

Q4

Interim Report
January–December 2024

**Sustainable, reliable
industrial solutions**



Interim report, fourth quarter of 2024

Fourth quarter 2024

- Consolidated sales decreased 12.0% to **SEK 1,276.6 M** (1,449.9).
- Organic growth amounted to **-13.0%** (15.4), adjusted for acquired sales and currency effects between the years.
- The sale of Truck & Trailer Equipment's warehouse and distribution property in Denmark impacted operating profit (EBITA) positively by **SEK 9.8 M**.
- Consolidated operating profit (EBITA) totaled **SEK 194.5 M** (217.5), with an operating margin (EBITA) of **15.2%** (15.0).
- Profit after financial items amounted to **SEK 172.5 M** (183.4).
- Earnings per share amounted to **SEK 4.49** (5.18) before and after dilution.

Full-year 2024

- Consolidated sales decreased 2.8% to **SEK 5,578.9 M** (5,739.8).
- Organic growth amounted to **-4.6%** (18.2), adjusted for acquired sales and currency effects between the years.
- Operating profit (EBITA) decreased to **SEK 842.7 M** (860.9), with an operating margin (EBITA) of **15.1%** (15.0).
- Profit after financial items increased to **SEK 782.2 M** (766.3).
- Earnings per share amounted to **SEK 23.52** (22.88) before and after dilution. The Board of Directors proposes an increase in the dividend to SEK 7.25 (7.00), corresponding to 30.8% (30.8) of profit after tax.

KEY FIGURES

Group, SEK M	Q4 2024	Q4 2023	Full-year 2024	Full-year 2023
Net sales	1,276.6	1,449.9	5,578.9	5,739.8
Operating profit before depreciation/amortization (EBITDA)	222.8	222.9	946.1	955.8
Operating profit before amortization (EBITA)	194.5	217.5	842.7	860.9
Operating profit (EBIT)	171.2	209.0	795.9	827.8
Operating profit after financial items (EBT)	172.5	183.4	782.2	766.3
Profit after tax	112.2	129.5	588.2	572.1
Earnings per share, SEK	4.49	5.18	23.52	22.88
Cash flow from operating activities	294.0	162.7	796.4	722.9
ROE (cumulative), %	14.5	16.5	14.5	15.6
ROCE (cumulative), %	16.3	17.3	16.3	17.3
Equity/assets ratio, %	63.3	61.4	63.3	61.7
Interest-bearing net debt/EBITDA	n/a	n/a	0.45	0.39
Average number of employees	n/a	n/a	1,980	1,864
Number of shares outstanding ('000)	25,004	25,004	25,004	25,004

Net sales

SEK 1,276.6 M

-12,0%

Operating profit (EBITA)

SEK 194.5 M

15,2%

We posted our second-best yearly earnings despite a challenging market

In challenging macroeconomic conditions, VBG Group posted its second-best yearly earnings ever in 2024, which emphasizes the Group’s robustness and adaptability. The combination of geographic and product diversification, disciplined operational governance and strategic decisions made it possible to effectively navigate market headwinds and maintain strong financial stability and profitability.

Stable margins despite challenges

The fourth quarter of 2024 was marked by a combination of challenges and opportunities, which also summarizes the year as a whole. VBG Group’s net sales decreased 12% to SEK 1,277 M (1,450), which reflected falling demand in key regions such as North America and Europe. Operating profit (EBITA) for the quarter amounted to SEK 195 M (218), with an EBITA margin of 15.2% (15.0). Despite flagging sales volumes, we successfully maintained good gross margins through efficiency improvements and effective cost control.

Net sales for full-year 2024 amounted to SEK 5,579 M (5,740), with an operating margin (EBITA) of SEK 843 M (861) and an operating margin (EBITA) of 15.1% (15.0). Despite operating profit (EBITA) decreasing from last year’s record-high levels, it was still the second-best result in the Group’s history. If the operating margin (EBITA) is adjusted with the sale of the property in Denmark as well as costs for the acquisition of Italytec Imex Indústria e Comércio Ltda, the operating margin amounted to 15.0% – which is in line with the Group’s objective.

The positive earnings are also reflected in earnings per share, which amounted to SEK 23.52 (22.88), and in the operating cash flow, which totaled SEK 796 M. On the basis of the Group’s strong earnings, the Board of Directors proposes an increase in the dividend to SEK 7.25 (7.00), corresponding to 30.8% (30.8) of profit after tax.

Active efforts in the divisions promoted profitability

Mobile Thermal Solutions demonstrated its adaptability in the face of softer demand, which was due primarily to inventory adjustments by customers in North America. Operational efficiency enhancement measures enabled a stabilization of the gross margins.

Due to a positive product mix and implemented improvements, Truck & Trailer Equipment maintained robust profitability in a time of flagging demand in the trailer segment.

Ringfeder Power Transmission posted its best earnings ever, with sales growth of 13% during the fourth quarter. The division’s strong performance is attributable to Rathi’s good earnings, the recovery in some markets and the division’s positive product mix and good cost control.

Strengthened margins and strategic investments

Good cost control and a focus on profitable growth enabled improvements to margins in 2024. Our stable cash flow made it possible to carry out strategic initiatives such as the decision to consolidate manufacturing units in Toronto and to integrate Rathi Transpower into the Group’s operations. These investments strengthen our core operation and enable VBG Group to be positioned for future productivity gains and growth.

Focus on cash flow

Maintaining stable cash flow in a time of declining demand was a central component of our strategy in the second half of 2024. Proactive efforts and operational improvements focusing on tied-up working capital generated a stable cash flow and created the flexibility to continue carrying out initiatives for increased growth.

2024 was characterized by measures to optimize our global operation. Automating selected procedures, optimizing production and refining the responsibility in the supply chain promoted increases in productivity and reduced costs. These measures have already begun contributing to our earnings and will continue to do so during 2025 and beyond.

Acquisition of Brazilian company Italytec Imex Indústria e Comércio Ltda.

2025 started off with VBG Group’s January acquisition of the Brazilian company Italytec, which is the leading supplier of air conditioning systems for the Brazilian off-road market.

The acquisition of Italytec is a strategic step in our journey of growth as a global industrial Group, and it strengthens our presence in Brazil and South America, which is in line with our long-term strategy. Italytec’s products expand our customer offering and promote the Group’s ambition of creating a safer society.

The future

None of the achievements in 2024 would have been possible without the commitment of our employees, customers and partners. Steadfast support has made it possible for VBG Group to turn challenges into opportunities and strengthen our position as a leading industrial company. I would like to extend my sincerest thanks, and I look forward to continuing our good collaboration.

Looking ahead, we are preparing for unpredictable macroeconomic developments marked by geopolitical events and volatile fluctuations in the markets in Europe, the US and China. Despite these challenges, we are strongly positioned for future growth owing to our stable balance sheet and proven operational resilience. We are convinced of our ability to meet new challenges, leverage opportunities and continue posting profitable and sustainable growth.

Through targeted efficiency enhancement measures, broadened product offering and strategic investments, we will continue to strengthen our profitability and our cash flow. Together, we will guide VBG Group on a journey marked by stability and profitability, as well as social and environmental accountability.

Anders Erkén
President and CEO, VBG Group

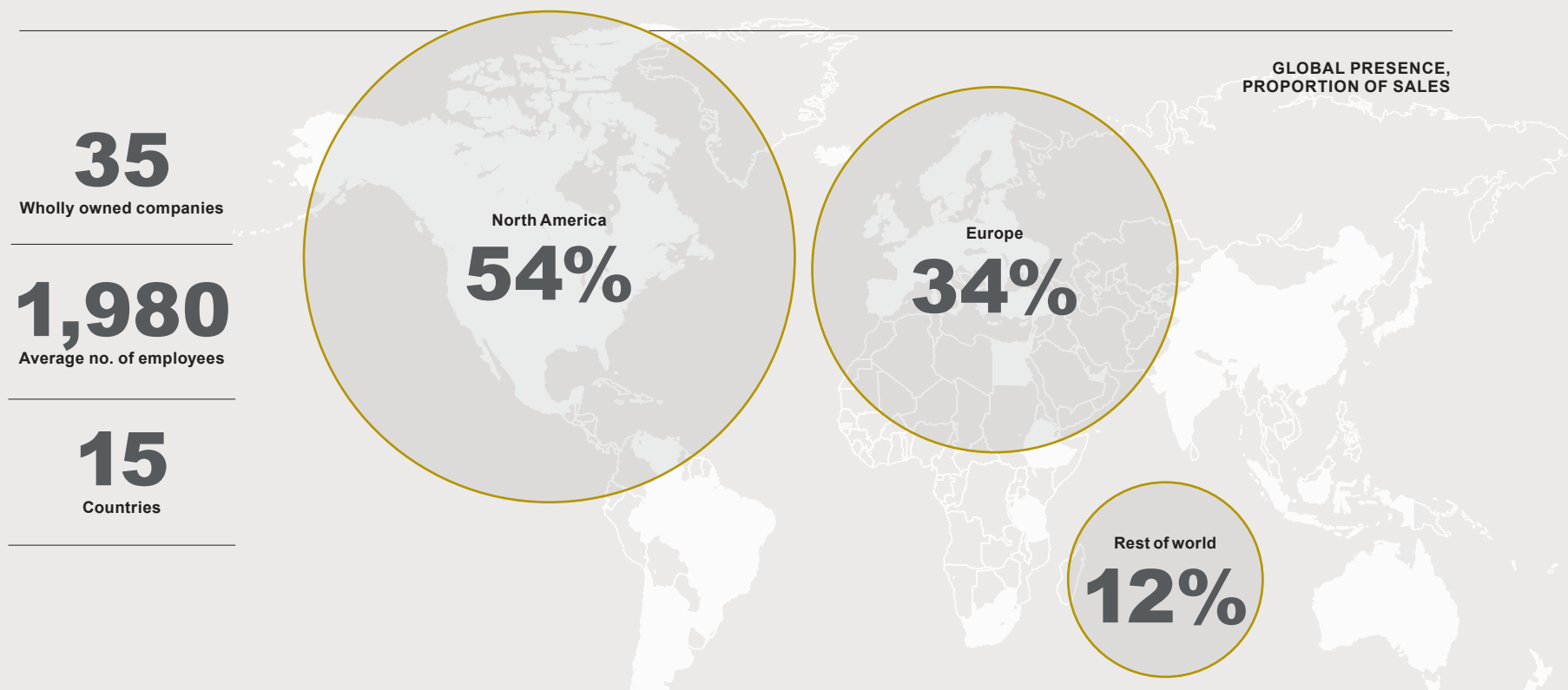


“
We are evolving and becoming stronger in a time of challenges”

VBG Group – a global 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**



35
Wholly owned companies

1,980
Average no. of employees

15
Countries

DIVISIONS

TRUCK & TRAILER EQUIPMENT



Sales, SEK M	Average no. of employees
367	414
Operating profit (EBITA), SEK M	Operating margin (EBITA), %
83	23

MOBILE THERMAL SOLUTIONS



Sales, SEK M	Average no. of employees
636	953
Operating profit (EBITA), SEK M	Operating margin (EBITA), %
63	10

RINGFEDER POWER TRANSMISSION



Sales, SEK M	Average no. of employees
274	603
Operating profit (EBITA), SEK M	Operating margin (EBITA), %
55	20

Group

Sales and earnings

Fourth quarter of 2024

Sales decreased to SEK 1,276.6 M (1,449.9) and were 12.0% lower compared with the fourth quarter of 2023. Adjusted for currency effects and acquired sales, organic growth totaled –13.0% (15.4).

Market conditions have changed, and demand for the Group's products – primarily in North America – continued to fall in the fourth quarter.

Truck & Trailer Equipment had organic growth of –11.3%, organic growth in Mobile Thermal Solutions was –20.2% and Ringfeder Power Transmission's organic growth was 7.6%.

Consolidated operating profit (EBITA) decreased to SEK 194.5 M (217.5), corresponding to an operating margin of 15.2% (15.0). The increase in operating margin is a result of activities for strengthening the gross profit margin, which were successful despite lower sales volumes primarily in Mobile Thermal Solutions, combined with a strong quarter from Ringfeder Power Transmission and a property sale.

Truck & Trailer Equipment's operating margin (EBITA) increased to 22.5% (20.8). A capital gain of SEK 9.8 M pertaining to the sale of a warehouse and distribution property in Denmark had a positive impact on Truck & Trailer Equipment's operating margin for the fourth quarter.

The Mobile Thermal Solutions operating margin (EBITA) was 9.9% (13.7). The operating margin in Mobile Thermal Solutions was negatively impacted by the drop in volume for the quarter, compared to a very strong fourth quarter of 2023. Earnings in 2024 were charged approximately SEK 3 M in costs in conjunction with the acquisition of Italtotec Imex Indústria e Comércio Ltda., which was completed after the balance sheet date.

Ringfeder Power Transmission's operating margin (EBITA) increased to 20.0% (13.0) for the quarter, and was positively impacted by a favorable product mix and good cost control.

Consolidated net interest expense for the fourth quarter was SEK –15.3 M (–8.1) and the currency effect for the quarter on foreign-currency denominated financial liabilities was SEK 20.0 M (–14.8). Net interest items were negatively impacted by VBG Group's expansion of its credit facility agreement by an additional SEK 750 M starting in the third quarter of 2024.

Other financial expenses amounted to SEK –3.4 M (–2.7). Profit after financial items decreased to SEK 172.5 M (183.4) and operating profit after tax decreased to SEK 112.2 M (129.5). Earnings per share totaled SEK 4.49 (5.18) before and after dilution.

Full-year 2024

Sales totaled SEK 5,578.9 M (5,739.8) and were 2.8% lower than full-year 2023. Adjusted for currency effects between the periods, organic growth was –4.6%. Operating profit (EBITA) decreased to SEK 842.7 M (860.9), corresponding to an operating margin (EBITA) of 15.1% (15.0). The increased profitability was a result of continued improvements to Mobile Thermal Solutions' bus operations in the US, as well as the effects produced by a lag in price increases despite flagging volumes and sales for Mobile Thermal Solutions as a whole. In Truck & Trailer Equipment, the European trailer market and sales were very weak, which contributed to the drop in volume for the Group. Earnings for 2024 were positively impacted by SEK 9.8 M in capital gains from the sale of the warehouse and distribution property in Denmark during the fourth quarter. Earnings in 2024 were charged approximately SEK 3 M in costs in conjunction with the acquisition of Italtotec Imex Indústria e Comércio Ltda., which was completed after the balance sheet date.

Consolidated net interest expense for the full year was SEK –30.9 M (–33.7) and the currency effect on foreign-currency denominated assets and liabilities totaled SEK 18.0 M (–18.2). Taken together, this resulted in a net financial expense of SEK –13.7 M (–61.4). Accordingly, profit after financial items was SEK 782.2 M (766.3), profit after tax totaled SEK 588.2 M (572.1) and earnings per share amounted to SEK 23.52 (22.88).

During the preceding quarter, VBG Group signed agreements to acquire land in Toronto. VBG Group intends to consolidate the three existing production facilities in Toronto into one, with significant cost savings as a result. The purchase consideration for the land totaled SEK 420 M, and possession took place in the fourth quarter.

Capital expenditures and depreciation/amortization

The Group's new capital expenditures for the fourth quarter totaled SEK 455.6 M (28.2), with SEK 420 M pertaining to the acquisition of land in Toronto. Total new capital expenditures for the full year were SEK 617.2 M (117.3). The higher levels of investment in 2024 were driven by the investment in land in Toronto and by increased investments in Mobile Thermal Solutions. Depreciation/amortization totaled SEK 51.6 M (16.7) for the fourth quarter and SEK 150.2 M (133.0) for the full year.

Financial position

Full-year 2024

Profit after tax for the period increased to SEK 588.2 M (572.1) and other comprehensive income – pertaining to translation differences in foreign currencies and remeasurement of pension plans – totaled SEK 43.6 M (–45.3), which resulted in comprehensive income for the period of SEK 631.8 M (526.8). Dividends paid in 2024 totaled SEK 175.0 M (137.5). Accordingly, consolidated equity increased to SEK 4,132.7 M (3,676.0) during 2024.

The equity/assets ratio increased during the period to 63.3% (61.7). Cash and cash equivalents including currency effects increased SEK 63.7 M (387.1) during the period. Cash and cash equivalents totaled SEK 949.7 M (885.9) at the end of the period. In addition, there were unutilized overdraft facilities of SEK 100.0 M (100.0), which means the Group at the end of December had available liquidity, excluding scope under credit agreements, of SEK 1,049.7 M (985.9).

Consolidated interest-bearing net debt increased SEK 54.6 M during the year, totaling SEK 428.6 M (374.0) at the end of the period.

The ratio of consolidated interest-bearing net debt to equity at December 31, 2024 was 0.06 (0.10 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 0.45 (0.39).

Currency effects pertaining to goodwill totaled SEK 7.9 for the period, which resulted in total goodwill of SEK 1,322.9 M (1,291.3) at the end of the period, which in relation to equity yielded a ratio of 0.32 (0.35).

Cash flow

Cash flow from operating activities increased compared with the year-earlier period, totaling SEK 796.4 M (722.9). The decrease in tied-up capital in warehouses and trade receivables, in combination with good underlying earnings, resulted in stable cash flow at high levels. Investments made during the period totaled SEK 616.6 M (342.7). Consolidated total borrowings and lease liabilities for the full year decreased by SEK 50.8 M (151.7) after repayment of loans. The dividend that was paid out in May totaled SEK 175.0 M (137.5), which means that cash flow for the period totaled SEK 55.5 M (394.4).

Personnel

At December 31, 2024, there were 1,972 employees (2,065) in the VBG Group, of which 231 (230) in Sweden. During full-year 2024, the Group employed an average of 1,980 persons (1,864 during the year-earlier period). Of these, 230 (221) were active in Sweden. The cost of salaries and social security contributions for the full year was SEK 1,248.7 M (1,205.8).

Per share data

Earnings per share amounted to SEK 23.52 (22.88). Equity per share at December 31, 2024 was SEK 165.28, compared with SEK 147.02 year-on-year.

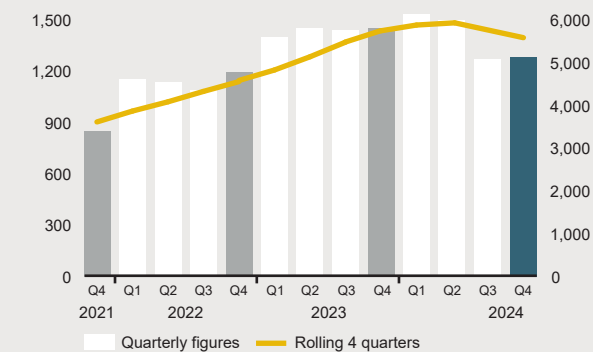
At the end of the quarter, the share price was SEK 312.00, which corresponds to a market capitalization of SEK 7,801 M, compared with a share price of SEK 243.00 and market capitalization of SEK 6,076 M in the fourth quarter of 2023.

The number of shareholders increased by 64 for the full year, amounting to 11,765 (11,701) at year-end.

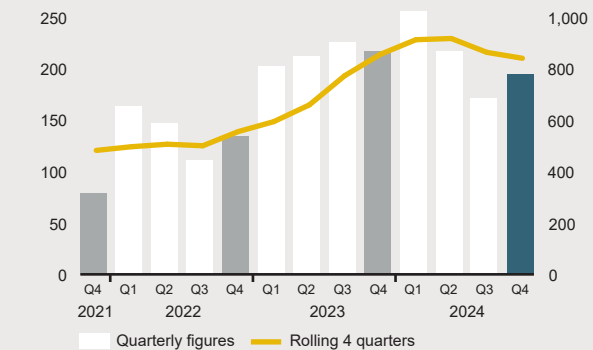


Sales/Earnings SEK M	Full-year 2024	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Full-year 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Net sales	5,578.9	1,276.6	1,272.9	1,494.3	1,535.0	5,739.8	1,449.9	1,439.8	1,450.2	1,399.9
Operating profit before depreciation/ amortization (EBITDA)	946.1	222.8	197.2	243.3	282.9	960.8	222.9	256.0	242.2	232.0
Operating profit before amortization (EBITA)	842.7	194.5	171.8	216.9	259.5	860.9	217.5	225.7	212.2	202.7
Operating margin (EBITA), %	15.1	15.2	13.5	14.5	16.9	15.0	15.0	15.7	14.6	14.5
Operating profit (EBIT)	795.9	171.2	164.1	209.1	251.6	827.8	209.0	217.1	204.1	194.9
Operating margin (EBIT), %	14.3	13.4	12.9	14.0	16.4	14.4	14.4	15.1	14.1	13.9
Operating profit after financial items (EBT)	782.2	172.5	147.8	211.6	250.3	766.3	183.4	216.9	181.2	180.4
Profit after tax	588.2	112.2	112.3	167.8	195.8	572.1	129.5	158.9	138.2	142.1
Earnings per share, SEK	23.52	4.49	4.49	6.71	7.83	22.88	5.18	6.35	5.53	5.68
Cash flow from operating activities	796.4	294.0	153.3	204.9	144.1	722.9	162.7	268.7	128.9	145.0
ROE (cumulative), %	14.5	14.5	14.5	18.5	15.1	15.6	16.2	16.7	15.9	16.8
ROCE (cumulative), %	16.3	16.3	15.8	19.8	16.3	17.3	17.2	18.4	17.5	17.4
Equity/assets ratio, %	63.3	63.3	64.4	62.6	62.5	61.7	61.4	58.7	62.4	64.2
Sales by market SEK M	Full-year 2024	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Full-year 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Sweden	309.9	72.9	61.8	79.8	95.4	325.7	81.5	56.9	87.3	100.1
Other Nordic countries	266.4	67.2	59.4	66.5	73.3	270.9	66.9	59.4	69.2	75.3
Germany	523.3	123.9	112.1	132.7	154.5	552.8	121.3	132.9	133.2	165.5
Other European countries	786.9	177.4	167.0	216.1	226.4	949.4	233.8	227.0	237.6	251.0
US	2,352.9	524.3	533.5	637.4	657.8	2,552.9	663.9	671.0	643.0	575.1
Rest of North America	687.4	146.7	170.8	189.7	180.2	590.8	140.2	159.9	158.6	132.1
Brazil	128.4	26.8	33.6	35.1	32.9	145.5	37.0	40.3	39.0	29.2
Australia/New Zealand	175.0	40.5	40.9	53.3	40.3	142.5	35.9	39.1	35.9	31.6
China	86.7	25.8	27.4	20.6	13.0	57.6	14.2	18.6	14.3	10.5
Rest of world	262.0	71.2	66.5	63.1	61.2	151.6	55.2	34.7	32.2	29.0
Group	5,578.9	1,276.6	1,272.9	1,494.3	1,535.0	5,739.8	1,449.9	1,439.8	1,450.2	1,399.9

Net sales, SEK M



Operating profit (EBITA), SEK M



Truck & Trailer Equipment



Fourth quarter of 2024

- Sales decreased **11.0%** to **SEK 367.0 M** (412.3).
- Adjusted for currency effects between the years, organic growth was **-11.3%**.
- The sale of a warehouse and distribution property in Denmark impacted operating profit (EBITA) positively by **SEK 9.8 M**.
- Operating profit (EBITA) decreased to **SEK 82.6 M** (85.9), with an operating margin (EBITA) of **22.5%** (20.8).

Full-year 2024

- Sales decreased **11.0%** to SEK **1,537.1 M** (1,727.7).
- Adjusted for currency effects between the years, organic growth was **-10.7%**.
- Operating profit (EBITA) amounted to **SEK 296.7 M** (370.3), with an operating margin (EBITA) of **19.3%** (21.4).

Main product segments

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



Sales and earnings

Fourth quarter of 2024

Sales for the quarter declined 11.0% year-on-year, to SEK 367.0 M (412.3). Adjusted for currency effects, where the average USD rate between the quarters strengthened 2.5% and the EUR – which is a more important currency for the division – strengthened 0.7%, organic growth was -11.3%.

Operating profit (EBITA) for Truck & Trailer Equipment decreased year-on-year to SEK 82.6 M (85.9) in the fourth quarter, with an operating margin (EBITA) of 22.5% (20.8). During the fourth quarter, it was primarily the downturn in volume in the trailer market that negatively impacted the division. Demand for coupling products remained stable. A warehouse and distribution property in Denmark was sold during the fourth quarter, which impacted operating profit (EBITA) by SEK 9.8 M in the form of a capital gain.

Full-year 2024

Sales for the full year decreased 11.0% year-on-year to SEK 1,537.1 M (1,727.7). Adjusted for currency effects, where the average USD rate between the periods weakened 0.4% and the EUR – which is a more important currency for the division – weakened 0.3%, organic growth was -10.7%. EBITA for Truck & Trailer Equipment decreased year-on-year to SEK 296.7 M (370.3), with an EBITA margin of 19.3% (21.4). The lower level of sales and EBITA is attributable to a sharp drop in activity in the semitrailer

market during full-year 2024 compared to 2023. A warehouse and distribution property in Denmark was sold during the fourth quarter, which impacted operating profit (EBITA) by SEK 9.8 M in the form of a capital gain.

For the full year, the division's working capital declined by SEK 49.0 M to SEK 325.2 M (374.2) as a result of decreased inventory levels. With the addition of property, plant and equipment of SEK 290.6 M, operating capital amounted to SEK 615.8 M (618.5) at the end of December.

The division's return on operating capital (ROOC) was 52.0% (62.0).

Capital expenditures and depreciation/amortization

Truck & Trailer Equipment's investments during the fourth quarter totaled SEK 26.2 M (14.8). Total new capital expenditures for the full year amounted to SEK 79.3 M (63.2). Depreciation/amortization totaled SEK 10.0 M (-1.6) for the fourth quarter and SEK 38.8 M (29.0) for the full year.

Personnel

At December 31, 2024, there were 416 employees (388) in the division. Over the full year, Truck & Trailer Equipment employed an average of 414 persons (383). Personnel costs for the full year amounted to SEK 326.4 M (317.1), resulting in a cost per employee of SEK 788.5 thousand (828.0).



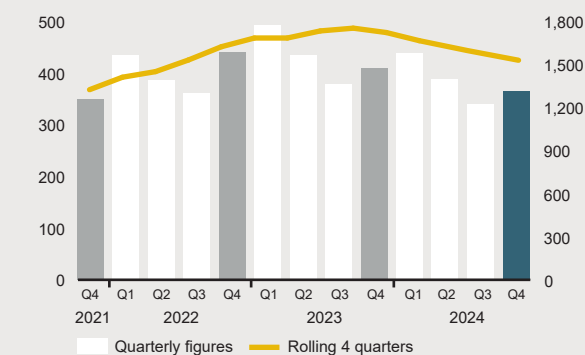


Truck & Trailer Equipment

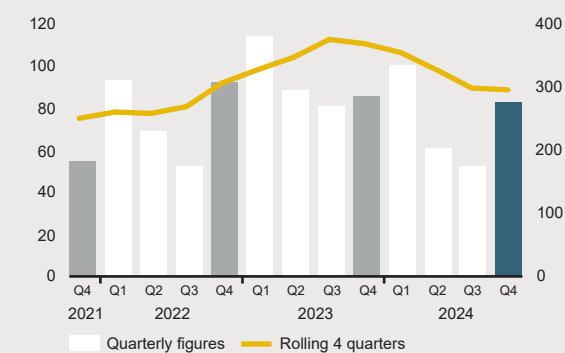
Sales/Earnings SEK M	Full-year 2024	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Full-year 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Net sales	1,537.1	367.0	340.7	390.5	439.0	1,727.7	412.3	381.7	437.9	495.7
Operating profit (EBITDA)	328.9	91.0	60.5	68.6	108.8	393.2	82.7	89.9	97.6	123.0
Operating profit (EBITA)	296.7	82.6	52.4	61.1	100.6	370.3	85.9	81.2	88.6	114.7
Operating margin (EBITA), %	19.3	22.5	15.4	15.6	22.9	21.4	20.8	21.3	20.2	23.1
Operating profit (EBIT)	290.1	80.9	50.8	59.4	99.0	364.2	84.2	79.4	87.3	113.3
Operating margin (EBIT), %	18.9	22.1	14.9	15.2	22.5	21.1	20.4	20.8	19.9	22.9
ROOC, %	52.0	52.0	50.6	54.8	59.1	62.0	62.0	65.1	61.8	60.3

Sales by market SEK M	Full-year 2024	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Full-year 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Sweden	258.4	59.6	50.7	66.7	81.3	273.9	68.4	46.5	74.8	84.1
Other Nordic countries	211.4	51.2	45.5	53.7	61.0	215.6	54.0	45.6	55.4	60.5
Germany	276.3	60.3	60.1	72.7	83.3	319.1	64.0	75.9	74.7	104.6
Other European countries	446.4	96.2	102.6	112.8	134.8	591.4	134.7	135.0	152.1	169.5
US	154.2	55.2	33.0	26.7	39.4	159.5	49.0	33.4	33.3	43.8
Rest of North America	17.0	3.4	4.4	3.7	5.5	21.2	5.5	6.7	5.6	3.3
Australia/New Zealand	115.9	26.3	23.6	38.7	27.2	112.6	26.3	29.7	31.9	24.7
China	29.4	11.3	12.0	6.1	—	0.3	0.1	—	—	0.2
Rest of world	28.1	3.5	8.7	9.4	6.5	34.2	10.4	8.8	10.0	5.1
Truck & Trailer Equipment	1,537.1	367.0	340.7	390.5	439.0	1,727.7	412.3	381.7	437.9	495.7

Net sales, SEK M



Operating profit (EBITA), SEK M



Mobile Thermal Solutions



Fourth quarter of 2024

- Sales decreased **-20.0%** to **SEK 635.8 M** (794.8).
- Adjusted for currency effects between the years, organic growth was **-20.2%**.
- Operating profit (EBITA) amounted to **SEK 63.0 M** (109.2), with an operating margin (EBITA) of **9.9%** (13.7).

Full-year 2024

- Sales decreased **-3.7%** to **SEK 3,044.5 M** (3,161.7).
- Adjusted for currency effects between the years, organic growth was **-3.1%**.
- Operating profit (EBITA) amounted to **SEK 410.1 M** (391.1), with an operating margin (EBITA) of **13.5%** (12.4).

Main product segments

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



BCC Bus Climate Control



MCC Mobile Climate Control

Sales and earnings

Fourth quarter of 2024

Sales for the fourth quarter decreased 20.0% year-on-year to SEK 635.8 M (794.8), with North America accounting for the largest decrease.

Adjusted for currency effects, where the average USD rate strengthened 2.5% compared with the year-earlier period and the CAD weakened 0.9%, organic growth was -20.2%.

The operating profit (EBITA) for Mobile Thermal Solutions totaled SEK 63.0 M (109.2) and the operating margin (EBITA) decreased to 9.9% (13.7). The fourth quarter of 2024 remained characterized by declining demand for Mobile Thermal Solutions products in North America, compared to a strong fourth quarter of 2023, where customers' inventory reductions in the distribution chain are a contributing factor to the reduced demand. Earnings in the fourth quarter were charged approximately SEK 3 M in costs with the acquisition of Italytec Imex Indústria e Comércio Ltda., which was completed after the balance sheet date.

Full-year 2024

For the full year, Mobile Thermal Solutions reported growth in sales of -3.7% year-on-year. Sales totaled SEK 3,044.5 M (3,161.7). Adjusted for currency effects, where the average USD rate weakened 0.8% year-on-year and the CAD weakened 1.9%, organic growth was -3.1%.

EBITA for Mobile Thermal Solutions increased year-on-year to SEK 410.1 M (391.1) with an EBITA margin of 13.5% (12.4). 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 as well as efficiency enhancement measures that led to higher productivity in the bus operations. For the full year, the division's working capital decreased by SEK 119.7 M to SEK 50.4 M (901.9). With the addition of property, plant and equipment of SEK 797.4 M, operating capital amounted to SEK 1,579.6 M (1,224.5) at the end of December.

The division's return on operating capital (ROOC) for the period was 34.8% (32.3).

Capital expenditures and depreciation/amortization

Investments by Mobile Thermal Solutions in the fourth quarter amounted to SEK 419.6 M (15.9). Total new capital expenditures for the full year amounted to SEK 483.6 M (-5.1). The higher investment level during 2024 is attributable, in part, to the acquisition of land in Toronto, SEK 420 M and, in part, to investments in machinery in Toronto. Depreciation/amortization for the fourth quarter totaled SEK 15.5 M (5.2) and for the full year totaled SEK 67.9 M (68.6).

Personnel

At December 31, 2024, there were 927 employees (1,057) in the division. Over the full year, Mobile Thermal Solutions employed an average of 953 persons (1,056). Personnel costs for the full year amounted to SEK 627.9 M (628.2), resulting in a cost per employee of SEK 658.9 thousand (594.9).

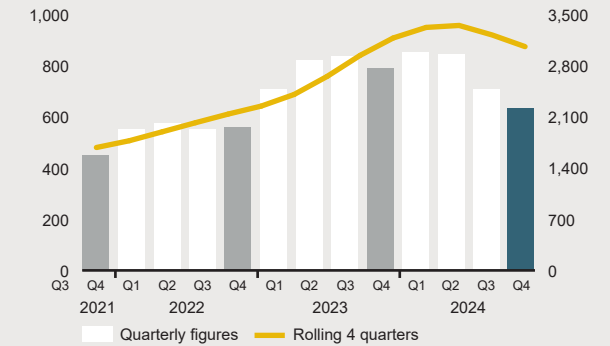


Mobile Thermal Solutions

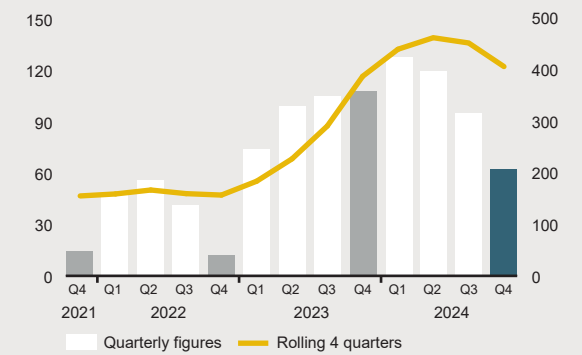
Sales/Earnings SEK M	Full-year 2024	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Full-year 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Net sales	3,044.5	635.8	706.3	847.5	854.8	3,161.7	794.8	835.7	820.4	710.8
Operating profit (EBITDA)	457.6	75.5	108.2	134.1	140.0	438.2	108.9	123.0	116.3	90.0
Operating profit (EBITA)	410.1	63.0	96.4	121.2	129.6	391.1	109.2	106.7	100.6	74.6
Operating margin (EBITA), %	13.5	9.9	13.6	14.3	15.2	12.4	13.7	12.8	12.3	10.5
Operating profit (EBIT)	389.7	58.0	91.4	116.1	124.3	369.7	103.7	101.2	95.2	69.5
Operating margin (EBIT), %	12.8	9.1	12.9	13.7	14.5	11.7	13.1	12.1	11.6	9.8
ROOC, %	34.8	34.8	40.0	39.4	36.3	32.3	32.3	25.9	22.1	20.1

Sales by market SEK M	Full-year 2024	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Full-year 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Sweden	46.6	11.8	9.9	11.9	13.0	47.8	11.9	9.5	11.5	15.0
Other Nordic countries	50.4	15.0	12.5	11.5	11.5	50.5	11.6	12.6	12.9	13.3
Germany	47.1	10.9	9.6	11.3	15.3	34.5	8.1	8.2	9.2	9.0
Other European countries	208.6	44.4	47.0	59.3	57.9	226.6	52.7	53.6	60.7	59.6
US	1,976.4	398.6	449.0	558.9	569.9	2,190.6	565.9	585.7	560.9	478.1
Rest of North America	662.6	140.9	164.2	184.3	173.3	560.1	132.4	150.8	150.8	126.1
China	30.9	8.0	9.2	6.1	7.6	27.6	6.8	8.2	7.6	5.0
Rest of world	22.0	6.2	5.0	4.2	6.5	24.0	5.5	7.1	6.9	4.6
Mobile Thermal Solutions	3,044.5	635.8	706.3	847.5	854.8	3,161.7	794.8	835.7	820.4	710.8

Net sales, SEK M



Operating profit (EBITA), SEK M



Ringfeder Power Transmission



Fourth quarter of 2024

- Sales increased **12.8%** to **SEK 273.9 M** (242.7).
- Adjusted for currency effects and acquired sales between the years, organic growth was **7.6%**.
- Operating profit (EBITA) increased to **SEK 54.9 M** (31.6), with an operating margin (EBITA) of **20.0%** (13.0).

Full-year 2024

- Sales increased **17.3%** to **SEK 997.3 M** (850.4).
- Adjusted for currency effects and acquired sales between the years, organic growth was **2.1%**.
- Operating profit (EBITA) increased to **SEK 156.9 M** (125.3), with an operating margin (EBITA) of **15.7%** (14.7).

Sales and earnings

Fourth quarter of 2024

Sales for the fourth quarter increased 12.8% compared with the year-earlier period to SEK 273.9 M (242.7). Adjusted for acquired sales and currency effects – where the average USD rate strengthened 2.5%, the BRL weakened 14.5% and the EUR strengthened 0.7% – organic growth totaled 7.6%.

Operating profit (EBITA) for Ringfeder Power Transmission totaled SEK 54.9 M (31.6) and the operating margin (EBITA) totaled 20.0% (13.0).

The operating margin for the quarter was positively impacted by a favorable product mix in combination with good cost control.

Thanks to Rathis Transpower's good results, recovery in certain markets, as well as the division's positive product mix and good cost control, Ringfeder Power Transmission delivered its best result ever in the fourth quarter.

Full-year 2024

Sales for the full year increased 17.3% year-on-year to SEK 997.3 M (850.4). Adjusted for acquired sales and currency effects – where the average USD rate weakened by 0.8%, the BRL weakened by 7.3% and the EUR weakened by 0.3% year-on-year – organic growth was 2.1%.

EBITA for Ringfeder Power Transmission increased year-on-year to SEK 156.9 M (125.3) and the EBITA margin totaled 15.7% (14.7). The increase in EBITA for the full year is the result of the addition of Rathis Transpower and a favorable product mix in combination with good cost

control. For the full year, the division's working capital increased by SEK 15.7 M to SEK 351.2 M (335.5). With the addition of property, plant and equipment of SEK 207.9 M, operating capital amounted to SEK 559.2 M (506.0) at the end of December. The division's return on operating capital (ROOC) for the period was 33.4% (30.0).

Capital expenditures and depreciation/amortization

Ringfeder Power Transmission's investments during the fourth quarter amounted to SEK 9.2 M (13.0). New capital expenditures for the full year totaled SEK 53.8 M (32.4). The higher levels of investment in 2024 are due to acquisition of land for SEK 17 M. Depreciation/amortization for the fourth quarter totaled SEK 23.6 M (2.3) and for the full year totaled SEK 42.6 M (3.3).

Personnel

At December 31, 2024, there were 618 employees (646) in the division. During the full year, Ringfeder Power Transmission employed an average of 603 persons (416). Personnel costs for the full year amounted to SEK 262 M (223.8), resulting in a cost per employee of SEK 434.5 thousand (538.4).



Main product segments

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

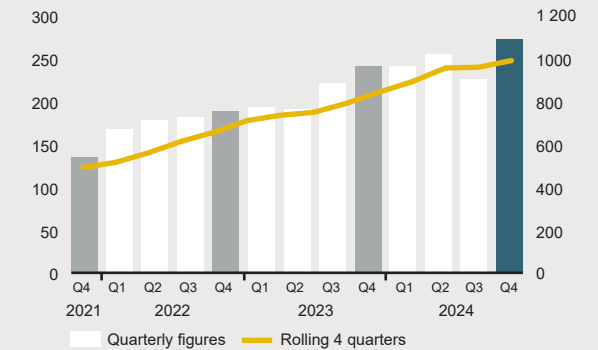


Ringfeder Power Transmission

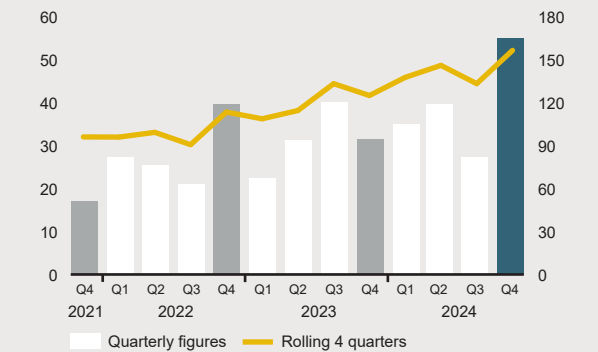
Sales/Earnings SEK M	Full-year 2024	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Full-year 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Net sales	997.3	273.9	225.9	255.8	241.7	850.4	242.7	222.4	191.9	193.4
Operating profit (EBITDA)	179.8	61.9	32.2	46.0	39.5	147.0	38.2	45.0	36.2	27.6
Operating profit (EBITA)	156.9	54.9	27.1	39.6	35.3	125.3	31.6	40.0	31.3	22.5
Operating margin (EBITA), %	15.7	20.0	12.0	15.5	14.6	14.7	13.0	18.0	16.3	11.6
Operating profit (EBIT)	137.1	38.2	26.1	38.5	34.2	119.8	30.1	38.6	29.9	21.1
Operating margin (EBIT), %	13.7	14.0	11.5	15.0	14.1	14.1	12.4	17.3	15.6	10.9
ROOC, %	33.4	33.4	29.8	33.1	31.3	30.0	30.0	32.5	29.3	29.7

Sales by market SEK M	Full-year 2024	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Full-year 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Sweden	4.9	1.5	1.2	1.1	1.1	4.1	1.3	0.8	1.0	1.0
Other Nordic countries	4.6	1.0	1.3	0.9	1.3	4.8	1.3	1.1	0.8	1.5
Germany	199.8	52.7	42.5	48.7	55.9	199.1	49.2	48.8	49.3	51.8
Other European countries	132.0	36.8	17.4	43.9	33.9	131.5	46.5	38.4	24.7	21.9
US	222.3	70.5	51.5	51.7	48.6	202.9	49.0	51.8	48.9	53.2
Rest of North America	7.8	2.4	2.2	1.8	1.4	9.5	2.3	2.3	2.2	2.7
Brazil	123.0	26.0	32.2	33.8	31.1	136.8	35.3	38.3	35.9	27.3
Australia/New Zealand	56.9	13.8	16.8	14.3	12.1	27.6	8.9	8.9	3.3	6.5
China	26.5	6.5	6.3	8.4	5.4	29.7	7.3	10.4	6.6	5.4
Rest of world	219.4	62.7	54.6	51.1	51.0	104.4	41.6	21.5	19.1	22.2
Ringfeder Power Transmission	997.3	273.9	225.9	255.8	241.7	850.4	242.7	222.4	191.9	193.4

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 were invoiced during the fourth quarter. Operating loss for the full year totaled SEK –10.3 M (–15.4). Profit after dividends from Group companies, net financial items and tax totaled SEK 228.6 M (125.6).

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 geopolitical turbulence that increased during 2024 as a result of the conflict in the Middle East as well as the macroeconomic headwinds, especially in Europe, with inflation and interest rates that are volatile compared to the last decade. We have noted a global slowdown that has impacted largely all the markets for VBG Group. After the presidential election in the US, there has been speculation around new tariffs for China, Mexico

and Canada. These have now begun to be introduced, but it is too early to draw any conclusions about the consequences of these new tariffs.

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 2025

The company makes no forecast.

Financial information 2025/2026

Interim report, three months 2025	April 28, 2025
Annual General Meeting 2025	May 13, 2025
Half-year report, 2025	July 21, 2025
Interim report, nine months 2025	October 28, 2025
Year-end report 2025	February 18, 2026

Auditor's review

This interim report is unaudited.

Proposed distribution of profits

Retained earnings	1,112,159,809
Net profit for the year	228,550,583
	1,340,710,392

The Board of Directors proposes that these funds be distributed as follows:

Dividend to shareholders	181,279,348
to be carried forward	1,159,431,044
	1,340,710,392

Press releases in the fourth quarter of 2024

Invitation to presentation of VBG Group's Q3 report 2024	October 3, 2024
Interim report January–September 2024	October 23, 2024
Nomination Committee for the VBG Group Annual General Meeting 2025	October 28, 2024

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Vänernborg, February 19, 2025
 VBG Group AB (publ)

Anders Erkén
 President and CEO

Note:

This information is of the type that VBG Group AB (publ) is obligated to disclose in accordance with the EU Market Abuse Regulation. The information was submitted for publication on 19 February at 2:00 p.m.

Condensed consolidated Income Statement

SEK M	Q4 2024	Q4 2023	Full-year 2024	Full-year 2023
Net sales	1,276.6	1,449.9	5,578.9	5,739.8
Cost of goods sold	-859.1	-984.7	-3,773.2	-3,980.7
Gross profit	417.5	465.1	1,805.7	1,759.1
Selling expenses	-123.4	-117.6	-458.9	-428.4
Administrative expenses	-105.4	-102.1	-420.1	-369.1
Research and development costs	-39.1	-34.6	-162.9	-141.9
Other operating income and expenses	21.6	-1.9	32.0	8.1
Total operating expenses	-246.4	-256.2	-1,009.8	-931.3
Operating profit	171.2	209.0	795.9	827.8
Exchange rate effects, net	20.0	-14.8	18.0	-18.2
Interest income	3.1	11.5	34.7	34.9
Interest expenses	-18.4	-19.6	-65.6	-68.6
Other financial income and expenses	-3.4	-2.7	-0.8	-9.6
Total financial items	1.3	-25.5	-13.7	-61.4
Profit after financial items	172.5	183.4	782.2	766.3
Income tax	-60.2	-53.9	-194.0	-194.3
Profit for the period	112.2	129.5	588.2	572.1
Profit for the period attributable to Parent Company shareholders	112.2	129.5	588.2	572.1
Earnings per share	4.49	5.18	23.52	22.88

Condensed consolidated Other comprehensive income

SEK M	Q4 2024	Q4 2023	Full-year 2024	Full-year 2023
Other comprehensive income				
Profit for the period	112.2	129.5	588.2	572.1
Items that will not be reversed in the income statement				
Effect of translation of defined-benefit pension plans, net after tax	-3.1	-17.2	-14.4	-6.1
Items that may later be reversed in the income statement				
Translation differences pertaining to foreign operations	58.9	-111.5	58.0	-39.1
Other comprehensive income, net after tax	55.8	-128.7	43.6	-45.3
Comprehensive income for the period	168.0	0.8	631.8	526.8
Comprehensive income for the period attributable to Parent Company shareholders	168.0	0.8	631.8	526.8

Consolidated Balance Sheet

SEK M	Dec. 31, 2024	Dec. 31, 2023	Jan. 1, 2023
Assets			
Non-current assets			
Intangible assets			
Brands, customer relationships and other intangible assets	910.7	939.4	821.1
Goodwill	1,322.9	1,291.3	1,226.8
	2,233.6	2,230.7	2,047.9
Property, plant and equipment			
Land and buildings	697.5	251.7	198.3
Plant and machinery	220.4	178.2	134.5
Equipment, tools, fixtures and fittings	84.2	72.0	96.6
Construction in progress	45.0	14.9	29.6
Right-of-use assets	251.7	255.7	265.4
	1,298.9	772.6	724.4
Non-current receivables	2.5	0.9	—
Deferred tax asset	73.9	27.5	24.3
	76.4	28.4	24.3
Total non-current assets	3,608.9	3,031.6	2,796.6
Current assets			
Inventories			
Raw materials and consumables	467.7	531.9	628.1
Work in progress	135.8	142.9	123.9
Finished products and merchandise	354.3	364.4	358.5
	957.9	1,039.1	1,110.5
Current receivables			
Trade receivables	738.3	826.4	667.5
Current tax assets	60.3	35.9	27.8
Other receivables	142.5	100.0	127.4
Prepaid expenses and accrued income	52.9	39.3	41.7
Current capital expenditures	14.1	11.8	—
	1,008.0	1,013.4	864.4
Cash and cash equivalents	949.7	885.9	498.8
Total current assets	2,915.5	2,938.4	2,473.7
Total assets	6,524.5	5,970.0	5,270.2

SEK M	Dec. 31, 2024	Dec. 31, 2023	Jan. 1, 2023
Equity and liabilities			
Equity			
Share capital	65.5	65.5	65.5
Other contributed capital	781.3	781.3	781.3
Reserves	306.9	248.9	288.0
Retained earnings, incl. net profit for the year	2,979.1	2,580.3	2,151.9
Total equity	4,132.7	3,676.0	3,286.8
Non-current liabilities			
Provisions for pensions and similar obligations	223.6	202.1	196.9
Deferred tax liability	302.7	231.4	217.2
Other provisions	93.9	95.8	61.0
Lease liability	232.0	238.4	254.9
Liabilities to credit institutions	862.0	730.5	576.0
Other non-current liabilities	26.1	55.7	23.1
Total non-current liabilities	1,740.4	1,553.9	1,329.0
Current liabilities			
Trade payables	240.3	322.5	323.3
Current tax liabilities	79.7	95.5	49.8
Other liabilities	45.6	45.6	39.2
Lease liability	60.7	55.3	48.3
Accrued expenses and deferred income	225.2	221.3	193.9
Total current liabilities	651.5	740.1	654.5
Total equity and liabilities	6,524.5	5,970.0	5,270.2

Condensed consolidated Changes in Equity

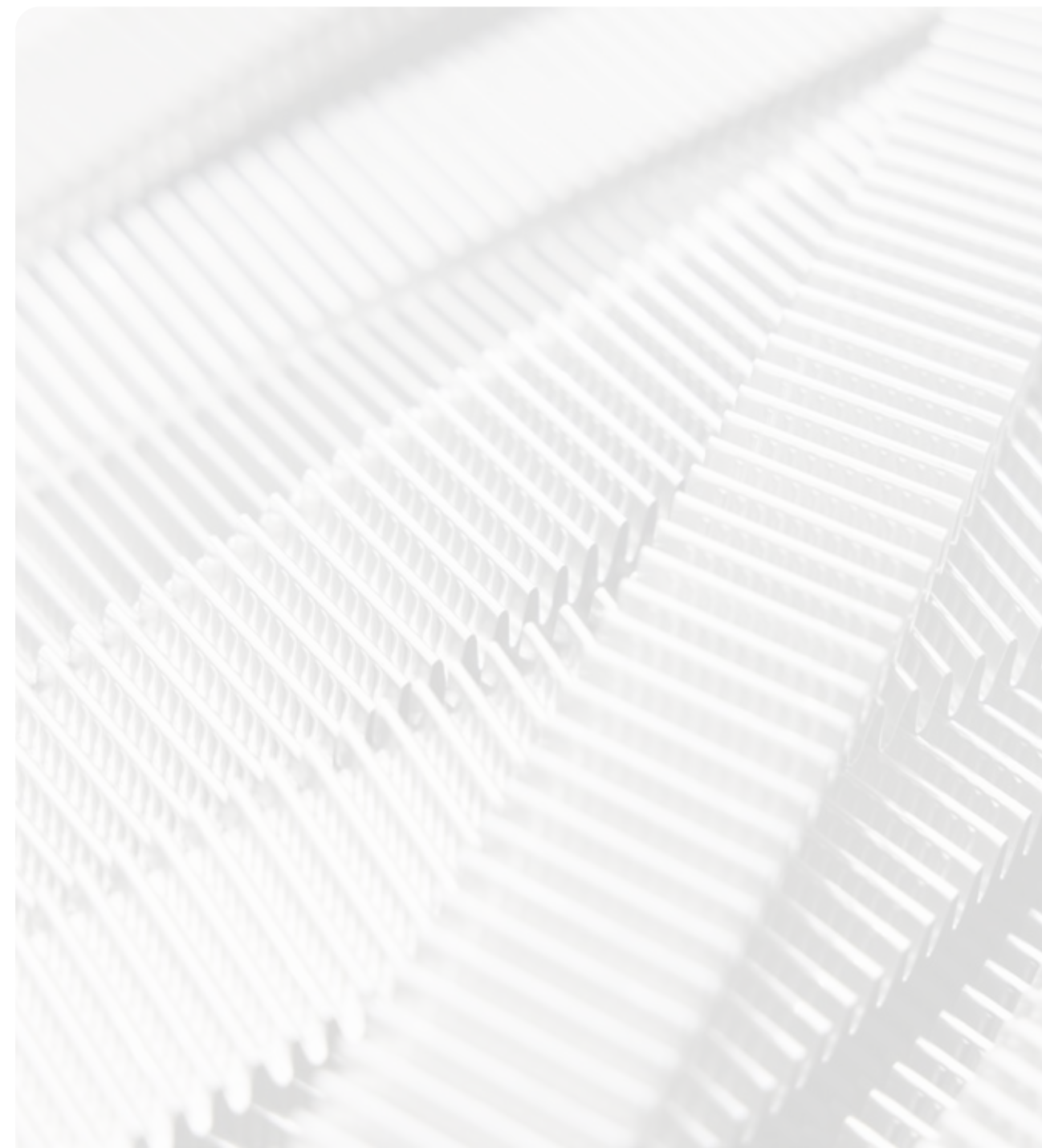
SEK M	Full-year 2024	Full-year 2023
Opening equity according to balance sheet at December 31	3,676.0	3,286.8
Total comprehensive income for the period	631.8	526.8
Dividend	-175.0	-137.5
Equity at end of period	4,132.7	3,676.0

Consolidated Cash Flow Statement

SEK M	Full-year 2024	Full-year 2023
Operating activities		
Operating profit	795.9	827.6
Depreciation/amortization	150.2	133.0
Gains from divestment of property	-9.8	-4.5
Other items not affecting liquidity	-36.1	-71.4
Interest received, etc.	37.9	37.2
Interest paid, etc.	-56.7	-67.5
Tax paid	-157.0	-176.0
Cash flow before change in working capital	724.4	678.3
Decrease/increase (-) in inventories	121.8	92.8
Decrease/increase (-) in trade receivables	123.1	-125.3
Decrease/increase (-) in other current receivables	-63.2	63.5
Increase/decrease (-) in trade payables	-107.2	-13.7
Increase/decrease (-) in other current liabilities	-2.5	27.3
Cash flow from operating activities	796.4	722.9
Investing activities		
Investments in intangible assets	-3.0	-3.3
Investments in property, plant and equipment	-588.9	-111.5
Investments in other financial assets	-1.5	—
Divestment of property	12.8	15.6
Net settlements, business combinations	-35.9	-243.5
Cash flow from investing activities	-616.6	-342.7
Financing activities		
Loans raised and changes to existing loans	98.3	183.5
Amortization of lease liability	-47.5	-31.8
Dividend paid	-175.0	-137.5
Cash flow from financing activities	-124.3	14.2
Cash flow for the year	55.5	394.4
Cash and cash equivalents at start of year	885.9	498.8
Translation difference, cash and cash equivalents	8.2	-7.4
Cash and cash equivalents at year-end	949.7	885.9
Unutilized overdraft facilities	100.0	100.0
Total cash and cash equivalents available	1,049.7	985.9

Key Figures for Group

SEK M	Full-year 2024	Full-year 2023
Operating margin (EBITA), %	15.1	15.0
Operating margin (EBIT), %	14.3	14.4
Profit margin (ROS), %	14.0	13.4
Return on equity (ROE), %	14.5	15.6
Return on capital employed (ROCE), %	16.3	17.3
Equity/assets ratio, %	63.3	61.7
Interest-bearing net debt/EBITDA	0.45	0.39
Equity per share outstanding at end of period, SEK	165.28	147.02
Cash flow from operating activities, per average share outstanding, SEK	31.85	27.78
Profit per average share outstanding during the period, SEK	23.52	22.88
Share price at end of period, SEK	312.00	243.00
Number of employees, average	1,980	1,864
Number of shares outstanding at end of period ('000)	25,004	25,004
Number of treasury shares at end of period ('000)	1,192	1,192





Condensed consolidated Parent Company Income

SEK M	Full-year 2024	Full-year 2023
Net sales	58.8	57.7
Administrative expenses	-69.1	-73.1
Operating loss	-10.3	-15.4
Net financial items	135.1	96.8
Profit from financial items	124.8	81.3
Appropriations	125.0	49.0
Tax	-21.2	-4.7
Profit for the period	228.6	125.6

Parent Company Balance Sheet

SEK M	Dec. 31, 2024	Dec. 31, 2023
Property, plant and equipment	1.2	0.8
Financial assets	2,273.2	2,194.4
Total non-current assets	2,274.4	2,195.2
Receivables	304.6	166.1
Cash on hand and demand deposits	547.4	551.5
Total current assets	852.0	717.7
Total assets	3,126.3	2,912.9
Equity	1,459.4	1,405.9
Untaxed reserves	49.8	24.8
Provisions	19.2	17.6
Non-current liabilities	861.4	729.5
Current liabilities	736.5	735.1
Total equity and liabilities	3,126.3	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 ERRATA

In conjunction with the follow-up of the system change regarding right-of-use assets, it was found that leases had been incorrectly reported in the consolidated financial statements. The items affected as of December 31, 2022 and December 31, 2023 have been corrected in this interim report as follows:

				2022							
Consolidated balance sheet, SEK M	According to 2022 Annual Report as adopted	Amount of correction	Corrected balance sheet for 2022	Consolidated Income Statement, SEK M	According to 2022 Annual Report as adopted	Amount of correction	Corrected income statement for 2022	Consolidated Cash Flow Statement, SEK M	According to 2022 Annual Report as adopted	Amount of correction	Corrected cash flow for 2022
Right-of-use assets	430.2	-164.9	265.4	Cost of goods sold	-3,232.7	-6.7	-3,239.4	Operating activities			
Trade receivables	673.1	-5.6	667.5	Gross profit	1,347.3	-6.7	1,340.6	Operating profit before financial items	527.2	-8.2	519.0
Prepaid expenses and accrued income	42.11	-0.4	41.7	Selling expenses	-392.5	0.2	-392.3	Depreciation/amortization	136.3	-9.1	127.2
Retained earnings, including net profit for the year	2,153.5	5.6	2,159.1	Administrative expenses	-336.7	-1.2	-337.9	Other items not affecting liquidity	27.5	5.0	32.5
Deferred tax liability	213.4	3.9	217.2	Research and development costs	-134.4	0.1	-134.3	Tax paid	-99.8	2.9	-96.8
Lease liability (non-current)	399.0	-144.1	254.9	Other operating expenses	-31.3	-0.8	-32.1	Cash flow before change in working capital	533.7	-9.4	524.2
Lease liability (current)	49.1	-0.8	48.3	Interest expenses	-37.4	4.0	-33.4	Decrease/increase (-) in trade receivables	-83.3	-5.6	-88.9
Accrued expenses and deferred income	193.1	0.8	193.9	Tax on profit for the year	-119.5	1.0	-118.5	Decrease/increase (-) in other current receivables	-65.0	0.8	-64.2
				Net profit/loss for the year	368.3	-3.4	364.9	Cash flow from operating activities	250.4	-14.3	236.2
								Financing activities			
								Amortization of lease liability	-41.7	14.3	-27.5
								Cash flow from financing activities	-378.0	14.3	-363.7

				2023							
Consolidated Balance Sheet, SEK M	According to 2023 Annual Report as adopted	Amount of correction	Corrected balance sheet 2023	Consolidated Income Statement, SEK M	According to 2023 Annual Report as adopted	Amount of correction	Corrected income statement 2023	Consolidated Cash Flow Statement, SEK M	According to 2023 Annual Report as adopted	Amount of correction	Corrected cash flow 2023
Right-of-use assets	297.0	-41.3	255.7	Cost of goods sold	-3,940.7	3.3	-3,980.7	Operating activities			
Trade receivables	821.8	4.6	826.4	Gross profit	1,799.0	3.3	1,759.1	Operating profit before financial items	824.9	2.6	827.5
Prepaid expenses and accrued income	30.0	9.3	39.3	Selling expenses	-428.3	-0.2	-428.5	Depreciation/amortization	128.1	4.9	133.0
Retained earnings, including net profit for the year	2,578.4	1.9	2,580.3	Administrative expenses	-369.9	0.8	-369.1	Other items not affecting liquidity	-55.3	-16.1	-71.4
Deferred tax liability	229.0	2.4	231.4	Research and development costs	-142.1	0.3	-141.8	Tax paid	-179.4	3.4	-176.0
Lease liability (non-current)	258.1	-19.7	238.4	Other operating expenses	-56.1	-1.4	-14.3	Cash flow before change in working capital	683.5	-5.2	678.3
Lease liability (current)	55.7	-1.0	55.3	Interest expenses	-70.2	1.7	-68.5	Decrease/increase (-) in trade receivables	-120.7	-4.6	-125.3
				Tax on profit for the year	-193.3	-1.0	-194.3	Decrease/increase (-) in other current receivables	36.0	27.5	63.5
				Net profit for the year	568.6	3.5	572.1	Cash flow from operating activities	705.2	17.7	722.9
								Financing activities			
								Amortization of lease liability	-14.1	-17.7	-31.8
								Cash flow from financing activities	-31.9	-17.7	14.2

3 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.

4 FINANCIAL INSTRUMENTS

	Q4 2024	Q4 2023	Full-year 2024	Full-year 2023
Financial income				
Interest income from other financial assets	3.1	11.5	34.7	34.9
Total interest income under the effective-rate method	3.1	11.5	34.7	34.9
Financial expenses				
Interest expenses, liabilities to credit institutions	-11.2	-14.6	-45.2	-48.0
Interest expenses, financial expenses	-4.0	-2.7	-7.2	-7.7
Total interest expenses under the effective-rate method	-15.2	-17.3	-52.4	-55.7

	Q4 2024	Q4 2023	Full-year 2024	Full-year 2023
Exchange rate differences – costs, financial items	20.0	-14.8	18.0	-18.2
Interest expenses, lease liabilities	-3.3	-2.2	-13.0	-14.6
Total	16.7	-17.0	5.0	-32.8
Total financial expenses	1.5	-34.3	-47.4	-88.5
Financial instruments				
Trade receivables	738.3	826.4	738.3	826.4
Other current receivables	142.5	100.0	142.5	100.0
Cash and cash equivalents	949.7	885.9	949.7	885.9
Total	1,830.5	1,812.3	1,830.5	1,812.3
Financial liabilities				
Liabilities to credit institutions	862.0	730.5	862.0	730.5
Additional purchase consideration	—	33.7	—	33.7
Trade payables	240.3	322.5	240.3	322.5
Lease liabilities	920.3	293.6	920.3	293.6
Accrued interest	10.6	10.0	10.6	10.0
Other liabilities	45.6	45.6	45.6	45.6
Total	1,451.2	1,435.9	1,451.2	1,435.9

5 SALES AND EARNINGS BY SEGMENT

SEK M	Truck & Trailer Equipment	Mobile Thermal Solutions	Ringfeder Power Transmission	Group-wide	Group
Q4 2024					
Net sales	367.0	635.8	273.9		1,276.6
Operating profit/loss	80.9	58.0	38.3	-6.0	171.2
Operating margin, %	22.1	9.1	14.0		13.4
Net financial items				1.3	1.3
Profit after financial items					172.5
Q4 2023					
Net sales	412.3	794.8	242.7		1,449.9
Operating profit/loss	84.2	103.7	30.1	-9.1	209.0
Operating margin, %	20.4	13.1	12.4		14.4
Net financial items				-25.5	-25.5
Profit after financial items					183.4

6 EVENTS AFTER THE CLOSE OF THE REPORTING PERIOD

On January 29, 2025, through its Mobile Thermal Solutions division, VBG Group signed a share purchase agreement regarding all shares in the Brazilian company Italytec Imex Indústria e Comércio Ltda, a leading supplier of heating and air conditioning systems for the Brazilian off-road vehicle market. The transaction closed on January 31, 2025. The acquisition brings in approximately SEK 130 M in annual turnover to the Group. The purchase consideration totaled SEK 233 M. In addition, an estimated earnout of SEK 27 M may be paid based on the outcome for the average EBITA for financial years 2024 to 2026. The work on preparing an acquisition plan is progressing. Surplus value that is identified will comprise primarily goodwill.

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 defined 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	Q4 2024	Q4 2023	Full-year 2024	Full-year 2023
Group				
Net sales	1,276.6	1,449.9	5,578.9	5,739.8
Acquired volume (incl. full-year effect from preceding year)	-15.9	-26.1	-140.1	-26.1
Currency effect	0.5	-49.4	36.0	-299.5
Net sales excluding acquisitions and currencies	1,235.1	1,374.4	5,474.8	5,414.2
Organic growth	-188.7	182.9	-265.0	834.2
Organic growth, %	-13.0	15.4	-4.6	18.2
Truck & Trailer Equipment				
Net sales	367.0	412.3	1,537.1	1,727.7
Currency effect	-1.4	-8.1	5.1	-80.2
Net sales excluding acquisitions and currencies	365.6	404.3	1,542.2	1,647.5
Organic growth	-46.8	-39.4	-185.5	18.8
Organic growth, %	-11.3	-8.8	-10.7	1.2

SEK M	Q4 2024	Q4 2023	Full-year 2024	Full-year 2023
Mobile Thermal Solutions				
Net sales	635.8	794.8	3,044.5	3,161.7
Currency effect	-1.3	-3.3	19.4	-110.3
Net sales excluding acquisitions and currencies	634.5	791.5	3,063.9	3,051.4
Organic growth	-160.4	232.7	-97.8	816.9
Organic growth, %	-20.2	41.6	-3.1	36.6
Ringfeder Power Transmission				
Net sales	273.9	242.7	997.3	850.4
Acquired volume	-15.9	-26.1	-140.1	-26.1
Currency effect	3.1	-38.0	11.5	-109.0
Net sales excluding acquisitions and currencies	261.1	178.6	868.7	715.2
Organic growth	18.4	-10.9	18.3	-1.5
Organic growth, %	7.6	-5.7	2.1	-0.2

CONT. ALTERNATIVE PERFORMANCE MEASURES

Operating profit (EBITDA)

Operating profit before depreciation/amortization and impairment.

Group, SEK M	Q4 2024	Q4 2023	Full-year 2024	Full-year 2023
Operating profit (EBIT)	171.2	209.0	795.9	827.8
Depreciation/amortization	51.6	13.9	150.2	133.0
Operating profit (EBITDA)	222.8	222.9	946.1	960.8

Operating margin (EBITDA)

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

Group, SEK M	Q4 2024	Q4 2023	Full-year 2024	Full-year 2023
Net sales	1,276.6	1,449.9	5,578.9	5,739.8
Operating profit (EBIT)	171.2	209.0	795.9	827.8
Depreciation/amortization	51.6	13.9	150.2	133.0
Operating margin (EBITDA), %	17.5	15.4	17.0	16.7

Operating profit (EBITA)

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

Group, SEK M	Q4 2024	Q4 2023	Full-year 2024	Full-year 2023
Operating profit (EBIT)	171.2	209.0	795.9	827.8
Amortization of intangible assets	23.3	8.6	46.8	33.1
Operating profit (EBITA)	194.5	217.5	842.7	860.9

Operating margin (EBITA)

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

Group, SEK M	Q4 2024	Q4 2023	Full-year 2024	Full-year 2023
Net sales	1,276.6	1,449.9	5,578.9	5,739.8
Operating profit (EBIT)	171.2	209.0	795.9	827.8
Amortization of intangible assets	23.3	8.6	46.8	33.1
Operating margin (EBITA), %	15.2	15.0	15.1	15.0

Gross profit margin

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

Group, SEK M	Q4 2024	Q4 2023	Full-year 2024	Full-year 2023
Net sales	1,276.6	1,449.9	5,578.9	5,739.8
Gross profit	417.5	465.1	1,805.7	1,759.1
Gross profit margin, %	32.7	32.1	32.4	30.6

Profit margin

Profit after financial items as a percentage of net sales.

Group, SEK M	Q4 2024	Q4 2023	Full-year 2024	Full-year 2023
Net sales	1,276.6	1,449.9	5,578.9	5,739.8
Profit after financial items	172.5	183.4	782.2	766.3
Profit margin, %	13.5	12.6	14.0	13.4

Interest-bearing net debt

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

Group, SEK M	Q4 2024	Q4 2023	Full-year 2024	Full-year 2023
Provisions for pensions			223.6	202.1
Loans			862.0	730.5
Contingent purchase price consideration			—	33.7
Lease liability			292.7	293.6
Bank balances			–949.7	–885.9
Interest-bearing net debt	n/a	n/a	428.6	374.0

Interest-bearing net debt/EBITDA

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

Group, SEK M	Q4 2024	Q4 2023	Full-year 2024	Full-year 2023
Interest-bearing net debt			428.6	374.0
EBITDA, RTM			946.1	953.0
Interest-bearing net debt/EBITDA	n/a	n/a	0.45	0.39

CONT. ALTERNATIVE PERFORMANCE MEASURES

ROOC BY DIVISION

EBITDA as a percentage of operating capital as below.

SEK M	Full-year 2024	Full-year 2023
Group		
Inventories	957.8	1,039.1
Trade receivables	738.3	826.4
Trade payables	-240.3	-322.5
Working capital	1,455.8	1,543.1
Property, plant and equipment	1,299.0	772.6
Operating capital	2,754.8	2,315.6
EBITDA, rolling 12 months	946.1	955.8
Average operating capital, four quarter	2,485.7	2,480.8
ROOC, %	38.1	38.5
Truck & Trailer Equipment		
Inventories	220.7	243.4
Trade receivables	167.0	199.6
Trade payables	-62.5	-68.8
Working capital	325.2	374.2
Property, plant and equipment	290.6	244.3
Operating capital	615.8	618.5
EBITDA, rolling 12 months	328.9	393.2
Average operating capital, four quarter	632.6	633.8
ROOC, %	52.0	62.0

SEK M	Full-year 2024	Full-year 2023
Mobile Thermal Solutions		
Inventories	545.5	612.9
Trade receivables	380.1	434.8
Trade payables	-143.3	-215.0
Working capital	782.2	832.6
Property, plant and equipment	797.4	391.9
Operating capital	1,579.6	1,224.5
EBITDA, rolling 12 months	457.6	438.2
Average operating capital, four quarter	1,316.6	1,355.2
ROOC, %	34.8	32.3
Ringfeder Power Transmission		
Inventories	191.7	182.9
Trade receivables	191.2	192.0
Trade payables	-31.6	-34.8
Working capital	351.2	340.0
Property, plant and equipment	207.9	170.5
Operating capital	559.2	510.6
EBITDA, rolling 12 months	179.8	147.0
Average operating capital, four quarter	537.5	490.5
ROOC, %	33.4	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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