

Corporate News

SAF-HOLLAND SE with record year and significantly increased dividend proposal

- **Group sales increase by +34.6% to a new record level of EUR 2,106.2 million (previous year: EUR 1,565.1 million)**
- **Adjusted EBIT margin significantly increased to 9.6% (previous year: 8.0%)**
- **Net profit for the period of EUR 80.5 million grows by 31.5% (previous year: EUR 61.2 million)**
- **Significant reduction in leverage to 1.8x, driven in part by strong free operating cash flow of EUR 142.7 million (previous year: EUR 120.0 million)**
- **Dividend of EUR 0.85 per share proposed (previous year: EUR 0.60)**

Bessenbach (Germany), March 14, 2024. The SAF-HOLLAND SE ("SAF-HOLLAND"), one of the world's leading suppliers of trailer and truck components, today published its annual report for the 2023 fiscal year.

In 2023, SAF-HOLLAND was able to increase Group sales by 34.6% to a new record of EUR 2,106.2 million (previous year: EUR 1,565.1 million). The strong growth was largely due to the inclusion of Haldex AB in the scope of consolidation from February 21, 2023, which contributed EUR 399.4 million to Group sales in this period. Even organically - excluding the influence of exchange rate and acquisition effects - Group sales grew significantly by 11.4%, supported by high customer demand for trailer and truck components in all regions of the Group, particularly in the Americas and APAC.

Based on the strong growth of the original equipment business in previous periods, the aftermarket business grew organically in the mid-single-digit percentage range. Overall, the aftermarket business generated sales of EUR 658.1 million (previous year: EUR 421.1 million), which corresponds to a share of 31.2% (previous year: 26.9%) of Group sales. Hence, the target communicated during the Haldex takeover of expanding the share of the aftermarket business to over 30% was achieved in the reporting year.

The distribution of Group sales by region has shifted in favor of the Americas region because of the Haldex takeover. Sales there increased by 50.8% compared to the previous year to EUR 890.3 million (previous year: EUR 590.6 million), which corresponds to a share of 42.3% (previous year: 37.7 %) of Group sales. As a result, the Americas region has almost caught up with the EMEA region. EMEA, which remains the Group's largest region, grew by 16.1% and generated sales of EUR 946.3 million in the 2023 fiscal year (previous year: EUR 815.3 million). This corresponds to a share of 44.9% (previous year: 52.1 %) of Group sales. In the APAC region, sales of EUR 269.5 million (previous year: EUR 159.2 million) were generated, which corresponds to a share of Group sales of 12.8% (previous year: 10.2%) respectively growth of 69.3% compared to the same period of the previous year.

Adjusted EBIT margin significantly increased to 9.6%

Adjusted EBIT increased significantly by 62.2% in the 2023 fiscal year, reaching EUR 202.1 million (previous year: EUR 124.6 million). This corresponds to an adjusted EBIT margin of 9.6% (previous year: 8.0%) and is slightly above the outlook of around 9.5% for the 2023 fiscal year. In addition to the expansion of the gross margin, cost improvements, economies of scale due to higher production volumes and process optimizations contributed

to the margin improvement. The achievement of synergy effects from the integration of Haldex and a higher share of the aftermarket business also supported the improvement in profitability.

Profit for the period benefits from good operating performance – Proposed dividend of EUR 0.85 per share

Taking into account the change in the financial result by EUR -29.1 million to EUR -42.1 million (previous year: EUR -13.0 million), which was largely influenced by the financing of the Haldex acquisition, and a Group tax rate of 33.8% (previous year: 30.8%), the Group generated a net profit for the period of EUR 80.5 million in the 2023 fiscal year (previous year: EUR 61.2 million), which corresponds to an increase of 31.5%.

Based on the unchanged number of 45.4 million ordinary shares issued compared to the previous year, earnings per share for the 2023 fiscal year improved significantly by 30.4% to EUR 1.76 (previous year: EUR 1.35).

Adjusted net profit for the period, which is adjusted for special effects outside SAF-HOLLAND's ordinary business activities, improved by 44.1% to EUR 119.1 million in fiscal year 2023 (previous year: EUR 82.6 million). Accordingly, adjusted earnings per share amounted to EUR 2.61 (previous year: EUR 1.82), which corresponds to an increase of 43.4%.

The Supervisory Board and Management Board of SAF-HOLLAND SE will propose a dividend of EUR 0.85 per share for the 2023 fiscal year (previous year: EUR 0.60) to the Annual General Meeting to be held on June 11, 2024. This corresponds to a payout ratio of around 48% of the available net profit attributable to the shareholders of the parent company and is thus at the upper end of the range of the dividend policy of distributing 40 to 50% of the available net profit for the period. Based on the Xetra year-end closing price of the SAF-HOLLAND share on December 29, 2023 of EUR 15.20, this results in a dividend yield of 5.6%.

Significantly reduced leverage despite Haldex takeover

Free operating cash flow increased significantly by EUR 22.7 million compared to the previous year, from EUR 120.0 million to EUR 142.7 million. This was mainly the result of a stronger operating result and strict working capital management in the fiscal year. The increase in investments in property, plant and equipment and intangible assets because of the business expansion had a counteracting effect. With an investment ratio of 2.9%, SAF-HOLLAND remained within the given outlook of investing up to 3% of Group sales in the past fiscal year.

The leverage ratio (ratio of net financial debt to EBITDA) fell significantly to 1.8 at the end of 2023, which had risen sharply in the previous year due to the acquisition of Haldex. This was primarily due to the expansion of the Group's profitability and a significant improvement in net debt resulting from the systematic continuation of the cash-is-king program launched in the previous year.

Alexander Geis, CEO of SAF-HOLLAND SE: "In the past year we grew substantially not only due to the acquisition of Haldex, but also driven by the continued strong demand for our products and solutions. We have set new records in terms of both sales and profitability. Those will enable us to face the challenges of tomorrow with greater strength based on our resilient business model."

Outlook for the 2024 fiscal year

In the outlook for the current fiscal year 2024, the Management Board assumes that demand for components for commercial vehicles will vary from region to region in 2024. Targeted market share gains are unlikely to fully compensate for the negative effects of the market slowdown in the core markets of EMEA and North America. In

contrast, the aftermarket business is currently expected to remain stable to slightly positive based on the increased population from the original equipment deliveries of previous years. Overall, the Management Board expects the SAF-HOLLAND Group to generate Group sales of around EUR 2,000 million in fiscal year 2024 (previous year: EUR 2,106.2 million) based on stable exchange rates.

It is expected that the lower sales volumes as well as increased wage, IT and freight costs will affect profitability in 2024. In contrast, SAF-HOLLAND plans to partially offset the negative effects with a cost structure adapted to the order situation, efficiency improvements and the realization of further synergy potential from the integration of Haldex. In addition, the increased share of the aftermarket business should have a positive effect on margin development. Overall, the Management Board anticipates an adjusted EBIT margin for the Group of between 9.0% and 9.5% (previous year: 9.6%).

To achieve its medium and long-term growth targets and to position the company for the future in terms of its products, the Group is planning an investment ratio of up to 3% of consolidated sales for the 2024 fiscal year (previous year: 2.9%).

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About SAF-HOLLAND

SAF-HOLLAND SE is a leading international manufacturer of chassis-related assemblies and components for trailers, trucks, and buses. With its around 6,000 dedicated employees worldwide, the company generated sales of EUR 2.11 billion in 2023.

The product range includes axle and suspension systems for trailers as well as fifth wheels and coupling systems for trucks, trailers, and semi-trailers as well as brake and EBS systems. In addition, SAF-HOLLAND also develops innovative products to increase the efficiency, safety, and environmental friendliness of commercial vehicles. With the brands SAF, Holland, Haldex, V.Orlandi, Neway, KLL and York, the Group achieved strong market positions in the top three positions in the most important regions worldwide in 2023.

SAF-HOLLAND supplies manufacturers in the original equipment market on six continents. In the aftermarket business, the company supplies spare parts to manufacturers' service networks and wholesalers as well as to end customers and service centers via an extensive global distribution network.

SAF-HOLLAND SE is listed in the Prime Standard of the Frankfurt Stock Exchange and is included in the SDAX (ISIN: DE000SAFH001). Further information is available at www.safholland.com.