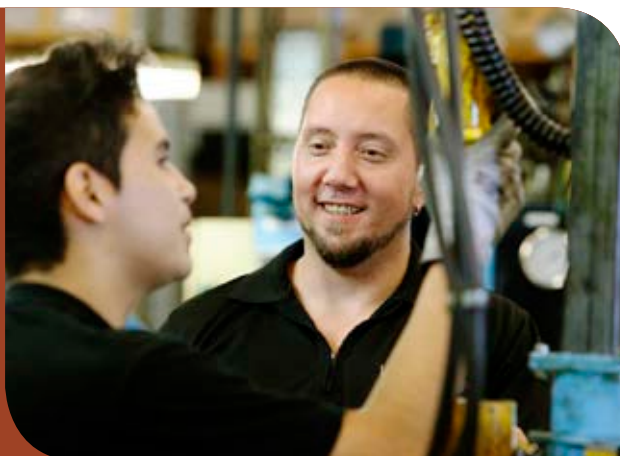


VBG Group  
Interim report January-March



2015 Q1

# Interim report January – March 2015



- The Group's net turnover increased by 12.2 per cent to **SEK 355.1 M** (316.4)
- Operating profit rose to **SEK 55.7 M** (50.6)
- The operating margin was **15.7 per cent** (16.0)
- Profit after financial items increased to **SEK 55.5 M** (48.7)
- The Group's profit after tax rose to **SEK 40.5 M** (35.5)
- Earnings per share increased to **SEK 3.24** (2.84)

## KEY FIGURES

	Q1 2015	Q1 2014	FULL-YEAR 2014
Net turnover, SEK M	<b>355.1</b>	316.4	1,186.8
Operating profit, SEK M	<b>55.7</b>	50.6	120.9
Operating margin, %	<b>15.7</b>	16.0	10.2
Profit after financial items, SEK M	<b>55.5</b>	48.7	112.7
Profit margin, %	<b>15.6</b>	15.4	9.5
Profit after tax, SEK M	<b>40.5</b>	35.5	78.9
Earnings per share, SEK	<b>3.24</b>	2.84	6.31
Equity per share	<b>68.92</b>	61.92	65.40
Cash flow from operating activities per share	<b>3.96</b>	3.33	9.81
Return on capital employed (ROCE), cumulative, %	<b>21.2</b>	21.8	12.5
Return on equity (ROE), cumulative, %	<b>19.3</b>	18.8	10.1
Equity/assets ratio, %	<b>67.1</b>	68.2	67.6

# This is the VBG Group

VBG Group AB (publ) in Vänersborg is the Parent Company of an international engineering Group with wholly owned companies in Europe, the USA, India and China. The Group's operations are divided into three divisions – VBG Truck Equipment, Edscha Trailer Systems and Ringfeder Power Transmission – with products that are marketed under strong, well-known brands. VBG Group AB's Series B share was introduced on the stock exchange in 1987 and is listed today on the Nasdaq OMX Stockholm, Mid Cap list.

## **Vision**

We are number one or two globally in the industrial niches in which we are active. We make a difference by creating the products and services of the future.

## **Business concept**

The VBG Group will, within selected product and market segments, acquire, own and develop industrial companies in business-to-business commerce with strong brands and good growth potential. Based on a long-term commitment and with a focus on growth and profitability, the VBG Group's shareholders will be offered attractive value growth.

## **Goals**

- Minimum average annual turnover growth of 10 per cent
- Minimum average operating margin of 10 per cent
- Average return on capital employed of 18 per cent

## **Strategies**

The Parent Company, VBG Group AB, is responsible for the strategic governance of the Group as a whole. This entails the approval and follow-up of divisional targets and strategies.

The responsibility also includes identifying and implementing strategic acquisitions and providing support in the form of industrial expertise, the allocation of capital, strategic HR work to ensure that the operations' long-term competency requirements are secured, as well as strategic IT work and the operation of all shared IT systems.




## *Strategies for the divisions*

- Strong brands and leading market positions in selected niches
- High customer value in the products
- Diversified customer base
- International expansion

## **Stable ownership situation**

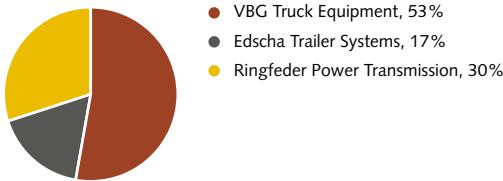
The VBG Group's principal owners comprise three foundations that were established by the Group's founder, Herman Krefting. In accordance with their regulations, the foundations may not divest their shares in the VBG Group. This structure has historically provided us with a high degree of financial stability and continuity in the implementation of the Group's strategy which, in turn, has resulted in solid total returns for shareholders.

cont. This is the VBG Group

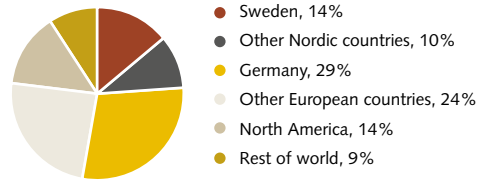
DIVISIONS	BRANDS
	<p><b>VBG Truck Equipment</b></p> <p>By virtue of its own strong brands, the division is an internationally leading supplier of coupling equipment for trucks with heavy trailers, where the division accounts for more than 50 per cent of the global market via the Ringfeder and VBG brands. The division also has Onspot – automatic tyre chains with a world-leading position in its niche.</p>
	<p><b>Edscha Trailer Systems</b></p> <p>By virtue of its own strong brands, the division is an internationally leading supplier of equipment for trailers. The division accounts for more than 40 per cent of the global market for sliding roofs via the Edscha Trailer Systems and Sesam brands.</p>
	<p><b>Ringfeder Power Transmission</b></p> <p>By virtue of its own strong brands, the division is a recognised global market leader in selected niches within mechanical power transmission and energy and shock absorption. The division's brands are Ringfeder, Tschan, Gerwah and Ecoloc. The customers are found in such widely disparate industrial markets as construction, machinery, power and mining.</p>



**SALES BY DIVISION**



**SALES BY MARKET**



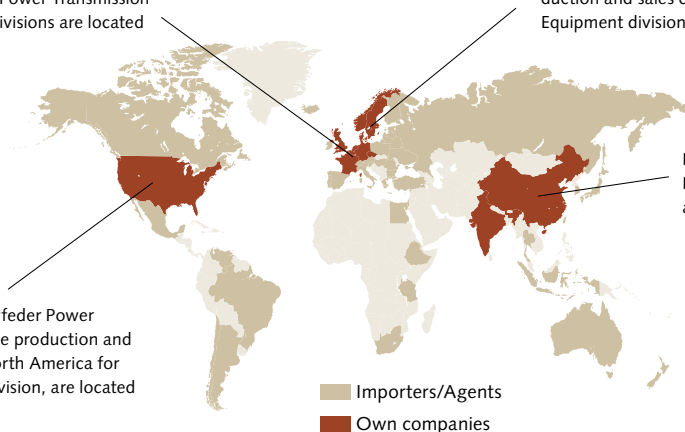
**VBG GROUP IN THE WORLD**

Production and sales companies for the VBG Truck Equipment, Ringfeder Power Transmission and Edscha Trailer Systems divisions are located in Europe.

The Parent Company of the VBG Group and production and sales companies for the VBG Truck Equipment division are located in Scandinavia.

Production and sales companies for the Ringfeder Power Transmission division are located in India and China.

Sales companies for the Ringfeder Power Transmission division, and the production and sales company Onspot of North America for the VBG Truck Equipment division, are located in the USA.



The VBG Group also has employees in Italy, Brazil, Turkey and Thailand.

# VBG Group delivers a strong first quarter

Similar to last year, the first quarter represented a highly positive start to the financial year for the VBG Group. With an operating profit of SEK 55.7 M and an operating margin of 15.7 per cent, it was the third best quarter ever in historical terms. For the Group as a whole, the first quarter is usually the strongest, with respect to both turnover and earnings. Underlying reasons for this include the fact that it contains more working days than other quarters and that the normally weak month of December, with low business activity and destocking by many customers, generates a greater need at the beginning of the year. The fact that sales of certain products, such as Onspot's automatic tyre chains, increase somewhat during the winter season also positively impacts the first quarter.

It is also notable that the Group recognised net cash assets at the end of the quarter. The Group's total cash and cash equivalents of SEK 216 M were thus greater than the Group's interest-bearing borrowings (including pension liability) of SEK 208 M. This has not occurred since 1996.

## **VBG Truck Equipment – delivers top-class earnings**

The Group's largest division posted a truly top-class first quarter. Operating profit amounted to nearly SEK 40 M, which is the best result ever for an individual quarter. Naturally, this meant that the operating margin rose by a full 21 per cent. During the first quarter, there were indications and positive signals of increased activity in a number of geographic markets, including the division's largest market, Germany. My hope, and my assessment, is that we will continue to see growth in VBG Truck Equipment's core markets in the next few quarters.

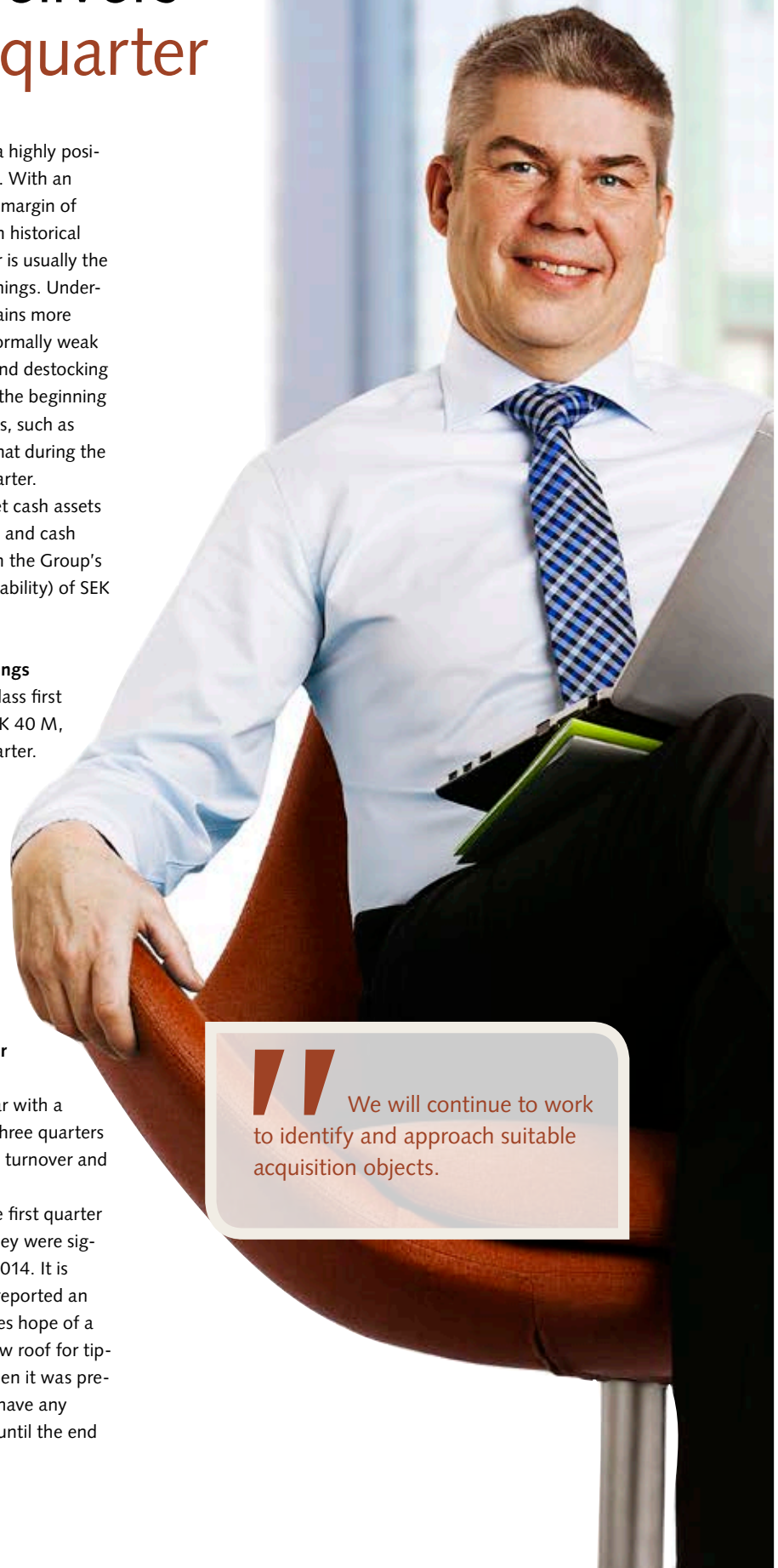
## **Edscha Trailer Systems – continued low turnover but positive result**

Last year, Edscha Trailer Systems opened the year with a strong first quarter to subsequently experience three quarters with a much weaker market. This resulted in low turnover and red performance figures.

While the division's turnover and profit for the first quarter of the year were certainly lower year-on-year, they were significantly better than the last three quarters of 2014. It is therefore gratifying that Edscha Trailer Systems reported an operating margin of 8.4 per cent, which also gives hope of a positive trend for the remainder of 2015. The new roof for tipper vehicles that garnered such huge interest when it was presented to the market last year will probably not have any major effect on the Group's turnover and profit until the end of this year at the earliest.



We will continue to work to identify and approach suitable acquisition objects.





**Ringfeder Power Transmission – increased sales and continued favorable profitability**

Consolidation of the German company Tschan, acquired on 1 July 2014, will be ongoing for much of 2015. A key area for Ringfeder Power Transmission's management is to streamline Tschan's production and logistics. In parallel, intensive market-oriented activities are under way to train, develop and coordinate the division's internal sales organisation and the global distribution network.

During the first quarter, the division's turnover increased by 50 per cent year-on-year. Tschan was naturally a fundamental contributing factor to this increase. In terms of earnings, Tschan reported an operating profit slightly above break even and, while this was in line with plans, it diluted the division's total margin by just under 4 percentage points. The division's operating margin of slightly more than 14 per cent for the quarter feels stable. The acquisition of Tschan is a long-term investment and, while a great deal of work remains for Ringfeder Power Transmission, I am full of confidence and I expect to see a positive trend and a further strengthened market position for the division.

**VBG Group – focus in 2015**

From the perspective of the Parent Company, we will continue to work to identify and approach suitable acquisition objects, with a primary focus on complementary acquisitions. The efforts we have made to establish a target-oriented and structured acquisition agenda in recent years, combined with our strong financial position, have created a solid platform for success in our ambition to grow structurally. We will also carefully monitor the profitability trend in our three divisions and their work to realise their business plans.

As I wrote in our year-end report and annual report, I believe there is good potential for the VBG Group to increase its turnover and earnings in 2015, provided that our current cautiously positive assessment of market development materializes.

Anders Birgersson  
Managing Director and CEO

# Group trend

SEK M	Q1 2015	Full-year 2014	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Full-year 2013	Q4 2013	Q3 2013	Q2 2013
Net turnover	355.1	1,186.8	303.4	289.9	277.1	316.4	1 171.4	294.4	280.0	292.5
Operating profit/loss	55.7	120.9 <sup>4</sup>	-28.2 <sup>2</sup>	71.5 <sup>2</sup>	27.0 <sup>1</sup>	50.6	162.8	37.4	39.0	41.6
Operating margin, %	15.7	10.2	-9.3	24.7	9.7	16.0	13.9	12.7	13.9	14.2
Profit/loss after financial items	55.5	112.7	-29.7	70.1	23.6	48.7	151.7	33.1	37.2	36.6
Profit margin, %	15.6	9.5	-9.8	24.2	8.5	15.4	13.0	11.2	13.3	12.5
Profit/loss after tax	40.5	78.9	-37.8	64.2	17.0	35.5	112.5	25.8	27.1	27.6
Earnings per share, SEK	3.24	6.31	-3.02	5.13	1.36	2.84	9.00	2.07	2.16	2.21
Equity per share	68.92	65.40	65.40	66.19	62.28	61.92	58.99	58.99	54.95	53.57
Cash flow from operating activities per share	3.96	9.81	3.28	1.73	1.47	3.33	10.30	3.03	2.50	2.29
ROCE (cumul.), %	21.2	12.5	12.5	20.4	16.7	21.8	18.5	18.5	18.9	19.7
ROE (cumul.), %	19.3	10.1	10.1	19.8	13.9	18.8	16.5	16.5	17.6	18.3
Equity/assets ratio, %	67.1	67.6	67.6	68.7	69.0	68.2	68.8	68.8	63.3	61.5

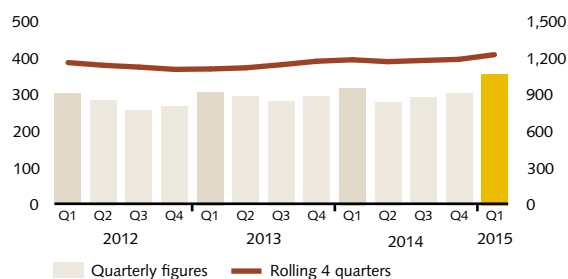
1 Includes item affecting comparability, SEK 6.0 M in capital gains from the divestment of Armaton

2 Includes item affecting comparability, SEK 46.8 M in negative goodwill from the acquisition of Tschan GmbH

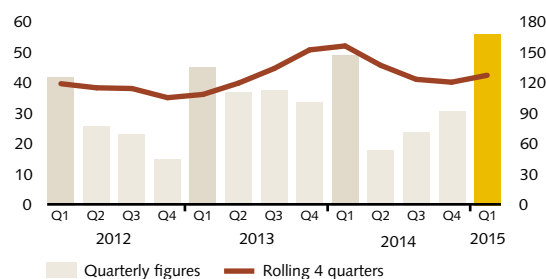
3 Includes item affecting comparability, negative SEK 60.0 M in impairment of goodwill in Edscha Trailer Systems

4 Includes negative SEK 7.2 M, net effect of the three items affecting comparability <sup>1+2+3</sup>

## NET TURNOVER, SEK M



## PROFIT AFTER FINANCIAL ITEMS\*, SEK M



\* Excluding items affecting comparability.

## GROUP

### Turnover and earnings

The Group's turnover increased by 12.2 per cent compared with the first quarter of 2014 and amounted to SEK 355.1 M (316.4). Acquired operations (Tschan GmbH acquired on 1 July 2014), accounted for SEK 23.2 M of the increase, corresponding to 7.3 percentage points. Also taking into consideration the relatively substantial movements in exchange rates between the quarters, the actual organic volume change between the quarters was a decrease of 2.6 per cent.

In terms of earnings, the Group once again posted an extremely strong first quarter, recording an operating profit of SEK 55.7 M (50.6) and an operating margin of 15.7 per cent (16.0). Operating profit included costs in the Parent Company of SEK 4.1 M (3.2) that were not allocated to the divisions.

Net financial items for the quarter amounted to an expense of SEK 0.2 M (expense: 1.9), and profit after financial items was thus SEK 55.5 M (48.7).

Profit after tax totalled SEK 40.5 M (35.5), thereby yielding a 14 per cent increase in earnings per share to SEK 3.24 (2.84).

Return on capital employed (ROCE) was 21.2 per cent (21.8) and return on equity (ROE) was 19.3 per cent (18.8). The Group's equity/assets ratio declined slightly compared with year-end to 67.1 per cent (67.6).

### Capital expenditures

The Group's new capital expenditures during the first quarter amounted to SEK 3.7 M (4.0).

### Financial position

Profit after tax for the first quarter rose to SEK 40.5 M (35.5). Other comprehensive income totalled SEK 3.5 M (1.1), entailing an increase in equity at 31 March to SEK 861.6 M (817.6 at year-end).

The equity/assets ratio declined somewhat, totalling 67.1 per cent at 31 March (67.6 at year-end).

Cash and cash equivalents at 31 March amounted to SEK 216.2 M (195.6 at year-end), and there were unutilised credit facilities of SEK 143.1 M (144.1), resulting in available liquidity of SEK 359.3 M (339.7).

The Group's interest-bearing net debt (including pension liability) declined by SEK 23.9 M during the quarter, meaning that the Group had net cash assets of SEK 7.6 M at the end of the quarter (16.3 in net debt at year-end).

The ratio of interest-bearing net debt to equity was thus negative 0.01 at 31 March 2015 (pos: 0.02 at 31 December 2014).

Due to a weaker Swedish kronor, the Group's aggregate goodwill increased slightly and amounted to SEK 269.1 M at 31 March (266.8 at year-end), which in relation to equity was a ratio of 0.31 (0.33).

#### **Cash flow**

Cash flow from operating activities amounted to SEK 23.6 M (22.9) during the period. Paid capital expenditures during the quarter amounted to SEK 5.1 M (5.0). The Group's total borrowings and current financial liability changed during the quarter by a net of SEK 0.8 M (decrease: 2.0). The net cash flow for the period and the impact on the Group's cash and cash equivalents was thus SEK 19.3 M (15.9).

#### **Personnel**

At 31 March 2015, there were 608 employees in the VBG Group (612 at year-end), including 179 (175) in Sweden. During the first quarter, the Group employed an average of 584 persons (523 during the year-earlier period). Of these, 184 (183) were active in Sweden. The cost of salaries and social security contributions was SEK 90.7 M (73.4).

#### **Per share data**

Earnings per share for the period increased by 14 per cent to SEK 3.24 (2.84). Equity per share was SEK 68.92 at 31 March 2015, compared with SEK 61.92 at the same time last year and SEK 65.40 at year-end.

The number of shareholders increased marginally during the period and amounted to 4,006 at the end of the quarter (4,001 at year-end).



# VBG Truck Equipment



## First-quarter 2015

- Turnover increased by 7.3 per cent to **SEK 188.6 M** (175.7)
- Operating profit rose to **SEK 39.4 M** (33.7)
- Operating margin increased to **20.9 per cent** (19.2)

Turnover in VBG Truck Equipment increased by 7.3 per cent to SEK 188.6 M (175.7). The translation of the turnover of foreign subsidiaries to SEK had a positive impact, and thus the actual volume increase was significantly lower at 1.4 per cent. During March, positive signals were noted from a number of key geographic markets, including the division's largest market, Germany. Operating profit was thus the highest to date for an individual quarter, increasing to SEK 39.4 M (33.7), with an operating margin that rose to 20.9 per cent (19.2).

### KEY FIGURES

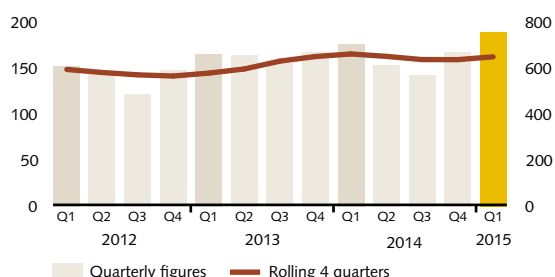
SEK M	Q1 2015	FULL-YEAR 2014	Q4 2014	Q3 2014	Q2 2014	Q1 2014	FULL-YEAR 2013	Q4 2013	Q3 2013	Q2 2013
Net turnover	188.6	636.6	166.9	141.4	152.6	175.7	650.2	167.3	155.3	163.2
Operating profit	39.4	103.7 <sup>1</sup>	29.5	17.2	23.3 <sup>1</sup>	33.7	116.2	29.9	28.8	30.9
Operating margin, %	20.9	16.3	17.7	12.2	15.3	19.2	17.9	17.9	18.5	18.9

<sup>1</sup> Includes items affecting comparability, SEK 6.0 M in capital gains in connection with the divestment of the Armaton product area.

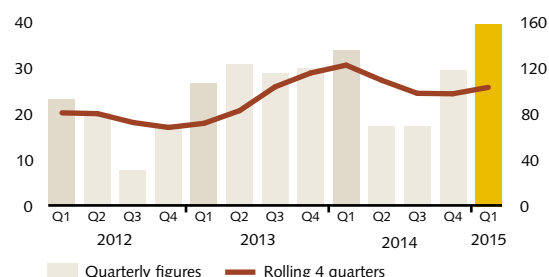
### TURNOVER BY MARKET

SEK M	Q1 2015	FULL-YEAR 2014	Q4 2014	Q3 2014	Q2 2014	Q1 2014	FULL-YEAR 2013	Q4 2013	Q3 2013	Q2 2013
Sweden	49.8	174.4	42.1	35.5	44.6	52.2	168.4	41.6	38.2	41.5
Other Nordic countries	33.4	106.8	24.9	22.7	26.7	32.5	116.2	32.0	27.6	28.2
Germany	26.4	90.8	20.7	23.7	22.2	24.2	100.6	24.5	22.8	26.5
Other European countries	46.5	143.8	37.3	32.9	34.9	38.7	150.0	39.3	37.0	37.9
North America	18.1	59.1	21.2	13.6	10.8	13.5	56.9	19.1	14.0	11.1
Rest of world	14.4	61.7	20.7	13.0	13.4	14.6	58.1	10.8	15.7	18.0
VBG Truck Equipment	188.6	636.6	166.9	141.4	152.6	175.7	650.2	167.3	155.3	163.2

### NET TURNOVER, SEK M



### OPERATING PROFIT\*, SEK M



\* Before items affecting comparability.

# Edscha Trailer Systems



## First-quarter 2015

- Turnover decreased by 15.0 per cent to **SEK 58.4 M** (68.7)
- Operating profit declined to **SEK 4.9 M** (7.2)
- Operating margin decreased to **8.4 per cent** (10.5)

Edscha Trailer Systems' turnover decreased by 15.0 per cent year-on-year to SEK 58.4 M (68.7) in a continued soft market. The translation of the division's turnover to SEK had a positive impact, and thus the actual volume decrease was 19.7 per cent.

Operating profit declined to SEK 4.9 M (7.2), with an operating margin of 8.4 per cent (10.5). In terms of earnings, the first quarter was nonetheless a step forward and a significant improvement on the last three quarters in the preceding year.

## KEY FIGURES

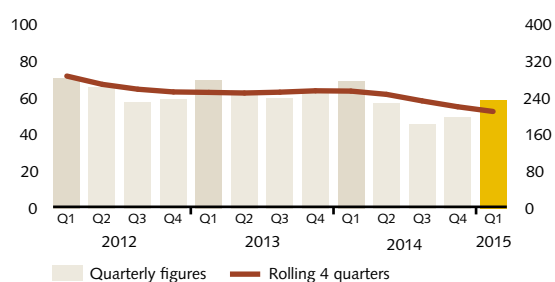
SEK M	Q1 2015	FULL-YEAR 2014	Q4 2014	Q3 2014	Q2 2014	Q1 2014	FULL-YEAR 2013	Q4 2013	Q3 2013	Q2 2013
Net turnover	58.4	219.8	49.2	45.1	56.8	68.7	254.6	62.0	59.3	63.9
Operating profit/loss	4.9	-52.7 <sup>1</sup>	-61.6 <sup>1</sup>	-1.2	2.9	7.2	22.9	4.7	3.5	5.6
Operating margin, %	8.4	-24.0	-125.2	-2.7	5.1	10.5	9.0	7.6	5.9	8.8

<sup>1</sup> Includes item affecting comparability, negative SEK 60.0 M in impairment of consolidated goodwill in Edscha Trailer Systems

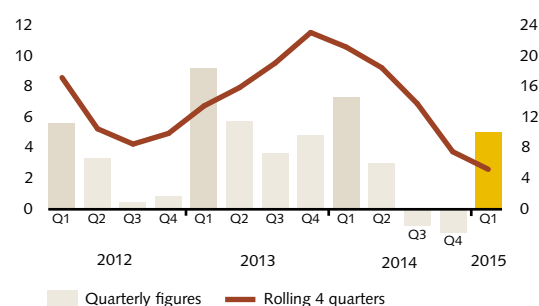
## TURNOVER BY MARKET

SEK M	Q1 2015	FULL-YEAR 2014	Q4 2014	Q3 2014	Q2 2014	Q1 2014	FULL-YEAR 2013	Q4 2013	Q3 2013	Q2 2013
Sweden	0.1	0.3	0.1	0.0	0.1	0.1	0.5	0.1	0.1	0.2
Other Nordic countries	0.3	0.6	0.2	0.1	0.2	0.1	1.0	0.2	0.0	0.4
Germany	33.3	136.3	33.3	28.7	32.4	41.9	140.0	34.1	32.3	36.5
Other European countries	24.2	82.3	15.6	16.1	24.0	26.6	112.5	27.3	26.8	26.7
Rest of world	0.5	0.3	0.0	0.2	0.1	0.0	0.6	0.3	0.1	0.1
Edscha TS	58.4	219.8	49.2	45.1	56.8	68.7	254.6	62.0	59.3	63.9

## NET TURNOVER, SEK M



## OPERATING PROFIT\*, SEK M



\* Before items affecting comparability.

# Ringfeder Power Transmission



## First-quarter 2015

- Turnover increased by 50.1 per cent to **SEK 108.1 M** (72.0)
- Operating profit rose to **SEK 15.5 M** (12.9)
- Operating margin decreased to **14.3 per cent** (17.9)

Turnover for the Ringfeder Power Transmission division increased by a full 50.1 per cent to SEK 108.1 M (72.0). Tschan, which was acquired on 1 July 2014, reported first-quarter turnover of SEK

23.2 M, thereby accounting for 32.2 percentage points of the increase in turnover. The underlying organic growth was thus 18.0 per cent. When the substantial movements in exchange rates between the quarters are also taken into account, the actual organic volume increase was 3.9 per cent.

Operating profit increased to SEK 15.5 M (12.9), with a lower margin of 14.3 per cent (17.9). The reason for the lower margin was that Tschan, which is still undergoing a restructuring process, reported an operating result that was just above break even, thereby reducing the division's total operating margin by slightly less than 4 percentage points.

## KEY FIGURES

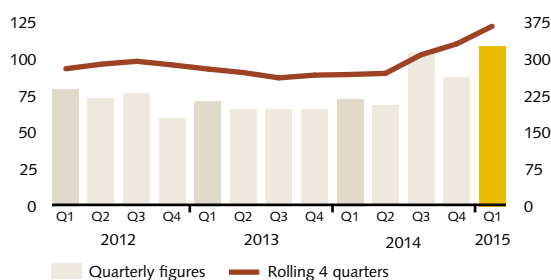
SEK M	Q1 2015	FULL-YEAR 2014	Q4 2014	Q3 2014	Q2 2014	Q1 2014	FULL-YEAR 2013	Q4 2013	Q3 2013	Q2 2013
Net turnover	<b>108.1</b>	330.4	87.3	103.4	67.7	<b>72.0</b>	266.6	65.1	65.4	65.4
Operating profit	<b>15.5</b>	83.0 <sup>1</sup>	6.3	57.7 <sup>1</sup>	6.1	<b>12.9</b>	35.5	5.7	8.6	9.1
Operating margin, %	<b>14.3</b>	25.1	7.2	55.8	9.0	<b>17.9</b>	13.2	8.8	13.1	13.9

<sup>1</sup> Includes item affecting comparability, SEK 46.8 M in negative goodwill from the acquisition of Tschan.

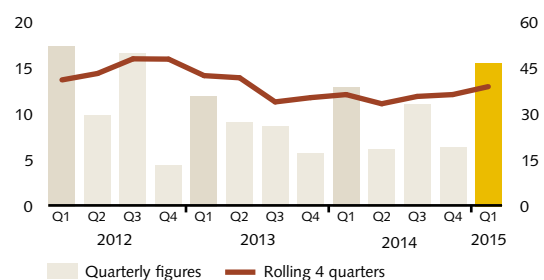
## TURNOVER BY MARKET

SEK M	Q1 2015	FULL-YEAR 2014	Q4 2014	Q3 2014	Q2 2014	Q1 2014	FULL-YEAR 2013	Q4 2013	Q3 2013	Q2 2013
Sweden	<b>1.1</b>	4.1	1.4	1.2	0.9	<b>0.6</b>	4.1	1.0	1.2	1.3
Other Nordic countries	<b>1.4</b>	3.3	1.2	1.1	0.4	<b>0.6</b>	1.5	0.2	0.3	0.5
Germany	<b>43.6</b>	127.8	33.2	44.8	22.1	<b>27.7</b>	90.6	20.4	24.1	22.0
Other European countries	<b>15.6</b>	42.5	9.9	14.5	9.8	<b>8.3</b>	32.9	7.8	8.2	9.3
North America	<b>31.6</b>	96.1	27.0	24.8	21.6	<b>22.7</b>	81.3	18.2	20.0	21.6
Rest of world	<b>14.8</b>	56.6	14.6	17.0	12.9	<b>12.1</b>	56.2	17.5	11.6	10.7
Ringfeder Power Transmission	<b>108.1</b>	330.4	87.3	103.4	67.7	<b>72.0</b>	266.6	65.1	65.4	65.4

## NET TURNOVER, SEK M



## OPERATING PROFIT\*, SEK M



\* Before items affecting comparability.

# Other information

## Parent Company

VBG Group AB's operations are focused on managing, developing and coordinating the Group. The assets in the Parent Company consist primarily of shares in subsidiaries and trademarks. The company also owns the industrial property in Vänersborg that is rented by the subsidiary VBG Group Truck Equipment AB.

The objective is that the Group's intellectual property in the form of trademarks and other rights should be gathered in the Parent Company. VBG Group AB focuses on maintaining and developing all the Group's trademarks and rights.

The Parent Company's net turnover pertains primarily to intra-Group services, license revenues and rentals and amounted to SEK 5.0 M (4.9) during the first quarter. The operating loss for the quarter was SEK 5.5 M (loss: 3.3). The loss after net financial items totalled SEK 6.2 M (loss: 3.8).

## Accounting policies

The VBG Group applies International Financial Reporting Standards (IFRSs) as adopted by the EU in its consolidated accounts. This report has been prepared in accordance with IAS 34, Interim Financial Reporting, and the Swedish Annual Accounts Act.

The Parent Company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and RFR 2.

The accounting policies that have been applied in the preparation of this report, as well as definitions of key figures, etc., are described in Note 1 of VBG Group AB's annual report for 2014.

## Risks and uncertainty factors

The Group's and the Parent Company's significant risks and uncertainty factors include business-related operational risks

in the form of commodity risks, product risks, development risks, intellectual property risks, environmental risks, political risks, business interruption and property risks, cyclical risks, IT security risks and legal risks. To these can be added financial risks such as financing risks, liquidity risks, interest rate risks, currency risks and credit and counterparty risks.

For a more detailed description of the Group's risks and risk management, see VBG Group AB's annual report for 2014, Note 2.

## Outlook for 2015

The company makes no forecast.

## Financial information 2015/2016

Interim report, six months	20 August 2015
Interim report, nine months	21 October 2015
Year-end report 2015	17 February 2016
Interim report, three months 2016	26 April 2016
Annual General Meeting 2016	26 April 2016

## Events after the balance sheet date

No significant events occurred after the close of the first quarter of 2015 that are considered to have a material impact on the Group's financial statements.

## Related party transactions

There have been no related party transactions in 2015 that have significantly affected the company's financial position and results. Related party transactions during 2014 are disclosed in Note 6 in the annual report for 2014.

Vänersborg, 23 April 2015  
VBG Group AB (publ)

Anders Birgersson  
Managing Director and CEO

This report is unaudited.

## Note

This information is of the type that VBG Group AB is obligated to disclose in accordance with the Swedish Securities Exchange and Clearing Operations Act and/or the Financial Instruments Trading Act. The information was submitted for publication on 23 April 2015 at 3:00 p.m.

## Swedish press releases issued in the first quarter of 2015

Notice AGM 2015	25 March 2015
Annual Report 2014	24 March 2015
Year-End Report 2014	17 February 2015
VBG Group makes downward adjustment to goodwill of Edscha Trailer Systems	16 January 2015

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## Consolidated Income Statement and Statement of Comprehensive Income – Highlights

SEK M	Q1 Jan–Mar 2015	Q1 Jan–Mar 2014	Full-year 2014
<b>Net turnover</b>	<b>355.1</b>	<b>316.4</b>	<b>1,186.8</b>
Cost of goods sold	–201.6	–178.3	–718.0
<b>Gross profit</b>	<b>153.5</b>	<b>138.1</b>	<b>468.8</b>
Selling expenses	–54.1	–44.4	–190.1
Administrative expenses	–36.2	–33.4	–120.3
Research and development costs	–10.2	–8.8	–36.2
Other operating income and expenses	2.7	–0.9	–1.3 <sup>1</sup>
<b>Operating profit</b>	<b>55.7</b>	<b>50.6</b>	<b>120.9</b>
Net financial items	–0.2	–1.9	–8.2
<b>Profit after financial items</b>	<b>55.5</b>	<b>48.7</b>	<b>112.7</b>
Tax	–15.0	–13.2	–33.8
<b>Profit for the period</b>	<b>40.5</b>	<b>35.5</b>	<b>78.9</b>
Net profit for the period attributable to Parent Company shareholders	40.5	35.5	78.9
Depreciation and amortisation charged to profit	–10.3	–8.5	–37.5
<b>Other comprehensive income</b>			
Profit for the period	40.5	35.5	78.9
<b>Items that will not be reversed in the Income Statement</b>			
Effect of translation of defined-benefit pension plans, net after tax	—	—	–28.7
<b>Items that may later be reversed in the Income Statement</b>			
Translation differences pertaining to foreign operations	5.9	1.1	68.6
Translation differences pertaining to hedge accounting for net investments in foreign operations	–2.4	0.0	–4.3
<b>Other comprehensive income, net after tax</b>	<b>3.5</b>	<b>1.1</b>	<b>35.6</b>
<b>Comprehensive income for the period</b>	<b>44.0</b>	<b>36.6</b>	<b>114.5</b>
Comprehensive income for the period attributable to Parent Company shareholders	44.0	36.6	114.5
<b>Earnings per share, basic and diluted, SEK</b>	<b>3.24</b>	<b>2.84</b>	<b>6.31</b>
Number of shares at end of period ('000)	12,502	12,502	12,502
Average number of shares during the period	12,502	12,502	12,502
Number of own shares at end of period	1,192	1,192	1,192
Average number of own shares	1,192	1,192	1,192

<sup>1</sup> Includes the following items affecting comparability:  
Capital gains of SEK 6.0 M in connection with the divestment of the Armaton product area (Q2).  
Negative goodwill of SEK 46.8 M in connection with the acquisition of Tschan (Q3).  
Cost for impairment of consolidated goodwill in Edscha Trailer Systems in the negative amount of SEK 60 M (Q4).  
Combined negative net effect of SEK 7.2 M for full-year 2014.

## Turnover and earnings by segment

SEK M	VBG Truck Equipment	Edscha Trailer Systems	Ringfeder Power Transmission	Group-wide	Group
<b>2015</b>					
Q1 Jan – Mar: Net turnover	188.6	58.4	108.1		355.1
Operating profit/loss	39.4	4.9	15.5	–4.1	55.7
Operating margin, %	20.9	8.4	14.3		15.7
Net financial items					–0.2
Profit/loss after financial items					55.5
<b>2014</b>					
Q1 Jan – Mar: Net turnover	175.7	68.7	72.0		316.4
Operating profit/loss	33.7	7.2	12.9	–3.2	50.6
Operating margin, %	19.2	10.5	17.9		16.0
Net financial items				–1.9	–1.9
Profit/loss after financial items					48.7

## Consolidated Balance Sheet – Highlights

SEK M	31 Mar. 2015	31 Mar. 2014	31 Dec. 2014
Goodwill	269.1	299.9	266.8
Other intangible assets	54.6	46.9	57.7
Property, plant and equipment	192.8	154.0	200.8
Long-term investments	20.3	14.2	20.6
<b>Total non-current assets</b>	<b>536.8</b>	<b>515.0</b>	<b>545.9</b>
Inventories	256.6	233.8	251.1
Receivables	275.2	238.8	216.1
Cash and cash equivalents	216.2	147.6	195.6
<b>Total current assets</b>	<b>748.0</b>	<b>620.2</b>	<b>662.8</b>
<b>TOTAL ASSETS</b>	<b>1,284.8</b>	<b>1,135.2</b>	<b>1,208.7</b>
<b>Equity</b>	<b>861.6</b>	<b>774.1</b>	<b>817.6</b>
Non-current liabilities	248.3	192.0	253.8
Current liabilities	174.9	169.1	137.3
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,284.8</b>	<b>1,135.2</b>	<b>1,208.7</b>



## Changes in Group equity

SEK M	3 mon 2015	3 mon 2014	Full-year 2014
<b>Opening equity according to Balance Sheet at 31 December</b>	<b>817.6</b>	<b>737.5</b>	<b>737.5</b>
Total comprehensive income for the period	44.0	36.6	114.5
Dividend	—	—	–34.4
<b>Equity at end of period</b>	<b>861.6</b>	<b>774.1</b>	<b>817.6</b>

## Cash Flow Statement – Highlights

SEK M	3 mon 2015	3 mon 2014	Full-year 2014
<b>Cash flow from operating activities before changes in working capital</b>	<b>49.6</b>	<b>41.6</b>	<b>122.7</b>
Change in working capital	–26.0	–18.7	14.5
<b>Cash flow from operating activities</b>	<b>23.6</b>	<b>22.9</b>	<b>137.2</b>
Cash flow from investing activities	–5.1	–5.0	–39.9
Cash flow from financing activities	0.8	–2.0	–39.4
<b>Cash flow for the period</b>	<b>19.3</b>	<b>15.9</b>	<b>57.9</b>
Cash and cash equivalents at start of year	195.6	131.5	131.5
Translation difference, cash and cash equivalents	1.3	0.2	6.2
<b>Cash and cash equivalents at end of period</b>	<b>216.2</b>	<b>147.6</b>	<b>195.6</b>
Unutilised overdraft facilities	143.1	141.8	144.1
<b>Available cash and cash equivalents</b>	<b>359.3</b>	<b>289.4</b>	<b>339.7</b>

## Key figures for Group

SEK M	3 mon 2015	3 mon 2014	Full-year 2014
Profit margin (ROS), %	15.6	15.4	9.5
Return on equity (ROE), %	19.3	18.8	10.1
Return on capital employed (ROCE), %	21.2	21.8	12.5
Equity/assets ratio, %	67.1	68.2	67.6
Equity per share, SEK	68.92	61.92	65.40
Cash flow per share (before change in working capital), SEK	3.96	3.33	9.81
Share price at end of period, SEK	137.75	162.00	103.75
Number of employees, average	584	523	559

## Parent Company Income Statement

SEK M	3 mon 2015	3 mon 2014	Full-year 2014
<b>Net turnover</b>	<b>5.0</b>	<b>4.9</b>	<b>22.0</b>
Operating expenses	-10.5	-8.2	-34.3
<b>Operating loss</b>	<b>-5.5</b>	<b>-3.3</b>	<b>-12.3</b>
Net financial items	-0.7	-0.5	110.1
<b>Profit/loss after financial items</b>	<b>-6.2</b>	<b>-3.8</b>	<b>97.8</b>
Appropriations	—	—	18.0
Tax	0.0	0.0	-0.1
<b>Profit/loss after tax and comprehensive income</b>	<b>-6.2</b>	<b>-3.8</b>	<b>115.7</b>

## Parent Company Balance Sheet

SEK M	31 Mar. 2015	31 Mar. 2014	31 Dec. 2014
Intangible assets	7.9	9.4	8.4
Property, plant and equipment	6.9	6.1	6.8
Long-term investments	558.1	558.1	558.1
<b>Total non-current assets</b>	<b>572.9</b>	<b>573.6</b>	<b>573.3</b>
Receivables	86.5	94.2	90.1
Cash and cash equivalents	107.9	68.6	89.9
<b>Total current assets</b>	<b>194.4</b>	<b>162.8</b>	<b>180.0</b>
<b>TOTAL ASSETS</b>	<b>767.3</b>	<b>736.4</b>	<b>753.3</b>
<b>Equity</b>	<b>472.2</b>	<b>393.3</b>	<b>478.4</b>
Untaxed reserves	15.2	20.2	15.2
Provisions	12.1	11.1	12.0
Non-current liabilities	15.1	17.9	15.6
Current liabilities	252.7	293.9	232.1
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>767.3</b>	<b>736.4</b>	<b>753.3</b>

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