

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 different points, some connected and some isolated. The lines are of varying thickness and the nodes are of different sizes.

Interim report Q2 – 2018

Second quarter 2018

- Incoming orders rose 20% to SEK 834 million (693)
- Net sales rose 16% to SEK 802 million (690)
- Operating profit rose 31% to SEK 89 million (68)
- EBITA rose 28% to SEK 94 million (74)
- Profit after tax rose 31% to SEK 67 million (51)
- Earnings per share were SEK 2.89 (2.21)

January - June 2018

- Incoming orders rose 16% to SEK 1,614 million (1,395)
- Net sales rose 15% to SEK 1,559 million (1,360)
- Operating profit rose 21% to SEK 170 million (141)
- EBITA rose 19% to SEK 180 million (151)
- Profit after tax rose 21% to SEK 129 million (106)
- Earnings per share were SEK 5.56 (4.61)



Strong quarter with increased profitability

The second quarter of 2018 has been a record quarter for OEM. We are witnessing continued strong demand and a good rate of growth in the majority of our operations. Net sales stood at SEK 802 million, an increase of 16 per cent compared to the same period in 2017. Currency effects and acquisitions are contributing with 2 and 4 per cent respectively, resulting in an organic growth of 10 per cent. Incoming orders are indicating higher growth rates than sales in all the regions.

The second quarter is also reporting a significant increase in profitability. Operating profit (EBITA) stood at SEK 94 million, an increase of 28 per cent compared to the second quarter of in 2017. The operating margin amounted to 12 per cent.

If we look at the first half of 2018, which evens out calendar effects and the impact of individual transactions, the figures are at least as strong. Incoming orders in the first half of the year rose by 16 per cent and net sales by 15 per cent, compared to the same period last year. I am particularly pleased that we have succeeded in achieving an organic growth of 10 per cent for the first six months of the year.

Development in the regions

Demand in Region Sweden is very strong. The increase in net sales is 14 per cent, of which 12 comprises organic growth. OEM Automatic, our largest single operation, is continuing to develop well. The same applies for companies such as Svenska Batteripoolen, Ernst Hj Rydahls Bromsbandfabrik, Telfa, OEM Motor and Svenska Helag – and with one exception, all the operations in the region are reporting double-digit growth rates.

Our successes in Region Finland, the Baltic states and China are continuing. Growth in sales stood at 19 per cent and incoming orders increased by 30 per cent compared to the corresponding period in 2017. We can see that we are achieving good leverage with the high growth rates, with a 31 per cent improvement in profitability. We are also witnessing a clear improvement in developments in the Baltic states compared to before, even though Finland is still the engine for the Region.

In Region Denmark, Norway, the UK and East Central Europe, the good growth we saw at the start of the year is continuing. Developments in the more mature markets, Denmark, Norway and the UK, remain stable, while the markets in East Central Europe, including countries such as Poland, the Czech Republic, Hungary and Slovakia, are reporting double-digit growth rates. Here, too, we are witnessing a clear improvement in profitability and strong development as regards incoming orders.

A strong OEM

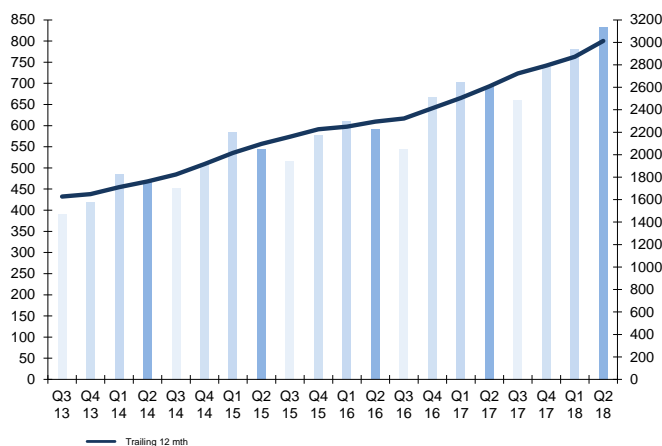
A favourable economic climate in Europe and a good rate of growth, and in particular strong incoming orders, mean that we can look to the future with confidence as we move into the second half of 2018. This is improving our ability to work, but also providing us with the potential to take on the task of safeguarding continued strong development. We can see that there is more to be done in certain operations and areas – and much of our efforts are focused here at the moment. Working to achieve improvements is a clear ingredient in our culture and will continue to make OEM one of Europe's leading technology trading companies.

Jörgen Zahlin

Managing Director and Chief Executive Officer

Incoming orders

MSEK



Incoming orders

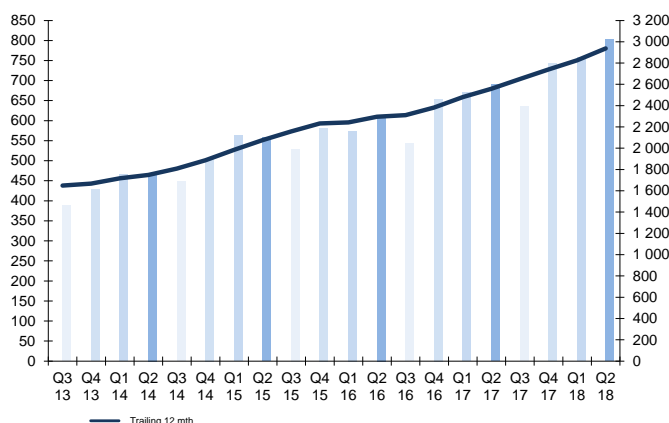
Incoming orders increased by 20% to SEK 834 million (693) in the second quarter of 2018. For comparable entities, including the impact of foreign currency exchange rate fluctuations, incoming orders rose by 16% and acquired incoming orders by 4%. During the second quarter of 2018, incoming orders were 4% higher than net sales.

Incoming orders for the first half of 2018 increased by 16% to SEK 1,614 million (1,395). Comparable entities reported a 13% increase in incoming orders.

At SEK 413 million (334) on 30 June 2018, the order book was 24% higher than on the corresponding date in the previous year.

Net sales

MSEK



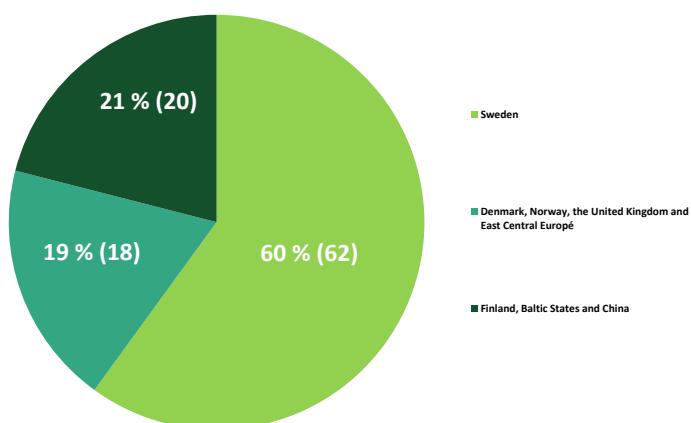
Sales growth

Net sales in the second quarter of 2018 increased by 16% to SEK 802 million (690). For comparable entities, net sales rose by 10% and acquired sales by 2%. Foreign currency exchange rate movements had a positive 4% effect on net sales in the second quarter.

Net sales for the first half of 2018 increased by 15% to SEK 1,559 million (1,360). For comparable entities, net sales rose by 10% and acquired sales by 2%. Foreign currency exchange rate movements had a positive 3% effect on net sales in the first half of the year.

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

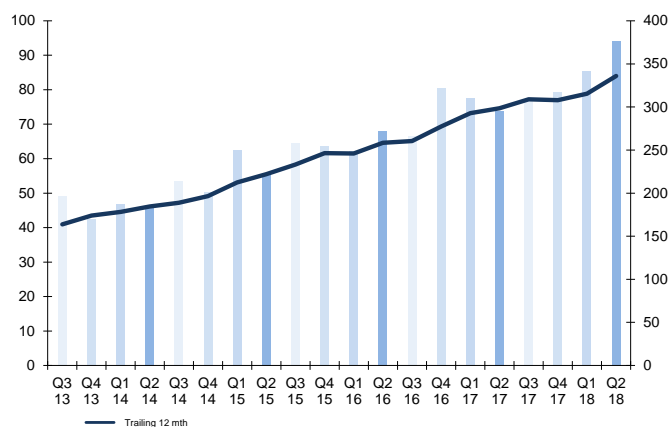
Share per region



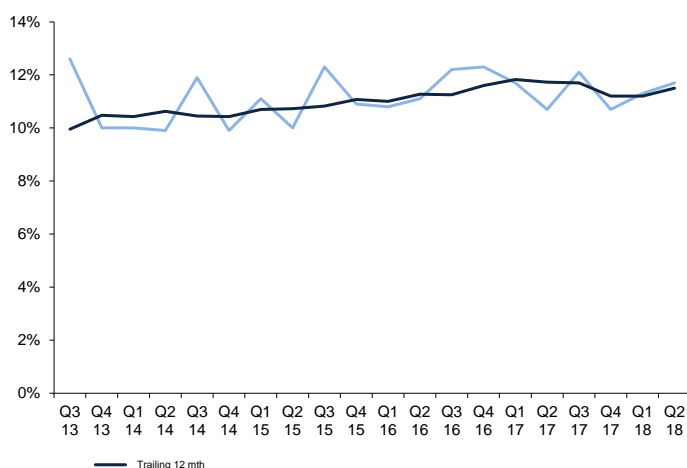
There has been a shift in the share of sales between the regions during the first half of 2018. Region Finland, the Baltic states and China and Region Denmark, Norway, the UK and East Central Europe have reported positive growth during the first half of 2018, and have increased their share by 1 percentage point each compared to the same period last year. Region Sweden's share has decreased by 2 percentage points during the first half of 2018.

EBITA

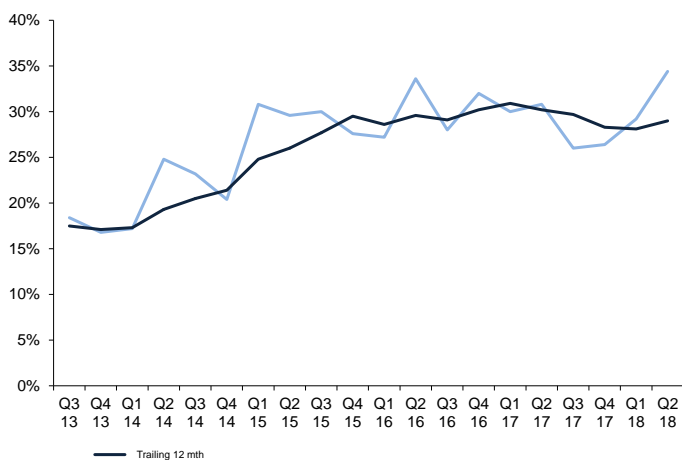
MSEK



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, was SEK 94 million (74) in the second quarter of 2018, which is an increase of 28%.

The EBITA margin stood at 11.7% (10.7%). EBITA for the first half of 2018 increased by 19% to SEK 180 million (151). The EBITA margin was 11.5% (11.1%) for the first half of 2018.

Operating profit rose by 31% to SEK 89 million (68) during the second quarter of 2018. Accumulated for the first half of 2018, operating profit increased by 21% to SEK 170 million (141). The operating margin during the second quarter amounted to 11.1% (9.9%), and accumulated for the period January to June 2018 it stood at 10.9% (10.4).

Profit after tax in the first half of 2018 rose by 21% to SEK 129 million (106).

Earnings per share for the first half of 2018 stood at SEK 5.56 (4.61).

Return

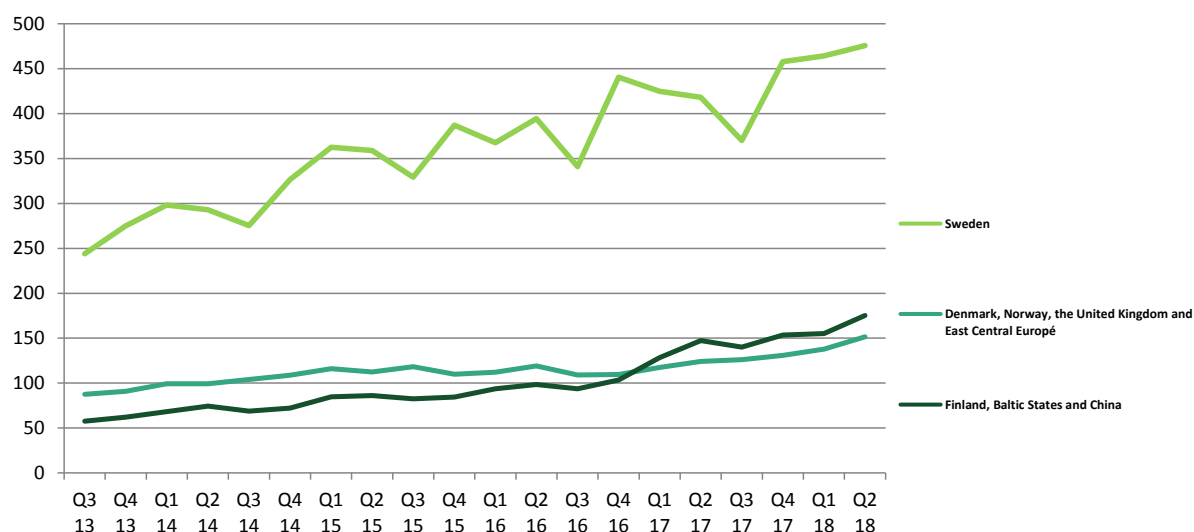
The return on equity in the second quarter of 2018 was 8.6%, compared to 7.7% in the corresponding quarter last year.

The trailing-twelve-month return on equity was 29%, which is well above the 20% target.

Shareholders' equity amounted to SEK 813 million (691) with an equity/assets ratio of 53% (48%) on 30 June 2018.

Sales growth by region per quarter

MSEK



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 and ATC Tape Converting AB.

MSEK	2018 Q2	2017 Q2	2018 Q1 – Q2	2017 Q1 – Q2	2017 Full year	Trailing 12 months
Incoming orders	492	431	963	862	1,703	1,804
Net sales	476	418	940	843	1,671	1,768
EBITA	67	51	131	113	225	243
EBITA margin	14%	12%	14%	13%	13%	14%

Net sales rose by 11% in the first half of the year to SEK 940 million (843). Exchange rate fluctuations had a positive 1% effect on net sales, which means that organic growth in the region reached 10%. Just about all the operations are performing well, with Ernst Hj Rydahls Bromsbandfabrik, Svenska Batteripoolen, Telfa, OEM Automatic, Svenska Helag and OEM Motor accounting for the largest percentage growth in net sales.

Incoming orders increased by 12% to SEK 963 million (843). Incoming orders in the first half of the year were 2% higher than net sales.

EBITA rose by 16% to SEK 131 million in the first half of the year, due primarily to higher net sales.

Finland, 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.

MSEK	2018 Q2	2017 Q2	2018 Q1 – Q2	2017 Q1 – Q2	2017 Full year	Trailing 12 months
Incoming orders	185	143	348	286	580	642
Net sales	175	147	330	276	569	624
EBITA	21	16	35	29	63	69
<i>EBITA margin</i>	12%	11%	11%	11%	11%	11%

Net sales for the region rose by 20% to SEK 330 million (276) in the first half of the year.

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 10%.

The level of incoming orders has also been good, rising 21% to SEK 348 million (286). Incoming orders in the first half of the year were 5% higher than net sales.

Growth has been robust across most of the operations in Finland. The Baltic states have developed positively, while China has fallen back. The operations in the Baltic states and China are small and their impact on total growth is marginal.

EBITA rose 22% to SEK 35 million (29), 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.

MSEK	2018 Q2	2017 Q2	2018 Q1 – Q2	2017 Q1 – Q2	2017 Full year	Trailing 12 months
Incoming orders	156	119	303	247	510	567
Net sales	152	124	289	242	499	546
EBITA	10	9	19	17	32	34
<i>EBITA margin</i>	7%	7%	7%	7%	6%	6%

Net sales in the first half of the year increased by 20% to SEK 289 million (242). Acquisitions and foreign currency exchange rate movements had positive effects of 7% and 5% respectively on net sales, which means that organic growth in the region reached 8%. The operations reporting good organic growth are in Hungary, Poland, Slovakia, the Czech Republic and Norway.

Incoming orders increased by 23% to SEK 303 million (247).

Incoming orders in the first half of the year were 5% higher than net sales.

EBITA rose 13% to SEK 19 million (17), due primarily to increased net sales.

Other financial information

Cash flow

The operating cash flow in the first half of 2018 was SEK 97 million (79). Cash flow totalled SEK -36 million (-7) during the period and was affected e.g. by investing activities of SEK -29 million (-55) and dividends of SEK -139 million (-127).

Investments

The Group's investments in fixed assets in the first half of 2018 totalled SEK 26 million (52). Property, machinery and equipment accounted for SEK 26 million (20), and intangible assets for SEK - million (32), of which SEK - million (29) is related to business combinations.

Liquidity

Cash and cash equivalents, comprising cash and bank balances, amounted to SEK 22 million (76). Cash and cash equivalents, together with committed undrawn credit facilities, amounted to SEK 299 million (279) on 30 June 2018.

Intangible assets

Amortisation of intangible assets totalling SEK 13 million (13) has been charged to the income statement during the first half of 2018. On 30 June 2018, intangible assets amounted to SEK 193 million (217).

Equity/assets ratio

The equity/assets ratio was 53% (48%) on 30 June 2018.

Employees

The Group's average number of employees in the first half of 2018 was 876 (785). At the end of the period, the number of employees was 881 (806). Of this increase at the end of the period, 37 people have joined in conjunction with acquisitions.

Share repurchase

The company did not repurchase any shares during the period. The company's total shareholding was 61,847 shares on 30 June 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.

Remeasurement of contingent considerations

Contingent consideration recognised as a liability was remeasured based on the development of previously acquired businesses and was subsequently reduced by SEK 0.4 million (-0.1). This has been recognised in Other operating income and has had a positive SEK 0.4 million (-0.1) effect on operating profit in 2018. Acquisition-related consideration liability on 30 June 2018 totalled SEK 16.3 million (23.9).

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 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, which entered into force on 1 January 2018, have not resulted in any significant adjustments to the Group's accounting from 1 January 2018. An investigation has been launched regarding the consequences of IFRS 16, Leases, applicable from 1 January 2019, which may impact on both profits and position. IFRS 16 is expected to have little impact, although the analysis must be completed before the 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 financial operations 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 2017 Annual Report. Other than the risks and uncertainties described in the Annual Report for 2017, 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 turnover for the Parent Company during the first half of 2018 amounted to SEK 26 million (16) and profit after financial items to SEK 63 million (27). Net sales relate entirely to inter-company transactions. The above 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 15.

Declaration

The Board of Directors and the Managing Director declare that the interim report provides a true summary of the Group's and the Parent Company's activities, position and results. It also describes significant risks and uncertainties faced by the Parent Company and the companies that form the Group.

Tranås, 13 July 2018

Petter Stillström
Chairman of the Board

Ulf Barkman
Board Member

Hans Franzén
Board Member

Ingrid Nordlund
Board Member

Jörgen Rosengren
Board Member

Anna Stålenbring
Board Member

Åsa Söderström Winberg
Board Member

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 13 July 2018 at 11.00 CET by Jan Cnattingius.

The regions' sales and earnings

SALES & EARNINGS BY REGION

Net sales (SEK million)

	Jan- jun 2018	Jan- jun 2017	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Trailing 12 mth	Full Year 2017
Sweden, external income	940	843	476	464	458	370	418	1 768	1 671
Sweden, income from other segments	54	47	29	26	24	22	24	101	93
Finland, the Baltic States and China, external income	330	276	175	155	153	140	147	624	569
Finland, the Baltic States and China, income from other s	3	4	2	1	1	1	2	6	6
Denmark, Norway, the United Kingdom and East Central Europe, external income	289	242	152	138	131	126	124	546	499
Denmark, Norway, the United Kingdom and East Central Europe, income from other segments	1	1	0	0	0	0	0	2	2
Elimination	-58	-52	-31	-27	-26	-24	-27	-108	-101
	1 559	1 360	802	757	742	636	690	2 938	2 739

EBITA (MSEK)

	Jan- jun 2018	Jan- jun 2017	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Trailing 12 mth	Full Year 2017
Sweden	131	113	67	64	59	53	51	243	225
Finland, the Baltic States and China, external income	35	29	21	15	16	18	16	69	63
Denmark, Norway, the United Kingdom and East Central Europe	19	17	10	9	7	8	9	34	32
Group functions	-6	-7	-4	-2	-2	-2	-1	-10	-12
	180	151	94	85	79	77	74	336	308

Operating profit (SEK million)

	Jan- jun 2018	Jan- jun 2017	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Trailing 12 mth	Full Year 2017
EBITA	180	151	94	85	79	77	74	336	308
<i>Amortisation and write-downs of acquisition-related intangible fixed assets.</i>									
Sweden	-5	-6	-3	-3	-3	-8	-3	-16	-16
Finland, the Baltic States and China, Denmark, Norway, the United Kingdom and East Central Europe	-4	-3	-2	-2	-2	-2	-2	-7	-6
	-1	-2	0	0	-1	-1	-1	-3	-4
Operating profit	170	141	89	81	74	67	68	311	282

Consolidated profit/loss (SEK million)

	Jan- jun 2018	Jan- jun 2017	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Trailing 12 mth	Full Year 2017
Operating profit	170	141	89	81	74	67	68	311	282
Net financial items	-3	-5	-1	-2	-2	-2	-3	-7	-8
Pre-tax profit/(loss)	167	136	88	79	72	65	65	304	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-jun 2018	Jan-jun 2017	Jan-jun 2018	Jan-jun 2017	Jan-jun 2018	Jan-jun 2017	Jan-jun 2018	Jan-jun 2017
Product Areas								
Automation	369	317	198	169	271	242	838	728
Components	143	141	36	32	-	-	179	172
Lighting & Installation components	145	142	12	11	18	-	175	153
Other	283	243	84	65	-	-	367	308
	940	843	330	276	289	242	1 559	1 360

The Group's performance and financial position

CONDENSED CONSOLIDATED STATEMENT OF INCOME (SEK MILLION)

	Jan-jun 2018	Jan-jun 2017	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Trailing 12 mth	Full Year 2017
Net sales	1 559	1 360	802	757	742	636	690	2 938	2 739
Other operating income	0	-	0	-	4	3	-	8	7,383
Operating costs	-1 364	-1 195	-700	-664	-659	-554	-609	-2 577	-2 409
Depreciation and write-downs of fixed assets	-26	-24	-13	-13	-13	-18	-13	-58	-56
Operating profit	170	141	89	81	74	67	68	311	282
Net financial income/expense	-3	-5	-1	-2	-2	-2	-3	-7	-8
Pre-tax profit/(loss)	167	136	88	79	72	65	65	304	274
Tax	-38	-30	-21	-17	-16	-14	-14	-68	-60
Profit/loss for the period	129	106	67	62	57	51	51	236	214
Earnings per outstanding share, SEK*	5,56	4,61	2,89	2,67	2,46	2,18	2,21	10,20	9,25

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (SEK MILLION)

Other comprehensive income

Profit/loss for the period	129	106	67	62	57	51	51	236	214
Items that have been transferred or may be recycled to net income									
Exchange differences for the period on translation of overseas operations	20	3	7	13	9	-4	3	25	8
Items that can not be recycled to net profit									
Revaluation of defined-benefit pension plans	0	0	0	0	0	0	0	0	-1
Other comprehensive income for the period	20	2	7	13	9	-4	3	25	8
Comprehensive income for the period	148	109	73	75	66	46	54	261	221
EBITA	180	151	94	85	79	77	74	336	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)

	2018-06-30	2017-06-30	2017-12-31
Fixed assets			
Goodwill	131	132	128
Other intangible assets	62	85	73
Total intangible assets	193	217	201
Property, plant and equipment	266	246	251
Total property, plant and equipment	266	246	251
Deferred tax assets	2	2	2
Financial assets	0	0	0
Total financial assets	3	2	2
Total fixed assets	462	466	453
Current assets			
Inventories	516	430	494
Current receivables	529	471	478
Cash and cash equivalents	22	76	56
Total current assets	1067	978	1029
Total assets	1 529	1 444	1 482
Equity	813	691	804
Non-current interest-bearing liabilities	36	41	41
Provisions for pensions	1	1	1
Non-current non-interest-bearing liabilities	9	16	15
Deferred tax liabilities	86	85	88
Total non-current liabilities	131	143	146
Current interest-bearing liabilities	202	268	157
Current non-interest-bearing liabilities	382	341	375
Total current liabilities	584	609	532
Total equity and liabilities	1 529	1 444	1 482

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SEK MILLION)

	2018-06-30	2017-06-30	2017-12-31
At beginning of year	804	709	709
Comprehensive income for the period			
Profit/loss for the period	129	106	214
Other comprehensive income for the period	20	2	8
Comprehensive income for the period	148	109	221
Dividends paid	-139	-127	-127
At the end of the period	813	691	804

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (SEK MILLION)

	Jan- jun 2018	Jan- jun 2017	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Trailing 12 mth	Full Year 2017
Operating cash flows									
before movements in working capital	144	126	84	61	76	69	62	290	272
Movements in working capital	-48	-47	-19	-29	-7	-26	-10	-80	-80
Operating cash flows	97	79	65	32	69	44	53	209	191
Acquisition of subsidiaries net effect on cash and cash equivalents	-5	-34	-	-5	0	-6	-22	-11	-40
Disposal of subsidiaries net effect on cash and cash equivalents	-	-	-	-	-	-	-	-	1
Acquisition of intangible fixed assets	-	-3	-	-	0	-1	-1	-1	-4
Acquisition of property, plant and equipment	-26	-20	-18	-7	-9	-8	-13	-43	-37
Sales of property, plant and equipment	2	2	1	1	1	1	0	4	4
Investing cash flows	-29	-55	-17	-11	-6	-15	-37	-49	-76
Financing cash flows									
- Loan raised	8	7	2	5	-	0	7	8	7
- Loan amortisation	-8	-1	-	-8	-6	-1	-1	-14	-8
- Change in bank overdrafts	34	90	24	11	-72	-34	104	-71	-15
- Dividends paid	-139	-127	-139	-	-	-	-127	-139	-127
Financing cash flow	-104	-31	-113	8	-78	-34	-17	-216	-143
Cash flow for the period	-36	-7	-65	29	-15	-5	-2	-56	-27
Cash and cash equivalents at the beginning of the period	56	83	87	56	71	76	77	76	83
Exchange rate difference	2	0	0	2	1	0	0	2	0
Cash and cash equivalents at the end of the period	22	76	22	87	56	71	76	22	56

KEY PERFORMANCE INDICATORS

	Jan- jun 2018	Jan- jun 2017	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Trailing 12 mth	Full Year 2017
Return on equity, %	15,9	15,2	8,6	7,3	6,6	6,5	7,7	29,0	28,3
Return on capital employed, %	17,1	16,7	8,9	8,2	8,4	7,1	8,4	32,6	32,2
Return on total capital %	11,6	11,5	6,0	5,6	5,4	4,9	5,8	21,9	21,8
Equity/assets ratio, %	53,1	47,9							54,2
Earnings per outstanding share, SEK	5,56	4,61	2,89	2,67	2,46	2,19	2,21	10,20	9,25
Earnings per total shares, SEK	5,55	4,59	2,88	2,67	2,45	2,19	2,19	10,19	9,23
Equity per total shares, SEK	35,05	29,83							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, %	10,9	10,4	11,1	10,6	10,0	10,5	9,9	10,6	10,3
EBITA-margin, %	11,5	11,1	11,7	11,3	10,7	12,1	10,7	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- jun 2018	Jan- jun 2017	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Trailing 12 mth	Full Year 2017
Net sales	26	16	12	13	25	8	8	58	49
Operating costs	-25	-24	-13	-12	-13	-11	-12	-49	-47
Depreciation	-4	-3	-2	-2	-2	-2	-2	-7	-7
Operating profit	-3	-11	-2	-1	10	-5	-6	2	-6
Income from investments									
in Group companies	68	39	68	-	-6	0	39	62	33
Other financial income/expense, Net	-2	-1	0	-1	-1	1	-1	-3	-2
Profit/loss after financial items	63	27	65	-3	3	-4	32	61	25
Year-end appropriations	-	-	-	-	178	-	-	178	178
Pre-tax profit/(loss)	63	27	65	-3	181	-4	32	239	203
Tax	1	3	1	1	-41	1	1	-39	-38
Profit/loss for the period	64	29	66	-2	139	-3	34	200	165

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

CONDENSED BALANCE SHEET OF THE PARENT COMPANY (SEK MILLION)

Assets	2018-06-30	2018-06-30	2017-12-31
Intangible fixed assets	14	19	17
Property, plant and equipment	17	17	18
Financial assets	414	375	415
Total fixed assets	445	411	450
Current receivables	261	244	379
Cash on hand and demand deposits	-	-	-
Total current assets	261	244	379
Total assets	706	655	829
Equity and liabilities			
Equity	219	158	294
Untaxed reserves	277	252	277
Deferred tax liabilities	2	2	2
Non-current non-interest-bearing liabilities	9	15	15
Total non-current liabilities	9	15	15
Current interest-bearing liabilities	77	138	75
Current non-interest-bearing liabilities	122	90	166
Total current liabilities	199	228	241
Total equity and liabilities	706	655	829

Notes

Segment reporting is presented on page 5, 6, 10 and page 11, 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 10.

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.