

Interim report

Q2 2022

Second quarter 2022

- Incoming orders rose 23% to SEK 1,295 million (1,057)
- Net sales rose 23% to SEK 1,191 million (968)
- Operating profit rose 31% to SEK 201 million (153)
- EBITA rose 33% to SEK 208 million (156)
- Profit after tax rose 31% to SEK 156 million (119)
- Earnings per share were SEK 1.13 (0.86)

January - June 2022

- Incoming orders rose 25% to SEK 2,589 million (2,074)
- Net sales rose 23% to SEK 2,309 million (1,875)
- Operating profit rose 32% to SEK 382 million (288)
- EBITA rose 34% to SEK 394 million (295)
- Profit after tax rose 33% to SEK 301 million (227)
- Earnings per share were SEK 2.17 (1.64)



New record sales and earnings

Demand during the second quarter continued to remain strong, which together with a relatively good delivery capacity resulted in an increase in sales of 23%. The impact on net sales from acquisitions and exchange rate movements was 6% and 5% respectively, resulting in organic growth of 12%.

Incoming orders also remained strong and rose 23%. Incoming orders exceeded sales by 9% for the quarter, which continues to be a result of customers placing longer orders in order to secure future deliveries.

Operating profit (EBITA) rose 33% in the quarter and the EBITA margin expanded to 17.4% (16.2%). The strong performance was due to increased sales and an improved gross margin.

Growth across the regions

The strong demand has continued and higher price levels in combination with foreign exchange fluctuations have resulted in high rates of growth in the majority of operations.

Demand in Region Sweden was in line with the first quarter, which generated organic growth of 11%. Svenska Batteripoolen, Rydahls and ATC Tape Converting reported the strongest growth, followed by OEM Automatic and OEM Electronics.

Region Finland, the Baltic states and China continue to remain the regions with the strongest demand and the organic growth amounted to 17% in the quarter. The Baltic states operations, followed by OEM Electronics and OEM Automatic, were the entities that experienced the strongest growth.

Demand declined in Denmark, Norway, the British Isles and East Central Europe during the second quarter, and organic growth amounted to 8%. Hungary, the Czech Republic and the newly acquired company Demesne in Ireland, continue to report the highest rates of growth.

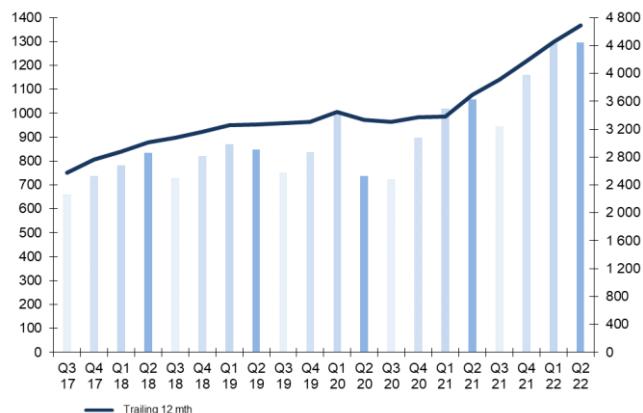
Increased market shares

Demand has been strong during the first six months, which together with increased prices and a weaker Swedish krona resulted in historically strong rates of growth. Nevertheless, storm clouds are in sight from the geopolitical situation, like high inflation, shortage of raw materials and imbalance in production and the flow of goods. In the short-term perspective the order book value remains satisfactory and the capacity of the businesses to deliver and serve customers is relatively strong. A downturn is expected in a somewhat longer perspective. However, as I have previously said OEM's role on the market is on the basis of current market conditions to give our customers the best possible service and to continuously work towards taking new market shares. Historically this has proved to work well both in booms and recessions, and I have great confidence in the capacity of the organisation to continue to develop the position of the group on the market.

Jörgen Zahlin

Managing Director and Chief Executive Officer

Incoming orders SEK million

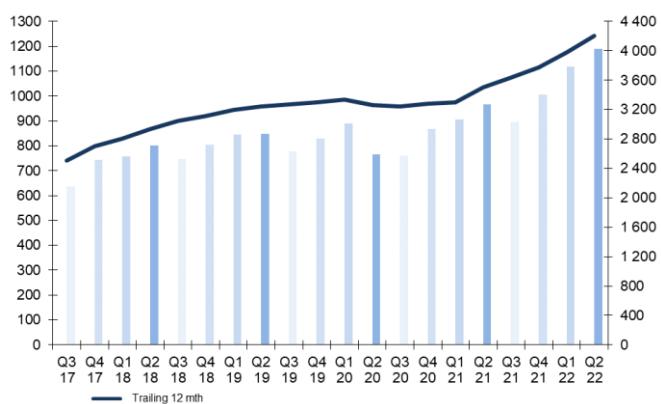


Incoming orders

Incoming orders rose to SEK 1,295 million (1,057) in the second quarter of 2022, which is an increase of 23%. For comparable entities, including the impact from movements in exchange rates, incoming orders rose 18% and acquired incoming orders were up 5%. In the second quarter incoming orders were 9% higher than net sales.

The order book value as of 30 June 2022 was SEK 1,212 million (716), which is 69% higher than on the corresponding date of the previous year.

Net sales SEK million



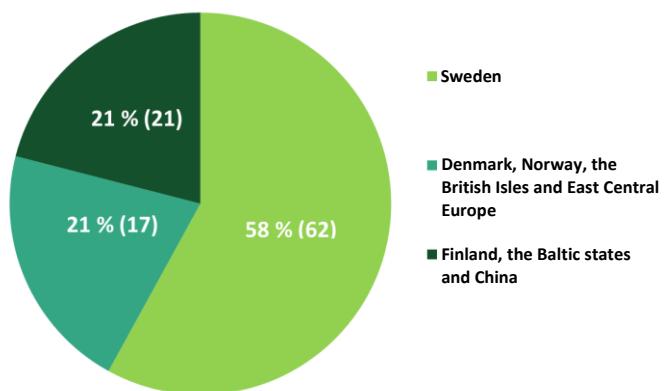
Sales growth

Net sales increased by 23% to SEK 1,191 million (968) in the second quarter of 2022. The impact on sales from exchange rate movements and acquisitions was 5% and 6% respectively, resulting in organic growth of 12%. Acquired sales originate exclusively from region Denmark, Norway, the British Isles and East Central Europe.

The highest percentage growth in net sales compared to previous year was in ATC Tape Converting, OEM Electronics Finland and Svenska Batteripoolen.

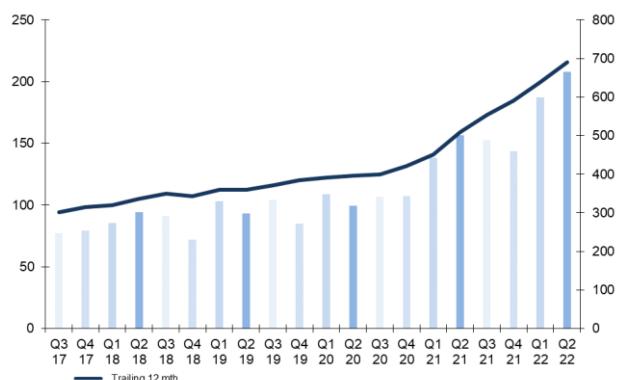
Region Sweden's share of sales fell by 4 percentage points, while Region Denmark, Norway, the British Isles and East Central Europe reported an increase of 4 percentage points. Region Finland, the Baltic states and China remain unchanged in comparison with the corresponding quarter last year.

Share by region in 2022

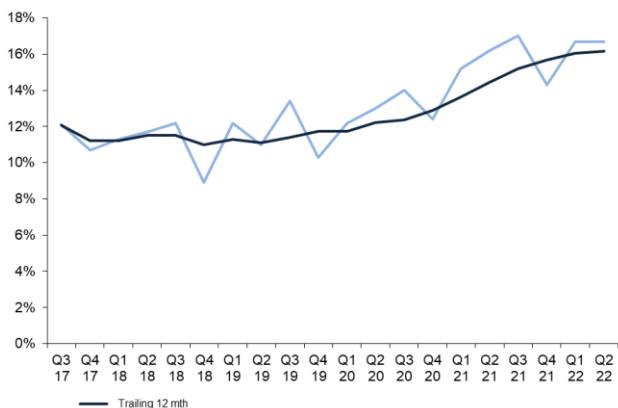


EBITA

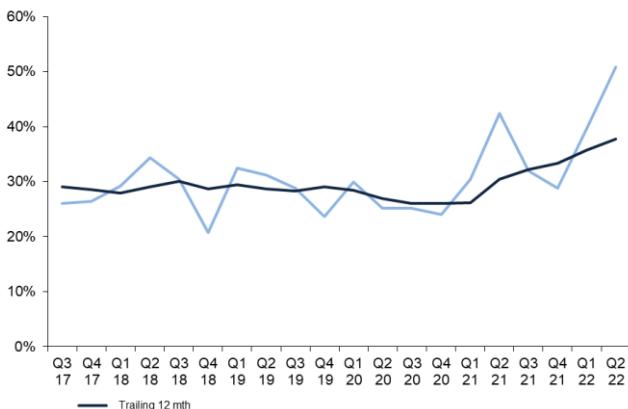
SEK million



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 2022, EBITA, operating profit before amortisation and impairment of acquisition-related intangible fixed assets, rose 33% to SEK 208 million (156).

The EBITA margin stood at 17.4% (16.2%) in the second quarter.

The EBITA margin for the trailing twelve months was 16.4%.

Operating profit rose 31% to SEK 201 million (153) in the second quarter of 2022, delivering an operating margin of 16.9% (15.8%).

Profit after tax rose 31% to SEK 156 million (119) in the second quarter of 2022.

Earnings per share for the second quarter of 2022 were SEK 1.13 (0.86).

Return on equity

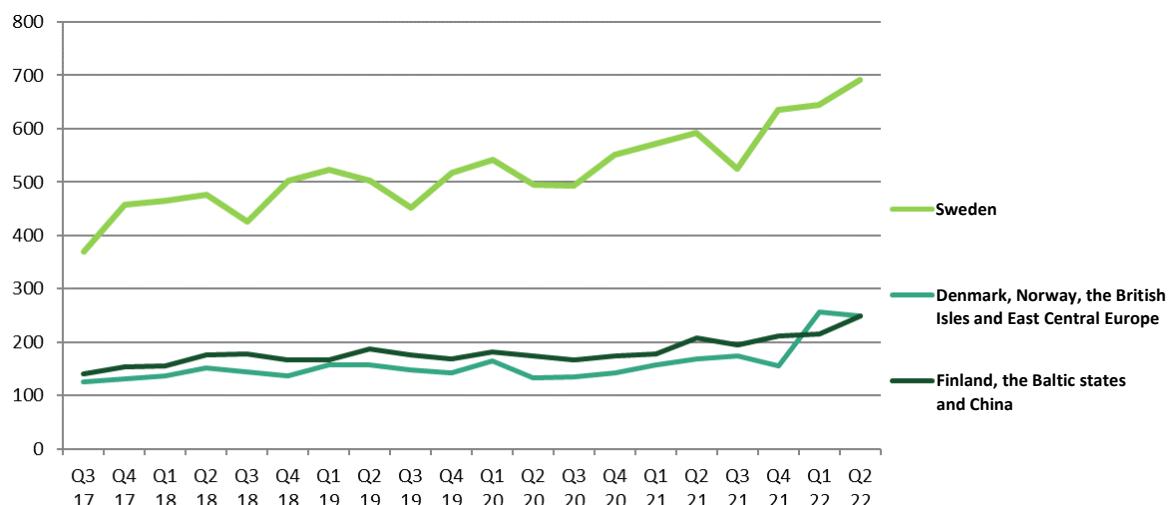
The return on equity in the second quarter of 2022 was 12.7% compared with 10.6% in the year-ago quarter.

The trailing-twelve-month return on equity was 37.8%, which is well above the 20% target.

Equity amounted to SEK 1,292 million (1,137) with an equity/assets ratio of 50.9% (66.7%) on 30 June 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 Q2	2021 Q2	2022 Q1 – Q2	2021 Q1 – Q2	2021 Full year	Trailing 12 month
Incoming orders	756	657	1,502	1,293	2,559	2,768
Net sales	692	593	1,336	1,165	2,325	2,497
EBITA	135	110	258	211	398	445
EBITA margin	19%	19%	19%	18%	17%	18%

Net sales rose 17% to SEK 692 million (593) in the second quarter of 2022. Foreign exchange movements boosted net sales by 6% and organic growth in the region reached 11%. The majority of operations have high rates of growth and improved profitability. The operations reporting strongest growth are Svenska Batteripoolen with 32%, ATC Tape Converting which increased sales by 26%, and Rydahls Bromsfabrik with 24%. OEM Automatic, the Group's largest company, recorded a 21% year-on-year increase in sales.

Incoming orders rose 15% to SEK 756 million (657) in the second quarter of 2022. Incoming orders were 9% higher than net sales.

EBITA rose 22% to SEK 135 million (110) in the second quarter of 2022, due primarily to increased sales with improved gross margin.

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 Q2	2021 Q2	2022 Q1 – Q2	2021 Q1 – Q2	2021 Full year	Trailing 12 month
Incoming orders	267	219	515	421	874	968
Net sales	249	207	465	385	791	871
EBITA	40	32	71	59	118	130
EBITA margin	16%	16%	15%	15%	15%	15%

Net sales rose 20% to SEK 249 million (207) in the second quarter of 2022. Favourable foreign exchange movements boosted net sales by 4%, which means that organic growth in the region reached 17%. The operations reporting strongest growth are OEM Electronics Finland and the entities in the Baltic states, which increased sales by 29% and 26% respectively. Sales for the entity in China were down by 8% as a result of the closure of the Shanghai region in April-May.

Incoming orders for the region rose 22% to SEK 267 million (219) in the second quarter of 2022. Incoming orders were 7% higher than net sales.

EBITA rose 25% to SEK 40 million (32), due primarily to increased sales with a higher 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 Q2	2021 Q2	2022 Q1 – Q2	2021 Q1 – Q2	2021 Full year	Trailing 12 month
Incoming orders	272	181	572	360	744	955
Net sales	249	168	506	325	655	835
EBITA	30	14	64	28	56	92
EBITA margin	12%	9%	13%	8%	9%	11%

Net sales rose 49% to SEK 249 million (168) in the second quarter of 2022. Sales resulting from the acquisition of Demesne Electrical Sales in Ireland boosted net sales by 37%. Foreign exchange movements also had a positive 4% impact on net sales, resulting in organic growth of 8% in the region. The operations reporting strongest growth compared with the previous year are OEM Automatic Hungary, OEM Automatic UK and Automatic Denmark, with an increase of 28%, 19% and 17% respectively.

Incoming orders rose 51% to SEK 272 million (181) in the second quarter of 2022. Incoming orders were 9% higher than net sales.

EBITA rose 111% to SEK 30 million (14). This was mainly a result of higher net sales and a higher contribution margin in comparable entities, plus the contribution from acquired business.

Other financial information

Cash flow

Operating cash flow in the second quarter of 2022 was SEK 104 million (116). Total cash flow was SEK -46 million (339) and was affected by investing activities amounting to SEK -148 million.

Investments

The Group's investments in fixed assets in the second quarter of 2022 totalled SEK 3 million (3). Property, machinery and equipment accounted for SEK 2 million (3), and intangible assets for SEK 1 million (0).

Cash and cash equivalents

Cash and cash equivalents, comprising cash and bank balances, amounted on 30 June 2022 to SEK 69 million (84). Cash and cash equivalents, together with committed and undrawn credit facilities, amounted to SEK 213 million (464) on 30 June 2022. The Group's interest-bearing financial liabilities totalled SEK 457 million (120), of which SEK 47 million (52) are liabilities recognised in accordance with IFRS 16 Leases.

Intangible assets

Amortisation of intangible assets totalling SEK 14.3 million (7.4) was charged to the income statement in the second quarter of 2022. On 30 June 2022, intangible assets amounted to SEK 357 million (181).

Equity/assets ratio

On 30 June 2022, the equity/assets ratio was 51% (63).

Employees

The Group's average number of employees in the second quarter of 2022 was 946 (881). The number of employees at the end of the period was 988 (891). 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. The company's total shareholding was 371,082 shares on 30 June 2022. The holding corresponds to 0.3% of the total number of shares. The repurchase mandate granted by the General Meeting is for up to 10% of the shares, which is 13,901,584 shares.

Option program

In the share-related incentive program decided by the 2022 Annual General Meeting, which included approximately 40 executives and a maximum of 160,000 call options on repurchased shares, a total of 152,500 options were subscribed for. The call options have been transferred at a price of SEK 6.64 per option and the future purchase 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 to the acquisition of a Series 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 consideration for the business acquired was SEK 209.3 million, plus contingent considerations estimated at SEK 71.4 million, based on how the business develops in 2022 and 2023.

Preliminary acquisition analysis (SEK million)

The acquired company's net assets at the time of acquisition	Group fair value
Intangible fixed assets	91.2
Other fixed assets	3.4
Inventories	22.8
Trade and other receivables	71.3
Cash and cash equivalents	20.2
Deferred tax liability	-11.4
Trade payables and other operating liabilities	-78.9
Net identifiable assets/liabilities	118.6
Consolidated goodwill	90.7
Cash consideration	209.3

Cash consideration comprises cash payment of a fixed purchase price of SEK 125.7 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 181.9 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 considerations

Developments in previously implemented acquisitions have not resulted in a remeasurement of contingent consideration recognised as a liability, with the exception of foreign currency. Acquisition-related consideration liabilities (both absolute and contingent) on 30 June 2022 totalled SEK 90 million (3.3).

Accounting policies

This condensed consolidated interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, and with relevant provisions in the Swedish Annual Accounts Act. The interim report for the Parent Company has been prepared in compliance with Chapter 9, Interim Reports, of the Swedish Annual Accounts Act. The Group and the Parent Company have applied the same accounting policies and basis of preparation as in the latest annual report. No International Financial Reporting Standards (IFRS) or International Financial Reporting Interpretations Committee (IFRIC)

interpretations adopted in 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 set out in the 2021 Annual Report, along with the uncertainty surrounding the current geopolitical tensions, the shortage of materials in certain sectors is expected to continue to impact the delivery capacity of our suppliers, resulting in longer lead times. The imbalance in the transport sector has also led to a significant increase in freight costs, which is to a large extent borne by end customers.

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 for the second quarter of 2022 totalled SEK 24 million (17) and profit after financial items was SEK 83 million (82). 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 other significant events to report after the close of the reporting period.

The impact of the war in Ukraine on the OEM Group

The escalating geopolitical tensions at the EU border with Ukraine are having an impact on world trade that is causing uncertainty about the economic outlook. Since the Group's sales to Ukraine and Russia are negligible, the direct impact of the situation on OEM is assessed as low. OEM has few customers in the affected region and deliveries to customers in Russia have been halted. A number of OEM's customers, however, have customers of their own in the region and this will result in a decline in demand. Given OEM's total sales, this is not expected to impact its sales by more than a few per cent.

Date of upcoming reports

Interim report third quarter 2022	20 October 2022
Financial statement, Full Year 2022	20 February 2023

Definitions

Definitions can be found on page 16.

Attestation

The Board of Directors and the CEO declare that the interim report gives a true and fair summary of the Group's and Parent Company's business operations, financial position and results, and describes significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

Tranås, Sweden, 13 July 2022

Petter Stillström
Chairman of the Board

Ulf Barkman
Board member

Mattias Franzén
Board member

Richard Pantzar
Board member

Jörgen Rosengren
Board member

Per Svenberg
Board member

Åsa Söderström Winberg
Board member

Jörgen Zahlin
Managing Director and Chief Executive Officer

This report has not been subject to special auditing procedures by the company's auditors.

For further information, please contact the Managing Director, Jörgen Zahlin, on +46 (0)75-242 40 22, or via email at jorgen.zahlin@oem.se or the CFO, Johan Bromman, on +46 (0)75-242 40 02, or via email at 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, and the Swedish Securities Market Act. The information was provided for publication on 13 July 2022 at 11.00 CET by Johan Bromman.

The regions' sales and earnings

SALES & EARNINGS BY REGION

Net sales (SEK million)

	Jan-jun 2021	Jan-jun 2020	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Trailing 12 mth	Full year 2020
Sweden, external income	1 336	1 165	691	644	635	525	593	2 497	2 325
Sweden, income from other segments	140	86	87	53	43	42	44	225	172
Finland, the Baltic States and China, external income	465	385	249	215	211	195	207	871	791
Finland, the Baltic States and China, income from other segments	39	7	37	3	4	2	4	45	13
Denmark, Norway, the United Kingdom and								0	
East Central Europe, external income	506	325	249	257	156	173	168	835	655
Denmark, Norway, the United Kingdom and								0	
East Central Europe, income from other segments	17	2	16	1	1	1	1	19	4
Elimination	-196	-96	-140	-56	-47	-44	-49	-287	-187
	2 307	1 875	1 189	1 118	1 004	895	968	4 205	3 774

EBITA (MSEK)

	Jan-jun 2021	Jan-jun 2020	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Trailing 12 mth	Full year 2020
Sweden	258	211	135	123	89	98	110	445	398
Finland, the Baltic States and China	71	59	40	31	25	34	32	130	118
Denmark, Norway, the United Kingdom and								0	
East Central Europe	64	28	30	33	10	18	14	92	56
Group functions	3	-3	2	0	19	2	0	24	18
	395	295	208	187	143	152	156	691	590

Operating profit (SEK million)

	Jan-jun 2021	Jan-jun 2020	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Trailing 12 mth	Full year 2020
EBITA	395	295	208	187	143	152	156	691	590
<i>Amortisation and write-downs of acquisition-related intangible fixed assets.</i>									
Sweden	-1	-2	0	-1	-1	-1	-1	-2	-4
Finland, the Baltic States and China,	0	-3	1	-1	-1	-2	-2	-3	-6
Denmark, Norway, the United Kingdom and									
East Central Europe	-6	-1	-2	-4	-1	-1	-1	-7	-3
Operating profit	388	288	207	181	141	149	153	678	578

Consolidated profit/loss (SEK million)

	Jan-jun 2021	Jan-jun 2020	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Trailing 12 mth	Full year 2020
Operating profit	388	288	207	181	141	149	153	678	578
Net financial items	-4	-2	-2	-2	-1	0	-2	-4	-2
Pre-tax profit/(loss)	384	286	205	179	140	149	151	674	576

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 2021	Jan-jun 2020	Jan-jun 2021	Jan-jun 2020		
Product Areas								
Automation	485	405	280	225	375	317	1 140	947
Components	195	170	54	41	10	8	259	220
Lighting & Installation components	260	242	28	24	121	-	409	266
Other	395	346	103	95	0	-	498	442
	1 336	1 165	465	385	506	325	2 307	1 875

The Group's performance and financial position

CONDENSED CONSOLIDATED STATEMENT OF INCOME (SEK MILLION)

	Jan-jun 2021	Jan-jun 2020	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Trailing 12 mth	Full year 2020
Operating income									
Net sales	2 309	1 875	1 191	1 118	1 004	895	968	4 208	3 774
Other operating income	2	2	0	2	0	2	2	4	4
Operating costs*									
Commodities	-1 455	-1 194	-752	-703	-641	-571	-617	-2 667	-2 406
Staff costs	-359	-300	-185	-175	-163	-132	-151	-653	-594
Other expenses	-72	-61	-32	-40	-40	-29	-30	-141	-130
Depreciation/amortisation of property, plant and equipment and intangible fixed assets	-44	-34	-23	-21	-19	-16	-18	-79	-69
Operating profit									
Net financial income/expense	382	288	200	181	141	149	153	671	578
Pre-tax profit/(loss)	378	286	199	179	140	149	151	667	576
Tax	-77	-59	-42	-35	-29	-31	-32	-137	-119
Profit/loss for the period	301	227	156	144	111	119	119	530	457
Earnings per outstanding share, SEK**	2,17	1,64	1,13	1,04	0,80	0,86	0,86	3,82	3,29

* 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									
Profit/loss for the period	301	227	156	144	111	119	119	530	457
Items that have been transferred or may be recycled to net income									
Exchange differences for the period on translation of overseas operations	32	6	24	7	4	2	-3	38	12
Items that can not be recycled to net profit									
Revaluation of defined-benefit pension plans	0	0	0	0	0	0	0	1	1
Other comprehensive income for the period	32	6	24	8	4	3	-3	39	13
Comprehensive income for the period	333	233	181	152	115	111	116	559	470
EBITA	395	295	208	187	143	152	156	691	590

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (SEK MILLION)

	2022-06-30	2021-06-30	2021-12-31
Fixed assets			
Goodwill	245	146	147
Other intangible assets	112	35	30
Total intangible assets	357	181	177
Property, plant and equipment	348	310	344
Total property, plant and equipment	348	310	344
Deferred tax assets	6	8	7
Financial assets	0	0	0
Total financial assets	6	8	7
Total fixed assets	711	498	528
Current assets			
Inventories	954	578	738
Current receivables	804	652	644
Cash and cash equivalents	69	84	145
Total current assets	1 827	1 314	1 526
Total assets	2 539	1 812	2 054
Equity	1 291	1 137	1 374
Non-current interest-bearing liabilities	33	36	30
Provisions for pensions	0	1	1
Other provisions	2	2	2
Non-current non-interest-bearing liabilities	53	4	-
Deferred tax liabilities	117	94	105
Total non-current liabilities	204	137	139
Current interest-bearing liabilities	424	85	60
Current non-interest-bearing liabilities	619	454	481
Total current liabilities	1 044	538	541
Total equity and liabilities	2 539	1 812	2 054

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SEK MILLION)

	2022-06-30	2021-06-30	2021-12-31
At beginning of year	1 374	1 366	1 366
Comprehensive income for the period			
Profit/loss for the period	301	227	457
Other comprehensive income for the period	32	6	13
Comprehensive income for the period	333	233	470
Dividends paid	-191	-173	-173
Repurchase of shares	-225	-289	-289
At the end of the period	1 291	1 137	1 374

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (SEK MILLION)

	Jan-jun 2021	Jan-jun 2020	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Trailing 12 mth	Full year 2020
Operating cash flows									
before movements in working capital	347	251	186	161	138	141	125	626	530
Movements in working capital	-239	-86	-82	-158	-57	-67	-9	-364	-211
Operating cash flows	108	165	104	4	80	74	116	262	319
Acquisition of subsidiaries			0	-107	-1	0	0	-108	-1
net effet on cash and cash equivalents	-107	-	0	-107	-1	0	0	-108	-1
Acquisition of intangible fixed assets	0	0	0	0	0	0	0	-2	-3
Acquisition of property, plant and equipment	-6	-3	-2	-5	-6	-42	-2	-54	-51
Sales of property, plant and equipment	0	0	-1	1	0	0	0	0	1
Investing cash flows	-114	-3	-2	-111	-9	-42	-2	-165	-54
Financing cash flows									
- Loan raised	0	1	0	0	0	0	0	0	1
- Loan amortisation	-7	-3	-3	-4	-2	-1	0	-10	-6
- Repayment of lease liabilities	-18	-17	-9	-9	-8	-9	-9	-35	-34
- Change in bank overdrafts	367	26	280	87	-40	17	17	344	3
- Dividends paid	-191	-173	-191	0	0	0	-173	-191	-173
- Repurchase of shares	-225	-289	-225	0	0	0	-289	-225	-289
Financing cash flow	-74	-456	-148	74	-50	7	-453	-117	-498
Cash flow for the period	-79	-293	-46	-33	21	39	-339	-19	-233
Cash and cash equivalents at the beginning of the period	145	376	114	145	122	84	424	84	376
Exchange rate difference	3	1	0	3	1	0	-1	4	2
Cash and cash equivalents at the end of the period	69	84	69	114	145	122	84	69	145

KEY PERFORMANCE INDICATORS

	Jan-jun 2021	Jan-jun 2020	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Trailing 12 mth	Full year 2020
Return on equity, %									
Return on equity, %	22,6	18,2	12,7	9,9	7,2	8,0	10,6	37,8	33,4
Return on capital employed, %	24,6	22,1	12,6	12,0	9,3	9,7	12,8	43,6	41,1
Return on total capital %	17,0	15,5	8,7	8,3	6,5	7,2	8,8	30,7	29,2
Equity/assets ratio, %	50,9	62,7							66,9
Earnings per outstanding share, SEK*	2,17	1,64	1,13	1,04	0,80	0,86	0,86	3,82	3,29
Earnings per total shares, SEK*	2,16	1,63	1,13	1,04	0,80	0,85	0,86	3,81	3,29
Equity per total shares, SEK	9,29	8,18							9,88
Average number of outstanding shares (thousands)	138 735	138 735	138 735	138 735	138 735	138 735	138 735	138 735	138 735
Average total shares (thousands)	139 016	139 016	139 016	139 016	139 016	139 016	139 016	139 016	139 016
Operating margin, %	16,5	15,4	16,8	16,2	14,0	16,7	15,8	15,7	15,3
EBITA-margin, %	17,1	15,7	17,4	16,7	14,3	17,0	16,2	16,1	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-jun 2021	Jan-jun 2020	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Trailing 12 mth	Full year 2020
Net sales	44	31	24	20	38	14	17	96	83
Other operating income	-	-	-	-	-	-	-	-	-
Operating costs	-37	-32	-20	-17	-16	-13	-17	-67	-62
Depreciation	-2	-2	-1	-1	-1	-1	-1	-4	-4
Operating profit	4	-3	3	2	20	0	-1	25	18
Income from investments		0						-	
in Group companies	100	90	84	16	0	0	84	100	90
Other financial income/expense, Net	-5	-1	-3	-2	0	0	-1	-5	-1
Profit/loss after financial items	99	86	83	16	20	0	82	120	106
Year-end appropriations	0	0	0	0	299	0	0	299	299
Pre-tax profit/(loss)	99	86	83	16	320	0	82	419	406
Tax	0	1	0	0	-67	0	1	-67	-66
Profit/loss for the period	99	87	83	16	253	0	83	352	339

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

CONDENSED BALANCE SHEET OF THE PARENT COMPANY (SEK MILLION)

Assets	2022-06-30	2021-06-30	2021-12-31
Intangible fixed assets	4	4	3
Property, plant and equipment	17	16	17
Financial assets	622	374	412
Total fixed assets	643	395	432
Current receivables	526	399	678
Cash on hand and demand deposits	1	-	15
Total current assets	527	399	693
Total assets	1 170	794	1 125
Equity and liabilities			
Equity			
Non-distributable equity	72	76	74
Distributable equity	206	265	519
Total shareholders' equity	278	340	593
Untaxed reserves	390	333	390
Deferred tax liabilities	2	2	2
Non-current non-interest-bearing liabilities	53	2	-
Total non-current liabilities	53	2	-
Current interest-bearing liabilities	325	23	-
Current non-interest-bearing liabilities	123	94	140
Total current liabilities	448	117	140
Total equity and liabilities	1 170	794	1 125

Notes

Segment reporting is presented on pages 5, 6 and 11. Disclosures about fair value of financial instruments and accounting policies are presented on page 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 to 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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