

## Corporate News

### **SAF-HOLLAND with a solid start to fiscal year 2024: Adjusted EBIT margin significantly improved to 9.6% in the first quarter – full-year guidance confirmed**

- **Group sales increase by 5.2% to EUR 505.4 million (previous year: EUR 480.4 million)**
- **Adjusted EBIT margin significantly improved to 9.6% (previous year: 9.0%)**
- **Result for the period grows by 35.8% to EUR 26.5 million (previous year: EUR 19.5 million)**
- **Leverage ratio of 1.9 remains below the target figure of 2.0**
- **Outlook for fiscal year 2024 confirmed**

Bessenbach (Germany), May 8, 2024. SAF-HOLLAND SE ("SAF-HOLLAND"), one of the world's leading suppliers of trailer and truck components, has made a successful start to the fiscal year 2024.

SAF-HOLLAND increased Group sales in the first quarter of 2024 by 5.2% to EUR 505.4 million (previous year: EUR 480.4 million). The acquisition effects relevant to the increase totaled EUR 66.1 million and related to the first-time consolidation of Haldex AB for the entire reporting period January 1 to March 31 (previous year: February 21 to March 31) and IMS Group B.V., which has been included in the Consolidated Financial Statements since January 2, 2024.

In organic terms – i.e. excluding the influence of exchange rate and acquisition effects – SAF-HOLLAND's Group sales decreased by EUR 39.1 million or 8.1% to EUR 441.3 million in the first quarter of 2024. After years of strong growth, this was mainly due to the normalization of the commercial vehicle market, particularly in the EMEA and Americas regions.

Overall, the effects of weaker customer demand and additional acquisition-related sales led to an 11.8% reduction in the original equipment trailer customer segment's contribution to sales to EUR 259.0 million (previous year: EUR 293.7 million), meaning that its share of total sales fell from 61.1% in the first quarter of 2023 to 51.3% in the first quarter of 2024. By contrast, sales from the original equipment business with trucks improved by 12.4% to EUR 68.9 million (previous year: EUR 61.3 million) and related in particular to the Americas and APAC regions. The cyclically resilient aftermarket business significantly improved its share of sales from 26.1% to 35.1%. The sales growth of EUR 52.1 million to EUR 177.5 million resulted primarily from acquisition effects (particularly Haldex) as well as organic growth due to the increased population of SAF-HOLLAND products in the market.

The distribution of Group sales by region in the first quarter of 2024 was also influenced by both acquisition effects and organic sales development. With sales of EUR 244.3 million (previous year: EUR 238.8 million) and a 48.3% share of Group sales (previous year: 49.7%), the EMEA region remains the company's largest region. The Americas region accounted for 39.1% of sales (previous year: 39.4%) or EUR 197.5 million (previous year: EUR 189.1 million). The APAC region increased its sales disproportionately by 21.2% to EUR 63.7 million (previous year: EUR 52.5 million). This corresponds to a 12.6% share of Group sales (previous year: 10.9%).

### **Adjusted EBIT margin significantly increased to 9.6%**

Adjusted EBIT improved by 12.0% to EUR 48.6 million in the first quarter of 2024 (previous year: EUR 43.4 million). This corresponds to a strong adjusted EBIT margin of 9.6% (previous year: 9.0%). The basis for this was the significant improvement of the adjusted gross margin from 18.1% to 21.9% as a result of the significantly higher share of sales generated by the aftermarket business, the continued systematic realization of cost synergies in the course of the Haldex integration and strict cost management.

### **Result for the period benefits from good operating performance**

The result before taxes improved by 30.1% to EUR 37.2 million in the first quarter of 2024 (previous year: EUR 28.6 million).

With a lower Group tax rate of 28.8% (previous year: 31.8%), the Group generated a result for the period of EUR 26.5 million in the first quarter of 2024 (previous year: EUR 19.5 million), which corresponds to an increase of 35.8%. The share of the result for the period attributable to the shareholders of the parent company rose by 34.1% year-on-year from EUR 19.6 million to EUR 26.2 million.

Based on an unchanged number of 45.4 million ordinary shares issued, earnings per share for the first quarter of 2024 improved significantly to EUR 0.58 (previous year: EUR 0.43).

The adjusted result for the period after minority interests improved by 27.2% to EUR 31.3 million in the first quarter of 2024 (previous year: EUR 24.6 million). Adjusted earnings per share amounted to EUR 0.69 (previous year: EUR 0.54).

### **Leverage ratio still below the target of 2.0**

Net cash flow from operating activities amounted to EUR -6.9 million in the first quarter (previous year: EUR +12.1 million). The main reason for this was the cash outflow from capital tied up in net working capital, in particular due to the increase in trade receivables and inventories. It should be noted that the respective figures for the first quarter of 2023 were influenced by the cyberattack.

As a result, the operating free cash flow (net cash flow from operating activities after deduction of net investments in property, plant and equipment and intangible assets) deteriorated to EUR -12.4 million (previous year: EUR +5.4 million).

The cash outflow caused by the purchase price payment and acquisition of the inventories for IMS Group B.V. resulted in a total free cash flow of EUR -22.8 million (previous year: EUR +36.2 million). In the previous year, this was influenced by a cash inflow of EUR 30.8 million, which related to the cash received less the payment for the acquisition of the outstanding shares in Haldex AB.

As a result, net financial debt (including lease liabilities) increased by EUR 32.2 million to EUR 482.4 million as at the end of March 2024 compared to the reporting date of December 31, 2023. The leverage ratio (ratio of net financial debt to EBITDA) was 1.9 at the end of the first quarter 2024 (December 31, 2023: 1.8). The main reason for the slight increase was the rise in net financial debt.

Alexander Geis, Chairman of the Management Board and CEO of SAF-HOLLAND SE, comments: "The figures for the first quarter of 2024 have shown very impressively how robust our business model is with the strong

aftermarket business and the pronounced ability to adjust costs even in a weaker market environment. We are therefore optimistic about the rest of the year."

### Outlook for fiscal year 2024 confirmed

Based on the results of the first quarter and the expected macroeconomic and industry-specific conditions, taking into account the potential risks and opportunities and on the basis of stable exchange rates, the Management Board of SAF-HOLLAND SE continues to expect Group sales of around EUR 2,000 million for fiscal year 2024 (previous year: EUR 2,106.2 million).

Based on this assumption, SAF-HOLLAND continues to expect an adjusted EBIT margin for the Group of 9.0% - 9.5% for fiscal year 2024 (previous year: 9.6 %).

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

in kEUR				
	Q1 2024	Q1 2023	Change absolute	Change in %
<b>Result of Operations</b>				
Sales	505,431	480,423	25,008	5.2%
Adjusted gross profit	110,555	87,097	23,458	26.9%
Adjusted gross profit margin in %	21.9%	18.1%		
Adjusted EBITDA	63,800	55,704	8,096	14.5%
Adjusted EBITDA margin in %	12.6%	11.6%		
Adjusted EBIT	48,565	43,360	5,205	12.0%
Adjusted EBIT margin in %	9.6%	9.0%		
Result for the period without non-controlling interests	26,225	19,562	6,663	34.1%
Adjusted result for the period without non-controlling interests	31,295	24,594	6,701	27.2%
Basic earnings per share in EUR	0.58	0.43	0.15	34.1%
Adjusted earnings per share in EUR	0.69	0.54	0.15	27.2%
<b>Financial position</b>				
Net cash flow from operating activities	-6,891	12,087	-18,978	-
Net cash flow from investing activities (property, plant and equipment/intangible assets)	-5,543	-6,713	1,170	-17.4%
Operating free cash flow	-12,434	5,374	-17,808	-
Net cash flow from investing activities (acquisition of subsidiaries)	-10,326	30,785	-41,111	-
Total free cash flow	-22,760	36,159	-58,919	-
<b>Yield</b>				
Return on capital employed (ROCE) in %	20.2%	16.5%		
<b>Balance Sheet</b>				
	03/31/2024	12/31/2023		
Net debt	482,380	450,159	32,221	7.2%
Leverage ratio	1.9	1.8		



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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. Around 6,000 dedicated employees worldwide 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 braking and EBS systems. In addition, SAF-HOLLAND develops innovative products to increase the efficiency, safety and environmental friendliness of commercial vehicles. With the SAF, Holland, Haldex, V.Orlandi, Neway, KLL and York brands, the Group achieved strong market positions among the top three 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](http://www.safholland.com).