

Strategy 2020

First quarter results 2016

Detlef Borghardt, CEO

Wilfried Trepels, CFO

May 09, 2016



Agenda

1	Highlights Q1 2016	3
2	Market Trend	5
3	Financial information	9
4	Outlook	21

Highlights of the first quarter 2016

Targets

- Despite a burdening market environment in many emerging countries and severe truck market downturn in the US, organic sales almost reached PY level (- 2.1%)
- Even in such a challenging environment adj. EBIT margin increased by 40 BPs and climbed to 8.7%

Plant consolidation/ efficiency

- Effects from plant consolidation Germany and also US materialize, further process optimization under way until Q3

Strategy 2020

- New organizational structure implemented throughout all regions
- Reporting structure aligned to new organizational structure

APAC/China new product segment tapped

- Another major reference contract won for state-of-the art truck air suspension technology at bus suspension technology specialist Corpco

Agenda

1	Highlights Q1 2016	3
2	Market Trend	5
3	Financial information	9
4	Outlook	21


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	236,522	-26.8
	FTR Truck Shipment ²⁾	294,855	319,614	+8.4	235,560	-26.3
		2014	2015	Change in % yoy	2016	Change in % yoy
Western, Central & Eastern Europe	LMC ³⁾	395,512	428,642	+8.9	434,006	+1.3

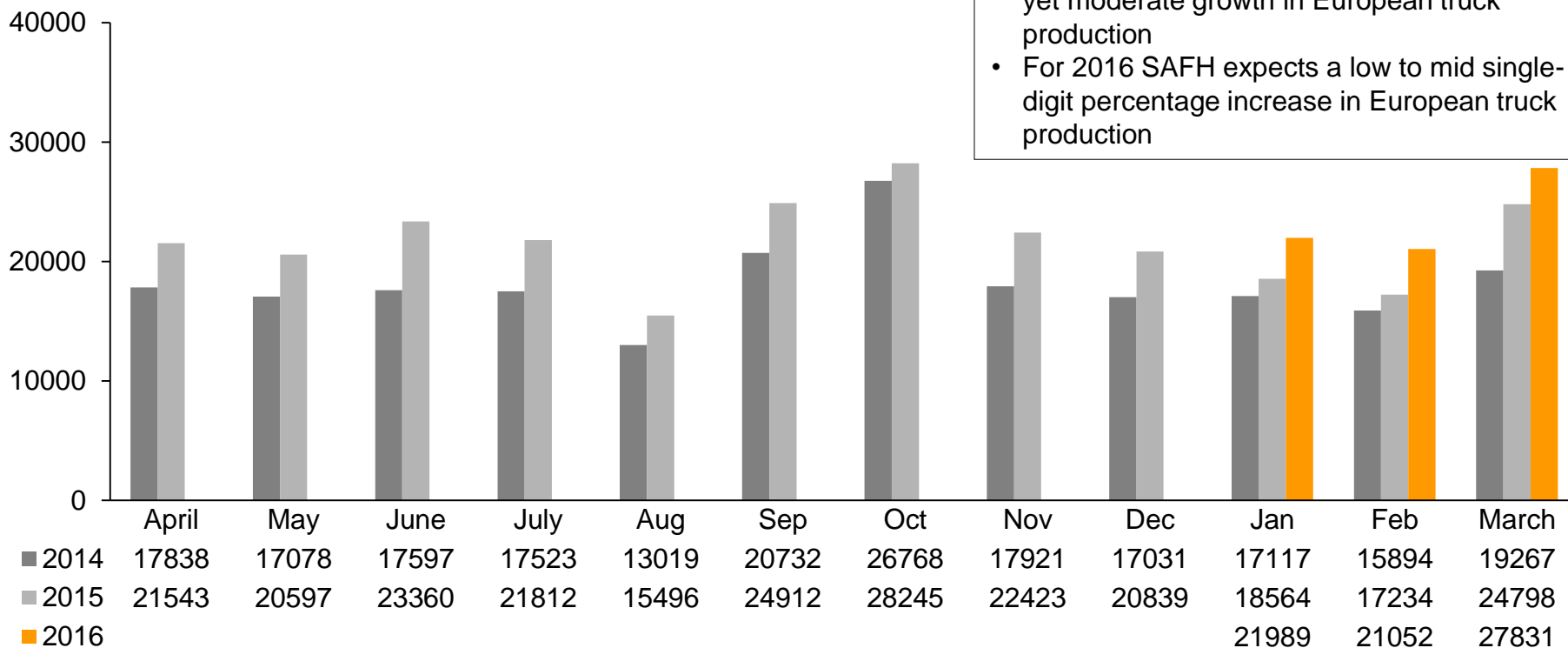
Global trailer forecast

		2014	2015	Change in % yoy	2016	Change in % yoy
North America	ACT U.S. Trailer Shipments ¹⁾	282,800	324,967	+14.9	314,550	-3.2
	FTR U.S. Trailer Built ²⁾	265,286	302,317	+14.0	279,700	-7.5
		2014	2015	Change in % yoy	2016	Change in % yoy
Western & Eastern Europe	Trailer Production	261,605	283,000	+8.2	308,470	+9.0

 US truck market 2016 declining significantly (< 10% of SAFH sales), US trailers holding up well above 2014 level; European T&T market keeps growing despite consistent weakness in Russia

Truck market development Europe

New registrations heavy commercial vehicles (HCV) >16 tons



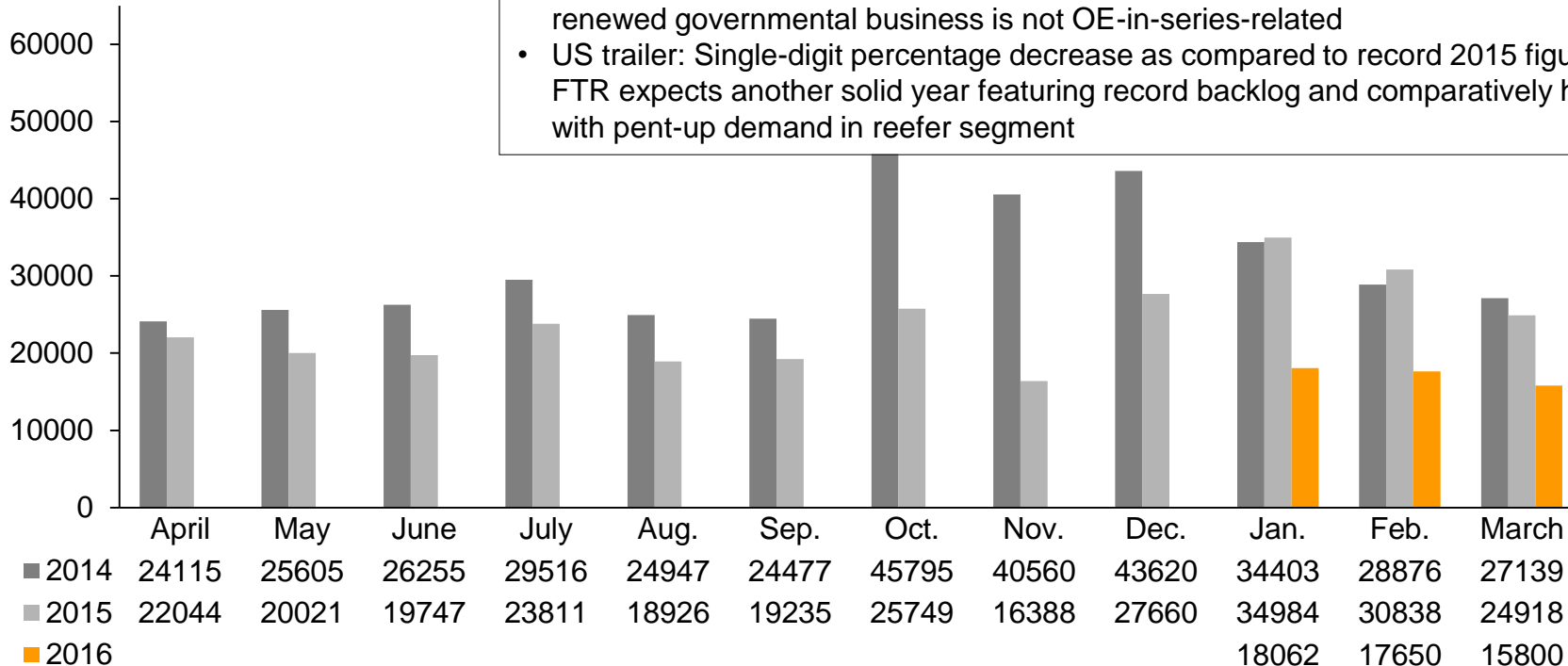
Analytics

- Pent-up demand and sustained moderate economic recovery form 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 March 2016 HCV new registrations were again up 12% yoy to 27,831. Main contributions from Italy (+25%), France (+19%) and Spain (+9%)

Truck market trend North America

Class 8 net orders



Analytics

- US trucks: Market decreases further but is expected to stabilize over the next months on lower basis of comparison
- Less than 10% of SAFH group sales depend upon US truck segment: vocational and renewed governmental business is not OE-in-series-related
- US trailer: Single-digit percentage decrease as compared to record 2015 figures
FTR expects another solid year featuring record backlog and comparatively high fleet age with pent-up demand in reefer segment



Preliminary N.A. Class 8 truck net orders at 15,800 units, down 37% yoy. Class 8 net orders still decreasing but expected to bottom out over the next months. FTR sees stabilization in net orders during the next months.

Agenda

1	Highlights Q1 2016	3
2	Market Trend	5
3	Financial information	9
4	Outlook	21

Executive Summary



1

Organic sales almost at PY level in a challenging environment

- Group sales Q1 down 4.1% to € 259.9 mn (271.0) yet only minus 2.2% organically
- Translational FX effects burden (€ -2.3 mn), Aerway sale effect of € -2.7 mn
- Corpco € 3.0 mn behind plan in Q1 due to changed order process & rescheduling

2

Adjusted EBIT margin well above PY figure

- Adj. EBIT Q1 improved by € 0.1mn to € 22.7 mn (22.6) based upon implemented efficiency enhancement measures, operational excellence and optimized purchasing process
- Q1 adj. EBIT margin up 40 BPs reaching 8.7% (8.3%)

3

Significant swing in finance result

- The finance result amounted to € -4.9 mn as compared to € 6.6 mn in Q1 15
- Deterioration almost exclusively related to swing in unrealized FX gains from the valuation of inter-company foreign currency loans that had amounted to € 7.4 mn in Q1 15 compared to € 0.0 mn in Q1 16 considering that as of 2016, the effects from the valuation of inter-company foreign currency loans, previously included in the finance result, are disclosed in the other comprehensive income (OCI)

4

Undiluted EPS at € 0.25 (€ 0.40)

- Reported net profit decrease to € 11.1 mn (18.1) mostly due to swing in finance result
- Undiluted EPS adj. for one-offs and inter-company loan effect at € 0.27 (0.33)

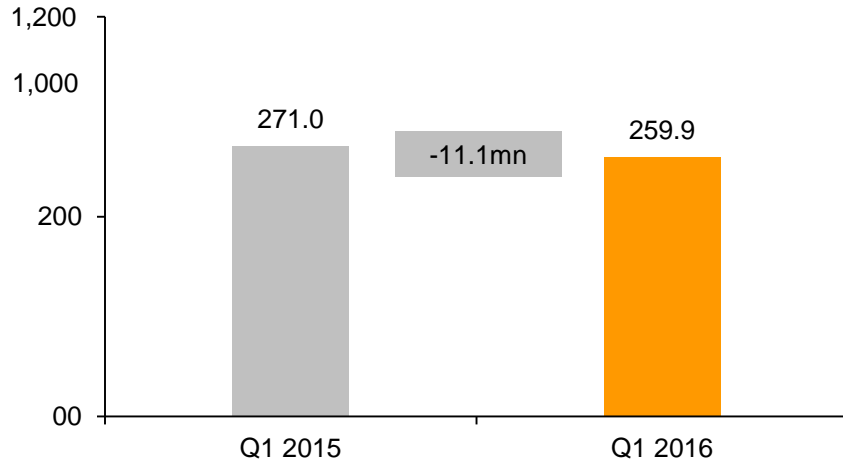
5

Outlook 2016 confirmed*

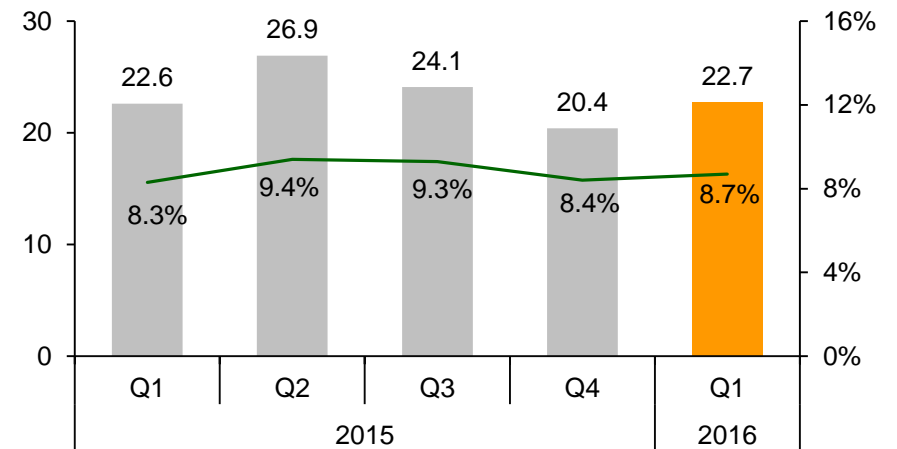
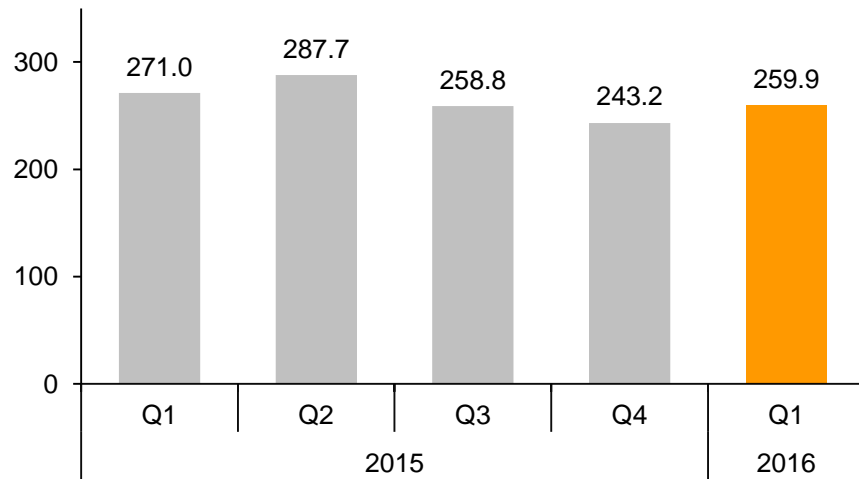
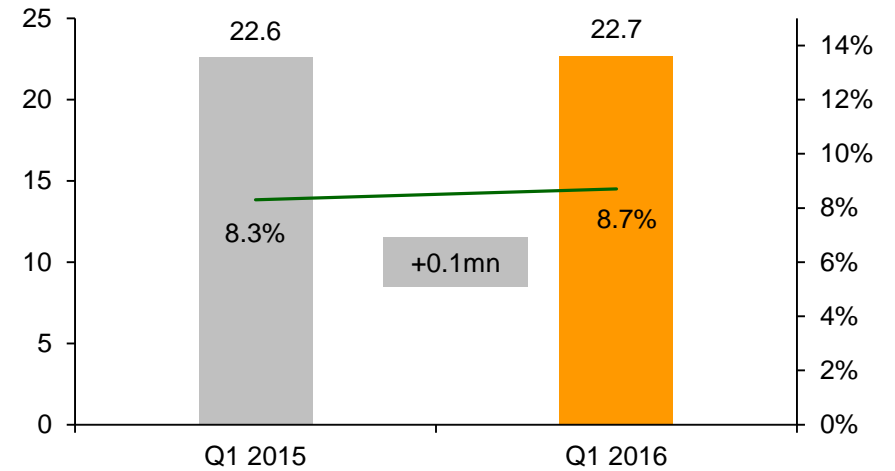
- Sales expected to organically stay constant or slightly increase, in the range of € 1,050 mn to € 1,070 mn
- Adj. EBIT margin is planned to come in between 8 and 9% for the full year

Business performance – group sales and group adjusted EBIT

Sales in €mn

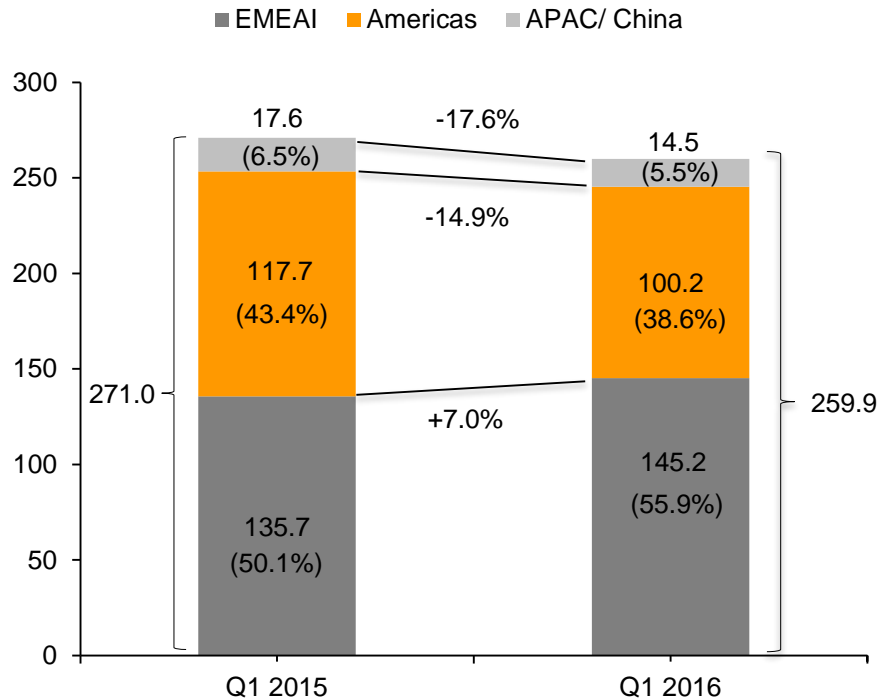


Adjusted EBIT in €mn

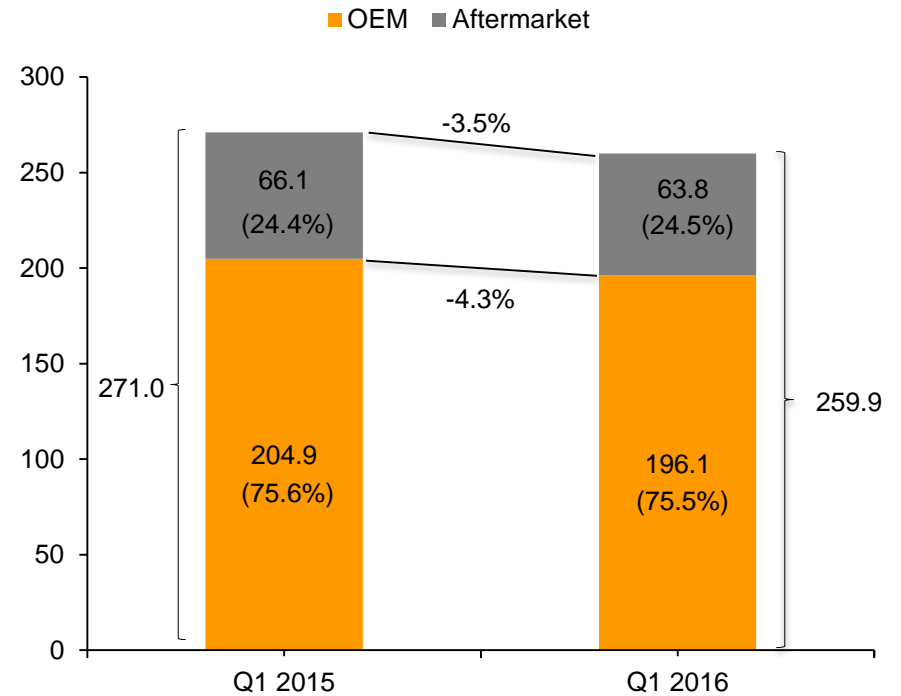


Business performance – sales by segment and by channel

Sales in €mn by Segment

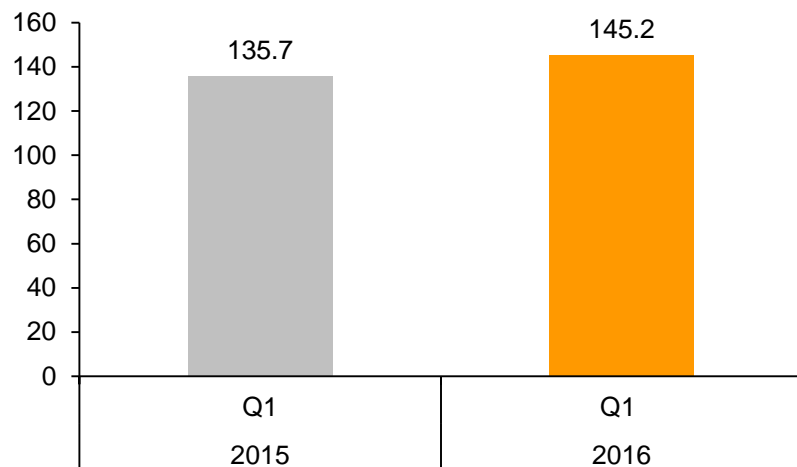


Sales in €mn by OEM and Aftermarket

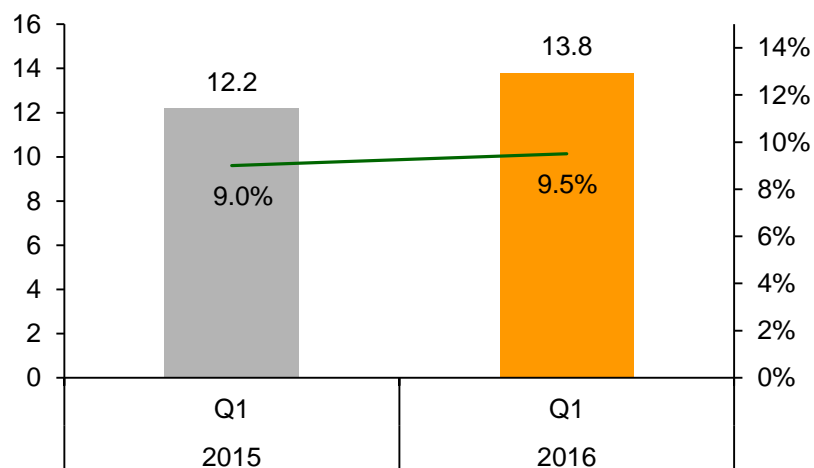


Business performance – EMEAI

Sales in €mn



Adjusted EBIT in €mn and margin in %



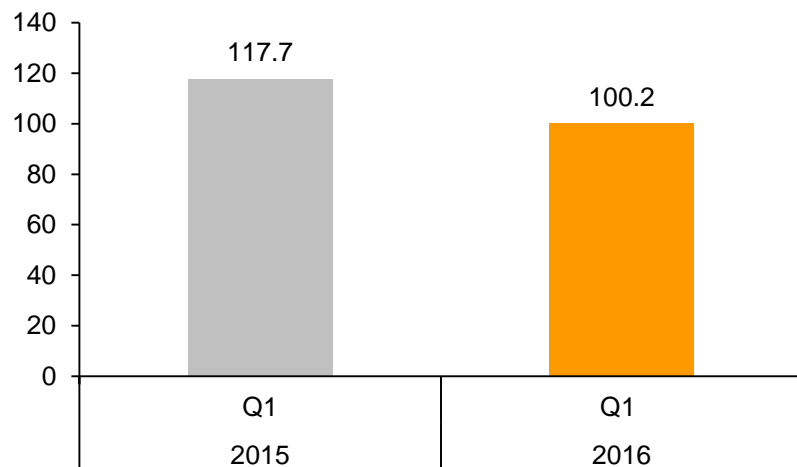
Summary

- Strong sales increase in Q1 16 by 7.0% to € 145.2 mn (135.7)
- Sales trend driven chiefly by higher demand in OE business for trailer components as moderate economic recovery in most Eurozone markets continues, AM solid
- Pleasing development in the Middle East with further expansion being initiated
- Severe weakness in Russia and neighboring Scandinavian markets overcompensated

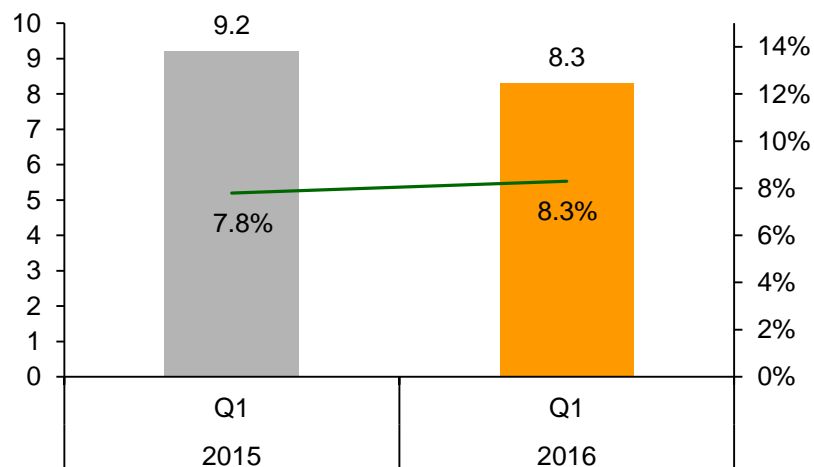
- Adj. EBIT Q1 16 picked up 13.1% reaching € 13.8 mn (12.2)
- Adj. EBIT margin increased further to 9.5% (9.0%)
- Improvement in profitability driven by sales growth, trailing effects from the plant consolidation in Germany, efficiency enhancement measures at other locations within the region and increased pooling of purchasing volumes

Business performance – Americas

Sales in €mn



Adjusted EBIT in €mn and margin in %



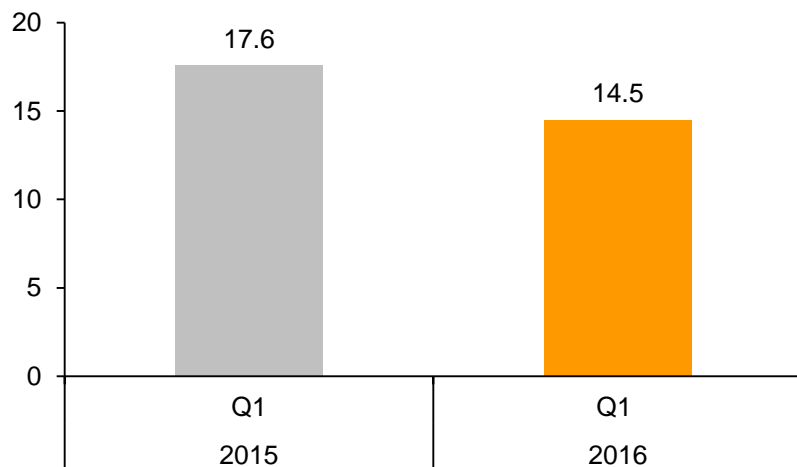
Summary

- Q1 16 sales declined by 14.9% to € 100.2 mn (117.7); Adj.for FX and Aerway (approx. € 5.0 mn), sales declined by 10.6%
- Sales on an organic basis declined due to the as expected strong decrease of the North American truck market after all time high in 2014 and 2015; Still difficult environment for AM.
- Brazilian market shrinking further, down almost 80% versus pre-crisis level.
- Mexico and Central America developed pleasingly in terms of sales and earnings.

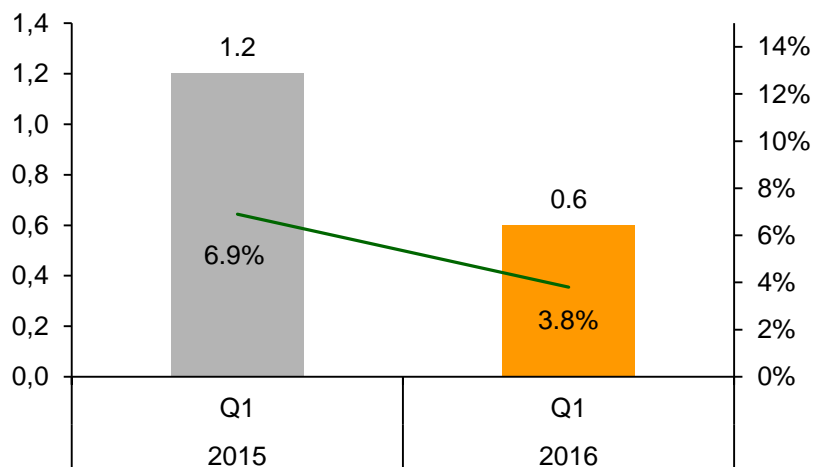
- Improved profitability in weak environment: Adj. EBIT margin improved by 50 BPs to 8.3% (7.8%); however adj. EBIT in Q1 16 declined by 9.8% to € 8.3 mn (9.2) due to volume.
- Profitability drivers: Share gains in trailer and swift adjustment of capacities combined with improved cost structure at the Warrenton plant.

Business performance – APAC/ China

Sales in €mn



Adjusted EBIT in €mn and margin in %



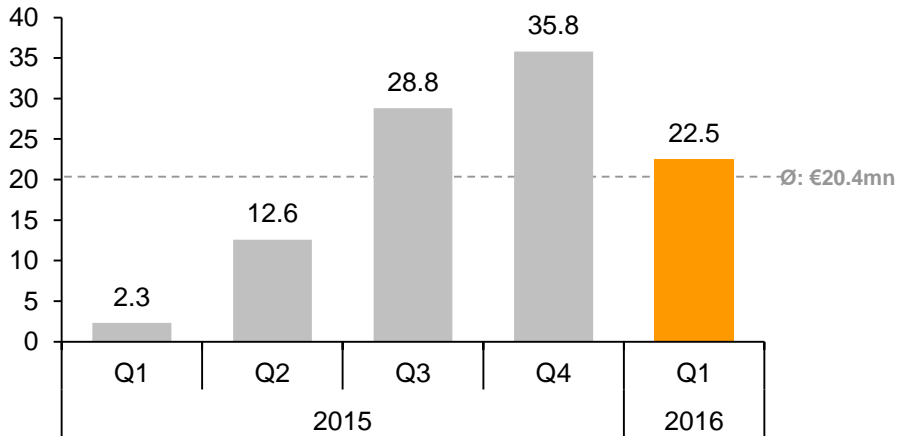
Summary

- Overall, sales in Q1 16 eased by 17.6% to € 14.5 mn (17.6)
- Solid performance in China yet Corpco € 3.0 mn behind plan in Q1 16 due to changed order process & rescheduling
- Weak general economic environment in most ASEAN markets
- Australia hampered by raw material price deflation and transport sector weakness

- Due to lower sales volume in conjunction with upfront expenses for further business expansion adj. EBIT in Q1 16 gave in to € 0.6 mn (1.2).
- Adj. EBIT margin stood at 3.8% after 6.9% in Q1 15
- Sales and productivity increase in Xiamen, China impacted positively

Business performance – Outstanding Q1 cash generation

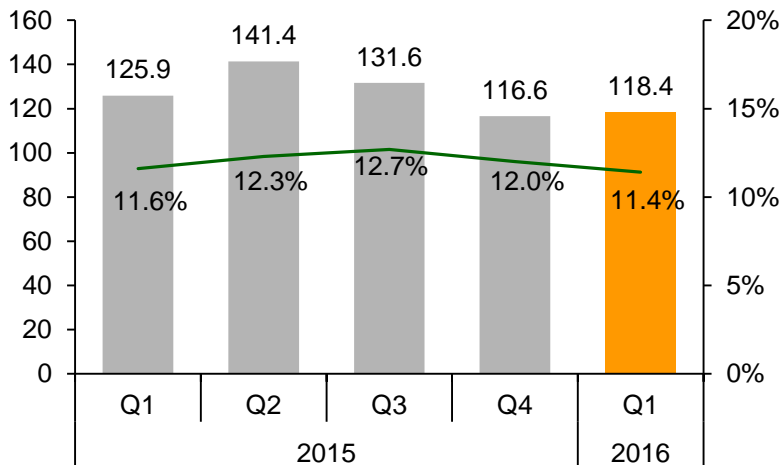
Operating cash flow before income tax in € mn



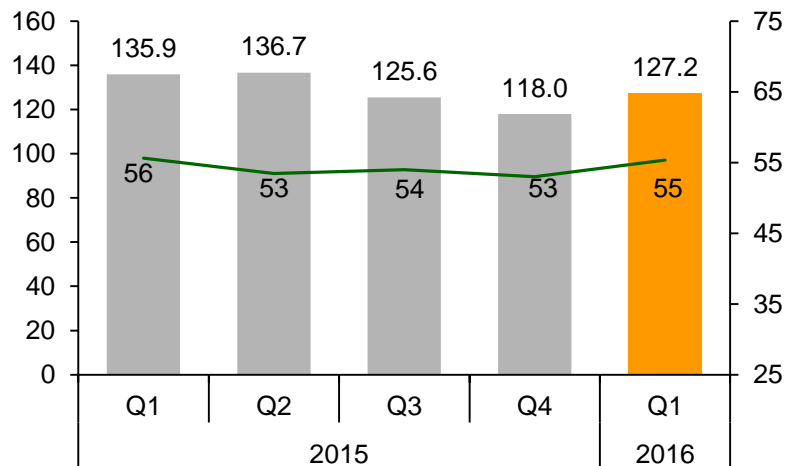
Summary

- Operating cash flow in Q1 16 increased significantly to € 22.5 mn (2.3) fostered by improved working capital management following concluded plant consolidation
- Less funds tied up in trade receivables compared to Q1 15
- Inventories decreased € 8.7 mn in Q1 16 yoy, up sequentially due to seasonal patterns
- Overall, NWC requirement were € 7.5 mn lower yoy
- Days of inventories down from 56 days end of Q1 15 to an still unsatisfactory level of 55 days end of Q1 16. Further measures to improve initiated

Net working capital in € mn and as % of sales



Inventories in € mn and days of inventories



Financials – Balance Sheet

in € mn	03/31/2016	%	12/31/2015	%
Non-current assets	374.4	40.5%	380.3	42.8%
Inventories	127.2	13.8%	118.0	13.3%
Other current assets	148.5	16.0%	129.5	14.6%
Other short-term investments	75.0	8.1%	115.0	12.9%
Cash and cash equivalents	199.6	21.6%	145.7	16.4%
Total assets	924.7	100.0%	888.5	100.0%
Equity	293.8	31.8%*	287.8	32.4%
Other non-current liabilities	98.2	10.6%	96.1	10.8%
Interest bearing loans and borrowings	386.1	41.7%	383.2	43.1%
Other current liabilities	146.6	15.9%	121.4	13.7%

Net debt as of March 31, 2016: € 111.5mn (12/31/15: € 122.4mn)

16 * If the balance sheet total was adjusted for cash and cash equivalents as well as other short-term investments which exceed the figure of approx. € 7 mn which is targeted by SAF-HOLLAND, this would result in a mathematical equity ratio of 44.7% (previous year: 45.3%) at March 31, 2016

Financials – Profit and Loss statement

in € mn	Q1/2016	%	Q1/2015	%
Sales	259.9	100%	271.0	100%
Cost of sales	-206.7	-79.5%	-220.0	-81.2%
Gross profit	53.2	20.5%	51.0	18.8%
Selling expenses	-15.5	-6.0%	-14.5	-5.4%
Administrative expenses	-12.3	-4.7%	-11.2	-4.1%
R&D	-5.1	-2.0%	-5.4	-2.0%
Other op. income	0.1	0.0%	0.4	0.2%
Operating result	20.4	7.8%	20.3	7.5%
Finance Result*	-4.5	-1.7%	6.9	2.5%
Earnings before tax	15.9	6.1%	27.2	10.0%
Income Tax	-4.8	-1.8%	-9.1	-3.3%
Result for the period	11.1	4.3%	18.1	6.7%

Comments

- Organic sales almost at PY level: 4.1% sales decline, organically down only 2.2%: € 2.3 mn thereof attributable to neg. translational FX effects, € 2.7 mn to Aerway disposal; Corpco € 3.0 mn behind plan in Q1 16 due to changed order process & rescheduling
- Significant gross margin improvement by 1.7 PP yoy to 20.5% (18.8%)
- SG&A cost up as a percentage of sales due to pre-expenses for strategy 2020 organizational structure build-up and trade fair cost (BauMa, IAA)
- Operating result picks up despite lower sales
- Finance result easing to € -4.5 mn (6.9) in Q1 16: Deterioration almost exclusively related to swing in unrealized FX gains from the valuation of inter-company foreign currency loans** that had amounted to € 8.8. mn (0.0) in Q1 15 besides € 0.8 mn higher net interest expense and € 1.3 mn higher expenses from derivative financial instruments
- Reported net profit gives in to € 11.1 mn (18.1) chiefly due to swing in finance result

17 * Finance result includes share of net profit from investments accounted for by using the equity method of € 0.4 mn in Q1 16 (€ 0.3 mn in Q1 15)

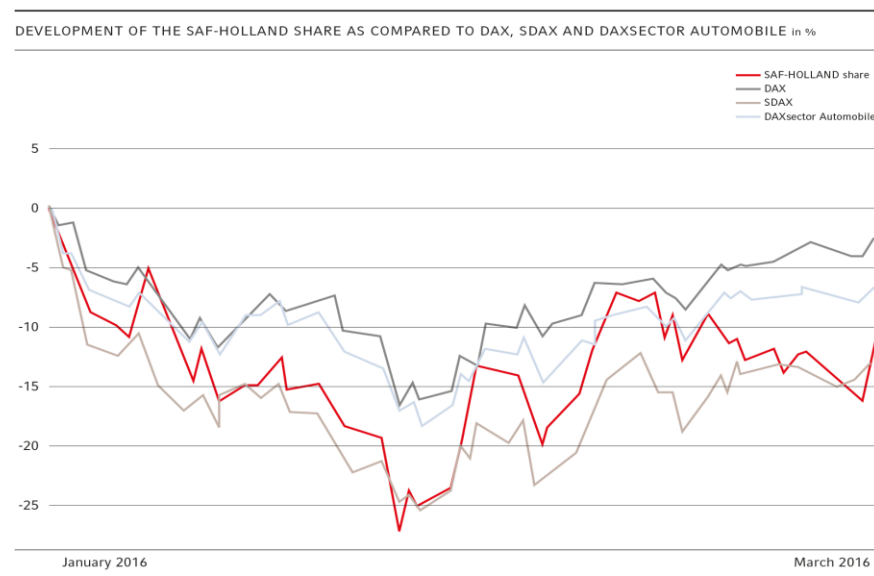
** As off 2016 inter-company foreign currency loans are treated as part of a net investment in a foreign operation, disclosed in other comprehensive income (OCI) and no longer in the finance result.

Financials – Cash Flow statement

in €mn	Q1/2016	Q1/2015
Result before tax	15.9	27.1
Finance result	4.9	-6.6
Amortization/depreciation	5.7	5.2
Changes in Net Working Capital	-5.5	-24.3
Other items cash flow	1.5	0.9
Operating cash flow before income tax	22.5	2.3
Income tax paid	-4.1	-2.9
Operating cash flow	18.4	-0.6
Cash flow from investing*	35.9	-5.6
Cash flow from financing	0.1	-0.4
Effect of f/X changes	-0.5	1.1
Net change in cash	53.9	-5.5

Share price and shareholder structure

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

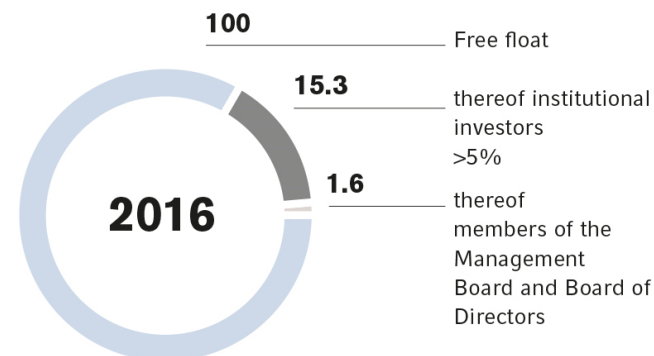


Basic data for share as of March 31, 2015

ISIN	LU0307018795
Number of shares	45,361,112
Closing price	€10.85
undiluted adjusted EPS	€0.27

Shareholder Structure (in %)

SHAREHOLDER STRUCTURE 2016 in %



As of March 31, 2016

SAF-HOLLAND share price development in Q1/2016

- Share price eased 13.1% in Q1 16
- SAFH share price outperforming SDAX in Q1 16
- Higher volatility due to general financial markets fluctuations and sector newsflow

Agenda

1	Highlights Q1 2016	3
2	Market Trend	5
3	Financial information	9
4	Outlook	21

Outlook: Financial targets 2016 confirmed

	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.

²¹ * 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	Q1/2016	Q1/2015
Result of the period	11.1	18.1
Income tax	4.8	9.1
Financial Result	4.9	-6.6
Depreciation and amortization from PPA	1.6	1.6
Restructuring and integration costs	0.3	0.4
Adjusted EBIT	22.7	22.6
in % of Sales	8.7%	8.3%

Key financials

in €mn	Q1/2016	Q1/2015
Sales	259.9	271.0
Cost of sales	-206.7	-220.0
Gross profit	53.2	51.0
Margin	20.5%	18.8%
Adjusted result	12.4	20.3
Margin	4.8%	7.5%
Adjusted EPS in €	0.27	0.45
Adjusted EBITDA	26.8	26.2
Margin	10.3%	9.7%
Adjusted EBIT*	22.7	22.6
Margin	8.7%	8.3%
Operating cash flow before income tax	22.5	2.3
Undiluted adjusted EPS**	0.27	0.45

24 *Please refer to page 21 for detailed information on EBIT adjustments

**The finance result in Q1 15 included unrealized foreign exchange gains in the amount of € 7.4 mn, whereas as of 2016 unrealized foreign exchange effects were recognized in other comprehensive Income, and not in the finance result. If unrealized foreign exchange gains in the finance result in Q1 15 had been disclosed in OCI instead, the undiluted adjusted EPS would have amounted to 0.33 in Q1 15.

Strong financial profile as basis for further growth & dividend payments

Strong financial profile

Corporate Bond
€75mn
due 04/2018

Revolving Credit lines
€156mn
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);
€ 18.1mn distribution in total representing a 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