

# Year-end report 2014

## Structural measures and strong cash flow in fourth quarter

### Fourth quarter

- The operating income was SEK 731 million (654) and organic growth was 6%
- The operating profit was SEK 27 million (22), giving an operating margin of 3.6% (3.3)
- The profit after tax was SEK 22 million (16)
- Earnings per share (EPS) after dilution was SEK 1.23 (0.87)

### January-December

- The operating income was SEK 2,726 million (2,508) and organic growth was 5%
- The operating profit was SEK 102 million (125), giving an operating margin of 3.8% (5.0)
- The profit after tax was SEK 75 million (88)
- Earnings per share (EPS) after dilution was SEK 4.16 (4.86)
- The equity/assets ratio was 48% (48)
- Return on shareholders' equity was 12% (15)
- The Board of Directors proposes an unchanged dividend of SEK 2.50 per share (2.50)

### Comment from President and CEO Markus Granlund:

"2014 was characterized by major uncertainty globally, which negatively affected our customers. The Swedish export industry, which is important to Semcon, has adopted a general wait-and-see attitude towards new investments. Some offices in Germany also reported weak profitability, so work on customizing the offer for the market is underway. A review of the business was carried out in Q4 to boost profits. Efficiency measures and an adapted offer have meant redundancies in Sweden and Germany, affecting a total of 45 people. Semcon also sold Zooma by Semcon AB, with activities in online marketing and communication, affecting around 20 people. Capital gains from the sale and structural costs negatively impacted the operating profit by SEK 7 million net in Q4. It is pleasing however that the year ended with a strong cash flow and that the Product Information business area is continuing to report healthy sales growth and profits."



## Income and result

### Fourth quarter

Operating income amounted to SEK 731 million (654). Adjusted for currency fluctuations, acquisitions and divestments, organic growth was 6%. It is mainly Product Information that is reporting excellent sales increases.

The operating profit was SEK 27 million (22), giving an operating margin of 3.6% (3.3). The quarter was affected by SEK -7 million net for structural costs and capital gains from the sale of Zooma by Semcon AB. Profits were hit last year through structural costs of around SEK 10 million.

Net financial items totalled SEK -1 million (-2), giving a profit before tax of SEK 26 million (20). Tax costs for the quarter stood at SEK -4 million (-4). The profit after tax was SEK 22 million (16) and EPS after dilution was SEK 1.23 (0.87).

### January-December

The operating income rose by SEK 218 million, amounting to SEK 2,726 million (2,508), giving organic growth of 5%. Sales growth is mainly attributable to the increased share of goods and services purchased in certain projects.

The operating profit amounted to SEK 102 million (125), giving an operating margin of 3.8% (5.0). The decline is mainly attributable to lower utilization during the second quarter. There was also one fewer workday compared with 2013.

Net financial items totalled SEK -5 million (-7), giving a profit before tax of SEK 97 million (118). The tax cost for the year stood at SEK -22 million (-30). The profit after tax was SEK 75 million (88) and EPS after dilution was SEK 4.16 (4.86).

### Financial position

The operating cash flow from current activities was SEK 82 million (135). Cash flow this year has, in addition to declining profits, also been affected by increased tax and VAT payments of around SEK 30 million. Investments in hardware, licences, office supplies and equipment, amounted to SEK 28 million (24). The Group's cash and bank balances amounted to SEK 152 million (153) with additional non-utilized credit of SEK 273 million (262) as at 31 December.

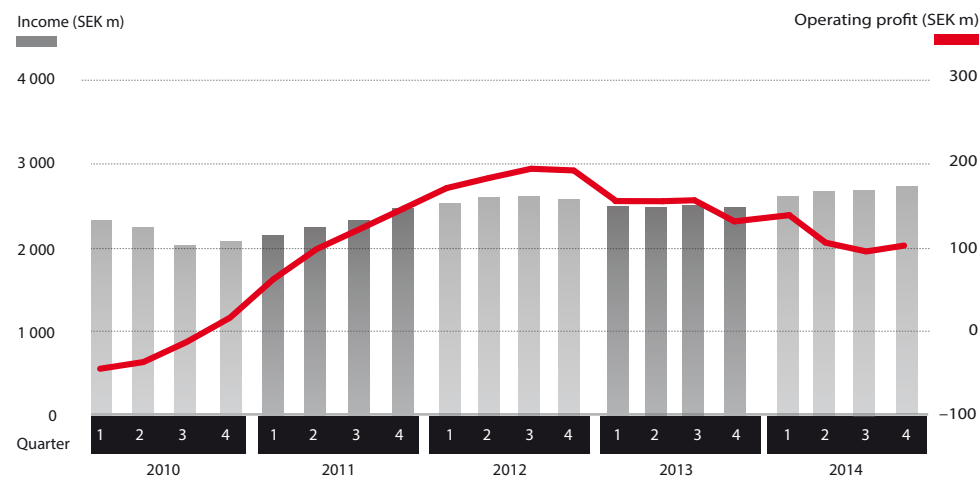
Shareholders' equity amounted to SEK 662 million (633) and the equity/assets ratio was 48% (48). A dividend of SEK 45 million (36) was paid to shareholders in Q2. The Group's net debt

amounted to SEK 14 million (net liquid assets SEK 7 million). Net liquid assets amounted to SEK 55 million (59) excluding pension commitments. Over the year pension obligations rose by SEK 17 million, mainly attributable to a lower discount rate and currency fluctuations. The interest coverage ratio was 26 times (22).

### Important events during the year

- Semcon introduced a market-oriented organization on 1 January in the area of engineering services to further strengthen the Group's global delivery ability
- The major project for a German auto manufacturer, which started in 2013, involving around 100 people, ended in Q2
- Semcon sold its business for advanced measuring and control systems, ComTest, to WSP on 1 May 2014. The business employed 16 people
- Semcon signed a deal with a global auto manufacturer for a facelift of an existing car model. The project started in May 2014 and will last for two years
- On 1 September Semcon acquired the business in ibruk AS in Norway, a company active in the field of product information. The business has around 20 employees and subcontractors
- Trafikverket (Swedish Transport Administration) chose Semcon as its preferred supplier of electrical technology for 2015-2016, with an option to extend the agreement for a further two years
- Vattenfall renewed its A-list supplier agreement with Semcon, which now covers extended assistance for wind power, hydroelectric power, nuclear power, heating and electricity distribution. The agreement will run for three years (2015-2017), with an option to extend for a further year
- Semcon sold Zooma by Semcon AB on 30 December, with activities in online marketing and communication, to Arena Media AB, principal owner of the Valentin & Byhr Group. The business has around 20 employees.

### Income and operating profit



Result of each quarter for four consecutive quarters, excluding exceptional items.

### Staff and organisation

The headcount on 31 December was 2,990 (3,001). The number of employees in active service was 2,891 (2,851). In the respective business areas the headcount is as follows: Engineering Services Nordic 1,038 (1,083), Engineering Services Germany 1,044 (1,078), Engineering Services International 359 (331) and Product Information 549 (509).

### Ownership structure

As of 31 December, the JCE Group owns 22.2% (22.2) of Semcon's shares, Swedbank Robur fonder 8.4% (8.4), Handelsbanken Fonder 6.9% (5.7), Nordea Investment Funds 6.3% (6.3) and Andra AP-fonden 5.3% (5.3). Foreign ownership was 26.7% (27.3) and the number of shareholders was 3,657 (3,782). 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 142,718 (142,718) of the company's shares on 31 December. Semcon is listed as a small company on the NASDAQ OMX Stockholm under the SEMC ticker. A list of the biggest shareholders, ownership structure and share price movements can be seen on page 12.

### Acquisitions and divestments

The business in ibruk AS, based in Kongsberg, Norway, were acquired in Q3. Semcon also sold Zooma by Semcon AB in Q4, with activities in online marketing and communication. Further information about the acquisition and sale appear on page 5, Product Information business area. No special information has been added in the notes, as the acquisition and sale are not considered to be material.

### Risk and instability factors

The Group and parent company's significant risks and instability factors include business risks in the form of high exposure towards a single industry or customer. An economic downturn or disruptions to financial markets can have a negative effect on the Group's services. In general terms acquisitions and divestments incur increased risks. This also includes financial risks mainly concerning interest rate and currency risks. Semcon's Annual Report 2013, pages 43-44 and 57-58, include a detailed description of the Group and parent company's risk exposure and risk management.

### Accounting principles

Semcon follows the IFRS standards and principles as adopted by the EU (IFRIC). This report has been produced in accordance with IAS 34. In accordance with the statements given in the Annual Report 2013, Note 2, concerning new accounting principles for 2014, a number of new standards and IFRIC statements have been included from 1 January 2014. None of these had any effect on the Group's accounts over the period. Otherwise, the same accounting principles and calculation methods have been applied in this financial statement as in the latest annual report.

### Events after the end of the year

No significant events took place after the end of the year.

### Nominations committee

It was decided at the AGM 2014 that the Chairman of the Board should convene a nominations committee, consisting of one representative from each of the three largest shareholders in the company in terms of voting rights according to the shareholders' register on 31 August 2014.

The nominations committee will, until the next AGM, consist of: Gabriel Berg, Nominations Committee Chairman, JCE Group, Evert Carlsson, Swedbank Robur fonder, Frank Larsson, Handelsbanken Fonder and Kjell Nilsson, Chairman of Semcon AB. Questions to the nominations committee can be made via: valberedning@semcon.se.

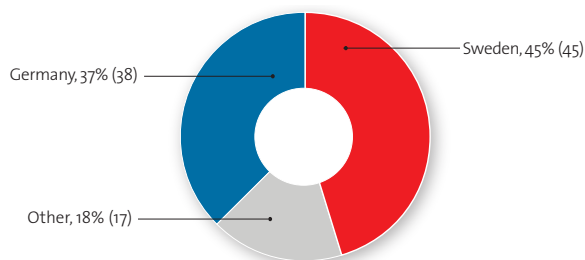
### Share dividend

According to Semcon's financial objectives a dividend should be paid to shareholders and be at least one third of the profit after tax. From the reported profit for 2014 the Board of Directors proposes that the dividend be unchanged at SEK 2.50 per share (2.50). The proposed dividend makes up a total of 60 per cent of the company's profit after tax and amounts to SEK 45 million. The record day for the right to a share dividend is proposed as Thursday, 30 April.

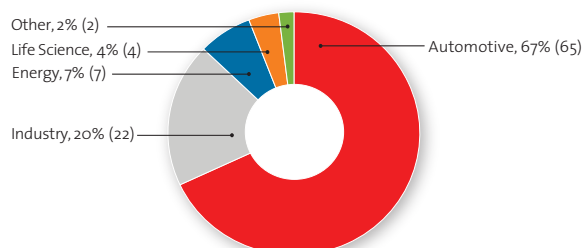
### Outlook

Semcon estimates that customers' development needs will remain strong, even though the market situation is difficult to predict.

Group sales per market Jan-Dec 2014



Group sales per industry Jan-Dec 2014



## Business areas

### Engineering Services Nordic

The Swedish export industry has generally adopted a wait-and-see attitude to new investments, affecting demand for new development projects, which together with a major global project ending in Q2 and purchase stoppages by another customer, also negatively affected the business area. Overall sales amounted to SEK 1,014 million (1,024) with organic growth of 0%. The operating profit amounted to SEK 19 million (34), giving an operating margin of 1.9% (3.3).

Semcon sold its business for advanced measuring and control systems, ComTest, to WSP on 1 May 2014. The business employed 16 people. Capital gains from the sale and with a reserve for receivables, the net amount affected operating profits by SEK -1 million.

Efficiency measures and realignment of the offer in Q4 resulted in redundancies in Sweden of 25 employees. The resulting restructuring costs negatively affected the operating profit by SEK 11 million (6).

	Oct-Dec		Jan-Dec	
	2014	2013	2014	2013
<b>Engineering Services Nordic</b>				
Operating income, SEK m	269.5	267.7	1,013.7	1,024.3
Operating profit/loss, SEK m	-4.3	7.1	19.4	33.8
Operating margin, %	-1.6	2.7	1.9	3.3
No. of employees at year end	1,038	1,083	1,038	1,083

#### About Engineering Services Nordic

The business area's around 1,050 employees provide services in areas such as product development, plant engineering and production development. The offer is aimed at requirement and concept studies, design, calculations, construction, embedded systems, testing, simulation, quality control, project management, production and process development and expertise in lean production. Business activities mainly focus on industry, design, automotive and life science industries in the Nordic region. Customers include ABB, AB Volvo, Alstom, AstraZeneca, Bombardier, Cevt, Geely, Ericsson, Fortum, General Electric, Getinge, Husqvarna, Metso, Rolls-Royce Marine, Saab, Scania, Siemens, Vattenfall and Volvo Cars.

### Engineering Services Germany

The business area reported increased sales compared with last year, even though demand varied between customers and between the various offices. Total sales amounted to SEK 1,006 million (923), giving a sales growth in local currencies of 4%. This growth is mainly attributed to a greater proportion of purchased goods and services in some projects. The operating profit amounted to SEK 20 million (29), giving an operating margin of 2.0% (3.2).

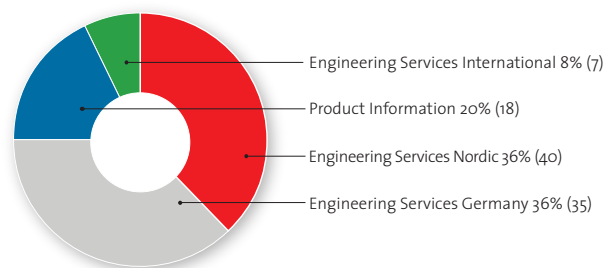
Some offices showed weak profitability over the year but have implemented measures to address this issue. Q2's results were affected by restructuring costs of SEK 2 million. Redundancies in Q4, affecting 20 employees, were implemented and SEK 4 million in restructuring costs for this have been charged to the operating profit. Continued measures are being taken to adapt the offer to the market.

	Oct-Dec		Jan-Dec	
	2014	2013	2014	2013
<b>Engineering Services Germany</b>				
Operating income, SEK m	247.8	244.1	1,005.7	923.0
Operating profit, SEK m	3.5	1.0	20.1	29.5
Operating margin, %	1.4	0.4	2.0	3.2
No. of employees at year end	1,044	1,078	1,044	1,078

#### About Engineering Services Germany

The business area's around 1,050 employees provide services to customers primarily in the German automotive industry. The offer includes focusing on concepts, styling, design, calculations, project management, prototyping, testing, simulations and small serial production. Customers include many of the world's leading automotive manufacturers, such as Audi, BMW, VW, Daimler, Opel/GM, Porsche and also customers in other industries such as Sell and Vattenfall.

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



## Engineering Services International

The business area, with business activities mainly in the UK, Brazil and India, is continuing to report growth. Sales amounted to SEK 213 million (190), giving sales growth in local currencies of 8%. The operating profit amounted to SEK 5 million (5), giving an operating margin of 2.3% (2.6).

The business in the UK reported sales growth and improved profits. The business in Brazil reported positive development over the second half of the year, while business in India reported weaker demand from European customers, which negatively affected sales and results. Brazil and India both reported one-off costs, negatively affecting Q2 by SEK 1 million.

<b>Engineering Services International</b>	Oct-Dec		Jan-Dec	
	2014	2013	2014	2013
Operating income, SEK m	56.5	50.8	212.6	189.8
Operating profit, SEK m	2.4	1.2	4.9	4.9
Operating margin, %	4.3	2.4	2.3	2.6
No. of employees at year end	359	331	359	331

### About Engineering Services International

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

## Product Information

The business area's sales amounted to SEK 542 million (463), giving sales growth in local currencies of 11%. New business opportunities to new and existing customers, plus an increased share of services purchased in a number of projects, helped towards boosting sales. The operating profit amounted to SEK 52 million (54) with an operating margin of 9.6% (11.7). Restructuring costs in Q2 negatively affected profits by SEK 3 million.

Semcon acquired the business in ibruk AS, based in Kongsberg, Norway, on 1 September with activities in product information. ibruk AS has many years' experience of technical documentation and Life Cycle Information (LCI), mainly from the Norwegian oil and gas industry. The business actively involves around 20 individuals.

Zooma by Semcon AB was sold on 1 September with activities in online marketing and communication to Arena Media AB, principle owner of the Valentin & Byhr Group. The business employed around 20 people.

<b>Product Information</b>	Oct-Dec		Jan-Dec	
	2014	2013	2014	2013
Operating income, SEK m	163.8	119.9	542.4	463.3
Operating profit, SEK m	20.7	14.2	52.3	54.2
Operating margin, %	12.6	11.8	9.6	11.7
No. of employees at year end	549	509	549	509

### About Product Information

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

The Board of directors and CEO confirm that the year-end report for 2014 provides a fair overview of the parent company's and Group's business, position and results while presenting the key risks and uncertainties that the parent company and Group companies are facing.

Göteborg 5 February 2015

SEMCON AB (PUBL)  
Co.Reg.no. 556539-9549

Markus Granlund  
President and CEO

Kjell Nilsson  
Chairman

Marianne Brismar  
Board member

Gunvor Engström  
Board member

Håkan Larsson  
Board member

Joakim Olsson  
Board member

Christer Eriksson  
Staff representative

Monique Persson  
Staff representative

Mats Sällberg  
Staff representative

This report has not been subject to review by the company's auditors. Semcon discloses the information provided herein pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act. This information was submitted for publication at 12:15 p.m. on 5 February 2015.

# Consolidated Financial, summary

## Income Statements

SEK m	Oct-Dec		Jan-Dec	
	2014	2013	2014	2013
Operating income	730.9	654.0	2,725.7	2,508.4
Purchase of goods and services	-170.8	-121.9	-611.4	-461.8
Other external operating expenses	-61.9	-61.1	-242.0	-231.5
Staff costs	-461.5	-443.3	-1,742.6	-1,668.6
<b>Operating profit before depreciation</b>	<b>36.7</b>	<b>27.7</b>	<b>129.7</b>	<b>146.5</b>
Depreciation of tangible fixed assets	-5.7	-4.0	-18.0	-15.1
Depreciation of intangible assets	-4.4	-1.8	-9.3	-6.6
<b>Operating profit</b>	<b>26.6</b>	<b>21.9</b>	<b>102.4</b>	<b>124.8</b>
Net financial items	-0.8	-1.8	-5.0	-7.0
<b>Profit before tax</b>	<b>25.8</b>	<b>20.1</b>	<b>97.4</b>	<b>117.8</b>
Tax	-3.4	-4.3	-22.0	-29.7
<b>Profit after tax*</b>	<b>22.4</b>	<b>15.8</b>	<b>75.4</b>	<b>88.1</b>
EPS SEK	1.25	0.88	4.20	4.90
EPS after dilution, SEK	1.23	0.87	4.16	4.86
*Of which parent company shareholders	22.4	15.8	75.4	88.1
Number of days in period	62	62	248	249

## Statement of comprehensive income

SEK m	Oct-Dec		Jan-Dec	
	2014	2013	2014	2013
Profit after tax	22.4	15.8	75.4	88.1
Items that cannot be reclassified as profit or loss				
Actuarial profits and losses	-12.4	-3.9	-12.4	-2.8
Tax	3.7	0.8	3.7	0.6
<b>Total</b>	<b>-8.7</b>	<b>-3.1</b>	<b>-8.7</b>	<b>-2.2</b>
Items that can be reclassified as profit or loss				
Translation differences for the period	14.5	11.5	29.9	9.7
Hedging of net investments	-18.1	-6.9	-29.0	-3.1
Cash flow hedging	-	-2.7	-	-5.0
Tax attributable to hedging effects of net investments and cash flow hedges	4.0	2.1	6.4	1.8
<b>Total</b>	<b>0.4</b>	<b>4.0</b>	<b>7.3</b>	<b>3.4</b>
<b>Other comprehensive income</b>	<b>-8.3</b>	<b>0.9</b>	<b>-1.4</b>	<b>1.2</b>
<b>Total comprehensive income for the period*</b>	<b>14.1</b>	<b>16.7</b>	<b>74.0</b>	<b>89.3</b>
*Of which parent company shareholders	14.1	16.7	74.0	89.3

## Quarterly information by business area

	2012				2012	2013				2013	2014				2014
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	
<b>Operating income (SEK m)</b>															
Engineering Services Nordic	325.6	300.9	237.8	297.4	1,161.7	262.7	272.4	221.5	267.7	1,024.3	275.3	259.2	209.7	269.5	1,013.7
Engineering Services Germany	225.1	211.1	205.4	219.7	861.3	223.5	223.1	232.3	244.1	923.0	264.6	250.4	242.9	247.8	1,005.7
Engineering Services International	48.8	46.5	44.3	46.0	185.6	43.1	47.8	48.1	50.8	189.8	50.5	51.9	53.7	56.5	212.6
Product Information	101.4	100.9	101.3	124.0	427.6	118.9	115.3	109.2	119.9	463.3	126.5	127.9	124.2	163.8	542.4
Elimination of group transactions	-15.4	-17.8	-15.9	-16.2	-65.3	-22.2	-22.1	-19.2	-28.5	-92.0	-12.8	-10.9	-18.3	-6.7	-48.7
<b>Total</b>	<b>685.5</b>	<b>641.6</b>	<b>572.9</b>	<b>670.9</b>	<b>2,570.9</b>	<b>626.0</b>	<b>636.5</b>	<b>591.9</b>	<b>654.0</b>	<b>2,508.4</b>	<b>704.1</b>	<b>678.5</b>	<b>612.2</b>	<b>730.9</b>	<b>2,725.7</b>
<b>Operating profit/loss (SEK m)</b>															
Engineering Services Nordic	45.0	15.5	7.2	17.2	84.9	7.1	13.0	6.6	7.1	33.8	16.2	2.3	5.2	-4.3	19.4
Engineering Services Germany	16.3	2.8	13.2	14.9	47.2	10.0	4.9	13.6	1.0	29.5	10.7	-4.8	10.7	3.5	20.1
Engineering Services International	-1.0	0.8	-2.0	3.3	1.1	-0.1	1.1	2.7	1.2	4.9	1.1	-1.0	2.4	2.4	4.9
Product Information	11.5	9.4	14.1	16.0	51.0	16.4	10.6	13.0	14.2	54.2	13.3	5.4	12.9	20.7	52.3
Elimination of group transactions etc	0.4	2.4	2.6	3.7	9.1	1.6	1.3	1.1	-1.6	2.4	0.1	0.9	0.4	4.3*	5.7
<b>Total</b>	<b>72.2</b>	<b>30.9</b>	<b>35.1</b>	<b>55.1</b>	<b>193.3</b>	<b>35.0</b>	<b>30.9</b>	<b>37.0</b>	<b>21.9</b>	<b>124.8</b>	<b>41.4</b>	<b>2.8</b>	<b>31.6</b>	<b>26.6</b>	<b>102.4</b>
<b>Operating margin (%)</b>															
Engineering Services Nordic	13.8	5.2	3.0	5.8	7.3	2.7	4.8	3.0	2.7	3.3	5.9	0.9	2.5	-1.6	1.9
Engineering Services Germany	7.2	1.3	6.4	6.8	5.5	4.5	2.2	5.9	0.4	3.2	4.0	-1.9	4.4	1.4	2.0
Engineering Services International	-2.0	1.7	-4.5	7.2	0.6	-0.2	2.3	5.6	2.4	2.6	2.2	-1.9	4.5	4.3	2.3
Product Information	11.3	9.3	13.9	12.9	11.9	13.8	9.2	11.9	11.8	11.7	10.5	4.2	10.4	12.6	9.6
<b>Total</b>	<b>10.5</b>	<b>4.8</b>	<b>6.1</b>	<b>8.2</b>	<b>7.5</b>	<b>5.6</b>	<b>4.9</b>	<b>6.3</b>	<b>3.3</b>	<b>5.0</b>	<b>5.9</b>	<b>0.4</b>	<b>5.2</b>	<b>3.6</b>	<b>3.8</b>
<b>Number of employees</b>															
Engineering Services Nordic	1,164	1,166	1,161	1,117	1,117	1,079	1,072	1,076	1,083	1,083	1,085	1,058	1,071	1,038	1,038
Engineering Services Germany	1,016	1,031	1,038	1,043	1,043	1,079	1,078	1,086	1,078	1,078	1,088	1,082	1,069	1,044	1,044
Engineering Services International	325	322	312	313	313	287	300	318	331	331	343	357	359	359	359
Product Information	448	468	499	527	527	524	539	531	509	509	526	535	551	549	549
<b>Total</b>	<b>2,953</b>	<b>2,987</b>	<b>3,010</b>	<b>3,000</b>	<b>3,000</b>	<b>2,969</b>	<b>2,989</b>	<b>3,011</b>	<b>3,001</b>	<b>3,001</b>	<b>3,042</b>	<b>3,032</b>	<b>3,050</b>	<b>2,990</b>	<b>2,990</b>
Number of working days	64	58	65	62	249	62	59	66	62	249	62	58	66	62	248

\* One-off costs include SEK 7.9 million net relating to capital gains from the sale of Zooma by Semcon AB and restructuring costs.



## Balance sheets

SEK m	31 Dec	
	2014	2013
<b>Assets</b>		
Intangible assets, goodwill	456.3	440.3
Other intangible assets	16.7	16.6
Tangible fixed assets	49.8	39.2
Financial fixed assets	17.0	18.8
Deferred tax recoverable	46.3	44.5
Accounts receivable	416.1	371.3
Accrued non-invoiced income	157.9	172.7
Other current assets	57.6	48.9
Cash and bank assets	152.3	153.3
<b>Total assets</b>	<b>1,370.0</b>	<b>1,305.6</b>
<b>Shareholders equity and liabilities</b>		
Shareholders equity	662.5	633.4
Pensions obligations	68.5	51.4
Deferred tax liabilities	23.1	27.1
Interest-bearing short-term liabilities	97.8	94.7
Accounts payable	102.8	87.0
Other non interest bearing current liabilities	415.3	412.0
<b>Total shareholders equity and liabilities</b>	<b>1,370.0</b>	<b>1,305.6</b>

## Change in shareholders equity

SEK m	31 Dec	
	2014	2013
Shareholders equity at start of the year	633.4	579.1
Effect of change of accounting principles	-	0.9
Total comprehensive income	74.0	89.3
Shareholder dividend	-44.9	-35.9
<b>Shareholders equity at year end</b>	<b>662.5</b>	<b>633.4</b>

## Cash flow statements

SEK m	Oct-Dec		Jan-Dec	
	2014	2013	2014	2013
Cash flow from current activities before change in working capital	13.8	22.4	87.2	130.5
Change in working capital	111.4	69.6	-4.9	4.5
<b>Cash flow from current liabilities</b>	<b>125.2</b>	<b>92.0</b>	<b>82.3</b>	<b>135.0</b>
Net investments	-7.9	-4.1	-28.3	-24.1
Acquisitions and divestments of subsidiaries	1.1	-	-1.1	-
Sales of fixed assets	0.1	-	0.1	0.2
<b>Cash flow from investment activities</b>	<b>-6.7</b>	<b>-4.1</b>	<b>-29.3</b>	<b>-23.9</b>
Change in interest-bearing liabilities	-46.7	-20.0	-20.8	-42.6
Shareholder dividend	-	-	-44.9	-35.9
<b>Cash flow from financing activities</b>	<b>-46.7</b>	<b>-20.0</b>	<b>-65.7</b>	<b>-78.5</b>
<b>Cash flow for the period</b>	<b>71.8</b>	<b>67.9</b>	<b>-12.7</b>	<b>32.6</b>
Cash and bank at the start of the period	76.2	79.5	153.3	115.6
Translation difference	4.3	5.9	11.7	5.1
<b>Cash and bank at the end of the period</b>	<b>152.3</b>	<b>153.3</b>	<b>152.3</b>	<b>153.3</b>

## Key figures

	Jan-Dec	
	2014	2013
Growth in sales (%)	8.7	-2.4
Organic growth in sales (%)	5.2	-1.0
Operating margin before depreciation (%)	4.8	5.8
Operating margin (%)	3.8	5.0
Profit margin (%)	3.6	4.7
Return on shareholders equity (%)	11.6	14.6
Return on capital employed (%)	12.6	16.1
Equity/asset ratio (%)	48.4	48.5
Debt/equity ratio (multiple)	-	-
Interest cover ratio (multiple)	26.0	22.0
Investments in fixed assets (SEK m)	28.3	24.1
Number of employees at year end	2,990	3,001

## Key figures for shares

	Jan-Dec	
	2014	2013
EPS (SEK)	4.20	4.90
EPS after dilution (SEK)	4.16	4.86
Shareholders equity before dilution (SEK)	37.35	35.25
Shareholders equity after dilution (SEK)	37.06	34.97
Share price/shareholders equity per share (times)	1.33	1.73
Cash flow per share (SEK)	4.54	7.45
Dividend	2.50*	2.50
P/E ratio	11.87	12.44
P/S ratio	0.33	0.44
Share price at the end of the year (SEK)	49.40	60.50
Market value at the end of the year (SEK m)	895	1,096
Number of shares at the end of the year (ooo)	18,113	18,113
Number of own shares at the end of the year (ooo)	143	143
Average number of shares (ooo)	18,113	18,113

\* Board of Directors' proposal

## 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 year adjusted for the dilution effect on potential shares.

### Debt/equity ratio

Net borrowings divided by shareholders' equity

### EPS after dilution

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

### EPS before dilution

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

### Equity/assets ratio

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

### Interest cover ratio

Profit before tax plus interest costs divided by interest costs.

### Net borrowings

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

### Operating margin

Operating profit as a percentage of net sales.

### Profit margin

Profit before tax as a percentage of net sales.

### Return on shareholders' equity

Profit for the year 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 year end, excluding shares held as own shares by the parent company.

### Shareholders' equity per share after dilution

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

# Parent company

## Financial, summary

### Income statements

SEK m	Oct-Dec		Jan-Dec	
	2014	2013	2014	2013
Operating income	6.6	6.8	25.0	26.3
Other external operating expenses	-7.5	-4.8	-24.0	-21.2
Staff costs	-6.7	-7.0	-24.4	-21.6
<b>Operating profit/loss before depreciation</b>	<b>-7.6</b>	<b>-5.0</b>	<b>-23.4</b>	<b>-16.5</b>
Depreciation of tangible fixed asset	-	-	-0.2	-0.3
<b>Operating profit/loss after depreciation</b>	<b>-7.6</b>	<b>-5.0</b>	<b>-23.6</b>	<b>-16.8</b>
Net financial items *	33.8	50.3	31.2	80.3
<b>Profit after net financial items</b>	<b>26.2</b>	<b>45.3</b>	<b>7.6</b>	<b>63.5</b>
Appropriations **	-4.3	3.5	-4.3	3.5
<b>Profit before tax</b>	<b>21.9</b>	<b>48.8</b>	<b>3.3</b>	<b>67.0</b>
Tax	-4.9	-10.9	-0.8	-14.9
<b>Profit after tax</b>	<b>17.0</b>	<b>37.9</b>	<b>2.5</b>	<b>52.1</b>
* Of which translation differences	-15.0	-8.3	-21.5	16.0
Of which group contribution received	48.2	57.0	48.2	57.0
** Of which group contribution paid	-4.5	-5.5	-4.5	-5.5

### Statements of comprehensive income

SEK m	Oct-Dec		Jan-Dec	
	2014	2013	2014	2013
Profit for the period	17.0	37.9	2.5	52.1
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>17.0</b>	<b>37.9</b>	<b>2.5</b>	<b>52.1</b>

### Balance sheets

SEK m	31 Dec	
	2014	2013
<b>Assets</b>		
Tangible fixed assets	-	0.2
Financial fixed assets	454.0	454.0
Current assets	173.0	154.8
Cash and bank	-	-
<b>Total assets</b>	<b>627.0</b>	<b>609.0</b>
<b>Shareholders equity and liabilities</b>		
Shareholders equity	352.3	394.8
Untaxed reserves	-	0.2
Interest-bearing current liabilities	96.4	98.9
Non interest-bearing current liabilities	178.3	115.1
<b>Total shareholders equity and liabilities</b>	<b>627.0</b>	<b>609.0</b>

### Semcon's largest holdings, 31 Dec 2014

Name	No. of shares	Votes, %
JCE Group	4,026,271	22.2
Swedbank Robur Fonder	1,521,764	8.4
Handelsbanken Fonder	1,247,548	6.9
Nordea Investment Funds	1,141,196	6.3
Andra AP-fonden	961,998	5.3
Citibank	584,746	3.2
Fjärde AP-fonden	546,720	3.0
Avanza Pension	476,748	2.6
AMF	442,400	2.4
Europea i Malmö AB	300,000	1.7
<b>Total</b>	<b>11,249,391</b>	<b>62.0</b>
Own shares	142,718	0.8
Others	6,720,425	37.2
<b>Total</b>	<b>18,112,534</b>	<b>100.0</b>

Source: Euroclear Sweden AB register of shareholders on 31 Dec 2014.

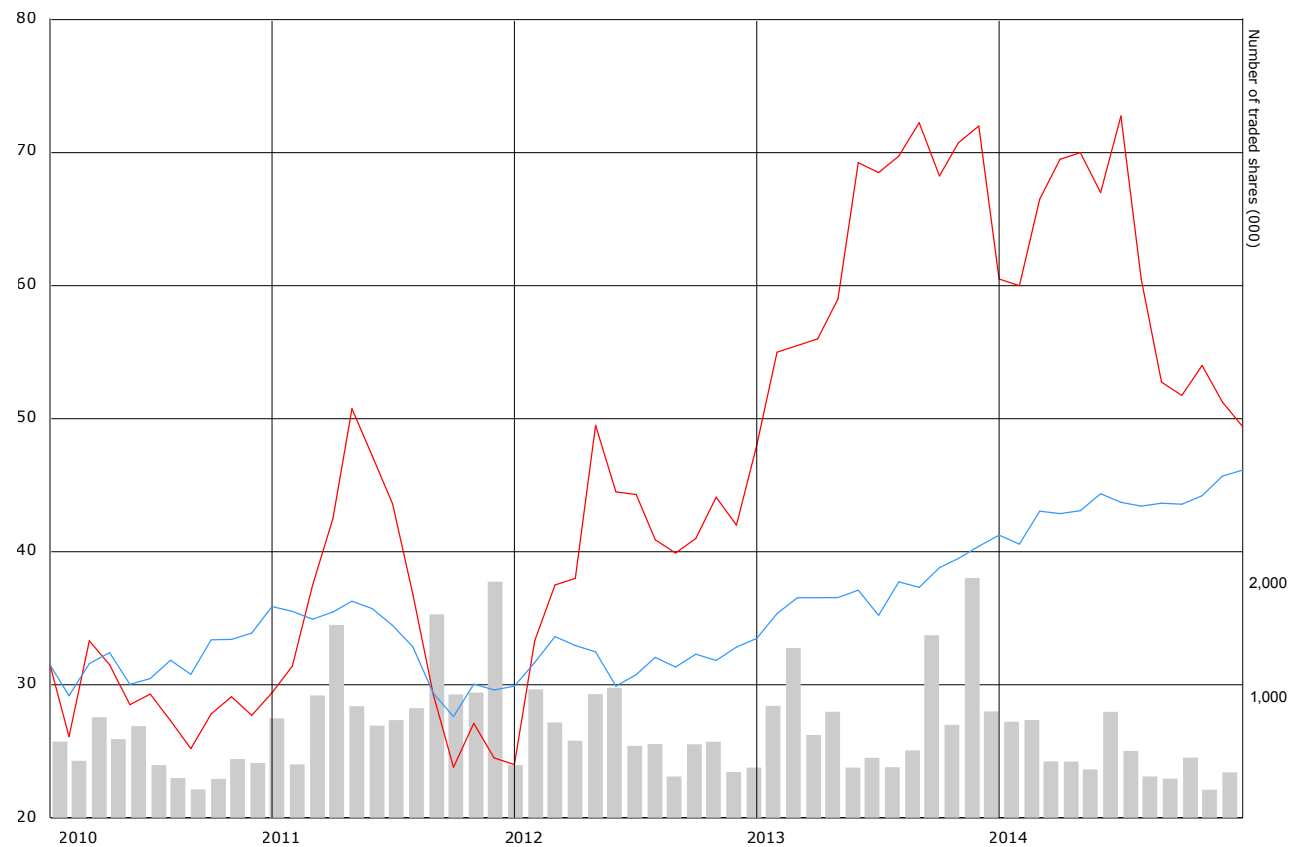
### Ownership structure, 31 Dec 2014

	No. of shareholders	No. of shares	Proportion %	Marketvalue SEK (ooo)
1-500	2,439	459,073	2.5	22,678
501-1,000	565	475,792	2.6	23,504
1,001-10,000	551	1,649,546	9.1	81,488
10,001-100,000	77	2,264,932	12.5	111,888
100,001 -	24	13,120,473	72.5	648,152
Own shares	1	142,718	0.8	7,050
<b>Total</b>	<b>3,657</b>	<b>18,112,534</b>	<b>100.0</b>	<b>894,760</b>

Source: Euroclear Sweden AB register of shareholders on 31 Dec 2014.

### Price Trend

Share OMX Stockholm\_PI



Source: NASDAQ Stockholm on 31 Dec 2014.

## Annual report

The 2014 Annual Report is expected to be available at the end of March and will be sent to all shareholders who have confirmed they want a printed copy of information from Semcon. The Annual Report will also be available on Semcon's website: [semcon.com](http://semcon.com) and from Semcon's head office at Lindholmsallén 2 in Göteborg. It can also be ordered by telephone on: +46 (0)31 721 00 00, fax +46 (0)31 721 03 33 or by email at: [info@semcon.se](mailto:info@semcon.se).

## Annual General Meeting

Semcon's AGM will take place at 3 p.m. on 28 April 2015 at Semcon's head office in Göteborg. The record day is 22 April. The Q1 report will be published on 28 April.

### Reporting

AGM 2014: 28 April 2015  
Interim report Jan-March: 28 April 2015  
Interim report Jan-June: 16 July 2015  
Interim report Jan-Sept: 22 October 2015  
Year-end report 2015: 11 February 2016

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*Semcon is an international technology company in the engineering services and product information sectors. We have around 3,000 employees with extensive experience from many different industries. We develop technology, products, plant and information solutions along the entire development chain and also provide many services and products in areas such as quality control, training and methodology development. We contribute to our customers' competitive strength by providing innovative solutions, design and solid engineering expertise. From 2014, business activities are run via four business areas: Engineering Services Nordic, Engineering Services Germany, Engineering Services International and Product Information. Work processes and solutions are adapted to customer requirements, from taking part in the customer's teams to in-house development projects. The Group had annual sales of SEK 2.7 billion in 2014 with activities at more than 45 sites in Sweden, Germany, the UK, Brazil, China, Hungary, India, Spain and Norway. Semcon's biggest customers include: ABB, AB Volvo, Audi, BMW, Daimler, Ericsson, Jaguar Land Rover, Scania, Volvo Cars and VW. Read more at [semcon.com](http://semcon.com)*