

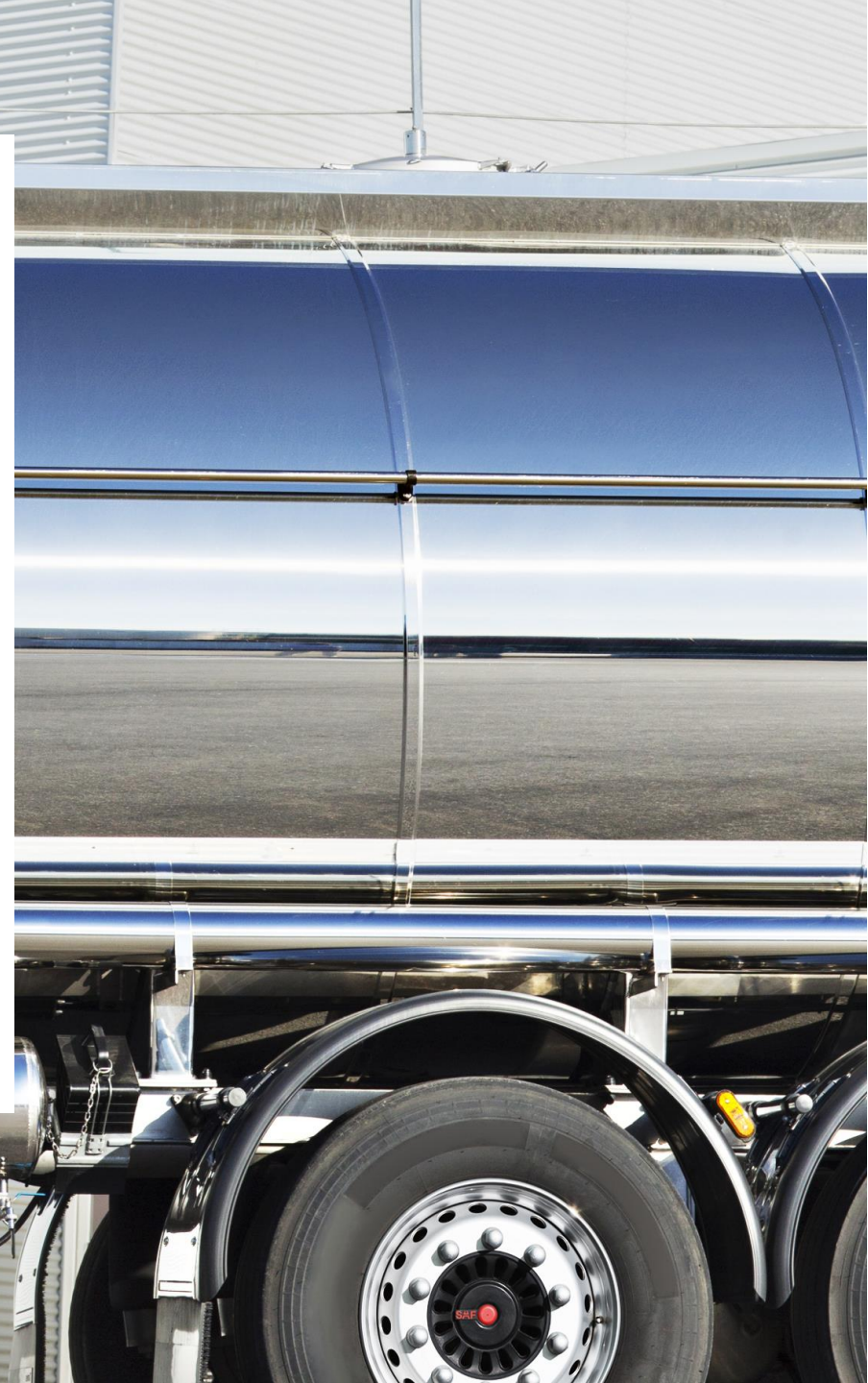
Design the future

First quarter results 2015

Detlef Borghardt, CEO

Wilfried Trepels, CFO

May 13, 2015



Executive Summary/ Highlights

1

Double-digit sales increase

- Sales increase of 15.2% to € 271.0 (235.3) mn driven by positive performance and organic growth in all business units.
- Approx. two thirds of sales increase related to positive translational FX effects.

2

Disproportionate growth in adjusted EBIT

Adj. EBIT up 32.2% to € 22.6 (17.1) mn on sales growth, improved gross profit and reduced SG&A ratio due to cost discipline; Adj. EBIT margin up 100 BPs at 8.3 % (7.3 %).

3

Significant swing in net finance result from - € 3,3 mn (Q1 2014) to € 6.6 mn in Q1 2015 driven by € 8,8 (0.1) mn from unrealized FX gains related to intercompany loans.

4

Strong growth in EPS undiluted

Net profit for the period more than doubled reaching € 18.1 (8.3) mn;
Basic EPS of € 0.40 in Q1 2015 as compared to € 0.18 in the previous year.

5

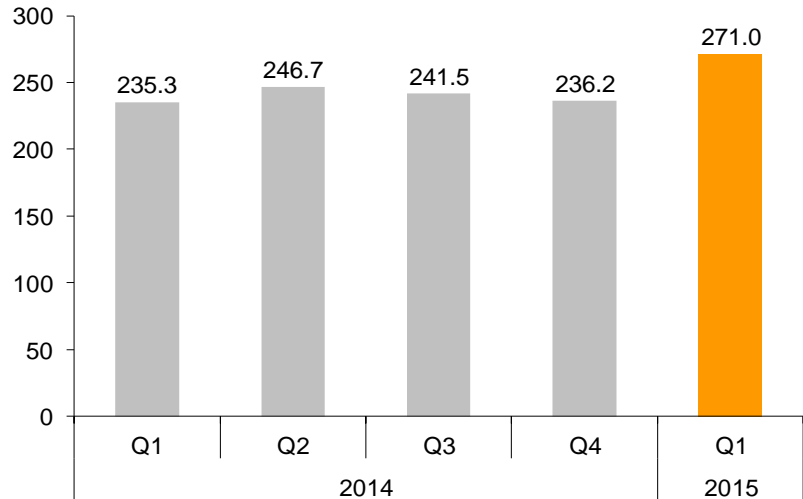
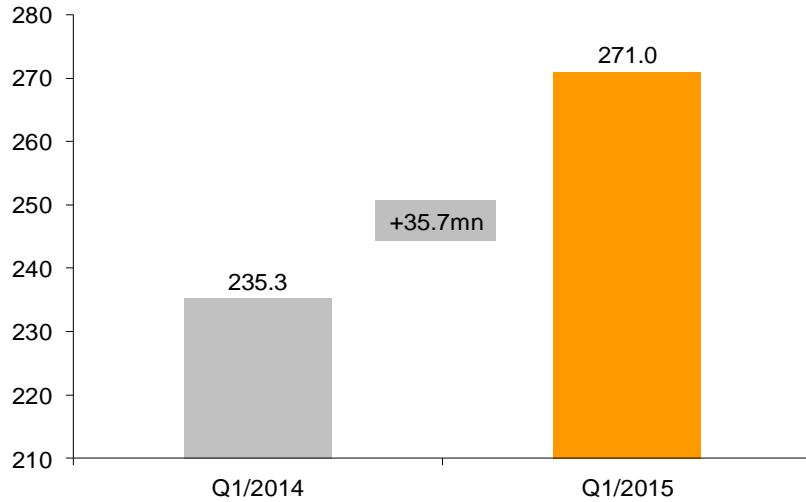
Outlook 2015 confirmed

- Sales to reach in between € 980 mn and € 1.035 bn.
- Full year adj. EBIT margin expected to come in at the lower end of a 9 to 10% target range.
- Assumption: no significant deterioration of the political, overall economic or industry-specific environment.

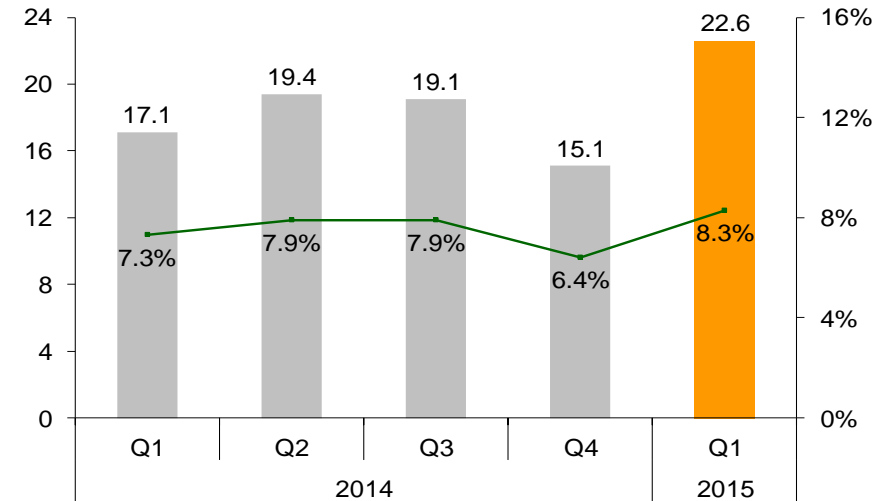
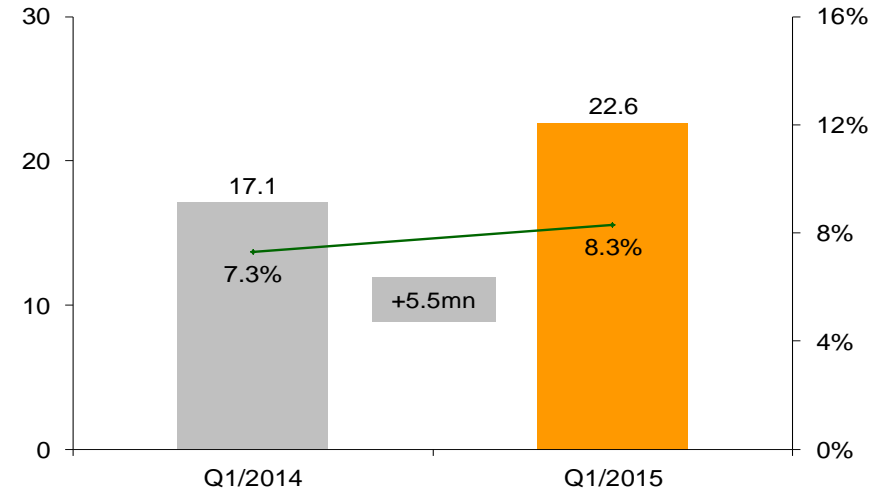


Business performance – group sales and group adjusted EBIT

Sales in €mn

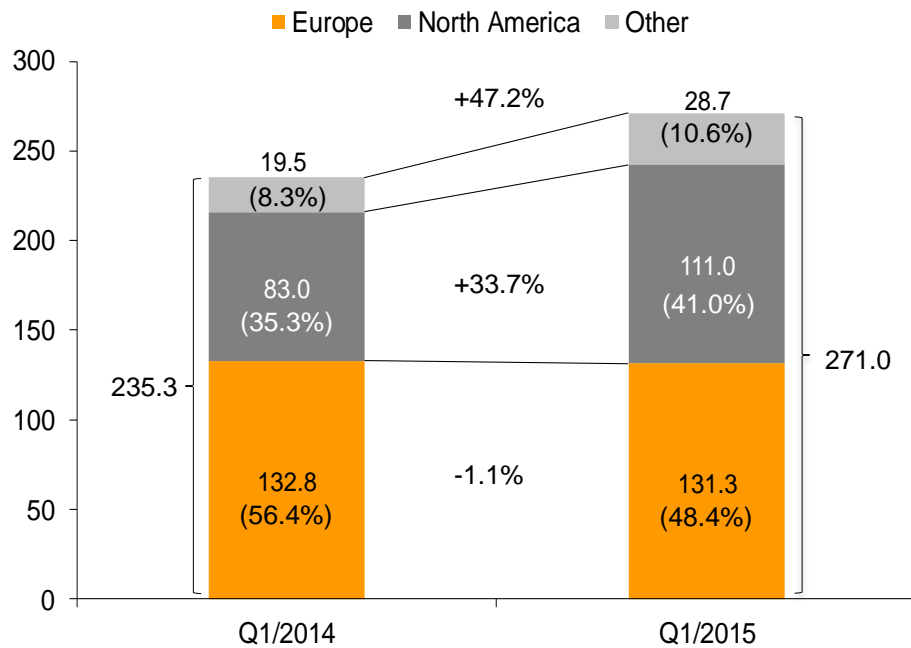


Adjusted EBIT in €mn

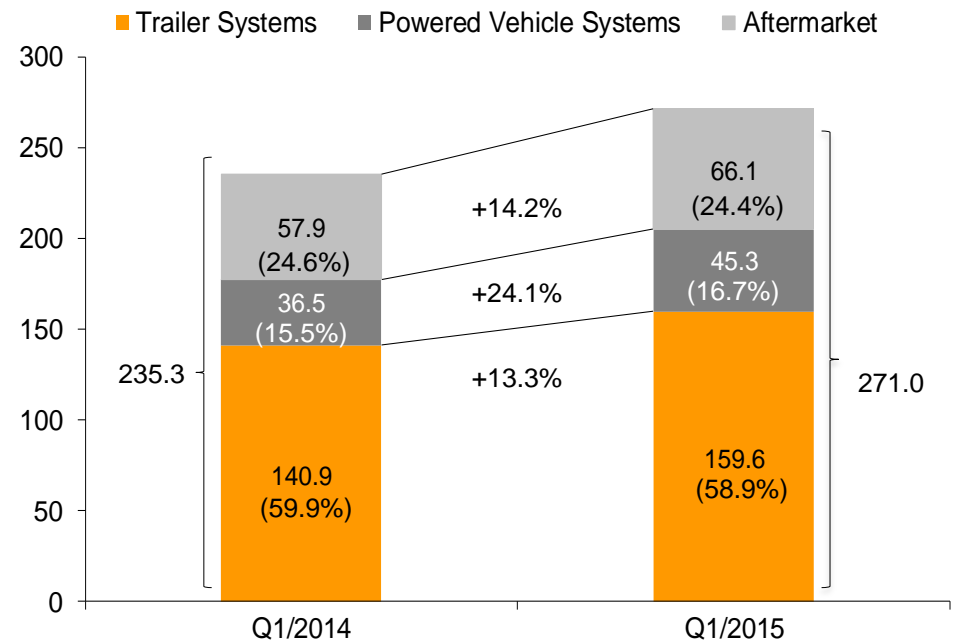


Business performance – sales by region and business unit

Sales in €mn by region

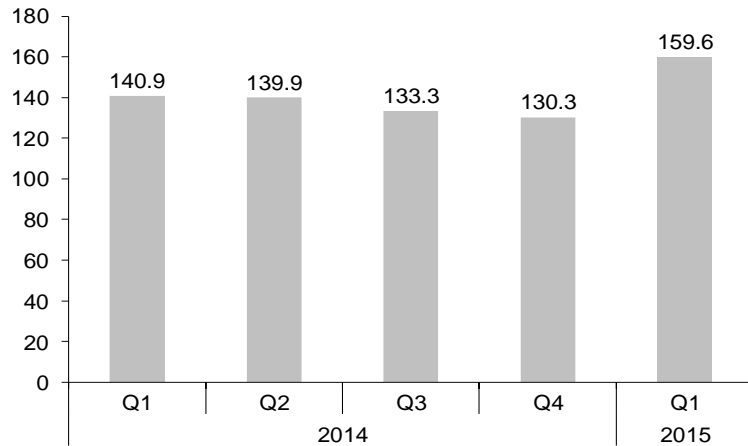


Sales in €mn by business unit



Business performance – Trailer Systems

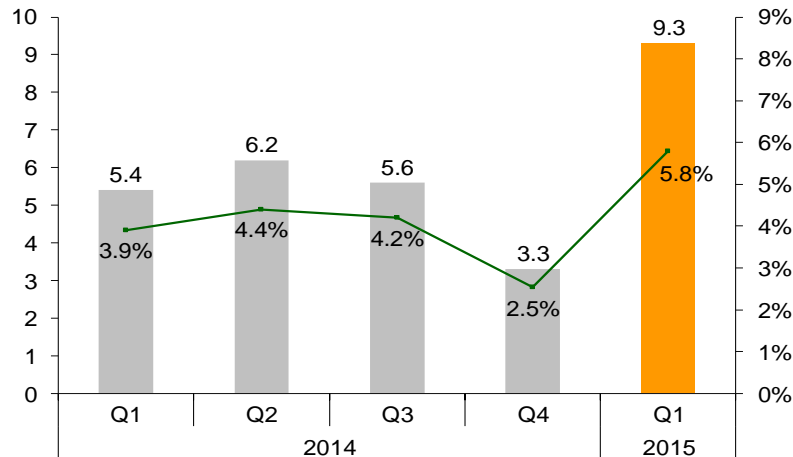
Sales in €mn



Summary

- Sales increase of 13.3 % equaling € 18.7 mn to € 159.6 mn in Q1/2015 (Q1/2014: 140.9).
- Solid sales development in Europe despite prior year's high comparison basis from Q1/2014 related to spill-over effects due to the coming into force of EURO-6 standard for trucks.
- Strong sales development and market share gains in North America.

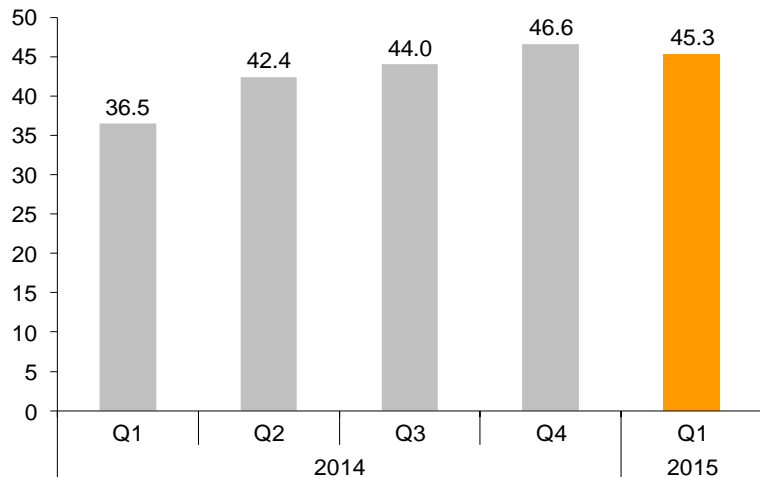
Adjusted EBIT in €mn and margin in %



- Strong increase in adj. EBIT to €9.3 (5.4) mn
- Adj. EBIT margin lifted to 5.8% as compared to 3.9% in Q1/2014.
- Improvement in profitability driven by higher volume, the effects of the restructuring measures undertaken in this BU and keeping up strict cost discipline.

Business performance – Powered Vehicle Systems

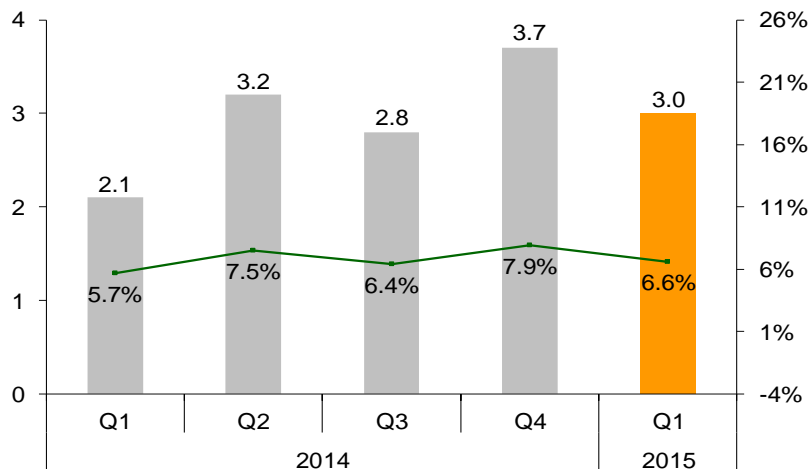
Sales in €mn



Summary

- Sales increase of 24.1% to € 45.3 (36.5) mn in Q1/2015.
- Supportive market environment and favorable capacity utilization levels in Europe.
- North America: Solid demand for class 8 trucks in yet unchanged weak development of government business.

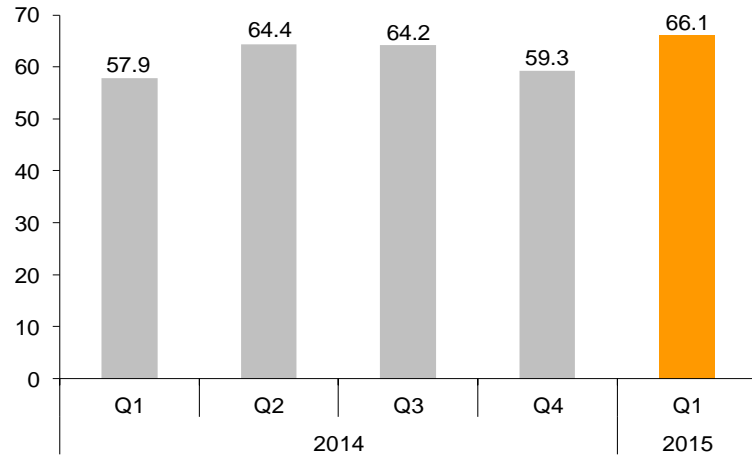
Adjusted EBIT in €mn and margin in %



- Adj. EBIT coming in 42.9% higher at € 3.0 (2.1) mn in Q1 2015.
- Adj. EBIT margin 90 BPs higher reaching 6.6 % (5.7 %) in Q1/2015.
- Improved profitability as compared to previous year's quarter, but still burdened by unfavorable customer and product mix.

Business performance – Aftermarket

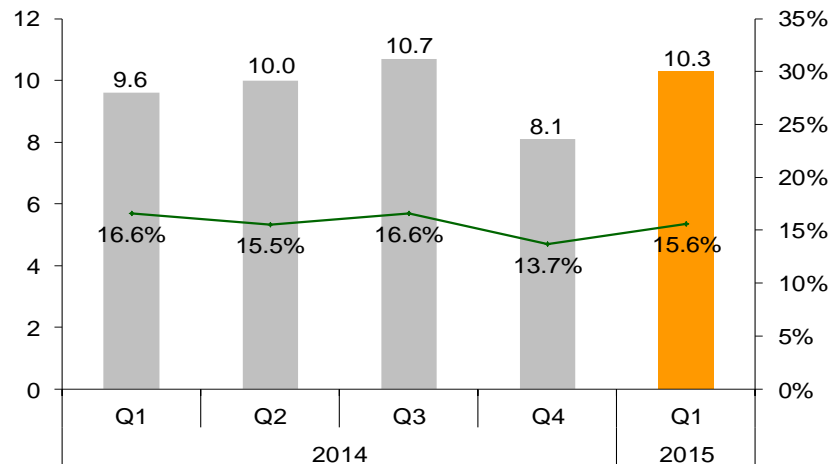
Sales in €mn



Summary

- Sales increase of 14.2 % to € 66.1 (57.9) mn in Q1/2015
- Effects from weak Russian market largely compensated by sales expansion in additional regions.
- Opening of significantly expanded Parts Distribution Center in Dubai in Feb. 2015.

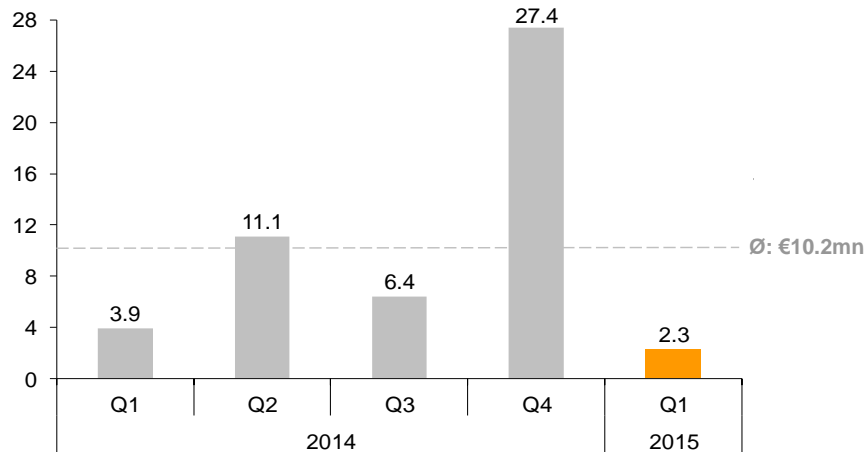
Adjusted EBIT in €mn and margin in %



- Adj. EBIT of € 10.3 (9.6) mn in Q1/2015, up 7.3%
- Trailing a weaker Q4/2014 (13.7%) adj. EBIT margin in Q1/2015 came in at 15.6%, within the group's target range that is, despite pre-expenses for the expansion of global AM activities

Business performance – operating cash flow

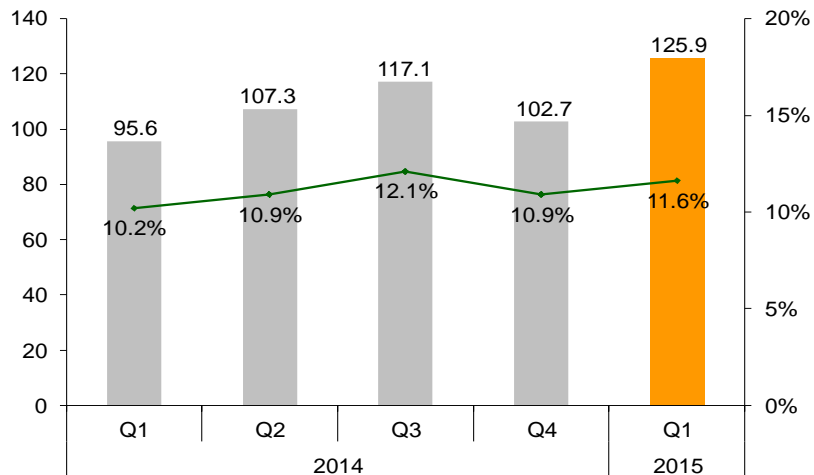
Operating cash flow before income tax in € mn



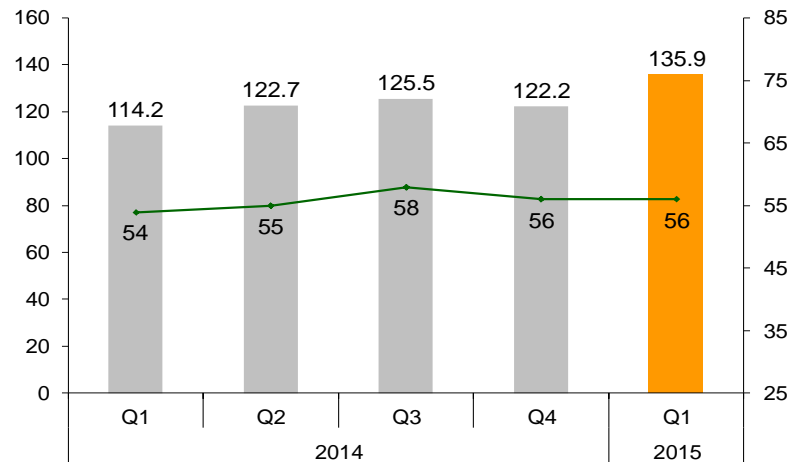
Summary

- Operating cash flow slightly lower as compared to Q1 2014 reaching € 2.3 (3.9) mn in Q1 2015
- As expected, higher NWC requirements (+ € 23.2 mn as compared to 31/12/2014).
- NWC up on strong sales growth, higher inventories with regard to plant consolidation, expansion of PDCs and disproportionately high inventories in Russia due to the weak market situation.
- Approx. € 7 mn of the increase in Q1 2015 related to FX effects

Net working capital in € mn and as % of sales



Inventories in € mn and days of inventories



Financials – balance sheet

in € mn	03/31/2015	%	12/31/2014	%
Non-current assets	383.3	52.9%	363.9	56.4%
Inventories	135.9	18.8%	122.2	18.9%
Other current assets	166.8	23.0%	114.9	17.8%
Cash and cash equivalents	38.7	5.3%	44.2	6.9%
Total assets	724.7	100.0%	645.2	100.0%
Equity	277.6	38.3%	248.6	38.5%
Other non-current liabilities	93.7	12.9%	87.3	13.5%
Interest bearing loans and borrowings	184.3	25.4%	181.3	28.1%
Other current liabilities	169.1	23.4%	128.0	19.9%

Net debt as of March 31, 2015: €145.6mn (12/31/14: €137.1mn)

Financials – profit and loss statement

in €mn	Q1/2015	%	Q1/2014	%
Sales	271.0	100%	235.3	100%
Cost of sales	-220.0	-81.2%	-191.3	-81.3%
Gross profit	51.0	18.8%	44.0	18.7%
Selling expenses	-14.5	-5.4%	-13.7	-5.8%
Administrative expenses	-11.2	-4.1%	-10.6	-4.5%
R&D	-5.4	-2.0%	-4.7	-2.0%
other	0.4	0.2%	0.1	0.0%
Operating result	20.3	7.5%	15.1	6.4%
Financial Result	6.9	2.5%	-3.1	-1.3%
Earnings before tax	27.2	10.0%	12.0	5.1%
Income Tax	-9.1	-3.3%	-3.7	-1.6%
Result for the period	18.1	6.7%	8.3	3.5%

Comments

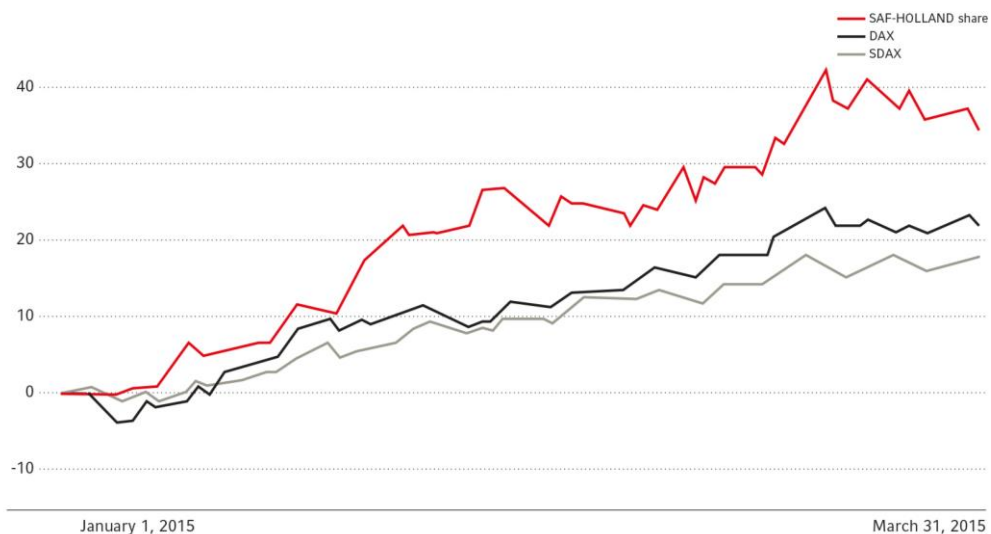
- 15.2% sales growth: Approx. one third organic, two thirds related to translational FX effects
- Slightly improved gross margin (+0.1 PP)
- SG&A cost increased at a lower percentage rate than sales
- R&D spend constant at 2.0 % of sales
- Disproportionate 34.4% growth in operating result
- Significant improvement in net finance cost
 - € 8.8 (0.1) mn in unrealized FX gains in Q1 2015 due to positive effects from intercompany loans
 - Lower interest expenses due to improved financing structure: € 2.1 (2.4) mn

Financials – cash flow statement

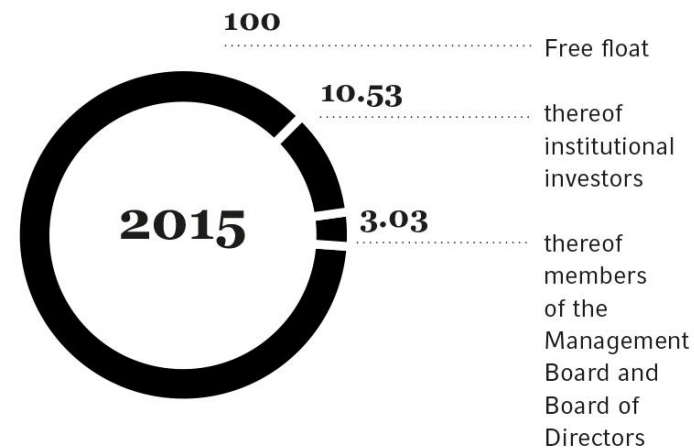
in €mn	Q1/2015	Q1/2014
Result before tax	27.1	12.0
Finance result	-6.6	3.3
Amortisation/depreciation	5.2	4.7
Changes in Net Working Capital	-24.3	-15.6
Other items cash flow	0.9	-0.5
Operating cash flow before income tax	2.3	3.9
Income tax paid	-2.9	-2.3
Operating cash flow	-0.6	1.6
Cash flow from Investing	-5.6	-8.5
Cash flow from financing	-0.4	0.8
Effect of f/X changes	1.1	0
Net change in cash	-5.5	-6.1

Share price and shareholder structure

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



Shareholder Structure (in %)



As of April 2, 2015

Basic data for share as of March 31, 2015

ISIN	LU0307018795
Number of shares	45,361,112
Closing price	€14.94
Basic adjusted EPS	€0.31

SAF-HOLLAND share price development in Q1/2015

- Share price increase of 34.6% compared to 2014 closing price.
- Disproportionate share price development as compared to benchmark indices DAX and SDAX.

2020 strategy: Megatrends driving SAF-HOLLAND business

Mega trends 2020 strategy



Changing demographics until 2030

- Significantly growing world population
- Aging societies
- Increasing urbanization and concentration in cities

Globalization & Future markets until 2030

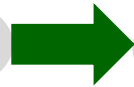
- Disproportionate growth of real exports cp. to GDP
- BRIC: "The new powerhouse" middle class growing by 150% to 2 bn people
- Next 11: Middle class expanding by 116%

Road network development

- Global road network has grown by 25% in recent years
- 2/3 of this growth originated in China and India
- Chinese road network tripled within a 10-year time span

SAF-HOLLAND key drivers

People



Money



Goods

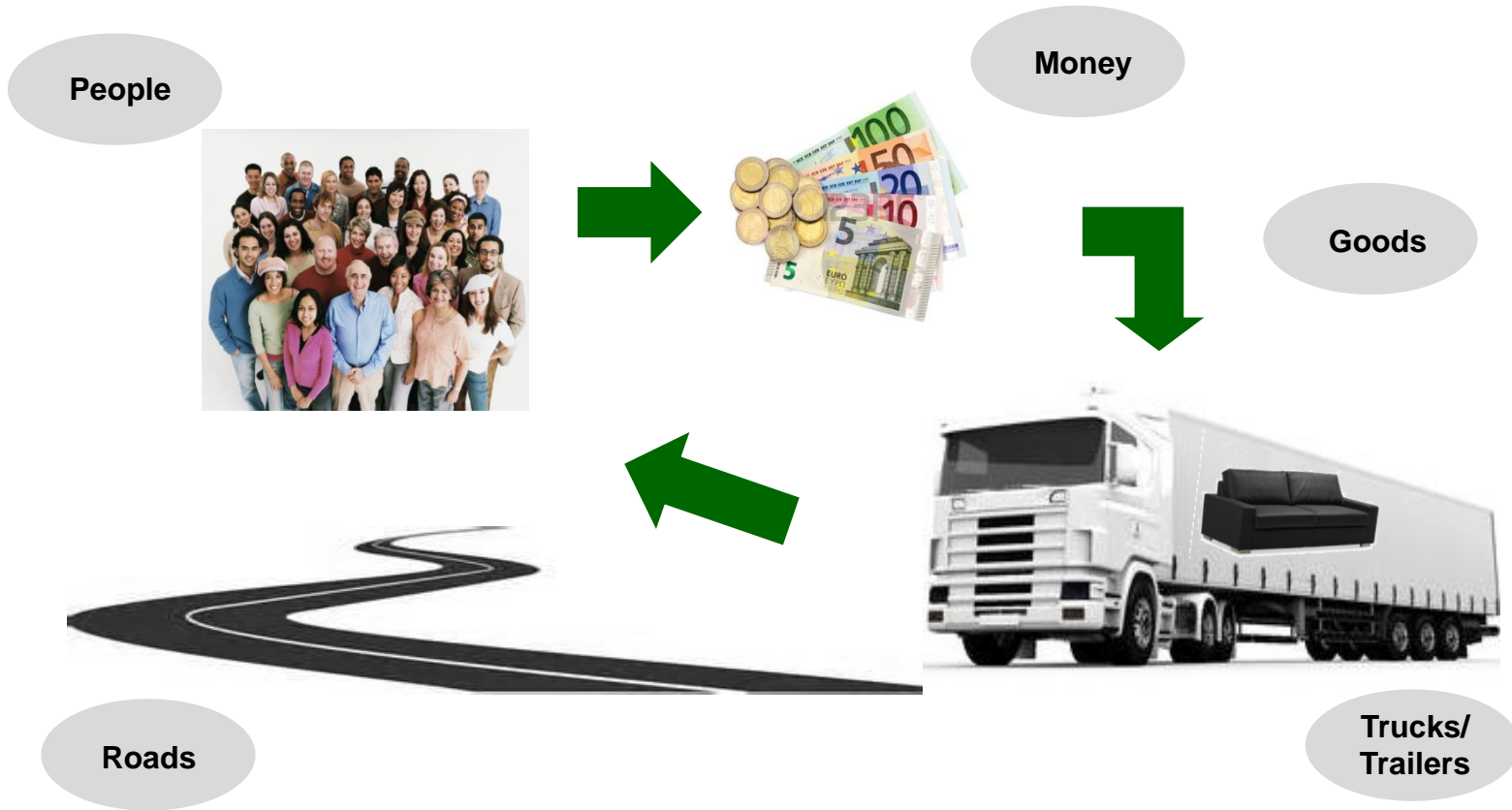


Trucks/
Trailers



Roads

The right drivers for SAF-HOLLAND's business



Our demand was, is and will be driven by people, who have the money to buy goods that are transported in trucks on roads.

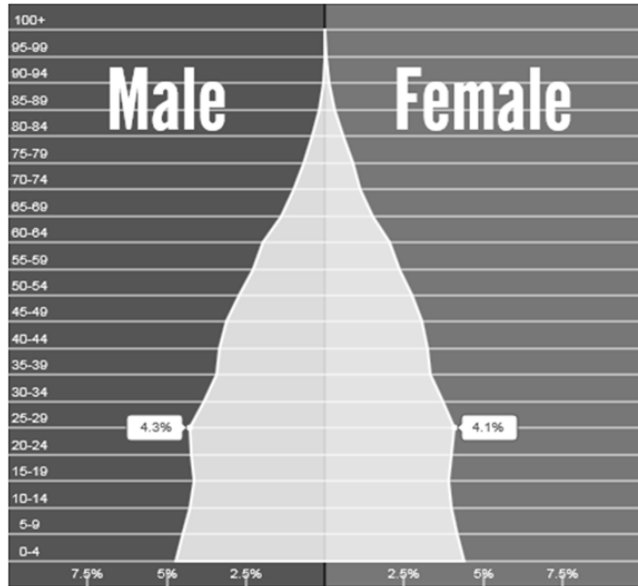
Forecast development of global population

People

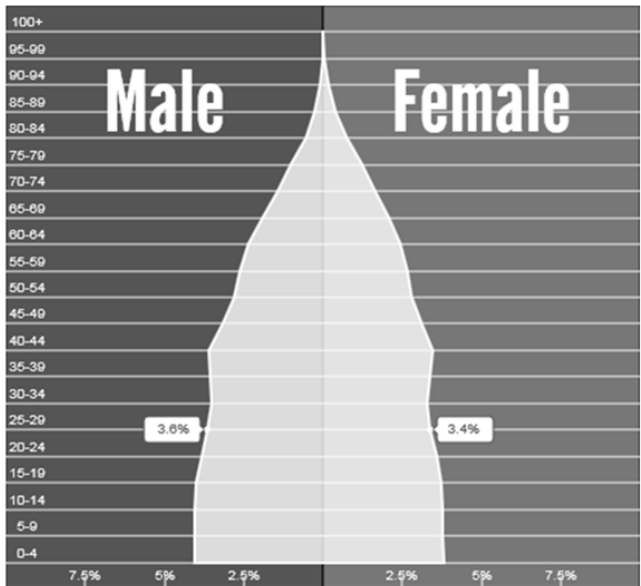
2015: 7,324,782,000



2030: 8,424,937,000



40.8% between age 25 and 55
2,988,511.000



39.8% between age 25 and 55
3,353,125.000

→ SAF-HOLLAND will profit from a significant growth of the global mid-ager (25 to 55) population featuring increasing purchasing power driving consumption

Forecast development of global population



POPULATION and CONSUMERS (age 25 - 55)

numbers in [000] people	2015			2030				Δ consumers age 25 - 55	
	Population	age 25 - 55	active consumers	Population	Δ vs. 2015	age 25 - 55	active consumers	abs	%
WORLD	7,324,782	40.8%	2,988,511	8,424,937	15.0%	39.8%	3,353,125	364,614	12.2%
Asia	4,384,844	43.2%	1,894,253	4,886,846	11.4%	42.7%	2,086,683	192,431	10.2%
Africa	1,166,239	31.0%	361,534	1,634,366	40.1%	34.0%	555,684	194,150	53.7%
Latin America + Caribbean	630,088	40.9%	257,706	716,617	13.7%	41.5%	297,396	39,690	15.4%
Europe (w Russia)	743,122	42.8%	318,056	736,636	-0.9%	38.0%	279,922	-38,135	-12.0%
North America (w/o Mex)	361,127	39.8%	143,729	403,373	11.7%	37.6%	151,668	7,940	5.5%
Oceania	39,359	39.8%	15,665	47,317	20.2%	38.0%	17,980	2,316	14.8%



→ Development of “big spender” part of the population varies strongly region by region with Europe being bottom of the league versus buoyant trends in Africa, Asia/ASEAN and Latin America: Regional focus for SAF-HOLLAND

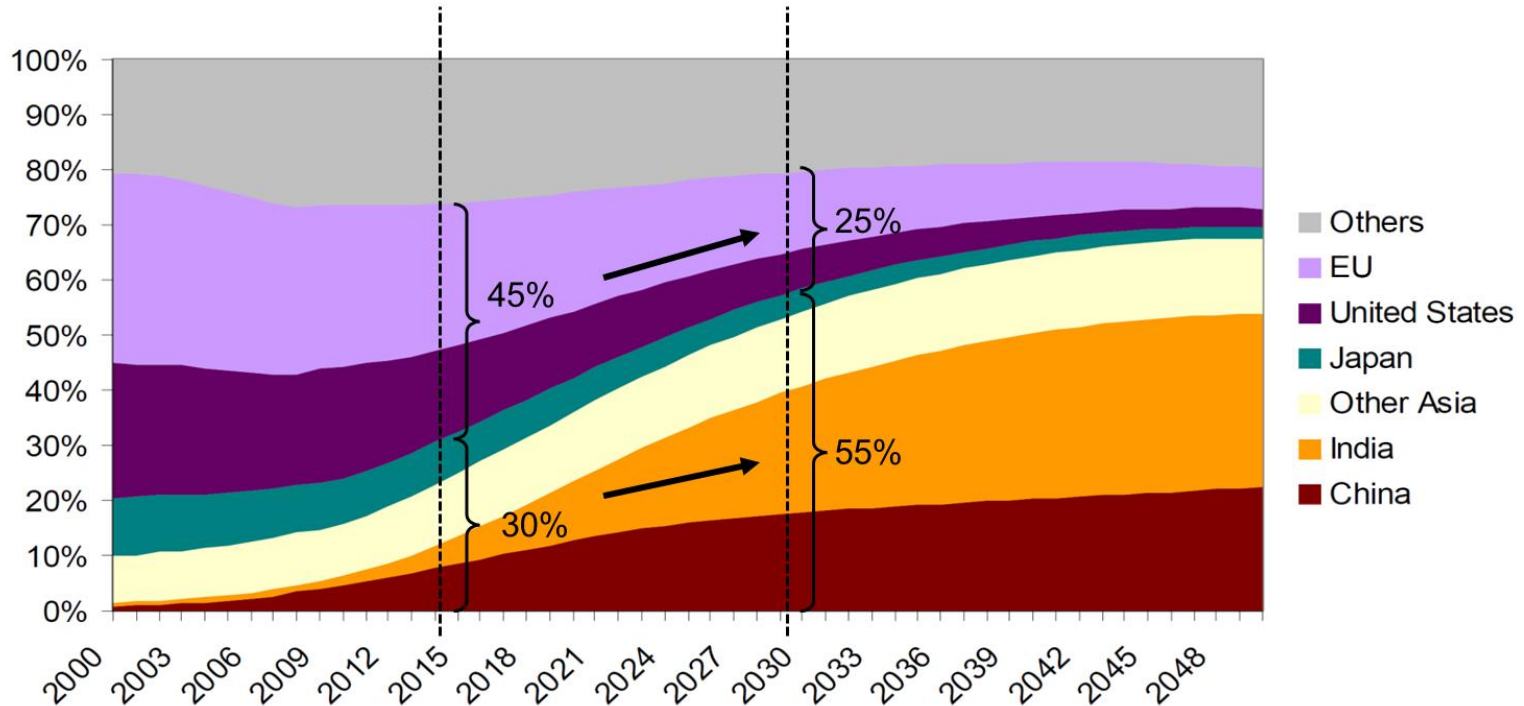
Global income development

Money

Goods

Shares of Global Middle Class Consumption, 2000-2050

Middle Class: USD 10 and USD 100 in purchasing power parity (PPP) terms

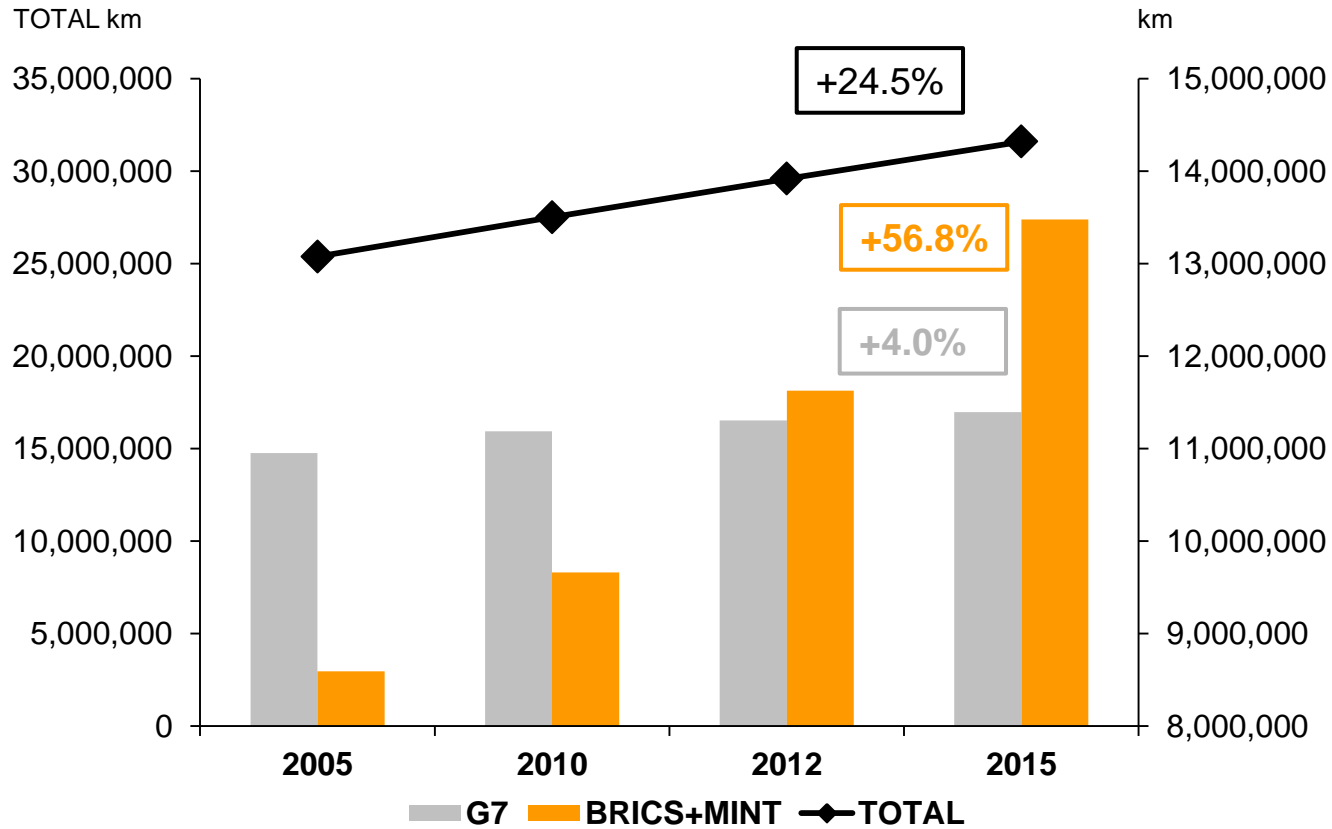


Middle class consumption as a share of global total purchasing power will fall tellingly in Europe as well as in the US while India, China and the ASEAN region post huge gains, picking up from 30% to 55%.

Road network

Trucks/
Trailers

Roads



Heavy investments in road infrastructure will occur predominantly in the emerging markets: Requirements for transport capacity – a key driver for demand for SAF-HOLLAND products – will grow by more than 50% in BRIC/ MINT countries

SAF-HOLLAND extrapolated sales trend by region until 2030

Region			
	Actual 2014	MTP 2020	Trend 2030
Core markets (Europe & North America)	~90%	~70%	~50%
Emerging Markets/ RoW	~10%	~30%	~50%
ΣΣ	100%	100%	100%



SAF-HOLLAND will exploit the opportunities of the global megatrends outlined by organic growth and complementary acquisitions/cooperations;
By 2020 30% of sales will originate from EM/RoW trending towards 50% by 2030

SAF-HOLLAND strategic implementation measures: 8 areas of priority

- China all product areas
- Middle East/ Africa all product areas
- Trailer axles & suspensions (OE) Europe
- Trailer axles & suspensions (OE) North America
- Truck suspensions (OE) all regions worldwide
- Bus suspensions (OE) all regions worldwide
- Spare parts Europe
- Spare parts North America



SAF-HOLLAND technological and regional priority areas of activity enable the group to exploit sustainable growth opportunities from megatrends mid- and long-term. These areas of priority are bound to represent 80% of Group sales.

Strategy 2020: Targets and outlook

Mid term 2020

Sales target € 1.250 bn (organic growth) to € 1.500 bn with cooperations and complementary acquisitions supporting the group's growth strategy outside the core regions

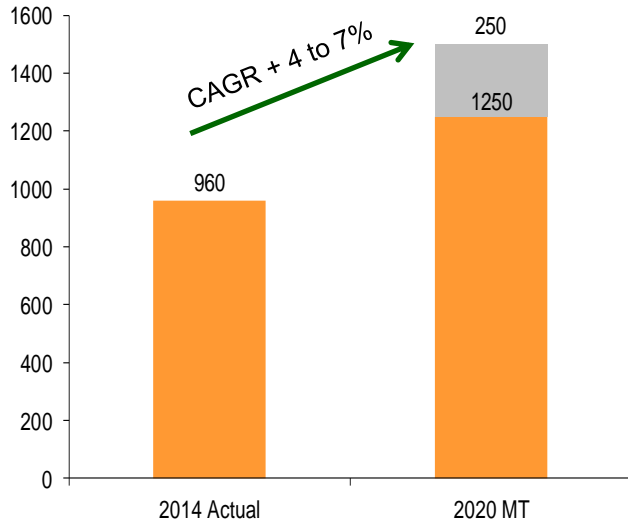
- ~1/3 of sales to emanate from markets outside Europe & North America.
- Adj. EBIT margin of at least 8%.
- Increase of EPS by approx. 75% as compared to 2014
(higher number of shares from convertible bonds issue in 2014 fully considered).

Long term 2030

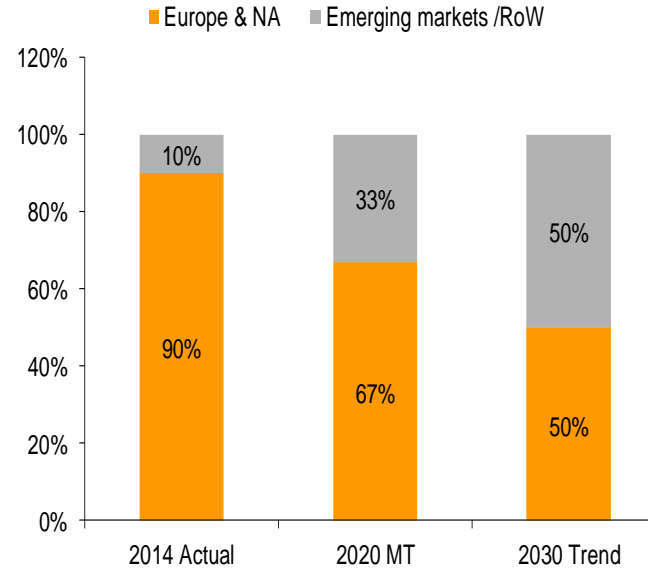
The majority of our sales growth until 2030 is supposed to be outside of the core regions of North America and Europe.

Strategy 2020: Mid- and long-term sales shares and financial targets

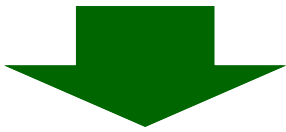
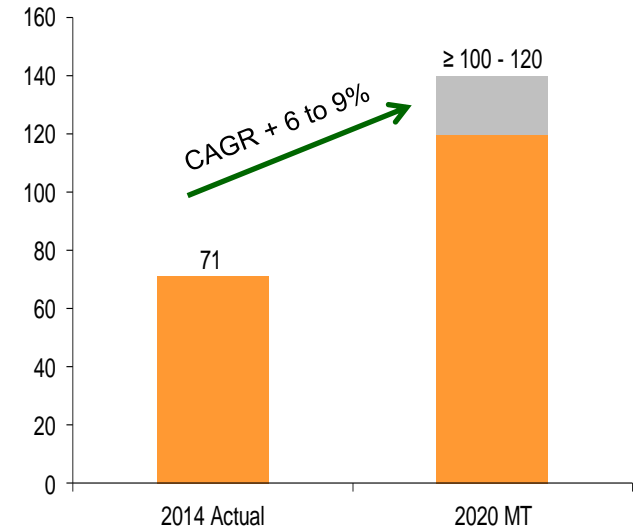
Sales in €mn



Sales share in %



Adj. EBIT in €mm



Average adj. EBIT margin of at least 8% in the medium term with an increase of EPS until 2020 by approx. 75% as compared to 2014*

22 *Fully considering the higher number of shares from convertible bond issue in 2014.

Investment highlights / Equity story

- 1 Megatrends will provide sustainable mid- and long-term growth perspectives and business opportunities
- 2 SAF-HOLLAND will focus on and stay with its core competencies: “We will stay with where we are really good at”
- 3 Expand core competencies and applications into new markets outside current core regions Europe and North America
- 4 Taking advantage of strong market and technological position: Among TOP 3 players in every product area in predominantly oligopolistic markets
- 5 In emerging markets/RoW technological mid-market segments will be addressed, in which more technology is involved than what is available today
- 6 Product innovation: Ramp-up of new products
- 7 Aftermarket will be strengthened simultaneously focusing on Europe and North America: Targeted share in total Group sales of at least 25%

Thank you for your attention.