Annual
General Meeting of
SAF-HOLLAND SE
on 10 June 2021

GAINING TRACTION

Speech by
CEO Alexander Geis
and
CFO Inka Koljonen

To be checked against delivery at the Annual General Meeting

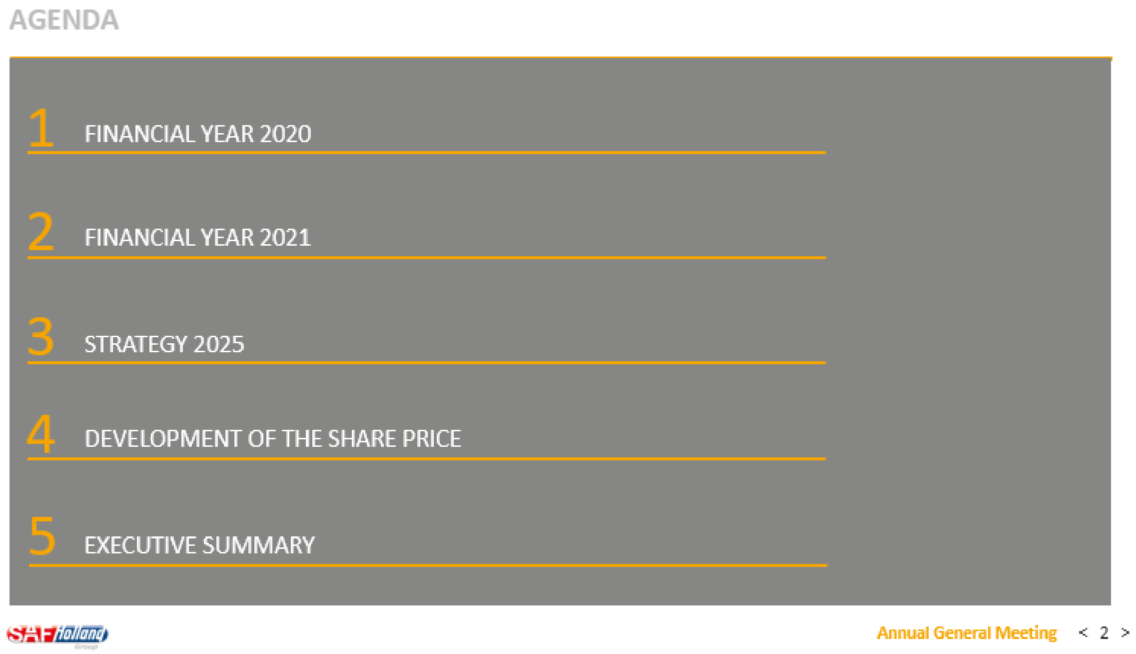
Dear Shareholders,

Dear Ladies and Gentlemen,

On behalf of the entire Management Board, I warmly welcome you all to this year’s annual general meeting. To celebrate our first annual general meeting since the change of our registered office from Luxembourg to Germany, we would have much preferred to receive you in person in Bessenbach. However, the protection of the health of all involved has absolute priority and we have therefore consciously chosen in favour of a virtual format.

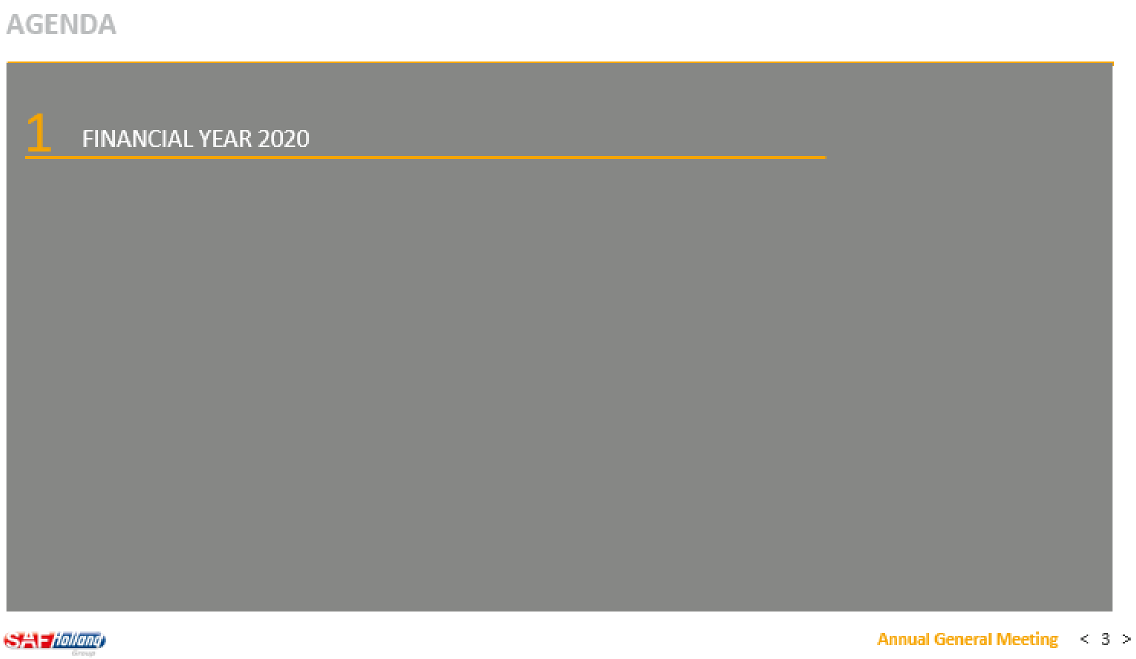
Within an incredibly short space of time, the global COVID-19 pandemic has upturned our entire lives – both privately and professionally. And it also had a significant impact on the financial year 2020 at SAF-HOLLAND SE. The good news first: Your company has successfully mastered this stress test and, moreover, has laid the groundwork for profitable growth in future.

We responded rapidly and decisively to the pandemic, establishing comprehensive standards of conduct and hygiene, which we regularly tailor to match the dynamically changing course of the infection. These included the implementation of a Global Emergency Response Team which advises the Management Board on the current situation, prepares and coordinates the materials needed for decisions and monitors communications and operative measures. In this context, strict travel rules were set, a provision made for “mobile working” and extensive measures undertaken to ensure “social distancing”. As a result we managed to keep the case rate in our global workforce at an extremely low level. At the same time, we managed to flexibly adapt production to meet customer demand and ensure our delivery capability. The entire workforce of the SAF-HOLLAND Group displayed tremendous team spirit and dedication in this challenging year. I am particularly proud that we remained a reliable partner for our customers and suppliers at all times. At this point, I would therefore like to express my special thanks to all employees.

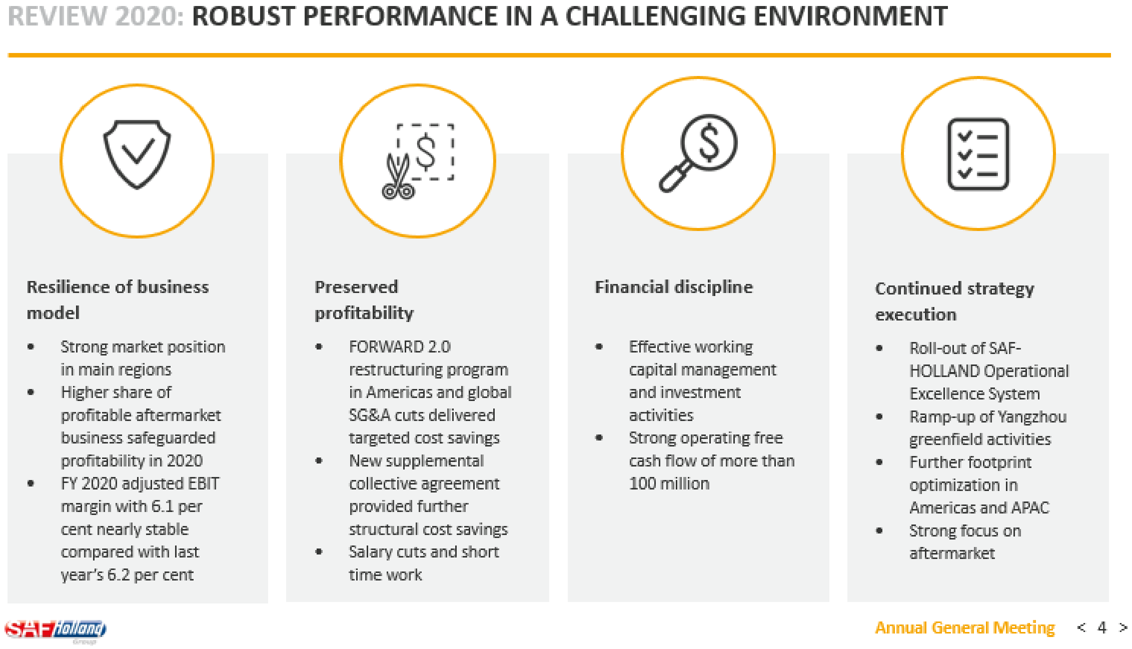


My colleague, Inka Koljonen, and I will address the following topics today:

- The financial year 2020
- The first quarter of 2021 and the outlook for the financial year 2021
- Strategy 2025
- The development of SAF-HOLLAND's share price



Let me start with a review of financial year 2020.

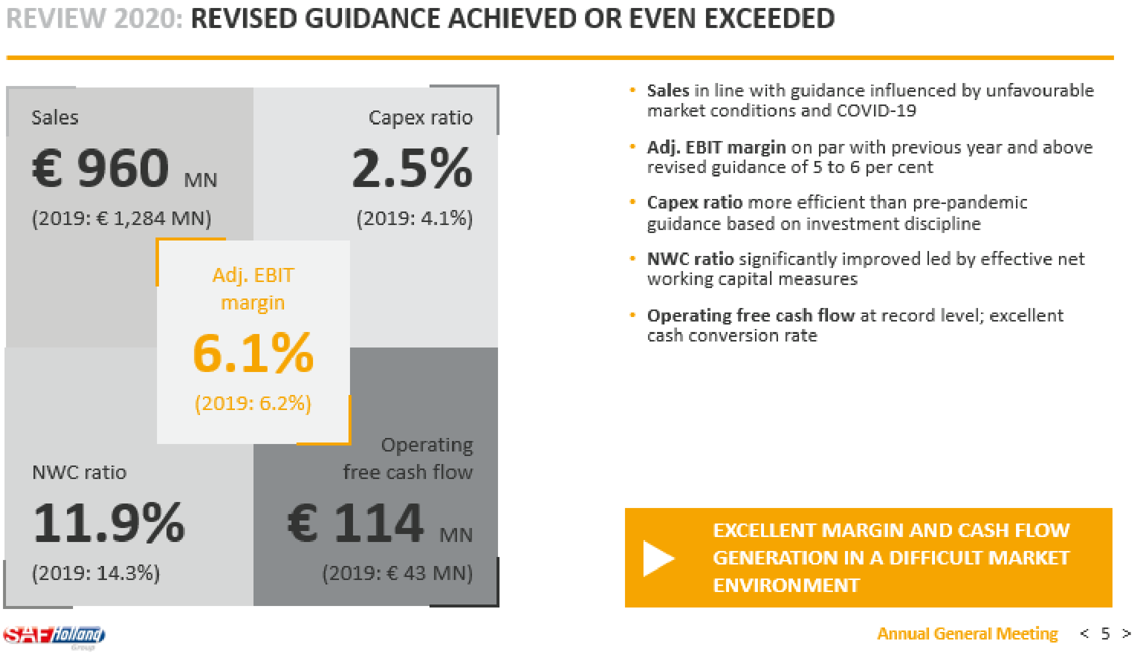


We achieved a very solid performance within a very challenging environment. Once again, our robust and promising business model has paid off. In addition to our strong market position in the core markets of Europe and North America, it was our profitable spare parts business that had a stabilising effect on earnings.

We took a range of different measures to make our cost structures more flexible in order to cushion us from the economic consequences of the COVID-19 pandemic. Primary among these were: the extensive program initiated in September 2019 to sustainably reduce our selling and administrative expenses, the voluntary waiver of the Management Board and the Supervisory Board of their fixed remuneration, the supplementary collective agreement for the Bessenbach location, salary cuts at the US locations and short-time work at the two German locations in Bessenbach and Singen. As a result, we were able to keep our permanent workforce at the German locations intact. This is having a noticeably positive impact in the current upswing.

Other positive factors were the successful restructuring of our North American and Asian production networks as well as the alignment of all locations to our SAF-HOLLAND Operational Excellence System.

The outbreak of the pandemic in China created major macroeconomic uncertainties which we had to work with. All the more important for us was to retain our operational capability at all times. Building up additional liquidity was another key factor in this regard. In addition to our effective net working capital management, our disciplined investment policy made a major contribution in this regard.



Our effective crisis management was also a major factor that we closed financial year 2020 better than expected at the beginning of the COVID-19 pandemic. At this point, I would like to emphasise that we were one of the very few listed companies that issued a forecast for the financial year 2020, which we published with our 2019 Annual Report on March 18, 2020.

The Group sales of SAF-HOLLAND SE came to EUR 960 million – corresponding to a decline in sales of 25.3 per cent. This lies within the specified sales corridor announced in the Q1/2021 quarterly statement of minus 20 to minus 30 per cent. The original forecast from March 2020 had assumed a low double-digit contraction in sales.

SAF-HOLLAND SE's adjusted EBIT margin of 6.1 per cent lies slightly above the range of 5 to 6 per cent revised upwards in the ad hoc announcement issued on November 17, 2020. In the original forecast from March 2020, the Management Board anticipated an adjusted EBIT margin of between 4 and 5 per cent.

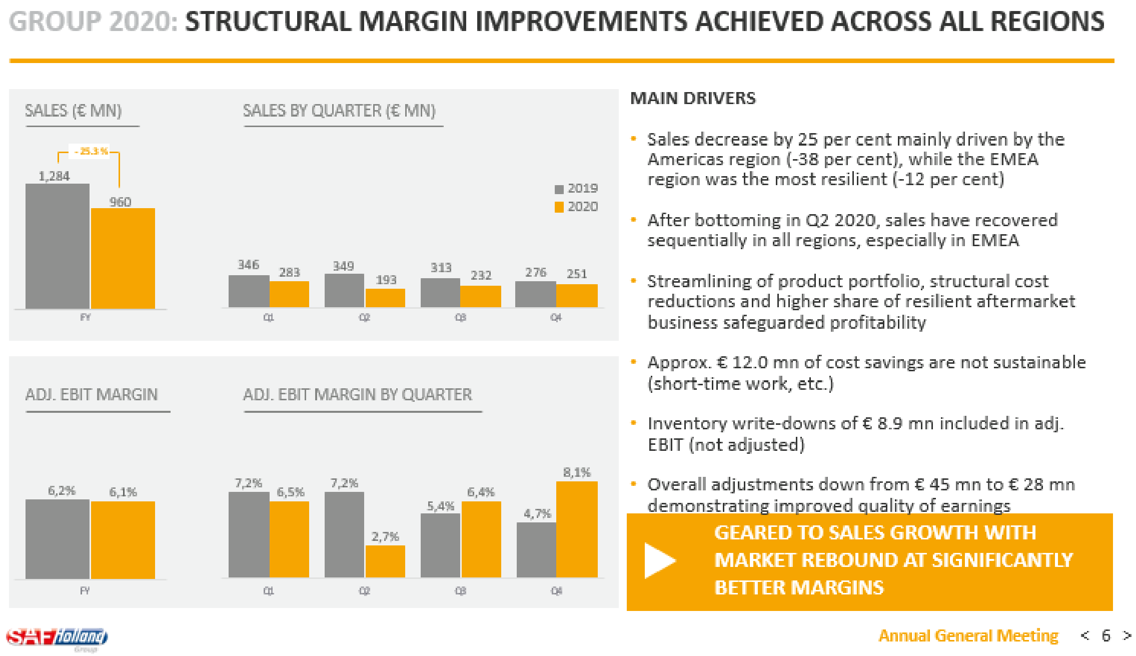
The capex ratio came to a value of 2.5 per cent of Group sales and therefore corresponds with the target of around 2.5 per cent specified in the 2020 half-year financial report. The original forecast from March 2020 had assumed a capex ratio of around 3 per cent.

The net working capital ratio, that is the ratio of net working capital to Group sales over the last 12 months, improved significantly year-on-year from 14.3 per cent to 11.9 per cent. In this regard, we managed to scale back inventories by 24.8 per cent to EUR 126 million and receivables by 24.3 per cent to EUR 95 million. At EUR 107 million, trade payables were slightly below the figure for the previous year. This was offset by the decline of 25.3 per cent in 12-month sales to EUR 960 million due to market conditions and COVID-19.

The positive development in net working capital coupled with the disciplined investment policy are ultimately reflected in operating free cash flow, which reached an absolute record of EUR 114 million.

In conclusion, we can safely say: we responded rapidly and correctly to the crisis. We had room to manoeuvre at all times. And we achieved strong results in a very challenging market environment.

And with that I pass you on to my colleague on the Management Board, Inka Koljonen, who has been in charge of the finance department since September 2020. She will lead you through the results of the past financial year in more detail.



Thank you Mr. Geis,

Dear Shareholders,

Dear Ladies and Gentlemen,

Firstly, I would also like to warmly welcome you to this year's annual general meeting.

Before we turn to the key financials for 2020, please allow me to briefly introduce myself.

My name is Inka Koljonen. As the CFO, I have been responsible for finance, accounting and controlling, IT, legal affairs and compliance, internal audit, investor relations and corporate communications at SAF-HOLLAND since September 2020.

I started my career at MTU Aero Engines – one of the world's leading manufacturers of jet engines – where I started in the management accounting department, before shifting to investor relations. After a stint at Siemens, where I was the CFO of the Russian operations, I was CFO for the Catalysts business unit at Clariant, before switching to SAF-HOLLAND.

I stand for cost and cash flow efficiency and, in particular, intend to establish a cash culture at SAF-HOLLAND. In addition, I would like to develop the finance and controlling functions to the point that the operational managers perceive them as a business partner. Last, but not least, the automation of reporting processes is on my agenda.

Let us now turn our attention to the development of the key financials in the year 2020. At SAF-HOLLAND too, the COVID-19 pandemic left its mark on our sales development. After bottoming out in the second quarter, sales in the third and fourth quarters improved successively in all three regions. Nevertheless, due to market conditions and COVID-19, Group sales in the financial year 2020 came to EUR 960 million, 25.3 per cent down on the previous year's level of EUR 1,284 million. This corresponds to an organic reduction in sales of 23.6 per cent.

Our OE business was hit particularly hard, with sales declining by 29.8 per cent or EUR 286 million to EUR 673 million in the reporting period from January to December 2020. The share of Group sales accounted for by the OE business therefore decreased from 74.7 per cent to 70.2 per cent. By contrast, sales in our spare parts business only decreased by 12.0 per cent or EUR 39 million to EUR 286 million. The share of the spare parts business in total sales increased from 25.3 per cent to 29.8 per cent accordingly.

Looking at the three regions, developments were as follows: In the EMEA region, sales declined in financial year 2020 by just 11.7 per cent to EUR 553 million (previous year: EUR 626 million) due to the excellent market position in trailer axles and suspension systems as well as very robust spare parts business. The Americas region was severely hit by the COVID-19 pandemic and recorded a fall in sales of 37.8 per cent to EUR 332 million. Sales in the APAC region slid 39.8 per cent to EUR 74 million. The reason for this sharp contraction in sales lies mainly in the lockdowns in China, Australia, India and Singapore, which lasted a number of weeks, the disruption to export business as a result of the trade dispute between China and the USA and the delay in ramping-up the new Chinese plant in Yangzhou due to COVID-19.

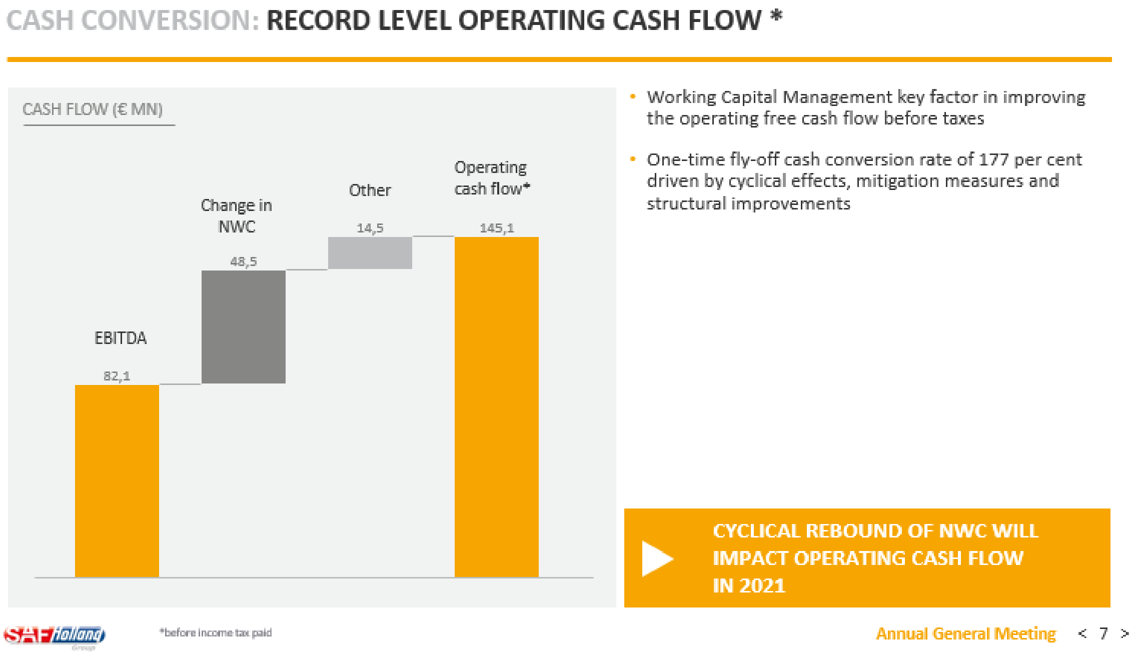
In spite of this significant decrease in sales, we managed to achieve an adjusted EBIT margin of 6.1 per cent, which almost matches the level of the previous year. Positive factors were the streamlining of the OE product portfolio, the sustained savings in selling and general administrative expenses as well as the higher share in the resilient spare parts business in total sales. With a view to the three regions, it can be stated that all of the regions have realised structural cost savings.

In sum, we reached a very satisfying result for the year.

For the sake of completeness, I would like to add that of the cost savings realised in the year 2020, an amount of EUR 12 million is of a non-recurring nature. These savings measures include the salary reductions at the US locations and the topic “short-time work”.

On the other hand, we anticipate the impairment losses recorded on inventories in financial year 2020 in response to lower turnover in the wake of the COVID-19 pandemic to disappear in the current year, or at least drop significantly.

In addition, we have also realised major progress in the quality of our earnings. While the adjustments to earnings in financial year 2019 accounted for EUR 45 million, these were reduced to EUR 28 million in financial year 2020. A key factor in this regard was the decrease of EUR 10 million in restructuring expenses. And this positive trend is set to continue.



As already mentioned in my introduction, I place particular value on the topics of cash and cash-conversion.

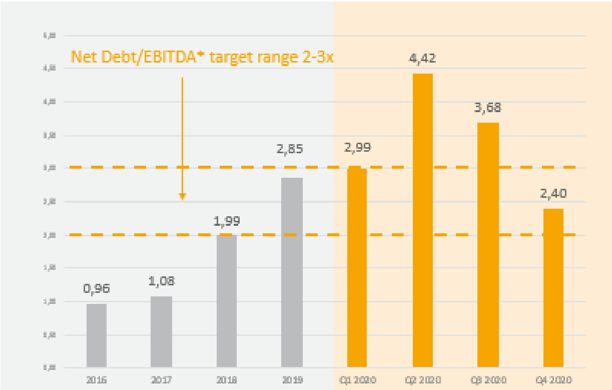
In the past financial year we clearly demonstrated that we have a resilient business model that generates sufficient margins. And in terms of operating cash flow before tax we set a new record of EUR 145 million.

The increase over the previous year's figure of EUR 109 million is largely due to the contribution made by net working capital management. The Cash-is-King project initiated in April 2020 played a major role in this regard. As a result, it was possible to sustainably reduce overdue receivables in all regions and improve the management of inventories.

The cash conversion rate, i.e. the ratio of operating cash flow before tax to EBITDA, also reached a new record of 177 per cent. By way of comparison: in the previous year, this figure was already at a good 124 per cent.

In the current financial year we anticipate the cash conversion rate to return to normal due to the cyclical recovery of the markets, and that operating cash flow before tax will also therefore normalise.

NET DEBT/EBITDA*: SIGNIFICANT DELEVERAGING IN CHALLENGING ENVIRONMENT



€ MN	FY 2016	FY 2017	FY 2018	FY 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Net Debt	97.1	105.5	213.6	251.7	256.2	278.9	232.4	196.7
EBITDA*	101.1	97.4	107.5	88.2	85.7	63.0	63.2	82.1

- Q2 2020 strongly hit by COVID-19 with substantially lower EBITDA and higher Net Debt
- Q4 2020 shows strong improvement driven by significantly lower Net Debt and substantially better EBITDA (underlying drivers: lower NWC and investments)
- Strong gross liquidity position totalling € 371 mn (PY: € 243 mn)
- Improved balance sheet structure and financial headroom provide flexibility

ROBUST FINANCIAL PROFILE SET TO CONSISTENTLY IMPLEMENT STRATEGY AND UNLOCK ADDITIONAL GROWTH OPPORTUNITIES

* Unadjusted EBITDA (LTM)

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Another key financial indicator for us is the ratio of net debt to unadjusted EBITDA. As you can see in the chart, its development during the year was very volatile due to COVID-19. In a year-end comparison, we managed to improve this indicator from 2.85 to 2.40 on account of the significant reduction in net debt.

At EUR 371 million (previous year: EUR 243 million) SAF-HOLLAND SE enjoyed a particularly strong gross cash position as at December 31, 2020. In addition to the very strong operating free cash flow, the successful placement of our promissory note loan in March 2020 played a role here. Because of the high demand and resulting over-subscription, the final placement of EUR 250 million exceeded the original target volume by EUR 150 million. The pleasing response from debt investors and the attractive conditions of the promissory note loan confirm the excellent rating of the SAF-HOLLAND Group and the trust placed in our strategic alignment as an innovative partner of the international commercial vehicle industry.

In terms of financing, we are on a better footing than we were one year ago. The very robust financial profile overall creates further headroom for investing in growth.

The positive trend was confirmed by the rating agency Scope, which published its rating report for 2021 just a few days ago, in which it confirmed the BBB investment grade rating and raised its outlook from negative to stable.

Many thanks for your attention.

I would now like to pass you back to my colleague on the Management Board, Alexander Geis.

Ladies and Gentlemen,

This year we are concentrating strategically on four major issues:

1) Management of profitable growth in an uncertain market environment

   The main issue here at the moment is to secure supplies of materials and manage increases of commodity prices, in our case, steel in particular. Within the context of a significant recovery in demand, focus must be placed on the management of net working capital in general.

2) Strengthening our market position

The excellent market position in the EMEA region should be further expanded.

In the Americas region, the issue is to win back customer faith and reinforce our market position in the standard truck segment by successfully launching a new lighter spheroidal cast fifth wheel.

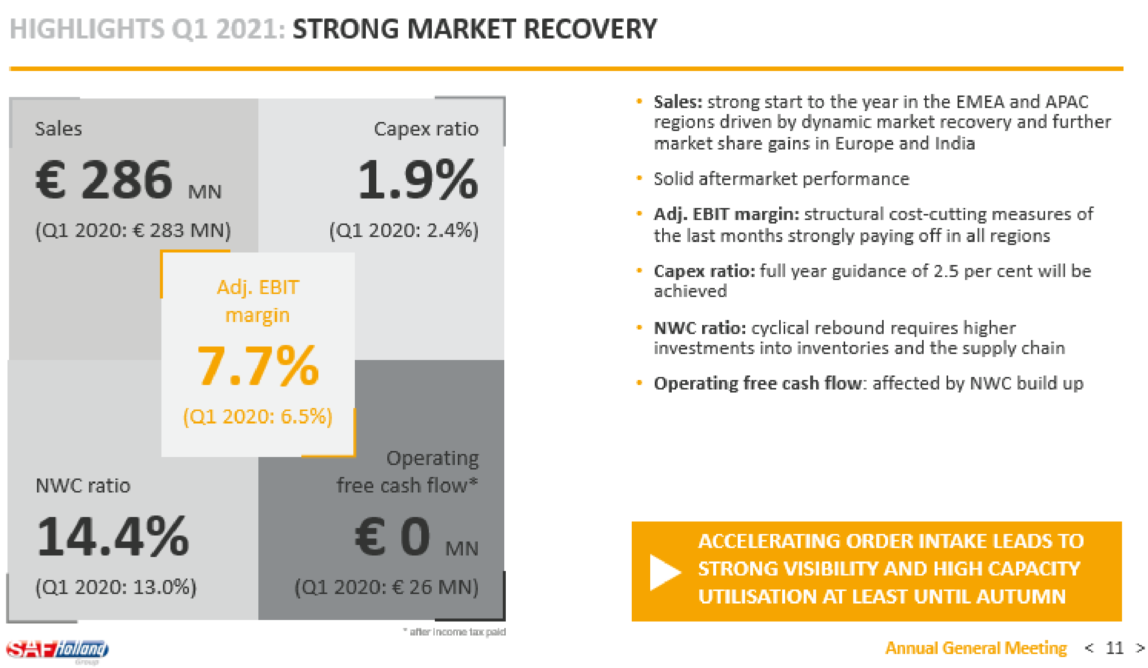
In the APAC region, market opportunities in India and Australia should be tapped and the restart in China driven forward.

3) Building on our technological edge

Development activities will focus on improving products with a view to reducing their total cost of ownership as well as putting more emphasis on the megatrends of digitisation, electrification and autonomous driving, new electrically powered axle systems and new digital business models.

4) Driving forward excellence in Environmental, Social and Governance.

With regard to ESG, our already excellent corporate governance should be further improved, the measures to make the entire value chain more sustainable should be further intensified and the share of female managers increased.



Let us now turn our attention to developments in the first quarter of 2021.

We have had a very good start to the new financial year and were able to follow on seamlessly from the positive development of the preceding two quarters.

Due to market conditions and COVID-19, Group sales in the first quarter of 2021 came to EUR 286 million, 0.8 per cent above the previous year's level of EUR 283 million. Adjusted for currency translation effects, sales increased by 5.6 per cent.

Sales in the OE business decreased by 0.8 per cent or EUR 2 million to EUR 207 million in the reporting period from January to March 2021. The share of total sales accounted for by the OE business decreased from 73.8 per cent to 72.6 per cent. By contrast, sales in the spare parts business increased by 5.4 per cent or EUR 4 million to EUR 78 million. Consequently, the share of the spare parts business in total sales increased from 26.2 per cent to 27.4 per cent.

Sales in the three regions developed very differently. For instance, sales in the EMEA region improved by 7.1 per cent to EUR 168 million (previous year: EUR 157 million) in the first quarter of 2021, primarily on account of a strong upturn in OE business and further gains in market share. Adjusted for currency translation effects, sales growth of 9.4 per cent was posted.

The APAC region generated sales of EUR 27 million in the first quarter of 2021 (previous year: EUR 21 million). Adjusted for currency translation effects, sales increased by 32.6 per cent in comparison to the previous year. The main cause for the significant increase in sales was the jump in business in India and the pleasing development of demand in Australia.

In the Americas region, by contrast, sales declined in the first quarter of 2021 by 14.2 per cent to EUR 90 million (previous year: EUR 105 million) due to streamlining of the product portfolio and the winter storms in Texas. Adjusted for currency translation effects, sales decreased by 5.4 per cent.

Adjusted EBIT amounted to EUR 22.0 million in the first quarter of 2021 (previous year: EUR 18.4 million). This corresponds to an adjusted EBIT margin of 7.7 per cent (previous year: 6.5 per cent). Happily, all three regions managed to improve their EBIT margin: The EMEA region from 9.4 per cent to 9.6 per cent, the Americas region from 3.9 to 6.0 per cent and the APAC region from -2.4 to 1.4 per cent.

Additions to property, plant and equipment and intangible assets totalled EUR 5 million in the first quarter of 2021 (previous year: EUR 7 million). The focus of investing activities was on the further automation of production processes at various locations in the Americas region and Germany. The capex ratio was only 1.9 per cent in the first quarter of 2021 (previous year: 2.4 per cent) due to the timing of billings, but will settle at the expected rate of 2.5 per cent for the full year.

We placed special focus on securing our delivery performance in the first quarter. The fact that this was at the expense of net working capital and thus operating free cash flow was calculated into the equation.

For instance, inventories increased by 23.2 per cent in comparison to the reporting date of December 31, 2020 to EUR 156 million, receivables rose by 36.4 per cent to EUR 130 million and liabilities by 37.5 per cent to EUR 147 million. Related to sales over the last twelve months, this corresponds to a net working capital ratio of 14.4 per cent.

Building up net working capital was also the key factor in operating free cash flow breaking even. Over the later course of the year, the situation with regard to net working capital and operating free cash flow should ease significantly.

Incoming orders continue to develop in a very pleasing fashion. For example, in the EMEA region, the axle plants in Bessenbach and Düzce (Turkey) are currently fully booked to almost the end of the year. In April and May, all three plants ramped up from two-shift operation to three-shifts. The production teams are working on expanding capacity in order to meet customer demand.

GUIDANCE 2021*

	FY 2020	FY 2021
Sales	€ 960 mn	€ 1,050 mn to € 1,150 mn
Adj. EBIT margin	6.1 per cent	Around 7 per cent
CAPEX	2.5 per cent of sales	Around 2.5 per cent of sales

* The EBIT guidance for FY 2021 is based on the assumption that in the remainder of the year there will be no unexpected impacts from the ongoing COVID-19 pandemic on the production and supply chains.

WE ARE VERY WELL ON TRACK TO ACHIEVE OUR FULL YEAR TARGETS

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I am therefore more than optimistic that we will achieve our annual targets for Group sales, adjusted EBIT margin and the capex ratio.

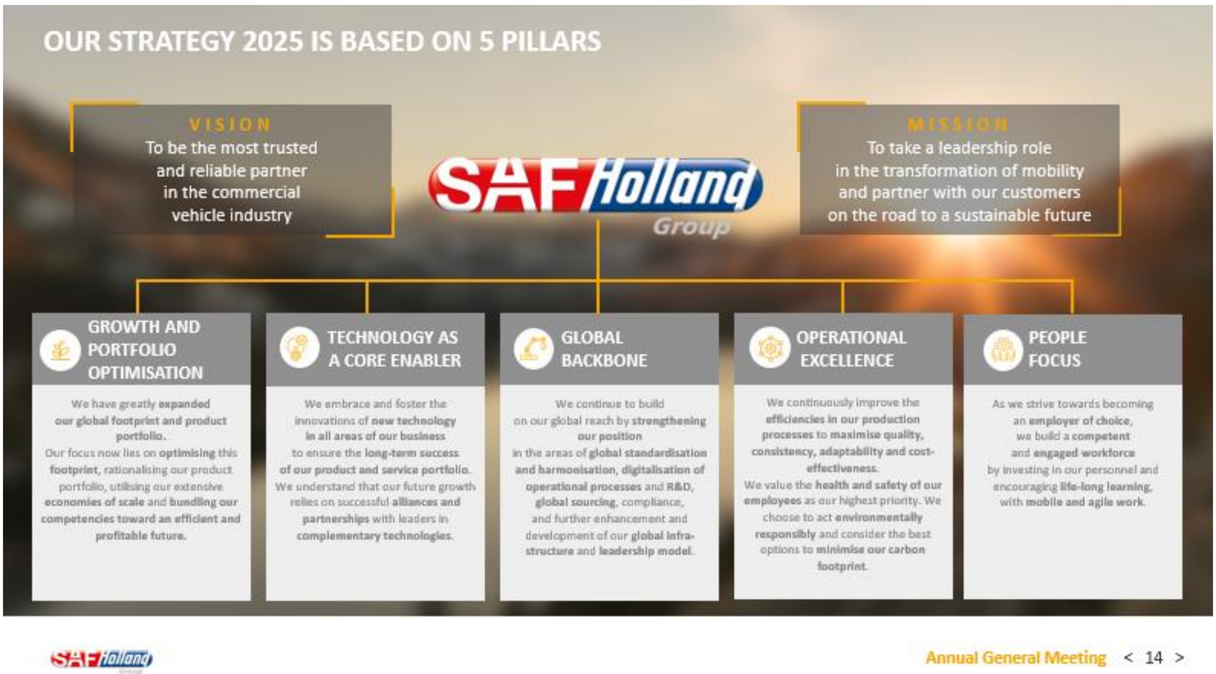
Specifically, this means:

1) Group sales in a range from EUR 1.05 billion to EUR 1.15 billion (2020: EUR 960 million)

2) An adjusted EBIT margin of around 7 per cent

3) A capex ratio of around 2.5 per cent

In addition to improving our operating performance, we focused intensively on our Strategy 2025 in the reporting period, presenting it at the Virtual Investor & Analyst Day on November 25.



Strategy 2025 is based on five main pillars.

Growth and portfolio optimisation: In recent years we have continued to build up our global presence and our product portfolio. This includes the acquisitions of KLL, York, V.Orlandi, Axscend, PressureGuard and the Stara Group, all of which were realised in the period from 2016 to 2019. In this period, the North American and Chinese production networks were also consolidated. The focus in the coming years lies on optimising the global footprint, bundling Group-wide competencies and realising greater economies of scale, improving profitability in the process.

Technology as a central driver: To ensure the long-term success of the portfolio of products and services, we began looking at innovations in the two most-relevant product lines of axles and suspension systems and fifth wheels that address the three global mega trends of digitisation, electrification and autonomous vehicles. These innovations include products that combine mechanics with sensors and electronics (e.g. TrailMaster), the TRAKe axle family and automated coupling systems (SAF-HOLLAND Automatic Coupling). Alliances and partnerships with other companies play an important role in this regard. It is planned to establish global competence centres for the core products to enhance efficiency.

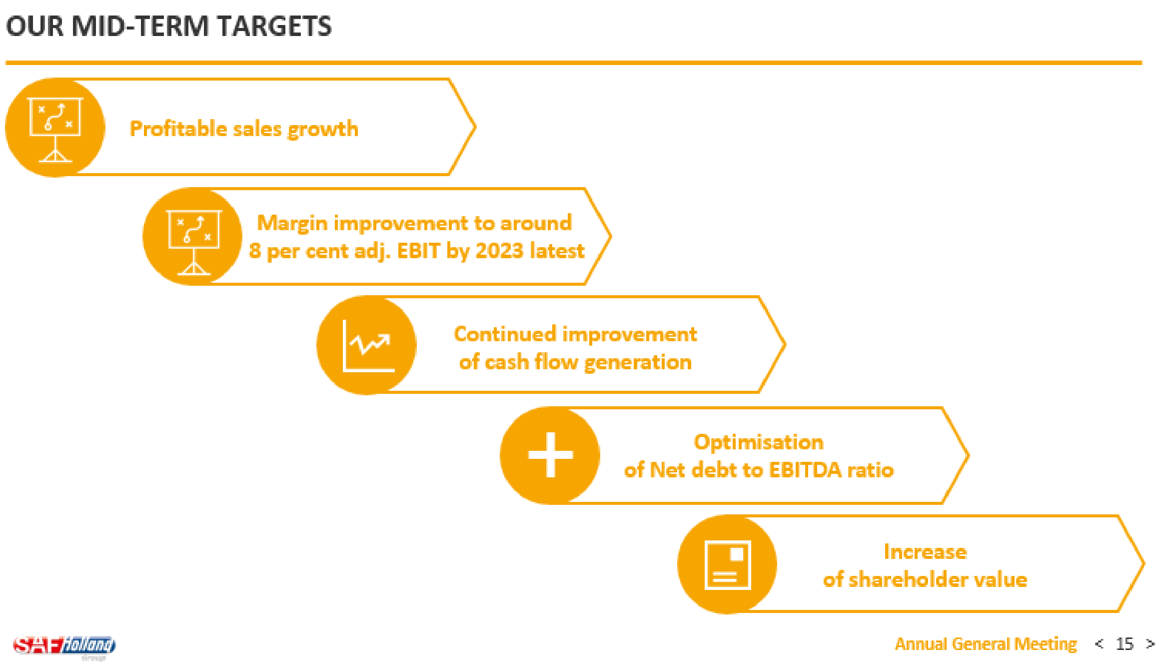
Global backbone: We aim to expand our global reach by strengthening our position in the areas of global standardisation and harmonisation, digitisation of operational processes and development activities, purchasing and compliance, and by further improving and developing our global infrastructure and leadership model.

This will lay the foundation for future product platforms and machine acquisitions, strengthen core expertise and realise ongoing cost reductions.

Operational Excellence: We seek to continuously improve our business processes in order to maximise safety, quality, flexibility and quantity. This also involves protecting the environment and conserving scarce resources. The health and safety of our employees has been assigned top priority. The SAF-HOLLAND Operational Excellence System supports these improvement measures in the various areas and is closely enmeshed with financial targets. With our Operational Excellence System we will establish global policies and set a clear focus on our future development. We define what “best-in-class” means and draw up detailed road maps for each step of implementation, providing orientation and guidance for our improvement activities along the way. As a result, the Operational Excellence Roadmaps lay the foundation for corporate-wide standards in the following six core areas:

- Leadership & Culture
- Safety, Health & Environment
- Total Quality
- Material Supply
- Product Development & Engineering
- Production Systems.

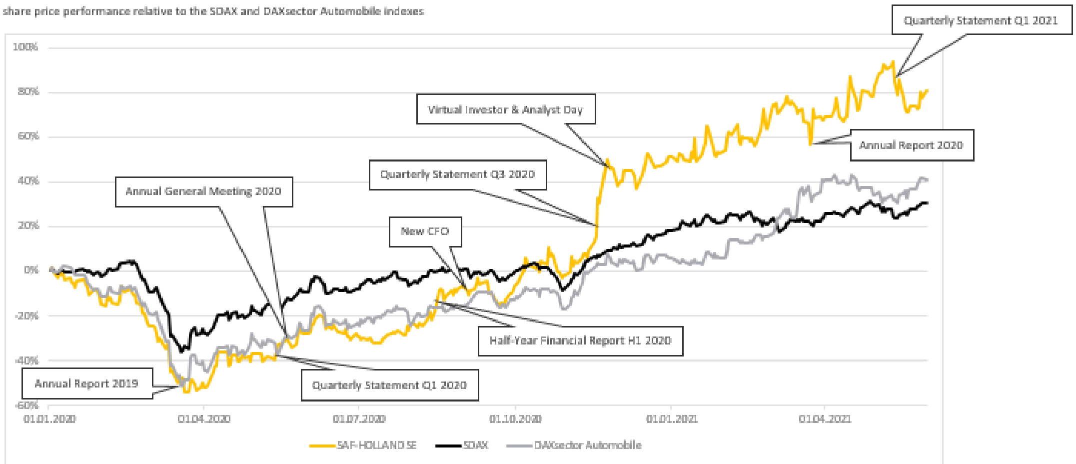
Focus on employees: As the company moves toward becoming an employer of choice, we intend to build up a competent and dedicated workforce by investing in our employees and encouraging them to engage in lifelong learning. We believe that our future growth is based on personal relationships, collaboration and integrity. In addition to increasing employee engagement and efficiency, another aim of Strategy 2025 is to increase the proportion of female managers and female representation overall. Other components in the area of human resources involve raising the degree of training given to each employee and fostering employee loyalty.



The objective of Strategy 2025 is on raising the value of your company for the long term and includes: profitable sales growth, raising the adjusted EBIT margin to around 8 per cent by 2023 at the latest, improving the generation of cash flow and optimising the leverage ratio (ratio of net debt to EBITDA).

SAF-HOLLAND ON THE CAPITAL MARKET

SAF-HOLLAND'S share price performance relative to the SDAX and DAXsector Automobile indexes



SAF-HOLLAND'S SHARE OUTPERFORMED BENCHMARK INDEXES

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Dear Shareholders,

The positive development of our business has also been rewarded by the capital markets, at least since the publication of the half-year financial report in August 2020. In comparison to the low in March last year, our share price has risen by 293 per cent. At present, the SAF-HOLLAND share is fluctuating between 13 and 14 euro.

With Inka Koljonen on the team, we have a CFO with extensive knowledge of investor relations. Already in the first few months of her assignment, she has succeeded in outstanding fashion at communicating the appeal of our share to the capital markets and to further intensify the dialogue with our investors.

The Virtual Investor & Analyst Day in November 2020 is, in my view, a good example of our improved capital market communication and represents a new chapter in the dialogue with our shareholders.

You can rest assured that we will do our utmost once again in this financial year to offer you compelling investment prospects for the future.

AGENDA

5 EXECUTIVE SUMMARY

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Dear Ladies and Gentlemen,

The COVID-19 pandemic will continue to challenge us. Your company is well positioned, both strategically and financially. We have a robust and promising business model. We have a presence on all the relevant commercial vehicle markets of the world. We are technological leaders in numerous product lines. The digitisation of our business is also advancing steadily and we have an outstanding team. All of these factors equip us excellently for the future.

At this point I would like to express my gratitude to you, dear shareholders, for your support and your faith in us. We are very happy that you have chosen to join us on our journey.

Many thanks for your attention, and now I would like to give the floor again to the Chairman of our Supervisory Board, Dr. Martin Kleinschmitt.