

HALDEX INTERIM REPORT JULY–SEPTEMBER 2021

Q3 2021

Strong organic growth and high operating margin despite challenges in the supply chain

THIRD QUARTER

- Net sales increased by 25 percent to SEK 1,203m (964). The organic growth was 26 percent.
- Adjusted operating income increased to SEK 100m (58), equivalent to an adjusted operating margin of 8.3 percent (6.0).
- Reported operating profit totaled SEK 96m (-23). Non-recurring items of net SEK 4m related to the long-term restructuring program impacted the operating profit.
- Changes in exchange rates had a positive impact on operating profit of SEK 1m (-1).
- Profit after tax amounted to SEK 55m (-104). Tax totaled SEK -21m (-75).
- Earnings per share were SEK 1.11 (-2.15).
- Cash flow from operating activities totaled SEK 26m (231).
- The structural savings programs have developed according to plan and reduced expenses by SEK 21m.
- An agreement has been entered into with one of the world's largest manufacturers of heavy trucks for the delivery of Haldex air disc brakes, which is an important milestone in the truck segment. The deal includes equipping a distribution vehicle with the electromechanical braking system (EMB), which is a breakthrough for the European market. The deal was reported as an event after the end of the quarter in the second quarter report.
- The supply chain is strained due to increased raw material and freight costs as well as component and semiconductor shortages.

EVENTS AFTER THE END OF THE QUARTER

- Group Management is extended with two new positions. An EVP Sales & Product Management has been appointed with a clear focus to further strengthen Haldex growth. An EVP Purchasing has been appointed to improve sourcing processes and increase direct material cost savings.

	Third quarter			9 months			Rolling 12m	Full year
	Jul-Sep 2021	Jul-Sep 2020	Δ	Jan-Sep 2021	Jan-Sep 2020	Δ	Oct 2020 - Sep 2021	2020
Group overview, SEKm								
Net sales, SEKm	1,203	964	25%	3,421	3,019	13%	4,410	4,007
Organic growth, %	26	-19	-	21	-24	-	-	-20
Operating profit, SEKm	96	-23	nm	317	-145	nm	361	-100
Adjusted operating profit, SEKm	100	58	72%	297	96	208%	363	163
Operating margin, %	8.0	-2.4	10.4	9.3	-4.8	14.1	8.2	-2.5
Adjusted operating margin, %	8.3	6.0	2.3	8.7	3.2	5.5	8.2	4.1
Return on capital employed % ¹	12.4	-9.5	21.9	12.4	-9.5	21.9	12.4	-3.8
Return on capital employed excluding non-recurring items % ¹	12.4	4.3	8.1	12.4	4.3	8.1	12.4	5.0
Profit after tax, SEKm	55	-104	nm	204	-239	nm	143	-300
Earnings per share, SEK	1.11	-2.15	nm	4.15	-5.19	nm	2.89	-6.44
Cash flow, operating activities, SEKm	26	231	-205	15	92	-77	138	215

¹ Rolling twelve months. The effect of IFRS16 Leases has been excluded.



This marks my first complete quarter as CEO for Haldex, and I am pleased to see a strong recovery in most of our markets and segments, despite continued challenging market conditions. Financially, net sales showed strong improvement and reached SEK 1,203m (964) in the third quarter, equivalent to an organic growth of 26 percent. While the growth is in comparison to a challenging third quarter last year, we see improved underlying demand from our customers, and according to our assessment of external market data, we are taking market share. Net sales increased 4 percent compared to the previous quarter. Net sales year-to-date amounted to SEK 3,421m (3,019), corresponding to an organic growth of 21 percent.

The Americas and Europe reported organic sales growth of 26 and 38 percent respectively, while Asia reported a 7 percent decline, on the back of a quarter with high demand last year. The aftermarket segment had strong growth of 22 percent and sales increased successfully across all regions. It is positive to see high growth in the trailer segment as well, and that our increased focus on this segment is showing results.

With implemented price adjustments in combination with higher volumes and successful cost savings, we reached an adjusted operating profit of SEK 100m (58), corresponding to margin of 8.3 percent (6.0) in third quarter. Year-to-date, adjusted operating profit amounted to SEK 297m (96), corresponding to a margin of 8.7 percent (3.2). The increased sales and constraints in supply chain however led to a higher working capital and thus a weakened cash flow. The cash flow from operating activities in the third quarter amounted to SEK 26m (231).

Activity levels have increased and the constraints in the supply chain continue, causing both price increases and a shortage of certain commodities, semiconductors, and freight. We have mitigated significant parts of these additional costs through price increases to customers to compensate for increased raw material prices, however, as mentioned previously, we are not able to fully mitigate the impact of increased freight costs. We estimate that increased costs for commodities and freight will continue into the fourth quarter and have therefore decided on further measures. There continues to be a significant shortage of semiconductors, which will impact some of Haldex products at least into the beginning of next year. However, there is great uncertainty about these external factors, which is why we follow market developments closely and will take actions when necessary.

I can also share with you that we have strengthened Group Management with two new members. To further add focus on growth, we have appointed an EVP Global Sales and Product Management with a global product responsibility. To reach operational excellence in managing our material costs, sourcing has been established as a separate function and an EVP Purchasing has been appointed. We have also reinforced our partnership with ANAND Group regarding our joint venture in India, which is an important step towards increasing the share of low-cost purchasing. With these organizational updates, I am convinced we have a more efficient and focused approach to develop the Haldex business moving forward.

An exciting upcoming event is that Haldex is launching the next generation electronic braking stability platform (EBS) for trailers at the Solutrans show in France in November. The EB+4.0 platform brings parking brake control into electronic management and offers a new modular and customizable approach to customer-specific functions. The trailer brake control system serves as a platform for different product families with the ability for multiple systems to communicate with each other to monitor data, transmit data and act upon data. This product offering is a shift to being present in the 'brain' of the trailer data. With this launch, Haldex is setting new standards for trailer braking and suspension systems.

The work on our strategic review is ongoing, and I look forward to presenting our updated approach and exciting journey ahead to you in the fourth quarter.

Jean-Luc Desire
President and CEO

SAVINGS PROGRAMS

Haldex has undergone a major restructuring with the aim of improving efficiency, lowering costs, and increasing the operating margin. The savings measures have been executed in a way that they have neither affected Haldex's innovative capabilities nor servicing and sales capacity.

Total savings from the long-term structural savings programs amounted to SEK 21m in the third quarter compared to the same period last year and consist of SEK 13m in terms of operating expenses and SEK 8m in terms of cost of sold goods. As a result of the fact that the business is

now conducted at a more normal level, SEK 18m in savings from short-term savings program initiated in 2020 have returned, and net costs are SEK 3m lower in the third quarter compared to the same period previous year. The corresponding figure for the first three quarters of the year is SEK 118m. The savings programs are expected to be implemented in 2021. For the full year 2021, we estimate that the savings will generate SEK 160m gross and SEK 120m net.

Long-term savings

Initiatives, SEKm	Start	Total	2019	2020	Q1 2021	Q2 2021	Q3 2021	YTD
Foot Print Optimisation	May 2019	103	5	44	34	20	0	54
Cost Base Adjustment 1	July 2020	100	-	25	20	17	7	44
Cost Base Adjustment 2	January 2021	100	-	0	3	19	14	36
Total long-term savings		303	5	69	57	55	21	133

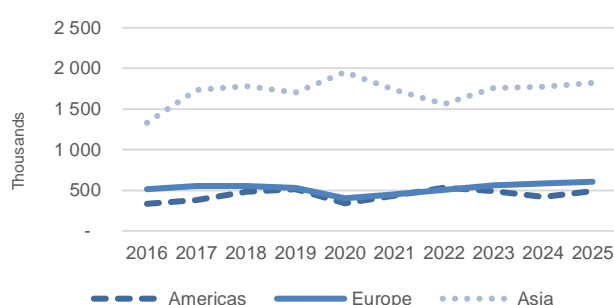
Short-term savings

Initiatives, SEKm	Start	2019	2020	Q1 2021	Q2	Q3	YTD
Short-term savings program	April 2020	-	80	31	-18	-16	-3
Furlough		-	12	0	-10	-2	-12
Total short-term savings		-	92	31	-28	-18	-15
Total savings		5	161	88	27	3	118

MARKET DEVELOPMENT AND FORECAST FOR NEW PRODUCTION – EXTERNAL MARKET DATA

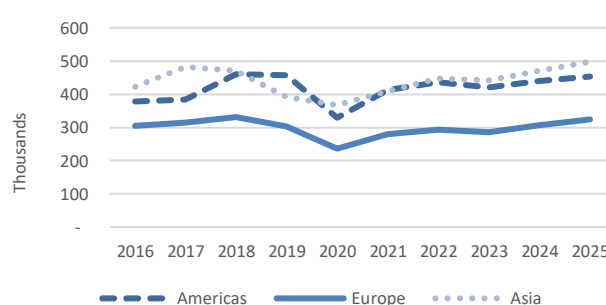
The number of newly produced trucks and trailers is an indicator of Haldex's market, however a large part of sales and profit comes from the significantly less volatile aftermarket. The degree to which Haldex is affected depends on how large a share of the company's sales in each customer category and geographical region. The production statistics below are a forecast based on external sources. Historical figures also reflect estimated production rather than the industry's actual outcomes.

New production: trucks including buses



Source: LMCA Automotive, Q3 2021

New production: trailers



Source: CLEAR International Consulting Ltd., Q2 2021

FINANCIAL SUMMARY OF THE THIRD QUARTER 2021

Net sales

Net sales for the third quarter totaled SEK 1,203m (964), representing organic growth of 26 percent compared to the corresponding period in the previous year. This strong growth is largely driven by the negative impact of the COVID-19 pandemic in the previous year, but also by strong underlying demand in our markets. The third quarter saw a continued positive trend in volume recovery, and the organic increase compared to the second quarter was 4 percent. Net sales for the first three quarters of the year totaled SEK 3,421m (3,019), representing organic growth of 21 percent.

Sales in both the Americas and Europe showed very strong organic growth of 26 and 38 percent, respectively, while Asia reported negative growth of 7 percent. Sales for the Americas totaled SEK 619m (500), and sales in the trailer segment in particular showed a clear improvement compared to the second quarter, with organic growth of 75 percent. Sales in Europe showed a strong recovery and totaled SEK 476m (351). The year-on-year increase is driven by higher

sales to the aftermarket and trailer segments. The increase in sales compared to the second quarter is primarily driven by the aftermarket segment. Sales in Asia totaled SEK 108m (113), and the negative trend is mainly explained by a decline in China, where the very high demand in the previous year was partly due to government subsidies.

The aftermarket segment showed strong organic growth of 22 percent, with sales increasing to 622m (520) in the third quarter. Sales for the trailer segment totaled SEK 406m (289), representing organic growth of 42 percent. This strong growth is largely driven by a greater focus on the trailer segment and recovery from the low levels of the previous year. Sales for the truck segment totaled SEK 175m (155), representing organic growth of 13 percent. Sales in the third quarter increased from the previous year's low level as a result of the COVID-19 pandemic but were negatively affected by the market downturn in China.

	Third quarter			9 months			Rolling 12m	Full year
	Jul-Sep 2021	Jul-Sep 2020	Δ ¹	Jan-Sep 2021	Jan-Sep 2020	Δ ¹	Oct 2020-Sep 2021	2020
Sales per region, SEKm								
Americas	619	500	26%	1,743	1,603	20%	2,241	2,101
Europe	476	351	38%	1,354	1,070	30%	1,723	1,438
Asia and Middle East	108	113	-7%	324	346	-3%	446	468
Total	1,203	964	26%	3,421	3,019	21%	4,410	4,007

¹ Organic

	Third quarter			9 months			Rolling 12m	Full year
	Jul-Sep 2021	Jul-Sep 2020	Δ ¹	Jan-Sep 2021	Jan-Sep 2020	Δ ¹	Oct 2020-Sep 2021	2020
Sales per customer category, SEKm								
Aftermarket	622	520	22%	1,736	1,610	16%	2,258	2,132
Trailer	406	289	42%	1,144	886	35%	1,433	1,174
Truck – heavy trucks and buses	175	155	13%	541	523	12%	719	701
Total	1,203	964	26%	3,421	3,019	21%	4,410	4,007

¹ Organic

	Third quarter			9 months			Rolling 12m	Full year
	Jul-Sep 2021	Jul-Sep 2020	Δ ¹	Jan-Sep 2021	Jan-Sep 2020	Δ ¹	Oct 2020-Sep 2021	2020
Sales per product line, SEKm								
Foundation Brake	662	517	29%	1,885	1,651	21%	2,434	2,200
Air Controls	541	447	23%	1,536	1,368	21%	1,976	1,807
Total	1,203	964	26%	3,421	3,019	21%	4,410	4,007

¹ Organic

Operating profit

Adjusted operating profit for the third quarter increased to SEK 100m (58), representing an adjusted operating margin of 8.3 percent (6.0). The improved margin is mainly explained by a sharp increase in sales together with implemented efficiency improvement and costs saving activities. See page 3 for information on the cost savings programs.

Reported operating income totaled SEK 96m (-23), representing an operating margin of 8.0 percent (-2.4). Operating profit has been charged with non-recurring costs of SEK 4m (81) net, of which costs of SEK 11 million are related to an adjustment of inventory balances following the completed consolidation of Friction Centers in Region Americas, and SEK 7 million consists of savings from released reserves related to our savings programs.

The gross margin was 26.2 percent (27.9) in the quarter, negatively impacted by continued raw material price increases combined with increased freight costs. In addition, gross margin was negatively impacted by a lower share of aftermarket sales due to the large drop in sales in the OEM market in 2020. The aftermarket accounted for 52 percent of sales in the third quarter of 2021 compared with 54 percent in the same quarter of 2020.

No government support was received in the third quarter in respect of the COVID-19 pandemic.

Changes in exchange rates, including the outcome of currency hedging and currency translation effects, had a positive impact on the Group's operating income of SEK 1m (-1). The currency effect in net financial income/expense was SEK -13m (+13).

Adjusted operating income for the first three quarters was SEK 297m (96), representing an adjusted operating margin of 8.7 percent (3.2). The single largest reason for the rise is higher sales.

Product development

Investments in new technology and product development are progressing. Haldex' business operations is associated with regular maintenance expenses, but also expenses incurred in examining commercial and technical opportunities to launch new products (i.e. research expenditure). Costs of maintenance of existing products and research for the development of new products are continuously recognized in the income statement. Haldex estimates that, based on historic average, these normally account for 3–5 percent of sales. Development expenses cannot be capitalized, i.e. recognized as an asset, until a number of conditions have been met. See accounting policies in the 2020 Annual Report.

In addition to expenditures recognized as expenses in the income statement, SEK 20m (28) was capitalized as an asset in the balance sheet during the quarter regarding the next generation EBS and the electromechanical brake (EMB). Total R&D expenditure, including development expenses, was SEK 44m (50) during the quarter, representing 3.7 percent (5.2) of sales.

Tax

Tax expense in the quarter totaled SEK 21m (75), equivalent to a tax rate of 27 percent (+257). The tax rate is in line with the average tax rate for the Group based on the profit and local tax rate of the group company concerned.

Deferred tax assets for tax loss carry-forwards are capitalized to the extent that it is probable that they can be offset against future surplus.

Tax expense for the first three quarters of the year totaled SEK 74m (52), representing a tax rate of 27 percent (28).

Profit for the period and earnings per share

Profit after tax in the quarter was SEK 55m (-104). Basic and diluted earnings per share were SEK 1.11 (-2.15).

Profit after tax for the first three quarters was SEK 204m (-239). Basic and diluted earnings per share were SEK 4.15 (-5.19).

Cash flow

Cash flow from operating activities amounted to SEK 26m (231). Cash flow from operating activities was positively impacted by the higher operating profit compared to last year, but negatively affected by an increase in working capital. The increase in working capital up is largely due to higher trade receivables from higher sales, but also due to a smaller reduction in inventories during the third quarter compared to the corresponding period in the previous year.

Investments, including capitalized development expenses, totaled SEK 35m (53). The majority of the investments relate to machinery and equipment used in operating activities. It also includes capitalized development expenses of SEK 20m (28), principally consisting of expenses relating to the development of the next generation EBS.

Cash flow from operating activities in the first three quarters of the year amounted to SEK 15m (92).

NET DEBT AND NET INTEREST INCOME/EXPENSE

Net debt and net interest income/expense, SEKm	Sep. 30, 2021	Sep. 30, 2020
Asset items in net debt:		
Cash and cash equivalents	370	466
Liability items in net debt:		
Interest-bearing liabilities including derivative instruments	-1,021	-904
Pension liabilities	-504	-658
Total net debt, excl. IFRS16 – finance leases	-1,155	-1,096
Debt attributable to IFRS16	-366	-334
Total net debt, incl. IFRS 16 – finance leases	-1,521	-1,430
Net interest income/expense for current year	-19	-27

Group net debt at September 30 totaled SEK 1,521m (1,430), representing an increase of SEK 91m compared to the same period of the previous year. Net debt was positively impacted by SEK 114m from the sale of two properties in 2020 and early 2021. In addition to these, SEK 144m is attributable to investing activities, which consist of both capitalized product development and investments in machines and other equipment. Net debt was also affected by the company's earnings.

A remeasurement of pension liability, in large due to higher interest, reduced net debt by SEK 154m, while lease commitments through IFRS 16 increase net debt by SEK 32m.

Of the company's net debt of SEK 1,521m, SEK 366m (334) can be attributed to lease commitments under IFRS 16 and SEK 504m (658) to pension liabilities.

Financial items totaled SEK -21m (-6) during the third quarter, of which net interest including IFRS 16 was SEK -5m (-16). The equity/assets ratio was SEK 34 percent (30) at the end of the third quarter.

Haldex loan financing consists primarily of:

- A bilateral loan maturing in April 2023 of SEK 270m.
- A syndicated credit facility of EUR 90m, also maturing in April 2023. EUR 69m of this facility had been used at the end of the quarter.

Pledged assets and contingent liabilities

There were no changes to the Group's pledged assets or contingent liabilities during the quarter. The Group, from time to time, has product warranties and customer commitments which cannot be reliably estimated. For more information, see 'Significant risks and uncertainties' on page 10.

REGION AMERICAS

	Third quarter			9 months			Rolling 12m	Full year
Net sales, SEKm	Jul-Sep 2021	Jul-Sep 2020	Δ ¹	Jan-Sep 2021	Jan-Sep 2020	Δ ¹	Oct 2020 - Sep 2021	2020
Aftermarket	380	348	11%	1,093	1,094	10%	1,430	1,431
Trailer	143	84	75%	370	261	56%	453	344
Truck	96	68	43%	280	248	27%	358	326
Total	619	500	26%	1,743	1,603	20%	2,241	2,101

¹Organic

Net sales development

Haldex demonstrated strong growth in the quarter. Net sales in Region Americas amounted to SEK 619m (500) in the quarter, corresponding to an organic growth of 26 percent. The Aftermarket segment grew by 11 percent. The Trailer and Truck segments, which were both impacted by the COVID-19 pandemic in the previous year, showed recovery with high organic growth of 75 percent and 43 percent respectively. Sales to the Truck segment showed a clear improvement compared to the previous quarter.

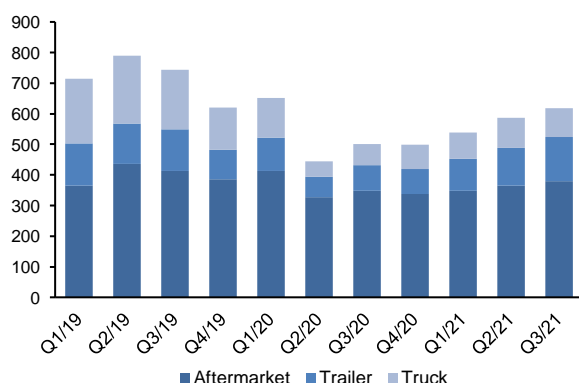
During the quarter, many truck and some trailer OEMs experienced unexpected down-time due to shortages and supply chain issues. While Haldex was not a cause of these down-time periods, the revenue to the truck and trailer OEM segment was slightly negatively impacted as demand slowed.

Market development and outlook

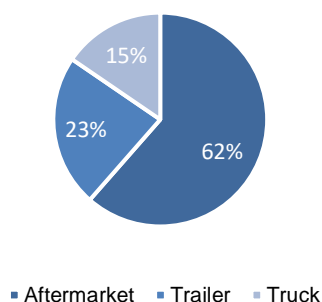
The Americas market continued to show solid growth in the quarter, despite general industry supply chain issues. Backorders for new vehicle production, both truck and trailers, run well in to 2022. OEMs are as a rule no longer accepting new orders for the 2021-year production schedule, indicating anticipated production for 2022 to be above 2021 levels. External market data shows that the full-year market forecast remains strong for the Truck and Trailer segments, with a positive outlook also for the Aftermarket segment. Full-year truck and trailer production volume is anticipated to increase by 28 percent and 26 percent, respectively.

The ongoing uncertainty and volatility in the supply chain remains high in the region, which could impact delivery and costs and put pressure on the margins going forward. The global shortage of semiconductors is anticipated to extend into 2022. Freight costs, which have run above planned levels, are showing signs of softening in Q4 and into 2022.

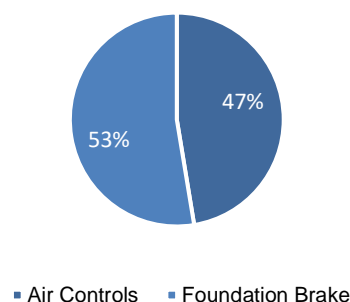
Sales per customer category, SEKm



Sales per customer category, SEKm
Jul – Sep 2021



Sales per product line
Jul – Sep 2021



REGION EUROPE

	Third quarter			9 months			Rolling 12m	Full year
Net sales, SEKm	Jul-Sep 2021	Jul-Sep 2020	Δ ¹	Jan-Sep 2021	Jan-Sep 2020	Δ ¹	Oct 2020 - Sep 2021	2020
Aftermarket	225	157	46%	595	474	30%	763	642
Trailer	220	160	39%	646	495	33%	810	658
Truck	31	34	-10%	113	101	18%	150	138
Total	476	351	38%	1,354	1 070	30%	1,723	1 438

¹Organic

Net sales development

Net sales in Region Europe amounted to SEK 476m (351) in the quarter, corresponding to a positive organic growth of 38 percent. The growth is both due to a significantly weaker comparison quarter, but also to increased demand from Haldex customers, despite continued constraints in the supply chain.

The Aftermarket segment showed an organic increase of 46 percent, due both to a higher underlying demand and increased focus on the segment and that prices to customers have been adjusted to a higher cost level. The Trailer segment increased 39 percent organically, due to increased market share. The Truck segment showed a 10 percent decline, which was mainly due to some customers temporarily stopping their production due to a lack of semiconductors.

The fourth generation of the electronic brake stability platform (EBS) for trailers, EB+4.0, will be launched at the Solutrans show in France in November.

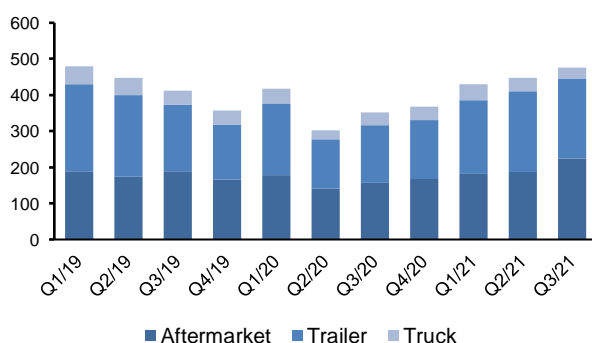
Market development and outlook

European truck manufacturers continue to invest in the technological development of future vehicles, and the focus has clearly shifted toward electrification of heavy vehicles, which is favorable for our Electro-Mechanical Brake (EMB) offering.

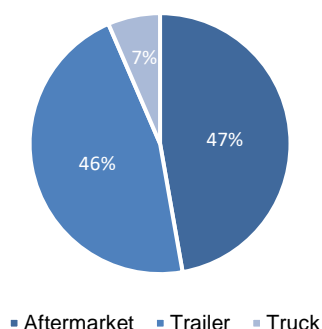
External market data shows that the new production of trucks increased by 4 percent and the production of trailers increased by 6 percent, in the quarter compared to the previous year. The year-to-date production of new trucks and trailers are above the previous year and the market forecast shows stable volumes at a high level until the end of the year. Full-year truck and trailer production volume is anticipated to increase 13 percent and 19 percent, respectively.

Uncertainty and disruptions in the supply chain, especially related to semiconductors, remain high and will extent into next year.

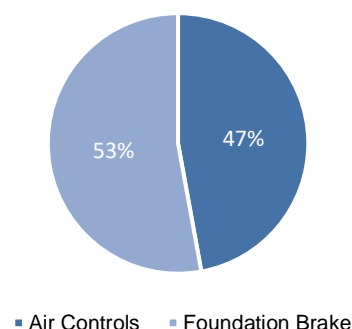
Sales per customer category, SEKm



Sales per customer category
Jul – Sep 2021



Sales per product line
Jul – Sep 2021



REGION ASIA

Net sales, SEKm	Third quarter			9 months			Rolling 12m	Full year
	Jul-Sep 2021	Jul-Sep 2020	Δ ¹	Jan-Sep 2021	Jan-Sep 2020	Δ ¹	Oct 2020 - Sep 2021	2020
Aftermarket	17	15	12%	48	41	23%	65	59
Trailer	42	45	-8%	128	130	0%	171	173
Truck	49	53	-11%	148	174	-11%	210	236
Total	108	113	-7%	324	346	-3%	446	468

¹Organic

Net sales development

Net sales in Region Asia amounted to SEK 108m (113) in the quarter, corresponding to an organic decrease of 7 percent. The Aftermarket segment grew 12 percent organically, with increased revenues for both Authorized (OES) and Independent (IAM) channels. Both the Trailer and the Truck segment had an organic decline of 8 and 11 percent respectively, explained mainly by a decline in China.

The electronic brake system (EBS) passed validation through vehicle homologation with several new customers in China during the quarter. Development of the electromechanical braking system (EMB) for electric buses on the Chinese market in the joint venture, Haldex VIE, continues. The company is working on contracting development projects with customers and is coordinating with other regions. A review of the time plan is in progress.

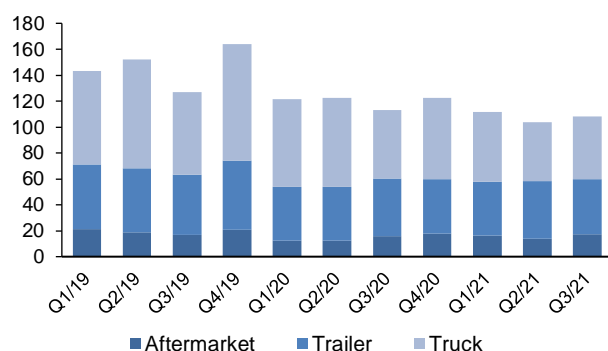
The joint venture with FAST Group to produce and sell air disc brakes on the Chinese market is progressing according to plan. The legal company has been established and the plant construction of the production unit is ongoing.

Market development and outlook

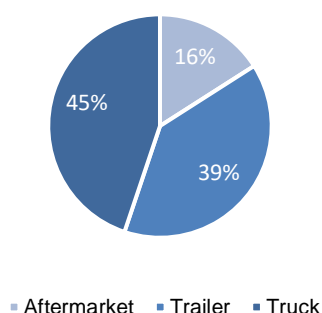
In China, there has been lower customer activity following the high vehicle production in the previous year. However, statutory requirements for improved vehicle safety and minimizing vehicle overloading supports an increase in customer demand going forward. Additionally, customers' production volumes in some regions are slowly recovering from the impact of the COVID-19 pandemic.

External market data shows that the new production of trucks decreased by 44 percent and the new production of trailers decreased by 1 percent compared to the previous year. Full-year production volume for 2021 is anticipated to decrease by 11 percent for trucks and increase by 11 percent for trailers compared to the previous year.

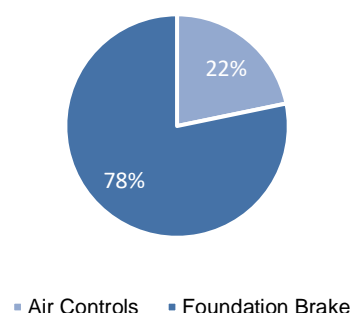
Sales per customer category, SEKm



Sales per customer category
Jul – Sep 2021



Sales per product line
Jul – Sep 2021



EMPLOYEES

The number of employees at the end of the quarter was 2,072 (1,962), which is 110 more than in the third quarter of 2020. The increase in the number of employees is mainly due to more employees in production as a result of higher volumes and increased sales.

PARENT COMPANY

Haldex AB (publ), corporate identity number 556010-1155, is a registered limited liability company with registered office in Landskrona, Sweden. Haldex AB shares are listed on Nasdaq Stockholm, Mid Cap. The parent company fulfils head office functions, including the corporate finance function. Net sales for the parent company totaled SEK 28m (34) in the third quarter, and profit after tax was SEK -177m (-165).

SIGNIFICANT RISKS AND UNCERTAINTIES

Haldex is exposed to risks of a financial and operational nature. The Group has a process for risk identification and risk management, which is described in the Haldex 2020 Annual Report and Corporate Governance Report, on pages 42–47. The section on risks in the Annual Report makes it clear that the consolidated financial statements require certain judgments and assumptions about the future that are based on both historic experience and future expectations. Goodwill, development projects, taxes (capitalized loss carryforwards) and pensions are the areas presenting a significant risk of future adjustments to recognized values. Warranty provisions and customer commitments have been identified as the areas where uncertainty about future adjustments to estimated values is greatest.

DEFINITIONS

The terminology used in this report is defined in Haldex's Annual Report 2020 and on the company's website: www.haldex.com.

SHARES AND SHARE DATA

Earnings per share for the third quarter were SEK 1.11 (-2.15). On the balance sheet date, equity per share was SEK 31.41 (26.08). Haldex had 48,637,567 shares at the end of the period. The share price last paid at September 30, 2021 was SEK 46.60.

OUTLOOK FOR 2021

We anticipate tracking the rate of growth in demand in terms of sales for newly produced heavy vehicles and trailers in each market.

Market data shows that the OEM market is expected to recover gradually in 2021 and then in 2022 to approach the levels prevailing prior to the start of the COVID-19 pandemic.

Market data for the aftermarket is lacking, but Haldex estimates that it follows the general economic trend in each market. We anticipate economic recovery and increased utilization of capacity in heavy road transport for 2021.

Number of trucks, new production	2020	2021p	2022p	2023p
Americas	340,970	436,225	531,545	492,439
Europe	400,970	451,848	504,381	556,991
Asia	1,954,533	1,734,421	1,564,803	1,761,659

Source: LMC Automotive, Q3 2021

Number of trailers, new production	2020	2021p	2022p	2023p
Americas	329,192	413,313	435,069	421,333
Europe	236,029	280,053	292,613	285,992
Asia	367,519	409,097	448,224	442,692

Source: CLEAR International Consulting Ltd., Q2 2021

The supply chain is, and is expected to continue to be, strained due to increased costs for raw material and freight and component shortages. It is difficult to predict the magnitude of the future impact today, but delivery difficulties and increased costs in terms of more expensive materials/components, together with higher freight costs, affected the company in the third quarter and are expected to have a continued impact during the year. In addition to increased costs, there is also a severe shortage of semiconductors, which will have an impact on some products at least during the early part of 2022. However, there is great uncertainty regarding these external factors, where market developments are followed closely and actions taken where needed.

FUTURE-ORIENTED INFORMATION

This report includes future-oriented information with statements regarding the future prospects for Haldex's operations. The information is based on the current expectations, estimates and forecasts of the Haldex management. Actual future outcomes may differ sharply from the forward-looking information provided in this report, for example due to changes in economic, market and competition conditions.

TRANSACTIONS WITH RELATED PARTIES

No transactions have taken place between Haldex and its related parties.

SEASONAL EFFECTS

Haldex does not have any significant seasonal variations. However, sales are affected by the production schedules of Haldex's customers, which results in lower sales during vacation periods and when customers are closed for public holidays.

ACQUISITIONS AND DISPOSALS

There were no acquisitions or disposals during the third quarter.

ACCOUNTING POLICIES

This interim report is prepared in accordance with IAS 34 Interim Financial Reporting. The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. The Parent Company's report has been prepared in accordance with the Swedish Financial Reporting Board's recommendation RFR 2 'Financial Reporting for Legal Entities' and the Swedish Annual Accounts Act. The accounting policies are therefore unchanged from those presented in the 2020 Annual Report on pages 52–56.

Holdings in associated companies are recognized in accordance with the equity method; the Group's share of the associated company's profit is reported on a separate line in the income statement.

Landskrona, October 21, 2021

Haldex AB

Jean-Luc Desire

President and CEO

Auditor's report

Haldex AB (publ) reg. no. 556010-1155

Introduction

We have reviewed the condensed interim financial information (interim report) of Haldex AB as of 30 September 2021 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report 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 assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Malmö, October 21, 2021

Öhrlings PricewaterhouseCoopers AB

Carl Fogelberg
Authorized Public Accountant, auditor in charge

Patrik Larsson
Authorized Public Accountant

INCOME STATEMENT

	Third quarter		9 months		Rolling 12m	Full year
SEKm	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Oct 2020-Sep 2021	2020
Net sales	1,203	964	3,421	3,019	4,410	4,007
Cost of goods sold	-888	-695	-2,457	-2,209	-3,163	-2,914
Gross profit	315	269	964	810	1,247	1,093
<i>Gross margin</i>	26.2%	27.9%	28.2%	26.8%	28.3%	27.3%
Product development expenses	-30	-28	-93	-100	-125	-131
Selling and administrative expenses	-195	-185	-589	-617	-777	-805
Share of profit from joint venture	-4	-7	-14	-21	-16	-24
Other operating income and expenses ¹	10	-73	48	-216	32	-233
Operating income¹	96	-23	317	-145	361	-100
Financial items	-21	-6	-39	-43	-85	-89
Profit before tax	75	-29	278	-187	276	-189
Tax	-21	-75	-74	-52	-133	-111
Profit/loss for the period	55	-104	204	-239	143	-300
<i>of which attributable to non-controlling interests</i>	1	1	2	3	3	4
Earnings per share, basic and diluted, SEK	1.11	-2.15	4.15	-5.19	2.89	-6.44
Average number of shares, thousands	48,626	48,626	48,626	46,661	48,626	47,152

Operating income by nature of expense

	Third quarter		9 months		Rolling 12m	Full year
SEKm	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Oct 2020-Sep 2021	2020
Net sales	1,203	964	3,421	3,019	4,410	4,007
Direct material expenses	-717	-544	-1,954	-1,634	-2,497	-2,178
Employee benefit expenses	-211	-199	-647	-733	-852	-937
Depreciation, amortization and impairments	-53	-128	-160	-346	-213	-400
Other operating income and expenses	-125	-116	-343	-450	-486	-592
Operating income¹⁾	96	-23	317	-145	361	-100

¹ Non-recurring items included in operating profit

	Third quarter		9 months		Rolling 12m	Full year
SEKm	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Oct 2020-Sep 2021	2020
Operating profit, including non-recurring items	96	-23	317	-145	361	-100
Restructuring expenses	-4	-8	-23	-61	-71	-109
Impairment of asset	-	-70	-	-171	-5	-176
Capital gain on property Blue Springs	-	-	-	-	35	35
Capital gain on property Kansas City	-	-	43	-	43	-
Dispute, India	-	-1	-	-1	-	-1
External services related to the bidding process	-	-2	-	-8	-4	-12
Operating income, excluding non-recurring items	100	58	297	96	363	163

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Third quarter		9 months		Rolling 12m	Full year
SEKm	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Oct 2020- Sep 2021	2020
Profit/loss for the period	55	-104	204	-239	143	-300
Other comprehensive income						
<i>Items not to be reclassified to the income statement:</i>						
Remeasurement of pension obligation, after tax	15	-6	70	-89	114	-36
Total	15	-6	70	-89	114	-36
<i>Items that may be reclassified to the income statement:</i>						
Translation difference	36	-27	80	-67	-6	-153
Change in financial instruments measured at fair value, after tax	2	-1	2	0	1	-1
Total	38	-28	82	-67	-5	-154
Total other comprehensive income	53	-34	152	-155	109	-189
TOTAL COMPREHENSIVE INCOME	108	-138	356	-395	252	-489
<i>of which attributable to non-controlling interests</i>	<i>1</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>3</i>	<i>4</i>

BALANCE SHEET

SEKm	Sep. 30, 2021	Sep. 30, 2020	Dec. 31, 2020
Goodwill	411	411	385
Other intangible fixed assets	361	279	296
Property, plant and equipment	1,119	1,140	1,090
Financial assets	73	25	41
Deferred tax assets	60	110	74
Total non-current assets	2,024	1,964	1,886
Inventories	870	747	717
Current receivables	1,238	1,056	939
Derivative instruments	26	57	81
Cash and cash equivalents	370	466	440
Total current assets	2,504	2,326	2,177
TOTAL ASSETS	4,528	4,290	4,063
Equity	1,559	1,300	1,203
Pensions and similar obligations	504	658	578
Deferred tax liabilities	50	0	16
Non-current interest-bearing liabilities	1,272	1,194	1,197
Other non-current liabilities	26	19	18
Total non-current liabilities	1,852	1,870	1,809
Derivative instruments	33	40	46
Current interest-bearing liabilities	106	61	62
Current liabilities	978	1,019	943
Total current liabilities	1,117	1,119	1,051
TOTAL EQUITY AND LIABILITIES	4,528	4,290	4,063

CHANGE IN EQUITY

	Sep. 30, 2021	Sep. 30, 2020	Dec. 31, 2020
SEKm			
Opening balance	1,203	1,537	1,537
Profit/loss for the period	204	-239	-300
Other comprehensive income	152	-155	-189
Total comprehensive income	356	-395	-489
Transactions with shareholders:			
Dividend to Haldex shareholders	-	-	-
New share issue Haldex AB	-	157	157
Dividend to non-controlling interests	-	-	-2
Total transactions with shareholders	-	157	155
Closing balance	1,559	1,300	1,203
<i>of which attributable to non-controlling interests</i>	<i>31</i>	<i>31</i>	<i>31</i>

CONSOLIDATED STATEMENT OF CASH FLOW

	Third quarter		9 months		Rolling 12m	Full year
	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Oct 2020- Sep 2021	2020
SEKm						
Operating profit	96	-23	317	-145	362	-100
Reversal of non-cash items	53	88	117	367	240	490
Interest paid	-8	-18	-27	-32	-41	-46
Tax paid	18	-15	-30	-18	-46	-34
Cash flow from operating activities before changes in working capital	159	32	377	172	515	310
Change in working capital	-133	199	-362	-80	-377	-95
Cash flow from operating activities	26	231	15	92	138	215
Investments, incl. capitalization of R&D expenses	-35	-53	-157	-259	-204	-306
Disposals of property, plant and equipment	-	54	53	54	60	61
Cash flow from investing activities	-35	1	-104	-205	-144	-245
Dividend to non-controlling interests	-	-	-	-	-2	-2
New share issue Haldex AB	-	-	-	157	-	157
Interest-bearing liabilities	36	-21	-6	119	-92	33
Cash flow from financing activities	36	-21	-6	276	-94	188
Cash flow for the period	27	211	-95	163	-100	158
Cash and cash equivalents, opening balance	338	260	440	315	466	315
Translation difference on cash and cash equivalents	5	-5	25	-12	4	-33
Cash and cash equivalents, closing balance	370	466	370	466	370	440

FINANCIAL INSTRUMENTS BY CATEGORY

	Sep. 30, 2021		Sep. 30, 2020	
	Assets	Liabilities	Assets	Liabilities
SEKm				
Currency futures – cash flow hedges	2	0	2	3
Currency futures – measured at fair value through profit or loss	0	0	0	2
Currency swaps – measured at fair value through profit	24	32	55	35
Total	26	32	57	40

PARENT COMPANY INCOME STATEMENT

	Third quarter		9 months		Rolling 12m	Full year
SEKm	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Oct 2020-Sep 2021	2020
Net sales	28	34	79	94	89	104
Administrative expenses	-10	-32	-69	-94	-77	-102
Operating profit	18	2	10	0	12	2
Dividends from Group companies	-	-	-	17	2	19
Impairment	-200	-200	-200	-200	-250	-250
Financial items	6	33	40	53	21	34
Income after financial items	-176	-165	-150	-130	-215	-195
Group contributions	-	-	-	-	-43	-43
Profit before tax	-176	-165	-150	-130	-258	-238
Tax	-1	-	-10	1	-21	-10
Profit/loss for the period	-177	-165	-160	-129	-279	-248

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

	Third quarter		9 months		Rolling 12m	Full year
SEKm	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Oct 2020-Sep 2021	2020
Profit/loss for the period	-177	-165	-160	-129	-279	-248
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-177	-165	-160	-129	-279	-248

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

SEKm	Sep. 30, 2021	Sep. 30, 2020
Non-current assets	2,849	2,874
Current assets	1,498	1,362
Total assets	4,347	4,236
Equity	892	1,172
Provisions	62	50
Interest-bearing liabilities, external	970	920
Other liabilities	2,423	2,094
Total liabilities and equity	4,347	4,236

FIVE-YEAR SUMMARY

SEKm, unless otherwise stated	2020	2019	2018	2017	2016
Income statement					
Net sales	4,007	5,151	5,119	4,462	4,374
Cost of goods sold	-2,914	-3,812	-3,813	-3,237	-3,155
Gross profit	1,093	1,339	1,306	1,225	1,219
Product development expenses	-131	-158	-162	-158	-177
Selling and administrative expenses	-805	-894	-863	-797	-773
Share of profit from joint venture	-24	-21	-5	-	-
Other operating income and expenses	-233	-161	-21	-121	-65
Operating profit	-100	105	255	149	204
<i>Operating income excl. non-recurring items</i>	<i>163</i>	<i>317</i>	<i>305</i>	<i>292</i>	<i>291</i>
Financial items	-89	-44	-36	-8	-36
Share of profit from joint venture	-	-	-	-12	-3
Profit before tax	-189	61	219	129	165
Tax	-111	-56	-66	-50	-74
Net income for the year	-300	5	153	79	91
Balance sheet					
Non-current assets	1,886	2,227	1,585	1,349	1,306
Current assets	2,177	2,186	2,104	1,729	1,751
Total assets	4,063	4,413	3,689	3,078	3,057
Equity	1,203	1,537	1,611	1,395	1,374
Non-current liabilities	1,809	1,346	1,072	775	757
Current liabilities	1,051	1,530	1,006	908	926
Total equity and liabilities	4,063	4,413	3,689	3,078	3,057
Cash flow					
Cash flow from operating activities	215	328	274	173	256
Cash flow from investing activities	-245	-381	-381	-231	-222
Cash flow from financing activities	188	59	211	-35	-52
Cash flow for the year	158	6	104	-93	-18
Key ratios					
Gross margin, %	27.3	26.0	25.5	27.5	27.9
Operating margin, %	-2.5	2.0	5.0	3.3	4.7
Operating margin excluding non-recurring items, %	4.1	6.1	6.0	6.5	6.6
Earnings per share, basic and diluted, SEK	-6.44	0.12	3.46	1.67	2.00
Equity per share, SEK	24.10	34.78	35.80	30.98	30.63
Cash flow, operating activities, per share SEK	4.56	7.42	6.20	3.91	5.80
Dividend, SEK	0.00	0.00	1.15	0.55	0.00
Share price, SEK	43.75	51.00	69.00	87.25	116.50
Return on capital employed, % ^{1, 2}	-3.8	3.1	9.8	6.8	9.7
Return on capital employed excl. non-recurring items, % ^{1, 2}	5.0	9.4	11.8	13.3	13.8
Return on equity, %	-21.9	0.1	9.8	5.4	13.1
Equity/assets ratio, %	30	35	44	45	45
Net debt/equity ratio, % ²	85	66	45	42	36
Investments	197	273	313	218	222
R&D, %	5.4	4.6	4.1	4.0	3.5
Number of employees	1,990	2,172	2,309	2,176	2,045

¹ Rolling twelve months. ² The effect of IFRS16 Leases has been excluded.

QUARTERLY DATA

	2021			2020				2019	
SEKm, unless otherwise stated	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Income statement									
Net sales	1,203	1,138	1,080	989	964	875	1,180	1,141	1,283
Cost of goods sold	-888	-825	-744	-706	-695	-647	-867	-849	-928
Gross profit	315	313	336	283	269	228	313	292	355
Product development expenses	-30	-33	-30	-32	-28	-35	-37	-43	-43
Selling and administrative expenses	-195	-202	-191	-189	-185	-195	-237	-215	-227
Share of profit from joint venture	-4	-5	-4	-2	-7	-8	-7	-7	-7
Other operating income and expenses	10	7	31	-16	-73	-141	-1	-160	-10
Operating profit	96	79	142	44	-23	-151	30	-133	68
<i>Operating profit excl. non-recurring items</i>	<i>100</i>	<i>82</i>	<i>115</i>	<i>66</i>	<i>58</i>	<i>-3</i>	<i>43</i>	<i>44</i>	<i>85</i>
Financial items	-21	-3	-16	-46	-6	-12	-26	-12	-16
Profit before tax	75	76	126	-2	-29	-163	4	-145	52
Tax	-21	-22	-32	-59	-75	24	-1	-4	-15
Profit/loss for the period	55	54	95	-61	-104	-139	3	-149	37
Balance sheet									
Non-current assets	2,024	2,008	2,005	1,886	1,964	2,158	2,319	2,227	2,178
Current assets	2,504	2,366	2,348	2,177	2,326	2,142	2,401	2,186	2,283
Total assets	4,528	4,374	4,354	4,063	4,290	4,300	4,720	4,413	4,461
Equity	1,559	1,450	1,413	1,203	1,300	1,437	1,602	1,537	1,745
Non-current liabilities	1,852	871	1,803	1,809	1,870	1,873	1,458	1,346	1,358
Current liabilities	1,117	2,053	1,137	1,051	1,119	990	1,661	1,530	1,358
Total equity and liabilities	4,528	4,374	4,354	4,063	4,290	4,300	4,720	4,413	4,461
Cash flow									
Cash flow from operating activities	26	19	-30	123	231	-96	-43	239	76
Cash flow from investing activities	-35	-58	-11	-40	1	-76	-130	-136	-82
Cash flow from financing activities	36	-19	-23	-88	-21	165	132	1	21
Cash flow for the period	27	-58	-64	-5	211	-7	-41	104	15
Key ratios									
Gross margin, %	26.2	27.5	31.1	28.6	27.9	26.1	26.5	25.6	27.6
Operating margin, %	8.0	6.9	13.1	4.5	-2.4	-17.2	2.5	-11.6	5.3
Operating margin excluding non-recurring items, %	8.3	7.2	10.6	6.7	6.0	-0.3	3.6	3.8	6.6
Earnings per share, basic and diluted, SEK	1.11	1.11	1.94	-1.27	-2.15	-2.95	0.04	-3.36	0.83
Equity per share, SEK	31.41	29.23	28.44	17.32	26.08	28.93	36.24	34.78	39.48
Cash flow, operating activities, per share, SEK	0.53	0.39	-0.62	2.53	4.75	-2.04	-0.97	5.41	1.72
Share price, SEK	46.60	56.60	46.25	43.75	41.80	37.50	25.55	51.00	50.20
Return on capital employed % ^{1, 2}	12.4	8.3	0.0	-3.8	-9.5	-6.4	1.2	3.1	7.5
Return on capital employed excl. non-recurring items, % ^{1, 2}	12.4	11.0	7.7	5.0	4.3	5.2	8.6	9.4	10.5
Return on equity, %	3.6	4.2	7.4	-5.0	-7.8	-9.3	0.1	-9.3	2.1
Equity/assets ratio, %	34	33	32	30	30	33	34	35	39
Net debt/equity ratio, % ²	74	76	74	85	84	91	76	66	62
External investments, SEKm	16	36	39	25	26	49	97	103	64
R&D, %	3.7	4.4	4.5	4.9	5.1	6.3	5.3	5.9	4.1
Number of employees	2,072	2,026	2,021	1,990	1,962	2,055	2,183	2,172	2,212

¹ Rolling twelve months. ² The effect of IFRS16 Leases has been excluded.

KEY RATIOS

	Sep. 30, 2021	Sep. 30, 2020	Dec. 31, 2020
Gross margin, %	28.2	26.8	27.3
Operating margin excluding non-recurring items, %	8.7	3.2	4.1
Operating margin, %	9.3	-4.8	-2.5
Cash flow, operating activities, SEKm	15	92	215
Cash flow after investments, SEKm	-89	-113	-30
Return on capital employed % ^{1, 2}	12.4	-9.5	-3.8
Return on capital employed excl. non-recurring items, % ^{1, 2}	12.4	4.3	5.0
Investments, SEKm	91	172	197
R&D, %	4.2	5.5	5.4
Number of employees	2,072	1,962	1,990
Return on equity, % ¹	10.3	-26.2	-21.9
Interest coverage ratio, multiple	13.4	3.3	3.9
Equity/assets ratio, %	34	30	30
Net debt/equity ratio, % ²	74	84	85
Per share:			
Profit after tax, basic, SEK	4.15	-5.19	-6.44
Profit after tax, diluted, SEK	4.15	-5.19	-6.44
Equity per share, SEK	31.41	26.08	24.10
Cash flow, operating activities, per share, SEK	0.31	1.97	4.56
Share price, SEK	46.60	41.80	43.75
Average total number of shares, thousands	48,638	46,673	47,164
Total number of shares at end of period, thousands	48,638	48,638	48,638
of which number of shares in own custody, thousands	12	12	12

¹ Rolling twelve months. ² The effect of IFRS16 Leases has been excluded.

OTHER INFORMATION

Investor presentation

Investors, analysts, and media are invited to an online presentation of the report on Thursday October 21, at 11.00 am, with CEO Jean-Luc Desire and CFO Lottie Saks.

The teleconference will be broadcasted live on the web.

Link to webcast and numbers to the teleconference.

<https://financialhearings.com/event/13301>

The recorded webcast will be available afterwards, and both the interim report and the presentation can be downloaded from the Haldex website:

<https://www.haldex.com/en/corporate/investors/financial-reports/>

Financial calendar

Year-end report, Jan-Dec 2021	February 10, 2022
Annual Report 2021	Week 13, 2022
Interim report, Jan – Mar 2022	April 28, 2022
Annual General Meeting 2021	May 24, 2022
Interim report, Apr – Jun 2022	July 19, 2022
Interim report, Jul – Sep 2022	October 27, 2022
Year-end report, Jan - Dec 2022	February 16, 2023

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This information is such that Haldex AB (publ) is obliged to publish under the EU Market Abuse Regulation. The information was submitted for publication through the contacts set out above on Thursday, October 21, 2021 at 7.20 am CEST.

NUMERICAL BASIS FOR ALTERNATIVE KEY PERFORMANCE INDICATORS

Sales

	Recognized sales Jul–Sep 2021	Currency adjustment to exchange rates of previous year	Currency adjusted sales Jul–Sep 2021	Δ	Recognized sales full year 2020	Currency adjustment to exchange rates of previous year	Currency adjusted sales full year 2020
SEKm							
Group	1,203	15	1,218	1%	4,007	133	4,140
Total	1,203	15	1,218	1%	4,007	133	4,140

Sales per region

	Recognized sales Jul–Sep 2021	Currency adjustment to exchange rates of previous year	Currency adjusted sales Jul–Sep 2021	Δ	Recognized sales full year 2020	Currency adjustment to exchange rates of previous year	Currency adjusted sales full year 2020
SEKm							
Americas	619	12	631	2%	2,101	101	2,202
Europe	476	6	482	1%	1,438	19	1,457
Asia and Middle East	108	-3	105	-2%	468	13	481
Total	1,203	15	1,218	1%	4,007	133	4,140

Sales per product line

	Recognized sales Jul–Sep 2021	Currency adjustment to exchange rates of previous year	Currency adjusted sales Jul–Sep 2021	Δ	Recognized sales full year 2020	Currency adjustment to exchange rates of previous year	Currency adjusted sales full year 2020
SEKm							
Foundation Brake	662	6	668	1%	2,200	79	2,279
Air Controls	541	9	550	2%	1,807	54	1,861
Total	1,203	15	1,218	1%	4,007	133	4,140

Sales per customer category

	Recognized sales Jul–Sep 2021	Currency adjustment to exchange rates of previous year	Currency adjusted sales Jul–Sep 2021	Δ	Recognized sales full year 2020	Currency adjustment to exchange rates of previous year	Currency adjusted sales full year 2020
SEKm							
Aftermarket	622	10	632	2%	2,132	70	2,202
Trailer	406	5	411	1%	1,174	23	1,197
Truck – heavy trucks	175	0	175	0%	701	40	741
Total	1,203	15	1,218	1%	4,007	133	4,140

Organic growth, third quarter

Percent	Group	Americas	Europe	Asia & Middle East
Organic growth	26	26	38	-7
Currency translation difference	-1	-2	-2	3
Acquisitions	-	-	-	-
Reported growth	25	24	36	-4

QUARTERLY DATA

NUMERICAL BASIS FOR ALTERNATIVE KEY PERFORMANCE INDICATORS

	2021			2020				2019	
SEKm, unless otherwise stated	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Non-recurring items									
- Restructuring expenses	-4	-3	-16	-48	-8	-46	-7	-175	-12
- Impairment of asset	-	-	-	-5	-70	-101	-	-	-
- Capital gain on property Blue Springs	-	-	-	35	-	-	-	-	-
- Capital gain on property Kansas City	-	-	43	-	-	-	-	-	-
- Dispute, India	-	-	-	-	-1	-	-	-	-
- Expenses related to the acquisition process	-	-	-	-4	-2	-1	-6	-2	-5
Total non-recurring items	-4	-3	27	-22	-81	-148	-13	-177	-17
Research and development expenses excl. amortization	-44	-50	-48	-48	-50	-55	-63	-67	-54
Product development expenses for new technology	-5	-6	-5	-10	-10	-12	-12	-14	-10
Joint venture EMB	-4	-5	-4	-2	-7	-8	-7	-7	-7
Scalable Brake Systems	-5	-6	-5	-11	1	0	-2	-5	-2
Total operating expenses for new technology	-9	-11	-10	-13	-6	-8	-9	-12	-9
Net interest income and financial items									
Interest income	11	-2	3	-1	1	0	1	2	4
Interest expense	-16	-5	-9	-13	-17	-6	-6	-13	-14
Total net interest income/expense	-5	-7	-6	-14	-16	-6	-5	-11	-10
Financial exchange rate effect	-13	6	-6	-33	13	-4	-19	0	-6
Other financial items	-3	-2	-3	-2	-3	-2	-2	-1	-1
Total financial items	-21	-3	-16	-46	-6	-12	-26	-12	-17
Net debt									
- Interest-bearing assets	370	338	396	440	466	260	294	315	217
- Interest-bearing liabilities, including derivative instruments	-1,021	-928	-925	-888	-904	-920	-949	-768	-761
- Pension liabilities	-504	-515	-524	-578	-658	-651	-571	-562	-540
Total net debt¹	-1,155	-1,105	-1,053	-1,026	-1,096	-1,311	-1,226	-1,015	-1,084
Capital employed									
Total assets	4,528	4,374	4,354	4,063	4,290	4,300	4,720	4,413	4,461
Non-interest-bearing liabilities and provisions	-1,086	-1,108	-1,107	-1,024	-1,070	-965	-1,235	-1,116	-1,048
Total capital employed	3,442	3,266	3,247	3,039	3,220	3,335	3,485	3,297	3,413
Average capital employed	3,225	3,188	3,232	3,311	3,381	3,417	3,403	3,366	3,198
Net profit attributable to the shareholders in the Parent Company									
Profit/loss for the period	55	54	95	-61	-104	-139	3	-149	37
Profit attributable to non-controlling interests	1	0	1	1	1	0	1	0	1
Total net income attributable to shareholders in the Parent Company	54	54	94	-62	-105	-139	2	-149	36
Equity attributable to shareholders in the Parent Company									
Equity	1,559	1,450	1,413	1,203	1,300	1,437	1,602	1,537	1,745
Equity attributable to non-controlling interests	31	29	30	27	31	30	34	32	33
Total equity attributable to shareholders in the Parent Company	1,528	1,421	1,383	1,176	1,269	1,407	1,568	1,505	1,712
Average equity attributable to shareholders in the Parent Company	1,355	1,368	1,361	1,385	1,492	1,567	1,621	1,624	1,641
Average number of shares	48,638	48,638	48,638	48,638	48,638	47,164	44,216	44,216	44,216

¹ The effect of IFRS 16 Leases has been excluded.