



# Q3

Västerås 2012-10-18

## **AQ Group AB (publ)**

### **Interim report January–September 2012**

- Net sales SEK 1 594 million (1 677)
- Order bookings SEK 1 585 million (1 640)
- Operating profit SEK 95 million (118)
- Profit after financial items SEK 92 million (112)
- Equity ratio 54 % (58)
- Earnings per share after tax SEK 4.04 (4.88)

#### **Significant events during and after the financial year**

On September 1, 2012, 100% of the shares in Durapart Industries AS were acquired for 67 MNOK and 35,000 new shares (0.2 % of total shares) in the AQ Group. The cash payment was financed through bank loans. In connection with this our cooperation with our bank was prolonged with unchanged terms in 2013. This acquisition led to drop in equity ratio, but it is still above our target of 40%.

The acquired companies develop and manufacture cable harnesses and electromechanical components for industrial customers primarily within commercial vehicles. The business has net sales of approximately SEK 250 million and 635 employees, of which 95 in Mexico and 535 in Lithuania.

The new and the existing cabling businesses of AQ have been coordinated under a common business area and name of AQ Wiring Systems.

The large decline in the industrial activity in Europe has reached part of the AQs customers which is reflected in lower demand. As a result, fifteen employees in Sweden were given notice in the third quarter. The result includes approximately SEK 8 million of nonrecurring cost, primarily foreign exchange losses and an anticipated bad debt loss in connection with a client company put in reconstruction.

## Information of parent company

The parent company, AQ Group AB, focuses primarily on leadership and development of the Group. Company sales are, as in previous years, almost exclusively of sale of management services to subsidiaries. Purchases from the subsidiaries do not exist to any appreciable extent.

## The drawing up of the interim report

The interim report has been prepared in accordance with the Swedish Annual Accounts Act as well as IFRS, applying IAS 34, Interim Financial Reporting, which contains general requirements for the design, structure and minimum information requirements in the interim report. The accounting and valuation principles applied are the same as used in the latest annual report for 2011.

The report has not been audited.

## Significant estimates and evaluations for accounting purposes

The Board has in preparing the interim report found no record that would be especially exposed from a risk point of view and thus induce significant adjustments to future periods.

## Future prospects

The Board is currently assessing the full year 2012 to be roughly equivalent in sales and profits as 2011.

The Group strives for continued profitable growth within its business areas. The growth will be achieved both organically and through acquisitions.

## AQ in brief

AQ is a leading supplier to demanding industrial customers and is listed on AktieTorget.

The Group operates in two business segments *Component* which produce transformers, cabling, mechanical parts, stamped sheet metal and plastic injection molding and *Systems* which produces systems, automation and power solutions and assemble complete machines in close cooperation with customers.

### The Group's Income Statement (KSEK)

	Q3 2012	Q3 2011	Acc 2012	Acc 2011
Net sales	518 444	519 601	1 594 211	1 677 282
Other operating income	15 799	10 224	20 473	23 315
Operating expenses	-497 157	-492 450	-1 519 981	-1 582 886
<b>Operating profit/loss</b>	<b>37 085</b>	<b>37 375</b>	<b>94 702</b>	<b>117 711</b>
Result from financial items	-2 684	-1 329	-2 790	-5 442
<b>Profit/loss after financial items</b>	<b>34 402</b>	<b>36 046</b>	<b>91 913</b>	<b>112 269</b>
Tax on profit for the year	-7 300	-7 800	-19 257	-24 854
<b>Net profit/loss for the year</b>	<b>27 102</b>	<b>28 246</b>	<b>72 656</b>	<b>87 415</b>
Earnings per share after full tax	1,51	1,58	4,04	4,88
Net margin %	6,6%	6,9%	5,8%	6,7%

### The Parent Company's Income Statement (KSEK)

	Q3 2012	Q3 2011	Acc 2012	Acc 2011
Net sales	15 271	11 625	36 216	32 875
Operating expenses	-4 553	-6 310	-12 824	-16 167
<b>Operating profit/loss</b>	<b>10 718</b>	<b>5 315</b>	<b>23 392</b>	<b>16 708</b>
Result from financial items	214	1 477	1 661	5 682
<b>Profit/loss after financial items</b>	<b>10 931</b>	<b>6 792</b>	<b>25 052</b>	<b>22 390</b>
Tax on profit for the year	-2 881	-2 358	-6 595	-6 117
<b>Net profit/loss for the year</b>	<b>8 050</b>	<b>4 434</b>	<b>18 457</b>	<b>16 273</b>

### Balance Sheet (KSEK)

	Group		Parent company	
	Q3 2012	Q4 2011	Q3 2012	Q4 2011
<b>Assets</b>				
Fixed assets	294 248	232 258	290 796	189 838
Inventories	461 295	401 525	0	
Other current receivables	615 146	413 465	217 582	241 011
Cash and bank balances	56 360	58 078	12 871	27 346
<b>Total assets</b>	<b>1 427 049</b>	<b>1 105 327</b>	<b>521 249</b>	<b>458 196</b>
<b>Equity and liabilities</b>				
Equity	766 658	690 985	283 897	288 786
Untaxed reserves	0	0	12 740	12 740
Interest-bearing liabilities	233 844	60 829	202 995	140 726
Other liabilities	426 547	353 513	21 617	15 944
<b>Total equity and liabilities</b>	<b>1 427 049</b>	<b>1 105 327</b>	<b>521 249</b>	<b>458 196</b>
<b>Equity ratio</b>	<b>54%</b>	<b>63%</b>	<b>54%</b>	<b>63%</b>

### Cash Flow Analysis (KSEK)

	Group		Parent company	
	Acc 2012	Acc 2011	Acc 2012	Acc 2011
Net operating profit/loss	94 702	117 711	23 392	16 708
Result from financial items	-2 693	-5 442	2 280	35
Income tax paid	-11 237	-26 036	4 996	-6 117
Non-cash transactions	16 617	90 190	-589	22
Changes in working capital	-40 220	-95 140	17 511	-27 790
Cash flow from investing	-100 333	-29 764	-85 277	1 805
Cash flow from financing activities	39 481	-20 216	23 212	32 904
<b>Increase/reduction of liquid funds</b>	<b>-3 683</b>	<b>31 304</b>	<b>-14 475</b>	<b>17 568</b>
Liquid funds at beginning of year	58 078	25 400	27 346	7 458
<b>Liquid funds at end of period</b>	<b>56 360</b>	<b>56 770</b>	<b>12 871</b>	<b>25 058</b>

## Equity (KSEK)

Group	Share-capital	Other paid-in capital	Trans-lation reserve	Profit/Loss brought forward	Sub-total	Minority share-holding	Total Equity
<b>Equity, 2011-01-01</b>	<b>35 918</b>	<b>30 691</b>	<b>-792</b>	<b>557 567</b>	<b>623 384</b>	<b>1 316</b>	<b>624 700</b>
New share issue							
Paid dividends				-19 755	-19 755		-19 755
Translation differences			-949		-949		-949
Transl.diff. in foreign comp.			1 193		1 193	154	1 347
Net profit				87 602	87 602	-187	87 415
<b>Equity, 2011-09-30</b>	<b>35 918</b>	<b>30 691</b>	<b>-548</b>	<b>625 414</b>	<b>691 475</b>	<b>1 283</b>	<b>692 758</b>
Purchased minority				-11 202	-11 202		-11 202
Transl.diff. in foreign comp.			2 884		2 884		2 884
Tax-effect thereof						-153	-153
Net profit				7 743	7 743	-1 046	6 697
<b>Equity, 2011-12-31</b>	<b>35 918</b>	<b>30 691</b>	<b>2 336</b>	<b>621 955</b>	<b>690 900</b>	<b>84</b>	<b>690 984</b>
Through acquisitions				22 942	22 942		22 942
Paid dividends				-23 347	-23 347		-23 347
Transl.diff. in foreign comp.			3 374		3 374	-11	3 363
Net profit				72 656	72 656	61	72 717
<b>Equity, 2012-09-30</b>	<b>35 918</b>	<b>30 691</b>	<b>5 710</b>	<b>694 206</b>	<b>766 525</b>	<b>134</b>	<b>766 659</b>
	Restricted equity			Non - restricted equity			
<b>Parent company</b>	<b>Share-capital</b>	<b>Statutory reserve</b>	<b>Sub-total</b>	<b>Share premium reserve</b>	<b>Oth. Non-restr. EQ</b>	<b>Sub-total</b>	<b>Total Equity</b>
<b>Equity, 2011-01-01</b>	<b>35 918</b>	<b>1 156</b>	<b>37 074</b>	<b>30 691</b>	<b>208 757</b>	<b>239 448</b>	<b>276 523</b>
Paid dividends					-19 755	-19 755	-19 755
Net profit					28 248	28 248	28 248
<b>Equity, 2011-09-30</b>	<b>35 918</b>	<b>1 156</b>	<b>37 074</b>	<b>30 691</b>	<b>217 250</b>	<b>247 941</b>	<b>285 016</b>
Net profit					3 770	3 770	3 770
<b>Equity, 2011-12-31</b>	<b>35 918</b>	<b>1 156</b>	<b>37 074</b>	<b>30 691</b>	<b>221 020</b>	<b>251 711</b>	<b>288 786</b>
Paid dividends					-23 347	-23 347	-23 347
Net profit					18 457	18 457	18 457
<b>Equity, 2012-09-30</b>	<b>35 918</b>	<b>1 156</b>	<b>37 074</b>	<b>30 691</b>	<b>216 130</b>	<b>246 821</b>	<b>283 896</b>

All shares /17 959 058 pcs/ are A-shares with equal voting rights.

## Personnel

Employees	Bulgaria	China	Denmark	Estonia	India	Italy	Lithuania	Mexico	Norway	Poland	Sweden	Total
2012-09-30	791	488	1	182	18	5	535	95	5	323	826	3 269

## Future Reporting Dates

Year-end 2012  
Annual Report 2012

February 21, 2013  
April, 2013

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