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Annual General Meeting

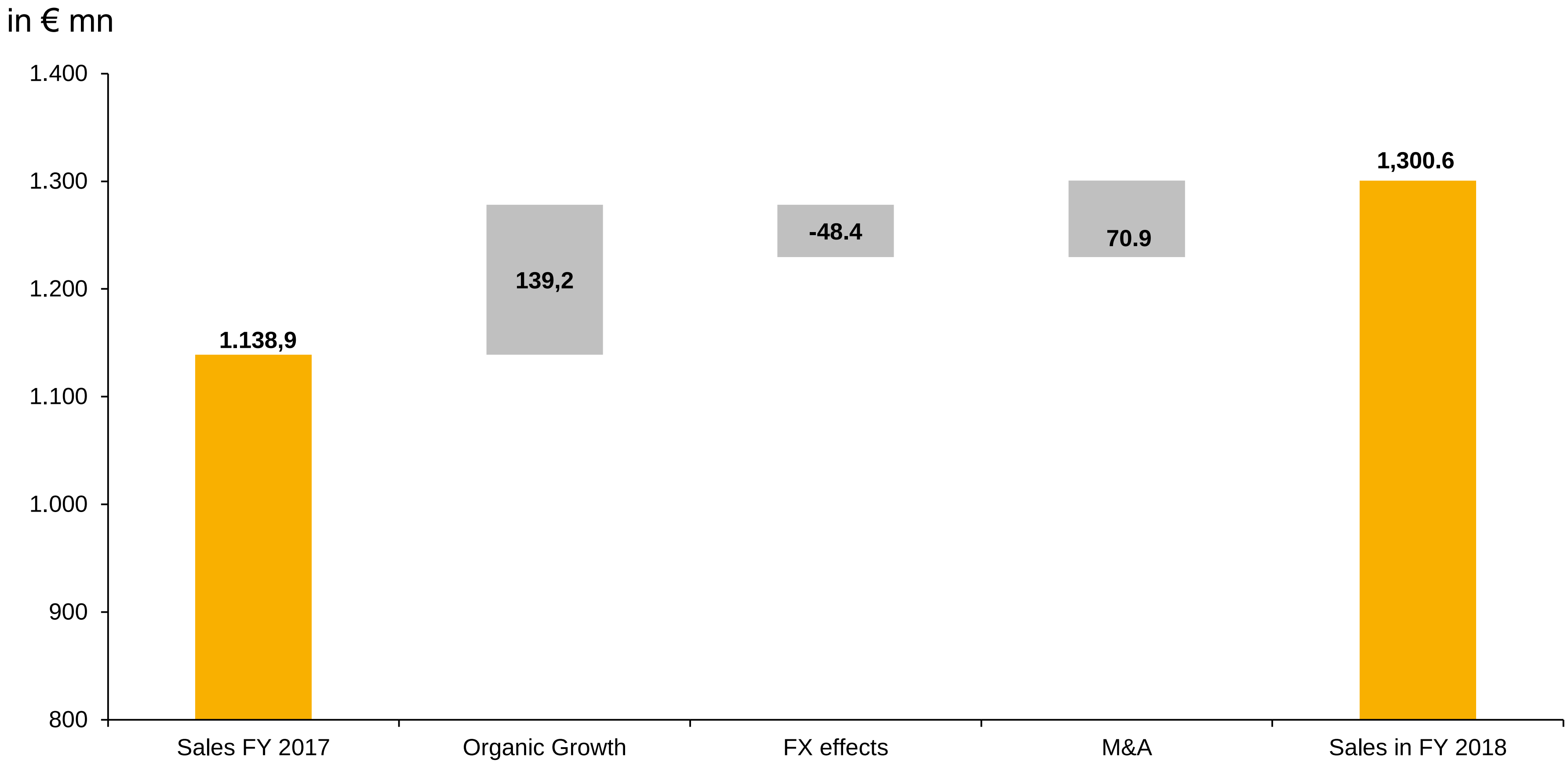
Alexander Geis, CEO

April 25, 2019

2018 at a glance

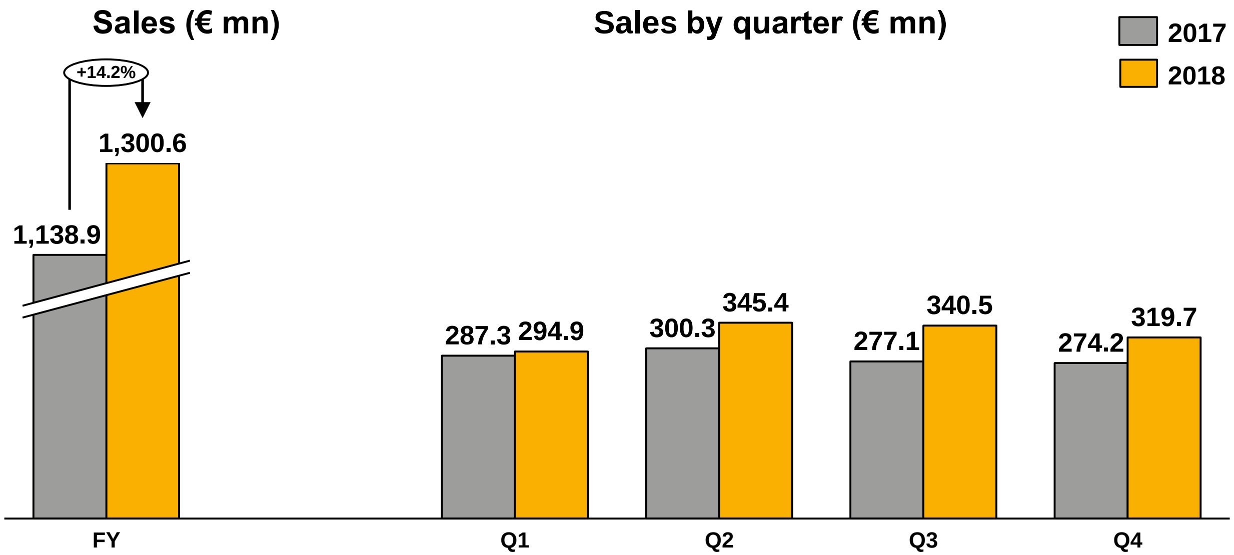
1. Strong organic sales growth above the originally planned figure and EBIT margin slightly below guidance
2. Dividend stable at previous year's level of € 0.45 per share
3. Investments at record level to support future growth
4. Acquisitions strengthen competitive position on the product and market side
5. Management team completed with new Chief Operating Officer
6. New syndicated loan of € 200 million gives enough headroom to finance the future organic growth and the opportunity for bolt-on acquisitions

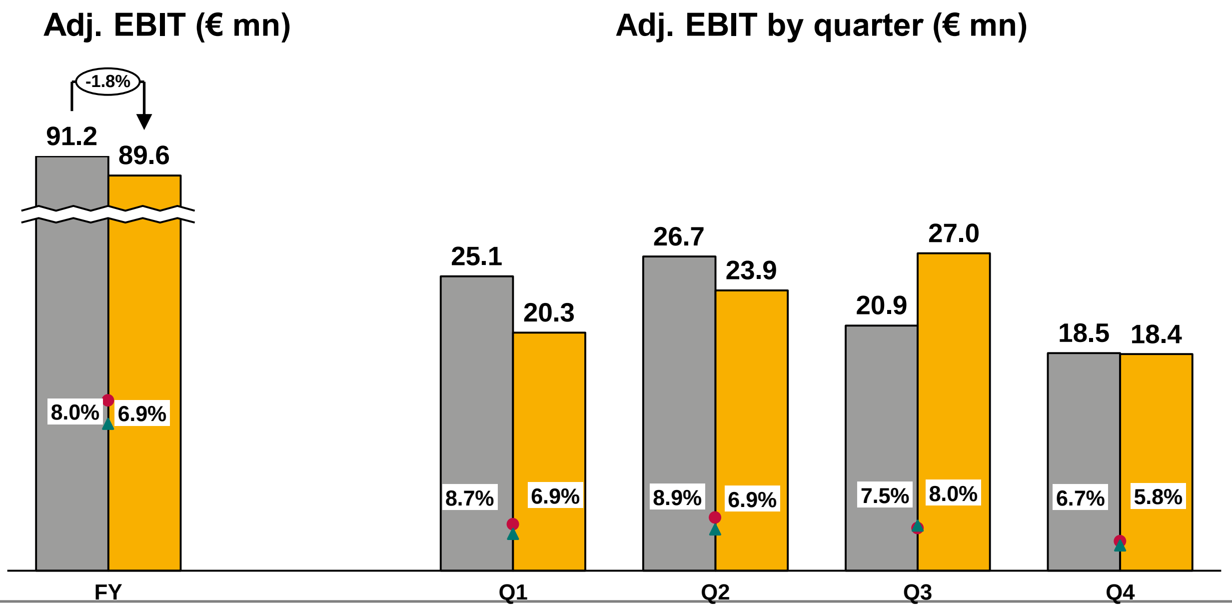
Strong organic sales growth of almost € 140 mn in FY 2018



FY 2018 reported top line increased by 14.2% yoy to € 1,301 mn driven by strong organic sales growth of 12.2% which was well above the originally planned figure of 4 to 5%. Contributions from M&A were partly offset by significant negative translational effects of € 48.4 mn (incl. EUR/TRY and EUR/USD).

Group

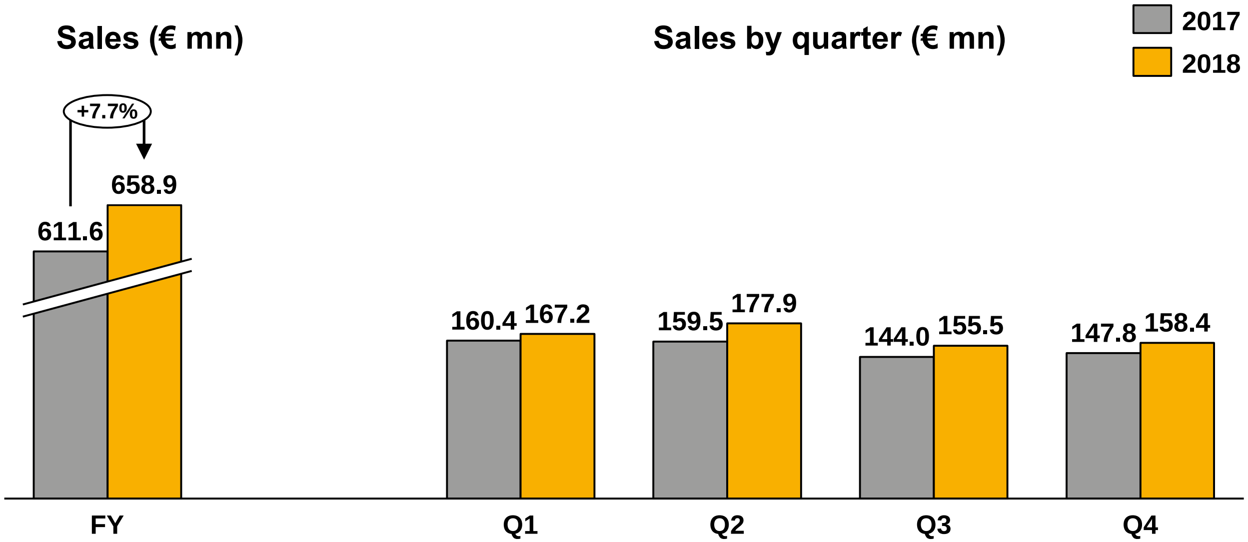




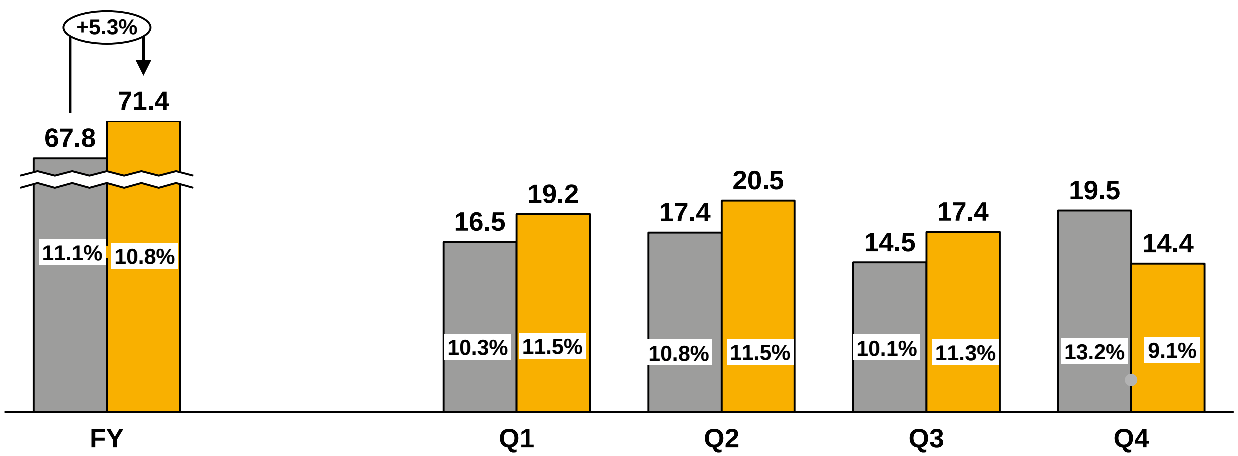
- Sales growth driven by
  - ➢ souring customer demand from the US truck and trailer industries
  - ➢ double-digit growth in the APAC/China region
  - ➢ solid increase in EMEA
  - ➢ acquisitions (€ 70.9 million)
- Adj. EBIT margin below previous year's level due to
  - ➢ negative impact from steel price increase
  - ➢ unfavourable product mix on high OE demand
  - ➢ unplanned additional operating costs from US plant consolidation measures

Business segment: EMEA*

Sales (€ mn) | Sales by quarter (€ mn)



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

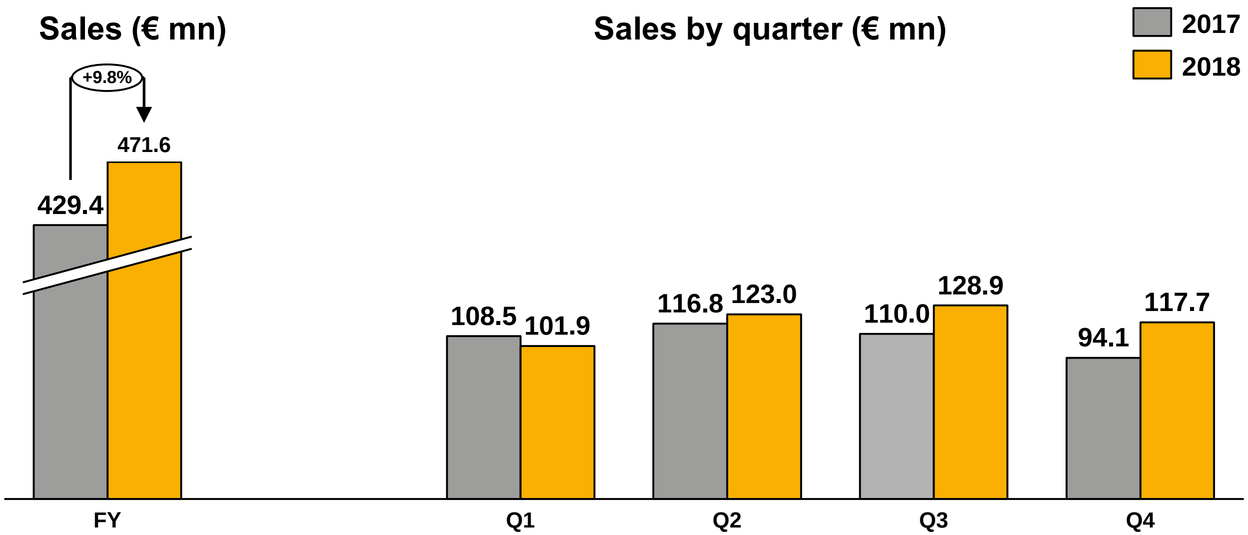


- Solid sales growth due to
  - favourable environment for trucks and trailers throughout the year
  - first-time contribution of V.ORLANDI and Axscend totalling € 18.8 million
- Adj. EBIT margin slightly lower
  - Q4 2017 included rebate linked to the achievement of certain purchasing volumes in procurement
  - Negative effect of higher steel prices
  - Positive earnings effect from inclusion of V.Orlandi

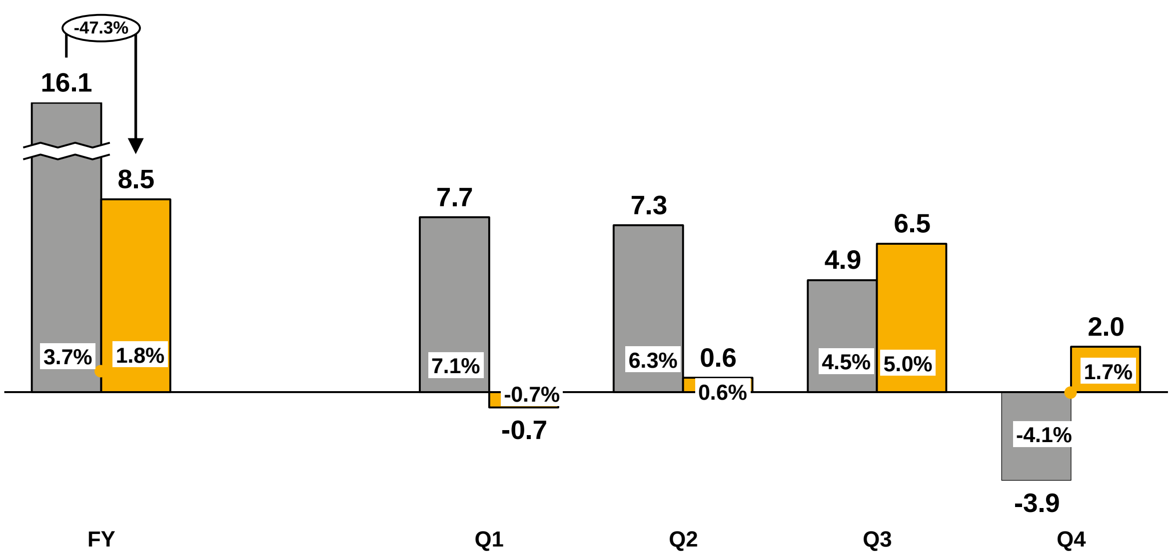
*Adjustments to Q3/Q4 2017 reported figures due to the change in segment reporting regarding the treatment of India.

Business segment: Americas

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

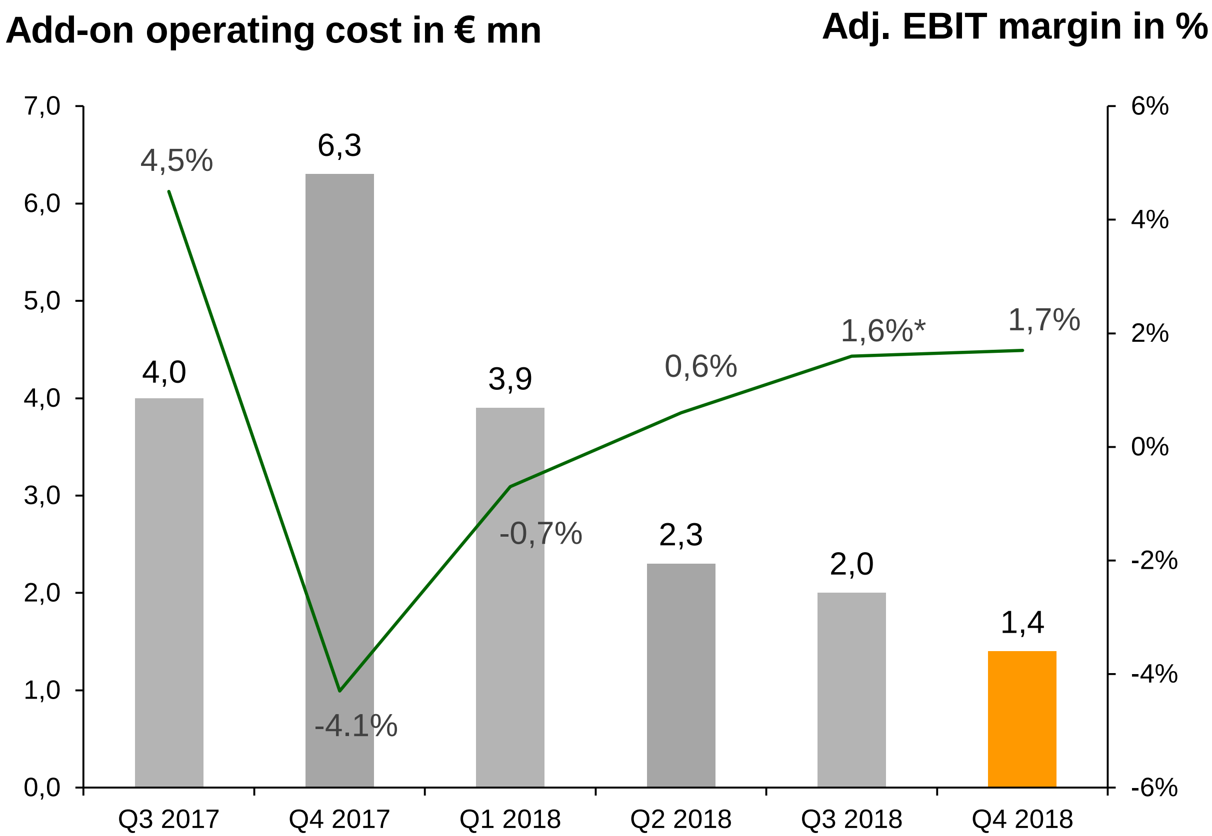


Adj. EBIT (€ mn) **Adj. EBIT by quarter (€ mn)**



- Sales up on extremely strong customer demand
- Capacity bottlenecks throughout the entire supply chain across the industry
- Adj. EBIT margin burdened by
  - additional operating expenses
  - higher steel prices
  - negative product mix effects
- Positive effect from partial settlement of a US medical plan in Q3/2018

Business segment: Americas

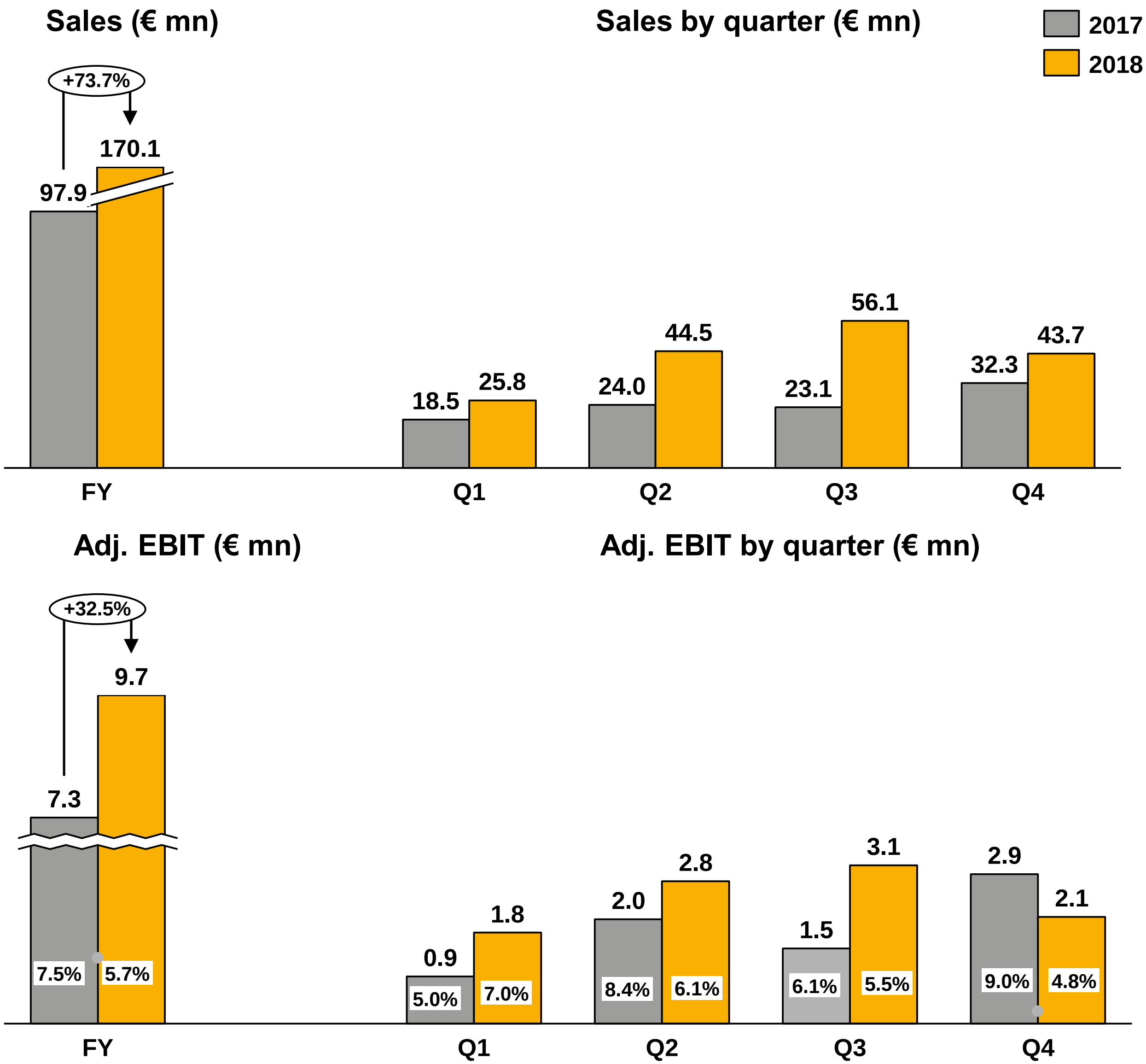


* excl. extraordinary income of € 4.4 million from partial settlement of US medical plan

- Costs related to inefficiencies from realignment and ramp-up of new production network in the US fell qoq in 2018
- Successive margin improvement since low-point in Q4 2017 and return to profitability in Q2 2018
- Adj. EBIT margin in Q4 2018 increased despite holidays and thus less working days

Adjusted EBIT margin rises as add-on operating costs decline

Business segment: APAC/China*

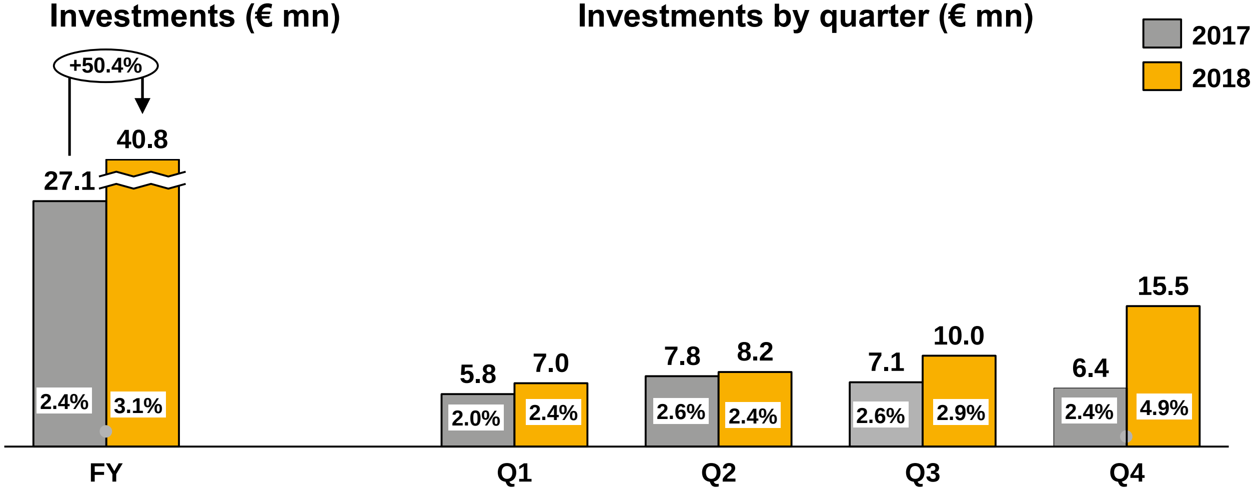


- Sales growth driven by
  - ➢ organic growth
  - ➢ integration of the York Group
- Trade dispute impacted export business of Chinese customers in Q4 2018
- Adj. EBIT margin lower on
  - ➢ up-front costs in connection with the construction of a new production center in China
  - ➢ margin dilution form first-time inclusion of York
  - ➢ negative impact on capacity utilization from decline in exports

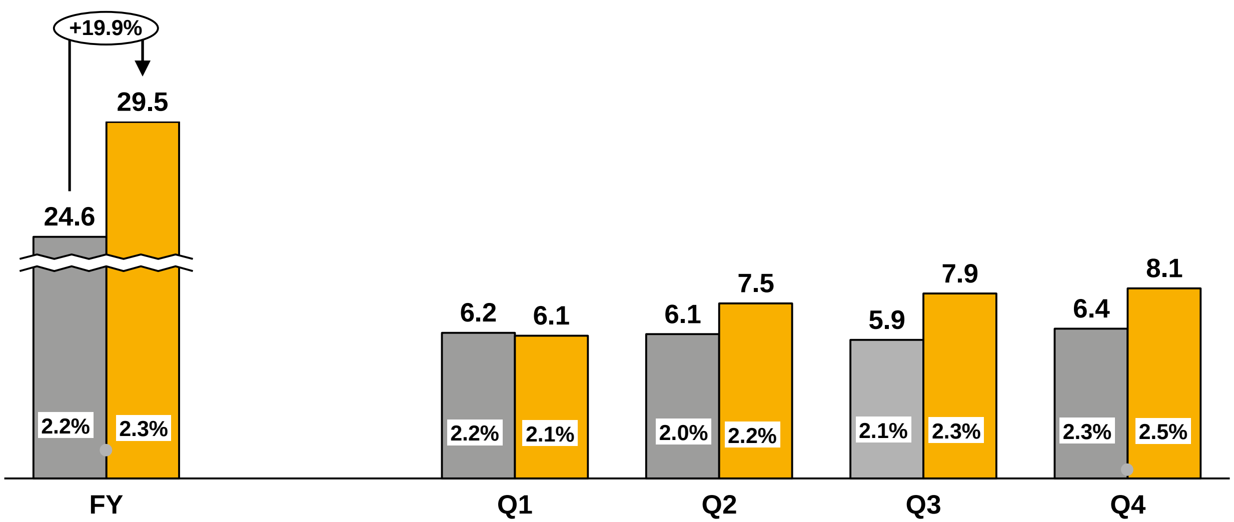
*Adjustments to Q3/Q4 2017 reported figures due to the change in segment reporting regarding treatment of India.

Investments and depreciation

Investments (€ mn) **Investments by quarter (€ mn)**



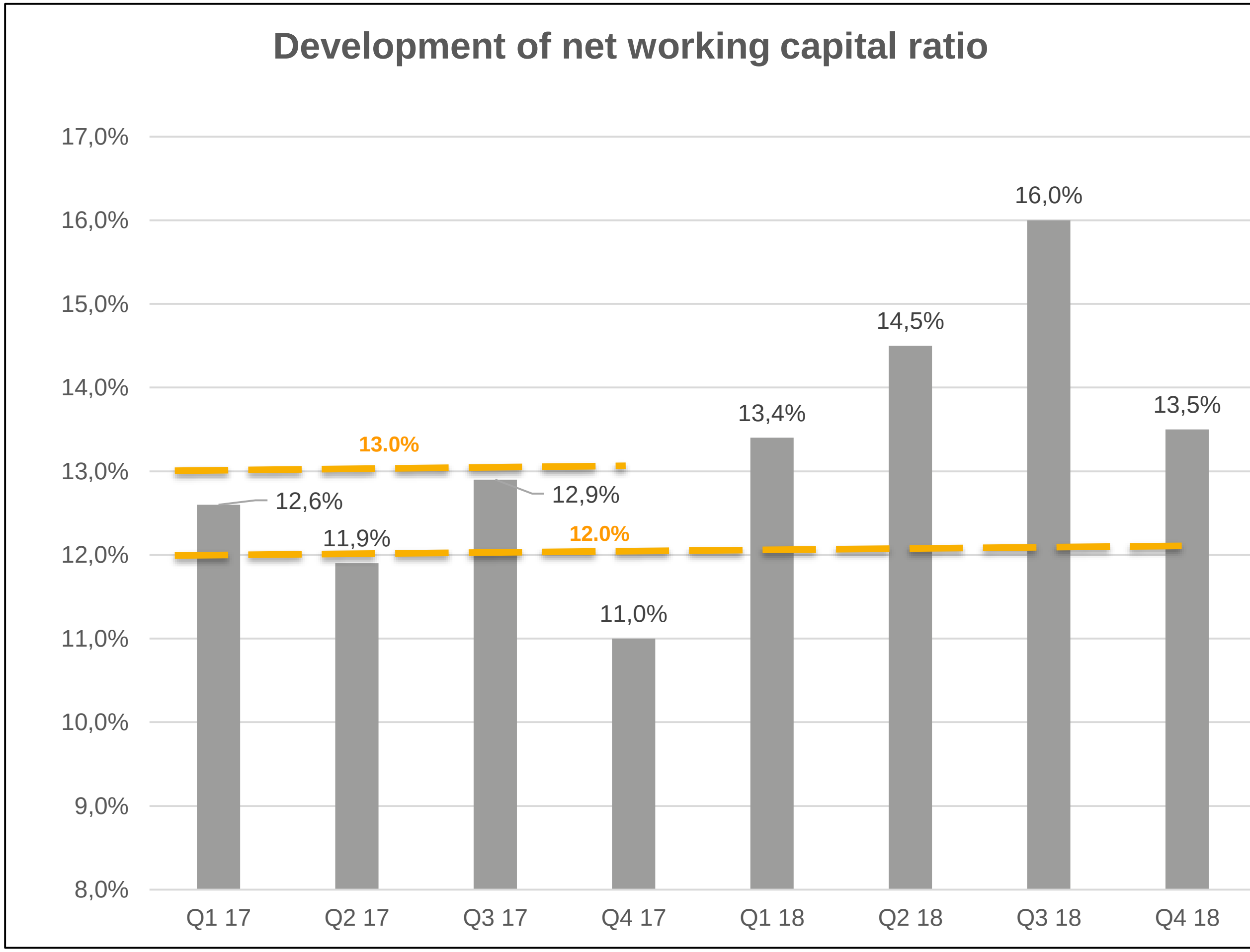
Depreciation (€ mn) **Depreciation by quarter (€ mn)**



- Total investments in property, plant and equipment and intangible assets € 40.8 mn
- Key investments include the construction of a new production center in China and digitization projects
- Depreciation increased due to higher investments compared to previous years

SAF Holland Group

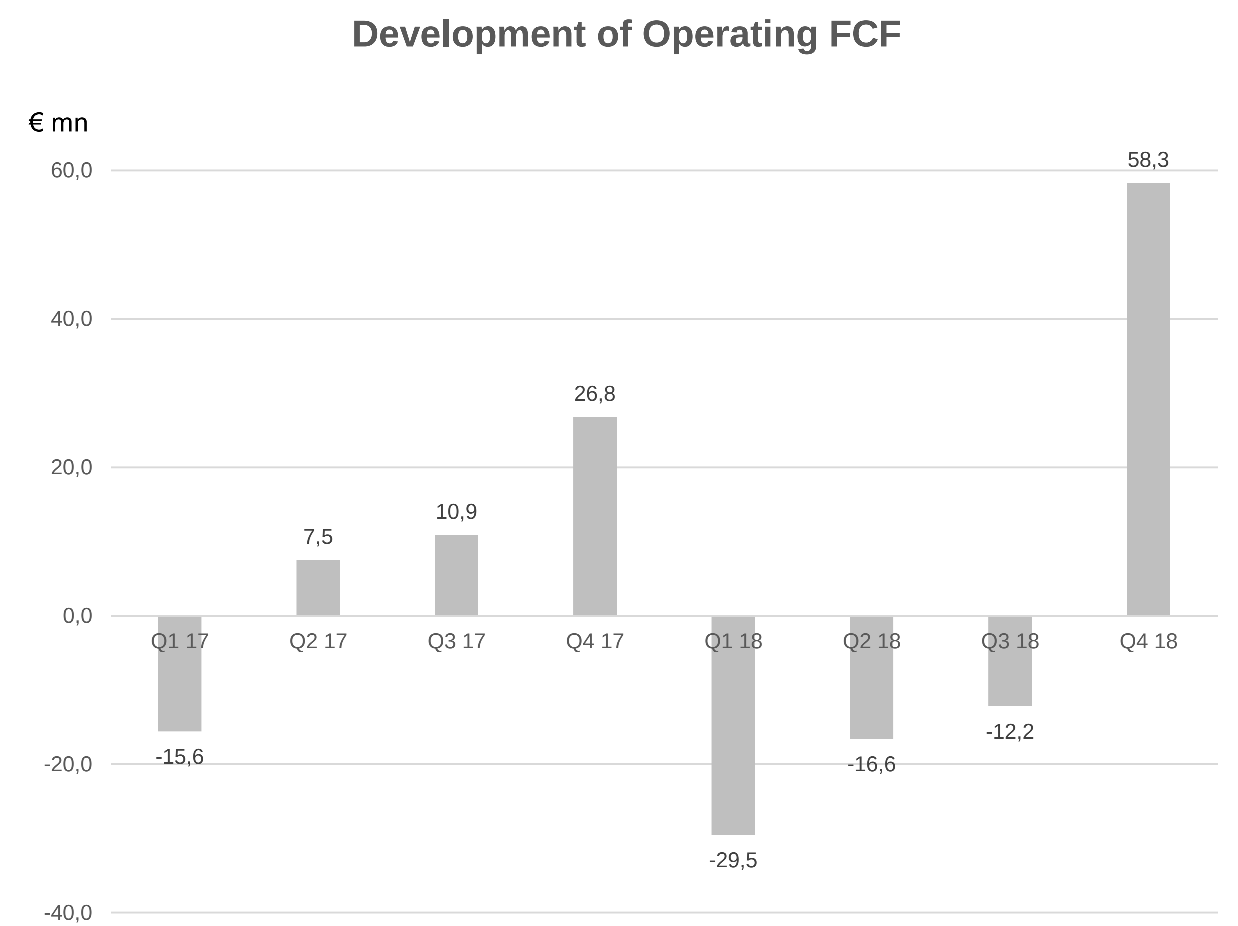
Net working capital ratio



- Net working capital 43% or € 51.9 mn above previous year‘s end figure
- Inventories increased by 34% or € 45.7 mn to ensure timely delivery to customers in a tight market environment
- Trade receivables up only slightly yoy on improved working capital management in Q4 2018

Strict management of inventories and trade receivables

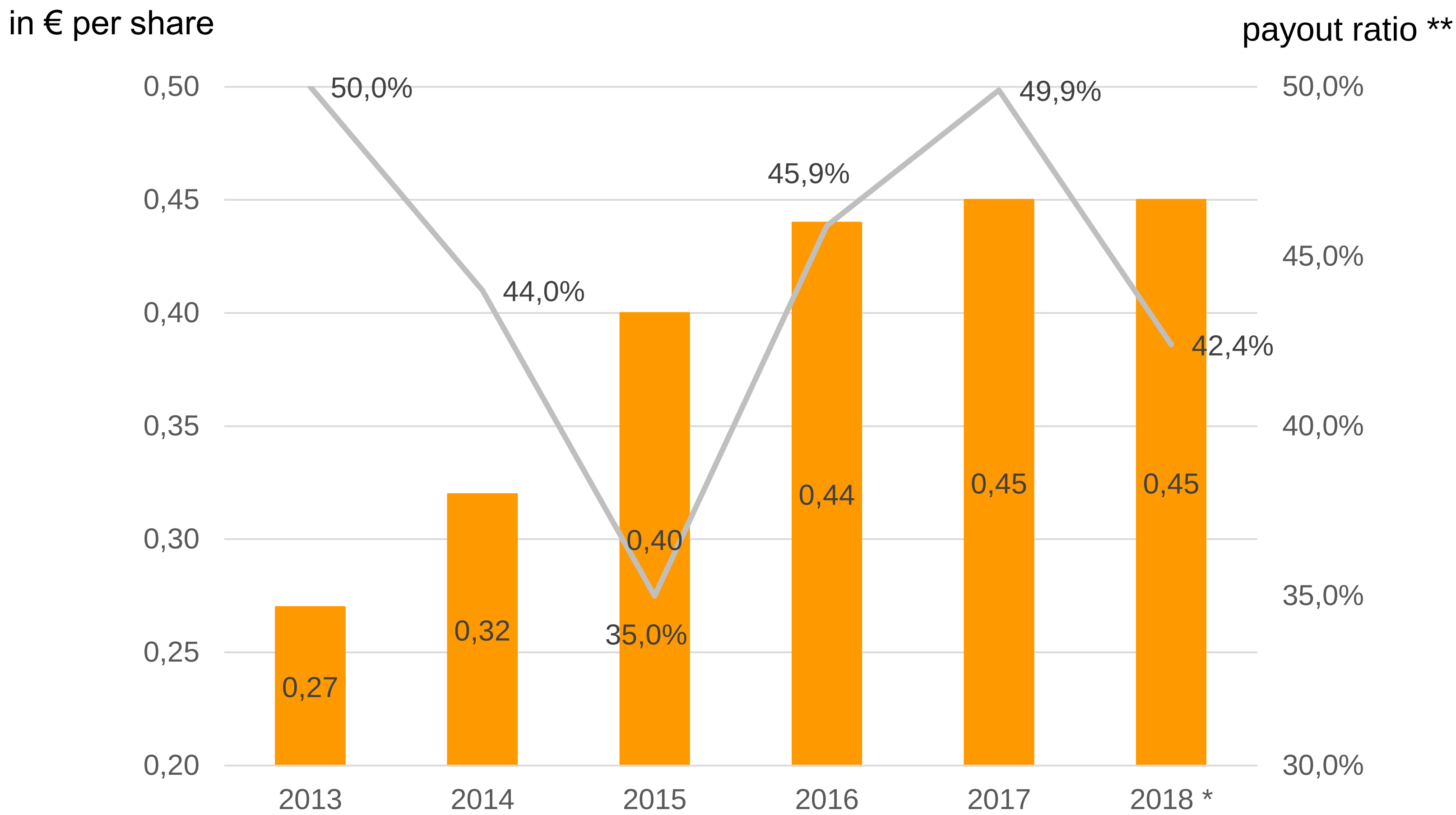
Operating free cash flow



- Net cash flow from operating activities impacted by higher net working capital needs
- Operating FCF break-even
- Strong performance in Q4 2018 driven by a reduction in net working capital and the improvement in cash flow from operating activities

Measures to improve the operating free cash flow initiated

Sustainable dividend payment – 2018 dividend yield around 4%



Declared long-term oriented dividend policy is to distribute 40 – 50% of net income

* to be proposed at Annual General Meeting 2019

** dividend as % of the result for the period

Market trend 2018 and forecast 2019

	EMEA		Americas		China	
	Truck[1]	Trailer[2]	Truck[3]	Trailer[3]	Truck[1]	Trailer[2]
2018	-1%	+4%	+27%	+12%	-8%	-4%
2019	+5%	-10%	+3%	+1%	-11%	-3%

In 2019, NA Class 8 truck production is expected to increase by 3% and the production of trailers by 1%. In EMEA, truck production should rise by 5% in 2019 whereas the trailer market is expected to be lower. In China, production of trucks and trailers will decline by 11% and 3% respectively.

[1] LMC Global Commercial Vehicles Forecast Q4, 2018, Western Central & Eastern Europe, medium & heavy truck
[2] Clear, October 2018 Eastern Europe, December 2018 Western Europe
[3] ACT Truck & Trailer Outlook, March 2019, Class 8

Financial targets 2019

	FY 2018	FY 2019*	Strategy 2020
Sales	€ 1,300.6 mn	+ 4 to 5%	€ 1,500 mn (incl. M&A)
Adj. EBIT margin	6.9%	Around the mid-point of the 7 to 8% range	≥ 8%
Net working capital ratio	13.5%	13%	13%
CAPEX	€ 40.8 mn	€ 68 to 70 mn	4 to 5% of sales

* 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

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Thank you for your attention!