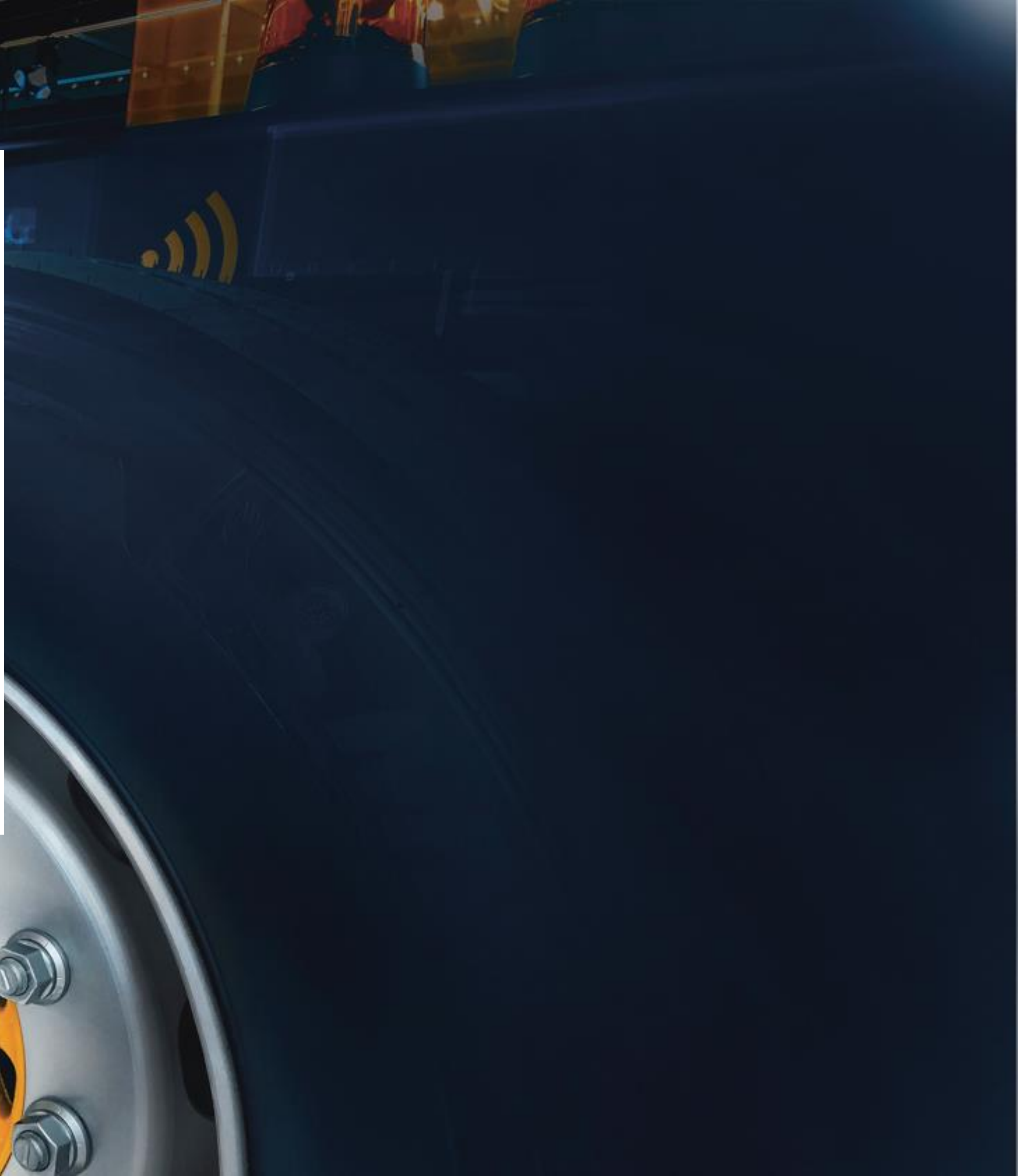


Next

Financial results Q3 2019

Alexander Geis, CEO

Dr. Matthias Heiden, CFO

November 7, 2019

Agenda

- **9M 2019 at a glance**
- Financial performance 9M 2019
- Outlook

9M 2019 at a glance

1.	Sales and adj. EBIT margin development in line with revised outlook
2.	Americas region: earnings development stabilises
3.	China region: reorganisation progressing according to plan
4.	Continued high investment level supports future growth and operational excellence
5.	Operating free cash flow: significant turnaround into positive territory
6.	Acquisitions of the years 2016 to 2019 help to gain market share
7.	Management team complete

Agenda

- 9M 2019 at a glance
- **Financial performance 9M 2019**
- Outlook

Truck and trailer production Q1-Q3 2019

	Western & Eastern Europe		North America		China	
	Truck[1]	Trailer[2]	Truck[3]	Trailer[3]	Truck[1]	Trailer[2]
Q1-Q3 2019	+3%	-15% to -20%	+14%	+6%	-2%	-15% to -20%

Sustained upswing in North America. European trailer market easing after historic highs in 2018. Trade conflict between China and the US weighed on trailer production in China.

[1] LMC Global Commercial Vehicles Forecast , medium & heavy truck, local sources
[2] CLEAR, local sources
[3] ACT Truck & Trailer Outlook, local sources

Truck and trailer production Q1-Q3 2019

South America	Truck[1]	Trailer[2]
Q1-Q3 2019	+12%	+27%

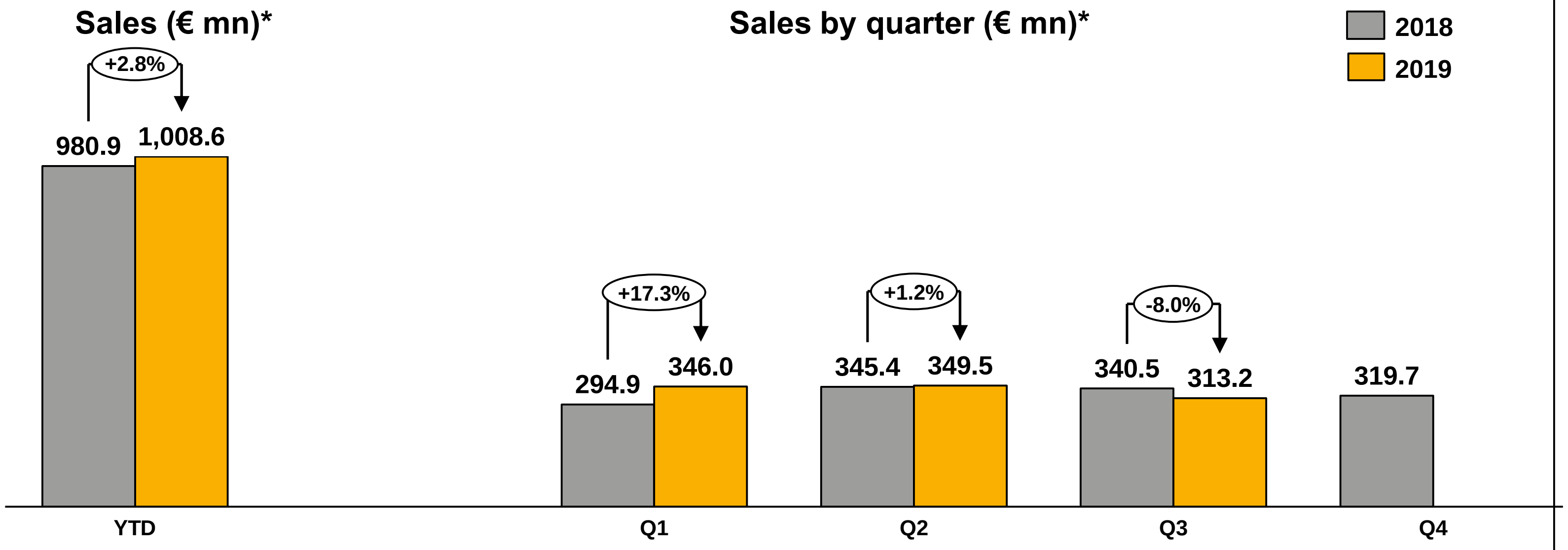
India	Truck[1]	Trailer[2]
Q1-Q3 2019	-60%	-60%

Lasting recovery in South America; strong slump of the Indian trailer market as the expected catch-up effect after the April/May elections did not materialize and lower than expected GDP growth.

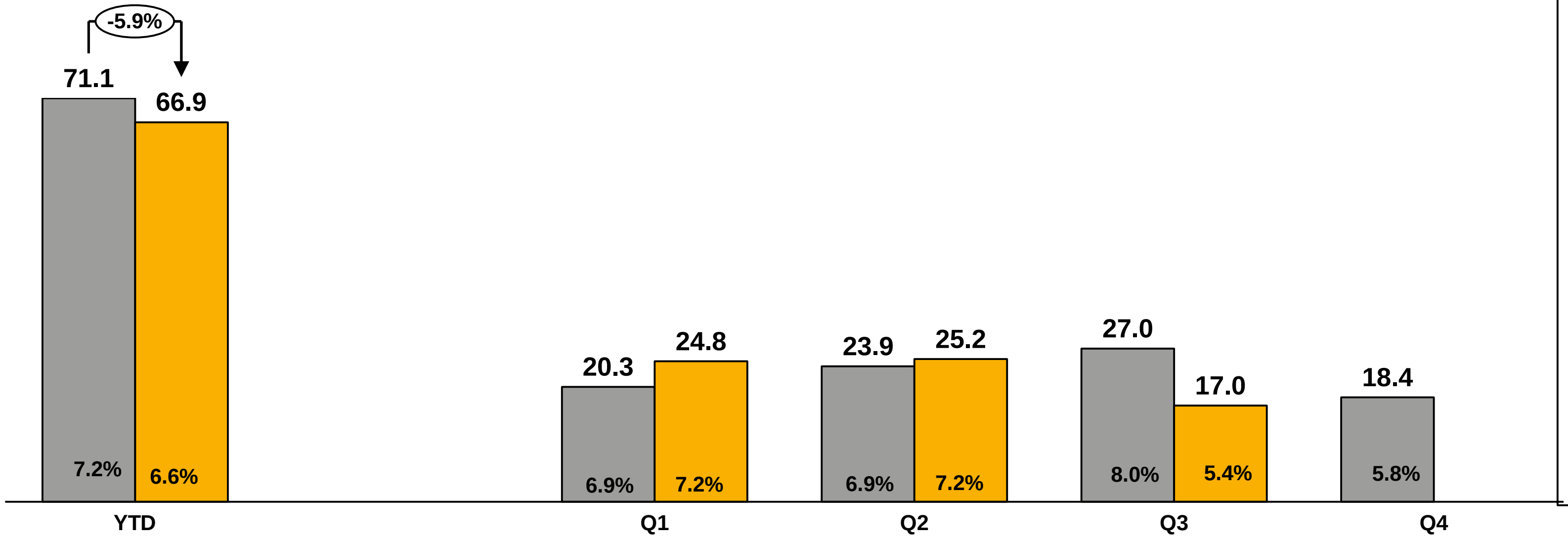
[1] LMC Global Commercial Vehicles Forecast, medium & heavy truck, local sources
[2] CLEAR, local sources

Group

Sales (€ mn)* Sales by quarter (€ mn)*



Adj. EBIT (€ mn)* Adj. EBIT by quarter (€ mn)*

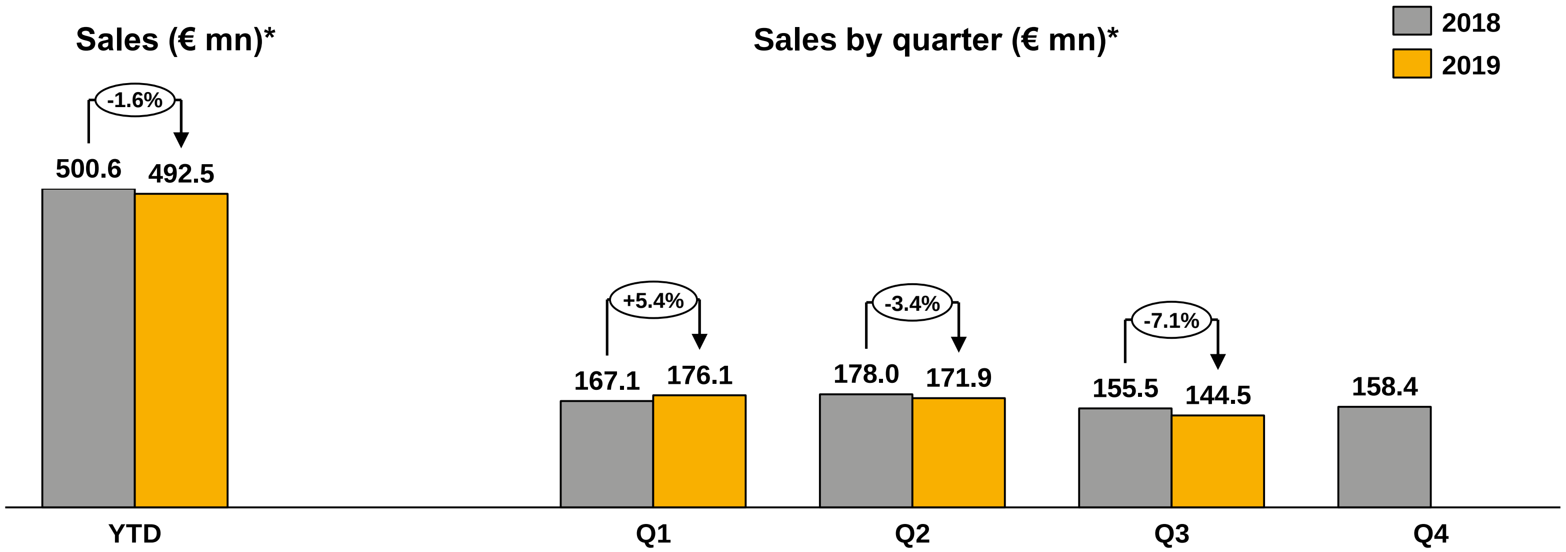


- 9M/2019 sales influenced by
  - Acquisition effects (+3.9 per cent respectively € +38.1 mn)
  - FX effects (+2.2 per cent respectively € +22.0 mn)
  - Organic effects (-3.3 per cent respectively € -32.3 mn net; strong organic growth in the Americas region could not compensate for the other regions)
- Adj. EBIT margin in 9M/2019 influenced by
  - Stabilizing earnings situation in the Americas region (+)
  - Weakening margin development in the EMEA and APAC region (-)
  - Heavy losses in the China region (-)
- Adj. EBIT margin in 9M/2018 positively affected by the partial settlement of a medical plan in the US

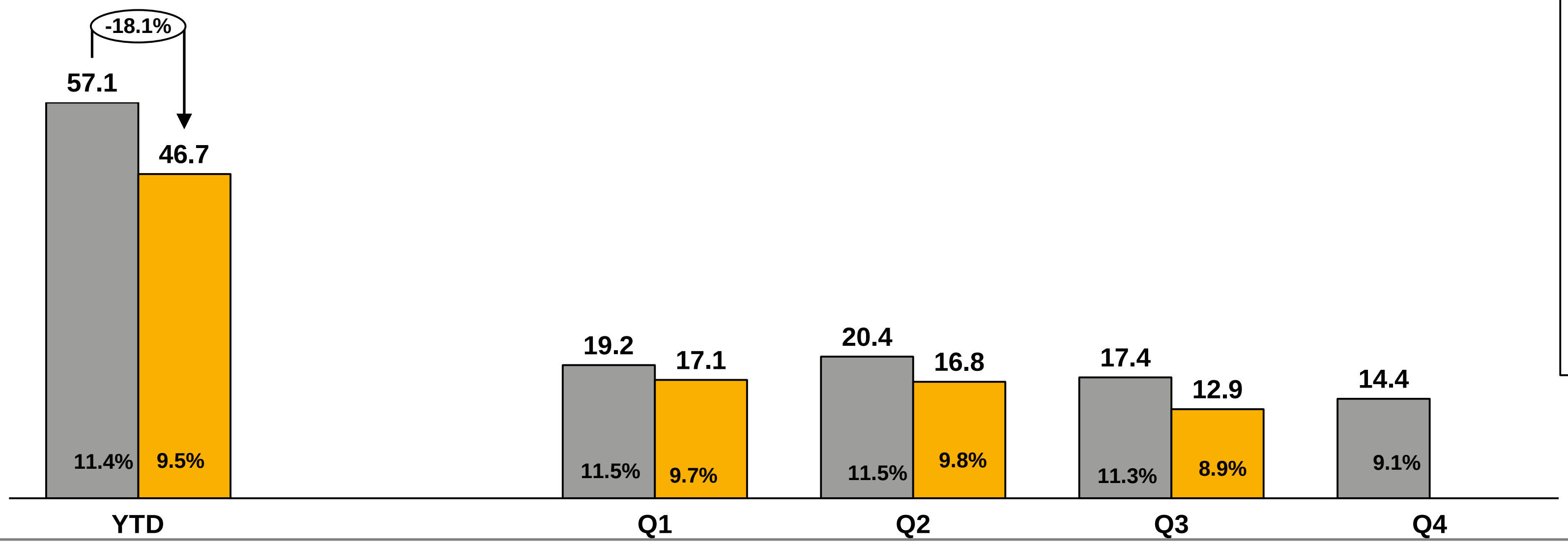
* All figures shown are rounded, minor discrepancies may arise from additions of these amounts.

Business segment: EMEA

Sales (€ mn)* **Sales by quarter (€ mn)***



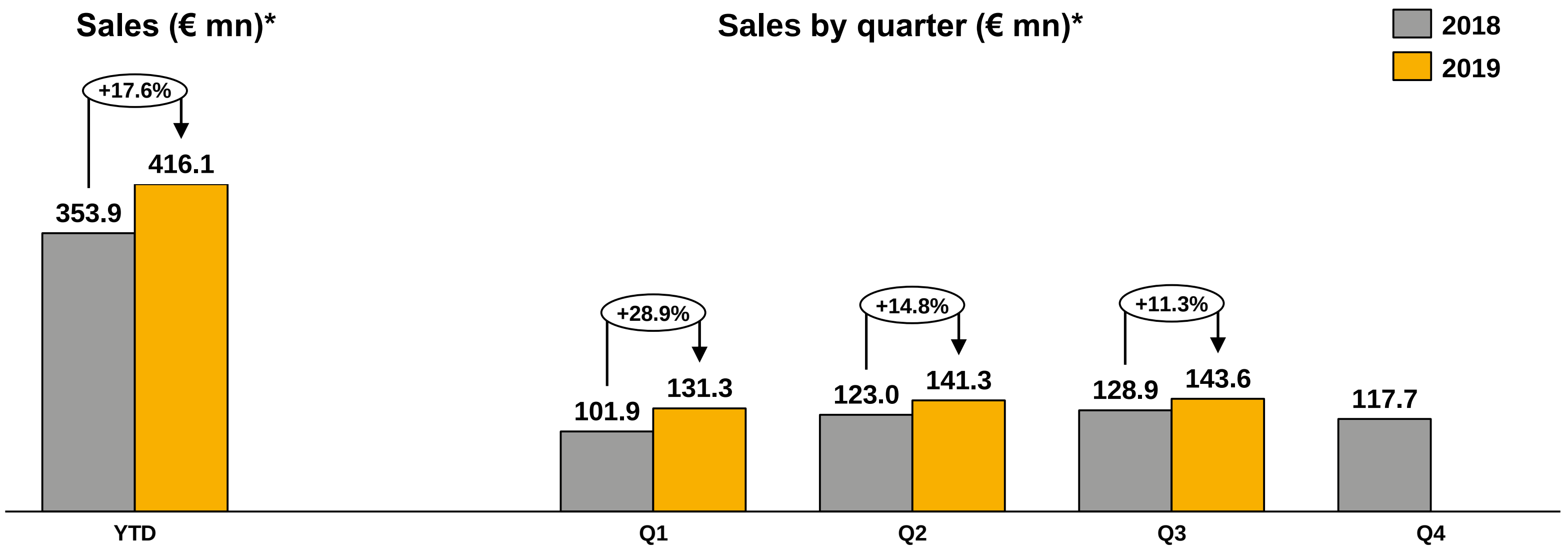
Adj. EBIT (€ mn)* **Adj. EBIT by quarter (€ mn)***

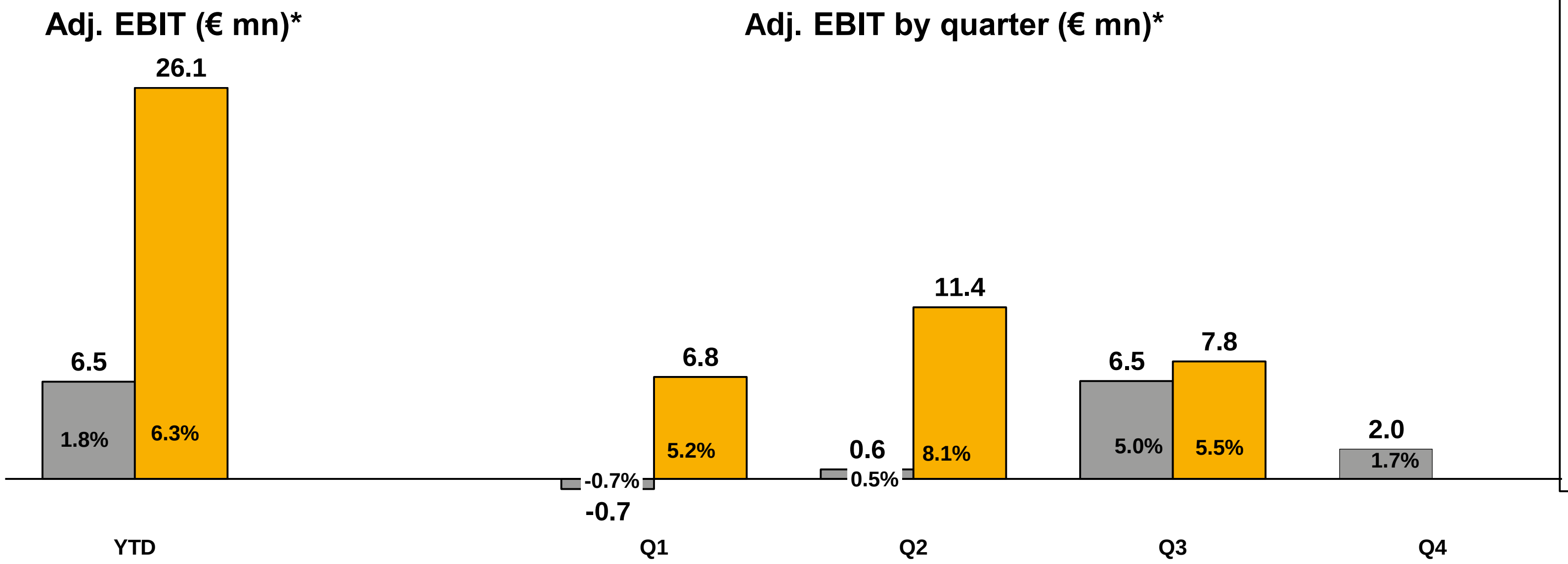


- 9M/2019 sales influenced by
  - Acquisition effects (+3.5 per cent respectively € +17.3 mn)
  - FX effects (-0.2 per cent respectively € -1.0 mn)
  - Organic effects (-4.9 per cent respectively € -24.4 mn)
- Adj. EBIT margin in 9M/2019 affected by
  - Companies acquired since January 2018 (+)
  - Declining volumes and higher personnel expenses (-)
- Adj. EBIT margin in 9M/2018 supported by
  - Reversal of warranty provision (+)
  - Foreign currency effects Turkish Lira – Euro (+)

* All figures shown are rounded, minor discrepancies may arise from additions of these amounts.

Business segment: Americas

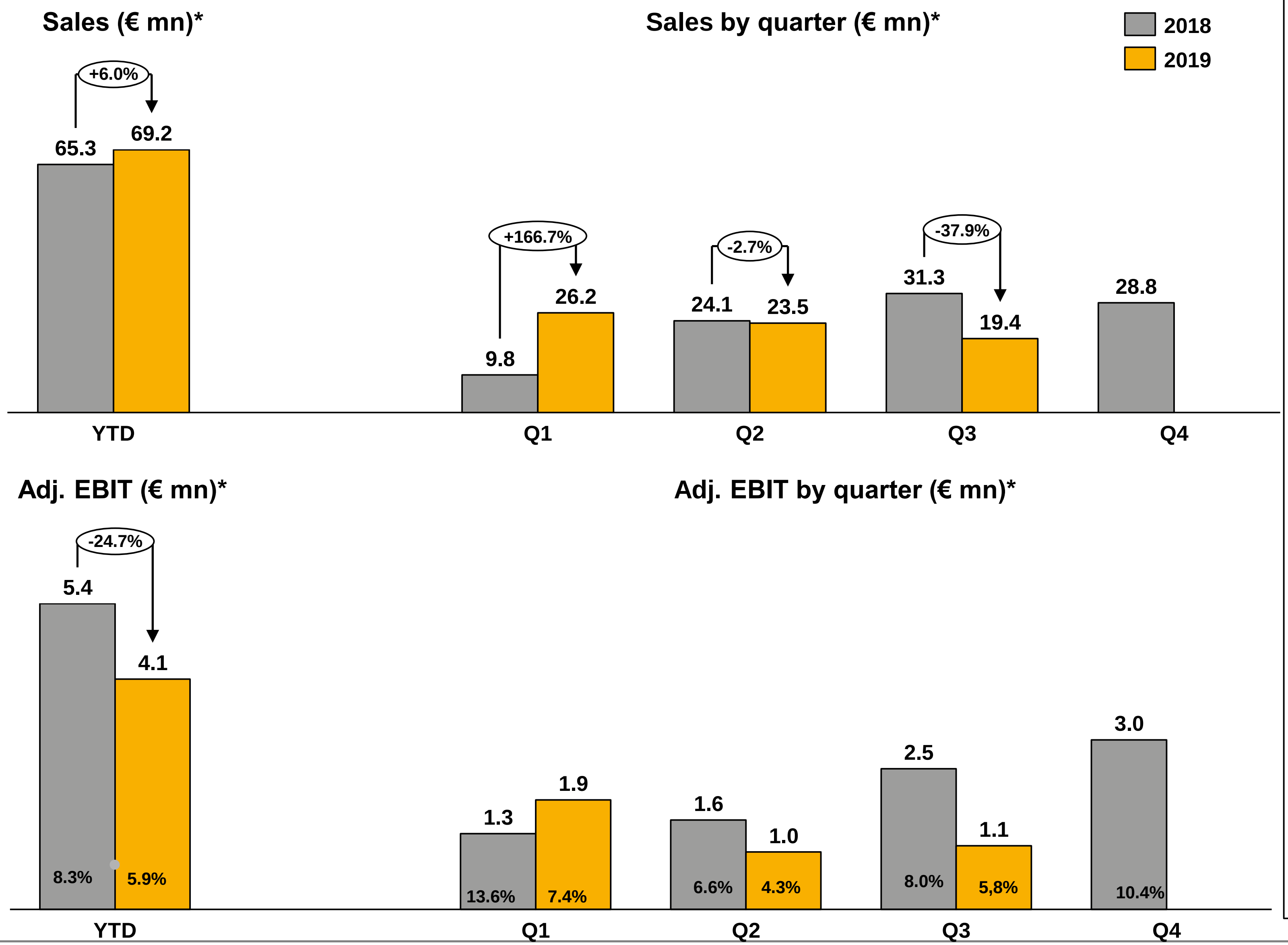




- 9M/2019 sales influenced by
  - Organic effects (+11.3 per cent respectively € +39.9 mn; outperformed the market)
  - FX effects (+6.2 per cent respectively € +22.1 mn)
- Adj. EBIT margin in 9M/2019 affected by
  - Operational efficiency gains from program FORWARD (+)
  - Contractual passing on of prior year's steel price increases (+)
  - Lower purchase prices for steel and other materials (+)
  - More profitable aftermarket business (+)
- Adj. EBIT margin in 9M/2018 positively affected by the partial settlement of a medical plan in the US

* All figures shown are rounded, minor discrepancies may arise from additions of these amounts.

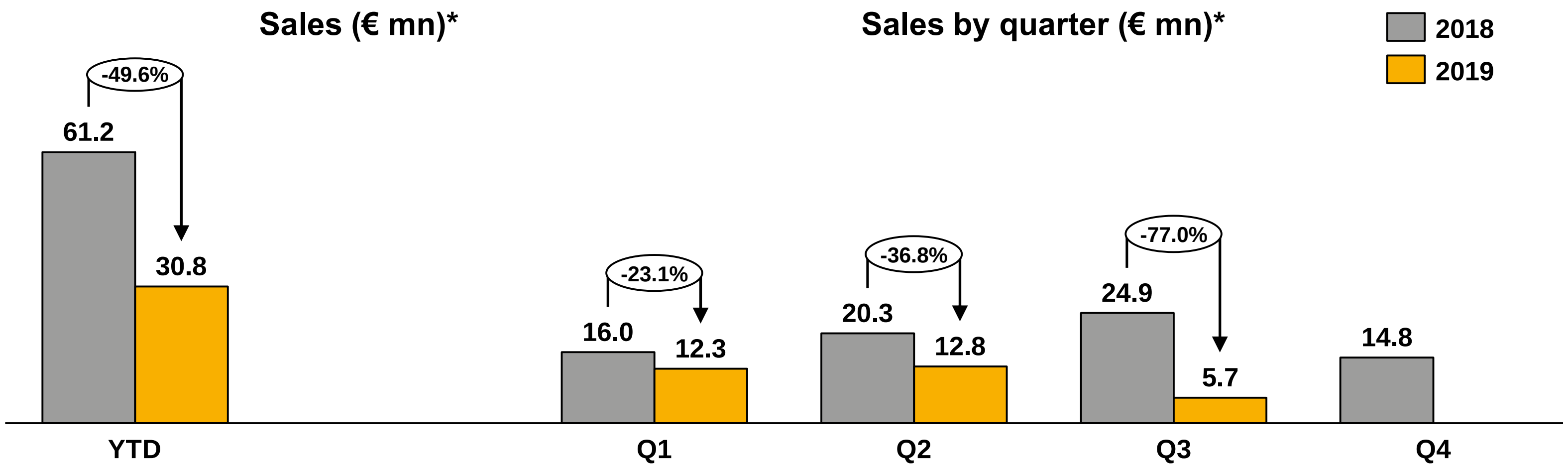
Business segment: APAC

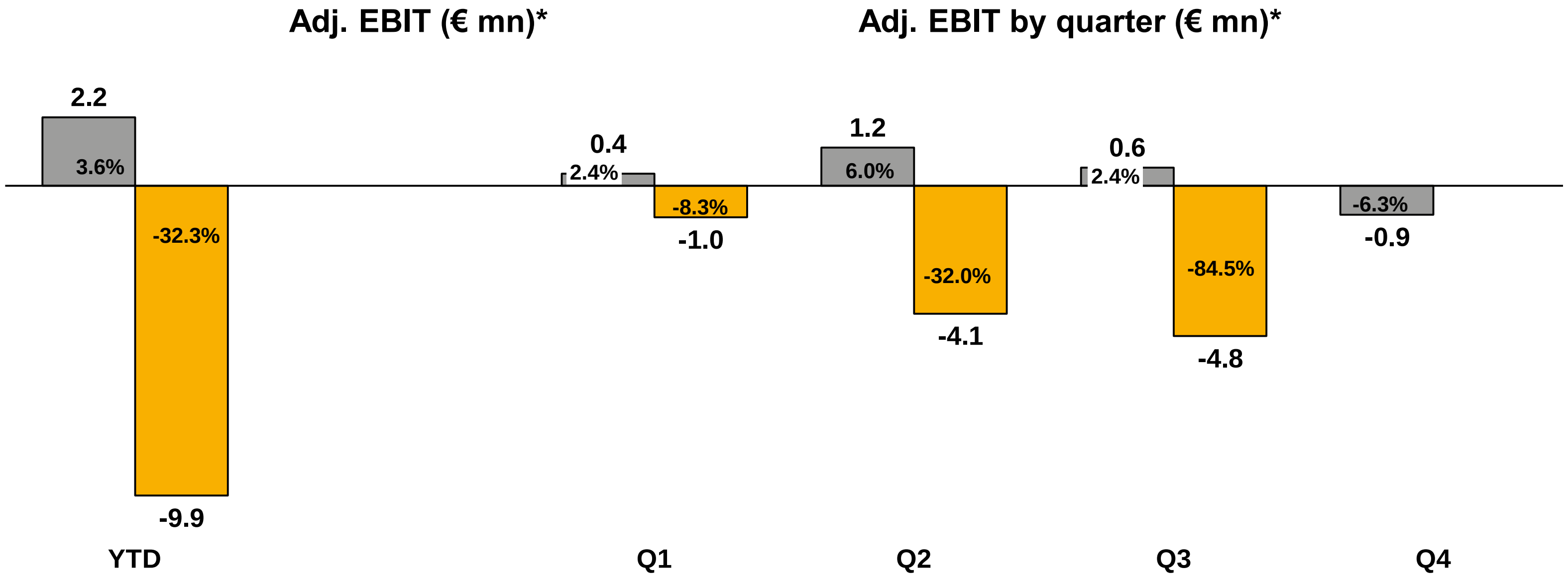


- 9M/2019 sales influenced by
  - Acquisition effects (+31.2 per cent respectively € +20.4 mn)
  - Organic effects (-26.2 per cent respectively € -17.1 mn due to unfavourable market development in India)
- Adj. EBIT margin in 9M/2019 affected by
  - Lack of profit contributions due to missing volume of the Indian subsidiary (-)
  - First positive results from cost-cutting programme (+)

* All figures shown are rounded, minor discrepancies may arise from additions of these amounts.

Business segment: China





- 9M/2019 sales influenced by
  - Declining export business of Chinese customers following the trade dispute between China and the US
  - Short notice cancellations and delays in orders in declining domestic market
  - Temporary strikes following the announcement of plant closures
- Adj. EBIT margin in 9M/2019 burdened by
  - Low level of capacity utilization at the Xiamen and Qingdao plant (-)
  - Temporary cost burden from duplicate structures in the course of the integration of the other Chinese locations into the new Greenfield plant (-)
  - Inventory and accounts receivable impairments (-)
  - Strike-related costs (-)
  - Losses on disposal of fixed assets (-)

* All figures shown are rounded, minor discrepancies may arise from additions of these amounts.

China: Adj. EBIT excl. one-off items

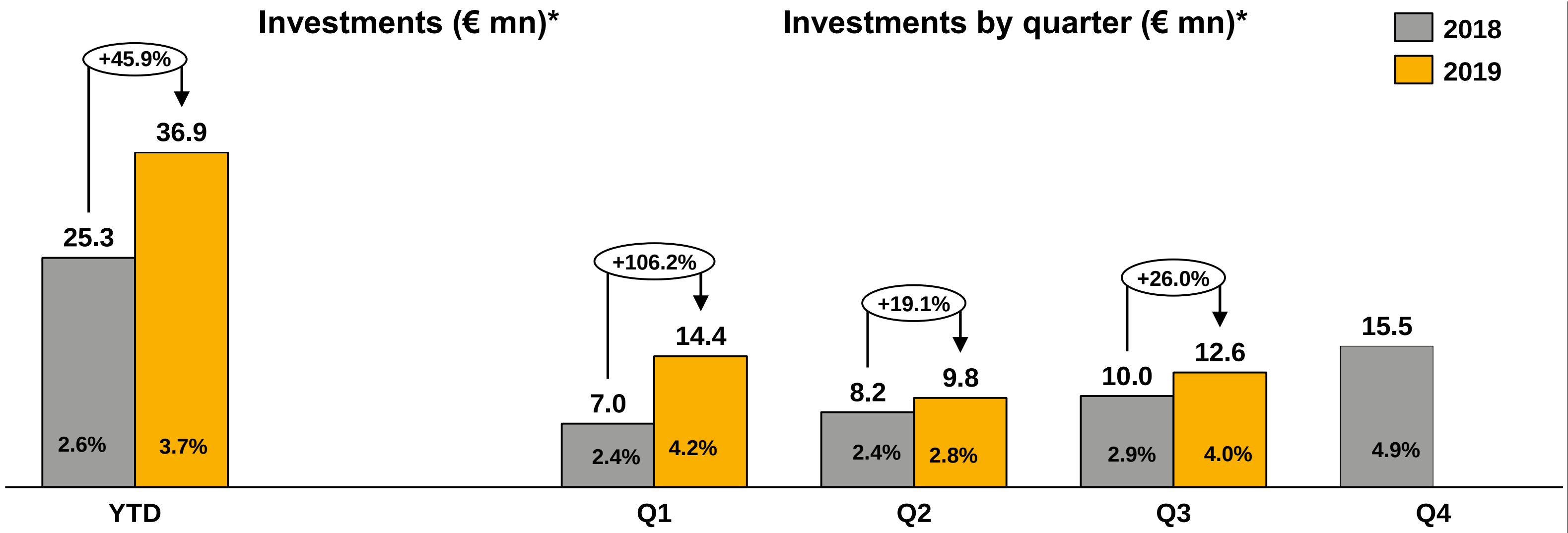
(kEUR)	Q1/2019	Q2/2019	Q3/2019	9M/2019
EBIT	**-2,688**	**-5,637**	**-15,660**	**-23,985**
Additional depreciation / amortization of PPE and intangible assets from PPA	15	14	15	44
Goodwill impairment *	-	-	6,691	6,691
Restructuring and transactions costs	1,658	1.518	4,125	7,301
Adj. EBIT	**-1,015**	**-4,105**	**-4,829**	**-9,949**
as % of sales	*-8.3*	*-32.0*	*-84.5*	*-32.3*
Inventory write-downs	-103	-1.414	-2,416	-3,933
Accounts receivable write-downs	0	-968	-187	-1,155
Loss on disposal of fixed assets	0	0	-761	-761
Strike related costs	0	-800	0	-800
One-off items	**-103**	**-3,182**	**-3,364**	**-6,649**
Adj. EBIT excl. one-offs	**-912**	**-923**	**-1,466**	**-3,300**
as % of sales	*-7.4*	*-7.2*	*-25.6*	*-10.7*

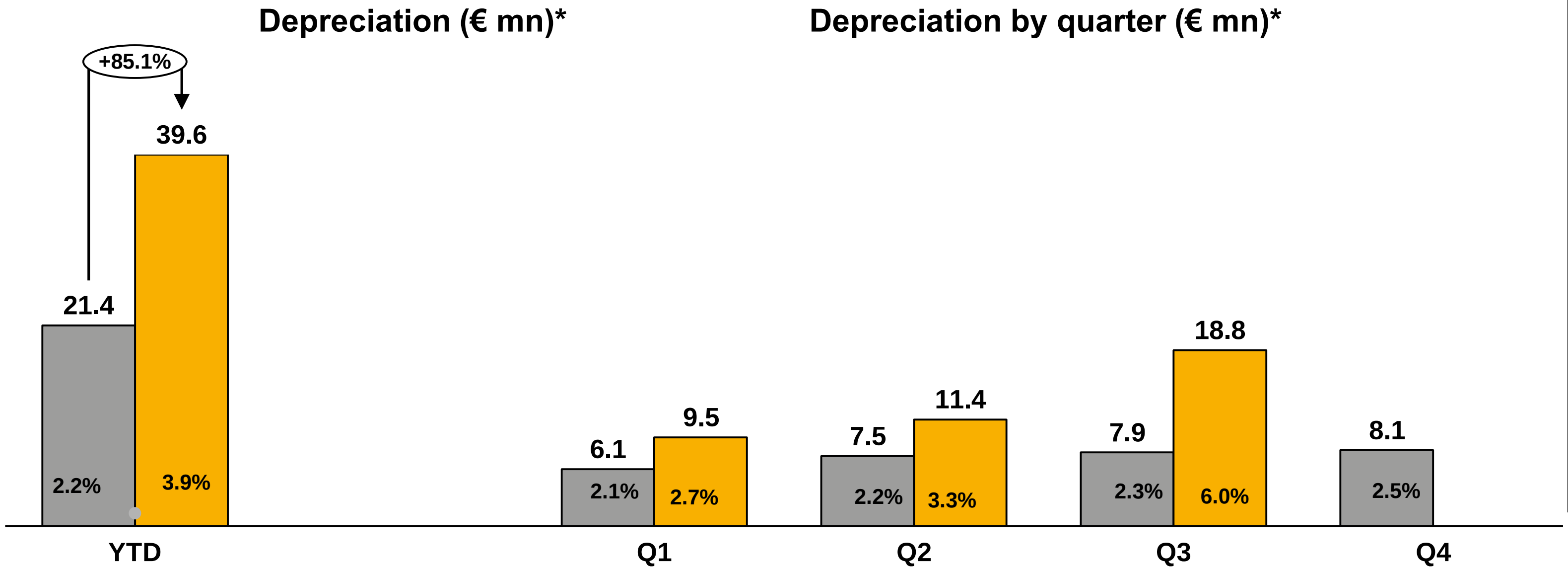
* Goodwill impairment results from historic goodwills allocated to the China region in the course of the separation of the APAC/China region into two distinct regions APAC and China at the beginning of the year.

Profit and loss account

(kEUR)	Q1-Q3 2019	Q1-Q3 2018
Sales	**1,008,626**	**980,853**
Gross profit	**164,241**	**155,382**
as % of sales	*16.3*	*15.8*
EBIT	**38,895**	**59,299**
as % of sales	*3.9*	*6.0*
Financial result	-8,747	-9,309
Result before tax	**30,148**	**49,990**
Income tax	-12,868	-12,963
Tax rate (%)	*42.7*	*25.9*
Result for the period	**17,280**	**37,027**

Investments and depreciation

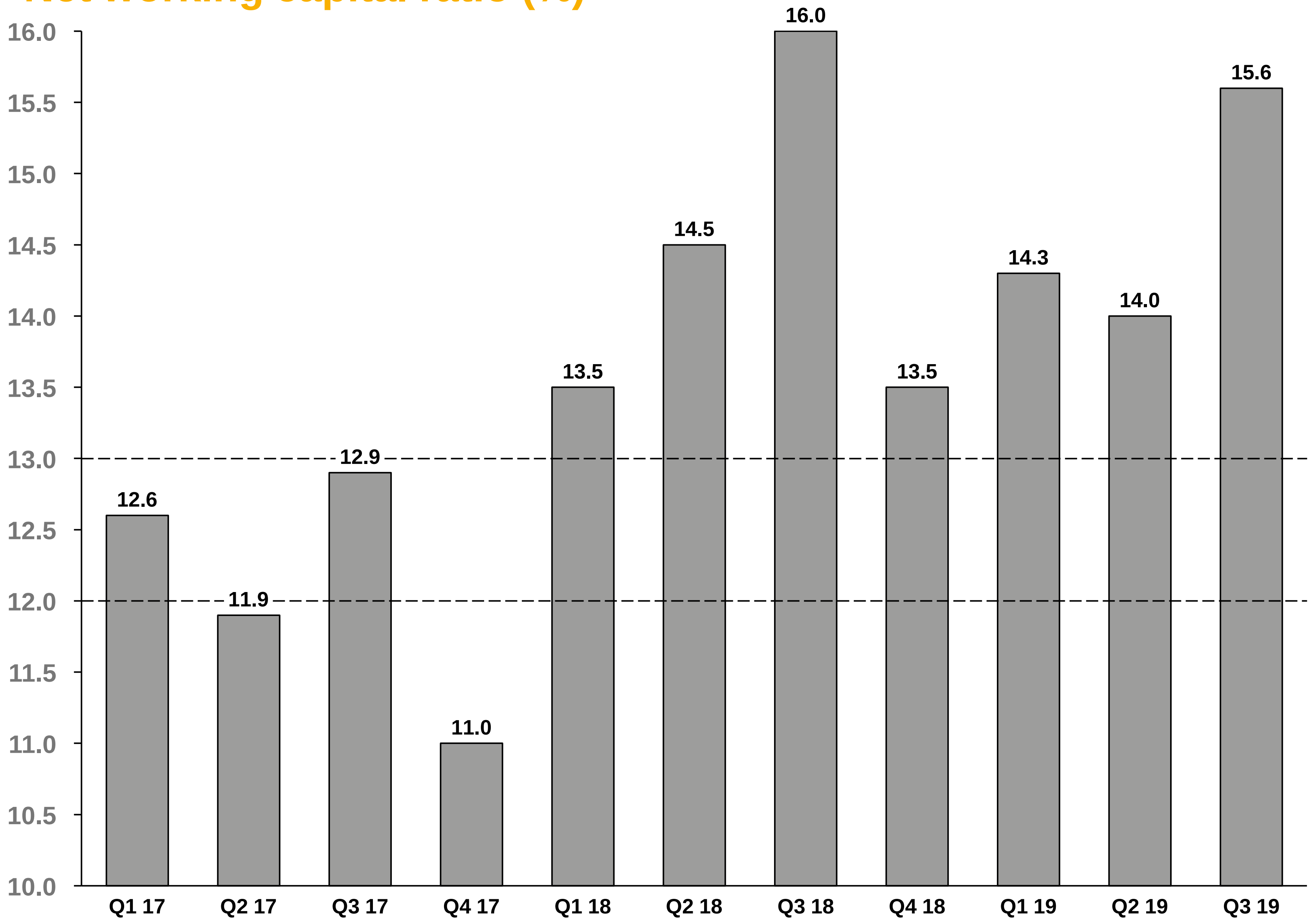




- Investments in plant, property, equipment and intangible assets of € 36.9 mn
- Operating cash flow covers investment level
- Focus of investments: construction of the Chinese Greenfield project, rationalisation and expansion investments in the US, office building in Germany
- Close monitoring of the investment approval process to streamline capital allocation
- Depreciation increased mainly due to IFRS 16 effects (€ 5.8 mn) and goodwill impairment (€ 6.7 mn)

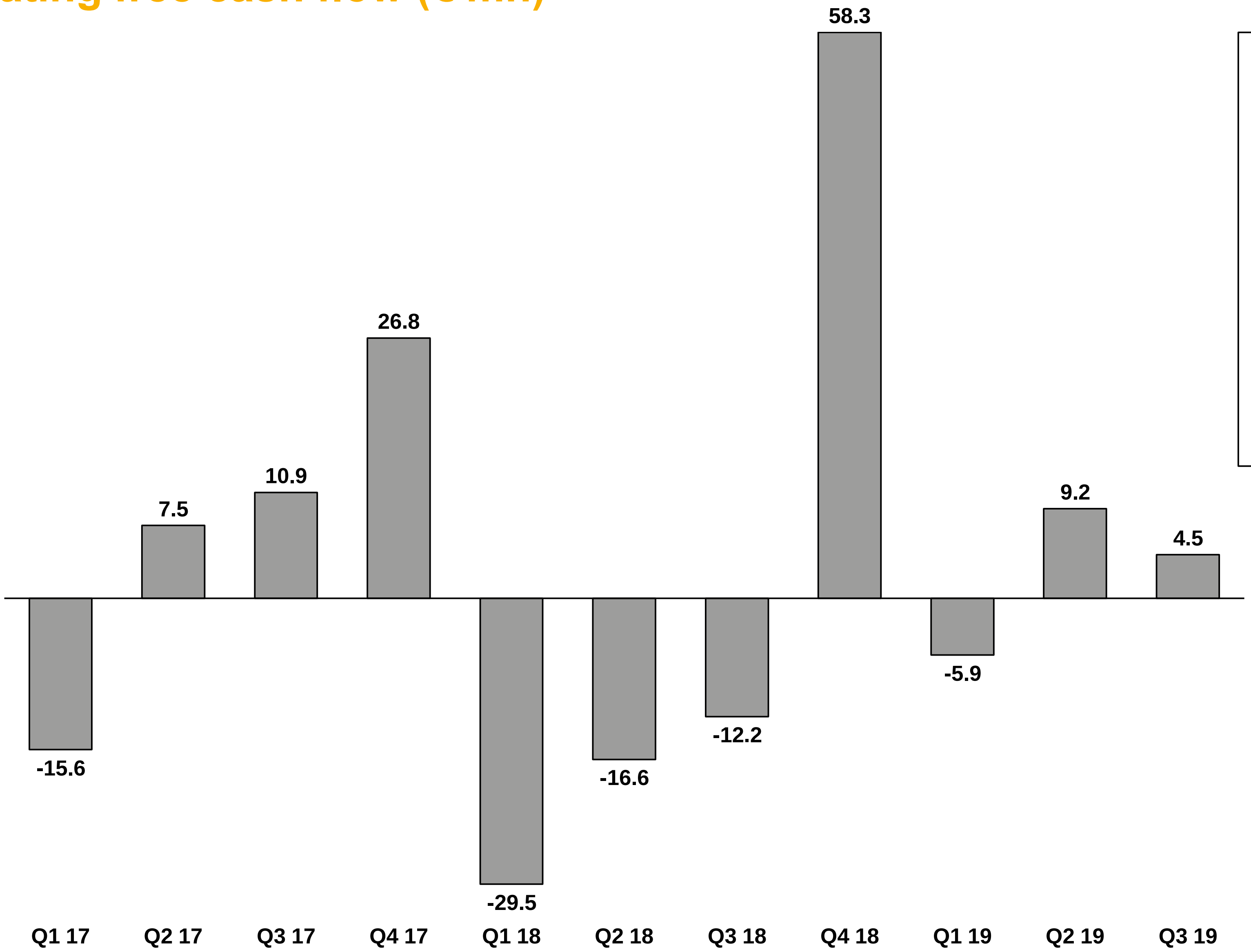
* All figures shown are rounded, minor discrepancies may arise from additions of these amounts.

Net working capital ratio (%)



- Net working capital (NWC) 10.4 per cent or € 22.8 mn below previous year‘s figure
  - Inventories 5.6 per cent below prior year’s level despite sales increase of 2.8 per cent
  - Trade receivables down 19.5 per cent on substantially improved cash collection
  - Trade payables down 17.1 per cent or € 27.2 compared to 9M/2018
  - NWC ratio decreased from 16.0 per cent to 15.6 per cent despite sales increase of 2.8 per cent

Operating free cash flow (€ mn)*

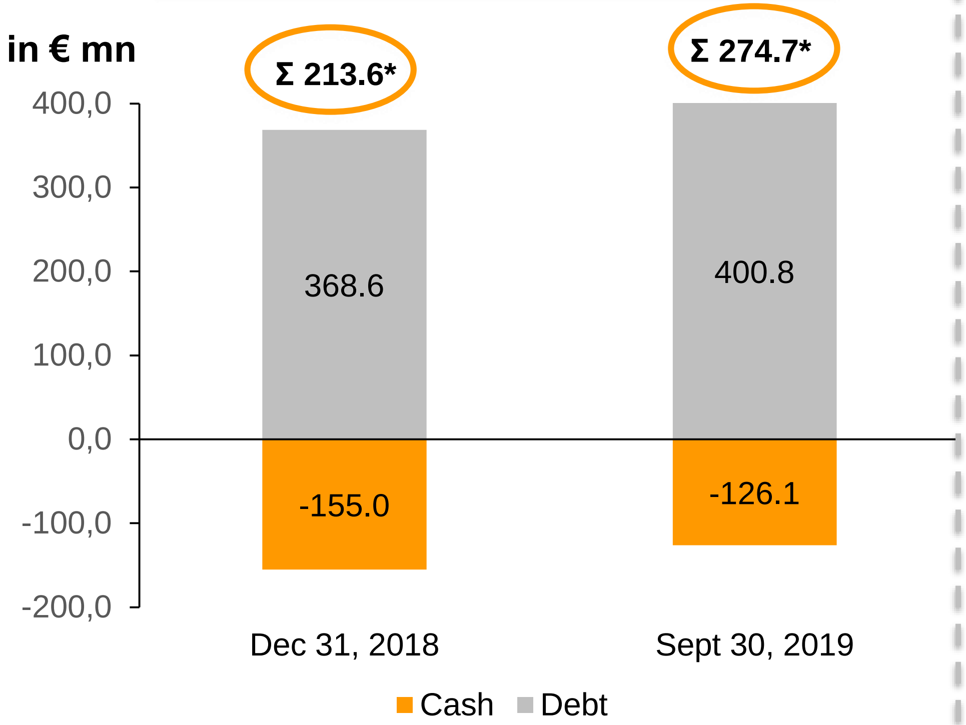


- Changes in net working capital in 9M/2019 significantly lower than in 9M/2018
- Operating cash flow at € 44.7 mn (9M/2018: € -33.0 mn)
- Investing cash flow (PP&E and intangible assets): +45.9 per cent to € 36.9 mn
- Positive operating FCF

* All figures shown are rounded, minor discrepancies may arise from additions of these amounts.

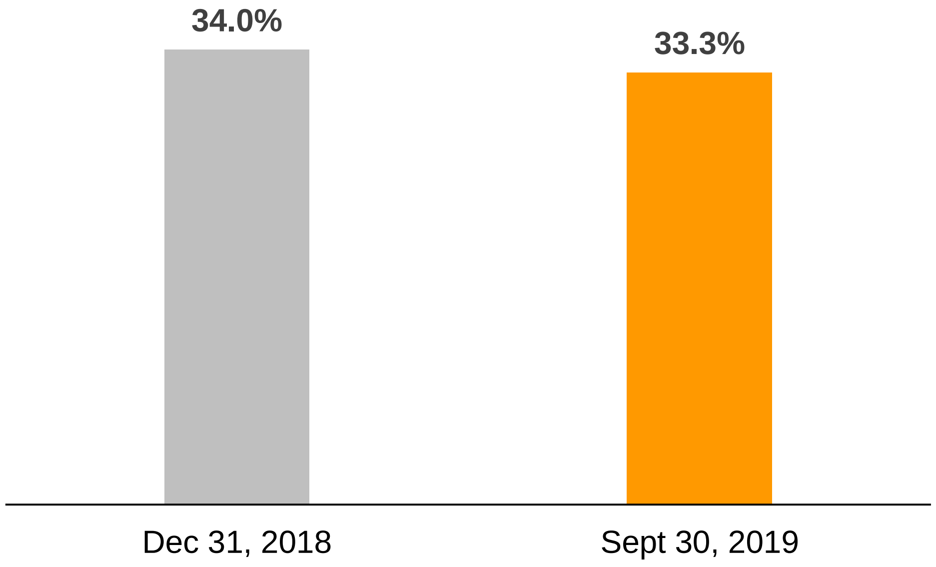
Net debt at € 274.7 mn – Equity ratio remains solid at 33.3%

Net debt incl. finance lease liabilities



Net debt/EBITDA (RCF) **1,91** **2,13**

Equity ratio



* Net debt (incl. finance lease liabilities) per September 30, 2019 increased to € 274.7 mn. First time application of IFRS 16 alone accounts for approx. € 33.3 mn. Cash and cash equivalents and other short-term investments fell from € 155.0 mn to € 126.1 mn and were influenced by dividend payments and purchase price payments for Stara Group and PressureGuard. The equity ratio as of Sept 30, 2019 was 33.3 per cent.

2019/2020: Setting solid foundations for the next phase

- **Re-start China in Yangzhou**
  - ➢ Provide competitive products for the domestic Chinese market
  - ➢ Win new orders in the domestic Chinese market
  - ➢ Expand strategic customer relationships
  - ➢ Reduce operating losses in China substantially
- **Accelerate efforts regarding Program FORWARD with focus on operational excellence**
- **Improve SG&A ratio worldwide**
- **Drive aftermarket expansion in core markets**
- **Enhance free cash flow generation – Focus on sound capital allocation and working capital optimisation**
- **Secure solid financial profile**
  - ➢ Even out debt profile
  - ➢ Financial covenants under control

Agenda

- H1 2019 at a glance
- Financial performance H1 2019
- **Outlook**

Outlook: Truck and trailer production

	Western & Eastern Europe			North America			China	
	Truck[1]	Trailer[2]		Truck[3]	Trailer[3]		Truck[1]	Trailer[2]
2018	-2%	+6%	2018	+27%	+12%	2018	-7%	-4%
2019E	+1%	-15% to -20%	2019E	+6%	+2%	2019E	-3%	-20%
2020E	+1%	+0%	2020E	-31%	-18%	2020E	-13%	+0%

2020E: No growth in Western & Eastern Europa and in China, North America with a significant decline.

[1] LMC Global Commercial Vehicles Forecast, medium & heavy truck, local sources
[2] CLEAR, local sources
[3] ACT Truck & Trailer Outlook, local sources

Outlook: Truck and trailer production

South America			India		
	Truck[1]	Trailer[2]		Truck[1]	Trailer[2]
2018	+23%	+55%	**2018**	+41%	+13%
2019E	+14%	+27%	**2019E**	-60%	-60%
2020E	+15%	+0%	**2020E**	-10%	-12%

2020E: South America with stable development, India with a weaker development.

[1] LMC Global Commercial Vehicles Forecast, medium & heavy truck, local sources
[2] CLEAR, local sources

Financial targets 2019

	FY 2018	FY 2019 (new)	FY 2019 (old)
Sales	€ 1,300.6 mn	0 to -3 per cent	+ 4 to 5 per cent
Adj. EBIT margin	6.9 per cent	6.0 per cent to 6.5 per cent	Around the mid-point of the 7 to 8 per cent range
Net working capital ratio	13.5 per cent	13 per cent to 14 per cent	13 per cent
CAPEX	€ 40.8 mn	€ 58 to 63 mn	€ 68 to 70 mn

* Projections assume that there is no significant deterioration of the political, economic or industry-specific environment; organic projections do not include potential sales and earnings contributions from acquisitions or JVs

Resilient business model supported by

High aftermarket share

- Around 25 per cent of total sales* with high margin contribution
- # 1 Network in Europe and North America

Global footprint and local content

- Strong core brands across the two main regions (SAF, HOLLAND) complemented by strong regional brands (York, KLL, V.Orlandi) with international potential
- Different brands for specific customer needs and markets
- Local application engineering

Operational Excellence

Strict SG&A control

Diversified customer base

- Large footprint into OEs and fleets of different sizes
- Broad industry and application coverage

New revenue sources

- Digital trailer management (SMART STEEL)
- Sustainability related aspects of lightweight strategy and innovative additions to product portfolio

* as of September 30, 2019

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