

INTERIM REPORT

JANUARY-JUNE 2019

Second quarter

- The **operating income** amounted to SEK 476 million [479] and the organic growth was -0.4%. The quarter included one fewer working day compared with last year
- The **operating profit** amounted to SEK 17 million [21], yielding an operating margin of 3.6% [4.3]. Restructuring costs of approximately SEK -6 million [-] burdened operating profit and one fewer working day has affected the result with approximately SEK -6 million
- The **profit after tax** amounted to SEK 12 million [16]
- **Earnings per share [EPS] after dilution** amounted to SEK 0.69 [0.87]

January-June

- The **operating income** amounted to SEK 959 million [948] and the organic growth was 0.1%. The period included one fewer working day compared with last year
- The **operating profit** amounted to SEK 61 million [61], yielding an operating margin of 6.4% [6.4]. Restructuring costs of approximately SEK -8 million [-] burdened operating profit and one fewer working day has affected the result with approximately SEK -6 million
- The **profit after tax** amounted to SEK 45 million [46]
- **Earnings per share [EPS] after dilution** amounted to SEK 2.52 [2.55]

Comment from CEO Markus Granlund:

During the second quarter, we continued work to strengthen the competitiveness of our customers and Semcon through value-creating product development, production optimisation and product information. We have successfully carried out the necessary measures to further strengthen profitability. The measures taken in the first half of the year are expected to have a marginal positive impact on full-year 2019 and reduce the Group's costs by about SEK 15 million, with full effect in 2020.

The financial result for the period was favourable compared with the preceding year, adjusted for restructuring costs and the calendar effect in the quarter. The measures to enhance profitability in the Engineering & Digital Services business area were charged to quarterly earnings in an amount of approximately SEK 6 million and the calendar effect, with one fewer working day, further impacted consolidated earnings by approximately SEK 6 million compared with the year-earlier period.

It is gratifying to see that our strategy to diversify our industry presence has continued to yield results. In Life Science, sales in the first half of the year increased 18 per cent compared with the year-earlier period. At the same time, there is significant potential for a sharp rise in our income in this segment moving forward. During the quarter, we also secured a three-year contract with the Swedish Transport Administration to future-proof energy supply in the installations that provide electricity to train services in Sweden.

The restructuring of the Engineering & Digital Services business area is proceeding as planned and is creating opportunities for greater focus on our digital offering. In line with our strategy, we are further strengthening our software expertise and the Digital Services division reported growth of 11 per cent in the first half of 2019. Demand for digital solutions is strong.

The Product Information business area reported a significant improvement in both income and profit compared with the year-earlier period. Semcon's global and strategic partnership with AGCO (one of the world's largest manufacturers of agricultural equipment) is a prime example of how we can create the right conditions for continued growth. Through our efficient and digital solutions, the quality of our customers' product information increases and the competitiveness is strengthened not least in terms of their service business.

On the basis of the profitability-enhancing measures we have taken in the first half-year and a positive calendar effect in the second half-year, we are well positioned to report sustained earnings improvements in 2019.

Income and result

Second quarter

Operating income amounted to SEK 476 million [479] and organic growth was -0.4 per cent. The quarter included one fewer working day compared with last year. Operating profit amounted to SEK 17 million [21], yielding an operating margin of 3.6 per cent [4.3]. Restructuring costs of approximately SEK 6 million [-] burdened the Engineering & Digital Services 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 15 million [21]. Tax expense for the quarter amounted to SEK -3 million [-5]. Profit after tax amounted to SEK 12 million [16] and earnings per share after dilution totalled SEK 0.69 [0.87].

January-June

Operating income amounted to SEK 959 million [948] and organic growth was 0.1 per cent. The period included one fewer working day compared with last year. Operating profit amounted to SEK 61 million [61], yielding an operating margin of 6.4 per cent [6.4]. Restructuring costs of approximately SEK 8 million [-] were charged to operating profit, of which about SEK 7 million [-] burdened the Engineering & Digital Services business area's earnings. 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 15 million with full effect in 2020. The Product Information business area reported a very positive improvement in earnings due to stronger demand and higher productivity. Net financial items amounted to SEK -3 million [-], yielding profit before tax of SEK 58 million [61]. The tax expense for the period amounted to SEK -13 million [-15]. Profit after tax amounted to SEK 45 million [46] and earnings per share after dilution totalled SEK 2.52 [2.55].

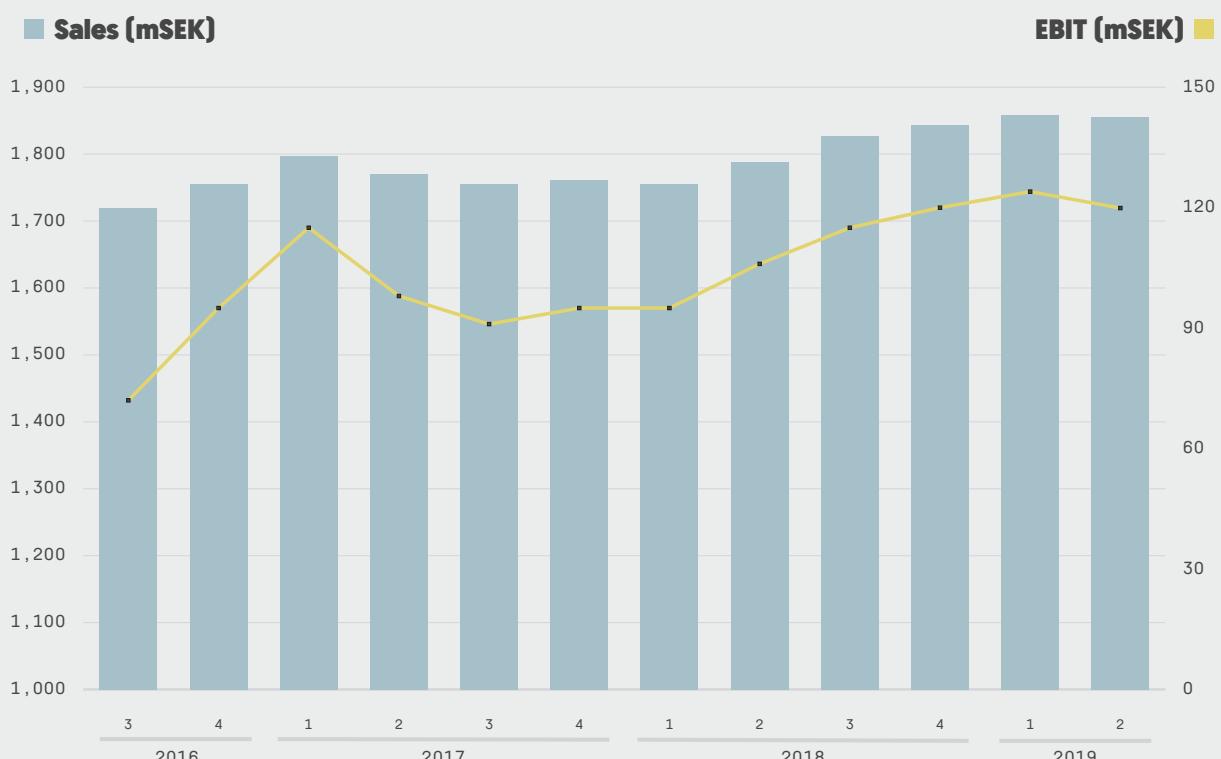
Financial position

Operating cash flow from current activities was SEK 68 million [88]. Investments in hardware, licenses, office supplies and equipment amounted to SEK 4 million [3]. The Group's cash and cash equivalents amounted to SEK 31 million [40]. In addition, the Group had non-utilised credit of SEK 251 million [248] as of 30 June. Shareholders' equity amounted to SEK 563 million [535] and the equity/assets ratio was 52 per cent [57]. During the second quarter, a dividend of SEK 52 Million [62] was paid to shareholders. The Group's net cash amounted to SEK 31 million [34].

Parent company

Operating income for the parent company amounted to SEK 22 million [10] and pertains to compensation for intra-Group services. The profit before tax totalled SEK 29 million [-4].

Rolling 12 months, per quarter



Employees

The number of employees on June 30 was 2,168 [2,126] and the number of employees in active service was 2,098 [2,049]. In the respective business areas the head count is as follows: Engineering & Digital Services 1,440 [1,458] and Product Information 728 [668].

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 a good foundation for increased growth.
- During the first quarter, several new framework agreements were signed, including agreements with Vattenfall Eldistribution and the new Agency for Digital Government [DIGG], which is responsible for coordinating digitisation 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.
- During the second quarter, the Engineering & Digital Services business area extended its collaboration with the Swedish Transport Administration and as part of a new agreement Semcon is to future-proof the power installations that supply electricity to train services in Sweden.
- The Product Information business area stepped up its collaboration with AGCO, a global agricultural equipment manufacturer. A multi-year partnership agreement was signed whereby Semcon will assume overall responsibility for the development and production of AGCO's aftermarket information.
- The Engineering & Digital Services business area signed a new agreement for functional safety with a global vehicle manufacturer to use quality-assured system solutions to ensure that autonomous vehicles of the future are reliable.

Ownership structure

As of June 30, JCE Group owned 25.8% [25.8] of Semcon's shares, Nordea Investment Funds 9.8% [9.7], BNY Mellon 4.6% [-], Avanza Pension 3.8% [4.3] and Northern Trust Company 3.1% [2.8]. Foreign ownership was 35.9% [32.6] and the number of shareholders was 5,388 [4,996]. 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 685,738 [440,365] 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.

Buy-back of own shares

The Board resolved on 15 July 2019 to buy back no more than 200,000 ordinary shares pursuant to the authorisation of the 2019 AGM. The Board's decision aims to improve the company's capital structure.

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.

Change in operating income

	Jan-June	Jan-Dec
	2019	2018
Acquisition and divestment	0.5%	1.9%
Currency effects	0.6%	0.4%
Organic growth	0.1%	2.2%
Total	1.2%	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.

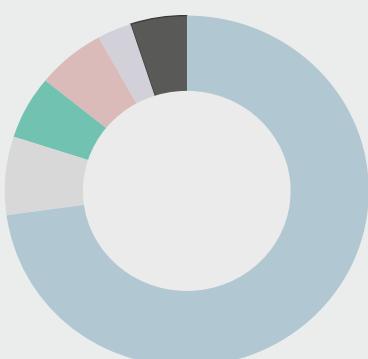
Accounting principles

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

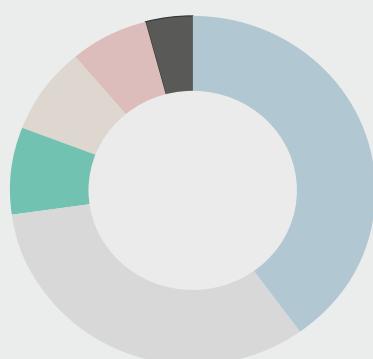
No significant events occurred after the end of the period.

Group income per market
Jan–June, 2019



■ Sweden, 73% [76]
■ Norway, 7% [6]
■ The UK, 6% [8]
■ Brazil, 6% [4]
■ Germany, 3% [2]
■ Other, 5% [4]

Group income per industry
Jan–June, 2019



■ Automotive, 40% [42]
■ Industry 33% [32]
■ Life Science, 8% [7]
■ Energy, 8% [8]
■ Telecom, 7% [7]
■ Other, 4% [4]

BUSINESS AREAS

Engineering & Digital Services

The business area's income amounted to SEK 689 million [722] and organic growth was -4 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 the business in the UK noted weaker demand. Operating profit amounted to SEK 47 million [62], yielding an operating margin of 6.8 per cent [8.6]. Restructuring costs of approximately SEK 7 million were

charged to the business area's earnings. Already in 2019, savings are expected to exceed costs for the restructuring, which will result in a marginal positive impact on earnings for the full-year 2019. Total annual savings are expected to amount to some SEK 15 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 creates a good foundation for increased growth moving forward.

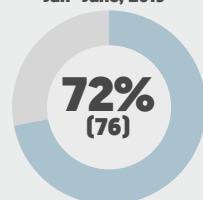
	April-June		Jan-June		Jan-Dec
	2019	2018	2019	2018	2018
Operating income, mSEK	340.1	362.7	688.9	722.3	1,371.0
Operating profit, mSEK	12.5	25.5	46.6	62.3	103.9
Operating margin, %	3.7	7.0	6.8	8.6	7.6
No. of employees	1,440	1,458	1,440	1,458	1,414

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-June, 2019



Product Information

The business area's income amounted to SEK 270 million [226] and organic growth was 13 per cent. The partnership with AGCO (one of the world's largest manufacturers of agricultural equipment) has among other contributed to the improved income. Operating profit amounted to SEK 22 million [8], yielding an operating margin of 8.2 per cent [3.5]. Operating profit improved during the first half of the year 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-June, 2019



About Product Information

The business area's slightly 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, AGCO, Baxter, Bombardier, CEVT/Lynk & Co, ESAB, Jaguar Land Rover, Saab, Siemens, London Electric Vehicle Company, UniCarriers and Volvo Cars.

Consolidated FINANCIAL, SUMMARY

Income statements

mSEK	Note	April-June		Jan-June		Jan-Dec
		2019	2018	2019	2018	2018
Operating income	1	476.0	479.2	959.2	947.6	1,842.2
Purchase of goods and services		-89.7	-87.8	-174.4	-174.7	-344.1
Other external operating expenses		-23.0	-38.8	-48.1	-73.9	-144.4
Staff costs		-332.9	-328.9	-648.9	-632.5	-1,222.2
Operating profit before depreciation		30.4	23.7	87.8	66.5	131.5
Depreciation of tangible fixed assets		-2.4	-2.2	-4.6	-4.2	-8.7
Depreciation of right-of-use assets		-10.1	-	-20.7	-	-
Depreciation of other intangible assets		-0.8	-0.8	-1.5	-1.6	-3.2
Operating profit		17.1	20.7	61.0	60.7	119.6
Net financial items		-1.7	-	-3.2	-	0.1
Profit before tax		15.4	20.7	57.8	60.7	119.7
Tax		-3.5	-5.0	-13.3	-14.5	-25.7
Profit after tax		11.9	15.7	44.5	46.2	94.0
Profit attributable to:						
Parent company's shareholders		11.9	15.7	44.5	46.2	94.0
Non-controlling interests		-	-	-	-	-
Total profit after tax		11.9	15.7	44.5	46.2	94.0
Earnings per share before dilution [SEK]		0.68	0.89	2.55	2.61	5.34
Earnings per share after dilution [SEK]		0.69	0.87	2.52	2.55	5.25

No. of working days in period 58 59 121 122 249

Statement of comprehensive income

mSEK		April-June		Jan-June		Jan-Dec
		2019	2018	2019	2018	2018
Profit after tax		11.9	15.7	44.5	46.2	94.0
Items that can be reclassified as profit or loss						
Translation differences for the period		-0.2	-1.9	4.4	1.5	-1.2
Total		-0.2	-1.9	4.4	1.5	-1.2
Total other comprehensive income		11.7	13.8	48.9	47.7	92.8
Total comprehensive income for the period		11.7	13.8	48.9	47.7	92.8
Comprehensive income attributable to:						
Parent company's shareholders		11.7	13.8	48.9	47.7	92.8
Non-controlling interests		-	-	-	-	-
Total		11.7	13.8	48.9	47.7	92.8

Balance sheets

mSEK	June 30		Dec 31
	2019	2018	2018
Assets			
Intangible assets, goodwill	317.6	317.1	316.5
Right-of-use assets	143.2	-	-
Other intangible assets	10.6	12.0	10.6
Tangible fixed assets	30.4	31.5	31.5
Financial assets	7.4	3.4	3.2
Accounts receivable	326.3	310.9	347.4
Accrued non-invoiced income	188.7	186.5	144.9
Other current assets	30.4	36.6	37.9
Cash and cash equivalents	31.3	40.5	43.5
Total assets	1,085.9	938.5	935.5
Shareholders' equity and liabilities			
Shareholders' equity	563.0	534.6	566.9
Pensions obligations	-	3.1	-
Non-current lease liabilities	102.2	-	-
Deferred tax liabilities	50.2	56.3	40.1
Interest-bearing short term liabilities	-	3.5	-
Accounts payable	50.2	50.1	51.9
Current lease liabilities	37.0	-	-
Non-accrued invoiced income	10.0	18.6	24.0
Other non interest-bearing current liabilities	273.3	272.3	252.6
Total shareholders' equity and liabilities	1,085.9	938.5	935.5

Change in shareholders' equity

mSEK	June 30		Dec 31
	2019	2018	2018
Shareholders' equity at the start of the period	566.9	556.6	556.6
Total comprehensive income	48.9	47.7	92.8
Acquisition of own shares	-1.1	-8.1	-21.3
Share-based remuneration	0.6	0.3	0.7
Shareholder dividend	-52.3	-61.9	-61.9
Shareholders' equity at the end of the period	563.0	534.6	566.9

Capital employed

mSEK	June 30		Dec 31
	2019	2018	2018
Total assets	1,085.9	938.5	935.5
Deferred tax liabilities	-50.2	-56.3	-40.1
Accounts payable	-50.2	-50.1	-51.9
Other non interest-bearing liabilities	-283.3	-290.9	-276.6
Total capital employed	702.2	541.2	566.9
Average capital employed	620.1	548.2	563.3

Cash flow statements

mSEK	April-June		Jan-June		Jan-Dec
	2019	2018	2019	2018	2018
Cash flow from current activities					
before change in working capital	26.3	25.5	65.4	59.3	105.4
Change in working capital	10.1	-5.5	2.3	28.5	5.1
Cash flow from current activities	36.4	20.0	67.7	87.8	110.5
Investments	-3.3	-1.1	-4.2	-3.2	-8.7
Acquisition of subsidiaries	-	-57.2	-	-57.2	-57.2
Divestment of subsidiaries	-	-	-	-	1.9
Sales of fixed assets	-	0.1	-	0.1	0.1
Cash flow from investment activities	-3.3	-58.2	-4.2	-60.3	-63.9
Change in interest-bearing liabilities	-	3.5	-	3.5	-
Repayment of lease liabilities	-11.0	-	-22.4	-	-
Acquisition of own shares	-	-	-1.1	-8.1	-21.3
Shareholder dividend	-52.3	-61.9	-52.3	-61.9	-61.9
Cash flow from financing activities	-63.3	-58.4	-75.8	-66.5	-83.2
Cash flow for the period	-30.2	-96.6	-12.3	-39.0	-36.6
Cash and cash equivalents at the start of the period	61.2	139.6	43.5	80.9	80.9
Translation differences	0.3	-2.5	0.1	-1.4	-0.8
Cash and cash equivalents at the end of the period	31.3	40.5	31.3	40.5	43.5

Change in net cash

mSEK	April-June		Jan-June		Jan-Dec
	2019	2018	2019	2018	2018
Opening balance	61.2	136.6	43.5	77.9	77.9
Cash flow from current activities	36.4	20.0	67.7	87.8	110.5
Net investments	-3.3	-1.0	-4.2	-3.1	-8.6
Acquisitions of subsidiaries	-	-57.2	-	-57.2	-57.2
Divestments of subsidiaries	-	-	-	-	1.9
Shareholder dividend	-52.3	-61.9	-52.3	-61.9	-61.9
Repayment of lease liabilities	-11.0	-	-22.4	-	-
Acquisition of own shares	-	-	-1.1	-8.1	-21.3
Other	0.3	-2.6	0.1	-1.5	2.2
Closing balance	31.3	33.9	31.3	33.9	43.5

Net cash

mSEK	June 30		Dec 31
	2019	2018	2018
Cash and cash equivalents	31.3	40.5	43.5
Pensions obligations	-	-3.1	-
Interest-bearing short-term liabilities	-	-3.5	-
Total net cash	31.3	33.9	43.5

Key figures

	Jan-June 2019	Jan-Dec 2018	Jan-Dec 2018
Growth in sales [%]	1.2	2.8	4.5
Organic growth in sales [%]	0.1	1.7	2.2
Operating margin before depreciation [%]	9.2	7.0	7.1
Operating margin [%]	6.4	6.4	6.5
Profit margin [%]	6.0	6.4	6.5
Return on shareholders' equity [%]*	16.5	14.8	16.9
Return on capital employed [%]*	19.0	19.6	21.4
Equity/assets ratio [%]	51.8	57.0	60.6
Number of employees at the end of the period	2,168	2,126	2,119

* Rolling 12 months.

Key figures for the Semcon share

	Jan-June 2019	Jan-Dec 2018	Jan-Dec 2018
Earnings per share before dilution [SEK]	2.55	2.61	5.34
Earnings per share after dilution [SEK]	2.52	2.55	5.25
Shareholders' equity before dilution [SEK]	32.31	30.25	32.52
Shareholders' equity after dilution [SEK]	31.08	29.52	31.30
Share price/Shareholders' equity [times]	1.78	1.92	1.51
Cash flow from current activities [SEK]	3.74	4.85	6.10
Share price at the end of the period [SEK]	55.30	56.80	47.30
Market cap at the end of the period [mSEK]	1,002	1,029	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]	686	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.

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					2018				2019		
	Q1	Q2	Q3	Q4		2017	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	340.1
Product Information	124.3	114.8	98.4	115.9	453.4	109.0	116.7	112.5	135.9	474.1	134.5	136.0
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	-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	476.0
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	12.5
Product Information	17.6	8.1	6.4	8.7	40.8	6.7	1.1	9.7	15.5	33.0	13.0	9.1
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	-4.5
Total	40.3	9.6	8.7	36.6	95.2	40.0	20.7	17.9	41.0	119.6	43.9	17.1
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	3.7
Product Information	14.2	7.1	6.5	7.5	9.0	6.1	0.9	8.6	11.4	7.0	9.7	6.7
Total	8.5	2.1	2.4	7.7	5.4	8.5	4.3	4.4	8.4	6.5	9.1	3.6
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	1,440
Product Information	612	619	631	629	629	637	668	695	705	705	722	728
Total	2,077	2,077	2,082	2,076	2,076	2,042	2,126	2,122	2,119	2,119	2,143	2,168
Number of working days	64	58	65	63	250	63	59	65	62	249	63	58

Parent company

FINANCIAL, SUMMARY

Income statements

mSEK	April-June		Jan-June		Jan-Dec
	2019	2018	2019	2018	2018
Operating income	10.7	4.6	21.7	9.9	19.3
Other external operating expenses	-3.0	-4.4	-6.3	-10.3	-15.6
Staff costs	-9.5	-9.8	-18.2	-17.4	-39.6
Operating profit/loss	-1.8	-9.6	-2.8	-17.8	-35.9
Net financial items*	30.3	11.6	31.4	13.8	15.9
Profit/loss after net financial items	28.5	2.0	28.6	-4.0	-20.0
Appropriations**	-	-	-	-	107.6
Profit/loss before tax	28.5	2.0	28.6	-4.0	87.6
Tax	0.1	-0.4	0.1	0.9	-15.6
Profit/loss for the period	28.6	1.6	28.7	-3.1	72.0
* of which translation differences	0.8	0.5	1.6	1.7	1.2
of which dividend	29.0	10.0	29.0	10.0	10.0
** of which group contribution paid	-	-	-	-	-1.0
of which group contribution received	-	-	-	-	134.8

Statements of comprehensive income

mSEK	April-June		Jan-June		Jan-Dec
	2019	2018	2019	2018	2018
Profit/loss for the period	28.6	1.6	28.7	-3.1	72.0
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	28.6	1.6	28.7	-3.1	72.0

Balance sheets

mSEK	June 30		Dec 31
	2019	2018	2018
Assets			
Financial fixed assets	234.3	350.0	234.3
Current assets	162.4	130.5	193.2
Cash and cash equivalents	-	-	-
Total assets	396.7	480.5	427.5
Shareholders' equity and liabilities			
Shareholders' equity	316.0	278.8	340.6
Untaxed reserves	38.5	12.3	38.5
Interest-bearing current liabilities	0.2	3.5	0.7
Non interest-bearing current liabilities	42.0	185.9	47.7
Total shareholders' equity and liabilities	396.7	480.5	427.5

Note 1

DISTRIBUTION OF REVENUE

mSEK	Engineering & Digital Services		Product Information		Group	
April-June	2019	2018	2019	2018	2019	2018
Distribution per country						
Sweden	260.6	289.8	84.1	70.0	344.7	359.8
Norway	32.5	27.2	-	0.7	32.5	27.9
UK	10.4	18.0	18.7	18.7	29.1	36.7
Brazil	28.9	22.2	-	-	28.9	22.2
Germany	0.4	1.0	14.7	12.7	15.1	13.7
Other	7.3	4.5	18.5	14.6	25.8	19.1
Eliminations	-	-	-	-	-0.1	-0.2
Total	340.1	362.7	136.0	116.7	476.0	479.2

mSEK	Engineering & Digital Services		Product Information		Group	
Jan-June	2019	2018	2019	2018	2019	2018
Distribution per country						
Sweden	535.8	580.5	163.8	141.3	699.6	721.8
Norway	62.4	51.6	0.2	1.0	62.6	52.6
UK	22.1	35.9	37.9	38.7	60.0	74.6
Brazil	54.3	40.9	-	-	54.3	40.9
Germany	1.1	3.8	31.6	19.0	32.7	22.8
Other	13.2	9.6	37.0	25.7	50.2	35.3
Eliminations	-	-	-	-	-0.2	-0.4
Total	688.9	722.3	270.5	225.7	959.2	947.6
Distribution per industry						
Automotive	298.8	322.1	89.2	86.5	388.0	408.6
Industry	214.4	222.7	100.7	59.2	315.1	281.9
Life Science	69.7	58.7	6.8	6.1	76.5	64.8
Energy	67.4	70.7	8.6	7.0	76.0	77.7
Telecom	8.1	7.2	63.1	62.6	71.2	69.8
Other	30.5	40.9	2.1	4.3	32.6	45.2
Eliminations	-	-	-	-	-0.2	-0.4
Total	688.9	722.3	270.5	225.7	959.2	947.6

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	April-June 2019	Jan-June 2019
Decrease in other operating expenses	11.0	22.4
Increase in depreciation of right-of-use assets	-10.2	-20.8
Effect on operating profit	0.8	1.6
Increase in financial expenses	-1.5	-3.0
Effect on profit before tax	-0.7	-1.4
Decrease in tax expense	0.2	0.3
Effect on earnings for the period	-0.5	-1.1
Effect on earnings per share, SEK	-0.03	-0.06
Effect on earnings per share after dilution, SEK	-0.03	-0.06

Cash flow statement

mSEK	April-June 2019	Jan-June 2019
Increase in cash flow from current activities	11.0	22.4
Decrease in cash flow from financing activities	-11.0	-22.4
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

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 16 July, 2019

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

Markus Granlund
President and CEO

Tore Bertilsson
Chairman of the Board

Carl Backman
Board member

Eva Elmstedt
Board member

Jeanette Reuterskiöld
Board member

Karl Thedéen
Board member

Christer Eriksson
Employee representative

Lars-Ove Jansson
Employee representative

Mats Sällberg
Employee representative

FINANCIAL CALENDAR

Interim report January-September 2019
Year-end report 2019

October 24, 2019 at 08.00
February 6, 2020 at 08.00

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Göteborg 16 July, 2019
Semcon AB [publ]
Markus Granlund, President and CEO

This report has not been reviewed by the company's auditors.

This information is such information as Semcon AB [publ] is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 08.00 a.m. CET on 16 July, 2019.

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