

Q2

VBG GROUP INTERIM REPORT
JANUARY–JUNE 2022

SALES, SEK M

1,141

OPERATING PROFIT (EBITA), SEK M

147

Interim report

Second quarter of 2022

- Consolidated sales increased by 23.3% to **SEK 1,141.3 M** (925.5).
- Adjusted for exchange rate changes and acquired volume between the years, organic growth was **10.3%**.
- Gains from the sale of Mobile Climate Control's property in Indiana (US) had a positive impact on operating profit (EBITA) of **SEK 18.8 M**.
- Mobile Climate Control incurred non-recurring costs of **SEK 6.7 M** in conjunction with moving the US production facility.
- Operating profit (EBITA) amounted to **SEK 147.1 M** (137.5).
- The operating margin (EBITA) was **12.9%** (14.9).
- Profit after financial items amounted to **SEK 132.9 M** (126.5).
- Earnings per share increased to **SEK 4.02** (3.75).

First half of 2022

- Consolidated sales increased by 25.7% to **SEK 2,296.9 M** (1,826.9).
- Adjusted for exchange rate changes between the years, actual organic volume growth was **14.0%**.
- Net profit from the sale of Mobile Climate Control's property (SEK 18.8 M) and non-recurrent costs pertaining to the move (SEK -10.9 M) had a positive impact on operating profit (EBITA) of **SEK 7.9 M**.
- Operating profit (EBITA) increased to **SEK 311.2 M** (287.1).
- The operating margin (EBITA) was **13.5%** (15.7).
- Profit after financial items increased to **SEK 280.8 M** (262.5).
- Earnings per share increased to **SEK 8.60** (7.88).

KEY FIGURES

Group, SEK M	Q2 2022	Q2 2021	Jan–Jun 2022	Jan–Jun 2021	Full-year 2021
Net sales	1,141.3	925.5	2,296.9	1,826.9	3,611.2
Operating profit before depreciation/amortization (EBITDA)	167.7	156.4	351.3	324.6	562.4
Operating profit before amortization (EBITA)	147.1	137.5	311.2	287.1	484.1
Operating profit (EBIT)	139.2	130.6	295.7	273.4	456.0
Operating profit after financial items (EBT)	132.9	126.5	280.8	262.5	441.4
Profit after tax	100.5	93.8	214.9	196.9	337.1
Earnings per share, SEK	4.02	3.75	8.60	7.88	13.48
Cash flow from operating activities	46.3	32.4	126.0	91.4	187.3
ROE (cumulative), %	14.3	14.8	14.3	14.8	12.2
ROCE (cumulative), %	14.6	14.8	14.6	14.8	12.2
Equity/assets ratio, %	58.7	57.9	58.7	57.9	59.9
Interest-bearing net debt/EBITDA	n/a	n/a	0.87	0.54	0.81
Average number of employees	1,739	1,569	1,739	1,569	1,600
Number of shares outstanding ('000)	25,004	25,004	25,004	25,004	25,004

This is the VBG Group

**Creating
a safer
society**

VBG Group is a long-term active owner of successful industrial companies and brands. The Group's three divisions — operating in 17 countries with approximately 1,700 employees — are run on a foundation of industrial expertise, strong brands and financial stability.

Leading industrial solutions

The Group's divisions offer its customers and end users leading industrial solutions that promote a safer world. Our range of products and services is directed toward a broad base of industries and customers in which continual product development as well as efficient purchasing and delivery procedures promote a competitive, cost-efficient offering.

High level of service

VBG Group has a sharp focus on service, which permeates our entire value chain and the customer's journey as a user. Our aftermarket business represents 23% of the Group's sales. Group Management supports the divisions in their work on creating the greatest possible value for the customer, from development to aftermarket.

Strong international position and presence

Through its three divisions with the appurtenant distribution network, VBG Group has a strong international position and presence. Our growth agenda going forward is oriented on continued expansion and globalization of the Group.

Broad portfolio of brands in attractive niches

Over time, the Group's active acquisition and growth strategy has enabled a broad and competitive brand portfolio. VBG, Onspot, Edscha Trailer Systems, Mobile Climate Control and Ringfeder all have world-leading positions in their respective industrial niches. Since December 2021, the Carlyle Johnson brand has also been part of the portfolio.

Long-term financial strength

With a solid base of stable, long-term owners, VBG Group's ownership model together with strong earnings performance has enabled the Group's financial stability with a high equity/assets ratio. Our strong financial position creates conditions for acquisitions and investments, even during periods with low levels of business activity.

Considerable experience and industrial expertise

VBG Group's business concept is built on acquisitions, long-term ownership and strategic governance of industrial companies in business-to-business commerce. The solid industrial competence that has been built up since the Group was founded in 1951 is an advantage in our acquisition process as well as in the strategic governance and operational development of our divisions.

AREAS OF OPERATION



People

Every day, our customers transport thousands of people, for example, on the way to and from work or school. The automatic tire chains and climate control systems we provide let them do so safely in traffic, with a pleasant climate.



Goods

Our solutions for trucks, trailers and trains include products such as drawbars, underrun protection and sliding roofs that allow our customers to transport their goods safely, efficiently and sustainably on a daily basis.



Off-road

Our solutions for off-road, forestry and defense vehicles promote a safer work environment for the users of these vehicles. Our climate control systems improve the environment for drivers and promote new solutions that support electrification of the industry.



Industrial

Our friction springs promote a safe infrastructure in society, in everything from elevators to dampers that protect buildings against natural catastrophes. Additionally, we offer couplings for mechanical power transmission in freight management, the mining industry and energy production as well as the food, packaging and automotive industries.

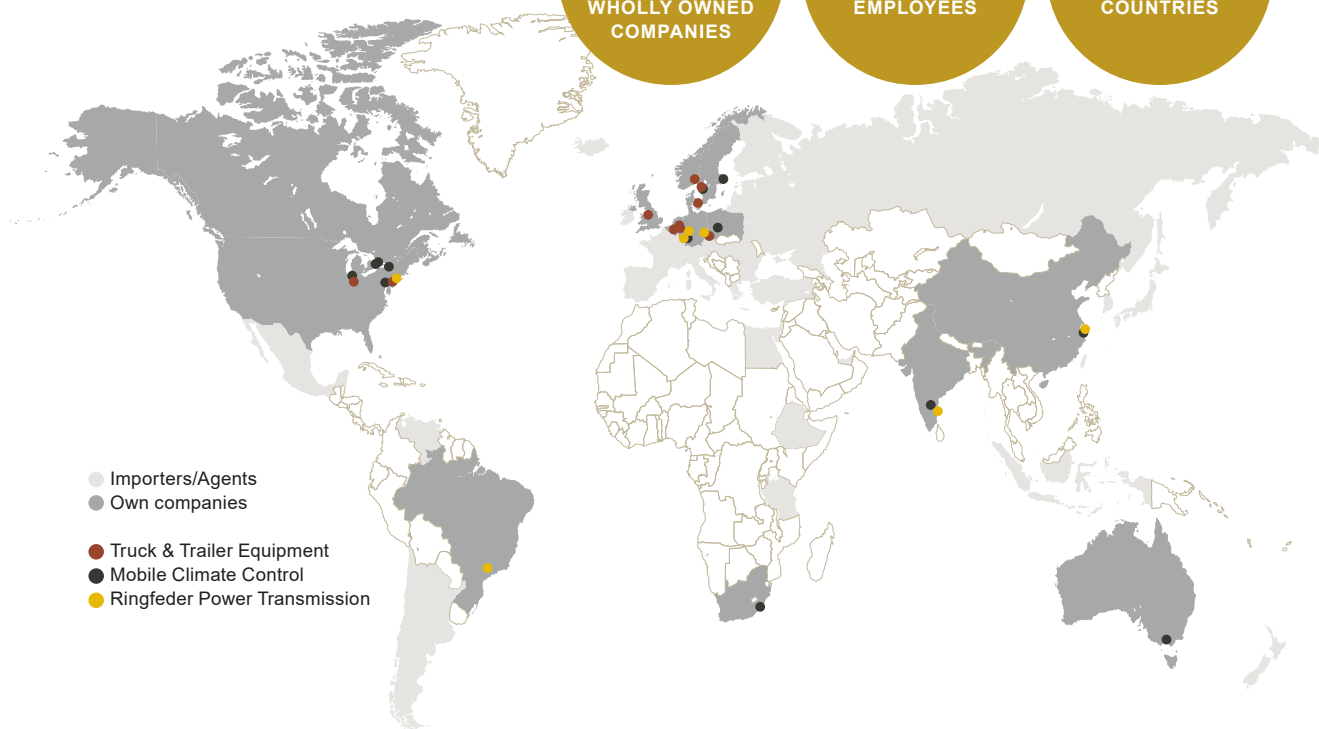
VBG Group second quarter

GLOBAL PRESENCE

34
WHOLLY OWNED
COMPANIES

1,744
EMPLOYEES

17
COUNTRIES



OUR DIVISIONS

TRUCK & TRAILER EQUIPMENT

Sales	Operating profit (EBITA)	Operating margin (EBITA)	Average no. of employees
SEK 388 M	SEK 69 M	18%	393



MOBILE CLIMATE CONTROL

Sales	Operating profit (EBITA)	Operating margin (EBITA)	Average no. of employees
SEK 575 M	SEK 57 M	10%	963



RINGFEDER POWER TRANSMISSION

Sales	Operating profit (EBITA)	Operating margin (EBITA)	Average no. of employees
SEK 178 M	SEK 26 M	14%	373



Sales growth remains high

In the second quarter of 2022, VBG Group's quarterly sales increased to SEK 1,141 M with an EBITA result of SEK 147 M. The high rate of sales growth is attributable to continued high levels of demand for the Group's products in combination with favorable currency effects and the price increases that we have implemented.

During the second quarter, Mobile Climate Control's property in Indiana was sold given that our bus operations are relocating and the operations are being consolidated in Pennsylvania. The Group's total consolidated operating profit (EBITA) for the first half of 2022 was positively impacted by SEK 8 M. This is the net result from the sale of the property (SEK 19 M) and non-recurring costs pertaining to the move (SEK –11 M).

Like the first quarter of the year, the Group's EBITA margin of 12.9% (14.9) was pushed downward as a result of stresses in the supply chains and price increases in the market. We are working actively on our pricing in order to counteract the effects of this but there is a time lag, which means that the price increases that we have implemented have not yet had a full effect.

Continued disruptions in the production system

The global supply chain remained unstable in the second quarter of 2022, marked by disruptions, unpredictability and a shortage of shipping capacity. The war in Ukraine and its effects on global markets are putting additional pressure on the already burdened supply chain and on the production system.

To ensure deliveries to customers, costs for extra staff, freight and materials have increased. Unpredictability has also resulted in increases to our stock levels. All our employees have put in tremendous effort to cut delivery times to our customers.

The pandemic had less of an effect on our operations in the second quarter compared with the first quarter. Our sales to Russia, Ukraine and Belarus are very low, and even indirect sales comprise a limited portion of total sales. The Group's operations are impacted primarily by the continued disruptions in the supply chain and rising prices for raw materials, energy and freight, as well as the cost inflation that the war is contributing to.



// Healthy profit
despite pressure
on margins

Our divisions

All three divisions posted strong sales during the second quarter and operating profit remained favorable despite the challenges.

Mobile Climate Control's operating margin is under some pressure, since the division incurred extraordinary costs in meeting customer deliveries. Our bus operations are dealing with the continued effects of the pandemic, which had a tremendous impact on the entire bus market. During the second quarter, the division continued with its long-term plan to consolidate our bus operations in Pennsylvania. The move will be completed in August. Co-locating the operations enables additional steps for improving the operation and increasing profitability to be taken.

Sales for Ringfeder Power Transmission remained strong during the quarter. However, the division had lower sales in the US, which negatively impacted the product mix and operating margin. The integration of Carlyle Johnson Machine proceeded in accordance with plans during the second quarter, and the process is expected to be completed during the fourth quarter of 2022.

Demand in Truck & Trailer Equipment and the truck industry remained good during the second quarter, but demand is slowing once again due to vulnerabilities in the supply chain. After the pandemic-related lockdowns in 2021, truck manufacturers in 2022 were once again compelled to limit production owing to shortages of components caused by the war in Ukraine and temporary lockdowns in China. Despite this, Truck & Trailer Equipment had high levels of sales during the second quarter, posting a healthy operating profit.

Growth, profitability and sustainability are the goals for all divisions going forward. Our brands will once again physically participate in trade fairs in the autumn, and we are preparing for the launch of several new customized and sustainable products.

In the autumn, we will train all our employees in sustainability, and work even more actively on circularity and our impact on greenhouse gases.

The future

Tragically, it appears that the conflict in Ukraine will be a lengthy one; cost inflation and the threats to the climate are increasing. Despite these worrying factors, I still look forward to the remainder of 2022 with confidence.

Order bookings for our products remain strong. New orders increased by 14% in the first half of 2022 compared with the year-earlier period, which shows that the need for transportation and industry solutions remains significant. The price of steel and other raw materials appear to be stabilizing, and our organization is working actively to reduce stock levels and increase productivity in the system.

Many employees are now on well-deserved vacation for several weeks. Once again, I would like to thank all our employees for their excellent work during the quarter despite all the challenges.

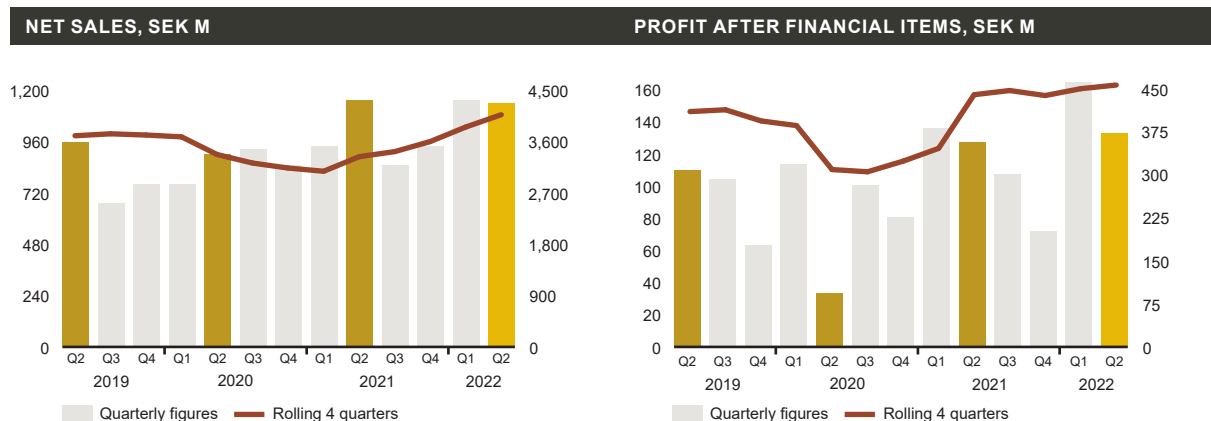


Anders Birgersson
President and CEO, VBG Group

Group trend

SALES/EARNINGS												
SEK M	Jan–Jun 2022	Q2 2022	Q1 2022	Full-year 2021	Q4 2021	Q3 2021	Jan–Jun 2021	Q2 2021	Q1 2021	Full-year 2020	Q4 2020	Q3 2020
Net sales	2,296.9	1,141.3	1,155.5	3,611.2	936.0	848.3	1,826.9	925.5	901.4	3,147.2	759.9	759.6
Operating profit before depreciation/amortization (EBITDA)	351.3	167.7	183.6	562.4	100.8	137.0	324.6	156.4	168.2	462.5	114.0	139.3
Operating profit before amortization (EBITA)	311.2	147.1	164.1	484.1	79.4	117.6	287.1	137.5	149.6	385.5	94.1	120.5
Operating margin (EBITA), %	13.5	12.9	14.2	13.4	8.5	13.9	15.7	14.9	16.6	12.3	12.4	15.9
Operating profit (EBIT)	295.7	139.2	156.4	456.0	72.1	110.5	273.4	130.6	142.8	353.4	86.2	113.0
Operating margin (EBIT), %	12.9	12.2	13.5	12.6	7.7	13.0	15.0	14.1	15.8	11.2	11.3	14.9
Operating profit after financial items (EBT)	280.8	132.9	147.9	441.4	71.6	107.4	262.5	126.5	135.9	326.5	80.4	100.0
Profit after tax	214.9	100.5	114.4	337.1	58.0	82.2	196.9	93.8	103.1	226.7	50.9	73.9
Earnings per share, SEK	8.60	4.02	4.58	13.48	2.32	3.29	7.88	3.75	4.12	9.07	2.04	2.95
Cash flow from operating activities	126.0	46.3	79.7	187.3	37.1	58.8	91.4	32.4	59.0	446.2	139.1	120.1
ROE (cumulative), %	14.3	14.3	15.9	12.2	12.2	14.1	14.8	14.8	16.1	9.0	9.0	9.2
ROCE (cumulative), %	14.6	14.6	15.3	12.2	12.2	13.5	14.8	14.8	15.4	9.8	9.8	9.8
Equity/assets ratio, %	58.7	58.7	59.3	59.9	59.9	61.3	57.9	57.9	58.4	58.7	58.7	57.8

SALES BY MARKET												
SEK M	Jan–Jun 2022	Q2 2022	Q1 2022	Full-year 2021	Q4 2021	Q3 2021	Jan–Jun 2021	Q2 2021	Q1 2021	Full-year 2020	Q4 2020	Q3 2020
Sweden	175.6	87.5	88.1	285.7	76.7	54.4	154.6	74.0	80.6	240.2	68.6	53.9
Other Nordic countries	128.4	62.8	65.7	212.6	58.4	45.6	108.7	53.0	55.7	174.0	46.3	36.6
Germany	305.8	146.0	159.9	535.9	137.7	123.3	275.0	141.2	133.8	409.3	101.7	90.4
Other European countries	392.2	186.5	205.7	597.5	136.3	141.0	320.2	164.9	155.3	468.1	118.3	110.2
North America	1,008.1	503.8	504.4	1,551.2	399.0	381.3	770.9	379.3	391.7	1,573.6	353.2	401.2
Brazil	60.7	34.7	26.1	89.0	27.0	25.1	36.9	18.2	18.7	79.6	23.4	19.3
Australia/New Zealand	56.2	29.0	27.3	108.6	26.6	24.4	57.6	30.2	27.4	103.3	24.9	23.0
China	23.7	12.9	10.8	48.8	18.3	10.7	19.8	13.5	6.3	30.1	8.8	7.0
Rest of world	145.9	78.2	67.7	181.9	56.1	42.5	83.3	51.4	31.9	68.8	14.8	18.0
Group	2,296.9	1,141.3	1,155.5	3,611.2	936.0	848.3	1,826.9	925.5	901.4	3,147.2	759.9	759.6



Sales and earnings

Second quarter of 2022

Sales increased to SEK 1,141.3 M (925.5) and were 23.3% higher compared with the second quarter of 2021. Adjusted for currency effects and acquired volume, organic growth was 10.3%.

Demand for the Group's products remained high in all divisions in the second quarter of 2022. Truck & Trailer Equipment increased its sales by 6.8% adjusted for currency effects. Mobile Climate Control's sales increased by 11.8% adjusted for currency effects. For Ringfeder Power Transmission, sales increased by 14.8% adjusted for currency effects and acquired volume.

Consolidated operating profit (EBITA) amounted to SEK 147.1 M (137.5), corresponding to an operating margin of 12.9% (14.9). Truck & Trailer Equipment's operating margin (EBITA) totaled 17.8% (20.4). Despite significant demand, the operating margin decreased as a result of higher raw material prices and disruptions in the supply chain. The comparison quarter for 2021 is a difficult one since it was marked by high demand, high utilization of resources in production and a lower cost base after the pandemic. Mobile Climate Control's operating margin (EBITA) was 9.9% (10.9). The positive impact of the cost savings carried out in 2021 on the operating margin was reversed by cost increases for raw materials and shipping as well as disruptions in the supply chain.

During the second quarter, Mobile Climate Control incurred non-recurring costs of SEK 6.7 M related to relocation of the bus operations from Indiana to Pennsylvania in the US. Mobile Climate Control is expected to incur non-recurring costs through the third quarter of 2022 for the relocation of the operations. During the second quarter, the property in Indiana, which had a carrying amount of SEK 14.7 M, was sold for a purchase consideration of SEK 33.5 M. The net impact of the sale on operating profit (EBITA) was SEK 18.8 M.

Ringfeder Power Transmission's operating margin (EBITA) decreased to 14.4% (17.9) for the quarter. Despite significant demand, the operating margin decreased as a

result of higher raw material prices and disruptions in the supply chain. The integration of Carlyle Johnson Machine proceeded in accordance with plans during the second quarter, and completion is expected during the fourth quarter of 2022. However, Carlyle Johnson Machine contributed a lower margin to the division than the division as a whole during the second quarter owing to sales performance that did not meet expectations. Measures to address the sales performance have been initiated. Total operating profit (EBITA) for the Group increased by 7.0% compared with the second quarter of 2021.

The consolidated net interest expense for the second quarter was SEK 3.9 M (expense: 2.0) and the quarter's currency effect on foreign-currency denominated financial liabilities was negative SEK 2.4 M (neg: 2.0). Other financial expenses amounted to SEK 0.0 M (expense: 0.9). Operating profit after financial items amounted to SEK 132.9 M (126.5), and operating profit after tax totaled SEK 100.5 M (93.8). Earnings per share increased to SEK 4.02 (3.75).

First half of 2022

Sales totaled SEK 2,296.9 M (1,826.9), 25.7% higher than in the first half of 2021. Adjusted for currency effects between the half-year periods, actual organic volume growth was 14.0%. Operating profit (EBITA) amounted to SEK 311.2 M (287.1), corresponding to an operating margin (EBITA) of 13.5% (15.7). During the quarter, earnings were charged a total of SEK 10.9 M in non-recurring costs for the relocation of Mobile Climate Control's bus operations in the US. Earnings were positively impacted by SEK 18.8 M in capital gains for the sale of the property in Indiana.

Consolidated net interest expense for the first half of the year was SEK 8.2 M (expense: 5.8) and the first half of the year's currency effect on foreign-currency denominated credits was a negative SEK 6.7 M (neg: 5.1). Taken together, this resulted in a net financial expense of SEK 14.9 M (expense: 10.9). Accordingly, profit after financial items was SEK 280.8 M (262.5), profit after tax totaled SEK 214.9 M (196.9) and earnings per share amounted to SEK 8.60 (7.88).

Capital expenditures

The Group's new capital expenditures for the second quarter amounted to SEK 50.5 M (13.7). Total new capital expenditures for the first half of the year were SEK 78.5 M (29.1). The higher level of investment in 2022 pertains to investments in the new production facility for Mobile Climate Control in the US. Depreciation/amortization for the second quarter totaled SEK 28.5 M (25.8) and SEK 55.6 M (51.2) for the first half of the year.

Financial position

Profit after tax for the period amounted to SEK 214.9 M (196.9) and other comprehensive income pertaining to translation differences in foreign currencies, and restatement of pension plans, that were entered directly against equity totaled SEK 156.1 M (66.1), which resulted in comprehensive income of SEK 371.0 M (263.0). Dividends paid totaled SEK 125.1 M (112.5). Accordingly, consolidated equity increased to SEK 3,039.5 M during the period (2,793.5 at year-end).

The equity/assets ratio declined slightly during the period to 58.7% (59.9 at year-end). Cash and cash equivalents including currency effects decreased by SEK 39.0 M during the period. Cash and cash equivalents totaled SEK 628.5 M at the end of the period (667.4 at year-end). In addition, there were unutilized overdraft facilities of SEK 100.0 M, which means the Group at the end of June had available liquidity of SEK 728.5 M (767.4 at year-end).

Consolidated interest-bearing net debt increased by SEK 37.5 M during the period, totaling SEK 513.3 M at the end of the period (455.5 at year-end).

The ratio of consolidated interest-bearing net debt to equity was 0.17 at June 30, 2022 (0.16 at December 31, 2021) 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 0.87 (0.81 at year-end).

Consolidated goodwill increased by SEK 37.0 M as a result of currency effects and amounted at the end of the period to SEK 1,206.8 M (1,169.8 at year-end), which in relation to equity amounted to a ratio of 0.40 (0.42 at year-end).

COVID-19

The Group did not receive any direct support pertaining to COVID-19 in the second quarter. In total, no support (SEK 9.2 M) pertaining to COVID-19 was received during the first half of 2022.

Cash flow

Cash flow from operating activities increased compared with the year-earlier period, totaling SEK 126.0 M (91.4). The increase is attributable to an upswing in sales. Investments made during the period totaled SEK 78.5 M (24.5). During the period, the property in Indiana where Mobile Climate Control conducted its operations was sold for SEK 33.5 M. Consolidated total borrowings and lease liabilities decreased during the first half of the year by SEK 9.5 M (decrease: 11.6) and the dividend totaled SEK 125.1 M (112.5), which means that cash flow for the period totaled negative SEK 53.6 M (neg: 57.3).

Personnel

At 30 June 2022, there were 1,744 employees in the VBG Group (1,714 at year-end), of which 226 (219) in Sweden. During the first half of 2022, the Group employed an average of 1,739 persons (1,569 during the year-earlier period). Of these, 227 (231) were active in Sweden. The cost of salaries and social security contributions in the first half of the year was SEK 542.3 M (430.1).

Per share data

Earnings per share amounted to SEK 8.60 (7.88).

Equity per share was SEK 121.60 at 30 June 2022, compared with SEK 106.01 at the same time last year.

At the end of the quarter, the share price was SEK 117.00, which corresponds to a market capitalization of SEK 2,926 M, compared with a share price of SEK 188.00 and market capitalization of SEK 4,701 M at year-end.

The number of shareholders declined by 177 in the second quarter and amounted to 6,153 (5,831 at year-end).



SECOND QUARTER OF 2022

- Sales increased 11.2% to **SEK 388.3 M** (349.3).
- Adjusted for exchange rate changes between the years, organic growth was **6.8%**.
- Operating profit (EBITA) amounted to **SEK 69.1 M** (71.4), with an operating margin (EBITA) of 17.8% (20.4).

FIRST HALF OF 2022

- Sales increased 18.2% to **SEK 823.1 M** (696.6).
- Adjusted for exchange rate changes between the years, organic growth was **13.7%**.
- Operating profit (EBITA) amounted to **SEK 162.5 M** (154.8), with an operating margin (EBITA) of 19.7% (22.2).

SALES/EARNINGS												
SEK M	Jan–Jun 2022	Q2 2022	Q1 2022	Full-year 2021	Q4 2021	Q3 2021	Jan–Jun 2021	Q2 2021	Q1 2021	Full-year 2020	Q4 2020	Q3 2020
Net sales	823.1	388.3	434.8	1,327.9	350.3	281.0	696.6	349.3	347.4	1,054.3	291.2	235.5
Operating profit (EBITDA)	180.9	79.4	101.5	282.2	63.1	49.4	169.6	79.1	90.5	223.5	68.1	46.8
Operating profit (EBITA)	162.5	69.1	93.4	251.4	54.9	41.7	154.8	71.4	83.4	194.8	60.1	40.0
Operating margin (EBITA), %	19.7	17.8	21.5	18.9	15.7	14.8	22.2	20.4	24.0	18.5	20.6	17.0
Operating profit (EBIT)	160.0	67.9	92.2	248.0	53.7	40.8	153.5	70.7	82.8	189.2	58.8	39.2
Operating margin (EBIT), %	19.4	17.5	21.2	18.7	15.3	14.5	22.0	20.2	23.8	17.9	20.2	16.6

SALES BY MARKET												
SEK M	Jan–Jun 2022	Q2 2022	Q1 2022	Full-year 2021	Q4 2021	Q3 2021	Jan–Jun 2021	Q2 2021	Q1 2021	Full-year 2020	Q4 2020	Q3 2020
Sweden	149.1	72.9	76.2	240.1	65.3	44.5	130.2	61.1	69.1	203.9	60.2	46.3
Other Nordic countries	100.8	48.7	52.1	164.7	44.4	34.1	86.2	41.2	45.0	140.0	38.5	29.1
Germany	194.3	91.8	102.5	343.6	87.6	72.9	183.1	94.5	88.5	254.8	67.0	55.8
Other European countries	247.7	111.6	136.1	363.9	82.3	82.1	199.4	103.0	96.5	275.0	71.3	66.3
North America	60.7	25.2	35.5	92.1	35.9	20.2	36.0	14.6	21.4	90.3	29.6	20.3
Australia/New Zealand	46.0	24.5	21.4	87.1	23.3	18.8	45.1	24.7	20.4	68.1	18.5	11.7
China	2.0	1.9	0.1	1.6	1.1	0.4	0.1	0.0	0.0	0.0	0.0	0.0
Rest of world	22.6	11.7	10.9	34.9	10.3	8.0	16.6	10.2	6.4	22.2	6.0	5.9
Truck & Trailer Equipment	823.1	388.3	434.8	1,327.9	350.3	281.0	696.6	349.3	347.4	1,054.3	291.2	235.5

Sales and earnings

Second quarter of 2022

Sales for the quarter increased 11.2% year-on-year to SEK 388.3 M (349.3). Adjusted for exchange rate changes, where the average USD rate between the quarters strengthened 16.9% and the EUR – which is a more important currency for the division – strengthened 3.3%, organic growth was 6.8%.

Operating profit (EBITA) for Truck & Trailer Equipment decreased year-on-year to SEK 69.1 M (71.4) in the second quarter, with an operating margin (EBITA) of 17.8% (20.4). Price increases for raw materials and significant disruptions in the supply chain had a negative impact on costs and the operating margin (EBITA) compared with the preceding year.

First half of 2022

Sales for the first half of the year increased 18.2% year-on-year, to SEK 823.1 M (696.6). Adjusted for exchange rate changes, where the average USD rate between the periods strengthened 14.1% and the EUR – which is a more important currency for the division – strengthened 3.4%, organic growth was 13.7%. EBITA for Truck & Trailer Equipment increased year-on-year to SEK 162.5 M (154.8), with an EBITA margin that remained high at 19.7% (22.2). The comparison period for the preceding year was an exceptionally strong one marked by high demand, high utilization of resources in production and a lower cost base after the pandemic.

During the first half of the year, the division's working capital increased SEK 81.7 M to SEK 409.3 M (327.6 at year-end) as a result of higher sales, higher raw materials prices, exchange rate changes, and stresses in the supply chain; with the addition of property, plant and equipment of SEK 195.2 M, operating capital amounted to SEK 604.5 M at the end of June (514.8 at year-end).

The division's return on operating capital (ROOC) was 53.7% (58.3 at year-end).

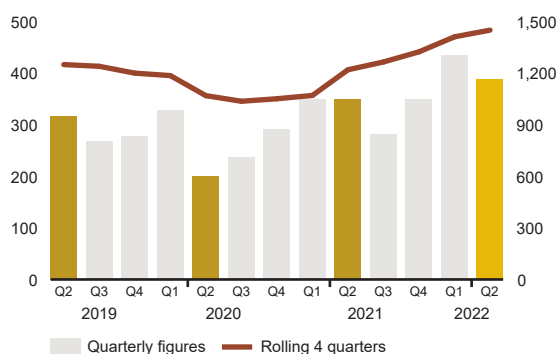
Capital expenditures and depreciation/amortization

Truck & Trailer Equipment's investments during the second quarter amounted to SEK 8.8 M (10.3). Total new capital expenditures for the first half of the year were SEK 18.8 M (23.1). Depreciation/amortization for the second quarter totaled SEK 11.5 M (8.4) and SEK 20.9 M (16.1) for the first half of the year.

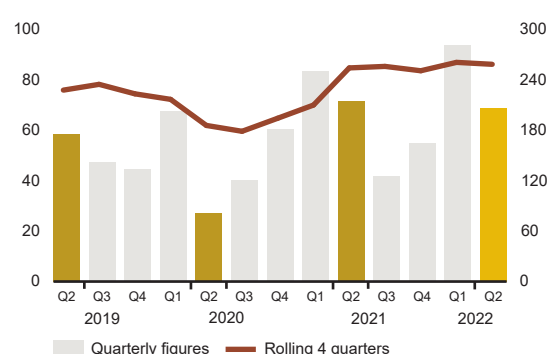
Personnel

At June 30, 2022, there were 388 employees in the division compared with 376 at year-end. Truck & Trailer Equipment employed an average of 393 persons in the first half of the year (375 in the year-earlier period). Personnel costs for the first half of the year amounted to SEK 155.2 M (139.8), resulting in a cost per employee of SEK 394.9 thousand (372.8).

NET SALES, SEK M



OPERATING PROFIT (EBITA), SEK M





SECOND QUARTER OF 2022

- Sales increased 27.2% to **SEK 574.6 M** (451.7).
- Adjusted for exchange rate changes between the years, organic growth was **11.8%**.
- Operating profit (EBITA) amounted to **SEK 56.9 M** (49.3), with an operating margin (EBITA) of 9.9% (10.9).
- Gains from the sale of the property in Indiana (US) had a positive impact on operating profit (EBITA) of **SEK 18.8 M**.
- **SEK 6.7 M** in non-recurring costs in conjunction with relocating the US production facility.

FIRST HALF OF 2022

- Sales increased 27.7% to **SEK 1,126.6 M** (882.0).
- Adjusted for exchange rate changes between the years, organic growth was **14.3%**.
- Net profit from the sale of the property (SEK 18.8 M) and non-recurrent costs pertaining to the move (SEK –10.9 M) had a positive impact on operating profit (EBITA) of **SEK 7.9 M**.
- Operating profit (EBITA) amounted to **SEK 104.2 M** (92.7), with an operating margin (EBITA) of 9.3% (10.5).

SALES/EARNINGS

SEK M	Jan–Jun 2022	Q2 2022	Q1 2022	Full-year 2021	Q4 2021	Q3 2021	Jan–Jun 2021	Q2 2021	Q1 2021	Full-year 2020	Q4 2020	Q3 2020
Net sales	1,126.6	574.6	552.0	1,762.7	450.3	430.4	882.0	451.7	430.3	1,617.7	357.8	404.9
Operating profit (EBITDA)	116.9	62.8	54.1	188.2	24.0	56.8	107.3	56.4	51.0	156.9	27.0	64.6
Operating profit (EBITA)	104.2	56.9	47.3	156.8	14.8	49.4	92.7	49.3	43.4	125.9	19.2	56.8
Operating margin (EBITA), %	9.3	9.9	8.6	8.9	3.3	11.5	10.5	10.9	10.1	7.8	5.4	14.0
Operating profit (EBIT)	94.0	51.8	42.2	136.2	9.6	44.2	82.4	44.1	38.3	104.5	13.9	51.4
Operating margin (EBIT), %	8.3	9.0	7.6	7.7	2.1	10.3	9.3	9.8	8.9	6.5	3.9	12.7

SALES BY MARKET

SEK M	Jan–Jun 2022	Q2 2022	Q1 2022	Full-year 2021	Q4 2021	Q3 2021	Jan–Jun 2021	Q2 2021	Q1 2021	Full-year 2020	Q4 2020	Q3 2020
Sweden	24.4	13.4	11.0	42.2	10.8	8.8	22.6	12.1	10.5	32.7	7.7	7.0
Other Nordic countries	26.2	13.3	12.9	44.1	12.6	10.5	20.9	10.9	9.9	30.6	7.0	6.6
Germany	14.3	7.5	6.8	21.4	6.1	5.1	10.3	5.7	4.5	19.4	4.0	3.3
Other European countries	107.7	55.7	52.0	177.6	42.1	43.4	92.1	47.6	44.5	141.2	35.6	31.9
North America	847.5	429.7	417.8	1,355.4	338.4	333.6	683.3	341.9	341.4	1,365.4	296.2	349.5
China	10.5	4.7	5.8	19.0	6.5	5.6	6.9	4.4	2.4	14.4	4.2	3.3
Rest of world	96.0	50.3	45.7	103.1	33.7	23.4	45.9	29.0	16.9	14.0	3.1	3.3
Mobile Climate Control	1,126.6	574.6	552.0	1,762.7	450.3	430.4	882.0	451.7	430.3	1,617.7	357.8	404.9

Sales and earnings

Second quarter of 2022

Sales for the second quarter increased 27.2% year-on-year to SEK 574.6 M (451.7), where North and South America represented the largest increases. Adjusted for exchange rate changes, where the average USD rate strengthened by 16.9% compared with the year-earlier period and CAD strengthened by 12.5%, organic growth was 11.8%. Operating profit (EBITA) for Mobile Climate Control totaled SEK 56.9 M (49.3) with the operating margin (EBITA) falling to 9.9% (10.9). The operating margin (EBITA) was impacted by higher raw materials prices, higher shipping costs and disruptions in the supply chain compared to the year-earlier period. During the second quarter, Mobile Climate Control incurred non-recurring costs of SEK 6.7 M related to relocation of the bus operations from Indiana to Pennsylvania in the US. The property in Indiana was sold during the second quarter for a purchase consideration of SEK 33.5 M. The property had a carrying amount of SEK 14.7 M. The sale impacted Mobile Climate Control's operating profit (EBITA) by SEK 18.8 M.

First half of 2022

In the first half of the year, Mobile Climate Control reported growth in sales of 27.7% year-on-year to SEK 1,126.6 M (882.0). Adjusted for exchange rate changes, where the average USD rate strengthened by 14.1% year-on-year, actual organic growth for the first half of the year was 14.3%. EBITA for Mobile Climate Control increased year-on-year to SEK 104.2 M (92.7) with an EBITA margin of 9.3% (10.5). Price increases for raw materials and significant disruptions in the supply chain had a negative impact on costs and the operating margin (EBITA) compared with the preceding year.

During the first half of the year, Mobile Climate Control incurred non-recurring costs of SEK 10.9 M related to relocation of the bus operations from Indiana to Pennsylvania in the US. Operating profit (EBITA) was positively impacted by SEK 18.8 M in capital gains for the sale of the property in Indiana.

During the first half of the year, the division's working capital increased by SEK 161.9 M to SEK 738.7 M (576.8 at year-end) as a result of higher sales, higher raw materials prices, exchange rate changes and disruptions in the supply chain. With the addition of property, plant and equipment of SEK 202.6 M, operating capital amounted to SEK 941.3 M at the end of June (756.1 at year-end).

The division's return on operating capital (ROOC) for the period was 24.4% (27.0 at year-end).

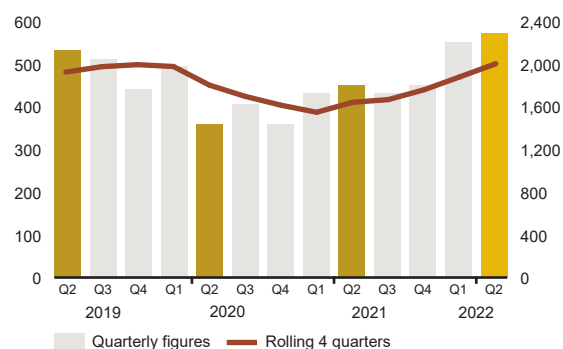
Capital expenditures and depreciation/amortization

Mobile Climate Control's investments during the second quarter amounted to SEK 23.6 M (0.1). Total new capital expenditures for the first half of the year were SEK 37.9 M (1.6). The higher level of investment in 2022 pertains to investments in the new production facility in the US. Depreciation/amortization for the second quarter totaled SEK 11.0 M (12.3) and SEK 22.9 M (24.9) for the first half of the year.

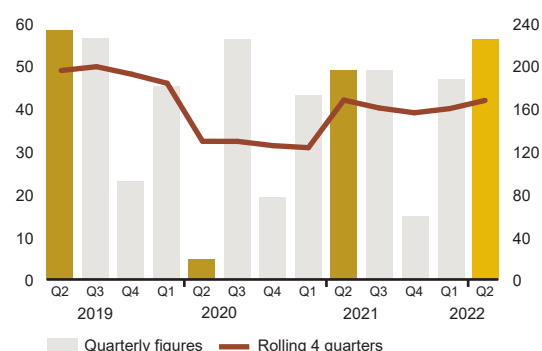
Personnel

At June 30, 2022, there were 968 employees in the division, compared with 939 employees at year-end. During the first half of the year, Mobile Climate Control employed an average of 963 persons (867 during the year-earlier period). Personnel costs for the first half of the year amounted to SEK 267.3 M (205.3), resulting in a cost per employee of SEK 277.6 thousand (236.8).

NET SALES, SEK M



OPERATING PROFIT (EBITA), SEK M





SECOND QUARTER OF 2022

- Sales rose 43.2% to **SEK 178.3 M** (124.5).
- Adjusted for exchange rate changes between the years, organic growth was **14.8%**.
- Operating profit (EBITA) amounted to **SEK 25.6 M** (22.3), with an operating margin (EBITA) of 14.4% (17.9).

FIRST HALF OF 2022

- Sales increased 39.8% to **SEK 347.2 M** (248.3).
- Adjusted for exchange rate changes between the years, organic growth was **13.8%**.
- Operating profit (EBITA) amounted to **SEK 52.8 M** (49.5), with an operating margin (EBITA) of 15.2% (19.9).

SALES/EARNINGS												
SEK M	Jan–Jun 2022	Q2 2022	Q1 2022	Full-year 2021	Q4 2021	Q3 2021	Jan–Jun 2021	Q2 2021	Q1 2021	Full-year 2020	Q4 2020	Q3 2020
Net sales	347.2	178.3	168.9	520.5	135.4	136.8	248.3	124.5	123.9	475.2	111.0	119.2
Operating profit (EBITDA)	60.9	29.6	31.3	110.2	20.4	33.5	56.3	25.6	30.7	92.9	24.7	28.7
Operating profit (EBITA)	52.8	25.6	27.2	96.3	17.0	29.8	49.5	22.3	27.3	78.0	21.1	25.1
Operating margin (EBITA), %	15.2	14.4	16.1	18.5	12.5	21.8	19.9	17.9	22.0	16.4	19.0	21.0
Operating profit (EBIT)	50.0	24.1	25.8	92.3	16.0	28.8	47.5	21.2	26.3	73.1	20.0	23.9
Operating margin (EBIT), %	14.4	13.5	15.3	17.7	11.8	21.0	19.1	17.1	21.2	15.4	18.0	20.0

SALES BY MARKET												
SEK M	Jan–Jun 2022	Q2 2022	Q1 2022	Full-year 2021	Q4 2021	Q3 2021	Jan–Jun 2021	Q2 2021	Q1 2021	Full-year 2020	Q4 2020	Q3 2020
Sweden	2.1	1.2	0.9	3.4	0.5	1.0	1.8	0.8	1.0	3.6	0.7	0.6
Other Nordic countries	1.4	0.7	0.7	3.9	1.3	1.0	1.6	0.9	0.8	3.4	0.7	0.8
Germany	97.3	46.6	50.7	170.9	44.0	45.3	81.6	40.9	40.7	135.1	30.0	31.3
Other European countries	36.8	19.1	17.7	56.0	11.8	15.5	28.6	14.3	14.3	52.0	11.4	12.0
North America	99.9	48.9	51.0	103.7	24.6	27.4	51.6	22.8	28.9	117.9	27.4	31.4
Brazil	51.8	30.7	21.1	77.0	23.3	21.3	32.5	16.3	16.2	71.3	20.7	17.3
Australia/New Zealand	9.5	4.1	5.4	20.5	4.1	4.4	12.0	5.3	6.7	33.9	6.1	11.0
China	11.3	6.4	4.9	28.3	10.8	4.7	12.8	9.0	3.8	15.7	4.6	3.7
Rest of world	37.0	20.6	16.5	56.9	15.0	16.2	25.7	14.2	11.5	42.2	9.3	11.1
Ringfeder Power Transmission	347.2	178.3	168.9	520.5	135.4	136.8	248.3	124.5	123.9	475.2	111.0	119.2

Sales and earnings

Second quarter of 2022

Sales for the second quarter increased 43.2% year-on-year to SEK 178.3 M (124.5); adjusted for exchange rate changes and acquired volume – where the average USD rate strengthened 14.1%, the average BRL rate strengthened 26.2% and the EUR strengthened 3.3% – organic growth was 14.8%.

Operating profit (EBITA) for Ringfeder Power Transmission totaled SEK 25.6 M (22.3) and the operating margin (EBITA) totaled 14.4% (17.9). Despite significant demand, the operating margin decreased as a result of higher raw material prices and disruptions in the supply chain. The integration of Carlyle Johnson Machine proceeded in accordance with plans during the second quarter, and completion is expected during the fourth quarter of 2022. However, Carlyle Johnson Machine contributed a lower margin to the division than the division as a whole during the second quarter owing to sales performance that did not meet expectations. Measures to address the sales performance have been initiated.

First half of 2022

Sales for the first half of the year increased 39.8% year-on-year to SEK 347.2 M (248.3); adjusted for exchange rate changes and volume acquired – where the average USD rate strengthened by 14.1%, the BRL strengthened by 21.3%, and the EUR strengthened by 3.4% compared with the year-earlier period – actual organic growth was 13.8%.

EBITA for Ringfeder Power Transmission increased year-on-year to SEK 52.8 M (49.5) and the EBITA margin totaled 15.2% (19.9). Changes in the product mix, higher raw materials prices and disruptions in the supply chain during the quarter had a negative impact on the EBITA margin com-

pared with the year-earlier period. Moreover, Carlyle Johnson Machine contributed a lower margin to the division than the division as a whole during the first quarter owing to sales performance that did not meet expectations. Measures to address the sales performance have been initiated.

During the period, the division's working capital increased by SEK 48.2 M to SEK 264.8 M (216.6 at year-end). With the addition of property, plant and equipment of SEK 134.5 M, operating capital amounted to SEK 399.3 M at the end of June (332.9 at year-end).

The division's return on operating capital (ROOC) for the period was 33.0% (38.5 at year-end).

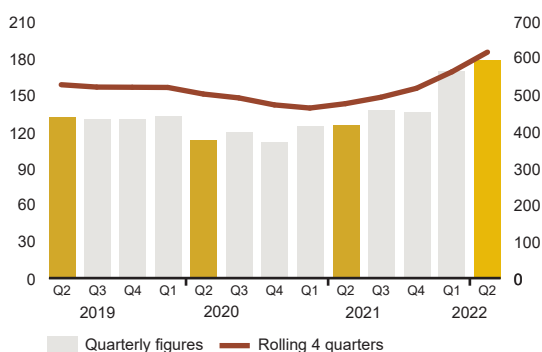
Capital expenditures and depreciation/amortization

Ringfeder Power Transmission's investments during the second quarter amounted to SEK 1.9 M (1.8). Total new capital expenditures for the first half of the year were SEK 5.4 M (3.2). Depreciation/amortization for the second quarter totaled SEK 5.5 M (4.4) and SEK 11.0 M (8.8) for the first half of the year.

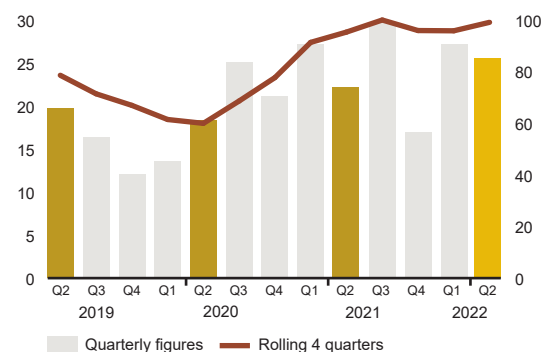
Personnel

At June 30, 2022, there were 378 employees in the division, compared with 390 employees at year-end. During the first half of the year, Ringfeder Power Transmission employed an average of 373 persons (317 during the year-earlier period). Personnel costs for the first half of the year amounted to SEK 102.5 M (65.9), resulting in a cost per employee of SEK 274.9 thousand (207.8). Carlyle Johnson Machine is not included in the year-earlier period. The increase in personnel costs was also due to a retroactive payment of retirement benefits in the US.

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 and amounted to SEK 3.9 M (4.0) during the period. Operating loss for the first half of the year totaled SEK 27.6 M (loss: 25.4). Loss after dividends from Group companies, net financial items and tax totaled SEK 28.0 M (profit: 62.6).

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.

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.

For a more detailed description of the Group's risks and risk management, refer to VBG Group AB's annual report for 2021.

Outlook for 2022

The company makes no forecast.

Financial information 2022/2023

Interim report, nine months 2022	October 26, 2022
Year-end report 2022	February 21, 2023
Interim report, three months 2023	April 27, 2023
Annual General Meeting 2023	April 27, 2023
Interim report, six months 2023	July 20, 2023
Interim report, nine months 2023	October 24, 2023

Related party transactions

There have been no related party transactions in 2022 that have significantly affected the company's financial position and results. Related party transactions during 2021 are disclosed in Note 6 in the annual report for 2021.

Events after the close of the reporting period

No significant events occurred after the close of the period.

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 20, 2022
VBG Group AB (publ)

Johnny Alvarsson
Chairman of the Board

Anders Birgersson
President and CEO

Peter Augustsson
Board member

Louise Nicolin
Board member

Anna Stålenbring
Board member

Mats R. Karlsson
Board member

Anders Birgersson
Employee representative

Cecilia Pettersson
Employee representative

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Note

The information in this report is of the type that VBG Group AB is obligated to disclose in accordance with the EU Market Abuse Regulation and the Swedish Securities Market Act. The information was submitted for publication in Swedish at 10:30 a.m. CEST on July 20, 2022.

Press releases issued in the second quarter of 2022

Interim report January–March 2022 April 28, 2022

Report from the Annual General Meeting in
VBG Group AB (publ) on the 4th of May 2022 May 4, 2022

Condensed consolidated income statement and statement of other comprehensive income

SEK M	Q2 2022	Q2 2021	Jan–Jun 2022	Jan–Jun 2021	Full-year 2021
Net sales	1,141.3	925.5	2,296.9	1,826.9	3,611.2
Cost of goods sold	–806.9	–612.7	–1,600.9	–1,198.0	–2,446.4
Gross profit	334.4	312.8	696.0	628.9	1,164.8
Selling expenses	–97.8	–76.5	–191.9	–152.9	–315.2
Administrative expenses	–85.9	–70.1	–163.3	–134.3	–269.3
Research and development costs	–34.7	–28.8	–66.7	–57.4	–110.0
Other operating income and expenses	23.3	–6.8	21.6	–10.9	–14.3
	–195.2	–182.2	–400.3	–355.5	–708.8
Operating profit	139.2	130.6	295.7	273.4	456.0
Exchange rate effects, net	–2.4	–2.0	–6.7	–5.1	–1.9
Interest income	0.9	3.0	1.2	3.8	4.4
Interest expenses	–4.8	–4.1	–9.0	–8.1	–14.1
Other financial expenses	—	–0.9	–0.3	–1.5	–2.9
Total financial items	–6.3	–4.1	–14.9	–10.9	–14.6
Profit after financial items	132.9	126.5	280.8	262.5	441.4
Tax	–32.4	–32.7	–65.9	–65.5	–104.3
Profit for the period	100.5	93.8	214.9	196.9	337.1
Profit for the period attributable to Parent Company shareholders	100.5	93.8	214.9	196.9	337.1
Other comprehensive income					
Profit for the period	100.5	93.8	214.9	196.9	337.1
Items that will not be reversed in the income statement					
Effect of translation of defined-benefit pension plans, net after tax	8.4	—	8.4	—	–15.6
Items that may later be reversed in the income statement					
Translation differences pertaining to foreign operations	78.9	12.2	147.7	66.1	84.2
Other comprehensive income, net after tax	87.3	12.2	156.1	66.1	68.7
Comprehensive income for the period	187.8	106.0	371.0	263.0	405.9
Comprehensive income for the period attributable to Parent Company shareholders	187.8	106.0	371.0	263.0	405.9
Earnings per share, SEK	4.02	3.75	8.60	7.88	13.48
Number of shares outstanding at end of period ('000)	25,004	25,004	25,004	25,004	25,004
Number of treasury shares at end of period ('000)	1,192	1,192	1,192	1,192	1,192

Sales and earnings by segment

SEK M	Truck & Trailer Equipment	Mobile Climate Control	Ringfeder Power Transmission	Group-wide	Group
Q2 2022					
Net sales	388.3	574.6	178.3		1,141.3
Operating profit/loss	67.9	51.8	24.1	–4.6	139.2
Operating margin, %	17.5	9.0	13.5		12.2
Net financial items				–6.3	–6.3
Profit after financial items					132.9
Jan–Jun 2022					
Net sales	823.1	1,126.6	347.2		2,296.9
Operating profit/loss	160.0	94.0	50.0	–8.3	295.7
Operating margin, %	19.4	8.3	14.4		12.9
Net financial items				–14.9	–14.9
Profit after financial items					280.8
Q2 2021					
Net sales	349.3	451.7	124.5		925.5
Operating profit/loss	70.7	44.1	21.2	–5.5	130.6
Operating margin, %	20.2	9.8	17.1		14.1
Net financial items				–4.1	–4.1
Profit after financial items					126.5
Jan–Jun 2021					
Net sales	696.6	882.0	248.3		1,826.9
Operating profit/loss	153.5	82.4	47.5	–10.0	273.4
Operating margin, %	22.0	9.3	19.1		15.0
Net financial items				–10.9	–10.9
Profit after financial items					262.5

Consolidated Balance Sheet

SEK M	Jun. 30, 2022	Jun. 30, 2021	Dec. 31, 2021
Assets			
Non-current assets			
Intangible assets			
Brands, customer relationships and other intangible assets	853.5	749.3	839.2
Goodwill	1,206.8	1,114.5	1,169.8
	2,060.3	1,863.9	2,009.0
Property, plant and equipment			
Land and buildings	187.7	165.1	180.3
Plant and machinery	133.3	145.0	137.3
Equipment, tools, fixtures and fittings	54.0	42.7	49.3
Construction in progress	59.2	9.4	8.3
Right-of-use assets	101.9	118.5	111.4
	536.1	480.7	486.6
Deferred tax asset	55.5	55.3	57.9
Total non-current assets	2,651.8	2,399.9	2,553.5
Current assets			
Inventories			
Raw materials and consumables	609.2	401.8	459.1
Work in progress	128.6	90.6	103.7
Finished products and merchandise	325.8	185.2	256.6
	1,063.6	677.7	819.3
Current receivables			
Trade receivables	726.4	542.2	524.1
Current tax assets	44.5	30.2	29.9
Other receivables	55.3	41.5	40.0
Prepaid expenses and accrued income	42.1	29.9	29.3
	868.4	643.8	623.2
Cash and cash equivalents			
Cash on hand and demand deposits	628.5	853.0	667.4
Total current assets	2,560.5	2,174.4	2,110.0
Total assets	5,212.3	4,574.3	4,663.5
Equity and liabilities			
Equity			
Share capital	65.5	65.5	65.5
Other contributed capital	781.3	781.3	781.3
Reserves	235.0	69.1	87.4
Retained earnings, incl. net profit for the year	1,957.7	1,734.8	1,859.3
Total equity	3,039.5	2,650.7	2,793.5
Non-current liabilities			
Provisions for pensions and similar obligations	250.3	237.1	252.1
Deferred tax liability	237.3	213.6	240.2
Other provisions	50.5	38.0	38.5
Lease liability	87.1	94.9	95.8
Liabilities to credit institutions	782.1	810.6	752.5
Other non-current liabilities	22.6	2.2	20.3
Total non-current liabilities	1,429.9	1,396.3	1,399.3
Current liabilities			
Trade payables	389.1	271.0	225.7
Current tax liabilities	42.0	36.2	16.1
Other liabilities	81.1	32.7	40.5
Lease liability	22.3	22.5	22.6
Accrued expenses and deferred income	208.6	164.9	165.8
Total current liabilities	743.0	527.3	470.7
Total equity and liabilities	5,212.3	4,574.3	4,663.5

Consolidated changes in equity

SEK M	Jan–Jun 2022	Jan–Jun 2021	Full-year 2021
Opening equity according to balance sheet at December 31	2,793.5	2,500.2	2,500.2
Total comprehensive income for the period	371.2	263.0	405.9
Dividend	–125.1	–112.5	–112.5
Equity at end of period	3,039.5	2,650.7	2,793.5

Consolidated Cash Flow Statement

SEK M	Jan–Jun 2022	Jan–Jun 2021	Full-year 2021
Operating activities			
Operating profit before financial items	295.7	273.4	456.0
Depreciation/amortization	55.7	51.2	106.4
Other items not affecting liquidity	15.8	13.4	18.3
Interest received, etc.	2.8	4.1	8.4
Interest paid	–8.7	–7.0	–15.1
Tax paid	–56.7	–55.4	–103.4
Cash flow before change in working capital	304.5	279.7	470.6
Decrease/increase (–) in inventories	–168.1	–103.9	–195.4
Decrease/increase (–) in trade receivables	–140.3	–173.3	–140.8
Decrease/increase (–) in other current receivables	–25.4	–27.7	–7.0
Increase/decrease (–) in trade payables	122.0	93.4	38.5
Increase/decrease (–) in other current liabilities	33.2	23.1	21.5
Cash flow from operating activities	126.0	91.4	187.4
Investing activities			
Investments in intangible assets	–0.5	–0.6	–30.3
Investments in property, plant and equipment	–78.1	–23.8	–31.8
Sale of property, plant and equipment	33.5	—	—
Earnout, subsidiary	–4.2	—	–146.3
Cash flow from investing activities	–49.2	–24.4	–208.4
Financing activities			
Repayment of loans	—	—	–227.1
Loans raised and changes to existing loans	4.2	0.2	136.3
Amortization of lease liability	–9.5	–11.8	–23.5
Dividend paid	–125.1	–112.5	–112.5
Cash flow from financing activities	–130.4	–124.2	–226.8
Cash flow for the year	–53.6	–57.3	–247.9
Cash and cash equivalents at start of year	667.4	899.5	899.5
Translation difference, cash and cash equivalents	14.7	10.7	15.8
Cash and cash equivalents at year-end	628.5	853.0	667.4
Unutilized overdraft facilities	100.0	100.0	100.0
Total cash and cash equivalents available	728.5	953.0	767.4

Key figures for Group

SEK M	Jan–Jun 2022	Jan–Jun 2021	Full-year 2021
Operating margin (EBITA), %	13.5	15.7	13.4
Operating margin (EBIT), %	12.9	15.0	12.6
Profit margin (ROS), %	12.2	14.4	12.2
Return on equity (ROE), %	14.3	14.8	12.2
Return on capital employed (ROCE), %	14.6	14.8	12.2
Equity/assets ratio, %	58.7	57.9	59.9
Interest-bearing net debt/EBITDA	0.87	0.54	0.81
Equity per share outstanding at end of period, SEK	121.56	106.01	111.73
Cash flow from operating activities, per average share outstanding, SEK	5.04	3.66	7.48
Profit per average share outstanding during the period, SEK	8.60	7.88	13.48
Share price at end of period, SEK	117.0	176.50	188.00
Number of employees, average	1,739	1,569	1,600
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 2022	Jan–Jun 2021	Full-year 2021
Net sales	3.9	4.0	52.1
Operating expenses	–31.5	–29.4	–60.0
Operating profit	–27.6	–25.4	–7.9
Net financial items	–0.4	88.0	81.8
Profit after financial items	–28.0	62.6	73.9
Appropriations	—	—	45.0
Tax	—	—	–6.7
Profit/loss for the period	–28.0	62.6	112.2

Parent Company Balance Sheet

SEK M	Jun. 30, 2022	Jun. 30, 2021	Dec. 31, 2021
Property, plant and equipment	1.8	1.7	1.4
Financial assets	2,092.7	2,216.4	2,362.6
Total non-current assets	2,094.5	2,218.1	2,364.0
Receivables	176.4	81.8	158.8
Cash on hand, demand deposits and short-term investments	474.0	660.5	511.6
Total current assets	650.4	742.3	670.4
Total assets	2,744.9	2,960.4	3,034.4
Equity	1,389.8	1,486.5	1,536.0
Untaxed reserves	21.8	11.8	21.8
Provisions	15.2	13.0	13.2
Non-current liabilities	182.1	810.6	748.7
Current liabilities	536.0	638.5	714.7
Total equity and liabilities	2,144.9	2,960.4	3,034.4

Alternative performance measures

ORGANIC GROWTH

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

SEK M	Jan–Jun 2022	Q2 2022	Jan–Jun 2021	Q2 2021	Full-year 2021
Group					
Net sales	2,296.9	1,141.3	1,826.9	925.5	3,611.2
Acquired volume	–36.4	–15.0	—	—	—
Currency effect	–178.4	–105.2	59.1	59.1	135.5
Net sales excluding acquisitions and currencies	2,082.1	1,021.1	984.5	984.6	3,746.7
Actual organic growth	255.1	95.6	314.4	314.5	599.6
Organic growth, %	14.0	10.3	19.3	46.9	19.1
Truck & Trailer Equipment					
Net sales	823.1	388.3	696.6	349.3	1,327.9
Currency effect	–31.4	–15.4	13.3	13.3	33.7
Net sales excluding acquisitions and currencies	791.7	372.9	362.6	362.6	1,361.7
Actual organic growth	95.1	23.7	163.2	163.1	307.4
Organic growth, %	13.7	6.8	30.9	81.8	29.2
Mobile Climate Control					
Net sales	1,126.6	574.6	882.0	451.7	1,762.7
Currency effect	–118.9	–69.4	34.8	34.9	70.5
Net sales excluding acquisitions and currencies	1007.7	505.2	486.6	486.6	1,833.2
Actual organic growth	125.7	53.5	128.5	128.6	215.6
Organic growth, %	14.3	11.8	15.0	35.9	13.3
Ringfeder Power Transmission					
Net sales	347.2	178.3	248.3	124.5	520.5
Acquired volume	–36.4	–15.0	—	—	—
Currency effect	–28.2	–20.4	10.9	10.9	31.3
Net sales excluding acquisitions and currencies	282.6	142.9	135.3	135.4	551.8
Actual organic growth	34.3	18.4	22.8	22.8	76.6
Organic growth, %	13.8	14.8	9.3	20.3	16.1

Operating profit (EBITDA)

Operating profit before depreciation/amortization and impairment.

Group, SEK M	Jan–Jun 2022	Q2 2022	Jan–Jun 2021	Q2 2021	Full-year 2021
Operating profit (EBIT)	295.7	139.2	273.4	130.6	456.0
Depreciation/amortization	55.7	28.5	51.2	25.8	106.4
Operating profit (EBITDA)	351.3	167.7	324.6	156.4	562.4

Operating margin (EBITDA)

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

Group, SEK M	Jan–Jun 2022	Q2 2022	Jan–Jun 2021	Q2 2021	Full-year 2021
Net sales	2,296.9	1,141.3	1,826.9	925.5	936.0
Operating profit (EBIT)	295.7	139.2	273.4	130.6	72.1
Depreciation/amortization	55.7	28.5	51.2	25.8	28.7
Operating margin (EBITDA), %	15.3	14.7	17.8	16.9	10.8

Operating profit (EBITA)

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

Group, SEK M	Jan–Jun 2022	Q2 2022	Jan–Jun 2021	Q2 2021	Full-year 2021
Operating profit (EBIT)	295.7	139.2	273.4	130.6	456.0
Amortization of intangible assets	15.5	7.9	13.7	6.9	28.1
Operating profit (EBITA)	311.2	147.1	287.1	137.5	484.1

Operating margin (EBITA)

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

Group, SEK M	Jan–Jun 2022	Q2 2022	Jan–Jun 2021	Q2 2021	Full-year 2021
Net sales	2,296.9	1,141.3	1,826.9	925.5	936.0
Operating profit (EBIT)	295.7	139.2	273.4	130.6	72.1
Amortization of intangible assets	15.5	7.9	13.7	6.9	7.3
Operating margin (EBITA), %	13.5	12.9	15.7	14.9	8.5

Gross profit margin

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

Group, SEK M	Jan–Jun 2022	Q2 2022	Jan–Jun 2021	Q2 2021	Full-year 2021
Net sales	2,296.9	1,141.3	1,826.9	925.5	936.0
Gross profit	696.0	334.4	628.9	312.8	260.9
Gross profit margin, %	30.3	29.3	34.4	33.8	27.9

Profit margin

Profit after financial items as a percentage of net sales.

Group, SEK M	Jan–Jun 2022	Q2 2022	Jan–Jun 2021	Q2 2021	Full-year 2021
Net sales	2,296.9	1,141.3	1,826.9	925.5	3,611.2
Profit after financial items	280.8	132.9	262.5	126.5	441.4
Profit margin, %	12.2	11.6	14.4	13.7	12.2

Interest-bearing net debt

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

Group, SEK M	Jan–Jun 2022	Q2 2022	Jan–Jun 2021	Q2 2021	Full-year 2021
Provisions for pensions	250.3		237.1		252.1
Overdraft facilities	—		—		—
Loans	782.1		810.6		752.5
Lease liability	109.4		117.4		118.4
Bank balances	–628.5		–853.0		–667.4
Interest-bearing net debt	513.3	n/a	312.1	n/a	455.5

Interest-bearing net debt/EBITDA

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

Group, SEK M	Jan–Jun 2022	Q2 2022	Jan–Jun 2021	Q2 2021	Full-year 2021
Interest-bearing net debt	513.3		312.1		455.5
EBITDA, rolling 4 quarter	589.2		577.9		562.4
Interest-bearing net debt/EBITDA	0.87	n/a	0.54	n/a	0.81

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ROOC BY DIVISION

EBITDA as a percentage of operating capital as below.

Group, SEK M	Jan–Jun 2022	Jan–Jun 2021	Full-year 2021
Group			
Inventories	1,063.6	677.7	819.3
Trade receivables	726.4	542.2	524.1
Trade payables	–389.1	–271.0	–225.7
Working capital	1,401.0	948.8	1,117.7
Property, plant and equipment	536.1	480.7	486.6
Operating capital	1,937.1	1,429.6	1,604.4
EBITDA, rolling 12 months	589.2	577.9	562.4
Average operating capital, four quarter	1,702.9	1,329.4	1,468.0
ROOC, %	34.6	43.5	38.3
Truck & Trailer Equipment			
Inventories	277.8	189.6	217.5
Trade receivables	231.3	202.8	174.6
Trade payables	–99.7	–84.5	–64.5
Working capital	409.3	307.9	327.6
Property, plant and equipment	195.2	185.8	187.2
Operating capital	604.5	493.8	514.8
EBITDA, rolling 12 months	293.4	284.5	282.2
Average operating capital, four quarter	546.4	442.8	484.2
ROOC, %	53.7	64.3	58.3
Mobile Climate Control			
Inventories	622.3	385.4	468.8
Trade receivables	372.5	259.7	249.0
Trade payables	–256.1	–164.1	–141.1
Working capital	738.7	480.9	576.8
Property, plant and equipment	202.6	188.1	179.3
Operating capital	941.3	669.1	756.1
EBITDA, rolling 12 months	197.7	198.9	188.2
Average operating capital, four quarter	809.0	621.7	697.0
ROOC, %	24.4	32.0	27.0
Ringfeder Power Transmission			
Inventories	163.5	102.7	133.0
Trade receivables	122.7	79.7	100.5
Trade payables	–21.4	–15.0	–16.9
Working capital	264.8	167.3	216.6
Property, plant and equipment	134.5	102.1	116.3
Operating capital	399.3	269.5	332.9
EBITDA, rolling 12 months	114.9	109.7	110.2
Average operating capital, four quarter	348.6	263.5	286.0
ROOC, %	33.0	41.6	38.5

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