

# Interim Report Q2 2012

July 20, 2012



**Bo Annvik**  
President and CEO

**Pramod Mistry**  
CFO

*Innovative Vehicle Solutions*

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



- *Stable North American market*
- *Operating margin is sustained and cash flow generation is in line with operating earnings.*
- *One-off expenses related to the cost reduction program amounted to SEK 34 m during the second quarter. Total expenses for the program is approximately SEK 60 m with annual savings of SEK 35-40 m.*
- *Bo Annvik new President and CEO*
- *Haldex announces new organizational structure*

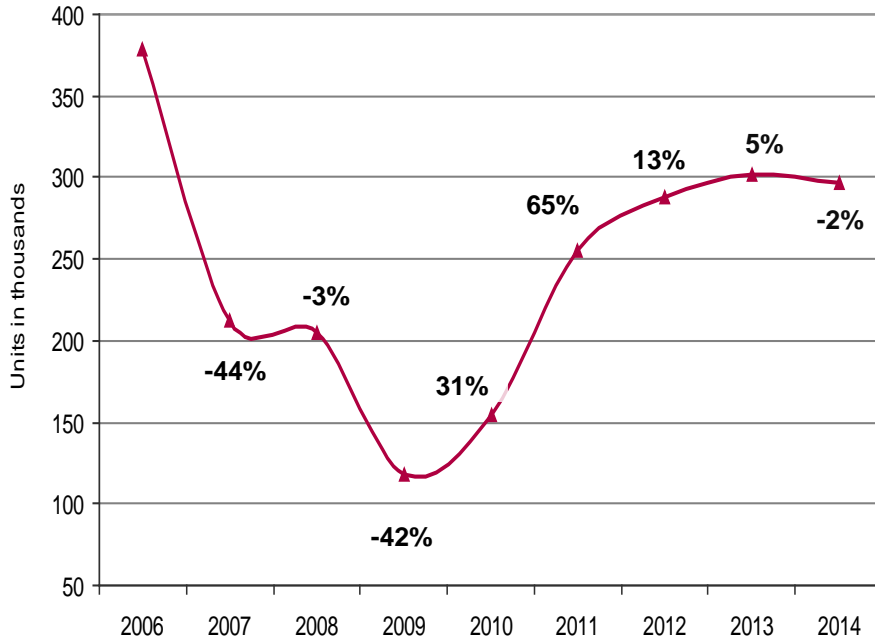


## Market Update

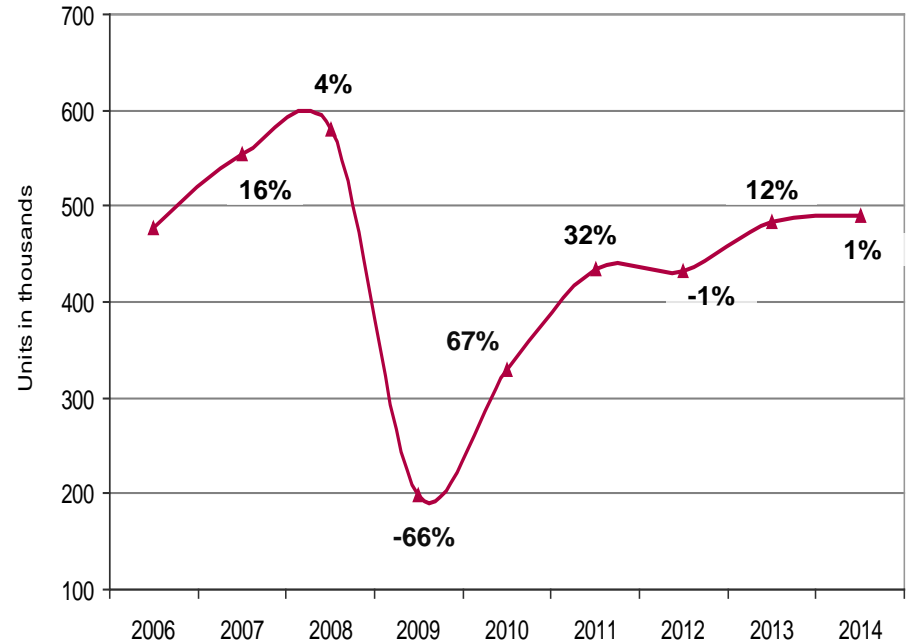
# Heavy Truck Build Rates



## Heavy Truck build rates NA, >15t



## Heavy Truck build rates EU, >15t



- North America official build rates are still expected to grow by 13% in 2012 which is down on the Q1 expectation
- The uncertainty in Europe continues and official build rates are indicating a 1% reduction compared to 2011

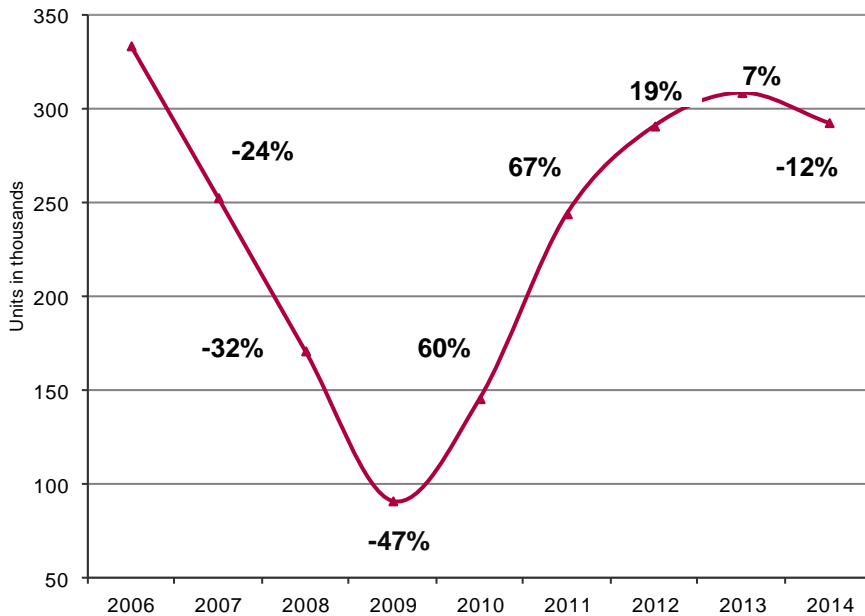
Note: JDP data – official statistics per March 2012



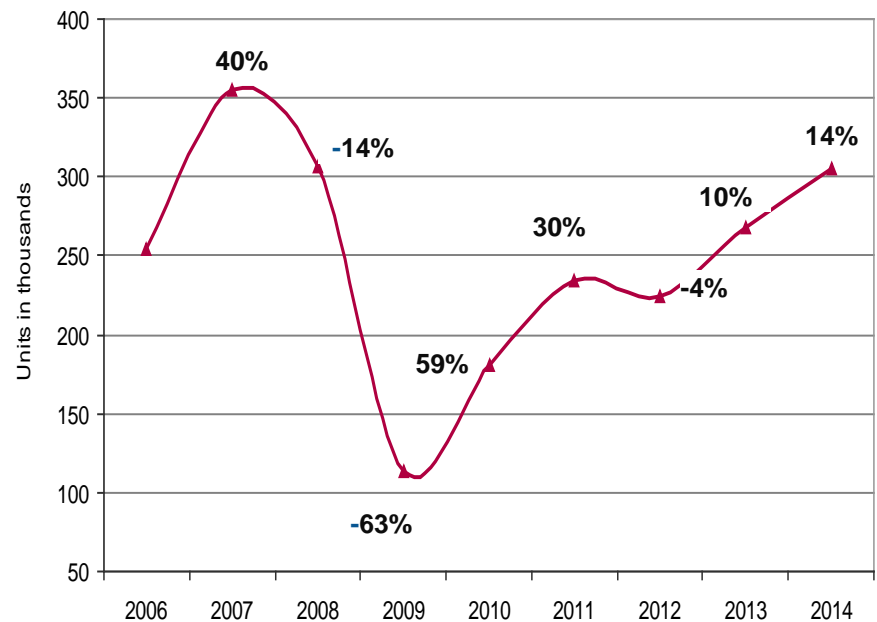
# Heavy Trailer Build Rates



## Heavy Trailer build rates NA



## Heavy Trailer build rates EU



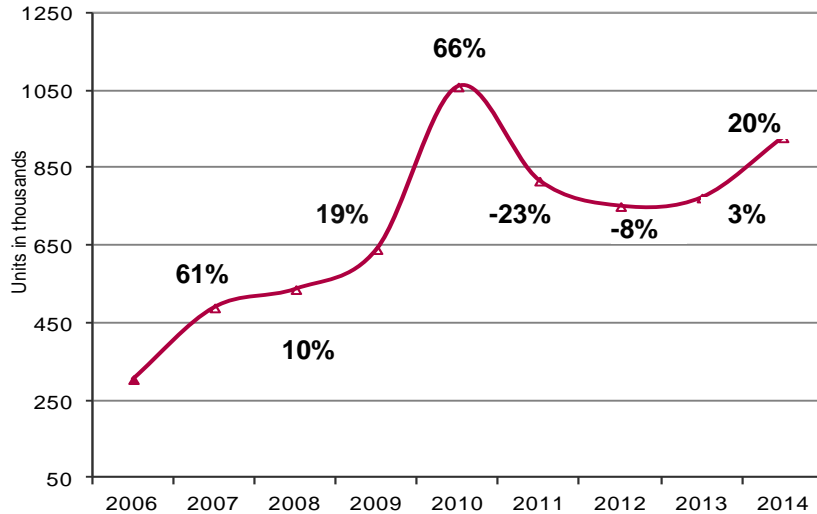
- North America trailer official build rates remain robust and are expected to grow by 19%
- In Europe the official build rates are indicating a 4% reduction compared to 2011

Note: ACT data and CLEAR – official statistics per March 2012

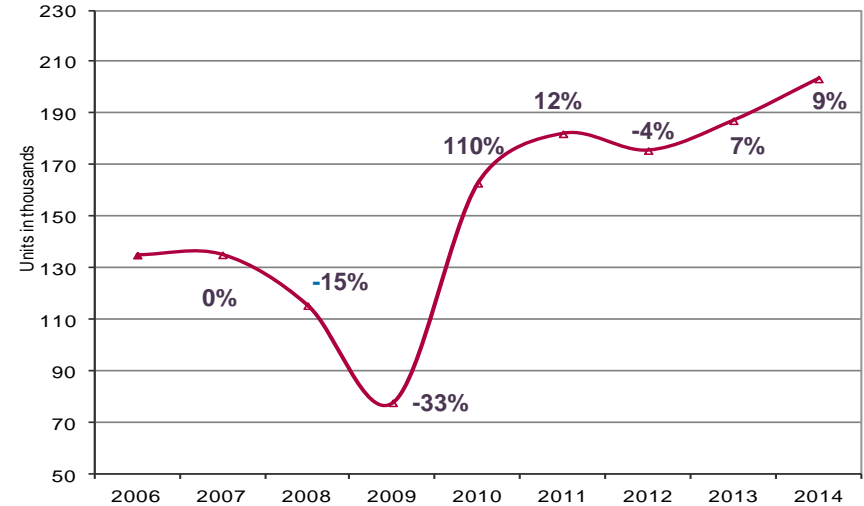
# Emerging Markets Build Rates Truck



## Heavy Truck Build Rates China



## Heavy Truck Build Rates India



- The slow down in China has continued and official build rates see a further weakening in demand with rates down 8% compared to 2011
- The same accelerated slowdown has occurred in India with official build rates down 4% compared to 2011

Note: JDP data – official statistics per March 2012



**Sales and  
Financials**



# Sales January – June 2012

## Product line and Region



Product line, SEK m	Jan - June 2012	Jan - June 2011	Change, currency adj	April-June 2012	April-June 2011	Change, currency adj
Air Controls	949	919	0%	471	466	-3%
Foundation Brake	1,189	1,059	8%	594	560	2%
Total	2,138	1,978	4%	1,065	1,026	-1%



Region, SEK m	Jan - June 2012	Jan - June 2011	Change, currency adj	April-June 2012	April-June 2011	Change, currency adj
North America	1,200	993	13%	607	528	4%
Europe	703	692	2%	345	351	-1%
Asia and the Middle East	164	179	-11%	80	87	-13%
South America	71	114	-34%	33	60	-40%
Total	2,138	1,978	4%	1,065	1,026	-1%

# Summary January – June 2012



<i>Amounts in SEK m</i>	January - June 2012	January - June 2011	April - June 2012	April - June 2011
Net sales	2,138	1,978	1,065	1,026
Operating income*	124	121	60	66
Operating margin, %*	5.8	6.1	5.6	6.4
Earnings after tax	41	83	7	45
Earnings per share	0.86	1.77	0.14	0.95

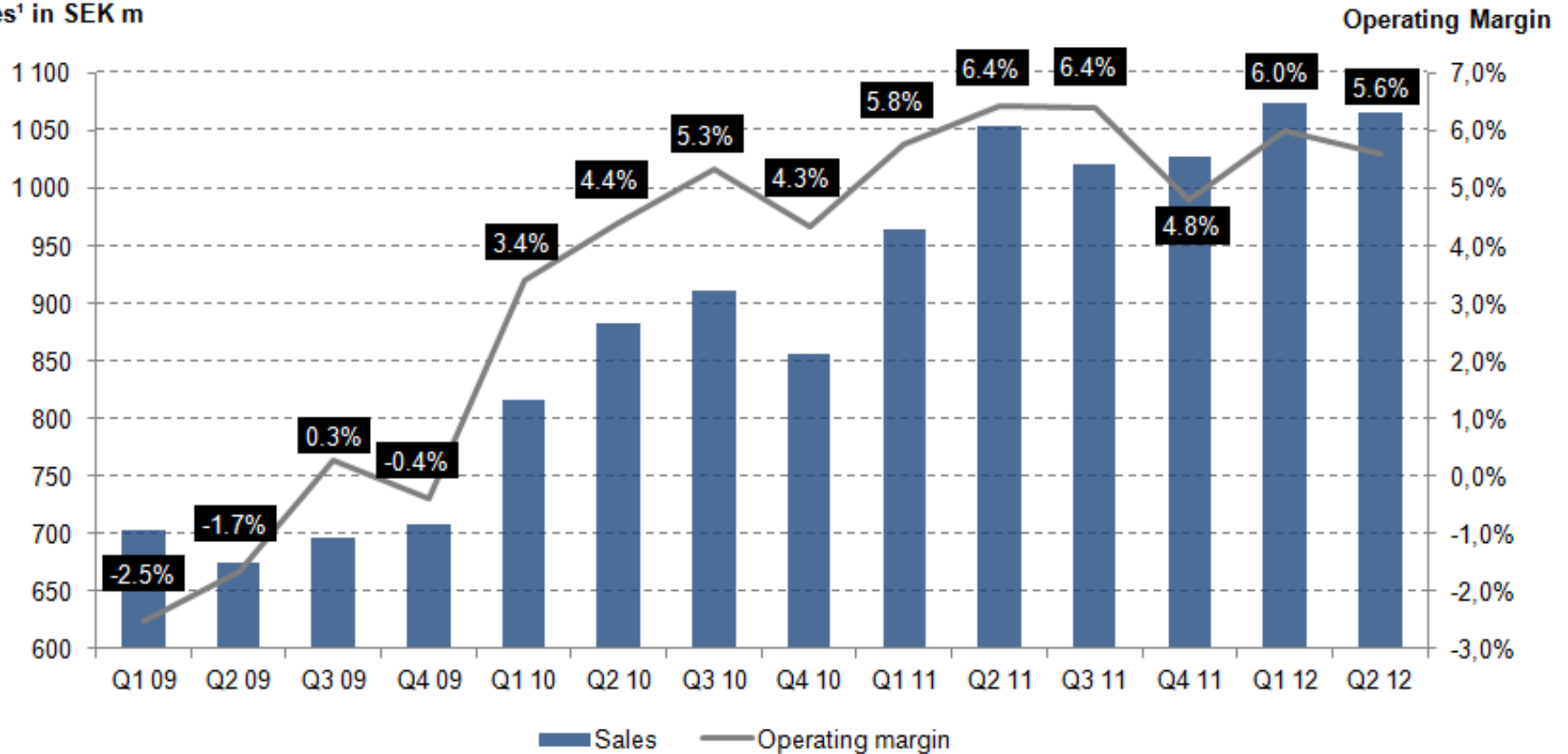
- **Sales YTD of SEK 2,138 m (1,978), + 4% adjusted for exchange rate movements.**
  - Sales in Q2 amounted to SEK 1,065 m (1,026), -1% currency adjusted.
- **Operating Income YTD of SEK 124\* m (121) with an operating margin of 5.8%\* (6.1).**
  - Operating income in Q2 of SEK 60\* m (66) with an operating margin of 5.6%\* (6.4)
- **Earnings after tax YTD of SEK 41 m (83).**
  - Earnings after tax in Q2 of SEK 7 m (45).
- **Earnings per share YTD of SEK 0.86 (1.77).**
  - Earnings per share in Q2 of SEK 0.14 (0.95).

\* Excluding restructuring costs

# Stable Sales & Operating Margin



Sales<sup>1</sup> in SEK m



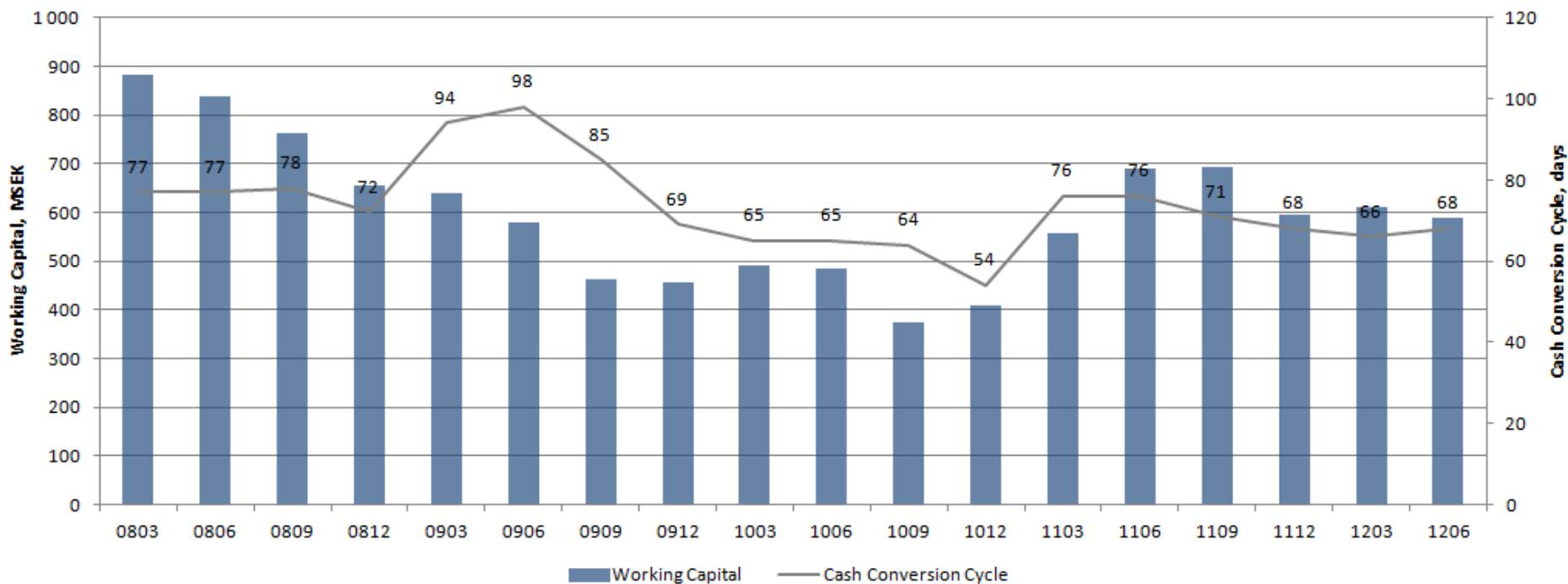
<sup>1</sup> Sales fx adjusted to Q2 2012 rates

# Balance Sheet



<i>Amounts in SEK m</i>	June 30, 2012	March 31, 2012	Quarterly change
<b>Working Capital</b>	588	612	-4%
<b>Intangible assets</b>	560	547	2%
<b>Capital employed</b>	2,160	2,210	-2%
<b>Total assets</b>	2,849	2,903	-2%
<b>Equity</b>	1,296	1,345	-4%
<b>Net debt</b>	515	446	15%
<b>Equity ratio, %</b>	45	46	
<b>Debt/Equity ratio, %</b>	40	33	

# Working Capital, CCC & Cash Flow



Amounts in SEK m	Q1 2012	Q2 2012	Q1 2011	Q2 2011	Q3 2011	Q4 2011
Operating Cash Flow *	65	67	-109	-22	62	178
Cash Flow after net investments*	42	40	-143	-40	40	152

\* Excluding restructuring





**Outlook**

- North America truck and trailer segments continue to be stable
- In Europe the Q2 development saw a slight softening and we will continue to monitor the situation closely
- The Asia and South America market outlook is looking weaker but Haldex will continue to drive expansion focusing on product launches
- We will continue with our program to better optimize our production, engineering, sales and administration functions in Q3



