



Västerås, February 18, 2021

AQ Group AB (publ), Year-end report 2020

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Fourth quarter, October-December 2020 in brief

- Strong operating profit driven by recovery in volumes and good cost control
- Net sales decreased by 3.4% to SEK 1,256 million (1,300)
- Operating profit (EBIT) increased by 93.3% to SEK 125 million (65)
- Profit after financial items (EBT) increased by 91.5% to SEK 111 million (58)
- Profit margin before tax (EBT %) was 8.8% (4.5)
- Cash flow from operating activities increased to SEK 163 million (153)
- Earnings per share after tax amounted to SEK 5.03 (2.60)

Full year 2020 in brief

- Strong resilience to Covid-19 effects and cyclical fluctuations
- Net sales decreased by 5.7% to SEK 4,819 million (5,113)
- Operating profit (EBIT) increased by 17.8% to SEK 401 million (340)
- Profit after financial items (EBT) increased by 14.8% to SEK 369 million (321)
- Profit margin before tax (EBT %) was 7.7% (6.3)
- Cash flow from operating activities increased by 21.9% to SEK 609 million (499)
- Earnings per share after tax increased by 20.0% to SEK 17.24 (14.37)
- Equity ratio was 57% (52)
- The Board of Directors proposes no dividend (previous year SEK 0.00 / share)

Group overview, key figures

	2020					2019				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Net turnover, SEK thousands	1,341,888	1,116,486	1,104,425	1,256,203	4,819,001	1,252,861	1,313,431	1,246,556	1,299,754	5,112,602
Operating profit (EBIT), SEK thousands	97,947	80,643	97,463	125,185	401,238	95,707	93,363	86,676	64,749	340,495
Profit after net financial items (EBT), SEK thousands	86,964	78,160	92,966	111,014	369,104	92,949	88,478	82,007	57,978	321,412
Profit for the period	75,899	70,003	79,252	92,724	317,878	76,335	69,899	69,018	47,619	262,871
Total equity	2,176,452	2,128,976	2,206,215	2,190,632	2,190,632	1,896,417	1,928,490	2,020,893	2,015,157	2,015,157
Operating margin (EBIT %)	7.3%	7.2%	8.8%	10.0%	8.3%	7.6%	7.1%	7.0%	5.0%	6.7%
Profit margin before tax (EBT %)	6.5%	7.0%	8.4%	8.8%	7.7%	7.4%	6.7%	6.6%	4.5%	6.3%
Liquid ratio	108%	155%	169%	173%	173%	108%	102%	103%	106%	106%
Debt/equity ratio	54%	56%	56%	57%	57%	54%	49%	51%	52%	52%
Return on total assets ²⁾	9.5%	8.8%	8.9%	10.8%	10.8%	7.6%	7.7%	9.7%	10.1%	10.1%
Return on equity after tax ²⁾	12.9%	12.9%	12.9%	15.1%	15.1%	9.4%	10.5%	14.0%	13.8%	13.8%
Number of employees in Sweden	833	805	789	794	794	865	888	871	856	856
Number of employees outside Sweden	5,465	5,231	5,237	5,097	5,097	5,060	5,642	5,553	5,474	5,474
Key indicators per share, SEK ¹⁾										
Profit for the period	4.11	3.80	4.30	5.03	17.24	4.14	3.81	3.77	2.60	14.37
Equity	118.97	116.38	120.60	119.75	119.75	103.66	105.42	110.47	110.15	110.15
Number of shares, thousands	18,294	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.

A word from the CEO

Fourth quarter

Net sales recovered well during the period, mainly driven by medical technology and commercial vehicles. We have a small organic growth of 0.4% compared to the fourth quarter last year. This together with lower costs gave a good profit in the period where the EBT margin is 8.8%. During the quarter, we also incurred costs for restructuring our unit in Mexico, where we have problems with declining demand for coach buses.

During the year, we have shown that we are able to adjust our costs in a downturn. AQ has a strong resilience to economic fluctuations thanks to our fast-paced and decentralized structure.

We also have a good spread of risk to many different businesses and a healthy exposure to the sustainable products and solutions that our customers develop to do something about the climate threat.

Market

Investments in renewable energy continue to increase. We supply inductive components, sheet metal details and electrical cabinets to customers in wind and solar power. Renewable energy also drives the need for energy storage. Here we work with new solutions for several customers. When it comes to inductive components, we are also involved in developing the technology for our customers.

AQ has a particularly good position in electromobility. We know filter technology, electrification and automation, at the same time as we are a supplier of wire harnesses, sheet metal and inductive components for commercial vehicles. We participate in about twenty different development projects for electric vehicles. And these projects are now moving faster from development to serial deliveries.

Even more important to the climate is public transport. AQ is a significant supplier of components for trains and buses and works with interesting projects in Europe, Asia and North America. For example, we are a supplier to the large electric bus delivery in Gothenburg, Sweden. We are also a plastic supplier to a leading system for electric bicycles.

Automation and digitalization are central to controlling and using energy in a more environmentally friendly way. All automation requires electrical cabinets where you install automation components from leading suppliers. AQ has a strong global position in this supply chain. We can supply complete electrical cabinets including in-house made enclosures worldwide. Cloud-based software solutions also drive the need for electrical cabinets, and here we have developed a new business during the fourth quarter for a customer in the data center business.

Covid-19

The pandemic has affected AQ in many ways. Above all, we have lost net sales but also suffered from supply chain disruptions and additional costs. Particularly dramatic was the v-shaped up and down curve in the second quarter, where we are proud that we always managed to deliver to our customers. We have received subsidies for short-term work and compensation for lower volumes in several of the countries in which we operate. However, AQ's own cost savings are still more than twice as large than what we have received in support. The support measures have meant that we have been able to maintain our capacity and staff and thus continue to generate jobs and tax revenue in the communities in which we operate.

During the fourth quarter, the Group received SEK 25 million in support measures for Covid-19, primarily in Lithuania, Bulgaria and Canada. If we exclude this, we have an adjusted EBT margin for the quarter



of 6.7% compared to 4.5% last year. The second wave of Covid-19 has meant a larger spread in the countries where we operate. So far, routines and measures have been sufficient to deal with the pandemic, but we are aware that we need to be persistent with this for a long time to come. Finally, we have benefited from increased deliveries to build up capacity for vaccine production during the year.

To ensure maximum financial freedom of action during the beginning of 2021, the Board of Directors proposes that no dividend is paid for 2020. However, the Board may return later in the year and propose a dividend. AQ's balance sheet is strong, but uncertainty about the development of the pandemic still remains.

Sustainability

In 2020, we have ensured that there are environmental management systems for all our operational manufacturing units. These include concrete goals, metrics and activities to reduce our environmental impact. One requirement is that there must be local targets for reducing CO2 emissions at each unit. It is gratifying that we are making concrete improvements that both reduce the environmental impact but also reduce our energy and material costs. In addition to climate and carbon dioxide, there is also a strong focus on water and chemicals. We have also improved the work environment and reduced our incidents and accidents, which helps us to recruit staff and to be an attractive employer. The work with the environment and the work environment will never be ready, so we will continue our work with this for a long time.

Cash flow and balance sheet

When the pandemic started, there was great financial uncertainty. We have since managed to generate a strong cash flow from operating activities, which continued during the fourth quarter. It is noteworthy that our inventories decreased in the fourth quarter even though sales returned to higher levels. AQ Group has a strong balance sheet with low net debt that will help the Group to continue to grow organically and to make acquisitions.

Handover to new management

Finally, I would like to warmly welcome James Ahrgren back to AQ Group when he takes over as CEO on April 1. James and I are now working together to ensure that we do not lose pace and to make a good handover.

AQ's strategy and core values remain unchanged. We work long-term with demanding industrial customers who have high demands on quality and delivery security. We always want to do the "little extra" for our customers and help them become successful in their markets. The key to this is skilled employees who work in decentralized companies led by strong entrepreneurs. We are simple and cost-effective, which makes us competitive. Finally, we dare to go our own way and say things as they are, which helps us to address the problems and opportunities that arise in each company.

Our strategy is to grow organically and through acquisitions. In the pandemic year 2020, we have not succeeded in this, but we have laid a good foundation for continued growth in the years to come.

It has been extraordinarily fun and educational to be the CEO of AQ Group. I'm sure that James, together with the board and employees, will continue to develop AQ to become an even more successful and "reliable" supplier to demanding industrial customers around the world.

Anders Carlsson
CEO

Group's financial position and results

Fourth quarter

Net sales for the fourth quarter were SEK 1,256 million (1,300), a decrease of SEK 44 million compared to the same period in the previous year. The total growth in the quarter was -3,4%, of which organic growth 0,4% and currency effects of -3,8%. The currency effect corresponds to about SEK -49 million and is mainly with the currencies EUR, PLN and HUF.

Operating margin (EBIT) in the fourth quarter was SEK 125 million (65), an increase of SEK 60 million, which is explained by a recovery in volumes, lower costs and support measures for Covid-19. The EBT margin for the period is 8.8%. The profit for the quarter was also charged with costs for restructuring our unit in Mexico.

Cash flow from operating activities was SEK 163 million (153) and inventory levels decreased in the fourth quarter despite sales returning to higher levels.

Cash flow from investing activities was SEK -17 million (-67), which relates mainly to investments in fixed assets of SEK 12 million (79).

Cash flow from financing activities was SEK -19 million (-47) which relates to decreased usage of overdraft facility and changes in leasing debts.

Full year

Net sales for the full year was SEK 4,819 million (5,113), a decrease of SEK 294 million compared to the previous year. Although net sales recovered during the last quarter, the large negative impact from the Covid-19 pandemic in the second quarter remains. For the full year the total growth was -5,7%, of which organic growth -8,6%, growth through acquisitions 4,6% and a currency effect of -1,8%. The currency effect corresponds to SEK -91 million and is mainly with the currencies PLN, HUF and EUR.

Operating margin (EBIT) for the full year was SEK 401 million (340) an increase of SEK 61 million compared to the previous year. Intensive work to reduce personnel costs and other external costs has led to the increased profit despite lower net sales. We have received subsidies and support measures to compensate for short-term work, extra costs and lower net sales. AQ's cost savings are more than twice as large than what we have received in subsidies. The result has also been negatively affected by restructuring in Smedjebacken and in Mexico.

The investments of the group in tangible fixed assets for the year were SEK 114 million (199) and relates to the construction of a new factory in Canada, capacity investments and improvement projects for a more efficient production. In total, tangible fixed assets amounted to SEK 913 million (1,012), where SEK 265 million (305) consists of the book value of right-of-use assets in accordance with IFRS 16.

Interest bearing liabilities of the group are SEK 797 million (916) and cash and cash equivalents amount to SEK 452 million (161), which means that the group has a net debt of SEK 345 million (755). The Group's interest-bearing liabilities without regard to IFRS 16 amount to SEK 531 million (613).

Cash flow from operating activities amounted to SEK 609 million (499), an improvement of SEK 110 million, which is mainly comes from positive earnings development in combination with increased efficiency in working capital utilization.

Cash flow from investing activities was SEK -137 million (-481), which mainly relates to investments in fixed assets and earnout for acquisitions.

Cash flow from financing activities amounted to SEK -169 million (42) and relates to reduced utilization of overdraft facilities, amortization of loans and payment of leasing debts.

Equity at the end of the period was SEK 2,191 million (2,015) for the group.

Significant events during the year

First quarter

On March 27, AQ Group announced that the AGM will be moved forward. The spread of the Covid-19 pandemic in the world has meant that our three units in China were closed for another 1-3 weeks in addition to the Chinese New Year. In addition, states in Canada and USA, India and Italy closed their communities at the end of March. The European automotive industry closed its production at the same time.

Second quarter

On April 22, AQ Group's Board of Directors decided to withdraw the previous dividend proposal and instead proposed that the Annual General Meeting on June 25 decides that no dividend be paid for 2019. On June 25, the Annual General Meeting decided in accordance with the Board's proposal.

The Covid-19 pandemic struck with great force and affected the second quarter with SEK 229 million lower net sales. To counteract the uncertainty in the outside world and with our customers, we have continued the cost-saving programs we introduced at the end of last year and also postponed some investments. We also received SEK 35 million in subsidies and similar support measures from the authorities in different countries during the quarter.

Third quarter

On August 24, it was announced that the subsidiary AQ Components Västerås AB will begin union negotiations to close the business in Smedjebacken and move it to Estonia. We have also during the quarter closed a smaller unit in Serbia and moved this production to AQ in Bulgaria. During the quarter, SEK 13 million was received in subsidies and similar support measures from the authorities of different countries because of the impact of the Covid-19 pandemic.

Fourth quarter

Our unit in Mexico is negatively affected by the reduced demand for coach buses and the unit is also charged with costs for restructuring operations. During the quarter, SEK 25 million was received in subsidies and similar support measures, primarily from the authorities in Bulgaria, Lithuania and Canada, to deal with the consequences of Covid-19. In China, we have consolidated the operations for inductive components to the same company and premises in Suzhou. At the same time, we have started a new company for Electric Cabinets and Sheet Metal Processing in new premises nearby.

On December 7, it was announced that Anders Carlsson will leave the position as CEO of AQ Group in 2021 and that James Ahrgren will take over as CEO no later than April 1, 2021.

Significant events after the end of the period

Apart from the continued uncertainty that generally exists in the world due to the ongoing Corona pandemic, no significant events have occurred 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-Dec 2020
Product quality	100%	99.5%
Delivery precision	98%	94.7%
Equity ratio	>40%	57%
Profit margin before tax, (EBT %)	8%	7.7%

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 2020, AQ Group AB did not pay any share dividends to its shareholders. No other transactions between AQ and related parties that significantly affected the company's position and results have taken place either. There are no loans to board members or other key people in senior positions.

At the annual general meeting on June 25, 2020, 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 2019. Since the annual report for 2019 was published, the Covid-19 pandemic has hit the world, resulting in increased risks and uncertainties that can have a significant impact on AQ's customers and suppliers, which in turn affects the outcome for AQ. 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 the Covid-19 pandemic's impact on customers and suppliers, currency and price risks.

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 aluminium, cables, insulated wire etc. The risk is minimized through customer agreements with price clauses. Raw material price risk refers to the change in the price of material and its impact on earnings. The company's purchase of materials to different processes is significant. There is a risk of sharp price increases for raw materials where the Company is not able to compensate price increases, which may affect the Company's earnings negatively.

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

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

Nomination committee

The Nomination Committee before the AGM 2021 consists of Hans Christian Bratterud (ODIN Fonder), Björn Henriksson (Nordea Fonder), Per Olof Andersson and Claes Mellgren.

Future reporting dates

Interim report Q1, 2021	April 21, 2021, at 08:00
Annual General Meeting 2021	April 21, 2021
Interim report Q2, 2021	July 15, 2021, at 08:00
Interim report Q3, 2021	October 21, 2021, at 08:00

Annual report, annual general meeting and dividends

The annual report for 2020 will be available on the company's website no later than March 30, 2021.

The Annual General Meeting will be held on April 21, 2021 at 18:00 in Västerås. Regarding participation in the Annual General Meeting for 2021, the Board has decided to apply the Swedish Corporate Governance Board's special regulations in connection with Covid-19, which means that the meeting is conducted via postal voting without physical participation. More information will be included in the notice convening the Annual General Meeting, which will be published on the company's website www.aqq.se no later than 4 weeks before the Annual General Meeting.

In light of the ongoing Covid-19 pandemic and to ensure maximum financial freedom of action during the beginning of 2021, the Board proposes that no dividend be paid for 2020. However, the Board may return later in the year and propose a dividend given the strong balance sheet of AQ Group.

Financial information

The information in this interim report shall be made public in accordance with the EU Market Abuse Regulation and the Securities Market Act of Sweden. The information was released by CEO Anders Carlsson for publication at 08:00 hours on February 18, 2021.

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

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

Further information can be given by AQ Group AB:

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Financial reports and press releases are published in Swedish and English. If there are discrepancies between the two, the Swedish version shall prevail. They are available at www.aqq.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, February 18, 2021

Anders Carlsson
CEO

Financial reports, summary

Summary income statement for the Group

SEK thousands	Note	Oct-Dec 2020	Oct-Dec 2019	Full year 2020	Full year 2019
Net sales		1,256,203	1,299,754	4,819,001	5,112,602
Other operating income		47,586	25,025	153,368	84,857
		1,303,789	1,324,778	4,972,369	5,197,459
Change in inventory and work in progress		-7,132	-15,261	-18,374	-8,787
Raw material and consumables		-581,835	-644,856	-2,351,525	-2,579,663
Goods for resale		-39,495	-23,758	-88,720	-66,215
Other external expenses		-122,019	-133,924	-468,834	-534,998
Personnel costs		-355,259	-372,226	-1,352,532	-1,406,937
Depreciation and amortisation		-56,984	-59,886	-233,996	-220,191
Other operating expenses		-15,879	-10,119	-57,150	-40,174
		-1,178,603	-1,260,030	-4,571,131	-4,856,964
Operating profit		125,185	64,749	401,238	340,495
Net financial income/expense	5	-14,171	-6,771	-32,134	-19,084
Profit before tax		111,014	57,978	369,104	321,412
Taxes		-18,290	-10,358	-51,226	-58,541
Profit for the period		92,724	47,619	317,878	262,871
PROFIT FOR THE PERIOD ATTRIBUTABLE TO:					
Parent company shareholders		92,099	46,865	315,420	260,878
Non-controlling interests		625	755	2,458	1,992
		92,724	47,619	317,878	262,871
Earnings per share ¹⁾		5.03	2.60	17.24	14.37

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

Statement of comprehensive income for the Group in summary

SEK thousands	Oct-Dec 2020	Oct-Dec 2019	Full year 2020	Full year 2019
PROFIT FOR THE PERIOD	92,724	47,619	317,878	262,871
OTHER COMPREHENSIVE INCOME				
Items that cannot be transferred to the profit for the period				
Revaluation of defined benefit pension plans	-101	-346	-101	-346
Revaluation of defined benefit pension plans, tax effect	22	16	22	16
Items transferred or that can be transferred to the profit for the period				
Translation difference for foreign operations	-108,230	-53,026	-142,324	20,213
Other comprehensive income for the period after tax	-108,309	-53,356	-142,403	19,884
Comprehensive income for the period	-15,585	-5,736	175,475	282,754
COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:				
Parent company shareholders	-15,753	-6,278	173,400	280,718
Non-controlling interests	168	541	2,075	2,036
	-15,585	-5,736	175,475	282,754

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

Summary balance sheet for the group

SEK thousands	Note	31/12/2020	31/12/2019
ASSETS			
Goodwill		330,244	353,246
Other intangible assets		178,276	217,076
Tangible assets		912,686	1,012,168
Financial assets		1,676	2,123
Deferred tax assets		53,990	54,244
TOTAL NON-CURRENT ASSETS		1,476,872	1,638,858
Inventories		815,731	889,952
Trade and other receivables		995,212	1,043,903
Other current receivables		125,103	118,269
Cash and cash equivalents		451,545	161,323
TOTAL CURRENT ASSETS		2,387,591	2,213,447
TOTAL ASSETS		3,864,463	3,852,305
EQUITY AND LIABILITIES			
Equity attributable to parent company shareholders		2,181,135	2,007,735
Non-controlling interests		9,497	7,422
TOTAL EQUITY		2,190,632	2,015,157
Non-current liabilities to credit institutions		406,049	442,411
Non-current non-interest-bearing liabilities		101,476	143,231
Total non-current liabilities		507,525	585,642
Interest-bearing current liabilities		390,660	474,004
Trade and other payables		439,457	464,700
Other current liabilities	5	336,189	312,802
Total current liabilities		1,166,306	1,251,506
TOTAL LIABILITIES		1,673,831	1,837,148
TOTAL EQUITY AND LIABILITIES		3,864,463	3,852,305

Statement of changes in Equity for the Group

SEK thousands	Equity attributable to parent company shareholders					Non-controlling interests	Total equity
	Share capital	Other contributed capital	Translation reserve	Retained earnings incl. profit	Subtotal		
Equity, 01/01/2019	36,588	84,194	135,384	1,521,160	1,777,325	5,386	1,782,711
Profit for the year				260,878	260,878	1,992	262,871
Translation differences in foreign operations			20,159		20,159	54	20,213
Revaluation of defined benefit pension plans				-336	-336	-10	-346
Revaluation of defined benefit pension plans, tax effect				16	16		16
Other comprehensive income			20,159	-319	19,840	44	19,884
Comprehensive income for the year			20,159	260,559	280,718	2,036	282,754
Dividends paid				-50,309	-50,309		-50,309
Transactions with shareholders				-50,309	-50,309		-50,309
Equity, 31/12/2019	36,588	84,194	155,542	1,731,410	2,007,735	7,422	2,015,157
Equity, 01/01/2020	36,588	84,194	155,542	1,731,410	2,007,735	7,422	2,015,157
Profit for the year				315,420	315,420	2,458	317,878
Translation differences in foreign operations			-141,937		-141,937	-387	-142,324
Revaluation of defined benefit pension plans				-105	-105	4	-101
Revaluation of defined benefit pension plans, tax effect				22	22		22
Other comprehensive income			-141,937	-83	-142,020	-383	-142,403
Comprehensive income for the year			-141,937	315,337	173,400	2,075	175,475
Dividends paid							
Transactions with shareholders							
Equity, 31/12/2020	36,588	84,194	13,606	2,046,747	2,181,135	9,497	2,190,632

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	Oct 1-Dec 31, 2020	Oct 1-Dec 31, 2019	Full year 2020	Full year 2019
Profit before tax	111,014	57,978	369,104	321,412
Adjustment for non cash generating items	48,170	57,733	250,426	222,785
Income tax paid	-5,671	-18,664	-55,515	-77,741
Cash flow from operating activities before change in working capital	153,520	97,047	564,015	466,456
Increase (-)/decrease (+) in inventories	23,563	34,144	31,402	-8,866
Increase (-)/decrease (+) in trade receivables	-27,540	50,038	-2,691	105,725
Increase (-)/decrease (+) in other receivables	-6,001	24,444	-19,246	56,505
Increase (+)/decrease (-) in trade payables	14,777	-50,549	2,858	-65,015
Increase (+)/decrease (-) in other liabilities	4,948	-2,337	32,366	-55,648
Change in working capital	9,748	55,741	44,690	32,701
Cashflow from operating activities	163,268	152,788	608,705	499,158
Acquisitions of shares in subsidiaries	-	-	-20,024	-295,571
Acquisition of intangible non-current assets	-557	-943	-8,097	-3,360
Acquisition of tangible non-current assets	-12,302	-79,166	-114,123	-199,468
Sale of tangible non-current assets	-5,256	13,174	5,016	17,225
Försäljning av immateriella anläggningstillgångar	405	-	406	-
Övriga förändringar i anläggningstillgångar	836	-	111	-
Purchase/Sales of short-term investment in securities	-	68	-	242
Cashflow from investing activities	-16,875	-66,867	-136,710	-480,932
New borrowings, credit institutions	-	-	-600	299,115
Amortisation of loans	-1,462	-31,723	-20,122	-62,132
Amortisation of loans (lease)	-22,872	-23,129	-91,180	-85,418
Change in bank overdraft facilities	4,360	7,821	-58,714	-59,675
Dividends to the parent company shareholders	-	-	-	-50,309
Other changes in financial activities	1,124	-	1,124	-
Cashflow from financing activities	-18,850	-47,031	-169,493	41,582
Change in cash and cash equivalents for the period	127,544	38,890	302,502	59,808
Cash and cash equivalents at the beginning of the year	332,748	126,950	161,323	100,683
Exchange rate difference in cash and cash equivalents	-8,746	-4,517	-12,280	833
Cash and cash equivalents at the end of the period	451,545	161,323	451,545	161,323

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	Oct - Dec 2020	Oct - Dec 2019	Full year 2020	Full year 2019
Net sales		11,264	9,609	43,442	43,113
Other operating income		2,653	473	4,711	2,212
		13,916	10,082	48,154	45,326
Other external expenses		-3,927	-5,033	-16,771	-19,500
Personnel costs		-12,570	-6,668	-35,340	-28,088
Other operating expenses		-101	-53	-413	-711
		-16,598	-11,754	-52,525	-48,299
Operating profit		-2,681	-1,672	-4,371	-2,973
Net financial items	5	11,460	19,370	51,692	137,091
Earnings after net financial items		8,779	17,698	47,321	134,118
Appropriations		27,100	27,654	27,100	27,654
Profit before tax		35,879	45,352	74,421	161,772
Taxes		-3,893	-7,929	-641	-8,514
Profit for the period		31,986	37,423	73,780	153,259

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

Fourth quarter

Net sales for the fourth quarter was SEK 11.3 million (9.6), higher than the same period in the previous year, because of increased invoicing of management fees (group common costs). Other external expenses were SEK 3.9 million (5.0). Personnel costs were SEK 12.6 million (6.7). Operating profit (EBIT) was SEK -2.7 million (-1.7). Costs for the resigning CEO have charged the quarter's personnel costs with SEK 2.7 million.

Net financial items were positive of SEK 11.5 million (19.4). Net financial items mainly consist of dividends, exchange rate losses and bank interest.

Full year

Net sales for the full year was SEK 43.4 million (43.1). Other external expenses were SEK 16.8 million (19.5). Personnel costs were SEK 35.3 million (28,1). Costs for the resigning CEO have charged the personnel costs with SEK 2.7 million.

Operating profit (EBIT) was SEK -4.4 million (-3.0). Net financial income was SEK 51.7 million (137.1) and consisted mainly of tax-free dividends from subsidiaries of SEK 79,7 million (158.0), exchange rate losses of SEK -22.6 million (-2.8), write-down of shares in subsidiary of SEK -4.6 million (-18.2), bank interest of SEK -7.9 million (-5.8) and internal interest of SEK 6.8 million (7.0).

Summary balance sheet for the Parent company

SEK thousands	Note	31/12/2020	31/12/2019
ASSETS			
Financial fixed assets		1,272,356	1,199,083
Deferred tax assets		-	267
TOTAL NON-CURRENT ASSETS		1,272,356	1,199,350
Other current receivables		184,745	387,523
Cash and cash equivalents		296,257	-
TOTAL CURRENT ASSETS		481,003	387,523
TOTAL ASSETS		1,753,359	1,586,873
EQUITY AND LIABILITIES			
Restricted equity		37,745	37,745
Non-restricted equity		684,424	610,645
Total equity		722,169	648,389
Untaxed reserves		28,400	52,400
Deferred tax liabilities		353	-
Other provisions	5	-	32,073
Provisions		353	32,073
Non-current interest-bearing liabilities		210,000	210,000
Total non-current liabilities		210,000	210,000
Interest-bearing current liabilities		753,400	609,118
Trade and other payables		2,880	2,766
Other current liabilities		36,158	32,126
Total current liabilities		792,437	644,010
TOTAL LIABILITIES		1,002,790	886,083
TOTAL EQUITY AND LIABILITIES		1,753,359	1,586,873

Other current receivables are mainly receivables from Group companies MSEK 168 (376) and consist of cash pool, accrued interest, and accounts receivable.

The increase in unrestricted equity of SEK 74 million compared to December 31, 2019 consists of profit for the period.

Untaxed reserves consist of accrual funds.

Non-current interest-bearing liabilities at the end of the period are unchanged from the previous year, SEK 210 million (210). Interest-bearing current liabilities refer to the short-term part of the non-current liabilities and the Group companies' cash pool balances.

Other current liabilities of SEK 36 million (32) consists of other liabilities and accrued expenses and prepaid income.

Other provisions referred to acquisition earnouts paid during the year.

Notes to the financial statements in summary

Note 1. Accounting principles

The summary interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, and applicable parts of the Swedish Annual Accounts Act. Information according to IAS 34.16A are presented in the financial reports and their notes as well as in other parts of the interim report. The interim report for the parent company has been prepared in accordance with Swedish Annual Accounts Act, chapter 9 Interim report. For the group and the parent company the accounting and valuation principles applied are the same as used in the latest annual report.

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.

Note 2. Segment reporting and breakdown of revenue

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

Segment reporting

Fourth quarter

For the segment Component, the total net sales for the fourth quarter was SEK 1,038 million (1,096), of which SEK 957 million (992) is external sales. The decrease of the external sales was SEK 35 million.

For the segment System, the total net sales for the fourth quarter was SEK 356 million (348), of which SEK 299 million (308) is external sales. The decrease of the external sales is SEK 8 million.

Operating profit (EBIT) in the fourth quarter was SEK 92 million (38) for Component, corresponding to an increase of SEK 54 compared to previous year. Operating profit (EBIT) for System was SEK 29 million (29), which was in line with 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.

Oct-Dec 2020, SEK thousands	Component	System	Unallocated and eliminations	Group
Net sales, external	956,909	299,294		1,256,203
Net sales, internal	80,850	56,798	-137,648	
Total net turnover	1,037,759	356,092	-137,648	1,256,203
Material costs, excl. purchases own segment	-502,578	-242,972	117,087	-628,463
Depreciation	-47,214	-9,597	-173	-56,984
Other operating expenses/income	-395,932	-74,885	25,246	-445,571
Operating profit	92,035	28,639	4,512	125,185
Net financial items			-14,171	-14,171
Profit before tax	92,035	28,639	-9,659	111,014
Other comprehensive income plus tax			-126,600	-126,600
Comprehensive income for the period	92,035	28,639	-136,259	-15,585
Oct-Dec 2019, SEK thousands				
Net sales, external	992,177	307,576		1,299,754
Net sales, internal	104,400	40,794	-145,194	
Total net turnover	1,096,577	348,370	-145,194	1,299,754
Material costs, excl. purchases own segment	-556,423	-246,495	119,044	-683,874
Depreciation	-53,689	-6,040	-157	-59,886
Other operating expenses/income	-448,555	-66,660	23,970	-491,244
Operating profit	37,910	29,175	-2,336	64,749
Net financial items			-6,771	-6,771
Profit before tax	37,910	29,175	-9,107	57,978
Other comprehensive income plus tax			-63,714	-63,714
Comprehensive income for the period	37,910	29,175	-72,821	-5,736

Full year

For the segment Component, the total net sales for the full year were SEK 4,039 million (4,339), of which SEK 3,711 million (3,962) is external sales. The decrease of the external sales of totally SEK 252 million is mainly due to closed units and units affected by the automotive industry during the current Corona pandemic.

For the segment System, the total net sales for the full year were SEK 1,299 million (1,300), of which SEK 1,108 million (1,150) is external sales. The decrease of the external sales of SEK 42 million is also due to units affected by the Corona pandemic.

Operating profit (EBIT) for the full year was SEK 268 million (244) for Component, which was SEK 23 million better than the same period last year. Operating profit (EBIT) for System was SEK 137 million (103), which was an improvement of SEK 35 million compared to 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-Dec 2020, SEK thousands	Component	System	Unallocated and eliminations	Group
Net sales, external	3,710,959	1,108,042		4,819,001
Net sales, internal	327,713	190,778	-518,491	
Total net turnover	4,038,672	1,298,820	-518,491	4,819,001
Material costs, excl. purchases own segment	-1,998,086	-889,440	428,907	-2,458,619
Depreciation	-204,439	-28,896	-661	-233,996
Other operating expenses/income	-1,568,626	-243,095	86,573	-1,725,148
Operating profit	267,520	137,389	-3,672	401,238
Net financial items			-32,134	-32,134
Profit before tax	267,520	137,389	-35,805	369,104
Other comprehensive income plus tax			-193,629	-193,629
Comprehensive income for the period	267,520	137,389	-229,435	175,475
Jan-Dec 2019, SEK thousands				
Net sales, external	3,962,476	1,150,126		5,112,602
Net sales, internal	376,985	149,967	-526,952	
Total net turnover	4,339,461	1,300,093	-526,952	5,112,602
Material costs, excl. purchases own segment	-2,181,004	-923,470	449,810	-2,654,664
Depreciation	-195,463	-24,040	-687	-220,191
Other operating expenses/income	-1,718,564	-249,988	71,300	-1,897,252
Operating profit	244,430	102,595	-6,530	340,495
Net financial items			-19,084	-19,084
Profit before tax	244,430	102,595	-25,613	321,412
Other comprehensive income plus tax			-38,658	-38,658
Comprehensive income for the period	244,430	102,595	-64,271	282,754

Sales divided by segment and geographical markets

Fourth quarter

The turnover divided among geographical markets in the fourth quarter: Sweden 35% (35), other European countries 50% (50) and other countries 15% (15).

Oct-Dec 2020, SEK Thousands	Component	System	Unallocated and eliminations	Group
Sweden	245,821	230,047	11,264	487,132
Other European countries	629,041	71,302		700,343
Other countries	162,897	54,743		217,640
Net sales	1,037,759	356,092	11,264	1,405,115
Internal sales, eliminations			-148,912	-148,912
Total net turnover	1,037,759	356,092	-137,648	1,256,203

Oct-Dec 2019, SEK Thousands	Component	System	Unallocated and eliminations	Group
Sweden	279,195	220,205	9,609	509,008
Other European countries	645,367	87,290		732,657
Other countries	172,016	40,875		212,891
Net sales	1,096,577	348,370	9,609	1,454,556
Internal sales, eliminations			-154,802	-154,802
Total net turnover	1,096,577	348,370	-145,194	1,299,754

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

Full year

The turnover divided among geographical markets for the full year: Sweden 33% (35), other European countries 52% (50) and other countries 15% (14).

Jan-Dec, SEK Thousands	Component	System	Unallocated and eliminations	Group
Sweden	961,105	785,899	43,442	1,790,446
Other European countries	2,468,970	316,934		2,785,904
Other countries	608,597	195,987		804,584
Net sales	4,038,672	1,298,820	43,442	5,380,934
Internal sales, eliminations			-561,933	-561,933
Total net turnover	4,038,672	1,298,820	-518,491	4,819,001

Jan-Dec 2019, SEK Thousands	Component	System	Unallocated and eliminations	Group
Sweden	1,146,703	822,634	43,113	2,012,451
Other European countries	2,519,117	334,105		2,853,222
Other countries	673,640	143,354		816,994
Net sales	4,339,461	1,300,093	43,113	5,682,667
Internal sales, eliminations			-570,065	-570,065
Total net turnover	4,339,461	1,300,093	-526,952	5,112,602

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

Note 3. Personnel

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

	Jan-Dec 2020	Jan-Dec 2019	Jan-Dec 2018
Bulgaria	1,233	1,308	1,268
Poland	940	1,123	1,147
Sweden	794	856	900
Lithuania	605	759	721
Estonia	581	596	420
China	572	478	440
Hungary	376	363	379
Mexico	200	196	205
Finland	187	215	121
Canada	164	166	153
India	137	129	133
USA	72	78	105
Italy	18	21	20
Brazil	5	4	-
Serbia	4	35	32
Germany	3	3	-
Thailand	-	-	25
	5,891	6,330	6,069

Note 4. Acquisitions

AQ's strategy is to grow in both segments. During the period January to December there were no acquisitions.

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, 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 December 31, the market value of derivatives amounted to SEK 0.9 million (-1.2) 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 prices in group

	B3CG	MiniCon	Total
Debt opening balance 01/01/2020	32,073	900	32,973
Payment of additional purchase price	-19,574	-450	-20,024
Revaluation to fair value	-11,890	-450	-12,340
Translation differences	-610	-	-610
Closing balance 31/12/2020	-	-	-

Note 6. Events after the end of the reporting period

Information about events after the end of the reporting period are presented on page 6.

Note 7. Calculation of key figures and definitions

	2020					2019				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	Full year
Operating margin, (EBIT %)										
Operating profit	97,947	80,643	97,463	125,185	401,238	95,707	93,363	86,676	64,749	340,495
Net revenue	1,341,888	1,116,486	1,104,425	1,256,203	4,819,001	1,252,861	1,313,431	1,246,556	1,299,754	5,112,602
Operating margin	7.3%	7.2%	8.8%	10.0%	8.3%	7.6%	7.1%	7.0%	5.0%	6.7%
EBITDA										
Profit before tax	97,947	80,643	97,463	125,185	401,238	95,707	93,363	86,676	64,749	340,495
Depreciations/amortisations	-58,786	-59,443	-58,783	-56,984	-233,996	-47,543	-52,074	-60,687	-59,886	-220,191
EBITDA	156,733	140,087	156,246	182,169	635,234	143,250	145,437	147,363	124,635	560,686
Profit margin before tax, (EBT %)										
Profit before tax	86,964	78,160	92,966	111,014	369,104	92,949	88,478	82,007	57,978	321,412
Net revenue	1,341,888	1,116,486	1,104,425	1,256,203	4,819,001	1,252,861	1,313,431	1,246,556	1,299,754	5,112,602
Profit margin before tax	6.5%	7.0%	8.4%	8.8%	7.7%	7.4%	6.7%	6.6%	4.5%	6.3%
Liquid ratio, %										
Trade receivables	1,162,088	963,917	1,003,649	995,212	995,212	1,102,473	1,172,077	1,111,759	1,043,903	1,043,903
Other current receivables	135,853	128,048	140,764	125,103	125,103	130,916	133,749	151,642	118,269	118,269
Cash and cash equivalents	163,363	250,091	332,748	451,545	451,545	114,916	122,807	126,950	161,323	161,323
Current liabilities	1,353,714	863,728	875,934	1,166,306	1,166,306	1,251,913	1,402,806	1,343,761	1,251,506	1,251,506
Liquid ratio	108%	155%	169%	135%	135%	108%	102%	103%	106%	106%
Debt/equity ratio, %										
Total equity	2,176,452	2,128,976	2,206,215	2,190,632	2,190,632	1,896,417	1,928,490	2,020,893	2,015,157	2,015,157
Total assets	4,063,180	3,818,169	3,907,562	3,864,463	3,864,463	3,491,605	3,971,975	3,983,140	3,852,305	3,852,305
Debt/equity ratio	54%	56%	56%	57%	57%	54%	49%	51%	52%	52%
Return on total assets, %										
Profit before tax, rolling 12 months	315,426	305,109	316,068	369,104	369,104	222,874	255,941	316,709	321,412	321,412
Financial expenses, rolling 12 months	-44,508	-38,732	-36,201	-47,963	-47,963	-19,547	-22,583	-27,215	-29,753	-29,753
Total equity and liabilities, opening balance for 12 months	3,491,605	3,971,975	3,983,140	3,852,305	3,852,305	2,904,192	3,262,755	3,104,465	3,099,788	3,099,788
Total equity and liabilities, closing balance	4,063,180	3,818,169	3,907,562	3,864,463	3,864,463	3,491,605	3,971,975	3,983,140	3,852,305	3,852,305
Total equity and liabilities, average	3,777,392	3,895,072	3,945,351	3,858,384	3,858,384	3,197,898	3,617,365	3,543,803	3,476,046	3,476,046
Return on total assets	9.5%	8.8%	8.9%	10.8%	10.8%	7.6%	7.7%	9.7%	10.1%	10.1%
Return on equity after tax, %										
Profit for the period after tax, rolling 12 months	262,435	262,539	272,773	317,878	317,878	171,292	194,180	262,738	262,871	262,871
Total equity, opening for 12 months	1,896,417	1,928,490	2,020,893	2,015,157	2,015,157	1,759,434	1,754,072	1,736,971	1,782,711	1,782,711
Total equity, closing	2,176,452	2,128,976	2,206,215	2,190,632	2,190,632	1,896,417	1,928,490	2,020,893	2,015,157	2,015,157
Total equity, average	2,036,435	2,028,733	2,113,554	2,102,894	2,102,894	1,827,925	1,841,281	1,878,932	1,898,934	1,898,934
Return on equity after tax	12.9%	12.9%	12.9%	15.1%	15.1%	9.4%	10.5%	14.0%	13.8%	13.8%
Net cash / Net debt										
Cash and cash equivalents	163,363	250,091	332,748	451,545	451,545	114,916	122,807	126,950	161,323	161,323
Non-current interest bearing liabilities	419,767	719,284	721,066	406,049	406,049	206,722	496,249	472,012	442,411	442,411
Current interest bearing liabilities	411,897	83,583	77,327	390,660	390,660	391,292	533,659	480,895	474,004	474,004
Total interest bearing liabilities	831,664	802,868	798,394	796,709	796,709	598,014	1,029,907	952,906	916,416	916,416
Net cash / Net debt	-668,301	-552,776	-465,646	-345,164	-345,164	-483,098	-907,100	-825,956	-755,093	-755,093
Growth, %										
Organic growth										
Net revenue	1,341,888	1,116,486	1,104,425	1,256,203	4,819,001	1,252,861	1,313,431	1,246,556	1,299,754	5,112,602
- Effect of changes in exchange rates	14,028	-11,080	-44,443	-49,282	-90,777	32,407	25,307	18,195	25,530	101,439
- Net revenue for last year	1,252,861	1,313,431	1,246,556	1,299,754	5,112,602	1,090,122	1,223,542	1,137,327	1,216,228	4,667,220
- Net revenue for acquired companies	141,559	94,421	-	-	235,981	95,224	37,667	134,417	132,989	400,297
= Organic growth	-66,560	-280,288	-97,688	5,731	-438,804	35,108	26,914	-43,384	-74,994	-56,354
Organic growth divided by last year net revenue, %	-5.3%	-21.3%	-7.8%	0.4%	-8.6%	3.2%	2.2%	-3.8%	-6.2%	-1.2%
Growth through acquisitions										
Net revenue for acquired companies divided by last year net revenue, %	11.3%	7.2%	0.0%	0.0%	4.6%	8.7%	3.1%	11.8%	10.9%	8.6%

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 an useful measure to follow up profitability and efficiency including tied up capital. The figure is used internally for controlling and managing the business as well as a benchmark towards other companies in the industry.

Liquid ratio, %

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

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

Debt/Equity ratio, %

Calculated as adjusted equity divided by balance sheet total.

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

Return on total assets, %

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

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

Return on equity after tax, %

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

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

Operating profit, 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 shows net debt both with and without regard 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, 2020, in total about 5,900 employees in Sweden, Bulgaria, China, Estonia, Hungary, India, Italy, Lithuania, Mexico, Poland, Serbia, Finland, Canada, USA, Brazil and Germany.

In 2020 AQ had net sales of about SEK 4.8 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.