

Q2

VBG Group Interim report
January–June 2023

Sales, SEK M

1,450

Operating profit (EBITA), SEK M

212

Interim report

Second quarter of 2023

- Consolidated sales increased by 27.1% to **SEK 1,450.2 M** (1,141.3).
- Organic growth amounted to **20.2%**, adjusted for currency effects and acquired volume between the years.
- Consolidated operating profit (EBITA) totaled **SEK 212.2 M** (147.1), with an operating margin (EBITA) of 14.6% (12.9).
- Profit after financial items amounted to **SEK 181.2 M** (132.9).
- Earnings per share amounted to **SEK 5.53** (4.02).

First half of 2023

- Consolidated sales increased by 24.1% to **SEK 2,850.1 M** (2,296.9).
- Organic growth amounted to **17.3%**, adjusted for currency effects between the years.
- Operating profit (EBITA) increased to **SEK 414.8 M** (311.2), with an operating margin (EBITA) of 14.6% (13.5).
- Profit after financial items increased to **SEK 361.6 M** (280.8).
- Earnings per share amounted to **SEK 11.21** (8.60).

KEY FIGURES

Group, SEK M	Q2 2023	Q2 2022	Jan–Jun 2023	Jan–Jun 2022	Full-year 2022
Net sales	1,450.2	1,141.3	2,850.1	2,296.9	4,580.0
Operating profit before depreciation/amortization (EBITDA)	242.2	167.7	474.2	351.3	663.6
Operating profit before amortization (EBITA)	212.2	147.1	414.8	311.2	557.5
Operating profit (EBIT)	204.1	139.2	398.9	295.7	527.2
Operating profit after financial items (EBT)	181.2	132.9	361.6	280.8	487.8
Profit after tax	138.2	100.5	280.3	214.9	368.3
Earnings per share, SEK	5.53	4.02	11.21	8.60	14.73
Cash flow from operating activities	128.9	46.3	273.9	126.0	312.6
ROE (cumulative), %	15.9	14.3	15.9	14.3	11.4
ROCE (cumulative), %	17.5	14.6	17.5	14.6	11.6
Equity/assets ratio, %	62.4	58.7	62.4	58.7	60.8
Interest-bearing net debt/EBITDA	n/a	n/a	0.84	0.87	1.09
Average number of employees	1,834	1,739	1,834	1,739	1,731
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 14 countries with approximately 1,800 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 25% 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, Bus Climate Control, Henfel, 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 damping shock waves in buildings as protection against earthquakes. 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

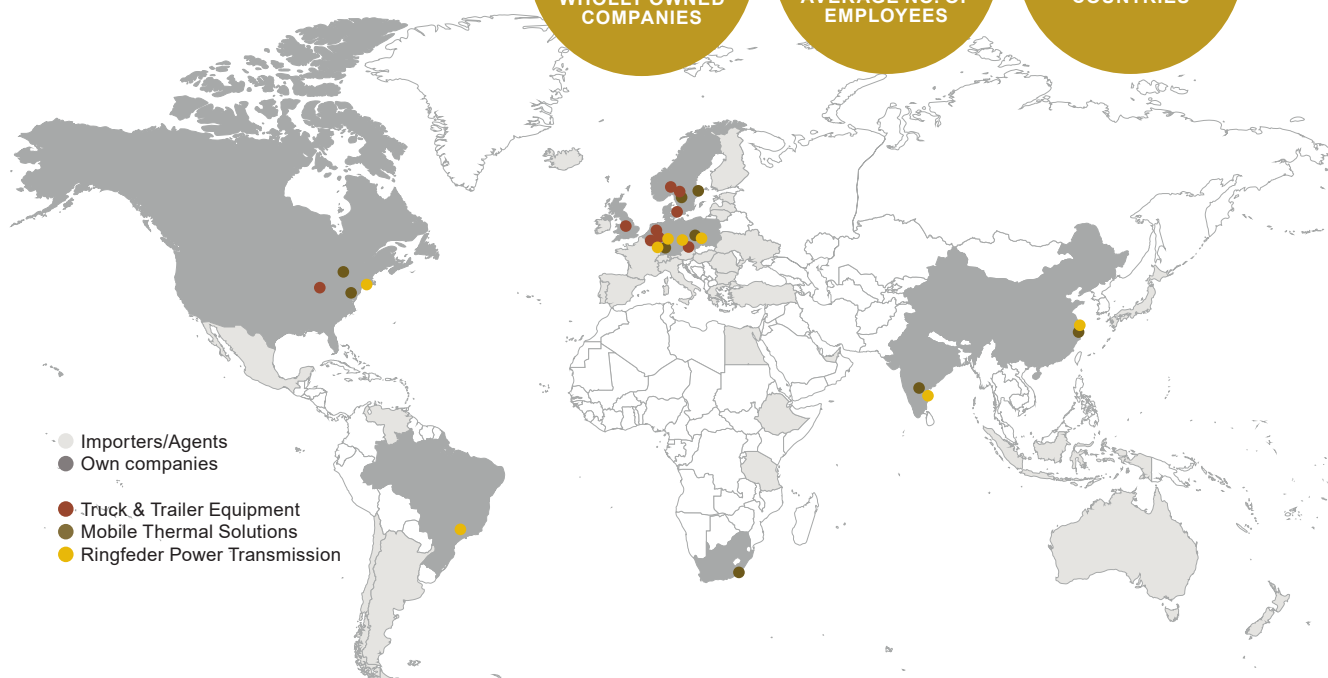
WHOLLY OWNED
COMPANIES

1,834

AVERAGE NO. OF
EMPLOYEES

14

COUNTRIES



OUR DIVISIONS

TRUCK & TRAILER EQUIPMENT

Sales	Operating profit (EBITA)	Operating margin (EBITA)	Average no. of employees
SEK 438 M	SEK 89 M	20%	383



MOBILE THERMAL SOLUTIONS

Sales	Operating profit (EBITA)	Operating margin (EBITA)	Average no. of employees
SEK 820 M	SEK 101 M	12%	1,068



RINGFEDER POWER TRANSMISSION

Sales	Operating profit (EBITA)	Operating margin (EBITA)	Average no. of employees
SEK 192 M	SEK 31 M	16%	373



Record-high growth and robust earnings

In the second quarter of 2023, VBG Group's net sales increased by 27%, reaching SEK 1,450 M (1,141). Rolling 12 months, sales totaled over SEK 5,000 M for the first time, a milestone for the Group.

EBITA increased to SEK 212 M (147), which is the best single-quarter earnings in the Group's history, and the margin strengthened to 14.6% (12.9). Earnings per share increased by 38% compared with the second quarter of 2022.

The Group's high rate of growth is due primarily to significant demand in North America, price increases and currency effects. Adjusted for currency effects, growth for the quarter was 20%. VBG Group is a balanced industrial group, and despite the geopolitical situation and a macroeconomic headwind – particularly in Europe – with inflation and rising interest rates, the Group strengthened profitability in all its divisions.

The effects of action programs in North America, a high level of capacity utilization at our facilities, and price increases that have begun to have an effect are the prime factors behind the increase in profitability. The operating cash flow in the second quarter of 2023 was strengthened in comparison with 2022.

Continued high levels of profitability

The Truck & Trailer Equipment division continues to deliver at a stable level, reaching sales of SEK 438 M (388). A high level of capacity utilization in its production units and the implementation of price increases yielded healthy profitability despite increased costs for energy and materials. The EBITA margin amounted to 20.2% (17.8).

Demand for commercial vehicle solutions varied during the second quarter. The need for truck equipment remained high while demand for trailers weakened.

Increased volumes in North America

Mobile Thermal Solutions posted highly favorable sales during the quarter, primarily in North America. Net sales rose 43% and sales for the quarter reached a record high of SEK 820 M (575).



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**Continued high
levels of order
bookings**

The Inflation Reduction Act that was enacted in the US had a positive effect on sales, since the stimulus package encourages the switch to fossil-free energy, thereby increasing demand for electric vehicles. Since Mobile Thermal Solutions is a leader in electrification, offering climate control systems for both electric buses and off-road vehicles, this has benefited the division.

Profitability in the division has improved, totaling 12.3% (9.9) in the second quarter. Good levels of capacity utilization, an attractive product portfolio for new and existing customers, and the action program that was initiated at the beginning of the year for bus operations have all had a positive effect.

Strengthened profitability for industry solutions

Ringfeder Power Transmission's net sales totaled SEK 192 M (178). Growth was lower than for the other divisions, and weaker demand was noticeable – especially in Europe – in a number of industry segments during the second quarter of the year.

The consolidation of the American operation for Ringfeder Power Transmission continued in accordance with plans during the second quarter. Measures to increase profitability in conjunction with the consolidation have begun to have an effect. The EBITA margin for the division was 16.3% (14.4).

Increased sustainability requirements

The Group's focus on sustainability continued during the second quarter. Sustainability data for 2022 has been compiled, and forms the basis for future improvements and targets. In addition to the measurements of CO₂ for Scope 1 and 2, we have initiated a number of activities to begin measuring our impact in Scope 3. The focus has been on transport, materials, and waste. Planning has begun for compliance with new regulations and requirements such as CSRD.

The future

I am extremely pleased and proud of VBG Group's second quarter. I am particularly 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. Profitability has been strengthened, we have gained new customers and a broader customer base, we are expanding our sustainability commitments and we are offsetting increased inflation with price increases. All this has led to the Group's highest level of sales and best earnings in its history for a single quarter. Following the all-time high in the first quarter of 2023 with an even better second quarter is highly gratifying.

I feel positive about the future despite the macroeconomic turbulence. Order bookings increased by 23% in the first half of the year compared with the year-earlier period, and demand – primarily in North America – is not showing any signs of slowing.

The business environment is continually changing, but through our balanced business portfolio, our strong brands, our skilled employees and our strong financial earnings we are creating 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.

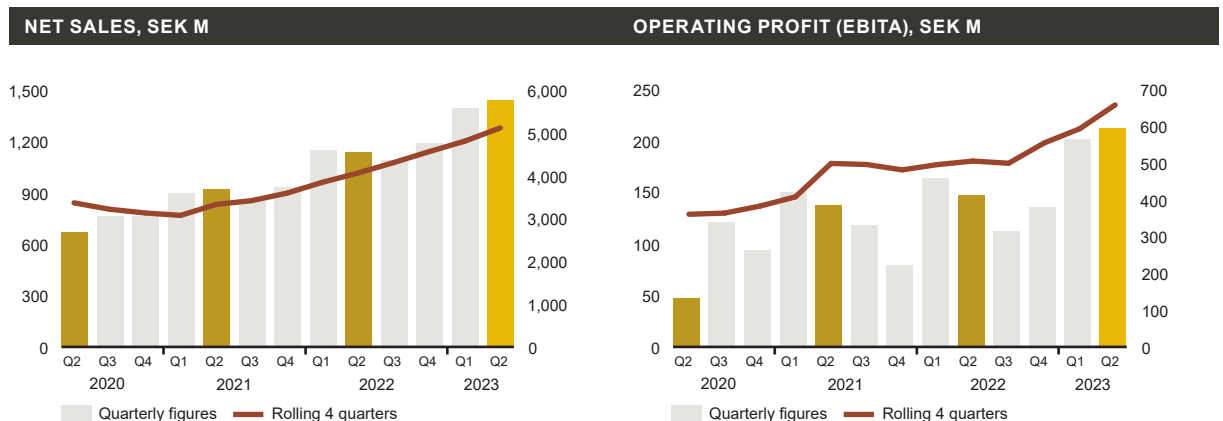


Anders Erkén
President and CEO, VBG Group

Group trend

SALES/EARNINGS												
SEK M	Jan–Jun 2023	Q2 2023	Q1 2023	Rolling 12 mos.	Full-year 2022	Q4 2022	Q3 2022	Jan–Jun 2022	Q2 2022	Q1 2022	Full-year 2021	Q4 2021
Net sales	2,850.1	1,450.2	1,399.9	5,133.2	4,580.0	1,191.5	1,091.6	2,296.9	1,141.3	1,155.5	3,611.2	936.0
Operating profit before depreciation/amortization (EBITDA)	474.2	242.2	232.0	786.4	663.6	162.3	149.9	351.3	167.7	183.6	562.4	100.8
Operating profit before amortization (EBITA)	414.8	212.2	202.7	661.2	557.5	134.7	111.7	311.2	147.1	164.1	484.1	79.4
Operating margin (EBITA), %	14.6	14.6	14.5	12.9	12.2	11.3	10.2	13.5	12.9	14.2	13.4	8.5
Operating profit (EBIT)	398.9	204.1	194.9	630.5	527.2	127.0	104.6	295.7	139.2	156.4	456.0	72.1
Operating margin (EBIT), %	14.0	14.1	13.9	12.3	11.5	10.7	9.6	12.9	12.2	13.5	12.6	7.7
Operating profit after financial items (EBT)	361.6	181.2	180.4	568.6	487.8	105.6	101.4	280.8	132.9	147.9	441.4	71.6
Profit after tax	280.3	138.2	142.1	433.6	368.3	90.6	62.7	214.9	100.5	114.4	337.1	58.0
Earnings per share, SEK	11.21	5.53	5.68	17.34	14.73	3.62	2.51	8.60	4.02	4.58	13.48	2.32
Cash flow from operating activities	273.9	128.9	145.0	460.4	312.6	168.3	18.3	126.0	46.3	79.7	187.3	37.1
ROE (cumulative), %	15.9	15.9	16.8	15.9	11.4	11.4	12.4	14.3	14.3	15.9	12.2	12.2
ROCE (cumulative), %	17.5	17.5	17.4	17.5	11.6	11.6	12.8	14.6	14.6	15.3	12.2	12.2
Equity/assets ratio, %	62.4	62.4	64.2	62.4	60.8	60.8	56.1	58.7	58.7	59.3	59.9	59.9

SALES BY MARKET												
SEK M	Jan–Jun 2023	Q2 2023	Q1 2023	Rolling 12 mos.	Full-year 2022	Q4 2022	Q3 2022	Jan–Jun 2022	Q2 2022	Q1 2022	Full-year 2021	Q4 2021
Sweden	187.4	87.3	100.1	335.6	323.8	83.3	64.9	175.6	87.5	88.1	285.7	76.7
Other Nordic countries	144.5	69.2	75.3	264.4	248.3	59.7	60.2	128.4	62.8	65.7	212.6	58.4
Germany	298.7	133.2	165.5	582.1	589.3	146.5	136.9	305.8	146.0	159.9	535.9	137.7
Other European countries	488.6	237.6	251.0	878.4	782.0	210.1	179.8	392.2	186.5	205.7	597.5	136.3
North America	1,373.6	714.9	658.6	2,393.6	2,028.1	521.6	498.4	1,008.1	503.8	504.4	1,551.2	399.0
Brazil	68.2	39.0	29.2	128.5	121.1	29.4	30.9	60.7	34.7	26.1	89.0	27.0
Australia/New Zealand	67.5	35.9	31.6	134.8	123.5	44.8	22.6	56.2	29.0	27.3	108.6	26.6
China	24.8	14.3	10.5	70.8	69.7	25.5	20.5	23.7	12.9	10.8	48.8	18.3
Rest of world	196.9	118.9	78.0	345.0	294.0	70.6	77.5	145.9	78.2	67.7	181.9	56.1
Group	2,850.1	1,450.2	1,399.9	5,133.2	4,580.0	1,191.5	1,091.6	2,296.9	1,141.3	1,155.5	3,611.2	936.0



Sales and earnings

Second quarter of 2023

Sales increased to SEK 1,450.2 M (1,141.3) and were 27.1% higher compared with the second quarter of 2022. Adjusted for currency effects, organic growth was 20.2%.

Demand for the Group's products remained high in the second quarter of 2023, primarily in Mobile Thermal Solutions. Truck & Trailer Equipment had organic growth of 6.5%, organic growth in Mobile Thermal Solutions was 36.5% and Ringfeder Power Transmission's organic growth was –2.7%.

Consolidated operating profit (EBITA) increased to SEK 212.2 M (147.1), corresponding to an operating margin of 14.6% (12.9). The increased profitability was a result of the effects produced by a lag in price increases, high levels of capacity utilization in our production facilities and a pronounced improvement in the situation in the Mobile Thermal Solutions bus operations in the US. Truck & Trailer Equipment's operating margin (EBITA) increased to 20.2% (17.8). Mobile Thermal Solutions' operating margin (EBITA) was 12.3% (9.9). The operating margin in Mobile Thermal Solutions was positively impacted by the stabilization and improvement in productivity in the bus operations in the US. A high level of demand for both off-road and bus products also had a positive effect. During the second quarter of 2022, the former Mobile Thermal Solutions production facility in Indiana (US) was divested, generating a capital gain of SEK 18.8 M, which positively impacted the comparison period. At the same time, costs of SEK 6.7 M for the relocation of operations were charged to earnings for the second quarter of 2022.

Ringfeder Power Transmission's operating margin (EBITA) increased to 16.3% (14.4) for the quarter.

Consolidated net interest expense for the second quarter was SEK –8.8 M (–3.9) and the quarter's currency effect on foreign-currency denominated financial liabilities was

SEK –12.7 M (–2.4). Net interest expense was adversely impacted by the rising market interest rates. Other financial expenses amounted to SEK 1.4 M (0.0). Operating profit after financial items increased to SEK 181.2 M (132.9), and operating profit after tax increased to SEK 138.2 M (100.5). Earnings per share totaled SEK 5.53 (4.02).

First half of 2023

Sales totaled SEK 2,850.1 M (2,296.9), 24.1% higher than in the first half of 2022. Adjusted for currency effects between the periods, organic volume growth was 17.3%. Operating profit (EBITA) increased to SEK 414.8 M (311.2), corresponding to an operating margin (EBITA) of 14.6% (13.5). The increased profitability was a result of the effects produced by a lag in price increases on our products, high levels of capacity utilization in our production facilities and a pronounced improvement in the situation in the Mobile Thermal Solutions bus operations in the US.

Consolidated net interest expense for the first half-year was SEK 19.1 M (expense: 7.8) and the currency effect on foreign-currency denominated assets totaled negative SEK 16.9 M (neg: 6.7). Net financial items worsened as a result of gradually rising market interest rates. Taken together, this resulted in a net financial expense of SEK 37.3 M (expense: 14.9). Accordingly, profit after financial items was SEK 361.6 M (280.8), profit after tax totaled SEK 280.3 M (214.9) and earnings per share amounted to SEK 11.21 (8.60).

Capital expenditures

The Group's new capital expenditures for the second quarter amounted to SEK 32.7 M (50.5). Total new capital expenditures for the first half-year were SEK 60.0 M (78.5). Depreciation/amortization totaled SEK 38.1 M (28.5) for the second quarter and SEK 75.2 M (55.6) for the first half-year.

Financial position

Profit after tax for the period increased to SEK 280.3 M (214.9) and other comprehensive income – pertaining to translation differences in foreign currencies and restatement of pension plans – totaled SEK 146.7 M (156.1), which resulted in comprehensive income for the period of SEK 427.0 M (371.0). Dividends paid in 2023 totaled SEK 137.5 M (125.1). Accordingly, consolidated equity has increased to SEK 3,577.7 M during 2023 to date (3,288.3 at year-end).

The equity/assets ratio increased during the period to 62.4% (58.7). Cash and cash equivalents, including currency effects, decreased by SEK 82.2 M during the period owing to the repayment of loans under the credit facility. Cash and cash equivalents totaled SEK 416.6 M at the end of the period (498.8 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, excluding scope under credit agreements, of SEK 516.6 M (598.8 at year-end).

At the end of the second quarter, VBG Group signed a new credit facility with Nordea. The agreement, for SEK 1,400 M, runs for three years with the right to two extension options of one year each. The new agreement with Nordea went into effect on July 3, 2023.

The Group's interest-bearing net debt has declined by SEK 61.8 M during the year to date and amounted to SEK 660.3 M at the end of the period (722.1 at year-end).

The ratio of the Group's interest-bearing net debt to equity was 0.18 at June 30, 2023 (0.22 at December 31, 2022) 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 0.84 (1.09 at year-end).

Consolidated goodwill increased by SEK 31.0 M as a result of currency effects and amounted at the end of the period to SEK 1,257.8 M (1,226.8 at year-end), which in relation to equity amounted to a ratio of 0.35 (0.62 at year-end).

Cash flow

Cash flow from operating activities increased compared with the year-earlier period, totaling SEK 273.9 M (126.0). The increase in relation to the preceding year is attributable primarily to an increase in underlying earnings and lower accumulation of working capital, chiefly in inventory. Investments made during the period totaled SEK 65.1 M (78.5). During the second quarter of 2022, the former Mobile Thermal Solutions production facility in Indiana (US) was divested for SEK 33.5 M, which positively impacted the comparison period. Consolidated total borrowings and lease liabilities decreased during the first half-year by SEK 162.6 M (5.3) and the dividend that was paid out in May totaled SEK 137.5 M (125.1), which means that cash flow for the period totaled SEK –91.5 M (–53.6).

Personnel

At June 30, 2023, there were 1,823 employees in the VBG Group (1,773 at year-end), of which 230 (223) in Sweden. During the first half of 2023, the Group employed an average of 1,834 persons (1,739 during the year-earlier period). Of these, 221 (227) were active in Sweden. The cost of salaries and social security contributions in the first half-year was SEK 605.0 M (542.3).

Per share data

Earnings per share amounted to SEK 11.21 (8.60). Equity per share was SEK 143.10 at June 30, 2023, compared with SEK 121.60 at the same time last year.

At the end of the quarter, the share price was SEK 182.00, which corresponds to a market capitalization of SEK 4,550 M, compared with a share price of SEK 117.00 and market capitalization of SEK 2,926 M in the first half of 2022.

The number of shareholders increased by 2,469 during the first half-year, totaling 9,293 (6,824 at year-end).



SECOND QUARTER OF 2023

- Sales increased 12.8% to **SEK 437.9 M** (388.3).
- Adjusted for currency effects between the years, organic growth was **6.5%**.
- Operating profit (EBITA) increased to **SEK 88.6 M** (69.1), with an operating margin (EBITA) of 20.2% (17.8).

FIRST HALF OF 2023

- Sales increased 13.4% to **SEK 933.6 M** (823.1).
- Adjusted for currency effects between the years, organic growth was **8.0%**.
- Operating profit (EBITA) amounted to **SEK 203.3 M** (162.5), with an operating margin (EBITA) of 21.8% (19.7).

SALES/EARNINGS												
SEK M	Jan–Jun 2023	Q2 2023	Q1 2023	Rolling 12 mos.	Full-year 2022	Q4 2022	Q3 2022	Jan–Jun 2022	Q2 2022	Q1 2022	Full-year 2021	Q4 2021
Net sales	933.6	437.9	495.7	1,739.3	1,628.8	443.2	362.4	823.1	388.3	434.8	1,327.9	350.3
Operating profit (EBITDA)	220.6	97.6	123.0	381.0	341.3	98.9	61.5	180.9	79.4	101.5	282.2	63.1
Operating profit (EBITA)	203.3	88.6	114.7	348.4	307.6	92.5	52.6	162.5	69.1	93.4	251.4	54.9
Operating margin (EBITA), %	21.8	20.2	23.1	20.0	18.9	20.9	14.5	19.7	17.8	21.5	18.9	15.7
Operating profit (EBIT)	200.6	87.3	113.3	343.1	302.6	91.1	51.4	160.0	67.9	92.2	248.0	53.7
Operating margin (EBIT), %	21.5	19.9	22.9	19.7	18.6	20.6	14.2	19.4	17.5	21.2	18.7	15.3
ROOC, %	61.8	61.8	60.3	61.8	57.3	57.3	53.2	53.7	53.7	56.5	58.3	58.3

SALES BY MARKET												
SEK M	Jan–Jun 2023	Q2 2023	Q1 2023	Rolling 12 mos.	Full-year 2022	Q4 2022	Q3 2022	Jan–Jun 2022	Q2 2022	Q1 2022	Full-year 2021	Q4 2021
Sweden	158.9	74.8	84.1	280.9	271.1	69.7	52.2	149.1	72.9	76.2	240.1	65.3
Other Nordic countries	115.9	55.4	60.5	209.5	194.4	48.5	45.1	100.8	48.7	52.1	164.7	44.4
Germany	179.3	74.7	104.6	358.3	373.3	94.8	84.2	194.3	91.8	102.5	343.6	87.6
Other European countries	321.6	152.1	169.5	569.3	495.4	130.6	117.1	247.7	111.6	136.1	363.9	82.3
North America	79.8	34.8	45.0	161.4	142.3	47.4	34.2	60.7	25.2	35.5	92.1	35.9
Australia/New Zealand	56.6	31.9	24.7	115.9	105.3	40.3	19.0	46.0	24.5	21.4	87.1	23.3
China	0.2	0.0	0.2	3.1	4.9	1.7	1.2	2.0	1.9	0.1	1.6	1.1
Rest of world	21.3	14.2	7.1	40.9	42.2	10.2	9.4	22.6	11.7	10.9	34.9	10.3
Truck & Trailer Equipment	933.6	437.9	495.7	1,739.3	1,628.8	443.2	362.4	823.1	388.3	434.8	1,327.9	350.3

Sales and earnings

Second quarter of 2023

Sales for the quarter increased 12.8% year-on-year to SEK 437.9 M (388.3). Adjusted for currency effects, where the average USD rate between the quarters strengthened 6.9% and the EUR – which is a more important currency for the division – strengthened 9.4%, organic growth was 6.5%.

Operating profit (EBITA) for Truck & Trailer Equipment increased year-on-year to SEK 88.6 M (69.1) in the second quarter, with an operating margin (EBITA) of 20.2% (17.8). Demand remained high, and the lag in price increases that occurred in 2022 has been increasingly catching up.

First half of 2023

Sales for the first half-year increased 13.4% year-on-year to SEK 933.6 M (823.1). Adjusted for currency effects, where the average USD rate between the periods strengthened 8.3% and the EUR – which is a more important currency for the division – strengthened 7.9%, organic growth was 8.0%. EBITA for Truck & Trailer Equipment increased year-on-year to SEK 203.3 M (162.5), with an EBITA margin of 21.8% (19.7).

During the first half-year, the division's working capital increased by SEK 45.7 M to SEK 443.8 M (398.1 at year-end) as a result of higher sales, higher raw materials prices,

currency effects, and overburdened supply chains. With the addition of property, plant and equipment of SEK 220.7 M, operating capital amounted to SEK 664.5 M at the end of June (599.8 at year-end).

The division's return on operating capital (ROOC) was 61.8% (57.3 at year-end).

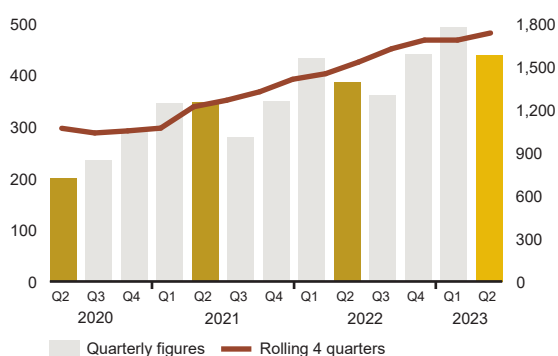
Capital expenditures and depreciation/amortization

Truck & Trailer Equipment's investments during the second quarter amounted to SEK 21.0 M (8.8). Total new capital expenditures for the first half-year were SEK 33.8 M (18.8). The higher level of investments pertained primarily to the expansion of the production facility and investments in machinery in Vänersborg. Depreciation/amortization totaled SEK 10.3 M (11.5) for the second quarter and SEK 20.0 M (20.9) for the first half-year.

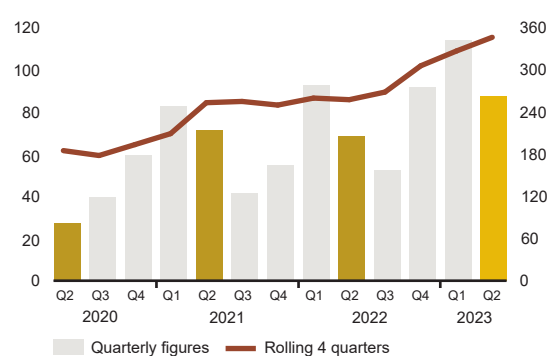
Personnel

At June 30, 2023, there were 390 employees in the division, compared with 382 employees at year-end. Truck & Trailer Equipment employed an average of 383 persons in the first half-year (393 in the year-earlier period). Personnel costs for the first half-year amounted to SEK 166.5 M (155.2), resulting in a cost per employee of SEK 434.7 thousand (394.9).

NET SALES, SEK M



OPERATING PROFIT (EBITA), SEK M





Mobile Climate Control



Bus Climate Control

SECOND QUARTER OF 2023

- Sales increased 42.8% to **SEK 820.4 M** (574.6).
- Adjusted for currency effects between the years, organic growth was **36.5%**.
- Operating profit (EBITA) amounted to **SEK 100.6 M** (56.9), with an operating margin (EBITA) of 12.3% (9.9).
- Increased productivity at the new US production facility in the second quarter had a positive impact on earnings.

FIRST HALF OF 2023

- Sales increased 35.9% to **SEK 1,531.2 M** (1,126.6).
- Adjusted for currency effects between the years, organic growth was **29.1%**.
- Operating profit (EBITA) amounted to **SEK 175.2 M** (104.2), with an operating margin (EBITA) of 11.4% (9.3).
- Increased productivity at the new US production facility in the second quarter had a positive impact on earnings.

SALES/EARNINGS

SEK M	Jan–Jun 2023	Q2 2023	Q1 2023	Rolling 12 mos.	Full-year 2022	Q4 2022	Q3 2022	Jan–Jun 2022	Q2 2022	Q1 2022	Full-year 2021	Q4 2021
Net sales	1,531.2	820.4	710.8	2,639.2	2,234.5	558.8	549.1	1,126.6	574.6	552.0	1,762.7	450.3
Operating profit (EBITDA)	206.3	116.3	90.0	302.0	212.5	28.3	67.4	116.9	62.8	54.1	188.2	24.0
Operating profit (EBITA)	175.2	100.6	74.6	229.4	158.5	12.0	42.2	104.2	56.9	47.3	156.8	14.8
Operating margin (EBITA), %	11.4	12.3	10.5	8.7	7.1	2.1	7.7	9.3	9.9	8.6	8.9	3.3
Operating profit (EBIT)	164.7	95.2	69.5	208.5	137.8	6.7	37.1	94.0	51.8	42.2	136.2	9.6
Operating margin (EBIT), %	10.8	11.6	9.8	7.9	6.2	1.2	6.8	8.3	9.0	7.6	7.7	2.1
ROOC, %	22.1	22.1	20.1	22.1	19.1	19.1	21.5	24.4	24.4	25.8	27.0	27.0

SALES BY MARKET

SEK M	Jan–Jun 2023	Q2 2023	Q1 2023	Rolling 12 mos.	Full-year 2022	Q4 2022	Q3 2022	Jan–Jun 2022	Q2 2022	Q1 2022	Full-year 2021	Q4 2021
Sweden	26.4	11.5	15.0	50.8	48.7	12.7	11.6	24.4	13.4	11.0	42.2	10.8
Other Nordic countries	26.3	12.9	13.3	50.7	50.7	10.3	14.2	26.2	13.3	12.9	44.1	12.6
Germany	18.2	9.2	9.0	29.9	25.9	5.2	6.4	14.3	7.5	6.8	21.4	6.1
Other European countries	120.3	60.7	59.6	217.0	204.4	51.7	44.9	107.7	55.7	52.0	177.6	42.1
North America	1,187.4	629.4	558.0	2,033.4	1,693.4	431.4	414.6	847.5	429.7	417.8	1,355.4	338.4
China	12.6	7.6	5.0	23.3	21.1	5.0	5.7	10.5	4.7	5.8	19.0	6.5
Rest of world	139.9	89.1	50.8	234.1	190.2	42.4	51.8	96.0	50.3	45.7	103.1	33.7
Mobile Thermal Solutions	1,531.2	820.4	710.8	2,639.2	2,234.5	558.8	549.1	1,126.6	574.6	552.0	1,762.7	450.3

Sales and earnings

Second quarter of 2023

Sales for the second quarter increased 42.8% year-on-year to SEK 820.4 M (574.6), with North and South America representing the largest increases. Adjusted for currency effects, where the average USD rate strengthened 6.9% compared with the year-earlier period and the CAD strengthened 1.7%, organic growth was 36.5%.

Operating profit (EBITA) for Mobile Thermal Solutions totaled SEK 100.6 M (56.9) and the operating margin (EBITA) increased to 12.3% (9.9). Stabilization and increased productivity at the new production facility in the US, in combination with record-high demand for both off-road and bus products, enabled higher operating profit (EBITA) and an improved operating margin (EBITA). Operating profit (EBITA) in the second quarter of 2022 was impacted by a capital gain of SEK 18.8 M from the sale of a property and by costs of SEK 6.7 M pertaining to relocation, which impacted the comparison figures.

First half of 2023

In the first half-year, Mobile Thermal Solutions reported growth in sales of 35.9% year-on-year. Sales totaled SEK 1,531.2 M (1,126.6). Adjusted for currency effects, where the average USD rate strengthened 8.3% compared with the year-earlier period and the CAD strengthened 2.4%, organic growth was 29.1%.

EBITA for Mobile Thermal Solutions increased year-on-year to SEK 175.2 M (104.2) with an EBITA margin of 11.4% (9.3). Increased productivity in the US operations in the first half-year, in combination with record-high demand for Mobile Thermal Solutions' products, enabled a robust improvement

in earnings and a stronger operating margin (EBITA) in the first half-year. During the first half of 2022, costs of SEK 10.9 M were incurred, related to the relocation of the bus operations from Indiana to Pennsylvania in the US. Operating profit (EBITA) was also positively impacted by a capital gain of SEK 18.8 M from the sale of the property in Indiana in 2022.

During the first half-year, the division's working capital increased by SEK 158.0 M to SEK 943.6 M (785.6 at year-end) as a result of higher sales and currency effects. With the addition of property, plant and equipment of SEK 524.7 M, operating capital amounted to SEK 1,468.3 M at the end of June (1,327.7 at year-end).

The division's return on operating capital (ROOC) for the period was 22.1% (19.1 at year-end).

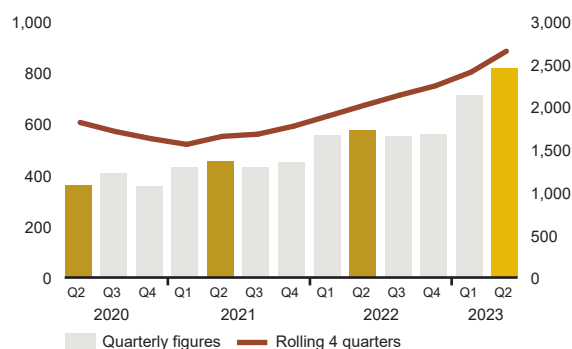
Capital expenditures and depreciation/amortization

Investments by Mobile Thermal Solutions in the second quarter amounted to SEK 6.1 M (23.6). New capital expenditures for the first half-year totaled SEK 7.6 M (37.9). The higher level in 2022 was attributable to investments in the new US production facility at York, Pennsylvania. Depreciation/amortization totaled SEK 21.1 M (11.0) for the second quarter and SEK 41.6 M (22.9) for the first half-year.

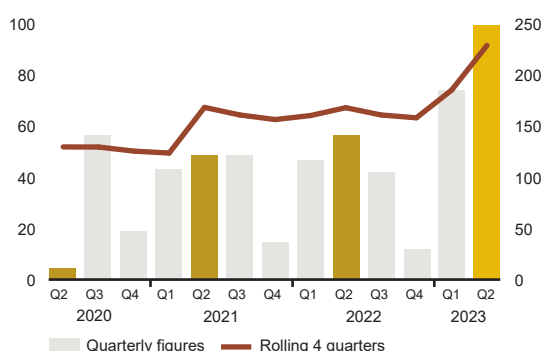
Personnel

At June 30, 2023, there were 1,055 employees in the division, compared with 1,007 employees at year-end. During the first half-year, Mobile Thermal Solutions employed an average of 1,068 persons (963 during the year-earlier period). Personnel costs for the first half-year amounted to SEK 303.5 M (267.3), resulting in a cost per employee of SEK 284.2 thousand (277.6).

NET SALES, SEK M



OPERATING PROFIT (EBITA), SEK M





SECOND QUARTER OF 2023

- Sales increased 7.6% to **SEK 191.9 M** (178.3).
- Adjusted for currency effects between the years, organic growth was **–2.7%**.
- Operating profit (EBITA) increased to **SEK 31.3 M** (25.6), with an operating margin (EBITA) of 16.3% (14.4).

FIRST HALF OF 2023

- Sales increased 11.0% to **SEK 385.2 M** (347.2).
- Adjusted for currency effects between the years, organic growth was **1.0%**.
- Operating profit (EBITA) increased to **SEK 53.8 M** (52.8), with an operating margin (EBITA) of 14.0% (15.2).

SALES/EARNINGS												
SEK M	Jan–Jun 2023	Q2 2023	Q1 2023	Rolling 12 mos.	Full-year 2022	Q4 2022	Q3 2022	Jan–Jun 2022	Q2 2022	Q1 2022	Full-year 2021	Q4 2021
Net sales	385.2	191.9	193.4	754.7	716.7	189.5	180.0	347.2	178.3	168.9	520.5	135.4
Operating profit (EBITDA)	63.8	36.2	27.6	132.7	129.8	44.1	24.8	60.9	29.6	31.3	110.2	20.4
Operating profit (EBITA)	53.8	31.3	22.5	114.8	113.7	39.8	21.2	52.8	25.6	27.2	96.3	17.0
Operating margin (EBITA), %	14.0	16.3	11.6	15.2	15.9	21.0	11.8	15.2	14.4	16.1	18.5	12.5
Operating profit (EBIT)	51.1	29.9	21.1	110.2	109.1	38.7	20.5	50.0	24.1	25.8	92.3	16.0
Operating margin (EBIT), %	13.3	15.6	10.9	14.6	15.2	20.4	11.4	14.4	13.5	15.3	17.7	11.8
ROOC, %	29.3	29.3	29.7	29.3	32.2	32.2	27.9	33.0	33.0	35.1	38.5	38.5

SALES BY MARKET												
SEK M	Jan–Jun 2023	Q2 2023	Q1 2023	Rolling 12 mos.	Full-year 2022	Q4 2022	Q3 2022	Jan–Jun 2022	Q2 2022	Q1 2022	Full-year 2021	Q4 2021
Sweden	2.0	1.0	1.0	3.9	4.1	0.9	1.1	2.1	1.2	0.9	3.4	0.5
Other Nordic countries	2.3	0.8	1.5	4.1	3.2	0.9	0.9	1.4	0.7	0.7	3.9	1.3
Germany	101.2	49.3	51.8	193.9	190.1	46.5	46.3	97.3	46.6	50.7	170.9	44.0
Other European countries	46.6	24.7	21.9	92.1	82.3	27.8	17.7	36.8	19.1	17.7	56.0	11.8
North America	106.3	50.7	55.6	198.8	192.4	42.9	49.6	99.9	48.9	51.0	103.7	24.6
Brazil	63.2	35.9	27.3	117.7	106.3	26.1	28.4	51.8	30.7	21.1	77.0	23.3
Australia/New Zealand	9.8	3.3	6.5	17.2	17.0	4.0	3.4	9.5	4.1	5.4	20.5	4.1
China	12.0	6.6	5.4	44.4	43.7	18.8	13.6	11.3	6.4	4.9	28.3	10.8
Rest of world	41.9	19.4	22.5	82.5	77.7	21.6	19.0	37.0	20.6	16.5	56.9	15.0
Ringfeder Power Transmission	385.2	191.9	193.4	754.7	716.7	189.5	180.0	347.2	178.3	168.9	520.5	135.4

Sales and earnings

Second quarter of 2023

Sales for the second quarter increased 7.6% year-on-year to SEK 191.9 M (178.3); adjusted for currency effects – where the average USD rate strengthened 6.9%, the BRL strengthened 6.1% and the EUR strengthened 9.4% – organic growth was –2.7%.

Operating profit (EBITA) for Ringfeder Power Transmission totaled SEK 31.3 M (25.6) and the operating margin (EBITA) totaled 16.3% (14.4).

EBITA increased as a result of the price increases implemented as well as the stabilization of Carlyle Johnson Machine's business despite greater price competition and lower demand in the European market.

First half of 2023

Sales for the first half-year increased 11.0% year-on-year to SEK 385.2 M (347.2); adjusted for currency effects – where the average USD rate strengthened 8.3%, the BRL strengthened 6.4%, and the EUR strengthened 7.9% compared with the year-earlier period – organic growth was 1.0%.

EBITA for Ringfeder Power Transmission increased year-on-year to SEK 53.8 M (52.8) and the EBITA margin totaled 14.0% (15.2). Changes in the product mix, greater price sensitivity among customers in Europe, higher raw materials prices and disruptions in the supply chain during the quarter had a negative impact on the EBITA margin compared with the year-earlier period. Carlyle Johnson Machine had an

adverse impact on the EBITA margin during the first half-year, even though conditions in the operation had stabilized and the business posted positive earnings in the second quarter.

During the period, the division's working capital increased by SEK 72.7 M to SEK 356.4 M (283.8 at year-end). With the addition of property, plant and equipment of SEK 158.5 M, operating capital amounted to SEK 514.9 M at the end of June (426.3 at year-end).

The division's return on operating capital (ROOC) for the period was 29.3% (32.2 at year-end).

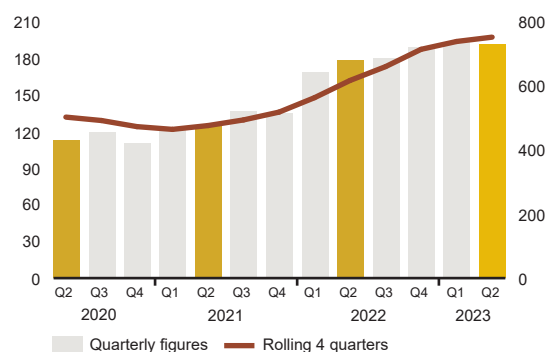
Capital expenditures and depreciation/amortization

Ringfeder Power Transmission's investments during the second quarter amounted to SEK 5.7 M (1.9). Total new capital expenditures for the first half-year were SEK 16.4 M (5.4). Depreciation/amortization totaled SEK 6.3 M (5.5) for the second quarter and SEK 12.8 M (11.0) for the first half-year.

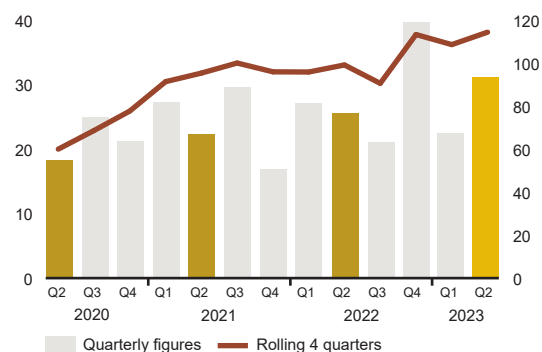
Personnel

At June 30, 2023, there were 369 employees in the division, compared with 375 employees at year-end. During the first half-year, Ringfeder Power Transmission employed an average of 373 persons (373 during the year-earlier period). Personnel costs for the first half-year amounted to SEK 110.1 M (102.5), resulting in a cost per employee of SEK 295.2 thousand (274.9).

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 0.0 M (3.9) during the period. Operating loss for the first half-year totaled SEK –38.6 M (–27.6). Loss after dividends from Group companies, net financial items and tax totaled SEK –31.3 M (–28.0).

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 2022.

Outlook for 2023

The company makes no forecast.

Financial information 2023/2024

Interim report, nine months 2023	October 24, 2023
Year-end report 2023	February 20, 2024
Interim report, three months 2024	May 2, 2024
Annual General Meeting 2024	May 2, 2024
Interim report, six months 2024	July 19, 2024
Interim report, nine months 2024	October 23, 2024

Related party transactions

There have been no related party transactions in 2023 that have significantly affected the company's financial position and results. Related party transactions during 2022 are disclosed in Note 6 of the annual report for 2022.

Auditor's review

This interim report is unaudited.

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, 2023
VBG Group AB (publ)

Johnny Alvarsson
Chairman of the Board

Anders Erkén
CEO and Board member

Peter Augustsson
Board member

Louise Nicolin
Board member

Anders Birgersson
Board member

Anna Stålenbring
Board member

Mats R. Karlsson
Board member

Alexander Andersson
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 2023

Interim report January–March 2023	April 27, 2023
Report from the Annual General Meeting in VBG Group AB (publ) the 27[th] of April	April 27, 2023

Condensed consolidated income statement and statement of other comprehensive income

SEK M	Q2 2023	Q2 2022	Jan–Jun 2023	Jan–Jun 2022	Full-year 2022
Net sales	1,450.2	1,141.3	2,850.1	2,296.9	4,580.0
Cost of goods sold	–993.3	–806.9	–1,966.0	–1,600.9	–3,232.7
Gross profit	456.9	334.4	884.1	696.0	1,347.3
Selling expenses	–105.7	–97.8	–207.7	–191.9	–392.5
Administrative expenses	–98.0	–85.9	–187.6	–163.3	–336.7
Research and development costs	–37.2	–34.7	–71.8	–66.7	–134.4
Other operating income and expenses	–11.9	23.3	–18.0	21.6	43.5
	–252.9	–195.2	–485.2	–400.3	–820.1
Operating profit	204.1	139.2	398.9	295.7	527.2
Exchange rate effects, net	–12.7	–2.4	–16.9	–6.7	–10.7
Interest income	7.6	0.9	13.0	1.2	8.3
Interest expenses	–16.4	–4.8	–32.2	–9.0	–37.4
Other financial income and expenses	–1.4	—	–1.3	–0.3	0.4
Total financial items	–22.9	–6.3	–37.3	–14.9	–39.4
Profit after financial items	181.2	132.9	361.6	280.8	487.8
Income tax	–43.0	–32.4	–81.3	–65.9	–119.5
Profit for the period	138.2	100.5	280.3	214.9	368.3
Profit for the period attributable to Parent Company shareholders	138.2	100.5	280.3	214.9	368.3
Other comprehensive income					
Profit for the period	138.2	100.5	280.3	214.9	368.3
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	50.9
Items that may later be reversed in the income statement					
Translation differences pertaining to foreign operations	103.3	78.9	146.7	147.7	200.6
Other comprehensive income, net after tax	103.3	87.3	146.7	156.1	251.5
Comprehensive income for the period	241.5	187.8	427.0	371.0	619.8
Comprehensive income for the period attributable to Parent Company shareholders	241.5	187.8	427.0	371.0	619.8

Sales and earnings by segment

SEK M	Truck & Trailer Equipment	Mobile Thermal Solutions	Ringfeder Power Transmission	Group- wide	Group
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
Jan–Jun 2023					
Net sales	933.6	1,531.2	385.2		2,850.1
Operating profit/loss	200.6	164.7	51.1	–17.4	398.9
Operating margin, %	21.5	10.8	13.3		14.0
Net financial items				–37.3	–37.3
Profit after financial items					361.6
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

Consolidated balance sheet

SEK M	Jun. 30, 2023	Jun. 30, 2022	Dec. 31, 2022
Assets			
Non-current assets			
Intangible assets			
Brands, customer relationships and other intangible assets	810.4	853.5	821.1
Goodwill	1,257.8	1,206.8	1,226.8
	2,068.2	2,060.3	2,047.9
Property, plant and equipment			
Land and buildings	232.4	187.7	198.3
Plant and machinery	162.5	133.3	134.5
Equipment, tools, fixtures and fittings	76.9	54.0	96.3
Construction in progress	33.4	59.2	29.6
Right-of-use assets	400.6	101.9	430.2
	905.8	536.1	888.9
Deferred tax asset	28.9	55.5	24.3
Total non-current assets	3,002.9	2,651.8	2,961.1
Current assets			
Inventories			
Raw materials and consumables	606.7	609.2	628.1
Work in progress	149.3	128.6	123.9
Finished products and merchandise	401.3	325.8	358.5
	1,157.3	1,063.6	1,110.5
Current receivables			
Trade receivables	986.9	726.4	673.1
Current tax assets	38.3	44.5	27.8
Other receivables	84.2	55.3	98.6
Prepaid expenses and accrued income	43.4	42.1	42.1
	1,152.8	868.4	841.6
Cash and cash equivalents			
Cash on hand and demand deposits	416.6	628.5	498.8
Total current assets	2,726.7	2,560.5	2,451.0
Total assets	5,729.6	5,212.3	5,412.0
Equity and liabilities			
Equity			
Share capital	65.5	65.5	65.5
Other contributed capital	781.3	781.3	781.3
Reserves	434.7	235.0	288.0
Retained earnings, incl. net profit for the year	2,296.2	1,957.7	2,153.5
Total equity	3,577.7	3,039.5	3,288.3
Non-current liabilities			
Provisions for pensions and similar obligations	204.3	250.3	196.9
Deferred tax liability	194.2	237.3	213.4
Other provisions	94.2	50.5	61.0
Lease liability	375.9	87.1	399.0
Liabilities to credit institutions	449.1	782.1	576.0
Other non-current liabilities	23.9	22.6	23.1
Total non-current liabilities	1,341.7	1,429.9	1,469.3
Current liabilities			
Trade payables	414.4	389.1	323.3
Current tax liabilities	89.3	42.0	49.8
Other liabilities	35.2	81.1	39.2
Lease liability	47.5	22.3	49.1
Accrued expenses and deferred income	223.7	208.6	193.1
Total current liabilities	810.2	743.0	654.4
Total equity and liabilities	5,729.6	5,212.3	5,412.0

Consolidated changes in equity

SEK M	Jan–Jun 2023	Jan–Jun 2022	Full-year 2022
Opening equity according to balance sheet at December 31	3,288.3	2,793.5	2,793.5
Total comprehensive income for the period	427.0	371.2	619.8
Dividend	–137.5	–125.1	–125.0
Equity at end of period	3,577.7	3,039.5	3,288.3

Consolidated cash flow statement

SEK M	Jan–Jun 2023	Jan–Jun 2022	Full-year 2022
Operating activities			
Operating profit	398.9	295.7	527.2
Depreciation/amortization	75.2	55.7	136.3
Other items not affecting liquidity	34.0	15.8	45.1
Interest received, etc.	14.1	2.8	11.3
Interest paid	–25.6	–8.7	–24.3
Tax paid	–91.4	–56.7	–99.8
Cash flow before change in working capital	405.3	304.5	595.8
Decrease/increase (–) in inventories	26.8	–168.1	–201.4
Decrease/increase (–) in trade receivables	–250.5	–140.3	–83.3
Decrease/increase (–) in other current receivables	21.1	–25.4	–65.0
Increase/decrease (–) in trade payables	54.1	122.0	54.6
Increase/decrease (–) in other current liabilities	16.9	33.2	11.9
Cash flow from operating activities	273.9	126.0	312.6
Investing activities			
Investments in intangible assets	–3.2	–0.5	–4.6
Investments in property, plant and equipment	–62.1	–78.1	–113.5
Sale of property, plant and equipment	—	33.5	—
Net settlements, business combinations	—	–4.2	—
Cash flow from investing activities	–65.3	–49.2	–118.1
Financing activities			
Repayment of loans	–138.0	—	–212.5
Loans raised and changes to existing loans	0.6	4.2	1.3
Amortization of lease liability	–25.2	–9.5	–41.7
Dividend paid	–137.5	–125.1	–125.0
Cash flow from financing activities	–300.1	–130.4	–377.9
Cash flow for the year	–91.5	–53.6	–183.5
Cash and cash equivalents at start of year	498.8	667.4	667.4
Translation difference, cash and cash equivalents	9.3	14.7	14.9
Cash and cash equivalents at year-end	416.6	628.5	498.8
Unutilized overdraft facilities	100.0	100.0	100.0
Total cash and cash equivalents available	516.6	728.5	598.8

Parent Company income statement

SEK M	Jan–Jun 2023	Jan–Jun 2022	Full-year 2022
Net sales	—	3.9	56.7
Operating expenses	–38.6	–31.5	–60.3
Operating loss	–38.6	–27.6	–3.6
Net financial items	7.3	–0.4	–7.0
Loss after financial items	–31.3	–28.0	–10.6
Appropriations	—	—	18.5
Tax	—	—	–1.2
Profit/loss for the period	–31.3	–28.0	6.7

Parent Company balance sheet

SEK M	Jun. 30, 2023	Jun. 30, 2022	Dec. 31, 2022
Property, plant and equipment	1.2	1.8	1.3
Financial assets	1,994.4	2,092.7	2,016.7
Total non-current assets	1,995.6	2,094.5	2,018.0
Receivables	174.8	176.4	329.8
Cash on hand and demand deposits	255.7	474.0	277.5
Total current assets	430.5	650.4	607.3
Total assets	2,426.1	2,744.9	2,625.3
Equity	1,249.0	1,389.8	1,417.8
Untaxed reserves	18.8	21.8	18.8
Provisions	16.4	15.2	15.4
Non-current liabilities	448.5	182.1	575.5
Current liabilities	693.4	536.0	597.8
Total equity and liabilities	2,426.1	2,144.9	2,625.3

Key figures for Group

SEK M	Jan–Jun 2023	Jan–Jun 2022	Full-year 2022
Operating margin (EBITA), %	14.6	13.5	12.2
Operating margin (EBIT), %	14.0	12.9	11.5
Profit margin (ROS), %	12.7	12.2	10.7
Return on equity (ROE), %	15.9	14.3	11.4
Return on capital employed (ROCE), %	17.5	14.6	11.6
Equity/assets ratio, %	62.4	58.7	60.8
Interest-bearing net debt/EBITDA	0.84	0.87	1.09
Equity per share outstanding at end of period, SEK	143.09	121.56	131.51
Cash flow from operating activities, per average share outstanding, SEK	10.95	5.04	12.46
Profit per average share outstanding during the period, SEK	11.21	8.60	14.73
Share price at end of period, SEK	182.0	117.0	140.0
Number of employees, average	1,834	1,739	1,731
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

Alternative performance measures

ORGANIC GROWTH

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

SEK M	Jan–Jun 2023	Q2 2023	Jan–Jun 2022	Q2 2022	Full-year 2022
Group					
Net sales	2,850.1	1,450.2	2,296.9	1,141.3	4,580.0
Acquired volume	—	—	–36.4	–15.0	–78.0
Currency effect	–156.0	–78.6	–178.4	–105.2	–407.7
Net sales excluding acquisitions and currencies	2,694.1	1,371.6	2,082.1	1,021.1	4,094.2
Actual organic growth	397.2	230.3	255.1	95.6	483.0
Organic growth, %	17.3	20.2	14.0	10.3	13.4
Truck & Trailer Equipment					
Net sales	933.6	437.9	823.1	388.3	1,628.8
Currency effect	–44.6	–24.3	–31.4	–15.4	–76.6
Net sales excluding acquisitions and currencies	889.1	413.6	791.7	372.9	1,552.1
Actual organic growth	65.9	25.3	95.1	23.7	224.2
Organic growth, %	8.0	6.5	13.7	6.8	16.9
Mobile Thermal Solutions					
Net sales	1,531.2	820.4	1,126.6	574.6	2,234.5
Currency effect	–76.7	–36.0	–118.9	–69.4	–260.7
Net sales excluding acquisitions and currencies	1,454.5	784.5	1,007.7	505.2	1,973.8
Actual organic growth	327.9	209.9	125.7	53.5	211.1
Organic growth, %	29.1	36.5	14.3	11.8	12.0
Ringfeder Power Transmission					
Net sales	385.2	191.9	347.2	178.3	716.7
Acquired volume	—	—	–36.4	–15.0	–78.0
Currency effect	–34.7	–18.3	–28.2	–20.4	–70.4
Net sales excluding acquisitions and currencies	350.5	173.5	282.6	142.9	568.3
Actual organic growth	3.3	–4.8	34.3	18.4	47.8
Organic growth, %	1.0	–2.7	13.8	14.8	9.2

Operating profit (EBITDA)

Operating profit before depreciation/amortization and impairment.

Group, SEK M	Jan–Jun 2023	Q2 2023	Jan–Jun 2022	Q2 2022	Full-year 2022
Operating profit (EBIT)	398.9	204.1	295.7	139.2	527.2
Depreciation/amortization	75.2	38.1	55.7	28.5	136.3
Operating profit (EBITDA)	474.2	242.2	351.3	167.7	663.6

Operating margin (EBITDA)

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

Group, SEK M	Jan–Jun 2023	Q2 2023	Jan–Jun 2022	Q2 2022	Full-year 2022
Net sales	2,850.1	1,450.2	2,296.9	1,141.3	4,580.0
Operating profit (EBIT)	398.9	204.1	295.7	139.2	527.2
Depreciation/amortization	75.2	38.1	55.7	28.5	136.3
Operating margin (EBITDA), %	16.6	16.7	15.3	14.7	14.5

Operating profit (EBITA)

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

Group, SEK M	Jan–Jun 2023	Q2 2023	Jan–Jun 2022	Q2 2022	Full-year 2022
Operating profit (EBIT)	398.9	204.1	295.7	139.2	527.2
Amortization of intangible assets	15.9	8.1	15.5	7.9	30.3
Operating profit (EBITA)	414.8	212.2	311.2	147.1	557.5

Operating margin (EBITA)

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

Group, SEK M	Jan–Jun 2023	Q2 2023	Jan–Jun 2022	Q2 2022	Full-year 2022
Net sales	2,850.1	1,450.2	2,296.9	1,141.3	4,580.0
Operating profit (EBIT)	398.9	204.1	295.7	139.2	527.2
Amortization of intangible assets	15.9	8.1	15.5	7.9	30.3
Operating margin (EBITA), %	14.6	14.6	13.5	12.9	12.2

Gross profit margin

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

Group, SEK M	Jan–Jun 2023	Q2 2023	Jan–Jun 2022	Q2 2022	Full-year 2022
Net sales	2,850.1	1,450.2	2,296.9	1,141.3	4,580.0
Gross profit	884.1	456.9	696.0	334.4	1,347.3
Gross profit margin, %	31.0	31.5	30.3	29.3	29.4

Profit margin

Profit after financial items as a percentage of net sales.

Group, SEK M	Jan–Jun 2023	Q2 2023	Jan–Jun 2022	Q2 2022	Full-year 2022
Net sales	2,850.1	1,450.2	2,296.9	1,141.3	4,580.0
Profit after financial items	361.6	181.2	280.8	132.9	487.8
Profit margin, %	12.7	12.5	12.2	11.6	10.7

Interest-bearing net debt

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

Group, SEK M	Jan–Jun 2023	Q2 2023	Jan–Jun 2022	Q2 2022	Full-year 2022
Provisions for pensions	204.3		250.3		196.9
Loans	449.1		782.1		576.0
Lease liability	423.4		109.4		448.0
Bank balances	–416.6		–628.5		–498.8
Interest-bearing net debt	660.3	n/a	513.3	n/a	722.1

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 2023	Q2 2023	Jan–Jun 2022	Q2 2022	Full-year 2022
Interest-bearing net debt	660.3		513.3		722.1
EBITDA, rolling 4 quarter	786.4		589.2		663.6
Interest-bearing net debt/EBITDA	0.84	n/a	0.87	n/a	1.09

ROOC BY DIVISION

EBITDA as a percentage of operating capital as below.

Group, SEK M	Jan–Jun 2023	Jan–Jun 2022	Full-year 2022
Group			
Inventories	1,157.3	1,063.6	1,110.5
Trade receivables	986.9	726.4	673.1
Trade payables	–414.4	–389.1	–323.3
Working capital	1,729.8	1,401.0	1,460.3
Property, plant and equipment	905.8	536.1	888.9
Operating capital	2,635.6	1,937.1	2,349.2
EBITDA, rolling 12 months	786.4	589.2	663.6
Average operating capital, four quarter	2,434.5	1,702.9	2,108.8
ROOC, %	32.3	34.6	31.5
Truck & Trailer Equipment			
Inventories	268.4	277.8	258.4
Trade receivables	275.5	231.3	219.4
Trade payables	–100.1	–99.7	–79.8
Working capital	443.8	409.3	398.1
Property, plant and equipment	220.7	195.2	201.7
Operating capital	664.5	604.5	599.8
EBITDA, rolling 12 months	381.0	293.4	341.3
Average operating capital, four quarter	616.7	546.4	595.6
ROOC, %	61.8	53.7	57.3
Mobile Thermal Solutions			
Inventories	659.7	622.3	671.5
Trade receivables	553.7	372.5	329.0
Trade payables	–269.8	–256.1	–214.9
Working capital	943.6	738.7	785.6
Property, plant and equipment	524.7	202.6	542.1
Operating capital	1,468.3	941.3	1,327.7
EBITDA, rolling 12 months	302.0	197.7	212.5
Average operating capital, four quarter	1,368.5	809.0	1,112.8
ROOC, %	22.1	24.4	19.1
Ringfeder Power Transmission			
Inventories	229.2	163.5	180.6
Trade receivables	157.7	122.7	124.7
Trade payables	–30.4	–21.4	–21.5
Working capital	356.4	264.8	283.8
Property, plant and equipment	158.5	134.5	142.6
Operating capital	514.9	399.3	426.3
EBITDA, rolling 12 months	132.7	114.9	129.8
Average operating capital, four quarter	453.6	348.6	403.5
ROOC, %	29.3	33.0	32.2

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