

# Interim report

## Q3 2022

### Third quarter 2022

- Incoming orders rose 12% to SEK 1,057 million (944)
- Net sales rose 29% to SEK 1,158 million (895)
- Operating profit rose 15% to SEK 172 million (149)
- EBITA rose 18% to SEK 180 million (152)
- Profit after tax rose 13% to SEK 135 million (119)
- Earnings per share were SEK 0.98 (0.86)

### January – September 2022

- Incoming orders rose 21% to SEK 3,646 million (3,018)
- Net sales rose 25% to SEK 3,467 million (2,770)
- Operating profit rose 27% to SEK 554 million (438)
- EBITA rose 29% to SEK 575 million (447)
- Profit after tax rose 26% to SEK 436 million (346)
- Earnings per share were SEK 3.14 (2.50)



## **Strong sales and continued profitability**

Demand remained strong in the third quarter, resulting in a 29 percent increase in turnover, which is a historically high increase for a single quarter. Reduced supply problems from subcontractors have had a positive impact on turnover. The impact on net sales from acquisitions and exchange rate movements was 7 percentage points and 6 percentage points respectively, resulting in organic growth of 16%.

Order intake was also relatively strong, increasing by 12 percent but falling short of turnover by 9 percent, due to customers not placing long-term orders to the same extent as earlier in the year.

Operating profit (EBITA) rose by 18 percent in the quarter and the EBITA margin was 15.6 percent (17.0), which is positively affected by the increase in turnover and negatively by the deterioration in gross margin.

## **Growth across the regions**

The quarter has been characterized by continued good demand, high price levels and positive currency effects, resulting in good growth figures in virtually all businesses.

Demand in Region Sweden was strong, generating organic growth of 15 percent. OEM Motor, ATC Tape Converting had the strongest development, followed by the Swedish Battery Pool and OEM Electronics.

The Finland, Baltics and China region experienced organic growth of 22 percent in the quarter and continues to be the region with the strongest demand. OEM Automatic followed by Motor/Bearings and Akkupojat are the entities with the strongest development.

The Denmark, Norway, British Isles and Eastern Central Europe region enjoyed good demand in the third quarter, with organic growth of 10 percent. The strongest growth was experienced in the operations in Norway, the Czech Republic and Poland, together with the newly acquired company Demesne in Ireland.

## **At the start of a market downturn**

Business conditions have been favourable during the first nine months of the year, with good demand, increased prices and a weakening Swedish krona, which together have produced growth figures not seen since before the turn of the millennium. However, the market situation is changing as a result of rising inflation and soaring energy prices. We can see the signals through, among other things, gradually improving delivery capacity of subcontractors and an order backlog that decreased in the quarter, which is the first time since the pandemic year 2020.

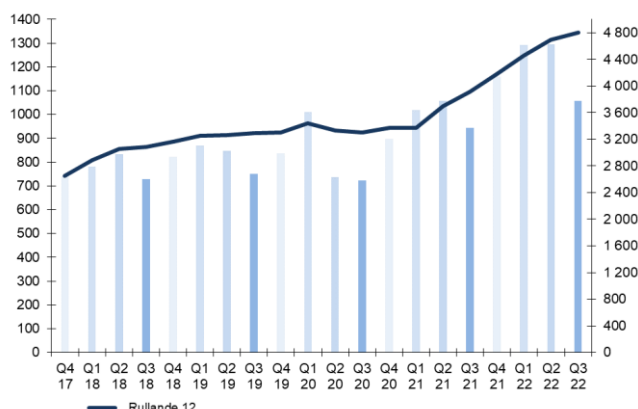
Every market situation has its challenges and OEM's role is to provide optimal service to customers and work to capture new market shares based on current conditions. I have great confidence in the ability of our employees to continue to strengthen the Group's position in the market.

Jörgen Zahlin

Managing Director and Chief Executive Officer

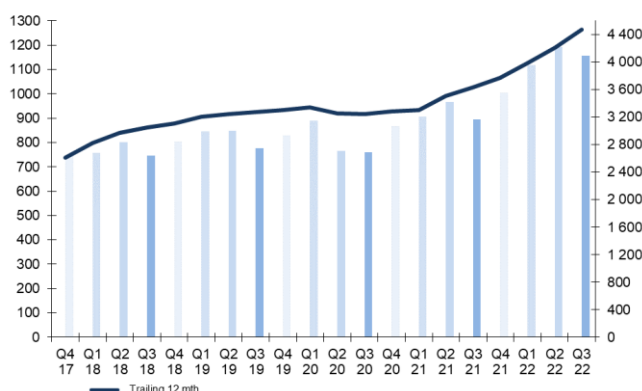
## Incoming orders

### SEK million

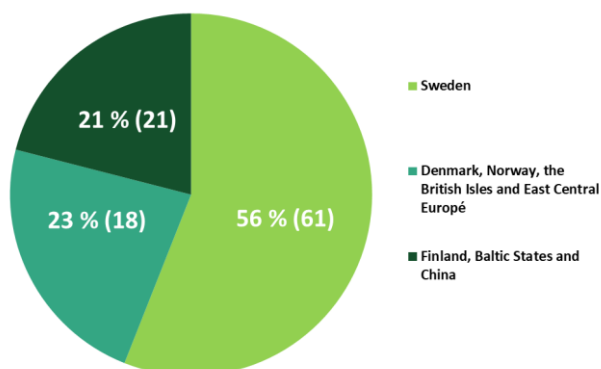


## Net sales

### SEK million



## Share by region in 2022



## Incoming orders

Incoming orders amounted to SEK 1,057 million (944) in the third quarter of 2022, which is a 12 % increase. On a like-for-like basis including currency impact, order intake increased by 5 % and acquired order intake was 6 %. In the third quarter, incoming orders were 9 % lower than net sales.

The order book at 30 September 2022 amounted to SEK 1,147 million (767), which is 50 % higher than at the same time last year.

The subsidiaries significant inventory build-up has taken place in line with the growing order book and has also been affected by rising exchange rates. Total inventory value as of September 30 amounts to SEK 1,046 million (644), which is 62% higher than at the same time last year.

## Sales growth

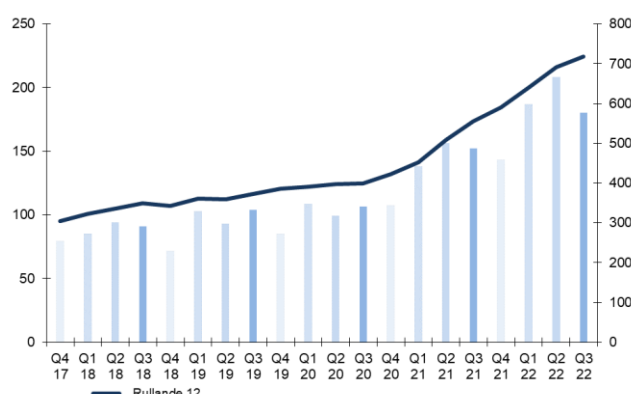
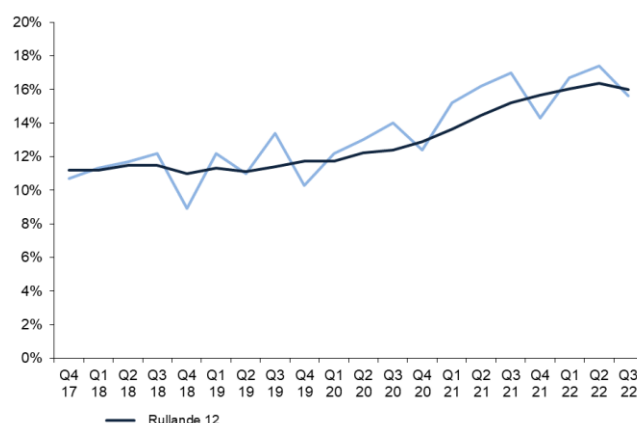
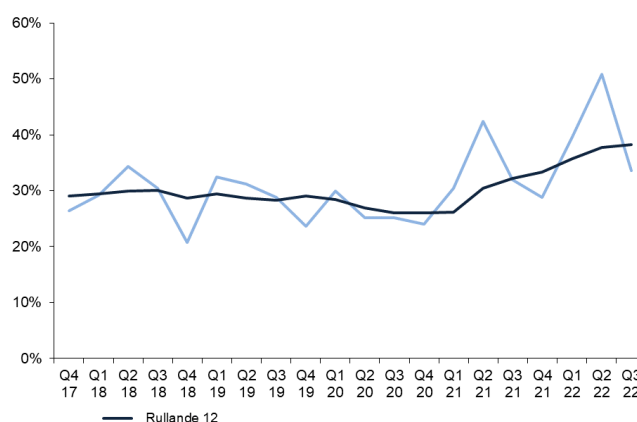
Net sales increased by 29 % to SEK 1,158 million (895) in the third quarter of 2022. The impact on sales from exchange rate movements and acquisitions was 6 % and 7 % respectively, resulting in organic growth of 16 %. Acquired turnover comes exclusively from the region of Denmark, Norway, the British Isles and East Central Europe.

The operations of OEM Motor, ATC Tape Converting, and Svenska Batteripoolen reported the highest percentage growth in net sales compared with last year.

Region Sweden's share of sales fell by 5 percentage points, while Region Denmark, Norway, the British Isles and East Central Europe reported an increase of 3 percentage points. Region Finland, the Baltic states and China increased by 2 percentage point compared with the corresponding quarter of the previous year.

**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 third quarter of 2022, EBITA, operating profit before amortisation and impairment of acquisition-related intangible fixed assets, rose by 18 % to SEK 180 million (152).

The EBITA margin stood at 15.6 % (17.0) in the third quarter.

The EBITA margin for the trailing twelve months was 16.0%.

Operating profit rose 15.3 % to SEK 172 million (149) in the third quarter of 2022, delivering an operating margin of 14.9 % (16.7).

Profit after tax rose by 13 % to SEK 135 million (119) in the third quarter of 2022.

Earnings per share for the third quarter of 2022 were SEK 0.98 (0.86).

**Return**

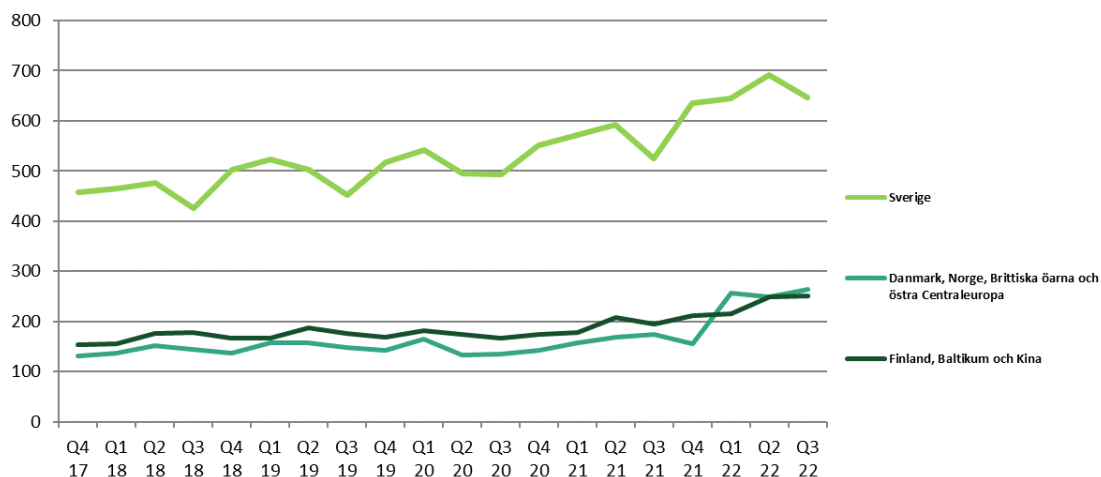
The return on equity in the third quarter of 2022 was 8.4 % compared with 8.0 % in the year-ago quarter.

The trailing-twelve-month return on equity was 38 %, which is well above the 20% target.

Equity amounted to SEK 1,435 million (1,259) with an equity/assets ratio of 54 % (65) on 30 September 2022.

## 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, Agolux AB, AB Ernst Hj Rydahl Bromsbandfabrik and ATC Tape Converting AB.

SEK million	2022 Q3	2021 Q3	2022 Q1 – Q3	2021 Q1 – Q3	2021 Full year	Trailing 12 month
Incoming orders	635	546	2,136	1,839	2,559	2,857
Net sales	646	525	1,982	1,690	2,325	2,617
EBITA	112	98	369	309	398	458
EBITA margin	17%	19%	19%	18%	17%	18%

Net sales increased by 23 % in the third quarter of 2022 to SEK 646 million (525). Foreign exchange movements boosted net sales by 8 % and organic growth in the region reached 15%. The majority of operations have high rates of growth. The best performing businesses were OEM Motor, up 37 %, ATC Tape Converting, up 36 %, and Svenska Batteripoolen and OEM Electronics, each up 34 %. OEM Automatic, the Group's largest company, recorded an 18% year-on-year increase in sales.

Incoming orders rose 16 % to SEK 635 million (546) in the third quarter of 2022. Incoming orders were 2% lower than net sales.

EBITA rose 14 % to SEK 112 million (98), due primarily to higher sales but was also dampened by deteriorating gross margin, in the third quarter of 2022.

## Finland, the Baltic states and China

OEM Automatic FI, Akkupojat Oy, Hide-a-lite FI, OEM Electronics FI, Motor/Bearings FI, Rauheat OY, OEM Automatic OU, OEM Automatic UAB, OEM Automatic SIA and OEM Automatic (Shanghai) Co. Ltd.

SEK million	2022 Q3	2021 Q3	2022 Q1 – Q3	2021 Q1 – Q3	2021 Full year	Trailing 12 month
Incoming orders	209	201	724	622	874	976
Net sales	248	195	715	580	791	926
EBITA	39	34	110	93	118	135
EBITA margin	16%	17%	15%	16%	15%	15%

Net sales rose by 27 % to SEK 248 million (195) in the third quarter of 2022. Net sales were positively impacted by currency movements by 5 %, resulting in organic growth in the region of 22 %. The best performing businesses in the region were OEM Automatic, up 32 %, Motor & Bearings, up 18 %, and Akkupojat, up 17 %.

Incoming orders for the region rose by 4 % to SEK 209 million (201) in the third quarter of 2022. Incoming orders were 16 % below net sales.

EBITA rose by 15 % to SEK 39 million (34), due primarily to increased sales but was also dampened by deteriorating gross margin.

## Denmark, Norway, the British Isles and East Central Europe

OEM Automatic Klitsø A/S, OEM Automatic AS, OEM Automatic Ltd, Zoedale Ltd, OEM Automatic Sp z o. o., OEM Electronics PL, OEM Automatic spol. s r.o., OEM Automatic s.r.o. OEM Automatic Kft, Demesne Electrical Sales Ltd. and Demesne Electrical Sales UK Ltd.

SEK million	2022 Q3	2021 Q3	2022 Q1 – Q3	2021 Q1 – Q3	2021 Full year	Trailing 12 month
Incoming orders	214	197	785	557	744	972
Net sales	264	173	770	498	655	926
EBITA	27	18	91	46	56	101
EBITA margin	10%	11%	12%	9%	9%	11%

Net sales rose by 52 % to SEK 264 million (173) in the third quarter of 2022. Sales resulting from the acquisition of Demesne Electrical Sales in Ireland boosted net sales by 38 %. Foreign exchange movements also had a positive 4% impact on net sales, resulting in organic growth of 10% in the region. The best performing businesses compared to the previous year are OEM Automatic Norway, up 29 %, and OEM Automatic Czech Republic, up 18 %.

Net sales in the third quarter of 2022 increased by 9 % to SEK 214 million (197). Incoming orders were 19 % below net sales.

EBITA rose 48 % to SEK 27 million (18). This is mainly due to higher net sales in comparable entities, as well as an increase due to acquired sales.

## Other financial information

### Cash flow

Cash flow from operating activities in the third quarter of 2022 amounted to SEK 52 million (74). Total cash flow was SEK -10 million (39) and was affected by investing activities of SEK -30 million (-42) and financing activities of SEK -32 million (7).

### Investments

The Group's investments in fixed assets in the third quarter of 2022 amounted to SEK 6 million (42) and are attributable to property, plant and equipment of SEK 4 million (42) and intangible assets of SEK 2 million (0).

### Cash and cash equivalents

Cash and cash equivalents, consisting of cash and bank balances, amounted to SEK 60 million (122) at 30 September 2022. Cash and cash equivalents, together with committed and undrawn credit facilities, amounted to SEK 240 million (487) on 30 September 2022. The Group's interest-bearing financial liabilities totaled SEK 417 million (131), of which SEK 42 million (47) are liabilities recognised in accordance with IFRS 16 Leases.

### Intangible assets

The result for the third quarter of 2022 has been charged with amortisation of intangible assets of SEK 23.2 million (11). On 30 September 2022, intangible assets amounted to SEK 339 million (178).

### Equity/assets ratio

The equity/assets ratio was 54% (65%) on 30 September 2022.

### Employees

The average number of employees in the Group during the period January to September 2022 was 960 (883). The number of employees at the end of the period was 989 (895). The increase is due in part to the acquisition of a business with 46 employees (-).

### Share repurchase

OEM did not repurchase any shares during the period. In total, the number of own shares held is 371,082 shares as per 30 September 2022. This shareholding represents 0.3 percent of the total number of shares. The authorisation granted by the Annual General Meeting is up to 10 percent of the number of shares, which corresponds to 13,901,584 shares.

### Option program

OEM's outstanding call option program includes a total of 152,500 options. The call options have been transferred at a price of SEK 6.64 per option and the exercise price for the call options amounts to SEK 86.60, corresponding to 120 percent of the average share price during the period 9-20 May 2022. Each call option entitles the holder to acquire one Class B share during the period from 1 March to 15 June 2025.

### Acquisitions

On 13 January 2022, all of the shares in Demesne Electrical Sales Ltd were acquired. The company was acquired through the transfer of all shares in the parent company Balfe Securities Limited. Demesne Electrical Sales is Ireland's leading independent importer and distributor of electrical control,



switch-gear, energy-saving and installation products. It has 52 employees and an annual turnover of approximately SEK 205 million. The company has its head office in Dublin. The company became part of Region Denmark, Norway, the British Isles and East Central Europe on 1 January 2022. The purchase price for the acquired business amounted to SEK 223 million, including contingent consideration estimated at SEK 71.4 million and is based on the performance of the business during 2022 to 2024.

### Preliminary acquisition analysis (SEK million)

The acquired company's net assets at the time of acquisition	Group fair value
Intangible fixed assets	104.6
Other fixed assets	3.5
Inventories	22.8
Trade and other receivables	71.3
Cash and cash equivalents	17.0
Deferred tax liability	-13.1
Trade payables and other operating liabilities	-47.2
Net identifiable assets/liabilities	159.1
Consolidated goodwill	63.6
Cash consideration	222.7

Cash consideration comprises cash payment of a fixed purchase price of SEK 139.1 million, a withheld amount on the fixed purchase price of SEK 12.2 million and a contingent consideration of SEK 71.4 million.

As a result of the acquisition, other intangible fixed assets increase by SEK 168.2 million, relating to supplier relationships and goodwill. Supplier relationships will be amortised over a 5-year period.

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 71.4 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 79.5 million. Both the base consideration and the contingent consideration are settled in cash. External transaction expenses linked to acquisitions amount to SEK 1.5 million (-) in the period.

### Remeasurement of contingent consideration

The evolution of previously completed acquisitions has not led to any revaluation of the contingent consideration payable other than currency revaluation. Remaining purchase consideration (both fixed and contingent) for completed acquisitions as at 30 September 2022 amounted to SEK 83 million (3.9).

### Accounting policies

This condensed interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and the applicable provisions of the Swedish Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with Chapter 9 of the Swedish Annual Accounts Act, 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 2022 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 amortised cost because the carrying amounts of financial assets and financial liabilities are considered to be reasonable approximations of their fair values. This is because, in the opinion of management, there have been no significant changes in market interest rates or credit spreads that would have a material impact on the fair value of the Group's interest-bearing liabilities. Furthermore, the fair value of trade and other current receivables and payables is assumed to approximate their carrying amount given their short-term nature.

### **Risks and uncertainties**

The OEM Group is exposed to both business-related risks and financial risks through its activities. Business-related risks include competition and operational risks, and financial risks include liquidity risk, interest rate risk and currency risk. The financial operations of the OEM Group and 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 78 to 81 of the 2021 Annual Report.

In addition to the risks and uncertainties described in the 2021 Annual Report, together with the uncertainty surrounding geopolitical tensions, the supply capacity of subcontractors is affected by the shortage of materials in certain segments, leading to long lead times. The imbalance in the transport sector, which has led to high freight prices, has decreased in the last quarter. However, these costs mainly affect end customers. Demand from customers remains strong, but inflationary pressures and interest rate rises are increasing the risk of an economic slowdown, which will affect OEM sales.

### **Related party transactions**

No transactions between OEM and related parties have been entered into that have materially affected the financial position and performance of the Group or the Parent Company during the period, with the exception of inter-company dividends.

### **Parent Company**

Net sales for the Parent Company in the third quarter of 2022 amounted to SEK 20 million (14) and profit after financial items amounted to SEK 32 million (0). 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**

The parent company has acquired a property in Nässjö for SEK 6.8 million through a real estate company as of 2022-10-13 in order to promote further expansion.

### **The impact of the war in Ukraine on the OEM Group**

The war in Ukraine is affecting world trade and creating uncertainty about economic developments. The direct impact for the OEM is low as the Group's sales to Ukraine, Belarus and Russia are marginal. There is a small number of customers in the region and deliveries to customers in Russia have been stopped. However, some of OEM's customers have customers in the region in question, which has led to a reduction in demand. However, total OEM turnover is expected to be marginally affected.

### **The Annual General Meeting and the Nomination Committee**

The Nomination Committee for the Annual General Meeting on 18 April 2023 is composed of:

Petter Stillström, AB Traction (Chair)

Richard Pantzar, Orvaus AB

Mattias Franzén

Agne Svenberg

The Nomination Committee can be contacted through Petter Stillström, tel. +46 (0)70-747 56 61 or via e-mail [petter.stillstrom@traction.se](mailto:petter.stillstrom@traction.se)

### **The next reporting period**

The Financial Statement, Full Year 2022, will be published on 20 February 2023.

### **Definitions**

Definitions can be found on page 17.

Tranås, 20 October 2022

Jörgen Zahlin

Managing Director and Chief Executive Officer

The report has been subject to a special review by the company's auditors.

For further information, please contact the Managing Director, Jörgen Zahlin, on +46 (0)75-242 40 22, or via email at [jorgen.zahlin@oem.se](mailto:jorgen.zahlin@oem.se)

or the CFO, Johan Broman, on +46 (0)75-242 40 02, or via email at [johan.broman@oem.se](mailto:johan.broman@oem.se).

This information is of such a nature that OEM International AB (publ) is required to publish it in compliance with the Market Abuse Regulation (MAR) EU Directive No. 596/2014. The information was provided for publication on 20 October 2022 at 14.00 CET by Johan Broman.



## Auditor's report

OEM International AB (publ), corp. reg. no. 556184-6691

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### Introduction

We have reviewed the condensed interim financial information (interim report) of OEM International AB as of 30 September 2022 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information 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.

### Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report 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 standards in Sweden. The procedures performed in a review do 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

Based on 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, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Jönköping, 20 October 2022

Öhrlings PricewaterhouseCoopers AB

Frida Wengbrand  
Authorized Public Accountant  
Auditor-in-charge

Christoffer Sillén  
Authorized Public Accountant

## The regions' sales and earnings

### SALES & EARNINGS BY REGION

#### Net sales (SEK million)

	Jan-sept 2022	Jan-sept 2021	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Trailing 12 mth	Full year 2021
Sweden, external income	1 982	1 690	646	691	644	635	525	2 617	2 325
Sweden, income from other segments	218	129	78	87	53	43	42	261	172
Finland, the Baltic States and China, external income	715	580	248	252	215	211	195	926	791
Finland, the Baltic States and China, income from other segments	61	9	22	37	3	4	2	65	13
Denmark, Norway, the British Isles and East Central Europe, external income	770	498	264	249	257	156	173	926	655
Denmark, Norway, the United Kingdom and East Central Europe, income from other segments	21	3	4	16	1	1	1	22	4
Elimination	-300	-140	-104	-140	-56	-47	-44	-347	-187
	3 467	2 770	1 158	1 191	1 118	1 004	895	4 471	3 774

#### EBITA (MSEK)

	Jan-sept 2022	Jan-sept 2021	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Trailing 12 mth	Full year 2021
Sweden	369	309	112	135	123	89	98	458	398
Finland, the Baltic States and China	110	93	39	40	31	25	34	135	118
Denmark, Norway, the British Isles and East Central Europe	91	46	27	30	33	10	18	101	56
Group functions	5	-1	3	2	0	19	2	25	18
	575	447	180	208	187	143	152	718	590

#### Operating profit (SEK million)

	Jan-sept 2022	Jan-sept 2021	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Trailing 12 mth	Full year 2021
EBITA	575	447	180	208	187	143	152	718	590
Amortisation and write-downs of acquisition-related intangible fixed assets.									
Sweden	-2	-3	-1	-1	-1	-1	-1	-3	-4
Finland, the Baltic States and China, Denmark, Norway, the British Isles and East Central Europe	-1	-5	0	0	-1	-1	-2	-2	-6
	-18	-2	-7	-6	-4	-1	-1	-19	-3
Operating profit	554	438	172	201	181	141	149	695	578

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

	Jan-sept 2022	Jan-sept 2021	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Trailing 12 mth	Full year 2021
Operating profit	554	438	172	201	181	141	149	695	578
Net financial items	-7	-2	-3	-2	-2	-1	0	-8	-2
Pre-tax profit/(loss)	547	436	169	199	179	140	149	687	576

Specification of external income by region and product area	Sweden		Finland, the Baltic States and China,		Denmark, Norway, the British Isles and East Central Europe		Total	
	Jan-sept 2022	Jan-sept 2021	Jan-sept 2022	Jan-sept 2021	Jan-sept 2022	Jan-sept 2021	Jan-sept 2022	Jan-sept 2021
Product Areas								
Automation	708	594	431	337	569	485	1 709	1 416
Components	307	253	79	63	15	13	402	330
Lighting & Installation components	386	350	41	38	186	-	613	388
Other	581	492	163	142	0	-	744	635
	1 982	1 691	715	580	770	498	3 467	2 770

## The Group's performance and financial position

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

	Jan-sept 2022	Jan-sept 2021	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Trailing 12 mth	Full year 2021
<b>Operating income</b>									
Net sales	3 467	2 770	1 158	1 191	1 118	1 004	895	4 471	3 774
Other operating income	2	4	0	0	2	0	2	2	4
<b>Operating costs*</b>									
Commodities	-2 209	-1 765	-754	-752	-703	-641	-571	-2 851	-2 406
Staff costs	-508	-431	-163	-171	-174	-163	-132	-671	-594
Other expenses	-132	-90	-46	-45	-40	-40	-29	-172	-130
Depreciation/amorisation of property, plant and equipment and intangible fixed assets	-66	-51	-22	-23	-21	-19	-16	-84	-69
<b>Operating profit</b>	<b>554</b>	<b>438</b>	<b>172</b>	<b>200</b>	<b>181</b>	<b>141</b>	<b>149</b>	<b>695</b>	<b>578</b>
Net financial income/expense	-7	-2	-4	-2	-2	-1	0	-8	-2
<b>Pre-tax profit/(loss)</b>	<b>547</b>	<b>436</b>	<b>169</b>	<b>199</b>	<b>179</b>	<b>140</b>	<b>149</b>	<b>687</b>	<b>576</b>
Tax	-111	-90	-34	-42	-35	-29	-31	-140	-119
<b>Profit/loss for the period</b>	<b>436</b>	<b>346</b>	<b>135</b>	<b>156</b>	<b>144</b>	<b>111</b>	<b>119</b>	<b>547</b>	<b>457</b>
Earnings per outstanding share, SEK**	3,14	2,50	0,98	1,13	1,04	0,80	0,86	3,94	3,30

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

\*\* The key indicator are corrected for the 3:1 share split and automatic redemption of each third share carried out Q2 2022.

Prior periods have been adjusted with a factor of 2 since that financial implication of the transaction is a 2:1 split combined with an extra dividend.

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

#### Other comprehensive income

<b>Profit/loss for the period</b>	<b>436</b>	<b>346</b>	<b>135</b>	<b>156</b>	<b>144</b>	<b>111</b>	<b>119</b>	<b>547</b>	<b>457</b>
<b>Items that have been transferred or may be recycled to net income</b>									
Exchange differences for the period on translation of overseas operations	41	8	9	24	7	4	2	45	12
<b>Items that can not be recycled to net profit</b>									
Revaluation of defined-benefit pension plans	1	1	0	0	0	0	0	1	1
<b>Other comprehensive income for the period</b>	<b>42</b>	<b>9</b>	<b>10</b>	<b>24</b>	<b>8</b>	<b>4</b>	<b>3</b>	<b>46</b>	<b>13</b>
<b>Comprehensive income for the period</b>	<b>478</b>	<b>355</b>	<b>145</b>	<b>181</b>	<b>152</b>	<b>115</b>	<b>121</b>	<b>593</b>	<b>470</b>
<b>EBITA</b>	<b>575</b>	<b>447</b>	<b>180</b>	<b>208</b>	<b>187</b>	<b>143</b>	<b>152</b>	<b>718</b>	<b>590</b>

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

	2022-09-30	2021-09-30	2021-12-31
<b>Fixed assets</b>			
Goodwill	219	147	147
Other intangible assets	120	31	30
<b>Total intangible assets</b>	<b>339</b>	<b>178</b>	<b>177</b>
Property, plant and equipment	342	344	344
<b>Total property, plant and equipment</b>	<b>342</b>	<b>344</b>	<b>344</b>
Deferred tax assets	6	7	7
Financial assets	1	0	0
<b>Total financial assets</b>	<b>7</b>	<b>8</b>	<b>7</b>
<b>Total fixed assets</b>	<b>688</b>	<b>529</b>	<b>528</b>
<b>Current assets</b>			
Inventories	1046	644	738
Current receivables	851	637	644
Cash and cash equivalents	60	122	145
<b>Total current assets</b>	<b>1 957</b>	<b>1 403</b>	<b>1 526</b>
<b>Total assets</b>	<b>2 645</b>	<b>1 932</b>	<b>2 054</b>
<b>Equity</b>	<b>1 435</b>	<b>1 259</b>	<b>1 374</b>
Non-current interest-bearing liabilities	31	32	30
Provisions for pensions	1	1	1
Other provisions	2	2	2
Non-current non-interest-bearing liabilities	54	1	-
Deferred tax liabilities	117	94	105
<b>Total non-current liabilities</b>	<b>206</b>	<b>131</b>	<b>139</b>
Current interest-bearing liabilities	386	99	60
Current non-interest-bearing liabilities	618	444	481
<b>Total current liabilities</b>	<b>1 004</b>	<b>543</b>	<b>541</b>
<b>Total equity and liabilities</b>	<b>2 645</b>	<b>1 932</b>	<b>2 054</b>

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

	2022-09-30	2021-09-30	2021-12-31
<b>At beginning of year</b>	<b>1 374</b>	<b>1 366</b>	<b>1 366</b>
<b>Comprehensive income for the period</b>			
Profit/loss for the period	436	346	457
Other comprehensive income for the period	42	9	13
<b>Comprehensive income for the period</b>	<b>478</b>	<b>355</b>	<b>470</b>
Dividends paid	-191	-173	-173
Repurchase of shares	-225	-289	-289
<b>At the end of the period</b>	<b>1 435</b>	<b>1 259</b>	<b>1 374</b>

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT (SEK MILLION)

	Jan-sept 2022	Jan-sept 2021	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Trailing 12 mth	Full year 2021
<b>Operating cash flows</b>									
before movements in working capital	519	392	172	186	161	138	141	657	530
Movements in working capital	-358	-154	-119	-82	-158	-57	-67	-416	-211
<b>Operating cash flows</b>	<b>161</b>	<b>239</b>	<b>52</b>	<b>104</b>	<b>4</b>	<b>80</b>	<b>74</b>	<b>241</b>	<b>319</b>
Acquisition of subsidiaries net effect on cash and cash equivalents	-131	-	-24	0	-107	-1	0	-133	-1
Acquisition of intangible fixed assets	-2	0	-2	0	0	-2	0	-4	-3
Acquisition of property, plant and equipment	-10	-45	-4	-2	-5	-6	-42	-16	-51
Sales of property, plant and equipment	0	1	0	-1	1	0	0	0	1
<b>Investing cash flows</b>	<b>-143</b>	<b>-45</b>	<b>-30</b>	<b>-2</b>	<b>-111</b>	<b>-9</b>	<b>-42</b>	<b>-153</b>	<b>-54</b>
<b>Financing cash flows</b>									
- Loan raised	0	1	0	0	0	0	0	0	1
- Loan amortisation	-7	-4	0	-3	-4	-2	-1	-9	-6
- Repayment of lease liabilities	-28	-26	-10	-9	-9	-8	-9	-36	-34
- Change in bank overdrafts	344	43	-22	280	87	-40	17	305	3
- Dividends paid	-191	-173	0	-191	0	0	0	-191	-173
- Repurchase of shares	-225	-289	0	-225	0	0	0	-225	-289
<b>Financing cash flow</b>	<b>-106</b>	<b>-449</b>	<b>-32</b>	<b>-148</b>	<b>74</b>	<b>-50</b>	<b>7</b>	<b>-156</b>	<b>-498</b>
<b>Cash flow for the period</b>	<b>-89</b>	<b>-255</b>	<b>-10</b>	<b>-46</b>	<b>-33</b>	<b>21</b>	<b>39</b>	<b>-68</b>	<b>-233</b>
Cash and cash equivalents at the beginning of the period	145	376	69	114	145	122	84	267	376
Exchange rate difference	5	1	2	0	3	1	0	6	2
<b>Cash and cash equivalents at the end of the period</b>	<b>60</b>	<b>122</b>	<b>60</b>	<b>69</b>	<b>114</b>	<b>145</b>	<b>122</b>	<b>205</b>	<b>145</b>

## KEY PERFORMANCE INDICATORS

	Jan-sept 2022	Jan-sept 2021	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Trailing 12 mth	Full year 2021
Return on equity, %	31,0	26,2	8,4	12,7	9,9	7,2	8,0	38,2	33,4
Return on capital employed, %	34,4	31,8	9,8	12,6	12,0	9,3	9,7	43,7	41,1
Return on total capital %	24,0	22,7	7,0	8,7	8,3	6,5	7,2	30,5	29,2
Equity/assets ratio, %	54,3	65,1							66,9
Earnings per outstanding share, SEK*	3,14	2,50	0,98	1,13	1,04	0,80	0,86	3,94	3,30
Earnings per total shares, SEK*	3,13	2,49	0,97	1,13	1,04	0,80	0,85	3,93	3,29
Equity per total shares, SEK	10,33	9,06							9,88
Average number of outstanding shares (thousands)	138 644	138 644	138 644	138 644	138 644	138 644	138 644	138 644	138 644
Average total shares (thousands)	139 016	139 016	139 016	139 016	139 016	139 016	139 016	139 016	139 016
Operating margin, %	16,0	15,8	14,9	16,8	16,2	14,0	16,7	15,5	15,3
EBITA-margin, %	16,6	16,1	15,6	17,4	16,7	14,3	17,0	16,0	15,6

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

\*\* The key indicator are corrected for the 3:1 share split and automatic redemption of each third share carried out Q2 2022.

Prior periods have been adjusted with a factor of 2 since that financial implication of the transaction is a 2:1 split combined with an extra dividend.



## The Parent Company's performance and financial position

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

	Jan-sept 2022	Jan-sept 2021	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Trailing 12 mth	Full year 2021
Net sales	64	46	20	24	20	38	14	101	83
Other operating income	0	0	0	0	0	0	0	0	0
Operating costs	-53	-46	-16	-20	-17	-16	-13	-69	-62
Depreciation	-3	-3	-1	-1	-1	-1	-1	-4	-4
<b>Operating profit</b>	<b>7</b>	<b>-3</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>20</b>	<b>0</b>	<b>28</b>	<b>18</b>
Income from investments in Group companies	132	90	32	84	16	0	0	132	90
Other financial income/expense, Net	-8	-1	-3	-3	-2	0	0	-8	-1
<b>Profit/loss after financial items</b>	<b>131</b>	<b>86</b>	<b>32</b>	<b>83</b>	<b>16</b>	<b>20</b>	<b>0</b>	<b>151</b>	<b>106</b>
Year-end appropriations	0	0	0	0	0	299	0	299	299
<b>Pre-tax profit/(loss)</b>	<b>131</b>	<b>86</b>	<b>32</b>	<b>83</b>	<b>16</b>	<b>320</b>	<b>0</b>	<b>451</b>	<b>406</b>
Tax	0	1	0	0	0	-67	0	-67	-66
<b>Profit/loss for the period</b>	<b>131</b>	<b>87</b>	<b>32</b>	<b>83</b>	<b>16</b>	<b>253</b>	<b>0</b>	<b>384</b>	<b>339</b>

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

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

Assets	2022-09-30	2021-09-30	2021-12-31
Intangible fixed assets	4	4	3
Property, plant and equipment	17	16	17
Financial assets	636	415	412
<b>Total fixed assets</b>	<b>657</b>	<b>435</b>	<b>432</b>
Current receivables	517	391	678
Cash on hand and demand deposits	1	-	15
<b>Total current assets</b>	<b>518</b>	<b>391</b>	<b>693</b>
<b>Total assets</b>	<b>1 175</b>	<b>826</b>	<b>1 125</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Non-distributable equity	74	75	74
Distributable equity	236	266	519
<b>Total shareholders' equity</b>	<b>309</b>	<b>340</b>	<b>593</b>
<b>Untaxed reserves</b>	<b>390</b>	<b>333</b>	<b>390</b>
<b>Deferred tax liabilities</b>	<b>2</b>	<b>2</b>	<b>2</b>
Non-current non-interest-bearing liabilities	54	1	-
<b>Total non-current liabilities</b>	<b>54</b>	<b>1</b>	<b>-</b>
Current interest-bearing liabilities	318	43	-
Current non-interest-bearing liabilities	102	106	140
<b>Total current liabilities</b>	<b>420</b>	<b>149</b>	<b>140</b>
<b>Total equity and liabilities</b>	<b>1 175</b>	<b>826</b>	<b>1 125</b>

## Notes

Segment reporting is presented on pages 5, 6 and 12, and disclosures about fair value of financial instruments and accounting policies are presented on pages 8-9.

## Definitions

In addition to the conventional financial performance measures established by IFRS, OEM uses the terms Organic growth and EBITA/EBITA margin, the definitions of which are given below. The reason is that OEM wants to provide clearer comparability of sales performance between periods, without the effects of currency movements or acquisitions, and be able to summarise the companies' operations with regard to profit and margins, excluding amortisation and depreciation that arose on acquisition.

### Organic growth

The change in total revenue in the period, adjusted for acquisitions, sales and currency movements, measured against the total revenue in the comparative period.

### EBITA

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

### EBITA margin

EBITA divided by net sales

### Return on capital employed

EBITA plus finance income as a percentage of average capital employed

### Capital employed

Total assets reduced by 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 37 operating business units in 15 countries

For almost 50 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 15 countries in northern Europe, East Central Europe, the British Isles and China.

OEM has partnerships with more than 400 leading and specialist manufacturers and is responsible for their sales in selected markets. Its range comprises more than 60,000 products in the areas of electrical components, machinery components & cables, pressure & flow components, motors, ball bearings & brakes, appliance components and installation components. The Group has a customer base of more than 30,000 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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