



Interim Financial Report January – June 2019

We have during the first half of 2019 seen that the activities we have undertaken to create a better underlying profitability, by reviewing the product portfolio and increasing the efficiency in our production, are paying off. EBITDA excl. IFRS 16 increased by 44% compared to the first six months last year.

LEAX has during the period continued the large investment program for the passenger car segment and has invested about SEK 110 million during the first half of the year. We have at the end of the second quarter made the first series deliveries for one of the projects.

The outlook for the year still looks stable and the demand for the company's products is still on a high level. We can, however, see a certain decline in demand during the late autumn. In the event of a slowdown, LEAX is well prepared for rapid adjustments and we have started to take measures for a somewhat weaker demand.

Summary of the second quarter of 2019

- Net Sales amounted to SEK 495,7 million (462,2)
- Adjusted operating profit before depreciation (Adjusted EBITDA) increased to SEK 33,1 million (16,6)
- Earnings before tax (EBT) increased to SEK 2,3 million (-14,1)*
- Profit margin before tax (EBT%) amounted to 0,5% (-3,1%)*
- Cash flow from operating activities amounted to SEK 25,6 million (17,8)*
- Net income for the period increased to SEK 0,4 million (-15,3)*

**2019 has been affected by IFRS 16 Leases, while 2018 is unchanged and not restated. Please see Note 3 IFRS 16 Leases for further information regarding IFRS 16.*

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The information was submitted for publication, through the agency of the contact person set out above, on August 23, 2019 at 08:30 CEST.

About LEAX:

LEAX Group AB (publ) is the parent company of a group ("LEAX Group") with about 1,300 employees. LEAX has operations in Köping, Falun, Falköping and Tidaholm in Sweden, Riga and Rezekne in Latvia, Curitiba in Brazil, Detmold in Germany, Mezőkövesd in Hungary and Wuxi in China. The company is a manufacturer of mechanical components and subsystems for the heavy vehicle industry, passenger cars, mining and construction industries and other engineering industries. LEAX Group also delivers customized gearboxes for various mechanical engineering industries. The group's sales for 2018 amounted to approx. 1.8 billion SEK.