



Interim report

Q2 2019

Second quarter 2019

- Incoming orders rose 2% to SEK 847 million (834)
- Net sales rose 6% to SEK 848 million (802)
- Operating profit was SEK 90 million (89)
- EBITA stood at SEK 93 million (94)
- Profit after tax rose 4% to SEK 69 million (67)
- Earnings per share were SEK 3.01 (2.89)

January – June 2019

- Incoming orders rose 6% to SEK 1,717 million (1,614)
- Net sales rose 9% to SEK 1,694 million (1,559)
- Operating profit rose 11% to SEK 189 million (170)
- EBITA rose 9% to SEK 196 million (180)
- Profit after tax rose 15% to SEK 147 million (129)
- Earnings per share were SEK 6.38 (5.56)



Stable demand but slower growth

Second quarter net sales were on a par with the record quarter that this year began with, giving 6% growth over the prior year period. Currency effects and acquisitions contributed 2% and 1% respectively, resulting in 3% organic growth. Incoming orders were on a par with sales, increasing 2% compared with the same quarter in the previous year.

The slackening economic activity that we have seen in many parts of Europe and which previously affected demand in Finland is now being felt in Sweden too. Both sales and incoming orders are experiencing a lower rate of growth than we have seen for a considerable period of time.

The operating margin reached 11.0%, compared with 11.7% in the second quarter of 2018. The narrower operating margin is due to a lower gross margin and increased costs.

If we look at the first six months of 2019, which level out calendar-related effects and the impact of individual business transactions, we see that growth remains strong. Incoming orders rose 6% and net sales 9% compared with the first six months of 2018. The operating margin for the first six months reached 11.6% compared with 11.5% in the prior year period.

Growth across the regions

We are witnessing a slowing of momentum in demand in Region Sweden, particularly among our larger entities. Net sales rose 6% in Region Sweden in the second quarter of 2019, 3% of which is organic growth. The businesses reporting strongest growth are primarily OEM Electronics, OEM Motor, Telfa and Agolux. The slowdown in sales growth along with a lower gross margin has resulted in a negative growth in earnings for the first time in 18 months.

We observed a slowing of momentum in Region Finland, the Baltic states and China in the previous quarter and, despite a 7% increase in net sales in the second quarter over last year, we can confirm that this region is also experiencing weaker earnings growth.

The upside can be found in Region Denmark, Norway, the UK and East Central Europe. Our operations in Denmark, the UK, Poland and Slovakia are all reporting healthy growth. Net sales rose 4%, of which 2% was organic growth, but it is chiefly the improved profitability that stands out, with operating profit increasing 18%.

Uncertainty creates opportunities

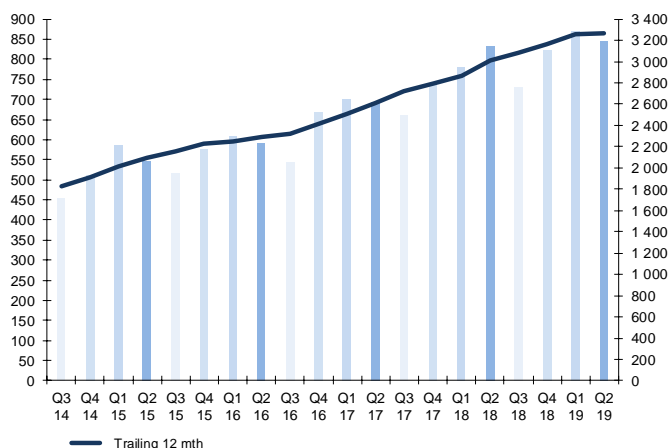
As we've said before, the outlook for the economy is difficult to forecast and our operations are facing greater fluctuations in demand than previously. At the same time, one of OEM's strengths is that we have many companies in several different markets, which spreads the risks. New, interesting opportunities, with new customers and suppliers, often arise during periods of downturn in the market. The slower pace of growth also gives us reason to continue to work on improving our efficiencies. In the past, part of our success has come from exploiting opportunities when the market has been weaker, and we are looking forward with confidence to the challenges that the autumn may bring!

Jörgen Zahlin

Managing Director and Chief Executive Officer

Incoming orders

SEK million



Incoming orders

Incoming orders increased by 2% to SEK 847 million (834) in the second quarter of 2019. For comparable entities, including the impact of foreign currency exchange rate movements, incoming orders rose by 1% and the acquired incoming orders by 1%.

Incoming orders were on a par with net sales in the second quarter of 2019.

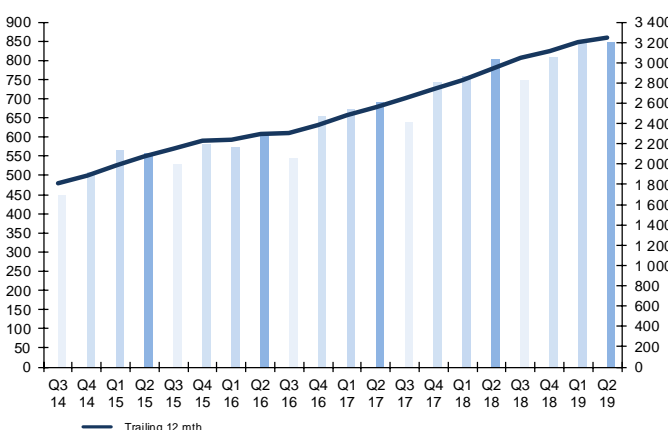
Incoming orders increased by 6% to SEK 1,717 million (1,614) in the first six months of 2019.

Incoming orders for comparable entities rose 5%.

At SEK 440 million (413) on 30 June 2019, the order book was 6% up on the previous year.

Net Sales

SEK million



Sales growth

Net sales in the second quarter of 2019 increased by 6% to SEK 848 million (802). For comparable entities, net sales rose 3% and acquired net sales were 1%. Currency movements had a 2% positive impact on second quarter net sales.

Net sales increased by 9% to SEK 1,694 million (1,559) in the first six months of 2019.

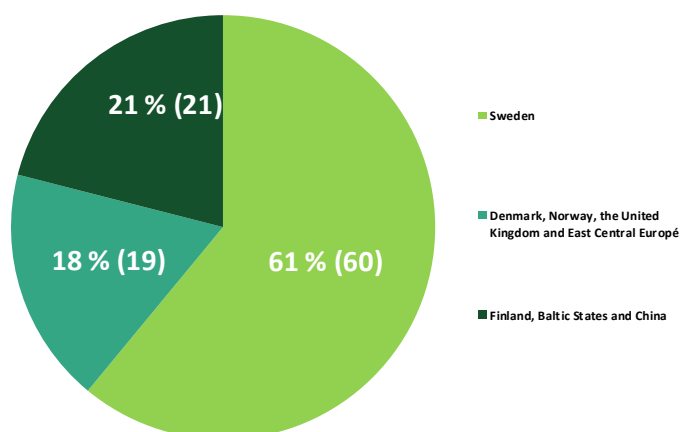
Comparable entities reported a 5% increase in net sales excluding the impact of foreign currency exchange rate fluctuations. Sales from business acquisitions and currency movements boosted net sales by 1% and 3% respectively in the first six months.

The Swedish operations of Agolux, Telfa, OEM Motor, OEM Electronics and Svenska Batteripoolen, and the operations in Denmark, Poland, the UK and Slovakia reported the highest percentage growth in net sales compared with last year.

There were marginal percentage shifts across the regions, with sales increasing by 1 percentage point in Region Sweden, while sales fell by 1 percentage point in Region Denmark, Norway, the UK and East Central Europe compared with the previous year.

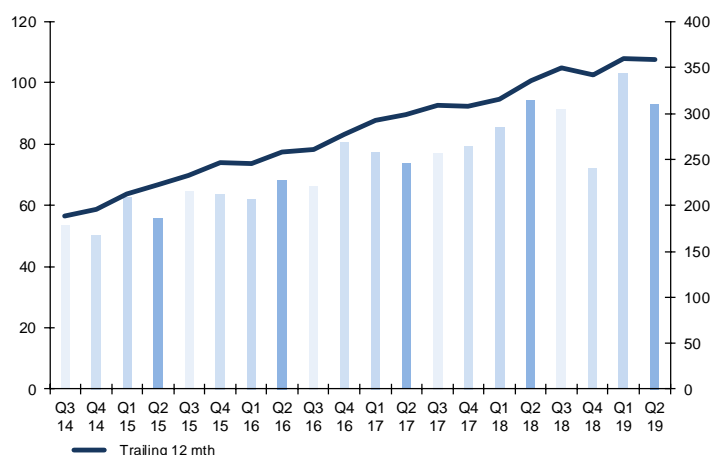
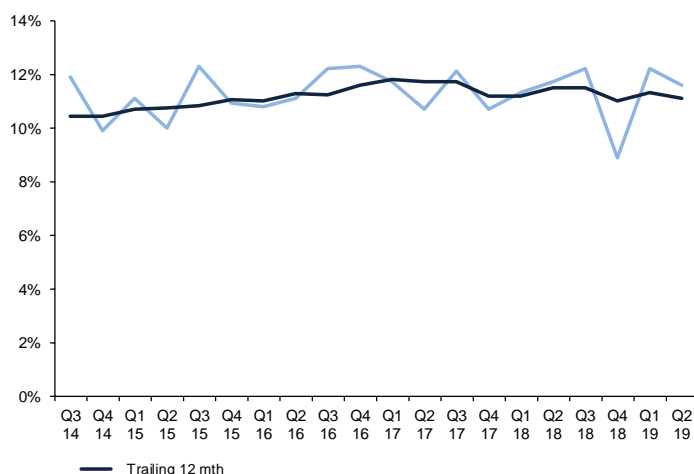
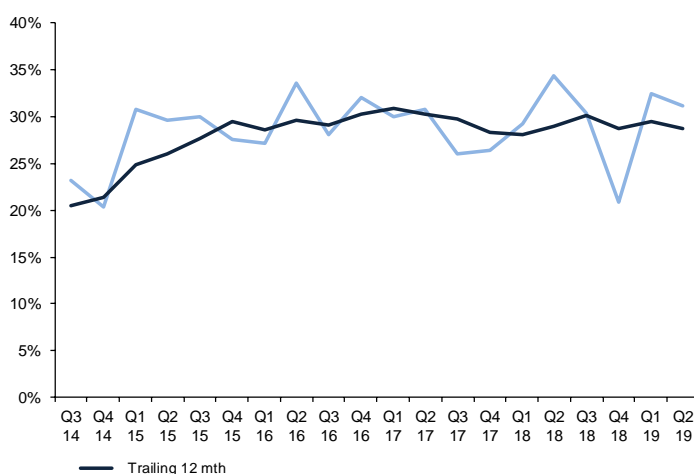
Sales were unchanged in Region Finland, the Baltic states and China.

Share by region



EBITA

SEK million

**EBITA margin****Return on equity**

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

Growth in earnings

In the second quarter of 2019, EBITA, operating profit before amortisation and impairment of acquisition-related intangible fixed assets, was SEK 93 million (94). The EBITA margin was at 11.0% (11.7%). EBITA increased by 9% to SEK 196 million (180) in the first six months of 2019. The EBITA margin stood at 11.6% (11.5%) in the first six months of 2019.

Operating profit for the second quarter of 2019 was SEK 90 million (89). Cumulative for the first six months, operating profit was up 11% to SEK 189 million (170). The second quarter operating margin was 10.6% (11.1%) and cumulative for the January-June period was 11.2% (10.9%).

Profit after tax rose 15% to SEK 147 million (129) in the first six months of 2019.

Earnings per share were SEK 6.38 (5.56) in the first six months of 2019.

Return

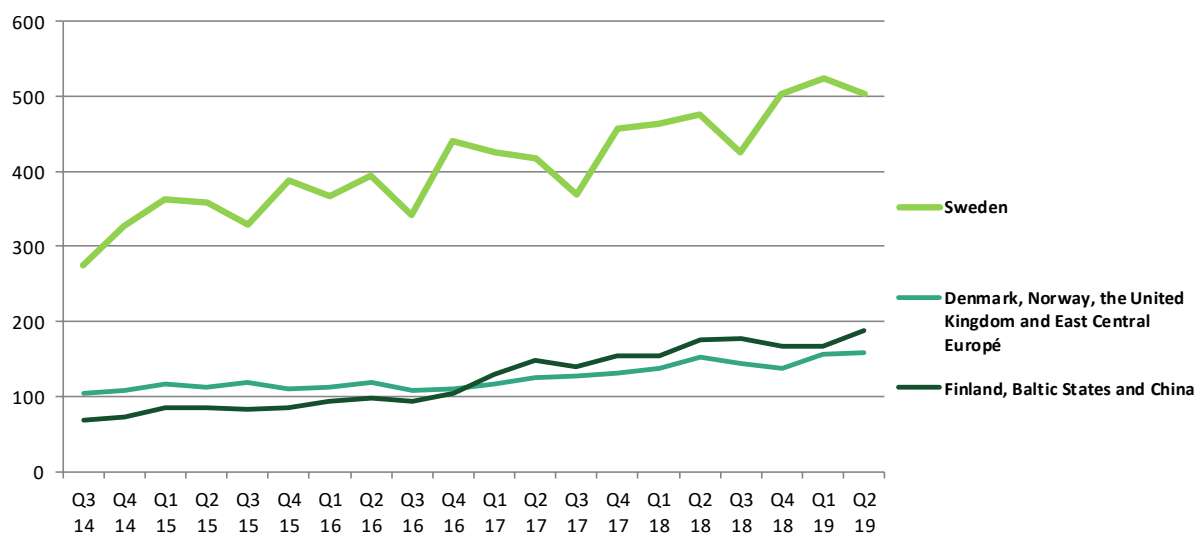
The return on equity in the second quarter of 2019 was 7.8% compared with 8.6% in the year-ago quarter.

The trailing-twelve-month return on equity was 28.7%, which is well above the 20% target.

Shareholders' equity amounted to SEK 927 million (813) with an equity/assets ratio of 55% (53%) on 30 June 2019.

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 Bromsbandsfabrik och ATC Tape Converting AB.

SEK Million	2019 Q2	2018 Q2	2019 Q1 – Q2	2018 Q1 – Q2	2018 Full year	Trailing 12 month
Incoming orders	507	492	1 034	963	1 894	1 965
Net sales	502	476	1 026	940	1 868	1 954
EBITA	65	67	143	131	256	268
EBITA margin	13 %	14 %	14 %	14 %	14 %	14 %

Net sales rose 9% to SEK 1,026 million (940) in the first six months of 2019. Foreign exchange movements and acquisitions boosted net sales by 2% and 1% respectively, which means that organic growth in the region reached 6%. Most of the operations have delivered good growth with Agolux, Telfa, OEM Motor, OEM Electronics and Svenska Batteripoolen accounting for the largest percentage growth in net sales.

Incoming orders increased by 7% to SEK 1,034 million (963) in the first six months. Incoming orders were 1% higher than net sales.

EBITA rose 9% to SEK 143 million (131) in the first six months of 2019 due primarily to increased net sales.

Finland, the Baltic states and China

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

SEK million	2019 Q2	2018 Q2	2019 Q1 – Q2	2018 Q1 – Q2	2018 Full year	Trailing 12 month
Incoming orders	182	185	357	348	676	685
Net sales	187	175	354	330	674	698
EBITA	19	21	32	35	74	71
EBITA margin	10 %	12 %	9 %	11 %	11 %	10 %

Net sales for the region rose 7% to SEK 354 million (330) in the first six months of 2019. Favourable foreign exchange movements boosted net sales by 3%, which means that organic growth in the region reached 4%.

The level of incoming orders for the region also increased in the first six months of 2019, rising 3% to SEK 357 million (348). Incoming orders were 1% higher than net sales in the period. Growth has continued across most of the operations in Finland although at a lower rate than before. China reported positive growth while the Baltic states posted figures that were slightly up on last year. The operations in the Baltic states and China are small and their impact on total growth is marginal.

EBITA fell by 8% to SEK 32 million (35), due primarily to a lower coverage ratio and an increased cost base.

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. och OEM Automatic Kft.

SEK million	2019 Q2	2018 Q2	2019 Q1 – Q2	2018 Q1 – Q2	2018 Full year	Trailing 12 month
Incoming orders	158	156	327	303	593	617
Net sales	158	152	315	289	570	595
EBITA	12	10	26	19	29	37
EBITA margin	8 %	7 %	8 %	7 %	5 %	6 %

Net sales rose in the first six months of 2019 by 9% to SEK 315 million (289). Favourable foreign exchange movements boosted net sales by 3%, which means that organic growth in the region reached 6%. The operations reporting strongest organic growth are Denmark, Poland and Slovakia.

Incoming orders in the first six months of 2019 reached SEK 327 million (303), an increase of 8%. Incoming orders were 4% higher than net sales in the period.

EBITA stood at SEK 26 million (19), which is an increase of 37%, due primarily to increased net sales.

Other financial information

Cash flow

Operating cash flow was SEK 128 million (97) in the first six months of 2019. Cash flow totalled SEK 3 million (-36) in the first six months of 2019 and was affected by investing activities of SEK -45 million (-29) and dividends of SEK -156 million (-139).

Investments

The Group's investments in fixed assets in the first six months of 2019 totalled SEK 41 million (26). Property, machinery and equipment accounted for SEK 39 million (26), and intangible assets for SEK 2 million (-).

Cash and cash equivalents

Cash and cash equivalents, comprising cash and bank balances, amounted to SEK 42 million (22). Cash and cash equivalents, together with committed undrawn credit facilities, amounted to SEK 301 million (299) on 30 June 2019.

Intangible assets

Amortisation of intangible assets totalling SEK 9.9 million (13) has been charged to the income statement for the first quarter of 2019. On 30 June 2019, intangible assets amounted to SEK 187 million (193).

Equity/assets ratio

On 30 June 2019, the equity/assets ratio was 55% (53%).

Employees

The Group's average number of employees in the first six months of 2019 was 871 (876). At the end of the period, the number of employees was 879 (881).

Share repurchase

The company has not repurchased any shares during the period. The company's total shareholding was 61,847 shares on 30 June 2019, which is equivalent to 0.3% of the total number of shares. The mandate granted by the Annual General Meeting is for the repurchase of up to 10% of the number of shares, which is the equivalent of 2,316,930 shares.

Remeasurement of contingent considerations

Developments in previously implemented acquisitions have not resulted in a remeasurement of contingent consideration liabilities in the first six months of 2019. In the first six months of 2018, contingent consideration liabilities were reduced by SEK 0.4 million as a result of remeasurement.

This was recognised in other operating income and boosted operating profit by SEK 0.4 million. Acquisition-related consideration liabilities (both absolute and contingent) on 30 June 2019 totalled SEK 11 million (16).

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, with the exception of the effect of IFRS 16 Leases which superseded IAS 17 Leases effective for accounting periods beginning on or after 1 January 2019 in the Group. The comparative figures for previous periods are not restated under IFRS 16. The Parent Company has elected not to apply IFRS 16 *Leases* but instead has applied, with effect from 1 January 2019, the provisions of RFR 2 (IFRS 16 Leases, p. 2–12).

No other International Financial Reporting Standards (IFRS) or International Financial Reporting Interpretations Committee (IFRIC) interpretations adopted in 2019 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 16 Leases supersedes IAS 17 Leases and applies to accounting periods beginning on or after 1 January 2019. Under IFRS 16, OEM has been required, as a lessee, to recognise more or less all leases as assets and liabilities on the balance sheet reflecting the right to use the leased asset or the obligation to pay future lease payments. Amortisation of lease assets and interest on lease liabilities have been recognised in the income statement. This has not had any material effect on earnings. Operating cash flow has increased and financing cash flow has decreased because the portion of the lease payments that represents repayment of the lease liability is recognised as a payment within financing activities.

The leases are mainly for rental of property and vehicles. The standard lease arrangements are for a fixed period of 36 months with an option to renew the lease after that date. The option to renew has been assessed for each lease and has been included in the calculation of the asset's value in use and the liability of the leases where it is reasonably certain that the lease term will be extended. An assessment is reviewed if there is a significant change in the circumstances on which the assessment was based. Depreciation of the leased asset is on a straight-line basis over the asset's useful life and the period of the lease term.

In its transition to the new standard, OEM has chosen to apply the modified retrospective approach, which means that the cumulative effect of initially applying IFRS 16 has been recognised in retained

earnings in the opening balance as at 1 January 2019 without restatement of comparative figures. OEM has chosen to recognise right-of-use assets related to earlier operating leases for premises at their written-down value from the start of the lease, and equipment and vehicles at the value of the debt on 1 January 2019 plus prepayments recognised on the balance sheet as at 31 December 2018. Leases with a term of 12 months or less or leases that expire within 12 months of the date of initially applying the standard have been classified as short-term leases and are not included in the recognised lease liabilities or lease assets. Moreover, OEM has chosen not to recognise leases where the underlying asset has a low value when new (approximately SEK 50,000 or less) as a right-of-use asset or lease liability.

Existing finance leases previously recognised under IAS 17 Leases have been remeasured in accordance with IFRS 16 to the amounts they were recognised at on the day immediately before adoption of the new standard, except for finance leases that expire within 12 months of the date of initially applying the standard which have been recognised as short-term leases upon the application of IFRS 16. Furthermore, for other finance leases, VAT that was previously included in the finance lease has been removed from the books upon the application of the standard.

A marginal lending rate has been set per country and asset type.

The effects of transition to IFRS 16 are given below.

MSEK	Adjustment 1 January 2019
Property, plant and equipment	42,1
Non-current interest-bearing liabilities	-27,1
Current interest-bearing liabilities	-13,5
Prepaid expenses and accrued income	-3,2
Effect on net assets before tax	-1,7
Deferred tax assets	0,3
Effect on equity	-1,4

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. Details of risks affecting the Group are set out on page 30 and pages 74 to 76 in the 2018 Annual Report.

Other than the risks and uncertainties set out in the 2018 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 during the first half of 2019 amounted SEK 28 million (26) and profit after financial items was SEK 41 million (63). Net sales relate entirely to inter-company

transactions. The foregoing risks and uncertainties specified for the Group also apply indirectly to the Parent Company.

Events after the close of the reporting period

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

Definitions

Definitions can be found on page 16.

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, Sweden, 12 July 2019

Petter Stillström
Chairman of the Board

Ulf Barkman
Board Member

Mattias Franzén
Board Member

Richard Pantzar
Board Member

Jörgen Rosengren
Board Member

Agne Svenberg
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 12 July 2019 at 11.00 CET by Jan Cnattingius.

The regions' sales and earnings

SALES & EARNINGS BY REGION

Net sales (SEK million)

	Jan- Jun 2019	Jan- jun 2018	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Trailing 12 mth	Full year 2018
Sweden, external income	1 026	940	502	523	503	426	476	1 954	1 868
Sweden, income from other segments	71	54	34	37	31	27	29	130	113
Finland, the Baltic States and China, external income	354	330	187	167	166	178	175	698	674
Finland, the Baltic States and China, income from other segments	3	3	1	2	1	1	2	6	6
Denmark, Norway, the United Kingdom and East Central Europe, external income	315	289	158	157	137	144	152	595	570
Denmark, Norway, the United Kingdom and East Central Europe, income from other segments	2	1	1	1	1	0	0	3	2
Elimination	-76	-58	-36	-40	-33	-29	-31	-138	-121
	1 694	1 559	848	847	805	747	802	3 247	3 112

EBITA (SEK million) **

	Jan- Jun 2019	Jan- jun 2018	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Trailing 12 mth	Full year 2018
Sweden	143	131	65	78	63	62	67	268	256
Finland, the Baltic States and China	32	35	19	14	15	23	21	71	74
Denmark, Norway, the United Kingdom and East Central Europe	26	19	12	14	-2	12	10	37	29
Group functions	-5	-6	-3	-2	-5	-6	-4	-17	-17
	196	180	93	103	72	91	94	359	343

Operating profit (SEK million) **

	Jan- Jun 2019	Jan- jun 2018	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Trailing 12 mth	Full year 2018
EBITA	196	180	93	103	72	91	94	359	343
Amortisation and write-downs of acquisition-related intangible fixed assets.									
Sweden	-3	-5	-1	-1	-3	-3	-3	-8	-10
Finland, the Baltic States and China, Denmark, Norway, the United Kingdom and East Central Europe	-3	-4	-2	-2	-2	-2	-2	-7	-7
	-1	-1	0	0	-1	0	0	-2	-2
Operating profit	189	170	90	100	67	86	89	342	323

Consolidated profit/loss (SEK million) **

	Jan- Jun 2019	Jan- jun 2018	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Trailing 12 mth	Full year 2018
Operating profit	189	170	90	100	67	86	89	342	323
Net financial items	-2	-3	-2	-1	-1	-1	-1	-5	-6
Pre-tax profit/(loss)	187	167	88	99	66	85	88	338	317

**IFRS 16 Leases applies to accounting periods in 2019. Comparative figures for 2018 are not restated. IAS 17 Leases is applicable instead.
See Accounting Policies for further details about the transition from IAS 17 to IFRS 16 and its effects.

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 2019	Jan-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Jun 2019	Jan-Jun 2018
Product Areas								
Automation	398	369	207	198	300	271	905	838
Components	165	143	41	36	14	-	219	179
Lighting & Installation components	149	145	16	12	1	18	166	175
Other	314	283	90	84	-	-	404	367
	1 026	940	354	330	315	289	1 694	1 559

The Group's performance and financial position

CONDENSED CONSOLIDATED STATEMENT OF INCOME (SEK MILLION) **

	Jan-Jun 2019	Jan-Jun 2018	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Trailing 12 mth	Full year 2018
Net sales	1 694	1 559	848	847	805	747	802	3 247	3 112
Other operating income	-	0	-	-	4	0	0	5	5
Operating costs	-1 469	-1 364	-740	-730	-729	-648	-700	-2 847	-2 741
Depreciation and write-downs of fixed assets	-35	-26	-18	-17	-14	-13	-13	-62	-53
Operating profit	189	170	90	100	67	86	89	342	323
Net financial income/expense	-2	-3	-2	-1	-1	-1	-1	-5	-6
Pre-tax profit/(loss)	187	167	88	99	66	85	88	338	317
Tax	-40	-38	-18	-21	-15	-16	-21	-70	-69
Profit/loss for the period	147	129	69	78	50	69	67	267	248
Earnings per outstanding share, SEK*	6,38	5,56	3,01	3,37	2,18	3,00	2,89	11,56	10,74

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

Other comprehensive income

Profit/loss for the period	147	129	69	78	50	69	67	267	248
Items that have been transferred or may be recycled to net income									
Exchange differences for the period on translation of overseas operations	12	20	4	8	-2	-4	7	6	13
Items that can not be recycled to net profit									
Revaluation of defined-benefit pension plans	-1	0	0	0	0	0	0	-1	0
Other comprehensive income for the period	11	20	4	7	-2	-5	7	4	13
Comprehensive income for the period	159	148	73	85	48	65	73	272	261
EBITA	196	180	93	103	72	91	94	359	343

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

**IFRS 16 Leases applies to accounting periods in 2019. Comparative figures for 2018 are not restated. IAS 17 Leases is applicable instead.

See Accounting Policies for further details about the transition from IAS 17 to IFRS 16 and its effects.

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

	2019-06-30	2018-06-30	2018-12-31
Fixed assets			
Goodwill	138	131	136
Other intangible assets	50	62	57
Total intangible assets	187	193	193
Property, plant and equipment	324	266	260
Total property, plant and equipment	324	266	260
Deferred tax assets	4	2	3
Financial assets	0	0	0
Total financial assets	4	3	3
Total fixed assets	516	462	456
Current assets			
Inventories	574	516	569
Current receivables	556	529	501
Cash and cash equivalents	42	22	38
Total current assets	1 173	1 067	1 108
Total assets	1 688	1 529	1 563
Equity	927	813	926
Non-current interest-bearing liabilities	50	36	33
Provisions for pensions	2	1	1
Non-current non-interest-bearing liabilities	2	9	8
Deferred tax liabilities	91	86	92
Total non-current liabilities	145	131	135
Current interest-bearing liabilities	225	202	117
Current non-interest-bearing liabilities	390	382	385
Total current liabilities	615	584	502
Total equity and liabilities	1 688	1 529	1 563

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

	2019-06-30	2018-06-30	2018-12-31
At beginning of year	926	804	804
Adjustment on transition to IFRS 16 (net)	-1		-
Comprehensive income for the period			
Profit/loss for the period	147	129	248
Other comprehensive income for the period	11	20	13
Comprehensive income for the period	159	148	261
Dividends paid	-156	-139	-139
At the end of the period	927	813	926

**IFRS 16 Leases applies to accounting periods in 2019. Comparative figures for 2018 are not restated. IAS 17 Leases is applicable instead. See Accounting Policies for further details about the transition from IAS 17 to IFRS 16 and its effects.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (SEK MILLION) **

	Jan- Jun 2019	Jan- jun 2018	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Trailing 12 mth	Full year 2018
Operating cash flows									
before movements in working capital	180	144	89	91	69	82	84	330	295
Movements in working capital	-52	-48	-3	-49	25	-55	-19	-82	-78
Operating cash flows	128	97	86	42	93	27	65	249	217
Acquisition of subsidiaries									
net effect on cash and cash equivalents	-6	-5	-	-6	-	-9	-	-15	-14
Acquisition of intangible fixed assets	-2	-	-2	0	-1	0	-	-3	-1
Acquisition of property, plant and equipment	-39	-26	-26	-12	-7	-6	-18	-51	-38
Sales of property, plant and equipment	1	2	0	1	2	2	1	6	7
Investing cash flows	-45	-29	-28	-17	-6	-13	-17	-64	-47
Financing cash flows									
- Loan raised	1	8	0	1	-	-	2	1	8
- Loan amortisation	-3	-8	0	-3	-5	-1	-	-9	-13
- Repayment of lease liabilities	-15	-	-7	-8	-	-	-	-15	-
- Change in bank overdrafts	93	34	97	-4	-77	-2	24	14	-45
- Dividends paid	-156	-139	-156	-	-	-	-139	-156	-139
Financing cash flow	-80	-104	-65	-15	-81	-3	-113	-165	-189
Cash flow for the period	3	-36	-7	10	7	11	-65	20	-19
Cash and cash equivalents at the beginning of the period	38	56	50	38	32	22	87	22	56
Exchange rate difference	1	2	0	1	-1	0	0	0	1
Cash and cash equivalents at the end of the period	42	22	42	50	38	32	22	42	38

KEY PERFORMANCE INDICATORS **

	Jan- Jun 2019	Jan- jun 2018	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Trailing 12 mth	Full year 2018
Return on equity, %	15,9	15,9	7,8	8,1	5,2	7,6	8,6	28,7	28,7
Return on capital employed, %	17,2	17,1	8,1	9,1	7,3	8,6	8,9	33,1	33,0
Return on total capital %	12,1	11,6	5,7	6,4	4,8	6,1	6,0	23,0	22,5
Equity/assets ratio, %	54,9	53,1		59,7					59,2
Earnings per outstanding share, SEK	6,38	5,56	3,01	3,37	2,18	3,00	2,89	11,56	10,74
Earnings per total shares, SEK	6,36	5,55	3,00	3,36	2,17	2,99	2,88	11,52	10,71
Equity per total shares, SEK	40,03	35,05							39,97
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, %	11,2	10,9	10,6	11,8	8,3	11,5	11,1	10,5	10,4
EBITA-margin, %	11,6	11,5	11,0	12,2	8,9	12,2	11,7	11,1	11,0

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

**IFRS 16 Leases applies to accounting periods in 2019. Comparative figures for 2018 are not restated. IAS 17 Leases is applicable instead.

See Accounting Policies for further details about the transition from IAS 17 to IFRS 16 and its effects.

The Parent Company's performance and financial position

CONDENSED INCOME STATEMENT OF THE PARENT COMPANY (SEK MILLION)

	Jan- Jun 2019	Jan- jun 2018	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Trailing 12 mth	Full year 2018
Net sales	28	26	14	13	19	13	12	59	57
Operating costs	-26	-25	-14	-12	-16	-12	-13	-54	-53
Depreciation	-4	-4	-2	-2	-2	-2	-2	-8	-8
Operating profit	-2	-3	-1	-1	1	-1	-2	-2	-4
Income from investments									
in Group companies	44	68	44	-	-8	-	68	36	60
Other financial income/expense, Net	-1	-2	0	0	0	0	0	-1	-2
Profit/loss after financial items	41	63	43	0	-8	0	68	35	54
Year-end appropriations	-	-	-	-	205	-	-	205	205
Pre-tax profit/(loss)	41	63	42	-1	197	-1	65	237	259
Tax	1	1	0	0	-46	0	1	-45	-44
Profit/loss for the period	41	64	42	-1	152	-1	66	192	215

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

CONDENSED BALANCE SHEET OF THE PARENT COMPANY (SEK MILLION)

Assets	2019-06-30	2018-06-30	2018-12-31
Intangible fixed assets	10	14	11
Property, plant and equipment	16	17	16
Financial assets	419	414	419
Total fixed assets	445	445	447
Current receivables	342	261	415
Cash on hand and demand deposits	-	-	-
Total current assets	342	261	415
Total assets	788	706	862
Equity and liabilities			
Equity	255	219	370
Untaxed reserves	307	277	307
Deferred tax liabilities	2	2	2
Non-current non-interest-bearing liabilities	2	9	8
Total non-current liabilities	2	9	8
Current interest-bearing liabilities	106	77	33
Current non-interest-bearing liabilities	115	122	142
Total current liabilities	221	199	175
Total equity and liabilities	788	706	862

Notes

Segment reporting is presented on page 5, 6, 11 and page 12, disclosures about fair value of financial instruments 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/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 33 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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