

Q3

Interim report
January – September 2024

**Sustainable, reliable
industrial solutions**



Interim report, third quarter of 2024

Third quarter 2024

- Consolidated sales decreased 11.6% to **SEK 1,272.9 M** (1,439.8).
- Organic growth amounted to **-11.5%** (24.9), adjusted for acquired sales and currency effects between the years.
- Consolidated operating profit (EBITA) totaled **SEK 171.8 M** (225.7), with an operating margin (EBITA) of **13.5%** (15.7).
- Profit after financial items amounted to **SEK 147.8 M** (216.9).
- Earnings per share amounted to **SEK 4.49** (6.35) before and after dilution.

Nine months 2024

- Consolidated sales increased 0.3% to **SEK 4,302.3 M** (4,289.9).
- Organic growth amounted to **-1.8%** (19.2), adjusted for currency effects between the years.
- Operating profit (EBITA) increased to **SEK 648.2 M** (640.5), with an operating margin (EBITA) of **15.1%** (14.9).
- Profit after financial items increased to **SEK 609.7 M** (578.5).
- Earnings per share amounted to **SEK 19.03** (17.56).

KEY FIGURES

Group, SEK M	Q3 2024	Q3 2023	Jan–Sep 2024	Jan–Sep 2023	Full-year 2023
Net sales	1,272.9	1,439.8	4,302.3	4,289.9	5,739.8
Operating profit before depreciation/amortization (EBITDA)	197.2	256.0	723.4	730.1	953.0
Operating profit before amortization (EBITA)	171.8	225.7	648.2	640.5	858.0
Operating profit (EBIT)	164.1	217.1	624.7	616.0	824.9
Operating profit after financial items (EBT)	147.8	216.9	609.7	578.5	761.9
Profit after tax	112.3	158.9	475.9	439.1	568.6
Earnings per share, SEK	4.49	6.35	19.03	17.56	22.74
Cash flow from operating activities	153.3	268.7	502.3	542.5	705.2
ROE (cumulative), %	14.5	16.7	14.5	16.7	16.2
ROCE (cumulative), %	15.8	18.4	15.8	18.4	17.2
Equity/assets ratio, %	64.4	58.7	64.4	58.7	61.4
Interest-bearing net debt/EBITDA	n/a	n/a	0.20	0.45	0.41
Average number of employees	2,032	1,837	2,032	1,837	1,864
Number of shares outstanding ('000)	25,004	25,004	25,004	25,004	25,004

Net sales

SEK 1,272.9 M

-11.6%

Operating profit (EBITA)

SEK 171.8 M

13.5%

Strengthened gross margins and stable cash flow despite lower volumes

The third quarter of 2024 was marked by flagging demand in VBG Group’s markets. Net sales for the quarter totaled SEK 1,272.9 M (1,439.8), down 11.6% compared with the year-earlier period. EBITA decreased SEK 171.8 M (225.7) and the EBITA margin fell 2.2 percentage points to 13.5% (15.7). Earnings per share decreased 29.3% and organic growth adjusted for currency fluctuations and acquired sales, decreased 11.5% compared with the third quarter of 2023.

After a few quarters where order bookings had gradually leveled off, in the third quarter of 2024 we saw a decrease in demand in the Group’s markets, primarily in North America. This impacted sales for all parts of the Group, but especially Mobile Thermal Solutions. Order bookings decreased in the third quarter and order bookings for the first nine months of 2024 were 3% below the same period in 2023. Despite flagging demand, however, the gross margin continued to strengthen, due largely to effective cost management and positive changes in the Group’s product mix. We implemented proactive capacity adjustments during the quarter, and going forward we will also continue to take measures to remain flexible and efficient.

Stable cash flow despite an unstable market

In a situation with decreased demand, geopolitical turbulence and macroeconomic challenges, being a well-balanced and stable industrial Group with good distribution, both geographically and in our products, is a strength. We saw proof of the strength in the Group during the quarter through a cash flow that remained positive, at high levels.

Strengthened gross margin despite decreased sales

Sales in Mobile Thermal Solutions decreased during the third quarter from the high levels we saw in 2023 and the first half of

2024. We saw the largest downturn in the Off-road segment in North America, where inventory adjustments in the distribution chain are now being carried out. Total sales for the division decreased 16% compared to the year-earlier period.

The operations in Bus Climate Control continued to post a positive profitability trend during the quarter despite sales volumes being lower in 2024 compared to 2023. Internal efficiency enhancement activities, price increases and increased sales of products for electric buses were driving forces in the improvement to profitability.

In July 2024, the Board of Directors decided to consolidate the three Mobile Thermal Solutions production facilities in Toronto into one new, shared, production facility. Significant gains in efficiency can be achieved by consolidating these three production facilities. This is a strategically important investment to both consolidate and further develop the already strong market position of the Mobile Climate Control brand in the Off-road segment.

Enhancements in cost efficiency

Sales in Truck & Trailer Equipment decreased 11% compared with the year-earlier period. As communicated in previous interim reports, demand in the European semi-trailer market is at historically low levels, which was a factor in the downturn in the division’s sales.

To balance the decline in sales, a number of efficiency enhancement measures have been implemented for the purpose of improving the cost efficiency of operations.

Acquired sales offset lower volumes

During the quarter, Ringfeder Power Transmission posted positive growth as a result of the acquisition of Rathi Transpower, which was finalized during the autumn of 2023. In all other respects, we saw the same trend as for VBG Group’s two other divisions: declining demand in the third quarter.

Sales for the division thus fell off during the quarter, and the main downward trend coming from the mining sector in Eastern Europe and Brazil. The decrease in sales offset by acquired sales.

Increased sustainability requirements

Our preparations for addressing new regulations and requirements in the sustainability reporting continued as planned during the quarter. We continued to implement extensive training initiatives in the Group and built up a Group-wide structure for the reporting of sustainability data.

The future

At present, we are seeing concern regarding the prevailing geopolitical turbulence, in particular the developments in the Middle East. Moreover, there are signs of a weak business cycle in China, the US and core markets in Europe such as Germany. In light of this, I expect market volatility and geopolitical unrest to continue.

That we still have continued to deliver a stable cash flow over the past quarter, despite a flagging market, shows that our processes work and that the breadth in the Group, both geographically and as regards our products, provides scope for action and the capacity to face new challenges in a continually changing business environment.

We will tackle future challenges through the strength of our brands, our skilled employees and our solid financial position, and also by identifying and taking necessary action to enhance efficiency. Our efficiency and our scope for action are also what will help us to be ready when the market turns around and demand increases again.

In conclusion, I would like to extend a warm and sincere thanks for good cooperation to all our dedicated and capable employees in VBG Group and to all of our important partners.

Anders Erkén
President and CEO, VBG Group

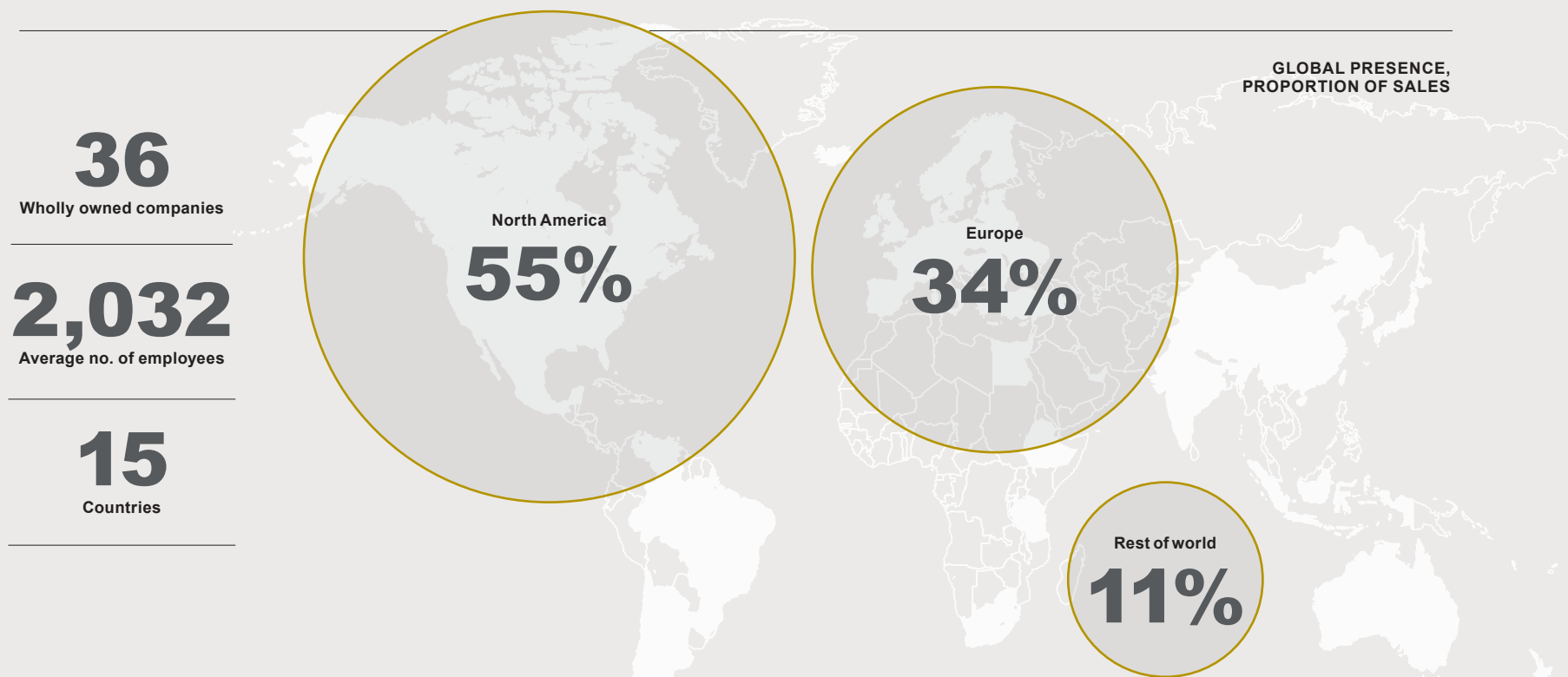


“
We continued to deliver a stable cash flow”

VBG Group – a balanced industrial Group

VBG Group is a long-term active owner of successful industrial companies and brands. The Group's three divisions – Truck & Trailer Equipment, Mobile Thermal Solutions and Ringfeder Power Transmission – are governed on a foundation of high industrial expertise, strong values and financial stability.

- **Considerable experience and industrial expertise**
- **High level of service**
- **Long-term financial strength**
- **Leading industrial solutions**
- **Strong international position and presence**
- **Broad portfolio of brands in attractive niches**



36
Wholly owned companies

2,032
Average no. of employees

15
Countries

DIVISIONS

TRUCK & TRAILER EQUIPMENT



Sales, SEK M	Average no. of employees
341	397
Operating profit (EBITA), SEK M	Operating margin (EBITA), %
52	15

MOBILE THERMAL SOLUTIONS



Sales, SEK M	Average no. of employees
706	984
Operating profit (EBITA), SEK M	Operating margin (EBITA), %
96	14

RINGFEDER POWER TRANSMISSION



Sales, SEK M	Average no. of employees
226	641
Operating profit (EBITA), SEK M	Operating margin (EBITA), %
27	12

Group

Sales and earnings

Third quarter of 2024

Sales decreased to SEK 1,272.9 M (1,439.8) and were 11.6% lower compared with the third quarter of 2023. Adjusted for currency effects and acquired sales, organic growth totaled –11.5% (24.9).

Market conditions have changed, and demand for the Group's products – primarily in North America – fell sharply during the third quarter. Sales in Mobile Thermal Solutions decreased compared with a much stronger third quarter in 2023. Signs of a slowdown can largely be found in all markets for the Group. Truck & Trailer Equipment had organic growth of –8.6%, organic growth in Mobile Thermal Solutions was –12.0% and Ringfeder Power Transmission's organic growth was –14.7%.

Consolidated operating profit (EBITA) decreased to SEK 171.8 M (225.7), corresponding to an operating margin of 13.5% (15.7). The decrease in profitability is the result of the lower sales volumes in the three divisions. The Truck & Trailer Equipment operating margin (EBITA) decreased to 15.4% (21.3), while the operating margin for the third quarter of 2023 was positively impacted by SEK 13 M in restatement of balance-sheet items and an energy subsidy of SEK 3.5 M. The Mobile Thermal Solutions operating margin (EBITA) was 13.6% (12.8). The operating margin in Mobile Thermal Solutions, was impacted positively by the improvement in productivity in the bus operations in the US despite lower volumes.

The Ringfeder Power Transmission operating margin (EBITA) decreased to 12.0% (18.0) for the quarter. The operating margin in Ringfeder Power Transmission was negatively impacted by a downturn in volume as a result of the slowdown in most markets.

Consolidated net interest expense for the third quarter was SEK –3.4 M (–8.0) and the currency effect for the quarter on foreign-currency denominated financial liabilities was SEK –13.4 M (13.5). Net interest expense was positively impacted as an effect of amortizations of liabilities and higher interest income on cash and cash equivalents.

Other financial expenses amounted to SEK 0.6 M (–5.6). The increased costs in 2023 were attributable largely to consulting costs pertaining to the acquisition in India. Profit after financial items decreased to SEK 147.8 M (216.9) and operating

profit after tax decreased to SEK 112.3 M (158.9). Earnings per share totaled SEK 4.49 (6.35) before and after dilution.

During the third quarter, VBG Group signed agreements to acquire land in Toronto. VBG Group intends to consolidate the three currently existing production facilities into one facility in Toronto, with significant cost savings as a result.

Access to the site takes place in the fourth quarter, and the purchase consideration amounts to CAD 55 M. The investment for the construction on the premises amounts to an additional 55 million CAD under 2025 and 2026. The acquisition of the land and construction of a facility will be financed through VBG Group expanding its financing agreement with a further SEK 750 M. In conjunction, with this expansion, will the credit facility agreement be extended to September 2029.

Nine months 2024

Sales totaled SEK 4,302.3 M (4,289.9) and were 0.3% higher than in the first nine months of 2023. Adjusted for currency effects between the periods, organic growth was –1.8%. Operating profit (EBITA) increased to SEK 648.2 M (640.5), corresponding to an operating margin (EBITA) of 15.1% (14.9).

Consolidated net interest expense for the first nine months of the year was SEK –15.6 M (–27.2) and the currency effect on foreign-currency denominated assets was SEK –2.0 M (–3.4). Net interest expense improved as a result of amortizations of liabilities and higher interest income on cash and cash equivalents. Taken together, this resulted in a net financial expense of SEK –15.0 M (–37.5). Accordingly, profit after financial items was SEK 609.7 M (578.5), profit after tax totaled SEK 475.9 M (439.1) and earnings per share amounted to SEK 19.03 (17.56).

Capital expenditures and depreciation/amortization

The Group's new capital expenditures for the third quarter amounted to SEK 88.1 M (31.1), where 41 MSEK refers to acquisition of land. Total new capital expenditures for the first nine months of the year amounted to SEK 161.6 M (89.1). The higher levels of investment in 2024 were driven in part by the investment in land and in part by greater investments in Mobile Thermal Solutions. The depreciation/amortization for the third quarter totaled SEK 33.1 M (38.9) and depreciations for the first nine months of the year totaled SEK 98.6 M (114.1).

Financial position

Profit after tax for the period increased to SEK 475.9 M (439.1) and other comprehensive income – pertaining to translation differences in foreign currencies and remeasurement of pension plans – totaled SEK –12.1 M (85.0), which resulted in comprehensive income for the period of SEK 463.8 M (524.1). Dividends paid in 2024 totaled SEK 175.3 M (137.5). Accordingly, consolidated equity has increased to SEK 3,962.6 M during 2024 (3,674.1 at year-end).

The equity/assets ratio increased during the period to 64.4% (58.7). Cash and cash equivalents including currency fluctuations increased SEK 41.3 M (556.4) during the period. Cash and cash equivalents totaled SEK 927.3 M at the end of the period (885.9 at year-end). In addition, there were unutilized overdraft facilities of SEK 100.0 M (100.0), which means the Group at the end of September had available liquidity, excluding scope under credit agreements, of SEK 1,027.3 M (985.9 at year-end).

The Group's interest-bearing net debt has declined SEK 199.3 M during the year (392.9 at year-end) and totaled SEK 193.6 M at the end of the period (392.9 at year-end).

The ratio of the Group's interest-bearing net debt to equity was 0.05 at September 30, 2024 (0.11 at December 31, 2023) and the ratio of interest-bearing net debt to consolidated operating profit before depreciation/amortization and impairment (EBITDA on a rolling four-quarter basis) was 0.20 (0.41 at year-end).

The previously preliminary acquisition plan for Rathi Transpower was adopted during the third quarter. As a result, goodwill increased SEK 23.7 M and totaled SEK 94.4 M. Currency effects pertaining to goodwill totaled SEK 3.3 for the period, which resulted in total goodwill of SEK 1,311.7 M at the end of the period (1,291.3 at year-end), which in relation to equity yielded a ratio of 0.31 (0.35 at year-end).

Cash flow

Cash flow from operating activities declined, compared to the year-earlier period, to SEK 502.3 M (542.5). The decrease in relation to the preceding year is attributable primarily to decrease in accounts receivable. Investments made during the period totaled SEK 187.1 M (91.5). Consolidated total borrowings decreased SEK –107.5 M (–271.9) during the

first nine months after amortization of loans, lease liabilities decreased SEK 15.6 M (37.9) and the dividend that was paid out in May totaled SEK 175.3 M (137.5), which means that cash flow for the period totaled SEK 48.0 M (547.5).

Personnel

At September 30, 2024, there were 2,027 employees in the VBG Group (2,065 at year-end), of which 236 (227) in Sweden. During the first nine months of 2024, the Group employed an average of 2,032 persons (1,837 during the year-earlier period). Of these, 235 (222) were active in Sweden. The cost of salaries and social security contributions in the first nine months was SEK 956.1 M (864.7).

Per share data

Earnings per share amounted to SEK 19.03 (17.56). Equity per share was SEK 158.48 at September 30, 2024, compared with SEK 146.97 on the same date last year.

At the end of the quarter, the share price was SEK 388.50, which corresponds to a market capitalization of SEK 9,714 M, compared with a share price of SEK 191.60 and market capitalization of SEK 4,791 M in the third quarter of 2023.

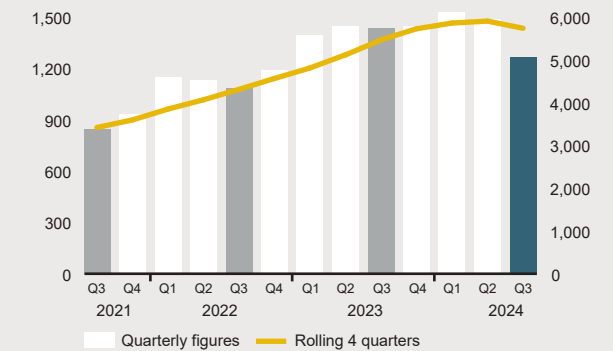
The number of shareholders increased by 849 during the first nine months, totaling 12,549 (11,700 at year-end).



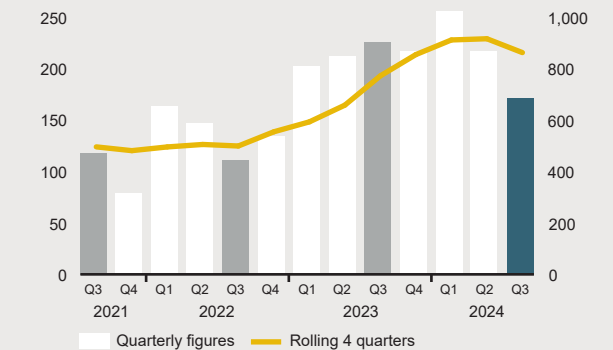
Sales/Earnings SEK M	Jan–Sep 2024	Q3 2024	Q2 2024	Q1 2024	Rolling 12 months	Full-year 2023	Q4 2023	Jan–Sep 2023	Q3 2023	Q2 2023	Q1 2023	Full-year 2022	Q4 2022
Net sales	4,302.3	1,272.9	1,494.3	1,535.0	5,752.1	5,739.8	1,449.9	4,289.9	1,439.8	1,450.2	1,399.9	4,580.0	1,191.5
Operating profit before depreciation/ amortization (EBITDA)	723.4	197.2	243.3	282.9	946.3	953.0	222.9	730.1	256.0	242.2	232.0	663.6	162.3
Operating profit before amortization (EBITA)	648.2	171.8	216.9	259.5	865.7	858.0	217.5	640.5	225.7	212.2	202.7	557.5	134.7
Operating margin (EBITA), %	15.1	13.5	14.5	16.9	15.1	14.9	15.0	14.9	15.7	14.6	14.5	12.2	11.3
Operating profit (EBIT)	624.7	164.1	209.1	251.6	833.7	824.9	209.0	616.0	217.1	204.1	194.9	527.2	127.0
Operating margin (EBIT), %	14.5	12.9	14.0	16.4	14.5	14.4	14.4	14.4	15.1	14.1	13.9	11.5	10.7
Operating profit after financial items (EBT)	609.7	147.8	211.6	250.3	793.1	761.9	183.4	578.5	216.9	181.2	180.4	487.8	105.6
Profit after tax	475.9	112.3	167.8	195.8	605.4	568.6	129.5	439.1	158.9	138.2	142.1	368.3	90.6
Earnings per share, SEK	19.03	4.49	6.71	7.83	24.21	22.74	5.18	17.56	6.35	5.53	5.68	14.73	3.62
Cash flow from operating activities	502.3	153.3	204.9	144.1	542.5	705.2	162.7	542.5	268.7	128.9	145.0	250.5	106.2
ROE (cumulative), %	14.5	14.5	18.5	15.1	170.9	16.2	16.2	16.7	16.7	15.9	16.8	11.4	11.4
ROCE (cumulative), %	15.8	15.8	19.8	16.3	136.4	17.2	17.2	18.4	18.4	17.5	17.4	11.6	11.6
Equity/assets ratio, %	64.4	64.4	62.6	62.5	66.6	61.4	61.4	58.7	58.7	62.4	64.2	60.8	60.8

Sales by market SEK M	Jan–Sep 2024	Q3 2024	Q2 2024	Q1 2024	Rolling 12 months	Full-year 2023	Q4 2023	Jan–Sep 2023	Q3 2023	Q2 2023	Q1 2023	Full-year 2022	Q4 2022
Sweden	237.0	61.8	79.8	95.4	318.5	325.7	81.5	244.2	56.9	87.3	100.1	323.8	83.3
Other Nordic countries	199.2	59.4	66.5	73.3	266.1	270.9	66.9	203.9	59.4	69.2	75.3	248.3	59.7
Germany	399.4	112.1	132.7	154.5	520.6	552.8	121.3	431.6	132.9	133.2	165.5	589.3	146.5
Other European countries	609.5	167.0	216.1	226.4	843.4	949.4	233.8	715.6	227.0	237.6	251.0	782.0	210.1
US	1,828.7	533.5	637.4	657.8	2,492.5	2,552.9	663.9	1,889.1	671.0	643.0	575.1	1,839.7	476.0
Rest of North America	540.7	170.8	189.7	180.2	680.9	590.8	140.2	450.6	159.9	158.6	132.1	366.9	86.1
Brazil	101.6	33.6	35.1	32.9	138.6	145.5	37.0	108.5	40.3	39.0	29.2	121.1	29.4
Australia/New Zealand	134.4	40.9	53.3	40.3	170.3	142.5	35.9	106.6	39.1	35.9	31.6	123.5	44.8
China	61.0	27.4	20.6	13.0	75.2	57.6	14.2	43.4	18.6	14.3	10.5	69.7	25.5
Rest of world	190.8	66.5	63.1	61.2	246.0	151.6	55.2	96.4	34.7	32.2	29.0	115.7	30.1
Group	4,302.3	1,272.9	1,494.3	1,535.0	5,752.1	5,739.8	1,449.9	4,289.9	1,439.8	1,450.2	1,399.9	4,580.0	1,191.5

Net sales, SEK M



Operating profit (EBITA), SEK M



Truck & Trailer Equipment



Third quarter of 2024

- Sales decreased **10.8%** to **SEK 340.7 M** (381.7).
- Adjusted for currency effects between the years, organic growth was **-8.6%**.
- Operating profit (EBITA) decreased to **SEK 52.4 M** (81.2), with an operating margin (EBITA) of 15.4% (21.3).

Nine months 2024

- Sales decreased 11.0% to **SEK 1,170.2 M** (1,315.3).
- Adjusted for currency effects between the years, organic growth was **-10.5%**.
- Operating profit (EBITA) amounted to **SEK 214.1 M** (284.5), with an operating margin (EBITA) of **18.3%** (21.6).

Main product segments

- Coupling equipment for heavy trucks and trailers
- Automatic tire chains
- Sliding roofs for semitrailers



Sales and earnings

Third quarter of 2024

Sales for the quarter declined 10.8% year-on-year, to SEK 340.7 M (381.7). Adjusted for currency effects, where the average USD rate between the quarters weakened 4.6% and the EUR – which is a more important currency for the division – weakened 3.0%, organic growth was -8.6%.

Operating profit (EBITA) for Truck & Trailer Equipment decreased year-on-year to SEK 52.4 M (81.2) in the third quarter, with an operating margin (EBITA) of 15.4% (21.3). During the third quarter, it was primarily the downturn in volume that negatively impacted the division. Demand for coupling products remained stable. However, the market for trailer components in Europe continued to decline markedly in the third quarter compared with the year-earlier period. Compared with the third quarter of 2023, the currency and the strengthened SEK impacted earnings negatively due to an SEK 13 M restatement of balance-sheet items. Moreover, the Swedish operations of Truck & Trailer Equipment received a retroactive energy subsidy of SEK 3.5 M during the third quarter of 2023.

Nine months 2024

Sales for the first nine months of the year decreased 11.0% year-on-year to SEK 1,170.2 M (1,315.3). Adjusted for currency effects, where the average USD rate between the periods weakened 0.8% and the EUR – which is a more important currency for the division – weakened 0.6%, organic growth was -10.5%. EBITA for Truck & Trailer Equipment decreased year-on-year to SEK 214.1 M (284.5), with an EBITA margin of 18.3% (21.6). The lower level of sales and EBITA remained attributable to low

levels of activity in the semitrailer market during the first nine months of 2024 compared to the year-earlier period. The Swedish operations of Truck & Trailer Equipment received a retroactive energy subsidy of SEK 3.5 M during the third quarter of 2023.

During the first nine months, the division's working capital decreased SEK 24.8 M to SEK 349.4 M (374.2 at year-end) as a result of decreased inventory levels. With the addition of property, plant and equipment of SEK 273.2 M, operating capital amounted to SEK 622.6 M at the end of September (618.5 at year-end).

The division's return on operating capital (ROOC) was 50.6% (62.0 at year-end).

Capital expenditures and depreciation/amortization

Truck & Trailer Equipment's investments during the third quarter amounted to SEK 16.5 M (14.6). Total new capital expenditures for the first nine months of the year amounted to SEK 53.1 M (48.4). Depreciation/amortization for the third quarter totaled SEK 9.7 M (10.5) and totaled SEK 28.8 M (30.5) for the first nine months of the year.

Personnel

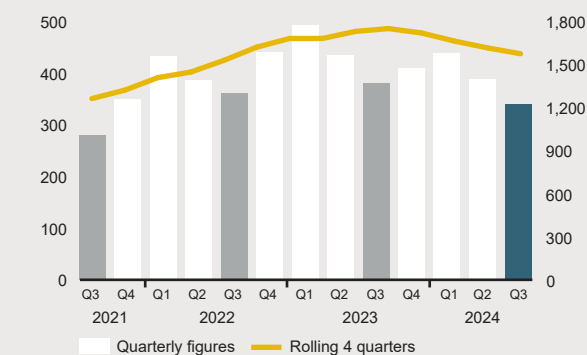
At September 30, 2024, there were 398 employees in the division, compared with 388 employees at year-end. During the first nine months of the year, Truck & Trailer Equipment employed an average of 397 persons (383 during the year-earlier period). Personnel costs for the first nine months of the year amounted to SEK 247.6 M (239.1), resulting in a cost per employee of SEK 623.8 thousand (625.9).

Truck & Trailer Equipment

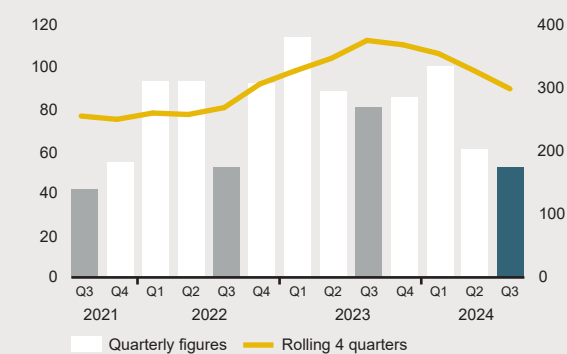
Sales/Earnings SEK M	Jan–Sep 2024	Q3 2024	Q2 2024	Q1 2024	Rolling 12 months	Full-year 2023	Q4 2023	Jan–Sep 2023	Q3 2023	Q2 2023	Q1 2023	Full-year 2022	Q4 2022
Net sales	1,170.2	340.7	390.5	439.0	1,582.5	1,727.7	412.3	1,315.3	381.7	437.9	495.7	1,628.8	443.2
Operating profit (EBITDA)	238.0	60.5	68.6	108.8	320.6	393.2	82.7	310.5	89.9	97.6	123.0	341.3	98.9
Operating profit (EBITA)	214.1	52.4	61.1	100.6	299.9	370.3	85.9	284.5	81.2	88.6	114.7	307.6	92.5
Operating margin (EBITA), %	18.3	15.4	15.6	22.9	19.0	21.4	20.8	21.6	21.3	20.2	23.1	18.9	20.9
Operating profit (EBIT)	209.2	50.8	59.4	99.0	293.4	364.2	84.2	280.0	79.4	87.3	113.3	302.6	91.1
Operating margin (EBIT), %	17.9	14.9	15.2	22.5	18.5	21.1	20.4	21.3	20.8	19.9	22.9	18.6	20.6
ROOC, %	50.6	50.6	54.8	59.1	50.6	62.0	62.0	65.1	65.1	61.8	60.3	57.3	57.3

Sales by market SEK M	Jan–Sep 2024	Q3 2024	Q2 2024	Q1 2024	Rolling 12 months	Full-year 2023	Q4 2023	Jan–Sep 2023	Q3 2023	Q2 2023	Q1 2023	Full-year 2022	Q4 2022
Sweden	198.8	50.7	66.7	81.3	267.2	273.9	68.4	205.5	46.5	74.8	84.1	271.1	69.7
Other Nordic countries	160.2	45.5	53.7	61.0	214.2	215.6	54.0	161.6	45.6	55.4	60.5	194.4	48.5
Germany	216.1	60.1	72.7	83.3	280.0	319.1	64.0	255.2	75.9	74.7	104.6	373.3	94.8
Other European countries	350.2	102.6	112.8	134.8	484.9	591.4	134.7	456.7	135.0	152.1	169.5	495.4	130.6
US	99.1	33.0	26.7	39.4	148.1	159.5	49.0	110.5	33.4	33.3	43.8	136.9	45.4
Rest of North America	13.6	4.4	3.7	5.5	19.1	21.2	5.5	15.7	6.7	5.6	3.3	11.4	3.5
Australia/New Zealand	89.6	23.6	38.7	27.2	115.9	112.6	26.3	86.3	29.7	31.9	24.7	105.3	40.3
China	18.0	12.0	6.1	—	18.1	0.3	0.1	0.2	0.0	—	0.2	4.9	1.7
Rest of world	24.6	8.7	9.4	6.5	35.0	34.2	10.4	23.8	8.8	10.0	5.1	36.2	8.7
Truck & Trailer Equipment	1,170.2	340.7	390.5	439.0	1,582.5	1,727.7	412.3	1,315.3	381.7	437.9	495.7	1,628.8	443.2

Net sales, SEK M



Operating profit (EBITA), SEK M



Mobile Thermal Solutions



Third quarter of 2024

- Sales decreased **-15.5%** to **SEK 706.3 M** (835.7).
- Adjusted for currency effects between the years, organic growth was **-12.0%**.
- Operating profit (EBITA) amounted to **SEK 96.4 M** (106.7), with an operating margin (EBITA) of **13.6%** (12.8).

Nine months 2024

- Sales increased **1.8%** to **SEK 2,408.7 M** (2,366.9).
- Adjusted for currency effects between the years, organic growth was **2.6%**.
- Operating profit (EBITA) amounted to **SEK 347.1 M** (281.9), with an operating margin (EBITA) of **14.4%** (11.9).

Main product segments

- Roof-mounted climate control systems
- Cab-mounted climate control systems



BCC Bus Climate Control



MCC Mobile Climate Control

Sales and earnings

Third quarter of 2024

Sales for the third quarter decreased 15.5% year-on-year to SEK 706.3 M (835.7), with North America representing the largest increase.

Adjusted for currency effects, where the average USD rate weakened 4.6% compared with the third quarter of the preceding year and the CAD weakened 5.9%, organic growth was -12.0%.

The operating profit (EBITA) for Mobile Thermal Solutions totaled SEK 96.4 M (106.7) and the operating margin (EBITA) increased to 13.6% (12.8). Market conditions in North America changed during the third quarter of 2024, and a downturn is evident. Demand in North America decreased compared to a strong third quarter in 2023.

Nine months 2024

Mobile Thermal Solutions reported sales growth for the first nine months of 1.8% year-on-year. Sales totaled SEK 2,408.7 M (2,366.9). Adjusted for currency effects, where the average USD rate weakened 0.8% compared with the year-earlier period and the CAD weakened 2.0%, organic growth was 2.6%.

EBITA for Mobile Thermal Solutions increased year-on-year to SEK 347.1 M (281.9) with an EBITA margin of 14.4% (11.9). Despite a deterioration in market conditions and lower levels of demand for Mobile Thermal Solutions off-road products, profitability strengthened as an effect of price increases in the bus segment and efficiency enhancement measures that led to greater productivity in

the bus operations. During the first nine months, the division's working capital decreased SEK 79.2 M to SEK 822.7 M (901.9 at year-end). With the addition of property, plant and equipment of SEK 373.0 M, operating capital amounted to SEK 1,195.6 M at the end of September (1,224.5 at year-end).

The division's return on operating capital (ROOC) for the period was 40.0% (34.1 at year-end).

Capital expenditures and depreciation/amortization

Investments by Mobile Thermal Solutions in the third quarter amounted to SEK 44.2 M (13.4). Total new capital expenditures for the first nine months of the year amounted to SEK 64.0 M (21.1). The higher investment level during 2024 is attributable, in part to, the acquisition of land in Toronto, 24 MSEK, as well as investments in machinery in Toronto. Depreciation/amortization for the third quarter totaled SEK 33.1 M (21.7) and totaled SEK 50.4 M (63.3) for the first nine months of the year.

Personnel

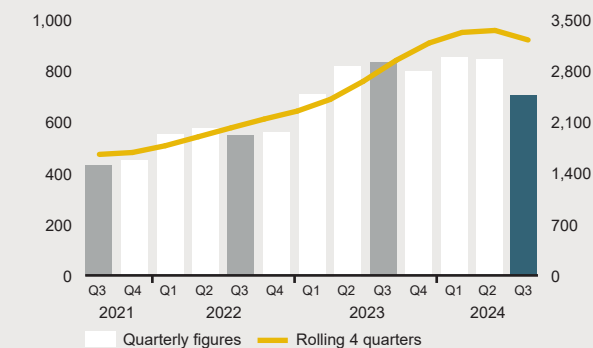
At September 30, 2024, there were 947 employees in the division, compared with 1,057 employees at year-end. During the first nine months of the year, Mobile Thermal Solutions employed an average of 984 persons (1,070 during the year-earlier period). Personnel costs for the first nine months of the year amounted to SEK 485.5 M (473.3), resulting in a cost per employee of SEK 493.4 thousand (442.3).

Mobile Thermal Solutions

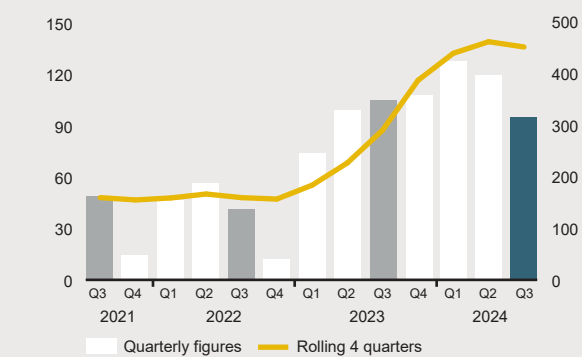
Sales/Earnings SEK M	Jan–Sep 2024	Q3 2024	Q2 2024	Q1 2024	Rolling 12 months	Full-year 2023	Q4 2023	Jan–Sep 2023	Q3 2023	Q2 2023	Q1 2023	Full-year 2022	Q4 2022
Net sales	2,408.7	706.3	847.5	854.8	3,203.5	3,161.7	794.8	2,366.9	835.7	820.4	710.8	2,234.5	558.8
Operating profit (EBITDA)	382.1	108.2	134.1	140.0	491.1	438.2	108.9	329.3	123.0	116.3	90.0	212.5	28.3
Operating profit (EBITA)	347.1	96.4	121.2	129.6	456.3	391.1	109.2	281.9	106.7	100.6	74.6	158.5	12.0
Operating margin (EBITA), %	14.4	13.6	14.3	15.2	14.2	12.4	13.7	11.9	12.8	12.3	10.5	7.1	2.1
Operating profit (EBIT)	331.7	91.4	116.1	124.3	435.5	369.7	103.7	265.9	101.2	95.2	69.5	137.8	6.7
Operating margin (EBIT), %	13.8	12.9	13.7	14.5	13.6	11.7	13.1	11.2	12.1	11.6	9.8	6.2	1.2
ROOC, %	40.0	40.0	39.4	36.3	40.0	32.3	32.3	25.9	25.9	22.1	20.1	19.1	19.1

Sales by market SEK M	Jan–Sep 2024	Q3 2024	Q2 2024	Q1 2024	Rolling 12 months	Full-year 2023	Q4 2023	Jan–Sep 2023	Q3 2023	Q2 2023	Q1 2023	Full-year 2022	Q4 2022
Sweden	34.8	9.9	11.9	13.0	46.6	47.8	11.9	35.9	9.5	11.5	15.0	48.7	12.7
Other Nordic countries	35.4	12.5	11.5	11.5	47.0	50.5	11.6	38.9	12.6	12.9	13.3	50.7	10.3
Germany	36.2	9.6	11.3	15.3	44.3	34.5	8.1	26.4	8.2	9.2	9.0	25.9	5.2
Other European countries	164.2	47.0	59.3	57.9	216.9	226.6	52.7	173.9	53.6	60.7	59.6	204.4	51.7
US	1,577.8	449.0	558.9	569.9	2,143.6	2,190.6	565.9	1,624.7	585.7	560.9	478.1	1,514.5	388.6
Rest of North America	521.7	164.2	184.3	173.3	654.1	560.1	132.4	427.8	150.8	150.8	126.1	349.6	80.6
China	22.9	9.2	6.1	7.6	29.7	27.6	6.8	20.8	8.2	7.6	5.0	21.1	5.0
Rest of world	15.7	5.0	4.2	6.5	21.2	24.0	5.5	18.5	7.1	6.9	4.6	19.6	4.5
Mobile Thermal Solutions	2,408.7	706.3	847.5	854.8	3,203.5	3,161.7	794.8	2,366.9	835.7	820.4	710.8	2,234.5	558.8

Net sales, SEK M



Operating profit (EBITA), SEK M



Ringfeder Power Transmission



Third quarter of 2024

- Sales increased **1.6%** to **SEK 225.9 M** (222.4).
- Adjusted for currency effects and acquired sales between the years, organic growth was **-14.7%**.
- Operating profit (EBITA) decreased to **SEK 27,1 M** (40.0), with an operating margin (EBITA) of **12.0%** (18.0).

Nine months 2024

- Sales increased 19.1% to **SEK 723.4 M** (607.6).
- Adjusted for currency effects and acquired sales between the years, organic growth was **-0.2%**.
- Operating profit (EBITA) increased to **SEK 102.0 M** (93.8), with an operating margin (EBITA) of **14.1%** (15.4).

Sales and earnings

Third quarter of 2024

Sales for the third quarter increased 1.6% year-on-year to SEK 225.9 M (222.4). Adjusted for acquired sales and currency effects – where the average USD rate weakened 4.6%, the BRL weakened 16.0% and the EUR weakened 3.0% – organic growth was -14.7%.

Operating profit (EBITA) for Ringfeder Power Transmission totaled SEK 27,1 M (40.0) and the operating margin (EBITA) totaled 12.0% (18.0).

The operating margin for the quarter was negatively impacted by differences in product mix, where decrease in sales in primarily in the mining sector in Eastern Europe and Brazil are the main explanations.

Nine months 2024

Sales for the first nine months of the year increased 19.1% year-on-year to SEK 723.4 M (607.6). Adjusted for acquired sales and currency effects, where the average USD rate weakened by 0.8%, the BRL weakened by 5.0%, and the EUR weakened by 0.6% compared with the year-earlier period, organic growth was -0.2%.

EBITA for Ringfeder Power Transmission increased year-on-year to SEK 102.0 M (93.8) and the EBITA margin totaled 14.1% (15.4). Changes in the product mix, greater price sensitivity among customers in Europe, higher raw materials prices and disruptions in the supply chain during the quarter had a negative impact on the EBITA margin compared with the year-earlier period.

During the period, the division's working capital decreased SEK 4.4 M to SEK 331.0 M (335.5 at year-end). With the addition of property, plant and equipment of SEK 203.1 M, operating capital amounted to SEK 534.1 M at the end of September (506.0 at year-end).

The division's return on operating capital (ROOC) for the period was 29.8% (28.8 at year-end).

Capital expenditures and depreciation/amortization

Ringfeder Power Transmission's investments during the third quarter amounted to SEK 27.5 M (3.1). Total new capital expenditures for the first nine months of the year amounted to SEK 44.5 M (19.4), the higher investment level is mainly contributed to the acquisition of land, 17 MSEK.

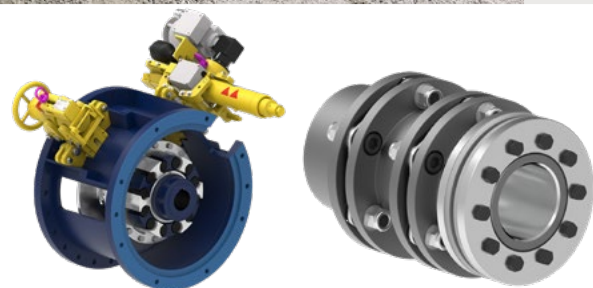
Depreciation/amortization for the third quarter totaled SEK 6.1 M (6.4) and totaled SEK 19.0 M (19.2) for the first nine months of the year.

Personnel

At September 30, 2024, there were 644 employees in the division, compared with 368 employees at year-end. During the first nine months of the year, Ringfeder Power Transmission employed an average of 641 persons (377 during the year-earlier period). Personnel costs for the first nine months of the year amounted to SEK 198.1 M (169.1), resulting in a cost per employee of SEK 309.1 thousand (448.5).

Main product segments

- Shaft-hub couplings
- Shaft-shaft couplings
- Friction springs
- Electromagnetic industrial couplings and brakes

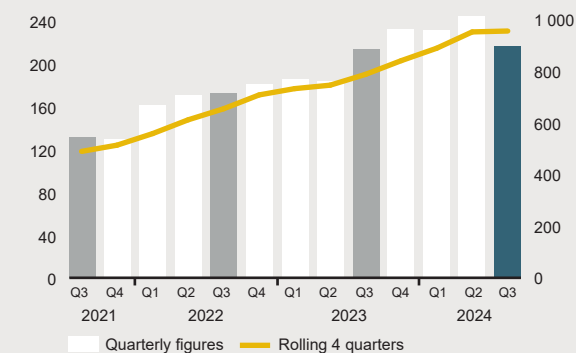


Ringfeder Power Transmission

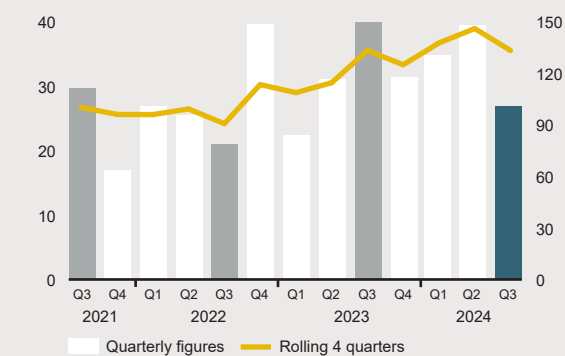
Sales/Earnings SEK M	Jan–Sep 2024	Q3 2024	Q2 2024	Q1 2024	Rolling 12 months	Full-year 2023	Q4 2023	Jan–Sep 2023	Q3 2023	Q2 2023	Q1 2023	Full-year 2022	Q4 2022
Net sales	723.4	225.9	255.8	241.7	966.2	850.4	242.7	607.6	222.4	191.9	193.4	716.7	189.5
Operating profit (EBITDA)	117.9	32.2	46.0	39.5	156.0	147.0	38.2	108.8	45.0	36.2	27.6	129.8	44.1
Operating profit (EBITA)	102.0	27.1	39.6	35.3	133.6	125.3	31.6	93.8	40.0	31.3	22.5	113.7	39.8
Operating margin (EBITA), %	14.1	12.0	15.5	14.6	13.8	14.7	13.0	15.4	18.0	16.3	11.6	15.9	21.0
Operating profit (EBIT)	98.8	26.1	38.5	34.2	129.0	119.8	30.1	89.6	38.6	29.9	21.1	109.1	38.7
Operating margin (EBIT), %	13.7	11.5	15.0	14.1	13.3	14.1	12.4	14.8	17.3	15.6	10.9	15.2	20.4
ROOC, %	29.8	29.8	33.1	31.3	29.8	30.0	30.0	32.5	32.5	29.3	29.7	32.2	32.2

Sales by market SEK M	Jan–Sep 2024	Q3 2024	Q2 2024	Q1 2024	Rolling 12 months	Full-year 2023	Q4 2023	Jan–Sep 2023	Q3 2023	Q2 2023	Q1 2023	Full-year 2022	Q4 2022
Sweden	3.4	1.2	1.1	1.1	4.7	4.1	1.3	2.8	0.8	1.0	1.0	4.1	0.9
Other Nordic countries	3.6	1.3	0.9	1.3	4.9	4.8	1.3	3.5	1.1	0.8	1.5	3.2	0.9
Germany	147.1	42.5	48.7	55.9	196.3	199.1	49.2	150.0	48.8	49.3	51.8	190.1	46.5
Other European countries	95.2	17.4	43.9	33.9	141.7	131.5	46.5	85.0	38.4	24.7	21.9	82.3	27.8
US	151.8	51.5	51.7	48.6	200.8	202.9	49.0	153.8	51.8	48.9	53.2	188.4	42.0
Rest of North America	5.4	2.2	1.8	1.4	7.7	9.5	2.3	7.2	2.3	2.2	2.7	5.8	1.9
Brazil	97.0	32.2	33.8	31.1	132.4	136.8	35.3	101.5	38.3	35.9	27.3	106.3	26.1
Australia/New Zealand	43.1	16.8	14.3	12.1	52.0	27.6	8.9	18.7	8.9	3.3	6.5	17.0	4.0
China	20.0	6.3	8.4	5.4	27.3	29.7	7.3	22.4	10.4	6.6	5.4	43.7	18.8
Rest of world	156.7	54.6	51.1	51.0	198.3	104.4	41.6	62.7	21.5	19.1	22.2	75.8	20.6
Ringfeder Power Transmission	723.4	225.9	255.8	241.7	966.2	850.4	242.7	607.6	222.4	191.9	193.4	716.7	189.5

Net sales, SEK M



Operating profit (EBITA), SEK M



Other information

Parent Company

VBG Group AB's operations are focused on managing, developing and coordinating the Group. The assets in the Parent Company consist primarily of shares in subsidiaries and brands. The objective is for the Group's key intangible assets, in the form of brands and other rights, to be gathered in the Parent Company. VBG Group AB focuses on maintaining and securing all the Group's trademarks and rights.

The Parent Company's net sales pertain primarily to intra-Group services and license revenues, which are invoiced in the fourth quarter. Operating loss for the first nine months of the year totaled SEK –52.7 M (–51.7). Profit after dividends from Group companies, net financial items and tax totaled SEK 93.6 M (–35.5).

Risks and uncertainty factors

The Group's and the Parent Company's significant risks and uncertainty factors include strategic, operational, compliance and financial risks, where the financial risks consist of financing and liquidity risks, interest-rate risk, credit risk and currency risk.

We are seeing increased geopolitical turbulence, which increased during the first nine months of 2024 as a result of the conflict in the Middle East as well as the macroeconomic headwinds, especially in Europe with inflation and volatile rates compared with the last decade. We see a global decline that influences almost all markets where VBG Group is active.

For a more detailed description of the Group's risks and risk management, refer to VBG Group AB's annual report for 2023.

Outlook for 2024

The company makes no forecast.

Financial information 2024/2025

Year-end report 2024	February 19, 2025
Interim report, three months 2025	April 28, 2025
Annual General Meeting 2025	May 13, 2025
Interim report, six months 2025	July 21, 2025
Interim report, nine months 2025	October 28, 2025

Auditor's review

This interim report has been audited.

Press releases issued in the third quarter of 2024

Invitation to presentation of VBG Group's Q2 report 2024	July 3, 2024
VBG Group Interim Report January - June 2024	July 19, 2024
VBG Group consolidates its operations in Canada	July 19, 2024
Invitation to presentation of VBG Group's Q3 report 2024	October 3, 2024

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Vänersborg, October 23, 2024
 VBG Group AB (publ)

Anders Erkén
 President and CEO

The information was submitted for publication on October 23, 2024 at 12:00 p.m.

Review report

VBG Group AB (publ) Corp. ID No. 556069-0751

Introduction

We have reviewed the condensed interim financial information (the interim report) of VBG Group AB (publ) as of September 30, 2024 and the nine-month period then ended. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion regarding this interim report based on our review.

Aim and scope of review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA) and other generally accepted auditing standards in Sweden.

The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

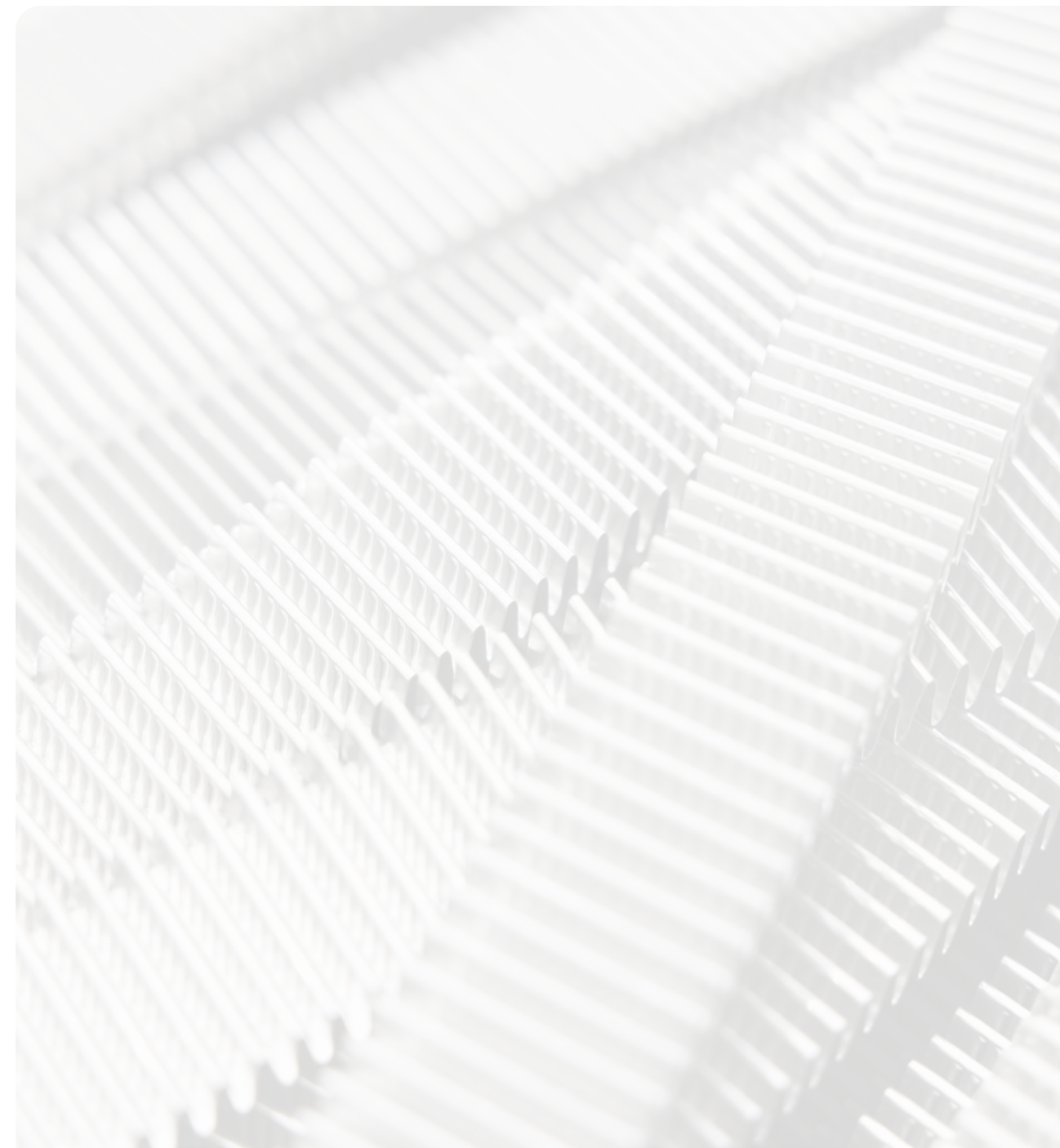
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information has not, in all material respects, been prepared in accordance with IAS 34 and the Annual Accounts Act as regards the Group and in accordance with the Annual Accounts Act as regards the Parent Company.

Gothenburg, October 23, 2024

Ernst & Young AB

Andreas Mast

Authorized Public Accountant



Condensed consolidated Income Statement

SEK M	Q3 2024	Q3 2023	Jan–Sep 2024	Jan–Sep 2023	Full-year 2023
Net sales	1,272.9	1,439.8	4,302.3	4,289.9	5,739.8
Cost of goods sold	-871.7	-1,002.2	-2,896.3	-2,968.2	-3,940.7
Gross profit	401.2	437.6	1,406.0	1,321.7	1,799.0
Selling expenses	-105.9	-102.9	-335.5	-310.6	-428.3
Administrative expenses	-97.3	-80.2	-314.6	-267.9	-369.9
Research and development costs	-38.9	-35.8	-123.8	-107.5	-142.1
Other operating income and expenses	5.0	-1.7	-7.4	-19.7	-33.8
	-237.1	-220.5	-781.2	-705.7	-974.1
Operating profit	164.1	217.1	624.7	616.0	824.9
Exchange rate effects, net	-13.4	13.5	-2.0	-3.4	-18.2
Interest income	10.3	10.4	31.6	23.4	34.9
Interest expenses	-13.8	-18.4	-47.2	-50.6	-70.2
Other financial income and expenses	0.6	-5.6	2.6	-6.9	-9.6
Total financial items	-16.3	-0.2	-15.0	-37.5	-63.1
Profit after financial items	147.8	216.9	609.7	578.5	761.9
Income tax	-35.5	-58.0	-133.8	-139.4	-193.3
Profit for the period	112.3	158.9	475.9	439.1	568.6
Profit for the period attributable to Parent Company shareholders	112.3	158.9	475.9	439.1	568.6
Earnings per share	4.49	6.35	19.03	17.56	22.74

Condensed consolidated Other comprehensive income

SEK M	Q3 2024	Q3 2023	Jan–Sep 2024	Jan–Sep 2023	Full-year 2023
Other comprehensive income					
Profit for the period	112.3	158.9	475.9	439.1	568.6
Items that will not be reversed in the income statement					
Effect of translation of defined-benefit pension plans, net after tax	-11.3	11.0	-11.3	11.0	-6.1
Items that may later be reversed in the income statement					
Translation differences pertaining to foreign operations	-87.3	-70.6	-0.9	73.9	-39.1
Other comprehensive income, net after tax	-98.5	-59.6	-12.1	85.0	-45.3
Comprehensive income for the period	13.7	99.2	463.8	524.1	523.3
Comprehensive income for the period attributable to Parent Company shareholders	13.7	99.2	463.8	524.1	523.3

Consolidated Balance Sheet

SEK M	Sep. 30, 2024	Sep. 30, 2023	Dec. 31, 2023
Assets			
Non-current assets			
Intangible assets			
Brands, customer relationships and other intangible assets	927.1	802.0	939.3
Goodwill	1,311.7	1,244.6	1,291.3
	2,238.7	2,046.6	2,230.7
Property, plant and equipment			
Land and buildings	274.8	223.9	251.7
Plant and machinery	190.9	157.5	178.2
Equipment, tools, fixtures and fittings	73.5	76.5	72.0
Construction in progress	73.2	49.6	14.9
Right-of-use assets	239.7	386.3	297.0
	852.3	893.8	813.9
Deferred tax asset	35.5	22.7	27.5
Total non-current assets	3,126.5	2,963.1	3,072.0
Current assets			
Inventories			
Raw materials and consumables	533.1	622.4	531.9
Work in progress	148.9	155.1	142.9
Finished products and merchandise	369.1	363.5	364.4
	1,051.2	1,141.0	1,039.1
Current receivables			
Trade receivables	796.9	932.0	821.8
Current tax assets	54.9	41.8	35.9
Other receivables	118.1	87.2	88.3
Prepaid expenses and accrued income	61.4	39.4	41.8
Current capital expenditures	15.9	—	—
	1,047.2	1,100.5	987.8
Cash and cash equivalents			
Cash on hand and demand deposits	927.3	1,055.2	885.9
Total current assets	3,025.6	3,296.7	2,912.9
Total assets	6,152.1	6,259.7	5,985.0

SEK M	Sep. 30, 2024	Sep. 30, 2023	Dec. 31, 2023
Equity and liabilities			
Equity			
Share capital	65.5	65.5	65.5
Other contributed capital	781.3	781.3	781.3
Reserves	248.1	362.0	248.9
Retained earnings, incl. net profit for the year	2,867.7	2,466.1	2,578.4
Total equity	3,962.6	3,674.8	3,674.1
Non-current liabilities			
Provisions for pensions and similar obligations	220.0	184.9	202.1
Deferred tax liability	232.0	207.8	229.0
Other provisions	93.8	89.6	95.8
Lease liability	220.8	363.7	258.1
Liabilities to credit institutions	623.0	859.2	730.5
Other non-current liabilities	23.3	23.9	55.7
Total non-current liabilities	1,412.8	1,728.9	1,571.2
Current liabilities			
Trade payables	347.0	411.5	322.5
Current tax liabilities	83.9	120.1	95.5
Other liabilities	29.4	38.8	45.6
Lease liability	57.1	47.4	55.7
Accrued expenses and deferred income	259.4	238.1	220.4
Total current liabilities	776.8	856.0	739.7
Total equity and liabilities	6,152.1	6,259.7	5,985.0

Consolidated Changes in Equity

SEK M	Jan–Sep 2024	Jan–Sep 2023	Full-year 2023
Opening equity according to balance sheet at December 31	3,674.1	3,288.3	3,288.3
Total comprehensive income for the period	463.8	524.1	523.3
Dividend	–175.3	–137.5	–137.5
Equity at end of period	3,962.6	3,674.8	3,674.1

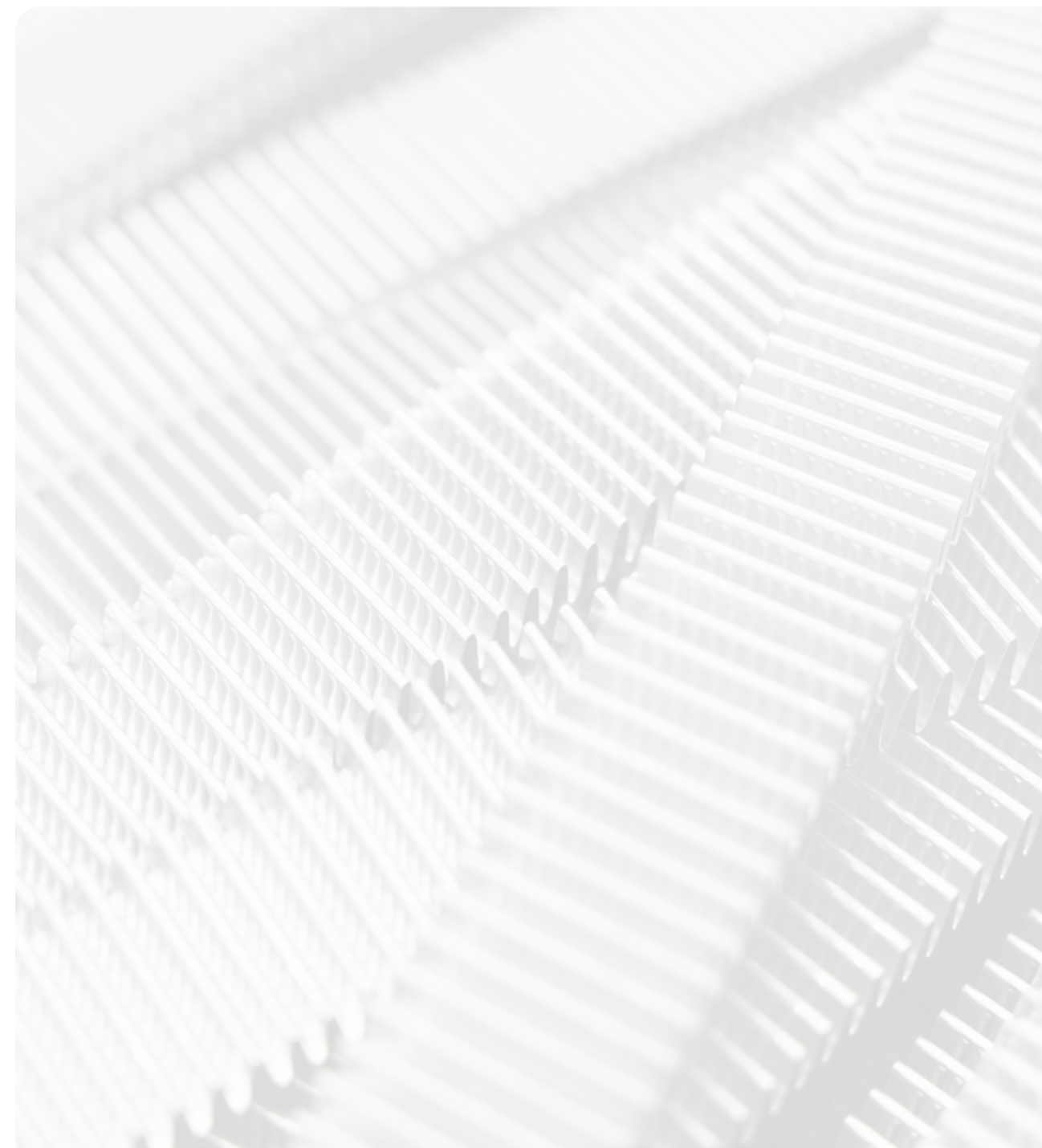
Consolidated Cash Flow Statement

SEK M	Jan–Sep 2024	Jan–Sep 2023	Full-year 2023
Operating activities			
Operating profit	624.7	616.0	824.9
Depreciation/amortization	98.6	114.1	128.1
Gains from divestment of property	—	—	–4.5
Other items not affecting liquidity	–28.1	18.3	–55.3
Interest received, etc.	35.9	25.1	37.2
Interest paid, etc.	–40.1	–45.8	–67.5
Tax paid	–175.5	–104.5	–179.4
Cash flow before change in working capital	515.5	623.2	683.5
Decrease/increase (–) in inventories	–12.5	22.9	92.8
Decrease/increase (–) in trade receivables	26.3	–225.2	–120.7
Decrease/increase (–) in other current receivables	–73.3	18.6	36.0
Increase/decrease (–) in trade payables	22.7	64.3	–13.7
Increase/decrease (–) in other current liabilities	23.6	38.7	27.3
Cash flow from operating activities	502.3	542.5	705.2
Investing activities			
Investments in intangible assets	–1.6	–4.2	–3.5
Investments in property, plant and equipment	–147.3	–87.3	–111.5
Investments in other financial assets	–4.3	—	—
Divestment of property	—	—	15.8
Net settlements, business combinations	–33.8	—	–243.4
Cash flow from investing activities	–187.1	–91.5	–342.7
Financing activities			
Loans raised and changes to existing loans	–107.5	271.9	183.5
Changes to lease liability	15.6	–37.9	–14.1
Dividend paid	–175.3	–137.5	–137.5
Cash flow from financing activities	–267.2	96.5	31.9
Cash flow for the year	48.0	547.5	394.5
Cash and cash equivalents at start of year	885.9	498.8	498.8
Translation difference, cash and cash equivalents	–6.7	8.9	–7.4
Cash and cash equivalents at year-end	927.3	1,055.2	885.9
Unutilized overdraft facilities	100.0	100.0	100.0
Total cash and cash equivalents available	1,027.3	1,155.2	985.9



Key Figures for Group

SEK M	Jan–Sep 2024	Jan–Sep 2023	Full-year 2023
Operating margin (EBITA), %	15.1	14.9	14.9
Operating margin (EBIT), %	14.5	14.4	14.4
Profit margin (ROS), %	14.2	13.5	13.3
Return on equity (ROE), %	14.5	16.7	16.2
Return on capital employed (ROCE), %	15.8	18.4	17.2
Equity/assets ratio, %	64.4	58.7	61.4
Interest-bearing net debt/EBITDA	0.20	0.45	0.41
Equity per share outstanding at end of period, SEK	158.48	146.97	146.94
Cash flow from operating activities, per average share outstanding, SEK	20.09	21.70	28.20
Profit per average share outstanding during the period, SEK	19.03	17.56	22.74
Share price at end of period, SEK	388.50	191.60	243.00
Number of employees, average	2,032	1,837	1,864
Number of shares outstanding at end of period ('000)	25,004	25,004	25,004
Number of treasury shares at end of period ('000)	1,192	1,192	1,192





Parent Company Income Statement

SEK M	Jan–Sep 2024	Jan–Sep 2023	Full-year 2023
Net sales	—	—	57.7
Administrative expenses	–52.7	–51.7	–73.1
Operating profit	–52.7	–51.7	–15.4
Net financial items	146.3	16.2	96.8
Profit/loss from financial items	93.6	–35.5	81.3
Appropriations	—	—	49.0
Tax	—	—	–4.7
Profit for the period	93.6	–35.5	125.6

Parent Company Balance Sheet

SEK M	Sep. 30, 2024	Sep. 30, 2023	Dec. 31, 2023
Property, plant and equipment	0.9	1.2	0.8
Financial assets	2,065.2	1,994.1	2,194.4
Total non-current assets	2,066.1	1,995.3	2,195.2
Receivables	136.8	149.2	166.1
Cash on hand and demand deposits	432.9	776.8	551.5
Total current assets	2,635.8	926.0	717.7
Total assets	2,635.8	2,921.3	2,912.9
Equity	1,324.5	1,244.7	1,405.9
Untaxed reserves	24.8	18.8	24.8
Provisions	19.1	17.4	17.6
Non-current liabilities	622.4	858.6	729.5
Current liabilities	645.0	781.6	735.1
Total equity and liabilities	2,635.8	2,921.1	2,912.9

Notes

1 ACCOUNTING POLICIES

This interim report for the Group has been prepared in accordance with the Annual Accounts Act and IAS 34 Interim Financial Reporting, and for the Parent Company, in accordance with the Annual Accounts Act and recommendation RFR 2, Accounting for Legal Entities. The same accounting policies and calculation methods were applied as in the most recent annual report.

This report may contain rounding differences.

2 RELATED PARTY TRANSACTIONS

There have been no related party transactions in 2024 that have significantly affected the company's financial position and results. Related party transactions during 2023 are disclosed in Note 6 of the annual report for 2023.

3 FINANCIAL INSTRUMENTS

	Jan-Sep 2024	Q3 2024	Jan-Sep 2023	Q3 2023	Full-year 2023
Financial income					
Interest income from other financial assets	31.6	10.3	23.4	10.4	34.9
Total interest income under the effective-rate method	31.6	10.3	23.4	10.4	34.9
Financial expenses					
Interest expenses, liabilities to credit institutions	-34.0	-9.5	-33.8	-13.0	-48.0
Interest expenses, other financial expenses	-3.2	-0.9	-4.5	-1.5	-7.7
Total interest expenses under the effective-rate method	-37.2	-10.5	-38.4	-14.5	-55.7

	Jan-Sep 2024	Q3 2024	Jan-Sep 2023	Q3 2023	Full-year 2023
Exchange rate differences – costs, financial items	-2.0	-13.4	-3.4	13.5	-18.2
Interest expenses, lease liabilities	-9.7	-3.2	-12.4	-4.0	-14.6
Total	-11.7	-16.6	-15.8	9.4	-32.8
Total financial expenses	-48.9	-27.1	-54.2	-5.1	-88.5
Financial instruments					
Trade receivables	796.9	-146.2	932.0	-54.9	821.8
Other current receivables	118.1	14.7	87.2	3.1	88.3
Cash and cash equivalents	927.3	7.7	1,055.2	638.6	885.9
Total	1,842.3	123.8	2,074.5	586.8	1,796.1
Financial liabilities					
Liabilities to credit institutions	623.0	-25.2	859.2	410.0	730.5
Additional purchase consideration	—	-34.2	—	—	33.7
Trade payables	347.0	-84.7	411.5	-2.9	322.5
Lease liabilities	277.8	-20.3	759.9	-12.4	313.8
Accrued interest	8.5	-0.6	0.0	0.0	10.0
Other liabilities	29.8	-39.6	38.8	3.7	45.6
Total	1,286.1	-173.0	2,069.4	398.4	1,456.1

4 SALES AND EARNINGS BY SEGMENT

SEK M	Truck & Trailer Equipment	Mobile Thermal Solutions	Ringfeder Power Transmission	Group-wide	Group
Q3 2024					
Net sales	340.7	706.3	225.9	—	1,272.9
Operating profit/loss	50.8	91.4	26.1	-4.1	164.1
Operating margin, %	14.9	12.9	11.5	—	12.9
Net financial items				-16.3	-16.3
Profit after financial items					147.8
Q3 2023					
Net sales	381.7	835.7	222.4	—	1,439.8
Operating profit/loss	79.4	101.2	38.6	-2.2	217.1
Operating margin, %	20.8	12.1	17.3	—	15.1
Net financial items				-0.2	-0.2
Profit after financial items					216.9

5 EVENTS AFTER THE CLOSE OF THE REPORTING PERIOD

No significant events occurred after the close of the period.

Alternative performance measures

Reconciliation between IFRS and performance measures used

Certain information in this report that is used by Group Management and analysts to assess the Group's performance has not been prepared in accordance with IFRS.

Group Management believes that this information makes it easier for investors to analyze the Group's earnings performance and financial structure. Investors should view this information as a supplement to, rather than a replacement of, financial reporting in accordance with IFRS.

Organic growth

Net sales excluding effects of structural changes, meaning acquired or divested operations, and currency effects.

SEK M	Jan–Sep 2024	Q3 2024	Jan–Sep 2023	Q3 2023	Full-year 2023
Group					
Net sales	4,302.3	1,272.9	4,289.9	1,439.8	5,739.8
Acquired volume (incl. full-year effect from preceding year)	-124.3	-41.4	—	—	-26.1
Currency effect	34.7	43.0	-250.1	-76.2	-299.5
Net sales excluding acquisitions and currencies	4,212.7	1,274.2	4,039.8	1,363.6	5,414.2
Organic growth	-77.2	-165.6	651.3	272.0	834.2
Organic growth, %	-1.8	-11.5	19.2	24.9	18.2
Truck & Trailer Equipment					
Net sales	1,170.2	340.7	1,315.3	381.7	1,727.7
Currency effect	-6.5	8.4	-72.1	-26.0	-80.2
Net sales excluding acquisitions and currencies	1,176.6	-349.0	1,243.2	355.7	1,647.5
Organic growth	-138.7	-32.7	57.7	-6.7	18.8
Organic growth, %	-10.5	-8.6	4.9	-1.8	1.2

SEK M	Jan–Sep 2024	Q3 2024	Jan–Sep 2023	Q3 2023	Full-year 2023
Mobile Thermal Solutions					
Net sales	2,408.7	706.3	2,366.9	835.7	3,161.7
Currency effect	20.8	29.3	-107.0	-16.7	-110.3
Net sales excluding acquisitions and currencies	2,429.4	735.6	2,259.9	818.9	3,051.4
Organic growth	62.5	-100.1	584.2	269.8	816.9
Organic growth, %	2.6	-12.0	34.9	49.1	36.6
Ringfeder Power Transmission					
Net sales	723.4	225.9	607.6	222.4	850.4
Acquired volume	-124.3	-81.4	—	—	-26.1
Currency effect	7.4	5.4	-71.0	-33.4	-109.0
Net sales excluding acquisitions and currencies	606.6	189.6	536.6	189.0	715.2
Organic growth	-1.1	-32.8	9.4	9.0	-1.5
Organic growth, %	-0.2	-14.7	1.8	5.0	-0.2

CONT. ALTERNATIVE PERFORMANCE MEASURES

Operating profit (EBITDA)

Operating profit before depreciation/amortization and impairment.

Group, SEK M	Jan–Sep 2024	Q3 2024	Jan–Sep 2023	Q3 2023	Full-year 2023
Operating profit (EBIT)	624.7	164.1	616.0	217.1	824.9
Depreciation/amortization	98.6	33.1	114.1	38.9	128.1
Operating profit (EBITDA)	723.4	197.2	730.1	256.0	953.0

Operating margin (EBITDA)

Operating profit before depreciation/amortization as a percentage of net sales.

Group, SEK M	Jan–Sep 2024	Q3 2024	Jan–Sep 2023	Q3 2023	Full-year 2023
Net sales	4,302.3	1,272.9	4,289.9	1,439.8	5,739.8
Operating profit (EBIT)	624.7	164.1	616.0	217.1	824.9
Depreciation/amortization	98.6	33.1	114.1	38.9	128.1
Operating margin (EBITDA), %	16.8	15.5	17.0	17.8	16.6

Operating profit (EBITA)

Operating profit before depreciation/amortization and impairment of intangible assets.

Group, SEK M	Jan–Sep 2024	Q3 2024	Jan–Sep 2023	Q3 2023	Full-year 2023
Operating profit (EBIT)	624.7	164.1	616.0	217.1	824.9
Amortization of intangible assets	23.4	7.7	24.5	8.6	33.1
Operating profit (EBITA)	648.2	171.8	640.5	225.7	858.0

Operating margin (EBITA)

Operating profit before depreciation/amortization and impairment of intangible assets, as a percentage of net sales.

Group, SEK M	Jan–Sep 2024	Q3 2024	Jan–Sep 2023	Q3 2023	Full-year 2023
Net sales	4,302.3	1,272.9	4,289.9	1,439.8	5,739.8
Operating profit (EBIT)	624.7	164.1	616.0	217.1	824.9
Amortization of intangible assets	23.4	7.7	24.5	8.6	33.1
Operating margin (EBITA), %	15.1	13.5	14.9	15.7	14.9

Gross profit margin

Profit before net financial items as a percentage of net sales.

Group, SEK M	Jan–Sep 2024	Q3 2024	Jan–Sep 2023	Q3 2023	Full-year 2023
Net sales	4,302.3	1,272.9	4,289.9	1,439.8	5,739.8
Gross profit	1,406.0	401.2	1,321.7	437.6	1,799.0
Gross profit margin, %	32.7	31.5	30.8	30.4	31.3

Profit margin

Profit after financial items as a percentage of net sales.

Group, SEK M	Jan–Sep 2024	Q3 2024	Jan–Sep 2023	Q3 2023	Full-year 2023
Net sales	4,302.3	1,272.9	4,289.9	1,439.8	5,739.8
Profit after financial items	609.7	147.8	578.5	216.9	761.8
Profit margin, %	14.2	11.6	13.5	15.1	13.3

Interest-bearing net debt

Interest-bearing loan liabilities and provisions less cash and cash equivalents.

Group, SEK M	Jan–Sep 2024	Q3 2024	Jan–Sep 2023	Q3 2023	Full-year 2023
Provisions for pensions	220.0		184.9		202.1
Loans	623.0		859.2		730.5
Contingent purchase price consideration	—		—		32.5
Lease liability	277.8		411.1		313.8
Bank balances	–927.3		–1,055.2		–885.9
Interest-bearing net debt	193.6	n/a	399.9	n/a	392.9

Interest-bearing net debt/EBITDA

Interest-bearing loan liabilities as a percentage of operating profit before depreciation/amortization and impairment.

Group, SEK M	Jan–Sep 2024	Q3 2024	Jan–Sep 2023	Q3 2023	Full-year 2023
Interest-bearing net debt	193.6		399.9		392.9
EBITDA, rolling 4 quarter	946.3		892.4		953.0
Interest-bearing net debt/EBITDA	0.20	n/a	0.45	n/a	0.41

CONT. ALTERNATIVE PERFORMANCE MEASURES

ROOC BY DIVISION

EBITDA as a percentage of operating capital as below.

Group, SEK M	Jan–Sep 2024	Jan–Sep 2023	Full-year 2023
Group			
Inventories	1,051.2	1,141.0	1,039.1
Trade receivables	796.9	932.0	821.8
Trade payables	–347.0	–411.5	–322.5
Working capital	1,501.1	1,661.5	1,538.5
Property, plant and equipment	852.3	893.8	813.9
Operating capital	2,353.3	2,555.3	2,352.4
EBITDA, rolling 12 months	946.3	892.4	953.0
Average operating capital, four quarter	2,385.1	2,480.0	2,480.8
ROOC, %	39.7	36.0	38.4
Truck & Trailer Equipment			
Inventories	229.6	252.6	243.4
Trade receivables	195.5	259.2	199.6
Trade payables	–75.7	–92.9	–68.8
Working capital	349.4	418.9	374.2
Property, plant and equipment	273.2	223.6	244.3
Operating capital	622.6	642.5	618.5
EBITDA, rolling 12 months	320.6	409.4	393.2
Average operating capital, four quarter	633.2	629.1	633.8
ROOC, %	50.6	65.1	62.0

Group, SEK M	Jan–Sep 2024	Jan–Sep 2023	Full-year 2023
Mobile Thermal Solutions			
Inventories	613.4	680.8	612.9
Trade receivables	440.5	516.3	434.8
Trade payables	–231.2	–295.2	–215.0
Working capital	822.7	901.9	832.6
Property, plant and equipment	373.0	516.6	391.9
Operating capital	1,195.6	1,418.6	1,224.5
EBITDA, rolling 12 months	491.1	357.6	438.2
Average operating capital, four quarter	1,227.9	1,381.0	1,355.2
ROOC, %	40.0	25.9	32.3
Ringfeder Power Transmission			
Inventories	208.2	207.6	182.9
Trade receivables	160.8	141.5	187.4
Trade payables	–38.0	–21.0	–34.8
Working capital	331.0	328.1	335.5
Property, plant and equipment	203.1	151.9	170.5
Operating capital	534.1	480.0	506.0
EBITDA, rolling 12 months	156.0	153.0	147.0
Average operating capital, four quarter	524.2	470.6	490.5
ROOC, %	29.8	32.5	30.0

Definitions of performance measures
Equity/assets ratio

Equity as a percentage of the balance sheet total.

Return on capital employed (ROCE)

Profit after financial items plus interest expenses as a percentage of average capital employed, expressed as the balance sheet total less non-interest-bearing liabilities.

Return on equity (ROE)

Net profit for the year as a percentage of average equity.

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