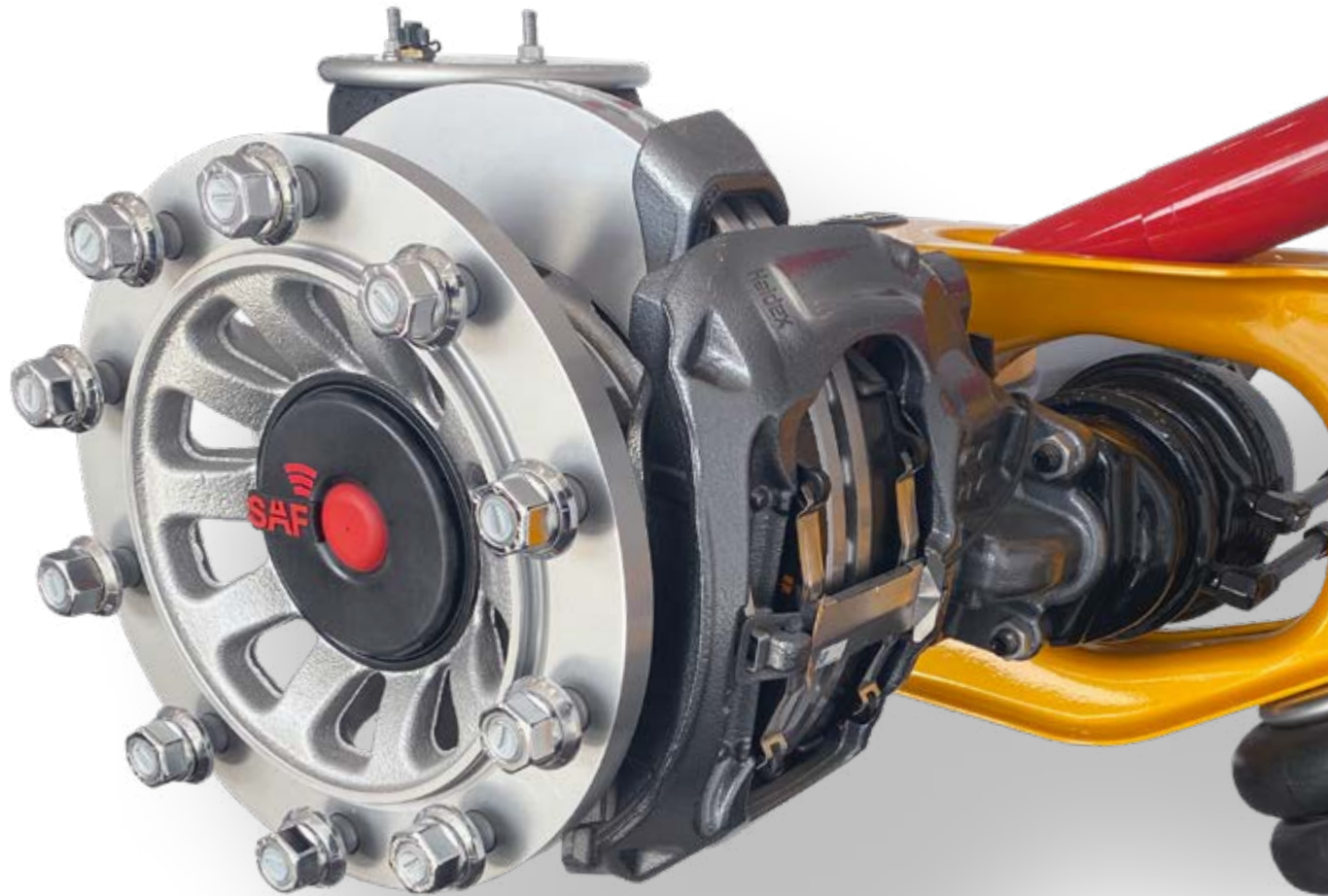


Building the future – stronger together



KEY FIGURES

Results of Operations

in kEUR						
	Q1 – Q3/ 2023	Q1 – Q3/ 2022	Change in %	Q3/ 2023	Q3/ 2022	Change in %
Sales	1,588,983	1,175,641	35.2 %	552,887	402,388	37.4 %
Gross profit	304,395	196,429	55.0 %	110,687	69,685	58.8 %
Gross profit margin in %	19.2 %	16.7 %		20.0 %	17.3 %	
Adjusted gross profit	313,779	199,916	57.0 %	112,266	71,906	56.1 %
Adjusted gross profit margin in %	19.7 %	17.0 %		20.3 %	17.9 %	
EBITDA	180,622	110,331	63.7 %	73,173	39,152	86.9 %
EBITDA margin in %	11.4 %	9.4 %		13.2 %	9.7 %	
Adjusted EBITDA	194,364	119,880	62.1 %	73,259	46,443	57.7 %
Adjusted EBITDA margin in %	12.2 %	10.2 %		13.3 %	11.5 %	
EBIT	124,924	75,676	65.1 %	52,643	26,957	95.3 %
EBIT margin in %	7.9 %	6.4 %		9.5 %	6.7 %	
Adjusted EBIT	152,773	92,281	65.6 %	58,596	36,664	59.8 %
Adjusted EBIT margin in %	9.6 %	7.8 %		10.6 %	9.1 %	
Result for the period without non-controlling interests	62,249	47,356	31.4 %	25,103	16,388	53.2 %
Adjusted result for the period without non-controlling interests	93,544	62,427	49.8 %	35,293	24,450	44.3 %
Basic earnings per share in EUR	1,37	1,04	31.7 %	0,55	0,36	52.8 %
Adjusted earnings per share in EUR	2,06	1,38	49.3 %	0,78	0,54	44.4 %

Net Assets (Equity + Liabilities)

in kEUR			
	09/30/ 2023	12/31/ 2022	Change in %
Balance sheet total	1,706,512	1,498,423	13.9 %
Equity	468,753	441,354	6.2 %
Equity ratio in %	27.5 %	29.5 %	
Non-current and current liabilities	1,237,759	1,057,069	17.1 %

Financial position

in kEUR						
	Q1 – Q3/ 2023	Q1 – Q3/ 2022	Change in %	Q3/ 2023	Q3/ 2022	Change in %
Net cash flow from operating activities	128,062	73,525	74.2 %	84,426	54,752	54.2 %
Net cash flow from investing activities (property, plant and equipment/intangible assets)	- 26,473	- 15,996	65.5 %	- 13,317	- 5,922	124.9 %
Operating free cash flow	101,589	57,529	76.6 %	71,109	48,830	45.6 %
Net cash flow from investing activities (acquisition of subsidiaries)	-	- 286,462	- 100.0 %	-	- 258,100	- 100.0 %
Total free cash flow	101,589	- 228,933	- 144.4 %	71,109	- 209,270	- 134.0 %

Yield

in %		Q1 – Q3/ 2023	Q1 – Q3/ 2022
Return on capital employed (ROCE)		18.3 %	12.2 %

Employees

	09/30/ 2023	12/31/ 2022	Change in %
Employees	6,167	3,768	63.7 %

All figures shown are rounded. Minor discrepancies may arise from additions of these amounts.

Operating free cash flow = Net cash flow from operating activities less net cash flow from investing activities (purchase of PP&E and intangible assets less proceeds from sales of PP&E).

ROCE = Adjusted EBIT / (total equity + financial liabilities + lease liabilities) + pension and other similar benefits – cash and cash equivalents).

Employees at the reporting date = Active employees and temporary workers.

— Contents

Interim Group Management Report

- 4 Industry Environment
- 5 Significant Events in the third quarter of 2023
- 6 Report on Economic Position
- 19 Outlook
- 21 Risk and Opportunity Report
- 22 Subsequent Events

Interim Consolidated Financial Statements

- 23 Consolidated Statement of Profit and Loss
- 24 Consolidated Statement of Comprehensive Income
- 25 Consolidated Balance Sheet
- 26 Consolidated Statement of Cash Flows
- 27 Segment Information

Additional Information

- 28 Financial Calendar and Contact Information
- 28 Imprint

INDUSTRY ENVIRONMENT

Assessing the regional developments, the different levels of importance for SAF-HOLLAND of the Original Equipment Trailer, Original Equipment Truck and Aftermarket customer groups should be taken into account. In the Original Equipment Trailer and Aftermarket customer segments, SAF-HOLLAND is active globally. In the first nine months of 2023, the Original Equipment Trailer customer group represented 55.8% of Group sales and the Aftermarket business 30.8%. The Original Equipment Truck customer group, which generates the majority of its sales in the Americas region, accounted for 13.4% of Group sales.

In the **EMEA** region, there continued to be some reluctance to purchase new equipment on the part of trailer customers in the third quarter of 2023 amid a challenging economic environment. According to SAF-HOLLAND estimates, trailer production in the EMEA region in the first nine months of 2023 was around 5% below the previous year's level. The truck market, in contrast, continued to see solid demand, primarily supported by the replacement needs of fleet operators. Based on SAF-HOLLAND's estimates, the production of heavy trucks in EMEA regions has increased by around 10% since the beginning of the year.

The **North American commercial vehicle market** declined in the third quarter. According to SAF-HOLLAND estimates and supported by figures from ACT Research, the trailer market saw a year-on-year decrease of around 4%. Growth was still strong in the first half of 2023, with increases of +16.2% in Q1 2023 and +9.3% in Q2 2023, according to data from ACT Research. The truck market in North America recorded slightly weaker growth in the third quarter of 2023 compared to previous quarters. It should be noted that the summer months tend to be somewhat weaker in terms of seasonality, as customers wait for the opening of truck manufacturers' order books for the coming year, among others. Based on SAF-HOLLAND estimates and supported by figures from ACT Research, a total of 3% more trucks were built than in the prior year. The two previous quarters still showed significant increases of +17.2% in Q1 and 11.4% in Q2 2023, according to ACT Research.

In **Brazil**, which is the most important commercial vehicle market in South America, the mixed development continued. According to SAF-HOLLAND estimates and supported by figures from the industry association ANFIR (Associação Nacional Fabricantes de Implementos Rodoviários), the trailer market grew by around 5% year-on-year in the January to September 2023 period. During this same period, the truck market declined by around 39%, according to SAF-HOLLAND estimates and supported by figures from the industry association ANFAVEA (Associação Nacional dos Fabricantes de Veículos Automotores).

In **China**, the recovery of the commercial vehicle markets continued in the third quarter of 2023, after strong production declines were recorded in the previous year due to restrictions from China's zero-COVID strategy. According to SAF-HOLLAND estimates, trailer production in the first nine months of 2023 grew by around 63% and heavy truck production by around 36%.

In **India**, SAF-HOLLAND's most important market in the APAC region, the encouraging market development continued in the third quarter, spurred on by extensive government infrastructure programs, sustained population growth, and positive overall economic development. According to SAF-HOLLAND estimates and supported by data from the Society of Indian Automobile Manufacturers (SIAM), around 77% more trailers have rolled off the production lines year-on-year since the beginning of 2023. This also resulted in high double-digit growth in the third quarter. In India, SAF-HOLLAND is predominantly active in the trailer sector. Based on estimates from SAF-HOLLAND and supported by SIAM data, around 5% more trucks were produced in the third quarter than in the same prior-year period, which reflects significantly higher growth in the truck sector compared to the first half of the year.

SIGNIFICANT EVENTS IN THE THIRD QUARTER OF 2023

INCREASE IN FULL-YEAR OUTLOOK FOR 2023

On August 8, 2023, SAF-HOLLAND published an ad hoc release with its preliminary key financial figures for the second quarter of 2023. Based on the solid development in the first half of 2023 and the continued strong demand for trailer and truck components, as well as the significant progress made in achieving the synergy targets after the Haldex acquisition, the Company increased its full-year outlook for 2023. On the date of the release, SAF-HOLLAND expected Group sales to be slightly above EUR 2,000 million (previous outlook: tending around the upper end of the sales range of

EUR 1,800 to 1,950 million). The expectation for the Group's adjusted EBIT margin for full-year 2023 was raised from the previously expected range of 7.5% to 8.5% to up to 9%.

On October 18, 2023, following the end of the reporting period, the Management Board of SAF-HOLLAND SE decided to further adjust its outlook. For more information, please refer to the outlook on page 20.

REPORT ON ECONOMIC POSITION

RESULTS OF OPERATIONS, NET ASSETS AND FINANCIAL POSITION

RESULTS OF OPERATIONS

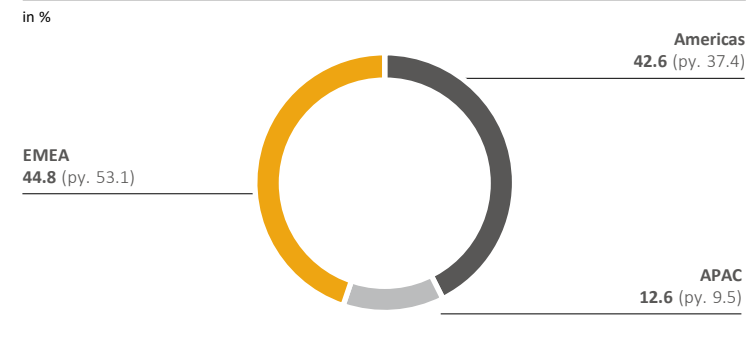
Sales in the first nine months increase by 11.8% organically; third quarter growth driven by aftermarket business

SAF-HOLLAND increased Group sales by 35.2% in the first nine months of 2023 to a total of EUR 1,589.0 million (previous year: EUR 1,175.6 million). This increase largely resulted from the contribution of EUR 297.0 million to Group sales from Haldex AB, which has been included in the scope of consolidation since February 21, 2023. In the context of the ongoing integration of Haldex into SAF-HOLLAND and the increased cross-selling, it is important to note that a portion of Haldex sales are invoiced via SAF-HOLLAND entities. As a result, Haldex sales on a stand-alone basis will gradually lose their significance. On a pro forma basis, assuming SAF-HOLLAND had consolidated Haldex as of January 1, 2023, Group sales in the first nine months of 2023 would have amounted to EUR 1,658.2 million.

Adjusted for exchange rate and acquisition effects, sales increased by 11.8%, or EUR 139.1 million, in the first nine months. Currency translation had a negative impact of EUR 28.8 million, mainly due to the euro's appreciation against the Indian rupee, US dollar and Canadian dollar. The acquisition of IMS completed in the previous year, on the other hand, contributed an additional EUR 6.0 million to Group sales. Strong organic growth was largely driven by persistently high customer demand for trailer

and truck components, as well as to the price adjustments made in 2022 on the back of higher steel, freight and energy costs.

Group sales by segment Q1-Q3 2023



Sales in the third quarter of 2023 increased 37.4% to EUR 552.9 million (previous year: EUR 402.4 million). On an organic basis, sales grew 13.2%, which slightly outpaced the growth rate in the first half year (11.1%). The acceleration in growth in the third quarter was largely attributable to high customer demand in the aftermarket business and strong momentum in the APAC region. The cyberattack and working off the ensuing production backlog had a slightly positive effect on Group sales in the third quarter, mainly in the Americas region.

Group sales by region

in kEUR						
	Q1-Q3/ 2023	Q1-Q3/ 2022	Change in %	Q3 2023	Q3 2022	Change in %
EMEA	711,763	623,923	14.1%	230,875	200,471	15.2%
in % of Group sales	44.8%	53.1%		41.8%	49.8%	
Americas	677,206	439,383	54.1%	244,127	161,332	51.3%
in % of Group sales	42.6%	37.4%		44.1%	40.1%	
APAC	200,014	112,335	78.1%	77,885	40,585	91.9%
in % of Group sales	12.6%	9.5%		14.1%	10.1%	
Group sales	1,588,983	1,175,641	35.2%	552,887	402,388	37.4%

Share of aftermarket business increases to over one-third of Group sales in the third quarter**Group sales by customer segment**

in kEUR						
	Q1-Q3/ 2023	Q1-Q3/ 2022	Change in %	Q3 2023	Q3 2022	Change in %
Original Equipment Trailer	886,119	704,343	25.8%	292,843	238,716	22.7%
in % of Group sales	55.8%	60.0%		53.0%	59.3%	
Original Equipment Trucks	213,649	149,764	42.7%	72,353	52,120	38.8%
in % of Group sales	13.4%	12.7%		13.1%	13.0%	
Aftermarket business	489,215	321,534	52.2%	187,691	111,552	68.3%
in % of Group sales	30.8%	27.3%		33.9%	27.7%	
Group sales	1,588,983	1,175,641	35.2%	552,887	402,388	37.4%

The distribution of sales by customer segment in the first nine months of 2023 made a marked shift in favor of the more cyclically resilient aftermarket business. With an increase in sales of 52.2% to EUR 489.2 million (previous year: EUR 321.5 million), the aftermarket business increased its share of Group sales to 30.8% (previous year: 27.3%). This increase was largely due to the inclusion of Haldex, as Haldex generates around half of its sales from the aftermarket business. SAF-HOLLAND's aftermarket business has also benefitted from the strong growth in the original equipment business in recent quarters, as a higher population of SAF-HOLLAND products has a positive influence on the demand for spare parts. Sales in the Original Equipment Trucks business increased by 42.7% in the 2023 nine-month period. This business benefitted particularly from continued solid demand in the US market. The Original Equipment Trailers business grew its sales by 25.8%. The share of

Group sales accounted for by this business decreased slightly to 55.8% (previous year: 60.0%).

The higher share of sales from the aftermarket business of Haldex, which was consolidated as of February 21, 2023, as well as strong demand from customers and working off the production backlog in the third quarter of 2023, has led to an increase in the share of Group sales from the aftermarket business of 6.2 percentage points to 33.9% in the July to September 2023 period (previous year: 27.7%).

Gross margin expands by 2.5 percentage points

The cost of sales in the first nine months of 2023 increased by 31.2% to EUR 1,284.6 million (previous year: EUR 979.2 million). The key reason for this increase was higher purchasing volumes resulting from higher sales and the first-time inclusion of Haldex.

With the lower percentage increase in the cost of sales in the first nine months compared to sales growth, the gross margin was able to expand by 2.5 percentage points to 19.2% (previous year: 16.7%). The gross margin in the previous year came under pressure from the steep rise in steel, logistics and energy costs, particularly in the first quarter. It was only in the course of 2022 that SAF-HOLLAND was able to gradually pass on some of the higher costs to customers. In addition, further cost reductions resulted from efficiency improvements in the production-related areas in 2023.

The gross margin in the third quarter of 2023 equaled 20.0% (previous year: 17.3%) and was significantly higher than the level of 18.7% achieved

in the first half of 2023. The improvement in the third quarter was largely achieved through the advantageous product mix featuring a significantly greater share of the higher-margin aftermarket business.

Disproportionate increase in earnings before interest and taxes

The overall increase in business volumes led to some significant increases in individual expense items on the income statement for the first nine months of 2023. The comparability with the same prior-year period is limited due to the first-time inclusion of Haldex and purchase price allocation effects.

Earnings development

in kEUR

	Q1-Q3/ 2023	Q1-Q3/ 2022	Change in %	Q3 2023	Q3 2022	Change in %
Sales	1,588,983	1,175,641	35.2%	552,887	402,388	37.4%
Cost of sales	-1,284,588	-979,212	31.2%	-442,200	-332,703	32.9%
Gross profit	304,395	196,429	55.0%	110,687	69,685	58.8%
Gross margin in %	19.2%	16.7%		20.0%	17.3%	
Adjusted gross profit	313,779	199,916	57.0%	112,266	71,906	56.1%
Adjusted gross profit margin in %	19.7%	17.0%		20.3%	17.9%	
Other income	4,619	2,149	114.9%	1,617	452	257.7%
Other expenses	-1,255	-2,219	-43.4%	-13	-61	-78.7%
Selling expenses	-73,793	-53,577	37.7%	-24,061	-17,442	37.9%
Administrative expenses	-82,447	-54,852	50.3%	-25,079	-21,486	16.7%
Research and development expenses	-27,770	-13,451	106.5%	-10,898	-4,612	136.3%
Operating result	123,749	74,479	66.2%	52,253	26,536	96.9%

Selling expenses increased by 37.7% to EUR 73.8 million in the first nine months (previous year: EUR 53.6 million). Among others, this item includes significantly higher depreciation from the purchase price allocation of EUR 9.4 million (previous year: EUR 5.2 million). Administrative expenses increased by 50.3% to EUR 82.4 million (previous year: EUR 54.9 million). Among others, this increase was driven by restructuring and transaction costs of EUR 7.5 million (previous year: EUR 5.5 million) mainly incurred in connection with the cyberattack and the integration of Haldex. Research and development expenses increased significantly to EUR 27.8 million (previous year: EUR 13.5 million) and included amortization from the purchase price allocation of EUR 1.5 million

(previous year: EUR 0.2 million). Analyzing the increase in research and development expenses, it should be taken into account that Haldex has a higher proportion of R&D costs in relation to sales compared to SAF-HOLLAND.

Despite the one-off expenses described above in the course of the acquisition and integration of Haldex as well as the cyberattack, the growth in earnings before interest and taxes (EBIT) outpaced sales growth in the first nine months of 2023, rising by 65.1% to EUR 124.9 million (previous year: EUR 75.7 million), primarily due to the improved gross margin. Accordingly, the EBIT margin increased to 7.9% (previous year: 6.4%).

Earnings before interest, taxes, depreciation and amortization (EBITDA) increased by 63.7% to EUR 180.6 million (previous year: EUR 110.3 million).

Adjusted EBIT margin increases to 9.6%; positive influences from the product mix and synergy effects

To manage and present the Group's underlying operating earnings situation, SAF-HOLLAND adjusts for non-recurring and acquisition-related income and expenses. From the management's perspective, adjusted EBIT and adjusted EBIT margin represent the most important performance indicators for assessing and evaluating the Group's results of operations.

In the first nine months of 2023, non-recurring and acquisition-related expenses and income totaling EUR 27.8 million (previous year: EUR 16.6 million) were incurred at the level of earnings before interest and taxes (EBIT). The purchase price allocation (PPA) for Haldex resulted in an increase in depreciation and amortization from purchase price allocations to EUR 14.1 million (previous year: EUR 7.1 million). SAF-HOLLAND continues to assume that the Haldex acquisition will lead to additional depreciation and amortization of the purchase price (PPA) of around EUR 11 million in 2023. The Haldex acquisition also resulted in a non-recurring expense of EUR 5.3 million from the step-up purchase price allocation from the valuation of inventories. Restructuring and transaction costs in the first nine months of 2023 totaled EUR 7.2 million (previous year: EUR 6.3 million). This item consists primarily of expenses of approximately EUR 4 million related to the cyberattack, as well as expenses of around EUR 2 million incurred in the course of the Haldex integration. There were also non-recurring expenses of EUR 1.3 million (previous year: EUR 1.3 million) in the first nine months due to valuation effects from call and put options.

A significant portion of non-recurring and acquisition-related income and expenses was attributable to the second quarter of 2023, which included the recognition of step-up purchase price allocation from inventory valuation and expenses in connection with the cyberattack. In the third quarter of 2023, expenses totaled EUR 6.0 million (previous year: EUR 9.7 million) and almost exclusively resulted from the depreciation and amortization of purchase price allocations (EUR 5.9 million).

In the 2023 nine-month period, SAF-HOLLAND generated an adjusted EBIT of EUR 152.8 million (previous year: EUR 92.3 million), corresponding to an increase of 65.6%. The adjusted EBIT margin improved significantly from 7.8% to 9.6%, mainly due to the realization of cost improvements, economies of scale through higher production volumes and process optimizations. The improvement in the margin was also supported by previous price increases. Earnings additionally benefited from the earlier-than-expected achievement of synergy effects from the integration of Haldex.

In the third quarter of 2023, adjusted EBIT equaled EUR 58.6 million (previous year: EUR 36.7 million), and the adjusted EBIT margin was 10.6% (previous year: 9.1%). From a quarterly perspective, the higher margin resulted primarily from a more beneficial regional sales structure with a significantly higher weighting of the high-margin business in the APAC and Americas regions, as well as a favorable product mix featuring a significantly greater share of the higher-margin aftermarket business in the EMEA and Americas regions and from synergies achieved. Currency effects had also a slightly positive impact on the adjusted EBIT margin.

Reconciliation of operating result to adjusted EBIT

in kEUR

	Q1-Q3/ 2023	Q1-Q3/ 2022	Change in %	Q3 2023	Q3 2022	Change in %
Operating result	123,749	74,479	66.2%	52,253	26,536	96.9%
Share of net profit of investments accounted for using the equity method	1,175	1,197	-1.8%	390	421	-7.4%
EBIT	124,924	75,676	65.1%	52,643	26,957	95.3%
EBIT margin in %	7.9%	6.4%		9.5%	6.7%	
Additional depreciation and amortization from PPAs	14,107	7,056	99.9%	5,867	2,416	142.8%
Valuation effects from call and put options	1,255	1,291	-2.8%	13	35	-62.9%
Restructuring and transaction costs	7,175	6,273	14.4%	73	5,271	-98.6%
Other adjustments	5,312	1,985	167.6%	-	1,985	-100.0%
Adjusted EBIT	152,773	92,281	65.6%	58,596	36,664	59.8%
Adjusted EBIT margin in %	9.6%	7.8%		10.6%	9.1%	
Depreciation and amortization of intangible assets and property, plant and equipment	41,591	27,599	50.7%	14,663	9,779	49.9%
Adjusted EBITDA	194,364	119,880	62.1%	73,259	46,443	57.7%
Adjusted EBITDA margin in %	12.2%	10.2%		13.3%	11.5%	
EBITDA	180,622	110,331	63.7%	73,173	39,152	86.9%
EBITDA Marge margin in %	11.4%	9.4%		13.2%	9.7%	

Finance result at EUR -25.9 million due to financing costs for Haldex

The finance result in the first months of 2023 amounted to EUR -25.9 million (previous year: EUR -6.5 million). This decline was the

result of the additional finance expenses incurred in relation to the Haldex acquisition, as well as from higher interest on variable lines of financing.

Finance result

in kEUR

	Q1-Q3/ 2023	Q1-Q3/ 2022	Change in %	Q3 2023	Q3 2022	Change in %
Finance income	9,887	4,669	111.8%	2,766	1,539	79.7%
Finance expenses	-35,787	-11,179	220.1%	-13,490	-4,706	186.7%
Finance result	-25,900	-6,510	297.8%	-10,724	-3,167	238.6%

Result for the period up 31.2%; adjusted profit for the period up 49.6%

The result before taxes amounted to EUR 99.0 million in the first nine months of 2023 (previous year: EUR 69.2 million). Based on a higher Group tax rate of 36.7% (previous year: 31.0%), the result for the period rose by 31.2% to EUR 62.6 million (previous year: EUR 47.7 million). The increase in the tax rate was the result of refraining from capitalizing deferred tax assets on loss carryforwards and interest carryforwards for reasons of prudence. Based on an unchanged number of ordinary shares outstanding

of approximately 45.4 million, basic earnings per share amounted to EUR 1.37 (previous year: EUR 1.04).

The adjusted result for the nine-month period of 2023 increased by 49.6% to EUR 93.9 million (previous year: EUR 62.8 million), and adjusted earnings per share reached EUR 2.06 (previous year: EUR 1.38). The disproportionate increase in the adjusted result for the period compared with the result for the period reported under IFRS stemmed from the high volume of adjustment items and the use of a normalized tax rate of 26.0% in the calculation of the adjusted result for the period.

Reconciliation of the result before taxes to earnings per share

in kEUR

	Q1-Q3/ 2023	Q1-Q3/ 2022	Change in %	Q3 2023	Q3 2022	Change in %
Result before taxes	99,024	69,166	43.2%	41,919	23,790	76.2%
Income taxes	-36,382	-21,427	69.8%	-16,664	-7,322	127.6%
Income tax rate in %	-36.7%	-31.0%		-39.8%	-30.8%	
Result for the period	62,642	47,739	31.2%	25,255	16,468	53.4%
attributable to equity holders of the parent	62,249	47,356	31.4%	25,103	16,388	53.2%
Basic earnings per share in EUR	1.37	1.04	31.7%	0.55	0.36	52.8%
Adjusted result for the period	93,937	62,810	49.6%	35,445	24,530	44.5%
attributable to equity holders of the parent	93,544	62,427	49.8%	35,293	24,450	44.3%
Adjusted earnings per share in EUR	2.06	1.38	49.3%	0.78	0.54	44.4%

SEGMENT REPORTING

EMEA region: Growth in sales due to Haldex acquisition; clear improvement in adjusted EBIT margin

The EMEA region generated sales of EUR 711.8 million in the first nine months of 2023 (previous year: EUR 623.9 million), corresponding to growth of 14.1%, largely due to the Haldex acquisition. Adjusted for exchange rate effects and changes in the scope of consolidation, the region's sales were 0.7% lower year-on-year. Based on these year-to-date results, the EMEA region has performed better than the underlying market, which is characterized by declining demand, particularly in the trailer segment relevant for SAF-HOLLAND.

The cyclically resilient aftermarket business recorded disproportionately strong sales growth in the first nine months of 2023. This was driven not only by the inclusion of Haldex, which has a significantly higher share of aftermarket sales, but was also a consequence of the previous strong growth in the original equipment business, which had a positive effect on demand for spare parts. The pick-up in aftermarket business was able to largely compensate on an organic basis for the slight decline in the original equipment business.

In the third quarter of 2023, the EMEA region grew sales by 15.2% to EUR 230.9 million (previous year: EUR 200.5 million). Organic sales were slightly lower year-on-year at -1.1%. The high customer demand in the aftermarket business previously described was particularly evident in the third quarter.

The EMEA region achieved a higher adjusted EBIT of EUR 55.2 million in the first nine months of 2023 (previous year: EUR 39.4 million) as well as an improvement in the adjusted EBIT margin to 7.8% (previous year: 6.3%). This earnings increase was driven by a number of factors, including offsetting steel, logistics and energy costs, which were still a heavy burden in the prior-year period, by internal efficiency enhancements in 2022 or by having passed them on to the market with a time lag. On the other hand, noticeable cost savings were achieved in the course of the integration of Haldex. Also contributing to the growth in earnings was a product mix that

consisted of a greater proportion of the higher margin aftermarket business.

In the third quarter of 2023, adjusted EBIT reached EUR 18.4 million (previous year: EUR 15.9 million), and the adjusted EBIT margin equaled 8.0% (previous year: 7.9%). In the quarter, the aforementioned positive effects from the product mix and synergies offset the margin-dilution effect of the inclusion of Haldex. A negative effect resulted from the fact that Haldex's profitability in the EMEA region is still lower than SAF-HOLLANDS's.

Segment EMEA

in kEUR

	Q1-Q3/ 2023	Q1-Q3/ 2022	Change in %	Q3 2023	Q3 2022	Change in %
Sales	711,763	623,923	14.1%	230,875	200,471	15.2%
EBIT	37,713	30,437	23.9%	12,575	9,902	27.0%
EBIT margin in %	5.3%	4.9%		5.4%	4.9%	
Additional depreciation and amortization from PPA	5,936	3,318	78.9%	2,568	1,104	132.6%
Restructuring and transaction costs	10,612	5,654	87.7%	3,217	4,908	-34.5%
Step-up purchase price allocation from the valuation of inventories from acquisitions	971	-		-	-	
Adjusted EBIT	55,232	39,409	40.2%	18,360	15,914	15.4%
Adjusted EBIT margin in %	7.8%	6.3%		8.0%	7.9%	
Depreciation and amortization of intangible assets and property, plant and equipment	21,678	13,493	60.7%	7,894	4,581	72.3%
Adjusted EBITDA	76,910	52,902	45.4%	26,254	20,495	28.1%
Adjusted EBITDA margin in %	10.8%	8.5%		11.4%	10.2%	

Americas region: Strong sales growth continues; adjusted EBIT margin surpasses 12% in the third quarter

The Americas region increased sales by 54.1% to EUR 677.2 million in the first nine months of 2023 (previous year: EUR 439.4 million). This sharp increase resulted from the Haldex consolidation as well as robust customer demand for trailer and truck components. Exchange rate effects had a negative impact of EUR 11.2 million on sales in the nine-month period. The increase in sales in the Americas region, adjusted for exchange rate and acquisition effects, amounted to 15.1%.

Demand from trailer and truck customers in the North American original equipment business was high in the first nine months and continued to be driven by high order backlogs for heavy trucks (Class 8 trucks) and trailers. SAF-HOLLAND also benefited from the trend towards greater use by major

fleet operators of disc-brake axle systems for trailers due to its strong market position in this segment. Growth in the aftermarket business surpassed the growth in the original equipment business in the first nine months. This was driven by the inclusion of Haldex and the continued rise in the number of SAF-HOLLAND systems in the market.

Despite somewhat of a slowdown in market demand, the Americas region still recorded a 51.3% increase in sales in the third quarter of 2023 to EUR 244.1 million (previous year: EUR 161.3 million). On an organic basis, sales increased by 13.4%. Next to the strength of the aftermarket business, sales in the Americas region in the third quarter also benefited from some positive catch-up effects from working off the production backlog resulting from the cyberattack.

The strong sales growth and cost savings achieved with the integration of Haldex led to an expansion in adjusted EBIT in the nine-month period in the Americas region to EUR 73.9 million (previous year: EUR 41.4 million). The adjusted EBIT margin increased to 10.9% (previous year: 9.4%).

In the third quarter of 2023, adjusted EBIT almost doubled to EUR 30.1 million (previous year: EUR 16.6 million), and the adjusted EBIT margin reached 12.3% (previous year: 10.3%). The product mix as well as catch-up effects from working down the production backlog in the aftermarket business, also positively impacted the margin.

Segment Americas

in kEUR

	Q1-Q3/ 2023	Q1-Q3/ 2022	Change in %	Q3 2023	Q3 2022	Change in %
Sales	677,206	439,383	54.1%	244,127	161,332	51.3%
EBIT	60,278	38,184	57.9%	25,302	15,912	59.0%
EBIT margin in %	8.9%	8.7%		10.4%	9.9%	
Additional depreciation and amortization from PPA	5,927	1,746	239.5%	2,533	612	313.9%
Valuation effects from put and call options	1,255	1,291	-2.8%	13	35	-62.9%
Restructuring and transaction costs	2,567	139	1746.8%	2,225	8	27712.5%
Step-up purchase price allocation from the valuation of inventories from acquisitions	3,896	-		-	-	
Adjusted EBIT	73,923	41,360	78.7%	30,073	16,567	81.5%
Adjusted EBIT margin in %	10.9%	9.4%		12.3%	10.3%	
Depreciation and amortization of intangible assets and property, plant and equipment	16,358	11,411	43.4%	5,475	4,042	35.5%
Adjusted EBITDA	90,281	52,771	71.1%	35,548	20,609	72.5%
Adjusted EBITDA margin in %	13.3%	12.0%		14.6%	12.8%	

APAC region: Organic sales grow almost 70%; highest level of profitability of all reporting regions

The APAC region increased sales in the first nine months of 2023 by 78.1% to EUR 200.0 million (previous year: EUR 112.3 million). Adjusted for exchange rate effects and changes in the scope of consolidation, year-on-year growth equaled 68.6%.

In the first nine months of 2023, as in the previous year, the strong growth of the APAC region was driven again primarily by developments in India. As

the leading manufacturer of axle and suspension systems for trailers in India, SAF-HOLLAND benefited from strong customer demand from the expansion in the transport sector, the growing population and a positive overall economic environment. SAF-HOLLAND is also increasingly supplying customers in the USA from India. In order to keep pace with the growth in demand, SAF-HOLLAND commissioned new production capacities at the site in Pune at the beginning of 2023. SAF-HOLLAND was also able to significantly expand its business in China in the reporting period, starting from a comparatively low absolute level.

In the third quarter of 2023, sales in the APAC region increased by 91.9% to EUR 77.9 million (previous year: EUR 40.6 million). Adjusted for exchange rate and acquisition effects, the increase was 83.3%. The accelerated growth in the third quarter was largely attributable to the aftermarket business, which particularly benefited from high demand in Australia.

The APAC region more than doubled its adjusted EBIT in the first nine months to a total of EUR 23.6 million (previous year: EUR 11.5 million). Based on an adjusted EBIT margin of 11.8% (previous year: 10.2%), this

region was the most profitable of all the regions in the reporting period. The stronger earnings were driven not only by economies of scale from the higher volume of business in India but also from the further improvement in the earnings situation in China.

In the third quarter, the APAC region generated an adjusted EBIT of EUR 10.2 million (previous year: EUR 4.2 million) as well as an adjusted EBIT margin of 13.1% (previous year: 10.3%). In addition to the effects already mentioned, the favorable product mix resulting from a higher share of the aftermarket business also had a slightly positive effect.

Segment APAC

in kEUR

	Q1-Q3/ 2023	Q1-Q3/ 2022	Change in %	Q3 2023	Q3 2022	Change in %
Sales	200,014	112,335	78.1%	77,885	40,585	91.9%
EBIT	26,933	7,055	281.8%	14,767	1,143	1192.0%
EBIT margin in %	13.5%	6.3%		19.0%	2.8%	
Additional depreciation and amortization from PPA	2,244	1,992	12.7%	766	700	9.4%
Restructuring and transaction costs	-6,004	480		-5,369	355	
Step-up purchase price allocation from the valuation of inventories from acquisitions	445	-		-	-	
Other adjustments	-	1,985	-100.0%	-	1,985	-100.0%
Adjusted EBIT	23,618	11,512	105.2%	10,164	4,183	143.0%
Adjusted EBIT margin in %	11.8%	10.2%		13.1%	10.3%	
Depreciation and amortization of intangible assets and property, plant and equipment	3,555	2,695	31.9%	1,294	1,156	11.9%
Adjusted EBITDA	27,173	14,207	91.3%	11,458	5,339	114.6%
Adjusted EBITDA margin in %	13.6%	12.6%		14.7%	13.2%	

NET ASSETS

First-time consolidation of Haldex leads to shifts on the assets side

The inclusion of Haldex in the scope of consolidation of SAF-HOLLAND, effective February 21, 2023, resulted in significant shifts on the assets side of the consolidated balance sheet. In the course of the first-time consolidation, SAF-HOLLAND recognized assets from Haldex totaling EUR 543.8 million. This consisted primarily of goodwill in the amount of EUR 56.0 million, other intangible assets in the amount of EUR 174.4 million, property, plant and equipment of EUR 120.8 million, inventories in the order of EUR 97.2 million, and trade receivables of EUR 82.8 million.

In contrast, the non-current financial assets of EUR 402.2 million recognized as of December 31, 2022, which included the acquired Haldex shares and a loan assumed by SAF-HOLLAND that was originally extended to Haldex, were eliminated as part of the Haldex consolidation. As a result, total assets grew by 13.9% to EUR 1,706.5 million as of September 30, 2023 (December 31, 2022: EUR 1,498.4 million).

Inclusion of Haldex results in decrease in non-current assets

The development of non-current assets was also largely influenced by the first-time inclusion of Haldex. The consolidation-related elimination of non-current financial assets recognized as of December 31, 2022, which mainly comprised the acquired Haldex shares and the loan to Haldex, outweighed the additions to property, plant and equipment and intangible assets. As a result, non-current assets decreased to EUR 809.1 million as of September 30, 2023 (December 31, 2022: EUR 872.2 million).

Net assets: Assets

in kEUR			
	09/30/2023	12/31/2022	Change in %
Non-current assets	809,051	872,183	-7.2%
Intangible assets	441,186	227,918	93.6%
Property, plant and equipment	318,523	205,729	54.8%
Other (financial) assets	49,342	438,536	-88.7%
Current assets	897,461	626,240	43.3%
Inventories	308,255	202,249	52.4%
Trade receivables	253,226	144,744	74.9%
Cash and cash equivalents	255,640	243,460	5.0%
Other (financial) assets	80,340	35,787	124.5%
Total assets	1,706,512	1,498,423	13.9%

Customary interim build-up in current assets

Current assets increased to EUR 897.5 million as of the September 30, 2023 reporting date (December 31, 2022: EUR 626.2 million). There were notable increases in inventories (EUR 308.3 million after EUR 202.2 million as of December 31, 2022) and trade receivables (EUR 253.2 million after EUR 144.7 million as of December 31, 2022). This can be mainly attributable to the consolidation of Haldex. For further details on the development of working capital, please refer to page 16.

Cash and cash equivalents amounted to EUR 255.6 million as of September 30, 2023 (December 31, 2022: EUR 243.5 million).

Equity ratio equals 27.5%

As of September 30, 2023, the Group's equity had increased by a total of EUR 27.4 million to EUR 468.8 million compared to the level as of December 31, 2022. The main factor driving the increase in equity was the result for the period in the first nine months of 2023, which amounted to EUR 62.6 million and was partially offset by the dividend payment of EUR 27.2 million.

The expansion in total assets resulting from the consolidation of Haldex caused a slight decline in the equity ratio as of September 30, 2023 to 27.5% (December 31, 2022: 29.5%).

Expansion in long-term financing

In comparison to year-end 2022, non-current liabilities increased EUR 128.7 million to EUR 846.9 million. This increase resulted mainly from the expansion in interest-bearing loans and bonds to EUR 647.5 million (December 31, 2022: EUR 614.1 million). The non-current funds raised were used to repay the tranche of an expiring promissory note in the amount of EUR 97.5 million at the end of March 2023. In addition, a promissory note with a volume of EUR 105.0 million was placed in June 2023 to refinance bank liabilities taken out in the course of the acquisition of Haldex AB. Accordingly, the ratio of non-current liabilities to total assets increased to 49.6% as of September 30, 2023 (December 31, 2022: 47.9%).

Current finance liabilities almost fully repaid

Current liabilities increased to EUR 390.9 million as of September 30, 2023 (December 31, 2022: EUR 338.9 million). This increase was mainly a result of a rise in trade payables to EUR 248.5 million (December 31, 2022: EUR 159.0 million) and mainly resulted from the consolidation of Haldex. The repayment of the promissory note in March 2023, in contrast, reduced current interest-bearing loans and bonds significantly to EUR 16.1 million (December 31, 2022: EUR 101.5 million). Overall, current liabilities as a percentage of the Group's total assets remained essentially unchanged at 22.9% as of the September 30, 2023 reporting date (December 31, 2022: 22.6%).

Net assets: Equity and liabilities

in kEUR

	09/30/2023	12/31/2022	Change in %
Total equity	468,753	441,354	6.2%
Non-current liabilities	846,901	718,175	17.9%
Interest-bearing loans and bonds	647,532	614,118	5.4%
Lease liabilities	52,997	30,698	72.6%
Other non-current liabilities	146,372	73,359	99.5%
Current liabilities	390,858	338,894	15.3%
Interest-bearing loans and bonds	16,107	101,541	-84.1%
Lease liabilities	14,419	7,695	87.4%
Trade payables	248,455	159,029	56.2%
Other current liabilities	111,877	70,629	58.4%
Total equity and liabilities	1,706,512	1,498,423	13.9%

Net financial debt decreases despite dividend payment

The free cash flow generated in the first nine months reduced net financial debt, including lease liabilities, to EUR 475.4 million as of September 30, 2023 (December 31, 2022: EUR 510.6 million) despite the dividend payment of EUR 27.2 million. The leverage ratio (ratio of net financial debt to EBITDA) decreased to 2.2x as of the reporting date (December 31, 2022: 3.4x). The ratio as of December 31, 2022 took into account only the additional net financial debt raised in relation to the Haldex acquisition but not Haldex's contribution to EBITDA. On a pro forma basis, taking into account the EBITDA contribution of Haldex for the trailing twelve months, the leverage ratio as of September 30, 2023 was 2.1x (December 31, 2022: 2.6x). SAF-HOLLAND's target continues to be to bring the leverage ratio, which temporarily increased in the course of the Haldex acquisition, back down to a maximum of 2.0x by the end of 2024.

Change in net debt

in kEUR

	09/30/2023	12/31/2022	Change in %
Non-current interest-bearing loans and bonds	647,532	614,118	5.4%
Current interest-bearing loans and bonds	16,107	101,541	-84.1%
Non-current lease liabilities	52,997	30,698	72.6%
Current lease liabilities	14,419	7,695	87.4%
Total financial liabilities	731,055	754,052	-3.0%
Cash and cash equivalents	-255,640	-243,460	5.0%
Net debt	475,415	510,592	-6.9%

Net working capital ratio at 14.5%

Net working capital is measured as the sum of inventories and trade receivables less trade payables. The development of these items in the 2023 nine-month period, which was significantly influenced by the Haldex consolidation, resulted in an expansion of net working capital as of the September 30, 2023 reporting date to EUR 313.0 million (December 31, 2022: EUR 188.0 million). In a sequential comparison with June 30, 2023 (EUR 330.7 million), however, net working capital declined by EUR 17.7 million due to stringent net working capital management.

The net working capital ratio, defined as the ratio of net working capital to Group sales for the trailing twelve months, increased to 14.5% as of September 30, 2023 (December 31, 2022: 12.0%). For better comparability, the calculation takes into account Haldex's contribution to sales on a pro forma basis for the trailing twelve months, as Haldex's contribution to net working capital is also fully included as of September 30, 2023. The net working capital ratio as of this date in the prior year, excluding Haldex, was 15.9%. In prior years, as a stand-alone company, Haldex had an average net working capital ratio of 20% to 25%. This comparison, which in each case takes into account the usual interim build-up of net working capital, shows the significant progress made in the further optimization of net working capital year-to-date.

Net working capital development

in kEUR			
	09/30/2023	12/31/2022	Change in %
Inventories	308,255	202,249	52.4%
Trade receivables	253,226	144,744	74.9%
Trade payables	-248,455	-159,029	56.2%
Net working capital	313,026	187,964	66.5%
Group sales (last 12 months) ¹	2,165,091	1,565,089	38.3%
Net working capital ratio	14.5%	12.0%	

¹ Value as of September 30, 2023 on a pro forma basis, which includes the adjusted EBIT contribution from Haldex for the prior 12 months.

FINANCIAL POSITION**Net cash flow from operating activities increases to EUR 128.1 million**

Net cash flow from operating activities increased to EUR 128.1 million in the first nine months of 2023 (previous year: EUR 73.5 million). This sharp increase was driven by the strong improvement in the result before taxes and the lower level of funds tied up in current assets as a result of stringent net working capital management. Income taxes paid, which almost doubled to EUR 38.5 million (previous year: EUR 19.3 million), had a negative impact on cash flow.

Payments for investments in property, plant and equipment and intangible assets in preparation for planned future growth totaled EUR 27.8 million (previous year: EUR 16.4 million). SAF-HOLLAND received proceeds of EUR 1.3 million from the sale of property, plant and equipment (previous year: EUR 0.4 million).

Operating free cash flow almost doubles to EUR 101.6 million

In the first nine months of 2023, SAF-HOLLAND achieved significantly better operating free cash flow (net cash flow from operating activities after deducting net investments in property, plant and equipment and

intangible assets) of EUR 101.6 million (previous year: EUR 57.5 million). In the same prior-year period, total free cash flow had included a cash outflow of EUR 286.5 million for the acquisition of the Haldex shares and the increase in the stake in IMS Ltd.

Financial position

in kEUR

	Q1-Q3/ 2023	Q1-Q3/ 2022	Change in %	Q3 2023	Q3 2022	Change in %
Net cash flow from operating activities	128,062	73,525	74.2%	84,426	54,752	54.2%
Net cash flow from investing activities (property, plant and equipment/intangible assets)	-26,473	-15,996	65.5%	-13,317	-5,922	124.9%
Operating free cash flow	101,589	57,529	76.6%	71,109	48,830	45.6%
Net cash flow from investing activities (acquisition of subsidiaries)	-	-286,462	-100.0%	-	-258,100	-100.0%
Total free cash flow	101,589	-228,933	-144.4%	71,109	-209,270	-134.0%

ROCE improves

A key function of the Group's capital management is to optimize the cost of capital and generate an appropriate return on capital employed. In the medium term, SAF-HOLLAND's target is to achieve a return on capital employed (ROCE) of at least 15%. In the first nine months of 2023, ROCE was clearly above this target at 18.3%. For better comparability, the calculation takes into account the Haldex contribution to adjusted EBIT on a pro forma basis for the trailing twelve months, as the Haldex contribution to capital employed is also fully included as of September 30, 2023.

Financial return: ROCE

in kEUR

	09/30/2023	12/31/2022	Change in %
Equity	468,753	441,354	6.2%
Interest-bearing loans and bonds, current and non-current	663,639	715,659	-7.3%
Lease liabilities, current and non-current	67,416	38,393	75.6%
Pensions and other similar benefits	42,317	15,322	176.2%
Cash and cash equivalents	-255,640	-243,460	5.0%
Capital employed	986,485	967,268	2.0%
Adjusted EBIT (last 12 months)	180,272	124,601	44.7%
ROCE¹	18.3%	12.9%	

¹ Value as of September 30, 2023 on a pro forma basis, which includes the adjusted EBIT contribution from Haldex for the prior 12 months.

OUTLOOK

MACROECONOMIC CONDITIONS AND SECTOR ENVIRONMENT

ONLY A SLOW RECOVERY IN THE GLOBAL ECONOMY

In the World Economic Outlook in October 2023, the International Monetary Fund (IMF) continues to expect a moderate development of the global economy in 2023. The IMF continues to expect global economic growth of 3.0%, which is unchanged from its last estimate in July 2023. Despite the economic upturn earlier this year, the recovery in the global economy from the effects of the pandemic, the war in Ukraine and the cost-of-living crisis is progressing at only a slow pace. Growth is slow and uneven with growing global divergences.

Economic development in key markets

in %	Outlook 2023	2022
Eurozone	0.7	3.3
Germany	-0.5	1.8
United States	2.1	2.1
Brazil	3.1	2.9
China	5.0	3.0
India	6.3	7.2
World	3.0	3.5

Source: International Monetary Fund, World Economic Outlook, October 2023.

The IMF expects the advanced economies to continue to show weaker growth (+1.5%) compared with emerging economies (+4.0%). Economic growth in the eurozone is expected to decline to 0.7% in 2023, or 0.2 percentage points weaker than forecast in July 2023. The IMF now expects economic output in Germany in 2023 to decline by 0.5%, which is also a reduction of 0.2 percentage points. In contrast, IMF has raised its outlook for the United States by 0.3 percentage points to 2.1%. The IMF is also

positive about developments in the major emerging economies. For India, for example, the IMF is forecasting economic growth of 6.3% this year, or +0.2 percentage points higher compared with its July 2023 assessment. In Brazil, the IMF expects growth of 3.1%, which is 1 percentage point higher compared to the most recent forecast. The Chinese economy is expected to grow by 5.0% this year, which is a decline of 0.2 percentage points compared with its July 2023 estimate.

SECTOR ENVIRONMENT: ASIAN MARKETS CONTINUE THEIR STRONG GROWTH

The following forecasts for the individual markets reflect the assessment of the SAF-HOLLAND SE Management Board at the time of publishing this Quarterly Statement Q3 2023. The expectations of the following market research institutes and industry associations were taken into account: Clear International (trailer markets in Western Europe and Eastern Europe), ACT Research (trailer and truck markets in North America), ANFAVEA (truck market in Brazil), ANFIR (trailer market in Brazil), China Association of Automobile Manufacturers (trailer and truck markets in China).

Following the year 2022, which had very high production volumes, SAF-HOLLAND expects a moderate decline in the current year for the **EMEA trailer market**. Production volumes are expected to decline in the mid single-digit percentage range due to the influence of the Ukraine war and high inflation.

The supply chain bottlenecks and associated production disruptions for **heavy trucks in the EMEA region** in the previous year have been overcome. This year, the market is benefiting from catch-up effects and replacement demand, especially from large fleet operators. Based on this, SAF-HOLLAND is expecting the production of tractor units in the EMEA region to increase by up to 10% in 2023.

Based on the robust economic environment and higher-than-expected order intake in the first half of the year in the **North American truck market**, SAF-HOLLAND continues to expect a 10% increase in the North American heavy truck market. ACT Research estimates that potentially 336,735 heavy trucks could roll off the assembly lines this year, resulting in a high single-digit percentage increase. For the **North American trailer market**, SAF-HOLLAND expects a high single-digit percentage increase on the back of a strong first half-year. At the start of the year, projections were still expecting the market to weaken. Important to note is that the market last year was at a very high absolute level of around 400,000 units.

For **Brazil**, South America's most important commercial vehicle market, SAF-HOLLAND expects market volumes to decline in 2023 due to the introduction of stricter emission standards and a slowdown in economic growth. Production of heavy trucks is expected to decline by around 20% from the prior year's high level. The production of trailers is expected to decline more moderately by around 3%.

In **China**, commercial vehicle markets are set for a significant recovery this year, following their slump in the prior year. SAF-HOLLAND expects trailer production to increase by around 35% in 2023 and heavy truck production to rise by about 20%.

SAF-HOLLAND expects the trailer and truck markets in **India** to record excellent performance in 2023, continuing their high growth from the past two years. Trailer production is expected to increase by around 70% this year. India's truck sector, which is of low importance for SAF-HOLLAND, the Company expects production growth of around 14%, supported by significant government investments in infrastructure expansion.

OUTLOOK FOR BUSINESS DEVELOPMENT

OUTLOOK RAISED AGAIN FOR 2023

Based on the results for the third quarter of 2023 and the strong performance in the financial year-to-date, the continued solid demand for trailer and truck components, particularly in the APAC and Americas regions, and robust order backlog, the Management Board of SAF-HOLLAND SE has decided to raise the outlook for Group sales and adjusted EBIT margin. Assuming stable exchange rates and taking into account the sales contribution of Haldex since its inclusion in the Group's scope of consolidation as of February 21, 2023, the Management Board now expects Group sales of around EUR 2,100 million (previous outlook: slightly above EUR 2,000 million). The adjusted EBIT margin for the 2023 financial year is now expected to be around 9.5% (previous outlook: up to 9%). SAF-HOLLAND continues to expect a capex ratio of up to 3% of Group sales in the 2023 financial year.

Outlook Full Year 2023 for the Group including Haldex¹

	in Mio. EUR		
	Forecast dated March 30, 2023	Adjustment dated August 8, 2023	Adjustment dated October 18, 2023
		Slightly above	
Group sales	1,800-1,950	2,000	Around 2,100
Adjusted EBIT margin in %	7.5 - 8.5%	Up to 9%	Around 9.5%
Capex ratio in %	≤ 3%	≤ 3%	≤ 3%

¹ Haldex consolidated as of February 21, 2023.

RISK AND OPPORTUNITY REPORT

In the reporting period, there were no significant changes in the Group's overall risk situation compared with the presentation of opportunities and risks in the Annual Report 2022 or the last update in the Half-Year Financial Report 2023. Therefore, from today's perspective, there continue to be no risks that, individually or in combination, could jeopardize the continued existence of the Group or any of its major affiliated companies.

SUBSEQUENT EVENTS

UPWARD REVISION IN ANNUAL OUTLOOK FOR 2023

On October 18, 2023, following the end of the reporting period, the Management Board of SAF-HOLLAND SE decided to raise its outlook for full-year 2023. Assuming stable exchange rates and taking into account the sales contribution of Haldex since its inclusion in the scope of consolidation of the Group as of February 21, 2023, the Management Board now expects Group sales of around EUR 2,100 million (previous outlook: slightly above EUR 2,000 million). The adjusted EBIT margin for the 2023 financial year is now expected to be around 9.5% (previous outlook: up to 9%). SAF-HOLLAND continues to expect a capex ratio of up to 3% of Group sales in the 2023 financial year.

For more information, please refer to the outlook on page 20.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

in kEUR				
	Q1-Q3/2023	Q1-Q3/2022	Q3/2023	Q3/2022
Sales	1,588,983	1,175,641	552,887	402,388
Cost of sales	-1,284,588	-979,212	-442,200	-332,703
Gross profit	304,395	196,429	110,687	69,685
Other income	4,619	2,149	1,617	452
Other expenses	-1,255	-2,219	-13	-61
Selling expenses	-73,793	-53,577	-24,061	-17,442
Administrative expenses	-82,447	-54,852	-25,079	-21,486
Research and development expenses	-27,770	-13,451	-10,898	-4,612
Operating result	123,749	74,479	52,253	26,536
Share of net profit of investments accounted for using the equity method	1,175	1,197	390	421
Earnings before interest and taxes	124,924	75,676	52,643	26,957
Finance income	9,887	4,669	2,766	1,539
Finance expenses	-35,787	-11,179	-13,490	-4,706
Finance result	-25,900	-6,510	-10,724	-3,167
Result before income tax	99,024	69,166	41,919	23,790
Income tax	-36,382	-21,427	-16,664	-7,322
Result for the period	62,642	47,739	25,255	16,468
Attributable to:				
Equity holders of the parent	62,249	47,356	25,103	16,388
Shares of non-controlling interests	393	383	152	80

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in kEUR				
	Q1-Q3/2023	Q1-Q3/2022	Q3/2023	Q3/2022
Result for the period	62,642	47,739	25,255	16,468
Attributable to:				
Equity holders of the parent	62,249	47,356	25,103	16,388
Shares of non-controlling interests	393	383	152	80
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Net gain/loss on equity instruments measured at fair value through other comprehensive income	265	2,958	1,828	–
Remeasurements of defined benefit plans	5,140	10,005	–16	99
Income tax effects on items recognised in other comprehensive income	–1,273	–2,639	3	–26
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations	–6,473	55,237	15,952	20,813
Other comprehensive income	–2,341	65,561	17,767	20,886
Comprehensive income for the period	60,301	113,300	43,022	37,354
Attributable to:				
Equity holders of the parent	59,863	112,745	42,777	37,176
Shares of non-controlling interests	438	555	245	178
Basic earnings per share in EUR	1.37	1.04	0.55	0.36
Diluted earnings per share in EUR	1.37	1.04	0.55	0.36

CONSOLIDATED BALANCE SHEET

in kEUR		
	09/30/2023	12/31/2022
Assets		
Non-current assets	809,051	872,183
Goodwill	134,683	80,413
Other intangible assets	306,503	147,505
Property, plant and equipment	318,523	205,729
Investments accounted for using the equity method	13,063	13,827
Financial assets	55	402,214
Other non-current assets	16,741	7,334
Deferred tax assets	19,483	15,161
Current assets	897,461	626,240
Inventories	308,255	202,249
Trade receivables	253,226	144,744
Income tax receivables	4,932	1,663
Other current assets	73,671	28,984
Financial assets	1,737	5,140
Cash and cash equivalents	255,640	243,460
Balance sheet total	1,706,512	1,498,423

in kEUR		
	09/30/2023	12/31/2022
Equity and liabilities		
Total equity	468,753	441,354
Equity attributable to equity holders of the parent	468,350	440,535
Subscribed share capital	45,394	45,394
Share premium	224,104	224,104
Retained earnings	199,884	169,648
Accumulated other comprehensive income	-1,032	1,389
Shares of non-controlling interests	403	819
Non-current liabilities	846,901	718,175
Pensions and other similar benefits	42,317	15,322
Other provisions	17,992	12,946
Interest bearing loans and bonds	647,532	614,118
Lease liabilities	52,997	30,698
Other liabilities	525	382
Deferred tax liabilities	85,538	44,709
Current liabilities	390,858	338,894
Other provisions	22,933	10,911
Interest bearing loans and bonds	16,107	101,541
Lease liabilities	14,419	7,695
Trade payables	248,455	159,029
Income tax liabilities	12,687	4,900
Other financial liabilities	2,104	2,731
Other liabilities	74,153	52,087
Balance sheet total	1,706,512	1,498,423

CONSOLIDATED STATEMENT OF CASH FLOWS

in kEUR	Q1-Q3/2023	Q1-Q3/2022
Cash flow from operating activities		
Result before income tax	99,024	69,166
- Finance income	-9,887	-4,669
+ Finance expenses	35,787	11,179
Share of net profit of investments accounted for using the equity method	-1,175	-1,197
+/- Other non-cash transactions	2,829	2,234
Amortisation and depreciation of intangible assets and property, plant and equipment	55,698	34,654
Impairment of other intangible assets and property, plant and equipment	-	1,985
+ Allowance of current assets	14,861	6,252
+/- Change in other provisions and pensions	5,872	3,025
+/- Change in other assets	-8,144	7,385
+/- Change in other liabilities	-16,378	-1,934
+/- Loss/Gain on disposal of property, plant and equipment	353	266
Dividends from investments accounted for using the equity method	4,300	1,457
Cash flow before change of net working capital	183,140	129,803
+/- Change in inventories	-21,300	-28,805
+/- Change in trade receivables ¹	-31,163	-38,295
+/- Change in trade payables	35,904	30,122
Change of net working capital	-16,559	-36,978
Cash flow from operating activities before income tax paid	166,581	92,825
- Income tax paid	-38,519	-19,300
Net cash flow from operating activities	128,062	73,525
Cash flow from investing activities		
- Purchase of property, plant and equipment	-24,704	-13,080
- Purchase of intangible assets	-3,070	-3,303

in kEUR	Q1-Q3/2023	Q1-Q3/2022
+ Proceeds from sales of property, plant and equipment	1,301	387
- Purchase of other financial assets	-	-286,462
Cash and cash equivalents received from company acquisitions	-	-1,883
Cash received less payment for acquisition of outstanding shares in Haldex AB	30,732	-
+ Interest received	2,849	363
Net cash flow from investing activities	7,108	-303,978
Cash flow from financing activities		
Dividend payments to shareholders of SAF-HOLLAND SE	-27,237	-15,888
+ Proceeds from promissory note loan	105,000	300,000
Repayments of current and non-current financial liabilities	-208,125	-5,000
- Paid transaction costs relating to financing agreements	-166	-5,271
+/- Proceeds and payments from hedging instruments	-57	-
- Payments for lease liabilities	-10,476	-6,694
- Interest paid	-24,816	-6,773
Change in drawings on the credit line and other financing activities	47,763	-3,951
+/- Transactions with non-controlling interests	-2,515	-512
Net cash flow from financing activities	-120,629	255,911
Net increase/decrease in cash and cash equivalents	14,541	25,458
Effect of changes in exchange rates on cash and cash equivalents	-2,361	15,523
Cash and cash equivalents at the beginning of the period	243,460	165,221
Cash and cash equivalents at the end of the period	255,640	206,202

¹ As of September 30, 2023, trade receivables in the amount of EUR 40.4 million (previous year: EUR 44.3 million) were sold under a factoring agreement. Assuming the legal validity of the receivables, no further rights of recourse to SAF-HOLLAND exist from receivables sold.

SEGMENT INFORMATION

in kEUR	EMEA ¹		Americas ²		APAC ³		Total	
	Q1-Q3/2023	Q1-Q3/2022	Q1-Q3/2023	Q1-Q3/2022	Q1-Q3/2023	Q1-Q3/2022	Q1-Q3/2023	Q1-Q3/2022
Sales	711,763	623,923	677,206	439,383	200,014	112,335	1,588,983	1,175,641
Adjusted EBIT	55,232	39,409	73,923	41,360	23,618	11,512	152,773	92,281
Adjusted EBIT margin in %	7.8	6.3	10.9	9.4	11.8	10.2	9.6	7.8
Amortization and depreciation of intangible assets and property, plant and equipment (without PPA)	21,678	13,493	16,358	11,411	3,555	2,695	41,591	27,599
in % of sales	3.0	2.2	2.4	2.6	1.8	2.4	2.6	2.3
Adjusted EBITDA	76,910	52,902	90,281	52,771	27,173	14,207	194,364	119,880
Adjusted EBITDA margin in %	10.8	8.5	13.3	12.0	13.6	12.6	12.2	10.2
Purchase of property, plant and equipment and intangible assets	13,615	7,714	11,573	8,196	2,586	472	27,774	16,383
in % of sales	1.9	1.2	1.7	1.9	1.3	0.4	1.7	1.4
No. of employees as of reporting date	2,290	1,645	2,708	1,637	1,169	523	6,167	3,805

¹ Includes Europe, the Middle East, and Africa.

² Includes Canada, the USA, and Central and South America.

³ Includes Asia/Pacific, India, and China.

FINANCIAL CALENDAR AND CONTACT INFORMATION

FINANCIAL CALENDAR

March 14, 2024

Publication of Annual Report 2023

May 8, 2024

Publication of Quarterly Statement Q1 2024

June 11, 2024

Annual General Meeting 2024

August 8, 2024

Publication of Half-Year Financial Report 2024

November 7, 2024

Publication of Quarterly Statement Q3 2024

CONTACT

Fabian Giese

Phone: + 49 6095 301-904

Alexander Pöschl

Phone: + 49 6095 301-117

Marleen Prutky

Phone: + 49 6095 301-592

EMAIL

ir@safholland.de

WEBSITE

www.safholland.com

IMPRINT

PUBLISHER

SAF-HOLLAND SE
Hauptstraße 26
D-63856 Bessenbach

PUBLICATION DATE

November 9, 2023

Produced in-house using firesys.

DISCLAIMER

This Quarterly Statement is also available in German. In cases of doubt, the German version shall prevail. The figures in this Quarterly Statement have been rounded to the nearest whole number. In some instances, this may lead to rounding differences in the sum totals and percentages in this Quarterly Statement.

This Quarterly Statement contains forward-looking statements. Such forward-looking statements are based on certain assumptions, expectations and forecasts made at the time of publication of this Quarterly Statement. Consequently, they are inherently subject to risks and uncertainties. Moreover, the actual events could diverge significantly from the events described in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond the ability of SAF-HOLLAND SE to control or estimate precisely, such as future market and economic conditions, the behavior of other market participants, the achievement of anticipated synergies, and the actions of government regulators. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this publication. Likewise, SAF-HOLLAND SE does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of publication of these materials.

