



VBG GROUP

Q3

VBG GROUP
INTERIM REPORT JANUARY–SEPTEMBER 2021

SEK 848 M

CONSOLIDATED SALES
FOR THE THIRD QUARTER OF 2021
INCREASED TO SEK 848.3 M (759.6).

SEK 110 M

OPERATING PROFIT
FOR THE THIRD QUARTER OF 2021
WAS SEK 110.5 M (113.0).

Interim report

January–September 2021

Third quarter 2021

- Consolidated sales increased 11.7% to **SEK 848.3 M** (759.6).
- Adjusted for exchange rate changes between the years, actual organic volume growth was **19.5%**.
- Operating profit amounted to **SEK 110.5 M** (113.0).
- The operating margin was **13.0%** (14.9).
- Profit after financial items increased to **SEK 107.4 M** (100.0).
- Earnings per share amounted to **SEK 3.29** (2.95).

Nine months 2021

- Consolidated sales increased by 12.1% to **SEK 2,675.2 M** (2,387.2).
- Adjusted for exchange rate changes between the years, actual organic volume growth was **18.2%**.
- Operating profit increased to **SEK 383.9 M** (267.1).
- The operating margin increased to **14.3%** (11.2).
- Profit after financial items increased to **SEK 369.8 M** (246.1).
- Earnings per share amounted to **SEK 11.16** (7.03).

KEY FIGURES

Group, SEK M	Q3 2021	Q3 2020	9 months 2021	9 months 2020	Full-year 2020
Net sales	848.3	759.6	2,675.2	2,387.2	3,147.2
Operating profit before depreciation/amortization (EBITDA)	137.0	139.3	461.6	348.6	462.5
Operating profit before amortization (EBITA)	117.6	120.5	404.7	291.4	385.5
Operating profit (EBIT)	110.5	113.0	383.9	267.1	353.4
Operating profit after financial items (EBT)	107.4	100.0	369.8	246.1	326.5
Profit after tax	82.2	73.9	279.1	175.8	226.7
Earnings per share, SEK	3.29	2.95	11.16	7.03	9.07
Cash flow from operating activities	58.8	120.1	150.2	307.0	446.2
ROE (cumulative), %	14.1	9.4	14.1	9.4	9.0
ROCE (cumulative), %	13.5	9.9	13.5	9.9	9.8
Equity/assets ratio, %	61.3	57.8	61.3	57.8	58.7
Interest-bearing net debt/EBITDA	n/a	n/a	0.52	0.90	0.58
Average number of employees	n/a	n/a	1,575	1,498	1,486
Number of shares outstanding ('000)	25,004	25,004	25,004	25,004	25,004

VBG GROUP THIRD QUARTER

GLOBAL PRESENCE

31

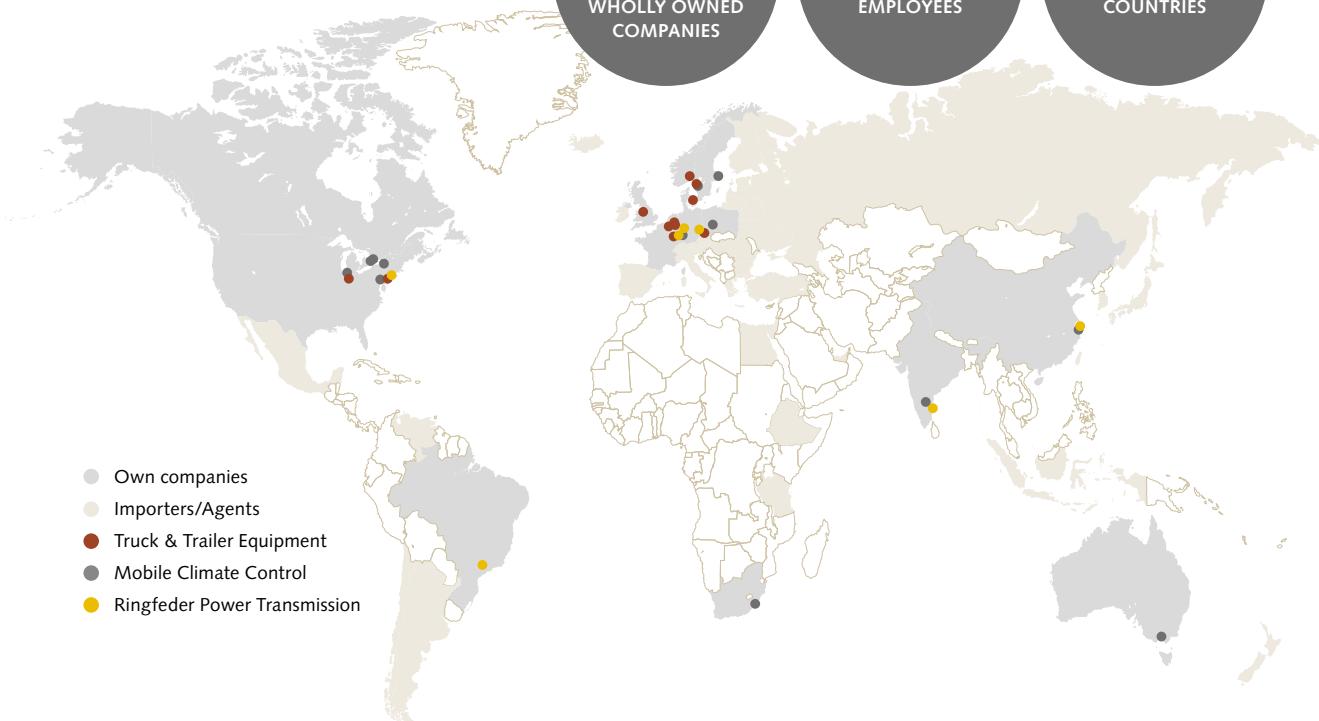
WHOLLY OWNED
COMPANIES

1,588

EMPLOYEES

17

COUNTRIES



OUR DIVISIONS THIRD QUARTER

TRUCK & TRAILER EQUIPMENT

Sales

SEK 281 M

EBITA

SEK 42 M

EBITA margin

15%

Average no. of employees

375



MOBILE CLIMATE CONTROL

Sales

SEK 430 M

EBITA

SEK 49 M

EBITA margin

12%

Average no. of employees

875



RINGFEDER POWER TRANSMISSION

Sales

SEK 137 M

EBITA

SEK 30 M

EBITA margin

22%

Average no. of employees

315



This is the VBG Group

We are
creating
a safer
society

VBG Group is a long-term active owner of successful industrial companies and brands. The Group's three divisions — operating in 17 countries with approximately 1,500 employees — are run on a foundation of industrial expertise, strong brands and financial stability.

Leading industrial solutions

The Group's divisions offer its customers and end users leading industrial solutions that promote a safer world.

Our range of products and services is directed toward a broad base of industries and customers in which continual product development as well as efficient purchasing and delivery procedures promote a competitive, cost-efficient offering.

High level of service

VBG Group has a sharp focus on service, which permeates our entire value chain and the customer's journey as a user. Our aftermarket business represents 23% of the Group's sales. Group Management supports the divisions in their work on creating the greatest possible value for the customer, from development to aftermarket.

Strong international position

Through its three divisions with the appurtenant distribution network, VBG Group has a strong international position and presence. Our growth agenda going forward is oriented on continued expansion and globalization of the Group.

Broad portfolio of brands in attractive niches

Over time, the Group's active acquisition and growth strategy has enabled a broad and competitive brand portfolio. VBG, Onspot, Edscha Trailer Systems, Mobile Climate Control and Ringfeder all have world-leading positions in their respective industrial niches.

Long-term financial strength

With a solid base of stable, long-term owners, VBG Group's ownership model together with strong earnings performance has enabled the Group's financial stability with a high equity/assets ratio. Our strong financial position creates conditions for acquisitions and investments, even during periods with low levels of business activity.

Considerable industrial expertise

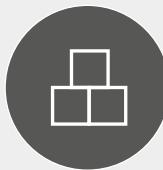
VBG Group's business concept is built on acquisitions, long-term ownership and strategic governance of industrial companies in business-to-business commerce. The solid industrial competence that has been built up since the Group was founded in 1951 is an advantage in our acquisition process as well as in the strategic governance and operational development of our divisions.

AREAS OF OPERATION



People

Every day, our customers transport thousands of people, for example, on the way to and from work or school. The automatic tire chains and climate control systems we provide let them do so safely in traffic, with a pleasant climate.



Goods

Our solutions for trucks, trailers and trains include products such as drawbars, underrun protection and sliding roofs that allow our customers to transport their goods safely, efficiently and sustainably on a daily basis.



Off-road

Our solutions for off-road, forestry and defense vehicles promote a safer work environment for the users of these vehicles. Our climate control systems improve the environment for drivers and promote new solutions that support electrification of the industry.



Industrial

Our friction springs promote a safe infrastructure in society, in everything from elevators to dampers that protect buildings against natural catastrophes. Additionally, we offer couplings for mechanical power transmission in freight management, the mining industry and energy production as well as the food, packaging and automotive industries.

Continued strong sales and increased focus on growth

The third quarter of 2021 was marked by continued strong demand for our products in combination with effective cost control. Net sales increased to 848 SEK M (760) and the operating margin totaled 13% (14). Comparison with the year-earlier period is obstructed by the impact of the pandemic on VBG Group's sales and the receipt of state support in 2020. The operating profit (EBIT) of SEK 384 M for the first nine months of 2021 is the best in our history.

Demand for both transportation and infrastructure remained high during the quarter. In parallel with the strong demand for our products and services, the quarter was characterized by continued high pressure in our supply chains as well as by rising prices for raw materials. All divisions have had to work actively in order to meet delivery times and to compensate for rising materials and transportation costs. Owing to the strong market positions of our products, we have been able to offset these cost increases through price adjustments.

Profitable industrial segment

Ringfeder Power Transmission delivered a stable, high level of profitability with an EBITA of 22% (21) in the third quarter. The division is working against rising costs of raw materials and more expensive transportation that have had a negative impact on profitability, but the division's solid focus on increased productivity and effective cost control measures balanced these out.

Ringfeder Power Transmission's strong and stable earnings performance confirms for me that VBG Group's strategic orientation – being a balanced industrial group, rather than a supplier of products for commercial vehicles – is the right way forward.

The next generation of couplings

A shipping market with increased freight volumes and rising prices continues to create strong demand for both new products in Truck & Trailer Equipment and to increase aftermarket business.

One positive development during the quarter was the launch of new products by VBG and Ringfeder, our brands in the couplings segment. Refining the mechanics in combination with new digital technology further increases safety and reliability while opening doors to new future functions. VBG Group's goal is to make society safer, and both brand are now further boosting driver safety through various innovations. Field tests have been conducted in several countries in Europe for more than two years, and certification tests under UNECE R55 have been approved, which meant we could start serial production of both Ringfeder's and VBG's couplings during the third quarter.



The next generation of products has been launched

The product updates are the largest the company has carried out in the last 15 years, and I am proud of how the organization pursued the projects during the prevailing pandemic. Having the next generation of products in place creates conditions for continued growth and profitability.

Continued streamlining

The review of Mobile Climate Control continued at a high rate of intensity during the third quarter. The division was the hardest hit by the pandemic. Now that demand has begun to rise, the bus market is impeded by supply chains that are under pressure, with problems such as semiconductor shortages and drastically rising prices for raw materials and goods. Mobile Climate Control is also experiencing an overheated labor market in locally in North America, where access to manpower is a challenge.

Despite negative external circumstances, the division's profitability is back to pre-pandemic levels with an EBITA of nearly 12%. This is attributable to the internal efficiency initiatives under way in Mobile Climate Control, and to the fact that the division's off-road solutions are offsetting the weaker bus market.

Sustainability in focus

Our sustainability initiatives intensified in the third quarter. We have begun a materiality analysis in which we are interviewing our key stakeholders such as customers, suppliers, owners, government authorities and employees around the sustainability topics they consider to be the most important. This analysis will form the basis of our new sustainability targets.

Moreover, we have begun measuring and surveying our impact as regards greenhouse gases. We have established an organization, trained employees, and purchased support for measuring and monitoring greenhouse gases in a structured manner.

Growth on the agenda

VBG Group's acquisition agenda was partially put on hold during the pandemic. Our strategy going forward – of growth through acquisitions – stands firm and we are now focusing on our acquisition process.

In August 2021, a minor asset acquisition was completed of the Insta-Chain brand. The company behind Insta-Chain manufactures tire chains and competes with our brand Onspot in the North American market. The acquisition fits in well with our operation, and the combination of these two brands yields internal efficiency and know-how for designing the best products possible at the highest level of service. All this to create a safer society and increase safety for all drivers and passengers.

Ready for the future

Looking back at the third quarter of 2020, I remember that we were cautiously beginning to see the light at the end of the tunnel after the pandemic. Today, one year, later, the situation remains positive. The vaccination programs around the world have had an effect, and in our key markets, society has opened up and restrictions have been removed.

There is, as always, uncertainty around the future, and the situation with rising raw materials prices and pressure on supply chains remains. Despite all this, I feel optimistic. Demand for our products is high. VBG Group is a balanced industrial group with stable growth and profitability. The next generation of coupling solutions has been launched, and we are well prepared to meet new challenges in all our divisions. We have a strong financial position that provides us with a solid platform for continued growth.

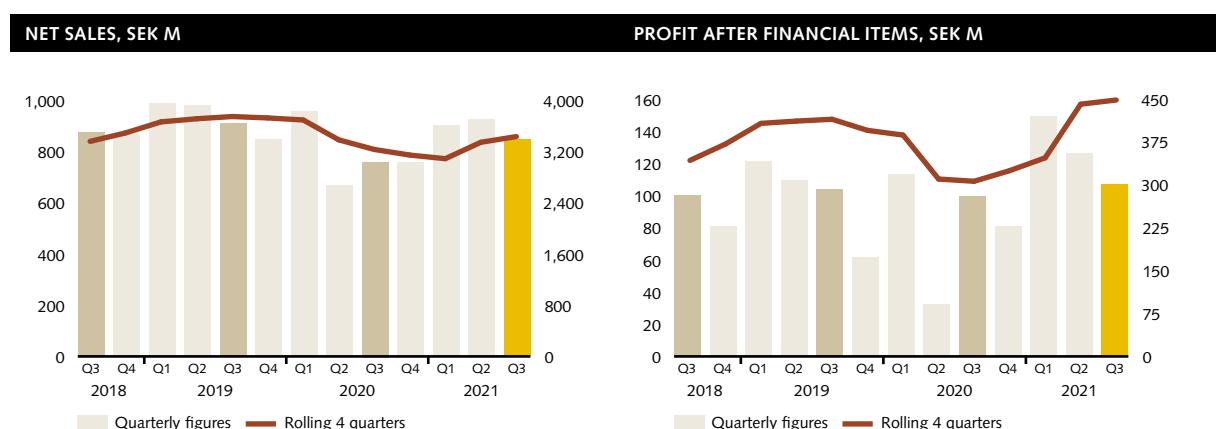


Anders Birgersson
President and CEO, VBG Group

Group trend

SALES/EARINGS														
SEK M	9 months 2021		Q3 2021		Q2 2021		Q1 2021		Full-year 2020		Q4 2020		9 months 2020	
	2021	2021	2021	2021	2021	2021	2021	2021	2020	2020	2020	2020	2020	2020
Net sales	2,675.2	848.3	925.5	901.4	3,147.2	759.9	2,387.2	759.6	670.1	957.5	3,725.4	847.3		
Operating profit before depreciation/amortization (EBITDA)	461.6	137.0	156.4	168.2	462.5	114.0	348.6	139.3	65.5	143.8	547.9	96.2		
Operating profit before amortization (EBITA)	404.7	117.6	137.5	149.6	385.5	94.1	291.4	120.5	46.5	124.5	467.1	74.9		
Operating profit (EBIT)	383.9	110.5	130.6	142.8	353.4	86.2	267.1	113.0	38.2	116.0	435.0	66.8		
Operating margin (EBIT), %	14.3	13.0	14.1	15.8	11.2	11.3	11.2	14.9	5.7	12.1	11.7	7.9		
Operating profit after financial items (EBT)	369.8	107.4	126.5	135.9	326.5	80.4	246.1	100.0	32.6	113.5	397.0	61.8		
Profit after tax	279.1	82.2	93.8	103.1	226.7	50.9	175.8	73.9	22.4	79.4	299.5	53.6		
Earnings per share, SEK	11.16	3.29	3.75	4.12	9.07	2.04	7.03	2.95	0.90	3.18	11.98	2.15		
Cash flow from operating activities	150.2	58.8	32.4	59.0	446.2	139.1	307.0	120.1	74.2	112.8	438.9	121.9		
ROE (cumulative), %	14.1	14.1	14.8	16.1	9.0	9.0	9.4	9.2	8.1	12.8	12.5	12.5		
ROCE (cumulative), %	13.5	13.5	14.8	15.4	9.8	9.8	9.9	9.8	8.8	12.8	12.4	12.4		
Equity/assets ratio, %	61.3	61.3	57.9	58.4	58.7	58.7	57.8	57.8	57.2	55.8	57.8	57.8		

SALES BY MARKET														
SEK M	9 months 2021		Q3 2021		Q2 2021		Q1 2021		Full-year 2020		Q4 2020		9 months 2020	
	2021	2021	2021	2021	2021	2021	2021	2021	2020	2020	2020	2020	2020	2020
Sweden	209.0	54.4	74.0	80.6	240.2	68.6	171.5	53.9	47.7	70.0	288.0	70.1		
Other Nordic countries	154.3	45.6	53.0	55.7	174.0	46.3	127.7	36.6	38.0	53.2	201.3	49.6		
Germany	398.3	123.3	141.2	133.8	409.3	101.7	307.7	90.4	88.5	128.8	462.9	93.2		
Other European countries	461.2	141.0	164.9	155.3	468.1	118.3	349.9	110.2	90.5	149.2	564.9	122.1		
North America	1,152.2	381.3	379.3	391.7	1,573.6	353.2	1,220.4	401.2	344.4	474.8	1,891.4	423.9		
Brazil	62.0	25.1	18.2	18.7	79.6	23.4	56.2	19.3	16.0	21.0	80.5	21.2		
Australia/New Zealand	82.0	24.4	30.2	27.4	103.3	24.9	78.4	23.0	21.1	34.2	100.8	32.7		
China	30.5	10.7	13.5	6.3	30.1	8.8	21.4	7.0	7.9	6.4	37.2	11.5		
Rest of world	125.8	42.5	51.4	31.9	68.8	14.8	54.0	18.0	16.0	20.0	98.4	22.9		
	2,675.2	848.3	925.5	901.4	3,147.2	759.9	2,387.2	759.6	670.1	957.5	3,725.4	847.3		



Sales and earnings

Third quarter of 2021

Sales increased to SEK 848.3 M (759.6) and were 11.7% higher compared with the third quarter of 2020. Adjusted for currency effects between the years, actual organic volume growth was 19.5%.

Demand for the Group's products remained high in the third quarter of 2021. As in previous quarters, the divisions had somewhat differing conditions during the quarter. Truck & Trailer Equipment increased its sales by 19.3% adjusted for currency effects. Mobile Climate Control's sales increased by 6.3% adjusted for currency effects. The division continued to experience low levels of demand in the North American bus segment as a result of the pandemic, but this was offset to some extent by increased demand in the off-road segment. For Ringfeder Power Transmission, sales increased 14.8% adjusted for currency effects.

Consolidated operating profit amounted to SEK 110.5 M (113.0), corresponding to an operating margin of 13.0% (14.9). The operating margin in 2020 was impacted positively by support received in combination with the negative impact of the pandemic on sales. All the divisions had a strong third quarter from an earnings perspective. Truck & Trailer Equipment's operating margin totalled 14.5% (16.6). This was the result of high demand and a high level of resource utilization in production. Mobile Climate Control's operating margin was 10.3% (12.7). As the result of the cost savings implemented as well as the change in the product mix toward more off road-related products, the division's operating margin has again established itself at historically high levels. A comparison of the third quarters of 2020 and 2021 shows that the margin in 2020 was impacted positively by support related to COVID-19, which makes the comparison difficult. Ringfeder Power Transmission's operating margin improved to 21.0% (20.2), the result of stable demand for the division's products in combination with a high level of internal efficiency. Total EBIT for the Group decreased 2.2% compared to the third quarter of 2020. The third quarter of 2020 contains a large portion of the total support received in the Group pertaining to the COVID-19 pandemic.

Net interest expense was SEK 4.1 M (expense: 5.1) and the quarter's currency effect on foreign-currency denominated financial liabilities was SEK 1.0 M (neg: 8.0). Accordingly, profit after financial items amounted to SEK 107.4 M (100.0), and profit after tax to SEK 82.2 M (73.9). Earnings per share increased to SEK 3.29 (2.95).

Nine months 2021

Sales totaled SEK 2,675.2 M (2,387.2) and were 12.1% higher than in the first nine months of 2020. Adjusted for currency effects between the half-year periods, actual organic volume growth was 18.2%.

Operating profit amounted to SEK 383.9 M (267.1), corresponding to an operating margin of 14.3% (11.2).

The Group's net interest expense for the first nine months of the year was SEK 9.9 M (expense: 11.4) and the currency effect on foreign-currency denominated credits was a negative SEK 4.1 M (neg: 9.7). Taken together, this resulted in a net financial expense of SEK 14.0 M (expense: 21.1). Accordingly, profit after financial items was SEK 369.8 M (246.1), profit after tax totaled SEK 279.1 M (175.8) and earnings per share amounted to SEK 11.16 (7.03).

Capital expenditures

The Group's new capital expenditures for the third quarter amounted to SEK 37.7 M (19.8). The new capital expenditures consist largely of investments in assets concerning the Insta-Chain brand, which was acquired in the third quarter. Total new capital expenditures for the first nine months of the year amounted to SEK 66.8 M (35.9). Depreciation/amortization during the third quarter totalled SEK 26.5 M (26.3) and depreciations for the first nine months of the year totalled SEK 77.7 M (81.4).

Financial position

Profit after tax for the period amounted to SEK 279.1 M (175.8) and other comprehensive income to SEK 67.4 M (loss: 89.1), which resulted in comprehensive income of SEK 346.5 M (86.7). Dividends paid totaled SEK 112.5 M (0). As an effect of the COVID-19 situation, no dividend was paid to shareholders in 2020 for fiscal year 2019. Accordingly, consolidated equity increased to SEK 2,734.2 M during the period (2,500.2 at year-end).

The equity/assets ratio increased slightly during the period to 61.3% (58.7 at year-end). Cash and cash equivalents decreased by SEK 256.0 M during the period, due largely to increased trade receivables and inventories as well as the repayment of loans and dividends in 2021. Cash and cash equivalents totaled SEK 643.5 M at the end of the period (899.5 at year-end). In addition, there were unutilized overdraft facilities of SEK 100.0 M, which means the Group at the end of September had available liquidity of SEK 743.5 M (999.5 at year-end). The Group has a total credit facility of SEK 1,300 M, of which SEK 587.9 is unutilized.

The Group's interest-bearing net debt (including pension liability) increased by SEK 33.0 M during the period, totalling SEK 302.0 M at the end of the period (268.9 at year-end).

The ratio of interest-bearing net debt to equity was 0.11 at September 30, 2021 (0.11 at December 31, 2020) and the ratio of net debt to consolidated operating profit before depreciation/amortization and impairment (EBITDA on a rolling four-quarter basis) was 0.52 (0.58 at year-end).

The Group's goodwill increased by SEK 13.7 M due to currency effects and amounted at the end of the period to SEK 1,115.8 M (1,102.1 at year-end), which in relation to equity amounted to a ratio of 0.41 (0.44 at year-end).

COVID-19

The decrease in demand that accompanied the COVID-19 pandemic in 2020 was replaced in the first nine months of 2021 by drastically increased demand for the Group's products. The decrease in demand in the second and third quarters of 2020 also meant that the Group significantly reduced its capital tied up in stock and trade receivables in 2020. During the first nine months of 2021, higher demand for our products enabled trade receivables and stock to return to higher, more normal levels. In connection with the COVID-19 pandemic, VBG Group received various types of support in 2020 aimed at mitigating the impact of the effects of the pandemic. This support has decreased as a result of the gradual return of demand. The direct support received in the third quarter totaling SEK 2.0 M (23.1) pertained primarily to Mobile Climate Control, which received SEK 1.9 M (18.6 in the year-earlier period) in business subsidies in Canada. For the first nine months of 2021, the Group received a total of SEK 11.2 M (49.9) in direct support linked to COVID-19, the majority of which pertained to North America.

Cash flow

Cash flow from operating activities for the first nine months declined, compared to the year-earlier period, to SEK 150.2 M (307.0). This decrease was largely due to an increase in tied-up capital in trade receivables and inventories, as a result of increased sales. Investments made during the period totaled SEK 69.6 M (34.0). The Group's total borrowings and lease liabilities decreased during the first nine months of the year by SEK 236.2 M (increase: 61.2). After a dividend of SEK 112.5 M (no dividend in 2020), cash flow for the period totalled SEK -268.1 M (334.2).

Personnel

At September 30 2021, there were 1,588 employees in the VBG Group (1,484 at year-end), including 220 (217) in Sweden. During the first nine months of 2021, the Group employed an average of 1,575 persons (1,498 during the year-earlier period). Of these, 230 (182) were active in Sweden. The cost of salaries and social security contributions in the first nine months totaled SEK 642.6 M (558.8). In the comparison with the preceding year, it should be noted that staff had been put on short-term furloughs in the second and third quarters of 2020, which meant that both the number of those employed and the cost of salaries and social security contributions decreased drastically in the year-earlier period.

Per share data

Earnings per share amounted to SEK 11.16 (7.03).

Equity per share (total shares outstanding at the end of the period) was SEK 109.35 at September 30, 2021, compared with SEK 100.50 at the same time last year and SEK 100.00 at year-end.

At the end of the quarter, the share price was SEK 172.00, which corresponds to a market capitalization of SEK 4,301 M, compared with a share price of SEK 154.50 and market capitalization of SEK 3,863 M at year-end.

The number of shareholders increased by 735 during the first nine months, totaling 5,242 (4,507) at year end.



THIRD QUARTER OF 2021

- Sales increased 19.3% to **SEK 281.0 M** (235.5).
- Adjusted for exchange rate changes between the years, actual organic volume growth was **25.0%**.
- EBITA increased to **SEK 41.7 M** (40.0), with an EBITA margin of 14.8% (17.0).

NINE MONTHS 2021

- Sales increased 28.1% to **SEK 977.6 M** (763.1).
- Adjusted for exchange rate changes between the years, actual organic volume growth was **32.3%**.
- EBITA amounted to **SEK 196.5 M** (134.7), with an EBITA margin of 20.1% (17.7).

SALES/EARINGS												
SEK M	9 months 2021	Q3 2021	Q2 2021	Q1 2021	Full-year 2020	Q4 2020	9 months 2020	Q3 2020	Q2 2020	Q1 2020	Full-year 2019	Q4 2019
Net sales	977.6	281.0	349.3	347.4	1,054.3	291.2	763.1	235.5	199.5	328.2	1,203.6	276.6
EBITDA	219.1	49.4	79.1	90.5	223.5	68.1	155.4	46.8	34.1	74.6	255.0	52.4
EBITA	196.5	41.7	71.4	83.4	194.8	60.1	134.7	40.0	27.1	67.7	223.9	44.4
EBITA margin, %	20.1	14.8	20.4	24.0	18.5	20.6	17.7	17.0	13.6	20.6	18.6	16.1
Operating profit (EBIT)	194.3	40.8	70.7	82.8	189.2	58.8	130.4	39.2	25.3	65.9	218.4	43.0
Operating margin (EBIT), %	19.9	14.5	20.2	23.8	17.9	20.2	17.1	16.6	12.7	20.1	18.1	15.6

SALES BY MARKET												
SEK M	9 months 2021	Q3 2021	Q2 2021	Q1 2021	Full-year 2020	Q4 2020	9 months 2020	Q3 2020	Q2 2020	Q1 2020	Full-year 2019	Q4 2019
Sweden	174.7	44.5	61.1	69.1	203.9	60.2	143.6	46.3	37.8	59.5	245.0	60.1
Other Nordic countries	120.3	34.1	41.2	45.0	140.0	38.5	101.5	29.1	28.9	43.4	156.9	39.0
Germany	256.0	72.9	94.5	88.5	254.8	67.0	187.8	55.8	51.0	81.1	258.4	49.8
Other European countries	281.5	82.1	103.0	96.5	275.0	71.3	203.7	66.3	48.0	89.4	334.4	67.8
North America	56.2	20.2	14.6	21.4	90.3	29.6	60.7	20.3	15.1	25.3	112.0	35.8
Australia/New Zealand	63.8	18.8	24.7	20.4	68.1	18.5	49.6	11.7	14.6	23.3	68.7	19.2
China	0.5	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.4	0.1
Rest of world	24.6	8.0	10.2	6.4	22.2	6.0	16.2	5.9	4.1	6.1	24.9	4.9
Truck & Trailer Equipment	977.6	281.0	349.3	347.4	1,054.3	291.2	763.1	235.5	199.5	328.2	1,203.6	276.6

Sales and earnings

Third quarter of 2021

Sales for the quarter increased 19.3% year-on-year to SEK 281.0 M (235.5). Adjusted for exchange rate changes, where the average USD rate between the quarters weakened 2.5% and the EUR – which is a more important currency for the division – weakened 1.6%, actual organic growth was 25.0%.

Operating profit before amortizations of intangible assets (EBITA) for Truck & Trailer Equipment increased year-on-year to SEK 41.7 M (40.0), with an EBITA margin of 14.8% (17.0).

Nine months 2021

Sales for the first nine months of the year increased 28.1% year-on-year to SEK 977.6 M (763.3). Adjusted for exchange rate changes, where the average USD rate between the periods weakened 9.8% and the EUR – which is a more important currency for the division – weakened 3.9%, actual organic growth was 32.3%.

EBITA for Truck & Trailer Equipment increased year-on-year to SEK 196.5 M (134.7), with an EBITA margin that remained high at 20.1% (17.7). The improvement to EBITA was the result of high demand, a high level of resource utilization in production and continued strong cost controls.

During the period, the division's working capital increased SEK 65.6 M to SEK 297.3 M (231.7 at year-end) as a result of higher sales, and with the addition of property, plant and equipment of SEK 183.8 M, operating capital amounted to SEK 481.1 M at the end of September (407.7 at year-end).

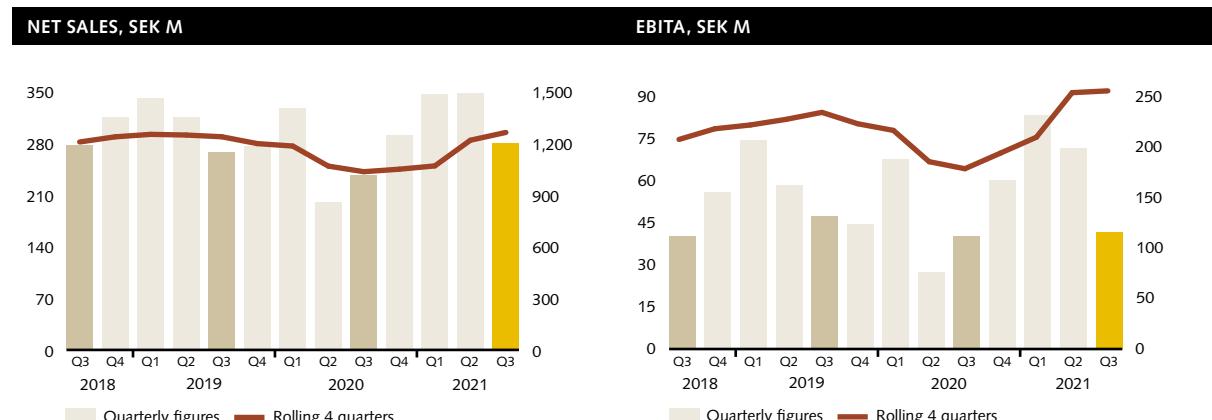
The division's return on operating capital (ROOC), where EBITDA on a rolling four-quarter basis is put in relation to average operating capital for the same period, totaled 64.3% (52.0 at year-end).

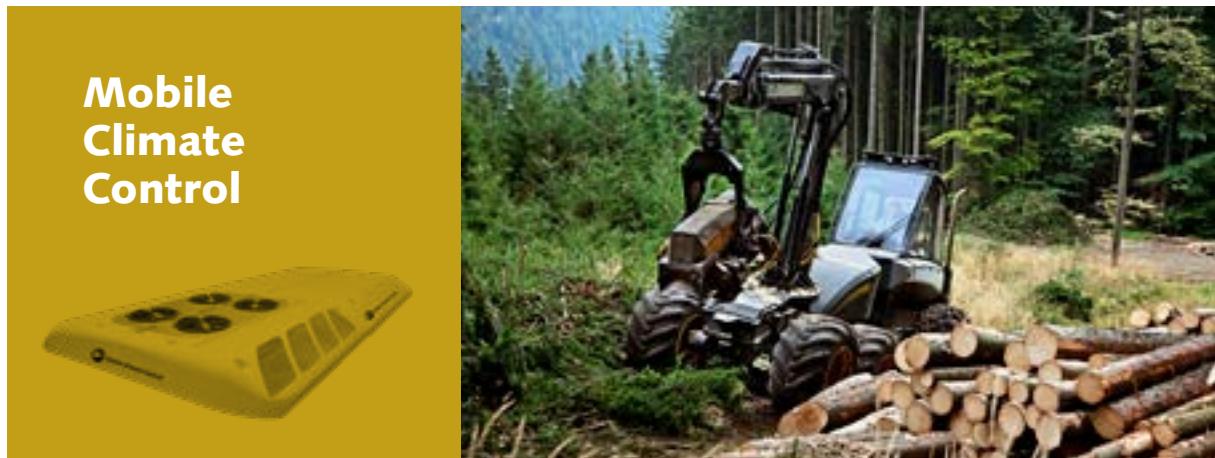
Capital expenditures and depreciation/amortization

Truck & Trailer Equipment's investments during the third quarter amounted to SEK 33.3 M (11.2). The new capital expenditures consist largely of investments in assets concerning the Insta-Chain brand, which was acquired in the third quarter. Total new capital expenditures for the first nine months of the year amounted to SEK 56.4 M (20.0). Depreciation/amortization for the third quarter totalled SEK 8.6 M (7.6) and totalled SEK 24.8 M (25.0) for the first nine months of the year.

Personnel

During the first nine months of the year, Truck & Trailer Equipment employed an average of 375 persons (323 during the year-earlier period). At September 30, 2021, there were 366 employees in the division (340), compared with 353 employees at year-end. Personnel costs for the first nine months of the year amounted to SEK 202.5 M (169.3), resulting in a cost per employee of SEK 540.0 thousand (524.1). The comparison figures for 2020 were impacted by the COVID-19 pandemic, and are lower since many employees were put on temporary furlough during the second quarter.





THIRD QUARTER OF 2021

- Sales increased 6.3% to **SEK 430.4 M** (404.9).
- Adjusted for exchange rate changes between the years, actual organic volume growth was **14.9%**.
- EBITA amounted to **SEK 49.4 M** (56.8), with an EBITA margin of 11.5% (14.0).

NINE MONTHS 2021

- Sales increased 4.2% to **SEK 1,312.4 M** (1,259.9).
- Adjusted for exchange rate changes between the years, actual organic volume growth was **10.9%**.
- EBITA amounted to **SEK 142.1 M** (106.7), with an EBITA margin of 10.8% (8.5).

SALES/EARINGS												
SEK M	9 months 2021	Q3 2021	Q2 2021	Q1 2021	Full-year 2020	Q4 2020	9 months 2020	Q3 2020	Q2 2020	Q1 2020	Full-year 2019	Q4 2019
Net sales	1,312.4	430.4	451.7	430.3	1,617.7	357.8	1,259.9	404.9	358.1	496.9	1,998.4	440.7
EBITDA	164.2	56.8	56.4	51.0	156.9	27.0	129.9	64.6	12.2	53.2	224.8	31.9
EBITA	142.1	49.4	49.3	43.4	125.9	19.2	106.7	56.8	4.5	45.4	193.0	23.2
EBITA margin, %	10.8	11.5	10.9	10.1	7.8	5.4	8.5	14.0	1.3	9.1	9.7	5.3
Operating profit (EBIT)	126.6	44.2	44.1	38.3	104.5	13.9	90.6	51.4	-0.8	40.1	171.6	17.9
Operating margin (EBIT), %	9.6	10.3	9.8	8.9	6.5	3.9	7.2	12.7	-0.2	8.1	8.6	4.1

SALES BY MARKET												
SEK M	9 months 2021	Q3 2021	Q2 2021	Q1 2021	Full-year 2020	Q4 2020	9 months 2020	Q3 2020	Q2 2020	Q1 2020	Full-year 2019	Q4 2019
Sweden	31.4	8.8	12.1	10.5	32.7	7.7	25.0	7.0	9.0	9.0	39.6	9.1
Other Nordic countries	31.4	10.5	10.9	9.9	30.6	7.0	23.6	6.6	8.1	8.9	39.6	9.7
Germany	15.3	5.1	5.7	4.5	19.4	4.0	15.4	3.3	4.9	7.2	33.2	7.5
Other European countries	135.5	43.4	47.6	44.5	141.2	35.6	105.6	31.9	31.1	42.6	164.6	38.3
North America	1,016.9	333.6	341.9	341.4	1,365.4	296.2	1,069.2	349.5	299.1	420.5	1,673.9	364.1
China	12.5	5.6	4.4	2.4	14.4	4.2	10.2	3.3	3.8	3.2	16.4	5.2
Rest of world	69.4	23.4	29.0	16.9	14.0	3.1	10.8	3.3	2.1	5.4	31.0	6.8
Mobile Climate Control	1,312.4	430.4	451.7	430.3	1,617.7	357.8	1,259.9	404.9	358.1	496.9	1,998.4	440.7

Sales and earnings

Third quarter of 2021

Sales for the quarter increased 6.3% year-on-year to SEK 430.4 M (404.9), where Europe and South Africa represented the largest increases. Adjusted for exchange rate changes, where the average USD rate weakened by 2.5% compared to the year-earlier period, the actual organic growth was negative 14.9%. EBITA for Mobile Climate Control decreased year-on-year to SEK 49.4 M (56.8) with the EBITA margin falling to 11.5% (14.0). In the third quarter of 2020, Mobile Climate Control received a larger portion of the support provided to the operation in conjunction with the COVID-19 pandemic, which had a positive impact on the EBITA margin.

Nine months 2021

Mobile Climate Control reported an increase of 4.2% in sales in the first nine months of the year, compared with the year-earlier period, to SEK 1,312.4 M (1,259.9). Adjusted for exchange rate changes, where the average USD rate weakened by 9.8% compared to the year-earlier period, the actual organic growth was 10.9%.

EBITA for Mobile Climate Control increased year-on-year to SEK 142.1 M (106.7) with an EBITA margin of 10.8% (8.5). The increased operating margin was the result of the cost savings implemented in 2020 and 2021, as well as of changes in the product mix during the first nine months of the year toward more off road-related products.

During the period, the division's working capital increased SEK 180.9 M to SEK 543.1 M (362.2 at year-end), and with the addition of property, plant and equipment of SEK 182.0 M, operating capital amounted to SEK 725.1 M at the end of September (553.3 at year-end).

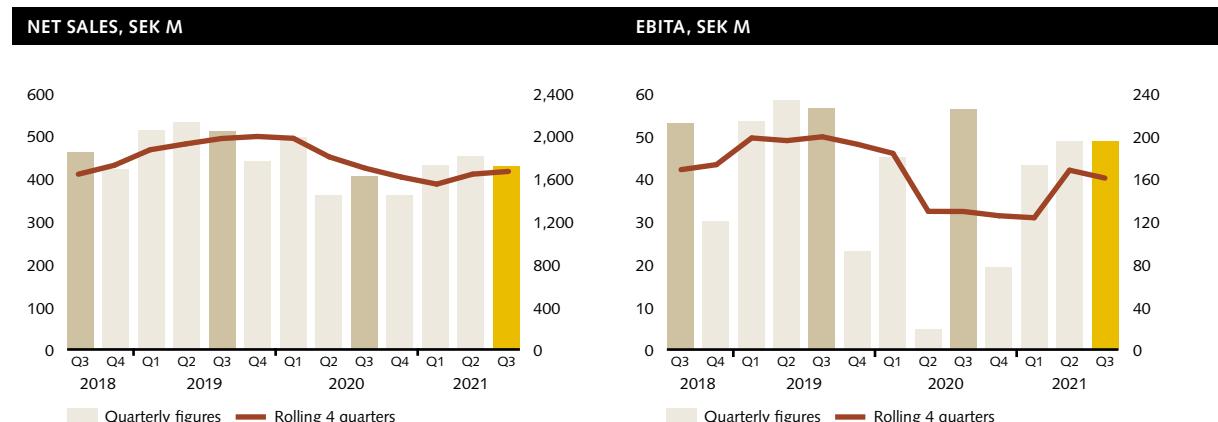
The division's return on operating capital (ROOC) for the period was 29.6% (24.4 at year-end).

Capital expenditures and depreciation/amortization

Mobile Climate Control's investments during the third quarter amounted to SEK 1.7 M (1.4). Total new capital expenditures for the first nine months of the year amounted to SEK 3.2 M (6.8). Depreciation/amortization during the third quarter totalled SEK 12.7 M (13.2) and totalled SEK 37.6 M (39.3) for the first nine months of the year.

Personnel

During the first nine months of the year, Mobile Climate Control employed an average of 875 persons (854 during the year-earlier period). At September 30, 2021, there were 887 employees in the division (812 on September 30, 2020), compared with 808 employees at year-end. Personnel costs for the first nine months of the year amounted to SEK 308.6 M (257.4), resulting in a cost per employee of SEK 352.7 thousand (301.4).





THIRD QUARTER OF 2021

- Sales increased 14.8% to **SEK 136.8 M** (119.2).
- Adjusted for exchange rate changes between the years, actual organic volume growth was **23.9%**.
- EBITA amounted to **SEK 29.8 M** (25.1), with an EBITA margin of 21.8% (21.0).

NINE MONTHS 2021

- Sales increased 5.7% to **SEK 385.2 M** (364.2).
- Adjusted for exchange rate changes between the years, actual organic volume growth was **14.0%**.
- EBITA amounted to **SEK 79.3 M** (56.9), with an EBITA margin of 20.6% (15.6).

SALES/EARINGS												
SEK M	9 months 2021	Q3 2021	Q2 2021	Q1 2021	Full-year 2020	Q4 2020	9 months 2020	Q3 2020	Q2 2020	Q1 2020	Full-year 2019	Q4 2019
Net sales	385.2	136.8	124.5	123.9	475.2	111.0	364.2	119.2	112.6	132.4	523.4	130.0
EBITDA	89.8	33.5	25.6	30.7	92.9	24.7	68.3	28.7	22.0	17.6	83.3	16.1
EBITA	79.3	29.8	22.3	27.3	78.0	21.1	56.9	25.1	18.3	13.5	67.2	12.0
EBITA margin, %	20.6	21.8	17.9	22.0	16.4	19.0	15.6	21.0	16.2	10.2	12.8	9.2
Operating profit (EBIT)	76.3	28.8	21.2	26.3	73.1	20.0	53.2	23.9	17.0	12.2	62.5	10.7
Operating margin (EBIT), %	19.8	21.0	17.1	21.2	15.4	18.0	14.6	20.0	15.1	9.2	11.9	8.2

SALES BY MARKET												
SEK M	9 months 2021	Q3 2021	Q2 2021	Q1 2021	Full-year 2020	Q4 2020	9 months 2020	Q3 2020	Q2 2020	Q1 2020	Full-year 2019	Q4 2019
Sweden	2.9	1.0	0.8	1.0	3.6	0.7	2.9	0.6	0.9	1.4	3.4	0.9
Other Nordic countries	2.6	1.0	0.9	0.8	3.4	0.7	2.7	0.8	0.9	0.9	4.8	0.9
Germany	127.0	45.3	40.9	40.7	135.1	30.7	104.5	30.7	32.1	40.4	171.3	35.9
Other European countries	44.2	15.5	14.3	14.3	52.0	11.4	40.6	12.0	11.4	17.1	65.8	16.0
North America	79.1	27.4	22.8	28.9	117.9	27.4	90.6	31.4	30.2	29.0	105.6	24.1
Brazil	53.8	21.3	16.3	16.2	71.3	20.7	50.6	17.3	15.3	18.1	67.6	17.5
Australia/New Zealand	16.4	4.4	5.3	6.7	33.9	6.1	27.8	11.0	6.3	10.5	31.2	13.3
China	17.5	4.7	9.0	3.8	15.7	4.6	11.1	3.7	4.2	3.2	17.4	6.3
Rest of world	41.9	16.2	14.2	11.5	42.2	8.7	33.5	11.7	11.3	11.9	56.3	15.2
Ringfeder Power Transmission	385.2	136.8	124.5	123.9	475.2	111.0	364.2	119.2	112.6	132.4	523.4	130.0

Sales and earnings

Third quarter of 2021

Sales for the quarter increased 14.8% year-on-year to SEK 136.8 M (119.2); adjusted for exchange rate changes, where the average USD rate weakened 2.5%, the BRL remained unchanged and the EUR weakened 1.6%, the actual organic growth was 23.9%.

EBITA for Ringfeder Power Transmission increased year-on-year to SEK 29.8 M (25.1) and the EBITA margin totaled 21.8% (21.0).

Nine months 2021

Sales for the first nine months of the year increased 5.7% year-on-year to SEK 385.2 M (364.2); adjusted for exchange rate changes, where the average USD rate weakened by 9.8%, the BRL weakened by 15.3%, and the EUR weakened by 3.9% compared with the year-earlier period, the actual organic growth was 14.0%.

EBITA for Ringfeder Power Transmission increased year-on-year to SEK 79.3 M (56.9) and the EBITA margin totaled 20.6% (15.6). The increase in EBITA for the first nine months of the year is the result of stable demand for Ringfeder Power Transmission's products and a favorable product mix in combination with increased internal efficiency.

During the period, the division's working capital increased by SEK 40.1 M to SEK 186.2 M (146.0 at year-end). With the addition of property, plant and equipment of SEK 99.7 M, operating capital amounted to SEK 285.9 M at the end of September (249.0 at year-end).

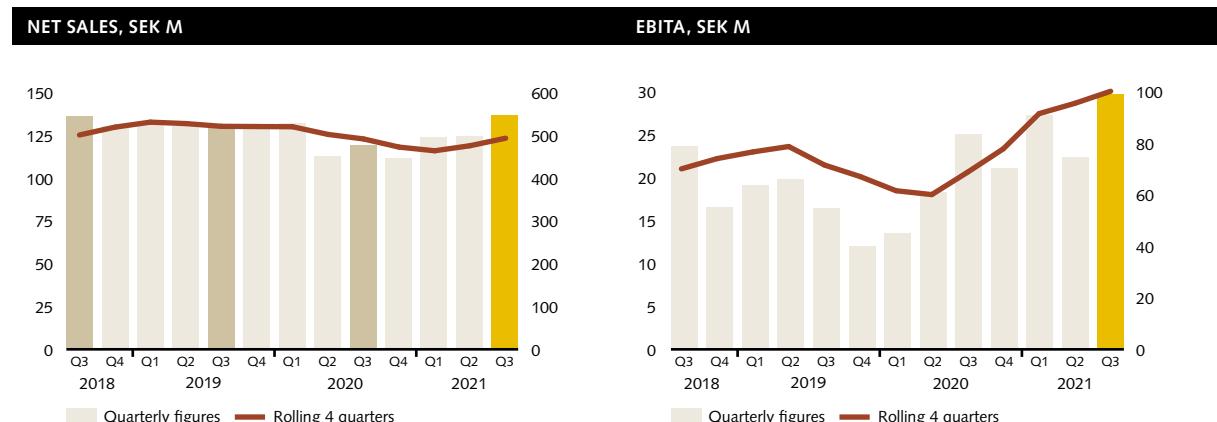
The division's return on operating capital (ROOC) for the period was 43.2% (33.1 at year-end).

Capital expenditures and depreciation/amortization

Ringfeder Power Transmission's investments during the third quarter amounted to SEK 2.8 M (7.2). Total new capital expenditures for the first nine months of the year amounted to SEK 5.9 M (9.2). Depreciation/amortization during the third quarter totalled SEK 4.7 M (4.9) and for the first nine months of the year totalled SEK 13.5 M (15.1).

Personnel

During the first nine months of the year, Ringfeder Power Transmission employed an average of 315 persons (312 during the year-earlier period). At September 30, 2021, there were 326 employees in the division (318 on September 30, 2020), compared with 313 employees at year-end. Personnel costs for the first nine months of the year amounted to SEK 105.4 M (110.4), resulting in a cost per employee of SEK 334.5 thousand (353.8).



Other information

Parent Company

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

The Parent Company's net sales pertain primarily to intra-Group services and license revenues and amounted to SEK 5.8 M (28.9) during the period. Operating loss the first nine months of the year totaled SEK 35.3 M (loss: 7.8). Profit after dividends from Group companies, net financial items and tax totaled SEK 49.5 M (17.8).

Accounting policies

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

This report may contain rounding differences.

Risks and uncertainty factors

The Group's and the Parent Company's significant risks and uncertainty factors include 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 2020.

Outlook for 2021

The company makes no forecast.

Financial information 2021/2022

Year-end report 2021	February 24, 2022
Interim report, three months 2022	April 28, 2022
Annual General Meeting 2022	May 4, 2022
Interim report, six months 2022	July 20, 2022
Interim report, nine months 2022	October 20, 2022

Related party transactions

There have been no related party transactions in 2021 that have significantly affected the company's financial position and results. Related party transactions during 2020 are disclosed in Note 6 in the annual report for 2020.

Events after the close of the reporting period

No significant events occurred after the close of the period.

Vänersborg, October 21, 2021
VBG Group AB (publ)

Anders Birgersson
President and CEO

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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. CEST on October 21, 2021 in Swedish.

Press releases issued in the third quarter of 2021

Interim report January–June 2021

July 22, 2021

Review report

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

Introduction

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

Aim and scope of review

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

The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

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

Gothenburg, October 21, 2021

Ernst & Young AB

Andreas Mast
Authorized Public Accountant

Condensed consolidated income statement and statement of other comprehensive income

SEK M	Q3 2021	Q3 2020	9 months 2021	9 months 2020	Full-year 2020
Net sales	848.3	759.6	2,675.2	2,387.2	3,147.2
Cost of goods sold	-573.2	-499.1	-1,771.2	-1,588.0	-2,083.6
Gross profit	275.0	260.5	904.0	799.2	1,063.6
Selling expenses	-77.8	-69.9	-230.8	-242.6	-321.7
Administrative expenses	-62.5	-55.9	-196.8	-187.4	-242.6
Research and development costs	-25.9	-22.4	-83.3	-85.5	-113.6
Other operating income and expenses	1.7	0.7	-9.2	-16.5	-32.2
	-164.6	-147.5	-520.1	-532.0	-710.2
Operating profit	110.5	113.0	383.9	267.1	353.4
Exchange rate effects, net	1.0	-8.0	-4.1	-9.7	-10.5
Interest income	0.4	0.3	4.1	5.5	6.2
Interest expenses	-4.1	-4.1	-12.2	-15.4	-19.2
Other financial expenses	-0.4	-1.3	-1.9	-1.6	-3.4
Total financial items	-3.1	-13.1	-14.0	-21.1	-26.9
Profit/loss after financial items	107.4	100.0	369.8	246.1	326.5
Tax	-25.2	-26.2	-90.7	-70.3	-99.8
Profit for the period	82.2	73.9	279.1	175.8	226.7
Profit for the period attributable to Parent Company shareholders	82.2	73.9	279.1	175.8	226.7
Other comprehensive income					
Profit for the period	82.2	73.9	279.1	175.8	226.7
Items that will not be reversed in the income statement					
Effect of translation of defined-benefit pension plans, net after tax	—	—	—	-8.4	-2.6
Other items					
Items that may later be reversed in the Income Statement					
Translation differences pertaining to foreign operations	1.0	-33.1	67.4	-80.7	-151.6
Other comprehensive income, net after tax	1.0	-33.1	67.4	-89.1	-154.2
Comprehensive income for the period	83.2	40.8	346.5	86.7	72.5
Comprehensive income for the period attributable to Parent Company shareholders	83.2	40.8	346.5	86.7	72.5
Earnings per share, basic and diluted, SEK	3.29	2.95	11.16	7.03	9.07
Number of shares outstanding at end of period ('000)	25,004	25,004	25,004	25,004	25,004
Number of treasury shares at end of period ('000)	1,192	1,192	1,192	1,192	1,192

Sales and earnings by segment

SEK M	Truck & Trailer Equipment	Mobile Climate Control	Ringfeder Power Transmission	Group-wide	Group
Q3 2021					
Net sales	281.0	430.4	136.8		848.3
Operating profit/loss	40.8	44.2	28.8	−3.3	110.5
Operating margin, %	14.5	10.3	21.0		13.0
Net financial items				−3.1	−3.1
Profit after financial items					107.4
9 months 2021					
Net sales	977.6	1,312.4	385.2		2,675.2
Operating profit/loss	194.3	126.6	76.3	−13.3	383.9
Operating margin, %	19.9	9.6	19.8		14.3
Net financial items				−14.0	−14.0
Profit after financial items					369.8
Q3 2020					
Net sales	235.5	404.9	119.2		759.6
Operating profit/loss	39.2	51.4	23.9	−1.4	113.0
Operating margin, %	16.6	12.7	20.0		14.9
Net financial items				−13.0	−13.0
Profit after financial items					100.0
9 months 2020					
Net sales	763.1	1,259.9	364.2		2,387.2
Operating profit/loss	130.4	90.6	53.2	−7.1	267.1
Operating margin, %	17.1	7.2	14.6		11.2
Net financial items				−21.0	−21.0
Profit after financial items					246.1

Consolidated Balance Sheet

SEK M	Sep. 30, 2021	Sep. 30, 2020	Dec. 31, 2020
Assets			
Non-current assets			
Intangible assets			
Brands, customer relationships and other intangible assets	771.2	770.6	761.5
Goodwill	1,115.8	1,115.6	1,102.1
	1,887.0	1,886.2	1,863.6
Property, plant and equipment			
Land and buildings	163.8	173.8	165.1
Plant and machinery	139.6	140.4	135.1
Equipment, tools, fixtures and fittings	43.0	44.7	42.6
Construction in progress	10.7	5.6	8.1
Lease asset	112.6	131.2	123.9
	469.7	495.7	474.7
Deferred tax asset	58.4	67.2	53.6
Total non-current assets	2,415.1	2,449.2	2,392.0
Current assets			
Inventories			
Raw materials and consumables	490.0	326.0	313.9
Work in progress	101.6	70.6	65.0
Finished products and merchandise	199.1	190.3	172.9
	790.7	586.9	551.8
Current receivables			
Trade receivables	510.5	447.9	352.5
Current tax assets	35.5	25.4	19.7
Other receivables	40.7	23.0	22.9
Prepaid expenses and accrued income	26.7	23.3	18.8
	613.4	519.5	414.0
Cash and cash equivalents			
Cash on hand and demand deposits	643.5	795.1	899.5
Total current assets	2,047.7	1,901.5	1,865.2
Total assets	4,462.7	4,350.6	4,257.3
Equity and liabilities			
Equity			
Share capital	65.5	65.5	65.5
Other contributed capital	781.3	781.3	781.3
Reserves	70.5	78.6	3.0
Retained earnings, incl. net profit for the year	1,817.0	1,589.8	1,650.3
Total equity	2,734.2	2,515.5	2,500.2
Non-current liabilities			
Provisions for pensions and similar obligations	239.1	245.8	233.8
Deferred tax liability	220.5	217.6	214.6
Other provisions	36.2	25.4	26.1
Lease liability	96.6	112.6	106.3
Liabilities to credit institutions	587.9	816.8	806.5
Other non-current liabilities	1.9	2.2	2.2
Total non-current liabilities	1,182.1	1,420.4	1,389.4
Current liabilities			
Trade payables	276.4	199.6	165.5
Current tax liabilities	39.3	12.9	9.9
Other liabilities	36.8	28.3	32.6
Lease liability	22.0	22.2	21.9
Accrued expenses and deferred income	172.0	151.9	137.8
Total current liabilities	546.5	415.0	367.6
Total equity and liabilities	4,462.7	4,350.6	4,257.3

Consolidated changes in equity

SEK M	9 months 2021	9 months 2020	Full-year 2020
Opening equity according to balance sheet at December 31	2,500.2	2,427.7	2,427.7
Total comprehensive income for the period	346.5	86.7	72.5
Dividend	-112.5	—	—
Equity at end of period	2,734.2	2,514.4	2,500.2

Consolidated Cash Flow Statement

SEK '000	9 months 2021	9 months 2020	Full-year 2020
Operating activities			
Operating profit before financial items	383.9	267.1	353.4
Depreciation/amortization	77.7	81.4	109.2
Other items not affecting liquidity	17.9	-8.5	-36.0
Interest received, etc.	-1.1	8.1	12.2
Interest paid	-4.5	-9.5	-16.9
Tax paid	-80.7	-74.8	-79.0
Cash flow before change in working capital	393.2	263.9	342.9
Decrease/increase (–) in inventories	-209.2	24.0	30.0
Decrease/increase (–) in trade receivables	-137.1	-1.5	72.0
Decrease/increase (–) in other current receivables	-24.3	5.8	9.7
Increase/decrease (–) in trade payables	94.3	14.7	-4.0
Increase/decrease (–) in other current liabilities	33.3	—	-4.4
Cash flow from operating activities	150.2	307.0	446.2
Investing activities			
Investments in intangible assets	-29.8	-0.3	-0.7
Investments in property, plant and equipment	-39.8	-33.7	-45.5
Additional purchase consideration, subsidiary	—	—	-4.4
Cash flow from investing activities	-69.6	-34.0	-50.6
Financing activities			
Loans raised and changes to existing loans	-218.6	80.6	80.1
Amortization of lease liability	-17.6	-19.4	-26.0
Dividend paid	-112.5	—	—
Cash flow from financing activities	-348.7	61.2	54.1
Cash flow for the year	-268.1	334.2	449.7
Cash and cash equivalents at start of year	899.5	472.5	472.5
Translation difference, cash and cash equivalents	12.1	-11.6	-22.6
Cash and cash equivalents at year-end	643.5	795.1	899.5
Unutilized overdraft facilities	100.0	100.0	100.0
Total cash and cash equivalents available	743.5	895.1	999.5

Key figures for Group

SEK M	9 months 2021	9 months 2020	Full-year 2020
Operating margin (EBIT), %	14.3	11.2	11.2
Profit margin (ROS), %	13.8	10.3	10.4
Return on equity (ROE), %	14.1	9.4	9.0
Return on capital employed (ROCE), %	13.5	9.9	9.8
Equity/assets ratio, %	61.3	57.8	58.7
Interest-bearing net debt/EBITDA	0.52	0.90	0.58
Equity per share outstanding at end of period, SEK	109.35	100.50	100.00
Cash flow from operating activities, per average share outstanding, SEK	2.35	4.80	17.84
Profit per average share outstanding during the period, SEK	11.16	7.03	9.07
Share price at end of period, SEK	172.0	139.50	154.50
Number of employees, average	1,575	1,498	1,483
Number of shares outstanding at end of period ('000)	25,004	25,004	25,004
Number of treasury shares at end of period ('000)	1,192	1,192	1,192

Parent Company income statement

SEK M	9 months 2021	9 months 2020	Full-year 2020
Net sales	5.8	28.9	49.9
Operating expenses	–41.1	–36.7	–52.3
Operating loss	–35.3	–7.8	–2.4
Net financial items	84.8	25.6	30.1
Profit after financial items	49.5	17.8	27.7
Appropriations	—	—	14.4
Tax	—	—	–1.8
Profit for the period	49.5	17.8	40.3

Parent Company Balance Sheet

SEK M	Sep. 30, 2021	Sep. 30, 2020	Dec. 31, 2020
Intangible assets	0.0	0.1	0.1
Property, plant and equipment	1.5	2.5	2.2
Financial assets	2,218.8	2,259.0	2,246.0
Total non-current assets	2,220.3	2,261.6	2,248.3
Receivables	78.2	101.7	85.1
Cash on hand, demand deposits and short-term investments	475.8	577.5	681.2
Total current assets	554.0	679.2	766.3
Total assets	2,774.3	2,940.8	3,014.6
 Equity	 1,473.4	 1,517.4	 1,536.4
Untaxed reserves	11.8	10.3	11.8
Provisions	13.1	12.9	12.9
Non-current liabilities	587.9	816.8	806.5
Current liabilities	688.1	583.5	647.0
Total equity and liabilities	2,774.3	2,940.8	3,014.6

Alternative performance measures

ORGANIC GROWTH

Net sales excluding effects of structural changes, meaning acquired or divested operations, and currency effects.

SEK M	9 months 2021	Q3 2021	9 months 2020	Q3 2020	Full-year 2020
Group					
Net sales	2,675.2	848.3	2,387.2	759.6	3,147.2
Currency effect	147.2	59.1	34.0	51.7	103.6
Net sales excluding acquisitions and currencies	2,822.4	907.4	2,421.2	811.3	3,250.8
Actual organic growth	435.2	147.8	-456.9	-97.8	-474.7
Organic growth, %	18.2	19.5	-15.9	-10.8	-12.7
Truck & Trailer Equipment					
Net sales	977.6	281.0	763.1	235.5	1,054.3
Currency effect	31.9	13.3	6.0	8.3	17.4
Net sales excluding acquisitions and currencies	1,009.6	294.3	769.1	243.8	1,071.7
Actual organic growth	246.5	58.8	-157.9	-24.4	-131.8
Organic growth, %	32.3	25.0	-17.0	-9.1	-10.9
Mobile Climate Control					
Net sales	1,312.4	430.4	1,259.9	404.9	1,617.7
Currency effect	85.1	34.9	12.7	31.1	56.0
Net sales excluding acquisitions and currencies	1,397.6	465.3	1,272.5	436.0	1,673.7
Actual organic growth	137.7	60.5	-285.2	-75.2	-324.8
Organic growth, %	10.9	14.9	-18.3	-14.7	-16.3
Ringfeder Power Transmission					
Net sales	385.2	136.8	364.2	119.2	475.2
Currency effect	30.1	10.9	15.3	12.3	30.2
Net sales excluding acquisitions and currencies	415.3	147.7	379.6	131.5	505.4
Actual organic growth	51.0	28.5	-13.8	1.7	-18.1
Organic growth, %	14.0	23.9	-3.5	1.3	-3.4

EBITDA

Operating profit before depreciation/amortization and impairment.

Group, SEK M	9 months 2021	Q3 2021	9 months 2020	Q3 2020	Full-year 2020
Operating profit	383.9	110.5	267.1	113.0	353.4
Depreciation/amortization	77.7	26.5	81.4	26.3	109.2
EBITDA	461.6	137.0	348.5	139.3	462.5

EBITA

Operating profit before depreciation/amortization and impairment.

Group, SEK M	9 months 2021	Q3 2021	9 months 2020	Q3 2020	Full-year 2020
Operating profit	383.9	110.5	267.1	113.0	353.4
Amortization of intangible assets	20.9	7.2	24.3	7.5	32.2
EBITA	404.7	117.6	291.4	120.5	385.5

PROFIT MARGIN

Profit after financial items as a percentage of net sales.

Group, SEK M	9 months 2021	Q3 2021	9 months 2020	Q3 2020	Full-year 2020
Net sales	2,675.2	848.3	2,387.2	759.6	3,147.2
Profit after financial items	369.8	107.4	246.1	96.2	326.5
Profit margin, %	13.8	12.7	10.3	12.7	10.4

INTEREST-BEARING NET DEBT

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

Group, SEK M	9 months 2021	Q3 2021	9 months 2020	Q3 2020	Full-year 2020
Provisions for pensions	239.1		245.8		233.8
Loans	587.9		816.8		806.5
Lease liability	118.5		134.9		128.2
Bank balances	-643.5		-795.1		-899.5
Interest-bearing net debt	302.0	n/a	402.5	n/a	268.9

INTEREST-BEARING NET DEBT/EBITDA

Interest-bearing net debt as a percentage of operating profit before depreciation/amortization and impairment.

Group, SEK M	9 months 2021	Q3 2021	9 months 2020	Q3 2020	Full-year 2020
Interest-bearing net debt	302.0		402.5		268.9
EBITDA, rolling 4 quarter	575.6		444.8		462.5
Interest-bearing net debt/EBITDA	0.52	n/a	0.90	n/a	0.58

ROOC BY DIVISION

EBITDA as a percentage of operating capital as below.

Group, SEK M	9 months 2021	9 months 2020	Full-year 2020
Group			
Inventories	790.7	586.9	551.8
Trade receivables	510.5	447.9	352.5
Trade payables	-276.4	-199.6	-165.5
Working capital	1,024.8	835.2	738.8
Property, plant and equipment	469.7	495.7	474.7
Operating capital	1,494.5	1,330.8	1,213.6
EBITDA, rolling 12 months	575.6	444.8	462.5
Average operating capital, four quarter	1,370.3	1,412.9	1,356.5
ROOC, %	42.0	31.5	34.1
 Truck & Trailer Equipment			
Inventories	212.2	155.4	151.0
Trade receivables	174.3	149.8	123.2
Trade payables	-89.3	-58.1	-42.5
Working capital	297.3	247.1	231.7
Property, plant and equipment	183.8	174.4	176.0
Operating capital	481.1	421.5	407.7
EBITDA, rolling 12 months	287.2	207.8	223.5
Average operating capital, four quarter	457.7	436.1	429.5
ROOC, %	62.7	47.7	52.0
 Mobile Climate Control			
Inventories	468.9	330.0	306.5
Trade receivables	244.5	221.0	169.5
Trade payables	-170.3	-131.1	-113.8
Working capital	543.1	420.0	362.2
Property, plant and equipment	182.0	206.9	191.1
Operating capital	725.1	626.8	553.3
EBITDA, rolling 12 months	191.2	161.9	156.9
Average operating capital, four quarter	646.3	674.8	643.9
ROOC, %	29.6	24.0	24.4
 Ringfeder Power Transmission			
Inventories	109.6	101.4	94.2
Trade receivables	91.7	77.1	59.9
Trade payables	-15.2	-8.8	-8.1
Working capital	186.2	169.7	146.0
Property, plant and equipment	99.7	109.9	103.0
Operating capital	285.9	279.6	249.0
EBITDA, rolling 12 months	114.5	84.4	92.9
Average operating capital, four quarter	265.0	300.0	281.1
ROOC, %	43.2	28.1	33.1

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