



Västerås, October 24, 2019

AQ Group AB (publ), Third quarter, 2019

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Third quarter, July-September 2019 in brief

- 100 consecutive quarters with profit
- More than SEK 5 billion in turnover the last 12 months
- Very strong profit improvement due to comparison with large extraordinary costs
- Strong cash flow and continued good growth driven by acquisitions
- Net sales increased by 9.6% to SEK 1 247 million (1 137)
- Operating profit (EBIT) increased to SEK 87 million (22)
- Profit after financial items (EBT) increased to SEK 82 million (21)
- Profit margin before tax (EBT %) was 6.6 % (1.9)
- Cash flow from operating activities increased to SEK 132 million (39)
- Earnings per share after tax increased to SEK 3.77 (0.01)
- Equity ratio 51 % (56), 2019 affected by new IFRS 16 rules

Nine months, January-September 2019 in brief

- Net sales increased by 10.5% to SEK 3 813 million (3 451)
- Operating profit (EBIT) increased by 82.3 % to SEK 276 million (151)
- Profit after financial items (EBT) increased by 81.6 % to SEK 263 million (145)
- Profit margin before tax (EBT %) was 6.9 % (4.2)
- Cash flow from operating activities increased to SEK 346 million (109)
- Earnings per share after tax increased to SEK 11.77 (5.68)

Group overview, key figures

	⁴⁾ 2019				³⁾ 2018				
	Q1	Q2	Q3	YTD	Q1	Q2	Q3	Q4	Full year
Net turnover, SEK thousands	1 252 861	1 313 431	1 246 556	3 812 849	1 090 122	1 223 542	1 137 327	1 216 228	4 667 220
Operating profit (EBIT), SEK thousands	95 707	93 363	86 676	275 747	71 539	57 766	21 959	56 921	208 184
Profit after net financial items (EBT), SEK thousands	92 949	88 478	82 007	263 434	68 397	55 411	21 239	53 275	198 322
Profit for the period	76 335	69 899	69 018	215 251	57 587	47 010	460	47 487	152 544
Total equity	1 896 417	1 928 490	2 020 893	2 020 893	1 759 434	-5 362	-17 102	45 741	1 782 711
Operating margin (EBIT %)	7,6%	7,1%	7,0%	7,2%	6,6%	4,7%	1,9%	4,7%	4,5%
Profit margin before tax (EBT %)	7,4%	6,7%	6,6%	6,9%	6,3%	4,5%	1,9%	4,4%	4,2%
Liquid ratio	108%	102%	103%	103%	126%	108%	106%	111%	111%
Debt/equity ratio	54%	49%	51%	51%	61%	54%	56%	58%	58%
Return on total assets ²⁾	7,6%	7,7%	9,7%	9,7%	8,8%	7,7%	6,7%	7,4%	7,4%
Return on equity after tax ²⁾	9,4%	10,5%	14,0%	14,0%	11,2%	10,5%	7,4%	8,9%	8,9%
Number of employees in Sweden	865	888	871	871	1 073	1 060	888	900	900
Number of employees outside Sweden	5 060	5 642	5 553	5 553	4 615	4 877	5 072	5 169	5 169
Key indicators per share, SEK ¹⁾									
Profit for the period	4,14	3,81	3,77	11,77	3,13	2,54	0,01	2,58	8,26
Equity	103,66	105,42	110,47	110,47	96,18	95,88	94,95	97,45	97,45
Number of shares, thousands	18 294	18 294	18 294	18 294	18 294	18 294	18 294	18 294	18 294

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

²⁾ Calculated based on 12 months rolling amounts.

³⁾ Based on the previous accounting standard for lease contracts IAS 17, see also note 2

⁴⁾ Based on the new current accounting standard for lease contracts IFRS 16, see also note 2

A word from the CEO

Quarter

The third quarter is the 100th consecutive quarter where AQ Group reports positive earnings per share after tax. We are very proud of this but even more pleased that we have simultaneously managed to increase our net sales every year during the same time. We are passing an important milestone this quarter, as we have more than MSEK 5 000 in net sales over the past 12 months. To highlight our 25-year celebration, we have written an article that can be read later in the report.

We had large extraordinary costs in the third quarter last year, so our comparative figures on profit after financial items (EBT) are very strong. It's good to be back to more normal levels when it comes to earnings per share. It is worth noting that our EBT margin of 6.6% is somewhat affected by the vacation period.



Market

AQ Group is growing 9.6% in the quarter, mainly due to the acquisition of Trafotek, which we completed in June. However, the picture of our business volumes is mixed, and we don't have organic growth during the quarter. Like many other companies, we feel a slowdown in the investment-heavy segments, such as construction and agricultural machines. On the other hand, the development for our less cyclical customers in rail, bus, medical technology, environmental technology and electrification is still good.

As a contract manufacturer, we must be able to adjust operations both when demand increases and when it decreases. We currently have many examples where our talented subsidiary managers and their management teams work with this. We increase capacity where needed and adapt the costume to customer forecasts where it goes down. At the same time, we are intensifying our sales work and we work even more diligently to win new business. The contract manufacturer market is fragmented, and we have small market shares, so there are many opportunities to compensate a decline in some markets with new business. Good examples of this are, for example, plastic and sheet metal parts for car safety equipment in China, stainless steel products for healthcare and plastic components for new customers who manufacture hand tools.

Cashflow

Lower organic growth means that working capital is more stable and we generate good cash flow from operating activities during the quarter. This reduces our net debt and gives us better opportunities to make acquisitions and invest in the business. We continue our efforts to recover overdue accounts receivable and optimize our inventory management.

Delivery capability

Our delivery precision is improving and is now at much better levels for the whole group than it was a year ago. However, we are still not satisfied and want to continuously develop our processes and standards to become even more robust and flexible during this and the coming years.

Organisation

AQ Group has a strong company culture with core values that are for real in customer focus, entrepreneurship, simplicity, cost efficiency, courage and respect. We run our business in decentralized companies with talented leaders and employees who work close to their customers and have a mandate to run the business. In this way, we can be quick and utilize all the opportunities available in the market. This is a strategy we will continue with. In addition, we are now also working to strengthen our business areas with common expertise in purchasing, processes and sales. Our ambition is to increase the

intensity of our sales work and to identify more opportunities for cost savings in both purchasing and manufacturing.

When it comes to purchasing, we now see that more opportunities open up after a few years of strong boom. It is important to work hard to realize these improvements. AQ also works extensively with productivity in all factories, not least in Eastern Europe where there are opportunities in e.g. automation and robotization.

Outlook

Our goal is to be a long-term stable, growing and profitable group with an operating margin (EBT) of 8% and a strong financial position. We like to do business with the customer in focus. Our employees and managers are doing a good job and it will be reflected in new business also in the future.

With strong relationships with world-leading customers and committed employees, we will work hard to achieve a stable profit level, accomplish new acquisitions, continue organic growth and generate good cash flow. In the coming year, we will also focus on a continued good integration of our acquisitions Trafotek, B3CG, Mecanova and Minicon.

We are proud and excited to reach the milestone SEK 5 billion in turnover and to present the 100th quarter with profit. With the help of our values and our aim to be a long-term and "Reliable" supplier to leading industrial customers, we now look forward to the coming 100 quarters of profitable growth.

Anders Carlsson
CEO

AQ Group – 25 years of profitable growth

In October 1994, Swedish entrepreneurs Per-Olof Andersson and Claes Mellgren created AQ Group. 25 years later, turnover is above 500 MUSD and the company has delivered 100 consecutive quarters of profit. The journey started with Per-Olof taking over an injection molding business in Västerås, Sweden and Claes was offered a similar opportunity, taking over a transformer plant in Enköping. Together, they merged the two companies into a joint group to become stronger than if each had worked individually.

The first years were challenging, the general business cycle was down, and a lot of effort went into cost cutting, finding new business and negotiating with customers. Early on, there was a need to find manufacturing capacity in lower cost countries. An important step for AQ was the acquisition of a transformer factory in Godech, Bulgaria in 1996.

It also meant hard work from AQ employees both in Sweden and Bulgaria. AQ was early into Bulgaria and it was not without risk. "This is one of the things that makes me most proud", says Claes Mellgren – "To see the fantastic development that can be achieved by people locally in a factory if you give them trust and the right toolbox, is very rewarding". This pattern has been repeated in most of the 41 manufacturing units that AQ now is operating around the world

Next step was electrical cabinets. AQ acquired automation board panel builders in Lund, Surahammar, Uppsala and Örnsköldsvik, in addition to another Bulgarian company in Radomir. There is still a strong local Swedish presence in this field providing customer support and winning new business. At the same time, we run high volume serial production in Bulgaria, China and India. "AQ is one of the few international panel builders that can follow their international OEM customers into North America, Europe, China and India. We also have the capability to make custom built, high-spec sheet metal enclosures close to the panel assembly", says Anders Carlsson CEO of AQ Group.

AQ entered into sheet metal fabrication between 2004 and 2011 by acquiring companies that had ended up in financial difficulties in Valdemarsvik, Vaggeryd, Anderstorp, Pålsboda, Eskilstuna and Lyrestad. Early on, AQ invested in additional sheet metal and welding capacity in Pärnu, Estonia. One of these acquisitions also gave an entry ticket to China, as the company from Anderstorp had a sister company in Suzhou. "Most sheet metal acquisitions started to make money at an early stage after takeover", says Per-Olof Andersson. The last years have seen additional sheet metal acquisitions in Sollefteå, Mjällom, Västerås, Nivala, Jüri and Viimsi where AQ has acquired more stable and profitable companies.

AQ Group has a history of both organic growth and acquisitions. These two ways of growing the business are interlinked. "You need both to win new customers in existing factories and then open up for new markets and customers from acquisitions" says Anders Carlsson. One of the few greenfield investments AQ has made is the plant in India where we followed a couple of our main customers into the Indian market.

A little less than 10 years ago, Per-Olof and Claes sat down together with the management team and tried to document what had been the success factors in AQ Group. The outcome was the AQ Core Values, a set of business principles designed to guide management and employees in each AQ company in their daily work. The Core Values are customer focus, simplicity, entrepreneurial business, cost efficiency and courage and respect. "Every company in the world claims they are customer focused" says Anders Carlsson. "The moment of truth if you really are customer focused comes every day in every action you do, by every employee when you deliver and interact with your customer. It is very easy for companies to be preoccupied with internal activities that takes time away from the customer.

As with all companies there are also occasional setbacks. AQ has seen declines in the business of our customers and in some of these cases this has led to the unfortunate need to close a factory. In most other cases, AQ is proud that it has managed to successfully find new business. There is also one acquisition where AQ worked for nine years to turnaround and improve a company but then had to give up. In this case there has been a lot of learning in order to make sure it doesn't happen again.

AQ means Aros Quality. Aros is an old name for Västerås and Quality is at the heart of the business concept. "AQ loves demanding customers and we will deliver total quality to these demanding customers. Total quality means on-time-delivery and quality together with the attitude and willingness to improve. "If AQ succeeds in delivering total quality to our customers we have a chance to stay with them long-term and be a reliable supplier that contributes to their success", says Anders Carlsson.

Another key strategic move for AQ Group was a major step into Wiring harness business in 2010, 2012 and 2016. AQ acquired two Swedish and one Norwegian company with manufacturing presence in Lithuania, Mexico and Poland. The same model was again applied. AQ believed in the local talent in the plants and the decentralized management based on core values. AQ is now a leader in wiring harnesses for commercial vehicles. In 2018, AQ also followed one of its main wiring customers into North America, acquiring a wiring harness manufacturer present in both Canada and USA.

A good example of entrepreneurship is AQ's System Products business. AQ has moved up the value chain and gone from making simpler components to building automation cabinets and ultimately building entire machines for its customers in places like Uppsala, Falköping, Gävle and Radomir.

AQ Group started in 1994 with injection molding and inductive components. "We are pleased to see that we still are active and develop these original business areas", says Claes Mellgren. In 2015 AQ Group acquired a technically strong injection molding and machining company in Hungary and in 2019 AQ Group acquired Trafotek complementing AQ very well in inductive components. AQ is thus well exposed to the ongoing electrification in the world in both this and other business areas.

AQ Group started small in 1994 and has for 25 years developed into an international 500 MUSD Group with profit over 100 quarters. "We know that the AQ core values and the way we operate is a well working model. We will continue to grow both organically and from acquisitions, by being a "Reliable" supplier to our demanding customers". says Anders Carlsson.

There will also be a lot happening in sustainability. AQ will continue to work with sustainability both internally within the Group and by contributing to the sustainable solutions that our customers develop and deliver. With this, AQ Group looks forward to another 100 quarters of profitable growth in a more sustainable world.



Group's financial position and results

Third quarter

Net sales for the third quarter was SEK 1 247 million (1 137), an increase of SEK 110 million compared to the same period in the previous year. The increase in turnover can be explained by acquisitions and positive currency effects. The total growth in the quarter was 9.6 %, of which organic growth -3.8 %, growth through acquisitions 11.3 % and currency effects of 2.1 %. The currency effect of 2.1 % corresponds to about SEK 23.6 million and is mainly with the currencies EUR, CNY and PLN. Taking into account the elimination of AQ Segerström & Svensson's turnover of SEK 23 million in the third quarter of 2018, the third quarter of 2019 shows a growth of 11.9 %, of which organic growth was -1.7 %, growth through acquisitions 11.5 % and currency effects of 2.1%.

Operating margin (EBIT) in the third quarter was SEK 87 million (22), an increase of SEK 65 million.

Goodwill and other intangible assets have increased with SEK 149 million compared to the third quarter of 2018, an increase due to overvalues in acquisitions, currency translation effects and depreciation of technology and customer relations.

The Group's acquisition of tangible fixed assets was SEK 34 million (54) in the quarter, including the construction of a new factory building in Poland. In total, tangible fixed assets amounted to SEK 1 000 million (548), of which SEK 313 million consists of the book value of right-of-use assets in accordance with IFRS 16, see Note 2.

The Group's interest-bearing liabilities without regard to IFRS 16 amount to SEK 638 million (442) and cash and cash equivalents to SEK 127 million (102), which means that the Group has a net debt of SEK 511 million. The same period last year, the Group had net debt of SEK 340 million. The increase is mainly due to new loans in connection with acquisitions.

The Group's interest-bearing liabilities with regard to IFRS 16 which began to apply on January 1, 2019, amount to SEK 953 million and cash and cash equivalents to SEK 127 million, which means that the Group has a net debt of SEK 826 million.

Cash flow from operating activities was SEK 132 million (39). Activities to reduce working capital, mainly to reduce inventories and overdue accounts receivable have continued during the quarter.

Cash flow from investing activities was SEK -37 million (-47), which relates to investments in fixed assets and the acquisition of Minicon.

Cash flow from financing activities was SEK -92 million (-27) which relates to decreased usage of overdraft facility, amortizations of bank loans and leasing liabilities.

Equity at the end of the period was SEK 2 021 million (1 737) for the group.

First nine months

Net sales for the first nine months was SEK 3 813 million (3 451), an increase of SEK 362 million compared to the same period in the previous year. The increase in turnover can be explained by acquisitions, a generally good state for our customers and our assessment is that we take market shares. The total growth in the first nine months was 10.5 %, of which organic growth 0.5 %, growth through acquisitions 7.6 % and currency effects of 2.4 %. The currency effect of 2.4 % corresponds to about SEK 81.3 million and is mainly with the currencies EUR, BGN and CNY. Taking into account the elimination of AQ Segerström & Svensson's turnover of SEK 157 million in the first nine months of 2018, the first nine months of 2019 shows a growth of 15.8 %, of which organic growth was 5.3 %, growth through acquisitions 8.0 % and currency effect of 2.5 %.

Operating margin (EBIT) in the first nine months was SEK 276 million (151), an increase of SEK 125 million.

Goodwill and other intangible assets have increased with SEK 149 million compared to the third quarter of 2018, an increase due to overvalues in acquisitions, currency translation effects and depreciation of technology and customer relations.

The Group's acquisition of tangible fixed assets was SEK 120 million (96) in the period. Most of this are replacement investments and investments for capacity increase to get a more efficient production. In total, tangible fixed assets amounted to SEK 1 000 million (548), of which SEK 313 million consists of the book value of right-of-use assets in accordance with IFRS 16, see Note 2.

The Group's interest-bearing liabilities without regard to IFRS 16 amount to SEK 638 million (442) and cash and cash equivalents to SEK 127 million (102), which means that the Group has a net debt of SEK 511 million. The same period last year, the Group had net debt of SEK 340 million. The increase is mainly due to new loans in connection with acquisitions.

The Group's interest-bearing liabilities with regard to IFRS 16 which began to apply on January 1, 2019, amount to SEK 953 million and cash and cash equivalents to SEK 127 million, which means that the Group has a net debt of SEK 826 million taking into account IFRS16.

Cash flow from operating activities was SEK 346 million (109), an improvement if SEK 237 million. During the first nine months profit has improved, inventory has increased, accounts receivable and other receivables decreased, while accounts payable and other payables also decreased. Activities to reduce working capital have continued during the quarter.

Cash flow from investing activities was SEK -414 million (-207), which relates to acquisitions and investments in fixed assets.

Cash flow from financing activities was SEK 89 million (53) which partly relates to new bank loans, decreased usage of overdraft facility, amortization of loans, payment of leasing debts and payments of dividend to shareholders.

Equity at the end of the period was SEK 2 021 million (1 737) for the group.

Significant events during the first nine months

First quarter

There have been no significant events during the first quarter.

Second quarter

AQ Group AB signed an agreement on April 29, 2019 to acquire 100% of the shares in LTI Holding Oy with the subsidiary Trafotek Oy in Finland and its subsidiaries Trafotek AS in Estonia, Trafotek Suzhou Co., Ltd. in China, Trafotek Power Eletronicos e Transformadores in Brazil and Trafotek Corporation USA. The purchase price was EUR 27.5 million.

The closing took place on June 3, 2019 after the transaction was approved by the Estonian and Finnish competition authorities. Trafotek is a leading supplier in the design and manufacturing of power electronics components, such as reactors, transformers and filters for medium to high power levels. Trafotek's customers are leading players in power electronics, industrial automation, renewable energy and marine industry. The company's headquarters and a production facility is located in Kaarina, Finland. In addition, Trafotek has factories in Rae, Estonia in Itu, Brazil and in Suzhou, China. They also have a sales and R&D office in Bremen, Germany. The company has sales of approximately EUR 45 million, with an EBITDA margin of approximately 7%. The purpose of the acquisition is to expand AQ's customer base and to broaden the offering within inductive components. Trafotek has long experience of demanding industrial customers and the company fits in well with the AQ portfolio.

AQ and Trafotek combined will be a strong player with technology and manufacturing presence in important parts of the world.

Third quarter

On July 1, AQ Wiring Systems AB acquired all shares in MiniCon AB with annual sales of approximately SEK 10 million. MiniCon is a company specializing in the sale of interconnect technology products to the aerospace and defence industries and to civilian industries such as robot manufacturers, machine builders and telecom companies. The company works directly with a number of world-leading manufacturers of connectors, rear covers, automatic fuses, relays and tools such as crimping tools, electronic pliers and torque tools. The acquisition of MiniCon is a very good complement - through its expertise on the component side - to AQ Wiring Systems, which supplies customized electrical systems & cabling to the defence, medical, mining and forestry industries.

Significant events after the end of the period

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

Goals

The goal of the group is continued profitable growth. The Board of Directors 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.

	Goal	Jan-Sep 2019
Product quality	100 %	99.5 %
Delivery precision	98 %	92.1 %
Equity ratio	>40 %	51 %
Profit margin before tax (EBT %)	8 %	6.9 %

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 2019, AQ Group AB has paid SEK 50.3 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 25, 2019 it was decided that a yearly fee of SEK 200,000 shall be paid to the members of the Board of Directors and a fee of SEK 450,000 to the chairman of the board. For the chairman of the Audit Committee, the remuneration shall be SEK 100,000 and to the other members of the Audit Committee, SEK 40,000. For the chairman of the Remuneration Committee, the remuneration shall be SEK 50,000 and to the other members of the Remuneration Committee, SEK 30,000. 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 sixteen 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 2018. No additional significant risks have been identified since the annual report of 2018 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 currency and prices.

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 intermediate goods 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 receivables from customers.

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

Future reporting dates

Year-end report Q4, 2019	February 20, 2020, at 08:00
Interim report Q1, 2020	April 22, 2020, at 08:00
Interim report Q2, 2020	July 23, 2020, at 08:00

Financial information

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

The information was made public on October 24, 2019 at 08:00.

This report has been briefly reviewed by the company's financial auditors.

Further information can be given by AQ Group AB:
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CFO, Mia Tomczak, telephone +46 70-833 00 80, mia.tomczak@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 24, 2019

Anders Carlsson
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 2019 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, October 24, 2019

KPMG AB

Helena Arvidsson Älgne
Authorized Public Accountant

Financial reports, summary

Summary income statement for the Group

SEK thousands	Note	3) Jul-Sep 2019	2) Jul-Sep 2018	3) Jan-Sep 2019	2) Jan-Sep 2018	Rolling 12 months Oct 2018 -Sep 2019	2) Full year 2018
Net sales		1 246 556	1 137 327	3 812 849	3 450 992	5 029 077	4 667 220
Other operating income		17 694	15 480	59 832	52 708	96 385	89 261
		1 264 250	1 152 807	3 872 681	3 503 700	5 125 462	4 756 481
Change in inventory and work in progress		13 112	12 598	6 474	47 542	-14 201	26 867
Raw material and consumables		-642 391	-586 925	-1 934 807	-1 776 301	-2 552 828	-2 394 322
Goods for resale		-11 526	-22 629	-42 457	-75 865	-61 508	-94 917
Other external expenses	6	-131 384	-148 491	-401 074	-451 282	-579 420	-629 627
Personnel costs		-335 344	-284 402	-1 034 711	-917 671	-1 360 006	-1 242 966
Depreciation and amortisation		-60 687	-32 311	-160 304	-83 047	-189 488	-112 231
Other operating expenses	6	-9 353	-68 687	-30 055	-95 812	-35 344	-101 101
		-1 177 574	-1 130 848	-3 596 934	-3 352 436	-4 792 794	-4 548 297
Operating profit		86 676	21 959	275 747	151 263	332 668	208 184
Net financial income/expense	6, 7	-4 669	-719	-12 313	-6 216	-15 959	-9 862
Profit before tax		82 007	21 239	263 434	145 047	316 709	198 322
Taxes		-12 990	-20 780	-48 183	-39 990	-53 971	-45 778
Profit for the period		69 018	460	215 251	105 057	262 738	152 544
PROFIT FOR THE PERIOD ATTRIBUTABLE TO:							
Parent company shareholders		68 601	116	214 014	103 942	261 125	151 053
Non-controlling interests		416	344	1 238	1 115	1 613	1 491
		69 018	460	215 251	105 057	262 738	152 544
Earnings per share ¹⁾		3,77	0,01	11,77	5,68	14,36	8,26

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

²⁾ Based on the previous accounting standard for lease contracts IAS 17, see also note 2

³⁾ Based on the new current accounting standard for lease contracts IFRS 16, see also note 2

Statement of comprehensive income for the Group

SEK thousands	3) Jul-Sep 2019	2) Jul-Sep 2018	3) Jan-Sep 2019	2) Jan-Sep 2018	Rolling 12 months Oct 2018 -Sep 2019	2) Full year 2018
PROFIT FOR THE PERIOD	69 018	460	215 251	105 057	262 738	152 544
OTHER COMPREHENSIVE INCOME						
Items that cannot be transferred to the profit for the period						
Revaluation of defined benefit pension plans					-351	-351
Revaluation of defined benefit pension plans, tax effect					13	13
Items transferred or that can be transferred to the profit for the period						
Translation difference for foreign operations	23 386	-17 321	73 240	39 029	74 367	37 621
Other comprehensive income for the period after tax	23 386	-17 321	73 240	39 029	74 029	37 283
Comprehensive income for the period	92 403	-16 862	288 491	144 086	336 767	189 827
COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:						
Parent company shareholders	91 882	-17 142	286 996	142 796	334 918	188 182
Non-controlling interests	521	280	1 494	1 290	1 849	1 645
	92 403	-16 862	288 491	144 086	336 767	189 827

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

²⁾ Based on the previous accounting standard for lease contracts IAS 17, see also note 2

³⁾ Based on the new current accounting standard for lease contracts IFRS 16, see also note 2

Summary balance sheet for the Group

SEK thousands	Note	2) 30/09/2019	1) 30/09/2018	1) 31/12/2018
ASSETS				
Goodwill		363 063	273 974	272 313
Other intangible assets		231 058	170 902	164 667
Tangible assets	6	999 777	547 547	567 918
Financial assets		2 254	2 135	2 174
Deferred tax assets	6	58 032	15 883	14 670
TOTAL NON-CURRENT ASSETS		1 654 183	1 010 441	1 021 744
Inventories	6	938 607	831 231	790 724
Trade and other receivables	6	1 111 759	1 045 422	1 081 833
Other current receivables	6	151 642	115 188	104 804
Cash and cash equivalents		126 950	102 184	100 683
TOTAL CURRENT ASSETS		2 328 958	2 094 024	2 078 044
TOTAL ASSETS		3 983 140	3 104 465	3 099 788
EQUITY AND LIABILITIES				
Equity attributable to parent company shareholders		2 014 013	1 731 939	1 777 325
Non-controlling interests		6 881	5 032	5 386
TOTAL EQUITY		2 020 893	1 736 971	1 782 711
Non-current liabilities to credit institutions		472 012	21 405	16 667
Non-current non-interest-bearing liabilities	7	146 475	152 006	137 103
Total non-current liabilities		618 487	173 411	153 769
Interest-bearing current liabilities	6	480 895	420 982	417 480
Trade and other payables	6	525 721	469 952	449 868
Other current liabilities	6	337 145	303 150	295 960
Total current liabilities		1 343 761	1 194 084	1 163 307
TOTAL LIABILITIES		1 962 247	1 367 495	1 317 076
TOTAL EQUITY AND LIABILITIES		3 983 140	3 104 465	3 099 788

¹⁾ Based on the previous accounting standard for lease contracts IAS 17, see also note 2

²⁾ Based on the new current accounting standard for lease contracts IFRS 16, see also note 2

Statement of changes in Equity for the Group

SEK thousands	Equity attributable to parent company shareholders				Subtotal	Non-controlling interests	Total equity
	Share capital	Other contributed capital	Translation reserve	Retained earnings incl. profit			
Equity, 01/01/2018	36 588	84 194	97 927	1 420 746	1 639 452	3 742	1 643 193
Profit for the period				103 942	103 942	1 115	105 057
Translation differences in foreign operations			38 854		38 854	175	39 029
Other comprehensive income			38 854		38 854	175	39 029
Comprehensive income for the period			38 854	103 942	142 796	1 290	144 086
Acquisition of companies, revaluation tax effect							
Dividends paid				-50 309	-50 309		-50 309
Transactions with shareholders				-50 309	-50 309		-50 309
Equity, 30/09/2018	1)	36 588	84 194	136 781	1 474 380	5 032	1 736 971
Equity, 01/01/2019		36 588	84 194	135 384	1 521 160	5 386	1 782 711
Profit for the period				214 014	214 014	1 238	215 251
Translation differences in foreign operations			72 983		72 983	257	73 240
Other comprehensive income			72 983		72 983	257	73 240
Comprehensive income for the period			72 983	214 014	286 996	1 494	288 491
Dividends paid				-50 309	-50 309		-50 309
Transactions with shareholders				-50 309	-50 309		-50 309
Equity, 30/09/2019	2)	36 588	84 194	208 366	1 684 865	6 881	2 020 893

¹⁾ Based on the previous accounting standard for lease contracts IAS 17, see also note 2

²⁾ Based on the new current accounting standard for lease contracts IFRS 16, see also note 2

All shares, 18 294 058 pcs, are A-shares with equal voting rights and equal rights to the results.

Summary cash flow statement for the Group

SEK thousands	2)	1)	2)	1)	1)
	Jul 1-Sep 30, 2019	Jul 1-Sep 30, 2018	Jan 1- Sep 30,2019	Jan 1- Sep 30,2018	Full Year 2018
Profit before tax	82 007	21 239	263 434	145 047	198 322
Adjustment for non cash generating items	68 993	102 473	165 052	155 575	178 532
Income tax paid	-16 302	-17 593	-59 077	-48 152	-52 011
Cash flow from operating activities before change in working capital	134 698	106 118	369 409	252 470	324 843
Increase (-)/decrease (+) in inventories	-40 648	-33 397	-43 010	-75 772	-35 245
Increase (-)/decrease (+) in trade receivables	70 911	6 385	55 687	-98 543	-135 136
Increase (-)/decrease (+) in other receivables	-5 643	-7 202	32 060	32 377	40 241
Increase (+)/decrease (-) in trade payables	-8 299	-17 110	-14 466	1 769	-22 707
Increase (+)/decrease (-) in other liabilities	-19 468	-15 385	-53 311	-2 833	-21 407
Change in working capital	-3 147	-66 708	-23 039	-143 002	-174 253
Cashflow from operating activities	131 551	39 410	346 370	109 468	150 589
Aquisitions of shares in subsidiaries	-4 462	-	-295 571	-122 908	-123 286
Divestment of shares in subsidiaries/associated comp	-	-	-	1 310	1 310
Acquisition of intangible non-current assets	-368	-1 572	-2 417	-2 016	-2 252
Acquisition of tangible non-current assets	-34 209	-53 650	-120 303	-95 974	-136 771
Sale of tangible non-current assets	1 743	8 356	4 051	12 391	19 777
Purchase/Sales of short-term investment in securities	84	110	173	-	-106
Cashflow from investing activities	-37 213	-46 756	-414 065	-207 197	-241 328
New borrowings, credit institutions	-	-	299 115	170 000	170 000
Amortisation of loans	-26 871	-33 276	-30 408	-36 505	-38 062
Amortisation lease liabilities	-23 374	-1 809	-62 289	-6 411	-7 143
Change in bank overdraft facilities	-41 844	8 529	-67 496	-23 724	-30 614
Dividends to the parent company shareholders	-	-	-50 309	-50 309	-50 309
Other changes in financial activities	-	-100	-	-125	-
Cashflow from financing activities	-92 088	-26 656	88 613	52 927	43 873
Change in cash and cash equivalents for the period	2 250	-34 002	20 917	-44 802	-46 866
Cash and cash equivalents at the beginning of the year	122 807	140 022	100 683	142 049	142 049
Exchange rate difference in cash and cash equivalents	1 893	-3 837	5 350	4 936	5 499
Cash and cash equivalents at the end of the period	126 950	102 184	126 950	102 184	100 683

¹⁾ Based on the previous accounting standard for lease contracts IAS 17, see also note 2

²⁾ Based on the new current accounting standard for lease contracts IFRS 16, see also note 2

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	Note	Jul - Sep 2019	Jul - Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Rolling 12 months Oct 2018 -Sep 2019	Full year 2018
Net sales		7 443	13 669	33 505	38 222	46 920	51 637
Other operating income		546	738	1 739	2 629	1 873	2 763
		7 989	14 407	35 244	40 851	48 792	54 400
Other external expenses	6	-4 456	-4 518	-14 467	-14 202	-27 254	-26 988
Personnel costs		-7 069	-4 590	-21 419	-13 510	-26 710	-18 801
Depreciation and amortisation			-73		-232	-86	-319
Other operating expenses		-34	-31	-658	-129	-829	-299
		-11 559	-9 213	-36 545	-28 073	-54 879	-46 407
Operating profit		-3 570	5 195	-1 301	12 778	-6 087	7 992
Net financial items	6,7	14 243	11 606	117 721	218 537	101 883	202 699
Earnings after net financial items		10 673	16 801	116 420	231 315	95 796	210 691
Appropriations						24 752	24 752
Profit before tax		10 673	16 801	116 420	231 315	120 548	235 443
Taxes		1 059	-5 920	-584	-6 743	-5 014	-11 172
Profit for the period		11 732	10 880	115 836	224 572	115 535	224 271

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

Third quarter

Net sales for the third quarter was SEK 7.4 million (13.7), lower than the same period in the previous year, because the parent company invoiced a lower service fee (group common costs) than the same period the year before. Other external expenses were SEK 4.5 million (4.5).

Personnel costs were SEK 7.1 million (4.6). An explanation of the increase is among other things that the number of employees has increased, and extra personnel has decreased. Operating profit (EBIT) was SEK -3.5 million (5.1).

Net financial items were positive by SEK 14.2 million (11.6). Net financial items consist of dividends from subsidiaries SEK 15.6 million (69), unrealized exchange losses SEK 2.6 million, bank interest SEK 1.9 million, positive change in value of forward contracts SEK 1.2 million and internal interest SEK 1.2 million.

The Parent Company has a tax revenue of SEK 1.1 million (-5.9). Operating profit (EBIT) is negative for the period, but the earnings after net financial items is positive due to tax-free dividend from subsidiaries.

First nine months

Net sales for the first nine months was SEK 33.5 million (38.2), lower than the same period in the previous year, because the parent company invoiced a lower service fee. Other external expenses were SEK 14.5 million (14.2).

Personnel costs were SEK 21.5 million (13.5). An explanation of the increase is among other things that the number of employees has increased, and temporary personnel has decreased.

Operating profit (EBIT) was SEK -1.3 million (12.8). Net financial items were SEK 117.7 million (218.5), and consist partly of tax-free dividends from subsidiaries SEK 124.8 million (280.0).

The parent company has a tax expense of SEK 0.6 million (-6.7). Operating profit (EBIT) is negative for the period, but the earnings after net financial items is positive due to tax-free dividend from subsidiaries.

Summary balance sheet for the Parent company

SEK thousands	30/09/2019	30/09/2018	31/12/2018
ASSETS			
Tangible assets	-	1 288	1 366
Financial fixed assets	1 201 027	852 384	840 005
Deferred tax assets	107	-	41
TOTAL NON-CURRENT ASSETS	1 201 134	853 673	841 412
Other current receivables	353 177	401 676	420 157
Cash and cash equivalents	-	-	-
TOTAL CURRENT ASSETS	353 177	401 676	420 157
TOTAL ASSETS	1 554 312	1 255 349	1 261 569
EQUITY AND LIABILITIES			
Restricted equity	37 745	37 745	37 745
Non-restricted equity	573 222	507 996	507 695
Total equity	610 966	545 740	545 439
Untaxed reserves	53 054	60 407	53 054
Deferred tax liabilities	326	6	-
Other provisions	33 352	41 310	41 310
Provisions	33 677	41 316	41 310
Non-current interest-bearing liabilities	225 000	688	683
Non-current non-interest-bearing liabilities	-	11 359	-
Total non-current liabilities	225 000	12 047	683
Interest-bearing current liabilities	619 888	582 728	563 411
Trade and other payables	1 818	2 026	3 568
Other current liabilities	9 908	11 085	54 103
Total current liabilities	631 614	595 839	621 082
TOTAL LIABILITIES	890 291	649 202	663 076
TOTAL EQUITY AND LIABILITIES	1 554 312	1 255 349	1 261 569

The change in financial fixed assets compared with the same period last year is attributable to the acquisitions of the companies in the Trafotek group and Minicon which were made during the second and third quarter of 2019, as well as new long-term receivables from subsidiaries.

Other current receivables are mainly receivables from Group companies of SEK 338.6 million (396.0) and consist of the cash pool.

The increase in non-restricted equity of SEK 65.5 million compared with December 31, 2018 consists of profit in the period reduced by dividends to shareholders.

Untaxed reserves consist of tax allocation reserves and excess depreciation. Other provisions of SEK 33.3 million consist of additional purchase price in connection with the acquisition of B3CG.

Non-current interest-bearing liabilities of SEK 225 million (0.7) is the non-current part of a bank loan in connection with the acquisition of Trafotek.

Interest-bearing current liabilities have increased with SEK 37.2 million compared to the same period in the previous year and consists of short-term bank loans of SEK 334.2 million (285.0), usage of bank overdraft of SEK 56.7 million (112.5) and debts to subsidiaries in the cash pool of SEK 229 million (185).

Other current liabilities SEK 9.9 million (11.1) consist of other liabilities and accrued expenses and income.

Notes to the financial reports, in brief

Note 1. Accounting principles

The summary interim report has been prepared in accordance 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, with the exception of IFRS 16, see Note 2, have the same accounting principles and calculations been applied as in the most recent 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.

In 2019, the Group has begun to apply IFRS 16. With IFRS 16, all leases will be accounted for in the group's balance sheet except for leases of lesser value and contracts with a lease period of less than 12 months. AQ has chosen to use the relief rules for short leases or assets of low value.

The company has also chosen to use the simplified transition method, which means that no recalculation will be made of the comparative figures and that the entry value of equity is not affected. See more information under note 2.

Note 2. Summary description of IFRS 16 Leases

When a contract is entered into, the Group assesses whether the agreement is, or contains a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Lessee

The Group reports a right-of-use asset and a leasing debt on the date of the lease agreement. The right-of-use is initially valued at acquisition value, which consists of the original value of the lease liability with addition for lease payments paid at or before the start date plus any initial expenses. The right-of-use asset is subsequently written off linearly from the start date to the earliest of the end of the asset's useful life and the end of the lease term.

The leasing liability is initially valued at the present value of the future lease payments that have not been paid at the start date. The leasing fees are discounted by the implicit interest on the lease. If this interest rate cannot be easily determined, the Group's marginal borrowing rate is used. The leasing debt is valued at amortized cost using the effective interest method. The leasing debt is revalued if the future leasing fees change as a result of, among other things, changes in an index or a price. When the leasing debt is revalued in this way, a corresponding adjustment is made to the reported value of the right-of-use asset.

Short leases or leases of low value

The Group has chosen not to report liability for right-of-use assets and leasing liabilities for leases that are shorter than 12 months and contracts of lesser value. Leasing fees for these leases are reported as a cost on linearly over the lease term.

Summary of the effects of the transition to IFRS 16 Leases

Definition of leasing

Previously, the Group determined whether an agreement contained leases according to IAS 17 or IFRIC 4 at the beginning of the agreement. As of January 1, 2019, the Group assesses whether an agreement contains leases based on the definition of leasing agreements in IFRS 16.

However, at the transition to IFRS 16, the Group chose to apply the relief rule to inherit the earlier definition of leasing at the transition. This means that IFRS 16 is only applied to agreements that were previously defined as leasing agreements. Agreements that were not identified as leases under IAS 17 and IFRIC 4 were not revised. Because of this, the definition of leasing agreements in accordance with IFRS 16 is applied only to the agreements that have been amended or entered into after January 1, 2019.

Leases where the Group is a lessee

At the transition to IFRS 16, the Group has chosen to apply the modified retroactive approach. Its meaning and effects on the Group are described below. Previously, the Group classified leases as operating or financial leases based on whether the leasing agreement transferred the significant risks and benefits that ownership of the underlying asset brings to the Group. According to IFRS 16, the Group recognizes right-of-use assets and leasing liabilities for most leasing agreements, i.e. they are included in the balance sheet, exceptions to these are stated below.

Leases previously classified as operating leases in accordance with IAS 17

At the transition, the lease liabilities were valued at the present value of the remaining leasing fees, discounted by the Group's marginal borrowing rate on the first application date (January 1, 2019). The right-of-use asset was valued at an amount corresponding to the lease liability, adjusted for any prepaid or accrued lease payments.

The Group has chosen to apply the following practical solutions:

- Applied a single discount rate for all agreements for countries with a certain level of risk.
- Right-of-use assets and leasing liabilities have not been recognized for leasing agreements for which the leasing period is terminated in 12 months or earlier (short-term leases).
- Excluded initial direct expenses from the valuation of the right-of-use asset on the first day of application.

Leases previously classified as finance leases

For leases classified as finance leases in accordance with IAS 17, the carrying amount of the right-of-use asset and the leasing liability as of January 1, 2019 was determined at the carrying amount of the lease asset and the leasing liability according to IAS 17 immediately before that date.

Effect on the financial reports

At the transition to IFRS 16, the Group reported right-of use assets of SEK 285 million and leasing liabilities of SEK 280 million, of which SEK 84 million is short-term lease liabilities. The difference between assets and liabilities is due to prepaid lease payments that were reported as assets on December 31, 2018, which are added to the right-of-use assets on January 1, 2019. In the valuation of the leasing debt, the Group discounted the leasing fees to the marginal borrowing rate as of January 1, 2019. The weighted average interest rate used is 1.57%.

SEK million	January 1, 2019
Operating leases, minimum payments December 31, 2018 according to Annual Report 2018	284
Discounted with marginal loan interest January 1, 2019	279
Additional - finance lease liabilities accounted for December 31, 2018	6
Deducted - exemption for short term leases and assets of low value	-5
Lease liabilities as per January 1, 2019	280

Leasing liabilities for leases that were previously classified as financial leases, in accordance with the transition rules in IFRS 16, were recognized at the beginning of the year at the same amount as at the end of 2018.

The reported right-of-use assets are attributable to the following types of assets:

MSEK	September 30, 2019	December 31, 2018
Property	301	269
Machines	6	7
Vehicles	10	8
IT-equipment	1	1
Total right-of-use assets	318	285

Comparative figures as if IAS 17 had been applied also in 2019

Excerpt from The Group's income statement

	IFRS16		IAS17		IFRS16		IAS17	
	Jul-Sep 2019	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2019	Jan-Sep 2018	Jan-Sep 2018	
SEK million								
EBITDA	147	124	54	436	375	234		
Depreciations	-61	-38	-32	-160	-101	-83		
Operating profit (EBIT)	87	86	22	276	274	151		
Net finance costs	-5	-3	-1	-12	-9	-6		
Profit before tax (EBT)	82	82	21	263	265	145		
Profit for the period	69	69	0	215	217	105		
Profit margin before tax (EBT %)	6,6%	6,6%	1,9%	6,9%	7,0%	4,2%		

Excerpt from the Group's Balance Sheet

SEK million	IFRS16	IAS17	
	30/09/2019	30/09/2019	31/12/2018
Assets			
Right-of-use-assets	318	-	-
Other fixed assets	1 336	1 341	-
Total fixed assets	1 654	1 341	1 010
Total assets	3 983	3 670	3 104
Equity			
Profit brought forward including profit for the period	1 685	1 687	1 476
Total equity	2 021	2 023	1 737
Liabilities			
Long term lease liabilities	236	4	3
Total long term liabilities	618	386	173
Short term lease liabilities	83	1	1
Total short term liabilities	1 344	1 261	1 194
Total liabilities	1 962	1 647	1 367
Total equity and liabilities	3 983	3 670	3 104
Solidity	51%	55%	56%

Excerpt from the Group's Cash-flow statement

SEK million	IFRS16		IAS17		IFRS16		IAS17	
	Jul 1 -Sep 30 2019	Jul 1 -Sep 30 2019	Jul 1 -Sep 30 2018	Jan 1 -Sep 30 2019	Jan 1 -Sep 30 2019	Jan 1 -Sep 30 2019	Jan 1 -Sep 30 2018	
Profit before tax	82	81	21	263	265	145		
Adjustment for non-cash items	69	45	102	165	102	156		
Cash flow from operating activities	132	106	39	346	285	109		
Cash flow from investing activities	-37	-37	-47	-414	-414	-207		
Amortisation of loans (lease)	-23	0	-2	-62	-1	-6		
Cash flow from financing activities	-92	-68	-27	89	150	53		
Change in cash and cash equivalents for the period	2	2	-34	21	21	-45		

Note 3. 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

Third quarter

For the segment Component, the total net sales for the third quarter was SEK 1 073 million (934), of which SEK 982 million (850) is external sales. The increase of the external sales of totally SEK 132 million is due to increased demands from our acquisitions. The result is positively affected by the fact that we no longer have the three units that we restructured in 2018.

For the segment System, the total net sales for the third quarter was SEK 289 million (321), of which SEK 264 million (287) is external sales. The decrease of the external sales of SEK 23 million is due to decreased demands from our customers.

Operating profit (EBIT) in the third quarter was SEK 65 million (5) for Component, which was SEK 60 million better than the same period last year. Operating profit (EBIT) for System was SEK 26 million (27), which was SEK 1 million lower than the same period last year.

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

Jul -Sep 2019, SEK thousands	2)	Component	System	Unallocated and eliminations	Group
Net sales, external		982 290	264 266		1 246 556
Net sales, internal		91 195	25 032	-116 226	
Total net turnover		1 073 485	289 297	-116 226	1 246 556
Material costs, excl. purchases own segment		-529 519	-202 618	91 332	-640 805
Depreciation		-54 296	-6 218	-173	-60 687
Other operating expenses/income		-424 655	-54 864	21 132	-458 387
Operating profit		65 015	25 597	-3 936	86 676
Net financial items				-4 669	-4 669
Profit before tax		65 015	25 597	-8 605	82 007
Other comprehensive income plus tax				10 396	10 396
Comprehensive income for the period		65 015	25 597	1 791	92 403

Jul - Sep 2018, SEK thousands	1)				
Net sales, external		850 057	287 270		1 137 327
Net sales, internal		84 184	34 076	-118 260	
Total net turnover		934 240	321 346	-118 260	1 137 327
Material costs, excl. purchases own segment		-473 206	-231 515	107 764	-596 957
Depreciation		-30 988	-1 250	-73	-32 311
Other operating expenses/income		-425 223	-61 997	1 120	-486 100
Operating profit		4 823	26 585	-9 449	21 959
Net financial items				-719	-719
Profit before tax		4 823	26 585	-10 168	21 239
Other comprehensive income plus tax				-40 638	-40 638
Comprehensive income for the period		4 823	26 585	-50 806	-19 399

¹⁾ Based on the previous accounting standard for lease contracts IAS 17, see also note 2

²⁾ Based on the new current accounting standard for lease contracts IFRS 16, see also note 2

First nine months

For the segment Component, the total net sales for the first nine months was SEK 3 243 million (2 953), of which SEK 2 970 million (2 674) is external sales. The increase of the external sales of totally SEK 296 million is due to increased demands from our customers and our acquisitions. The result is positively affected by the fact that we no longer have the three units that we restructured in 2018.

For the segment System, the total net sales for the first nine months was SEK 952 million (910), of which SEK 843 million (777) is external sales. The increase of the external sales of SEK 66 million is due to increased demands from our customers.

Operating profit (EBIT) for the first nine months was SEK 207 million (108) for Component, which was SEK 99 million better than the same period last year. Operating profit (EBIT) for System was SEK 73 million (49), which was SEK 24 million better than the same period last 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-Sep 2019, SEK thousands	2)	Component	System	Unallocated and eliminations	Group
Net sales, external		2 970 299	842 550		3 812 849
Net sales, internal		272 585	109 173	-381 758	
Total net turnover		3 242 883	951 723	-381 758	3 812 849
Material costs, excl. purchases own segment		-1 624 581	-676 974	330 766	-1 970 790
Depreciation		-141 774	-18 000	-531	-160 304
Other operating expenses/income		-1 270 009	-183 328	47 330	-1 406 008
Operating profit		206 520	73 420	-4 193	275 747
Net financial items				-12 313	-12 313
Profit before tax		206 520	73 420	-16 506	263 434
Other comprehensive income plus tax				25 057	25 057
Comprehensive income for the period		206 520	73 420	8 551	288 491
Jan-Sep 2018, SEK thousands					
	1)				
Net sales, external		2 674 013	776 979		3 450 992
Net sales, internal		278 719	132 959	-411 677	
Total net turnover		2 952 731	909 937	-411 677	3 450 992
Material costs, excl. purchases own segment		-1 515 458	-669 586	380 420	-1 804 625
Depreciation		-79 399	-3 415	-232	-83 047
Other operating expenses/income		-1 250 034	-187 638	25 615	-1 412 057
Operating profit		107 840	49 298	-5 875	151 263
Net financial items				-6 216	-6 216
Profit before tax		107 840	49 298	-12 091	145 047
Other comprehensive income plus tax				-3 498	-3 498
Comprehensive income for the period		107 840	49 298	-15 589	141 549

¹⁾ Based on the previous accounting standard for lease contracts IAS 17, see also note 2

²⁾ Based on the new current accounting standard for lease contracts IFRS 16, see also note 2

Sales divided by segment and geographical markets

Third quarter

The turnover divided among geographical markets in the third quarter: Sweden 33 % (41), other European countries 52 % (45) and other countries 15% (14).

Jul-Sep 2019, SEK thousands	Component	System	Unallocated and eliminations	Group
Sweden	256 516	183 005	7 443	446 964
Other European countries	640 093	72 590		712 683
Other countries	176 876	33 703		210 579
Net sales	1 073 485	289 297	7 443	1 370 226
Internal sales, eliminations			-123 670	-123 670
Total net turnover	1 073 485	289 297	-116 226	1 246 556

Jul -Sep 2018, SEK thousands	Component	System	Unallocated and eliminations	Group
Sweden	301 193	202 309	13 673	517 175
Other European countries	493 982	73 309		567 291
Other countries	139 066	45 728		184 794
Net sales	934 240	321 346	13 673	1 269 260
Internal sales, eliminations			-131 934	-131 934
Total net turnover	934 240	321 346	-118 260	1 137 327

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

First nine months

The turnover divided among geographical markets in the first nine months: Sweden 36 % (43), other European countries 50 % (45) and other countries 14 % (12).

Jan -Sep 2019, SEK thousands	Component	System	Unallocated and eliminations	Group
Sweden	867 508	602 430	33 505	1 503 443
Other European countries	1 873 750	246 815		2 120 565
Other countries	501 625	102 479		604 104
Net sales	3 242 883	951 723	33 505	4 228 111
Internal sales, eliminations			-415 263	-415 263
Total net turnover	3 242 883	951 723	-381 758	3 812 849

Jan-Sep 2018, SEK thousands	Component	System	Unallocated and eliminations	Group
Sweden	1 067 857	582 909	38 222	1 688 988
Other European countries	1 545 023	202 246		1 747 269
Other countries	339 851	124 782		464 634
Net sales	2 952 731	909 937	38 222	3 900 891
Internal sales, eliminations			-449 899	-449 899
Total net turnover	2 952 731	909 937	-411 677	3 450 992

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

Note 4. Personnel

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

	Jan-Sept 2019	Jan-Sept 2018	Jan-Sept 2017
Bulgaria	1 300	1 235	1 103
Poland	1 126	1 111	977
Sweden	871	888	1 066
Lithuania	780	720	685
Estonia	623	377	378
China	474	444	480
Hungary	363	377	435
Finland	218	124 -	
Mexico	218	204	172
Canada	167	155 -	
India	132	130	122
USA	87	107 -	
Serbia	35	32	17
Italy	21	20	18
Brazil	6	-	-
Germany	3	-	-
Thailand	-	36	27
	6 424	5 960	5 480

Note 5. Acquisitions

AQ's strategy is to grow in both segments. During the period January to September one major acquisition and one minor was made. There have been no divestments.

Acquisitions during the first nine months of 2019

Date	Acquisition	Number of employees*
June 3, 2019	LTI Holding Oy	- Finland
	Trafotek Oy	100 Finland
	Trafotek Oy	3 Germany
	Trafotek AS	250 Estonia
	Trafotek Suzhou Co, Ltd	40 China
	Trafotek Power Electronics e Transformadores	6 Brazil
	Trafotek Corporation USA	- USA
July 1, 2019	MiniCon AB	3 Sweden

Annual revenues for acquired companies at the time of the acquisition total SEK 497 million, allocated to Trafotek group SEK 487 million and MiniCon AB SEK 10 million.

* Net sales and number of employees at the time of acquisition

Trafotek

On June 3, 2019, AQ Group AB acquired 100% of the shares in the unlisted company LTI Holding Oy with the subsidiary Trafotek Oy in Finland and its subsidiaries Trafotek AS in Estonia, Trafotek Suzhou Co., Ltd. in China, Trafotek Power Eletronicos e Transformadores in Brazil and Trafotek Corporation USA. The purpose of the acquisition is to expand AQ's customer base and broaden the offering within inductive components. The purchase price amounted to EUR 27.5 million in cash.

The company has prepared a preliminary acquisition analysis that shows consolidated overvalues of approx. SEK 145.3 million divided into customer relations SEK 31.7 million, technology SEK 38.1 million, goodwill SEK 75.5 million and a deferred tax liability of SEK 14.0 million. The depreciation rate is estimated at 5 years for customer relations and 10 years for technology. The estimated goodwill value of SEK 75.5 million includes synergy effects in the form of more efficient production processes and the technical knowledge of the employees. No part of the goodwill is expected to be tax deductible. The acquisition analysis is preliminary as a result of a short period of time since the acquisition.

External acquisition-related expenses arose in connection with the acquisition of SEK 2.8 million, which are included in the Group's other external costs.

Operating receivables are stated at gross value, since there are no accounts receivable reserves, which is in line with fair value. The acquisition was financed with a new bank loan.

During the period June to September, the acquired company contributed SEK 171 million to the Group's revenue and SEK 5.6 million to the Group's profit after tax including acquisition related depreciations. The contribution to the profit after tax excluding acquisition related depreciations amount to SEK 8.3 million.

If the acquisition had occurred on January 1, 2019, i.e. including January to May, the management estimates that the Group's revenue would have been SEK 219 million higher and the profit for the period after tax including acquisition related depreciations would have been SEK 9 million better for the first

nine months of 2019. The contribution to the profit after tax excluding acquisition related depreciations would have been SEK 12.3 million better.

MiniCon AB

On July 1, AQ Wiring Systems AB acquired all shares in MiniCon AB with annual sales of approximately SEK 10 million. The purpose of the acquisition is that MiniCon AB is a good complement to AQ Wiring Systems AB, through its expertise in components. The purchase price was SEK 4.5 million in cash.

The company has prepared a preliminary acquisition analysis that shows consolidated overvalues of approx. SEK 3.3 million divided into customer relations SEK 1.8 million, goodwill SEK 1.5 million and a deferred tax liability of SEK 0.4 million. The depreciation rate is estimated at 5 years for customer relations. The estimated goodwill value of SEK 1.5 million includes synergy effects in the form of more efficient production processes and the technical knowledge of the employees. No part of the goodwill is expected to be tax deductible. The acquisition analysis is preliminary as a result of a short period of time since the acquisition.

There were no external costs in conjunction with the acquisition.

Operating receivables are stated at gross value, since there are no accounts receivable reserves, which is in line with fair value. The acquisition was financed without a new bank loan.

During the period July to September, the acquired company contributed SEK 1.7 million to the Group's revenue and SEK -0.2 million to the Group's profit after tax. If the acquisition had occurred on January 1, 2019, i.e. including January to June, the management estimates that the Group's revenue would have been SEK 3.4 million higher and the profit for the period after tax would have been SEK 0.5 million better for the first nine months of 2019.

Net assets in acquired companies: (SEK thousands)

	MiniCon AB	Trafotek Group	Group total
Intangible assets	-	1 678	1 678
Tangible assets	11	148 888	148 899
Financial assets	-	131	131
Deferred tax on tax losses	-	42 529	42 529
Inventories	3 971	78 169	82 140
Operating receivables	1 773	38 581	40 354
Tax liabilities	-62	-4 307	-4 369
Operating liabilities	-4 097	-88 927	-93 024
Liquid funds	38	23 050	23 088
Net loans, incl IFRS 16	-	-79 068	-79 068
Acquired net assets	1 634	160 724	162 357
Customer relations	1 799	31 673	33 472
Technologies	-	38 114	38 114
Deferred tax on surplus values	-385	-13 957	-14 342
Goodwill	1 453	75 517	76 969
Purchase price shares	4 500	292 070	296 570
Cash flow effect			
Cash paid	-4 500	-292 070	-296 570
Total consideration paid	-4 500	-292 070	-296 570
Liquid funds in acquired company	38	23 050	23 088
Total cash flow effect	-4 462	-269 019	-273 482
Paid purchase price for previous years' acquisitions			-22 089
Total cash flow effect acquisition of shares in subsidiaries			-295 571

Note 6. Items affecting comparability

The previous year's numbers include the following items affecting comparability regarding bankruptcy in the subsidiary Segerström & Svensson AB.

Income Statement

SEK thousands	Group		Parent company	
	Jul-Sept 2018	Jan-Sept 2018	Jul-Sep 2018	Jan-Sep 2018
Other external expenses	-5 915	-5 915	-577	-577
Other operating expenses	-59 670	-59 670	-	-
Operating profit	-65 585	-65 585	-577	-577
Net financial income/expenses	-	-	-61 323	-61 323
Profit before tax	-65 585	-65 585	-61 900	-61 900

Specification of items affecting comparability:

Loss from divestment	-18 835	-18 835	-21 226	-21 226
Write-down of receivables	-40 674	-40 674	-40 097	-40 097
Bad debt loss	-5 915	-5 915	-577	-577
Other accruals	-161	-161	-	-
	-65 585	-65 585	-61 900	-61 900

Balance Sheet

SEK thousands	Group 31/12/2018
Tangible assets	-25 663
Deferred tax asset	-995
Inventories	-28 305
Trade receivables	-37 551
Other current receivables	-39 333
Interest-bearing current liabilities	40 674
Trade payables	59 908
Other current liabilities	12 430
Net assets	-18 835

The above items mean that the reported tax rate is high as most items are not deductible.

Not 7. 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, 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. 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 September 30, the market value of derivatives amounted to SEK 1.0million (0) valued at level 2.

Additional purchase prices belong to valuation level 3 and have been valued at the amount they are estimated to turn out, based on terms in the acquisition agreements on future cash flows.

Additional purchase price

	2019
Debt opening balance 01/01/2019	52 593
Repaid during the year	-22 089
Translation differences	2 848
Closing balance 30/09/2019	33 352

Note 8. Events after end of the reporting period

Information about events after the end of the reporting period are presented on page 9.

Note 9. Calculation of key figures and definitions

	2) ²⁾				1) ¹⁾				
	Q1	Q2	Q3	YTD	Q1	Q2	Q3	Q4	Full year
Operating margin, (EBIT %)									
Operating profit	95 707	93 363	86 676	275 747	71 539	57 766	21 959	56 921	208 184
Net revenue	1 252 861	1 313 431	1 246 556	3 812 849	1 090 122	1 223 542	1 137 327	1 216 228	4 667 220
Operating margin	7,6%	7,1%	7,0%	7,2%	6,6%	4,7%	1,9%	4,7%	4,5%
EBITDA									
Profit before tax	95 707	93 363	86 676	275 747	71 539	57 766	21 959	56 921	208 184
Depreciations/amortisations	-47 543	-52 074	-60 687	-160 304	-23 808	-26 927	-32 311	-29 184	-112 231
EBITDA	143 250	145 437	147 363	436 051	95 347	84 693	54 270	86 105	320 415
Profit margin before tax, (EBT %)									
Profit before tax	92 949	88 478	82 007	263 434	68 397	55 411	21 239	53 275	198 322
Net revenue	1 252 861	1 313 431	1 246 556	3 812 849	1 090 122	1 223 542	1 137 327	1 216 228	4 667 220
Profit margin before tax	7,4%	6,7%	6,6%	6,9%	6,3%	4,5%	1,9%	4,4%	4,2%
Liquid ratio, %									
Trade receivables	1 102 473	1 172 077	1 111 759	1 111 759	1 024 591	1 103 424	1 045 422	1 081 833	1 081 833
Other current receivables	130 916	133 749	151 642	151 642	161 071	149 262	115 188	104 804	104 804
Cash and cash equivalents	114 916	122 807	126 950	126 950	155 151	139 988	102 184	100 683	100 683
Current liabilities	1 251 913	1 402 806	1 343 761	1 343 761	1 059 940	1 288 721	1 194 084	1 163 307	1 163 307
Liquid ratio	108%	102%	103%	103%	126%	108%	106%	111%	111%
Debt/equity ratio, %									
Total equity	1 896 417	1 928 490	2 020 893	2 020 893	1 759 434	1 754 072	1 736 971	1 782 711	1 782 711
Total assets	3 491 605	3 971 975	3 983 140	3 983 140	2 904 192	3 262 755	3 104 465	3 099 788	3 099 788
Debt/equity ratio	54%	49%	51%	51%	61%	54%	56%	58%	58%
Return on total assets, %									
Profit before tax, rolling 12 months	222 874	255 941	316 709	316 709	231 967	216 900	176 845	198 322	198 322
Financial expenses, rolling 12 months	-19 547	-22 583	-27 215	-27 215	-11 222	-9 766	-14 153	-14 715	-14 715
Total equity and liabilities, opening balance for 12 months	2 904 192	3 262 755	3 104 465	3 104 465	2 593 111	2 591 281	2 567 768	2 677 444	2 677 444
Total equity and liabilities, closing balance	3 491 605	3 971 975	3 983 140	3 983 140	2 904 192	3 262 755	3 104 465	3 099 788	3 099 788
Total equity and liabilities, average	3 197 898	3 617 365	3 543 803	3 543 803	2 748 651	2 927 018	2 836 117	2 888 616	2 888 616
Return on total assets	7,6%	7,7%	9,7%	9,7%	8,8%	7,7%	6,7%	7,4%	7,4%
Return on equity after tax, %									
Profit for the period after tax, rolling 12 months	171 292	194 180	262 738	262 738	185 336	173 510	123 016	152 544	152 544
Total equity, opening for 12 months	1 759 434	1 754 072	1 736 971	1 736 971	1 543 686	1 552 257	1 580 103	1 643 193	1 643 193
Total equity, closing	1 896 417	1 928 490	2 020 893	2 020 893	1 759 434	1 754 072	1 736 971	1 782 711	1 782 711
Total equity, average	1 827 925	1 841 281	1 878 932	1 878 932	1 651 560	1 653 165	1 658 537	1 712 952	1 712 952
Return on equity after tax	9,4%	10,5%	14,0%	14,0%	11,2%	10,5%	7,4%	8,9%	8,9%
Net cash / Net debt									
Cash and cash equivalents	114 916	122 807	126 950	126 950	155 151	139 988	102 184	100 683	100 683
Non-current interest bearing liabilities	206 722	496 249	472 012	472 012	9 817	46 478	21 405	16 667	16 667
Current interest bearing liabilities	391 292	533 659	480 895	480 895	248 309	414 606	420 982	417 480	417 480
Total interest bearing liabilities	598 014	1 029 907	952 906	952 906	258 126	461 084	442 387	434 146	434 146
Net cash / Net debt	-483 098	-907 100	-825 956	-825 956	-102 975	-321 096	-340 203	-333 464	-333 464
Growth, %									
Organic growth									
Net revenue	1 252 861	1 313 431	1 246 556	3 812 849	1 090 122	1 223 542	1 137 327	1 216 228	4 667 220
- Effect of changes in exchange rates	32 407	25 307	18 195	75 909	21 159	32 485	42 275	28 605	124 524
- Net revenue for last year	1 090 122	1 223 542	1 137 327	3 450 992	1 001 898	1 077 380	923 142	1 017 321	4 019 740
- Net revenue for acquired companies	95 224	37 667	134 417	267 308	92	87 276	87 176	91 217	265 762
= Organic growth	35 108	26 914	-43 383	18 640	66 973	26 402	84 733	79 085	257 194
Organic growth divided by last year net revenue, %	3,2%	2,2%	-3,8%	0,5%	6,7%	2,5%	9,2%	7,8%	6,4%
Growth through acquisitions									
Net revenue for acquired companies divided by last year net revenue, %	8,7%	3,1%	11,8%	7,7%	0,0%	8,1%	9,4%	9,0%	6,6%

¹⁾ Calculated based on the previous accounting standard for lease contracts IAS 17

²⁾ Calculated based on the new current accounting standard for lease contracts IFRS16

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 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 exceed interest bearing debts. Net debt means that interest bearing debts exceed cash and cash equivalents.

AQ presents net debt with and without the impact of IFRS 16.

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

Is a measure of a company's operating profit before interest, tax, write-downs and depreciation of tangible and intangible assets. EBITDA stands for "earnings before interest, taxes, depreciation and amortization".

AQ in brief

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

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

The Group headquarter is in Västerås, Sweden. AQ has, on December 31, 2018, in total about 6,100 employees in Sweden, Bulgaria, China, Estonia, Hungary, India, Italy, Lithuania, Mexico, Poland, Serbia, Finland, Canada and USA.

In 2018 AQ had net sales of about SEK 4.7 billion, and the group has since its start in 1994 shown profit every quarter.

WE ARE RELIABLE

Customer focus

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

Simplicity

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

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.