

# Year-End Report Q4 2012

February 14, 2013



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President and CEO

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CFO

*Innovative Vehicle Solutions*

# Agenda



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



- *Weaker sales in our markets due to inventory de-stocking and lower overall demand*
- *Operating margin impacted by lower volumes*
- *Continued focus on operating working capital management delivered a strong cash flow performance*
- *The cost reduction program initiated 2012 is finalized with annual savings expected in the region of SEK 35 – 40 m from Q2 2013. One-off expenses related to the cost reduction program amounted to SEK 6 m during the fourth quarter.*
- *The Board of Directors has decided to propose a dividend of 1:00 SEK per share.*
- *Two new members of the Haldex Group Management have been appointed. Ed Meador as SVP, NA Sales, and Per-Erik Kronqvist as SVP, R&D.*

- Haldex opened new plant in Brazil
- Haldex and Master strategic partners in Brazil
- 70 millionth Brake Adjuster
- Global supply agreement for Automatic Brake Adjuster - SEK 350 m
- Haldex announce new organization structure and new CEO
- Haldex continues streamlining its processes and initiated a program focusing on the production, engineering, sales and administration
- Fleet+ winner of the Trailer Innovation Award 2013
- Fliegl trailers incorporate Haldex TEM® Safe Parking
- New laboratory at the Suzhou plant in China

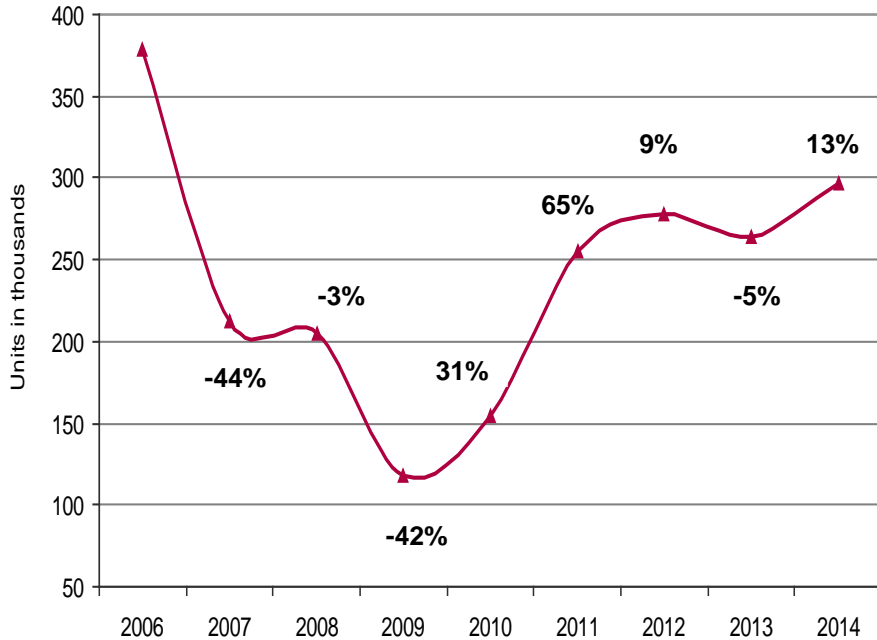


## Market Update

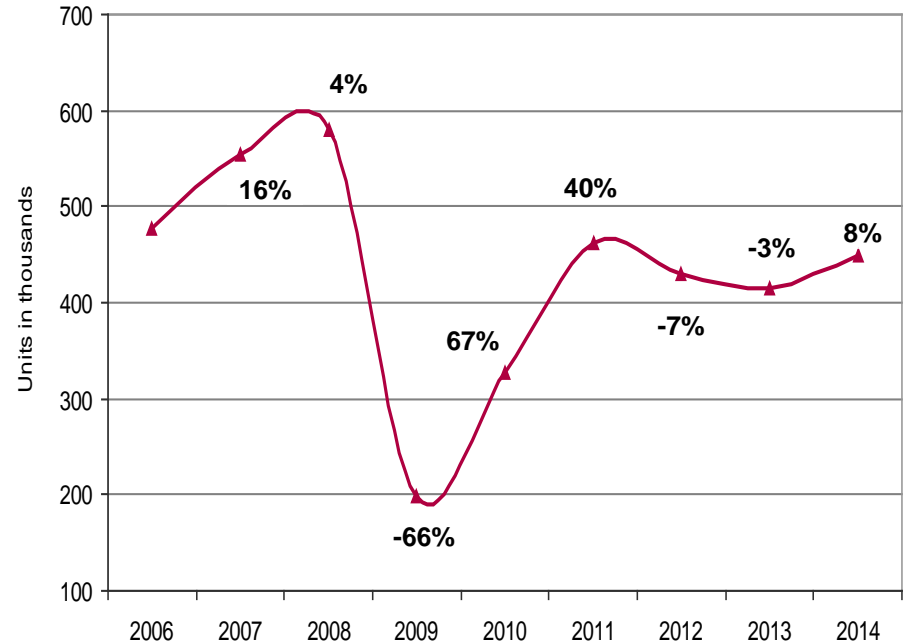
# Heavy Truck Build Rates



## Heavy Truck build rates NA, >15t



## Heavy Truck build rates EU, >15t



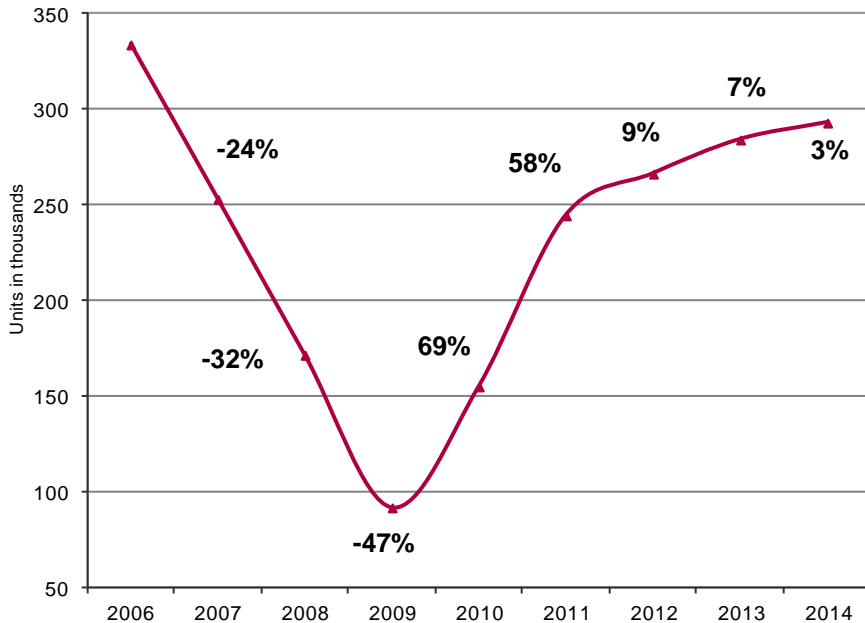
- North America official build rates grew by 9% in 2012 which is down on the Q3 expectation. Official build rates are indicating a 5% reduction 2013 compared to 2012.
- The uncertainty in Europe continues and official build rates indicating a 7% reduction compared to 2011, the decline is expected to continue during 2013.

Note: JDP data – official statistics per December 2012

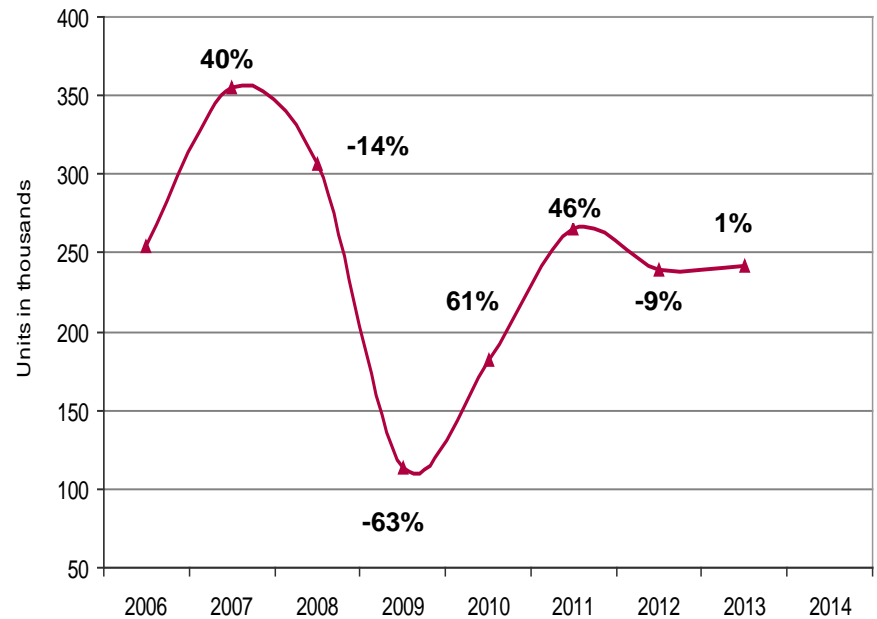
# Heavy Trailer Build Rates



## Heavy Trailer build rates NA



## Heavy Trailer build rates EU



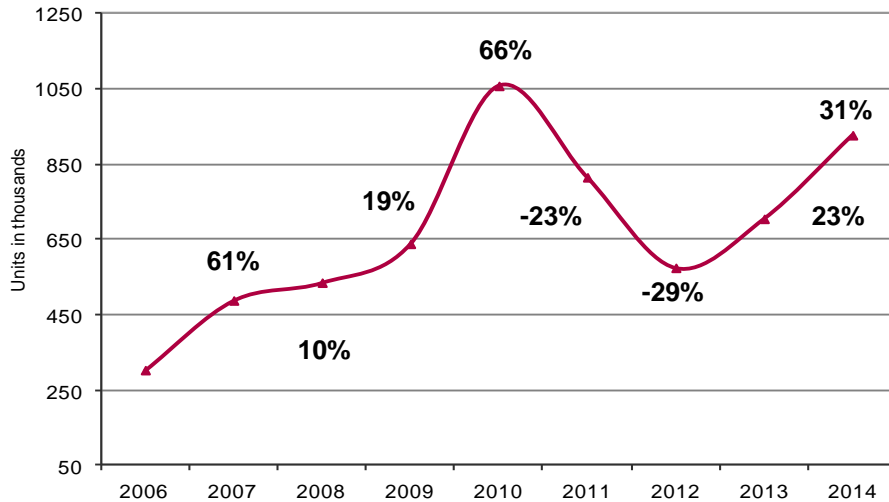
- North America trailer official build rates remain robust and grew 9% during 2012, but expected growth in Q3 was 14%.
- In Europe the official build rates show a decline of 9% compared to 2011, during 2013 official build rates indicate a growth of 7% compared to 2012.

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

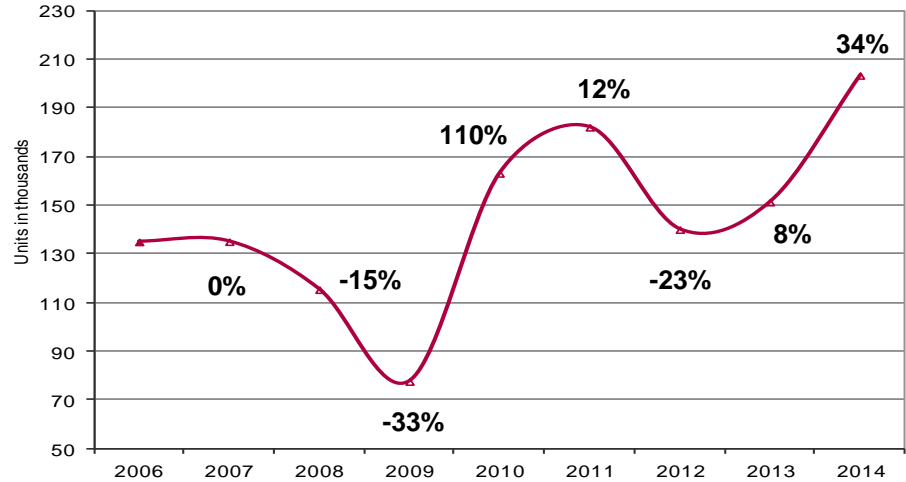
# Emerging Markets Build Rates Truck



## Heavy Truck Build Rates China



## Heavy Truck Build Rates India



- The slow down in China has continued and official build rates show a decline 2012 of 29% compared to 2011
- The same accelerated slowdown has occurred in India and official build rates are down 23% compared to 2011

Note: JDP data – official statistics per December 2012





**Sales**

# Demand Q4 2012 per region



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 = Q4/Q3


\*\* Trend y-o-y = Q4 2012/2011

# Sales January – December 2012

## Product line and Region



Product line, SEK m	Jan- Dec 2012	Jan- Dec 2011	Change, currency adj	Oct- Dec 2012	Oct- Dec 2011	Change, currency adj
Air Controls	1,783	1,823	-3%	406	448	-6%
Foundation Brake	2,150	2,207	-4%	458	587	-20%
<b>Total</b>	<b>3,933</b>	<b>4,030</b>	<b>-3%</b>	<b>864</b>	<b>1,035</b>	<b>-14%</b>

 Region, SEK m	Jan- Dec 2012	Jan- Dec 2011	Change, currency adj	Oct- Dec 2012	Oct- Dec 2011	Change, currency adj
North America	2,162	2,096	-1%	452	564	-9%
Europe	1,304	1,340	0%	302	324	-2%
Asia and the Middle East	317	363	-13%	73	98	-3%
South America	150	231	-28%	37	49	-28%
<b>Total</b>	<b>3,933</b>	<b>4,030</b>	<b>-3%</b>	<b>864</b>	<b>1,035</b>	<b>-14%</b>



# Financials

# Summary January – December 2012



<i>Amounts in SEK m</i>	Jan - Dec 2012	Jan - Dec 2011	Oct - Dec 2012	Oct - Dec 2011
Net sales	3,933	4,030	864	1,035
Operating income*	210	235	34	49
Operating margin, %*	5.3	5.8	3.9	4.8
Earnings after tax	49	142	-4	24
Earnings per share	1.02	3.08	-0.09	0.52

- **Sales YTD of SEK 3,933 m (4,030), -3% adjusted for exchange rate movements.**
  - Sales in Q4 amounted to SEK 864 m (1,035), -14% currency adjusted.
- **Operating Income YTD of SEK 210\* m (235) with an operating margin of 5.3%\* (5.8).**
  - Operating income in Q4 of SEK 34\* m (49) with an operating margin of 3.9%\* (4.8)
- **Earnings after tax YTD of SEK 49 m (142).**
  - Earnings after tax in Q4 of SEK -4 m (24).
- **Earnings per share YTD of SEK 1.02 (3.08).**
  - Earnings per share in Q4 of SEK -0.09 (0.52).

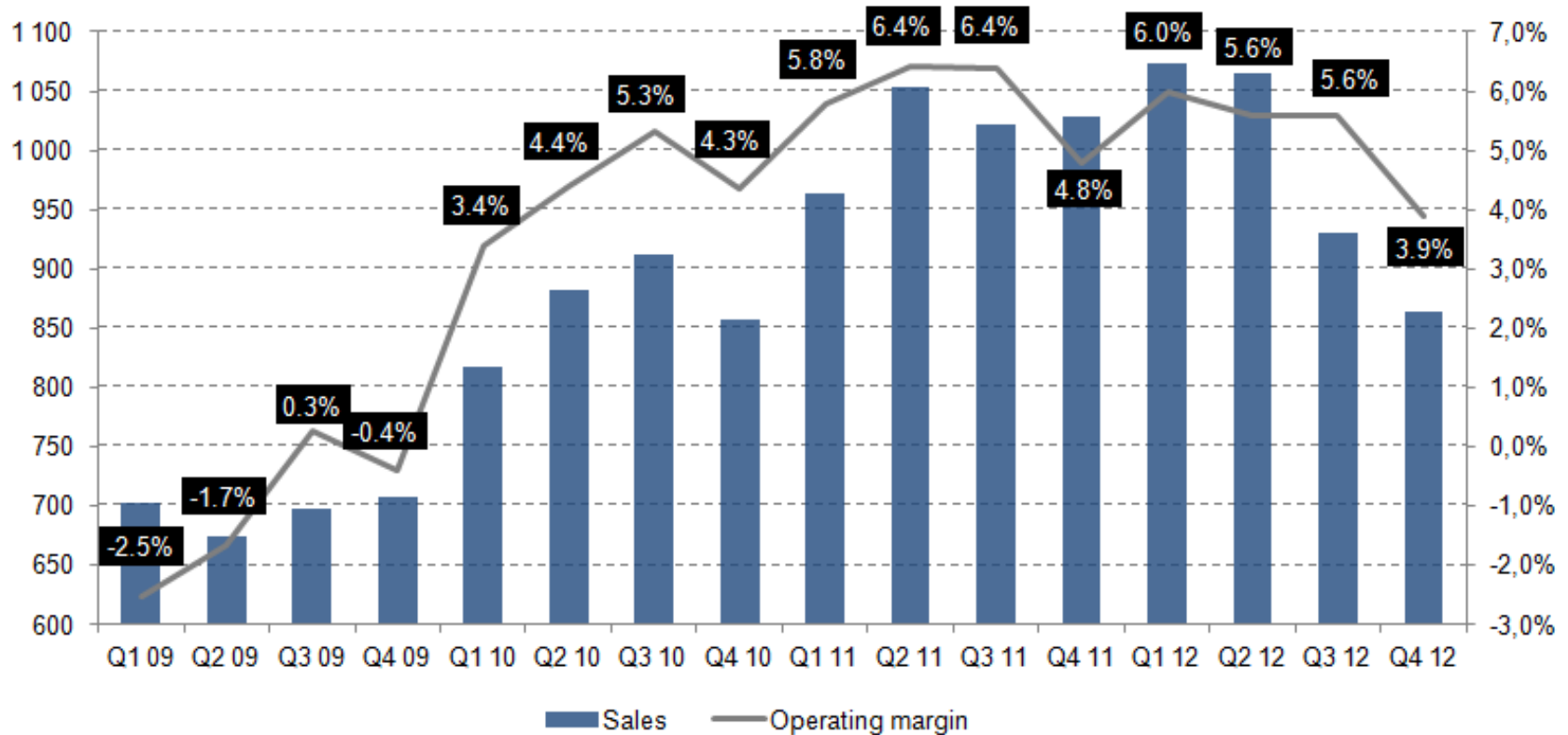
\* Excluding restructuring costs

# Sales & Operating Margin



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

Operating Margin



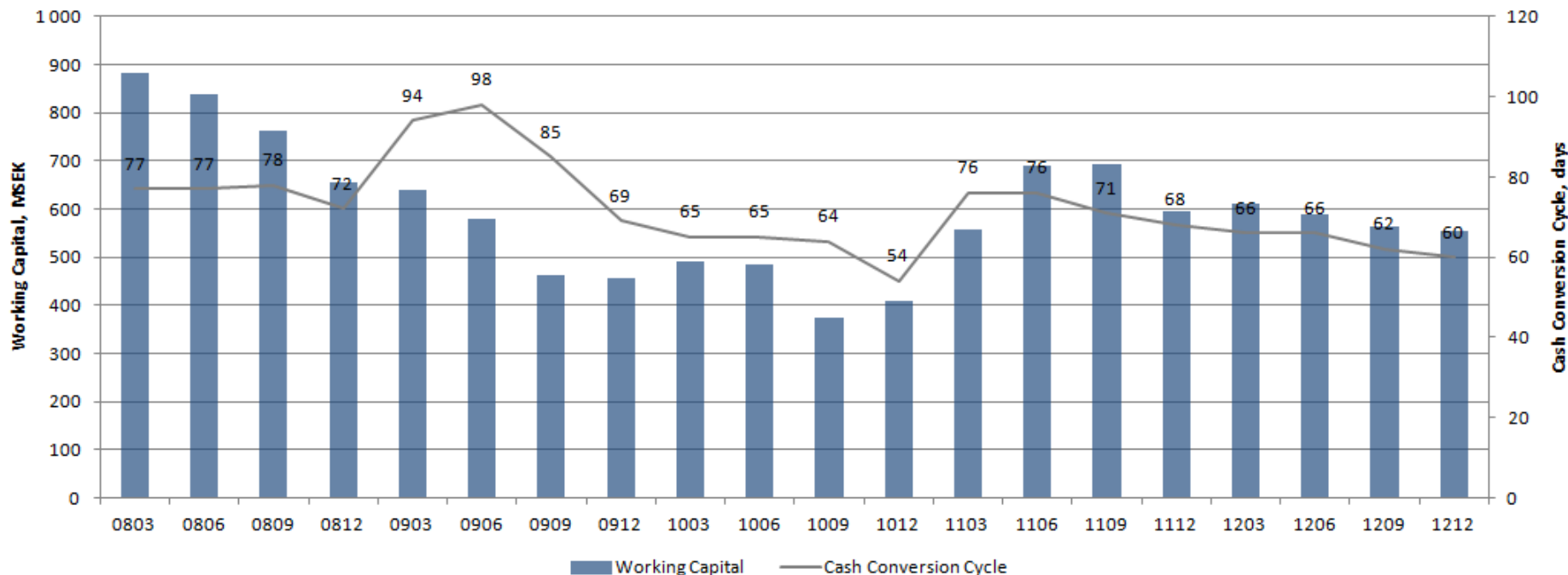
<sup>1</sup> Sales fx adjusted to Q4 2012 rates

# Balance Sheet, 2012-12-31



<i>Amounts in SEK m</i>	Dec 31, 2012	Sept 30, 2012	Quarterly change
<b>Operating Working Capital</b>	607	667	-9%
<b>Intangible assets</b>	537	539	-0%
<b>Capital employed</b>	2,053	2,086	-2%
<b>Total assets</b>	2,586	2,698	-4%
<b>Equity</b>	1,242	1,254	-1%
<b>Net debt</b>	445	490	-9%
<b>Equity ratio, %</b>	48	46	
<b>Debt/Equity ratio, %</b>	36	39	

# Working Capital, CCC & Cash Flow



	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2011	Q2 2011	Q3 2011	Q4 2011
<i>Amounts in SEK m</i>								
Operating Cash Flow *	65	49	55	108	-109	-22	61	178
Cash Flow after net investments*	42	22	23	72	-143	-40	40	152

\* Excluding restructuring





**Outlook**

- In light of the economic uncertainty it is hard to assess the market development, however in the established markets of North America and Europe we see a “flattish” development in the early part of the year
- In Asia, particularly in China and India, the market outlook remains positive, and Haldex will continue to drive expansion focusing on product launches.
- The recent government stimulus packages and legislative changes offers a positive market outlook in Brazil.



