



Västerås 02/20/2014

## **AQ Group AB (publ)**

### **Year-end report 2013**

#### **Fiscal year 2013, in brief**

- Net sales SEK 2,527 million (2,162)
- Operating profit SEK 160 million (117)
- Profit after financial items SEK 156 million (119)
- Equity ratio 56 % (54)
- Earnings per share after tax SEK 6.83 (5.47)
- The Board proposes a dividend of SEK 1.60 (1.30)

#### **Fourth quarter, October - December 2013, in brief**

- Net sales SEK 697 million (568)
- Operating profit SEK 37 million (22)
- Profit after financial items SEK 39 million (27)
- Equity ratio 56 % (54)
- Earnings per share after tax SEK 1.79 (1.44)

## **Fiscal year 2013 and fourth quarter**

Net sales in the fourth quarter was SEK 697 million (568), an increase with SEK 129 million compared with the same period previous year. The sales excluding acquisitions and currency effects increased by 12 %.

Net sales for the fiscal year was SEK 2,527 million (2,162), an increase of SEK 365 million compared with previous year. Sales excluding acquisitions and currency effects increased with 3%.

Operating margin in the fourth quarter was SEK 37 million (22) and for the full year SEK 160 million (117), an increase by 37 %.

Equity at year-end was SEK 885 million (784) for the group.

## **Significant events during the fiscal year**

AQ Enclosure Systems AB acquired the assets of Arkivator Machine Systems AB, which was filed for bankruptcy. The transaction was made as a cash transaction and the operation was taken over on September 4, 2013. Arkivator Machine Systems is a leading supplier of machines for the packaging industry and is involved all steps from product development, through prototype to serial production, field support and after sales services. The business has continued in AQ Enclosure Systems AB in Falköping, Sweden. The acquired business showed a minor loss during the year.

AQ Segerström & Svensson AB acquired the assets of Industriell Plåt Produktion AB, which was filed for bankruptcy. The transaction was made as a cash transaction. The operations was taken over on October 1, 2013 and continued in location of Lyrestad, Sweden. Industriell Plåt Produktion AB is a leading supplier of exhaust systems and tubes for small and medium series production and is involved in all steps from product development, through prototype to serial production, and spare parts. The business has shown a positive result during the year.

During the year, investments of SEK 47 million in tangible assets have been made in the group.

The project to reduce capital in the group's inventories, which started in 2013, has not reached a satisfactory result. The inventories have been reduced by 56 million, excluding acquired businesses. The project will continue and the group has put in additional resources to continue the reduction of inventories.

We have during the year received several awards from our customers, which we are proud of. "We are reliable" is established as a stable backbone in the company.

Our operations in Mexico and India have continued low volumes, but we have confidence in the business long term and work actively to increase the business volumes.

## **Significant events after the end of the period**

The board of directors has given management the task to apply for the company to be listed on Nasdaq OMX.

## Information of parent company

The parent company, AQ Group AB, focuses primarily on leadership and development of the Group. Company sales are, as in previous years, almost exclusively of sale of management services to subsidiaries. Purchases from the subsidiaries do not exist to any appreciable extent.

## The drawing up of the interim report

The interim report has been prepared in accordance with the Swedish Annual Accounts Act as well as IFRS, applying IAS 34, Interim Financial Reporting, which contains general requirements for the design, structure and minimum information requirements in the interim report. The accounting and valuation principles applied are the same as used in the latest annual report for 2012.

The report has not been audited.

## Significant estimates and evaluations for accounting purposes

The Board has in preparing the interim report found no record that would be especially exposed from a risk point of view and thus induce significant adjustments to future periods.

## Future prospects

The board of directors is currently assessing sales and profits for the full year 2014 will be slightly better compared to 2013.

The Group strives for continued profitable growth within its business areas. The growth will be achieved both organically and through acquisitions.

## AQ in brief

AQ is a leading supplier to demanding industrial customers and is listed on AktieTorget.

The Group operates in two business segments *Component* which produce transformers, cabling, mechanical parts, stamped sheet metal and plastic injection molding and *Systems* which produces systems, automation and power solutions and assemble complete machines in close cooperation with customers.

## The Group's Income Statement (KSEK)

	Q4 2013	Q4 2012	Acc 2013	Acc 2012
Net sales	696 544	567 823	2 527 372	2 162 033
Other operating income	13 990	21 413	35 543	41 886
Operating expenses	-673 264	-566 941	-2 403 120	-2 086 922
<b>Operating profit</b>	<b>37 269</b>	<b>22 294</b>	<b>159 795</b>	<b>116 997</b>
Result from financial items	1 507	4 366	-3 303	1 576
<b>Profit after financial items</b>	<b>38 776</b>	<b>26 660</b>	<b>156 492</b>	<b>118 573</b>
Tax on profit for the year	-6 485	-683	-33 369	-19 939
<b>Net profit for the year</b>	<b>32 291</b>	<b>25 977</b>	<b>123 123</b>	<b>98 633</b>
Earnings per share after full tax <sup>1)</sup>	1,79	1,44	6,83	5,47
Net margin %	5,6%	4,7%	6,2%	5,5%

1) Earnings per share after taxes attributable to the parent company's shareholders.

### The Parent Company's Income Statement (KSEK)

	Q4 2013	Q4 2012	Acc 2013	Acc 2012
Net sales	12 281	13 221	40 080	49 437
Other operating income	13	9 370	14	9 370
Operating expenses	-4 027	-2 579	-21 003	-15 403
<b>Operating profit</b>	<b>8 268</b>	<b>20 012</b>	<b>19 092</b>	<b>43 404</b>
Result from financial items	17 810	2 065	7 766	3 725
<b>Profit after financial items</b>	<b>26 077</b>	<b>22 077</b>	<b>26 858</b>	<b>47 130</b>
Appropriations	4 300	8 200	3 050	8 200
Tax on profit for the year	-3 262	-7 995	-5 440	-14 590
<b>Net profit for the year</b>	<b>27 115</b>	<b>22 282</b>	<b>24 468</b>	<b>40 740</b>

### Balance Sheet (KSEK)

	Group		Parent company	
	Q4 2013	Q4 2012	Q4 2013	Q4 2012
<b>Assets</b>				
Fixed assets	350 811	337 858	338 419	301 919
Inventories	442 397	466 695		
Other current receivables	717 308	583 828	302 723	227 493
Cash and bank balances	67 566	55 893	11 151	10 004
<b>Total assets</b>	<b>1 578 082</b>	<b>1 444 274</b>	<b>652 294</b>	<b>539 416</b>
<b>Equity and liabilities</b>				
Equity	885 403	783 551	310 676	309 652
Untaxed reserves			37 590	31 140
Interest-bearing liabilities	244 097	252 042	71 062	49 039
Other liabilities	448 582	408 680	232 966	149 585
<b>Total equity and liabilities</b>	<b>1 578 082</b>	<b>1 444 274</b>	<b>652 294</b>	<b>539 416</b>
<b>Equity ratio</b>	<b>56%</b>	<b>54%</b>	<b>52%</b>	<b>62%</b>

### Cash Flow Analysis (KSEK)

	Group		Parent company	
	Acc 2013	Acc 2012	Acc 2013	Acc 2012
Net operating profit/loss	159 795	116 997	19 092	43 404
Result from financial items	-1 204	-1 288	1 807	4 025
Income tax paid	-35 122	-19 616	-7 705	-2
Non-cash transactions	51 898	50 328	271	-200
Changes in working capital	-38 557	-101 842	-36 561	-20 374
Cash flow from investing	-93 366	-132 823	24 530	-77 604
Cash flow from financing activities	-31 694	84 650	-1 422	33 467
<b>Increase/reduction of liquid funds</b>	<b>11 751</b>	<b>-3 592</b>	<b>11</b>	<b>-17 283</b>
Liquid funds at beginning of year	55 893	58 078	10 004	27 346
Exchange rate difference in liquid funds	-77	1 407	1 136	-59
<b>Liquid funds at end of period</b>	<b>67 566</b>	<b>55 893</b>	<b>11 151</b>	<b>10 004</b>

## Equity (KSEK)

Group	Equity attributable to parent company shareholders							Minority share-holding	Total Equity
	Share-capital	Other paid-in capital	Trans-lation reserve	Profit/ Loss brought forward	Sub-total				
KSEK									
<b>Equity, 01/01/2012</b>	<b>35 918</b>	<b>30 691</b>	<b>2 336</b>	<b>621 956</b>	<b>690 901</b>			<b>84</b>	<b>690 985</b>
<b>Net profit</b>				98 531	98 531			103	98 633
Transl.diff. in foreign comp.			-8 204		-8 204			-44	-8 247
<b>Other comprehensive income</b>			<b>-8 204</b>		<b>-8 204</b>			<b>-44</b>	<b>-8 247</b>
New share issue	150	3 323			3 473				3 473
Through acquisitions				22 054	22 054				22 054
Paid dividends				-23 347	-23 347				-23 347
<b>Transactions with shareholders</b>	<b>150</b>	<b>3 323</b>		<b>-1 293</b>	<b>2 180</b>				<b>2 180</b>
<b>Equity, 01/01/2013</b>	<b>36 068</b>	<b>34 014</b>	<b>-5 868</b>	<b>719 194</b>	<b>783 408</b>			<b>142</b>	<b>783 551</b>
<b>Net profit</b>				122 899	122 899			224	123 123
Transl.diff. in foreign comp.			2 125		2 125			48	2 173
<b>Other comprehensive income</b>			<b>2 125</b>		<b>2 125</b>			<b>48</b>	<b>2 173</b>
Paid dividends				-23 444	-23 444				-23 444
<b>Transactions with shareholders</b>				<b>-23 444</b>	<b>-23 444</b>				<b>-23 444</b>
<b>Equity, 31/12/2013</b>	<b>36 068</b>	<b>34 014</b>	<b>-3 743</b>	<b>818 648</b>	<b>884 988</b>			<b>414</b>	<b>885 403</b>
	Restricted equity			Non - restricted equity				Sub-total	Total Equity
Parent company	Share-capital	Statutory reserve	Sub-total	Share premium reserve	Fair value reserve	Oth. Non-restr. EQ			
<b>Equity, 01/01/2012</b>	<b>35 918</b>	<b>1 156</b>	<b>37 075</b>	<b>30 691</b>		<b>221 020</b>	<b>251 711</b>	<b>288 786</b>	
<b>Net profit</b>						40 740	40 740	40 740	
New share issue	150		150	3 323			3 323	3 473	
Paid dividends						-23 347	-23 347	-23 347	
<b>Transactions with shareholders</b>	<b>150</b>		<b>150</b>	<b>3 323</b>		<b>-23 347</b>	<b>-20 024</b>	<b>-19 874</b>	
<b>Equity, 01/01/2013</b>	<b>36 068</b>	<b>1 156</b>	<b>37 225</b>	<b>34 014</b>		<b>238 413</b>	<b>272 427</b>	<b>309 652</b>	
<b>Net profit</b>						24 468	24 468	24 468	
Paid dividends						-23 444	-23 444	-23 444	
<b>Transactions with shareholders</b>						<b>-23 444</b>	<b>-23 444</b>	<b>-23 444</b>	
<b>Equity, 31/12/2013</b>	<b>36 068</b>	<b>1 156</b>	<b>37 225</b>	<b>34 014</b>		<b>239 437</b>	<b>273 451</b>	<b>310 676</b>	

All shares, 18,034,058 pcs, are A-shares with equal voting rights

## Personnel

Employees	Bulgaria	China	Estonia	India	Italy	Lithuania	Mexico	Poland	Sweden	Total
31/12/2013	824	500	231	71	4	546	88	368	853	3 485

**Annual Report for 2013 will be available on [www.aktietorget.se](http://www.aktietorget.se) from 10 April 2014.**  
**Annual General Meeting will be held April 24, 2014, at 18.00 in Västerås.**

## Future Reporting Dates

Year-end 2013	February 20, 2014
Annual Report	April 2014
Interim Report Q1, 2014	April 24, 2014
Interim Report Q2, 2014	July 22, 2014
Interim Report Q3, 2014	October 22, 2014
Year-end 2014	February 20, 2015

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