

Year-End Report, 2013

February 14, 2014



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Innovative Vehicle Solutions

Agenda



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

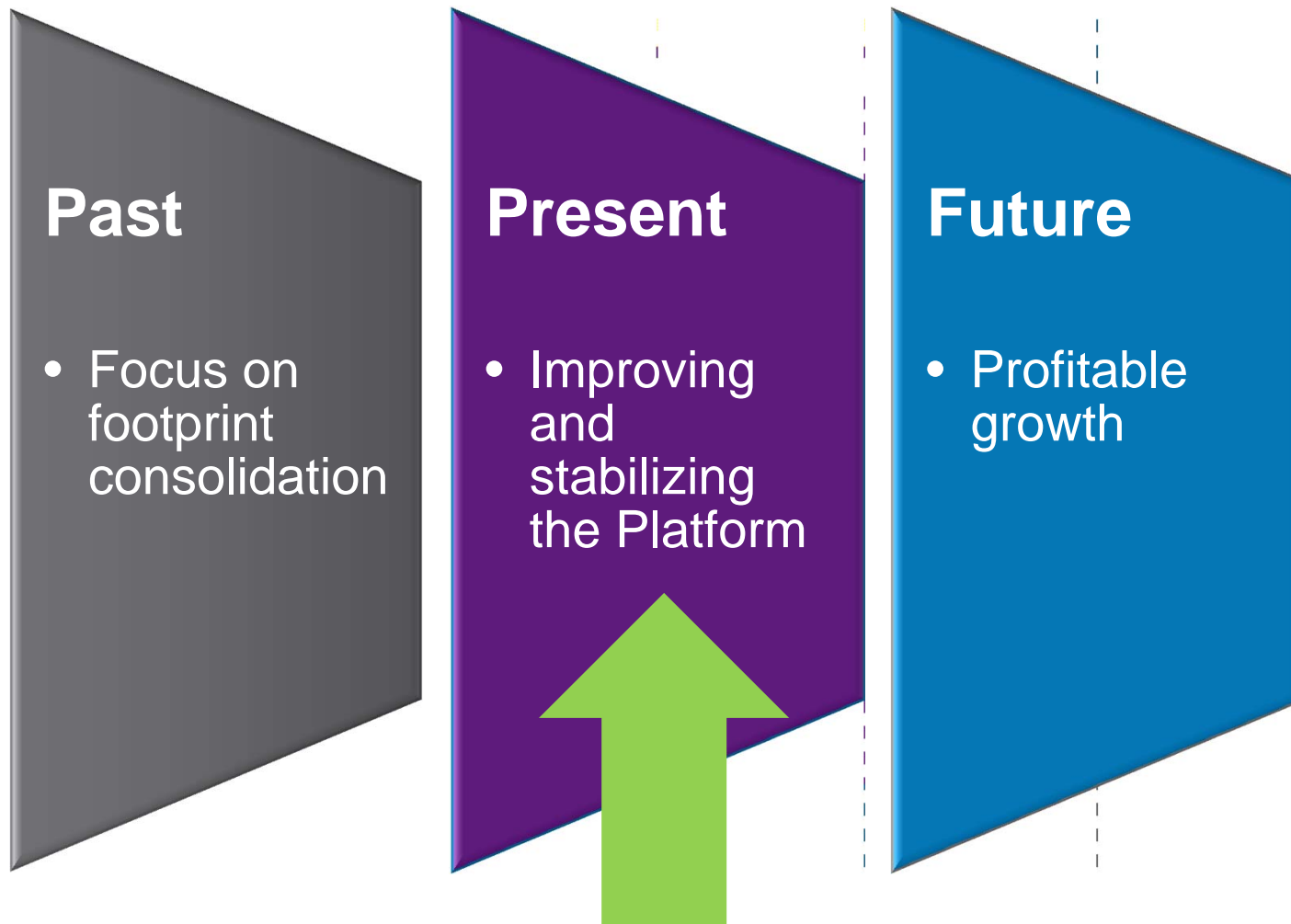


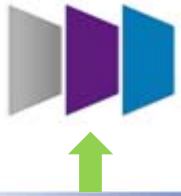
Business Highlights



- For the full year, sales amounted to SEK 3,920 m (3,933), corresponding to a growth of 3% (currency adjusted). Operating margin excluding one-off items reached 7.2% (5.3).
- Q4 sales amounted to SEK 908 m compared to SEK 864 m in the corresponding period last year. Adjusted for exchange rate fluctuations, sales increased 6% compared to the same period prior year.
- Operating income and operating margin for Q4, excluding one-off items, amounted to SEK 66 m (34) and 7.3% (3.9), respectively. Operating income and operating margin including one-off items amounted to SEK 53 m (28) and 5.9% (3.2) respectively.
- Earnings after tax amounted to SEK 12 m (-3) for Q4. Earnings per share amounted to SEK 0.26 (-0.05).
- Cash-flow from operating activities for Q4 amounted to SEK 76 m (99), affected by restructuring of SEK 7 m (9).
- The Board of Directors propose a dividend of SEK 2:00 per share and a mandate for share buybacks with the intention of buybacks up to a value of SEK 100 m on an annual basis.
- Haldex establishes new R&D center in the UK – Relocates to Mira Technology Park.
- In Q4 restructuring costs of SEK 8 m was expensed related to actions in the UK, Germany and Hungary. Prolonged negotiations with the Works Council related to the restructuring of the German operation.
- Catharina Paulcén was appointed Senior Vice President Corporate Communications.

Creating a stable platform for profitable growth





Current phase

- Improving and Stabilizing the Platform



- Haldex Way – Lean operations
- CSR
- New Quality organization
- New Sourcing structure – Global category teams
- Product management
- Restructuring program



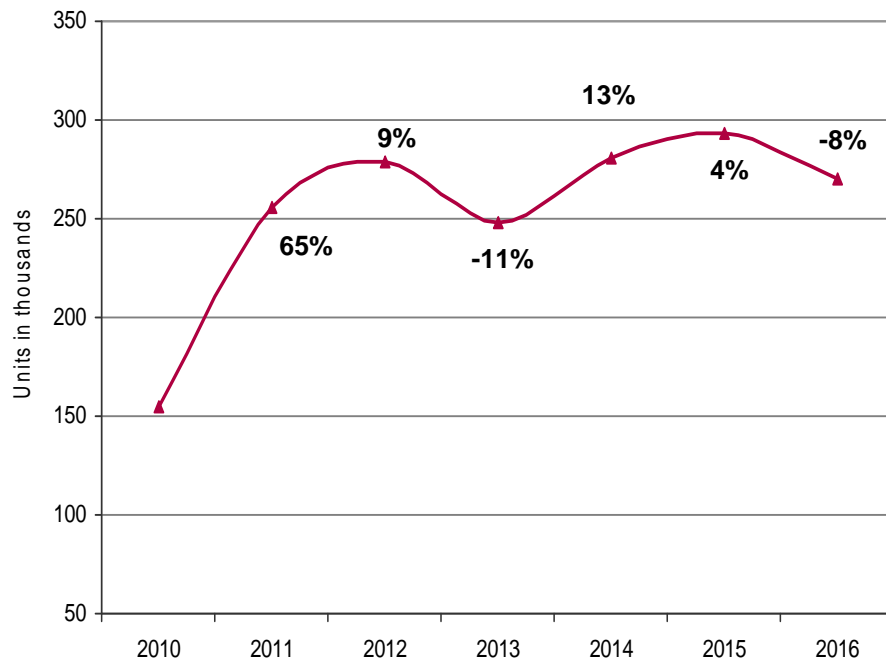
Market Update



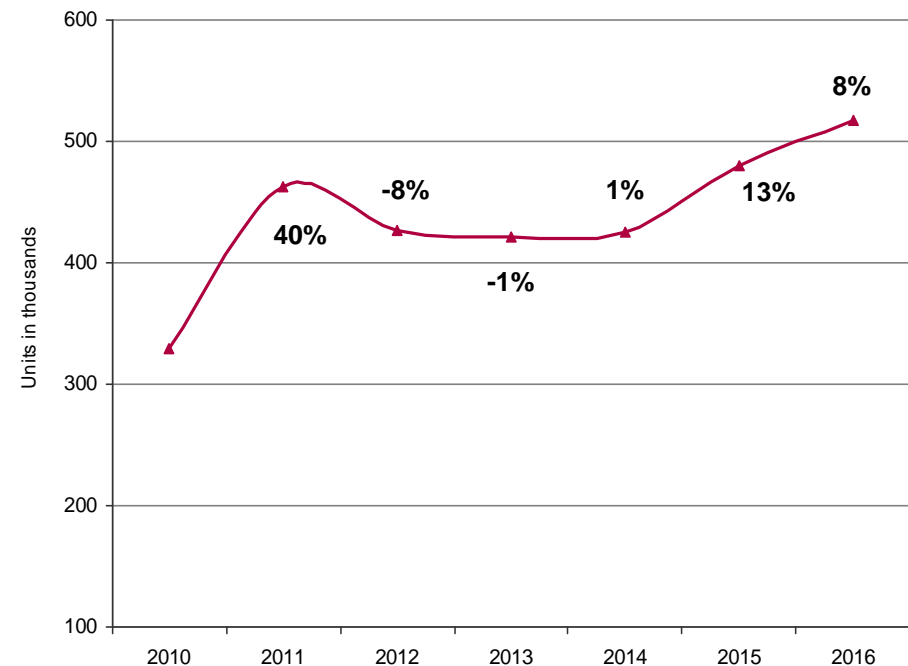
Build Rates Heavy Truck

North America & Europe

North America



Europe



- North America official build rates increased 7% Q4 2013 compared to Q4 2012. Official build rates are indicating 13% increase 2014 compared to 2013.
- Europe official build rates increased 17% Q4 2013 compared to Q4 2012. Official build rates are indicating 1% increase 2014 compared to 2013.

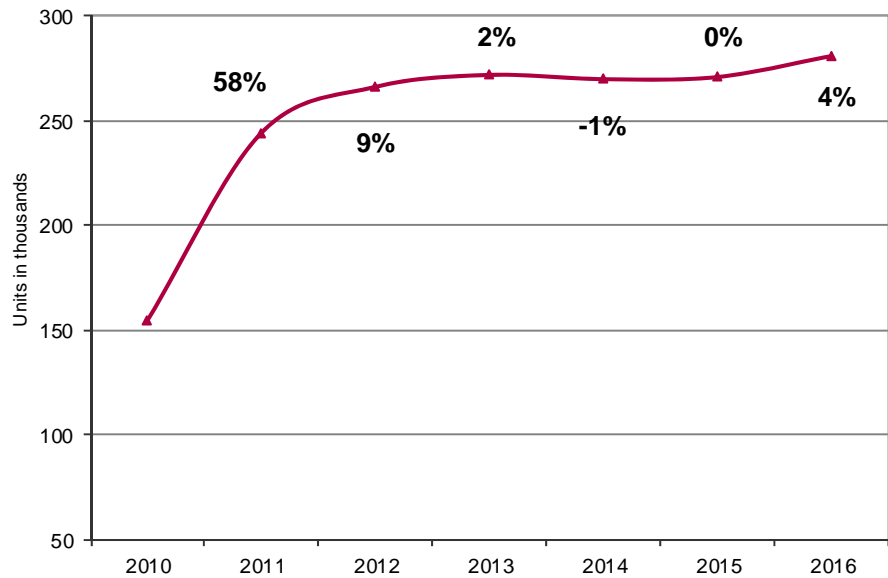
Note: JDP data – official statistics per December 2013



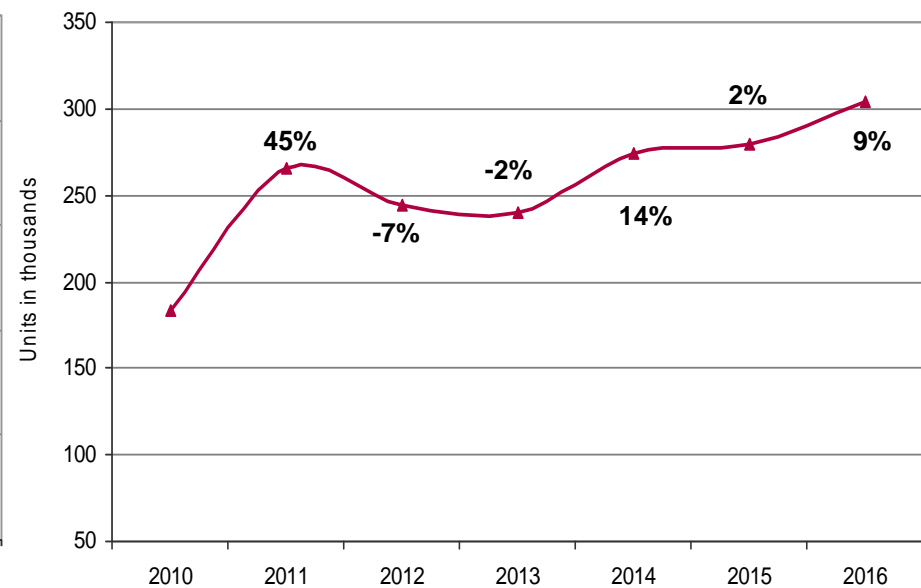
Build Rates Trailer

North America & Europe

North America



Europe



- North America official build rates indicating a decrease of 11% Q4 2013 compared to Q4 2012. The market is expected to decrease 1% for the full year 2014.
- In Europe the official build rates 2014 indicate 14% growth compared to 2013. European build rates are 2% lower in Q4 2013 compared to Q4 2012.

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

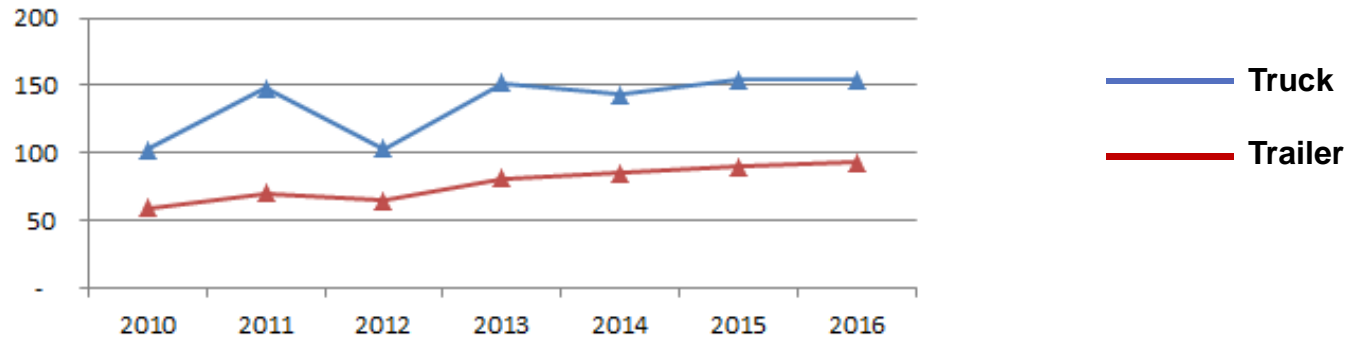
Build Rates Heavy Truck & Trailer

Emerging Markets

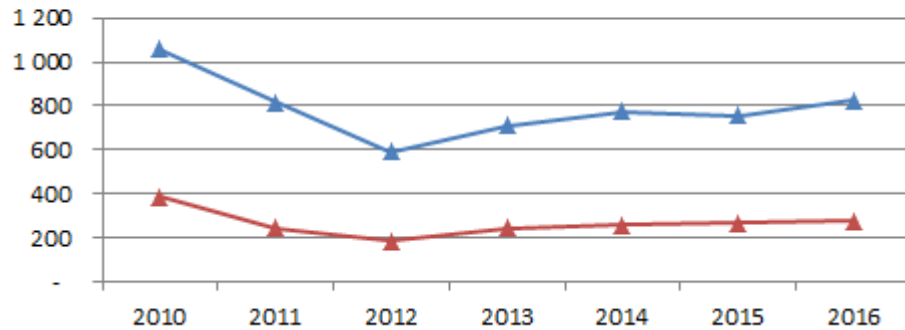


Brazil, China & India

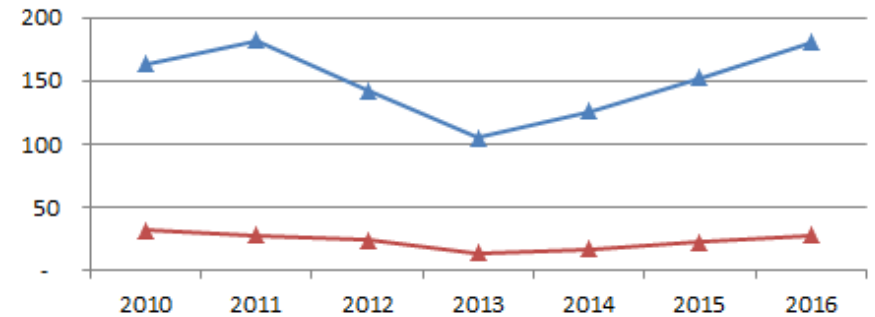
Brazil



China



India



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



Sales

Regional Demand

Q4 2013



Share of sales 2013	Regions	Trend vs. last Q*	Trend y-o-y**
52%	North America	↓	+/-
35%	Europe	⇒	+
8%	Asia and the Middle East	↗	++
5%	South America	↘	+++

Explanation

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

* Trend vs. last Q = Q4/Q3


** Trend y-o-y = Q4 2013/2012

Sales January – December 2013

Product line and Region



Product line, SEK m	Jan-Dec 2013	Jan-Dec 2012	Change, curr adj	Oct-Dec 2013	Oct-Dec 2012	Change, curr adj
Air Controls	1,813	1,783	5%	418	406	3%
Foundation Brake	2,107	2,150	2%	490	458	9%
Total	3,920	3,933	3%	908	864	6%

Region, SEK m 	Jan-Dec 2013	Jan-Dec 2012	Change, curr adj	Oct-Dec 2013	Oct-Dec 2012	Change, curr adj
North America	2,019	2,162	-3%	446	452	1%
Europe	1,386	1,304	7%	339	302	8%
Asia and the Middle East	313	317	2%	80	73	11%
South America	202	150	54%	43	37	48%



Financials

Financial Summary

January – December 2013



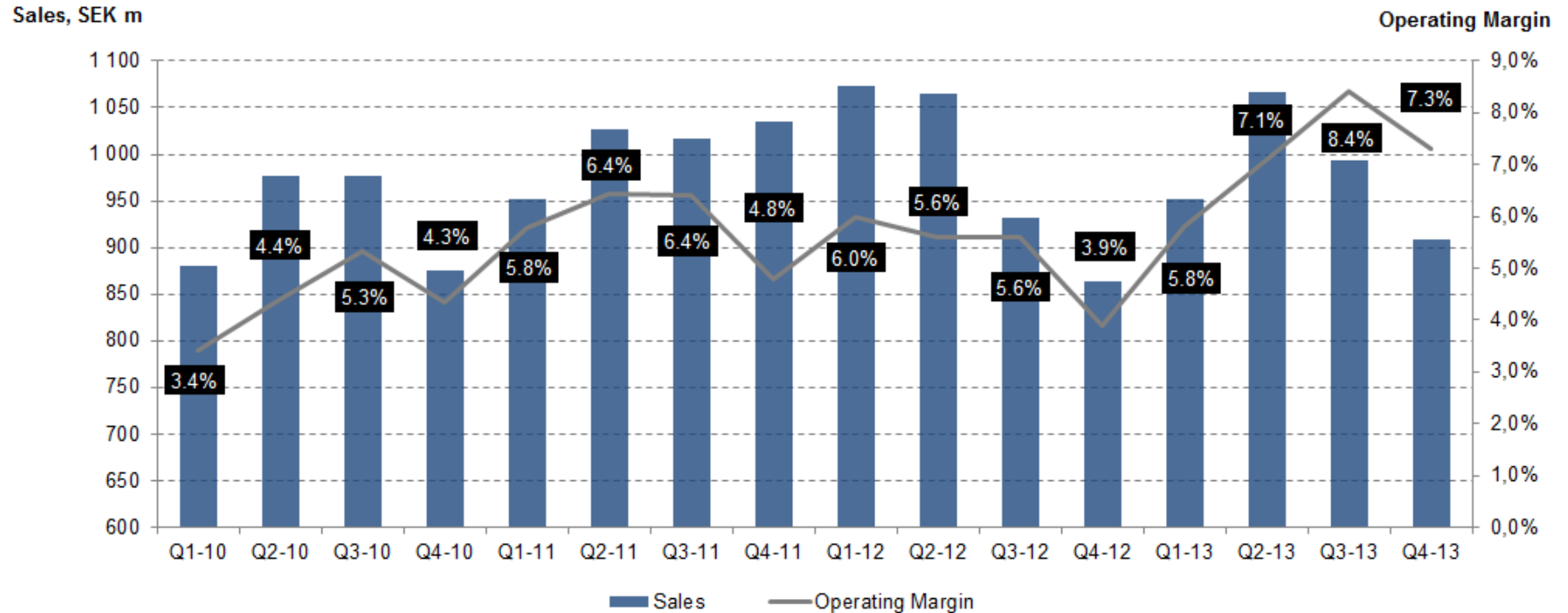
<i>Amounts in SEK m</i>	Jan - Dec 2013	Jan - Dec 2012	Oct - Dec 2013	Oct - Dec 2012
Net sales	3,920	3,933	908	864
Operating income *	281	210	66	34
Operating margin, %*	7.2	5.3	7.3	3.9
Earnings after tax	38	54	12	-3
Earnings per share	0.80	1.12	0.26	-0.05

- **Sales YTD of SEK 3,920 m (3,933), +3% adjusted for exchange rate movements.**
 - Sales in Q4 amounted to SEK 908 m (864), +6% currency adjusted.
- **Operating income YTD of SEK 281 m (210) with an operating margin of 7.2% (5.3).**
 - Operating income in Q4 of SEK 66 m (34) with an operating margin of 7.3% (3.9).
- **Earnings after tax YTD of SEK 38 m (54).**
 - Earnings after tax in Q4 of SEK 12 m (-3).
- **Earnings per share YTD of SEK 0.80 (1.12).**
 - Earnings per share in Q4 of SEK 0.26 (-0.05).

* Excluding one-off items.

Sales & Operating Margin

2010 - 2013



Balance Sheet

2013-12-31 vs. 2013-09-30

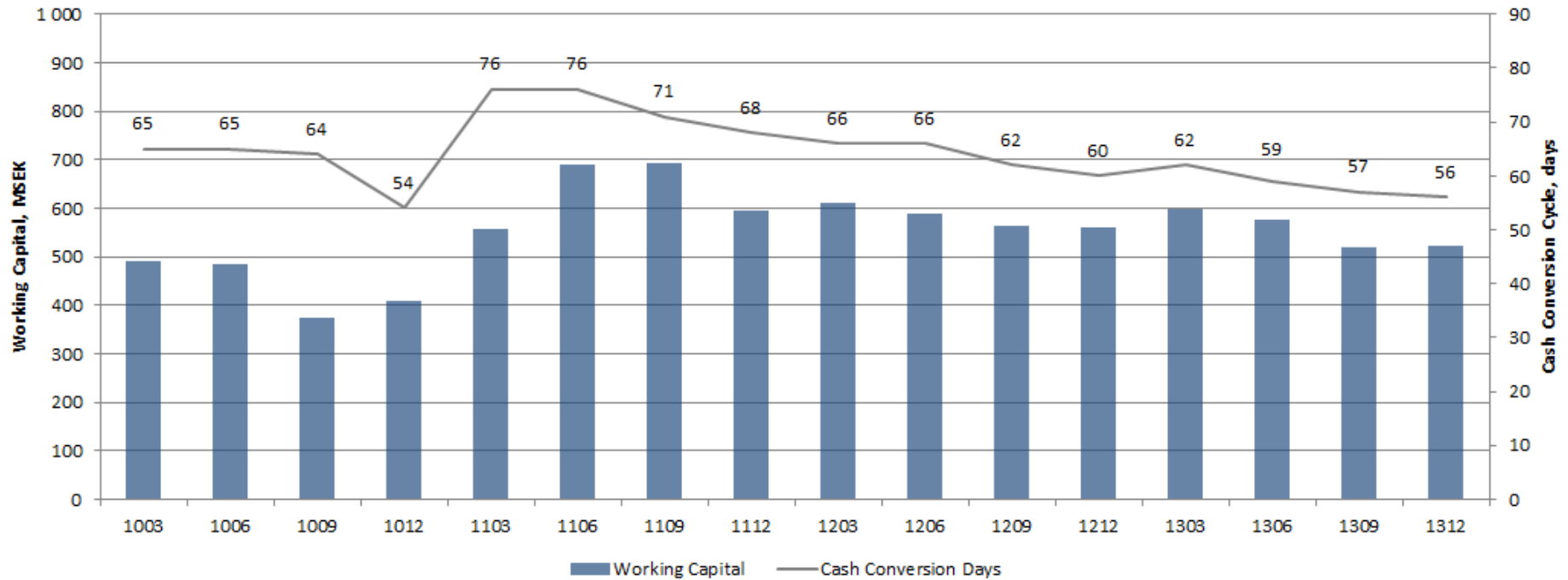


<i>Amounts in SEK m</i>	Dec 31, 2013	Sept 30, 2013	Quarterly change
Working Capital	523	521	0%
Intangible assets	450	442	+2%
Capital employed	1,855	1,836	+1%
Total assets	2,486	2,478	0%
Equity	1,152	1,114	+3%
Net debt	378	416	-9%
Equity ratio, %	46	45	
Net debt/Equity ratio, %	33	37	



Cash Flow

Working Capital & Cash Conversion days



<i>Amounts in SEK m</i>	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	2013	2013	2013	2013	2012	2012	2012	2012
Operating Cash Flow *	40	111	96	83	65	49	55	108
Cash Flow after net investments*	20	109	81	49	42	22	23	72

* Excluding restructuring



Outlook

Outlook

2014



- The North American truck and trailer market in 2014 is expected to grow by approximately 5%.
- In 2014, the European market will most likely strengthen as the year progresses, and we believe it will finish a couple of percentage points up compared with 2013.
- In 2014 China appears rather flat compared to last year. Haldex in China is continuing to localize new products and we are striving at providing a better growth rate than the market in general.

The market in India was at its lowest level for 25 years and remains very hard to predict for 2014. We see no significant signs of improvement short term. We believe in India for the longer term though.

- The truck market in Brazil will most likely suffer from less subsidies in 2014 and be weaker than the previous year.

