



ACATIS FAIR VALUE DEUTSCHLAND ELM

Investment report March 2024

Lübeck, March 11, 2024

We invest in German sustainability. We take the perspective of an owner with a long-term view. First, we screen and analyse only those companies that have successfully passed our sustainability filter. An investment depends on three success factors: a solid business model, good management and an attractive valuation. We look for companies that are leaders in their markets, with long-term competitive advantages and positive growth perspectives. The portfolio is highly concentrated.

SAF Holland

With 18 production locations in nine countries, SAF Holland is one of the world's leading manufacturers of chassis components that are critical to safety. The product portfolio ranges from axles, suspension systems and fifth wheels to support winches for trailers. The customers come from the trailer industry (e.g. Kögel, Krone, Schmitz Cargobull) as well as the lorry and bus industry. SAF is the market leader for axles in Europe, and the market leader for fifth wheels and support winches in the US.

With the 2023 takeover of Swedish brake specialist Haldex, the company has been transformed into a full-service provider. Now, SAF Holland is a system supplier that offers integrated solutions for axle and suspension systems, air disc brakes, electronic brake system control as well as telematics for preventative maintenance from one source. In this way, market trends such as digitisation, autonomous driving and electrification can be addressed even better.

Following the takeover, sales revenues at SAF Holland increased by around a third. The US business and the share of the lucrative spare parts business have been significantly expanded and strengthened. We estimate that the spare parts business accounts for over two-thirds of the results. This means that the spare parts business is not just a major barrier for new competitors but also a very significant driver of future profitability.

The current eCommerce boom, which leads to increased transport volumes, is a growth driver in the industry. It is expected that road transport will triple by 2050. The age structure at many logistics companies will also lead to increased pressure to purchase new and more efficient transport vehicles. In particular, the increasing digitisation and connectivity in the transport sector provides SAF Holland with many opportunities for future growth.

The company also performs well in terms of sustainability aspects. It designs and develops lightweight components that reduce the weight of lorries and trailers and thus lower fuel consumption and CO₂ emissions. Digital solutions (telematics) make it easier to plan routes and optimise maintenance intervals. The e-axle (electrification of trailer axles) is another new development. The energy that is freed up from the braking process is stored and used for other application (cooling, heating) while the vehicle is on the road. In that way, SAF contributes to the SDG targets 8, 9 and 11.

Kind regards

Christoph Gebert (fund advisor)
Ehrke & Lübberstedt AG

Disclaimer

This document is aimed exclusively at professional customers or suitable counter parties in terms of the German Securities Trading Act (WpHG) and is not intended for retail clients. Moreover, this document does not constitute an offer for persons to whom it may not be submitted for legal reasons. The document's sole purpose is to provide information and does not constitute an investment recommendation or a request to buy a fund. The investment opportunity discussed may not be suitable for certain investors due to their special investment objectives and financial situation. The opinions offered are valid at the time of publication and may change; the same applies to the fund structure and allocations. Past performance is not a guarantee for future returns. ACATIS does not assume any guarantees that market forecasts will be achieved. While the information is based on carefully selected sources, the veracity, completeness, or accuracy of the information cannot be guaranteed. The information may not be reproduced or distributed. The distribution approvals for the ACATIS funds in single countries and the associated services may vary. ACATIS provides the sales prospectuses, key information documents (KIDs) and annual/semi-annual reports for its funds free of charge (in German) (available at <http://www.acatis.de>). ACATIS Investment KVG mbH has its registered office in Germany and is regulated by BaFin, Marie-Curie-Straße 24-28, 60439 Frankfurt.