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OEM International raises EBITA margin target

The board of OEM International AB has decided to raise the group's financial target for the EBITA margin to at least 12 percent (previously 10 percent) per year over a business cycle.

"Over the years, OEM has invested in systems and developed more efficient processes, which has resulted that the EBITA margin has gradually strengthened. The average EBITA margin in the last 15, 10 and 5 years has been 11.4 percent, 11.7 percent, and 12.5 percent. The EBITA level for 2022 was 16 percent. The increased EBITA margin target clarifies the group's profitability ambition and provides good opportunities for continued investments," says Jörgen Zahlin, Managing Director and CEO of OEM International.

At the same time, OEM International is changing its target for return on equity from 20 to 25 percent over a business cycle and its capital structure target to be described by debt ratio instead of equity ratio.

Following the changes, OEM International's financial goals are as follows:

Sales growth

Minimum sales growth of 10 percent per year through a business cycle.

EBITA margin

EBITA margin of at least 12 percent per year through a business cycle.

Return on equity

Minimum return on equity of 25 percent per year through a business cycle.

Debt ratio

OEM shall prioritize a strong financial position to ensure operational stability and enable business acquisitions regardless of economic conditions. The debt ratio shall be below 100%.

This information is of such a nature that its disclosure by OEM is required under the EU Market Abuse Regulation no 596/2014. The information was provided for publication on February 20, 2023, at 14.00 CET by Johan Broman.

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OEM International är ett av Europas ledande teknikhandelsföretag och består av 33 rörelsedrivande enheter i 15 länder. Koncernen verkar inom handel med komponenter och system för industriell automation. Enkelt beskrivet verkar OEM som ett alternativ för tillverkare att sälja genom egna bolag.

För mer information se www.oem.se.