

Strategy 2020

Annual Financial Results 2015

Detlef Borghardt, CEO

Wilfried Trepels, CFO

March 11, 2016



Agenda

1	Highlights Business Year 2015	3
2	Market Trend	5
3	Financial information	9
4	Outlook	22

Highlights of the business year 2015

Mid term targets

- Despite a burdening market environment in many markets we mostly overachieved our ambitious mid-term target: € 1,060.7 mn in sales featuring an adj. EBIT margin of 8.9%

Plant consolidation

- Plant consolidation Germany finalized as planned with process optimization under way; Adj. EBIT margin target for TSBU achieved at 6.2% (PY: 3.8%)

Strategy 2020

- Mid and long-term strategy 2020 launched combining organic growth with complementary external growth by cooperations, JVs and acquisitions to reach € 1,500 mn in sales at an average minimum adj. EBIT margin of 8%
- New organizational structure by region set up to support roll-out in ROW and increase its share of sales from 11% to 30% by 2020

APAC/China new product progress

- Two major reference contracts won at bus suspension technology specialist Corpco; successful transfer of state-of-the art air suspension technology to the truck segment as of 2018

Agenda

1	Highlights Business Year 2015	3
2	Market Trend	5
3	Financial information	9
4	Outlook	22


Truck and trailer market trend

Global truck forecast

		2014	2015	Change in % yoy	2016	Change in % yoy
North America Class 8	ACT Truck Build ¹⁾	297,097	323,282	+8.8	250,045	-22.7
	FTR Truck Shipment ²⁾	294,855	319,522	+8.4	260,000	-18.6
Western, Central & Eastern Europe		2014	2015	Change in % yoy	2016	Change in % yoy
	LMC ³⁾	395,870	404,070	+2.1	439,351	+8.7

Global trailer forecast

		2014	2015	Change in % yoy	2016	Change in % yoy
North America	ACT U.S. Trailer Shipments ¹⁾	282,800	325,568	+15.1	314,750	-3.3
	FTR U.S. Trailer Built ²⁾	265,286	305,344	+15.1	279,000	-8.6
Western & Eastern Europe		2014	2015	Change in % yoy	2016	Change in % yoy
	Clear Trailer Production ⁴⁾	261,605	259,144	-0.9	289,297	+11.6

 US truck market 2016 expected to consolidate from a record level (< 10% of sales), trailers well above 2014
European T&T markets keep growing despite consistent weakness in Russia

5 Sources: 1) ACT N.A. Commercial Vehicle Outlook, February 2016, published monthly by Americas Commercial Transportation Research Co., LLC, Columbus, Indiana.

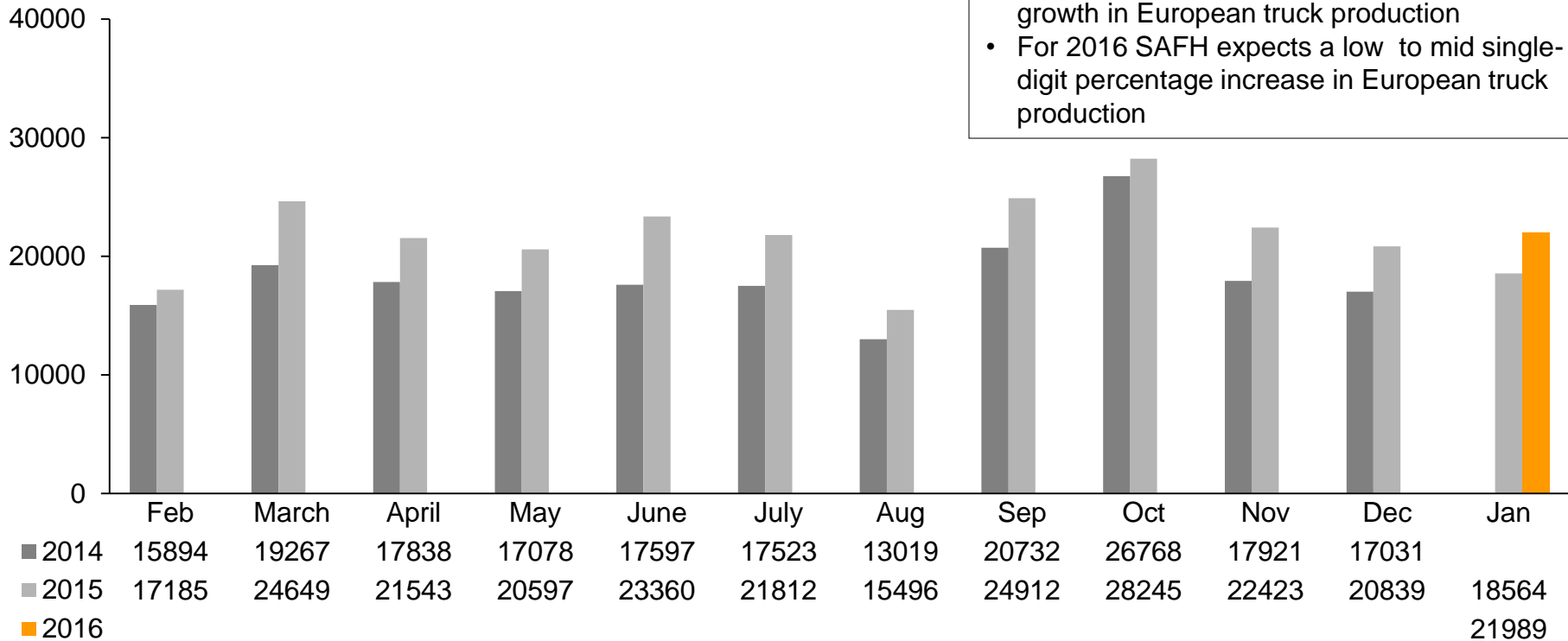
2) North American Commercial Truck & Trailer Outlook, February 2016, published monthly by FTR Associates, Nashville, Indiana.

3) LMC/Global Medium and Heavy Truck Market Outlook Q2 2015/ Zita Zigan, Director or Global Commercial Vehicle Forecasting July 2015

4) CLEAR February 2015, Western Europe (includes: Germany, France, UK, Spain, Italy, Netherlands, Belgium, Austria, Sweden, Denmark, Finland, Portugal, Switzerland, Norway, Ireland)
CLEAR April 2015, Eastern Europe (includes: Russia, Turkey, Poland, Ukraine, Czech, Hungary, Belarus, Romania, Slovakia, Lithuania, Bulgaria, Latvia, Estonia, Slovenia, Croatia)

Truck market development Europe

New registrations heavy commercial vehicles (HCV) >16 tons



Analytics

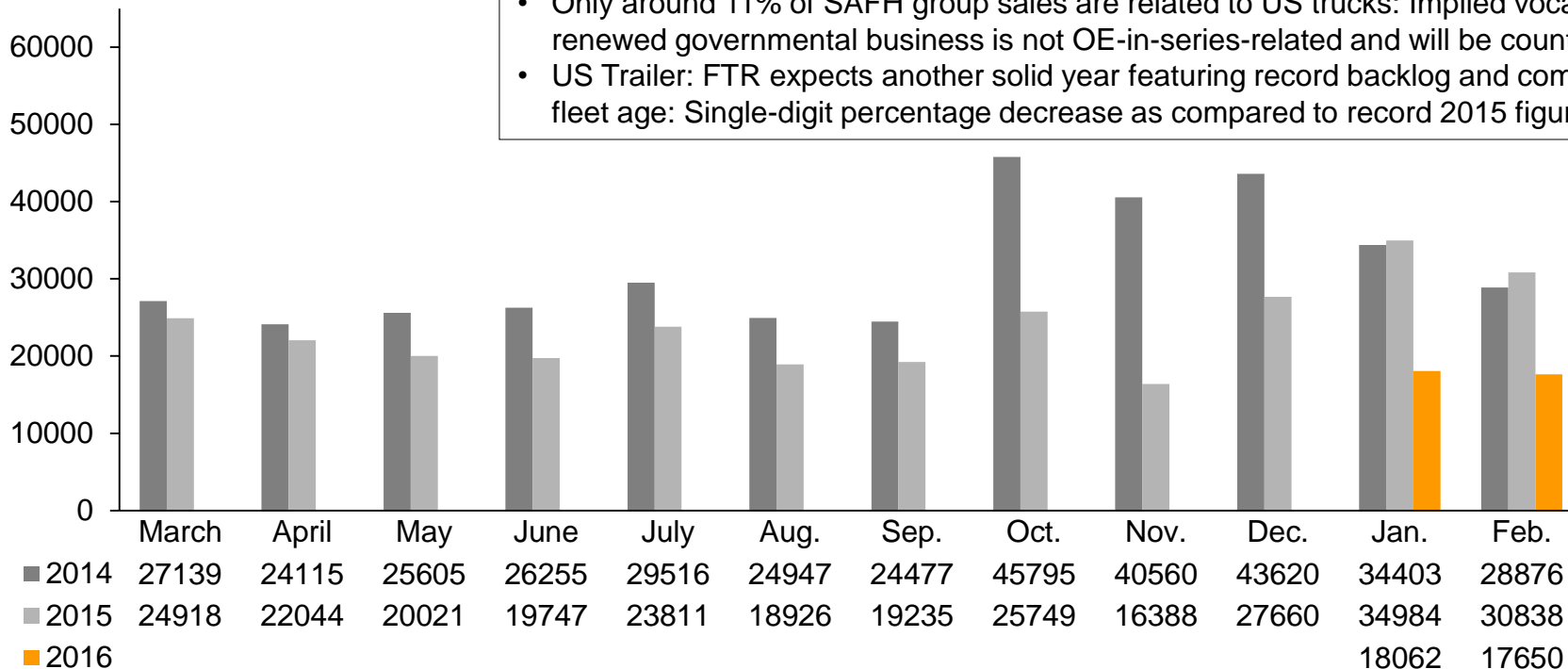
- Pent-up demand and the sustained economic recovery are the basis for further, yet moderate growth in European truck production
- For 2016 SAFH expects a low to mid single-digit percentage increase in European truck production



In Jan. 2016 HCV registrations were up 18.4% yoy to 21,989. Main contributions from Spain (+40.0%), the UK (+33.0%), Germany (+12.6%), France (+10.8%) with impressive figures from Poland (+34.3%)

Truck market development North America

Class 8 net orders



Analytics

- US Trucks: Diagnostically conclusive 3-months average of approx. 21,000 per month indicates slightly higher production than low-end of ACT forecast (250,000 p.a.)
- Only around 11% of SAFH group sales are related to US trucks: Implied vocational and renewed governmental business is not OE-in-series-related and will be counterbalancing
- US Trailer: FTR expects another solid year featuring record backlog and comparatively high fleet age: Single-digit percentage decrease as compared to record 2015 figures



Preliminary N.A. Class 8 truck net orders holding fairly steady at 17,650 units, down 2% mom and 43% yoy. Class 8 net orders are now falling into a much more stable pattern. Orders have averaged approx. 21,000 units the last three months and the same average over the last 12 months

Agenda

1	Highlights Business Year 2015	3
2	Market Trend	5
3	Financial information	9
4	Outlook	22

Executive Summary



1

Sales target FY 2015 accomplished, double-digit sales increase

- Group sales were up 10.5% to € 1,060.7 mn (959.7) driven by growth in all BUs despite the unexpectedly severe market weakness in Russia, Brazil and Australia
- Positive translational FX effects contribute tellingly (8.3%)

2

Adjusted EBIT picks up at a higher rate than sales

- Adj. EBIT 2015 improved by 33.0% to € 94.0 mn (70.7) on sales growth, improved product mix, prolific efficiency measures and cost management
- FY 2015 adj. EBIT margin up 150 BPs to 8.9% (7.4%),
- Q4 adj. EBIT margin reached 8.4% (6.4%)

3

In addition to the operational improvement **also the finance result increased** by € 3.7 mn from € -7.7 mn in FY 2014 to € -4.0 mn in FY 2015

- Beneficial effects from unrealized FX gains from the valuation of intercompany foreign currency loans of EUR 8.4 mn (6.8)

4

Solid growth in undiluted EPS





- Net profit soars 58.1% coming in at € 51.7 mn (32.7);
- EPS undiluted at € 1.14 as compared to € 0.72 in the previous year
- Dividend proposal: 25% increase to € 0.40 (€ 0.32)

5

Outlook 2016*

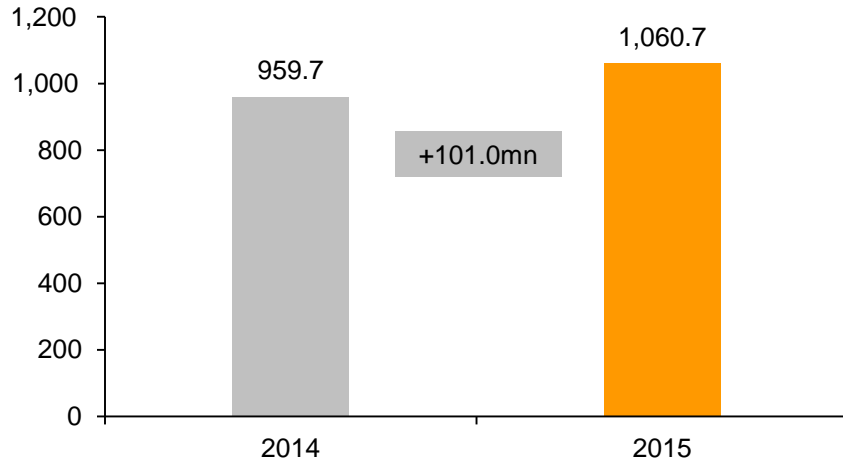
- Sales are expected to organically stay constant or slightly increase, in the range of € 1,050 mn to € 1,070 mn
- Adj. EBIT margin is planned to come in between 8 and 9% in FY 2016

Financial targets 2015 largely exceeded

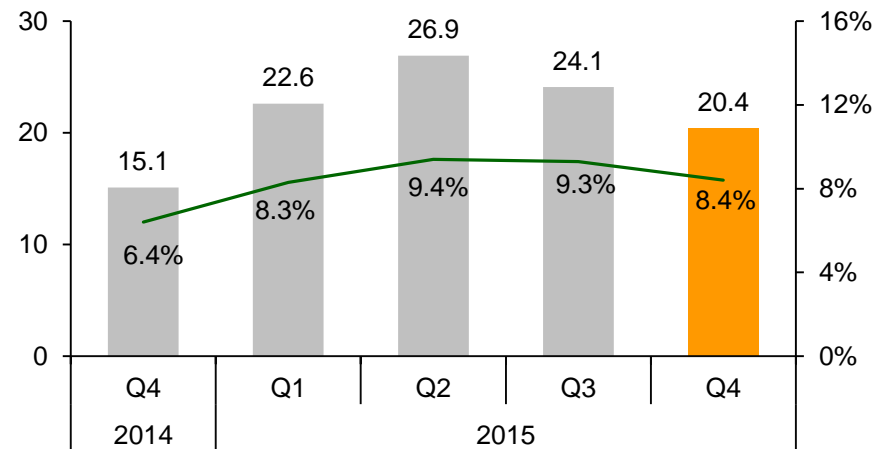
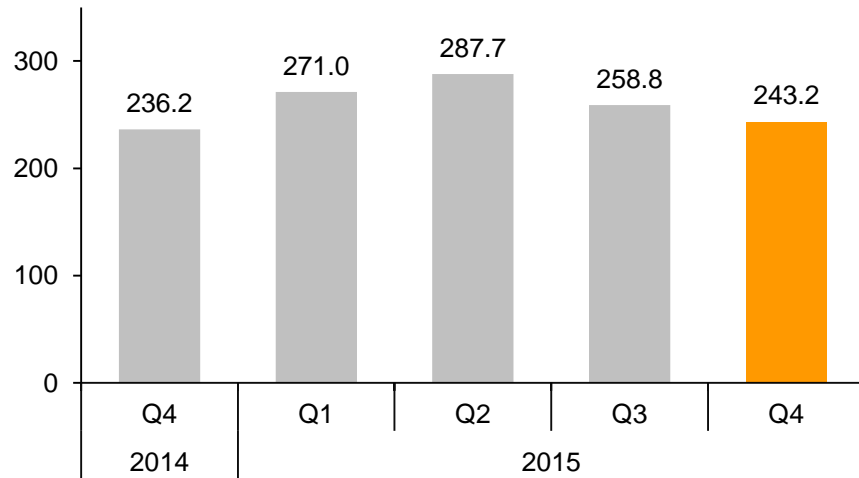
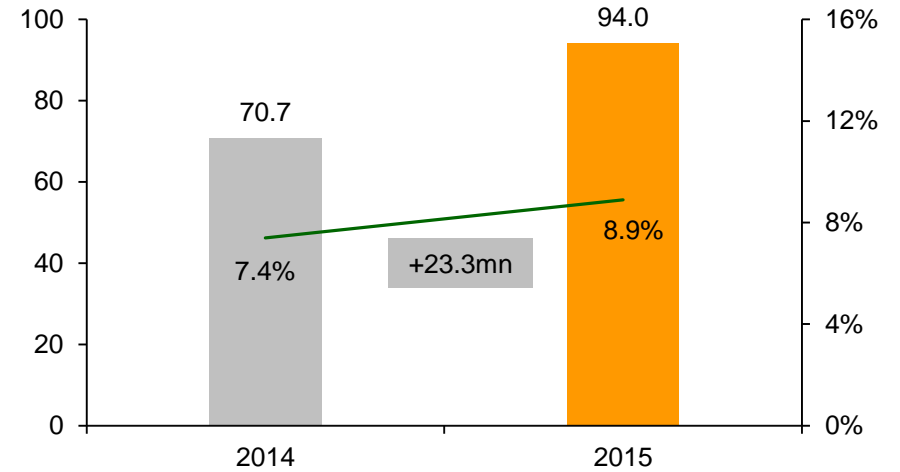
	Originally	Update (raised Aug. 6, 2015)	Actual business development	Status
Sales	€ 980 mn to € 1,035 mn	Upper end or slightly exceeding € 980 mn to € 1,035 mn range	€ 1,060.7 mn	
Adj. EBIT	Approx. € 90 mn	Slightly above € 90 mn	€ 94.0 mn	
Adj. EBIT-margin	9 -10% lower end	9 -10% lower end	8.9%	
EPS	Approx. 30% increase incl. dilution*	At least 30% increase incl. dilution*	€ 0.99 (+43.5% yoy)	

Business performance – group sales and group adjusted EBIT

Sales in €mn

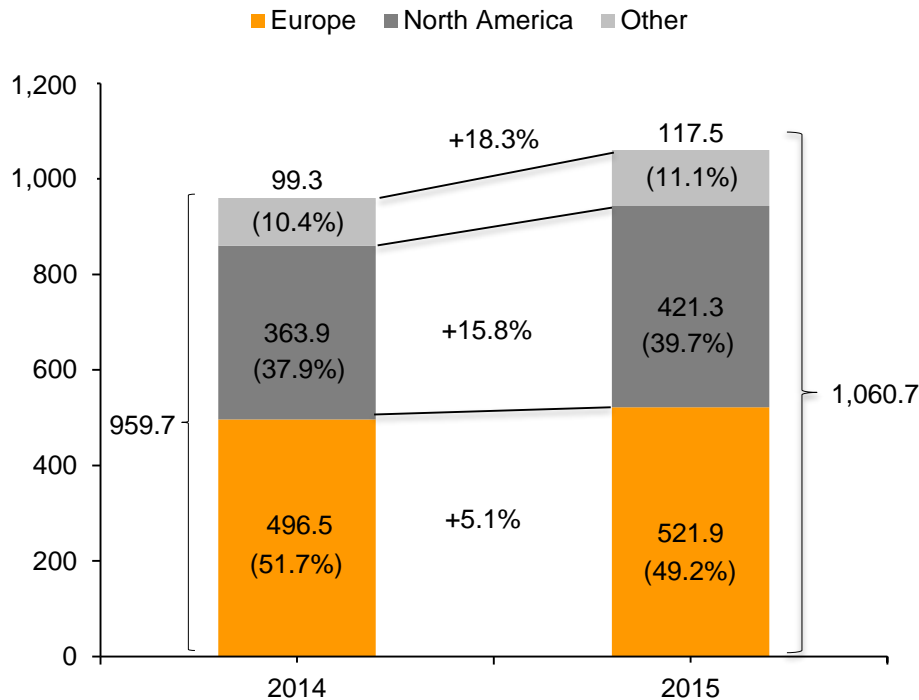


Adjusted EBIT in €mn

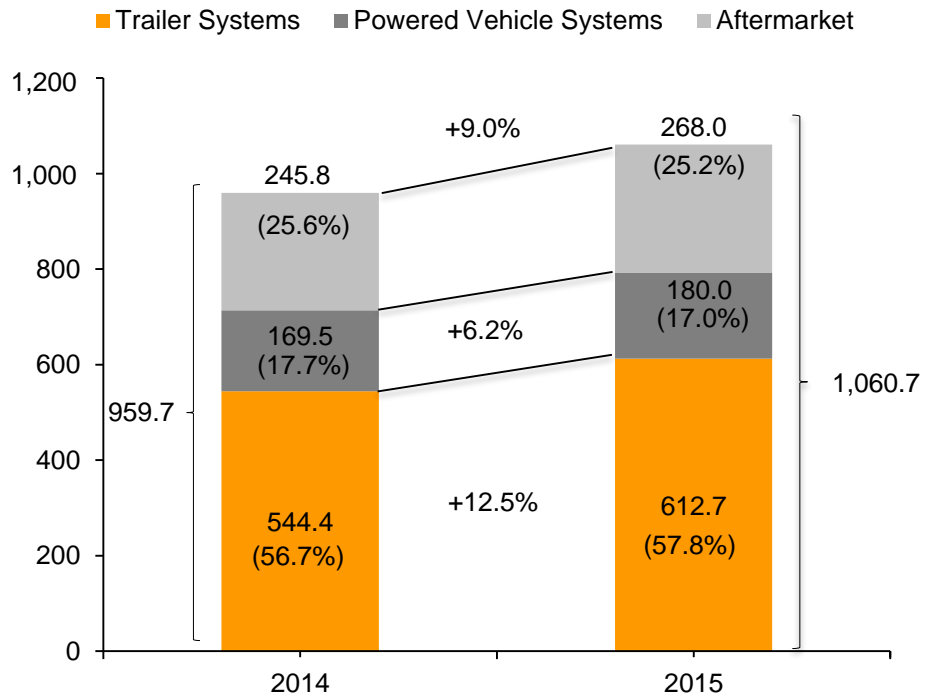


Business performance – sales by region and by business unit

Sales in €mn by region

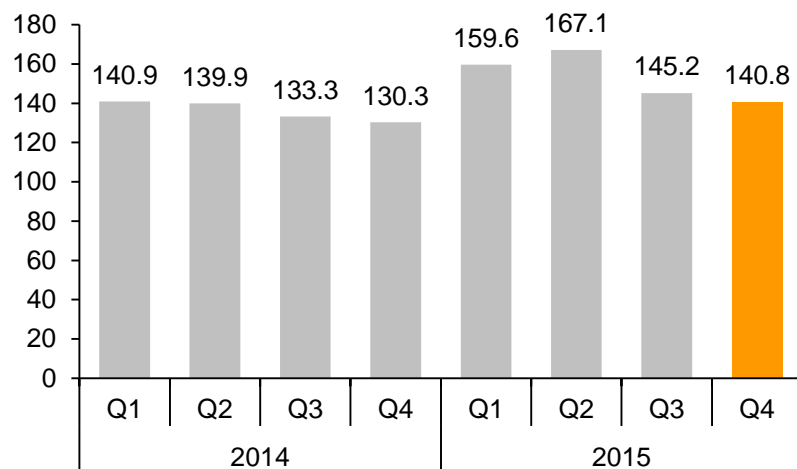


Sales in €mn by business unit

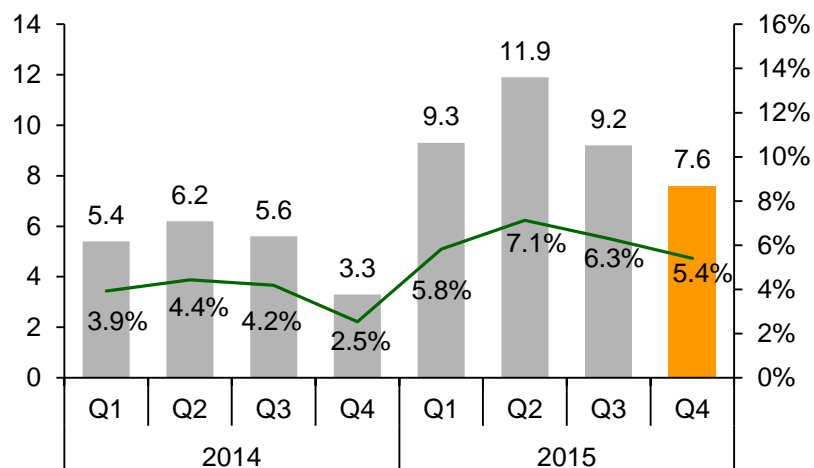


Business performance – Trailer Systems

Sales in €mn



Adjusted EBIT in €mn and margin in %

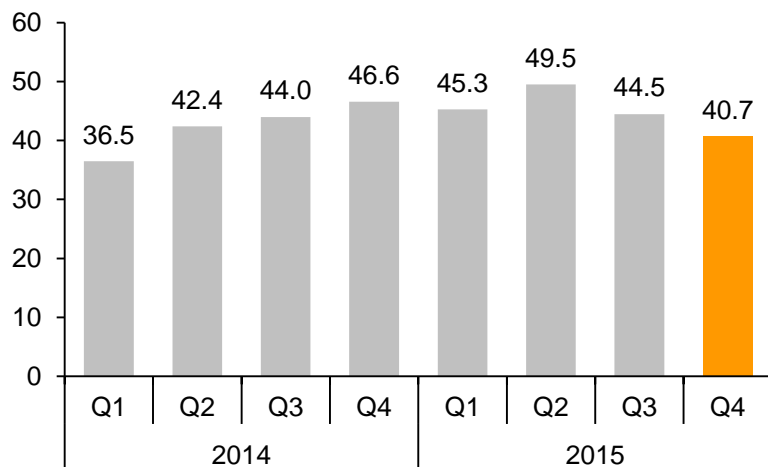


Summary

- Sales in 2015 increased 12.5% reaching € 612.7 mn (544.4)
 - Sales trend in Western Europe supported by economic recovery and share gains
 - North American sales development marked by normalization of demand and positive FX effects
 - Severe weakness in Russia, Brazil and Australia (€ 13.0 mn less sales contribution) burdens
 - Q4/2015 sales up 8.1% yoy to € 140.8 mn (130.3)
-
- Adj. EBIT 2015 increased by 85.4% to € 38.0 mn (20.5)
 - Adj. EBIT margin target of 6.0% achieved at 6.2% (3.8%)
 - Improvement in profitability driven by volume growth, recognized effects of efficiency measures undertaken and favorable product mix
 - Further initiatives for workflow and manufacturing process optimization
 - Adj. EBIT in Q4/2015 at € 7.6 mn (3.3) exceeds previous year's final quarter significantly

Business performance – Powered Vehicle Systems

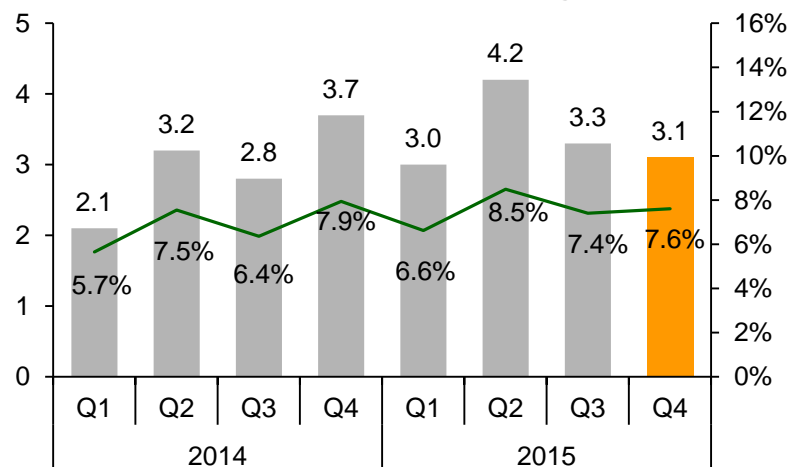
Sales in €mn



Summary

- Sales increase of 6.2% in 2015 to € 180.0 mn (169.5) supported by FX
- Solid development in European truck business due to improved market environment and growing exports
- North America: Sales flatten in 2nd half-year due to declining US production from record levels
- Q4/2015 sales declined by 12.7% versus a strong final quarter 2014 to € 40.7 mn (46.6)

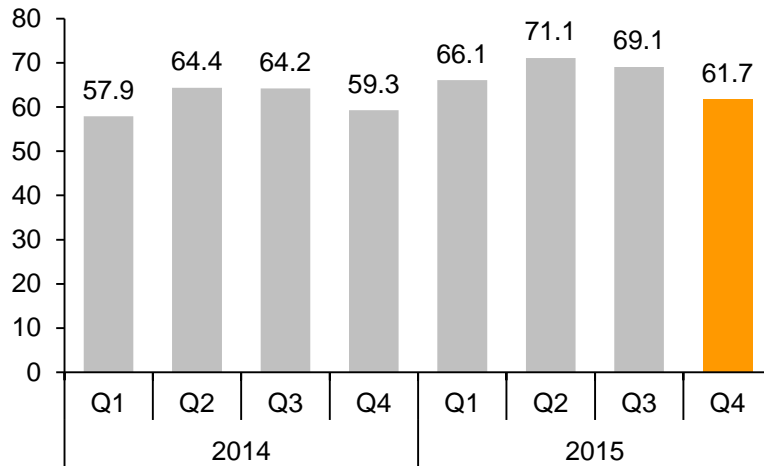
Adjusted EBIT in €mn and margin in %



- Adj. EBIT 2015 came in 15.3% higher at € 13.6 mn (11.8)
- Adj. EBIT margin amounted 7.6% (7.0%), behind mid-term target corridor of 8 to 9%
- North America: Adjustment of capacities and variable cost structures in line with slower OE demand
- Q4/2015 adj. EBIT was € 0.6 mn lower yoy and stood at € 3.1 mn (3.7); margin holding up despite sales decrease

Business performance – Aftermarket

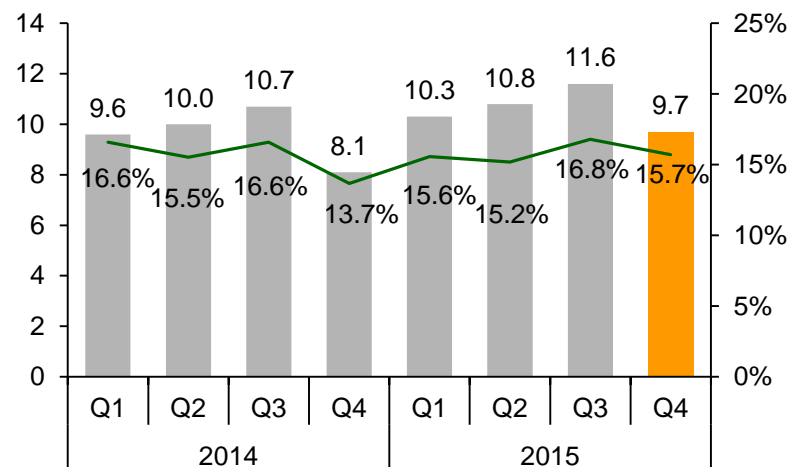
Sales in €mn



Summary

- Robust sales increase of 9.0% in 2015 to € 268.0 mn (245.8)
- Positive effects from investments in PDC capacities with further AM network extension under way (e.g. Central America, Africa)
- Expansion of sales organization in the US, primarily in large area states
- Besides SAUER GERMANY QUALITY PARTS the GoldLine trade brand has commenced to contribute in 2016
- Sales in Q4/2015 increased at a slower pace by 4.0% yoy to € 61.7 mn (59.3)

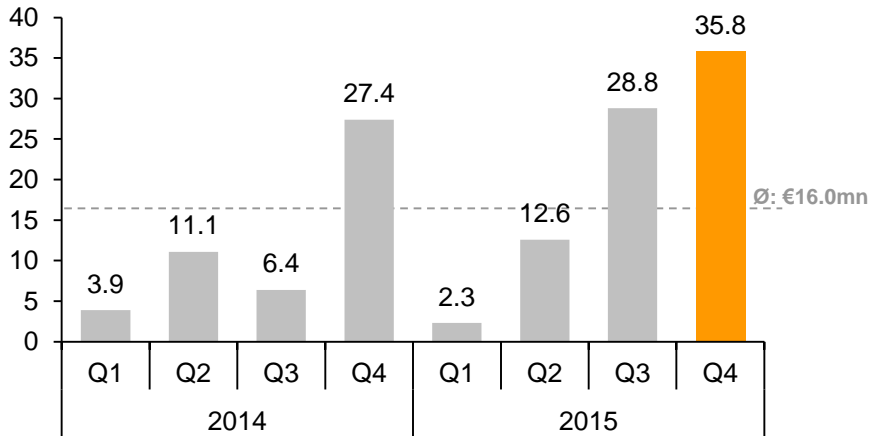
Adjusted EBIT in €mn and margin in %



- Adj. EBIT 2015 came in 10.4% higher at € 42.4 mn (38.4)
- Adj. EBIT margin at 15.8% (15.6%) stable within the mid-term 15 to 16% target range despite pre-investments
- Q4/2015 adj. EBIT margin significantly above previous year's quarter at 15.7% (13.7%)
- Q4/2015 adj. EBIT increased by 19.8% yoy to € 9.7 mn (8.1)

Business performance – robust cash generation

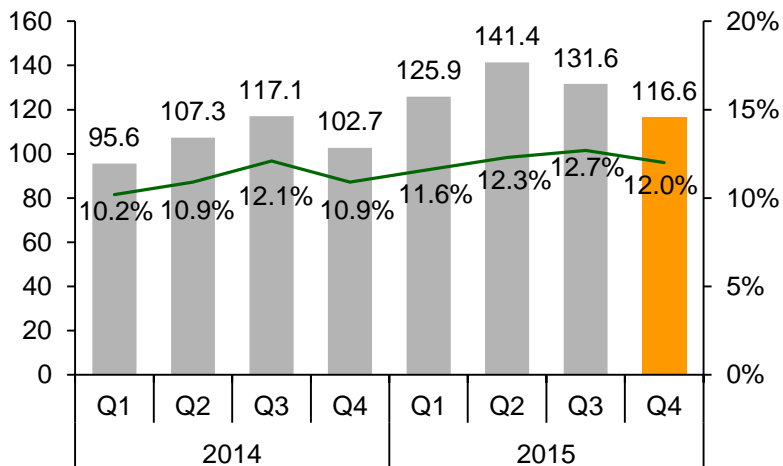
Operating cash flow before income tax in € mn



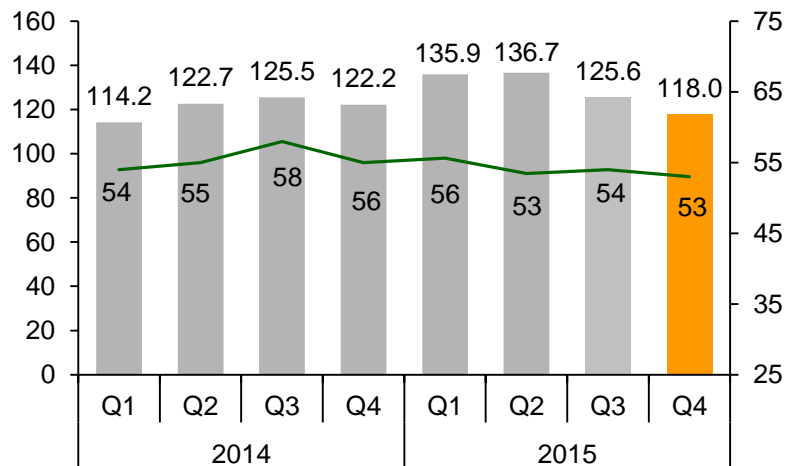
Summary

- Operating cash flow in 2015 increased by 62.9% to € 79.5 mn (48.8) fostered by earnings growth and NWC management
- Lower increase in trade receivables as compared to 2014
- Despite sales increase, inventory reduction by € 4.2 mn yoy supported by finalized plant consolidation in Germany
- Further sequential decrease in inventories in Q4 by € 7.6 mn
- Overall NWC requirements at year end 2015 were € 13.9 mn higher yoy due to sales increase and higher EMA share
- Days of inventories down yoy, from 56 to 53 days by end of Q4/15

Net working capital in € mn and as % of sales



Inventories in € mn and days of inventories



Financials – balance sheet

in € mn	12/31/2015	%	12/31/2014	%
Non-current assets	380.3	42.8%	363.9	56.4%
Inventories	118.0	13.3%	122.2	18.9%
Other current assets	129.5	14.6%	114.9	17.8%
Other short-term investments	115.0	12.9%	0.0	0.0%
Cash and cash equivalents	145.7	16.4%	44.2	6.9%
Total assets	888.5	100.0%	645.2	100.0%
Equity	287.8	32.4%*	248.6	38.5%
Other non-current liabilities	96.1	10.8%	87.3	13.5%
Interest bearing loans and borrowings	383.2	43.1%	181.3	28.1%
Other current liabilities	121.4	13.7%	128.0	19.9%

Net debt as of December 31, 2015: € 122.4mn (12/31/14: € 137.1mn)

17 * If the balance sheet total is adjusted for cash and cash equivalents as well as other short-term investments which exceed the figure of approx. € 7 mn that is targeted by SAF-HOLLAND, this would result in a mathematical equity ratio for FY 2015 of 45.3% (previous year: 40.9%).

Financials – profit and loss statement

in € mn	2015	%	2014	%
Sales	1,060.7	100%	959.7	100%
Cost of sales	-857.8	-80.9%	-785.1	-81.8%
Gross profit	202.9	19.1%	174.6	18.2%
Selling expenses	-61.4	-5.8%	-57.7	-6.0%
Administrative expenses	-44.6	-4.2%	-44.6	-4.6%
R&D	-20.9	-2.0%	-19.6	-2.1%
Other op. income	3.3	0.4%	2.0	0.2%
Operating result	79.3	7.5%	54.7	5.7%
Finance Result*	-1.7	-0.2%	-5.7	-0.6%
Earnings before tax	77.6	7.3%	49.0	5.1%
Income Tax	-25.9	-2.4%	-16.3	-1.7%
Result for the period	51.7	4.9%	32.7	3.4%

Comments

- 10.5% sales growth: 2.2% organic growth, 8.3% attributable to translational FX effects
- Gross margin improved by 0.9 PP yoy, reaching 19.1% (18.2%). Up in Q4/2015 at 18.1% (16.3 %)
- Cost discipline and process improvements had SG&A cost fall as a percentage of sales from 10.6% in 2014 to 10.0% in 2015. Admin cost ratio excl. 2014 phantom share program expense still 0.2 pp lower
- The operating result picked up at a higher rate than sales, by 45.0%
- The Finance result improved by € 4.0 mn to € -1.7 mn (-5.7) in FY 2015, as a result of € 0.5 mn lower net interest expense and € 1.4 mn lower finance expenses relating to derivative financial instruments
 - € 8.5 mn (8.7) in unrealized and realized FX gains in 2015 from the valuation of inter-company foreign currency loans and dividends
- Net result for the period was up 58.1% yoy

¹⁸ * Finance result includes share of net profit from investments accounted for by using the equity method of € 2.3 mn in 2015 (€ 2.0 mn in 2014)

Financials – cash flow statement

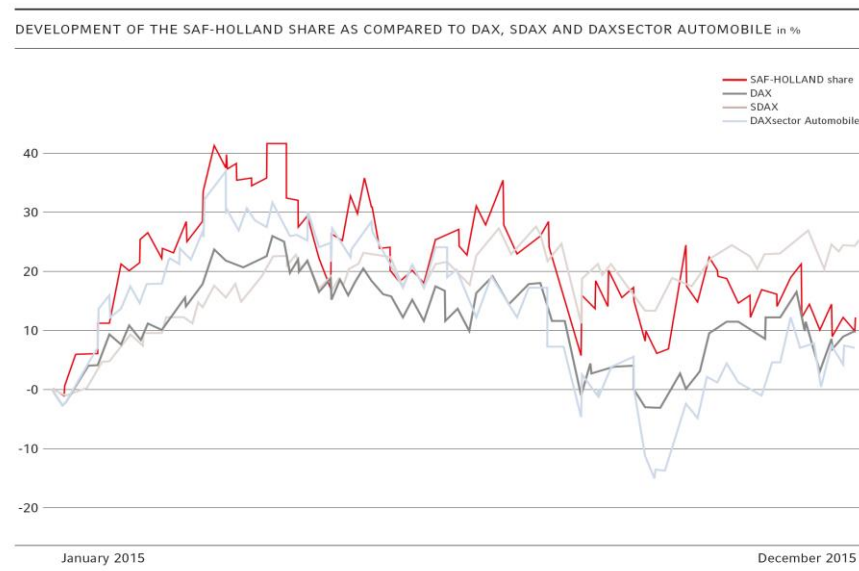
in €mn	2015	2014	Q4/2015	Q4/2014
Result before tax	77.6	49.0	14.4	6.4
Finance result	4.0	7.7	1.5	2.6
Amortization/depreciation	21.7	19.7	5.7	5.3
Changes in Net Working Capital	-25.9	-27.9	13.4	13.2
Other items cash flow	2.1	0.3	0.8	-0.1
Operating cash flow before income tax	79.5	48.8	35.8	27.5
Income tax paid	-16.4	-12.8	-2.6	-4.2
Operating cash flow	63.1	36.0	33.1	23.3
Cash flow from investing	-139.1*	-29.4	-118.4	-8.6
Cash flow from financing	176.2**	12.6	198.6	-3.3
Effect of f/X changes	1.3	1.1	0.6	0.5
Net change in cash	101.5	20.3	113.8	11.9

¹⁹ *Includes purchase of other short term investments of € 115 mn

** Includes proceeds from promissory note loan of € 200 mn

Share price and shareholder structure

Development of SAF-HOLLAND share price vs. indices (in %)

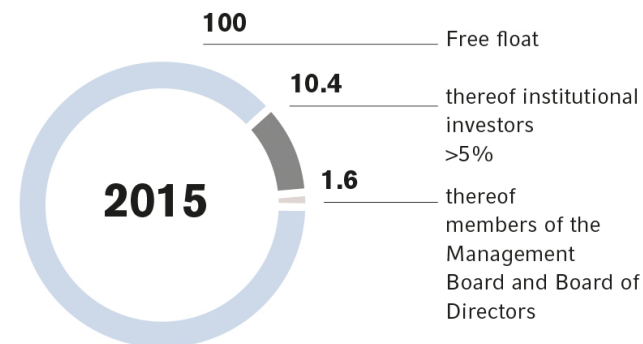


Basic data for share as of December 31, 2015

ISIN	LU0307018795
Number of shares	45,361,112
Closing price	€12.49
undiluted adjusted EPS	€1.37

Shareholder Structure (in %)

SHAREHOLDER STRUCTURE 2015 in %



As of December 31, 2015

SAF-HOLLAND share price development in 2015

- Share price increase of 12.5% in 2015
- Total return 15.4%
- Share price outperforms benchmark index DAX and also the DAXsector Automobile Index

Agenda

1	Highlights Business Year 2015	3
2	Market Trend	5
3	Financial information	9
4	Outlook	22

Outlook – Opportunities 1)

Heavy Duty legislation China in preparation

- Strict enforcement of masses and dimensional standards for road transport vehicles could spur demand for improved new vehicles; Maximum gross vehicle train weight reduced from 55 to 49 tons, so equipment will have to be made lighter

US Highway Bill

- Long-term highway bill passed in Dec. 2015: \$ 305 bn allocated for federal funding of major highway and transit projects over a 5-year period supporting demand in the vocational segment

US government business

- Following two years of virtually zero sales in the government business, for 2016 first contributions are expected with regard to a major recapitalization program and potentially further projects

Outlook – Opportunities 2)

Lifting of sanctions Russia

- Huge pent-up demand in Russia; Spill-over on Western European demand as the Russian Federation normally is a huge market for used „second-life“ trailers

Gigaliner in Europe

- Permission of Gigaliners in Germany (now in test phase) could trigger a special business cycle due to significant TCO advantages

US HDMA AM outlook

- Improving 12-months outlook for the aftermarket business, with 63% of market participants expecting small to large increases in spare parts sales

Outlook – Markets and Measures

Our market expectations:

- Anticipating an approx. 20% retraction of the US truck market peaking off from record levels
- Sustained moderate growth in Western Europe despite restraints from Russia
- Weak markets on low levels in Brazil and Australia due to political situation respectively insufficient prices of raw materials

Balancing measures to match these effects:

- Market share gains
- New products (e.g. Intra S/R)
- Expansion of vocational segments
- Further efficiency improvements

Deconsolidation effect

- Product line Aerway, which accounted for € 6.8 mn in sales at roughly Group average margins, was sold in Dec. 2015 and will no longer contribute in 2016: comparable sales basis 2015 = € 1,053.9 mn



Building on a strong year 2015, from today's perspective 2016 will become another solid year with stable operational performance laying the basis for the implementation of the growth strategy 2020.

Outlook: Financial targets 2016

	FY 2016*	Strategy 2020
Sales	Organically constant or slight increase	Organic: € 1,250 mn
	€ 1,050 mn to € 1,070 mn	+ Coop., JVs, Acquisitions: € 1,500 mn
Adj. EBIT-margin	8 - 9%	≥ 8%
NWC ratio	12 – 13%	12%
CAPEX	Approx. € 28 mn	€ 26 mn - € 28 mn p.a.

²⁵ * Assumption is, that there is no significant deterioration of political, economic or industry-specific environment;
Not including potential sales and earnings contributions from cooperations, JVs and acquisitions

Appendix

Reconciliation statement for adjusted EBIT

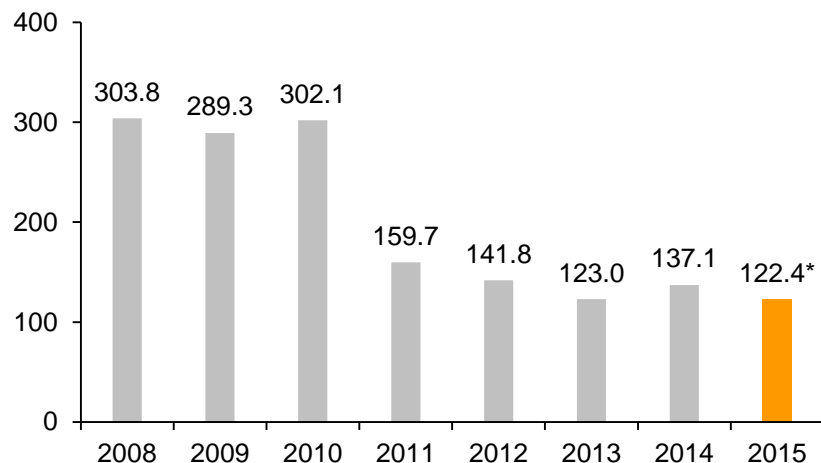
in €mn	2015	2014
Result of the period	51.7	32.7
Income tax	25.9	16.3
Financial Result	4.0	7.7
Depreciation and amortization from PPA	7.0	6.1
Restructuring and integration costs	5.4	7.9
Adjusted EBIT	94.0	70.7
in % of Sales	8.9%	7.4%

Key financials

in €mn	2015	2014
Sales	1,060.7	959.7
Cost of sales	-857.8	-785.1
Gross profit	202.9	174.6
Margin	19.1%	18.2%
Adjusted result	62.2	43.7
Margin	5.9%	4.6%
Adjusted EPS in €	1.37	0.96
Adjusted EBITDA	109.3	84.3
Margin	10.3%	8.8%
Adjusted EBIT*	94.0	70.7
Margin	8.9%	7.4%
Operating cash flow before income tax	79.5	48.8

Key financial ratios and figures

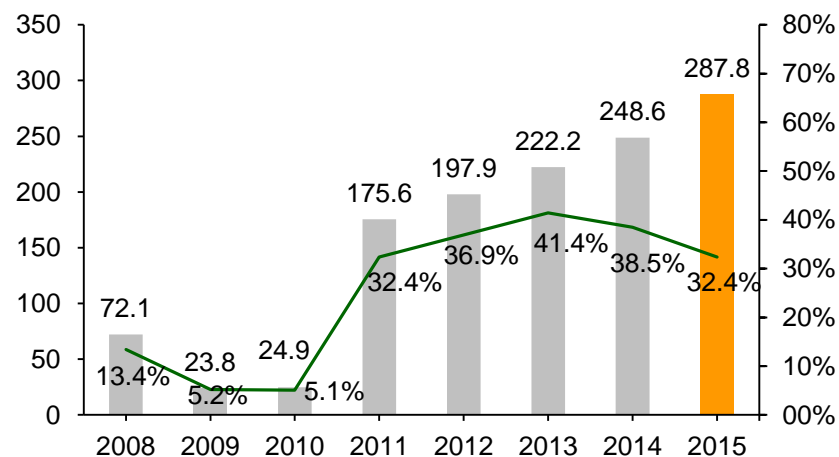
Net financial debt (€mn)



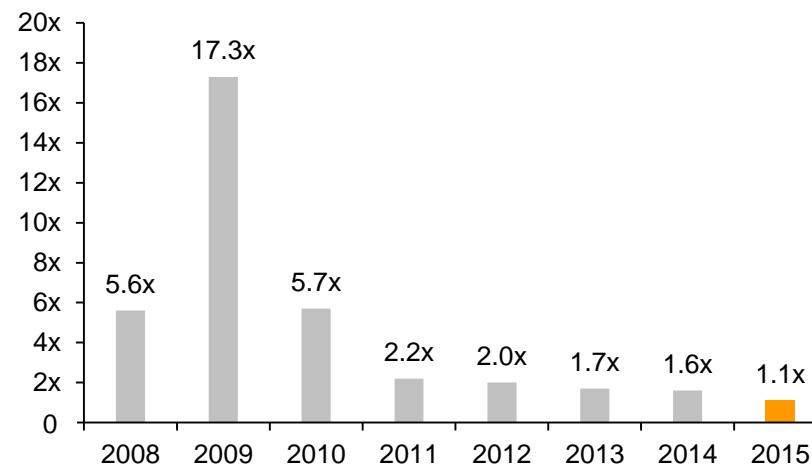
Summary

- Further improvement of net financial debt position
- Equity ratio declined due to PML issuance, yet further improved to 45.3% when adjusted for PNL/excess cash
- Net financial debt/ adj. EBITDA ratio falling further to reach a multiple of 1.1

Equity (€mn)



Net financial debt/ adjusted EBITDA (x)



Strong financial profile as basis for further growth & dividend payments

Strong financial profile

Corporate Bond
€75mn
(due 04/2018)

Revolving Credit lines
€158mn
(due 10/2020 with option of renewal until 10/2022)

Convertible Bond
€100.2mn
(due 09/2020)

Promissory note (SSD)
€200mn
(€140mn due in 11/2020, €17mn due in 11/2022, €43mn due in 11/2025)

- Optimized and diversified financing structure
- Access to institutional and private investors with reduced dependency from banks
- Currently unsecured financing
- More flexibility with increased financial headroom and optimized financing costs

Dividend policy

Dividend payment of € 0.40 per share (py: € 0.32) following Annual General Meeting 2016; € 18.1mn distribution in total representing an approx. 39% (py: 44%) share of FY 2015 available net earnings

Distribution of generally 40 to 50% of available net earnings on a sustainable base if reported equity ratio reaches around 40%

Disclaimer

- By attending the meeting where this presentation is made, or by reading the presentation slides, you agree to be bound by the following limitations: The information in this document has been prepared by SAF-HOLLAND S.A. ("SAF-HOLLAND") for use at a road show presentation by SAF-HOLLAND and does not constitute a recommendation regarding securities of SAF-HOLLAND.
- 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 the information, or opinions contained herein. Neither SAF-HOLLAND nor any of SAF-HOLLAND's advisors or representatives shall have any responsibility or liability whatsoever (for negligence or otherwise) for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with this document. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially.
- This presentation is based on the economic, regulatory, market and other conditions as in effect on the date hereof. It should be understood that subsequent developments may affect the information contained in this document, which neither SAF-HOLLAND nor its advisors are under an obligation to update, revise or affirm.
- The distribution of this presentation in certain jurisdictions may be restricted by law. Persons into whose possession this presentation comes are required to inform them-selves about and to observe any such restrictions. In particular, this presentation may not be distributed into the United States, Australia, Japan or Canada.
- This presentation contains statements concerning the expected future business of SAF-HOLLAND, expected growth prospects and other opportunities for an increase in value of the company as well as other financial data and certain third-party market data. These forward-looking statements are based on management's current expectations, estimates and projections and on third-party market data, respectively. They are subject to a number of assumptions and involve known and unknown risks, uncertainties and other factors that may cause actual results and developments to differ materially from any future results and developments expressed or implied by such forward-looking statements. Neither SAF-HOLLAND nor its advisors has any obligation to periodically update or release any revisions to the forward-looking statements contained in this presentation to reflect events or circumstances after the date of this presentation.
- This presentation constitutes neither an offer to sell nor a solicitation to buy any securities in the United States, Germany or any other jurisdiction. Neither this presentation nor anything contained herein shall form the basis of, or be relied on in connection with, any offer or commitment whatsoever.
- In particular, this presentation does not constitute an offer to sell or a solicitation of an offer to buy any securities of SAF-HOLLAND in the United States. Securities of SAF-HOLLAND may not be offered or sold in the United States of America absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. SAF-HOLLAND does not intend to conduct a public offering or any placement of securities in the United States.

Investor Relations

SAF-HOLLAND GmbH

Stephan Haas

Hauptstraße 26

63856 Bessenbach

Phone +49 6095 301-617

Telefax +49 6095 301-102

Mobile +49 170 306 64 97

Stephan.Haas@safholland.de

www.safholland.com