

HALDEX INTERIM REPORT

JANUARY - JUNE 2018

Q2 2018

Continued improved market conditions results in higher margins

The positive trend that started in Q1 continued in Q2. Haldex increased its net sales in all geographic regions. The development in a number of product areas continued to be strong, including brake adjusters, disc brakes and actuators. Higher net sales contributed to a higher operating margin and higher earnings per share. However, large investments in R&D and increased costs to meet production increases in China had a negative impact on income. Despite high working capital, cash flow from operating activities improved in Q2. The forecast for the operating income was adjusted for the full year as a result of the improved market conditions.



- Net sales for Q2 totalled SEK 1,372 (1,184) m, equivalent to an increase of 16 per cent compared to the previous year. After currency adjustments, net sales increased by 15 per cent. Net sales for the first six months of the year totalled SEK 2,624 (2,332) m, which is equivalent to a currency-adjusted increase of 14 per cent.
- Operating income totalled SEK 103 (31) m for Q2 and SEK 193 (68) m for the first six months of the year, which corresponds to an operating margin of 7.5 (2.6) per cent for Q2 and 7.3 (2.9) per cent for the first six months of the year.
- Net income after tax for Q2 totalled SEK 61 (10) m and earnings per share for Q2 totalled SEK 1.37 (0.22). The corresponding figures for the first six months of the year were SEK 119 (39) m for net income after tax and SEK 2.69 (0.86) for earnings per share.
- Cash flow from operating activities totalled SEK 65 (39) m for Q2 and SEK 1 (58) m for the first six months of the year.
- Haldex's forecast for the full year was adjusted from an operating margin in line with or slightly lower than the previous year to being in line with or possibly higher than the previous year.
- Andreas Larsson has been appointed CFO. Andreas Ekberg, acting CFO, will remain in the role until Andreas Larsson has joined, December 31, 2018, at the latest.

Key figures	Apr-Jun 2018	Apr-Jun 2017	Change	Jan-Jun 2018	Jan-Jun 2017	Change
Net sales, SEK m	1,372	1,184	16%	2,624	2,332	13%
Operating income, SEK m	103	31	232%	193	68	184%
Operating income, excl. one-off items, SEK m	103	78	32%	193	159	21%
Operating margin, %	7.5	2.6	4.9	7.3	2.9	4.4
Operating margin, excl. one-off items, %	7.5	6.6	0.9	7.3	6.8	0.5
Return on capital employed, excl. one-off items, % ¹	14.0	12.2	1.8	14.0	12.2	1.8
Return on capital employed, % ¹	11.7	4.6	7.1	11.7	4.6	7.1
Net income, SEK m	61	10	505%	119	39	205%
Earnings per share, SEK	1.37	0.22	522%	2.69	0.86	213%
Cash flow, operating activities, SEK m	65	39	26	1	58	-57

¹ Rolling twelve months

Haldex AB (publ) is required to publish the above information under the EU Market Abuse Regulation and the Swedish Financial Instruments Trading Act. The information was submitted for publication by the Haldex media contact stated in the release on Wednesday, July 18, 2018 at 7:20 CEST.

Haldex AB, Corporate Registration Number 556010-1155, info@haldex.com, www.haldex.com



Innovative Vehicle Solutions

Comments from the CEO

Haldex continued to grow net sales and increase the operating margin in Q2. Market conditions continued to improve, and the high demand creates challenges in the supply chain, which we handled increasingly better in Q2.

Haldex's market is going through a transformation. In the short term, we are facing a shift in technology from drum brakes to disc brakes in North America and a sharp increase in demand for automatic brake adjusters due to a change in the legal requirements in China. In the long-term, changes are under way that will affect society as a whole as the market moves toward connected, electric and self-driving vehicles.

Improved market conditions in all regions

Market conditions improved in all of Haldex's geographic regions in Q2. We could not fully benefit from the growth in North America in Q1, and deliveries to OEMs were prioritised over the aftermarket. Production in Q2 was scaled up to a satisfactory level, and we grew faster than the market in all regions.

Brake adjusters are growing rapidly in China

On 1 January 2018, a new law went into effect that requires automatic brake adjusters on newly produced heavy vehicles in China. The market for automatic brake adjusters is therefore expected to quadruple. After two quarters, however, we can see that the law is not being fully complied with, and the rate of the implementation of automatic brake adjusters is progressing somewhat slower. This is positive for Haldex since expansion that occurs too rapidly creates challenges in how to balance growth against expansion costs. In Q2, more than SEK 100 m of the increase in net sales came from the expansion in China, which strengthens our market position on this important market.

Electromechanical disc brakes in China

We are pursuing in China one of our most important strategic development projects. The electromechanical brake, that is being developed in a joint venture with Chinese VIE, has been installed on an electric bus that will be tested in the autumn. A successful commercial electromechanical brake is key for making electric heavy vehicles more efficient. The braking system on heavy vehicles is traditionally operated by compressed air, in contrast to cars, which normally use hydraulics. An electric bus or truck thus needs to have an air pressure system installed. This makes the vehicle unnecessarily heavy and reduces the possible driving distance. An electromechanical brake is based on disc brake technology, but it offers a shorter braking distance and lowers the weight of the vehicle. Haldex's electromechanical brake project therefore will have a major impact on the company's potential for many years to come, and we are still not seeing any competing technology that has advanced further than we have.

Technology shift in North America

In June, I visited a number of customers in the United States. It is clear that the disc brake is on the agenda for both OEMs, distributors and fleets. The knowledge about disc brakes in terms of maintenance and related costs is still being built up in the different customer groups, but it is no longer discussed whether a change will take place, but when it will happen. The change in technology is expected to have a smaller effect in 2018 and will primarily affect the demand for disc brakes in the next few years. One of the US largest axle manufacturers announced in the second quarter that Haldex disc brake is available as an option to its customers, which gives us a good market entry. It was



Åke Bengtsson, President and CEO

also clear during my visit that we are still suffering from the effects from previous quality issues. Returning business is challenging if the customer is satisfied with his new supplier and it will take time to get back to previous levels of these products.

R&D in close cooperation with customers

We have a close dialogue with a number of customers regarding future solutions, primarily within the area of self-driving vehicles. We have presented a solution that improves the driving qualities and reduces the braking distance when combined with existing brake technology. This solution has generated considerable interest from several customers, and development contracts are under discussion. It is becoming increasingly clear that OEMs share our view of open and scalable systems. Haldex is convinced that the intelligence will need to be moved to an independent software layer that can control different types of hardware, regardless of whether it is a drum brake, a disc brake or an electromechanical brake. The technology shift facing the industry requires investments to remain competitive in the future. With the positive feedback we have received about our projects, we are confident about the decision to increase the R&D spending.

Improved operating margin and cash flow

The increase in net sales created conditions for higher income, and Haldex continued to improve both the operating margin and cash flow in Q2. The operating margin was generated despite higher costs for both expansion and R&D. Cost control continues to be good, and Haldex plans to continue with the current investment level. Activities were initiated in Q1 to optimise the working capital and thus cash flow, which gave effect in Q2. These activities are continuing, and the working capital is still not at a satisfactory level.

Outlook for 2018

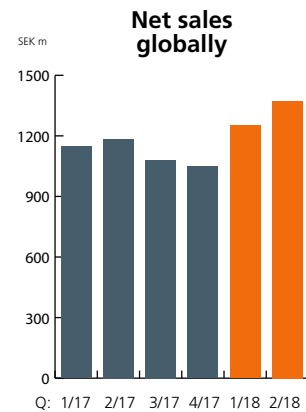
Market growth during the first six months is higher than the previous forecast, and even though the second half of the year normally has lower sales than the first half, we are seeing possibilities for achieving higher profitability than what was previously communicated. We believe that net sales for 2018 will increase compared to 2017. Greater investment in development projects and costs for expansion in North America and China will burden the income. Haldex previously made the assessment that the operating margin in 2018 would be somewhat lower or in line with the operating margin in 2017 excluding one-off items. Haldex's new assessment is that the operating margin in 2018 will be in line with or possibly slightly higher than the operating margin in 2017 excluding one-off items.

Åke Bengtsson
President & CEO

Net sales for the Group

Net sales for Q2 totalled SEK 1,372 (1,184) m, which corresponds to a 16 per cent increase in absolute terms compared to the same period the previous year. After currency adjustments, net sales increased by 15 per cent. Net sales for the first six months of the year totalled SEK 2,624 (2,332) m, which corresponds to a currency-adjusted increase of 14 per cent.

Just like in Q1, net sales grew in all regions in Q2. In terms of products, sales of brake adjusters, disc brakes and actuators increased the most.



Net sales per product line

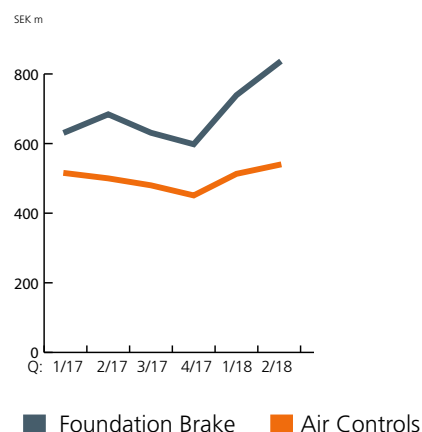
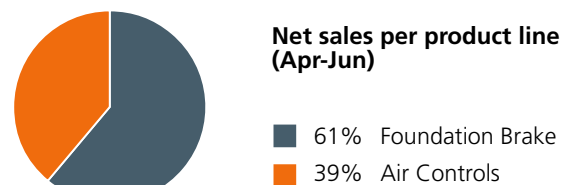
Net sales, SEK m	Apr-Jun 2018	Apr-Jun 2017	Change ¹	Jan-Jun 2018	Jan-Jun 2017	Change ¹
Foundation Brake	833	684	21%	1,573	1,317	21%
Air Controls	539	500	6%	1,051	1,015	4%
Total	1,372	1,184	15%	2,624	2,332	14%

¹ Currency adjusted

Haldex has two main product lines. Foundation Brake includes brake products for wheel ends such as disc brakes, brake adjusters for drum brakes and actuators. Air Controls includes products to improve brake systems' safety and driving qualities, such as treatment and dehumidifying of compressed air, valves, and ABS and EBS.

Net sales within Foundation Brake amounted to SEK 833 (684) m in Q2. After currency adjustments, this is an increase of 21 per cent compared to the same period the previous year. Net sales for the first six months of the year totalled SEK 1,573 (1,317) m, which is equivalent to an increase of 21 per cent compared to the same period the previous year. In Q2, sales of brake adjusters, disc brakes and actuators continued to increase. These three product groups have had a positive sales trend for several quarters.

Net sales within Air Controls totalled SEK 539 (500) m in Q2. After currency adjustments, this is a 6 per cent increase compared to the same period the previous year. Net sales for the first six months of the year totalled SEK 1,051 (1,015) m, which corresponds to a currency-adjusted increase of 4 per cent. Within Air Controls, the air treatment products increased the most in Q2, while ABS decreased slightly. The previous decline in Reman (remanufacturing) stabilised, and sales in the Q2 were slightly higher than in the same period the previous year.

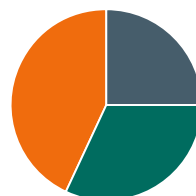


Net sales per customer category

Net sales, SEK m	Apr-Jun 2018	Apr-Jun 2017	Change ¹	Jan-Jun 2018	Jan-Jun 2017	Change ¹
Truck (including buses)	348	273	28%	665	518	32%
Trailer	440	375	15%	866	756	14%
Aftermarket	584	536	8%	1,093	1,058	5%
Total	1,372	1,184	15%	2,624	2,332	14%

¹ Currency adjusted

Haldex operates in the market via three customer categories: Truck, Trailer and Aftermarket. Net sales within Truck amounted to SEK 348 (273) m in Q2. After currency adjustments, this is an increase of 28 per cent compared to the same period the previous year. Net sales for the first six months of the year totalled SEK 665 (518) m, which corresponds to a currency-adjusted increase of 32 per cent. Truck sales mainly increased in Asia and North America in Q2. Truck sales are impacted the most by the sales of brake adjusters and actuators.



Net sales per customer category (Apr-Jun)

25%	Truck
32%	Trailer
43%	Aftermarket

Net sales within Trailer amounted to SEK 440 (375) m in Q2. After currency adjustments, this is an increase of 15 per cent compared to the same period the previous year. Net sales for the first six months of the year totalled SEK 866 (756) m, which corresponds to a currency-adjusted increase of 14 per cent. Trailer sales increased in Q2 in all regions except North America. Disc brakes and brake adjusters are two products driving the growth within Trailer.

Net sales to Aftermarket totalled SEK 584 (536) m in Q2. After currency adjustments, this is an increase of 8 per cent compared to the same period the previous year. Net sales for the first six months of the year totalled SEK 1,093 (1,058) m, which corresponds to a currency-adjusted increase in net sales of 5 per cent. Aftermarket sales increased in all geographic regions in Q2.

Industry production trends

New heavy trucks and trailers is a good indicator for the market Haldex operates on. It is important to remember that Haldex is affected depending on how large the proportion of sales is in each category.

Produced units Industry forecast ¹	Apr-Jun 2018	Change ²	Full year 2018	Change ²	Importance for Haldex sales
Truck					Haldex' sales to Truck customers in North America is larger than Truck sales in other regions. Changes in the production trends in North America are thus impacting Haldex' sales much more than changes in other regions. Changes in Europe and Asia have in turn slightly higher impact than changes of production trends in South America.
North America	70,000	10%	305,000	22%	
Europe	127,186	5%	508,189	4%	
China	256,260	-13%	950,834	-17%	
India	74,721	190%	277,263	33%	
South America	18,172	22%	72,148	24%	
All regions	546,339	5%	2,113,434	-2%	
Trailer					Within Trailer, sales in Europe is more significant than sales in North America. Other regions in Asia and South America have lower sales and, as a result, a lower impact on Haldex' total net sales.
North America	88,600	7%	340,000	8%	
Europe	85,619	5%	319,474	4%	
China	120,000	-12%	428,000	-27%	
India	16,000	119%	57,000	32%	
South America	11,640	28%	41,776	12%	
All regions	321,859	1%	1,186,250	-8%	

¹ The production statistics comprise a forecast from external sources. Historical figures also pertain to estimated production and not to the actual industrial outcome. Unless otherwise stated, the information pertaining to trucks is based on statistics from JD Powers. Information pertaining to the trailer market in Europe is based on statistics from CLEAR, the information pertaining to trucks and trailers in North America is based on statistics from FTR and the trailer information from South America and Asia is based on local sources.

² Change compared with same period previous year in percentage.

Net sales per region

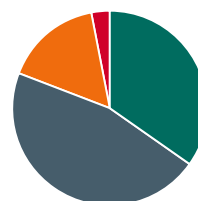
Net sales, SEK m	Apr-Jun 2018	Apr-Jun 2017	Change ¹	Jan-Jun 2018	Jan-Jun 2017	Change ¹
Europe	485	440	6%	952	883	4%
North America	629	604	6%	1,189	1,177	6%
Asia & Middle East	216	106	97%	404	208	92%
South America	42	34	34%	79	64	39%
Total	1,372	1,184	15%	2,624	2,332	14%

¹ Currency adjusted

In Europe, Haldex has higher Trailer sales than Truck sales. Aftermarket also accounts for a significant percentage of sales. In Europe, net sales amounted to SEK 485 (440) m in Q2. After currency adjustments, this corresponds to an increase of 6 per cent compared to the same period the previous year. Net sales for the first six months of the year totalled SEK 952 (883) m, which corresponds to a currency-adjusted increase of 4 per cent. In Europe, sales in Q2 increased primarily in the disc brake and actuator product areas.

In North America, the distribution between Truck and Trailer is more even than in Europe. Aftermarket accounts for a significant percentage of sales here as well. In North America, net sales totalled SEK 629 (604) m in Q2. After currency adjustments, this corresponds to an increase of 6 per cent compared to the same period the previous year. Net sales for the first six months of the year totalled SEK 1,189 (1,177) m, which corresponds to a currency-adjusted increase of 6 per cent. In Q2, sales of brake adjusters and actuators continued to increase. Disc brake sales in North America continue to grow, albeit from low levels.

In Asia, with China and India as the primary markets, trucks without trailers are still the most common type of vehicle combination. This means that Haldex's sales are more focused on Truck than on Trailer. Aftermarket accounts for a smaller percentage of sales. In Asia and the Middle East, net sales amounted to SEK 216 (106) m in Q2. After currency adjustments, this is an increase of 97 per cent compared to the same period the previous year. Net sales for the first six months of the year totalled SEK 404 (208) m, which corresponds to a currency-adjusted increase of 92 per cent. The large increase is



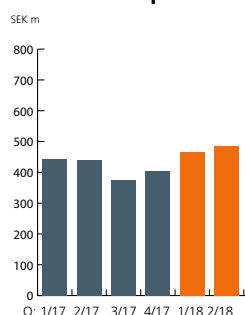
Net sales per region (Apr-Jun)

35%	Europe
46%	North America
16%	Asia & Middle East
3%	South America

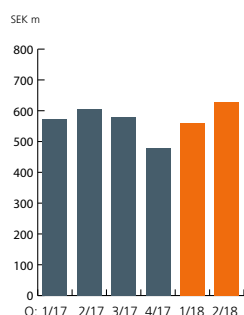
primarily due to new legislation in China, which is driving demand for automatic brake adjusters. In China, disc brakes also contributed to the growth.

In South America, sales for Truck are more significant than sales for Trailer and Aftermarket. Net sales in Q2 totalled SEK 42 (34) m, which, after currency adjustments, is an increase of 34 per cent. Net sales for the first six months of the year totalled SEK 79 (64) m, which corresponds to a currency-adjusted increase of 39 per cent. The market conditions in Brazil, which is the most important market in South America, have begun to improve, albeit from low levels after several years of weak demand. Sales to all customer categories (Truck, Trailer and Aftermarket) increased in Q2.

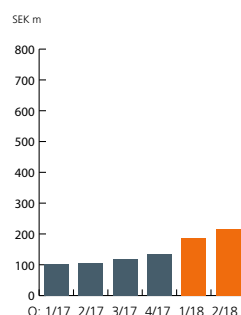
Net sales Europe



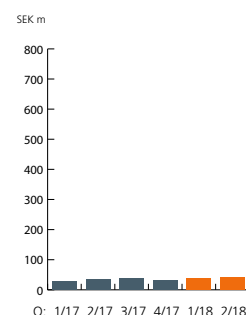
Net sales North America



Net sales Asia & Middle East



Net sales South America



Earnings

Operating income totalled SEK 103 (31) m in Q2, which is equivalent to an operating margin of 7.5 (2.6) per cent. The corresponding figures for the first six months of the year are operating income of SEK 193 (68) m and an operating margin of 7.3 (2.9) per cent. Operating income excluding one-off items for Q2 totalled SEK 103 (78) m, and the operating margin excluding one-off items totalled 7.5 (6.6) per cent. The improvement is primarily attributable to higher sales, but it was also offset by higher R&D costs, a change in the sales mix and higher costs for rapid production increases in China.

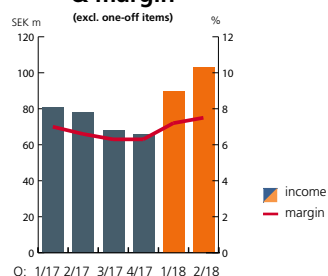
Financial items for the quarter totalled SEK -11 (-13) m and for the first six months of the year to SEK -15 (-5) m. The decrease in expenses in the quarter is due to lower interest expenses for pension debts and lower net interest expenses. Q1 number in the previous year included a positive translation effect of SEK 13 m.

Income before tax totalled SEK 91 (14) m for Q2 and SEK 173 (58) m for the first six months of the year. Income after tax totalled SEK 61 (10) m for Q2 and SEK 119 (39) m for the first six months of the year. This corresponded to earnings per share of SEK 1.37 (0.22) for Q2 and SEK 2.69 (0.86) for the first six months of the year.

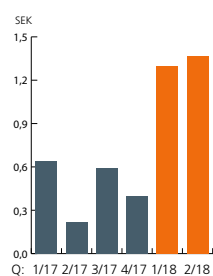
Currency fluctuations, including gains/losses from currency hedging and currency translation effects, had a positive impact on the Group's operating income excluding one-off items of SEK 10 (10) m in Q2. The currency effect in net financial items in Q2 totalled SEK -3 (-8) m.



Operating income & margin
(excl. one-off items)



Earnings per share



Earnings

	Apr-Jun 2018	Apr-Jun 2017	Change	Jan-Jun 2018	Jan-Jun 2017	Change
Operating income, SEK m	103	31	232%	193	68	184%
Operating income, excl. one-off items, SEK m	103	78	32%	193	159	21%
Operating margin, %	7.5	2.6	4.9	7.3	2.9	4.4
Operating margin, excl. one-off items, %	7.5	6.6	0.9	7.3	6.8	0.5
Net income, SEK m	61	10	505%	119	39	205%
Earnings per share, SEK	1.37	0.22	522%	2.69	0.86	213%

Financial position

As of 30 June, consolidated net debt was SEK 808 (512) m, an increase of SEK 224 m compared to the end of the year. In Q2, net debt increased by SEK 62 m. This change is primarily due to an increase in interest-bearing liabilities and the pension liabilities.

Total financial items amounted to SEK -11 (-13) m in Q2, including net interest income and expenses of SEK -6 (-6) m. Equity amounted to SEK 1,581 (1,339) m, resulting in an equity/assets ratio of 42 (42) per cent.

Haldex's primary sources of loan financing comprise:

- A bond loan of SEK 270 m maturing in January 2020.
- A syndicated credit facility in the amount of EUR 90 m, maturing in April 2021. EUR 19 m of this facility had been used at the end of the quarter.

Pledged assets and contingent liabilities

There were no changes to the Group's pledged assets or contingent liabilities during the quarter.

Net debt and Net interest, SEK m	Jun 30 2018	Jun 30 2017	Change
<i>Assets as part of the net debt:</i>			
Cash and cash equivalents	216	261	-17%
<i>Liabilities as part of the net debt:</i>			
Interest-bearing liabilities including derivative instruments	-554	-313	77%
Pension liabilities ¹	-470	-460	2%
Net debt in total	-808	-512	58%
Net of interest during the year	-10	-6	67%

¹ The change of pension liabilities are primarily related to variations in actuarial assumptions (changes in market interest rates).

Cash flow

Cash flow from operating activities totalled SEK 65 (39) m in Q2 and SEK 1 (58) m for the first six months of the year. Cash flow from operating activities during the quarter was burdened primarily by increased inventories to meet the high demand on the Chinese market and inventory accumulation in preparation for the coming holiday period. High sales during the quarter also resulted in higher capital tie-up through an increase in accounts receivables.

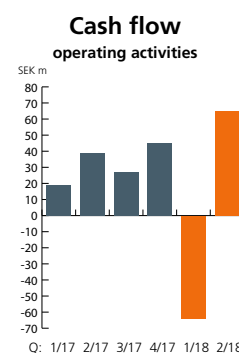
Investments, including capitalised development expenditure, totalled SEK -89 (-69) m in Q2 and cash flow after investments amounted to SEK -24 (-30) m. The total cash flow was SEK 18 (-3) m in Q2 and SEK 15 (-24) m for the first six months of the year.

Cash flow and cash equivalents, SEK m	Apr-Jun 2018	Apr-Jun 2017	Change	Jan-Jun 2018	Jan-Jun 2017	Change
Cash flow, operating activities	65	39	26	1	58	-57
Cash flow after investment activities	-24	-30	6	-169	-58	-111
Cash and cash equivalents (at end of period)	216	261	-45	216	261	-45

Taxes

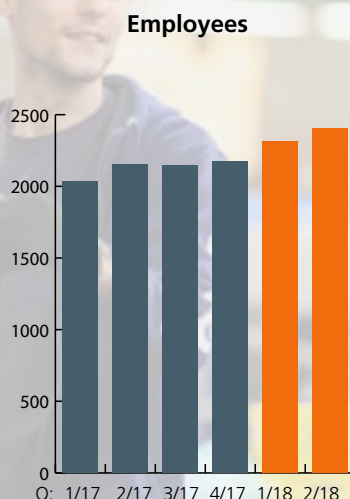
Tax expenses for Q2 totalled SEK 30 (4) m, which corresponds to a tax rate of 33 (31) per cent. The in June decided tax reduction for 2019 in Sweden has had a negative effect in Q2 on deferred tax assets by SEK 6 m. Adjusted for this effect, the underlying tax rate for the quarter amounts to 26 per cent.

Deferred tax assets for tax loss carry-forwards are recognised to the extent it is probable that they can be offset against taxable profit.



Employees

At the end of the quarter, Haldex had 2,403 (2,150) employees, which is 88 more than at the end of Q1 and 227 more than at the end of the year. The greatest personnel increase occurred in Asia due to the increase in production volumes.



Parent Company

Haldex AB (publ), Company Registration Number 556010-1155, is a registered limited liability corporation with its domicile in Landskrona, Sweden. Haldex AB's shares are listed on Nasdaq Stockholm, Mid Cap. The parent company performs corporate office functions, including the corporate finance function. Net sales in the parent company amounted to SEK 27 (29) m in Q2. Income after tax totalled SEK 40 (-47) m in Q2.

Annual General Meeting

Haldex held its Annual General Meeting (AGM) on May 3, 2018, at Haldex in Landskrona, Sweden.

- The AGM resolved to re-elect Board members Ulf Ahlén, Jörgen Durban and Johan Gileus and elect Board members Ulrika Hagdahl and Helene Svahn.
- Jörgen Durban was re-elected the Chair of the Board.
- Owners representing a majority of the shares in the company voted to release the Board's members and the company's CEO from liability for the 2017 financial year.
- The AGM resolved to pay SEK 0.55 (0.00) per share in dividends.
- The AGM elected Öhrlings PricewaterhouseCoopers AB as auditor. Auditor-in-charge is Bror Frid.
- The AGM resolved to adopt the proposed remuneration to the Board members and the guidelines for remuneration to senior executives.

Changes in Group Management

Andreas Larsson has been appointed CFO and will start in his new role December 31 2018 at the latest. Andreas Larsson is currently CFO at Heatex Group and has previously had leading financial positions at ASSA Abloy Entrance Systems, Cardo and Pfizer. Andreas Ekberg, acting CFO will remain in his role until Andreas Larsson has joined. He will continue as a consultant to Haldex, focusing on bu-

siness development projects. As of May 1, Frida Wahlgren has assumed the role of SVP Human Resource at Haldex. Frida Wahlgren was previously at Essity/ SCA Hygiene Products. Haldex has decided to reorganize the quality director position and include it in Group management. Richard Illingworth, that today is VP R&D for North America, will start in this role during the autumn 2018. Haldex has also officially appointed Staffan Olsson, SVP Global Operations, to Deputy CEO.

Miscellaneous

Significant risks and uncertainties

Haldex is exposed to risks of a financial and operational nature. The Group has a process for risk identification and risk management that is described in Haldex's 2017 Annual Report and Corporate Governance Report on pages 30-33 and 71-79. As described in the Annual Report, the consolidated financial statements contain some assessments and assumptions about the future that are based on both historical experience and future expectations. Goodwill, development projects, taxes and pensions are the areas representing considerable risk of future adjustments to recognized values. Warranty provisions and customer commitments have been identified as the areas where the uncertainty for future adjustments to estimated values is the highest.

Forward-looking information

This report includes forward-looking information with statements concerning the future outlook for Haldex's operations. This information is based on the current expectations, estimates and forecasts of Haldex's management. Actual future outcomes may vary significantly from the forward-looking information presented in this report. This may be due to changes in assumptions concerning economic factors, markets and competition.

Transactions with related parties

There have been no transactions between Haldex and related parties.

Seasonal effects

Haldex does not have any significant seasonal variations. However,

sales are affected by the production schedules of Haldex's customers, which results in lower sales during holiday periods and when customers are closed for public holidays, for example at the end of the year.

Acquisitions and disposals

There were no acquisitions or disposals in 2018.

Accounting principles

This interim report is presented in accordance with IAS 34 Interim Financial Reporting. The interim information on pages 1-20 form an integral part of this financial report. The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. The Parent Company's financial statements were prepared in accordance with the Swedish Financial Reporting Board's recommendation RFR 2 "Financial Reporting for Legal Entities" and the Swedish Annual Accounts Act (Årsredovisningslagen). The accounting policies are thus unchanged from those presented in the 2017 Annual Report on pages 39-43. Holdings in associated companies are reported in accordance with the equity method; the Group's share of the associated company's income is reported on a separate line in the income statement under financial items. Haldex's revenue refers primarily to goods and services that are transferred to the customer at a single point in time.

Changed estimates and judgements

Actuarial assumptions for the measurement of the pension liability are determined on an ongoing basis. In Q2 2018 this resulted in a change to the pension liability with SEK 6 (8) m. The change in the pension liability is primarily related to lower discount rates than before in countries where the Group has large pension provisions. During Q2, the remaining unutilized provisions for the product recall 2014 of SEK 11 m and provisions for increased staff costs in connection with the bid process of SEK 5 m, have been resolved. At the same time, updated assessments have been made of remaining product and customer-specific provisions, which resulted in an increase by app. SEK 16 m. The items are reported net in the income statement.

Changed accounting principles for 2018

IFRS 9 has not had an impact on Haldex's financial statements and IFRS 15 a very limited effect on the current classification in the income statement. Since the effects are immaterial, the transition to

the opening balance for 2018 is not affected. The transition entails only gross accounting of amounts that were previously accounted for net. The full-year effect in 2017 is negligible both for net sales and the operation margin since Haldex only reports the change with the effect from 1 January 2018.

Outlook for 2018

The official production forecasts provide insight into how the market is expected to perform. However, Haldex does not have an even distribution of income between the Truck and Trailer categories and does not necessarily share the view of the future espoused by the forecasters. Therefore, Haldex provides its own overall view of how the company sees each market performing.

North America is expected to reach a higher level than the record year of 2015. It is difficult, though, to assess how quickly the shift to disc brakes will occur and how much of the market share Haldex will take when sales increase.

Europe is considered to be stable with slightly higher order intake in 2018.

China has a soft market according to the forecast institutes but is estimated to grow in the parts of the market that are relevant for Haldex. This is primarily due to greater demand for the brake adjuster, which will have lower margins than in other regions.

India is expected to return to growth in 2018.

Brazil's market is expected to grow, although from very low levels.

This means that, as a whole, net sales for 2018 will increase compared to 2017. Higher sales enable higher operating income. This will be offset by greater investment in development projects and costs for expansion in North America and China. Haldex previously made the assessment that the operating margin in 2018 would be somewhat lower or in line with the operating margin in 2017 excluding one-off items. Even though the second half of the year normally has lower sales than the first half, Haldex's new assessment is that the operating margin in 2018 will be in line with or even possibly slightly higher than the operating margin in 2017 excluding one-off items.

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

The Board of Directors' assurance

The Board of Directors and the President assure that this six-month interim report provides a true and fair overview of the parent company's and the Group's operations, their financial position and performance, and describes material risks and uncertainties facing the parent company and other companies in the Group.

Landskrona, July 18, 2018

Haldex AB (publ)

Jörgen Durban
Chairman

Ulf Ahlén
Board member

Johan Giléus
Board member

Ulrika Hagdahl
Board member

Helene Svahn
Board member

Per Holmqvist
Employee representative

Fredrik Hudson
Employee representative

Åke Bengtsson
President & CEO

Consolidated income statement

SEK m	Apr-Jun 2018	Apr-Jun 2017	Jan-Jun 2018	Jan-Jun 2017	Full year 2017
Net sales	1,372	1,184	2,624	2,332	4,462
Cost of goods sold	-1,014	-853	-1,941	-1,677	-3,237
Gross income	358	331	683	655	1,225
<i>Gross margin</i>	26.1%	28.0%	26.0%	28.1%	27.5%
Selling, admin, and product development costs	-260	-257	-497	-508	-955
Other operating income and expenses	5	-43	7	-79	-121
Operating income ¹	103	31	193	68	149
Financial income and expenses	-11	-13	-15	-5	-8
Share of result from joint venture	-1	-4	-5	-5	-12
Income before tax	91	14	173	58	129
Tax	-30	-4	-54	-19	-50
Net income	61	10	119	39	79
<i>attributable to non-controlling interests</i>	1	1	1	2	5
Earnings per share, before and after dilution, SEK	1.37	0.22	2.69	0.86	1.67
Average No. of shares, thousands	44,204	44,204	44,204	44,204	44,204

Operating income, by nature of expenses

SEK m	Apr-Jun 2018	Apr-Jun 2017	Jan-Jun 2018	Jan-Jun 2017	Full year 2017
Net sales	1,372	1,184	2,624	2,332	4,462
Direct material costs	-772	-637	-1,476	-1,256	-2,425
Personnel costs	-281	-260	-537	-501	-973
Depreciation and amortization	-36	-34	-66	-67	-132
Other operating income and expenses	-180	-222	-352	-440	-783
Operating income ¹	103	31	193	68	149

1) One-off items included in the operating income

SEK m	Apr-Jun 2018	Apr-Jun 2017	Jan-Jun 2018	Jan-Jun 2017	Full year 2017
Operating income, including one-off items	103	31	193	68	149
Restructuring costs	-	-	-	-1	-18
Product related warranty	-5	-35	-5	-54	-56
Costs related to the bidding process	5	-12	5	-36	-69
Operating income, excluding one-off items	103	78	193	159	292

Consolidated statement of comprehensive income

SEK m	Apr-Jun 2018	Apr-Jun 2017	Jan-Jun 2018	Jan-Jun 2017	Full year 2017
Net income	61	10	119	39	79
Other comprehensive income/loss					
<i>Items not to be reclassified to the income statement:</i>					
Remeasurement of pension obligation, after tax	-6	-8	-6	-24	-12
Total	-6	-8	-6	-24	-12
<i>Items that may be reclassified subsequently to the income statement:</i>					
Currency translation differences	45	-42	96	-48	-42
Changes in financial instruments at fair value, after tax	3	-6	1	-2	-2
Total	48	-48	97	-50	-44
Total other comprehensive income/loss	42	-56	91	-74	-56
Total comprehensive income	103	-46	210	-35	23
<i>attributable to non-controlling interests</i>	1	1	1	2	5

Consolidated statement of financial position

SEK m	Jun 30 2018	Jun 30 2017	Dec 31 2017
Goodwill	426	403	398
Other intangible assets	195	110	151
Tangible assets	676	548	586
Financial assets	27	49	41
Deferred tax assets	173	164	173
Total non-current assets	1,497	1,274	1,349
Inventories	683	552	585
Current receivables	1,314	1,028	924
Derivative instruments	59	40	26
Cash and cash equivalents	216	261	194
Total current assets	2,272	1,881	1,729
Total assets	3,769	3,155	3,078
Equity	1,581	1,339	1,395
Pension and similar obligations	470	460	443
Deferred tax liabilities	7	22	26
Non-current interest-bearing liabilities	471	270	271
Other non-current liabilities	27	45	35
Total non-current liabilities	975	797	775
Derivative instruments	80	36	31
Current interest-bearing liabilities	59	48	61
Current liabilities	1,074	935	816
Total current liabilities	1,213	1,019	908
Total equity and liabilities	3,769	3,155	3,078

Statement of changes in equity

SEK m	Jan-Jun 2018	Jan-Jun 2017	Full year 2017
Opening balance	1,395	1,374	1,374
Net income	119	39	79
Other comprehensive income/loss	91	-74	-56
Total comprehensive income	210	-35	23
Transactions with shareholders:			
Dividend to Haldex' shareholders	-24	-	
Dividend to non-controlling interests	-	-	-2
Value of employee services/incentive programs	0	0	0
Total transactions with shareholders	-24	0	-2
Closing balance	1,581	1,339	1,395
<i>attributable to non-controlling interests</i>	27	24	25

Consolidated statement of cash flow

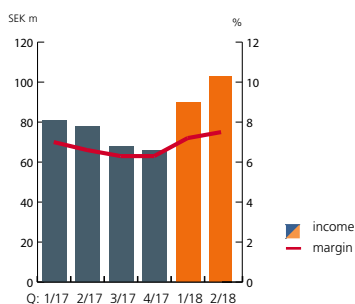
SEK m	Apr-Jun 2018	Apr-Jun 2017	Jan-Jun 2018	Jan-Jun 2017	Full year 2017
Operating income	103	31	193	68	149
Reversal of non-cash items	36	60	66	93	181
Interest paid	-9	-3	-17	-9	-23
Tax paid	-34	-3	-59	-18	-45
Cash flow from operating activities before change in working capital	96	85	183	134	262
Change in working capital	-31	-46	-182	-76	-89
Cash flow from operating activities	65	39	1	58	173
Investments, incl. capitalized R&D expenses	-89	-69	-170	-116	-231
Cash flow from investment activities	-89	-69	-170	-116	-231
Dividend to Haldex' shareholders	-24	-	-24	-	-
Dividend to non-controlling interests	-	-	-	-	-2
Change of interest-bearing liabilities	66	27	208	34	-33
Cash flow from financing activities	42	27	184	34	-35
Net cash flow	18	-3	15	-24	-93
Cash and cash equivalents, opening balance	195	279	194	297	297
Currency translation diff. in cash and cash equivalents	3	-15	7	-12	-10
Cash and cash equivalents, closing balance	216	261	216	261	194

Key figures

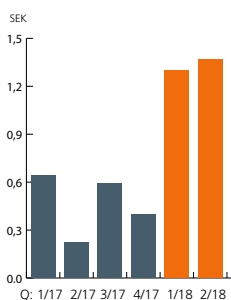
	Jan-Jun 2018	Jan-Jun 2017	Full year 2017
Operating margin, excl. one-off items, %	7.3	6.8	6.5
Operating margin, %	7.3	2.9	3.3
Cash flow, operating activities, SEK m	1	58	173
Cash flow after investment activities, SEK m	-169	-58	-58
Return on capital employed, excl. one-off items, % ¹	14.0	12.2	13.3
Return on capital employed, % ¹	11.7	4.6	6.8
Investments (excl. capitalized R&D expenses), SEK m	140	116	218
R&D, %	3.8	3.9	4
Number of employees	2,403	2,150	2,176
Return on shareholders' equity, % ¹	10.9	10.1	5.4
Interest coverage ratio	9.9	10.0	14.2
Equity ratio, %	42	42	45
Net debt/equity ratio, %	51	38	42
Share data:			
Earnings per share, before dilution, SEK	2.69	0.86	1.67
Earnings per share, after dilution, SEK	2.69	0.86	1.67
Equity per share, SEK	35.76	29.83	30.98
Cash flow, operating activities, SEK	0.02	1.31	3.91
Share price, SEK	89.00	106.00	87.25
Average No. of shares, thousands	44,216	44,216	44,216
Total No. of shares at end of period, thousands	44,216	44,216	44,216
<i>of which is treasury shares, thousands</i>	<i>12</i>	<i>102</i>	<i>12</i>

¹ Rolling twelve months

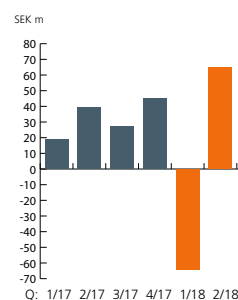
Operating income & margin (excl. one-off items)



Earnings per share



Cash flow operating activities



Parent company's income statement

SEK m	Apr-Jun 2018	Apr-Jun 2017	Jan-Jun 2018	Jan-Jun 2017	Full year 2017
Net sales	27	29	50	63	102
Administrative costs	-22	-65	-32	-87	-114
Operating income	5	-36	18	-24	-12
Dividend from Group companies	25	0	25	0	22
Impairment shares in subsidiaries					-40
Financial income and expenses	16	-9	29	-7	56
Income after financial items	46	-45	72	-31	26
Group contribution	0	0	0	-	-50
Income before tax	46	-45	72	-31	-24
Tax	-6	-2	-14	-2	-3
Net income	40	-47	58	-33	-27

Parent company's statement of comprehensive income

SEK m	Apr-Jun 2018	Apr-Jun 2017	Jan-Jun 2018	Jan-Jun 2017	Full year 2017
Net income	40	-47	58	-33	-27
Other comprehensive income	-	-	-	-	-
Total comprehensive income	40	-47	58	-33	-27

Parent company's statement of financial position

SEK m	Jun 30 2018	Jun 30 2017	Dec 31 2017
Non-current assets	2,887	2,808	2,782
Current assets	1,038	953	1,016
Total assets	3,925	3,761	3,798
Shareholders' equity	1,239	1,223	1,205
Provisions	52	52	55
Interest-bearing liabilities, external	470	370	270
Other liabilities	2,164	2,116	2,268
Total equity and liabilities	3,925	3,761	3,798

Financial instruments by category - Group

SEK m	Jun 30, 2018		Jun 30, 2017		Dec 31, 2017	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Forward exchange contracts - cash flow hedges	3	6	1	3	1	5
Forward exchange contracts- at fair value through profit or loss	2	3	1	3	1	2
Currency swaps - at fair value through profit or loss	54	71	38	30	24	24
Financial assets available for sale	-	-	-	-	-	-
Total	59	80	40	36	26	31

Financial instruments categorized as financial assets available for sale are recognized at fair value in the statement of financial position according to Tier 1 in the fair value hierarchy, i.e. to a price quoted in an active market. Other financial instruments are recognized at fair value in the statement of financial position according to Tier 2 in the fair value hierarchy, meaning that the fair value is determinable, directly or indirectly, from observable market data. No transit has taken place between the different Tier levels during the year. Haldex multicurrency revolving credit facility and bond loan are subject to a variable interest term of 1-6 months, thus the fair values correspond to the carrying amounts. In regard of other financial assets and liabilities such as accounts receivables, other current receivables, cash and cash equivalents and debt to suppliers, the fair values are considered to correspond to the carrying amounts.

Quarterly data

SEK m, if not otherwise stated	2018		2017				2016		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Income statement:									
Net sales	1,372	1,252	1,049	1,081	1,184	1,148	1,054	1,076	1,147
Cost of goods sold	-1,014	-927	-774	-786	-853	-824	-774	-768	-824
Gross income	358	325	275	295	331	324	280	308	323
Selling, admin. and product development costs	-260	-237	-218	-229	-257	-251	-253	-217	-241
Other operating income and expenses	5	2	-24	-18	-43	-36	-52	-23	5
Operating income	103	90	33	48	31	37	-25	68	87
<i>Operating income, excl. one-off items</i>	<i>103</i>	<i>90</i>	<i>66</i>	<i>68</i>	<i>78</i>	<i>81</i>	<i>-25</i>	<i>80</i>	<i>87</i>
Financial income and expenses	-12	-8	-7	-3	-17	7	-27	-12	3
Income before tax	91	82	26	45	14	44	-52	56	90
Tax	-30	-24	-12	-19	-4	-15	-4	-19	-28
Net income/loss	61	58	14	26	10	29	-56	37	62
Statement of financial position:									
Non-current assets	1,497	1,436	1,349	1,259	1,274	1,291	1,306	1,195	1,178
Current assets	2,272	2,095	1,729	1,861	1,881	1,813	1,751	1,709	1,744
Total assets	3,769	3,531	3,078	3,120	3,155	3,104	3,057	2,904	2,922
Equity	1,581	1,502	1,395	1,361	1,339	1,386	1,374	1,374	1,340
Non-current liabilities	975	884	775	749	797	774	757	786	761
Current liabilities	1,213	1,145	908	1,010	1,019	944	926	744	821
Total equity and liabilities	3,769	3,531	3,078	3,120	3,155	3,104	3,057	2,904	2,922
Statement of cash flow:									
Cash flow from operating activities before change in working capital	96	87	53	75	85	49	-29	66	102
Cash flow from operating activities	65	-64	58	42	52	21	88	65	61
Cash flow from investment activities	-89	-81	-51	-74	-57	-49	-81	-50	-44
Cash flow from financing activities	42	142	-79	35	2	7	11	0	-46
Net cash flow	18	-3	-72	3	-3	-21	18	15	-29
Key figures:									
Operating margin, excl. one-off items, %	7.5	7.2	6.3	6.3	6.6	7.0	4.6	7.4	7.6
Operating margin, %	7.5	7.2	3.1	4.5	2.6	3.2	-2.4	6.3	7.6
Earnings per share, before and after dilution, SEK	1.37	1.30	0.25	0.59	0.22	0.64	-1.27	0.82	1.39
Equity per share, SEK	35.76	33.97	30.98	30.3	29.83	30.85	30.63	31.08	29.94
Cash flow, operating activities, per share, SEK	1.47	-0.14	1.02	0.62	0.88	0.43	1.99	1.47	1.38
Share price, SEK	89.00	85.40	87.25	100.75	106.00	119.25	116.50	120.00	80.25
Return on capital employed excl. one-off items, % ¹	14.0	13.5	13.3	12.6	12.2	13.8	13.8	14.8	17.3
Return on capital employed, % ¹	11.7	9.0	6.8	4.2	4.6	7.7	9.7	14.1	11.7
Return on equity, %	3.9	4.0	0.8	2.1	0.7	2.1	-4.7	2.7	4.5
Equity ratio, %	42	43	45	44	42	45	45	47	46
Net debt/equity ratio, %	51	50	42	42	38	39	36	37	38
External investments	140	66	43	59	69	47	81	50	44
R&D, %	3.9	3.7	4.5	3.7	3.4	4.0	3.6	3.4	3.6
Number of employees	2,403	2,315	2,176	2,149	2,150	2,033	2,045	2,051	2,140

¹ Rolling twelve months

5 year in summary

SEK m, if not otherwise stated	2017	2016	2015	2014	2013
Income statement:					
Net sales	4,462	4,374	4,777	4,380	3,920
Cost of goods sold	-3,237	-3,155	-3,418	-3,142	-2,827
Gross income	1,225	1,219	1,359	1,238	1,093
Selling, admin. and product development costs	-955	-950	-942	-857	-839
Other operating income and expenses	-121	-65	-92	-148	-101
Operating income	149	204	325	233	153
<i>Operating income, excl. one-off items</i>	<i>292</i>	<i>291</i>	<i>444</i>	<i>408</i>	<i>281</i>
Financial income and expenses	-20	-39	-54	-28	-43
Income before tax	129	165	271	205	110
Tax	-50	-74	-80	-98	-72
Net income	79	91	191	107	38
Statement of financial position:					
Non-current assets	1,349	1,306	1,177	1,148	1,047
Current assets	1,729	1,751	1,678	1,788	1,439
Total assets	3,078	3,057	2,855	2,936	2,486
Equity	1,395	1,374	1,407	1,278	1,152
Non-current liabilities	775	757	692	718	728
Current liabilities	908	926	756	940	606
Total equity and liabilities	3,078	3,057	2,855	2,936	2,486
Statement of cash flow:					
Cash flow from operating activities before change in working capital	262	238	349	356	249
Cash flow from operating activities	173	256	220	435	282
Cash flow from investment activities	-231	-222	-174	-151	-71
Cash flow from financing activities	-35	-52	-179	-216	-230
Net cash flow	-93	-18	-133	68	-19
Key figures:					
Operating margin, excl. one-off items, %	6.5	6.6	9.3	9.3	7.2
Operating margin, %	3.3	4.7	6.8	5.3	3.9
Earnings per share, before and after dilution, SEK	1.67	2.00	4.28	2.32	0.80
Equity per share, SEK	30.98	30.63	31.46	28.48	26.06
Cash flow, operating activities, per share, SEK	2.94	5.8	4.99	9.84	6.38
Dividend, SEK	0.55	0.00	2.00	3.00	2.00
Share price, SEK	87.25	116.50	79.50	101.75	60.00
Return on capital employed excl. one-off items, % ¹	13.3	13.8	21.7	21.4	14.6
Return on capital employed, % ¹	6.8	9.7	15.9	12.2	7.8
Return on equity, %	5.4	6.5	14.1	8.7	3.1
Equity ratio, %	45	45	49	44	46
Net debt/equity ratio, %	42	36	24	21	33
External investments	218	222	174	147	94
R&D, %	4.0	3.5	3.6	3.4	3.5
Number of employees	2,176	2,045	2,140	2,235	2,135

¹Rolling twelve months

Haldex in short

Haldex develops, manufactures and distributes products for brake and suspension systems for commercial vehicles. Our customers include manufacturers of heavy trucks, buses and trailers, and axle manufacturers for these types of vehicles as well as workshops serving the aftermarket. Other applications as agriculture and special vehicles are also served. The product portfolio comprises all of the main components and sub-systems included in a complete brake or suspension system. Haldex has a global presence in terms of sales, research, development, technical service and production. Manufacturing takes place in Sweden, Germany, Hungary, China, India, Brazil, Mexico and the USA.

Haldex is listed on the Nasdaq Stockholm Mid Cap list. The main owners are ZF (20%), and Knorr-Bremse (10-15%, unconfirmed owner share).

Vision

A world of safer vehicles.

Mission

We develop and provide reliable and innovative brake solutions that improve safety, vehicle dynamics and environmental sustainability in the global, commercial vehicle industry.

Business model

Our business model is based on strong sales to the OEMs that then serves as a volume

engine; an increased installed base of Haldex products on trucks, busses and trailers results in a great potential for aftermarket sales of service and spare parts.

Strategy

Haldex will offer a world-class, focused product range for OEM customers. Products within the portfolio should have market leading potential with features standing out among the competition. For the aftermarket, the product offering, service level, pricing and channel distribution will be adapted over the vehicles lifecycle, with the ambition to offer support during the vehicle's main lifetime. Products within the Foundation Brake product family will continue to serve as the base complemented with selected product investments in the Air Controls product family.

Financial targets

- Organically grow faster than the market (weighted segment volume).
- Sustainable operating margin of 10% or above.
- Net debt/equity ratio less than 1.
- 1/3 of the yearly net income over a business cycle in dividend.

Value drivers

- Number of heavy vehicles being produced.
- Development of a competitive product offering.

Financial definitions and glossary

FINANCIAL DEFINITIONS

Following the European Securities and Markets Authority's new guidelines for alternative key figures, the list of financial definitions have been expanded. The purpose of the added terms is to create an enhanced understanding and promote the usefulness of the financial information and provide the reader with a more nuanced and deeper picture of the business. No new key figures has been added in the period relative to the previous quarter. If the base for the calculations of alternative key figures are not stated in the report, please refer to the appendix for additional information.

Return on equity¹: The proportion of net income for the year attributable to owners of the parent Company as a percentage of the proportion of average equity attributable to owners of the parent Company.

Return on capital employed¹: Operating income plus interest income as a percentage of average capital employed.

Gross margin: Gross profit i.e net sales minus cost of goods sold, divided by net sales.

Equity per share¹: Total equity attributable to the owners of the parent Company, divided by the average No of shares.

One-off items¹: Income statement items, which are of non-recurring nature in normal operations. One-off items may for example include restructuring costs, impairment and product related warranties related to a specific customer obligations. The purpose of specifying this is to demonstrate the underlying business performance. For numerical data, see page 10 and the appendix.

R&D, %¹: Research and development cost excluding depreciations divided by net sales.

Cash flow per share: Cash flow from operating activities divided by the average number of shares.

Net debt¹: Cash and cash equivalents plus interest-bearing receivables minus interest-bearing liabilities and provisions. For numerical data, see page 7 and the appendix.

Net debt/equity ratio¹: Interest-bearing liabilities and provisions minus cash and cash equivalents and interest-bearing receivables divided by equity including non-controlling interests.

Earnings per share¹: Proportion of net income for the year attributable to the owners of the parent Company divided by weighted average number of shares.

Net of interest¹: The economical difference in absolute terms between the reported interest income for financial assets and interest expense on interest-bearing liabilities and provisions.

Interest coverage ratio¹: Operating income excluding one-off items plus interest income divided by interest expenses.

Operating margin: Operating income as a percentage of net sales for the year.

Operating income:¹ Operating income before financial items and tax. For numerical data, see page 10 and the appendix.

Operating income excluding one-off items: Operating income before financial items and tax, adjusted for one-off items. For numerical data, see page 10.

Equity ratio: Equity including non-controlling interests as a percentage of total assets.

Capital employed¹: Total assets less non-interest bearing liabilities and non-interest bearing provisions.

Currency adjusted information¹: Financial figures converted to the same exchange rate as in the comparative period. The aim is to show how the business has developed without the impact of currency fluctuations.

GLOSSARY

Air Controls: Haldex' product line for products to improve brake systems' safety and driving qualities, such as treatment and dehumidifying of compressed air, valves and ABS & EBS.

Aftermarket: Spare parts sold to, and training and services provided to the workshops that repair and service vehicles.

Foundation Brake: Haldex' product line for brake products for wheel ends such as disc brakes, brake adjusters for drum brakes and brake cylinders.

OEM: Original equipment manufacturer.

Truck: Heavy trucks and busses.

Trailer: Trailers attached to a semi-tractor (truck).

¹ Additional financial information is presented in an appendix.

Haldex' product range

The Foundation Brake product line includes brake products for wheel ends such as disc brakes, brake adjusters and actuators. Air Controls comprises products to improve brake systems' safety and driving qualities, such as treatment of compressed air, valves and ABS and EBS.

A selection of our products in each product group:

FOUNDATION BRAKE



BRAKE ADJUSTERS are the central part of a drum brake and automatically control the distance between the brake lining and the brake drum.



DISC BRAKES have higher braking performance. As opposed to brake adjusters, which are a part of a drum brake, Haldex manufactures complete air disc brakes.



ACTUATORS and brake chambers are available for both drum brakes and disc brakes. Haldex offers several versions both with and without parking brakes.

AIR CONTROLS



EBS controls the braking system electronically. The system ensures that the brake power is always optimal for all brakes on a trailer including stability control.



The **SEPARATOR Consepe** separates dirt, water and oil before compressed air is passed on to the air dryer, which reduces the need for maintenance in the air system.



PARKING BRAKE CONTROL for trailers ensures that the trailer can be manoeuvred and safely parked.



RAISING AND LOWERING of vehicles with the help of the vehicles suspension system. A simple handle allows the driver to raise or lower the vehicle to the correct height at the loading bay.



ABS, in combination with the ITCM modul, results in added intelligence which enables some functions found in EBS, such as stability control and lift axle control valve.



The **LIFT AXLE CONTROL** ensures that the lift axle of a trailer is automatically raised and lowered to adapt to the load situation.

HALDEX TECHNOLOGY:

What's the difference between an Electronic Braking System (EBS) and an Electromechanical brake (EMB)?

On heavy vehicles, the brake system traditionally uses compressed air. In order to control the compressed air and thus the braking force optimally, EBS is used to electronically handle the control of the compressed air. EBS is the standard in Europe and is today only used to a limited extent outside of Europe. With EBS, the braking distance is shortened and stability increases compared with less advanced systems, such as using ABS only (anti-lock brake system, which prevents wheels from locking when braking).

In a system with an EMB, the control of the brake system is also electronic. The big difference is that the system does not use compressed air, so the steering and activation of the brake system is entirely through electronic signals. With an EMB, the compressed air system can be removed and a fully electrical vehicle becomes possible, or the compressed air system is used for the suspension system only. The EMB offers optimal reaction time, from the driver stepping on the brake pedal, to activation of the brake at the wheel-end. It will not only make the vehicle lighter, but EMB also has shorter braking distance and increased controllability compared to today's EBS.

**KUNDCASE:**

DFDS provides end-to-end service over land and sea

Hundreds of trailers, in long rows are ready to be loaded or picked up, truck drivers and dock workers in tractors are continuously busy keeping things moving. "Time is the deciding factor in RoRo traffic", explains Tigran van der Linden. "A ship like Britannia Seaways, which is currently being processed, is completely unloaded and reloaded within four hours. We're talking about 260 trailers on 3,600 lane metres." Fast turnaround is the big advantage over container ships. The acronym RoRo says it all: Roll on/Roll off. Between the Netherlands and England, for example, DFDS completes RoRo transport in eight to twelve hours, including end-to-end service. As a TSW & Assets Manager, Tigran van der Linden in Vlaardingen is responsible, among other things, for technology and workshops. When he says RoRo trailers are subject to different requirements than road transporters a glance out the window is enough to confirm this: Drivers of the terminal's tractors waste no time. Trailer after trailer is transported to a ship, the workshop or the washing hall. DFDS also operates these service areas, where repairs are made to the superstructure and chassis as necessary. "We carry out several thousand inspections a year, so we know what we're doing when it comes to maintenance and repair", says Tigran van der Linden.

The scale of operations quickly becomes apparent when you look at the numbers: the DFDS pool encompasses more than 5,000 containers and trailers. "Weight is always an issue for trailers, but the main thing is: simple and sturdy", continues Tigran van der Linden. Harsh conditions at sea, especially salt water, only add to physical wear and tear. DFDS' preferred supplier is Krone. More than 2,000 trailers from Krone are already in use. Although other brands – including Nooteboom, Pacton and Schmitz Cargobull – are also used, there is one common factor: In almost every case, the air suspension control

valves and trailer EBS are part of the COLAS and EB+ series from Haldex. "In our experience, Haldex systems are the most reliable, and easy to use and maintain", sums up Tigran van der Linden. "In particular, the EBS error recording and diagnostics are very appreciated by drivers and mechanics". Ivar Hamers, Haldex Sales Manager for Benelux, adds: "The feedback I get from training sessions with the mechanics supports this. In the event of innovation and updates, I always hear: 'keep it simple'. This is the most important thing, other than technical support, and we seem to be doing it very well". He casually points out yet another rather inconspicuous detail on a parked trailer: Haldex coupling heads with automatically closing diaphragms, which prevent contamination and water ingress. "This is certainly not a big cost point, but it can save a lot of headaches", says Ivar Hamers.



Haldex share

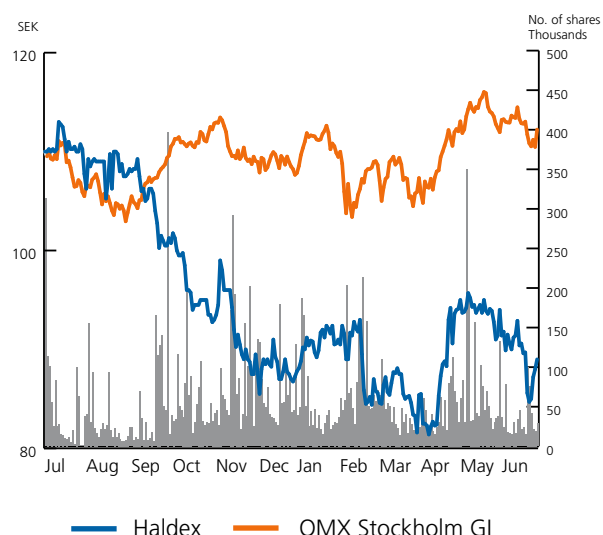
Apr-Jun 2018

Change in share price	4%
Share price (Jun 30)	89.00 SEK
Market capital (Jun 30)	3,935 MSEK

Highest share price	95.70 SEK
Lowest share price	81.40 SEK

Average No. of traded shares/day	53,925
Total No. of shares (Jun 30)	44,215,970

This document is essentially a translation of Swedish language original thereof. In the event of any discrepancies between this translation and the original Swedish document the latter shall be deemed correct.



Press and analyst meeting

Media and analysts are invited to a telephone conference at which the report will be presented with comments by Åke Bengtsson, President and CEO and Andreas Ekberg, acting CFO. The presentation will also be webcasted live and you can participate with questions by telephone.

Date & Time: Wednesday, July 18 at 11.00 CEST

The press conference is broadcasted at:
<https://tv.streamfabriken.com/haldex-q2-2018>

To join the telephone conference:

SE: +46 8 566 42 691

UK: +44 203 008 98 08

US: +1 855 831 59 48

The webcast will also be available afterwards and you can download the Interim report and the presentation from Haldex website:
<http://www.haldex.com/financialreports>

Financial calendar 2018

Interim report, Jul-Sep	October 25
Annual Statement	February 14, 2019

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Appendix

Financial data for alternative key figures



Net sales

SEK m	Reported net sales Apr-Jun 2018	Currency adj. to prev. year's exchange rates	Currency adjusted net sales Apr-Jun 2018	Change	Reported net sales Full year 2017	Currency adj. to prev. year's exchange rates	Currency adjusted net sales Full year 2017	Change
The Group	1,372	-13	1,359	-1%	4,462	-27	4,435	-1%
Total	1,372	-13	1,359	-1%	4,462	-27	4,435	-1%

Net sales per product line

SEK m	Reported net sales Apr-Jun 2018	Currency adj. to prev. year's exchange rates	Currency adjusted net sales Apr-Jun 2018	Change	Reported net sales Full year 2017	Currency adj. to prev. year's exchange rates	Currency adjusted net sales Full year 2017	Change
Foundation Brake	833	-2	831	0%	2,529	-13	2,516	-1%
Air Controls	539	-12	527	-2%	1,933	-14	1,919	-1%
Total	1,372	-14	1,358	-1%	4,462	-27	4,435	-1%

Net sales per customer category

SEK m	Reported net sales Apr-Jun 2018	Currency adj. to prev. year's exchange rates	Currency adjusted net sales Apr-Jun 2018	Change	Reported net sales Full year 2017	Currency adj. to prev. year's exchange rates	Currency adjusted net sales Full year 2017	Change
Truck (including buses)	348	0	348	0%	1,029	-5	1,024	0%
Trailer	440	-10	430	-2%	1,400	-7	1,393	-1%
Aftermarket	584	-4	580	-1%	2,033	-15	2,018	-1%
Total	1,372	-14	1,358	-1%	4,462	-27	4,435	-1%

Net sales per region

SEK m	Reported net sales Apr-Jun 2018	Currency adj. to prev. year's exchange rates	Currency adjusted net sales Apr-Jun 2018	Change	Reported net sales Full year 2017	Currency adj. to prev. year's exchange rates	Currency adjusted net sales Full year 2017	Change
Europe	485	-21	464	-4%	1,665	-20	1,645	-1%
North America	629	10	639	2%	2,202	1	2,203	0%
Asia & Middle East	216	-7	209	-3%	462	2	464	0%
South America	42	4	46	10%	133	-10	123	-8%
Total	1,372	-14	1,358	-1%	4,462	-27	4,435	-1%

Quarterly data

Financial data for alternative key figures

SEK m, if not otherwise stated	2018		2017				2016		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
One-off items:									
Restructuring costs	0	0	-11	-7	0	-1	-	-	-
Costs related to the bidding process	0	0	-22	-10	-12	-24	-3	-12	-
Others	0	0	0	0	0	0	-12	-1	-
Product related warranty	0	0	0	-2	-35	-19	-59	-	-
Total one-off items	0	0	-33	-19	-47	-44	-74	-13	-
Research and development costs excl. depreciations:	-54	-47	-47	-41	-45	-46	-37	-37	-42
Net of interest and financial items:									
Interest income	1	1	1	1	2	0	2	0	0
Interest expenses	-7	-5	-4	-2	-6	-5	-7	-4	-5
Total net of interest	-6	-4	-3	-1	-4	-5	-5	-4	-5
Other financial items	-6	-4	-4	-2	-13	12	-22	-8	8
Total financial items	-12	-8	-7	-3	-17	7	-27	-12	3
Net debt:									
Interest-bearing assets	216	195	194	255	261	279	297	272	256
Interest-bearing liabilities including derivative instruments	-554	-481	-335	-406	-313	-372	-365	-311	-317
Pension liabilities	-470	-460	-443	-421	-460	-448	-422	-468	-443
Total net debt	-808	-746	-584	-572	-512	-541	-490	-507	-504
Capital employed:									
Total assets	3,769	3,531	3,078	3,126	3,155	3,104	3,057	2,904	2,922
Non interest-bearing liabilities and provisions	-1,187	-1,081	-909	-913	-1,037	-893	-928	-783	-835
Total capital employed	2,582	2,450	2,169	2,213	2,118	2,211	2,129	2,121	2,087
Average capital employed:	2,336	2,239	2,193	2,158	2,133	2,122	2,089	2,069	2,054
Net income attr. to owners of parent company:									
Net income	61	58	14	26	10	29	-56	37	62
Net income attributable to non-controlling interests	1	0	2	1	1	1	0	1	1
Total net income attr. to owners of parent company	60	58	12	25	9	28	-56	36	61
Equity attr. to owners of parent company:									
Equity	1,581	1,502	1,395	1,361	1,339	1,386	1,374	1,374	1,340
Equity attributable to non-controlling interests	27	25	25	23	24	25	23	22	19
Total equity attr. to owners of parent company	1,554	1,477	1,370	1,338	1,315	1,361	1,351	1,352	1,321
Average equity attributable to owners of parent company:	1,419	1,370	1,347	1,342	1,340	1,351	1,357	1,347	1,346
Average No. of share:	44,216	44,216	44,216	44,216	44,216	44,216	44,216	44,216	44,216