

Västerås, July 15, 2021



# AQ Group AB (publ), Second quarter, 2021

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## Second quarter, April-June 2021 in brief

- Strong demand and high capacity utilization in combination with continued cost control
- Net sales increased by 21.9% to SEK 1,361 million (1,116)
- Operating profit (EBIT) increased by 46.0% to SEK 118 million (81)
- Profit after financial items (EBT) increased by 45.9% to SEK 114 million (78)
- Profit margin before tax (EBT %) was 8.4% (7.0)
- Cash flow from operating activities decreased by 32.0% to SEK 84 million (166)
- Earnings per share after tax increased by 37.4% to SEK 5.22 (3.80)

## Six months, January-June 2021 in brief

- Net sales increased by 8.5% to SEK 2,668 million (2,458)
- Operating profit (EBIT) increased by 33.8% to SEK 239 million (179)
- Profit after financial items (EBT) increased by 45.4% to SEK 240 million (165)
- Profit margin before tax (EBT %) was 9.0% (6.7)
- Cash flow from operating activities decreased by 20.5% to SEK 244 million (307)
- Earnings per share after tax increased by 40.5% to SEK 11.11 (7.91)
- Equity ratio was 57% (56)

## Group overview, key figures

SEK M unless otherwise stated	2021			2020				Full year
	Q1	Q2	Acc	Q1	Q2	Q3	Q4	
Net turnover	1,307	1,361	<b>2,668</b>	1,342	1,116	1,104	1,256	<b>4,819</b>
Operating profit (EBIT)	121	118	<b>239</b>	98	81	97	125	<b>401</b>
Profit after net financial items (EBT)	126	114	<b>240</b>	87	78	93	111	<b>369</b>
Profit for the period	109	96	<b>205</b>	76	70	79	93	<b>318</b>
Total equity	2,352	2,438	<b>2,438</b>	2,176	2,129	2,206	2,191	<b>2,191</b>
Operating margin (EBIT), %	9.3	8.7	<b>9.0</b>	7.3	7.2	8.8	10.0	<b>8.3</b>
Profit margin before tax (EBT), %	9.6	8.4	<b>9.0</b>	6.5	7.0	8.4	8.8	<b>7.7</b>
Liquid ratio, %	134	167	<b>167</b>	108	155	169	135	<b>135</b>
Debt/equity ratio, %	56	57	<b>57</b>	54	56	56	57	<b>57</b>
Return on total assets, % <sup>2)</sup>	10.6	11.9	<b>11.9</b>	9.5	8.8	8.9	10.8	<b>10.8</b>
Return on equity after tax, % <sup>2)</sup>	15.5	16.5	<b>16.5</b>	12.9	12.9	12.9	15.1	<b>15.1</b>
Number of employees in Sweden	782	792	<b>792</b>	833	805	789	794	<b>794</b>
Number of employees outside Sweden	5,298	5,206	<b>5,206</b>	5,465	5,231	5,237	5,097	<b>5,097</b>
<b>Key indicators per share, SEK <sup>1)</sup></b>								
Profit for the period	5.89	5.22	<b>11.11</b>	4.11	3.80	4.30	5.03	<b>17.24</b>
Equity	128.56	133.29	<b>133.29</b>	118.97	116.38	120.60	119.75	<b>119.75</b>
Number of shares, thousands	18,294	18,294	<b>18,294</b>	18,294	18,294	18,294	18,294	<b>18,294</b>

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

2) Calculated based on 12 months rolling amounts.

## A word from the CEO



Full speed ahead. There is high demand in all markets and in our factories. It is a struggle every day to get hold of components, to find new employees, machines and production surface. Now we have the opportunity to show our customers that we are different. We focus our energy on acting quickly and without bureaucracy to make our demanding customers happy despite difficult conditions. I am incredibly proud of all our employees who struggle every day to do the little extra to make our customers' everyday lives better.

### **Second quarter**

A challenging quarter in many ways. Our factories are working at full speed. Net sales are at a high level, which could, however, be higher if we were not limited by the supply of materials and components. We have a high organic growth in the quarter of 26.7% due to comparison with the lower sales during the pandemic in 2020. We are now continuing with major efforts to increase our organic growth. The focus is still on helping our customers to solve their challenges to deliver to their customers. All in all, this gives a stable profit in the period where the EBT margin is 8.4%.

During the quarter, many of our factories experienced disruptions in the supply chain of incoming material. Some of our units have had a negative effect on our customers and our delivery precision is 93% in the quarter, compared with the target of 98%. However, we have a close dialogue with the customers and my understanding is that in most cases they show great understanding of the market situation and are grateful for the efforts we make to deliver as much as possible. Prices of raw materials, such as copper and steel continued to rise sharply during the quarter. During the quarter, we have worked hard to obtain compensation for this from our customers. Our work to improve our wiring systems unit in Mexico continues. During the quarter, we strengthened our management to reverse the development there.

### **Customers**

It is a unique situation in the market right now where customers want to buy everything we can produce and more, at the same time as we have great challenges in the supply of material and components.

Investments in renewable energy continue to increase. We supply inductive components, sheet metal details and electrical cabinets to customers who operate in wind and solar power. Renewable energy also drives the need for energy storage. Here we work with new solutions for several customers.

AQ is a leader in the development and production of transformers and inductors in electromobility for trains and heavy vehicles. The acquisition of Schaffner's Power Magnetics division further strengthens our position in this area while gaining more customers in Germany and the United States. We know filter technology, electrification and automation at the same time as we are a supplier of wiring systems, sheet metal and inductive components for commercial vehicles. We participate in about twenty different development projects for electric vehicles.

The only of our customer segments that have not yet recovered from the pandemic are trains, buses and ships.

### **Acquisitions**

Our M&A team works continuously to identify potential acquisitions that fit into AQ. At the beginning of the second quarter, we agreed with the Schaffner Group to take over their Power Magnetics Division. The acquired units complement AQ's business area Inductive Components in a very good way, both in terms of technology and geographical coverage. We get a technically strong sales organization in Germany and the USA, as well as fine manufacturing units in Hungary, China and the USA. We believe that this acquisition will contribute to AQ's long-term ambition to be a global leader in the design and production of inductive components in our niches such as rail vehicles and electrification. The acquisition contributes approximately

with 8% growth in our net sales on an annual basis. The closing took place according to plan on July 1 this year.

### **Covid-19**

The pandemic had little effect on AQ during the quarter. But demand for products for trains, buses and ships has not yet recovered. We will continue with the measures we have introduced and are prepared to do so for a longer period. All our production units are up and running and we work closely with our customers to minimize the effects of the pandemic.

### **Environment and work environment**

AQ has management systems for the environment at all our manufacturing units. These contain 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. We also try to encourage our customers to buy locally from our factories in each geographic market to reduce long-distance transports. For example, our units in China supply to our customers' factories in China, our units in India supply most of their products to our customers' Indian factories, and so on.

### **Cash flow and balance sheet**

Our balance sheet is very strong. This is sustainable. Even after the acquisition of Schaffner's Power Magnetics division, we have a low net debt. Our cash flows are affected by growth and inventory build-up during the quarter. Our strong balance sheet allows us to focus on our customers and continue to invest and grow with them. During the quarter, we also refinanced our bank loans on better terms. This means that we have freedom of action to act when our M&A team finds attractive acquisition opportunities.

### **Employees and core values**

What makes AQ successful is that we have fantastic employees who work in accordance with our core values. We are simple people who like to get things done. Sometimes we get criticism from the capital market that we are bad at marketing ourselves. We think that our results should speak for themselves. Our ambition is for us to continue to grow our sales and our profits.  
Quite simply: We will continue to grow, make money, and have fun.

James Ahrgren  
CEO

# Group's financial position and results

## Second quarter

Net sales for the second quarter were SEK 1,361 million (1,116), an increase of SEK 245 million compared to the same period in the previous year, which was impacted negatively by the Covid pandemic. The total growth in the quarter was 21.9%, of which organic growth 26.7% and currency effects of -4.8%. The currency effect corresponded to about SEK -53 million and is mainly driven by the currencies EUR, PLN and CNY.

Operating margin (EBIT) in the second quarter was SEK 118 million (81), an increase of SEK 37 million. Recovery after the impact of the pandemic, continued good demand in medical technology, trucks and construction machines together with continued cost control contribute to the profit in the period. During the quarter, we received SEK 8 million in subsidies in a few countries outside Sweden. The EBT margin was 8.4%. Net financial items in the quarter amounted to SEK -4 million (-2).

Cash flow from operating activities was SEK 84 million (166) and the change can be explained by the growth and higher inventory levels.

Cash flow from investing activities was SEK -28 million (-49), which relates mainly to replacement and capacity investments in fixed assets of SEK -30 million (-35).

Cash flow from financing activities was SEK -19 million (-21).

## First six months

Net sales for the first six months was SEK 2,668 million (2,458), an increase of SEK 209 million compared to the previous year. For the first six months the total growth was 8.5%, of which organic growth 13.4% and a currency effect of -4.9%. The currency effect corresponds to SEK -120 million and is mainly driven by the currencies EUR, PLN and CNY.

Operating margin (EBIT) for the first six months was SEK 239 million (179) an increase of SEK 60 million compared to the previous year. The first half of 2021 has been characterized by high demand, primarily in medical technology, trucks and construction machines, high capacity utilization in our production units and continued cost control, which together contribute to the profit in the period.

The Group's investments in tangible fixed assets for the period amounted to SEK 58 million (79) and pertain to capacity investments and improvement projects for more efficient production, both in Europe and Asia. Total tangible fixed assets amounted to SEK 906 million (969), of which SEK 237 million (261) consisted of the book value of right-of-use assets in accordance with IFRS 16.

Interest bearing liabilities of the group was SEK 781 million (803) and cash and cash equivalents amounted to SEK 608 million (250), which means that the group had a net debt of SEK 173 million (553). The Group's interest-bearing liabilities without regard to leasing liabilities amounted to SEK 540 million (542), which means a net debt adjusted for leasing liabilities of SEK -68 million (292).

Cash flow from operating activities was SEK 244 million (307), and was during the period negatively affected by the increased inventory levels to meet the increased demand and reduce the effects of the disturbances in the supply chain.

Cash flow from investing activities was SEK -57 million (-99), which relates mainly to investments in fixed assets of SEK -58 million (-79).

Cash flow from financing activities was SEK -36 million (-117).

Equity at the end of the period was SEK 2,438 million (2,129) for the group.

## Significant events during the first six months

### First quarter

On February 19, 2021, Aeternum Capital acquired 1,850,000 shares in AQ Group AB (publ) from AQ's founders Claes Mellgren and Per-Olof Andersson. The sale corresponds to 10.1% of the company's shares. After the transaction, the founders' shareholding amounts to 39.3%. The Nomination Committee proposes Vegard Søråunet from Aeternum Capital as a new board member of AQ Group to this year's Annual General Meeting. Anders Carlsson leaves his position as CEO on March 31, 2021

### Second quarter

James Ahrgren takes over as the new CEO on April 1, 2021.

On April 15, 2021, AQ Group AB signs an agreement with the Swiss Schaffner Group to acquire their Power Magnetics division. Preliminary purchase price amounts to CHF 22.4 million on a debt-free cash-free basis (enterprise value). The division has an annual turnover of approximately CHF 45 million with an EBITDA margin of approximately 7% and the number of employees amounts to approximately 320. Closing is planned for 1 July 2021.

## Significant events after the end of the period

On July 1, 2021, the deal with the Schaffner Group acquiring their Power Magnetics Division was closed according to plan. The new units will be part of the Inductive Components business area and are expected to contribute with approximately 8% growth in our net sales on an annual basis. The preliminary purchase price paid on July 1 amounted to SEK 188 million. A preliminary acquisition analysis has not yet been prepared.

Schaffner's Power Magnetics division is a leading supplier in the design and manufacturing of specialized power electronics components, such as reactors, transformers, and filters in medium to high power. Its customers include leading players in the railway, industrial and electrification sectors. AQ Group takes over the Power Magnetics units in Paderborn (Germany), Kecskemét (Hungary), Wytheville and Roanoke (Virginia, USA) and the Power Magnetics part in Shanghai (China), with all employees.

## Goals

The goal of the group is continued profitable growth. The goal is a profit margin before tax (EBT) of 8% during a business cycle. 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.

	<b>Goal</b>	<b>Jan-Jun 2021</b>
Product quality	100%	99.6%
Delivery precision	98%	93.3%
Equity ratio	>40%	57%
Profit margin before tax, (EBT %)	8%	9.0%



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

AQ Group AB did not pay a share dividend to its shareholders during 2020, nor during the first half of 2021. 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.

A further description of related party transactions is provided in Note 33 and remuneration to the Board and Group Management is provided in Note 9 to the Annual Report for 2020.

## 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 2020. The ongoing Covid-19 pandemic that has hit the world has resulted in increased risks and uncertainties that could have a significant impact on AQ's customers and suppliers, which in turn affect the actual outcome for AQ. In addition to the commented factors the real outcome can be affected by for example 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 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.

## Nomination committee

The Nomination Committee represents the shareholders and consists of members who are appointed by each of the four largest shareholders in terms of votes. The Nomination Committee's term of office extends until a new Nomination Committee has been appointed. The Nomination Committee before the AGM 2021 consisted of Hans Christian Bratterud (ODIN Fonder), Björn Henriksson (Nordea Fonder), Per Olof Andersson and Claes Mellgren. The Nomination Committee for the 2022 Annual General Meeting will be announced no later than six months before the Annual General Meeting.

## Future reporting dates

Interim report Q3, 2021

October 21, 2021, at 08:00

Year-end report, 2021

February 17, 2022, at 08:00

## Other information

The information in this interim report shall be made public in accordance with the EU Market Abuse Regulation and the Securities Market Act of Sweden. The information was released by CEO James Ahrgren for publication at 08:00 hours on July 15, 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.aqg.se](http://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, July 15, 2021

James Ahrgren  
CEO

Patrik Nolåker  
Chairman of the Board

P-O Andersson  
Board member

Ulf Gundemark  
Board member

Gunilla Spongh  
Board member

Lars Wrebo  
Board member

Annika Johansson-Rosengren  
Board member

Claes Mellgren  
Board member

Vegard Søraunet  
Board member



# Financial reports, summary

## Summary Income Statement for the Group

SEK M	Note	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	R12 Jul 2020 -Jun 2021	Full Year 2020
Net sales		1,361	1,116	2,668	2,458	5,028	4,819
Other operating income		27	46	57	80	131	153
<b>Total income</b>		<b>1,388</b>	<b>1,163</b>	<b>2,725</b>	<b>2,538</b>	<b>5,159</b>	<b>4,972</b>
Change in inventory and work in progress		38	1	49	-7	38	-18
Raw material and consumables		-682	-532	-1,315	-1,224	-2,442	-2,352
Goods for resale		-42	-24	-85	-36	-138	-89
Other external expenses		-140	-113	-268	-241	-496	-469
Personnel costs		-374	-337	-733	-700	-1,386	-1,353
Depreciation and amortisation		-56	-59	-111	-118	-227	-234
Other operating expenses		-14	-17	-23	-32	-48	-57
<b>Total operating costs</b>		<b>-1,270</b>	<b>-1,082</b>	<b>-2,486</b>	<b>-2,359</b>	<b>-4,697</b>	<b>-4,571</b>
<b>Operating profit</b>		<b>118</b>	<b>81</b>	<b>239</b>	<b>179</b>	<b>462</b>	<b>401</b>
Net financial income/expense	5	-4	-2	1	-13	-18	-32
<b>Profit before tax</b>		<b>114</b>	<b>78</b>	<b>240</b>	<b>165</b>	<b>444</b>	<b>369</b>
Taxes		-18	-8	-35	-19	-67	-51
<b>Profit for the period</b>		<b>96</b>	<b>70</b>	<b>205</b>	<b>146</b>	<b>377</b>	<b>318</b>
<b>PROFIT FOR THE PERIOD ATTRIBUTABLE TO:</b>							
Parent company shareholders		95	69	203	145	374	315
Non-controlling interests		1	1	1	1	3	2
		<b>96</b>	<b>70</b>	<b>205</b>	<b>146</b>	<b>377</b>	<b>318</b>
Earnings per share <sup>1)</sup>		5.22	3.80	11.11	7.91	20.45	17.24

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

## Statement of comprehensive income for the Group, summary

SEK M	Note	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	R12 Jul 2020 -Jun 2021	Full Year 2020
<b>PROFIT FOR THE PERIOD</b>		<b>96</b>	<b>70</b>	<b>205</b>	<b>146</b>	<b>377</b>	<b>318</b>
<b>OTHER COMPREHENSIVE INCOME</b>							
<b>Items that cannot be transferred to the profit for the period</b>							
Revaluation of defined benefit pension plans		-	-	-	-	-0	-0
Revaluation of defined benefit pension plans, tax effect		-	-	-	-	0	0
<b>Items transferred or that can be transferred to the profit</b>							
Translation difference for foreign operations		-10	-117	43	-32	-67	-142
<b>Other comprehensive income for the period after tax</b>		<b>-10</b>	<b>-117</b>	<b>43</b>	<b>-32</b>	<b>-67</b>	<b>-142</b>
<b>Comprehensive income for the period</b>		<b>86</b>	<b>-47</b>	<b>248</b>	<b>114</b>	<b>309</b>	<b>175</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:</b>							
Parent company shareholders		86	-48	246	113	307	173
Non-controlling interests		1	0	2	1	2	2
		<b>86</b>	<b>-47</b>	<b>248</b>	<b>114</b>	<b>309</b>	<b>175</b>

## Summary Balance Sheet for the group

SEK M	Note	Jun 30 2021	Jun 30 2020	Dec 31 2020
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Goodwill		338	348	330
Other intangible assets		169	204	178
Tangible assets		906	969	913
Financial assets		2	2	2
Deferred tax assets		60	62	54
<b>Total non-current assets</b>		<b>1,474</b>	<b>1,585</b>	<b>1,477</b>
Inventories		919	891	816
Trade and other receivables		1,127	964	995
Other current receivables		151	128	125
Cash and cash equivalents		608	250	452
<b>Total current assets</b>		<b>2,806</b>	<b>2,233</b>	<b>2,388</b>
<b>TOTAL ASSETS</b>		<b>4,281</b>	<b>3,818</b>	<b>3,864</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity attributable to parent company shareholders		2,427	2,120	2,181
Non-controlling interests		11	9	9
<b>TOTAL EQUITY</b>		<b>2,438</b>	<b>2,129</b>	<b>2,191</b>
Non-current liabilities to credit institutions		611	719	406
Non-current non-interest-bearing liabilities		99	106	101
<b>Total non-current liabilities</b>		<b>711</b>	<b>825</b>	<b>508</b>
Interest-bearing current liabilities		170	84	391
Trade and other payables		563	429	439
Other current liabilities	5	399	351	336
<b>Total current liabilities</b>		<b>1,132</b>	<b>864</b>	<b>1,166</b>
<b>TOTAL LIABILITIES</b>		<b>1,842</b>	<b>1,689</b>	<b>1,674</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,281</b>	<b>3,818</b>	<b>3,864</b>

## Statement of changes in Equity for the Group

SEK M	Equity attributable to parent company shareholders					Non-controlling interests	Total equity
	Share capital	Other contributed capital	Translation reserve	Retained earnings incl. profit	Subtotal		
<b>Equity, 01/01/2020</b>	<b>37</b>	<b>84</b>	<b>156</b>	<b>1,731</b>	<b>2,008</b>	<b>7</b>	<b>2,015</b>
<b>Profit for the year</b>				<b>145</b>	<b>145</b>	<b>1</b>	<b>146</b>
Translation differences in foreign operations			-32	-	-32	0	-32
<b>Other comprehensive income</b>			<b>-32</b>	<b>-</b>	<b>-32</b>	<b>0</b>	<b>-32</b>
<b>Comprehensive income for the period</b>			<b>-32</b>	<b>145</b>	<b>113</b>	<b>1</b>	<b>114</b>
Dividends paid				-	-		-
<b>Transactions with shareholders</b>				<b>-</b>	<b>-</b>		<b>-</b>
<b>Equity, 06/30/2020</b>	<b>37</b>	<b>84</b>	<b>123</b>	<b>1,876</b>	<b>2,120</b>	<b>9</b>	<b>2,129</b>
<b>Equity, 01/01/2021</b>	<b>37</b>	<b>84</b>	<b>14</b>	<b>2,047</b>	<b>2,181</b>	<b>9</b>	<b>2,191</b>
<b>Profit for the period</b>				<b>203</b>	<b>203</b>	<b>1</b>	<b>205</b>
Translation differences in foreign operations			43	-	43	0	43
<b>Other comprehensive income</b>			<b>43</b>	<b>-</b>	<b>43</b>	<b>0</b>	<b>43</b>
<b>Comprehensive income for the period</b>			<b>43</b>	<b>203</b>	<b>246</b>	<b>2</b>	<b>248</b>
Dividends paid				-	-		-
<b>Transactions with shareholders</b>				<b>-</b>	<b>-</b>		<b>-</b>
<b>Equity, 06/30/2021</b>	<b>37</b>	<b>84</b>	<b>56</b>	<b>2,250</b>	<b>2,427</b>	<b>11</b>	<b>2,438</b>

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 M	Apr 1 - Jun 30 2021	Apr 1 - Jun 30 2020	Jan 1 - Jun 30 2021	Jan 1 - Jun 30 2020	Jan 1 - Dec 31 Full Year 2020
Profit before tax	114	78	240	165	369
Adjustment for non cash generating items	58	74	113	119	250
Income tax paid	-23	-14	-39	-33	-56
<b>Cash flow from operating activities before change in working capital</b>	<b>149</b>	<b>139</b>	<b>314</b>	<b>251</b>	<b>564</b>
Increase (-)/decrease (+) in inventories	-50	-1	-91	-14	31
Increase (-)/decrease (+) in trade receivables	-11	155	-114	66	-3
Increase (-)/decrease (+) in other receivables	-14	2	-16	-3	-19
Increase (+)/decrease (-) in trade payables	5	-100	112	-31	3
Increase (+)/decrease (-) in other liabilities	5	-29	39	38	32
<b>Change in working capital</b>	<b>-65</b>	<b>27</b>	<b>-70</b>	<b>56</b>	<b>45</b>
<b>Cashflow from operating activities</b>	<b>84</b>	<b>166</b>	<b>244</b>	<b>307</b>	<b>609</b>
Acquisitions of shares in subsidiaries	-	-17	-	-17	-20
Acquisition of intangible non-current assets	-0	-1	-1	-7	-8
Acquisition of tangible non-current assets	-30	-35	-58	-79	-114
Sale of tangible non-current assets	1	4	2	4	5
Other changes in non-current assets	1	-0	1	-0	1
<b>Cashflow from investing activities</b>	<b>-28</b>	<b>-49</b>	<b>-57</b>	<b>-99</b>	<b>-137</b>
New borrowings, credit institutions	12	-1	12	-1	-
Amortisation of loans	-16	-1	-17	-17	-21
Amortisation of loans (lease)	-23	-23	-45	-47	-91
Change in bank overdraft facilities	7	4	14	-52	-59
Other changes in financial activities	-	-	-	-	1
<b>Cashflow from financing activities</b>	<b>-19</b>	<b>-21</b>	<b>-36</b>	<b>-117</b>	<b>-169</b>
<b>Change in cash and cash equivalents for the period</b>	<b>36</b>	<b>96</b>	<b>151</b>	<b>91</b>	<b>303</b>
Cash and cash equivalents at the beginning of the year	571	163	452	161	161
Exchange rate difference in cash and cash equivalents	1	-9	6	-3	-12
<b>Cash and cash equivalents at the end of the period</b>	<b>608</b>	<b>250</b>	<b>608</b>	<b>250</b>	<b>452</b>

## Parent company development

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

### Summary income statement for the Parent company

SEK M	Note	R12					Full year 2020
		Apr - Jun 2021	Apr - Jun 2020	Jan - Jun 2021	Jan - Jun 2020	Jul 2020 -Jun 2021	
Net sales		12	10	23	21	46	43
Other operating income		0	1	1	1	5	5
<b>Total income</b>		<b>13</b>	<b>11</b>	<b>24</b>	<b>22</b>	<b>51</b>	<b>48</b>
Other external expenses		-6	-4	-10	-8	-18	-17
Personnel costs		-8	-9	-16	-16	-36	-35
Other operating expenses		-1	-0	-1	-0	-1	-0
<b>Total operating costs</b>		<b>-15</b>	<b>-13</b>	<b>-27</b>	<b>-24</b>	<b>-55</b>	<b>-53</b>
<b>Operating profit</b>		<b>-2</b>	<b>-2</b>	<b>-3</b>	<b>-3</b>	<b>-5</b>	<b>-4</b>
Net financial items	5	27	21	-27	12	13	52
<b>Earnings after net financial items</b>		<b>25</b>	<b>19</b>	<b>-30</b>	<b>9</b>	<b>8</b>	<b>47</b>
Appropriations		-	-	-	-	27	27
<b>Profit before tax</b>		<b>25</b>	<b>19</b>	<b>-30</b>	<b>9</b>	<b>35</b>	<b>74</b>
Taxes		0	2	-1	3	-5	-1
<b>Profit for the period</b>		<b>26</b>	<b>21</b>	<b>-31</b>	<b>12</b>	<b>31</b>	<b>74</b>

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

#### Second quarter

Revenues during the second quarter amounted to SEK 12 million (10) and mainly pertained to internal services. Profit for the period amounted to SEK 26 million (21). Net financial items amounted to SEK 27 million (21).

#### First six months

Revenues during the first six months amounted to SEK 23 (21) million and mainly pertained to internal services. Profit for the period amounted to SEK -31 million (12). Net financial items amounted to SEK -27 million (12).

## Summary balance sheet for the Parent company

SEK M	Note	Jun 30 2021	Jun 30 2020	Dec 31 2020
<b>ASSETS</b>				
Financial fixed assets		1,245	1,202	1,272
<b>Total non-current assets</b>		<b>1,245</b>	<b>1,202</b>	<b>1,272</b>
Current receivables		99	281	185
Cash and cash equivalents		453	105	296
<b>Total current assets</b>		<b>551</b>	<b>387</b>	<b>481</b>
<b>TOTAL ASSETS</b>		<b>1,797</b>	<b>1,588</b>	<b>1,753</b>
<b>EQUITY AND LIABILITIES</b>				
Restricted equity		38	38	38
Non-restricted equity		654	623	684
<b>TOTAL EQUITY</b>		<b>692</b>	<b>661</b>	<b>722</b>
<b>Untaxed reserves</b>		<b>28</b>	<b>52</b>	<b>28</b>
<b>Provisions</b>		<b>-</b>	<b>2</b>	<b>0</b>
Non-current interest-bearing liabilities		440	515	210
<b>Total non-current liabilities</b>		<b>440</b>	<b>515</b>	<b>210</b>
Interest-bearing current liabilities		621	346	753
Other current liabilities	5	16	12	39
<b>Total current liabilities</b>		<b>637</b>	<b>358</b>	<b>792</b>
<b>TOTAL LIABILITIES</b>		<b>1,077</b>	<b>875</b>	<b>1,003</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,797</b>	<b>1,588</b>	<b>1,753</b>

The reduction in non-restricted equity of SEK 31 million compared with 31 December 2020 consists of the profit for the period.

# Notes to the financial statements in summary

## Note 1. Accounting principles

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

Unless otherwise stated, all amounts are rounded to the nearest million. The total sum in tables and calculations do not always sum up of the parts due to rounding differences. The objective is that every interim row shall conform with the original source 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

#### Second quarter

For the segment Component, the total net sales for the second quarter were SEK 1,161 million (937), of which SEK 1,079 million (852) is external sales. The increase of the external sales was SEK 226 million.

For the segment System, the total net sales for the second quarter were SEK 376 million (319), of which SEK 283 million (264) is external sales. The increase of the external sales is SEK 18 million.

Operating profit (EBIT) in the second quarter was SEK 81 million (49) for Component, corresponding to an increase of SEK 32 million compared to previous year. Operating profit (EBIT) for System was SEK 38 million (37), corresponding to an increase of SEK 1 million compared to previous year.

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

<b>Apr-Jun 2021, SEK M</b>	<b>Component</b>	<b>System</b>	<b>Unallocated and eliminations</b>	<b>Group</b>
Net sales, external	1,079	283	-	1,361
Net sales, internal	82	94	-176	-
<b>Total net turnover</b>	<b>1,161</b>	<b>376</b>	<b>-176</b>	<b>1,361</b>
Material costs, excl. purchases own segment	-577	-268	159	-686
Depreciation	-48	-7	-0	-56
Other operating expenses/income	-454	-63	16	-502
<b>Operating profit</b>	<b>81</b>	<b>38</b>	<b>-2</b>	<b>118</b>
Net financials items				-4
<b>Profit before tax</b>				<b>114</b>

<b>Apr-Jun 2020, SEK M</b>	<b>Component</b>	<b>System</b>	<b>Unallocated and eliminations</b>	<b>Group</b>
Net sales, external	852	264	-	1,116
Net sales, internal	85	55	-140	-
<b>Total net turnover</b>	<b>937</b>	<b>319</b>	<b>-140</b>	<b>1,116</b>
Material costs, excl. purchases own segment	-454	-217	116	-555
Depreciation	-53	-6	-0	-59
Other operating expenses/income	-380	-59	18	-421
<b>Operating profit</b>	<b>49</b>	<b>37</b>	<b>-6</b>	<b>81</b>
Net financials items				-2
<b>Profit before tax</b>				<b>78</b>

### First six months

For the segment Component, the total net sales for the first six months were SEK 2,262 million (2,075), of which SEK 2,097 million (1,900) is external sales. During the period, external sales increased by SEK 197 million compared with the corresponding period last year, which is explained by the recovery in volumes after the shutdown of units and by the units affected by the automotive industry during the Corona pandemic last year.

For the segment System, the total net sales for the first six months were SEK 746 million (651), of which SEK 571 million (558) is external sales. The increase of the external sales of SEK 13 million is also due to recovery of units affected by the Corona pandemic previous year.

Operating profit (EBIT) for the first six months was SEK 163 million (123) for Component, which was SEK 40 million better than the same period last year. Operating profit (EBIT) for System was SEK 78 million (71), which was an improvement of SEK 6 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.

<b>Jan-Jun 2021, SEK M</b>	<b>Component</b>	<b>System</b>	<b>Unallocated and eliminations</b>	<b>Group</b>
Net sales, external	2,097	571	-	2,668
Net sales, internal	165	176	-341	-
<b>Total net turnover</b>	<b>2,262</b>	<b>746</b>	<b>-341</b>	<b>2,668</b>
Material costs, excl. purchases own segment	-1,126	-531	307	-1,351
Depreciation	-97	-14	-0	-111
Other operating expenses/income	-876	-123	33	-967
<b>Operating profit</b>	<b>163</b>	<b>78</b>	<b>-2</b>	<b>239</b>
Net financials items				1
<b>Profit before tax</b>				<b>240</b>

<b>Jan-Jun 2020, SEK M</b>	<b>Component</b>	<b>System</b>	<b>Unallocated and eliminations</b>	<b>Group</b>
Net sales, external	1,900	558	-	2,458
Net sales, internal	175	93	-268	-
<b>Total net turnover</b>	<b>2,075</b>	<b>651</b>	<b>-268</b>	<b>2,458</b>
Material costs, excl. purchases own segment	-1,031	-449	212	-1,268
Depreciation	-106	-12	-0	-118
Other operating expenses/income	-815	-118	40	-894
<b>Operating profit</b>	<b>123</b>	<b>71</b>	<b>-16</b>	<b>179</b>
Net financials items				-13
<b>Profit before tax</b>				<b>165</b>



## SALES DIVIDED BY SEGMENT AND GEOGRAPHICAL MARKETS

### Second quarter

The turnover divided among geographical markets in the second quarter: Sweden 31% (32), other European countries 49% (52) and other countries 20% (16).

Apr-Jun 2021, SEK M	Component	System	Unallocated and eliminations	Group
Sweden	276	190	12	479
Other European countries	691	76	-	766
Other countries	194	110	-	304
<b>Net sales</b>	<b>1,161</b>	<b>376</b>	<b>12</b>	<b>1,550</b>
Internal sales, eliminations	-	-	-188	-188
<b>Total net turnover</b>	<b>1,161</b>	<b>376</b>	<b>-176</b>	<b>1,361</b>

Apr-Jun 2020, SEK M	Component	System	Unallocated and eliminations	Group
Sweden	227	171	10	408
Other European countries	582	80	-	662
Other countries	128	68	-	196
<b>Net sales</b>	<b>937</b>	<b>319</b>	<b>10</b>	<b>1,266</b>
Internal sales, eliminations	-	-	-150	-150
<b>Total net turnover</b>	<b>937</b>	<b>319</b>	<b>-140</b>	<b>1,116</b>

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

### First six months

The turnover divided among geographical markets in the first six months: Sweden 32% (32), other European countries 50% (54) and other countries 18% (14).

Jan-Jun 2021, SEK M	Component	System	Unallocated and eliminations	Group
Sweden	556	400	23	979
Other European countries	1,346	161	-	1,507
Other countries	361	185	-	546
<b>Net sales</b>	<b>2,262</b>	<b>746</b>	<b>23</b>	<b>3,032</b>
Internal sales, eliminations	-	-	-364	-364
<b>Total net turnover</b>	<b>2,262</b>	<b>746</b>	<b>-341</b>	<b>2,668</b>

Jan-Jun 2020, SEK M	Component	System	Unallocated and eliminations	Group
Sweden	498	373	21	891
Other European countries	1,298	182	-	1,481
Other countries	279	96	-	375
<b>Net sales</b>	<b>2,075</b>	<b>651</b>	<b>21</b>	<b>2,746</b>
Internal sales, eliminations	-	-	-288	-288
<b>Total net turnover</b>	<b>2,075</b>	<b>651</b>	<b>-268</b>	<b>2,458</b>

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:

<b>Country</b>	<b>Jan-Jun 2021</b>	<b>Jan-Jun 2020</b>	<b>Jan-Jun 2019</b>
Bulgaria	1 235	1 285	1 339
Poland	982	912	1 152
Sweden	792	805	888
China	632	625	472
Lithuania	603	645	779
Estonia	566	588	637
Hungary	389	356	366
Finland	186	213	218
Canada	172	159	168
Mexico	168	199	218
India	140	130	133
USA	95	64	99
Italy	19	19	19
Brazil	8	4	6
Serbia	8	29	33
Germany	3	3	3
<b>Total</b>	<b>5 998</b>	<b>6 036</b>	<b>6 530</b>

### Note 4. Acquisitions

AQ's strategy is to grow in both segments. During the period January to June 2021 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 June 30, 2021 the market value of derivatives amounted to SEK -0.1 million (-0.2) valued at level 2.

### Note 6. Events after the end of the reporting period

Information about events after the end of the reporting period are presented on page 5.

## Note 7. Calculation of key figures and definitions

SEK M unless otherwise stated	2021			2020				
	Q1	Q2	YTD	Q1	Q2	Q3	Q4	Full year
<b>Operating margin, (EBIT %)</b>								
Operating profit	121	118	239	98	81	97	125	401
Net revenue	1,307	1,361	2,668	1,342	1,116	1,104	1,256	4,819
Operating margin	<b>9.3</b>	<b>8.7</b>	<b>9.0</b>	<b>7.3</b>	<b>7.2</b>	<b>8.8</b>	<b>10.0</b>	<b>8.3</b>
<b>EBITDA</b>								
Profit before tax	121	118	239	98	81	97	125	401
Depreciations/amortisations	-55	-56	-111	-59	-59	-59	-57	-234
EBITDA	<b>177</b>	<b>173</b>	<b>350</b>	<b>157</b>	<b>140</b>	<b>156</b>	<b>182</b>	<b>635</b>
<b>Profit margin before tax, (EBT %)</b>								
Profit before tax	126	114	240	87	78	93	111	369
Net revenue	1,307	1,361	2,668	1,342	1,116	1,104	1,256	4,819
Profit margin before tax, %	<b>9.6</b>	<b>8.4</b>	<b>9.0</b>	<b>6.5</b>	<b>7.0</b>	<b>8.4</b>	<b>8.8</b>	<b>7.7</b>
<b>Liquid ratio, %</b>								
Trade receivables	1,121	1,127	1,127	1,162	964	1,004	995	995
Other current receivables	132	151	151	136	128	141	125	125
Cash and cash equivalents	571	608	608	163	250	333	452	452
Current liabilities	1,361	1,132	1,132	1,354	864	876	1,166	1,166
Liquid ratio, %	<b>134</b>	<b>167</b>	<b>167</b>	<b>108</b>	<b>155</b>	<b>169</b>	<b>135</b>	<b>135</b>
<b>Debt/equity ratio, %</b>								
Total equity	2,352	2,438	2,438	2,176	2,129	2,206	2,191	2,191
Total assets	4,196	4,281	4,281	4,063	3,818	3,908	3,864	3,864
Debt/equity ratio, %	<b>56</b>	<b>57</b>	<b>57</b>	<b>54</b>	<b>56</b>	<b>56</b>	<b>57</b>	<b>57</b>
<b>Return on total assets, %</b>								
Profit before tax, rolling 12 months	408	444	444	315	305	316	369	369
Financial expenses, rolling 12 months	-31	-36	-36	-45	-39	-36	-48	-48
Total equity and liabilities, opening balance for 12 months	4,063	3,818	3,818	3,492	3,972	3,983	3,852	3,852
Total equity and liabilities, closing balance	4,196	4,281	4,281	4,063	3,818	3,908	3,864	3,864
Total equity and liabilities, average	4,130	4,049	4,049	3,777	3,895	3,945	3,858	3,858
Return on total assets, %	<b>10.6</b>	<b>11.9</b>	<b>11.9</b>	<b>9.5</b>	<b>8.8</b>	<b>8.9</b>	<b>10.8</b>	<b>10.8</b>
<b>Return on equity after tax, %</b>								
Profit for the period after tax, rolling 12 months	351	377	377	262	263	273	318	318
Total equity, opening for 12 months	2,176	2,129	2,129	1,896	1,928	2,021	2,015	2,015
Total equity, closing	2,352	2,438	2,438	2,176	2,129	2,206	2,191	2,191
Total equity, average	2,264	2,284	2,284	2,036	2,029	2,114	2,103	2,103
Return on equity after tax, %	<b>15.5</b>	<b>16.5</b>	<b>16.5</b>	<b>12.9</b>	<b>12.9</b>	<b>12.9</b>	<b>15.1</b>	<b>15.1</b>
<b>Net cash / Net debt</b>								
Cash and cash equivalents	571	608	608	163	250	333	452	452
Non-current interest bearing liabilities	381	611	611	420	719	721	406	406
Current interest bearing liabilities	415	170	170	412	84	77	391	391
Total interest bearing liabilities	796	781	781	832	803	798	797	797
Net cash / Net debt	<b>-225</b>	<b>-173</b>	<b>-173</b>	<b>-668</b>	<b>-553</b>	<b>-466</b>	<b>-345</b>	<b>-345</b>
<b>Growth, %</b>								
<b>Organic growth</b>								
Net revenue	1,307	1,361	2,668	1,342	1,116	1,104	1,256	4,819
- Effect of changes in exchange rates	-67	-53	-120	14	-11	-44	-49	-91
- Net revenue for last year	1,342	1,116	2,458	1,253	1,313	1,247	1,300	5,113
- Net revenue for acquired companies	-	-	-	142	94	-	-	236
= Organic growth	32	298	330	-67	-280	-98	6	-439
Organic growth divided by last year net revenue, %	<b>2.4</b>	<b>26.7</b>	<b>13.4</b>	<b>-5.3</b>	<b>-21.3</b>	<b>-7.8</b>	<b>0.4</b>	<b>-8.6</b>
<b>Growth through acquisitions</b>								
Net revenue for acquired companies divided by last year net revenue, %	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>11.3</b>	<b>7.2</b>	<b>0.0</b>	<b>0.0</b>	<b>4.6</b>

**Operating margin, EBIT %**

Calculated as operating profit divided by net sales.

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

**Profit margin before tax, EBT%**

Calculated as profit before tax divided by net sales.

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

**Liquid ratio, %**

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

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

**Debt/Equity ratio, %**

Calculated as adjusted equity divided by balance sheet total.

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

**Return on total assets, %**

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

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

**Return on equity after tax, %**

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

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

**Operating profit, SEK M**

Calculated as the profit before tax and financial items.

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

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

Calculated as the profit before tax.

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

**Net cash/Net debt, SEK M**

Calculated as the difference between interest bearing debts and cash and cash equivalents. This key figure is reflecting how much interest-bearing debts the 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 Bulgaria, Poland, Sweden, Lithuania, Estonia, China, Hungary, Mexico, Finland, Canada, India, USA, Italy, Brazil, Serbia 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.