

# Q1



Västerås 2012-04-24

## **Aros Quality Group Aktiebolag (publ)**

### **Interim report January – March 2012**

- Net sales SEK 525 million (579)
- Order bookings SEK 562 million (577)
- Operating profit SEK 18 million (40)
- Profit after financial items SEK 19 million (37)
- Equity ratio 59 % (56 %)
- Earnings per share after tax SEK 0.87 (1.61)

#### **Significant events during and after the financial year**

At the end of 2011 AQ was affected by the economic downturn and the fourth quarter showed weak profit figures. The beginning of Q1 2012 remains at a relatively low level, capacity adjustments that began last year has negatively affected the result during the quarter with approximately SEK 5 million. At the end of the period demand has stabilized and the result figures turned upward.

The acquired company Vadstena Industriplast Aktiebolag was taken over on January 1, 2012. Efforts to incorporate the activities in AQ Holmberg AB are in progress and expected to be completed by summer.

We have in April established a company in Denmark. The basic concept for the company is selling components and systems in Denmark and northern Germany. A MD with extensive experience in the market in those regions and similar sales to industrial customers has been appointed.

After determined efforts with AQ Segerström's processes, which also won customers' approval, the company shows a profit in Q1. This is the first quarter that made a profit after AQ's takeover of the bankrupt estate in 2009.

A program to increase capacity for high quality stainless steel cabinet for food and medical industries is ongoing and has intensified during the quarter in AQ Electric AD in Bulgaria and AQ Electric Suzhou in China.

#### **Information of parent company**

The parent company, Aros Quality Group Aktiebolag, 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 2011.

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 is currently assessing that the second quarter will show higher result than the first quarter.

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 2012	Q1 2011	Acc 2012	Acc 2011
Net sales	524 973	578 594	524 973	578 594
Other operating income	1 659	3 649	1 659	3 649
Operating expenses	-508 413	-542 153	-508 413	-542 153
<b>Operating profit/loss</b>	<b>18 219</b>	<b>40 090</b>	<b>18 219</b>	<b>40 090</b>
Result from financial items	1 091	-3 459	1 091	-3 459
<b>Profit/loss after financial items</b>	<b>19 310</b>	<b>36 631</b>	<b>19 310</b>	<b>36 631</b>
Tax on profit for the year	-3 676	-8 083	-3 676	-8 083
<b>Net profit/loss for the year</b>	<b>15 634</b>	<b>28 548</b>	<b>15 634</b>	<b>28 548</b>
Earnings per share after full tax	0,87	1,61	0,87	1,61
Net margin %	3,7%	6,3%	3,7%	6,3%

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

	Q1 2012	Q1 2011	Acc 2012	Acc 2011
Net sales	10 227	8 625	10 227	8 625
Operating expenses	-4 698	-3 204	-4 698	-3 204
<b>Operating profit/loss</b>	<b>5 529</b>	<b>5 421</b>	<b>5 529</b>	<b>5 421</b>
Result from financial items	71	-686	71	-686
<b>Profit/loss after financial items</b>	<b>5 600</b>	<b>4 735</b>	<b>5 600</b>	<b>4 735</b>
Tax on profit for the year	-1 473	-1 245	-1 473	-1 245
<b>Net profit/loss for the year</b>	<b>4 127</b>	<b>3 490</b>	<b>4 127</b>	<b>3 490</b>

### Balance Sheet (KSEK)

Assets	Group		Parent company	
	Q1 2012	Q4 2011	Q1 2012	Q4 2011
Fixed assets	235 380	232 258	190 026	206 816
Inventories	407 072	401 525		
Other current receivables	465 544	413 465	119 930	131 004
Cash and bank balances	78 883	58 078	54 639	27 346
<b>Total assets</b>	<b>1 186 879</b>	<b>1 105 327</b>	<b>364 595</b>	<b>365 165</b>
<b>Equity and liabilities</b>				
Equity	705 406	690 985	292 914	288 786
Untaxed reserves			12 740	12 740
Interest-bearing liabilities	92 274	60 829	0	22 193
Other liabilities	389 199	353 513	58 941	41 447
<b>Total equity and liabilities</b>	<b>1 186 879</b>	<b>1 105 327</b>	<b>364 595</b>	<b>365 165</b>
<b>Equity ratio</b>	<b>59%</b>	<b>63%</b>	<b>83%</b>	<b>82%</b>

### Cash Flow Analysis (KSEK)

	Group		Parent company	
	Acc 2012	Acc 2011	Acc 2012	Acc 2011
Net operating profit/loss	18 220	40 090	5 529	5 421
Result from financial items	1 091	-3 459	963	465
Income tax paid	-4 054	-8 511	-1 473	-1 245
Non-cash transactions	-4 056	14 815	10	7
Changes in working capital	-16 022	-11 932	27 096	12 221
<b>Cash-flow from operating activities</b>	<b>-4 821</b>	<b>31 003</b>	<b>32 125</b>	<b>16 869</b>
Cash flow from investing	-5 194	-6 261	17 250	813
Cash flow from financing activities	31 445	-3 787	-22 193	-1 122
<b>Increase/reduction of liquid funds</b>	<b>21 430</b>	<b>20 955</b>	<b>27 182</b>	<b>16 560</b>
Liquid funds at beginning of year	58 078	25 400	27 346	7 458
Exchange rate difference in liquid funds	-625	-632	111	0
<b>Liquid funds at end of period</b>	<b>78 883</b>	<b>45 723</b>	<b>54 639</b>	<b>24 018</b>

## Equity (KSEK)

Group	Share-capital	Other paid-in capital	Trans-lation reserve	Profit/Loss brought forward	Sub-total	Minority share-holding	Total Equity	
<b>Opening balance 2011-01-01</b>	<b>35 918</b>	<b>30 691</b>	<b>-792</b>	<b>557 568</b>	<b>623 385</b>	<b>1 316</b>	<b>624 701</b>	
Transl.diff. in foreign comp.			-6 303		-6 303	-40	-6 343	
Net profit				28 889	28 889	-341	28 548	
<b>Equity 2011-03-31</b>	<b>35 918</b>	<b>30 691</b>	<b>-7 095</b>	<b>586 456</b>	<b>645 970</b>	<b>936</b>	<b>646 906</b>	
Paid dividends				-19 755	-19 755		-19 755	
Transl.diff. in foreign comp.			9 431		9 431	41	9 472	
Net profit				66 456	66 456	-892	65 564	
<b>Equity 2011-12-31</b>	<b>35 918</b>	<b>30 691</b>	<b>2 336</b>	<b>621 956</b>	<b>690 902</b>	<b>84</b>	<b>690 985</b>	
Transl.diff. in foreign comp.			-1 177		-1 177	-37	-1 214	
Net profit				15 602	15 602	33	15 635	
<b>Equity 31 mars 2012</b>	<b>35 918</b>	<b>30 691</b>	<b>1 159</b>	<b>637 558</b>	<b>705 327</b>	<b>80</b>	<b>705 406</b>	
	<b>Restricted equity</b>			<b>Non - restricted equity</b>				
Parent company	Share-capital	Statutory reserve	Sub-total	Share pr. reserve	Fair value reserve	Oth. Non-restr. Eq.	Sub-total	Total Equity
<b>Opening balance 2011-01-01</b>	<b>35 918</b>	<b>1 156</b>	<b>37 075</b>	<b>30 691</b>		<b>208 757</b>	<b>239 448</b>	<b>276 523</b>
Net profit						3 490	3 490	3 490
<b>Equity 2011-03-31</b>	<b>35 918</b>	<b>1 156</b>	<b>37 075</b>	<b>30 691</b>		<b>212 247</b>	<b>242 938</b>	<b>280 012</b>
Paid dividends						-19 755	-19 755	-19 755
Net profit						28 528	28 528	28 528
<b>Equity 2011-12-31</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>
Net profit						4 127	4 127	4 127
<b>Equity 31 mars 2012</b>	<b>35 918</b>	<b>1 156</b>	<b>37 075</b>	<b>30 691</b>		<b>225 147</b>	<b>255 838</b>	<b>292 914</b>

All shares /17 959 058 pcs/ are A-shares with equal voting rights.

## Personnel

Employees	Bulgaria	China	Estonia	India	Italy	Poland	Sweden	Total
2012-03-31	808	480	164	4	5	429	773	2 663

## Future Reporting Dates

Interim Report Q2	January-June 2012	July 18, 2012
Interim Report Q3	January-September 2012	October 18, 2012
Year-end 2012		February 21, 2013
Annual Report 2012		April, 2013

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