

Quarterly Statement Q1 2024

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KEY FIGURES

in kEUR				
	Q1 2024	Q1 2023	Change absolute	Change in %
Result of Operations				
Sales	505,431	480,423	25,008	5.2%
Gross profit	108,875	86,278	22,597	26.2%
Gross profit margin in %	21.5%	18.0%		
Adjusted gross profit	110,555	87,097	23,458	26.9%
Adjusted gross profit margin in %	21.9%	18.1%		
EBITDA	63,800	53,504	10,296	19.2%
EBITDA margin in %	12.6%	11.1%		
Adjusted EBITDA	63,800	55,704	8,096	14.5%
Adjusted EBITDA margin in %	12.6%	11.6%		
EBIT	43,405	38,832	4,573	11.8%
EBIT margin in %	8.6%	8.1%		
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%
Financial position				
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	-
Yield				
Return on capital employed (ROCE) in %	20.2%	16.5%		
Balance Sheet				
	03/31/2024	12/31/2023		
Balance sheet total	1,691,240	1,651,739	39,501	2.4%
Equity	502,292	475,969	26,323	5.5%
Equity ratio in %	29.7%	28.8%		
Non-current and current liabilities	1,188,948	1,175,770	13,178	1.1%

All figures shown are rounded, minor deviations may arise due to additions to these amounts.

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INDUSTRY ENVIRONMENT

With its products for the commercial vehicle industry, SAF-HOLLAND serves the Original Equipment Trailer, Original Equipment Truck and Aftermarket customer groups, which are of varying importance in the respective regions. The Original Equipment Trailer and Aftermarket customer groups in particular generate a large share of sales. In the first quarter of 2024, the Original Equipment Trailer customer group accounted for 51.3% and the Aftermarket business 35.1% of Group sales. The Original Equipment Truck customer group, which generates most of its sales in the Americas region, accounted for 13.6% of Group sales.

The **European commercial vehicle market** got off to a subdued start in 2024. According to SAF-HOLLAND estimates, the continuing challenging economic environment and the associated reluctance of trailer customers to buy led to a decline in trailer production of around 15 to 20%. Production of heavy trucks is also likely to have declined in the first three months of the year. SAF-HOLLAND estimates the decline in production to be around 10 to 15%.

The **North American commercial vehicle market**, which recorded solid growth in the previous year, started the new year on a lighter note. According to ACT Research (Americas Commercial Transportation Research Company), a total of 84,399 Class 8 trucks were manufactured in the reporting period from January to March 2024. This represents a decline of around 2% compared to the same period of last year. In the same period, 81,014 trailers were produced, also according to ACT, around 29% fewer than in the first quarter of the previous year.

After the market for trailers and the market for heavy-duty trucks in **Brazil** showed clearly contrasting trends in 2023, the local commercial vehicle market recorded a positive development in both market segments in the first quarter of 2024. According to the industry association ANFIR (Associação Nacional Fabricantes de Implementos Rodoviários), the market for trailers grew by around 6%. The market for heavy trucks experienced a significant turnaround in the first quarter of 2024. According to figures from the industry association ANFAVEA (Associação Nacional dos Fabricantes de Veículos Automotores), new registrations rose by around 20% compared to the same period of the previous year.

In **China**, the commercial vehicle market got off to a positive start in the new year. According to SAF-HOLLAND's assessment, however, the market developed slightly weaker than the full-year forecast, which SAF-HOLLAND estimates to be 5% growth for the trailer market and 10% growth for the truck market in 2024.

After an increase in production of around 66% in 2023, the trailer market in **India** recorded a decline in production of around 1% in the first three months of 2024, according to SIAM (Society of Indian Automobile Manufacturers), thus normalizing at a high level. In the truck market, which is less important for SAF-HOLLAND, around 24% fewer trucks rolled off the production lines in the first quarter of 2024, according to SIAM.

SIGNIFICANT EVENTS IN THE FIRST QUARTER OF 2024

ACQUISITION OF IMS GROUP B.V.

With effect from January 2, 2024, SAF-HOLLAND GmbH acquired IMS Group B.V., Barneveld, Netherlands, from its long-standing exclusive distribution partner Pon Group. IMS Group B.V. is the exclusive distributor of the Group's own quality brands SAF and Holland in the original equipment and aftermarket sectors in the Benelux. In addition, IMS Group B.V. offers sustainable and efficient solutions for the transportation industry with mechanical and hydraulic steering systems.

ACQUISITION OF TECMA SRL

SAF-HOLLAND GmbH announced on February 7, 2024, that it is acquiring 100% of the shares in Tecma Srl, Verona, Italy. Tecma Srl specializes in the development and production of customer-specific axle systems and suspensions for special vehicles and heavy-duty applications, which are developed in close cooperation with vehicle manufacturers according to customer requirements. The transaction was completed and the company was included in the Consolidated Financial Statements of SAF-HOLLAND SE for the first time on April 2, 2024.

ECONOMIC REPORT

EARNINGS, ASSET AND FINANCIAL POSITION

RESULTS ON OPERATIONS

Group sales grow by 5.2% compared to the same quarter of the previous year

SAF-HOLLAND increased its Group sales by 5.2% to EUR 505.4 million in the first quarter of 2024 (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. Of this figure, a mid-single-digit million-euro amount is attributable to IMS.

In organic terms – excluding the influence of exchange rate and acquisition effects – SAF-HOLLAND's Group sales declined by EUR 39.1 million or 8.1% to EUR 441.3 million in the first quarter 2024. This development was mainly attributable to the EMEA and Americas regions.

Currency translation effects amounted to a negative translational effect of EUR 2.0 million or 0.4% in the first quarter of 2024. This amount is primarily the result of the depreciation of the US dollar, the Indian rupee, and the Australian dollar against the euro.

The distribution of Group sales by region in the first quarter of 2024 was influenced by both acquisition effects and declines in organic sales in the EMEA and Americas regions. 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 equates to a 12.6% share of Group sales (previous year: 10.9%).

Group sales by region

in kEUR				
	Q1 2024	Q1 2023	Change absolute	Change in %
EMEA	244,259	238,846	5,413	2.3%
in % of Group sales	48.3%	49.7%		
Americas	197,511	189,051	8,460	4.5%
in % of Group sales	39.1%	39.4%		
APAC	63,661	52,526	11,135	21.2%
in % of Group sales	12.6%	10.9%		
Group sales	505,431	480,423	25,008	5.2%

Share of sales from the cyclically resilient spare parts business increases to 35.1% (previous year 26.1%)

Due to weaker customer demand in the EMEA and Americas regions, the Original Equipment Trailer customer segment's contribution to sales fell by 11.8% to EUR 259.0 million (previous year: EUR 293.7 million). At the same time, the share of sales dropped from 61.1% to 51.3%. 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 relate in particular to the Americas and APAC regions. In total, the original equipment business accounted for 64.9% (previous year 73.9%) of Group sales. By contrast, the cyclically resilient spare parts business was able to significantly improve its share of sales from 26.1% to 35.1%. The increase in sales of EUR 52.1 million to EUR 177.5 million was the result of both organic growth and acquisition effects (from Haldex, in particular).

Group sales by customer segment

in kEUR				
	Q1 2024	Q1 2023	Change absolute	Change in %
Original Equipment Trailer	259,039	293,739	-34,700	-11.8%
in % of Group sales	51.3%	61.1%		
Original Equipment Trucks	68,911	61,329	7,582	12.4%
in % of Group sales	13.6%	12.8%		
Aftermarket business	177,481	125,355	52,126	41.6%
in % of Group sales	35.1%	26.1%		
Group sales	505,431	480,423	25,008	5.2%

Increase in the gross margin from 18.0% to 21.5% in the first quarter of 2024

The individual expense items in the income statement showed diverging trends in the first quarter of 2024. Comparability with the prior-year period is to some extent limited due 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).

The cost of sales in the first quarter of 2024 rose by 0.6% compared to the previous year to EUR 396.6 million (previous year: EUR 394.1 million). Here, it should be noted that the cost of sales for the first quarter of 2024 includes amortization from purchase price allocations in the amount of EUR 1.6 million (previous year: EUR 0.5 million). In the first quarter of 2023, restructuring expenses of EUR 0.3 million were also incurred in connection with the cyberattack.

In nominal terms, gross profit amounted to EUR 108.9 million (previous year: EUR 86.3 million), which represents a 26.2% increase.

With the cost of sales rising at a slower rate than sales growth, the gross margin increased from 18.0% to 21.5% in the first quarter of 2024. This increase is mainly attributable to the spare parts business. The original equipment business benefited from the Haldex synergies achieved, among other factors.

Operating result impacted by higher selling and administrative expenses

The operating result improved by 12.3% to EUR 43.2 million in the first quarter of 2024 compared to the first quarter of 2023 (previous year: EUR 38.4 million). The disproportionately low increase compared to gross profit is due to an increase in other income and expenses, selling and administrative expenses and research and development expenses totaling EUR 65.7 million or 13.0% of Group sales (previous year: EUR 47.8 million or 10.0% of Group sales). The first-time consolidation of Haldex AB for the entire reporting period and its comparatively higher selling, administrative and R&D cost ratios must be taken into account here.

These cost items also include amortization from purchase price allocations in the amount of EUR 3.5 million (previous year: EUR 1.8 million). In the first quarter of 2023, administrative expenses were also affected by restructuring and transaction costs in the amount of EUR 1.9 million.

Earnings development

in kEUR				
	Q1 2024	Q1 2023	Change absolute	Change in %
Sales	505,431	480,423	25,008	5.2%
Cost of sales	-396,556	-394,145	-2,411	0.6%
Gross profit	108,875	86,278	22,597	26.2%
Gross margin in %	21.5%	18.0%		
Adjusted gross profit	110,555	87,097	23,458	26.9%
Adjusted gross profit margin in %	21.9%	18.1%		
Other income	1,241	777	464	59.7%
Selling expenses	-29,022	-19,791	-9,231	46.6%
Administrative expenses	-28,172	-22,261	-5,911	26.6%
Research and development expenses	-9,764	-6,566	-3,198	48.7%
Operating result	43,158	38,437	4,721	12.3%

EBIT margin improves from 8.1% to 8.6%

Based on the increase in the operating result, earnings before interest and taxes (EBIT) rose by 11.8% in the first quarter of 2024 to reach EUR 43.4 million (previous year: EUR 38.8 million). The EBIT margin improved accordingly to 8.6% (previous year: 8.1%).

Earnings before interest, taxes, depreciation and amortization (EBITDA) increased by 19.2% to EUR 63.8 million (previous year: EUR 53.5 million). The EBITDA margin improved accordingly from 11.1% to 12.6%.

Reconciliation of operating result to adjusted EBIT

in kEUR

	Q1 2024	Q1 2023	Change absolute	Change in %
Operating result	43,158	38,437	4,721	12.3%
Share of net profit of investments accounted for using the equity method	247	395	-148	-37.5%
EBIT	43,405	38,832	4,573	11.8%
EBIT margin in %	8.6%	8.1%		
Additional depreciation and amortization from PPAs	5,160	2,328	2,832	121.6%
Restructuring and transaction costs	–	2,200	-2,200	-100.0%
Adjusted EBIT	48,565	43,360	5,205	12.0%
Adjusted EBIT margin in %	9.6%	9.0%		
Depreciation and amortization of intangible assets and property, plant and equipment	15,235	12,344	2,891	23.4%
Adjusted EBITDA	63,800	55,704	8,096	14.5%
Adjusted EBITDA margin in %	12.6%	11.6%		
EBITDA	63,800	53,504	10,296	19.2%
EBITDA Marge margin in %	12.6%	11.1%		

Adjusted EBIT adjusted for non-recurring and/or acquisition-related expenses and income

To manage and present the underlying operating earnings situation of the Group, SAF-HOLLAND adjusts for non-recurring effects outside of ordinary business activities. These include depreciation and amortization of

property, plant and equipment and intangible assets from purchase price allocations (PPA), reversals and impairments, restructuring and transaction costs, measurement effects from option valuations and other non-recurring effects such as expenses in connection with the cyberattack or the post-merger integration. From a management perspective, adjusted EBIT and the adjusted EBIT margin are the most important performance indicators for assessing and evaluating the earnings position of the Group and the three regions.

In the first quarter of 2024, non-recurring effects outside of ordinary business activities totaling EUR 5.2 million (previous year: EUR 4.5 million) were recorded at the level of earnings before interest and taxes (EBIT).

This relates entirely to depreciation and amortization from purchase price allocations (previous year: EUR 2.3 million). The significant increase is due to additional depreciation and amortization that resulted from the acquisition of Haldex.

In addition, restructuring and transaction costs of EUR 2.2 million were incurred in the first quarter of 2023. These mainly comprised expenses in connection with the Haldex acquisition (EUR 1.4 million) and expenses of EUR 0.4 million in connection with the cyber-attack.

Adjusted EBIT margin significantly above the previous year at 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 an adjusted EBIT margin of 9.6% (previous year: 9.0%). The basis for this was the significant improvement in the adjusted gross margin from 18.1% to 21.9%.

Significant improvement in the financial result

Financial expenses increased by EUR 2.0 million year-on-year to EUR 13.9 million in the first quarter of 2024. This was due in particular to unrealized exchange rate losses from foreign currency loans and dividends.

This was offset by financial income of EUR 7.7 million (previous year: EUR 1.6 million). The significant increase in financial income of EUR 6.0 million is mainly due to the valuation of intercompany foreign currency loans at the closing rate.

Finance result

in kEUR

	Q1 2024	Q1 2023	Change absolute	Change in %
Finance income	7,676	1,642	6,034	367.5%
Finance expenses	-13,892	-11,882	-2,010	16.9%
Finance result	-6,216	-10,240	4,024	-39.3%

Significant improvement in result for the period and earnings per share

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 result for the period attributable to the shareholders of the parent company rose by 34.1% in the first quarter of 2024, from EUR 19.6 million in the previous year to EUR 26.2 million.

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

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) and adjusted earnings per share rose to EUR 0.69 (previous year: EUR 0.54).

Reconciliation of the result before taxes to earnings per share

in kEUR

	Q1 2024	Q1 2023	Change absolute	Change in %
Result before taxes	37,189	28,592	8,597	30.1%
Income taxes	-10,729	-9,101	-1,628	17.9%
Income tax rate in %	-28.8%	-31.8%		
Result for the period	26,460	19,491	6,969	35.8%
attributable to equity holders of the parent	26,225	19,562	6,663	34.1%
Basic earnings per share in EUR	0.58	0.43	0.15	34.1%
Adjusted result for the period	31,530	24,523	7,007	28.6%
attributable to equity holders of the parent	31,295	24,594	6,701	27.2%
Adjusted earnings per share in EUR	0.69	0.54	0.15	27.2%

SEGMENT REPORTING**EMEA region: Adjusted EBIT margin improves to 8.1%**

The EMEA region increased its sales by 2.3% to EUR 244.3 million in the first quarter of 2024 (previous year: EUR 238.8 million). Adjusted for exchange rate and acquisition effects, the region's sales revenue were significantly below the previous year's figure at -7.3%. The EMEA region thus outperformed the underlying market in the first quarter of 2024, which was characterized by a stronger decline in demand, particularly in the original equipment business for trailers, which is of importance to SAF-HOLLAND.

The cyclically resilient spare parts business recorded disproportionately strong growth in revenue in the first quarter of 2024. This was partly due 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), with a significantly higher share of revenue in the spare parts business and partly as a consequence of the strong growth in the original equipment business in previous years, which had a positive impact on demand for spare parts.

Segment EMEA

in kEUR				
	Q1 2024	Q1 2023	Change absolute	Change in %
Sales	244,259	238,846	5,413	2.3%
EBIT	17,649	15,873	1,776	11.2%
EBIT margin in %	7.2%	6.6%		
Additional depreciation and amortization from PPA	1,923	1,099	824	75.0%
Restructuring and transaction costs	250	1,900	-1,650	-86.8%
Adjusted EBIT	19,822	18,872	950	5.0%
Adjusted EBIT margin in %	8.1%	7.9%		
Depreciation and amortization of intangible assets and property, plant and equipment	8,399	5,769	2,630	45.6%
Adjusted EBITDA	28,221	24,641	3,580	14.5%
Adjusted EBITDA margin in %	11.6%	10.3%		

Adjusted EBIT in the EMEA region increased to EUR 19.8 million in the reporting period (previous year: EUR 18.9 million), which corresponds to an increase in the adjusted EBIT margin from 7.9% to 8.1%. The improvement in adjusted EBIT is due to the significantly higher share of sales generated by the spare parts business.

Americas region: margin improves to 10.6%

The Americas region achieved sales growth of 4.5% to EUR 197.5 million in the first quarter of 2024 (previous year: EUR 189.1 million) and benefited significantly from the first-time consolidation of Haldex AB for the entire reporting period January 1 to March 31 (previous year: February 21 to March 31). Adjusted for currency and acquisition effects, sales declined by 15.5%. This was due in particular to the decline in customer demand for trailer and truck components. In contrast, the spare parts business in the Americas region recorded significant growth. This development was driven by the full inclusion of Haldex on the one hand and the further increase in the product population of SAF-HOLLAND systems in the market on the other hand.

Segment Americas

in kEUR				
	Q1 2024	Q1 2023	Change absolute	Change in %
Sales	197,511	189,051	8,460	4.5%
EBIT	18,694	18,353	341	1.9%
EBIT margin in %	9.5%	9.7%		
Additional depreciation and amortization from PPA	2,301	571	1,730	303.0%
Restructuring and transaction costs	18	–	18	0.0%
Adjusted EBIT	21,013	18,924	2,089	11.0%
Adjusted EBIT margin in %	10.6%	10.0%		
Depreciation and amortization of intangible assets and property, plant and equipment	5,460	4,317	1,143	26.5%
Adjusted EBITDA	26,473	23,241	3,232	13.9%
Adjusted EBITDA margin in %	13.4%	12.3%		

Adjusted EBIT in the Americas region improved by 11.0% to EUR 21.0 million in the first quarter of 2024 (previous year: EUR 18.9 million). The adjusted EBIT margin increased accordingly from 10.0% to 10.6%. This was due to the significantly higher share of sales generated by the spare parts business.

APAC region: Sustained high organic sales growth and margin increase to 12.1%

The APAC region generated sales revenue of EUR 63.7 million in the first quarter of 2024 (previous year: EUR 52.5 million), which corresponds to an increase of 21.2%. Adjusted for exchange rate and acquisition effects, there was significant growth of 14.8% compared to the same period of the previous year. As a leading manufacturer of axle and suspension systems, SAF-HOLLAND in India benefited from government infrastructure measures, the expansion of the transportation system and a growing population. Customer demand in Australia and Southeast Asia also supported the strong growth in the APAC region. The Chinese market also developed positively.

Segment APAC

in kEUR

	Q1 2024	Q1 2023	Change absolute	Change in %
Sales	63,661	52,526	11,135	21.2%
EBIT	7,062	4,606	2,456	53.3%
EBIT margin in %	11.1%	8.8%		
Additional depreciation and amortization from PPA	936	658	278	42.2%
Restructuring and transaction costs	-268	300	-568	-
Adjusted EBIT	7,730	5,564	2,166	38.9%
Adjusted EBIT margin in %	12.1%	10.6%		
Depreciation and amortization of intangible assets and property, plant and equipment	1,376	2,258	-882	-39.1%
Adjusted EBITDA	9,106	7,822	1,284	16.4%
Adjusted EBITDA margin in %	14.3%	14.9%		

Adjusted EBIT in the APAC region improved from EUR 5.6 million to EUR 7.7 million in the first quarter, resulting in an increase in the adjusted EBIT margin from 10.6% to 12.1%. In addition to economies of scale from the higher business volume in India, the increase in earnings was characterized by a significantly higher earnings contribution from the spare parts business. The company also achieved a positive margin in China, following losses in the same quarter of the previous year.

ASSET POSITION

Total assets increased by 2.4% compared to the balance sheet date of December 31, 2023

Total assets rose by 2.4% compared to the balance sheet date December 31, 2023, from EUR 1,651.7 million to EUR 1,691.2 million. The increase is mainly due to the seasonal rise in inventories and trade receivables as well as the increase in other (financial) assets, which resulted primarily from advance payments during the year for software licenses, service agreements and rents.

Net assets: Assets

in kEUR

	03/31/2024	12/31/2023	Change absolute	Change in %
Non-current assets	805,601	814,400	-8,799	-1.1%
Intangible assets	426,188	427,195	-1,007	-0.2%
Property, plant and equipment	327,166	334,007	-6,841	-2.0%
Other (financial) assets	52,247	53,198	-951	-1.8%
Current assets	885,639	837,339	48,300	5.8%
Inventories	322,230	306,692	15,538	5.1%
Trade receivables	256,575	219,739	36,836	16.8%
Cash and cash equivalents	231,448	246,276	-14,828	-6.0%
Other (financial) assets	75,386	64,632	10,754	16.6%
Total assets	1,691,240	1,651,739	39,501	2.4%

Equity ratio at 29.7%

Compared to December 31, 2023, equity improved by EUR 26.3 million to EUR 502.3 million. This equates to an equity ratio of 29.7% (December 31, 2023: 28.8%).

The result for the period of EUR 26.5 million in particular increased equity.

Net assets: Equity and liabilities

in kEUR

	03/31/2024	12/31/2023	Change absolute	Change in %
Total equity	502,292	475,969	26,323	5.5%
Non-current liabilities	815,036	804,826	10,210	1.3%
Interest-bearing loans and bonds	630,833	615,253	15,580	2.5%
Lease liabilities	52,164	54,282	-2,118	-3.9%
Other non-current liabilities	132,039	135,291	-3,252	-2.4%
Current liabilities	373,912	370,944	2,968	0.8%
Interest-bearing loans and bonds	16,521	13,415	3,106	23.2%
Lease liabilities	14,310	13,485	825	6.1%
Trade payables	228,220	228,630	-410	-0.2%
Other current liabilities	114,861	115,414	-553	-0.5%
Total equity and liabilities	1,691,240	1,651,739	39,501	2.4%

Compared to December 31, 2023, non-current liabilities increased only slightly by EUR 10.2 million to EUR 815.0 million, accounting for 48.2% (December 31, 2023: 48.7%) of total assets. This increase is mainly due to an increase in interest-bearing loans and borrowings.

Current liabilities have changed only insignificantly compared to December 31, 2023.

Leverage ratio still below the target figure of 2.0

Net financial debt (including lease liabilities) increased by EUR 32.2 million to EUR 482.4 million as of the end of March 2024 compared to the reporting date December 31, 2023. SAF-HOLLAND had cash and cash equivalents of EUR 231.4 million as of March 31, 2024 (December 31, 2023: EUR 246.3 million). The leverage ratio (ratio of net financial debt to

EBITDA) was 1.9 at the end of the first quarter of 2024 (December 31, 2023: 1.8).

The target of reducing the leverage ratio to a maximum of 2.0 by the end of 2024, which temporarily increased as a result of the Haldex acquisition, was therefore achieved once again.

Change in net debt

in kEUR

	03/31/2024	12/31/2023	Change absolute	Change in %
Non-current interest-bearing loans and bonds	630,833	615,253	15,580	2.5%
Current interest-bearing loans and bonds	16,521	13,415	3,106	23.2%
Non-current lease liabilities	52,164	54,282	-2,118	-3.9%
Current lease liabilities	14,310	13,485	825	6.1%
Total financial liabilities	713,828	696,435	17,393	2.5%
Cash and cash equivalents	-231,448	-246,276	14,828	-6.0%
Net debt	482,380	450,159	32,221	7.2%

Net working capital ratio increases due to seasonal factors**Net working capital development**

in kEUR				
	03/31/2024	12/31/2023	Change absolute	Change in %
Inventories	322,230	306,692	15,538	5.1%
Trade receivables	256,575	219,739	36,836	16.8%
Trade payables	-228,220	-228,630	410	-0.2%
Net working capital	350,585	297,801	52,784	17.7%
Group sales (last 12 months)	2,131,178	2,106,170	25,008	1.2%
Net working capital ratio	16.5%	14.1%		

Net working capital is defined as the sum of inventories and trade receivables less trade payables.

The net working capital ratio – net working capital in relation to Group sales for the last twelve months – amounted to 16.5% as of March 31, 2024, and was therefore 2.4 percentage points higher than the figure as of the balance sheet date December 31, 2023. A 1.2% increase in 12-month revenue was offset in particular by the increase in trade receivables (+16.8%) due to the reporting date and acquisitions. In addition, inventories increased by +5.1% compared to the end of 2023 due to the delayed adjustment of inventories to the lower production volume.

As in previous years, SAF-HOLLAND used factoring in the amount of EUR 36.4 million (previous year: EUR 23.4 million) to optimize liquidity.

FINANCIAL POSITION**Financial position**

in kEUR				
	Q1 2024	Q1 2023	Change absolute	Change in %
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	-

Net cash flow from operating activities influenced by net working capital

Net cash flow from operating activities amounted to EUR -6.9 million in the first quarter (previous year: EUR 12.1 million) and was thus EUR 19.0 million below the previous year's level. This was mainly due to the cash outflow from capital tied up in net working capital, in particular from the change in trade receivables and trade payables. It should be noted that the respective figures for the first quarter of 2023 were influenced by the cyberattack.

Net cash flow from investing activities (including M&A) amounted to EUR -15.0 million in the first quarter (previous year: EUR +24.4 million). Investments in property, plant and equipment and intangible assets amounted to EUR 7.4 million (previous year: EUR 7.3 million). Investments in the first quarter of 2024 focused on the further automation of production processes in EMEA and America. In contrast, the company received funds of EUR 1.9 million (previous year: EUR 0.6 million) from the sale of property, plant and equipment.

Operating free cash flow at EUR -12.4 million

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 by EUR 17.8 million to EUR -12.4 million (previous year: EUR +5.4 million).

There was a cash outflow of EUR 10.3 million in connection with the acquisition of IMS Group B.V. The cash inflow of EUR 30.8 million in the first quarter of 2023 related to the cash received less the payment for the acquisition of the outstanding shares in Haldex AB. Accordingly, total free cash flow amounted to EUR -22.8 million (previous year: EUR +36.2 million).

ROCE of 20.2% well above the target level of at least 15%

With a return on capital employed (ROCE) of 20.2%, another strong result was achieved in the first quarter of 2024 and the medium-term target of at least 15% was clearly exceeded.

The reason for the slight decline compared to balance sheet date December 31, 2023 was the disproportionately low increase in adjusted EBIT over the last 12 months.

Financial return: ROCE

in kEUR

	03/31/2024	12/31/2023	Change absolute	Change in %
Equity	502,292	475,969	26,323	5.5%
Interest-bearing loans and bonds, current and non-current	647,354	628,668	18,686	3.0%
Lease liabilities, current and non- current	66,474	67,767	-1,293	-1.9%
Pensions and other similar benefits	42,710	43,209	-499	-1.2%
Cash and cash equivalents	-231,448	-246,276	14,828	-6.0%
Capital employed	1,027,382	969,337	58,045	6.0%
Adjusted EBIT (last 12 months)	207,256	202,051	5,205	2.6%
ROCE	20.2%	20.8%		

FORECAST REPORT

INDUSTRY ENVIRONMENT

According to a study published in the spring of 2024, the research institute CLEAR predicted only slight growth of around 2% in the trailer market in **Europe**. However, a difficult macroeconomic environment and the ongoing war in Ukraine stand in the way of a recovery in this market. Accordingly, and based on the Group's current demand situation, SAF-HOLLAND anticipates a decline in the European trailer market of around 15% for 2024 as a whole, with a recovery expected in the second half of the year. For the European market for heavy trucks, the research institute IHS Markit is currently forecasting a decline in production of around 15%.

For the **North American** commercial vehicle market, the research institute ACT Research (Americas Commercial Transportation Research Company) continues to expect declining production figures for 2024, after the market had been at a very high level in the previous year. A decline of around 23% is expected for the trailer segment. According to current estimates, the Class 8 truck segment, which is of greater importance for SAF-HOLLAND in North America, is expected to decline by around 10% after the market performed better than previously expected in the first three months. In addition, the introduction of new emission standards by the U.S. Environmental Protection Agency (EPA), which will take effect from 2027, could lead to purchases being brought forward.

SAF-HOLLAND continues to expect the **Brazilian** trailer market to stabilize at the previous year's level. According to Anfavea (Associação Nacional dos Fabricantes de Veículos Automotores), the market for heavy trucks is expected to grow by around 36% in the current year following declines in the previous year.

According to SAF-HOLLAND estimates, the **Chinese** commercial vehicle market should continue to develop positively this year. The truck market is expected to grow by around 10%, unchanged from the March 2024 forecast. Growth of around 5% is expected for the trailer market, which is lower than forecast in March (+10%).

The trailer market in **India** recorded robust growth last year. SAF-HOLLAND currently expects the market to grow by around 10% in 2024. In the market

for heavy trucks, which is less important for SAF-HOLLAND in India, production figures are expected to fall by around 5% following a weak first quarter. SAF-HOLLAND expects more clarity regarding developments in 2024 as a whole once the current parliamentary elections are over.

FORECAST ON THE COMPANY'S DEVELOPMENT

OUTLOOK FOR 2024 UNCHANGED

Based on the expected macroeconomic and industry-specific conditions and 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, as published on March 14, 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 the medium and long-term growth targets and to position the company for the future in terms of products, the Group plans to make payments for investments of up to 3% of Group sales in fiscal year 2024 (previous year: 2.9%).

Group forecast

Sales	around EUR 2,000 million
Adjusted EBIT margin	9.0 – 9.5 %
Investment ratio	≤ 3 %

RISK AND OPPORTUNITY REPORT

Risks and opportunities to which the Group is exposed are recorded on an ongoing basis and their assessment is reviewed regularly and adjusted to current circumstances.

From today's perspective, there are still no risks that, individually or in combination, could lead to over-indebtedness or insolvency of the company.

SUPPLEMENTARY REPORT

ACQUISITION OF TECMA SRL COMPLETED

The acquisition of 100% of the shares in Tecma Srl, Verona, Italy, by SAF-HOLLAND GmbH announced on February 7, 2024, was completed on April 2, 2024, with the inclusion of the company in the Consolidated Financial Statements of SAF-HOLLAND SE.

CONSOLIDATED STATEMENT OF INCOME

in kEUR		
	Q1 2024	Q1 2023
Sales	505,431	480,423
Cost of sales	-396,556	-394,145
Gross profit	108,875	86,278
Other income	1,241	777
Selling expenses	-29,022	-19,791
Administrative expenses	-28,172	-22,261
Research and development expenses	-9,764	-6,566
Operating result	43,158	38,437
Share of net profit of investments accounted for using the equity method	247	395
Earnings before interest and taxes	43,405	38,832
Finance income	7,676	1,642
Finance expenses	-13,892	-11,882
Finance result	-6,216	-10,240
Result before income tax	37,189	28,592
Income tax	-10,729	-9,101
Result for the period	26,460	19,491
Attributable to:		
Equity holders of the parent	26,225	19,562
Shares of non-controlling interests	235	-71

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in kEUR	Q1 2024	Q1 2023
Result for the period	26,460	19,491
Attributable to:		
Equity holders of the parent	26,225	19,562
Shares of non-controlling interests	235	-71
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Remeasurements of defined benefit plans	-	176
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	-136	-11,234
Other comprehensive income	-136	-11,058
Comprehensive income for the period	26,324	8,433
Attributable to:		
Equity holders of the parent	26,016	8,420
Shares of non-controlling interests	308	13
Basic earnings per share in EUR	0.58	0.43

CONSOLIDATED BALANCE SHEET

in kEUR		
	03/31/2024	12/31/2023
Assets		
Non-current assets	805,601	814,400
Goodwill	130,890	128,839
Other intangible assets	295,298	298,356
Property, plant and equipment	327,166	334,007
Investments accounted for using the equity method	11,996	11,608
Financial assets	89	95
Other non-current assets	18,698	17,596
Deferred tax assets	21,464	23,899
Current assets	885,639	837,339
Inventories	322,230	306,692
Trade receivables	256,575	219,739
Income tax receivables	3,987	5,865
Other current assets	71,147	57,515
Financial assets	252	1,252
Cash and cash equivalents	231,448	246,276
Balance sheet total	1,691,240	1,651,739

in kEUR		
	03/31/2024	12/31/2023
Equity and liabilities		
Total equity	502,292	475,969
Equity attributable to equity holders of the parent	499,061	473,046
Subscribed share capital	45,394	45,394
Share premium	224,104	224,104
Retained earnings	247,119	220,896
Accumulated other comprehensive income	-17,556	-17,348
Shares of non-controlling interests	3,231	2,923
Non-current liabilities	815,036	804,826
Pensions and other similar benefits	42,710	43,209
Other provisions	21,798	20,716
Interest bearing loans and bonds	630,833	615,253
Lease liabilities	52,164	54,282
Other liabilities	471	426
Deferred tax liabilities	67,060	70,940
Current liabilities	373,912	370,944
Other provisions	29,042	29,677
Interest bearing loans and bonds	16,521	13,415
Lease liabilities	14,310	13,485
Trade payables	228,220	228,630
Income tax liabilities	7,447	7,869
Other financial liabilities	142	127
Other liabilities	78,230	77,741
Balance sheet total	1,691,240	1,651,739

CONSOLIDATED STATEMENT OF CASH FLOWS

in kEUR	Q1 2024	Q1 2023
Cash flow from operating activities		
Result before income tax	37,189	28,592
- Finance income	-7,676	-1,642
+ Finance expenses	13,892	11,882
Share of net profit of investments accounted for using the equity method	-247	-395
+/- Other non-cash transactions	-1,088	508
Amortization and depreciation of intangible assets and property, plant and equipment	20,395	14,672
+ Allowance of current assets	3,288	5,760
+/- Change in other provisions and pensions	-1,009	976
+/- Change in other assets	-13,713	-5,361
+/- Change in other liabilities	-1,222	-17,114
+/- Loss/Gain on disposal of property, plant and equipment	-271	-34
Dividends from investments accounted for using the equity method	152	4,390
Cash flow before change of net working capital	49,690	42,234
+/- Change in inventories	-9,060	-24,077
+/- Change in trade receivables ¹	-27,447	-58,529
+/- Change in trade payables	-7,132	59,967
Change of net working capital	-43,639	-22,639
Cash flow from operating activities before income tax paid	6,051	19,595
- Income tax paid	-12,942	-7,508
Net cash flow from operating activities	-6,891	12,087
Cash flow from investing activities		
- Purchase of property, plant and equipment	-5,264	-6,508
- Purchase of intangible assets	-2,142	-833

in kEUR	Q1 2024	Q1 2023
+ Proceeds from sales of property, plant and equipment	1,863	628
- Payments for acquisition of subsidiaries net of cash	-10,326	-
Cash received less payment for acquisition of outstanding shares in Haldex AB	-	30,785
+ Interest received	887	312
Net cash flow from investing activities	-14,982	24,384
Cash flow from financing activities		
Repayments of current and non-current financial liabilities	-	-97,500
- paid transaction costs relating to financing agreements	-	-18
+/- Proceeds and payments from hedging instruments	-104	-64
- Payments for lease liabilities	-3,960	-2,255
- Interest paid	-5,941	-8,583
Change in drawings on the credit line and other financing activities	15,434	43,900
Net cash flow from financing activities	5,429	-64,520
Net increase/decrease in cash and cash equivalents	-16,444	-28,049
Effect of changes in exchange rates on cash and cash equivalents	1,616	2,499
Cash and cash equivalents at the beginning of the period	246,276	243,460
Cash and cash equivalents at the end of the period	231,448	217,910

¹ As of March 31, 2024, trade receivables in the amount of EUR 36.4 million (previous year: EUR 23.4 million) were sold under a factoring agreement. Assuming the legal existence of the receivable, there are no further rights of recourse to SAF-HOLLAND from the receivables sold.

SEGMENT INFORMATION

in kEUR	EMEA ¹		Americas ²		APAC ³		Total	
	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023
Sales	244,259	238,846	197,511	189,051	63,661	52,526	505,431	480,423
Adjusted EBIT	19,822	18,872	21,013	18,924	7,730	5,564	48,565	43,360
Adjusted EBIT margin in %	8.1%	7.9%	10.6%	10.0%	12.1%	10.6%	9.6%	9.0%
Amortization and depreciation of intangible assets and property, plant and equipment (without PPA)	8,399	5,769	5,460	4,317	1,376	2,258	15,235	12,344
in % of sales	3.4%	2.4%	2.8%	2.3%	2.2%	4.3%	3.0%	2.6%
Adjusted EBITDA	28,221	24,641	26,473	23,241	9,106	7,822	63,800	55,704
Adjusted EBITDA margin in %	11.6%	10.3%	13.4%	12.3%	14.3%	14.9%	12.6%	11.6%
Purchase of property, plant and equipment and intangible assets	4,809	3,473	2,325	2,408	272	1,461	7,406	7,341
in % of sales	2.0%	1.5%	1.2%	1.3%	0.4%	2.8%	1.5%	1.5%
No. of employees as of reporting date	2,293	2,350	2,375	2,646	1,174	1,067	5,842	6,063

¹ Comprises Europe, the Middle East and Africa.

² Comprises Canada, the United States and Central and South America.

³ Comprises Asia/Pacific, India and China.

FINANCIAL CALENDAR AND CONTACTS

FINANCIAL CALENDAR

June 11, 2024

Annual General Meeting 2024

August 8, 2024

Publication of the Half-year Report 2024

November 12, 2024

Publication of the Quarterly Statement Q3 2024

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ALTERNATIVE PERFORMANCE MEASURES

SAF-HOLLAND SE prepares its financial reporting in accordance with International Financial Reporting Standards (IFRS). In addition, SAF-HOLLAND SE uses "alternative performance measures" (APM). APMs are company-specific key figures whose calculation does not result directly from statutory regulations or accounting standards. They are calculated in part by making company-specific adjustments to certain financial performance indicators, such as adjusting financial performance indicators for special effects. APMs are used both internally for management purposes and for external communication and reporting purposes to various stakeholders. Further information can be found in the Annual Report 2023 in the section "Explanation of financial ratios and alternative performance measures".

DISCLAIMER

The Quarterly Statement is also available in German. In case of doubt, the German version shall take precedence. The key figures in the Quarterly Statement have been rounded in accordance with standard commercial practice. In individual cases, rounding may result in figures in this Quarterly Statement not adding up to exactly the totals shown and percentages may not add up to the figures shown.

This Quarterly Statement contains forward-looking statements. Such forward-looking statements are based on certain assumptions and expectations at the time of publication of this Quarterly Statement. They are therefore subject to risks and uncertainties and actual events may differ materially from those described in the forward-looking statements. Many of these risks and uncertainties are determined by factors that are beyond the control of SAF-HOLLAND SE and cannot be estimated with certainty today. These include future market conditions and economic developments, the behavior of other market participants, the achievement of expected synergy effects as well as legal and political decisions. Readers are cautioned that the statements on future developments made here only reflect the state of knowledge at the time of this publication. 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 this information.

