

# Report Q1 2013

April 25, 2013

**Haldex**



**Bo Annvik**  
President and CEO

**Andreas Ekberg**  
CFO

*Innovative Vehicle Solutions*

# Agenda



- Business Highlights**
- Market Update**
- Sales**
- Financials**
- Outlook**
- Q&A**



# Business Highlights

Q1 2013



- *Sales amounted to SEK 951 m (1,073). Weaker sales compared to Q1 2012 in all regions except for South America.*
- *Good performance on operating margin due to lower cost base. Q1 operating margin amounted to 5.8% (6.0).*
- *Changes in Haldex Group Management, Andreas Ekberg as Chief Financial Officer and Pramod Mistry as Senior Vice President, Business Development.*
- *In North America, Haldex signed supply agreements for the Automatic Brake Adjuster and Actuator to a total value of SEK 225 m over a five year period.*
- *During the quarter, Haldex secured contracts in the Emerging Markets totalling SEK 75 m. In China Haldex has been certified as a high technology enterprise by the Chinese Government. Haldex has also been nominated as supplier of Air Disc Brake by Dongfeng Commercial Vehicle Company.*



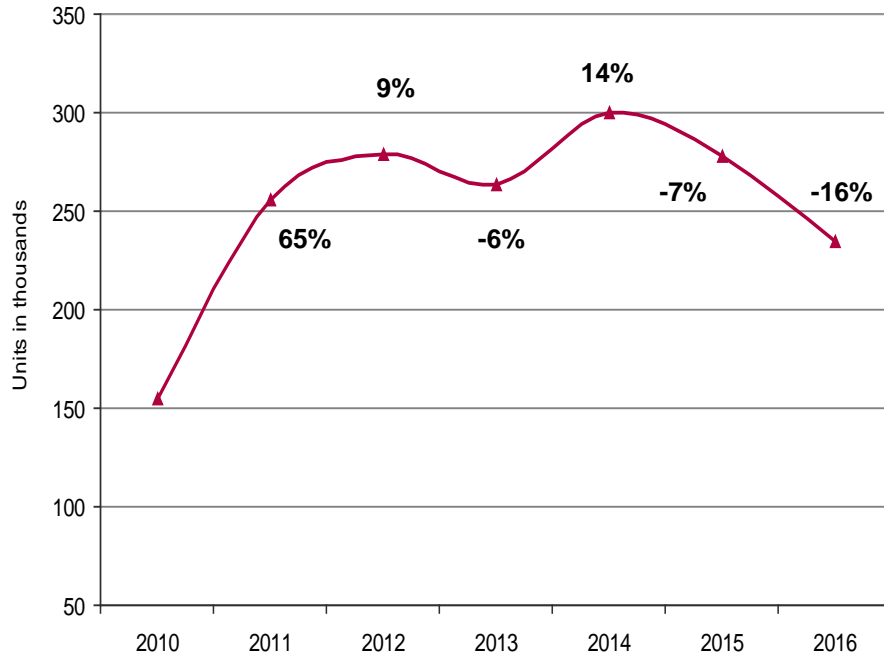
## Market Update

# Build Rates Heavy Truck

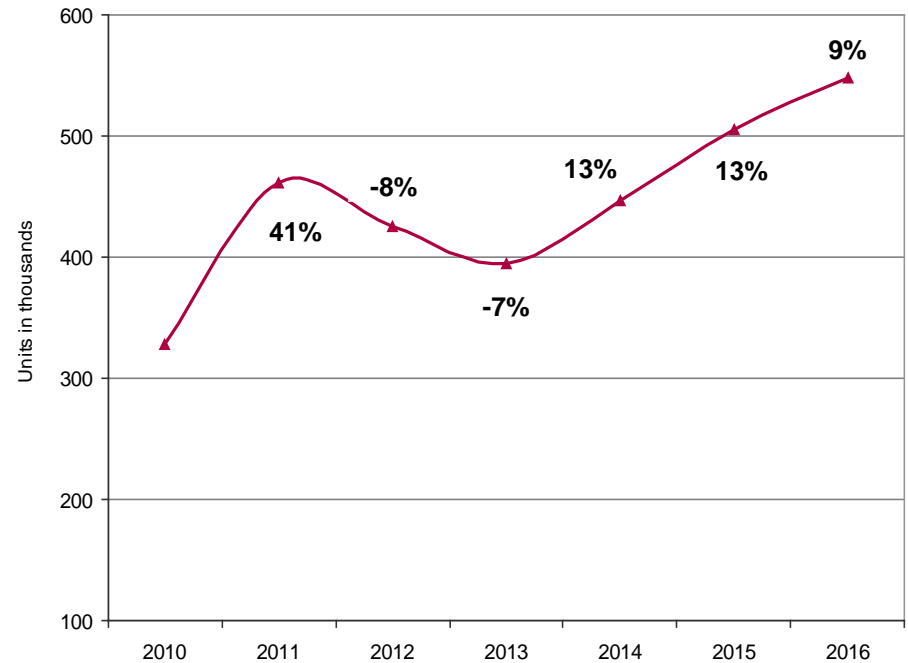
## North America & Europe



### North America



### Europe



- North America official build rates decreased 27% Q1 2013 compared to Q1 2012. Official build rates are indicating 6% reduction 2013 compared to 2012.
- Europe official build rates decreased 14% Q1 2013 compared to Q1 2012. Official build rates are indicating 7% reduction 2013 compared to 2012.

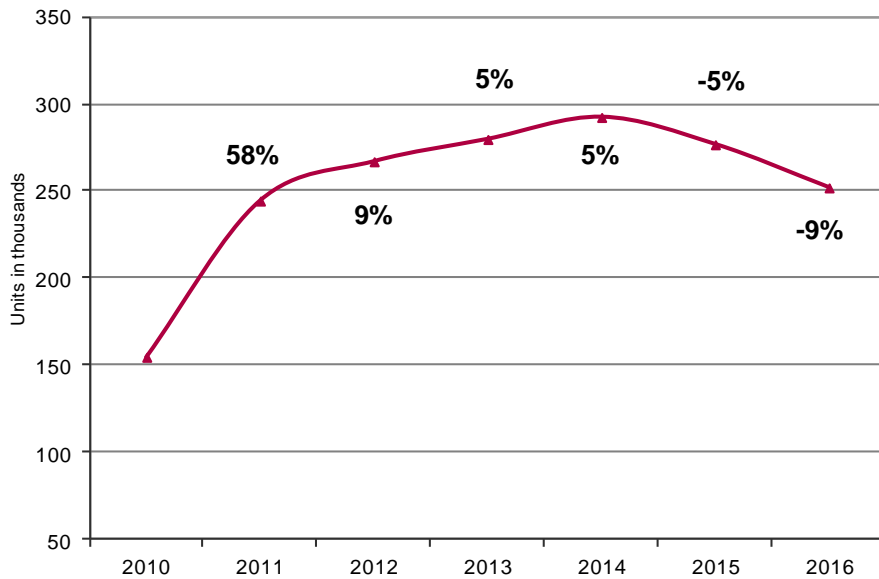
Note: JDP data – official statistics per March 2013

# Build Rates Trailer

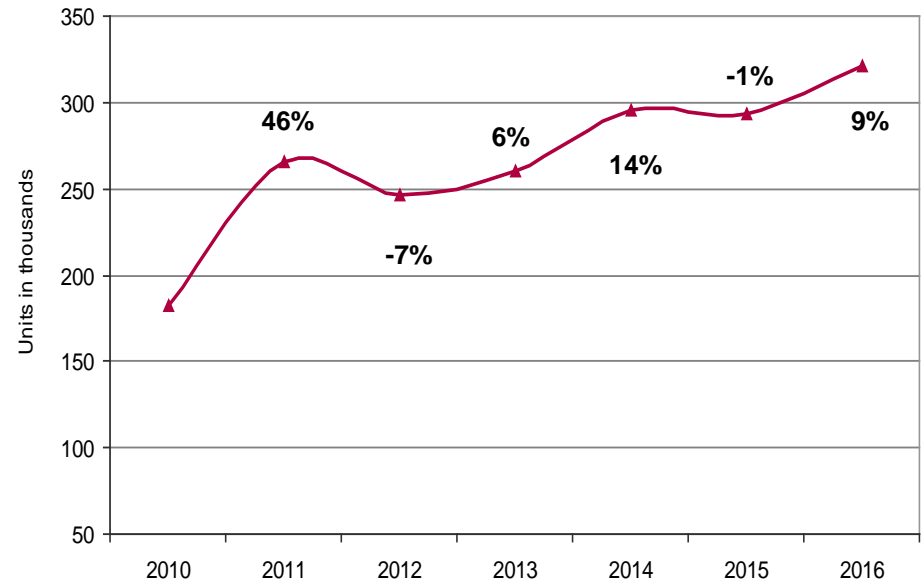
## North America & Europe



### North America



### Europe



- North America trailer official build rates remain robust and grew 9% during 2012, and the market is expected to grow further 5% 2013.
- In Europe the official build rates 2012 show a decline of 7% compared to 2011, during 2013 official build rates indicate a growth of 6% compared to 2012.

Note: ACT data and CLEAR – official statistics per March 2013

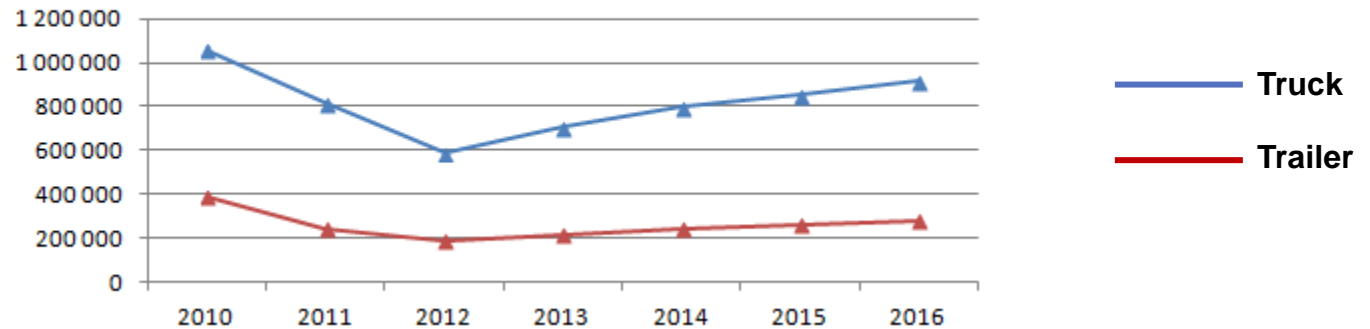
# Build Rates Heavy Truck & Trailer

## Emerging Markets

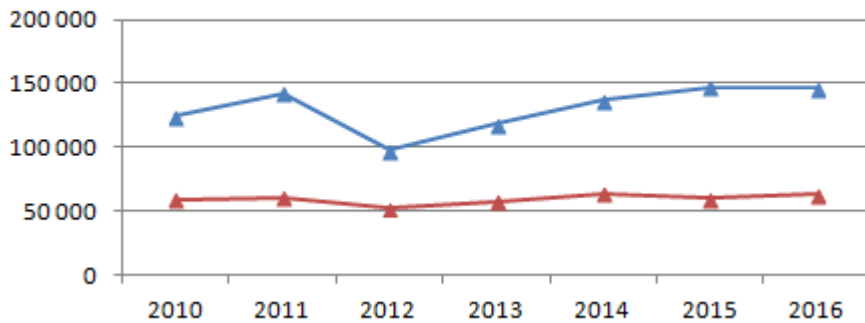


### China, Brazil & India

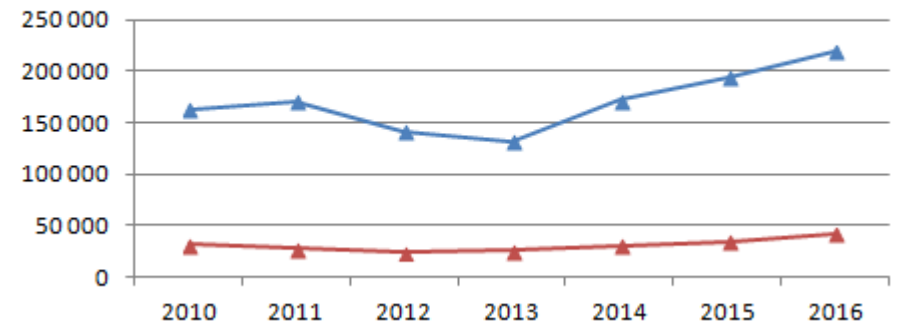
#### China



#### Brazil



#### India



Note: JDP and Haldex data – official statistics per March 2013



**Sales**



## North America

- Truck OEM: ABA - new LTA over 5 years, and Actuator extension of current LTA
- Trailer OEM: 3 year deal – ABA, actuators and ABS
- Fleet: Includes ABA/Actuators/Panels and stand alone ABS

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*Total value: SEK 225 m*



## Emerging Markets

- Brazil: Truck OEM: ABA
- Russia: Truck OEM: ABA, 3 years
- China: Dongfeng: ADB, to new platform HD Truck

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*Total value: SEK 75 m*



# Regional Demand

Q1 2013



Share of sales 2012	Regions	Trend vs. Last Q*	Trend y-o-y**
55%	North America	↗	--
33%	Europe	↗↗	+/-
8%	Asia and the Middle East	⇒	-
4%	South America	↑	+++

## Explanation

Relatively unchanged	⇒	+/-
Slightly lower	↘	-
Lower	↘↘	--
Significantly lower	↓	---
Slightly Higher	↗	+
Higher	↗↗	++
Significantly higher	↑	+++

\* Trend vs. Last Q = Q1/Q4


\*\* Trend y-o-y = Q1 2013/2012

# Sales January – March 2013

## Product line and Region



Product line, SEK m	Jan - March 2013	Jan - March 2012	Change, currency adj	Oct - Dec 2012
Air Controls	443	478	-3%	406
Foundation Brake	508	595	-10%	458
<b>Total</b>	<b>951</b>	<b>1,073</b>	<b>-7%</b>	<b>864</b>

Region, SEK m 	Jan - March 2013	Jan - March 2012	Change, currency adj	Oct - Dec 2012
North America	484	593	-14%	452
Europe	340	358	-2%	302
Asia and the Middle East	75	84	-6%	73
South America	52	38	60%	37



# Financials

# Financial Summary

January – March 2013

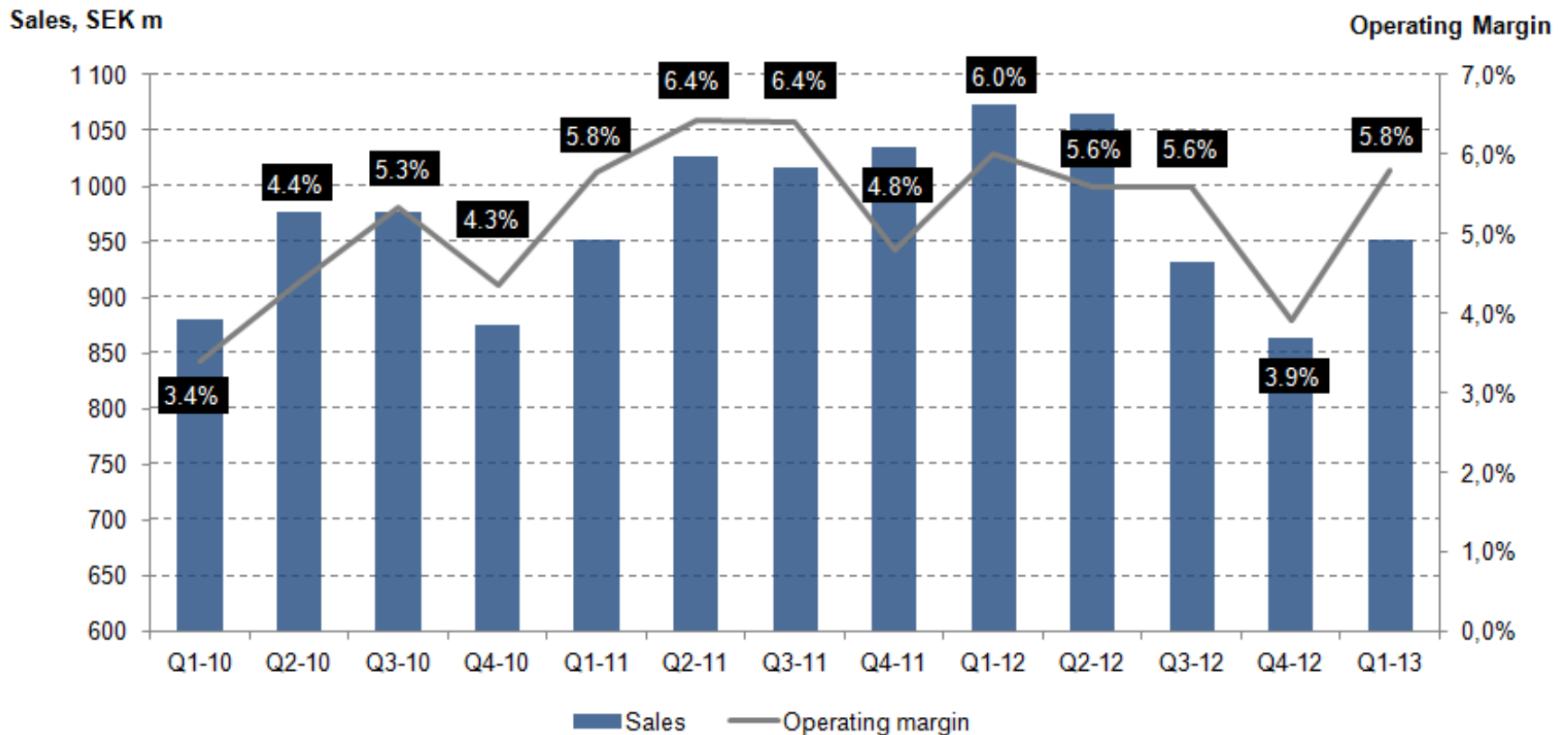


<i>Amounts in SEK m</i>	<b>Jan - March 2013</b>	<b>Jan - March 2012</b>
Net sales	951	1,073
Operating income	55	64
Operating margin, %	5.8	6.0
Earnings after tax	28	35
Earnings per share	0.61	0.75

- **Sales of SEK 951 m (1,073), -7% adjusted for exchange rate movements.**
- **Operating income of SEK 55 m (64) with an operating margin of 5.8% (6.0).**
- **Earnings after tax of SEK 28 m (35).**
- **Earnings per share of SEK 0.61 (0.75).**

# Sales & Operating Margin

2010 - 2013



# Balance Sheet

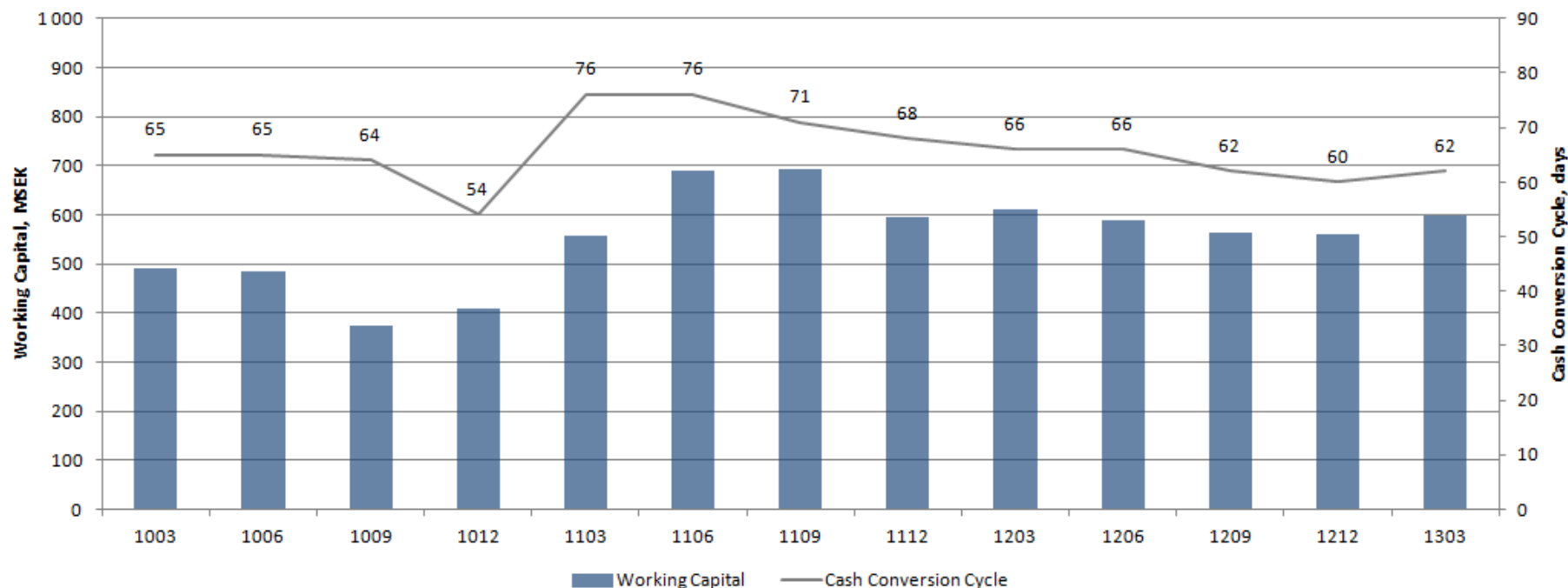
2013-03-31 vs. 2012-12-31



<i>Amounts in SEK m</i>	March 31, 2013	Dec 31, 2012	Quarterly change
<b>Working Capital</b>	597	560	7%
<b>Intangible assets</b>	518	537	-4%
<b>Capital employed</b>	2,073	2,053	1%
<b>Total assets</b>	2,669	2,600	3%
<b>Equity</b>	1,149	1,129	2%
<b>Net debt</b>	566	572	-1%
<b>Equity ratio, % (old IAS19)</b>	43 (47)	43 (46)	
<b>Debt/Equity ratio, % (old IAS19)</b>	49 (36)	51 (33)	

# Cash Flow

## Working Capital & CCC



<i>Amounts in SEK m</i>	<b>Q1 2013</b>	<b>Q1 2012</b>	<b>Q2 2012</b>	<b>Q3 2012</b>	<b>Q4 2012</b>
Operating Cash Flow *	40	65	49	55	108
Cash Flow after net investments*	20	42	22	23	72

\* Excluding restructuring



# New Accounting Standard for Pensions

## Impact on Haldex Financials



	<b>Old Accounting Standard</b>	<b>New Accounting Standard</b>
Net pension obligation	Remain unchanged	Remain unchanged
Cash Flow	Remain unchanged	Remain unchanged
Calculation of pension liability and sensitivity*	Remain unchanged	Remain unchanged
Accounting	Full disclosure of Net pension provided in the Notes to the Annual report, however, part of the obligation off-balance	Full disclosure of the Net pension obligation in the Balance sheet



## Outlook

- We experience continued uncertainty and cautiousness in the market place in North America and in Europe, however we see some indicators of a more positive development during the next quarter.
- In Asia, particularly in China, the market development has improved and we expect this to continue during the next quarter, especially in the Truck segment.

The market development in India, is more cautious, and currently we see no significant signs of improvement, due to the economic situation. In India, a large inventory of new built trucks has been built up.
- In Brazil, we expect the strong development from Q1 continue into Q2, depending on whether the government stimulus packages will remain in force.

- Stock market and media representatives are invited to Haldex Capital Market Day in Stockholm.
- The purpose of the Capital Market Day is to present Haldex strategy, operations and financial objectives. Speakers for the day include Haldex President and CEO, Bo Annvik, CFO Andreas Ekberg and representatives from the Group Management from Sales, Business Development and Sourcing.
- Date: May 22, 2013
- Time: 9:00 a.m. to 2:30 p.m. CET. Registration starts at 08.30 a.m.
- Place: Berns, room "Spegelsalen", Näckströmögatan 8, Stockholm
- Applications must be submitted by May 15, 2013 to: [anna.ellman@haldex.com](mailto:anna.ellman@haldex.com)

