

# Interim report January-September 2015

## **Third quarter**

- The operating income was SEK 611 million (612) and organic growth was -2%
- The operating profit was SEK 13 million (32), giving an operating margin of 2.2% (5.2)
- The profit after tax was SEK 9 million (23)
- Earnings per share (EPS) after dilution was SEK 0.51 (1.26)

## **January-September**

- The operating income was SEK 1,920 million (1,995) and organic growth was -5%
- The operating profit was SEK 19 million (76), giving an operating margin of 1.0% (3.8)
- The profit after tax was SEK 12 million (53)
- Earnings per share (EPS) after dilution was SEK 0.66 (2.93)
- The equity/assets ratio was 47% (49)
- Return on shareholder's' equity was 5% (11)

## **Comment from President and CEO Markus Granlund:**

"Even though all business areas reported positive earnings in Q3, this report is generally characterized by weak results. The Engineering Services Nordic business area's profit for the quarter was negatively affected by investments in growth and a lower utilization rate as a result of new recruitments.

Engineering Services Germany, like other companies in Germany, is continuing to adapt its activities to new legislation concerning the increased share of deliveries with project responsibility. This is in line with our strategy of increasing the number of project deliveries and we are currently actively working to streamline our organization in Germany, with the highest priority being given to profitable growth. The appointment of a new business area president is an important part of this initiative. We are also following developments at Volkswagen very carefully. We haven't so far seen any short-term effects to our working relationship with them, but we are preparing ourselves to handle any possible changes.

The Product Information business area concluded sales to one of the major customers in China, which negatively affected results. It is however pleasing that the business area signed a new international partnership deal in the quarter. This is once again proof that our global delivery model is competitive."



## Income and result

### Third quarter

The operating income amounted to SEK 611 million (612). Organic growth, adjusted for currency effects, acquisitions and divestments, amounted to -2 per cent.

The operating profit amounted to SEK 13 million (32), giving an operating margin of 2.2 per cent (5.2).

Compared with last year, all business areas, except Engineering Services International, reported worse results. The Product Information business area's results were negatively affected by sales to one of the major customers in China concluding in Q3. Net financial items amounted to SEK -1 million (-1), giving a profit before tax of SEK 12 million (31). The tax expense for the quarter amounted to SEK 3 million (8). The profit after tax amounted to SEK 9 million (23) and EPS after dilution was SEK 0.51 (1.26).

### January-September

The operating income amounted to SEK 1,920 million (1,995). Organic growth, adjusted for currency effects, acquisitions and divestments, amounted to -5 per cent. The business area Engineering Services Germany, adjusted for currency effects, reported lower income of 12 per cent, due to the transition underway in the German market. Last year's sales also included a large portion of purchased goods and services in some projects.

The operating profit amounted to SEK 19 million (76), giving an operating margin of 1.0 per cent (3.8). The Engineering Services Germany business area reported significantly weaker results due to the drop in sales and restructuring costs of SEK 20 million (2). Restructuring costs affected the Group's overall operating profit by SEK 22 million (6).

Net financial items amounted to SEK -3 million (-4), giving a profit before tax of SEK 16 million (72). The tax expense for the period amounted to SEK 4 million (19). The profit after tax amounted to SEK 12 million (53) and EPS after dilution amounted to SEK 0.66 (2.93).

## Financial position

The operating cash flow from current activities was SEK -107 million (-43). Cash flow is seasonally weak in the first three quarters of the year, but this year it was also affected by weaker operating profit compared with previous year. Investments in hardware, licenses, office supplies and equipment amounted to SEK 29 million (20).

The Group's liquid assets amounted to SEK 43 million (76) with additional non-utilized credit of SEK 179 million (230) as at 30 September. The Group's credit agreements were extended at the start of Q4 and will run until October 2018. Shareholders' equity amounted to SEK 617 million (648) and the equity/assets ratio was 47 per cent (49). During Q2 a dividend worth SEK 45 million (45) was paid to shareholders. In addition, share buy backs were carried out to acquire 100,000 Semcon shares for SEK 6 million. The Group's net debt amounts to SEK 214 million (110). Excluding pension commitments, net debt amounted to SEK 146 million (57). The debt/equity ratio was 0.3 times (0.2) with an interest coverage ratio of 12 times (21).

## Important events during the period

- Semcon signed a development contract with a European premium automotive manufacturer at the end of April. More than 70 of Semcon's engineers will at most be involved in the development project, which is carried out at Semcon's offices in Germany, Sweden, UK and India. The project is expected to run for approximately 18 months and includes interior development for two new car models.
- Semcon has appointed Per Nilsson as Corporate Communications- and Marketing director. Per joins Semcon from Volvo Trucks where he was Global PR director. He started work in mid-August and is member of the Group management team.
- Semcon has appointed Johan Darsbo as the new President of the business area Engineering Services International. Johan was previously business area vice president. He started work on 1 July and is a member of the Group management team.
- Semcon has appointed Udo Glenewinkel in September as its new President of the business area Engineering Services Germany. Udo joins Semcon from NGA Human Resources where he was CEO for the operations in DACH (Germany, Austria, Switzerland) and Eastern Europe. He will start work on 1 November and will be a member of the Group management team.

## Staff and organisation

The headcount on 30 September was 2,864 (3,050). The number of employees in active service was 2,783 (2,940). Divestment and downsizing of business activities have been carried out over the past year, which have resulted in a fall in the number of employees. In the respective business areas the headcount is as follows: Engineering Services Nordic 1,011 (1,071), Engineering Services Germany 980 (1,069), Engineering Services International 345 (359) and Product Information 528 (551).

## Ownership structure

As of 30 September, the JCE Group owned 22.2% (22.2) of Semcon's shares, Swedbank Robur Fonder 8.4% (8.4), Nordea Investments Funds 6.3% (6.3), Handelsbanken Fonder 5.8% (6.7), and Andra AP-fonden 4.4% (5.3). Foreign ownership was 27.2% (27.0) and the numbers of shareholders was 4,368 (3,602). The number of ordinary shares at the end of the period was 18,112,534 (18,112,534), all with the quotient value of SEK 1 and equal voting rights. Semcon owned 242,718 (142,718) of the company's share on 30 September.

Semcon is listed as a small company on the NASDAQ OMX Stockholm under the SEMC ticker. A list of the biggest shareholders, ownership structure and share price movements can be seen on page 11.

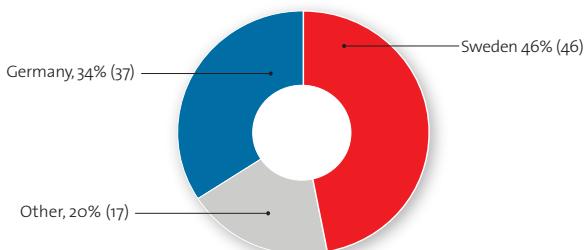
## Incentive scheme

The Annual General Meeting, held on 28 April 2015, decided to establish a long-term performance-based share savings scheme for around 110 senior executives and key personnel in the Semcon Group. This scheme will run for four years starting in July 2015 and covering a maximum of 242,718 shares, corresponding to 1.34 per cent of the total number of outstanding shares.

## Acquisitions and divestments

No acquisitions or divestments have taken place during the period.

## Group sales per market Jan-Sept 2015



## Risk and instability factors

The Group and parent company's significant risks and instability factors include business risks in the form of high exposure towards a single industry or customer. An economic downturn or disruptions to financial markets can have a negative effect on the Group's services. In general terms acquisitions and divestments incur increased risks. This also includes financial risks mainly concerning interest rate and currency risks. Semcon's Annual Report 2014, pages 47-48 and 61-62, include a detailed description of the Group and parent company's risk exposure and risk management.

## Accounting principles

Semcon follows the IFRS standards adopted by the EU and its interpretations of these (IFRIC). This quarterly report has been drawn up in accordance with IAS 34. A number of new standards and IFRIC statements were introduced on 1 January 2015. None of these have had any affect on the Group's accounts over the period. In general, the same accounting policies and methods of calculation have been used in this report as in the latest annual report.

## Events after the end of the period

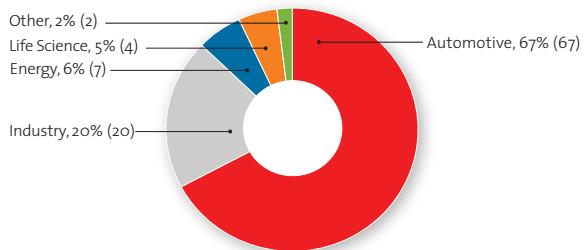
No significant events occurred after the end of the period.

## Nominations committee

It was decided at the AGM 2015 that the Chairman of the Board should convene a nominations committee, consisting of one representative from each of the three largest shareholders in the company in terms of voting rights according to the shareholders' register on 31 August 2015.

The nominations committee will, until the next AGM consist of: Olof Cato, Nominations Committee Chairman, JCE Group, Evert Carlsson, Swedbank Robur fonder, Katja Bergqvist, Handelsbanken Fonder and Kjell Nilsson, Chairman of Semcon AB.

## Group sales per industry Jan-Sept 2015



## Business areas

### Engineering Services Nordic

Sales amounted to SEK 738 million (744). Adjusted for divestments, sales remained generally unchanged. Sales to the automotive industry and life-science sector were relatively healthy, while industry and energy customers generally took a more wait-and-see approach to new investments.

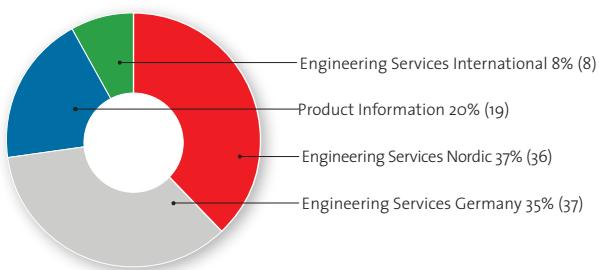
The operating profit amounted to SEK 21 million (24), giving an operating margin of 2.9 per cent (3.2). Some offices reported weak utilization ratios over the year, negatively impacting results. The results in Q3 was also initially affected by investments in growth. Sharp focus is being placed on measures to improve growth and profitability.

Engineering Services Nordic	July-Sept		Jan-Sept		Jan-Dec 2014
	2015	2014	2015	2014	
Operating income, SEK m	206.1	209.7	738.3	744.2	1,013.7
Operating profit, SEK m	2.3	5.2	21.4	23.7	19.4
Operating margin, %	1.1	2.5	2.9	3.2	1.9
No. of employees at period's end	1,011	1,071	1,011	1,071	1,038

### About Engineering Services Nordic

The business area's around 1,000 employees provide services in areas such as product development, plant engineering and production development. The offer is aimed at requirement and concept studies, design, calculations, construction, embedded systems, testing, simulation, quality control, project management, production and process development and expertise in lean production. Business activities mainly focus on industry, design, automotive and life science industries in the Nordic region. Customers include ABB, AB Volvo, Alstom, AstraZeneca, Bombardier, Cevt, Geely, Ericsson, Fortum, General Electric, Getinge, Husqvarna, Metso, Rolls-Royce Marine, Saab, Scania, Siemens, Vattenfall and Volvo Cars.

### Share of Semcon's total sale, %



### Engineering Services Germany

The business area's sales amounted to SEK 693 million (758), which meant a fall in local currency of 12 per cent. The business area reported lower sales due to the transition underway in the German market. Last year's sales also included a large portion of purchased goods and services in some projects. The operating loss was SEK 30 million (+17), giving an operating margin of -4.3 per cent (+2.2). Profitability remains weak. A change in purchase patterns, due to legislation, has involved the automotive industry in particular, moving over to buying more projects and packaged services instead of having specialists on site with customers. Measures have been implemented to meet these new customer requirements, meaning that restructuring costs of SEK 20 (2) impacted on Q2's earnings. A new business area manager, Udo Glenewinkel, will start work on 1 November. The change of the delivery model and adjustment of the offer in Germany means that the business area is also expected to report weak results in Q4. German automotive customers are, however, expected to retain a high demand for development services.

Engineering Services Germany	July-Sept		Jan-Sept		Jan-Dec 2014
	2015	2014	2015	2014	
Operating income, SEK m	233.3	242.9	693.1	757.9	1,005.7
Operating profit/loss, SEK m	5.6	10.7	-29.9	16.6	20.1
Operating margin, %	2.4	4.4	-4.3	2.2	2.0
No. of employees at period's end	980	1,069	980	1,069	1,044

### About Engineering Services Germany

The business area's around 1,000 employees provide services to customers primarily in the German automotive industry. The offer includes focusing on concepts, styling, design, calculations, project management, prototyping, testing, simulations and small serial production. Customers include many of the world's leading automotive manufacturers, such as Audi, BMW, VW, Daimler, Opel/GM, Porsche and also customers in other industries such as Sell and Vattenfall.

## Engineering Services International

The business area's sales amounted to SEK 154 million (156), which when adjusted for currency effects meant a fall of 6 per cent. The UK operation's sale of services to other countries was negatively affected by the stronger UK pound. The operating profit amounted to SEK 5 million (3), giving an operating margin of 3.0 per cent (1.6). The market in Brazil is currently weak, which resulted in redundancies for 17 people in the first half of the year and meant restructuring expenses of SEK 2 million affecting the operating profit.

Engineering Services International	July-Sept		Jan-Sept		Jan-Dec	
	2015	2014	2015	2014	2014	2014
Operating income, SEK m	49.2	53.7	154.4	156.1	212.6	
Operating profit/loss, SEK m	2.8	2.4	4.7	2.5	4.9	
Operating margin, %	5.7	4.5	3.0	1.6	2.3	
No. of employees at period's end	345	359	345	359	359	

### About Engineering Services International

The business area's around 350 employees provide services on respective markets. The offer is aimed at concept, design, calculations, construction, testing and simulation. Business activities are carried out in the UK, Brazil, Russia, India and China. Customers include a number of leading industrial companies such as AB Volvo, Aston Martin, Autoliv, BMW, Continental, General Electric, Jaguar Land Rover, Mahindra Reva, MAN, Scania, Siemens, Volvo Cars and VW.

## Product Information

The business area's sales amounted to SEK 387 million (379), giving organic growth of 4 per cent. New business, especially in the UK, contributed to the rise in sales. Deliveries from the partnership with Jaguar Land Rover have gradually risen and now actively involves around 160 people, including subcontractors. This number is however expected to drop during Q4 by around 40 people. The operating profit was SEK 22 million (32), giving an operating margin of 5.8 per cent (8.3). Sales to one of the larger customers in China ended in Q3. This has negatively affected the results both by the write-down of account receivables and additional operating costs. Sales to the Norwegian oil and gas industry were also weak, which also influenced the weaker earnings. A new long-term partnership deal was signed in Q3 with a customer in the telecom industry, with a gradual ramping up of the business expected in Q4, to eventually involve 20 people.

Product Information	July-Sept		Jan-Sept		Jan-Dec	
	2015	2014	2015	2014	2014	2014
Operating income, SEK m	128.5	124.2	387.3	378.6	542.4	
Operating profit, SEK m	3.0	12.9	22.3	31.6	52.3	
Operating margin, %	2.3	10.4	5.8	8.3	9.6	
No. of employees at period's end	528	551	528	551	549	

### About Product Information

The business area's around 550 employees provide complete information solutions with the primary focus on customers' aftermarket business. The business area's offer supports products throughout the product life cycle: from sales and marketing to installation, diagnostics, maintenance, repairs, training material, as well as training service staff. Product Information has offices in Sweden, the UK, Germany, Hungary, China and Norway. Customers are mainly in the automotive, engineering, telecom and IT, energy and med-tech sectors. These include: ABB, Volvo, Bombardier, Ericsson, Gambio, Jaguar Land Rover, Kongsberg Oil & Gas, Saab, SAP, Siemens, UniCarrier and Volvo Cars.

Göteborg 22 October 2015

SEMCON AB (PUBL)  
Org.nr. 556539-9549

Markus Granlund  
President and CEO

Semcon discloses the information provided herein pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act. This information was submitted for publication at 12:15 on 22 October 2015.

# Consolidated Financial, summary

## Income statements

SEK m	July-Sept		Jan-Sept		Jan-Dec
	2015	2014	2015	2014	2014
Operating income	610.8	612.2	1,920.2	1,994.8	2,725.7
Purchase of goods and services	-155.1	-128.0	-418.1	-440.6	-611.4
Other external operating expenses	-60.8	-57.8	-183.4	-180.1	-242.0
Staff costs	-376.5	-388.8	-1,283.9	-1,281.1	-1,742.6
<b>Operating profit before depreciation</b>	<b>18.4</b>	<b>37.6</b>	<b>34.8</b>	<b>93.0</b>	<b>129.7</b>
Depreciation of tangible fixed assets	-3.4	-4.3	-12.0	-12.3	-18.0
Depreciation of intangible assets	-1.7	-1.7	-3.8	-4.9	-9.3
<b>Operating profit</b>	<b>13.3</b>	<b>31.6</b>	<b>19.0</b>	<b>75.8</b>	<b>102.4</b>
Net financial items	-0.8	-0.8	-2.9	-4.2	-5.0
<b>Profit before tax</b>	<b>12.5</b>	<b>30.8</b>	<b>16.1</b>	<b>71.6</b>	<b>97.4</b>
Tax	-3.3	-8.0	-4.2	-18.6	-22.0
<b>Profit after tax*</b>	<b>9.2</b>	<b>22.8</b>	<b>11.9</b>	<b>53.0</b>	<b>75.4</b>
EPS SEK	0.51	1.28	0.66	2.95	4.20
EPS after dilution, SEK	0.51	1.26	0.66	2.93	4.16
*Of which parent company shareholders	9.2	22.8	11.9	53.0	75.4
Number of days in period	66	66	186	186	248

## Statement of comprehensive income

SEK m	July-Sept		Jan-Sept		Jan-Dec
	2015	2014	2015	2014	2014
Profit after tax	9.2	22.8	11.9	53.0	75.4
Items that cannot be reclassified as profit or loss					
Actuarial profits and losses	-	-	-	-	-12.4
Tax	-	-	-	-	3.7
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-8.7</b>
Items that can be reclassified as profit or loss					
Translation differences for the period	0.6	0.5	-8.4	15.4	29.9
Hedging of net investments	-7.4	-1.7	1.7	-10.9	-29.0
Tax attributable to hedging effects of net investments	1.6	0.4	-0.4	2.4	6.4
<b>Total</b>	<b>-5.2</b>	<b>-0.8</b>	<b>-7.1</b>	<b>6.9</b>	<b>7.3</b>
<b>Other comprehensive income</b>	<b>-5.2</b>	<b>-0.8</b>	<b>-7.1</b>	<b>6.9</b>	<b>-1.4</b>
<b>Total comprehensive income for the period*</b>	<b>4.0</b>	<b>22.0</b>	<b>4.8</b>	<b>59.9</b>	<b>74.0</b>
*Of which parent company shareholders	4.0	22.0	4.8	59.9	74.0

Quarterly information by business area

	2013				2014				2015				
	Q1	Q2	Q3	Q4	2013	Q1	Q2	Q3	Q4	2014	Q1	Q2	Q3
<b>Operating income (SEK m)</b>													
Engineering Services Nordic	262.7	272.4	221.5	267.7	1,024.3	275.3	259.2	209.7	269.5	1,013.7	266.6	265.6	206.1
Engineering Services Germany	223.5	223.1	232.3	244.1	923.0	264.6	250.4	242.9	247.8	1,005.7	244.6	215.2	233.3
Engineering Services International	43.1	47.8	48.1	50.8	189.8	50.5	51.9	53.7	56.5	212.6	53.8	51.4	49.2
Product Information	118.9	115.3	109.2	119.9	463.3	126.5	127.9	124.2	163.8	542.4	134.7	124.1	128.5
Elimination of group transactions	-22.2	-22.1	-19.2	-28.5	-92.0	-12.8	-10.9	-18.3	-6.7	-48.7	-22.5	-24.1	-6.3
<b>Total</b>	<b>626.0</b>	<b>636.5</b>	<b>591.9</b>	<b>654.0</b>	<b>2,508.4</b>	<b>704.1</b>	<b>678.5</b>	<b>612.2</b>	<b>730.9</b>	<b>2,725.7</b>	<b>677.2</b>	<b>632.2</b>	<b>610.8</b>
<b>Operating profit/loss (SEK m)</b>													
Engineering Services Nordic	7.1	13.0	6.6	7.1	33.8	16.2	2.3	5.2	-4.3	19.4	15.2	3.9	2.3
Engineering Services Germany	10.0	4.9	13.6	1.0	29.5	10.7	-4.8	10.7	3.5	20.1	4.7	-40.2	5.6
Engineering Services International	-0.1	1.1	2.7	1.2	4.9	1.1	-1.0	2.4	2.4	4.9	0.6	1.3	2.8
Product Information	16.4	10.6	13.0	14.2	54.2	13.3	5.4	12.9	20.7	52.3	12.6	6.7	3.0
Group items	1.6	1.3	1.1	-1.6	2.4	0.1	0.9	0.4	4.3	5.7	1.1	-0.2	-0.4
<b>Total</b>	<b>35.0</b>	<b>30.9</b>	<b>37.0</b>	<b>21.9</b>	<b>124.8</b>	<b>41.4</b>	<b>2.8</b>	<b>31.6</b>	<b>26.6</b>	<b>102.4</b>	<b>34.2</b>	<b>-28.5</b>	<b>13.3</b>
<b>Operating margin (%)</b>													
Engineering Services Nordic	2.7	4.8	3.0	2.7	3.3	5.9	0.9	2.5	-1.6	1.9	5.7	1.5	1.1
Engineering Services Germany	4.5	2.2	5.9	0.4	3.2	4.0	-1.9	4.4	1.4	2.0	1.9	-18.7	2.4
Engineering Services International	-0.2	2.3	5.6	2.4	2.6	2.2	-1.9	4.5	4.3	2.3	1.1	2.7	5.7
Product Information	13.8	9.2	11.9	11.8	11.7	10.5	4.2	10.4	12.6	9.6	9.4	5.4	2.3
<b>Total</b>	<b>5.6</b>	<b>4.9</b>	<b>6.3</b>	<b>3.3</b>	<b>5.0</b>	<b>5.9</b>	<b>0.4</b>	<b>5.2</b>	<b>3.6</b>	<b>3.8</b>	<b>5.1</b>	<b>-4.5</b>	<b>2.2</b>
<b>Number of employees</b>													
Engineering Services Nordic	1,079	1,072	1,076	1,083	1,083	1,085	1,058	1,071	1,038	1,038	1,017	996	1,011
Engineering Services Germany	1,079	1,078	1,086	1,078	1,078	1,088	1,082	1,069	1,044	1,044	1,012	997	980
Engineering Services International	287	300	318	331	331	343	357	359	359	359	344	338	345
Product Information	524	539	531	509	509	526	535	551	549	549	562	555	528
<b>Total</b>	<b>2,969</b>	<b>2,989</b>	<b>3,011</b>	<b>3,001</b>	<b>3,001</b>	<b>3,042</b>	<b>3,032</b>	<b>3,050</b>	<b>2,990</b>	<b>2,990</b>	<b>2,935</b>	<b>2,886</b>	<b>2,864</b>
Number of working days	62	59	66	62	249	62	58	66	62	248	62	58	66

## Balance sheets

SEK m	30 Sept 2015	30 Sept 2014	31 Dec 2014
<b>Assets</b>			
Intangible assets, goodwill			
Other intangible assets	453.8	449.5	456.3
Tangible fixed assets	19.0	17.3	16.7
Financial fixed assets	52.3	43.5	49.8
Deferred tax recoverable	14.9	17.2	17.0
Accounts receivable	54.3	41.0	46.3
Accrued non-invoiced income	361.9	356.3	416.1
Other current assets	248.2	261.2	157.9
Cash and bank assets	73.8	67.0	57.6
<b>Total assets</b>	<b>1,321.3</b>	<b>1,329.2</b>	<b>1,370.0</b>
<b>Shareholders equity and liabilities</b>			
Shareholders equity	616.9	648.4	662.5
Pensions obligations	68.0	53.2	68.5
Deferred tax liabilities	34.5	33.0	23.1
Interest-bearing short-term liabilities	189.2	132.9	97.8
Accounts payable	60.3	83.1	102.8
Non interest bearing current liabilities	352.4	378.6	415.3
<b>Total shareholders equity and liabilities</b>	<b>1,321.3</b>	<b>1,329.2</b>	<b>1,370.0</b>

## Change in shareholders equity

SEK m	30 Sept 2015	30 Sept 2014	31 Dec 2014
Shareholders equity at start of the period			
Total comprehensive income			
Acquisition of own shares	4.8	59.9	74.0
Share-based remuneration	-5.6	-	-
Shareholder dividend	0.1	-	-
<b>Shareholders equity at period's end</b>	<b>616.9</b>	<b>648.4</b>	<b>662.5</b>

## Cash flow statements

SEK m	July-Sept		Jan-Sept		Jan-Dec
	2015	2014	2015	2014	2014
<b>Cash flow from current activities</b>					
Cash flow from current activities	16.0	36.2	14.6	73.4	87.2
before change in working capital	-13.7	-26.6	-122.1	-116.3	-4.9
<b>Change in working capital</b>	<b>2.3</b>	<b>9.6</b>	<b>-107.5</b>	<b>-42.9</b>	<b>82.3</b>
<b>Cash flow from investment activities</b>					
Cash-flow affecting investments	-6.2	-7.9	-29.0	-20.4	-28.3
Acquisitions and divestments of subsidiaries	-	-2.2	-	-2.2	-1.1
Sales of fixed assets	0.1	-	0.4	-	0.1
<b>Cash flow from investment activities</b>	<b>-6.1</b>	<b>-10.1</b>	<b>-28.6</b>	<b>-22.6</b>	<b>-29.3</b>
<b>Cash flow from financing activities</b>					
Change in interest-bearing liabilities	-5.8	10.8	77.9	25.9	-20.8
Acquisition of own shares	-	-	-5.6	-	-
Shareholder dividend	-	-	-44.9	-44.9	-44.9
<b>Cash flow from financing activities</b>	<b>-5.8</b>	<b>10.8</b>	<b>27.4</b>	<b>-19.0</b>	<b>-65.7</b>
<b>Cash flow for the period</b>					
Cash and bank at the start of the period	54.9	61.4	152.3	153.3	153.3
Translation difference	-2.2	4.5	-0.5	7.4	11.7
<b>Cash and bank at the end of the period</b>	<b>43.1</b>	<b>76.2</b>	<b>43.1</b>	<b>76.2</b>	<b>152.3</b>

## Key figures

	Jan-Sept 2015	2014	Jan-Dec 2014
Growth in sales (%)	-3.7	7.6	8.7
Organic growth in sales (%)	-5.3	4.8	4.8
Operating margin before depreciation (%)	1.8	4.7	4.8
Operating margin (%)	1.0	3.8	3.8
Profit margin (%)	0.8	3.6	3.6
Return on shareholders equity (%)*	5.3	10.8	11.6
Return on capital employed (%)*	5.4	12.2	12.7
Equity/asset ratio (%)	46.7	48.8	48.4
Debt/equity ratio (multiple)	0.3	0.2	-
Interest cover ratio (multiple)*	12.0	20.9	24.8
Number of employees at period's end	2,864	3,050	2,990

## Key figures for shares

	Jan-Sept 2015	2014	Jan-Dec 2014
EPS (SEK)	0.66	2.95	4.20
EPS after dilution (SEK)	0.66	2.93	4.16
Shareholders equity before dilution (SEK)	34.52	36.08	37.35
Shareholders equity after dilution (SEK)	34.06	35.80	37.06
Share price/shareholders equity per share (times)	1.05	1.45	1.33
Cash flow from current activities (SEK)	-5.94	-2.37	4.54
Share price at the end of the period (SEK)	35.80	51.75	49.40
Market value at the end of the period (SEK m)	648	937	895
Number of shares at the end of the period (ooo)	18,113	18,113	18,113
Number of own shares at the end of the period (ooo)	243	143	143
Average number of shares (ooo)	18,113	18,113	18,113

\* Rolling 12 months

## Definitions

### Capital employed

The balance sheet total minus non interest-bearing provisions and liabilities.

### Cash flow per share

Cash flow from current activities divided by the weighted average number of outstanding shares over the period adjusted for the dilution effect on potential shares.

### Debt/equity ratio

Net borrowings divided by shareholders' equity.

### EPS after dilution

Profit/loss after tax attributable to the parent company's owners divided by the average number of outstanding shares adjusted for the dilution effect of potential shares.

### EPS before dilution

Profit/loss after tax attributable to the parent company's owners divided by the average number of outstanding ordinary shares excluding shares held as own shares by the parent company.

### Equity/assets ratio

Shareholders' equity as a percentage of the balance sheet total.

### Interest cover ratio

Profit before tax plus interest costs divided by interest costs.

### Net borrowings

Interest-bearing provisions and liabilities with deductions for liquid assets and interest-bearing receivables.

### Operating margin

Operating profit as a percentage of net sales.

### Profit margin

Profit before tax as a percentage of net sales.

### Return on shareholders' equity.

Profit for the period after tax divided by the average shareholders' equity.

### Return on capital employed

Profit before tax plus financial costs divided by the average capital employed.

### Shareholders' equity per share before dilution

Shareholders' equity divided by the number of shares at period end, excluding shares held as own shares by the parent company.

### Shareholders' equity per share after dilution

Shareholders' equity divided by the number of shares at period end adjusted for the dilution effect on potential shares.

# Parent company Financial, summary

## Income statements

SEK m	July-Sept		Jan-Sept		Jan-Dec
	2015	2014	2015	2014	2014
Operating income	3.2	5.5	14.9	18.4	25.0
Other external operating expenses	-5.3	-4.6	-16.7	-16.5	-24.0
Staff costs	-6.2	-5.7	-21.0	-17.7	-24.4
<b>Operating loss before depreciation</b>	<b>-8.3</b>	<b>-4.8</b>	<b>-22.8</b>	<b>-15.8</b>	<b>-23.4</b>
Depreciation of tangible fixed asset	-	-	-	-0.2	-0.2
<b>Operating loss after depreciation</b>	<b>-8.3</b>	<b>-4.8</b>	<b>-22.8</b>	<b>-16.0</b>	<b>-23.6</b>
Net financial items *	-3.5	-0.3	9.6	-2.6	31.2
<b>Profit/loss after net financial items</b>	<b>-11.8</b>	<b>-5.1</b>	<b>-13.2</b>	<b>-18.6</b>	<b>7.6</b>
Appropriations **	-	-	-	-	-4.3
<b>Profit/loss before tax</b>	<b>-11.8</b>	<b>-5.1</b>	<b>-13.2</b>	<b>-18.6</b>	<b>3.3</b>
Tax	2.6	1.1	2.9	4.1	-0.8
<b>Profit/loss after tax</b>	<b>-9.2</b>	<b>-4.0</b>	<b>-10.3</b>	<b>-14.5</b>	<b>2.5</b>
* Of which translation differencies	-4.2	-1.2	7.8	-6.5	-21.5
Of which group contribution received	-	-	-	-	48.2
** Of which group contribution paid	-	-	-	-	-4.5

## Statements of comprehensive income

SEK m	July-Sept		Jan-Sept		Jan-Dec
	2015	2014	2015	2014	2014
Profit/loss for the period	-9.2	-4.0	-10.3	-14.5	2.5
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-9.2</b>	<b>-4.0</b>	<b>-10.3</b>	<b>-14.5</b>	<b>2.5</b>

## Balance sheets

SEK m	30 Sept		31 Dec
	2015	2014	2014
<b>Assets</b>			
Financial fixed assets	456.9	458.1	454.0
Current assets	176.3	159.1	173.0
<b>Total assets</b>	<b>633.2</b>	<b>617.2</b>	<b>627.0</b>
<b>Shareholders equity and liabilities</b>			
Shareholders equity	291.5	335.4	352.3
Untaxed reserves	-	0.2	-
Interest-bearing current liabilities	188.4	87.0	96.4
Non interest-bearing current liabilities	153.3	194.6	178.3
<b>Total shareholders equity and liabilities</b>	<b>633.2</b>	<b>617.2</b>	<b>627.0</b>

## Semcon's largest holdings, 30 September 2015

Name	No. of shares	Votes, %
JCE Group	4,026,271	22.2
Swedbank Robur Fonder	1,521,764	8.4
Handelsbanken Fonder	1,134,159	6.3
Nordea Investments Funds	1,043,747	5.8
Andra AP-fonden	802,561	4.4
Fjärde AP-fonden	656,720	3.6
Ålandsbanken	589,095	3.3
CBNY-Norges bank	587,844	3.2
Europea i Malmö AB	423,170	2.3
Avanza Pension	408,438	2.3
AMF	362,400	2.0
<b>Total</b>	<b>11,556,169</b>	<b>63.8</b>
Own shares	242,718	1.3
Others	6,313,647	34.9
<b>Total</b>	<b>18,112,534</b>	<b>100.0</b>

Source: Euroclear Sweden AB register of shareholders on 30 September 2015.

## Ownership structure, 30 September 2015

	No. of shareholders	No. of shares	Proportion %	Marketvalue SEK (ooo)
1-500	3,110	462,809	2.6	16,569
501-1,000	592	500,540	2.8	17,919
1,001-10,000	573	1,660,615	9.2	59,450
10,001-100,000	71	2,218,202	12.2	79,412
100,001 -	21	13,027,650	71.9	466,390
Own shares	1	242,718	1.3	8,689
<b>Total</b>	<b>4,368</b>	<b>18,112,534</b>	<b>100.0</b>	<b>648,429</b>

Source: Euroclear Sweden AB register of shareholders on 30 September 2015.

## Price Trend



Source: NASDAQ OMX Stockholm on 30 September 2015.

# Auditor's review report

## Introduction

We have reviewed this interim report for Semcon AB (556539- 9549) for the period 1 January 2015 to 30 September 2015. The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

## Review report's emphasis and scope

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review consists of making enquiries, 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 Standards on Auditing in Sweden, RS, and other generally accepted auditing practices.

The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

## 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.

Göteborg, 22 October 2015

DELOITTE AB

Hans Warén

Authorized public accountant

### Reporting

Year-end report 2015: 12 February 2016

Interim report Jan-March 2016: 28 April 2016

AGM 2015: 28 April 2016

Interim report Jan-June 2016: 15 July 2016

Interim report Jan-Sept 2016: 27 October 2016

Year-end report 2016: 9 February 2017

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Semcon is an international technology company in the engineering services and product information sectors. We have around 3,000 employees with extensive experience from many different industries. We develop technology, products, plant and information solutions along the entire development chain and also provide many services and products in areas such as quality control, training and methodology development. We contribute to our customers' competitive strength by providing innovative solutions, design and solid engineering expertise. The business activities are run via four business areas: Engineering Services Nordic, Engineering Services Germany, Engineering Services International and Product Information. Work processes and solutions are adapted to customer requirements, from taking part in the customer's teams to in-house development projects. The Group had annual sales of SEK 2.7 billion in 2014 with activities at more than 40 sites in Sweden, Germany, the UK, Brazil, China, Hungary, India, Spain and Norway. Some of Semcon's biggest customers include: ABB, AB Volvo, Audi, BMW, Daimler, Ericsson, Jaguar Land Rover, Scania, Volvo Cars and VW. Read more at [semcon.com](http://semcon.com)