

Västerås, April 20, 2023



AQ Group AB (publ) First quarter, 2023

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First quarter, January-March 2023 in brief

- Good start of the year results in growth, improved margin, and cash flow
- Net sales increased by 36.8% to SEK 2,253 million (1,646)
- Operating profit (EBIT) increased by 72.3% to SEK 194 million (113)
- Profit after financial items (EBT) increased by 58.3% to SEK 184 million (116)
- Profit margin before tax (EBT %) was 8.2% (7.1)
- Cash flow from operating activities amounted to SEK 225 million (44)
- Earnings per share after dilution increased by 70.2% to SEK 8.58 (5.04)
- Equity ratio was 55% (56)
- The Board of Directors proposes a dividend of SEK 3.33/share to the AGM (3.33)

Group overview, key figures

SEK M unless otherwise stated	2023	2022				Full year
	Q1	Q1	Q2	Q3	Q4	
Net turnover	2,253	1,646	1,721	1,711	1,974	7,053
Operating profit (EBIT)	194	113	107	123	148	491
Profit before tax (EBT)	184	116	108	121	137	482
Profit for the period	159	93	87	100	134	413
Total equity	3,391	2,756	2,865	3,010	3,180	3,180
Operating margin (EBIT), %	8.6	6.9	6.2	7.2	7.5	7.0
Profit margin before tax (EBT), %	8.2	7.1	6.3	7.1	6.9	6.8
Liquid ratio, %	146	125	128	131	140	140
Debt/equity ratio, %	55	56	55	56	56	56
Return on total assets, % ¹⁾	10.9	10.1	9.9	10.3	10.2	10.2
Return on equity after tax, % ¹⁾	15.6	13.8	12.9	13.3	14.2	14.2
Number of employees in Sweden	860	834	853	847	851	851
Number of employees outside Sweden	6,716	6,233	6,269	6,293	6,371	6,371
Key indicators per share, SEK						
Profit for the period after dilution	8.58	5.04	4.71	5.41	7.27	22.43
Equity ²⁾	184.84	150.65	156.62	164.52	173.82	173.82
Number of shares, thousands ²⁾	18,347	18,294	18,294	18,294	18,294	18,294

¹⁾ Calculated based on 12 months rolling amounts.

²⁾ Dilution effect taking in to account warrants.

A word from the CEO



We follow our plan

AQ's ambition is to increase the net sales and profit each year. The first quarter has started well. We follow our plan, and it is pleasing that we are now back above our target of 8% in terms of EBT margin, which in the quarter was 8.2%. The main reason to our profit improvement in the quarter is that we have made improvements in our companies that previous have made a loss. I am proud of our leaders in Mexico, China, India, and North America, who have been able to turn their businesses to contribute positively. It has not been easy.

Our net sales increased by 14% compared to previous quarter. Above all, we increase within electrification, components to the defense industry, storage of renewable energy and within medical technology. However, we are not satisfied as several large orders could not be delivered in the quarter. Our delivery precision to our customers was 91% in the quarter, which is not good.

We still have a few units, where we do not reach our goals in terms of profitability. Our leaders and employees are working hard to improve the businesses and hence the profits.

Investments in continued growth and acquisitions

We are doing everything we can to work smarter, automate, increase the number of employees, and acquire additional production capacity. It's great to see that our fantastic customers are so strong in their markets. During the quarter, we entered into lease agreements for additional production space in Poland for wiring systems, we invested in additional punching capacity in Finland and Estonia and ordered winding machines for inductive components in Estonia. At the same time, we have started serial production in our new factories for wiring systems and battery systems in Lithuania and Bulgaria this quarter. During the quarter, we have also opened engineering offices in Västerås, Östersund and Trollhättan and recruited around 30 engineers to deliver more demanding engineering services to the automotive and defense industry. We see many opportunities to continue growing organically and through acquisitions.

Cash flow and balance sheet

During the quarter, we continued our work on increasing our inventory turnover rate. Several of our companies are showing major improvements, which results in a better cash flow from operating activities, which was SEK 225 million during the quarter. We continue to have a low net debt, which enables continued investments in expanded production capacity as well as acquisitions.

Sustainability and environment

During the quarter, we started installing solar panels on the roof of one of our factories in Poland. This, in combination with heat pumps, will make this factory completely independent of fossil fuels. Our goal to reduce our CO² footprint continues. However, the components and systems that we deliver for the production, transmission and storage of renewable energy have the greatest impact. During the first quarter, we delivered battery systems that can store 42 MWh of renewable energy. It can save 30,000 tons of CO² per year if it replaces a power plant that uses fossil fuels. All our operating companies at AQ are ISO 14001 certified. It is an environmental management system with targets for how we should improve our work.

The power of AQ

AQ's employees are doing a fantastic job of delivering critical components and systems to demanding industrial customers. Our customers deliver world-leading products that make our world better every day. I am proud of our fantastic employees who help our world-leading customers to succeed and that through entrepreneurship, networking and forward thinking we manage to create more value with each passing year. It makes me full of confidence that this year we will continue to grow, make a profit, and have fun!

James Ahrgren
CEO

Group's financial position and results

First quarter

Net sales for the first quarter was SEK 2,253 million (1,646), an increase of SEK 607 million compared to the same period in the previous year. The total growth in the quarter was 36.8%, of which organic growth 31.1% and currency effects of 5.7%. The currency effect corresponded to SEK 94 million and was mainly driven by the currencies EUR, BGN and USD.

A large part of the increase in net sales compared to the first quarter of the previous year comes from our wiring systems factories and electrical cabinet factories in Europe, which produce components and systems for the storage of renewable energy and medical technology. In addition, our sheet metal processing factories in Estonia and our factories for inductive components are growing globally for electrification and for the marine segment. We have also had increased volumes of components and engineering services for the defense industry.

Operating profit (EBIT) in the first quarter was SEK 194 million (113), an increase of SEK 82 million. We have improved the operating profit in several of the units that contributed negatively to the operating profit in the corresponding period last year, including our Wiring Systems factory in Mexico. Net financial items in the quarter amounted to SEK -10 million (3). The EBT margin was 8.2%.

The Group's investments in tangible fixed assets for the period amounted to SEK 48 million (66) and mainly pertain to replacement and capacity investments in Europe. The single largest investments are a new factory building and production equipment in Bulgaria of SEK 16 million and new production equipment in Lithuania of SEK 13 million. Total tangible fixed assets amounted to SEK 1,072 million (867).

Interest-bearing liabilities of the Group was SEK 1,041 million (831) and cash and cash equivalents amounted to SEK 352 million (223), which means that the Group have a net debt of SEK 689 million (608). The Group's interest-bearing liabilities without regard to leasing liabilities amounted to SEK 790 million (607), which means a net debt adjusted for leasing liabilities of SEK 439 million (384).

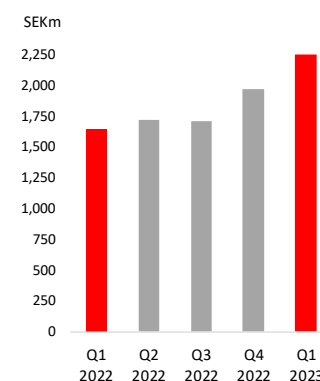
Cash flow from operating activities was SEK 225 million (44) and was mainly positively affected by activities to improve the inventory turnover in many of our companies.

Cash flow from investing activities was SEK -65 million (-76), which relates mainly to replacement and capacity investments of fixed assets of SEK -66 million (-76).

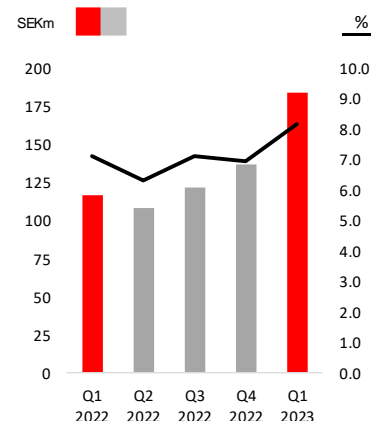
Cash flow from financing activities was SEK -41 million (-31) and mainly refers to repayments of bank loans and leasing liabilities of SEK -43 million.

Equity at the end of the period amounted to 3,391 million (2,756) for the Group.

Net sales



EBT



Significant events during the first quarter

The quarter has been characterized by continued strong organic growth and continued capacity investments in our factories. In Lithuania, we are doubling our capacity in the production of wiring harnesses for commercial vehicles in Europe. Also in Bulgaria, our growth continues by producing sheet metal housings and carrying out electrical installations for large battery systems used to store energy for the grid.

On February 9, 2023, the nomination committee of AQ Group AB informed the company that it is proposing existing board member Claes Mellgren as new board chairman, Kristina Willgård as new board member and that the number of board members will be reduced from eight to six, at the Annual General Meeting on April 20, 2023. Board chairman Patrik Nolåker and board members Annika Johansson-Rosengren and Vegard Søråunet have declined re-election. Re-election is proposed by board members Gunilla Spongh, Lars Wrebo, Ulf Gundemark and Per Olof Andersson. Claes Mellgren was managing director and CEO of AQ Group between 2010 and 2018 and is now a board member since 2018. Claes Mellgren is one of the founders of AQ Group. Kristina Willgård most recently came from a position as Group CEO at the Life-Science company AddLife and currently sits as a board member in Mölnlycke Health Care, the Ernströmgruppen and Addnode Group and is part of Aeternum Capital's advisory board. The nomination committee's complete proposal was presented in the notice to AQ Group's Annual General Meeting, which will be held on April 20, 2023.

Significant events after the end of the period

The high global inflation and the ongoing war in Ukraine affect the economic development in several of the countries where AQ operates. AQ has a large share of its business in Europe, where energy prices continue to be at a high level together with wage inflation. This affects AQ's production costs. We constantly monitor and evaluate the situation in order to be prepared to act quickly to limit any impact on the company.

Goals

The goal of the Group is continued profitable growth. The goal is a profit margin before tax (EBT) of 8%. The Board of Directors is 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 with 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.

	Target	Jan-Mar 2023
Product quality, %	100	99.6
Delivery precision, %	98	91.2
Equity ratio, %	>40	55
Profit margin before tax (EBT), %	8	8.2
Growth, %	15	36.8

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 also part of a cash pool in the parent company. The companies are charged/given interest rates at market level.

The 2022 Annual General Meeting decided to introduce a warrant-based incentive program for executive officers and other key personnel within AQ. The subscription price was set at SEK 351.20 per share. A total of 52,500 warrants were subscribed for in the three-year warrant-based incentive program that expires May 12, 2025. Upon redemption, each warrant entitles to one share. Since the average share price during the quarter has been higher than the established subscription price, the dilution effect has been calculated for the earnings per share.

Risks and uncertainties

AQ is a global company with operations in fifteen countries. Within the Group there are a number of risks and uncertainties of both operational and financial characteristics, which were more detailed described in the Annual Report of 2022. Covid-19 pandemic and the political tension between Russia, Belarus and Ukraine/NATO has mainly resulted in increased energy costs and other risks and uncertainties that could have a significant impact on AQ's customers and suppliers, which in turn affect the actual outcome for AQ. In addition to the commented factors the real outcome can be affected by for example other political events, business cycle effects, currency and interest rates, competing products and their pricing, product development, commercial and technical difficulties, events linked to cyber security and IT infrastructure, delivery problems, outbreak of other virus diseases and large credit losses at our customers.

The risks that are most prominent for AQ in a shorter perspective are the impacts of component shortages on delivery precision, lockdowns in China, the ongoing war between Russia and Ukraine impact on customers, personnel and suppliers, the high global inflation and currency and price risks on e.g. energy, transport and material.

Transactions and assets and liabilities 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 semi-finished products for further production such as sheet metal of steel and aluminum, 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 accounts receivable.

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

Nomination committee

The Nomination Committee represents the shareholders and consists of members who are appointed by each of the four largest shareholders in terms of votes. The Nomination Committee's term of office extends until a new Nomination Committee has been appointed. The Nomination Committee for the Annual General Meeting 2023 was announced on October 18, 2022 and consists of Henrik Carlman (Aeternum Capital), Hans Christian Bratterud (ODIN Fonder), Per Olof Andersson (own holding) and Claes Mellgren (own holding) with Hans Christian Bratterud as chairman.

Future reporting dates

Annual General Meeting	April 20, 2023, at 18:00 CEST
Interim report Q2, 2023	July 14, 2023, at 08:00 CEST
Interim report Q3, 2023	October 19, 2023, at 08:00 CEST

The Annual Report, Annual General Meeting and dividend

The Annual Report for 2022 is available on the company's website www.aqgroup.com.

The Annual General Meeting (AGM) will be held on April 20, 2023 at 18:00 in Västerås. More information is available in the notice convening the AGM, which was published on the company's website www.aqgroup.com.

The Board of Directors proposes a dividend of SEK 3.33 per share for the financial year 2022. A total of SEK 60,919,213.

Other information

The information in this interim report shall be made public in accordance with the EU Market Abuse Regulation and the Securities Market Act of Sweden. The information was released by CEO James Ahrgren for publication at 08:00 CEST on April 20, 2023.

AQ Group AB (publ) is listed on Nasdaq Stockholm's main market.

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

Further information can be given by AQ Group AB:
CEO and IR, James Ahrgren, telephone +46 76 052 58 88, james.ahrgren@aqgroup.com
CFO, Christina Hegg, telephone +46 70 318 92 48, christina.hegg@aqgroup.com

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.aqgroup.com.

Certification

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

Västerås, April 20, 2023

James Ahrgren
CEO

Financial reports, summary

Summary Income Statement for the Group

SEK M	Note	Jan-Mar 2023	Jan-Mar 2022	R12 Apr 2022 -Mar 2023	Full year 2022
Net sales		2,253	1,646	7,659	7,053
Other operating income		43	38	186	180
Total income		2,296	1,684	7,845	7,232
Change in inventory and work in progress		2	47	36	82
Raw material and consumables		-1,189	-896	-4,053	-3,760
Goods for resale		-17	-19	-78	-81
Other external expenses		-248	-177	-859	-789
Personnel costs		-550	-443	-1,956	-1,849
Depreciation and amortisation		-70	-65	-266	-261
Other operating expenses		-30	-19	-97	-85
Total operating costs		-2,102	-1,571	-7,273	-6,742
Operating profit		194	113	572	491
Net financial income/expense	5	-10	3	-22	-8
Profit before tax		184	116	550	482
Taxes		-25	-23	-71	-69
Profit for the period		159	93	479	413
PROFIT FOR THE PERIOD ATTRIBUTABLE TO					
Parent company shareholders		157	92	476	410
Non-controlling interests		1	1	3	3
EARNINGS PER SHARE, SEK					
Before dilution		8.61	5.04	26.00	22.43
After dilution		8.58	5.04	26.00	22.43

Statement of comprehensive income for the Group, summary

SEK M	Jan-Mar 2023	Jan-Mar 2022	R12 Apr 2022 -Mar 2023	Full year 2022
PROFIT FOR THE PERIOD	159	93	479	413
OTHER COMPREHENSIVE INCOME				
Items that cannot be transferred to the profit for the period				
Revaluation of defined benefit pension plans	-	-	0	0
Revaluation of defined benefit pension plans, tax effect	-	-	-0	-0
Items transferred or that can be transferred to the profit				
Translation difference for foreign operations	53	36	215	198
Other comprehensive income for the period after tax	53	36	215	198
Comprehensive income for the period	211	129	694	611
COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:				
Parent company shareholders	210	128	689	607
Non-controlling interests	1	1	5	4

Summary Balance Sheet for the Group

SEK M	Note	Mar 31 2023	Mar 31 2022	Dec 31 2022
ASSETS				
NON-CURRENT ASSETS				
Goodwill		400	373	395
Other intangible assets		136	157	144
Right-of-use assets		247	219	233
Tangible assets		1,072	867	1,043
Financial assets		5	4	5
Deferred tax assets		78	64	76
Total non-current assets		1,938	1,684	1,896
Inventories		1,622	1,408	1,629
Account receivables - trade		1,966	1,418	1,745
Other current receivables	5	248	187	204
Cash and cash equivalents		352	223	231
Total current assets		4,187	3,237	3,808
TOTAL ASSETS		6,125	4,920	5,704
EQUITY AND LIABILITIES				
EQUITY				
Equity attributable to parent company shareholders		3,374	2,743	3,164
Non-controlling interests		17	13	16
TOTAL EQUITY		3,391	2,756	3,180
Non-current liabilities to credit institutions		860	605	861
Other non-current liabilities		112	100	113
Total non-current liabilities		973	705	973
Interest-bearing current liabilities		181	226	180
Account payables - trade		953	785	862
Other current liabilities		627	449	510
Total current liabilities		1,761	1,459	1,551
TOTAL LIABILITIES		2,733	2,164	2,524
TOTAL EQUITY AND LIABILITIES		6,125	4,920	5,704

Statement of changes in Equity for the Group

SEK M	Equity attributable to parent company shareholders					Non-controlling interests	Total equity
	Share capital	Other contributed capital	Reserves	Retained earnings incl. Profit	Subtotal		
Equity, 01/01/2022	37	84	84	2,411	2,616	12	2,627
Profit for the year	-	-	-	92	92	1	93
Translation differences in foreign operations	-	-0	36	-	35	0	36
Other comprehensive income	-	-0	36	-	35	0	36
Comprehensive income for the year	-	-0	36	92	128	1	129
Dividends paid	-	-	-	-	-	-	-
Transactions with shareholders	-	-	-	-	-	-	-
Equity, 03/31/2022	37	84	120	2,503	2,743	13	2,756
Equity, 01/01/2023	37	86	280	2,761	3,164	16	3,180
Profit for the year	-	-	-	157	157	1	159
Translation differences in foreign operations	-	-	53	-	53	0	53
Other comprehensive income	-	-	53	-	53	0	53
Comprehensive income for the year	-	-	53	157	210	1	211
Dividends paid	-	-	-	-	-	-	-
Transactions with shareholders	-	-	-	-	-	-	-
Equity, 03/31/2023	37	86	333	2,918	3,374	17	3,391

All shares, 18,294,058 pcs, are A-shares with equal voting rights and equal rights to the results. Dilution effect has been calculated during the quarter based on 52,500 warrants.

Summary Cash Flow statement for the Group

SEK M	Note	Jan-Mar 2023	Jan-Mar 2022	Full Year 2022
Profit before tax		184	116	482
Adjustment for non cash generating items		72	68	264
Income tax paid		-27	-48	-91
Cash flow from operating activities before change in working capital		229	136	655
Change in inventories		27	-89	-239
Change in trade receivables		-201	-107	-357
Change in other receivables		-33	-12	-9
Change in trade payables		98	74	82
Change in other liabilities		105	42	76
Change in working capital		-4	-93	-447
Cashflow from operating activities		225	44	208
Acquisition of intangible non-current assets		-0	-0	-4
Acquisition of tangible non-current assets		-66	-76	-284
Sale of tangible non-current assets		0	0	6
Other changes in non-current assets		-0	-0	0
Cashflow from investing activities		-65	-76	-283
New borrowings, credit institutions		-	9	234
Amortisation of loans		-16	-16	-62
Amortisation of loans (lease)		-27	-27	-103
Change in bank overdraft facilities		2	3	2
Payment of warrants		-	-	2
Dividends		-	-	-61
Cashflow from financing activities		-41	-31	12
Change in cash and cash equivalents for the period		118	-63	-63
Cash and cash equivalents at the beginning of the year		231	283	283
Exchange rate difference in cash and cash equivalents		3	4	11
Cash and cash equivalents at the end of the period		352	223	231

Parent company development

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 M	Note	Jan-Mar 2023	Jan-Mar 2022	R12 Apr 2022 -Mar 2023	Full year 2022
Net sales		14	15	48	49
Other operating income		0	1	4	5
Total income		14	16	52	53
Other external expenses		-5	-4	-21	-19
Personnel costs		-8	-8	-30	-31
Depreciation and amortisation		-0	-	-0	-0
Other operating expenses		-0	-0	-1	-1
Total operating costs		-13	-12	-52	-51
Operating profit		2	4	-0	2
Net financial items	5	-3	90	-40	53
Earnings after net financial items		-2	94	-40	55
Appropriations		-	-	-2	-2
Profit before tax		-2	94	-43	53
Taxes		0	-1	-0	-2
Profit for the period		-2	93	-43	51

The profit for the period is consistent with the total profit for the period.

First quarter

Revenues during the first quarter amounted to SEK 14 million (16) and mainly pertained to internal services. Net financial items amounted to SEK -3 million (90). The loss for the period amounted to SEK -2 million (93).

Summary balance sheet for the Parent company

SEK M	Note	Mar 31 2023	Mar 31 2022	Dec 31 2022
ASSETS				
Tangible assets		0	-	0
Financial fixed assets		1,429	1,415	1,433
Total non-current assets		1,429	1,415	1,433
Current receivables	5	389	202	360
Cash and cash equivalents		144	89	62
Total current assets		533	290	423
TOTAL ASSETS		1,962	1,706	1,856
EQUITY AND LIABILITIES				
Restricted equity		38	38	38
Non-restricted equity		677	779	678
TOTAL EQUITY		715	816	716
Untaxed reserves		8	6	8
Provisions		0	0	-
Non-current interest-bearing liabilities		669	464	683
Total non-current liabilities		669	464	683
Interest-bearing current liabilities		546	395	427
Other current liabilities		25	24	22
Total current liabilities		570	419	449
TOTAL LIABILITIES		1,240	883	1,132
TOTAL EQUITY AND LIABILITIES		1,962	1,706	1,856

The non-restricted equity amounts to SEK 677 million. The changes since 31 December 2022 consist of the loss for the period of SEK 2 million.

Notes to the financial statements in summary

Note 1. Accounting principles

The summary interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, and applicable parts of the Swedish Annual Accounts Act. Information according to IAS 34.16A are presented in the financial reports and their notes as well as in other parts of the interim report. 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.

Unless otherwise stated, all amounts are rounded to the nearest million. 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, which can result in rounding differences.

Note 2. Segment reporting and breakdown of revenue

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

SEGMENT REPORTING

First quarter

For the segment Component, the total net sales for the first quarter was SEK 1,948 million (1,433), of which SEK 1,815 million (1,329) are external sales. The increase of the external sales was SEK 486 million.

For the segment System, the total net sales for the first quarter was SEK 492 million (369), of which SEK 438 million (318) are external sales. The increase of the external sales was SEK 120 million.

Operating profit (EBIT) in the first quarter was SEK 167 million (58) for Component, corresponding to an increase of SEK 109 million compared to previous year. Operating profit (EBIT) for System was SEK 68 million (50), corresponding to a increase of SEK 17 million compared to previous year.

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

Jan-Mar 2023, SEK M	Component	System	Unallocated and eliminations	Group
Net sales, external	1,815	438	-	2,253
Net sales, internal	133	54	-187	-
Total net turnover	1,948	492	-187	2,253
Material costs, excl. purchases own segment	-1,012	-330	139	-1,204
Depreciation	-63	-6	-0	-70
Other operating expenses/income	-705	-88	8	-785
Operating profit	167	68	-40	194
Net financials items				-10
Profit before tax				184

Jan-Mar 2022, SEK M	Component	System	Unallocated and eliminations	Group
Net sales, external	1,329	318	-	1,646
Net sales, internal	104	51	-156	-
Total net turnover	1,433	369	-156	1,646
Material costs, excl. purchases own segment	-767	-235	135	-868
Depreciation	-59	-6	-0	-65
Other operating expenses/income	-549	-78	26	-601
Operating profit	58	50	4	113
Net financials items				3
Profit before tax				116

SALES DIVIDED BY SEGMENT AND GEOGRAPHICAL MARKETS

First quarter

The turnover divided among geographical markets in the first quarter; Sweden 28% (30), other European countries 55% (52) and other countries 17% (18).

Jan-Mar 2023, SEK M	Component	System	Unallocated and eliminations	Group
Sweden	384	281	14	680
Other European countries	1,210	140	-	1,351
Other countries	353	70	-	424
Net sales	1,948	492	14	2,454
Internal sales, eliminations	-	-	-201	-201
Total net turnover	1,948	492	-187	2,253

Jan-Mar 2022, SEK M	Component	System	Unallocated and eliminations	Group
Sweden	310	228	15	553
Other European countries	857	81	-	938
Other countries	266	60	-	326
Net sales	1,433	369	15	1,817
Internal sales, eliminations	-	-	-171	-171
Total net turnover	1,433	369	-156	1,646

Geographical markets are based on where AQ Group's subsidiaries have their registered office.

Note 3. Personnel

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

Country	Jan-Mar 2023	Jan-Mar 2022	Jan-Mar 2021
Bulgaria	1,523	1,376	1,242
Poland	1,291	1,176	1,011
Lithuania	1,147	749	614
Sweden	860	834	782
China	608	793	670
Estonia	594	557	576
Hungary	472	487	387
Mexico	335	351	178
Finland	199	185	187
Canada	185	161	167
India	180	170	138
USA	142	170	94
Italy	18	18	18
Germany	16	21	3
Brazil	6	9	7
Serbia	0	10	6
Total	7,576	7,067	6,080

Note 4. Business acquisitions

AQ's strategy is to grow in both segments. During the period January to March 2023, no acquisitions were made. No acquisitions were made in 2022 either.

Note 5. Financial instruments

Financial instruments that are shown in the balance sheet include on the assets side mainly cash or cash equivalents, accounts receivable and other receivables. On the liabilities side they consist mainly of accounts payable, other payable, credit debts and provisions for additional purchase price.

Fair 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. Fair value of assets is established from market prices where those are available. Fair 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. Per March 31, 2023, the market value of derivatives amounted to SEK 0.1 million (0.0) valued at level 2.

Note 6. Events after the end of the reporting period

Information about events after the end of the reporting period are presented on page 4.

Note 7. Calculation of key figures and definitions

SEK M unless otherwise stated	2023	2022				Full year
	Q1	Q1	Q2	Q3	Q4	
Operating margin, (EBIT %)						
Operating profit	194	113	107	123	148	491
Net sales	2,253	1,646	1,721	1,711	1,974	7,053
Operating margin	8.6	6.9	6.2	7.2	7.5	7.0
EBITDA						
Profit before tax	194	113	107	123	148	491
Depreciations/amortisations	-70	-65	-65	-64	-67	-261
EBITDA	264	178	171	187	215	751
Profit margin before tax, (EBT %)						
Profit before tax	184	116	108	121	137	482
Net sales	2,253	1,646	1,721	1,711	1,974	7,053
Profit margin before tax, %	8.2	7.1	6.3	7.1	6.9	6.8
Liquid ratio, %						
Trade receivables	1,966	1,418	1,515	1,627	1,745	1,745
Other current receivables	248	187	203	197	204	204
Cash and cash equivalents	352	223	217	154	231	231
Current liabilities	1,761	1,459	1,513	1,513	1,551	1,551
Liquid ratio, %	146	125	128	131	140	140
Debt/equity ratio, %						
Total equity	3,391	2,756	2,865	3,010	3,180	3,180
Total assets	6,125	4,920	5,165	5,392	5,704	5,704
Debt/equity ratio, %	55	56	55	56	56	56
Return on total assets, %						
Profit before tax, rolling 12 months	550	431	426	456	482	482
Financial expenses, rolling 12 months	-52	-31	-43	-59	-48	-48
Total equity and liabilities, opening balance for 12 months	4,920	4,196	4,281	4,577	4,699	4,699
Total equity and liabilities, closing balance	6,125	4,920	5,165	5,392	5,704	5,704
Total equity and liabilities, average	5,522	4,558	4,723	4,984	5,202	5,202
Return on total assets, %	10.9	10.1	9.9	10.3	10.2	10.2
Return on equity after tax, %						
Profit for the period after tax, rolling 12 months	479	352	343	367	413	413
Total equity, opening for 12 months	2,756	2,352	2,438	2,526	2,627	2,627
Total equity, closing	3,391	2,756	2,865	3,010	3,180	3,180
Total equity, average	3,074	2,554	2,652	2,768	2,904	2,904
Return on equity after tax, %	15.6	13.8	12.9	13.3	14.2	14.2
Net cash / Net debt						
Cash and cash equivalents	352	223	217	154	231	231
Non-current interest bearing liabilities	860	605	686	769	861	861
Current interest bearing liabilities	181	226	238	234	180	180
Total interest bearing liabilities	1,041	831	924	1,003	1,040	1,040
Net cash / Net debt	-689	-608	-707	-849	-810	-810
Growth, %						
Organic growth						
Net sales	2,253	1,646	1,721	1,711	1,974	7,053
- Effect of changes in exchange rates	94	-30	-9	55	88	103
- Net sales for last year	1,646	1,307	1,361	1,306	1,498	5,471
- Net sales for acquired companies	-	98	88	-	-	185
= Organic growth	512	273	282	350	389	1,293
Organic growth divided by last year net sales, %	31.1	20.9	20.7	26.8	26.0	23.6
Growth through acquisitions						
Net sales for acquired companies divided by last year net sales, %	0.0	7.5	6.4	0.0	0.0	3.4

Operating margin, EBIT %

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, EBT%

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.

Debt/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 plus financial costs 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 (EBIT), SEK M

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 M

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 M

Calculated as the difference between interest bearing debts and cash and cash equivalents. This key figure is reflecting how much interest-bearing debts the Group 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 exceed 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.

EBITDA

Calculated as the period’s net operating profit with the addition of depreciations and amortization of tangible and intangible assets. The measure is used in the calculation of covenants towards the bank. EBITDA stands for "earnings before interest, taxes, depreciation and amortization".

AQ in brief

AQ is a global manufacturer of components and systems 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, 2022, in total 7,200 employees in Bulgaria, Poland, Lithuania, Sweden, China, Estonia, Hungary, Mexico, Finland, India, Canada, USA, Germany, Italy and Brazil.

In 2022 AQ had net sales of SEK 7 billion, and the Group has since its start in 1994 shown profit every quarter.

WE ARE RELIABLE

Customer focus

Customers always come 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.

Entrepreneurial 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.