



VBG GROUP
YEAR-END REPORT
JANUARY–DECEMBER
2019

Q4

SEK 3,725 M

Consolidated sales for full-year 2019
increased to SEK 3,725.4 M (3,492.4).

SEK 435 M

Operating profit for full-year 2019
increased to SEK 435.0 M (417.6).



VBG GROUP

VBG GROUP INTERIM REPORT YEAR-END REPORT 2019

Fourth quarter 2019:

- Consolidated sales decreased by 2.5% to **SEK 847.3 M** (868.8).
- Operating profit decreased to **SEK 66.8 M** (87.9) with a margin of 7.9% (10.1).
- Profit after financial items amounted to **SEK 61.8 M** (81.1).
- The Group's profit after tax amounted to **SEK 53.6 M** (60.5).
- Earnings per share amounted to **SEK 2.15** (2.42).
- Restating in accordance with IFRS 16 had a positive impact on operating profit of SEK 1.1 M.

Full-year 2019:

- Consolidated sales increased by 6.7% to **SEK 3,725.4 M** (3,492.4).
- Operating profit was **SEK 435.0 M** (417.6), with a margin of 11.7% (12.0).
- Profit after financial items amounted to **SEK 397.0 M** (373.1).
- The Group's profit after tax totaled **SEK 299.5 M** (273.0).
- Earnings per share increased by 9.7% to **SEK 11.98** (10.92).
- Restating in accordance with IFRS 16 had a positive impact on operating profit of SEK 3.0 M.
- Restating in accordance with IFRS 16 had a negative impact on earnings per share of SEK 0.11.
- The Board of Directors proposes a raised ordinary dividend of SEK 5.00 per share (3.50) and no extra dividend (SEK 1.00 the preceding year). This means the proposed total dividend of **SEK 5.00** (4.50) corresponds to 41.7% (41.2%) of profit after tax.

KEY FIGURES				
Group, SEK M	Q4 2019	Q4 2018	Full-year 2019	Full-year 2018
Net sales	847.3	868.8	3,725.4	3,492.4
Operating profit before depreciation/amortization (EBITDA)	96.2	108.3	547.8	497.4
Operating profit before amortization (EBITA)	74.9	95.8	467.1	449.3
Operating profit (EBIT)	66.8	87.9	435.0	417.6
Operating profit after financial items (EBT)	61.8	81.1	397.0	373.1
Profit after tax	53.6	60.5	299.5	273.0
Earnings per share, SEK	2.15	2.42	11.98	10.92
Cash flow from operating activities	121.9	46.60	438.9	253.6
ROE (cumulative), %	12.5	12.8	12.5	12.8
ROCE (cumulative), %	12.4	13.2	12.4	13.2
Equity/assets ratio, %	57.8	56.7	57.8	56.7
Interest-bearing net debt/EBITDA	—	—	1.20	1.30
Average number of employees	—	—	1,596	1,561
Average number of shares during the period	25,004	25,004	25,004	25,004
Number of shares outstanding	25,004	25,004	25,004	25,004

THIS IS VBG GROUP

VBG Group AB (publ), domiciled in Vänersborg, Sweden, is the Parent Company of an international industrial Group with wholly owned companies in the US, Canada, India, Brazil, China, Australia, South Africa and nine countries in Europe. Operations are monitored and reported in three segments: Truck & Trailer Equipment (with the divisions VBG Truck Equipment and Edscha Trailer Systems), Mobile Climate Control and Ringfeder Power Transmission, with products that are marketed under strong, well-known brands.

VBG Group AB's Series B share was introduced on the stock exchange in 1987 and is listed today on the Nasdaq Stockholm Mid Cap list.

Vision

We are number one or two globally in the industrial niches in which we are active. We make a difference by creating the products and services of the future.

Business concept

VBG Group will, within selected product and market segments, acquire, own and develop industrial companies in business-to-business commerce with strong brands and good growth potential. Based on a long-term commitment and with a focus on growth and profitability, the VBG Group's shareholders will be offered attractive value growth.

Goals

- >10% in average annual sales growth over a five-year period, of which >5% attributable to actual organic growth and >5% to structural growth.
- >12% in average operating margin (EBIT) rolling five years.

Strategies

The Parent Company, VBG Group AB, and Group Management are responsible for the strategic governance of the Group as a whole, which entails the approval and follow-up of operational targets and strategies, providing support in the form of industrial expertise and identifying and conducting strategic acquisitions. Furthermore, the Parent Company is responsible for allocating capital as well as strategic HR and IT work.

Strategies for the divisions:

- Strong brands and leading market positions in selected niches
- High customer value in the products
- Diversified customer base
- International expansion

Stable ownership situation

The VBG Group's principal owners comprise three foundations that were established by the Group's founder, Herman Krefting. This ownership structure has historically provided a high degree of financial stability, which in turn has resulted in solid total returns for shareholders.

VBG GROUP IN THE WORLD

The VBG Group has 33 wholly owned companies in 16 countries and 1,600 employees in 18 countries worldwide.

- Own companies
- Importers/Agents
- VBG Truck & Trailer Equipment
- Mobile Climate Control
- Ringfeder Power Transmission



This is VBG Group, cont.

Our segments/divisions

DIVISIONS

BRANDS



TRUCK & TRAILER EQUIPMENT

Comprises the VBG Truck Equipment and Edscha Trailer Systems divisions. VBG Truck Equipment is, by virtue of its own strong brands, an internationally leading supplier of coupling equipment for trucks with heavy trailers, where the division accounts for more than 50% of the global market via the Ringfeder and VBG brands. With its Onspot automatic tire chains, the division occupies a world-leading position in its niche. Edscha Trailer Systems is an internationally leading supplier of sliding roofs to tarpaulin-covered trailers and tipper vehicles, as well as sliding bow roofs for railway wagons. The division accounts for approximately 40% of the global market for sliding roofs via the Edscha Trailer Systems and Sesam brands.



MOBILE CLIMATE CONTROL

By virtue of its own strong brand, the division is an industry-leading supplier of complete climate control systems (HVAC systems) to commercial motor vehicles, primarily in North America and Europe. The customers are mainly found in four market segments: buses, off-road vehicles, utility vehicles and defense vehicles.



RINGFEDER POWER TRANSMISSION

By virtue of its own strong brands, the division is a recognized global market leader in selected niches within mechanical power transmission and energy and shock absorption. The division's main brand is Ringfeder, and the Brazilian brand Henfel is a complementary brand operating in South America. Customers of the division are found in such widely disparate industrial markets as construction, machinery, power and mining.



SALES BY SEGMENT



- Truck & Trailer Equipment, 32%
- Mobile Climate Control, 54%
- Ringfeder Power Transmission, 14%

SALES BY MARKET



- Sweden, 7.7%
- Other Nordic countries, 5.4%
- Germany, 12.4%
- Other European countries, 15.2%
- North America, 50.8%
- Brazil, 2.2%
- Australia/New Zealand, 2.7%
- China, 1.0%
- Rest of world, 2.6%

VBG GROUP'S BEST YEAR EVER

All in all, 2019 was an excellent year for VBG Group – in fact, the best year ever in terms of operating profit. In addition to sales growth of 6.7%, we are reporting both record profits and a healthy cash flow, which continued to help strengthen our stable financial position. As a result, the Board of Directors has chosen to propose an increased dividend from SEK 4.50 to SEK 5.00.

In accordance with a decision by the Board, a change in the Group's monitoring and reporting structure was implemented in the fourth quarter of 2019, which means that the two divisions, VBG Truck Equipment and Edscha Trailer Systems, will form one segment under the name of Truck & Trailer Equipment. This decision was taken in light of the fact that both divisions are working on their product and service offerings with a strategic orientation toward the truck and transport sector. Compared with the equivalent earnings in the preceding year, earnings for the new Truck & Trailer Equipment segment were impacted negatively in the fourth quarter, primarily since the trailer industry trended negatively during the second half of the year.

In the first quarter of 2019, Truck & Trailer Equipment signed a strategically important agreement to acquire all the rights to BPW's drawbar program. The whole of 2019 was marked by integration efforts, and sales commenced in January 2020.

Strong position moving forward

2019 began with a record strong first quarter and impressive growth for all of our operations. The strong growth then gradually leveled off, and fourth-quarter performance was down from the year-earlier period. The explanation lies above all in two circumstances: low demand in the trailer industry and a calendar quarter with fewer working days, which contributed to lower sales levels. It is still worth mentioning that most of our operations are still reporting sales at historically high levels.

The Group's earnings for the fourth quarter were lower, and the primary reason for this was non-recurring costs in the Mobile Climate Control and Ringfeder Power Transmission divisions. Mobile Climate Control increased its sales in the quarter by 4.5%, but costs related to the division's robust sales growth during the year – such as new product launches and increased quality costs – contributed to lower profits in the quarter. Ringfeder Power Transmission was also affected by a high level of non-recurring costs. As a measure, we reviewed the division's customer structure and made changes to the product offering. As regards sales, Ringfeder Power Transmission reported that levels remained stable for the quarter. The Group's Truck & Trailer Equipment segment also reported a stable trend.



For the full year, the Group's sales increased by 6.7% and operating profit by 4.2%. This is a confirmation of our strength and a firm base from which we can work further.

Continued international uncertainty

A great deal of uncertainty prevailed around the world in 2019 as regards trade policy and security policy. We noted a cooling off in markets such as Germany and Turkey during the year. Our portfolio strategy, differentiated business structure and international presence has helped the Group to become less sensitive today than previously to decreased demand in individual markets. A positive performance in Australia and Brazil during the year compensated in part for the stagnation we observed in Europe. Despite continued international uncertainty, we have seen no signs in 2020 of a general economic downturn, and our order books for drawbar couplings still look good for the first quarter.

Initiatives for the future

In 2019, we continued moving our positions forward, establishing ourselves in new markets and new product segments, which is important work. During the year, for example, we developed new products, electrified MCC's offering for buses, and started up sales of drawbar couplings in Brazil.

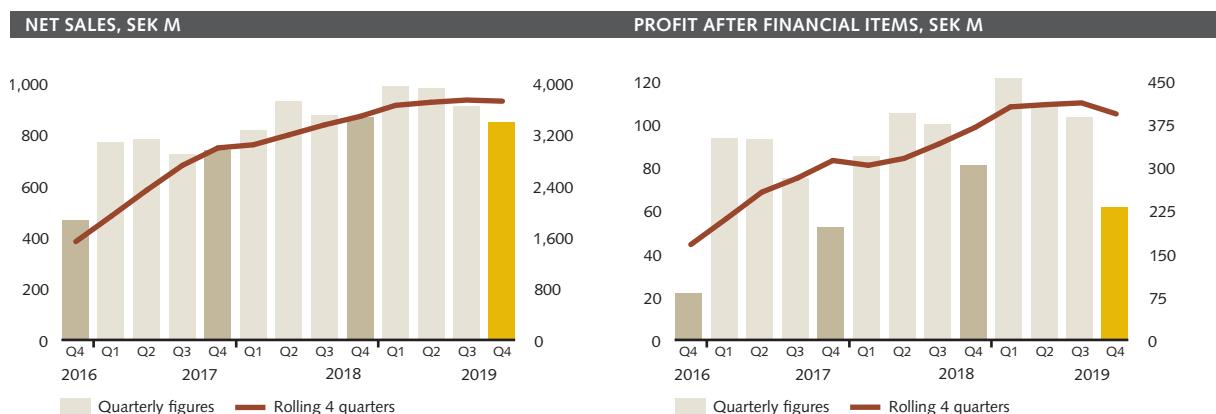
All in all, I can state that 2019 was an excellent year for VBG Group. We reported our highest profits ever and an extremely good cash flow. With a strong base, a stable financial position and our efforts in market and product development, I am looking forward with confidence to 2020 and VBG Group's continued development.

Anders Birgersson
President and CEO, VBG Group

GROUP TREND

SEK M	Full-year 2019					Full-year 2018				
	Q4 2019	Q3 2019	Q2 2019	Q1 2019		Q4 2018	Q3 2018	Q2 2018	Q1 2018	
Net sales	3,725.4	847.3	909.1	979.4	989.6	3,492.4	868.8	874.8	931.2	817.7
Operating profit before depreciation/amortization (EBITDA)	547.8	96.2	137.4	151.2	163.0	497.4	108.3	127.4	137.3	124.4
Operating profit before amortization (EBIT)	467.1	74.9	117.3	131.3	143.6	449.3	95.8	115.2	125.3	113.0
Operating profit (EBIT)	435.0	66.8	109.4	123.3	135.5	417.6	87.9	107.3	117.3	105.2
Operating margin (EBIT), %	11.7	7.9	12.0	12.6	13.7	12.0	10.1	12.3	12.6	12.9
Operating profit after financial items (EBT)	397.0	61.8	103.9	109.6	121.7	373.1	81.1	100.9	105.6	85.6
Profit after tax	299.5	53.6	73.7	83.2	89.0	273.0	60.5	71.2	77.8	63.5
Earnings/loss per share, SEK	11.98	2.15	2.95	3.32	3.56	10.92	2.42	2.85	3.11	2.54
Cash flow from operating activities	438.9	121.9	145.0	72.0	100.0	253.6	46.6	97.0	37.0	73.0
ROE (cumulative), %	12.5	12.5	14.0	14.8	15.6	12.8	12.8	13.4	13.4	12.3
ROCE (cumulative), %	12.4	12.4	14.1	14.8	15.7	13.2	13.2	14.0	14.1	13.5
Equity/assets ratio, %	57.8	57.8	55.8	55.2	54.2	56.7	56.7	54.9	53.9	54.1
EBITDA, effect of IFRS 16	34.3	9.5	8.5	8.2	8.1					
EBITA, effect of IFRS 16	3.0	1.1	0.8	0.7	0.4					
EBIT, effect of IFRS 16	3.0	1.1	0.8	0.7	0.4					
Loss after tax, effect of IFRS 16	-2.8	-0.3	-1.2	-0.1	-1.2					

SEK M	Full-year 2019					Full-year 2018				
	Q4 2019	Q3 2019	Q2 2019	Q1 2019		Q4 2018	Q3 2018	Q2 2018	Q1 2018	
Sweden	288.0	70.1	60.2	75.5	82.2	275.9	69.2	58.1	73.3	75.3
Other Nordic countries	201.3	49.6	44.9	51.8	55.0	194.7	47.6	48.4	50.1	48.5
Germany	462.9	93.2	112.0	126.3	131.4	514.7	121.2	121.4	135.9	136.1
Other European countries	564.9	122.1	127.2	151.0	164.6	576.2	133.6	134.1	158.4	150.1
North America	1,891.4	423.9	486.3	501.9	479.3	1,648.6	414.2	441.8	449.0	343.7
Brazil	80.5	21.2	21.0	17.9	20.4	62.9	17.1	16.6	13.6	15.7
Australia/New Zealand	100.8	32.7	26.0	20.4	21.7	73.6	19.0	16.1	13.3	25.2
China	37.2	11.5	8.1	8.2	9.4	45.6	14.9	12.4	12.3	6.0
Rest of world	98.4	22.9	23.3	26.5	25.6	100.1	31.9	25.8	25.4	17.0
Group	3,725.4	847.3	909.1	979.4	989.6	3,492.4	868.8	874.8	931.2	817.7



Sales and earnings

Fourth quarter of 2019

Sales of SEK 847.3 M (868.8) were 2.5% lower compared with the fourth quarter of 2018. Adjusted for currency effects, the actual organic growth was negative, down 6.5%.

The Group's consolidated operating profit declined to SEK 66.8 M (87.9), with an operating margin of 7.9% (10.1). Group-wide overheads in the Parent Company that have not been allocated to the divisions totaled SEK 4.8 M (6.6).

Net interest expense was SEK 3.8 M (expense: 7.9), other financial expenses totalled SEK 1.4 M (2.0) and the currency effect on foreign currency-denominated credits was a positive SEK 0.2 M (1.1). Taken together, this resulted in a net financial expense of SEK 5.0 M (expense: 6.8). Accordingly, profit after financial items amounted to SEK 61.8 M (81.1). Profit after tax totaled SEK 53.6 M (60.5) and earnings per share amounted to SEK 2.15 (2.42).

Full-year 2019

Sales of SEK 3,725.4 M (3,492.4) were 6.7% higher year-on-year. Adjusted for currency effects between the years, actual organic volume growth was 1.9%.

Operating profit increased to SEK 435.0 M (417.6), with an operating margin of 11.7% (12.0). Group-wide overheads in the Parent Company that have not been allocated to the divisions totaled SEK 17.5 M (18.3).

The Group's net interest expense was SEK 24.8 M (expense: 33.8), other financial expenses totalled SEK 7.7 M (8.3) and the currency effect on foreign currency-denominated credits was a negative SEK 5.5 M (neg: 10.7). Taken together, this resulted in a net financial expense of SEK 38.0 M (expense: 44.5). Profit after financial items amounted to SEK 397.0 M (373.1). Tax expenses for the year amounted to SEK 97.5 M (100.1), corresponding to a tax rate of 24.6% (26.8). Profit after tax was thus SEK 299.5 M (273.0). Earnings per share increased by 9.7% to SEK 11.98 (10.92).

Investments and depreciation/amortization

The Group's new capital expenditures in the fourth quarter totaled SEK 55.6 M (12.5), of which SEK 3.8 M pertained to acquisitions in accordance with IFRS 16. New capital expenditures for the year totaled SEK 105.9 M (47.5), of which SEK 10.4 M pertained to acquisitions in accordance with IFRS 16.

Depreciations and amortizations in the fourth quarter totaled SEK 29.4 M, of which SEK 8.3 M were depreciations attributable to non-current assets in accordance with IFRS 16. Depreciations and amortizations for full-year 2019 totaled SEK 112.8 M, of which SEK 31.2 M were depreciations and amortizations in accordance with IFRS 16.

Financial position

Profit after tax for full-year 2019 increased to SEK 299.5 M (273.0). Other comprehensive income for the year was SEK 14.2 M (28.0), which yielded total other comprehensive income of SEK 313.7 M (301.0).

After the payment of dividends totaling SEK 112.5 M (81.3) to the shareholders, equity at December 31 amounted to SEK 2,427.7 M (2,226.5).

The equity/assets ratio increased slightly during the year to 57.8% (56.7% at year-end). The Group's cash and cash equivalents increased by SEK 101.1 M during the year, totaling SEK 472.5 M (371.4) at the end of the period. In addition, there were unutilized overdraft facilities of SEK 100.0 M, which means the Group at the end of December had available liquidity of SEK 572.5 M (471.4).

In June 2019, the Group signed a new financing agreement with its primary bank, a revolving facility of SEK 1,300 M and an overdraft facility of SEK 100 M. It is a three-year agreement with the option of two extensions of one year each. In conjunction with the new agreement, previous loans were replaced with new ones that at December 31 totaled SEK 741.2 M.

The Group's interest-bearing net debt increased by SEK 7.4 M during the year, despite the Group's credits in the bank decreasing by SEK 81.2 M and cash liquidity increasing by SEK 101.1 M. The reason behind the increase in net debt is the new (as of 2019) additional lease liability of SEK 156.4 M in accordance with IFRS 16. The defined-benefit pension liability increased by SEK 33.3 M, which altogether resulted in a total net debt of SEK 655.3 M (647.9) at December 31.

The ratio of interest-bearing net debt to equity was 0.27 at December 31, 2019 (0.29 at December 31, 2018) and the ratio of net debt to consolidated operating profit before depreciation/amortization and impairment (EBITDA) was 1.20 (1.30).

The Group's goodwill at year-end amounted to SEK 1,143.3 M (1,128.6), which in relation to equity amounted to a ratio of 0.47 (0.51).

Cash flow

Cash flow from operating activities during the year amounted to SEK 438.9 M (253.6). Paid new capital expenditures during the year amounted to SEK 106.0 M (47.2). Dividends totaling SEK 112.5 M (81.3) were paid to the shareholders and the Group's total non-current and current financial liabilities decreased SEK 124.0 M (79.4) during the year, which resulted in a negative cash flow from financing activities of SEK 236.5 M (neg: 158.8). Consequently, net cash flow for the year was SEK 96.4 M (47.5).

Personnel

At December 31, 2019, there were 1,612 employees (1,573) in the VBG Group, of which 213 (213) in Sweden. The Group employed an average of 1,596 persons (1,561) in 2019, of which 218 (215) were active in Sweden. The cost of salaries and social security contributions was SEK 885.6 M (803.1).

IFRS 16

The effect of IFRS 16 for full-year 2019 consisted of an increase in the balance sheet of SEK 152.6 M, a positive impact on EBIT of SEK 3.0 M and an adverse impact on profit after tax of SEK 2.8 M. As a consequence, a number of key

figures were also impacted. The largest share of the change in the balance sheet is attributable to properties: SEK 138.9 M, of which SEK 104.7 M relates to Mobile Climate Control. The effect on EBITDA during the year was a positive SEK 34.3 M, as lease costs from an IFRS 16 perspective became amortization of the right-of-use relating to the lease assets. Total amortization regarding IFRS 16 assets was SEK 31.2 M. Overall, IFRS 16 has a minor impact on the Group as a whole. See page 24 for more comparisons of the impact of IFRS 16.

Per share data

Earnings per share for full-year 2019 increased to SEK 11.98 (10.92), calculated against an average of 25,004,048 shares.

Equity per share (total shares outstanding at the end of the period) was SEK 97.09 at December 31, 2019, compared with SEK 89.04 year-on-year.

At the end of the year the share price was SEK 157.50, which corresponds to a market capitalization of SEK 3,938 M, compared with a share price of SEK 126.8 and market capitalization of SEK 3,170 M at the same date in 2019.

The number of shareholders increased by 419 during the year, amounting at year-end to 4,727 (4,308).

TRUCK & TRAILER EQUIPMENT



FOURTH QUARTER OF 2019

- As of the fourth quarter of 2019, monitoring and reporting to the Board of Directors for the VBG Truck Equipment and Edscha Trailer Systems divisions will be in the form of a joint segment: Truck & Trailer Equipment. Previous periods in this report have been restated.
- Sales decreased 12.6% to **SEK 276.6 M** (316.3).
- EBITA decreased to **SEK 44.4 M** (55.5), with an EBITA margin of 16.1% (17.6).

FULL-YEAR 2019

- Sales decreased by 3.2% to **SEK 1,203.6 M** (1,243.1).
- EBITA increased to **SEK 223.9 M** (218.9), with an EBITA margin of 18.6% (17.6).

SALES/EARINGS										
SEK M	Full-year 2019	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Full-year 2018	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Net sales	1,203.6	276.6	268.1	316.4	342.5	1,243.1	316.3	278.4	320.4	328.1
EBITDA	255.0	52.4	54.9	65.8	81.9	240.3	61.0	45.7	57.9	75.7
EBITA	223.9	44.4	47.0	58.1	74.3	218.9	55.5	40.4	52.5	70.5
EBITA margin, %	18.6	16.1	17.5	18.4	21.7	17.6	17.6	14.5	16.4	21.5
Operating profit (EBIT)	218.4	43.0	45.7	56.8	72.9	213.6	54.2	39.0	51.2	69.2
Operating margin (EBIT), %	18.1	15.6	17.0	17.9	21.3	17.2	17.1	14.0	16.0	21.1
EBITDA, effect of IFRS 16	9.6	2.4	2.4	2.3	2.5					
EBITA, effect of IFRS 16	0.2	0.0	0.1	0.1	0.0					
EBIT, effect of IFRS 16	0.2	0.0	0.1	0.1	0.0					

SALES BY MARKET										
SEK M	Full-year 2019	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Full-year 2018	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Sweden	245.0	60.1	50.8	63.3	70.8	234.7	58.8	48.9	62.1	64.9
Other Nordic countries	156.9	39.0	33.7	40.8	43.3	152.7	37.0	38.5	38.6	38.6
Germany	258.4	49.8	58.9	73.3	76.3	300.3	72.0	65.8	80.1	82.4
Other European countries	334.4	67.8	74.1	91.1	101.4	359.0	81.1	79.3	101.0	97.6
North America	112.0	35.8	27.2	23.5	25.5	99.7	36.2	24.0	19.2	20.3
Australia/New Zealand	68.7	19.2	18.2	15.1	16.2	61.5	16.0	13.1	10.0	22.4
China	3.4	0.1	0.0	0.0	3.3	14.4	8.0	3.1	2.8	0.6
Rest of world	24.9	4.9	5.2	9.2	5.6	20.7	7.2	5.7	6.6	1.2
Truck & Trailer Equipment	1,203.6	276.6	268.1	316.4	342.5	1,243.1	316.3	278.4	320.4	328.1

Sales and earnings

Fourth quarter of 2019

Truck & Trailer Equipment, which comprises the VBG Truck Equipment and Edscha Trailer Systems divisions, reported a weaker quarter as regards sales and operating profit (EBITA). Sales for the quarter declined 12.6% year-on-year, to SEK 276.6 M (316.3). It was primarily in the trailer industry where sales of sliding roofs declined by SEK 28.4 M. Adjusted for exchange rate changes year-on-year, where the average USD rate between the quarters strengthened 6.4% and the EUR – which is a more important currency for the segment as regards volume – strengthened 3.2%, the actual organic growth was negative 14.7%.

Operating profit before amortizations of intangible assets (EBITA) for Truck & Trailer Equipment decreased year-on-year to SEK 44.4 M (55.5), with an EBITA margin of 16.1% (17.6).

Full-year 2019

Sales in Truck & Trailer Equipment for full-year 2019 decreased by 3.2% year-on-year to SEK 1,203.6 M (1,243.1). As of the second quarter, the trailer market has stagnated and it reached what is likely its lowest level in the fourth quarter. Altogether, sliding roof sales for the full-year lost SEK 87 M year-on-year. Sales of drawbar couplings and automatic tire chains increased, however, by a total of approximately SEK 40 M. Adjusted for exchange rate changes, where the average USD rate between the periods strengthened by 9.7% while the EUR strengthened 3.2%, the actual organic growth for Truck & Trailer Equipment was negative 5.7%.

Despite the loss in volume for sliding roofs, Truck & Trailer Equipment could report an increased EBITA since the dominant drawbar couplings operations and the supplementary automatic

tire chains product area noted strong performances in 2019. EBITA for the full-year increased to SEK 223.9 M (218.9), with an improved EBITA margin of 18.6% (17.6).

Working capital decreased by SEK 20.8 M to SEK 256.4 M during the year, and with additions for property, plant and equipment, operating capital at year end was SEK 433.9 M (405.9 at year-end 2018), of which SEK 33.7 M pertained to leased non-current assets in accordance with IFRS 16.

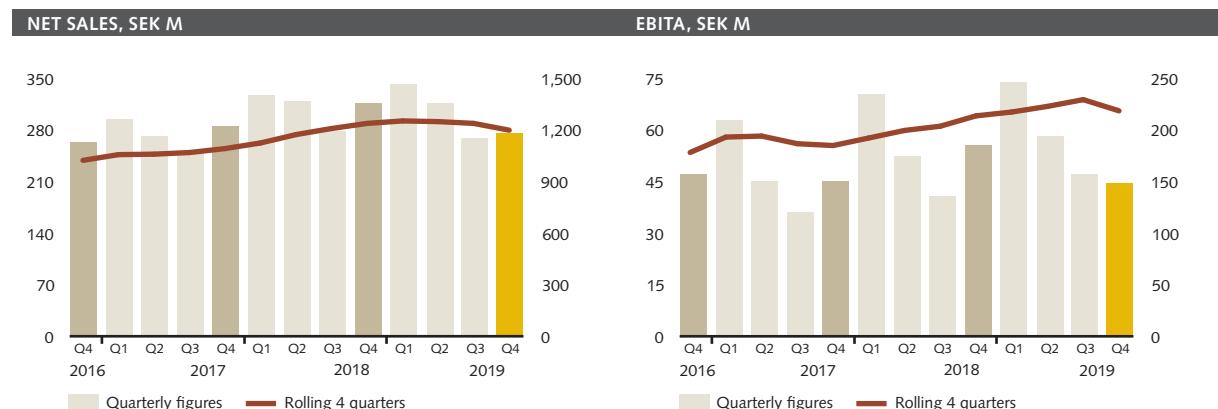
Truck & Trailer Equipment's return on operating capital (ROOC), where EBITDA on a rolling four-quarter basis is put in relation to average operating capital for the same period, was 56.1% (58.0).

Investments and depreciation/amortization

Truck & Trailer Equipment's investments in the fourth quarter totaled SEK 41.5 M (6.5), of which SEK 1.7 M pertained to investments in accordance with IFRS 16. Total new capital expenditures for the full-year were SEK 60.7 M (15.8), of which SEK 4.6 M pertained to acquisitions in accordance with IFRS 16. Depreciations and amortizations in the fourth quarter totaled SEK 9.4 M (6.8) – of which SEK 2.3 M pertained to depreciations and amortizations in accordance with IFRS 16 – and SEK 36.6 M (26.7) for the full-year, of which SEK 9.4 M pertained to depreciations and amortizations in accordance with IFRS 16.

Personnel

Truck & Trailer Equipment employed an average of 362 persons (363) in 2019. At December 31, 2019, 357 persons (359 at December 31, 2018) were employed in the division. Personnel costs for the year totaled SEK 253.9 M (244.6), resulting in a cost per employee of SEK 701.2 thousand (673.8).



MOBILE CLIMATE CONTROL



FOURTH QUARTER OF 2019

- Sales increased 4.5% to **SEK 440.7 M** (421.8).
- EBITA was **SEK 23.2 M** (30.3), with an EBITA margin of 5.3% (7.2).

FULL-YEAR 2019

- Sales increased 15.7% and totaled **SEK 1,998.4 M** (1,727.3).
- EBITA increased to **SEK 193.0 M** (173.9), with an EBITA margin of 9.7% (10.1).

SALES/EARINGS										
SEK M	Full-year 2019	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Full-year 2018	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Net sales	1,998.4	440.7	511.1	532.5	514.1	1,727.3	421.8	460.4	476.8	368.3
EBITDA	224.8	31.9	64.6	66.8	61.4	187.3	33.9	57.0	64.7	31.7
EBITA	193.0	23.2	57.0	59.0	53.9	173.9	30.3	53.4	61.4	28.8
EBITA margin, %	9.7	5.3	11.1	11.1	10.5	10.1	7.2	11.6	12.9	7.8
Operating profit (EBIT)	171.6	17.9	51.6	53.7	48.4	152.4	25.0	48.0	56.0	23.4
Operating margin (EBIT), %	8.6	4.1	10.1	10.1	9.4	8.8	5.9	10.4	11.8	6.3
EBITDA, effect of IFRS 16	20.2	6.1	4.8	4.7	4.6					
EBITA, effect of IFRS 16	2.9	1.1	0.7	0.6	0.5					
EBIT, effect of IFRS 16	2.9	1.1	0.7	0.6	0.5					

SALES BY MARKET										
SEK M	Full-year 2019	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Full-year 2018	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Sweden	39.6	9.1	9.4	11.0	10.1	36.7	9.0	8.3	10.1	9.4
Other Nordic countries	39.6	9.7	10.1	9.6	10.2	36.8	9.5	9.1	9.8	8.3
Germany	33.2	7.5	8.7	8.8	8.3	30.6	7.3	7.8	7.7	7.8
Other European countries	164.6	38.3	38.1	41.9	46.3	153.2	36.0	38.2	39.6	39.3
North America	1,673.9	364.1	431.5	450.4	428.0	1,429.9	348.2	386.0	398.7	297.0
China	16.4	5.2	3.2	4.5	3.6	14.4	3.1	4.4	4.9	2.0
Rest of world	31.0	6.8	10.3	6.2	7.7	25.8	8.7	6.6	6.0	4.5
Mobile Climate Control	1,998.4	440.7	511.1	532.5	514.1	1,727.3	421.8	460.4	476.8	368.3

Sales and earnings

Fourth quarter of 2019

Sales for the fourth quarter increased 4.5% year-on-year to SEK 440.7 M (421.8). Adjusted for exchange rate changes, where the average USD rate strengthened by 6.4% compared with the year-earlier period, the actual organic growth was negative 1.3%.

EBITA for Mobile Climate Control was SEK 23.2 M (30.3) with an EBITA margin of 5.3% (7.2).

Full-year 2019

Mobile Climate Control reported strong growth for full-year 2019 and sales increased by 15.7% year-on-year to SEK 1,998.4 M (1,727.3). Adjusted for exchange rate changes, where the average USD rate strengthened by 8.8% year-on-year, the actual organic growth was 9.0%.

EBITA for Mobile Climate Control increased to SEK 193.0 M (173.9) with an EBITA margin of 9.7% (10.1).

Working capital for the division increased by SEK 20.1 M to SEK 444.6 M during the year, and with additions for property, plant and equipment, operating capital at year-end was SEK 677.1 M (535.4), of which SEK 110.6 M pertained to leased non-current assets in accordance with IFRS 16.

The division's return on operating capital (ROOC), where EBITDA on a rolling four-quarter basis is put in relation to average operating capital for the same period, totaled 32.2% (38.6).

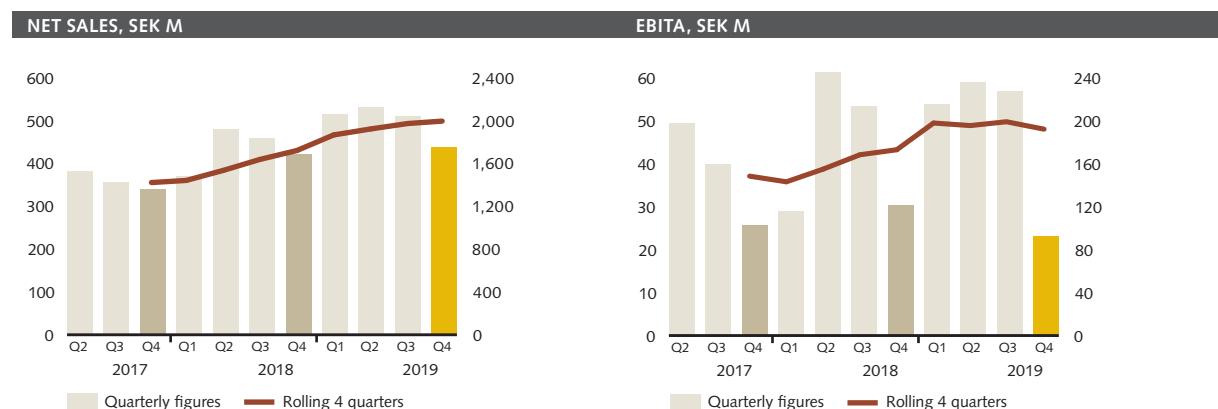
Investments and depreciation/amortization

Mobile Climate Control's investments in the fourth quarter amounted to SEK 7.0 M (3.2). Total new capital expenditures for the full-year were SEK 22.5 M (21.0), of which SEK 3.4 M pertained to acquisitions in accordance with IFRS 16. Depreciations and amortizations in the fourth quarter totaled SEK 14.0 M (9.0) – of which SEK 4.9 M pertained to depreciations and amortizations in accordance with IFRS 16 – and SEK 53.2 M (34.9) for the full-year, of which SEK 17.3 M pertained to depreciations and amortizations in accordance with IFRS 16.

Personnel

Mobile Climate Control employed an average of 902 persons (875) in 2019.

At December 31, 2019, 911 persons (870) were employed in the division. Personnel costs for the year totaled SEK 447.7 M (379.2), resulting in a cost per employee of SEK 496.4 thousand (433.4).



RINGFEDER POWER TRANSMISSION



FOURTH QUARTER OF 2019

- Sales amounted to **SEK 130.0 M** (130.5).
- EBITA was **SEK 12.0 M** (16.5), with an EBITA margin of 9.2% (12.6).

FULL-YEAR 2019

- Sales amounted to **SEK 523.4 M** (522.0).
- EBITA was **SEK 67.2 M** (74.2), with an EBITA margin of 12.8% (14.2).

SALES/EARNINGS										
SEK M	Full-year 2019	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Full-year 2018	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Net sales	523.4	130.0	129.9	130.5	133.0	522.0	130.5	136.2	134.0	121.4
EBITDA	83.3	16.1	20.5	23.8	23.0	87.2	19.8	26.8	21.0	19.6
EBITA	67.2	12.0	16.4	19.8	19.1	74.2	16.5	23.6	17.7	16.5
EBITA margin, %	12.8	9.2	12.6	15.2	14.3	14.2	12.6	17.3	13.2	13.6
Operating profit (EBIT)	62.5	10.7	15.2	18.7	17.9	69.9	15.4	22.5	16.6	15.4
Operating margin (EBIT), %	11.9	8.2	11.7	14.3	13.5	13.4	11.8	16.5	12.4	12.7
EBITDA, effect of IFRS 16	3.5	0.8	0.9	0.9	0.9					
EBITA, effect of IFRS 16	-0.1	0.0	0.0	0.0	-0.1					
EBIT, effect of IFRS 16	-0.1	0.0	0.0	0.0	-0.1					

SALES BY MARKET										
SEK M	Full-year 2019	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Full-year 2018	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Sweden	3.4	0.9	0.1	1.1	1.3	4.5	1.4	0.9	1.2	1.0
Other Nordic countries	4.8	0.9	1.1	1.3	1.4	5.3	1.1	0.9	1.7	1.6
Germany	171.3	35.9	44.4	44.2	46.8	183.8	41.9	47.2	48.1	46.0
Other European countries	65.8	16.0	15.0	17.9	16.9	64.0	16.4	16.6	17.8	13.3
North America	105.6	24.1	27.7	28.0	25.8	119.1	29.9	31.8	31.1	26.4
Brazil	67.6	17.5	18.6	15.6	16.0	57.1	14.4	14.8	12.7	15.2
Australia/New Zealand	31.2	13.3	7.6	4.9	5.4	11.3	2.8	2.9	2.9	2.6
China	17.4	6.3	4.9	3.7	2.5	16.8	3.9	4.9	4.6	3.4
Rest of world	56.3	15.2	10.4	13.8	16.9	60.2	18.7	16.2	14.1	11.9
Ringfeder Power Transmission	523.4	130.0	129.9	130.5	133.0	522.0	130.5	136.2	134.0	121.4

Sales and earnings

Fourth quarter of 2019

Ringfeder Power Transmission's sales decreased by 0.4% year-on-year to SEK 130.0 M (130.5) in the fourth quarter. Adjusted for exchange rate changes – in which the average USD rate strengthened by 6.4%, the Brazilian real (BRL) weakened by 1.6% and the EUR strengthened by 3.2% compared with the year-earlier period – actual organic growth was negative 3.7%.

EBITA for Ringfeder Power Transmission decreased year-on-year to SEK 12.0 M (16.5) with an EBITA margin of 9.2% (12.6).

Full-year 2019

Sales for the full-year increased 0.3% year-on-year to SEK 523.4 M (522.0); adjusted for exchange rate changes – where the average USD rate strengthened by 8.8%, the BRL strengthened by 0.5%, and the EUR strengthened by 3.2% compared with the year-earlier period – the actual organic growth was negative 3.6%.

EBITA for Ringfeder Power Transmission decreased year-on-year to SEK 67.2 M (74.2) with an EBITA margin of 12.8% (14.2).

Working capital for the division decreased by SEK 11.3 M to SEK 203.9 M during the year, and with additions for property, plant and equipment, operating capital at September 30 was SEK 324.3 M (322.8), of which SEK 7.5 M pertained to leased non-current assets in accordance with IFRS 16.

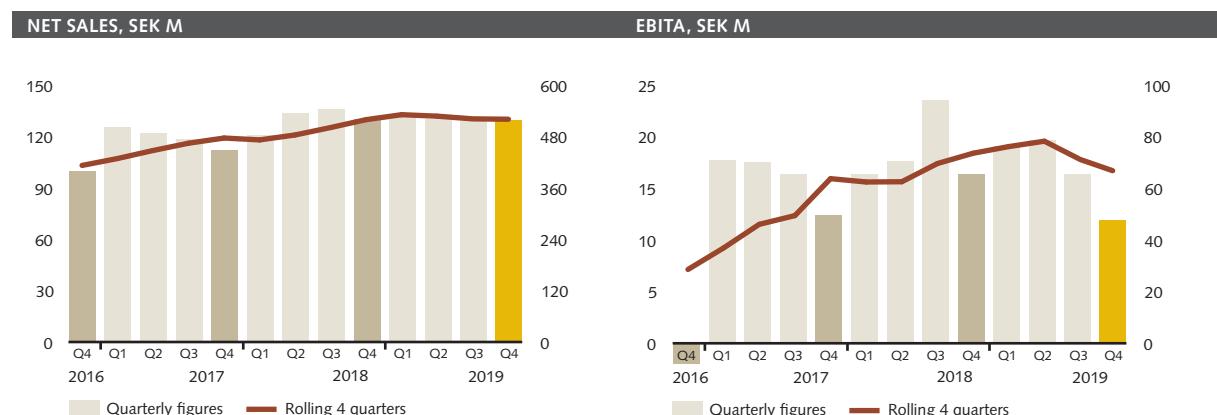
The division's return on operating capital (ROOC), where EBITDA on a rolling four-quarter basis is put in relation to average operating capital for the same period, totaled 24.5% (27.9).

Investments and depreciation/amortization

Ringfeder Power Transmission's investments in the fourth quarter amounted to SEK 5.9 M (2.8). Total new capital expenditures for the full-year were SEK 19.9 M (10.3), of which SEK 0.2 M pertained to acquisitions in accordance with IFRS 16. Depreciations and amortizations in the fourth quarter totaled SEK 5.4 M (4.4) – of which SEK 0.8 M pertained to depreciations and amortizations in accordance with IFRS 16 – and SEK 20.8 M (17.3) for the full year, of which SEK 3.5 M pertained to depreciations and amortizations in accordance with IFRS 16.

Personnel

Ringfeder Power Transmission employed an average of 324 persons (314) in 2019. At December 31, 2019, 336 persons (335) were employed in the division. Personnel costs for the year totaled SEK 155.0 M (148.8), resulting in a cost per employee of SEK 478.5 thousand (473.9).



OTHER INFORMATION

Parent Company

VBG Group AB's operations are focused on managing, developing and coordinating the Group. The assets in the Parent Company consist primarily of shares in subsidiaries and brands. The objective is that the Group's intellectual property in the form of brands and other rights should be gathered in the Parent Company. VBG Group AB focuses on maintaining and developing all the Group's trademarks and rights.

The Parent Company's net sales pertain primarily to intra-Group services and license revenues and amounted to SEK 45.2 M (42.6) during the year. The operating loss for the year was SEK 6.6 M (loss: 11.1). Profit after dividends from Group companies and net financial items totaled SEK 183.0 M (222.1).

Accounting policies

The VBG Group applies the EU-endorsed IFRS standards and interpretations thereof (IFRIC). This interim report for the Group has been prepared in accordance with the Annual Accounts Act and IAS 34 Interim Financial Reporting, and for the Parent Company, in accordance with the Annual Accounts Act and recommendation RFR 2, Accounting for Legal Entities. The same accounting policies and calculation methods were applied as in the most recent annual report, with the exception of IFRS 16, which the Group applies from January 1, 2019.

IFRS 16 Leases took effect on January 1, 2019. IFRS 16 specifies the recognition of leases for both the lessor and lessee. The implementation of the standard means almost all leases will be recognized in the lessee's balance sheet, as no distinction is now made between operating and finance leases. In accordance with the new standard, an asset (the right to use a leased asset) and a financial liability pertaining to the obligation to make lease payments are recognized in the balance sheet and that amortization of leased assets, separate from the interest expense of the lease, is recognized in profit or loss.

VBG Group used a modified retrospective approach when transitioning to IFRS 16 on January 1, 2019, which means the 2018 fiscal year is not restated. Lease liability is the total present

value of all future fees until the lease has expired. The simplified rule was applied during the transition, meaning the right-of-use (before adjustments for any advance payment) corresponds to the lease liability. The discount rate is VBG Group's incremental borrowing rate for each currency. Exemptions to not recognize short-term leases and assets of low value were also applied.

This report may contain rounding differences.

New accounting policy for leases

As of January 1, 2019, VBG Group applies the recognition of leases in accordance with IFRS 16 using the following accounting policy. All leases are recognized in the balance sheet, on the starting date, as a right-of-use and a lease liability. An agreement is considered to be, or includes, a lease if the agreement transfers the right to determine the use of an identified asset over a specified period in exchange for remuneration. A right-of-use and lease liability are recognized for all leases with a lease term of more than twelve months, with the exception of assets of low value. After the starting date, right-of-use is measured in accordance with provisions for property, plant and equipment. A lease liability is discounted by using the implicit interest in the lease, if this interest rate is readily identifiable. If the interest rate is not readily identifiable, the incremental borrowing rate can be used. The incremental borrowing rate is determined based on currency and financing terms for the Group. The lease term is determined as the non-cancellable period together with both periods covered by a potential extension to the lease if the lessee is reasonably confident that this alternative will be used, and periods covered by an opportunity to end the lease if the lessee is reasonably confident that this alternative will be used. VBG Group has also applied the simplified rule for fixed, non-lease components and instead recognizes these together with the lease component in the contract. Moreover, future modified leases will not be recognized as a separate lease, but rather as a remeasurement of the lease liability and an adjustment of right-of-use.

Risks and uncertainty factors

The Group's and the Parent Company's significant risks and uncertainty factors include business-related operational risks in the form of commodity risks, product risks, development risks, intellectual property risks, environmental risks, political risks, business interruption and property risks, cyclical risks, IT security risks and legal risks. To these can be added financial risks such as financing risks, liquidity risks, interest rate risks, currency risks, credit and counterparty risks, and sustainability risks.

For a more detailed description of the Group's risks and risk management, see Note 2 of VBG Group AB's annual report for 2018.

Outlook for 2020

The company makes no forecast.

Financial information 2020

Interim report, three months 2020	April 28, 2020
Annual General Meeting 2020	April 28, 2020
Interim report, six months 2020	July 23, 2020
Interim report, nine months 2020	October 22, 2020

Related party transactions

There have been no related party transactions in 2019 that have significantly affected the company's financial position and results. Related party transactions during 2018 are disclosed in Note 6 in the annual report for 2018.

Auditor's review

This year-end report is unaudited.

Events after the close of the reporting period

After more than 20 years, VBG Group AB CFO Claes Wedin has decided to leave his position as Group CFO in the spring of 2020 but will remain in the company as a senior adviser until retirement. Fredrik Jignéus – currently the CFO of Ernströmgruppen, a privately owned industrial group – will take office as new CFO in late April or early May. Fredrik has excellent credentials, including a previous position as auditor at PricewaterhouseCoopers.

Vänersborg, February 20, 2020

VBG Group AB (publ)

The Board of Directors

Note:

The information in this report is of the type that VBG Group AB is obligated to disclose in accordance with the EU Market Abuse regulation and/or the Swedish Securities Market Act. The information was submitted for publication at 2:00 p.m. on February 20, 2020.

For further information, please contact:

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Press releases in the fourth quarter of 2019

Interim report January–September 2019 October 22, 2019

Consolidated Income Statement and Statement of other comprehensive income - Highlights

SEK M	Q4 2019	Q4 2018	Full-year 2019	Full-year 2018
Net sales	847.3	868.8	3,725.4	3,492.4
Cost of goods sold	-573.3	-583.7	-2,471.6	-2,301.5
Gross profit	274.0	285.0	1,253.8	1,190.9
Selling expenses	-89.6	-95.8	-380.0	-381.7
Administrative expenses	-70.7	-72.3	-274.9	-265.0
Research and development costs	-35.8	-37.1	-136.7	-136.4
Other operating income and expenses	-11.1	8.1	-27.2	9.8
	-207.2	-197.1	-818.8	-773.3
Operating profit	66.8	87.9	435.0	417.6
Exchange rate effects, net	0.2	1.1	-5.5	-10.7
Interest income	1.1	1.1	3.5	2.2
Interest expenses, including IFRS 16	-4.9	-7.0	-28.3	-27.8
Other financial expenses	-1.4	-2.0	-7.7	-8.3
Total financial items	-5.0	-6.8	-38.0	-44.5
Profit/loss after financial items	61.8	81.1	397.0	373.1
Tax	-8.2	-20.6	-97.5	-100.1
Profit for the period	53.6	60.5	299.5	273.0
Profit for the period attributable to Parent Company shareholders	53.6	60.5	299.5	273.0
Other comprehensive income				
Profit for the period	53.6	60.5	299.5	273.0
Items that will not be reversed in the income statement				
Effect of translation of defined-benefit pension plans, net after tax	1.8	-4.4	-23.9	-4.4
Items that may later be reversed in the income statement				
Translation differences pertaining to foreign operations	-48.0	-1.3	36.7	34.4
Translation differences pertaining to hedge accounting				
for net investments in foreign operations	0.0	-1.4	1.4	-2.0
Other comprehensive income, net after tax	-46.2	-7.2	14.2	28.0
Comprehensive income for the period	7.4	53.3	313.7	301.0
Comprehensive income for the period attributable to Parent Company shareholders	7.4	53.3	313.7	301.0
Earnings per share, basic and diluted, SEK	2.15	2.42	11.98	10.92
Number of shares outstanding at end of period ('000)	25,004	25,004	25,004	25,004
Average number of shares during the period	25,004	25,004	25,004	25,004
Number of own shares at end of period	1,192	1,192	1,192	1,192

Sales and earnings by segment

SEK M		Truck & Trailer Equipment	Mobile Climate Control	Ringfeder Power Transmission	Group-wide	Group
2019						
Q4 Oct-Dec:	Net sales	276.6	440.7	130.0		847.3
	Operating profit/loss	43.0	17.9	10.7	-4.8	66.8
	Operating margin, %	15.6	4.1	8.2		7.9
	Net financial items				-5.0	-5.0
	Profit after financial items					61.8
2019						
12 months:	Net sales	1,203.6	1,998.4	523.4		3,725.4
	Operating profit/loss	218.4	171.6	62.5	-17.5	435.0
	Operating margin, %	18.1	8.6	11.9		11.7
	Net financial items				-38.0	-38.0
	Profit after financial items					397.0
2018						
Q4 Oct-Dec:	Net sales	316.3	421.8	130.5		868.8
	Operating profit/loss	54.2	25.0	15.4	-6.6	87.9
	Operating margin, %	17.1	5.9	11.8		10.1
	Net financial items				-6.8	-6.8
	Profit after financial items					81.1
2018						
12 months:	Net sales	1,243.1	1,727.3	522.0		3,492.4
	Operating profit/loss	213.6	152.4	69.9	-18.3	417.6
	Operating margin, %	17.2	8.8	13.4		12.0
	Net financial items				-44.5	-44.5
	Profit after financial items					373.1

Consolidated Balance Sheet

SEK M	Dec. 31, 2019	Dec. 31, 2018
Assets		
Non-current assets		
Intangible assets		
Brands, customer relationships and other intangible assets	797.2	798.9
Goodwill	1,143.3	1,128.6
	1,940.5	1,927.5
Property, plant and equipment		
Land and buildings	187.3	186.2
Plant and machinery	118.2	100.7
Equipment, tools, fixtures and fittings	49.5	51.3
Assets under construction	27.0	10.3
Right-of-use assets under IFRS 16	154.7	—
	536.7	348.5
Deferred tax asset	67.3	63.8
Total non-current assets	2,544.5	2,339.9
Current assets		
Inventories		
Raw materials and consumables	334.2	322.2
Work in progress	79.9	85.1
Finished products and merchandise	224.6	227.6
	638.7	634.9
Current receivables		
Trade receivables	467.2	491.2
Current tax assets	21.2	25.5
Other receivables	29.0	41.4
Prepaid expenses and accrued income	25.5	19.7
	542.9	577.7
Cash and cash equivalents		
Cash on hand and demand deposits	472.5	371.4
Total current assets	1,654.1	1,583.9
Total assets	4,198.6	3,923.8
Equity and liabilities		
Equity		
Share capital	65.5	65.5
Other contributed capital	781.3	781.3
Other reserves	154.7	116.5
Retained earnings, incl. net profit for the year	1,426.2	1,263.1
Total equity	2,427.7	2,226.5
Non-current liabilities		
Provisions for pensions and similar obligations	230.2	196.9
Deferred tax liability	219.6	224.6
Other provisions	24.3	22.5
Lease liability under IFRS 16	131.1	—
Liabilities to credit institutions	741.2	1.2
Other non-current liabilities	1.8	1.8
Total non-current liabilities	1,348.2	447.0
Current liabilities		
Liabilities to credit institutions	0.0	821.5
Trade payables	203.0	212.7
Current tax liabilities	8.8	36.7
Other liabilities	29.7	28.2
Lease liability under IFRS 16	25.3	—
Accrued expenses and deferred income	155.9	151.3
Total current liabilities	422.7	1,250.4
Total equity and liabilities	4,198.6	3,923.8

Changes in Consolidated Equity

SEK M	Full-year 2019	Full-year 2018
Opening equity according to balance sheet at December 31	2,226.5	2,004.9
Total comprehensive income for the period	313.7	301.0
Warrants	—	1.9
Dividend	-112.5	-81.3
Equity at end of period	2,427.7	2,226.5

Consolidated Cash Flow Statement

SEK M	Full-year 2019	Full-year 2018
Operating activities		
Operating profit before financial items	435.0	417.6
Depreciation and amortisation	112.8	79.8
Other items not affecting liquidity	10.7	24.8
Interest received, etc.	4.6	3.0
Interest paid	-31.6	-36.8
Tax paid	-127.7	-80.7
Cash flow before change in working capital	403.9	407.7
Decrease/increase (-) in inventories	11.6	-130.9
Decrease/increase (-) in trade receivables	37.9	-61.7
Decrease/increase (-) in other current receivables	2.0	-0.3
Increase/decrease (-) in trade payables	-18.2	29.9
Increase/decrease (-) in other current liabilities	1.8	8.9
Cash flow from operating activities	438.9	253.6
Investing activities		
Investments in intangible assets	-30.6	-2.2
Investments in property, plant and equipment	-75.4	-45.0
Cash flow from investing activities	-106.0	-47.2
Financing activities		
Repayment of loans	-40.0	-80.0
Change in utilization of credit facilities	-55.8	0.6
Amortization of lease liability	-28.2	—
Warrants	—	1.9
Dividend paid	-112.5	-81.3
Cash flow from financing activities	-236.5	-158.9
Cash flow for the year	96.4	47.5
Cash and cash equivalents at start of year	371.4	321.4
Translation difference, cash and cash equivalents	4.7	2.4
Cash and cash equivalents at year-end	472.5	371.4
Unutilized overdraft facilities	100.0	100.0
Total cash and cash equivalents available	572.5	471.4

Key figures for Group

SEK M	Full-year 2019	Full-year 2018
Operating margin (EBIT), %	11.7	12.0
Profit margin (ROS), %	10.7	10.7
Return on equity (ROE), %	12.5	12.8
Return on capital employed (ROCE), %	12.4	13.2
Equity/assets ratio, %	57.8	56.7
Interest-bearing net debt/EBITDA	1.20	1.30
Equity per share outstanding at end of period, SEK	97.09	89.04
Cash flow from operating activities, per average share outstanding, SEK	17.55	10.14
Profit per average share outstanding during the period, SEK	11.98	10.92
Share price at end of period, SEK	157.50	127.00
Number of employees, average	1,596	1,561
Number of shares outstanding at end of period ('000)	25,004	25,004
Number of treasury shares at end of period ('000)	1,192	1,192
Average number of shares outstanding during the period ('000)	25,004	25,004

Parent Company Income Statement

SEK M	Full-year 2019	Full-year 2018
Net sales	45.2	42.6
Operating expenses	-51.8	-53.7
Operating loss	-6.6	-11.1
Net financial items	162.2	205.0
Profit after financial items	155.6	193.9
Appropriations	31.2	30.2
Tax	-3.8	-2.0
Profit for the period	183.0	222.1

Parent Company Balance Sheet

SEK M	Full-year 2019	Full-year 2018
Other intangible assets	0.4	0.8
Property, plant and equipment	3.4	1.2
Financial assets	2,285.2	2,341.3
Total non-current assets	2,289.0	2,343.3
Receivables	139.5	113.8
Cash on hand, demand deposits and short-term investments	306.3	232.4
Total current assets	445.8	346.2
TOTAL ASSETS	2,734.8	2,689.5
 Equity	 1,496.1	 1,425.6
Untaxed reserves	10.3	5.5
Provisions	12.9	13.1
Non-current liabilities	741.1	0.0
Current liabilities	474.4	1,245.3
TOTAL EQUITY AND LIABILITIES	2,734.8	2,689.5

Effects of transition to IFRS 16

CONDENSED CONSOLIDATED INCOME STATEMENT

SEK M	12-month 2019, excl. IFRS 16	12-month 2019, IFRS 16 effect	12-month 2019, incl. IFRS 16	Q4 2019, excl. IFRS 16	Q4 2019, IFRS 16 effect	Q4 2019, incl. IFRS 16
Net sales	3,725.4		3,725.4	847.3		847.3
Operating expenses	-3,211.8	34.3	-3,177.6	-760.6	9.5	-751.1
Depreciation and amortisation	-81.6	-31.2	-112.8	-21.0	-8.3	-29.4
Operating profit (EBIT)	432.0	3.0	435.0	65.7	1.1	66.8
Net financial items	-31.9	-6.1	-38.0	-3.5	-1.5	-5.0
Profit/loss after financial items	400.1	-3.1	397.0	62.2	-0.4	61.8
Tax	-97.8	0.3	-97.5	-8.3	0.1	-8.2
Profit/loss for the period	302.3	-2.8	299.5	53.9	-0.3	53.7

CONDENSED CONSOLIDATED BALANCE SHEET

SEK M	12-month 2019, excl. IFRS 16	12-month 2019, IFRS 16 effect	12-month 2019, incl. IFRS 16	9-month 2019, excl. IFRS 16	9-month 2019, IFRS 16 effect	9-month 2019, incl. IFRS 16
Assets						
Total non-current assets	2,389.8	154.7	2,544.5	2,379.4	159.1	2,538.5
Total current assets	1,656.2	-2.1	1,654.1	1,803.9	-2.0	1,801.9
Total assets	4,046.0	152.6	4,198.6	4,183.2	157.2	4,340.4
Liabilities						
Equity	2,431.5	-3.8	2,427.7	2,423.1	-2.9	2,420.2
Total non-current liabilities	1,217.1	131.1	1,348.2	1,279.4	138.0	1,417.4
Total current liabilities	397.4	25.3	422.7	480.7	22.1	502.8
Total equity and liabilities	4,046.0	152.6	4,198.6	4,183.2	157.2	4,340.4

THE GROUP'S KEY FIGURES

SEK M	12-month 2019, excl. IFRS 16	12-month 2019, IFRS 16 effect	12-month 2019, incl. IFRS 16	Q4 2019, excl. IFRS 16	Q4 2019, IFRS 16 effect	Q4 2019, incl. IFRS 16
EBITDA	513.5	34.3	547.8	86.7	9.5	96.2
EBITA	464.1	3.0	467.1	73.8	1.1	74.9
Equity/assets ratio, %	60.1	-2.3	57.8	60.1	-2.3	57.8
Interest-bearing net debt	498.9	156.4	655.3	-	-	-
Interest-bearing net debt/EBITDA	0.97	0.23	1.20	-	-	-
ROCE	12.9	-0.5	12.4	-	-	-
Earnings/loss per share, SEK	12.09	-0.11	11.98	2.16	-0.01	2.15

Alternative Performance Measures

ORGANIC GROWTH

Growth in net sales excluding effects of structural changes, meaning acquired or divested operations, and excluding currency effects.

SEK M	Q4 2019	Q4 2018	Full-year 2019	Full-year 2018
Group				
Net sales	847.3	868.8	3,725.4	3,492.4
Acquired volume (incl. full-year effect from preceding year)				
Currency effect	-35.3	-40.3	-168.2	-100.5
Net sales excluding acquisitions and currencies	812.0	828.5	3,557.2	3,391.9
Actual organic growth	-56.7	91.4	64.8	389.9
Organic growth, %	-6.5	12.4	1.9	13.0
Truck & Trailer Equipment				
Net sales	276.6	316.3	1,203.6	1,243.1
Acquired volume (incl. full-year effect from preceding year)				
Currency effect	-6.7	-12.6	-31.7	-50.2
Net sales excluding acquisitions and currencies	269.8	303.7	1,171.9	1,192.9
Actual organic growth	-46.4	17.2	-71.2	96.5
Organic growth, %	-14.7	6.0	-5.7	8.8
Mobile Climate Control				
Net sales	440.7	421.8	1,998.4	1,727.3
Acquired volume (incl. full-year effect from preceding year)				
Currency effect	-24.2	-22.6	-116.1	-36.3
Net sales excluding acquisitions and currencies	416.5	399.2	1,882.3	1,691.0
Actual organic growth	-5.3	60.6	155.0	264.4
Organic growth, %	-1.3	17.9	9.0	18.5
Ringfeder Power Transmission				
Net sales	130.0	130.5	523.4	522.0
Acquired volume (incl. full-year effect from preceding year)				
Currency effect	-4.3	-5.2	-20.4	-13.9
Net sales excluding acquisitions and currencies	125.7	125.3	503.0	508.1
Actual organic growth	-4.8	13.3	-19.0	29.1
Organic growth, %	-3.7	11.9	-3.6	6.1

EBITDA

Operating profit before depreciation/amortization and impairment on property, plant and equipment.

Group, SEK M	Q4 2019	Q4 2018	Full-year 2019	Full-year 2018
Operating profit	66.8	87.9	435.0	417.6
Depreciation/amortization	29.4	20.4	112.8	79.8
EBITDA	96.2	108.3	547.8	497.4

EBITA

Operating profit before amortization and impairment of intangible assets.

Group, SEK M	Q4 2019	Q4 2018	Full-year 2019	Full-year 2018
Operating profit	66.8	87.9	435.0	417.6
Amortization intangible assets	8.1	7.9	32.1	31.7
EBITA	74.9	95.8	467.1	449.3

PROFIT MARGIN

Profit after financial items as a percentage of net sales.

Group, SEK M	Q4 2019	Q4 2018	Full-year 2019	Full-year 2018
Net sales	847.3	868.8	3,725.4	3,492.4
Profit after financial items	61.8	81.1	397.0	373.1
Profit margin, %	7.3	9.3	10.7	10.7

INTEREST-BEARING NET DEBT

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

Group, SEK M	Q4 2019	Q4 2018	Full-year 2019	Full-year 2018
Provisions for pensions			230.2	196.9
Overdraft facilities			741.2	822.4
Loans			156.4	0.0
Lease liability			-472.5	-371.4
Bank balances				
Interest-bearing net debt	n/a	n/a	655.3	647.9

INTEREST-BEARING NET DEBT/EBITDA

Interest-bearing net debt in proportion to operating profit before depreciation/amortization and impairment.

Group, SEK M	Q4 2019	Q4 2018	Full-year 2019	Full-year 2018
Interest-bearing net debt			655.3	647.9
EBITDA, rolling 4 quarter			547.8	497.4
Interest-bearing net debt/EBITDA	n/a	n/a	1.20	1.30

ROOC PER SEGMENT

EBITDA as a percentage of operating capital as below.

Group, SEK M	Full-year 2019	Full-year 2018
Truck & Trailer Equipment		
Inventories	164.2	169.4
Trade receivables	140.8	166.5
Trade payables	-48.6	-58.7
Working capital	256.4	277.2
Property, plant and equipment	177.5	128.8
Operating capital	433.9	405.9
EBITDA, rolling four quarter	255.0	240.3
Average operating capital, four quarter	433.9	414.0
ROOC, %	58.8	58.0
Mobile Climate Control		
Inventories	355.3	328.4
Trade receivables	233.7	237.0
Trade payables	-144.4	-140.8
Working capital	444.6	424.5
Property, plant and equipment	232.4	110.9
Operating capital	677.0	535.4
EBITDA, rolling four quarter	224.8	187.3
Average operating capital, four quarter	677.0	485.1
ROOC, %	33.2	38.6
Ringfeder Power Transmission		
Inventories	119.1	139.0
Trade receivables	92.7	87.7
Trade payables	-7.9	-11.4
Working capital	203.9	215.2
Property, plant and equipment	120.4	107.6
Operating capital	324.3	322.8
EBITDA, rolling four quarter	83.3	87.2
Average operating capital, four quarter	324.3	312.9
ROOC, %	25.7	27.9

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