

Financial Statement

Full year 2017

Fourth quarter 2017

- Incoming orders rose 10% to SEK 738 million (669)
- Net sales rose 14% to SEK 742 million (654)
- Operating profit was SEK 74 million (76)
- EBITA stood at SEK 79 million (81)
- Profit after tax was SEK 57 million (60)
- Earnings per share were SEK 2.46 (2.59)

January – December 2017

- Incoming orders rose 16% to SEK 2,793 million (2,413)
- Net sales rose 15% to SEK 2,739 million (2,382)
- Operating profit rose 9% to SEK 282 million (259)
- EBITA rose 11% to SEK 308 million (277)
- Profit after tax rose 6% to SEK 214 million (201)
- Earnings per share were SEK 9.25 (8.70)
- The Board of Directors proposes a dividend of SEK 6.00 per share (5.50)



A strong close to 2017

The fourth quarter concludes yet another solid year and is confirmation of continued strong growth for OEM. Net sales increased by 14% compared with the same quarter in the previous year. Acquisitions accounted for 5% of this growth and, since the quarter's increase was not affected by currency movements, 9% organic growth was achieved. The underlying growth remains strong, despite some slowing of momentum in parts of our operations towards the end of the year.

Operating profit (EBITA) fell by 2% compared with the fourth quarter of 2016 and the operating margin reached 10.7%. There is also a number of one-off costs, but the main explanation is that the increase in turnover comes primarily from sales to larger customers where the margins are generally lower.

Further growth and increased investment

A look at our regions shows that growth in Region Sweden is lower than in the previous year. What we need to remember, however, is that the comparative figures are challenging, as they come from an exceptionally strong quarter in 2016. Furthermore, we have noted that a slightly dampened demand in the Swedish market has affected some of our companies. The change in customer mix and generally narrower margins, which we mentioned before, were clearly felt in Sweden, but we also have a cost increase attributable to further investment in the organisation and in marketing activities. However, an operating margin of 13% is confirmation that we are continuing to drive good efficiency across our operations.

The Region Finland, the Baltic states and China is maintaining its strong growth and became the Group's second largest region during the year. In the fourth quarter, the organic growth was 24% and the profit performance improved by 115%. Growth is particularly strong in Finland, which continues to exceed our expectations.

Our third region, comprising Denmark, Norway, the UK and the countries in Central Eastern Europe, has posted its best ever quarter. We are witnessing increased demand across most of our operations, we have succeeded in reversing negative trends where they have occurred, and sales have further increased in operations where growth has previously been good.

An excellent 2017

In summarising the year as a whole, it is pleasing to report that we are continuing to deliver strong growth performance. Our cumulative net sales are up 15% and incoming orders are increasing even more. Considering that we operate in a mature industry, that has to be acknowledged as an exceptional increase.

100 new employees

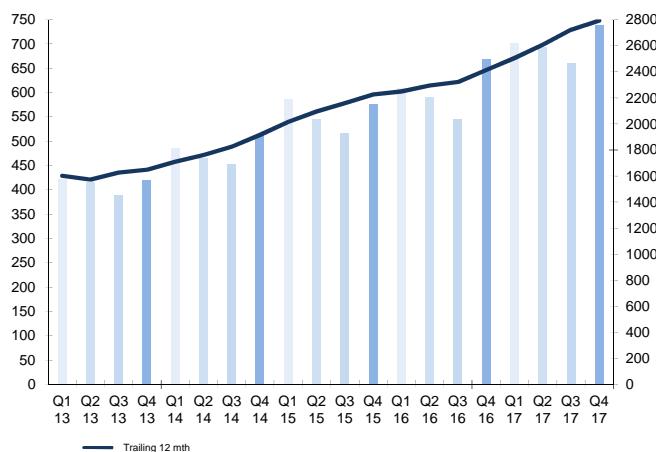
The effort and commitment of our employees are the key reasons for our success. Over the past year, we have welcomed 100 new colleagues to OEM, and I would like to take this opportunity to thank you and all of OEM's employees for the work you do each day to make OEM a stronger company.

Jörgen Zahlin

Managing Director and Chief Executive Officer

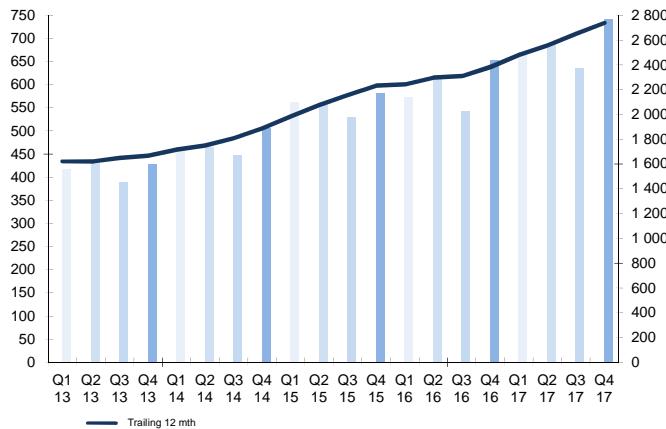
Incoming orders

SEK million

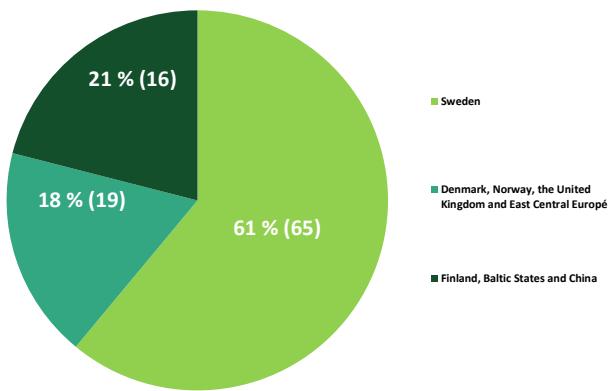


Net sales

SEK million



Share by region



Incoming orders

Incoming orders in the fourth quarter

Incoming orders increased by 10% to SEK 738 million (669). For comparable entities, including the impact of foreign currency exchange rate movements, incoming orders rose 6% and the acquired incoming orders were 4%.

Incoming orders increased by 16% to SEK 2,793 million (2,413) in the full-year 2017. For comparable entities, including the impact of foreign currency exchange rate movements, incoming orders rose 11% and the acquired incoming orders were 5%.

During the calendar year 2017, incoming orders were 2% higher than net sales.

At SEK 357 million (297) on 31 December 2017, the order book was 20% higher than on the corresponding date of the previous year.

Sales growth

Net sales rose 14% in the fourth quarter to SEK 742 million (654). For comparable entities, net sales rose 9% and acquired sales were 5%.

Currency movements have not had any impact in the fourth quarter.

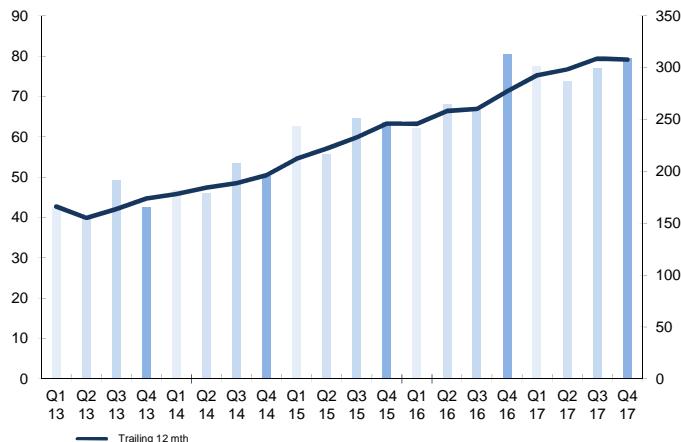
Total net sales for 2017 increased by 15% to SEK 2,739 million (2,382). For comparable entities, net sales rose 9% and acquired sales were 5%. The currency had a 1% positive impact on net sales.

The Swedish operations of Telfa, Agolux, Svenska Batteripoolen, ATC Tape Converting, OEM Automatic, Svenska Helag, Internordic Bearings and OEM Electronics, and the operations in China, Finland, Hungary and the Czech Republic reported the highest percentage growth in net sales.

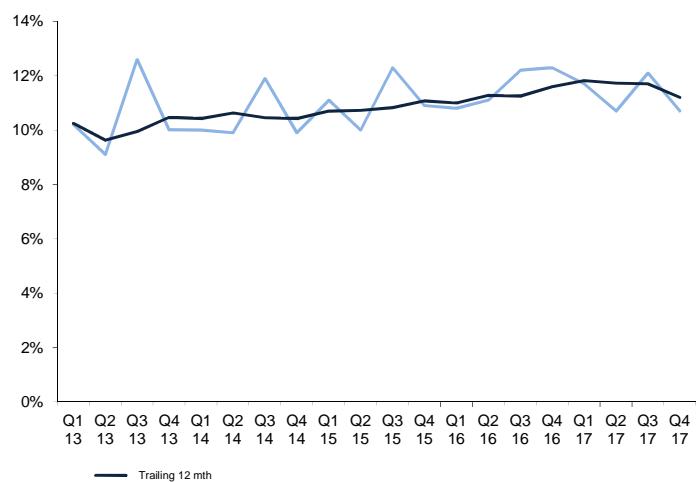
Region Finland, the Baltic states and China has reported positive growth in the full-year 2017 and has increased its share by 5 percentage points over the full-year 2016. Region Sweden has decreased its share by 4 percentage points and region Denmark, Norway, the UK and East Central Europe has decreased its share by 1 percentage point.

EBITA

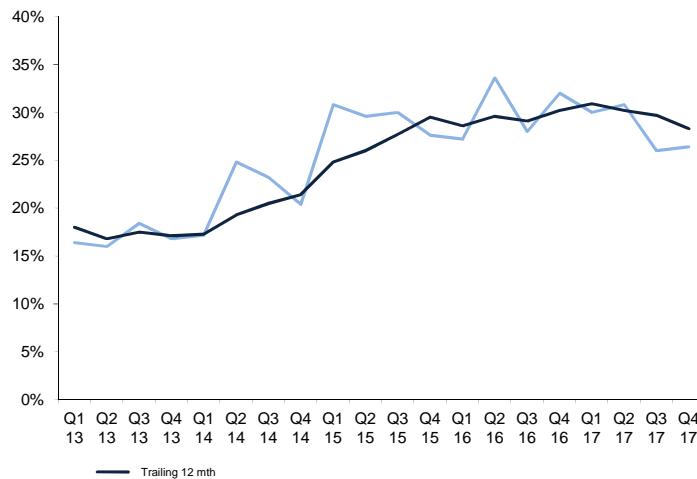
SEK million



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 and impairment of acquisition-related intangible fixed assets, in the fourth quarter was SEK 79 million (81), which is a decrease of 2%.

The EBITA margin was at 10.7% (12.3%). EBITA in the January to September 2017 period increased by 11% to SEK 308 million (277). The EBITA margin was at 11.2% (11.6%).

In the fourth quarter, operating profit was SEK 74 million (76) and cumulative for 2017 was SEK 282 million (259). The operating margin was 10.0% (11.6%) in the fourth quarter and 10.3% (10.9%) for the full-year 2017.

Profit after tax in the 2017 calendar year rose 6% to SEK 214 million (201).

Earnings per share for the full-year 2017 were SEK 9.25 (8.70).

Return

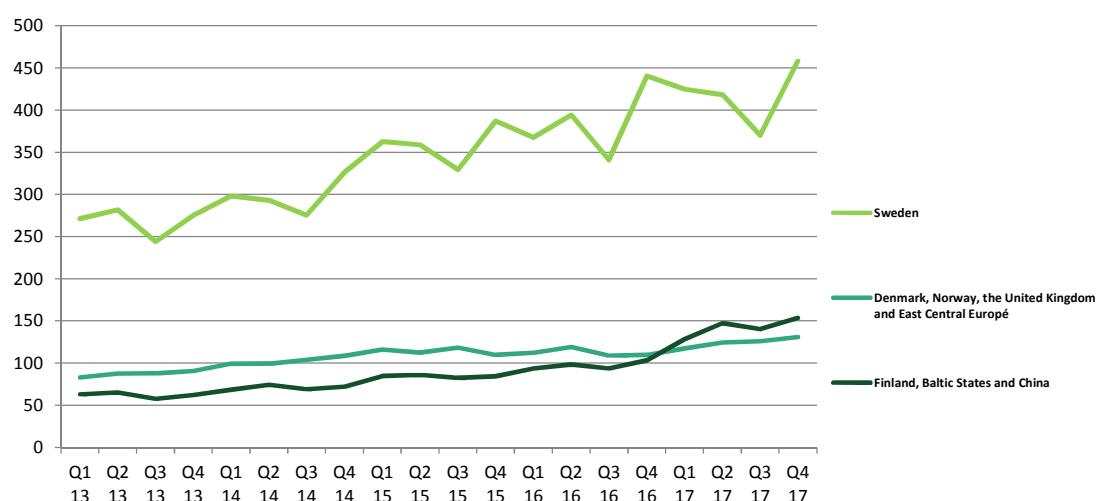
The return on equity in the fourth quarter was 6.6% compared with 8.0% in the year-ago quarter.

For the full-year 2017, the return on equity was 28%, which is well above the 20% target.

Shareholders' equity amounted to SEK 804 million (709) with an equity/assets ratio of 54% (53%) on 31 December 2017.

Sales growth by region for each quarter

SEK million



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 and ATC Tape Converting AB.

SEK million	2017 Q4	2016 Q4	2017 Full year	2016 Full year
Incoming orders	443	446	1,703	1,564
Net sales	458	440	1,671	1,543
EBITA	59	71	225	221
EBITA margin	13%	16%	13%	14%

Net sales increased by 8% to SEK 1,671 million in the full-year 2017. Net sales have not been impacted by acquisitions or currency movements, which means that organic growth in the region was 8%. More or less all operations have experienced strong growth, with the largest entities like OEM Automatic and OEM Electronics having contributed most to the fine performance. OEM Automatic reported sales growth of 13% and OEM Electronics grew by 7%.

Incoming orders increased by 9% to SEK 1,703 million. During the year, incoming orders were 2% higher than net sales.

EBITA rose by 2% to SEK 225 million in 2017 as a result of higher net sales. The subsidiary Ranatec Instruments AB, with annual sales of approximately SEK 6 million, was sold in Q4 2017.

Finland, the Baltic states and China

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

SEK million	2017 Q4	2016 Q4	2017 Full year	2016 Full year
Incoming orders	157	109	580	397
Net sales	153	103	569	389
EBITA	16	7	63	35
<i>EBITA margin</i>	10%	7%	11%	9%

Net sales in the full-year 2017 increased by 46% to SEK 569 million. Net sales grew 24% due to the positive impact of acquisitions and 2% due to the impact of foreign currency exchange rate movements, resulting in 20% organic growth in the region.

The level of incoming orders has also been good, rising 46% to SEK 580 million.

During the year, incoming orders were 2% higher than net sales.

This strong performance is due to OEM's continuing focus on expanding its offering to existing customers in Finland by introducing new products and systems. All operations in Finland have achieved positive performances, and the negative growth trajectory reported in 2016 for the Baltic states was reversed to an upward trend in 2017, even if the growth rate is low. The operations in the Baltic states and China are small and their impact on total growth is marginal.

EBITA rose 80% to SEK 63 million, 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., Candelux Sp. z o.o.

SEK million	2017 Q4	2016 Q4	2017 Full year	2016 Full year
Incoming orders	138	114	510	452
Net sales	131	110	499	450
EBITA	7	4	32	30
<i>EBITA margin</i>	5%	4%	6%	7%

Net sales in the full-year 2017 increased by 11% to SEK 499 million. Net sales grew 4% due to the positive impact of acquisitions and 1% due to the impact of foreign currency exchange rate movements, resulting in 6% organic growth in the region. The operations in Hungary, the Czech Republic, the UK, Slovakia, Denmark and Poland report varying levels of organic growth.

Incoming orders increased by 13% to SEK 510 million. During the year, incoming orders were 2% higher than net sales.

In Denmark, OEM has reversed a negative trend to achieve sales growth of 5%. In the UK, OEM's intensive programme of improvements has continued to have positive effects and sales growth reached 7%. The markets in East Central Europe have been reporting good growth for a number of years.

EBITA rose 5% to SEK 32 million, due to increased net sales.

Other financial information

Cash flow

Operating cash flow was SEK 191 million (219) in 2017. Total cash flow was SEK -27 million (-3) in the full-year 2017 and was affected by investing activities of SEK -76 million (-79) and by dividends of SEK -127 million (-116).

Investments

The Group's investments in property, plant and equipment in the full-year 2017 totalled SEK 70 million (93). Property, machinery and equipment accounted for SEK 37 million (50), and intangible assets for SEK 33 million (43), SEK 29 million (40) of which is related to business combinations. Of the intangible asset investment related to business combinations, the adjustment of the acquisition analysis for Sitek-Palvelu OY had a SEK 3 million impact on goodwill.

Cash and cash equivalents

Cash and cash equivalents, comprising cash and bank balances, amounted to SEK 56 million (83). Cash and cash equivalents, together with committed undrawn credit facilities, amounted to SEK 366 million (382) on 31 December 2017.

Intangible assets

Amortisation of intangible assets totalling SEK 26 million (23) and goodwill impairment totalling SEK 5 million (-) were charged to the income statement. The sale of the subsidiary, Ranatec Instruments AB, resulted in the full impairment of the goodwill balance. On 31 December 2017, intangible assets amounted to SEK 201 million (196).

Equity/assets ratio

On 31 December 2017, the equity/assets ratio was 54% (53%).

Employees

The Group's average number of employees in 2017 was 824 (756). At the end of the period, the number of employees was 872 (772). 46 of them have come from acquired companies.

Share repurchase

The company did not repurchase any shares during the period. The company's total shareholding was 61,847 shares on 31 December 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.

Acquisitions

On 28 April 2017, the entire shareholding of Rauheat OY in Finland was acquired. The company markets HVAC & plumbing products for the construction industry. Its head office is located in Rauma in Finland. The company generates annual sales of approximately EUR 5 million. It has 11 employees and became part of Region Finland, the Baltic states and China on 1 May 2017.

On 22 June 2017, the entire shareholding of Candelux Sp. z o.o. in Poland was acquired. The company is a distributor of professional lighting for public settings, comprising products of its own and third-party premium brands. Its head office is located in Warsaw in Poland. The company generates annual

sales of approximately EUR 4 million. It has 35 employees and became part of Region Denmark, Norway, the UK and East Central Europe on 1 July 2017.

The total consideration for the businesses acquired was SEK 42.1 million, plus contingent considerations estimated at SEK 13.5 million, based on how the businesses develop in the 2017 - 2019 period.

Following the acquisitions, OEM's consolidated net sales have increased by SEK 63.2 million and operating profit by SEK 1.9 million in 2017.

Acquisition analysis (SEK million)

	Companies 'carrying amounts	Fair value adjustme nt	Group fair value
<u>The acquired companies' net assets at the time of acquisition</u>			
Intangible fixed assets	0.4	14.9	15.3
Other fixed assets	8.0	3.8	11.8
Other non-current receivables	0.1	-	0.1
Inventories	14.0	-	14.0
Other current assets	14.4	-	14.4
Cash and cash equivalents	1.1	-	1.1
Deferred tax liability		-3.7	-3.7
<u>Other liabilities</u>	<u>-22.4</u>	<u>-</u>	<u>-22.4</u>
Net identifiable assets/liabilities	15.6	15.0	30.6
<u>Consolidated goodwill</u>	<u>-</u>	<u>11.5</u>	<u>11.5</u>
Consideration, including contingent consideration			42.1

As a result of the acquisitions, other intangible fixed assets have increased by SEK 15.3 million and other fixed assets by SEK 11.8 million. Other intangible fixed assets relate to customer relationships that will be amortised over a five-year period. Consolidated goodwill is not tax deductible.

OEM normally uses an acquisition structure with a base consideration and contingent consideration. Contingent consideration is initially measured at the present value of the probable earn-out amount, which is SEK 13.5 million for the acquisitions this year. The period for contingent consideration is three (3) years at most and the earn-out is capped at SEK 15.6 million. Both the base consideration and the contingent consideration are settled in cash.

Transaction expenses linked to acquisitions that have been made amount to SEK 0.4 million in the period.

Remeasurement of contingent consideration

Contingent consideration recognised as a liability was remeasured based on the development of previously acquired businesses and was subsequently reduced by SEK -7.4 million (-7.4). This has been recognised in Other Income and had a positive SEK 7.4 million (7.4) effect on the operating profit in 2017. Acquisition-related consideration liability on 31 December 2017 totalled SEK 21.3 million (17.5).

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 Chapter 9,

Interim Reports, of the Swedish Annual Accounts Act. 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.

IFRS 9 Financial instruments and IFRS 15 Revenue from contracts with customers, effective for accounting periods commencing on or after 1 January 2018, will not result in any material changes to the financial reporting process of the Group as at 1 January 2018. An impact analysis has been initiated to examine the effects of IFRS 16 Leases, effective for accounting periods commencing on or after 1 January 2019, which may have an impact on the financial results and position. IFRS 16 is not expected to have any significant impacts, but the analysis must be completed before any final effects can be quantified.

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 OEM Group's financing activities and management of financial risks are handled mainly 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, except for inter-company dividend payments and dividends to shareholders of the Parent Company.

Parent Company

Net sales for the Parent Company in 2017 totalled SEK 49 million (49) and profit after financial items was SEK 25 million (18). 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.

Nomination Committee

The Nomination Committee for the Annual General Meeting on 18 April 2018 is composed of:

Petter Stillström, AB Traction (Chair)

Richard Pantzar, Orvaus AB

Hans Franzén

Agne Svenberg

The Nomination Committee can be contacted through Petter Stillström, tel. +46 70 747 56 61 or via e-mail petter.stillstrom@traction.se

Dividend

The Board proposes an ordinary dividend of SEK 6.00 per share (5.50). The proposed dividend amounts to SEK 139 million (127)

Annual Report

The 2017 Annual Report will be available on 16 March 2018 at Head Office and on the company's website, where it can be downloaded as a pdf file. OEM International will not be printing the Annual Report. However, a hard copy will be available on request from the company by e-mail: anna.enstrom@oem.se or by calling +46 (0)75-242 40 05.

Annual General Meeting

The Annual General Meeting will be held at 4 p.m. on 18 April 2018, at Badhotellet's Conference Centre in Tranås.

Financial information

OEM will release financial information as follows:

Annual General Meeting 2018	18 April 2018
Interim report Q1 2018	18 April 2018
Interim report Q2 2018	13 July 2018
Interim report Q3 2018	18 October 2018
Financial Statement, Full Year	18 February 2019

Definitions

Definitions can be found on page 16.

Tranås, Sweden, 15 February 2018

Jörgen Zahlin

Managing Director and Chief Executive Officer

This report has not been subject to special auditing procedures 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 15 February 2018 at 14.00 CET by Jan Cnattingius.

The regions' sales and earnings

SALES & EARNINGS BY REGION

Net sales (SEK million)

	Jan-dec 2017	Jan-dec 2016	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Sweden, external income	1 671	1 543	458	370	418	425	440
Sweden, income from other segments	93	78	24	22	24	23	19
Finland, the Baltic States and China, external income	569	389	153	140	147	128	103
Finland, the Baltic States and China, income from other s	6	7	1	1	2	2	2
Denmark, Norway, the United Kingdom and							
East Central Europe, external income	499	450	131	126	124	117	110
Denmark, Norway, the United Kingdom and							
East Central Europe, income from other segments	2	1	0	0	0	0	0
Elimination	-101	-85	-26	-24	-27	-25	-21
	2 739	2 382	742	636	690	671	654

EBITA (MSEK)

	Jan-dec 2017	Jan-dec 2016	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Sweden	225	221	59	53	51	62	71
Finland, the Baltic States and China, external income	63	35	16	18	16	13	7
Denmark, Norway, the United Kingdom and							
East Central Europe	32	30	7	8	9	8	4
Group functions	-12	-9	-2	-2	-1	-6	-2
	308	277	79	77	74	78	81

Operating profit (SEK million)

	Jan-dec 2017	Jan-dec 2016	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
EBITA	308	277	79	77	74	78	81
<i>Amortisation and write-downs of acquisition-related intangible fixed assets.</i>							
Sweden	-16	-12	-3	-8	-3	-3	-3
Finland, the Baltic States and China, external income	-6	-2	-2	-2	-2	-1	-1
Denmark, Norway, the United Kingdom and							
East Central Europe	-4	-5	-1	-1	-1	-1	-1
Operating profit	282	259	74	67	68	73	76

Consolidated profit/loss (SEK million)

	Jan-dec 2017	Jan-dec 2016	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Operating profit	282	259	74	67	68	73	76
Net financial items	-8	-4	-2	-2	-3	-1	-2
Pre-tax profit/(loss)	274	255	72	65	65	71	74

The Group's performance and financial position

CONDENSED CONSOLIDATED STATEMENT OF INCOME (SEK MILLION)

	Jan-dec 2017	Jan-dec 2016	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Net sales	2 739	2 382	742	636	690	671	654
Other operating income	7	7	4	3	-	-	4
Operating costs	-2 409	-2 086	-659	-554	-609	-586	-571
Depreciation and write-downs of fixed assets	-56	-46	-13	-18	-13	-12	-11
Operating profit	282	259	74	67	68	73	76
Net financial income/expense	-8	-4	-2	-2	-3	-1	-2
Pre-tax profit/(loss)	274	255	72	65	65	71	74
Tax	-60	-54	-16	-14	-14	-16	-15
Profit/loss for the period	214	201	57	51	51	56	60
Earnings per outstanding share, SEK*	9,25	8,70	2,46	2,18	2,21	2,40	2,59

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (SEK MILLION)

Other comprehensive income							
Profit/loss for the period	214	201	57	51	51	56	60
Items that have been transferred or may recycled to net income							
Exchange differences for the period on translation of overseas operations	8	2	9	-4	3	0	-3
Items that can not be recycled to net profit							
Revaluation of defined- benefit pension plans	-1	0	0	0	0	0	1
Other comprehensive income for the period	8	2	9	-4	3	0	-2
Comprehensive income for the period	221	203	66	46	54	55	58
EBITA	308	277	79	77	74	78	81

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (SEK MILLION)

	2017-12-31	2016-12-31
Fixed assets		
Goodwill	128	117
Other intangible assets	73	79
Total intangible assets	201	196
Property, plant and equipment	251	227
Total property, plant and equipment	251	227
Deferred tax assets	2	1
Financial assets	0	0
Total financial assets	2	2
Total fixed assets	453	425
Current assets		
Inventories	494	428
Current receivables	478	404
Cash and cash equivalents	56	83
Total current assets	1029	915
Total assets	1 482	1 340
Equity	804	709
Non-current interest-bearing liabilities	41	36
Provisions for pensions	1	1
Non-current non-interest-bearing liabilities	15	12
Deferred tax liabilities	88	83
Total non-current liabilities	146	132
Current interest-bearing liabilities	157	167
Current non-interest-bearing liabilities	375	331
Total current liabilities	532	498
Total equity and liabilities	1 482	1 340

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SEK MILLION)

	2017-12-31	2016-12-31
At beginning of year	709	622
Comprehensive income for the period		
Profit/loss for the period	214	201
Other comprehensive income for the period	8	2
Comprehensive income for the period	221	203
Dividends paid	-127	-116
At the end of the period	804	709

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (SEK MILLION)

	Jan-dec 2017	Jan-dec 2016	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Operating cash flows							
before movements in working capital	272	257	76	69	62	64	83
Movements in working capital	-80	-38	-7	-26	-10	-38	-4
Operating cash flows	191	219	69	44	53	26	79
Acquisition of subsidiaries							
net effet on cash and cash equivalents	-40	-31	0	-6	-22	-11	-21
Disposal of subsidiaries							
net effet on cash and cash equivalents	1	-	-	-	-	-	-
Acquisition of intangible fixed assets	-4	-3	0	-1	-1	-2	-2
Acquisition of property, plant and equipment	-37	-50	-9	-8	-13	-6	-14
Sales of property, plant and equipment	4	5	1	1	0	1	1
Investing cash flows	-76	-79	-6	-15	-37	-18	-36
Financing cash flows							
- Loan raised	7	3	0	0	7	0	1
- Loan amortisation	-8	-2	-6	-1	-1	0	0
- Change in bank overdrafts	-15	-28	-72	-34	104	-14	-36
- Dividends paid	-127	-116	-	-	-127	-	-
Financing cash flow	-143	-142	-78	-34	-17	-13	-35
Cash flow for the period	-27	-3	-15	-5	-2	-5	8
Cash and cash equivalents at the beginning of the period	83	85	71	76	77	83	75
Exchange rate difference	0	2	1	0	0	0	0
Cash and cash equivalents at the end of the period	56	83	56	71	76	77	83

KEY PERFORMANCE INDICATORS

	Jan-dec 2017	Jan-dec 2016	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Return on equity, %	28,3	30,2	6,6	6,5	7,7	7,5	8,0
Return on capital employed, %	32,2	31,6	8,4	7,1	8,4	8,3	8,9
Return on total capital %	21,8	21,8	5,4	4,9	5,8	5,7	5,8
Equity/assets ratio, %	54,2	53,0					
Earnings per outstanding share, SEK	9,25	8,70	2,46	2,19	2,20	2,40	2,59
Earnings per total shares, SEK	9,23	8,67	2,45	2,19	2,19	2,40	2,57
Equity per total shares, SEK	34,69	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, %	10,3	10,9	10,0	10,5	9,9	10,8	11,6
EBITA-margin, %	11,2	11,6	10,7	12,1	10,7	11,7	12,3

* 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-dec 2017	Jan-dec 2016	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Net sales	49	49	25	8	8	8	26
Operating costs	-47	-47	-13	-11	-12	-11	-13
Depreciation	-7	-6	-2	-2	-2	-2	-2
Operating profit	-6	-5	10	-5	-6	-5	11
Income from investments							
in Group companies	33	24	-6	0	39	-	0
Other financial income/expense, Net	-2	-1	-1	1	-1	0	0
Profit/loss after financial items	25	18	3	-4	32	-6	12
Year-end appropriations	178	171	178	-	-	-	171
Pre-tax profit/(loss)	203	189	181	-4	32	-6	183
Tax	-38	-37	-41	1	1	1	-41
Profit/loss for the period	165	153	139	-3	34	-4	142

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

CONDENSED BALANCE SHEET OF THE PARENT COMPANY (SEK MILLION)

Assets	2017-12-31	2016-12-31
Intangible fixed assets	17	18
Property, plant and equipment	18	18
Financial assets	415	346
Total fixed assets	450	382
Current receivables	379	359
Cash on hand and demand deposits	-	-
Total current assets	379	359
Total assets	829	741
Equity and liabilities		
Equity	294	255
Untaxed reserves	277	252
Deferred tax liabilities	2	2
Non-current non-interest-bearing liabilities	15	12
Total non-current liabilities	15	12
Current interest-bearing liabilities	75	83
Current non-interest-bearing liabilities	166	136
Total current liabilities	241	219
Total equity and liabilities	829	741

Notes

Segment reporting is presented on page 5, 6 and page 11, disclosures about fair value of financial instruments are presented on page 9 and accounting policies are presented on page 8.

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

Capital employed

Total assets less non-interest-bearing liabilities and provisions

Return on total capital

EBITA plus finance income as a percentage of average total capital

Return on Equity

Profit for the year divided by average shareholders' equity



One of Europe's leading technology trading companies with 36 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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