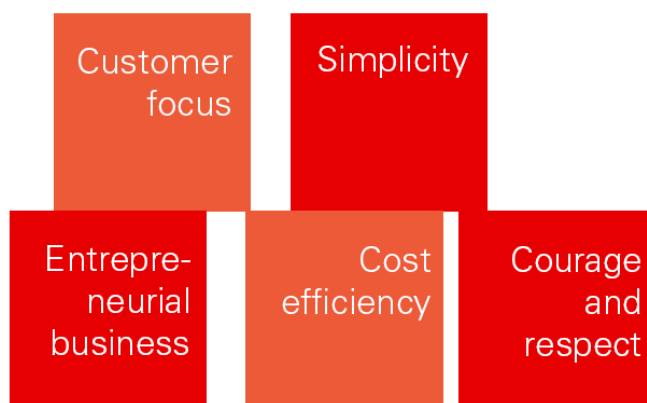




Västerås, February 22, 2018

AQ Group AB (publ), Year-end report 2017

**WE ARE
RELIABLE**



www.aqg.se

Full year 2017 in brief

- Net sales increased by 22 % to SEK 4 020 million (3 289)
- Operating profit (EBIT) decreased by 6 % to SEK 263 million (281)
- Profit after financial items (EBT) decreased by 8 % to SEK 256 million (279)
- Profit margin before tax (EBT%) 6.4 % (8.5)
- Cash flow from operating activities decreased by 52% to SEK 140 million (290)
- Equity ratio 61 % (60)
- Earnings per share after tax decreased by 14 % to SEK 11.14 SEK (13.01)
- The Board of Directors proposes a dividend of 2.75 SEK (2.75)

Fourth quarter, October – December 2017 in brief

- Net sales increased by 12 % to SEK 1 017 million (905)
- Operating profit (EBIT) decreased by 35 % to SEK 39 million (60)
- Profit after financial items (EBT) decreased by 47 % to SEK 32 million (60)
- Profit margin before tax (EBT) 3.1 % (6.6)
- Cash flow from operating activities decreased by 120% to SEK -11 million (55)
- Equity ratio 61 % (60)
- Earnings per share after tax decreased by 65 % to SEK 0.97 SEK (2,79)

Group overview, key figures

	2017					2016				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Net turnover, SEK thousands	1 001 898	1 077 380	923 142	1 017 321	4 019 740	801 834	859 584	723 223	904 575	3 289 215
Operating profit (EBIT), SEK thousands	86 813	74 397	63 562	38 510	263 282	76 712	92 326	52 646	59 669	281 353
Profit after net financial items (EBT), SEK thousands	92 258	70 478	61 295	31 797	255 828	75 954	90 758	53 050	59 583	279 344
Operating margin (EBIT %)	8,7%	6,9%	6,9%	3,8%	6,5%	9,6%	10,7%	7,3%	6,6%	8,6%
Profit margin before tax (EBT %)	9,2%	6,5%	6,6%	3,1%	6,4%	9,5%	10,6%	7,3%	6,6%	8,5%
Liquid ratio	142%	140%	139%	125%	125%	157%	153%	164%	142%	142%
Debt/equity ratio	60%	60%	62%	61%	61%	60%	60%	64%	60%	60%
Return on total assets ²⁾	13,2%	12,3%	12,6%	10,3%	10,3%	12,6%	14,0%	14,5%	13,1%	13,1%
Return on equity after tax ²⁾	18,0%	16,4%	16,1%	13,2%	13,2%	16,0%	18,1%	18,1%	17,9%	17,9%
Number of employees in Sweden	1 021	1 065	1 066	1 043	1 043	815	803	791	1 005	1 005
Number of employees outside Sweden	4 198	4 319	4 414	4 505	4 505	3 817	3 865	3 888	4 158	4 158
Key indicators per share, SEK ³⁾										
Profit for the period	4,19	3,20	2,77	0,97	11,14	3,46	4,18	2,58	2,79	13,01
Equity	84,38	84,85	86,37	89,82	89,82	68,82	71,56	75,79	79,98	79,98
Number of shares, thousands ³⁾	18 294	18 294	18 294	18 294	18 294	18 034	18 034	18 034	18 294	18 294

¹⁾ There are no instruments that could lead to share dilution.

²⁾ Calculated based on 12 months rolling amounts.

³⁾ In connection with the acquisition of Gerdins Industrial System AB, October 3 2016, 260 000 shares of the same category was issued.

A word from the CEO



Market

Firstly, let us be clear, the profit and the cash flow in the fourth quarter is a disappointment. The fourth quarter was our 93rd consecutive quarter with profit. We have increased our turnover every year since the start October 1, 1994 i.e. for 23 years.

The organic growth in the quarter was 12.5 % compared to -4,6 % in the same period in 2016. The growth in the quarter is good, but challenging.

We must work harder to improve our margins. In the fourth quarter our profit margin before tax (EBT%) was 3.1 %. Our goal is 8% and accumulated for the full year the EBT margin was 6.4%, which means that we are well below our goal. We have some subsidiaries, which have had problems with profitability for a longer time. We have been too patient with this.

Our company AQ Welded Structures in Ludvika has shown losses for a long time. The company showed a big loss in 2017. When one of our customers announced a move of a product family abroad, we will lose more volume. As a consequence, we have called for negotiations with the unions for a restructuring of the company, which has 51 employees.

We have problems with profitability in our sheet metal and plastic components business to commercial vehicles in Sweden. The ongoing action program has given improvement, but it will take more time to get the business to a satisfactory profitability.

In the fourth quarter we have seen raw material prices continue to increase, e.g. within the steel and plastics areas. On this matter we have to be self-critical. We have been too "nice" and too slow to transfer the increased prices to our customers. During Q1 this have to come into full effect especially to our automotive customers.

We have seen a move of our product mix during the year. The volume to the automotive industry has increased. During 2017, our customers in China e.g. in telecom have seen reduced turnover, which has decreased our volume and significantly reduced our profit for AQ in China. The global demand of large gas turbines has decreased, which has affected our company in Hungary negatively. On the positive side we have started to delivered to smaller gas turbines and doing repair of components for jet engines. Our company in India is still expanding, but it hasn't reached break-even yet.

There is an economic expansion in the industry. Several of AQ's leading industrial customers show good growth. This partly explains AQ's high organic growth in the fourth quarter. In parallel I believe that we are gaining market shares in several business areas. Some examples are:

- We won a completely new business of supply of wire harnesses to Scania Bus
- Started our first project with inductive components to new Shinkansen trains in Japan
- We won new important deals where we also make design on behalf of the customer
- Signed an agreement with Northvolt, where AQ is part of the industrialization of their future products within energy storage
- Awarded several projects for driver desks to trains and metros
- Our business with a customer in marine environment technology is growing significantly

Successively during the year several of our production units have had increased utilization. We see a need in increased investment in production capacity in several areas. Therefore, during the year we have:

- Increased personnel with 350 people
- Acquired another production facility in Hungary

- Started investments in new production facilities in Poland
- Inaugurated a new production facility in Bulgaria
- Decided to expand production space in India

This is of course a positive sign, that our customers have a good order backlog and that they have confidence in AQ.

During the fourth quarter we continued to have challenges with increased lead-time of raw material and components, which causes delays of deliveries to our customers. This costs a lot of money in express transports, overtime and extra personnel. However, the biggest cost is that it affects our customers' confidence and it's contrary to our value "We are reliable".

Inventory has grown significantly quicker than the growth of our sales. Therefore, we have started an inventory reduction project to reduce the tied-up capital and to improve our procedures. The work is well under way with the first subsidiary.

Altogether our ongoing activities shall give increased margins and a better cash flow approaching our goals.

Acquisitions

After our introduction on Nasdaq in 2017 the inflow of acquisition opportunities has increased, especially from abroad.

The integration of "Gerdins", which was acquired in 2016 has gone according to plan and is now completed.

We are always looking at a number of acquisition opportunities. We would like to strengthen our presence and capabilities in the growth areas where we are already present. We also work to follow some of our important customers to completely new geographic regions. The reason that we haven't closed any deals is that in some cases we have viewed the purchase price being too high and in some cases that their earnings haven't been according to plan.

Organisation

Our focus is always to adapt to customers' requirements and real demands. It's a strategy we will continue to follow, to be fast movers and adaptable no matter of market conditions.

Our organisation is built on entrepreneurship, which is a foundation in our core values.

Investments

It is important to continue investing in knowledge and new technology, which means that we:

- Inaugurated our new investment in a paint facility (ED), the first in Bulgaria
- Offer more design work for our customers
- Introduce rationalization of administrative routines such as electronic invoicing, IT security etc
- Take new initiatives in additive manufacturing
- Use an in-house developed laser for machining of ceramic materials

Outlook

Right now we are working to eliminate our sources of loss, increase our prices and reduce the capital tied up. Our guideline is to be a stable, growing and profitable company long term. We have a strong financial position and we have entrepreneurs working in our subsidiaries. We like doing business. We have customer focus. Our employees and leaders are doing a good job and it will also in the future give new business and a stable profit.

AQ is well positioned for new acquisitions from a financial as well as from a management view. With strong relations to world leading customers and engaged employees we shall work hard with continued growth, cash flow and a stable profit level. An important part of this is our core values and our efforts to be a reliable supplier to leading industrial customers.

Claes Mellgren
CEO

Group's financial position and results

Fourth quarter

Net sales for the fourth quarter was SEK 1 017 million (905), an increase of SEK 112 million compared to the same period in the previous year. The increase in turnover can be explained by a generally good state of the market and that we are gaining market share in railway and commercial vehicles especially in Sweden, Poland and Bulgaria. In China, the turnover has decreased as a large customer in telecom has lost market share. The market for gas turbines has also developed negatively, which affects our factory in Hungary. The total growth in the quarter was 12.5 %, of which organic growth - 12.6 %, growth through acquisitions 0 % and currency effects of -0.1 %. The currency effect of -0.1 % corresponds to about SEK -1.3 million and is mainly with the currencies CNY, INR and HUF. PLN and EUR have had a positive currency effect during the quarter.

Operating margin (EBIT) in the fourth quarter was SEK 39 million (60), a decrease of SEK 21 million. The decrease can mainly be explained by AQ Welded Structures AB, the companies in China and Mexico showing a lower profit due to lower sales. In addition, we have seen increasing raw material prices during the year and these haven't been transferred to the customers in a satisfactory way. The Swedish companies showed a total EBIT, which was better than the same period last year.

In conjunction with dividend from China, the group has been charged a with-holding tax, which is included in tax costs for the year of SEK 8.6 million.

Goodwill and other intangible assets have increased during the fourth quarter with SEK 1.6 million compared to the third quarter of 2017, an increase due to positive currency translation effects of SEK 3.5 million and devaluation of goodwill of SEK 1.9 million.

Investments in tangible assets in the quarter in the group were SEK 26 million (29). Investments were made in a punching machine, winding machines and an ED paintshop.

Interest bearing liabilities of the group are SEK 266 million (272) and cash and cash equivalents amount to SEK 142 million (163), which means that the group has a net debt of SEK 124 million. In the same period last year, the group had net debt of SEK 109 million.

Cash flow from operating activities was SEK -11 million (55). The negative cash flow from operating activities is due to increase of inventory of SEK 45 million.

Cash flow from investing activities was SEK -25 million (-92), which relates to investments in fixed assets.

Cash flow from financing activities was SEK 69 million (84) which relates to amortizations of bank loans and increased usage of overdraft facility

Equity at the end of the period was SEK 1 643 million (1 463) for the group.

Full year

Net sales for the full year was SEK 4 020 million (3 289), an increase of SEK 731 million compared to the previous year. Nearly half of the increase in turnover is due to the acquisition of Gerdins group in 2016. The increase in turnover is partly due to a good market situation in the industry combined with increased market share in the railway and commercial vehicles area in Sweden, Bulgaria, Poland, Estonia and Lithuania.

For the full year, the total growth was 22.2 %, of which organic growth 11.4 %, growth through acquisitions 9.9 % and currency effects of 0.9 %. The currency effects of 0.9 % correspond to about SEK 29 million and is mainly with the currencies PLN, EUR, HUF and BGN. During the year CNY and MXN has had a negative currency effect.

Operating margin (EBIT) in the period was SEK 263 million (281), a decrease of SEK 18 million. The decrease can mainly be explained by the companies in China and Hungary showing lower profit due to lower sales. In addition, we have seen increasing raw material prices during the year, which haven't been transferred to the customers in a satisfactory way. We also have problems with profitability in sheet metal and plastics for commercial vehicles in Sweden.

In conjunction with dividend from China, the group has been charged a with-holding tax, which is included in tax costs for the year of SEK 8.6 million.

Goodwill and other intangible assets have decreased with SEK 5.8 million since the start of the year. The decrease is due to devaluation of customer relations and technology and to currency translation effects.

The investments in tangible assets of the group during the year were SEK 104 million (116). Investments during the year have been made in metal-cutting machines, sheet metal processing machines, a laser machine for machining of ceramic materials, an ED paintshop and winding machines.

Interest bearing liabilities of the group are SEK 266 million (272 at the start of the year) and cash and cash equivalents amount to SEK 142 million (163 at the start of the year), which means that the group has a net debt of SEK 124 million (109 at the start of the year). This means that the interest-bearing liabilities have decreased with SEK 6 million and cash and cash equivalents have decreased with SEK 21 million since the start of the year. Thus, the net debt has increased with SEK 15 million compared to end of 2016.

Cash flow from operating activities was SEK 140 million (290). The decrease can be explained by increased inventory and accounts receivables.

Cash flow from investing activities was SEK -100 million (-180), which relates to investments in fixed assets.

Cash flow from financing activities was SEK -58 million (-87) which relates to amortizations of bank Loans, increased usage of overdraft facility and paid dividend.

Equity at the end of the period was SEK 1 643 million (1 463) for the group.

Result development for the respective segments, please see note 2.

Significant events during the year

First quarter

On January 5, 2017 Nasdaq Stockholm's listing committee approved the trading of the shares of AQ Group AB (publ) on Nasdaq Stockholm's main market. First trading day of the company's shares on Nasdaq was January 16, 2017.

AQ Group AB (publ) has prepared a prospectus due to the listing, which has been approved and registered by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen). The prospectus is available on AQ Group's website (www.aqq.se) and on the Swedish Financial Supervisory Authority's website (<http://www.fi.se/en/our-registers/prospektregistret/>).

Second quarter

After an inspiring and exclusive visit by Percy Barnevik, AQ decided to support the charity organization "Hand in Hand" with SEK 175 000 in 2017 and SEK 175 000 in 2018. The money will go to a village in India near our factory in Pune. The money will be used for training in entrepreneurship for women in self-aid groups and to successively help expanding their companies.

Legal merger of AQ Industrial Systems AB and AQ Group AB.

To simplify business in China with import and export of material AQ established a company in Hong Kong, AQ Asia Limited, on August 21, 2017.

Third quarter

AQ Wiring Systems STG Sp.z.o.o. in Starogard Gdański in Poland signed on September 25, 2017 an agreement with Biznes Park to buy real estate of totally 2.2 ha where a new factory building of 7000 m² will be built. The investment has a value of PLN 18.2 million (appr. SEK 40.6 million). The real estate is located in Linowiec near Starogard Gdański. The purpose of a new factory building is to get a more efficient production space and organisation than today and to support a profitable growth for the future. Relocation to the new facilities is planned for December 2018. AQ Wiring Systems STG started production of wire harnesses in 1999 with 700 m² production space and has had a continuous growth.

AQ Wiring Systems Sp.z.o.o. i Łódź signed in parallel a ten year lease of a new factory building which will be built nearby to the present building. The new building will have a surface of 12 150 m² with an option to expand with 5 500 m², to be compared with the current building of 8 820 m². Relocation to the new building is expected to begin in November 2018.

Fourth quarter

Legal merger of AQ Elektroprim AB and AQ Elautomatik AB.

The two Italian companies AQ Italy s.r.l and AQ Magnetica s.r.l have also merged, and the name of the company is AQ Magnetica Italy s.r.l. The company has operations in Milan and Castelfidardo.

Significant events after the end of the period

In order to give each unit full customer focus and a deepened profit responsibility, a new company AQ Special Sheet Metal AB has acquired the units in Lyrestad and Pålshoda from AQ Segerström & Svensson AB.

On February 22, 2018 the management of AQ Welded Structures AB will call to negotiations with the unions concerning restructuring of the company, which has 51 employees.

Goals

The goal of the group is continued profitable growth. The Board of directors are not giving any forecast for turnover or profit. Statements in this report can be perceived as forward looking and the real outcome can be significantly different.

The board of directors of AQ Group has set goals for the group. The goals mean that the group is managed towards good profit, high quality and delivery precision with strong growth and a healthy financial risk level. The dividend policy is to have dividends corresponding to about 25 % of profit after tax over a business cycle. However, the Group's financial consolidation must always be considered

	Goal	Jan-Dec 2017
Product quality	100 %	99.5 %
Delivery precision	98 %	91.9 %
Equity ratio	>40 %	61 %
Profit margin before tax, (EBT %)	8 %	6.4 %

Transactions with related parties

The parent company has a related party relationship with its subsidiaries. There are some sales activities concerning goods between the operating group companies. The parent company is charging a management fee to the subsidiaries. All invoicing is according to market level prices and results in claims and debts between the companies which are settled regularly. There are some long-term loans between the parent company and a few subsidiaries. These loans are given with market level interest rates. Most companies in the group are part of cash pool in the parent company. The companies are charged/given interest rates at market level.

During 2017, AQ Group AB has paid SEK 50.3 million in dividends to its shareholders. There have been no other transactions between AQ and closely related parties which significantly affected the position or result of the company. There are no loans to members of the board of directors nor to anyone in leading positions.

At the annual general meeting on April 27, 2017 it was decided that a yearly fee of SEK 160 000 shall be paid to the members of the board of directors and a fee of SEK 400 000 to the chairman of the board. For the chairman of the Audit Committee, the remuneration shall be SEK 70,000 and to the other members of the Audit Committee, SEK 40,000. For the chairman of the Remuneration Committee, the remuneration shall be SEK 50,000 and to the other members of the Remuneration Committee, SEK 30,000. There are no other remunerations to the board of directors. There is no remuneration paid after a board assignment is completed.

People in management positions are paid a fixed salary and a variable element calculated in % of the group's profit maximized to one-year salary. There are no other benefits in addition to pension benefits for work performed via the employment contract. In individual cases and where there is special justification, the Board shall have the option of deviating from the above guidelines.

Risks and uncertainties

AQ is a global company with operations in twelve countries. Within the group there are a number of risks and uncertainties of both operational and financial characteristics, which were described in the annual report of 2016. No additional significant risks have been identified since the annual report of 2016 was published. In addition to the commented factors the real outcome can be affected by for example political events, business cycle effects, currency and interest rates, competing products and their pricing, product development, commercial and technical difficulties, delivery problems and large credit losses at our customers.

The risks that are most evident in a shorter perspective are risks related to currency and prices.

Transactions and assets and debts in foreign currency are managed centrally within AQ in order to create balance in the respective currency thereby achieving highest possible levelling effect within the group in order to minimize currency differences.

AQ is not buying any direct raw material, but only intermediate goods for further production such as sheet metal of steel and aluminium, cables, insulated wire etc. The risk is minimized through customer agreements with price clauses.

Raw material price risk refers to the change in the price of material and its impact on earnings. The company's purchase of materials to different processes is significant. There is a risk of sharp price increases for raw materials where the Company is not able to compensate price increases, which may affect the Company's earnings negatively.

The group's credit risks are mainly connected to receivables from customers.

The parent company is indirectly affected by the same risks and uncertainties.

Nomination committee

The nomination committee before the Annual General Meeting 2018 consists of P-O Andersson, Claes Mellgren and Björn Henriksson. Chairman of the Nomination Committee is Björn Henriksson, who represents Nordea Asset Management.

Future reporting dates

Interim report Q1, 2018	April 26, 2018, at 08:00
Annual General Meeting 2018	April 26, 2018, at 18:00
Interim report Q2, 2018	July 19, 2018, at 08:00
Interim report Q3, 2018	October 25, 2018, at 08:00

The Annual Report for 2017 will be published on the company's web site at the latest by April 4, 2018.

The Annual General Meeting will be held on April 26, 2017, at 18:00, at 4:e teatern, Culturen, Sintervägen 4, in Västerås, Sweden.

Financial information

The information of this interim report shall be made public according to the Securities Market Act of Sweden. AQ Group AB (publ) is listed on Nasdaq Stockholm's main market.

The information was made public on February 22, 2018 at 08:00.

This report has not been reviewed by the company's financial auditors.

Further information can be given by AQ Group AB:
CEO, Claes Mellgren, telephone +46 70-592 83 38, claes.mellgren@agg.se ,
CFO, Mia Tomczak, telephone +46 70-833 00 80, mia.tomczak@agg.se

Financial reports and press releases are published in Swedish and English. If there are discrepancies between the two, the Swedish version shall prevail. They are available at www.agg.se.

Certification

The Chief Executive Officer certifies that the interim report gives a true and fair overview of the Group's and the parent company's operations, financial position and results and describes material risks and uncertainties facing the parent company and the companies that form part of the Group.

Västerås, February 22, 2018

Claes Mellgren,
CEO

Financial reports, summary

Summary income statement for the Group

SEK thousands	Oct-Dec 2017	Oct-Dec 2016	Full year 2017	Full year 2016
Net sales	1 017 321	904 575	4 019 740	3 289 215
Other operating income	6 585	21 686	48 371	47 650
	1 023 906	926 261	4 068 111	3 336 866
Change in inventory and work in progress	9 459	4 958	63 498	-2 420
Raw material and consumables	-491 650	-440 744	-2 038 247	-1 575 262
Goods for resale	-35 040	-15 392	-94 905	-43 247
Other external expenses	-147 439	-131 869	-529 066	-439 285
Personnel costs	-282 745	-248 632	-1 075 051	-873 114
Depreciation and amortisation	-26 670	-25 337	-97 499	-79 944
Other operating expenses	-11 311	-9 576	-33 559	-42 241
	-985 396	-866 592	-3 804 829	-3 055 513
Operating profit	38 510	59 669	263 282	281 353
Net financial income/expense	-6 713	-86	-7 454	-2 008
Profit before tax	31 797	59 583	255 828	279 344
Taxes	-13 839	-8 415	-51 154	-43 666
Profit for the period	17 958	51 168	204 674	235 678
PROFIT FOR THE PERIOD ATTRIBUTABLE TO:				
Parent company shareholders	17 750	51 070	203 773	235 265
Non-controlling interests	208	98	901	413
	17 958	51 168	204 674	235 678
Earnings per share ¹⁾	0,97	2,79	11,14	13,01

1) There are no instruments that might result in dilution.

In conjunction with the acquisition of Gerdins Industrial System AB on October 3, 2016, 260 000 shares of the same kind were issued.

Statement of comprehensive income for the Group

SEK thousands	Oct-Dec 2017	Oct-Dec 2016	Full year 2017	Full year 2016
PROFIT FOR THE PERIOD	17 958	51 168	204 674	235 678
OTHER COMPREHENSIVE INCOME				
Items that cannot be transferred to the profit for the period				
Revaluation of defined benefit pension plans	-159	-303	-159	-303
Items transferred or that can be transferred to the profit for the period				
Translation difference transferred to the profit				6 737
Translation difference for foreign operations	45 290	-5 188	25 793	41 304
Other comprehensive income for the period after tax	45 132	-5 491	25 633	47 739
Comprehensive income for the period	63 090	45 677	230 307	283 417
COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:				
Parent company shareholders	62 779	45 607	229 301	282 902
Non-controlling interests	311	70	1 006	515
	63 090	45 677	230 307	283 417

Summary balance sheet for the group

SEK thousands	31/12/2017	31/12/2016
ASSETS		
Goodwill	150 030	148 393
Other intangible assets	76 709	84 181
Tangible assets	519 512	495 915
Financial assets	1 977	2 147
Deferred tax assets	10 861	9 448
TOTAL NON-CURRENT ASSETS	759 089	740 084
Inventories	732 343	581 332
Trade and other receivables	900 387	805 186
Other current receivables	143 575	160 179
Short term investments	-	204
Cash and cash equivalents	142 049	162 812
TOTAL CURRENT ASSETS	1 918 354	1 709 712
TOTAL ASSETS	2 677 444	2 449 796
EQUITY AND LIABILITIES		
Equity attributable to parent company shareholders	1 639 452	1 460 455
Non-controlling interests	3 742	2 739
TOTAL EQUITY	1 643 193	1 463 195
Non-current liabilities to credit institutions	12 757	107 779
Non-current non-interest-bearing liabilities	74 642	84 241
Total non-current liabilities	87 399	192 020
Interest-bearing current liabilities	253 264	164 034
Trade and other payables	418 050	351 986
Other current liabilities	275 537	278 562
Total current liabilities	946 851	794 582
TOTAL LIABILITIES	1 034 250	986 601
TOTAL EQUITY AND LIABILITIES	2 677 444	2 449 796

Statement of changes in Equity for the Group

SEK thousands	Equity attributable to parent company shareholders				Subtotal	Non-controlling interests	Total equity
	Share capital	Other contributed capital	Translation reserve	Retained earnings incl. profit			
Equity, 01/01/2016	36 068	34 014	24 303	1 073 044	1 167 430	2 307	1 169 737
Profit for the period				235 265	235 265	413	235 678
Translation differences in foreign operations			47 933		47 933	109	48 042
Revaluation of defined benefit pension plans				-296	-296	-7	-303
Other comprehensive income			47 933	-296	47 637	102	47 739
Comprehensive income for the year			47 933	234 969	282 902	516	283 417
Changes in non-controlling interests						-83	-83
Issue	520	50 180			50 700		50 700
Dividends paid				-40 577	-40 577	-	-40 577
Transactions with shareholders				-40 577	10 123	-83	10 040
Equity, 31/12/2016	36 588	84 194	72 236	1 267 437	1 460 455	2 739	1 463 195
Equity, 01/01/2017	36 588	84 194	72 236	1 267 437	1 460 455	2 739	1 463 195
Profit for the year				203 773	203 773	901	204 674
Translation differences in foreign operations			25 686		25 686	106	25 793
Other comprehensive income			25 686	-159	25 527	106	25 633
Comprehensive income for the year			25 686	203 614	229 301	1 006	230 307
Dividends paid				-50 309	-50 309		-50 309
Transactions with shareholders				-50 309	-50 309		-50 309
Equity, 31/12/2017	36 588	84 194	97 922	1 420 742	1 639 452	3 742	1 643 193

All shares, 18 294 058 pcs, are A-shares with equal voting rights and equal rights to the results. In conjunction with the acquisition of Gerdins Industrial System AB on October 3, 2016, 260 000 shares of the same kind were issued.

Summary cash flow statement for the Group

SEK thousands	1 Oct - 31 Dec, 2017	1 Oct - 31 Dec, 2016	Full year 2017	Full year 2016
Profit before tax	31 797	59 583	255 828	279 344
Adjustment for non cash generating items	27 435	106 959	91 888	162 081
Income tax paid	-7 604	-6 995	-39 476	-45 182
Cash flow from operating activities before change in working capital	51 629	159 547	308 239	396 243
Increase (-)/decrease (+) in inventories	-45 045	-25 012	-140 311	-19 927
Increase (-)/decrease (+) in trade receivables	7 507	-34 944	-83 489	-42 936
Increase (-)/decrease (+) in other receivables	-7 918	-66 750	3 396	-66 030
Increase (+)/decrease (-) in trade payables	-14 988	20 492	61 191	15 448
Increase (+)/decrease (-) in other liabilities	-1 907	1 760	-8 804	7 452
Change in working capital	-62 351	-104 452	-168 017	-105 993
Cash flow from operating activities	-10 722	55 095	140 223	290 251
Acquisitions of shares in subsidiaries	0	-64 069	0	-64 035
Acquisition of intangible non-current assets	-265	-1 054	-1 685	-1 922
Acquisition of tangible non-current assets*)	-26 015	-28 797	-104 002	-116 296
Sale of tangible non-current assets	1 520	1 696	5 282	1 793
Purchase/Sales of short-term investment in securities	0	0	204	0
Cash flow from investing activities	-24 760	-92 224	-100 200	-180 460
New borrowings, credit institutions *)	114 984	36 575	114 983	36 575
Amortisation of loans	-98 090	-9 643	-161 433	-32 101
Amortisation of loans (leasing)	-1 415	-1 304	-4 444	-2 786
Change in bank overdraft facilities	53 459	58 151	43 058	-47 887
Dividends to the parent company shareholders	0	0	-50 309	-40 577
Other changes in financial activities	-282	-137	173	-58
Cash flow from financing activities	68 656	83 642	-57 972	-86 833
Change in cash and cash equivalents for the period	33 174	46 513	-17 949	22 958
Cash and cash equivalents at the beginning of the year	105 741	118 960	162 812	135 602
Exchange rate difference in cash and cash equivalents	3 135	-2 660	-2 814	4 252
Cash and cash equivalents at the end of the period	142 049	162 812	142 049	162 812

*) In previous periods financial leasing has been presented with gross numbers in the cash flow, as new loans and acquisitions of tangible assets. As of the third quarter in 2017 financial leasing is presented with net numbers, as the transaction doesn't have any impact on the cash flow. Earlier periods have been adjusted.

Parent company development

Parent company

The parent company, AQ Group AB, focuses primarily on managing and developing the Group. As in previous years, the parent company's turnover consists almost exclusively of the sale of administrative services to subsidiaries. There are no purchases of any substance from subsidiaries.

Summary income statement for the Parent company

SEK thousands	Oct - Dec 2017	Oct - Dec 2016	Full year 2017	Full year 2016
Net sales	12 793	16 044	50 240	55 696
Other operating income	956	592	2 607	3 695
	13 748	16 636	52 846	59 391
Other external expenses	-4 924	-3 957	-16 898	-21 169
Personnel costs	-3 096	-5 155	-18 152	-17 701
Depreciation and amortisation	-66	-390	-293	-390
Other operating expenses	-118	-54	-314	-415
	-8 204	-9 556	-35 656	-39 675
Operating profit	5 545	7 080	17 190	19 716
Net financial items	-13 527	-79	81 756	98 358
Earnings after net financial items	-7 983	7 001	98 946	118 074
Appropriations	34 193	2 350	34 193	2 350
Profit before tax	26 211	9 351	133 140	120 424
Taxes	-16 143	-1 530	-19 894	-4 738
Profit for the period	10 068	7 821	113 246	115 686

Net sales for the fourth quarter was SEK 12.8 million (16.0), somewhat lower than the same period in the previous year, partly because of lower invoicing of management fees (group commons costs).

Other external expenses were SEK 4.9 million (4.0).

Personnel costs were SEK 3.1 million (5.2), the decrease of SEK 2.1 million is due to internal rationalization and lower bonus costs. Operating profit (EBIT) was SEK 5.5 million (7.1). Net financial items were SEK 13.5 million (0.1) and consist of e.g. received dividends of SEK 35.4 million, a devaluation of shares in subsidiaries of SEK 43.1 million and currency losses. Tax costs are SEK 16.1 million higher than the same period in the previous year. The reason is cost for withholding tax of SEK 8.6 million in conjunction with dividends from China.

Net sales for the full year were SEK 50.2 million (55.7), a consequence of lower invoicing of management fees than the same period previous year. Other external expenses of SEK 16.9 million (21.2), are lower than last year when we had costs related to the change of stock exchange from AktieTorget to Nasdaq Stockholm main market. Personnel costs were SEK 18.2 million (17.7) and is in parity with the previous year. Net financial items for the full year 2017 were SEK 81.8 million (98.4), of which SEK 125.3 million are tax free dividends from subsidiaries. We have also made a devaluation of shares in subsidiaries of SEK 43.1 million. Appropriations consist of group contributions from subsidiaries and provision for untaxed reserves. The tax cost of SEK 19.9 million is higher than the same period in the previous year due to withholding tax of SEK 8.6 million in conjunction with dividends from China.

Summary balance sheet for the Parent company

SEK thousands	31/12/2017	31/12/2016
ASSETS		
Tangible assets	922	1 354
Financial fixed assets	661 744	785 990
Deferred tax assets	-	512
TOTAL NON-CURRENT ASSETS	662 666	787 856
Other current receivables	316 805	251 503
Cash and cash equivalents	-	-
TOTAL CURRENT ASSETS	316 805	251 503
TOTAL ASSETS	979 472	1 039 360
EQUITY AND LIABILITIES		
Restricted equity	37 745	37 745
Non-restricted equity	333 732	357 931
Total equity	371 476	395 676
Untaxed reserves	60 407	44 100
Other provisions	-	7 000
Interest-bearing non-current liabilities	144	90 439
Deferred tax liabilities	12	-
Total non-current liabilities	155	97 439
Interest-bearing current liabilities	515 998	491 327
Trade and other payables	2 994	2 040
Other current liabilities	28 441	8 778
Total current liabilities	547 433	502 145
TOTAL LIABILITIES	547 588	599 584
TOTAL EQUITY AND LIABILITIES	979 472	1 039 360

The decrease in financial fixed assets compared to the same period in the previous year is due to a reduction of share in subsidiaries because of the merger of AQ Industrial System AB and AQ Group AB and to devaluation of shares in subsidiaries.

Other current receivables are mainly with group companies of SEK 311 million.

The change in non-restricted equity compared to December 31, 2016 is partly due to paid dividends of SEK 50 million, SEK 113 million due to the financial result of the period and SEK 87 million as a result of the merger of AQ Industrial System AB and AQ Group AB.

During September an earnout of SEK 7.7 million was paid regarding the acquisition of Gerdins. Revaluation of this has influenced the quarter negatively by SEK 0.7 million.

The change in interest-bearing non-current liabilities compared to the same period in the previous year is partly due to amortization of SEK 90 million in conjunction with changes of bank credits.

Interest-bearing current liabilities have decreased compared to the same period in the previous year and consists of short-term bank loans of SEK 115 million, usage of bank overdraft of SEK 134 million and debts to subsidiaries in the cash pool of SEK 267 million.

During 2017, the parent company has repaid an internal loan to AQ Holmbergs Suzhou Co. Ltd (China) of SEK 85 million.

Notes

Note 1. Accounting principles

The summary interim report has been prepared in accordance IAS 34, Interim Financial Reporting, and applicable parts of the Swedish Annual Accounts Act. Information according to IAS 34.16A are presented in the financial reports and their notes as well as in other parts of the interim report. The interim report for the parent company has been prepared in accordance with Swedish Annual Accounts Act, chapter 9 Interim report. For the group and the parent company the accounting and valuation principles applied are the same as used in the latest annual report.

The total sum in tables and calculations do not always sum up of the parts due to rounding differences. The objective is that every interim row shall conform with the original source resulting in rounding differences.

As of July 3, 2016, ESMA's (European Securities And Markets Authority) "Guidelines – Alternative performance measures" are applied. In accordance with these guidelines information about financial numbers have been added that are not defined by IFRS.

IFRS 9 Financial Instruments concerns accounting of financial instruments. The new standard shall be applied from 2018 and it replaces IAS 39. IFRS 9 includes rules for classification and valuation of financial assets and liabilities, impairment of financial instruments and hedge accounting. The standard introduces among other things an impairment model based on expected credit losses. AQ's credit losses have historically been very limited and the effects of IFRS 9 are marginal. No adjustments have been made in the opening balances for 2018.

IFRS 15 Revenue from Contracts with Customers, which came into force January 1, 2018, has replaced IAS 18 Revenue and IAS 11 Construction Contracts. IFRS 15 builds on the principle that revenue is recognized when the customer gets control of the sold goods or service and replaces the earlier principle when revenue is recognized when risks and benefits have transferred to the buyer. The effect for AQ's subsidiaries have been analyzed. No material deviations compared to previous standards have been found and no adjustments have been made in the opening balances for 2018. The standard entails increased information.

IFRS 16 Leases will replace IAS 17 Leases on January 1, 2019. With IFRS 16, all leases will be accounted for in the group's balance sheet except for leases of lesser value and contracts with a lease period of less than 12 months. IFRS 16 is estimated to influence the group's balance sheet total with maximum 10%.

Note 2. Segment reporting

The Group operates in two business segments: *Component*, which produces transformers, wiring systems, mechanical components, punched sheet metal and injection-moulded thermoplastics and *System*, which produces systems, power and automation solutions and assembles complete machines in close collaboration with the customers.

Fourth quarter

For the segment Component, the total net sales for the fourth quarter was SEK 880 million (778), of which SEK 792 million (712) is external sales. The increase of the external sales of totally SEK 80 million is due to high demands from our customers.

For the segment System, the total net sales for the fourth quarter was SEK 279 million (227), of which SEK 225 million (192) is external sales. The increase of the external sales of SEK 33 million is due to increased demand of assembly of packaging machines

Operating profit (EBIT) in the fourth quarter was SEK 21 million (30) for Component, which was SEK 9 million lower than the same period last year. The reason for the lower profit in Component is mainly due to our companies in China, Hungary and Mexico showing a lower operating profit than the same

period last year. Operating profit (EBIT) for System was SEK 8 million (16), as a consequence of projects in electrical assembly with lower margins than last year.

In the column "Unallocated and eliminations" there are items which have not been allocated to the two segments, mainly real estate companies, parent company and group eliminations.

Operating segments for the quarter, SEK thousands

			Unallocated and	
Q4 2017	Component	System	eliminations	Group
Net sales, external	792 050	225 271		1 017 321
Net sales, internal	88 177	54 081	-142 258	
Total net turnover	880 227	279 352	-142 258	1 017 321
Material costs, excl. purchases own segment	-437 154	-213 525	133 447	-517 231
Depreciation	-25 182	-1 422	-66	-26 670
Other operating expenses/income	-397 266	-56 551	18 907	-434 910
Operating profit	20 625	7 855	10 031	38 510
Net financial items			-6 713	-6 713
Profit before tax	20 625	7 855	3 318	31 797
Other comprehensive income plus tax			31 293	31 293
Comprehensive income for the period	20 625	7 855	34 610	63 090
Q4 2016				
Net sales, external	712 171	192 404		904 575
Net sales, internal	65 952	34 564	-100 516	
Total net turnover	778 123	226 968	-100 516	904 575
Material costs, excl. purchases own segment	-393 770	-149 947	92 539	-451 178
Depreciation	-23 730	-773	-835	-25 337
Other operating expenses/income	-331 002	-60 307	22 918	-368 390
Operating profit	29 621	15 941	14 107	59 669
Net financial items			-86	-86
Profit before tax	29 621	15 941	14 020	59 583
Other comprehensive income plus tax			-13 906	-13 906
Comprehensive income for the period	29 621	15 941	115	45 677

Full year

For the segment Component, the total net sales for the period January to December was SEK 3 471 million (2 770), of which SEK 3 140 million (2 542) is external sales. The increase of external sales of SEK 598 million is due to high demands from our customers and an unusually high number of projects.

For the segment System, the total net sales for the accumulated period was SEK 1 057 million (900), of which SEK 880 million (747) is external sales. The increase of external sales of SEK 133 million is due to higher demands of assembly of packaging machines.

Operating profit (EBIT) was accumulated SEK 181 million (186) for Component, which was SEK 5 million lower than the same period last year. The reason for the lower profit in Component is mainly due to our companies in China, Hungary and Mexico showing a lower operating profit than the same period last year. Operating profit (EBIT) for System was SEK 63 million (80), a consequence of projects in electrical assembly with lower margins than last year.

In the column "Unallocated and eliminations" there are items which have not been allocated to the two segments, mainly real estate companies, parent company and group eliminations.

Operating segments Year to date, SEK thousands

YTD 2017	Component	System	Unallocated and eliminations	Group
Net sales, external	3 139 527	880 213		4 019 740
Net sales, internal	331 228	177 243	-508 471	
Total net turnover	3 470 755	1 057 456	-508 471	4 019 740
Material costs, excl. purchases own segment	-1 760 814	-783 683	474 842	-2 069 654
Depreciation	-92 011	-5 196	-293	-97 499
Other operating expenses/income	-1 436 662	-205 241	52 599	-1 589 305
Operating profit	181 268	63 337	18 678	263 282
Net financial items			-7 454	-7 454
Profit before tax	181 268	63 337	11 224	255 828
Other comprehensive income plus tax			-25 521	-25 521
Comprehensive income for the period	181 268	63 337	-14 297	230 307
YTD 2016				
Net sales, external	2 542 355	746 860	0	3 289 215
Net sales, internal	227 839	153 236	-381 074	
Total net turnover	2 770 194	900 096	-381 074	3 289 215
Material costs, excl. purchases own segment	-1 360 904	-618 628	358 603	-1 620 929
Depreciation	-75 871	-3 770	-303	-79 944
Other operating expenses/income	-1 147 573	-197 532	38 116	-1 306 990
Operating profit	185 846	80 165	15 342	281 353
Net financial items			-2 008	-2 008
Profit before tax	185 846	80 165	13 333	279 344
Other comprehensive income plus tax			4 073	4 073
Comprehensive income for the period	185 846	80 165	17 406	283 417

Note 3. Personnel

Number of employees (full time yearly equivalents) in the Group per country:

	Jan-Dec 2017	Jan-Dec 2016	Jan-Dec 2015
Bulgaria	1 146	981	966
Sweden	1 043	1 005	812
Lithuania	688	688	647
China	472	498	539
Poland	1 010	873	508
Hungary	430	447	411
Estonia	385	349	379
India	123	134	146
Mexico	162	127	94
Italy	19	24	4
Thailand	34	20	12
Serbia	36	17	0
	5 548	5 163	4 518

Note 4. Acquisitions

AQ's strategy is to grow in both segments. During the period January to December there were no acquisitions or divestments.

On May 17, AQ Industrial Systems AB (556937-6576) and AQ Group AB merged. On November 2, AQ Italy S.r.l (04056160965) and AQ Magnetica S.r.l merged with the name AQ Magnetica Italy S.r.l. On December 18 AQ Elektroprim AB (556634-8065) and AQ Elautomatik AB merged with the name AQ Elautomatik AB.

Note 5. Financial instruments

Financial instruments that are shown in the balance sheet include on the assets side mainly cash or cash equivalents, receivables from customers and other receivables. On the liabilities side they consist mainly of payables to suppliers, other payable and credit debts.

Fair value is not separately shown as it is our assessment that the values shown are an acceptable estimation of the real value because of the short terms. Fair value of assets is established from market prices. Fair value is based on the listing at brokers. Similar contracts are being traded on an active market and the prices are reflecting actual transactions of comparable instruments.

The Group is only in exceptional cases using derivatives to reduce currency risks and it has during the year had derivatives valued according to level 2. At the end of the year, the group has no derivatives.

Note 6. Events after end of the reporting period

Information about events after the end of the reporting period are presented on page 7.

Note 7. Calculation of key figures and definitions

	2017					2016				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Operating margin, (EBIT %)										
Operating profit	86 813	74 397	63 562	38 510	263 232	76 712	92 326	52 646	59 669	281 353
Net revenue	1 001 898	1 077 380	923 142	1 017 321	4 019 740	801 834	859 584	723 223	904 575	3 289 215
Operating margin	8,7%	6,9%	6,9%	3,8%	6,5%	9,6%	10,7%	7,3%	6,6%	8,6%
Profit margin before tax, (EBT %)										
Profit before tax	92 258	70 478	61 295	355 803	255 828	75 954	90 758	53 050	59 583	279 344
Net revenue	1 001 898	1 077 380	923 142	1 017 321	4 019 740	801 834	859 584	723 223	904 575	3 289 215
Profit margin before tax	9,2%	6,5%	6,6%	35,0%	6,4%	9,5%	10,6%	7,3%	6,6%	8,5%
Liquid ratio, %										
Trade receivables	922 728	947 782	889 208	900 387	900 387	687 538	749 032	697 938	805 186	805 186
Other current receivables	184 722	161 748	155 202	143 575	143 575	159 750	170 376	166 477	160 179	160 179
Cash and cash equivalents	125 316	103 003	105 741	142 049	142 049	147 614	116 631	118 960	162 812	162 812
Current liabilities	865 301	864 583	828 792	946 851	946 851	633 744	676 277	598 307	794 582	794 582
Liquid ratio	142%	140%	139%	125%	125%	157%	153%	164%	142%	142%
Debt/equity ratio, %										
Total equity	1 543 686	1 552 257	1 580 103	1 643 193	1 643 193	1 241 016	1 290 577	1 366 832	1 463 195	1 463 195
Total assets	2 593 111	2 591 281	2 567 768	2 677 444	2 677 444	2 066 851	2 149 012	2 130 582	2 449 796	2 449 796
Debt/equity ratio	60%	60%	62%	61%	61%	60%	60%	64%	60%	60%
Return on total assets, %										
Profit before tax, rolling 12 months	295 648	275 368	283 613	255 778	255 778	231 604	265 145	274 539	279 344	279 344
Financial expenses, rolling 12 months	-12 669	-15 652	-12 671	-7 000	-7 000	-12 570	-13 160	-14 962	-12 977	-12 977
Total equity and liabilities, opening balance for 12 months	2 066 851	2 149 012	2 130 582	2 449 796	2 449 796	1 798 487	1 828 465	1 861 878	2 024 282	2 024 282
Total equity and liabilities, closing balance	2 593 111	2 591 281	2 567 768	2 677 444	2 677 444	2 066 851	2 149 012	2 130 582	2 449 796	2 449 796
Total equity and liabilities, average	2 329 981	2 370 147	2 349 175	2 563 620	2 563 620	1 932 669	1 988 738	1 996 230	2 237 039	2 237 039
Return on total assets	13,2%	12,3%	12,6%	10,3%	10,3%	12,6%	14,0%	14,5%	13,1%	13,1%
Return on equity after tax, %										
Profit for the period after tax, rolling 12 months	250 191	233 463	237 884	204 674	204 674	188 327	216 778	227 944	235 678	235 678
Total equity, opening for 12 months	1 241 016	1 290 577	1 366 832	1 463 195	1 463 195	1 119 233	1 110 539	1 155 688	1 169 736	1 169 736
Total equity, closing	1 543 686	1 552 257	1 580 103	1 643 193	1 643 193	1 241 016	1 290 577	1 366 832	1 463 195	1 463 195
Total equity, average	1 392 351	1 421 417	1 473 468	1 553 194	1 553 194	1 180 125	1 200 558	1 261 260	1 316 465	1 316 465
Return on equity after tax	18,0%	16,4%	16,1%	13,2%	13,2%	16,0%	18,1%	18,1%	17,9%	17,9%
Net cash / Net debt										
Cash and cash equivalents	125 316	103 003	105 741	142 049	142 049	147 614	116 631	118 960	162 812	162 812
Non-current interest bearing liabilities	100 757	91 653	84 587	12 757	12 757	113 449	105 842	98 341	107 779	107 779
Current interest bearing liabilities	139 998	130 614	112 052	253 264	253 264	106 402	89 178	53 088	164 034	164 034
Total interest bearing liabilities	240 755	222 267	196 639	266 021	266 021	219 851	195 020	151 430	271 812	271 812
Net cash / Net debt	-115 439	-119 264	-90 898	-123 972	-123 972	-72 237	-78 389	-32 470	-109 000	-109 000
Growth, %										
Organic growth										
Net revenue	1 001 898	1 077 380	923 142	1 017 321	4 019 740	801 834	859 584	723 223	904 575	3 289 215
- Effect of changes in exchange rates	8 945	22 944	-1 319	-1 262	29 308	-8 615	-15 435	-6 759	10 357	-20 452
- Net revenue for last year	801 834	859 584	723 223	904 575	3 289 215	715 216	758 819	654 561	803 281	2 931 878
- Net revenue for acquired companies	121 766	108 181	95 109	0	325 055	69 287	68 926	61 495	128 095	327 803
= Organic growth	69 353	86 671	106 130	114 008	376 162	25 946	47 274	13 926	-37 158	49 986
Organic growth divided by last year net revenue, %	8,6%	10,1%	14,7%	12,6%	11,4%	3,6%	6,2%	2,1%	-4,6%	1,7%
Growth through acquisitions										
Net revenue for acquired companies divided by last year net revenue, %	15,2%	12,6%	13,2%	0,0%	9,9%	9,7%	9,1%	9,4%	15,9%	11,2%

Operating margin, EBIT %

Calculated as operating profit divided by net sales.

This key figure shows the achieved profitability in the operative business of the company. Operating margin is a useful measure to follow up profitability and efficiency of the business before deduction of tied up capital. The figure is used internally for controlling and managing the business as well as a benchmark towards other companies in the industry.

Profit margin before tax, EBT%

Calculated as profit before tax divided by net sales.

This key figure shows the profitability of the business before tax. Profit margin before tax is a useful measure to follow up profitability and efficiency including tied up capital. The figure is used internally for controlling and managing the business as well as a benchmark towards other companies in the industry.

Liquid ratio, %

Calculated as current assets (excl. inventory) divided by current liabilities.

This key figure reflects the company's short-term solvency as it sets the company's current assets (except inventory) in relation to the short-term liabilities. If the liquid ratio exceeds 100%, it means that the assets exceed the liabilities in question.

Debt/Equity ratio, %

Calculated as adjusted equity divided by balance sheet total.

This key figure reflects the company's financial position and its long term solvency. To have a good equity ratio and thus a strong financial position is important for being able to manage business cycles with varying sales. To have a strong financial position is also important for managing growth.

Return on total assets, %

Calculated as profit/loss after financial items divided by the average balance sheet total.

This key figure also shows the achieved profitability in the operative business. This number complements the operating margin as it includes tied up capital. It means that the number gives information on the return the business is given in relation to the capital tied in it. (Financial investments and cash and cash equivalents are also considered and the profit they give in the form of financial income.)

Return on equity after tax, %

Calculated as profit/loss after tax divided by average equity including minority interest.

This is a key figure showing the return of the capital that the owners have invested in the company (including retained earnings) after other stakeholders have received their dividends. This key figure shows how profitable the company is for its owners. This return also has significance for the company's opportunities to grow in a financial balance.

Operating profit, SEK thousands

Calculated as the profit before tax and financial items.

Operating profit shows the result generated by the operative business and is used together with operating margin and return on total assets for evaluating and managing the operative business.

Profit before tax / Profit after financial items (EBT), SEK thousands

Calculated as the profit before tax.

The key figure shows the result generated by the operative business and financial income taking into account payments to creditors for the capital they are contributing to finance the business. The figure shows remaining profit to the owners taking into account that part of it will be deducted for tax payments.

Net cash/Net debt, SEK thousands

Calculated as the difference between interest bearing debts and cash and cash equivalents.

This key figure is reflecting how much interest bearing debts the company has taking into account in cash and cash equivalents. The figure gives a good picture of the debt situation. Net cash means that cash and cash equivalents exceeds interest bearing debts. Net debt means that interest bearing debts exceed cash and cash equivalents.

Growth, %

The company is using two key figures to describe growth; 1) organic growth and 2) growth through acquisitions.

Organic growth is calculated as the difference between the net sales of the current period and the net sales of the previous period, excluding currency effect and net sales of acquired units.

Organic growth in % is calculated as the organic growth divided by the net sales in the same period in the previous year. Growth through acquisitions is calculated as net sales of acquired companies divided by the net sales in the same period in the previous year. Growth is an important component in the company's strategy as growth is required to be a leading actor in the markets where the company is operating. Growth is partly through acquisition and partly organic. It's important to follow up and to present the different ways of achieving growth as it is two different ways to grow. Acquisitions are done when opportunities are given to expand the business in a certain geographic market or in a certain product area (in line with the company's strategic plan). Organic growth often has the character of a continued expansion within the existing operations.

Dividend per share, SEK

Dividend per share is decided at the Annual General Meeting where the annual report is approved for the fiscal year. Number of shares are the thousands of shares issued at the set date for payment of dividends.

AQ in brief

AQ is a leading supplier to demanding industrial customers and is listed on Nasdaq Stockholm's main market.

The Group consists mainly of operating companies each of which develop their special skills and in cooperation with other companies, striving to provide cost effective solutions in close cooperation with the customer.

The Group headquarter is in Västerås, Sweden. AQ has, on December 31, 2017, in total about 5,500 employees in Sweden, Bulgaria, China, Estonia, Hungary, India, Italy, Lithuania, Mexico, Poland, Serbia and Thailand.

In 2017 AQ had net sales of SEK 4.0 billion and the group has since its start in 1994 shown profit every quarter.

AQ has the highest credit rating AAA according to Bisnode.

WE ARE RELIABLE

Customer focus

Customer always comes first By making our customers' life easy and by giving the "little extra" we will create a long term partnership.

Simplicity

We do our daily work without complexity and bureaucracy. Everything we do adds customer value.

Entrepreneurial business

Companies within the AQ Group shall, based on AQ core values, run their business as entrepreneurs and strive for profitability and growth.

Courage and respect

We have the courage to go our own way, we stand up for our positions, are prepared to make tough decisions, give constructive feedback and admit own mistakes. We treat others as we like to be treated ourselves.

Cost efficiency

We use the most cost efficient way to fulfill our customers' demands and work with continuous improvements. Our business is production, we have a long term view and we fully commit ourselves to live up to customer expectations for quality, delivery performance, technological development and service.