



Västerås 04/24/2013

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

### **Interim report January–March 2013**

#### **First quarter 2013 in brief**

- Net sales SEK 579 million (525)
- Operating profit SEK 21 million (18)
- Profit after financial items SEK 20 million (19)
- Equity ratio 55 % (59)
- Earnings per share after tax SEK 0.91 (0.87)

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

Net sales rose to 579 MSEK, an increase of 54 MSEK compared with the previous year. Sales excluding acquisitions dropped by 6 % as a result of a reduction in demand.

Operating profit and profit after financial items have risen compared with the first quarter last year. Profit per share after tax has risen by 5 %.

A 15-MSEK-investment programme in machines and automation equipment is being carried out at AQ Holmbergs Suzhou Co. Ltd in China in order to meet increased volumes during autumn 2013.

The office in Denmark, with one employee, was closed in April as a result of low profitability.

The wire harnessing business at the Lithuanian AQ Wiring Systems UAB has been developed into a complete company with its own responsibility for sales and purchasing and has also changed its business system.

AQ Trafo AB in Sweden is being restructured in order to solely work with market and technology. AQ Magnit AD in Bulgaria, which already manufactured inductive components for Europe, now has total responsibility for sales and purchasing.

These changes have led to all operating companies within the group having complete responsibility for their balance sheets and profit and loss accounts. At several companies within the group, we have initiated programmes for management development in order to attain the optimal development of the

companies. In 2013 we also started a project aimed at reducing capital tied up in stock.

As part of our cost-saving measures at the Swedish companies, staffing levels have been adjusted by approximately 35 employees.

AQ Retor's business in Färgelanda is being wound up and production is being moved to AQ Holmbergs AB in Anderstorp. The lease for AQ Wiring Systems AB's premises in Töcksfors has been terminated prematurely, which involves an annual saving of approximately 4 MSEK.

### 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 of the opinion that the full year 2013 will be somewhat better than 2012.

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)

	Q1 2013	Q1 2012	Ack 2013	Ack 2012
Net sales	579 416	524 973	579 416	524 973
Other operating income	6 319	1 659	6 319	1 659
Operating expenses	-564 929	-508 413	-564 929	-508 413
<b>Operating profit</b>	<b>20 805</b>	<b>18 219</b>	<b>20 805</b>	<b>18 219</b>
Result from financial items	-710	1 091	-710	1 091
<b>Profit after financial items</b>	<b>20 095</b>	<b>19 310</b>	<b>20 095</b>	<b>19 310</b>
Tax on profit for the year	-3 684	-3 676	-3 684	-3 676
<b>Net profit for the year</b>	<b>16 411</b>	<b>15 634</b>	<b>16 411</b>	<b>15 634</b>
Earnings per share after full tax <sup>1)</sup>	0,91	0,87	0,92	0,87
Net margin %	3,5%	3,7%	3,5%	3,7%

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

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

	Q1 2013	Q1 2012	Ack 2013	Ack 2012
Net sales	9 224	10 227	9 224	10 227
Other operating income	1	0	1	0
Operating expenses	-5 919	-4 698	-5 919	-4 698
<b>Operating profit</b>	<b>3 306</b>	<b>5 529</b>	<b>3 306</b>	<b>5 529</b>
Result from financial items	-42	71	-42	71
<b>Profit after financial items</b>	<b>3 263</b>	<b>5 600</b>	<b>3 263</b>	<b>5 600</b>
Tax on profit for the year	-720	-1 473	-720	-1 473
<b>Net profit for the year</b>	<b>2 543</b>	<b>4 127</b>	<b>2 543</b>	<b>4 127</b>

## Balance Sheet (KSEK)

Assets	Group		Parent company	
	Q1 2013	Q4 2012	Q1 2013	Q4 2012
Fixed assets	329 003	337 858	311 878	301 919
Inventories	453 886	466 695		
Other current receivables	615 034	583 828	180 968	227 493
Cash and bank balances	52 136	55 893	12 250	10 004
<b>Total assets</b>	<b>1 450 059</b>	<b>1 444 274</b>	<b>505 097</b>	<b>539 416</b>
<b>Equity and liabilities</b>				
Equity	796 001	783 551	312 195	309 652
Untaxed reserves			31 140	31 140
Interest-bearing liabilities	214 109	252 042	150 070	185 136
Other liabilities	439 949	408 680	11 692	13 488
<b>Total equity and liabilities</b>	<b>1 450 059</b>	<b>1 444 274</b>	<b>505 097</b>	<b>539 416</b>
<b>Equity ratio</b>	<b>55%</b>	<b>54%</b>	<b>67%</b>	<b>62%</b>

## Cash Flow Analysis (KSEK)

	Group		Parent company	
	Q1 2013	Q1 2012	Q1 2013	Q1 2012
Net operating profit/loss	20 805	18 220	3 306	5 529
Result from financial items	116	1 091	-139	963
Income tax paid	-19 385	-4 054	-1 926	-1 473
Non-cash transactions	11 851	-4 056	3	10
Changes in working capital	18 476	-16 022	33 207	27 096
Cash flow from investing	-9 058	-5 194	-15 149	17 250
Cash flow from financing activities	-27 031	31 445	-16 592	-22 193
<b>Increase/reduction of liquid funds</b>	<b>-4 225</b>	<b>21 430</b>	<b>2 711</b>	<b>27 182</b>
Liquid funds at beginning of year	55 893	58 078	10 004	27 346
Exchange rate difference in liquid funds	469	-625	-464	111
<b>Liquid funds at end of period</b>	<b>52 136</b>	<b>78 883</b>	<b>12 250</b>	<b>54 639</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			
<b>KSEK</b>								
<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>
<i>Net profit</i>				98 531	98 531		103	98 633
Transl.diff. in foreign comp.			-8 204		-8 204		-44	-8 247
<b>Other comprehensive income</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>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>
<i>Net profit</i>				16 319	16 319		92	16 411
Transl.diff. in foreign comp.			-3 925		-3 925		-36	-3 961
<b>Other comprehensive income</b>								
<b>Transactions with shareholders</b>								
<b>Equity, 31/03/2013</b>	<b>36 068</b>	<b>34 014</b>	<b>-9 793</b>	<b>735 512</b>	<b>795 802</b>		<b>199</b>	<b>796 001</b>
Parent company	Restricted equity			Non - restricted equity			Sub-total	Total Equity
	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>
<i>Net profit</i>						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>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>
<i>Net profit</i>						2 543	2 543	2 543
<b>Equity, 31/03/2013</b>	<b>36 068</b>	<b>1 156</b>	<b>37 225</b>	<b>34 014</b>		<b>240 956</b>	<b>274 970</b>	<b>312 195</b>

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

## Personnel

Employees	Bulgaria	China	Denmark	Estonia	India	Italy	Lithuania	Mexico	Norway	Poland	Sweden	Total
31/03/2013	805	468	1	198	55	4	496	95	4	344	826	3 296

## Future Reporting Dates

Interim Report Q2, 2013	July 19, 2013
Interim Report Q3, 2013	October 22, 2013
Year-end 2013	February 20, 2014
Annual Report	April 2014

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