

HALDEX INTERIM REPORT APRIL–JUNE 2022

Q2 2022

Strong adjusted operating margin with growth across all regions and customer segments

SECOND QUARTER 2022

- Sales increased to SEK 1,434m (1,138), corresponding to an organic growth of 14 percent, largely driven by the price increases introduced to mitigate the increased costs within the supply chain. Sales in the quarter are the highest since the split of the Group in 2011.
- The gross margin amounted to 28.5 percent (27.5). Compared to the first quarter 2022, the gross margin increased by 0.8 percentage points.
- Adjusted operating profit amounted to SEK 118m (82), corresponding to an adjusted operating margin of 8.2 percent (7.2).
- The reported operating profit amounted to SEK 100m (79), which corresponds to a margin of 6.9 percent (6.9). Items affecting comparability of net SEK -18m (-3) affected earnings.
- Earnings per share, basic and diluted, amounted to SEK 1.07 (1.11).
- Cash flow from operating activities amounted to SEK -63m (19).
- Haldex has entered into a multi-year agreement with Schmitz Cargobull, the leading trailer manufacturer in Europe, for the delivery of Haldex air disc brakes. Deliveries are expected to begin in the third quarter 2023.
- Haldex has refinanced its debt with until April 2024. See page 5.
- SAF-HOLLAND has made a public cash offer to Haldex's shareholders to transfer their shares in Haldex to SAF-HOLLAND. SAF-HOLLAND is offering SEK 66 per Haldex share in cash, which values the issued share capital of Haldex at approximately SEK 3.2 billion. The Board has unanimously recommended that Haldex's shareholders accept the Offer.
- The challenges within the supply chain has eased somewhat although the situation is still strained due to increased raw material and shipping costs as well as component and semiconductor shortages.

EVENTS AFTER THE END OF THE QUARTER

- A new Executive Vice President APAC and member of Group Management has been appointed.

	Second quarter			Year to date			Rolling 12m	Full year
	Apr-Jun 2022	Apr-Jun 2021	Δ	Jan-Jun 2022	Jan-Jun 2021	Δ	Jul 2021 - Jun 2022	2021
Group overview, SEKm								
Net sales, SEKm	1,434	1,138	26%	2,706	2,218	22%	5,100	4,612
Organic growth, %	14	42	-	12	19	-	-	21
Operating income, SEKm	100	79	26%	175	191	-8%	325	341
Operating margin, %	6.9	6.9	0.0	6.5	8.6	-2.1	6.4	7.4
Adjusted operating income, SEKm	118	82	43%	198	197	0%	358	357
Adjusted operating margin, %	8.2	7.2	1.0	7.3	8.9	-1.6	7.0	7.7
Return on capital employed, % ¹	9.9	8.4	1.5	9.9	8.4	1.5	9.9	12.6
Return on capital employed, excl. one-off items, % ¹	10.9	11.3	-0.4	10.9	11.3	-0.4	10.9	13.2
Net income, SEKm	53	54	-2%	105	125	-16%	208	228
Earnings per share, before and after dilution, SEK	1.07	1.11	-2%	2.10	2.55	-16%	4.20	4.65
Cash flow, operating activities, SEKm	-63	19	-82	-123	-11	-112	184	296

¹Rolling twelve months, excluding the effects of IFRS16 - leasing

CEO STATEMENT



Net sales in the second quarter amounted to SEK 1,434m (1,138), equivalent to an organic growth of 14 percent, which is the highest since the split of the Group in 2011. We achieved sales growth in across all customer segments in all three regions. Region Americas and region EMEA reported an organic growth of 21 and 6 percent respectively, largely driven by the price increases introduced to handle the increased costs in the supply chain. I am particularly pleased that region APAC achieved an organic growth of 12 percent and successfully increased sales despite the continued market downturn in China and the logistics challenges following Covid-19 outbreaks in the country. The Aftermarket segment had an organic growth of 19 percent while both the Trailer and Truck segments grew 9 percent organically. According to our assessment of external market data, we are taking market share in the quarter on a global basis. Compared with the previous quarter, net sales increased by 13 percent.

The adjusted operating profit amounted to SEK 118m (82), corresponding to margin of 8.2 percent (7.2) in the second quarter. This shows that we have been successful in raising prices to mitigate the increased costs for raw materials, semiconductors and freight. Compared with the first quarter 2022, the adjusted operating margin increased by 1.9 percentage points. Ongoing management of pricing towards customers compared to increases in supplier costs will remain a key focus going forward. The reported operating margin amounted to 6.9 percent (6.9). Increased accounts receivables as a result of the increased sales together with a reduction in accounts payables tied up working capital which led to a negative cash flow. The cash flow from operating activities in the second quarter amounted to SEK -63m (19).

I am proud of Haldex's extended partnership with Schmitz Cargobull, the leading trailer manufacturer in Europe. During the quarter, we entered into an agreement with Schmitz Cargobull for the supply of Haldex disc brakes. The deal is an important milestone to continue to grow in this segment, and further strengthens Haldex already strong market position for air disc brakes for trailers in Europe. Together with the deal that was signed with KRONE Commercial Vehicle Group for delivery of the next generation electronic braking system during the first quarter, and which now is in commercial

production, Haldex has taken great steps to be a significant supplier to trailer customers in the EMEA region.

In June, SAF-HOLLAND announced a public cash offer to the shareholders in Haldex to purchase their shares in Haldex for a cash value of SEK 66 per share. The Board of Directors has unanimously recommended the shareholders to accept the offer. For Haldex, this offer has no impact on our operations. Our business continues as usual, and we continue to focus on delivering best-in-class solutions to our customers.

Our strategically important development projects for the Electromechanical brake (EMB) together with market leading Truck OEMs continues. Haldex remains committed to the vision and strategy that was launched at the end of 2021 with a focus on electrification and digitalization. In light of this I am pleased to announce that we have signed an agreement for a prototype of the Electromechanical brake (EMB) with one of the new leading innovative companies. While it is still in the early phases, we believe that partnering with companies with start-up characteristics, that are fully focused on electrification, is the way to go forward for the launch of the EMB. This start-up mindset provides opportunities for new business models. To meet these customers' business model and expectations of 'time-to-market', we have internally formed a cross-functional team with a focus on EMB. Our global team will going forward have the core of the development for the EMB based in Sweden.

As we mentioned last quarter, we carry on with our efforts to improve our operational efficiency and product profitability. As a step in this, we have consolidated parts of our production sites in Asia. We will continue to take steps as needed.

To adapt to the changes in our organization and alignment with our strategy, we have strengthened our behavior model which guides us in our daily work and operations. The world, our industry and our markets are changing, and we continuously need to adapt to stay successful and achieve the targeted results – both as a company and as individuals. Building our global matrix organization requires a new culture and mindset with accountability on all levels, active interactions and strengthened collaboration. Additionally, we want to share and celebrate our successes. Our new 4C Behaviors are *Challenge, Collaborate, Commit & Deliver* and *Celebrate*. By adapting our behaviors, we can better achieve our strategic goals.

In summary, the second quarter 2022 was a strong quarter for Haldex with several milestones reached, despite the continued impact of the challenges in the supply chain. We see that the lack of access to raw materials and components are easing, however increasing costs and energy prices will continue to impact us going forward. We monitor the market developments closely and are taking mitigating actions as necessary.

Jean-Luc Desire
President and CEO

FINANCIAL SUMMARY OF THE SECOND QUARTER

Net sales

Net sales during the second quarter amounted to SEK 1,434m (1,138), equivalent to an organic growth of 14 percent compared with the corresponding period in the previous year. Sales increased for all regions and customer segments. The strong growth is largely driven by price increases to customers.

Sales for region Americas increased 21 percent and amounted to SEK 825m (586). Notably sales in the Aftermarket and Trailer segments showed a high organic growth of 24 and 21 percent, respectively, but the Truck segment also grew compared with the previous year. Sales in region EMEA amounted to SEK 510m (473) with growth within all customer

segments. Sales in region APAC also increased for all customer segments, and sales amounted to SEK 99m (79), which corresponds to a 12 percent organic growth.

The Aftermarket segment showed organic growth of 19 percent, with sales increasing to SEK 753m (567). Aftermarket sales increased to 53 (50) percent of the total net sales during the second quarter. For the Trailer segment, sales amounted to SEK 458m (391), which corresponds to organic growth of 9 percent. Sales for the Truck segment amounted to SEK 223m (181), which corresponds to an organic increase of 9 percent.

	Second quarter			Year to date			Rolling 12m	Full year
	Apr-Jun 2022	Apr-Jun 2021	Δ ¹	Jan-Jun 2022	Jan-Jun 2021	Δ ¹	Jul 2021 - Jun 2022 ²	2021
Net sales per region, SEKm								
Americas	825	586	21%	1,522	1,125	18%	2,774	2,376
EMEA ²	510	473	6%	1,004	923	7%	2,001	1,920
APAC ²	99	79	12%	180	170	-5%	326	316
Total	1,434	1,138	14%	2,706	2,218	12%	5,100	4,612

¹Organic – currency adjusted

² Comparison figures from 2021 have been restated following the transfer of sales in the Middle East and the creation of region EMEA and region APAC.

	Second quarter			Year to date			Rolling 12m	Full year
	Apr-Jun 2022	Apr-Jun 2021	Δ ¹	Jan-Jun 2022	Jan-Jun 2021	Δ ¹	Jul 2021 - Jun 2022 ²	2021
Net sales per customer segment, SEKm								
Aftermarket	753	567	19%	1,389	1,113	13%	2,630	2,354
Trailer	458	391	9%	893	739	14%	1,699	1,545
Truck	223	181	9%	423	366	4%	771	713
Total	1,434	1,138	14%	2,706	2,218	12%	5,100	4,612

¹Organic – currency adjusted

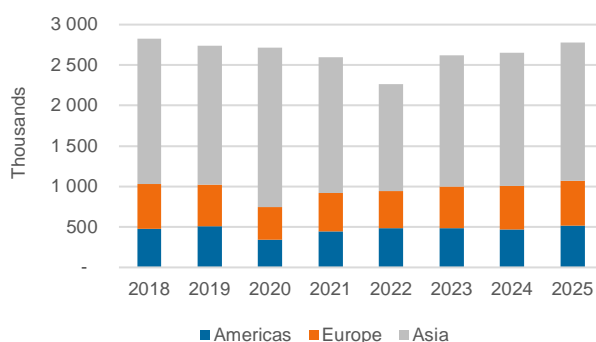
	Second quarter			Year to date			Rolling 12m	Full year
	Apr-Jun 2022	Apr-Jun 2021	Δ ¹	Jan-Jun 2022	Jan-Jun 2021	Δ ¹	Jul 2021 - Jun 2022	2021
Net sales per product area, SEKm								
Foundation Brake	820	635	17%	1,556	1,223	17%	2,880	2,548
Air Controls	614	503	10%	1,150	995	5%	2,220	2,064
Total	1,434	1,138	14%	2,706	2,218	12%	5,100	4,612

¹Organic – currency adjusted

MARKET DEVELOPMENT AND FORECAST FOR NEW PRODUCTION – EXTERNAL MARKET DATA

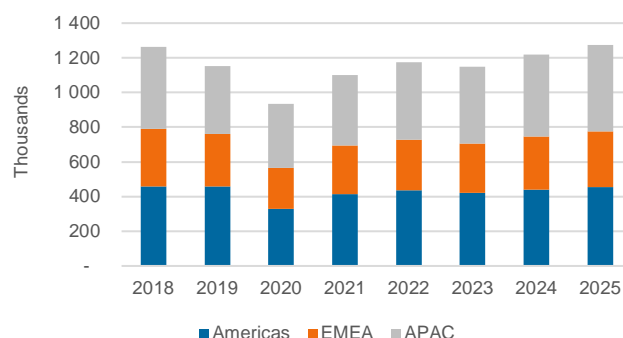
The number of newly produced trucks and trailers is an indicator of Haldex's market; however, a large part of sales and profit comes from the significantly less volatile aftermarket. The degree to which Haldex is affected depends on the share of the company's sales in each customer category and geographical region, see pages 6 – 8.

New production: Trucks and buses



Source: LMC Automotive

New production: Trailers



Source: CLEAR International Consulting Ltd.

Operating profit

The adjusted operating profit for the second quarter amounted to SEK 118m (82), corresponding to an adjusted operating margin of 8.2 (7.2) percent. Operating profit has been impacted by items affecting comparability of net SEK -18m (3), of which SEK 11m is related to restructuring costs and SEK -7m is related to advisory costs in connection with the public takeover offer from SAF-HOLLAND. During the period, production sites in China have been consolidated to synergize resources. Measures have also been taken to reduce fixed costs in EMEA. The reported operating profit amounted to SEK 100m (79) during the second quarter, corresponding to an operating margin of 6.9 percent (6.9).

The gross margin amounted to 28.5 percent (27.5) in the quarter and is positively affected by the price increases to customers to mitigate the higher purchase prices of raw materials and components in combination with increased costs for freight. The higher share of aftermarket sales also had a positive effect on the margin. Sales in the Aftermarket segment amounted to 53 (50) percent of sales in the second quarter. Compared with the previous quarter, the gross margin increased by 0.8 percentage points.

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 18m (-9). The currency effect in net financial income/expense was SEK -17m (6).

The adjusted operating profit for the first six months of 2022 was SEK 198m (197), equivalent to an adjusted operating margin of 7.3 percent (8.9).

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 2021 Annual Report.

In addition to expenditures that are reported as expenses in the income statement, SEK 6m (22) was capitalized as an asset in the income statement during the quarter, which mainly relates to the development of the electromechanical brake (EMB). Expenses for the fourth generation EBS are no longer capitalized since the beginning of the second quarter 2022. Total development expenditures, including development expenses, amounted to SEK 48m (50) during the quarter, corresponding to 3.4 (4.4) percent of sales.

Tax

The tax expense for the second quarter amounted to SEK -21m (-22), equivalent to a tax rate of 28 (28) percent. The tax rate for the quarter is in line with the average tax rate for the Group based on the profit and the local tax rate in each Group company.

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

Tax expense for the first six months amounted to SEK -41m (-47), representing a tax rate of 28 percent (27).

Profit for the period and earnings per share

Profit after tax in the second quarter was SEK 53m (54). Basic and diluted earnings per share were SEK 1.07 (1.11).

Profit after tax for the first six months of the year was SEK 105m (125). Basic and diluted earnings per share were SEK 2.10 (2.55).

Cash flow

Cash flow from operating activities amounted to SEK -63m (19) during the second quarter. Cash flow from operating activities was positively affected by the higher operating profit compared to the previous year, but negatively affected by an increase in working capital. The increase in working capital up is mainly explained by higher accounts receivables following the increase in sales as well as decreased accounts payables.

Investments, including capitalized development expenditures, amounted to SEK -23m (-58). The large part of investments relates to machinery and equipment needed in the ongoing operations. Investments also include capitalized development expenses of SEK 6m (22).

Cash flow from operating activities totaled SEK -123m (-11) in the first half of the year. The cash flow was negatively impacted by increased working capital from both increased inventory and accounts receivables.

NET DEBT AND NET INTEREST INCOME/EXPENSE

	Jun 30 2022	Jun 30 2021	Dec 31 2021
Net debt and net interest income/expense, SEKm			
Asset items in net debt:			
Cash and cash equivalents	392	338	597
Liability items in net debt:			
Interest-bearing liabilities including derivative instruments	-1,218	-928	-1,032
Pension liabilities	-187	-515	-463
Total net debt, excl. IFRS16 – leasing	-1,013	-1,105	-898
Debt attributable to IFRS16	-338	-376	-359
Total net debt, incl. IFRS 16 – leasing	-1,351	-1,481	-1,257
Net interest income/expense for current year	-13	-14	-28

Group net debt at June 30, 2022 amounted to SEK 1,351m (1,481), of which SEK 1,218m (928) is attributable to interest-bearing liabilities, SEK 338m (376) is attributable to leasing commitments in accordance with IFRS 16 and SEK 187m (515) to pension liabilities.

Net debt was positively affected by the company's earnings but negatively by the cash flow. A remeasurement of pension liabilities, in large due to higher interest, reduced net debt by SEK 276m, while lease commitments through IFRS 16 decreased net debt by SEK 21m compared to December 31, 2021.

Financial items amounted to SEK -25m (-3) during the second quarter, of which net interest including IFRS 16 was SEK -6m (-7). The equity/assets ratio was 41 percent (33) at the end of the second quarter.

During the quarter, Haldex has refinanced its debt. Haldex's debt financing as of June 30, 2022, consisted primarily of:

- A bilateral loan maturing in April 2024 of SEK 270m.
- A bilateral loan maturing in October 2023 of SEK 700m, with possible extension to April 2024.
- A syndicated credit facility of EUR 30m (SEK 320m), maturing in October 2023, with possible extension to April 2024. At quarter end, SEK 141m of the facility was unutilized.

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 9.

REGION AMERICAS

	Second quarter			Year to date			Rolling 12m	Full year
Net sales, SEKm	Apr-Jun 2022	Apr-Jun 2021	Δ ¹	Jan-Jun 2022	Jan-Jun 2021	Δ ¹	Jul 2021 - Jun 2022	2021
Aftermarket	525	365	24%	949	713	17%	1 733	1 497
Trailer	174	123	21%	334	227	29%	615	508
Truck	126	98	8%	239	185	12%	426	371
Total	825	586	21%	1,522	1,125	18%	2,774	2,376

¹Organic – currency adjusted

Net sales development

Net sales for Region Americas amounted to SEK 825m (586) in the second quarter, corresponding to an organic growth of 21 percent compared to the previous year. The Aftermarket grew organically by 24 percent, positively impacted by the overall industry growth and also as a result of price increases to customers. The Trailer and Truck segments also had strong growth, with an organic increase of 21 percent and 8 percent. Sales of air disc brakes to trailer customers has increased sharply, from low levels, compared to the previous year. Additionally, an agreement has been made for the delivery of disc brakes to a Truck OEM in Brazil.

Haldex added a surcharge on delivered orders in the fourth quarter 2021 to mitigate the higher cost level from the supply chain challenges. This surcharge is now being made a permanent price increase. During the quarter, agreements were renegotiated with certain OEM customers and, in addition, from 1 July, prices will be increased according to the price index in the agreements.

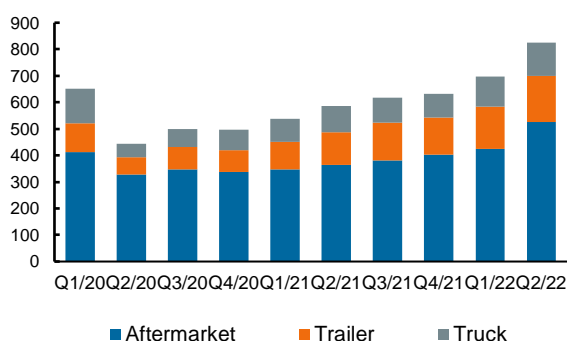
Certain customers, particularly truck OEMs, are continuing to experience a lack of supply of semiconductors and other components, which slightly impacted sales negatively. However, due to supply shortages and a slow ramp-up for certain chip suppliers, there is a backlog in the delivery of Antilock Brake System controllers that slightly impacts the aftermarket. The supply has increased but it is a slow recovery. Overall, Haldex has successfully managed to deliver products to OEM customers.

Market development and outlook

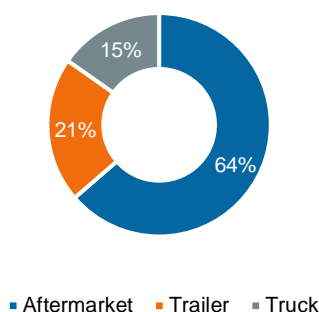
External market data indicates that the new production of trucks increased by 6 percent and the new production of trailers decreased by 4 percent in the second quarter compared to the same period in the previous year. The Americas market continues to show solid growth into 2022 despite the general industry supply chain issues experienced. New production of trucks and trailers is expected to recover during the second half of 2022 as the challenges in the supply chain ease, however there is uncertainty in the market forecasts. Haldex is following the market development closely and taking actions as needed.

Haldex has the ambition to grow faster than OEM new production and take market share, while at the same time continuing to grow the aftermarket sales. Ongoing management of pricing towards customers compared to supplier costs will remain a key focus going forward.

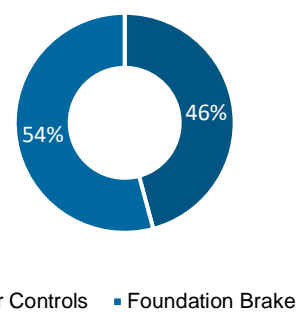
Sales per customer segment, SEKm



Sales per customer segment, %
Apr – Jun 2022



Sales per product area, %
Apr – Jun 2022



REGION EMEA

	Second quarter			Year to date			Rolling 12m	Full year
Net sales, SEKm ¹	Apr-Jun 2022	Apr-Jun 2021	Δ ²	Jan-Jun 2022	Jan-Jun 2021	Δ ²	Jul 2021 - Jun 2022	2021
Aftermarket	212	189	9%	410	373	7%	837	801
Trailer	258	246	4%	515	467	9%	1,018	970
Truck	40	38	8%	79	83	-6%	145	149
Total	510	473	6%	1,004	924	7%	2,001	1,920

¹ Comparison figures from 2021 have been restated following the transfer of sales in the Middle East and the creation of region EMEA and region APAC.

² Organic – currency adjusted

Net sales development

Net sales in region EMEA amounted to SEK 510m (473) in the quarter, corresponding to an organic growth of 6 percent. Sales in the second quarter increased across all customer segments compared to the previous year, and the increase in sales is largely a result of price adjustments to customers following the higher cost base. As of 2022, the Middle East is part of the region, which is now referred to as region EMEA, with a restatement of comparative figures for 2021.

In May, Haldex signed a multi-year contract with the leading trailer manufacturer Schmitz Cargobull for the supply of Haldex disc brakes. Deliveries are expected to begin during the third quarter 2023. The deal is an important milestone to continue to grow in this segment, and further strengthens Haldex already strong market position for air disc brakes for Trailers in Europe. Together with the deal that was signed with KRONE Commercial Vehicle Group during the first quarter, Haldex has taken great steps to be a significant supplier to trailer customers in the EMEA region.

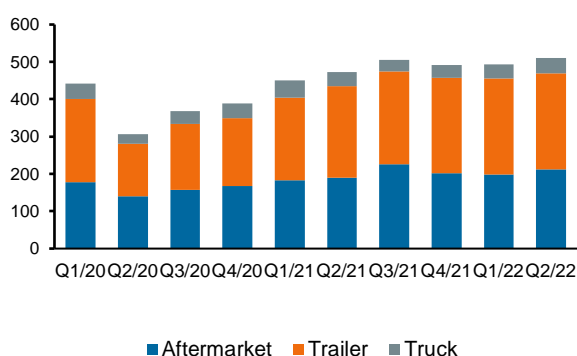
Market development and outlook

European truck manufacturers and new players continue to invest in the technological development of future vehicles, and the focus has clearly shifted toward electrification of heavy and medium-duty vehicles, which is favorable for the development of Haldex's Electromechanical brake (EMB). During the quarter, an agreement was signed with one of the new leading innovative companies for the development of an EMB prototype.

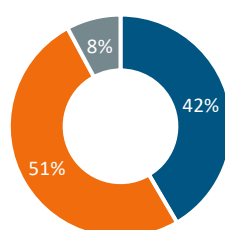
External market data indicates that the new production of trucks decreased by 15 percent and the new production of trailers decreased by 5 percent in the second quarter compared to the same period in the previous year. There is uncertainty in the market forecasts for the full year. Haldex is following the market developments closely and will take measures as needed. The disruptions in the supply chain, especially related to semiconductor, cables and increased freight, energy and material costs is expected to have a continued impact during 2022.

Haldex has the ambition to grow faster than OEM new production and take market share, while at the same time continuing to grow the aftermarket sales. Ongoing management of pricing towards customers compared to supplier costs will remain a key focus going forward.

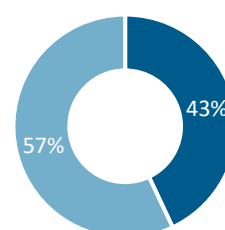
Sales per customer segment, SEKm



Sales per customer segment, %
Apr – Jun 2022



Sales per product area, %
Apr – Jun 2022



Sales per quarter 2020 and 2021 have been restated following the move of sales in Middle East from region APAC to region EMEA.

REGION APAC

	Second quarter			Year to date			Rolling 12m	Full year
	Apr-Jun 2022	Apr-Jun 2021	Δ^2	Jan-Jun 2022	Jan-Jun 2021	Δ^2	Jul 2021 - Jun 2022	2021
Net sales, SEKm¹								
Aftermarket	16	12	19%	30	27	4%	59	56
Trailer	27	22	9%	45	45	-12%	67	67
Truck	57	45	11%	105	98	-5%	200	193
Total	99	79	12%	180	170	-5%	326	316

¹ Comparison figures from 2021 have been restated following the transfer of sales in the Middle East and the creation of region EMEA and region APAC.

² Organic – currency adjusted

Net sales development

Net sales in Region APAC amounted to SEK 99m (79) in the second quarter, corresponding to an organic increase of 12 percent compared to the same period in the previous year, where sales increased across all customer segments. The continued market downturn in China and the temporary logistics challenges following new Covid-19 outbreaks impacted both Haldex and its customers during the first half of the quarter, however, sales recovered during the latter half of the quarter. Net sales for the first six months amounted to SEK180m (170) and was positively impacted by changes in exchange rates. When adjusting for currency, net sales declined 5 percent. As of 2022, the Middle East is no longer included in the region, which is now called region APAC. Comparative figures for 2021 have been restated.

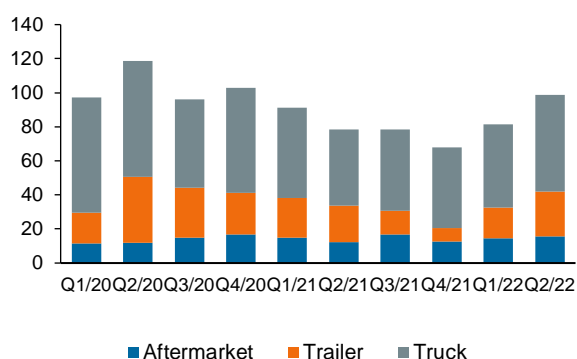
The development of air disc brakes for truck and bus customers in China in the joint venture with FAST Group continues according to plan where the joint venture is in dialogue with market leading customers. Local production and deliveries to customers is expected to begin in the third quarter.

Market development and outlook

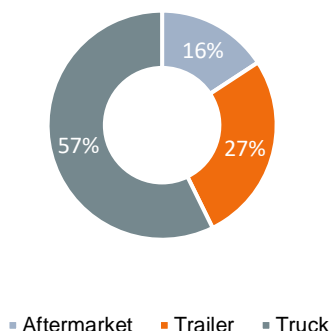
Due to supply chain difficulties caused by new Covid-19 outbreaks and the related control policies on transportation, the commercial vehicle market in China declined markedly in 2022 compared to the previous year. The expected economic stimulus measures may improve market conditions during the second half of the year. The statutory requirements for improved vehicle safety and minimizing vehicle overloading supports an increase in customer demand going forward. Market data indicates that the truck and trailer market is relatively stable in India and South Korea.

Combined sources of external market data indicate that both the new production of trucks and trailers decreased by about one third in the second quarter compared to the same period in the previous year. There is uncertainty as to what impact Covid-19 will have on the market and supply chain going forward.

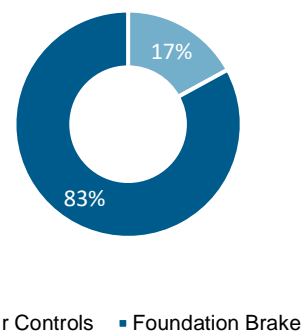
Sales per customer segment, SEKm



Sales per customer segment, %
Apr – Jun 2022



Sales per product area, %
Apr – Jun 2022



Sales per quarter 2020 and 2021 have been restated following the move of sales in Middle East from region APAC to region EMEA.

EMPLOYEES

The number of employees at the end of the quarter was 1,979 (2,026), which is 47 less than in the second quarter of 2021. The decrease in the number of employees is mainly due to less employees in production.

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 central finance function. Net sales for the parent company totaled SEK 19m (26) in the second quarter, and profit after tax was SEK 19m (11).

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 2021 Annual Report and Corporate Governance Report, on pages 58–63. 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.

SHARES AND SHARE DATA

Earnings per share for the second quarter were SEK 1.07 (1.11). On the balance sheet date, equity per share amounted to SEK 42.82 (27.77). Haldex had 48,637,567 shares at the beginning and end of the period. Excluding the 11,705 shared held by Haldex, the shares outstanding was 46 625 862 at the beginning and end of the period. The closing share price on June 30, 2022 was SEK 65.50 (56.60). The total market capitalization at the end of the quarter was SEK 3,186m.

CHANGED REGIONAL STRUCTURE

To match the operational responsibility for sales in the Middle East, the countries in the Middle East belong to the EMEA region as of 2022. In connection with this, the former region Europe has changed its name to region EMEA and the former region Asia & Middle East is now called region APAC. Comparative figures for 2021 have been restated in this report. The restated sales for region EMEA and region APAC per quarter 2021 are stated in the table below.

Net sales, SEKm	Quarter 1 2021	Quarter 2 2021	Quarter 3 2021	Quarter 4 2021	Full-year 2021
region EMEA	451	473	506	491	1,920
region APAC	91	79	78	68	316

EVENTS AFTER THE BALANCE SHEET DATE

A new Executive Vice President APAC and member of Group Management has been appointed.

CORRECTIONS 2021

At the end of 2021, the sale of the building in Kansas City was revalued in accordance with IFRS16 as a “sale-lease-back” transaction. This involves a correction of the previous capital gain that arose in the first quarter of 2021, which was reported as an item affecting comparability. The correction was made in the year-end report 2021 and all figures that were affected have been restated. See the year-end report 2021 on page 10 for more information.

In connection with the company’s internal control work, an error in historical periods totaling SEK 60m regarding inventory in Region Americas has been discovered and corrected. In all material aspects, it is attributable to historical periods before 2018. See the Annual Report 2021 on page 66 for more information.

OUTLOOK

Haldex anticipates growing faster than 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 in 2022 is expected 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. Economic recovery and increased utilization of capacity in heavy road transport for 2022 is anticipated.

Number of trailers, new production	2021	2022p	2023p	2024p
Americas	413,313	435,069	421,333	439,581
EMEA	280,053	292,613	285,992	307,390
APAC	409,097	448,224	442,692	470,942

Source: CLEAR International Consulting Ltd.

Number of trucks, new production	2021	2022p	2023p	2024p
Americas	442,276	484,808	486 139	467,097
EMEA	475,379	457,499	510 268	540,589
APAC	1,678,497	1,321,766	1,626,199	1,648,023

Source: LMC Automotive

The supply chain is expected to continue to be strained even if the situation has shown signs of easing. There is great uncertainty about these external factors where market developments are closely monitored, and measures are taken where necessary.

Since the first quarter, Haldex has suspended trade with Russia and Belarus. Haldex’s sales in Russia are limited and therefore the direct impact is minimal. Haldex is closely monitoring developments and the impact on both the business and employees and will continue to take necessary measures.

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

The parent company is related to its subsidiaries. Transactions with subsidiaries take place on market terms. Remuneration to senior executives has been paid in line with the guidelines adopted by the Annual General Meeting, which can be found on the company's website. Remuneration is paid to the Board in accordance with the decision of the Annual General Meeting.

SEASONAL EFFECTS

Haldex does not have any significant seasonal variations. On the other hand, sales are affected by the production schedules of 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 in the quarter.

CERTIFICATION BY THE BOARD OF DIRECTORS AND THE CEO

The Board of Directors and the CEO certify that the six-monthly report gives a true and fair view of the Parent Company's and the Group's operations, financial position and profit, and describes the principal risks and uncertainties that the Parent Company and the companies in the Group face.

LANDSKRONA, JULY 19, 2022

Håkan Karlsson

Chairman of the Board

Stefan Charette

Board member

Viveka Ekberg

Board member

Catharina Modahl Nilsson

Board member

Dzeki Mackinovski

Board member

Detlef Borghardt

Board member

Jahad Shako

Board member

Employee representative

Per Holmqvist

Board member

Employee representative

Jean-Luc Desire

Chief Executive Officer

This report has not been reviewed by the company's auditors.

INCOME STATEMENT

	Second quarter		Year to date		Rolling 12m	Full year
SEK m	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jul 2021 - Jun 2022	2021
Net sales	1,434	1,138	2,706	2,218	5,100	4,612
Cost of goods sold	-1,024	-825	-1,945	-1,569	-3,727	-3,352
Gross income	409	313	761	649	1,373	1,260
Gross margin	28.5%	27.5%	28.1%	29.2%	26.9%	27.3%
Product development expenses	-54	-33	-103	-63	-160	-120
Selling and administrative expenses	-238	-202	-460	-394	-867	-801
Share of result from joint venture	-5	-5	-10	-9	-21	-20
Other operating income and expenses ¹	-12	7	-14	8	0	22
Operating income¹	100	79	175	191	325	341
Financial items	-25	-3	-29	-19	-66	-55
Profit before tax	75	76	146	172	260	286
Tax	-21	-22	-41	-47	-51	-58
Profit/loss for the period	53	54	105	125	208	228
<i>of which attributable to non-controlling interest</i>	<i>1</i>	<i>0</i>	<i>3</i>	<i>1</i>	<i>4</i>	<i>2</i>
Earnings per share, basic and diluted, SEK	1.07	1.11	2.10	2.55	4.20	4.65
Average number of shares, thousands	48,626	48,626	48,626	48,626	48,626	48,626

Operating income, by nature of expenses

	Second quarter		Year to date		Rolling 12m	Full year
SEK m	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jul 2021 - Jun 2022	2021
Net sales	1,434	1,138	2,706	2,218	5,100	4,612
Direct material costs	-833	-649	-1,573	-1,234	-3,002	-2,662
Employee benefit expenses	-240	-221	-479	-436	-907	-863
Depreciation and impairments	-64	-53	-117	-107	-223	-213
Other operating income and expenses	-197	-135	-362	-251	-644	-533
Operating income¹	100	79	175	191	325	341

¹ Items affecting comparability in operating income

	Second quarter		Year to date		Rolling 12m	Full year
SEK m	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jul 2021 - Jun 2022	2021
Operating income, including items affecting comparability	100	79	175	191	325	341
Restructuring costs	-11	-3	-16	-19	-25	-28
Advisory costs takeover offer SAF-HOLLAND	-7	-	-7	-	-7	-
Capital gain on property Kansas City	-	-	-	13	-	13
Dispute, India	-	-	-	-	-1	-1
Operating income, excluding items affecting comparability	118	82	198	197	358	357

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Second quarter		Year to date		Rolling 12m	Full year
SEKm	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jul 2021 - Jun 2022	2021
Profit/loss for the period	53	54	105	125	208	228
Other comprehensive income/loss						
<i>Items not to be reclassified to the income statement:</i>						
Remeasurement of pension obligation, after tax	68	3	236	55	301	120
Total	68	3	236	55	301	120
<i>Items that may be reclassified to the income statement:</i>						
Translation differences	71	-21	151	42	231	122
Changes in financial instruments measured at fair value, after tax	-1	1	-1	0	1	2
Total	70	-20	150	42	232	124
Other comprehensive income for the period	137	-17	386	97	533	244
COMPREHENSIVE INCOME FOR THE PERIOD	191	37	491	222	741	472
<i>of which attributable to non-controlling interests</i>	<i>1</i>	<i>0</i>	<i>3</i>	<i>1</i>	<i>4</i>	<i>2</i>

BALANCE SHEET

SEKm	Jun 30 2022	Jun 30 2021	Dec 31 2021
Goodwill	457	405	422
Other intangible fixed assets	400	341	372
Right-of-use assets	293	366	316
Other property, plant and equipment	805	745	791
Financial assets	99	51	86
Deferred tax assets	39	82	80
Total non-current assets	2,092	1,991	2,067
Inventories	911	859	794
Current receivables	1,672	1,086	1,142
Derivative instruments	47	23	32
Cash and cash equivalents	392	338	597
Total current assets	3,023	2,306	2,565
TOTAL ASSETS	5,115	4,297	4,632
Equity attributable to shareholders of the parent company	2,083	1,351	1,597
Equity attributable to non-controlling interests	38	29	33
Equity	2,121	1,380	1,630
Non-current interest-bearing liabilities	1,405	312	1,314
Pensions and similar obligations	187	515	463
Deferred tax liabilities	10	18	21
Other non-current liabilities	32	26	31
Total non-current liabilities	1,634	871	1,829
Derivative instruments	97	24	42
Current interest-bearing liabilities	101	989	67
Current liabilities	1,161	1,033	1,064
Total current liabilities	1,360	2,046	1,173
TOTAL EQUITY AND LIABILITIES	5,115	4,297	4,632

CHANGES IN EQUITY (condensed)

SEKm	Jun 30 2022	Jun 30 2021	Dec 31 2021
Opening balance	1,630	1,158	1,158
Profit/loss for the period	105	125	228
Other comprehensive income of the period	386	97	244
Comprehensive income of the period	491	222	472
Closing balance	2,121	1,380	1,630
<i>attributable to non-controlling interests</i>	<i>38</i>	<i>29</i>	<i>33</i>

CONSOLIDATED STATEMENT OF CASH FLOW

	Second quarter		Year to date		Rolling 12m	Full year
SEKm	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jul 2021 - Jun 2022	2021
Operating income	98	79	173	191	323	341
Reversal of non-cash items	66	42	126	94	232	199
Interest paid	-6	-10	-13	-19	-30	-35
Tax paid	-13	-17	-34	-48	-31	-45
Cash flow from operating activities before changes in working capital	145	94	252	218	494	460
Change in working capital	-208	-75	-375	-229	-310	-164
Cash flow from operating activities	-63	19	-123	-11	184	296
Investments, incl. capitalization of R&D expenditures	-23	-58	-86	-122	-190	-226
Disposals of property, plant and equipment	-	-	-	53	-	53
Cash flow from investing activities	-23	-58	-86	-69	-190	-173
Changes in interest-bearing liabilities	-37	-19	-80	-42	-50	-12
Cash flow from financing activities	-37	-19	-80	-42	-50	-12
Cash flow for the period	-123	-58	-289	-122	-56	111
Cash and cash equivalents, opening balance	496	396	597	440	338	440
Translation difference on cash and cash equivalents	19	0	84	20	110	46
Cash and cash equivalents, closing balance	392	338	392	338	392	597

FINANCIAL INSTRUMENTS BY CATEGORY

	Jun 30 2022		Jun 30 2021	
SEKm	Assets	Liabilities	Assets	Liabilities
Currency futures – cash flow hedges	2	2	2	2
Currency futures – measured at fair value through profit or loss	1	1	1	0
Currency swaps – measured at fair value through profit	44	94	20	22
Total	47	97	23	24

PARENT COMPANY INCOME STATEMENT

	Second quarter		Year to date		Rolling 12m	Full year
SEKm	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jul 2021 - Jun 2022	2021
Net sales	19	26	62	51	121	110
Administrative expenses	-9	-29	-46	-59	-65	-78
Operating profit	10	-3	16	-8	56	32
Impairment ¹⁾	-	-	-	-	-200	-200
Financial items	11	15	29	34	62	67
Income after financial items	21	12	45	26	-82	-101
Group contributions	-	-	-	-	-76	-76
Profit before tax	21	12	45	26	-158	-177
Tax	-2	-1	-2	-9	-3	-10
Net profit for the period	19	11	43	17	-161	-187

¹⁾ The impairment relates to shareholder contributions and are intra-group.

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

	Second quarter		Year to date		Rolling 12m	Full year
SEKm	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jul 2021 - Jun 2022	2021
Profit/loss for the period	19	11	43	17	-161	-187
Other comprehensive income for the period	-	-	-	-	-	-
Comprehensive income for the period	19	11	43	17	-161	-187

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

SEKm	Jun 30 2022	Jun 30 2021
Non-current assets	2,991	2,816
Current assets	1,951	1,342
Total assets	4,942	4,158
Equity	909	1,070
Provisions	68	63
Interest-bearing liabilities, external	1,134	920
Other liabilities	2,832	2,105
Total liabilities and equity	4,942	4,158

FIVE-YEAR SUMMARY

SEKm, unless otherwise stated	2021	2020	2019	2018	2017
Income statement					
Net sales	4,612	4,007	5,151	5,119	4,462
Cost of goods sold	-3,352	-2,914	-3,812	-3,813	-3,237
Gross profit	1,260	1,093	1,339	1,306	1,225
Product development expenses	-120	-131	-158	-162	-158
Selling and administrative expenses	-801	-805	-894	-863	-797
Share of profit from joint venture	-20	-24	-21	-5	-
Other operating income and expenses	22	-233	-161	-21	-121
Operating profit	341	-100	105	255	149
<i>Operating income excl. items affecting comparability</i>	357	163	317	305	292
Financial items	-55	-89	-44	-36	-8
Share of profit from joint venture	-	-	-	-	-12
Profit before tax	286	-189	61	219	129
Tax	-58	-111	-56	-66	-50
Net income for the year	228	-300	5	153	79
Balance sheet					
Non-current assets	2,067	1,901	2,227	1,585	1,349
Current assets	2,565	2,117	2,186	2,104	1,729
Total assets	4,632	4,018	4,413	3,689	3,078
Equity					
Equity	1,630	1,158	1,537	1,611	1,395
Non-current liabilities	1,829	1,809	1,346	1,072	775
Current liabilities	1,173	1,051	1,530	1,006	908
Total equity and liabilities	4,632	4,018	4,413	3,689	3,078
Cash flow					
Cash flow from operating activities	296	215	328	274	173
Cash flow from investing activities	-173	-245	-381	-381	-231
Cash flow from financing activities	-12	188	59	211	-35
Cash flow for the year	111	158	6	104	-93
Key ratios					
Gross margin, %	27.3	27.3	26.0	25.5	27.5
Operating margin, %	7.4	-2.5	2.0	5.0	3.3
Operating margin excluding items affecting comparability, %	7.7	4.1	6.1	6.0	6.5
Earnings per share, basic and diluted, SEK	4.65	-6.44	0.12	3.46	1.67
Equity per share, SEK	32.84	23.17	34.78	35.80	30.98
Cash flow, operating activities, per share SEK	6.09	4.56	7.42	6.20	3.91
Dividend, SEK	0.00	0.00	0.00	1.15	0.55
Share price, SEK	53.00	43.75	51.00	69.00	87.25
Return on capital employed, % ^{1, 2}	12.6	-3.9	3.1	9.8	6.8
Return on capital employed excl. items affecting comparability, % ^{1, 2}	13.2	5.1	9.4	11.8	13.3
Return on equity, ¹ %	16.3	-22.7	0.1	9.8	5.4
Equity/assets ratio, %	36	30	35	44	45
Net debt/equity ratio, % ²	53	85	66	45	42
Investments	136	197	273	313	218
R&D, %	4.0	5.4	4.6	4.1	4.0
Number of employees	2,003	1,990	2,172	2,309	2,176

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

QUARTERLY DATA

	2022			2021			2020		
SEKm, unless otherwise stated	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Income statement									
Net sales	1,434	1,272	1,191	1,203	1,138	1,080	989	964	875
Cost of goods sold	-1,024	-920	-895	-888	-825	-744	-706	-695	-647
Gross profit	409	352	296	315	313	336	283	269	228
Product development expenses	-54	-49	-27	-30	-33	-30	-32	-28	-35
Selling and administrative expenses	-238	-222	-213	-195	-202	-191	-189	-185	-195
Share of profit from joint venture	-5	-5	-6	-4	-5	-4	-2	-7	-8
Other operating income and expenses	-12	-1	4	10	7	1	-16	-73	-141
Operating profit ¹	100	75	54	96	79	112	44	-23	-151
Operating income, excluding items affecting comparability	118	80	60	100	82	115	66	58	-3
Financial items	-25	-4	-17	-21	-3	-16	-46	-6	-12
Profit before tax	75	71	37	75	76	96	-2	-29	-163
Tax	-21	-19	10	-21	-22	-25	-59	-75	24
Profit/loss for the period	53	52	47	55	54	71	-61	-104	-139
Balance sheet									
Non-current assets	2,092	2,087	2,067	2,007	1,991	1,988	1,901	1,979	2,173
Total current assets	3,023	2,786	2,565	2,444	2,306	2,289	2,117	2,266	2,082
Total assets	5,115	4,873	4,632	4,451	4,297	4,277	4,018	4,245	4,255
Equity	2,121	1,930	1,630	1,489	1,380	1,343	1,158	1,255	1,392
Total non-current liabilities	1,634	1,608	1,829	1,852	871	1,797	1,809	1,870	1,873
Total current liabilities	1,360	1,335	1,173	1,110	2,046	1,137	1,051	1,119	990
Total equity and liabilities	5,115	4,873	4,632	4,451	4,297	4,277	4,018	4,245	4,255
Statement of cash flow									
Cash flow from operating activities	-63	-60	281	26	19	-30	123	231	-96
Cash flow from investment activities	-23	-63	-69	-35	-58	-11	-40	1	-76
Cash flow from financing activities	-37	-43	-6	36	-19	-23	-88	-21	165
Cash flow for the period	-123	-166	206	27	-58	-64	-5	211	-7
Key ratios									
Gross margin, %	28.5	27.7	24.8	26.2	27.5	31.1	28.6	27.9	26.1
Operating margin, %	6.9	5.9	4.6	8.0	6.9	10.4	4.5	-2.4	-17.2
Operating margin, excl. Items affecting comparability, %	8.2	6.3	5.0	8.3	7.2	10.6	6.7	6.0	-0.3
Earnings per share, before and after dilution, SEK	1.07	1.04	0.98	1.11	1.11	1.44	-1.27	-2.15	-2.95
Equity per share, SEK	42.82	38.97	32.84	30.48	28.30	27.00	23.17	25.16	28.88
Cash flow, operating activities, per share, SEK	-1.30	-1.23	5.78	0.53	0.39	-0.62	2.53	4.75	-2.04
Share price, SEK	65.50	41.20	53.00	46.60	56.60	46.25	43.75	41.80	37.50
Return on capital employed, % ^{1 2}	9.9	9.6	12.6	12.6	8.4	0.0	-3.9	-9.7	-6.6
Return on capital employed, excl. Items affecting comparability, % ^{1 2}	10.9	10.2	13.2	12.7	11.3	7.7	5.1	4.4	5.3
Return on equity, %	12.0	11.9	16.3	10.7	-1.4	-17.9	-22.7	-27.0	-16.4
Equity/assets ratio, %	41	40	35	34	33	32	30	30	33
Net debt/equity ratio, % ²	47	53	53	74	76	74	85	84	91
External investments	17	52	45	16	36	39	25	26	49
R&D, %	3.4	4.0	3.5	3.7	4.4	4.5	4.9	5.2	6.3
Number of employees	1,979	2,045	2,003	2,072	2,026	2,021	1,990	1,962	2,055

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

KEY RATIOS

	Jan - Jun 2022	Jan - Jun 2021	Jan - Dec 2021
Gross margin, %	28.1	29.2	27.3
Operating margin excluding items affecting comparability, %	7.3	8.9	7.7
Operating margin, %	6.5	8.6	7.4
Cash flow, operating activities, SEKm	-123	-11	296
Cash flow after investments, SEKm	-209	-80	123
Return on capital employed % ^{1, 2}	9.9	8.4	12.6
Return on capital employed excl. items affecting comparability, % ^{1, 2}	10.9	11.3	13.2
Investments, SEKm	69	75	136
R&D, %	3.8	4.4	4.0
Number of employees	1,979	2,026	2,003
Return on equity, % ¹	12.0	-1.4	16.3
Interest coverage ratio, multiple	12.9	12.8	13.7
Equity/assets ratio, %	41	33	35
Net debt/equity ratio, % ²	47	76	53
Per share:			
Profit after tax per share, basic, SEK	2.10	2.55	4.65
Profit after tax per share, diluted, SEK	2.10	2.55	4.65
Equity per share, SEK	42.82	28.30	32.84
Cash flow, operating activities, per share, SEK	-2.53	-0.23	6.09
Share price, SEK	65.50	56.60	53.00
Average total number of shares, thousands	48,638	48,638	48,638
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 Tuesday July 19 at 11.00 am CEST, 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/43491>

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

Interim report, Jul – Sep 2022

October 27, 2022

Year-end report, Jan - Dec 2022

February 17, 2023

Contacts

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Lottie Saks, CFO

Jenny Boström, Investor Relations Manager

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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 Tuesday, July 19, 2022 at 7.20 am CEST.

FINANCIAL DEFINITIONS

Alternative performance measures that are not defined in accordance with IFRS are presented in the report as they are considered to be important supplementary key figures for the company results. The purpose with the alternative performance measures is to achieve enhanced understanding and promote the usability of the financial information and provide the reader with a more nuanced and in-depth picture of the business.

In cases where the numerical basis for calculating alternative performance measures is not stated in the report, see the annex for additional information.

Return on equity¹

Share of net profit for the year attributable to the shareholders in the parent company as a percentage of the average equity attributable to the shareholders in the parent company.

Return on capital employed¹

Operating income plus interest income as a percentage of the average capital employed.

Gross margin

Gross profit, i.e. net sales less cost of goods sold, divided by net sales.

Equity per share

Equity attributable to the parent company shareholders divided by average number of shares.

Items affecting comparability

Profit and loss items that are of a non-recurring nature in normal business operations. Items affecting comparability may, for example, include restructuring costs, impairments and product-related warranties attributable to specific customer commitments. The purpose of specifying these is to be able to demonstrate the trend in the underlying business.

External investments

Investments done at external suppliers that are booked directly against the balance sheet. Capitalization of product development costs are not included.

R&D, %¹

Total research and development expenditure excl. depreciation divided by net sales.

Cash flow per share

Cash flow from operating activities divided by average number of shares.

Net debt¹

Cash and cash equivalents plus interest-bearing receivables minus interest-bearing liabilities and provisions.

Net debt/equity ratio¹

Interest-bearing liabilities and provisions minus cash and cash equivalents and interest-bearing receivables divided by equity including non-controlling interests.

Earnings per share¹

Share of net profit for the year attributable to the parent company shareholders divided by weighted average number of shares.

Net interest income/expense¹

The economic difference in absolute terms between recognized interest income for financial assets and interest expenses for interest-bearing liabilities and provisions. For numerical data, see annex.

Interest coverage ratio¹

Operating profit excluding items affecting comparability plus interest income divided by interest expense.

Operating margin

Operating profit as percentage of net sales for the period.

Adjusted operating margin

Operating profit excluding items affecting comparability as percentage of net sales for the period.

Operating profit¹

Profit from operations before financial items and tax.

Adjusted operating profit

Profit from operations before financial items and tax, adjusted for items affecting comparability.

Equity/assets ratio

Equity including non-controlling interests as a percentage of total capital.

Capital employed¹

Total assets less non-interest-bearing liabilities and non-interest-bearing provisions.

Currency-adjusted information¹

Financial figure converted to the same exchange rate as in the comparative period. The purpose is to show how the business operation would have developed without the impact of changes in exchange rates when consolidating foreign units.

¹ Supplementary financial information is presented in the annex

GLOSSARY

ABS

A system that prevents the wheels from locking during braking. ABS stands for Anti-lock Braking System.

Air Controls

Haldex product line for products that improve the safety and driving dynamics of the brake system, such as treatment and dehumidifying of compressed air, valves, ABS and EBS.

EBS

Electronically controlled brake system. EBS acts as a key part of pneumatic brake systems and can monitor and control the brake system. In brake systems without EBS, the braking force on the wheels is the same at all times, while in vehicles with EBS the braking force is distributed differently depending on need.

Aftermarket

The selling of spare parts, training and services to the workshops which repair and service vehicles that have entered service.

EMB

Electromechanical brakes. These are part of an electronic braking system, i.e. the pneumatic brake system is replaced by an electronic brake system. Electromechanical brakes are currently approved in China, but not in North America and Europe.

Foundation Brake

Haldex product line for brake products for wheel ends such as disc brakes, brake adjusters for drum brakes and actuators.

OEM

Original Equipment Manufacturer, i.e. manufacturer of vehicles.

Truck

Heavy goods vehicles and buses.

Trailer

Towed vehicles attached to a tractor (goods vehicle).

ANNEX

NUMERICAL BASIS FOR ALTERNATIVE PERFORMANCE MEASURES

Sales per region

SEKm	Recognized sales Apr–Jun 2022	Currency adjustment to exchange rates of previous year	Currency adjusted sales Apr–Jun 2022	Δ	Recognized sales full year 2021	Currency adjustment to exchange rates of previous year	Currency adjusted sales full year 2021	Δ
Americas	825	-118	708	-14%	2,376	167	2,543	7%
EMEA	510	-8	502	-2%	1,920	45	1,965	2%
APAC	99	-11	88	-11%	316	8	324	3%
Total	1,434	-137	1,297	-10%	4,612	220	4,832	5%

Sales per product area

SEKm	Recognized sales Apr–Jun 2022	Currency adjustment to exchange rates of previous year	Currency adjusted sales Apr–Jun 2022	Δ	Recognized sales full year 2021	Currency adjustment to exchange rates of previous year	Currency adjusted sales full year 2021	Δ
Foundation Brake	820	-75	744	-9%	2,548	112	2,660	4%
Air Controls	614	-61	553	-10%	2,064	108	2,172	5%
Total	1,434	-137	1,297	-10%	4,612	220	4,832	5%

Sales per customer segment

SEKm	Recognized sales Apr–Jun 2022	Currency adjustment to exchange rates of previous year	Currency adjusted sales Apr–Jun 2022	Δ	Recognized sales full year 2021	Currency adjustment to exchange rates of previous year	Currency adjusted sales full year 2021	Δ
Aftermarket	753	-80	673	-11%	2,354	126	2,480	5%
Trailer	458	-31	427	-7%	1,545	51	1,596	3%
Truck	223	-26	196	-12%	713	43	756	6%
Total	1,434	-137	1,297	-10%	4,612	220	4,832	5%

Sales growth, second quarter 2022

Procent	Group	Americas	EMEA	APAC
Organic growth	14	21	6	12
Exchange rate effect	12	20	2	13
Acquisitions	-	-	-	-
Reported growth	26	41	8	25

ANNEX - QUARTERLY DATA

NUMERICAL BASIS FOR ALTERNATIVE PERFORMANCE INDICATORS

	2022		2021				2020		
SEKm, unless otherwise stated	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Items affecting comparability									
- Restructuring expenses	-11	-5	-5	-4	-3	-16	-48	-8	-46
- Advisory costs takeover offer SAF-HOLLAND	-7	-	-	-	-	-	-	-	-
- Impairment of asset	-	-	-	-	-	-	-5	-70	-101
- Capital gain sale of building	-	-	-	-	-	13	35	-	-
- Dispute, India	-	-	-1	-	-	-	-	-1	-
- Expenses related to the ownership structure	-	-	-	-	-	-	-4	-2	-1
Total items affecting comparability	-18	-5	-6	-4	-3	-3	-22	-81	-148
Research and development expenditures excl. amortization	-48	-51	-42	-44	-50	-48	-48	-50	-55
Capitalized development costs	6	8	21	20	22	24	22	28	27
Research and development costs excl. amortization	-42	-43	-21	-24	-28	-24	-26	-22	-28
Net interest income and financial items									
Interest income	1	9	-8	11	-2	3	-1	1	0
Interest expense	-7	-16	-1	-16	-5	-9	-13	-17	-6
Total net interest income/expense	-6	-7	-9	-5	-7	-6	-14	-16	-6
Financial exchange rate effect	-17	4	-8	-13	6	-6	-33	13	-4
Other financial items	-2	-2	0	-3	-2	-3	-2	-3	-2
Total financial items	-25	-4	-17	-21	-3	-16	-46	-6	-12
Net debt									
- Interest-bearing assets	392	496	597	370	338	396	440	466	260
- Interest-bearing liabilities, including derivative instruments	-1,218	-1,069	-1,032	-1,021	-928	-925	-888	-904	-920
- Pension liabilities	-187	-263	-463	-504	-515	-524	-578	-658	-651
Total net debt¹	-1,013	-836	-898	-1,155	-1,105	-1,053	-1,026	-1,096	-1,311
Capital employed									
Total assets	5,115	4,873	4,632	4,483	4,297	4,277	4,018	4,245	4,255
Non-interest-bearing liabilities and provisions	-1,301	-1,273	-1,159	-1,080	-1,101	-1,100	-1,024	-1,070	-965
Total capital employed	3,814	3,600	3,473	3,403	3,196	3,177	2,994	3,175	3,290
Average capital employed	3,528	3,372	3,251	3,148	3,111	3,155	3,234	3,304	3,340
Net profit attributable to the shareholders in the Parent Company									
Profit/loss for the period	53	52	47	55	54	71	-61	-104	-139
Profit attributable to non-controlling interests	1	2	0	1	0	1	1	1	0
Total net income attributable to shareholders in the Parent Company	52	50	47	54	54	70	-62	-105	-139
Equity attributable to shareholders in the Parent Company									
Equity	2,121	1,930	1,630	1,514	1,380	1,343	1,158	1,255	1,392
Equity attributable to non-controlling interests	38	35	33	31	29	30	27	31	30
Total equity attributable to shareholders in the Parent Company	2,083	1,895	1,597	1,483	1,351	1,313	1,131	1,224	1,362
Average equity attributable to shareholders in the Parent Company	1,679	1,565	1,385	1,310	1,276	1,311	1,340	1,447	1,522
Average number of shares	48,638	48,638	48,638	48,638	48,638	48,638	48,638	48,638	47,164

¹The effect of IFRS 16 has been excluded