

INTERIM REPORT JANUARY-MARCH 2019

Further improvement to operating margin

First quarter

- The **operating income** amounted to SEK 483 Million [468] and the organic growth was 1%
- The **operating profit** amounted to SEK 44 Million [40], yielding an operating margin of 9.1% [8.5]
- The **profit after tax** amounted to SEK 33 Million [30]
- **Earnings per share [EPS] after dilution** amounted to SEK 1.83 [1.68]

Comment from CEO Markus Granlund:

Through our focus on continuous improvements in all dimensions, we improve operating profit in the first quarter and strengthen the operating margin from 8.5 percent to 9.1 percent. Implemented efficiency measures, productivity increases and price increases together with a high demand for e.g. our digital services have contributed to improved profitability. Our ambition to achieve a greater degree of industry diversification is also generating results. The share of the Group's total sales to industrial and life science customers is now greater than the turnover towards the automotive industry.

Technology and digitization affect everyone, making our work at Semcon more relevant than ever for more customers and industries. Digitization also creates considerable scope for sustainable development. Our commitment to the Fossil Free Sweden project through the roadmap for the digitization consultancy industry is an important initiative, and we initiated a collaboration during the quarter. A number of new strategically important framework agreements were signed at the beginning of the year, including a framework agreement with the Agency for Digital Government [DIGG]. We also co-founded the AI Innovation of Sweden initiative, to accelerate research and innovation in the field.

The restructuring of the new Engineering & Digital Services business area was completed as planned. The ambition is to become better equipped for rapid technology shifts, new customer needs and changing user behaviour. We now have an even stronger platform to develop our digital offering, but also to enhance our internal potential and efficiency. Adjusted for restructuring costs, the business area's operating profit is almost on a par with last year. Growth was impacted by the ongoing skills shift towards a greater focus on digital competencies. However, growth is expected to gradually increase as the switchover gains momentum.

Digitization also pervades the Product Information business area, which together with new strategically important contracts have contributed to a continued improvement in earnings. Customer satisfaction is high and our offering is attractive as it contributes significant value in, for example, the customers' aftermarket business through cost-efficient product information solutions. We expect the positive trend to continue in 2019.

Operating profit for the second quarter will be affected by non-recurring expenses related to the restructuring of the Engineering & Digital Services business area of approximately SEK 4 million and the quarter contains one fewer working day compared with the corresponding period last year. The restructuring is expected to have a marginal positive impact on earnings for the full year 2019. Total annual savings are expected to amount to some SEK 10 million with full effect in 2020.

We have established a higher level of profitability and created an excellent foundation with a strong financial position that offers the right conditions for increased growth and improved earnings. At the same time, we continue to develop our culture and internal work environment as a means of attracting and inspiring employees.

Income and result

Operating income amounted to SEK 483 million [468] and organic growth was 1 per cent. The quarter included the same number of working days compared with last year. Operating profit amounted to SEK 44 million [40], yielding an operating margin of 9.1 per cent [8.5]. The Engineering & Digital Services business area reported slightly lower earnings compared with last year. Restructuring costs of approximately SEK 2 million [-] burdened the business area's earnings. The Product Information business area reported improved earnings due to stronger demand and higher productivity. Net financial items amounted to SEK -2 million [-], yielding profit before tax of SEK 42 million [40]. Tax expense for the quarter amounted to SEK -10 million [-10]. Profit after tax amounted to SEK 33 million [30] and earnings per share after dilution totalled SEK 1.83 [1.68].

Financial position

Operating cash flow from current activities was SEK 31 million [68]. Investments in hardware, licenses, office supplies and equipment amounted to SEK 1 million [2]. The Group's cash and cash equivalents amounted to SEK 61 million [140]. In addition, the Group had non-utilised credit of SEK 251 million [384] as of 31 March. Shareholders' equity amounted to SEK 604 million [583] and the equity/assets ratio was 54 per cent [61]. The Group's net cash amounted to SEK 61 million [137].

Employees

The number of employees on March 31 was 2,143 [2,042] and the number of employees in active service was 2,062 [1,953]. In the respective business areas the head count is as follows: Engineering & Digital Services 1,421 [1,405] and Product Information 722 [637].

Important events during the period

- Semcon's Engineering Services business area was restructured and changed name to Engineering & Digital Services on 1 April. In conjunction with this, the digital offering was enhanced, which created the conditions for increased growth.
- The Product Information business area stepped up its collaboration with a global machinery manufacturer that began during the second half of 2018.
- Several new framework agreements were signed during the first quarter, including agreements with Vattenfall Eldistribution and the new Agency for Digital Government [DIGG], which is responsible for coordinating digitization in public administrations.
- Semcon co-founded AI Innovation of Sweden – a national initiative to accelerate research and innovation in artificial intelligence [AI].
- The Product Information business area extended its collaboration with Consilium to develop user experience and availability of their digital product information.

Rolling 12 months, per quarter



Ownership structure

As of March 31, JCE Group owned 25.8% [25.8] of Semcon's shares, Nordea Investment Funds 9.8% [9.4], BNY Mellon 4.5% [-], Avanza Pension 4.2% [4.2] and Northern Trust Company 2.9% [2.8]. Foreign ownership was 34.2% [31.2] and the number of shareholders was 5,558 [4,987]. 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 694,199 [440,365] of the company's share on March 31. 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.

Parent company

Operating income for the parent company amounted to SEK 18 million [5] and pertains to compensation for intra-Group services. The profit before tax totalled SEK 7 million [-6].

Buy-back of own shares

The Board resolved on 6 December 2018 to buy back 200,000 ordinary shares pursuant to the authorisation of the 2018 AGM. The Board's decision aims to improve the company's capital structure. Up until 31 March, 72,716 shares had been repurchased with the support of the authorisation.

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 2018, pages 42-43 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 interim report has been drawn up in accordance with IAS 34. IFRS 16 Leases came into effect on 1 January 2019 and replaces IAS 17 Leases. Note 3 of the 2018 Annual Report includes a description of the new accounting policies. Refer also to Note 2 in this interim report for information on the financial impact of the transition to IFRS 16. The other new standards that came into force as of 1 January 2019 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.

Change in operating income

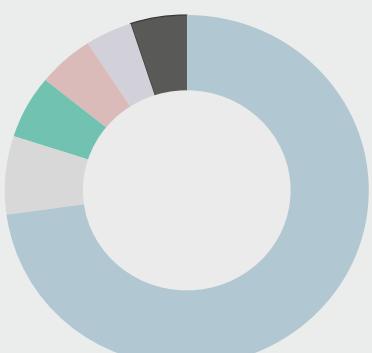
	Jan-March	Jan-Dec
	2018	2018
Acquisition and divestment	2.5%	1.9%
Currency effects	0.1%	0.4%
Organic growth	0.6%	2.2%
Total	3.2%	4.5%

No. of working days in Sweden

	2017	2018	2019	2020
Q1	64	63	63	63
Q2	58	59	58	58
Q3	65	65	66	66
Q4	63	62	62	63
Total	250	249	249	250

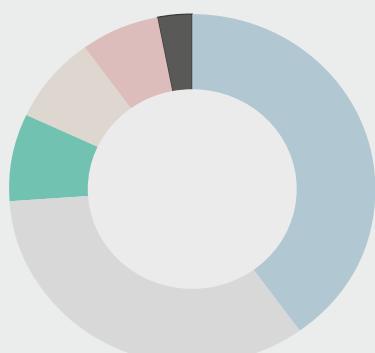
The change in one working day represents around SEK 7 million in income and impacts operating profit by about SEK 6 million.

**Group income
per market**
Jan–March, 2019



- Sweden, 73% [78]
- The UK, 7% [8]
- Norway, 6% [5]
- Brazil, 5% [4]
- Germany, 4% [2]
- Other, 5% [3]

**Group income
per industry**
Jan–March, 2019



- Automotive, 40% [44]
- Industry 34% [29]
- Life Science, 8% [7]
- Telecom, 8% [8]
- Energy, 7% [8]
- Other, 3% [4]

BUSINESS AREAS

Engineering & Digital Services

The business area's income amounted to SEK 349 million [360] and organic growth was -2 per cent. Growth in Sweden was adversely impacted by the ongoing skills shift towards a greater focus on digital competencies. Business operations in Norway and Brazil reported continued healthy growth while business in the UK noted weaker demand from two of the largest customers. Operating profit amounted to SEK 34 million [37], yielding an operating margin of 9.8 per cent [10.2]. Restructuring costs of approximately SEK 2 million burdened the business area's earnings during the first quarter. In

the second quarter, the remaining share of approximately SEK 4 million is expected to burden operating profit. Already in 2019, savings are expected to exceed costs for the restructuring, which taken together will result in a marginal positive impact on earnings for the full year 2019. Total annual savings are expected to amount to some SEK 10 million with full effect in 2020. The new organisation was launched on 1 April and in conjunction with this the digital offering was enhanced, which created the conditions for increased growth moving forward.

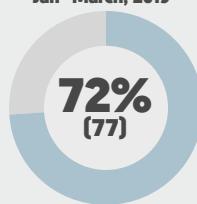
	Jan-March	Jan-Dec	
2019	2018	2018	
Operating income, mSEK	348.8	359.6	1,371.0
Operating profit, mSEK	34.1	36.8	103.9
Operating margin, %	9.8	10.2	7.6
No. of employees	1,421	1,405	1,414

About Engineering Services

The business area's slightly more than 1,400 employees provide services in areas such as digitization, 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 and service development. Engineering & Digital 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–March, 2019



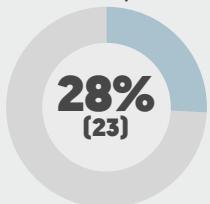
Product Information

The business area's income amounted to SEK 134 million [109] and organic growth was 10 per cent. A collaboration agreement with a global machinery manufacturer, that began during the second half of 2018, has contributed to the improved income. Operating profit amounted to SEK 13 million [7], yielding an operating margin of 9.7 per cent [6.1]. Operating profit improved during the quarter and a sustained

earnings improvement is expected moving forward as income increases. 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–March, 2019



About Product Information

The business area's lightly more than 700 employees provide complete product 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 and China. Customers are mainly in the engineering, automotive, telecom and IT, energy sectors and med-tech. These include ABB, AB Volvo, Baxter, Bombardier, CEVT/Lynk & Co, ESAB, Jaguar Land Rover, Saab, Siemens, London Electric Vehicle Company, UniCarriers and Volvo Cars.

Göteborg 24 April, 2019

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

Markus Granlund
President and CEO

This information is such information as Semcon AB [publ] is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08.00 a.m. CET on 24 April 2019.

Consolidated FINANCIAL, SUMMARY

Income statements

mSEK	Note	Jan-March		Jan-Dec
		2019	2018	2018
Operating income	1	483.2	468.4	1,842.2
Purchase of goods and services		-84.7	-86.9	-344.1
Other external operating expenses		-25.1	-35.1	-144.4
Staff costs		-316.0	-303.6	-1,222.2
Operating profit before depreciation		57.4	42.8	131.5
Depreciation of tangible fixed assets		-2.2	-2.0	-8.7
Depreciation of right-of-use assets		-10.6	-	-
Depreciation of other intangible assets		-0.7	-0.8	-3.2
Operating profit		43.9	40.0	119.6
Net financial items		-1.5	-	0.1
Profit before tax		42.4	40.0	119.7
Tax		-9.8	-9.5	-25.7
Profit after tax		32.6	30.5	94.0
Total profit after tax		32.6	30.5	94.0
Profit attributable to:				
Parent company's shareholders		32.6	30.5	94.0
Non-controlling interests		-	-	-
Total profit after tax		32.6	30.5	94.0
Earnings per share before dilution [SEK]		1.87	1.72	5.34
Earnings per share after dilution [SEK]		1.83	1.68	5.25
No. of working days in period		63	63	249

Statement of comprehensive income

mSEK		Jan-March		Jan-Dec
		2019	2018	2018
Profit after tax		32.6	30.5	94.0
Items that can be reclassified as profit or loss				
Translation differences for the period		4.6	3.4	-1.2
Total		4.6	3.4	-1.2
Total other comprehensive income		37.2	33.9	92.8
Total comprehensive income for the period		37.2	33.9	92.8
Comprehensive income attributable to:				
Parent company's shareholders		37.2	33.9	92.8
Non-controlling interests		-	-	-
Total		37.2	33.9	92.8

Balance sheets

mSEK	March 31		Dec 31
	2019	2018	2018
Assets			
Intangible assets, goodwill	317.1	274.7	316.5
Right-of-use assets	151.3	-	-
Other intangible assets	10.0	12.7	10.6
Tangible fixed assets	31.1	31.7	31.5
Deferred tax recoverable	6.0	3.3	3.2
Accounts receivable	309.9	264.1	347.4
Accrued non-invoiced income	197.6	182.0	144.9
Other current assets	33.2	43.8	37.9
Cash and cash equivalents	61.2	139.6	43.5
Total assets	1,117.4	951.9	935.5
Shareholders' equity and liabilities			
Shareholders' equity	603.3	582.5	566.9
Pensions obligations	-	3.0	-
Non-current lease liabilities	109.8	-	-
Deferred tax liabilities	51.1	53.8	40.1
Accounts payable	46.6	41.1	51.9
Current lease liabilities	36.4	-	-
Non-accrued invoiced income	10.2	15.4	24.0
Other non interest-bearing current liabilities	260.0	256.1	252.6
Total shareholders' equity and liabilities	1,117.4	951.9	935.5

Change in shareholders' equity

mSEK	March 31		Dec 31
	2019	2018	2018
Shareholders' equity at the start of the period	566.9	556.6	556.6
Total comprehensive income	37.2	33.9	92.8
Acquisition of own shares	-1.1	-8.1	-21.3
Share-based remuneration	0.3	0.1	0.7
Shareholder dividend	-	-	-61.9
Shareholders' equity at the end of the period	603.3	582.5	566.9

Capital employed

mSEK	March 31		Dec 31
	2019	2018	2018
Total assets	1,117.4	951.9	935.5
Deferred tax liabilities	-51.1	-53.8	-40.1
Accounts payable	-46.6	-41.1	-51.9
Other non interest-bearing liabilities	-270.2	-271.5	-276.6
Total capital employed	749.5	585.5	566.9
Average capital employed	596.7	588.4	563.3

Cash flow statements

mSEK	Jan-March		Jan-Dec
	2019	2018	2018
Cash flow from current activities			
before change in working capital	39.1	33.8	105.4
Change in working capital	-7.8	34.0	5.1
Cash flow from current activities	31.3	67.8	110.5
Investments	-0.9	-2.1	-8.7
Acquisition of subsidiaries	-	-	-57.2
Divestment of subsidiaries	-	-	1.9
Sales of fixed assets	-	-	0.1
Cash flow from investment activities	-0.9	-2.1	-63.9
Repayment of lease liabilities	-11.4	-	-
Acquisition of own shares	-1.1	-8.1	-21.3
Shareholder dividend	-	-	-61.9
Cash flow from financing activities	-12.5	-8.1	-83.2
Cash flow for the period	17.9	57.6	-36.6
Cash and cash equivalents at the start of the period	43.5	80.9	80.9
Translation differences	-0.2	1.1	-0.8
Cash and cash equivalents at the end of the period	61.2	139.6	43.5

Change in net cash

mSEK	Jan-March		Jan-Dec
	2019	2018	2018
Opening balance	43.5	77.9	77.9
Cash flow from current activities	31.3	67.8	110.5
Net investments	-0.9	-2.1	-8.6
Acquisitions of subsidiaries	-	-	-57.2
Divestments of subsidiaries	-	-	1.9
Shareholder dividend	-	-	-61.9
Repayment of lease liabilities	-11.4	-	-
Acquisition of own shares	-1.1	-8.1	-21.3
Other	-0.2	1.1	2.2
Closing balance	61.2	136.6	43.5

Net cash

mSEK	March 31		Dec 31
	2019	2018	2018
Cash and cash equivalents	61.2	139.6	43.5
Pensions obligations	-	-3.0	-
Total net cash	61.2	136.6	43.5

Key figures

	Jan-March 2019	Jan-Dec 2018	Jan-Dec 2018
Growth in sales [%]	3.2	-1.4	4.5
Organic growth in sales [%]	0.6	-1.0	2.2
Operating margin before depreciation [%]	11.9	9.1	7.1
Operating margin [%]	9.1	8.5	6.5
Profit margin [%]	8.8	8.5	6.5
Return on shareholders' equity [%]*	17.0	13.2	16.9
Return on capital employed [%]*	20.6	14.1	21.4
Equity/assets ratio [%]	54.0	61.2	60.6
Number of employees at the end of the period	2,143	2,042	2,119

* Rolling 12 months.

Key figures for the Semcon share

	Jan-March 2019	Jan-Dec 2018	Jan-Dec 2018
Earnings per share before dilution [SEK]	1.87	1.72	5.34
Earnings per share after dilution [SEK]	1.83	1.68	5.25
Shareholders' equity before dilution [SEK]	34.64	32.96	32.52
Shareholders' equity after dilution [SEK]	33.31	32.16	31.30
Share price/Shareholders' equity [times]	1.79	1.65	1.51
Cash flow from current activities [SEK]	1.73	3.74	6.10
Share price at the end of the period [SEK]	59.60	53.00	47.30
Market cap at the end of the period [mSEK]	1,080	960	857
Number of shares at the end of the period with the quotient value of SEK 1 [000]	18,113	18,113	18,113
Number of own shares at the end of the period [000]	694	440	683
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 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, excluding lease 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

	2017				2017	2018				2019	
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	2018	Q1
Operating income [mSEK]											
Engineering & Digital											
Services	359.3	328.3	268.4	357.6	1,313.6	359.6	362.7	293.1	355.6	1,371.0	348.8
Product Information	124.3	114.8	98.4	115.9	453.4	109.0	116.7	112.5	135.9	474.1	134.5
Group items/ eliminations	-8.7	3.6	0.7	-0.2	-4.6	-0.2	-0.2	-0.7	-1.8	-2.9	-0.1
Total	474.9	446.7	367.5	473.3	1,762.4	468.4	479.2	404.9	489.7	1,842.2	483.2
Operating profit [mSEK]											
Engineering & Digital											
Services	27.3	7.1	3.9	32.1	70.4	36.8	25.5	10.0	31.6	103.9	34.1
Product Information	17.6	8.1	6.4	8.7	40.8	6.7	1.1	9.7	15.5	33.0	13.0
Group items/ eliminations	-4.6	-5.6	-1.6	-4.2	-16.0	-3.5	-5.9	-1.8	-6.1	-17.3	-3.2
Total	40.3	9.6	8.7	36.6	95.2	40.0	20.7	17.9	41.0	119.6	43.9
Operating margin [%]											
Engineering & Digital											
Services	7.6	2.2	1.5	9.0	5.4	10.2	7.0	3.4	8.9	7.6	9.8
Product Information	14.2	7.1	6.5	7.5	9.0	6.1	0.9	8.6	11.4	7.0	9.7
Total	8.5	2.1	2.4	7.7	5.4	8.5	4.3	4.4	8.4	6.5	9.1
Number of employees											
Engineering & Digital											
Services	1,465	1,458	1,451	1,447	1,447	1,405	1,458	1,427	1,414	1,414	1,421
Product Information	612	619	631	629	629	637	668	695	705	705	722
Total	2,077	2,077	2,082	2,076	2,076	2,042	2,126	2,122	2,119	2,119	2,143
Number of working days	64	58	65	63	250	63	59	65	62	249	63

Parent company

FINANCIAL, SUMMARY

Income statements

mSEK	2019	2018	Jan-Dec 2018
Operating income	17.6	5.3	19.3
Other external operating expenses	-3.3	-5.9	-15.6
Staff costs	-8.7	-7.6	-39.6
Operating profit/loss	5.6	-8.2	-35.9
Net financial items*	1.1	2.2	15.9
Profit/loss after net financial items	6.7	-6.0	-20.0
Appropriations**	-	-	107.6
Profit/loss before tax	6.7	-6.0	87.6
Tax	-1.4	1.3	-15.6
Profit/loss for the period	5.3	-4.7	72.0
* of which translation differences	0.8	1.2	1.2
of which dividend	-	-	10.0
** of which group contribution paid	-	-	-1.0
of which group contribution received	-	-	134.8

Statements of comprehensive income

mSEK	2019	2018	Jan-Dec 2018
Profit/loss for the period	5.3	-4.7	72.0
Other comprehensive income	-	-	-
Total comprehensive income for the period	5.3	-4.7	72.0

Balance sheet

mSEK	2019	2018	March 31 Dec 31
Assets			
Financial fixed assets	232.8	350.5	234.3
Current assets	173.6	67.3	193.2
Cash and cash equivalents	12.4	98.0	-
Total assets	418.8	515.8	427.5
Shareholders' equity and liabilities			
Shareholders' equity	344.8	339.0	340.6
Untaxed reserves	38.5	12.3	38.5
Interest-bearing current liabilities	-	-	0.7
Non interest-bearing current liabilities	35.5	164.5	47.7
Total shareholders' equity and liabilities	418.8	515.8	427.5

Note 1**DISTRIBUTION OF REVENUE**

mSEK	Engineering & Digital Services		Product Information		Group	
Jan-March	2019	2018	2019	2018	2019	2018
Distribution per country						
Sweden	275.2	290.7	79.7	71.3	354.9	362.0
UK	11.7	17.9	19.2	20.0	30.9	37.9
Norway	29.9	24.4	0.2	0.3	30.1	24.7
Brazil	25.4	18.7	-	-	25.4	18.7
Germany	0.7	2.8	16.9	6.3	17.6	9.1
Other	5.9	5.1	18.5	11.1	24.4	16.2
Eliminations	-	-	-	-	-0.1	-0.2
Total	348.8	359.6	134.5	109.0	483.2	468.4
Distribution per industry						
Automotive	151.7	161.2	44.3	45.1	196.0	206.3
Industry	111.1	110.8	51.7	23.2	162.8	134.0
Life Science	35.6	30.8	2.7	3.2	38.3	34.0
Telecom	6.0	2.9	31.2	32.0	37.2	34.9
Energy	31.7	34.3	4.2	3.3	35.9	37.6
Other	12.7	19.6	0.4	2.2	13.1	21.8
Eliminations	-	-	-	-	-0.1	-0.2
Total	348.8	359.6	134.5	109.0	483.2	468.4

Note 2

DISCLOSURES IFRS 16 LEASES

IFRS 16 Leases, which came into effect on 1 January 2019, replaced IAS 17 Leases. IFRS 16 entails that essentially all leases, which predominantly consist of rental agreements for office properties, are to be recognised in the balance sheet. The income statement is impacted since the cost is recognised as depreciation and interest expense instead of under other operating expenses. The cash flow statement has also been affected as payments of lease liabilities are classified among financing activities instead of as part of operating activities. Semcon applies the modified retrospective approach, meaning comparative amounts are not restated. The effects of the new standard on the financial statements are shown below.

Income statement

mSEK	Jan-March 2019
Decrease in other operating expenses	11.4
Increase in depreciation of right-of-use assets	-10.6
Effect on operating profit	0.8
Increase in financial expenses	-1.5
Effect on profit before tax	-0.7
Decrease in tax expense	0.1
Effect on earnings for the period	-0.6
Effect on earnings per share, SEK	-0.03
Effect on earnings per share after dilution, SEK	-0.03

Cash flow statement

mSEK	Jan-March 2019
Increase in cash flow from current activities	11.4
Decrease in cash flow from financing activities	-11.4
Effect on cash flow for the period	-

Balance sheet

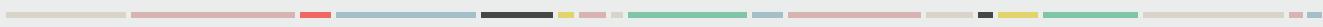
mSEK	Recognised balance-sheet items, 31 December 2018	Restating to IFRS 16	Restated balance- sheet items, 1 January 2019
Assets			
Right-of-use assets	-	160.3	160.3
Other current assets	37.9	-5.8	32.1
Total assets	935.5	154.5	1,090.0
Shareholders' equity and liabilities			
Non-current lease liabilities	-	117.5	117.5
Current lease liabilities	-	37.0	37.0
Total shareholders' equity and liabilities	935.5	154.5	1,090.0

mSEK

Group

Operating lease obligations, 31 December 2018	191.9
Less: short-term leases/low value	-14.6
Total	177.3
Prepaid leasing fees	-5.8
Discounting	-17.0
Lease liability, 1 January 2019	154.5

FINANCIAL CALENDAR



Interim report January-June 2019

July 16, 2019 at 08.00

Interim report January-September 2019

October 24, 2019 at 08.00

Year-end report 2019

February 6, 2020 at 08.00

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