



AQ Group

Investor presentation Q4 2022



Fourth Quarter, Oct-Dec 2022 in brief



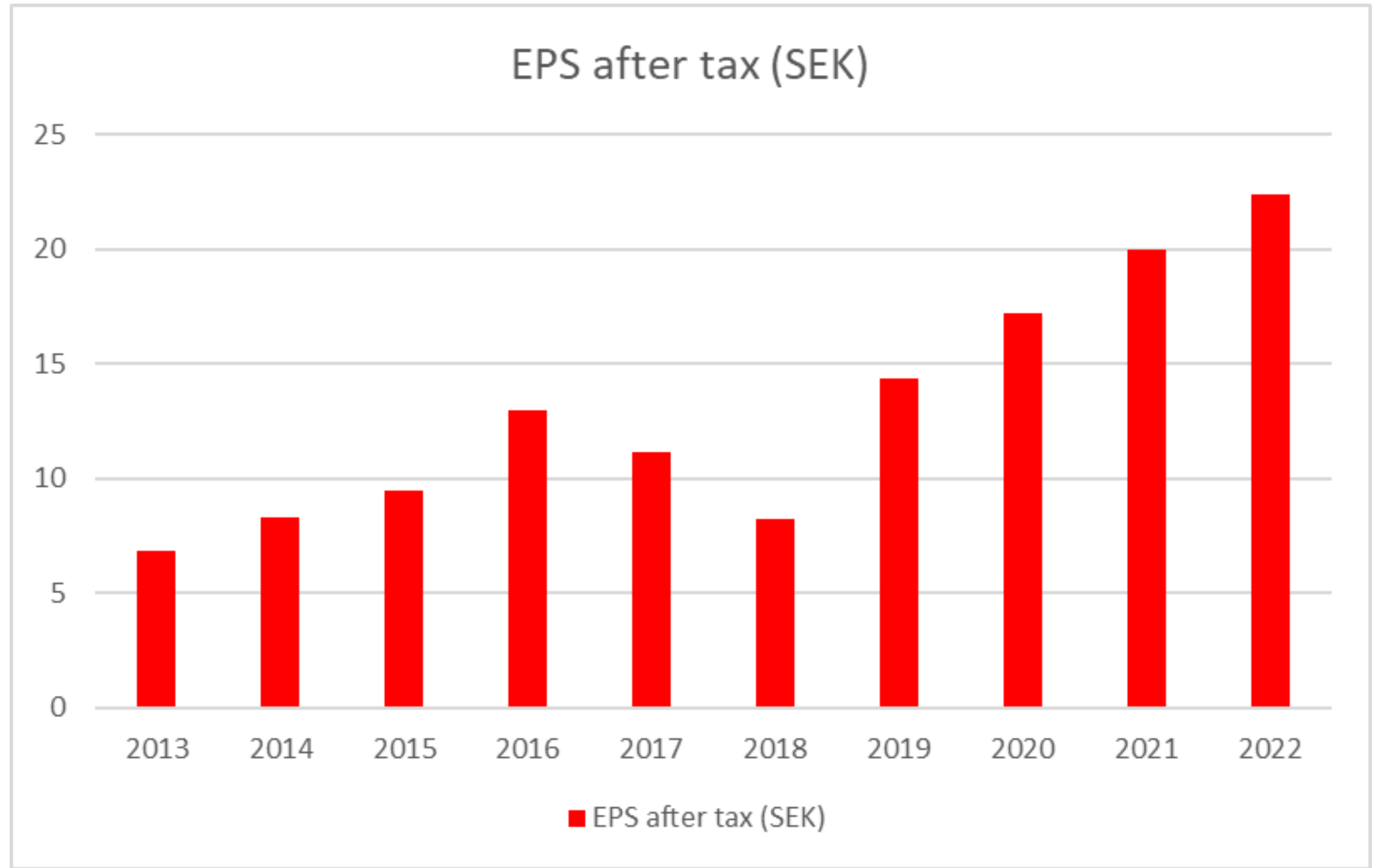
- Record turnover and record result
- Net sales increased by 31.8% to SEK 1,974 million (1,498)
- Operating profit (EBIT) increased by 30.5% to SEK 148 million (113)
- Profit after financial items (EBT) increased by 23.7% to SEK 137 million (110)
- Profit margin before tax (EBT %) was 6.9% (7.4)
- Cash flow from operating activities was SEK 140 million (-105)
- Earnings per share after tax and dilution increased by 52.6% to SEK 7.27 (4.78)
- Goal 15% Growth
- Goal 8% EBT Margin
- Goal 15% EPS Growth

Full year, Jan-Dec 2022 in brief



- Net sales increased by 28.9% to SEK 7,053 million (5,471)
- Operating profit (EBIT) increased by 9.9% to SEK 491 million (446)
- Profit after financial items (EBT) increased by 9.3% to SEK 482 million (441)
- Profit margin before tax (EBT %) was 6.8% (8.1)
- Cash flow from operating activities was SEK 208 million (238)
- Earnings per share after tax after dilution increased by 12.2% to SEK 22.43 (19.99)
- Equity ratio was 56% (56)
- The board of directors proposes a dividend of SEK 3,33 per share (3,33)
- Goal 15% Growth
- Goal 8% EBT Margin
- Goal 15% EPS Growth
- Goal E-ratio >40%

EPS Growth

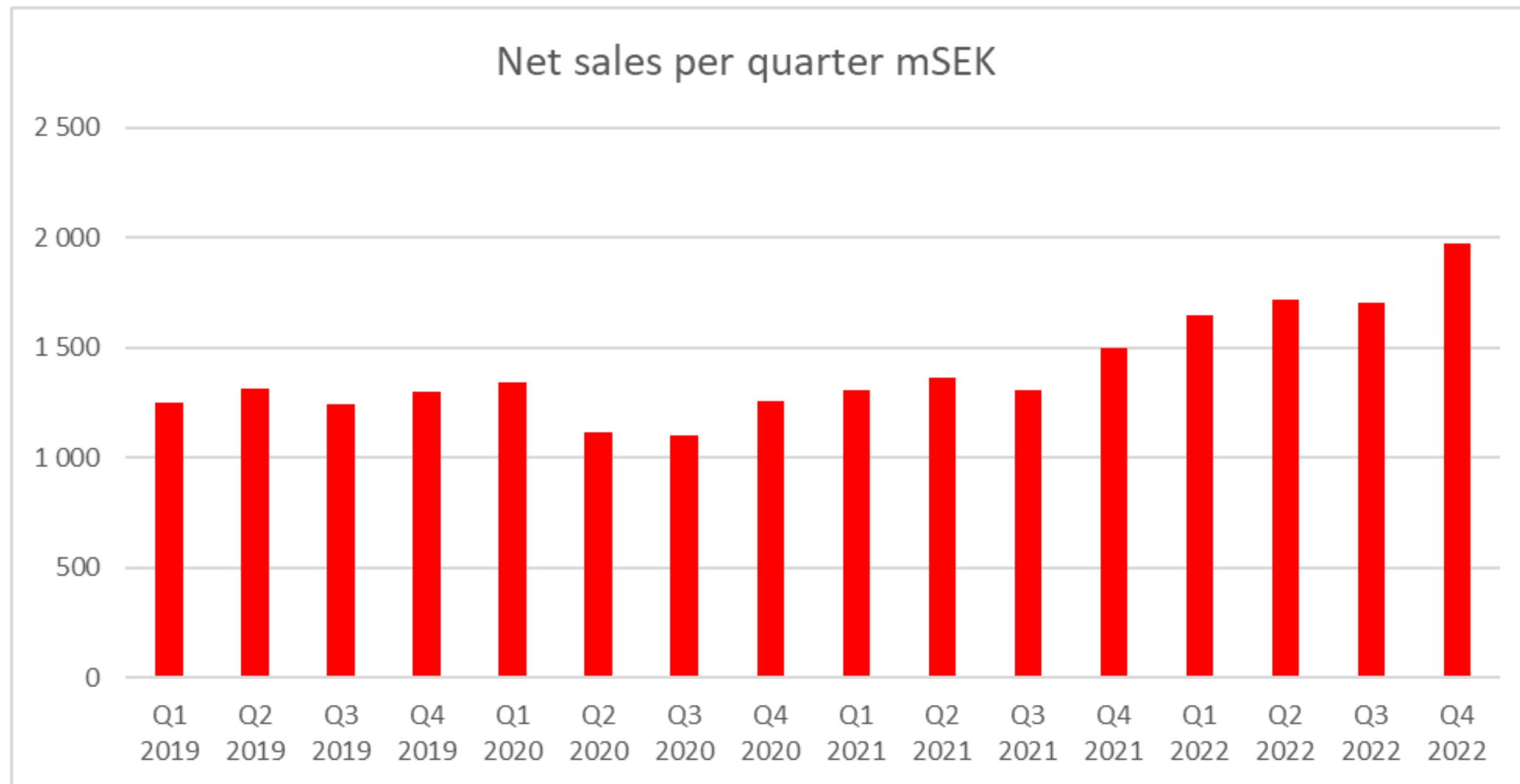


18% Average EPS Growth
2013-2022

2022 EPS growth of 12,2%
to 22,43kr/share

Our target is to increase
EPS with >15%/year

Net sales



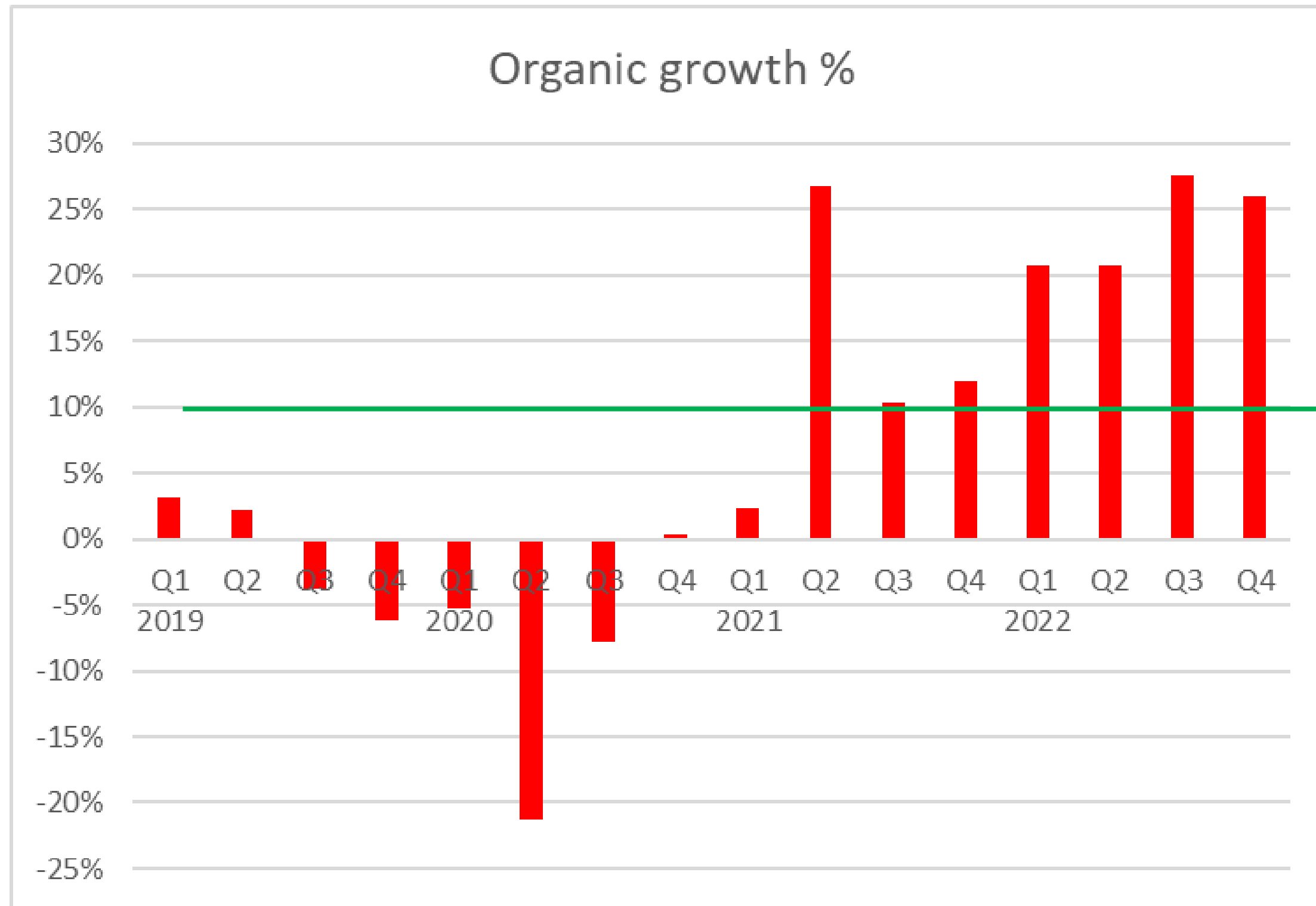
Good turnover in the quarter.
Growth +32% vs Q4 2021.

Still long lead times on some components but less limitations in supply chain.

Serial deliveries started on battery systems from Bulgaria and big wiring systems truck project in Lithuania.

Growth mainly in electrification – batteries, components for drives, inverters, marine and med-tech.

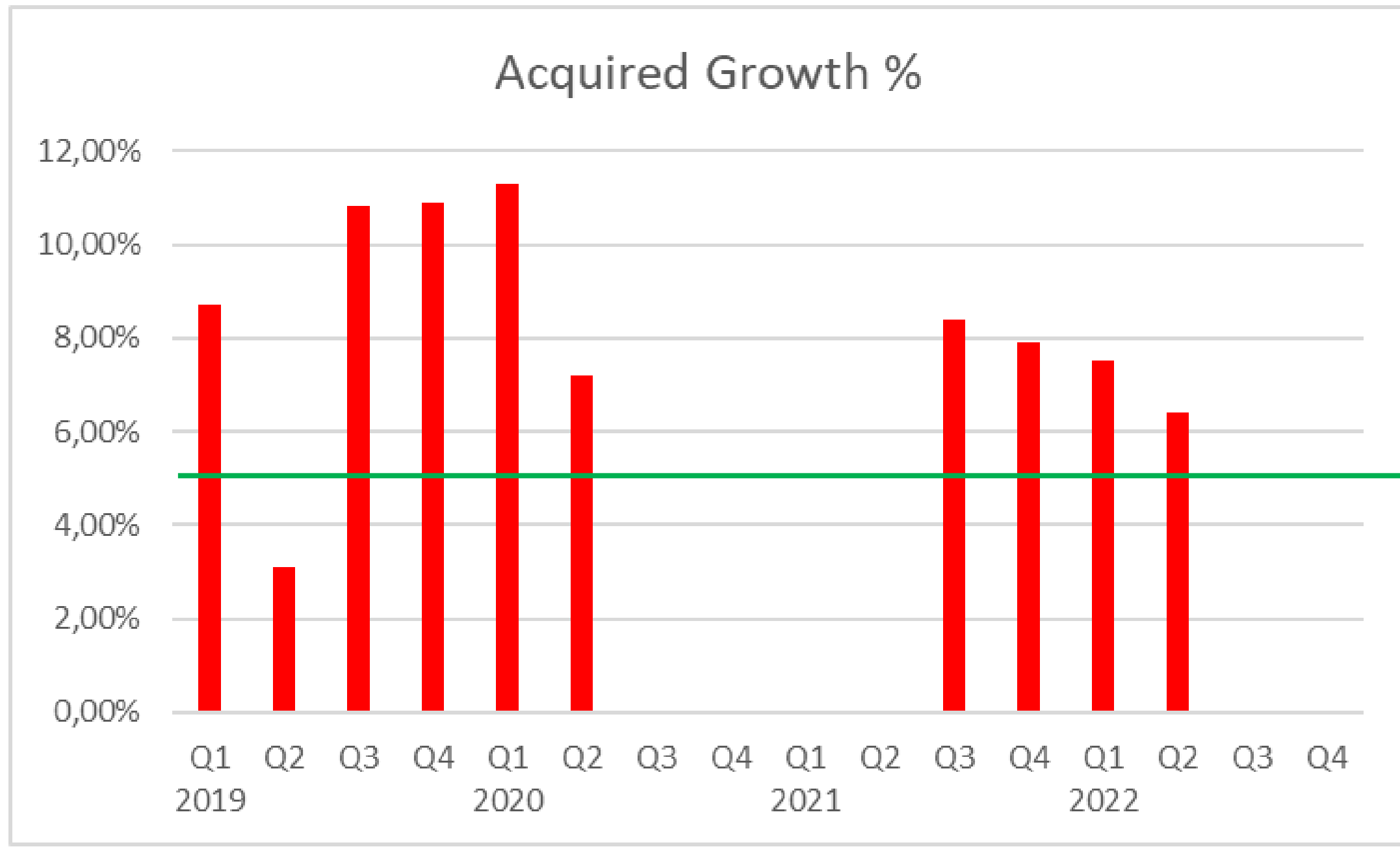
Organic growth



Target 10%/ year

“Real” organic growth in Q4 is approximately 16% and 10% is price increases vs. same quarter last year.

Acquired Growth

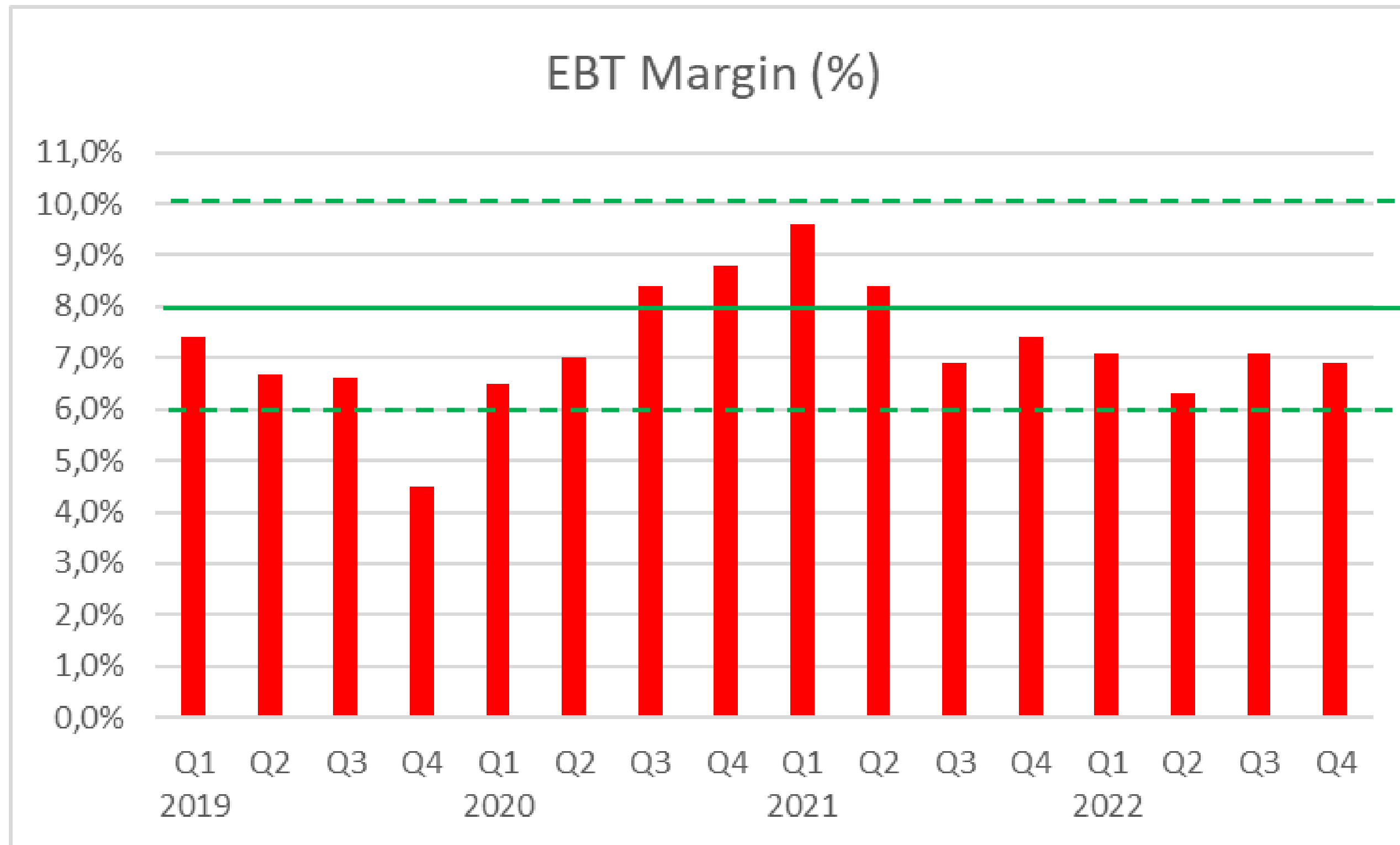


Target 5%/ year.

Focus on organic growth.

As usual we are always looking for interesting acquisitions.

EBT Margin



Price adjustments returning to normal level.

Price adjustments for automotive customers for 2022 done late in Q4.

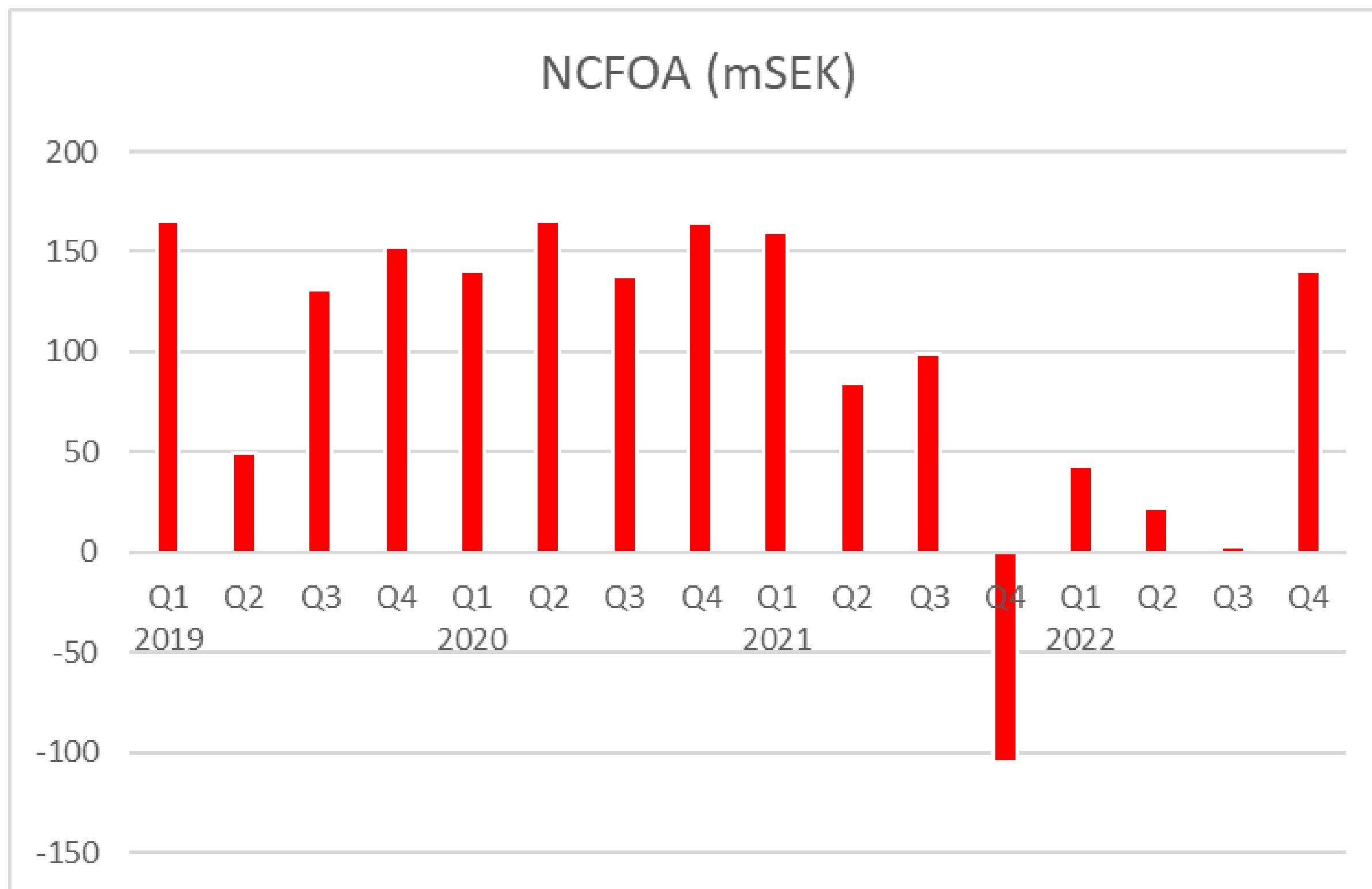
Higher focus on internal productivity in high growth factories.

5 companies with detailed improvement program to improve profitability.

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

WE ARE RELIABLE

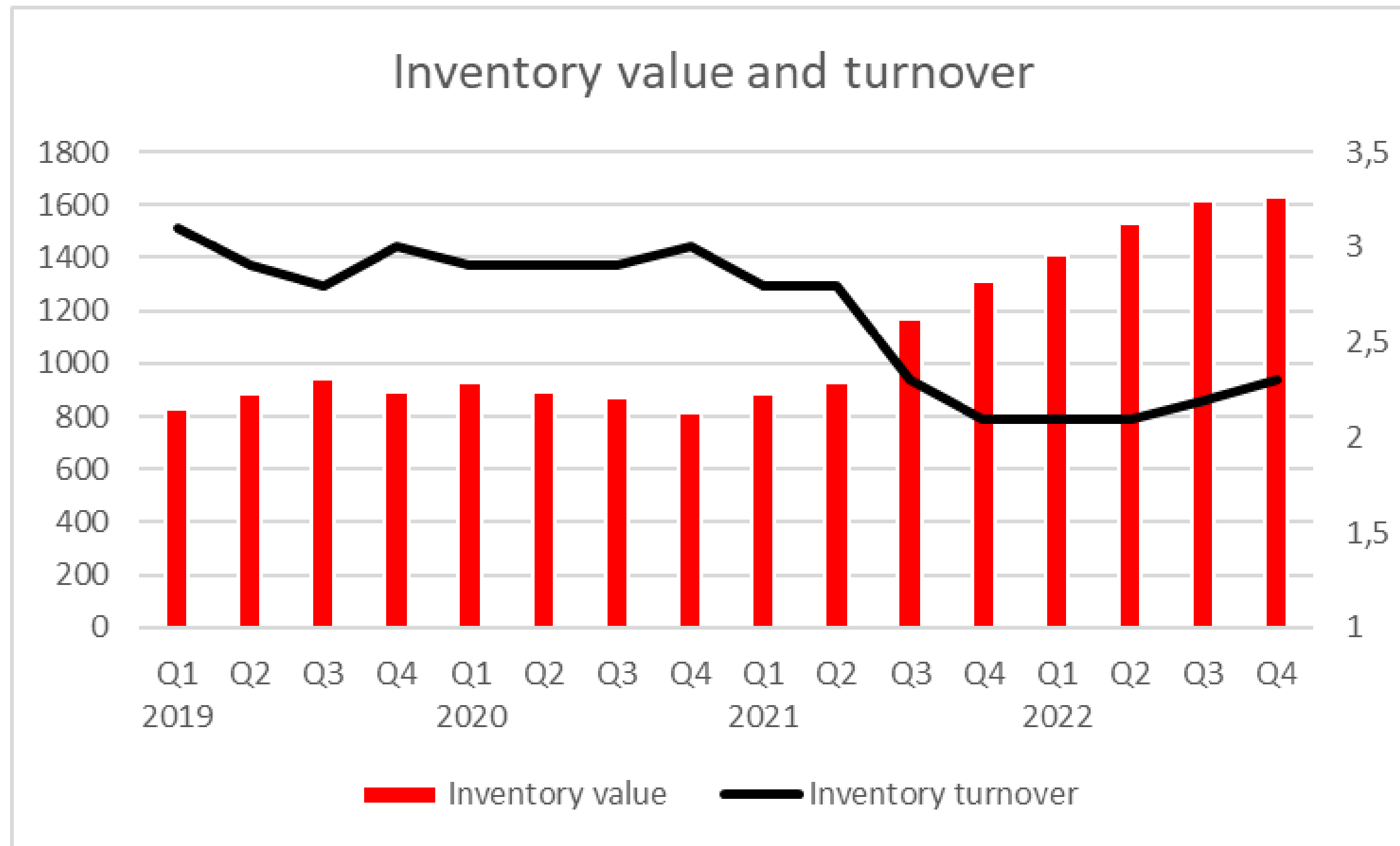
Net cash from operating activities



Back to normal level with limited inventory growth.

Our program for increasing inventory turnover is showing some effect. It will be run during Q4 and 2023.

Inventory value & turnover development



Inventory turnover target is 3.5 turns/year.

Inventory increase in mainly raw material and semi-finished goods. Due to;
 Growth
 Price increases on raw materials
 Missing components.

Our actions are starting to show improvement

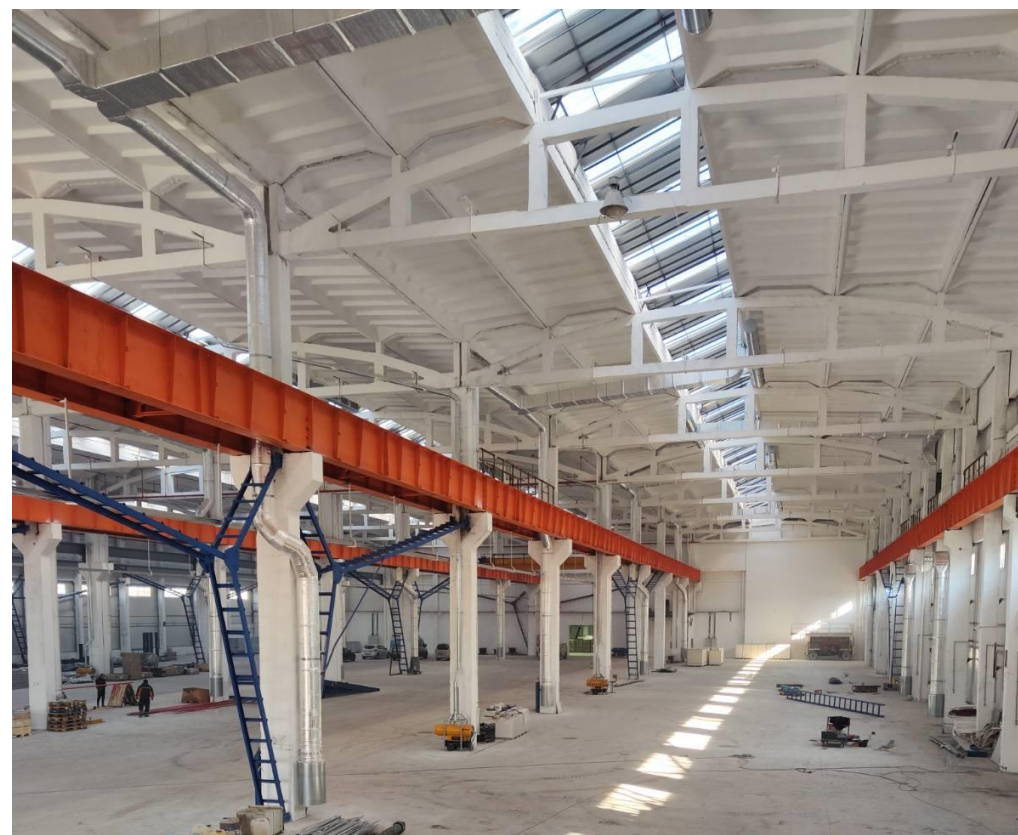
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Inventory turnover:
 Raw materials R12 + Goods for resale R12 +
 Change in Inventories and prod in progress
 R12
 /
 Total Inventory YTD

Investments in increased capacity

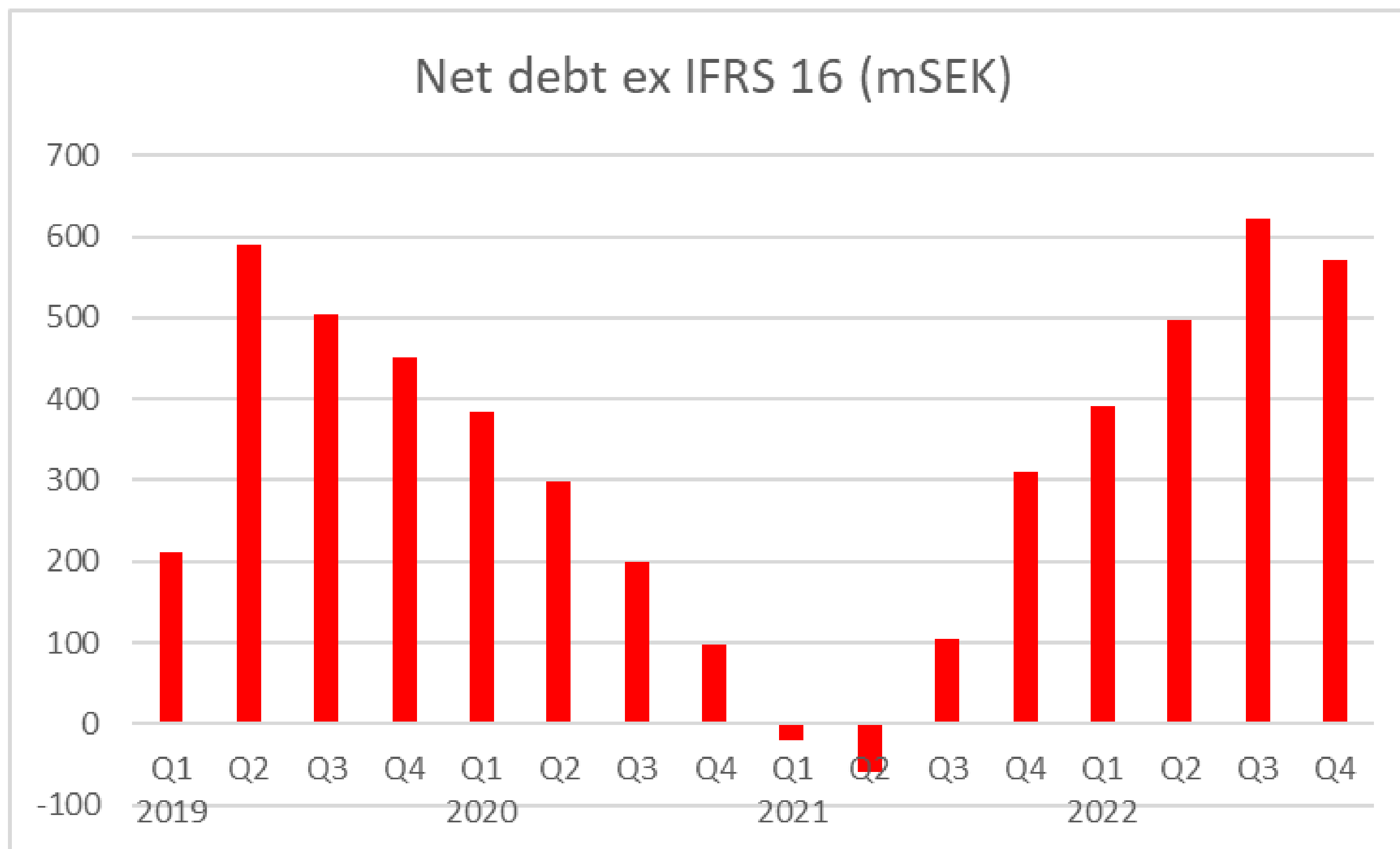


Wiring Systems factory in Lithuania
Factory building was finished in April 2022.
Investments in machines and production lines in done. Full production from end of Q1, 2023.
Turnover in this factory should increase with 40mEuro in 2023.
Customers: Truck, Buss and Construction Equipment.



Electric Cabinet factory in Pernik, Bulgaria. Brown field(22 000m2) acquired in July 2022.
Full production in April 2023.
Production of battery systems from sheet metal to finished product.
Turnover in 2023, 40mEuro.
Customers: Energy storage and Electrical Automation

Net Debt excl IFRS16

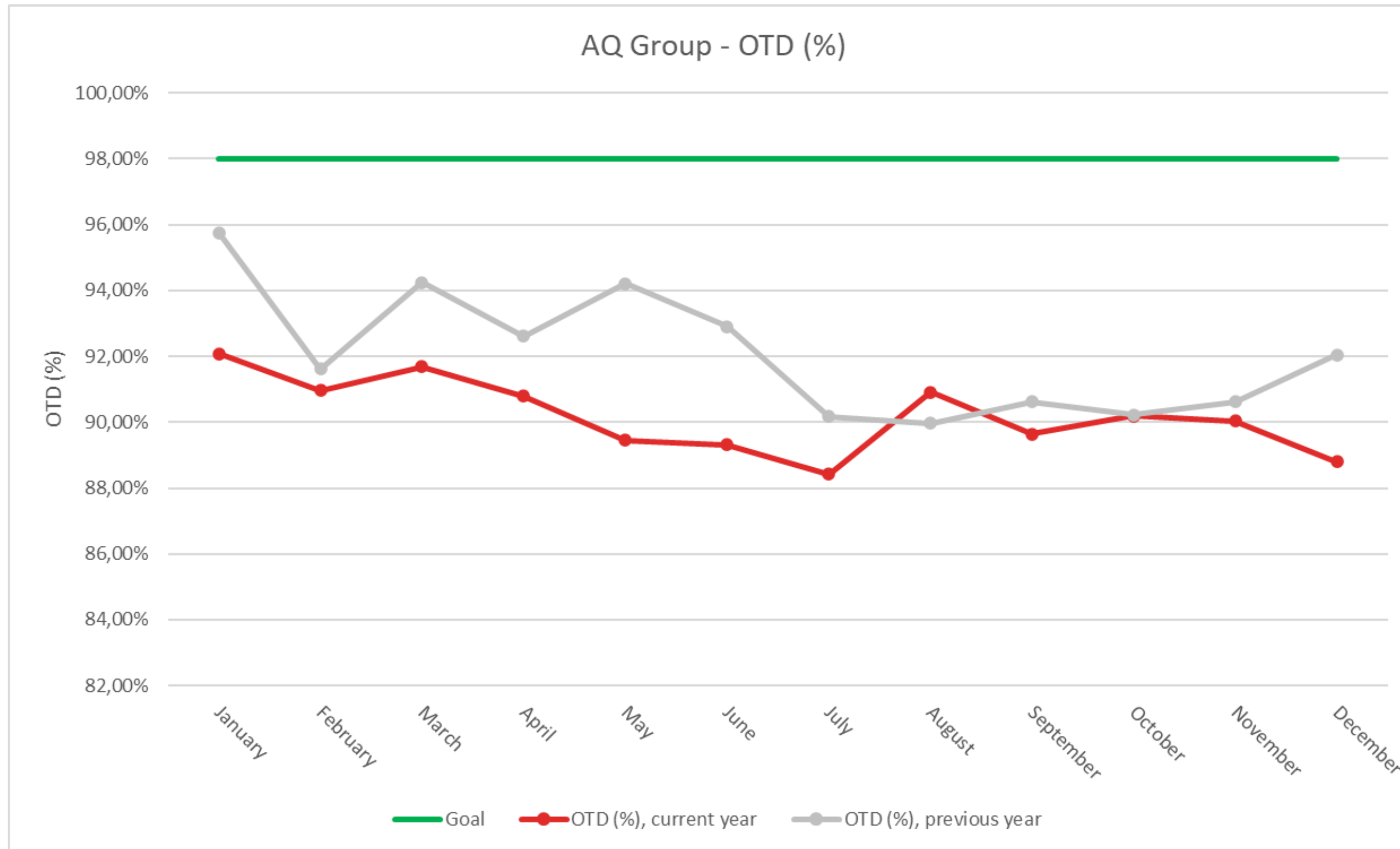


← Net debt (excl IFRS16) Dec 2022 SEK 572 Million.

Capacity increase investments (74mSEK) in combination with NCFOA decreased the net debt in the quarter.

Net debt/EBITDA=0,87

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



We are increasing capacity rapidly to handle increasing volumes.

Still issues with material but better and better availability.

This KPI should improve quarter by quarter in 2023.

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Projects for future growth

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Electrification (Storage)

Battery storage

Batteries and control cabinets for storage of renewable energy. Deliveries to US, EU and Taiwan. First battery module prototype built in Bulgarian in the photo.

Expected capacity : 1000pcs battery modules.
500 pcs control cabinets. Turnover at full speed 40mEuro.



Supercapcitor banks

Quoting a new large project together with our international customer in Germany. AQ's is responsible for the design, manufacturing and delivery. AQ's units in Sweden and Bulgaria are responsible for the project.



Electrification (Wind Power & motor drives)



Inductors and mechanical enclosures for motor drives

Strong increase in demand for motor drives. Our customers tell us that when their customer exchange an old drive for a new one they can save between 20-40% in energy consumption. We see increases in our factories in Finland, Estonia, China and India.



Power transformers for ships

Completely full order book in 2023 and 2024 in Estonia, India, China, Hungary and US.

Defence



Wiring Systems

Strong growth in Sweden and Poland for wiring systems to tanks and all-terrain vehicles. Several projects received with order value of SEK 100m over 4 years.

Sheet metal fabrication

Strong growth in Sweden and Estonia for sheet metal fabrication and assembly of parts to tanks and all-terrain vehicles.



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Questions?

