

Corporate News

SAF-HOLLAND SE has strong start to the year – Significant increase in sales and earnings in the first quarter of 2023

- **Group sales grow 29.9% to EUR 480.4 million in the first quarter of 2023 (previous year: EUR 369.7 million)**
- **Haldex AB, which has been included in the scope of consolidation since February 21, 2023, contributed EUR 59.1 million to Group sales**
- **Adjusted EBIT increases by 84.6% to EUR 43.4 million (previous year: EUR 23.5 million); adjusted EBIT margin rises to 9.0% (previous year: 6.4%)**
- **Operating free cash flow improves by EUR 15.4 million to EUR 5.4 million year-on-year**
- **Outlook for full-year 2023 specified at the beginning of May – sales tending around the upper end of the range, adjusted EBIT margin expected unchanged in the range of 7.5 % to 8.5 %**

Bessenbach (Germany), May 26, 2023 +++ SAF-HOLLAND SE ("SAF-HOLLAND"), a leading supplier of trailer and truck components, today released its quarterly statement for the first quarter of 2023.

Group sales grow organically by 10.8%

SAF-HOLLAND increased Group sales in the first quarter of 2023 by 29.9% to EUR 480.4 million (previous year: EUR 369.7 million). Growth was driven by continued strong demand from customers for truck and trailer components, the acquisition of Haldex and economies of scale and a positive product mix. The Swedish brake system specialist was included in the scope of consolidation as of February 21, 2023 and contributed EUR 59.1 million to Group sales. Sales adjusted for exchange rate and acquisition effects increased by 10.8% in the first quarter of 2023.

The SAF-HOLLAND Group's organic growth in the first quarter of 2023 stemmed largely from the APAC and Americas regions. In the APAC region, SAF-HOLLAND, as a leading manufacturer of axle and suspension systems in India, benefited from the ongoing government infrastructure programs and the expansion of the transport sector on the subcontinent. The Group's growth in North America was mostly driven by continued solid market demand and the increase in new trailers equipped with disc brake technology. The development in the EMEA region was more subdued, as expected, due to the challenging overall economic environment.

Adjusted EBIT margin improves to 9.0%

Strong organic growth combined with further efficiency improvements in production-related areas and cost savings in administrative functions led to an increase of 84.6% in adjusted EBIT to EUR 43.4 million in the first quarter of 2023 (previous year: EUR 23.5 million). Consequently, the adjusted EBIT margin increased to 9.0% (previous year: 6.4%). The very high year-on-year earnings growth was also due to the fact that higher steel, freight and energy costs had been a temporary burden in the first quarter of 2022. In the further course of 2022, SAF-HOLLAND was largely able to pass on the higher costs to customers through price adjustments.

All three of the Group's reporting regions increased their profitability in the first quarter of 2023. The Americas and APAC regions achieved strong adjusted EBIT margins of 10.0% and 10.6%, respectively. The earnings

growth in these regions was driven primarily by the strong increase in sales and operating leverage effects. In the EMEA region, the adjusted EBIT margin improved to 7.9% (previous year: 4.9%).

Result for the period up 48.9%

The financing costs for the Haldex acquisition and the increased interest for lines of variable financing led to a decrease in the finance result to EUR –10.2 million (previous year: EUR –2.8 million). The result before income tax in the first quarter of 2023 amounted to EUR 28.6 million (previous year: EUR 18.2 million). Based on a Group tax rate of 31.8% (previous year: 28.3%), the Group generated a result for the period of EUR 19.5 million (previous year: EUR 13.1 million), corresponding to an increase of 48.9%. Earnings per share amounted to EUR 0.43 (previous year: EUR 0.29), and adjusted earnings per share reached EUR 0.54 (previous year: EUR 0.33).

Operating free cash flow improves by EUR 15.4 million year-on-year

Net financial debt declined to EUR 508.1 million as of March 31, 2023 (December 31, 2022: EUR 510.6 million). The leverage ratio (ratio of net financial debt to EBITDA) had a noticeable decline to 2.9 (December 31, 2022: 3.4). On a pro forma basis, taking into account the EBITDA contribution of Haldex for the last twelve months, the leverage ratio equaled 2.4 (December 31, 2022: 2.6). The improvement was largely due to the development of operating free cash flow, which rose to EUR 5.4 million in the first quarter of 2023 (previous year: EUR –10.0 million). This increase was primarily the result of significantly higher result before income tax and the continued consistent management of net working capital.

Outlook for 2023 specified at the beginning of May – Sales now expected to tend around the upper end of the range

In view of the positive business development in the first quarter of 2023 and based on the expected development for the global truck and trailer markets in the further course of the year, SAF-HOLLAND substantiated its forecast as follows in an ad hoc release dated May 4, 2023: Based on current estimates, the Company is assuming Group sales for full-year 2023 tending around the upper end of the previously planned sales range of EUR 1,800 million to EUR 1,950 million (previous year: EUR 1,565.1 million). This forecast is based on the assumption of stable exchange rates and takes into account the sales contribution of Haldex following its inclusion in the Group's scope of consolidation as of February 21, 2023. SAF-HOLLAND expects in the course of the second and third quarters of 2023 to be able to largely recover the temporary sales shortfall totaling around EUR 40 million caused by the cyberattack on the Company's IT systems at the end of March 2023. The Group's adjusted EBIT margin for full-year 2023 is still expected to be in the range of 7.5% to 8.5%.

Conference call for analysts and investors

The Management Board of SAF-HOLLAND SE will hold a conference call for analysts and investors today at 10:00 (CEST). This event will be broadcast via the internet. The audio webcast will be available live as well as on-demand on the SAF-HOLLAND Group website. The current investor presentation in English, the Q1 2023 quarterly statement, as well as the corresponding corporate news announcement, are also available on the corporate website of the SAF-HOLLAND Group.

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About SAF-HOLLAND

SAF-HOLLAND SE is a leading international manufacturer of suspension-related assemblies and components for trailers, trucks and buses. The product range includes, among other things, axle and suspension systems for trailers, fifth wheels for trucks and coupling systems for trucks, semi-trailers and trailers as well as brake and EBS systems. 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, Haldex, 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 manufacturers' service networks as well as to wholesalers and, through an extensive global distribution network, to end customers and service centers. Around 5,900 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.