

Design the future

Second quarter results 2015

Detlef Borghardt, CEO

Wilfried Trepels, CFO

August 06, 2015



Agenda

1	Market Development	3
2	Financial information	5
3	Outlook	17


Truck and trailer market development forecasts

Global truck forecast

		2014	2015	Change in % yoy	2016	Change in % yoy
North America Class 8	ACT Truck Build ¹⁾	297,097	338,055	+13.79	306,026	-9.47
	FTR Truck Shipment ²⁾	294,855	327,252	+10.99	290,000	-11.38
Western, Central & Eastern Europe	LMC ³⁾	2014	2015	Change in % yoy	2016	Change in % yoy
		308,186	349,312	+13.3	375,380	+7.5

Global trailer forecast

		2014	2015	Change in % yoy	2016	Change in % yoy
North America	ACT U.S. Trailer Shipments ¹⁾	282,800	328,050	+16.00	312,900	-4.62
	FTR U.S. Trailer Built ²⁾	265,286	296,521	+11.77	267,000	-9.96
Western & Eastern Europe	Clear Trailer Production ⁴⁾	2014	2015	Change in % yoy	2016	Change in % yoy
		261,605	259,144	-0.94	289,297	+11.64

 US truck market expected to consolidate from a record level in 2016 yet even higher than 2014; double-digit increase in European trailer production supports our BU Trailer Systems

3 Sources: 1) ACT N.A. Commercial Vehicle Outlook, July 2015, published monthly by Americas Commercial Transportation Research Co., LLC, Columbus, Indiana.

2) North American Commercial Truck & Trailer Outlook, July 2015, published monthly by FTR Associates, Nashville, Indiana.

3) LMC/Global Medium and Heavy Truck Market Outlook 2014, Zita Zigan, Director of Global Commercial Vehicle Forecasting 27 June 2014

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)

Agenda

1	Market Development	3
2	Financial information	5
3	Outlook	17

Executive Summary/ Highlights



1

Strong sales increase continues

- In HY1 2015, group sales increased by 15.9% to € 558.7 (482.0) mn driven by organic growth in all BUs despite a challenging business environment in major markets
- Approx. 10% of group sales increase related to positive translational FX effects

2

Adjusted EBIT grows at a higher rate than sales

HY 1 adj. EBIT up 35.6% to € 49.5 (36.5) mn on strong sales growth, improved gross profit and reduced SG&A ratio due to cost discipline; Adj. EBIT margin up 130 BPs at 8.9% (7.6%). In Q2 adj. EBIT margin reached 9.4% (7.9%), thus comfortably within FY target range of 9 to 10%.

3

Significant swing in net finance result from - € 6.0 mn (HY1 2014) to € 1.4 mn in HY1 2015

- Driven by € 7.1 (1.2) mn from unrealized FX gains from the valuation of intercompany loans and dividends.

4

Strong growth in EPS undiluted

- Net profit for HY1 2015 increased by 74% reaching € 30.4 (17.5) mn;
- EPS undiluted at € 0.67 in HY1 2015 as compared to € 0.39 in the previous year

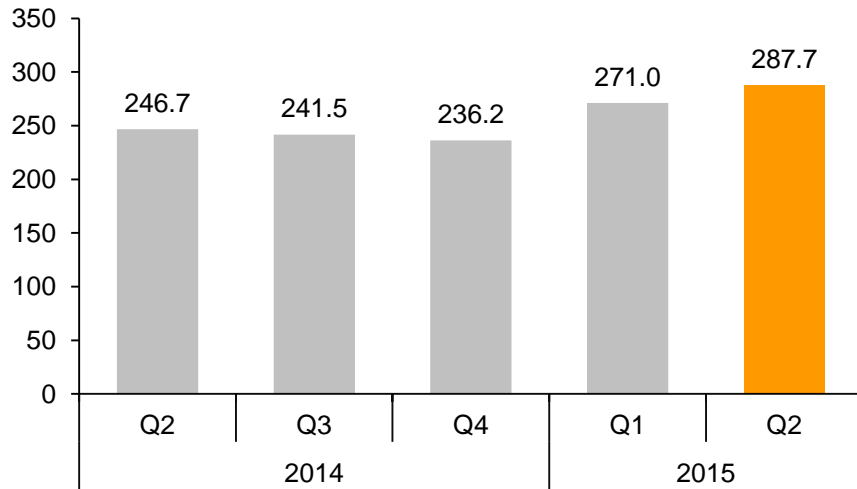
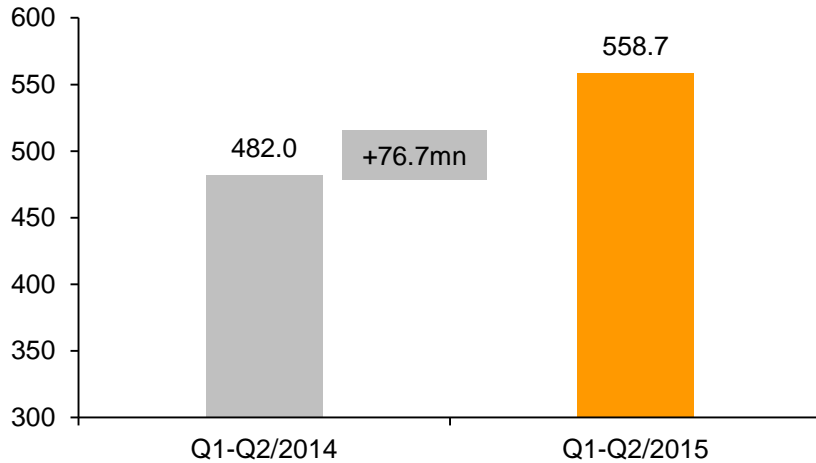
5

Outlook 2015*: sales and earnings guidance raised slightly

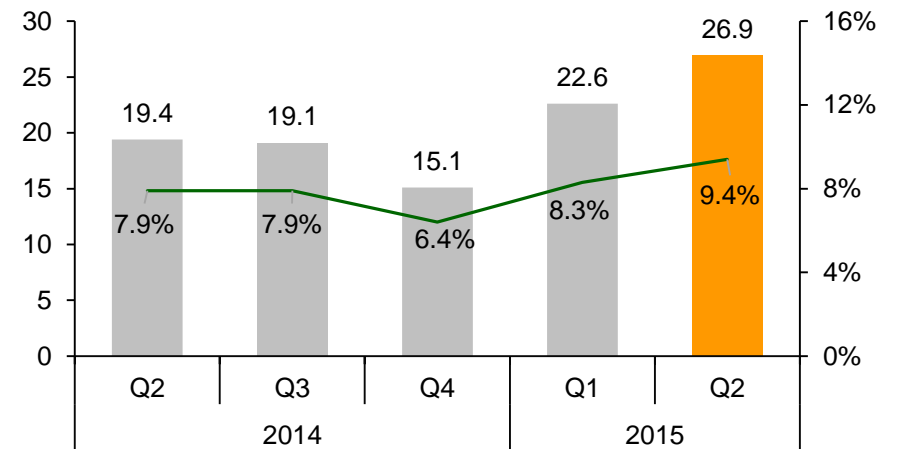
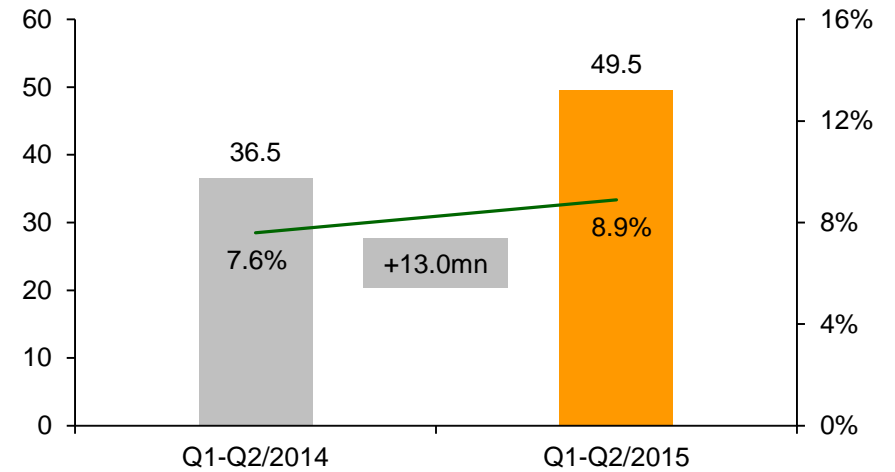
- Sales are now expected to reach at least the upper end of the originally guided € 980 mn to € 1,035 mn FY range or slightly exceed it
- Adj. EBIT now expected to come in slightly higher than € 90 mn
- FY adj. EBIT margin still expected to come in at the lower end of the 9 to 10% target range
- EPS: more than 30% increase fully considering higher number of shares due to convertible bond issued in 2014

Business performance – group sales and group adjusted EBIT

Sales in €mn

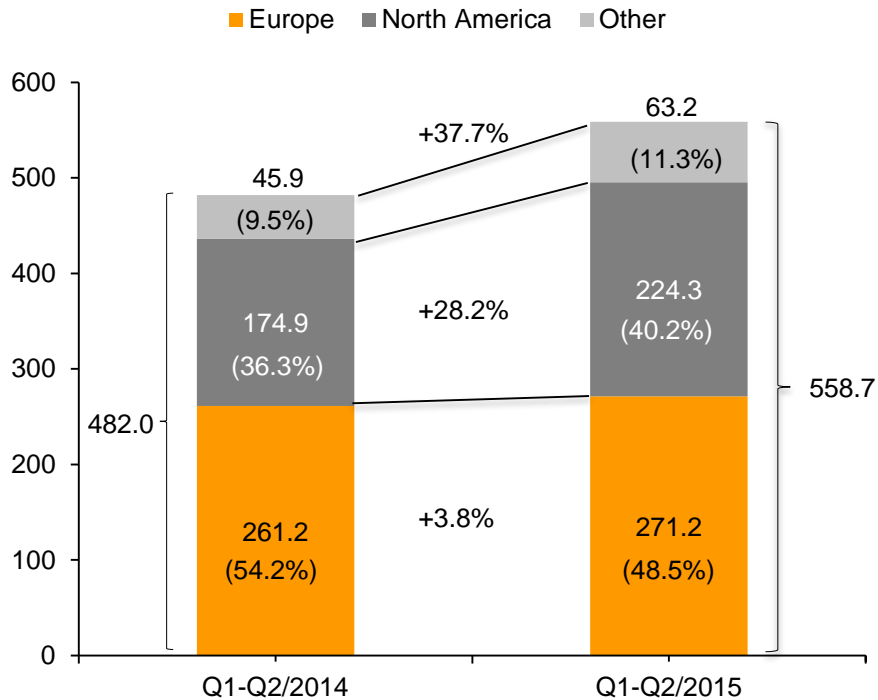


Adjusted EBIT in €mn

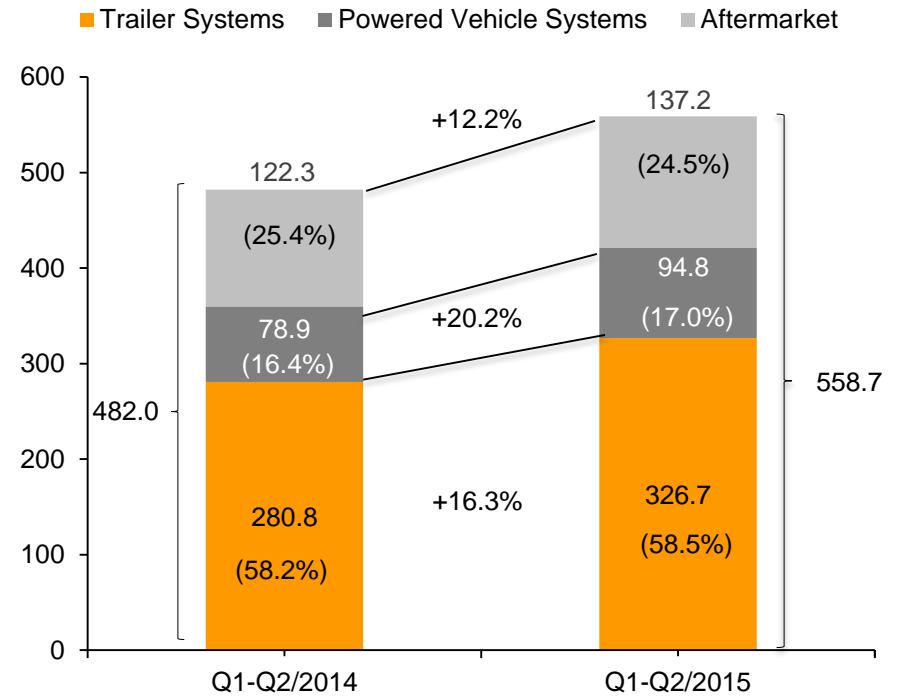


Business performance – sales by region and business unit

Sales in €mn by region

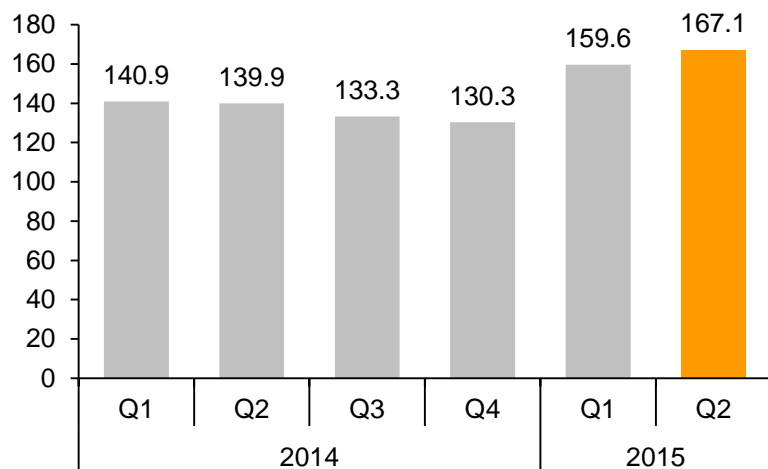


Sales in €mn by business unit

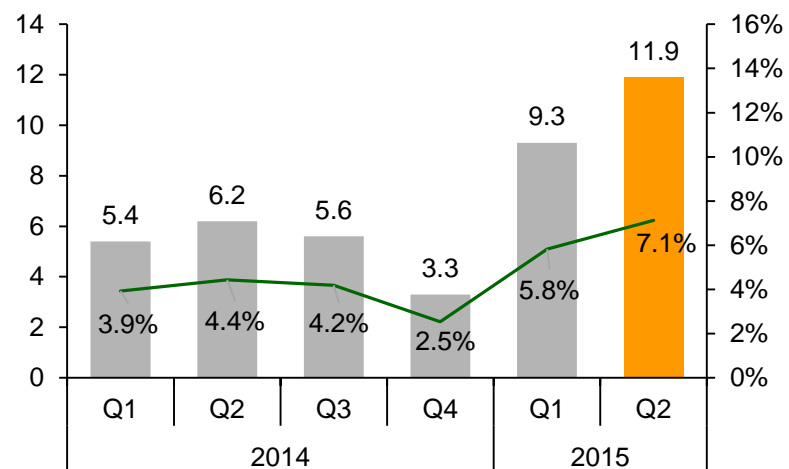


Business performance – Trailer Systems

Sales in €mn



Adjusted EBIT in €mn and margin in %



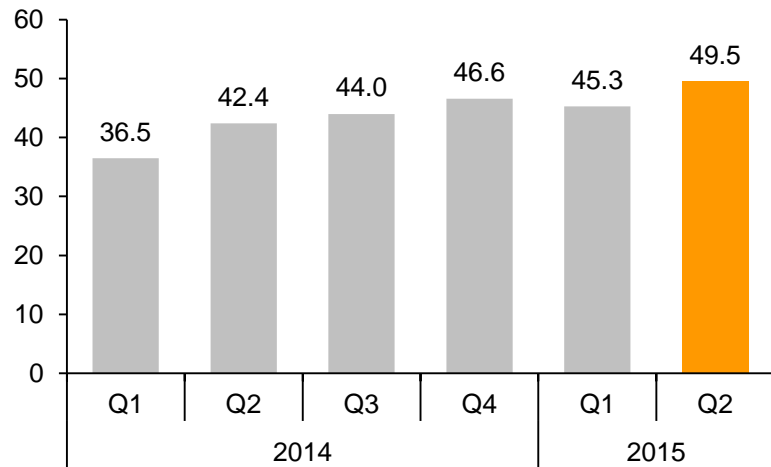
Summary

- Sales increase on a higher basis, up 19.4% equaling € 27.2 mn to € 167.1 mn in Q2/2015 (Q2/2014: 139.9), also up sequentially by € 7.5 mn on Q1/2015
- Solid sales development in Europe supported by recovering economies
- Strong sales development in North America as a result of growing market demand, extended sales efforts and FX

- 28.0 % increase in adj. EBIT to € 11.9 (9.3) mn
- Adj. EBIT margin lifted to 7.1% as compared to 4.4% in Q2/2014.
- Improvement in profitability driven by growing volume, high utilization levels, positive effects of the efficiency measures undertaken, strict cost discipline, and increased production flexibility in Warrenton
- Consolidation of German plants to be completed in late Q3 with workflow optimization following-up.

Business performance – Powered Vehicle Systems

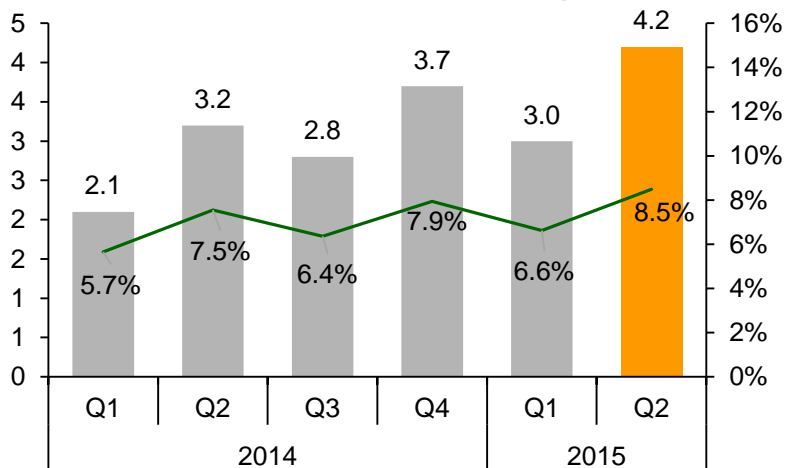
Sales in €mn



Summary

- Sales increase of 16.7% to € 49.5 (42.4) mn in Q2/2015.
- Supportive market environment in Europe fostered by solid export shipments.
- North America: Unchanged solid underlying market trend
- Hardly any contributions from governmental business activities.

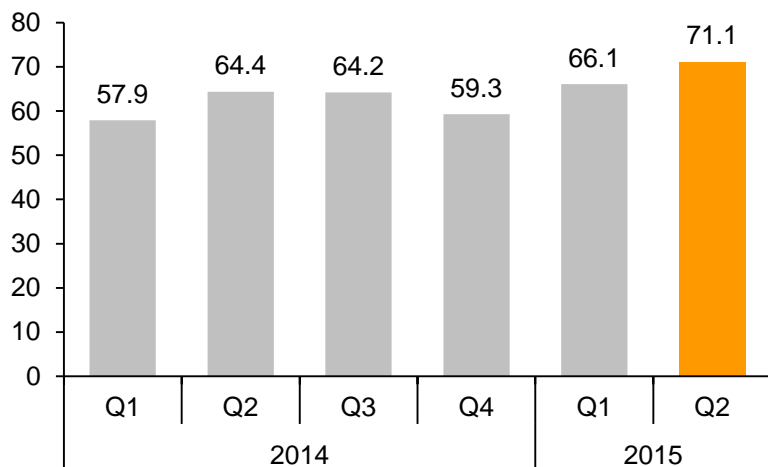
Adjusted EBIT in €mn and margin in %



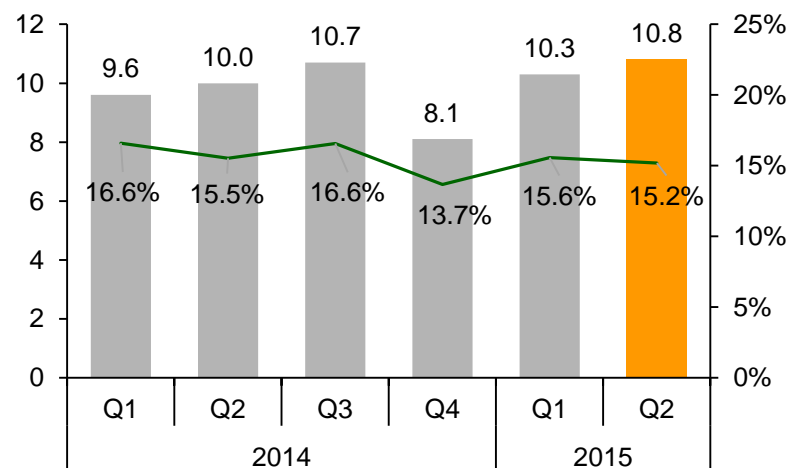
- Adj. EBIT coming in 31.3% higher at € 4.2 (3.2) mn in Q2 2015.
- Adj. EBIT margin 100 BPs higher reaching 8.5 % (7.5 %) in Q2 2015.
- North America: Favorable capacity utilization combined with cost discipline and positive mix effects
- China: positive situation at bus suspension specialist Corpco

Business performance – Aftermarket

Sales in €mn



Adjusted EBIT in €mn and margin in %



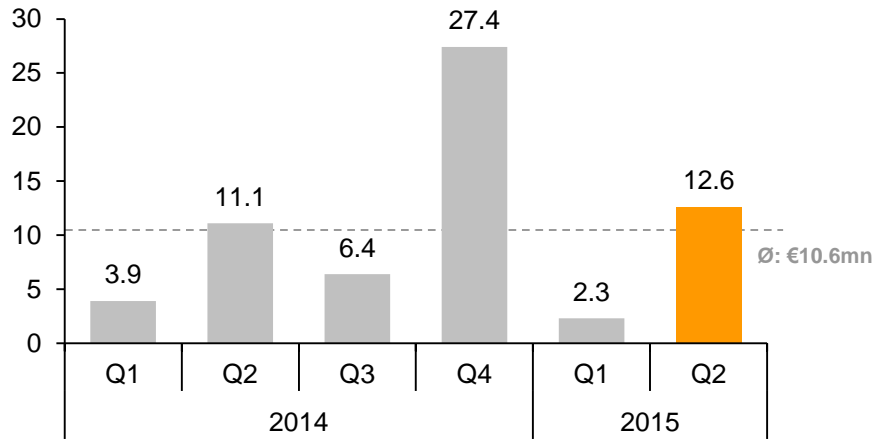
Summary

- Sales increase by 10.4 % to € 71.1 (64.4) mn in Q2/2015, also up sequentially by € 5.0 mn
- Solid situation in most European markets despite Russia
- Positive effects from Dubai PDC expansion; Successful ASEAN market penetration by expanded Malaysian PDCs
- US burdened by noticeable focus of fleet operators on new equipment; Yet, record numbers of new truck and trailer registrations form solid basis for the AM in the coming years
- Launch and beginning ramp-up of GoldLine brand in North

- Adj. EBIT of € 10.8 (10.0) mn in Q2/2015, up 8.0%
- Adj. EBIT margin in Q2/2015 came in slightly lower at 15.2% (15.5%) but within the group's target range (15-16%), as a result of pre-expenses/ launch cost for the expansion of global AM activities as well as unfavorable product mix and weaker than expected demand in some regions.

Business performance – operating cash flow

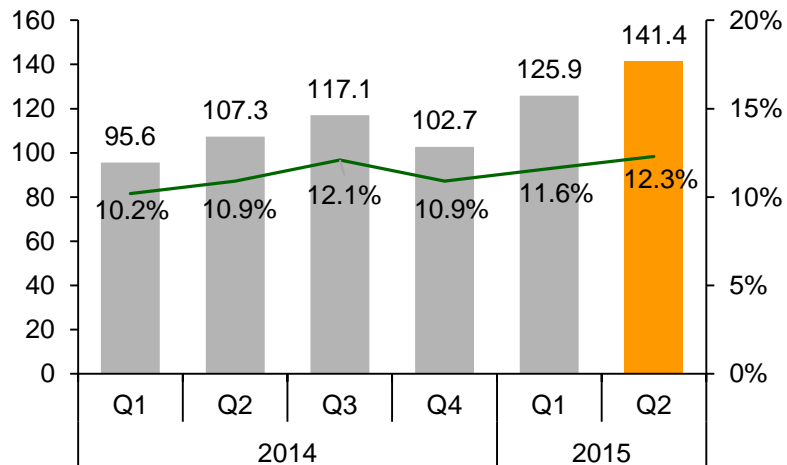
Operating cash flow before income tax in € mn



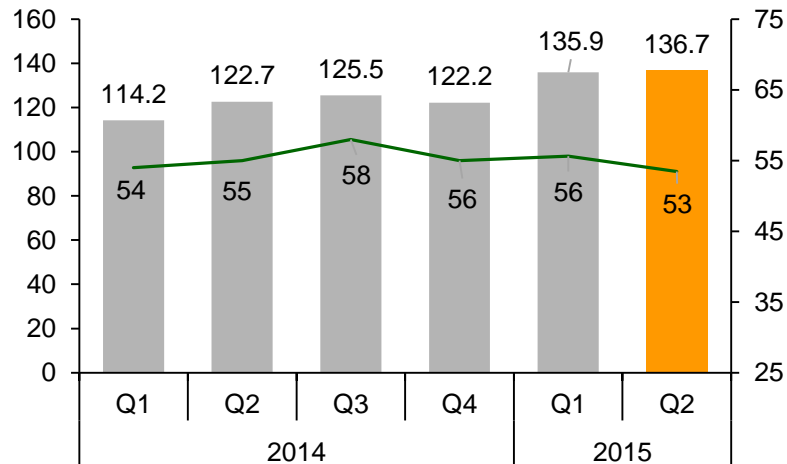
Summary

- Operating cash flow before income tax slightly higher when compared to Q2/2014 totalling € 12.6 (11.1) mn in Q2/2015
- As expected, higher NWC requirements (+ € 38.7 mn as compared to 31/12/2014)
- NWC as at June 30, 2015 up on strong sales growth, followed by increase in trade receivables and higher inventories, should have reached peak level for FY 2015
- Days of inventories down yoy from 55 days in Q2/14 to 53 days

Net working capital in € mn and as % of sales



Inventories in € mn and days of inventories



Financials – balance sheet

in € mn	06/30/2015	%	12/31/2014	%
Non-current assets	381.4	53.4%	363.9	56.4%
Inventories	136.7	19.2%	122.2	18.9%
Other current assets	170.3	23.9%	114.9	17.8%
Cash and cash equivalents	25.2	3.5%	44.2	6.9%
Total assets	713.6	100.0%	645.2	100.0%
Equity	272.1	38.1%	248.6	38.5%
Other non-current liabilities	94.2	13.2%	87.3	13.5%
Interest bearing loans and borrowings	190.4	26.7%	181.3	28.1%
Other current liabilities	156.9	22.0%	128.0	19.9%

Net debt as of June 30, 2015: €165.2mn (12/31/14: €137.1mn)

Financials – profit and loss statement

in € mn	Q1-Q2/2015	%	Q1-Q2/2014	%
Sales	558.7	100%	482.0	100%
Cost of sales	-450.0	-80.5%	-391.2	-81.2%
Gross profit	108.7	19.5%	90.8	18.8%
Selling expenses	-31.0	-5.6%	-28.5	-5.9%
Administrative expenses	-24.2	-4.3%	-21.8	-4.5%
R&D	-10.7	-1.9%	-9.8	-2.0%
other	0.9	0.1%	0.3	0.1%
Operating result	43.7	7.8%	31.0	6.5%
Financial Result*	2.2	0.4%	-5.6	-1.2%
Earnings before tax	45.9	8.2%	25.4	5.3%
Income Tax	-15.5	-2.8%	-7.9	-1.6%
Result for the period	30.4	5.4%	17.5	3.7%

Comments

- 15.9% sales growth: almost 6% organic growth, close to 10% attributable to translational FX effects
- Gross margin improving by 0.7 PP
- Cost discipline has SG&A cost decline relative to sales
- Operating result grows at a higher rate than sales, by 41%
- Swing in financial result from -€ 5.6 mn to 2.2 mn
 - € 5.6 (0.9) mn in unrealized FX gains in HY1 2015 from the valuation of intercompany foreign currency loans
 - Lower interest expenses in HY 2015 (cash effective) due to improved financing structure

¹³ * Financial result includes share of net profit from investments accounted for by using the equity method

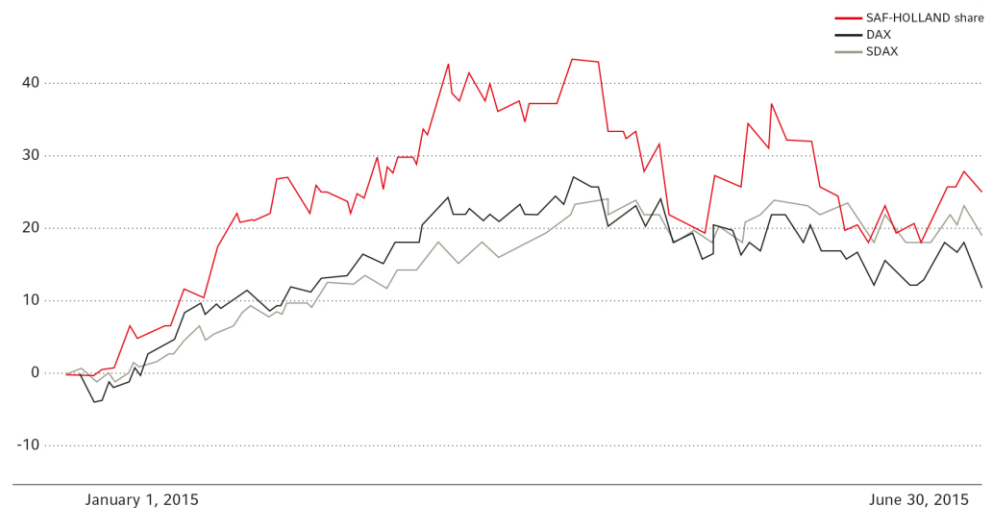
Financials – cash flow statement

in €mn	Q1-Q2/2015	Q1-Q2/2014
Result before tax	45.9	25.5
Finance result	-1.4	6.0
Amortization/depreciation	10.5	9.5
Changes in Net Working Capital	-41.1	-26.2
Other items cash flow	1.0	0.2
Operating cash flow before income tax	14.9	15.0
Income tax paid	-10.7	-5.9
Operating cash flow	4.2	9.1
Cash flow from Investing	-12.8	-14.6
Cash flow from financing	-11.1	0.5
Effect of f/X changes	0.7	0.0
Net change in cash	-19.0	-5.0

Share price and shareholder structure

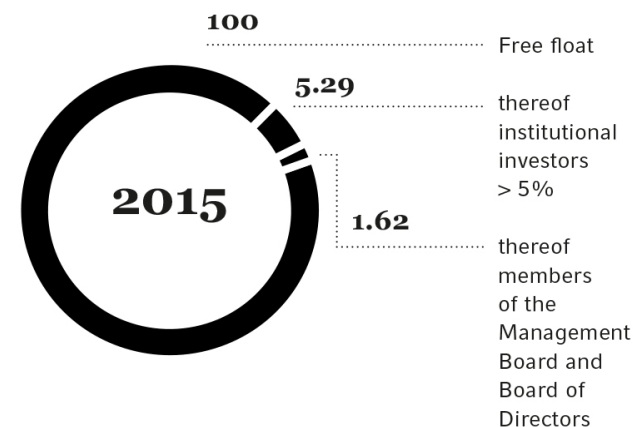
Development of SAF-HOLLAND share price vs. indices (in %)

DEVELOPMENT OF THE SAF-HOLLAND SHARE PRICE VS. DAX AND SDAX in %



Shareholder Structure (in %)

SHAREHOLDER STRUCTURE 2015 Figures in %



As of August 6, 2015

Basic data for share as of June 30, 2015

ISIN	LU0307018795
Number of shares	45,361,112
Closing price	€13.85
undiluted adjusted EPS	€0.78

SAF-HOLLAND share price development in Q2/2015

- Share price increase of 24.8% compared to 2014 closing price.
- Share price outperforms benchmark indices DAX and SDAX.

Agenda

1	Market Development	3
2	Financial information	5
3	Outlook	17

Outlook: Financial targets 2015

	Previous	Update (August 6, 2015)
Sales	€ 980 mn to € 1,035 mn	Upper end or slightly exceeding € 980 mn to € 1,035 mn range
Adj. EBIT	Approx. € 90 mn	Slightly above € 90 mn
Adj. EBIT-margin	9 -10% lower end	9 -10% lower end
EPS	Approx. 30% increase incl. dilution*	At least 30% increase incl. dilution*

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