

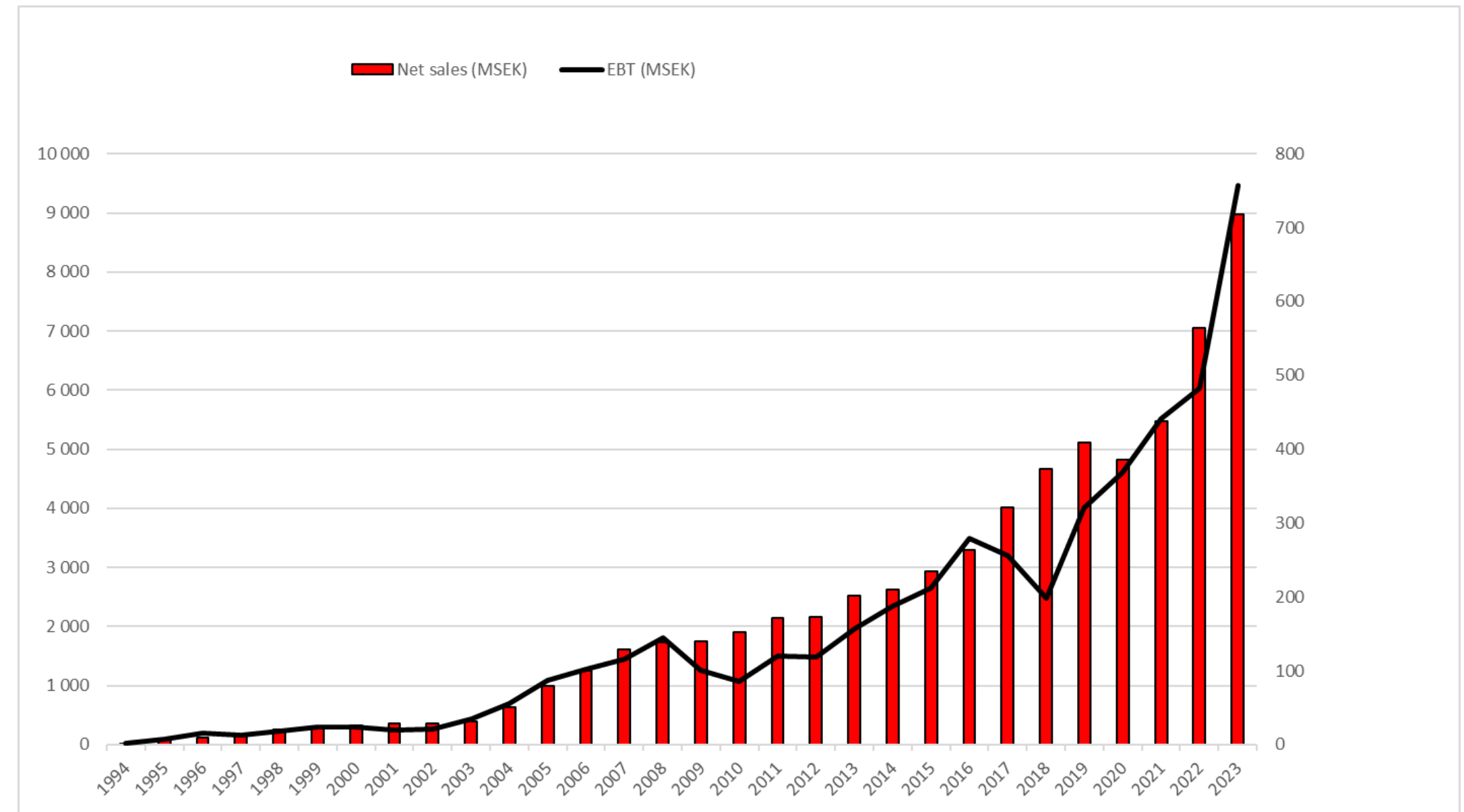


AQ Group
Investor presentation Q4 2023

Why invest in AQ Group



- aq** EPS CAGR +15% over the past 10 years
- aq** Profit every quarter since foundation in 1994
- aq** Exposure to industrial market segments with underlying growth;
 - aq** Electrification (E-mobility, renewables, energy storage, energy transmission)
 - aq** Data Centers
 - aq** Defence
- aq** Long history of acquisitions. 2-4 factories/year
- aq** Strong balance sheet – low net debt





Fourth Quarter, Oct-Dec 2023 in brief

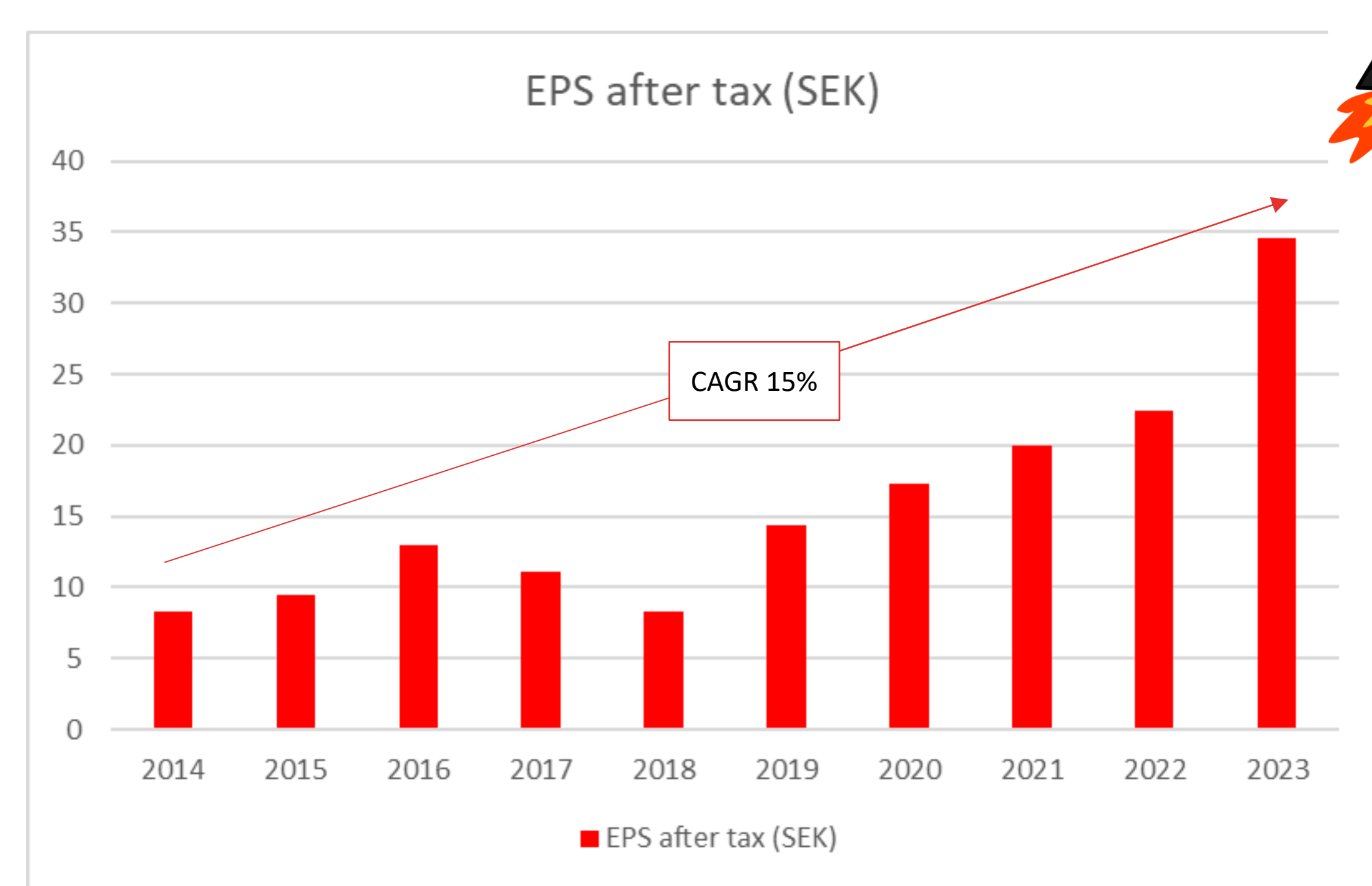
- Strong cash flow and the board proposes doubled dividend
 - Net sales increased by **12%** to SEK 2,221 million (1,974)
 - Operating profit (EBIT) increased by 30% to SEK 193 million (148)
 - Profit after financial items (EBT) increased by 33% to SEK 182 million (137)
 - Profit margin before tax (EBT %) was **8.2%** (6.9)
 - Profit after tax amounted to SEK 134 million (134)
 - Cash flow from operating activities amounted to SEK 239 million (140)
 - Earnings per share before dilution amounted to SEK 7.32 (7.27)
- Goal 15% growth
 - Goal 8% EBT margin

Full year 2023 in brief



- Net sales increased by 27% to SEK 8,968 million (7,053)
 - Operating profit (EBIT) increased by 61% to SEK 792 million (491)
 - Profit after financial items (EBT) increased by 57% to SEK 757 million (482)
 - Profit margin before tax (EBT %) was 8.4% (6.8)
 - Profit after tax increased by 54% to SEK 636 million (413)
 - Cash flow from operating activities amounted to SEK 980 million (208)
 - Earnings per share before dilution amounted to SEK 34.57 (22.43)
 - Equity ratio was 63% (56)
 - The Board of Directors proposes a dividend of SEK 6.66/share (SEK 3.33/share)
- Goal 15% growth
 - Goal 8% EBT margin
 - Goal 40%

EPS Growth

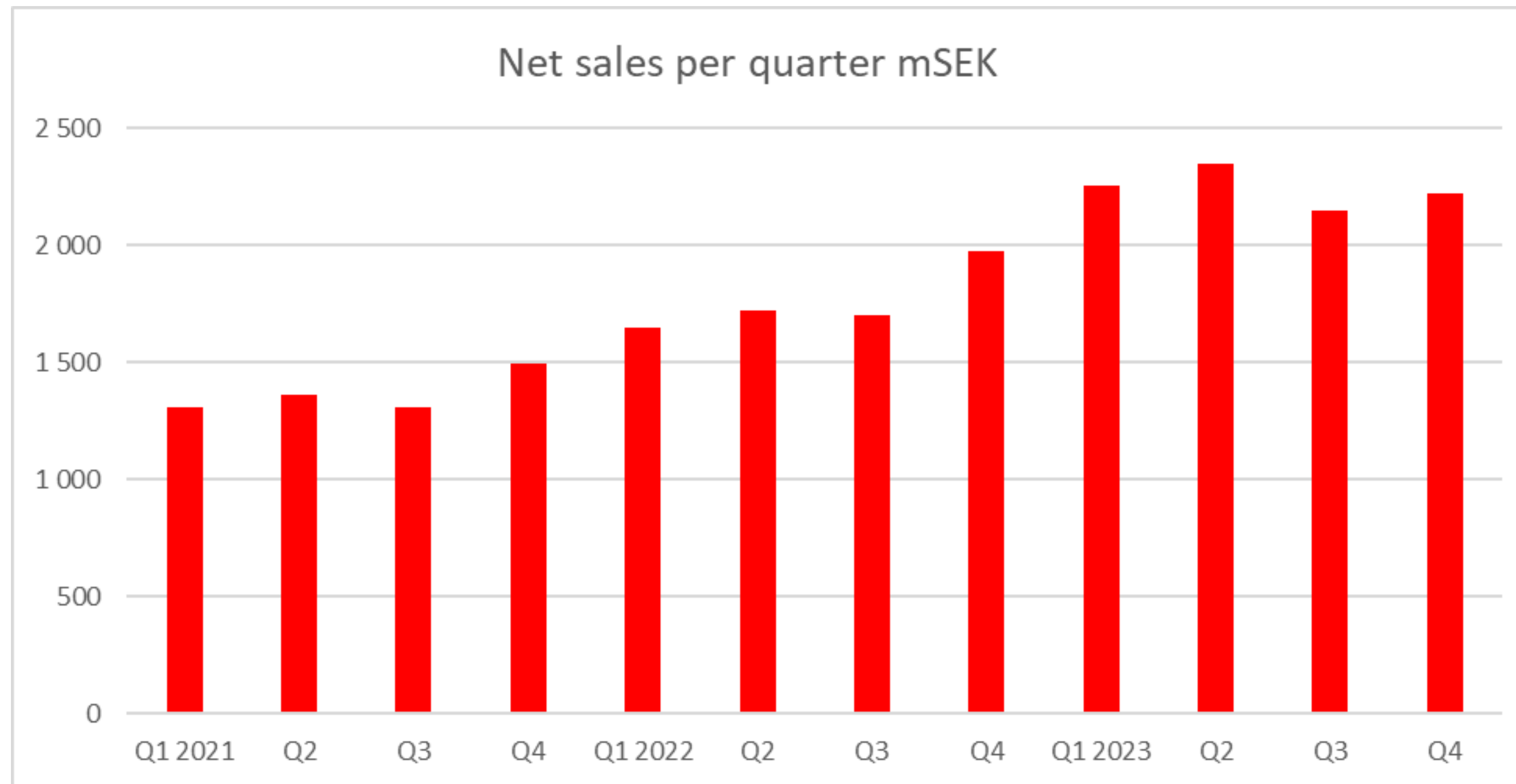


15% CAGR EPS
 2014-2023

2023 EPS growth of 54% vs 2022

Higher tax in Q4 2023 vs. 2022 due
 to earnings geography

Net sales

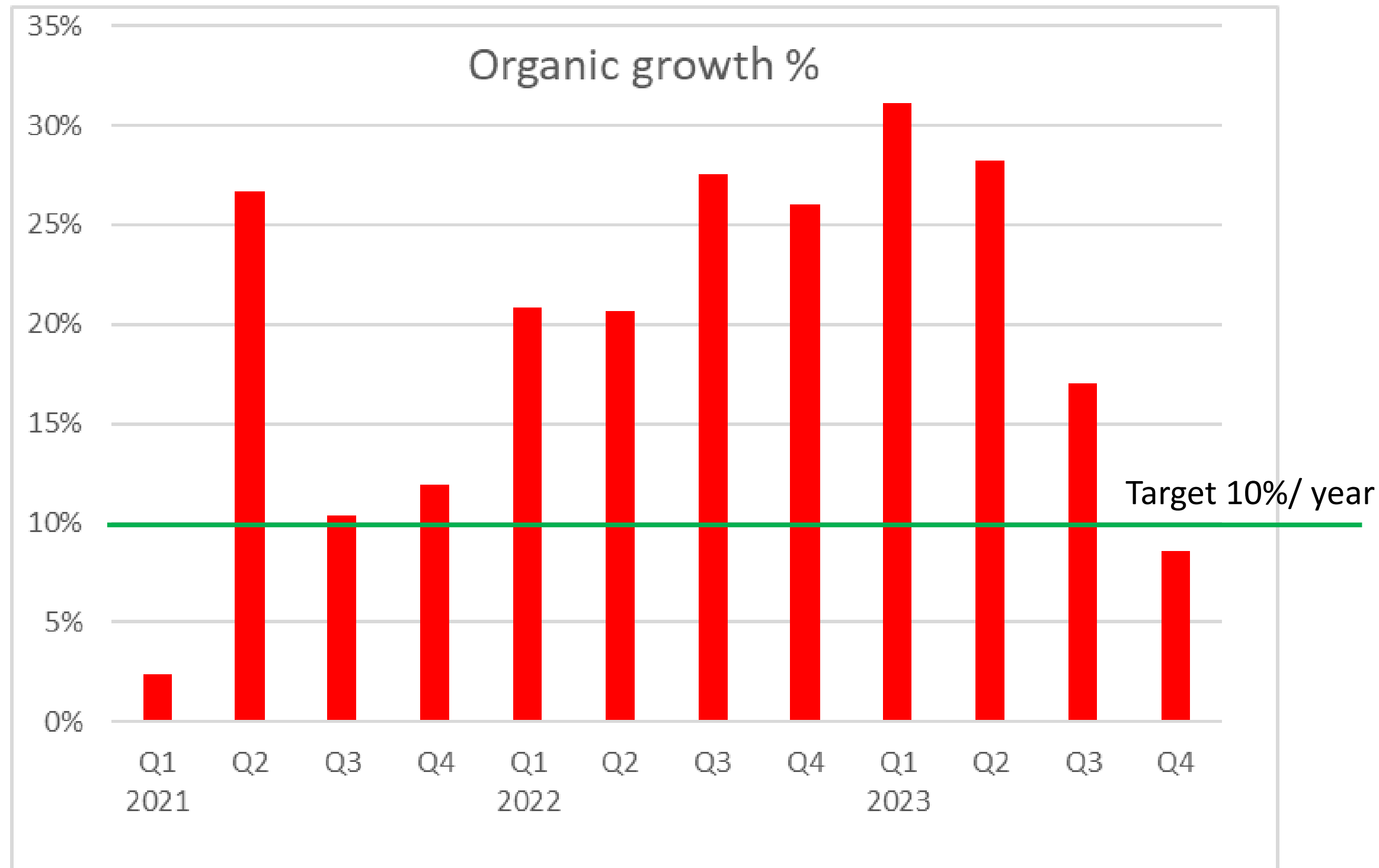


Ok turnover in the quarter. Growth +12,5% vs Q4 2022, whereoff 4% was currency.

Still capacity and productivity constraints in Finland & Poland and in some parts of Sweden.

Increases in the quarter mainly in electrification, defence industry, commercial vehicles, & marine.

Organic growth



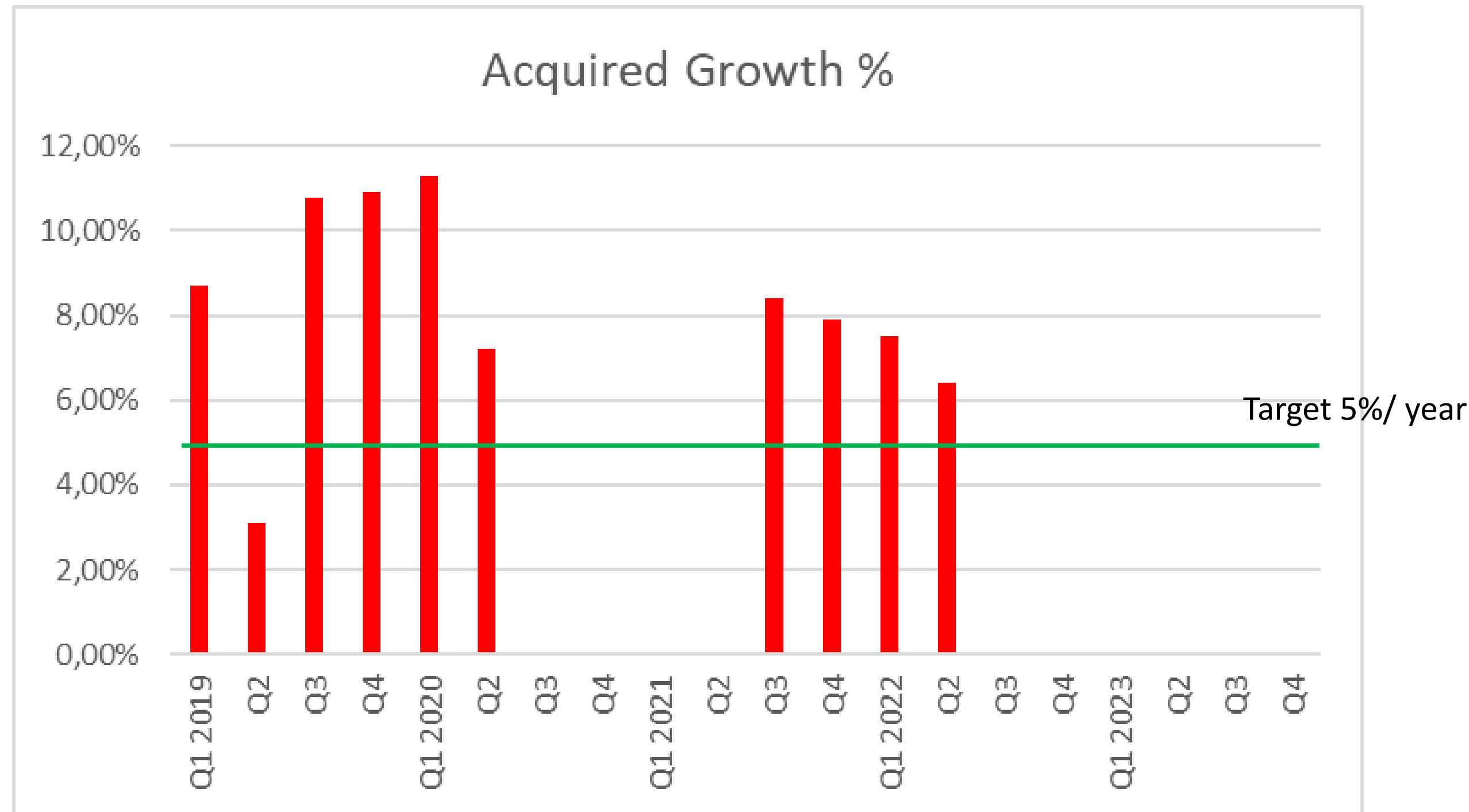
Organic growth was **8,6%**, below our target of 10%.

Two customers have postponed projects at the end of the quarter to Q1 2024.

Main part of the growth comes from electrification, defence, commercial vehicles railway and marine.

The growth countries in Q4 where Lithuania, Sweden, Bulgaria, USA and Finland.

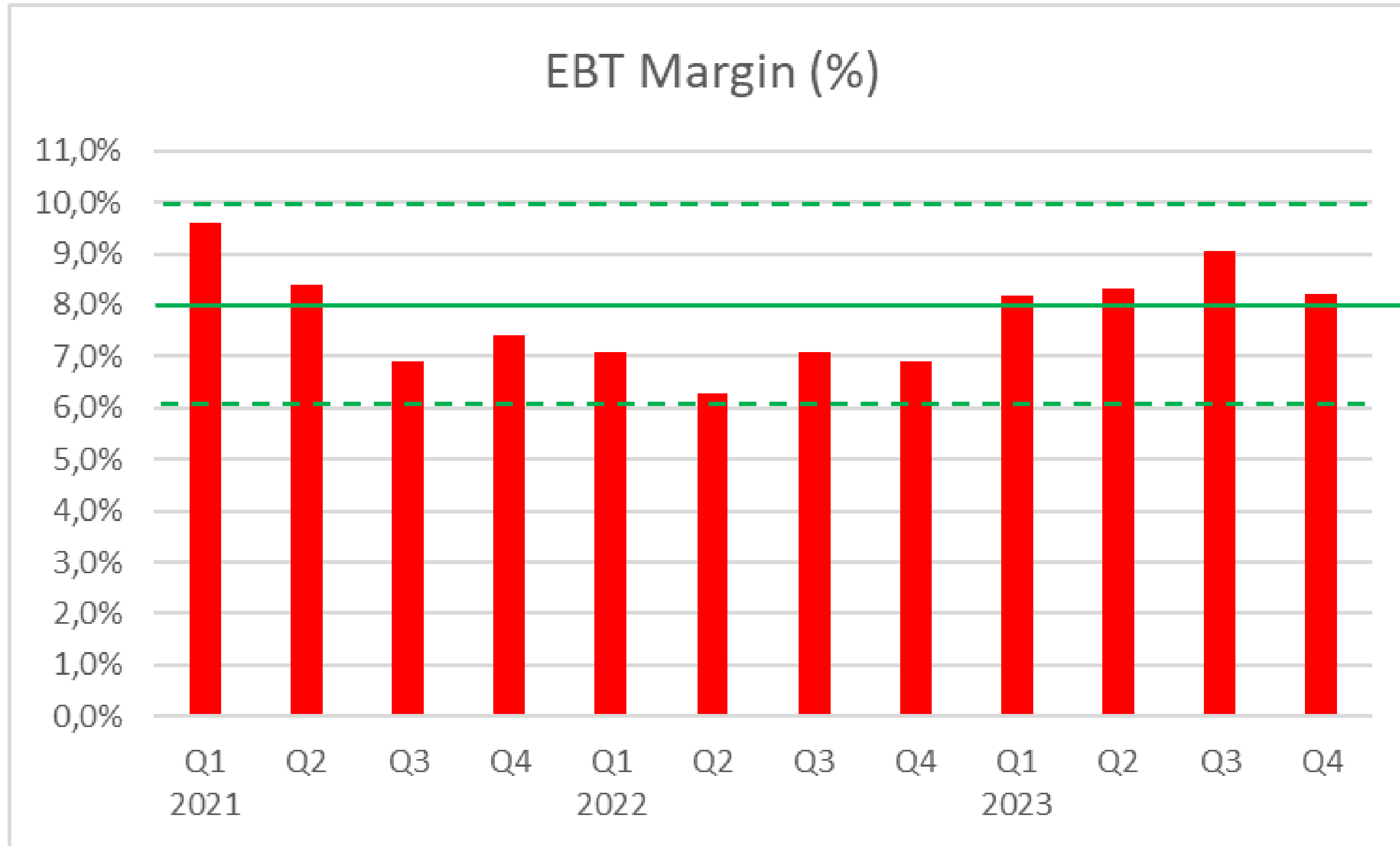
Acquired Growth



Several targets. Some closer than others.

Same message as last quarter: We should be disappointed if we have not closed some good deals before Q2 2024.

EBT Margin



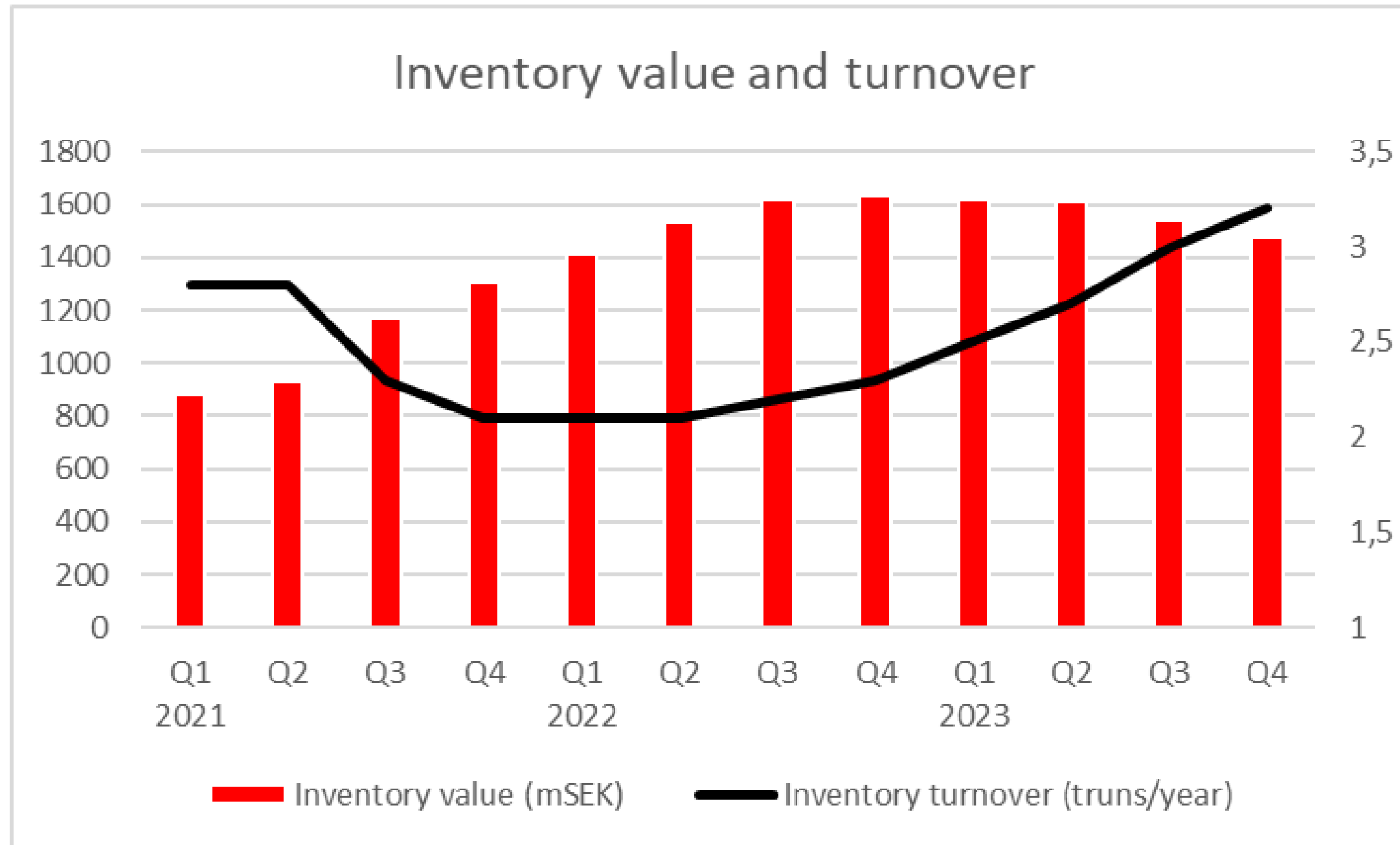
Disappointed in the margin in Q4 despite reaching our target.

Extra costs for late deliveries and quality non conformities press margin down in the quarter. Process improvements made that should improve situation going forward.

Opportunities to improve operationally in India, China, Mexico Finland and Hungary.

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

Inventory value & turnover development

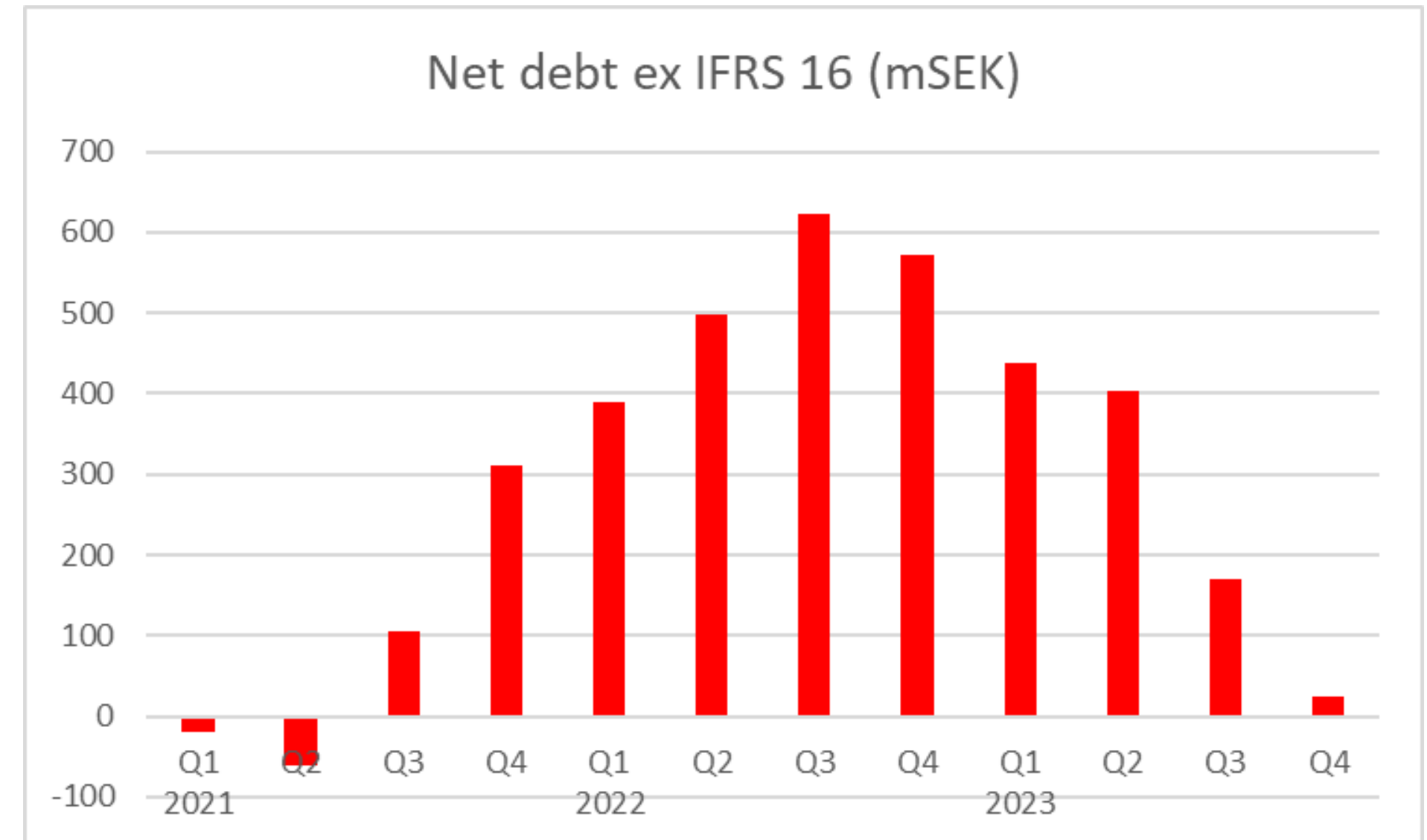
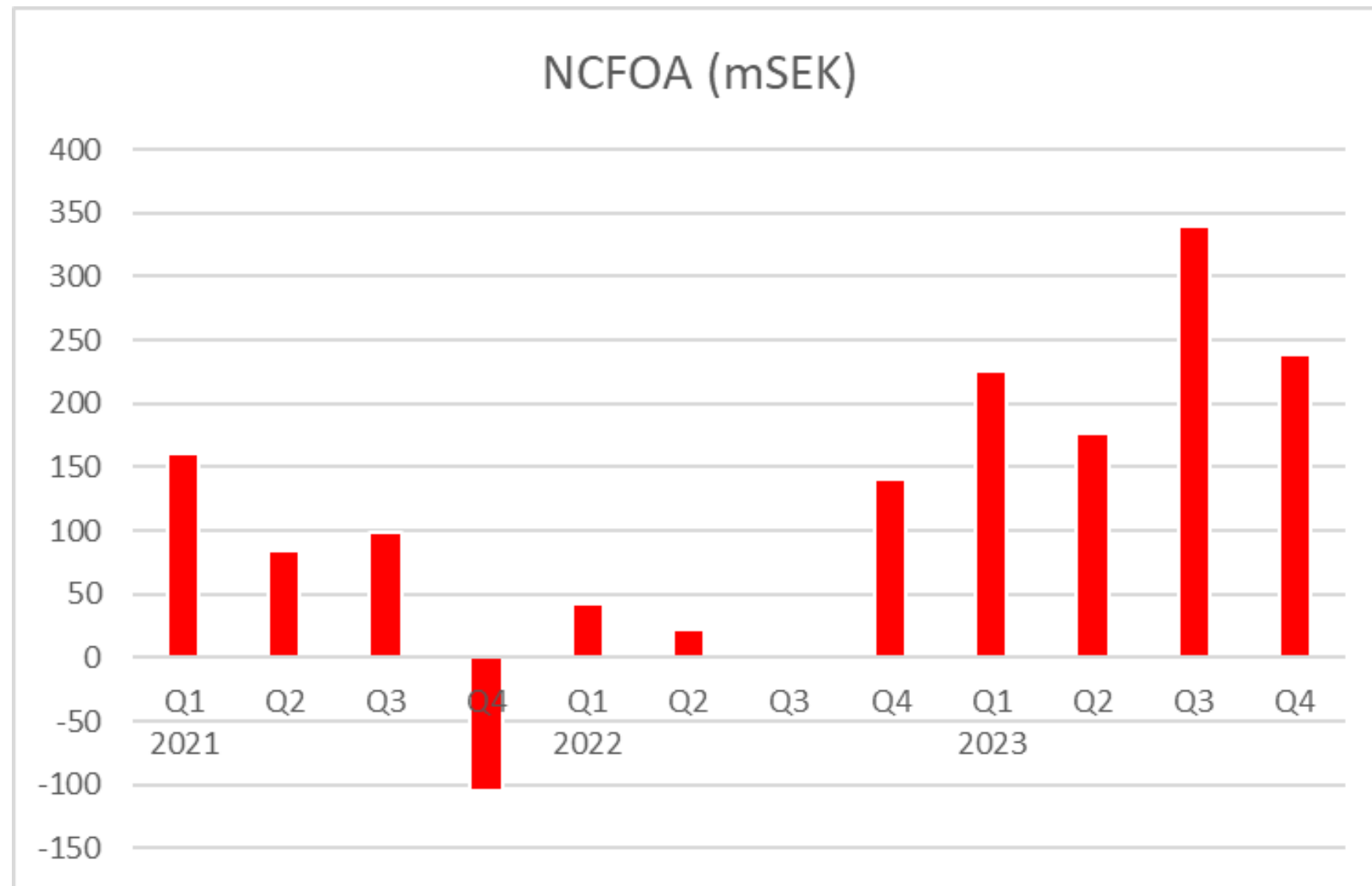


Inventory turnover target is 3.5 turns/year.

Our actions improved inventory turnover as planned. We are currently at 3.2 turns/year and aim to reach our target in 2024.

Main reason for high inventory turnover is to reduce risk of obsolescence in the inventory but also to generate better cash flow.

Net cash from operating activities and Net debt



Good operating cash flow of **239**mSEK in the quarter which results in net debt (ex IFRS 16) of **25**mSEK. Mainly driven by good profit level and increased inventory turnover.

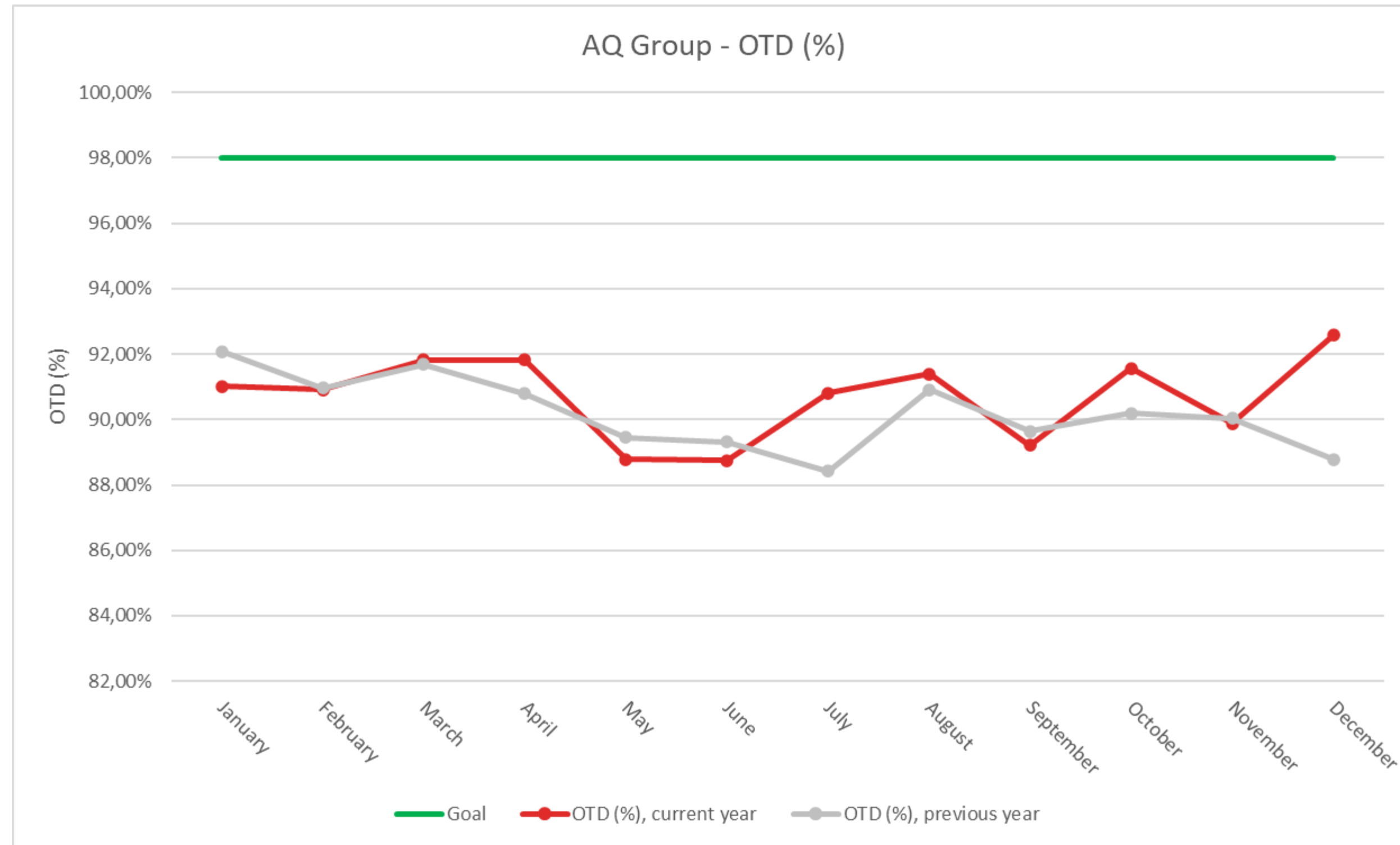


Quality and delivery precision

WE ARE RELIABLE



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



Result: **91.35%**

Still disappointing. We have made big investments in increased capacity in many of our factories, with more people, machines and square meters but still we are unable to delivery as we have confirmed to our customers.

However trend starts to improve in December were we reached 92,6%. Still 15 subsidiaries with problems. But we had 20 at the start of the year.

Quality, productivity and capacity improvements are the main focus areas.

WE ARE RELIABLE

Battery systems in Bulgaria

- aq** We have done a very fast ramp up during 2023 with a large customer.
- aq** Internal quality not satisfactory. A lot of efforts and extra costs to keep delivery times with good quality.
- aq** Currently no new project with this customer in 2024. Volume for this customer was 250mSEK in 2023.
- aq** Ramp up in this factory with 2 other customers in 2024.





Projects for future growth and outlook

WE ARE RELIABLE

Electrification Global – Transm.+ Storage + charging + drives



WE ARE RELIABLE

Enclosures, super cap racks & inductives for Data Centers



WE ARE RELIABLE

Defence US, EU – Wiring Systems, Inductive, Sheet Metal

1994 **30** 2024
aq



WE ARE RELIABLE

Q & A

