

# INTERIM REPORT JANUARY-JUNE 2018

## Second quarter

- The **operating income** amounted to SEK 479 Million [447] and the organic growth was 5%
- The **operating profit** amounted to SEK 21 Million [10], yielding an operating margin of 4.3% [2.1]
- The **profit after tax** amounted to SEK 16 Million [8]
- **Earnings per share [EPS] after dilution** amounted to SEK 0.87 [0.42]

## January-June

- The **operating income** amounted to SEK 948 Million [922] and the organic growth was 2%
- The **operating profit** amounted to SEK 61 Million [50], yielding an operating margin of 6.4% [5.4]
- The **profit after tax** amounted to SEK 46 Million [38]
- **Earnings per share [EPS] after dilution** amounted to SEK 2.55 [2.09]
- The **equity/assets ratio** amounted to 57% [55]

## Comment from CEO Markus Granlund:

I am impressed by the great commitment shown by my colleagues, who together with our customers make a difference for people around the world – every day. The value and benefits we provide to our customers and end users are also reflected in our financial results. We concluded the first six months of the year with a good second quarter during which we more than doubled our operating profit compared with the corresponding quarter in 2017. More and more customers are discovering the potential to reduce their total costs and increase their competitiveness by establishing deeper partnerships with Semcon. We have signed a number of new framework agreements with customers during the quarter, including SKF, the Swedish Transport Administration, Siemens Industrial Turbomachinery, Essity, Stockholm County Council and Getinge, which provides us with a good position for the future.

The Engineering Services business area continued to significantly improve its profit. The earnings improvement is the result of higher productivity and cost efficiency at the same time as we have refined our offering and streamlined our work model. Demand for our services is healthy and it is pleasing that we are capturing new business with a focus on digitalisation in several different sectors, such as autonomous vehicles, industry 4.0 and energy. In these fields, we can cross-functionally leverage our expertise in artificial intelligence [AI] and user experiences [UX], for example. In Norway, we are also maintaining a high pace of activity with extensive competence in connected products where new, major partnerships have been launched and profitability is improving.

To date this year, earnings for the Product Information business area are down on the year-earlier period. This was mainly due to lower volumes as a result of two major customers relocating production of their aftermarket information concerning the Asian market. Although this was not fully offset by new business, we expect a gradual earnings improvement in the second half of the year in line with information presented previously. We recently signed a new partnership agreement with a global machinery manufacturer and have expanded partnerships in the telecom sector with a focus on Managed Service deliveries. The acquisition of Haas-Publikation in Germany is positioning us well towards the rail industry, where we have identified a large number of business opportunities.

In summary, the Group reported a financially strong second quarter compared with the year-earlier period and we believe that the earnings trend will remain positive in the next six months, despite a seasonally weak third quarter. Measures to improve our margins are continuing. As are our efforts to always prioritise the creation of an inspiring and attractive workplace for our enthusiastic and committed colleagues.

## Income and result

### Second quarter

Operating income amounted to SEK 479 million [447] and organic growth was 5 per cent. The quarter included one extra working day compared with last year. Operating profit was SEK 21 million [10], yielding an operating margin of 4.3 per cent [2.1]. The calendar effect had a positive impact on earnings of about SEK 6 million compared with last year. Even when the calendar effect is excluded, Engineering Services reported a healthy earnings improvement due to higher productivity. Product Information reported a deterioration in earnings due to lower volumes in ongoing customer assignments, due in part to two major customers relocating operations from Europe to Asia.

Net financial items amounted to SEK - million [-1], yielding profit before tax of SEK 21 million [9]. Tax expense for the quarter amounted to SEK -5 million [-2]. Profit after tax amounted to SEK 16 million [8] and earnings per share after dilution totalled SEK 0.87 [0.42].

### January-June

Operating income amounted to SEK 948 million [922] and organic growth was 2 per cent. The first six months of the year included the same number of working days as the corresponding year-earlier period. Operating profit amounted to SEK 61 million [50], yielding an operating margin of 6.4 per cent [5.4]. While Engineering Services reported a highly favourable earnings improvement due to higher productivity, Product Information noted a deterioration in earnings due to lower volumes in ongoing customer assignments.

Net financial items amounted to SEK - million [-1], yielding profit before tax of SEK 61 million [49]. The tax expense for the period amounted to SEK -15 million [-11]. Profit after tax amounted to SEK 46 million [38] and earnings per share after dilution totalled SEK 2.55 [2.09].

### Financial position

Operating cash flow from current activities was SEK 88 million [73]. Investments in hardware, licenses, office supplies and equipment amounted to SEK 3 million [6]. The Group's cash and cash equivalents amounted to SEK 40 million [149]. In addition, the Group had non-

utilised credit of SEK 248 million [372] as of June 30. Shareholders' equity amounted to SEK 535 million [524] and the equity/assets ratio was 57 per cent [55]. During the second quarter, a dividend of SEK 62 million [40] was paid to shareholders. The Group's net cash amounted to SEK 34 million [118].

### Important events during the period

- Daniel Rundgren was appointed as the new Business Area President of Engineering Services. Daniel is joining Semcon from the IT company EVRY and assumed his position as Business Area President in mid-May.
- In January, Semcon received the Årets Varumärkesresa [Brand Journey of the Year] award in Sweden.
- Within the Product Information business area, an agreement concerning owner information was renewed during the first quarter with one of the largest customers in the business area, for the 19th consecutive year.
- Semcon selected as "Rocket of the Year" among Sweden's most attractive employers. The survey is conducted by Universum among engineering students.
- Several new framework agreements were signed during the second quarter, including SKF, the Swedish Transport Administration, Siemens Industrial Turbomachinery, Essity, Stockholm County Council and Getinge.
- In April, Semcon acquired the German product information company Haas-Publikationen GmbH. The company has almost 50 employees and sales amounted to approximately SEK 50 million in 2017.

### Ownership structure

As of June 30, JCE Group owned 25.8% [25.8] of Semcon's shares, Nordea Investment Funds 9.7% [7.8], Avanza Pension 4.3% [2.5], DnB Carlson Fonder 3.9% [3.4] and Europea i Malmö 3.6% [2.4]. Foreign ownership was 32.6% [35.8] and the number of shareholders was 4,996 [4,599]. 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 440,365 [242,718] of the company's share on June 30. Semcon is listed on Nasdaq Stockholm, small cap under the SEMC ticker. For more information about Semcon's ownership structure and share price movements visit [www.semcon.com](http://www.semcon.com).

#### Change in operating income

	Jan-June 2018	Jan-Dec 2017
Acquisition	1,1%	-%
Currency effects	-%	-%
Organic growth	1,7%	0.4%
<b>Total</b>	<b>2,8%</b>	<b>0.4%</b>

#### No. working days in Sweden

	2016	2017	2018	2019
Q1	61	64	63	63
Q2	61	58	59	58
Q3	66	65	65	66
Q4	64	63	62	62
<b>Total</b>	<b>252</b>	<b>250</b>	<b>249</b>	<b>249</b>

Each working day represents around SEK 7 million in income and impacts operating profit by about SEK 6 million.

## Employees

The head count on June 30 was 2,126 [2,077] and the number of employees in active service was 2,049 [1,984]. In the respective business areas the head count is as follows: Engineering Services 1,458 [1,458] and Product Information 668 [619].

## Parent company

Operating income for the parent company amounted to SEK 10 million [11] and pertains to compensation for intra-Group services. The profit before tax totalled SEK -4 million [108].

## Buy-back of own shares

The Board resolved on 6 December 2017 to buy back not more than 200,000 ordinary shares pursuant to the authorisation of the 2017 AGM and on 25 April the buyback of a further 200,000 ordinary shares was approved pursuant to the authorisation of the 2018 AGM. The Board's decision aims to improve the company's capital structure. Up until 30 June, 200,000 shares had been repurchased, of which 159,956 in 2018.

## Acquisitions and divestments

In April, Semcon acquired the German product information company Haas-Publikationen GmbH. The company has almost 50 employees and sales amounted to approximately SEK 50 million in 2017. The acquisition is expected to have a positive impact on both operating margin and earnings per share. For further information about the acquisition, see Note 1. No other acquisitions or divestments took place during the period.

## 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 currency risks. Semcon's Annual Report 2017, pages 38-39 and 57-58, include a detailed description of the Group and parent company's risk exposure and risk management.

## Incentive scheme

The AGM, held on April 25 2018, decided to establish a long-term performance-based share savings scheme for around 20 senior executives and key personnel in the Semcon Group. This scheme runs for four years starting in July 2018 and covering a maximum of 180,000 shares. The current holding of own ordinary shares held by Semcon is considered to fulfill obligations under the Performance-based Share Savings Scheme 2015, 2017 and 2018.

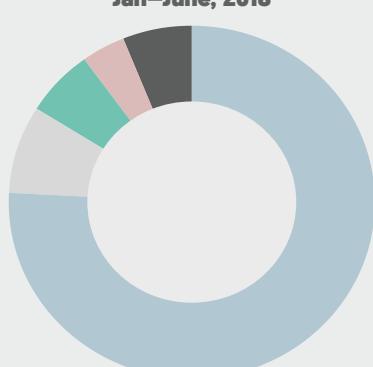
## Accounting principles

Semcon follows the IFRS standards adopted by the EU and its interpretations of these [IFRIC]. This interim report has been drawn up in accordance with IAS 34. The new standards that came into force as of 1 January 2018, which include IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers, have had no material effect on the Group's accounts during the year. In general, the same accounting policies and methods of calculation have been used in this interim report as in the latest Annual Report.

## Events after the end of the period

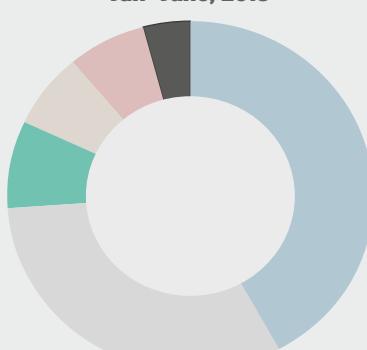
No significant events occurred after the end of the period.

Group income per market  
Jan–June, 2018



■ Sweden, 76% [77]  
■ The UK, 8% [9]  
■ Norway, 6% [4]  
■ Brazil, 4% [4]  
■ Other, 6% [6]

Group income per industry  
Jan–June, 2018



■ Automotive, 42% [49]  
■ Industry 32% [27]  
■ Energy, 8% [7]  
■ Life Science, 7% [7]  
■ Telecom, 7% [7]  
■ Other, 4% [3]

# BUSINESS AREAS

## Engineering Services

The business area's income amounted to SEK 722 million [688] and organic growth was 6 per cent. Demand is healthy for the business area's offering within product development and production optimisation, and sales increased to industrial customers, among other sectors. Several new customers signed framework agreements with Semcon during the period, which creates favourable conditions for continued growth. Operating profit improved to SEK 62

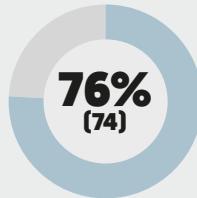
	April-June		Jan-June		Jan-Dec
	2018	2017	2018	2017	2017
Operating income, mSEK	362.7	328.3	722.3	687.6	1,313.6
Operating profit, mSEK	25.5	7.1	62.3	34.4	70.4
Operating margin, %	7.0	2.2	8.6	5.0	5.4
No. of employees	1,458	1,458	1,458	1,458	1,447

### About Engineering Services

The business area's slightly more than 1,450 employees provide services in areas such as product development, plant engineering and production development services. 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. Engineering Services has offices in Sweden, Norway, the UK, India and Brazil. Business activities mainly focus on the automotive, industry, energy and life science sectors. Customers include ABB, AB Volvo, Alstom, Aston Martin, AstraZeneca, Autoliv, Bombardier, CEVT, Geely, Fortum, General Electric, Getinge, Husqvarna, Jaguar Land Rover, MAN, McLaren, Metso, Rolls-Royce Marine, Saab, Scania, Siemens, Vattenfall and Volvo Cars.

### Share of Semcon's total income

Jan-June, 2018



## Product Information

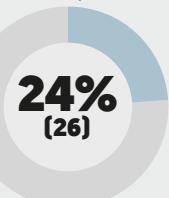
The business area's income amounted to SEK 226 million [239] and organic growth was -11 per cent. In the preceding year, production volumes were at a relatively high level. Moreover, two major customers chose to relocate their operations from Europe to Asia, the effects of which have yet to be filled by new assignments. A number of contracts were extended during the first six months of 2018. These include an agreement concerning owner information, which was renewed for the 19th consecutive year with one of the largest customers in the business area. Operating profit amounted to SEK 8 million [26], yielding an operating margin of 3.5

million [34], yielding an operating margin of 8.6 per cent [5.0]. Earnings improvements were mainly reported for operations in Sweden and Norway due to stronger demand and higher productivity. The strategic shift through enhanced sales of Semcon's concept offering, together with improved productivity, means growth and profitability are expected to increase moving forward.

per cent [10.7]. A gradual improvement in earnings due to increased revenue is expected during the second half of the year. Among other activities, a new partnership agreement was signed with a global machinery manufacturer with the initial planning stage to commence in the third quarter. The acquisition of Haas-Publikationen GmbH, completed in April, is also expected to boost earnings. Part of the business area's strategy is focused on a high proportion of Managed Service contracts and a high level of resource efficiency through deliveries involving networking teams from several countries.

### Share of Semcon's total income

Jan-June, 2018



### About Product Information

The business area's almost 700 employees provide complete information solutions with the primary focus on customers' aftermarket business. The business area's offering supports products and systems throughout the product life cycle: from sales and marketing to installation, maintenance, diagnostics, repairs, as well as training service staff. The business area has offices in Sweden, the UK, Hungary, Germany, China and Norway. Customers are mainly in the automotive, telecom and IT, engineering, med-tech and energy sectors. These include ABB, AB Volvo, Baxter, Bombardier, CEVT/Lynk & Co, ESAB, Jaguar Land Rover, Saab, Siemens, London Electric Vehicle Company, UniCarriers and Volvo Cars.

The Board and the president certify that the Interim report provides an accurate picture of the parent company's and Group's activities, position and earnings and describes the significant risks and uncertainties facing the parent company and Group companies.

Göteborg July 17, 2018

SEMCON AB [PUBL]  
Co.reg.no 556539-9549

Markus Granlund  
President and CEO

Tore Bertilsson  
Chairman of the Board

Marianne Brismar  
Board member

Jan Erik Karlsson  
Board member

Jeanette Reuterskiöld  
Board member

Karl Thedéen  
Board member

Christer Eriksson  
Employee representative

Monique Pehrsson  
Employee representative

Mats Sällberg  
Employee representative

This report has not been subject to review by the company's auditors. This information is information that Semcon AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication at 08.00 CEST on 17 July, 2018.

# Consolidated FINANCIAL, SUMMARY

## Income statements

mSEK	April-June		Jan-June		Jan-Dec
	2018	2017	2018	2017	2017
Operating income	479.2	446.7	947.6	921.6	1,762.4
Purchase of goods and services	-87.8	-85.3	-174.7	-174.6	-335.7
Other external operating expenses	-38.8	-39.5	-73.9	-76.1	-149.6
Staff costs	-328.9	-309.4	-632.5	-615.4	-1,170.9
<b>Operating profit before depreciation</b>	<b>23.7</b>	<b>12.5</b>	<b>66.5</b>	<b>55.5</b>	<b>106.2</b>
Depreciation of tangible fixed assets	-2.2	-2.1	-4.2	-4.1	-7.9
Depreciation of intangible assets	-0.8	-0.8	-1.6	-1.5	-3.1
<b>Operating profit</b>	<b>20.7</b>	<b>9.6</b>	<b>60.7</b>	<b>49.9</b>	<b>95.2</b>
Net financial items	-	-0.2	-	-0.5	-0.6
<b>Profit before tax</b>	<b>20.7</b>	<b>9.4</b>	<b>60.7</b>	<b>49.4</b>	<b>94.6</b>
Tax	-5.0	-1.8	-14.5	-11.5	-22.2
<b>Profit after tax from continuing operations</b>	<b>15.7</b>	<b>7.6</b>	<b>46.2</b>	<b>37.9</b>	<b>72.4</b>
Result from discontinued operations	-	-	-	0.1	0.1
<b>Total profit after tax</b>	<b>15.7</b>	<b>7.6</b>	<b>46.2</b>	<b>38.0</b>	<b>72.5</b>
Profit attributable to:					
Parent company's shareholders	15.7	7.6	46.2	38.0	72.5
Non-controlling interests	-	-	-	-	-
<b>Total profit after tax</b>	<b>15.7</b>	<b>7.6</b>	<b>46.2</b>	<b>38.0</b>	<b>72.5</b>
Earnings per share before dilution [SEK]	0.89	0.43	2.61	2.13	4.06
- of which continuing operations	0.89	0.43	2.61	2.12	4.05
Earnings per share after dilution [SEK]	0.87	0.42	2.55	2.10	4.00
- of which continuing operations	0.87	0.42	2.55	2.09	4.00
No. of working days in period	59	58	122	122	250

**Statement of comprehensive income**

mSEK	April-June		Jan-June		Jan-Dec
	2018	2017	2018	2017	2017
Profit after tax	15.7	7.6	46.2	38.0	72.5
<b>Items that can be reclassified as profit or loss</b>					
Translation differences for the period	-1.9	-3.5	1.5	-2.9	-3.5
<b>Total</b>	<b>-1.9</b>	<b>-3.5</b>	<b>1.5</b>	<b>-2.9</b>	<b>-3.5</b>
<b>Total other comprehensive income</b>	<b>-1.9</b>	<b>-3.5</b>	<b>1.5</b>	<b>-2.9</b>	<b>-3.5</b>
<b>Total comprehensive income for the period</b>	<b>13.8</b>	<b>4.1</b>	<b>47.7</b>	<b>35.1</b>	<b>69.0</b>
<b>Comprehensive income attributable to:</b>					
Parent company's shareholders	13.8	4.1	47.7	35.1	69.0
Non-controlling interests	-	-	-	-	-
<b>Total</b>	<b>13.8</b>	<b>4.1</b>	<b>47.7</b>	<b>35.1</b>	<b>69.0</b>

**Total comprehensive income for the period attributable to parent company's shareholders has occurred from:**

mSEK	April-June		Jan-June		Jan-Dec
	2018	2017	2018	2017	2017
Continuing operations	13.8	4.1	47.7	35.0	68.9
Discontinued operations	-	-	-	0.1	0.1
<b>Total</b>	<b>13.8</b>	<b>4.1</b>	<b>47.7</b>	<b>35.1</b>	<b>69.0</b>

## Balance sheets

mSEK	June 30		Dec 31
	2018	2017	2017
<b>Assets</b>			
Intangible assets, goodwill	317.1	274.6	274.7
Other intangible assets	12.0	13.9	13.1
Tangible fixed assets	31.5	31.8	31.1
Financial fixed assets	-	1.3	-
Deferred tax recoverable	3.4	3.5	3.2
Accounts receivable	310.9	266.1	337.0
Accrued non-invoiced income	186.5	169.1	140.3
Other current assets	36.6	35.4	29.8
Cash and cash equivalents	40.5	149.2	80.9
<b>Total assets</b>	<b>938.5</b>	<b>944.9</b>	<b>910.1</b>
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity	534.6	524.4	556.6
Pensions obligations	3.1	3.3	3.0
Deferred tax liabilities	56.3	46.2	44.9
Interest-bearing short-term liabilities	3.5	27.4	-
Accounts payable	50.1	43.8	51.6
Non-accrued invoiced income	18.6	12.0	20.5
Other non interest-bearing current liabilities	272.3	287.8	233.5
<b>Total shareholders' equity and liabilities</b>	<b>938.5</b>	<b>944.9</b>	<b>910.1</b>

## Change in shareholders' equity

mSEK	June 30		Dec 31
	2018	2017	2017
<b>Shareholders' equity at the start of the period</b>			
Shareholders' equity at the start of the period	556.6	529.4	529.4
Total comprehensive income	47.7	35.1	69.0
Acquisition of own shares	-8.1	-	-1.9
Share-based remuneration	0.3	0.1	0.3
Shareholder dividend	-61.9	-40.2	-40.2
<b>Shareholders' equity at the end of the period</b>	<b>534.6</b>	<b>524.4</b>	<b>556.6</b>

## Capital employed

mSEK	June 30		Dec 31
	2018	2017	2017
<b>Total assets</b>			
Total assets	938.5	944.9	910.1
Deferred tax liabilities	-56.3	-46.2	-44.9
Accounts payable	-50.1	-43.8	-51.6
Other non interest-bearing liabilities	-290.9	-299.8	-254.0
<b>Total capital employed</b>	<b>541.2</b>	<b>555.1</b>	<b>559.6</b>
<b>Average capital employed</b>	<b>548.2</b>	<b>696.8</b>	<b>611.9</b>

## Cash flow statements

mSEK	April-June		Jan-June		Jan-Dec
	2018	2017	2018	2017	2017
Cash flow from current activities					
before change in working capital	25.5	13.1	59.3	54.0	99.4
Change in working capital	-5.5	10.0	28.5	18.6	-61.9
<b>Cash flow from current activities</b>	<b>20.0</b>	<b>23.1</b>	<b>87.8</b>	<b>72.6</b>	<b>37.5</b>
Investments	-1.1	-1.6	-3.2	-5.5	-9.4
Acquisition and divestments of subsidiaries/associated companies	-57.2	-2.6	-57.2	161.7	161.7
Sales of fixed assets	0.1	-	0.1	-	-
<b>Cash flow from investment activities</b>	<b>-58.2</b>	<b>-4.2</b>	<b>-60.3</b>	<b>156.2</b>	<b>152.3</b>
Change in interest-bearing liabilities	3.5	-	3.5	-125.7	-153.7
Acquisition of own shares	-	-	-8.1	-	-1.9
Shareholder dividend	-61.9	-40.2	-61.9	-40.2	-40.2
<b>Cash flow from financing activities</b>	<b>-58.4</b>	<b>-40.2</b>	<b>-66.5</b>	<b>165.9</b>	<b>-195.8</b>
<b>Cash flow for the period</b>	<b>-96.6</b>	<b>-21.3</b>	<b>-39.0</b>	<b>62.9</b>	<b>-6.0</b>
Cash and cash equivalents at the start of the period	139.6	173.2	80.9	87.8	87.8
Translation differences	-2.5	-2.7	-1.4	-1.5	-0.9
<b>Cash and cash equivalents at the end of the period</b>	<b>40.5</b>	<b>149.2</b>	<b>40.5</b>	<b>149.2</b>	<b>80.9</b>

## Change in net cash

mSEK	April-June		Jan-June		Jan-Dec
	2018	2017	2018	2017	2017
Opening balance	136.6	142.4	77.9	-126.7	-126.7
Cash flow from current activities	20.0	23.1	87.8	72.6	37.5
Investments	-1.0	-1.6	-3.1	-5.5	-9.4
Acquisitions of subsidiaries	-57.2	-	-57.2	-	-
Divestments of subsidiaries	-	-	-	216.6	216.6
Shareholder dividend	-61.9	-40.2	-61.9	-40.2	-40.2
Acquisition of own shares	-	-	-8.1	-	-1.9
Other	-2.6	-5.2	-1.5	1.7	2.0
<b>Closing balance</b>	<b>33.9</b>	<b>118.5</b>	<b>33.9</b>	<b>118.5</b>	<b>77.9</b>

## Net cash

mSEK	June 30		Dec 31
	2018	2017	2017
Cash and cash equivalents	40.5	149.2	80.9
Pensions obligations	-3.1	-3.3	-3.0
Interest-bearing short-term liabilities	-3.5	-27.4	-
<b>Total net cash</b>	<b>33.9</b>	<b>118.5</b>	<b>77.9</b>

## Key figures

	Jan-June 2018	Jan-June 2017	Jan-Dec 2017
Growth in sales [%]	2.8	1.6	0.4
Organic growth in sales [%]	1.7	1.1	0.4
Operating margin before depreciation [%]	7.0	6.0	6.0
Operating margin [%]	6.4	5.4	5.4
Profit margin [%]	6.4	5.4	5.4
Return on shareholders' equity [%]	14.8	12.4	13.4
Return on capital employed [%]	19.6	14.3	14.1
Equity/assets ratio [%]	57.0	55.5	61.2
Number of employees at the end of the period	2,126	2,077	2,076

## Key figures for the Semcon share

	Jan-June 2018	Jan-June 2017	Jan-Dec 2017
Earnings per share before dilution [SEK]	2.61	2.12	4.05
Earnings per share after dilution [SEK]	2.55	2.09	4.00
Shareholders' equity before dilution [SEK]	30.25	29.35	31.22
Shareholders' equity after dilution [SEK]	29.52	28.95	30.73
Share price/Shareholders' equity [times]	1.92	2.19	1.55
Cash flow from current activities [SEK]	4.85	4.01	2.07
Share price at the end of the period [SEK]	56.80	63.50	47.70
Market cap at the end of the period [mSEK]	1,029	1,150	864
Number of shares at the end of the period with the quotient value of SEK 1 [000]	18,113	18,113	18,113
Average number of own shares at the end of the period [000]	440	243	282
Average number of shares [000]	18,113	18,113	18,113

## 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 debt divided by shareholders' equity.

### Earnings per share [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.

### Earnings per share [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.

### Equity/assets ratio

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

### Net cash/net debt

Cash and cash equivalents and interest-bearing receivables with deductions for interest-bearing provisions and liabilities.

### Organic growth

Year-on-year increase in income adjusted for currency effects, acquisitions and divestments.

### Operating margin

Operating profit as a percentage of operating income.

### Operating margin before depreciation

Operating profit before depreciation as a percentage of operating income.

### Profit margin

Profit before tax as a percentage of operating income.

### 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 end of the period 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 end of the period adjusted for the dilution effect on potential shares.

**Quarterly information by Business Area**

	2016				2016	2017				2018		
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	2017	Q1	Q2
<b>Operating income [mSEK]</b>												
Engineering Services	319.5	350.6	279.1	357.5	1,306.7	359.3	328.3	268.4	357.6	1,313.6	359.6	362.7
Product Information	126.4	132.4	109.9	121.1	489.8	124.3	114.8	98.4	115.9	453.4	109.0	116.7
Group items/ eliminations	-12.3	-9.9	-6.3	-12.1	-40.6	-8.7	3.7	0.6	-0.2	-4.6	-0.2	-0.2
<b>Total</b>	<b>433.6</b>	<b>473.1</b>	<b>382.7</b>	<b>466.5</b>	<b>1,755.9</b>	<b>474.9</b>	<b>446.8</b>	<b>367.4</b>	<b>473.3</b>	<b>1,762.4</b>	<b>468.4</b>	<b>479.2</b>
<b>Operating profit [mSEK]</b>												
Engineering Services	7.2	18.4	10.2	29.8	65.6	27.3	7.1	3.9	32.1	70.4	36.8	25.5
Product Information	12.9	15.1	8.7	12.5	49.2	17.6	8.1	6.4	8.7	40.8	6.7	1.1
Group items/ eliminations	0.3	-7.0	-2.7	-10.3	-19.7	-4.6	-5.6	-1.6	-4.2	-16.0	-3.5	-5.9
<b>Total</b>	<b>20.4</b>	<b>26.5</b>	<b>16.2</b>	<b>32.0</b>	<b>95.1</b>	<b>40.3</b>	<b>9.6</b>	<b>8.7</b>	<b>36.6</b>	<b>95.2</b>	<b>40.0</b>	<b>20.7</b>
<b>Operating margin [%]</b>												
Engineering Services	2.3	5.2	3.7	8.3	5.0	7.6	2.2	1.5	9.0	5.4	10.2	7.0
Product Information	10.2	11.4	7.9	10.3	10.0	14.2	7.1	6.5	7.5	9.0	6.1	0.9
<b>Total</b>	<b>4.7</b>	<b>5.6</b>	<b>4.2</b>	<b>6.9</b>	<b>5.4</b>	<b>8.5</b>	<b>2.1</b>	<b>2.4</b>	<b>7.7</b>	<b>5.4</b>	<b>8.5</b>	<b>4.3</b>
<b>Number of employees</b>												
Engineering Services	1,433	1,434	1,455	1,453	1,453	1,465	1,458	1,451	1,447	1,447	1,405	1,458
Product Information	554	589	581	591	591	612	619	631	629	629	637	668
<b>Total</b>	<b>1,987</b>	<b>2,023</b>	<b>2,036</b>	<b>2,044</b>	<b>2,044</b>	<b>2,077</b>	<b>2,077</b>	<b>2,082</b>	<b>2,076</b>	<b>2,076</b>	<b>2,042</b>	<b>2,126</b>
<b>Number of working days</b>	61	61	66	64	252	64	58	65	63	250	63	59

## Parent company

# FINANCIAL, SUMMARY

### Income statements

mSEK	April-June		Jan-June		Jan-Dec
	2018	2017	2018	2017	2017
Operating income	4.6	5.2	9.9	11.3	21.9
Other external operating expenses	-4.4	-8.0	-10.3	-15.4	-26.1
Staff costs	-9.8	-7.5	-17.4	-15.2	-29.5
<b>Operating profit/loss</b>	<b>-9.6</b>	<b>-10.3</b>	<b>-17.8</b>	<b>-19.3</b>	<b>-33.7</b>
Net financial items*	11.6	123.7	13.8	127.7	104.2
<b>Profit/loss after net financial items</b>	<b>2.0</b>	<b>113.4</b>	<b>-4.0</b>	<b>108.4</b>	<b>70.5</b>
Appropriations**	-	-	-	-	20.1
<b>Profit/loss before tax</b>	<b>2.0</b>	<b>113.4</b>	<b>-4.0</b>	<b>108.4</b>	<b>90.6</b>
Tax	-0.4	1.9	0.9	3.0	-0.2
<b>Profit/loss for the period</b>	<b>1.6</b>	<b>115.3</b>	<b>-3.1</b>	<b>111.4</b>	<b>90.4</b>
* of which translation differences	0.5	0.4	1.7	3.3	7.3
of which dividend	10.0	122.0	10.0	122.0	122.0
** of which group contribution paid	-	-	-	-	-8.3
of which group contribution received	-	-	-	-	28.4

### Statements of comprehensive income

mSEK	April-June		Jan-June		Jan-Dec
	2018	2017	2018	2017	2017
Profit/loss for the period	1.6	115.3	-3.1	111.4	90.4
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>1.6</b>	<b>115.3</b>	<b>-3.1</b>	<b>111.4</b>	<b>90.4</b>

### Balance sheet

mSEK	June 30		Dec 31
	2018	2017	2017
<b>Assets</b>			
Financial fixed assets	350.0	472.7	461.4
Current assets	130.5	66.1	88.0
Cash and cash equivalents	-	108.3	42.3
<b>Total assets</b>	<b>480.5</b>	<b>647.1</b>	<b>591.7</b>
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity	278.8	374.7	351.8
Untaxed reserves	12.3	12.3	12.3
Interest-bearing current liabilities	3.5	-	-
Non interest-bearing current liabilities	185.9	260.1	227.6
<b>Total shareholders' equity and liabilities</b>	<b>48.5</b>	<b>647.1</b>	<b>591.7</b>

## Note 1

# ACQUISITION

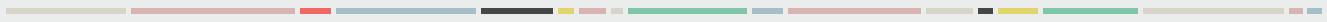
In April, Semcon acquired 100 per cent of the shares in Haas-Publikationen GmbH, whose registered office is in Troisdorf, Germany. The company has more than 25 years of experience in the field of technical documentation and product information, primarily for the railway industry. The company has nearly 50 employees and operating income for the January-June 2018 period amounted to SEK 20.6 million and operating profit to SEK 3.5 million. Operating income for the April-June 2018 period (the holding period) amounted to SEK 9.9 million and operating profit to SEK 1.3 million. The total purchase price was SEK 65.4 million and was paid in cash on transfer of ownership. External acquisition-related costs are recognised in operating profit and total SEK 0.9 million. Based on preliminary acquisition analyses, acquisitions have impacted the consolidated balance sheet and cash and cash equivalents according to the table below.

mSEK

Tangible assets	1.1
Current assets	30.3
Current liabilities	-8.4
Net assets and liabilities	23.0
Intangible assets, goodwill	42.4
<b>Total purchase price</b>	<b>65.4</b>
Less: liquid assets in acquired companies	-8.2
<b>Impact on consolidated cash and cash equivalents</b>	<b>57.2</b>

Analysis of the acquisition of Haas-Publikationen GmbH found that the purchase consideration was larger than the carrying amount of net assets, and therefore gave rise to goodwill. In the acquisition of a consultancy firm, the main item acquired consists of human capital in the form of employee expertise, which is why the acquired companies' intangible assets have been assigned to goodwill.

## FINANCIAL CALENDAR



Interim report January-September 2018  
Year-end report 2018

October 25, 2018 at 08.00  
February 7, 2019 at 08.00

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