

# **LEAX GROUP AB**

Interim Financial Report

Q2 2023



# INTERIM FINANCIAL REPORT Q2 2023

## “LESS VOLATILITY AND STRONG CUSTOMER FOCUS DRIVES IMPROVEMENT”

- TONY NICOL, GROUP PRESIDENT AND CEO

### The quarter April–June

- Net Sales increased to SEK 558.6 million (539.8)
- Operating profit increased to SEK 32.6 million (24.8)
- Earnings before tax (EBT) increased to SEK 29.7 million (21.7)
- Net income for the period increased to SEK 25.9 million (18.6)
- Cash flow from operating activities amounted to SEK 50.0 million (36.3)

### The period January–June

- Net Sales increased to SEK 1,147.2 million (976.6)
- Operating profit increased to SEK 52.3 million (19.0)
- Earnings before tax (EBT) increased to SEK 43.4 million (13.3)
- Net income for the period increased to SEK 37.1 million (11.3)
- Cash flow from operating activities amounted to SEK 103.3 million (68.7)

### Significant events during and after the quarter

- No significant events during or after the end of the period

Key Ratios, MSEK	Apr-Jun		Jan-Jun		Full year
	2023	2022	2023	2022	2022
Net Sales	558.6	539.8	1,147.2	976.6	1,923.5
Operating profit	32.6	24.8	52.3	19.0	2.3
EBT	29.7	21.7	43.4	13.3	-17.1
Net Income	25.9	18.6	37.1	11.3	-72.3
Cash flow from operating activities	50.0	36.3	103.3	68.7	116.8
Earnings per share before dilution, SEK	2.04	1.48	2.93	0.86	-5.77
Earnings per share after dilution, SEK	1.24	0.90	1.78	0.52	-3.50
Number of shares before dilution	12,593,750	12,593,750	12,593,750	12,593,750	12,593,750
Number of shares after dilution	20,755,126	20,755,126	20,755,126	20,755,126	20,755,126

*For full key ratios table and descriptions of alternative performance measures, see page 15.*

## COMMENTS FROM GROUP PRESIDENT AND CEO

### **Less volatility and strong customer focus drives improvement**

In Q2 2023, LEAX continued to perform well, with moderate growth and stable profitability in what continues to be a challenging business environment. We improved our net sales by 3.5% to SEK 558.6 million (539.8) compared to the same period last year. The increase was mainly driven by higher sales in Heavy Commercial Vehicles and solid volumes within our General Industry markets.

In the second quarter Operating profit increased to SEK 32.6 million (24.8) which is an increase of 31.5% compared to the same period last year. The increase is mainly due to electricity compensation for record costs in 2022 as well as improved performance and compensation in our associated companies. The company's financial performance was however adversely affected by higher costs related to the introduction of new business awards.

Operating profit for the first half of the year amounted to SEK 52.3 million (19.0) which is an increase of 175.3% compared to the same period last year. Q2 marks the second consecutive quarter of order board stability and subsequently our results demonstrate our underlying profitability.

Our performance continues to improve through good cost management, on-going recovery of inflationary pressure on our operating costs and less volatility in order patterns from our key customers.

LEAX remains committed to maintaining strong commercial diligence to ensure our margin is sustained while we continue to focus on improved profitability, growth and innovation.



Tony Nicol, Group president and CEO

## THIS IS LEAX GROUP

LEAX is a supplier of systems, advanced components, and mechanical solutions, and operates within several major end customer markets such as Heavy Commercial Vehicles, Passenger Cars, Mining & Construction, Agricultural and General Industry. The company's products and solutions are applicable in various applications and can be adapted to the end market and the needs that arise in the customers' value chain.

LEAX supplies components and subsystems to our various end markets and focuses on highly complex and sustainable solutions.

The Group consists of nine operating companies, three real estate companies and two associated companies that individually develop and run their operations. However, the companies within LEAX cooperate to a large extent to realize the synergies that exist within the Group.

LEAX governance/follow-up and allocation of resources is based on the Group as a whole and the responsibility of the CEO. For operational purposes, the Group is divided into two business areas and three support areas. The two business areas are International and Nordics/South America. The CEO reports to the Board of Directors of LEAX. The Board consists of seven members, whereof one employee representative. Four are independent both in relation to the company's major shareholders and in relation to the company and its executive management. All members appointed by the annual general meeting are proposed by a nomination committee.

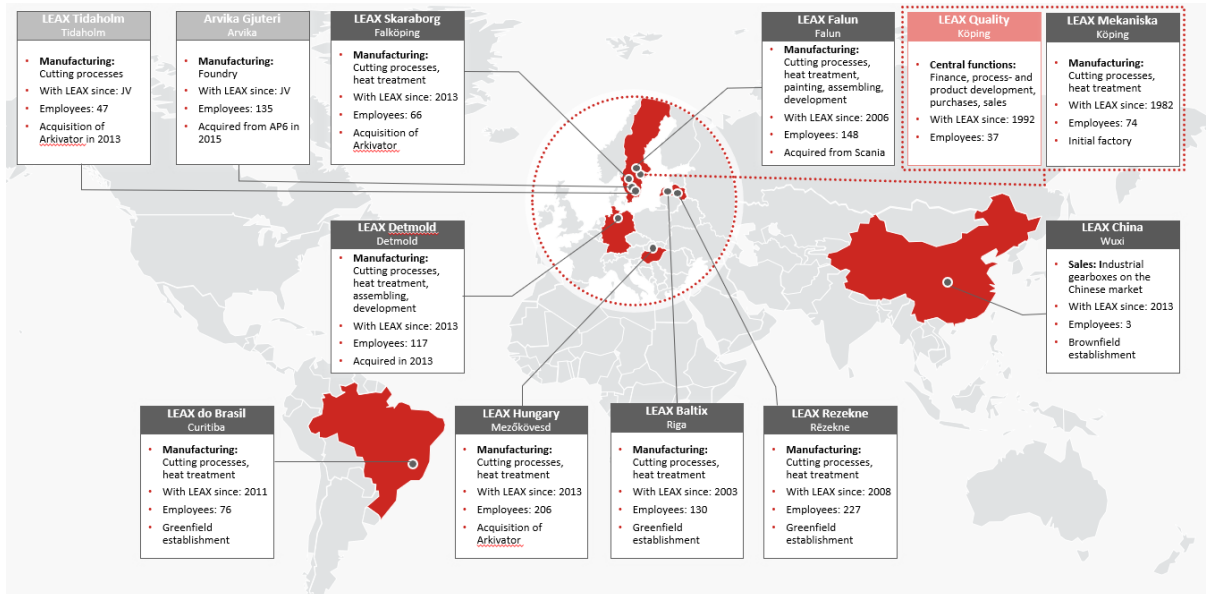
### Vision and Mission

LEAX Vision is "To be a recognized leader in the design, development and industrialization of advanced manufacturing solutions and superior products for global mobility and industrial markets" and our Mission is "To exceed our customers' expectations through the continuous pursuit of excellence in every aspect of our business and by maximizing value for all stakeholders".

### Strategic geographic presence

LEAX has laid the foundation for a broad product portfolio combined with a global presence to be able to deliver to its international customer base. LEAX has established the right conditions to develop the company in line with LEAX strategy. As part of the company's growth with its existing customers LEAX has established itself in geographically strategic locations. LEAX is now active on three continents: Europe, South America and Asia, with local production in Sweden, Germany, Brazil, China, Hungary and Latvia. Through the local presence, the platform is established for LEAX to develop and gain market share in South America and Asia, among others.

## Overview of LEAX factories and offices



Customers in	Production in	Approximately
~ 40	11	1 100
Countries (150 including indirect deliveries through customers)	Factories on three continents	LEAX employees

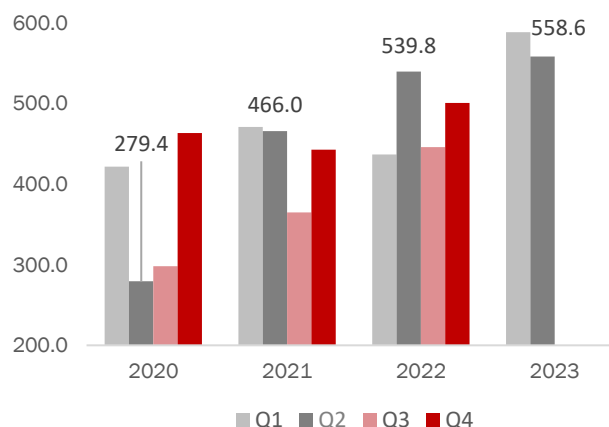
## FINANCIAL INFORMATION

### NET SALES

Net sales for the second quarter amounted to SEK 558.6 million (539.8) which is an increase of 3.5% compared to the same period last year. The increase derived from and higher sales in Heavy Commercial Vehicles and good volumes in General Industry.

Net sales for the first half of the year amounted to SEK 1,147.2 million (976.6) which is an increase of 17.5% compared to the same period last year.

Net Sales per quarter, MSEK



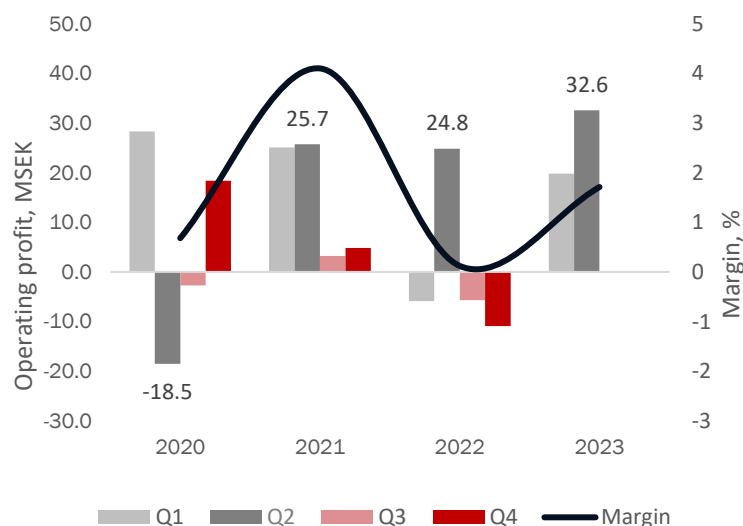
### OPERATING PROFIT

In the second quarter Operating profit increased to SEK 32.6 million (24.8) which is an increase of 31.5% compared to same period last year. The increase over this period last year is mainly due to electricity compensation for record costs in 2022 amounted to SEK 8.6 million as well as improved performance and compensation in our associated companies.

Furthermore, the change in result has been impacted by higher costs related to the introduction of new business awards and last year's onetime cost to raise equity.

Operating profit for the first half of the year amounted to SEK 52.3 million (19.0) which is an increase of 175.3% compared to same period last year. This can be explained by higher and more stable volumes in Heavy Commercial Vehicles and high volumes in General Industry, and also due to electricity compensation. At the same time the change in result has been impacted by ramp up cost from new projects and last year's onetime cost to raise equity.

Operating profit per quarter



## FINANCIAL INCOME & EXPENSES AND EARNINGS BEFORE TAX

Net financial income and expenses for the second quarter amounted to SEK -2.8 million (-3.1). The amount includes unrealised currency effect of SEK 7.9 million (4.7). The unrealised currency effect mainly relates to group internal loans. Net financial income and expenses for the first half of the year amounted to SEK -8.9 million (-5.7). The amount includes unrealised currency effect of SEK 11.4 million (14.4).

Earnings before tax (EBT) for the second quarter amounted to SEK 29.7 million (21.7) and for the first half of the year SEK 43.4 million (13.3).

## INCOME TAXES

Income taxes for the first half of the year amounted to SEK -6.3 million (-2.0). Income taxes are related both to corporate taxes and deferred taxes on group level.

## CASH FLOW

Cash flow from operating activities for the second quarter amounted to SEK 50.0 million (36.3). Cash flow from investing activities amounted to SEK -17.0 million (-103.8). Cash flow from financing activities amounted to SEK -33.2 million (72.9). Cash flow from operating activities for the first half of the year amounted to SEK 103.3 million (68.7). Cash flow from investing activities amounted to SEK -50.6 million (-120.6). Cash flow from financing activities amounted to SEK -53.2 million (56.1).

## FINANCIAL POSITION

As of June 30, 2023, the Group's balance sheet total amounted to SEK 1,772.5 million (1,720.0). The Group's equity amounted to SEK 617.5 million (609.4). At the end of the period, net debt was SEK 608.0 million (618.5) and the Group's cash and cash equivalents amounted to SEK 9.6 million (15.9).

The Board of Directors assesses that the Group is financially stable enough to meet its obligations and continue its business for the foreseeable future.

## OTHER INFORMATION

### RISKS AND UNCERTAINTY FACTORS

The company does not consider that there are any material changes during the reporting period in the risks and uncertainty factors presented in the annual report. Market forecasts are based on current visibility, which is low. Uncertainty is significant due to difficulty in assessing supply chain capacity, effects from the Covid-19 pandemic and the war in Ukraine and the company sees a continued risk caused by supply chain volatility. For information regarding the most significant risks and uncertainty factors, please read the description in the annual report for 2022.

### PARENT COMPANY

LEAX Group AB directly or indirectly owns all companies in the Group. Equity amounted to SEK 507.4 million (506.2).

### THE COMPANY'S MAJOR SHAREHOLDERS

LEAX Group AB (publ) has its registered office in Köping, Sweden. At the end of the quarter, the Berggren and Seger families directly or indirectly owned 64.3% of the shares, with a voting right of 85.5%. AMF owns 28.9% of the shares with a voting right of 4.5%. The remaining part is owned by key persons active in the group.

### DIVIDEND

A directed dividend related to the preference shares during 2023 for the fiscal year 2022 was decided at the annual general meeting at a value of SEK 2.50 per share, in total SEK 20.4 million. No other dividend is suggested for the fiscal year 2022. The dividend was settled in July 2023.

### MARKET DEVELOPMENT AND PROSPECTS

LEAX remains committed to maintaining strong commercial diligence to ensure that margins are sustained while improved profitability, growth and innovation continue to be in focus.



## ANNUAL GENERAL MEETING

The Annual General Meeting took place on May 9, 2023, at Nya Hamnvägen 4 in Köping, Sweden.

It was resolved to re-elect Roger Berggren, Lars Davidsson, Jonas Lundgren, Lars Wrebo and Jessica Alenius and new election of Lina Ankargren as board members until the end of the next annual general meeting.

Bent Wessel-Aas has declined re-election. Roger Berggren was re-elected as the working chairman of the board for the same period.

## OTHER

The functional currency of the parent company is the Swedish krona which also is the reporting currency for the group and the parent company. All amounts, if nothing else is stated, are presented in SEK million with one decimal. The amounts in tables and reports do not always sum up exactly to the total amount due to rounding. The purpose is that each amount should equal its origin and rounding differences can therefore occur.

This report has not been reviewed by the company's auditors.

## THE BOARD OF DIRECTORS AND THE CEO ASSURANCE

The Board of Directors and the CEO assure that this interim report provides a true and fair view of the Group's and the parent company's operations, position and results and describes the significant risks and uncertainties facing the parent company and the companies that are part of the Group.

Köping, August 25, 2023

Roger Berggren  
Chairman of the Board

Lars Davidsson  
Deputy Chairman of the Board

Jonas Lundgren  
Board member

Lina Ankargren  
Board member

Jessica Alenius  
Board member

Lars Wrebo  
Board member

Jonas Neiström  
Board member

Anthony Nicol  
Group President and CEO

# INCOME STATEMENT FOR THE GROUP

## Consolidated statement of comprehensive income for the group

MSEK	Note	2023	2022	2023	2022	2022
		Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Net Sales	2	558.6	539.8	1,147.2	976.6	1,923.5
Other operating income		15.9	10.6	22.2	18.8	37.1
Change in work in progress and finished goods		11.4	-10.1	1.0	-11.0	15.8
Capitalized work for own account		1.3	1.5	2.4	2.3	5.1
Raw material and consumables		-306.3	-264.1	-621.2	-477.9	-1,017.0
Other external costs		-84.5	-93.0	-170.8	-171.7	-335.4
Employee benefits		-126.9	-117.0	-249.6	-228.7	-439.1
Depreciation, amortization and write down of fixed assets		-39.8	-37.4	-78.9	-78.1	-154.1
Other operating expenses		-9.1	-5.2	-16.3	-11.8	-23.0
Share according to the equity method		12.0	-0.1	16.2	0.4	-10.5
<b>Operating profit</b>		<b>32.6</b>	<b>24.8</b>	<b>52.3</b>	<b>19.0</b>	<b>2.3</b>
Financial income		0.9	0.4	1.1	5.2	1.8
Financial expenses		-3.8	-3.5	-10.0	-10.9	-21.3
<b>Financial income and expenses, net</b>		<b>-2.8</b>	<b>-3.1</b>	<b>-8.9</b>	<b>-5.7</b>	<b>-19.4</b>
<b>Earnings before tax, EBT</b>		<b>29.7</b>	<b>21.7</b>	<b>43.4</b>	<b>13.3</b>	<b>-17.1</b>
Income taxes		-3.9	-3.1	-6.3	-2.0	-55.2
<b>Net income</b>		<b>25.9</b>	<b>18.6</b>	<b>37.1</b>	<b>11.3</b>	<b>-72.3</b>
Of which attributable to						
Owners of the parent		25.7	18.6	36.9	10.8	-72.7
Non-controlling interests		0.2	0.0	0.3	0.4	0.4
<b>Net income</b>		<b>25.9</b>	<b>18.6</b>	<b>37.1</b>	<b>11.3</b>	<b>-72.3</b>
<b>Earnings per share</b>						
before dilution (SEK)		2.04	1.48	2.93	0.86	-5.77
after dilution (SEK)		1.24	0.90	1.78	0.52	-3.50
<b>Earnings per share from continuing operations</b>						
before dilution (SEK)		2.04	1.48	2.93	0.86	-5.77
after dilution (SEK)		1.24	0.90	1.78	0.52	-3.50

## Consolidated statement of other comprehensive income for the group

MSEK	2023	2022	2023	2022	2022
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
<b>Net income</b>	<b>25.9</b>	<b>18.6</b>	<b>37.1</b>	<b>11.3</b>	<b>-72.3</b>
<b>Other comprehensive income</b>					
<b>Items that may be subsequently reclassified to profit or loss</b>					
Translation differences	35.1	-11.0	41.3	4.4	26.7
<b>Other comprehensive income for the period</b>	<b>35.1</b>	<b>-11.0</b>	<b>41.3</b>	<b>4.4</b>	<b>26.7</b>
<b>Total comprehensive income for the period</b>	<b>61.0</b>	<b>7.5</b>	<b>78.4</b>	<b>15.6</b>	<b>-45.7</b>
<b>Total comprehensive income for the period attributable to:</b>					
Owners of the parent	55.4	13.0	78.2	20.9	-39.9
Non-controlling interests	5.6	-5.4	0.2	-5.3	-5.7
<b>Total comprehensive income for the period</b>	<b>61.0</b>	<b>7.6</b>	<b>78.4</b>	<b>15.6</b>	<b>-45.6</b>

## BALANCE SHEET FOR THE GROUP

**Consolidated statement of financial position for the group**

<i>MSEK</i>	<i>Note</i>	<b>2023</b>	<b>2022</b>	<b>2022</b>
		<b>Jun 30</b>	<b>Jun 30</b>	<b>Dec 31</b>
<b>Assets</b>				
Intangible fixed assets	2	42.4	34.1	37.9
Tangible fixed assets <sup>1</sup>	2	910.9	867.4	875.6
Other right-of-use assets	2	54.0	73.9	64.1
Shares in associated companies		46.6	46.6	30.4
Deferred tax asset		33.0	75.9	32.4
Non-current receivables		20.6	18.3	20.0
Other financial assets		3.6	0.1	3.3
<b>Total fixed assets</b>		<b>1,111.5</b>	<b>1,116.3</b>	<b>1,063.9</b>
Inventories		348.8	294.0	328.3
Trade receivables		245.6	243.7	198.3
Current tax assets		18.3	14.9	13.2
Other current receivables <sup>1</sup>		12.3	20.6	27.7
Prepaid expenses and accrued income <sup>1</sup>		26.5	14.6	16.6
Cash and cash equivalents		9.6	15.9	9.2
<b>Total current assets</b>		<b>661.0</b>	<b>603.7</b>	<b>593.4</b>
<b>Total assets</b>		<b>1,772.5</b>	<b>1,720.0</b>	<b>1,657.3</b>
<b>Equity<sup>1</sup></b>				
Share capital		41.5	41.5	41.5
Translation reserve		59.9	-2.9	18.8
Retained earnings incl net income		512.7	567.9	475.8
<b>Total equity attributable to owners of the parent</b>		<b>614.1</b>	<b>606.4</b>	<b>536.1</b>
<b>Non-controlling interests</b>		<b>3.4</b>	<b>2.9</b>	<b>2.9</b>
<b>Total equity</b>		<b>617.5</b>	<b>609.4</b>	<b>539.0</b>
<b>Provisions</b>				
Provisions for deferred taxes <sup>1</sup>		10.4	13.0	10.8
Other provisions		0.2	0.4	0.1
<b>Total provisions</b>		<b>10.6</b>	<b>13.4</b>	<b>11.0</b>
<b>Liabilities</b>				
Interest-bearing liabilities, non-current		537.6	546.5	555.6
Other non-current liabilities		39.0	34.3	40.6
<b>Total non-current liabilities</b>		<b>576.6</b>	<b>580.8</b>	<b>596.1</b>
Interest-bearing liabilities, current		80.1	87.9	91.4
Advances from customers		4.3	4.8	6.6
Trade payables		249.0	233.0	242.0
Current tax liabilities		4.3	3.9	4.0
Other current liabilities <sup>1</sup>		148.1	103.6	100.9
Accrued expenses and deferred income		81.9	83.3	66.3
<b>Total current liabilities</b>		<b>567.7</b>	<b>516.5</b>	<b>511.2</b>
<b>Total liabilities</b>		<b>1,144.4</b>	<b>1,097.3</b>	<b>1,107.3</b>
<b>Total equity and liabilities</b>		<b>1,772.5</b>	<b>1,720.0</b>	<b>1,657.3</b>

<sup>1</sup>The values for Q2 2022 have changed compared to the report for Q2 2022 due to the final settlement of the property acquisition.

# CHANGES IN EQUITY FOR THE GROUP

## Consolidated statement of changes in equity for the group

2022	Total equity						
	MSEK	Share capital	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Opening balance January 1, 2022		25.2	-13.3	166.7	178.6	7.8	186.4
<b>Comprehensive income</b>							
Net income for the period				10.8	10.8	0.4	11.3
Other comprehensive income			10.5	-0.9	9.6	0.2	9.8
<i>Total comprehensive income</i>			10.5	10.0	20.5	0.6	21.1
<b>Transactions with shareholders</b>							
New share issue		16.3			16.3		16.3
Share premium				385.7	385.7		385.7
Repurchase of own shares				5.5	5.5	-5.5	-
Closing balance June 30, 2022		41.5	-2.9	567.9	606.5	2.9	609.4

2023	Total equity						
	MSEK	Share capital	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity <sup>1</sup>
Opening balance January 1, 2023		41.5	18.8	475.8	536.1	2.9	539.0
<b>Comprehensive income</b>							
Net income for the period				37.0	37.0	0.3	37.1
Other comprehensive income			41.1		41.1	0.2	41.3
<i>Total comprehensive income</i>			41.1	37.0	78.0	0.5	78.5
Closing balance June 30, 2023		41.5	59.9	512.7	614.1	3.4	617.5

<sup>1</sup>The values for Q2 2022 have changed compared to the report for Q2 2022 due to the final settlement of the property acquisition.

# CASH FLOW STATEMENT FOR THE GROUP

## Consolidated cash flow statement for the group

<i>MSEK</i>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
	<b>Apr-Jun</b>	<b>Apr-Jun</b>	<b>Jan-Jun</b>	<b>Jan-Jun</b>	<b>Jan-Dec</b>
<b>Operating activities</b>					
Earnings before tax	29.7	21.7	43.4	13.3	-17.1
Adjustment for non-cash items	21.1	42.1	51.7	81.9	148.8
Income taxes paid	-11.9	0.1	-12.0	-6.2	-7.7
	<b>38.9</b>	<b>63.8</b>	<b>83.2</b>	<b>88.9</b>	<b>123.9</b>
Increase (-) /Decrease (+) of inventories	-2.2	-11.2	-2.4	4.6	-21.5
Increase (-) /Decrease (+) of operating assets	-1.3	-39.3	-28.3	-84.2	-36.8
Increase (+) /Decrease (-) of operating liabilities	14.6	23.0	50.9	59.3	51.2
<b>Cash flow from operating activities</b>	<b>50.0</b>	<b>36.3</b>	<b>103.3</b>	<b>68.7</b>	<b>116.8</b>
<b>Investing activities</b>					
Investments in tangible and intangible fixed assets <sup>1</sup>	-31.4	-102.4	-65.0	-118.4	-106.0
Investments in other right-of-use assets	–	-4.8	–	-5.6	-7.9
Disposals of tangible and intangible fixed assets	–	8.9	0.1	8.9	2.6
Acquisition of shares in subsidiaries	–	-5.5	–	-5.5	-7.1
Investments in financial fixed assets	0.0	–	-0.2	–	-5.2
Disposals of other financial fixed assets <sup>1</sup>	14.4	–	14.4	–	1.1
<b>Cash flow from investing activities</b>	<b>-17.0</b>	<b>-103.8</b>	<b>-50.6</b>	<b>-120.6</b>	<b>-122.6</b>
<b>Financing activities</b>					
New share issue <sup>1</sup>	–	300.0	–	300.0	300.0
Change in overdraft facility	-26.1	34.0	-35.6	37.2	68.0
New borrowings	11.9	65.1	19.3	71.2	31.9
Repayment of borrowings	-12.8	-316.3	-33.4	-330.9	-358.4
Paid out dividend	–	–	–	–	-3.2
Change in lease liability <sup>1</sup>	-6.2	-9.8	-3.4	-21.4	-35.1
<b>Cash flow from financing activities</b>	<b>-33.2</b>	<b>72.9</b>	<b>-53.2</b>	<b>56.1</b>	<b>3.2</b>
Cash flow for the period	-0.2	5.4	-0.5	4.0	-2.6
Cash and cash equivalents at the beginning of the period	9.2	10.6	9.2	10.6	10.6
Translation difference on cash and cash equivalents	0.6	-0.1	0.9	1.3	1.2
<b>Cash and cash equivalents at the end of the period</b>	<b>9.6</b>	<b>15.9</b>	<b>9.6</b>	<b>15.9</b>	<b>9.2</b>

<sup>1</sup>The values for Q2 2022 have changed compared to the report for Q2 2022 due to the final settlement of the property acquisition.

## KEY RATIOS FOR THE GROUP

### Key Ratios

MSEK	2023	2022	2023	2022	2022
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
EBITDA <sup>1</sup>	72.4	62.3	131.2	97.0	156.4
EBITDA margin % <sup>1</sup>	13.0	11.5	11.4	9.9	8.1
Operating margin % <sup>1</sup>	5.8	4.6	4.6	1.9	0.1
EBT margin % <sup>1</sup>	5.3	4.0	3.8	1.4	-0.9
Net Sales Growth % <sup>1</sup>	3.5	15.8	17.5	4.2	10.2
Net Debt <sup>1</sup>	608.0	618.5	608.0	618.5	637.7
Net Sales by customer end markets in % <sup>1</sup>					
Heavy Commercial Vehicles (%)	62.3	62.1	62.7	60.0	61.2
General Industry (%)	20.6	18.2	21.2	20.1	20.8
Mining & Construction (%)	1.4	2.5	1.4	2.8	2.9
Agriculture (%)	0.9	0.6	1.0	0.8	0.8
Passenger Cars (%)	14.7	16.6	13.8	16.2	14.4
Net Debt / Equity <sup>1</sup>	1.0	1.0	1.0	1.0	1.2
Net Debt / EBITDA LTM <sup>1</sup>	3.4	3.2	3.4	3.2	4.1

<sup>1</sup> Non-IFRS financial measures are reconciled at the end of this report to the most directly reconcilable line items in the financial statements

## NOTES

### **Note 1** Accounting policies

The interim report for the group has been prepared in accordance with IAS 34 Interim Financial Reporting. The interim report for the parent company has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Accounting Standards Council's recommendation RFR 2 Accounting for Legal Entities.

The group applies the International Financial Reporting Standards (IFRS) adopted by the EU and the Swedish Annual Accounts Act.

The term "IFRS" in this document includes the application of IAS and IFRS, as well as the interpretations of these standards as published by IASB's Standards Interpretation Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

The group and the parent company apply the same accounting policies and calculation models as in the annual report for 2022.

Governmental packages due to Covid-19 and other support are reported in the income statement under other operating income or as reduction of cost depending on the classification. The income or reduction is reported in the period in which it was received.

No new or revised IFRS entering into force during 2023 have had any material effect on the group. The group has not applied any standards in advance, that have been published but not yet come into force.

For a more detailed description of the group's applied accounting policies as well as new and coming accounting standards we refer to note 1 in the Annual Report for 2022.



## Note 2 Net Sales

LEAX customers are mainly leading large multinational companies with sales and production worldwide that are active in the premium segments in their respective markets.

The Net Sales by Country or Region table is based on the customers' geographical location.

Fixed Assets by Country or Region are the sum of intangible fixed assets, tangible fixed assets, and other right-of-use assets.

### Net Sales and Fixed Assets by Country or Region

<i>MSEK</i>	2023	2022	2023	2022	2022
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
<b>Net Sales by Country or Region</b>					
Sweden	274.3	334.2	590.3	501.5	960.5
Germany	32.1	25.9	67.6	52.3	108.1
Netherlands	67.4	23.8	143.7	111.4	225.0
Rest of Europe	75.6	24.3	162.3	53.3	201.4
South America	51.7	48.7	100.3	74.0	202.9
Asia	46.6	59.4	73.0	114.3	182.8
Rest of World	11.8	14.8	25.0	29.8	42.8
	558.6	539.8	1,147.2	976.6	1,923.5

<i>MSEK</i>	2023	2022	2022
	Jun 30	Jun 30	Dec 31
<b>Fixed Assets by Country or Region</b>			
Sweden	330.6	337.4	333.3
Rest of Europe	607.1	582.0	581.8
Rest of World	69.6	56.1	62.5
	1,007.3	975.4	977.6

## Note 3 Transactions with related parties

No changes in transactions between LEAX and related parties which significantly have affected the company's position and earnings have taken place. For a more detailed description of the transactions with related parties we refer to note 25 in the Annual Report for 2022.

## **Note 4** Acquisitions during the quarter

No acquisitions were made during the quarter.

## **Note 5** Significant events after the end of the period

No significant events after the end of the period.

# INCOME STATEMENT FOR THE PARENT COMPANY

## Income statement, parent company

<i>MSEK</i>	<b>2023</b> <b>Apr-Jun</b>	<b>2022</b> <b>Apr-Jun</b>	<b>2023</b> <b>Jan-Jun</b>	<b>2022</b> <b>Jan-Jun</b>	<b>2022</b> <b>Jan-Dec</b>
Other operating income	0.3	0.1	0.4	0.2	0.4
Other external costs	0.0	-4.6	-0.4	-7.3	-5.1
Other operating expenses	–	–	-0.4	-0.1	-0.1
<b>Operating profit</b>	<b>0.3</b>	<b>-4.5</b>	<b>-0.4</b>	<b>-7.2</b>	<b>-4.8</b>
<b>Financial income and expenses, net</b>	<b>15.1</b>	<b>1.2</b>	<b>16.4</b>	<b>10.8</b>	<b>11.4</b>
<b>Earnings before tax, EBT</b>	<b>15.4</b>	<b>-3.3</b>	<b>15.9</b>	<b>3.6</b>	<b>6.6</b>
Appropriations	–	–	–	–	-1.5
Income taxes	–	–	–	–	-13.1
<b>Net income</b>	<b>15.4</b>	<b>-3.3</b>	<b>15.9</b>	<b>3.6</b>	<b>-8.0</b>

## BALANCE SHEET FOR THE PARENT COMPANY

**Balance sheet, parent company**

<i>MSEK</i>	<b>2023</b>	<b>2022</b>	<b>2022</b>
	<b>Jun 30</b>	<b>Jun 30</b>	<b>Dec 31</b>
<b>Assets</b>			
<i>Financial fixed assets</i>			
Shares in group companies <sup>1</sup>	500.2	392.8	500.2
Shares in associated companies	3.5	8.7	3.5
Receivables from group companies	347.4	431.1	336.0
Receivables from associated companies	16.7	27.8	30.5
Deferred tax assets	–	11.2	–
Other financial assets	3.5	0.0	3.2
<b>Total fixed assets</b>	<b>871.3</b>	<b>871.6</b>	<b>873.4</b>
<i>Current assets</i>			
Receivables from group companies	0.3	2.9	–
Prepaid expenses and accrued income <sup>1</sup>	1.2	0.8	1.2
<b>Total current assets</b>	<b>1.5</b>	<b>3.7</b>	<b>1.2</b>
<b>Total assets</b>	<b>872.8</b>	<b>875.3</b>	<b>874.6</b>
<b>Equity<sup>1</sup></b>			
Share capital	41.5	41.5	41.5
Revaluation reserve	18.0	18.0	18.0
Retained earnings	432.0	443.1	439.9
Net income	15.9	3.6	-8.0
<b>Total equity</b>	<b>507.4</b>	<b>506.2</b>	<b>491.5</b>
<b>Liabilities</b>			
<i>Non-current liabilities</i>			
Non-current interest-bearing liabilities	275.3	320.8	317.1
Liabilities to group companies	54.6	19.9	27.7
<b>Total non-current liabilities</b>	<b>329.9</b>	<b>340.8</b>	<b>344.7</b>
<i>Current liabilities</i>			
Current interest-bearing liabilities	22.1	15.6	22.1
Liabilities to group companies	13.1	11.0	14.3
Current tax liabilities	0.3	–	0.3
Other current liabilities	–	0.3	1.6
Accrued expenses and deferred income	–	1.5	–
<b>Total current liabilities</b>	<b>35.5</b>	<b>28.4</b>	<b>38.4</b>
<b>Total liabilities</b>	<b>365.4</b>	<b>369.1</b>	<b>383.1</b>
<b>Total equity and liabilities</b>	<b>872.8</b>	<b>875.3</b>	<b>874.6</b>

<sup>1</sup>The values for Q2 2022 have changed compared to the report for Q2 2022 due to the final settlement of the property acquisition.

# DEFINITION OF ALTERNATIVE PERFORMANCE MEASURES

## Definitions of key ratios not calculated according to IFRS for LEAX

Key ratios not calculated according to IFRS	Definition	Explanation
<b>EBITDA</b>	Earnings before interest, taxes, depreciation and amortisation	To improve the analysis and comparability between other EBITDA key ratios below
<b>EBITDA margin %</b>	EBITDA divided by Net Sales	To improve the analysis and comparability between other EBITDA key ratios below
<b>Operating margin %</b>	Operating profit divided by Net sales	To analyse the profitability of the operations and to compare the margin between different reporting periods
<b>EBT margin %</b>	Earnings before tax divided by Net Sales	To compare the margin between difference reporting periods
<b>Net Sales Growth %</b>	Change in net sales divided by net sales for the previous period.	To analyse LEAX growth
<b>Net debt</b>	Interest-bearing liabilities reduced by cash and cash equivalents	To improve the analysis and comparability between other Net Debt key ratios below.
<b>Net Sales by customer end markets in %</b>	Net Sales by customer end markets in % of total Net Sales for customer end markets stated below: <ul style="list-style-type: none"> <li>- Heavy Commercial Vehicles</li> <li>- General Industry</li> <li>- Mining &amp; Construction</li> <li>- Agriculture</li> <li>- Passenger Cars</li> </ul>	The Group monitors sales related to end customers
<b>Net Debt/Equity</b>	Net Debt/Equity	LEAX monitors this key ratio as an additional way to measure the debt/equity ratio
<b>Net Debt/EBITDA LTM</b>	Net Debt/EBITDA excl. for the last twelve months	LEAX monitors this key ratio to measure the debt/equity ratio.

# RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

The section below includes a reconciliation of the Alternative Performance Measures to the most directly reconcilable line items in the financial statements.

## Key Ratios

### EBITDA

Earnings before interest, taxes, depreciation and amortisation

MSEK	2023		2022		2022
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	
Net Sales	558.6	539.8	1,147.2	976.6	1,923.5
Other operating income	15.9	10.6	22.2	18.8	37.1
Change in work in progress and finished goods	11.4	-10.1	1.0	-11.0	15.8
Capitalized work for own account	1.3	1.5	2.4	2.3	5.1
Raw material and consumables	-306.3	-264.1	-621.2	-477.9	-1,017.0
Other external costs	-84.5	-93.0	-170.8	-171.7	-335.4
Employee benefits	-126.9	-117.0	-249.6	-228.7	-439.1
Other operating expenses	-9.1	-5.2	-16.3	-11.8	-23.0
Income from associated companies	12.0	-0.1	16.2	0.4	-10.5
<b>EBITDA</b>	<b>72.4</b>	<b>62.3</b>	<b>131.2</b>	<b>97.0</b>	<b>156.4</b>

### EBITDA margin %

EBITDA/Net sales

MSEK	2023		2022		2022
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	
Net Sales	558.6	539.8	1,147.2	976.6	1,923.5
EBITDA	72.4	62.3	131.2	97.0	156.4
<b>EBITDA margin %</b>	<b>13.0</b>	<b>11.5</b>	<b>11.4</b>	<b>9.9</b>	<b>8.1</b>

### Operating margin %

Operating profit / Net Sales

MSEK	2023		2022		2022
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	
Operating profit	32.6	24.8	52.3	19.0	2.3
Net Sales	558.6	539.8	1,147.2	976.6	1,923.5
<b>Operating margin %</b>	<b>5.8</b>	<b>4.6</b>	<b>4.6</b>	<b>1.9</b>	<b>0.1</b>

### EBT margin %

EBT divided by Net Sales

MSEK	2023		2022		2022
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	
Net Sales	558.6	539.8	1,147.2	976.6	1,923.5
EBT	29.7	21.7	43.4	13.3	-17.1
<b>EBT margin %</b>	<b>5.3</b>	<b>4.0</b>	<b>3.8</b>	<b>1.4</b>	<b>-0.9</b>

### Net Sales Growth %

Change in Net Sales compared to previous period in %

MSEK	2023		2022		2022
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	
Net Sales	558.6	539.8	1,147.2	976.6	1,923.5
Change	18.9	73.5	170.7	39.2	178.3
<b>Growth %</b>	<b>3.5</b>	<b>15.8</b>	<b>17.5</b>	<b>4.2</b>	<b>10.2</b>

**Net Debt**

Interest bearing liabilities, including lease liabilities, less cash and cash equivalents

MSEK	2023	2022	2023	2022	2022
	Jun 30	Jun 30	Jun 30	Jun 30	Dec 31
Interest-bearing liabilities, non-current	537.6	546.5	537.6	546.5	555.6
Interest-bearing liabilities, current	80.1	87.9	80.1	87.9	91.4
Cash and cash equivalents	9.6	15.9	9.6	15.9	9.2
Net Debt	608.0	618.5	608.0	618.5	637.7

**Net Sales by customer end markets in %**

Net Sales by customer end markets in % of total Net Sales for the end markets stated below:

%	2023	2022	2023	2022	2022
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Heavy Commercial Vehicles (%)	62.3	62.1	62.7	60.0	61.2
General Industry (%)	20.6	18.2	21.2	20.1	20.8
Mining & Construction (%)	1.4	2.5	1.4	2.8	2.9
Agriculture (%)	0.9	0.6	1.0	0.8	0.8
Passenger Cars (%)	14.7	16.6	13.8	16.2	14.4
Net Sales by customer end markets in %	100.0	100.0	100.0	100.0	100.0

**Net Debt/Equity**

Net Debt/Equity

MSEK	2023	2022	2023	2022	2022
	Jun 30	Jun 30	Jun 30	Jun 30	Dec 31
Equity	617.5	609.4	617.5	609.4	539.0
Net Debt	608.0	618.5	608.0	618.5	637.7
Net Debt/Equity	1.0	1.0	1.0	1.0	1.2

**Net Debt/EBITDA LTM**

Adjusted Net Debt/Adjusted EBITDA LTM

MSEK	2023	2022	2023	2022	2022
	Jun 30	Jun 30	Jun 30	Jun 30	Dec 31
Net Debt	608.0	618.5	608.0	618.5	637.7
EBITDA LTM	180.5	194.0	180.5	194.0	156.4
Net Debt/EBITDA LTM	3.4	3.2	3.4	3.2	4.1

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