



AQ Group

Investor presentation Q1 2023

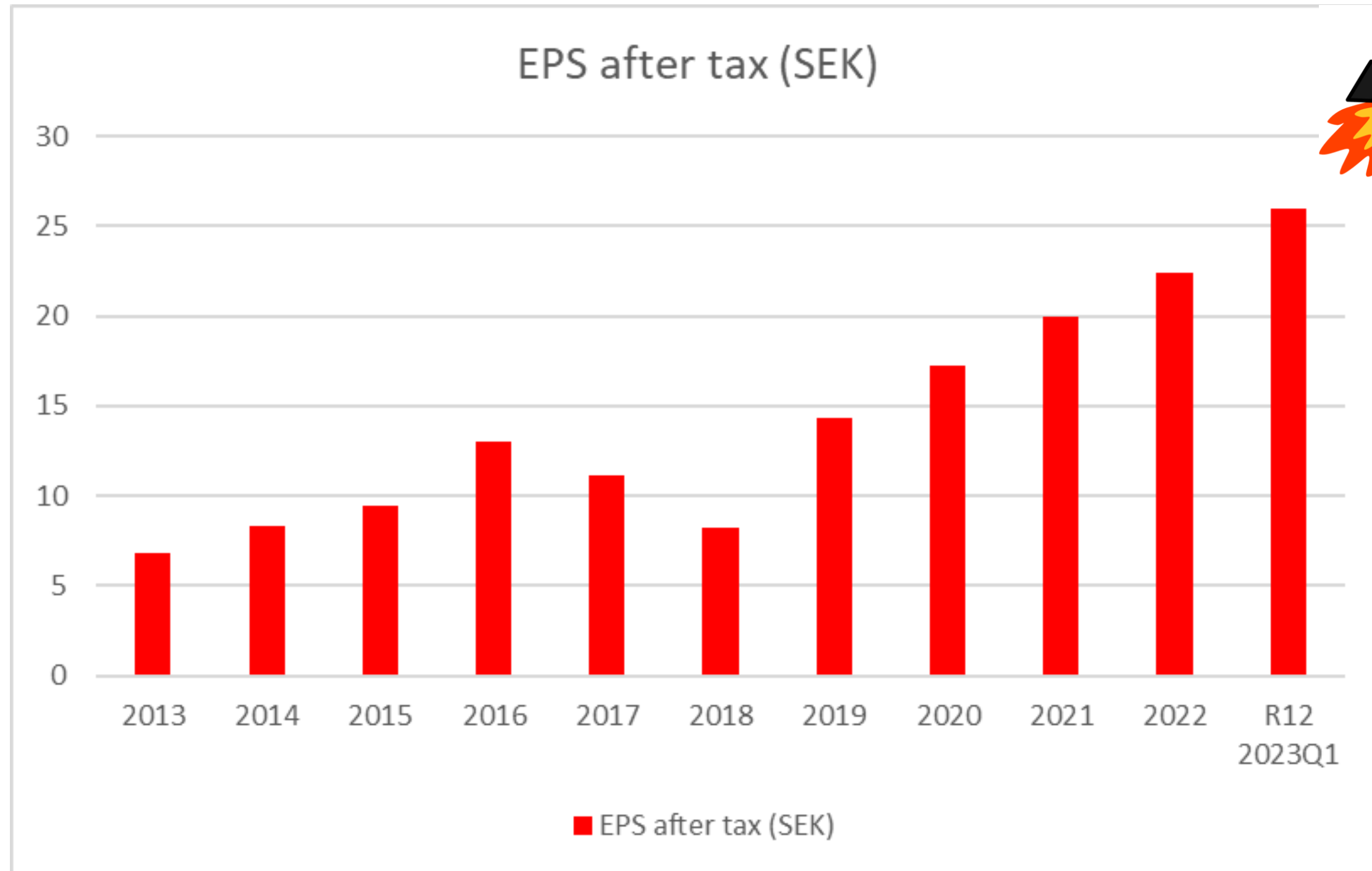


First Quarter, Jan-Mar 2023 in brief



- Good start of the year results in growth, improved margin and cash flow
 - Net sales increased by 36.8% to SEK 2,253 million (1,646)
 - Operating profit (EBIT) increased by 72.3% to SEK 194 million (113)
 - Profit after financial items (EBT) increased by 58.3% to SEK 184 million (116)
 - Profit margin before tax (EBT %) was 8.2% (7.1)
 - Cash flow from operating activities was SEK 225 million (44)
 - Earnings per share after tax and dilution increased by 70.2% to SEK 8.58 (5.04)
- Goal 15% Growth
 - Goal 8% EBT Margin

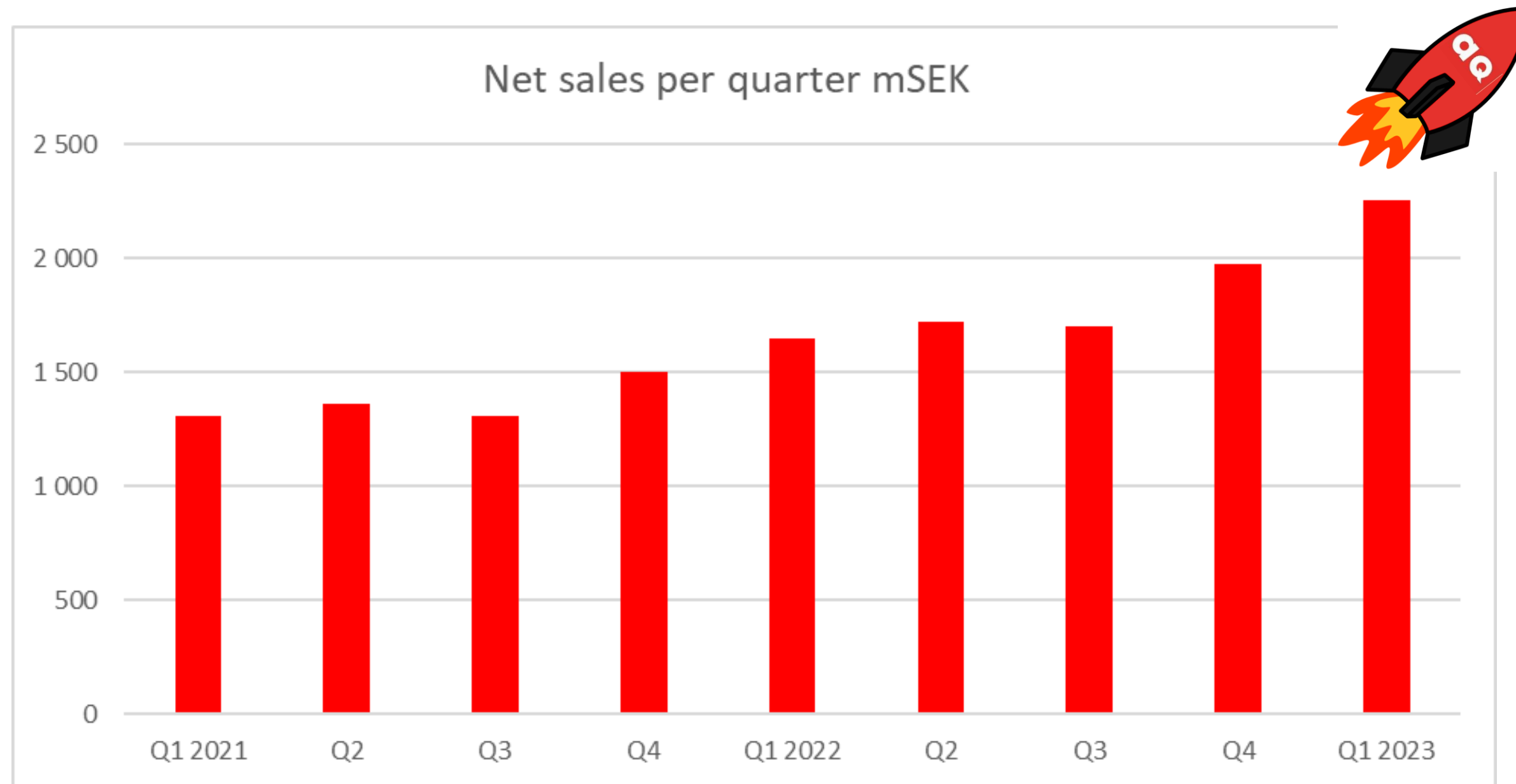
EPS Growth



17% Average EPS Growth
2013-2023Q1

R12 2023 Q1 EPS growth of
15,8% vs 2022 FY

Net sales



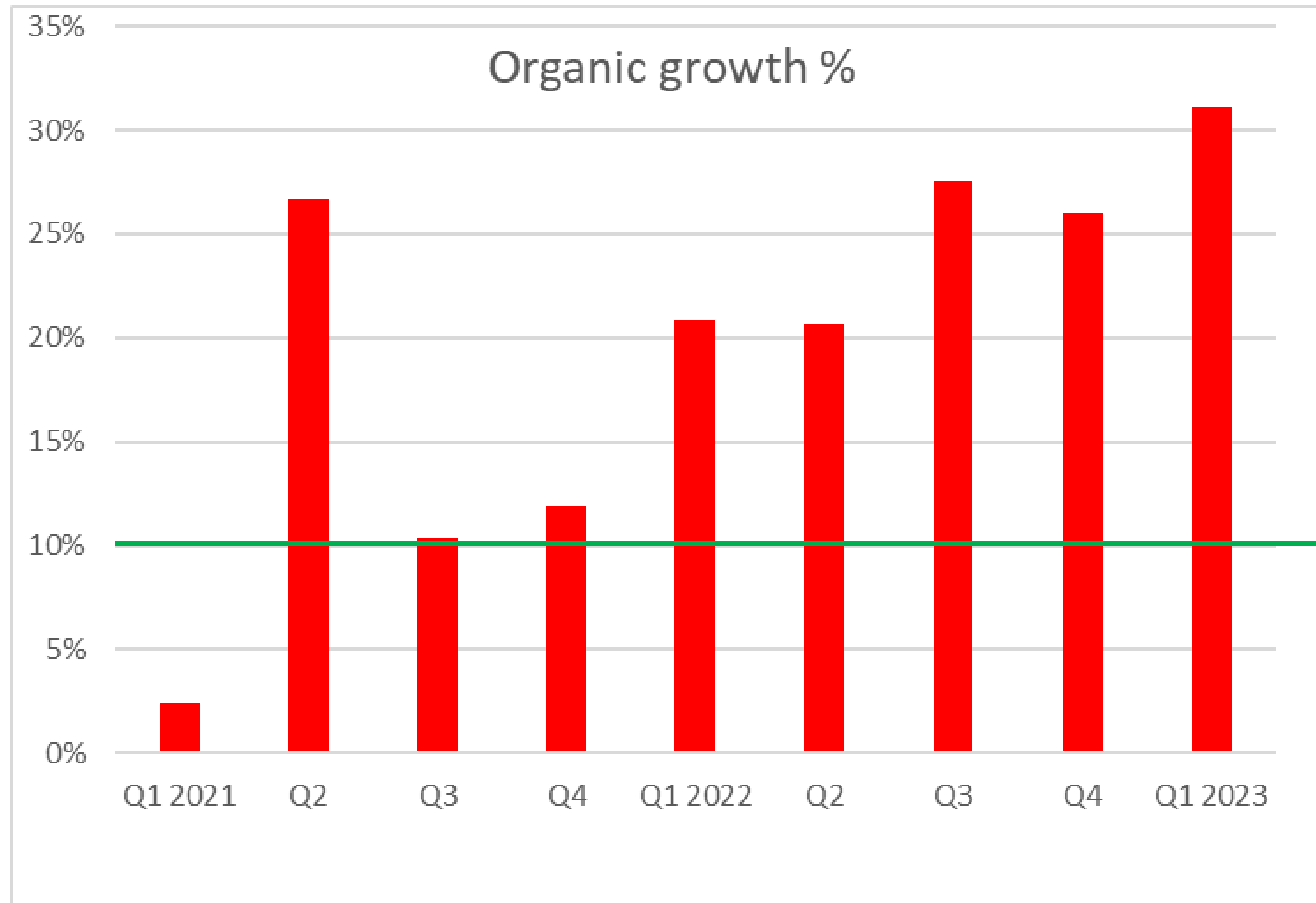
Good turnover in the quarter. Growth +37% vs Q1 2022 and +14% vs Q4 2022.

Still several projects that we could not deliver in the quarter due to capacity/productivity in new projects.

Serial deliveries started and is ramping up on battery systems from Bulgaria and wiring systems truck project in Lithuania.

Increases mainly in electrification, storage of energy, components for defence industry and systems for Med-tech.

Organic growth

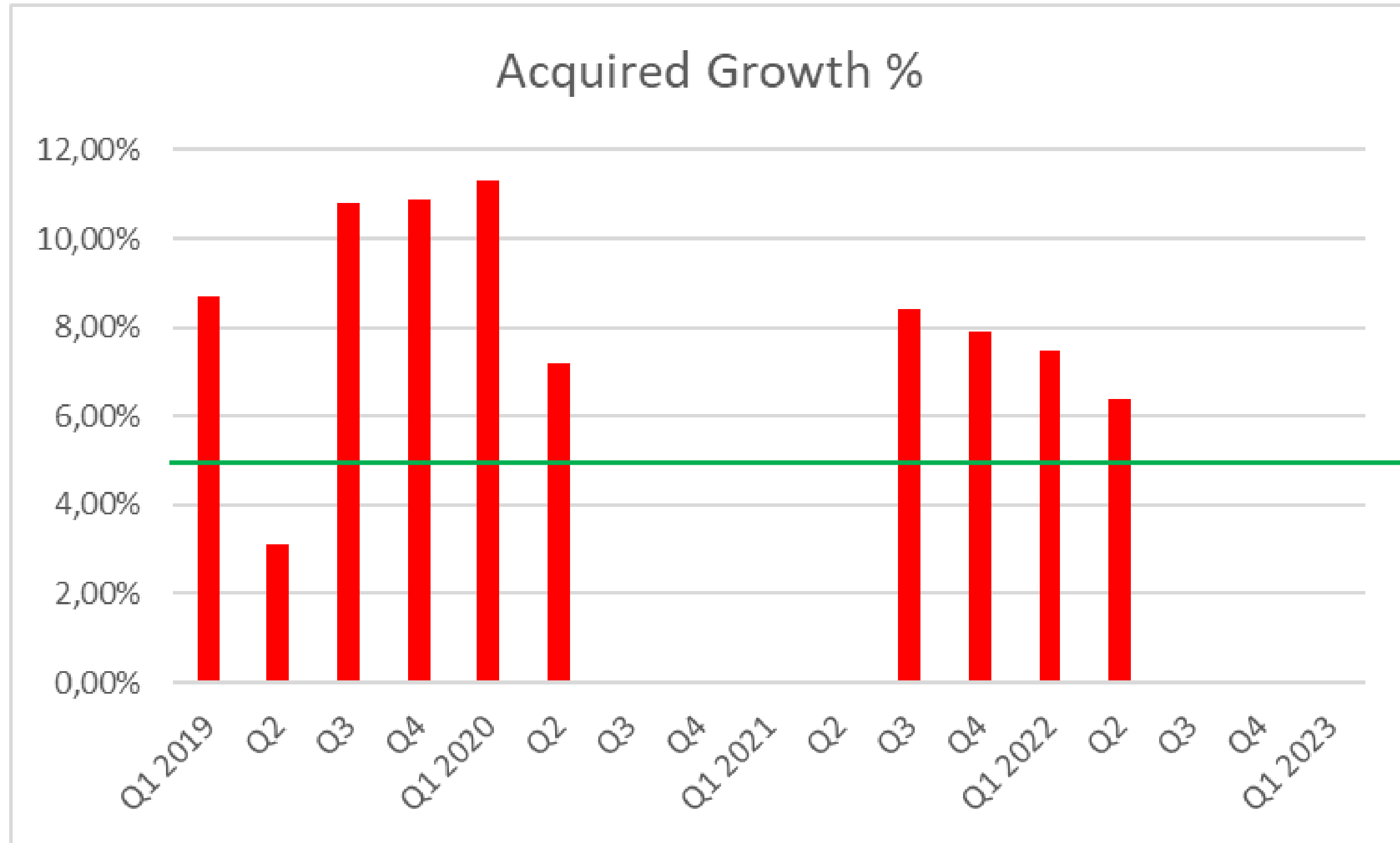


“Real” organic growth in Q1 is approximately 21% and 10% is price increases vs. same quarter last year.

Target 10%/ year

Increases mainly in electrification, storage of energy, components for defence industry and systems for Med-tech.

Acquired Growth



Focus on organic growth.

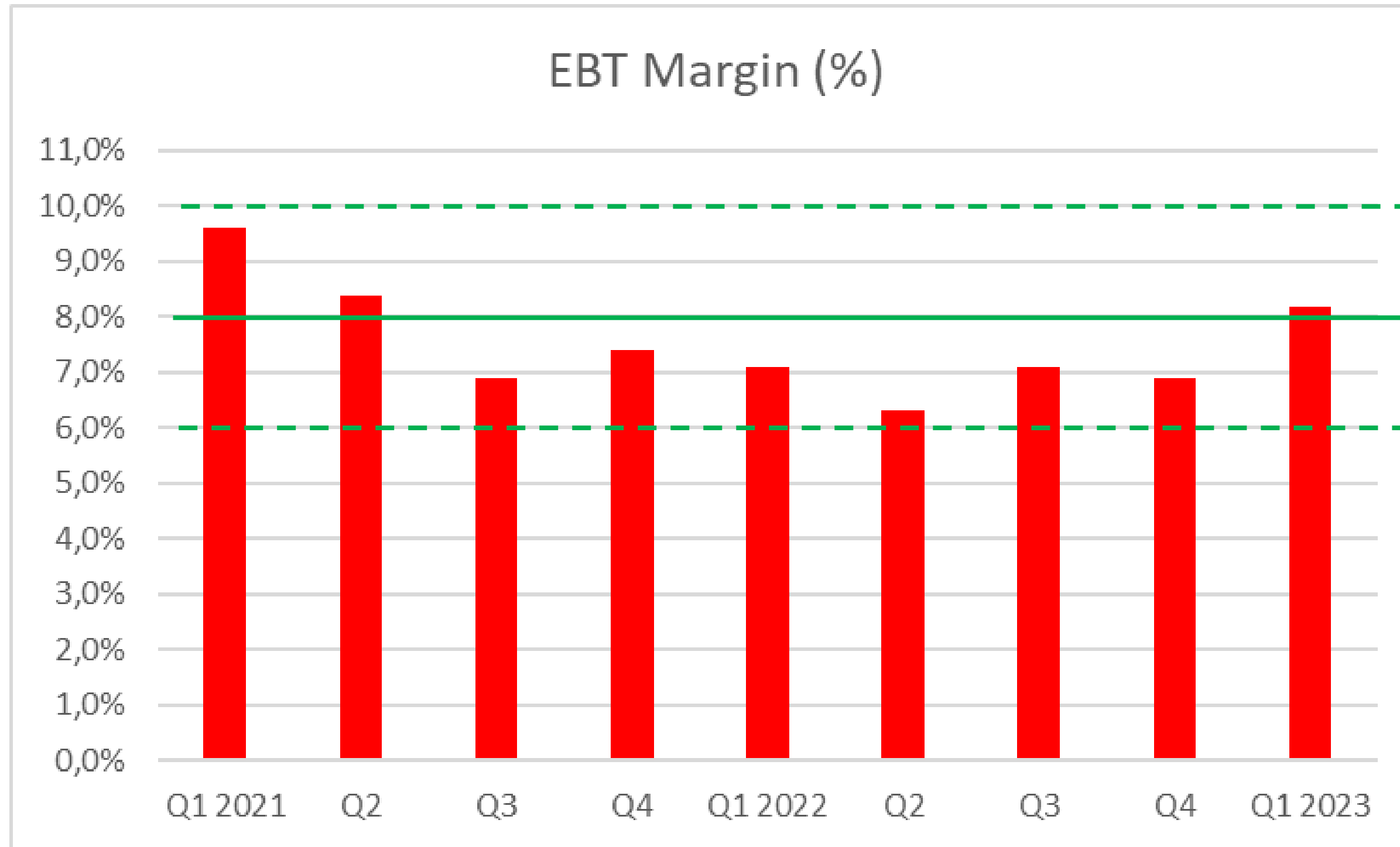
But we are as always opportunistic and trying to make deals.

Target 5%/ year

AQ companies acquired from Schaffner group is now at good EBT and strong growth due to mining, railway and UPS projects in US, EU and China.

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EBT Margin



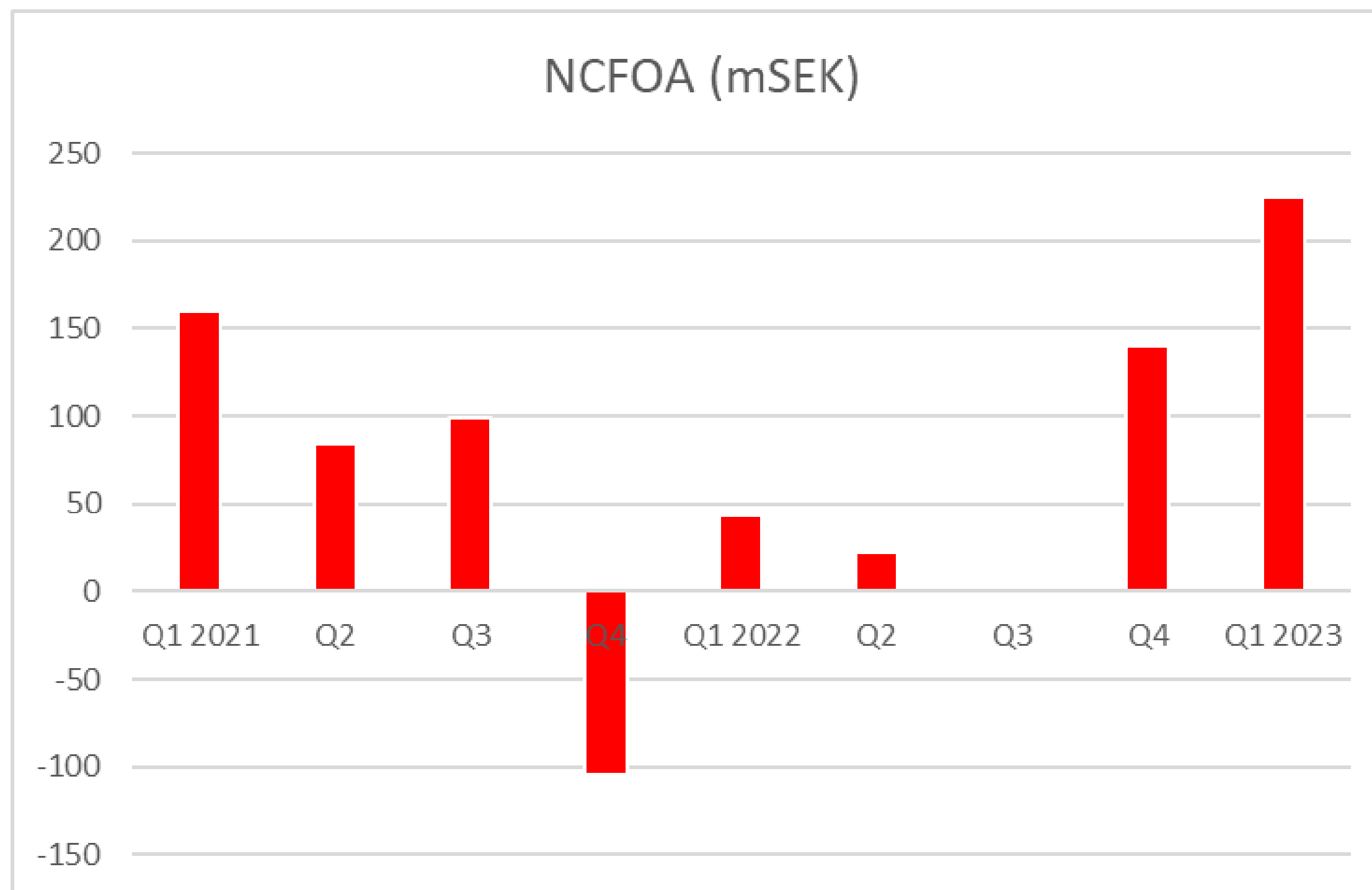
Higher focus on internal productivity in high growth factories.

Has managed to make loss-makers profitable. This takes us over 8% in the quarter.

Still we need to work smarter and with higher productivity to reach full potential.

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

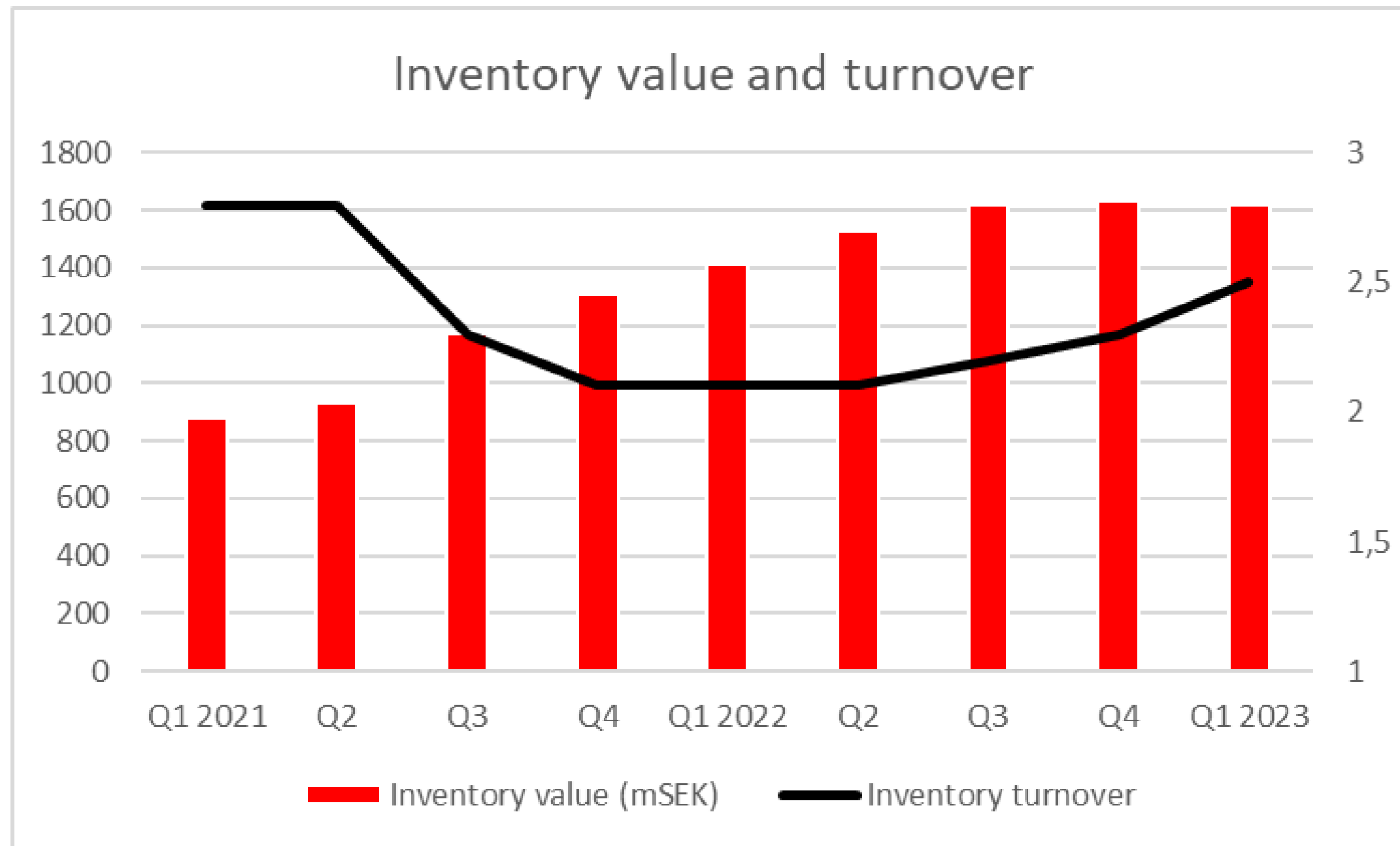
Net cash from operating activities



Good operating cash flow in the quarter.

Our program for increasing inventory turnover is effective but we can do more.

Inventory value & turnover development



Inventory turnover target is 3,5 turns/year.

Our actions are starting to show improvement but we have some way to go before we reach our target.

Dedicated resources put in place. Low performers are being educated and improvements are made.

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Inventory turnover:

$$\frac{\text{Raw materials R12} + \text{Goods for resale R12} + \text{Change in Inventories and prod in progress R12}}{\text{Total Inventory YTD}}$$

Investments in increased capacity



Total investments in fixed assets in the first quarter was SEK 48m (SEK 66m)

Extension of Wiring Systems Factory in Lodz Poland
Increase with 5500m² of rented factory area.
Finished September 2023.

Will enable 30%/20mEuro increase capacity.

Customers: Fork lifts, agriculture equipment, drive trains for boats.

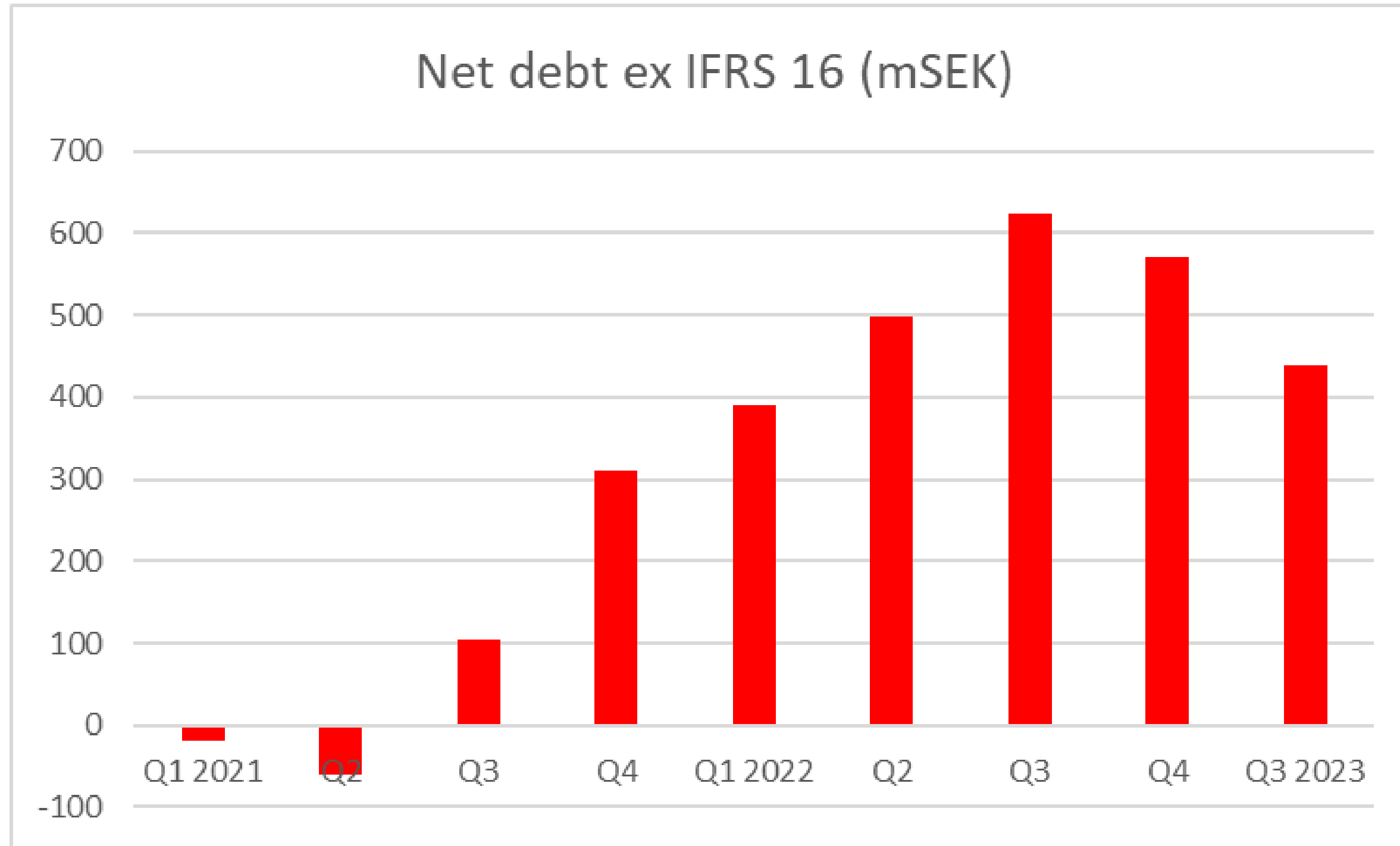


Investments in new punching capacity in Sweden, Finland and Estonia.

Increased capacity/productivity and reduced energy consumption.

Customers: Electrification, drives, railway and machinery equipment.

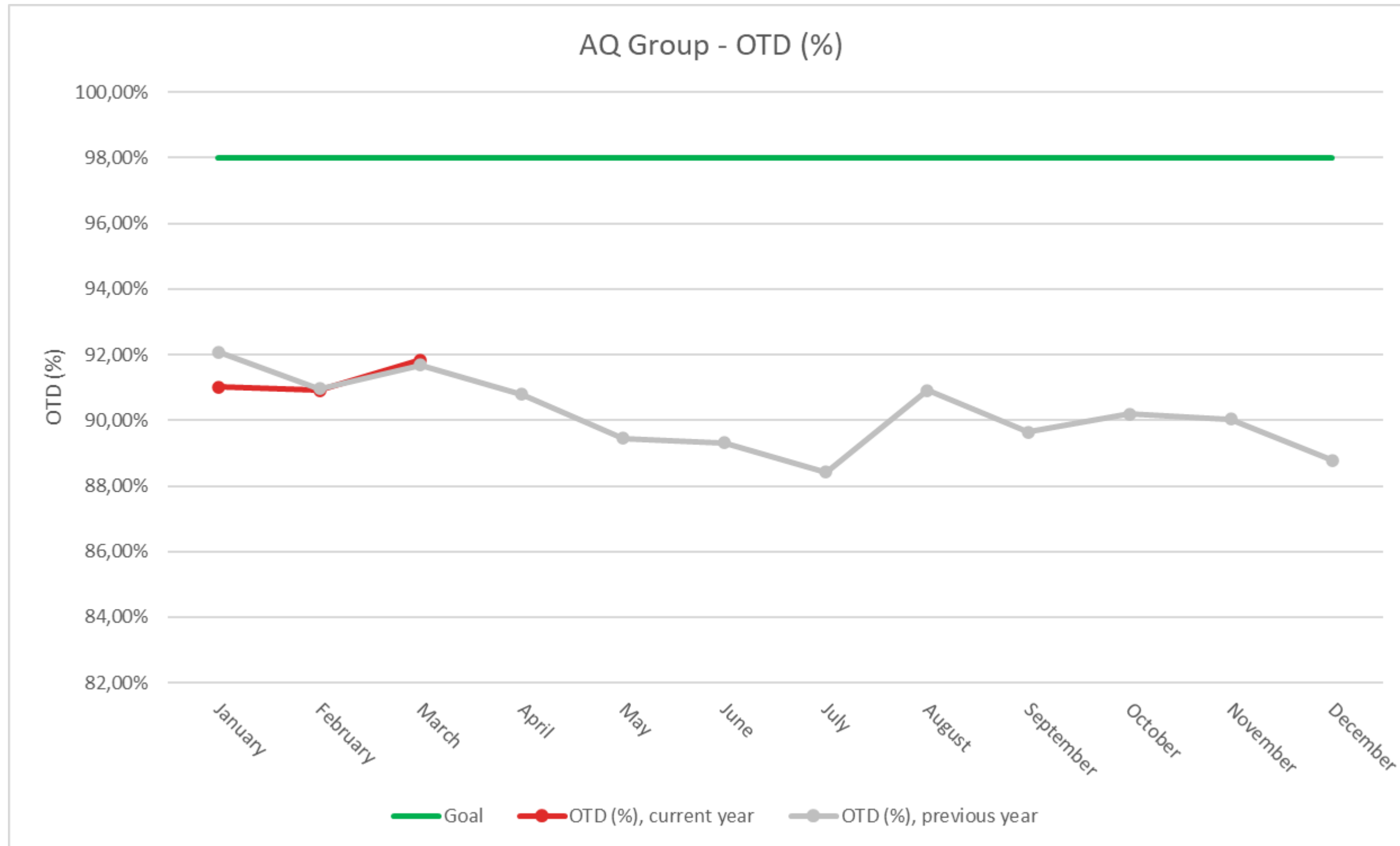
Net Debt excl IFRS16



← Net debt (excl IFRS16) Mar 2023
SEK **439** Million.

Good cash flow decreased the net debt in the quarter.

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



We are increasing capacity rapidly to handle increasing volumes. New larger projects need to improve productivity.

Material availability back to normal.

We have full focus on this area at the moment in all our sites with poor delivery performance.

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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.

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



Cooling of wind turbines

Serial production of aluminum frame for air to air cooling of wind turbines. AQ's sheet metal company in Estonia is responsible for the project.

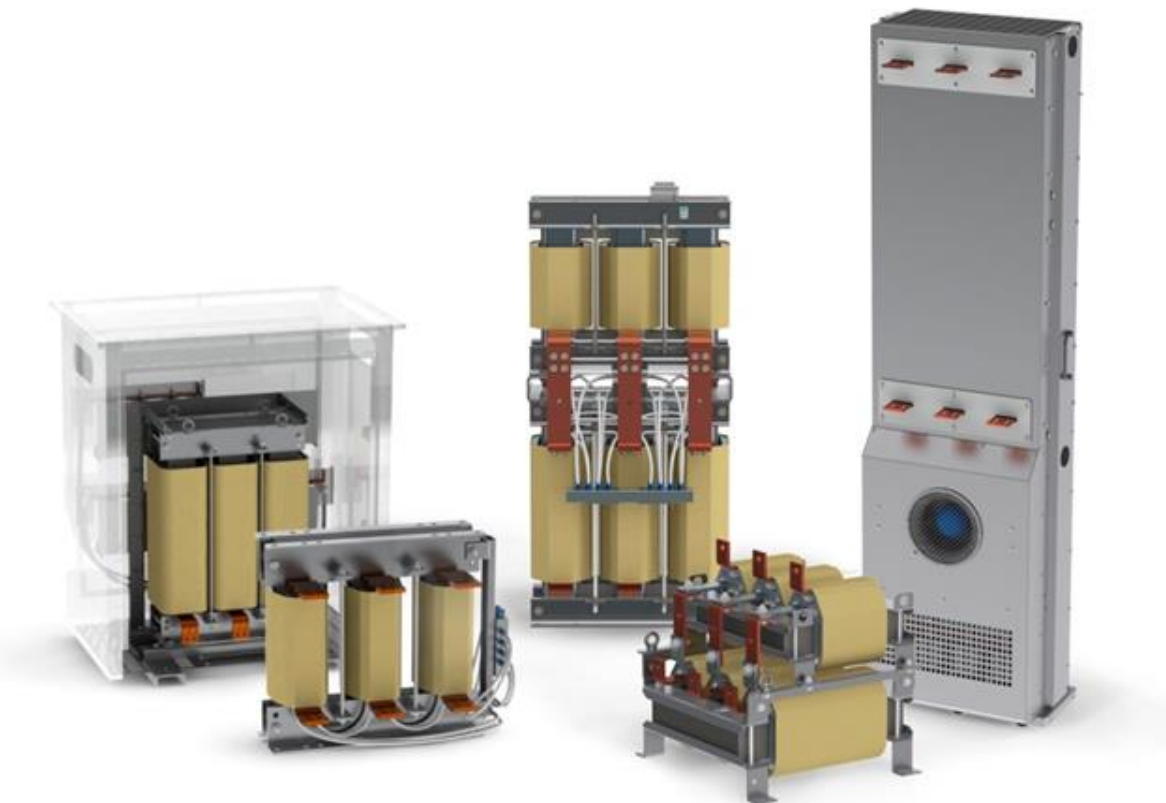


Electrification (Wind Power & motor drives)



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 a 40% increase in Finland, China and Estonia



Power transformers for ships

Completely full order book in 2023 and 2024 in Finland.

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.

Design Engineering

Design engineering of components and complete systems. We have set up new offices in Sofia, Östersund, Västerås and Trollhättan to compliment our existing office in Torslanda.

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Questions?

