Next

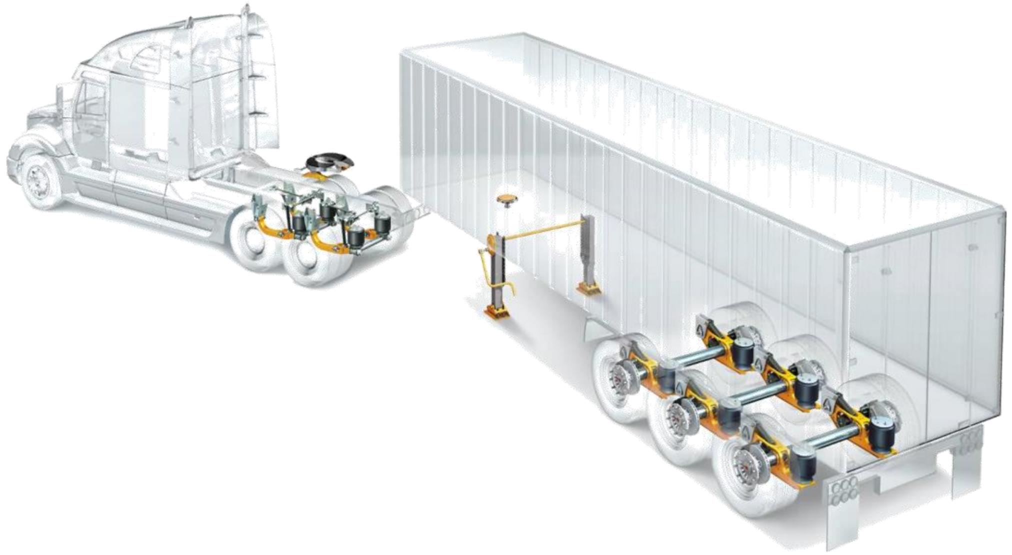
Investor Presentation

January / February 2020

Agenda

- Business model and strategy
- ESG at SAF-HOLLAND
- Market positioning
- Our Acquisitions
- Financial Performance 9M 2019
- Outlook
- Appendix

- Business model and strategy



Product portfolio (1)

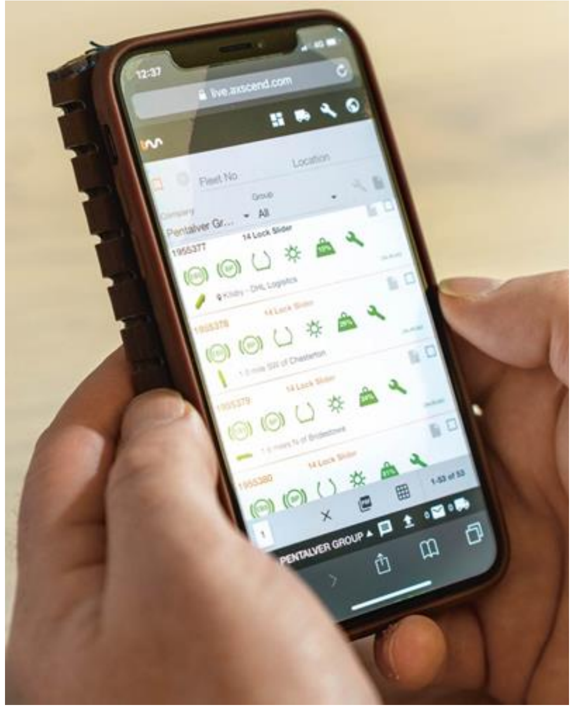
Trailer axles and suspension systems	Truck and bus suspensions	Fifth wheels and kingpins	Landing gear and disk breaks
			
			

SAF-HOLLAND offers a comprehensive product portfolio for one-stop shopping also covering the aftermarket

Product portfolio (2)

V. Orlandi S.p.A.

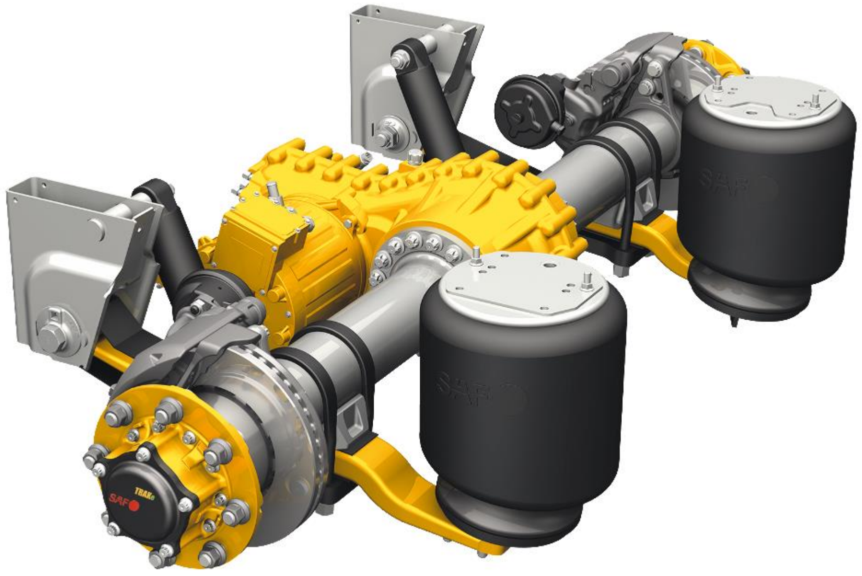
Axscend Ltd.



York

Product portfolio – Recent Innovations

TRAKe



Adaptive Air Damping

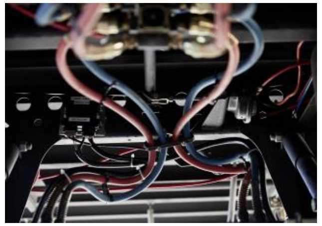
SMART STEEL provides for add-on business opportunities in a digitized transport world

SMART STEEL
ENGINEER BUILD CONNECT

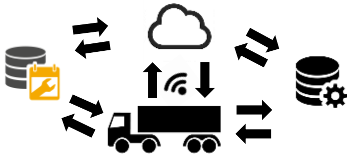
1	2	3	4	5
Mechanics	Upgrade to Electro-mechanics	Digitize Information & Data	Integrate & Connect	New business models & Digital solutions

ELite™ ELECTRONIC LOCK INDICATOR

- RECOLUBE



- SAFH Connect App



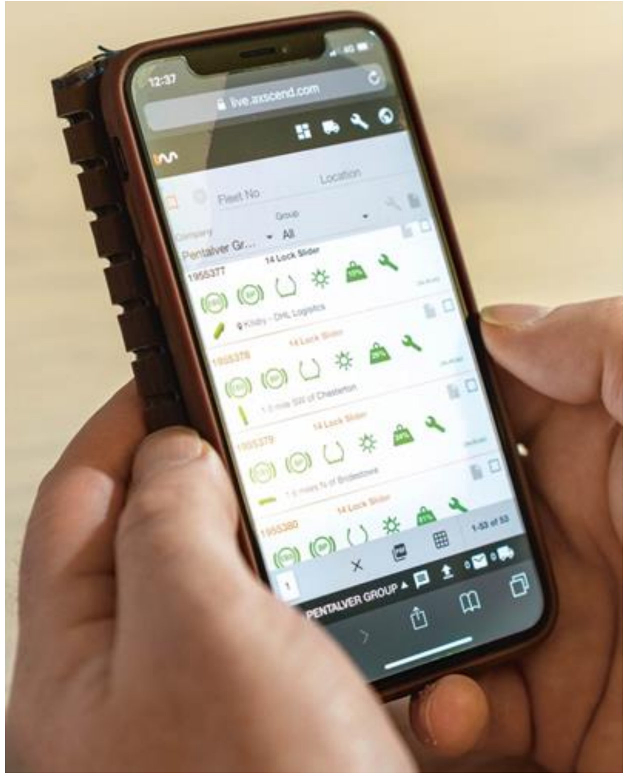
- Predictive Maintenance
- Big Data Analytics

SAF-HOLLAND combines mechanics with sensors and electronics. The Company’s integration and data interpretation know-how enables smart/autonomous drive systems.

New revenue sources - acquisition of Axscend provides for complementary data-based business model

Start-up innovation power …

- Trailer Master turns trailers into „smarties“
- Connectivity and data interpretation
- Successfully established license-based business model
- Already a couple of thousand licenses in the UK alone



… meets market leading position

- Scalable at SAF-HOLLAND Group level
- License-based model to be rolled out to more than 20.000 SAF-HOLLAND fleet customers
- SAF-HOLLAND achieved a significant time gain

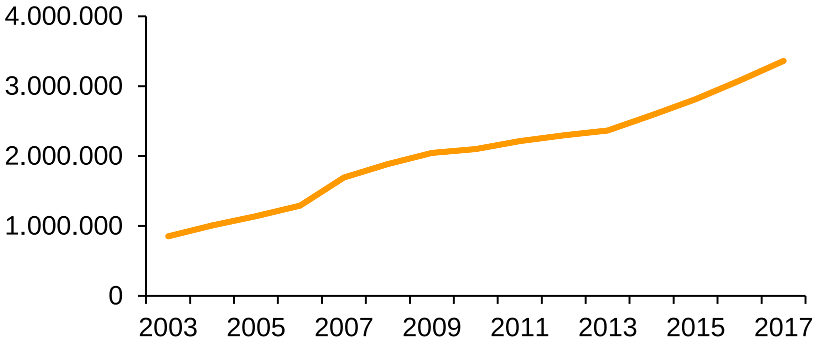
Successful data- and license-based business model offers a scalable platform for a roll out at the group level.

High aftermarket share - the most comprehensive aftermarket spare parts and service network worldwide provides for generic growth and consistent cash flows

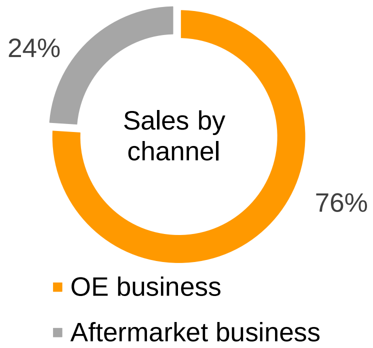
The key asset: approx. 10,000 spare parts dealers and service stations in more than 80 countries guarantee spare parts availability

- “Razor and blade” business model generates growth based on consistently increased OE product population in the field
- # 1 Network in Europe and North America a key asset for fleet customers and huge barrier to market entry
- Narrows down volatility from OEM industry cycles
- Add-on potential from expanding PDC network and positioning of GoldLine/ Sauer Quality Parts brands
- Around 24 per cent of sales originate from the resilient service and aftermarket business

SAFH axle population in EMEA has more than tripled!



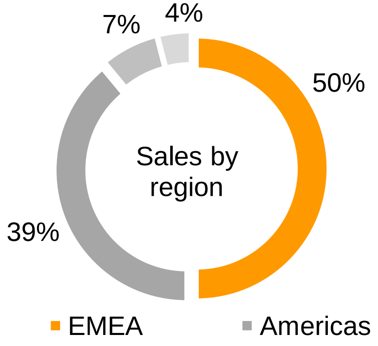
Total sales by channel[1]



[1]as of June 30, 2019

Global footprint and local content - reduce cyclical risks and provide for structural growth in new markets

Total sales by region[1]

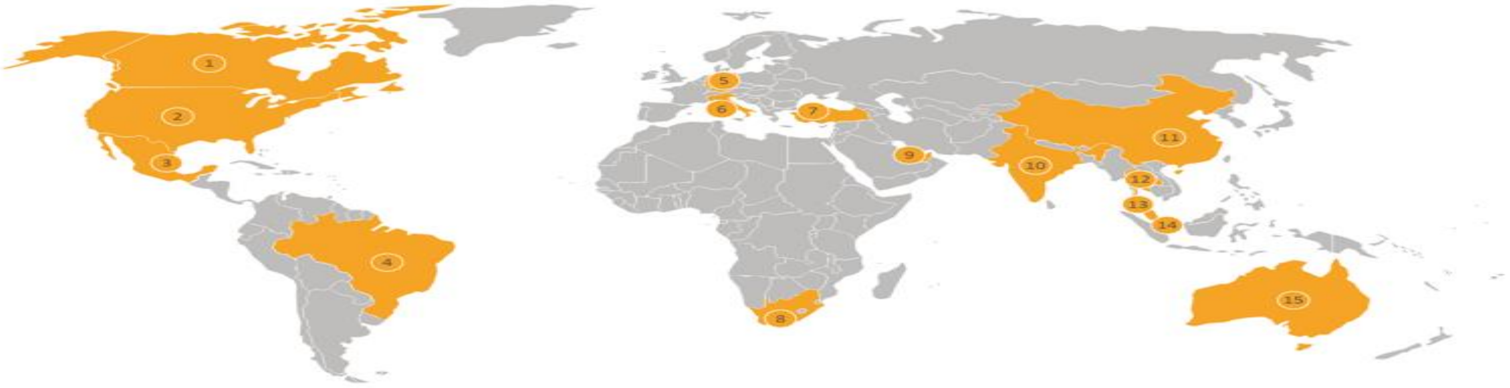


Europe's largest listed commercial vehicles supplier with leading positions worldwide

- 47 subsidiaries featuring 26 sites on six continents; ~4,000 employees
- Trailer OEM business is approx. 61 per cent of sales

Strong global presence

- One of the very few globally positioned CV suppliers
- 89 per cent of sales in Europe and North America



1 Canada
Woodstock

2 USA
Cincinnati, OH
Dumas South, AR
Dumas North, AR
Nashville, TN
Warrenton North, MO
Warrenton South, MO
Wylie, TX

3 Mexiko
Queretaro City

4 Brazil
Alvorada

5 Germany
Bessenbach/
Frauengrund
Bessenbach/
Keilberg
Singen

6 Italy
Flero (Brescia)
Nave

7 Turkey
Düzce

8 South Africa
Johannesburg

9 United Arab Emirates
Dubai

10 India
Pune

11 China
Yangzhou

12 Thailand
Bangkok

13 Malaysia
Kuala Lumpur

14 Singapore

15 Australia
Melton

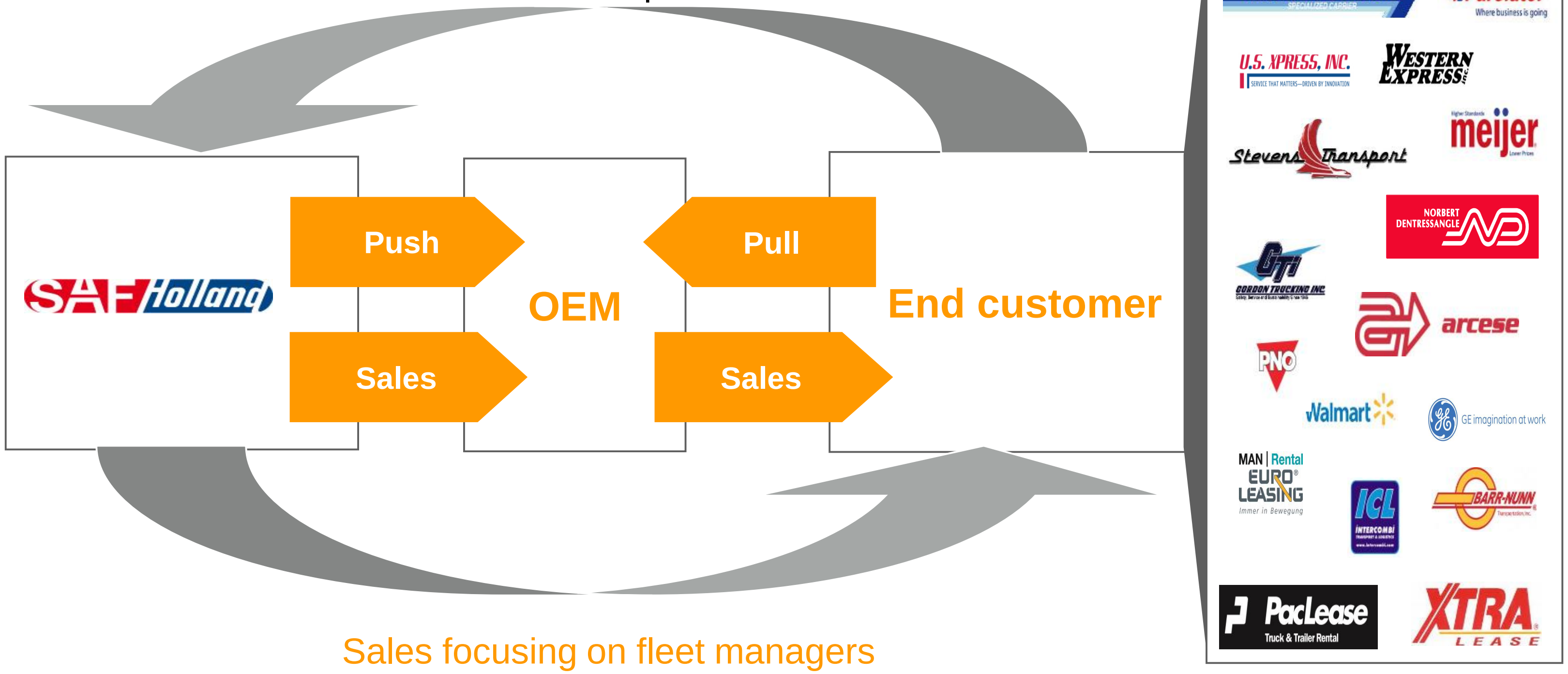
[1]as of June 30, 2019

Diversified customer base - Unique selling model based upon direct access to broad end customer base that specifies products

- Large footprint into fleets of different sizes and OEs
- Top 10 customers represent only approx. 35% of sales[1]

Customer feedback as regards technical and market requirements

High brand recognition: Superior product performance combined with aftermarket excellence



Sales focusing on fleet managers
> 80 per cent of purchasing decisions taken by the fleets

[1]as of 2018 total sales

Resilient business model supported by

High aftermarket share

- Around 25 per cent of total sales* with high margin contribution
- # 1 Network in Europe and North America

Global footprint and local content

- Strong core brands across the two main regions (SAF, HOLLAND) complemented by strong regional brands (York, KLL, V.Orlandi) with international potential
- Different brands for specific customer needs and markets
- Local application engineering

Operational Excellence

Strict SG&A control

Diversified customer base

- Large footprint into OEs and fleets of different sizes
- Broad industry and application coverage

New revenue sources

- Digital trailer management (SMART STEEL)
- Sustainability related aspects of lightweight strategy and innovative additions to product portfolio

* as of September 30, 2019

Strategy 2020: Megatrends driving SAF-HOLLAND's business development are in full effect

Mega trends Strategy 2020

Changing demographics until 2030

- Significantly growing world population (+1.1 bn people)
- Aging societies
- Increasing urbanization and concentration in cities

Growing middle class

- BRIC: Middle class growing by 150 per cent to 2 bn people
- Next 11: Middle class expanding by 116 per cent
- Share of global middle class consumption in China, India, ASEAN region soaring from 30 per cent to 55 per cent until 2030

Expanding road network

- Global road network: +25 per cent in the last decade
- 2/3 of which built in China and India
- Chinese road network has tripled within a 10-year time span

SAF-HOLLAND key drivers

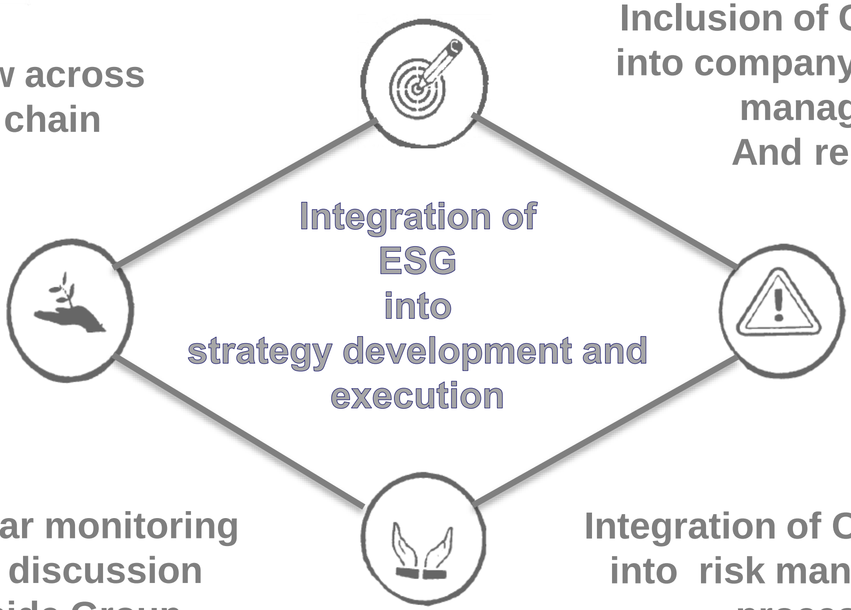
People → Money → Goods → Trucks/ Trailers → Roads

- ESG at SAF-Holland

Integration of ESG Aspects Into Strategy Development and Execution

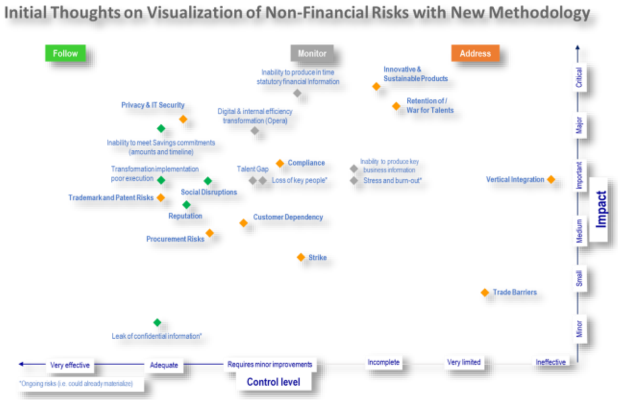
Holistic view across the value chain

Inclusion of CSR elements into company performance management
And reporting

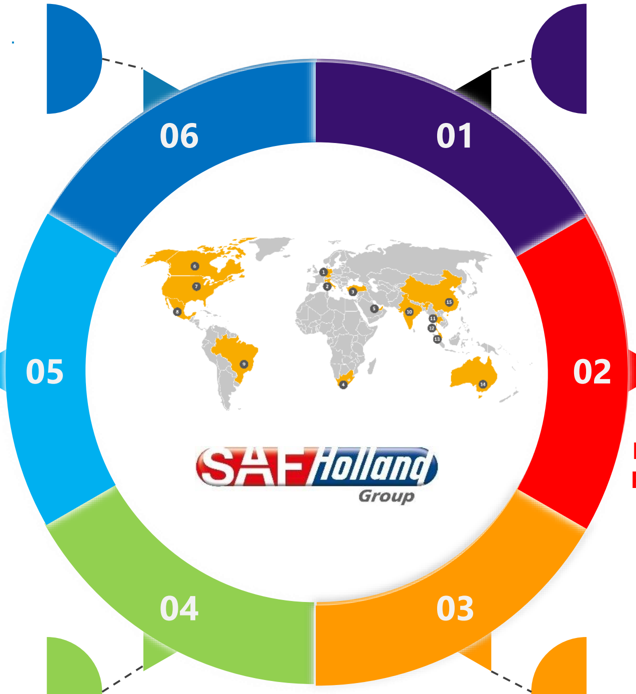


Regular monitoring and discussion inside Group Executive Committee

Integration of CSR topics into risk management process
(illustrative)



„Grow our business, while reducing our impact“ - SAF-HOLLAND´s approach to Corporate Responsibility



„Attracting the right talent“

EMPLOYEES

- Equal opportunity
- International and diverse project teams
- Training and development
- Occupational health and safety

Employer choices, Motivation

License to operate, Competitive structure

„Leading the way in integrating sustainability in business“

COMPLIANCE

- Code of Conduct
- Human rights (CSR-RUG, NAP, MSA)
- Whistleblowing Hotline

„It´s the WE that counts“

THINK AHEAD

CORPORATE CITIZENSHIP

- Local engagement in the regions
- Initial and further education of children and adolescents

Responsibilities as an active part of society

„Enabling GHG emission reductions for our customers“

CUSTOMERS

- Product portfolio for safe, clean and economical transportation
- Business driven innovations
- Customer satisfaction and quality

Brand perception, Product efficiency expectations

„Reducing the footprint in our own operations“

OPERATIONAL EXCELLENCE

- Production without wastage / Lean & Green
- Environmental and energy management for resource-efficient manufacturing
- Kaizen – Continuous Improvement

Direct & indirect cost pressures

Operational continuity, Reputational risk

„Supply chain in ecological and social responsibility “

SUPPLIERS

- Code of Conduct
- Supply chain risk assessment
- Environmental and social audits
- Supplier development

SAF Holland Group

- Our Acquisitions

SAF-HOLLAND plus V.Orlandi S.p.A.

PROFILE

- Supplier of **couplings** for trucks and specialty **fifth wheels**
- **Specialty business** with couplings and drawbar eyes for trailers and specialized commercial vehicles systems
- Serves the industrial, agricultural, forestry and mining segments
- Well-established international **sales network for OEM and Aftermarket**
- 60 employees
- Based in Flero, Brescia (Italy)

RATIONALE

- **Strengthen N° 2 position** in fifth-wheels and couplings in the **European market** with attractive growth perspective
- **Integration into SAFH AM logistics** out of Germany for Europe
- Expanded presence in **attractive growth markets** in Russia, the Middle East and Australia
- **Complementary product range** of couplings for trucks and specialty fifth wheels
- Significant sales efficiencies from worldwide **cross-selling** of Orlandi products
- **Exploring China and U.S. market**
- Offering choice for customers in markets where lenders have a high share in combination with other group products

FINANCIAL IMPACT

- Full year sales (annualized): **approx. EUR 26 million**
- Expected adj. EBIT margin: **in the mid teens, i.e. clearly margin accretive**

Tackling cross-selling opportunities in selected markets

SAF-HOLLAND plus York Transportation Equipment (Asia) Pte. Ltd.

PROFILE

- Manufacturer and distributor of **trailer axles, trailer suspensions, and trailer components**
- **Strong market position in Asia, Africa, and Australia**
- **Strong service and spare parts network in India** with more than 200 service points
- 220 employees, 90 contract workers
- Manufacturing facilities in India; R&D centers in India, Australia and Singapore (headquarter)

RATIONALE

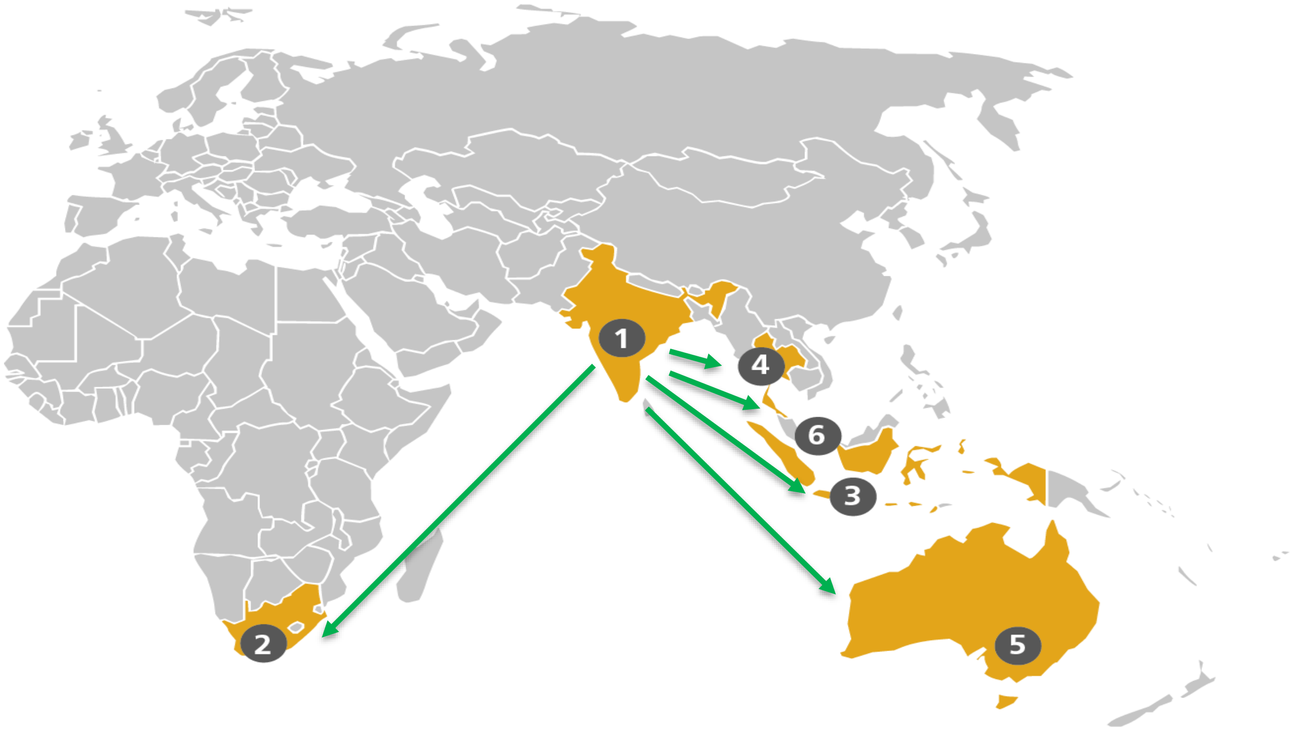
- **Rapid expansion** in attractive **Indian and APAC/China** transportation markets
- Acquisition of related **engineering knowledge**
- Reach **top position in the fast-growing Indian** trailer axle and suspension systems market
- Strengthened market position in **Middle East and Africa**
- **Complementary** sales, service and spare parts **network**
- **Extended aftermarket business**, particularly in Southeast Asian markets
- Adressing product segment and markets that cannot be served with premium offerings
- Excellent positioning for growing transportation volumes and infrastructure investment caused by Belt and Road Initiative

FINANCIAL IMPACT

- Full year sales (annualized): **approx. EUR 70 million**
- Expected adj. EBIT margin: **mid-single-digit percentage range** for the first year after closing; moving successively higher in the direction of the overall EBIT margin for the Group through sourcing, SG&A, and PMI synergies

→ Gaining further market share in a weak Indian market environment and expand in other emerging territories

York sells its products in 6 main markets and a large range of emerging territories



1 India

2 South Africa

3 Indonesia

4 Thailand

5 Australia

6 Singapore

SAF-HOLLAND plus Axscend Ltd.

PROFILE

- Specialist for **digital trailer management**: telematics and connectivity
- **TrailerMaster Connect**: patented intelligent interface for line connection technology, e.g. lighting function control, load monitoring and optimization and brake system performance monitoring for better **fleet efficiency**
- Marketed by **license-based model**
- 10 specialists employed
- Based in Cheshire (UK)

RATIONALE

- Expansion of technology portfolio for **digital trailer applications**
- Acquisition of **engineering and software knowledge**
- Strong combination of SAF-HOLLAND's **chassis systems and Axscend's digital trailer applications**
- Significant **growth potential of digital solutions for trailer management** in European and North America
- **Strong client base** with several thousand trailer licenses sold (incl. hardware)
- Synergies from **combined R&D activities** for data-based business models
- Dynamic growth of margin accretive business activities

FINANCIAL IMPACT

- Full year sales (annualized): **approx. EUR 2 million**
- Expected adj. EBIT margin: **significantly above Group average**

Preparation for entering the Western European Market

SAF-HOLLAND plus Stara Group

PROFILE

- **Leading distribution company for trailer components in Finland and Sweden**
- Focus on axle and suspension systems for trailers in the original equipment and aftermarket segments
- Previously distribution partner of the SAF-HOLLAND Group in the above two countries
- Around 20 employees

RATIONALE

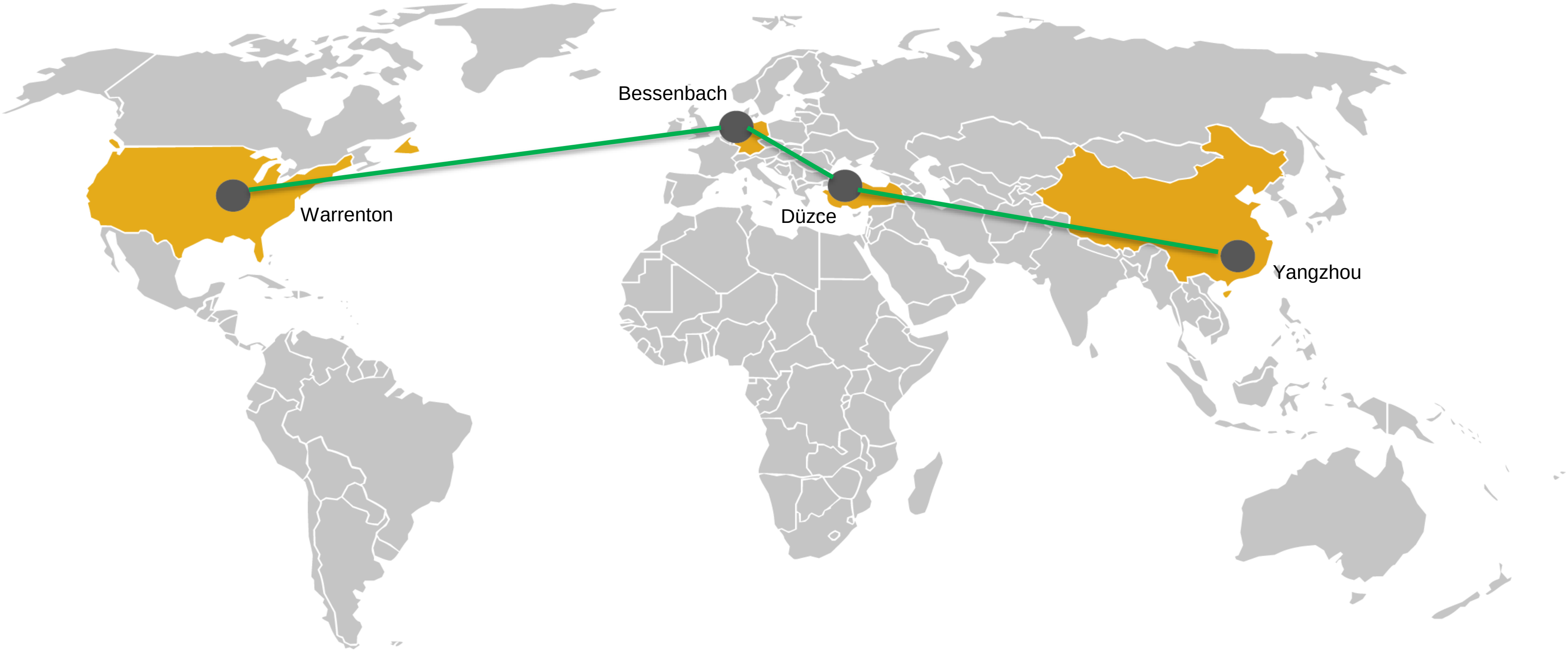
- **Comprehensive customer base** and **established Stara network** offers ideal starting point for addressing the Nordic Market
- **Strengthen brand awareness** in Northern Europe
- **Expansion of market position** and **additional market share gains**
- **Increase share of added value as well as profitability** through insourcing sales activities
- Platform for AM business and cross-selling
- Increase fleet focus

FINANCIAL IMPACT

- Full year sales (annualized): **approx. EUR 10 million**
- Expected adj. EBIT margin: **margin accretive**

Secure business in Northern Europe for the long-term with higher fleet focus, increased AM, and cross-sell of product range and brands

Operational Excellence – An Example:
Building a Global Axle Production Platform based on SAP



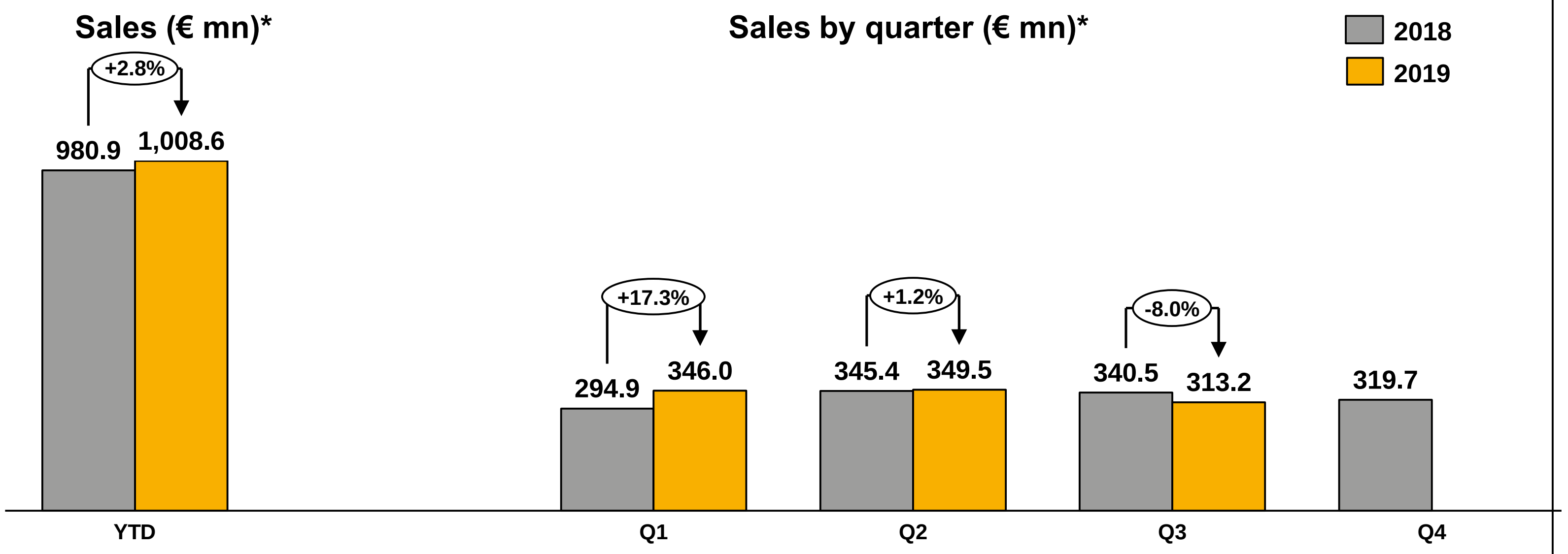
Creating IT foundation for a global axle production platform to enable operational excellence

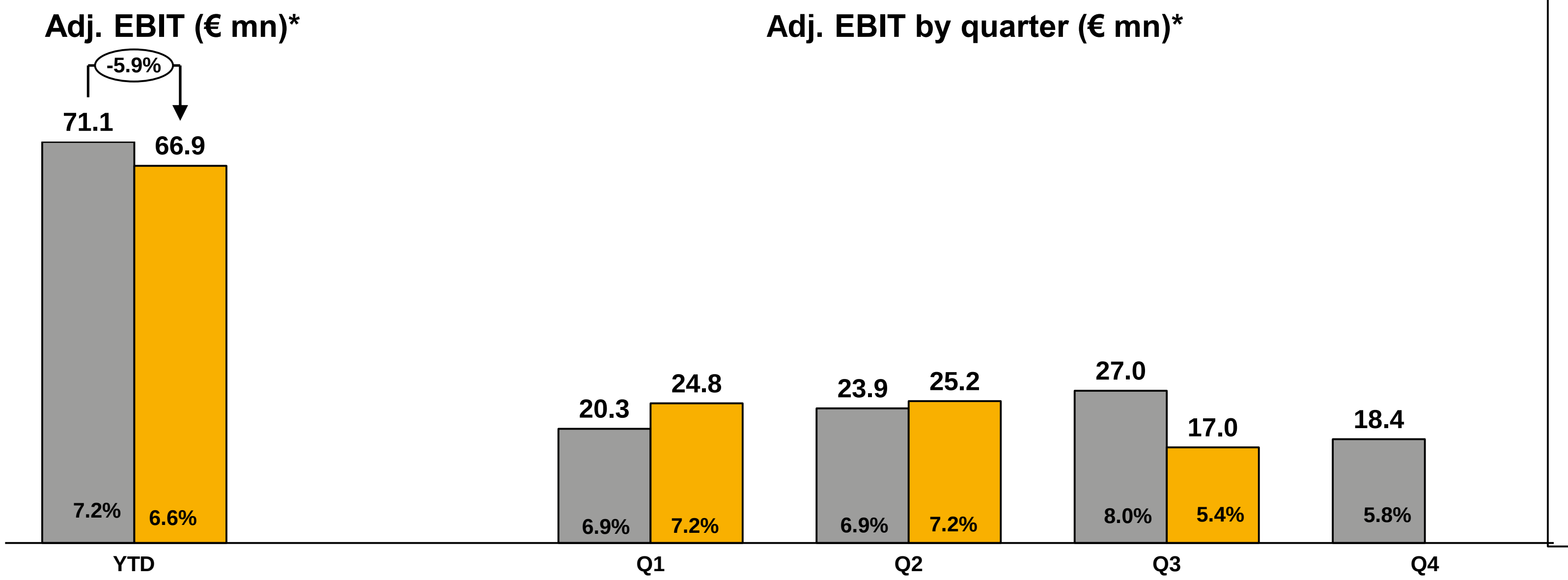
- Financial performance 9M 2019

9M 2019 at a glance

1.	Sales and adj. EBIT margin development in line with revised outlook
2.	Americas region: earnings development stabilises
3.	China region: reorganisation progressing according to plan
4.	Continued high investment level supports future growth and operational excellence
5.	Operating free cash flow: significant turnaround into positive territory
6.	Acquisitions of the years 2016 to 2019 help to gain market share

Group

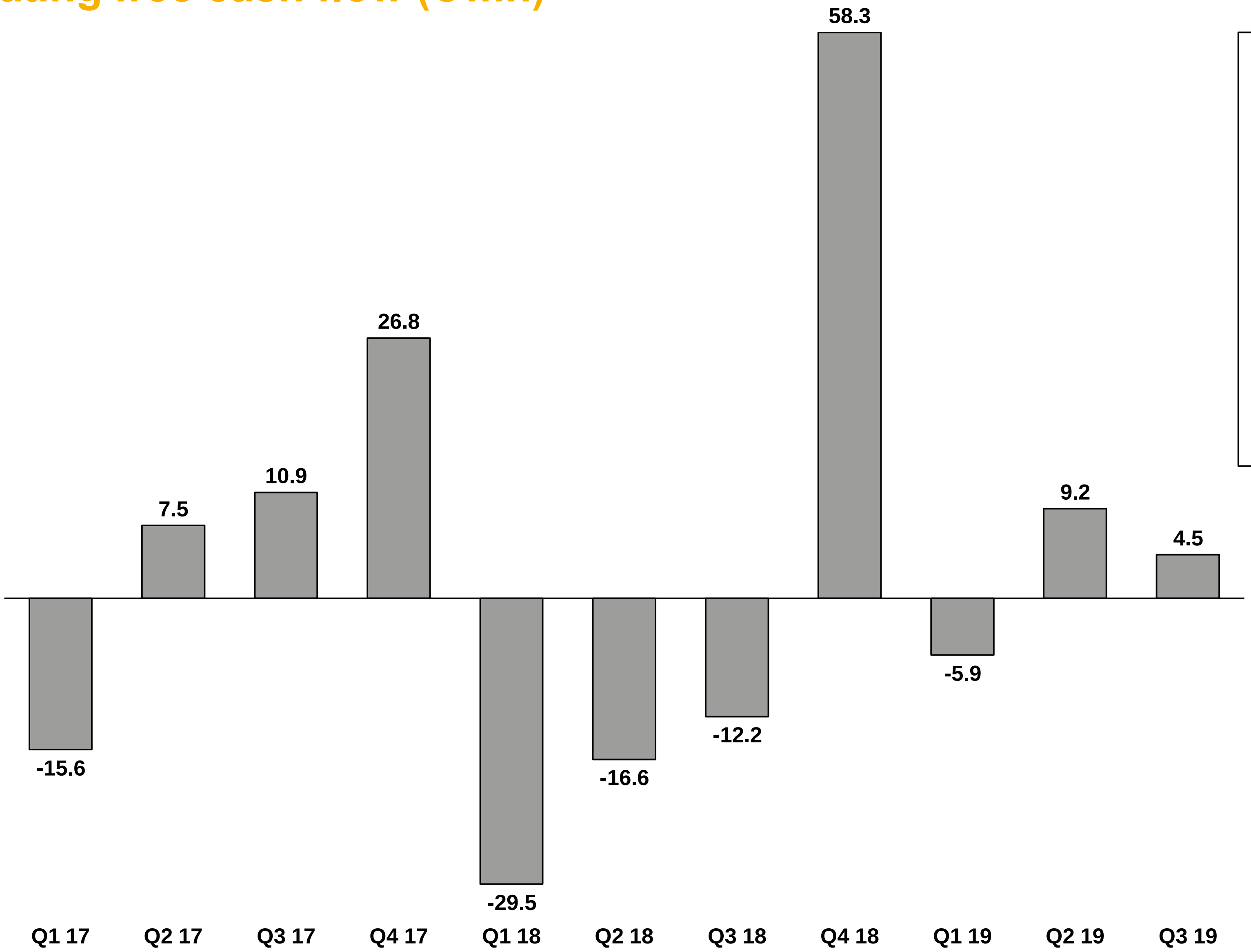




- 9M/2019 sales influenced by
  - Acquisition effects (+3.9 per cent respectively € +38.1 mn)
  - FX effects (+2.2 per cent respectively € +22.0 mn)
  - Organic effects (-3.3 per cent respectively € -32.3 mn net; strong organic growth in the Americas region could not compensate for the other regions)
- Adj. EBIT margin in 9M/2019 influenced by
  - Stabilizing earnings situation in the Americas region (+)
  - Weakening margin development in the EMEA and APAC region (-)
  - Heavy losses in the China region (-)
- Adj. EBIT margin in 9M/2018 positively affected by the partial settlement of a medical plan in the US

* All figures shown are rounded, minor discrepancies may arise from additions of these amounts.

Operating free cash flow (€ mn)*

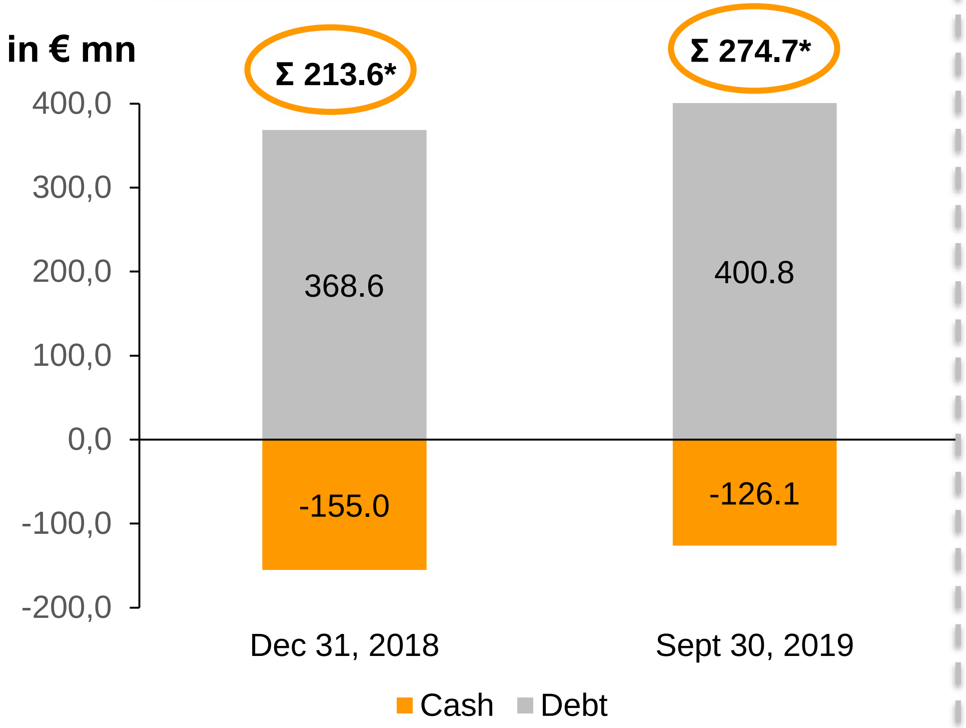


- Changes in net working capital in 9M/2019 significantly lower than in 9M/2018
- Operating cash flow at € 44.7 mn (9M/2018: € -33.0 mn)
- Investing cash flow (PP&E and intangible assets): +45.9 per cent to € 36.9 mn
- Positive operating FCF

* All figures shown are rounded, minor discrepancies may arise from additions of these amounts.

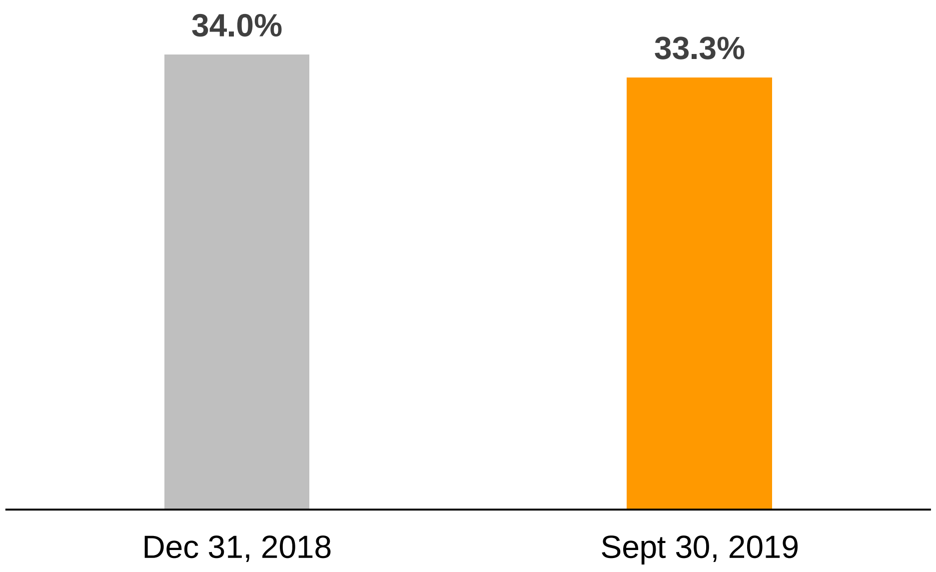
Net debt at € 274.7 mn – Equity ratio remains solid at 33.3%

Net debt incl. finance lease liabilities



Net debt/EBITDA (RCF) 1,91 2,13

Equity ratio



* Net debt (incl. finance lease liabilities) per September 30, 2019 increased to € 274.7 mn. First time application of IFRS 16 alone accounts for approx. € 33.3 mn. Cash and cash equivalents and other short-term investments fell from € 155.0 mn to € 126.1 mn and were influenced by dividend payments and purchase price payments for Stara Group and PressureGuard. The equity ratio as of Sept 30, 2019 was 33.3 per cent.

2019/2020: Setting solid foundations for the next phase

- **Re-start China in Yangzhou**
  - ➢ Provide competitive products for the domestic Chinese market
  - ➢ Win new orders in the domestic Chinese market
  - ➢ Expand strategic customer relationships
  - ➢ Reduce operating losses in China substantially
- **Accelerate efforts regarding Program FORWARD with focus on operational excellence**
- **Improve SG&A ratio worldwide**
- **Drive aftermarket expansion in core markets**
- **Enhance free cash flow generation – Focus on sound capital allocation and working capital optimisation**
- **Secure solid financial profile**
  - ➢ Even out debt profile
  - ➢ Financial covenants under control

- Outlook

Outlook: Truck and trailer production

Western & Eastern Europe

	Truck[1]	Trailer[2]
2018	-2%	+6%
2019E	+1%	-10% to -15%
2020E	-10% to -15%	+0% to -5%

North America

	Truck[3]	Trailer[3]
2018	+27%	+12%
2019E	+6%	+2%
2020E	-31%	-18%

China

	Truck[1]	Trailer[2]
2018	-7%	-4%
2019E	-3%	-20%
2020E	-13%	+0%

→ 2020E: No growth in Western & Eastern Europa and in China, North America with a significant decline.

[1] LMC Global Commercial Vehicles Forecast, medium & heavy truck, local sources
[2] CLEAR, local sources
[3] ACT Truck & Trailer Outlook, local sources

Outlook: Truck and trailer production

	South America		India		
	Truck[1]	Trailer[2]		Truck[1]	Trailer[2]
2018	+23%	+55%	2018	+41%	+13%
2019E	+14%	+27%	2019E	-60%	-60%
2020E	+15%	+0%	2020E	-10%	-12%

2020E: South America with stable development, India with a weaker development.

[1] LMC Global Commercial Vehicles Forecast, medium & heavy truck, local sources
[2] CLEAR, local sources

Financial targets 2019

	FY 2018	FY 2019 (new)	FY 2019 (old)
Sales	€ 1,300.6 mn	0 to -3 per cent	+ 4 to 5 per cent
Adj. EBIT margin	6.9 per cent	6.0 per cent to 6.5 per cent	Around the mid-point of the 7 to 8 per cent range
Net working capital ratio	13.5 per cent	13 per cent to 14 per cent	13 per cent
CAPEX	€ 40.8 mn	€ 58 to 63 mn	€ 68 to 70 mn

* Projections assume that there is no significant deterioration of the political, economic or industry-specific environment; organic projections do not include potential sales and earnings contributions from acquisitions or JVs

Change of legal form into a European Company (SE) and subsequent transfer of the registered office to Germany

Step 1: Conversion (to be decided by the EGM on 14 February 2020)

SAF-HOLLAND S.A.
Luxembourg

→

SAF-HOLLAND SE
Luxembourg

Step 2: Transfer (to be decided by the EGM in Q2 2020)

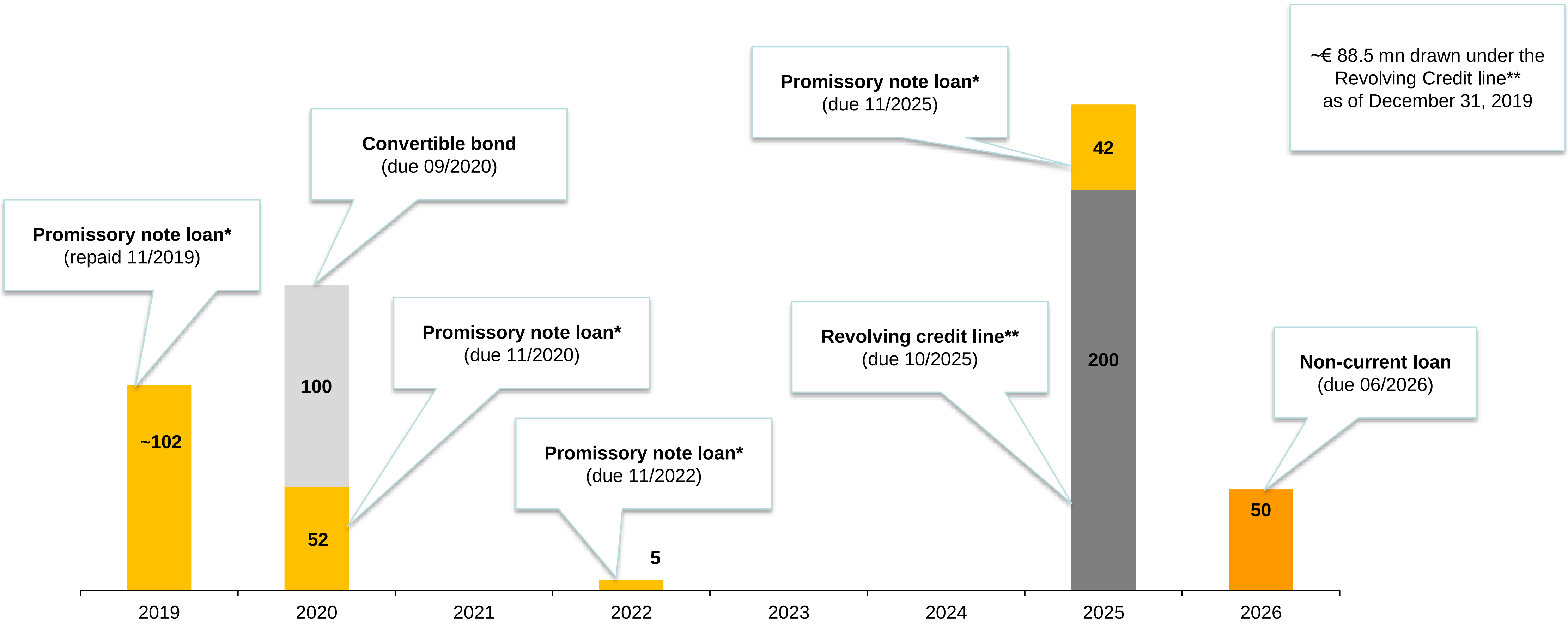
SAF-HOLLAND SE
Luxembourg

→

SAF-HOLLAND SE
Germany

Step 3: Simplification of the legal group structure and allignment with the management structure

Current Financing Structure before planned refinancing activities (€ mn)



* Promisssory note loan: total amount of € 200 mn

** Revolving credit line of € 200 mn (due 10/2025) incl. an option of an additional € 100 mn

- Appendix

Key OEM customers: Trailer, truck and bus manufacturers

Almost every major truck, trailer and bus OEM is a SAF-HOLLAND customer.

End customers: Fleet operators

SAF-HOLLAND focuses on fleet operators (infrastructure, logistics, specialty, heavy duty, port, etc.).

SAF-HOLLAND market-leading positions in North America and EMEA in an oligopolistic set-up

EMEA				North America		
	Trailer axles		Fifth Wheels		Trailer axles + suspensions	Fifth Wheels
1/2	SAF-HOLLAND	1	Jost	1	Hendrickson	SAF-HOLLAND
1/2	BPW	2	SAF-HOLLAND / V.ORLANDI	2	SAF-HOLLAND	Jost
3	Schmitz	3	Fontaine	3	Meritor	Fontaine

North America

- Market-leading position in NA in fifth wheels
- Already No. 2 position in trailer axles in NA

EMEA

- Leading in European trailer axles
- No. 2 position in EMEA fifth wheels strengthened by acquisition of No. 3 V.ORLANDI

Source: Roland Berger, own research

Among the market leaders in China and India

China (Premium segment)		India	
	Trailer axles		**Trailer axles**
1	BPW	1	SAF-HOLLAND / YORK
2	SAF-HOLLAND	2	Tata Motors
3	Fuwa	3	H.D. Trailers

India

- Acquisition of Indian market leader in trailer axle systems York
- #1 position in trailer axles in the fastest growing TA market worldwide

China

- Organic growth driven by new greenfield operation in Yangzhou
- Legislation boosting the premium segment in China

Source: Roland Berger, own research

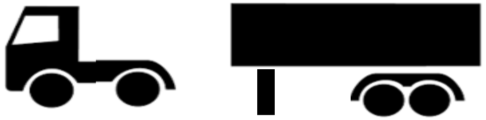
Truck and trailer production Q1-Q3 2019

	Western & Eastern Europe		North America		China	
	Truck[1]	Trailer[2]	Truck[3]	Trailer[3]	Truck[1]	Trailer[2]
Q1-Q3 2019	+3%	-10% to -15%	+14%	+6%	-2%	-15% to -20%

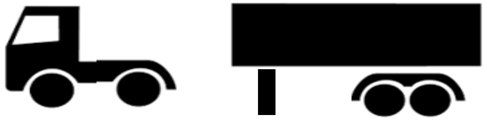
Sustained upswing in North America. European trailer market easing after historic highs in 2018. Trade conflict between China and the US weighed on trailer production in China.

[1] LMC Global Commercial Vehicles Forecast , medium & heavy truck, local sources
[2] CLEAR, local sources
[3] ACT Truck & Trailer Outlook, local sources

Truck and trailer production Q1-Q3 2019



South America	Truck[1]	Trailer[2]
Q1-Q3 2019	+12%	+27%



India	Truck[1]	Trailer[2]
Q1-Q3 2019	-60%	-60%

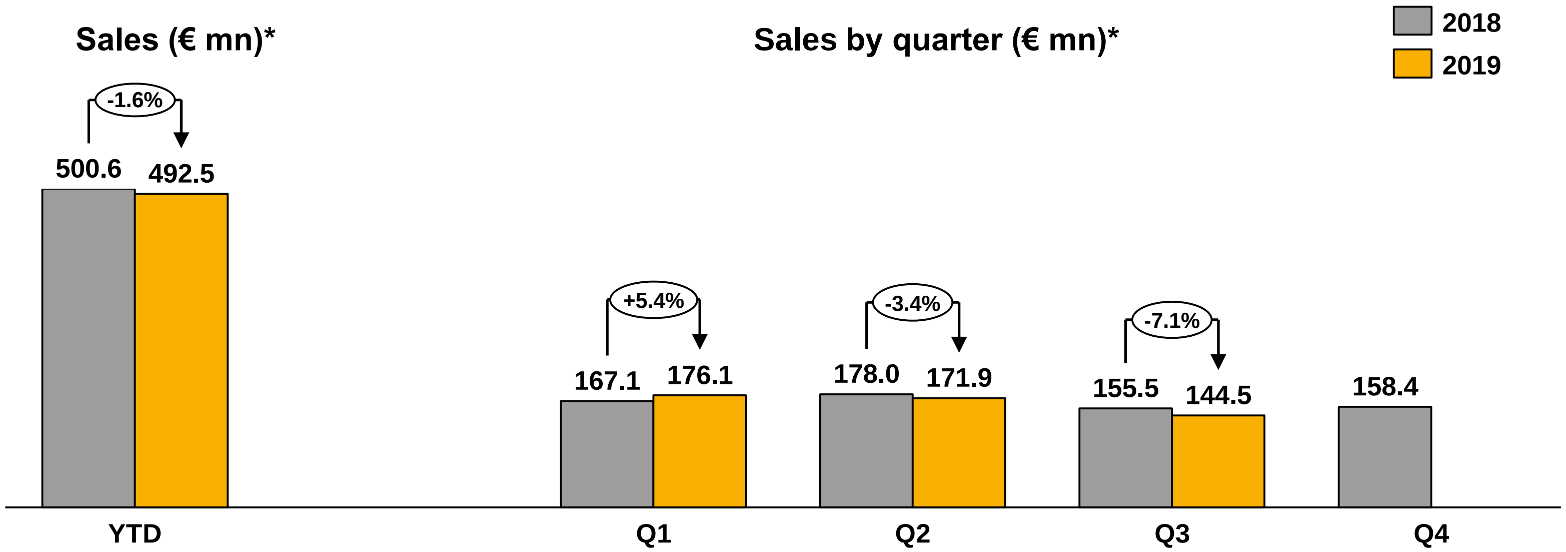
Lasting recovery in South America; strong slump of the Indian trailer market as the expected catch-up effect after the April/May elections did not materialize and lower than expected GDP growth.

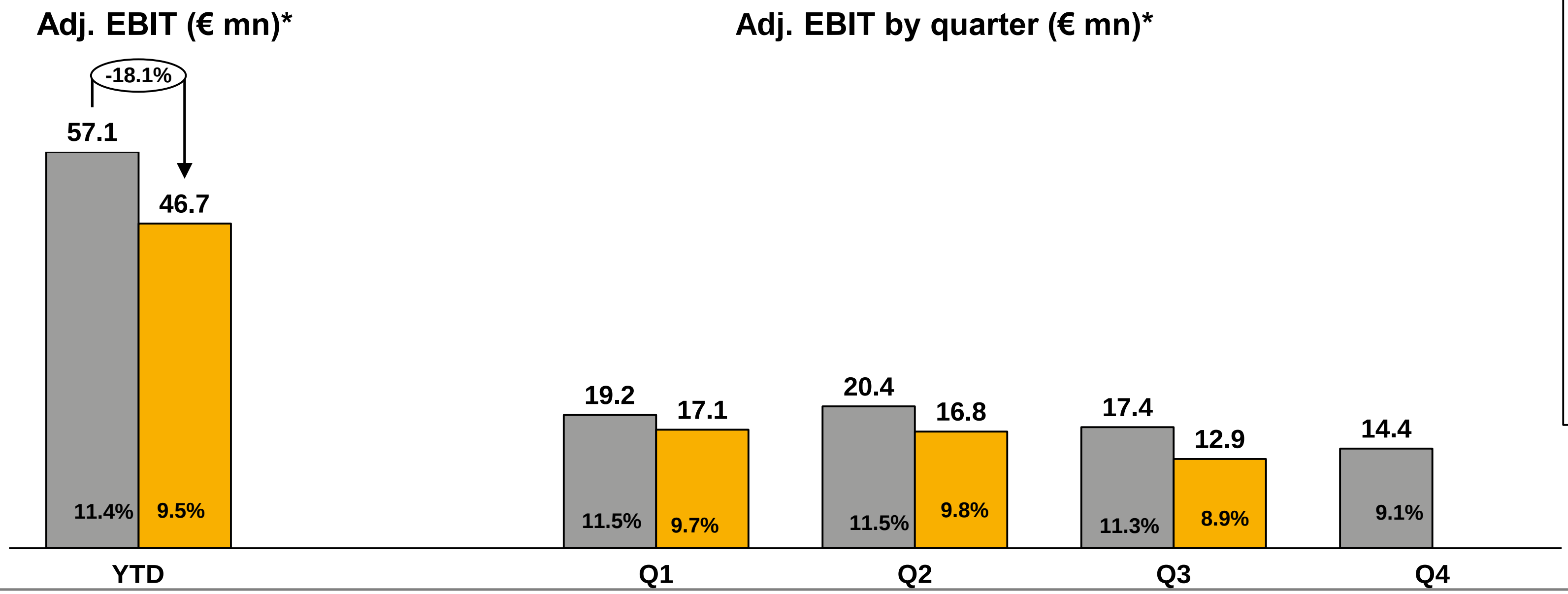
[1] LMC Global Commercial Vehicles Forecast, medium & heavy truck, local sources
[2] CLEAR, local sources

Profit and loss account

(kEUR)	Q1-Q3 2019	Q1-Q3 2018
Sales	**1,008,626**	**980,853**
Gross profit	**164,241**	**155,382**
as % of sales	*16.3*	*15.8*
EBIT	**38,895**	**59,299**
as % of sales	*3.9*	*6.0*
Financial result	-8,747	-9,309
Result before tax	**30,148**	**49,990**
Income tax	-12,868	-12,963
Tax rate (%)	*42.7*	*25.9*
Result for the period	**17,280**	**37,027**

Business segment: EMEA

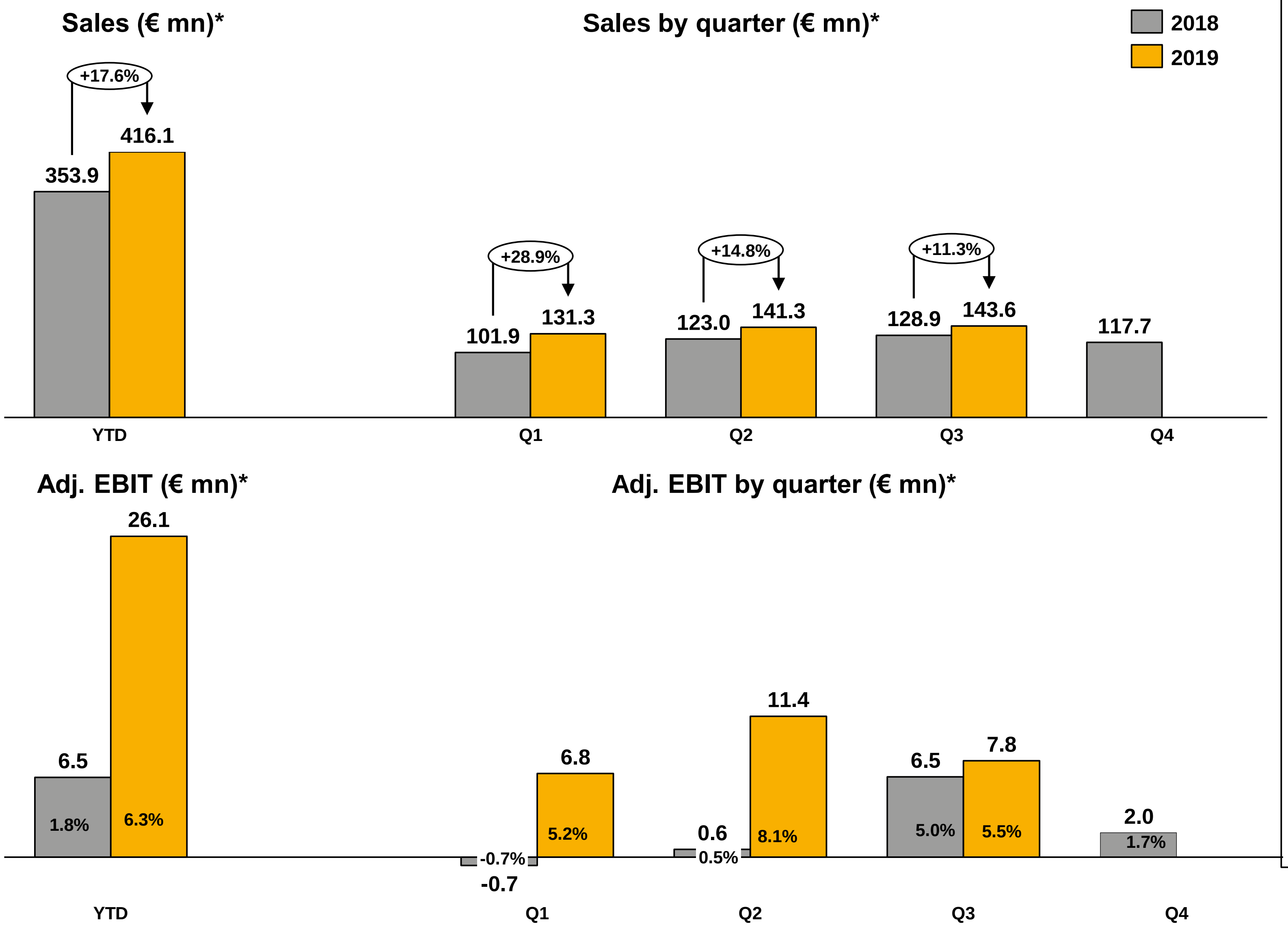




- 9M/2019 sales influenced by
  - ➢ Acquisition effects (+3.5 per cent respectively € +17.3 mn)
  - ➢ FX effects (-0.2 per cent respectively € -1.0 mn)
  - ➢ Organic effects (-4.9 per cent respectively € -24.4 mn)
- Adj. EBIT margin in 9M/2019 affected by
  - ➢ Companies acquired since January 2018 (+)
  - ➢ Declining volumes and higher personnel expenses (-)
- Adj. EBIT margin in 9M/2018 supported by
  - ➢ Reversal of warranty provision (+)
  - ➢ Foreign currency effects Turkish Lira – Euro (+)

* All figures shown are rounded, minor discrepancies may arise from additions of these amounts.

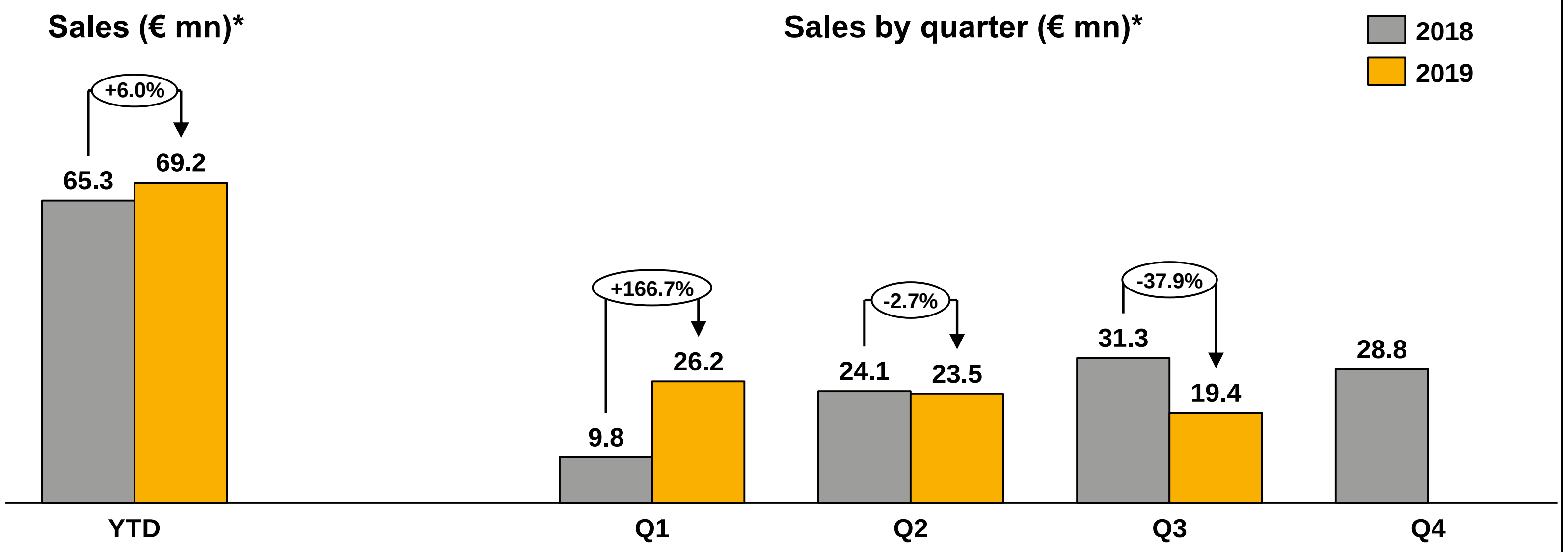
Business segment: Americas

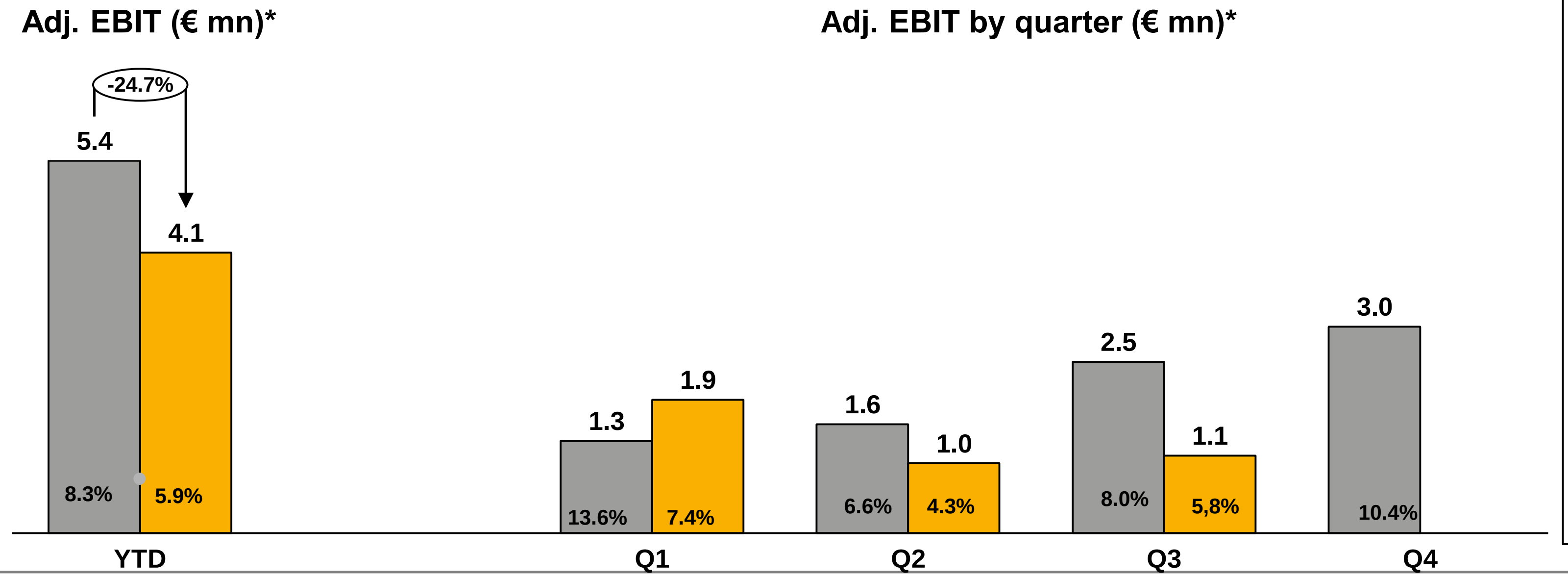


- 9M/2019 sales influenced by
  - Organic effects (+11.3 per cent respectively € +39.9 mn; outperformed the market)
  - FX effects (+6.2 per cent respectively € +22.1 mn)
- Adj. EBIT margin in 9M/2019 affected by
  - Operational efficiency gains from program FORWARD (+)
  - Contractual passing on of prior year's steel price increases (+)
  - Lower purchase prices for steel and other materials (+)
  - More profitable aftermarket business (+)
- Adj. EBIT margin in 9M/2018 positively affected by the partial settlement of a medical plan in the US

* All figures shown are rounded, minor discrepancies may arise from additions of these amounts.

Business segment: APAC





- 9M/2019 sales influenced by
  - Acquisition effects (+31.2 per cent respectively € +20.4 mn)
  - Organic effects (-26.2 per cent respectively € -17.1 mn due to unfavourable market development in India)
- Adj. EBIT margin in 9M/2019 affected by
  - Lack of profit contributions due to missing volume of the Indian subsidiary (-)
  - First positive results from cost-cutting programme (+)

* All figures shown are rounded, minor discrepancies may arise from additions of these amounts.

Business segment: China

- 9M/2019 sales influenced by
  - Declining export business of Chinese customers following the trade dispute between China and the US
  - Short notice cancellations and delays in orders in declining domestic market
  - Temporary strikes following the announcement of plant closures
- Adj. EBIT margin in 9M/2019 burdened by
  - Low level of capacity utilization at the Xiamen and Qingdao plant (-)
  - Temporary cost burden from duplicate structures in the course of the integration of the other Chinese locations into the new Greenfield plant (-)
  - Inventory and accounts receivable impairments (-)
  - Strike-related costs (-)
  - Losses on disposal of fixed assets (-)

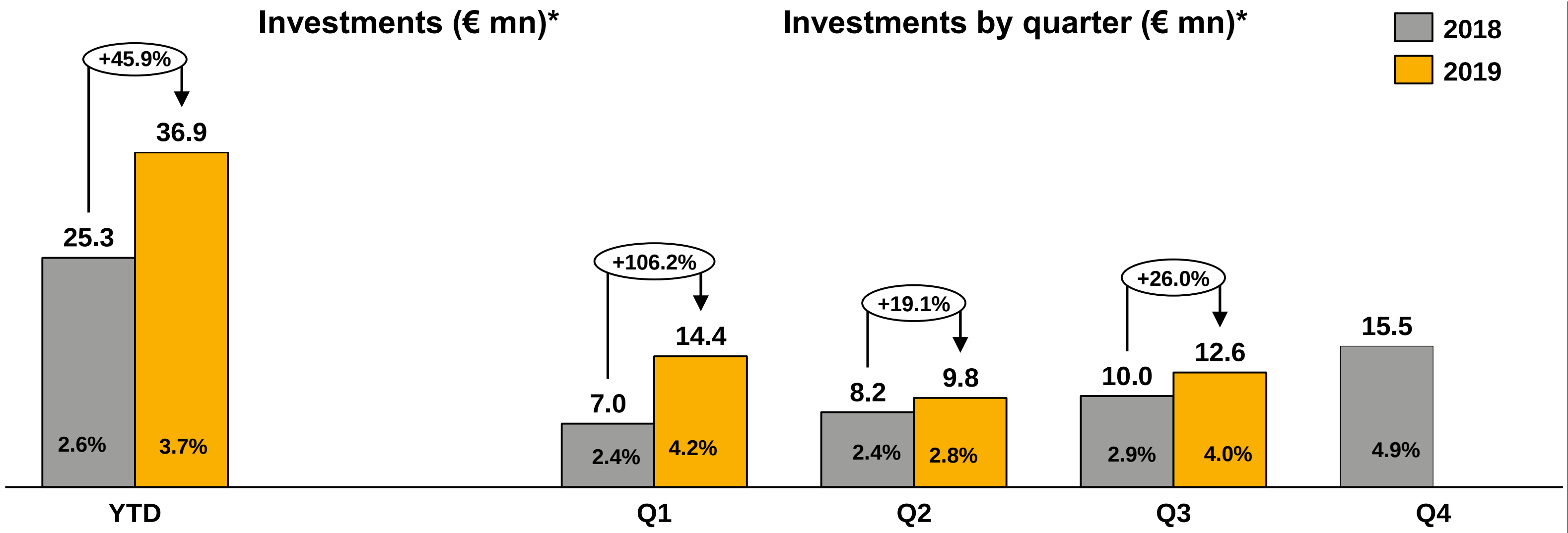
* All figures shown are rounded, minor discrepancies may arise from additions of these amounts.

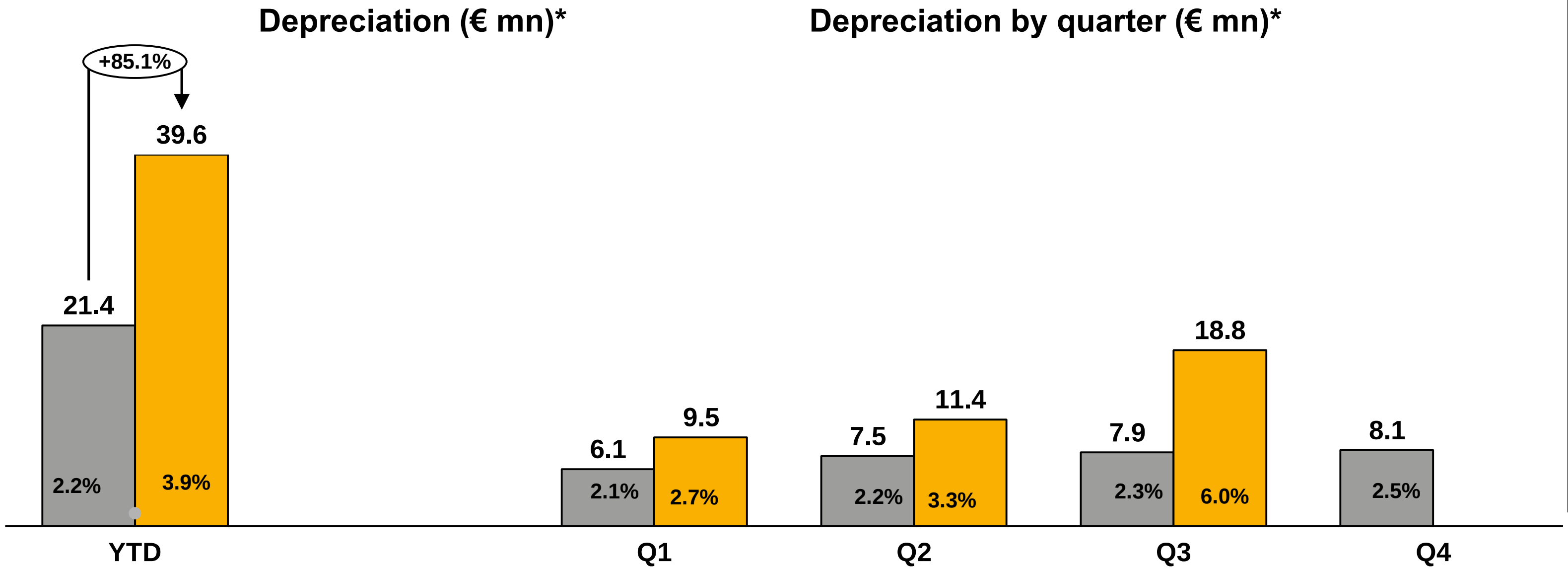
China: Adj. EBIT excl. one-off items

(kEUR)	Q1/2019	Q2/2019	Q3/2019	9M/2019
EBIT	**-2,688**	**-5,637**	**-15,660**	**-23,985**
Additional depreciation / amortization of PPE and intangible assets from PPA	15	14	15	44
Goodwill impairment *	-	-	6,691	6,691
Restructuring and transactions costs	1,658	1.518	4,125	7,301
Adj. EBIT	**-1,015**	**-4,105**	**-4,829**	**-9,949**
as % of sales	*-8.3*	*-32.0*	*-84.5*	*-32.3*
Inventory write-downs	-103	-1.414	-2,416	-3,933
Accounts receivable write-downs	0	-968	-187	-1,155
Loss on disposal of fixed assets	0	0	-761	-761
Strike related costs	0	-800	0	-800
One-off items	**-103**	**-3,182**	**-3,364**	**-6,649**
Adj. EBIT excl. one-offs	**-912**	**-923**	**-1,466**	**-3,300**
as % of sales	*-7.4*	*-7.2*	*-25.6*	*-10.7*

* Goodwill impairment results from historic goodwills allocated to the China region in the course of the separation of the APAC/China region into two distinct regions APAC and China at the beginning of the year.

Investments and depreciation

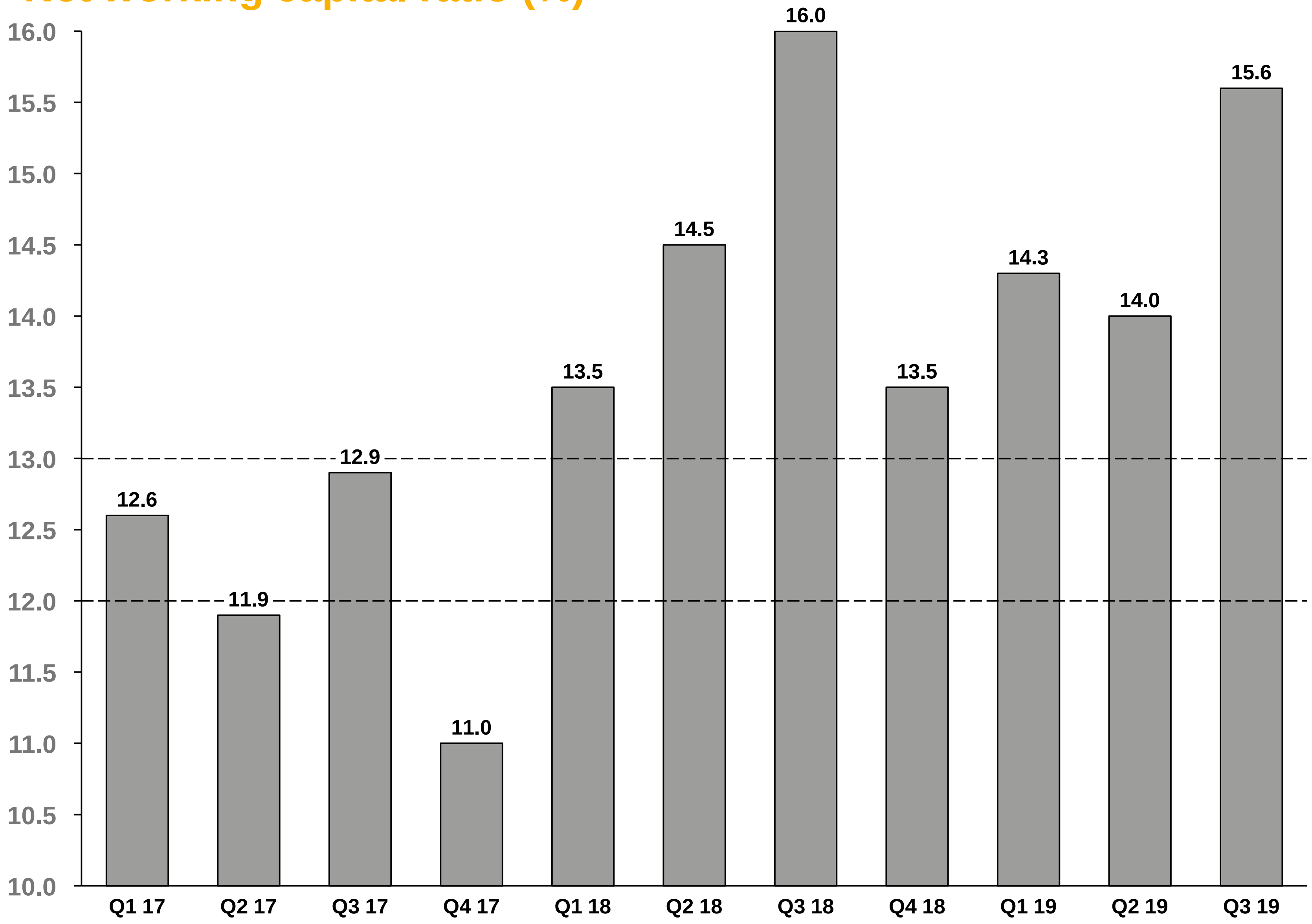




- Investments in plant, property, equipment and intangible assets of € 36.9 mn
- Operating cash flow covers investment level
- Focus of investments: construction of the Chinese Greenfield project, rationalisation and expansion investments in the US, office building in Germany
- Close monitoring of the investment approval process to streamline capital allocation
- Depreciation increased mainly due to IFRS 16 effects (€ 5.8 mn) and goodwill impairment (€ 6.7 mn)

* All figures shown are rounded, minor discrepancies may arise from additions of these amounts.

Net working capital ratio (%)



- Net working capital (NWC) 10.4 per cent or € 22.8 mn below previous year‘s figure
  - Inventories 5.6 per cent below prior year’s level despite sales increase of 2.8 per cent
  - Trade receivables down 19.5 per cent on substantially improved cash collection
  - Trade payables down 17.1 per cent or € 27.2 compared to 9M/2018
  - NWC ratio decreased from 16.0 per cent to 15.6 per cent despite sales increase of 2.8 per cent

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