

SAF-HOLLAND SE

Quarterly Statement

Q3 2022



KEY FIGURES

Results of operations

in EUR thousands	Q1-Q3/2022	Q1-Q3/2021	Q3 2022	Q3 2021
Sales	1,175,641	924,762	402,388	316,638
Adjusted gross profit	199,916	167,563	71,906	54,337
Adjusted gross profit margin in %	17.0	18.1	17.9	17.2
Adjusted EBITDA	119,880	99,013	46,443	33,342
Adjusted EBITDA margin in %	10.2	10.7	11.5	10.5
Adjusted EBIT	92,281	71,276	36,664	24,323
Adjusted EBIT margin in %	7.8	7.7	9.1	7.7
Adjusted result for the period with non-controlling interests	62,810	47,410	24,530	16,235
Adjusted result for the period without non-controlling interests	62,427	47,343	24,450	16,228

Financial position

in EUR thousands	Q1-Q3/2022	Q1-Q3/2021	Q3 2022	Q3 2021
Net cash flow from operating activities	73,525	21,262	54,752	6,314
Net cash flow from investing activities (property, plant and equipment/ intangible assets)	-15,996	-11,987	-5,922	-3,846
Operating free cash flow	57,529	9,275	48,830	2,468
Net debt	448,274	200,681		

Yield

in %	09/30/2022	09/30/2021	06/30/2022	06/30/2021
Return on capital employed (ROCE)	12.2	15.6	14.8	14.5

CAPEX ratio

in %	09/30/2022	09/30/2021	Q3 2022	Q3 2021
Investment rate	1.4	1.4	1.4	1.4

Net assets

in EUR thousands	09/30/2022	06/30/2022	12/31/2021
Balance sheet total	1,456,916	1,156,375	1,014,267
Equity	468,482	431,128	371,070
Equity ratio in %	32.2	37.3	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.

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

Note: Adjusted for the financing of the Haldex acquisition, ROCE had amounted to 18.0%.

SIGNIFICANT EVENTS IN THE THIRD QUARTER 2022

SAF-HOLLAND SUCCESSFULLY CONCLUDES ITS OFFER TO THE SHAREHOLDERS OF HALDEX ATTAINING A HOLDING OF MORE THAN 96 PER CENT

Between July 4, 2022 and August 16, 2022, the shareholders of Haldex AB had the opportunity to decide on the cash offer of SEK 66 per share submitted to them by SAF-HOLLAND SE.

On August 18, 2022, SAF-HOLLAND announced that the offer was accepted by Haldex shareholders for a sum total of 33,234,834 shares, corresponding to approximately 68.35 per cent of the total number of Haldex shares outstanding. In addition, SAF-HOLLAND purchased 12,159,387 Haldex shares (corresponding to 25.0 per cent of the outstanding Haldex shares) during the offer period and in the six months prior to the announcement of the takeover offer at prices that did not lie above the price in the offer. As a result, SAF-HOLLAND controlled a total of 45,394,221 Haldex shares on this date, corresponding to approximately 93.35 per cent of all Haldex shares outstanding. SAF-HOLLAND declared the offer to be unconditional and extended the period for its acceptance.

During the extended acceptance period, which expired on August 31, 2022, the offer was accepted by Haldex shareholders for a sum total of 1,352,376 shares, corresponding to approximately 2.78 per cent of the total number of Haldex shares outstanding. After expiry of the extended acceptance period, SAF-HOLLAND therefore controls a total of 46,746,597 Haldex shares, corresponding to approximately 96.14 per cent of all Haldex shares outstanding.

On August 18, the Board of Directors of Haldex passed a resolution to apply for delisting of the shares of the company from the Nasdaq Stockholm. September 19, 2022 was the last day on which the shares were traded.

After conclusion of the cash offer recommended by SAF-HOLLAND to the shareholders of Haldex AB, SAF-HOLLAND initiated squeeze-out proceedings under Swedish stock corporation law in order to acquire the remaining shares not already in its possession. The interests of the non-controlling interests in Haldex are protected by a trustee appointed by the Swedish Companies Registration Office.

While approval for the merger has already been obtained from the German and US anti-trust authorities, the Polish authorities are yet to issue their approval.

The Polish authorities have not expressed any reservations about the takeover constituting a substantial restriction of competition. However, they have stated that the case is complex as the relevant markets are interconnected and the companies involved in the transaction play different roles on these markets. This is especially due to the number of product markets where the activities of SAF-HOLLAND and Haldex either intersect (horizontally) or where SAF-HOLLAND offers products manufactured by Haldex for the spare parts market or on which SAF-HOLLAND currently purchases products from Haldex which it then incorporates in its own products (vertical intersection).

The Polish authorities intend to examine these relationships in more detail to understand them better before making a decision on its approval. In light of the fact that neither the German nor the US anti-trust authorities expressed any reservations in terms of fair competition, SAF-HOLLAND is optimistic that an unconditional approval will be issued in the coming weeks.

HALDEX: STRONG Q3 PERFORMANCE IN 2022 – EBIT MARGIN AT 9.9 PER CENT

in EUR thousands

P&L	Q3 2022	Q3 2021	Change in %	Q1-Q3 2022	Q1-Q3 2021	Change in %
Sales	142,828	118,042	21.0%	401,215	337,200	19.0%
Gross profit	41,193	30,915	33.2%	113,894	95,007	19.9%
Gross margin	28.8%	26.2%		28.4%	28.2%	
Operating income	13,268	9,402	41.1%	29,968	28,274	6.0%
Operating margin	9.3%	8.0%		7.5%	8.4%	
Adj. operating income	14,232	9,833	44.7%	33,192	29,286	13.3%
Adj. operating margin	9.9%	8.3%		8.3%	8.7%	
Profit before tax	12,820	7,384	73.6%	26,754	24,396	9.7%
Taxes	-3,587	-2,016	78.0%	-7,484	-6,691	11.8%
Net income (incl. minorities)	9,233	5,369	72.0%	19,270	17,704	8.8%
Net Income (excl. minorities)	9,092	5,266	72.7%	18,865	17,535	7.6%
Sales by region	Q3 2022	Q3 2021	%	Q1-Q3 2022	Q1-Q3 2021	%
Americas	84,774	60,718	39.6%	230,113	171,840	33.9%
EMEA	49,495	49,629	-0.3%	145,356	140,877	3.2%
APAC	8,559	7,695	11.2%	25,746	24,483	5.2%
Sales by customer segment	Q3 2022	Q3 2021	%	Q1-Q3 2022	Q1-Q3 2021	%
Trailer OE	47,577	39,799	19.5%	132,888	112,810	17.8%
Truck OE	19,523	17,157	13.8%	59,961	53,313	12.5%
Spare parts business	75,728	61,086	24.0%	208,366	171,077	21.8%

Haldex AB sales (stand-alone) in the third quarter of 2022 came to EUR 142.8 million, 21.0 per cent up on the figure for the same period of the previous year of EUR 118.0 million, primarily on account of price increases arranged with customers and exchange rate effects. Sales in the spare parts business increased by 24.0 per cent to EUR 75.7 million (previous year: EUR 61.1 million). The share of Group sales increased from 51.7 per cent to 53.0 per cent. Sales in the trailer OE business improved by 19.5 per cent to EUR 47.6 million (previous year: EUR 39.8 million). The share of Group sales decreased slightly from 33.7 per cent to 33.3 per cent. Sales in the truck OE business rose by 13.8 per cent to EUR 19.5 million (previous year:

EUR 17.2 million). At the same time, the share of Group sales decreased from 14.5 per cent to 13.7 per cent.

At segment level, sales growth was mostly borne by the Americas region. In this region, sales grew by 39.6 per cent to EUR 84.8 million (previous year: EUR 60.7 million) on account of the strong trailer OE and spare parts business. Sales in the APAC region improved by 11.2 per cent to EUR 8.6 million (previous year: EUR 7.7 million). In the EMEA region sales of EUR 49.5 million only managed to match the level of the previous year on account of the high base level set in the previous year.

Gross profit improved by 33.2 per cent in the third quarter of 2022 to EUR 41.2 million (previous year: EUR 30.9 million). This corresponds to a gross profit margin of 28.8 per cent (previous year: 26.2 per cent). The main reason for the significant margin improvement were likewise prices increases towards customers. Higher administrative expenses as well as research and development costs were margin dilutive. In light of these factors, the adjusted EBIT margin came to 9.9 per cent (previous year: 8.3

per cent). With an effective tax rate of 28.0 per cent (previous year: 27.3 per cent) an unadjusted net profit for the period before minorities of EUR 9.2 million (previous year: EUR 5.4 million) was achieved.

INDUSTRY ENVIRONMENT

DIVERGING DEVELOPMENTS IN THE TRAILER AND TRUCK MARKETS

In the first nine months of 2022 the largest trailer and truck markets by volume developed very disparately in some cases in comparison to the previous year. The international trailer markets in the regions of most importance to SAF-HOLLAND – Europe, North America and India – showed stable to very positive development. The chip shortage continued to dampen activity on the highest-volume truck markets of Europe and North America. The pent-up demand following the production restrictions in the years 2020 and 2021 remained an important factor, also for trailers.

Development of the trailer and truck markets Q1-Q3 2022 to Q1-Q3 2021

	Trailer	Trucks
Europe	5%	3%
North America	26%	18%
Brazil	-8%	-1%
India	97%	54%
Australia	4%	7%
China	-62%	-62%

Source: ACT, ACEA, ANFAVEA, ANFIR, SIAM, CV World, ARTSA, own estimates.

EUROPEAN TRAILER MARKET: NORMALISATION IN THE THIRD QUARTER

Growth rates on the European trailer markets returned to normal in the third quarter of 2022 after strong growth in the previous quarters. In sum, the European trailer market recorded production growth of 5 per cent from January to September 2022.

DEMAND FOR HEAVY-DUTY TRUCKS REMAINS SOLID IN EUROPE

The European truck market continues to be affected by the chip shortage. In spite of this impediment, the number of heavy-duty trucks newly registered rose by 3 per cent (H1 2022: -0.1 per cent) in the first nine months.

NORTH AMERICAN TRAILER MARKET GROWS STRONGLY

The North American trailer market grew more strongly than its European counterpart. The production numbers in the USA, Canada and Mexico increased by more than a quarter to 299,000 units by the end of September.

TRUCK MARKET IN NORTH AMERICA UP 18 PER CENT

Production of Class 8 trucks in North America grew by roughly 18 per cent in the first nine months of 2022.

BRAZILIAN MARKET DECLINES AFTER BOOM IN THE PREVIOUS YEAR

After its strong performance in the previous year, the Brazilian trailer market recorded a decline of 8 per cent in production over the first nine months of 2022, which is of little surprise. By contrast, the production figures for heavy-duty trucks remained more or less at the same level as the comparative period of the previous year.

AUSTRALIA AND INDIA CONTINUE TO DEVELOP POSITIVELY

The two most significant sales markets for SAF-HOLLAND in the APAC region – India and Australia – enjoyed a positive trend in the first nine months. On the Australian continent, 4 per cent more trailers were manufactured over the first nine months of 2022. Production figures for trucks increased by 7 per cent.

In India the dynamic development of the truck market continued without interruption in the wake of extensive government infrastructure measures and road construction programmes. In the first nine months of 2022, the number of heavy-duty trucks rolling off the production lines on the sub-continent was up 54 per cent on the comparative period of the previous year. In the same period, production of trailers was up 97 per cent.

By contrast, the Chinese commercial vehicles market exhibited a significant downturn on both the trailer market (-62 per cent) and the truck market (-62 per cent). The main factors here lie in the sharp contraction in GDP growth rates and the zero-COVID policy of the Chinese government, which repeatedly results in local lockdowns.

RESULTS OF OPERATIONS, NET ASSETS AND FINANCIAL POSITION

in EUR thousands

	Q1-Q3/2022	Total Adjustments	Q1-Q3/2022 adjusted	in % of sales	Q1-Q3/2021	Total Adjustments	Q1-Q3/2021 adjusted	in % of sales
Sales	1,175,641	–	1,175,641	100.0%	924,762	–	924,762	100.0%
Cost of sales	–979,212	3,487	–975,725	–83.0%	–759,384	2,185	–757,199	–81.9%
Gross profit	196,429	3,487	199,916	17.0%	165,378	2,185	167,563	18.1%
Other income	2,149	–6	2,143	0.2%	1,524	–	1,524	0.2%
Other expenses	–2,219	1,291	–928	–0.1%	–	–	–	–
Selling expenses	–53,577	5,237	–48,340	–4.1%	–43,777	5,309	–38,468	–4.2%
Administrative expenses	–54,852	6,315	–48,537	–4.1%	–46,919	655	–46,264	–5.0%
Research and development costs	–13,451	281	–13,170	–1.1%	–14,550	469	–14,081	–1.5%
Operating profit	74,479	16,605	91,084	7.7%	61,656	8,618	70,274	7.6%
Share of net profit of investments accounted for using the equity method	1,197	–	1,197	0.1%	1,002	–	1,002	0.1%
Earnings before interest and taxes (EBIT)	75,676	16,605	92,281	7.8%	62,658	8,618	71,276	7.7%
Finance income	4,669	–	4,669	0.4%	2,198	–	2,198	0.2%
Finance expenses	–11,179	–	–11,179	–1.0%	–8,795	–	–8,795	–1.0%
Finance result	–6,510	–	–6,510	–0.6%	–6,597	–	–6,597	–0.7%
Result before taxes	69,166	16,605	85,771	7.3%	56,061	8,618	64,679	7.0%
Income taxes	–21,427	–1,534	–22,961	–2.0%	–18,950	1,681	–17,269	–1.9%
Income taxes in %	31.0%		26.8%		33.8%		26.7%	
Result for the period	47,739	15,071	62,810	5.3%	37,111	10,299	47,410	5.1%
Undiluted/Diluted earnings per share in Euro	1.04		1.38		0.82		1.04	

in EUR thousands								
	Q3 2022	Total Adjustments	Q3/2022 adjusted	in % of sales	Q3 2021	Total Adjustments	Q3/2021 adjusted	in % of sales
Sales	402,388	–	402,388	100.0%	316,638	–	316,638	100.0%
Cost of sales	–332,703	2,221	–330,482	–82.1%	–263,281	980	–262,301	–82.8%
Gross profit	69,685	2,221	71,906	17.9%	53,357	980	54,337	17.2%
Other income	452	1	453	0.1%	1,007	–	1,007	0.3%
Other expenses	–61	35	–26	0.0%	–	–	–	–
Selling expenses	–17,442	1,860	–15,582	–3.9%	–14,395	1,794	–12,601	–4.0%
Administrative expenses	–21,486	5,471	–16,015	–4.0%	–15,072	73	–14,999	–4.7%
Research and development costs	–4,612	119	–4,493	–1.1%	–3,924	80	–3,844	–1.2%
Operating profit	26,536	9,707	36,243	9.0%	20,973	2,927	23,900	7.5%
Share of net profit of investments accounted for using the equity method	421	–	421	0.1%	423	–	423	0.1%
Earnings before interest and taxes (EBIT)	26,957	9,707	36,664	9.1%	21,396	2,927	24,323	7.7%
Finance income	1,539	–	1,539	0.4%	1,155	–	1,155	0.4%
Finance expenses	–4,706	–	–4,706	–1.2%	–3,329	–	–3,329	–1.1%
Finance result	–3,167	–	–3,167	–0.8%	–2,174	–	–2,174	–0.7%
Result before taxes	23,790	9,707	33,497	8.3%	19,222	2,927	22,149	7.0%
Income taxes	–7,322	–1,645	–8,967	–2.2%	–4,659	–1,255	–5,914	–1.9%
Income taxes in %	–30.8%		–26.8%		–24.2%		–26.7%	
Result for the period	16,468	8,062	24,530	6.1%	14,563	1,672	16,235	5.1%
Undiluted/Diluted earnings per share in Euro	0.36		0.54		0.32		0.36	

EXTRAORDINARY EFFECTS

For the purposes of its operative management and outline of the underlying operating results of the company, SAF-HOLLAND eliminates non-recurring and extraordinary income and expenses. The adjusted earnings presented in the two previous tables correspond to the management perspective.

In the first nine months of 2022 extraordinary expenses net of extraordinary income totalled EUR 16.6 million (previous year: EUR 8.6 million). In the third quarter of 2022 net expenses totalling EUR 9.7 million (previous year: EUR 2.9 million) were eliminated from earnings before interest and taxes (EBIT). The significant increase on the previous year is mainly due to the transaction costs and legal advisory expenses (EUR 4.8 million) posted in the reporting period from July to September 2022 in connection with the offer made to take over the Swedish braking systems

specialist, Haldex AB. These costs have been eliminated from general and administrative expenses. In addition, the Group has booked an impairment loss of EUR 2.0 million on its Chinese subsidiary, SAF-HOLLAND (Yangzhou) Vehicle Parts Co., Ltd., China, EUR 1.2 million of which was posted to cost of sales and EUR 0.8 million to general administrative expenses and adjusted for accordingly. Depreciation and amortisation from purchase price allocations amounted to EUR 2.4 million in the third quarter of 2022 (previous year: EUR 2.3 million).

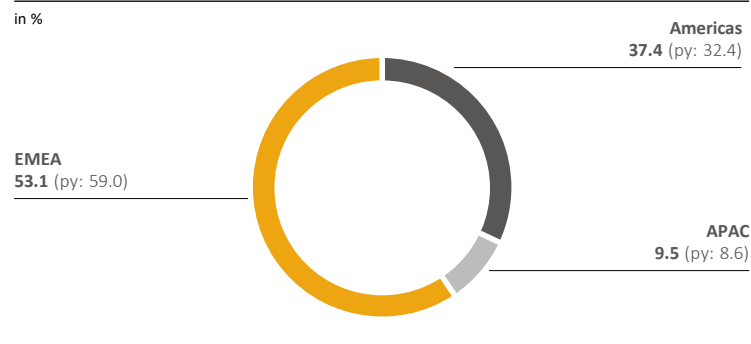
Net expenses totalling EUR 1.9 million were eliminated from selling expenses in the third quarter of 2022 (previous year: EUR 1.8 million). These primarily relate to depreciation and amortisation from purchase price allocations.

RESULTS OF OPERATIONS

PENT-UP DEMAND AND MARKET SHARE GAINS DRIVE GROUP SALES ONCE AGAIN IN THE THIRD QUARTER

Group sales increased by 27.1 per cent in the first nine months of 2022 on the back of strong demand, rising from EUR 924.8 million to EUR 1,175.6 million. The positive trend in unit sales, which is driven by both catch-up effects and market share gains, continued at a high level in the third quarter of 2022, despite the difficult framework conditions. Sales increased by 27.1 per cent to EUR 402.4 million (previous year: EUR 316.6 million). Foreign currency translation gains of EUR 28.6 million had a positive effect on sales. Adjusted for currency and acquisition effects, sales rose by 16.1 per cent or EUR 51.0 million in the three months from July to September 2022.

Group sales by segment Q1-Q3 2022



OEM AND SPARE PARTS BUSINESS RECORD DOUBLE-DIGIT GROWTH

As a result of the strong growth in the OE business, the share of total sales accounted for by the aftermarket business declined slightly. However, the spare parts business also recorded strong growth rates due to the increasing basis of axle and suspension systems and fifth wheels sold. As a result, sales in the OE business increased by 30.4 per cent to EUR 290.8 million in the third quarter of 2022 (previous year: EUR 223.1 million). The truck OE segment recorded above-average growth. In total, the OE business accounted for 72.3 per cent of Group sales. At the same time the Group increased its sales in the spare parts business by 19.2 per cent to EUR 111.6 million (previous year: EUR 93.6 million).

in EUR thousands						
	Q1-Q3/2022	Q1-Q3/2021	Change in %	Q3 2022	Q3 2021	Change in %
Original equipment business	854,107	664,489	28.5%	290,836	223,055	30.4%
Spare parts business	321,534	260,273	23.5%	111,552	93,583	19.2%
Group sales	1,175,641	924,762	27.1%	402,388	316,638	27.1%
Original equipment business in % of Group sales	72.7%	71.9%		72.3%	70.4%	
Spare parts business in % of Group sales	27.3%	28.1%		27.7%	29.6%	

GROSS PROFIT MARGIN AT 17.3 PER CENT DESPITE BURDENS

Also the third quarter of the current year 2022 was characterised by tangible inflationary pressure on the prices of materials. In this regard, the sometimes significant rises in input costs for steel, components, energy and freight burdened. The company can only pass on such price rises to customers with some delay, depending on the contractual arrangement. The company was able to limit the rise in the cost of sales by means of both price adjustments and measures to improve efficiency in production-related departments. While Group sales grew by 27.1 per cent, the cost of sales rose at a marginally lower rate of 26.4 per cent.

Over the three months from July to September 2022, gross profit improved to EUR 69.7 million (previous year: EUR 53.4 million). The gross margin matched the level of the previous year, coming to 17.3 per cent in spite of the head winds (previous year: 16.9 per cent)

ADJUSTED EBIT MARGIN IMPROVED TO 9.1 PER CENT

The transaction and consulting costs of EUR 4.8 million incurred in connection with the takeover offer for Haldex included in general administrative expenses and the portion of EUR 0.8 million for the impairment loss posted in China resulted in a disproportionately high rise in general administrative expenses from EUR 15.1 million to EUR 21.5 million in the third quarter of 2022.

While EBIT rose by EUR 5.6 million in absolute figures or 26.0 per cent in relative terms to EUR 27.0 million (previous year: EUR 21.4 million), the EBIT margin remained constant at 6.7 per cent in a year-on-year comparison (previous year: 6.8 per cent).

With 50.7 per cent, adjusted EBIT rose more strongly in percentage terms than Group sales and came to EUR 36.7 million (previous year: EUR 24.3 million). This corresponds to an adjusted EBIT margin of 9.1 per cent (previous year: 7.7 per cent), outperforming the strong previous quarter (8.0 per cent).

FINANCIAL RESULT MARKED BY HALDEX OFFER

Borrowing costs rose mainly on account of the need to finance the purchase of the outstanding Haldex shares and rising interest rates for variable financing lines. The financial result came in weaker in the third quarter of 2022 amounting to EUR -3.2 million compared to EUR -2.2 million in the comparative period of the previous year.

NET PROFIT FOR THE PERIOD 13.1 PER CENT ABOVE PREVIOUS YEAR

Due to the rise in borrowing costs, earnings before tax grew at a slightly lower rate, rising by 23.8 per cent in the third quarter of 2022 to EUR 23.8 million (previous year: EUR 19.2 million). With a higher effective Group tax rate of 30.8 per cent in a year-on-year comparison (previous year: 24.2 per cent), the SAF-HOLLAND Group generated a net profit for the period from July to September 2022 of EUR 16.5 million (previous year: EUR 14.6 million), up 13.1 per cent on the comparative period of the previous year. The adjusted result for the period improved by 51.1 per cent to EUR 24.5 million (previous year: EUR 16.2 million).

Based on the Company's unchanged number of 45,394,302 ordinary shares outstanding, earnings per share for the third quarter of 2022 amounted to EUR 0.36 (previous year: EUR 0.32) and adjusted earnings per share amounted to EUR 0.54 (previous year: EUR 0.36).

SEGMENT REPORTING**EMEA REGION: ADJUSTED EBIT MARGIN IMPROVED SEQUENTIALLY IN SPITE OF COST RISES IN Q3****EMEA**

in EUR thousands

	Q1-Q3/2022	Q1-Q3/2021	Change in %	Q3/2022	Q3/2021	Change in %
Sales	623,923	545,126	14.5%	200,471	184,116	8.9%
EBIT	30,437	49,535	-38.6%	9,902	16,720	-40.8%
EBIT margin in %	4.9%	9.1%		4.9%	9.1%	
Additional depreciation and amortisation of property, plant and equipment and intangible assets from PPA	3,318	3,433	-3.3%	1,104	1,101	0.3%
Restructuring and transaction costs	5,654	333	-	4,908	136	-
Adjusted EBIT	39,409	53,301	-26.1%	15,914	17,957	-11.4%
Adjusted EBIT margin in %	6.3%	9.8%		7.9%	9.8%	
Depreciation and amortisation of property, plant and equipment and intangible assets (excluding PPA)	13,493	13,766	-2.0%	4,581	4,388	4.4%
in % of sales	2.2%	2.5%		2.3%	2.4%	
Adjusted EBITDA	52,902	67,067	-21.1%	20,495	22,345	-8.3%
Adjusted EBITDA margin in %	8.5%	12.3%		10.2%	12.1%	

In the EMEA region, sales improved by 8.9 per cent to EUR 200.5 million over the three months from July to September 2022 (previous year: EUR 184.1 million). The reason for this lies in higher demand from fleet operators for new trailers compared to the previous year due to the pent-up demand caused by COVID restrictions carried over from the years 2020 and 2021. This was countered by high material price inflation and the associated increase in manufacturing costs and sales prices, which dampened customer demand. After eliminating the effects of exchange rates and acquisitions, sales rose by 4.0 per cent on the same quarter of the previous year.

The high prices for steel and upstream products, combined with the rapid rise in freight and energy costs compared to the previous year, continued

to burden the gross margin of the segment. The increase in purchase prices and input costs are largely passed on to customers on a continuous basis, but only at some delay. Gross profit stagnated as a result, despite the rise in sales.

Transaction costs of EUR 4.8 million associated with the takeover offer made to Haldex shareholders were the main reason why the EBIT of the EMEA region of EUR 9.9 million (previous year: EUR 16.7 million) fell short of the previous year's strong figure. By contrast, adjusted EBIT for the EMEA region performed much better, reaching EUR 15.9 million (previous year: EUR 18.0 million). As a result, the adjusted EBIT margin rose sequentially from 6.2 per cent to 7.9 per cent in the third quarter of 2022.

AMERICAS REGION: STRONG GROWTH WITH ALL CUSTOMER GROUPS AND MARGIN IMPROVEMENT**Americas**

in EUR thousands

	Q1-Q3/2022	Q1-Q3/2021	Change in %	Q3/2022	Q3/2021	Change in %
Sales	439,383	299,948	46.5%	161,332	105,255	53.3%
EBIT	38,184	13,733	178.0%	15,912	4,398	261.8%
EBIT margin in %	8.7%	4.6%		9.9%	4.2%	
Additional depreciation and amortisation of property, plant and equipment and intangible assets from PPA	1,746	1,643	6.3%	612	557	9.9%
Valuation effects from call and put options	1,291	–	–	35	–	–
Restructuring and transaction costs	139	1,019	–86.4%	8	718	–98.9%
Adjusted EBIT	41,360	16,395	152.3%	16,567	5,673	192.0%
Adjusted EBIT margin in %	9.4%	5.5%		10.3%	5.4%	
Depreciation and amortisation of property, plant and equipment and intangible assets (excluding PPA)	11,411	10,599	7.7%	4,042	3,561	13.5%
in % of sales	2.6%	3.5%		2.5%	3.4%	
Adjusted EBITDA	52,771	26,994	95.5%	20,609	9,234	123.2%
Adjusted EBITDA margin in %	12.0%	9.0%		12.8%	8.8%	

The Americas region accounted for the strongest sales increase. Segment sales jumped by a massive 53.3 per cent in the third quarter of 2022 from EUR 105.3 million to EUR 161.3 million. The OEM business with trailer manufacturers recorded the strongest sales growth. In this regard, SAF-HOLLAND benefited from the trend towards technologically more demanding and more effective disc-brake axle systems for trailers, which offer shorter braking distances and are enjoying higher orders from fleet operators. The market share won in this segment and the strong growth in the spare parts business drove sales.

The strength of the US dollar against the euro in the third quarter of 2022 also led to notable exchange gains of EUR 22.6 million from foreign currency translation. After eliminating exchange rate effects, the sales of the Americas region still rose by 31.8 per cent.

The cost of sales did not rise as rapidly as sales. Margins were boosted by a slight decline in material prices from a high level in some product areas and supplementary efficiency improvements. The product mix in the third quarter of 2022 also proved to be beneficial. In addition, both general and administrative expenses and selling expenses did not rise as strongly as sales in relative terms.

As a result of all the above factors, the Americas region managed to increase its adjusted EBIT from EUR 5.7 million in the third quarter of the previous year to EUR 16.6 million in the third quarter of 2022, with the adjusted EBIT margin rising to 10.3 per cent (previous year: 5.4 per cent).

APAC REGION: STRONG GROWTH IN INDIA, IMPAIRMENT LOSS IN CHINA**APAC**

in EUR thousands

	Q1-Q3/2022	Q1-Q3/2021	Change in %	Q3/2022	Q3/2021	Change in %
Sales	112,335	79,688	41.0%	40,585	27,267	48.8%
EBIT	7,055	-610	-	1,143	278	311.2%
EBIT margin in %	6.3%	-0.8%		2.8%	1.0%	
Additional depreciation and amortisation of property, plant and equipment and intangible assets from PPA	1,992	1,802	10.5%	700	600	16.7%
Impairment	1,985	-	-	1,985	-	-
Restructuring and transaction costs	480	388	23.7%	355	-185	-
Adjusted EBIT	11,512	1,580	628.6%	4,183	693	503.6%
Adjusted EBIT margin in %	10.2%	2.0%		10.3%	2.5%	
Depreciation and amortisation of property, plant and equipment and intangible assets (excluding PPA)	2,695	3,372	-20.1%	1,156	1,070	8.0%
in % of sales	2.4%	4.2%		2.8%	3.9%	
Adjusted EBITDA	14,207	4,952	186.9%	5,339	1,763	202.8%
Adjusted EBITDA margin in %	12.6%	6.2%		13.2%	6.5%	

In the APAC region, both sales and the operating result before non-recurring expenses exhibited strong double-digit growth, driven by the strong positioning of SAF-HOLLAND in the Indian market and growth in the trailer OE business in Australia. As a leading manufacturer of axle systems, the company is benefiting particularly from continuing investment in infrastructure and expansion of the transport sector on the Indian sub-continent. Measures to expand production capacity at the production location of York, the Indian subsidiary, in Pune have already been initiated and are scheduled for completion in the first quarter of 2023.

The APAC segment managed to raise its sales volume by almost one half in the three months from July to September 2022, with sales increasing by 48.8 per cent from EUR 27.3 million in the same quarter of the previous year to EUR 40.6 million in the third quarter of 2022. Sales also rose in comparison to the already strong performance of the previous quarter (EUR 37.5 million). After eliminating the effects of exchange rates, sales increased by 37.3 per cent year-on-year.

The aftermarket business, which at 17.3 per cent still accounts for a much smaller share of total sales in the region compared to EMEA and the Americas, exhibited noticeable growth.

The situation on the Chinese market remains tense as evidenced by the very weak production figures for trucks and trailers. Capacity utilisation at the Chinese location of the SAF-HOLLAND Group in Yangzhou remained inadequate. In the course of its regular impairment testing in the third quarter of 2022, the Group therefore recorded an impairment loss of EUR 2.0 million that burdened the EBIT of the segment accordingly.

Compared to the strong increase in sales, the rise in the cost of sales was less vigorous despite the effect of the impairment loss on the cost of sales. In addition to the product mix, the successful measures aimed at improving efficiency and raising the degree of automation in production had a particularly beneficial impact. As a result, the adjusted EBIT of the segment rose significantly to EUR 4.2 million (previous year: EUR 0.7 million). The adjusted EBIT margin matched the solid level of the previous quarter, once again reaching 10.3 per cent (previous year: 2.5 per cent).

NET ASSETS

in EUR thousands

	09/30/2022	06/30/2022	12/31/2021	Change 09/30/2022 to 12/31/2021	Change in %
Non-current assets	792,658	527,713	482,571	310,087	64.3%
of which intangible assets	241,489	238,161	235,889	5,600	2.4%
of which property, plant and equipment	207,050	206,170	201,334	5,716	2.8%
of which financial assets	289,495	31,396	74	289,421	-
of which others	54,624	51,986	45,274	9,350	20.7%
Current assets	664,258	628,662	531,696	132,562	24.9%
of which inventories	237,943	237,029	193,971	43,972	22.7%
of which trade receivables	187,010	184,647	136,259	50,751	37.2%
of which cash and cash equivalents	206,202	172,998	165,221	40,981	24.8%
of which financial assets	2,766	2,107	2,104	662	31.5%
of which others	30,337	31,881	34,141	-3,804	-11.1%
Balance sheet total	1,456,916	1,156,375	1,014,267	442,649	43.6%

HALDEX TRANSACTION RESULTS IN A 26.0 PER CENT INCREASE IN THE BALANCE SHEET TOTAL

The acquisition of the majority of the outstanding shares in Haldex AB, most of which was financed by debt capital, and the cash settlements in the third quarter of 2022 made in connection with the offer resulted in a

corresponding significant increase of the balance sheet total. The Haldex shares reported under financial assets resulted in an increase of EUR 258.1 million to EUR 289.5 million in this item compared to 30 June 2022. As a result, the balance sheet total rose by 26.0 per cent or EUR 300.5 million in comparison to June 30, 2022 to EUR 1,456.9 million.

EQUITY RATIO AT 32.2 PER CENT

in EUR thousands

	09/30/2022	06/30/2022	12/31/2021	Change 09/30/2022 to 12/31/2021	Change in %
Equity	468,482	431,128	371,070	97,412	26.3%
Non-current liabilities	585,070	285,877	418,415	166,655	39.8%
of which interest-bearing loans and bonds	468,753	172,416	304,231	164,522	54.1%
of which finance lease liabilities	32,024	32,930	33,659	-1,635	-4.9%
of which other non-current liabilities	84,293	80,531	80,525	3,768	4.7%
Current liabilities	403,364	439,370	224,782	178,582	79.4%
of which interest-bearing loans and bonds	145,777	197,491	17,968	127,809	711.3%
of which finance lease liabilities	7,922	7,951	7,402	520	7.0%
of which trade payables	187,334	176,205	145,789	41,545	28.5%
of which other current liabilities	62,331	57,723	53,623	8,708	16.2%
Balance sheet total	1,456,916	1,156,375	1,014,267	442,649	43.6%

Compared to December 31, 2021, equity rose by more than a quarter from EUR 371.1 million to EUR 468.5 million. However, the equity ratio decreased from 37.3 per cent as of June 30, 2022 to 32.2 per cent as of September 30, 2022 as a result of the increase in interest-bearing loans and other debt instruments to finance the Haldex transaction.

Equity in the first nine months of 2022 was mainly bolstered by the addition of the result for the period of EUR 47.7 million as well as exchange differences on the translation of foreign operations of EUR 65.6 million. This was countered by the payment of a dividend of EUR 15.9 million to the shareholders of the company.

Non-current liabilities increased from EUR 299.2 million compared to June 30, 2022 to EUR 585.1 million in accordance with plan. This was predominantly due to the increase in the lines of credit taken out to finance the purchase of the shares in Haldex, which resulted in interest-bearing loans and bonds rising by EUR 296.3 million in comparison to June 30, 2022 to EUR 468.8 million. Consequently, non-current liabilities

account for 40.2 per cent of the balance sheet total (June 30, 2022: 24.7 per cent). It should be considered that promissory note loans were reclassified from non-current liabilities to current liabilities in the first half of the year. As of December 31, 2021, non-current liabilities accounted for 41.3 per cent of the balance sheet total.

Current liabilities by contrast, were scaled back by EUR 36.0 million in comparison to June 30, 2022 to EUR 403.4 million. As a result, they account for 27.7 per cent of the Group's balance sheet total. The significant increase of EUR 178.6 million in comparison to December 31, 2021 is mainly due to the reclassification of promissory note loans from non-current liabilities to current liabilities.

The net debt of the SAF-HOLLAND Group (excluding lease liabilities and pension liabilities) increased by EUR 211.4 million in comparison to June 30, 2022 (EUR 196.9 million) to EUR 408.3 million.

NET WORKING CAPITAL RATIO DECREASED SIGNIFICANTLY IN Q3**Net working capital**

in EUR thousands

				Change 09/30/2022 to 12/31/2021	
	09/30/2022	06/30/2022	12/31/2021	12/31/2021	Change in %
Inventories	237,943	237,029	193,971	43,972	22.7%
Trade receivables	187,010	184,647	136,259	50,751	37.2%
Trade payables	-187,334	-176,205	-145,789	-41,545	28.5%
Net working capital	237,619	245,471	184,441	53,178	28.8%
Sales (last 12 months)	1,497,462	1,411,712	1,246,583	250,879	20.1%
Net working capital ratio	15.9%	17.4%	14.8%		

As of September 30, 2022, net working capital (defined as inventories plus trade receivables less trade payables) increased at a slightly higher rate than Group sales over the last twelve months, growing by 28.8 per cent to EUR 237.6 million (December 31, 2021: EUR 184.4 million). In this regard, it should be considered that inventories were deliberately stocked up in the first six months as a risk mitigation measure in response to stressed supply chains and higher prices for materials for certain product groups and purchased components.

In comparison to June 30, 2022, the net working capital ratio (i.e. net working capital relative to Group sales over the last twelve months) improved considerably from 17.4 per cent to 15.9 per cent as of September 30, 2022. While inventories and trade receivables were more or less unchanged, trade payables were extended by EUR 11.1 million.

FINANCIAL POSITION

Financial position

in EUR thousands

	Q1-Q3/2022	Q1-Q3/2021	Q3/2022	Q3/2021
Net cash flow from operating activities	73,525	21,262	54,752	6,314
Net cash flow from investing activities (property, plant and equipment/ intangible assets)	-15,996	-11,987	-5,922	-3,846
Operating free cash flow	57,529	9,275	48,830	2,468
Net cash flow from investing activities (company shares)	-286,462	-	-258,100	-
Total free cash flow	-228,933	9,275	-209,270	2,468
Other	-21,302	-13,255	-1,214	-2,775
Change in net financial liabilities (incl. lease liabilities)	-250,235	-3,980	-210,484	-307

Q3 OPERATING FREE CASH FLOW AT EUR 48.8 MILLION BEFORE THE ACQUISITION OF HALDEX SHARES

The net cash flow from operating activities before changes in net working capital (NWC) grew significantly to EUR 48.1 million in the third quarter (previous year: EUR 31.5 million) on account of the notable improvement in pre-tax earnings and the rise in depreciation, amortisation and impairments, which increase cash flow under the indirect method.

While a cash outflow of EUR 20.2 million was recorded in the comparative period of the previous year due to the increase in NWC, the measures undertaken in the third quarter of 2022 to reduce NWC resulted in a positive effect of EUR 12.1 million. Net cash flow from operating activities after considering changes in NWC increased to EUR 54.8 million compared to EUR 6.3 million in the same quarter of the previous year.

From June to September 2022, SAF-HOLLAND's net investments in property, plant and equipment and intangible assets came to EUR 5.9 million (previous year: EUR 3.8 million). The focus of investment was placed on measures to raise efficiency, automation projects and measures

aimed at increasing the capacity of selected international locations of the Group.

As a result, the operating free cash flow before considering net investments in company shares therefore rose by EUR 46.4 million in the third quarter of 2022 in comparison to the third quarter of the previous year to EUR 48.8 million (previous year: EUR 2.5 million).

Including the compensation payments to the shareholders of Haldex shares in Q3 2022 of EUR 258.1 million, total free cash flow in Q3 2022 amounted to EUR -209.3 million (previous year: EUR 2.5 million). It should also be considered that the purchase of the 100 per cent stake in the British distribution partner, IMS Ltd., Shepshed, UK, which took effect on April 1, 2022, did not impact cash until July 1, 2022 (EUR -2.6 million).

CASH AND CASH EQUIVALENTS RISE TO EUR 206.2 MILLION

In total, SAFHOLLAND carries cash and cash equivalents of EUR 206.2 million as of September 30, 2022 (June 30, 2022: EUR 173.0 million).

RISK AND OPPORTUNITY REPORT

Regarding the assessment of the risks and opportunities for the SAF-HOLLAND Group, the following significant change has occurred compared to the risks and opportunities in the Annual Report 2021 (pages 101 to 112), with the following exception:

The general situation with regard to material and freight prices remains relatively tense, although prices on corresponding input markets have calmed down over the course of the year.

The situation regarding the COVID-19 pandemic has eased considerably. Although case rates of SARS-CoV-2 remain high in the population, the numbers of severe cases and fatalities are no longer as high as they were in the first four waves of the COVID-19 pandemic. Massive interventions (such as large-scale lockdowns) to contain the pandemic, with an associated impact on the economy, are only being pursued by a small number of countries (e.g. China).

Against the backdrop of the ongoing armed conflict in Ukraine and the future development of prices for materials and energy, as well as their availability, that can noticeably influence the buying behaviour of customers, any assessment of the economic outlook for the year 2023 is still subject to major uncertainty.

To finance the purchase of shares in Haldex AB, the SAF-HOLLAND Group extended its financial liabilities (before lease liabilities) as planned. As a result, net debt rose to EUR 408.3 million as of September 30, 2022. This also translates into a temporary increase in the Group's leverage and a corresponding need to consider the potential finance risks.

At the same time, the acquisition opens up additional growth opportunities for SAF-HOLLAND and the possibility to combine the electromechanical product portfolio with sensors and electronics in order to optimally benefit from the forward-looking megatrends towards automated driving and electrification.

In addition, with the rising share of the less cyclical spare parts business, which now accounts for roughly 35 per cent of total sales, the business model has become noticeably more resilient to the ups and downs of economic cycles.

Risk	Risk classification			Change versus Annual Report 2021
	Q3 2022			
	A	B	C	
Process and project risks				
Rising energy prices		x		→
Rising material prices		x		↓
Cybersecurity deficiencies		x		→
IT related business interruptions		x		→
Supply chain disruptions		x		→
New Assembly line in Mexico		x		→
COVID-19 pandemic			x	↓
Strategic risks / natural hazards				
Russia-Ukraine conflict	x			→
Economic, political and geopolitical environment		x		→
Compliance risks				
Data privacy		x		→

OUTLOOK

ECONOMIC ENVIRONMENT REMAINS TENSE

High inflation rates, the negative impacts of extreme energy prices and the sustained COVID-19 pandemic are placing a burden on global economic growth. In its current outlook the International Monetary Fund (IMF) expects the global economy to continue its growth trajectory for the full year 2022, forecasting global GDP growth of 3.2 per cent. For the euro area, the IMF is projecting GDP growth of 3.1 per cent and just 1.5 per cent for Germany. Since the middle of 2022 the GDP forecast for the USA has been adjusted downwards by 0.7 percentage points and for India by 0.6 percentage points. Nevertheless, GDP growth on the Indian sub-continent is still projected to remain solid at 6.8 per cent.

Economic development in key markets

	2021	January 2022	April 2022	July 2022	October 2022
Euro zone	5.2	3.9	2.8	2.6	3.1
Germany	2.6	3.8	2.1	1.2	1.5
United States	5.7	4.0	3.7	2.3	1.6
Brazil	4.6	0.3	0.8	1.7	2.8
Russia	4.7	2.8	-8.5	-6.0	-3.4
China	8.1	4.8	4.4	3.3	3.2
India	8.7	9.0	8.2	7.4	6.8
World	6.0	4.4	3.6	3.2	3.2

Source: IMF, World Economic Outlook.

SECTOR-SPECIFIC DEVELOPMENT: VARYING MOMENTUM ON GLOBAL COMMERCIAL VEHICLE MARKETS

The global commercial vehicle markets will develop at different speeds this year. The prospects for the rest of the year 2022 in the commercial vehicle markets of most relevance to SAF-HOLLAND remain largely stable.

Robust growth is expected to continue over the remainder of the year in North America. There is still some pent-up demand among customers in North America as well following the major restrictions placed on

production in the year 2021. ACT Research, for instance, is projecting a 25 per cent increase in trailer production over the full year 2022.

The European trailer market, by contrast, is expected to ease slightly over the remainder of the year in the opinion of external industry experts. As a result, a mid-single digit decline in production relative to the strong performance of the previous year is expected for the full year 2022.

The Society of Indian Automobile Manufacturers (SIAM) forecasts growth of around 90 per cent for the Indian trailer market for the year 2022. High government investment in public infrastructure projects will continue to create a solid foundation for demand for commercial vehicles in the coming year.

With a view to the Australian trailer market, it is expected that the strong performance of the previous year can be maintained in light of the sustained boom in raw materials prices.

In Brazil, the trailer market is anticipated to return to normal in 2022 after production peaked at a very high level in 2021, with a projected decline of 10 per cent in production figures.

In the truck business, the North American market is the most important sales region for SAF-HOLLAND. ACT Research is projecting a 17 per cent rise in the number of Class-8 trucks rolling off the production lines over the full year 2022 compared to the previous year. In Europe, it is expected that the truck market will grow by 3 per cent on an annual basis. The targeted government infrastructure measures in India should ensure that truck production figures rise by more than 50 per cent. The market researchers assume that the Indian commercial vehicle market will continue to grow steadily for both trucks and trailers in 2023.

Development of the trailer and truck markets 2022 to 2021

	Trailer	Trucks
Europe	-5%	3%
North America	25%	17%
Brazil	-10%	0%
India	91%	53%
Australia	1%	4%

Source: ACT, ANFAVEA, ANFIR, SIAM, CV World, ARTSA, own estimates.

BUSINESS OUTLOOK**OUTLOOK IN 2022 SPECIFIED**

Based on the figures for the second quarter of 2022, the Management Board of SAF-HOLLAND SE had raised its forecasts for both Group sales and the adjusted EBIT margin for the financial year 2022 in July 2022.

Forecast business development

Indicator	Forecast 2022 on March 17, 2022	Adjustment on May 5, 2022	Adjustment on July 28, 2022
Sales	EUR 1.15 – 1.3 billion	EUR 1.2 – 1.35 billion	EUR 1.4 – 1.5 billion
Adjusted EBIT margin	significantly below previous year	6.5 % - 7.0 %	7.0 % - 8.0 %
Capex ratio	2% - 2.5%	2% - 2.5%	2% - 2.5%

Based on the expected overall economic environment, the current level of orders on the books in the OE business and sustained solid demand in the aftermarket business, the Management Board now forecasts Group sales for the full year 2022 around the upper end of the forecast range of between EUR 1.4 billion and EUR 1.5 billion. In July 2022, the company had already revised its sales forecasts upwards for the second time to a range of between EUR 1.4 billion and EUR 1.5 billion. The adjusted EBIT margin is still forecast to lie in a range of between 7.0 and 8.0 per cent.

To implement the strategic objectives of the Group and to prepare for the anticipated global growth, SAF-HOLLAND is still planning to invest 2 to 2.5 per cent of Group sales in capital expenditure in financial year 2022. These investments are focused on the current projects to expand capacity in Turkey and Mexico as well as to expand production capacity in India. In addition, SAF-HOLLAND is investing in automation projects and operational efficiency enhancements with a regional focus on Germany and the United States.

EVENTS AFTER THE BALANCE SHEET DATE

There have not been any events of relevance since the reporting date that would require reporting here.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

in EUR thousands				
	Q1-Q3/2022	Q1-Q3/2021	Q3/2022	Q3/2021
Sales	1,175,641	924,762	402,388	316,638
Cost of sales	-979,212	-759,384	-332,703	-263,281
Gross profit	196,429	165,378	69,685	53,357
Other income	2,149	1,524	452	1,007
Other expenses	-2,219	-	-61	-
Selling expenses	-53,577	-43,777	-17,442	-14,395
Administrative expenses	-54,852	-46,919	-21,486	-15,072
Research and development expenses	-13,451	-14,550	-4,612	-3,924
Operating result	74,479	61,656	26,536	20,973
Share of net profit of investments accounted for using the equity method	1,197	1,002	421	423
Earnings before interest and taxes	75,676	62,658	26,957	21,396
Finance income	4,669	2,198	1,539	1,155
Finance expenses	-11,179	-8,795	-4,706	-3,329
Finance result	-6,510	-6,597	-3,167	-2,174
Result before income tax	69,166	56,061	23,790	19,222
Income tax	-21,427	-18,950	-7,322	-4,659
Result for the period	47,739	37,111	16,468	14,563
Attributable to:				
Equity holders of the parent	47,356	37,043	16,388	14,554
Shares of non-controlling interests	383	68	80	9

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in EUR thousands				
	Q1-Q3/2022	Q1-Q3/2021	Q3/2022	Q3/2021
Result for the period	47,739	37,111	16,468	14,563
Attributable to:				
Equity holders of the parent	47,356	37,043	16,388	14,554
Shares of non-controlling interests	383	68	80	9
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	2,958	–	–	–
Remeasurements of defined benefit plans	10,005	256	99	–
Income tax effects on items recognised in other comprehensive income	–2,639	–234	–26	–
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations	55,237	16,142	20,813	4,329
Other comprehensive income	65,561	16,164	20,886	4,329
Comprehensive income for the period	113,300	53,275	37,354	18,892
Attributable to:				
Equity holders of the parent	112,745	53,156	37,176	18,866
Shares of non-controlling interests	555	119	178	26
Basic earnings per share in EUR	1.04	0.82	0.36	0.32
Diluted earnings per share in EUR	1.04	0.82	0.36	0.32

CONSOLIDATED BALANCE SHEET

in EUR thousands		
	09/30/2022	12/31/2021
Assets		
Non-current assets	792,658	482,571
Goodwill	82,882	78,985
Other intangible assets	158,607	156,904
Property, plant and equipment	207,050	201,334
Investments accounted for using the equity method	18,720	16,331
Financial assets	289,495	74
Other non-current assets	10,630	6,582
Deferred tax assets	25,274	22,361
Current assets	664,258	531,696
Inventories	237,943	193,971
Trade receivables	187,010	136,259
Income tax receivables	2,614	1,454
Other current assets	27,723	32,687
Financial assets	2,766	2,104
Cash and cash equivalents	206,202	165,221
Balance sheet total	1,456,916	1,014,267

in EUR thousands		
	09/30/2022	12/31/2021
Equity and liabilities		
Total equity	468,482	371,070
Equity attributable to equity holders of the parent	467,303	370,220
Subscribed share capital	45,394	45,394
Share premium	224,104	224,104
Retained earnings	155,923	124,235
Accumulated other comprehensive income	41,882	-23,513
Shares of non-controlling interests	1,179	850
Non-current liabilities	585,070	418,415
Pensions and other similar benefits	16,911	22,340
Other provisions	10,375	9,910
Interest bearing loans and bonds	468,753	304,231
Lease liabilities	32,024	33,659
Other financial liabilities	-	463
Other liabilities	531	458
Deferred tax liabilities	56,476	47,354
Current liabilities	403,364	224,782
Other provisions	12,536	8,634
Interest bearing loans and bonds	145,777	17,968
Lease liabilities	7,922	7,402
Trade payables	187,334	145,789
Income tax liabilities	7,984	6,429
Other financial liabilities	2,345	650
Other liabilities	39,466	37,910
Balance sheet total	1,456,916	1,014,267

CONSOLIDATED STATEMENT OF CASH FLOWS

in EUR thousands		
	Q1-Q3/2022	Q1-Q3/2021
Cash flow from operating activities		
Result before income tax	69,166	56,061
- Finance income	-4,669	-2,198
+ Finance expenses	11,179	8,795
+/- Share of net profit of investments accounted for using the equity method	-1,197	-1,002
+/- Other non-cash transactions	2,234	-
+ Amortisation and depreciation of intangible assets and property, plant and equipment	34,654	34,616
+ Impairment of other intangible assets and property, plant and equipment	1,985	-
+ Allowance of current assets	6,252	2,356
+/- Change in other provisions and pensions	3,025	1,901
+/- Change in other assets	7,385	-1,494
+/- Change in other liabilities	-1,934	112
+/- Loss/Gain on disposal of property, plant and equipment	266	-531
+ Dividends from investments accounted for using the equity method	1,457	19
Cash flow before change of net working capital	129,803	98,635
+/- Change in inventories	-28,805	-65,672
+/- Change in trade receivables ¹	-38,295	-51,605
+/- Change in trade payables	30,122	50,940
Change of net working capital	-36,978	-66,337
Cash flow from operating activities before income tax paid	92,825	32,298
- Income tax paid	-19,300	-11,036
Net cash flow from operating activities	73,525	21,262
Cash flow from investing activities		
- Purchase of property, plant and equipment	-13,080	-10,738
- Purchase of intangible assets	-3,303	-2,066

in EUR thousands		
	Q1-Q3/2022	Q1-Q3/2021
+ Proceeds from sales of property, plant and equipment	387	817
- Purchase of other financial assets	-286,462	-
- Payments for acquisition of subsidiaries net of cash	-1,883	-
+ Proceeds from sales of financial assets	-	529
+ Interest received	363	413
Net cash flow from investing activities	-303,978	-11,045
Cash flow from financing activities		
- Dividend payments to shareholders of SAF-HOLLAND SE	-15,888	-
+ Proceeds from long-term borrowings	300,000	-
- Repayments of current and non-current financial liabilities	-5,000	-
- Paid transaction costs relating to financing agreements	-5,271	-22
+/- Proceeds and payments from hedging instruments	-	-125
- Payments for lease liabilities	-6,694	-6,637
- Interest paid	-6,773	-5,929
+/- Change in drawings on the credit line and other financing activities	-3,951	-5,791
+/- Transactions with non-controlling interests	-512	-8,189
Net cash flow from financing activities	255,911	-26,693
Net increase/decrease in cash and cash equivalents	25,458	-16,476
+/- Effect of changes in exchange rates on cash and cash equivalents	15,523	4,970
Cash and cash equivalents at the beginning of the period	165,221	170,982
Cash and cash equivalents at the end of the period	206,202	159,476

¹ As of September 30, 2022, trade receivables in the amount of € 44.3 million (previous year: € 37.0 million) were sold in the context of a factoring contract. Assuming the legal validity of receivables, no further rights of recourse to SAF-HOLLAND exist from the receivables sold.

SEGMENT INFORMATION

in EUR thousands	EMEA ¹		Amerika ²		APAC ³		Total	
	Q1-Q3/2022	Q1-Q3/2021	Q1-Q3/2022	Q1-Q3/2021	Q1-Q3/2022	Q1-Q3/2021	Q1-Q3/2022	Q1-Q3/2021
Sales	623,923	545,126	439,383	299,948	112,335	79,688	1,175,641	924,762
Adjusted EBIT	39,409	53,301	41,360	16,395	11,512	1,580	92,281	71,276
Adjusted EBIT margin in %	6.3	9.8	9.4	5.5	10.2	2.0	7.8	7.7
Amortisation and depreciation of intangible assets and property, plant and equipment (without PPA)	13,493	13,766	11,411	10,599	2,695	3,372	27,599	27,737
in % of sales	2.2	2.5	2.6	3.5	2.4	4.2	2.3	3.0
Adjusted EBITDA	52,902	67,067	52,771	26,994	14,207	4,952	119,880	99,013
Adjusted EBITDA margin in %	8.5	12.3	12.0	9.0	12.6	6.2	10.2	10.7
Purchase of property, plant and equipment and intangible assets	7,714	7,736	8,196	2,293	472	2,775	16,383	12,804
in % of sales	1.2	1.4	1.9	0.8	0.4	3.5	1.4	1.4
Employees at the reporting date	1,645	1,544	1,637	1,478	523	549	3,805	3,571

¹ Includes Europe, Middle East and Africa.

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

³ Includes Asia/Pacific, India and China.

FINANCIAL CALENDAR AND CONTACT INFORMATION

FINANCIAL CALENDAR

November 10, 2022

Publication of the Quarterly Statement Q3 2022

CONTACT

Stephan Haas

Phone: + 49 6095 301-803

Michael Schickling

Phone: + 49 6095 301-617

Alexander Pöschl

Phone: + 49 6095 301-117

EMAIL

ir@safholland.de

WEBSITE

www.safholland.com

IMPRINT

RESPONSIBILITY

SAF-HOLLAND SE

Hauptstrasse 26

D-63856 Bessenbach

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DISCLAIMER

The 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 using commercial principles. In isolated instances, this can lead to rounding differences in the sum totals and percentages.

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.

