

An abstract graphic on the left side of the page, resembling a circuit board or a network diagram. It features various colored lines (blue, green, yellow, and grey) with circular nodes at the intersections and endpoints, creating a complex, interconnected pattern.

Interim report Q3 – 2018

Third quarter 2018

- Incoming orders rose 10% to SEK 728 million (660)
- Net sales rose 17% to SEK 747 million (636)
- Operating profit rose 29% to SEK 86 million (67)
- EBITA rose 18% to SEK 91 million (77)
- Profit after tax rose 37% to SEK 69 million (51)
- Earnings per share were SEK 3.00 (2.19)

January - September 2018

- Incoming orders rose 14% to SEK 2,342 million (2,055)
- Net sales rose 16% to SEK 2,307 million (1,997)
- Operating profit rose 23% to SEK 256 million (208)
- EBITA rose 18% to SEK 271 million (228)
- Profit after tax rose 26% to SEK 198 million (157)
- Earnings per share were SEK 8.56 (6.79)



Strong trend continues

Demand remained strong across most of our operations in the third quarter of 2018. The Group reported 17% increase in net sales, of which 11% was organic growth. Although growth of incoming orders was slightly lower than sales growth this quarter, it is still seen as continuing strongly with an increase of 10%. EBITA rose 18%, giving an EBITA margin of just over 12%.

Net sales increased by 16% for the January-September 2018 period. Currency effects and acquisitions contributed 4% and 2% respectively, resulting in 10% organic growth. EBITA rose 18% and the EBITA margin for the period stood at 12%.

Growth across the regions

OEM's growth provides a uniform picture across the regions. Our largest operations account for much of the growth and demand is strongest from our larger customers with whom we have successfully strengthened our relationships. Growth has also been achieved with some minor organisational investments that have improved results for all regions.

Region Sweden, OEM's largest region, has continued to show positive growth. Net sales increased by 15% in the third quarter, compared with the same quarter in 2017. The increase in sales is primarily driven by organic growth, with OEM Automatic acting as an engine driving the operations. Svenska Batteripoolen and Rydahls are other operations that have delivered good growth – and overall the growth rate in the region continues to outstrip underlying market growth.

Region Finland, the Baltic states and China reports continuing strong growth and net sales rose 27% over the corresponding previous year period. Organic growth in Finland was one of the strongest seen in any single quarter and demand remains at a high level. Our operations in the Baltic states also continue to enjoy a good level of demand.

For the fourth consecutive quarter, demand remains strong in Region Denmark, Norway, the UK and East Central Europe. This is mainly in our operations in Poland, Norway, the Czech Republic, Hungary and Slovakia. Net sales for the region rose 14% compared with the same quarter in 2017.

One acquisition during the period

ATB Drivtech AB with annual sales of SEK 18 million was acquired in the third quarter. The company supplies electric motors to the market and its range complements OEM's existing products and will be integrated with OEM Motor.

Continuing to improve operations

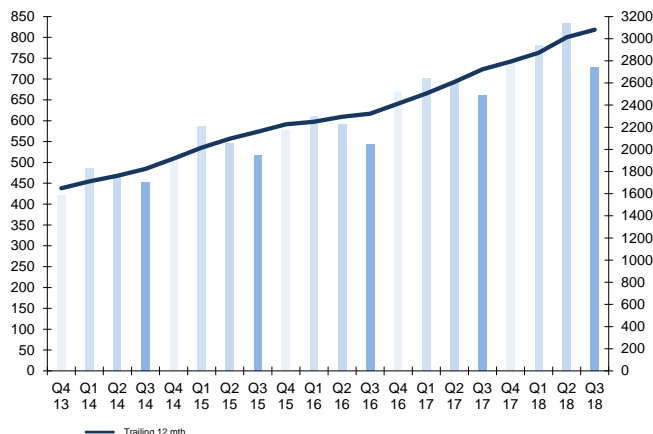
OEM's positive performance over a longer period continued in this quarter too. Although we can look back on many years of robust growth, we are aware that the world in which we do business is in a state of constant change. We are therefore making great efforts to improve our operations to enable OEM to develop successfully.

Jörgen Zahlin

Managing Director and Chief Executive Officer

Incoming orders

SEK million



Incoming orders

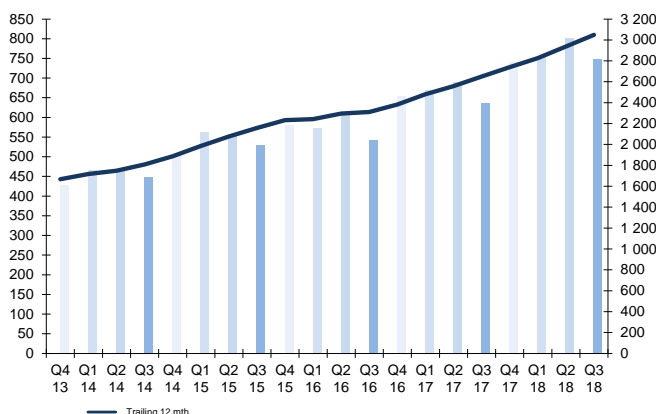
Incoming orders increased by 10% to SEK 728 million (660) in the third quarter of 2018. However, incoming orders were 3% lower than net sales.

Incoming orders in the January-September 2018 period increased by 14% to SEK 2,342 million (2,055). Acquired incoming orders were 2%, which means that incoming orders for comparable entities increased by 12%.

At SEK 396 million (359) on 30 September 2018, the order book was 10% up on the previous year.

Net sales

SEK million

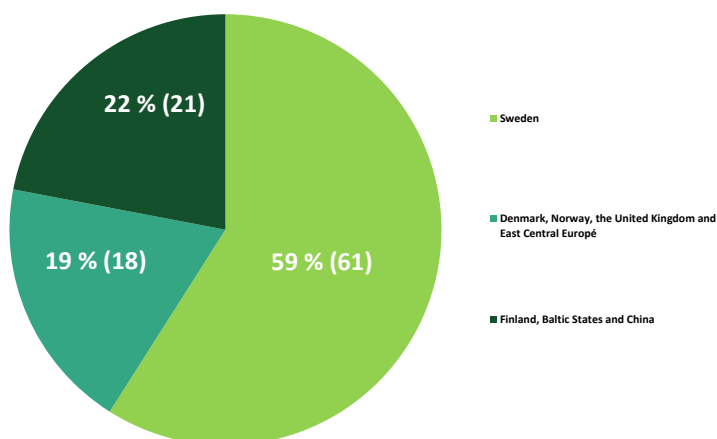


Sales growth

Net sales in the third quarter of 2018 increased by 17% to SEK 747 million (636). Net sales rose 17% for comparable entities, including a positive impact of foreign currency exchange rate movements of 6%. Acquisitions have had a marginal impact on net sales during the quarter.

Net sales in the January-September 2018 period increased by 16% to SEK 2,307 million (1,997). Comparable entities reported a 10% increase in net sales excluding the impact of foreign currency exchange rate fluctuations. Currency effects and acquisitions, respectively, had a 4% and 2% positive impact on sales.

Share by region

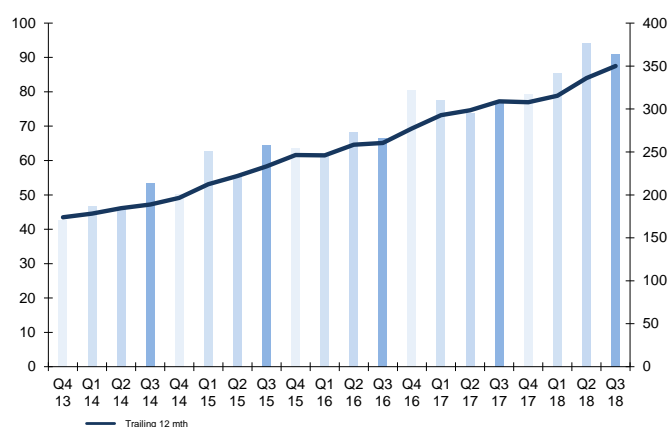
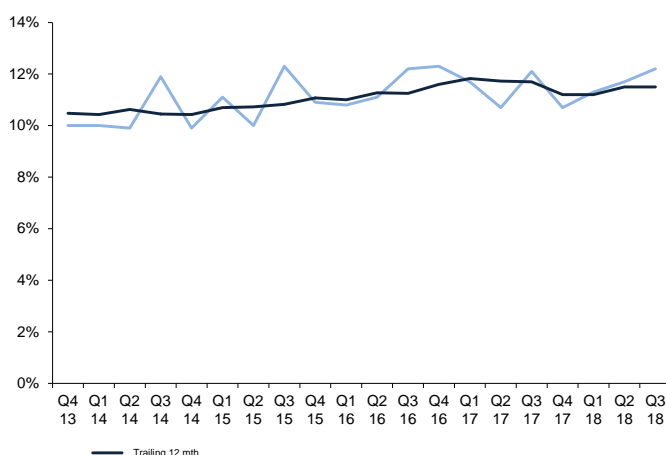
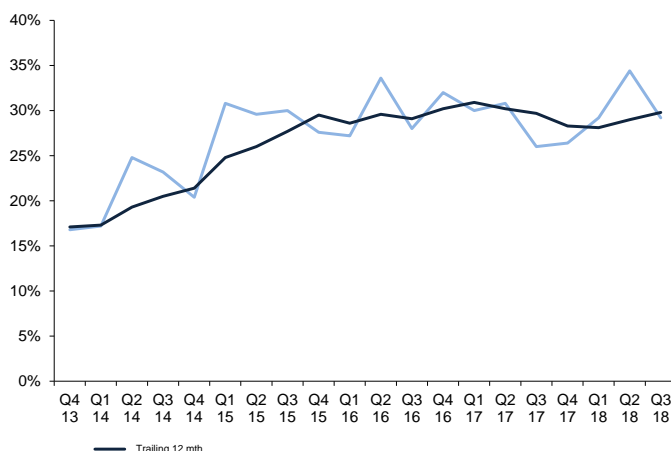


The Swedish operations of Svenska Batteripoolen, Ernst Hj Rydahls Bromsbandfabrik, Telfa, OEM Automatic, OEM Motor, Svenska Helag and Flexitron, and the operations in Hungary, the Baltic states, Poland, Slovakia, Finland, the Czech Republic and Norway reported the highest percentage growth in net sales compared with last year.

Region Finland, the Baltic states and China and region Denmark, Norway, the UK and East Central Europe have increased their sales by 1 percentage point each compared with the prior year period. Region Sweden's sales have fallen by 2 percentage points.

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

In the third quarter of 2018, EBITA, operating profit before amortisation and impairment of acquisition-related intangible fixed assets, was SEK 91 million (77), which is an increase of 18%.

The EBITA margin stood at 12.2% (12.1%).

In the January-September 2018 period, EBITA was up 18% to SEK 271 million (228). The EBITA margin stood at 11.7% (11.4%) in the January-September 2018 period.

Operating profit rose 29% to SEK 86 million (67) in the third quarter of 2018.

Cumulative for January-September 2018, operating profit was up 23% to SEK 256 million (208).

The third quarter operating margin increased to 11.5% (10.5%) and cumulative for the January-September 2018 period was 11.1% (10.4%).

Profit after tax in the January-September 2018 period rose 26% to SEK 198 million (157).

Earnings per share for the January-September 2018 period were SEK 8.56 (6.79).

Return

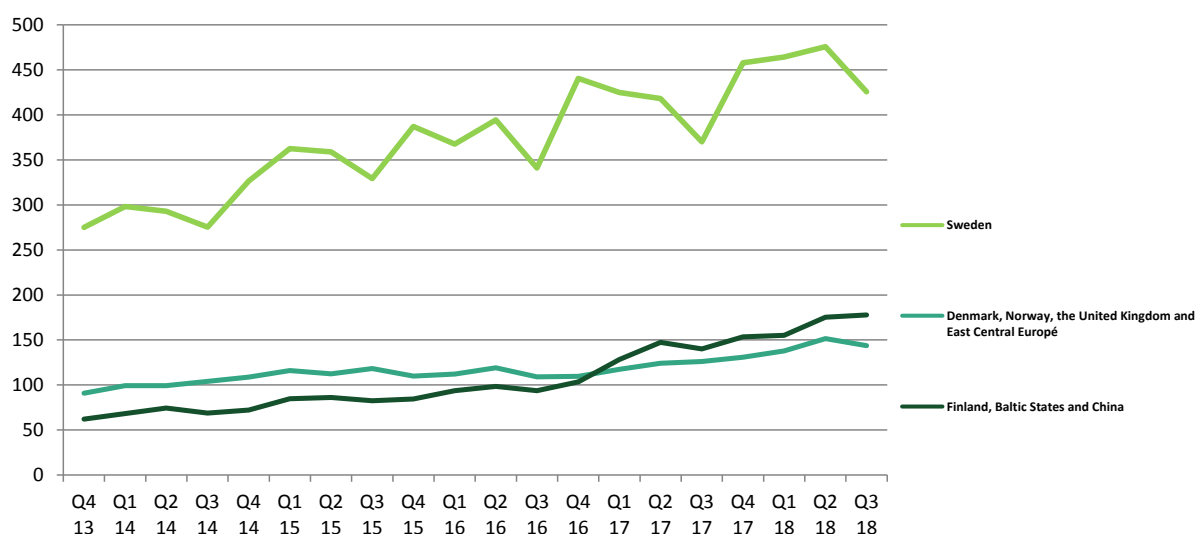
The return on equity in the third quarter of 2018 was 7.6% compared with 6.5% in the year-ago quarter.

The trailing-twelve-month return on equity was 30%, which is well above the 20% target.

Shareholders' equity amounted to SEK 878 million (737) with an equity/assets ratio of 56% (51%) on 30 September 2018.

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 Bromsbandfabrik, ATC Tape Converting AB and ATB Drivtech AB.

SEK million	2018 Q3	2017 Q3	2018 Q1 – Q3	2017 Q1 – Q3	2017 Full year	Trailing 12 month
Incoming orders	418	397	1,381	1,259	1,703	1,825
Net sales	426	370	1,366	1,213	1,671	1,823
EBITA	62	53	193	165	225	252
EBITA margin	15%	14%	14%	14%	13 %	14%

Net sales rose 13% to SEK 1,366 million (1,213) in the January-September period. Favourable foreign exchange movements boosted net sales by 2%. More or less all operations have delivered good growth with Svenska Batteripoolen, Ernst Hj Rydahls Bromsbandfabrik, Telfa, OEM Automatic, OEM Motor, Svenska Helag and Flexitron accounting for the largest percentage growth in net sales.

Incoming orders increased by 10% to SEK 1,381 million (1,259). In the January-September period, incoming orders were 1% higher than net sales.

EBITA rose 17% to SEK 193 million in the January-September period due primarily to increased net sales.

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	2018 Q3	2017 Q3	2018 Q1 – Q3	2017 Q1 – Q3	2017 Full year	Trailing 12 month
Incoming orders	172	137	520	424	580	676
Net sales	178	140	508	416	569	662
EBITA	23	18	59	47	63	74
EBITA margin	13%	13%	11%	11%	11%	11%

Net sales for the region in the January-September period rose 22% to SEK 508 million (416).

Acquisitions and foreign currency exchange rate movements had positive effects of 4% and 6% respectively on net sales, which means that organic growth in the region reached 12%.

The level of incoming orders has also been good, rising 23% to SEK 520 million (424). In the January-September period, incoming orders were 2% higher than net sales.

Growth has remained robust across most of the operations in Finland. The Baltic states have delivered good growth while China has seen a decline. The operations in the Baltic states and China are small and their impact on total growth is marginal.

EBITA rose 24% to SEK 59 million (47), 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	2018 Q3	2017 Q3	2018 Q1 – Q3	2017 Q1 – Q3	2017 Full year	Trailing 12 month
Incoming orders	138	125	441	372	510	580
Net sales	144	126	433	368	499	564
EBITA	12	8	31	25	32	38
EBITA margin	8 %	7 %	7%	7%	6%	7%

Net sales rose 18% to SEK 433 million (368) in the January-September period. Acquisitions and foreign currency exchange rate movements had positive effects of 4% and 6% respectively on net sales, which means that organic growth in the region reached 8%. The operations reporting good organic growth are Hungary, Poland, Slovakia, the Czech Republic and Norway.

Incoming orders increased by 19% to SEK 441 million (372).

In the January-September period, incoming orders were 2% higher than net sales.

EBITA rose 24% to SEK 31 million (25), due primarily to increased net sales.

Other financial information

Cash flow

Operating cash flow was SEK 124 million (123) in the January-September 2018 period. Cash flow totalled SEK -25 million (-11) in the period and was affected by investing activities of SEK -42 million (-70) and dividends of SEK -139 million (-127).

Investments

The Group's investments in fixed assets in the January-September 2018 period totalled SEK 45 million (62). Property, machinery and equipment accounted for SEK 31 million (28), and intangible assets for SEK 13 million (34), SEK 14 million (29) of which is related to business combinations.

Cash and cash equivalents

Cash and cash equivalents, comprising cash and bank balances, amounted to SEK 32 million (71). Cash and cash equivalents, together with committed undrawn credit facilities, amounted to SEK 314 million (310) on 30 September 2018.

Intangible assets

Amortisation of intangible assets totalling SEK 19 million (20) and goodwill impairment totalling SEK - million (5) were charged to the income statement. On 30 September 2018, intangible assets amounted to SEK 199 million (205).

Equity/assets ratio

On 30 September 2018, the equity/assets ratio was 56% (51%).

Employees

The Group's average number of employees in the January-September 2018 period was 879 (830). At the end of the period, the number of employees was 880 (853).

Share re-purchase

The company has not repurchased any shares during the period. The company's total shareholding was 61,847 shares on 30 September 2018, 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 19 September 2018, the entire shareholding of ATB Drivtech AB in Sweden was acquired. The company supplies electric motors for industrial use and generates annual sales of approximately SEK 18 million. Its head office is located in Ekerö. The company became part of Region Sweden on 1 September 2018.

The consideration for the business acquired was SEK 14.4 million, plus a contingent consideration estimated at SEK 3.9 million, based on how the business develops in the 2018 - 2020 period.

Following the acquisition, OEM's consolidated net sales have increased by SEK 0.9 million and operating profit by SEK 0.1 million in 2018.

Acquisition analysis (SEK million)

	Recognised value in the company	Fair value adjustme nt	Group fair value
The acquired company's net assets at the time of acquisition			
Intangible fixed assets	-	7.2	7.2
Inventories	0.7	-	0.7
Other current assets	2.9	-	2.9
Cash and cash equivalents	0.4	-	0.4
Deferred tax liability	-	-1.6	-1.6
Other liabilities	-1.2	-	-1.2
Net identifiable assets/liabilities	2.8	5.6	8.4
Consolidated goodwill	-	6.0	6.0
Consideration, including contingent consideration			14.4

As a result of the acquisition, other intangible fixed assets have increased by SEK 7.2 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 3.9 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 4.2 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 - 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 0.8 million (3.0). This has been recognised in Other Operating Income and had a positive SEK 0.8 million (3.0) effect on the operating profit in 2018.

Acquisition-related consideration liabilities (both absolute and contingent) on 30 September 2018 totalled SEK 20.7 million (25.0).

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 2018 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, have not resulted in any material changes to the financial reporting process of the Group as from 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 financial operations of the OEM Group and 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 2017 Annual Report. Other than the risks and uncertainties described in the 2017 Annual Report, 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 the January-September 2018 period totalled SEK 38 million (24) and profit after financial items was SEK 62 million (23). 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.

Annual Meeting and Nomination Committee

The Nomination Committee for the Annual General Meeting on 24 April 2019 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

The next reporting period

The Financial Statement, Full Year 2018, will be published on 18 February 2019.

Definitions

Definitions can be found on page 17.

Tranås, Sweden, 18 October 2018

Jörgen Zahlin

Managing Director and Chief Executive Officer

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 18 October 2018 at 14.00 CET by Jan Cnattingius.

Auditor's report

OEM International AB (publ)
CRN 556184-6691

Introduction

We have carried out a review of the condensed financial statement for the interim period (interim report) for OEM International AB (publ) as at 30 September 2018 and the nine-month period closing that date. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

The objectives and scope of the review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA) and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

On the basis of our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, and, for the Parent Company, in accordance with the Swedish Annual Accounts Act.

Jönköping, 18 October 2018
KPMG AB

Olle Nilsson
Chartered Accountant
Principal auditor

The regions' sales and earnings

SALES & EARNINGS BY REGION

Net sales (SEK million)

	Jan-sept 2018	Jan-sept 2017	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Trailing 12 mth	Full Year 2017
Sweden, external income	1 366	1 213	426	476	464	458	370	1 823	1 671
Sweden, income from other segments	82	69	27	29	26	24	22	106	93
Finland, the Baltic States and China, external income	508	416	178	175	155	153	140	662	569
Finland, the Baltic States and China, income from other s	5	5	1	2	1	1	1	6	6
Denmark, Norway, the United Kingdom and East Central Europe, external income	433	368	144	152	138	131	126	564	499
Denmark, Norway, the United Kingdom and East Central Europe, income from other segments	1	1	0	0	0	0	0	2	2
Elimination	-87	-75	-29	-31	-27	-26	-24	-113	-101
	2 307	1 997	747	802	757	742	636	3 049	2 739

EBITA (MSEK)

	Jan-sept 2018	Jan-sept 2017	Q3 2018	Q2 2018	Q1 2018	Q1 2018	Q3 2017	Trailing 12 mth	Full Year 2017
Sweden	193	165	62	67	64	59	53	252	225
Finland, the Baltic States and China, external income	59	47	23	21	15	16	18	74	63
Denmark, Norway, the United Kingdom and East Central Europe	31	25	12	10	9	7	8	38	32
Group functions	-12	-9	-6	-4	-2	-2	-2	-14	-12
	271	228	91	94	85	79	77	350	308

Operating profit (SEK million)

	Jan-sept 2018	Jan-sept 2017	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Trailing 12 mth	Full Year 2017
EBITA	271	228	91	94	85	79	77	350	308
Amortisation and write-downs of acquisition-related intangible fixed assets.									
Sweden	-8	-13	-3	-3	-3	-3	-8	-10	-16
Finland, the Baltic States and China, Denmark, Norway, the United Kingdom and East Central Europe	-6	-4	-2	-2	-2	-2	-2	-7	-6
	-1	-3	0	0	0	-1	-1	-2	-4
Operating profit	256	208	86	89	81	74	67	330	282

Consolidated profit/loss (SEK million)

	Jan-sept 2018	Jan-sept 2017	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Trailing 12 mth	Full Year 2017
Operating profit	256	208	86	89	81	74	67	330	282
Net financial items	-4	-6	-1	-1	-2	-2	-2	-6	-8
Pre-tax profit/(loss)	252	201	85	88	79	72	65	324	274

Specification of external income by region and product area	Sweden		Finland, the Baltic States and China,		Denmark, Norway, the United Kingdom and East Central Europe		Total	
	Jan-sept 2018	Jan-sept 2017	Jan-sept 2018	Jan-sept 2017	Jan-sept 2018	Jan-sept 2017	Jan-sept 2018	Jan-sept 2017
Product Areas								
Automation	539	455	297	249	408	358	1244	1062
Components	207	201	54	45	-	-	261	246
Lighting & Installation components	215	208	19	16	25	10	259	234
Other	405	348	138	106	-	-	543	454
	1 366	1 213	508	416	433	368	2 307	1 997

The Group's performance and financial position

CONDENSED CONSOLIDATED STATEMENT OF INCOME (SEK MILLION)

	Jan-sept 2018	Jan-sept 2017	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Trailing 12 mth	Full Year 2017
Net sales	2 307	1 997	747	802	757	742	636	3 049	2 739
Other operating income	1	3	0	0	-	4	3	5	7
Operating costs	-2 012	-1 750	-648	-700	-664	-659	-554	-2 671	-2 409
Depreciation and write-downs of fixed assets	-39	-43	-13	-13	-13	-13	-18	-53	-56
Operating profit	256	208	86	89	81	74	67	330	282
Net financial income/expense	-4	-6	-1	-1	-2	-2	-2	-6	-8
Pre-tax profit/(loss)	252	201	85	88	79	72	65	324	274
Tax	-54	-44	-16	-21	-17	-16	-14	-70	-60
Profit/loss for the period	198	157	69	67	62	57	51	255	214
Earnings per outstanding share, SEK*	8,56	6,79	3,00	2,89	2,67	2,46	2,19	11,02	9,25

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (SEK MILLION)

Other comprehensive income

Profit/loss for the period	198	157	69	67	62	57	51	255	214
Items that have been transferred or may be recycled to net income									
Exchange differences for the period on translation of overseas operations	15	-1	-4	7	13	9	-4	25	8
Items that can not be recycled to net profit									
Revaluation of defined-benefit pension plans	0	-1	0	0	0	0	0	0	-1
Other comprehensive income for the period	15	-2	-5	7	13	9	-4	24	8
Comprehensive income for the period	213	155	65	73	75	66	46	279	221
EBITA	271	228	91	94	85	79	77	350	308

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

**Decisions regarding a changed tax rate in Sweden have been taken into consideration and have had a positive SEK 0.7 million effect on tax for the period.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (SEK MILLION)

	2018-09-30	2017-09-30	2017-12-31
Fixed assets			
Goodwill	136	126	128
Other intangible assets	62	79	73
Total intangible assets	199	205	201
Property, plant and equipment	262	247	251
Total property, plant and equipment	262	247	251
Deferred tax assets	3	2	2
Financial assets	0	0	0
Total financial assets	3	2	2
Total fixed assets	463	454	453
Current assets			
Inventories	540	466	494
Current receivables	540	461	478
Cash and cash equivalents	32	71	56
Total current assets	1112	998	1029
Total assets	1 576	1 452	1 482
Equity	878	737	804
Non-current interest-bearing liabilities	36	42	41
Provisions for pensions	2	2	1
Non-current non-interest-bearing liabilities	13	16	15
Deferred tax liabilities	87	84	88
Total non-current liabilities	137	144	146
Current interest-bearing liabilities	197	233	157
Current non-interest-bearing liabilities	364	338	375
Total current liabilities	561	570	532
Total equity and liabilities	1 576	1 452	1 482

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SEK MILLION)

	2018-09-30	2017-09-30	2017-12-31
At beginning of year	804	709	709
Comprehensive income for the period			
Profit/loss for the period	198	157	214
Other comprehensive income for the period	15	-2	8
Comprehensive income for the period	213	155	221
Dividends paid	-139	-127	-127
At the end of the period	878	737	804

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (SEK MILLION)

	Jan-sept 2018	Jan-sept 2017	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Trailing 12 mth	Full Year 2017
Operating cash flows									
before movements in working capital	226	196	82	84	61	76	69	302	272
Movements in working capital	-103	-73	-55	-19	-29	-7	-26	-110	-80
Operating cash flows	124	123	27	65	32	69	44	192	191
Acquisition of subsidiaries net effect on cash and cash equivalents	-14	-39	-9	-	-5	0	-6	-14	-40
Disposal of subsidiaries net effect on cash and cash equivalents	-	-	-	-	-	-	-	1	1
Acquisition of intangible fixed assets	0	-5	0	-	-	0	-1	0	-4
Acquisition of property, plant and equipment	-31	-28	-6	-18	-7	-9	-8	-41	-37
Sales of property, plant and equipment	4	3	2	1	1	1	1	5	4
Investing cash flows	-42	-70	-13	-17	-11	-6	-15	-48	-76
Financing cash flows									
- Loan raised	8	7	-	2	5	-	0	8	7
- Loan amortisation	-9	-2	-1	-	-8	-6	-1	-15	-8
- Change in bank overdrafts	32	57	-2	24	11	-72	-34	-40	-15
- Dividends paid	-139	-127	-	-139	-	-	-	-139	-127
Financing cash flow	-108	-65	-3	-113	8	-78	-34	-185	-143
Cash flow for the period	-25	-11	11	-65	29	-15	-5	-41	-27
Cash and cash equivalents at the beginning of the period	56	83	22	87	56	71	76	71	83
Exchange rate difference	1	-1	0	0	2	1	0	2	0
Cash and cash equivalents at the end of the period	32	71	32	22	87	56	71	32	56

KEY PERFORMANCE INDICATORS

	Jan-sept 2018	Jan-sept 2017	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Trailing 12 mth	Full Year 2017
Return on equity, %	23,5	21,7	7,6	8,6	7,3	6,6	6,5	30,1	28,3
Return on capital employed, %	25,7	23,8	8,6	8,9	8,2	8,4	7,1	34,1	32,2
Return on total capital %	17,7	16,4	6,1	6,0	5,6	5,4	4,9	23,1	21,8
Equity/assets ratio, %	55,7	50,8							54,2
Earnings per outstanding share, SEK	8,56	6,79	3,00	2,89	2,67	2,46	2,19	11,02	9,25
Earnings per total shares, SEK	8,54	6,78	2,99	2,88	2,67	2,45	2,19	10,99	9,23
Equity per total shares, SEK	37,89	31,83							34,69
Average number of outstanding shares (thousands)	23 107	23 107	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	23 169	23 169
Operating margin, %	11,1	10,4	11,5	11,1	10,6	10,0	10,5	10,8	10,3
EBITA-margin, %	11,7	11,4	12,2	11,7	11,3	10,7	12,1	11,5	11,2

* 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-sept 2018	Jan-sept 2017	Q3 2018	Q2 2018	Q1 2018	Q4 2018	Q3 2017	Trailing 12 mth	Full Year 2017
Net sales	38	24	13	12	13	25	8	63	49
Operating costs	-37	-34	-12	-13	-12	-13	-11	-50	-47
Depreciation	-6	-5	-2	-2	-2	-2	-2	-8	-7
Operating profit	-4	-16	-1	-2	-1	10	-5	6	-6
Income from investments									
in Group companies	68	39	-	68	-	-6	0	62	33
Other financial income/expense, Net	-2	-1	0	0	-1	-1	1	-3	-2
Profit/loss after financial items	62	23	-1	65	-3	3	-4	65	25
Year-end appropriations	-	-	-	-	-	178	-	178	178
Pre-tax profit/(loss)	62	23	-1	65	-3	181	-4	242	203
Tax	1	4	0	1	1	-41	1	-40	-38
Profit/loss for the period	63	26	-1	66	-2	139	-3	202	165

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

CONDENSED BALANCE SHEET OF THE PARENT COMPANY (SEK MILLION)

Assets	2018-09-30	2017-09-30	2017-12-31
Intangible fixed assets	13	19	17
Property, plant and equipment	17	17	18
Financial assets	428	374	415
Total fixed assets	458	410	450
Current receivables	243	214	379
Cash on hand and demand deposits	-	-	-
Total current assets	243	214	379
Total assets	701	624	829
Equity and liabilities			
Equity	218	155	294
Untaxed reserves	277	252	277
Deferred tax liabilities	2	2	2
Non-current non-interest-bearing liabilities	13	15	15
Total non-current liabilities	13	15	15
Current interest-bearing liabilities	79	113	75
Current non-interest-bearing liabilities	113	87	166
Total current liabilities	191	200	241
Total equity and liabilities	701	624	829

Notes

Segment reporting is presented on page 5, 6, 12 and page 13, disclosures about fair value of financial instruments and accounting policies are presented on page 8.

Definitioner

In addition to the conventional financial performance measures established by IFRS, OEM uses the term EBITA/EBITA margin as defined below. The reason is that OEM wishes to summarise the companies' operations with regard to profit and margins, adjusted for amortisations of Group-related amortisations arising in connection with acquisitions and thereby 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 12.

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 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.