

Half-Year Financial Report H1 2024

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KEY FIGURES

in kEUR								
	Q1-Q2/2024	Q1-Q2/2023	Change absolute	Change in %	Q2 2024	Q2 2023	Change absolute	Change in %
Result of Operations								
Sales	1,012,522	1,036,096	-23,574	-2.3%	507,091	555,673	-48,582	-8.7%
Gross profit	223,576	193,708	29,868	15.4%	114,701	107,430	7,271	6.8%
Gross profit margin in %	22.1%	18.7%			22.6%	19.3%		
Adjusted gross profit	227,534	201,513	26,021	12.9%	116,979	114,416	2,563	2.2%
Adjusted gross profit margin in %	22.5%	19.4%			23.1%	20.6%		
EBITDA	132,468	107,448	25,020	23.3%	68,668	53,595	15,073	28.1%
EBITDA margin in %	13.1%	10.4%			13.5%	9.7%		
Adjusted EBITDA	133,820	121,104	12,716	10.5%	70,020	65,401	4,619	7.1%
Adjusted EBITDA margin in %	13.2%	11.7%			13.8%	11.8%		
EBIT	89,714	72,280	17,434	24.1%	46,309	33,449	12,860	38.4%
EBIT margin in %	8.9%	7.0%			9.1%	6.0%		
Adjusted EBIT	102,774	94,176	8,598	9.1%	54,209	50,817	3,392	6.7%
Adjusted EBIT margin in %	10.2%	9.1%			10.7%	9.1%		
Result for the period without non-controlling interests	50,260	37,145	13,115	35.3%	24,035	17,584	6,451	36.7%
Adjusted result for the period without non-controlling interests	62,593	58,251	4,342	7.5%	31,298	33,657	-2,359	-7.0%
Basic earnings per share in EUR	1.11	0.82	0.29	35.3%	0.53	0.39	0.14	36.7%
Adjusted earnings per share in EUR	1.38	1.28	0.10	7.5%	0.69	0.74	-0.05	-7.0%
Cashflow development								
Net cash flow from operating activities	62,641	43,636	19,005	43.6%	69,532	31,549	37,983	120.4%
Net cash flow from investing activities (property, plant and equipment/intangible assets)	-18,323	-13,156	-5,167	39.3%	-12,780	-6,443	-6,337	98.4%
Operating free cash flow	44,318	30,480	13,838	45.4%	56,752	25,106	31,646	126.0%
Net cash flow from investing activities (acquisition of subsidiaries)	-16,158	30,732	-46,890		-5,832	-53	-5,779	
Total free cash flow	28,160	61,212	-33,052	-54.0%	50,920	25,053	25,867	103.2%
Yield								
Return on capital employed (ROCE) in %	22.6%	17.1%						
Balance sheet								
	06/30/2024	12/31/2023						
Balance sheet total	1,715,684	1,651,739	63,945	3.9%				
Equity	492,292	475,969	16,323	3.4%				
Equity ratio in %	28.7%	28.8%						
Non-current and current liabilities	1,223,392	1,175,770	47,622	4.1%				

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

__TABLE OF CONTENTS

Group Interim Management Report

- 4 Industry environment
- 6 Significant events in the first half of 2024
- 7 Economic Report
- 19 Outlook
- 21 Risk and Opportunity Report
- 22 Supplementary Report

Interim Consolidated Financial Statements

- 23 Consolidated Statement of Profit and Loss
- 24 Consolidated Statement of Comprehensive Income
- 25 Consolidated Statement of Financial Position
- 26 Consolidated Statement of Changes in Equity
- 27 Consolidated Statement of Cash Flows
- 28 Notes to the Interim Consolidated Financial Statements
- 42 Responsibility Statement

Further Information

- 43 Financial Calendar and Contacts
- 44 Imprint

INDUSTRY ENVIRONMENT

MACROECONOMIC CONDITIONS

According to observations by the International Monetary Fund (IMF), global economic activity and world trade picked up at the turn of the year. In its “World Economic Outlook Update” published in July 2024, the IMF sees strong exports, particularly in the technology sector from Asia, as the main driver. Overall, the global economy is stabilizing despite regional differences in development.

The IMF is seeing signs of an economic recovery in Europe, particularly due to an improvement in the service sector and higher net exports. In the eurozone, the IMF therefore also sees varying degrees of recovery in the individual countries, depending on the importance of the service and industrial sectors. With the continuing weakness of the manufacturing sector in Germany, the economic recovery there is also weaker.

The economy in the United States continues to grow. However, the start to the year was weaker than expected. The IMF sees a cooling job market and weakening consumption.

Emerging and developing countries performed more positively. In China, strong exports and an upturn in private consumption are driving the economy. Private spending also boosted the Indian economy.

SECTOR 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 half of 2024, the Original Equipment Trailers customer group accounted for 49.9% and the Aftermarket business for 36.7% of Group sales. The Original Equipment Truck customer segment, which generates most of its sales in the Americas region, accounted for 13.4% of Group sales.

The **European commercial vehicle market** was characterized by a challenging economic environment in the first six months of 2024 and a continued reluctance to buy on the part of trailer customers. The

willingness of freight forwarders and fleets to invest has weakened against the backdrop of high financing costs and fleet renewals carried out over the past two years. SAF-HOLLAND estimates that trailer production in Europe will decline by around 15% to 20% in the first half of 2024. SAF-HOLLAND also anticipates a decline in production of heavy trucks, which it expects to be around 15% in this period.

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 (Americas Commercial Transportation Research Company), a total of 174,110 Class 8 trucks were manufactured in the reporting period from January to June 2024. This represents an increase of around 1% compared to the same period last year. After a decline of 2% in the first quarter, production figures in the second quarter were at the same level as in the previous year. According to ACT, 169,329 trailers were produced in the same period, around 26% fewer than in the first half of the previous year.

In **Brazil**, the markets for trailers and heavy trucks recorded positive development in both market segments in the first half of 2024. According to the industry association ANFIR (Associação Nacional Fabricantes de Implementos Rodoviários), the market for trailers grew by around 6%. According to the industry association ANFAVEA (Associação Nacional dos Fabricantes de Veículos Automotores), new registrations in the market for heavy trucks increased further in the second quarter, reaching a year-on-year increase of 37% in the six-month period (Q1 2024: +20%).

The commercial vehicle market in **China** got off to a positive start in the new year. According to SAF-HOLLAND, however, the truck market was unable to continue this trend in the second quarter. The company estimates growth of around 5% in the trailer market and around 4% in the truck market in the first half of 2024.

According to SAF-HOLLAND estimates, the trailer market in **India** recorded a decline in production of up to 5% in the first six months. This was due to the limited government spending in connection with the parliamentary

elections, particularly for infrastructure programs, which enabled production growth of around 66% in the previous year. In the truck market, which is less important for SAF-HOLLAND, the company estimates that around 18% fewer trucks rolled off the production lines in the first half of 2024.

SIGNIFICANT EVENTS IN THE FIRST HALF 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 its 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.

ANNUAL GENERAL MEETING OF SAF-HOLLAND SE ON JUNE 11, 2024

The Annual General Meeting of SAF-HOLLAND SE, which was held on June 11, 2024, approved all the resolutions proposed by the administration, including the proposal by the Management Board and the Supervisory Board to distribute a dividend of EUR 0.85 per share. Authorization was also granted to cancel the existing authorized capital in connection with the creation of new authorized capital and to create conditional capital in connection with the issue of convertible bonds,

bonds with warrants and/or participating bonds. In addition, all incumbent Supervisory Board members were confirmed in office until the Annual General Meeting in 2028. Following the Annual General Meeting, Dr. Martin Kleinschmitt was re-elected Chairman of the Supervisory Board.

INCREASE IN THE ANNUAL OUTLOOK FOR 2024

On June 17, 2024, SAF-HOLLAND SE adjusted its outlook for the full year 2024 in an ad hoc announcement. At that time, the Management Board of SAF-HOLLAND SE expected the adjusted EBIT margin for the full year 2024 to be around 10% (previously: 9.0% to 9.5%). Group sales were expected to remain unchanged at around EUR 2,000 million and the capex ratio at up to 3%.

ECONOMIC REPORT

EARNINGS, ASSET AND FINANCIAL POSITION

RESULTS OF OPERATIONS

Weaker market environment leads to slight decline in Group sales

SAF-HOLLAND's Group sales declined by 2.3% to EUR 1,012.5 million in the first half of 2024 (previous year: EUR 1,036.1 million).

In organic terms – i.e. excluding the impact of exchange rate and acquisition effects – Group sales fell by EUR 98.9 million or 9.5% in the first half of 2024, which is mainly due to the weaker market environment in the EMEA and Americas regions.

By contrast, sales were boosted by acquisition effects amounting to EUR 76.0 million, which relate to the first-time consolidation of Haldex AB for the entire reporting period (previous year: 21 February to 30 June), IMS Group B.V., which has been included in the Consolidated Financial Statements since the beginning of 2024, and Tecma Srl, which has been fully consolidated since April 2024. Of this, a low double-digit million amount was attributable to the IMS Group and Tecma Srl.

The negative effects from currency translation amounted to EUR 0.7 million in the first half of 2024.

In the second quarter of 2024 SAF-HOLLAND generated Group sales of EUR 507.1 million (previous year: EUR 555.7 million).

In organic terms – i.e. excluding the impact of exchange rate and acquisition effects – Group sales decreased by EUR 59.8 million or 10.8% in the second quarter of 2024.

This was offset by positive acquisition effects from the acquisitions of the IMS Group and Tecma. These amounted to EUR 9.9 million.

The positive effects from currency translation amounted to EUR 1.3 million in the second quarter of 2024.

The breakdown of Group sales by region in the first half of 2024 was influenced by both acquisition effects and declines in organic sales in the EMEA and Americas regions.

With sales of EUR 477.5 million (previous year: EUR 480.9 million) and a 47.2% share of Group sales (previous year: 46.4%), the EMEA region remains the company's largest region. The Americas region accounted for 40.1% (previous year 41.8%) or EUR 406.3 million of sales (previous year EUR 433.1 million). The APAC region increased its sales by 5.4% to EUR 128.7 million (previous year: EUR 122.1 million) and thus contributed 12.7% to Group sales (previous year: 11.8%).

Group sales by region

in kEUR

	Q1-Q2/2024	Q1-Q2/2023	Change absolute	Change in %	Q2 2024	Q2 2023	Change absolute	Change in %
EMEA	477,531	480,888	-3,357	-0.7%	233,272	242,042	-8,770	-3.6%
in % of Group sales	47.2%	46.4%			46.0%	43.6%		
Americas	406,277	433,079	-26,802	-6.2%	208,766	244,028	-35,262	-14.4%
in % of Group sales	40.1%	41.8%			41.2%	43.9%		
APAC	128,714	122,129	6,585	5.4%	65,053	69,603	-4,550	-6.5%
in % of Group sales	12.7%	11.8%			12.8%	12.5%		
Group sales	1,012,522	1,036,096	-23,574	-2.3%	507,091	555,673	-48,582	-8.7%

Strong cyclically resilient aftermarket business increases to 36.7% of Group sales (previous year: 29.1%)

Due to weaker customer demand in the EMEA and Americas regions, the Original Equipment Trailer customer segment's contribution to sales fell by 14.9% to EUR 504.8 million (previous year: EUR 593.3 million). As a result, the share of sales fell from 57.3% to 49.9%. Sales from the original equipment business with trucks fell by 3.9% to EUR 135.8 million (previous year: EUR 141.3 million). This is mainly attributable to the EMEA region. In total, the original equipment business therefore accounted for 63.3% of

Group sales (previous year: 70.9%). In contrast, the cyclically resilient aftermarket business was able to significantly improve its share of sales from 29.1% to 36.7%. The increase in sales by EUR 70.5 million to EUR 372.0 million (previous year: EUR 301.5 million) was the result of both organic growth and acquisition effects (Haldex in particular)

In the second quarter of 2024, the share of sales generated by the aftermarket business improved by 6.7 percentage points to a new high of 38.4%.

Group sales by customer segment

in kEUR

	Q1-Q2/2024	Q1-Q2/2023	Change absolute	Change in %	Q2 2024	Q2 2023	Change absolute	Change in %
Original Equipment Trailer	504,771	593,276	-88,505	-14.9%	245,732	299,537	-53,805	-18.0%
in % of Group sales	49.9%	57.3%			48.5%	53.9%		
Original Equipment Trucks	135,755	141,296	-5,541	-3.9%	66,844	79,967	-13,123	-16.4%
in % of Group sales	13.4%	13.6%			13.2%	14.4%		
Aftermarket business	371,996	301,524	70,472	23.4%	194,515	176,169	18,346	10.4%
in % of Group sales	36.7%	29.1%			38.4%	31.7%		
Group sales	1,012,522	1,036,096	-23,574	-2.3%	507,091	555,673	-48,582	-8.7%

Significant increase in the gross profit margin in the first half of 2024

The individual expense items in the income statement showed diverging trends in the first half of 2024. Comparability with the same period of the previous year is sometimes limited due to the first-time consolidation of Haldex AB for the entire reporting period (previous year: February 21 to June 30), IMS Group B.V., which was included in the Consolidated Financial Statements from January 2, 2024, and Tecma Srl, which was included in the Consolidated Financial Statements from April 2, 2024.

The cost of sales in the first half of 2024 declined by 6.3% year-on-year to EUR 788.9 million (previous year: EUR 842.4 million). It should be noted that the cost of sales for the first half of 2024 includes amortization from purchase price allocations in the amount of EUR 3.3 million (previous year: EUR 1.5 million) and restructuring expenses in the amount of EUR 0.6 million (previous year: EUR 1.0 million). In the first half of 2023, there were also one-time amortization expenses from the step-up purchase price allocation from the inventory valuation in the amount of EUR 5.3 million.

In nominal terms, gross profit amounted to EUR 223.6 million (previous year: EUR 193.7 million), which corresponds to an increase of 15.4%. With

the cost of sales falling faster than sales, the gross profit margin increased from 18.7% to 22.1% in the first half of 2024. This is mainly due to the higher share of the aftermarket business.

In the second quarter of 2024, the gross profit margin was 22.6%, significantly higher than the figure of 19.3% in the second quarter of 2023.

Operating result positively influenced by strict cost management

The operating result improved by 24.8% compared to the same period of the previous year to EUR 89.2 million in the first half of 2024 (previous year: EUR 71.5 million). The disproportionately high increase compared to gross profit is due to the favorable development of other income and expenses, selling and administrative expenses and research and development expenses. These only increased by a total of 9.9% to EUR 134.4 million (previous year: EUR 122.2 million).

These cost items include amortization from purchase price allocations of EUR 8.4 million (previous year: EUR 6.7 million) and restructuring and transaction costs of EUR 0.7 million (previous year: EUR 7.4 million). The latter included expenses for the settlement of claims of a former minority shareholder in the amount of EUR 1.2 million in the previous year.

Earnings development

in kEUR

	Q1-Q2/2024	Q1-Q2/2023	Change		Q2 2024	Q2 2023	Change	
			absolute	Change in %			absolute	Change in %
Sales	1,012,522	1,036,096	-23,574	-2.3%	507,091	555,673	-48,582	-8.7%
Cost of sales	-788,946	-842,388	53,442	-6.3%	-392,390	-448,243	55,853	-12.5%
Gross profit	223,576	193,708	29,868	15.4%	114,701	107,430	7,271	6.8%
Gross profit margin in %	22.1%	18.7%			22.6%	19.3%		
Adjusted gross profit	227,534	201,513	26,021	12.9%	116,979	114,416	2,563	2.2%
Adjusted gross profit margin in %	22.5%	19.4%			23.1%	20.6%		
Other income	2,207	3,002	-795	-26.5%	966	2,225	-1,259	-56.6%
Other expenses	-	-1,242	1,242	-	-	-1,242	1,242	-
Selling expenses	-56,634	-49,733	-6,901	13.9%	-27,612	-29,941	2,329	-7.8%
Administrative expenses	-59,278	-57,368	-1,910	3.3%	-31,106	-35,107	4,001	-11.4%
Research and development expenses	-20,659	-16,872	-3,787	22.4%	-10,895	-10,306	-589	5.7%
Operating result	89,212	71,495	17,717	24.8%	46,054	33,059	12,995	39.3%

EBIT margin improves from 7.0% to 8.9%

Based on the increase in the operating result, earnings before interest and taxes (EBIT) rose by 24.1% in the first half of 2024, reaching EUR 89.7 million (previous year: EUR 72.3 million). The EBIT margin improved accordingly to 8.9% (previous year: 7.0%).

Earnings before interest, taxes, depreciation and amortization (EBITDA) increased by 23.3% to EUR 132.5 million (previous year: EUR 107.4 million). Consequently, the EBITDA margin improved from 10.4% to 13.1%.

Adjusted EBIT adjusted for one-time and acquisition-related expenses and income

In order to manage and present the underlying operating earnings situation of the Group, SAF-HOLLAND adjusts for special effects outside of its 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, valuation effects from option valuations and other one-time effects such as expenses in connection with the cyberattack or the post-merger integration. From the management's perspective, adjusted EBIT and the adjusted EBIT margin represent the most important performance indicators for assessing and evaluating the earnings position of the Group and the three regions.

In the first half of 2024, non-recurring effects outside of ordinary business activities totaling EUR 13.1 million (previous year: EUR 21.9 million) were recorded at the level of earnings before interest and taxes (EBIT).

These include amortization from purchase price allocations in the amount of EUR 11.7 million (previous year: EUR 8.2 million). The increase is due to

additional depreciation and amortization from the first-time consolidation of Haldex AB for the entire reporting period (previous year: February 21 to June 30), and the first-time consolidation of the acquired IMS Group B.V. (from January 2, 2024) and Tecma Srl (from April 2, 2024).

In addition, restructuring and transaction costs of EUR 1.4 million (previous year: EUR 8.3 million) were incurred in the first half of 2024, primarily in connection with the acquisitions and post-merger integration. In the first half of 2023, these non-recurring effects mainly comprised expenses in connection with the Haldex integration amounting to around EUR 2 million and expenses of around EUR 4 million in connection with the cyber-attack. Furthermore, there was a one-time expense of EUR 5.3 million from the step-up purchase price allocation from the valuation of inventories in the context of the Haldex integration.

Adjusted EBIT margin significantly above the previous year at 10.2

Adjusted EBIT improved by 9.1% to EUR 102.8 million in the first half of 2024 (previous year: EUR 94.2 million). This represents an adjusted EBIT margin of 10.2% (previous year: 9.1%). The basis for this was the significant improvement in the adjusted gross profit margin from 19.4% to 22.5%.

Adjusted EBIT amounted to EUR 54.2 million in the second quarter of 2024 (previous year: EUR 50.8 million) and the adjusted EBIT margin was 10.7% (previous year: 9.1%). Compared to the first quarter of 2024 (9.6%), SAF-HOLLAND was thus once again able to significantly increase its profitability, which was largely influenced by the strong aftermarket business and strict cost management.

Reconciliation of operating result to adjusted EBIT

in kEUR

	Q1-Q2/2024	Q1-Q2/2023	Change absolute	Change in %	Q2 2024	Q2 2023	Change absolute	Change in %
Operating result	89,212	71,495	17,717	24.8%	46,054	33,059	12,995	39.3%
Share of net profit of investments accounted for using the equity method	502	785	-283	-36.1%	255	390	-135	-34.6%
EBIT	89,714	72,280	17,434	24.1%	46,309	33,449	12,860	38.4%
EBIT margin in %	8.9%	7.0%			9.1%	6.0%		
Additional depreciation and amortization from PPAs	11,708	8,240	3,468	42.1%	6,548	5,912	636	10.8%
Restructuring and transaction costs	1,352	8,344	-6,992	-83.8%	1,352	6,144	-4,792	-78.0%
Step-up purchase price allocation from the valuation of inventories from acquisitions	-	5,312	-5,312	-	-	5,312	-5,312	-
Adjusted EBIT	102,774	94,176	8,598	9.1%	54,209	50,817	3,392	6.7%
Adjusted EBIT margin in %	10.2%	9.1%			10.7%	9.1%		
Depreciation and amortization of intangible assets and property, plant and equipment	31,046	26,928	4,118	15.3%	15,811	14,584	1,227	8.4%
Adjusted EBITDA	133,820	121,104	12,716	10.5%	70,020	65,401	4,619	7.1%
Adjusted EBITDA margin in %	13.2%	11.7%			13.8%	11.8%		
EBITDA	132,468	107,448	25,020	23.3%	68,668	53,945	14,723	27.3%
EBITDA Marge margin in %	13.1%	10.4%			13.5%	9.7%		

Financial result influenced by higher financial expenses

Financial expenses increased by EUR 6.2 million to EUR 28.5 million in the first half of 2024 compared to the previous year. This was due in particular to unrealized exchange rate losses from the valuation of intercompany foreign currency loans at the closing rate and dividends as well as interest expenses in connection with interest-bearing loans and bonds.

This was offset by financial income of EUR 10.3 million (previous year: EUR 7.1 million). The significant increase in financial income of EUR 3.2 million is mainly due to the valuation of intercompany foreign currency loans at the closing rate.

Finance result

in kEUR

	Q1-Q2/2024	Q1-Q2/2023	Change absolute	Change in %	Q2 2024	Q2 2023	Change absolute	Change in %
Finance income	10,326	7,121	3,205	45.0%	2,650	5,479	-2,829	-51.6%
Finance expenses	-28,458	-22,297	-6,161	27.6%	-14,566	-10,415	-4,151	39.9%
Finance result	-18,132	-15,176	-2,956	19.5%	-11,916	-4,936	-6,980	141.4%

Significant improvement in result for the period and earnings per share

Earnings before taxes improved by 25.4% to EUR 71.6 million in the first half of 2024 (previous year: EUR 57.1 million).

With a lower Group tax rate of 29.2% (previous year: 34.5%), the Group generated result for the period of EUR 50.7 million in the first half of 2024 (previous year: EUR 37.4 million), which equates to an increase of 35.6%. Result for the period attributable to the shareholders of the parent company rose by 35.3% in the first half of 2024, from EUR 37.1 million in the previous year to EUR 50.3 million.

Based on an unchanged number of shares of 45.4 million compared to the previous year, earnings per share for the first half of 2024 improved significantly to EUR 1.11 (previous year: EUR 0.82).

Adjusted result for the period after minority interests improved by 7.5% to EUR 62.6 million in the first half of 2024 (previous year: EUR 58.3 million) and adjusted earnings per share amounted to EUR 1.38 (previous year: EUR 1.28).

Reconciliation of the result before taxes to earnings per share

in kEUR

	Q1-Q2/2024	Q1-Q2/2023	Change absolute	Change in %	Q2 2024	Q2 2023	Change absolute	Change in %
Result before taxes	71,582	57,104	14,478	25.4%	34,393	28,513	5,880	20.6%
Income taxes	-20,899	-19,718	-1,181	6.0%	-10,170	-10,617	447	-4.2%
Income tax rate in %	-29.2%	-34.5%			-29.6%	-37.2%		
Result for the period	50,683	37,386	13,297	35.6%	24,223	17,896	6,327	35.4%
attributable to equity holders of the parent	50,260	37,145	13,115	35.3%	24,035	17,584	6,451	36.7%
Basic earnings per share in EUR	1.11	0.82	0.29	35.3%	0.53	0.39	0.14	36.7%
Adjusted result for the period	63,016	58,492	4,524	7.7%	31,486	33,969	-2,483	-7.3%
attributable to equity holders of the parent	62,593	58,251	4,342	7.5%	31,298	33,657	-2,359	-7.0%
Adjusted earnings per share in EUR	1.38	1.28	0.10	7.5%	0.69	0.74	-0.05	-7.0%

SEGMENT REPORTING**EMEA region: Adjusted EBIT margin improves to 8.4%**

With sales of EUR 477.5 million in the first half of 2024, the EMEA region nearly reached the previous year's level of EUR 480.9 million. Adjusted for exchange rate and acquisition effects, the region's sales were 7.7% below the previous year's figure. Compared to the underlying market, the EMEA region performed better in the first half of 2024, particularly in the original equipment business for trailers, which is of importance to SAF-HOLLAND.

The cyclically resilient aftermarket business recorded strong growth in sales in the first half of 2024. This was partly due to the first-time consolidation of Haldex AB for the entire reporting period (previous year: February 21 to June 30) with a significantly higher share of sales in the aftermarket business and partly due to the successful original equipment business in previous years, which had a positive impact on demand for spare parts.

In the second quarter of 2024, sales in the EMEA region fell by 3.6% to EUR 233.3 million (previous year: EUR 242.0 million). On an organic basis, sales declined by 8.1%. The aftermarket business, on the other hand, continued to grow significantly.

EMEA

in kEUR

	Q1-Q2/2024	Q1-Q2/2023	Change absolute	Change in %	Q2 2024	Q2 2023	Change absolute	Change in %
Sales	477,531	480,888	-3,357	-0.7%	233,272	242,042	-8,770	-3.6%
EBIT	33,850	25,138	8,712	34.7%	16,201	9,265	6,936	74.9%
EBIT margin in %	7.1%	5.2%			6.9%	3.8%		
Additional depreciation and amortization from PPA	5,294	3,368	1,926	57.2%	3,371	2,269	1,102	48.6%
Restructuring and transaction costs	1,162	7,395	-6,233	-84.3%	912	5,495	-4,583	-83.4%
Step-up purchase price allocation from the valuation of inventories from acquisitions	-	971	-971		-	971	-971	
Adjusted EBIT	40,306	36,872	3,434	9.3%	20,484	18,000	2,484	13.8%
Adjusted EBIT margin in %	8.4%	7.7%			8.8%	7.4%		
Depreciation and amortization of intangible assets and property, plant and equipment	16,879	13,784	3,095	22.5%	8,480	8,015	465	5.8%
Adjusted EBITDA	57,185	50,656	6,529	12.9%	28,964	26,015	2,949	11.3%
Adjusted EBITDA margin in %	12.0%	10.5%			12.4%	10.7%		

Adjusted EBIT in the EMEA region increased by 9.3% to EUR 40.3 million in the reporting period (previous year: EUR 36.9 million), which represents an improvement in the adjusted EBIT margin from 7.7% to 8.4%. The improvement in adjusted EBIT is due not only to the significantly higher share of sales generated by the aftermarket business but also to strict cost management and the continued realization of synergies from the integration of Haldex.

In the second quarter of 2024, adjusted EBIT amounted to EUR 20.5 million (previous year: EUR 18.0 million), resulting in an adjusted EBIT margin of 8.8% (previous year: 7.4%).

Americas region: Margin improves to 11.4%

The Americas region recorded a decline in sales of 6.2% to EUR 406.3 million in the first half of 2024 (previous year: EUR 433.1 million). Adjusted for exchange rate effects and acquisitions, sales revenue declined by 15.1%. This was due in particular to the decline in customer demand for trailer components. In contrast, the aftermarket business in the Americas region recorded significant growth. This development was

driven by the first-time consolidation of Haldex AB for the entire reporting period (previous year: February 21 to June 30), which resulted in a significantly higher share of sales in the aftermarket business, as well as the further increase in the market penetration of SAF-HOLLAND systems.

In the second quarter of 2024, the Americas region's contribution to sales fell from EUR 244.0 million to EUR 208.8 million. On an organic basis, sales declined by 14.7%. The aftermarket business continued to grow compared to the same quarter of the previous year.

Adjusted EBIT in the Americas region improved by 6.1% to EUR 46.5 million in the first half of the year (previous year: EUR 43.9 million). Consequently, the adjusted EBIT margin improved from 10.1% to 11.4%. Besides the significantly higher share of sales generated by the aftermarket business, this was also due to a favorable cost trend.

Adjusted EBIT amounted to EUR 25.5 million in the second quarter of 2024 (previous year: EUR 24.9 million) and the adjusted EBIT margin was 12.2% (previous year: 10.2%).

AMERICAS

in kEUR

	Q1-Q2/2024	Q1-Q2/2023	Change absolute	Change in %	Q2 2024	Q2 2023	Change absolute	Change in %
Sales	406,277	433,079	-26,802	-6.2%	208,766	244,028	-35,262	-14.4%
EBIT	41,691	34,976	6,715	19.2%	22,997	16,623	6,374	38.3%
EBIT margin in %	10.3%	8.1%			11.0%	6.8%		
Additional depreciation and amortization from PPA	4,684	3,394	1,290	38.0%	2,383	2,823	-440	-15.6%
Restructuring and transaction costs	140	1,584	-1,444	-91.2%	122	1,584	-1,462	-92.3%
Step-up purchase price allocation from the valuation of inventories from acquisitions	-	3,896	-3,896	-	-	3,896	-3,896	-
Adjusted EBIT	46,515	43,850	2,665	6.1%	25,502	24,926	576	2.3%
Adjusted EBIT margin in %	11.4%	10.1%			12.2%	10.2%		
Depreciation and amortization of intangible assets and property, plant and equipment	10,979	10,883	96	0.9%	5,519	6,566	-1,047	-15.9%
Adjusted EBITDA	57,494	54,733	2,761	5.0%	31,021	31,492	-471	-1.5%
Adjusted EBITDA margin in %	14.2%	12.6%			14.9%	12.9%		

APAC region: Margin increases to 12.4%

The APAC region generated sales revenue of EUR 128.7 million in the first half of 2024 (previous year: EUR 122.1 million), an increase of 5.4%. Adjusted for exchange rate and acquisition effects, organic growth amounted to 2.9% compared to the same period of the previous year, which is attributable in particular to a robust mining sector. The development of sales was

temporarily impacted negatively by the restrained government spending in the wake of the Indian parliamentary elections (April 19 to June 1).

In the second quarter of 2024, sales revenue in the APAC region decreased by 6.5% to EUR 65.1 million (previous year: EUR 69.6 million). Adjusted for exchange rate effects and changes in the scope of consolidation, the decrease in the quarter amounted to 6.0%.

APAC

in kEUR

	Q1-Q2/2024	Q1-Q2/2023	Change absolute	Change in %	Q2 2024	Q2 2023	Change absolute	Change in %
Sales	128,714	122,129	6,585	5.4%	65,053	69,603	-4,550	-6.5%
EBIT	14,173	12,166	2,007	16.5%	7,111	7,560	-449	-5.9%
EBIT margin in %	11.0%	10.0%			10.9%	10.9%		
Additional depreciation and amortization from PPA	1,730	1,478	252	17.1%	794	820	-26	-3.2%
Restructuring and transaction costs	50	-635	685	-	318	-935	1,253	-
Step-up purchase price allocation from the valuation of inventories from acquisitions	-	445	-445	-	-	445	-445	-
Adjusted EBIT	15,953	13,454	2,499	18.6%	8,223	7,890	333	4.2%
Adjusted EBIT margin in %	12.4%	11.0%			12.6%	11.3%		
Depreciation and amortization of intangible assets and property, plant and equipment	3,188	2,261	927	41.0%	1,812	3	1,809	-
Adjusted EBITDA	19,141	15,715	3,426	21.8%	10,035	7,893	2,142	27.1%
Adjusted EBITDA margin in %	14.9%	12.9%			15.4%	11.3%		

Adjusted EBIT of the APAC region improved from EUR 13.5 million to EUR 16.0 million in the first half of 2024, resulting in an increase in the adjusted EBIT margin from 11.0% to 12.4%. The increase in earnings was characterized in particular by a significantly higher earnings contribution from the aftermarket business. The company also achieved a positive margin in China, following losses in the previous year.

In the second quarter of 2024, the APAC region increased its adjusted EBIT from EUR 7.9 million to EUR 8.2 million and its adjusted EBIT margin from 11.3% to 12.6%.

ASSET POSITION

Slight increase in total assets compared to the end of 2023

Overall, total assets increased by 3.9% from EUR 1,651.7 million to EUR 1,715.7 million compared to the balance sheet date of December 31, 2023. The increase is mainly the result of a reporting date and acquisition-related increase in trade receivables due to the first-time consolidation of IMS Group B.V. and Tecma Srl and the increase in cash and cash equivalents.

Balance sheet: assets

in kEUR

	06/30/2024	12/31/2023	Change absolute	Change in %
Non-current assets	812,129	814,400	-2,271	-0.3%
Intangible assets	432,863	427,195	5,668	1.3%
Property, plant and equipment	327,785	334,007	-6,222	-1.9%
Other (financial) assets	51,481	53,198	-1,717	-3.2%
Current assets	903,555	837,339	66,216	7.9%
Inventories	310,984	306,692	4,292	1.4%
Trade receivables	241,008	219,739	21,269	9.7%
Cash and cash equivalents	274,664	246,276	28,388	11.5%
Other (financial) assets	76,899	64,632	12,267	19.0%
Total assets	1,715,684	1,651,739	63,945	3.9%

Equity ratio at 28.7%

Compared to December 31, 2023, equity increased by EUR 16.3 million to EUR 492.3 million. Due to the disproportionate increase in total assets, this results in an equity ratio of 28.7% (December 31, 2023: 28.8%).

The result for the period of EUR 50.7 million had a particularly positive effect on equity, while the dividend payment of EUR 38.6 million in June 2024 had a negative impact on equity.

Balance sheet: equity and liabilities

in kEUR

	06/30/2024	12/31/2023	Change absolute	Change in %
Total equity	492,292	475,969	16,323	3.4%
Non-current liabilities	778,207	804,826	-26,619	-3.3%
Interest-bearing loans and bonds	592,124	615,253	-23,129	-3.8%
Lease liabilities	53,193	54,282	-1,089	-2.0%
Other non-current liabilities	132,890	135,291	-2,401	-1.8%
Current liabilities	445,185	370,944	74,241	20.0%
Interest-bearing loans and bonds	106,447	13,415	93,032	693.5%
Lease liabilities	15,336	13,485	1,851	13.7%
Trade payables	219,619	228,630	-9,011	-3.9%
Other current liabilities	103,783	115,414	-11,631	-10.1%
Total equity and liabilities	1,715,684	1,651,739	63,945	3.9%

Non-current liabilities decreased by EUR 26.6 million to EUR 778.2 million compared to December 31, 2023, and thus accounted for 45.4% (December 31, 2023: 48.7%) of total assets. This decline is primarily the result of a decrease in interest-bearing loans and borrowings.

Current liabilities increased by EUR 74.2 million to EUR 445.2 million compared to December 31, 2023. This increase is mainly due to the increase in interest-bearing loans and borrowings.

Leverage ratio still below the target figure of 2.0

Net debt (including lease liabilities) increased by EUR 42.3 million or 9.4% to EUR 492.4 million as of the end of June 2024 compared to the balance sheet date of December 31, 2023. SAF-HOLLAND had cash and cash equivalents of EUR 274.7 million as of June 30, 2024 (December 31, 2023: EUR 246.3 million). The leverage ratio (ratio of net debt to EBITDA) was therefore 1.8 at the end of the second quarter of 2024 (December 31, 2023: 1.8).

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

Development of net debt

in kEUR

	06/30/2024	12/31/2023	Change absolute	Change in %
Non-current interest-bearing loans and bonds	592,124	615,253	-23,129	-3.8%
Current interest-bearing loans and bonds	106,447	13,415	93,032	693.5%
Non-current lease liabilities	53,193	54,282	-1,089	-2.0%
Current lease liabilities	15,336	13,485	1,851	13.7%
Total financial liabilities	767,100	696,435	70,665	10.1%
Cash and cash equivalents	-274,664	-246,276	-28,388	11.5%
Net debt	492,436	450,159	42,277	9.4%

Net working capital ratio increased due to reporting date and acquisitions

Net working capital development

in kEUR

	06/30/2024	12/31/2023	Change absolute	Change in %
Inventories	310,984	306,692	4,292	1.4%
Trade receivables	241,008	219,739	21,269	9.7%
Trade payables	-219,619	-228,630	9,011	-3.9%
Net working capital	332,373	297,801	34,572	11.6%
Group sales (last 12 months)*	2,100,725	2,106,170	-5,445	-0.3%
Net working capital ratio	15.8%	14.1%		

* Amount as of June 30, 2024 includes pro-forma sales of IMS Group and Tecma.

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 over the last twelve months – amounted to 15.8% as of June 30, 2024, and was therefore 1.7 percentage points higher than on the balance sheet date of December 31, 2023. A decline in twelve-month sales of 0.3% (amount as at June 30, 2024 includes pro forma sales of IMS Group and Tecma) was offset in particular by the acquisition-related increase in trade receivables (+9.7%) and inventories (+1.4%). Thanks to the successful net working capital management, the ratio nevertheless improved by 0.7 percentage points compared to March 31, 2024.

As in previous years, SAF-HOLLAND used factoring in the amount of EUR 32.9 million (previous year: EUR 37.6 million) to optimize liquidity.

FINANCIAL POSITION**Cashflow development**

in kEUR

	Q1-Q2/2024	Q1-Q2/2023	Change absolute	Change in %	Q2 2024	Q2 2023	Change absolute	Change in %
Net cash flow from operating activities	62,641	43,636	19,005	43.6%	69,532	31,549	37,983	120.4%
Net cash flow from investing activities (property, plant and equipment/intangible assets)	-18,323	-13,156	-5,167	39.3%	-12,780	-6,443	-6,337	98.4%
Operating free cash flow	44,318	30,480	13,838	45.4%	56,752	25,106	31,646	126.0%
Net cash flow from investing activities (acquisition of subsidiaries)	-16,158	30,732	-46,890	-	-5,832	-53	-5,779	-
Total free cash flow	28,160	61,212	-33,052	-54.0%	50,920	25,053	25,867	103.2%

Net cash flow from operating activities influenced by earnings before taxes

Net cash flow from operating activities amounted to EUR 62.6 million in the first half of the year (previous year: EUR 43.6 million) and was therefore EUR 19.0 million higher than in the previous year. This was mainly due to the significant improvement in earnings before taxes, which increased by EUR 13.9 million to EUR 71.0 million.

Net cash flow from investing activities (excluding M&A) amounted to EUR 18.3 million in the first half-year (previous year: EUR -13.2 million). Investments in property, plant and equipment and intangible assets amounted to EUR 20.0 million (previous year: EUR 14.0 million). Investments in the first half of 2024 focused on the further automation of production processes in the EMEA and Americas regions as well as preparations for the new plant in Texas. In contrast, the company received funds from the sale of property, plant and equipment in the amount of EUR 1.7 million (previous year: EUR 0.9 million).

Operating free cash flow improves by 45.4% to EUR 44.3 million

As a result, operating free cash flow (net cash flow from operating activities after deducting net investments in property, plant and equipment and intangible assets) improved by EUR 13.8 million compared to the previous year to EUR 44.3 million (previous year: EUR 30.5 million).

In connection with the acquisition of IMS Group B.V. and Tecma Srl, there was a net cash outflow totaling EUR 16.2 million. The net cash inflow of

EUR 30.7 million in the first half of 2023 related to the cash received less the payment for the acquisition of the remaining shares in Haldex AB.

Accordingly, total free cash flow amounted to EUR 28.2 million (previous year: EUR 61.2 million).

In the second quarter of 2024, operating free cash flow more than doubled to EUR 56.8 million compared to the previous year's figure of EUR 25.1 million. This was due in particular to the cash inflow from the reduced capital tied up in net working capital, especially from the change in trade receivables. Taking the cash outflow for the acquisition of company shares into account, total free cash flow amounted to EUR 50.9 million (previous year: EUR 25.1 million).

ROCE of 22.6% significantly above that of the balance sheet date December 31, 2023

With a return on capital employed (ROCE) of 22.6%, another strong result was achieved in the first half of 2024.

The reason for the significant increase compared to the balance sheet date December 31, 2023, was the disproportionately high increase in adjusted EBIT in the last twelve months.

Financial return: ROCE

in kEUR

	06/30/2024	12/31/2023	Change absolute	Change in %
Equity	492,292	475,969	16,323	3.4%
Interest-bearing loans and bonds, current and non-current	698,571	628,668	69,903	11.1%
Lease liabilities, current and non- current	68,529	67,767	762	1.1%
Pensions and other similar benefits	43,757	43,209	548	1.3%
Cash and cash equivalents	-274,664	-246,276	-28,388	11.5%
Capital employed	1,028,485	969,337	59,148	6.1%
Adjusted EBIT (last 12 months)	232,545	202,051	30,494	15.1%
ROCE	22.6%	20.8%		

OUTLOOK

MACROECONOMIC CONDITIONS

According to a study published in July 2024, the International Monetary Fund (IMF) expects the global economy to grow by 3.2% this year. At the same time, the IMF points to tensions in global trade and political risks. This could accelerate inflation again, in addition to the price increases for services that can also be observed. The IMF also expects that the period of high interest rates could continue.

The IMF sees signs of recovery in the eurozone. Growth of 0.9% is expected for 2024, 0.1 percentage points more than estimated in April. Higher than expected exports and stronger momentum in the service sector should have a positive impact. This also explains the different development of the countries in the eurozone, depending on the importance of the service or industrial sector. For example, the IMF sees continued weakness in production in Germany and therefore continues to expect the economy to grow by no more than 0.2% this year.

The IMF lowered its forecast slightly for the United States to 2.6% (previously: 2.7%) after a weaker start to the year. The IMF expects economic growth to weaken due to the incipient cooling of the job market and declining consumption.

The IMF revised its forecast for growth in emerging and developing countries upwards, particularly with regard to developments in India and China. For India, the IMF continues to expect growth of 7.0% in the current year. The Indian economy is thus continuing the positive development of the previous year and, according to the IMF, is now also showing improved prospects for private consumption. Growth of 5% is forecast for China this year. Besides strong exports, the resurgence in private consumption is also responsible for the positive development here. Due to the short-term effects of the floods, the IMF has revised its forecast for Brazil downwards to 2.1%.

INDUSTRY ENVIRONMENT

Based on the Group's current demand situation, SAF-HOLLAND expects a decline of around 20% in the **European** trailer market for the full year 2024. According to recently published studies, the research institute Clear expects a decline in production of around 5% against the backdrop of weaker registration figures in the first three months and a persistently difficult macroeconomic environment. For the European market for heavy trucks, the research institute IHS Markit is currently forecasting a decline in production of around 12%.

For the **North American** commercial vehicle market, the research institute ACT (Americas Commercial Transportation Research Company) is forecasting a continued decline in production figures for 2024, after the market had been at a very high level in the previous year. A decline of around 26% is expected for the trailer segment. According to current estimates, the Class 8 truck segment, which is of greater importance to SAF-HOLLAND in North America, is expected to decline by around 9%. The market is characterized, especially for the second half of 2024, by a weaker willingness of customers to invest after years of high demand. Although the US economy is performing well overall, the profitability of freight forwarders and fleets is under pressure, according to ACT. No significant effects from early purchases are expected this year before the introduction of new emissions regulations in 2027.

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, which were influenced by the introduction of new emission standards.

SAF-HOLLAND expects the **Chinese** commercial vehicle market to continue to develop positively this year, albeit at a lower rate in the truck market than recently assumed. The company expects the truck market to grow by around 5% this year (5 percentage points less than forecast in May). Growth of around 5% is still expected for the trailer market.

In **India**, the parliamentary elections held over several weeks at the beginning of the year caused uncertainty in the forecast for the development of the commercial vehicle markets this year. Following the conclusion of these elections and confirmation of the previous majority, government infrastructure projects are expected to continue. SAF-HOLLAND currently expects the trailer market to remain at the previous year's level in 2024. In the market for heavy trucks, which is less significant for SAF-HOLLAND in India, production figures are expected to decline by around 13% after a weak first half of the year.

OUTLOOK ON THE COMPANY'S DEVELOPMENT

OUTLOOK FOR ADJUSTED EBIT MARGIN RAISED FOR 2024

Based on the expected macroeconomic and industry-specific conditions and considering 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).

On June 17, 2024, the Management Board of SAF-HOLLAND SE raised its outlook for the adjusted EBIT margin based on how business developed in the months from January to May 2024. This is expected to be around 10% for fiscal year 2024 (previously: 9.0% to 9.5%) and will benefit in particular from a favorable development of the product mix with a higher share of the aftermarket business. Furthermore, the continued realization of synergies from the acquisition of Haldex should have a positive impact on profitability.

To achieve its medium and long-term growth targets and to position the company for the future in terms of products, the Group is still planning to make payments for investments of up to 3% of Group sales in fiscal year 2024, as published on March 14, 2024 (previous year: 2.9%).

Group forecast

Sales	around EUR 2,000 million
Adjusted EBIT margin	around 10%
Capex 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 the insolvency of the company.

SUPPLEMENTARY REPORT

ACQUISITION OF ASSALI STEFEN SRL

SAF-HOLLAND SE announced on July 19, 2024, that it will acquire 100% of the shares in Assali Stefen Srl, Verona, Italy. Assali Stefen is a company known worldwide for the development, production and distribution of chassis-related components for trailers and semi-trailers as well as other special applications. With the acquisition of Assali Stefen, SAF-HOLLAND complements its product portfolio in standard and specialty applications, ranging from standard rigid axles to self-steering axles for trailers. At the same time, the acquisition strengthens SAF-HOLLAND's industry position, especially in the EMEA region and in New Zealand. The transaction was completed and the company was included in the Consolidated Financial Statements of SAF-HOLLAND SE for the first time as per July 31, 2024.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

in kEUR					
	Notes	Q1-Q2/2024	Q1-Q2/2023	Q2 2024	Q2 2023
Sales	(5)	1,012,522	1,036,096	507,091	555,673
Cost of sales		-788,946	-842,388	-392,390	-448,243
Gross profit		223,576	193,708	114,701	107,430
Other income		2,207	3,002	966	2,225
Other expenses		-	-1,242	-	-1,242
Selling expenses		-56,634	-49,733	-27,612	-29,941
Administrative expenses		-59,278	-57,368	-31,106	-35,107
Research and development expenses		-20,659	-16,872	-10,895	-10,306
Operating result		89,212	71,495	46,054	33,059
Share of net profit of investments accounted for using the equity method		502	785	255	390
Earnings before interest and taxes		89,714	72,280	46,309	33,449
Finance income	(6)	10,326	7,121	2,650	5,479
Finance expenses	(6)	-28,458	-22,297	-14,566	-10,415
Finance result	(6)	-18,132	-15,176	-11,916	-4,936
Result before income tax		71,582	57,104	34,393	28,513
Income tax	(7)	-20,899	-19,718	-10,170	-10,617
Result for the period		50,683	37,386	24,223	17,896
Attributable to:					
Equity holders of the parent		50,260	37,145	24,035	17,584
Shares of non-controlling interests		423	241	188	312

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in kEUR					
	Notes	Q1-Q2/2024	Q1-Q2/2023	Q2 2024	Q2 2023
Result for the period		50,683	37,386	24,223	17,896
Attributable to:					
Equity holders of the parent		50,260	37,145	24,035	17,584
Shares of non-controlling interests		423	241	188	312
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	(12)	–	–1,563	–	–1,563
Remeasurements of defined benefit plans	(12)	–	5,156	–	4,980
Income tax effects on items recognized in other comprehensive income	(12)	–	–1,276	–	–1,276
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations	(12)	4,225	–22,425	4,361	–11,191
Other comprehensive income		4,225	–20,108	4,361	–9,050
Comprehensive income for the period		54,908	17,278	28,584	8,846
Attributable to:					
Equity holders of the parent		54,390	17,086	28,374	8,667
Shares of non-controlling interests		518	192	210	179
Basic earnings per share in EUR	(18)	1.11	0.82	0.53	0.39

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in kEUR			
	Notes	06/30/2024	12/31/2023
Assets			
Non-current assets		812,129	814,400
Goodwill	(8)	132,605	128,839
Other intangible assets	(8)	300,258	298,356
Property, plant and equipment	(9)	327,785	334,007
Investments accounted for using the equity method		11,789	11,608
Financial assets	(17)	142	95
Other non-current assets		18,531	17,596
Deferred tax assets		21,019	23,899
Current assets		903,555	837,339
Inventories	(10)	310,984	306,692
Trade receivables	(10)	241,008	219,739
Income tax receivables		3,761	5,865
Other current assets		67,379	57,515
Financial assets	(17)	5,759	1,252
Cash and cash equivalents	(11)	274,664	246,276
Balance sheet total		1,715,684	1,651,739

in kEUR			
	Notes	06/30/2024	12/31/2023
Equity and liabilities			
Total equity	(12)	492,292	475,969
Equity attributable to equity holders of the parent			
Subscribed share capital		45,394	45,394
Share premium		224,104	224,104
Retained earnings		232,571	220,896
Accumulated other comprehensive income		-13,218	-17,348
Shares of non-controlling interests		3,441	2,923
Non-current liabilities		778,207	804,826
Pensions and other similar benefits	(13)	43,757	43,209
Other provisions	(14)	20,046	20,716
Interest bearing loans and bonds	(15)	592,124	615,253
Lease liabilities	(16)	53,193	54,282
Other liabilities		524	426
Deferred tax liabilities		68,563	70,940
Current liabilities		445,185	370,944
Other provisions	(14)	28,764	29,677
Interest bearing loans and bonds	(15)	106,447	13,415
Lease liabilities	(16)	15,336	13,485
Trade payables	(10)	219,619	228,630
Income tax liabilities		3,623	7,869
Other financial liabilities	(17)	66	127
Other liabilities		71,330	77,741
Balance sheet total		1,715,684	1,651,739

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in kEUR

	Attributable to equity holders of the parent						Q1-Q2/2024
	Subscribed share capital	Share premium	Retained earnings	Accumulated other comprehensive income	Total amount	Shares of non- controlling interests	Total equity (Note 12)
As of 01/01/2024	45,394	224,104	220,896	-17,348	473,046	2,923	475,969
Result for the period	-	-	50,260	-	50,260	423	50,683
Other comprehensive income	-	-	-	4,130	4,130	95	4,225
Comprehensive income for the period	-	-	50,260	4,130	54,390	518	54,908
Dividend	-	-	-38,585	-	-38,585	-	-38,585
As of 06/30/2024	45,394	224,104	232,571	-13,218	488,851	3,441	492,292

in kEUR

	Attributable to equity holders of the parent						Q1-Q2/2023
	Subscribed share capital	Share premium	Retained earnings	Accumulated other comprehensive income	Total amount	Shares of non- controlling interests	Total equity (Note 12)
As of 01/01/2023	45,394	224,104	169,648	1,389	440,535	819	441,354
Result for the period	-	-	37,145	-	37,145	241	37,386
Other comprehensive income	-	-	-	-20,059	-20,059	-49	-20,108
Comprehensive income for the period	-	-	37,145	-20,059	17,086	192	17,278
Dividend	-	-	-27,237	-	-27,237	-	-27,237
Transactions with non-controlling interests	-	-	139	16	155	-12,338	-12,183
Addition of shares of non-controlling interests from business combinations	-	-	-	-	-	14,215	14,215
As of 06/30/2023	45,394	224,104	179,695	-18,654	430,539	2,888	433,427

CONSOLIDATED STATEMENT OF CASH FLOWS

in kEUR	Notes	Q1-Q2/2024	Q1-Q2/2023
Cash flow from operating activities			
Result before income tax		71,582	57,104
- Finance income	(6)	-10,326	-7,121
+ Finance expenses	(6)	28,458	22,297
Share of net profit of investments accounted for using the equity method		-502	-785
+/- Other non-cash transactions		-2,486	2,635
Amortization and depreciation of intangible assets and property, plant and equipment		42,754	35,168
+ Allowance of current assets		7,241	8,038
+/- Change in other provisions and pensions		-2,650	2,277
+/- Change in other assets		-9,856	-9,373
+/- Change in other liabilities		-13,324	-18,059
Loss/Gain on disposal of property, plant and equipment		-235	188
Dividends from investments accounted for using the equity method		847	4,300
Cash flow before change of net working capital		111,503	96,669
+/- Change in inventories		5,004	-15,730
+/- Change in trade receivables ¹		-9,368	-62,363
+/- Change in trade payables		-17,775	52,070
Change of net working capital		-22,139	-26,023
Cash flow from operating activities before income tax paid		89,364	70,646
- Income tax paid		-26,723	-27,010
Net cash flow from operating activities		62,641	43,636
Cash flow from investing activities			
- Purchase of property, plant and equipment		-16,613	-12,415
- Purchase of intangible assets		-3,385	-1,607

in kEUR	Notes	Q1-Q2/2024	Q1-Q2/2023
Proceeds from sales of property, plant and equipment		1,675	866
+ Purchase of other financial assets		-1,025	-
Payments for acquisition of subsidiaries net of cash		-16,158	-
Cash received less payment for acquisition of outstanding shares in Haldex AB		-	30,732
+ Interest received		1,741	2,166
Net cash flow from investing activities		-33,765	19,742
Cash flow from financing activities			
Dividend payments to shareholders of SAF-HOLLAND SE	(12)	-38,585	-27,237
+ Proceeds from promissory note loan		-	105,000
Repayments of current and non-current financial liabilities	(15)	-5,625	-208,125
Paid transaction costs relating to financing agreements		-	-116
Proceeds and payments from hedging instruments		-127	-528
- Payments for lease liabilities		-8,831	-6,948
- Interest paid		-18,393	-18,292
Change in drawings on the credit line and other financing activities	(15)	69,055	70,046
Net cash flow from financing activities		-2,506	-86,200
Net increase/decrease in cash and cash equivalents		26,370	-22,822
Effect of changes in exchange rates on cash and cash equivalents		2,018	-5,320
Cash and cash equivalents at the beginning of the period	(11)	246,276	243,460
Cash and cash equivalents at the end of the period	(11)	274,664	215,318

¹ As of June 30, 2024, trade receivables in the amount of EUR 32.9 million (previous year: EUR 37.6 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.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the period from January 1 to June 30, 2024

1. INFORMATION ON THE COMPANY

SAF-HOLLAND SE (the “company”) was founded on December 21, 2005, in the form of a stock corporation (Société Anonyme) under Luxembourg law. It was converted into a European stock corporation (Societas Europaea) by resolution of the extraordinary general meeting on February 14, 2020, and subsequent registration in the Luxembourg Trade and Companies Register on February 24, 2020. The registered office of the company has been located in Germany since July 1, 2020. The company is registered in the Commercial Register of the District Court of Aschaffenburg under the registration number HRB 15646. The company’s shares are listed on the SDAX of the Frankfurt Stock Exchange.

2. KEY ACCOUNTING AND MEASUREMENT POLICIES

The Consolidated Financial Statements of SAF-HOLLAND SE and its subsidiaries (the “Group”) were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and applicable as of the reporting date.

The Interim Consolidated Financial Statements for the first half of 2024 were prepared in accordance with IAS 34 “Interim Financial Reporting.” The same accounting and measurement policies and consolidation methods were applied as those applied in the preparation of the Consolidated Financial Statements for fiscal year 2023, unless explicitly stated otherwise. The Interim Consolidated Financial Statements should therefore be read in conjunction with the Consolidated Financial Statements for the year ended December 31, 2023.

In preparing the Interim Consolidated Financial Statements, management is required to make assumptions and estimates that affect the reported amounts of assets and liabilities, income and expenses, and contingent liabilities as of the reporting date. In certain cases, actual amounts may differ from the assumptions and estimates made.

Expenses and income incurred irregularly during the fiscal year are brought forward or deferred when it is appropriate to recognize these expenses at the end of the fiscal year.

The major functional currencies of the foreign operations are listed in the table below:

	Closing rate		Average rate	
	06/30/2024	06/30/2023	Q1-Q2/2024	Q1-Q2/2023
Australian Dollar	0.62168	0.60767	0.60912	0.62587
Brazilian Real	0.16879	0.18922	0.18225	0.18260
Chinese Renminbi	0.12862	0.12673	0.12856	0.13373
Indian Rupee	0.01120	0.01119	0.01112	0.01126
Canadian Dollar	0.68207	0.69255	0.68131	0.68695
Polish Zloty	0.23200	0.22440	0.23176	0.21625
Russian Ruble	0.01088	0.01057	0.01020	0.01204
Swedish Krona	0.08799	0.08481	0.08779	0.08831
US-Dollar	0.93431	0.91822	0.92518	0.92551

The Interim Consolidated Financial Statements and the Interim Group Management Report have not been reviewed by an auditor.

3. SEASONALITY EFFECTS

In the course of the year, seasonality effects may lead to varying sales and resulting profits. For information on the development of earnings, please refer to the comments in the Interim Group Management Report.

4. SCOPE OF CONSOLIDATION

The following describes the changes to the scope of consolidation compared to the Consolidated Financial Statements as of December 31, 2023:

COMPANY ACQUISITIONS

Acquisition of IMS Group B.V. and IMS Group Steering Systems B.V.

On January 2, 2024, SAF-HOLLAND GmbH acquired 100% of the shares in its Dutch sales partner IMS Group B.V. and the sales specialist for special axles - IMS Group Steering Systems B.V. - both companies based in Barneveld, Netherlands, as part of a single transaction. Due to the majority of voting rights, SAF-HOLLAND GmbH gained control over IMS Group B.V. and IMS Group Steering Systems B.V. at the time of acquisition.

The initial consolidation of both companies was carried out in accordance with IFRS 3 using the purchase method.

The purchase price for both companies amounted to EUR 10.5 million in cash and was paid on January 2, 2024. Of the total purchase price, EUR 10.3 million was attributable to IMS Group B.V. and EUR 0.2 million to IMS Group Steering Systems B.V.

The following table shows the preliminary purchase price allocation and the amounts of the main groups of assets acquired and liabilities assumed that were recognized as of the acquisition date:

in kEUR	Fair value as of acquisition date
Other intangible assets	5,659
Property, plant and equipment	607
Inventories	6,365
Trade receivables	7,364
Other assets	239
Cash and cash equivalents	425
	20,659
Other provisions	124
Trade payables	3,767
Lease liabilities	599
Other liabilities	3,819
Deferred tax	1,392
	9,701
Total of identified net assets	10,958
Goodwill from the acquisition	-505
Consideration transferred	10,453

The negative goodwill in the amount of EUR -0.5 million was reversed through profit or loss and reported under other income. For the calculation of adjusted EBIT, the income from the reversal of negative goodwill was adjusted and reported under restructuring and transaction costs. The main reason for the purchase price for IMS Group B.V. and IMS Group Steering Systems B.V. being below the market value was that the distribution agreement between IMS Group B.V. and SAF-HOLLAND GmbH would have expired in the foreseeable future and a continuation of this agreement was considered unlikely.

The gross amount of trade receivables as of the date of initial consolidation came to EUR 7.4 million.

The cash outflow due to the company acquisition is as follows:

in kEUR	
Cash outflow	10,453
Cash acquired	425
Actual cash outflow	10,028

IMS Group B.V. and IMS Group Steering Systems B.V. were allocated to the EMEA region.

In the period between completion of the transaction on January 2 and June 30, 2024, the two acquired companies contributed net sales of EUR 10.8 million and net earnings before taxes of EUR 1.5 million to the Group result before taking the effects of the purchase price allocation and integration costs into account.

Acquisition of Softec Srl and Tecma Srl

Effective April 2, 2024, SAF-HOLLAND GmbH acquired 100% of the shares in Softec Srl, based in Verona, Italy. Softec is a holding company that exclusively holds 100% of the shares in the operating company Tecma Srl, based in Verona, Italy. Tecma Srl specializes in the development and production of customer-specific axle systems and chassis for special vehicles and heavy-duty applications. The objective of this transaction is to expand the product portfolio in the area of applications for special vehicles. Due to the majority of voting rights, SAF-HOLLAND GmbH has gained control over Softec Srl directly or indirectly via Tecma Srl.

The initial consolidation of both companies was carried out in accordance with IFRS 3 using the purchase method.

The purchase price was EUR 7.2 million in cash and was paid on April 2, 2024.

The following table shows the preliminary purchase price allocation and the amounts of the main groups of assets acquired and liabilities assumed that were recognized as of the acquisition date:

in KEUR	Fair value as of acquisition date
Other intangible assets	5,065
Property, plant and equipment	3,683
Inventories	6,301
Trade receivables	3,800
Other assets	262
Financial assets	70
Deferred Tax Assets	19
Cash and cash equivalents	1,081
	20,281
Other provisions	1,037
Bank liabilities	6,586
Trade payables	3,062
Lease liabilities	2,809
Other liabilities	1,956
Deferred tax	1,107
	16,557
Total of identified net assets	3,724
Goodwill from the acquisition	3,487
Consideration transferred	7,211

Goodwill amounting to EUR 3.5 million comprises non-separable intangible assets such as sales synergies, which mainly result from the expansion of the product portfolio, and cost synergies, most notably in the area of purchasing.

The gross amount of trade receivables as of the date of initial consolidation equaled EUR 3.8 million.

The cash outflow due to the company acquisition is as follows:

in kEUR	
Cash outflow	7,211
Cash acquired	1,081
Actual cash outflow	6,130

Softec Srl and Tecma Srl were allocated to the EMEA region.

In the period between the closing of the transaction on April 2 and June 30, 2024, Tecma Srl contributed sales of EUR 4.1 million and, prior to considering the earnings effects of the purchase price allocation and integration costs, a result before income tax of EUR 0.1 million to the Group's earnings.

If the acquisitions had already been included in the Consolidated Financial Statements as of January 1, sales and the result before income taxes in the first half of 2024 would have amounted to EUR 1,032.2 million and EUR 89.5 million, respectively.

OTHER CHANGES

Following the acquisition of IMS Group B.V. and IMS Group Steering Systems B.V., the companies were renamed SAF-HOLLAND Benelux B.V. and SAF-HOLLAND Steering B.V.

The company SAF-HOLLAND Thailand Ltd., Thailand, was deconsolidated upon its liquidation on June 18, 2024.

The deconsolidation had no effect on the Group's asset, financial or earnings position.

5. SEGMENT REPORTING

For the purposes of managing the company and Group reporting, the Group is organized into the regionally focused segments "EMEA," "Americas" and "APAC." The three regions cover both the original equipment and the spare parts business.

Management assesses the performance of the regional segments based on adjusted EBIT. The reconciliation from operating profit to adjusted EBIT for the Group is as follows:

in kEUR		
	Q1-Q2/2024	Q1-Q2/2023
Operating result	89,212	71,495
Share of net profit of investments accounted for using the equity method	502	785
EBIT	89,714	72,280
Additional depreciation and amortization from PPA	11,708	8,240
PPA step-up from inventory measuring of acquisitions	–	5,312
Restructuring and transaction expenses	1,352	8,344
Adjusted EBIT	102,774	94,176

Information on segment sales and earnings for the period from January 1 to June 30, 2024:

in kEUR	EMEA ¹		Americas ²		APAC ³		Total	
	Q1-Q2/2024	Q1-Q2/2023	Q1-Q2/2024	Q1-Q2/2023	Q1-Q2/2024	Q1-Q2/2023	Q1-Q2/2024	Q1-Q2/2023
Sales	477,531	480,888	406,277	433,079	128,714	122,129	1,012,522	1,036,096
Adjusted EBIT	40,306	36,872	46,515	43,850	15,953	13,454	102,774	94,176
Adjusted EBIT margin in %	8.4%	7.7%	11.4%	10.1%	12.4%	11.0%	10.2%	9.1%
Amortization and depreciation of intangible assets and property, plant and equipment (without PPA)	16,879	13,784	10,979	10,883	3,188	2,261	31,046	26,928
in % of sales	3.5%	2.9%	2.7%	2.5%	2.5%	1.8%	3.1%	2.6%
Adjusted EBITDA	57,185	50,656	57,494	54,733	19,141	15,715	133,820	121,104
Adjusted EBITDA margin in %	12.0%	10.5%	14.2%	12.6%	14.9%	12.9%	13.2%	11.7%
Purchase of property, plant and equipment and intangible assets	11,085	6,715	8,254	5,858	659	1,449	19,998	14,022
in % of sales	2.3%	1.4%	2.0%	1.4%	0.5%	1.2%	2.0%	1.4%
No. of employees as of reporting date	2,222	2,302	2,349	2,676	1,158	1,158	5,729	6,136

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.

In the first half of 2024, Group sales for the SAF-HOLLAND Group amounted to EUR 1,012.5 million and were thus 2.3% below the level of sales in the same period of the previous year (H1 2023: EUR 1,036.1 million). Compared to the same period of the previous year, the Haldex Group is now included in the Consolidated Financial Statements for the entire reporting period. In the same period of the previous year, however, it was not included in the Consolidated Financial Statements until the Polish antitrust authorities gained control on February 21, 2023. Organic growth amounted to –9.5%.

At 10.2%, the Group's adjusted EBIT margin was 1.1 percentage points higher than the previous year's figure of 9.1%. The improvement in the adjusted EBIT margin resulted in particular from a favorable development of the product mix with a higher share of the spare parts business in conjunction with special sales measures. In addition, early cost adjustments in response to the normalized market environment in the EMEA and Americas regions and the realization of synergies from the acquisition of Haldex had a positive impact on profitability.

For more information on the development of the sales and earnings of the segments, please refer to the respective explanations in the Interim Group Management Report.

6. FINANCIAL RESULT

Finance income was comprised as follows:

in kEUR	Q1-Q2/2024	Q1-Q2/2023
Unrealised foreign exchange gains on foreign currency loans and dividends	6,523	2,413
Realised foreign exchange gains on foreign currency loans and dividends	1,220	2,020
Finance income due to derivatives	319	45
Finance income due to pensions and other similar benefits	123	58
Interest income	1,940	2,166
Other	201	419
Total	10,326	7,121

Financial expenses were comprised as follows:

in kEUR	Q1-Q2/2024	Q1-Q2/2023
Interest expenses due to interest bearing loans and bonds	-17,491	-15,726
Amortization of transaction costs	-767	-1,551
Finance expenses due to pensions and other similar benefits	-1,060	-335
Finance expenses due to derivatives	-294	-413
Realised foreign exchange losses on foreign currency loans and dividends	-379	-633
Unrealised foreign exchange losses on foreign currency loans and dividends	-6,078	-1,971
Finance expenses due to leasing	-1,423	-1,100
Other	-966	-568
Total	-28,458	-22,297

Unrealized foreign exchange gains and losses on loans and dividends denominated in foreign currency resulted primarily from the translation of intercompany foreign currency loans at the closing rate. Realized foreign exchange gains consist mainly of translation effects from the repayment of intercompany loans.

Amortization of transaction costs in the amount of EUR -0.8 million (previous year EUR -1.6 million) were related to contract closing fees for financing, which were recognized as an expense for the period over the term of the respective financing agreement using the effective interest method.

Financial income and financial expenses related to derivatives resulted mainly from the fair value measurement of foreign currency derivatives as of June 30, 2024.

7. INCOME TAXES

The Group's average tax rate amounted to 25.6% as of the reporting date (previous year: 25.9%) and is below the previous year's level.

The Group's effective tax rate, which is the ratio of actual tax expenses for the reporting period to the result before income taxes, decreased year-on-year by 5.3 percentage points and amounted to 29.2% (previous year: 34.5%). The reduction in the effective Group tax rate is mainly due to the reduction in losses for which no deferred tax assets were recognized, the utilization of losses from previous periods for which no deferred tax assets were recognized and the tax-reducing effect of tax rate differences between the average Group tax rate and local tax rates of foreign Group companies.

The difference between the effective Group tax rate and the average Group tax rate, which amounts to 3.6 percentage points (previous year: 8.6 percentage points), is mainly due to unrecognized deferred tax assets on loss carryforwards and interest carryforwards as well as currency effects, particularly in Turkey.

8. INTANGIBLE ASSETS

Intangible assets consisted of the following:

in kEUR	06/30/2024	12/31/2023
Goodwill	132,605	128,839
Customer relationship	173,072	167,875
Licenses and software	6,653	7,850
Service network	306	391
Brand	62,264	62,329
Technology	26,519	28,338
Development costs	31,444	31,573
Total	432,863	427,195

The increases in goodwill, brands, customer relationships and technologies were due, above all, to the recognition of hidden reserves as part of the purchase price allocation for the acquisition of the IMS Group and Techma Srl as well as translation effects.

9. PROPERTY, PLANT AND EQUIPMENT

The composition of property, plant and equipment is shown in the table below:

in kEUR	06/30/2024	12/31/2023
Land and buildings	121,717	125,984
Plant and equipment	132,092	137,401
Other equipment, office furniture and equipment	35,625	36,872
Advance payments and construction in progress	38,351	33,750
Thereof right of use assets:		
Land and buildings	53,167	55,415
Plant and equipment	1,407	144
Other equipment, office furniture and equipment	6,920	5,835
Total	327,785	334,007

Investment in the first half of the year focused on the United States, Mexico and Germany. A total of EUR 16.6 million (previous year: EUR 12.4) million was invested in property, plant and equipment in the first half of the year.

10. NET WORKING CAPITAL

As of June 30, 2024, net working capital (the sum of inventories and trade receivables less trade payables) increased by 11.6% compared to December 31, 2023. This development is due to the usual seasonal increase in working capital in the first half of the fiscal year on the one hand. On the other hand, the acquisitions made in the first half of the year led to an increase in net working capital. The net working capital ratio – measured as the ratio of net working capital to Group sales for the last 12 months – increased from 14.1% as of December 31, 2023, to 15.8%. In calculating the net working capital ratio as of June 30, 2024, the Group's net sales for the past 12 months also included the sales of the newly acquired companies on a pro forma basis.

11. CASH AND CASH EQUIVALENTS

in kEUR	06/30/2024	12/31/2023
Cash on hand, cash at banks and checks	263,217	240,319
Short-term deposits	11,447	5,957
Total	274,664	246,276

12. EQUITY

The company's share capital as of June 30, 2024, remained unchanged at EUR 45,394,302.00 compared to December 31, 2023. It consists of 45,394,302 (previous year: 45,394,302) fully paid-in ordinary shares.

The changes in accumulated other comprehensive income consisted of the following items as of the reporting date:

in kEUR	Before tax amount		Tax income/expense		Net of tax amount	
	Q1-Q2/2024	Q1-Q2/2023	Q1-Q2/2024	Q1-Q2/2023	Q1-Q2/2024	Q1-Q2/2023
	Exchange differences on translation of foreign operations	4,225	-22,425	-	-	4,225
Net gain/loss on equity instruments measured at fair value through other comprehensive income	-	-1,563	-	-	-	-1,563
Remeasurements of defined benefit plans	-	5,156	-	-1,276	-	3,880
Total	4,225	-18,832	-	-1,276	4,225	-20,108

At the Annual General Meeting held on June 11, 2024, a dividend payment of EUR 0.85 per share was approved, which corresponds to a total distribution of EUR 38.6 million based on the 45,394,302 shares. This resulted in a payout ratio of 48.3% of the available result for the period attributable to the shareholders of the parent company and was therefore within the targeted range. In the previous year, the dividend distributed equaled EUR 0.60 per share.

13. PENSIONS AND OTHER SIMILAR BENEFITS

In light of the moderate development of interest rates in Europe and North America, pension obligations as of June 30, 2024, are expected to increase only slightly compared to the end of 2023, from EUR 43.2 million to EUR 43.8 million.

14. OTHER PROVISIONS

As of June 30, 2024, other provisions amounted to EUR 48.8 million and were therefore at a similar level as at the end of the year (December 31, 2023: EUR 50.4 million).

15. INTEREST-BEARING LOANS AND BONDS

Interest-bearing loans and borrowings consisted of the following:

in kEUR	Non-current		Current		Total	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023	06/30/2024	12/31/2023
	Interest bearing bank loans	273,856	193,750	–	9,311	273,856
Promissory note loan	275,000	379,000	104,000	–	379,000	379,000
Financing costs	–1,786	–2,551	–1,460	–1,456	–3,246	–4,007
Accrued interests	–	–	3,878	4,752	3,878	4,752
Other loans	45,054	45,054	29	808	45,083	45,862
Total	592,124	615,253	106,447	13,415	698,571	628,668

The development of interest-bearing loans and bonds is influenced by the acquisitions made in the first half of the year.

The following table shows the calculation of total liquidity as the sum of freely available credit lines valued at the rate as of the reporting date, plus available cash:

in kEUR				06/30/2024
	Amount drawn valued as at the period-end exchange rate	Agreed credit lines valued as at the period-end exchange rate	Cash and cash equivalents	Total liquidity
Revolving credit line	102,086	250,000	274,664	422,578
Total	102,086	250,000	274,664	422,578

in kEUR				12/31/2023
	Amount drawn valued as at the period-end exchange rate	Agreed credit lines valued as at the period-end exchange rate	Cash and cash equivalents	Total liquidity
Revolving credit line	22,773	250,000	246,276	473,503
Total	22,773	250,000	246,276	473,503

16. LEASE LIABILITIES

Lease liabilities increased by EUR 0.8 compared to December 31, 2023.

The age structure of lease liabilities was as follows:

Aging of lease liabilities

in kEUR

	06/30/2024		12/31/2023	
	< 1 Year	> 1 Year	< 1 Year	> 1 Year
Land and buildings	11,681	47,683	10,715	50,232
Plant and equipment	561	1,657	253	1,027
Vehicles	2,756	3,179	2,320	2,903
Other equipment, office furniture and equipment	338	674	197	120
Total	15,336	53,193	13,485	54,282

17. FINANCIAL ASSETS AND OTHER FINANCIAL LIABILITIES

The fair values and carrying amounts of financial assets and liabilities as of the reporting date were as follows:

Financial Instruments

in kEUR

	Measurement category in accordance with IFRS 9	06/30/2024		12/31/2023	
		Fair value	Carrying amount	Fair value	Carrying amount
Assets					
Cash and cash equivalents	FAAC	274,664	274,664	246,276	246,276
Trade receivables	FAAC	241,008	241,008	219,739	219,739
Other financial assets					
Derivatives without a hedging relationship	FAtPL	537	537	448	448
Other financial assets	FAAC	5,364	5,364	899	899
Equity and liabilities					
Trade payables	FLAC	219,619	219,619	228,630	228,630
Interest bearing loans and bonds	FLAC	663,863	698,571	616,160	628,668
Other financial liabilities					
Derivatives without a hedging relationship	FLtPL	66	66	127	127
of which aggregated by category in accordance with IFRS 9					
Financial assets measured at amortized cost	FAAC	521,036	521,036	466,914	466,914
Financial liabilities measured at amortized cost	FLAC	883,482	918,190	844,790	857,298
Financial assets held for trading	FAHfT	537	537	448	448
Financial Liabilities at fair value through profit and loss	FLtPL	66	66	127	127

The following table shows the financial assets and liabilities measured at fair value allocated to the three fair value hierarchy levels:

in kEUR				
	06/30/2024			
Financial assets	Level 1	Level 2	Level 3	Total
Other financial assets	–	5,364	–	5,364
Derivative financial assets	–	537	–	537
Total financial assets	–	5,901	–	5,901
Financial liabilities				
Promissory note loan	–	363,894	–	363,894
Interest bearing loans and bonds	–	299,969	–	299,969
Derivative financial liabilities	–	66	–	66
Total financial liabilities	–	663,929	–	663,929

in kEUR				
	12/31/2023			
Financial assets	Level 1	Level 2	Level 3	Total
Other financial assets	–	899	–	899
Derivative financial assets	–	448	–	448
Total financial assets	–	1,347	–	1,347
Financial liabilities				
Promissory note loan	–	373,985	–	373,985
Interest bearing loans and bonds	–	242,175	–	242,175
Derivative financial liabilities	–	127	–	127
Total financial liabilities	–	616,287	–	616,287

The fair values of the liabilities from interest-bearing loans and the promissory note, as well as the other financial assets and liabilities, were determined on the basis of factors that can be observed directly (prices, for example) or indirectly (derived from prices). This fair value measurement is therefore to be allocated to Level 2 of the hierarchy under IFRS 7.

18. EARNINGS PER SHARE

		Q1-Q2/2024	Q1-Q2/2023
Result for the period	kEUR	50,260	37,145
Weighted average number of shares outstanding	thousands	45,394	45,394
Basic earnings per share	Euro	1.11	0.82
Diluted earnings per share	Euro	1.11	0.82

Basic earnings per share are calculated by dividing the result for the period attributable to the shareholders of SAF-HOLLAND SE by the average number of shares outstanding.

As of the reporting date, the Group did not hold any debt instruments that could have a dilutive effect on earnings per share.

19. RELATED PARTY DISCLOSURES

The following tables show the composition of the Management Board and the Supervisory Board of SAF-HOLLAND SE as of the reporting date:

Management Board

Alexander Geis	Chief Executive Officer (CEO)
Frank Lorenz-Dietz	Chief Financial Officer (CFO)

Supervisory Board

Dr. Martin Kleinschmitt	Chairman of the Supervisory Board
Matthias Arleth	Member of the Supervisory Board
Ingrid Jägering	Member of the Supervisory Board
Carsten Reinhardt	Member of the Supervisory Board
Jurate Keblyte	Member of the Supervisory Board

Transactions with associated companies and joint ventures:

in kEUR		Purchases from related parties			
		Sales to related parties		Purchases from related parties	
		Q1-Q2/2024	Q1-Q2/2023	Q1-Q2/2024	Q1-Q2/2023
Joint Ventures		1,503	1,130	–	–
Associates		–	–	18,566	18,189
Total		1,503	1,130	18,566	18,189

in kEUR		Amounts owed by related parties		Amounts owed to related parties	
		06/30/2024	12/31/2023	06/30/2024	12/31/2023
Joint Ventures		672	722	–	–
Associates		–	–	5,242	4,447
Total		672	722	5,242	4,447

Transactions with associated companies and joint ventures include transactions with Castmetal FWI S.A. and SAF-HOLLAND Nippon Ltd. as well as Shaanxi Fast Haldex Brake Products Co. Ltd. The transactions were carried out on an arm's length basis.

20. SUBSEQUENT EVENTS

Acquisition of Assali Stefen Srl and BFA Service Srl

Effective July 31, 2024, SAF-HOLLAND GmbH acquired 100% of the shares in Assali Stefen Srl and BFA Service Srl - both based in Verona, Italy - in a single transaction. Assali Stefen Srl specializes in the development and production of chassis-related components for trailers and semi-trailers as well as other special applications. BFA Service Srl is a distribution specialist for spare parts for special applications. The goal of this transaction is to expand the product portfolio in standard and special applications. SAF-HOLLAND GmbH has gained control over both companies due to the majority of voting rights.

The initial consolidation of both companies was carried out in accordance with IFRS 3 using the purchase method.

The provisional purchase price for both companies amounted to EUR 26.4 million in cash and was paid on July 31, 2024. Of the total purchase price, EUR 15.1 million was attributable to Assali Stefen Srl and EUR 11.3 million to BFA Service Srl.

It was not possible to carry out a preliminary purchase price allocation for the acquired assets and liabilities as of the acquisition date due to the short period of time between the acquisition and the publication of this interim report.

No other significant events have taken place since the balance sheet date.

Bessenbach, August 8, 2024

Alexander Geis
Chairman of the Management
Board and Chief Executive
Officer (CEO)

Frank Lorenz-Dietz
Member of the Management
Board and Chief Financial Officer
(CFO)

RESPONSIBILITY STATEMENT

To the best of our knowledge and in accordance with the applicable financial reporting principles, the Interim Consolidated Financial Statements give a true and fair view of the results of operations, net assets and financial position of the Group, and the Interim Group Management Report provides a fair review of the development and performance of the Group's business and position, together with a description of the principal opportunities and risks associated with the development of the Group for the remaining fiscal year.

Bessenbach, August 8, 2024

SAF-HOLLAND SE

The Management Board

Alexander Geis
Chairman of the Management
Board and Chief Executive
Officer (CEO)

Frank Lorenz-Dietz
Member of the Management
Board and Chief Financial Officer
(CFO)

FINANCIAL CALENDAR AND CONTACTS

FINANCIAL CALENDAR

August 8, 2024

Publication of the Half-Year Financial Report 2024

November 12, 2024

Publication of the Quarterly Statement Q3 2024

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ALTERNATIVE PERFORMANCE INDICATORS

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

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

This Half-Year Financial Report contains forward-looking statements. Such forward-looking statements are based on certain assumptions and expectations at the time of publication of this Half-Year Financial Report. 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.

