

LEAX GROUP AB

Interim Financial Report

Q3 2023



INTERIM FINANCIAL REPORT Q3 2023

“QUARTERLY RESULTS LOWER BUT STRATEGIC MOMENTUM CONTINUES”

- TONY NICOL, GROUP PRESIDENT AND CEO

The quarter July–September

- Net Sales increased to SEK 457.9 million (445.9)
- Operating profit decreased to SEK -12.6 million (-5.7)
- Earnings before tax (EBT) decreased to SEK -30.3 million (-12.5)
- Net income for the period decreased to SEK -33.1 million (-16.4)
- Cash flow from operating activities amounted to SEK 20.1 million (17.2)

The period January–September

- Net Sales increased to SEK 1,605.2 million (1,422.4)
- Operating profit increased to SEK 39.7 million (13.2)
- Earnings before tax (EBT) increased to SEK 13.1 million (0.8)
- Net income for the period increased to SEK 4.0 million (-5.1)
- Cash flow from operating activities amounted to SEK 123.0 million (84.4)

Significant events during and after the quarter

- Press release November 9, 2023, LEAX Group appoints new Executive Vice President (EVP) & Chief Financial Officer (CFO)
- Press release November 9, 2023, LEAX Group appoints Vice President Procurement

Key Ratios, MSEK	Jul-Sep		Jan-Sep		Full year
	2023	2022	2023	2022	2022
Net Sales	457.9	445.9	1,605.2	1,422.4	1,923.5
Operating profit	-12.6	-5.7	39.7	13.2	2.3
EBT	-30.3	-12.5	13.1	0.8	-17.1
Net Income	-33.1	-16.4	4.0	-5.1	-72.3
Cash flow from operating activities	20.1	17.2	123.0	84.4	116.8
Earnings per share before dilution, SEK	-2.62	-1.30	0.31	-0.44	-5.77
Earnings per share after dilution, SEK	-1.59	-0.79	0.19	-0.27	-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

Quarterly results lower but strategic momentum continues

In Q3 2023, LEAX continued to execute well on its strategic initiatives. Net sales for the third quarter amounted to SEK 457.9 million (445.9) which is an increase of 2.7% compared to the same period last year. The increase is derived from pricing but offset by somewhat weaker production volumes.

In the third quarter Operating profit decreased to SEK -12.6 million (-5.7) compared to same period last year. The decrease was driven by weaker production volumes and unfavourable product mix. During the quarter we have experienced a significant drop in orders for our largest Battery Electric Vehicle passenger car program. Higher interest rates have contributed to the slowing of sales and specifically those of BEVs which are generally more expensive than their combustion engine counterparts.

Operating profit for the first nine months amounted to SEK 39.7 million (13.2) which is an increase of 200.8% compared to same period last year. Our overall performance for the first nine months has improved through growth in key markets, lower volatility, and cost recovery activities. Challenges remain on project delays and costs that have been higher than projected throughout the period.

Although we still see fluctuations in customer end market demand, the return to more normalized order patterns has allowed greater attention on our strategic initiatives. Business activity including new customer inquiries remains high. We continue to win new business in all the markets we serve. Our push towards higher engineering content in our products and services remains in focus.

We have also strengthened our executive management team by appointing a new EVP/CFO and a VP Procurement. These executive appointments are designed to bring clarity and speed to our decision-making process and to improve communication and accountability throughout our entire organisation.



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.

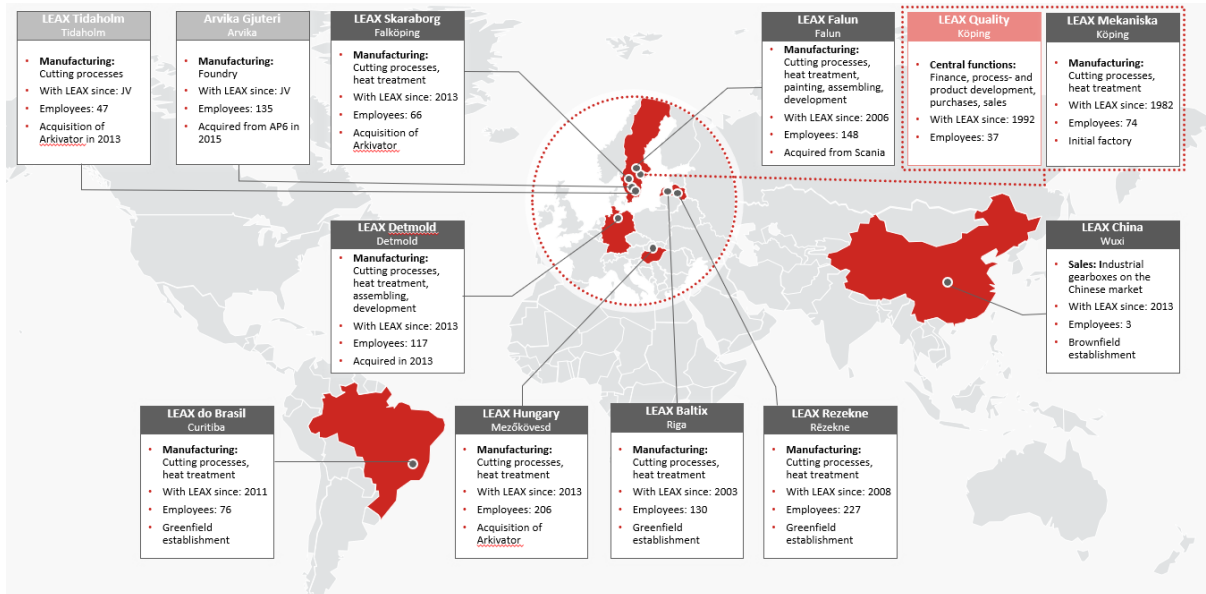
Vision and Mission

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

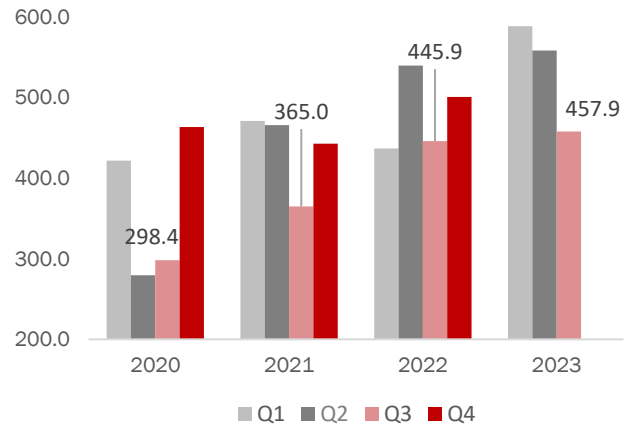
FINANCIAL INFORMATION

NET SALES

Net sales for the third quarter amounted to SEK 457.9 million (445.9) which is an increase of 2.7% compared to the same period last year. The increase derived from slightly higher sales in Heavy Commercial Vehicles, but this was offset by lower volumes in Passenger Cars and General Industry.

Net sales for the first nine months amounted to SEK 1,605.2 million (1,422.4) which is an increase of 12.9% compared to the same period last year.

Net Sales per quarter, MSEK

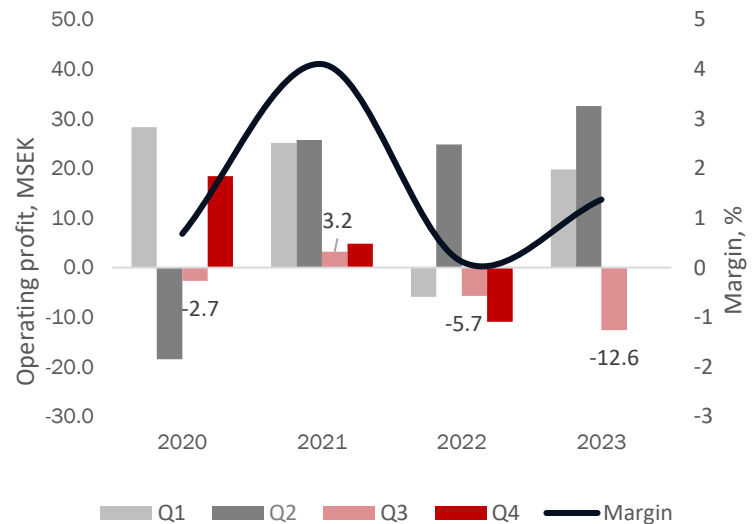


OPERATING PROFIT

In the third quarter Operating profit decreased to SEK -12.6 million (-5.7) which is a decrease of 121.1% compared to same period last year. The decrease is mainly due to lower volumes in Passenger Cars and General Industry, but also higher costs related to the introduction of new business awards.

Operating profit for the first nine months amounted to SEK 39.7 million (13.2) which is an increase of 200.8% 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, as well as 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 third quarter amounted to SEK -17.7 million (-6.8). The amount includes unrealised currency effect of SEK -5.0 million (4.7). The unrealised currency effect mainly relates to group internal loans. Net financial income and expenses for the first nine months amounted to SEK -26.7 million (-12.4). The amount includes unrealised currency effect of SEK 6.5 million (19.1).

Earnings before tax (EBT) for the third quarter amounted to SEK -30.3 million (-12.5) and for the first nine months SEK 13.1 million (0.8).

INCOME TAXES

Income taxes for the first nine months amounted to SEK -9.1 million (-5.9). Income taxes are related both to corporate taxes and deferred taxes on group level.

CASH FLOW

Cash flow from operating activities for the third quarter amounted to SEK 20.1 million (17.2). Cash flow from investing activities amounted to SEK -35.2 million (-30.3). Cash flow from financing activities amounted to SEK 15.3 million (15.7). Cash flow from operating activities for the first nine months amounted to SEK 123.0 million (84.4). Cash flow from investing activities amounted to SEK -85.8 million (-36.3). Cash flow from financing activities amounted to SEK -37.9 million (-46.4).

FINANCIAL POSITION

As of September 30, 2023, the Group's balance sheet total amounted to SEK 1,702.8 million (1,708.3). The Group's equity amounted to SEK 545.5 million (595.3). At the end of the period, net debt was SEK 639.4 million (639.3) and the Group's cash and cash equivalents amounted to SEK 9.0 million (13.8).

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 480.6 million (511.8).

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 64.5% of the shares, with a voting right of 85.7%. 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

Business activity including new customer inquiries remains high. We continue to win new business in all the markets we serve. Our push towards higher engineering content in our products and services remains 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, November 17, 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
		Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Net Sales	2	457.9	445.9	1,605.2	1,422.4	1,923.5
Other operating income		10.4	15.2	32.6	34.1	37.1
Change in work in progress and finished goods		6.1	8.4	7.1	-2.5	15.8
Capitalized work for own account		1.2	1.6	3.6	3.9	5.1
Raw material and consumables		-255.2	-239.6	-876.3	-717.5	-1,017.0
Other external costs		-77.9	-91.3	-248.8	-263.0	-335.4
Employee benefits		-108.4	-96.8	-357.9	-325.5	-439.1
Depreciation, amortization and write down of fixed assets		-40.5	-38.3	-119.4	-116.4	-154.1
Other operating expenses		-4.6	-5.2	-20.9	-17.0	-23.0
Share according to the equity method		-1.6	-5.7	14.6	-5.3	-10.5
Operating profit		-12.6	-5.7	39.7	13.2	2.3
Financial income		1.9	-3.9	3.0	1.3	1.8
Financial expenses		-19.6	-2.8	-29.6	-13.7	-21.3
Financial income and expenses, net		-17.7	-6.8	-26.7	-12.4	-19.4
Earnings before tax, EBT		-30.3	-12.5	13.1	0.8	-17.1
Income taxes		-2.8	-3.9	-9.1	-5.9	-55.2
Net income		-33.1	-16.4	4.0	-5.1	-72.3
Of which attributable to						
Owners of the parent		-33.0	-16.3	3.9	-5.5	-72.7
Non-controlling interests		-0.1	-0.1	0.1	0.4	0.4
Net income		-33.1	-16.4	4.0	-5.1	-72.3
Earnings per share						
before dilution (SEK)		-2.62	-1.30	0.31	-0.44	-5.77
after dilution (SEK)		-1.59	-0.79	0.19	-0.27	-3.50
Earnings per share from continuing operations						
before dilution (SEK)		-2.62	-1.30	0.31	-0.44	-5.77
after dilution (SEK)		-1.59	-0.79	0.19	-0.27	-3.50

Consolidated statement of other comprehensive income for the group

MSEK	2023	2022	2023	2022	2022
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Net income	-33.1	-16.4	4.0	-5.1	-72.3
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss					
Translation differences	-18.8	16.2	22.9	16.2	26.7
Other comprehensive income for the period	-18.8	16.2	22.9	16.2	26.7
Total comprehensive income for the period	-51.9	-0.2	26.9	11.1	-45.7
Total comprehensive income for the period attributable to:					
Owners of the parent	-51.8	5.1	26.8	16.4	-39.9
Non-controlling interests	-0.1	-5.3	0.1	-5.4	-5.7
Total comprehensive income for the period	-51.9	-0.2	26.9	11.1	-45.6

BALANCE SHEET FOR THE GROUP

Consolidated statement of financial position for the group

<i>MSEK</i>	<i>Note</i>	2023	2022	2022
		Sep 30	Sep 30	Dec 31
Assets				
Intangible fixed assets	2	43.6	36.4	37.9
Tangible fixed assets ¹	2	887.1	865.1	875.6
Other right-of-use assets	2	50.8	68.6	64.1
Shares in associated companies		45.0	35.7	30.4
Deferred tax asset		31.2	73.9	32.4
Non-current receivables		20.8	20.3	20.0
Other financial assets		3.6	3.3	3.3
Other long-term receivables		0.2	0.3	0.3
Total fixed assets		1,082.3	1,103.4	1,063.9
Inventories		346.3	317.4	328.3
Trade receivables		213.7	219.3	198.3
Current tax assets		19.6	16.0	13.2
Other current receivables ¹		9.8	21.2	27.7
Prepaid expenses and accrued income ¹		22.2	17.2	16.6
Cash and cash equivalents		9.0	13.8	9.2
Total current assets		620.6	604.9	593.4
Total assets		1,702.8	1,708.3	1,657.3
Equity¹				
Share capital		41.5	41.5	41.5
Translation reserve		41.2	8.1	18.8
Retained earnings incl net income		459.6	542.7	475.8
Total equity attributable to owners of the parent		542.3	592.3	536.1
Non-controlling interests		3.2	2.9	2.9
Total equity		545.5	595.3	539.0
Provisions				
Provisions for deferred taxes ¹		10.3	13.1	10.8
Other provisions		0.2	0.4	0.1
Total provisions		10.5	13.5	11.0
Liabilities				
Interest-bearing liabilities, non-current		570.1	568.4	555.6
Other non-current liabilities		35.9	39.1	40.6
Total non-current liabilities		606.0	607.5	596.1
Interest-bearing liabilities, current		78.3	84.6	91.4
Advances from customers		4.3	4.8	6.6
Trade payables		227.3	229.9	242.0
Current tax liabilities		6.4	5.7	4.0
Other current liabilities ¹		153.0	97.9	100.9
Accrued expenses and deferred income		71.5	69.1	66.3
Total current liabilities		540.8	492.1	511.2
Total liabilities		1,146.8	1,099.6	1,107.3
Total equity and liabilities		1,702.8	1,708.3	1,657.3

¹The values for Q3 2022 have changed compared to the report for Q3 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 ¹
Opening balance January 1, 2022		25.2	-13.3	166.7	178.6	7.8	186.4
Comprehensive income							
Net income for the period				-5.5	-5.5	0.4	-5.1
Other comprehensive income			21.5	–	21.5	-5.3	16.2
<i>Total comprehensive income</i>			21.5	-5.5	16.0	-4.9	11.0
Transactions with shareholders							
Dividends				-3.2	-3.2		-3.2
New share issue		16.3			16.3		16.3
Share premium				384.7	384.7		384.7
Closing balance September 30, 2022		41.5	8.2	542.7	592.4	2.9	595.3

2023	Total equity						
	MSEK	Share capital	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity ¹
Opening balance January 1, 2023		41.5	18.8	475.8	536.1	2.9	539.0
Comprehensive income							
Net income for the period		–	–	3.9	3.9	0.1	4.0
Other comprehensive income		–	22.4	0.4	22.8	0.1	22.9
<i>Total comprehensive income</i>		–	22.4	4.3	26.7	0.2	26.9
Dividends				-20.4	-20.4		-20.4
Closing balance September 30, 2023		41.5	41.2	459.6	542.3	3.2	545.5

¹The values for Q3 2022 have changed compared to the report for Q3 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>	2023	2022	2023	2022	2022
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Operating activities					
Earnings before tax	-30.3	-12.5	13.1	0.8	-17.1
Adjustment for non-cash items	44.5	43.2	96.2	120.0	148.8
Income taxes paid	-7.0	0.2	-19.0	-6.2	-7.7
	7.2	30.9	90.3	114.6	123.9
Increase (-) /Decrease (+) of inventories	-5.8	-20.1	-8.2	-14.4	-21.5
Increase (-) /Decrease (+) of operating assets	31.9	29.9	3.7	-53.7	-36.8
Increase (+) /Decrease (-) of operating liabilities	-13.3	-23.4	37.2	37.9	51.2
Cash flow from operating activities	20.1	17.2	123.0	84.4	116.8
Investing activities					
Investments in tangible and intangible fixed assets ¹	-33.5	-23.4	-98.4	-82.1	-106.0
Investments in other right-of-use assets	-2.0	-0.7	-2.0	-6.3	-7.9
Disposals of tangible and intangible fixed assets	0.3	0.0	0.4	2.2	2.6
Acquisition of shares in subsidiaries	–	-1.1	–	-6.6	-7.1
Disposal of other right-of-use assets	–	–	–	61.7	–
Investments in financial fixed assets	0.0	-5.1	-0.2	-5.1	-5.2
Disposals of other financial fixed assets ¹	–	–	14.4	–	1.1
Cash flow from investing activities	-35.2	-30.3	-85.8	-36.3	-122.6
Financing activities					
New share issue ¹	–	–	–	300.0	300.0
Change in overdraft facility	36.6	35.6	1.0	72.3	68.0
New borrowings	28.7	0.6	47.9	15.7	31.9
Repayment of borrowings	-25.2	-10.0	-58.6	-340.9	-358.4
Paid out dividend	-20.4	-3.2	-20.4	-3.2	-3.2
Change in lease liability ¹	-4.4	-7.2	-7.9	-90.3	-35.1
Cash flow from financing activities	15.3	15.7	-37.9	-46.4	3.2
Cash flow for the period	0.1	2.6	-0.7	1.7	-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	-0.4	0.5	0.5	1.4	1.2
Cash and cash equivalents at the end of the period	9.0	13.8	9.0	13.8	9.2

¹The values for Q3 2022 have changed compared to the report for Q3 2022 due to the final settlement of the property acquisition.

KEY RATIOS FOR THE GROUP

Key Ratios

MSEK	2023	2022	2023	2022	2022
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
EBITDA ¹	28.0	32.6	159.2	129.6	156.4
EBITDA margin % ¹	6.1	7.3	9.9	9.1	8.1
Operating margin % ¹	-2.8	-1.3	2.5	0.9	0.1
EBT margin % ¹	-6.6	-2.8	0.8	0.1	-0.9
Net Sales Growth % ¹	2.7	-4.4	12.8	9.2	10.2
Net Debt ¹	639.4	639.3	639.4	639.3	637.7
Net Sales by customer end markets in % ¹					
Heavy Commercial Vehicles (%)	58.2	57.3	61.4	59.2	61.2
General Industry (%)	25.8	25.6	22.5	21.9	20.8
Mining & Construction (%)	1.5	3.1	1.4	2.9	2.9
Agriculture (%)	0.6	0.8	0.9	0.8	0.8
Passenger Cars (%)	13.8	13.2	13.8	15.3	14.4
Net Debt / Equity ¹	1.2	1.1	1.2	1.1	1.2
Net Debt / EBITDA LTM ¹	3.4	3.6	3.4	3.6	4.1

¹ 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 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Jan-Dec
Net Sales by Country or Region					
Sweden	200.5	198.3	790.8	699.8	960.5
Germany	31.1	27.9	98.7	80.2	108.1
Netherlands	63.2	50.8	206.9	162.2	225.0
Rest of Europe	69.6	56.5	217.0	149.9	201.4
South America	59.8	68.5	160.1	142.6	202.9
Asia	24.4	37.5	97.3	151.8	182.8
Rest of World	9.3	6.3	34.3	36.1	42.8
	457.9	445.9	1,605.2	1,422.4	1,923.5

<i>MSEK</i>	2023 Sep 30	2022 Sep 30	2022 Dec 31
Fixed Assets by Country or Region			
Sweden	341.4	327.8	333.3
Rest of Europe	573.5	581.8	581.8
Rest of World	66.6	60.5	62.5
	981.5	970.1	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>	2023	2022	2023	2022	2022
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Other operating income	0.0	0.2	0.4	0.4	0.4
Other external costs	0.0	3.1	-0.4	-4.2	-5.1
Other operating expenses	-0.2	0.0	-0.6	-0.1	-0.1
Operating profit	-0.2	3.3	-0.6	-4.0	-4.8
Financial income and expenses, net	-6.3	5.5	10.1	16.3	11.4
Earnings before tax, EBT	-6.5	8.7	9.5	12.3	6.6
Appropriations	–	–	–	–	-1.5
Income taxes	–	–	–	–	-13.1
Net income	-6.5	8.7	9.5	12.3	-8.0

BALANCE SHEET FOR THE PARENT COMPANY

Balance sheet, parent company

<i>MSEK</i>	2023	2022	2022
	Sep 30	Sep 30	Dec 31
Assets			
<i>Financial fixed assets</i>			
Shares in group companies ¹	500.2	394.9	500.2
Shares in associated companies	3.5	3.5	3.5
Receivables from group companies	335.6	437.6	336.0
Receivables from associated companies	16.9	30.1	30.5
Deferred tax assets	–	11.2	–
Other financial assets	3.5	3.2	3.2
Total fixed assets	859.7	880.5	873.4
<i>Current assets</i>			
Receivables from group companies	–	2.1	–
Other current receivables	0.3	–	–
Prepaid expenses and accrued income ¹	1.2	4.0	1.2
Total current assets	1.5	6.1	1.2
Total assets	861.2	886.6	874.6
Equity¹			
Share capital	41.5	41.5	41.5
Revaluation reserve	18.0	18.0	18.0
Retained earnings	411.6	439.9	439.9
Net income	9.5	12.3	-8.0
Total equity	480.6	511.8	491.5
Liabilities			
<i>Non-current liabilities</i>			
Non-current interest-bearing liabilities	301.1	327.3	317.1
Liabilities to group companies	37.1	14.6	27.7
Total non-current liabilities	338.2	342.0	344.7
<i>Current liabilities</i>			
Current interest-bearing liabilities	22.1	15.6	22.1
Liabilities to group companies	20.1	15.8	14.3
Current tax liabilities	0.3	–	0.3
Other current liabilities	–	0.3	1.6
Accrued expenses and deferred income	–	1.2	–
Total current liabilities	42.5	32.9	38.4
Total liabilities	380.7	374.8	383.1
Total equity and liabilities	861.2	886.6	874.6

¹The values for Q3 2022 have changed compared to the report for Q3 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
EBITDA	Earnings before interest, taxes, depreciation and amortisation	To improve the analysis and comparability between other EBITDA key ratios below
EBITDA margin %	EBITDA divided by Net Sales	To improve the analysis and comparability between other EBITDA key ratios below
Operating margin %	Operating profit divided by Net sales	To analyse the profitability of the operations and to compare the margin between different reporting periods
EBT margin %	Earnings before tax divided by Net Sales	To compare the margin between difference reporting periods
Net Sales Growth %	Change in net sales divided by net sales for the previous period.	To analyse LEAX growth
Net debt	Interest-bearing liabilities reduced by cash and cash equivalents	To improve the analysis and comparability between other Net Debt key ratios below.
Net Sales by customer end markets in %	Net Sales by customer end markets in % of total Net Sales for customer end markets stated below: <ul style="list-style-type: none"> - Heavy Commercial Vehicles - General Industry - Mining & Construction - Agriculture - Passenger Cars 	The Group monitors sales related to end customers
Net Debt/Equity	Net Debt/Equity	LEAX monitors this key ratio as an additional way to measure the debt/equity ratio
Net Debt/EBITDA LTM	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
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	
Net Sales	457.9	445.9	1,605.2	1,422.4	1,923.5
Other operating income	10.4	15.2	32.6	34.1	37.1
Change in work in progress and finished goods	6.1	8.4	7.1	-2.5	15.8
Capitalized work for own account	1.2	1.6	3.6	3.9	5.1
Raw material and consumables	-255.2	-239.6	-876.3	-717.5	-1,017.0
Other external costs	-77.9	-91.3	-248.8	-263.0	-335.4
Employee benefits	-108.4	-96.8	-357.9	-325.5	-439.1
Other operating expenses	-4.6	-5.2	-20.9	-17.0	-23.0
Income from associated companies	-1.6	-5.7	14.6	-5.3	-10.5
EBITDA	28.0	32.6	159.2	129.6	156.4

EBITDA margin %

EBITDA/Net sales

MSEK	2023		2022		2022
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	
Net Sales	457.9	445.9	1,605.2	1,422.4	1,923.5
EBITDA	28.0	32.6	159.2	129.6	156.4
EBITDA margin %	6.1	7.3	9.9	9.1	8.1

Operating margin %

Operating profit / Net Sales

MSEK	2023		2022		2022
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	
Operating profit	-12.6	-5.7	39.7	13.2	2.3
Net Sales	457.9	445.9	1,605.2	1,422.4	1,923.5
Operating margin %	-2.8	-1.3	2.5	0.9	0.1

EBT margin %

EBT divided by Net Sales

MSEK	2023		2022		2022
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	
Net Sales	457.9	445.9	1,605.2	1,422.4	1,923.5
EBT	-30.3	-12.5	13.1	0.8	-17.1
EBT margin %	-6.6	-2.8	0.8	0.1	-0.9

Net Sales Growth %

Change in Net Sales compared to previous period in %

MSEK	2023		2022		2022
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	
Net Sales	457.9	445.9	1,605.2	1,422.4	1,923.5
Change	12.1	-20.4	182.7	120.0	178.3
Growth %	2.7	-4.4	12.8	9.2	10.2

Net Debt

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

MSEK	2023	2022	2023	2022	2022
	Sep 30	Sep 30	Sep 30	Sep 30	Dec 31
Interest-bearing liabilities, non-current	570.1	568.4	570.1	568.4	555.6
Interest-bearing liabilities, current	78.3	84.6	78.3	84.6	91.4
Cash and cash equivalents	9.0	13.8	9.0	13.8	9.2
Net Debt	639.4	639.3	639.4	639.3	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
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Heavy Commercial Vehicles (%)	58.2	57.3	61.4	59.2	61.2
General Industry (%)	25.8	25.6	22.5	21.9	20.8
Mining & Construction (%)	1.5	3.1	1.4	2.9	2.9
Agriculture (%)	0.6	0.8	0.9	0.8	0.8
Passenger Cars (%)	13.8	13.2	13.8	15.3	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
	Sep 30	Sep 30	Sep 30	Sep 30	Dec 31
Equity	545.5	595.3	545.5	595.3	539.0
Net Debt	639.4	639.3	639.4	639.3	637.7
Net Debt/Equity	1.2	1.1	1.2	1.1	1.2

Net Debt/EBITDA LTM

Adjusted Net Debt/Adjusted EBITDA LTM

MSEK	2023	2022	2023	2022	2022
	Sep 30	Sep 30	Sep 30	Sep 30	Dec 31
Net Debt	639.4	639.3	639.4	639.3	637.7
EBITDA LTM	186.0	175.7	186.0	175.7	156.4
Net Debt/EBITDA LTM	3.4	3.6	3.4	3.6	4.1

Financial calendar		Contact information
Interim Report October–December 2023	February 27, 2024	Tony Nicol, Group President and CEO Phone: +44 (0)755 728 67 67 Mail: tony.nicol@leax.com
Annual Report 2023	April 5, 2024	Roger Berggren, Chairman of the Board Phone: +46 (0)70 655 99 71 Mail: roger.berggren@leax.com
Annual General Meeting	May 8, 2024	
Interim Report January–March 2024	May 8, 2024	



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