



VBG GROUP
INTERIM REPORT
JANUARY–SEPTEMBER
2020

Q3

SEK **760** M

Consolidated sales for the third quarter decreased to SEK 759.6 M (909.1).

SEK **113** M

Operating profit for the third quarter increased to SEK 113.0 M (109.4).



VBG GROUP

INTERIM REPORT

JANUARY–SEPTEMBER 2020

Third quarter 2020

- Consolidated sales decreased 16.4% to **SEK 759.6 M** (909.1).
- Operating profit amounted to **SEK 113.0 M** (109.4), corresponding to a margin of 14.9% (12.0).
- Profit after financial items amounted to **SEK 100.0 M** (103.9), with a profit margin of 13.2% (11.2).
- The Group's profit after tax amounted to **SEK 73.9 M** (73.7).
- Earnings per share amounted to **SEK 2.95** (2.95).

Nine months 2020

- Consolidated sales decreased 17.1% to **SEK 2,387.2 M** (2,878.1).
- Operating profit amounted to **SEK 267.1 M** (368.2), corresponding to a margin of 11.2% (12.8).
- Profit after financial items amounted to **SEK 246.1 M** (335.2), corresponding to a profit margin of 10.3% (11.6).
- The Group's profit after tax totaled **SEK 175.8 M** (245.9).
- Earnings per share amounted to **SEK 7.03** (9.83).

KEY FIGURES

Group, SEK M	Q3 2020	Q3 2019	9 months 2020	9 months 2019	Full year 2019
Net sales	759.6	909.1	2,387.2	2,878.1	3,725.4
Operating profit before depreciation/amortization (EBITDA)	139.3	137.4	348.6	451.7	547.8
Operating profit before amortization (EBITA)	120.5	117.3	291.4	392.2	467.1
Operating profit (EBIT)	113.0	109.4	267.1	368.2	435.0
Operating profit after financial items (EBT)	100.0	103.9	246.1	335.2	397.0
Profit after tax	73.9	73.7	175.8	245.9	299.5
Earnings per share, SEK	2.95	2.95	7.03	9.83	11.98
Cash flow from operating activities	120.1	218.8	307.0	337.3	438.9
ROE (cumulative), %	9.4	14.0	9.4	14.0	12.5
ROCE (cumulative), %	9.9	14.1	9.9	14.1	12.4
Equity/assets ratio, %	57.8	55.8	57.8	55.8	57.8
Interest-bearing net debt/EBITDA	n/a	n/a	0.90	1.27	1.20
Average number of employees	n/a	n/a	1,498	1,636	1,596
Average number of shares during the period	25,004	25,004	25,004	25,004	25,004
Number of shares outstanding	25,004	25,004	25,004	25,004	25,004

THIS IS THE VBG GROUP

VBG Group is an international industrial group in which the Parent Company and Group Management support and manage three wholly owned divisions. The Group's areas of operations are equipment for drawbar couplings and automatic tire chains, sliding roofs for trailers, climate control systems for commercial vehicles and products in mechanical power transmission and energy and shock absorption.

VISION

We are number one or two globally in the industrial niches where 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.



Value creation for many stakeholders

VBG Group's value creation is based on the successful identification, completion and integration of business acquisitions as well as efficient corporate governance. The Group's divisions create value on a daily basis for a number of stakeholders in a range of different niches. The strong focus on growth and profitability has resulted in a positive total return for shareholders.

Successful business concept

The VBG Group acquires, owns and further develops industrial companies in business-to-business commerce. The companies are to operate in carefully selected product and market niches, and are to have strong brands and strong growth potential. The companies VBG Group acquires can supplement one of the Group's existing divisions, or be companies that form a completely new division. The business concept is a tried and tested one, having proved very successful over time.

Focus on attractive niches

VBG Group focuses on identifying internationally growing niches, preferably oriented on commercial vehicles, in which its divisions and companies can position themselves as the number one or number two player in their niches.

Strategic governance and development

The Parent Company and Group Management work with overall Group-level issues such as strategic development, financing, acquisition and policy matters; they also work closely with the Group's operations in the form of governance of the divisions.

Stable, long-term principal owners

The VBG Group's principal owners comprise three long-term owners: The Herman Krefting Foundation for Allergy and Asthma Research, the SLK Employees' Foundation and the VBG-SLK Foundation. Alongside the other owners, they create a solid and secure ownership structure.

Long-term financial strength

VBG Group's development has been stable since its initial listing on the stock exchange in 1987. The Group's strong financial position creates conditions for acquisitions and investments, even during periods of economic downturn.

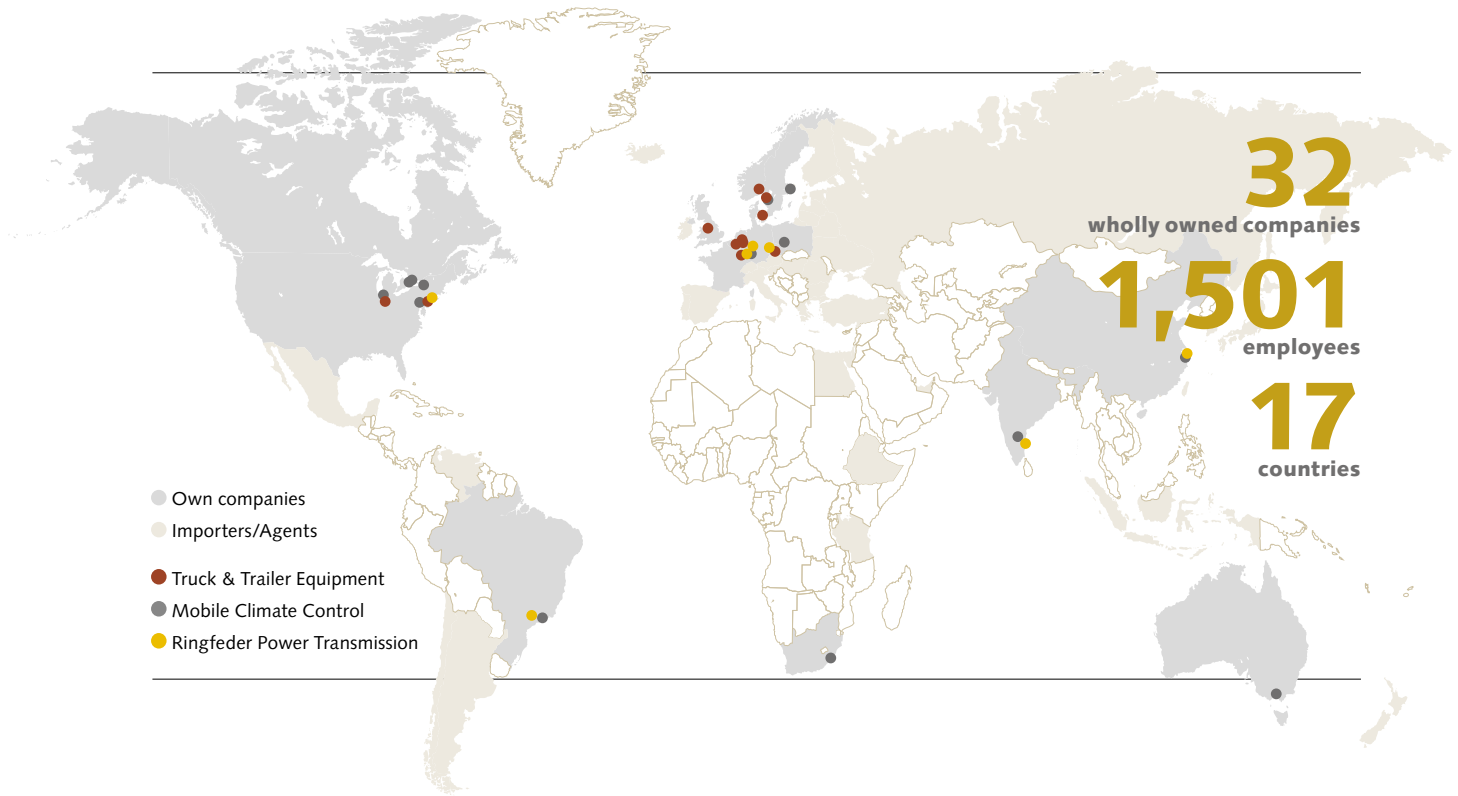
Values-based foundation

The VBG Group is characterized by a down-to-earth corporate culture, which can be summarized in the Group's shared values — the Keystones. These are Overall view, Business orientation, Professionalism and Teamwork. Together with the Group's Code of Conduct, the Keystones constitute a guide to daily work.

Considerable industrial expertise

In accordance with the owner foundations' by-laws, the President of VBG Group is to be a board member of all three owner foundations and the Parent Company's Chairman is to have a seat on the foundation with the greatest share of votes. This creates strong connections between Group Management, the Board of Directors and owners, and leads to the formation of considerable industrial expertise among the principal owners.

VBG GROUP THIRD QUARTER



OUR DIVISIONS

TRUCK & TRAILER EQUIPMENT

Sales **SEK 235 M** EBITA **SEK 40 M** EBITA margin **17%**



MOBILE CLIMATE CONTROL

Sales **SEK 405 M** EBITA **SEK 57 M** EBITA margin **14%**



RINGFEDER POWER TRANSMISSION

Sales **SEK 119 M** EBITA **SEK 25 M** EBITA margin **21%**



THIRD QUARTER – STRONG PROFITABILITY IN AN INCREASINGLY STABLE MARKET



In the third quarter, the market showed signs of recovery from the low levels of the second quarter. Despite the continued spread of COVID-19 and high levels of uncertainty, demand for VBG Group's products has picked up. Consolidated sales for the third quarter decreased to SEK 759.6 M (909.1), but operating earnings for the third quarter increased to SEK 113.0 M (109.4). The Group reported a strong operating margin of 14.9% for the quarter.

We can state that, with our thorough work in-house on proper cost control and strict prioritizing, we have succeeded in both accelerating and braking during the third quarter. Our employees have done an impressive job in keeping focus and meeting increased demand while we managed to keep costs down. During the pandemic, we were able to use our experience from previous crises, and scenario planning has been an important tool in quick decision-making.

Broad business base – a strength

One of the strengths of VBG Group is its diversified business base. We work in carefully selected niches, which creates an equalizing and dampening effect in the event of economic fluctuations. This means we can deliver at stable levels over time as regards both sales and earnings.

|| I am impressed
with our employees' ability
to manage the sharp changes
in demand that this pandemic
has entailed

Ringfeder Power Transmission showed during the first nine months of the year that deliveries could safely be made in a volatile business environment, something we also noted during the 2008–2009 financial crisis. Despite sales being primarily in Europe and the US, the division's deliveries were stable throughout the pandemic. Ringfeder Power Transmission achieved a record high operating margin of 21% in the third quarter. Moreover, we are pleased to note a robust increase in sales in Australia and New Zealand, albeit from low levels.

Strategic review

We noted a recovery in the North American market in the third quarter, above all in the off-road segment for Mobile Climate Control. Buses and public transportation were severely affected by the pandemic, as travel decreased sharply; to protect its operations, the division received state support. The segment recovered in the third quarter, which is positive going forward.

The strategic and structural review of Mobile Climate Control, begun during the second quarter, continues and a number of measures have been initiated to increase profitability. Mobile Climate Control's operating margin, including state support, was 14.0% for the third quarter. Setting the support aside, we achieved a break in the profitability trend.

In parallel with the strategic review, Mobile Climate Control is continuing its work on product development toward more electrified customer solutions in order to meet future needs.

Greater flexibility in operations

During the first nine months of the year, Truck & Trailer Equipment displayed a great deal of adaptability. When the pandemic broke out and borders were closed, the division managed to rapidly reduce its costs. In the midst of the pandemic, the division successfully carried out forward-looking investments in manufacturing and ensured continued rationalization of production. After the summer, when the market really picked up steam, increased demand could be met in a flexible manner without compromising on customers' needs.

As of 1 October, Truck & Trailer Equipment operations have come to a halt with short-time working. There is a positive pull in the organization when employees return from their furloughs with a desire to get things moving and meet future needs. The major OEM companies in Europe got up to full capacity during the quarter, which bodes well for the future. The division also noted increased demand from Australia and New Zealand during the third quarter.

Improved cash flow

We can report that the Group posted a stable cash flow in the third quarter. During the first nine months, we succeeded in reducing operating capital by SEK 212 M. We achieved this through focused efforts on decreasing trade receivables and reducing inventory. The work on improved cash flow provides us with good conditions for the future.

We are a company with a long-term perspective, and can meet downturns without compromising our long-term strategy. We maintain focus by growing through acquisitions that fit in well with our strategic orientation. We are continuing to develop the products of tomorrow, and are working systematically on increased electrification, digitalization and globalization of our offering. A sustainability perspective permeates everything we do.

The future

In the third quarter, we demonstrated that we could maintain healthy profitability despite the turbulent times, which is a strength.

Once again this quarter, I am pleased to state that the Group's personnel has been relatively spared from COVID-19. We have had isolated cases of infection globally in the Group—from which the staff have now recovered—and we have also had a somewhat lower total rate of sick leave than normal.

Despite the prevailing pandemic, the Group reported stable earnings with healthy profitability in the third quarter. I would like to take this opportunity to thank all our employees who have displayed a great deal of commitment and a strong desire to help the company through a tough period. The ability of our personnel to manage the sharp changes that this pandemic has entailed has been impressive to watch, and I am cautiously optimistic about the future.



Anders Birgersson
President and CEO, VBG Group

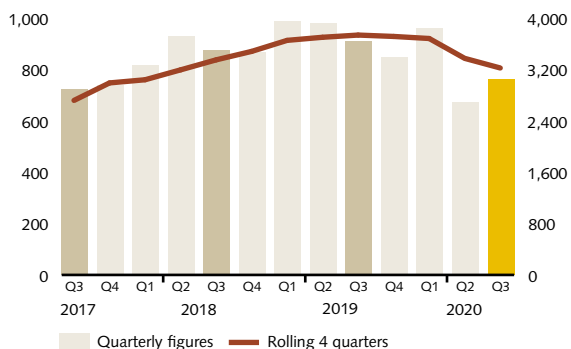
GROUP TREND

SEK M	9 months 2020	Q3 2020	Q2 2020	Q1 2020	Full-year 2019	Q4 2019	9 months 2019	Q3 2019	Q2 2019	Q1 2019	Full-year 2018	Q4 2018
Net sales	2,387.2	759.6	670.1	957.5	3,725.4	847.3	2,878.1	909.1	979.4	989.6	3,492.4	868.8
Operating profit before depreciation/amortization (EBITDA)	348.6	139.3	65.5	143.8	547.8	96.2	451.7	137.4	151.2	163.0	497.4	108.3
Operating profit before amortization (EBITA)	291.4	120.5	46.5	124.5	467.1	74.9	392.2	117.3	131.3	143.6	449.3	95.8
Operating profit (EBIT)	267.1	113.0	38.2	116.0	435.0	66.8	368.2	109.4	123.3	135.5	417.6	87.9
Operating margin (EBIT), %	11.2	14.9	5.7	12.1	11.7	7.9	12.8	12.0	12.6	13.7	12.0	10.1
Operating profit after financial items (EBT)	246.1	100.0	32.6	113.5	397.0	61.8	335.2	103.9	109.6	121.7	373.1	81.1
Profit after tax	175.8	73.9	22.4	79.4	299.5	53.6	245.9	73.7	83.2	89.0	273.0	60.5
Earnings per share, SEK	7.03	2.95	0.90	3.18	11.98	2.15	9.83	2.95	3.33	3.56	10.92	2.42
Cash flow from operating activities	307.0	120.1	74.2	112.8	438.9	121.9	337.3	218.8	72.0	100.1	253.6	46.6
ROE (cumulative), %	9.4	9.2	8.1	12.8	12.5	12.5	14.0	14.0	14.8	15.6	12.8	12.8
ROCE (cumulative), %	9.9	9.8	8.8	12.8	12.4	12.4	14.1	14.1	14.8	15.7	13.2	13.2
Equity/assets ratio, %	57.8	57.8	57.2	55.8	57.8	57.8	55.8	55.8	55.2	54.2	56.7	56.7

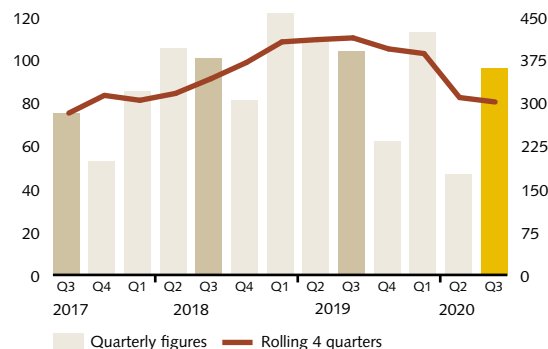
SALES BY MARKET

SEK M	9 months 2020	Q3 2020	Q2 2020	Q1 2020	Full-year 2019	Q4 2019	9 months 2019	Q3 2019	Q2 2019	Q1 2019	Full-year 2018	Q4 2018
Sweden	171.5	53.9	47.7	70.0	288.0	70.1	217.9	60.2	75.5	82.2	275.9	69.2
Other Nordic countries	127.7	36.6	38.0	53.2	201.3	49.6	151.7	44.9	51.8	55.0	194.7	47.6
Germany	307.7	90.4	88.5	128.8	462.9	93.2	369.7	112.0	126.3	131.4	514.7	121.2
Other European countries	349.9	110.2	90.5	149.2	564.9	122.1	442.7	127.2	151.0	164.6	576.2	133.6
North America	1,220.4	401.2	344.4	474.8	1,891.4	423.9	1,467.5	486.3	501.9	479.3	1,648.6	414.2
Brazil	56.2	19.3	16.0	21.0	80.5	21.2	59.3	21.0	17.9	20.4	62.9	17.1
Australia/New Zealand	78.4	23.0	21.1	34.2	100.8	32.7	68.1	26.0	20.4	21.7	73.6	19.0
China	21.4	7.0	7.9	6.4	37.2	11.5	25.7	8.1	8.2	9.4	45.6	14.9
Rest of world	54.0	18.0	16.0	20.0	98.4	22.9	75.5	23.3	26.5	25.6	100.1	31.9
	2,387.2	759.6	670.1	957.5	3,725.4	847.3	2,878.1	909.1	979.4	989.6	3,492.4	868.8

NET SALES, SEK M



PROFIT AFTER FINANCIAL ITEMS, SEK M



Sales and earnings

Third quarter of 2020

Sales of SEK 759.6 M (909.1) were 16.4% lower compared with the third quarter of 2019. Adjusted for currency effects, the actual organic growth was negative 10.8%.

Consolidated operating profit increased to SEK 113.0 M (109.4), with an operating margin of 14.9% (12.0).

Net interest expense was SEK 5.1 M (expense: 6.0) and the quarter's currency effect on foreign-currency denominated credits was a negative SEK 8.0 M (pos: 0.5). Taken together, this resulted in a net financial expense of SEK 13.1 M (expense: 5.5). Accordingly, profit after financial items amounted to SEK 100.0 M (103.9). Profit after tax totaled SEK 73.9 M (73.7) and earnings per share amounted to SEK 2.95 (2.95).

Nine months 2020

Sales of SEK 2,387.2 M (2,878.1) were 17.1% lower than the first nine months of 2019. Adjusted for currency effects between the years, actual organic volume growth was negative 15.9%.

Operating profit amounted to SEK 267.1 M (368.2), with an operating margin of 11.2% (12.8).

The Group's net interest expense for the first nine months of the year was SEK 11.5 M (expense: 27.4) and the currency effect on foreign-currency denominated credits was a negative SEK 9.7 M (neg: 5.7). Taken together, this resulted in a net financial expense of SEK 21.1 M (expense: 33.1). Accordingly, profit after financial items was SEK 246.1 M (335.2), profit after tax totaled SEK 175.8 M (245.9) and earnings per share amounted to SEK 7.03 (9.83).

Capital expenditures

The Group's new capital expenditures for the third quarter amounted to SEK 19.8 M (18.5). Total new capital expenditures for the first nine months amounted to SEK 35.9 M (50.3). Depreciation/amortization during the third quarter totalled SEK 26.3 M (28.0) and totalled SEK 81.4 M (83.5) for the first nine months of the year.

Financial position

Profit after tax for the first nine months of the year amounted to SEK 175.8 SEK M (245.9). Other comprehensive income for the nine-month period amounted to an expense of SEK 89.1 M (income: 60.4), which yielded total comprehensive income of SEK 86.7 M (306.3).

Since no dividend has been paid to shareholders during the year (112.5), equity at September 30 amounted to SEK 2,514.4 M (2,427.7 at year-end).

The equity/assets ratio at the end of September was on a par with the year-end at 57.8%. Cash and cash equivalents

increased SEK 322.6 M during the first nine months of the year to SEK 795.1 M (472.5 at year-end). In addition, there were unutilized overdraft facilities of SEK 100.0 M, which means the Group at the end of September had available liquidity of SEK 895.1 M (572.5 at year-end).

The Group's interest-bearing net debt (including pension liability) declined SEK 252.8 M, where the largest changes were due to increased bank holdings, totaling SEK 402.5 M after nine months (655.3 at year-end).

The ratio of interest-bearing net debt to equity was 0.16 at September 30, 2020 (0.27 at December 31, 2019) and the ratio of net debt to consolidated operating profit before depreciation/amortization and impairment (EBITDA on a rolling four-quarter basis) was 0.90 (1.20 at year-end).

The Group's goodwill decreased SEK 27.8 M due to exchange rate changes and at the end of September amounted to SEK 1,115.6 M (1,143.3 at year-end), which in relation to equity amounted to a ratio of 0.44 (0.47 at year-end).

COVID-19

The COVID-19 pandemic had an effect on demand for the products of VBG Group's operations in the third quarter as well. Sales for the third quarter decreased 16.4% compared to the year-earlier period. The drop in demand differed among the divisions: Truck & Trailer Equipment sales were down 12.2%, Mobile Climate Control sales declined 20.8% while Ringfeder Power Transmission was down only 8.2%. The differences in the changes are linked to the product, market and sales structures in the various divisions. Compared with the year-earlier period, the decrease in sales in all divisions during the second quarter was greater than it was in the third quarter.

In connection with the COVID-19 pandemic, VBG Group has received various types of support aimed at mitigating the impact of the pandemic. Total direct support received and taken up as income in the third quarter amounted to SEK 23.1 M (26.8 in Q2 2020). This support was allocated so that Truck & Trailer Equipment's earnings were impacted by SEK 4.5 M (10.6 in Q2 2020) and Mobile Climate Control by SEK 18.6 (16.2 in Q2 2020). In total, VBG Group received SEK 49.9 M in direct support during the first nine months; the single largest category of support was for short-time working for personnel. During this period, Ringfeder Power Transmission received only marginal support.

The effects of the decrease in demand during COVID-19 have not had any negative impact on the Group's assets such as inventory and trade receivables. On the contrary, tied-up capital has decreased during the year, inventory is down 8.1% compared with year-end and, moreover, trade receivables have decreased 4.1%.

Cash flow

Cash flow from operating activities during the first nine months of the year amounted to SEK 307.0 M (337.3). New capital expenditures paid during the period totaled SEK 34.0 M (52.9). No dividend has been paid during the year (112.5). The Group's total non-current and current financial liabilities increased SEK 61.2 M (decrease: 79.4) during the first nine months of the year, which resulted in a cash flow from financing activities of SEK 61.2 M (neg: 191.9). Net cash flow for the first nine months of the year thus amounted to SEK 334.2 M (92.5).

Personnel

At September 30, 2020, there were 1,501 employees in the VBG Group (1,612 at year-end), of which 217 (212) in Sweden. During the first nine months of 2020, the Group employed an average of 1,498 persons (1,636 during the year-earlier period). Of these, 182 (218) were active in Sweden. The cost of salaries and social security contributions in the first nine months totaled SEK 558.8 M (591.2). One effect of COVID-19 was that staff were put on short-term furloughs in the second and third quarter, which meant that both the number of employees and the cost of salaries and social security contributions decreased during the period.

Per share data

Earnings per share for the first nine months of the year amounted to SEK 7.03 (9.83).

Equity per share (total shares outstanding at the end of the period) was SEK 100.56 at September 30, 2020, compared with SEK 96.79 at the same time last year and SEK 97.09 at year-end.

At the end of the quarter, the share price was SEK 139.50, which corresponds to a market capitalization of SEK 3,488 M, compared with a share price of SEK 157.50 and market capitalization of SEK 3,938 M at year-end.

The number of shareholders decreased by 192 in the third quarter, and at September 30 was 4,335 (4,727 at year-end).

TRUCK & TRAILER EQUIPMENT



THIRD QUARTER OF 2020

- Sales decreased to **SEK 235.5 M** (268.1).
- EBITA decreased to **SEK 40.0 M** (47.0), with an EBITA margin of 17.0% (17.5).

NINE MONTHS 2020

- Sales decreased to **SEK 763.1 M** (927.0).
- EBITA decreased to **SEK 134.7 M** (179.4), with an EBITA margin of 17.7% (19.4).

SALES/EARNINGS												
SEK M	9 months 2020	Q3 2020	Q2 2020	Q1 2020	Full-year 2019	Q4 2019	9 months 2019	Q3 2019	Q2 2019	Q1 2019	Full-year 2018	Q4 2018
Net sales	763.1	235.5	199.5	328.2	1,203.6	276.6	927.0	268.1	316.4	342.5	1,243.1	316.3
EBITDA	155.4	46.8	34.1	74.6	255.0	52.4	202.6	54.9	65.8	81.9	240.3	61.0
EBITA	134.7	40.0	27.1	67.7	223.9	44.4	179.4	47.0	58.1	74.3	218.9	55.5
EBITA margin, %	17.7	17.0	13.6	20.6	18.6	16.1	19.4	17.5	18.4	21.7	17.6	17.6
Operating profit (EBIT)	130.4	39.2	25.3	65.9	218.4	43.0	175.4	45.7	56.8	72.9	213.6	54.2
Operating margin (EBIT), %	17.1	16.6	12.7	20.1	18.1	15.6	18.9	17.0	17.9	21.3	17.2	17.1

SALES BY MARKET												
SEK M	9 months 2020	Q3 2020	Q2 2020	Q1 2020	Full-year 2019	Q4 2019	9 months 2019	Q3 2019	Q2 2019	Q1 2019	Full-year 2018	Q4 2018
Sweden	143.6	46.3	37.8	59.5	245.0	60.1	184.9	50.8	63.3	70.8	234.7	58.8
Other Nordic countries	101.5	29.1	28.9	43.4	156.9	39.0	117.9	33.7	40.8	43.3	152.7	37.0
Germany	187.8	55.8	51.0	81.1	258.4	49.8	208.6	58.9	73.3	76.3	300.3	72.0
Other European countries	203.7	66.3	48.0	89.4	334.4	67.8	266.6	74.1	91.1	101.4	359.0	81.1
North America	60.7	20.3	15.1	25.3	112.0	35.8	76.2	27.2	23.5	25.5	99.7	36.2
Australia/New Zealand	49.6	11.7	14.6	23.3	68.7	19.2	49.5	18.2	15.1	16.2	61.5	16.0
China	0.0	0.0	0.0	0.0	3.4	0.1	3.3	0.0	0.0	3.3	14.4	8.0
Rest of world	16.2	5.9	4.1	6.1	24.9	4.9	20.0	5.2	9.2	5.6	20.7	7.2
TRUCK & TRAILER EQUIPMENT	763.1	235.5	199.5	328.2	1,203.6	276.6	927.0	268.1	316.4	342.5	1,243.1	316.3

Sales and earnings

Third quarter of 2020

Truck & Trailer Equipment reported a strong quarter despite the prevailing situation with COVID-19. Sales for the quarter declined 12.2% year-on-year, to SEK 235.5 M (268.1). Adjusted for exchange rate changes year-on-year, where the average USD rate between the quarters weakened 7.5% and the EUR—which is a more important currency for the division—weakened 2.8%, the actual organic growth was negative 9.1%.

Operating profit before amortizations of intangible assets (EBITA) for Truck & Trailer Equipment decreased year-on-year to SEK 40.0 M (47.0), with an EBITA margin of 17.0% (17.5).

Nine months 2020

Truck & Trailer Equipment's sales for the first nine months of the year decreased by 17.7% year-on-year to SEK 763.1 M (927.0). Adjusted for exchange rate changes, where the average USD rate between the periods was unchanged while the EUR weakened 0.1%, the actual organic growth was negative 17.0%.

For the first nine months of the year, Truck & Trailer Equipment's EBITA decreased to SEK 134.7 M (179.4), with an EBITA margin of 17.7% (19.4).

During the first nine months of the year, the division's working capital also decreased SEK 42.8 M to SEK 247.1 M; plus

property, plant and equipment, operating capital amounted to SEK 421.5 M at the end of September (433.9 at year-end).

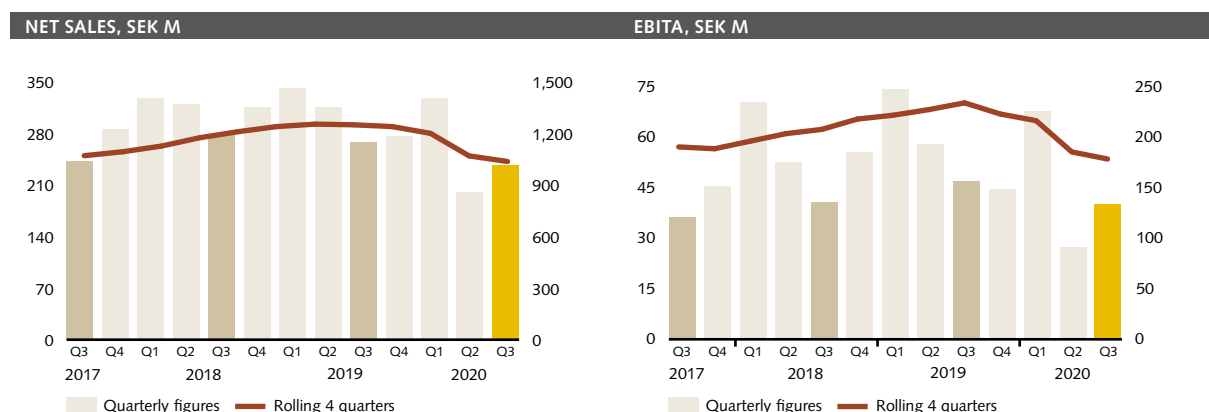
The division's return on operating capital (ROOC), where EBITDA on a rolling four-quarter basis is put in relation to average operating capital for the same period, was 47.7% (56.1% annual value in 2019).

Investments and depreciation/amortization

Truck & Trailer Equipment's investments during the third quarter amounted to SEK 11.2 M (9.7). Total new capital expenditures for the first nine months of the year amounted to SEK 20.0 M (22.2). Depreciation/amortization during the third quarter totalled SEK 7.6 M (9.2) and totalled SEK 25.0 M (27.3) for the first nine months of the year.

Personnel

During the first nine months of the year, Truck & Trailer Equipment employed an average of 323 persons (373 during the year-earlier period). At September 30, 2020, there were 340 employees in the division (366 on September 30, 2019), compared with 357 employees at year-end. Personnel costs for the first nine months of the year amounted to SEK 169.3 M (188.8), resulting in a cost per employee of SEK 524.1 thousand (506.2).



MOBILE CLIMATE CONTROL



THIRD QUARTER OF 2020

- Sales declined to **SEK 404.9 M** (511.1).
- EBITA was **SEK 56.8 M** (57.0), with an EBITA margin of 14.0% (11.1).

NINE MONTHS 2020

- Sales decreased 19.1% and totaled **SEK 1,259.9 M** (1,557.7).
- EBITA decreased to **SEK 106.7 M** (169.8), with an EBITA margin of 8.5% (10.9).

SALES/EARNINGS												
SEK M	9 months 2020	Q3 2020	Q2 2020	Q1 2020	Full-year 2019	Q4 2019	9 months 2019	Q3 2019	Q2 2019	Q1 2019	Full-year 2018	Q4 2018
Net sales	1,259.9	404.9	358.1	496.9	1,998.4	440.7	1,557.7	511.1	532.5	514.1	1,727.3	421.8
EBITDA	129.9	64.6	12.2	53.2	224.8	31.9	192.9	64.6	66.8	61.4	187.3	33.9
EBITA	106.7	56.8	4.5	45.4	193.0	23.2	169.8	57.0	59.0	53.9	173.9	30.3
EBITA margin, %	8.5	14.0	1.3	9.1	9.7	5.3	10.9	11.1	11.1	10.5	10.1	7.2
Operating profit (EBIT)	90.6	51.4	-0.8	40.1	171.6	17.9	153.7	51.6	53.7	48.4	152.4	25.0
Operating margin (EBIT), %	7.2	12.7	-0.2	8.1	8.6	4.1	9.9	10.1	10.1	9.4	8.8	5.9

SALES BY MARKET												
SEK M	9 months 2020	Q3 2020	Q2 2020	Q1 2020	Full-year 2019	Q4 2019	9 months 2019	Q3 2019	Q2 2019	Q1 2019	Full-year 2018	Q4 2018
Sweden	25.0	7.0	9.0	9.0	39.6	9.1	30.5	9.4	11.0	10.1	36.7	9.0
Other Nordic countries	23.6	6.6	8.1	8.9	39.6	9.7	29.9	10.1	9.6	10.2	36.8	9.5
Germany	15.4	3.3	4.9	7.2	33.2	7.5	25.7	8.7	8.8	8.3	30.6	7.3
Other European countries	105.6	31.9	31.1	42.6	164.6	38.3	126.3	38.1	41.9	46.3	153.2	36.0
North America	1,069.2	349.5	299.1	420.5	1,673.9	364.1	1,309.9	431.5	450.4	428.0	1,429.9	348.2
China	10.2	3.3	3.8	3.2	16.4	5.2	11.2	3.2	4.5	3.6	14.4	3.1
Rest of world	10.8	3.3	2.1	5.4	31.0	6.8	24.2	10.3	6.2	7.7	25.8	8.7
MOBILE CLIMATE CONTROL	1,259.9	404.9	358.1	496.9	1,998.4	440.7	1,557.7	511.1	532.5	514.1	1,727.3	421.8

Sales and earnings

Third quarter of 2020

Sales for the quarter declined 20.8% year-on-year, to SEK 404.9 M (511.1). Adjusted for exchange rate changes, where the average USD rate weakened by 7.5% year-on-year in the third quarter, the actual organic growth was negative 14.7%.

EBITA for Mobile Climate Control was SEK 56.8 M (57.0) with an EBITA margin of 14.0% (11.1).

Nine months 2020

Mobile Climate Control reported a decrease of 19.1% in sales in the first nine months of the year, compared with the year-earlier period, to SEK 1,259.9 M (1,557.7). Adjusted for exchange rate changes, where the average USD rate was unchanged compared to the year-earlier period, the actual organic growth was negative 18.3%.

EBITA for Mobile Climate Control decreased to SEK 106.7 M (169.8) with an EBITA margin of 8.5% (10.9).

During the first nine months of the year, the division's working capital decreased SEK 77.6 M to SEK 420.0 M; plus property, plant and equipment, operating capital amounted to SEK 626.8 M at the end of September (677.0 at year-end).

The division's return on operating capital (ROOC), where EBITDA on a rolling four-quarter basis is put in relation to average operating capital for the same period, was 24.0% (32.2% annual value in 2019).

Investments and depreciation/amortization

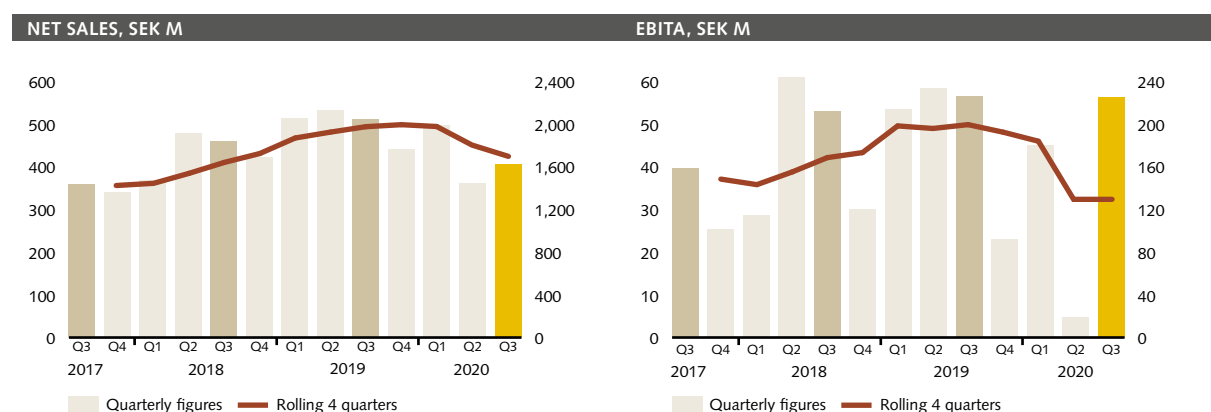
Mobile Climate Control's investments during the third quarter amounted to SEK 1.4 M (6.9). Total new capital expenditures for the first nine months amounted to SEK 6.8 M (15.4).

Depreciation/amortization during the third quarter totalled SEK 13.2 M (13.0) and totalled SEK 39.3 M (39.2) for the first nine months of the year.

Personnel

During the first nine months of the year, Mobile Climate Control employed an average of 854 persons (925 during the year-earlier period).

At September 30, 2020, there were 812 employees in the division (931 on September 30, 2019), compared with 911 employees at year-end. Personnel costs for the first nine months of the year amounted to SEK 257.4 M (341.4), resulting in a cost per employee of SEK 301.4 thousand (369.1).



RINGFEDER POWER TRANSMISSION



THIRD QUARTER OF 2020

- Sales amounted to **SEK 119.2 M** (129.9).
- EBITA increased to **SEK 25.1 M** (16.4), with an EBITA margin of 21.0% (12.6).

NINE MONTHS 2020

- Sales declined to **SEK 364.2 M** (393.4).
- EBITA increased to **SEK 56.9 M** (55.2), with an EBITA margin of 15.6% (14.0).

SALES/EARNINGS												
SEK M	9 months 2020	Q3 2020	Q2 2020	Q1 2020	Full-year 2019	Q4 2019	9 months 2019	Q3 2019	Q2 2019	Q1 2019	Full-year 2018	Q4 2018
Net sales	364.2	119.2	112.6	132.4	523.4	130.0	393.4	129.9	130.5	133.0	522.0	130.5
EBITDA	68.3	28.7	22.0	17.6	83.3	16.1	67.2	20.5	23.8	23.0	87.2	19.8
EBITA	56.9	25.1	18.3	13.5	67.2	12.0	55.2	16.4	19.8	19.1	74.2	16.5
EBITA margin, %	15.6	21.0	16.2	10.2	12.8	9.2	14.0	12.6	15.2	14.3	14.2	12.6
Operating profit (EBIT)	53.2	23.9	17.0	12.2	62.5	10.7	51.8	15.2	18.7	17.9	69.9	15.4
Operating margin (EBIT), %	14.6	20.0	15.1	9.2	11.9	8.2	13.2	11.7	14.3	13.5	13.4	11.8

SALES BY MARKET												
SEK M	9 months 2020	Q3 2020	Q2 2020	Q1 2020	Full-year 2019	Q4 2019	9 months 2019	Q3 2019	Q2 2019	Q1 2019	Full-year 2018	Q4 2018
Sweden	2.9	0.6	0.9	1.4	3.4	0.9	2.5	0.1	1.1	1.3	4.5	1.4
Other Nordic countries	2.7	0.8	0.9	0.9	4.8	0.9	3.9	1.1	1.3	1.4	5.3	1.1
Germany	104.5	31.3	32.7	40.5	171.3	35.9	135.4	43.8	44.1	46.8	183.8	41.9
Other European countries	40.6	12.0	11.4	17.1	65.8	16.0	49.8	15.0	17.9	16.9	64.0	16.4
North America	90.6	31.4	30.2	29.0	105.6	24.1	81.5	27.7	28.0	25.8	119.1	29.9
Brazil	50.6	17.3	15.3	18.1	67.6	17.5	50.2	18.6	15.6	16.0	57.1	14.4
Australia/New Zealand	27.8	11.0	6.3	10.5	31.2	13.3	17.9	7.6	4.9	5.4	11.3	2.8
China	11.1	3.7	4.2	3.2	17.4	6.3	11.2	4.9	3.7	2.5	16.8	3.9
Rest of world	33.5	11.1	10.7	11.8	56.3	15.2	41.0	11.0	13.8	16.9	60.2	18.7
RINGFEDER POWER TRANSMISSION	364.2	119.2	112.6	132.4	523.4	130.0	393.4	129.9	130.5	133.0	522.0	130.5

Sales and earnings

Third quarter of 2020

Ringfeder Power Transmission's sales decreased by 8.2% year-on-year to SEK 119.2 M (129.9) in the third quarter. Adjusted for exchange rate changes—in which the average USD rate weakened by 7.5%, the Brazilian real (BRL) weakened by 31.5% and the EUR weakened by 2.8% compared with the year-earlier period—the total effect was that actual organic growth increased 1.3%.

EBITA for Ringfeder Power Transmission increased year-on-year to SEK 25.1 M (16.4), as well as with a sharply increased EBITA margin of 21.0% (12.6).

Nine months 2020

Sales for the first nine months of the year decreased 7.4% year-on-year to SEK 364.2 M (393.4); adjusted for exchange rate changes, where the average USD rate was unchanged, the Brazilian currency weakened by 22.4%, and the EUR weakened by 0.1% compared with the year-earlier period, the actual organic growth was negative 3.5%.

EBITA for Ringfeder Power Transmission increased year-on-year to SEK 56.9 M (55.2) with an EBITA margin of 15.6% (14.0).

During the first nine months, the division's working capital decreased SEK 53.9 M to SEK 169.7 M (203.9 at year-end).

With the addition of property, plant and equipment, operating capital amounted to SEK 279.6 M at the end of March (324.3 at year-end).

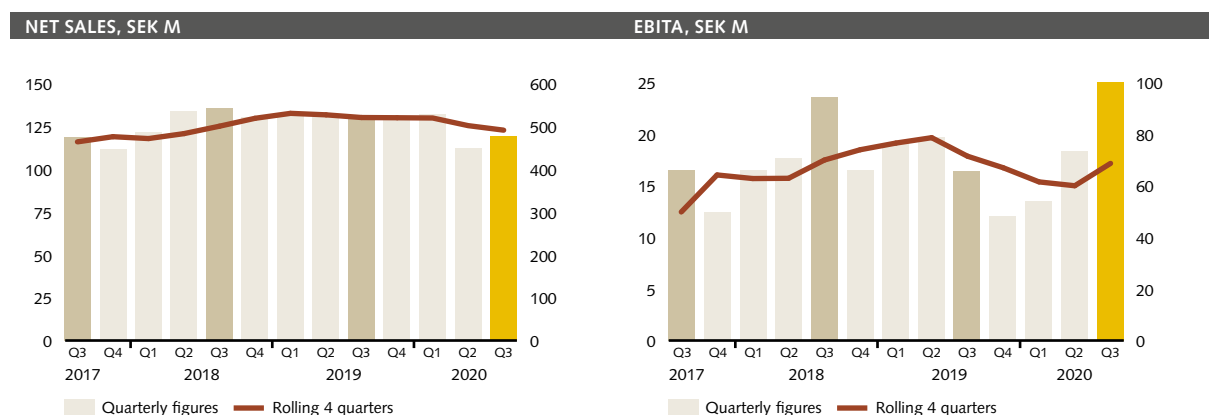
The division's return on operating capital (ROOC), where EBITDA on a rolling four-quarter basis is put in relation to average operating capital for the same period, totaled 28.1% (24.5 at year-end).

Investments and depreciation/amortization

Ringfeder Power Transmission's investments during the third quarter amounted to SEK 7.2 M (4.0). Total new capital expenditures for the first nine months amounted to SEK 9.2 M (14.0). Depreciation/amortization during the third quarter totalled SEK 4.9 M (5.2) and totalled SEK 15.1 M (15.4) for the first nine months of the year.

Personnel

During the first nine months of the year, Ringfeder Power Transmission employed an average of 312 persons (330 during the year-earlier period). At September 30, 2020, there were 318 employees in the division (338 on September 30, 2019), compared with 336 employees at year-end. Personnel costs for the first nine months of the year amounted to SEK 110.4 M (119.1), resulting in a cost per employee of SEK 353.8 thousand (360.9).



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 brands. The objective is that the Group's intellectual property in the form of brands 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 sales pertain primarily to intra-Group services and license revenues and amounted to SEK 28.9 M (22.5) during the first nine months. The operating loss for the year was SEK 7.8 M (loss: 12.3). After currency effects from Group companies totaling negative SEK 4.3 M (pos: 0.6), exchange rate differences of negative SEK 4.1 M (neg: 8.8) and dividends from subsidiaries of SEK 34.0 M (151.2), loss before tax amounted to SEK 17.8 M (profit: 130.7).

Accounting policies

The VBG Group applies the EU-endorsed IFRS standards and interpretations thereof (IFRIC). This interim report for the Group has been prepared in accordance with the Annual Accounts Act and IAS 34 Interim Financial Reporting, and for the Parent Company, in accordance with the Annual Accounts Act and recommendation RFR 2, Accounting for Legal Entities. The same accounting policies and calculation methods were applied as in the most recent annual report.

This report may contain rounding differences.

Risks and uncertainty factors

The Group's and the Parent Company's significant risks and uncertainty factors include 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 as well as sustainability risks.

For a more detailed description of the Group's risks and risk management, see Note 2 of VBG Group AB's annual report for 2019.

Outlook for 2020

The company makes no forecast.

Financial information 2021

Year-end report 2020	February 24, 2021
Interim report, three months 2021	April 29, 2021
Annual General Meeting 2021	April 29, 2021
Interim report, six months 2021	July 22, 2021
Interim report, nine months 2021	October 21, 2021

Related party transactions

There have been no related party transactions in 2020 that have significantly affected the company's financial position and results. Related party transactions during 2019 are disclosed in Note 6 in the annual report for 2019.

Vänersborg, 22 October 2020
VBG Group AB (publ)

Anders Birgersson
President and CEO

Note:

The information in this report 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 22 October 2020 at 4:00 p.m.

Events after the close of the reporting period

No significant events occurred after the close of the period.

Press releases issued in the third quarter of 2020

Interim report January–June 2020 July 23, 2020

For further information, please contact:

Anders Birgersson, President and CEO
Telephone: 0521–27 77 67
E-mail: anders.birgersson@vbgroup.com

REVIEW REPORT

Introduction

We have reviewed the interim report for VBG Group AB (publ), Corp. ID no. 556069-0751, for the period 1 January–30 September 2020. The Board of Directors and the President are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion regarding this interim financial information based on our review.

Aim and scope of review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA) and other generally accepted auditing standards in Sweden.

The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information has not, in all material respects, been prepared in accordance with IAS 34 and the Annual Accounts Act as regards the Group and in accordance with the Annual Accounts Act as regards the Parent Company.

Gothenburg, 22 October 2020
Öhrlings PricewaterhouseCoopers AB

Johan Malmqvist
Authorized Public Accountant

Condensed consolidated income statement and statement of other comprehensive income

SEK M	Q3 2020	Q3 2019	9 months 2020	9 months 2019	Full year 2019
Net sales	759.6	909.1	2,387.2	2,878.1	3,725.4
Cost of goods sold	-499.1	-606.6	-1,588.0	-1,898.2	-2,473.6
Gross profit	260.5	302.5	799.2	979.9	1,253.9
Selling expenses	-69.9	-95.0	-242.6	-290.4	-380.0
Administrative expenses	-55.9	-66.6	-187.4	-204.3	-274.9
Research and development costs	-22.4	-30.5	-85.5	-100.8	-136.7
Other operating income and expenses	0.7	-1.0	-16.5	-16.2	-27.2
	-147.5	-193.1	-532.0	-611.7	-818.9
Operating profit	113.0	109.4	267.1	368.2	435.0
Exchange rate effects, net	-8.0	0.5	-9.7	-5.7	-5.5
Interest income	0.3	0.9	5.5	2.3	3.5
Interest expenses	-4.1	-4.5	-15.4	-18.8	-28.3
Other financial expenses	-1.3	-2.4	-1.6	-11.0	-7.7
Total financial items	-13.1	-5.5	-21.1	-33.1	-38.0
Profit/loss after financial items	100.0	103.9	246.1	335.2	397.0
Tax	-26.2	-30.1	-70.3	-89.3	-97.5
Profit/loss for the period	73.9	73.7	175.8	245.9	299.5
Profit for the period attributable to Parent Company shareholders	73.9	73.7	175.8	245.9	299.5
Other comprehensive income					
Profit/loss for the period	73.9	73.7	175.8	245.9	299.5
Items that will not be reversed in the income statement					
Effect of translation of defined-benefit pension plans, net after tax	-	-25.7	-8.4	-25.7	-23.9
Other items					
Items that may later be reversed in the Income Statement					
Translation differences pertaining to foreign operations	-33.1	26.8	-80.7	84.7	36.7
Translation differences pertaining to hedge accounting for net investments in foreign operations	-	0.1	-	1.4	1.4
Other comprehensive income, net after tax	-33.1	1.2	-89.1	60.4	14.2
Comprehensive income for the period	40.8	74.9	86.7	306.3	313.7
Comprehensive income for the period attributable to Parent Company shareholders	40.8	74.9	86.7	306.3	313.7
Earnings per share, basic and diluted, SEK	2.95	2.95	7.03	9.83	11.98
Number of shares outstanding at end of period ('000)	25,004	25,004	25,004	25,004	25,004
Average number of shares during the period	25,004	25,004	25,004	25,004	25,004
Number of treasury shares at end of period	1,192	1,192	1,192	1,192	1,192

Sales and earnings by segment

SEK M		Truck & Trailer Equipment	Mobile Climate Control	Ringfeder Power Transmission	Group- wide	Group
2020	Net sales	235.5	404.9	119.2		759.6
Q3	Operating profit	39.2	51.4	23.9	-1.4	113.0
	Operating margin, %	16.6	12.7	20.0		14.9
	Net financial items				-13.0	-13.0
	Profit after financial items					100.0
2020	Net sales	763.1	1,259.9	364.2		2,387.2
9 months	Operating profit	130.4	90.6	53.2	-7.1	267.1
	Operating margin, %	17.1	7.2	14.6		11.2
	Net financial items				-21.0	-21.0
	Profit after financial items					246.1
2019	Net sales	268.1	511.1	129.9		909.1
Q3	Operating profit	45.7	51.6	15.2	-3.1	109.4
	Operating margin, %	17.0	10.1	11.7		12.0
	Net financial items				-5.5	-5.5
	Profit after financial items					103.9
2019	Net sales	927.0	1,557.7	393.4		2,878.1
9 months	Operating profit	175.4	153.7	51.8	-12.7	368.2
	Operating margin, %	18.9	9.9	13.2		12.8
	Net financial items				-33.0	-33.0
	Profit after financial items					335.2

Consolidated Balance Sheet

SEK M	Sep. 30, 2020	Sep 30, 2019	Dec. 31, 2019
Assets			
Non-current assets			
Intangible assets			
Brands, customer relationships and other intangible assets	770.6	783.8	797.2
Goodwill	1,115.6	1,146.5	1,143.3
	1,886.2	1,930.3	1,940.5
Property, plant and equipment			
Land and buildings	173.8	190.3	187.3
Plant and machinery	140.4	114.0	118.2
Equipment, tools, fixtures and fittings	44.7	51.0	49.5
Construction in progress	5.6	19.9	27.0
Right of use	131.2	159.1	154.7
	495.7	534.3	536.7
Deferred tax asset	67.2	73.9	67.3
Total non-current assets	2,449.2	2,538.5	2,544.5
Current assets			
Inventories			
Raw materials and consumables	326.0	380.4	334.2
Work in progress	70.6	92.8	79.9
Finished products and merchandise	190.3	238.0	224.6
	586.9	711.2	638.7
Current receivables			
Trade receivables	447.9	536.3	467.2
Current tax assets	25.4	22.6	21.2
Other receivables	23.0	30.2	29.0
Prepaid expenses and accrued income	23.3	27.1	25.5
	519.5	616.2	542.9
Cash and cash equivalents			
Cash on hand and demand deposits	795.1	474.6	472.5
Total current assets	1,901.5	1,801.9	1,654.0
Total assets	4,350.6	4,340.4	4,198.6
Equity and liabilities			
Equity			
Share capital	65.5	65.5	65.5
Other contributed capital	781.3	779.4	781.3
Reserves	78.6	96.9	154.7
Retained earnings, incl. net profit for the year	1,589.8	1,478.3	1,462.2
Total equity	2,514.4	2,420.2	2,427.7
Non-current liabilities			
Provisions for pensions and similar obligations	245.8	236.5	230.2
Deferred tax liability	217.6	229.8	219.6
Other provisions	25.4	23.9	24.3
Lease liability	112.6	138.2	131.1
Liabilities to credit institutions	816.8	787.1	741.2
Other non-current liabilities	2.2	1.9	1.8
Total non-current liabilities	1,421.2	1,417.4	1,348.2
Current liabilities			
Trade payables	199.6	239.0	203.0
Current tax liabilities	12.9	28.9	8.8
Other liabilities	28.3	31.4	29.7
Lease liability	22.2	22.1	25.3
Accrued expenses and deferred income	151.9	181.5	155.9
Total current liabilities	415.0	502.8	422.7
Total equity and liabilities	4,350.6	4,340.4	4,198.6

Consolidated Changes in Equity

SEK M	9 months 2020	9 months 2019	Full year 2019
Opening equity according to balance sheet at December 31	2,427.7	2,226.5	2,226.5
Total comprehensive income for the period	86.7	306.3	313.7
Dividend	0.0	-112.5	-112.5
Equity at end of period	2,514.4	2,420.2	2,427.7

Consolidated Cash Flow Statement

SEK '000	9 months 2020	9 months 2019	Full year 2019
Operating activities			
Operating profit before financial items	267.1	368.2	435.0
Depreciation/amortization	81.4	80.8	112.8
Other items not affecting liquidity	-8.5	10.3	10.7
Interest received, etc.	8.1	3.3	4.6
Interest paid	-9.5	-26.0	-31.6
Tax paid	-74.8	-94.4	-127.7
Cash flow before change in working capital	263.9	342.2	403.9
Decrease/increase (-) in inventories	24.0	-33.7	11.6
Decrease/increase (-) in trade receivables	-1.5	-4.0	37.9
Decrease/increase (-) in other current receivables	5.8	6.2	2.0
Increase/decrease (-) in trade payables	14.7	1.5	-18.2
Increase/decrease (-) in other current liabilities	-	25.1	1.8
Cash flow from operating activities	307.0	337.3	438.9
Investing activities			
Investments in intangible assets	-0.3	-7.4	-30.6
Investments in property, plant and equipment	-33.7	-45.5	-75.4
Cash flow from investing activities	-34.0	-52.9	-106.0
Financing activities			
Repayment of loans	-	-40.0	-40.0
Loans raised and changes to existing loans	80.6	-19.2	-55.8
Amortization of lease liability	-19.4	-20.2	-28.2
Dividend paid	-	-112.5	-112.5
Cash flow from financing activities	61.2	-191.9	-236.5
Cash flow for the year	334.2	92.5	96.4
Cash and cash equivalents at start of year	472.5	371.4	371.4
Translation difference, cash and cash equivalents	-11.6	10.7	4.7
Cash and cash equivalents at year-end	795.1	474.6	472.5
Unutilized overdraft facilities	100.0	100.0	100.0
Total cash and cash equivalents available	895.1	574.6	572.5

Key figures for Group

SEK M	9 months 2020	9 months 2019	Full year 2019
Operating margin (EBIT), %	11.2	12.8	11.7
Profit margin (ROS), %	10.3	11.6	10.7
Return on equity (ROE), %	9.4	14.0	12.5
Return on capital employed (ROCE), %	9.9	14.1	12.4
Equity/assets ratio, %	57.8	55.8	57.8
Interest-bearing net debt/EBITDA	0.90	1.27	1.20
Equity per share outstanding at end of period, SEK	100.50	96.79	97.09
Cash flow from operating activities, per average share outstanding, SEK	12.28	12.68	17.55
Profit per average share outstanding during the period, SEK	7.03	9.83	11.98
Share price at end of period, SEK	139.50	144.50	157.50
Number of employees, average	1,498	1,636	1,596
Number of shares outstanding at end of period ('000)	25,004	25,004	25,004
Number of treasury shares at end of period ('000)	1,192	1,192	1,192
Average number of shares outstanding during the period ('000)	25,004	25,004	25,004

Parent Company income statement

SEK M	9 months 2020	9 months 2019	Full year 2019
Net sales	28.9	22.5	45.2
Operating expenses	-36.7	-34.8	-51.8
Operating profit	-7.8	-12.3	-6.6
Net financial items	25.6	143.0	162.2
Profit/loss after financial items	17.8	130.7	155.6
Appropriations	–	–	31.2
Tax	–	–	-3.8
Profit/loss for the period	17.8	130.7	183.0

Parent Company Balance Sheet

SEK M	Sep. 30, 2020	Sep 30, 2019	Dec. 31, 2019
Other intangible assets	0.1	0.5	0.4
Property, plant and equipment	2.5	2.3	3.4
Financial assets	2,259.0	2,317.9	2,285.2
Total non-current assets	2,261.6	2,320.7	2,289.0
Receivables	101.7	124.9	139.5
Cash on hand, demand deposits and short-term investments	577.5	275.9	306.3
Total current assets	679.2	400.8	445.8
TOTAL ASSETS	2,940.8	2,721.5	2,734.8
Equity	1,517.4	1,443.7	1,496.1
Untaxed reserves	10.3	5.5	10.3
Provisions	12.9	13.0	12.9
Non-current liabilities	816.8	787.1	741.1
Current liabilities	583.5	472.2	474.4
TOTAL EQUITY AND LIABILITIES	2,940.8	2,721.5	2,734.8

Alternative performance measures

ORGANIC GROWTH

Net sales excluding effects of structural changes, meaning acquired or divested operations, and currency effects.

SEK M	9 months 2020	Q3 2020	9 months 2019	Q3 2019	Full year 2019
Group					
Net sales	2,387.2	759.6	2,878.1	909.1	3,725.4
Currency effect	34.0	51.7	-133.0	-38.4	-168.2
Net sales excluding acquisitions and currencies	2,421.2	811.3	2,745.1	870.7	3,557.2
Actual organic growth	-456.9	-97.8	121.5	-4.1	64.8
Organic growth, %	-15.9	-10.8	4.6	-0.5	1.9
Truck & Trailer Equipment					
Net sales	763.1	235.5	927.0	268.1	1,203.6
Currency effect	6.0	8.3	-24.8	-5.8	-31.7
Net sales excluding acquisitions and currencies	769.1	243.8	902.2	262.3	1,171.9
Actual organic growth	-157.9	-24.4	-24.6	-16.1	-71.2
Organic growth, %	-17.0	-9.1	-2.7	-5.8	-5.7
Mobile Climate Control					
Net sales	1,259.9	404.9	1,557.7	511.1	1,998.4
Currency effect	12.7	31.1	-91.9	-27.3	-116.1
Net sales excluding acquisitions and currencies	1,272.5	436.0	1,465.8	483.8	1,882.3
Actual organic growth	-285.2	-75.1	160.3	23.4	155.0
Organic growth, %	-18.3	-14.7	12.3	5.1	9.0
Ringfeder Power Transmission					
Net sales	364.2	119.2	393.4	129.9	523.4
Currency effect	15.3	12.3	-16.3	-5.3	-20.4
Net sales excluding acquisitions and currencies	379.6	131.5	377.1	124.6	503.0
Actual organic growth	-13.8	1.6	-14.4	-11.7	-19.0
Organic growth, %	-3.5	1.3	-3.7	-8.6	-3.6

EBITDA

Operating profit before depreciation/amortisation and impairment.

Group, SEK M	9 months 2020	Q3 2020	9 months 2019	Q3 2019	Full year 2019
Operating profit	267.1	113.0	368.2	109.4	435.0
Depreciation/amortization	81.4	26.3	83.5	28.0	112.8
EBITDA	348.6	139.3	451.7	137.4	547.8

EBITA

Operating profit before depreciation/amortisation and impairment.

Group, SEK M	9 months 2020	Q3 2020	9 months 2019	Q3 2019	Full year 2019
Operating profit	267.1	113.0	368.2	109.4	435.0
Amortization of intangible assets	24.3	7.5	24.0	7.9	32.1
EBITA	291.4	120.5	392.2	117.3	467.1

PROFIT MARGIN

Profit after financial items as a percentage of net sales.

Group, SEK M	9 months 2020	Q3 2020	9 months 2019	Q3 2019	Full year 2019
Net sales	2,387.2	759.6	2,878.1	909.1	3,725.4
Profit after financial items	246.1	96.2	335.2	103.9	397.0
Profit margin, %	10.3	12.7	11.6	11.4	10.7

INTEREST-BEARING NET DEBT

Interest-bearing loan liabilities and provisions less cash and cash equivalents.

Group, SEK M	9 months 2020	Q3 2020	9 months 2019	Q3 2019	Full year 2019
Provisions for pensions	245.8		236.5		230.2
Overdraft facilities					
Loans	816.8		787.1		741.2
Lease liability	134.9		160.3		156.4
Bank balances	-795.1		-474.6		-472.5
Interest-bearing net debt	402.5	n/a	709.4	n/a	655.3

INTEREST-BEARING NET DEBT/EBITDA

Interest-bearing net debt in proportion to operating profit before depreciation/amortization and impairment.

Group, SEK M	9 months 2020	Q3 2020	9 months 2019	Q3 2019	Full year 2019
Interest-bearing net debt	402.5		709.4		655.3
EBITDA, rolling 4 quarter	444.8		560.0		547.9
Interest-bearing net debt/EBITDA	0.90	n/a	1.27	n/a	1.20

ROOC BY DIVISION

EBITDA as a percentage of operating capital as below.

SEK M	9 months 2020	9 months 2019	Full year 2019
Truck & Trailer Equipment			
Inventories	155.4	176.3	164.2
Trade receivables	149.8	172.8	140.8
Trade payables	-58.1	-59.3	-48.6
Working capital	247.1	289.9	256.4
Property, plant and equipment	174.4	169.8	177.5
Operating capital	421.5	459.7	433.9
EBITDA, rolling 12 months	207.8	263.6	255.0
Average operating capital, four quarter	436.1	451.4	454.9
ROOC, %	47.7	58.4	56.1
Mobile Climate Control			
Inventories	330.0	395.0	355.3
Trade receivables	221.0	268.2	233.7
Trade payables	-131.1	-165.6	-144.4
Working capital	420.0	497.6	444.6
Property, plant and equipment	206.9	234.4	232.4
Operating capital	626.8	731.9	677.0
EBITDA, rolling 12 months	161.9	226.8	224.8
Average operating capital, four quarter	674.8	680.0	697.7
ROOC, %	24.0	33.4	32.2
Ringfeder Power Transmission			
Inventories	101.4	139.9	119.1
Trade receivables	77.1	95.2	92.7
Trade payables	-8.8	-11.4	-7.9
Working capital	169.7	223.6	203.9
Property, plant and equipment	109.9	124.7	120.4
Operating capital	279.6	348.3	324.3
EBITDA, rolling 12 months	84.4	87.0	83.3
Average operating capital, four quarter	300.0	339.5	339.7
ROOC, %	28.1	25.6	24.5
Group			
Inventories	586.9	711.2	638.7
Trade receivables	447.9	536.3	467.2
Trade payables	-199.6	-239.0	-203.0
Working capital	835.2	1,008.4	902.9
Property, plant and equipment	495.7	534.3	536.6
Operating capital	1,330.8	1,542.7	1,439.5
EBITDA, rolling 12 months	444.8	560.0	547.9
Average operating capital, four quarter	1,412.9	1,469.8	1,492.3
ROOC, %	31.5	38.1	36.7

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