

ANNUAL REPORT

The Business Year 2018

LETTER FROM THE CEO



Alexander Geis,
Chief Executive
Officer (CEO)

*Ladies and Gentlemen,
Dear Shareholders and Investors,*

2018 was in many ways an eventful year for SAF-HOLLAND. Group sales exceeded the EUR 1.3 billion threshold for the first time. Two factors were major contributors to this performance. For one, our organic sales grew a remarkable 12 percent, outpacing the market growth in virtually all regions, which enabled us to continue to consolidate our market position. This positive performance was in response to the successful market launch of new products and, particularly, the innovative and pioneering solutions in the areas of disc brake technology and lightweight construction.

In addition, our sales development was positively influenced by the acquisitions of V.ORLANDI and the York Group. Both companies have fully met our expectations. What is even more significant than the volume of business gained is the strategic importance these companies have for SAF-HOLLAND. York has given us a foothold in

India, which is one of the fastest growing trailer markets worldwide. It has also opened up our access to other promising markets in the Asia-Pacific region, such as Thailand, Indonesia and Vietnam. With the acquisition of V.ORLANDI, we are expanding our product range to include coupling systems for agricultural and forestry vehicles and special applications in the mining sector. At the same time, V.ORLANDI helps us to consolidate our position as the number two in Europe for fifth wheel couplings.

With the acquisition of the British company Axscend, we added an application for digital trailer management to our product portfolio. With this application, important trailer data from components such as the brakes, lights and tires can be evaluated. We can now provide fleet managers with information about the condition of their fleets in real time; a crucial prerequisite for being able to

further optimize their processes and costs. Together with our own new developments, which we presented at last year's IAA Commercial Vehicles, we are reasserting our claim as a pioneer in the development of innovative customer solutions today and in the years to come.

Turning to the restructuring of our North American production network; despite the progress we made in the 2018 financial year, the higher-than-expected customer demand and related supply bottlenecks slowed down the anticipated reduction in our start-up costs. In addressing this situation, SAF-HOLLAND had made a deliberate decision to make timely delivery to customers and defending its market share its top priorities. The additional expenses that resulted, coupled with sharply higher steel prices, led us to revise our original target for the EBIT margin.

The further stabilization of our processes in North America and an accompanying improvement in our cost structures will be the focus of our efforts in the current financial year. These goals are also reflected in the recent changes that were made to the Group Management Board. On January 1, 2019, Dr. André Philipp assumed responsibility as Chief Operating Officer (COO) for all of the Group's production sites. His core tasks include optimizing the processes and launching an efficiency enhancement program specifically aimed at the North American production network. The expansion in the Board and the appointment of Mike Ginocchio as President APAC underscore the growing importance of the Asian market for SAF-HOLLAND. In my role as the new chair of the Group Management Board, I will pay particular attention to optimizing the Group-wide processes and structure alongside my responsibility for the EMEA region and global procurement.

2019 will be a transitional year. Many of the goals we set for the 2020 growth strategy have either already been achieved or are within reach. We have made significant progress in recent years, especially in our quest to become a global player. Since we presented our Strategy 2020 in the year 2014, we have increased Group sales by approximately 35 percent. With the acquisition of KLL in 2016 and York in 2018, we have significantly expanded our position in the emerging markets. And, this year, our new plant in China will start production. This will be not only SAF-HOLLAND's most modern plant but also its largest in terms of capacity. We believe the overall conditions in our industry will be challenging in 2019. However, thanks to our strong position in structurally growing market segments, we expect to be able to increase our sales by 4 to 5

percent in the current year. We also expect to achieve an adjusted EBIT margin around the mid-point of the range of 7 to 8 percent. We are standing by our goal of achieving an adjusted EBIT margin of at least 8 percent by 2020.

I am convinced that SAF-HOLLAND is well positioned given its product range, innovative strength and broad positioning in the three major commercial vehicle markets. We would like to sincerely thank you for the confidence that you have placed in your company and in us, and we look forward to continuing with you on the course ahead.

Sincerely



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

GROUP MANAGEMENT BOARD



ALEXANDER GEIS

Chief Executive Officer (CEO)
Chief Procurement Officer (CPO)
President EMEA region

Since February 26, 2019, CEO of SAF-HOLLAND.

Since January 1, 2019, Chief Procurement Officer, and since January 1, 2016, President of the EMEA region .

Since 1995 at SAF-HOLLAND, among others in sales and later responsible for the Aftermarket business

MBA degree from the University of Maryland



DR. MATTHIAS HEIDEN

Chief Financial Officer (CFO)

Since March 1, 2017, Chief Financial Officer (CFO) of SAF-HOLLAND

Previously, executive finance positions at SAP, among others CFO of SAP Germany and Middle and Eastern Europe

Doctorate degree in economics and degree in business administration from Saarland University, as well as qualified banker



DR. ANDRÉ PHILIPP

Chief Operating Officer (COO)

Chief Operating Officer (COO) of SAF-HOLLAND since January 1, 2019

Previously held executive positions at HELLA Group and Deutz Dalian Engine Co. Ltd., including CTO and COO

Holds a PhD in Economics and a degree in industrial engineering



STEFFEN SCHEWERDA

President Americas region

Since January 1, 2016, President of the Americas region

Since 1997 in various management roles at SAF-HOLLAND, among others President Trailer BU

Engineering degree from the University of Aachen and MBA degree from the Universities of Augsburg and Pittsburgh



GUOXIN MAO

President China

Since July 1, 2016, President China

Previously executive positions in the automotive and commercial vehicle industry, among others at General Motors and IVECO

Degree in mechanical & electrical Engineering from Shanghai Tongji University & Executive MBA from Singapur Nanyang University



MIKE GINOCCHIO

President APAC region

President of the APAC region since January 1, 2019

Has held several executive positions at SAF-HOLLAND since 1995

Juris Doctor,
Chicago Kent College of Law, Chicago

REPORT OF THE BOARD OF DIRECTORS



Martina Merz, Chair of the Board of Directors

Ladies and Gentlemen,
Dear Shareholders and Investors,

2018 was a financial year in which we, as the Board of Directors, were able to set the course for the sustainable success of the company together with the Group Management Board. The successful implementation of our 2020 growth strategy and its further development looking forward to the year 2025 was a particular focus of our work. This past year, we completed three acquisitions and substantially expanded our market position and technology base. We were also able to raise our forecast several times during the year. At the same time, however, we were also faced with unexpected burdens due to extremely high capacity utilization and the sharp increase in steel prices in North America. As a result, we did not fully achieve our original earnings target.

The Board of Directors placed a special focus on the North American business this financial year by launching the Special Committee North America in the fourth quarter. This committee was set up to consult with the local management and Group Management Board. The Board of Directors was intensely involved in the search for a Chief

Operating Officer and subsequently appointed Dr. André Philipp as the Company's new COO. Dr. Philipp is an established expert who brings important reinforcement to the Group Management Board. In his role, Dr. Philipp will pay particular attention to the North American operations and specifically to the processes of the Group-wide plant network, including optimizing and standardizing the process chains to reach the highest level of operational efficiency possible at all plants.

Next to focusing on the challenges that naturally arise in business operations after a period of strong growth, increasing internationalization and higher complexity, I and my colleagues on the Board of Directors place a strong emphasis on preparing the company for its next phase of corporate development. This preparation encompasses several levels within the company, from employee leadership to the processes and products – in an effort to ensure that SAF-HOLLAND remains a lasting pioneer and continues to strengthen its position during the technological and macroeconomic changes in the years ahead. I am very

confident that we will be successful and would like to thank you for your trust in us as we embark on this phase of development.

COOPERATION BETWEEN THE BOARD OF DIRECTORS AND THE GROUP MANAGEMENT BOARD

The Board of Directors conscientiously carried out its duties in the 2018 financial year in accordance with the law, Articles of Association and Rules of Procedure. It regularly advised the Group Management Board on operational management and oversaw the conduct of business. The Group Management Board informed the Board of Directors promptly, regularly and comprehensively about all material events and developments related to the Company, both in writing and verbally. The focus of these exchanges was the development of orders, sales and earnings. The Board of Directors and the Group Management Board worked closely together to align the Group's strategic direction and mutually discussed market developments alongside the topics of risk management, compliance and the Group's financial situation. The Board of Directors was also involved in sustainability issues and the non-financial reporting of the SAF-HOLLAND Group. In this context, the Board of Directors specifically discussed employee, social and environmental issues, as well as respect for human rights and the fight against corruption and bribery. Matters requiring approval were submitted by the Management Board in good time and approved after a thorough review by the Board of Directors.

KEY TOPICS OF DISCUSSIONS

As in the previous year, acquisitions were one of the main topics discussed by the Board of Directors during the reporting year. The Board was particularly involved in the acquisitions of V.ORLANDI S.p.A., York Transport Equipment (Asia) Pte. Ltd. and Axscend Ltd. announced during the year. Following the closing of the acquisitions, the Board of Directors also kept up-to-date with the progress made in integrating these companies into the Group. The Board concerned itself with a number of other possible acquisition targets, discussing not only the financial aspects but especially the strategic objectives.

Personnel decisions were another key topic in the discussions and particularly the search and selection of a new Chief Operating Officer (COO). At the end of December 2018, this search ended successfully with the appointment of Dr. André Philipp. The Board of Directors also

appointed Alexander Geis as Chief Procurement Officer (CPO) of the Group, in addition to his role as President of the EMEA region. As of January 1, 2019, Mike Ginocchio, who was previously Vice President of the APAC/China region, was appointed President of the APAC region and a new member of the Group Management Board. Also during the reporting year, the Board of Directors gave consideration to the overall talent management in the Group and succession planning for senior management.

MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors met for a total of six meetings during the 2018 financial year. Five of the meetings were conducted in person, and one was held as a conference call. At least one meeting took place in every quarter. All meetings, as well as the respective committee meetings, were fully attended by all members of the Board of Directors.

	Meeting days (incl. Committee meetings)	Meetings attended	Attendance in %
Martina Merz (Chair)	23	23	100%
Dr. Martin Kleinschmitt (Vice Chair)	23	23	100%
Detlef Borghardt	11	11	100%
Jack Gisinger	19	19	100%
Anja Kleyboldt	19	19	100%
Carsten Reinhardt	23	22	96%

In the meeting in the period from March 13–15, 2018, the focus was on the consolidated financial statements and the Group management report for the 2017 financial year. The Board of Directors approved the financial statements on the recommendation of the Audit Committee following a thorough examination. The Board of Directors also approved the agenda for the 2018 Annual General Meeting, which included the proposal for the reappointment of PriceWaterhouseCoopers Société Coopérative (PwC) as the external auditor for the 2018 financial year. The Board of Directors attended to the SAF-HOLLAND Group's first sustainability report for the 2017 financial year. The Board also reviewed the efficiency and effectiveness of its work and those of its committees as part of a self-assessment carried out with external support.

In its second meeting on May 3, 2018, the Board of Directors focused on the report on business development in the first quarter of 2018 as well as an analysis of the IT business unit and the digitization of business processes and quality management. This focus was in step with a decision by the Board of Directors in the prior year to regularly obtain a detailed picture of all areas critical to the Company's success. Among others, this also includes an assessment of the related investment planning.

The meeting on August 10, 2018, was conducted as a conference call. The main issue addressed in this meeting was the business development in the second quarter of 2018. The Board also dealt extensively with the situation in North America and the measures initiated to improve the region's earnings situation. Additionally, the Board of Directors discussed setting up a holding company to consolidate its existing activities in China. In this context, the Board further decided to purchase the outstanding 20% stake in Corpco Beijing Technology and Development Co., Ltd.

The Board of Directors held a two-day meeting from August 22 – 23, 2018, during which it discussed current business performance, as well as the development and outlook for the EMEA region's aftermarket business. Other topics included the budget for the upcoming financial year and the medium-term planning until 2023.

From November 6 – 7, 2018, the Board of Directors held another two-day meeting. Next to the appointment of Dr. André Philipp as Chief Operating Officer (COO), the focus of this meeting was primarily a review of the 2018 third quarter business performance and an update of the budget. In relation to this, the Board again thoroughly discussed the business development in North America. Other key topics included an analysis of the business development in the APAC/China region and the progress made in integrating the York Group into the existing Group structures. The Board of Directors also approved a draft for a new format for the remuneration report. For the first time, the Company will publish the compensation of the members of the Group Management Board on an individual basis as of the 2018 financial year in accordance with the requirements of the German Corporate Governance Code.

The final meeting of the year took place from December 6–7, 2018. As usual, the focus was on the budget for the upcoming year, mid-term planning and the performance targets for the Group Management Board. At this meet-

ing, the Board of Directors adopted new rules of procedure as a building block to further intensify the professionalization of the Board of Directors' work in 2018. The rules of procedure can be viewed on the Company's website. The Board of Directors adopted the new competency profile and dealt with the future composition of the Board of Directors.

The Board of Directors also met regularly during the financial year without the participation of the members of the Group Management Board.

WORK OF THE COMMITTEES

The Board of Directors receives support for its work from a total of four committees. In holding discussions and preparing for complex issues in these smaller groups, the Board of Directors aims, above all, to increase its efficiency. To facilitate this, the committees are delegated individual decision-making powers to the extent this is permitted by law. For information on the composition of the individual committees, please refer to the information in the corporate governance chapter starting on page 31.

AUDIT COMMITTEE

The Audit Committee met on four occasions during the reporting year. This Committee primarily dealt in depth with the annual financial statements, quarterly results, risk management and the results of the audit and compliance reviews and the status of implementation of the General Data Protection Regulation. During the reporting year, the Audit Committee also discussed the conclusion of a revolving credit facility with an expanded banking syndicate. The content of these meetings was presented to the Board of Directors and submitted for the Board's approval when required.

REMUNERATION COMMITTEE

The Remuneration Committee met five times in 2018 and, among other matters, dealt with the determination and review of the Group Management Board's remuneration. The services of an external advisor specialized in remuneration matters were used to perform this task.

NOMINATION COMMITTEE

The Nomination Committee, established in the 2018 financial year, met twice during the reporting year. The focus of this committee during the reporting year included finding a successor for the COO position. The Nomination Committee used the services of a recruitment company in the reporting year to fill executive positions.

SPECIAL COMMITTEE NORTH AMERICA

In the fourth quarter of 2018, the Board of Directors also established the Special Committee North America, which met for the first time in December. The purpose of this committee is to provide regular updates on the progress made in North America and maintain close contact with the Group Management Board and the management team in North America.

CORPORATE GOVERNANCE

SAF-HOLLAND S.A. is a Luxembourg-based Société Anonyme (S.A.), which is listed exclusively in Germany. As such, SAF-HOLLAND S.A. is subject to the corporate laws in Luxembourg and not those of Germany. Consequently, the Group is not required to comply with the German corporate governance regulations that apply to listed German companies. Nevertheless, because SAF-HOLLAND S.A. considers the German Corporate Governance Code an important foundation for responsible corporate governance, it is committed to complying with certain recommendations of the Code on the principles of good corporate governance.

During the 2018 reporting year, the Board of Directors intensely dedicated itself to the issue of corporate governance. The 2018 Declaration of Conformity on the recommendations of the German Corporate Governance Code was submitted by the Board of Directors of SAF-HOLLAND on March 15, 2018. The current Declaration of Conformity submitted on March 20, 2019, is available on the Company's homepage.

AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTS REVIEW MEETING

PricewaterhouseCoopers Société Coopérative (PwC) audited the December 31, 2018, consolidated financial statements prepared by SAF-HOLLAND S.A. The auditor issued an unqualified audit opinion and found that the consolidated financial statements give a true and fair view of the net assets, financial position, results of operations and the cash flows of the SAF-HOLLAND Group. The auditor confirmed that the Group management report, including the Declaration of Conformity on the German Corporate Governance Code, is consistent with the consolidated financial statements.

The consolidated financial statements, Group management report and the auditor's reports and documentation were promptly submitted to the members of the Board of Directors. Together with the Audit Committee, the financial statements, reports and documentation were thoroughly reviewed by the Board of Directors. The Board of Directors discussed the results of the audit at its meeting on March 19, 2019. The auditor was present for portions of that meeting and presented his key audit findings and answered Board members' questions. The Board of Directors approved both PwC's audit results and the consolidated financial statements as submitted. The Board of Directors endorsed the Group Management Board's proposal for the appropriation of retained earnings and recommended proposing an unchanged dividend per share of EUR 0.45 (previous year: EUR 0.45) for the 2018 financial year for the 2018 financial year at the Annual General Meeting on April 25, 2019.

The Board of Directors would also like to thank all of the employees, the employee representatives and the Management Board for their tremendous dedication and valuable contribution during the 2018 financial year.

Luxembourg, March 20, 2019



Martina Merz
Chair of the Board of Directors

SAF-HOLLAND ON THE CAPITAL MARKET

OVERVIEW OF STOCK MARKET AND SHARE PRICE PERFORMANCE

SAF-HOLLAND SHARES HINDERED BY UNFAVORABLE MARKET AND SECTOR ENVIRONMENTS

2018 was a disappointing year for the German stock market. After starting the year on an encouraging note, growing concerns about the escalating trade dispute between the US and China, the European Union and other states began to emerge. In the second half of the year, the stock market was additionally weighed down by the deteriorating economic outlook in Europe and China, uncertainties surrounding the impending Brexit, the budgetary plans of the new Italian government and fears of excessive interest rate hikes in the US. In this environment, the DAX lost 18.3% of its value in 2018, and the SDAX small-cap index, whose companies are more dependent on the domestic economy than global trade, also lost 20.0% for the year.

Shares of the German car manufacturers and suppliers also suffered from a number of sector-specific issues, including concerns about higher import duties on European cars in the US, a decline in production resulting from the new WLTP emissions tests and the continued diesel ordeal. All of this contributed to a 27.2% decline in the relevant sector index, the DAXsector Automobile, which significantly underperformed the DAX in 2018.

SAF-HOLLAND shares failed to escape the effects of the adverse sector environment in 2018. The change in the forecast for the adjusted EBIT margin in 2018 also weighed on the share price. And after closing at an all-time high of EUR 19.91 on January 12, 2018, the share price corrected and reached the year's low of EUR 10.83 on December 17. SAF-HOLLAND shares went on to end the year at EUR 11.20, corresponding to a price decline of 37.6%.

TRADING VOLUME IN SAF-HOLLAND SHARES INCREASES ALMOST 30%

The average daily trading volume in SAF-HOLLAND shares on all German stock exchanges – a key investment criterion, particularly for institutional investors – increased 28.8% to approximately 149,800 shares in 2018 (previous year: 116,300). The daily turnover in the SAF-HOLLAND share increased by 23.9% to EUR 2.2 million (previous year: EUR 1.8 million). The rise in trading volume was in part due to the change in the shareholder structure during the reporting year (see the section entitled “Shareholder structure” on page 14).

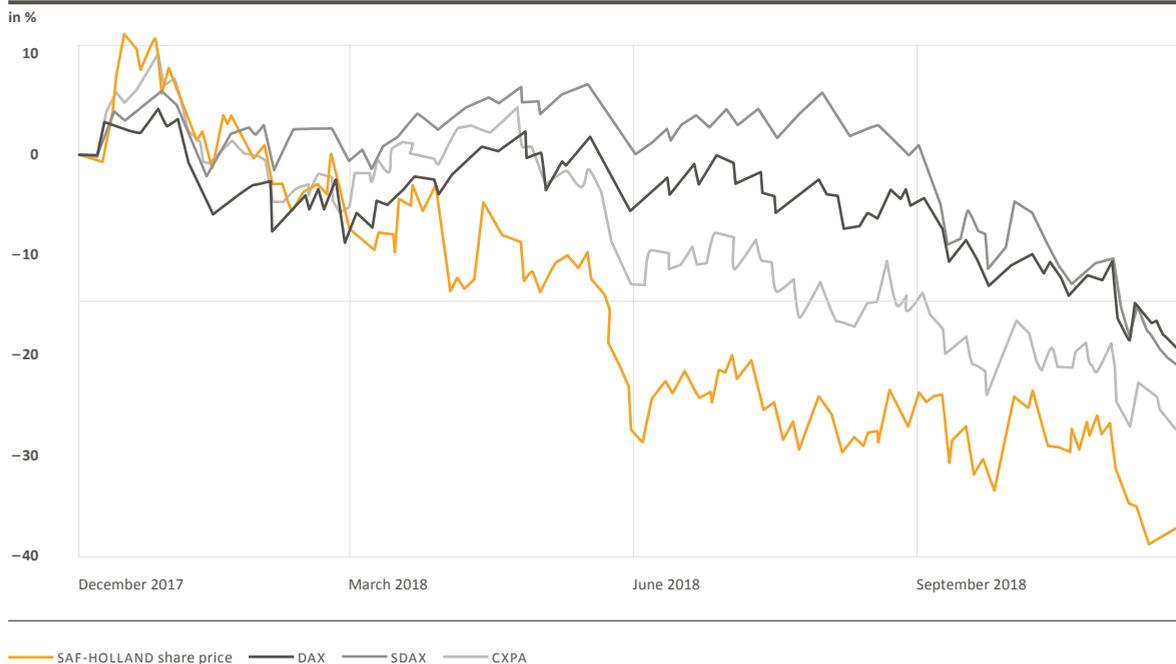
For the past several years, however, the importance of the trading volume on the regular German stock exchanges has been declining steadily. In 2018, Xetra and Tradegate together accounted for 36% of the total trading volume in SAF-HOLLAND shares (previous year: 44%) with the regional stock exchanges accounting for well below 1% (previous year: just over 1%). This is in contrast to alternative trading venues which, combined, accounted for over 60% of trading volumes in the reporting year. These venues include so-called dark pools (such as Turquoise and Blockmatch) and other over-the-counter trading platforms such as CBOE. These venues are used, above all, by investment banks, brokerage firms and institutional investors who prefer to deal with each other directly.

POSITION IN THE INDEX RANKING

In September 2018, Deutsche Börse AG reformed its regulations governing the composition of its selection indices. The existing division between technology sectors and traditional sectors was abandoned, opening up both the MDAX and SDAX indices for technology companies. At the same time, Deutsche Börse expanded the MDAX from 50 to 60 stocks, and the SDAX increased from 50 to 70 stocks.

In the SDAX, SAF-HOLLAND ranked midrange among index members, landing in 41st place in terms of free float market capitalization and 36th place based on trading volume, respectively.

SAF-HOLLAND's share price performance relative to the DAX, SDAX and DAXsector Automobile indices



INVESTOR RELATIONS AND CAPITAL MARKET ACTIVITIES

SAF-HOLLAND RECEIVES GERMAN INVESTOR RELATIONS AWARD AGAIN IN 2018

In June 2018, SAF-HOLLAND was again the recipient of two coveted German Investor Relations Awards, awarded annually by the German Investor Relations Association e.V. (DIRK) in cooperation with the business magazine WirtschaftsWoche and corporate access company We-Convene Extel. SAF-HOLLAND ranked second for its investor relations activities for companies listed in the SDAX. SAF-HOLLAND also won the prize for the best Investor Relations Manager in the SDAX for the second consecutive year. SAF-HOLLAND sees these awards as a sign of acknowledgment and recognition for its investor relations' efforts over the past several years. They also give the Group an incentive to continue to maintain its policy of open and constructive communications with the capital markets.

INVESTOR RELATIONS ACTIVITIES CONTINUE TO EXPAND

Within the scope of its investor relations activities, the Group provides comprehensive, timely and transparent information on current business developments, strategic objectives and today's trends in the truck and trailer markets. The department's focus is on preparing and hosting investor and analyst conferences on the annual financial statements, including regular telephone conferences with the publication of the quarterly figures. SAF-HOLLAND

also maintains close contact with investors, analysts, journalists and other capital market participants via personal discussions, investor conferences and roadshows.

In 2018, SAF-HOLLAND deliberately expanded its investor relations activities. This expansion included hosting a total of seven roadshows and a focus on not only the London and Paris financial centers but also the Benelux countries, Scandinavia and Switzerland. The Company attended eight capital market conferences in Germany and abroad, during which members of the Group Management Board and the Investor Relations team presented the Group's current business developments and growth prospects and reported on the progress of the implementation of the strategic objectives. Another highlight of last year's activities was the Capital Markets Day held in September during the IAA Commercial Vehicles Exhibition, which received an excellent response. Along with presentations by the CEO, CFO and Vice President Digital & Strategy, visitors had the opportunity to talk to specialists from the R&D departments while touring the exhibition booth.

The interest from the capital markets in SAF-HOLLAND was evident by the large number of company visits from investors and analysts. SAF-HOLLAND gave visitors an insight into the production and engineering areas. In addition to the plant tours, the key topics of interest included technology trends in the areas of weight reduction and digitization, as well as the future outlook for the Company.

Further detailed and up-to-date information on SAF-HOLLAND's shares and convertible bonds is published on the Investor Relations website at <http://corporate.safholland.com/en/investor-relations>. Here you will find important figures, current financial news and information about the Annual General Meeting, along with reports, presentations and recorded conference calls.

SAF-HOLLAND's website also now features analyst consensus estimates, giving investors a tool they can use at any time to find the sales and earnings expectations for the current quarter and the full year. This data is provided directly by the analysts to Vara Research, which ensures that the process remains independent and objective.

**PREDOMINATELY POSITIVE ANALYST RATINGS;
AVERAGE PRICE TARGET EXCEEDS EUR 18.00**

SAF-HOLLAND is followed and analyzed by both national and international banks and research companies. At the end of 2018, a total of 12 brokers covered SAF-HOLLAND shares. Of these, ten analysts recommended either buying the stock or believed that SAF-HOLLAND shares would outperform the overall market. Two of the recommendations were "hold" and "accumulate." The analysts' price targets ranged from EUR 13.80 to EUR 23.00. The average price target was approximately EUR 18.23, implying significant upside potential versus the current share price.

Analyst Ratings as of December 31, 2018

Bankhaus Lampe	Buy
Berenberg	Buy
Commerzbank	Buy
Deutsche Bank	Hold
equinet	Accumulate
Hauck & Aufhäuser	Buy
HSBC	Hold
Kepler Cheuvreux	Buy
MainFirst	Outperform
M.M. Warburg	Buy
Montega	Buy
ODDO BHF	Buy

The latest analyst ratings are available on the Investor Relations website under the menu item "Share."

**SHAREHOLDER STRUCTURE: PROPORTION OF
INSTITUTIONAL INVESTORS RISES ABOVE 25%**

SAF-HOLLAND shares are widely held. According to the definition of Deutsche Börse AG, 100% of the shares of the Company are in free float. The shareholder base consists primarily of institutional investors such as fund managers, asset managers, banks and insurance companies, as well as private investors from both Germany and abroad. The major shareholders are primarily capital investment companies from Great Britain, the United States, France, Scandinavia and the Benelux countries.

Based on the voting rights notifications available to SAF-HOLLAND, five institutional investors held more than 5% of the Company's share capital as of December 31, 2018:

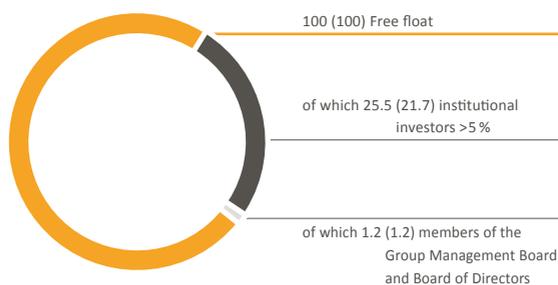
Shareholder name	% share of notified voting rights
Times Square Capital, USA	5.19%
NN Group N.V., NL	5.16%
Kempen Oranje Participaties, NL	5.07%
Nordea 1 SICAV, LUX	5.06%
Union Investment Privatfonds, D	5.04%

The share of institutional investors with holdings of more than 5% of the Company's share capital increased to 25.5% compared to the previous year (previous year: 21.7%).

The members of the SAF-HOLLAND S.A. Group Management Board and Board of Directors together held a total of 1.2% of the outstanding shares.

Shareholder structure 2018

in %



Status: December 31, 2018

2018 ANNUAL GENERAL MEETING RESOLVES DIVIDEND INCREASE TO EUR 0.45 PER SHARE

In accordance with a proposal from the Board of Directors, the Annual General Meeting of SAF-HOLLAND S.A. on April 26, 2018, resolved to distribute a slightly higher dividend of EUR 0.45 per share (previous year: EUR 0.44) for the 2017 financial year. This dividend corresponded to a total payout of around EUR 20.4 million (previous year: EUR 20.0 million) and a payout ratio based on the result for the period of 49.9% (previous year: 45.9%) and 47.6% of the result for the period attributable to parent company shareholders (previous year: 45.1%). This represents a continuation of SAF-HOLLAND's long-term dividend policy that generally aims to distribute between 40% and 50% of the result for the period to shareholders. Based on SAF-HOLLAND's closing share price for the 2017 financial year, the dividend yield amounted to 2.5% (previous year: 3.2%).

Key share information

WKN/ISIN	A0MU70/LU0307018795
Ticker symbol	SFQ
Number of shares	45,394,302
Designated sponsors	Commerzbank AG, ODDO SEYDLER BANK AG, Kepler Cheuvreux
Year high/low ¹	EUR 19.91/EUR 10.83
Year-end closing price ¹	EUR 11.20
Market capitalization	EUR 508.4 million

¹ XETRA closing price

CORPORATE BOND OVERVIEW

SAF-HOLLAND CONVERTIBLE BONDS

In 2014, SAF-HOLLAND issued convertible bonds with a total nominal value of EUR 100.2 million, which are listed on the open market of the Frankfurt Stock Exchange. The convertible bonds feature an interest coupon of 1.0% and mature on September 12, 2020. The first conversions into SAF-HOLLAND S.A. shares took place in the 2017 financial year, reducing the outstanding nominal volume of the convertible bonds to EUR 99.8 million.

Due to the cash dividend payment to the SAF-HOLLAND S.A. shareholders resolved by the 2018 Annual General Meeting, the conversion price and conversion ratio were adjusted in accordance with the bond conditions. As of April 27, 2018, the adjusted conversion price has been EUR 11.9235 (previously: EUR 12.0517) and the adjusted conversion ratio has been 8,386.7992 (previously: 8,297.5846).

The price of the convertible bond declined in 2018, in step with the development of SAF-HOLLAND's share price. After ending the 2017 financial year at a closing price of 139.0%, the bond closed on December 28, 2018, at 105.3%, corresponding to a price decline of 24.2%.

The convertible bond prices and important key figures and conditions can be found on the Investor Relations website under the menu item "Share."

SAF-HOLLAND CORPORATE BOND REDEEMED ON SCHEDULE

On April 26, 2018, SAF-HOLLAND redeemed its 2012 corporate bond on schedule. The bond had a nominal volume of EUR 75.0 million and a coupon of 7.0%.

**COMPANY'S BBB CREDIT RATING WITH STABLE
OUTLOOK RECONFIRMED**

On April 5, 2018, the rating agency Euler Hermes reconfirmed SAF-HOLLAND's BBB investment grade rating with a stable outlook for the next twelve months. In its analysis, Euler Hermes highlighted SAF-HOLLAND's excellent market position in axle and suspension systems for trailers in the EMEA region and fifth wheel couplings and suspensions in North America. The rating agency also justified its rating based on SAF-HOLLAND's positive growth prospects by pointing to the increase in global transportation volumes. According to Euler Hermes, the somewhat higher business risk from cyclical fluctuations in the commercial vehicle industry is met only by a low level of financial risk due to the Group's solid capital structure and financial flexibility. Euler Hermes expects the key figures to continue to improve in the years ahead as a result of the goals of the "Strategy 2020" globalization campaign, under which the Company is anticipating growth in new markets. According to the rating agency, the latest acquisitions corroborate the steady implementation of this strategy.