

HALDEX INTERIM REPORT JANUARY-MARCH 2021

Q1 2021

Sharp increase in profitability in the first quarter

FIRST QUARTER 2021

- Sales fell by 8 percent to SEK 1,080m (1,180). The organic growth increased by 1 percent.
- Gross margin improved by 4.6 percentage points to 31.1 percent (26.5).
- Adjusted operating profit increased to SEK 115m (43), equivalent to an adjusted operating margin of 10.6 percent (3.6).
- Adjusted operating margin, excluding investments in new technology, was 11.5 percent (4.4).
- Reported operating income totaled SEK 142m (30). Non-recurring effects of net SEK +27m, including a profit of SEK 43m on the sale of the property in Kansas City in the United States, had an impact on profit.
- Changes in exchange rates had a negative impact on operating income of SEK -17m (+13).
- Profit after tax was SEK 95m (3). Tax totaled SEK -32m (-1).
- Earnings per share were SEK 1.94 (0.04).
- Cash flow from operating activities totaled SEK -30m (-43).
- The savings programs developed according to plan and reduced expenses by SEK 88m, whereof the structural savings amounted to SEK 57m.
- The Board of Directors has appointed Jean-Luc Desire as the new CEO. The new CEO will take up his duties by July 1, 2021, at the latest.
- The supply chain is strained due to increased raw material costs and component shortages.

EVENTS AFTER THE QUARTER

- The Board of Directors has decided to update the financial targets and dividend policy.
- A joint venture has been formed with FAST Group to produce and sell Air Disc Brakes and aftermarket service with initial focus on the Chinese market.

Group overview, SEKm	First quarter			Rolling 12 m	Full year
	Jan-Mar 2021	Jan-Mar 2020	Δ	Apr 2020 - Mar 2021	2020
Net sales, SEKm	1,080	1,180	-8%	3,907	4,007
Organic growth	1%	-14%	-	-	-20%
Operating income, SEKm	142	30	380%	12	-100
Adjusted operating profit, SEKm	115	43	170%	235	163
Operating margin, %	13.1	2.5	10.6	0.3	-2.5
Adjusted operating margin, %	10.6	3.6	7.0	6.0	4.1
Adjusted operating margin excl. investment in new technology, %	11.5	4.4	7.1	6.9	5.0
Return on capital employed, % ¹	0.0	1.2	-1.2	0.0	-3.8
Return on capital employed excluding non-recurring items, % ¹	7.7	8.6	-0.9	7.7	5.0
Profit after tax, SEKm	95	3	na	-208	-300
Earnings per share, SEK	1.94	0.04	na	-4.37	-6.44
Cash flow, operating activities, SEKm	-30	-43	13	228	215

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

COMMENTS FROM THE CEO



The first quarter continued to be affected by the ongoing COVID-19 pandemic. However, continuing recovery was recorded in most of our segments and markets. Haldex reported stable sales, and our cost savings programs have delivered according to plan, contributing to a sharp increase in the operating margin in line with our long-term target. Haldex significantly strengthens its presence in China by a strategic partnership in April with market leading FAST Group regarding Air Disc Brakes.

CONTINUED RECOVERY IN THE FIRST QUARTER

Net sales are back to pre-pandemic levels and totaled SEK 1,080m (1,180) in the first quarter, equivalent to an organic growth of 1 percent compared to the same period previous year. The 13 percent depreciation of the US dollar had a negative impact, as North America accounts for about 40 percent of Haldex's sales.

The trend across our regions was mixed. Net sales for Region America amounted to SEK 538m (652) corresponding to a negative organic growth of 4 percent. The region showed a pleasing recovery from the previous quarter. Sales to the truck segment remained challenging but improved toward the end of the quarter. Region Europe noted a strong recovery in all segments and net sales amounted to SEK 430m (417) corresponding to an organic growth of 8 percent compared to

same period previous year. Net sales in Region Asia amounted to SEK 112m (111), also corresponding to a growth of 8 percent.

Net sales to the truck segment amounted to SEK 185m (224) in the quarter corresponding to an organic negative growth of 5 percent compared to the same period previous year. This is primarily because we lost a major customer in North America in early 2020 and because of continued strained supply chains. On the other hand, our increased focus on the trailer segment paid off and sales amounted to SEK 348m (352), an organic growth of 6 percent compared to last year. Aftermarket sales amounted to SEK 547m (604), an organic increase by 1 percent.

Sales in the Foundation Brake product line amounted to SEK 588m (662) corresponding to a negative organic growth of 2 percent, and sales in the Air Controls product line was SEK 492m (518), an organic growth of 5 percent.

SHARP RISE IN PROFITABILITY

Adjusted operating profit totaled SEK 115m (43), and the equivalent margin increased to 10.6 percent (3.6). This is the highest margin since 2011 and is in line with our long-term target of 10 percent. The increase is due to an improved gross margin and a significantly lower share of operating expenses due to our extensive savings programs. Operating expenses decreased by SEK 88m during the quarter, of which the structural savings accounted for SEK 57m. Cash flow also improved compared to the same period in the previous year, mainly due to the strong result.

UPDATED FINANCIAL TARGETS

The Board of Directors of Haldex has decided to update the financial targets and dividend policy. Over the past year, the management and the Board have been working on a strategic review of the business and a more powerful action program aimed at boosting profitability. These efforts have resulted in both cost savings programs and product development that is more focused on electrification. Work on the strategic review is continuing, and we intend to provide an update during the second half of 2021 instead of in the second quarter that was previously communicated, due to the change of CEO. The updated financial targets are presented on page 11.

PRODUCT AND OFFERING

The development of our proposition focusing on the trailer segment and aftermarket continues. As well as growing our position as an Air Disc Brake supplier of specific applications addressing both trucks and bus OEMs. Investments are focused on niches where Haldex has clear competitive advantages and where our flexibility, close customer relationships and open architecture in innovative brake solutions make a difference. To strengthen our presence in the more profitable aftermarket, we may make acquisitions in this segment.

Our key focus on electrification and our EMB product is proving successful, and there was increasing interest from key OEMs in both Europe and the United States during the quarter. The progress of EMB, which is also being evaluated by two European-based global truck manufacturers and several bus manufacturers in China, shows that we have an attractive and well-positioned product offering.

SALES, CUSTOMERS AND PARTNERSHIPS

Overall, I am satisfied with the trend in the first quarter. The recovery continued, operating income improved significantly, and we achieved our highest operating margin since 2011. It was also pleasing to see that our focus on the trailer market led to strong sales in Europe. We are purposefully working toward entering into further partnerships that can contribute to increased volumes and improved profitability.

I am delighted to be able to report that we have reached an important milestone in taking a stronger position regarding Air Disc Brakes in China. In mid-April we announced the agreement to form a joint venture company with FAST Group, the market leader in China in, for example, transmissions and gearboxes for heavy vehicles. The objective of the new JV is to launch a complete range of Haldex ModulT Air Disc Brakes for trucks and buses, using Haldex's innovation, IP and technology to leverage FAST Group's strong market position in China. The agreement was formed after a period of close dialogue and collaboration, including extensive testing and multiple market feasibility studies.

The parties have excellent strategic and industrial fit and joint strong ambitions. With market leading FAST Group, we will address an attractive emerging market with large potential

expected to grow significantly in the coming years due to regulatory requirements driving increased vehicle safety.

HANDOVER TO JEAN-LUC DESIRE

At the beginning of July, I will be handing over the role of CEO to Jean-Luc Desire. The Haldex I joined as a Board member and later became CEO of in 2019 was a company with major challenges ahead. The entire industry was also put under tremendous pressure by the global pandemic. I have focused on reducing Haldex's cost base, streamlining the organization, in parallel with driving the development of new products to secure Haldex's position in the future. We are now beginning to see solid results from these efforts, which I am happy and proud of. It is with warm regards that I hand over the reins to my successor Jean-Luc.

OUTLOOK

Although the first quarter noted a continued recovery and increased optimism, considerable uncertainties remain. Like the rest of the market, we are struggling with strained supply chains and rising commodity prices, mainly for iron and steel, which will put pressure on margins going forward. We are actively working to mitigate the impact of the rising commodity prices, which includes negotiating with our suppliers. We also have a continued focus on cost optimization and flexibility and are therefore confident that Haldex will have a good development in 2021.

Helene Svahn

President and CEO

EVENTS DURING THE QUARTER

On March 11, the Board of Directors announced that Jean-Luc Desire had been recruited as the new CEO to replace Helene Svahn. The new CEO will take up his duties by July 1, 2021, at the latest.

SAVINGS PROGRAMS

Haldex is undergoing a major restructuring with the aim of improving efficiency, lowering costs and increasing the 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 the COVID-19 pandemic and its knock-on effects have accelerated the need to reduce costs both in short and long terms. The savings measures, which, among other things, have related to the

EVENTS AFTER THE QUARTER

After the end of the quarter, Haldex formed a joint venture with FAST Group to produce and sell Air Disc Brakes, both for new production and aftermarket, focusing initially on China.

The Board of Directors has decided to update the financial targets and dividend policy.

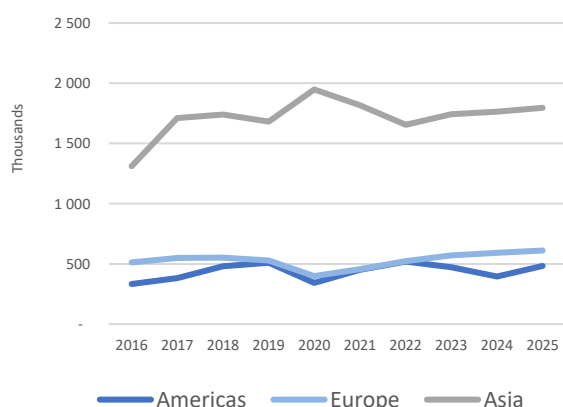
comprehensive product development are of such a nature that they will not affect Haldex's innovative capabilities regarding products that are judged to have the best ability to create value in the future. The savings also do not affect Haldex's service and sales capacity.

Total savings from these activities amounted to SEK 88m during the first quarter, where of the structural savings contributed with SEK 57m in the quarter.

STRUCTURAL SAVINGS PROGRAMS				Outcome non-recurring costs		
SEKm	Saving from:	Estimated annual saving, SEKm	Estimated non-recurring cost, SEKm	2019	2020	2021, Q1
Friction Centers, United States	May 2019	28	0	5	6	-
Heidelberg, Germany	Sept 2020	50	156	143	13	-
Blue Springs, United States	Oct 2020	25	40	24	16	-
Total footprint-related programs		103	196	172	35	0
Cost Base Adjustment 1 (structural)	July 2020	100	33	-	33	-
Cost Base Adjustment 2 (structural)	Q2 2021	100	tba	-	41	-
Total		303	229	172	109	0

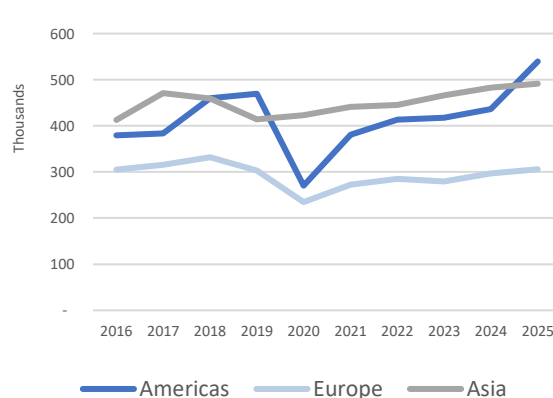
MARKET DEVELOPMENT AND UPDATED FORECAST FOR NEW PRODUCTION

New production, trucks including buses



Source: LMC Automotive, Q1 2021

New production, trailers



Source: Clear, Q1 2021

FINANCIAL SUMMARY OF THE FIRST QUARTER OF 2021

Net sales

Net sales in the first quarter amounted to SEK 1,080m (1,180) corresponding to an organic growth of 1 percent compared to the same period previous year. The trend in volume recovery remains positive compared to previous quarters. Sales in the Truck segment amounted to SEK 185m (224), a negative organic growth of 5 percent, mainly due to weaker North American market at the start of the quarter, together with the negative impact of a lost major deal in the region. However, investments in Trailer and Aftermarket resulted in an increased organic sale. Sales in the Trailer segment was SEK 348m (352), an organic growth of 6 percent, and for Aftermarket the sales was SEK 547m (604), an organic growth of 1 percent compared to the same period previous year.

Net sales in Region America amounted to SEK 538m (652), a negative organic growth of 4 percent. Sales in Region Europe amounted to SEK 430m (417) and in Region Asia it was SEK

112m (111), an organic growth for both regions of 8 percent. North America started the year at a low level, but we saw a strong improvement towards the end of the first quarter. All segments in Europe performed stronger than in the previous year, while growth in Asia largely explained by a weak comparison quarter as the region was affected early by the COVID-19 pandemic.

According to the latest market statistics, the truck market was relatively unchanged for the Americas region, while the trailer market grew by 64 percent. Equivalent market data for volumes in Europe showed that the truck market fell by 7 percent, while trailer production increased by 35 percent. Volumes in Asia increased by 68 percent overall, as China was negatively impacted by the COVID-19 pandemic during the comparative period.

Sales per region

	First quarter			Rolling 12 m	Full year
	Jan-Mar 2021	Jan-Mar 2020	Δ ¹	Apr 2020 - Mar 2021	2020
Sales by region, SEKm					
Europe	430	417	8%	1,451	1,438
Americas	538	652	-4%	1,987	2,101
Asia and Middle East	112	111	8%	469	468
Total	1,080	1,180	1%	3,907	4,007

¹ Organic

Sales per product

	First quarter			Rolling 12 m	Full year
	Jan-Mar 2021	Jan-Mar 2020	Δ ¹	Apr 2020 - Mar 2021	2020
Sales by product, SEKm					
Foundation Brake	588	662	-2%	2,126	2,200
Air Controls	492	518	5%	1,781	1,807
Total	1,080	1,180	1%	3,907	4,007

¹ Organic

Sales per customer category

	First quarter			Rolling 12 m	Full year
	Jan-Mar 2021	Jan-Mar 2020	Δ ¹	Apr 2020 - Mar 2021	2020
Sales by customer category, SEKm					
Truck - heavy trucks and buses	185	224	-5%	662	701
Trailer - trailers	348	352	6%	1,171	1,174
Aftermarket	547	604	1%	2,074	2,132
Total	1,080	1,180	1%	3,907	4,007

¹ Organic

Operating profit

Adjusted operating profit for the first quarter increased to SEK 115m (43), equivalent to an adjusted operating margin of 10.6 percent (3.6). The improvement in adjusted operating margin was mainly explained by higher sales together with efficiency improvement and implemented cost-saving activities.

Costs were reduced by SEK 88m in the quarter as a result of ongoing long-term structural savings programs and short-term programs that were rolled out in 2020 and are still ongoing. The full effect of the long-term programs is expected to be achieved in the second half of 2021.

Reported operating income totaled SEK 142m (30) during the first quarter, equivalent to an operating margin of 13.1 percent (2.5). The operating profit included positive non-recurring items of SEK 27m net, consisting of a profit of SEK 43m on the disposal of our property in Kansas City in the United States and costs of SEK 16m relating to our strategic review of the company.

The quarter saw a sharp rise in gross margin, which improved by 4.6 percentage points year-on-year to 31.1 percent (26.5). This improvement is also largely due to the activities we implemented in 2020, with the consolidation of our production and the closure of two production units as well as more general reductions in fixed production costs.

No government support was received in the first quarter in response to the COVID-19 pandemic.

Currency fluctuations, including gains or losses on currency hedging and currency translation effects, had a negative impact on consolidated operating income of SEK 17m (+13) during the first quarter. The currency effect in net financial income/expense during the first quarter was SEK -6m (-19).

Product development

Investments in new technology and product development are ongoing. 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). The costs of maintenance of existing products and research for the development of new products are continuously recognized in profit or loss. Haldex estimates that, based on a historic average, these costs normally account for 3-5 percent 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 2020 Annual Report. Haldex currently has a number of ongoing development projects in progress, in particular in new technology, which do not yet fulfill the requirements for capitalization and are therefore recognized as R&D expenses. In addition to expenditure recognized as expenses in the income statement, SEK 24m (33) was capitalized as an

asset in the balance sheet during the quarter. Capitalized expenses related to the development of the EBS and EMB products. Total R&D expenditure, including development expenses, was SEK 48m (63) during the quarter, equivalent to 4.5 percent (5.3) of sales.

The company's Chinese joint venture (JV), Haldex VIE, is continuing to develop favorably, and we are preparing for the launch of EMB in 2021. Development work on the electromechanical braking system for electric buses and other uses on the Chinese market continued during the year, and expenses totaled SEK 4m (7) for the first quarter. In the fourth quarter of 2020, capitalization of development expenses in the JV began, with a positive impact on the share of profit of SEK 3m (0) in the first quarter.

Taxes

Tax expense for the first quarter totaled SEK 32m (1), equivalent to a tax rate of 25 percent (28). The tax rate for the quarter is in line with the average tax rate for the Group based on the profit and local tax rate of the Group company concerned.

Deferred tax assets for tax loss carry-forwards are capitalized to the extent that it is probable that they can be capitalized against tax surplus.

Profit for the period and earnings per share

Profit after tax for the first quarter totaled SEK 95m (3). Basic and diluted earnings per share were SEK 1.94 (0.04).

Cash flow

Cash flow from operating activities totaled SEK -30m (-43) during the first quarter. Cash flow from operating activities during the quarter was positively impacted by the higher operating income but negatively impacted by increased capital tied up in the quarter in comparison with the previous year.

The increase in tied-up capital in the quarter is largely due to an increase in trade receivables due to higher sales at the end of the quarter, but also due to increased inventory, firstly to meet the higher demand we expect in the second quarter, and secondly due to more goods being held up in ports as a consequence of the rapid ramping-up of transport flows, as well as the temporary effects of the blocking of the Suez Canal.

Investments, including capitalized development expenses, totaled SEK 64m (130). Investments in the first quarter of 2020 included the temporary acquisition of the building in Heidelberg, Germany of SEK 54m. In addition to this year's investments, cash flow from investment activities includes a positive impact of SEK 53m related to the sale of the property in Kansas City in the United States, which was completed during the quarter.

NET DEBT AND NET INTEREST INCOME/EXPENSE

	Mar 31, 2021	Mar 31, 2020
Net debt and net interest income/expense, SEKm		
Asset items in net debt:		
Cash and cash equivalents	396	294
Liability items in net debt:		
Interest-bearing liabilities including derivative instruments	-925	-949
Pension liabilities	-524	-571
Total net debt, excl. IFRS16 - Finance leases	-1,053	-1,226
Debt attributable to IFRS16	-388	-384
Total net debt, incl. IFRS16 - Finance leases	-1,441	-1,610
Net interest income/expense for current year	-6	-5

As of March 31, the Group's net debt including IFRS 16 was SEK 1,441m (1,610), a decrease of SEK 169m compared to the same period previous year. SEK 126m of the decrease is attributable to the positive cash flow and mainly consist of lower capital tied up by the end of the quarter compared to the same period previous year and lower investments. We also sold a building during the quarter with a positive cash flow of SEK 53m, and in the comparison with the first quarter of 2020 we also have a positive impact from the two sales of buildings that took place during 2020 totaling SEK 92m.

In addition, SEK 47m can be attributed to the revaluation of the pension liability, mainly due to higher interest rates while changes in lease liability under IFRS 16 has a negative impact on net debt of SEK 4m.

Of Haldex's net debt of SEK 1,441, SEK 388m (384) can be attributed to IFRS 16 and SEK 524m (571) to the pension liability.

Financial items totaled SEK -16m (-26) in the first quarter, of which net interest income/expense, including IFRS 16, was SEK -6m (-5). The equity ratio was 32 percent (34) for the first quarter.

Haldex loan financing consists primarily of:

- A long-term loan maturing in April 2022 of SEK 270m, replacing a previous bond loan of SEK 270m that matured in January 2020.
- A syndicated credit facility of EUR 90m, maturing in April 2022. EUR 63m of this facility had been utilized 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. The Group sometimes has product warranties and customer commitments that cannot be reliably estimated. For more information, see 'Significant risks and uncertainties' on page 11.

REGION AMERICA

Sales, SEKm	First quarter			Rolling 12 m	Full year
	Jan-Mar 2021	Jan-Mar 2020	Δ ¹	Apr 2020 - Mar 2021	2020
Truck	86	130	-20%	282	326
Trailer	104	109	10%	339	344
Aftermarket	348	413	-3%	1 366	1 431
Total	538	652	-4%	1 987	2 101

¹ Organic

Significant events

- The COVID-19 pandemic has eased in North America while the situation in South America is improving more slowly.
- Haldex has launched the Air Disc Brake intended for the American trailer market while at the same time, launching two variants of brake actuators intended for drum brake applications.

Market trend

Production of new trucks and trailers returned to pre-pandemic levels in the first quarter. Compared with the fourth quarter the market increased and showed steadily increasing production volumes. In the aftermarket, we continue to experience strong service parts demand in the independent aftermarket and OE service segments; and the demand increased compared to the previous quarter.

Business during the quarter

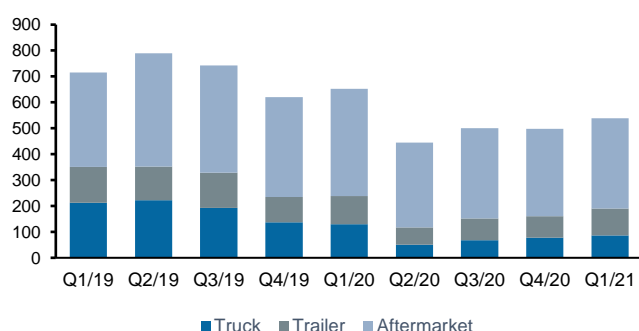
Region America accounted for about 50 percent of Haldex sales in the first quarter; the majority of these coming from the North American market. The organic growth decreased by 4 percent compared to the previous year. The decrease was driven mainly by the non-renewal of an OEM contract with a major US based truck customer and uncertainty and volatility in the supply chain. The sales to the truck segment was down 20 percent from previous year. However, the strong recovery of the OEM trailer market and increased penetration by Haldex in North and South America, resulted in a sales increase of 10 percent. The aftermarket, which accounted for about 65 percent of the region's sales, was down by 3 percent.

Due to inflation and the significant changes in exchange rate in Brazil, Haldex found it necessary to drive price increases throughout the quarter in the South American market. Haldex also completed the sale and lease-back contracts for the Americas headquarter facility in Kansas City Missouri. This sale had a positive non-recurring income in the quarter of SEK 43m.

Future outlook

Truck production is expected to increase by 32 percent in 2021 compared to 2020. Significantly more trucks are needed to handle the freight growth generated by the economic recovery and government stimulus. However, truck production continues to be substantially limited by shortages of semiconductors and various other components. Fleets keep ordering in large quantities to secure trucks for future needs. Trailer production is projected to grow 41 percent under 2021 with some trailer manufacturers already having full order books for the year. Aftermarket is our most profitable segment, and we are continuing to work on further broadening and deepening our aftermarket offering. The growth initiatives are based on our established relationships with many distributors and operators of vehicle fleets and should have a clear impact in 2021. The global shortage of integrated circuits has emerged as a potential risk to Haldex in the region, mostly thought to be contained to the second quarter 2021. This shortage has the potential to impact new truck production rates for up to several weeks in the quarter; however, Haldex's sales mix favoring the profitable aftermarket products should remain largely unaffected.

Sales per customer category, SEKm



Sales per product line



REGION EUROPE

Sales, SEKm	First quarter			Rolling 12 m	Full year
	Jan-Mar 2021	Jan-Mar 2020	Δ ¹	Apr 2020 – Mar 2021	2020
Truck	45	41	19%	142	138
Trailer	203	198	5%	663	658
Aftermarket	182	178	7%	646	642
Total	430	417	8%	1,451	1,438

¹ Organic

Significant events

- Robust sales increase across all three segments.
- Uncertainty and volatility in the supply chain, e.g. lack of containers and semiconductors, blocked Suez channel etc. caused delayed deliveries and backlog.
- Additional new orders for Air Disc Brakes and actuators received by two main customers.

Market trend

The market continued to grow strongly in the first quarter, which gave rise to increased production volumes and increased inflow of new orders. New production of trucks and trailers increased by 15 and 16 percent, respectively, compared to the previous year. Uncertainty and volatility in the supply chain remains high at least until the third quarter 2021.

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, which lead to a common winter test with one of the major OEMs.

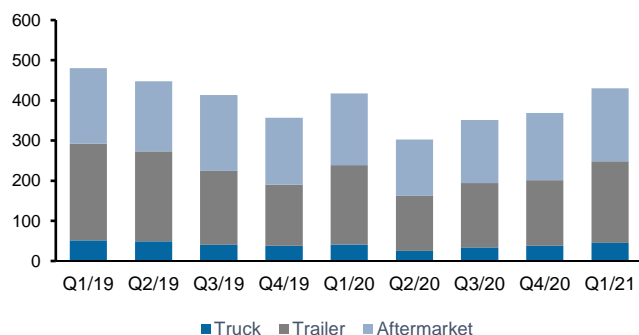
Business during the quarter

Region Europe accounted for 40 percent of Haldex sales in the first quarter. The organic sales increased by 8 percent compared to the previous year. The increase is mainly the result of most truck manufacturers working through their backorders. Sales to the truck segment, which accounted for 10 percent of the region's sales, grew strongly by 19 percent. The trailer segment, which accounts for 47 percent of the region's sales, noted an organic growth of 5 percent compared to the previous year. Our increased focus on the aftermarket has shown results, and the aftermarket share of the region's total sales accounted for 42 percent.

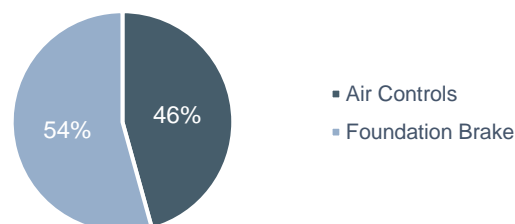
Future outlook

Haldex is continuing the work to strengthen its position as an innovative Air Disc Brake specialist and supplier of complete systems in Europe. The marketing of EB+4.0, the fourth generation of our innovative electronic brake platform for trailers, continues and will be presented during the exhibition Solutrans in France in November 2021. Delivery of the first systems is expected in the third quarter 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 improving efficiency and margin.

Sales per customer category, SEKm



Sales per product line



REGION ASIA & MIDDLE EAST

Sales, SEKm	First quarter			Rolling 12 m	Full year
	Jan-Mar 2021	Jan-Mar 2020	Δ ¹	Apr 2020 – Mar 2021	2020
Truck	54	53	11%	237	236
Trailer	41	44	-3%	170	173
Aftermarket	16	14	34%	62	59
Total	112	111	8%	468	468

¹ Organic

Significant events

- Sales in the first quarter was better than expected.
- After the end of the quarter, Haldex has entered a joint venture with FAST Group to produce and sell Air Disc Brakes and aftermarket service with initial focus on China.

Market trend

Production of new trucks and trailers in the first quarter has shown significant growth compared to the same period previous year. In 2020 the COVID-19-pandemic impacted the vehicle production already in the first quarter. The full year market forecast shows declining truck volume, but it will be compensated by a recovering bus segment and steady growth of trailer volume. The truck volume decline is mainly attributed to extreme high demand in China last year. The India market has shown significant growth while the Korea market has not yet fully recovered from COVID-19.

Business during the quarter

Region Asia accounted for 10 percent of Haldex sales in the first quarter. The organic sales increased by 8 percent compared to the previous year. The increase was partly driven by weak comparison numbers for the truck and aftermarket segment. The Truck segment noted an organic increase by 11 percent and the sales was better than post COVID-19 in both China and India, the two major markets in the region. The Trailer segment noted an organic decrease by 3 percent compared to the previous year. The Aftermarket, which counts for 15 percent of total regional sales increases by 34 percent from previous year.

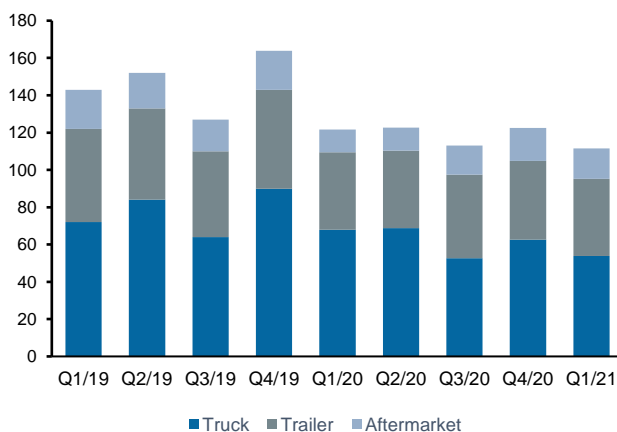
Among the product portfolio, brake adjusters are still the main product and contributed 54 percent of total regional sales. Compared with the first quarter 2020, brake adjuster grew by 5 percent thanks to higher market share in major truck OEMs in China and India. Thanks to increasing demand driven by legislation, air suspension product grew almost 50 percent in the first quarter.

Future outlook

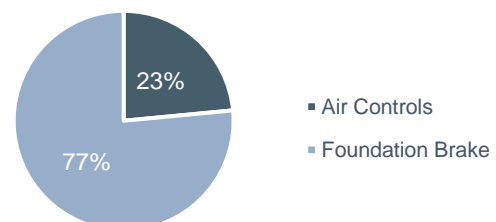
Most industry experts forecast that the truck market in China will slow down in the second half of 2021.

In April, Haldex has entered a joint venture with FAST Group to produce and sell Air Disc Brakes and aftermarket service with an initial focus on China. The ADB market in China is expected to grow strongly in the coming years due to regulatory requirements that drive increased vehicle safety.

Sales per customer category, SEKm



Sales per product line



EMPLOYEES

The number of employees at the end of the quarter was 2,021 (2,183), which is 162 less than in the first quarter of 2020. The fall in the number of employees is principally due to the closing down of production in Heidelberg in Germany and Blue Springs in the United States. In addition, the effects of the cost saving programs are beginning to become apparent on the number of staff employees in high-cost countries such as Sweden, the United States and France.

At year-end 2020, the number of employees was 1,990, and the increase in the first quarter is largely due to an increase in sales and higher volumes, resulting in more employees in production.

PARENT COMPANY

Haldex AB (publ), corporate identity number 556010-1155, is a registered limited liability company with its registered office in Landskrona, Sweden. Haldex AB shares are listed on Nasdaq Stockholm. The parent company fulfils head office functions, including the corporate finance function. Net sales for the Parent Company totaled SEK 25m (31) during the first quarter. Profit after tax was SEK 6m (12).

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 2020 Annual Report and Corporate Governance Report, on pages 42–47. The section on risks in the Annual Report makes it clear that the consolidated financial statements require certain judgements and assumptions to be made 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 carrying amounts. 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-term and long-term impacts of the COVID-19 pandemic on Haldex's earnings and value. Haldex has 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, including trucks, trailers and buses. The supply chain is currently, and is expected to continue to be, strained due to increased raw material costs and component shortages. It is difficult at present to predict the magnitude of the future impact, but delivery difficulties and increased costs in terms of more expensive materials/components, together with higher shipping costs, affected the company in the first quarter, and is expected to have a continued impact during the rest of the year.

SHARES AND SHARE DATA

Earnings per share for the first quarter were SEK 1.94 (0.04). On the balance sheet date, equity per share was SEK 28.44 (36.24). Haldex had 48,637,567 shares at the end of the period. The share price on January 4, 2021 was SEK 44.30. The price last paid at the end of the quarter, on March 31 2021, was SEK 46.25.

LONG-TERM FINANCIAL GOALS

Growth target:

Organically grow in line with or faster than the company's end markets.

Profitability target:

Achieve a sustainable operating margin above 10 percent.

Capital structure:

A net debt/equity ratio of less than 1.5 (incl. IFRS 16).

Dividend policy:

The dividend shall correspond to 1/3 of the annual net profit taking into account the company's long-term investment needs and financial position.

OUTLOOK FOR 2021

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

Market data show that the OEM market is expected to recover gradually in 2021 and then in 2022 to approach the levels prevailing prior to the start of the pandemic.

Trucks, new production	2020	2021p	2022p	2023p
Americas	340,823	451,187	519,008	471,847
Europe	398,674	457,254	522,910	570,938
Asia	1,948,460	1,817,163	1,655,665	1,741,866

Source: LMC Automotive, Q1 2021

Trailers, new production	2020	2021p	2022p	2023p
Americas	270,314	380,562	413,388	417,482
Europe	422,970	441,281	445,166	466,319
Asia	270,314	380,562	413,388	417,482

Source: Clear, Q1 2021

The supply chain is strained due to shortages of raw materials and components, which means that production disruptions and associated temporary cost increases cannot be ruled out for the remainder 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 such as statements regarding the future 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 substantially from the information supplied in this report, which is future-oriented, due among other things to changes in economic, market and competitive conditions.

TRANSACTIONS WITH RELATED PARTIES

No transactions have taken place between Haldex and its related parties.

SEASONAL EFFECTS

Haldex does not have any significant seasonal variations. On the other hand, sales are affected by the production schedules of 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 first 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 2020 Annual Report on pages 52–56.

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.

Landskrona, April 22, 2021

HALDEX AB

Helene Svahn

President and CEO

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

INCOME STATEMENT

	First quarter		Rolling 12 m	Full year
	Jan-Mar 2021	Jan-Mar 2020	Apr 2020 - Mar 2021	2020
SEKm				
Net sales	1,080	1,180	3,907	4,007
Cost of goods sold	-744	-867	-2,791	-2,914
Gross profit	336	313	1,116	1,093
<i>Gross margin</i>	31.1%	26.5%	28.6%	27.3%
Product development expenses	-30	-37	-124	-131
Selling and administrative expenses	-191	-237	-759	-805
Share of profit from joint venture	-4	-7	-21	-24
Other operating income and expenses ¹	31	-1	-200	-233
Operating income^{1, 2}	142	30	12	-100
Financial items	-16	-26	-79	-89
Profit before tax	126	4	-67	-189
Tax	-32	-1	-141	-111
Net profit for the period	95	3	-208	-300
<i>of which attributable to non-controlling interests</i>	1	1	3	4
Earnings per share, SEK (basic and diluted)	1.94	0.04	-4.37	-6.44
Average number of shares, thousands	48,626	44,204	48,258	47,152

Operating income by nature of expense

	First quarter		Rolling 12 m	Full year
	Jan-Mar 2021	Jan-Mar 2020	Apr 2020 - Mar 2021	2020
Net sales	1,080	1,180	3,907	4,007
Direct material expenses	-585	-645	-2,117	-2,178
Employee benefit expenses	-215	-294	-858	-937
Depreciation, amortization and impairments	-54	-61	-392	-400
Other operating income and expenses	-85	-150	-528	-592
Operating income¹⁾	142	30	12	-100

¹ Non-recurring items included in operating income

	First quarter		Rolling 12 m	Full year
	Jan-Mar 2021	Jan-Mar 2020	Apr 2020 - Mar 2021	2020
SEKm				
Operating profit, including non-recurring items	142	30	12	-100
Restructuring expenses	-16	-7	-118	-109
Impairment of asset	-	-	-176	-176
Capital gain building Blue Springs	-	-	35	35
Capital gain building Kansas City	43	-	43	-
Dispute India	-	-	-1	-1
External services related to the bidding process	-	-6	-6	-12
Operating income, excluding non-recurring items	115	43	235	163

² Operating income, excluding new technology and non-recurring items

	First quarter		Rolling 12 m	Full year
	Jan-Mar 2021	Jan-Mar 2020	Apr 2020 - Mar 2021	2020
SEKm				
Operating income, excluding non-recurring items	115	43	235	163
Scalable Brake Systems	-5	-2	-15	-12
Joint venture, Haldex VIE China	-4	-7	-21	-24
Operating income, excluding new technology	125	52	272	199

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEKm	First quarter		Rolling 12 m	Full year
	Jan-Mar 2021	Jan-Mar 2020	Apr 2020 - Mar 2021	2020
Net profit for the period	95	3	-208	-300
Other comprehensive income				
<i>Items not to be reclassified for the income statement:</i>				
Revaluation of pension obligation, after tax	52	1	15	-36
Total	52	1	15	-36
<i>Items that may be reclassified for the income statement:</i>				
Translation difference	64	59	-147	-153
Change in financial instruments measured at fair value, after tax	-1	2	-4	-1
Total	63	61	-151	-154
Total other comprehensive income	115	62	-136	-189
TOTAL COMPREHENSIVE INCOME	210	65	-344	-489
<i>of which attributable to non-controlling interests</i>	<i>1</i>	<i>1</i>	<i>3</i>	<i>4</i>

BALANCE SHEET

SEKm	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
Goodwill	412	454	385
Other intangible fixed assets	322	385	296
Property, plant and equipment	1,160	1,317	1,090
Financial assets	40	34	41
Deferred tax assets	72	130	74
Total non-current assets	2,005	2,319	1,887
Inventories	867	892	717
Current receivables	1,046	1,160	939
Derivative instruments	39	55	81
Cash and cash equivalents	396	294	440
Total current assets	2,348	2,401	2,177
TOTAL ASSETS	4,354	4,720	4,063
Equity	1,413	1,602	1,203
Pensions and similar obligations	524	571	578
Deferred tax liabilities	17	4	16
Non-current interest-bearing liabilities	1,245	862	1,197
Other non-current liabilities	17	21	18
Total non-current liabilities	1,803	1,458	1,810
Derivative instruments	44	71	46
Current interest-bearing liabilities	64	450	62
Current liabilities	1,028	1,140	943
Total current liabilities	1,137	1,661	1,051
TOTAL EQUITY AND LIABILITIES	4,354	4,720	4,063

CHANGE IN EQUITY

SEKm	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
Opening balance	1,203	1,537	1,537
Net profit for the period	95	3	-300
Other comprehensive income	115	62	-189
Total comprehensive income	210	65	-489
Transactions with shareholders:			
Dividend to Haldex shareholders	-	-	-
New share issue Haldex AB	-	-	157
Dividend to non-controlling interests	-	-	-2
Total transactions with shareholders	0	0	155
Closing balance	1,413	1,602	1,203
<i>of which attributable to non-controlling interests</i>	30	34	27

CONSOLIDATED STATEMENT OF CASH FLOW

SEKm	First quarter		Rolling 12 m	Full year
	Jan-Mar 2021	Jan-Mar 2020	Apr 2020 – Mar 2021	2020
Operating profit	142	30	12	-100
Reversal of non-cash items	22	75	437	490
Interest paid	-9	-7	-48	-46
Tax paid	-31	-14	-51	-34
Cash flow from operating activities before changes in working capital	124	84	350	310
Change in working capital	-154	-127	-122	-95
Cash flow from operating activities	-30	-43	228	215
Investments, incl. capitalization of R&D expenses	-64	-130	-240	-306
Disposal of property, plant and equipment	53	-	114	61
Cash flow from investing activities	-11	-130	-126	-245
Dividend to non-controlling interests	-	-	-2	-2
New share issue Haldex AB	-	-	157	157
Interest-bearing liabilities	-23	132	-122	33
Cash flow from financing activities	-23	132	33	188
Cash flow for the period	-64	-41	135	158
Cash and cash equivalents, opening balance	440	315	294	315
Translation difference on cash and cash equivalents	20	20	157	-33
Cash and cash equivalents, closing balance	396	294	396	440

FINANCIAL INSTRUMENTS BY CATEGORY

SEKm	Mar 31, 2021		Mar 31, 2020	
	Assets	Liabilities	Assets	Liabilities
Currency futures - cash flow hedges	2	4	7	6
Currency futures – measured at fair value through profit or loss	0	0	0	2
Currency swaps – measured at fair value through profit or loss	37	40	48	63
Total	39	44	55	71

PARENT COMPANY INCOME STATEMENT

SEKm	First quarter		Rolling 12 m	Full year
	Jan-Mar 2021	Jan-Mar 2020	Apr 2020 - Mar 2021	2020
Net sales	25	31	98	104
Administrative expenses	-30	-37	-95	-102
Operating profit	-5	-6	3	2
Dividends from Group companies	-	4	15	19
Impairment	-	-	-250	-250
Financial items	19	13	40	34
Income after financial items	14	11	-192	-195
Group contributions	-	-	-43	-43
Profit before tax	14	11	-235	-238
Tax	-8	1	-19	-10
Net profit for the period	6	12	-254	-248

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

SEKm	First quarter		Rolling 12 m	Full year
	Jan-Mar 2021	Jan-Mar 2020	Apr 2020 - Mar 2021	2020
Net profit for the period	6	12	-254	-248
Other comprehensive income	-	-	-	-
Total comprehensive income	6	12	-254	-248

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

SEKm	Mar 31, 2021	Mar 31, 2020
Non-current assets	2,871	3,017
Current assets	1,420	1,439
Total assets	4,291	4,456
Equity	1,059	1,156
Provisions	50	51
Interest-bearing liabilities, external	920	550
Other liabilities	2,262	2,699
Total liabilities and equity	4,291	4,456

FIVE-YEAR SUMMARY

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 profit	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 profit from joint venture	-24	-21	-5	-	-
Other operating income and expenses	-233	-161	-21	-121	-65
Operating profit	-100	105	255	149	204
<i>Operating profit 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 profit from joint venture	-	-	-	-12	-3
Profit 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					
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, SEK (basic and diluted)	-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 The effect of IFRS16 Leases has been excluded. ³ Proposed dividend.

QUARTERLY DATA

	2021	2020				2019			
SEKm, unless otherwise stated	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Income statement									
Net sales	1,080	989	964	875	1,180	1,141	1,283	1,389	1,339
Cost of goods sold	-744	-706	-695	-647	-867	-849	-928	-1,031	-1,005
Gross profit	336	283	269	228	313	292	355	358	334
Product development expenses	-30	-32	-28	-35	-37	-43	-43	-39	-33
Selling and administrative expenses	-191	-189	-185	-195	-237	-215	-227	-229	-223
Share of profit from joint venture	-4	-2	-7	-8	-7	-7	-7	-7	-
Other operating income and expenses	31	-16	-73	-142	-1	-160	-10	-10	19
Operating profit	142	44	-23	-151	30	-133	68	73	97
<i>Operating profit excl. non-recurring items</i>	<i>115</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	-16	-46	-6	-12	-26	-12	-16	-8	-7
Profit before tax	126	-2	-29	-163	4	-145	52	65	90
Tax	-32	-59	-75	24	-1	-4	-15	-16	-22
Net profit for the period	95	-61	-104	-139	3	-149	37	49	68
Balance sheet									
Non-current assets	2,005	1,886	1,964	2,158	2,319	2,227	2,178	2,131	2,086
Current assets	2,348	2,177	2,326	2,142	2,401	2,186	2,283	2,243	2,291
Total assets	4,354	4,063	4,290	4,300	4,720	4,413	4,461	4,374	4,377
Equity	1,413	1,203	1,300	1,437	1,602	1,537	1,745	1,675	1,708
Non-current liabilities	1,803	1,809	1,870	1,873	1,458	1,346	1,358	1,356	1,566
Current liabilities	1,137	1,051	1,119	990	1,661	1,530	1,358	1,343	1,103
Total equity and liabilities	4,354	4,063	4,290	4,300	4,720	4,413	4,461	4,374	4,377
Cash flow									
Cash flow from operating activities	-30	123	231	-96	-43	239	76	97	-84
Cash flow from investing activities	-11	-40	1	-76	-130	-136	-82	-97	-66
Cash flow from financing activities	-23	-88	-21	165	132	1	21	-77	114
Cash flow for the period	-64	-5	211	-7	-41	104	15	-77	-36
Key ratios									
Gross margin, %	31.1	28.6	27.9	26.1	26.5	25.6	27.6	25.7	24.9
Operating margin, %	13.1	4.5	-2.4	-17.2	2.5	-11.6	5.3	5.3	7.2
Operating margin excluding non-recurring items, %	10.7	6.7	6.0	-0.3	3.6	3.8	6.6	6.5	7.2
Adjusted operating margin excl. investment in new technology, %	11.6	8.0	6.6	0.7	4.4	4.9	7.4	7.4	7.5
Earnings per share, SEK (basic and diluted)	1.94	-1.27	-2.15	-2.95	0.04	-3.36	0.83	1.11	1.54
Equity per share, SEK	28.44	17.32	26.08	28.93	36.24	34.78	39.48	37.89	38.64
Cash flow, operating activities, per share, SEK	-0.62	2.53	4.75	-2.04	-0.97	5.41	1.72	2.19	-1.90
Share price, SEK	46.25	43.75	41.80	37.50	25.55	51.00	50.20	57.00	62.00
Return on capital employed, % ^{1,2}	0.0	-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}	7.7	5.0	4.3	5.2	8.6	9.4	10.5	10.6	11.5
Return on equity, %	7.4	-5.0	-7.8	-9.3	0.1	-9.3	2.1	2.9	4.1
Equity/assets ratio, %	32	30	30	33	34	35	39	38	39
Net debt/equity ratio, % ²	74	85	84	91	76	66	62	62	55
External investments	39	25	26	49	97	103	64	69	37
R&D, %	4.5	4.9	5.1	6.3	5.3	5.9	4.1	4.3	4.2
Number of employees	2,021	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 Leases has been excluded.

KEY RATIOS

	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
Gross margin, %	31.1	26.5	27.3
Operating margin excluding non-recurring items, %	10.6	3.6	4.1
Operating margin, %	13.1	2.5	-2.5
Operating margin excl. investment in new technology, %	11.5	4.4	5.0
Cash flow, operating activities, SEKm	-30	-43	215
Cash flow after investments, SEKm	-41	-173	-30
Return on capital employed, % ^{1,2}	0.0	1.2	-3.8
Return on capital employed excl. non-recurring items, % ^{1,2}	7.7	8.6	5.0
Investments, SEKm	39	97	197
R&D, %	4.5	5.3	5.4
Number of employees	2,021	2,183	1,990
Return on equity, % ¹	-15.5	-4.0	-21.9
Interest coverage ratio, multiple	12.1	8.7	3.9
Equity/assets ratio, %	32	34	30
Net debt/equity ratio, % ²	74	76	85
Per share:			
Profit after tax, basic, SEK	1.94	0.04	-6.44
Profit after tax, diluted, SEK	1.94	0.04	-6.44
Equity per share, SEK	28.44	36.24	24.10
Cash flow, operating activities, per share, SEK	-0.62	-0.97	4.56
Share price, SEK	46.25	25.55	43.75
Average total number of shares, thousands	48,638	44,216	47,164
Total number of shares at end of period, thousands	48,638	44,216	48,638
of which number of shares in own custody, thousands	12	12	12

¹ Rolling twelve months. ² The effect of IFRS16 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, April 22, 11:00 am.

Link to event for telephone number and link to webcast:

<https://financialhearings.com/event/13299>

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

<http://www.haldex.com/sv/corporate/investerare/finansiella-rapporter/>

Financial calendar for 2021

Annual General Meeting 2021	May 26, 2021
Interim report, Apr-Jun	July 16, 2021
Interim report, Jul-Sep	October 21, 2021
Year-end report, Jan-Dec 2021	February 10, 2022

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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, April 22, 2021 at 07:20 am.

FINANCIAL DEFINITIONS

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 added concepts 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 key ratios have been added in the period compared to the previous quarter. In cases where the numerical basis for calculating alternative performance measures is not stated in the report, see the annex for additional information.

Return on equity¹

Share of net profit for the year attributable to the shareholders in the parent company as a percentage of the average equity attributable to the shareholders in the parent company.

Return on capital employed¹

Operating income plus interest income as a percentage of the 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

Profit and loss items that 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.

External investments

Investments done at external suppliers that are booked directly against the balance sheet. Capitalization of product development costs are not included.

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

Cash and cash equivalents plus interest-bearing receivables minus interest-bearing liabilities and provisions.

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

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

Net interest income/expense¹

The economic difference in absolute terms between recognized interest income for financial assets and interest expenses for interest-bearing liabilities and provisions. For numerical data, see annex.

Interest coverage ratio¹

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

Operating margin

Operating profit as percentage of net sales for the period.

Adjusted operating margin

Operating profit excluding non-recurring items as percentage of net sales for the period.

Adjusted operating margin excl. investment in new technology

Operating profit excluding product development expenses for new technology and non-recurring items, as percentage 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 profit, 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 as a percentage of total capital.

Capital employed¹

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

Currency-adjusted information¹

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

GLOSSARY

ABS

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

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 the same at all times, 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 System, which includes EMB and FABV. These are developed partly in-house at Haldex and partly via the Haldex joint venture 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).

¹ Supplementary financial information is presented in the annex

ANNEX

NUMERICAL BASIS FOR ALTERNATIVE PERFORMANCE INDICATORS

Sales

	Recognized sales Jan-Mar 2021	Currency- adjustment to exchange rates of previous year	Currency- adjusted sales Jan-Mar 2021	Δ	Recognized sales full year 2020	Currency- adjustment to exchange rates of previous year	Currency- adjusted sales full year 2020	Δ
SEKm								
Group	1,080	114	1,194	11%	4,007	133	4,140	3%
Total	1,080	114	1,194	11%	4,007	133	4,140	3%

Sales per region

	Recognized sales Jan-Mar 2021	Currency- adjustment to exchange rates of previous year	Currency- adjusted sales Jan-Mar 2021	Δ	Recognized sales full year 2020	Currency- adjustment to exchange rates of previous year	Currency- adjusted sales full year 2020	Δ
SEKm								
Europe	430	19	449	4%	1,438	19	1,457	1%
Americas	538	87	625	16%	2,101	101	2,202	5%
Asia and Middle East	112	9	120	8%	468	13	481	3%
Total	1,080	114	1,194	11%	4,007	133	4,140	3%

Sales per product line

	Recognized sales Jan-Mar 2021	Currency- adjustment to exchange rates of previous year	Currency- adjusted sales Jan-Mar 2021	Δ	Recognized sales full year 2020	Currency- adjustment to exchange rates of previous year	Currency- adjusted sales full year 2020	Δ
SEKm								
Foundation Brake	588	60	649	10%	2,200	79	2,279	4%
Air Controls	492	54	546	11%	1,807	54	1,861	3%
Total	1,080	114	1,194	11%	4,007	133	4,140	3%

Sales per customer category

	Recognized sales Jan-Mar 2021	Currency- adjustment to exchange rates of previous year	Currency- adjusted sales Jan-Mar 2021	Δ	Recognized sales full year 2020	Currency- adjustment to exchange rates of previous year	Currency- adjusted sales full year 2020	Δ
SEKm								
Truck - heavy trucks	185	27	212	14%	701	40	741	6%
Trailer - trailers	348	24	372	7%	1,174	23	1,197	2%
Aftermarket	547	64	611	12%	2,132	70	2,202	3%
Total	1,080	114	1,194	11%	4,007	133	4,140	3%

Organic growth, first quarter

Percentage points	Group	Europe	Americas	Asia & Middle East
Organic growth	1	8	-4	8
Exchange rate effect	-9	-5	-13	-8
Acquisitions	-	-	-	-
Reported growth	-8	3	-17	0

QUARTERLY DATA

NUMERICAL BASIS FOR ALTERNATIVE PERFORMANCE INDICATORS

	2021	2020				2019			
SEKm, unless otherwise stated	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Non-recurring items									
- Restructuring expenses	-16	-48	-8	-46	-7	-175	-12	-17	0
- Impairment of asset	-	-5	-70	-101	-	-	-	-	-
- Capital gain Blue Springs	-	35	-	-	-	-	-	-	-
- Capital gain Kansas City	43	-	-	-	-	-	-	-	-
- Dispute India	-	-	-1	-	-	-	-	-	-
- Expenses related to the ownership structure	-	-4	-2	-1	-6	-2	-5	-1	-
- Product-related warranty costs	-	-	-	-	-	-	-	-	-
Total non-recurring items	27	-22	-81	-148	-13	-177	-17	-18	0
Research and development expenses excl. depreciation	-48	-48	-50	-55	-63	-67	-54	-59	-56
Product development expenses for new technology	-5	-10	-10	-12	-12	-14	-10	-12	-11
Joint venture EMB	-4	-2	-7	-8	-7	-7	-7	-7	-
Scalable Brake Systems	-5	-11	1	0	-2	-5	-2	-6	-4
Total operating expenses for new technology	-10	-13	-6	-8	-9	-12	-9	-13	-4
Net interest income and financial items									
Interest income	3	-1	1	0	1	2	4	4	3
Interest expense	-9	-13	-17	-6	-6	-13	-14	-13	-9
Total net interest income/expense	-6	-14	-16	-6	-5	-11	-10	-9	-6
Financial exchange rate effect	-6	-33	13	-4	-19	0	-6	4	0
Other financial items	-3	-2	-3	-2	-2	-1	-1	-3	-1
Total financial items	-16	-46	-6	-12	-26	-12	-17	-8	-7
Net debt									
- Interest-bearing assets	396	440	466	260	294	315	217	196	280
- Interest-bearing liabilities, including derivative instruments	-925	-888	-904	-920	-949	-768	-761	-731	-724
- Pension liabilities	-524	-578	-658	-651	-571	-562	-540	-511	-498
Total net debt¹⁾	-1,053	-1,026	-1 096	-1 311	-1,226	-1,015	-1,084	-1,046	-942
Capital employed									
Total assets	4,354	4,063	4,290	4,300	4,720	4,413	4,461	4,374	4,377
Non-interest-bearing liabilities and provisions	-1,107	-1,024	-1,070	-965	-1,235	-1,116	-1,048	-1,062	-1,043
Total capital employed	3,247	3,039	3,220	3,335	3,485	3,297	3,413	3,312	3,334
Average capital employed	3,232	3,311	3,381	3,417	3,403	3,366	3,198	2,941	2,699
Net profit attributable to the shareholders in the Parent Company									
Net profit for the period	95	-61	-104	-139	3	-149	37	49	68
Profit attributable to non-controlling interests	1	1	1	0	1	0	1	2	1
Total net profit attributable to shareholders in the Parent Company	94	-62	-105	-139	2	-149	36	47	67
Equity attributable to shareholders in the Parent Company									
Equity	1,413	869	1,300	1,437	1,602	1,537	1,745	1,675	1,708
Equity attributable to non-controlling interests	30	27	31	30	34	32	33	33	31
Total equity attributable to shareholders in the Parent Company	1,383	842	1,269	1,407	1,568	1,505	1,712	1,642	1,677
Average equity attributable to shareholders in the Parent Company	1,361	1,385	1,492	1,567	1,621	1,624	1,641	1,610	1,577
Average number of shares	48,638	48,638	48,638	47,164	44,216	44,216	44,216	44,216	44,216

¹ The effect of IFRS16 Leases has been excluded.