

# Interim report Q1 2017

## First quarter 2017

- Incoming orders rose 15% to SEK 702 million (610)
- Net sales rose 17% to SEK 671 million (574)
- Operating profit rose 28% to SEK 73 million (57)
- EBITA rose 25% to SEK 78 million (62)
- Profit after tax rose 27% to SEK 56 million (44)
- Earnings per share were SEK 2.40 (1.89)



## Strong start to 2017

OEM's first quarter in 2017 has continued the positive trend on which 2016 ended. We are experiencing strong demand, particularly from Swedish and Finnish industrial companies, and this has once again produced a record quarter. Net sales increased by 17% to SEK 671 million compared with the first quarter of 2016. Currency effects and acquisitions accounted for 5% of the growth, which meant that OEM's organic growth was 12%. Growth of incoming orders was also positive and was higher than sales in the first quarter.

The operating margin was 12%, which was a 1 percentage point improvement on the first quarter of 2016. This increase is attributable to increased sales and compensates for a slightly lower gross margin than last year, which is due to the growth largely being related to major customer partnerships where the margins are naturally somewhat lower.

### Strong growth in Sweden and Finland

In terms of our regions, growth remains strong in Sweden. In the Swedish market, we are experiencing generally favourable demand, especially from the exporting companies. This has resulted in robust organic growth. Growth has been positive for the majority of our Swedish operations and the large operations, like OEM Automatic and OEM Electronics, have contributed strong figures to the Group's excellent quarter.

We have been seeing an upward growth curve in Region Finland, the Baltic states and China for several years. Growth was further bolstered in Finland during the quarter and we feel that the Finnish industrial economy is on its way to recovery. Our operations in the Baltic states and China have also developed well during the quarter.

In the first quarter, OEM reported growth in the company's third region, which comprises Denmark, Norway, the United Kingdom and the countries of East Central Europe. The increased sales are primarily related to positive performances in the United Kingdom, the Czech Republic and Hungary. For other markets, it was basically a period of flat growth compared with the corresponding period last year.

### Successful integration of last year's acquisitions

OEM acquired the Finnish company Sitek-Palvelu and the Swedish company RF Partner AB, with its subsidiary Ranatec Instrument AB, at the end of 2016. It has been a smooth integration process so far for both the businesses and I'm pleased to see they've got off to a good start in OEM. We are continuously assessing potential takeover targets in line with our goal of annually adding sales of SEK 100-150 million through business acquisitions.

### OEM in the future

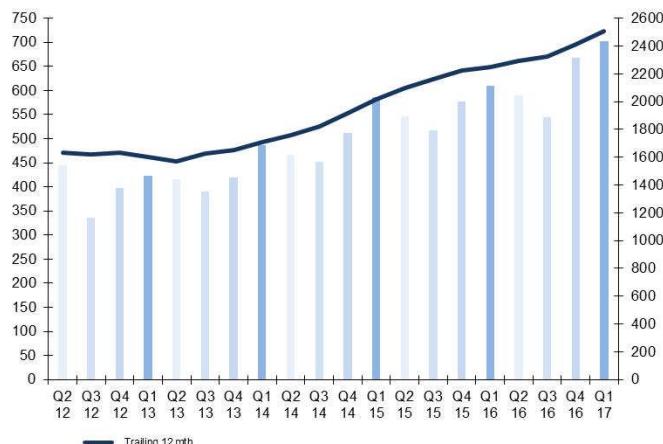
The success enjoyed by OEM in the first quarter is a continuation of a long period of positive performance. At the same time, this success is proof that we have a highly-efficient business model and an organisation that takes a long-term approach to bringing added value to our suppliers and customers. We are also clearly seeing the results of our efforts to make our business more digital and we are maintaining a good pace of change in line with our aim to be at the forefront of our industry in this area too. The investments we are making in time, money and relationships are creating the foundation for OEM's success far into the future.

Jörgen Zahlin

Managing Director and Chief Executive Officer

## Incoming orders

SEK million

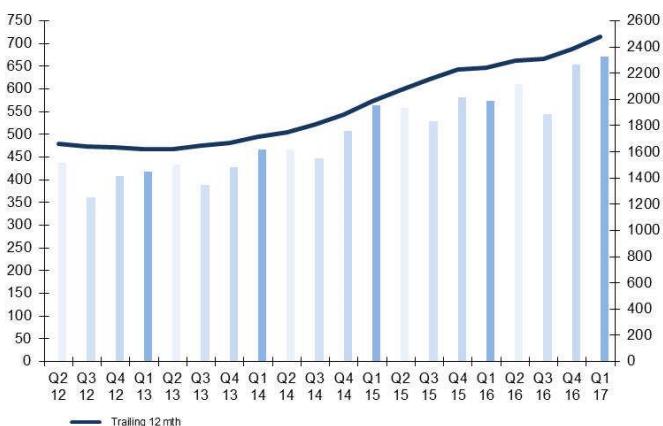


## Incoming orders

Incoming orders increased by 15% to SEK 702 million (610) in the first quarter of 2017. For comparable entities, incoming orders rose 14% and the acquired incoming orders were 1%. In the first quarter of 2017, incoming orders were 5% higher than net sales. At SEK 329 million (298) on 31 March 2017, the order book was 10% higher than on the corresponding date of the previous year.

## Net sales

SEK million



## Sales growth

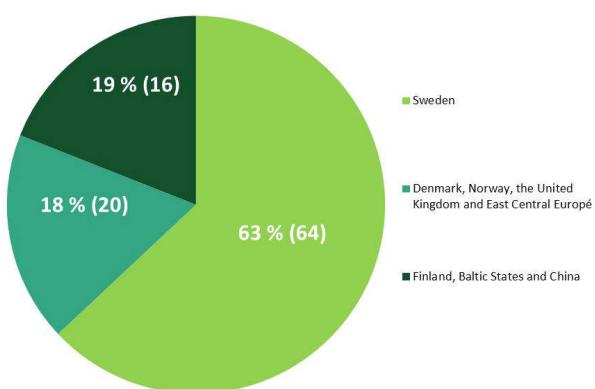
Net sales in the first quarter increased by 17% to SEK 671 million (574).

For comparable entities, net sales rose 14% and acquired sales were 3%. Foreign currency exchange rate movements had a positive 2% effect on net sales in the first quarter.

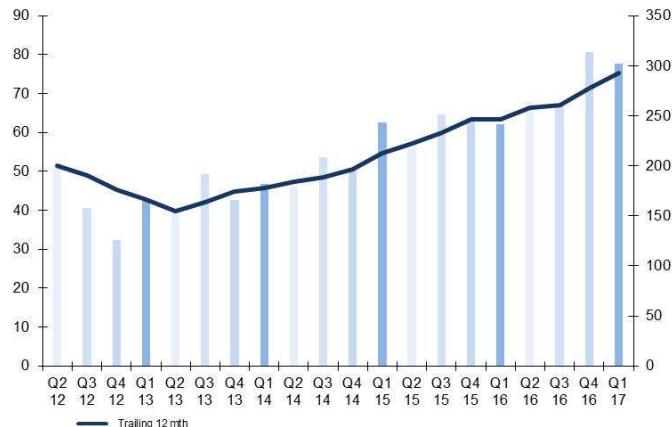
The Swedish operations of Agolux, Telfa, ATC Tape Converting, Svenska Helag, OEM Electronics and OEM Automatic, and the operations in Finland, Hungary and the Czech Republic reported the highest percentage growth in net sales compared with last year.

There has been some shift in the share of sales between the regions in the first quarter compared with the year-ago period. Region Finland, the Baltic states and China has reported positive growth and has increased its share by 3 percentages over the prior year period. Region Sweden and Region Denmark, Norway, the UK and East Central Europe are down 1 percentage and 2 percentages respectively on the corresponding prior year period.

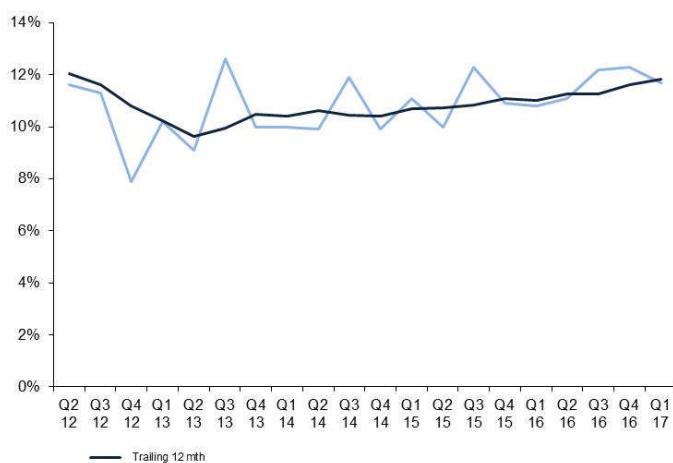
## Share by region



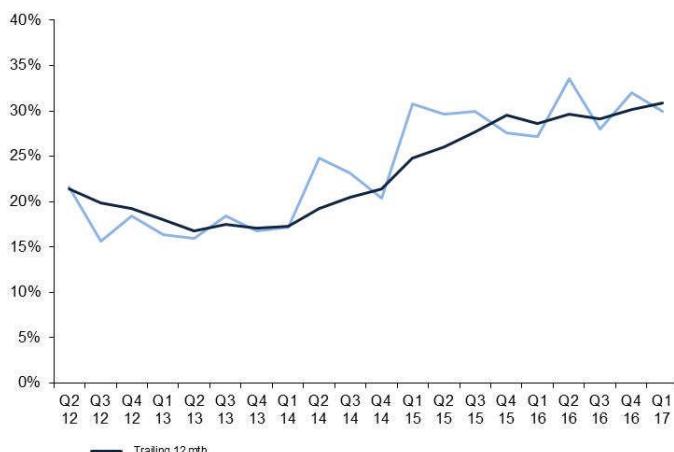
## EBITA SEK million



## EBITA margin



## Return on equity



**Note:** The return on equity for each quarter is listed by four to provide a better comparison with the trailing twelve months in the diagram.

## Earnings trend

EBITA, operating profit before amortisation of acquisition-related intangible fixed assets, in the first quarter was SEK 78 million (62), which is an increase of 25%.

The EBITA margin was at 11.7% (10.8%).

In the first quarter, operating profit was SEK 73 million (57) and the operating margin rose to 10.8% (9.9%).

Profit after tax in the first quarter rose 27% to SEK 56 million (44).

Earnings per share for the first quarter were SEK 2.40 (1.89).

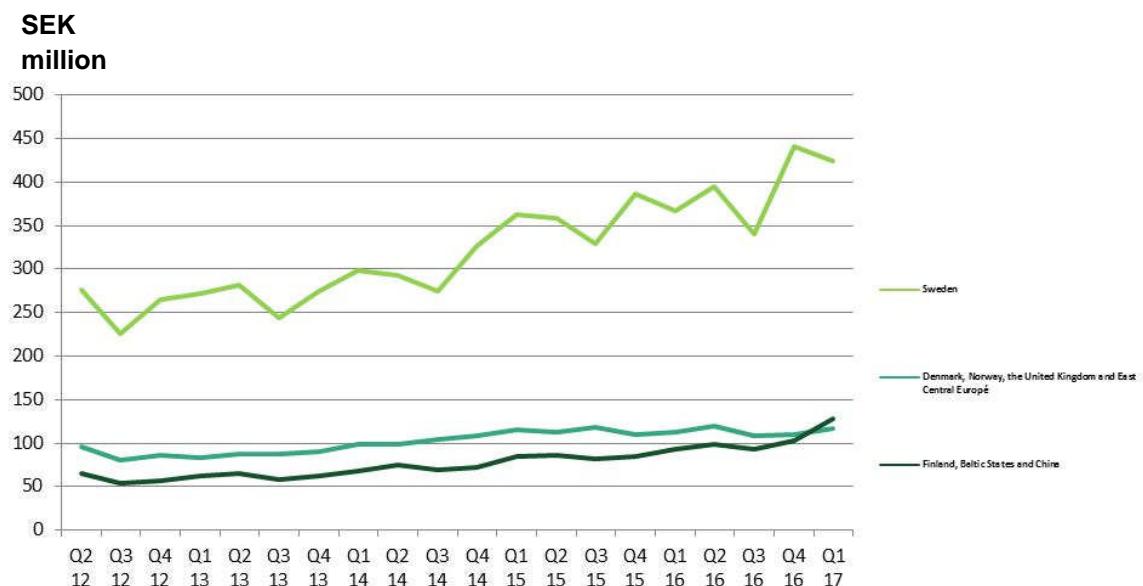
## Return

The return on equity in the first quarter was 7.5% compared with 6.8% in the year-ago quarter.

The trailing-twelve-month return on equity was 31%, which is well above the 20% target.

Shareholders' equity amounted to SEK 765 million (664) with an equity/assets ratio of 56% (52%) on 31 March 2017.

## Sales growth by region for each quarter



## Sweden

OEM Automatic AB, OEM Motor AB, Telfa AB, Svenska Batteripoolen AB, Elektro Elco AB, Nexa Trading AB, OEM Electronics AB, Internordic Bearings AB, Svenska Helag AB, Flexitron AB, Agolux AB, Ernst Hj Rydahl Brömsbandfabrik, ATC Tape Converting AB and Ranatec Instrument AB.

SEK million	2017 Q1	2016 Q1	2016 Full year	Trailing 12 month
Incoming orders	431	395	1,564	1,600
Net sales	425	368	1,543	1,600
EBITA	62	47	221	236
EBITA margin	15%	13%	14%	15%

Net sales rose 16% in the first quarter of 2017 to SEK 425 million (368). Acquisitions had a beneficial 1% effect on net sales and, with a 2% effect from foreign currency exchange rate movements, this means that organic growth in the region was 13%. More or less all operations are performing well and Agolux, Telfa, ATC Tape Converting, Svenska Helag, OEM Electronics and OEM Automatic account for the largest percentage growth in net sales.

Incoming orders increased by 9% to SEK 431 million (395). Incoming orders in the first quarter were 1% higher than net sales.

EBITA rose by 31% to SEK 62 million (47) in the first quarter, due primarily to higher net sales.

## Finland, the Baltic states and China

OEM Automatic FI, Akkupojat Oy, OEM Electronics FI, Scannotec Oy, Sitek-Palvelu OY, OEM Automatic OU, OEM Automatic UAB, OEM Automatic SIA, OEM Automatic (Shanghai) Co.Ltd.

SEK million	2017 Q1	2016 Q1	2016 Full year	TTM
Incoming orders	144	98	397	442
Net sales	128	94	389	424
EBITA	13	9	35	39
<i>EBITA margin</i>	10%	10%	9%	9%

Net sales for the region in the first quarter rose 37% to SEK 128 million (94). Acquisitions had a beneficial 15% effect on net sales and, with a positive 2% effect from foreign currency exchange rate movements, this means that organic growth in the region was 20%.

The level of incoming orders has also been good, rising 46% to SEK 144 million (98).

Incoming orders exceeded net sales by 12% in the first quarter. Growth has been robust across most of the operations in Finland. Demand has been strong in the Baltic states too and net sales rose 17%. The operations in China have reported an 11% increase in sales.

EBITA rose 44% to SEK 13 million (9), due primarily to increased net sales.

## Denmark, Norway, UK and East Central Europe

OEM Automatic Klitsö A/S, OEM Automatic AS, OEM Automatic Ltd, OEM Automatic Sp z o. o., OEM Electronics PL, OEM Automatic spol. s r.o., OEM Automatic s.r.o., OEM Automatic Kft.

SEK million	2017 Q1	2016 Q1	2016 Full year	TTM
Incoming orders	127	116	452	463
Net sales	117	112	450	455
EBITA	8	8	30	30
<i>EBITA margin</i>	7%	7%	7%	8%

Net sales in the first quarter increased by 5% to SEK 117 million (112). Exchange rate fluctuations have had a slight impact on net sales, which means that organic growth in the region was 5%. The operations reporting organic growth are Hungary, the Czech Republic, the UK and Norway.

Incoming orders in the first quarter increased by 10% to SEK 127 million (116). Incoming orders exceeded net sales in the first quarter by 8%.

EBITA rose 1% to SEK 8.2 million (8.1) as a result of higher net sales.

## Other financial information

### Cash flow

Operating cash flow in the first quarter was SEK 26 million (33). Cash flow totalled SEK -5 million (14) in the first quarter and was affected, in part, by investing activities of SEK -18 million (-34).

### Investments

The Group's investments in property, plant and equipment in the first quarter totalled SEK 11 million (27). Property, machinery and equipment accounted for SEK 6 million (27), and intangible assets for SEK 5 million (-), SEK 3 million (-) of which is related to business combinations. Intangible asset investment related to business combinations concerns the adjustment of the acquisition analysis for Sitek-Palvelu OY. This has had a SEK 3 million impact on goodwill.

### Cash and cash equivalents

Cash and cash equivalents, comprising cash and bank balances, amounted to SEK 77 million (99). Cash and cash equivalents, together with committed undrawn credit facilities, amounted to SEK 384 million (362) on 31 March 2017.

### Intangible assets

Amortisation of intangible assets totalling SEK 6.1 million (6.3) has been charged to the income statement. On 31 March 2017, intangible assets amounted to SEK 194 million (170).

### Equity/assets ratio

On 31 March 2017, the equity/assets ratio was 56% (52%).

### Employees

The Group's average number of employees in the first quarter of 2017 was 771 (733). At the end of the period, the number of employees was 772 (736).

### Share repurchase

The company did not repurchase any shares during the period. The company's total shareholding was 61,847 shares on 31 March 2017, which is equivalent to 0.3% of the aggregate number of shares. The Annual General Meeting is authorised to repurchase up to 10% of the shares, which is the equivalent of 2,316,930 shares.

### Remeasurement of contingent consideration

Developments in previously implemented acquisitions have not resulted in a remeasurement of contingent consideration liability.

### Accounting policies

This condensed consolidated interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, and in compliance with relevant provisions from the Swedish Annual Accounts Act. The interim report for the Parent Company has been prepared in compliance with the Swedish Annual Accounts Act Chapter 9, Interim Report. The Group and the Parent Company have applied the same accounting policies and basis of preparation as in the latest annual report. No International Financial Reporting Standards (IFRS) or International Financial Reporting Interpretations Committee

(IFRIC) interpretations adopted in 2017 have had a significant effect on the reported results or financial position of the Group.

There are no separate disclosures of the fair values of financial assets and liabilities stated at cost because the carrying amounts of financial assets and financial liabilities are considered to be reasonable approximations of their fair values. This is because the company management believes there have been no material fluctuations in market interest rates or credit spreads that would have a material impact on the fair value of the Group's interest-bearing liabilities. Furthermore, the fair value of trade and other current receivables and payables is assumed to approximate their carrying amount given their short-term nature.

### **Risks and uncertainties**

The OEM Group is exposed to both business-related risks and financial risks through its activities. Business-related risks include competition and operational risks, and financial risks include liquidity risk, interest rate risk and currency risk. The financial operations of the OEM Group and the management of financial risks are mainly handled by the Parent Company. For a complete report on the risks affecting the Group, please refer to pages 32 and 33 and pages 74 to 76 of the 2016 Annual Report.

Other than the risks and uncertainties described in the Annual Report for 2016, no significant risks or uncertainties have been identified or removed.

### **Related party transactions**

No related party transactions have been entered into that materially affected the financial position or the performance of the Group and Parent Company during the period.

### **Parent Company**

Net sales were SEK 7.7 million (7.2) and profit after financial items was SEK -5.6 million (-5.9). Net sales relate entirely to inter-company transactions. The foregoing risks and uncertainties specified for the Group also apply indirectly to the Parent Company.

### **Events after the close of the reporting period**

There are no significant events to report after the close of the reporting period.

### **Definitions**

Definitions can be found on page 14.

Tranås, 19 April 2017

Jörgen Zahlin

Managing Director and Chief Executive Officer

This report has not been separately audited by the company's auditors.

For further information, please contact the Managing Director, Jörgen Zahlin, on +46 (0)75-242 40 22 or the Finance Director, Jan Cnattingius, on +46 (0)75-242 40 03.

This information is of such a nature that its disclosure by OEM International AB (publ.) is required under the EU Market Abuse Regulation and the Swedish Securities Market Act. The information was provided for publication on 19 April 2017 at 14.00 CET by Jan Cnattingius.

## The regions' sales and earnings

### SALES & EARNINGS BY REGION

#### Net sales (SEK million)

	Jan-mar 2017	Jan-mar 2016	Q4 2016	Q3 2016	Q2 2016	Trailing 12 mth	Full year 2016
Sweden, external income	425	368	440	341	394	1 600	1 543
Sweden, income from other segments	23	21	19	18	20	79	78
Finland, the Baltic States and China, external income	128	94	103	94	98	424	389
Finland, the Baltic States and China, income from other s	2	2	2	1	2	6	7
Denmark, Norway, the United Kingdom and							
East Central Europe, external income	117	112	110	109	119	455	450
Denmark, Norway, the United Kingdom and							
East Central Europe, income from other segments	0	0	0	0	0	1	1
Elimination	-25	-23	-21	-19	-22	-87	-85
	671	574	654	544	612	2 479	2 382

#### EBITA (MSEK)

	Jan-mar 2017	Jan-mar 2016	Q4 2016	Q3 2016	Q2 2016	Trailing 12 mth	Full year 2016
Sweden	62	47	71	49	54	236	221
Finland, the Baltic States and China, external income	13	9	7	10	9	39	35
Denmark, Norway, the United Kingdom and							
East Central Europe	8	8	4	8	10	30	30
Group functions	-6	-3	-2	-1	-4	-12	-9
	78	62	81	67	68	293	277

#### Operating profit (SEK million)

	Jan-mar 2017	Jan-mar 2016	Q4 2016	Q3 2016	Q2 2016	Trailing 12 mth	Full year 2016
EBITA	78	62	81	67	68	293	277
<i>Amortisation of acquisition-related intangible fixed assets.</i>							
Sweden	-3	-3	-3	-3	-3	-12	-12
Finland, the Baltic States and China, external income	-1	0	-1	0	0	-3	-2
Denmark, Norway, the United Kingdom and							
East Central Europe	-1	-1	-1	-1	-1	-4	-5
Operating profit	73	57	76	62	64	274	259

#### Consolidated profit/loss (SEK million)

	Jan-mar 2017	Jan-mar 2016	Q4 2016	Q3 2016	Q2 2016	Trailing 12 mth	Full year 2016
Operating profit	73	57	76	62	64	274	259
Net financial items	-1	-1	-2	0	0	-4	-4
Pre-tax profit/(loss)	71	56	74	62	63	271	255

## The Group's performance and financial position

### CONDENSED CONSOLIDATED STATEMENT OF INCOME (SEK MILLION)

	Jan-mar 2017	Jan-mar 2016	Q4 2016	Q3 2016	Q2 2016	Trailing 12 mth	Full year 2016
Net sales	671	574	654	544	612	2 479	2 382
Other operating income	-	0	4	2	1	7	7
Operating costs ***	-586	-505	-571	-472	-538	-2 167	-2 086
Depreciation of fixed assets	-12	-12	-11	-11	-11	-46	-46
<b>Operating profit</b>	<b>73</b>	<b>57</b>	<b>76</b>	<b>62</b>	<b>64</b>	<b>274</b>	<b>259</b>
Net financial income/expense	-1	-1	-2	0	0	-4	-4
<b>Pre-tax profit/(loss)</b>	<b>71</b>	<b>56</b>	<b>74</b>	<b>62</b>	<b>63</b>	<b>271</b>	<b>255</b>
Tax	-16	-12	-15	-13	-14	-58	-54
<b>Profit/loss for the period</b>	<b>56</b>	<b>44</b>	<b>60</b>	<b>49</b>	<b>49</b>	<b>213</b>	<b>201</b>
Earnings per outstanding share, SEK*	2,40	1,89	2,59	2,10	2,12	9,21	8,70

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (SEK MILLION)

<b>Other comprehensive income</b>							
<b>Profit/loss for the period</b>	<b>56</b>	<b>44</b>	<b>60</b>	<b>49</b>	<b>49</b>	<b>213</b>	<b>201</b>
<b>Items that have been transferred or may recycled to net income</b>							
Exchange differences for the period on translation of overseas operations	0	-1	-3	4	2	3	2
<b>Items that can not be recycled to net profit</b>							
Revaluation of defined- benefit pension plans	0	-1	1	0	0	0	0
<b>Other comprehensive income for the period</b>	<b>0</b>	<b>-2</b>	<b>-2</b>	<b>4</b>	<b>2</b>	<b>3</b>	<b>2</b>
<b>Comprehensive income for the period</b>	<b>55</b>	<b>42</b>	<b>58</b>	<b>52</b>	<b>51</b>	<b>216</b>	<b>203</b>
<b>EBITA</b>	<b>78</b>	<b>62</b>	<b>81</b>	<b>67</b>	<b>68</b>	<b>293</b>	<b>277</b>

\* Attributable to shareholders of the parent company. There are no dilution effects.

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (SEK MILLION)

	2017-03-31	2016-03-31	2016-12-31
<b>Fixed assets</b>			
Goodwill	120	98	117
Other intangible assets	75	72	79
<b>Total intangible assets</b>	<b>194</b>	<b>170</b>	<b>196</b>
Property, plant and equipment	227	222	227
<b>Total property, plant and equipment</b>	<b>227</b>	<b>222</b>	<b>227</b>
Deferred tax assets	2	2	1
Financial assets	0	0	0
<b>Total financial assets</b>	<b>3</b>	<b>2</b>	<b>2</b>
<b>Total fixed assets</b>	<b>424</b>	<b>394</b>	<b>425</b>
<b>Current assets</b>			
Inventories	413	387	428
Current receivables	459	386	404
Cash and cash equivalents	77	99	83
<b>Total current assets</b>	<b>949</b>	<b>873</b>	<b>915</b>
<b>Total assets</b>	<b>1 373</b>	<b>1 267</b>	<b>1 340</b>
<b>Equity</b>	<b>765</b>	<b>664</b>	<b>709</b>
Non-current interest-bearing liabilities	36	42	36
Provisions for pensions	1	3	1
Non-current non-interest-bearing liabilities	7	7	12
Deferred tax liabilities	82	74	83
<b>Total non-current liabilities</b>	<b>127</b>	<b>125</b>	<b>132</b>
Current interest-bearing liabilities	154	202	167
Current non-interest-bearing liabilities	328	276	331
<b>Total current liabilities</b>	<b>482</b>	<b>477</b>	<b>498</b>
<b>Total equity and liabilities</b>	<b>1 373</b>	<b>1 267</b>	<b>1 340</b>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SEK MILLION)

	2017-03-31	2016-03-31	2016-12-31
<b>At beginning of year</b>	<b>709</b>	<b>622</b>	<b>622</b>
<b>Comprehensive income for the period</b>			
Profit/loss for the period	56	44	201
Other comprehensive income for the period	0	-2	2
<b>Comprehensive income for the period</b>	<b>55</b>	<b>42</b>	<b>203</b>
Dividends paid	-	-	-116
<b>At the end of the period</b>	<b>765</b>	<b>664</b>	<b>709</b>

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT (SEK MILLION)

	Jan-mar 2017	Jan-mar 2016	Q4 2016	Q3 2016	Q2 2016	Trailing 12 mth	Full year 2016
<b>Operating cash flows</b>							
before movements in working capital	64	53	83	60	61	269	257
Movements in working capital	-38	-19	-4	-10	-6	-57	-38
<b>Operating cash flows</b>	26	33	79	50	56	212	219
Acquisition of subsidiaries							
net effet on cash and cash equivalents	-11	-8	-21	-1	0	-34	-31
Acquisition of intangible fixed assets	-2	0	-2	-1	0	-5	-3
Acquisition of property, plant and equipment	-6	-27	-14	-5	-4	-29	-50
Sales of property, plant and equipment	1	1	1	1	1	5	5
<b>Investing cash flows</b>	-18	-34	-36	-6	-3	-63	-79
<b>Financing cash flows</b>							
- Loan raised	0	1	1	1	0	3	3
- Loan amortisation	0	0	0	0	-1	-2	-2
- Change in bank overdrafts	-14	15	-36	-37	30	-57	-28
- Dividends paid	-	-	-	-	-116	-116	-116
<b>Financing cash flow</b>	-13	15	-35	-37	-86	-172	-142
<b>Cash flow for the period</b>	-5	14	8	7	-33	-23	-3
Cash and cash equivalents at the beginning of the period	83	85	75	67	99	99	85
Exchange rate difference	0	0	0	1	1	1	2
<b>Cash and cash equivalents at the end of the period</b>	77	99	83	75	67	77	83

## KEY PERFORMANCE INDICATORS

	Jan-mar 2017	Jan-mar 2016	Q4 2016	Q3 2016	Q2 2016	Trailing 12 mth	Full year 2016
Return on equity, %	7,5	6,8	8,0	7,0	8,4	30,9	30,2
Return on capital employed, %	8,3	7,1	8,9	7,6	8,0	32,8	31,6
Return on total capital %	5,7	5,0	5,8	5,4	5,6	22,5	21,8
Equity/assets ratio, %	55,7						53,0
Earnings per outstanding share, SEK	2,40	1,89	2,59	2,10	2,12	9,21	8,70
Earnings per total shares, SEK	2,40	1,88	2,57	2,10	2,12	9,19	8,67
Equity per total shares, SEK	33,00	28,66					30,62
Average number of outstanding shares (thousands)	23 107	23 107	23 107	23 107	23 107	23 107	23 107
Average total shares (thousands)	23 169	23 169	23 169	23 169	23 169	23 169	23 169
Operating margin, %	10,8	9,9	11,6	11,4	10,4	11,1	10,9
EBITA-margin, %	11,7	10,8	12,3	12,2	11,1	11,9	11,6

\* Attributable to shareholders of the parent company. There are no dilution effects.

## The Parent Company's performance and financial position

### CONDENSED INCOME STATEMENT OF THE PARENT COMPANY (SEK MILLION)

	Jan-mar 2017	Jan-mar 2016	Q4 2016	Q3 2016	Q2 2016	Trailing 12 mth	Full year 2016
Net sales	8	7	26	8	8	49	49
Operating costs	-11	-11	-13	-11	-12	-47	-47
Depreciation	-2	-2	-2	-2	-2	-6	-6
<b>Operating profit</b>	<b>-5</b>	<b>-6</b>	<b>11</b>	<b>-5</b>	<b>-6</b>	<b>-4</b>	<b>-5</b>
Income from investments							
in Group companies	-	-	0	-2	26	24	24
Other financial income/expense, Net	0	0	0	0	0	-1,0	-1
<b>Profit/loss after financial items</b>	<b>-6</b>	<b>-6</b>	<b>12</b>	<b>-7</b>	<b>20</b>	<b>19</b>	<b>18</b>
Year-end appropriations	-	-	171	-	-	171	171
<b>Pre-tax profit/(loss)</b>	<b>-6</b>	<b>-6</b>	<b>183</b>	<b>-7</b>	<b>20</b>	<b>190</b>	<b>189</b>
Tax	1	1	-41	1	1	-37	-37
<b>Profit/loss for the period</b>	<b>-4</b>	<b>-5</b>	<b>142</b>	<b>-6</b>	<b>21</b>	<b>153</b>	<b>153</b>

Comprehensive income for the period corresponds with the profit/loss for the period.

### CONDENSED BALANCE SHEET OF THE PARENT COMPANY (SEK MILLION)

Assets	2017-03-31	2016-03-31	2016-12-31
Intangible fixed assets	19	19	18
Property, plant and equipment	18	17	18
Financial assets	346	380	346
<b>Total fixed assets</b>	<b>382</b>	<b>416</b>	<b>382</b>
Current receivables	333	318	359
Cash on hand and demand deposits	-	-	-
<b>Total current assets</b>	<b>333</b>	<b>318</b>	<b>359</b>
<b>Total assets</b>	<b>715</b>	<b>733</b>	<b>741</b>
<b>Equity and liabilities</b>			
Equity	251	213	255
Untaxed reserves	252	220	252
Deferred tax liabilities	2	2	2
Non-current non-interest-bearing liabilities	7	1	12
<b>Total non-current liabilities</b>	<b>7</b>	<b>1</b>	<b>12</b>
Current interest-bearing liabilities	46	109	83
Current non-interest-bearing liabilities	157	189	136
<b>Total current liabilities</b>	<b>203</b>	<b>298</b>	<b>219</b>
<b>Total equity and liabilities</b>	<b>715</b>	<b>733</b>	<b>741</b>

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## Notes

Segment reporting is presented on page 5 and page 11, disclosures about fair value of financial instruments are presented on page 8 and accounting policies are presented on page 7.

## Definitions

In addition to the conventional financial performance measures established by IFRS, OEM uses the term EBITA which is defined below. The reason for this is that the company wishes to reflect the underlying business activities and improve the comparability of financial information across different periods of time.

### EBITA

Operating profit before amortisation of acquisition-related intangible fixed assets  
A reconciliation of the calculation of EBITA is presented on page 11.

### EBITA margin

EBITA divided by net sales

### Return on capital employed

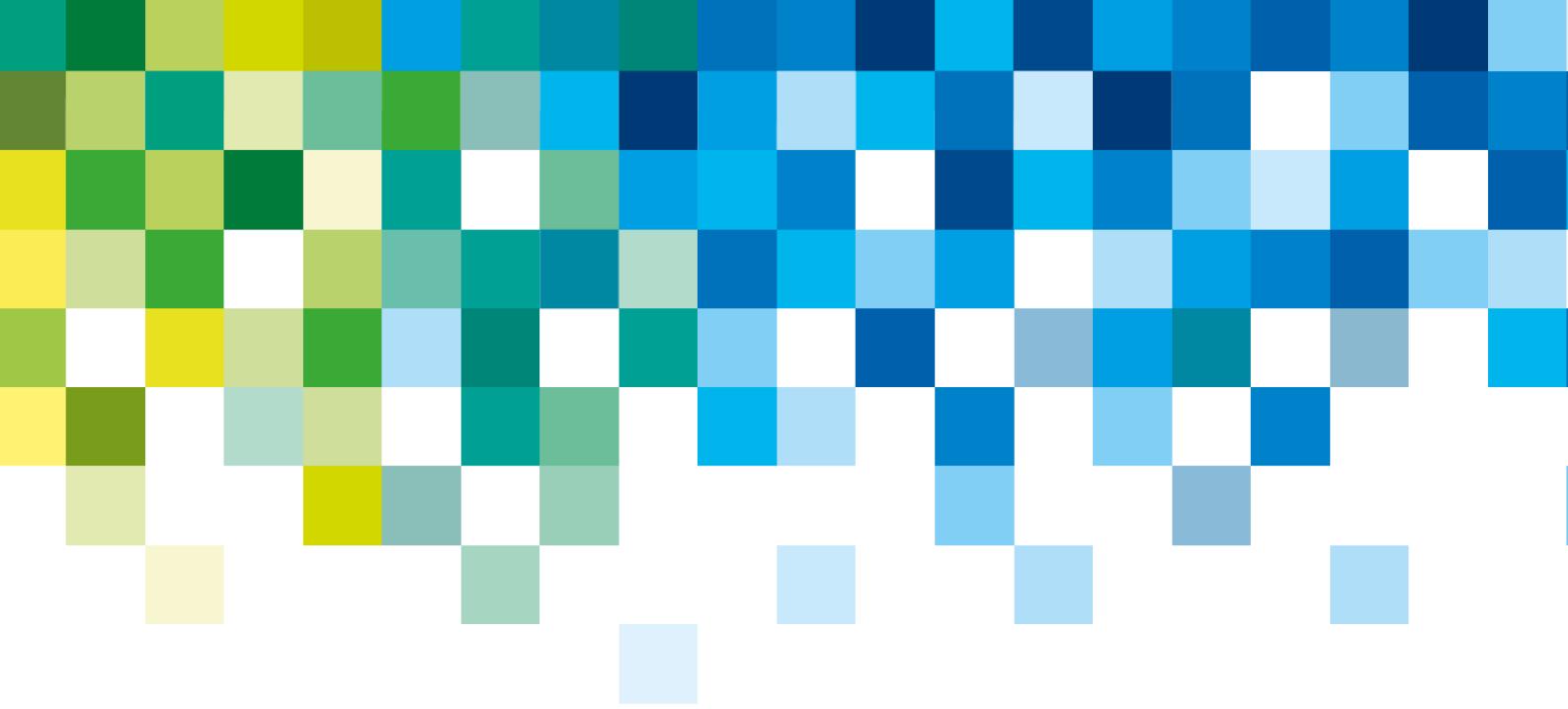
EBITA plus finance income as a percentage of average capital employed

### Return on total capital

EBITA plus finance income as a percentage of average total capital

### Capital employed

Total assets less non-interest-bearing liabilities and provisions



## **One of Europe's leading technology trading companies with 34 operating entities in 14 countries**

For 40 years, OEM's idea has been to serve as a link that creates value between customers and manufacturers of industrial components and systems. Over the years, the company has grown from a small, family-owned business in Tranås in southern Sweden into an international technology trading group operating in 14 countries in northern Europe, Central Eastern Europe, the UK and China. OEM has partnerships with more than 300 leading and specialist manufacturers and is responsible for their sales in selected markets. Its range comprises more than 50,000 products in the areas of electrical components, flow technology, motors, transmissions and brakes, ball bearings and seals, appliance components and installation components. The Group has a customer base of more than 25,000 businesses, primarily in the manufacturing sector. The company's high level of expertise enables it to help customers increase purchasing efficiency and choose the right components.



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