

# ADDITIONAL INFORMATION

128	—	Glossary of key financial figures and alternative performance measures
132	—	List of Abbreviations
134	—	Financial Calendar and Contact Information
135	—	Imprint

## GLOSSARY OF KEY FINANCIAL FIGURES AND ALTERNATIVE PERFORMANCE MEASURES

- A**
- **Actuarial gains and losses**  
Experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions.
  - **Adjusted EBIT**  
Earnings before interest and taxes (EBIT) is adjusted for special items, such as depreciation and amortization from purchase price allocations, impairment of goodwill and intangible assets, reversal of impairment of intangible assets as well as restructuring and integration costs.
  - **Adjusted EBIT margin**  
 $\text{Adjusted EBIT}/\text{sales} \times 100$
  - **Adjusted equity ratio**  
 $\text{Equity}/\text{adjusted total capital} \times 100$   
(Total capital adjusted for cash and cash equivalents and other short-term investments that exceed SAF-HOLLAND's targeted level of EUR 7 million)
  - **Available net earnings**  
Result for the period excluding non-cash components
- C**
- **Call option**  
A call option gives the buyer the right, but not the obligation, to buy the underlying stock (the underlying asset) at a specified price (the strike price) by a set date (the expiration date).
  - **Cash conversion rate**  
 $\text{Cash flow from operating activities before income taxes paid}/\text{adjusted EBIT} \times 100$
  - **Cash-generating unit**  
Cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets.
- **Clearing house**  
An institution connected to or integrated into a derivatives exchange, which offsets all exchange transactions and acts as counterparty to the buyer and the seller after each transaction.
  - **Convertible bond**  
A debt issue that may be exchanged, or converted, by the owner for a fixed number of common shares, or other securities, usually of the same company, in accordance with the terms of the issue. Companies also issue convertible preferred shares.
  - **Coverage**  
Analysts at renowned banks and investment houses regularly observe and evaluate the development of SAF-HOLLAND S.A.'s shares.
  - **Currency effects**  
Effects on sales resulting from a year-on-year change in the exchange rate of a foreign currency in relation to the Group's reporting currency of euro.
- D**
- **Dark pools**  
Alternative venues for trading equities outside of the regular organized stock exchanges.
  - **DAX**  
The German Stock Index (DAX) consisting of the 30 largest listed companies in Germany measured by market capitalization and trading volume.
  - **Days inventory outstanding**  
 $\text{Inventory}/\text{cost of sales per day}$  (cost of sales of the quarter/90 days)
  - **Days payable outstanding**  
 $\text{Trade payables}/\text{cost of sales per day}$  (cost of sales of the quarter/90 days)
  - **Days sales outstanding**  
 $\text{Trade receivables}/\text{sales per day}$  (sales of the quarter/90 days)

— **DBO**  
Defined Benefit Obligation

— **Dividend payout ratio**  
The percentage of available net earnings paid out as a dividend.

— **Dividend yield**  
Dividend per share/share price x 100

## E

— **EBIT**  
Earnings before interest and taxes

— **EBITDA**  
Earnings before interest, taxes and depreciation/amortization

— **Effective income tax rate**  
Income tax/earnings before tax x 100

— **Equity ratio**  
Equity/total assets x 100

— **EURIBOR**  
Euro Interbank Offered Rate is the interest rate at which banks within Europe borrow fixed-term funds from one another.

## F

— **FAHfT**  
Financial assets held for trading

— **Fair value**  
Amount obtainable from the sale in an arm's length transaction between knowledgeable, willing parties.

— **FLAC**  
Financial liabilities measured at amortized

— **FLHfT**  
Financial liabilities held for trading

— **Free cash flow**  
Operating cash flow minus capital expenditures

— **Free Float**  
The portion of a company's shares outstanding that are not closely held. According to Deutsche Börse AG, shareholdings in companies in excess of five percent are considered to be closely held. This definition does not include shares held by assets managers, funds, trusts or pension fund companies.

## G

— **GDP**  
Gross domestic product

— **Gross margin**  
Gross profit/sales x 100

## H

— **Hybrid financial instrument**  
Financial instrument that, depending on its economic substance, contains both a liability and an equity component.

## I

— **IFRS/IAS**  
(International Financial Reporting Standards/International Accounting Standards): The International Accounting Standard rules are intended to make company data more comparable. Under the EU resolution, accounting and reporting for companies listed at the stock exchange must be done in accordance with these rules.

— **Interest rate cap**  
A hedging instrument to hedge against interest rate fluctuations.

— **Investment ratio**  
Investments in property, plant and equipment and intangible assets/sales x 100

## J

— **Joint Venture**  
A joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

- L**
- **LaR**  
Loans and receivables
  - **Leverage ratio**  
Net debt/EBITDA
  - **LIBOR**  
London Interbank Offered Rate
- M**
- **Market capitalization**  
Stock market value of a company: Number of company's outstanding shares x share price
  - **MDAX**  
The mid-cap-DAX (MDAX) comprises 50 companies that rank immediately below DAX securities in terms of market capitalization and order book volume.
- N**
- **Net debt**  
The sum of current and non-current liabilities from interest-bearing loans and bonds less cash and cash equivalents and other short-term investments.
  - **Net working capital**  
Current assets less cash and cash equivalents less current and non-current other provisions less trade payables less other current liabilities less income tax liabilities.
  - **Net working capital to sales**  
Net working capital/(sales for the fourth quarter/3 x 12)
  - **Non-recourse factoring**  
Factoring where the factor takes on the bad debt risk.
  - **Novation**  
Cancellation of a contractual obligation and establishment of a new contractual obligation in place of the old one.
- O**
- **OCI**  
Other comprehensive income
- **Organic sales**  
Organic sales refers to the growth generated from within the company and excluding currency effects and contributions to sales from acquired or sold business entities.
- P**
- **Personnel expenses per employee**  
Personnel expenses (not including restructuring and integration costs)/average number of employees (not including temporary employees)
  - **Prime Standard**  
Prime Standard is a market segment of the German Stock Exchange that lists German companies which comply with international transparency standards.
  - **Purchase price allocation (PPA)**  
Distribution of the acquisition costs of a business combination to the identifiable assets, liabilities and contingent liabilities of the (acquired) company.
- R**
- **Rating**  
The assessment of a debtor's credit standing (credit-worthiness).
  - **Recoverable amount**  
The recoverable amount is the higher of the fair value less cost to sell and the value in use.
  - **Restructuring and transaction expenses**  
Restructuring and transaction costs are defined as expenses that have occurred outside the normal course of the business. These expenses include – besides other – expenses associated with the purchase of entities, restructuring measures within the group and severance payments for executives. The definition of restructuring and integration expenses used differs from the one defined in IAS 37.
  - **R&D ratio**  
R&D cost and capitalized development cost/sales x 100
  - **ROI (Return on Investment)**  
What you earn from your investments.

## S

### — Sales per employee

Sales/average number of employees (including temporary employees)

### — SDAX

The small-cap-DAX (SDAX) comprises 50 companies that rank immediately below mid-cap-DAX (MDAX) securities in terms of market capitalization and order book volume. As is the case with DAX, TecDAX and MDAX, the SDAX belongs to the Prime Standard.

### — Structured entity

An entity has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

### — Swaps

Hedging instruments in which two contracting parties agree to mutually exchange contractual rights and obligations (swap) for a certain period of time and according to a predetermined schedule.

## T

### — Tax rate

Income taxes/Result before tax x 100

### — Total Cost of Ownership

Total cost relating to acquisition, operating and maintenance of an asset.

### — Total liquidity

The sum of cash and cash equivalents and other short-term investments including arranged lines of credit.

## V

### — Value in use

Present value of future cash flows from an asset.

## W

### — WACC

Weighted Average Cost of Capital

## LIST OF ABBREVIATIONS

<b>A</b>		<b>I</b>	
<b>ACEA</b>	— European Automobile Manufacturers Association	<b>IAS</b>	— International Accounting Standards
<b>APO</b>	— Advanced Planner & Optimizer (IT-System to utilize supply-chain-management)	<b>IASB</b>	— International Accounting Standards Board
<b>APAC</b>	— Consists of the regions Asia, Australia and Oceania that are located in the West Pacific or nearby.	<b>IFRIC</b>	— International Financial Reporting Interpretations Committee
<b>ASEAN</b>	— Association of Southeast Asian Nations	<b>IFRS</b>	— International Financial Reporting Standards
<b>B</b>		<b>IfW</b>	— Institut für Weltwirtschaft (German economic organization)
<b>B.S.</b>	— Bachelor of Science (academic degree)	<b>IMF</b>	— International Monetary Fund
<b>C</b>		<b>IR</b>	— Investor Relations
<b>CAD</b>	— IT-System often used in engineering/product development	<b>ISIN</b>	— International securities identification number
<b>CEO</b>	— Chief Executive Officer	<b>ISO</b>	— International Organization for Standardization
<b>CFO</b>	— Chief Financial Officer	<b>IT</b>	— Information technology
<b>COO</b>	— Chief Operating Officer	<b>K</b>	
<b>CSR</b>	— Corporate Social Responsibility	<b>kEUR</b>	— Thousand Euro
<b>D</b>		<b>M</b>	
<b>DAX</b>	— Deutscher Aktienindex (German stock index)	<b>MATS</b>	— Mid-America Trucking Show
<b>DIN</b>	— Deutsches Institut für Normung (German Institute for Standardization)	<b>MBA</b>	— Master of Business Administration (academic degree)
<b>E</b>		<b>MDAX</b>	— Mid-Cap-DAX
<b>EMEA</b>	— Consists of the regions Europe, Middle East, Africa and India.	<b>Mio.</b>	— Million
<b>F</b>		<b>M.S.</b>	— Master of Science (academic degree)
<b>FEM</b>	— Finite-Elemente-Methode; numerical technique for finding approximate solutions for partial differential equation; often used in industrial engineering	<b>N</b>	
		<b>n/a</b>	— Not applicable
		<b>O</b>	
		<b>OEM</b>	— Original Equipment Manufacturer
		<b>OES</b>	— Original Equipment Service
		<b>P</b>	
		<b>PDM</b>	— Product data management
		<b>PIK</b>	— Pay-in-kind
		<b>PPA</b>	— Purchase Price Allocation
		<b>p. a.</b>	— per annum

**R**

- ROI** — Return on investment  
**R&D** — Research and development

**S**

- SDAX** — Small-Cap-DAX

**U**

- US** — United States of America  
**USA** — United States of America  
**USD** — US-Dollar

**V**

- VDA** — Verband der Automobilindustrie  
(German Automotive Industry Association)

**W**

- WKN** — Wertpapierkennnummer (security identification number)  
**WpHG** — Wertpapierhandelsgesetz (German Securities Trading Act)

# FINANCIAL CALENDAR AND CONTACT INFORMATION

## FINANCIAL CALENDAR

### **April 27, 2017**

Annual General Meeting 2017

### **May 11, 2017**

Report on Q1 2017 results

### **August 10, 2017**

Report on half-year 2017 results

### **November 9, 2017**

Report on Q3 2017 results

## CONTACT INFORMATION

SAF-HOLLAND GmbH  
Hauptstraße 26  
63856 Bessenbach  
Germany

[www.safholland.com](http://www.safholland.com)

### **Stephan Haas**

[stephan.haas@safholland.de](mailto:stephan.haas@safholland.de)  
Phone: +49 (0) 6095 301-617  
Fax: +49 (0) 6095 301-102

### **Christina Hüttner**

[christina.huettner@safholland.de](mailto:christina.huettner@safholland.de)  
Phone: +49 (0) 6095 301-255  
Fax: +49 (0) 6095 301-102

# IMPRINT

**Responsible:**

SAF-HOLLAND S.A.  
68–70, Boulevard de la Pétrusse  
L-2320 Luxembourg  
Luxembourg

**Editorial deadline:** March 14, 2017**Date of publication:** March 17, 2017**Editorial office:** Klusmann Communications, Niedernhausen;  
Redaktionsbüro delta eta – Paschek & Winterhagen GbR;  
SAF-HOLLAND GmbH, Bessenbach**Design and realization:** 3st kommunikation GmbH**Translated by:** Klusmann Communications, Niedernhausen**Photography:** Berndt Bodtländer Fotografie;  
Studio Dino Eisele; Gettyimages; Shutterstock**Printed by:** caPRI Print+Medien GmbH

This report is also available in German.

**Legal Disclaimer**

This report contains certain statements that are neither reported financial results nor other historical information. This report contains forward-looking statements, which as such are based on certain assumptions and expectations made at the time of publication of the report. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond the Group's ability to control or estimate precisely, such as future market and economic conditions, the behavior of other market participants, the achievement of anticipated synergies, and the actions of government regulators. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this publication. SAF-HOLLAND S.A. does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of publication of these materials.