Västerås, October 20, 2016

AQ Group AB (publ), Third quarter, 2016

Third quarter, July – September 2016
In brief

- Continued growth in sales and results, mainly driven by acquisitions
- Net sales increased by 10 % to SEK 723 million (655)
- Operating profit (EBIT) increased by 36 % to SEK 53 million (39)
- Profit after financial items (EBT) increased by 20 % to SEK 53 million (44)
- Cash flow from operating activities increased by 20 % to SEK 67 million (56)
- Equity ratio 64 % (62)
- Earnings per share after tax increased by 32 % to SEK 2.58 (1.95)

Nine months, January – September 2016
In brief

- Net sales increased by 12 % to SEK 2 385 million (2 129)
- Operating profit (EBIT) increased by 51 % to SEK 222 million (147)
- Profit after financial items (EBT) increased by 40 % to SEK 220 million (157)
- Cash flow from operating activities increased by 81 % to SEK 235 million (130)
- Equity ratio 64 % (62)
- Earnings per share after tax increased by 45 % to SEK 10.22 (7.03)

Group overview, key figures

	2016				2015					
	Q1	Q2	Q3	YTD	Q1	Q2	Q3	YTD	Q4	Full year
Net turnover, SEK thousands	801 834	859 584	723 223	**2 384 640**	715 216	758 819	654 561	**2 128 596**	803 281	**2 931 878**
Operating profit (EBIT), SEK thousands	76 712	92 326	52 646	**221 683**	51 649	56 269	39 162	**147 080**	54 905	**201 985**
Profit after net financial items (EBT), SEK thousands	75 954	90 758	53 050	**219 761**	56 136	57 216	43 655	**157 008**	54 728	**211 736**
Operating margin (EBIT %)	9,6%	10,7%	7,3%	**9,3%**	7,2%	7,4%	6,0%	**6,9%**	6,8%	**6,9%**
Profit margin before tax (EBT %)	9,5%	10,6%	7,3%	**9,2%**	7,8%	7,5%	6,7%	**7,4%**	6,8%	**7,2%**
Liquid ratio	157%	153%	164%	**164%**	150%	146%	149%	**149%**	143%	**143%**
Debt/equity ratio	60%	60%	64%	**64%**	62%	61%	62%	**62%**	58%	**58%**
Return on total assets 2)	12,6%	14,0%	14,5%	**14,5%**	12,9%	13,3%	13,1%	**13,1%**	12,0%	**12,0%**
Return on equity excl. Tax 2)	16,0%	18,1%	18,1%	**18,1%**	16,7%	17,9%	17,3%	**17,3%**	15,3%	**15,3%**
Number of employees in Sweden	815	803	791	**791**	805	858	903	**903**	812	**812**
Number of employees outside Sweden	3 817	3 865	3 888	**3 888**	3 149	3 189	3 224	**3 224**	3 706	**3 706**
Key indicators per share, SEK 1)										
Profit for the period	3,46	4,18	2,58	**10,22**	2,47	2,61	1,95	**7,03**	2,41	**9,44**
Equity	68,82	71,56	75,79	**75,79**	62,06	61,58	64,08	**64,08**	64,86	**64,86**
Number of shares, thousands 3)	18 034	18 034	18 034	**18 034**	18 034	18 034	18 034	**18 034**	18 034	**18 034**

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, another 260 000 shares of the same category will be issued.

A word from the CEO

Market
The third quarter was our 88th consecutive quarter with profit!

For AQ, which lives on production, the vacation period in July/August always shows a weaker result with lower margin. The outcome this quarter is better than the corresponding quarter in 2015, but we are not completely satisfied. It is a quarter with significantly lower margin than the first and second quarter. I have previously communicated that we have had an unusual number of projects with good operating margin during the first half of the year. In parallel we have been negatively affected by a few customers who are challenged by lower sales.

As always, our focus is to adapt to our customers' requirements and real demand. It's a strategy we will continue to follow, to be fast movers and adaptable no matter of market conditions.

Our improvement in results compared to the third quarter 2015 can mainly be attributed to the acquisition of Anton Kft in Hungary, and AQ Enclosure Systems AB and AQ Wiring Systems in Mexico having turned last year's losses to profit.

Quality and delivery precision continues on a stable and high level, but with two exceptions.

Acquisitions
Gerdins Industrial System AB was acquired on October 3. It is our biggest acquisition so far when it comes to turnover. AQ and Gerdins have similar values and are managed by people who like production and technology. Integration has already started and continues according to plan. The parent company Gerdins Industrial System (Gerdins) will not have any operations and the subsidiaries of Gerdins are already being integrated to AQ's existing business areas.

The acquisition brings a number of new exciting customers in industries such as defence, forestry and agriculture in Sweden and Germany. In the areas of marketing, purchasing and IT there are ongoing actions. We will see savings within purchasing with the support of AQ's global purchasing organisation. Gerdins has a well-functioning sales organisation, which will help us to increase organic growth overall.

AQ is well positioned for new acquisitions, after the acquisition of Gerdins, both from a financial and management view.

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

During the last years it has become harder to find personnel in several countries in Eastern Europe where we have factories. Going forward we will increase our efforts to find solutions in automation. We have also started to use labour from Ukraine in some of our factories. AQ Plast AB's transfer of production to Anderstorp from Vadstena is completed. The cost of the transfer has been higher than planned, mainly due to disturbances in the start-up in Anderstorp.

The work to switch stock exchange from AktieTorget to Nasdaq Stockholm main market continues and is planned to be completed during 2016. We have during 2016 implemented a number of formal improvements of our internal process. The Board has during the third quarter set up an audit committee and a remuneration committee.

Investments

The investment in a ED paint shop in AQ Electric Bulgaria continues.

ED Electro Discharge is a surface treatment, which in many cases is a requirement in the automotive industry. The plan is to be able to offer automotive customers in Central and Eastern Europe sheet metal processing including surface treatment during 2017. The biggest investments in machinery during the quarter is additional metal-cutting machines in AQ Anton Kft. in Hungary and a fibre laser machine in AQ Holmbergs in China.

Outlook

In the short term some of our customers in telecom and railway are challenged by decreasing sales.

Our companies in Eastern Europe have good growth and profits overall. We have intensified our work with more regional customers to the Swedish plants and thereby get a higher growth. In the area of sales, we will benefit from the capacity and competence in Gerdins.

We have currently a big challenge in a couple of our Swedish plants to ensure quality and efficiency when volumes are starting to increase. This applies to a large quantity of tool based sheet metal and plastics components for a commercial truck customer.

Our company in Mexico is developing positively and has turned the loss in 2015 to a profit in 2016. We believe in growth for 2017 and the company is also delivering better value to the customers than earlier.

Our company in India is growing and has an all-time-high in sales, but is not delivering customer value at an acceptable level and is not yet profitable. An action plan has been launched.

The company in Thailand has, to our joy, after less than a year after it was started shown profit the last two months.

Our operations in China sees a lower activity with some our customers within the telecom and mining industries but it is still delivering results in parity with 2015.

My feeling 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 lives in a world with global competition with subsequent price pressure. During the fourth quarter the Board will review AQ's financial goals.

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

Claes Mellgren
CEO

Group's financial position and results

Third quarter

Net sales for the third quarter was SEK 723 million (655), an increase of SEK 68 million compared to the same period in the previous year. The largest part of the increase in turnover is due to the acquisition of Anton Kft. in Hungary last year. In addition, sales in Poland, Mexico and Italy have increased compared to the same period last year.

The total growth in the quarter was 10.5 %, of which organic growth 2.1 %, growth through acquisitions 9.4 % and a currency effect -1.0 %. The currency effect of -1 % corresponds to about SEK 7 million and is mainly with the currencies CNY, MXN and PLN.

Operating margin (EBIT) in the third quarter was SEK 53 million (39), an increase of SEK 14 million. The increase can mainly be explained by the acquisition of Anton Kft. in Hungary and AQ Enclosure Systems AB and AQ Wiring Systems in Mexico having turned last year's losses to profit.

Goodwill and other intangible assets have increased during the third quarter with SEK 5 million compared to June 30, 2016, an increase due to currency effects. If goodwill in the third quarter of 2016 is compared with the third quarter in 2015, it has increased by SEK 52.8 million. The increase is due to the acquisitions of Anton Kft. in Hungary and of Magnetica in Italy and Serbia and some currency effects.

Investments in material assets in the quarter in the group was SEK 25 million (16). Investments were made in metal-cutting machines in AQ Anton Kft. in Hungary and in a fibre-laser machine in AQ Holmbergs in China.

Interest bearing debts of the group are SEK 151 million (127) and cash and cash equivalents amount to SEK 119 million (166), which means that the group has a net debt of SEK 32 million. In the same period last year, the group had net cash of SEK 39 million. The change is due to a loan in conjunction with the acquisition of Anton Kft. in the fourth quarter of 2015.

Cash flow from operating activities was SEK 67 million (56). The positive cash flow from operating activities has been used for investments in fixed assets and to reduce interest bearing debts.

Equity at the end of the period was SEK 1 367 million (1 156) for the group.

First nine months

Net sales for the first nine months was SEK 2 385 million (2 129), an increase of SEK 256 million compared to the same period previous year. The largest part of the increase in turnover is due to the acquisition of Anton Kft. in Hungary last year. The sales in Sweden and Poland have also increased.

In the first nine months the total growth was 12.0 %, of which organic growth 4.1 %, growth through acquisitions 9.4 % and a currency effect of -1.5 %. The currency effect of -1.5 % corresponds to about SEK 31 million and is mainly with the currencies CNY, PLN and MXN, but also INR.

Operating margin (EBIT) in the period was SEK 222 million (147), an increase of SEK 75 million. The increase can mainly be explained by the acquisition of Anton Kft. in Hungary and AQ Enclosure Systems AB and AQ Wiring Systems in Mexico having turned last year's losses to profit.

In conjunction with the liquidation of our Norwegian subsidiary AQ Wiring Systems AS, accumulated translation differences have had a negative effect on the result. These costs amount to SEK 6.7 million and are included in the item other operating costs.

Goodwill and other intangible assets have increased with SEK 12 million since the start of the year. The increase is due to the acquisition of Magnetica in Italy and Serbia and some currency effects.

The investments in material assets of the group in the first nine months were SEK 88 million (44). Investments during the period have been made in metal-cutting machines in Hungary and in injection moulding machines in Sweden and Bulgaria.

Interest bearing debts of the group are SEK 151 million (281 at the start of the year) and cash and cash equivalents
amount to SEK 119 million (136 at the start of the year), which means that the group has a net debt of SEK 32 million (145 at the start of the year). This means that the interest bearing debts have decreased with SEK 130 million and cash and cash equivalents have decreased with SEK 17 million since the start of the year. Thus, net debt has decreased with SEK 113 million compared to end of 2015.

Cash flow from operating activities were SEK 235 million (130). The increase is due to AQ's good result.

Equity at the end of the period was SEK 1 367 million (1 156) for the group.

Result development for the respective segments, please see note 2.

Significant events during the first nine months

First quarter
AQ Group AB (publ) submitted on March 15, 2016 a preliminary application for admission to trading of its shares on Nasdaq Stockholm's main market. The shares of the company have been traded on AktieTorget since 2001. Under the condition that Nasdaq Stockholm approves the application, the intention is to begin trading of the company's shares on Nasdaq Stockholm during the latter part of the year. In conjunction with the application, Glen Nilsson was employed responsible for IR.

AQ Plast AB decided to close down the manufacturing site in Vadstena. The background to the change is to improve the competitiveness of AQ Plast AB by having fewer production sites. Production will be moved from Vadstena to Anderstorp and Västerås. As a consequence of the change a notice of redundancy was given for all 32 employees in Vadstena. The plan was to have the operations in Vadstena closed during 2016.

Our operations in Mexico was developing positively and was approaching break-even.
In our factory in India we started deliveries of complex aluminium enclosures to a train manufacturer. The enclosures are welded in our new FSW (Friction Stir Welding) equipment.

We received permit for our investment in ED (Electro Discharge) painting equipment in AQ Electric in Radomir. AQ will have the first ED facility in Bulgaria. It's an investment of about EUR 1 million. ED is a surface treatment method used in the automotive industry.

Second quarter
AQ Italy S.r.l acquired Magnetica S.r.l. and its subsidiary Magnetica Technology D.o.o. The companies design and manufacture electromagnetic components and power supplies and have operations in Italy and Serbia. Our operations in Mexico continued to develop positively and showed a positive result.

Third quarter
On September 21, AQ signed an agreement with Gerdins Holding AB to acquire 100% of the shares of Gerdins Industrial System AB with the subsidiaries Gerdins Components Västerås AB, Elektroprim AB, Plåxan AB, Gerdins Components AB, Gerdins Cable Systems AB, Gerdins Cable Systems Sp. z.o.o and Gerdins Nordkomponent AB.

AQ Plast AB’s transfer of production to Anderstorp from Vadstena was ready.

Significant events after the end of the period

AQ Group AB has on October 3, 2016, after approval from the Swedish Competition Authority, completed the deal with Gerdins Holding AB to acquire 100% of the shares of Gerdins Industrial System AB with the subsidiaries Gerdins Components Västerås AB, Elektroprim AB, Plåxan AB, Gerdins Components AB, Gerdins Cable Systems AB, Gerdins Cable Systems Sp. z.o.o and Gerdins Nordkomponent AB. The purchase price consists of SEK 81.5 million in cash plus 260 000 shares of AQ Group and an earnout which can be expected to be about SEK 12 million, based on 50% of profit after tax for 2016.

Gerdins Industrial System AB is a prominent supplier of components and systems for demanding industrial customers. The company has net sales of about SEK 430 million and employs about 450 people. It has operations in Mjällom, Västerås and Sollefteå in Sweden and in Starogard/Gdanski in Poland.

The purpose of the acquisition is to extend AQ’s customer base, to broaden our offering in sheet metal processing and to obtain reinforcement in manufacturing of wiring systems.

The acquisition was partly financed with a bank loan of SEK 30 million. Gerdins Industrial System AB has a net debt of SEK 9 million and an equity ratio of 49%. The Polish subsidiary Gerdins Cable Systems Sp. z.o.o owns real estate with about 2 300 square meters of production area.

The total purchase price is valued at SEK 144.7 million. The company has done a preliminary acquisition analysis which shows an overvalue on consolidation of about SEK 51 million divided into customer relations of SEK 30 million, goodwill SEK 27 million and a deferred tax debt of SEK 6 million. AQ is estimating the acquired immaterial assets to be about SEK 30 million and concerns customer relations. Depreciation is expected to be ten years. The estimated goodwill of SEK 27 million includes synergy effects of more efficient production processes and the technical competence of the personnel. No part of the goodwill is expected to be tax deductible.

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-Sep 2016**
Product quality	100 %	99.6 %
Delivery precision	98 %	94.5 %
Equity ratio	>40 %	64 %
Profit margin before tax (EBT %)	8 %	9 %

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.

During 2016 AQ Group AB has paid SEK 40.6 million in dividends to its shareholders. 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 2015. 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.

The group's credit risks are mainly connected to receivables from customers.
The parent company is indirectly affected by the same risks and uncertainties.

Future reporting dates

Year-end report	February 23, 2017 at 8:30 AM
Interim report Q1, 2017	April 27, 2017 at 8:30 AM
Annual General Meeting 2017	April 27, 2017

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 AktieTorget.

The information was made public on October 20, 2016 at 8.30 AM.
This report has been briefly reviewed by the company's financial auditors.

Further information about AQ Group AB can be given by:
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CFO, Mia Tomczak, telephone +46 70-833 00 80, mia.tomczak@aqg.se

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.aqg.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, October 20, 2016

Claes Mellgren,
CEO

Review report

To the board of AQ Group AB (publ)

Corp. id. 556281-8830

Introduction

We have reviewed the summary interim financial information (interim report) of AQ Group AB (publ) as of 30 September 2016 and the nine month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Västerås 20 oktober 2016

KPMG AB

Helena Arvidsson Älgne
Authorized Public Accountant

Financial reports, summary

Summary income statement for the Group

SEK thousands	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Rolling 12 months Oct 2015 - Sep 2016	Full year 2015
Net sales	723 223	654 561	2 384 640	2 128 596	3 187 922	2 931 878
Other operating income	6 346	4 110	25 964	19 782	40 188	34 005
	729 569	**658 671**	**2 410 605**	**2 148 378**	**3 228 109**	**2 965 883**
Change in inventory and work in progress	2 800	4 368	-7 378	31 816	2 739	41 934
Raw material and consumables	-352 151	-334 002	-1 134 518	-1 103 106	-1 544 422	-1 513 009
Goods for resale	-11 816	-7 041	-27 854	-19 006	-49 852	-41 003
Other external expenses	-93 595	-92 901	-307 417	-273 804	-423 183	-389 620
Personnel costs	-193 807	-168 447	-624 482	-566 272	-820 251	-762 041
Depreciation and amortisation	-18 939	-13 707	-54 606	-43 137	-72 450	-60 980
Other operating expenses	-9 414	-7 780	-32 665	-27 789	-44 052	-39 177
	-676 923	**-956 183**	**-2 188 922**	**-2 001 298**	**-2 951 471**	**-2 763 897**
Operating profit	**52 646**	**39 162**	**221 683**	**147 080**	**276 638**	**201 985**
Net financial income/expense	404	4 494	-1 922	9 928	-2 099	9 751
Profit before tax	**53 050**	**43 655**	**219 761**	**157 008**	**274 539**	**211 736**
Taxes	-6 517	-8 338	-35 251	-29 989	-46 546	-41 283
Profit for the period	**46 533**	**35 317**	**184 510**	**127 019**	**227 994**	**170 453**
PROFIT FOR THE PERIOD ATTRIBUTABLES TO:						
Parent company shareholders	46 509	35 246	184 195	126 788	227 740	170 283
Non-controlling interests	23	71	315	231	254	170
	46 533	**35 317**	**184 510**	**127 019**	**227 994**	**170 453**
Earnings per share [1)]	2,58	1,95	10,22	7,03	12,63	9,44

[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 will be issued.

Statement of comprehensive income for the Group

SEK thousands	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Oct 2015 - Sep 2016	Full year 2015
PROFIT FOR THE PERIOD	**46 533**	**35 317**	**184 510**	**127 019**	**227 994**	**170 453**
OTHER COMPREHENSIVE INCOME						
Items that cannot be transferred to the profit for the period						
Revaluation of defined benefit pension plans					-219	-219
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	29 723	9 833	46 492	9 507	23 154	-20 317
Other comprehensive income for the period after tax	29 723	9 833	53 229	9 507	29 673	-20 535
Comprehensive income for the period	76 255	45 151	237 740	136 527	257 667	149 918
COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:						
Parent company shareholders	76 174	44 646	237 295	135 781	257 365	149 867
Non-controlling interests	81	505	445	746	301	51
	76 255	**45 151**	**237 740**	**136 527**	**257 667**	**149 918**

Summary balance sheet for the group

SEK thousands	30/09/2016	30/09/2015	31/12/2015
ASSETS			
Goodwill	127 902	75 128	117 561
Other intangible assets	56 538	6 188	55 360
Tangible assets	454 714	311 007	402 749
Financial assets	2 131	1 571	2 053
Deferred tax assets	11 208	8 437	7 197
TOTAL NON-CURRENT ASSETS	**652 493**	**402 331**	**584 920**
Inventories	494 510	488 410	485 252
Trade and other receivables	697 938	632 477	670 438
Other current receivables	166 477	172 072	147 876
Short term investments	205	201	195
Cash and cash equivalents	118 960	166 388	135 602
TOTAL CURRENT ASSETS	**1 478 089**	**1 459 547**	**1 439 362**
TOTAL ASSETS	**2 130 582**	**1 861 878**	**2 024 282**
EQUITY AND LIABILITIES			
Equity attributable to parent company shareholders	1 364 148	1 153 884	1 167 429
Non-controlling interests	2 684	1 804	2 307
TOTAL EQUITY	**1 366 832**	**1 155 688**	**1 169 736**
Non-current liabilities to credit institutions	98 341	3 450	121 045
Non-current non-interest-bearing liabilities	67 101	51 381	65 338
Total non-current liabilities	**165 442**	**54 831**	**186 382**
Interest-bearing current liabilities	53 088	123 235	159 866
Trade and other payables	287 422	296 799	273 780
Other current liabilities	257 797	231 325	234 518
Total current liabilities	**598 307**	**651 359**	**668 164**
TOTAL LIABILITIES	**763 749**	**706 190**	**854 546**
TOTAL EQUITY AND LIABILITIES	**2 130 582**	**1 861 878**	**2 024 282**

Statement of changes in Equity for the Group

SEK thousands	Share capital	Other contributed capital	Translation reserve	Retained earnings incl. Profit	Subtotal	Non-controlling interests	Total equity
	Equity attributable to parent company shareholders						
Equity, 01/01/2015	**36 068**	**34 014**	**44 508**	**939 040**	**1 053 631**	**1 599**	**1 055 230**
Profit for the period				**126 788**	**126 788**	**231**	**127 019**
Translation differences in foreign operations			8 993		8 993	-26	8 966
Other comprehensive income			**8 993**	**-**	**8 993**	**-26**	**8 966**
Total comprehensive income			**8 993**	**126 788**	**135 781**	**205**	**135 986**
Dividends paid				-36 068	-36 068	-	-36 068
Transactions with shareholders	**-0**	**-**	**-**	**-36 068**	**-36 068**	**-**	**-36 068**
Equity, 30/09/2015	**36 068**	**34 014**	**53 501**	**1 029 761**	**1 153 884**	**1 804**	**1 155 688**
Equity, 01/01/2016	**36 068**	**34 014**	**24 303**	**1 073 044**	**1 167 430**	**2 307**	**1 169 737**
Profit for the period				**184 195**	**184 195**	**315**	**184 510**
Translation differences in foreign operations			53 099		53 099	131	53 230
Other comprehensive income			**53 099**	**-**	**53 099**	**131**	**53 230**
Total comprehensive income			**53 099**	**184 195**	**237 295**	**445**	**237 740**
Changes in non-controlling interests						-68	-68
Dividends paid		-		-40 577	-40 577	-	-40 577
Transactions with shareholders		**-**	**-**	**-40 577**	**-40 577**	**-68**	**-40 644**
Equity, 30/09/2016	**36 068**	**34 014**	**77 403**	**1 216 663**	**1 364 148**	**2 684**	**1 366 832**

All shares, 18 034 058 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 will be issued.

Summary cash flow statement for the Group

SEK thousands	1 jul - 30 sep, 2016	1 jul - 30 sep, 2015	1 jan - 30 sep, 2016	1 jan - 30 sep, 2015	Full year 2015
Profit before tax	53 050	43 655	219 761	157 008	211 736
Adjustment for non cash generating items	2 540	14 063	55 122	51 555	74 163
Income tax paid	-7 214	-10 857	-38 187	-38 008	-39 605
Cash flow from operating activities before change in working capital	**48 376**	**46 861**	**236 697**	**170 555**	**246 294**
Increase (-)/decrease (+) in inventories	-853	-16 240	5 085	-35 290	-4 565
Increase (-)/decrease (+) in trade receivables	61 370	39 700	-7 993	-31 640	-47 226
Increase (-)/decrease (+) in other receivables	4 594	-14 340	720	-56 268	-58 204
Increase (+)/decrease (-) in trade payables	-23 990	18 475	-5 044	55 129	15 855
Increase (+)/decrease (-) in other liabilities	-22 604	-18 460	5 692	27 439	13 410
Change in working capital	**18 516**	**9 135**	**-1 540**	**-40 630**	**-80 730**
Cashflow from operating activities	**66 892**	**55 996**	**235 156**	**129 925**	**165 564**
Aquisitions of shares in subsidiaries	0	-5 800	34	-5 800	-189 177
Acquisition of intangible non-current assets	-278	-116	-868	-298	-1 857
Acquisition of tangible non-current assets	-24 939	-15 701	-87 622	-44 366	-78 613
Sale of tangible non-current assets	27	2	97	2	2 093
Purchase/Sales of short-term investment in securities	0	-200	0	-200	-199
Cashflow from investing activities	**-25 188**	**-21 814**	**-88 356**	**-50 661**	**-267 754**
New borrowings	71	-795	121	0	149 771
Amortisation of loans	-7 483	-8 310	-22 458	-10 784	-11 758
Amortisation of loans (IAS 17 liability, leasing)	-545	-880	-1 482	-1 671	-5 121
Change in bank overdraft facilities	-36 215	-8 989	-106 038	-11 622	-3 409
Change in long-term liabilities	0	1 918		0	
Dividends to the parent company shareholders	0	0	-40 577	-36 068	-36 068
Other changes in financial activities	33	0	79	0	318
Casflow from financing activities	**-44 139**	**-17 057**	**-170 355**	**-60 146**	**93 733**
Increase(Decrease in cash and cash equivalents	**-2 435**	**17 126**	**-23 555**	**19 119**	**-8 457**
Cash and cash equivalents at the beginning of the year	116 631	150 897	135 602	145 744	145 744
Exchange rate difference in cash and cash equivalents	4 763	-1 635	6 912	1 526	-1 685
Cash and cash equivalents at the end of the year	**118 960**	**166 388**	**118 960**	**166 388**	**135 602**

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	Jul - Sep 2016	Jul - Sep 2015	Jan - Sep 2016	Jan - Sep 2015	Rolling 12 months Oct 2015 -Sep 2016	Full year 2015
Net sales	13 212	6 221	39 652	27 888	61 977	50 213
Other operating income	2 708	-0	3 103	3	3 103	3
	15 920	**6 221**	**42 755**	**27 892**	**65 079**	**50 216**
Other external expenses	-6 812	-4 891	-17 212	-13 011	-20 886	-16 685
Personnel costs	-5 085	-4 043	-12 545	-12 123	-18 809	-18 386
Depreciation and amortisation		-3		-9	-3	-12
Other operating expenses	-70	-7	-362	-1 435	-464	-1 538
	-11 967	**-8 943**	**-30 119**	**-26 578**	**-40 162**	**-36 621**
Operating profit	**3 953**	**-2 723**	**12 635**	**1 313**	**24 918**	**13 596**
Net financial items	84 372	4 609	98 438	6 270	98 667	6 500
Earnings after net financial items	**88 325**	**1 887**	**111 073**	**7 584**	**123 585**	**20 095**
Appropriations					-6 100	-6 100
Profit before tax	**88 325**	**1 887**	**111 073**	**7 584**	**117 485**	**13 995**
Taxes	-1 004	-958	-3 208	-1 668	-4 681	-3 142
Profit for the period	**87 321**	**929**	**107 865**	**5 915**	**112 804**	**10 854**

Net sales for the third quarter was SEK 13.2 million (6.2), a consequence of higher invoicing of management fees (group commons costs) than the same period previous year. Other external expenses were SEK 6.8 million (4.9), the main part of this cost relates to external advisors for the planned change of stock exchange. Personnel costs were SEK 5.1 million (4.0), the increase of SEK 1.1 million is due to the centralization of the administration of the Swedish companies, extra resources in conjunction with the acquisition of Gerdins and the change of stock exchange. Operating profit (EBIT) was SEK 4.0 MSEK (-2.7). Net financial items were SEK 84.4 million (4.6) of which SEK 84.4 million are tax free dividends from subsidiaries.

Net sales for the first nine months were SEK 39.7 million (27.9), a consequence of higher invoicing of management fees than the same period previous year. Other external expenses SEK 17.2 million (13.0), include costs related to the change of stock exchange from AktieTorget to Nasdaq Stockholm. Personnel costs were SEK 12.5 million (12.1) and is in parity with the previous year. Net financial items for the first nine months of 2016 were SEK 98.4 million (6.3), of which SEK 94.4 million are tax free dividends from subsidiaries and SEK 2.8 million is a liquidation profit of the Norwegian subsidiary AQ Wiring Systems AS. The parent company has received a repayment of purchase price of SEK 2 million for a previous acquisition.

Summary balance sheet for the Parent company

SEK thousands	30/09/2016	30/09/2015	31/12/2015
ASSETS			
Tangible assets	-	3	-
Financial fixed assets	638 583	404 173	662 251
Deferred tax assets	335	-	690
TOTAL NON-CURRENT ASSETS	**638 918**	**404 176**	**662 941**
Other current receivables	204 394	207 021	168 389
Cash and cash equivalents	-	-	-
TOTAL CURRENT ASSETS	**204 394**	**207 021**	**168 389**
TOTAL ASSETS	**843 312**	**611 196**	**831 330**
EQUITY AND LIABILITIES			
Restricted equity	37 225	37 225	37 225
Non-restricted equity	296 816	226 257	229 528
Total equity	**334 041**	**263 482**	**266 752**
Untaxed reserves	**41 300**	**36 000**	**41 300**
Interest-bearing non-current liabilities	97 231	-	119 681
Total non-current liabilities	**97 231**	**-**	**119 681**
Interest-bearing current liabilities	361 304	305 534	391 531
Trade and other payables	902	1 485	1 648
Other current liabilities	8 536	4 695	10 418
Total current liabilities	**370 741**	**311 714**	**403 597**
TOTAL LIABILITIES	**467 971**	**311 714**	**523 278**
TOTAL EQUITY AND LIABILITIES	**843 312**	**611 196**	**831 330**

The increase in Financial fixed assets and Interest-bearing non-current liabilities are related to the acquisition of Anton Kft. in Hungary. Interest bearing current liabilities has decreased due to using the tax free dividends to reduce the credit.

Other current liabilities have increased compared to the same period previous year, partly through loans from the subsidiary AQ Holmbergs in China of SEK 97 million and some subsidiaries having positive balance 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 ESMAs (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.

Q3 2016	**Component**	**System**	**Unallocated and eliminations**	**Group**
Net sales, external	545 952	177 270		723 223
Net sales, internal	51 620	36 953	-88 573	
Total net turnover	**597 573**	**214 223**	**-88 573**	**723 223**
Material costs, excl. purchases own segmer	-289 644	-154 695	83 171	-361 168
Depreciation	-18 192	-925	177	-18 939
Other operating expenses/income	-258 359	-40 371	8 260	-290 470
Operating profit	**31 378**	**18 233**	**3 035**	**52 646**
Net financial items			404	404
Profit before tax	**31 378**	**18 233**	**3 439**	**53 050**
Other comprehensive income plus tax			23 206	23 206
Comprehensive income for the period	**31 378**	**18 233**	**26 645**	**76 255**

Q3 2015				
Net sales, external	470 823	183 739		654 561
Net sales, internal	46 087	36 541	-82 628	
Total net turnover	**516 909**	**220 280**	**-82 628**	**654 561**
Material costs, excl. purchases own segmer	-260 415	-160 149	83 890	-336 674
Depreciation	-12 393	-1 011	-303	-13 707
Other operating expenses/income	-217 243	-47 662	-114	-265 019
Operating profit	**26 858**	**11 457**	**846**	**39 162**
Net financial items			4 494	4 494
Profit before tax	**26 858**	**11 457**	**5 340**	**43 655**
Other comprehensive income plus tax			1 496	1 496
Comprehensive income for the period	**26 858**	**11 457**	**6 836**	**45 151**

For the segment Component the total net sales for the third quarter was SEK 598 million (516), of which SEK 546 million (471) is external sales. The increase is due to the acquisition of AQ Anton Kft. and many new business deals.

For the segment System the total net sales for the third quarter was SEK 214 million (220), of which SEK 177 million (184) is external sales.

Operating profit (EBIT) was in the third quarter SEK 31 million (27) for Component, which was SEK 4 million better than the same period last year. The reason for the result improvement of Component is mainly due to the acquisition of Anton Kft in Hungary and AQ Enclosure Systems AB and AQ Wiring Systems in Mexico having turned last year's losses to profit. Operating profit (EBIT) for System was SEK 18 million (11) due to profitable projects within electrical assembly.

Lower personnel costs in AQ Enclosure Systems AB due to reductions in force, have influenced EBIT positively both for System and Component.

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.

YTD 2016	**Component**	**System**	**Unallocated and eliminations**	**Group**
Net sales, external	1 830 184	554 456		2 384 640
Net sales, internal	161 887	118 672	-280 558	
Total net turnover	**1 992 071**	**673 128**	**-280 558**	**2 384 640**
Material costs, excl. purchases own segmer	-967 134	-468 682	266 064	-1 169 751
Depreciation	-52 141	-2 996	531	-54 606
Other operating expenses/income	-816 572	-137 226	15 198	-938 600
Operating profit	**156 224**	**64 224**	**1 235**	**221 683**
Net financial items			-1 922	-1 922
Profit before tax	**156 224**	**64 224**	**-687**	**219 761**
Other comprehensive income plus tax			17 979	17 979
Comprehensive income for the period	**156 224**	**64 224**	**17 291**	**237 740**

YTD 2015				
Net sales, external	1 544 680	583 917		2 128 596
Net sales, internal	142 486	91 284	-233 770	
Total net turnover	**1 687 166**	**675 200**	**-233 770**	**2 128 596**
Material costs, excl. purchases own segmer	-844 430	-475 275	229 409	-1 090 296
Depreciation	-37 881	-3 497	-1 758	-43 137
Other operating expenses/income	-682 869	-160 819	-4 396	-848 084
Operating profit	**121 985**	**35 610**	**-10 515**	**147 080**
Net financial items			9 928	9 928
Profit before tax	**121 985**	**35 610**	**-587**	**157 008**
Other comprehensive income plus tax			-20 481	-20 481
Comprehensive income for the period	**121 985**	**35 610**	**-21 068**	**136 527**

For the segment Component the total net sales for the period January to September was SEK 1 992 million (1 687), of which SEK 1 830 million (1 545) is external sales. The increase is due to the acquisition of AQ Anton Kft. in Hungary and many new business deals.

For the segment System the total net sales for the accumulated period was SEK 673 million (675), of which SEK 554 million (584) is external sales.

Operating profit (EBIT) was accumulated SEK 156 million (122) for Component, which was SEK 34 million better than the same period last year. The reason for the results improvement of Component is mainly due to the acquisition of Anton Kft in Hungary and AQ Enclosure Systems AB and AQ Wiring Systems in Mexico having turned last year's losses to profit. Operating profit (EBIT) for System was SEK 64 million (36) due to profitable projects within electrical assembly.

Lower personnel costs in AQ Enclosure Systems AB due to reductions in force, have influenced EBIT positively both for System and Component.

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-Sep 2016	Jan-Sep 2015	Jan-Dec 2015	Jan-Dec 2014
Bulgaria	975	945	966	903
Sweden	791	903	812	827
Lithuania	683	646	647	610
China	507	538	539	557
Poland	601	501	508	482
Hungary	441	0	411	0
Estonia	349	361	379	320
India	136	136	146	96
Mexico	139	93	94	101
Italy	23	4	4	4
Thailand	17	20	12	0
Serbia	17	0	0	0
	4 679	**4 147**	**4 518**	**3 900**

Note 4. Acquisitions

AQ's strategy is to grow in all its business areas.

Acquisitions during the last nine months:

Date	**Acquisition**	**Annual turnover, million SEK***	**Number of employees***
April 27,2016	Magnetica S.r.l.	14	19 Italy
	Magnetica Technology D.o.o	5	17 Serbia

*Annual turnover and number of employees at time of acquisition.

On April 27, 2016 AQ Italy S.r.l. acquired 100 % of the shares in the private company Magnetica S.r.l with its subsidiary in Serbia, Magnetica Technology D.o.o. The price was EUR 100, and in conjunction with the acquisition AQ Italy S.r.l. capitalized Magnetica S.r.l with EUR 500 thousand. The companies design and manufacture electromagnetic components and power suppliers.

During the period May to September the two acquired companies contributed with SEK 7.3 million to the group's sales and SEK -348 thousand to the group's profit after tax. If the acquisition had taken place on January 1, management is estimating that the group's turnover would have been SEK 5.8 million higher and the result SEK 0.5 million lower for the nine months ending on September 30, 2016.

The acquisition was made to obtain excellent competence in design of power supplies and small inductive components and also to obtain their interesting customers. The acquisition is expected to be a good complement to AQ's business within inductive components.

Effects of acquisition January to September 2016

The acquired company's net assets at time of acquisition:

Intagible assets	2 456
Tangible assets	562
Financial assets	76
Inventories	3 790
Operating receivables	3 475
Operating liabilities	-13 885
Liquid funds	114
Provisions	0
Net loans	-296
Tax liability	0
Consideration paid	1
Goodwill	3 709
Cash flow effect	
Consideration paid	-1
Liquid funds in the acquired company	114
	113

The acquired intangible assets are customer relations and patents. Operating receivables have been set at their gross value, which corresponds to real value. In the goodwill value there are synergy effects in the form of more efficient production processes and the technical competence of the employees. The goodwill is not expected to be tax deductible. No expenses related to the acquisition have materialised.

There have been no divestments of companies during the period.

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 September 30 the market value of the derivatives was SEK 0.5 million (0) valued according to level 2.

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

	2016				2015				
	Q1	Q2	Q3	Ack	Q1	Q2	Q3	Q4	Ack
Operating margin, (EBIT %)									
Operating profit	76 712	92 326	52 646	221 683	51 649	56 269	39 162	54 905	201 985
Net revenue	801 834	859 584	723 223	2 384 640	715 216	758 819	654 561	803 281	2 931 878
Operating margin	**9,6%**	**10,7%**	**7,3%**	**9,3%**	**7,2%**	**7,4%**	**6,0%**	**6,8%**	**6,9%**
Profit margin before tax, (EBT %)									
Profit before tax	75 954	90 758	53 050	219 761	56 136	57 216	43 655	54 728	211 736
Net revenue	801 834	859 584	723 223	2 384 640	715 216	758 819	654 561	803 281	2 931 878
Profit margin before tax	**9,5%**	**10,6%**	**7,3%**	**9,2%**	**7,8%**	**7,5%**	**6,7%**	**6,8%**	**7,2%**
Liquid ratio, %									
Trade and other receivables	687 538	749 032	697 938	697 938	674 021	665 436	632 477	670 438	670 438
Other current receivables	159 750	170 376	166 477	166 477	122 967	154 278	172 072	147 876	147 876
Cash and cash equivalents	147 614	116 631	118 960	118 960	149 425	150 897	166 388	135 602	135 602
Current liabilities	633 744	676 277	598 307	598 307	632 184	662 892	651 359	668 164	668 164
Liquid ratio	**157%**	**153%**	**164%**	**164%**	**150%**	**146%**	**149%**	**143%**	**143%**
Debt/equity ratio, %									
Total equity	1 241 016	1 290 577	1 366 832	1 366 832	1 119 233	1 110 539	1 155 688	1 169 736	1 169 736
Total assets	2 066 851	2 149 012	2 130 582	2 130 582	1 798 487	1 828 465	1 861 878	2 024 282	2 024 282
Debt/equity ratio	**60%**	**60%**	**64%**	**64%**	**62%**	**61%**	**62%**	**58%**	**58%**
Return on total assets, %									
Profit before tax, rolling 12 months	231 604	265 145	274 539	274 539	212 595	226 321	225 396	211 736	211 736
Financial expenses, rolling 12 months	-12 570	-13 160	-14 962	-14 962	-5 080	-5 379	-6 246	-10 565	-10 565
Total equity and liabilities, opening balance for 12 montl	1 798 487	1 828 465	1 861 878	1 861 878	1 575 617	1 667 529	1 666 909	1 678 724	1 678 724
Total equity and liabilities, closing balance	2 066 851	2 149 012	2 130 582	2 130 582	1 798 487	1 828 465	1 861 878	2 024 282	2 024 282
Total equity and liabilities, average	1 932 669	1 988 738	1 996 230	1 996 230	1 687 052	1 747 997	1 764 394	1 851 503	1 851 503
Return on total assets	**12,6%**	**14,0%**	**14,5%**	**14,5%**	**12,9%**	**13,3%**	**13,1%**	**12,0%**	**12,0%**
Return on equity after tax, %									
Profit for the period after tax, rolling 12 months	188 327	216 778	227 994	227 994	169 333	182 462	185 145	170 453	170 453
Total equity, opening for 12 months	1 119 233	1 110 539	1 155 688	1 155 688	909 711	929 765	979 666	1 055 230	1 055 230
Total equity, closing	1 241 016	1 290 577	1 366 832	1 366 832	1 119 233	1 110 539	1 155 688	1 169 736	1 169 736
Total equity, average	1 180 125	1 200 558	1 261 260	1 261 260	1 014 472	1 020 152	1 067 677	1 112 483	1 112 483
Return on equity after tax	**16,0%**	**18,1%**	**18,1%**	**18,1%**	**16,7%**	**17,9%**	**17,3%**	**15,3%**	**15,3%**
Net cash / Net debt									
Cash and cash equivalents	147 614	116 631	118 960	118 960	149 425	150 897	166 388	135 602	135 602
Non-current interest bearing liabilities	113 449	105 842	98 341	98 341	2 602	2 130	3 450	121 045	121 045
Current interest bearing liabilities	106 402	89 178	53 088	53 088	135 053	136 112	123 235	159 866	159 866
Total interest bearing liabilities	219 851	195 020	151 430	151 430	137 654	138 242	126 685	280 911	280 911
Net cash / Net debt	**-72 237**	**-78 389**	**-32 470**	**-32 470**	**11 771**	**12 656**	**39 703**	**-145 309**	**-145 309**
Growth, %									
Organic growth									
Net revenue last year	801 834	859 584	723 223	2 384 640	715 216	758 819	654 561	803 281	2 931 877
Effect of changes in exchange rates	-8 615	-15 435	-6 759	-30 809	33 532	32 879	22 421	50 653	139 485
Net revenue for acquired companies	715 216	758 819	654 561	2 128 596	631 748	675 948	604 953	703 448	2 616 097
Organic growth	69 287	68 926	61 495	199 708	18 349	34 473	4 285	46 165	103 272
Net revenue current period	25 946	47 274	13 925	87 145	31 587	15 519	22 902	3 015	41 436
Organic growth divided by last year net revenue, %	**3,6%**	**6,2%**	**2,1%**	**4,1%**	**5,0%**	**2,3%**	**3,8%**	**0,4%**	**1,6%**
Growth through acquisitions									
Net revenue for acquired companies divided by last year net revenue, %	**9,7%**	**9,1%**	**9,4%**	**9,4%**	**2,9%**	**5,1%**	**0,7%**	**6,6%**	**3,9%**

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 AktieTorget since year 2001.

The Group consists main.ly 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 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.

The Group headquarter is located in Västerås, Sweden. AQ has on September 30, 2016 in total about 4,700 employees in Sweden, Bulgaria, China, Estonia, Hungary, India, Italy, Lithuania, Mexico, Poland, Serbia and Thailand.

In 2015 AQ had net sales of SEK 2.9 billion and a profit after financial items (EBT) of about SEK 212 million. Since the Group started in 1994 AQ has delivered positive results.

AQ has the highest credit rating AAA according to Bisnode

WE ARE RELIABLE

Customer focus

The customer always comes first. By making life easier for our customers and "going the extra mile", we lay the foundation for long-term collaboration.

Simplicity

We do our day-to-day work without complexity or bureaucracy. Everything we do adds customer value.

Entre-preneurial spirit

With our values as a starting point, companies within AQ shall run their business as entrepreneurs and strive to achieve profitability and growth.

Courage and respect

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

Cost efficiency

We satisfy our customers' demands in the most cost-efficient way possible and work with continuous improvements.