Capital Markets Brush-up
HALDEX Post-Merger Integration: Status and Targets

JAN 26, 2023

DISCLAIMER

This presentation has been prepared by SAF-HOLLAND SE (“SAF-HOLLAND”) and comprises written materials concerning SAF-HOLLAND and Haldex AB (“Haldex”). It contains summary information only and does not purport to be comprehensive and is not intended to be (and should not be used as) the sole basis of any analysis or other evaluation of SAF-HOLLAND, Haldex or its business. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of any information, including projections, estimates, targets and opinions, contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein, and, accordingly, neither SAF-HOLLAND nor any of the members of its management board or any of its officers, employees or advisors nor any other person shall have any responsibility or liability whatsoever (for negligence or otherwise) arising, directly or indirectly, from the use of this presentation, or its contents or otherwise in connection with this presentation.

This presentation contains certain statements related to our future business and financial performance and future events or developments involving SAF-HOLLAND, Haldex and/or the industry in which SAF-HOLLAND and Haldex operate that may constitute forward-looking statements. These statements may be identified by words such as “believes,” “expects,” “predicts,” “intends,” “projects,” “plans,” “estimates,” “aims,” “foresees,” “anticipates,” “targets,” and similar expressions. Forward-looking statements are not historical facts, but solely opinions, views and forecasts which are based on current expectations and certain assumptions of SAF-HOLLAND’s management or cited from third party sources which are uncertain and subject to risks. Actual events may differ significantly from the anticipated developments due to a number of factors, including without limitation, changes in general economic conditions, changes affecting the fair values of the assets held by SAF-HOLLAND and its subsidiaries, changes affecting interest rate levels, changes in competition levels, changes in laws and regulations, environmental damages, the potential impact of legal proceedings and actions and the SAF-HOLLAND Group’s ability to achieve operational synergies from past or future acquisitions. Should any of these risks or uncertainties materialise or should underlying expectations not occur or assumptions prove to be incorrect, actual results, performance or achievements of SAF-HOLLAND may (negatively or positively) vary materially from those described, explicitly or implicitly, in the relevant forward-looking statement.

The information contained in this presentation, including any forward-looking statements expressed herein, speaks only as of the date hereof and reflects current legislation and the current business and financial affairs of the SAF-HOLLAND which are subject to change and audit. Neither the delivery of this presentation nor any further discussions of SAF-HOLLAND with any of the recipients thereof shall, under any circumstances, create any implication that there has been no change in the affairs of SAF-HOLLAND since such date. Consequently, SAF-HOLLAND neither accepts any responsibility for the future accuracy of the information contained in this presentation, including any forward-looking statements expressed herein, nor assumes any obligation, to update or revise this information to reflect subsequent events or developments which differ from those anticipated.

This presentation is not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident or located in any state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction. This presentation is for information purposes only and does neither constitute an offer to sell securities, nor any recommendation of, or solicitation of an offer to buy, any securities of SAF-HOLLAND or Haldex in the United States, Germany or any other jurisdiction. In the United States, any securities may not be offered or sold absent registration or an exemption from registration under the U.S. Securities Act of 1933.
The information contained in this document has not been subject to any independent audit or review. Information derived from unaudited financial information should be read in conjunction with the relevant audited financial statements, including the notes thereto. Certain financial data included in the document consists of "non-IFRS financial measures". These non-IFRS financial measures may not be comparable to similarly titled measures presented by other companies, nor should they be construed as an alternative to other financial measures determined in accordance with IFRS. You are cautioned not to place undue reliance on any non-IFRS financial measures and ratios included herein.

Welcome and Overview of Acquisition Integration HALDEX

Alexander Geis, CEO

TRUCK AND TRAILER MARKETS IN NA AND EUROPE EXPECTED TO BE MODERATELY LOWER WHILE APAC IS BOUND TO POST STRONG GROWTH

2023 Outlook: Market Trends





	EUROPE		NORTH AMERICA		SOUTH AMERICA		CHINA		INDIA	
	Truck	Trailer	Truck	Trailer	Truck	Trailer	Truck	Trailer	Truck	Trailer
2023	-5%	-5% to -8%	-4%	-5 %	-9%	-8 %	+25%	+25%	+14%	+21%

Rather high age of Truck and Trailer parc in NA and EMEA; Monthly US Trailer net order intake doubling in Dec. 2022 (57 k) signals strong HY1 2023; SAFH well-positioned for market share gains, resilient due to stepped-up AM share of joint group

Source: IHS, Clear, Anfir, Anfavea, own estimates

THE COMBINATION OF SAF-HOLLAND AND HALDEX FORMS A PROMISING FIT TO ACHIEVE A UNIQUE ROLE IN THE COMMERCIAL VEHICLE INDUSTRY

Key benefits from the HALDEX acquisition

1. Unique combination of axle and suspension systems with telematics, EBS and predictive maintenance functions
2. Aftermarket powerhouse with increased scale, resilience and profitability
3. Attractive asset-light financial profile with EPS[1)] accretion from year 1 and strong synergy potential

1) Earnings per share

INTEGRATION OF HALDEX PREPARED AND TO BE CONTINUED IN 2023 WITH THE OBJECTIVE OF MAKING SAF-HOLLAND AND HALDEX TRULY ONE COMPANY

Preparation | **Transition** | **Integration / combination**

Phase 1: Key elements
- "Cornerstones" of target set-up
- Definition of target organization blueprint and future management team

Phase 2: PMI preparation
- PMI strategic direction and integration plan design
- High-level target operating model concept

Phase 3: Day-2 preparation
- Integration plan refinement & prepare implementation start
- Day-2 organization setup
- Initial synergy realization
- Ensuring full Day-2 readiness
- Setup of IT system and data integration

Phase 4: Go-Live & further integration*
- Synergy realization, incl. detailing of subsidiaries, production locations, etc.
- Continuous systems and process integration
- Harmonization of go-to-market approaches

*Polish merger control clearance still pending, final closure of transaction not at risk, clearance expected shortly

*This implies that HALDEX will not be consolidated for any part of the financial year 2022

Deal secured *16th August*

EGM/Former HALDEX Board replaced *11th November*

Day-2 *01st January 2023*

Completion *01st January 2024*

Jul — *Aug* — *Sep – Dec 2022* — *Jan – Dec 2023*

Today

CONSISTENT PURSUIT OF MEASURES WITH THE OBJECTIVE OF MAKING SAF-HOLLAND AND HALDEX TRULY ONE COMPANY

- Contribution to overall corporate strategy
- Implementation of the target organization in all functions and regions
- Optimization of legal entity structure
- Alignment of product offering and start of new joint development projects
- Harmonization of go-to-market approaches
- Integration of processes and systems
- Project roadmap for full IT integration
- Realization of the existing synergies

THE COMBINED GROUP TO REPORT IN CONSOLIDATED REGIONAL SEGMENTS

Regional segmentation of SAF-HOLLAND GROUP

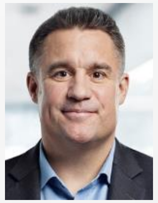
Americas

EMEA

APAC

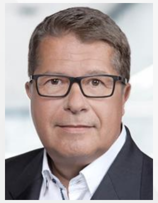
LEAN MANAGEMENT STRUCTURE SAF-HOLLAND GROUP: REGIONALLY ORIENTED EXECUTIVE COMMITTEE, SUPPORTED BY GLOBAL ENGINEERING & TECHNOLOGY AND SOURCING

CEO — Board — EC



Alexander **Geis**

CFO (until 03/31) — Board — EC



Wilfried **Trepels**

Transition period

CFO (from 01/01) — Board — EC

Frank **Lorenz-Dietz**

President Americas — EC

Kent **Jones**

President EMEA — EC

Christoph **Günter**

President APAC — EC

Andreas **Richter**

CTO — EC

Christoph **Günter**

CPO — EC

Mathias **Carlsson**

Board — Management Board
EC — Executive Committee

NEW ORGANIZATION

- Integration of COO organization into regions
- Regional presidents will obtain full P&L responsibility
- Consolidation of sourcing activities for fast realization of synergies
- Gradual transition of CFO until end of March 2023

Meet and Greet: Introduction new CFO Frank Lorenz-Dietz

Frank Lorenz-Dietz, CFO

INTRODUCTION FRANK LORENZ-DIETZ

PERSONAL

- Born May 8, 1973, married, 2 kids
- Diploma in Industrial Engineering and Business Administration (Electrical Engineering, Finance, Controlling)

PERSONALITY

- Team player with strong focus on results: "No-excuse Culture"
- Transformer and integration manager based upon M&A background

BACKGROUND

- Bosch Group, Automotive division Germany and Spain 19 years in different management positions, i.e., plant director finance
- SEG-Automotive (Chinese ownership); 5 years Head of Finance and CFO; Carve-out, M&A, PMI, China expert

TRACK RECORD

- Cash-focused management (Cash generation program)
- Implementation of several successfull turnaround and efficiency programs
- Successful enterprise transformation and organization development
- Multiple refinancing projects

INTRODUCTION FRANK LORENZ-DIETZ

FOCUS

- Cash is King!
- Improved and sustained Cash Flow generation as a pillar for self-financing and creating value for the owners of the company
- End-to-end cost efficiency as a basis for sustainable gross margin improvement
- Holistic integration of HALDEX and "Stronger To-gether" leveraging of mid-term synergies within the new consolidated Group
- Leverage process improvement potential by global implementation of new S4-HANA ERP system

TARGETS

- Analyze and derive a cash generating focused product portfolio. Each and every product will be subject to this criterion in the development phase already
- ROCE as a key indicator: sustainable ROCE generation by profitable growth, stringent cost management and focus on returns

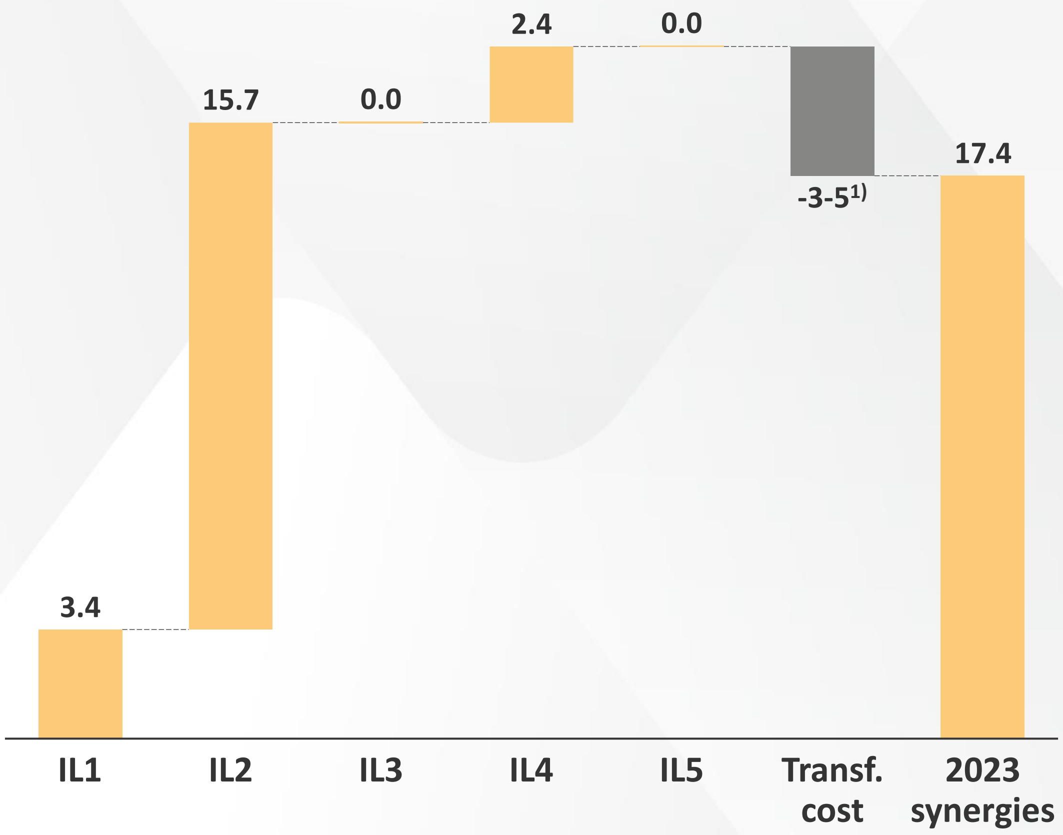
Update Financial Integration Synergies Potential 2023 and mid-term 2027

Wilfried Trepels, CFO

SYNERGIES OF EUR 17.4 MN IN 2023 IDENTIFIED IN A BOTTOM-UP PROCESS – SIGNIFICANT POTENTIAL IN G&A, PROCUREMENT AND CROSS-SELLING

Bottom-up savings potential evaluation – EBIT contribution (in EUR mn), 2023

Annual EBIT impact after one-off cost



Key synergy opportunities

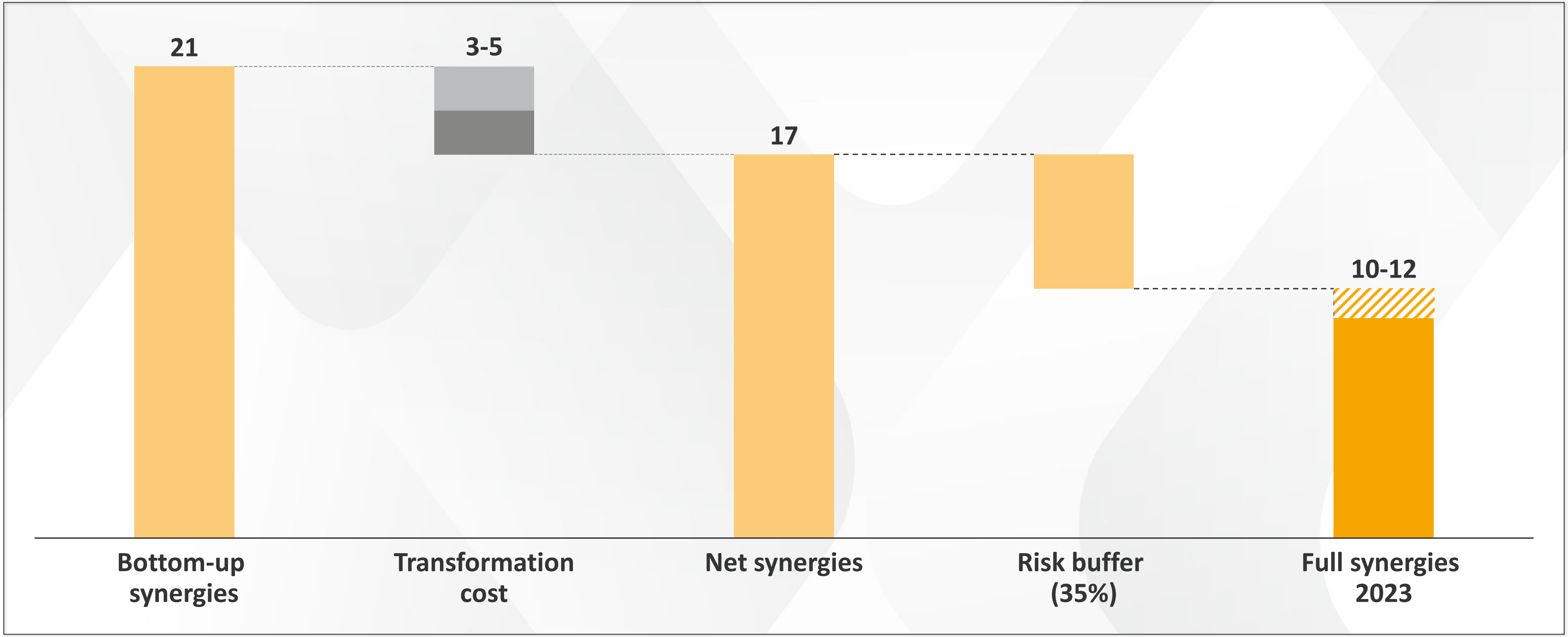
	Synergy type	Key assumptions	2023
Cost synergies	General & administration	• Lean management • De-listing costs	5.3
	Sales expenses	• Capacity reduction • Joint use of sales infrastructure	2.1
	R&D expenses	• Improved project efficiency • Joint use of resources and infrastructure	2.3
	Operations efficiency	• Joint use of production line for electronic parts • Improved logistics flow	1.1
	Procurement	• Insourcing • Best Practice exchange and joint use of supplier base	4.0
Growth synergies	OE cross-selling	• EMEA Trailer • Americas Truck & Trailer • Improved market access in APAC countries	2.5
	Aftermarket cross-selling	• Joint leverage of distribution and sales network	2.5
	Joint aftermarket initiatives	• Remanufacturing activities in EMEA and Americas • Second brand extension	1.5
		SUM (without one-off costs)	**21.4**
		SUM (with one-off costs)	**17.4**

Note: IL1: Synergy identified, IL2: Synergy quantified, IL3: Synergy approved, IL4: Synergy implemented, IL5: Synergy realized

1) Median of EUR -4 m transformation cost assumed for annual synergy derivation

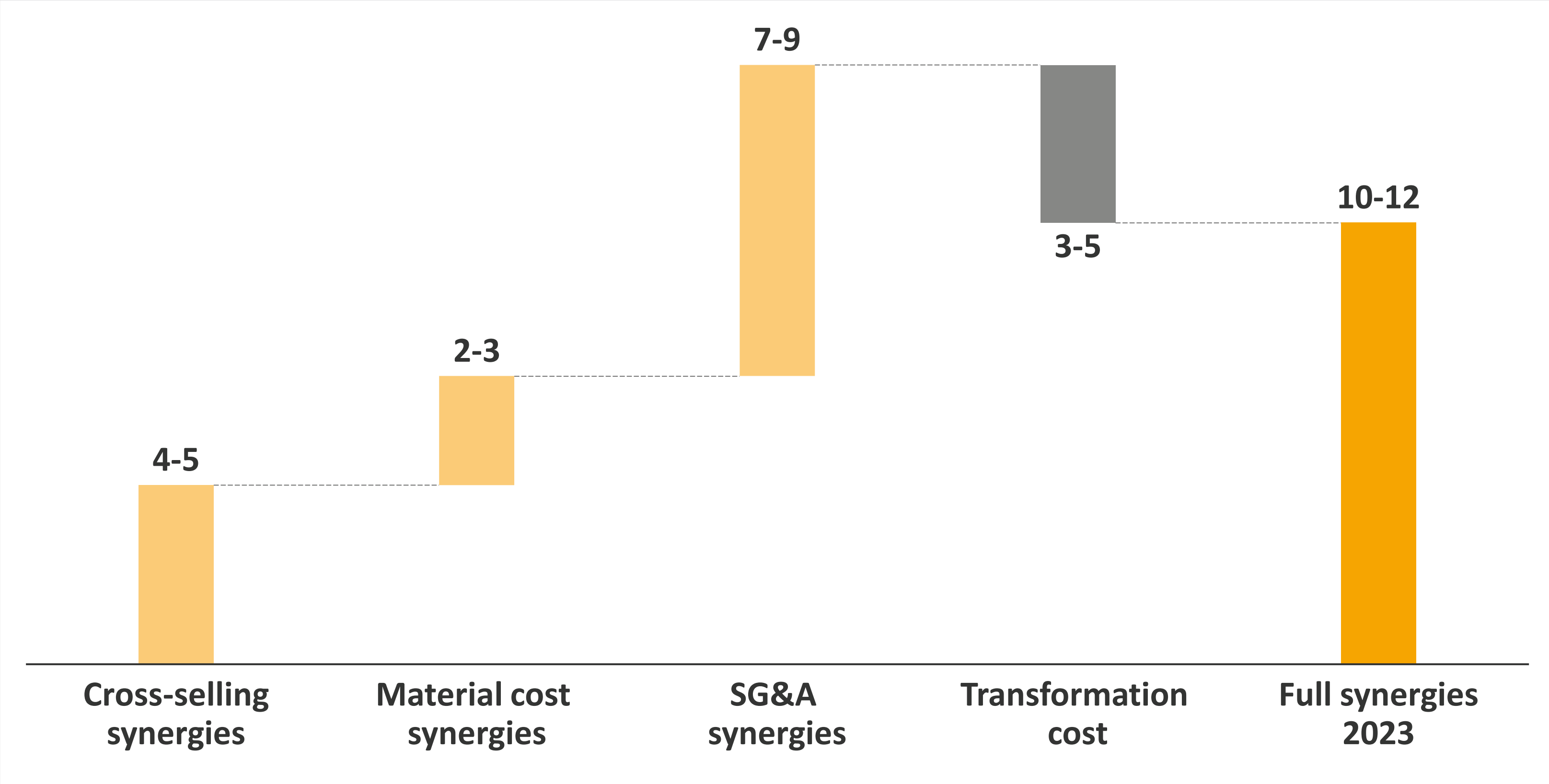
BOTTOM-UP SYNERGY POTENTIAL ADJUSTED BY A 35% RISK BUFFER – TARGET RANGE OF EUR 10-12 MN TO BE REALIZED IN 2023

Synergy expectations – EBIT contribution (in EUR mn), **2023**



THE BULK OF THE SYNERGY POTENTIAL IN 2023 RESULTS FROM SG&A AND CROSS-SELLING SYNERGIES

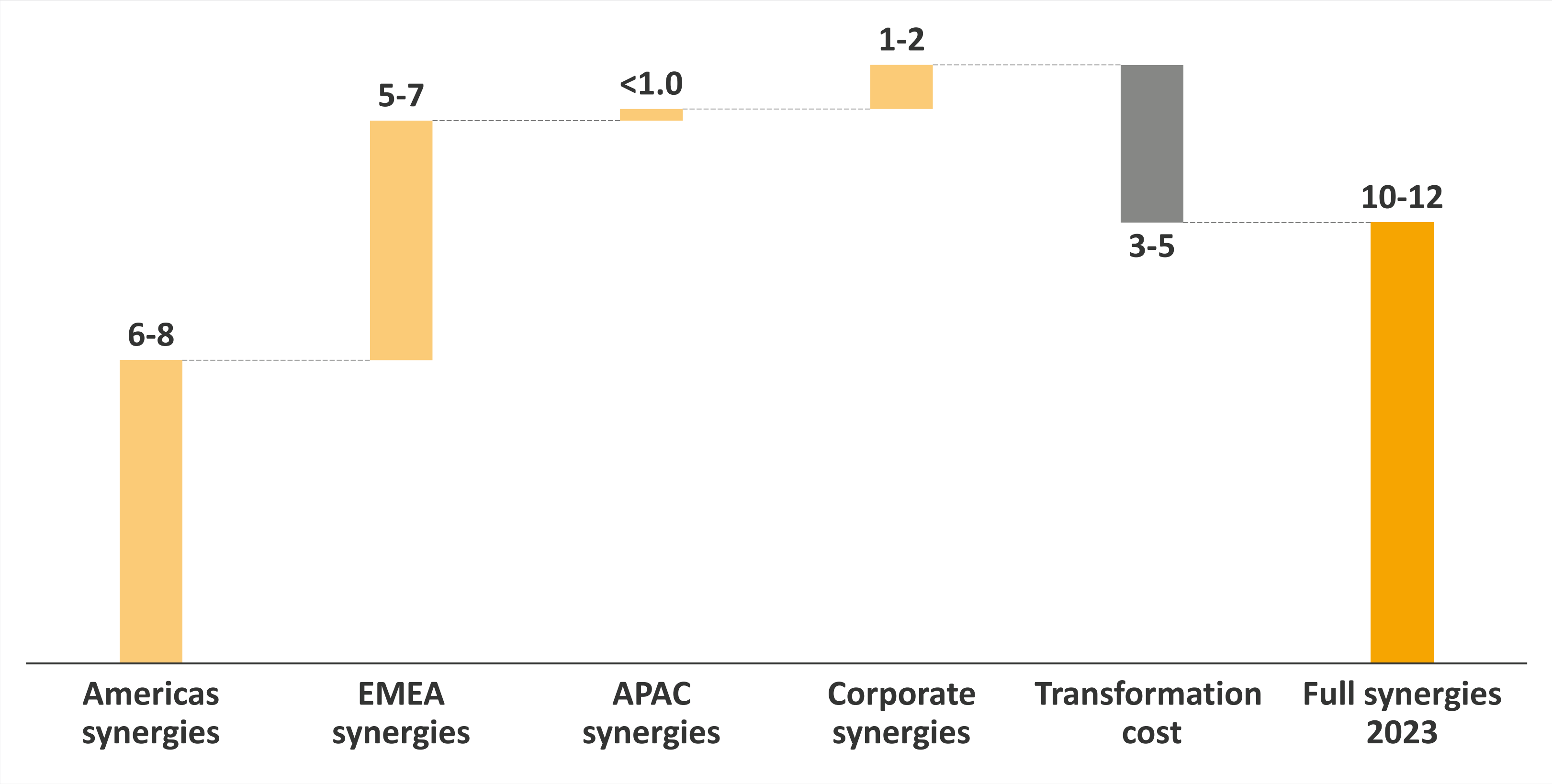
HALDEX integration synergy overview – P&L view of EBIT effect (in EUR mn), **2023**



- Most of the synergies are expected in the overhead due to a disproportionately high SG&A ratio at HALDEX
- SG&A synergies including lean management structure
- R&D efficiency from joint leverage of software engineering
- Cross-selling synergy potential from improved market access
- Material cost synergies driven by combined procurement
- Transformation cost comprise legal consulting fees, squeeze out and severance payments

THE AMERICAS AND EMEA REGIONS CONTRIBUTE THE LARGE PART OF SYNERGIES – CORPORATE SYNERGIES INCL. HALDEX LISTING COST

HALDEX integration synergies – Regional Split of EBIT effect (in EUR mn), **2023**

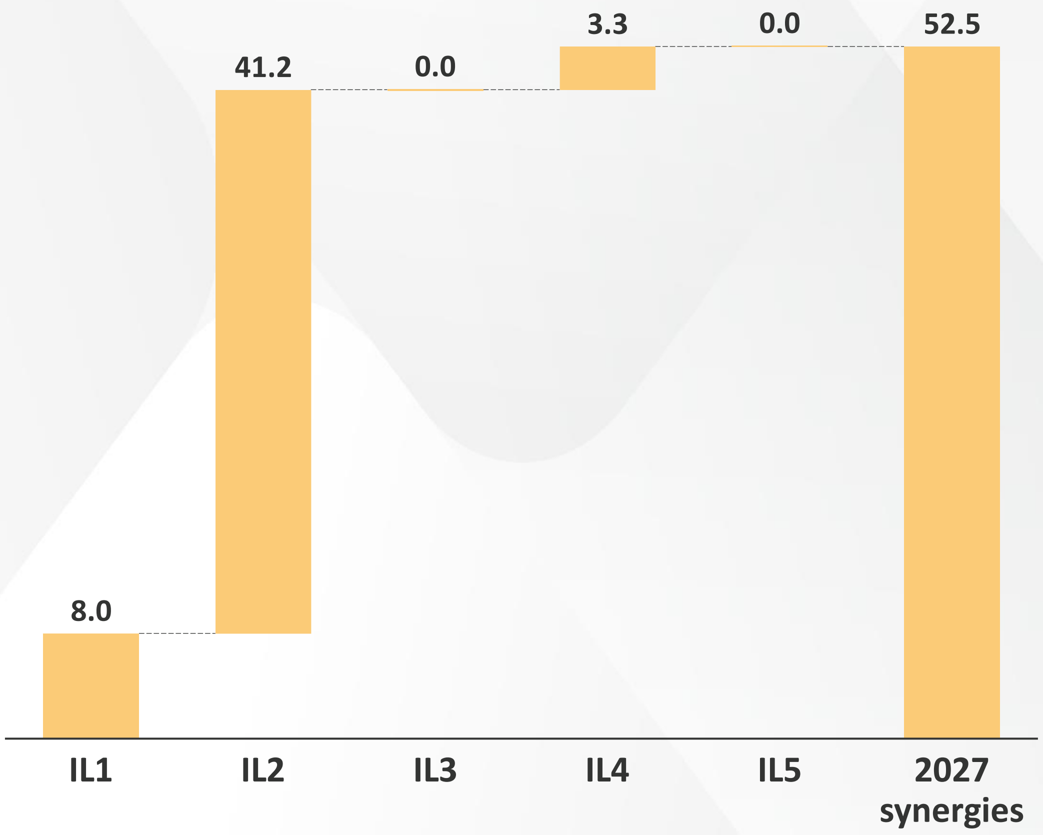


- Strong synergy impact in Americas due to high footprint overlaps and cross-selling opportunities resulting from optimized market access
- Synergy potential in EMEA driven by cross-selling activities and overhead efficiencies
- Fewer synergies in APAC due to smaller overall business, high fragmentation of markets and lean sub-regional setup

FOR 2027, SYNERGIES OF EUR 52.5 MN IDENTIFIED IN BOTTOM-UP PROCESS PROCUREMENT PROVIDES FOR MAJOR PART OF EXPECTED SYNERGY POTENTIAL

Bottom-up savings potential evaluation – EBIT contribution (in EUR mn), 2027

Annual EBIT impact after one-off cost



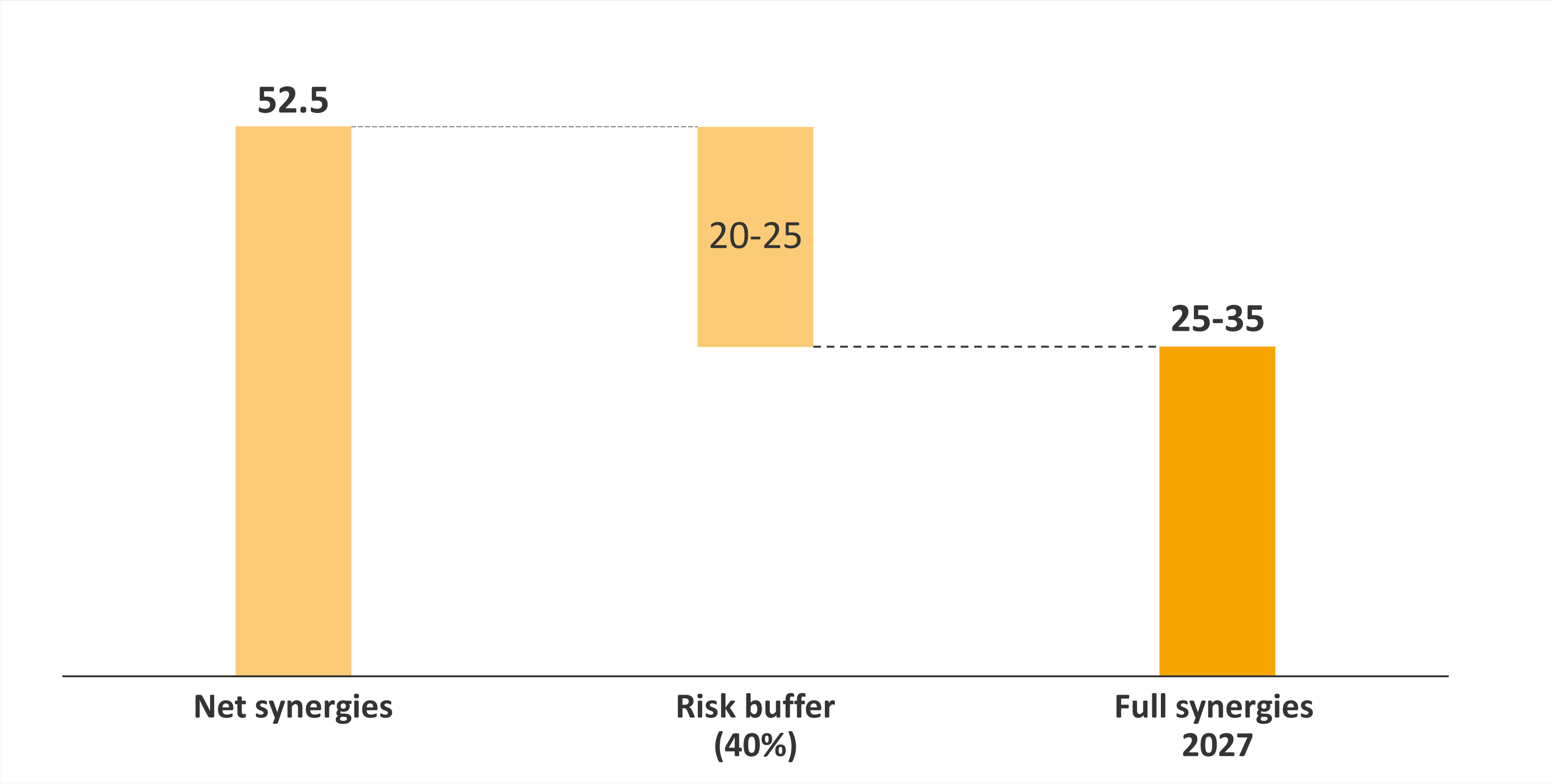
Key synergy opportunities

	Synergy type	Key assumptions	2027
Cost synergies	General & administration	• Lean management • De-listing costs	10.0
	Sales expenses	• Capacity reduction • Joint use of sales infrastructure	3.2
	R&D expenses	• Improved project efficiency • Joint use of resources and infrastructure	4.5
	Operations efficiency	• Joint use of production line for electronic parts • Improved logistics flow	6.0
	Procurement	• Insourcing • Best Practice exchange and joint use of supplier base	10.6
Growth synergies	OE cross-selling	• EMEA Trailer • Americas Truck & Trailer • Improved market access in APAC countries	9.5
	Aftermarket cross-selling	• Joint leverage of distribution and sales network	5.3
	Joint aftermarket initiatives	• Remanufacturing activities in EMEA and Americas • Second brand extension	3.5
		SUM (without one-off costs)	**52.5**
		SUM (with one-off costs)	**52.5**

Note: IL1: Synergy identified, IL2: Synergy quantified, IL3: Synergy approved, IL4: Synergy implemented, IL5: Synergy realized

BOTTOM-UP SYNERGY POTENTIAL ADJUSTED BY A 40% RISK BUFFER – TARGET RANGE OF EUR 25-35 MN MID-TERM

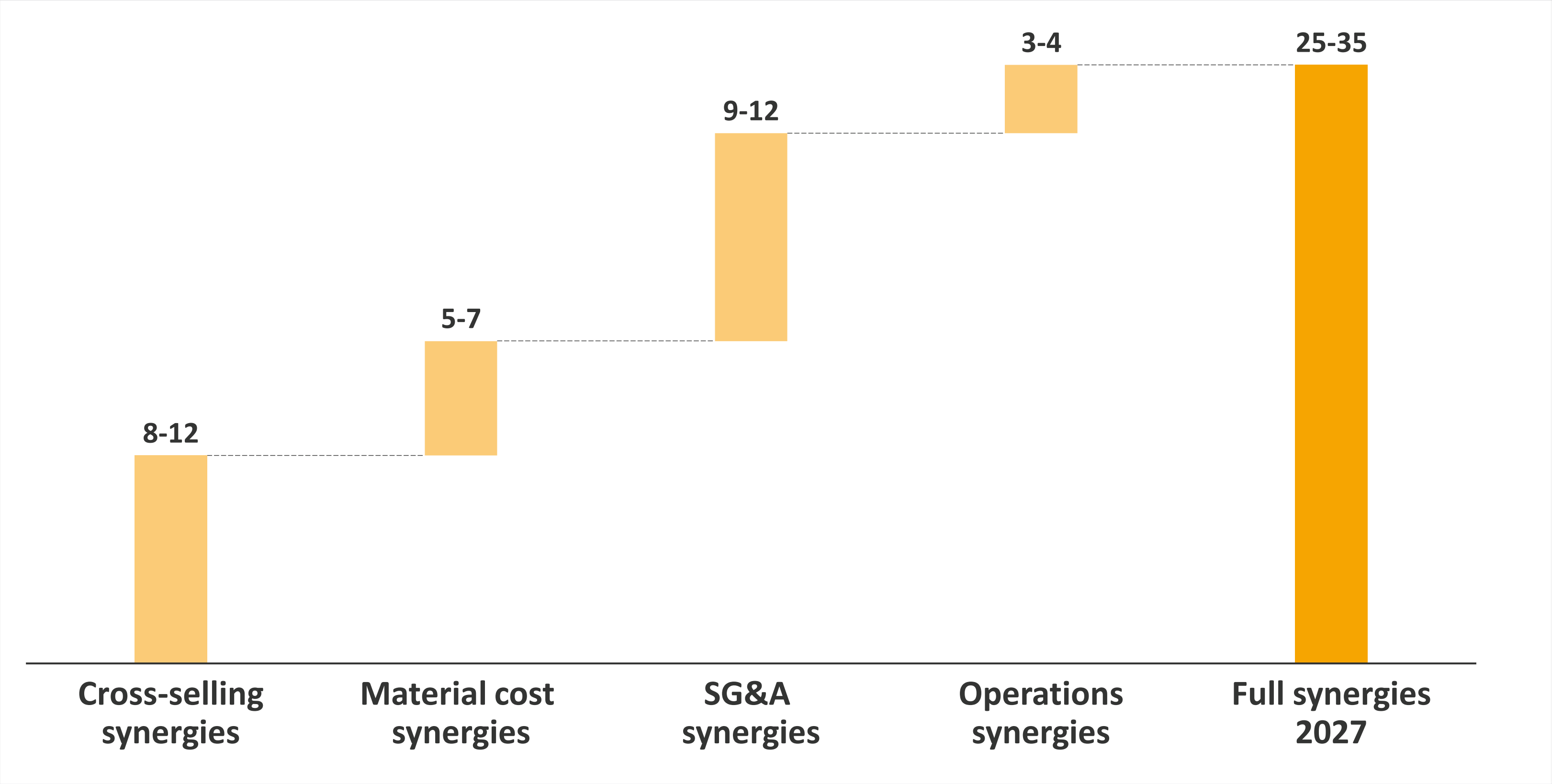
Synergy expectations – EBIT contribution (in EUR mn), **2027**



- Higher assumed risk buffer of 40% due to mid-term planning horizon
- Assuming 60% implementation of identified synergies in pooled purchasing, G&A benchmarking, cross-selling, operations and R&D efficiencies, joint use of facilities
- Full synergies in 2027 are expected amount to EUR 25-35 mn
- Phase 2 effects enabled by investments in high-performance IT and ERP infrastructure

MID-TERM FINANCIAL IMPACT RESULTING FROM EXPECTED SYNERGY POTENTIAL IN SG&A EXPENSES, CROSS-SELLING AND MATERIAL COST

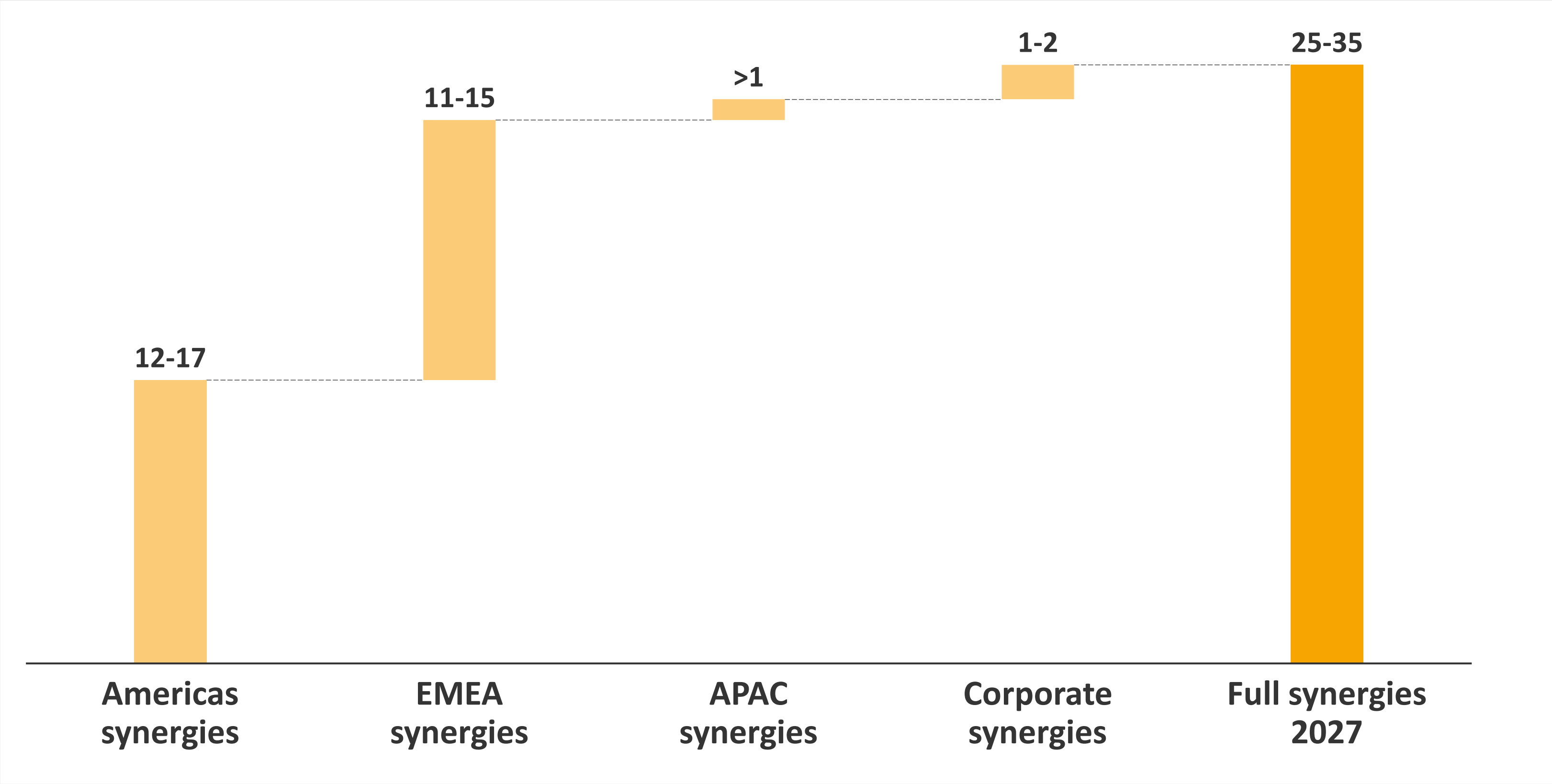
HALDEX integration synergy overview – P&L view of EBIT effect (in EUR mn), **2027**



- Cross-selling synergies driven by sustainable access to an extended customer base
- Material cost synergy potential from combined procurement is increasing over time
- Realization of SG&A synergies to be accompanied by enhanced overhead efficiencies
- Synergy potentials in operations driven by production and distribution center network optimization

THE AMERICAS AND EMEA REGIONS ARE THE BIGGEST SYNERGY CONTRIBUTORS ALSO MID-TERM

HALDEX integration synergies – Regional view of EBIT effect (in EUR mn), **2027**

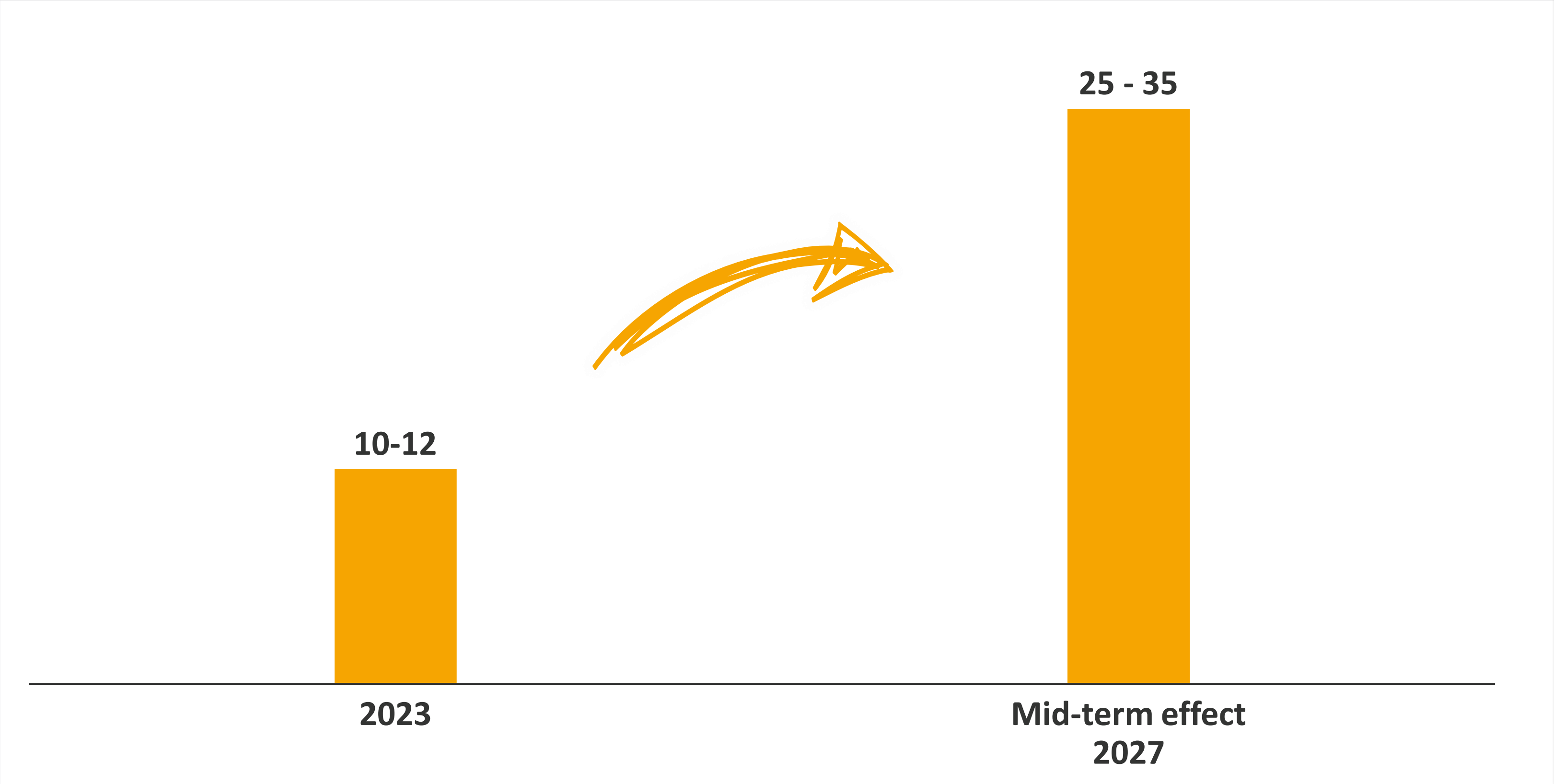


- Americas and EMEA synergy potentials are expected to unfold in the mid-term
- The regions are driving the local realization of synergy potentials
- Structural synergies in the production and distribution center network are expected to be fully implemented by 2027

INTEGRATION OF HALDEX INTO THE SAF-HOLLAND GROUP EXPECTED TO YIELD MID-TERM SYNERGY EFFECTS OF EUR 25 - 35 MN

SYNERGY OVERVIEW

HALDEX integration synergies overview – EBIT effect (in EUR mn)

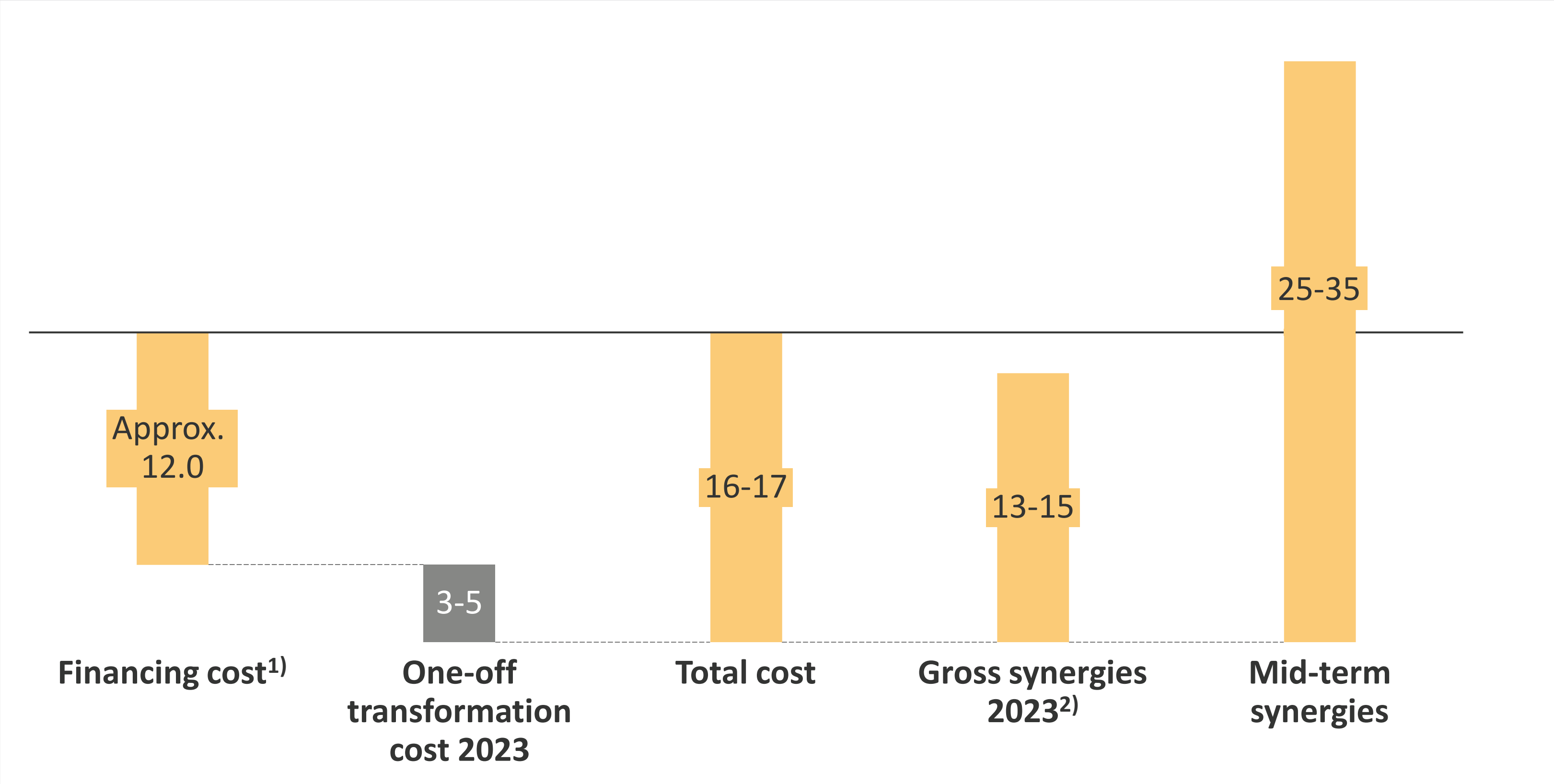


- **Risk-adjusted synergy potential with an effect of EUR 10-12 mn identified for 2023 already**
- **Risk-adjusted mid-term synergy potential is expected to increase to EUR 25-35 mn p.a.**
- **Displayed values are adjusted by a 35% and 40% risk buffer, respectively**
- **The impact of synergy potential realization does not consider any potential adverse market developments**

Note: Total EBIT effect after transformation costs

THE HALDEX INTEGRATION IS EXPECTED TO BE EPS-ACCRETIVE, GENERATING A POSITIVE ROI AS OF 2023

Contribution of the HALDEX acquisition after synergies (in EUR mn), **2023**



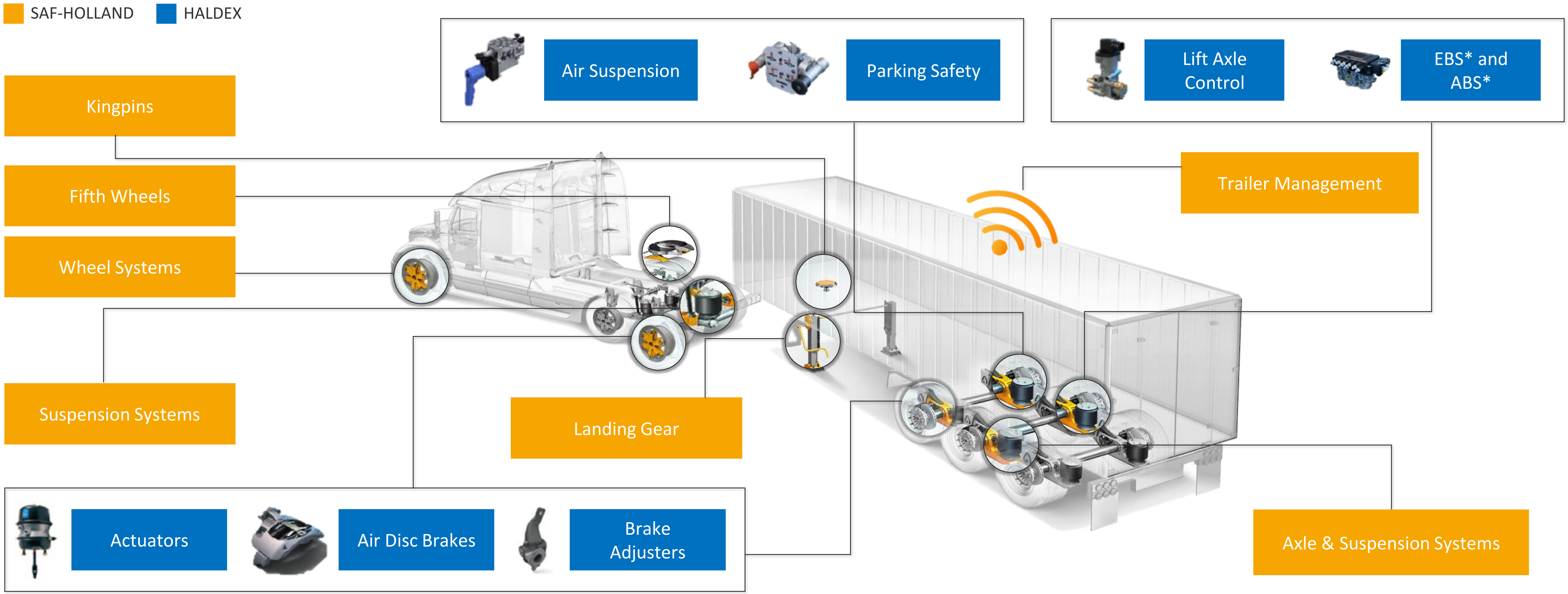
- **Synergy identification process well advanced and first realization of potentials expected in 2023**
- **Financing cost and one-off cost as contrasting effects to the synergies – Both effects expected to decrease in coming years during the payback period**
- **Considering the expected additional net income contributed by HALDEX, Year 1 will already come in EPS accretive**

1) Approximation of financing cost for HALDEX price of SEK 3.2 bn
2) Gross synergies are the risk-adjusted synergy potentials of EUR 10-12 m with the transformation cost added back

„Smart Trailer“: Rationale, Synergies and Technology Roadmap

Christoph Günter, President EMEA / CTO
Fredrik Seglö, SVP R&D

HIGHLY COMPLEMENTARY PRODUCT PORTFOLIO OF SAF-HOLLAND AND HALDEX FORMING THE BASIS FOR THE DEVELOPMENT OF FUTURE TECHNOLOGY



ONE-STOP-SHOP SOLUTIONS PROVIDER FOR WIDE RANGE OF PRODUCTS TO BECOME A SYSTEM SUPPLIER

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

UNIQUE ABILITY OF SAF-HOLLAND TO DRIVE INDUSTRY TRANSFORMATION AND ADDRESS MEGATRENDS VIA SMART SOLUTIONS AND MECHATRONIC SYSTEMS

Overview of CV industry megatrends

CV INDUSTRY MEGATRENDS	ELECTRIFICATION	DIGITALIZATION	AUTOMATED DRIVING	TRAFFIC SAFETY
DRIVERS	• CO_2 reduction • Noise reduction • Legislation	• Predictive maintenance • Optimisation of uptime • Increased efficiency • Security increase	• CO_2 reduction • Increased efficiency • Driver shortage	• Brake regulations • Long combination vehicles • Increased road congestion • Stopping distances
COMBINED INTEGRATED OFFERING	• Intelligent electric recuperation through integrated brake control • Drive axle control through Trailer EBS Know How and mastering in Truck / Trailer communication	• Combine mechatronics & axle and suspension know-how with Telematics expertise • Data driven and mechanical-based skills drive remote diagnostics	• Set industry standard for intelligent Truck / Trailer communication • Pave the road for automated driving	• Full system capability and chassis control • Safety measures for coupling/uncoupling • Complete portfolio of Axle solutions for Disc and Drum brakes

DATA FROM INTELLIGENT EBS SYSTEM AND SENSORS SIGNAL REPAIR AND MAINTENANCE INCIDENTS ON CRITICAL TRAILER COMPONENTS

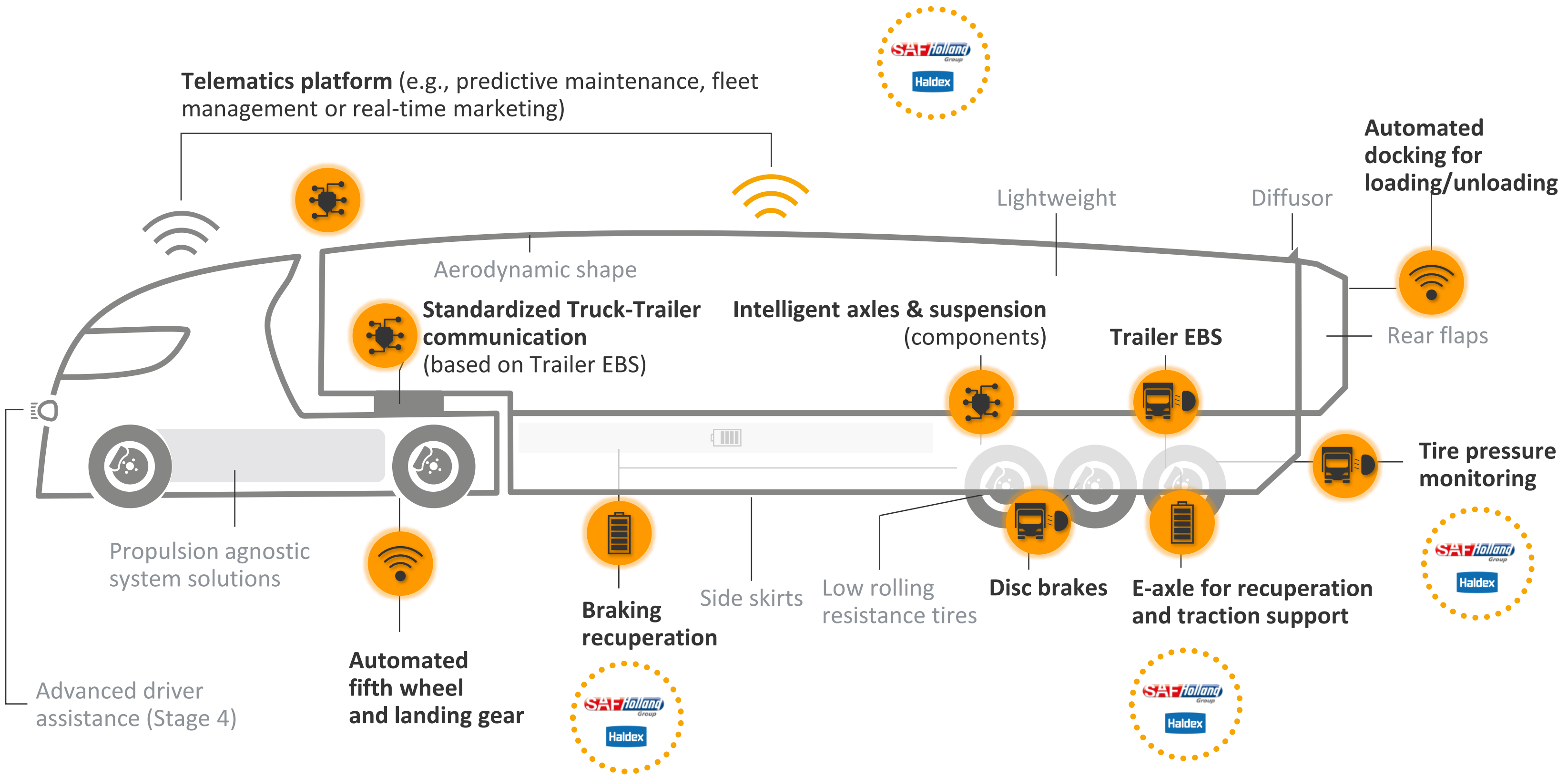
ELECTRIFICATION/ ALTERNATIVE DRIVES

DIGITALIZATION

AUTOMATED DRIVING

TRAFFIC SAFETY

SAF-HOLLAND + HALDEX EXISTING PRODUCT PORTFOLIO



THE FUTURE: IN 2025+ COMMERCIAL VEHICLES TO ROLL OUT PARTIALLY AUTONOMOUS, ELECTRIFIED AND CONNECTED

UNIQUE POSITION AS A ONE-STOP-SHOP SOLUTION PROVIDER WITH A COMPREHENSIVE PORTFOLIO OF AXLES & SUSPENSIONS, BRAKE & CHASSIS CONTROL AND TELEMATICS

Competitive advantage from technological positioning

	SAF Holland	Haldex	SAF Holland & Haldex
MARKET ACCESS			
Fleets	+	0	+
Small/Mid OEs	+	0	+
Big OEs	+	0	+
R&D CAPABILITIES			
Brake & Chassis Control	–	+	+
E/E-Vehicle-Architect.	0	0	+
Axle & Suspension	+	–	+
Telematics h/w	+	0	+
Wheel Brake	0	+	+
Wheel Hub	+	–	+
Tire Pressure Monitoring/Inflation Systems	0	–	0 (Development to + underway (Tire Pilot I.Q.))
Data Science/ML	0	0	0

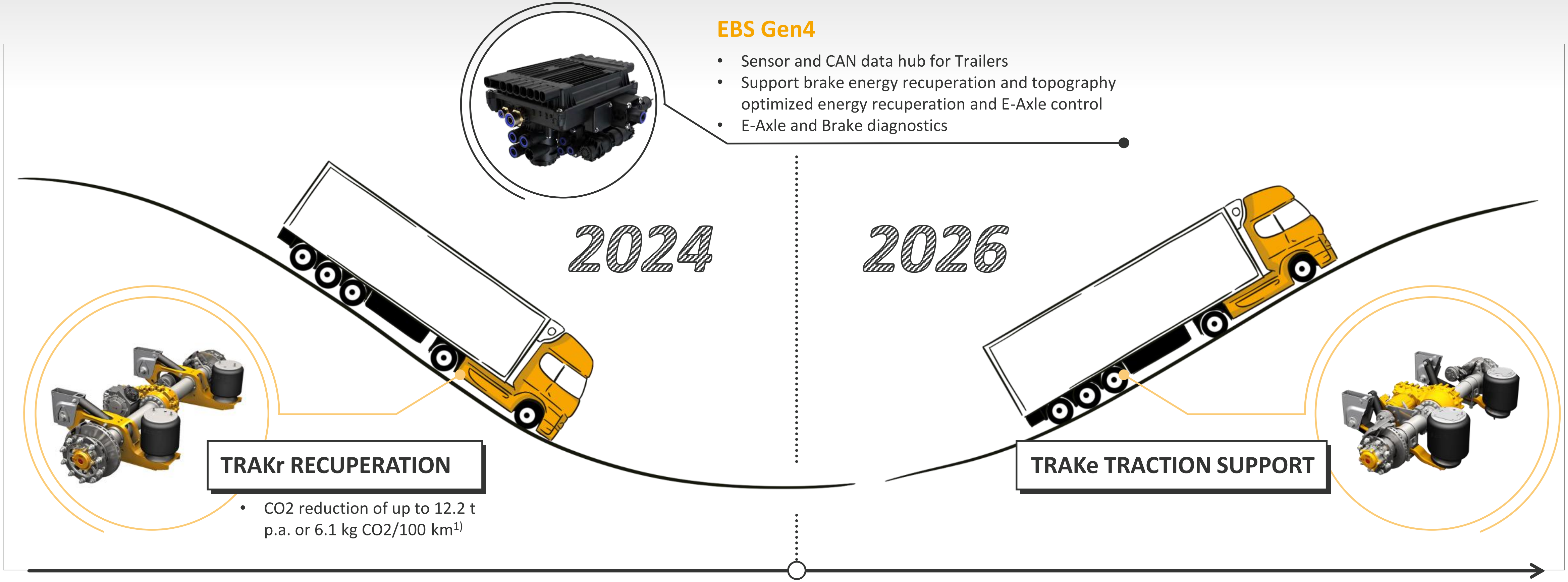
+ Competitive Advantage   0 Neutral competitive position   – Competitive Disadvantage

- **Unique 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 and SMART functions (e.g., burglary protection, temperature measurement in reefer, etc.)**

Note: Indicative competitive advantages

MEGATREND ELECTRIFICATION

Electrified Trailer solutions leveraging SAF-HOLLAND and HALDEX technology



- Product solutions for stepped up emission and noise protection legislation available
- Supply of electrical power to switch auxiliary energy consumption from diesel to electric solutions in the Trailer (TRAKr)
- Structural sales growth and increased content per vehicle driving the overall value capture for SAF-HOLLAND

1) Based on a yearly mileage of 200,000 km

MEGATREND CONNECTIVITY

SAF-HOLLAND offers solutions for predictive maintenance and smart product offerings

Electronic brake performance measurement system

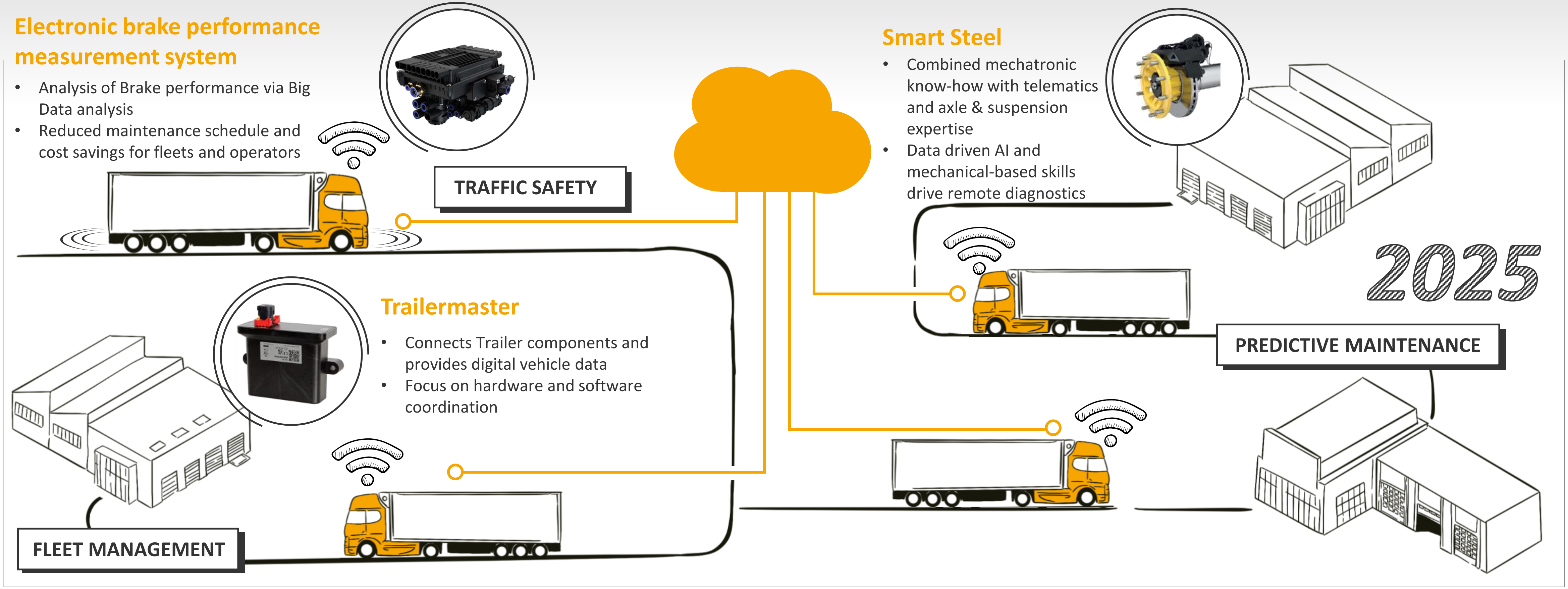
- Analysis of Brake performance via Big Data analysis
- Reduced maintenance schedule and cost savings for fleets and operators

Smart Steel

- Combined mechatronic know-how with telematics and axle & suspension expertise
- Data driven AI and mechanical-based skills drive remote diagnostics

Trailermaster

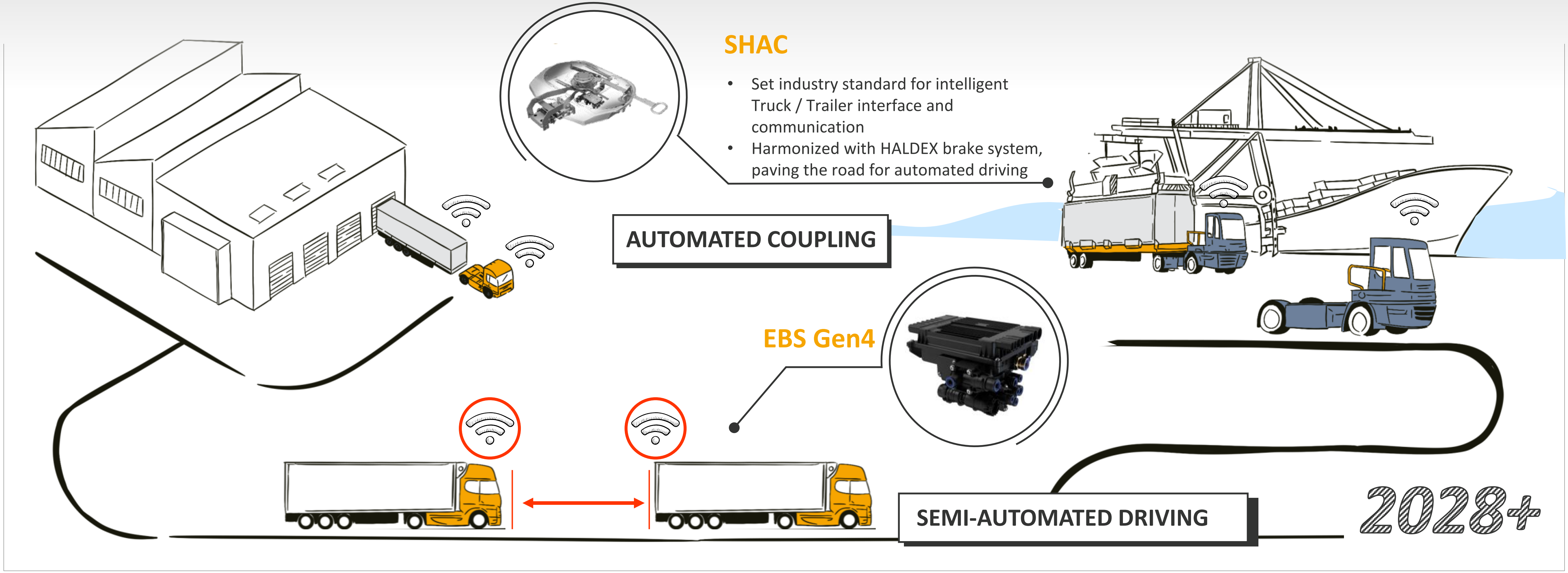
- Connects Trailer components and provides digital vehicle data
- Focus on hardware and software coordination



- HALDEX product solutions enhance the value of SAF-HOLLAND's predictive maintenance and smart solutions offering
- Access to extended Trailer EBS data enhance Big data capabilities to correlate between existing data and maintenance needs
- Additional recurring revenue potential from digital service offering possible
- Increased Original Aftermarket Spare Parts Sales by combination with Fleet Management

MEGATREND AUTOMATED DRIVING

Autonomous technology shaping the future of transportation of goods



- Extended scope of Truck and Trailer components enables SAF-HOLLAND to set the industry standard for intelligent Truck / Trailer mechanical interface and communication
- Automated coupling and semi-automated driving solutions pave the road for fully automated driving

Integration Benefits, Measures and Market Trend – Americas Region

Kent Jones, President Americas

THE AMERICAS REGION NOW LARGEST CONTRIBUTOR TO THE CONSOLIDATED SAF-HOLLAND AND HALDEX GROUP

Key facts and figures Americas region

Overview

Covered countries
- Canada
- USA
- Mexico & Latin Am.
- Brazil & South Am.

Head-quarters
- Muskegon, MI - USA

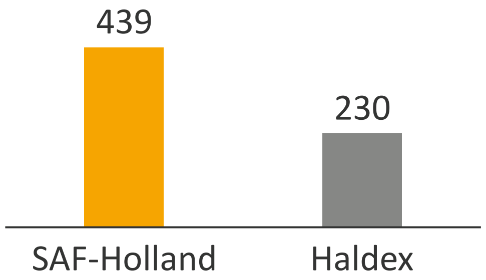
Network
- 15 production plants
- 7 distribution centers
- 3 R&D facilities

Product lines
- 7 major product lines provided to commercial Truck and Trailer markets

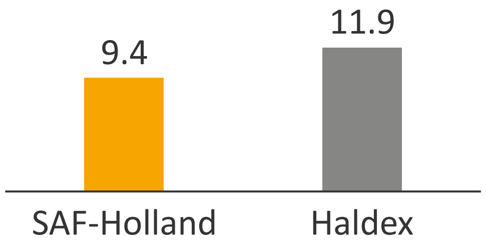
Market positioning

ABA[1] / Act.	#1
Couplers	#1
Fifth wheels	#1
Landing gear	#1
King pins	#2
Air Disc Brake	#3
Trailer axles & suspensions	#3

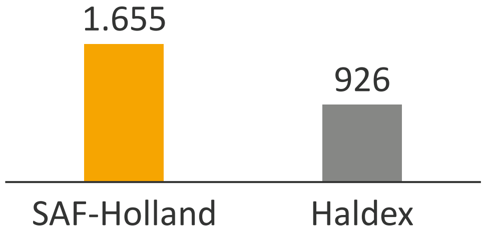
Sales 09/2022 YTD
(€mn)



Adj. EBIT margin 09/2022 YTD
(%)



Number of employees
(per 12/22)



SAF-Holland Haldex

1) Automatic Brake Adjuster

JOINT MANUFACTURING ORGANIZATION COVERING ALL RELEVANT MARKETS IN THE AMERICAS WITH ESTABLISHED FOOTPRINT IN MEXICO

Footprint of SAF-HOLLAND and HALDEX production sites in Americas

- SAF-HOLLAND site
- HALDEX site

BRAZIL

ALVORADA
RIO GRANDE DO SUL

SÃO JOSÉ DOS CAMPOS
SAO PAULO

MEXICO

PIEDRAS NEGRAS
under construction

QUERÉTARO
QUERÉTARO

MONTERREY
NUEVO LEON

CONSOLIDATION PUTS SAF-HOLLAND IN A STRONG POSITION TO INCREASE CONTENT PER VEHICLE AND ENABLES AN INTEGRATED OFFERING

EFFICIENCY MEASURES

- System level integration of both company products into vehicle OEM's
- Increased content per vehicle in Trucks
- Aftermarket Powerhouse with approx. 45% of Group sales in Americas
- Access to extended customer network in the Americas aftermarket
- Majority of OEM sales generated by fleet specification

MID-TERM BENEFITS

- Increased OEM content per Truck and customer support efficiency. System level selling to fleet customers from one supplier
- Increased OEM Truck growth opportunity
- Increased OEM Trailer growth opportunity
- Smoothens the North American business cycle from +/-30% to +/-15% due to strong aftermarket position
- Premium Fleets specs yield higher OEM margins and capture of Aftermarket business

MID-TERM SYNERGY TARGET: EUR 12-17 M

WE WILL LEVERAGE THE HALDEX KNOW-HOW TO NAVIGATE THE EXPECTED VOLATILITY IN 2023 AND DEVELOP INTEGRATED PRODUCT SOLUTIONS

MARKET TRENDS

- 2023 solid OEM demand in North America for Truck and Trailer OEMs expected for the first half of 2023, potentially softer in second half of 2023: Overall truck and trailer markets are projected to shrink moderately from high levels by 4% respectively 5 %
- Surprisingly strong Dec. 2022 US Trailer orders, up 115% above previous years month to 57 k (ACT):
- SAF-HOLLAND supported by structural growth trend in disc brake technology
- Inflation measures are slowing in North America as USA Federal Reserve raises rates to curb inflation
- Close watch on market indicators, order intake development, inflation and unemployment data

HOW WE UTILIZE OUR TECHNOLOGY ADVANTAGE

- System integration of HALDEX Brake components into SAF-HOLLAND axles & suspensions for Trailers & chassis
- North America development of e-Axle for Trailers or TRAKr where SAF-HOLLAND has the lead
- North American market lead Automated Driving will require Automated coupling with SHAC Technology
- Expansion of existing HALDEX remanufacturing business with healthy margins and additional product lines as a part of the group's circular economy/sustainability approach

Integration Benefits, Measures and Market Trend – EMEA Region

Christoph Günter, President EMEA / CTO

INTRODUCTION TO THE CONSOLIDATED SAF-HOLLAND AND HALDEX EMEA REGION

Key facts and figures EMEA region

Overview

Covered countries
- Operating region for Europe, Middle East & Africa

Head-quarters
- Bessenbach, Germany

Network
- 9 production plants
- 18 aftermarket distribution center
- 3 R&D facilities

Product lines
- 6 major product lines provided to commercial Truck and Trailer markets

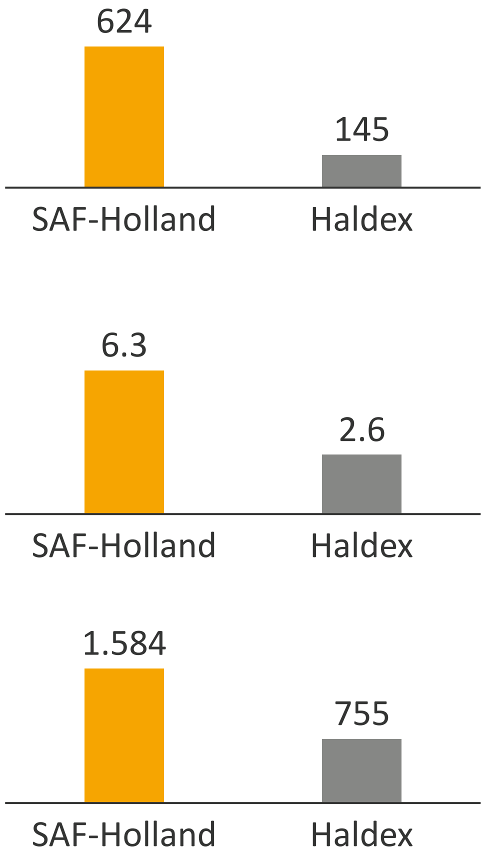
Market positioning

Trailer axles & suspensions	#1-2
ABA[1]	#1
Fifth wheels	#2
Landing gear	#2
Trailer Air Disc Brakes	#2-3
Trailer EBS[2]	#3
Telematics	

Sales 09/2022 YTD (€mn)

Adj. EBIT margin 09/2022 YTD (%)

Number of employees (per 12/22)



Clear potential to improve HALDEX European margins, applying SAFH processes as a benchmark

SAF-Holland Haldex

1) Automatic Brake Adjuster 2) Electronic Brake System

THE CONSOLIDATED MANUFACTURING FOOTPRINT STRENGTHENS THE POSITIONING OF THE SAF-HOLLAND GROUP IN THE EMEA REGION

Footprint of SAF-HOLLAND Group production sites in EMEA

LEVERAGED SAF-HOLLAND BUSINESS AND INFRASTRUCTURE NETWORK AND EFFICIENCY BENCHMARK ENHANCING THE HALDEX POSITIONING IN EMEA

EFFICIENCY MEASURES

- Cross-selling between SAF-HOLLAND and HALDEX accounts
- Strengthened market power with increased System Supplies for the Trailer industry
- Extend Aftermarket supplies with strong second brands Sauer and GRAU
- Consolidation of sales footprint and administrative resources
- Increased content for Truck and Trailer manufacturers as well as Aftermarket distributors
- Enhanced product development efficiency and system Know How

MID-TERM BENEFITS

- Leveraging joint access to key Truck OE and Trailer customers
- Increased content per Trailer improves SAF-H position
- Leveraging of the joint warehouse infrastructure across EMEA markets
- Strengthened aftermarket exposure and, thus, margin profile
- Air disc brake projects ramping-up at two Trailer OEs and one major European Truck OE in 2024
- Significant increase of Brake and Chassis Control supplies to major Trailer manufacturers in EMEA

MID-TERM SYNERGY TARGET: EUR 11-15 M

UNIQUE TECHNOLOGICAL LINEUP ENABLEING SAF-HOLLAND TO OUTPERFORM EXPECTED EMEA MARKET TRENDS GOING FORWARD

MARKET TRENDS

- Truck production still marked by pent-up demand but assumed to come in slightly lower for the full year
- Trailer production expected to come in moderately slower
- Eastern European market growth continuing at a very low level due to burdening impact from Ukraine war
- Upcoming product development addressing the megatrends electrification, digitalization and automated driving
- SAF-HOLLAND is well positioned in the specialty application segments featuring higher demand than standard trailers

EMEA 2023

-5%

-5% to -8%

HOW WE UTILIZE OUR TECHNOLOGY ADVANTAGE

- Build-up of remanufacturing business for one of the large European Truck OE manufacturers
- Unique combination of Trailer axle & suspension, brake & chassis control systems and telematics
- This provides added value for the customers as well as noticeable competitive advantage and sales growth potential for SAF-HOLLAND due to:
  - Predictive maintenance
  - Smart functions
  - Emission and TCO reduction
- Trailer EBS Gen. 4 growth potential driven by higher penetration at Trailer OEs

Integration Benefits, Measures and Market Trend – APAC Region

Andreas Richter, President APAC

INTRODUCTION TO THE CONSOLIDATED SAF-HOLLAND AND HALDEX APAC REGION

Key facts and figures APAC region

Overview

Covered countries

- India
- China
- Korea
- Indonesia
- Australia/New Zealand
- Singapore

Network

- 5 production plants
- 4 distribution centers
- 4 R&D facilities

Product lines

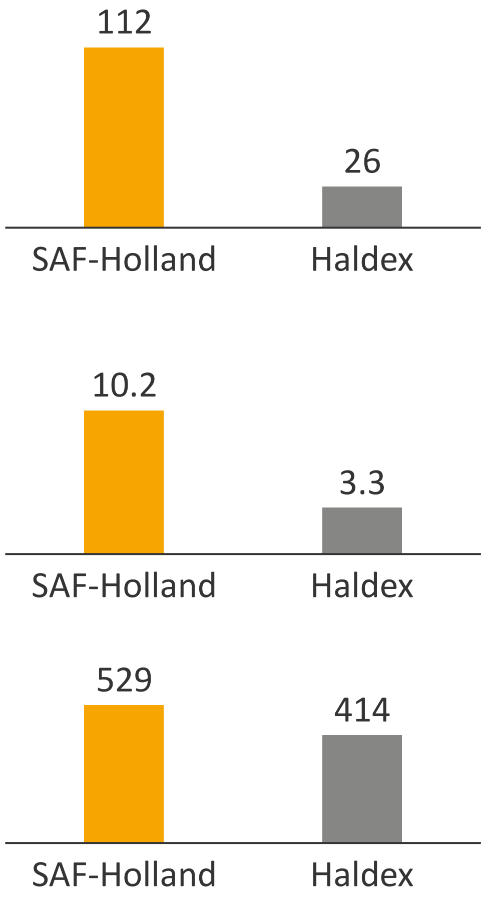
- 8 major product lines provided to commercial Truck and Trailer markets

Product	Region	Position
Trailer axles		#1
ABA[1]		#2
ABA[1]		#1
Leveling Valve		#1
Fifth wheels		#2
Couplings		#2
Truck Suspensions		#2

Sales 09/2022 YTD (€mn)

Adj. EBIT margin 09/2022 YTD (%)

Number of employees (per 12/22)



SAF-Holland Haldex

1) Automatic Brake Adjuster

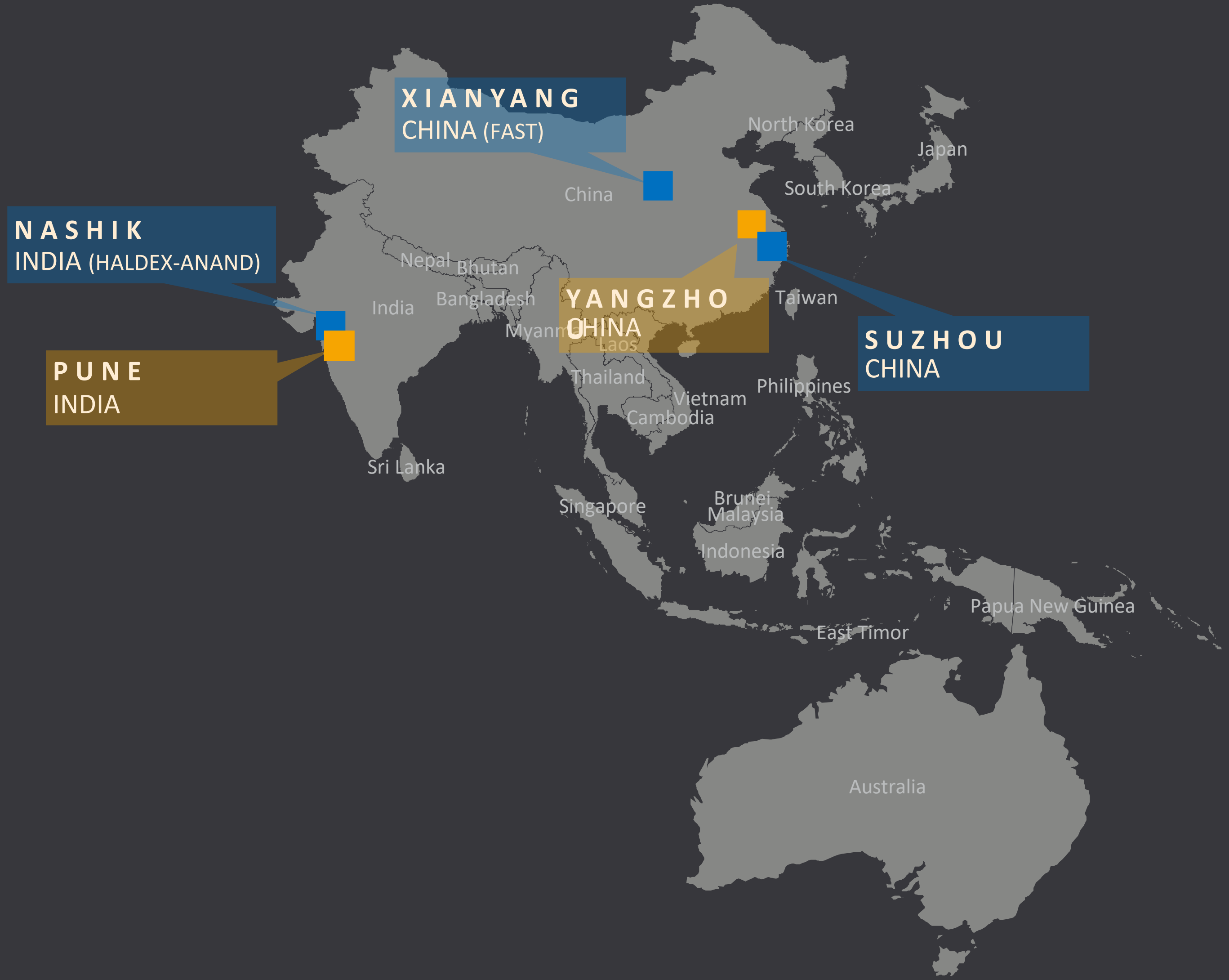
SAF-HOLLAND AND HALDEX COVER ALL MAJOR MARKETS ACROSS APAC: MARKET LEADER POSITION FOR AXLES IN THE THRIVING INDIAN MARKET

Footprint of SAF-HOLLAND and HALDEX production sites in the APAC region

SAF-HOLLAND site

HALDEX site

( ) Joint Venture partner



APAC SYNERGY POTENTIAL IS DRIVEN BY CROSS-SELLING OPPORTUNITIES AND AN ENHANCED JOINT MARKET ACCESS

BENEFITS AND OPPORTUNITIES

- Extension of customer reach both through direct sales but also by using both companies well established distributor network
- Cross-selling opportunities between the companies and introduction at existing customers
- The new plant in Pune in Q1 2023 will provide for a 50% capacity increase in axles in the most dynamic transport market India, driven by megatrends population increase, expanding middle class and governmental infrastructure spend
- SAF-HOLLAND will benefit of HALDEX representation in the Korean market to further enable sales of axles and fifth wheels locally
- SAF-HOLLAND will benefit from HALDEX JV in India as a supplier for key components

MID-TERM SYNERGY TARGET: EUR >1 M

THE COMBINATION OF SAF-HOLLAND AND HALDEX WILL STRENGTHEN THE REGIONAL COVERAGE AND PRODUCT OFFERING IN THE APAC REGION

TECHNOLOGICAL ADVANTAGE

- The two companies bring together their knowledge and competencies for Trailer axles and braking systems
- Trailer ABS & EBS can now be combined with axles, offers strong technological position especially within the premium product segment
- As the regional infrastructure investments continue to rise, more advanced technologies are used on vehicles. These are readily available in the company’s product portfolios

MARKET TRENDS

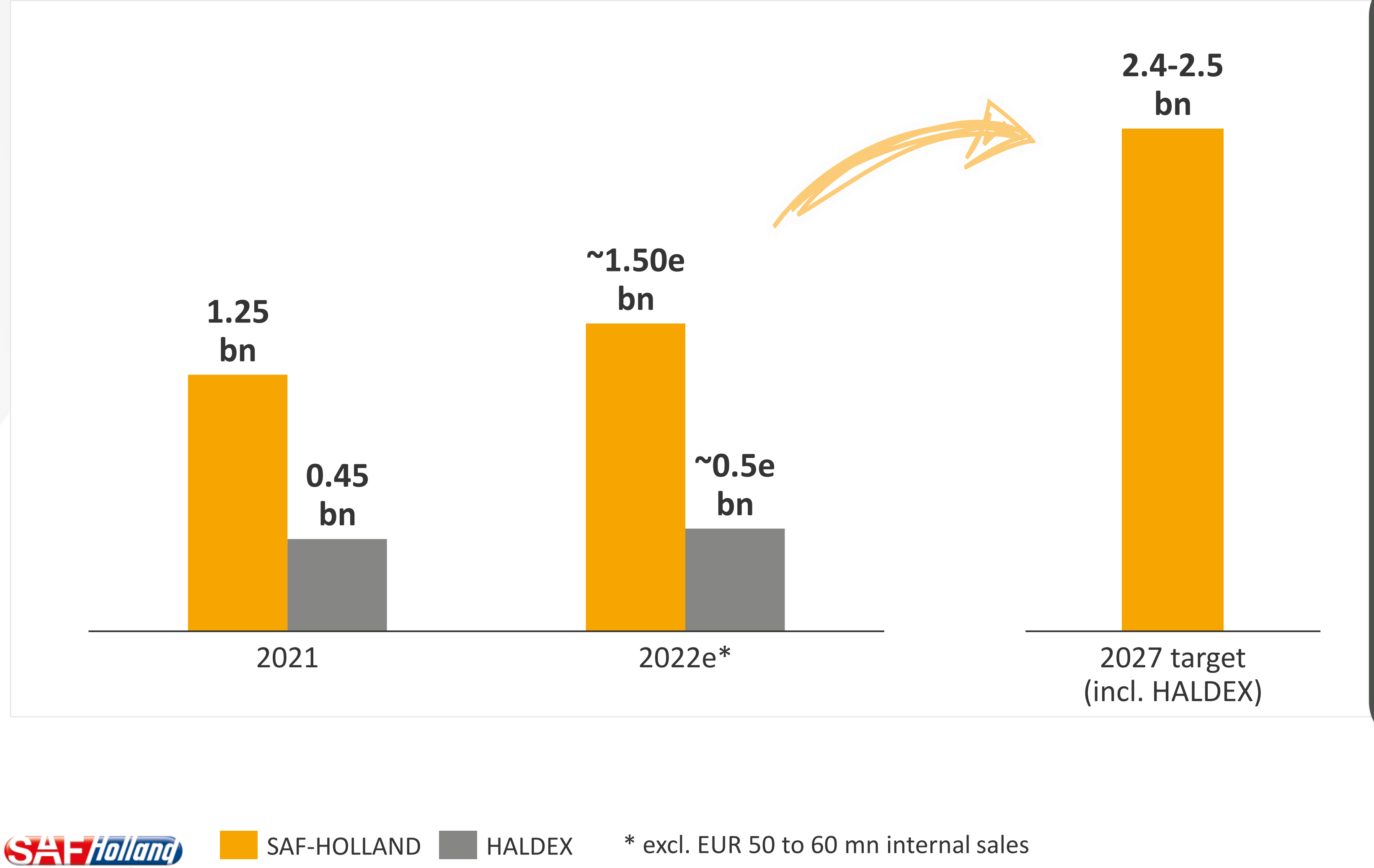
- India: Further expansion of Truck and Trailer production (+14%) and Trailer production (+21%) in India based upon infrastructure expansion programs and government incentives to replace older vehicles. 2022 sales was already 6% above 2019. As market leader SAFH will be able to fully exploit the market growth
- China expected to recover from a Truck and Trailer market halved in 2022 posting a projected 25% increase in Truck and Trailer production, yet subject to COVID risks

Purpose and Mid-Term Targets

Alexander Geis, CEO
Frank Lorenz-Dietz, CFO

SUSTAINED SALES GROWTH ABOVE MARKET TREND TARGETED TO GENERATE EUR 2.4 TO 2.5 BILLION IN SALES BY 2027

SAF-HOLLAND Group Sales (in EUR bn)

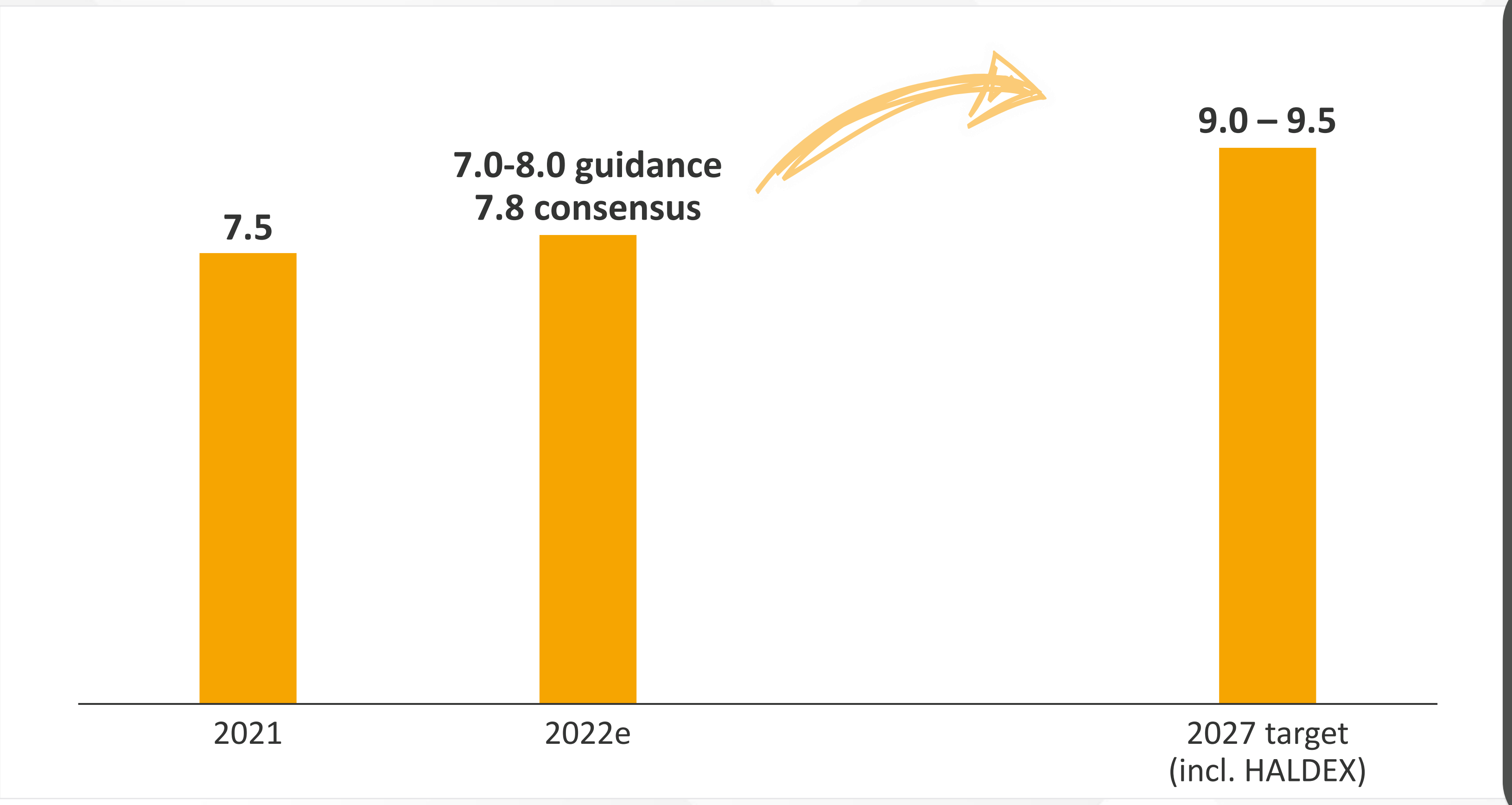


- SAF-HOLLAND mid-term CAGR is expected to come in significantly higher compared to T&T market growth of 2.0% to 2.5% at approx. 3.5% to 4.5%
- Main growth drivers are increased content per vehicle, further market share gains, structural growth in the Americas
- Increasing contribution from new products, i.e., TRAKr, SHAC driven by megatrends electrification and autonomous driving
- The HALDEX acquisition provides for marked cross-selling potential and share gains triggered by unique axle/suspension system + telematics + EBS data combination

* excl. EUR 50 to 60 mn internal sales

ADJUSTED EBIT MARGIN TARGETED TO EXPAND TO 9.0 TO 9.5% BY 2027

SAF-HOLLAND Adjusted EBIT margin as a %-age of Group Sales

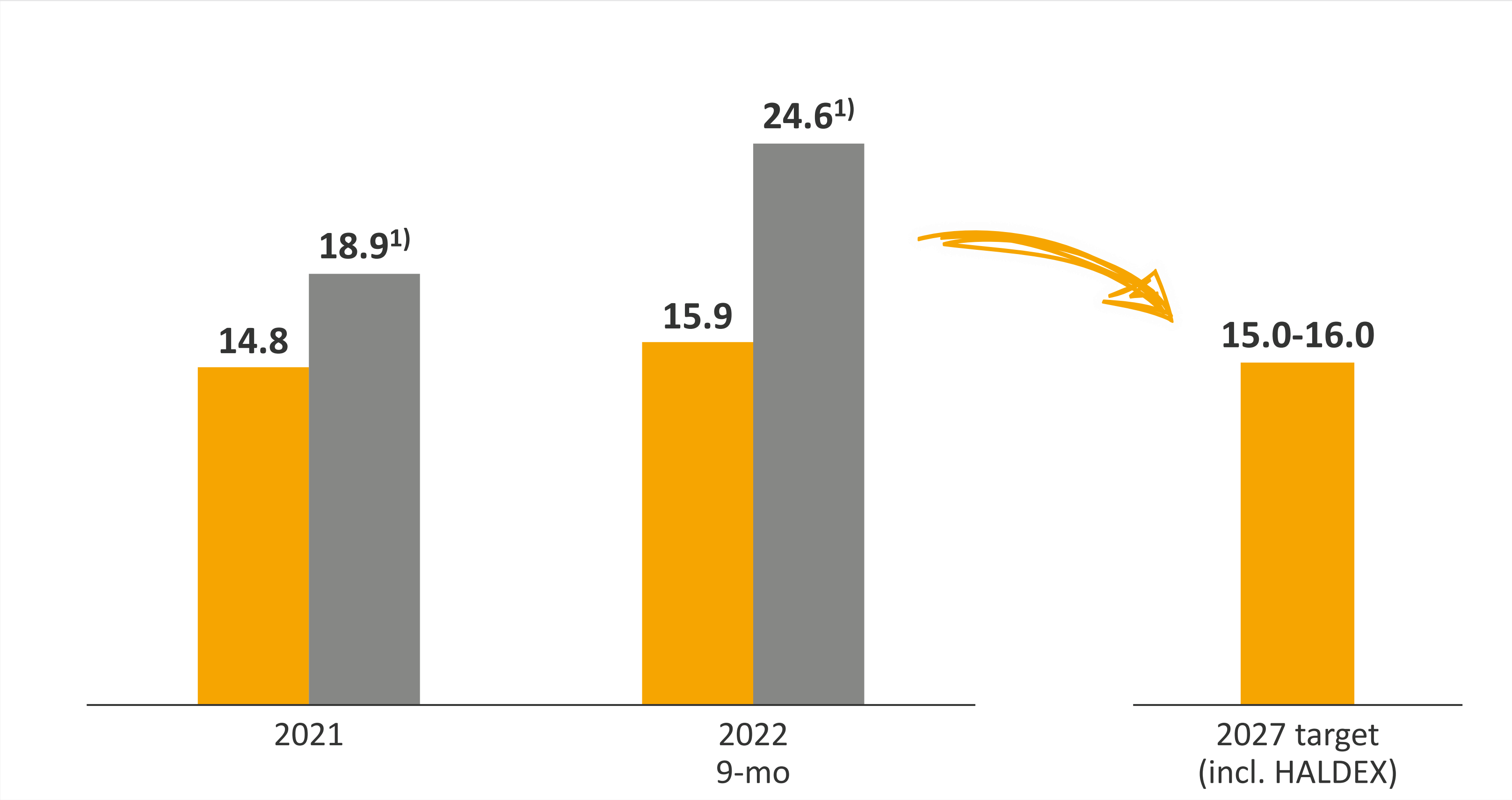


- Group adj. EBIT margin is expected to be expanded to 9.0% to 9.5%
- Aftermarket Powerhouse with an increased AM share in sales of more than 1/3
- Increased market power as a joint company
- Full leverage of synergies with HALDEX
- Production process efficiencies
- Footprint moving into Mexico
- Achieving break-even in China enhancing APAC margin
- Strengthened, unique technological offer for predictive maintenance

Adjusted EBIT

FOCUS ON CASH GENERATION: FURTHER REDUCTION OF NWC REQUIREMENTS EXPECTED

Net Working Capital as a %-age of Group Sales



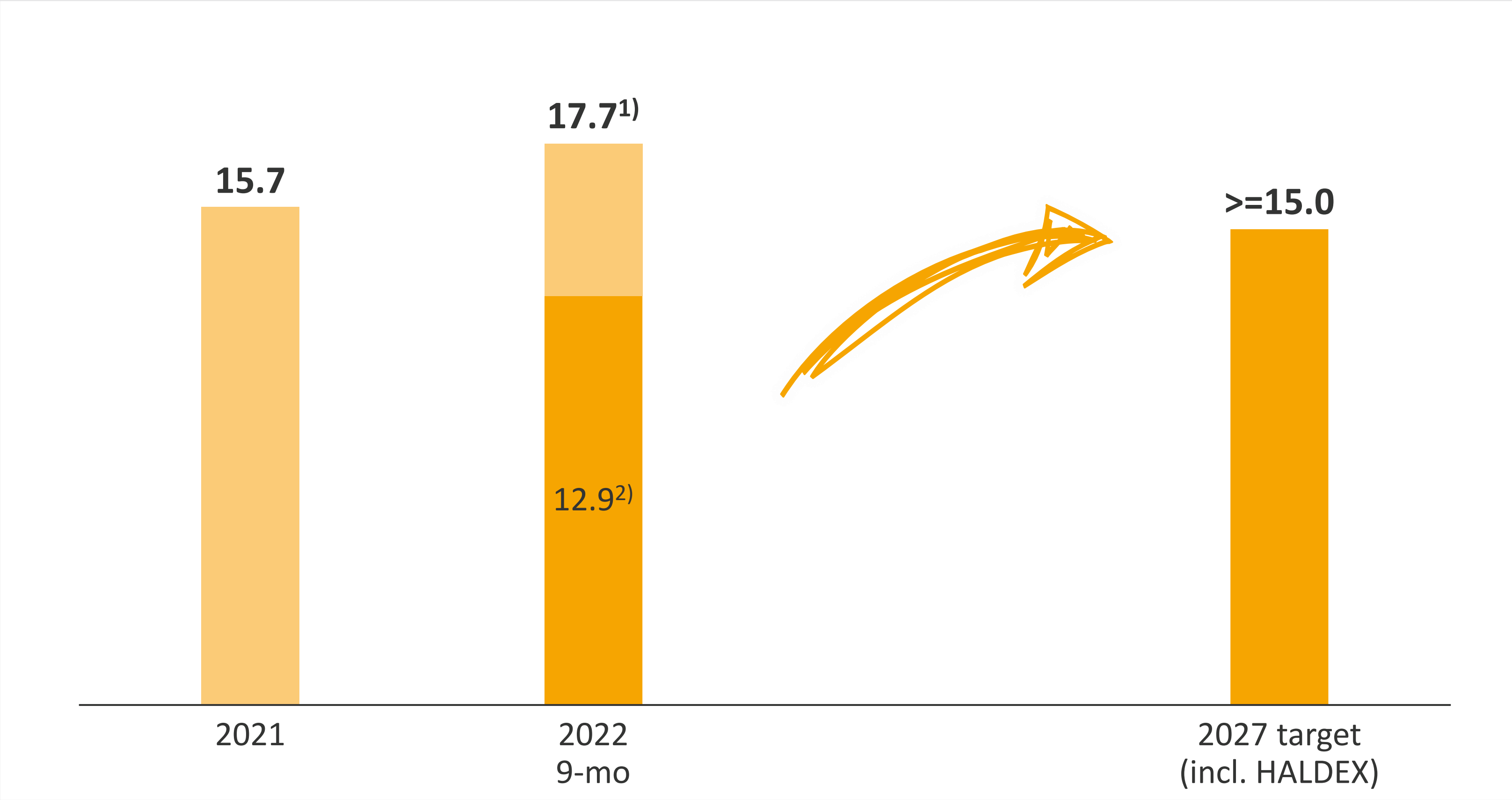
- Integral part of "Cash is King" program
- Target is to further reduce the inventory level going forward based upon supply chain normalization
- Improvement potential of HALDEX NWC ratio which is significantly higher
- Implementation of SAFH standards and active NWC management program
- Target level to be achieved mid-term is 15.0-16.0%

1) Pro-forma, excl. sales to SAF-HOLLAND Net Working Capital Ratio at 21.2 % (2021) and 28.5% (2022 9-mo)

SAF-HOLLAND HALDEX

FOCUS ON RETURNS: JOINT ROCE TARGET LEVEL AT LEAST 15.0% BY 2027

Return on Capital Employed Target (in %)



- **ROCE of SAF-HOLLAND based on capital employed incl. the financing related to the HALDEX transaction was 12.9% (Sept. 30, 2022)**
- **Mid-term target level of at least 15.0 % based upon improved management of capital requirements in the joint group**

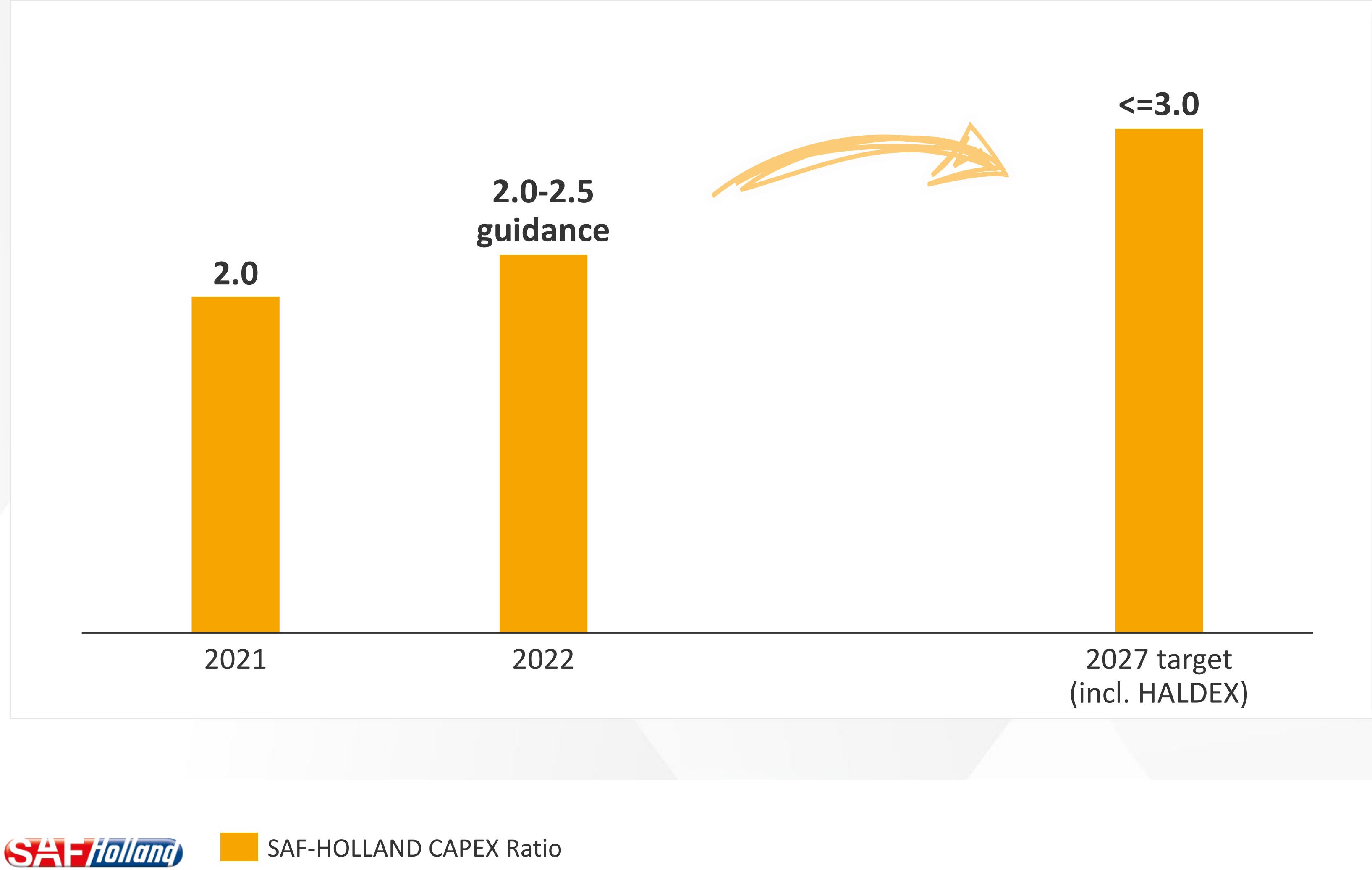
1) Adj. ROCE based on capital employed excl. financing related to HALDEX transaction 2) incl. HALDEX

ROCE = adj. EBIT (LTM) / (total equity + financial liabilities, excl. refinancing cost, incl. lease liabilities, plus pension and other similar benefits, minus cash and cash equivalents)

ROCE SAF-HOLLAND ROCE SAF-HOLLAND Group (incl. HALDEX)

CAPEX RATIO GOING FORWARD POISED TO INCREASE SLIGHTLY TO A MAXIMUM OF 3.0%

CAPEX Ratio of SAF-HOLLAND (% of Group Sales)



- Very asset-light business model featuring low CAPEX intensity
- The higher vertical integration of HALDEX implies a slightly higher CAPEX ratio as compared to SAF-HOLLAND
- CAPEX ratio of the combined group increasing to a maximum of 3.0% of sales, driven by scheduled production capacity increase for air disc brakes as well as for Trailer EBS

Questions & Answers Session

Closing Remarks

Alexander Geis, CEO

CLOSING REMARKS: WE ARE BUILDING THE FUTURE – STRONGER TOGETHER!

PERSPECTIVES

- 2023 focus on integration and transformation: Detailed integration and synergy plan. We are building the Future - Stronger together!
- Next Level: Significant potential of Joint Group with regard to the long-term technological competencies and sustained growth potential
- Competitive edge over major competitors in EMEA
- Enabler to exploit the megatrends of electrification and autonomous driving with unique predictive maintenance and smart functions providing for further share gains
- Investment proposition: High quality, resilient, asset-light business model featuring profitable growth and strong and consistent returns driving shareholder value

NEXT INFO TOUCHPOINTS

02/15

Preliminary Figures FY 2022 SAFH stand-alone

03/30

Financial Results FY 2022 / Analysts Conference

Scope:

- HALDEX AB and SAF-HOLLAND FY22 stand-alone
- Outlook 2023 joint group

Consolidation as of date of Polish merger control clearance expected within the next couple of weeks

THANK YOU FOR TAKING THE TIME TO PARTICIPATE

Thank you for your attention!