

Interim report Q4 Report 2011

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Stable sales performance and a strong cash-flow



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Agenda



Overview 2011

Market

Sales and Margin Development

Balance Sheet & Cash-flow

Outlook

Q&A



- Successful demerger of the old Haldex group into three separate businesses
- Total sales, adjusted for exchange-rate movements, rose by 17% in 2011 with good balanced growth in all regions;
 - North America +19%
 - Europe +13%
 - Asia and the Middle East +20%
 - South America +17%
- Chinese Bus Manufacturers choose Haldex ABS
- Reduced manufacturing footprint with consolidation of our North America operations
- Consolidation of Brazilian operations
- Haldex and Master strategic partners in Brazil

Q4 – stable sales performance and strong cash flow



- Sales amounted to SEK 1,035 m compared to SEK 875 m in the corresponding period last year
- Operating income and operating margin amounted to SEK 49 m (38) and 4.8% (4.3), respectively
- The operating income and margin are down compared to the third quarter mainly due to expenses related the ongoing consolidation in the Brazil operation. The underlying margin is in level with the third quarter
- Earnings after tax amounted to SEK 24 m (17)
- Earnings per share amounted to SEK 0.52 (0.39)
- Cash-flow from operating activities was strong in the period amounting to SEK 178 m (13)
- The Board of Directors intend to propose a dividend of SEK 2.00 per share



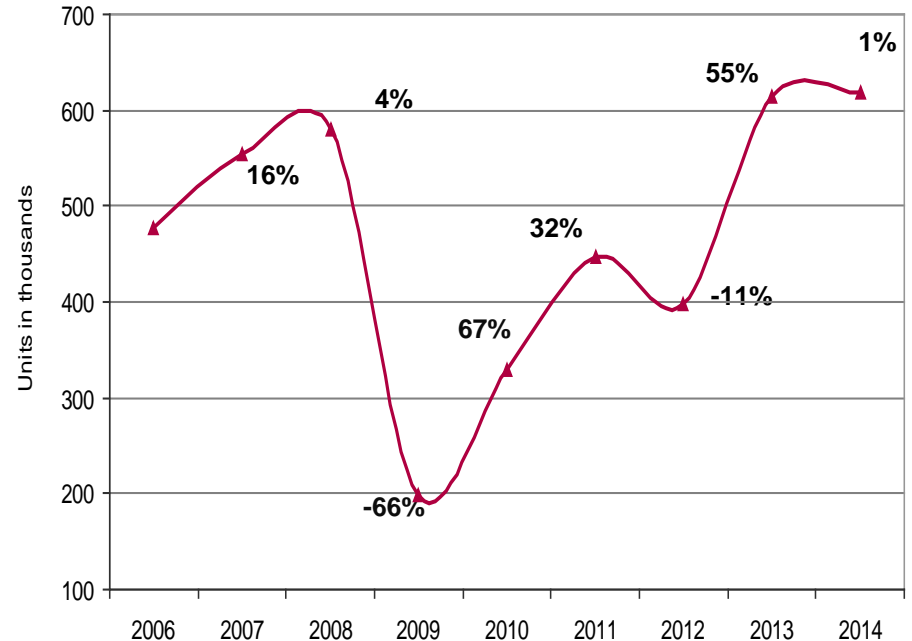
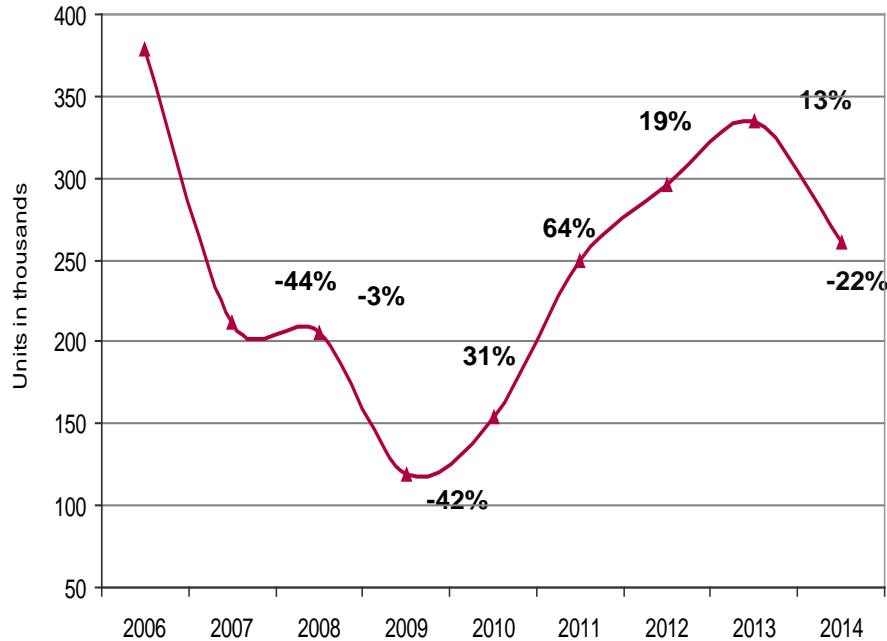
Market

Heavy Truck Build Rates



Heavy Truck build rates NA, >15t

Heavy Truck build rates EU, >15t



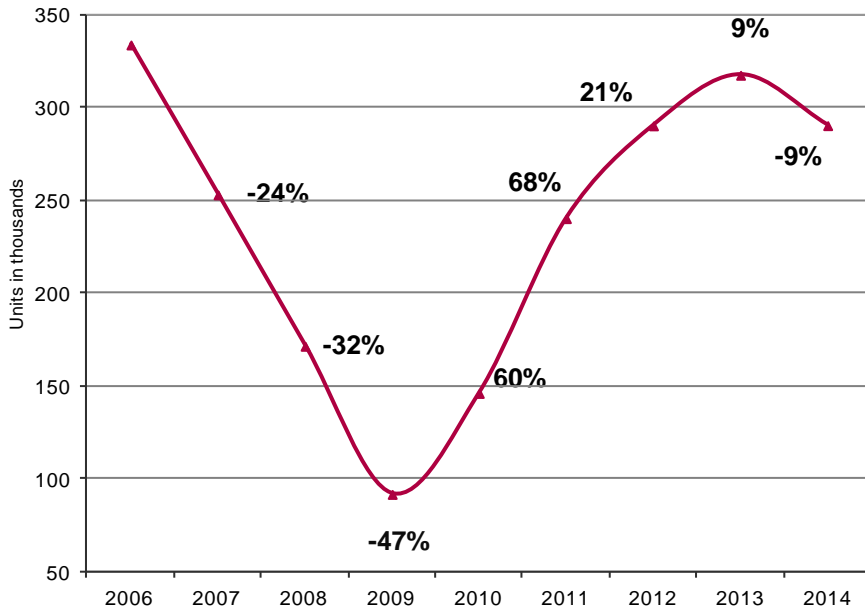
- North America Q4 build rates are up 64% versus Q4 2010 and up 5% when comparing versus Q3 2011
- Europe Q4 build rates are up 9% versus Q4 2010 and up 15% compared with Q3 2011

Note: JDP data – official statistics per December 2011

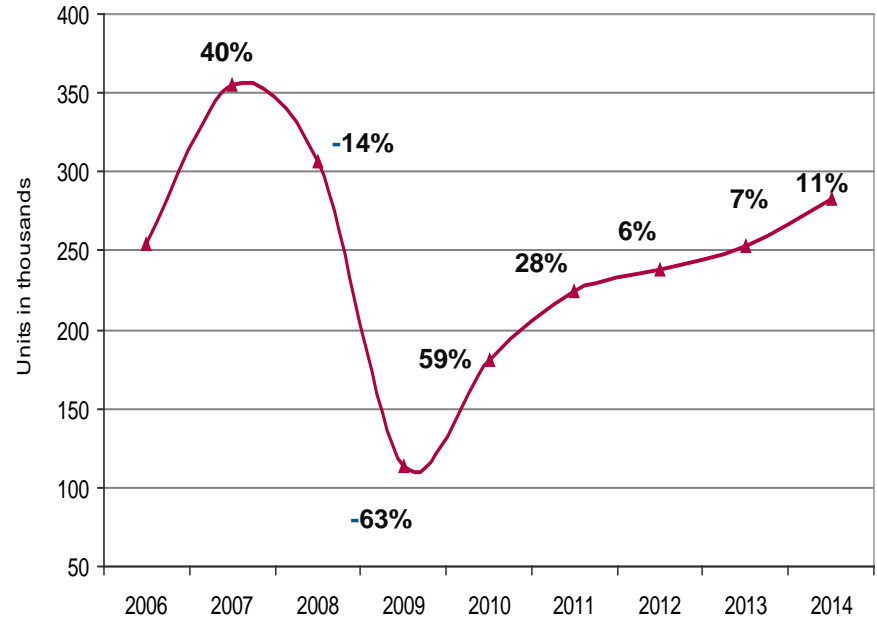
Heavy Trailer Build Rates



Heavy Trailer build rates NA



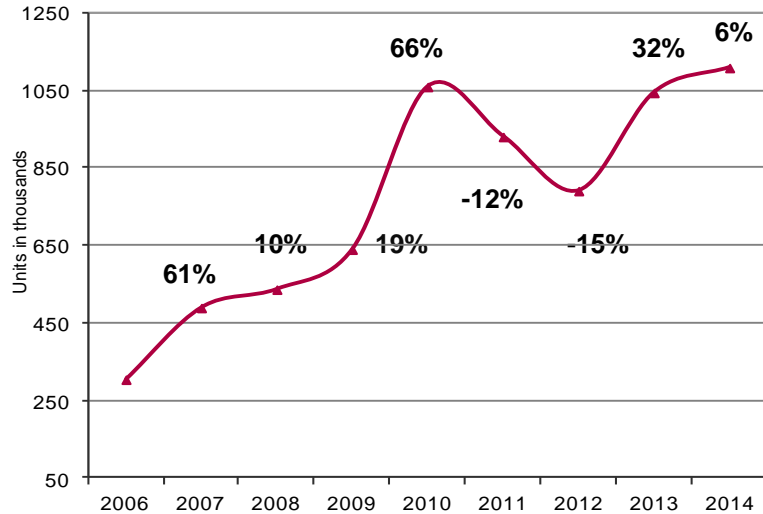
Heavy Trailer build rates EU



- North America fourth quarter build rates are up 68% versus Q4 2010
- Europe fourth quarter build rates are up 28% versus Q4 2010

Note: ACT data and CLEAR – official statistics per December 2011

Heavy Truck Build Rates China



Heavy Truck Build Rates India



- Chinese market are experiencing some reduction in the 2011/2012 build rates vs 2010
- The Indian build rates are estimated to grow around 11%

Note: JDP data – official statistics per December 2011



Sales and Margin Development

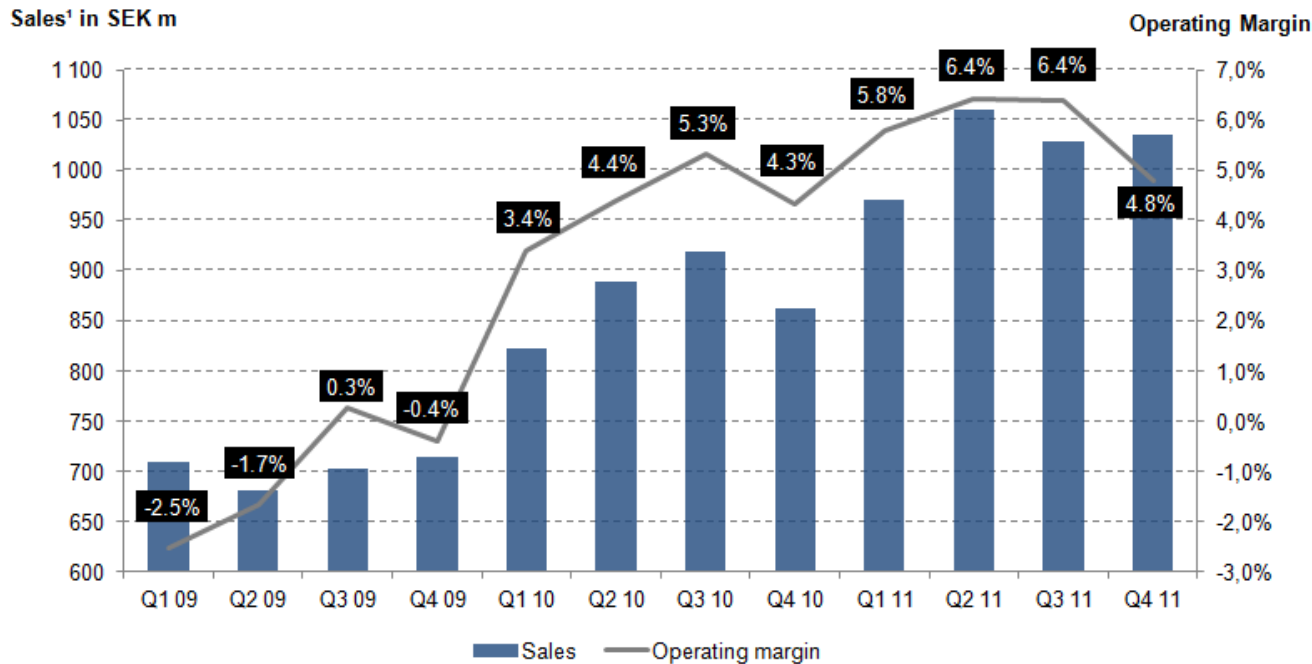
Sales Jan – Dec 2011 / Business Unit and Region



Business Unit (SEK m)	2011	Change, currency adj
Air Controls	1,619	8%
Foundation Brake	2,411	24%
Total	4,030	17%

Regional Sales (SEK m)	2011	Change, currency adj
North America	2,096	19%
Europe	1,340	13%
Asia and the Middle East	363	20%
South America	231	17%

Sales & Operating Margin



- Positive sales and operating margin
- Adjusted Q4 2011 after restructuring costs is in line with Q3
- Reduced production footprint

¹ Sales fx adjusted to Q4 2011 rates

Summary Jan – Dec 2011



Key Ratios (SEK m)	Jan-Dec 2011	Jan-Dec 2010	Oct-Dec 2011	Oct-Dec 2010
Net sales	4,030	3,710	1,035	875
Operating income	235	162	49	38
Operating margin	5.8	4.4	4.8	4.3
Earnings after tax	142	29	24	17
Earnings per share	3.08	0.55	0.52	0.39

- **Sales YTD of SEK 4,030 m (3,710), +17% adjusted for exchange rate movements**
 - Sales in Q4 of SEK 1,035 m (875), +20% adjusted for exchange rate movements
 - North American OE production continues to be strong
- **Operating Income of SEK 235 m (162) with an operating margin of 5.8% (4.4)**
 - Operating margin of 4.8% (4.3) in Q4
- **Earnings after tax of SEK 142 m (29)**
 - Earnings per share of SEK 3.08 (0.55)



Balance Sheet & Cash-flow

Balance Sheet



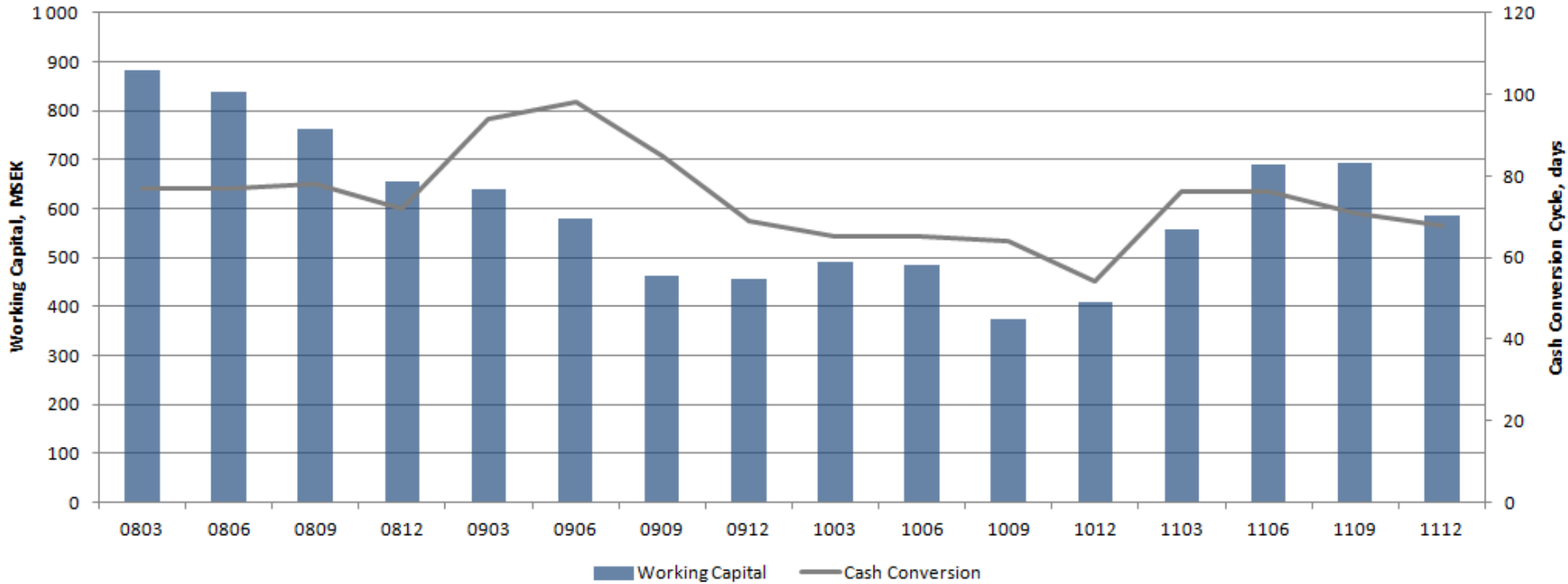
Amounts in SEK m	December, 2011	September, 2011	Quarterly change
Working Capital	596	786	-24%
Intangible assets	559	568	-2%
Capital employed	1,704	1,931	-12%
Total assets	2,858	2,892	-1%
Equity	1,336	1,313	2%
Net debt	488	618	-21%
Equity ratio	47%	45%	
Debt/Equity ratio	37%	47%	

- Debt/equity ratio is down to 37%

<u>(SEK m)</u>	<u>2011</u>
EBITDA	382
Working capital change	-235
Capital expenditure	-100
Operating cash flow	47
Financials	-23
Taxes	-15
Cash flow	9

- Cash flow after net investments in the fourth quarter amounted to SEK 152 m, resulting in a YTD cash flow of SEK 9 m
- Discontinuation of the invoice factoring program impacted by SEK 100 m in 2011

Net Working Capital and Cash Conversion Cycle





Outlook

Financial Targets (over a business cycle)



Organic Growth

7%

Operating Income

7%

Net Debt v Equity

Not to exceed 1x

Dividend

Distribution of dividend – 1/3 group's net income

Operational excellence to drive productivity and quality



- Haldex Way
- Inventory focus to reduce complexity
- Product rationalisations
- Standardizing administration and sales processes

- Stable market recovery in the truck and trailer segments in North America
- Concerns still exists around the European market development
- Haldex will continue to drive expansion in China, India and Brazil and continue to build on our strong position in the aftermarket
- The organization is much leaner and more flexible, and have stabilized and improved the production and business processes. The result of which is an improvement in quality, productivity and efficiency



