



## **SAF-HOLLAND: Strong start in the first quarter of 2015**

- **Group sales increases by more than 15% to EUR 271.0 million**
- **Adjusted EBIT grows by a disproportionately high 32%**
- **Growth strategy 2020: Megatrends drive demand**

*Luxembourg, May 13, 2015* – SAF-HOLLAND got off to a successful start in the financial year 2015. The globally-active commercial vehicle industry supplier increased Group sales in the first quarter of 2015 by 15.2% to EUR 271.0 million (previous year: EUR 235.3 million). In addition to the solid organic growth in all business segments, the stronger US dollar had a noticeably positive impact on sales development. The North American business was the major contributor to the sales growth of EUR 35.7 million. Significantly increased sales contributions were also received from countries outside of SAF-HOLLAND's core markets, primarily Mexico and China. In these regions, sales were up by a total of 47.2% to EUR 28.7 million (previous year: EUR 19.5 million). Detlef Borghardt, CEO of SAF-HOLLAND: "Business development in the first three months establishes a sound foundation for the full year. We are well-positioned to take advantage of solid demand in the established commercial vehicles markets as well as in emerging countries."

Adjusted EBIT increased in the first quarter of 2015 at a much higher rate than sales, growing by 32.2% to EUR 22.6 million (previous year: EUR 17.1 million). The adjusted EBIT margin thus increased to 8.3 % (previous year: 7.3%). Positive currency exchange effects from the valuation of intercompany loans as well as lower financing costs contributed to a significant improvement in the financial result to EUR 6.6 million (previous year: EUR -3.3 million). This means that there was an increase in earnings before taxes to EUR 27.2 million (previous year: EUR 12.0 million). The result for the period also more than doubled in the first quarter of 2015, reaching EUR 18.1 million (previous year: EUR 8.3 million). Undiluted earnings per share improved to EUR 0.40 (previous year: EUR 0.18) with an unchanged number of shares of 45.4 million, or diluted at EUR 0.34 (previous year: EUR 0.18) under consideration of the increased number of shares resulting from the convertible bonds issued in 2014.

Ansprechpartner  
Stephan Haas  
Director Investor Relations/  
Public Relations and  
Business Development  
Tel: +49 (0) 6095 301 617  
Fax: +49 (0) 6095 301 102  
ir@safholland.de  
www.safholland.com

Herausgeber  
SAF-HOLLAND GmbH  
Hauptstraße 26  
D-63856 Bessenbach



### **High capacity utilization in core markets and boost in growth in emerging markets**

In Europe, SAF-HOLLAND's sales of EUR 131.3 million were at the level of the prior year (previous year: EUR 132.8 million). For the most part, this was the result of the generally difficult market environment in Russia, where the commercial vehicles market shrank by about a third in the reporting period. Overall, SAF-HOLLAND was able to compensate for this effect with the upward-moving demand in Western Europe.

In the second core market of North America, SAF-HOLLAND increased sales by 33.7% to EUR 111.0 million (previous year: EUR 83.0 million). The strong increase was positively influenced by the euro-dollar exchange rate. Yet, also organically, sales generated in this region recorded double-digit growth by 10.0% reaching EUR 91.3 million.

The highest percentage sales growth was accounted for by the emerging markets: sales there increased by 47.2% to a total of EUR 28.7 million (previous year: EUR 19.5 million). The Group thus generated 10.6% of sales (previous year: 8.3%) outside of the traditional core markets of Europe and North America.

### **Increased sales and earnings in all business segments**

The biggest contribution to Group sales was provided once again by the Trailer Systems Business Unit, which expanded sales in the first quarter of 2015 by 13.3% to EUR 159.6 million (previous year: EUR 140.9 million). On the earnings side, in addition to increased sales, the successfully implemented measures to increase profitability in the Trailer Systems Business Unit had a significant impact. The business segment's adjusted EBIT increased to EUR 9.3 million (previous year: EUR 5.4 million) and the adjusted EBIT margin improved to 5.8% (previous year: 3.9%). The Powered Vehicle Systems Business Unit increased sales by 24.1% to EUR 45.3 million (previous year: EUR 36.5 million). Key drivers were the significantly increased demand in North America as well as positive currency translation effects. In Europe, the business unit benefited from the improved market environment and an expanded export business. The business unit's

Contact person  
Stephan Haas  
Director Investor Relations/  
Public Relations and  
Business Development  
Tel: +49 (0) 6095 301 617  
Fax: +49 (0) 6095 301 102  
ir@safholland.de  
www.safholland.com

Herausgeber  
SAF-HOLLAND GmbH  
Hauptstraße 26  
D-63856 Bessenbach

adjusted EBIT thus increased to EUR 3.0 million (previous year: EUR 2.1 million) with an adjusted EBIT margin of 6.6% (previous year: 5.7%).

In the Aftermarket Business Unit, sales increased by 14.2% to EUR 66.1 million (previous year: EUR 57.9 million). Adjusted EBIT climbed to EUR 10.3 million (previous year: EUR 9.6 million). The adjusted EBIT margin improved sequentially, reaching 15.6% (previous year: 16.6 %). The business segment moved forward with the expansion of its global market position in the reporting quarter. In this context, the considerably expanded space of the Parts Distribution Center in Dubai began operations in February 2015. In North America, the expansion of the sales force and the introduction of the complementary spare parts brand "GoldLine" were started.

#### **Growth strategy 2020: benefiting from the megatrends**

Within the scope of the publication of quarterly figures, SAF-HOLLAND presented the Group's growth strategy for the coming years. It positions SAF-HOLLAND for the medium and long-term future, puts the Group's profitable growth on an even broader basis and provides additional expansion momentum.

The strategy takes advantage of global megatrends. CEO Detlef Borghardt stated: "Global demographic development and the upswing in emerging markets are determinants that will shape our global market over the long term and offering substantial growth potential for our business. In this context, the increasingly expanding middle class in emerging regions is particularly important. Their simultaneously expanding buying power is driving consumption and, thus, the exchange of goods and the transport volume on the roads. This ensures dynamic market growth."

With its medium and long-term goal setting, SAF-HOLLAND, on the basis of its core competences, is concentrating on attractive growth areas which offer a disproportionately high sales potential. These include areas of activity in which the company is partially already involved in and which can provide above average growth by intensifying the market penetration, gaining further market share as well as the introduction of new products. The technological focus is on the expansion of the business with axle and suspension systems for trailers, trucks and buses.

Contact person  
Stephan Haas  
Director Investor Relations/  
Public Relations and  
Business Development  
Tel: +49 (0) 6095 301 617  
Fax: +49 (0) 6095 301 102  
ir@safholland.de  
www.safholland.com

Herausgeber  
SAF-HOLLAND GmbH  
Hauptstraße 26  
D-63856 Bessenbach



In North America and Europe, on the basis of the strong position in original equipment, the activities in the aftermarket business in particular will be strengthened further.

On the other hand, the activities in all product groups outside the core markets of North America and Europe will be systematically expanded and extended to other geographical sales areas.

Buoyed by the sustainable impact of the megatrends, about 30% of Group sales will be achieved outside of today's core markets of North America and Europe by 2020. For 2020, the company is targeting an overall sales increase to EUR 1.250 to EUR 1.500 billion. About half of the planned sales increase will be accounted for by organic growth. In addition, complementary cooperations and acquisitions which support the growth strategy outside the core markets will contribute to Group sales. SAF-HOLLAND thus plans to grow at a greater rate than the market and to achieve an average annual sales growth of 4 to 7%. The adjusted EBIT margin in 2020 is projected to reach at least 8%. In terms of earnings per share, SAF-HOLLAND expects for 2020 an increase of about 75% as compared to 2014. The increased number of shares through conversion rights from the convertible bonds issued in 2014 has already been taken into account here.

**Outlook: Further increase in sales and earnings for the full year 2015**

SAF-HOLLAND assumes that the overall positive business development will continue over the course of the year, despite weakness in a number of markets such as Russia and Brazil. Accordingly, the company continues to target Group sales of between EUR 980 million and EUR 1.035 billion for 2015. Adjusted EBIT in the current financial year is expected to continue to grow at a rate higher than sales and reach about EUR 90 million. The adjusted EBIT margin is thus expected to come in within the scope of the original goal setting of between 9 and 10%, though it will likely be at the lower end of the scale. In terms of earnings per share, even without positive currency exchange effects, management plans an increase of about 30% as compared to 2014 under full consideration of the increased number of shares due to the convertible bonds issued in 2014.

Contact person  
Stephan Haas  
Director Investor Relations/  
Public Relations and  
Business Development  
Tel: +49 (0) 6095 301 617  
Fax: +49 (0) 6095 301 102  
ir@safholland.de  
www.safholland.com

Herausgeber  
SAF-HOLLAND GmbH  
Hauptstraße 26  
D-63856 Bessenbach



**Notes:**

EBIT was adjusted for the following items that are not originally attributable to the operating business: amortization from the purchase price allocation and impairment reversals on goodwill and intangible assets from the impairment tests as well as restructuring and integration costs.

The key figures chart included in the press release can be accessed at <http://corporate.safholland.com/en/investoren/investor-news/press-releases.html>

**Company Profile:**

With sales of approximately EUR 960 million in 2014 and more than 3,000 employees, SAF-HOLLAND S.A. is one of the world's leading manufacturers and suppliers of premium product systems and components primarily for trailers as well as trucks, buses and recreational vehicles. The product range encompasses trailer axle systems and suspension systems, coupling devices, kingpins, and landing legs among other things. SAF-HOLLAND sells its products on six continents to Original Equipment Manufacturers ("OEM") in the replacement parts market and, in the aftermarket business, to the OEM's Original Equipment Suppliers ("OES"), as well as by means of a global service and distribution network. SAF-HOLLAND also sells its products to end users and service centers using this network. SAF-HOLLAND has established itself as one of the few manufacturers in its sector that is internationally positioned with an extensive product range and a broad service network. SAF-HOLLAND S.A. is listed in the Prime Standard of the Frankfurt Stock Exchange and is among the stocks in the SDAX (ISIN: LU0307018795).

Contact person  
Stephan Haas  
Director Investor Relations/  
Public Relations and  
Business Development  
Tel: +49 (0) 6095 301 617  
Fax: +49 (0) 6095 301 102  
ir@safholland.de  
www.safholland.com

Herausgeber  
SAF-HOLLAND GmbH  
Hauptstraße 26  
D-63856 Bessenbach