








AQ Group

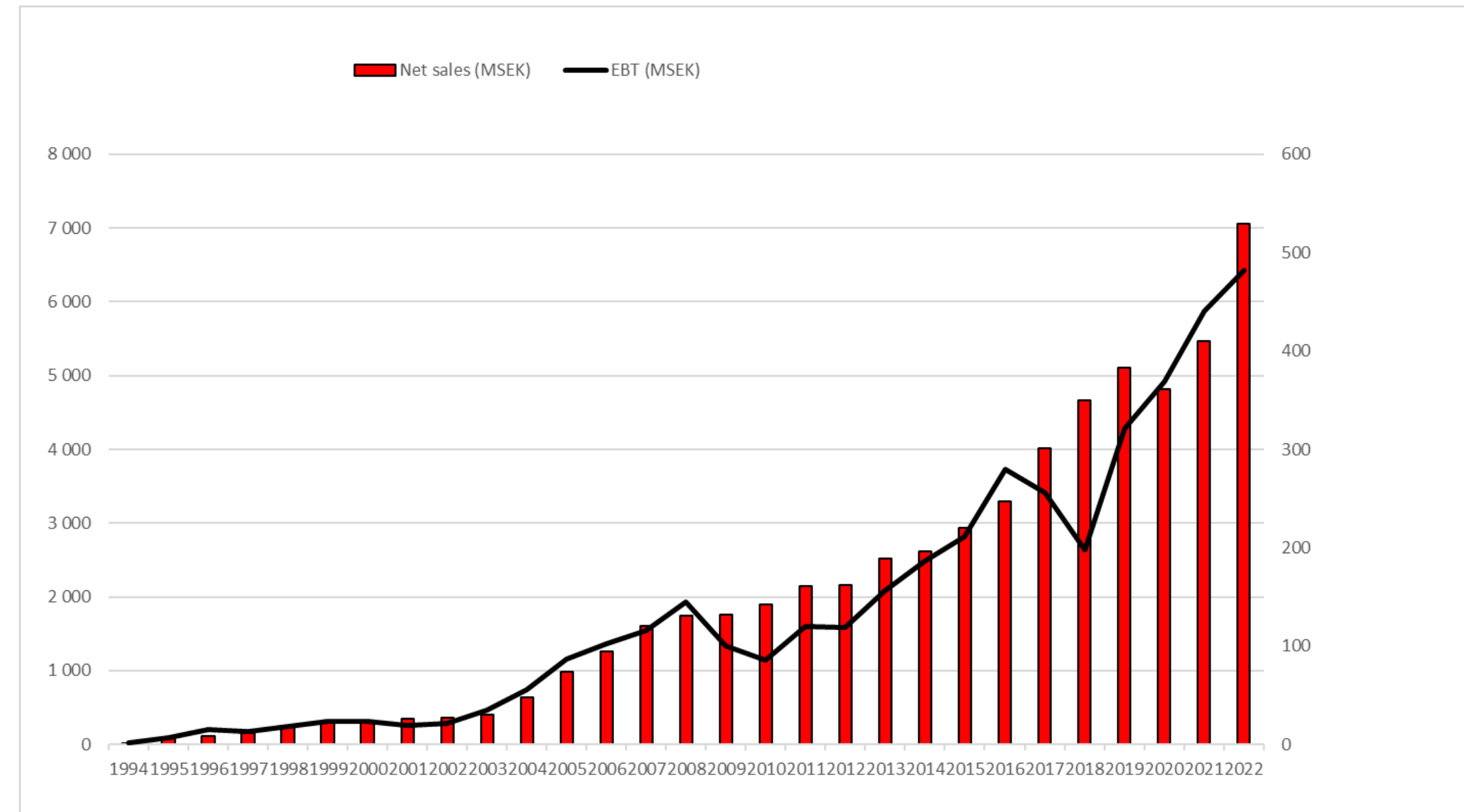
Investor presentation Q2 2023



Why invest in AQ Group



-  EPS growth of average 17%/year over the past 10 years
-  Profit every quarter since foundation in 1994
-  Exposure to industrial market segments with underlying growth;
 -  Electrification (E-mobility, renewables, energy storage)
-  Long history of acquisitions. 2-4 factories/year
-  Strong balance sheet – low net debt



Second Quarter, April-June 2023 in brief



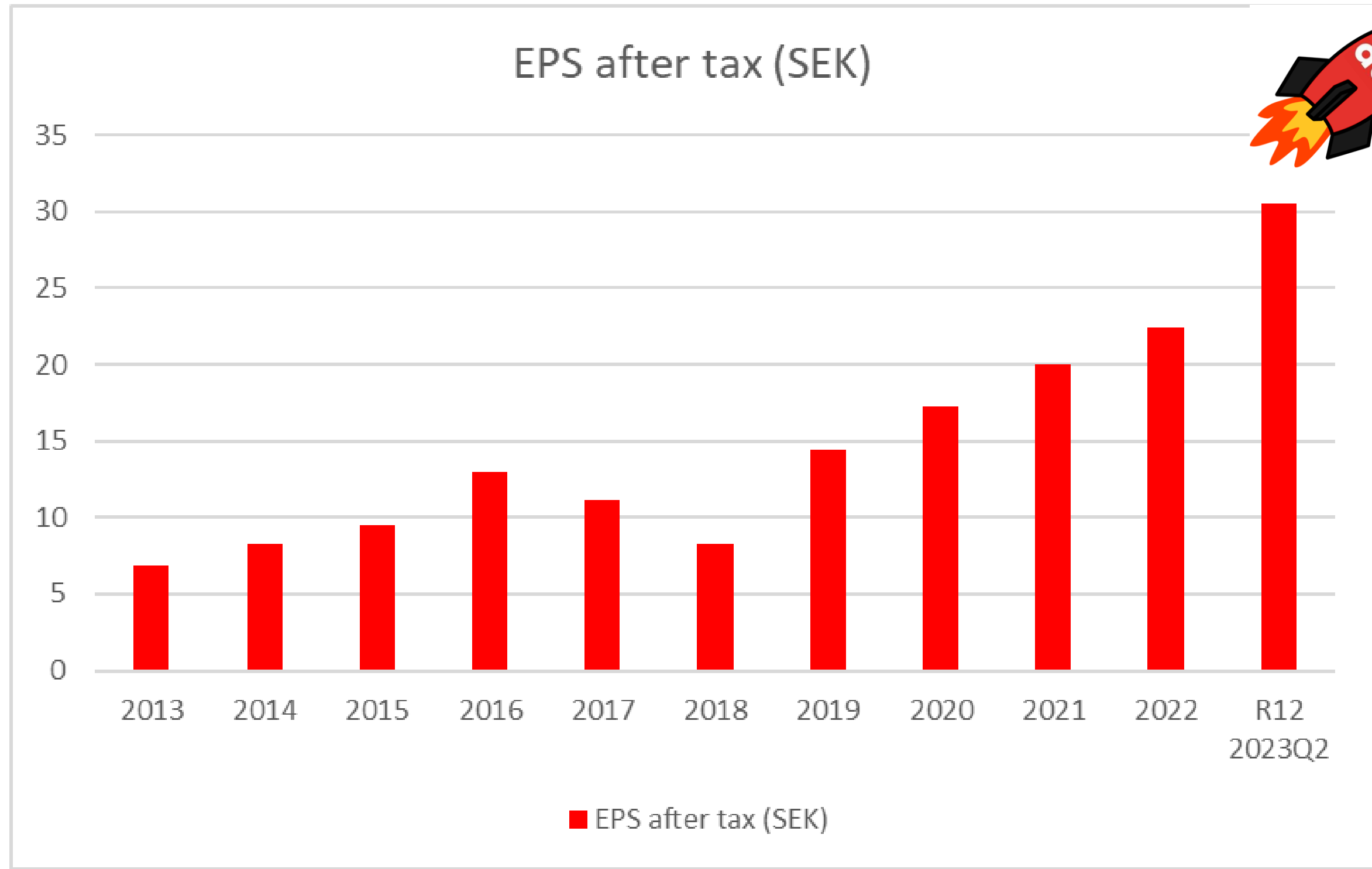
- Strong growth with good profitability
 - Net sales increased by 36% to SEK 2,345 million (1,721)
 - Operating profit (EBIT) increased by 90% to SEK 203 million (107)
 - Profit before tax (EBT) increased by 80% to SEK 195 million (108)
 - Profit margin before tax (EBT %) was 8.3% (6.3)
 - Profit after tax increased by 98% to SEK 172 million (87)
 - Cash flow from operating activities amounted to SEK 177 million (22)
 - Earnings per share before dilution increased by 97% to SEK 9.30 (4.71)
- Goal 15% growth
 - Goal 8% EBT margin

First six months, Jan-June 2023 in brief



- Net sales increased by 37% to SEK 4,598 million (3,367)
- Operating profit (EBIT) increased by 81% to SEK 398 million (220)
- Profit before tax (EBT) increased by 69% to SEK 380 million (225)
- Profit margin before tax (EBT %) was 8.3% (6.7)
- Profit after tax increased by 84% to SEK 330 million (180)
- Cash flow from operating activities amounted to SEK 403 million (65)
- Earnings per share before dilution increased by 84% to SEK 17.91 (9.75)
- Equity ratio was 58% (55)
- Goal 15% growth
- Goal 8% EBT margin
- Goal 40%

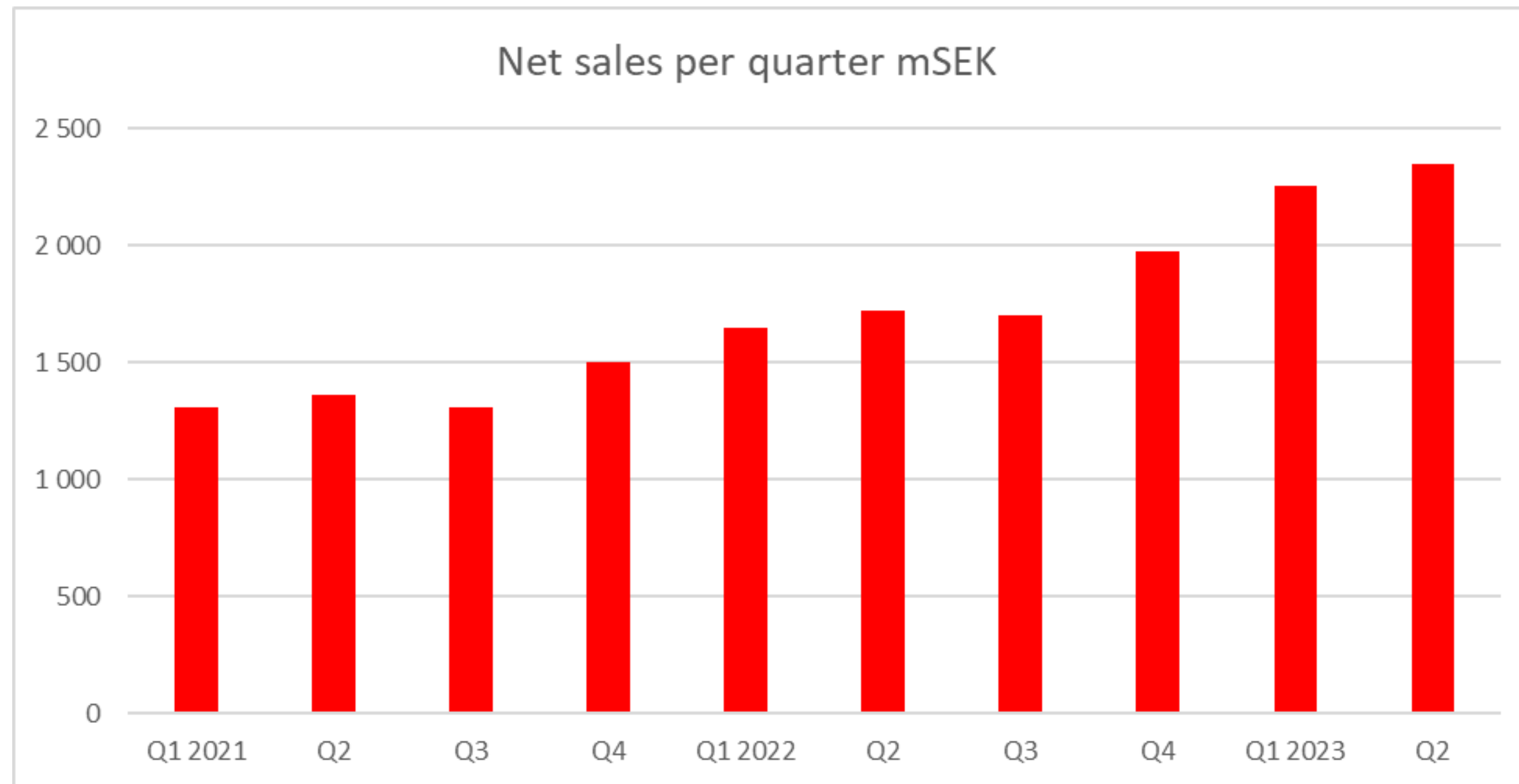
EPS Growth



19% Average EPS Growth
2013-2023 Q2 (R12)

R12 2023 Q2 EPS growth of
36% vs 2022 FY

Net sales



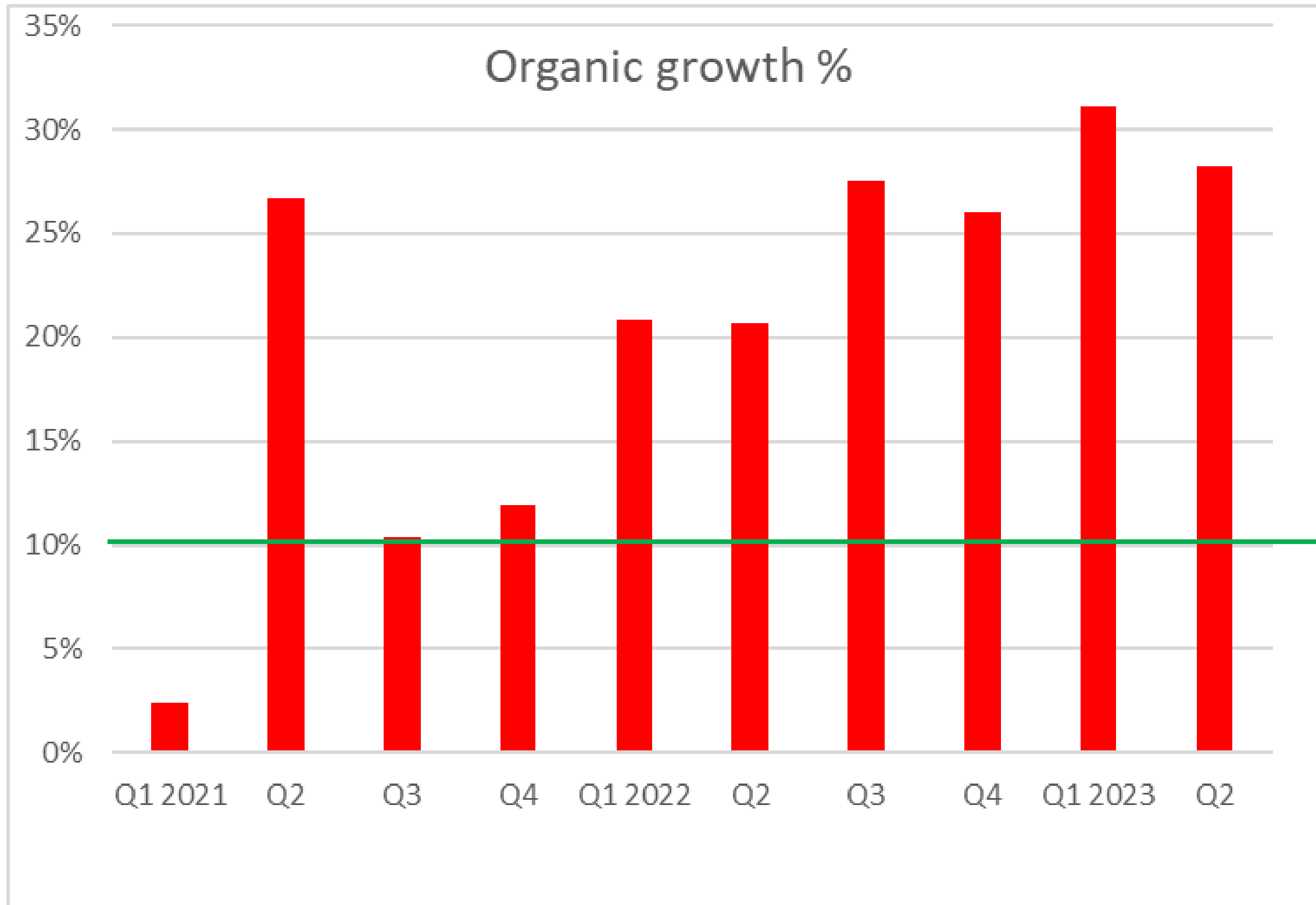
Good turnover in the quarter.
Growth +36% vs Q2 2022, whereoff
8% was currency.

Still capacity and productivity
constraints.

Ramp up on battery systems from
Bulgaria and wiring systems truck
project in Lithuania is done.

Increases mainly in electrification,
defence industry, commercial
vehicles and railway.

Organic growth



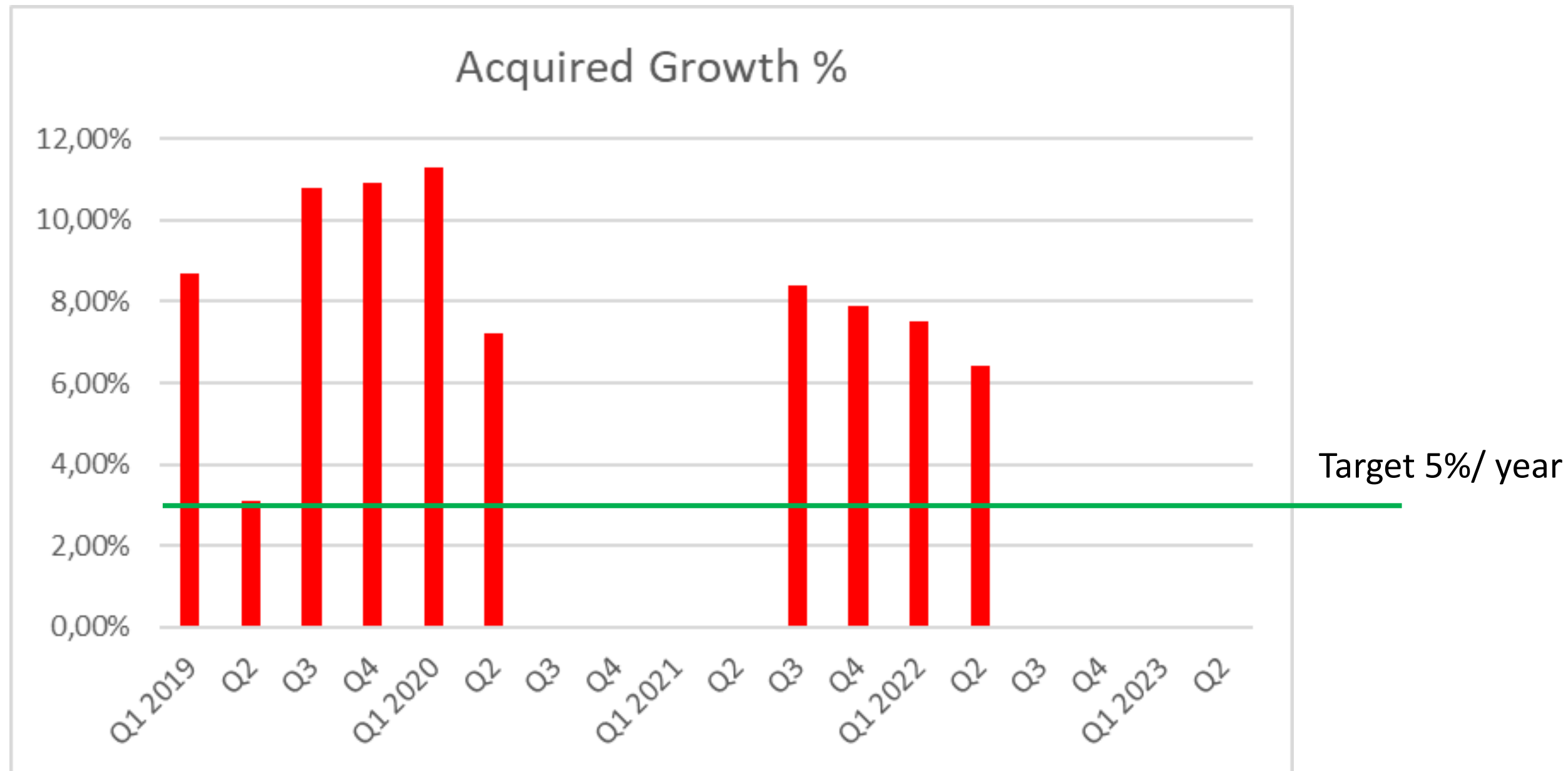
Organic growth was

28%!

Target 10%/ year

Increases mainly due to new sales in electrification, storage of energy, components for defence industry, commercial vehicles and railway.

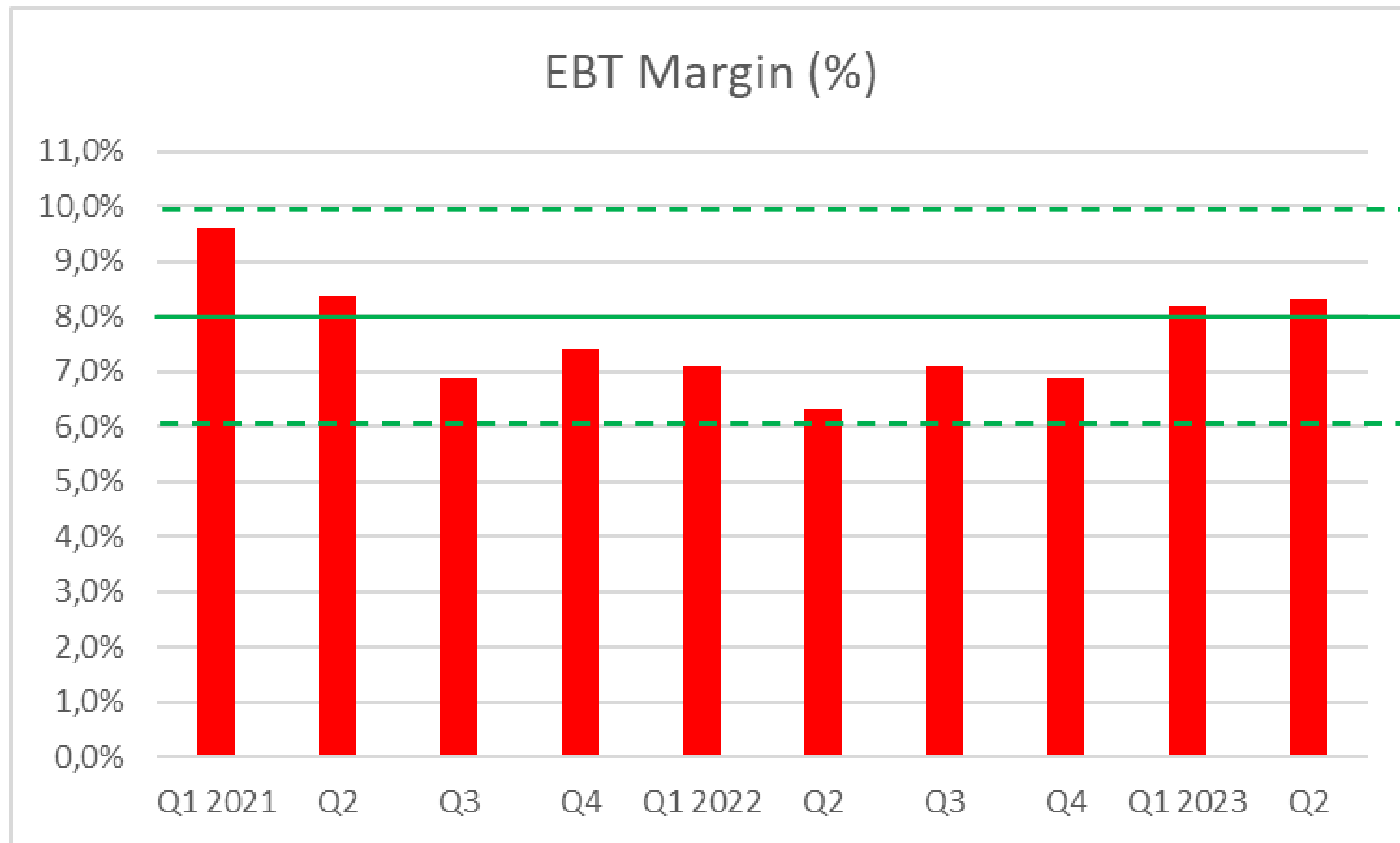
Acquired Growth



Focus has been on organic growth.

Working hard to find the right ones with good valuation.

EBT Margin



Higher focus on internal productivity in high growth factories.

Low profit subsidiaries make more profit than last year.

Closure in Falköping. Reduction of staff in China.

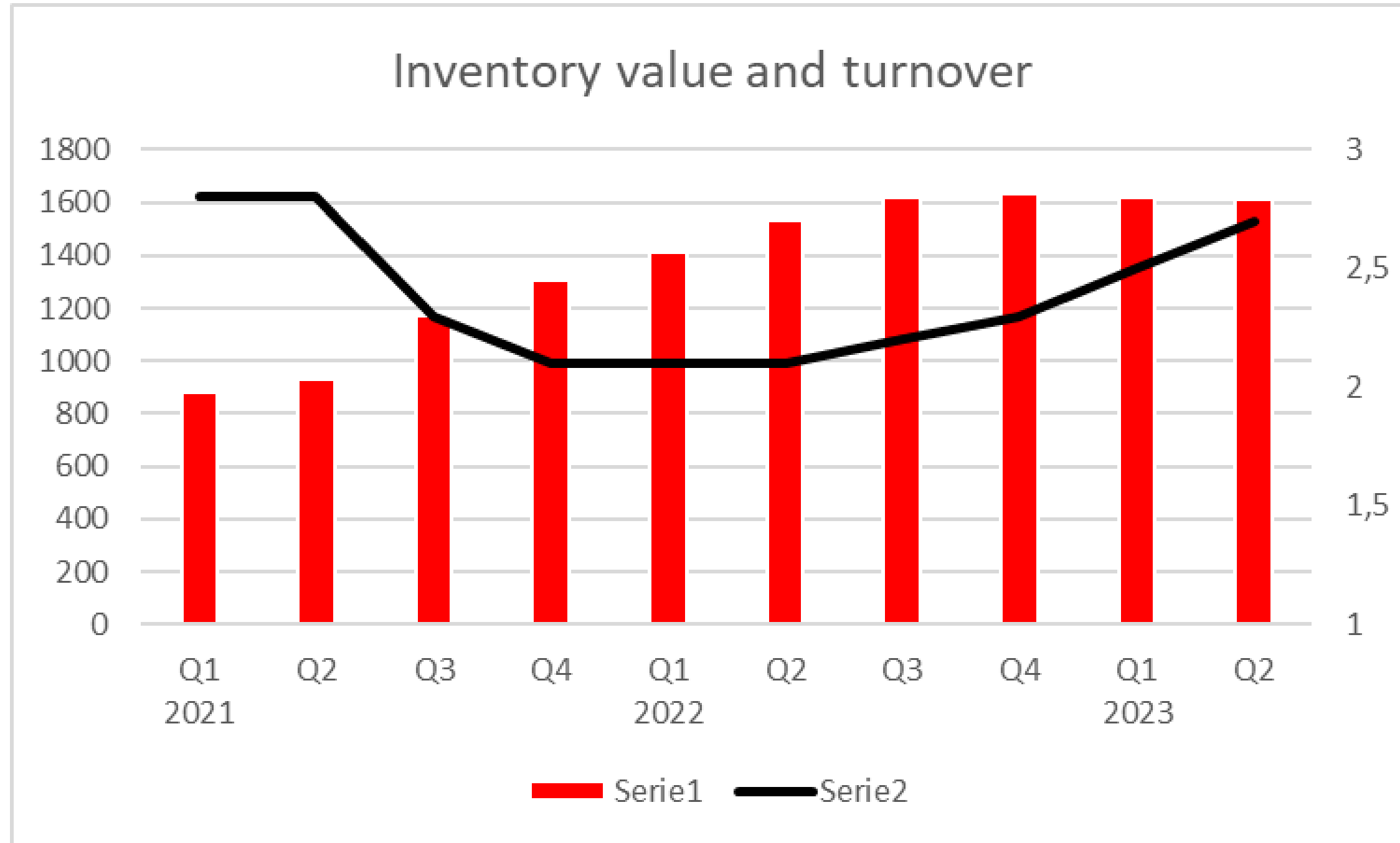
Price optimization work continue.

Still opportunities to improve in Asia and Americas and in several factories in Europe.

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

WE ARE RELIABLE

Inventory value & turnover development



Inventory turnover target is 3.5 turns/year.

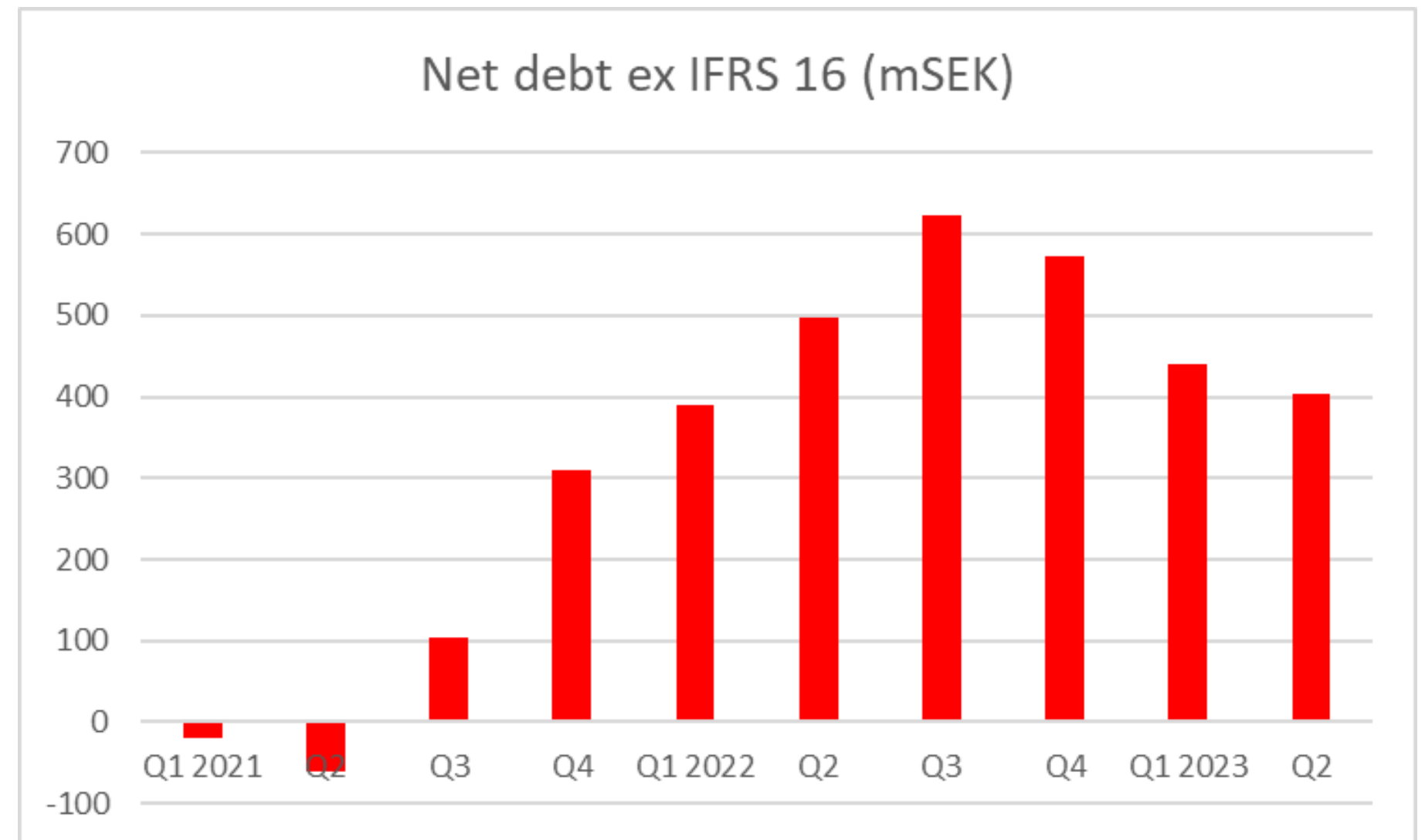
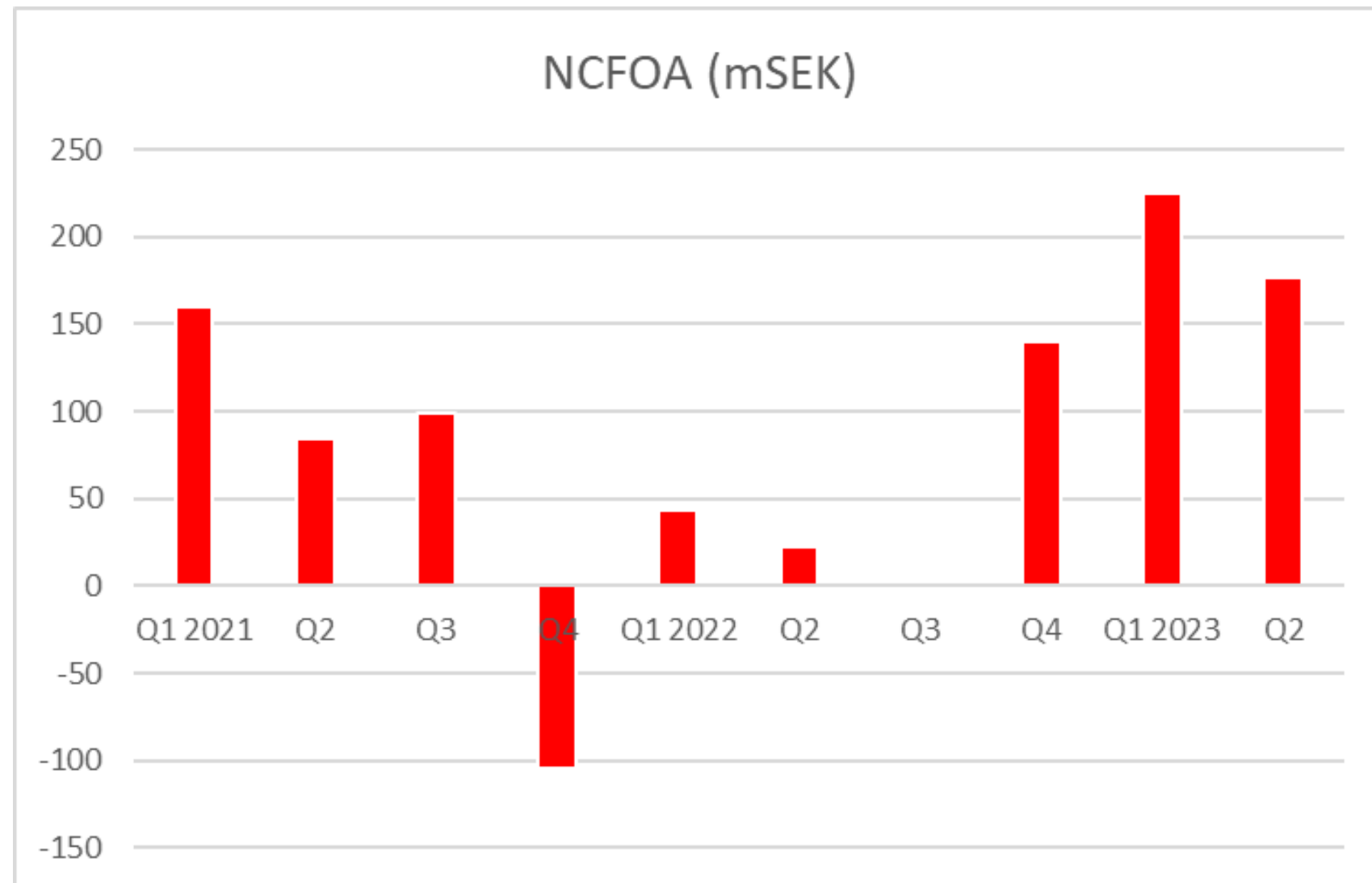
Our actions are starting to show and we are currently at 2.7 turns/year.

Project team is working with our "problem" companies to help them improve.

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

Net cash from operating activities and Net debt



Good operating cash flow of 177mSEK in the quarter and a net debt (ex IFRS 16) of 403mSEK.

Investments in increased capacity



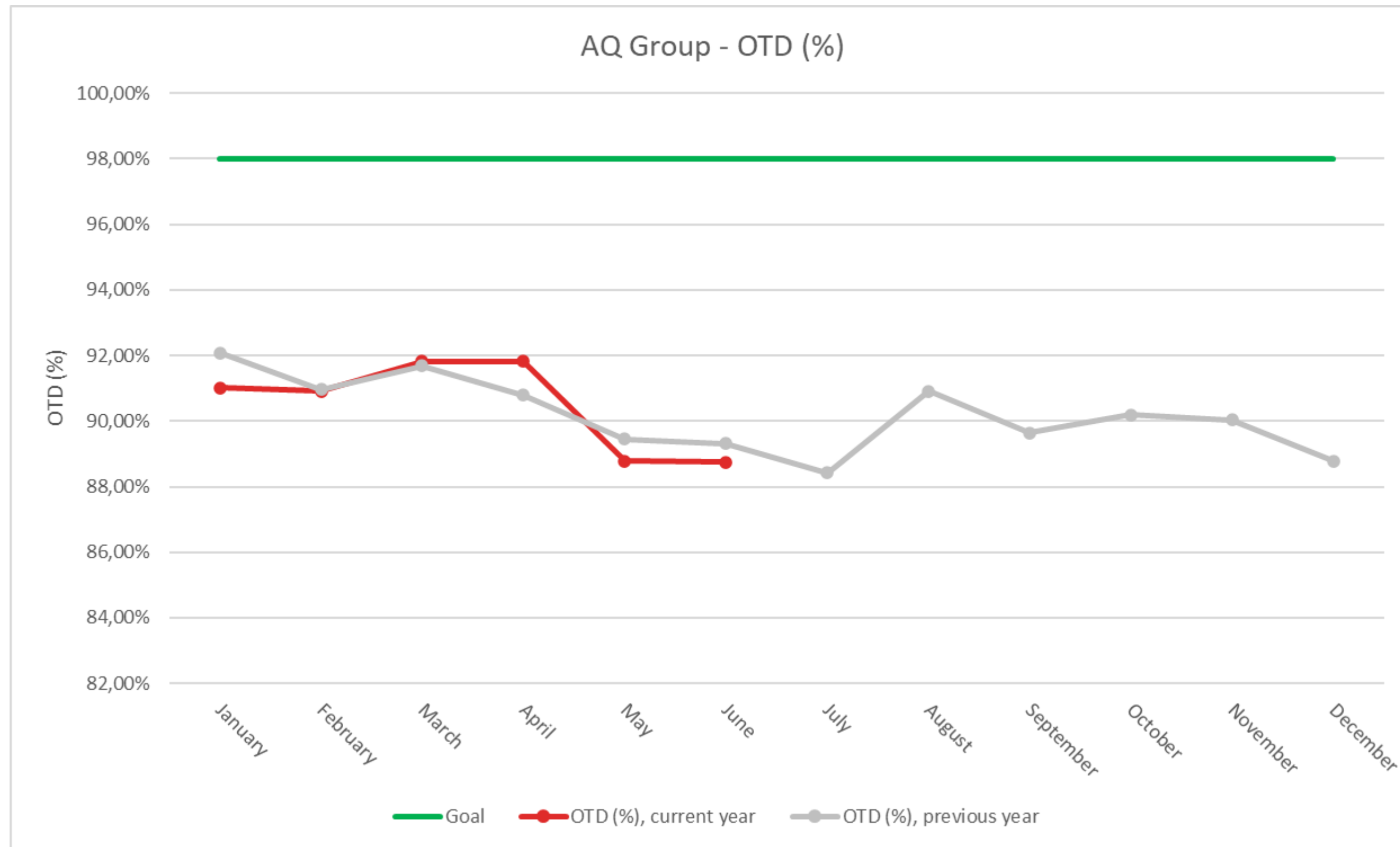
Extension of Wiring Systems Factory in Lodz, Poland
Increase with 5,500m² of rented factory area.
Finished September 2023.
Will enable 30%/20mEuro increase capacity.
Customers: Fork lifts, agriculture equipment, drive
trains for boats.



Investments in new punching capacity in Sweden,
Finland and Estonia.
Increased capacity/productivity and reduced energy
consumption.
Customers: Electrification, drives, railway and
machinery equipment.

Investments in injection molding machines in Sweden.
Increased capacity for newly won projects for
telecom, electrical commercial vehicles and snow
mobiles.

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



We are increasing capacity rapidly to handle increasing volumes but not fast enough. We are still falling short despite big volume output increase.

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 + Transmission)



Battery Energy Storage Systems

Batteries and control cabinets for storage of renewable energy. Deliveries to US, EU and Taiwan.

Capacity : 1000pcs battery modules. 500 pcs control cabinets. Turnover at full speed 40mEuro. Full speed in Q2.

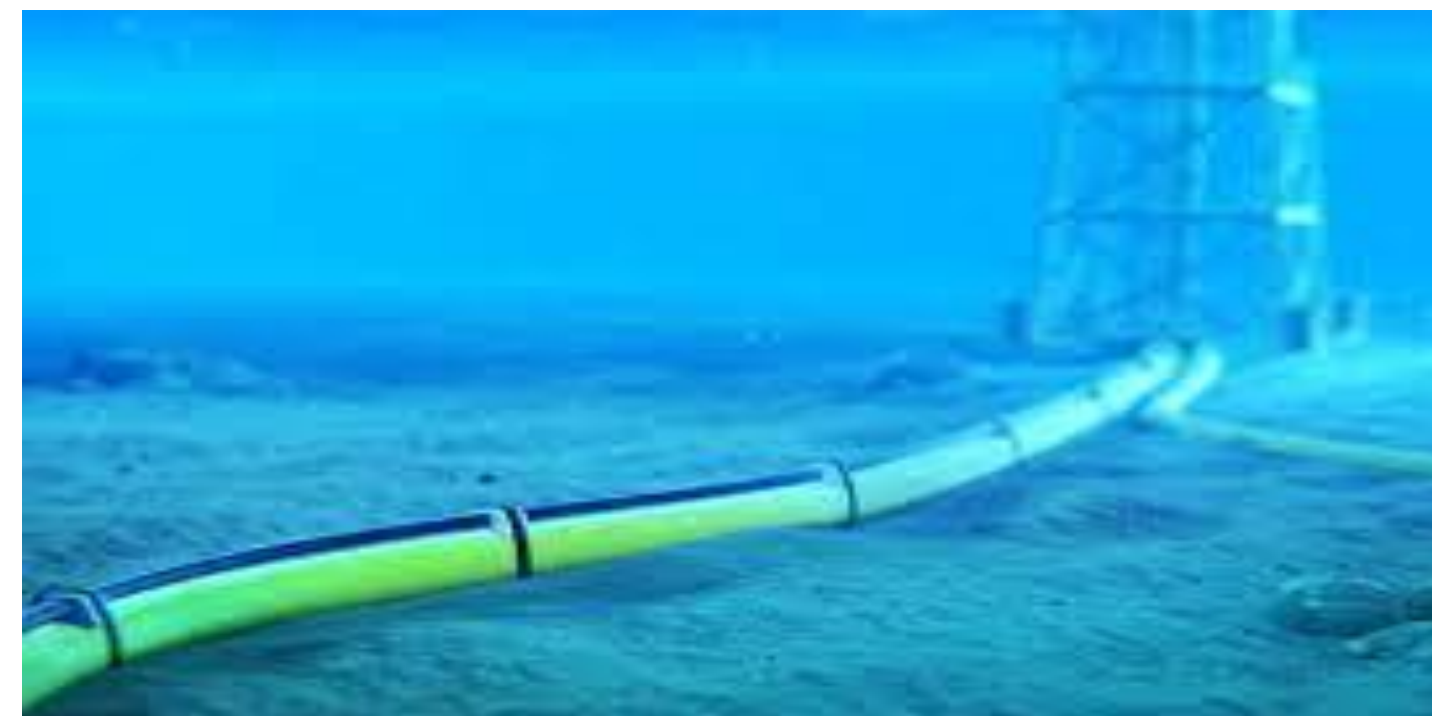
Second customers won in Q2 which is world leader in solar inverters.



Electrical control cabinets for HVDC

Several projects won from leading global customer for HVDC power transmission.

First project delivered in Q2.



Electrification (Railway)



Several new railway projects won

Inductives for Chennai Metro, extension of NYC Metro, and first order from Stadler rail in Switzerland during Q2.

Deliveris from our factories in US, India and Hungary.

Electrical cabinets for DNB Hamburg

New order for electrical cabinets for Hamburg.

Deliveries from Bulgaria



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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 to compliment our existing office in Torshälla. Grown from 5 engineers to 40 engineers.

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Questions



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Questions?

