

## Corporate News

### **SAF-HOLLAND: Sales at record level in Q1 2022, operating margin temporarily affected by additional costs**

- **Group sales of EUR 370 million at record level (+29.4% y-o-y)**
- **Adjusted EBIT margin of 6.4% temporarily affected by additional costs for steel, freight and energy**
- **Capex ratio at 1.4% due to high sales**
- **Leverage ratio seasonally slightly increased from 1.58x to 1.66x**
- **Sales forecast for full year 2022 raised, EBIT margin guidance specified at 6.5% to 7.0%**

Bessenbach, May 10, 2022. SAF-HOLLAND SE ("SAF-HOLLAND"), one of the world's leading suppliers of trailer and truck components, today published its Q1 figures 2022 and a specified guidance for the full year 2022.

Alexander Geis, CEO of SAF-HOLLAND SE says: "Demand for our axle and suspension systems as well as fifth wheels was very strong in all three regions in Q1 2022 and is reflected in new record sales of EUR 370 million. I am satisfied overall with the adjusted EBIT margin of 6.4% against the backdrop of cost headwind in steel, energy and logistics."

"For the rest of the year, I expect demand for our products to remain stable despite the gloomy economic conditions. Based on the price adjustments already implemented and negotiated with customers due to the high steel, freight and energy costs, I expect a gradual improvement in our EBIT margin over the course of the year. Accordingly, we have raised the sales forecast for the full year 2022 and specified the EBIT margin guidance," adds Alexander Geis.

#### **Adjusted EBIT margin at 6.4%**

In Q1 2022, Group sales of EUR 369.7 million were 29.4% higher than the previous year's figure of EUR 285.6 million due to demand. Exchange rate effects amounted to EUR 9.0 million (previous year: EUR -13.7 million). Adjusted for exchange rate effects, revenues rose by 26.3 % to EUR 360.7 million.

High steel prices as well as high freight and energy costs, which are passed on with a time lag, had a strong impact on the cost of sales ratio primarily in Europe, while the administrative and research and development cost ratios declined significantly. In total, this led to an adjusted EBIT of EUR 23.5 million (previous year: EUR 22.0 million). This corresponds to an adjusted EBIT margin of 6.4 % (previous year: 7.7 %).

#### **EMEA region: Strong cost headwind**

In the EMEA region, sales in Q1 2022 improved by 23.9% to EUR 208.5 million (previous year: EUR 168.3 million), in particular due to the strong trailer OE business. Adjusted for exchange rate effects, sales growth of 24.5% to EUR 209.6 million was recorded.

High steel prices as well as high freight and energy costs, which are passed on with a time lag, had a very strong impact on the cost of sales ratio, while the share of administrative and research and development costs declined significantly. In total, this led to an adjusted EBIT of EUR 10.1 million (previous year: EUR 16.2 million). This corresponds to an adjusted EBIT margin of 4.9% (previous year: 9.6%).

#### **Americas region: Strong start into the year**

In the Americas region, sales in Q1 2022 increased by 40.8% to EUR 127.0 million (previous year: EUR 90.2 million) due to the strong aftermarket and trailer OE business. Adjusted for currency effects, sales improved by 30.7% to EUR 117.8 million.

Cost increases for steel as well as higher freight and energy costs also had a negative impact on the cost of sales ratio in the Americas region, but by far less than in the EMEA region. The significantly lower share of administrative and research and development costs had a margin-enhancing effect. In total, this led to an adjusted EBIT of EUR 9.9 million (previous year: EUR 5.4 million). This corresponds to an adjusted EBIT margin of 7.8% (previous year: 6.0%).

### **APAC region: India and Australia fuel sales and EBIT margin**

The APAC region generated sales of EUR 34.2 million in Q1 2022 (previous year: EUR 27.1 million). Adjusted for exchange rate effects, sales increased by 22.7% year-on-year to EUR 33.3 million. The main reason for this significant increase in sales was the strong growth in the trailer OE business in India and Australia.

Compared to the strong increase in sales, the increase in cost of sales was clearly disproportionately low. The significantly lower selling and administrative expense ratio also had a margin-enhancing effect. The adjusted EBIT improved from EUR 0.4 million to EUR 3.5 million. The adjusted EBIT margin was 10.1% (previous year: 1.4%).

### **Result for the period 16.1% higher year-on-year**

With an effective Group tax rate of 28.3% (previous year: 36.6%), an unadjusted result for the period of EUR 13.1 million (previous year: EUR 11.3 million) was achieved in the reporting period January to March 2022. With an expected Group tax rate of 26.8% (previous year: 26.7%), the adjusted result for the period improved by 1.8% to EUR 15.1 million (previous year: EUR 14.9 million).

Based on the unchanged number of approximately 45.4 million ordinary shares issued, undiluted unadjusted earnings per share in Q1 2022 amounted to 0.29 euros (previous year: 0.24 euros) and adjusted earnings per share to 0.33 euros (previous year: 0.32 euros).

### **Capex ratio of 1.4% due to high sales growth**

Additions to property, plant and equipment and intangible assets, including capitalised development costs of EUR 0.9 million (previous year: EUR 0.5 million), amounted to EUR 5.3 million (previous year: EUR 5.3 million) in Q1 2022. Of this amount, EUR 3.7 million (previous year: EUR 2.3 million) was invested in the EMEA region, EUR 1.5 million (previous year: EUR 0.5 million) in the Americas region and EUR 0.1 million (previous year: EUR 2.4 million) in the APAC region. The investments focused on measures to increase efficiency in Germany and the USA as well as the continuation of the capacity expansions already started in Turkey, Mexico and India. Due to the disproportionate increase in sales, the capex ratio decreased from 1.9% to 1.4%.

### **Solid financial profile: leverage ratio slightly increased due to seasonal factors**

Compared to 31 December 2021, equity improved by EUR 19.5 million to EUR 390.5 million. This corresponds to an equity ratio of 36.8% (31 December 2021: 36.6%). Equity increased due to the result for the period of EUR 13.1 million and currency differences from the translation of foreign operations of EUR 6.4 million.

Net financial debt (including lease liabilities) increased slightly by EUR 12.3 million to EUR 210.3 million as at March 31, 2022 compared to the balance sheet date of December 31, 2021. The seasonal increase in the leverage ratio (ratio of net financial debt to unadjusted EBITDA) from 1.58x to 1.66x is exclusively due to the increase in net financial debt.

### **Outlook 2022 specified**

Based on the figures for the first quarter of 2022, the Management Board of SAF-HOLLAND SE has decided on May 5, 2022 to raise the forecast for Group sales for the 2022 financial year and to specify the forecast for the adjusted EBIT margin.



Based on the expected macroeconomic and industry-specific framework conditions and weighing up the potential risks and opportunities, the Management Board now expects Group sales for the 2022 financial year to be in a range of EUR 1.2 billion to EUR 1.35 billion (previously: EUR 1.15 billion to EUR 1.3 billion).

Based on this assumption, SAF-HOLLAND also expects an adjusted EBIT margin of 6.5% to 7.0% for the 2022 financial year (previously: significantly below the previous year).

In order to support the strategic goals, the company continues to plan investments in the range of 2% to 2.5% for the 2022 financial year. The investments will focus on the continuation of the capacity expansions already started in Turkey and Mexico as well as a capacity expansion in India. Furthermore, the company plans to invest in efficiency-enhancing measures, especially in Germany and the USA.

### **Conference call for analysts and investors**

The Management Board of SAF-HOLLAND SE will hold a conference call for analysts and investors (English only) on May 10, 2022 at 10.00 am (CEST). This will be broadcasted via the internet. The audio webcast will be available live and as an on-demand version on SAF-HOLLAND's website.

The current investor presentation (English only), the Q1 2022 Interim Statement and the press release are also available on the SAF-HOLLAND website.

#### Upcoming events:

Mai 19, 2022	Ordinary Annual General Meeting
August 11, 2022	Half-year financial report 2022
November 10, 2022	Q3 2022 Statement

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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. The product range includes, among other things, axle and suspension systems for trailers as well as fifth wheels for trucks and coupling systems for trucks, trailers and semi-trailers. 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, 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 the manufacturers' service networks as well as to wholesalers and, through an extensive global distribution network, to end customers and service centers. Around 3,600 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](http://www.safholland.com).

## Key financials for the 2021 financial year

### Results of operations

in EUR million	Q1/2022	Q1/2021
Sales	369.7	285.6
Adjusted gross profit	58.5	56.0
Adjusted gross profit margin in %	15.8	19.6
Adjusted EBITDA	32.4	31.0
Adjusted EBITDA margin in %	8.8	10.9
Adjusted EBIT	23.5	22.0
Adjusted EBIT margin in %	6.4	7.7
Adjusted result for the period	15.1	14.9
Adjusted result for the period with non-controlling interests	15.1	14.9
Adjusted result for the period without non-controlling interests	15.0	14.6

### Financial position

in EUR million	Q1/2022	Q1/2021
Operating free cash flow	-10.0	0.5
Cash flow from investing activities (property, plant and equipment/ intangible assets)	-4.8	-5.2
Net debt	210.3	195.6

### Yield

in %	Q1/2022	Q1/2021
Return on capital employed (ROCE)	15.2	11.3

### CAPEX ratio

in %	Q1/2022	Q1/2021
Capex ratio	1.4	1.9

### Net assets

in EUR million	03/31/2022	12/31/2021
Balance sheet total	1,060.4	1,014.3
Equity	390.5	371.1
Equity ratio in %	36.8	36.6

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 (excl. refinancing costs, incl. lease liabilities) + pension and other similar benefits - cash and cash equivalents).

### Future-oriented statements

*This press release contains forward-looking statements based on assumptions and estimates made by the Management Board of SAF-HOLLAND SE. These statements can be identified by wording such as "expect", "want", "anticipate", "intend", "plan", "believe", "strive", "estimate", and "will" or similar terms. Although we assume that the expectations contained in these forward-looking statements are realistic, we cannot guarantee that they will prove to be correct. These assumptions may contain risks and uncertainties that could cause the actual figures to differ considerably from the forward-looking statements. Factors that can cause such discrepancies include changes in the macroeconomic and business environment, changes in exchange rates and interest rates, the introduction of products that compete with our own products, a lack of acceptance of new products or services, and changes in corporate strategy. SAF-HOLLAND does not intend to update these forward-looking statements, nor does it assume any responsibility to do so.*

*This press release includes supplementary financial indicators that either are or may be so-called alternative performance indicators that are not clearly defined in the relevant financial reporting framework. In assessing the financial position and performance of SAF-HOLLAND, these supplementary financial indicators should not be used in isolation or as an alternative to those presented in the consolidated financial statements and determined in accordance with the relevant financial reporting framework. Other companies that present or report alternative performance indicators with similar names may calculate them differently. Explanations of the key financial figures used are available in the Annual Report of SAF-HOLLAND SE.*



*Due to rounding, some of the figures presented in this press release as well as in other reports may not add up exactly to the stated totals and percentages presented may not accurately reflect the absolute values to which they relate.*

**Note**

This announcement is for information purposes only and does neither constitute an offer to sell, purchase, exchange or transfer any securities nor a solicitation of any offer to sell, purchase, exchange or transfer any securities. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. SAF-HOLLAND SE does not intend to register any securities referred to herein under the Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States in connection with this announcement.