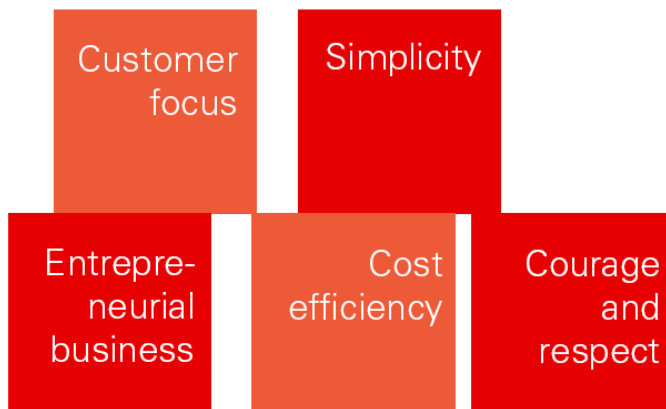




Västerås, April 27, 2017

AQ Group AB (publ), First quarter, 2017

**WE ARE
RELIABLE**



www.aqg.se

First quarter, January-March 2017 in brief

- Continued growth in sales and profit
- Net sales increased by 25% to SEK 1 002 million (802)
- Operating profit (EBIT) increased by 13 % to SEK 87 million (77)
- Profit after financial items (EBT) increased by 21 % to SEK 92 million (76)
- Profit margin before tax (EBT %) 9.2% (9.5)
- Cash flow from operating activities decreased by 84 % to SEK 15 million (92)
- Equity ratio 60 % (60)
- Earnings per share after tax increased by 21 % to SEK 4.19 (3.46)

Group overview, key figures

	2017	2016				Full year
	Q1	Q1	Q2	Q3	Q4	
Net turnover, SEK thousands	1 001 898	801 834	859 584	723 223	904 575	3 289 215
Operating profit (EBIT), SEK thousands	86 813	76 762	92 326	52 646	59 669	281 403
Profit after net financial items (EBT), SEK thousands	92 258	76 004	90 758	53 050	59 583	279 394
Operating margin (EBIT %)	8,7%	9,6%	10,7%	7,3%	6,6%	8,6%
Profit margin before tax (EBT %)	9,2%	9,5%	10,6%	7,3%	6,6%	8,5%
Liquid ratio	142%	157%	153%	164%	142%	142%
Debt/equity ratio	60%	60%	60%	64%	60%	60%
Return on total assets ²⁾	13,2%	12,6%	14,0%	14,5%	13,1%	13,1%
Return on equity excl. Tax ²⁾	18,0%	16,0%	18,1%	18,1%	17,9%	17,9%
Number of employees in Sweden	1 021	815	803	791	1 005	1 005
Number of employees outside Sweden	4 198	3 817	3 865	3 888	4 158	4 158
Key indicators per share, SEK ¹⁾						
Profit for the period	4,19	3,46	4,18	2,58	2,79	13,01
Equity	84,38	68,82	71,56	75,79	79,98	79,98
Number of shares, thousands ³⁾	18 294	18 034	18 034	18 034	18 294	18 294

¹⁾ There are no instruments that could lead to share dilution.

²⁾ Calculated based on 12 months rolling amounts.

³⁾ In connection with the acquisition of Gerdins Industrial System AB, October 3 2016, 260 000 shares of the same category was issued.



A word from the CEO

Market

The first quarter was our 90th consecutive quarter with profit.
The first quarter was our first quarter with a turnover over one billion SEK.

We have increased our turnover every year since the start October 1, 1994 i.e. for 22 years. We have shown profit during all 90 quarters. First quarter of 2017 shows the highest turnover and profit after financial items in the history of the group.

The organic growth for the quarter was 8.6% compared to 3.6% the first quarter of 2016. The high growth can partly be explained by more working days in March compared to 2016.

Our production units have had a high utilization rate at the end of the quarter, this in combination with many working days in March have given an increased margin. We see a need of investments in production capacity in several areas. Two of our production units in Sweden have profitability problems and action programs are ongoing, but it will take time to get them to satisfactory profitability.

The cash flow from operating activities is weak during the first quarter, a large part of the profit has been used for accounts receivables and inventory. There is still a pressure from our customer to extend credit terms.

Raw material prices, especially of steel, have increased during the first quarter. Therefore, it is important that we immediately adjust prices to our customers when prices of raw material are increasing. There is a risk going forward that we see declining margins if we don't manage to increase customer prices at the same pace as raw material prices are increasing.

Acquisitions

Gerdins was acquired on October 3, 2016. It is our biggest acquisition so far when it comes to turnover. The subsidiaries of Gerdins have been integrated into AQ's existing business areas. The margin during the fourth quarter last year was weak, but has during the first quarter turned to a level just below AQ's goal.

We are always looking at new acquisition opportunities. We would like to strengthen our presence in the growth areas where we are already present, but also to follow some of our biggest customers to completely new geographic regions.

Organisation

Our focus has always been to adapt to customers' requirements and real demands. It's a strategy we will continue to follow, to be fast movers and adaptable no matter of market conditions.

Our organisation is built on entrepreneurship and it is a foundation of our core values.

Outlook

My assessment is that we are gaining market shares in several areas and are also entering new markets. However, one shall be aware of the fact that AQ is acting in a global competition with subsequent price pressure.

With operations in 12 countries and more than 5 000 employees it is important for us to maintain our simplicity and speed in our decision making and to minimise bureaucracy which can easily occur in a larger organisation.

With strong relations to world leading customers and engaged employees I am looking positively at the future with continued growth with stable profit level. An important part of this is our core values and our efforts to be a *reliable* supplier to leading industrial customers.

AQ is well positioned for new acquisitions from a financial as well as from a management view.

Claes Mellgren
CEO

Group's financial position and results

First quarter

Net sales for the first quarter was SEK 1002 million (802), an increase of SEK 200 million compared to the same period in the previous year. The increase in turnover is due to acquisitions SEK 122 million (Gerdins Industrial System AB with subsidiaries and Magnetica) and more working days in March compared to 2016. In addition, sales in Sweden, Poland, Estonia, Lithuania, India and Mexico have increased compared to the same period last year. The total growth in the quarter was 24.9 %, of which organic growth 8.6 %, growth through acquisitions 15.2 % and currency effects of 1.1 %. The currency effect of 1.1 % corresponds to about SEK 8.9 million and is mainly with the currencies EUR, PLN and HUF.

Operating margin (EBIT) in the first quarter was SEK 87 million (77), an increase of SEK 10 million. The increase can mainly be explained by the acquisition of Gerdins Industrial System AB with subsidiaries.

Goodwill has increased during the first quarter with SEK 30 million compared to the same period in the previous year, which is due to the acquisitions of Gerdins, Magnetica in Italy and Serbia and currency effects.

Investments in material assets in the quarter in the group was SEK 20 million (20). Investments were made in metal-cutting machines and bending and punching machines.

Interest bearing debts of the group are SEK 241 million (220) and cash and cash equivalents amount to SEK 125 million (148), which means that the group has a net debt of SEK 116 million. In the same period last year, the group had net debt of SEK 72 million.

Cash flow from operating activities was SEK 15 million (92). Cash flow is lower than the same period in the previous year mainly due to capital tied up in accounts receivables and inventory.

Cash flow from investing activities was SEK -21 million (-21), which relates to investments in fixed assets.

Cash flow from financing activities was SEK -32 million (-59) which relates to mortgages of bank loans and reduction of check credit.

Equity at the end of the period was SEK 1 544 million (1 241) for the group.

Significant events during the first quarter

On January 5, 2017 Nasdaq Stockholm's listing committee approved the trading of the shares of AQ Group AB (publ) on Nasdaq Stockholm's main market. The last trading day of the shares on AktieTorget was January 13, 2017. First trading day of the company's shares on Nasdaq was January 16, 2017.

The company's shareholders did not need to take any action because of the listing. The stock exchange listing was not combined with any issue, sale or other offering to the market.

AQ Group AB (publ) has prepared a prospectus due to the listing, which has been approved and registered by the Swedish Financial Supervisory Authority (*Sw. Finansinspektionen*). The prospectus is available on AQ Group's website (www.agg.se) and on the Swedish Financial Supervisory Authority's website (www.fi.se/Register/Prospektregistret).

Significant events after the end of the period

There have been no significant events after the end of the period.

Goals

The goal of the group is continued profitable growth. The Board of directors are not giving any forecast for turnover or profit. Statements in this report can be perceived as forward looking and the real outcome can be significantly different.

The board of directors of AQ Group has set goals for the group. The goals mean that the group is managed towards good profit, high quality and delivery precision with strong growth and a healthy financial risk level. The dividend policy is to have dividends corresponding to about 25 % of profit after tax over a business cycle. However, the Group's financial consolidation must always be considered.

	Goal	Jan-Mar 2017
Product quality	100 %	99.6 %
Delivery precision	98 %	92.1 %
Equity ratio	>40 %	60 %
Profit margin before tax (EBT %)	8 %	9.2 %

Transactions with related parties

The parent company has a related party relationship with its subsidiaries. There are some sales activities concerning goods between the operating group companies. The parent company is charging a management fee to the subsidiaries. All invoicing is according to market level prices and results in claims and debts between the companies which are settled regularly. There are some long-term loans between the parent company and a few subsidiaries. These loans are given with market level interest rates. Most companies in the group are part of cash pool in the parent company. The companies are charged/given interest rates at market level.

There have been no other transactions between AQ and closely related parties which significantly affected the position or result of the company. There are no loans to members of the board of directors nor to anyone in leading positions.

At the annual general meeting on April 21, 2016 it was decided that a yearly fee of SEK 120 000 shall be paid to the members of the board of directors and a fee of SEK 300 000 to the chairman of the board. There are no other remunerations to the board of directors. There is no remuneration paid after a board assignment is completed.

People in management positions are paid a fixed salary and a variable element calculated in % of the group's profit maximized to one-year salary. There are no other benefits in addition to pension benefits for work performed via the employment contract. In individual cases and where there is special justification, the Board shall have the option of deviating from the above guidelines.

Risks and uncertainties

AQ is a global company with operations in twelve countries. Within the group there are a number of risks and uncertainties of both operational and financial characteristics, which were described in the annual report of 2016. No additional significant risks have been identified since the annual report of 2015 was published. In addition to the commented factors the real outcome can be affected by for example political events, business cycle effects, currency and interest rates, competing products and their pricing, product development, commercial and technical difficulties, delivery problems and large credit losses at our customers.

The risks that are most evident in a shorter perspective are risks related to interest rates and currency. The exposure to risks related to interest rates are low and relates to the group's financing with credit institutions and are currently with floating interest, connected to the base interest of the bank which is connected to the interest rate of Sweden's central bank.

Transactions and assets and debts in foreign currency are managed centrally within AQ in order to create balance in the respective currency thereby achieving highest possible levelling effect within the group in order to minimize currency differences.

AQ is not buying any direct raw material, but only intermediate goods for further production such as sheet metal of steel and aluminium, cables, insulated wire etc. The risk is minimized through customer agreements with price clauses.

Raw material price risk refers to the change in the price of material and its impact on earnings. The company's purchase of materials to different processes is significant. There is a risk of sharp price increases for raw materials where the Company is not able to compensate price increases, which may affect the Company's earnings negatively.

The group's credit risks are mainly connected to receivables from customers.

The parent company is indirectly affected by the same risks and uncertainties.

Nomination committee

The Nomination committee before the Annual General Meeting 2017 consists of P-O Andersson, Claes Mellgren and Björn Henriksson. Chairman of the nomination committee is Björn Henriksson who represents Nordea Asset Management. For the Annual General Meeting 2017 the nomination committee has proposed election of P-O Andersson, Claes Mellgren and Björn Henriksson as members of the nomination committee.

Future reporting dates

Interim report Q2, 2017

August 17, 2017 at 8:00

Interim report Q3, 2017

October 26, 2017 at 8:00

Financial information

The information of this interim report shall be made public according to the Securities Market Act of Sweden. AQ Group AB (publ) is listed on Nasdaq Stockholm's main market.

The information was made public on April 27, 2017 at 8.00 AM.

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

Further information can be given by AQ Group AB:

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CFO, Mia Tomczak, telephone +46 70-833 00 80, mia.tomczak@agg.se or via

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Financial reports and press releases are published in Swedish and English. If there are discrepancies between the two, the Swedish version shall prevail. They are available at www.agg.se.

Certification

The Chief Executive Officer certifies that the interim report gives a true and fair overview of the Group's and the parent company's operations, financial position and results and describes material risks and uncertainties facing the parent company and the companies that form part of the Group.

Västerås, April 27, 2017

Claes Mellgren,
CEO

Financial reports, summary

Summary income statement for the Group

SEK thousands	Jan-Mar 2017	Jan-Mar 2016	Rolling 12 months Apr 2016 - Mar 2017	Full year 2016
Net sales	1 001 898	801 834	3 489 279	3 289 215
Other operating income	10 682	11 234	47 098	47 650
	1 012 580	813 069	3 536 377	3 336 866
Change in inventory and work in progress	10 177	-13 402	21 158	-2 420
Raw material and consumables	-506 549	-363 960	-1 717 851	-1 575 262
Goods for resale	-9 191	-7 823	-44 615	-43 247
Other external expenses	-123 498	-105 070	-457 714	-439 285
Personnel costs	-264 867	-209 311	-928 670	-873 114
Depreciation and amortisation	-22 863	-17 898	-84 909	-79 944
Other operating expenses	-8 975	-18 893	-32 323	-42 241
	-925 767	-736 357	-3 244 923	-3 055 513
Operating profit	86 813	76 712	291 454	281 353
Net financial income/expense	5 445	-758	4 195	-2 008
Profit before tax	92 258	75 954	295 648	279 344
Taxes	-15 333	-13 542	-45 457	-43 666
Profit for the period	76 925	62 412	250 191	235 678
PROFIT FOR THE PERIOD ATTRIBUTABLES TO:				
Parent company shareholders	76 734	62 332	249 666	235 265
Non-controlling interests	192	80	525	413
	76 925	62 412	250 191	235 678
Earnings per share ¹⁾	4,19	3,46	13,74	13,01

1) There were no transactions during the year that might result in dilution effects.

In conjunction with the acquisition of Gerdins Industrial System AB on October 3, 2016, 260 000 shares of the same kind were issued.

Statement of comprehensive income for the Group

SEK thousands	Jan-Mar 2017	Jan-Mar 2016	Rolling 12 months Apr 2016 - Mar 2017	Full year 2016
PROFIT FOR THE PERIOD	76 925	62 412	250 191	235 678
OTHER COMPREHENSIVE INCOME				
Items that cannot be transferred to the profit for the period				
Revaluation of defined benefit pension plans			-303	-303
Items transferred or that can be transferred to the profit for the period				
Translation difference transferred to the profit		6 737		6 737
Translation difference for foreign operations	3 562	2 208	42 663	41 304
Other comprehensive income for the period after tax	3 562	8 945	42 360	47 739
Comprehensive income for the period	80 488	71 357	292 552	283 417
COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:				
Parent company shareholders	80 301	71 681	291 952	282 788
Non-controlling interests	187	-324	599	629
	80 488	71 357	292 552	283 417

Summary balance sheet for the group

SEK thousands	31/03/2017	31/03/2016	31/12/2016
ASSETS			
Goodwill	148 537	118 573	148 393
Other intangible assets	82 741	54 042	84 181
Tangible assets	497 419	405 976	495 915
Financial assets	2 159	1 994	2 147
Deferred tax assets	11 029	11 735	9 448
TOTAL NON-CURRENT ASSETS	741 885	592 320	740 084
Inventories	618 256	479 432	581 332
Trade and other receivables	922 728	687 538	805 186
Other current receivables	184 722	159 750	160 179
Short term investments	204	197	204
Cash and cash equivalents	125 316	147 614	162 812
TOTAL CURRENT ASSETS	1 851 226	1 474 531	1 709 712
TOTAL ASSETS	2 593 111	2 066 851	2 449 796
EQUITY AND LIABILITIES			
Equity attributable to parent company shareholders	1 540 760	1 238 675	1 460 455
Non-controlling interests	2 926	2 342	2 739
TOTAL EQUITY	1 543 686	1 241 016	1 463 195
Non-current liabilities to credit institutions	100 757	113 449	107 779
Non-current non-interest-bearing liabilities	83 368	78 642	84 241
Total non-current liabilities	184 124	192 091	192 020
Interest-bearing current liabilities	139 998	106 402	164 034
Trade and other payables	403 521	264 363	351 986
Other current liabilities	321 782	262 979	278 562
Total current liabilities	865 301	633 744	794 582
TOTAL LIABILITIES	1 049 425	825 835	986 601
TOTAL EQUITY AND LIABILITIES	2 593 111	2 066 851	2 449 796

Statement of changes in Equity for the Group

SEK thousands	Equity attributable to parent company shareholders				Subtotal	Non-controlling interests	Total equity
	Share capital	Other contributed capital	Translation reserve	Retained earnings incl. Profit			
Equity, 01/01/2016	36 068	34 014	24 303	1 073 044	1 167 429	2 307	1 169 736
Profit for the year				62 332	62 332	80	62 412
Translation differences, transferred to the profit for the period			6 737		6 737		6 737
Translation differences in foreign operations			2 176		2 176	23	2 199
Other comprehensive income			8 913		8 913	23	8 936
Total comprehensive income			8 913	62 332	71 245	103	71 348
Changes in non-controlling interests						-68	-68
Transactions with shareholders						-68	-68
Equity, 31/03/2016	36 068	34 014	24 303	1 135 376	1 238 674	2 342	1 241 016
Equity, 01/01/2017	36 588	84 194	72 236	1 267 437	1 460 455	2 739	1 463 195
Profit for the period				76 734	76 734	192	76 925
Translation differences in foreign operations			3 567		3 567	-5	3 562
Other comprehensive income			3 567		3 567	-5	3 562
Comprehensive income for the period			3 567	76 734	80 301	187	80 488
Equity, 31/03/2017	36 588	84 194	75 804	1 344 170	1 540 760	2 926	1 543 686

All shares, 18 294 058 pcs, are A-shares with equal voting rights and equal rights to the results. In conjunction with the acquisition of Gerdins Industrial System AB on October 3, 2016, 260 000 shares of the same kind were issued.

Summary cash flow statement for the Group

SEK thousands	1 Jan - 31 Mar, 2017	1 Jan - 31 Mar, 2016	Full year 2016
Profit before tax	92 258	75 954	279 344
Adjustment for non cash generating items	19 412	32 074	162 081
Income tax paid	-25 834	-18 746	-45 182
Cash flow from operating activities before change in working capital	85 836	89 282	396 243
Increase (-)/decrease (+) in inventories	-32 857	6 191	-19 927
Increase (-)/decrease (+) in trade receivables	-113 406	-15 686	-42 936
Increase (-)/decrease (+) in other receivables	-6 517	-2 053	-66 030
Increase (+)/decrease (-) in trade payables	49 390	-9 075	15 448
Increase (+)/decrease (-) in other liabilities	32 620	23 603	7 452
Change in working capital	-70 769	2 980	-105 993
Cashflow from operating activities	15 067	92 262	290 251
Aquisitions of shares in subsidiaries	0	-79	-64 035
Acquisition of intangible non-current assets	-795	-214	-1 922
Acquisition of tangible non-current assets	-20 228	-20 242	-119 436
Sale of tangible non-current assets	77	0	1 793
Cashflow from investing activities	-20 946	-20 534	-183 600
New borrowings	436	52	39 715
Amortization of loans	-10 692	-7 489	-32 101
Amortization of loans (leasing)	-950	-470	-2 786
Change in bank overdraft facilities	-20 509	-50 907	-47 887
Dividends to the parent company shareholders	0	0	-40 577
Other changes in financial activities	30	35	-58
Cashflow from financing activities	-31 685	-58 780	-83 693
Increase(Decrease) in cash and cash equivalents	-37 564	12 948	22 958
Cash and cash equivalents at the beginning of the year	162 812	135 602	135 602
Exchange rate difference in cash and cash equivalents	68	-936	4 252
Cash and cash equivalents at the end of the year	125 316	147 614	162 812

Parent company development

Parent company

The parent company, AQ Group AB, focuses primarily on managing and developing the Group. As in previous years, the parent company's turnover consists almost exclusively of the sale of administrative services to subsidiaries. There are no purchases of any substance from subsidiaries.

Summary income statement for the Parent company

SEK thousands	Jan - Mar 2017	Jan - Mar 2016	Rolling 12 months Apr 2016 -Mar 2017	Full year 2016
Net sales	12 342	13 265	54 773	55 696
Other operating income	325	214	3 806	3 695
	12 668	13 479	58 579	59 391
Other external expenses	-3 552	-4 393	-20 328	-21 169
Personnel costs	-4 892	-4 747	-17 845	-17 701
Depreciation and amortisation	-79		-468	-390
Other operating expenses	-67	-182	-301	-415
	-8 589	-9 322	-38 942	-39 675
Operating profit	4 078	4 157	19 637	19 716
Net financial items	43 437	2 044	139 751	98 358
Earnings after net financial items	47 515	6 201	159 388	118 074
Appropriations			2 350	2 350
Profit before tax	47 515	6 201	161 738	120 424
Taxes	-2 178	259	-7 175	-4 738
Profit for the period	45 337	6 460	154 563	115 686

Net sales for the first quarter was SEK 12.3 million (13.3), somewhat lower than the same period in the previous year. Other external expenses were SEK 3.6 million (4.4).

Personnel costs were SEK 4.9 million (4.7). Operating profit (EBIT) was SEK 4.1 MSEK (4.2). Net financial items were SEK 43.4 million (2.0), of which SEK 37.7 million is tax free dividends from subsidiaries.

Summary balance sheet for the Parent company

SEK thousands	31/03/2017	31/03/2016	31/12/2016
ASSETS			
Tangible assets	1 138	-	1 354
Financial fixed assets	788 165	610 359	785 990
Deferred tax assets	175	2 314	512
TOTAL NON-CURRENT ASSETS	789 479	612 673	787 856
Other current receivables	220 045	157 560	251 503
Cash and cash equivalents	-	-	-
TOTAL CURRENT ASSETS	220 045	157 560	251 503
TOTAL ASSETS	1 009 524	770 232	1 039 360
EQUITY AND LIABILITIES			
Restricted equity	37 745	37 225	37 745
Non-restricted equity	403 269	235 988	357 931
Total equity	441 013	273 213	395 676
Untaxed reserves	44 100	41 300	44 100
Other provisions	7 000	-	7 000
Interest-bearing non-current liabilities	82 955	112 198	90 439
Total non-current liabilities	89 955	112 198	97 439
Interest-bearing current liabilities	422 034	330 904	491 327
Trade and other payables	2 473	1 315	2 040
Other current liabilities	9 950	11 303	8 778
Total current liabilities	434 456	343 522	502 146
TOTAL LIABILITIES	524 411	455 720	599 584
TOTAL EQUITY AND LIABILITIES	1 009 524	770 232	1 039 360

The increase in financial fixed assets is related to the acquisition of Gerdins.

Other current receivables consist of tax receivables of SEK 19 million and receivables from subsidiaries of SEK 201 million. The increase compared to the same period previous year consists mainly of an increase of receivables from subsidiaries.

Other provisions of SEK 7 million consist of the calculated earnout payment due to the acquisition of Gerdins.

The decrease of interest-bearing non-current liabilities is due to a yearly amortization of SEK 30 million

Interest-bearing current liabilities have increased partly because the parent company has used an overdraft credit of SEK 30 million, increased check credit and increased debt to the subsidiaries in the cash pool.

Notes

Note 1. Accounting principles

The summary interim report has been prepared in accordance with the Swedish Annual Accounts Act as well as IFRS, applying IAS 34, Interim Financial Reporting. The interim report for the parent company has been prepared in accordance with Swedish Annual Accounts Act, chapter 9 Interim report. For the group and the parent company the accounting and valuation principles applied are the same as used in the latest annual report.

The total sum in tables and calculations do not always sum up of the parts due to rounding differences. The objective is that every interim row shall conform with the original source resulting in rounding differences.

AS of July 3, 2016, ESMA's (European Securities And Markets Authority) "Guidelines – Alternative performance measures" are applied. In accordance with these guidelines information about financial numbers have been added that are not defined by IFRS.

Note 2. Segment reporting

The Group operates in two business segments: *Component*, which produces transformers, wiring systems, mechanical components, punched sheet metal and injection-moulded thermoplastics and *System*, which produces systems, power and automation solutions and assembles complete machines in close collaboration with the customers.

Q1 2017	Component	System	Unallocated and eliminations	Group
Net sales, external	799 349	202 549		1 001 898
Net sales, internal	75 116	42 612	-117 729	
Total net turnover	874 465	245 162	-117 729	1 001 898
Material costs, excl. purchases own segment	-450 750	-166 604	111 791	-505 563
Depreciation	-21 375	-1 410	-79	-22 863
Other operating expenses/income	-341 068	-54 754	9 163	-386 658
Operating profit	61 273	22 394	3 147	86 813
Net financial items			5 445	5 445
Profit before tax	61 273	22 394	8 592	92 258
Other comprehensive income plus tax			-11 770	-11 770
Comprehensive income for the period	61 273	22 394	-3 179	80 488
Q1 2016				
Net sales, external	624 458	177 376		801 834
Net sales, internal	52 253	40 440	-92 693	
Total net turnover	676 711	217 816	-92 693	801 834
Material costs, excl. purchases own segment	-329 254	-142 689	86 758	-385 185
Depreciation	-16 898	-1 073	73	-17 898
Other operating expenses/income	-270 113	-49 224	-2 703	-322 040
Operating profit	60 446	24 831	-8 565	76 712
Net financial items			-758	-758
Profit before tax	60 446	24 831	-9 323	75 954
Other comprehensive income plus tax			-4 597	-4 597
Comprehensive income for the period	60 446	24 831	-13 920	71 357

For the segment Component, the total net sales for the fourth quarter was SEK 874 million (677), of which SEK 799 million (624) is external sales. The increase of the external sales of totally SEK 175 million is partly due to the acquisition of Gerdins.

For the segment System, the total net sales for the fourth quarter was SEK 245 million (218), of which SEK 203 million (177) is external sales. The increase of the external sales of SEK 26 million is due to increased demand of assembly of packaging machines.

Operating profit (EBIT) was in the fourth quarter SEK 61 million (60) for Component, which was SEK 1 million better than the same period last year. Operating profit (EBIT) for System was SEK 22 million (25), which SEK 3 million lower than the same period in the previous year.

In the column "Unallocated and eliminations" there are items which have not been allocated to the two segments, mainly real estate companies, parent company and group eliminations.

Note 3. Personnel

Number of employees (full time yearly equivalents) in the Group per country.

	Jan-Mar 2017	Jan-Mar 2016	Jan-Dec 2016
Bulgaria	1 000	990	981
Sweden	1 021	815	1 005
Lithuania	670	671	688
China	476	527	498
Poland	904	561	873
Hungary	449	420	447
Estonia	360	385	349
India	136	143	134
Mexico	141	100	127
Italy	18	4	24
Thailand	21	16	20
Serbia	23	0	17
	5 219	4 632	5 163

Note 4. Acquisitions

AQ's strategy is to grow in both segments. During the first quarter there were no acquisitions or divestments.

Note 5. Financial instruments

Financial instruments that are shown in the balance sheet include on the assets side mainly cash or cash equivalents, receivables from customers and other receivables. On the liabilities side they consist mainly of payables to suppliers, other payable and credit debts.

Real value is not separately shown as it is our assessment that the values shown are an acceptable estimation of the real value because of the short terms. Real value of assets is established from market prices. Real value is based on the listing at brokers. Similar contracts are being traded on an active market and the prices are reflecting actual transactions of comparable instruments.

The Group is only in exceptional cases using derivatives to reduce currency risks. As per March 31 the market value of the derivatives was SEK -0.3 million (3.4) valued according to level 2.

The earnout payment for the acquisition of Gerdins SEK 7 million has been valued at real value according to level 3. The earnout is based on 50% of the profit after tax 2016 of the acquired Gerdins group.

Note 6. Events after end of the reporting period

Information about events after the end of the reporting period are presented on page 7.

Note 7. Calculation of key figures and definitions

	2017	2016				Full year
	Q1	Q1	Q2	Q3	Q4	
Operating margin, (EBIT %)						
Operating profit	86 763	76 712	92 326	52 646	59 669	281 353
Net revenue	1 001 898	801 834	859 584	723 223	904 575	3 289 215
Operating margin	8,7%	9,6%	10,7%	7,3%	6,6%	8,6%
Profit margin before tax, (EBT %)						
Profit before tax	92 208	75 954	90 758	53 050	59 583	279 344
Net revenue	1 001 898	801 834	859 584	723 223	904 575	3 289 215
Profit margin before tax	9,2%	9,5%	10,6%	7,3%	6,6%	8,5%
Liquid ratio, %						
Trade and other receivables	922 728	687 538	749 032	697 938	805 186	805 186
Other current receivables	184 722	159 750	170 376	166 477	160 179	160 179
Cash and cash equivalents	125 316	147 614	116 631	118 960	162 812	162 812
Current liabilities	865 301	633 744	676 277	598 307	794 582	794 582
Liquid ratio	142%	157%	153%	164%	142%	142%
Debt/equity ratio, %						
Total equity	1 543 686	1 241 016	1 290 577	1 366 832	1 463 195	1 463 195
Total assets	2 593 111	2 066 851	2 149 012	2 130 582	2 449 796	2 449 796
Debt/equity ratio	60%	60%	60%	64%	60%	60%
Return on total assets, %						
Profit before tax, rolling 12 months	295 648	231 604	265 145	274 539	279 394	279 344
Financial expenses, rolling 12 months	-12 669	-12 570	-13 160	-14 962	-12 977	-12 977
Total equity and liabilities, opening balance for 12 months	2 066 851	1 798 487	1 828 465	1 861 878	2 024 282	2 024 282
Total equity and liabilities, closing balance	2 593 111	2 066 851	2 149 012	2 130 582	2 449 796	2 449 796
Total equity and liabilities, average	2 329 981	1 932 669	1 988 738	1 996 230	2 237 039	2 237 039
Return on total assets	13,2%	12,6%	14,0%	14,5%	13,1%	13,1%
Return on equity after tax, %						
Profit for the period after tax, rolling 12 months	250 191	188 277	216 778	227 944	235 678	235 678
Total equity, opening for 12 months	1 241 016	1 119 233	1 110 539	1 155 688	1 169 736	1 169 736
Total equity, closing	1 543 686	1 241 016	1 290 577	1 366 832	1 463 195	1 463 195
Total equity, average	1 392 351	1 180 125	1 200 558	1 261 260	1 316 465	1 316 465
Return on equity after tax	18,0%	16,0%	18,1%	18,1%	17,9%	17,9%
Net cash / Net debt						
Cash and cash equivalents	125 316	147 614	116 631	118 960	162 812	162 812
Non-current interest bearing liabilities	100 757	113 449	105 842	98 341	107 779	107 779
Current interest bearing liabilities	139 998	106 402	89 178	53 088	164 034	164 034
Total interest bearing liabilities	240 755	219 851	195 020	151 430	271 812	271 812
Net cash / Net debt	-115 439	-72 237	-78 389	-32 470	-109 000	-109 000
Growth, %						
Organic growth						
Net revenue	1 001 898	801 834	859 584	723 223	904 575	3 289 215
- Effect of changes in exchange rates	8 945	-8 615	-15 435	-6 759	10 357	-20 452
- Net revenue for last year	801 834	715 216	758 819	654 561	803 281	2 931 878
- Net revenue for acquired companies	121 766	69 287	68 926	61 495	128 095	327 803
= Organic growth	69 353	25 946	47 274	13 926	-37 158	49 986
Organic growth divided by last year net revenue, %	8,6%	3,6%	6,2%	2,1%	-4,6%	1,7%
Growth through acquisitions						
Net revenue for acquired companies divided by last year net revenue, %	15,2%	9,7%	9,1%	9,4%	15,9%	11,2%

Operating margin, %

Calculated as operating profit divided by net sales.

This key figure shows the achieved profitability in the operative business of the company. Operating margin is a useful measure to follow up profitability and efficiency of the business before deduction of tied up capital. The figure is used internally for controlling and managing the business as well as a benchmark towards other companies in the industry.

Profit margin before tax, %

Calculated as profit before tax divided by net sales.

This key figure shows the profitability of the business before tax. Profit margin before tax is a useful measure to follow up profitability and efficiency including tied up capital. The figure is used internally for controlling and managing the business as well as a benchmark towards other companies in the industry.

Liquid ratio, %

Calculated as current assets (excl. inventory) divided by current liabilities.

This key figure reflects the company's short term solvency as it sets the company's current assets (except inventory) in relation to the short term liabilities. If the liquid ratio exceeds 100%, it means that the assets exceed the liabilities in question.

Equity ratio, %

Calculated as adjusted equity divided by balance sheet total.

This key figure reflects the company's financial position and its long term solvency. To have a good equity ratio and thus a strong financial position is important for being able to manage business cycles with varying sales. To have a strong financial position is also important for managing growth.

Return on total assets, %

Calculated as profit/loss after financial items divided by the average balance sheet total.

This key figure also shows the achieved profitability in the operative business. This number complements the operating margin as it includes tied up capital. It means that the number gives information on the return the business is given in relation to the capital tied in it. (Financial investments and cash and cash equivalents are also considered and the profit they give in the form of financial income.)

Return on equity after tax, %

Calculated as profit/loss after tax divided by average equity including minority interest.

This is a key figure showing the return of the capital that the owners have invested in the company (including retained earnings) after other stakeholders have received their dividends. This key figure shows how profitable the company is for its owners. This return also has significance for the company's opportunities to grow in a financial balance.

Operating profit, SEK thousands

Calculated as the profit before tax and financial items.

Operating profit shows the result generated by the operative business and is used together with operating margin and return on total assets for evaluating and managing the operative business.

Profit before tax / Profit after financial items (EBT), SEK thousands

Calculated as the profit before tax.

The key figure shows the result generated by the operative business and financial income taking into account payments to creditors for the capital they are contributing to finance the business. The figure shows remaining profit to the owners taking into account that part of it will be deducted for tax payments.

Net cash/Net debt, SEK thousands

Calculated as the difference between interest bearing debts and cash and cash equivalents.

This key figure is reflecting how much interest bearing debts the company has taking into account in cash and cash equivalents. The figure gives a good picture of the debt situation. Net cash means that cash and cash equivalents exceeds interest bearing debts. Net debt means that interest bearing debts exceed cash and cash equivalents.

Growth, %

The company is using two key figures to describe growth; 1) organic growth and 2) growth through acquisitions. Organic growth is calculated as the difference between the net sales of the current period and the net sales of the previous period, excluding currency effect and net sales of acquired units.

Organic growth in % is calculated as the organic growth divided by the net sales in the same period in the previous year. Growth through acquisitions is calculated as net sales of acquired companies divided by the net sales in the same period in the previous year. Growth is an important component in the company's strategy as growth is required to be a leading actor in the markets where the company is operating. Growth is partly through acquisition and partly organic. It's important to follow up and to present the different ways of achieving growth as it is two different ways to grow. Acquisitions are done when opportunities are given to expand the business in a certain geographic market or in a certain product area (in line with the company's strategic plan). Organic growth often has the character of a continued expansion within the existing operations.

Dividend per share, SEK

Dividend per share is decided at the Annual General Meeting where the annual report is approved for the fiscal year.

Number of shares are the thousands of shares issued at the set date for payment of dividends.

AQ in brief

AQ is a leading supplier to demanding industrial customers and is listed on Nasdaq Stockholm's main market.

The Group consists mainly of operating companies each of which develop their special skills and in cooperation with other companies, striving to provide cost effective solutions in close cooperation with the customer.

The Group headquarter is in Västerås, Sweden. AQ has, on December 31, 2016, in total about 5,100 employees in Sweden, Bulgaria, China, Estonia, Hungary, India, Italy, Lithuania, Mexico, Poland, Serbia and Thailand.

In 2016 AQ had net sales of SEK 3.3 billion and the group has since its start in 1994 shown profit every quarter.

AQ has the highest credit rating AAA according to Bisnode.

WE ARE RELIABLE

Customer focus

Customer always comes first By making our customers' life easy and by giving the "little extra" we will create a long term partnership.

Simplicity

We do our daily work without complexity and bureaucracy. Everything we do adds customer value.

Entrepre- neurial business

Companies within the AQ Group shall, based on AQ core values, run their business as entrepreneurs and strive for profitability and growth.

Courage and respect

We have the courage to go our own way, we stand up for our positions, are prepared to make tough decisions, give constructive feedback and admit own mistakes. We treat others as we like to be treated ourselves.

Cost efficiency

We use the most cost efficient way to fulfill our customers' demands and work with continuous improvements. Our business is production, we have a long term view and we fully commit ourselves to live up to customer expectations for quality, delivery performance, technological development and service.