



Västerås 07/19/2013

## **AQ Group AB (publ)**

### **Interim report January – June 2013**

#### **Second quarter, April - June 2013, in brief**

- Net sales SEK 637 million (550)
- Operating profit SEK 45 million (39)
- Profit after financial items SEK 42 million (38)
- Equity ratio 54 % (64)
- Earnings per share after tax SEK 1.85 (1.67)

#### **Six months, January - June 2013, in brief**

- Net sales SEK 1,216 million (1,075)
- Operating profit SEK 65 million (58)
- Profit after financial items SEK 62 million (58)
- Equity ratio 54 % (64)
- Earnings per share after tax SEK 2.77 (2.58)

## **Significant events during and after the end of the period**

Net sales rose to 637 MSEK, an increase of 86 MSEK compared with the previous year. Net sales excluding acquisitions and currency rose by 0.5 %.

Operating profit and profit after financial items have risen compared with the first quarter last year. Profit per share after tax has risen by 11 %.

The 15-MSEK investment programme in machines and automation equipment at AQ Holmbergs Suzhou Co. Ltd in China is now complete and we anticipate substantial increases in volumes at the company during the autumn.

AQ Electric Suzhou in China has received an order to the value of 12 mCNY for transformers and inductors for Bombardier in China. Design and technology development has been carried out by AQ Trafo AB and AQ Italy S.R.L.

The office in Norway with three employees will be closed down in 2013. Work that was previously carried out by the Norwegian company will now be transferred to our Lithuanian company. The wire harnessing business at the Lithuanian AQ Wiring Systems UAB has been developed into a complete company with its own responsibility for sales and purchasing.

The restructuring of the transformer business has been implemented. AQ Trafo AB now has six employees working with Market & Technology and AQ Magnit AD in Bulgaria has total responsibility for sales and purchasing.

AQ Mekatronik is winding up its manufacturing business in Bollnäs where 26 people are currently employed and costs for this have been set aside. About five people will stay on in Bollnäs to work with Market & Technology.

Our automation business in Alingsås is being wound up/sold. The six employees have been given notice and costs for this have been set aside.

The project aimed at reducing capital tied up in stock is in progress. Since the beginning of the year we have achieved a reduction of 23 mSEK, but a great deal of work remains to be done before we reach our target.

AQ Retor's business in Färgelanda has been closed down and production has been moved to AQ Holmbergs AB in Anderstorp.

## **Information of parent company**

The parent company, AQ Group AB, focuses primarily on leadership and development of the Group. Company sales are, as in previous years, almost exclusively of sale of management services to subsidiaries. Purchases from the subsidiaries do not exist to any appreciable extent.

## **The drawing up of the interim report**

The interim report has been prepared in accordance with the Swedish Annual Accounts Act as well as IFRS, applying IAS 34, Interim Financial Reporting, which contains general requirements for the design, structure and minimum information requirements in the interim report. The accounting and valuation principles applied are the same as used in the latest annual report for 2012.

The report has not been audited.

## **Significant estimates and evaluations for accounting purposes**

The Board has in preparing the interim report found no record that would be especially exposed from a risk point of view and thus induce significant adjustments to future periods.

## Future prospects

The board of directors is currently of the opinion that net sales and profits for the full year 2013 will be an improvement on 2012.

The Group strives for continued profitable growth within its business areas. The growth will be achieved both organically and through acquisitions.

## AQ in brief

AQ is a leading supplier to demanding industrial customers and is listed on AktieTorget.

The Group operates in two business segments *Component* which produce transformers, cabling, mechanical parts, stamped sheet metal and plastic injection molding and *Systems* which produces systems, automation and power solutions and assemble complete machines in close cooperation with customers.

## The Group's Income Statement (KSEK)

	Q2 2013	Q2 2012	Acc 2012	Acc 2011
Net sales	636 915	550 494	1 216 330	1 075 467
Other operating income	6 499	3 014	12 818	4 674
Operating expenses	-598 841	-514 411	-1 163 770	-1 022 824
<b>Operating profit</b>	<b>44 573</b>	<b>39 398</b>	<b>65 379</b>	<b>57 617</b>
Result from financial items	-2 960	-1 197	-3 670	-106
<b>Profit after financial items</b>	<b>41 613</b>	<b>38 201</b>	<b>61 708</b>	<b>57 511</b>
Tax on profit for the year	-8 191	-8 281	-11 876	-11 957
<b>Net profit for the year</b>	<b>33 422</b>	<b>29 920</b>	<b>49 833</b>	<b>45 554</b>
Earnings per share after full tax <sup>1)</sup>	1,85	1,67	2,77	2,58
Net margin %	6,5%	6,9%	5,1%	5,3%

1) Earnings per share after taxes attributable to the parent company's shareholders.

## The Parent Company's Income Statement (KSEK)

	Q2 2013	Q2 2012	Acc 2012	Acc 2011
Net sales	9 280	10 718	18 503	20 945
Other operating income	0	0	1	0
Operating expenses	-6 326	-3 573	-12 245	-8 271
<b>Operating profit</b>	<b>2 954</b>	<b>7 145</b>	<b>6 260</b>	<b>12 674</b>
Result from financial items	-9 686	1 376	-9 728	1 447
<b>Profit after financial items</b>	<b>-6 732</b>	<b>8 520</b>	<b>-3 468</b>	<b>14 121</b>
Appropriations <sup>1)</sup>	-250	0	-250	0
Tax on profit for the year	-700	-2 241	-1 420	-3 714
<b>Net profit for the year</b>	<b>-7 682</b>	<b>6 280</b>	<b>-5 138</b>	<b>10 407</b>

## Balance Sheet (KSEK)

	Group		Parent company	
	Q2 2013	Q4 2012	Q2 2013	Q4 2012
<b>Assets</b>				
Fixed assets	345 173	337 858	311 476	301 919
Inventories	443 867	466 695		
Other current receivables	668 323	583 828	150 489	227 493
Cash and bank balances	54 003	55 893	9 088	10 004
<b>Total assets</b>	<b>1 511 366</b>	<b>1 444 274</b>	<b>471 052</b>	<b>539 416</b>
<b>Equity and liabilities</b>				
Equity	816 570	783 551	281 069	309 652
Untaxed reserves			31 390	31 140
Interest-bearing liabilities	239 505	252 042	146 687	185 136
Other liabilities	455 292	408 680	11 906	13 488
<b>Total equity and liabilities</b>	<b>1 511 366</b>	<b>1 444 274</b>	<b>471 052</b>	<b>539 416</b>
<b>Equity ratio</b>	<b>54%</b>	<b>54%</b>	<b>65%</b>	<b>62%</b>

## Cash Flow Analysis (KSEK)

	Group		Parent company	
	Acc 2012	Acc 2011	Acc 2012	Acc 2011
Net operating profit/loss	65 379	57 617	6 260	12 674
Result from financial items	-1 728	-106	-234	1 447
Income tax paid	-20 231	-12 714	-3 852	-3 714
Non-cash transactions	23 550	8 190	6	21
Changes in working capital	-505	-4 244	69 607	55 386
Cash flow from investing	-33 166	-15 240	-7 848	14 527
Cash flow from financing activities	-34 474	6 116	-64 392	-45 539
<b>Increase/reduction of liquid funds</b>	<b>-1 176</b>	<b>39 619</b>	<b>-453</b>	<b>34 802</b>
Liquid funds at beginning of year	55 893	58 078	10 004	27 346
Exchange rate difference in liquid funds	-714	-120	-463	0
<b>Liquid funds at end of period</b>	<b>54 003</b>	<b>97 577</b>	<b>9 088</b>	<b>62 148</b>

## Equity (KSEK)

Group	Equity attributable to parent company shareholders						Minority share-holding	Total Equity
	Share-capital	Other paid-in capital	Trans-lation reserve	Profit/Loss brought forward	Sub-total			
<b>KSEK</b>								
<b>Equity, 01/01/2012</b>	<b>35 918</b>	<b>30 691</b>	<b>2 336</b>	<b>621 956</b>	<b>690 901</b>		<b>84</b>	<b>690 985</b>
<i>Net profit</i>				98 531	98 531		103	98 633
Transl.diff. in foreign comp.			-8 204		-8 204		-44	-8 247
<i>Other comprehensive income</i>								
New share issue	150	3 323			3 473			3 473
Through acquisitions				22 054	22 054			22 054
Paid dividends				-23 347	-23 347			-23 347
<i>Transactions with shareholders</i>								
<b>Equity, 01/01/2013</b>	<b>36 068</b>	<b>34 014</b>	<b>-5 868</b>	<b>719 194</b>	<b>783 408</b>		<b>142</b>	<b>783 551</b>
<i>Net profit</i>				49 628	49 628		204	49 833
Transl.diff. in foreign comp.			6 608		6 608		23	6 630
<i>Other comprehensive income</i>								
Paid dividends				-23 444	-23 444			-23 444
<i>Transactions with shareholders</i>								
<b>Equity, 30/06/2013</b>	<b>36 068</b>	<b>34 014</b>	<b>739</b>	<b>745 378</b>	<b>816 199</b>		<b>369</b>	<b>816 570</b>
Parent company	Restricted equity			Non - restricted equity			Sub-total	Total Equity
	Share-capital	Statutory reserve	Sub-total	Share premium reserve	Fair value reserve	Oth. Non-restr. EQ		
<b>Equity, 01/01/2012</b>	<b>35 918</b>	<b>1 156</b>	<b>37 075</b>	<b>30 691</b>		<b>221 020</b>	<b>251 711</b>	<b>288 786</b>
<i>Net profit</i>						40 740	40 740	40 740
New share issue	150		150	3 323			3 323	3 473
Paid dividends						-23 347	-23 347	-23 347
<i>Transactions with shareholders</i>								
<b>Equity, 01/01/2013</b>	<b>36 068</b>	<b>1 156</b>	<b>37 225</b>	<b>34 014</b>		<b>238 413</b>	<b>272 427</b>	<b>309 652</b>
<i>Net profit</i>						-5 138	-5 138	-5 138
Paid dividends						-23 444	-23 444	-23 444
<b>Equity, 30/06/2013</b>	<b>36 068</b>	<b>1 156</b>	<b>37 225</b>	<b>34 014</b>		<b>209 830</b>	<b>243 845</b>	<b>281 069</b>

All shares, 18,034,058, are A-shares with equal voting rights

## Personnel

Employees	Bulgaria	China	Estonia	India	Italy	Lithuania	Mexico	Norway	Poland	Sweden	Total
30/06/2013	821	485	211	64	4	517	107	3	343	845	3 400

## Future Reporting Dates

Interim Report Q3, 2013

October 22, 2013

Year-end 2013

February 20, 2014

Annual Report

April 2014

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