

Haldex

year-end report

January - December 2020

Q4 2020

STRONG SEQUENTIAL RECOVERY AND IMPROVED ADJUSTED OPERATING INCOME

FOURTH QUARTER 2020

- Sales fell by 13% to SEK 989m (1,141). In currency-adjusted terms, the decline was 6%.
- Gross margin improved by 3 percentage points to 28.6% (25.6). The improvement is attributed to the closure of production units as well as increased share of aftermarket sales.
- Adjusted operating income increased to SEK 66m (44), equivalent to an adjusted operating margin of 6.7% (3.8). Adjusted operating margin excluding investments in new technology was 8.0% (4.9).
- Reported operating income totaled SEK 44m (133). Non-recurring expenses of net SEK 22m, including positive earnings of SEK 35m from the sale of the Blue Springs property, weighed upon profit.
- Changes in exchange rates had a negative impact on operating income of SEK -20m (-2).
- Profit after tax was SEK -61m (-149). The tax amounted to SEK 59m (4).
- Earnings per share were SEK -1.27 (-3.36).
- Cash flow from operating activities totaled SEK 123m (239).
- The structural savings programs developed according to plan and reduced expenses by SEK 34m.
- Haldex signed an agreement with a Chinese bus manufacturer for the pre-series manufacturing of electromechanical braking system (EMB).
- The supply chain is strained due to increased raw material costs and component shortages.

FULL YEAR 2020

- Sales fell by 22% to SEK 4,007m (5,151). In currency-adjusted terms, the decline was 20%.
- Adjusted operating income fell to SEK 163m (317), equivalent to an adjusted operating margin of 4.1% (6.1). Adjusted operating margin excluding investments in new technology was 5.0% (6.9).
- The structural savings programs reduced expenses by SEK 69m for the full year.
- Reported operating income totaled SEK -100m (105). Non-recurring net expenses of SEK 263m, including positive earnings of SEK 35m from the sale of the Blue Springs property, weighed upon income for the full year.
- Changes in exchange rates had a negative impact on operating income of SEK -16m (24).
- The annual profit after tax was SEK -300m (5). The tax amounted to SEK 111m (56).
- Earnings per share were SEK -6.44 (0.12).
- Cash flow from operating activities totaled SEK 215m (328).
- The Board proposes that no dividend be paid.

	Fourth quarter			12 months		
	Oct-Dec 2020	Oct-Dec 2019	Δ	Jan-Dec 2020	Jan-Dec 2019	Δ
Group overview, SEKm						
Net sales, SEKm	989	1,141	-13%	4,007	5,151	-22%
Organic growth	-6%	-11%	-	-20%	-5%	-
Operating income, SEKm	44	-133	-133%	-100	105	-195%
Adjusted operating income, SEKm	66	44	52%	163	317	-49%
Operating margin	4.5%	-11.6%	16.1	-2.5%	2.0%	-4.5
Adjusted operating margin, %	6.7%	3.8%	2.9	4.1%	6.1%	-2.0
Adjusted operating margin excl. investment in new technology	8.0%	4.9%	3.2	5.0%	6.9%	-1.9
Return on capital employed ¹	-3.8%	3.1%	-6.9	-3.8%	3.1%	-6.9
Return on capital employed excl. non-recurring items, ¹⁾	5.0%	9.4%	-4.4	5.0%	9.4%	-4.4
Profit after tax, SEKm	-61	-149	-59%	-300	5	na
Earnings per share, SEK	-1.27	-3.36	-59%	-6.44	0.12	na
Cash flow, operating activities, SEKm	123	239	-116	215	328	-113

¹⁾ Rolling twelve months, effect of IFRS16 Finance Leases has been excluded.

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.

COMMENTS FROM THE CEO

Sales showed gradual recovery and the year ended strongly with sales volumes on a par with 2019, despite increasing global spread of COVID-19 infection during the quarter. Our long-term savings programs continued to be effective, and adjusted operating margin increased to 6.7% in the quarter.

The quarter's net sales decreased by 13% compared to the corresponding quarter in 2019 and amounted to SEK 989m; the decline was 6% when currency adjusted. The US dollar weakening by 9% had a negative impact, as Region North America excluding Canada accounts for approximately 41% of Haldex's sales.

The development across our regions was mixed. North America continued to have a challenging quarter and currency-adjusted net sales decreased by 10% compared to the corresponding period last year. Europe, on the other hand, showed a stronger recovery, growing by 7% in currency-adjusted terms. South America also showed a positive sales trend, while Asia declined by 21% compared to a strong fourth quarter of 2019.

Global new production of trucks recovered, but demand moderated toward the end of the quarter. Sales to the truck segment fell by 24% in the quarter, primarily due to the fact that we lost a major customer in North America at the beginning of the year, and because of the effect of the coronavirus pandemic and a general market downturn.

An increased focus on the trailer segment proved effective, and we achieved the same volume as in the fourth quarter of 2019. We thus had better development than the market in general.

The aftermarket also showed a solid recovery from previous quarters, and globally we achieved the same level of sales in the quarter as in 2019.

In a broader perspective, operations continued to be characterized by efforts to mitigate the effects of the pandemic on demand, productivity, shortage of semiconductor components, and increasing prices of raw materials, primarily iron and steel. Finally, the Development Department has reorganized to increase its focus on the commercialization of our electromechanical braking system (EMB) and product development geared toward electrification of heavy transport.

IMPROVED ADJUSTED OPERATING MARGIN

Our savings programs have proved to be effective, and the adjusted operating margin increased by 2.9 percentage points compared to 2019, despite substantially lower sales volumes.

Costs decreased by SEK 65m in the quarter, of which the structural savings programs accounted for SEK 34m.

The new savings program of SEK 100m, which was described in the Q3 report, among other things covers workforce reductions in the form of 70 positions spread across all regions. The cuts do not relate to any one particular product line or branch of the business, but are another element in focusing the business. The savings program will take full effect in the second half of 2021. The fourth quarter was impacted by non-recurring staff reduction expenses of SEK 25m related to the extended program communicated in the third quarter. The costs of all the currently ongoing savings programs had an impact of SEK 48m on quarterly earnings.

Implementing extensive savings represent a challenge for any organization, and I am very proud of the way all our employees have stepped up to the plate and executively implemented savings without losing focus on safety, quality and new business. With the measures, we have taken another step towards achieving the 10% operating margin target.

PLAN FOR LONG-TERM VALUE CREATION

My most important task is to safeguard Haldex's position as a global and relevant niche player. We also have to ensure that investments made in the brand, organization and product development create long-term added value.

Haldex cost-base has previously been over-sized and over the past year, we have undertaken a strategic review and introduced a more stringent action program aimed at improving profitability. Among other things, this has resulted in write-downs on development projects with uncertain profitability. The review has led to the streamlining of our resources towards initiatives with the best future potential. Implemented structural measures have brought us closer to the target. The next step is to develop and further refine the proposition so that it is concentrated around profitable and long-term attractive products, while continuing to work on streamlining.

The strategic review is still ongoing, and we expect to be able to provide an update in the second quarter.

PRODUCT AND PROPOSITION INVESTMENTS

The focus on developing our offering for the trailer segment and aftermarket continues. We focus our efforts on niches where Haldex has competitive advantages and where our proposition of flexibility, close customer relationships and an open architecture in innovative brake solutions makes a difference. To reinforce our aftermarket presence, we may make acquisitions in this segment.

Our important initiative regarding electrification and our EMB product are showing signs of success. Customers have a strong interest in EMB, and at the end of the year we entered into a contract with a Chinese electric bus manufacturer on pre-series production. The order has a marginal impact on earnings but is strategically important and takes us another step closer to series production and wider launch in China. The progress of EMB, which is also being evaluated by two global European truck manufacturers and several bus companies in China, demonstrates that we have an attractive and correctly positioned proposition that takes into account the global focus on climate issues and the need for fossil-free transport.

SALES, CUSTOMERS AND PARTNERSHIPS

To summarize, I am satisfied with the trend in the fourth quarter. Sales recovered, operating income improved, and we achieved our highest adjusted operating margin in the fourth quarter since 2015. It was also pleasing that the increased focus on the trailer market led to a stronger market position and increased sales in Europe. We are purposefully working toward entering into further partnerships that can contribute to increased volumes and improved profitability. These are long processes that demand perseverance. For example, we have recently been informed, after three years of sales efforts, that we have found our way into an attractive aftermarket segment in the United States. We look forward to the start of pre-series production of EMB in China. It will be an important milestone for continued commercialization, and our commitment to new products enabling electrically powered heavy passenger and freight transport by road.

HELENE SVAHN

President and CEO

SIGNIFICANT EVENTS DURING THE QUARTER

TWO NEW BOARD MEMBERS ELECTED

Detlef Borghardt and Dzeki Mackinowski were elected as new members of the Board at an extraordinary general meeting of Haldex AB (publ) held on December 29, 2020. For more

information see www.haldex.com/investerare/bolagsstyrning/styrelsewww.haldex.com.

STRUCTURAL SAVINGS PROGRAMS

Haldex is undergoing a major restructuring with the aim of improving efficiency, lowering costs and increasing operating margin. The background to the measures is that Haldex cost-base was previously oversized, which meant, among other things, that investments have not always yielded the desired returns. The outbreak of COVID-19 and its knock-on effects have accelerated the need to reduce costs in both the short and long terms. The savings measures, which, among other

things, have related to the comprehensive product development are of such a nature that they will not affect Haldex's innovative capabilities regarding products that are judged to have the best ability to create value in the future. The savings also do not affect Haldex's service and sales capacity.

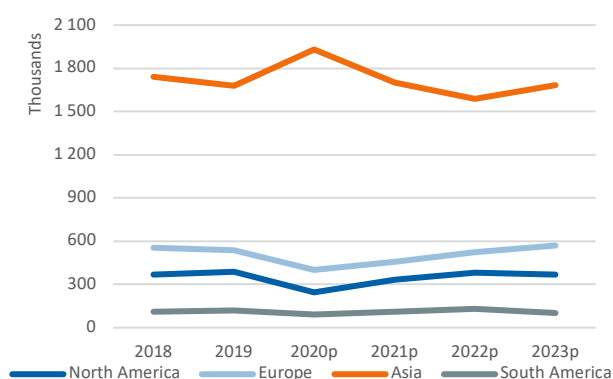
Already fully or partially implemented savings programs totaling around SEK 200m in annual savings contributed SEK 34m in reduced costs in the fourth quarter.

LONG-TERM SAVINGS PROGRAM

Initiative	Saving from:	Estimated annual saving (SEK m)	Estimated non-recurring cost (SEK m)	Actual non-recurring cost (SEK m)	
				2019	2020
Friction Centers, US	May 2019	28	0	5	6
Heidelberg, Germany	September 2020	50	156	143	13
Blue Springs, US	October 2020	25	40	24	16
Total Footprint related programs		103	196	172	35
Cost Base Adjustment 1	July 2020	100	33	-	33
Cost Base Adjustment 2	Q2 2021	100	tba	-	41
Total		303	229	172	109

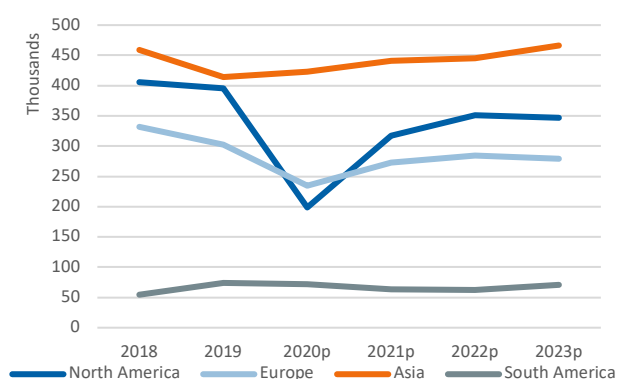
MARKET DEVELOPMENT AND UPDATED FORECAST FOR NEW PRODUCTION

NEW PRODUCTION, TRUCKS INCLUDING BUSES



Source: LMC Automotive, Q4 2020

NEW PRODUCTION: TRAILERS



Source: Clear, Q4 2020

FINANCIAL SUMMARY OF THE FOURTH QUARTER AND FULL YEAR 2020

NET SALES

Currency-adjusted sales for the fourth quarter fell by 6% compared to the same period of the previous year. OEM sales fell by 11%, while aftermarket remained at the same volume of sales as in the fourth quarter of 2019.

The development varied considerably between regions, with Europe and South America showing strong growth compared to the same quarter in the previous year. North America and Asia fell back, mainly driven by reduced OEM sales, by 10% and 21%, respectively. This is largely explained by COVID-19, but also by the fact that the markets are partly in different economic cycles as a result of economic development. If we analyze sales by customer segment, sales to the truck segment fell by 24%, while our increased commitment to trailer and aftermarket proved effective, with volumes in line with the same period in the previous year.

At the start of 2020, the market expected OEM demand in Haldex's key markets of North America and Europe to decline by a few percent. However, for the full year 2020, the outcome was substantially worse due to the pandemic outbreak, which resulted in new production of trucks, buses and trailers declining by 43% in North America and 24% in Europe. This obviously had a great impact on Haldex OEM sales, which fell by 46% in North America and 17% in Europe. The aftermarket was also hit by reduced demand, but the decline was only 8%, which was relatively evenly split among Haldex's various regions.

Sales per region, SEKm	Fourth quarter			12 months		
	Oct-Dec 2020	Oct-Dec 2019	Δ ¹	Jan-Dec 2020	Jan-Dec 2019	Δ ¹
Europe	368	357	7%	1,438	1,698	-14%
North America	459	571	-10%	1,965	2,659	-24%
Asia and Middle East	123	164	-21%	468	586	-18%
South America	39	49	12%	136	208	-14%
Total	989	1,141	-6%	4,007	5,151	-20%

¹⁾ Currency-adjusted

Sales per product line, SEKm	Fourth quarter			12 months		
	Oct-Dec 2020	Oct-Dec 2019	Δ ¹	Jan-Dec 2020	Jan-Dec 2019	Δ ¹
Foundation Brake	549	637	-6%	2,200	2,966	-23%
Air Controls	440	504	-5%	1,807	2,185	-15%
Scalable Brake Systems	-	-	-	-	-	-
Total	989	1,141	-6%	4,007	5,151	-20%

¹⁾ Currency-adjusted

Sales per customer category, SEKm	Fourth quarter			12 months		
	Oct-Dec 2020	Oct-Dec 2019	Δ ¹	Jan-Dec 2020	Jan-Dec 2019	Δ ¹
Truck - heavy trucks and buses	178	265	-24%	701	1,252	-41%
Trailer	288	303	0%	1,174	1,502	-20%
Aftermarket	523	573	0%	2,132	2,397	-8%
Total	989	1,141	-6%	4,007	5,151	-20%

¹⁾ Currency-adjusted

OPERATING INCOME

Adjusted operating profit for the fourth quarter increased to SEK 66m (44), equivalent to an adjusted operating margin of 6.7% (3.8). The improved adjusted operating margin is principally explained by our savings programs having led to lower costs and by us having had a favorable product mix during the quarter.

Cost reductions of SEK 65m in the quarter driven by the savings programs rolled out both as long-term structural savings programs and as short-term programs. The long-term programs will take full effect during the second half of 2021.

Reported operating income totaled SEK 44m (-133) in the fourth quarter, equivalent to an operating margin of 4.5% (-11.6). Operating income has been charged with non-recurring items of net SEK 22m consisting of SEK 48m attributable to review and restructuring of the Company, SEK 4m relating to legal expenses attributable to the ownership structure, SEK 5m relating to impairment of intangible assets and positive income of SEK 35m from the sale of the property in Blue Springs, United States. Despite lower sales, gross margin improved by three percentage points to 28.6% (25.6) in the fourth quarter. The improvement is due to increased share of aftermarket sales, as well as lower fixed production expenses. Government grants in Q4 amounted to SEK 0m.

Changes in exchange rates, including the outcome of currency hedging and currency translation effects, had a negative impact on the Group's operating income of SEK -20m (-2) in the fourth quarter. The currency effect in net financial income/expense in the fourth quarter was SEK -33m (-0).

FULL YEAR 2020

Sales totaled SEK 4,007m (5,151). After a relatively strong start to the year, demand declined sharply due to the COVID-19 pandemic, which spread to all regions. In the fourth quarter, the market partially recovered, and we saw a clear improvement towards the end of the quarter. In currency-adjusted terms, sales fell by 20%.

Adjusted operating income totaled SEK 163m (317), equivalent to an operating margin of 4.1% (6.1). The main reason for the reduced operating profit and lower margin is the decline in sales, which we were partly able to offset by cost savings and structural changes implemented during the year.

COVID-19 has affected sales to OEM customers to a greater extent, which has had a positive effect on our margins since our share of aftermarket sales has grown. Gross margin improved by 1.3 percentage points, and selling and administrative expenses, in currency-adjusted terms, decreased by SEK 58m as a result of our cost-saving programs. Reported operating profit totaled SEK -100m (105), equivalent to an operating margin of -2.5% (2.0). Total non-recurring expenses of SEK 263m were charged against operating profit, with a large part, SEK 109m, being linked to our savings programs while SEK 176m is linked to impairments of intangible assets. Government grants relating to COVID-19 amounted to SEK 12m (0) in 2020.

Currency fluctuations, including gains or losses from currency hedging and currency translation effects, had a negative impact on consolidated operating income excluding non-recurring items of SEK -16m (24) during the year. The

currency effect in net financial income/expense during the year totaled SEK -42m (-2).

PRODUCT DEVELOPMENT

Investments in new technology and product development are progressing. The business operated by Haldex is associated with regular maintenance expenses but also expenses incurred in examining commercial and technical opportunities to launch new products (research expenditure). Costs of maintenance of existing products and research on development of new products are continuously recognized in profit or loss. Haldex estimates that, based on historic average, these normally account for 3–4% of sales. Development expenses cannot be capitalized, i.e. recognized as an asset, until a number of conditions have been met, see the accounting policies on pages 56-60 of the 2019 Annual Report. Haldex at present has a number of ongoing development projects, in particular projects in progress in new technology, which do not yet fulfil the requirements for capitalization and are therefore recognized as R&D expenses. In addition to expenditure recognized as expenses in the income statement, SEK 22m (32) was capitalized as an asset in the balance sheet during the quarter. Total R&D expenditure, including development expenses, was SEK 48m (67) during the quarter, equivalent to 4.9% (5.9) of sales.

The company's Chinese joint venture (JV), Haldex VIE, is continuing to develop favorably, and we are preparing for launch in 2021. Development work on the electromechanical braking system for electric buses and other uses on the Chinese markets continued during the year, and expenses totaled SEK 2m (7) for the fourth quarter. In the fourth quarter, capitalization of development expenses in the JV began, positively impacting share in profit by SEK 4 (0) in the fourth quarter.

In 2020 we capitalized SEK 109m (107) as an asset in the balance sheet, and total R&D expenditure was SEK 216m (235), equivalent to 5.4% (4.6) of sales.

TAXES

Tax expense for the fourth quarter was SEK 59m (4). The reason for the high tax expense relative to earnings is that deferred tax assets relating to deficits are not recognized in countries where their future utilization cannot be ensured with sufficient certainty.

For the full year, tax expense totaled SEK 111m (56), which in addition to the above explanation is largely due to a write-down of deferred taxes in the third quarter.

PROFIT FOR THE PERIOD AND EARNINGS PER SHARE

Profit after tax in the fourth quarter totaled SEK -61m (-149). Basic and diluted earnings per share were SEK -1.27 (-3.36).

For the full year, profit after tax was SEK -300m (5). Basic and diluted earnings per share were SEK -6.44 (0.12).

CASH FLOW

Cash flow from operating activities totaled SEK 123m (239) in the fourth quarter. Cash flow from operating activities was positively impacted by the improvement in operating income compared to the same period of the previous year, but negatively by reduced tie-up of operating capital. The increased tie-up of capital consists largely of restructuring reserves utilized from 2019.

Investments, including capitalized development expenses and disposals, totaled SEK -40m (-136). The greater part of the investments relates to machinery and equipment needed in operating activities, as well as capitalized development expenses of SEK 22m (32), principally consisting of expenses relating to the development of the new-generation EBS and continued development of new technology. The quarter's

investments also include disposals of tangible fixed assets amounting to SEK 7m, which relate to the book value of the divested Blue Springs property.

For the full year, cash flow totaled SEK 215m (328) from operating activities, SEK -245m (-381) from investing activities and SEK 188m (59) from financing activities.

NET DEBT AND NET INTEREST INCOME/EXPENSE

	Dec. 31, 2020	Dec. 31, 2019
Net debt and net interest income/expense, SEKm		
Asset items in net debt:		
Cash and cash equivalents	440	315
Liability items in net debt:		
Interest-bearing liabilities including derivative instruments	-888	-768
Pension liabilities	-578	-562
Total net debt, excl. IFRS16 - Finance Leases	-1,026	-1,015
Debt attributable to IFRS16	-334	-423
Total net debt, incl. IFRS16 - Finance Leases	-1,360	-1,438
Net interest income/expense for current year	-41	-36

As of December 31, the Group's net debt was SEK 1,360m (1,438), of which SEK 888m (768) is attributable to interest-bearing liabilities. Net debt decreased by SEK 78m compared to the same period of the previous year. Despite COVID-19, net debt excluding IFRS16 is now in line with opening net debt.

Balanced finances and a drive to become more self-sufficient were an important focus during the year. Increased efforts, combined with a targeted rights issue of SEK 157m in the second quarter, has enabled us to break the trend of continuously increasing net debt. Of the net reduction, SEK +11m is attributable to investing activities, which includes capitalized product development and investment in machinery and other equipment. An increase of SEK 16m can be attributed to the remeasurement of pension liability, principally due to lower interest, while the change in lease commitments through IFRS 16 reduced net debt by SEK 89m.

Of Haldex's net debt of SEK 1,360m (1,438), SEK 334m (423) can be attributed to lease commitments under IFRS 16 and SEK 578m (562) to pension liabilities.

Financial items totaled SEK -46m (-12) in the fourth quarter, of which net interest income/expense, excluding IFRS 16, was

SEKm -14 (-11). The equity/assets ratio was 30% (35) at the end of the fourth quarter.

Haldex loan financing consists primarily of:

- A long-term loan maturing in April 2022 of SEK 270m. This loan replaced a previous bond loan of SEK 270m that matured in January 2020.
- A syndicated credit facility of EUR 90m, maturing in April 2022. EUR 65m of this facility had been utilized at the end of the year.

PLEDGED ASSETS AND CONTINGENT LIABILITIES

There were no changes to the Group's pledged assets or contingent liabilities during the quarter. The Group from time to time has product warranties and customer commitments which cannot be reliably estimated. For more information, see 'Significant risks and uncertainties.'

REGION NORTH AMERICA

Sales, SEKm	Fourth quarter			12 months		
	Oct-Dec 2020	Oct-Dec 2019	Δ^1	Jan-Dec 2020	Jan-Dec 2019	Δ^1
Truck	58	116	-44%	267	657	-58%
Trailer	79	94	-6%	330	487	-30%
Aftermarket	322	361	-1%	1,368	1,515	-7%
Total	459	571	-10%	1,965	2,659	-24%

¹⁾ Currency-adjusted

SIGNIFICANT EVENTS

- Cautious post-COVID-19 recovery in line with OEM customers' rising demand for new vehicles.
- The aftermarket was stable, with volumes in line with the previous year, despite COVID-19.

MARKET TREND

As a result of COVID-19, new production of trucks and trailers fell in the fourth quarter, by 12% and 48%, respectively compared to the previous year. Compared with the third quarter, the downward trend reversed and the fourth quarter, showed steadily increasing production volumes. Despite the recovery, aggregate new production ended 32% lower than in the fourth quarter of the previous year. For the full year 2020, the decline was 43% compared to 2019.

BUSINESS DURING THE QUARTER

Region North America accounted for about 46% of Haldex sales in the fourth quarter. The region's sales decreased in currency-adjusted terms by 10%, a clear improvement on previous quarters. Sales were primarily impacted by COVID-19, which resulted in production stoppages and extended vacation breaks at most truck manufacturers, as well as the fact that we lost major customer contract at the start of the year. The truck segment, which accounted for 13% of the region's sales, decreased in currency-adjusted terms by 44% in the fourth quarter. The trailer segment, which made up 17% of sales, decreased in currency-adjusted terms by 6%. The

aftermarket, which accounted for about 70% of the region's sales, was more or less unchanged in currency-adjusted terms compared to the fourth quarter of the previous year.

According to available market statistics, the region's sales developed 7% better than the market during the quarter. The increase is explained by Haldex having gained several new contracts from competitors. Haldex also completed the sale of the vacated manufacturing facility in Blue Springs. The transaction brought positive non-recurring income.

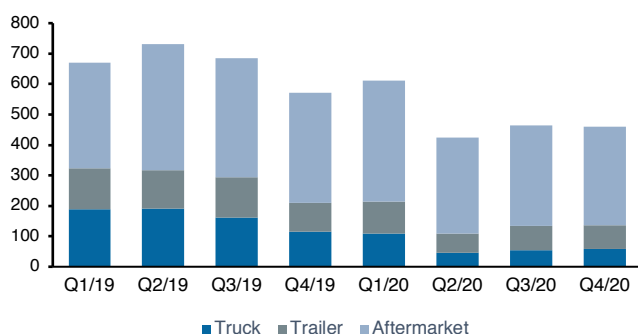
FUTURE OUTLOOK

Truck and trailer production is expected to increase significantly in 2021 compared to 2020. Leading indicators in heavy trucks showed solid growth in order intake, from April to October, which increased sharply during November and December.

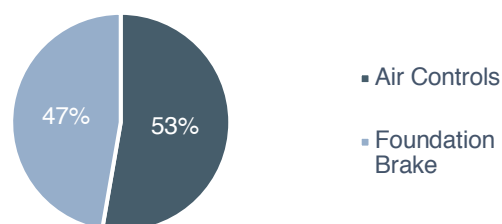
Aftermarket is our most profitable segment, and we are continuing to work on further broadening and deepening our aftermarket offering.

At the start of 2021, we were able to sign an important entry-level contract with one of the largest garbage carriers in the United States. This contract is positive for Haldex and strengthens our position in the aftermarket. The initiatives in the aftermarket should have a clear impact in 2021 and are based on our established relationships with many distributors and operators of vehicle fleets.

SALES PER CUSTOMER CATEGORY, SEKm



SALES PER PRODUCT LINE



REGION EUROPE

Sales, SEKm	Fourth quarter			12 months		
	Oct-Dec 2020	Oct-Dec 2019	Δ ¹	Jan-Dec 2020	Jan-Dec 2019	Δ ¹
Truck	38	38	8%	138	177	-19%
Trailer	163	153	9%	658	803	-17%
Aftermarket	167	166	4%	642	718	-10%
Total	368	357	7%	1,438	1,698	-14%

¹⁾ Currency-adjusted

SIGNIFICANT EVENTS

- Good recovery in all segments; truck, trailer and aftermarket.
- The rapid increase in COVID-19 cases has led to a second wave of lockdowns in Europe.
- Further prototype order for Haldex's electromechanical braking systems from one of the major OEMs.

MARKET TREND

After the summer vacations, the market continued to recover during the rest of 2020, which gave rise to increased production volumes and increased inflow of new orders. New production of trucks and trailers increased in the fourth quarter by 15 and 20%, respectively, compared to the previous year. Some truck and trailer customers were at an almost normal production level. Uncertainty regarding 2021 remains high due to the unpredictable development of the pandemic and risks for more corona-related restrictions.

The aftermarket benefited from many customers initiating various marketing campaigns. European truck manufacturers are continuing to invest in the technological development of future vehicles, and the focus has clearly shifted toward electrification of heavy vehicles, signifying increased interest in Haldex electromechanical braking systems.

BUSINESS DURING THE QUARTER

Europe accounted for 37% of Haldex sales in the fourth quarter. Region Europe sales increased in currency-adjusted

terms by 7%, representing a significant improvement on the previous quarter. The increase in sales is principally the result of most truck manufacturers working through their backorders. Sales to the truck segment, which accounted for 10% of the region's sales, recovered the decline from previous quarters and grew by 8% in the fourth quarter.

The trailer segment, which accounts for 44% of the region's sales, recovered during the quarter and increased in currency-adjusted terms by 9% compared to the previous quarter.

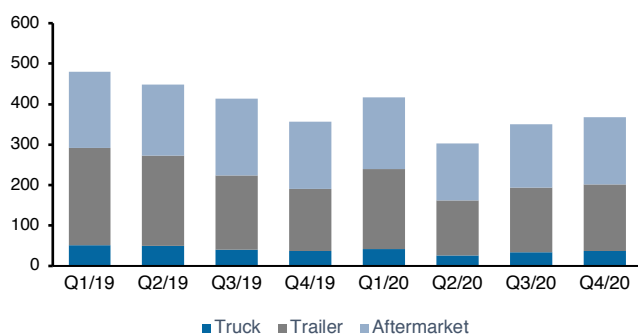
Our increased focus on the aftermarket has produced results, and the aftermarket share of the region's total revenue sales increased and accounted for 45% of the region's sales in the quarter, an increase of 4% compared to the same quarter in the previous year..

FUTURE OUTLOOK

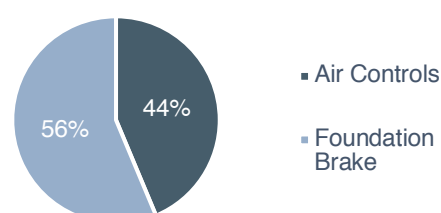
Haldex Europe is continuing efforts to strengthen its position as an innovative disc brake specialist and supplier of complete systems. Marketing of EB+4.0, the fourth generation of our innovative electronic brake platform for trailers, began at the start of September. Delivery of the first systems is expected around mid-2021.

The launch is expected to strengthen Haldex's market position in the trailer segment in Europe. In addition to this, Haldex is continuing to drive aftermarket growth and focus on improvements to efficiency and margin.

SALES PER CUSTOMER CATEGORY, SEKm



SALES PER PRODUCT LINE



REGION ASIA AND MIDDLE EAST

Sales, SEKm	Fourth quarter			12 months		
	Oct-Dec 2020	Oct-Dec 2019	Δ^1	Jan-Dec 2020	Jan-Dec 2019	Δ^1
Truck	63	90	-26%	236	310	-21%
Trailer	42	53	-18%	173	199	-12%
Aftermarket	18	21	-9%	59	77	-20%
Total	123	164	-21%	468	586	-18%

¹⁾ Currency-adjusted

SIGNIFICANT EVENTS

- Turnover was adversely impacted by COVID-19.
- A commercial agreement was signed for EMB with an electric bus manufacturer in China.

MARKET TREND

COVID-19 is still posing challenges to economic growth in Asia affecting both domestic demand and the vehicle export market in the fourth quarter.

China's heavy truck market declined in the fourth quarter but production volume remained at a high level. The market is driven by large infrastructure investments and financial incentive packages. Production volume for heavy buses recovered, driven by seasonal factors and gradual economic recovery. A new regulatory framework, favorable to Haldex, regarding expanded requirements for advanced disc brake and suspension systems for trailers was introduced in September. Due to increased new vehicle costs and pre-purchase effects from previous months, the penetration rate for advanced technology did not increase and demand remained stable in the last quarter.

In the long term, Chinese government policy and new safety regulations for the trailer market will lead to improved vehicle safety.

COVID-19 continues to pose a challenge to economic growth in Asia, the vehicle export market and our customers' production in the fourth quarter.

Development in other markets was mixed. Korea and Japan have not yet fully recovered. Australia returned to pre-pandemic levels in November. The Indian domestic market recovered strongly in the fourth quarter, setting a new aftermarket record in November and December. Some customers' purchases have been postponed because of lockdowns. We have seen signs suggesting an increased focus on vehicle safety and efficiency and expect future demand to be unleashed once public confidence in the economy is re-established.

BUSINESS DURING THE QUARTER

In the final quarter of 2020, sales decreased in currency-adjusted terms by 21% compared to the previous year.

The decline is primarily due to reduced demand for Foundation Brake products. The older generation of disc brakes is losing market shares in the Chinese bus market, and ABA volume decreased due to competition from low-cost suppliers.

Haldex has begun preparations to start production of ModulT at the Suzhou plant in China. The ambition is to be able to assemble a complete brake from 2022. ModulT offers an attractive and weight-optimized solution to meet an expected increase in demand for disc brakes in the region.

Haldex carried out several pilot installations of air suspension systems at major trailer customers in the quarter. Disc brakes, EBS and air suspension products are key products for Haldex to realize its growth ambitions in the region.

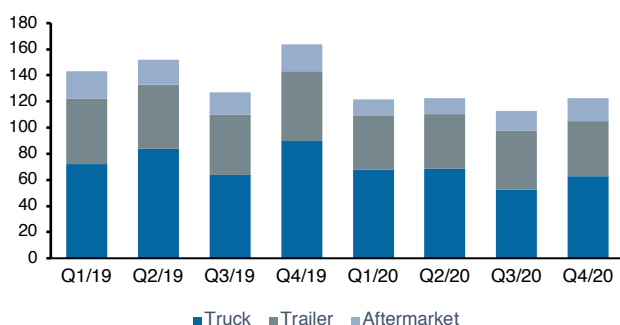
Indian business recovered strongly in the fourth quarter, rising in currency-adjusted terms by 65% compared to the same period of the previous year.

FUTURE OUTLOOK

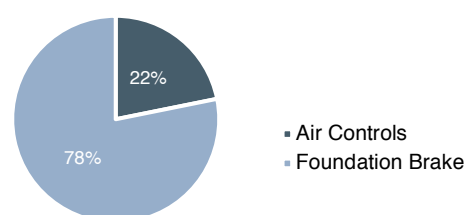
In general, we are cautiously optimistic for the first quarter of 2021. After significant infrastructure investment by China in 2020, we anticipate lower government investment in 2021. At the same time, we expect the private sector to recover. This may lead to lost volumes in construction vehicles and dumpers. The US-China trade dispute is continuing to have an adverse impact on growth prospects for the export market.

The technological development of vehicles and braking systems is positive for Haldex and we will continue to invest in adapting disc brakes and EBS systems to Chinese market requirements. In addition, we expect the Indian market recovery to continue in the first quarter, while other Asian markets are more uncertain due to COVID-19.

SALES PER CUSTOMER CATEGORY, SEKm



SALES PER PRODUCT LINE



REGION SOUTH AMERICA

Sales, SEKm	Fourth quarter			12 months		
	Oct-Dec 2020	Oct-Dec 2019	Δ^1	Jan-Dec 2020	Jan-Dec 2019	Δ^1
Truck	20	21	32%	59	108	-28%
Trailer	3	3	59%	14	13	34%
Aftermarket	16	25	-11%	63	86	-4%
Total	39	49	12%	136	208	-14%

¹⁾ Currency-adjusted

SIGNIFICANT EVENTS

- Heavy-duty vehicle production reached record levels in the fourth quarter.
- Aftermarket is returning to normal levels, while trailer sales were at a high level for the whole of 2020.

MARKET TREND

The region continues to be greatly impacted by COVID-19. However, the truck segment recovered rapidly in the fourth quarter and all OEMs produced at full capacity and additionally with limited vacation leave in December. Due to a shortage of raw materials, OEM manufacturers were forced to postpone orders until the first quarter of 2021.

The trailer market showed good volumes throughout 2020, but was affected by component shortages as a result of the sudden rise in demand in other markets. Turnover in Argentina and Chile was also high, due to the fact that we have spare parts available in these markets via a partnership with an aftermarket distributor.

BUSINESS DURING THE QUARTER

Haldex South America accounts for about 4% of total Haldex sales and mainly consists of the Brazilian OEM market. Haldex benefited from the increase in volume in the fourth quarter with

a total currency adjusted increase in sales of 12% compared to the previous year period. Revenue from OEMs in the truck and trailer segments rose in currency-adjusted terms by 32% compared to 2019, while aftermarket revenue declined in currency-adjusted terms by 11% due to a decrease in bus transportation compared to the previous period.

Haldex's focus on ensuring the availability of spare parts and products ready for an expected increase in demand enabled quick deliveries and a high level of service. The availability of spare parts is important in gaining these orders.

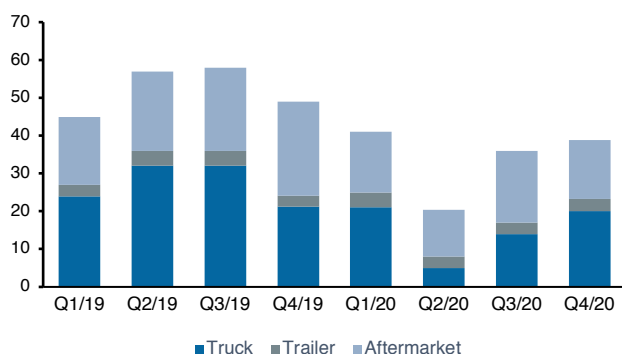
A weakened US dollar in the quarter favored the business, also enabling a recovery in margins, but the shortage of components led to increased material expenses.

FUTURE OUTLOOK

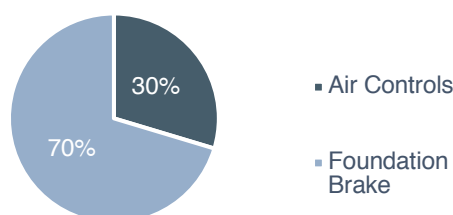
Customers are forecasting high volumes for the first quarter of 2021. Logistics challenges are creating difficulties for most Brazilian auto parts manufacturers, which increases the risk of business fluctuations. The latest volume forecasts from customers will help our focus on profitability.

Price increases implemented in January 2021 and a more favorable exchange rate will help improve margins. The outlook is good for the first half of 2021.

SALES PER CUSTOMER CATEGORY, SEKm



SALES PER PRODUCT LINE



EMPLOYEES

At the end of the year, there were 1,990 employees (2,172), representing a decrease of 182 compared to the fourth quarter of 2019. The fall in the number of employees is principally due to the closure of production in Heidelberg in Germany and Blue Springs in the United States. In addition, we are seeing effects from the cost saving programs in the number of office-based employees in high-cost countries such as Sweden, the United States and France.

PARENT COMPANY

Haldex AB (publ), corporate identity number 556010-1155, is a registered limited liability company with registered office in Landskrona, Sweden. Haldex AB shares are listed on Nasdaq Stockholm, Mid Cap. The parent company fulfils head office functions, including the corporate finance function. Net sales in the parent company totaled SEK 10m (31) during the fourth quarter. Profit after tax was SEK -129m (-43).

ANNUAL GENERAL MEETING

The Haldex Annual General Meeting will be held on May 26, 2021. Time and location will be announced no later than in conjunction with the notice of the Annual General Meeting. It is anticipated that the annual report will be available on the company's website no later than three weeks before the meeting. Under the company's Articles of Association, notice of the meeting must be given not earlier than six weeks and not later than four weeks prior to the meeting. Notice will be given by announcement in the official gazette Post- och Inrikes Tidningar and in the newspaper Svenska Dagbladet. Shareholders wishing to attend the Annual General Meeting must notify the company not later than the date stated in the notice and be registered in the share register maintained by Euroclear Sweden AB for the Annual General Meeting. Information about the formalities and time for notification of intention to attend the meeting of shareholders will be provided in conjunction with the issuing of the notice. Shareholders wishing to have an item discussed at a shareholders' meeting must submit a written request to the Board of Directors. This request must be received by Haldex at least seven weeks prior to the meeting to enable the item to be included in the notice of the meeting.

DIVIDEND

Due to poor profitability during 2020 the Board proposes that no dividend is paid out.

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, which is described in the Haldex 2019 Annual Report and Corporate Governance Report, on pages 46–51 and 94–98. The section on risks in the Annual Report makes it clear that the consolidated financial statements require certain judgements and assumptions about the future that are based on both historical experience and future expectations. Goodwill, development projects, taxes (capitalized loss carryforwards) and pensions are the areas presenting a significant risk of future adjustments to recognized values. Warranty provisions and customer commitments have been

identified as the areas where uncertainty about future adjustments to estimated values is greatest. The ongoing COVID-19 pandemic has created greater uncertainty than normal. It is still difficult to predict the short- and long-term impacts of COVID19 on Haldex's earnings and value. In the short term, it is clear that Haldex has already been affected by decreased consumption and a general slowdown in the global economy. It is still unclear what impact this will have on the need for goods and passenger transportation, i.e. the use of heavy vehicles, both trucks and trailers and buses.

SHARES AND SHARE DATA

Earnings per share for the fourth quarter were SEK -1.27 (-3.36) and for the whole year were SEK -6.44 (0.12). On the balance sheet date, equity per share was SEK 24.10 (34.78). Haldex had 48,637,567 shares at the end of the period. As of October 1, the share price was SEK 41.95. The share price last paid at December 31, 2020 was SEK 43.75.

LONG-TERM FINANCIAL GOALS

ADJUSTED OPERATING MARGIN, EXCLUDING NEW TECHNOLOGY, 10%

The objective is to achieve an adjusted operating margin of 10% in 2022, excluding investments in new technology.

GROWTH

Haldex is to outperform the market in organic growth.

INDEBTEDNESS

The net debt/equity ratio is to be less than 1.

OUTLOOK FOR 2021

We anticipate tracking the rate of growth in demand in terms of sales for newly produced heavy vehicles and trucks in each market.

Market data show that the OEM market is expected to recover gradually during in 2021 and to then in 2022 approach the levels that prevailed prior to the emergence of the coronavirus pandemic.

Trucks, new production	2020p	2021p	2022p	2023p
North America	245,219	333,369	380,186	369,081
Europe	400,956	459,016	525,289	570,437
Asia	1,930,911	1,700,807	1,588,050	1,682,642
South America	91,427	112,780	130,770	101,904

Source: LMC Automotive, Q4 2020

Trailers, new production	2020p	2021p	2022p	2023p
North America	198,669	317,513	351,488	346,614
Europe	234,642	272,489	284,975	279,539
Asia	422,970	441,281	445,166	466,319
South America	71,645	63,049	61,900	70,868

Source: Clear Q4 2020

The supply chain is strained due to higher raw material costs and component shortages, which means that production disruptions and associated temporary cost increases cannot be ruled out for the first half of 2021.

Market data on the aftermarket is lacking, but Haldex's assessment is that it is following the general economic trend in each market. We anticipate economic recovery and increased utilization of capacity in heavy road transport for 2021.

FUTURE-ORIENTED INFORMATION

This report includes future-oriented information with statements regarding the prospects for Haldex's operations. The information is based on the current expectations, estimates and forecasts of the Haldex management. Actual future outcomes may differ considerably from the forward-looking information provided in this report, for example due to changes in economic, market and competition conditions.

TRANSACTIONS WITH RELATED PARTIES

No transactions with related parties occurred in the fourth quarter.

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 vacation periods and when customers are closed for public holidays.

ACQUISITIONS AND DISPOSALS

There were no acquisitions or disposals in the fourth quarter.

ACCOUNTING POLICIES

This interim report is prepared in accordance with IAS 34 Interim Financial Reporting. The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. The Parent Company's report has been prepared in accordance with the Swedish Financial Reporting Board's recommendation RFR 2 'Financial Reporting for Legal Entities' and the Swedish Annual Accounts Act. The accounting policies are therefore unchanged from those presented in the 2019 Annual Report on pages 56-60. Holdings in associated companies are recognized in accordance with the equity method; the Group's share of the associated company's profit is reported on a separate line in the income statement.

In 2017, the development of electromechanical disc brakes was in a research stage run by Haldex VIE, a Chinese joint venture which Haldex recognized then as a minority item and where the Group share of profit or loss was recognized as a financial item. Since 2018, the research has become development work, and the Group's share of profit or loss from this associated company is charged against Group operating profit.

LANDSKRONA, FEBRUARY 11, 2021

HALDEX AB

Helene Svahn
President and CEO

This report has not been the object of review by the company's auditors.

INCOME STATEMENT

	Fourth quarter		12 months	
	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
SEKm				
Net sales	989	1,141	4,007	5,151
Cost of goods sold	-706	-849	-2,914	-3,812
Gross income	283	292	1,093	1,339
<i>Gross margin</i>	<i>28.6%</i>	<i>25.6%</i>	<i>27.3%</i>	<i>26.0%</i>
Product development expenses	-32	-43	-131	-158
Selling and administrative expenses	-189	-215	-805	-894
Share of income from joint venture	-2	-7	-24	-21
Other operating income and expenses ¹	-16	-160	-233	-161
Operating income^{1, 2}	44	-133	-100	105
Financial items	-46	-12	-89	-44
Income before tax	-2	-145	-189	61
Tax	-59	-4	-111	-56
Profit/loss for the period	-61	-149	-300	5
<i>of which attributable to non-controlling interests</i>	<i>1</i>	<i>0</i>	<i>4</i>	<i>4</i>
Earnings per share, basic and diluted, SEK	-1.27	-3.36	-6.44	0.12
Average number of shares, thousands	48,626	44,204	47,152	44,204

OPERATING INCOME BY NATURE OF EXPENSE

	Fourth quarter		12 months	
	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Net sales	989	1,141	4,007	5,151
Direct material expenses	-543	-615	-2,178	-2,871
Employee benefit expenses	-205	-280	-937	-1,155
Depreciation, amortization and impairments	-54	-61	-400	-237
Other operating income and expenses	-143	-318	-592	-783
Operating income¹⁾	44	-133	-100	105

¹⁾ NON-RECURRING ITEMS INCLUDED IN OPERATING INCOME

	Fourth quarter		12 months	
	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
SEKm				
Operating profit, including non-recurring items	44	-133	-100	105
Restructuring expenses	-48	-175	-109	-204
Impairment of asset	-5	-	-176	-
Capital gain on property Blue Springs	35	-	35	-
Dispute India	-	-	-1	-
External services related to the ownership situation	-4	-2	-12	-8
Operating income, excluding non-recurring items	66	44	163	317

²⁾ OPERATING INCOME, EXCLUDING NEW TECHNOLOGY AND NON-RECURRING ITEMS

	Fourth quarter		12 months	
	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
SEKm				
Operating income, excluding non-recurring items	66	44	163	317
Scalable Brake Systems	-11	-5	-12	-17
Joint venture, Haldex VIE China	-2	-7	-24	-21
Operating income, excluding new technology	79	56	199	355

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEKm	Fourth quarter		12 months	
	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Profit/loss for the period	-61	-149	-300	5
Other comprehensive income				
<i>Items not to be reclassified to the income statement:</i>				
Remeasurement of pension obligation, after tax	53	26	-36	-47
Total	53	26	-36	-47
<i>Items that may be reclassified to the income statement:</i>				
Translation difference	-85	-84	-153	24
Change in financial instruments measured at fair value, after tax	-1	1	-1	-3
Total	-86	-83	-154	21
Total other comprehensive income	-33	-57	-189	-26
TOTAL COMPREHENSIVE INCOME	-93	-206	-489	-21
<i>of which attributable to non-controlling interests</i>	<i>1</i>	<i>0</i>	<i>4</i>	<i>4</i>

CONSOLIDATED BALANCE SHEET

SEKm	Dec. 31, 2020	Dec. 31, 2019
Goodwill	385	436
Other intangible assets	296	364
Property, plant and equipment	1,090	1,273
Financial assets	41	23
Deferred tax assets	74	131
Total non-current assets	1,886	2,227
Inventories	717	815
Current receivables	939	1,009
Derivative instruments	81	47
Cash and cash equivalents	440	315
Total current assets	2,177	2,186
TOTAL ASSETS	4,063	4,413
Equity	1,203	1,537
Pensions and similar obligations	578	562
Deferred tax liabilities	16	12
Non-current interest-bearing liabilities	1,197	749
Other non-current liabilities	18	23
Total non-current liabilities	1,809	1,346
Derivative instruments	46	34
Current interest-bearing liabilities	62	449
Current liabilities	943	1,047
Total current liabilities	1,051	1,530
TOTAL EQUITY AND LIABILITIES	4,063	4,413

CHANGE IN GROUP EQUITY

SEKm	Dec. 31, 2020	Dec. 31, 2019
Opening balance	1,537	1,611
Profit/loss for the period	-300	5
Other comprehensive income	-189	-26
Total comprehensive income	-489	-21
Transactions with shareholders:		
Dividend to Haldex shareholders	-	-51
New share issue Haldex AB	157	-
Dividend to non-controlling interests	-2	-2
Total transactions with shareholders	155	-53
Closing balance	1,203	1,537
<i>of which attributable to non-controlling interests</i>	<i>31</i>	<i>32</i>

CONSOLIDATED STATEMENT OF CASH FLOW

SEKm	Fourth quarter		12 months	
	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Operating income	44	-133	-100	105
Reversal of non-cash items	124	214	490	427
Interest paid	-14	-12	-46	-42
Tax paid	-16	27	-34	-41
Cash flow from operating activities before changes in working capital	138	96	310	449
Change in working capital	-15	143	-95	-121
Cash flow from operating activities	123	239	215	328
Investments, incl. capitalization of R&D expenses	-47	-136	-306	-381
Disposals of property, plant and equipment	7	-	61	-
Cash flow from investing activities	-40	-136	-245	-381
Dividend to Haldex shareholders	-	-	-	-51
Dividend to non-controlling interests	-2	-	-2	-2
New share issue Haldex AB	-	-	157	-
Interest-bearing liabilities	-86	1	33	112
Cash flow from financing activities	-88	1	188	59
Cash flow for the period	-5	104	158	6
Cash and cash equivalents, opening balance	466	217	315	305
Translation difference on cash and cash equivalents	-21	-6	-33	4
Cash and cash equivalents, closing balance	440	315	440	315

FINANCIAL INSTRUMENTS BY CATEGORY

SEKm	Dec. 31, 2020		Dec. 31, 2019	
	Assets	Liabilities	Assets	Liabilities
Currency futures - cash flow hedges	3	4	2	2
Currency futures – measured at fair value through profit or loss	0	1	1	0
Currency swaps - measured at fair value through profit	78	41	44	32
Total	81	46	47	34

PARENT COMPANY INCOME STATEMENT

	Fourth quarter		12 months	
SEKm	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Net sales	10	31	104	125
Administrative expenses	-18	-23	-102	-107
Operating income	-8	8	2	18
Dividends from Group companies	2	9	19	55
Impairment	-50	-	-250	-
Financial items	-19	8	34	44
Income after financial items	-75	25	-195	117
Group contributions	-43	-67	-43	-67
Income before tax	-118	-42	-238	50
Tax	-11	-1	-10	0
Profit/loss for the period	-129	-43	-248	50

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

	Fourth quarter		12 months	
SEKm	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Profit/loss for the period	-129	-43	-248	50
Other comprehensive income	-	-	-	-
Total comprehensive income	-129	-43	-248	50

PARENT COMPANY BALANCE SHEET

SEKm	Dec. 31, 2020	Dec. 31, 2019
Non-current assets	2,762	2,930
Current assets	1,461	1,160
Total assets	4,223	4,090
Equity	1,053	1,144
Provisions	49	53
Interest-bearing liabilities, external	920	112
Other liabilities	2,201	2,781
Total liabilities and equity	4,223	4,090

FIVE-YEAR SUMMARY, GROUP

SEKm, unless otherwise stated	2020	2019	2018	2017	2016
Income statement					
Net sales	4,007	5,151	5,119	4,462	4,374
Cost of goods sold	-2,914	-3,812	-3,813	-3,237	-3,155
Gross income	1,093	1,339	1,306	1,225	1,219
Product development expenses	-131	-158	-162	-158	-177
Selling and administrative expenses	-805	-894	-863	-797	-773
Share of income from joint venture	-24	-21	-5	-	-
Other operating income and expenses	-233	-161	-21	-121	-65
Operating income	-100	105	255	149	204
<i>Operating income excl. non-recurring items</i>	<i>163</i>	<i>317</i>	<i>305</i>	<i>292</i>	<i>291</i>
Financial items	-89	-44	-36	-8	-36
Share of income from joint venture	-	-	-	-12	-3
Income before tax	-189	61	219	129	165
Tax	-111	-56	-66	-50	-74
Net income for the year	-300	5	153	79	91
Balance sheet					
Non-current assets	1,886	2,227	1,585	1,349	1,306
Current assets	2,177	2,186	2,104	1,729	1,751
Total assets	4,063	4,413	3,689	3,078	3,057
Equity	1,203	1,537	1,611	1,395	1,374
Non-current liabilities	1,809	1,346	1,072	775	757
Current liabilities	1,051	1,530	1,006	908	926
Total equity and liabilities	4,063	4,413	3,689	3,078	3,057
Cash flow					
Cash flow from operating activities	215	328	274	173	256
Cash flow from investing activities	-245	-381	-381	-231	-222
Cash flow from financing activities	188	59	211	-35	-52
Cash flow for the year	158	6	104	-93	-18
Key ratios					
Gross margin, %	27.3	26.0	25.5	27.5	27.9
Operating margin, %	-2.5	2.0	5.0	3.3	4.7
Operating margin excluding non-recurring items, %	4.1	6.1	6.0	6.5	6.6
Earnings per share, basic and diluted, SEK	-6.44	0.12	3.46	1.67	2.00
Equity per share, SEK	24.10	34.78	35.80	30.98	30.63
Cash flow, operating activities, per share SEK	4.56	7.42	6.20	3.91	5.80
Dividend, SEK	0.00 ³⁾	0.00	1.15	0.55	0.00
Share price, SEK	43.75	51.00	69.00	87.25	116.50
Return on capital employed, % ^{1, 2)}	-3.8	3.1	9.8	6.8	9.7
Return on capital employed excl. non-recurring items, % ^{1, 2)}	5.0	9.4	11.8	13.3	13.8
Return on equity, %	-21.9	0.1	9.8	5.4	13.1
Equity/assets ratio, %	30	35	44	45	45
Net debt/equity ratio, % ²⁾	85	66	45	42	36
Investments	197	273	313	218	222
R&D, %	5.4	4.6	4.1	4.0	3.5
Number of employees	1,990	2,172	2,309	2,176	2,045

¹⁾ Rolling twelve months. ²⁾ Effect of IFRS16 financial leasing has been excluded. ³⁾ Proposed dividend.

QUARTERLY DATA

	2020				2019			
SEKm, unless otherwise stated	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Income statement								
Net sales	989	964	875	1,180	1,141	1,283	1,389	1,339
Cost of goods sold	-706	-695	-647	-867	-849	-928	-1,031	-1,005
Gross income	283	269	228	313	292	355	358	334
Product development expenses	-32	-28	-35	-37	-43	-43	-39	-33
Selling and administrative expenses	-189	-185	-195	-237	-215	-227	-229	-223
Share of income from joint venture	-2	-7	-8	-7	-7	-7	-7	-
Other operating income and expenses	-16	-73	-142	-1	-160	-10	-10	19
Operating income	44	-23	-151	30	-133	68	73	97
<i>Operating income excl. non-recurring items</i>	<i>66</i>	<i>58</i>	<i>-3</i>	<i>43</i>	<i>44</i>	<i>85</i>	<i>91</i>	<i>97</i>
Financial items	-46	-6	-12	-26	-12	-16	-8	-7
Income before tax	-2	-29	-163	4	-145	52	65	90
Tax	-59	-75	24	-1	-4	-15	-16	-22
Profit/loss for the period	-61	-104	-139	3	-149	37	49	68
Balance sheet								
Non-current assets	1,886	1,964	2,158	2,319	2,227	2,178	2,131	2,086
Current assets	2,177	2,326	2,142	2,401	2,186	2,283	2,243	2,291
Total assets	4,063	4,290	4,300	4,720	4,413	4,461	4,374	4,377
Equity	1,203	1,300	1,437	1,602	1,537	1,745	1,675	1,708
Non-current liabilities	1,809	1,870	1,873	1,458	1,346	1,358	1,356	1,566
Current liabilities	1,051	1,119	990	1,661	1,530	1,358	1,343	1,103
Total equity and liabilities	4,063	4,290	4,300	4,720	4,413	4,461	4,374	4,377
Cash flow								
Cash flow from operating activities	123	231	-96	-43	239	76	97	-84
Cash flow from investing activities	-40	1	-76	-130	-136	-82	-97	-66
Cash flow from financing activities	-88	-21	165	132	1	21	-77	114
Cash flow for the period	-5	211	-7	-41	104	15	-77	-36
Key ratios								
Gross margin, %	28.6	27.9	26.1	26.5	25.6	27.6	25.7	24.9
Operating margin, %	4.5	-2.4	-17.2	2.5	-11.6	5.3	5.3	7.2
Operating margin excluding non-recurring items, %	6.7	6.0	-0.3	3.6	3.8	6.6	6.5	7.2
Adjusted operating margin excl. investment in new technology, %	8.0	6.6	0.7	4.4	4.9	7.4	7.4	7.5
Earnings per share, basic and diluted, SEK	-1.27	-2.15	-2.95	0.04	-3.36	0.83	1.11	1.54
Equity per share, SEK	24.10	26.08	28.93	36.24	34.78	39.48	37.89	38.64
Cash flow, operating activities, per share, SEK	2.53	4.75	-2.04	-0.97	5.41	1.72	2.19	-1.90
Share price, SEK	43.75	41.80	37.50	25.55	51.00	50.20	57.00	62.00
Return on capital employed, % ^{1, 2)}	-3.8	-9.5	-6.4	1.2	3.1	7.5	8.2	9.7
Return on capital employed excl. non-recurring items, % ^{1, 2)}	5.0	4.3	5.2	8.6	9.4	10.5	10.6	11.5
Return on equity, %	-5.0	-7.8	-9.3	0.1	-9.3	2.1	2.9	4.1
Equity/assets ratio, %	30	30	33	34	35	39	38	39
Net debt/equity ratio, % ²⁾	85	84	91	76	66	62	62	55
External investments, SEKm	25	26	49	97	103	64	69	37
R&D, %	4.9	5.1	6.3	5.3	5.9	4.1	4.3	4.2
Number of employees	1,990	1,962	2,055	2,183	2,172	2,212	2,283	2,315

¹⁾ Rolling twelve months. ²⁾ The effect of IFRS16 Finance Leases has been excluded.

KEY RATIOS

	Dec. 31, 2020	Dec. 31, 2019
Gross margin, %	27.3%	26.0%
Operating margin excluding non-recurring items, %	4.1%	6.1%
Operating margin, %	-2.5%	2.0%
Operating margin excluding investment in new technology, %	5.0%	6.9%
Cash flow, operating activities, SEKm	215	328
Cash flow after investments, SEKm	-30	-53
Return on capital employed, % ^{1, 2)}	-3.8%	3.1%
Return on capital employed excl. non-recurring items, % ^{1, 2)}	5.0%	9.4%
Investments, SEKm	197	273
R&D, %	5.4%	4.6%
Number of employees	1,990	2,172
Return on equity, % ¹⁾	-21.9%	0.1%
Interest coverage ratio, multiple	3.9	7.5
Equity/assets ratio, %	30	35
Net debt/equity ratio, % ²⁾	85	66
Per share:		
Profit after tax, basic, SEK	-6.44	0.12
Profit after tax, diluted, SEK	-6.44	0.12
Equity per share, SEK	24.10	34.78
Cash flow, operating activities, per share, SEK	4.56	7.42
Share price, SEK	43.75	51.00
Average total number of shares, thousands	47,164	44,216
Total number of shares at end of period, thousands	48,638	44,216
of which number of shares in own custody, thousands	12	12

¹⁾ Rolling twelve months. ²⁾ The effect of IFRS16 Finance Leases has been excluded.

OTHER INFORMATION

PRESS AND ANALYST CONFERENCE

Journalists and analysts are invited to a teleconference at which the report will be presented with comments by Helene Svahn, President and CEO, and Lottie Saks, CFO. The teleconference will also be webcast, and you can take part and ask questions by phone. Date and time: Thursday 11 February 2021, 11:00 am.

Link to event for telephone number and link to webcast;

<https://financialhearings.com/event/12392>

The webcast will be available afterwards, and both the interim report and the presentation can be downloaded from the Haldex website:

<https://www.haldex.com/en/corporate/investors/financial-reports/>

FINANCIAL CALENDAR 2021

Interim report, Jan-Mar	April 22, 2021
Interim report, Apr-Jun	July 16, 2021
Interim report, Jul-Sep	October 21, 2021
Year-end report, Jan-Dec 2021	February 10, 2022
Annual Report 2020	Week 12, 2021
Annual General Meeting 2021	May 26, 2021

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This information is such that Haldex AB (publ) is obliged to publish under the EU Market Abuse Regulation. The information was submitted for publication through contacts on Thursday February 11, 2021 at 7.20 am.

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FINANCIAL DEFINITIONS

General

As a result of the European Securities and Markets Authority's new guidelines for alternative performance measures, the list of financial definitions has been expanded. The purpose of the alternative performance measures is to achieve enhanced understanding and promote the usability of the financial information and provide the reader with a more nuanced and in-depth picture of the business.

No new performance measures have been added during the period compared with the preceding quarter. In cases where the numerical basis for calculating alternative performance measures is not stated in the report, see annex 1 for additional information.

Return on equity¹⁾

Net profit for the year attributable to the shareholders in the parent company in % of average equity attributable to the shareholders in the parent company.

Return on capital employed¹⁾

Operating income plus interest income in % of average capital employed.

Gross margin

Gross profit, i.e. net sales less cost of goods sold, divided by net sales.

Equity per share

Equity attributable to the parent company shareholders divided by average number of shares.

Non-recurring items

Income statement items which are of a non-recurring nature in normal business operations. Non-recurring items may, for example, include restructuring costs, impairments and product-related warranties attributable to specific customer commitments. The purpose of specifying these is to be able to demonstrate the trend in the underlying business.

R&D, %¹⁾

Total research and development expenditure excl. depreciation, divided by net sales.

Cash flow per share

Cash flow from operating activities divided by average number of shares.

Net debt¹⁾

Interest-bearing liabilities and provisions less cash and cash equivalents and interest-bearing receivables.

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⁾

Net profit for the year attributable to the parent company shareholders divided by weighted average number of shares.

Net interest income/expense¹⁾

Difference in absolute terms between recognized interest income for financial assets and interest expenses for interest-bearing liabilities and provisions.

Interest coverage ratio¹⁾

Operating profit excluding non-recurring items plus interest income divided by interest expenses.

Operating margin

Operating profit in % of net sales for the period.

Adjusted operating margin

Operating profit excluding non-recurring items in % of net sales for the period.

Adjusted operating margin excluding investment in new technology

Operating profit excluding product development expenses for new technology and non-recurring items, % of net sales for the period.

Operating profit¹⁾

Profit from operations before financial items and tax.

Adjusted operating profit

Profit from operations before financial items and tax, adjusted for non-recurring items.

Adjusted operating income, excluding new technology

Profit from operations before financial items and tax, adjusted for non-recurring items and development expenses for new technology.

Equity/assets ratio

Equity including non-controlling interests in % of total capital.

Capital employed¹⁾

Total assets less non-interest-bearing liabilities and non-interest-bearing provisions.

Currency-adjusted information¹⁾

Financial figure converted at the same exchange rate as in the comparison period. The purpose is to show how the business operation would have developed without the impact of changes in exchange rates in the consolidation of foreign units.

¹⁾ Supplementary financial information is presented in Annex 1.

GLOSSARY

ABA

Haldex's automatic brake adjuster, which is used in drum brakes in heavy vehicles.

ABS

A system that prevents the wheels from locking during braking. ABS stand for Anti-lock Braking System.

ADB

Compressed air disc brake.

Air Controls

Haldex product line for products that improve the safety and driving dynamics of the brake system, such as treatment and dehumidifying of compressed air, valves, ABS and EBS.

EBS

Electronically controlled brake system. EBS acts as a key part of pneumatic brake systems and can monitor and control the brake system. In brake systems without EBS, the braking force on the wheels is always the same, while in vehicles with EBS the braking force is distributed differently depending on need.

Aftermarket

The selling of spare parts, training and services to the workshops which repair and service vehicles that have entered service.

EMB

Electromechanical brakes. These are part of an electronic braking system, i.e. the pneumatic brake system is replaced by an electronic brake system. Electromechanical brakes are currently approved in China, but not in North America and Europe.

FABV

Fast Acting Brake Valve, one of the products in new technology. FABV is a valve that is used in brake systems based on compressed air to reduce braking distance and improve control of the vehicle's path.

Foundation Brake

Haldex product line for brake products for wheel ends such as disc brakes, brake adjusters for drum brakes and actuators.

New technology

New technology means the Scalable Brake Systems, which includes EMB and FABV. These are developed partly in-house at Haldex and partly via the Haldex joint venture with VIE in China.

OEM

Original Equipment Manufacturer, i.e. manufacturer of vehicles.

Truck

Heavy goods vehicles and buses.

Trailer

Towed vehicles attached to a tractor (goods vehicle).

ANNEX 1

NUMERICAL BASIS FOR ALTERNATIVE PERFORMANCE INDICATORS

Sales

	Recognized sales Oct-Dec 2020	Currency- adj- ustment to exchange rates of previous year	Currency- adj- usted sales Oct-Dec 2020	Δ	Recognized sales full year 2020	Currency- adj- ustment to exchange rates of previous year	Currency- adj- usted sales full year 2020	Δ
SEKm								
Group	989	87	1,076	9%	4,007	133	4,140	3%
Total	989	87	1,076	9%	4,007	133	4,140	3%

Sales per region

	Recognized sales Oct-Dec 2020	Currency- adj- ustment to exchange rates of previous year	Currency- adj- usted sales Oct-Dec 2020	Δ	Recognized sales full year 2020	Currency- adj- ustment to exchange rates of previous year	Currency- adj- usted sales full year 2020	Δ
SEKm								
Europe	368	12	381	3%	1,438	19	1,457	1%
North America	459	53	512	11%	1,965	58	2,023	3%
Asia and Middle East	123	6	129	5%	468	13	481	3%
South America	39	16	55	42%	136	43	179	32%
Total	989	87	1,076	9%	4,007	133	4,140	3%

Sales per product line

	Recognized sales Oct-Dec 2020	Currency- adj- ustment to exchange rates of previous year	Currency- adj- usted sales Oct-Dec 2020	Δ	Recognized sales full year 2020	Currency- adj- ustment to exchange rates of previous year	Currency- adj- usted sales full year 2020	Δ
SEKm								
Foundation Brake	549	48	597	9%	2,200	79	2,279	4%
Air Controls	440	39	479	9%	1,807	54	1,861	3%
Total	989	87	1,076	9%	4,007	133	4,140	3%

Sales per customer category

	Recognized sales Oct-Dec 2020	Currency- adj- ustment to exchange rates of previous year	Currency- adj- usted sales Oct-Dec 2020	Δ	Recognized sales full year 2020	Currency- adj- ustment to exchange rates of previous year	Currency- adj- usted sales full year 2020	Δ
SEKm								
Truck - heavy trucks	178	22	200	12%	701	40	741	6%
Trailer	288	15	303	5%	1,174	23	1,197	2%
Aftermarket	523	50	573	10%	2,132	70	2,202	3%
Total	989	87	1,076	9%	4,007	133	4,140	3%

NUMERICAL BASIS FOR ALTERNATIVE PERFORMANCE INDICATORS, QUARTERLY DATA

	2020				2019			
SEKm, unless otherwise stated	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Non-recurring items								
- Restructuring expenses	-48	-8	-46	-7	-175	-12	-17	0
- Impairment of asset	-5	-70	-101	-	-	-	-	-
- Capital gain on property Blue Springs	35	-	-	-	-	-	-	-
- Dispute India	-	-1	-	-	-	-	-	-
- External services related to the ownership situation	-4	-2	-1	-6	-2	-5	-1	0
- Product-related warranty costs	-	-	-	0	0	0	0	0
Total non-recurring items	-22	-81	-148	-13	-177	-17	-18	0
Research and development expenses excl. depreciation	-48	-50	-55	-63	-67	-54	-59	-56
Product development expenses for new technology	-10	-10	-12	-12	-14	-10	-12	-11
Joint venture EMB	-2	-7	-8	-7	-7	-7	-7	-
Scalable Brake Systems	-11	1	0	-2	-5	-2	-6	-4
Total operating expenses for new technology	-13	-6	-8	-9	-12	-9	-13	-4
Net interest income and financial items								
Interest income	-1	1	0	1	2	4	4	3
Interest expenses	-13	-17	-6	-6	-13	-14	-13	-9
Total net interest income/expense	-14	-16	-6	-5	-11	-10	-9	-6
Financial exchange rate effect	-33	13	-4	-19	0	-6	4	0
Other financial items	-2	-3	-2	-1	-1	-1	-3	-1
Total financial items	-46	-6	-12	-25	-12	-17	-8	-7
Net debt								
- Interest-bearing assets	440	466	260	294	315	217	196	280
Interest-bearing liabilities, including derivative instruments	-888	-904	-920	-949	-768	-761	-731	-724
- Pension liabilities	-578	-658	-651	-571	-562	-540	-511	-498
Total net debt¹⁾	-1,026	-1,096	-1,311	-1,226	-1,015	-1,084	-1,046	-942
Capital employed								
Total assets	4,063	4,290	4,300	4,720	4,413	4,461	4,374	4,377
Non-interest-bearing liabilities and provisions	-1,024	-1,070	-965	-1,235	-1,116	-1,048	-1,062	-1,043
Total capital employed	3,039	3,220	3,335	3,485	3,297	3,413	3,312	3,334
Average capital employed	3,311	3,381	3,417	3,403	3,366	3,198	2,941	2,699
Net income attributable to the shareholders in the Parent Company								
Profit/loss for the period	-61	-104	-139	3	-149	37	49	68
Profit attributable to non-controlling interests	1	1	0	1	0	1	2	1
Total net income attributable to shareholders in the Parent Company	-62	-105	-139	2	-149	36	47	67
Equity attributable to shareholders in the Parent Company								
Equity	1,203	1,300	1,437	1,602	1,537	1,745	1,675	1,708
Equity attributable to non-controlling interests	31	31	30	34	32	33	33	31
Total equity attributable to shareholders in the Parent Company	1,172	1,269	1,407	1,568	1,505	1,712	1,642	1,677
Average equity attributable to shareholders in the Parent Company	1,385	1,492	1,567	1,621	1,624	1,641	1,610	1,577
Average number of shares	48,638	48,638	47,164	44,216	44,216	44,216	44,216	44,216

¹⁾ The effect of IFRS16 - Finance Leases has been excluded