

Corporate News

SAF-HOLLAND SE achieves adjusted EBIT of EUR 124.6 million and operating free cash flow of EUR 120.0 million in financial year 2022

- **Group sales up 25.6% to EUR 1,565.1 million (previous year: EUR 1,246.6 million)**
- **Result for the period 66.4% higher at EUR 61.2 million**
- **Adjusted earnings per share equals EUR 1.82 (previous year: EUR 1.35)**
- **Dividend proposal of EUR 0.60 per share**

Bessenbach (Germany), March 30, 2023 +++ SAF-HOLLAND SE ("SAF-HOLLAND"), a leading supplier of trailer and truck components, today published its audited financial figures and dividend proposal for the 2022 financial year.

Increased sales forecast exceeded once again

For full-year 2022, SAF-HOLLAND was able to expand Group sales by 25.6% to a new record level of EUR 1,565.1 million (previous year: EUR 1,246.6 million). This resulted in Group sales exceeding the forecast that was raised several times during the year, with the latest sales forecast around the upper end of the range of EUR 1.4 billion to EUR 1.5 billion. Growth was driven by continued solid production figures for trailers and trucks in the core markets of North America and Europe, as well as by market share gains and a boost in sales from positive currency effects. Adjusted for currency and acquisition effects, organic sales growth was still strong at 17.9%.

The strong sales growth in the Americas (+47.0%) and APAC (+44.5%) regions was the main contributor to this performance. In the increasingly important Indian transport market, the Company benefited as the regional market leader from the ongoing government expansion programs for transport infrastructure and the increasing regulatory requirements for braking systems for trucks and trailers. In the EMEA region, where the overall economic environment and supply chain situation were particularly challenging in 2022, the Group was still able to achieve sales growth of 11.0%.

Adjusted EBIT margin rises to 8.0%

SAF-HOLLAND managed to compensate for the sharp rise in steel, freight and energy costs through price adjustments, higher efficiency in the production areas as well as proportionately a smaller increase in administrative cost than in sales. This helped drive a 40.7 % increase in EBIT to EUR 101.5 million (previous year: EUR 72.1 million). The adjusted EBIT rose by 33.8% to EUR 124.6 million (previous year: EUR 93.1 million). The adjusted EBIT margin reached 8.0%, compared to 7.5% in the previous year. In viewing segment performance, the APAC region, where the adjusted EBIT margin reached 10.1% (previous year: 1.7%), stood out in particular. The finance result primarily reflects the assumption of additional financial liabilities to finance the acquisition of the Swedish braking systems specialist Haldex and declined to EUR -13.0 million (previous year: EUR -9.4 million). The result before income tax amounted to EUR 88.5 million (previous year: EUR 62.7 million).

Stronger rise in result for the period

Based on a normalized tax rate of 30.8%, compared to the previous year, the Group recorded an increase in the result for the period of 66.4% to EUR 61.2 million (previous year: EUR 36.8 million). Earnings per share reached EUR 1.35 (EUR 0.81) and EUR 1.82 (previous year: EUR 1.35) when adjusted for non-recurring items.

Supported by the "Cash is King" program, the Company succeeded in successively reducing the amount of capital tied up in current assets. By generating operating free cash flow of EUR 120.0 million (previous year: EUR 16.1 million), the Group also demonstrated its strong ability to finance itself internally. At 12.9%, the return on capital employed (ROCE) exceeded the cost of capital, even with the acquisition of the Haldex shares. In the medium term, SAF-HOLLAND Group is aiming for a ROCE of at least 15%.

Alexander Geis, CEO of SAF-HOLLAND SE, in his comments on the financial year: "Despite a challenging environment, we are pleased to have significantly exceeded the targets we set ourselves for the 2022 financial year. The record sales and strong earnings are also reflected in the dividend proposal of EUR 0.60 (previous year: EUR 0.35) per share to the Annual General Meeting on May 23. This amount represents a total dividend distribution of EUR 27.2 million, corresponding to a payout ratio of approximately 44.6% of the Group's result for the period attributable to equity holders of the parent."

Outlook 2023: Adjusted EBIT margin, including Haldex, expected to range from 7.5% to 8.5%

Assuming a moderate decline in the mid single-digit percentage range in production figures in the European and North American truck and trailer markets, the Management Board expects the SAF-HOLLAND Group to be able to achieve Group sales in the range of EUR 1,800 million to EUR 1,950 million in the 2023 financial year. This guidance assumes stable exchange rates and includes Haldex AB, which was added to the Group's scope of consolidation as of February 21, 2023. The sales volume and revenue development of Haldex is fundamentally subject to similar parameters as in the case of SAF-HOLLAND, both in terms of the market and with regard to the product portfolio and could be somewhat more dynamic from the fourth quarter of 2023 due to new product ramp-ups. Taking into account the sales contributions of Haldex already as of January 1, 2023, the Management Board assumes Group sales on a pro forma basis for the 2023 financial year in the range of EUR 1,850 million to EUR 2,000 million. The sales contribution from Haldex as of the beginning of the 2023 financial year to the date of consolidation is included in the calculation on a pro rata basis.

Based on the expected market development described and the ongoing transformation of Haldex, the Group, including Haldex, is planning with an adjusted EBIT margin in the range of 7.5% to 8.5% both for the period from the initial consolidation of Haldex AB as of February 21, 2023, to the end of the 2023 financial year, and on a pro forma basis for the full financial year from January 1, 2023, to December 31, 2023.

Live broadcast of investor and analyst conference

SAF-HOLLAND will broadcast the investor and analyst conference (in English only) via the internet at 10.00 a.m. (CEST) on 30 March 2023. This broadcast will be available on SAF-HOLLAND's website.

The Annual Report 2022, the Sustainability Report 2022 and the press release are also available on the SAF-HOLLAND website.

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About SAF-HOLLAND

SAF-HOLLAND SE is a leading international manufacturer of suspension-related assemblies and components for trailers, trucks and buses. The product range includes, among other things, axle and suspension systems for trailers, fifth wheels for trucks and coupling systems for trucks, semi-trailers and trailers as well as brake and EBS systems. In addition, SAF-HOLLAND develops innovative products to increase the efficiency, safety and environmental friendliness of commercial vehicles. The focus here is on the digitalization and networking of trailers as well as the electrification of axles. The products and solutions are marketed under the brands SAF, Holland, Haldex, V.Orlandi, TrailerMaster, Neway, KLL and York. SAF-HOLLAND supplies original equipment to vehicle manufacturers on six continents. In the aftermarket business, the company supplies spare parts to manufacturers' service networks as well as to wholesalers and, through an extensive global distribution network, to end customers and service centers. Around 5,900 dedicated employees worldwide are already working on the future of the transport industry. SAF-HOLLAND shares have been listed in the Prime Standard of the German Stock Exchange since 2007 and are part of the SDAX selection index. For further information, please visit www.safholland.com.