and up to EUR 200 mn in FY 2027 driven by access to an extended customer base

Comprehensive High-Quality Product Portfolio of SAF-HOLLAND plus Haldex

- SAF-HOLLAND
- Haldex



* EBS: Electronic Brake System; ABS: Anti-Lock Braking System

Significant Customer Benefits From Increasingly Integrated Mechatronic Offering



One-stop shopping

- 1** **One contact** for **all chassis-related products** / systems
- 2** Solutions throughout the **entire product life cycle**: From initial consultation and configuration to delivery and Maintenance
- 3** **Single source provider** to help customers reduce the scope of supply chain and the dependence on external suppliers

Market Share Driver



System integration





- 1** Harmonisation and integration of mechatronics and axles / suspensions
- 2** Development of predictive Maintenance functions
- 3** Combination of Telematics and Trailer EBS*

Structural Growth Driver

Sole system supplier worldwide for all chassis-related products

* EBS: Electronic Brake System

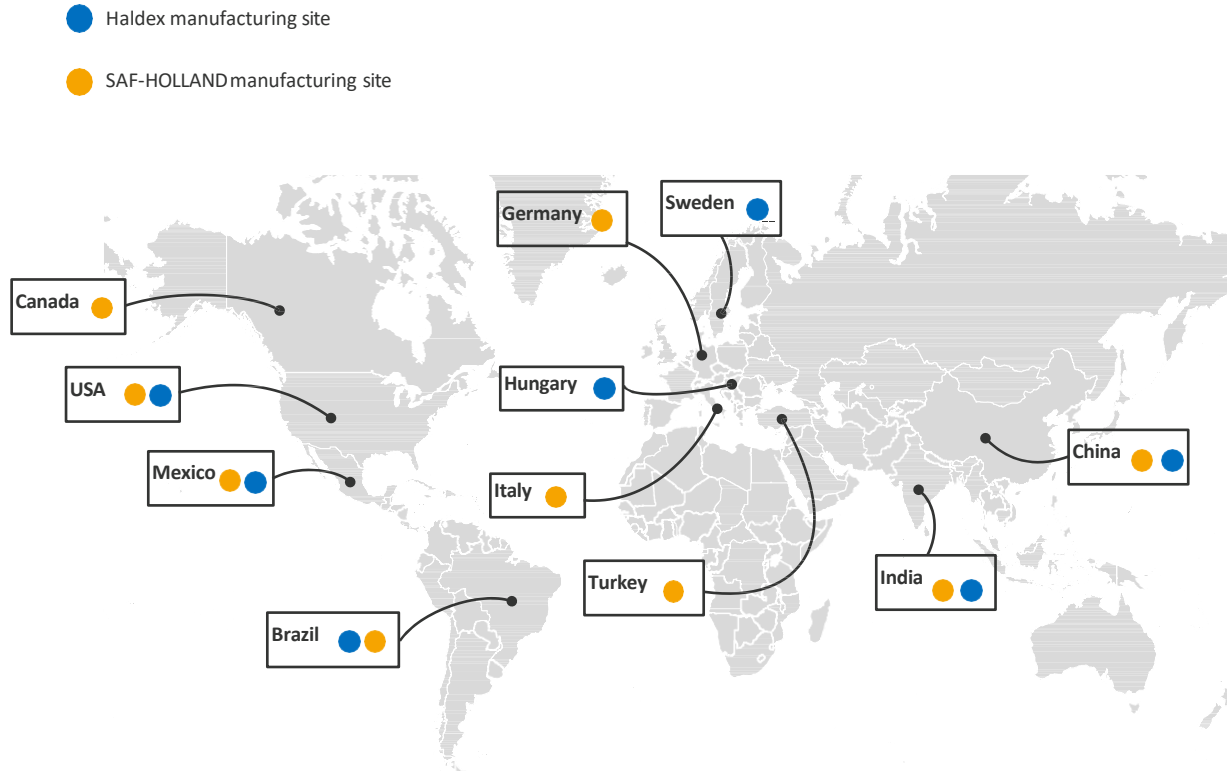
Leading Positions in Oligopolistic Markets Further Enhanced by Haldex Acquisition

	SAF-HOLLAND			Haldex	
	Trailer Axles	Fifth Wheels	Landing Gear	Suspension / Air Controls	Foundation Brake
					
Global positioning	#1-2	#2	#2	#1-3	
Regional positioning	#1 EMEA #1 India #3 NA*	#1 NA* #2 EMEA	#1 NA* #2 EMEA	#2 Europe: Air Disc Brakes, Trailer #1 Europe: Air Suspension, Trailer #3 Europe: Trailer EBS* #1 Europe / NA*: Brake Adjusters	

 Top 3 positions across key products

* NA: North America; EBS: Electronic Brake System

Local-for-Local Set-Up Covering Developed and Growth Markets Globally



* EBS: Electronic Brake System

1

Significant Benefits from Global Footprint...



Optimisation of distribution, sales and aftermarket network



Resilience: Differing regional market trends and replacement cycles



Superior product offering as a system supplier

2

... Plus Potential From Additional Growth Avenues



Rolling out EBS(*) technology in North America and China



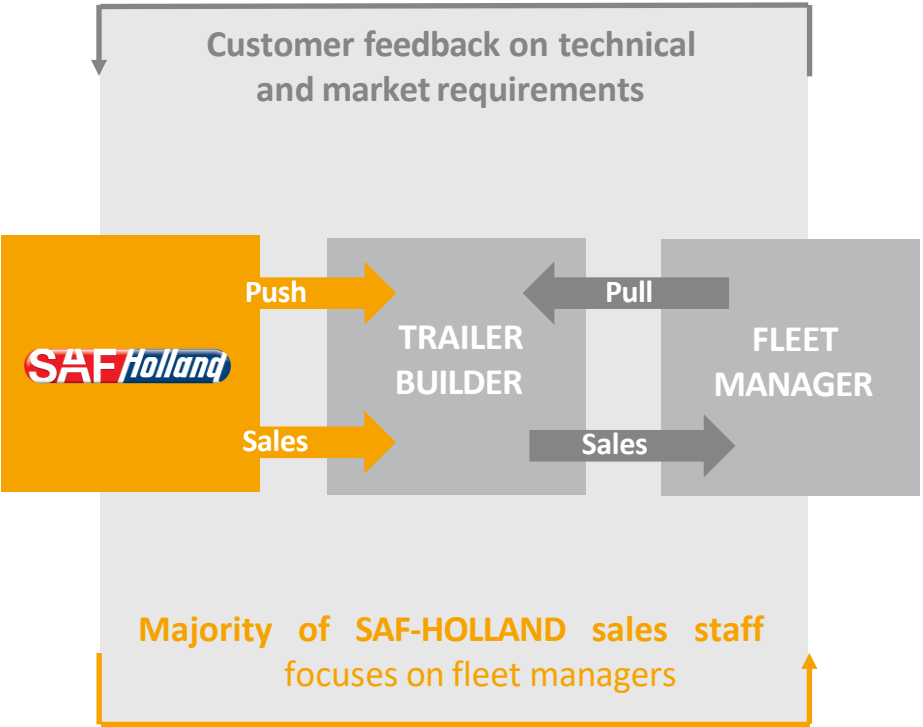
Pushing Air Disc Brake technology North America and China



Air suspension regulation in various regions

Direct Access to Broad and Diversified End Customer Base: Fleet Operators

- SAF-HOLLAND has long established relationships with fleet owners and trailer builders
- High brand recognition and superior product performance combined with unique aftermarket network
- Fleet managers specify SAF-HOLLAND products with trailer builders
- No dependency on single group of customers. ~70% of Group sales comes from diverse customer portfolio



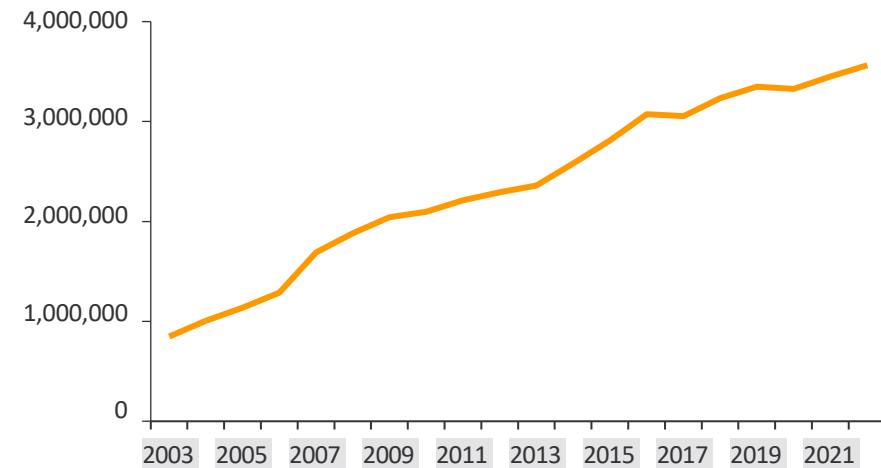
End customers choose SAF-HOLLAND because of lower total costs of ownership and higher efficiency over the life cycle

Comprehensive Aftermarket Spare Parts and Service Network Worldwide

~12,000 spare parts dealers and service stations in more than 80 countries guarantee spare parts availability



Axle population in EMEA has more than tripled



▶ Leading service network in Europe and North America:
key asset for fleet customers and significant barrier to market entry

▶ Aftermarket business counter-balances potential volatility in OEM business and generates growth based on increasing product population in the field ("razor and blade business model")

Digital Aftermarket Solutions Ensure Swift Replacement of Required Parts

Ordering spare parts via QR-Code

- As of 2013, all axles delivered have a QR code on the type plate
- Since 2014, this has also applied to fifth wheels and landing gear
- The serial number is the key information required to identify replacement parts
- Via the QR code customers are directed to an online platform where they can directly order required spare parts

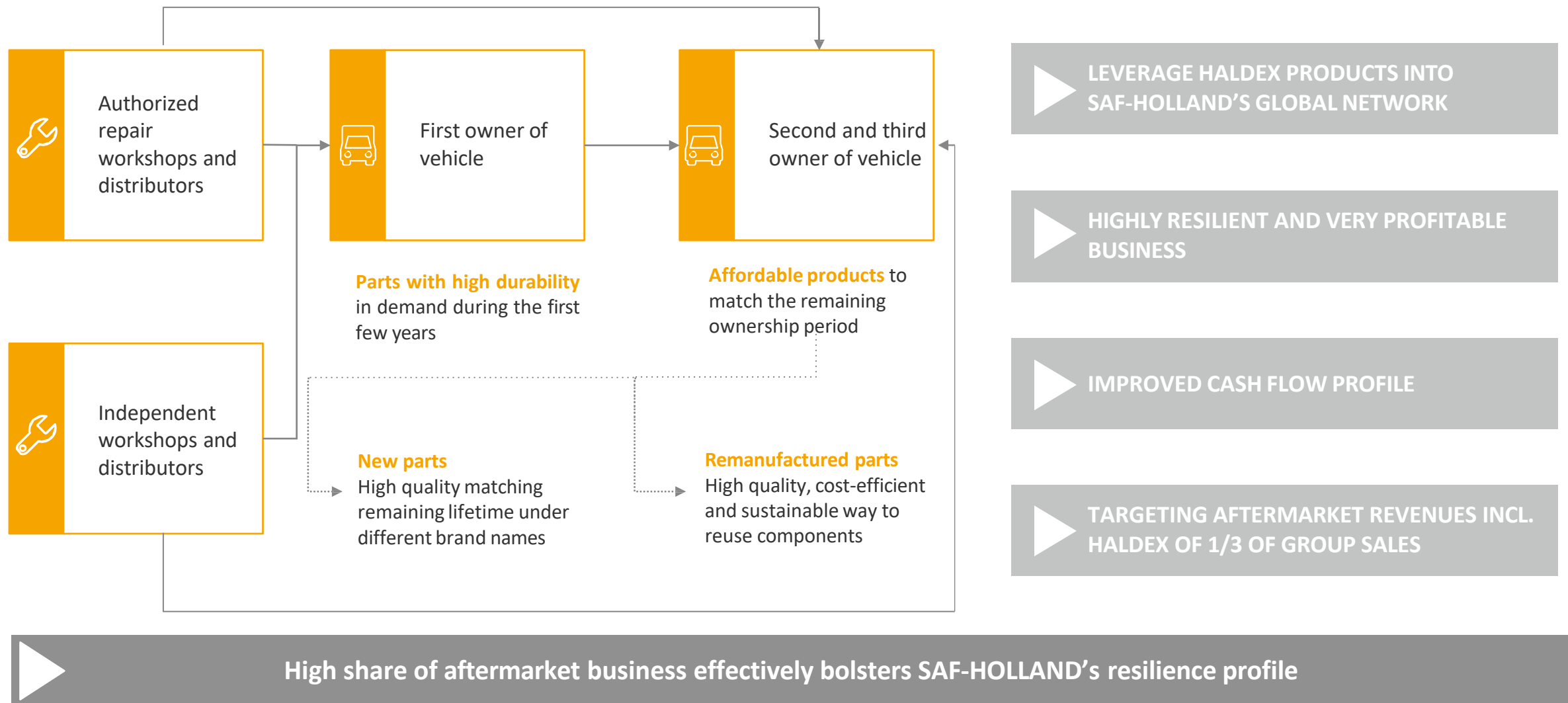
SAF-HOLLAND GMBH D-63856 BESSENBACH · GERMANY		SAF Holland	
Version	B9-22S	ID1 – SBS2243 – 10°	
Serial No.	13 12 125 0328	ID2 – SBS2220 H0	
Ident No.	347 91 68 7 49 01	ID3 – 10006	
Stat. 9000 kg Vmax. 105 km/h		ID4 – TDB0843	
Made in Germany	E	 SN 13121250328	

Ordering spare parts via NFC

- From May 2023, all axles with compact bearings are fitted with an NFC chip in the hub cap
- With an NFC-enabled smartphone and the SAF-HOLLAND "SH-Connect" app product-specific spare parts and technical documentation is available and needed spare parts can be order online

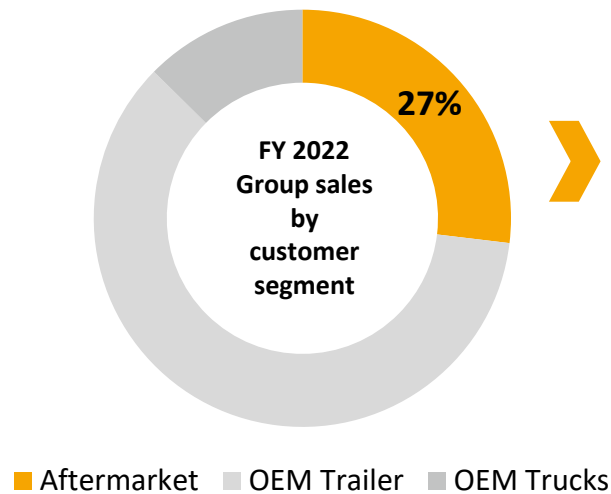


Aftermarket Needs Adressed from First to Third Owner of a Vehicle

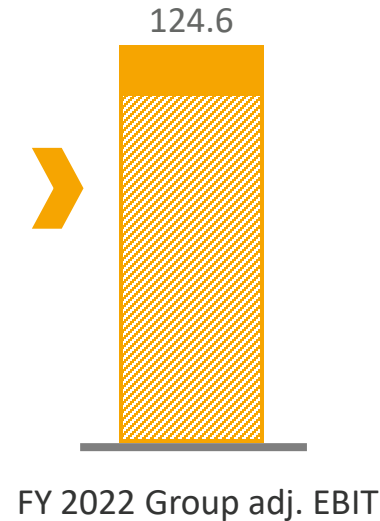


Strong Aftermarket Exposure Ensures Resilient Profitability

(EUR mn and %)



Aftermarket sales cover a high double digit %-share of Group adj. EBIT

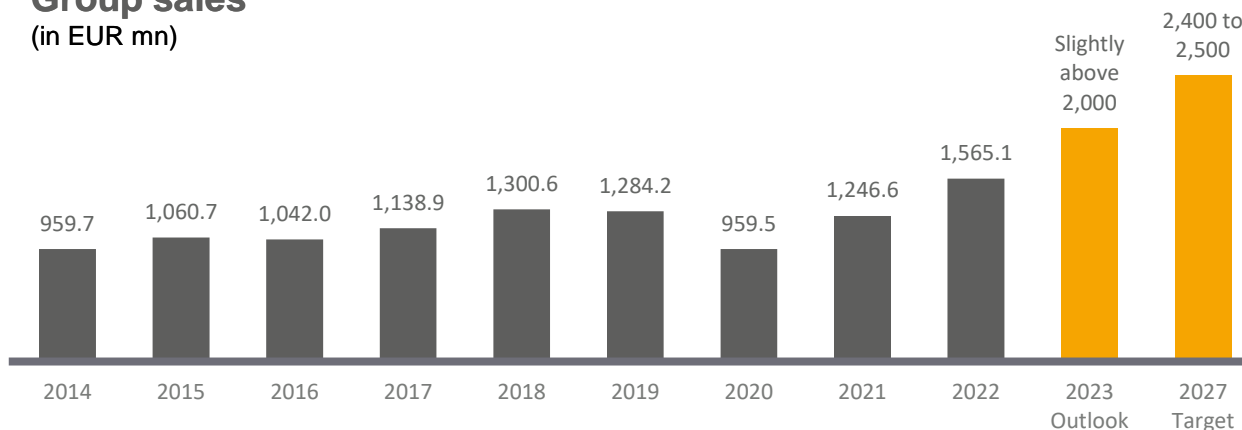


- Aftermarket sales streams are **resilient and highly profitable**
- **Strong aftermarket position** due to 12,000 spare parts & service stations, previous strong OEM-business growth and consolidation of Haldex creates increased aftermarket opportunities
- Going forward, including Haldex, **aftermarket sales are targeted to be ~30 %** of Group sales, further increasing resilience of SAF-HOLLAND
- Q2 2023, the first full quarter including Haldex, aftermarket share of Group sales was 31.7%

FY 2023 Profitability of up to 9% Targeted, adj. EBIT to Double Against Prior Periods

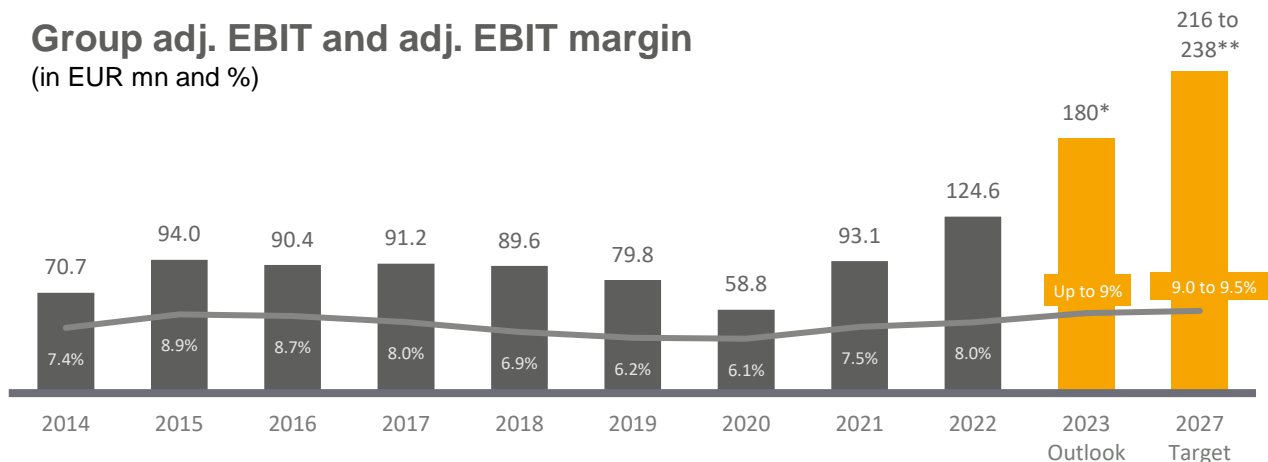
Group sales

(in EUR mn)



Group adj. EBIT and adj. EBIT margin

(in EUR mn and %)



* Implied value, calculated as 9% of EUR 2,000 mn

** Implied value, calculated as 9% against EUR 2,400 mn and 9.5% against EUR 2,500 mn

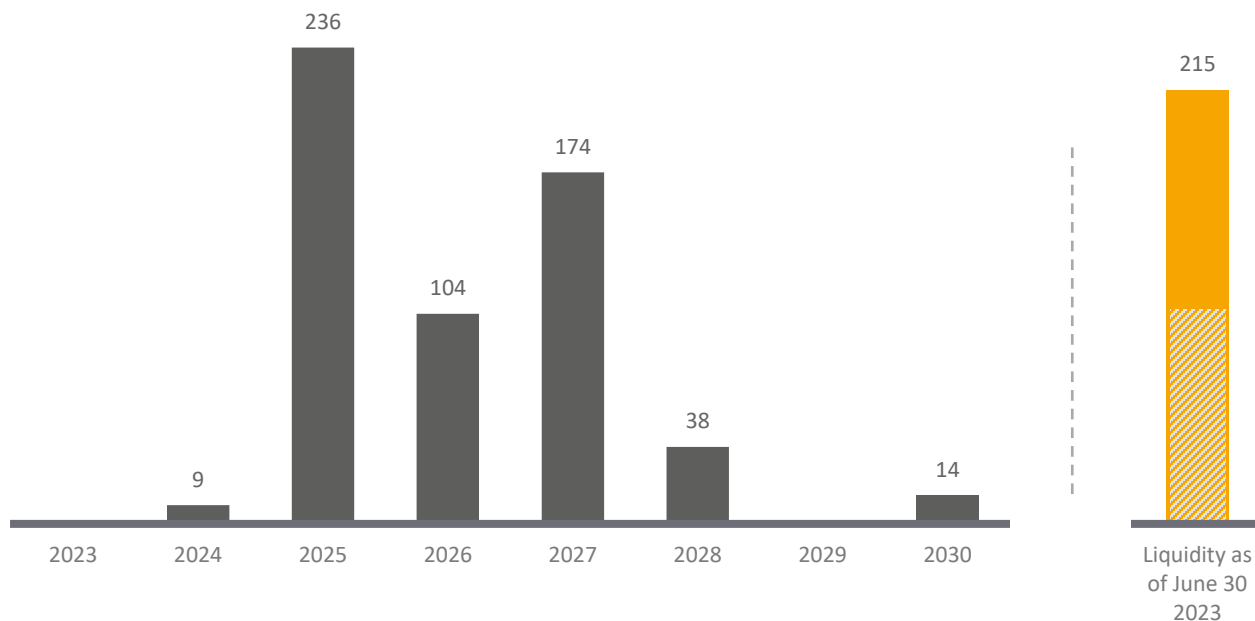
*** Calculated with FY 2027 sales target at mid-point against FY 2023 sales of slightly above EUR 2,000 mn

- **FY 2018 to FY 2020 adj. EBIT impacted** by reorganization of US factory footprint and supply chain disruptions, Chinese factory consolidation as well as COVID-19
- Despite a substantial sales-decline of -25% in **FY 2020, adj. EBIT margin was resilient** and only slightly changed against FY 2019
- **Significant margin improvement** in FY 2021 and FY 2022 despite supply chain disruptions as well as increased cost for material, energy and logistic
- **FY 2023 outlook** targets an adj. EBIT margin of up to 9%, implying a nominal adj. EBIT of around EUR 180 mn and therewith more than doubling against the values achieved in FY 2015 to FY 2018
- **FY 2027 target** calls for an organic sales CAGR FY 2023 to FY 2027 of c. 4.5%*** and an adj. EBIT margin of 9 to 9.5%
- **Additional FY 2027 targets** include:
 - 15 to 16% NWC ratio
 - ROCE of >= 15%
 - Capex ratio of <= 3%

No Maturities Outstanding Before 2025, SAF-HOLLAND Hedged Against Rising Interests

Maturity profile

(EUR mn)



- **No substantial maturities** outstanding before FY 2025
- Slightly more than half of outstanding debt includes variable interest rates, **around 75% of these debt instruments are hedged against rising interest rates**
- Most of outstanding debt is related to the Haldex acquisition, was taken on balance end of FY 2022 and therefore already includes the elevated interest rate environment
- **Liquidity on balance** is EUR 215 mn as of June 30 2023
 - Targeting to make a substantial amount of liquidity available for either deleveraging, M&A activities or a share buy back via improved liquidity management
- A **revolving credit facility, most of which is undrawn**, of EUR 250 mn is also available to SAF-HOLLAND

Q2 2023 Financial update

Q2 2023 Highlights

Trading Review

Strong y-o-y **sales increase of 37.7%**, mainly driven by Americas and APAC, plus Haldex having been consolidated for a full quarter for the first time. **Organic growth 11.4%**

Development by Region

Strong organic sales growth in Americas and APAC, EMEA organically slightly down y-o-y due to mix effects linked to the cyberattack and demand normalization in Q2

Aftermarket Strength

Significant aftermarket growth of 55.1%, mainly driven by the consolidation of Haldex and prior strong OEM-business growth, increasing addressable aftermarket

Cyberattack

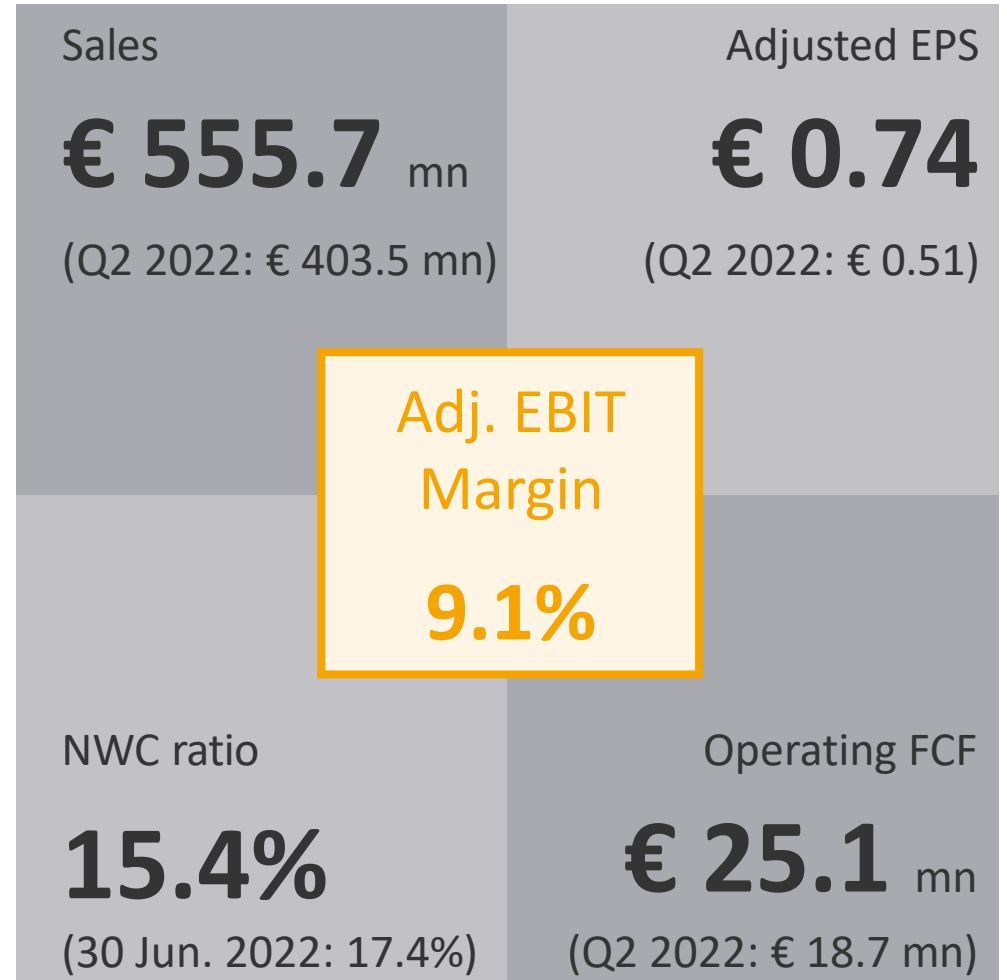
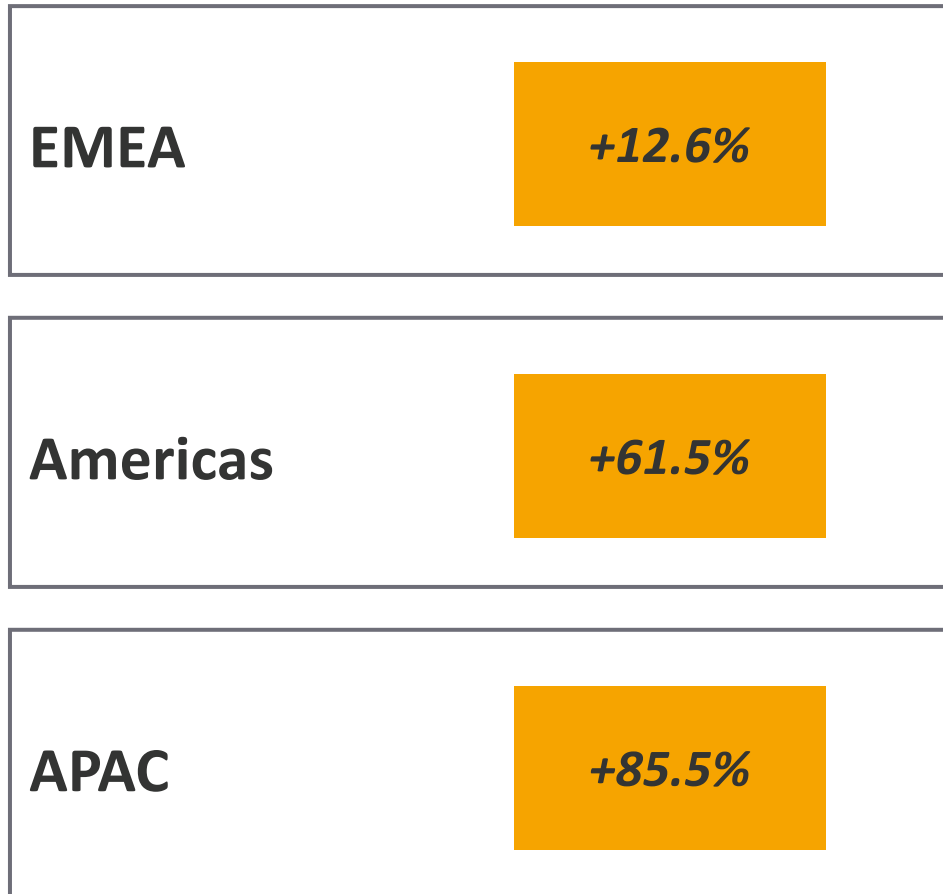
SAF-HOLLAND **recovered most of the production shortfall** caused by the cyberattack in Q2 2023

FY 2023 Outlook Update

SAF-HOLLAND is targeting to reach **sales slightly above EUR 2 bn** and an **adj. EBIT margin of up to 9%**

Strong Q2 2023 results with double-digit sales growth in all regions, supported by Haldex consolidation and strong demand in Americas and APAC

Q2 2023 y-o-y sales growth

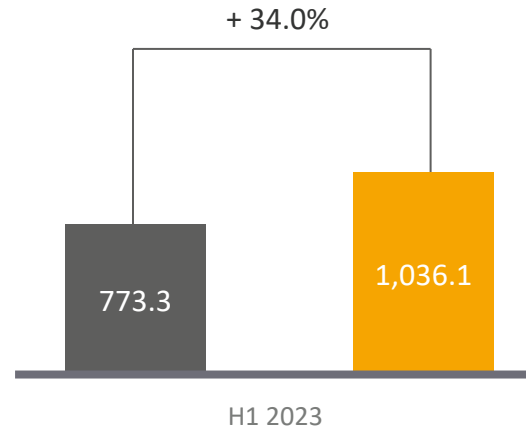


Group sales strongly up due to Haldex consolidation, double-digit organic growth

Group sales

(in EUR mn)

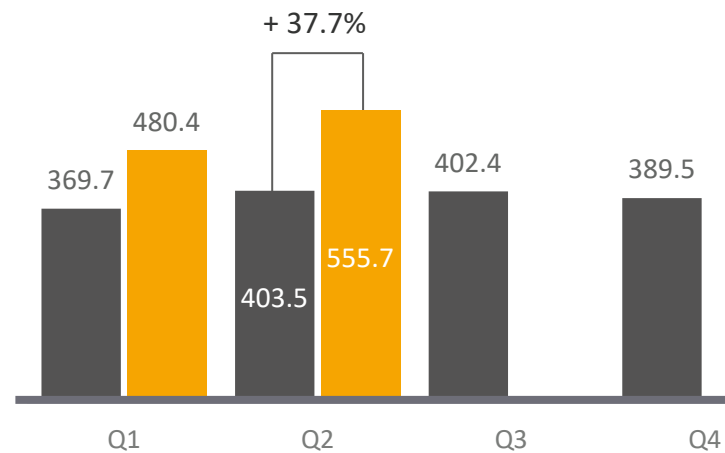
■ 2022
■ 2023



Group sales by quarter

(in EUR mn)

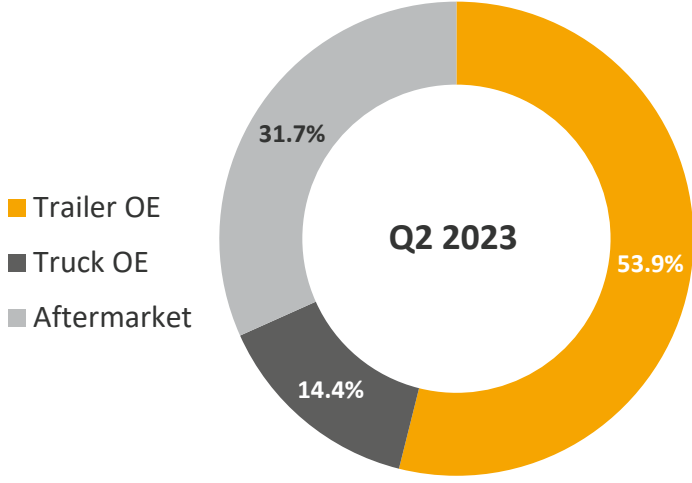
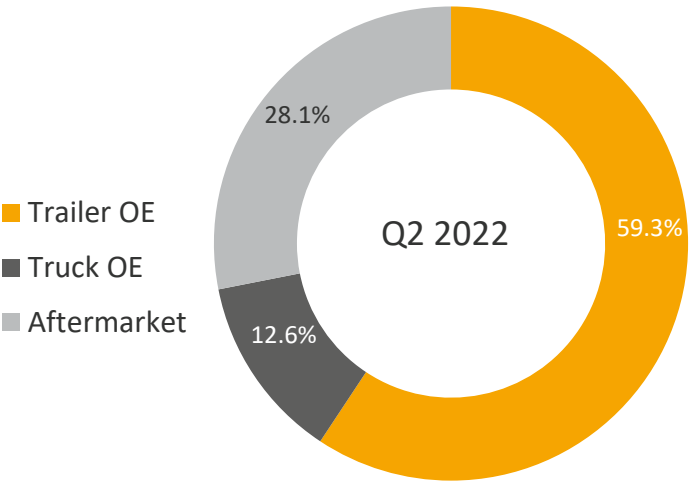
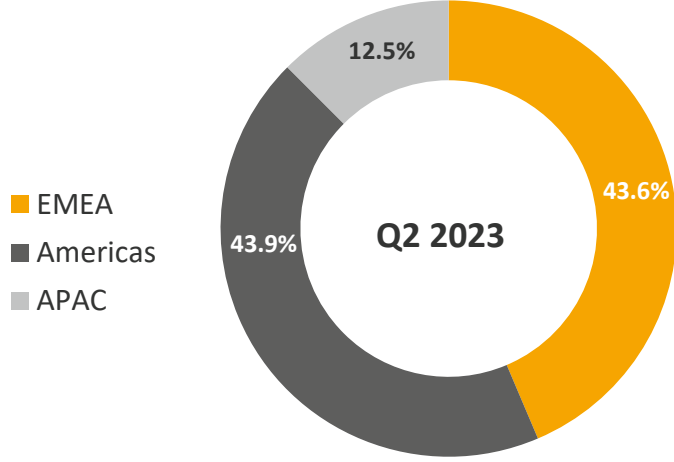
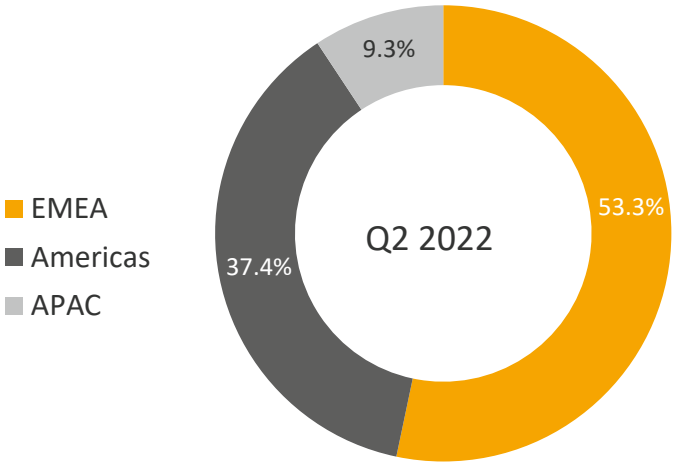
■ 2022
■ 2023



- Continued strong demand from customers for trailer and truck components
- Both, higher volumes and prior price increases supported revenue growth
- H1 2023 sales increased 34.0%, adjusted for FX and M&A effects +11.1%
- Q2 2023 sales up 37.7%; adjusted for FX and M&A effects +11.4%
- Haldex, included for a full quarter in the scope of consolidation, contributed EUR 117,3 mn to Group sales in Q2 2023

Americas and APAC gaining importance, aftermarket share above 30% for the Group

Group sales split (by region, by customer category)

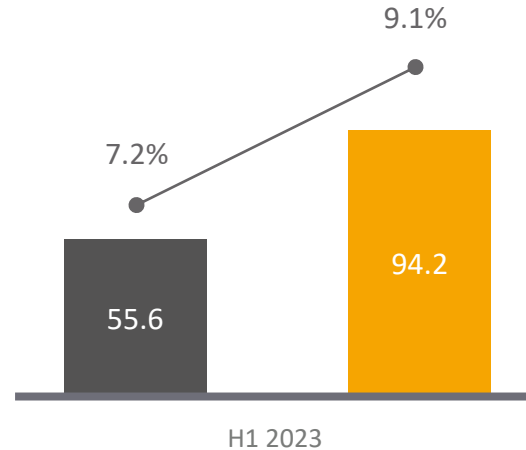


Higher sales volume, increased after market share and prior price adjustments supportive for Group adj. EBIT

Group adj. EBIT

(in EUR mn and % of sales)

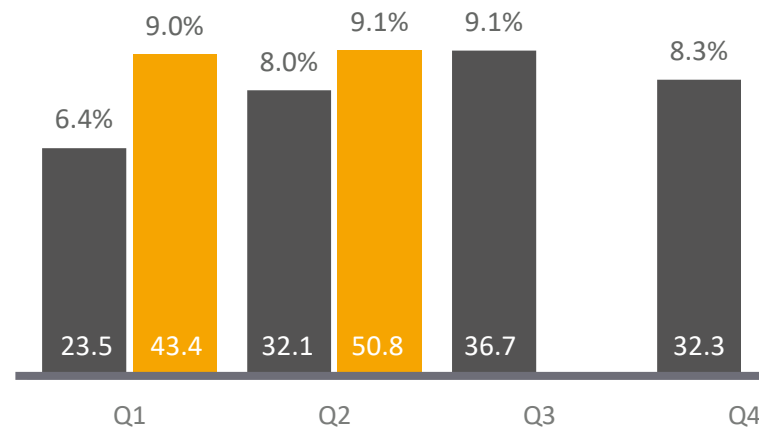
■ 2022
■ 2023



Group adj. EBIT by quarter

(in EUR mn and % of sales)

■ 2022
■ 2023



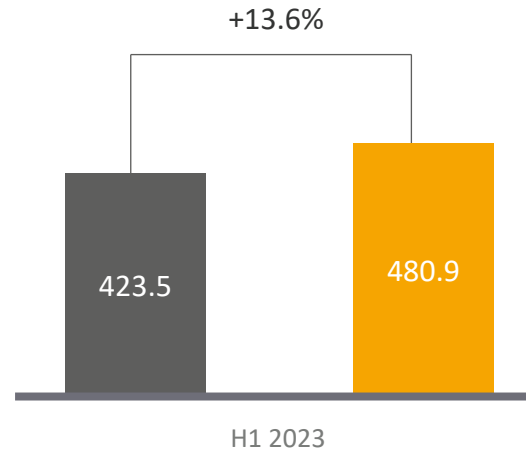
- In the first half of 2023 adj. EBIT improved by 69.3% to EUR 94.2 mn, leading to a significant margin improvement from 7.2% to 9.1%
- Q2 2023 adj. EBIT was EUR 50.8 mn, significantly up by 58.1%, equal to a margin of 9.1%
- Improvement in adjusted EBIT resulted mainly from higher volumes, an increased aftermarket share and prior price increases compensating higher material, logistics and energy costs
- Process optimizations, cost efficiencies and economies of scale especially in SG&A also supportive
- SAF-HOLLAND also made good progress, reaching targeted synergies from the Haldex acquisition
- Not considering Q4 – which is seasonally the lowest quarter from a margin-perspective – third consecutive quarter with a margin around 9%

Sales increase driven by Haldex consolidation, organic sales growth above market development in EMEA

EMEA sales

(in EUR mn)

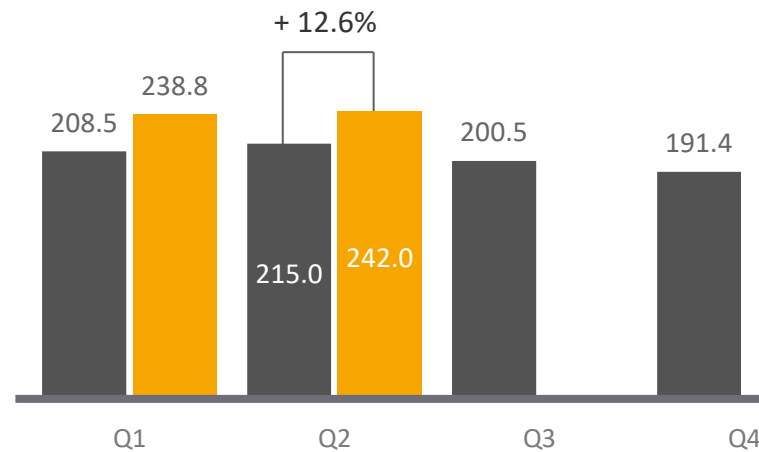
■ 2022
■ 2023



EMEA sales by quarter

(in EUR mn)

■ 2022
■ 2023



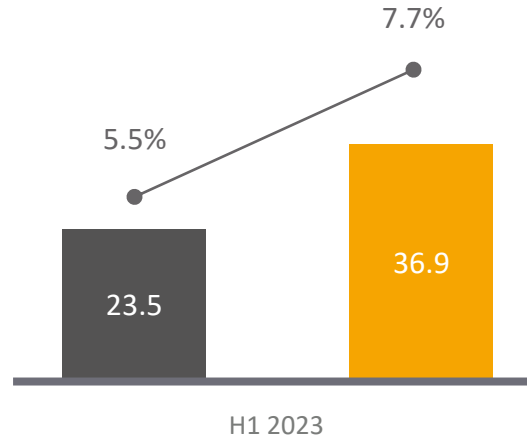
- H1 2023 sales increased 13.6%, adjusted for FX and M&A effects -0.5%
- Q2 2023 sales up 12.6%; adjusted for FX and M&A effects -1.8%
- Organic sales growth above market development
- Slight organic revenue decline reflects mix effects and some unprocessed orders due to the cyberattack as well as demand normalization for trailers
- The EMEA region recorded solid sales growth in the aftermarket business in Q2 2023, due to Haldex consolidation, as well as an increased addressable aftermarket due to prior strong OEM-business growth

Positive product and aftermarket mix as well as price increases supportive in EMEA

EMEA adj. EBIT

(in EUR mn and % of sales)

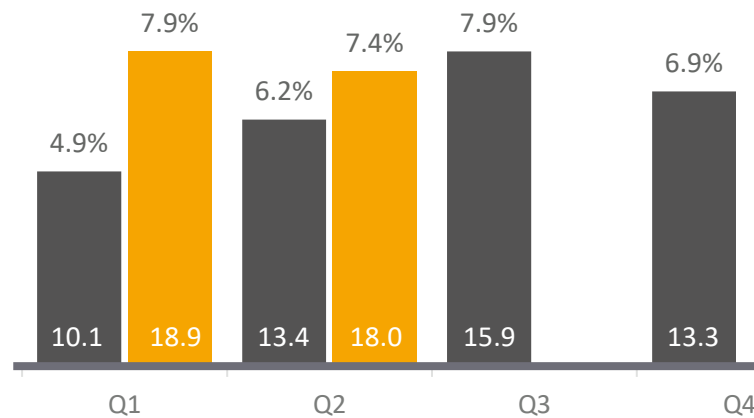
■ 2022
■ 2023



EMEA adj. EBIT by quarter

(in EUR mn and % of sales)

■ 2022
■ 2023



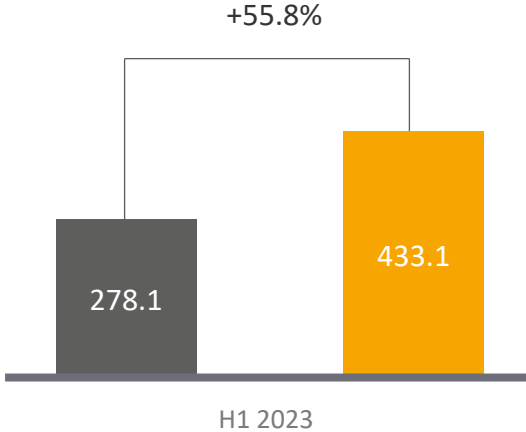
- Double-digit increase in adj. EBIT in both the first six months and Q2 2023
- Product mix, higher aftermarket share as well as internal efficiency improvements also had a positive impact
- Prior price increases compensated elevated steel, logistics and energy costs
- Q2 2023 vs. Q1 2023 adj. EBIT margin slightly down, impacted by full consolidation of Haldex, as Haldex has a lower adj. EBIT margin profile in EMEA than SAF-HOLLAND stand-alone

Americas saw strong growth due to high customer demand and Haldex consolidation

Americas sales

(in EUR mn)

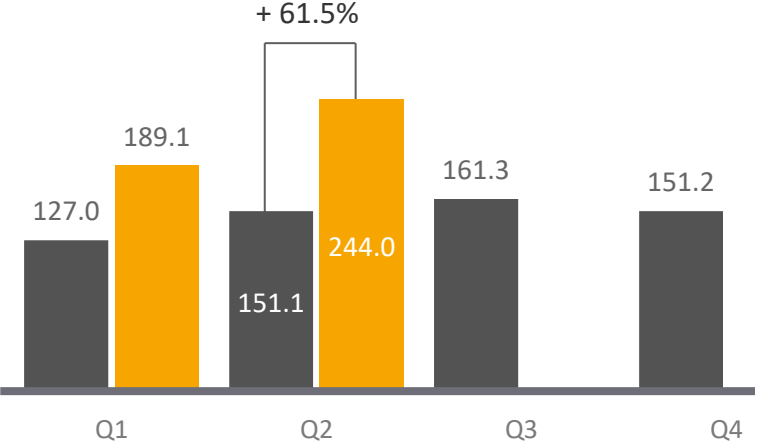
■ 2022
■ 2023



Americas sales by quarter

(in EUR mn)

■ 2022
■ 2023



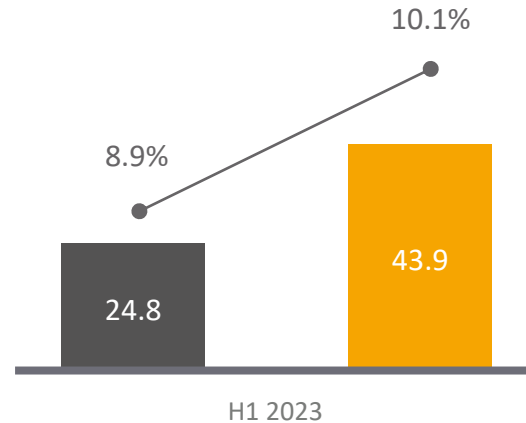
- Overall, demand for trailer and truck components remained robust in the region due to solid OEM-backlogs
- Due to its strong position, SAF-HOLLAND also benefitted from the trend towards disc brake axle systems
- H1 2023 sales increased 55.8%, as Haldex generates c. 50% of sales in the Americas region
- Adjusted for FX and M&A effects Americas grew 16.1% in the first six months
- Q2 2023 sales up 61.5%; adjusted for FX and M&A effects strong increase of 15.0%

Operating leverage and efficiency enhancements support strong margin improvement

Americas adj. EBIT

(in EUR mn and % of sales)

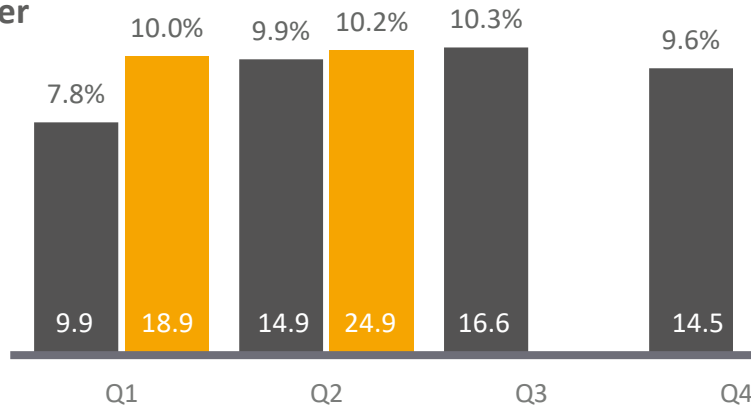
■ 2022
■ 2023



Americas adj. EBIT by quarter

(in EUR mn and % of sales)

■ 2022
■ 2023

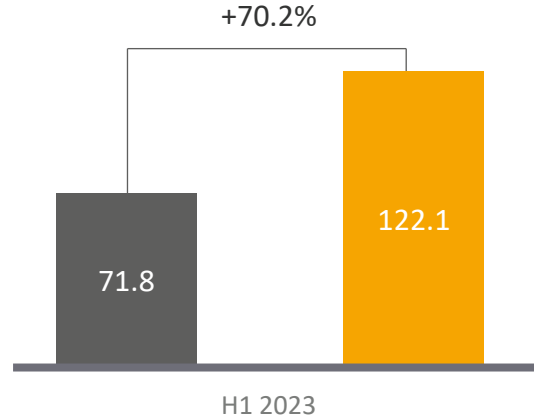


- The Americas region saw very strong double-digit adjusted EBIT improvement both in the first six months (+76.9%) and Q2 2023 (+67.4%)
- Strong improvement in earnings was primarily the result of the operating leverage due to strong sales growth
- Successfully implemented efficiency enhancements and savings in the overhead area are showing the expected benefits
- Q2 2023 was the fifth consecutive quarter with a margin of around 10%

APAC recorded strong growth driven by demand in India, China sales grew significantly

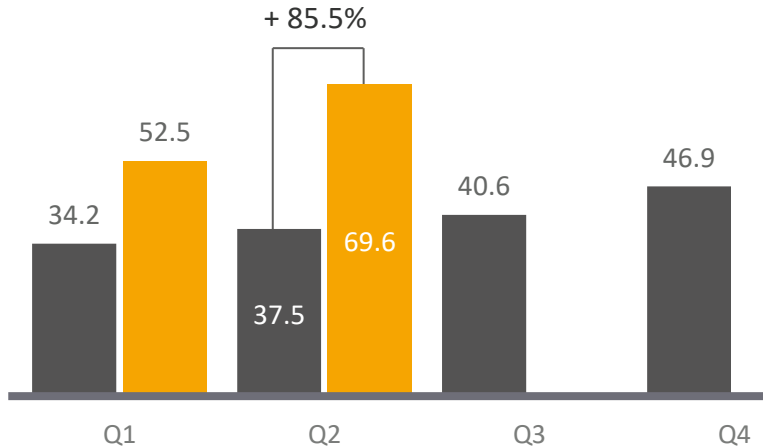
APAC sales
(in EUR mn)

■ 2022
■ 2023



APAC sales by quarter
(in EUR mn)

■ 2022
■ 2023



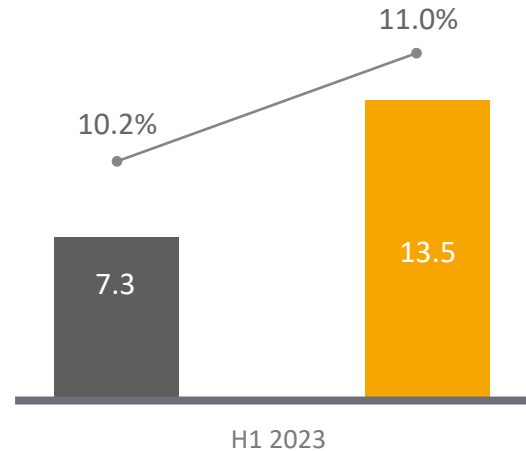
- H1 2023 sales increased 70.2%, adjusted for FX and M&A effects +60.3%
- Q2 2023 sales up significantly with 85.5%; adjusted for FX and M&A effects +72.4%
- Substantial growth in the APAC region driven by the ongoing strong development in India due to government infrastructure measures and the expansion of its transport sector
- Customer demand also remained solid in the specialty market of Australia and Southeast Asia
- SAF-HOLLAND’s business in China also grew significantly, doubling sales in Q2 2023 vs. Q1 2023

Strong profitability driven by scale effects and improved operating performance

APAC adj. EBIT

(in EUR mn and % of sales)

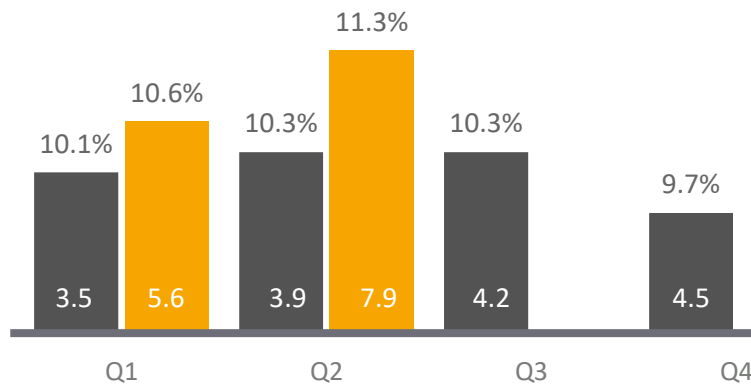
■ 2022
■ 2023



APAC adj. EBIT by quarter

(in EUR mn and % of sales)

■ 2022
■ 2023



- Overall economies of scale from the higher business volume in India and a favorable product mix were supportive both in Q1 and Q2 2023
- Highly profitable business in the mining sector in Southeast Asia contributed to the adj. EBIT increase
- Further improvement in the operating performance in China beneficial to the earnings improvement
- In sum adj. EBIT improved 83.6% in the first six months and 103.6% in Q2 2023
- Q2 2023 was the sixth consecutive quarter with an adj. EBIT margin around the double-digit territory

Financials H1 and Q2 2023

EBIT to adjusted EBIT reconciliation for the Group

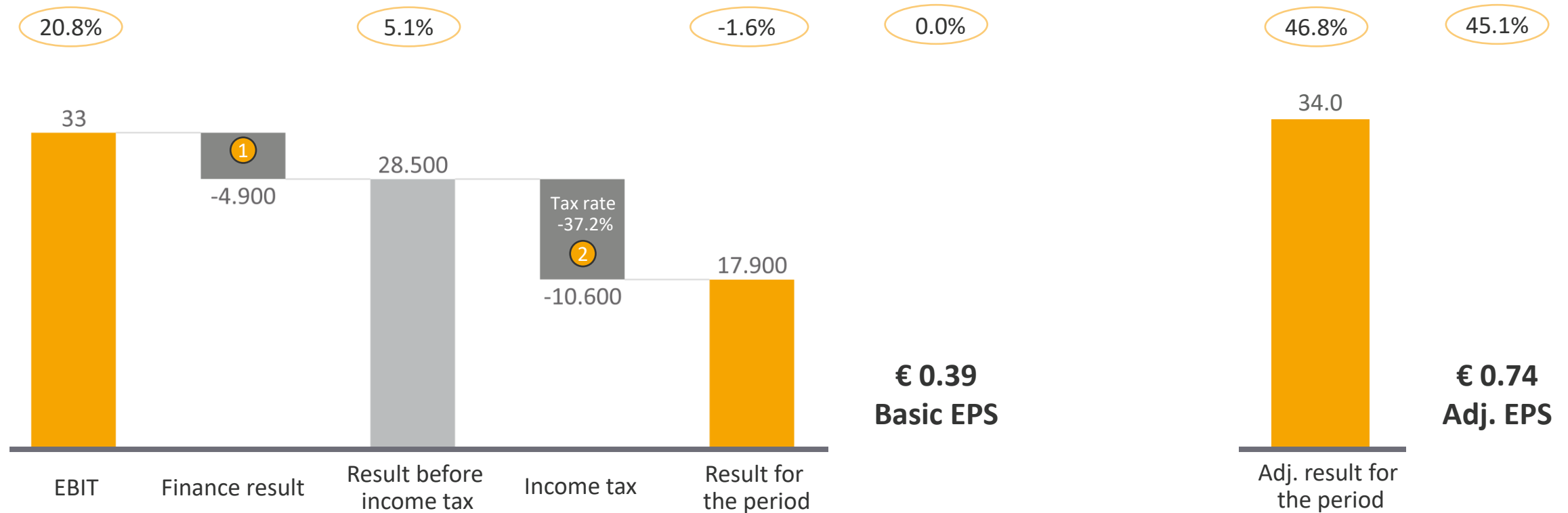
in EUR mn	H1 2023	H1 2022	Change in %	Q2 2023	Q2 2022	Change in %
EBIT	72.3	48.7	48.4	33.5	27.7	20.8
EBIT margin in %	7.0	6.3	-	6.0	6.9	-
Additional depreciation and amortization from PPA	8.2	4.6	77.6	① 5.9	2.4	>100
Inventory step-up at Haldex	5.3	-	-	5.3	-	-
Restructuring and transactions costs	② 7.1	1.0	>100	4.9	0.8	>100
Valuation effects from call and put options	1.2	1.3	-1.1	1.2	1.3	-1.1
Adjusted EBIT	94.2	55.6	69.3	50.8	32.1	58.1
Adjusted EBIT margin in %	9.1	7.2	-	9.1	8.0	-

① Aside existing PPA for prior acquisitions of EUR 2.3 mn, includes Haldex-related PPA of around EUR 2.8 mn for Q2 2023 and a catch-up effect for one month of Haldex PPA in Q1 2023. PPA run-rate from Q3 2023 onwards should be ~ 5 mn per quarter

② Includes extraordinary expenses for external consulting and IT-equipment related to the cyberattack of ~ EUR 4 mn and costs for post merger integration of Haldex of ~ EUR 2 mn

Q2 2023 adjusted earnings per share significantly up

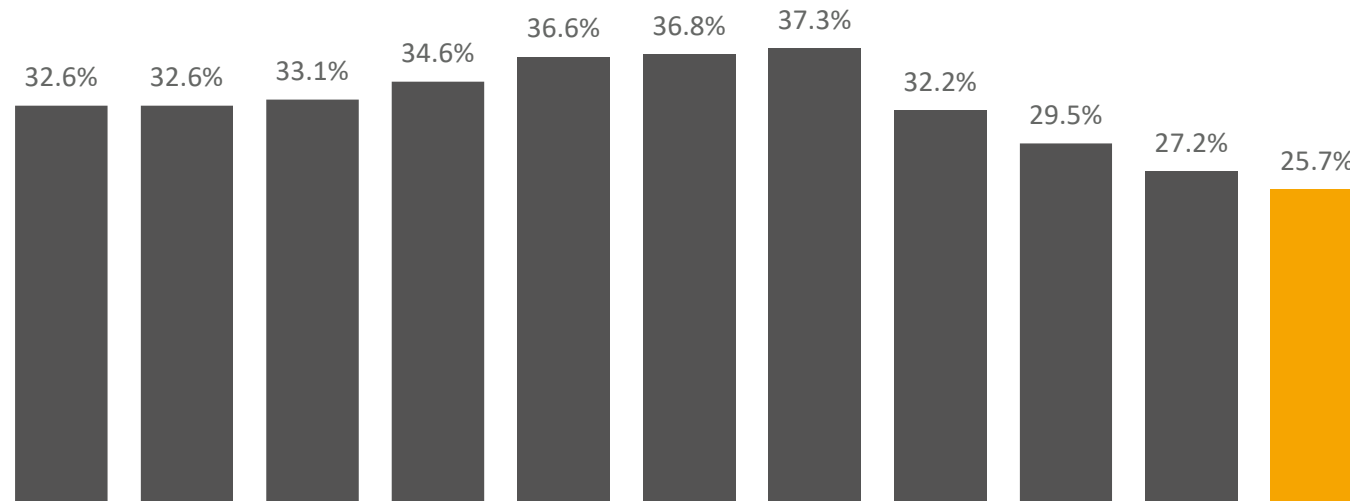
(EUR mn and y-o-y change in %)



① Includes a mid-single digit positive FX-effect. Finance expenses were EUR 10.4 mn in the quarter

② Above usual tax rate of around 30% due to non-capitalized deferred tax assets on loss carryforwards at some subsidiaries. FY 2023 tax rate is expected to be in a corridor of 29% to 34%

Equity ratio slightly down due to balance sheet expansion driven by Haldex acquisition

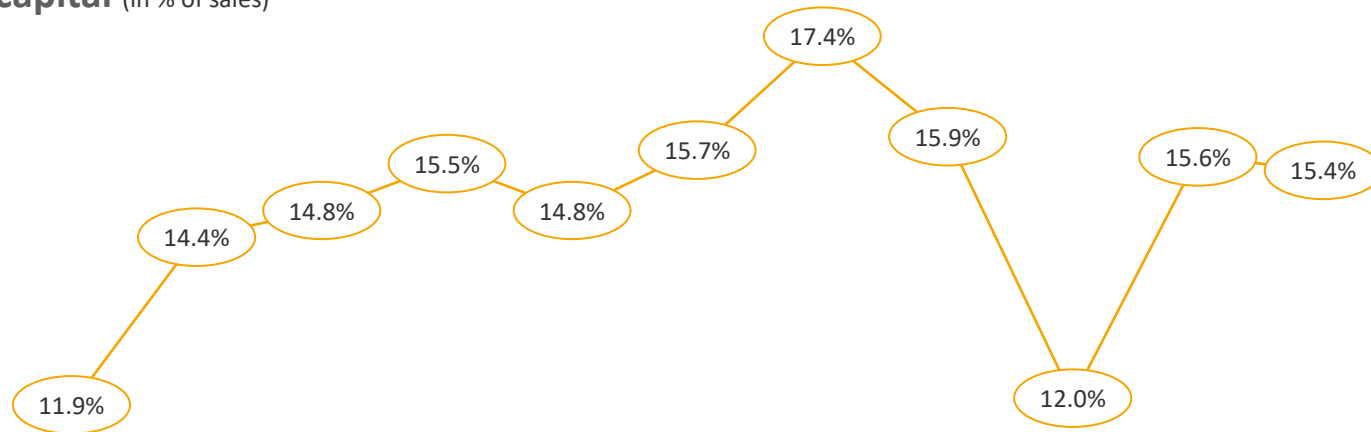


- Compared to 31 Dec. 2022, equity is slightly down 1.8% due to the dividend payment towards shareholders and negative FX effects, while balance sheet total is up 12.6% due to the consolidation of Haldex
- Equity-ratio is therefore slightly down at 25.7% vs. 29.5% per 31 December 2022

EUR mn	Dec 2020	Mar 2021	Jun 2021	Sep 2021	Dec 2021	Mar 2022	Jun 2022	Sep 2022	Dec 2022	Mar 2023	Jun 2023
Equity	300.5	325.2	334.8	353.7	371.1	390.5	431.1	468.5	441.4	449.8	433.4
Balance sheet total	920.5	998.6	1,010.4	1,022.9	1,014.3	1,060.4	1,156.4	1,456.9	1,498.4	1,650.7	1,686.9

Strict NWC-management leads to sequentially stable net working capital ratio

Net working capital (in % of sales)



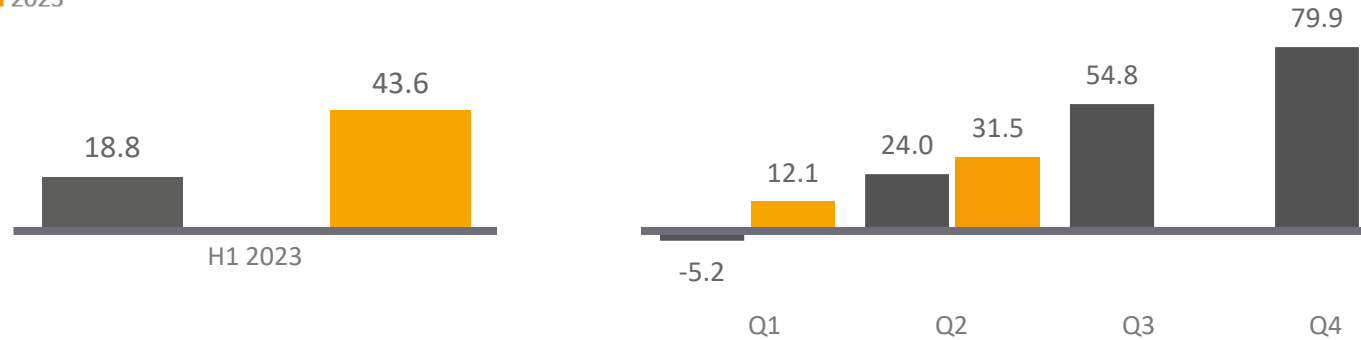
- NWC ratio of SAF-HOLLAND was 15.4%, slightly improved sequentially due to the strict NWC-management
- Against Dec 2022 NWC increased due to the consolidation of Haldex, which has a significantly higher NWC-ratio at around the 20%-mark
- For better comparability, NWC of sales calculation, considers Haldex's contribution to sales on a pro forma basis for the last twelve months, as Haldex's contribution to NWC is also fully included since Q1 2023

EUR mn	Dec 2020	Mar 2021	Jun 2021	Sep 2021	Dec 2021	Mar 2022	Jun 2022	Sep 2022	Dec 2022	Mar 2023	Jun 2023
Inventories	126.4	155.8	176.0	195.3	194.0	211.9	237.0	237.9	202.2	308.4	305.7
Trade receivables	95.3	130.0	148.9	147.2	136.3	176.1	184.6	187.0	144.7	283.0	286.4
Trade payables	-107.2	-147.4	-163.4	-160.6	-145.8	-179.3	-176.2	-187.3	-159.0	-262.2	-261.4
NWC	114.6	138.4	161.5	181.9	184.4	208.7	245.5	237.6	188.0	329.2	330.7
Sales (LTM)	959.5	961.7	1,091.4	1,175.6	1,246.6	1,330.7	1,411.7	1,497.5	1,565.1	2,112.8	2,143.2

Very strong development of operating and free cash flow

Net cash flow from operating activities (EUR mn)

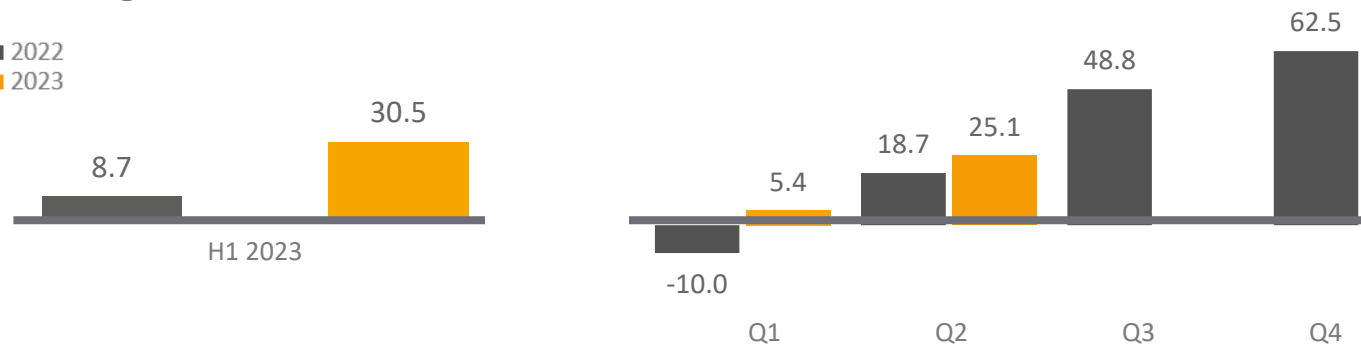
■ 2022
■ 2023



- The increase in operating cash flow was mainly due to higher earnings before taxes and strict NWC-management
- Cash taxes were around EUR 27 mn in H1 2023, up from around EUR 14 mn due to increased earnings before taxes in prior periods

Operating free cash flow* (EUR mn)

■ 2022
■ 2023

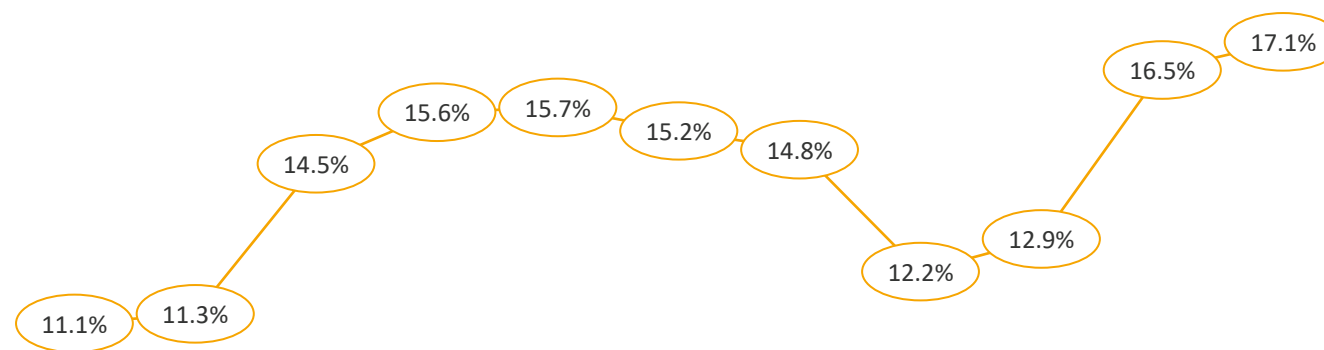


- Payments for investments in property, plant and equipment and intangible assets were EUR 13.1 mn in the first six months or EUR 6.4 mn in Q2 2023

* Pre acquisitions / acquisition of Haldex shares

ROCE improvement driven by stable capital employed while LTM EBIT improved

Return on capital employed (in %)



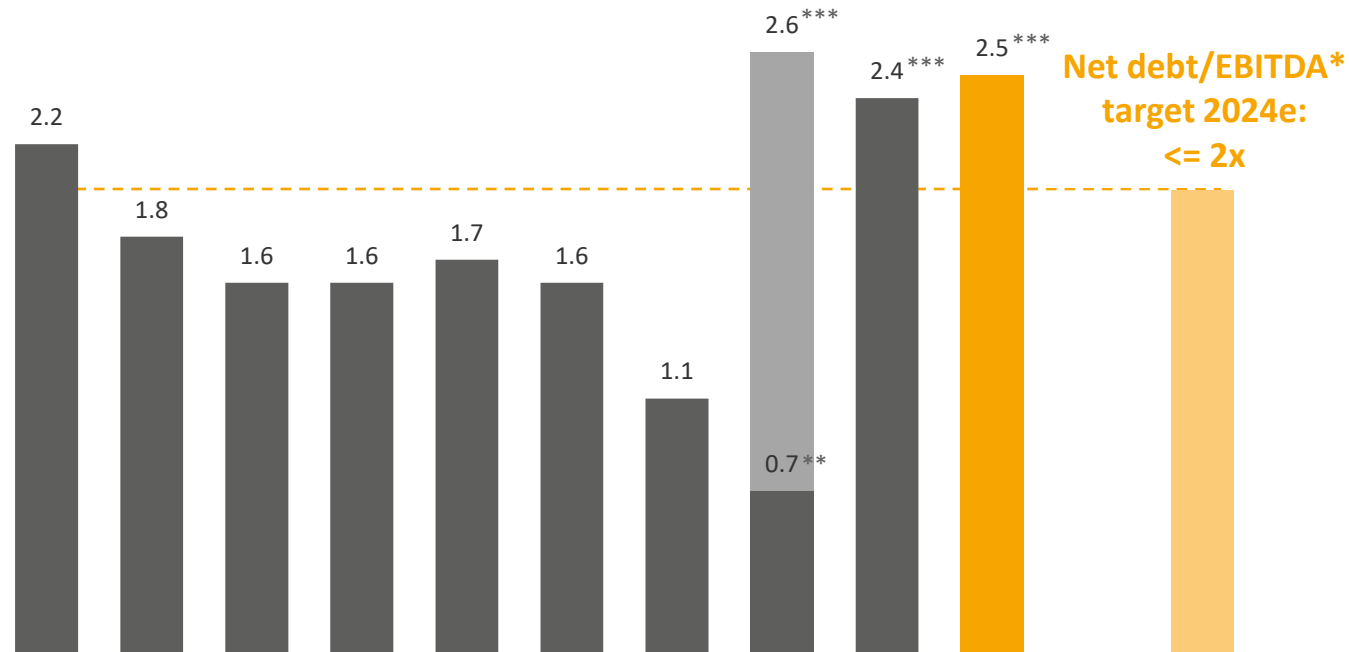
- Q2 2023 ROCE was 17.1%, up vs. Q1 2023 due to stable capital employed while EBIT (LTM) increased slightly
- As of Q1 2023 the calculation includes Haldex's contribution to adjusted EBIT on a pro forma basis for the last twelve months, as Haldex's contribution to capital employed is also fully included

EUR mn	Dec 2020	Mar 2021	Jun 2021	Sep 2021	Dec 2021	Mar 2022	Jun 2022	Sep 2022	Dec 2022	Mar 2023	Jun 2023
Equity	300.5	325.2	334.8	353.7	371.1	390.5	431.1	468.5	441.4	449.8	433.4
Financial liabilities	324.1	332.4	323.7	318.5	322.2	318.9	369.9	614.5	715.7	663.3	683.8
Lease liabilities	43.6	42.7	41.6	41.7	41.1	40.4	40.9	39.9	38.4	62.7	68.0
Pension provisions	31.4	32.2	32.2	32.7	22.3	22.5	16.8	16.9	15.3	43.1	41.6
Cash/cash equivalents	-171.0	-179.5	-164.9	-159.5	-165.2	-148.9	-173.0	-206.2	-243.5	-218.0	-215.3
Capital employed	528.6	553.0	567.4	587.1	591.4	623.4	685.7	933.7	967.3	1,000.9	1,011.5
Adjusted EBIT (LTM)	58.8	62.3	82.1	91.5	93.1	94.7	101.8	114.1	124.6	165.0	172.6

Net debt/EBITDA: Operating performance offset by dividend payment and PPA items.

Target for 2024 confirmed with 2x or lower

Net debt/EBITDA



- Including pro-forma EBITDA contribution of Haldex and related debt, net debt/EBITDA ratio amounted to 2.5x, down from Dec. 2022 value of 2.6x
- While gross debt position was stable, slight increase in leverage in Q2 vs. Q1 2023 mainly due to dividend payment, causing a slightly lower cash position and PPA items reducing LTM EBITDA slightly
- Dec 2022 net debt/EBITDA ratio of 0.7x did not include additional debt to finance the acquisition of Haldex
- Significant deleveraging in Q3 2022 and Q4 2022 due to strong operating FCF, which in turn was due to improved working capital management
- The target for 2024 is a net debt to EBITDA ratio of 2.0x or lower

EUR mn	Mar 2021	Jun 2021	Sep 2021	Dec 2021	Mar 2022	Jun 2022	Sep 2022	Dec 2022	Mar 2023	Jun 2023
Net debt	195.6	200.4	200.7	198.0	210.3	206.4	158.8	108.4	508.1	536.5
EBITDA*	87.0	114.3	125.9	125.0	126.4	131.6	140.0	151.5	214.1	212.0

* Reported EBITDA (LTM) ** Excl. Haldex related debt *** Incl. Haldex related debt and pro-forma EBITDA (LTM) contribution

Update on Haldex goodwill allocation and integration

HalDEX acquisition leads to a goodwill increase of around EUR 59 mn. Integration and reaching targeted synergies progressing very well

in EUR mn	Forecasted acquisition related impacts on SAF-HOLLAND	Acquisition related impacts on SAF-HOLLAND
Haldex related goodwill on balance	+30 – 70	+58.5
Inventory step-up at Haldex effecting the P&L	~ -5	-5.3
Expected PPA amortization from Haldex going forward	~ -11 per annum	~ -11 per annum

Comments on acquisition related impacts on SAF-HOLLAND

- Based on current status of goodwill allocation, the purchase price allocation for Haldex increased goodwill on balance of SAF-HOLLAND in the amount of EUR 58.5 mn, matching the previously communicated corridor of EUR 30 to 70 mn
- Inventory step-up at Haldex was EUR 5.3 mn
- Additional PPA amortization from Haldex is expected to be approx. EUR 11 mn per annum
- Due to Haldex being consolidated as of February 21 2023, PPA amortization for FY 2023 is expected to be 10/12 of the EUR 11mn

Update on Haldex integration

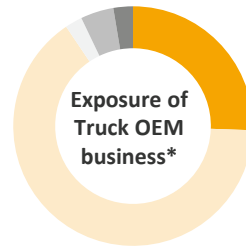
- Integration of Haldex progressing very well
- SAF-HOLLAND is on a good way to reach the targeted synergies of EUR 10 to 12 mn in FY 2023
- Long-term synergy target of EUR 25 to 35 mn in FY 2027 is unchanged

Outlook 2023 and key takeaways

FY 2023 market outlook - European trailer market normalizes while other important market are set to keep on growing, especially N. America and Indian trailer market

	FY 2023e Trailer Market	FY 2023e Trucks Market
EMEA	~ -5%	~ +10%
North America	~ +8%	~ +10%
Brazil	~ -5%	~ -20%
China	~ +35%	~ +15%
India	~ +70%	~ +14%

- EMEA
- North America
- Brazil
- China
- India



* Indicative view showing the market exposure of the original equipment manufacturing (OEM) business of SAF-HOLLAND, based on the Groups Q2 2023 OEM sales

Note: Market forecasts are internal management assumptions based on truck-OEM communication, CLEAR int. (WEU and EEU, June and April 2023), ACT Research (North America, July 2023), ANFAVEA (Brazil, July 2022)

• EMEA

- Due to the adverse economic environment and persistent uncertainties surrounding the Ukraine conflict, the European trailer market, measured in terms of production in 2023, is expected to decline slightly
- Truck market expected to increase, due to strong OEM order backlog and ongoing customer demand

• North America

- Trailer and truck markets expected to grow, due to strong OEM order backlog and continued market demand

• Brazil

- For South America's most important commercial vehicle market, both trailer and truck markets are expected to decline in 2023

• China

- Following previous year's sharp downturn in the truck and trailer markets, both trailer and truck markets are expected to grow in the high double-digits

• India

- Supported by the continued strong investment of India's government in infrastructure expansion, trailer production is expected to increase substantially by around 70% and truck production by around 14%

Updated FY 2023 outlook targets sales slightly above € 2 bn and a margin of up to 9%

	Old Group FY 2023 Outlook as of 30 March 2023*	Updated Group FY 2023 Outlook as of 10 August 2023*
Sales	EUR 1,800 - 1,950 mn	Slightly above EUR 2,000 mn
Adj. EBIT margin	7.5% to 8.5%	Up to 9%
Capex ratio**	Up to 3%	Up to 3%

- Based on ongoing strong demand for trailer and truck components, SAF-HOLLAND is targeting **group sales slightly above EUR 2,000 mn**, assuming stable exchange rates and the sales contribution of Haldex as of February 21, 2023
- SAF-HOLLAND expects to reach an **adjusted EBIT margin**, including Haldex, of **up to 9%** based on ongoing strong market demand from higher-margin regions Americas and APAC and good progress in achieving targeted synergies from the Haldex acquisition.
- Potential headwinds in H2 2023 include increased cost of labour, initial cost for the implementation of SAP S4 HANA and Q3 and Q4 effected by regular factory holidays. SAF-HOLLAND targets an adj. EBIT margin of up to 9% by offsetting these headwinds based on productivity improvements and synergies from the Haldex acquisition
- For FY 2023, including Haldex, the Group plans expenditures for **investments of up to 3%** of Group sales, with a focus on expanding production capacities in Mexico, India and Brazil as well as the Group-wide implementation of SAP S4 HANA

* Incl. Haldex contribution, consolidated as of February 21, 2023

** Incl. payments for investments in property, plant and equipment and intangible assets as well as capitalized R&D

Key takeaways

1 **SAF-HOLLAND benefitting from a more balanced regional mix** with Americas having gained importance, due to the Haldex acquisition and strong organic growth, while APAC benefitted strongly from organic growth

2 **Haldex integration and synergy targets well under way.** Enhanced product portfolio and increased aftermarket exposure creates a **stronger and more resilient SAF-HOLLAND**

3 SAF-HOLLAND with **strong performance**, showing **steady Group margins of around 9%** during the last few quarters

4 The Group is targeting an **adj. EBIT margin of up to 9% in FY 2023**, significantly up from the 8.0% adj. EBIT margin achieved in FY 2022

Contact and appendix

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Financial calendar and events

October 6, 2023	Spain-Roadshow with Berenberg, Madrid
October 10 & 11, 2023	US-Roadshow with ODDO BHF, New York & Chicago
October 11, 2023	Virtual Lugano / Milan Roadshow with Hauck & Aufhäuser Lampe, IR-only
November 09, 2023	Publication of the Quarterly Statement Q3 2023

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