

A faint, light-colored world map is visible in the background of the slide, centered behind the text.

**AQ Group**

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**Earnings call 2021-10-21**

**aq**

# Agenda

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- AQ Group quick facts
- Third quarter in brief
- First nine months in brief
- Highlight/Lowlights in quarter
- Numbers
- On-time delivery(OTD)
- Market Segment development
- Questions

# AQ Group - Quick facts

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|                        |   |                            |                               |                                    |
|------------------------|---|----------------------------|-------------------------------|------------------------------------|
| 6000<br>Employees      | 500m Euro<br>Turnover                   | 7 Business<br>areas        | 15+ Market<br>segments        | Production<br>in 16<br>countries   |
| Deliveries<br>globally | Profit every<br>quarter for<br>27 years | 16% EPS<br>growth/<br>year | 2-4<br>acquisitions<br>/ year | UN Global<br>compact<br>since 2012 |

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# Third quarter, July-September 2021 in brief

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- Strong demand but limitations in supply of materials and components
  - Net sales increased by 18.2% to SEK 1,306 million (1,104)
  - Operating profit (EBIT) decreased by 3.5% to SEK 94 million (97)
  - Profit after financial items (EBT) decreased by 2.5% to SEK 91 million (93)
  - Profit margin before tax (EBT %) was 6.9% (8.4)
  - Cash flow from operating activities decreased by 28.5% to SEK 99 million (139)
  - Earnings per share after tax decreased by 4.3% to SEK 4.12 (4.30)
- Goal +15% Growth
  - Goal 8% EBT Margin

# Nine months, January-September 2021 in brief

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- Net sales increased by 11.5% to SEK 3,974 million (3,563)
- Operating profit (EBIT) increased by 20.6% to SEK 333 million (276)
- Profit after financial items (EBT) increased by 28.1% to SEK 331 million (258)
- Profit margin before tax (EBT %) was 8.3% (7.2)
- Cash flow from operating activities decreased by 23.0% to SEK 343 million (445)
- Earnings per share after tax increased by 24.7% to SEK 15.23 (12.21)
- Equity ratio was 55% (56)
- Goal +15% Growth
- Goal 8% EBT Margin
- Goal E-ratio >40%

# Highlights in the quarter

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- Strong demand
- New order from truck manufacturer
- Integration of Schaffner companies going according to plan
- India

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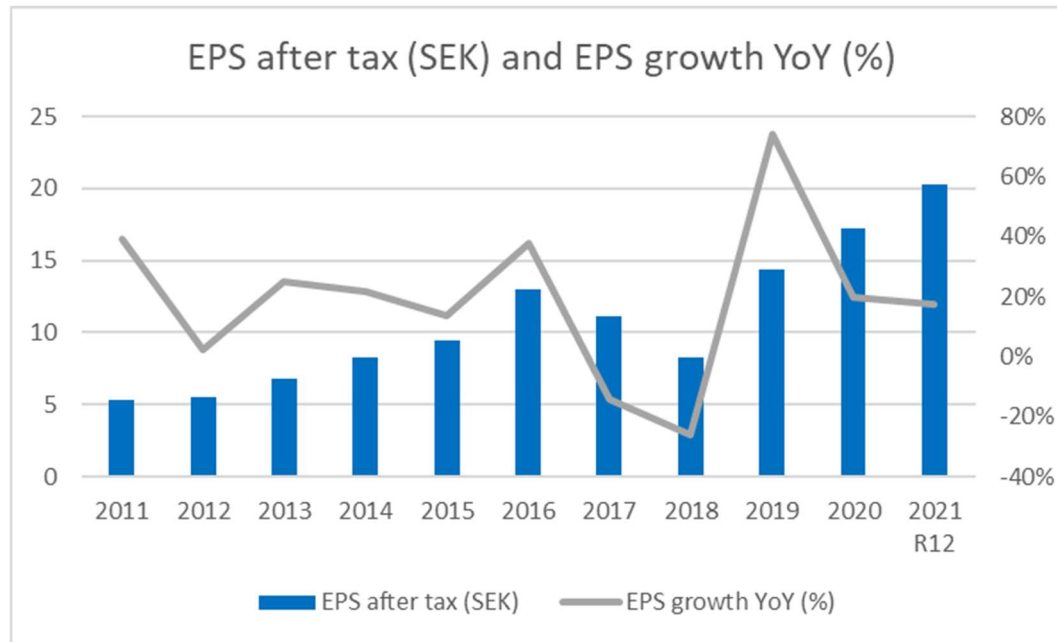
# Lowlights in the quarter

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- EBT margin
- Cash flow
- Component supply limiting growth and profit
- Delay in transferring of raw material prices to customers
- Mexico
- Acquired companies sales volume

# EPS Growth



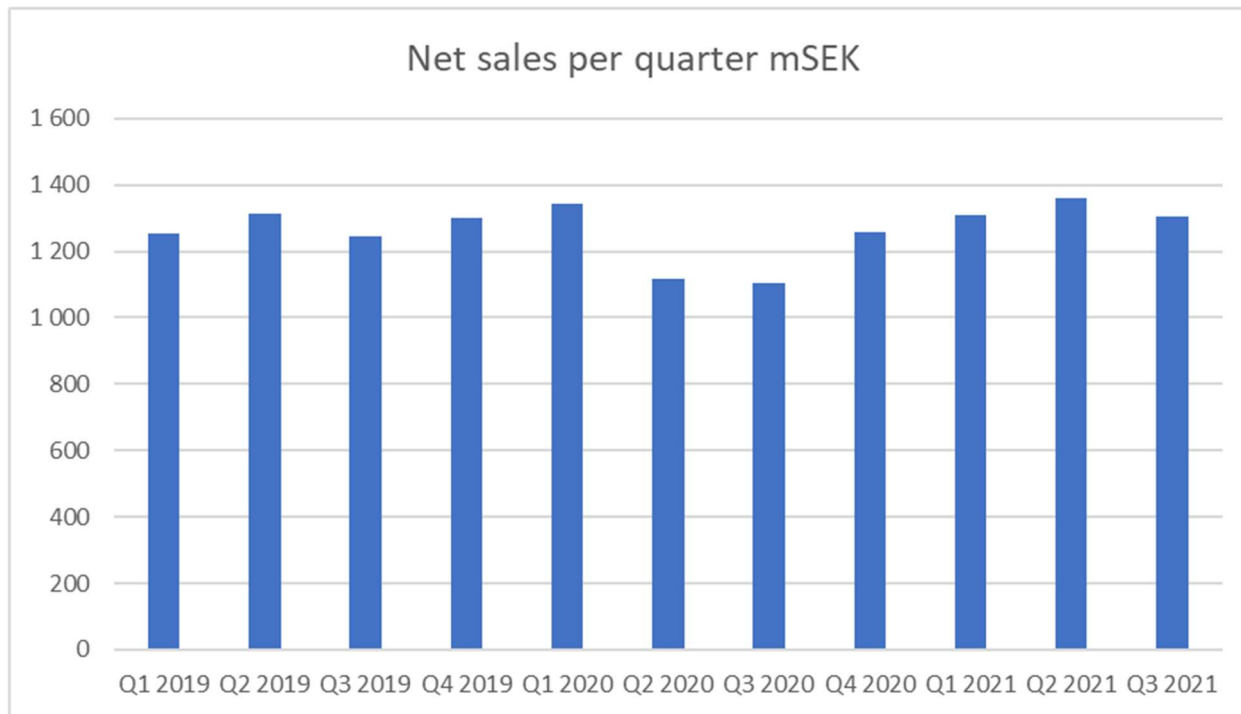
20%

EPS Growth  
R12 2021 vs AC 2020

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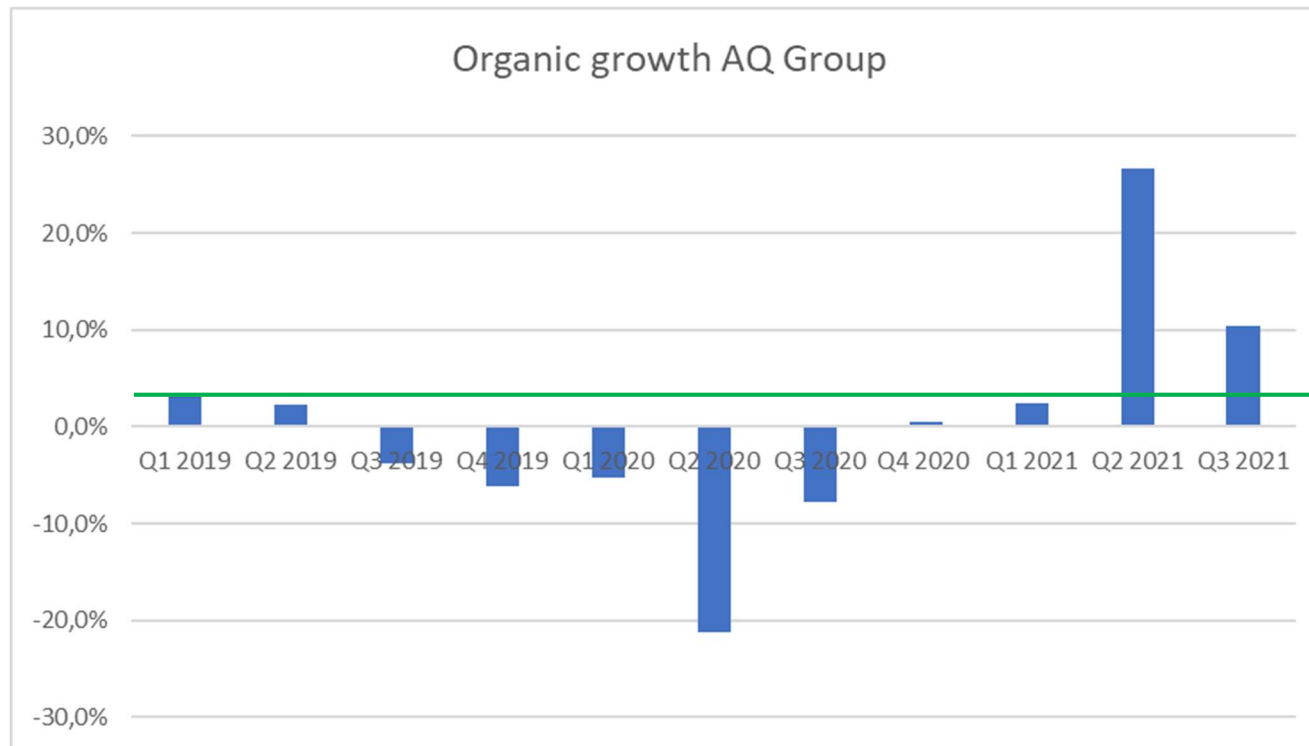
# Net sales



Dissapointing net sales in Q2 and Q3.  
Component supply limits especially System Segment, e.g El Cab Wire Harness and System Products

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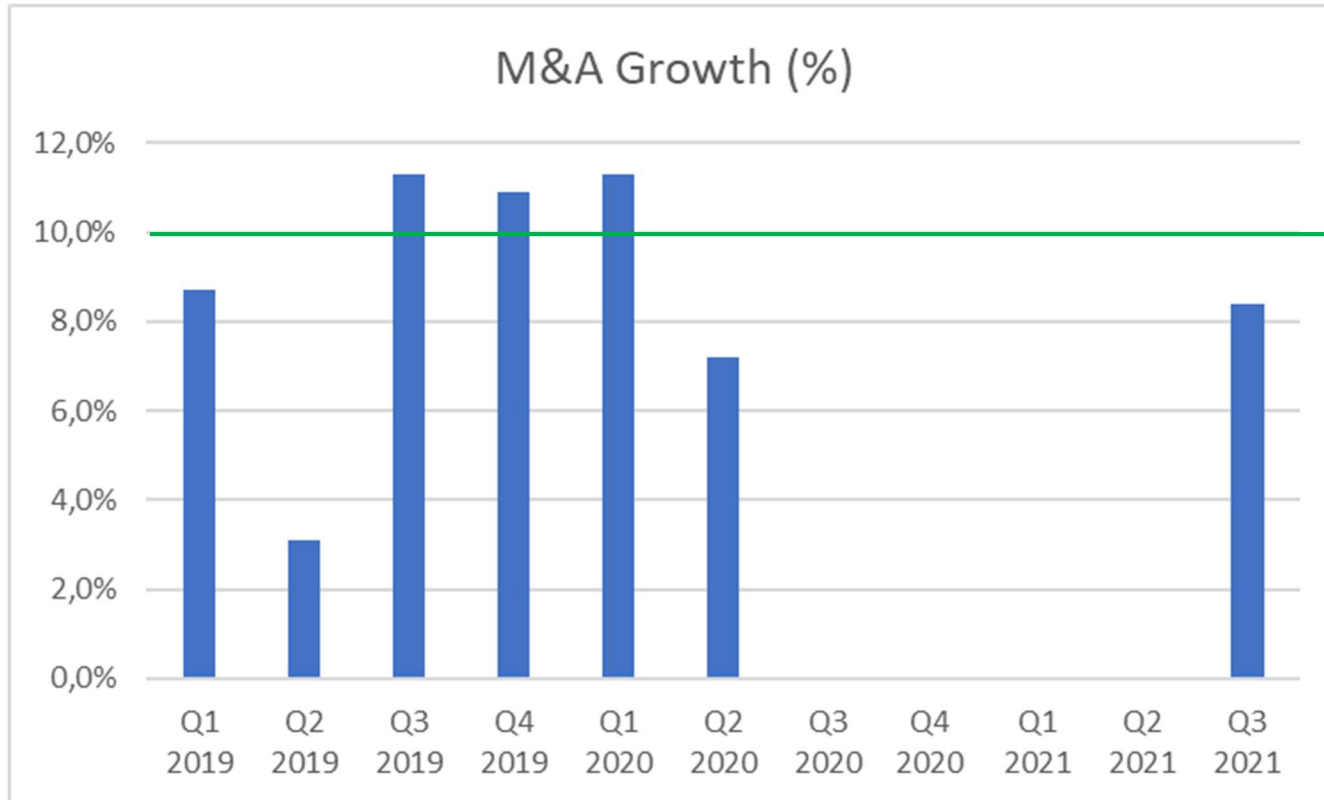
# Organic growth



Organic growth target 5%/ year.

Dissapointing org. growth in Q2 and Q3. Component supply limits especially System Segment, e.g El Cab Wiring Systems and System Products

# Acquired Growth

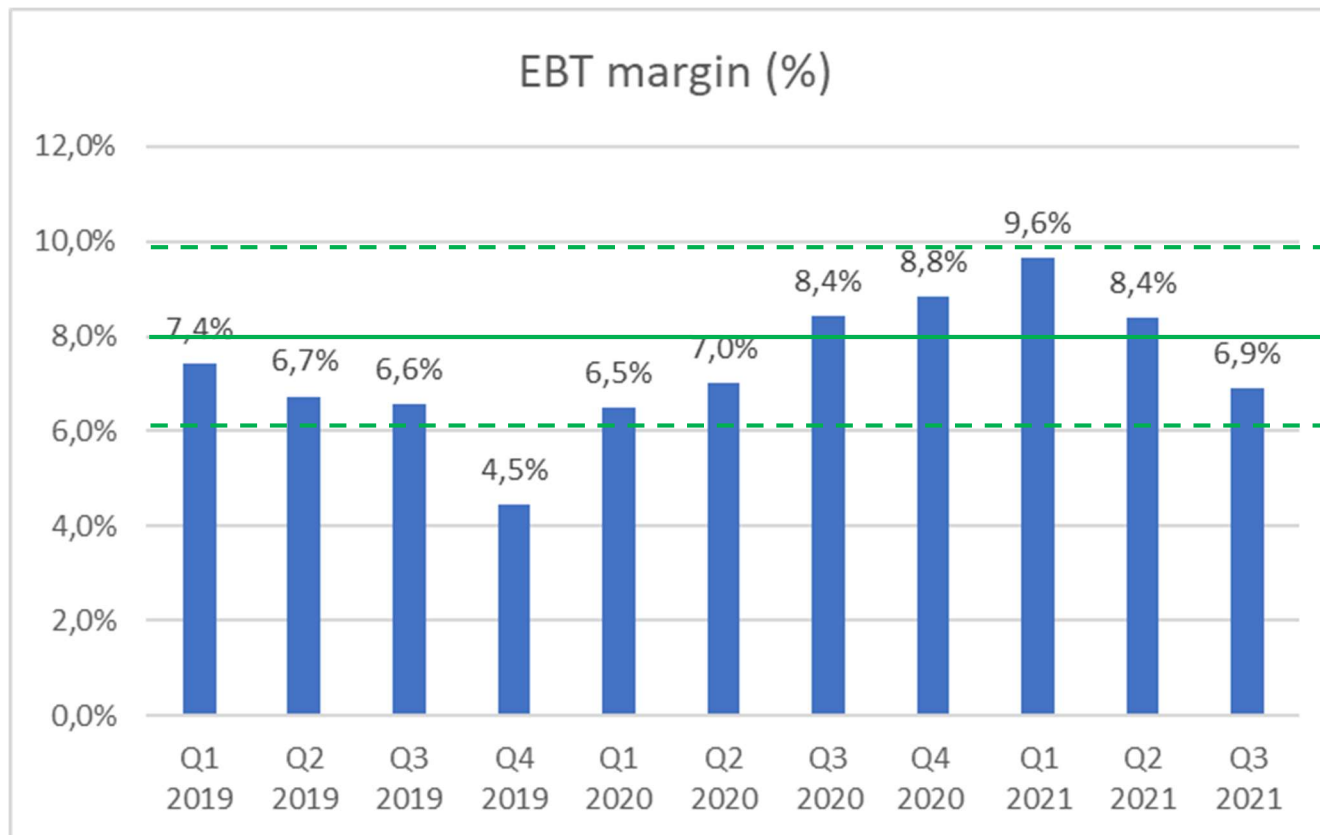


Acquired growth target 10%/ year.

Ok, considering low activity in 2020.

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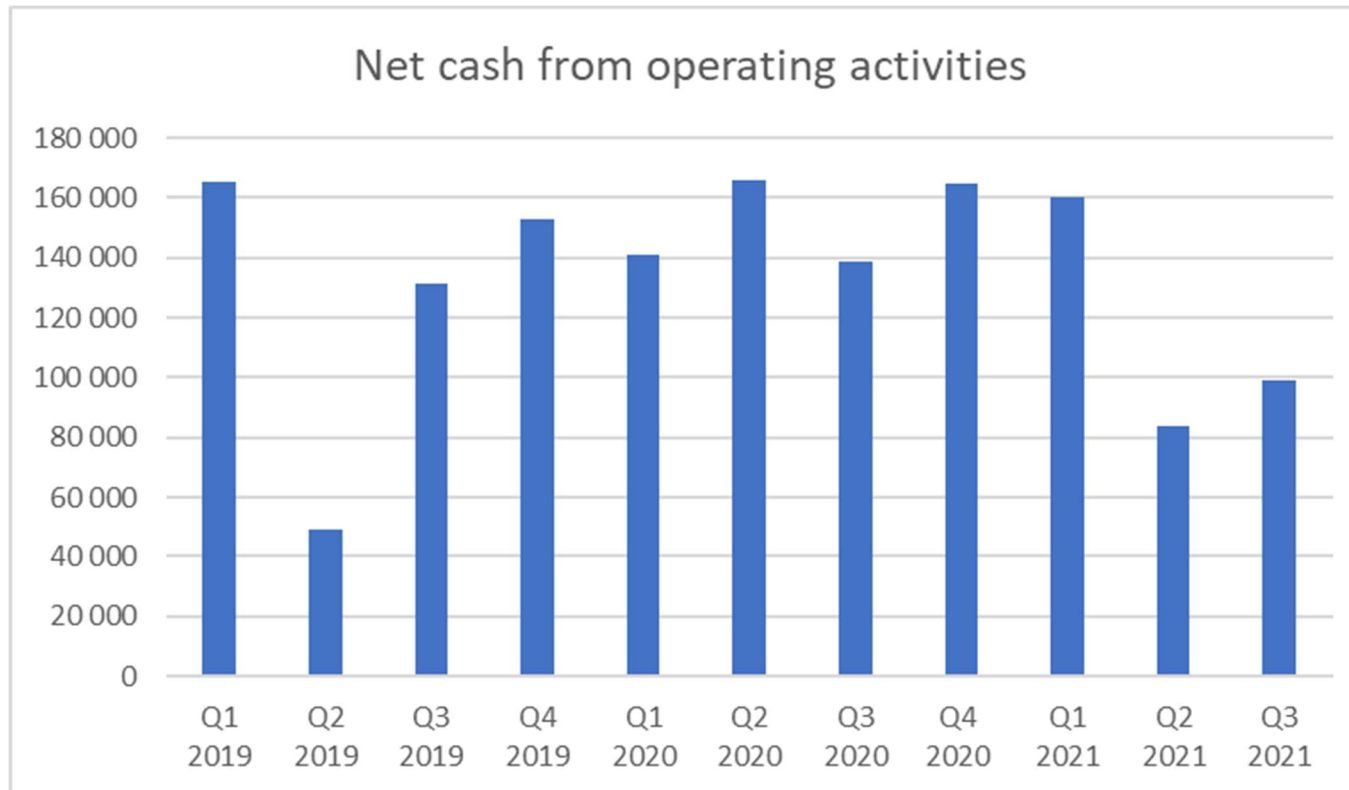
# EBT Margin



EBT Margin (%) goal is 8%  
The margin shall consistently be within 8±2% for every quarter.

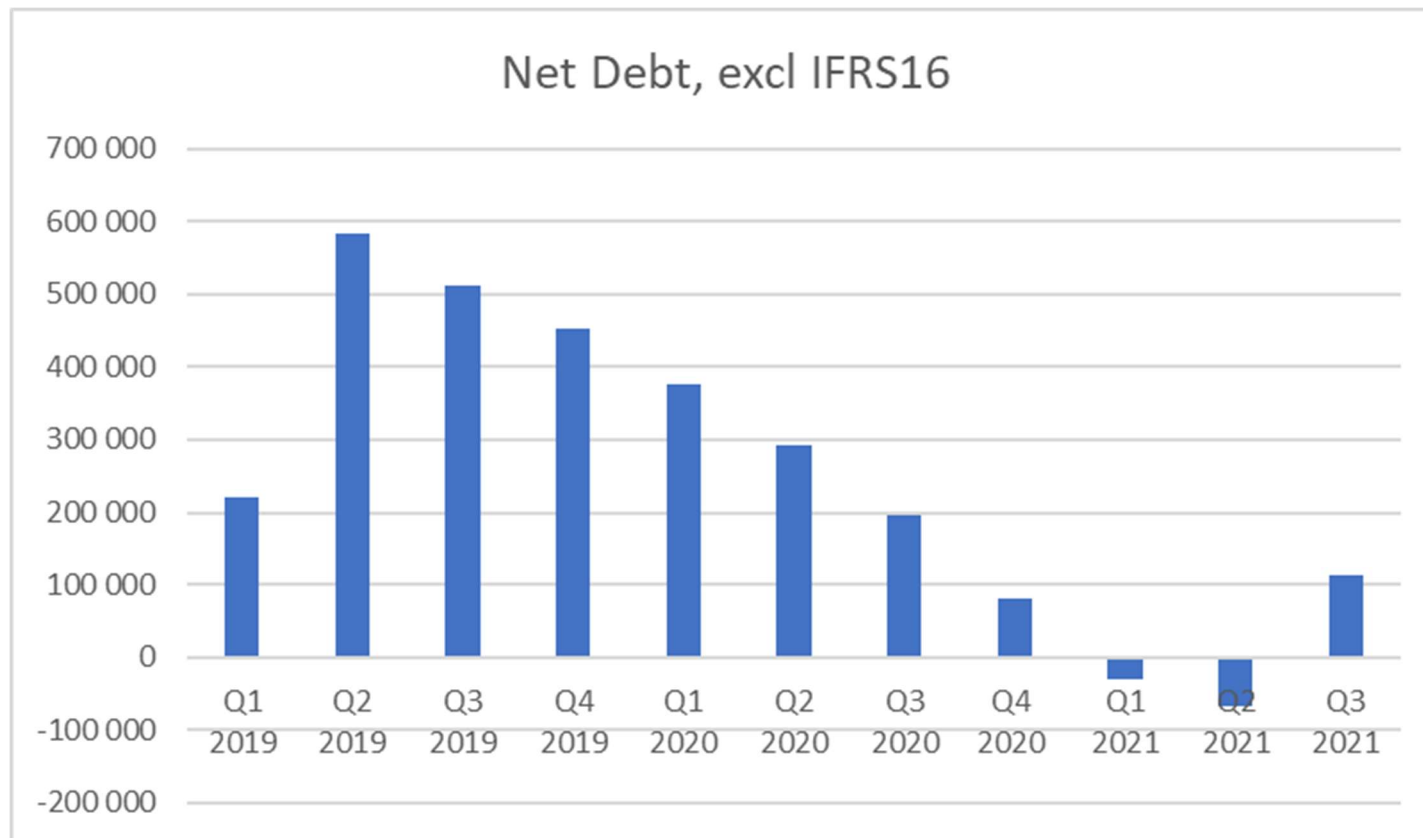
Dissappointing margin in large part due to delivery situation of components. Also impact from delay in transferring raw material prices to customers.

# Net cash from operating activities



Cash flow decreased due to inability to deliver goods out. One missing part prevents big inventory value to be delivered out.

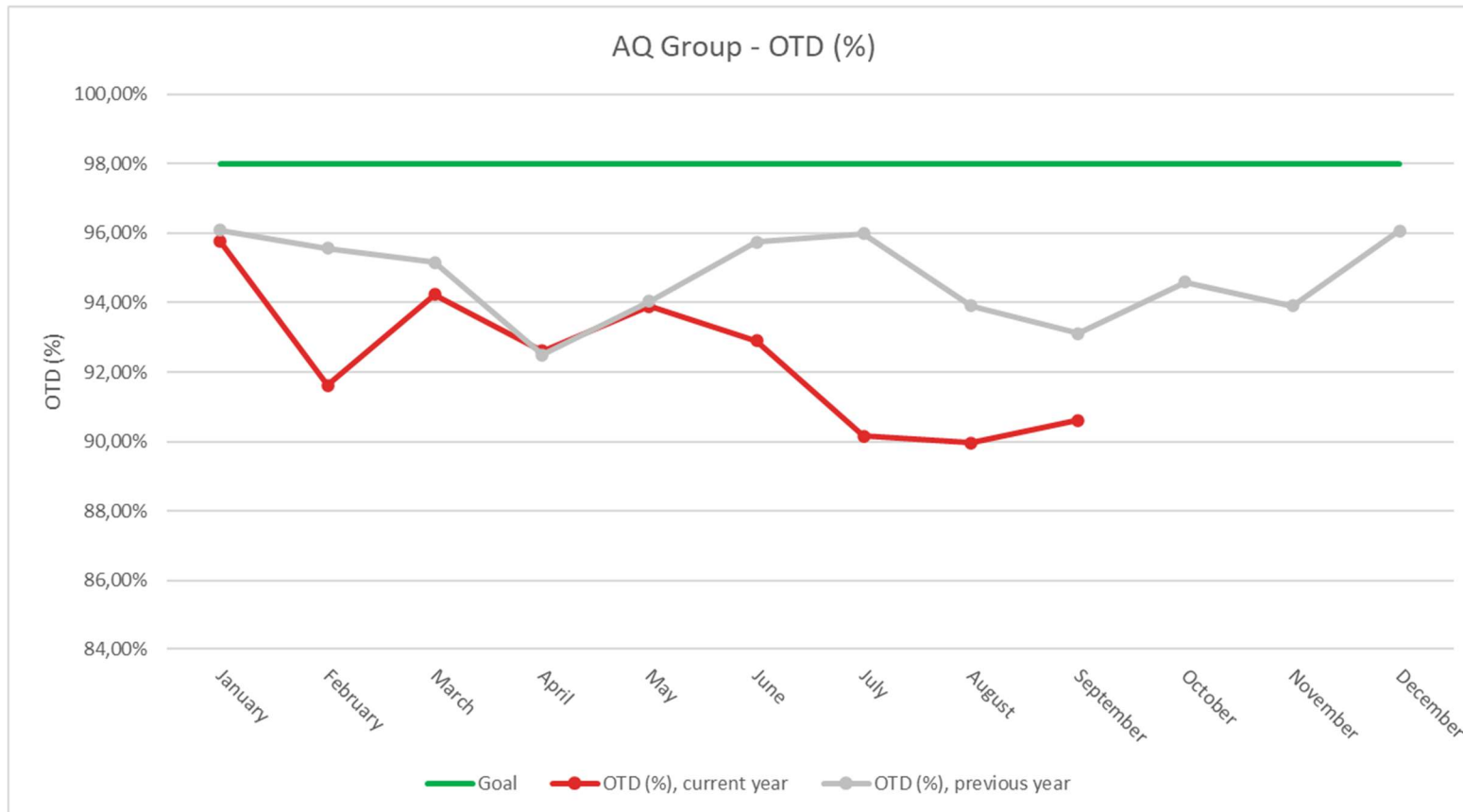
# Net Debt excl IFRS16



← Net debt Sept 2021  
112 MSEK

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# OTD – Sep Goal 98%



1 in 10 orders is delayed in Q3. ATL of 90%. Caused by lack of components.

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# Market Segments development



## Automotive & CV



Cars



Trucks



Buses

## Off-road equipment



Construction & mining



Agriculture & forestry



Material handling

## Electric



Power



Automation

## Railway



## General Industry & Engineering



## Marine



## Renewables



## Food & beverage



## Medical



## Vending machines & parking meters



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# Questions



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# WE ARE RELIABLE



- We have a **long term** view and commitment
- We aim to be a world leader in:
  - quality
  - on time delivery
  - alertness and service
- We continuously work to improve
- We have a global manufacturing footprint
- We are financially strong
- We run a responsible and sustainable business

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**dq**