

A faint world map is visible in the background of the slide, rendered in a light red color against the dark red background.

**AQ Group**

**Earnings call 2021 Year-end report**

**aq**

# Agenda

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- AQ Group quick facts
- Fourth quarter in brief
- Full year in brief
- Highlights Q4
- Lowlights Q4
- Numbers
- Market Segment development
- Q&A

# AQ Group - Quick facts

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7000 Employees	550m Euro Turnover	7 Business areas	15+ Market segments	Production in 16 countries
Deliveries globally	Profit every quarter for 27 years	16% EPS growth/ year	2-4 acquisitions / year	UN Global compact since 2012

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# Fourth quarter, Oct-Dec 2021 in brief

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- Record turnover despite continued shortage of components and personell
  - Net sales increased by 19.2% to SEK 1,498 million (1,256)
  - Operating profit (EBIT) decreased by 9.4% to SEK 113 million (125)
  - Profit after financial items (EBT) decreased by 0.5% to SEK 110 million (111)
  - Profit margin before tax (EBT %) was 7.4% (8.8)
  - Cash flow from operating activities decreased by 164.4% to SEK -105 million (163)
  - Earnings per share after tax decreased by 5.4% to SEK 4.76 (5.03)
- Goal +15% Growth
  - Goal 8% EBT Margin

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# Full year, Jan-Dec 2021 in brief

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- Highest profit per share ever with increase of 16%
- Net sales increased by 13.5% to SEK 5,471 million (4,819)
- Operating profit (EBIT) increased by 11.3% to SEK 446 million (401)
- Profit after financial items (EBT) increased by 19.5% to SEK 441 million (369)
- Profit margin before tax (EBT %) was 8.1% (7.7)
- Cash flow from operating activities decreased by 60.9% to SEK 238 million (609)
- Earnings per share after tax increased by 16.0% to SEK 19.99 (17.24)
- Equity ratio was 56% (57)
- The board of directors proposes a dividend of SEK 3,33 (0,00)
- Goal +15% Growth
- Goal 8% EBT Margin
- Goal E-ratio >40%

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# Highlights Q4

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- Record turnover despite continued shortage of components and personnel
- High demand
- Price increases are starting to give desired effect but we need to do more.
- First order for cabinets to battery storage system customer.
- Order intake Marine Segment
- High growth in India, Estonia, Med-Tech, Sheet Metal processing and Wiring Systems
- Schaffner Power Magnetics integration according to plan.
- Restructuring in inductives China done.

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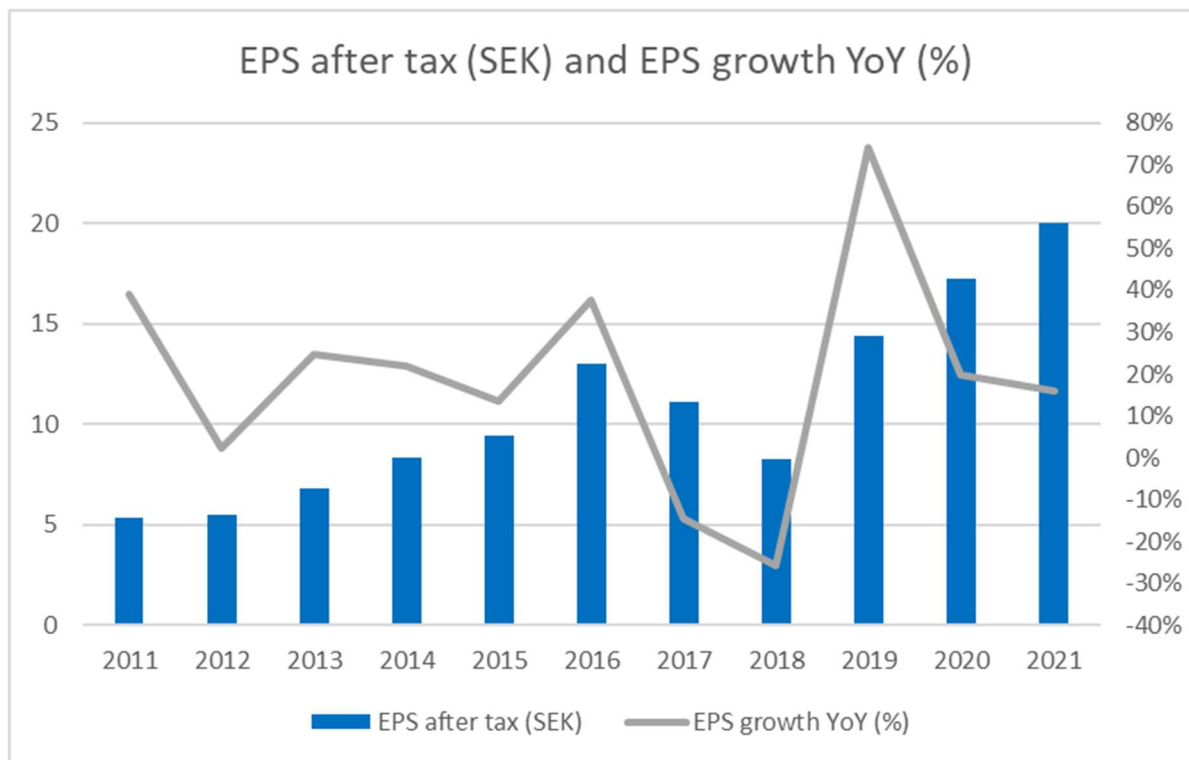
# Lowlights Q4

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- Decrease in EBT margin despite large price increases
- Low On-Time Delivery performance due to lack of components and manpower
- Inventory
- Mexico - Profit
- China - Volume
- Inductive components - Productivity

# EPS Growth

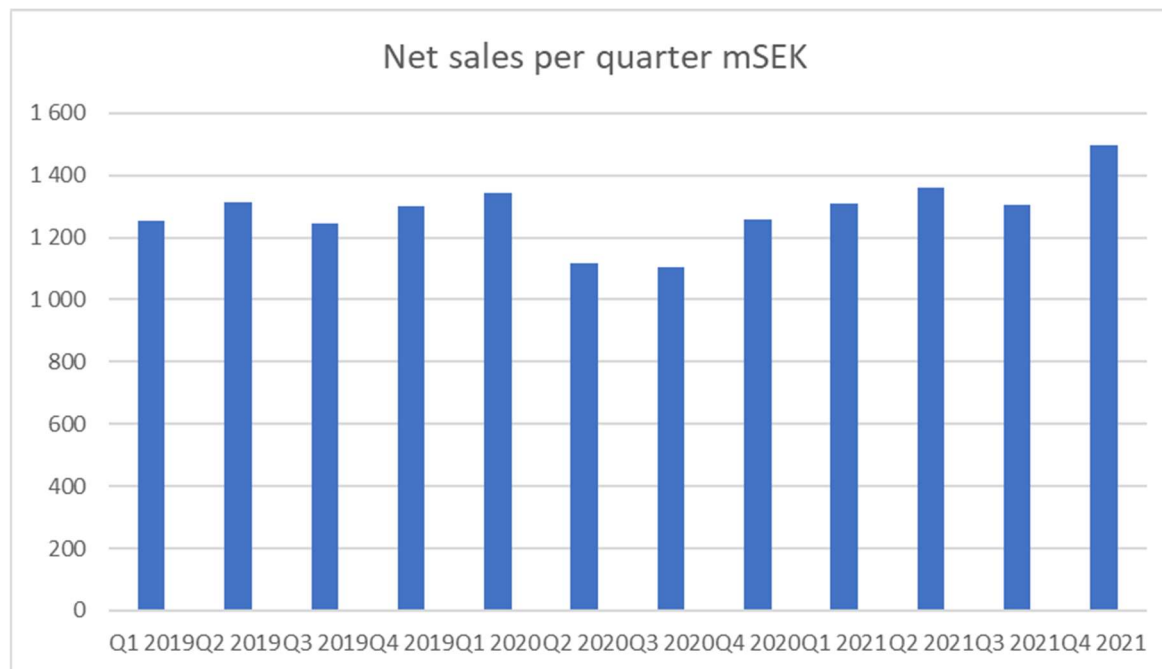


**16%** EPS Growth  
2021 vs 2020

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# Net sales



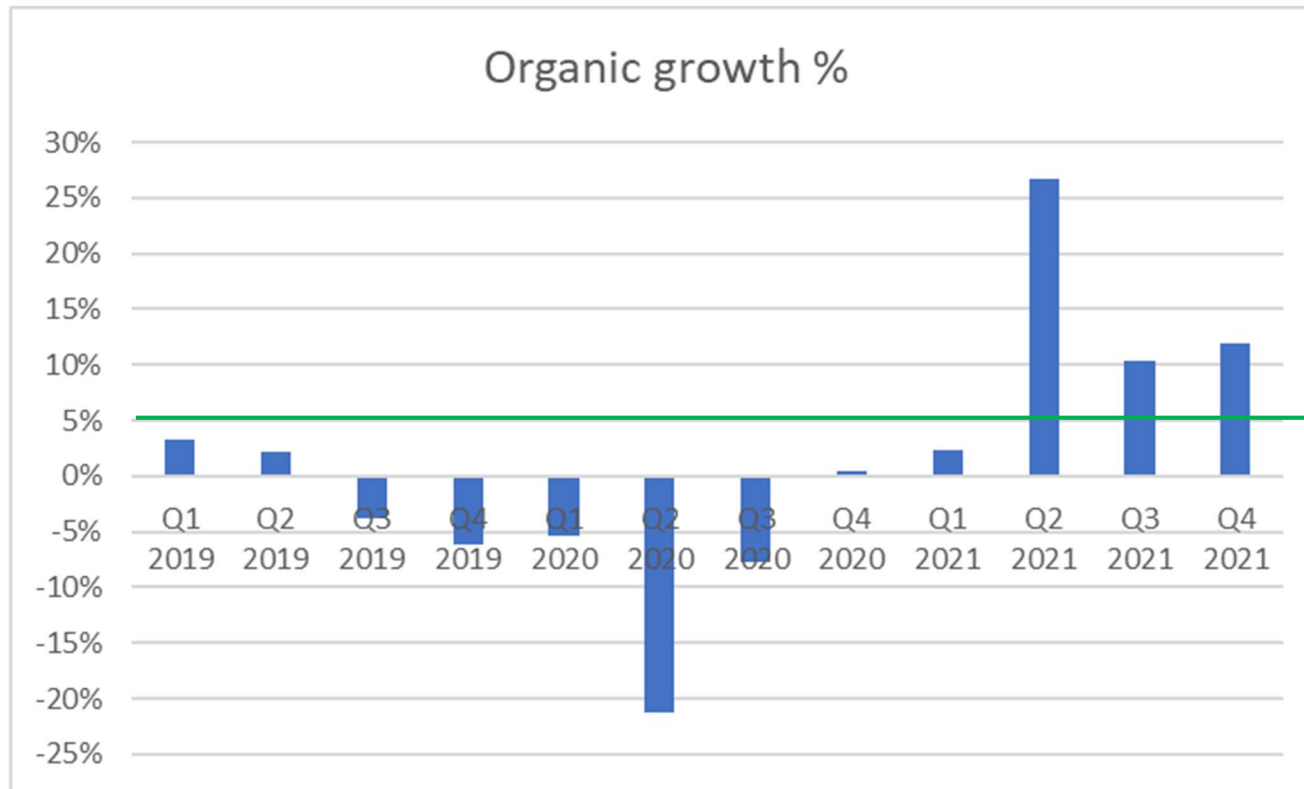
Dissapointing net sales in Q4 despite record turnover.

Component supply limits us especially in Electric Cabinet, Wire Harness and System Products.

Also we lack manpower in several plants in Europe and Americas.

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# Organic growth

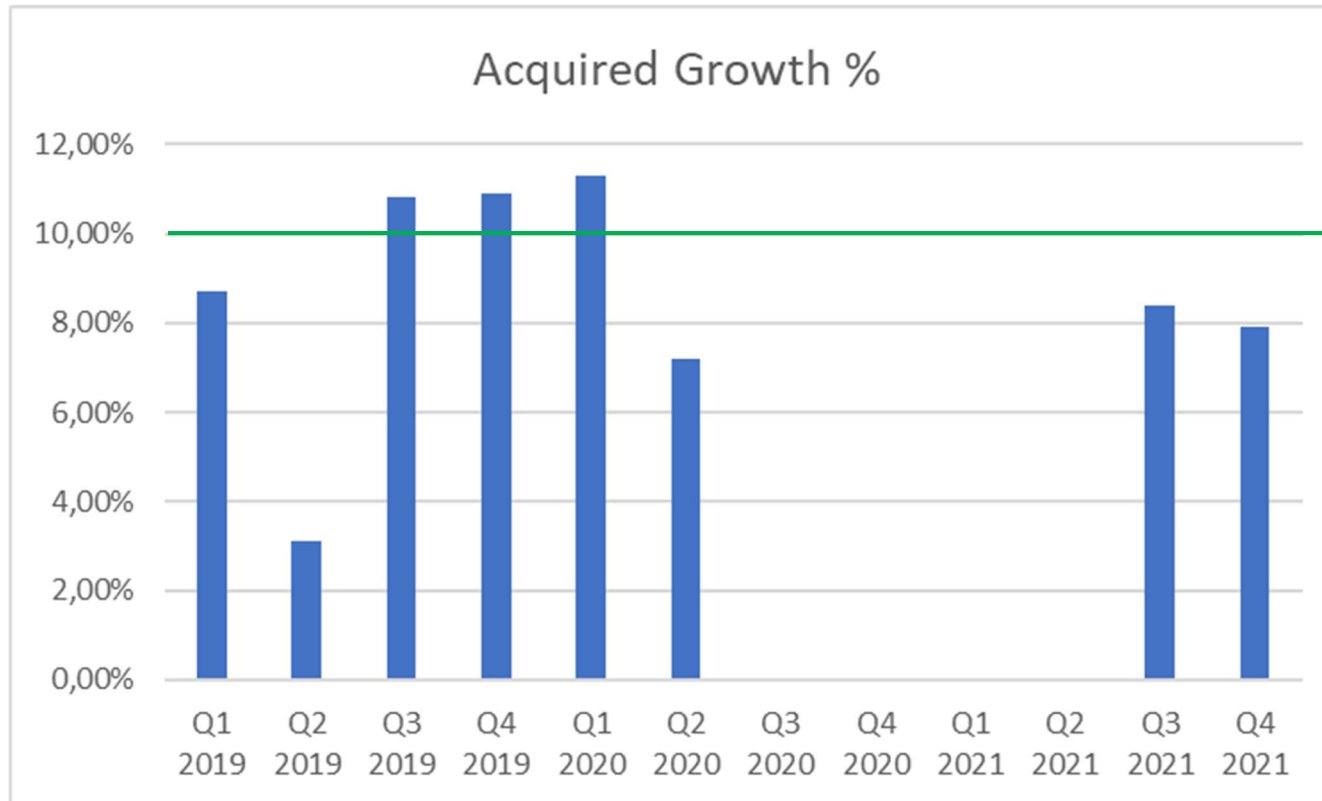


Organic growth target 5%/ year.

Real organic growth is approximately 7% and 5% is price increases. We have an increasing backlog in several plants.

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# Acquired Growth



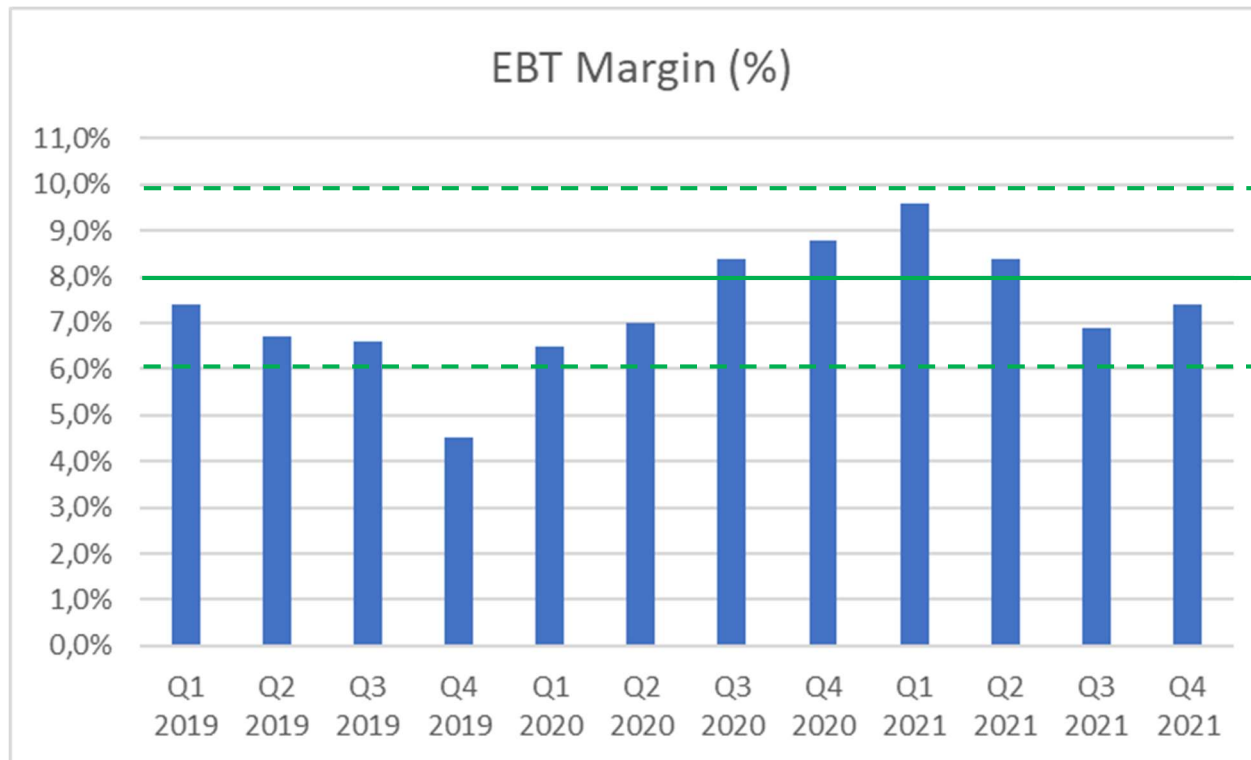
Acquired growth target 10%/ year.

The integration of the Schaffner acquisition is going according to plan.

Working hard to increase pipeline of targets. Several new targets identified during Q4.

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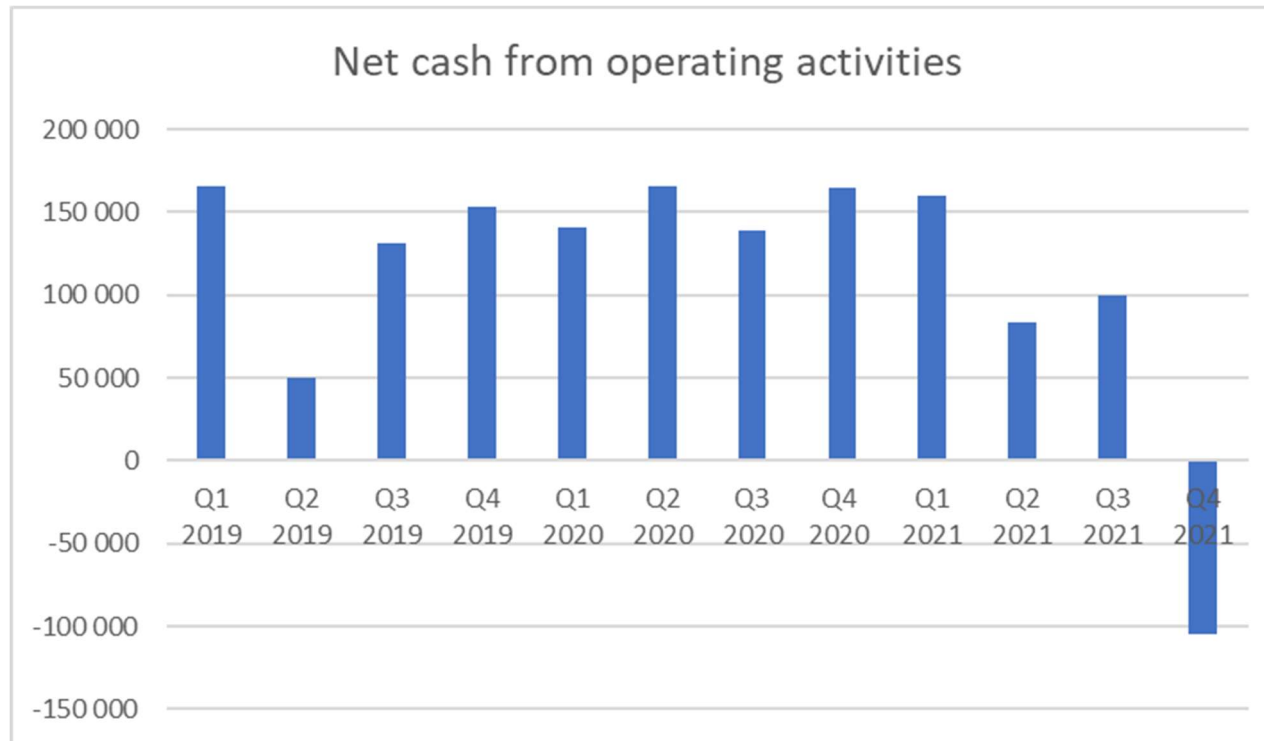
# EBT Margin



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

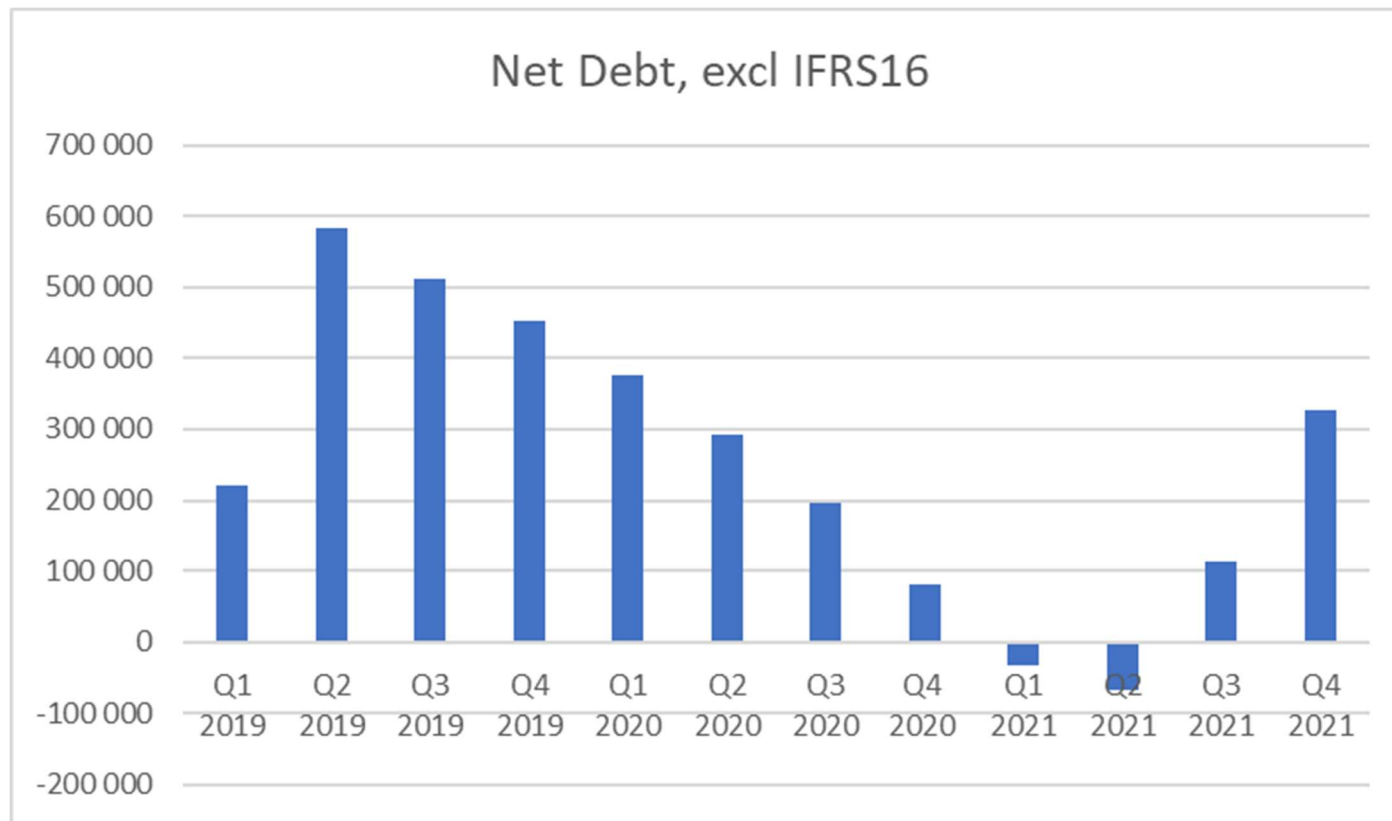
Still difficult to catch up on inflated prices from raw material, energy and transportation. Low sales in system segment due to lack of components.  
One-off profit from ASG payments and revaluation of recivable SEK 25m.

# Net cash from operating activities



Cash flow is negative in the quarter due to increases in inventory and receivables due to growth and inability to deliver as planned.

# Net Debt excl IFRS16



← Net debt dec 2021  
326 MSEK

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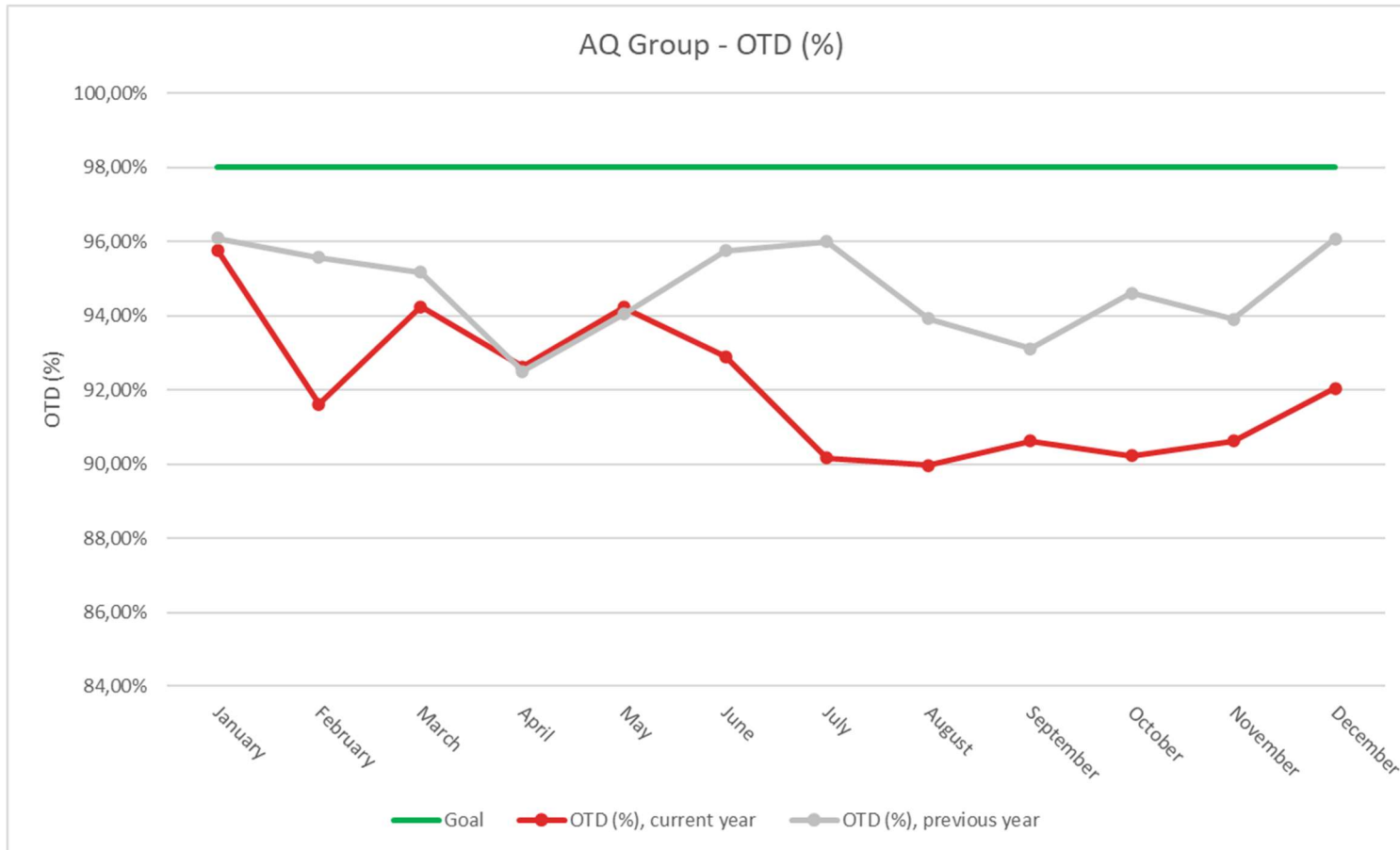
# Inventory



Inventory increase in mainly raw material due toa mainly three factors, growth, price increases on raw material and transport and inability to deliver out goods due to missing components. When raw material situation becomes more stable then inventory turnover will go back to normal.

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



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# Market Segments



## 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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