

Q3

VBG GROUP INTERIM REPORT
JANUARY–SEPTEMBER 2022

SALES, SEK M

1,092

OPERATING PROFIT (EBITA), SEK M

112

Interim report

Third quarter of 2022

- Consolidated sales increased by 28.7% to **SEK 1,091.6 M** (848.3).
- Adjusted for exchange rate changes and acquired volume between the years, organic growth was **14.1%**.
- Mobile Climate Control incurred costs of **SEK 12.6 M** in conjunction with relocating the US production facility.
- Operating profit (EBITA) amounted to **SEK 111.7 M** (117.6).
- The operating margin (EBITA) was **10.2%** (13.9).
- Profit after financial items amounted to **SEK 101.4 M** (107.4).
- Earnings per share amounted to **SEK 2.51** (3.29).

Nine months 2022

- Consolidated sales increased by 26.7% to **SEK 3,388.5 M** (2,675.2).
- 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 costs pertaining to the relocation (SEK 24.4 M) had a negative impact on operating profit (EBITA) of **SEK 5.6 M**.
- Operating profit (EBITA) increased to **SEK 422.8 M** (404.7).
- The operating margin (EBITA) was **12.5%** (15.1).
- Profit after financial items increased to **SEK 382.2 M** (369.8).
- Earnings per share amounted to **SEK 11.10** (11.16).

KEY FIGURES

Group, SEK M	Q3 2022	Q3 2021	9 months 2022	9 months 2021	Rolling 12 mos.	Full-year 2021
Net sales	1,091.6	848.3	3,388.5	2,675.2	4,324.5	3,611.2
Operating profit before depreciation/amortization (EBITDA)	149.9	137.0	501.3	461.6	602.1	562.4
Operating profit before amortization (EBITA)	111.7	117.6	422.8	404.7	502.2	484.1
Operating profit (EBIT)	104.6	110.5	400.3	383.9	472.4	456.0
Operating profit after financial items (EBT)	101.4	107.4	382.2	369.8	453.8	441.4
Profit after tax	62.7	82.2	277.6	279.1	335.6	337.1
Earnings per share, SEK	2.51	3.29	11.10	11.16	13.42	13.48
Cash flow from operating activities	18.3	58.8	144.3	150.2	266.5	187.3
ROE (cumulative), %	12.4	14.1	12.4	14.1	10.5	12.2
ROCE (cumulative), %	12.8	13.5	12.8	13.5	11.4	12.2
Equity/assets ratio, %	56.1	61.3	56.1	61.3	53.6	59.9
Interest-bearing net debt/EBITDA	n/a	n/a	1.37	0.52	n/a	0.81
Average number of employees	1,712	1,575	1,712	1,575	1,737	1,600
Number of shares outstanding ('000)	25,004	25,004	25,004	25,004	25,004	25,004

**Creating
a safer
society**

This is the VBG Group

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.

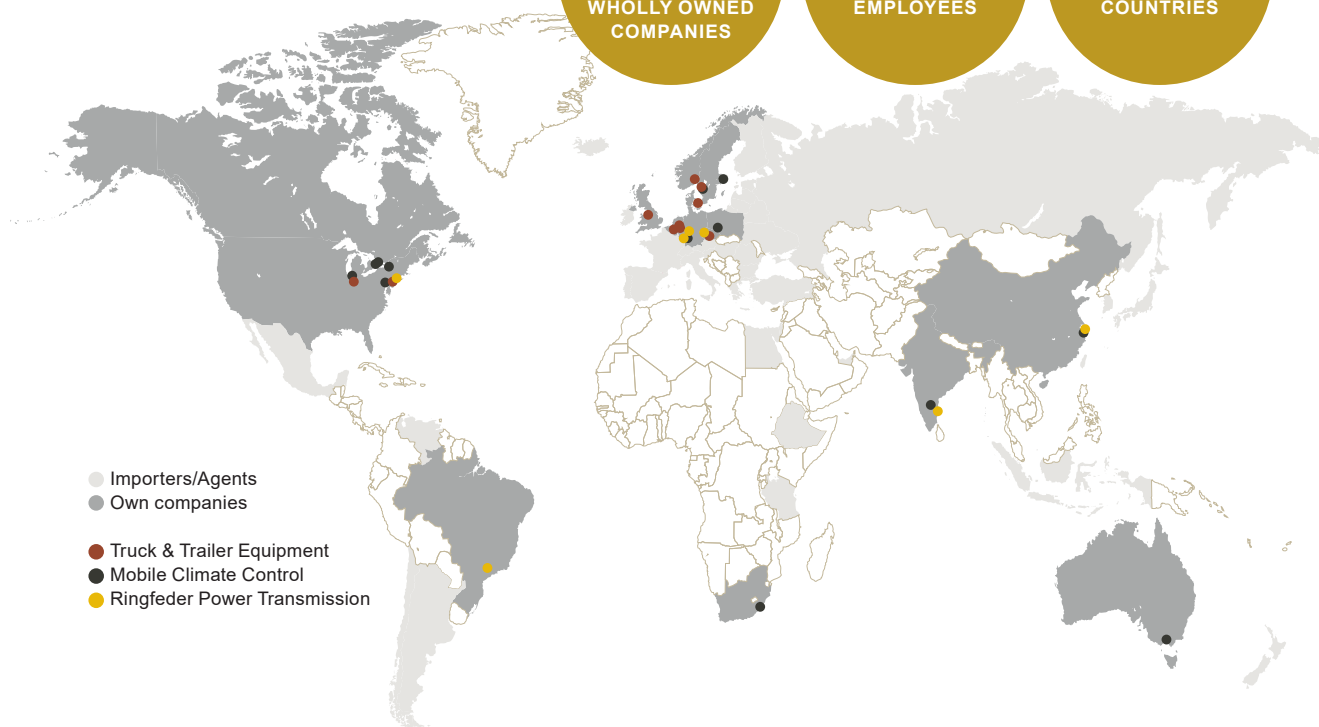
VBG Group third quarter

GLOBAL PRESENCE

34
WHOLLY OWNED
COMPANIES

1,712
EMPLOYEES

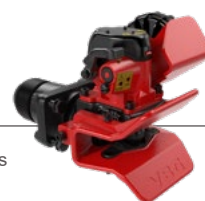
17
COUNTRIES



OUR DIVISIONS

TRUCK & TRAILER EQUIPMENT

Sales	Operating profit (EBITA)	Operating margin (EBITA)	Average no. of employees
SEK 362 M	SEK 53 M	15%	393



MOBILE CLIMATE CONTROL

Sales	Operating profit (EBITA)	Operating margin (EBITA)	Average no. of employees
SEK 549 M	SEK 42 M	8%	934



RINGFEDER POWER TRANSMISSION

Sales	Operating profit (EBITA)	Operating margin (EBITA)	Average no. of employees
SEK 180 M	SEK 21 M	12%	376



Increased sales in the third quarter

In the third quarter of 2022, VBG Group's quarterly sales increased to SEK 1,091 M with EBITA of SEK 112 M. The high sales was attributable to high levels of demand for the Group's products in combination with favorable currency effects and price increases for our sales.

The global instability that marked the beginning of 2022 continued during the third quarter. The Group's supply chains were still affected by disruptions, unpredictability and a shortage of shipping capacity. The Group's EBITA margin of 10.2% (13.9) remained under pressure as a result, and was also impacted by increased inflation and continued price increases in the market.

Our divisions

Demand for the Group's products was strong across all divisions during the third quarter. Inflation continued to rise more than expected, which means that we will continue to see a lag in our price increases. Raw materials prices stabilized during the third quarter, but increased energy costs – primarily in Europe – in combination with high inflation globally means that the margins in all divisions were pushed downward.

Mobile Climate Control's bus operations reported a reduced operating margin, due in part to incoming price increases but also to costs for relocating the operations to Pennsylvania that the consolidation entailed. The relocation has now been completed, and at the end of the third quarter the bus operations had begun to catch up to the delays in delivery that the operations had been wrestling with since the pandemic. Our off-road business once again had a strong quarter, with robust profitability.

Sales for Ringfeder Power Transmission remained strong during the quarter, even though earnings for the division were weighed down by decreased sales in the US combined with an unfavorable product mix.

After a long period of restrictions, Truck & Trailer Equipment could once again hold physical meetings with customers, and took part in both the Elmia Truck Show in Sweden and IAA in Germany. Our customers were presented with new solutions that promote increased safety and sustainability. Increasing overhead and disruptions in the supply chain, both of which impacted production, had an adverse effect on the operating margin.



 We are
growing as
an industrial
Group

New sustainability targets

In addition to our long-term goals – growth and profitability – the Group now also has a third: sustainability.

The Board meeting in September adopted the Group's new sustainability targets for the period from 2023 to 2030. These targets are designed to support the UN Sustainable Development Goals and guide the Group toward long-term sustainable development.

VBG Group will reduce greenhouse gases by 50% (Scope 1 and 2) between 2023 and 2030 (reference year 2022). Working toward increased circularity and better use of resources is something we want to make clear. By 2030, we will reduce our hazardous waste by 50%, and the total amount of waste by 25%. Apart from this, we are raising our ambitions concerning diversity and inclusiveness, as well as keeping our already ambitious goals concerning ethics and safety.

The new goals are an increase in the Group's overall ambitions. In the third quarter, we implemented additional training initiatives in order to boost our employees' competence in sustainability. These included initiating a partnership with University West to further expand our understanding of sustainability in industrial production – a prime example of how Swedish academia and industry can collaborate to achieve change.

Acquisitions

The Group furthered its efforts around acquisitions in the third quarter. In addition to re-working the acquisition process, the Group acquired the assets and liabilities of Tüschén und Zimmermann's industrial brake business. The purchase price totaled EUR 1.3 M, and the business will be incorporated into the Ringfeder Power Transmission division.

Tüschén und Zimmermann manufactures unique braking systems that promote safer working conditions in the mining industry.

For VBG Group, this acquisition is a small one financially but an important one strategically. With this acquisition, the division gains access to products that are an excellent complement to its current product range, strengthens its customer offering, and offers synergy effects in production and sales.

The acquisition is well suited to our goal of growing as an industrial group, and the products are fully in line with our ambition of creating a safer society.

The future

In summing up the third quarter, I can state that inflation has been higher than we expected. All our divisions are working hard at implementing price increases and offsetting reduced gross margins and rising fixed costs.

One positive aspect of the future is that, at the end of the quarter, we saw a decrease in delays on deliveries and we could reduce the inefficiency we have experienced in our supply chains ever since the pandemic.

We are seeing a continued strong demand for our products. New orders increased by 34% in the first nine months of 2022 compared with the year-earlier period.

After the end of the reporting period, I announced that I was stepping down as President and CEO and going into retirement. I am incredibly proud of VBG Group's performance during my 22 years with the Group. We now have a stable platform for continued sustainable and profitable growth. After the end of the year, I will be pleased to hand over control to my successor, Anders Erkén.

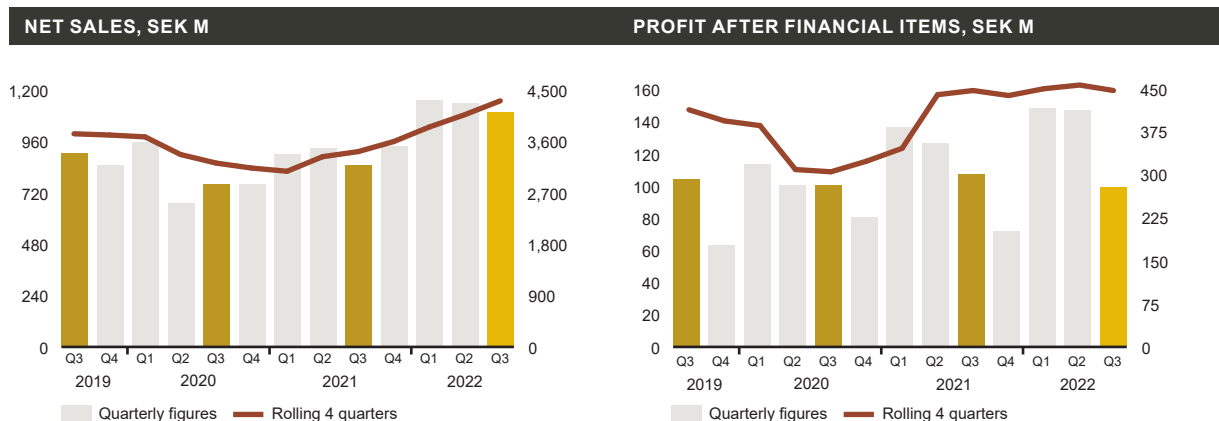


Anders Birgersson
President and CEO, VBG Group

Group trend

SALES/EARNINGS													
SEK M	9 months 2022	Q3 2022	Q2 2022	Q1 2022	Rolling 12 mos.	Full-year 2021	Q4 2021	9 months 2021	Q3 2021	Q2 2021	Q1 2021	Full-year 2020	Q4 2020
Net sales	3,388.5	1,091.6	1,141.3	1,155.5	4,324.5	3,611.2	936.0	2,675.2	848.3	925.5	901.4	3,147.2	759.9
Operating profit before depreciation/amortization (EBITDA)	501.3	149.9	167.7	183.6	602.1	562.4	100.8	461.6	137.0	156.4	168.2	462.5	114.0
Operating profit before amortization (EBITA)	422.8	111.7	147.1	164.1	502.2	484.1	79.4	404.7	117.6	137.5	149.6	385.5	94.1
Operating margin (EBITA), %	12.5	10.2	12.9	14.2	11.6	13.4	8.5	15.1	13.9	14.9	16.6	12.3	12.4
Operating profit (EBIT)	400.3	104.6	139.2	156.4	472.4	456.0	72.1	383.9	110.5	130.6	142.8	353.4	86.2
Operating margin (EBIT), %	11.8	9.6	12.2	13.5	10.9	12.6	7.7	14.3	13.0	14.1	15.8	11.2	11.3
Operating profit after financial items (EBT)	382.2	101.4	132.9	147.9	453.8	441.4	71.6	369.8	107.4	126.5	135.9	326.5	80.4
Profit after tax	277.6	62.7	100.5	114.4	335.6	337.1	58.0	279.1	82.2	93.8	103.1	226.7	50.9
Earnings per share, SEK	11.10	2.51	4.02	4.58	13.42	13.48	2.32	11.16	3.29	3.75	4.12	9.07	2.04
Cash flow from operating activities	144.3	18.3	46.3	79.7	181.4	187.3	37.1	150.2	58.8	32.4	59.0	446.2	139.1
ROE (cumulative), %	12.4	12.4	14.3	15.9	12.4	12.2	12.2	14.1	14.1	14.8	16.1	9.0	9.0
ROCE (cumulative), %	12.8	12.8	14.7	15.3	12.7	12.2	12.2	13.5	13.5	14.8	15.4	9.8	9.8
Equity/assets ratio, %	56.1	56.1	58.7	59.3	54.4	59.9	59.9	61.3	61.3	57.9	58.4	58.7	58.7

SALES BY MARKET													
SEK M	9 months 2022	Q3 2022	Q2 2022	Q1 2022	Rolling 12 mos.	Full-year 2021	Q4 2021	9 months 2021	Q3 2021	Q2 2021	Q1 2021	Full-year 2020	Q4 2020
Sweden	240.6	64.9	87.5	88.1	317.2	285.7	76.7	209.0	54.4	74.0	80.6	240.2	68.6
Other Nordic countries	188.6	60.2	62.8	65.7	247.0	212.6	58.4	154.3	45.6	53.0	55.7	174.0	46.3
Germany	442.8	136.9	146.0	159.9	580.5	535.9	137.7	398.3	123.3	141.2	133.8	409.3	101.7
Other European countries	572.0	179.8	186.5	205.7	708.3	597.5	136.3	461.2	141.0	164.9	155.3	468.1	118.3
North America	1,506.5	498.4	503.8	504.4	1,905.5	1,551.2	399.0	1,152.2	381.3	379.3	391.7	1,573.6	353.2
Brazil	91.6	30.9	34.7	26.1	118.6	89.0	27.0	62.0	25.1	18.2	18.7	79.6	23.4
Australia/New Zealand	78.8	22.6	29.0	27.3	105.4	108.6	26.6	82.0	24.4	30.2	27.4	103.3	24.9
China	44.2	20.5	12.9	10.8	62.5	48.8	18.3	30.5	10.7	13.5	6.3	30.1	8.8
Rest of world	223.5	77.5	78.2	67.7	279.6	181.9	56.1	125.8	42.5	51.4	31.9	68.8	14.8
Group	3,388.5	1,091.6	1,141.3	1,155.5	4,324.5	3,611.2	936.0	2,675.2	848.3	925.5	901.4	3,147.2	759.9



Sales and earnings

Third quarter of 2022

Sales increased to SEK 1,091.6 M (848.3) and were 28.7% higher compared with the third quarter of 2021. Adjusted for currency effects and acquired volume, organic growth was 14.1%.

All divisions were marked by high levels of sales in the third quarter of 2022. Truck & Trailer Equipment increased its sales by 23.3% adjusted for currency effects. Mobile Climate Control's sales increased by 10.8% adjusted for currency effects. For Ringfeder Power Transmission, sales increased by 5.6% adjusted for currency effects and acquired volume.

Consolidated operating profit (EBITA) amounted to SEK 111.7 M (117.6), including costs of SEK 12.6 M pertaining to relocating operations, corresponding to an operating margin of 10.2% (13.9). Truck & Trailer Equipment's operating margin (EBITA) totaled 14.5% (14.8). Despite significant sales, the operating margin decreased as a result of higher raw material prices and disruptions in the supply chain. Mobile Climate Control's operating margin (EBITA) was 7.7% (11.5). The operating margin was adversely affected not only by the costs incurred for relocating production in the third quarter, but also by cost increases for raw materials and shipping as well as costs related to disruptions in the supply chain.

During the third quarter, Mobile Climate Control incurred costs of SEK 12.6 M related to relocation of the bus operations from Indiana to Pennsylvania in the US. Mobile Climate Control has now completed the relocation of production, and it is estimated that it will not need to incur further costs for relocating the operations.

Ringfeder Power Transmission's operating margin (EBITA) decreased to 11.8% (21.8) 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 in the third quarter proceeded in accordance with plans, and is expected to be completed in the fourth quarter of 2022. Carlyle Johnson Machine's sales performance is nowhere near expected levels, which resulted in extremely low profitability. Measures to address the sales performance have been initiated. Total consolidated operating profit (EBITA), including costs of SEK 12.6 M for relocating the MCC production facility, decreased by 5.1% compared to the third quarter of 2021.

The consolidated net interest expense for the third quarter was SEK 6.3 M (expense: 3.7) and the quarter's currency effect on foreign-currency denominated financial liabilities was SEK 2.3 M (1.0). Other financial expenses amounted to SEK 0.9 M (expense: 0.4). Operating profit after financial items amounted to SEK 101.4 M (107.4), and operating profit after tax totaled SEK 62.7 M (82.2). Earnings per share totaled SEK 2.51 (3.29).

Nine months 2022

Sales totaled SEK 3,388.5 M (2,675.2) and were 26.7% higher than in the first nine months of 2021. Adjusted for currency effects between the periods, organic volume growth was 14.0%. Operating profit (EBITA) amounted to SEK 422.8 M (404.7), corresponding to an operating margin (EBITA) of 12.5% (15.1). Earnings for the nine-month period were charged a total of SEK 24.4 M in 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 during the second quarter.

Consolidated net interest expense for the first nine months of the year was SEK 14.2 M (expense: 8.1) and the currency effect on foreign-currency denominated assets was a negative SEK 4.4 M (neg: 4.1). Taken together, this resulted in a net financial expense of SEK 18.0 M (expense: 14.0). Accordingly, profit after financial items was SEK 382.2 M (369.8), profit after tax totaled SEK 277.6 M (279.1) and earnings per share amounted to SEK 11.10 (11.16).

Capital expenditures

The Group's new capital expenditures for the third quarter amounted to SEK 308.6 M (37.7). Total new capital expenditures for the first nine months of the year amounted to SEK 372.0 M (66.8). The higher level of investments comes from new leases of property in the US under IFRS 16 totaling SEK 276.3 M, which impact only the balance sheet, and investments in the new Climate Control production facility in the US. Depreciation/amortization for the third quarter totaled SEK 45.3 M (26.5) and depreciations for the first nine months of the year totaled SEK 101.0 M (77.7).

Financial position

Profit after tax for the period amounted to SEK 277.6 M (279.1) and other comprehensive income pertaining to translation differences in foreign currencies, and restatement of pension plans, that were entered directly against other comprehensive income totaled SEK 210.2 M (67.4), which resulted in comprehensive income of SEK 487.8 M (346.5). Dividends paid totaled SEK 125.0 M (112.5). Accordingly, consolidated equity increased to SEK 3,156.0 M during the period (2,793.5 at year-end).

The equity/assets ratio decreased during the period to 56.1% (59.9 at year-end) as a result of a new lease under IFRS 16, pertaining to the property in York, Pennsylvania, totaling SEK 276.3 M. Cash and cash equivalents including currency effects decreased by SEK 57.6 M during the period. Cash and cash equivalents totaled SEK 609.8 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 at the end of September the Group had available liquidity of SEK 709.8 M (767.4 at year-end).

Consolidated interest-bearing net debt increased SEK 370.7 M in the first nine months of the year, totaling SEK 826.2 M at the end of the period (455.5 at year-end). The increase is a result of new leases totaling SEK 276.3 M under IFRS 16 pertaining to the property in York, Pennsylvania.

The ratio of consolidated interest-bearing net debt to equity was 0.26 at September 30, 2022 (0.16 at year-end) and the ratio of interest-bearing net debt to consolidated operating profit before depreciation/amortization and impairment (EBITDA on a rolling four-quarter basis) was 1.37 (0.81 at year-end).

Consolidated goodwill increased by SEK 60.0 M as a result of currency effects and amounted at the end of the period to SEK 1,229.8 M (1,169.8 at year-end), which in relation to equity amounted to a ratio of 0.39 (0.42 at year-end).

Covid-19

The Group did not receive any direct support pertaining to covid-19 in the third quarter. In total, no support (SEK 11.2 M) pertaining to covid-19 was received during the first nine months of 2022.

Cash flow

Cash flow from operating activities declined, compared to the year-earlier period, to SEK 144.3 M (150.2). The decrease is attributable primarily to increased inventory and increased trade receivables. Investments made during the period totaled SEK 62.0 M (69.6). During the second quarter, the property in Indiana where Mobile Climate Control conducted its US operations was sold for SEK 33.5 M. Consolidated total borrowings and lease liabilities decreased during the first nine months of the year by SEK 36.4 M (decrease: 236.2) and the dividend totaled SEK 125.0 M (112.5), which means that cash flow for the period totaled negative SEK 79.1 M (neg: 268.1).

Personnel

At September 30 2022, there were 1,708 employees in the VBG Group (1,714 at year-end), including 229 (219) in Sweden. During the first nine months of 2022, the Group employed an average of 1,712 persons (1,575 during the year-earlier period). Of these, 229 (230) were active in Sweden. The cost of salaries and social security contributions in the first nine months totaled SEK 805.3 M (642.6). Carlyle Johnson Machine is not included in the comparison period.

Per share data

Earnings per share amounted to SEK 11.10 (11.16). Equity per share was SEK 126.2 at September 30, 2022, compared with SEK 109.35 at the same date last year.

At the end of the quarter, the share price was SEK 118.00, which corresponds to a market capitalization of SEK 2,950 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 increased by 406 in the third quarter and amounted to 6,559 (5,831 at year-end).



THIRD QUARTER OF 2022

- Sales increased 29.0% to **SEK 362.4 M** (281.0).
- Adjusted for exchange rate changes between the years, organic growth was **23.3%**.
- Operating profit (EBITA) increased to **SEK 52.6 M** (41.7), with an operating margin (EBITA) of 14.5% (14.8).

NINE MONTHS 2022

- Sales increased 21.3% to **SEK 1,185.5 M** (977.6).
- Adjusted for exchange rate changes between the years, organic growth was **16.4%**.
- Operating profit (EBITA) amounted to **SEK 215.1 M** (196.5), with an operating margin (EBITA) of 18.1% (20.1).

SALES/EARNINGS													
SEK M	9 months 2022	Q3 2022	Q2 2022	Q1 2022	Rolling 12 mos.	Full-year 2021	Q4 2021	9 months 2021	Q3 2021	Q2 2021	Q1 2021	Full-year 2020	Q4 2020
Net sales	1,185.5	362.4	388.3	434.8	1,535.9	1,327.9	350.3	977.6	281.0	349.3	347.4	1,054.3	291.2
Operating profit (EBITDA)	242.4	61.5	79.4	101.5	305.5	282.2	63.1	219.1	49.4	79.1	90.5	223.5	68.1
Operating profit (EBITA)	215.1	52.6	69.1	93.4	270.0	251.4	54.9	196.5	41.7	71.4	83.4	194.8	60.1
Operating margin (EBITA), %	18.1	14.5	17.8	21.5	17.6	18.9	15.7	20.1	14.8	20.4	24.0	18.5	20.6
Operating profit (EBIT)	211.5	51.4	67.9	92.2	265.2	248.0	53.7	194.3	40.8	70.7	82.8	189.2	58.8
Operating margin (EBIT), %	17.8	14.2	17.5	21.2	17.3	18.7	15.3	19.9	14.5	20.2	23.8	17.9	20.2

SALES BY MARKET													
SEK M	9 months 2022	Q3 2022	Q2 2022	Q1 2022	Rolling 12 mos.	Full-year 2021	Q4 2021	9 months 2021	Q3 2021	Q2 2021	Q1 2021	Full-year 2020	Q4 2020
Sweden	201.4	52.2	72.9	76.2	266.7	240.1	65.3	174.7	44.5	61.1	69.1	203.9	60.2
Other Nordic countries	145.9	45.1	48.7	52.1	190.4	164.7	44.4	120.3	34.1	41.2	45.0	140.0	38.5
Germany	278.5	84.2	91.8	102.5	366.1	343.6	87.6	256.0	72.9	94.5	88.5	254.8	67.0
Other European countries	364.8	117.1	111.6	136.1	447.1	363.9	82.3	281.5	82.1	103.0	96.5	275.0	71.3
North America	94.9	34.2	25.2	35.5	130.8	92.1	35.9	56.2	20.2	14.6	21.4	90.3	29.6
Australia/New Zealand	64.9	19.0	24.5	21.4	88.3	87.1	23.3	63.8	18.8	24.7	20.4	68.1	18.5
China	3.2	1.2	1.9	0.1	4.3	1.6	1.1	0.5	0.4	0.0	0.0	0.0	0.0
Rest of world	31.9	9.4	11.7	10.9	42.2	34.9	10.3	24.6	8.0	10.2	6.4	22.2	6.0
Truck & Trailer Equipment	1,185.5	362.4	388.3	434.8	1,535.9	1,327.9	350.3	977.6	281.0	349.3	347.4	1,054.3	291.2

Sales and earnings

Third quarter of 2022

Sales for the quarter increased 29.0% year-on-year to SEK 362.4 M (281.0). Adjusted for exchange rate changes, where the average USD rate between the quarters strengthened 22.0% and the EUR – which is a more important currency for the division – strengthened 4.2%, organic growth was 23.3%.

Operating profit (EBITA) for Truck & Trailer Equipment increased year-on-year to SEK 52.6 M (41.7) in the third quarter, with an operating margin (EBITA) of 14.5% (14.8). 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.

Nine months 2022

Sales for the first nine months of the year increased 21.3% year-on-year to SEK 1,185.5 M (977.6). Adjusted for exchange rate changes, where the average USD rate between the periods strengthened 16.8% and the EUR – which is a more important currency for the division – strengthened 3.7%, organic growth was 16.4%. EBITA for Truck & Trailer Equipment increased year-on-year to SEK 215.1 M (196.5), with an EBITA margin that remained high at 18.1% (20.1). The comparison period for the preceding year was a strong one marked by high demand, high utilization of resources in production and a lower cost base after the pandemic.

During the first nine months of the year, the division's working capital increased SEK 69.1 M to SEK 396.7 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 196.1 M, operating capital amounted to SEK 592.8 M at the end of June (514.8 at year-end).

The division's return on operating capital (ROOC) was 53.2% (58.3 at year-end).

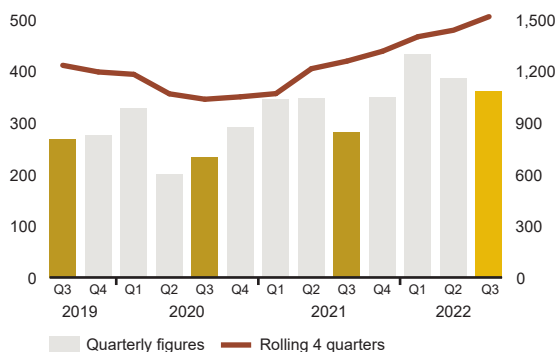
Capital expenditures and depreciation/amortization

Truck & Trailer Equipment's investments during the third quarter amounted to SEK 7.9 M (10.3). Total new capital expenditures for the first nine months of the year amounted to SEK 27.2 M (56.4). Depreciation/amortization for the third quarter totaled SEK 10.1 M (8.6) and totaled SEK 30.9 M (24.8) for the first nine months of the year.

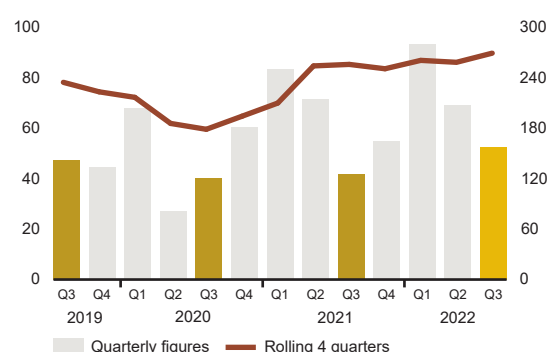
Personnel

At September 30, 2022, there were 388 employees in the division, compared with 376 employees at year-end. During the first nine months of the year, Truck & Trailer Equipment employed an average of 393 persons (375 during the year-earlier period). Personnel costs for the first nine months of the year amounted to SEK 224.1 M (202.5), resulting in a cost per employee of SEK 570.3 thousand (540.0).

NET SALES, SEK M



OPERATING PROFIT (EBITA), SEK M





THIRD QUARTER OF 2022

- Sales increased 27.6% to **SEK 549.1 M** (430.4).
- Adjusted for exchange rate changes between the years, organic growth was **10.8%**.
- Operating profit (EBITA) amounted to **SEK 42.2 M** (49.4), with an operating margin (EBITA) of 7.7% (11.5).
- **SEK 12.6 M** pertaining to the relocation of the US production facility was charged to earnings.

NINE MONTHS 2022

- Sales increased 27.7% to **SEK 1,675.7 M** (1,312.4).
- Adjusted for exchange rate changes between the years, organic growth was **13.2%**.
- Net profit from the sale of property (SEK 18.8 M) and costs pertaining to the relocation (SEK 24.4 M) had a negative impact on operating profit (EBITA) of **SEK 5.6 M**.
- Operating profit (EBITA) amounted to **SEK 146.5 M** (142.1), with an operating margin (EBITA) of 8.7% (10.8).

SALES/EARNINGS													
SEK M	9 months 2022	Q3 2022	Q2 2022	Q1 2022	Rolling 12 mos.	Full-year 2021	Q4 2021	9 months 2021	Q3 2021	Q2 2021	Q1 2021	Full-year 2020	Q4 2020
Net sales	1,675.7	549.1	574.6	552.0	2,126.1	1,762.7	450.3	1,312.4	430.4	451.7	430.3	1,617.7	357.8
EBITDA	184.3	67.4	62.8	54.1	208.2	188.2	24.0	164.2	56.8	56.4	51.0	156.9	27.0
EBITA	146.5	42.2	56.9	47.3	161.3	156.8	14.8	142.1	49.4	49.3	43.4	125.9	19.2
EBITA margin, %	8.7	7.7	9.9	8.6	7.6	8.9	3.3	10.8	11.5	10.9	10.1	7.8	5.4
Operating profit (EBIT)	131.1	37.1	51.8	42.2	140.7	136.2	9.6	126.6	44.2	44.1	38.3	104.5	13.9
Operating margin (EBIT), %	7.8	6.8	9.0	7.6	6.6	7.7	2.1	9.6	10.3	9.8	8.9	6.5	3.9

SALES BY MARKET													
SEK M	9 months 2022	Q3 2022	Q2 2022	Q1 2022	Rolling 12 mos.	Full-year 2021	Q4 2021	9 months 2021	Q3 2021	Q2 2021	Q1 2021	Full-year 2020	Q4 2020
Sweden	36.0	11.6	13.4	11.0	46.8	42.2	10.8	31.4	8.8	12.1	10.5	32.7	7.7
Other Nordic countries	40.4	14.2	13.3	12.9	53.0	44.1	12.6	31.4	10.5	10.9	9.9	30.6	7.0
Germany	20.7	6.4	7.5	6.8	26.8	21.4	6.1	15.3	5.1	5.7	4.5	19.4	4.0
Other European countries	152.6	44.9	55.7	52.0	194.7	177.6	42.1	135.5	43.4	47.6	44.5	141.2	35.6
North America	1,262.1	414.6	429.7	417.8	1,600.5	1,355.4	338.4	1,016.9	333.6	341.9	341.4	1,365.4	296.2
China	16.2	5.7	4.7	5.8	22.6	19.0	6.5	12.5	5.6	4.4	2.4	14.4	4.2
Rest of world	147.8	51.8	50.3	45.7	181.5	103.1	33.7	69.4	23.4	29.0	16.9	14.0	3.1
Mobile Climate Control	1,675.7	549.1	574.6	552.0	2,126.1	1,762.7	450.3	1,312.4	430.4	451.7	430.3	1,617.7	357.8

Sales and earnings

Third quarter of 2022

Sales for the third quarter increased 27.6% year-on-year to SEK 549.1 M (430.4), where North and South America represented the largest increases. Adjusted for exchange rate changes, where the average USD rate strengthened by 22.0% compared with the year-earlier period and CAD strengthened by 17.6%, organic growth was 10.8%. Operating profit (EBITA) for Mobile Climate Control totaled SEK 42.2 M (49.4) with the operating margin (EBITA) falling to 7.7% (11.5). 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 third quarter, Mobile Climate Control incurred costs of SEK 12.6 M related to relocation of the bus operations from Indiana to Pennsylvania in the US.

Nine months 2022

Mobile Climate Control reported an increase of 27.7% in sales in the first nine months of the year, compared with the year-earlier period, to SEK 1,675.7 M (1,312.4). Adjusted for exchange rate changes, where the average USD rate strengthened by 16.8% year-on-year in the first nine months of the year while the CAD strengthened by 13.8%, the actual organic growth was 13.2%. EBITA for Mobile Climate Control increased year-on-year to SEK 146.5 M (142.1) with an EBITA margin of 8.7% (10.8). 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 nine months of the year, Mobile Climate Control's earnings were charged SEK 24.4 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 nine months of the year, the division's working capital increased by SEK 314.3 M to SEK 891.0 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 477.6 M, operating capital amounted to SEK 1,368.6 M at the end of September (756.1 at year-end).

The division's return on operating capital (ROOC) for the period was 21.5% (27.0 at year-end).

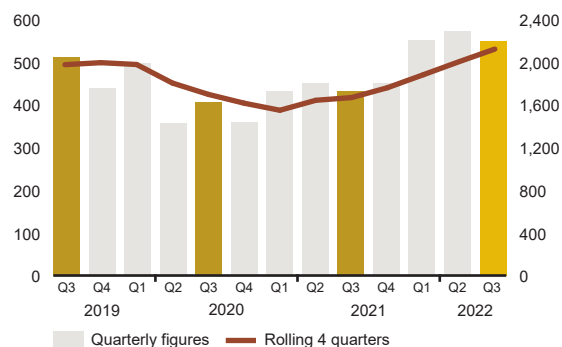
Capital expenditures and depreciation/amortization

Mobile Climate Control's investments during the third quarter amounted to SEK 297.8 M (1.7). Total new capital expenditures for the first nine months of the year amounted to SEK 335.6 M (3.2). The higher level of investments comes from leases of property in the US under IFRS 16 totaling SEK 276.3 M and investments in the new production facility in the US. Depreciation/amortization for the third quarter totaled SEK 30.3 M (12.7) and totaled SEK 53.2 M (37.6) for the first nine months of the year.

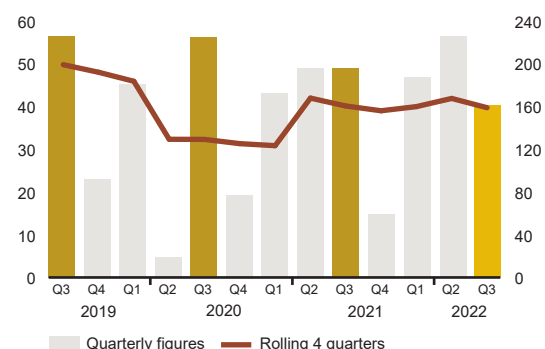
Personnel

At September 30, 2022, there were 937 employees in the division, compared with 939 employees at year-end. During the first nine months of the year, Mobile Climate Control employed an average of 934 persons (875 during the year-earlier period). Personnel costs for the first nine months of the year amounted to SEK 401.5 M (308.6), resulting in a cost per employee of SEK 429.9 thousand (352.7).

NET SALES, SEK M



OPERATING PROFIT (EBITA), SEK M





THIRD QUARTER OF 2022

- Sales increased 31.6% to **SEK 180.0 M** (136.8).
- Adjusted for exchange rate changes between the years, organic growth was **5.6%**.
- Operating profit (EBITA) amounted to **SEK 21.2 M** (29.8), with an operating margin (EBITA) of 11.8% (21.8).

NINE MONTHS 2022

- Sales increased 36.9% to **SEK 527.2 M** (385.2).
- Adjusted for exchange rate changes between the years, organic growth was **10.9%**.
- Operating profit (EBITA) amounted to **SEK 73.9 M** (79.3), with an operating margin (EBITA) of 14.0% (20.6).

SALES/EARNINGS													
SEK M	9 months 2022	Q3 2022	Q2 2022	Q1 2022	Rolling 12 mos.	Full-year 2021	Q4 2021	9 months 2021	Q3 2021	Q2 2021	Q1 2021	Full-year 2020	Q4 2020
Net sales	527.2	180.0	178.3	168.9	662.6	520.5	135.4	385.2	136.8	124.5	123.9	475.2	111.0
EBITDA	85.7	24.8	29.6	31.3	106.1	110.2	20.4	89.8	33.5	25.6	30.7	92.9	24.7
EBITA	73.9	21.2	25.6	27.2	90.9	96.3	17.0	79.3	29.8	22.3	27.3	78.0	21.1
EBITA margin, %	14.0	11.8	14.4	16.1	13.7	18.5	12.5	20.6	21.8	17.9	22.0	16.4	19.0
Operating profit (EBIT)	70.4	20.5	24.1	25.8	86.4	92.3	16.0	76.3	28.8	21.2	26.3	73.1	20.0
Operating margin (EBIT), %	13.4	11.4	13.5	15.3	13.0	17.7	11.8	19.8	21.0	17.1	21.2	15.4	18.0

SALES BY MARKET													
SEK M	9 months 2022	Q3 2022	Q2 2022	Q1 2022	Rolling 12 mos.	Full-year 2021	Q4 2021	9 months 2021	Q3 2021	Q2 2021	Q1 2021	Full-year 2020	Q4 2020
Sweden	3.2	1.1	1.2	0.9	3.7	3.4	0.5	2.9	1.0	0.8	1.0	3.6	0.7
Other Nordic countries	2.3	0.9	0.7	0.7	3.5	3.9	1.3	2.6	1.0	0.9	0.8	3.4	0.7
Germany	143.6	46.3	46.6	50.7	187.6	170.9	44.0	126.3	45.3	40.9	40.7	135.1	30.7
Other European countries	54.6	17.7	19.1	17.7	66.4	56.0	11.8	44.2	15.5	14.3	14.3	52.0	11.4
North America	149.5	49.6	48.9	51.0	174.1	103.7	24.6	79.1	27.4	22.8	28.9	117.9	27.4
Brazil	80.2	28.4	30.7	21.1	103.5	77.0	23.3	53.8	21.3	16.3	16.2	71.3	20.7
Australia/New Zealand	13.0	3.4	4.1	5.4	17.1	20.5	4.1	16.4	4.4	5.3	6.7	33.9	6.1
China	24.9	13.6	6.4	4.9	35.6	28.3	10.8	17.5	4.7	9.0	3.8	15.7	4.6
Rest of world	56.0	19.0	20.6	16.5	71.1	56.9	15.0	42.5	16.2	14.2	11.5	42.2	8.7
Ringfeder Power Transmission	527.2	180.0	178.3	168.9	662.6	520.5	135.4	385.2	136.8	124.5	123.9	475.2	111.0

Sales and earnings

Third quarter of 2022

Sales for the third quarter increased 31.6% year-on-year to SEK 180.0 M (136.8); adjusted for exchange rate changes and acquired volume – where the average USD rate strengthened 22.0%, the average BRL rate strengthened 21.4% and the EUR strengthened 4.2% – organic growth was 5.6%.

Operating profit (EBITA) for Ringfeder Power Transmission totaled SEK 21.2 M (29.8) and the operating margin (EBITA) totaled 11.8% (21.8). 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 in the third quarter proceeded in accordance with plans, and is expected to be completed in the fourth quarter of 2022. Carlyle Johnson Machine's sales performance is nowhere near expected levels, which resulted in extremely low profitability. Measures to address the sales performance have been initiated.

Nine months 2022

Sales for the first nine months of the year increased 36.9% year-on-year to SEK 527.2 M (385.2); adjusted for exchange rate changes and volume acquired – where the average USD rate strengthened by 16.8%, the BRL strengthened by 21.4%, and the EUR strengthened by 3.7% compared with the year-earlier period – actual organic growth was 10.9%.

EBITA for Ringfeder Power Transmission increased year-on-year to SEK 73.9 M (79.3) and the EBITA margin totaled 14.0% (20.6). 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 compared with the year-earlier period. Moreover, Carlyle Johnson

Machine contributed a much lower margin to the division than the division as a whole during the first nine months owing to sales performance that did not meet expectations. During the period, the division's working capital increased by SEK 66.3 M to SEK 282.9 M (216.6 at year-end). With the addition of property, plant and equipment of SEK 129.0 M, operating capital amounted to SEK 411.9 M at the end of September (332.9 at year-end).

The division's return on operating capital (ROOC) for the period was 27.9% (38.5 at year-end).

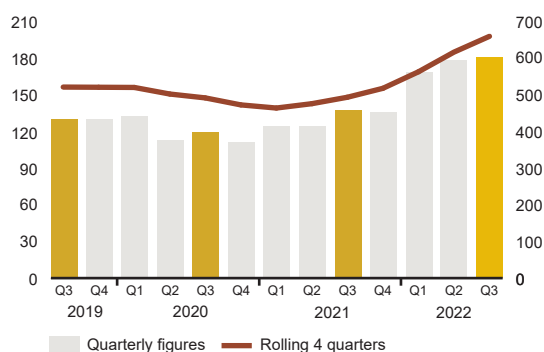
Capital expenditures and depreciation/amortization

Ringfeder Power Transmission's investments during the third quarter amounted to SEK 2.9 M (2.8). Total new capital expenditures for the first nine months of the year amounted to SEK 8.3 M (5.9). Depreciation/amortization for the third quarter totaled SEK 4.3 M (4.7) and totaled SEK 15.3 M (13.5) for the first nine months of the year.

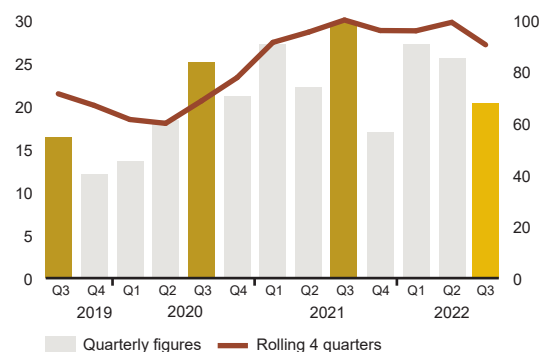
Personnel

At September 30, 2022, there were 374 employees in the division, compared with 390 employees at year-end. During the first nine months of the year, Ringfeder Power Transmission employed an average of 376 persons (315 during the year-earlier period). Personnel costs for the first nine months of the year amounted to SEK 155.3 M (105.4), resulting in a cost per employee of SEK 413.0 thousand (334.5). 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 5.8 M (5.8) during the period. Operating loss the first nine months of the year totaled SEK 39.6 M (loss: 35.3). Loss after dividends from Group companies, net financial items and tax totaled SEK 41.8 M (profit: 49.5).

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

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

After the close of the balance sheet date, Anders Birgersson announced his retirement. The Board of Directors has appointed Anders Erkén, currently the Deputy CEO of the Group and Division Manager of Truck & Trailer Equipment, as the new President and CEO beginning January 1, 2023.

The Board of Directors and President affirm that the quarterly 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, October 25, 2022
VBG Group AB (publ)

Anders Birgersson
President and CEO

This interim report has been subject for a review performed by the company's auditors.

For further information, please contact:

Anders Birgersson, President and CEO
Telephone: +46 521-27 77 67
E-mail: anders.birgersson@vbgroup.com

Fredrik Jignéus, CFO
Telephone: +46 521-27 77 53
E-mail: fredrik.jigneus@vbgroup.com

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. The information was submitted for publication in Swedish on 8:00 a.m. CEST on October 26, 2022.

Press releases issued in the third quarter of 2022

Interim report January–June 2022	July 20, 2022
VBG Group acquires	
Tüschen und Zimmermann	August 31, 2022
VBG Group adopts new sustainability targets	September 9, 2022

Review report

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

Introduction

We have reviewed the condensed interim financial information (the interim report) of VBG Group AB (publ) as of September 30, 2022 and the nine-month period then ended. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion regarding this interim report based on our review.

Aim and scope of review

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

The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit.

Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

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

Gothenburg, October 25, 2022
Ernst & Young AB

Andreas Mast
Authorized Public Accountant

Condensed consolidated income statement and statement of other comprehensive income

SEK M	Q3 2022	Q3 2021	Jan–Sep 2022	Jan–Sep 2021	Full-year 2021
Net sales	1,091.6	848.3	3,388.5	2,675.2	3,611.2
Cost of goods sold	–787.1	–573.2	–2,388.0	–1,771.2	–2,446.4
Gross profit	304.6	275.0	1,000.5	904.0	1,164.8
Selling expenses	–97.8	–77.8	–289.7	–230.8	–315.2
Administrative expenses	–81.4	–62.5	–244.7	–196.8	–269.3
Research and development costs	–33.2	–25.9	–99.9	–83.3	–110.0
Other operating income and expenses	12.4	1.7	34.0	–9.2	–14.3
	–200.0	–164.6	–600.3	–520.1	–708.8
Operating profit	104.6	110.5	400.3	383.9	456.0
Exchange rate effects, net	2.3	1.0	–4.4	–4.1	–1.9
Interest income	2.2	0.4	3.3	4.1	4.4
Interest expenses	–8.5	–4.1	–17.5	–12.2	–14.1
Other financial income and expenses	0.9	–0.4	0.6	–1.9	–2.9
Total financial items	–3.2	–3.1	–18.0	–14.0	–14.6
Profit after financial items	101.4	107.4	382.2	369.8	441.4
Income tax	–38.7	–25.2	–104.6	–90.7	–104.3
Profit for the period	62.7	82.2	277.6	279.1	337.1
Profit for the period attributable to Parent Company shareholders	62.7	82.2	277.6	279.1	337.1
Other comprehensive income					
Profit for the period	62.7	82.2	277.6	279.1	337.1
Items that will not be reversed in the income statement					
Effect of translation of defined-benefit pension plans, net after tax	3.6	—	12.1	—	–15.6
Items that may later be reversed in the income statement					
Translation differences pertaining to foreign operations	50.2	1.0	198.1	67.4	84.2
Other comprehensive income, net after tax	53.9	1.0	210.2	67.4	68.7
Comprehensive income for the period	116.6	83.2	487.8	346.5	405.9
Comprehensive income for the period attributable to Parent Company shareholders	116.6	83.2	487.8	346.5	405.9
Earnings per share before/after dilution, SEK	2.51	3.29	11.10	11.16	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
Q3 2022					
Net sales	362.4	549.1	180.0		1,091.6
Operating profit/loss	51.4	37.1	20.5	–4.4	104.6
Operating margin, %	14.2	6.8	11.4		9.6
Net financial items				–3.2	–3.2
Profit after financial items					101.4
Jan–Sep 2022					
Net sales	1,185.5	1,675.7	527.2		3,388.5
Operating profit/loss	211.5	131.1	70.4	–12.7	400.3
Operating margin, %	17.8	7.8	13.4		11.8
Net financial items				–17.3	–18.0
Profit after financial items					382.2
Q3 2021					
Net sales	281.0	430.4	136.8		848.3
Operating profit/loss	40.8	44.2	28.8	–3.3	110.5
Operating margin, %	14.5	10.3	21.0		13.0
Net financial items				–3.1	–3.1
Profit after financial items					107.4
Jan–Sep 2021					
Net sales	977.6	1,312.4	385.2		2,675.2
Operating profit/loss	194.3	126.6	76.3	–13.3	383.9
Operating margin, %	19.9	9.6	19.8		14.3
Net financial items				–14.0	–14.0
Profit after financial items					369.8

Consolidated Balance Sheet

SEK M	Sep. 30, 2022	Sep. 30, 2021	Dec. 31, 2021
Assets			
Non-current assets			
Intangible assets			
Brands, customer relationships and other intangible assets	821.0	771.2	839.2
Goodwill	1,229.8	1,115.8	1,169.8
	2,050.8	1,887.0	2,009.0
Property, plant and equipment			
Land and buildings	181.8	163.8	180.3
Plant and machinery	131.2	139.6	137.3
Equipment, tools, fixtures and fittings	71.8	43.0	49.3
Construction in progress	50.4	10.7	8.3
Right-of-use assets	370.4	112.6	111.4
	805.7	469.7	486.6
Deferred tax asset	55.0	58.4	57.9
Total non-current assets	2,911.4	2,415.1	2,553.5
Current assets			
Inventories			
Raw materials and consumables	674.5	490.0	459.1
Work in progress	141.5	101.6	103.7
Finished products and merchandise	346.3	199.1	256.6
	1,162.4	790.7	819.3
Current receivables			
Trade receivables	776.9	510.5	524.1
Current tax assets	48.3	35.5	29.9
Other receivables	73.9	40.7	40.0
Prepaid expenses and accrued income	40.3	26.7	29.3
	939.4	613.4	623.2
Cash and cash equivalents			
Cash on hand and demand deposits	609.8	643.5	667.4
Total current assets	2,711.7	2,047.7	2,110.0
Total assets	5,623.4	4,462.7	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	285.1	70.5	87.4
Retained earnings, incl. net profit for the year	2,024.1	1,817.0	1,859.3
Total equity	3,156.0	2,734.2	2,793.5
Non-current liabilities			
Provisions for pensions and similar obligations	251.0	239.1	252.1
Deferred tax liability	256.7	220.5	240.2
Other provisions	66.2	36.2	38.5
Lease liability	334.4	96.6	95.8
Non-current liabilities to credit institutions	807.0	587.9	752.5
Other non-current liabilities	24.4	1.9	20.3
Total non-current liabilities	1,739.7	1,182.1	1,399.3
Current liabilities			
Trade payables	371.8	276.4	225.7
Current tax liabilities	56.4	39.3	16.1
Other liabilities	40.0	36.8	40.5
Lease liability	43.7	22.0	22.6
Accrued expenses and deferred income	215.9	172.0	165.8
Total current liabilities	727.8	546.5	470.7
Total equity and liabilities	5,623.4	4,462.7	4,663.5

Consolidated changes in equity

SEK M	Jan–Sep 2022	Jan–Sep 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	487.8	346.9	405.9
Dividend	–125.0	–112.5	–112.5
Equity at end of period	3,156.0	2,734.2	2,793.5

Consolidated Cash Flow Statement

SEK M	Jan–Sep 2022	Jan–Sep 2021	Full-year 2021
Operating activities			
Operating profit	400.3	383.9	456.0
Depreciation/amortization	101.0	77.7	106.4
Other items not affecting liquidity	42.2	17.9	18.3
Interest received, etc.	5.5	–1.1	8.4
Interest paid	–14.5	–4.5	–15.1
Tax paid	–85.7	–80.7	–103.4
Cash flow before change in working capital	448.8	393.2	470.6
Decrease/increase (–) in inventories	–219.8	–209.2	–195.4
Decrease/increase (–) in trade receivables	–157.9	–137.1	–140.8
Decrease/increase (–) in other current receivables	–40.1	–24.3	–7.0
Increase/decrease (–) in trade payables	81.4	94.3	38.5
Increase/decrease (–) in other current liabilities	31.9	33.3	21.5
Cash flow from operating activities	144.2	150.2	187.4
Investing activities			
Investments in intangible assets	–1.3	–29.8	–30.3
Investments in property, plant and equipment	–60.7	–39.8	–31.8
Net settlements, business combinations	—	—	–146.3
Cash flow from investing activities	–63.4	–69.6	–208.4
Financing activities			
Repayment of loans	—	—	–227.1
Loans raised and changes to existing loans	–2.9	–218.6	136.3
Amortization of lease liability	–33.5	–17.6	–23.5
Dividend paid	–125.0	–112.5	–112.5
Cash flow from financing activities	–161.4	–348.7	–226.8
Cash flow for the year	–79.1	–268.1	–247.9
Cash and cash equivalents at start of year	667.4	899.5	899.5
Translation difference, cash and cash equivalents	21.5	12.1	15.8
Cash and cash equivalents at year-end	609.8	643.5	667.4
Unutilized overdraft facilities	100.0	100.0	100.0
Total cash and cash equivalents available	709.8	743.5	767.4

Key figures for Group

SEK M	Jan–Sep 2022	Jan–Sep 2021	Full-year 2021
Operating margin (EBITA), %	12.5	15.1	13.4
Operating margin (EBIT), %	11.8	14.3	12.6
Profit margin (ROS), %	11.3	13.8	12.2
Return on equity (ROE), %	12.4	14.1	12.2
Return on capital employed (ROCE), %	12.8	13.5	12.2
Equity/assets ratio, %	56.1	61.3	59.9
Interest-bearing net debt/EBITDA	1.37	0.52	0.81
Equity per share outstanding at end of period, SEK	126.22	109.35	111.73
Cash flow from operating activities, per average share outstanding, SEK	5.77	6.01	7.49
Profit per average share outstanding during the period, SEK	11.10	11.16	13.48
Share price at end of period, SEK	118.00	172.00	188.00
Number of employees, average	1,712	1,575	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
Average number of shares outstanding during the period ('000)	25,004	25,004	25,004

Parent Company income statement

SEK M	Jan–Sep 2022	Jan–Sep 2021	Full-year 2021
Net sales	5.8	5.8	52.1
Operating expenses	–45.4	–41.1	–60.0
Operating loss	–39.6	–35.3	–7.9
Net financial items	–2.2	84.8	81.8
Profit/loss after financial items	–41.8	49.5	73.9
Appropriations	—	—	45.0
Tax	—	—	–6.7
Profit/loss for the period	–41.8	49.5	112.2

Parent Company Balance Sheet

SEK M	Sep. 30, 2022	Sep. 30, 2021	Dec. 31, 2021
Property, plant and equipment	1.5	1.5	1.4
Financial assets	2,046.5	2,218.8	2,362.6
Total non-current assets	2,048.0	2,220.3	2,364.0
Receivables	267.9	78.2	158.8
Cash on hand, demand deposits and short-term investments	443.8	475.8	511.6
Total current assets	711.7	554.0	670.4
Total assets	2,759.7	2,774.3	3,034.4
Equity	1,369.2	1,473.4	1,536.0
Untaxed reserves	21.8	11.8	21.8
Provisions	15.3	13.1	13.2
Non-current liabilities	807.0	587.9	748.7
Current liabilities	546.4	688.1	714.7
Total equity and liabilities	2,759.7	2,774.3	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–Sep 2022	Q3 2022	Jan–Sep 2021	Q3 2021	Full-year 2021
Group					
Net sales	3,388.5	1,091.6	2,675.2	848.3	3,611.2
Acquired volume	–57.7	–21.3	—	—	—
Currency effect	–280.4	–102.5	147.2	59.1	135.5
Net sales excluding acquisitions and currencies	3,050.4	967.8	2,822.4	907.4	3,746.7
Actual organic growth	375.2	119.5	435.2	147.8	599.6
Organic growth, %	14.0	14.1	18.2	19.5	19.1
Truck & Trailer Equipment					
Net sales	1,185.5	362.4	977.6	281.0	1,327.9
Currency effect	–47.3	–15.9	31.9	13.3	33.7
Net sales excluding acquisitions and currencies	1,138.3	346.5	1,009.6	294.3	1,361.7
Actual organic growth	160.7	65.5	246.5	58.8	307.4
Organic growth, %	16.4	23.3	32.3	25.0	29.2
Mobile Climate Control					
Net sales	1,675.7	549.1	1,312.4	430.4	1,762.7
Currency effect	–190.6	–72.3	85.1	34.9	70.5
Net sales excluding acquisitions and currencies	1,485.2	476.8	1,397.6	465.3	1,833.2
Actual organic growth	172.7	46.4	137.7	60.5	215.6
Organic growth, %	13.2	10.8	10.9	14.9	13.3
Ringfeder Power Transmission					
Net sales	527.2	180.0	385.2	136.8	520.5
Acquired volume	–57.7	–21.3	—	—	—
Currency effect	–42.6	–14.3	30.1	10.9	31.3
Net sales excluding acquisitions and currencies	427.0	144.4	415.3	147.7	551.8
Actual organic growth	41.8	7.6	51.0	28.5	76.6
Organic growth, %	10.9	5.6	14.0	23.9	16.1

Operating profit (EBITDA)

Operating profit before depreciation/amortization and impairment.

Group, SEK M	Jan–Sep 2022	Q3 2022	Jan–Sep 2021	Q3 2021	Full-year 2021
Operating profit (EBIT)	400.3	104.6	383.9	110.5	456.0
Depreciation/amortization	101.0	45.3	77.7	26.5	106.4
Operating profit (EBITDA)	501.3	149.9	461.6	137.0	562.4

Operating margin (EBITDA)

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

Group, SEK M	Jan–Sep 2022	Q3 2022	Jan–Sep 2021	Q3 2021	Full-year 2021
Net sales	3,388.5	1,091.6	2,675.2	848.3	936.0
Operating profit (EBIT)	400.3	104.6	383.9	110.5	72.1
Depreciation/amortization	101.0	45.3	77.7	26.5	28.7
Operating margin (EBITDA), %	14.8	13.7	17.3	16.2	10.8

Operating profit (EBITA)

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

Group, SEK M	Jan–Sep 2022	Q3 2022	Jan–Sep 2021	Q3 2021	Full-year 2021
Operating profit (EBIT)	400.3	104.6	383.9	110.5	456.0
Amortization of intangible assets	22.6	7.0	20.9	7.2	28.1
Operating profit (EBITA)	422.8	111.7	404.7	117.6	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–Sep 2022	Q3 2022	Jan–Sep 2021	Q3 2021	Full-year 2021
Net sales	3,388.5	1,091.6	2,675.2	848.3	936.0
Operating profit (EBIT)	400.3	104.6	383.9	110.5	72.1
Amortization of intangible assets	22.6	7.0	20.9	7.2	7.3
Operating margin (EBITA), %	12.5	10.2	15.1	13.9	8.5

Gross profit margin

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

Group, SEK M	Jan–Sep 2022	Q3 2022	Jan–Sep 2021	Q3 2021	Full-year 2021
Net sales	3,388.5	1,091.6	2,675.2	848.3	936.0
Gross profit	1,000.5	304.6	904.0	275.0	260.9
Gross profit margin, %	29.5	27.9	33.8	32.4	27.9

Profit margin

Profit after financial items as a percentage of net sales.

Group, SEK M	Jan–Sep 2022	Q3 2022	Jan–Sep 2021	Q3 2021	Full-year 2021
Net sales	3,388.5	1,091.6	2,675.2	848.3	3,611.2
Profit after financial items	382.2	101.4	369.8	107.4	441.4
Profit margin, %	11.3	9.3	13.8	12.7	12.2

Interest-bearing net debt

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

Group, SEK M	Jan–Sep 2022	Q3 2022	Jan–Sep 2021	Q3 2021	Full-year 2021
Provisions for pensions	251.0		239.1		252.1
Loans	807.0		587.9		752.5
Lease liability	378.1		118.5		118.4
Bank balances	–609.8		–643.5		–667.4
Interest-bearing net debt	826.2	n/a	302.0	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–Sep 2022	Q3 2022	Jan–Sep 2021	Q3 2021	Full-year 2021
Interest-bearing net debt	826.2		302.0		455.5
EBITDA, rolling 4 quarter	602.1		575.6		562.4
Interest-bearing net debt/EBITDA	1.37	n/a	0.52	n/a	0.81

ROOC BY DIVISION

EBITDA as a percentage of operating capital as below.

Group, SEK M	Jan–Sep 2022	Jan–Sep 2021	Full-year 2021
Group			
Inventories	1,162.4	790.7	819.3
Trade receivables	776.9	510.5	524.1
Trade payables	–371.8	–276.4	–225.7
Working capital	1,567.4	1,024.8	1,117.7
Property, plant and equipment	980.1	469.7	486.6
Operating capital	2,547.5	1,494.5	1,604.4
EBITDA, rolling 12 months	602.1	575.6	562.4
Average operating capital, four quarter	1,966.2	1,370.3	1,468.0
ROOC, %	30.6	42.0	38.3
Truck & Trailer Equipment			
Inventories	272.1	212.2	217.5
Trade receivables	228.7	174.3	174.6
Trade payables	–104.0	–89.3	–64.5
Working capital	396.7	297.3	327.6
Property, plant and equipment	196.1	183.8	187.2
Operating capital	592.8	481.1	514.8
EBITDA, rolling 12 months	305.5	287.2	282.2
Average operating capital, four quarter	574.3	457.7	484.2
ROOC, %	53.2	62.7	58.3
Mobile Climate Control			
Inventories	707.2	468.9	468.8
Trade receivables	419.3	244.5	249.0
Trade payables	–235.4	–170.3	–141.1
Working capital	891.0	543.1	576.8
Property, plant and equipment	477.6	182.0	179.3
Operating capital	1,368.6	725.1	756.1
EBITDA, rolling 12 months	208.2	191.2	188.2
Average operating capital, four quarter	969.9	646.3	697.0
ROOC, %	21.5	29.6	27.0
Ringfeder Power Transmission			
Inventories	183.2	109.6	133.0
Trade receivables	128.9	91.7	100.5
Trade payables	–29.2	–15.2	–16.9
Working capital	282.9	186.2	216.6
Property, plant and equipment	129.0	99.7	116.3
Operating capital	411.9	285.9	332.9
EBITDA, rolling 12 months	106.1	114.5	110.2
Average operating capital, four quarter	380.1	265.0	286.0
ROOC, %	27.9	43.2	38.5

ADDRESSES

VBG Group

Sweden

VBG Group AB (publ)
Kungsgatan 57
SE-461 34 Trollhättan
Tel +46 521 27 77 00
www.vbggroup.com

Truck & Trailer Equipment

Sweden

VBG Group Truck Equipment AB
Box 1216
SE-462 28 Vänersborg
Tel +46 521 27 77 00

Germany

VBG Group Truck Equipment GmbH
Postfach 13 06 55
DE-47758 Krefeld
Tel +49 2151 835-0

European Trailer Systems GmbH
Im Moerser Feld 1f
DE-47441 Moers
Tel +49 2841 6070 700

Denmark

VBG Group Sales A/S
Industribuen 20–22
DK-5592 Ejby
Tel +45 64 46 19 19

Norway

VBG Group Sales AS
Postboks 94 Leirdal
NO-1009 Oslo
Tel +47 23 14 16 60

UK

VBG Group Sales Ltd
Unit 9, Willow Court
West Quay Road, Winwick Quay
Warrington, Cheshire WA2 8UF
UK
Tel +44 1925 23 41 11

Belgium

VBG Group Truck Equipment NV
Industrie Zuid Zone 2.2
Lochtemanweg 50
BE-3580 Beringen
Tel +32 11 60 90 90

Czech Republic

EUROPEAN TRAILER SYSTEMS S.R.O.
Ke Gabrielce 786
CZ-39470 Kamenice nad Lipou
Tel +420 565 422 402

USA

ONSPOT OF NORTH AMERICA, INC.
1075 Rodgers Park Dr
North Vernon, IN 47265-5603
Tel +1 800 224 2467

Mobile Climate Control

Sweden

Mobile Climate Control Group Holding AB
Kungsgatan 57
SE-461 34 Trollhättan
Tel +46 521-27 77 00

Mobile Climate Control Sverige AB
Sikvägen 9
SE-761 21 Norrtälje
Tel +46 521-27 77 00

Germany

Mobile Climate Control GmbH
Jägerstraße 33
DE-712 72 Renningen
Tel +49 0715 993 087-0

Canada

Mobile Climate Control Inc.
7540 Jane St.
Vaughan, Ontario
L4K 0A6
Tel +1 905 482 2750

Mobile Climate Control Inc.
6659 Ordan Drive
Mississauga, Ontario
L5T 1K6
Tel +1 905 482 2750

USA

Mobile Climate Control Corp.
400 S. Salem Church Road
York, PA 17408
Tel +1 717 767 6531

Poland

Mobile Climate Control Sp. Zo.o.
Ul. Szwedzka 1
PL-55-200 Olawa
Tel +48 71 3013 701

China

Mobile Climate Control
Manufacturing/Trading Co Ltd
No. 88 Jinchuan Rd.
Zhenhai, Ningbo, 315221
Tel +86 574-863 085 77

South Africa

Mobile Climate Control Africa (PTY) Ltd
Unit 7B, Rinaldo Industrial Park
50 Moreland Drive, Red Hill
4071 Durban
Tel +27 31 569 3971

India

Mobile Climate Control Thermal Systems
India Pvt Ltd
Plot No. 4B
Road No. 2, Phase-I
KIADB Industrial Area Narasapura
Kolar – 56313, Karnataka

Ringfeder Power Transmission

Germany

Ringfeder Power Transmission GmbH
Werner-Heisenberg-Straße 18
DE-64823 Groß-Umstadt
Tel +49 6078 9385-0

Ringfeder Power Transmission GmbH
Zweibrücker Strasse 104
DE-66521 Neunkirchen
Tel +49 6821 866 0

Czech Republic

Ringfeder Power Transmission s.r.o
Oty Kovals 1172
CZ-33441 Dobruška
Tel +420 377 201 511

USA

Ringfeder Power Transmission USA Corp
165 Carver Avenue
Westwood, NJ 07675
Tel +1 201 666 3320

Carlyle Johnson Machine Co., LLC
201 Boston Turnpike
Bolton, CT 06043
Tel: +1 860 643 1531

India

Ringfeder Power Transmission India Private Ltd
Plot No. 4, Door No. 220
Mount Poonamallee High Road
Kattupakkam
Chennai-600056
Tel +91 44 2679 1411

China

Kunshan Ringfeder Power Transmission Co., Ltd
No. 406, Jiande Road
Zhangpu 215321
Kunshan, Jiangsu Province
Tel +86 512 5745 3960

Brazil

Henfel Industria Metalurgica Ltda.
Major Hilario Tavares Pinheiro, 3447
Cep 14871 - 300
Jaboticabal, SP
Tel +55 16 3209 3422