

Q2

Interim report
January–June 2024

**Sustainable, reliable
industrial solutions**



Interim report, second quarter of 2024

Second quarter of 2024

- Consolidated sales increased 3.0% to **SEK 1,494.3 M** (1,450.2).
- Organic growth amounted to **-0.6%** (20.2), adjusted for acquired sales and currency effects between the years.
- Consolidated operating profit (EBITA) totaled **SEK 216.9 M** (212.2), with an operating margin (EBITA) of **14.5%** (14.6).
- Profit after financial items amounted to **SEK 211.6 M** (181.2).
- Earnings per share amounted to **SEK 6.71** (5.53) before and after dilution.

First half of 2024

- Consolidated sales increased 6.3% to **SEK 3,029.3 M** (2,850.1).
- Organic growth amounted to **2.7%** (17.3), adjusted for currency effects between the years.
- Operating profit (EBITA) increased to **SEK 476.4 M** (414.8), with an operating margin (EBITA) of **15.7%** (14.6).
- Profit after financial items increased to **SEK 461.9 M** (361.6).
- Earnings per share amounted to **SEK 14.54** (11.21).

KEY FIGURES

Group, SEK M	Q2 2024	Q2 2023	Jan–Jun 2024	Jan–Jun 2023	Full-year 2023
Net sales	1,494.3	1,450.2	3,029.3	2,850.1	5,739.8
Operating profit before depreciation/amortization (EBITDA)	243.3	242.2	526.2	474.2	953.0
Operating profit before amortization (EBITA)	216.9	212.2	476.4	414.8	858.0
Operating profit (EBIT)	209.1	204.1	460.6	398.9	824.9
Operating profit after financial items (EBT)	211.6	181.2	461.9	361.6	761.9
Profit after tax	167.8	138.2	363.6	280.3	568.6
Earnings per share, SEK	6.71	5.53	14.54	11.21	22.74
Cash flow from operating activities	204.9	128.9	349.0	273.9	705.2
ROE (cumulative), %	18.5	15.9	18.5	15.9	16.2
ROCE (cumulative), %	19.8	17.5	19.8	17.5	17.2
Equity/assets ratio, %	62.6	62.4	62.6	62.4	61.4
Interest-bearing net debt/EBITDA	n/a	n/a	0.27	0.84	0.41
Average number of employees	2,082	1,834	2,082	1,834	1,864
Number of shares outstanding ('000)	25,004	25,004	25,004	25,004	25,004

Net sales

SEK 1,494 M

+3.0%

Operating profit (EBITA)

SEK 217 M

+2.2%

Continued growth and robust earnings

In the second quarter of 2024, VBG Group's net sales increased 3% to SEK 1,494.3 M (1,450.2).

EBITA increased to SEK 216.9 M (212.2), which is the third best single-quarter earnings in the Group's history, and the margin on par with the previous year, 14.5% (14.6). Earnings per share increased 21% compared with the second quarter of 2023.

The Group's growth was due primarily to demand in North America that remained high, price increases and currency effects, and to the effects that we are experiencing from the acquisition of Rathi Transpower in India. Organic growth, adjusted for currency fluctuations and acquired sales, totaled -0.6% during the quarter.

VBG Group is a balanced industrial group that – despite the geopolitical situation and a macroeconomic headwind, particularly in Europe – strengthened its earnings during the quarter.

A high level of capacity utilization at our facilities, the impact of price increases, and the acquisition of Rathi Transpower were the prime factors behind the increase in earnings.

Volumes in North America remained high

Sales in Mobile Thermal Solutions remained favorable during the quarter, primarily in North America. Net sales rose 3%, and sales for the quarter reached a respectable SEK 847.5 M (820.4).

In the US, the Inflation Reduction Act and the EPA's Clean School Bus Program played a key role in stimulating the transition to fossil-free energy. These initiatives have contributed to an increased demand for electric vehicles, thereby making a positive contribution to our sales performance. Since Mobile Thermal Solutions is on the leading edge of electrification, offering electric solutions for both the bus and off-road segments, this benefited the division's operation.

The EBITA margin for the division has improved, totaling 14.3% (12.3) in the second quarter. High capacity utilization, an attractive product portfolio for new and existing customers, and the implemented price increases positively contributed to increased profitability.

Stable demand for truck equipment

Truck & Trailer Equipment continues to deliver at a stable level, reaching sales of SEK 390.5 M (437.9) during the quarter. The negative growth in sales was still attributable primarily to the weak levels of activity in the European semitrailer industry.

Demand for commercial vehicle solutions has changed in recent quarters.

The need for truck equipment remained good, while demand from trailer manufacturers has decreased. However, we are seeing that this downturn is beginning to level off.

During the quarter, it was primarily the downturn in volume that negatively impacted the division, and the EBITA margin was 15.6% (20.2).

Strengthened profitability for industry solutions

Net sales for Ringfeder Power Transmission totaled SEK 255.8 M (191.9). The division's growth of 33% was driven primarily by the acquisition of Rathi Transpower in India. The downturn in some segments such as machine construction and logistics was offset by improvements in the mining, aviation and defense segments.

Profitability was boosted by a positive product and customer mix, and the EBITA margin for the division was 15.5% (16.3).

Increased sustainability requirements

The Group's sustainability commitments continued to develop during the quarter. We have now compiled the

sustainability data for 2023, which will comprise the basis for future improvement and goals. In addition to the measurements of CO₂ for Scope 1 and 2, we initiated several activities to begin measuring our impact in Scope 3, with a particular focus on transports, materials and waste. Our initiatives for compliance with new regulations and requirements such as the CSRD continued as planned.

The future

I am pleased with VBG Group's second quarter. In particular, I am proud of all our dedicated, capable employees who have really done a great job. Our planned activities and measures have been implemented, and have yielded results, above all in the North American bus operations. We are continuing to grow, profitability has strengthened over the first six months and we have gained new customers and a broader customer base concurrent with our expansion of our sustainability commitments. Despite signs of a negative business cycle, primarily in Europe, the Group reached its second-highest individual quarter to date for sales.

I feel positive about the future despite the numerous storm clouds ahead. Growth in order bookings leveled off during the second quarter, and order bookings in the first half of 2024 are line with the year-earlier period.

The business environment is continually changing, but through our balanced business portfolio, our strong brands, our skilled employees and our strong financial earnings we have created the flexibility we need to meet future challenges and create profitable, sustainable growth.

I would like to thank all our employees and partners for their excellent work during the quarter.

Anders Erkén
President and CEO, VBG Group



“
Our acquisition in India is delivering as expected”

VBG Group – a balanced industrial Group

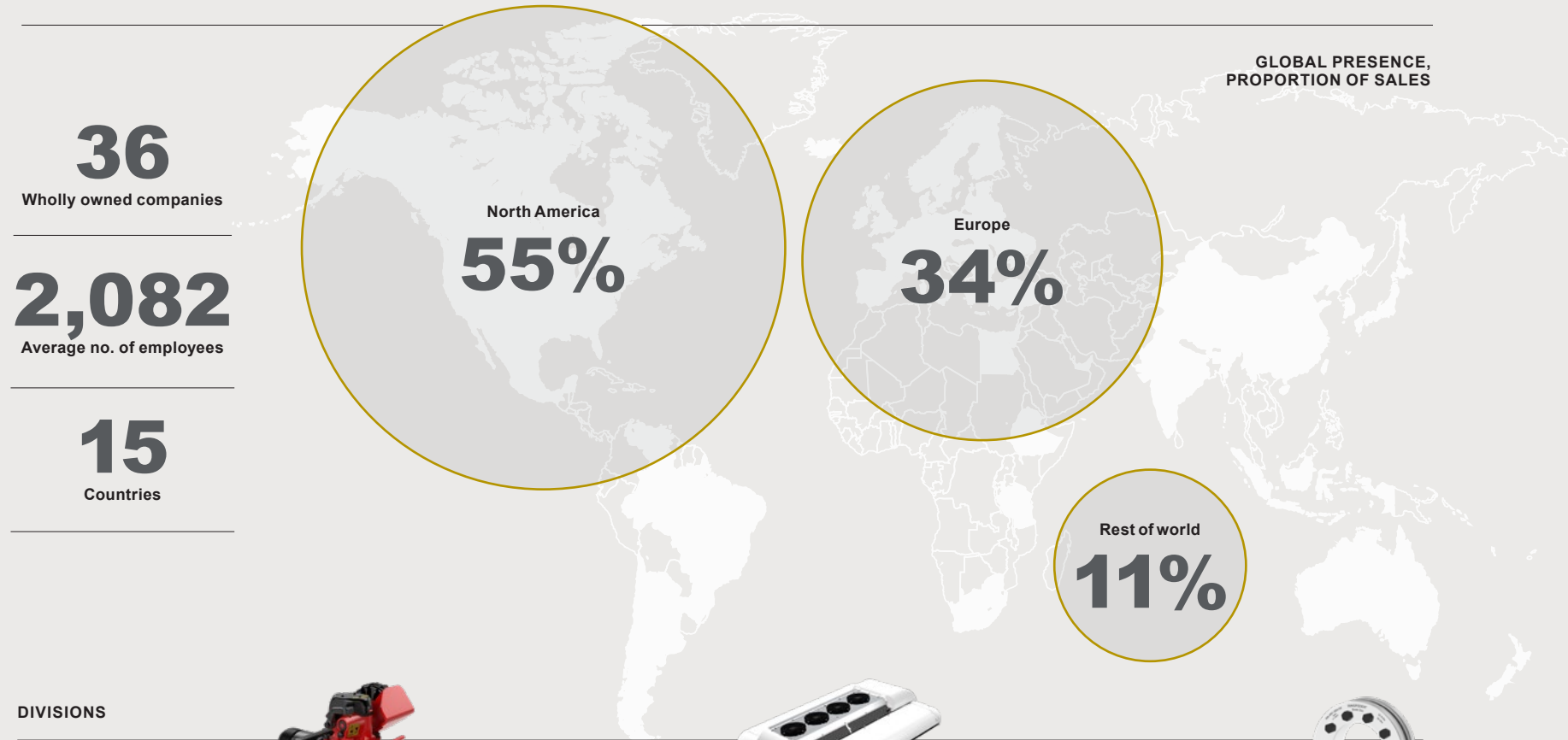
VBG Group is a long-term active owner of successful industrial companies and brands. The Group's three divisions – Truck & Trailer Equipment, Mobile Thermal Solutions and Ringfeder Power Transmission – are governed on a foundation of high industrial expertise, strong values and financial stability.

- **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

2,082
Average no. of employees

15
Countries



DIVISIONS

TRUCK & TRAILER EQUIPMENT

Sales, SEK M	Average no. of employees
391	405
Operating profit (EBITA), SEK M	Operating margin (EBITA), %
61	16

MOBILE THERMAL SOLUTIONS

Sales, SEK M	Average no. of employees
848	1,031
Operating profit (EBITA), SEK M	Operating margin (EBITA), %
121	14

RINGFEDER POWER TRANSMISSION

Sales, SEK M	Average no. of employees
256	636
Operating profit (EBITA), SEK M	Operating margin (EBITA), %
40	16

Group

Sales and earnings

Second quarter of 2024

Sales increased to SEK 1,494.3 M (1,450.2) and were 3.0% higher compared with the second quarter of 2023. Adjusted for acquired sales and currency effects, organic growth was –0.6% (20.2).

Truck & Trailer Equipment's organic growth decreased 11.3%, organic growth in Mobile Thermal Solutions increased 2.4% and Ringfeder Power Transmission's organic growth increased 10.8%.

Consolidated operating profit (EBITA) increased to SEK 216.9 M (212.2), corresponding to an operating margin of 14.5% (14.6). The historically high profitability is a result of a continued favorable market in North America (even though it is now leveling out at a high level), the impact of price increases that were implemented in 2023 and the addition of the newly acquired Rathi Transpower. Truck & Trailer Equipment's operating margin (EBITA) decreased to 15.6% (20.2). During the second quarter, it was primarily the downturn in volume that negatively impacted the division. Mobile Thermal Solutions' operating margin (EBITA) increased to 14.3% (12.3). The operating margin in Mobile Thermal Solutions was positively impacted by continued high levels of demand, primarily for off-road products, and by price increases implemented in the bus segment in 2023.

Ringfeder Power Transmission's operating margin (EBITA) decreased to 15.5% (16.3) for the quarter as an effect of differences in the product mix between quarters. The operating margin for Ringfeder Power Transmission was positively impacted by the acquisition of Rathi Transpower, the integration of which is proceeding as planned.

First half of 2024

Sales totaled SEK 3,029.3 M (2,850.1), 6.3% higher than in the first half of 2023. Adjusted for acquired sales and currency effects between the periods, organic volume growth was 2.7% (17.3). Operating profit (EBITA) increased to SEK 476.4 M (414.8), corresponding to an operating margin (EBITA) of 15.7% (14.6). The increased profitability is a result of a favorable market with high demand in North America, which has meant high capacity utilization in our production facilities for most of the first half of 2024.

Consolidated net interest expense for the first half-year was SEK –12.1 M (–19.1), with interest income contributing to the decrease due to greater liquidity. The currency effect on foreign-currency denominated financial liabilities amounted to SEK 11.4 M (–16.9). Other financial income and expenses amounted to SEK 2.0 M (–1.3). Profit after financial items increased to SEK 461.9 M (361.6) and operating profit after tax increased to SEK 363.6 M (280.3). Earnings per share totaled SEK 14.54 (11.21) before and after dilution.

Capital expenditures and depreciation/amortization

The Group's new capital expenditures for the second quarter amounted to SEK 57.1 M (32.7). Total new capital expenditures for the first half-year were SEK 73.5 M (60.0). Depreciation/amortization totaled SEK 34.2 M (38.1) for the second quarter and SEK 65.5 M (75.2) for the first half-year.

Financial position

Profit after tax for the period increased to SEK 363.6 M (280.3) and other comprehensive income – pertaining to translation differences in foreign currencies and remeasurement of pension plans – totaled SEK 56.8 M (146.7), which resulted in comprehensive income for the period of SEK 420.4 M (427.0). Dividends paid in 2024 totaled SEK 175.0 M (137.5). Accordingly, consolidated equity increased to SEK 3,919.4 M during the period (3,674.1 at year-end).

The equity/assets ratio increased marginally during the period to 62.6% (62.4).

Cash and cash equivalents, including currency effects, increased SEK 33.7 M (–82.2) during the period as a result of strong underlying earnings from operating activities. Cash and cash equivalents totaled SEK 919.6 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 June had available liquidity, excluding scope under credit agreements, of SEK 1,019.6 M (985.9 at year-end).

The Group's interest-bearing net debt declined SEK 125.6 M during the period to SEK 267.3 M at the end of the period (392.9 at year-end).

The ratio of consolidated interest-bearing net debt to equity was 0.07 at June 30, 2024 (0.11 at year-end) 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 0.27 (0.41 at year-end).

Consolidated goodwill increased SEK 12.0 M as a result of currency effects and amounted at the end of the period

to SEK 1,303.3 M (1,291.3 at year-end), which in relation to equity amounted to a ratio of 0.33 (0.35 at year-end).

Cash flow

Cash flow from operating activities increased compared with the year-earlier period, totaling SEK 349.0 M (273.9). Investments made during the period totaled SEK 63.3 M (65.3). Consolidated total borrowings and lease liabilities decreased SEK 85.5 M (–162.6) during the period and the dividend that was distributed in May totaled SEK 175.0 M (137.5), which means that cash flow for the period totaled SEK 25.2 MSEK M (–91.5).

Personnel

At June 30, 2024, there were 2,075 employees (1,823) in the VBG Group, of which 233 (230) in Sweden. During the first half of 2024, the Group employed an average of 2,082 persons (1,834). Of these, 236 (221) were active in Sweden. The cost of salaries and social security contributions in the first half-year was SEK 656.0 M (605.0).

Per share data

Earnings per share for the period January - June, amounted to SEK 14.54 (11.21). Equity per share was SEK 156.75 at June 30, 2024, compared with SEK 143.1 at the same time last year.

At the end of the quarter, the share price was SEK 484.50, which corresponds to a market capitalization of SEK 12,114 M, compared with a share price of SEK 182.00 and market capitalization of SEK 4,550 M in the first half of 2023.

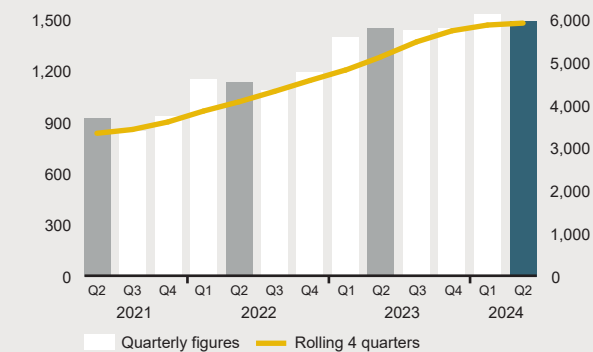
The number of shareholders increased 1,631 during the period, totaling 13,332 (11,701 at year-end).



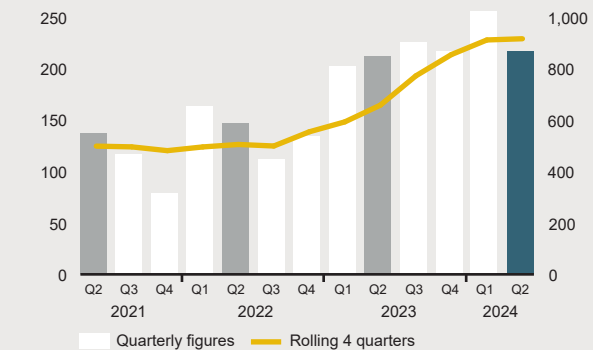
Sales/Earnings SEK M	Jan–Jun 2024	Q2 2024	Q1 2024	Rolling 12 months	Full-year 2023	Q4 2023	Q3 2023	Jan–Jun 2023	Q2 2023	Q1 2023	Full-year 2022	Q4 2022
Net sales	3,029.3	1,494.3	1,535.0	5,919.0	5,739.8	1,449.9	1,439.8	2,850.1	1,450.2	1,399.9	4,580.0	1,191.5
Operating profit before depreciation/ amortization (EBITDA)	526.2	243.3	282.9	1,005.1	953.0	222.9	256.0	474.2	242.2	232.0	663.6	162.3
Operating profit before amortization (EBITA)	476.4	216.9	259.5	919.6	858.0	217.5	225.7	414.8	212.2	202.7	557.5	134.7
Operating margin (EBITA), %	15.7	14.5	16.9	15.5	14.9	15.0	15.7	14.6	14.6	14.5	12.2	11.3
Operating profit (EBIT)	460.6	209.1	251.6	886.7	824.9	209.0	217.1	398.9	204.1	194.9	527.2	127.0
Operating margin (EBIT), %	15.2	14.0	16.4	15.0	14.4	14.4	15.1	14.0	14.1	13.9	11.5	10.7
Operating profit after financial items (EBT)	461.9	211.6	250.3	862.2	761.9	183.4	216.9	361.6	181.2	180.4	487.8	105.6
Profit after tax	363.6	167.8	195.8	652.0	568.6	129.5	158.9	280.3	138.2	142.1	368.3	90.6
Earnings per share, SEK	14.54	6.71	7.83	26.07	22.74	5.18	6.35	11.21	5.53	5.68	14.73	3.62
Cash flow from operating activities	349.0	204.9	144.1	617.7	705.2	162.7	268.7	273.9	128.9	145.0	250.5	106.2
ROE (cumulative), %	18.5	18.5	15.1	18.5	16.2	16.2	16.7	15.9	15.9	16.8	11.4	11.4
ROCE (cumulative), %	19.8	19.8	16.3	19.8	17.2	17.2	18.4	17.5	17.5	17.4	11.6	11.6
Equity/assets ratio, %	62.6	62.6	62.5	62.6	61.4	61.4	58.7	62.4	62.4	64.2	60.8	60.8

Sales by market SEK M	Jan–Jun 2024	Q2 2024	Q1 2024	Rolling 12 months	Full-year 2023	Q4 2023	Q3 2023	Jan–Jun 2023	Q2 2023	Q1 2023	Full-year 2022	Q4 2022
Sweden	175.2	79.8	95.4	313.6	325.7	81.5	56.9	187.4	87.3	100.1	323.8	83.3
Other Nordic countries	139.8	66.5	73.3	266.2	270.9	66.9	59.4	144.5	69.2	75.3	248.3	59.7
Germany	287.3	132.7	154.5	541.4	552.8	121.3	132.9	298.7	133.2	165.5	589.3	146.5
Other European countries	442.5	216.1	226.4	903.3	949.4	233.8	227.0	488.6	237.6	251.0	782.0	210.1
US	1,295.2	637.4	657.8	2,630.0	2,552.9	663.9	671.0	1,218.1	643.0	575.1	1,839.7	476.0
Rest of North America	369.9	189.7	180.2	670.0	590.8	140.2	159.9	290.7	158.6	132.1	366.9	86.1
Brazil	68.0	35.1	32.9	145.3	145.5	37.0	40.3	68.2	39.0	29.2	121.1	29.4
Australia/New Zealand	93.6	53.3	40.3	168.6	142.5	35.9	39.1	67.5	35.9	31.6	123.5	44.8
China	33.6	20.6	13.0	66.4	57.6	14.2	18.6	24.8	14.3	10.5	69.7	25.5
Rest of world	124.3	63.1	61.2	214.2	151.6	55.2	34.7	61.7	32.2	29.0	115.7	30.1
Group	3,029.3	1,494.3	1,535.0	5,919.0	5,739.8	1,449.9	1,439.8	2,850.1	1,450.2	1,399.9	4,580.0	1,191.5

Net sales, SEK M



Operating profit (EBITA), SEK M



Truck & Trailer Equipment



Second quarter of 2024

- Sales decreased 10.8% to **SEK 390.5 M** (437.9).
- Adjusted for currency effects between the years, organic growth decreased **11.3%**.
- Operating profit (EBITA) decreased to **SEK 61.1 M** (88.6), with an operating margin (EBITA) of 15.6% (20.2).

First half of 2024

- Sales decreased 11.2% to **SEK 829.5 M** (933.6).
- Adjusted for currency effects between the years, organic growth decreased **11.5%**.
- Operating profit (EBITA) amounted to **SEK 161.7 M** (203.3), with an operating margin (EBITA) of 19.5% (21.8).

Main product segments

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



Sales and earnings

Second quarter of 2024

Sales for the quarter declined 10.8% year-on-year, to SEK 390.5 M (437.9). Adjusted for currency effects, where the average USD rate between the quarters strengthened 1.0% and the EUR – which is a more important currency for the division – weakened 0.1%, organic growth amounted to –11.3%.

Operating profit (EBITA) for Truck & Trailer Equipment decreased year-on-year to SEK 61.1 M (88.6) in the second quarter, with an operating margin (EBITA) of 15.6% (20.2). During the second quarter, it was primarily the downturn in volume that negatively impacted the division. Demand for coupling products remained high. However, the market for trailer components in Europe continued to decline markedly in the second quarter compared with the year-earlier period.

First half of 2024

Sales for the first half of the year declined 11.2% year-on-year, to SEK 829.5 M (933.6). Adjusted for currency effects, where the average USD rate between the periods strengthened 0.6% and the EUR – which is a more important currency for the division – strengthened 0.5%, organic growth decreased to 11.5%. EBITA for Truck & Trailer Equipment decreased year-on-year to SEK 161.7 M (203.3), with an EBITA margin of 19.5% (21.8). The lower

level of sales and EBITA remained attributable to low levels of activity in the semitrailer market during the first six months of 2024.

During the first half-year, the division's working capital increased SEK 11.7 M to SEK 385.9 M (374.2 at year-end). With the addition of property, plant and equipment of SEK 267.4 M, operating capital amounted to SEK 653.3 M at the end of June (618.5 at year-end). The division's return on operating capital (ROOC) was 54.8% (61.3 at year-end).

Capital expenditures and depreciation/amortization

Truck & Trailer Equipment's investments in property, plant and equipment during the second quarter totaled SEK 33.3 M (21.0). Total new capital expenditures for the first half-year were SEK 36.6 M (33.8). Depreciation/amortization totaled SEK 9.2 M (19.0) for the second quarter and SEK 20.0 M (20.0) for the first half-year.

Personnel

At June 30, 2024, there were 394 employees (390) in the division. Truck & Trailer Equipment employed an average of 405 persons (383) in the first half of the year. Personnel costs for the first half-year amounted to SEK 171.8 M (166.5), resulting in a cost per employee of SEK 424.3 thousand (434.7).



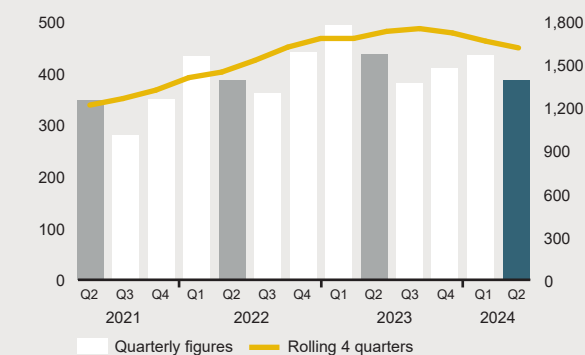


Truck & Trailer Equipment

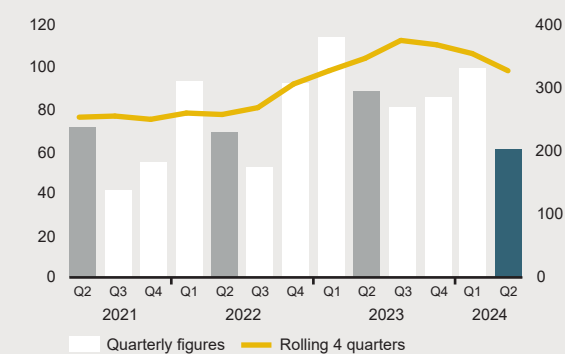
Sales/Earnings SEK M	Jan–Jun 2024	Q2 2024	Q1 2024	Rolling 12 months	Full-year 2023	Q4 2023	Q3 2023	Jan–Jun 2023	Q2 2023	Q1 2023	Full-year 2022	Q4 2022
Net sales	829.5	390.5	439.0	1,623.6	1,727.7	412.3	381.7	933.6	437.9	495.7	1,628.8	443.2
Operating profit (EBITDA)	177.4	68.6	108.8	350.0	393.2	82.7	89.9	220.6	97.6	123.0	341.3	98.9
Operating profit (EBITA)	161.7	61.1	100.6	328.7	370.3	85.9	81.2	203.3	88.6	114.7	307.6	92.5
Operating margin (EBITA), %	19.5	15.6	22.9	20.2	21.4	20.8	21.3	21.8	20.2	23.1	18.9	20.9
Operating profit (EBIT)	158.4	59.4	99.0	322.0	364.2	84.2	79.4	200.6	87.3	113.3	302.6	91.1
Operating margin (EBIT), %	19.1	15.2	22.5	19.8	21.1	20.4	20.8	21.5	19.9	22.9	18.6	20.6
ROOC, %	54.8	54.8	59.1	54.8	62.0	62.0	65.1	61.8	61.8	60.3	57.3	57.3

Sales by market SEK M	Jan–Jun 2024	Q2 2024	Q1 2024	Rolling 12 months	Full-year 2023	Q4 2023	Q3 2023	Jan–Jun 2023	Q2 2023	Q1 2023	Full-year 2022	Q4 2022
Sweden	148.1	66.7	81.3	263.0	273.9	68.4	46.5	158.9	74.8	84.1	271.1	69.7
Other Nordic countries	114.6	53.7	61.0	214.3	215.6	54.0	45.6	115.9	55.4	60.5	194.4	48.5
Germany	156.0	72.7	83.3	295.8	319.1	64.0	75.9	179.3	74.7	104.6	373.3	94.8
Other European countries	247.6	112.8	134.8	517.3	591.4	134.7	135.0	321.6	152.1	169.5	495.4	130.6
US	66.1	26.7	39.4	148.5	159.5	49.0	33.4	77.1	33.3	43.8	136.9	45.4
Rest of North America	9.2	3.7	5.5	21.4	21.2	5.5	6.7	9.0	5.6	3.3	11.4	3.5
Australia/New Zealand	65.9	38.7	27.2	121.9	112.6	26.3	29.7	56.6	31.9	24.7	105.3	40.3
China	6.1	6.1	—	6.2	0.3	0.1	—	0.2	—	0.2	4.9	1.7
Rest of world	15.9	9.4	6.5	35.1	34.2	10.4	8.8	15.0	10.0	5.1	36.2	8.7
Truck & Trailer Equipment	829.5	390.5	439.0	1,623.6	1,727.7	412.3	381.7	933.6	437.9	495.7	1,628.8	443.2

Net sales, SEK M



Operating profit (EBITA), SEK M



Mobile Thermal Solutions



Second quarter of 2024

- Sales increased 3.3% to **SEK 847.5 M** (820.4).
- Adjusted for currency effects between the years, organic growth was **2.4%**.
- Operating profit (EBITA) amounted to **SEK 121.2 M** (100.6), with an operating margin (EBITA) of 14.3% (12.3).

First half of 2024

- Sales increased 11.2% to **SEK 1,702.3 M** (1,531.2).
- Adjusted for currency effects between the years, organic growth was **10.4%**.
- Operating profit (EBITA) amounted to **SEK 250.8 M** (175.2), with an operating margin (EBITA) of 14.7% (11.4).
- Increased productivity at the new US production facility in the second quarter had a positive impact on earnings.

Sales and earnings

Second quarter of 2024

Sales for the second quarter increased 3.3% year-on-year to SEK 847.5 M (820.4), with North America accounting for the largest increase. Adjusted for currency effects, where the average USD rate strengthened 1.0% compared with the year-earlier period and the CAD weakened 1.0%, organic growth was 2.4%.

The operating profit (EBITA) for Mobile Thermal Solutions totaled SEK 121.2 M (100.6) and the operating margin (EBITA) increased to 14.3% (12.3). Continued high levels of demand for off-road products in North America, price adjustments implemented in the bus segment in 2023, and continued increases in efficiency at the new production facility in the US yielded the higher operating profit (EBITA) and an improved operating margin (EBITA).

First half of 2024

In the first half-year, Mobile Thermal Solutions reported growth in sales of 11.2% year-on-year. Sales totaled SEK 1,702.3 M (1,531.2). Adjusted for currency effects, where the average USD rate strengthened 0.6% compared with the year-earlier period and the CAD weakened 0.3%, organic growth was 10.4%.

EBITA for Mobile Thermal Solutions increased year-on-year to SEK 250.8 M (175.2) with an EBITA margin of 14.7% (11.4). Increased productivity in the US, which manufactures bus products, and price increases implemented for the bus segment in 2023 in combination with continued high demand for Mobile Thermal Solutions' off-road prod-

ucts promoted a sharp improvement in earnings and a strengthened operating margin (EBITA).

During the first half-year, the division's working capital increased SEK 39.9 M to SEK 872.5 M (832.6 at year-end) as a result of higher sales. With the addition of property, plant and equipment of SEK 358.0 M, operating capital amounted to SEK 1,230.5 M at the end of June (1,224.5 at year-end).

The division's return on operating capital (ROOC) for the period strengthened, totaling 39.4% (32.3 at year-end).

Capital expenditures and depreciation/amortization

Investments in property, plant and equipment by Mobile Thermal Solutions in the second quarter amounted to SEK 11.5 M (6.1). New capital expenditures for the first half-year totaled SEK 19.8 M (7.6). Depreciation/amortization totaled SEK 18.0 M (21.1) for the second quarter and SEK 33.7 M (41.6) for the first half-year.

Personnel

At June 30, 2024, there were 1,035 employees (1,055) in the division. During the first half-year, Mobile Thermal Solutions employed an average of 1,031 persons (1,068). Personnel costs for the first half-year amounted to SEK 332.3 M (303.5), resulting in a cost per employee of SEK 322.3 thousand (284.2).



Main product segments

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



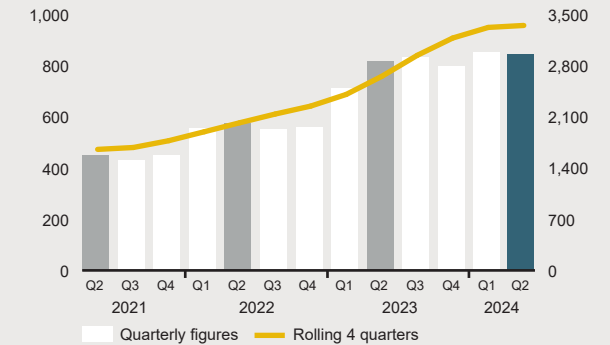


Mobile Thermal Solutions

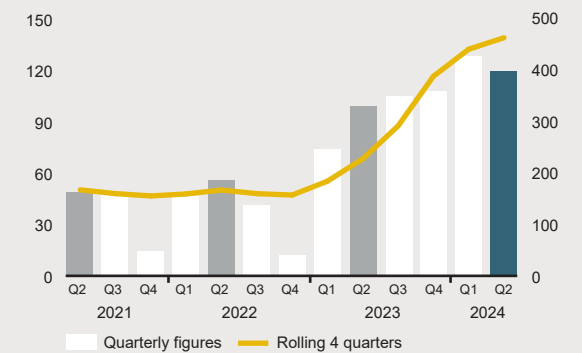
Sales/Earnings SEK M	Jan–Jun 2024	Q2 2024	Q1 2024	Rolling 12 months	Full-year 2023	Q4 2023	Q3 2023	Jan–Jun 2023	Q2 2023	Q1 2023	Full-year 2022	Q4 2022
Net sales	1,702.3	847.5	854.8	3,332.8	3,161.7	794.8	835.7	1,531.2	820.4	710.8	2,234.5	558.8
Operating profit (EBITDA)	274.2	134.1	140.0	506.1	438.2	108.9	123.0	206.3	116.3	90.0	212.5	28.3
Operating profit (EBITA)	250.8	121.2	129.6	466.6	391.1	109.2	106.7	175.2	100.6	74.6	158.5	12.0
Operating margin (EBITA), %	14.7	14.3	15.2	14.0	12.4	13.7	12.8	11.4	12.3	10.5	7.1	2.1
Operating profit (EBIT)	240.4	116.1	124.3	445.4	369.7	103.7	101.2	164.7	95.2	69.5	137.8	6.7
Operating margin (EBIT), %	14.1	13.7	14.5	13.4	11.7	13.1	12.1	10.8	11.6	9.8	6.2	1.2
ROOC, %	39.4	39.4	36.3	39.4	32.3	32.3	25.9	22.1	22.1	20.1	19.1	19.1

Sales by market SEK M	Jan–Jun 2024	Q2 2024	Q1 2024	Rolling 12 months	Full-year 2023	Q4 2023	Q3 2023	Jan–Jun 2023	Q2 2023	Q1 2023	Full-year 2022	Q4 2022
Sweden	24.9	11.9	13.0	46.2	47.8	11.9	9.5	26.4	11.5	15.0	48.7	12.7
Other Nordic countries	22.9	11.5	11.5	47.1	50.5	11.6	12.6	26.3	12.9	13.3	50.7	10.3
Germany	26.6	11.3	15.3	42.9	34.5	8.1	8.2	18.2	9.2	9.0	25.9	5.2
Other European countries	117.2	59.3	57.9	223.4	226.6	52.7	53.6	120.3	60.7	59.6	204.4	51.7
US	1,128.8	558.9	569.9	2,280.4	2,190.6	565.9	585.7	1,039.0	560.9	478.1	1,514.5	388.6
Rest of North America	357.5	184.3	173.3	640.7	560.1	132.4	150.8	276.9	150.8	126.1	349.6	80.6
China	13.7	6.1	7.6	28.7	27.6	6.8	8.2	12.6	7.6	5.0	21.1	5.0
Rest of world	10.7	4.2	6.5	23.2	24.0	5.5	7.1	11.5	6.9	4.6	19.6	4.5
Mobile Thermal Solutions	1,702.3	847.5	854.8	3,332.8	3,161.7	794.8	835.7	1,531.2	820.4	710.8	2,234.5	558.8

Net sales, SEK M



Operating profit (EBITA), SEK M



Ringfeder Power Transmission



Second quarter of 2024

- Sales increased 33.3% to **SEK 255.8 M** (191.9).
- Adjusted for currency effects and acquired sales between the years, organic growth was **10.8%**.
- Operating profit (EBITA) increased to **SEK 39.6 M** (31.3), with an operating margin (EBITA) of 15.5% (16.3).

First half of 2024

- Sales increased 29.2% to **SEK 497.5 M** (385.2).
- Adjusted for currency effects between the years, organic growth was **6.7%**.
- Operating profit (EBITA) increased to **SEK 74.9 M** (53.8), with an operating margin (EBITA) of 15.0% (14.0).

Main product segments

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



Sales and earnings

Second quarter of 2024

Sales for the second quarter increased 33.3% year-on-year to SEK 255.8 M (191.9); adjusted for acquired sales and currency effects – where the average USD rate strengthened 1.0%, the BRL weakened 4.9% and the EUR weakened 0.1% – organic growth increased 10.8%.

Operating profit (EBITA) for Ringfeder Power Transmission increased to SEK 39.6 M (31.3) and the operating margin (EBITA) decreased, totaling 15.5% (16.3). The operating margin in the quartile is negatively affected above all by differences in product mix between the quartiles. The operating margin for Ringfeder Power Transmission is positively affected by the acquisition of Rathi Transpower.

First half of 2024

Sales for the first half-year increased 29.2% year-on-year to SEK 497.5 M (385.2); adjusted for acquired sales and currency effects – where the average USD rate strengthened 0.6%, the BRL strengthened 0.3% and the EUR strengthened 0.5% year-on-year – organic growth increased 10.8%. EBITA for Ringfeder Power Transmission increased year-on-year to SEK 74.9 M (53.8) and the EBITA margin totaled 15.0% (14.0). Price increases that were implemented in the second quarter of 2023 as well as a positive product and customer mix promoted

profitability, and in combination with the acquisition of Rathi Transpower had a positive impact on the EBITA margin compared with the year-earlier period.

During the period, the division's working capital increased SEK 3.3 M to SEK 338.8 M (335.5 at year-end). With the addition of property, plant and equipment of SEK 184.2 M, operating capital amounted to SEK 523.0 M at the end of June (506.0 at year-end). The division's return on operating capital (ROOC) for the period increased to 33.1% (30.0 at year-end). The increase is largely attributable to the growth in earnings from Rathi Transpower.

Capital expenditures and depreciation/amortization

Ringfeder Power Transmission's investments in property, plant and equipment during the second quarter amounted to SEK 12.8 M (5.7). Total new capital expenditures for the first half-year were SEK 17.0 M (16.4). Depreciation/amortization totaled SEK 7.5 M (6.3) for the second quarter and SEK 12.8 M (12.8) for the first half-year.

Personnel

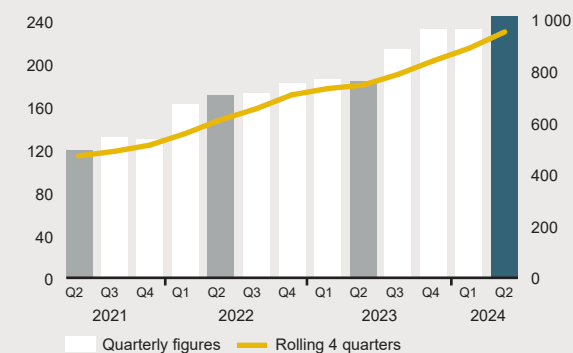
At June 30, 2024, there were 636 employees (369) in the division. During the first half-year, Ringfeder Power Transmission employed an average of 636 persons (373). Personnel costs for the first half-year amounted to SEK 134.0 M (110.1), resulting in a cost per employee of SEK 210.6 thousand (295.2).

Ringfeder Power Transmission

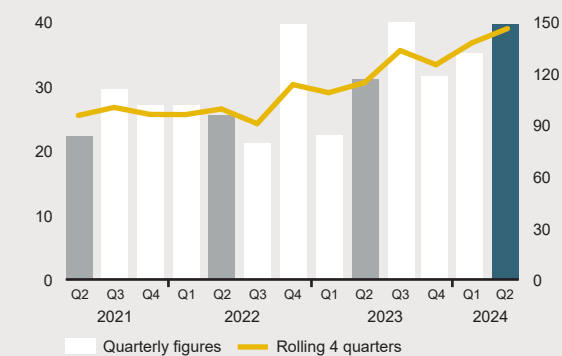
Sales/Earnings SEK M	Jan–Jun 2024	Q2 2024	Q1 2024	Rolling 12 months	Full-year 2023	Q4 2023	Q3 2023	Jan–Jun 2023	Q2 2023	Q1 2023	Full-year 2022	Q4 2022
Net sales	497.5	255.8	241.7	962.7	850.4	242.7	222.4	385.2	191.9	193.4	716.7	189.5
Operating profit (EBITDA)	85.5	46.0	39.5	168.6	147.0	38.2	45.0	63.8	36.2	27.6	129.8	44.1
Operating profit (EBITA)	74.9	39.6	35.3	146.4	125.3	31.6	40.0	53.8	31.3	22.5	113.7	39.8
Operating margin (EBITA), %	15.0	15.5	14.6	15.2	14.7	13.0	18.0	14.0	16.3	11.6	15.9	21.0
Operating profit (EBIT)	72.7	38.5	34.2	141.4	119.8	30.1	38.6	51.1	29.9	21.1	109.1	38.7
Operating margin (EBIT), %	14.6	15.0	14.1	14.7	14.1	12.4	17.3	13.3	15.6	10.9	15.2	20.4
ROOC, %	33.1	33.1	31.3	33.1	30.0	30.0	32.5	29.3	29.3	29.7	32.2	32.2

Sales by market SEK M	Jan–Jun 2024	Q2 2024	Q1 2024	Rolling 12 months	Full-year 2023	Q4 2023	Q3 2023	Jan–Jun 2023	Q2 2023	Q1 2023	Full-year 2022	Q4 2022
Sweden	2.2	1.1	1.1	4.3	4.1	1.3	0.8	2.0	1.0	1.0	4.1	0.9
Other Nordic countries	2.3	0.9	1.3	4.7	4.8	1.3	1.1	2.3	0.8	1.5	3.2	0.9
Germany	104.6	48.7	55.9	202.6	199.1	49.2	48.8	101.2	49.3	51.8	190.1	46.5
Other European countries	77.8	43.9	33.9	162.6	131.5	46.5	38.4	46.6	24.7	21.9	82.3	27.8
US	100.3	51.7	48.6	201.1	202.9	49.0	51.8	102.0	48.9	53.2	188.4	42.0
Rest of North America	3.2	1.8	1.4	7.8	9.5	2.3	2.3	4.9	2.2	2.7	5.8	1.9
Brazil	64.9	33.8	31.1	138.5	136.8	35.3	38.3	63.2	35.9	27.3	106.3	26.1
Australia/New Zealand	26.4	14.3	12.1	44.2	27.6	8.9	8.9	9.8	3.3	6.5	17.0	4.0
China	13.8	8.4	5.4	31.5	29.7	7.3	10.4	12.0	6.6	5.4	43.7	18.8
Rest of world	102.1	51.1	51.0	165.2	104.4	41.6	21.5	41.9	19.1	22.2	75.8	20.6
Ringfeder Power Transmission	497.5	255.8	241.7	962.7	850.4	242.7	222.4	385.2	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. Net sales during the period totaled SEK 0.0 M (0.0). Operating loss for the first half-year totaled SEK –36.1 M (–38.6). Loss after dividends from Group companies, net financial items and tax totaled SEK 108.6 M –31.3).

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 half-year of 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 have plateaued at a high level compared with the last decade. Despite these uncertainties, the Group has continued to increase its sales and improve its earnings.

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

Interim report, nine months 2024	October 23, 2024
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 year-end report is unaudited.

Press releases issued in the second quarter of 2024

Invitation to presentation of VBG Group's Q1 report	April 11, 2024
Interim report January – March	April 25, 2024
Resolutions at the AGM in VBG Group AB (publ)	May 2, 2024

Information on events after the close of the reporting period is provided in Note 5.

For further information, please contact:

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 E-mail: fredrik.jigneus@vbggroup.com

The Board of Directors and President affirm that the half-year report provides a true and fair view of the company's and the Group's operations, financial position and results, and describes significant risks and uncertainty factors facing the company and the companies included in the Group.

Vänersborg, July 19, 2024
 VBG Group AB (publ)

Anders Birgersson
 Chairman of the Board

Anders Erkén
 CEO and Board member

Peter Augustsson
 Board member

Louise Nicolin
 Board member

Anna Stålenbring
 Board member

Mats R. Karlsson
 Board member

Alexander Andersson
 Employee representative

Cecilia Pettersson
 Employee representative

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 in Swedish at 9:30 a.m. CEST on July 19, 2024.

Consolidated Income Statement

SEK M	Q2 2024	Q2 2023	Jan–Jun 2024	Jan–Jun 2023	Full-year 2023
Net sales	1,494.3	1,450.2	3,029.3	2,850.1	5,739.8
Cost of goods sold	–1,001.5	–993.3	–2,024.5	–1,966.0	–3,940.7
Gross profit	492.8	456.9	1,004.8	884.1	1,799.0
Selling expenses	–123.6	–105.7	–229.6	–207.7	–428.3
Administrative expenses	–109.6	–98.0	–217.4	–187.6	–369.9
Research and development costs	–44.8	–37.2	–84.9	–71.8	–142.1
Other operating income and expenses	–5.7	–11.9	–12.3	–18.0	–33.8
	–283.7	–252.9	–544.1	–485.2	–974.1
Operating profit	209.1	204.1	460.6	398.9	824.9
Exchange rate effects, net	5.0	–12.7	11.4	–16.9	–18.2
Interest income	10.9	7.6	21.3	13.0	34.9
Interest expenses	–15.4	–16.4	–33.4	–32.2	–70.2
Other financial income and expenses	2.0	–1.4	2.0	–1.3	–9.6
Total financial items	2.5	–22.9	1.3	–37.3	–63.1
Profit after financial items	211.6	181.2	461.9	361.6	761.9
Income tax	–43.8	–43.0	–98.3	–81.3	–193.3
Profit for the period	167.8	138.2	363.6	280.3	568.6
Profit for the period attributable to Parent Company shareholders	167.8	138.2	363.6	280.3	568.6

Other comprehensive income

SEK M	Q2 2024	Q2 2023	Jan–Jun 2024	Jan–Jun 2023	Full-year 2023
Other comprehensive income					
Profit for the period	167.8	138.2	363.6	280.3	568.6
Items that will not be reversed in the income statement					
Effect of translation of defined-benefit pension plans, net after tax	—	—	—	—	–6.1
Items that may later be reversed in the income statement					
Translation differences pertaining to foreign operations	–46.4	103.3	56.8	146.7	–39.1
Other comprehensive income, net after tax	–46.4	103.3	56.8	146.7	–45.3
Comprehensive income for the period	121.4	241.5	420.4	427.0	523.3
Comprehensive income for the period attributable to Parent Company shareholders	121.4	241.5	420.4	427.0	523.3

Consolidated Balance Sheet

SEK M	Jun. 30, 2024	Jun. 30, 2023	Dec. 31, 2023
Assets			
Non-current assets			
Intangible assets			
Brands, customer relationships and other intangible assets	947.3	810.4	939.3
Goodwill	1,303.3	1,257.8	1,291.3
	2,250.6	2,068.2	2,230.7
Property, plant and equipment			
Land and buildings	258.8	232.4	251.7
Plant and machinery	178.9	162.5	178.2
Equipment, tools, fixtures and fittings	75.7	76.9	72.0
Construction in progress	41.6	33.4	14.9
Right-of-use assets	257.9	400.6	297.0
	813.1	905.8	813.9
Deferred tax asset	33.4	28.9	27.5
Total non-current assets	3,097.1	3,002.9	3,072.0
Current assets			
Inventories			
Raw materials and consumables	511.3	606.7	531.9
Work in progress	155.5	149.3	142.9
Finished products and merchandise	409.5	401.3	364.4
	1,076.3	1,157.3	1,039.1
Current receivables			
Trade receivables	943.1	986.9	821.8
Current tax assets	52.0	38.3	35.9
Other receivables	103.4	84.2	88.3
Prepaid expenses and accrued income	73.2	43.4	41.8
	1,171.7	1,152.8	987.8
Cash and cash equivalents			
Cash on hand and demand deposits	919.6	416.6	885.9
Total current assets	3,167.6	2,726.7	2,912.9
Total assets	6,264.7	5,729.6	5,985.0

SEK M	Jun. 30, 2024	Jun. 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	305.7	434.7	248.9
Retained earnings, incl. net profit for the year	2,767.0	2,296.2	2,578.4
Total equity	3,919.4	3,577.7	3,674.1
Non-current liabilities			
Provisions for pensions and similar obligations	206.8	204.3	202.1
Deferred tax liability	227.5	194.2	229.0
Other provisions	109.4	94.2	95.8
Lease liability	240.0	375.9	258.1
Liabilities to credit institutions	648.2	449.1	730.5
Other non-current liabilities	24.0	23.9	55.7
Total non-current liabilities	1,455.9	1,341.7	1,571.2
Current liabilities			
Trade payables	431.7	414.4	322.5
Current tax liabilities	89.7	89.3	95.5
Other liabilities	71.9	35.2	45.6
Lease liability	58.2	47.5	55.7
Accrued expenses and deferred income	237.9	223.7	220.4
Total current liabilities	889.4	810.2	739.7
Total equity and liabilities	6,264.7	5,729.6	5,985.0

Consolidated Changes in Equity

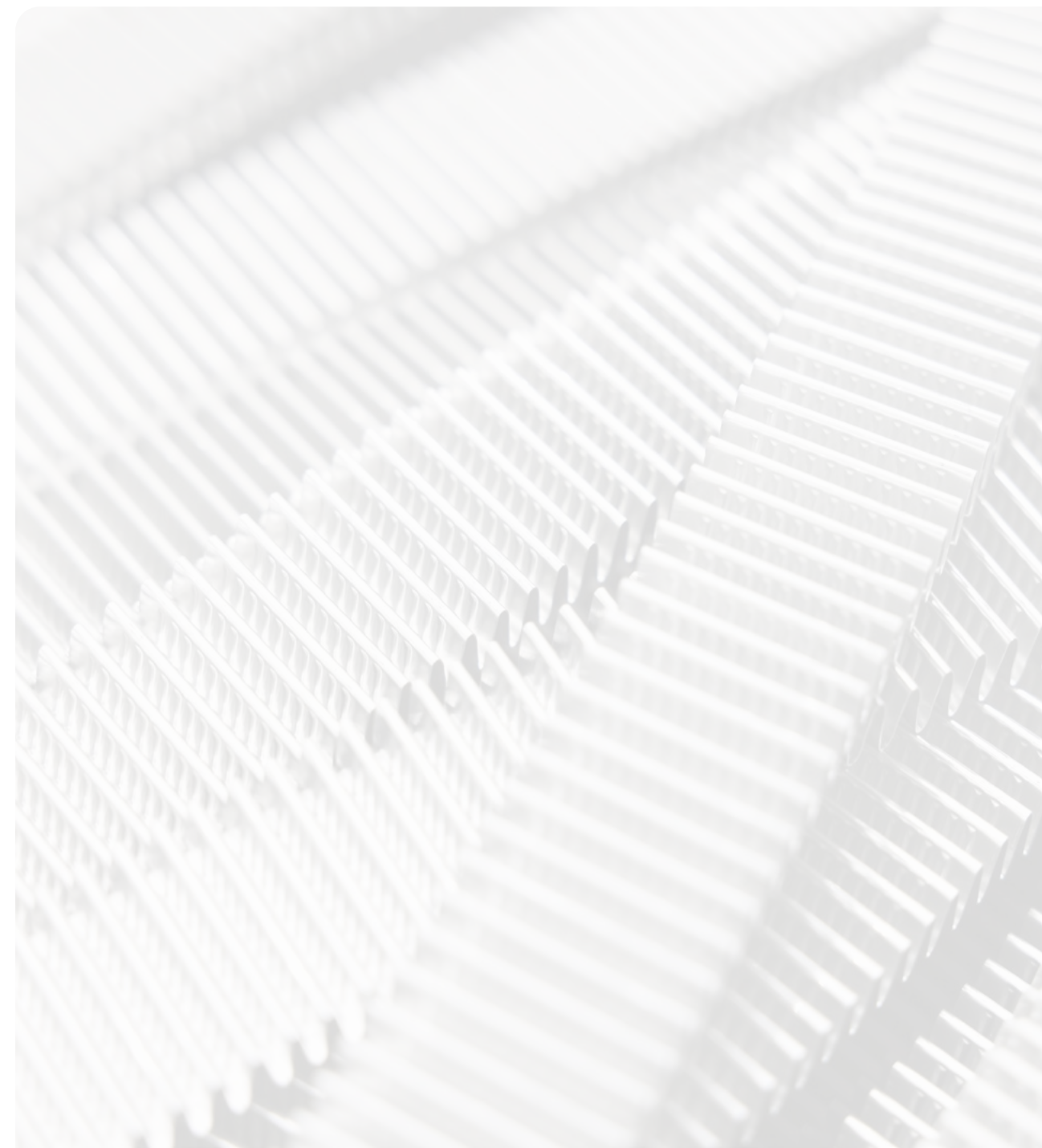
SEK M	Jan–Jun 2024	Jan–Jun 2023	Full-year 2023
Opening equity according to balance sheet at December 31	3,674.1	3,288.3	3,288.3
Total comprehensive income for the period	420.4	427.0	523.3
Dividend	–175.0	–137.5	–137.5
Equity at end of period	3,919.4	3,577.7	3,674.1

Consolidated Cash Flow Statement

SEK M	Jan–Jun 2024	Jan–Jun 2023	Full-year 2023
Operating activities			
Operating profit before financial items	460.6	398.9	824.9
Depreciation/amortization	65.5	75.2	128.1
Gains from divestment of property	—	—	–4.5
Other items not affecting liquidity	–4.3	34.0	–55.3
Interest received, etc.	24.9	14.1	37.2
Interest paid, etc.	–28.6	–25.6	–67.5
Tax paid	–134.5	–91.4	–179.4
Cash flow before change in working capital	383.8	405.3	683.5
Decrease/increase (–) in inventories	–7.1	26.8	92.8
Decrease/increase (–) in trade receivables	–94.6	–250.5	–120.7
Decrease/increase (–) in other current receivables	–27.1	21.1	36.0
Increase/decrease (–) in trade payables	90.0	54.1	–13.7
Increase/decrease (–) in other current liabilities	4.1	16.9	27.3
Cash flow from operating activities	349.0	273.9	705.2
Investing activities			
Investments in intangible assets	–0.4	–3.2	–3.5
Investments in property, plant and equipment	–57.9	–62.1	–111.5
Investments in other financial assets	–5.0	—	—
Divestment of property	—	—	15.8
Net settlements, business combinations	—	—	–243.4
Cash flow from investing activities	–63.3	–65.3	–342.7
Financing activities			
Loans raised and changes to existing loans	–82.4	–138.6	183.5
Amortization of lease liability	–3.2	–25.2	–14.1
Dividend paid	–175.0	–137.5	–137.5
Cash flow from financing activities	–260.5	–300.1	31.9
Cash flow for the year	25.2	–91.5	394.5
Cash and cash equivalents at start of year	885.9	498.8	498.8
Translation difference, cash and cash equivalents	8.4	9.3	–7.4
Cash and cash equivalents at year-end	919.6	416.6	885.9
Unutilized overdraft facilities	100.0	100.0	100.0
Total cash and cash equivalents available	1,019.6	516.6	985.9

Key Figures for Group

SEK M	Jan–Jun 2024	Jan–Jun 2023	Full-year 2023
Operating margin (EBITA), %	15.7	14.6	14.9
Operating margin (EBIT), %	15.2	14.0	14.4
Profit margin (ROS), %	15.2	12.7	13.3
Return on equity (ROE), %	18.5	15.9	16.2
Return on capital employed (ROCE), %	19.8	17.5	17.2
Equity/assets ratio, %	62.6	62.4	61.4
Interest-bearing net debt/EBITDA	0.27	0.84	0.41
Equity per share outstanding at end of period, SEK	156.75	143.09	146.94
Cash flow from operating activities, per average share outstanding, SEK	13.96	10.95	28.20
Profit per average share outstanding during the period, SEK	14.54	11.21	22.74
Share price at end of period, SEK	484.5	182.0	243.00
Number of employees, average	2,082	1,834	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–Jun 2024	Jan–Jun 2023	Full-year 2023
Net sales	—	—	57.7
Administrative expenses	–36.1	–38.6	–73.1
Operating loss	–36.1	–38.6	–15.4
Net financial items	144.8	7.3	96.8
Profit/loss from financial items	108.6	–31.3	81.3
Appropriations	—	—	49.0
Tax	—	—	–4.7
Profit for the period	108.6	–31.3	125.6

Parent Company Balance Sheet

SEK M	Jun. 30, 2024	Jun. 30, 2023	Dec. 31, 2023
Property, plant and equipment	1.0	1.2	0.8
Financial assets	2,075.6	1,994.4	2,194.4
Total non-current assets	2,076.6	1,995.6	2,195.2
Receivables	135.7	174.8	166.1
Cash on hand and demand deposits	451.7	255.7	551.5
Total current assets	587.4	430.5	717.7
Total assets	2,664.0	2,426.1	2,912.9
Equity	1,339.5	1,249.0	1,405.9
Untaxed reserves	24.8	18.8	24.8
Provisions	19.0	16.4	17.6
Non-current liabilities	647.5	448.5	729.5
Current liabilities	633.2	693.4	735.1
Total equity and liabilities	2,664.0	2,426.1	2,912.9

Notes

1 ACCOUNTING POLICIES

The VBG Group applies the EU-endorsed IFRS standards and interpretations thereof (IFRIC). 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–Jun 2024	Q2 2024	Jan–Jun 2023	Q2 2023	Full-year 2023
Financial income					
Interest income from other financial assets	21.3	10.9	13.0	7.6	34.9
Total interest income under the effective-rate method	21.3	10.9	13.0	7.6	34.9
Financial expenses					
Interest expenses, liabilities to credit institutions	–24.5	–10.6	–20.8	–10.9	–48.0
Interest expenses, other financial expenses	–2.3	–1.2	–3.0	–1.5	–7.7
Total interest expenses under the effective-rate method	–26.7	–11.8	–23.9	–12.3	–55.7

	Jan–Jun 2024	Q2 2024	Jan–Jun 2023	Q2 2023	Full-year 2023
Exchange rate differences – costs, financial items	11.4	5.0	–16.9	–12.7	–18.2
Interest expenses, lease liabilities	–6.5	–3.6	–8.3	–4.1	–14.6
Total	4.9	1.5	–25.2	–16.8	–32.8
Total financial expenses	–21.9	–10.3	–49.1	–29.1	–88.5
Financial instruments					
Trade receivables	943.1		986.9		821.8
Other current receivables	103.4		84.2		88.3
Cash and cash equivalents	919.6		416.6		885.9
Total	1,966.1		1,487.6		1,796.1
Financial liabilities					
Liabilities to credit institutions	648.2		449.1		730.5
Additional purchase consideration	33.7		—		33.7
Trade payables	431.7		414.4		322.5
Lease liabilities	298.1		862.1		313.8
Accrued interest	9.1		—		10.0
Other liabilities	37.7		35.2		45.6
Total	1,458.5	n/a	1,760.8	n/a	1,456.1

4 SALES AND EARNINGS BY SEGMENT

SEK M	Truck & Trailer Equipment	Mobile Thermal Solutions	Ringfeder Power Transmission	Group-wide	Group
Q2 2024					
Net sales	390.5	847.5	255.8		1,494.3
Operating profit/loss	59.4	116.1	38.5	–5.0	209.1
Operating margin, %	15.2	13.7	15.0		14.0
Net financial items				2.5	2.5
Profit after financial items					211.6
Q2 2023					
Net sales	437.9	820.4	191.9		1,450.2
Operating profit/loss	87.3	95.2	29.9	–8.4	204.1
Operating margin, %	19.9	11.6	15.6		14.1
Net financial items				–22.9	–22.9
Profit after financial items					181.2

5 EVENTS AFTER THE CLOSE OF THE REPORTING PERIOD

After the balance sheet date, VBG Group – through its subsidiary, Mobile Climate Control Inc. – signed an agreement to acquire land in Toronto, Canada for the construction of a new production facility and to consolidate three production facilities into one.

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–Jun 2024	Q2 2024	Jan–Jun 2023	Q2 2023	Full-year 2023
Group					
Net sales	3,029.3	1,494.3	2,850.1	1,450.2	5,739.8
Acquired volume (incl. full-year effect from preceding year)	–82.6	–39.7	—	—	–26.1
Currency effect	–18.8	–13.1	–156.0	–78.6	–299.5
Net sales excluding acquisitions and currencies	2,928.0	1,441.6	2,694.1	1,371.6	5,414.2
Organic growth	77.9	–8.6	397.2	230.3	834.2
Organic growth, %	2.7	–0.6	17.3	20.2	18.2
Truck & Trailer Equipment					
Net sales	829.5	390.5	933.6	437.9	1,727.7
Currency effect	–3.1	–2.1	–44.6	–24.3	–80.2
Net sales excluding acquisitions and currencies	826.4	388.4	889.1	413.6	1,647.5
Organic growth	–107.3	–49.5	65.9	25.3	18.8
Organic growth, %	–11.5	–11.3	8.0	6.5	1.2

SEK M	Jan–Jun 2024	Q2 2024	Jan–Jun 2023	Q2 2023	Full-year 2023
Mobile Thermal Solutions					
Net sales	1,702.3	847.5	1,531.2	820.4	3,161.7
Currency effect	–11.8	–7.5	–76.7	–36.0	–110.3
Net sales excluding acquisitions and currencies	1,690.5	840.1	1,454.5	784.5	3,051.4
Organic growth	159.3	19.6	327.9	209.9	816.9
Organic growth, %	10.4	2.4	29.1	36.5	36.6
Ringfeder Power Transmission					
Net sales	497.5	255.8	385.2	191.9	850.4
Acquired volume	–82.6	–39.7	—	—	–26.1
Currency effect	–3.8	–3.5	–34.7	–18.3	–109.0
Net sales excluding acquisitions and currencies	411.1	212.6	350.5	173.5	715.2
Organic growth	25.9	20.7	3.3	–4.8	–1.5
Organic growth, %	6.7	10.8	1.0	–2.7	–0.2

ALTERNATIVE PERFORMANCE MEASURES, CONT'D.

Operating profit (EBITDA)

Operating profit before depreciation/amortization and impairment.

Group, SEK M	Jan–Jun 2024	Q2 2024	Jan–Jun 2023	Q2 2023	Full-year 2023
Operating profit (EBIT)	460.6	209.1	398.9	204.1	824.9
Depreciation/amortization	65.5	34.2	75.2	38.1	128.1
Operating profit (EBITDA)	526.2	243.3	474.2	242.2	953.0

Operating margin (EBITDA)

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

Group, SEK M	Jan–Jun 2024	Q2 2024	Jan–Jun 2023	Q2 2023	Full-year 2023
Net sales	3,029.3	1,494.3	2,850.1	1,450.2	5,739.8
Operating profit (EBIT)	460.6	209.1	398.9	204.1	824.9
Depreciation/amortization	65.5	34.2	75.2	38.1	128.1
Operating margin (EBITDA), %	17.4	16.3	16.6	16.7	16.6

Operating profit (EBITA)

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

Group, SEK M	Jan–Jun 2024	Q2 2024	Jan–Jun 2023	Q2 2023	Full-year 2023
Operating profit (EBIT)	460.6	209.1	398.9	204.1	824.9
Amortization of intangible assets	15.8	7.8	15.9	8.1	33.1
Operating profit (EBITA)	476.4	216.9	414.8	212.2	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–Jun 2024	Q2 2024	Jan–Jun 2023	Q2 2023	Full-year 2023
Net sales	3,029.3	1,494.3	2,850.1	1,450.2	5,739.8
Operating profit (EBIT)	460.6	209.1	398.9	204.1	824.9
Amortization of intangible assets	15.8	7.8	15.9	8.1	33.1
Operating margin (EBITA), %	15.7	14.5	14.6	14.6	14.9

Gross profit margin

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

Group, SEK M	Jan–Jun 2024	Q2 2024	Jan–Jun 2023	Q2 2023	Full-year 2023
Net sales	3,029.3	1,494.3	2,850.1	1,450.2	5,739.8
Gross profit	1,004.8	492.8	884.1	456.9	1,799.0
Gross profit margin, %	33.2	33.0	31.0	31.5	31.3

Profit margin

Profit after financial items as a percentage of net sales.

Group, SEK M	Jan–Jun 2024	Q2 2024	Jan–Jun 2023	Q2 2023	Full-year 2023
Net sales	3,029.3	1,494.3	2,850.1	1,450.2	5,739.8
Profit after financial items	461.9	211.6	361.6	181.2	761.8
Profit margin, %	15.2	14.2	12.7	12.5	13.3

Interest-bearing net debt

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

Group, SEK M	Jan–Jun 2024	Q2 2024	Jan–Jun 2023	Q2 2023	Full-year 2023
Provisions for pensions	206.8		204.3		202.1
Loans	648.2		449.1		730.5
Contingent purchase price consideration	33.7		—		33.7
Lease liability	298.1		423.4		313.8
Bank balances	–919.6		–416.6		–885.9
Interest-bearing net debt	267.3	n/a	660.3	n/a	394.2

Interest-bearing net debt/EBITDA

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

Group, SEK M	Jan–Jun 2024	Q2 2024	Jan–Jun 2023	Q2 2023	Full-year 2023
Interest-bearing net debt	267.5		660.3		392.9
EBITDA, rolling 4 quarter	1,005.1		786.4		953.0
Interest-bearing net debt/EBITDA	0.27	n/a	0.84	n/a	0.41

ALTERNATIVE PERFORMANCE MEASURES, CONT'D.

ROOC BY DIVISION

EBITDA as a percentage of operating capital as below.

Group, SEK M	Jan–Jun 2024	Jan–Jun 2023	Full-year 2023
Group			
Inventories	1,076.3	1,157.3	1,039.1
Trade receivables	943.1	986.9	821.8
Trade payables	–431.7	–414.4	–322.5
Working capital	1,587.7	1,729.8	1,538.5
Property, plant and equipment	813.1	905.8	813.9
Operating capital	2,400.8	2,635.6	2,352.4
EBITDA, rolling 12 months	1,005.1	786.4	953.0
Average operating capital, four quarter	2,435.5	2,434.5	2,480.8
ROOC, %	41.3	32.3	38.4
Truck & Trailer Equipment			
Inventories	247.8	268.4	243.4
Trade receivables	236.2	275.5	199.6
Trade payables	–98.1	–100.1	–68.8
Working capital	385.9	443.8	374.2
Property, plant and equipment	267.4	220.7	244.3
Operating capital	653.3	664.5	618.5
EBITDA, rolling 12 months	350.0	381.0	393.2
Average operating capital, four quarter	638.2	616.7	633.8
ROOC, %	54.8	61.8	62.0

Group, SEK M	Jan–Jun 2024	Jan–Jun 2023	Full-year 2023
Mobile Thermal Solutions			
Inventories	624.0	659.7	612.9
Trade receivables	525.2	553.7	434.8
Trade payables	–276.8	–269.8	–215.0
Working capital	872.5	943.6	832.6
Property, plant and equipment	358.0	524.7	391.9
Operating capital	1,230.5	1,468.3	1,224.5
EBITDA, rolling 12 months	506.1	302.0	438.2
Average operating capital, four quarter	1,284.2	1,368.5	1,355.2
ROOC, %	39.4	22.1	32.3
Ringfeder Power Transmission			
Inventories	204.4	229.2	182.9
Trade receivables	174.8	157.7	187.4
Trade payables	–40.4	–30.4	–34.8
Working capital	338.8	356.4	335.5
Property, plant and equipment	184.2	158.5	170.5
Operating capital	523.0	514.9	506.0
EBITDA, rolling 12 months	168.6	132.7	147.0
Average operating capital, four quarter	510.0	453.6	490.5
ROOC, %	33.1	29.3	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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