



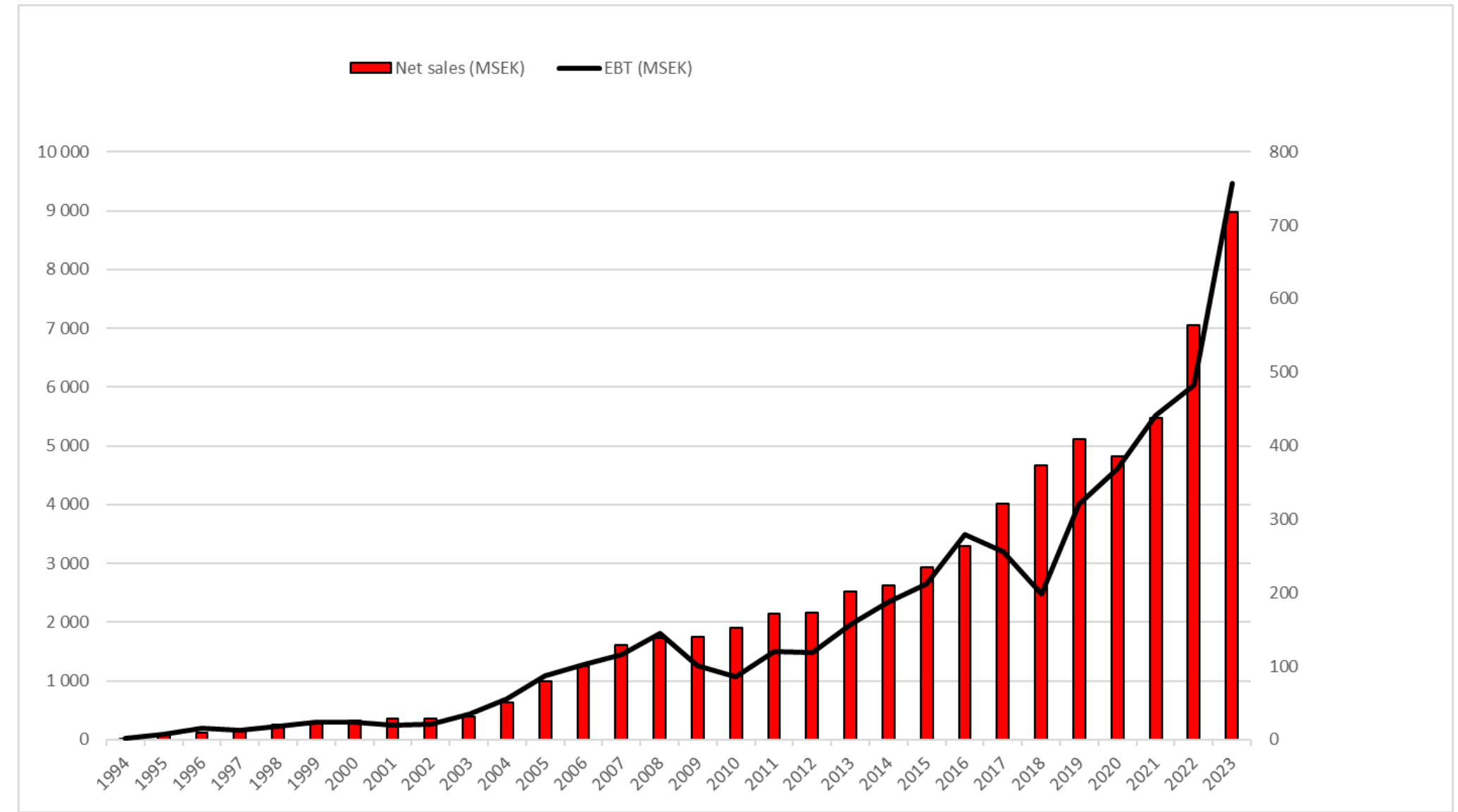
# AQ Group

## Quarter one 2024

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# Why invest in AQ Group

- aq** EPS CAGR +15% over the past 10 years
- aq** Profit every quarter since foundation in 1994
- aq** Exposure to industrial market segments with underlying growth;
  - aq** JIT Mech
  - aq** Electrification
  - aq** Railway
  - aq** Marine
- aq** Long history of acquisitions. 2-4 factories/year
- aq** Strong balance sheet



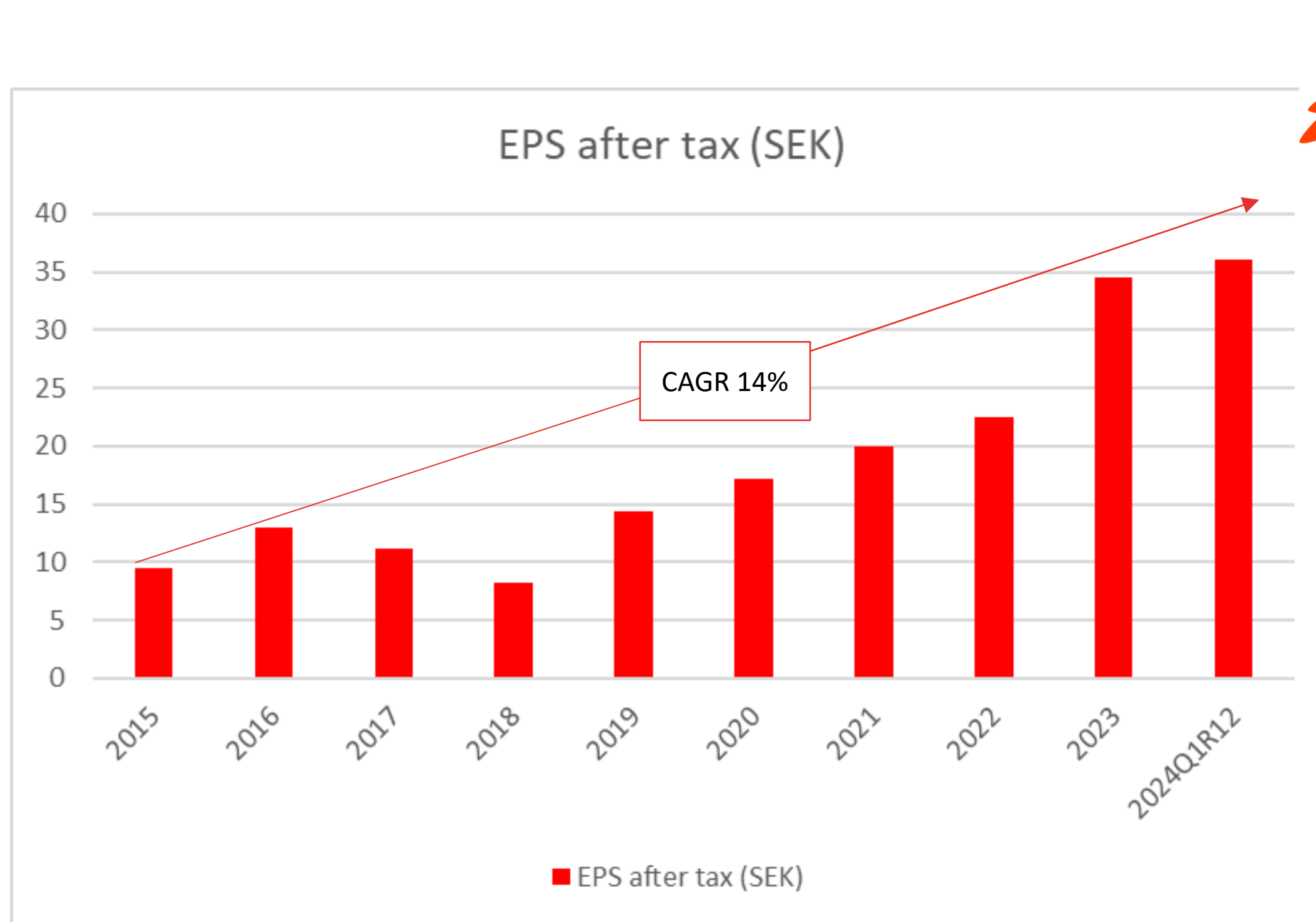


# First Quarter, Jan-Mar 2024 in brief

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- Net sales decreased by 1% to SEK 2,225 million (2,253)
  - Operating profit (EBIT) increased by 15% to SEK 223 million (194)
  - Profit after financial items (EBT) increased by 20% to SEK 221 million (184)
  - Profit margin before tax (EBT %) was 9.9% (8.2)
  - Profit after tax amounted to SEK 185 million (159)
  - Cash flow from operating activities amounted to SEK 244 million (225)
  - Earnings per share before dilution amounted to SEK 10.06 (8.61)
  - The board propose a dividend of 6.66 SEK per share (3.33) and a share split of 5:1
- Goal 15% growth
  - Goal 8% EBT margin

# EPS Growth



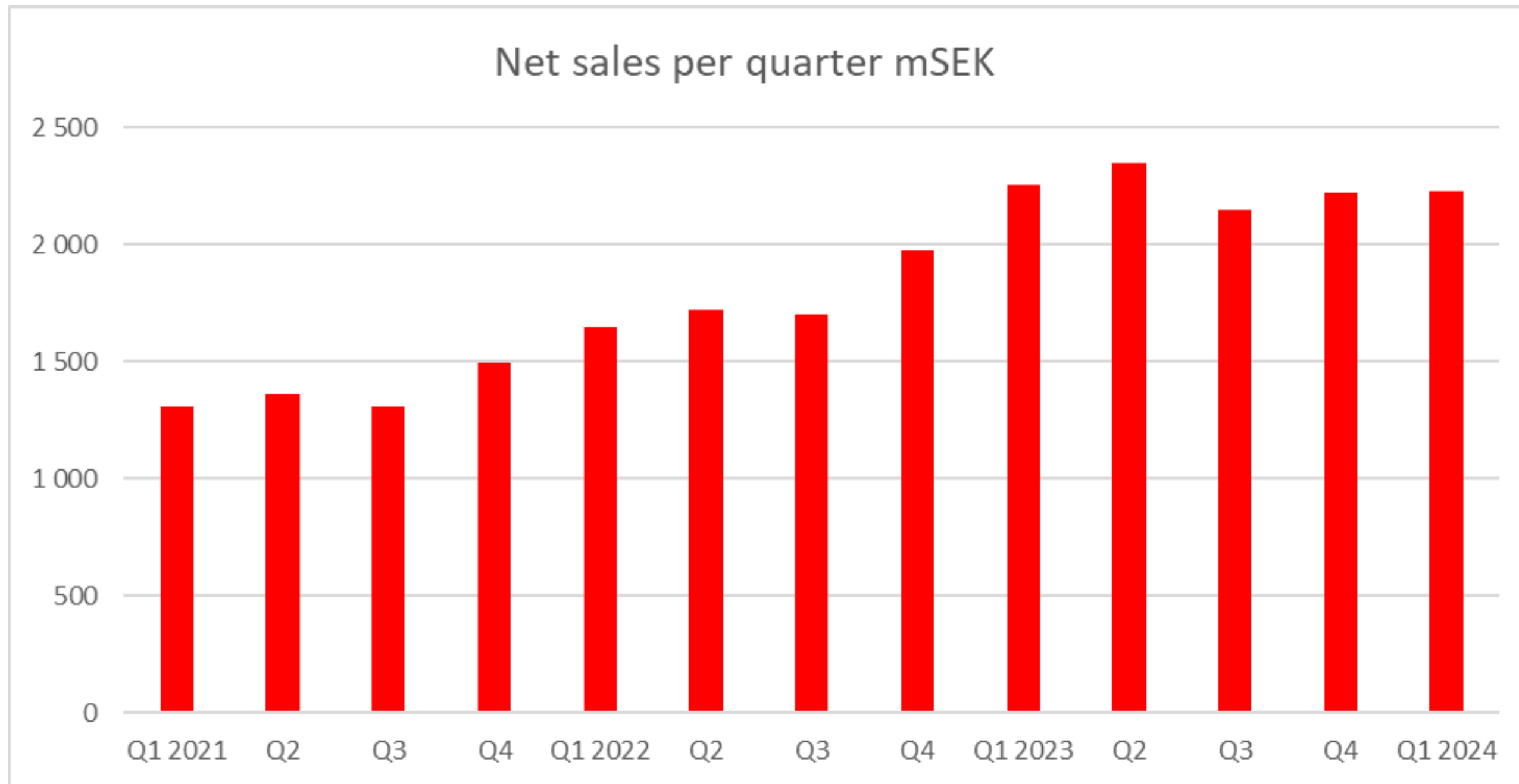
14% CAGR EPS  
2015-2024QR12

EPS growth of 17% vs Q1 2023 and  
37% vs. Q4 2023.

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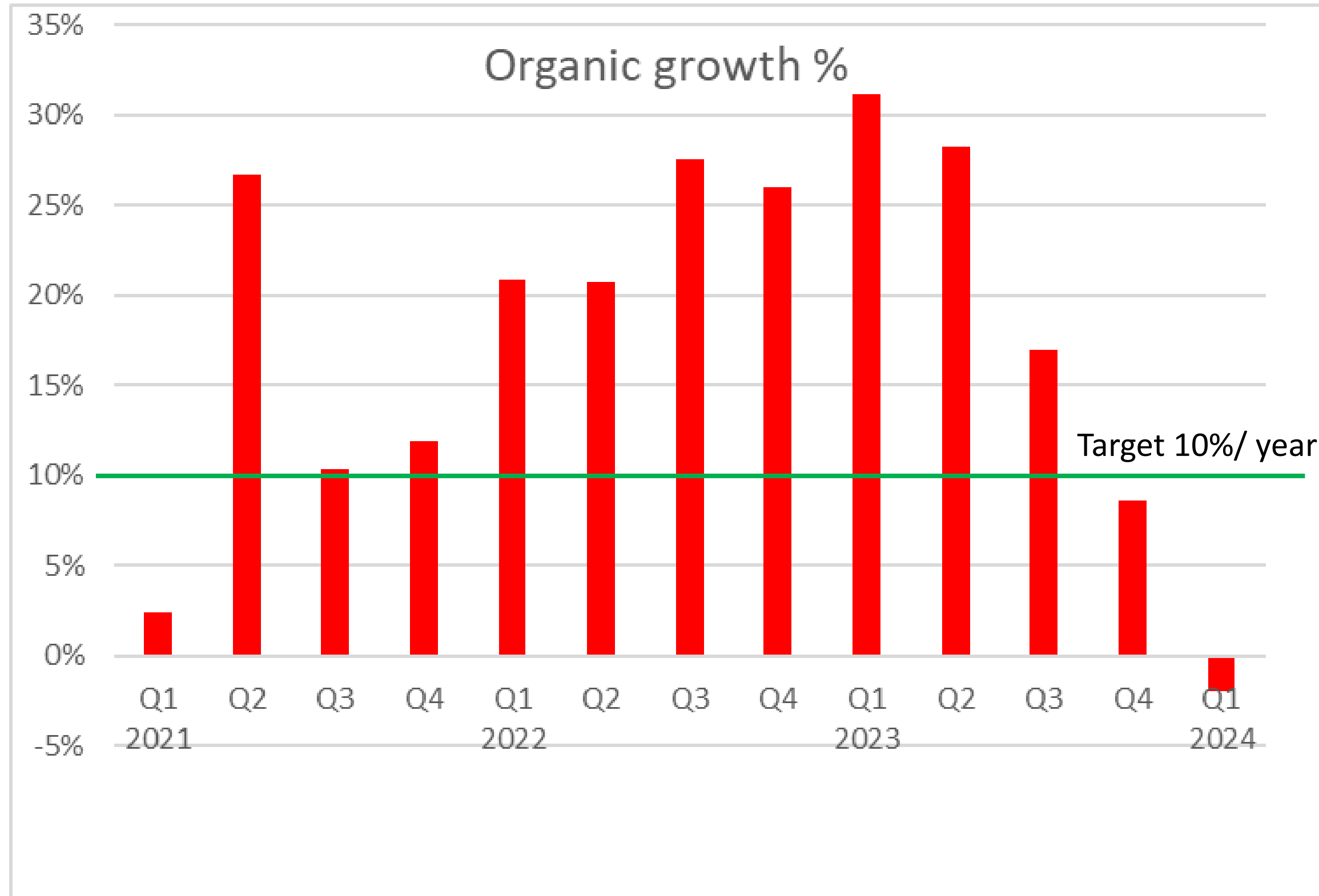
# Net sales



Flat turnover vs Q1 2023 and Q4 2024. Growth -1% vs Q1 2023. whereof +1% was currency.

Capacity and demand more balanced. Our delayed orders have decreased in the quarter.

# Organic growth



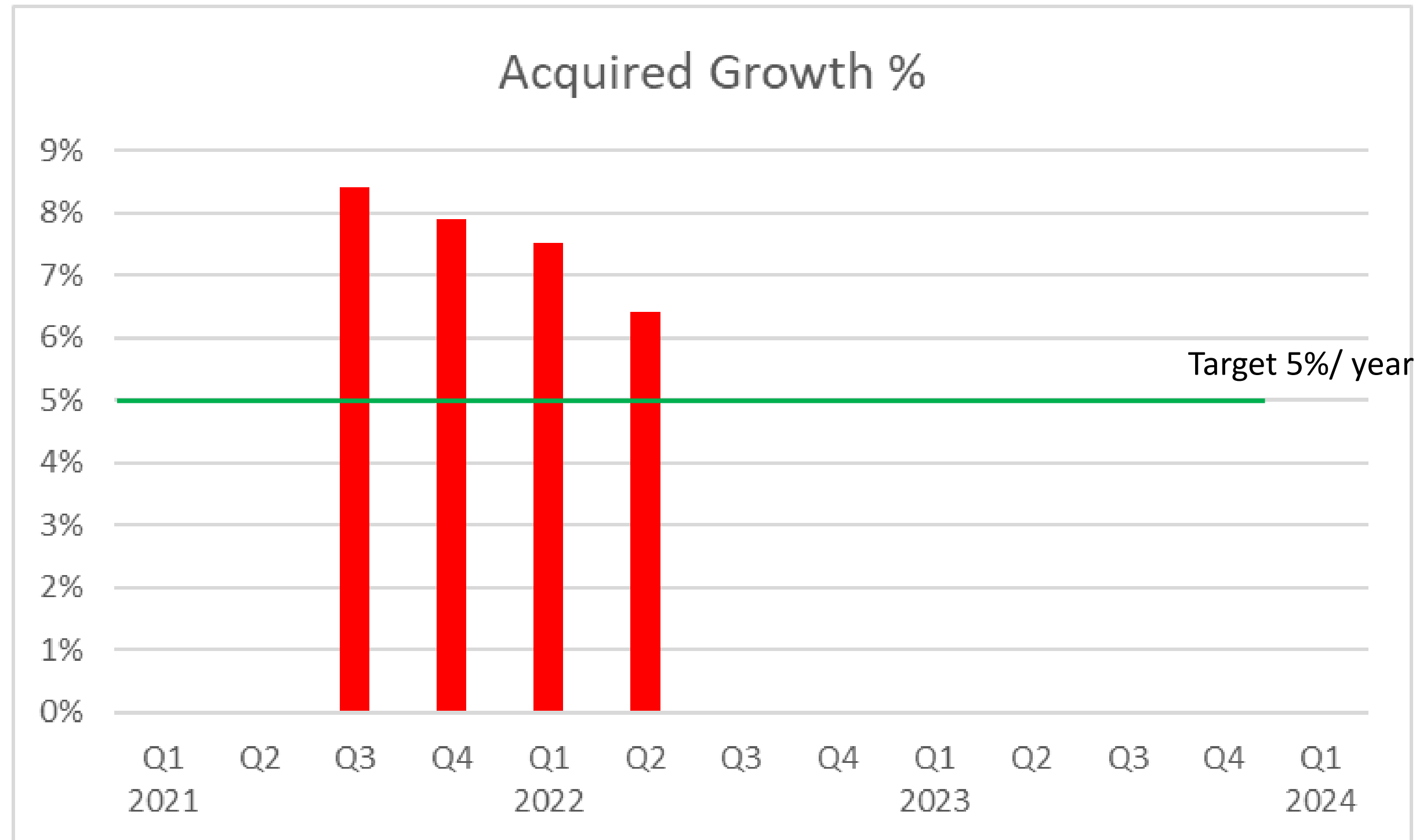
Organic growth was **-2%**, below our target of 10%.

Lost business for battery systems. Also lower volumes in some market segments.

Decrease in inductors for frequency drives, components for construction vehicles.

Increases in the quarter mainly in electrification, defence industry, railway, & marine.

# Acquired Growth

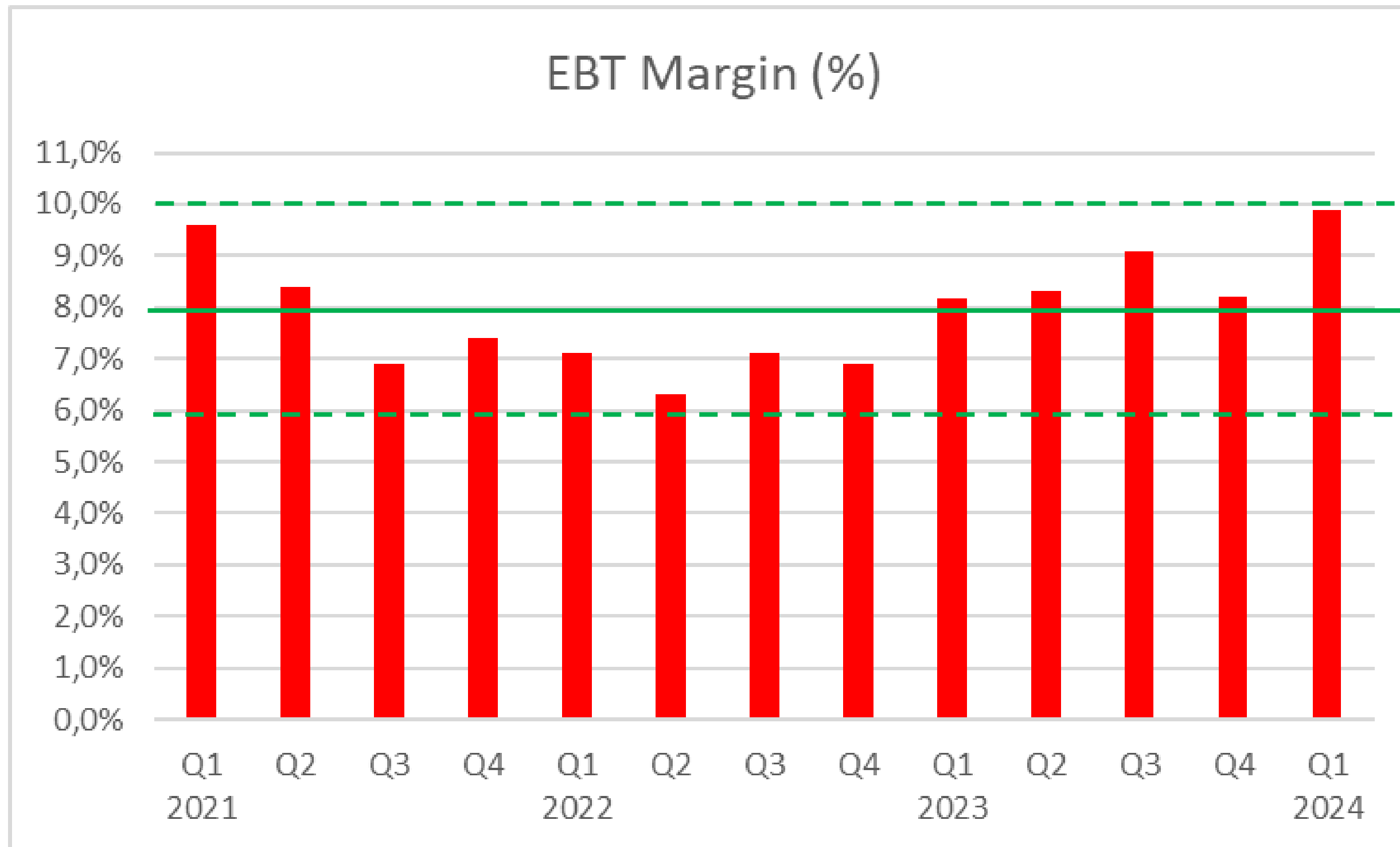


We have signed agreement with JIT Mech to purchase their two factories in Robertfors and Örnsköldsvik. It will add +1% growth in 2024.

We have more prospects in the pipeline but are as always very strict in what we pay and what we buy.

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# EBT Margin



Happy with margin in the quarter.

Low costs for late deliveries and quality non conformaties in the quarter. Implemented process improvements have increased delivery precision and quality.

Big improvements in Finland and China in the quarter.

Hard work from our purchasing team also have an impact in the quarter.

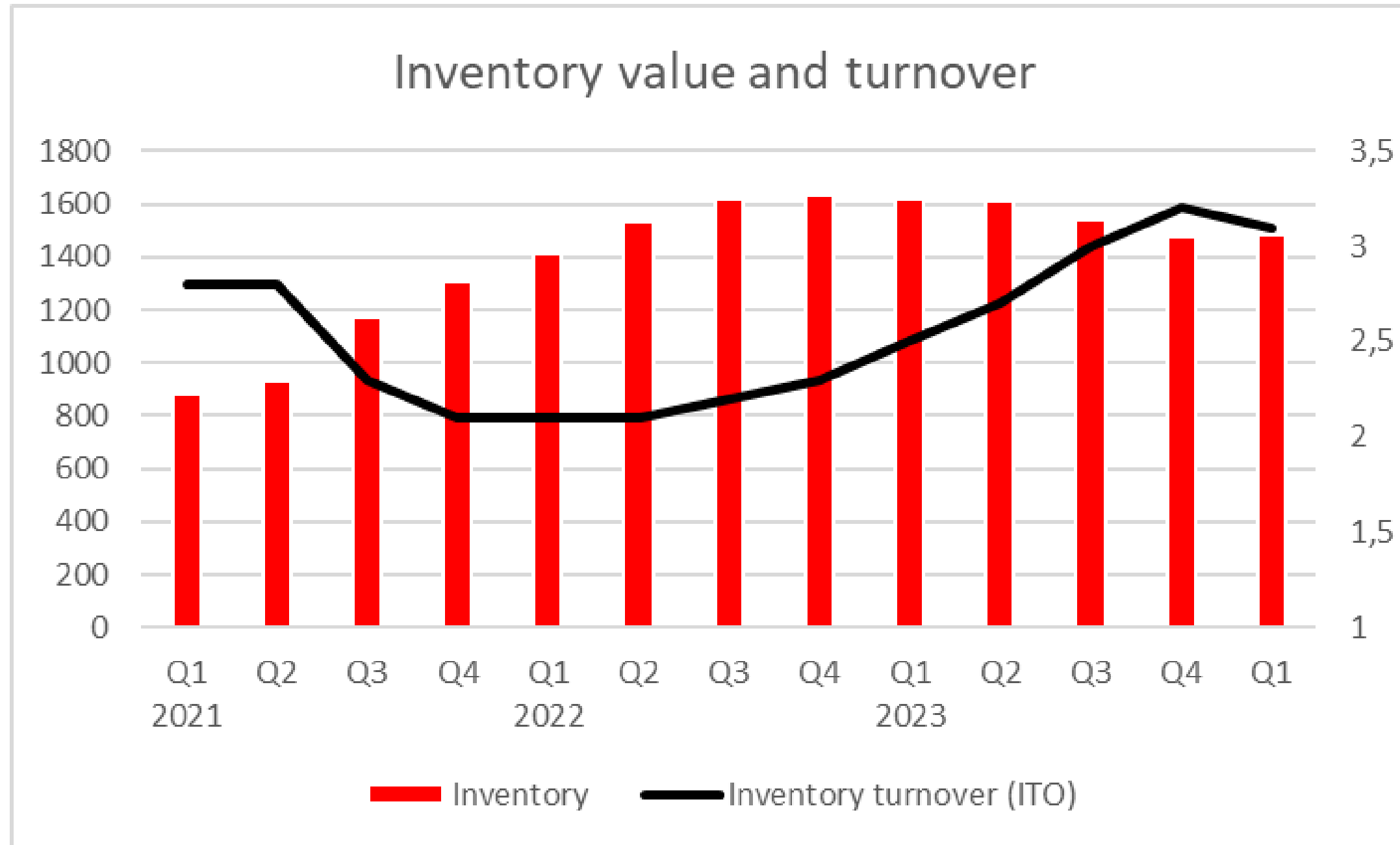
Opportunities to improve operationally in one site in India, Mexico and one site in Sweden.

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

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# Inventory value & turnover development



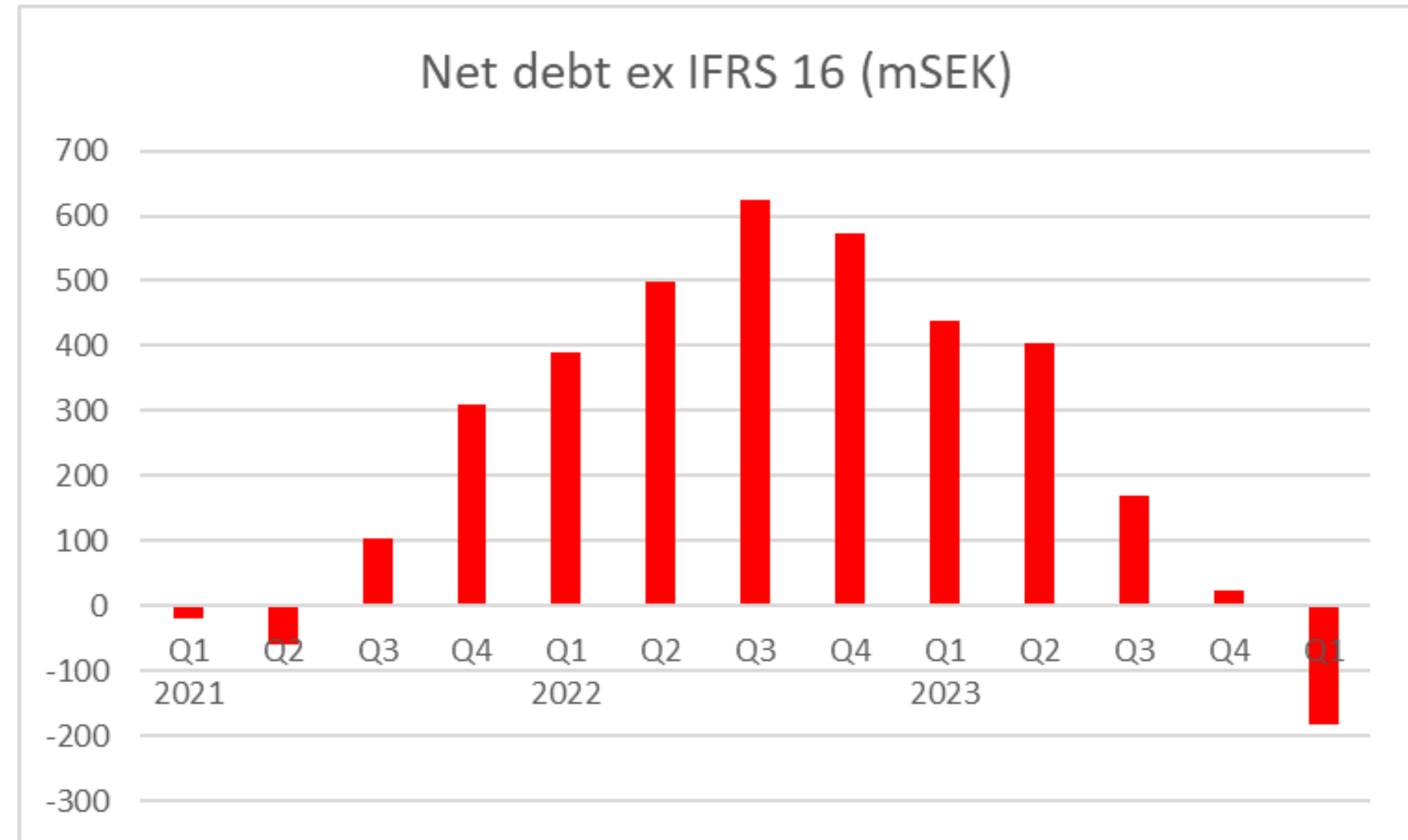
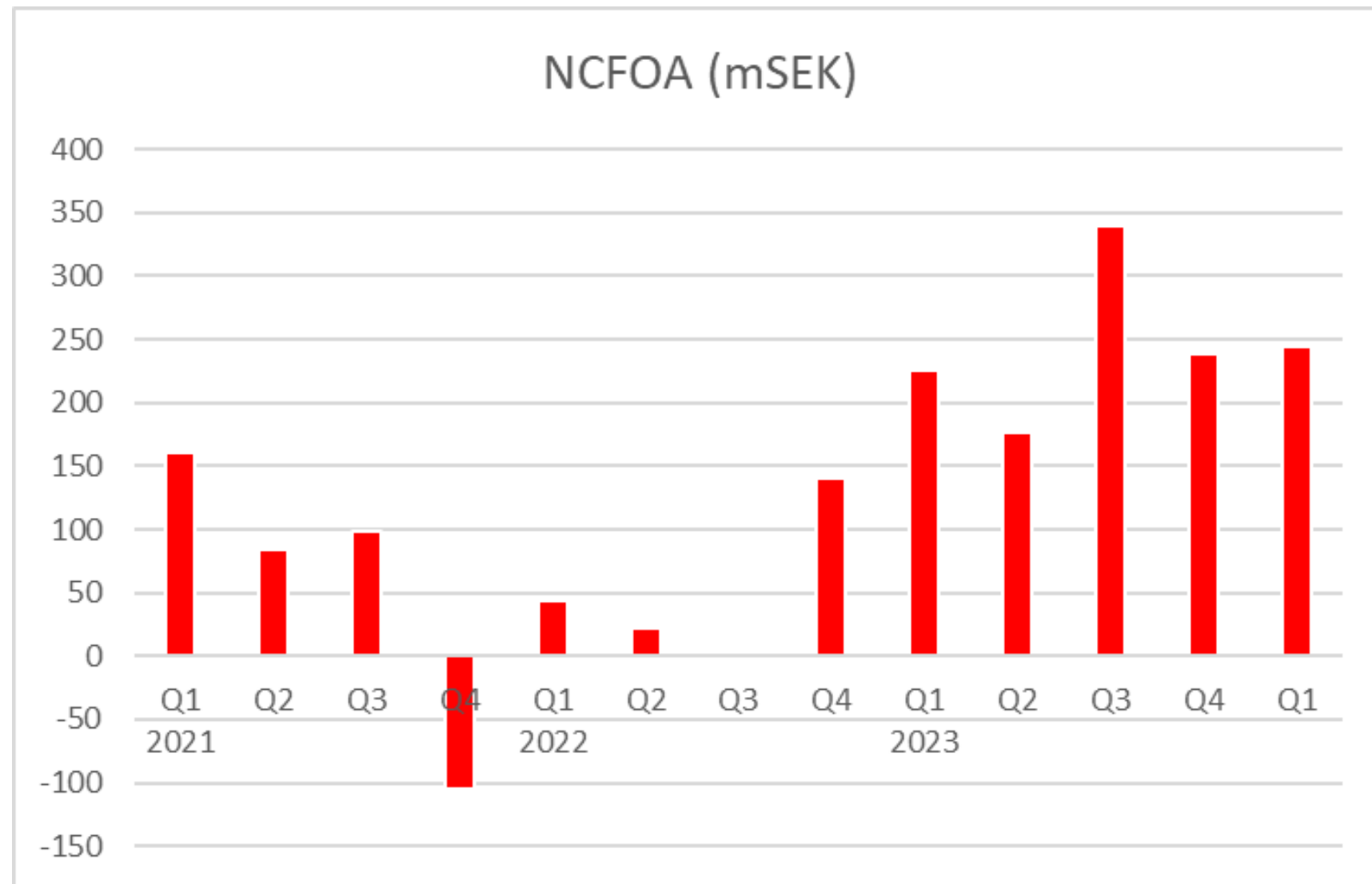
Inventory turnover target is 3.5 turns/year.

Slight increase in inventory in Q1. Work continues to improve further to reach our target in 2024.

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**Inventory turnover:**  
 Raw materials R12 + Goods for resale R12 +  
 Change in Inventories and prod in progress  
 R12  
 /  
 Total Inventory YTD

# Net cash from operating activities and Net debt



Good operating cash flow of **244** mSEK in the quarter which results in net debt (ex IFRS 16) of **-181** mSEK. Mainly driven by good profit level and inventory turnover. Note, in Q2 planned dividend of 122 mSEK and the payment for JIT Mech (40 mSEK).

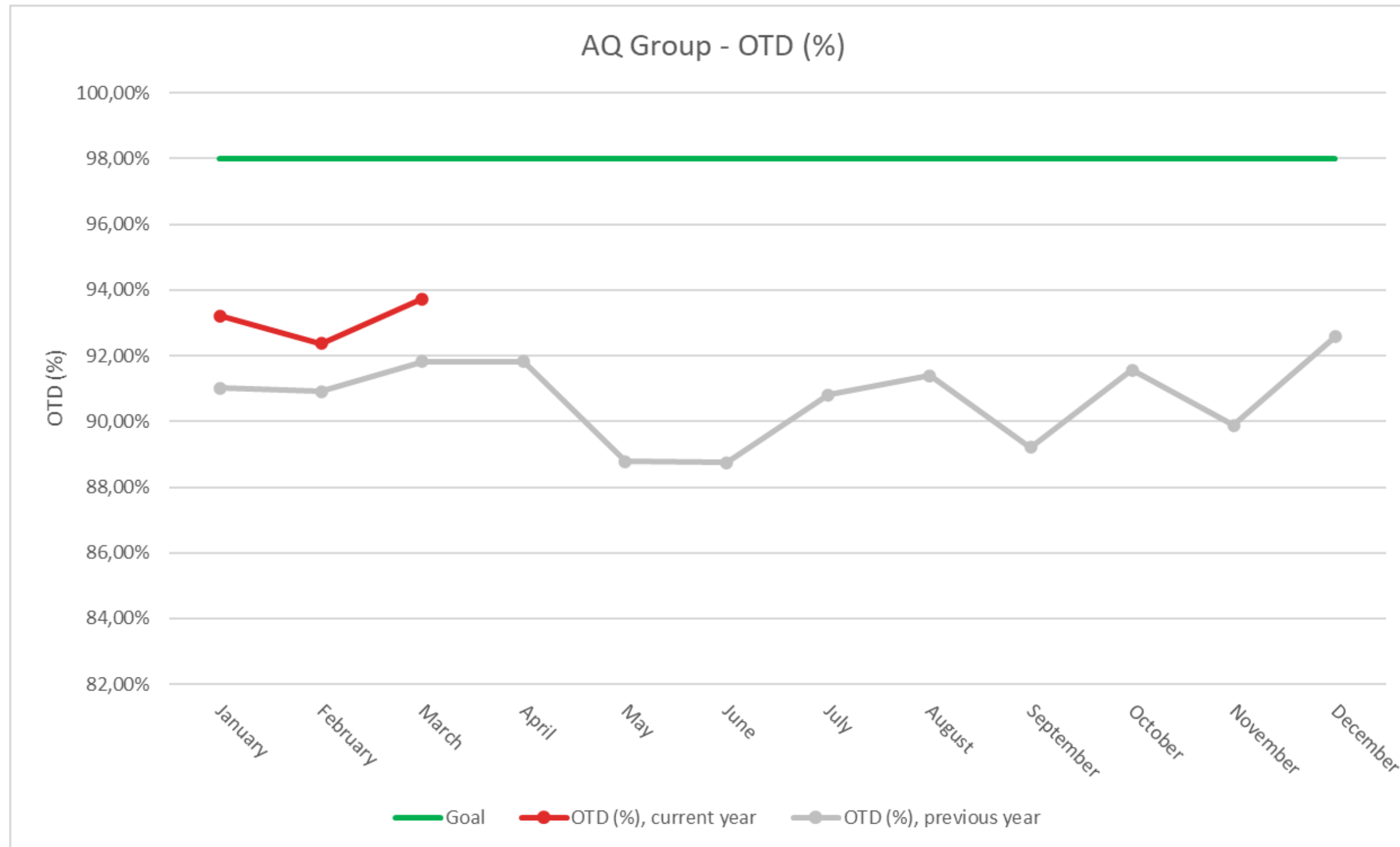


**Quality and delivery precision**

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# On-time Delivery (OTD) Jan- Mar - Goal 98%



Result Q1: **93.1%**

Improvement in several companies.

Currently we still have three companies with bigger problems. We focus on getting them back on track. By end of Q2 I expect that there will only be two companies left with delivery issues.

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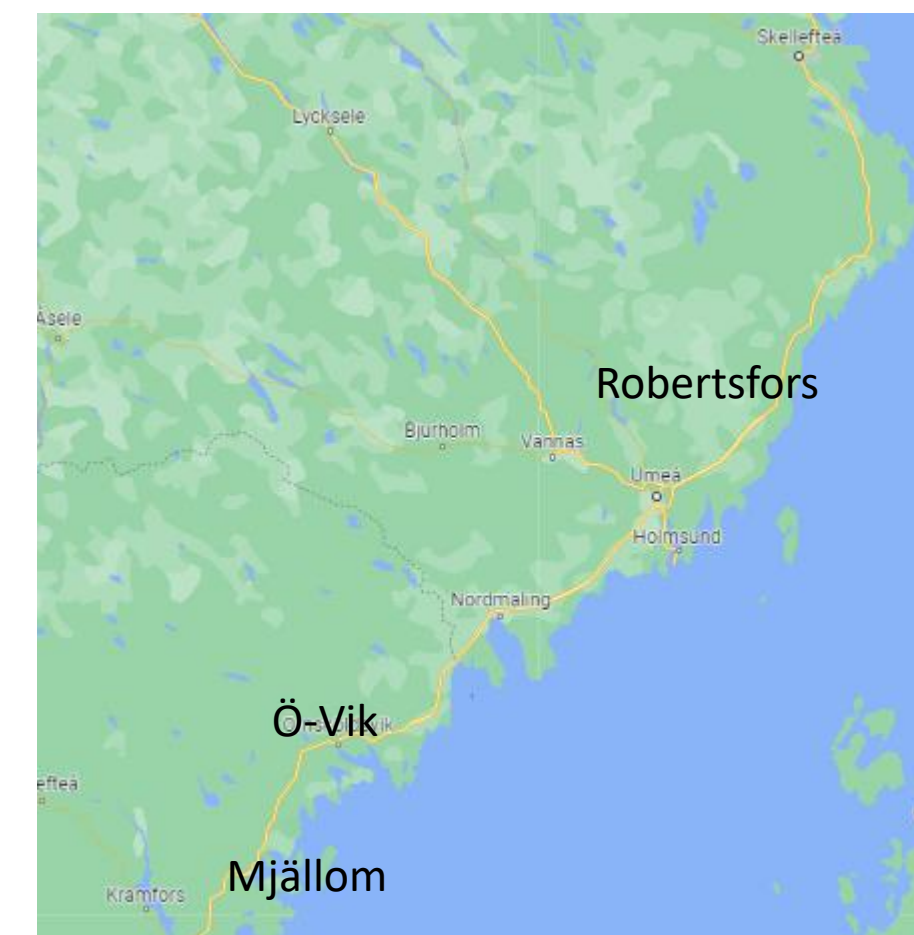
## Examples of projects for future growth



# JIT Mech + AQ - Background



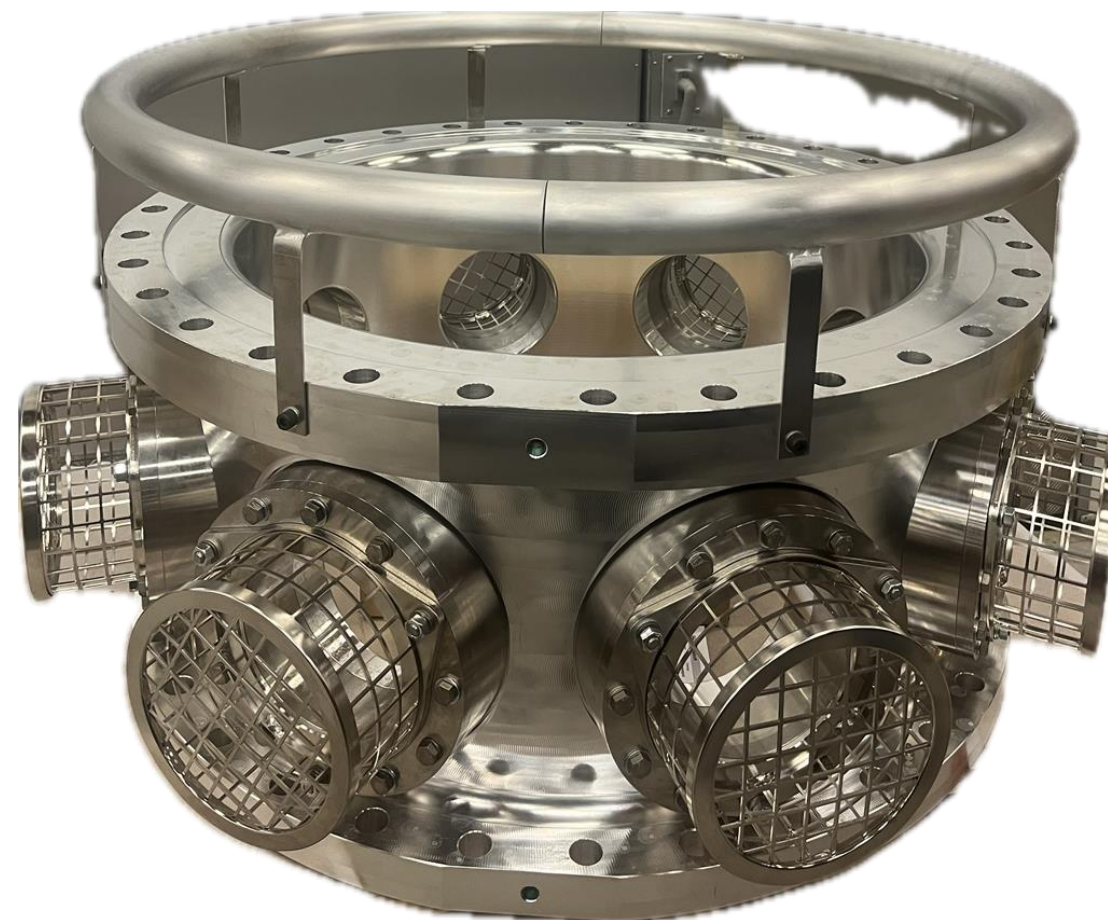
- JIT Mech:
  - Supplier of big welded and machined components for demanding industrial customers
  - Low volume high mix
  - High technical competence that work closely with customers R&D.
  - Good, well-maintained equipment
  - Factories in Robertsfors and Örnsköldsvik
  - 75 employees
  - Net sales in 2023 was SEK 130 million with profitability in line with AQ Group
  - Cash out SEK 40 million at closing
  - Included in AQ Group in Q2



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# Customers and typical products



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# Electrification – Inverters - HVDC + Storage + Charging



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# Electrical cabinets and Inductive components for railway

1994 **30** 2024  
**aq**



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# Electrical cabinets & Inductive components for Ro-Ro and other marine vessels

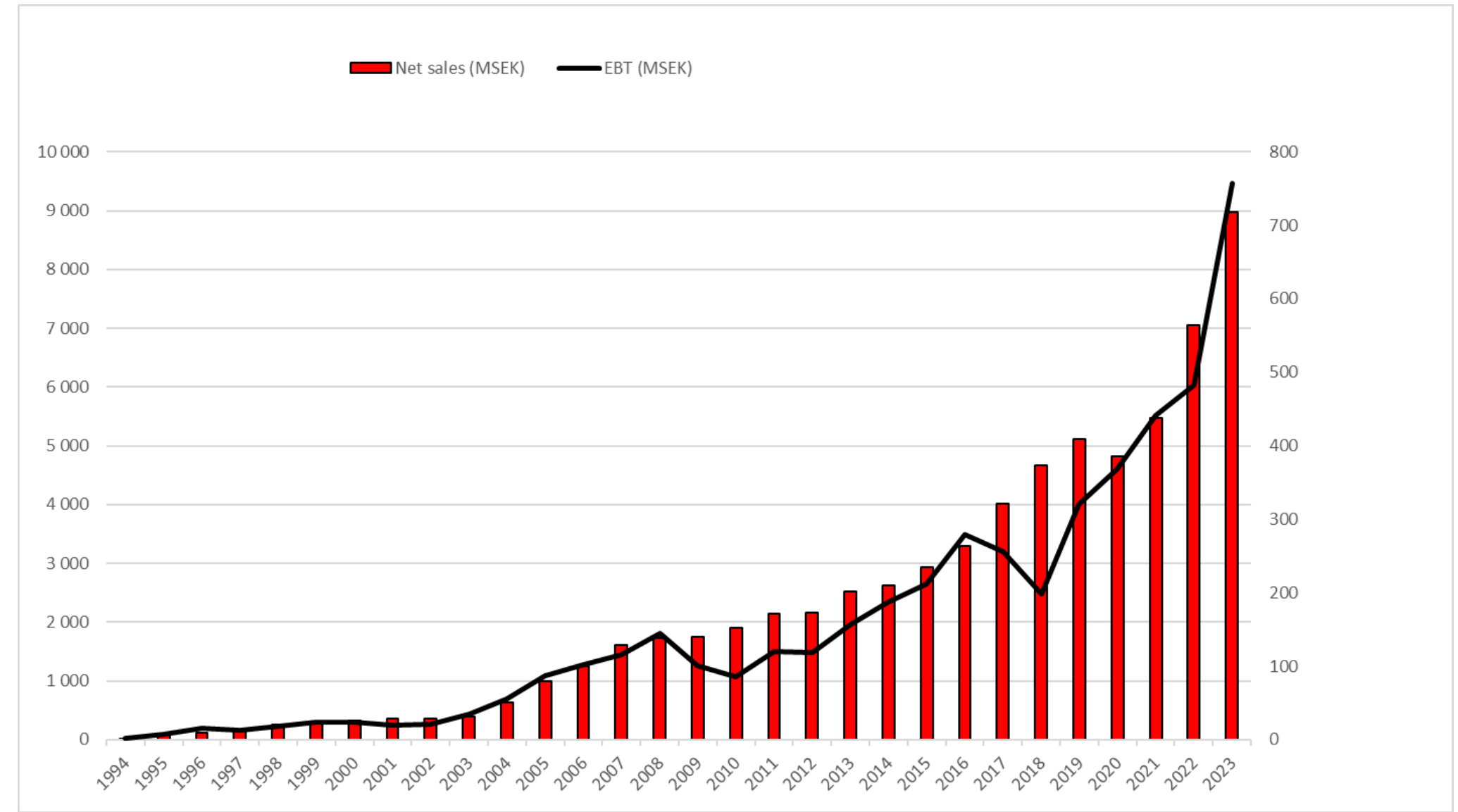


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# Questions?

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