FINANCIAL RESULTS H1 2021

ALEXANDER GEIS, CEO
INKA KOLJONEN, CFO

AUGUST 12, 2021

AGENDA

1. Highlights H1 2021

HIGHLIGHTS H1 2021: STRONG PERFORMANCE DESPITE MATERIAL PRICE HEADWIND

Sales

€ 608 MN

(H1 2020: € 476 MN)

Capex ratio

1.4%

(H1 2020: 2.5%)

Adj. EBIT margin

7.7%

(H1 2020: 5.0%)

NWC ratio

14.8%

(YE 2020: 11.9%)

Operating free cash flow*

€ 7 MN

(H1 2020: € 11 MN)

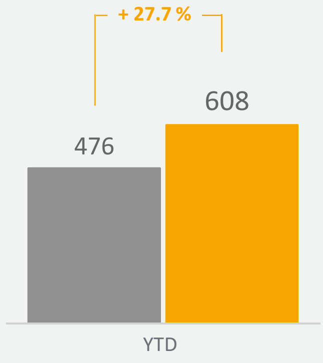
* after income tax paid

- **Sales:** strong double digit percentage growth in all regions
- Very good aftermarket performance
- **Adj. EBIT margin:** structural cost-cutting measures and economies of scale compensate material price and freight cost inflation
- **Capex ratio:** due to timing issues below FY guidance; acceleration expected for H2
- **NWC ratio:** cyclical rebound and supply chain tightness require higher investments into inventories
- **Operating free cash flow**: affected by strong growth and the required NWC build up

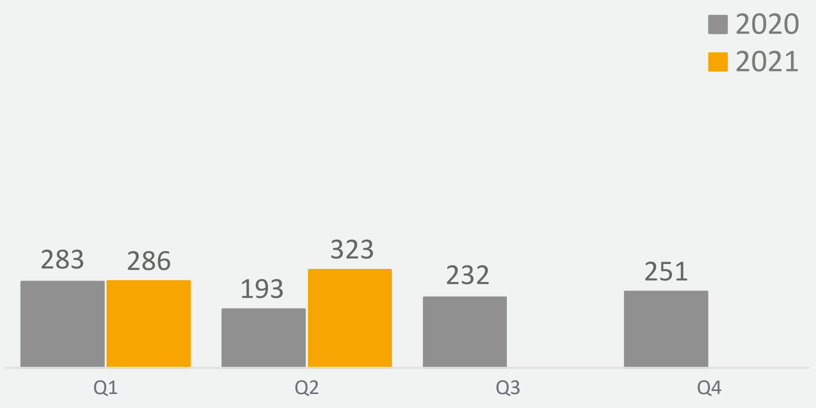
ACCELERATED ORDER INTAKE LEADS TO HIGH CAPACITY UTILISATION AT LEAST UNTIL SPRING 2022

GROUP: VERY POSITIVE SALES AND EARNINGS DEVELOPMENT

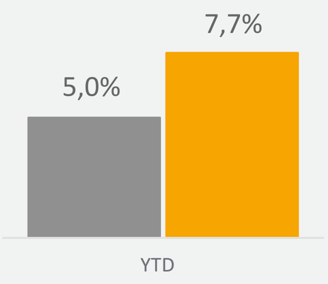
SALES (€ MN)



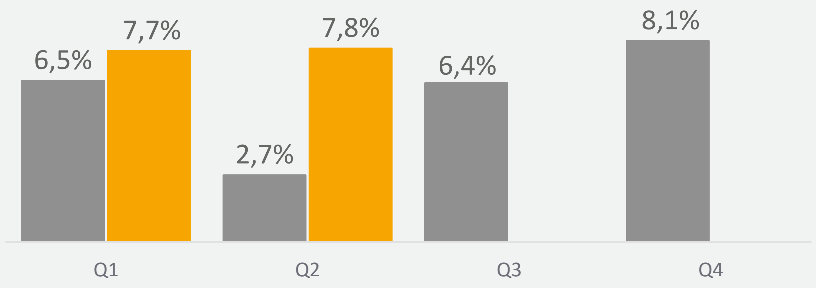
SALES BY QUARTER (€ MN)



ADJ. EBIT MARGIN



ADJ. EBIT MARGIN BY QUARTER

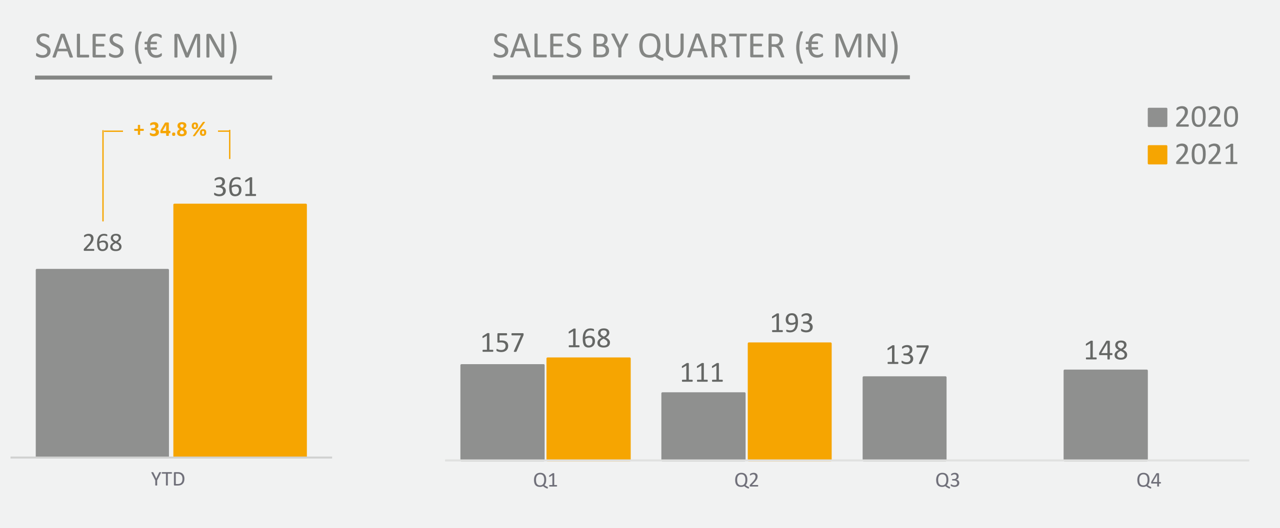


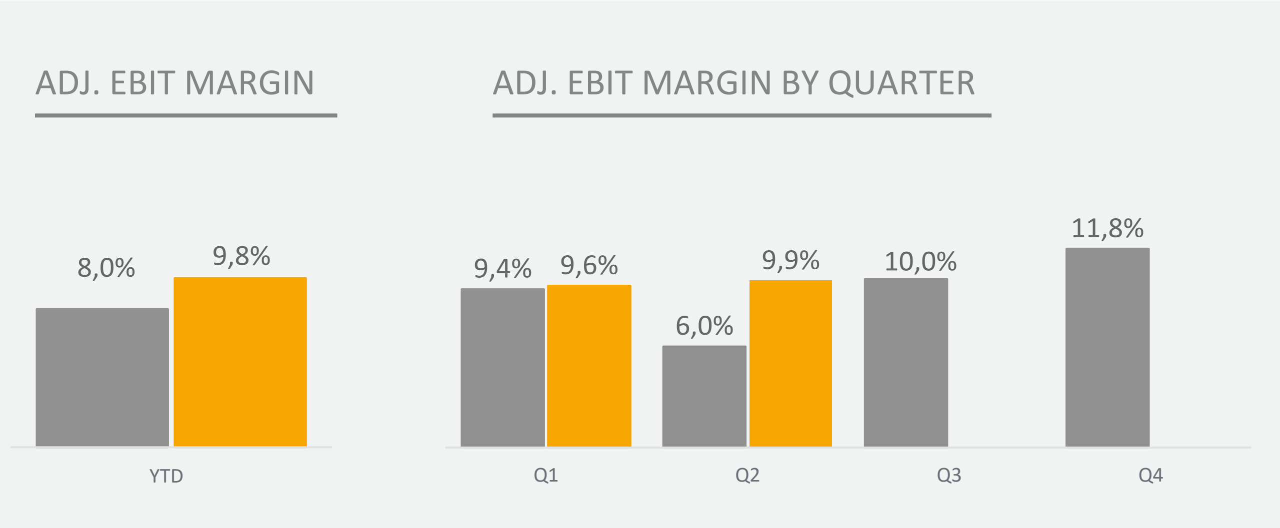
MAIN DRIVERS

- Sales strongly above previous years' level
  - Market share gains in EMEA
  - Americas catching up after ramp-up delays in Q1 2021
  - APAC driven by India and Australia
- Sales growth adjusted for FX effects: +32.7 per cent
- Adjusted gross profit margin improved by 90 basis points despite higher material and freight costs
- Adjusted SG&A sales ratio improved from 13.1 per cent to 11.1 per cent due to structural cost-cutting measures
- Restructuring costs significantly down (H1 2021: € 1.1 mn vs. H1 2020: € 9.4 mn)

STRONG PERFORMANCE LEADS TO INCREASE OF FULL YEAR GUIDANCE

EMEA: STRONG PERFORMANCE





MAIN DRIVERS

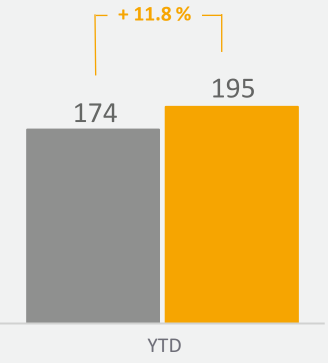
- Due to strong increase in both OE and AM business sales increased by 34.8 per cent to € 361 mn
- Sales growth adjusted for FX effects: +36.8 per cent
- Adjusted SG&A sales ratio improved from 13.5 per cent to 11.8 per cent due to structural cost-cutting measures
- Measures taken to counterbalance material price increases and supply chain shortages

EMEA REGION WELL POSITIONED TO MEET STRONG CUSTOMER DEMAND

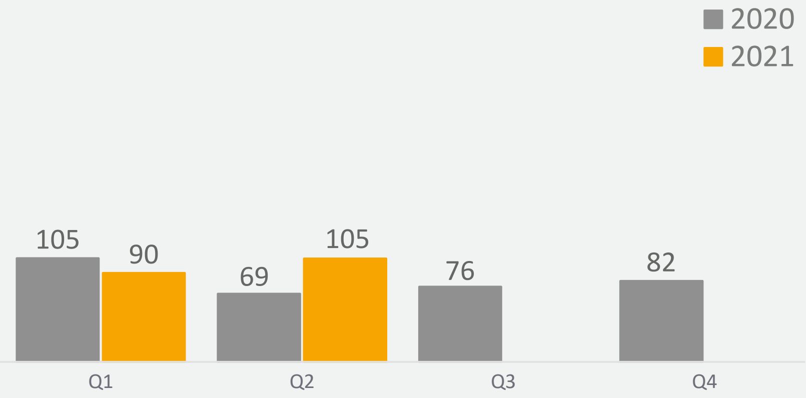
NOTE: All figures shown are rounded, minor discrepancies may arise from additions of these amounts.

AMERICAS: BACK TO PROFITABLE GROWTH

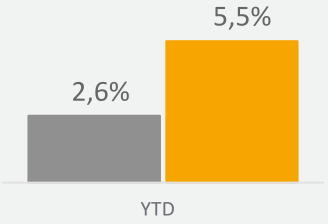
SALES (€ MN)



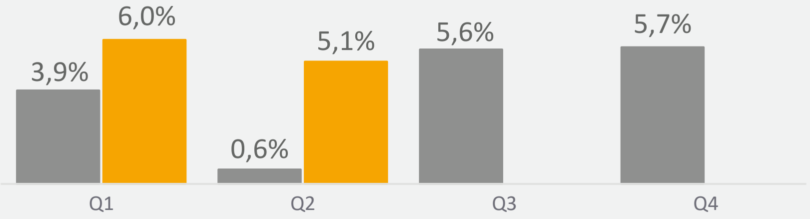
SALES BY QUARTER (€ MN)



ADJ. EBIT MARGIN



ADJ. EBIT MARGIN BY QUARTER



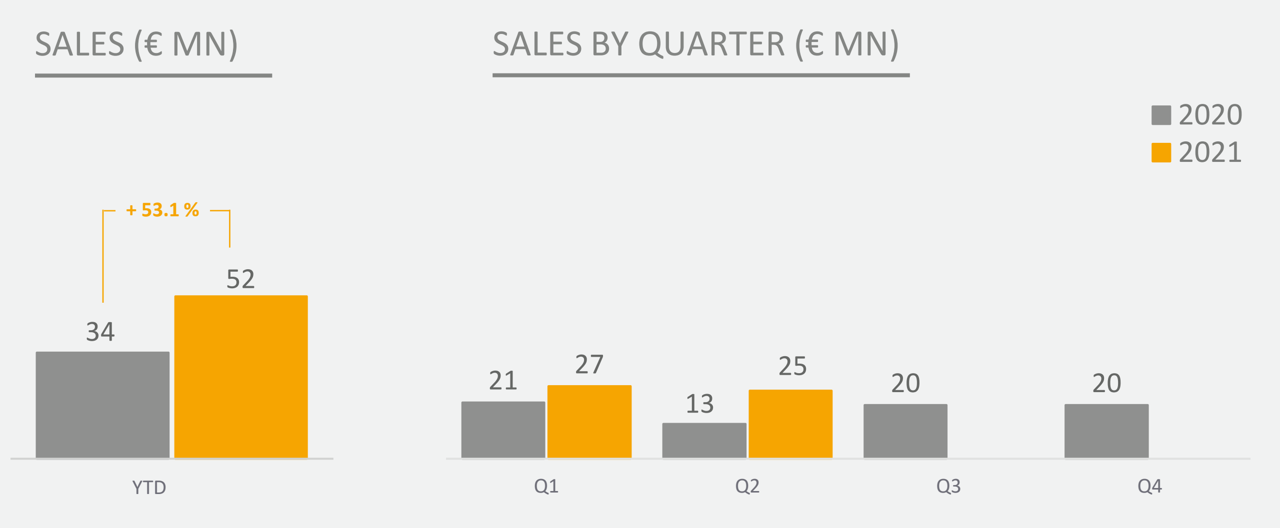
MAIN DRIVERS

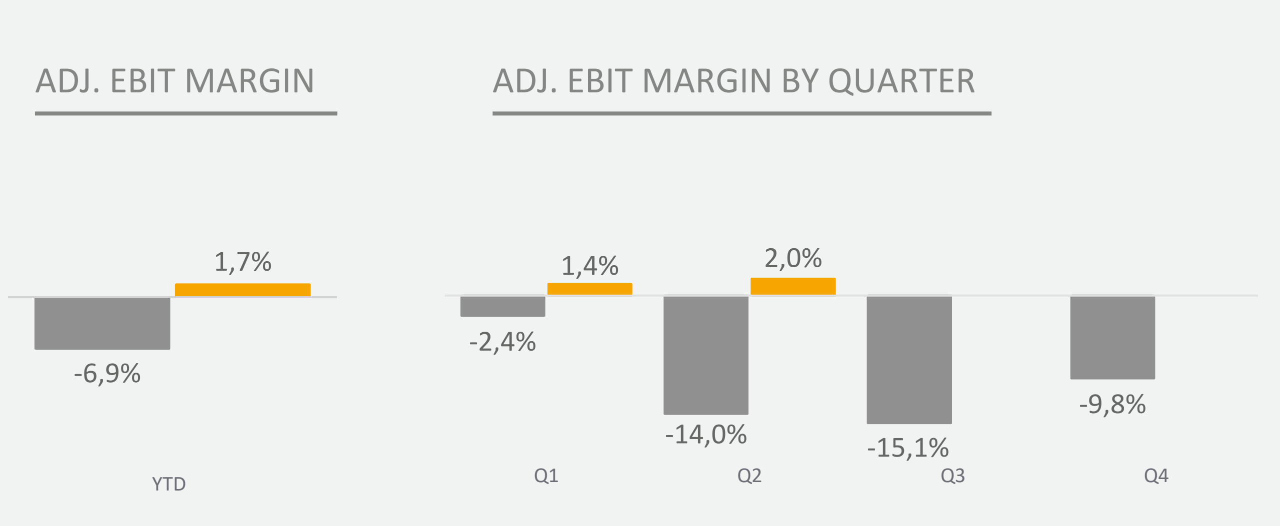
- Due to booming OE truck business and good aftermarket business sales increased by 11.8 per cent to € 195 mn
- US trailer business catching up in Q2 2021
- Sales increase adjusted for FX effects: +22.0 per cent
- Adjusted gross profit margin impacted by higher material and freight costs in Q2 2021
- Passing on of steel price increases in Q3 and Q4 2021
- Adjusted SG&A sales ratio improved from 11.8 per cent to 9.4 per cent due to structural cost-cutting measures

AMERICAS REGION GAINING MOMENTUM

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

APAC: FURTHER MARGIN IMPROVEMENT





MAIN DRIVERS

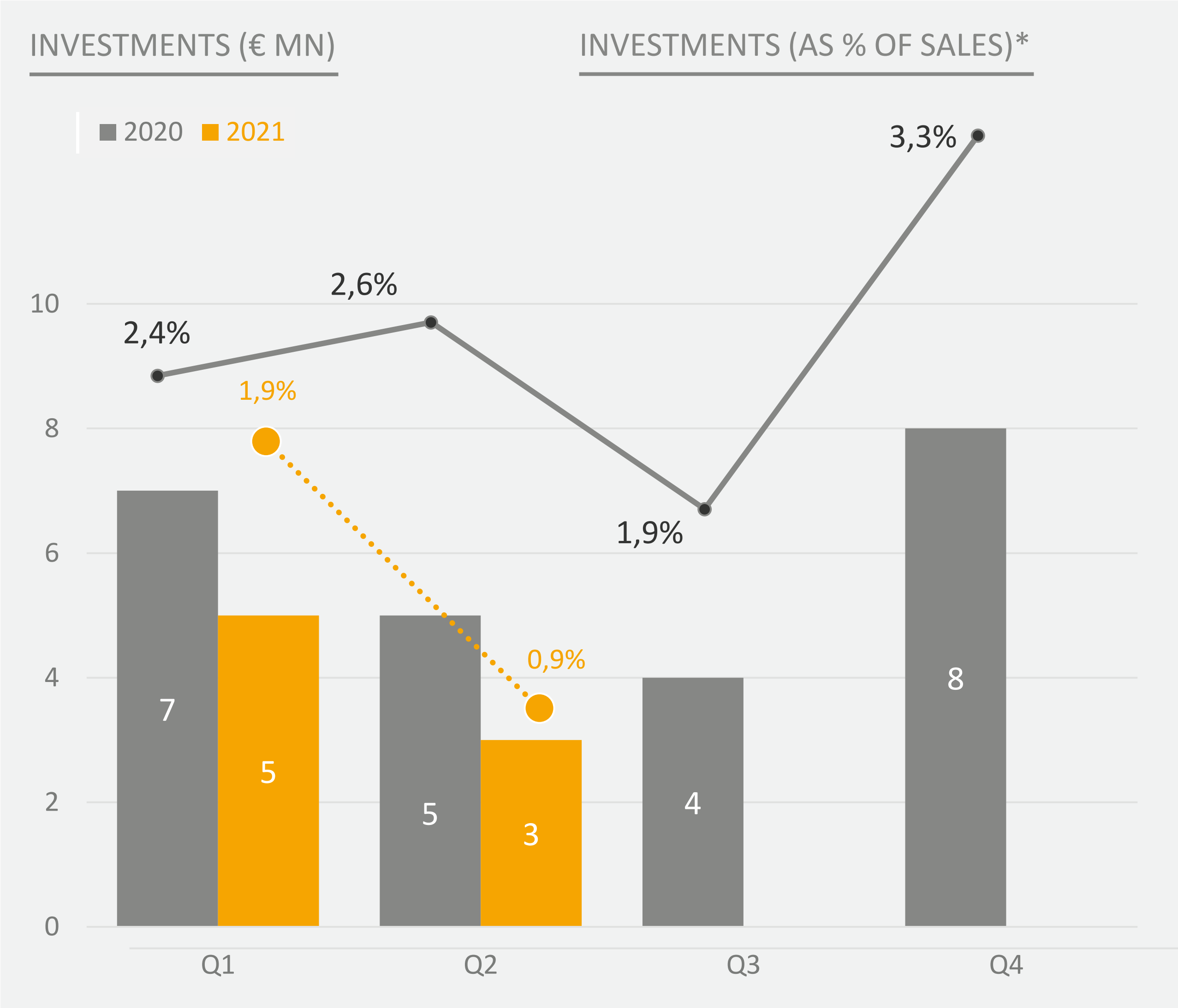
- Sales increased by 53.1 per cent especially driven by strong OE business
- Sales growth adjusted for FX effects: +55.5 per cent
- Strong improvement of adjusted gross margin
- Adjusted SG&A sales ratio improved from 16.3 per cent to 12.4 per cent due to structural cost-cutting measures

APAC REGION HAS LAID THE FOUNDATION FOR FUTURE PROFITABLE GROWTH

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

2. Financial Performance

INVESTMENTS: DELAYED DUE TO TIMING ISSUES

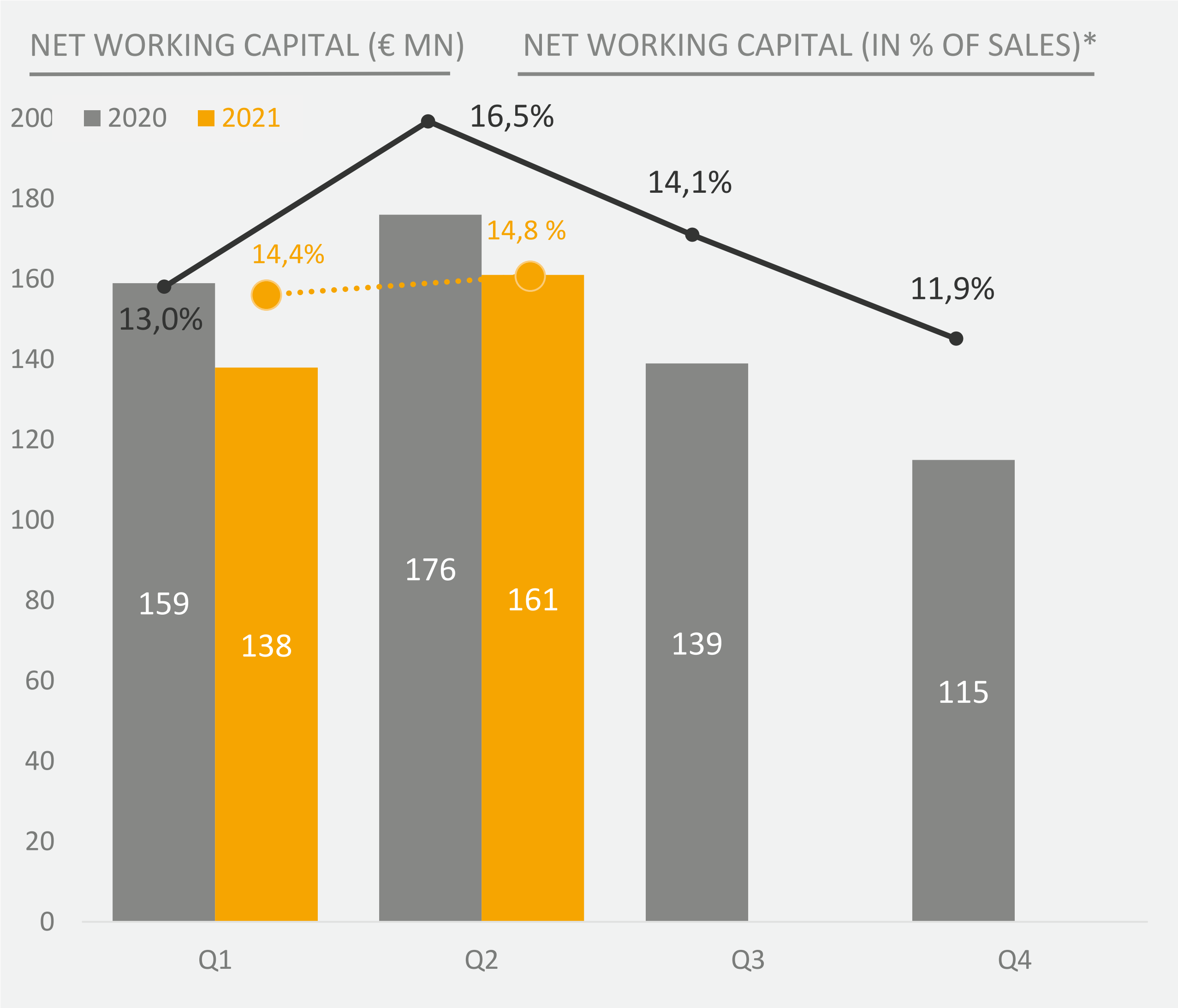


- Capex ratio of 1.4 per cent in H1 2021 not representative for the full year
- Focus of investing activities in H1 2021: efficiency-enhancing measures
- Many investment projects are only at the beginning; cash outflow will follow in the subsequent quarters

CAPEX WITH CATCH UP IN H2 2021

* Purchase of PP&E and intangible assets

NET WORKING CAPITAL: CYCLICAL INCREASE TO SAFEGUARD DELIVERY PERFORMANCE



- Due to very high demand combined with severe tightness in supply chain, conscious investment in NWC was necessary in Q1 2021 and Q2 2021
- Material availability and freight capacity extremely tight
  - Inventories up by 39.2 per cent to € 176 mn (compared to Q4 2020)
  - Trade receivables up 56.1 per cent to € 149 mn (compared to Q4 2020)

  driven by growth

  - Trade payables up by 52.4 per cent to € 163 mn (compared to Q4 2020)
  - NWC in percent of LTM sales with 14.8 per cent slightly above Q1 2021

NWC REBOUND EXPECTED TO EASE UP IN THE COURSE OF THE YEAR

- Net working capital ratio (ratio of inventories and trade receivables less trade payables to LTM sales)
  Sales (LTM) up by 13.7 per cent to € 1.091 mn

CASH CONVERSION RATE: NET WORKING CAPITAL KEY DRIVER

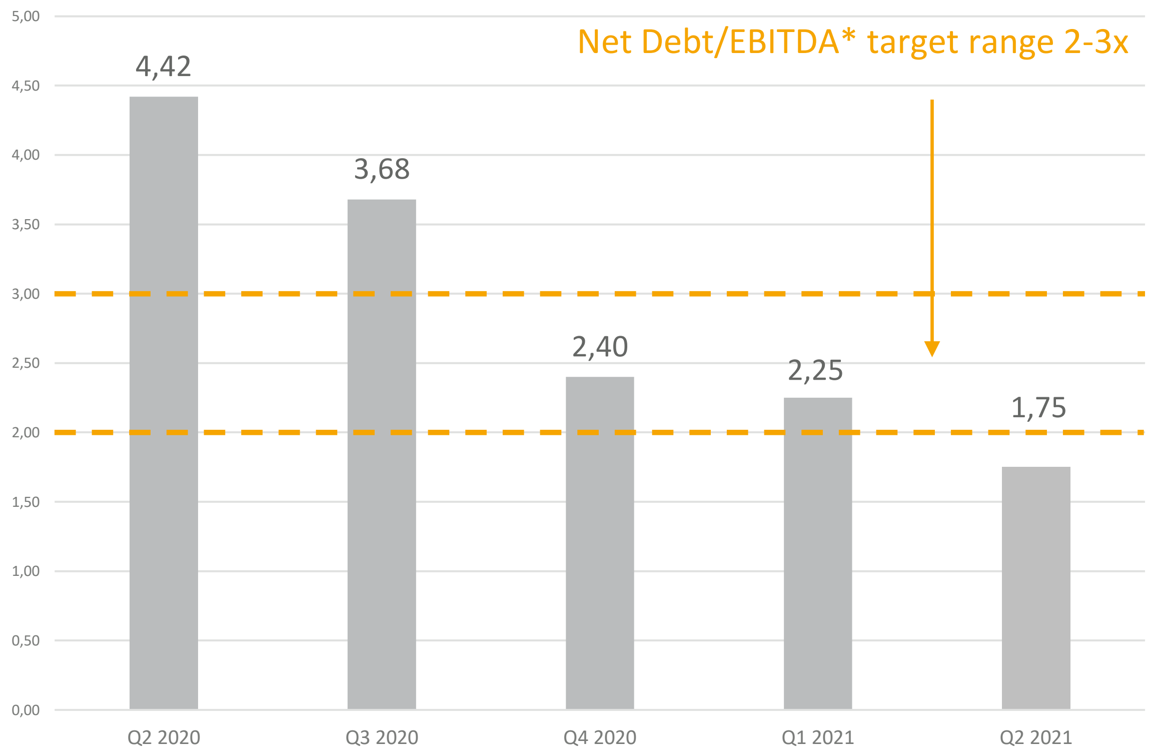
in EUR thousands	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
EBITDA	**6,551**	**21,059**	**28,606**	**30,827**	**33,773**
Change in NWC ***	-20,207	29,207	24,519	-23,118	-23,043
Other Cash and Non-Cash Items ***	3,726	6,808	7,964	1,424	1,108
Operating cash flow *	**-9,930**	**57,074**	**61,089**	**9,133**	**11,838**
Cash Conversion Rate in % **	**-151.6**	**271.0**	**213.6**	**29.6**	**35.1**
Net Capex	-5,030	-4,073	-8,249	-5,201	-2,940
Operating free cash flow *	-14,960	53,001	52,840	3,932	8,898

- before income tax paid

** Operating cash flow divided by EBITDA

*** Change in other provisions and pensions has been regrouped into Other Cash and Non-Cash Items. Q2 2020 to Q1 2021 figures retrospectively adjusted according to the new definition.

NET DEBT/EBITDA*: FURTHER DELEVERAGING ACHIEVED



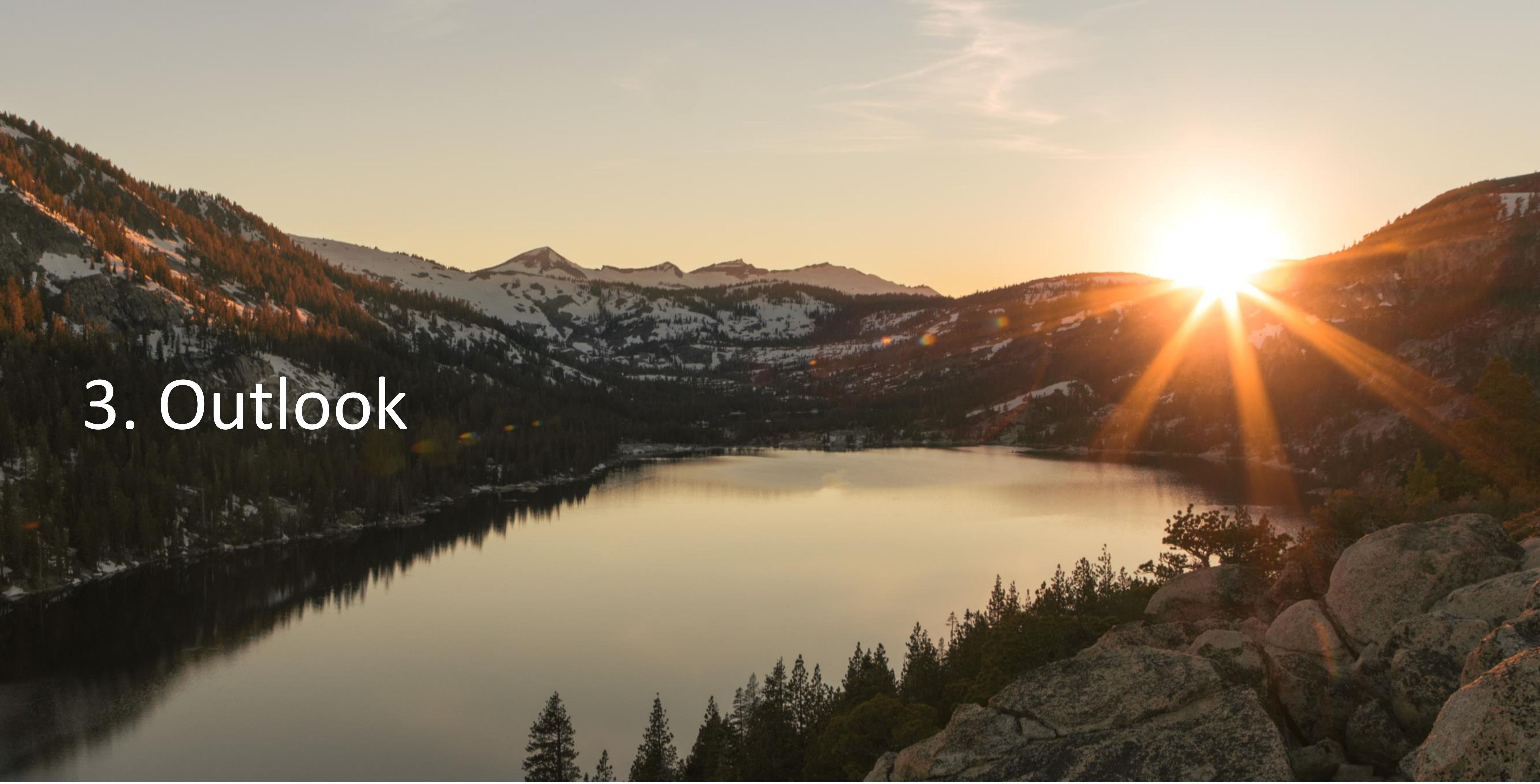
€ MN	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
Net Debt	278.9	232.4	196.7	195.6	200.4
EBITDA*	63.0	63.2	82.1	87.0	114.3

* Unadjusted EBITDA (LTM)

- Q2 2021 shows further improvement driven by substantially better EBITDA (LTM) despite slightly higher Net Debt
- Further sequential deleveraging expected in the upcoming quarters mainly driven by better EBITDA
- Strong gross liquidity position totalling € 365 mn (YE 2020: € 371 mn)
- Improved balance sheet structure and financial headroom provide flexibility for future growth

GOOD FINANCIAL PROFILE PROVIDES FLEXIBILITY

3. Outlook



TRUCK AND TRAILER PRODUCTION 2021: STRONG UPSWING

	EUROPE		NORTH AMERICA		SOUTH AMERICA*		CHINA		INDIA	
	Truck	Trailer	Truck	Trailer	Truck	Trailer	Truck	Trailer	Truck	Trailer
New:	+25% to +30%	+20% to +25%	+45%	+45%	+45%	+20%	0% to -5%	-5% to -10%	+115%	+100%
Old:	+22%	+20%	+42%	+42%	+30%	+16%	-5% to -10%	0% to +5%	+114%	+182%

SIGNIFICANT REBOUND IN NORTH AMERICA AND INDIA | **HIGHER VOLUMES IN EUROPE AND SOUTH AMERICA** | **CHINA WITH LOWER VOLUMES**

NOTE: Market estimates for trucks and trailers based on ACT Research, CLEAR, ANFAVEA, Deutsche Bank Research and local sources
* mainly Brazil;
New: As of August 2021, Old: As of May 2021

GUIDANCE 2021* RAISED

	FY 2020	FY 2021* (new)	FY 2021 (old)
Sales	€ 959.5 mn	€ 1,100 mn to € 1,200 mn	€ 1,050 mn to € 1,150 mn
Adj. EBIT margin	6.1 per cent	Around 7.5 per cent	Around 7 per cent
CAPEX	2.5 per cent of sales	Around 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 WELL ON TRACK TO ACHIEVE OUR REVISED FULL YEAR TARGETS

KEY TAKEAWAYS

1. **Benefiting from the upswing in Europe, North America, Brazil and India based on leading market positions**
2. **Structural cost discipline safeguards strong operating performance**
3. **Disciplined approach to manage accelerating customer demand and working capital investments in recovery cycle**
4. **Further deleveraging expected**
5. **Material price impact included in revised full year guidance**

FINANCIAL CALENDAR & IR CONTACT

DATE	EVENT
01.09.2021	Commerzbank Corporate Conference
06.09.2021	dbAccess IAA Cars Conference
07.09.2021	dbAccess IAA Cars Conference
15.11.2021	Publication of the Quarterly Statement Q3 2021

INVESTOR RELATIONS CONTACT

Michael Schickling
T: +49 (0) 6095 301 617
E: ir@safholland.de

Alexander Pöschl
T: +49 (0) 6095 301 117
E: ir@safholland.de

Klaus Breitenbach
T: + 49 (0) 6095 301 565
E: ir@safholland.de

4. Appendix

TRUCK AND TRAILER PRODUCTION H1 2021: STRONG START TO THE YEAR

EUROPE		NORTH AMERICA		SOUTH AMERICA*		CHINA		INDIA	
Truck	Trailer	Truck	Trailer	Truck	Trailer	Truck	Trailer	Truck	Trailer
+47%	+35%	+60%	+34%	+115%	+68%	+20%	+15%	+168%	+81%

SIGNIFICANT INCREASE IN INDIA AND SOUTH AMERICA

HIGHER VOLUMES IN EUROPE, NORTH AMERICA AND CHINA

NOTE: Market estimates for trucks and trailers based on ACT Research, CLEAR, ANFAVEA and local sources
* mainly Brazil

P&L H1 2021: QUALITY OF EARNINGS SUBSTANTIALLY IMPROVED

in EUR thousands	H1 2021	Total Adjustments	H1 2021 adjusted*	in % of sales	H1 2020	Total Adjustments	H1 2020 adjusted*	in % of sales
Sales	608,124	–	608,124	100.0%	476,253	–	476,253	100.0%
Cost of sales	-496,103	1,205	-494,898	-81.4%	-398,550	6,524	-392,026	-82.3%
Gross profit	**112,021**	**1,205**	**113,226**	**18.6%**	**77,703**	**6,524**	**84,227**	**17.7%**
Other income	517	–	517	0.1%	803	-18	785	0.2%
Selling expenses	-29,382	3,515	-25,867	-4.3%	-28,758	4,040	-24,718	-5.2%
Administrative expenses	-31,847	582	-31,265	-5.1%	-32,914	3,501	-29,413	-6.2%
Research and development costs	-10,626	389	-10,237	-1.7%	-8,157	177	-7,980	-1.7%
Operating profit	**40,683**	**5,691**	**46,374**	**7.6%**	**8,677**	**14,224**	**22,901**	**4.8%**
Share of net profit of investments accounted for using the equity method	579	–	579	0.1%	754	–	754	0.2%
EBIT	**41,262**	**5,691**	**46,953**	**7.7%**	**9,431**	**14,224**	**23,655**	**5.0%**
Finance income	1,043	–	1,043	0.2%	1,403	–	1,403	0.3%
Finance expenses	-5,466	–	-5,466	-0.9%	-7,516	–	-7,516	-1.6%
Finance result	**-4,423**	**–**	**-4,423**	**-0.7%**	**-6,113**	**–**	**-6,113**	**-1.3%**
Result before taxes	**36,839**	**5,691**	**42,530**	**7.0%**	**3,318**	**14,224**	**17,542**	**3.7%**
Income taxes	-14,291	2,935	-11,356	-1.9%	-1,640	-3,221	-4,861	-1.0%
Tax rate (%)	38.8%		26.7%		49.4%		27.7%	
Result for the period	**22,548**	**8,626**	**31,174**	**5.1%**	**1,678**	**11,003**	**12,681**	**2.7%**

* Adjusted earnings correspond to the management perspective. The adjustments essentially include restructuring and transactions costs, write-off of goodwill, depreciation and amortization arising from purchase price allocations, expenses arising from the step-up of inventories arising from purchase price allocations and remeasurement effects related to call and put options.

GROUP: RECONCILIATION EBIT TO ADJUSTED EBIT

in EUR thousands	H1 2021	H1 2020	Change absolute	Change in %
EBIT	41,262	9,431	31,831	337.5%
EBIT margin in %	6.8%	2.0%		
Additional depreciation and amortization of property, plant and equipment and intangible assets from PPA	4,620	4,856	-236	-4.9%
Valuation effects from call and put options	–	–	–	–
Restructuring and transactions costs	1,071	9,368	-8,297	-88.6%
Adjusted EBIT	46,953	23,655	23,298	98.5%
Adjusted EBIT margin in %	7.7%	5.0%		

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

EMEA: RECONCILIATION EBIT TO ADJUSTED EBIT

in EUR thousands	H1 2021	H1 2020	Change absolute	Change in %
EBIT	32,815	16,919	15,896	94.0%
EBIT margin in %	9.1%	6.3%		
Additional depreciation and amortization of property, plant and equipment and intangible assets from PPA	2,332	2,321	11	0.5%
Valuation effects from call and put options	–	–	–	–
Restructuring and transactions costs	197	2,249	-2,052	-91.2%
Adjusted EBIT	35,344	21,489	13,855	64.5%
Adjusted EBIT margin in %	9.8%	8.0%		

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AMERICAS: RECONCILIATION EBIT TO ADJUSTED EBIT

in EUR thousands	H1 2021	H1 2020	Change absolute	Change in %
EBIT	**9,335**	**745**	**8,590**	**1153.0%**
EBIT margin in %	4.8%	0.4%		
Additional depreciation and amortization of property, plant and equipment and intangible assets from PPA	1,086	1,224	-138	-11.3%
Valuation effects from call and put options	–	–	–	–
Restructuring and transactions costs	301	2,552	-2,251	-88.2%
Adjusted EBIT	**10,722**	**4,521**	**6,201**	**137.2%**
Adjusted EBIT margin in %	5.5%	2.6%		

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APAC: RECONCILIATION EBIT TO ADJUSTED EBIT

in EUR thousands	H1 2021	H1 2020	Change absolute	Change in %
EBIT	**-888**	**-8,233**	**7,345**	**-89.2%**
EBIT margin in %	-1.7%	-24.1%		
Additional depreciation and amortization of property, plant and equipment and intangible assets from PPA	1,202	1,311	-109	-8.3%
Valuation effects from call and put options	–	–	–	–
Restructuring and transactions costs	573	4,567	-3,994	-87.5%
Adjusted EBIT	**887**	**-2,355**	**3,242**	**-137.7%**
Adjusted EBIT margin in %	1.7%	-6.9%		

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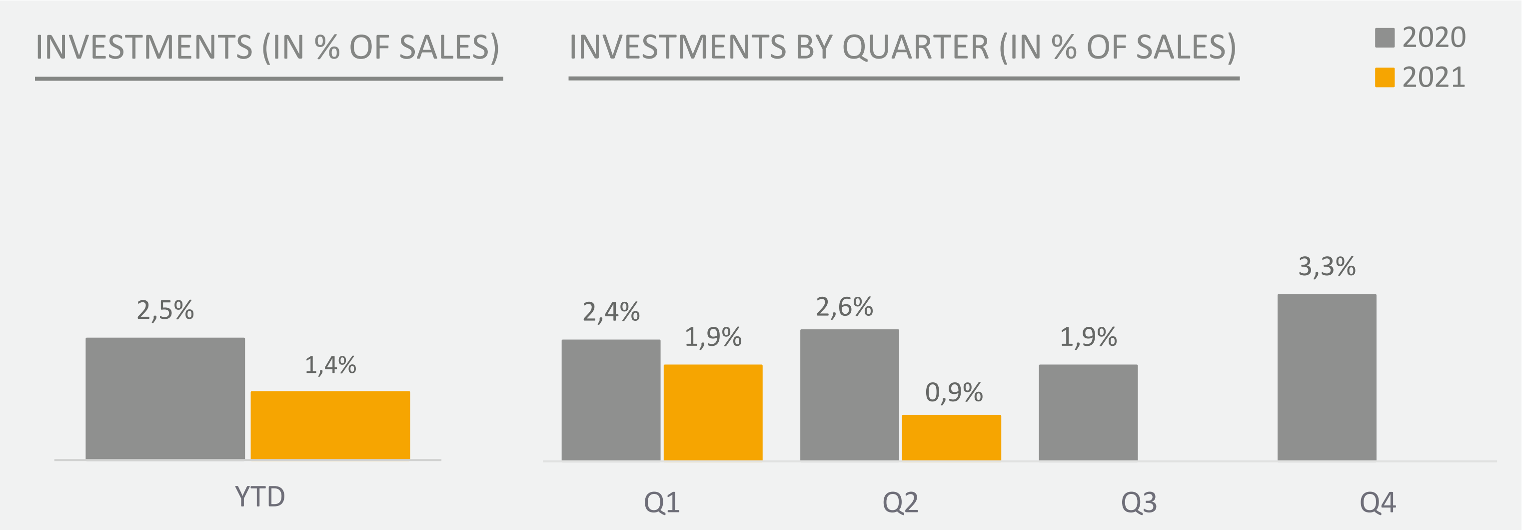
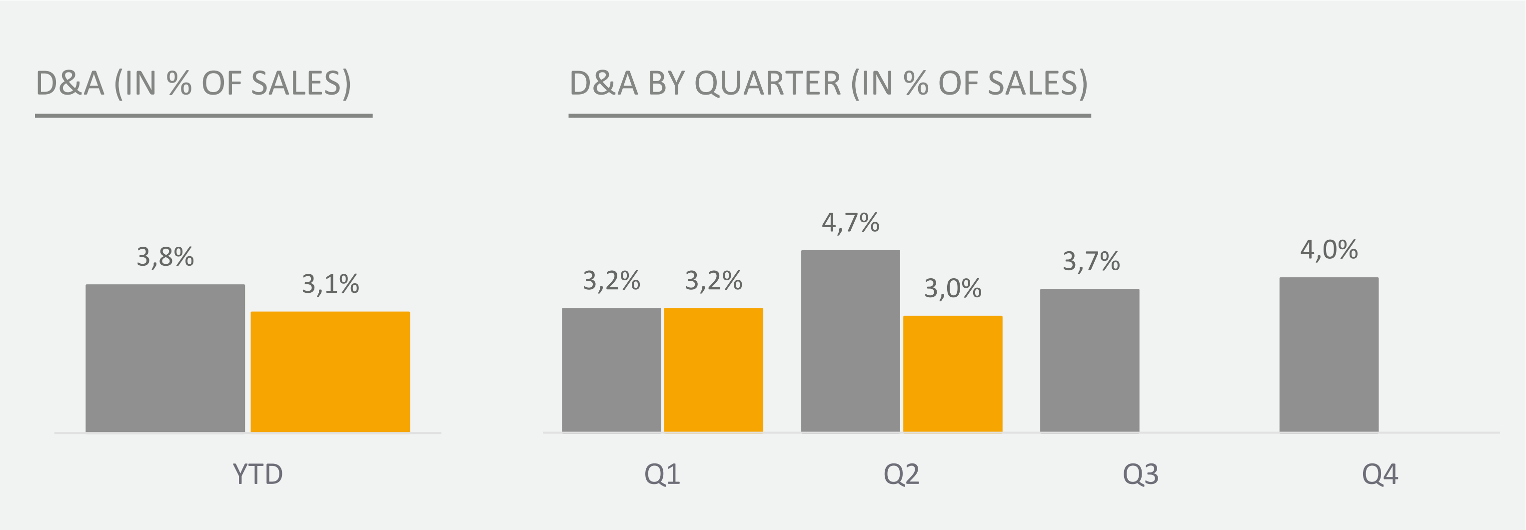
D&A RATIO: FURTHER LEVER TO IMPROVE ADJ. EBIT MARGIN





- **Investments** in plant, property, equipment and intangible assets reached 1.4 per cent of Group sales in H1 2021 (FY 2021 guidance: around 2.5 per cent of Group sales)
- **Focus of investments:** further automation of production processes at the Bessenbach location, set up of new production location in Russia and post-contractual payments for the Yangzhou plant
- **Close monitoring of the investment approval process** to streamline capital allocation
- **Depreciation and Amortization ratio (excl. PPA, impairment of goodwill and R&D projects)** has peaked in Q2 2020

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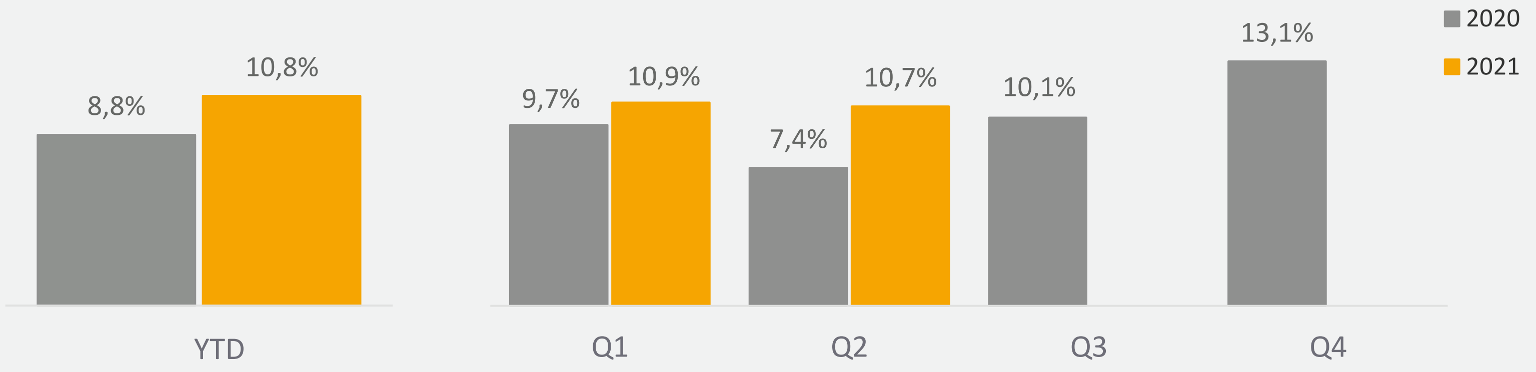
ADJ. EBITDA MARGIN

GROUP

ADJ. EBITDA MARGIN

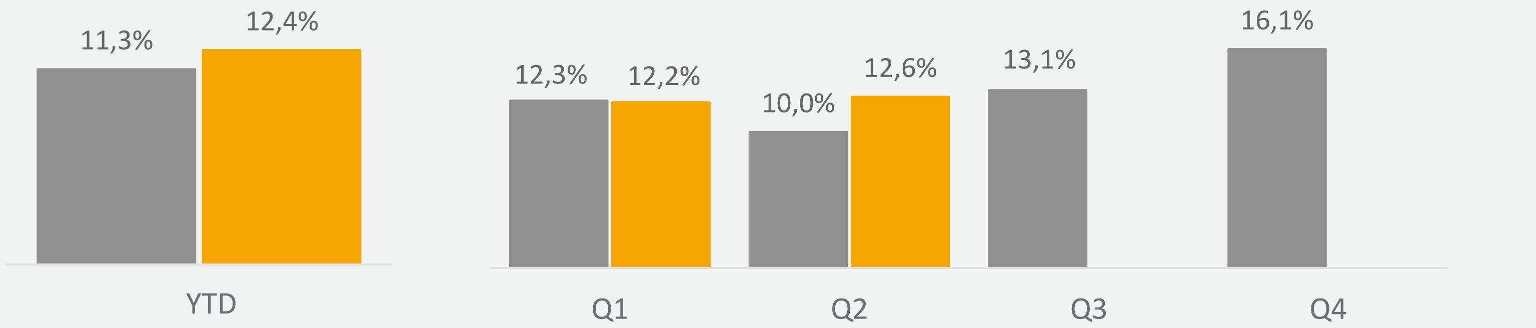
ADJ. EBITDA MARGIN BY QUARTER



EMEA

ADJ. EBITDA MARGIN

ADJ. EBITDA MARGIN BY QUARTER



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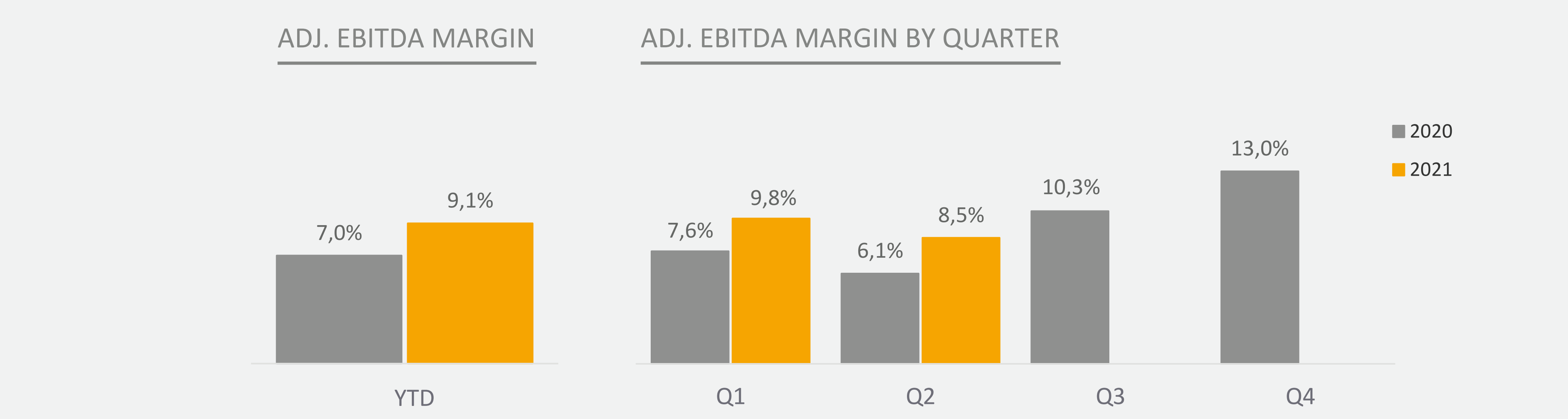
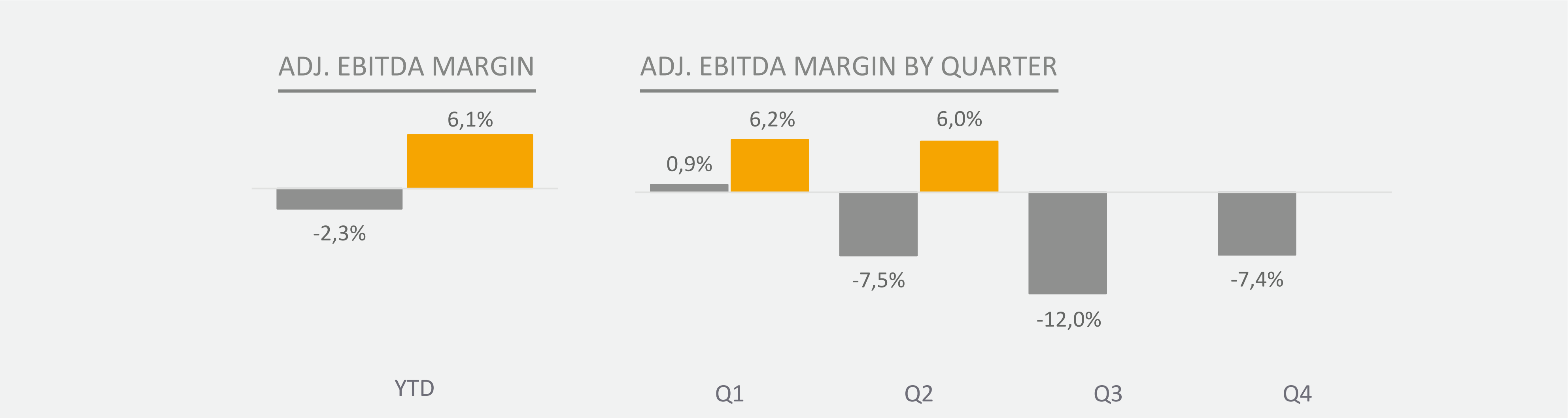
ADJ. EBITDA MARGIN

AMERICAS



APAC



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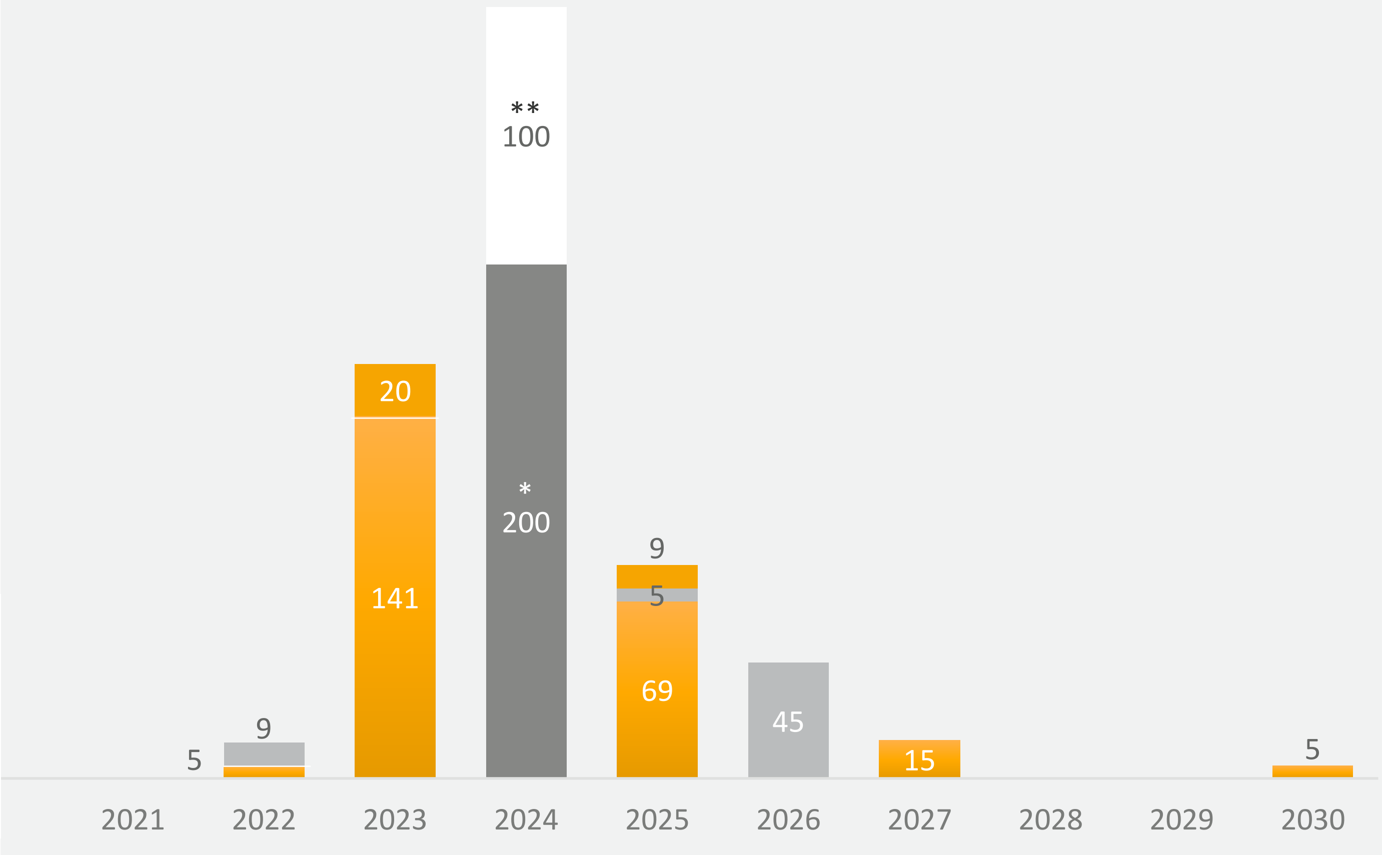
CURRENT FINANCING STRUCTURE

MATURITY PROFILE (€ MN)



Product	Amount € mn	Maturity date
Loan RMB	9.0	06/2022
Promissory note loan old (7 years)	5.0	11/2022
Promissory note loan new (3 years)	141.0	03/2023
Promissory note loan new (3.5 years)	20.0	09/2023
Revolving credit facility***	200.0	10/2024
Promissory note loan new (5 years)	69.0	03/2025
Loan	5.0	09/2025
Promissory note loan old (10 years)	9.0	10/2025
Non-current loan	45.0	06/2026
Promissory note loan new (7 years)	15.0	03/2027
Promissory note loan new (10 years)	5.0	03/2030

- RCF mostly undrawn ** option for an additional € 100 mn *** additional one year extension possible

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