



# Financial Statement

## Full Year 2014

### Fourth quarter of 2014

- Incoming orders rose 22% to SEK 512 million (420)
- Net sales rose 19% to SEK 507 million (428)
- Operating profit before amortisation of acquisition-related intangible fixed assets (EBITA) was SEK 50 million (43), which is an increase of 18%, representing an EBITA margin of 9.9% (10.0%)
- Profit before tax rose 18% to SEK 46 million (39)
- Profit after tax rose 12% to SEK 36 million (32)
- Earnings per share were SEK 1.56 (1.38)
- Acquisition of Kübler Svenska AB

### January – December 2014

- Incoming orders rose 16% to SEK 1,916 million (1,649)
- Net sales rose 13% to SEK 1,887 million (1,668)
- Operating profit before amortisation of acquisition-related intangible fixed assets (EBITA) was SEK 196 million (174), which is an increase of 13%, representing an EBITA margin of 10.4% (10.5%)
- Profit before tax rose 12% to SEK 176 million (157)
- Profit after tax rose 13% to SEK 137 million (121)
- Earnings per share were SEK 5.92 (5.24)
- The Board proposes an ordinary dividend of SEK 4.25 per share (4.00)

### Post balance sheet events

- AB Ernst Hj Rydahl Bromsbandfabrik, with an annual turnover of approximately SEK 120 million, was acquired in January.



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## Strong close to year

The positive development that OEM enjoyed for most of the year continued throughout the fourth quarter. Net sales increased during the fourth quarter by 19% to SEK 507 million compared to the same quarter a year ago. Currency effects and acquisitions accounted for 13 percentage points of sales growth, resulting in 6% organic growth. Incoming orders increased in the fourth quarter by 22% to SEK 512 million.

All regions reported strong sales growth. The Region of Norway, Denmark, UK and Central Eastern Europe performed best with 20% growth, thanks to strong sales in Denmark, Poland and the Czech Republic.

Operating profit (EBITA) rose 18% and the EBITA margin was 9.9% (10.0%), compared to the same quarter a year ago. Business development initiatives and a change in the product mix towards products with slightly lower margins explain why we did not see the full impact of the sales growth on the income statement.

## An excellent year

Looking back on 2014 as a whole, I'd say it has been an excellent year for OEM. Operating profit (EBITA) rose 13% to SEK 196 million, making 2014 the most profitable year in OEM's history. We had good growth in all regions which together resulted in net sales of SEK 1,887 million. This is an increase of 13% over last year with acquisitions and foreign currency effects accounting for 8 percentage points.

## Financial targets exceeded

I largely attribute OEM's fine performance during the year to our highly-efficient business model and our ongoing focus on the details that are enabling us to improve and develop our operations. The positive trend that we enjoyed throughout the year means that all of our financial targets for 2014 were exceeded. Exchange rate movements and our acquisitions have naturally also been major contributing factors to reach our goal of turnover growth.

We acquired all of the shares in Kübler Svenska AB in the fourth quarter. This acquisition brings highly complementary products and skills to our business and strengthens our portfolio of pressure and flow components. The acquisition brings our total acquired sales for 2014 to approximately SEK 100 million, which is in line with our annual acquisition plan.

## Increased dividend proposed

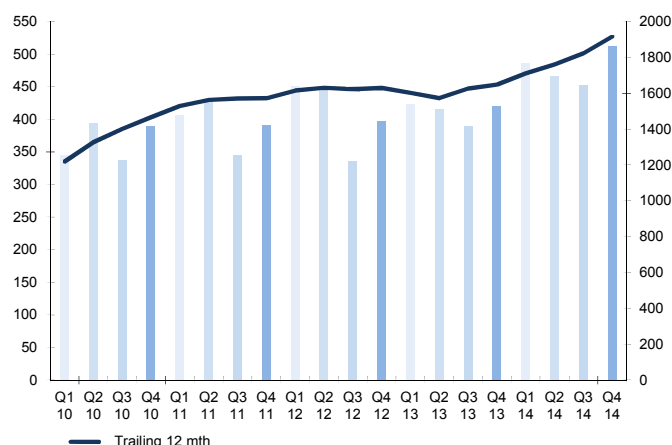
The Board proposes an increase in the dividend to SEK 4.25 per share (4.00). This would mean that OEM has raised the dividend to shareholders every year for the past five years. We regard this as a sign of strength, especially as we paid an extraordinary dividend just last spring in the form of a share redemption.

Finally, I would like to take the opportunity to thank my colleagues for their tremendous efforts that enabled us to achieve these excellent results in 2014. Buoyed by the success we have experienced in 2014, we aim to continue the trajectory of positive performance and growth in 2015.

Jörgen Zahlin  
Managing Director and Chief Executive Officer

## Incoming orders

### SEK million



## Incoming orders

Incoming orders increased in the fourth quarter by 22% to SEK 512 million (420). Comparable entities reported a 14% increase in incoming orders.

Total incoming orders for 2014 increased by 16% to SEK 1,916 million (1,649). Comparable entities reported a 12% increase in incoming orders.

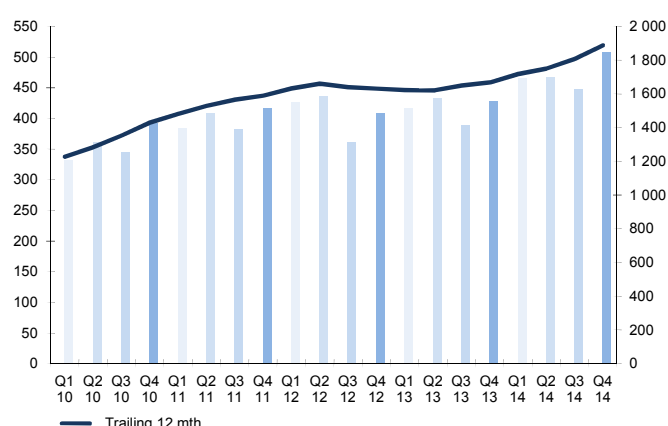
Total incoming orders for 2014 were 2% higher than net sales.

The order book reached SEK 248 million and was 15% higher than the same period last year.

The increase for comparable entities in the most recent quarters reflects a slightly stronger business position in most of the markets.

## Net sales

### SEK million



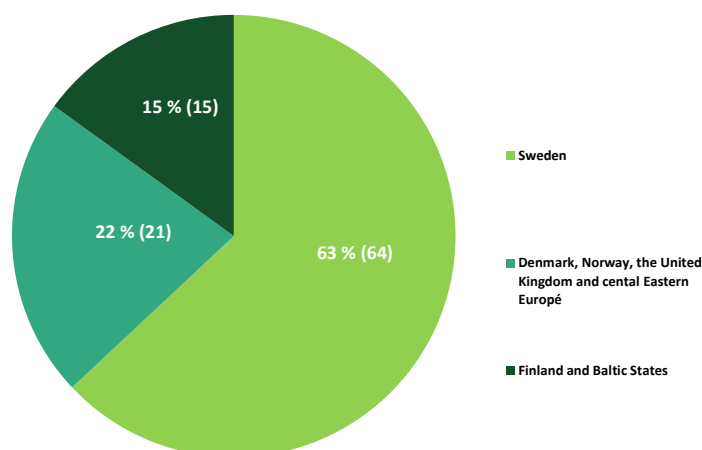
## Sales growth

Net sales rose 19% in the fourth quarter to SEK 507 million (428). Comparable entities reported a 10% increase in net sales.

Total net sales for 2014 increased by 13% to SEK 1,887 million (1,668). Comparable entities reported a 9% increase in net sales. Foreign currency exchange rate movements had a beneficial 4% effect on net sales.

Elektro Elco, OEM Motor and OEM Automatic in Sweden, and the operations in Denmark, Finland, Poland and the Czech Republic, reported the largest positive growth in net sales compared to last year.

## NET SALES BY REGION

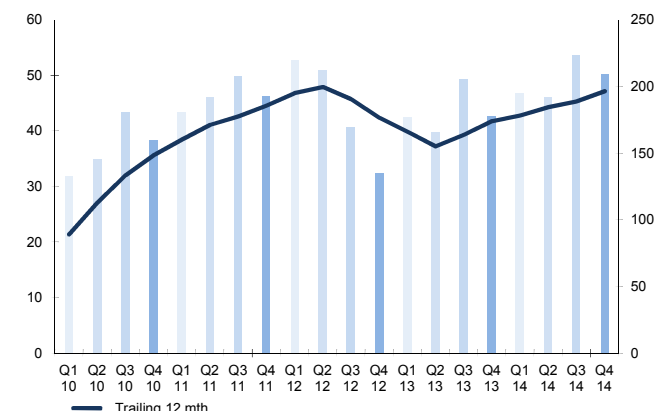


There are marginal percentage changes across the regions, compared to the corresponding period of last year. The relatively weaker growth in Sweden, in relation to growth in other regions, resulted in a decline in Region Sweden by

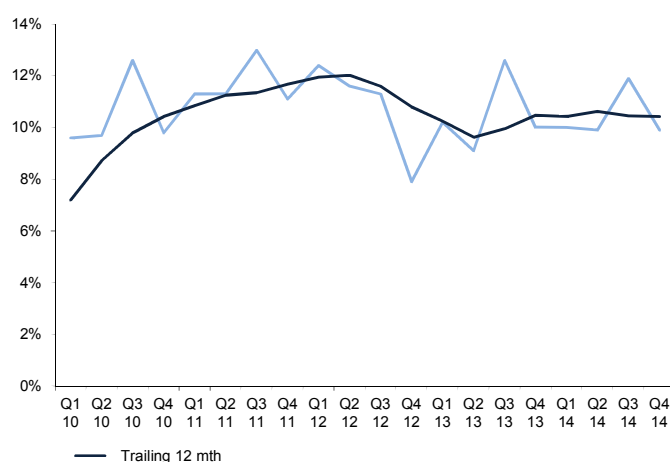
1%. Because of strong growth in Denmark, Poland and the Czech Republic, the region of Denmark, Norway, the UK and Central Eastern Europe has increased its share by 1%.

## EBITA\*

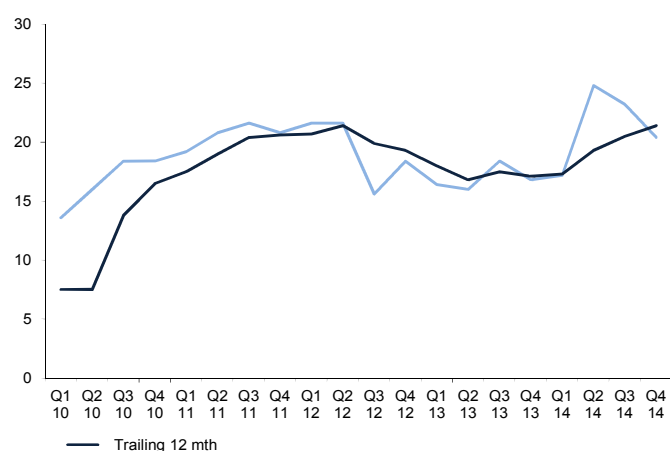
### SEK MILLION



## EBITA margin\*, %



## Return on equity, %



Note:

The return on equity for each quarter is listed by four to provide a better comparison with the trailing twelve months in the diagram.

## Earnings trend

Operating profit before amortisation of acquisition-related intangible fixed assets (EBITA) in the fourth quarter was SEK 50 million (43), which is an increase of 18%. The operating margin before amortisation of acquisition-related intangible fixed assets (EBITA margin) was 9.9% (10.0%).

In total for 2014, operating profit before amortisation of acquisition-related intangible fixed assets (EBITA) was SEK 196 million (174), which is an increase of 13%. The impact of currency movements on the translation of overseas operations had a beneficial effect of approximately SEK 2 million on EBITA. The operating margin before amortisation of acquisition-related intangible fixed assets (EBITA margin) was 10.4% (10.5%).

Non-recurring expenses of SEK 4.9 million, related to the lawsuit, have been charged to operating profit. A description of the lawsuit can be found on page 10. EBITA amounts to SEK 201 million when these expenses have been excluded. This represents an increase of 16% over last year.

The increase in the operating profit is a result of a rise in net sales.

Profit after tax increased by 13% to SEK 137 million (121). Earnings per share were SEK 5.92 (5.24).

\* As from 1 January 2014, OEM reports EBITA (operating profit before amortisation of acquisition-related intangible fixed assets) to reflect the ongoing operating profit of the companies. Figures for previous reporting periods are restated.

## Return

The return on equity was 5.1% compared to 4.2% for the year-ago quarter.

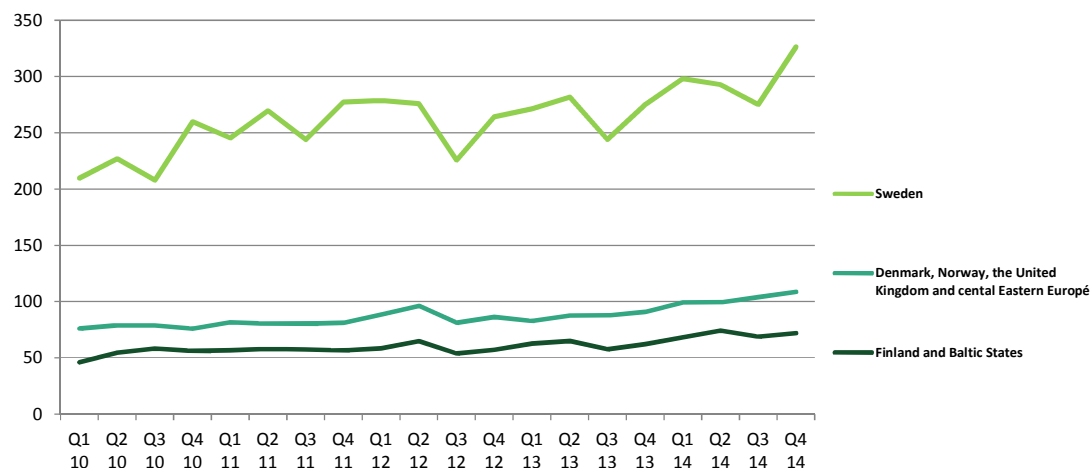
The total return on equity for 2014 was 21%, which exceeds the 20% target.

Shareholders' equity amounted to SEK 552 million (725) with an equity/assets ratio of 49% (66%) on 31 December 2014.

The share redemption carried out in June had a negative impact of SEK -231 million on shareholders' equity.

## Sales growth by region per quarter

SEK  
million



There are small percentage changes across the regions over the period and all regions are experiencing relatively stable growth.

## Sweden.

OEM Automatic AB, OEM Motor AB, Telfa AB, Svenska Batteripoolen AB, Elektro Elco AB, Nexa Trading AB, OEM Electronics AB, Internordic Bearings AB, Svenska Helag AB, Flexitron AB, Agolux AB, Vanlid Transmission AB, Kübler Svenska AB.

SEK million	2014 Q4	2013 Q4	2014 Full year	2013 Full year
Incoming orders	331	267	1 213	1 048
Net sales	326	275	1 193	1 072
EBITA	40	35	155	145
EBITA margin	12 %	13 %	13 %	14 %

In total, net sales rose 11% to SEK 1,193 million (1,072) due to increasing demand on existing entities and the acquisition of Nexa Trading AB and Kübler Svenska AB. Comparable entities reported a 6% increase. The movement in exchange rates had a beneficial effect on net sales of approximately 3%. This means that organic growth was 3%. Elektro Elco, OEM Automatic and OEM Motor account for the largest percentage growth in net sales in Sweden.

Total incoming orders rose 16% to SEK 1,213 million (1,048).

Incoming orders were 2% higher than net sales in 2014, which is a positive sign.

EBITA rose 7% to SEK 155 million (145). Excluding the non-recurring expenses related to the lawsuit, EBITA rose 10% to SEK 160 million.

## Finland and the Baltic States.

OEM Automatic FI, Akkupojat Oy, OEM Electronics FI, OEM Automatic OU, OEM Automatic UAB, OEM Automatic SIA, OEM Automatic (Shanghai) Co.Ltd.

SEK million	2014 Q4	2013 Q4	2014 Full year	2013 Full year
Incoming orders	72	61	287	246
Net sales	72	62	284	248
EBITA	4	4	20	18
<i>EBITA margin</i>	5 %	7 %	7 %	7 %

Demand was slow for Finnish industries in general in 2014. Yet despite this, net sales rose 15% to SEK 284 million (248) in 2014. The movement in exchange rates had a beneficial 5% effect on net sales and acquisitions had a beneficial 2% effect on net sales. This means that organic growth was 8%. The batteries and cables business areas have shown the strongest growth in the period. Incoming orders have also been strong and increased by 17% to SEK 287 million (246). Incoming orders were 1% higher than net sales in 2014, which is a positive sign. EBITA rose 11% to SEK 20 million (18), due primarily to increased net sales.

## Denmark, Norway, UK and Central Eastern Europe.

OEM Automatic Klitsö A/S, OEM Automatic AS, OEM Automatic Ltd, OEM Automatic Sp z o. o., OEM Electronics PL, OEM Automatic spol. s r.o., OEM Automatic s.r.o., OEM Automatic Kft., Scanding A/S.

SEK million	2014 Q4	2013 Q4	2014 Full year	2013 Full year
Incoming orders	108	92	416	355
Net sales	109	91	411	349
EBITA	6	7	32	27
<i>EBITA margin</i>	6 %	8 %	8 %	8 %

Net sales rose 18% to SEK 411 million (349) in 2014 due to increasing demand, particularly in Poland, the Czech Republic, Denmark and the UK. The movement in exchange rates had a beneficial 5% effect on net sales. Acquisitions have increased the net sales by 4%, which means that organic net sales rose 9% for the region. The level of incoming orders has also been good, rising 17% to SEK 416 million (355). Incoming orders were 1% higher than net sales in 2014, which is a positive sign. EBITA rose 19% to SEK 32 million (27), due primarily to increased net sales.

## Other financial information.

### New financial targets

New financial targets for the company were set at the Board meeting on 21 October 2014. The reason for the introduction of new targets is that the market situation is different today to what it was when the last set of targets was established and that the company is aiming to have more clearly defined targets for its performance.

The target for sales growth through a business cycle has changed from 15% per annum to at least 10% per annum. The Board has taken into account the underlying growth and inflation in the markets in which OEM International operates and has made the assessment that this is a more appropriate target. The previous target was set in the 1990s when the underlying growth and inflation looked different. The 15% target for annual earnings growth over a business cycle has been replaced by a new financial target: A minimum EBITA margin of 10% per annum through a business cycle. The reason is that this financial target more clearly defines the level of profitability that the company wants to achieve.

OEM International's new financial targets are:

- Minimum sales growth of 10% per annum through a business cycle.
- A minimum EBITA margin of 10% per annum through a business cycle.
- A minimum return on equity of 20% per annum through a business cycle.
- A minimum equity/assets ratio of 35%.

### Cash flow

Operating cash flow was SEK 151 million (134) during the year. The total cash flow for the year was SEK -94 million (-7). It was impacted by SEK -43 million (-44) from investing activities, SEK -92 million (-87) from dividends and SEK -231 million (-) from redemption of shares.

### Investments

The Group's investments in property, plant and equipment totalled SEK 68 million (35). Property, machinery and equipment accounted for SEK 20 million (29), intangible assets for SEK 48 million (6), of which SEK 47 million (-) are related to business combinations.

### Cash and cash equivalents

Cash and cash equivalents, comprising cash and bank balances, amounted to SEK 80 million (173). Cash and cash equivalents, together with committed undrawn credit facilities, amounted to SEK 320 million (393) on 31 December 2014.

### Intangible assets

Amortisation of intangible assets totalling SEK 22 million (19) has been charged to the income statement. The carrying amount in the Statement of Financial Position on 31 December 2014 was SEK 175 million (145).

### Equity/assets ratio

On 31 December 2014, the equity/assets ratio was 49% (66%).



## Employees

The Group's average number of employees for the year was 654 (631).

At the end of the year, the number of employees was 659 (643). 15 of these employees come from acquired companies.

## Share repurchase

The company has not repurchased any shares during the year. The company's total shareholding was 61,847 shares on 31 December 2014, which is equivalent to 0.3% of the aggregate number of shares. The Annual General Meeting is authorised to repurchase up to 10% of the shares, which is the equivalent of 2,316,930 shares.

## Share split and redemption of shares

The Annual General Meeting agreed on an ordinary dividend of SEK 4 and, in order to change the capital structure, to transfer SEK 10 per share to the shareholders. This corresponded to a transfer of SEK 231 million to the shareholders. The transfer took place in June via an automatic redemption procedure. The number of shares remains the same after the share split; 23,169,309 shares divided into 4,767,096 class A shares and 18,402,213 class B shares.

The Swedish tax agency has issued general advice on the allocation of the acquisition cost between remaining shares and redemption shares. The recommendation means that the acquisition cost is allocated between ordinary shares and redemption shares respectively, whereby 8.8% shall be attributed to the redemption shares and 91.2% to the remaining shares.

## Acquisitions in 2014

On 15 January 2014, the majority of the operations of the Finnish company Mytrade, was acquired. Mytrade's core business is the marketing of visions systems. The business, which generated a SEK 9 million turnover in 2013, has been integrated into the operations of OEM Automatic Finland and became part of the Finland and Baltic States region on 1 January 2014.

On 27 January 2014, all of the shares in Nexa Trading AB were acquired. The company markets products, primarily in the Nordic countries, for wireless control of lighting and such, and safety products for the home. It generated a SEK 52 million turnover in 2013. The company became part of Region Sweden on 1 January 2014.

On 3 July 2014, all of the shares in the Danish company Scanding A/S were acquired. The company markets flow components primarily for the processing industry in Denmark. The company's sales in 2013 amounted to approximately DKK 25 million. The company became part of Region Denmark, Norway, UK and Central Eastern Europe on 1 September 2014.

On 27 November 2014, all of the shares in Kübler Svenska AB were acquired. The company markets components for the control of fluid levels or flows in machinery and processes. The company has an annual turnover of approximately SEK 13 million. The company became part of Region Sweden on 1 December 2014.

The total consideration for the businesses acquired was SEK 39 million, plus contingent considerations estimated at SEK 20 million, based on how the businesses develop in the 2014 – 2016 period. Following the acquisitions, OEM's consolidated net sales increased in 2014 by SEK 78 million and operating profit by SEK 6.6 million.



## Acquisition analysis (SEK million)

The acquired companies' net assets at the time of acquisition	Company carrying amounts	Fair value adjustment	Group fair value
Intangible fixed assets	0.1	28	28
Other fixed assets	0.3	-	0.3
Inventories	13	-	13
Other current assets	23	-	23
Cash and cash equivalents	3.1	-	3.1
Deferred tax liabilities	-1.4	-6.1	-7.5
Other liabilities	-21	-	-21
Net identifiable assets/liabilities	17	22	39
Consolidated goodwill	-	20	20

Consideration, including contingent consideration 59

As a result of the acquisitions, other intangible assets have increased by SEK 28 million. The amount relates to customer relationships and supplier relationships that will be amortised over a five-year period. Consolidated goodwill is not tax deductible.

OEM normally uses an acquisition structure with a base consideration and contingent consideration. Contingent consideration is initially valued at the present value of the probable earnings, which amounts to SEK 20 million for the acquisitions this year. The period for contingent consideration is two to three years and the earnings may amount to a maximum of SEK 27 million. Acquisition-related transaction expenses for the period amount to SEK 0.2 million.

## Remeasurement of contingent considerations

Developments in previously implemented acquisitions have not resulted in a remeasurement of contingent consideration liability.

## Accounting policies

This condensed consolidated interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, and in compliance with relevant provisions from the Swedish Annual Accounts Act. The interim report for the Parent Company has been prepared in compliance with the Swedish Annual Accounts Act Chapter 9, Interim Report and the Securities Market Act. The Group and the Parent Company have applied the same accounting policies and basis of preparation as in the latest annual report. No International Financial Reporting Standards (IFRS) or International Financial Reporting Interpretations Committee (IFRIC) interpretations adopted in 2014 have had a significant effect on the reported results or financial position of the Group.

## Risks and uncertainties

The OEM Group is exposed to both business-related risks and financial risks through its activities. Business-related risks include competition and operational risks, and financial risks include liquidity risk, interest rate risk and currency risk. The financial operations of the OEM Group and management of financial risks are mainly handled by the Parent Company. Frameworks for risk management procedures and risk mitigation are in place. These frameworks are characterised by a low risk level. The basis is the structured and efficient management of the financial risks that arise in the business.

For a complete report on the risks affecting the Group, please refer to pages 6 and 7 and pages 47 to 49 of the 2013 Annual Report. Other than the risks and uncertainties described in the Annual Report for 2013, no significant risks or uncertainties have been identified or removed.

### **Litigation**

At the beginning of April, Lund District Court delivered judgement on a lawsuit in which the subsidiary Internordic Bearings AB (IBS) has been involved, regarding mutual creditor claims with a client and the client's insurance company for a breach of contract claim.

The judgement means that IBS has lost the case against the client. However, the client's insurance company has not been successful in its action against IBS, and the suit has been dismissed by the Court.

The judgement means that IBS must pay the client a net amount of SEK 4.9 million, including litigation costs, interest and net of the insurance payments that IBS receives via its own insurance company. The amount is included in the company's and the Group's income statement for the first quarter of 2014.

The client and its insurance company have appealed against the judgement to the Court of Appeal. IBS has also decided to appeal against the judgement. It is not known at the time of writing when a hearing by the Court of Appeal may take place.

### **Related party transactions**

No related party transactions have been entered into that materially affected the financial position or the performance of the Group and Parent Company during the year, except for inter-company dividend payments, dividends and redemption of shares.

### **Parent company**

Net sales were SEK 39 million (38) and profit after financial items was SEK 3 million (16). Net sales relate entirely to inter-company transactions. Other current liabilities increased by SEK 118 million, most of which relate to the share redemption. The foregoing risks and uncertainties specified for the Group also apply indirectly to the Parent Company.

### **Events after the close of the reporting period**

On 26 January 2015, OEM International acquired all shares in AB Ernst Hj Rydahl Bromsbandfabrik, known as Rydahls. The company has its head office in Karlstad, sales offices in five other locations in Sweden and is one of Scandinavia's leading suppliers of brake and friction components. It reports annual sales of approximately SEK 120 million and has 45 employees.

### **Nomination Committee**

The Nomination Committee for the Annual General Meeting on 23 April 2015 is composed of:

Lars-Åke Rydh (chair)

Hans Franzén

Jerker Löfgren, Orvaus AB

Agne Svenberg

Bengt Stillström, AB Traction

The Nomination Committee can be contacted through Lars-Åke Rydh, tel. +46 (0)705-924570 or via e-mail [lasse@lasserydh.se](mailto:lasse@lasserydh.se)

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## Dividends

The Board proposes an ordinary dividend of SEK 4.25 per share (4.00). The proposed dividend amounts to SEK 98 million (93).

## Annual Report

The 2014 Annual Report will be available during week 12 at Head Office and on the company's website, where it can be viewed or downloaded as a pdf file. OEM International will not be printing the Annual Report. However a hard copy will be available on request from the company by e-mail [anna.enstrom@oem.se](mailto:anna.enstrom@oem.se) or by calling +46 (0)75-242 40 05.

## Annual General Meeting

The Annual General Meeting will be held at 4 p.m. on 23 April 2015, at Badhotellet in Tranås.

## Financial information

OEM will release financial information as follows:

Annual General Meeting 2015	23 April, 2015
Interim report Q1 2015	23 April, 2015
Interim report Q2 2015	13 July, 2015
Interim report Q3 2015	20 October, 2015
Financial Statement, Full Year 2015	18 February 2016

Tranås, Sweden, 17 February 2015  
OEM International AB (publ)

Jörgen Zahlin  
Managing Director and Chief Executive Officer

The company's auditors have not conducted a special audit of this report.

For further information, please contact the Managing Director, Jörgen Zahlin, on +46 (0)75-242 40 22 or the Finance Director, Jan Cnattingius, on +46 (0)75-242 40 03.

The information in this report is of such a nature that its disclosure by OEM International AB (publ.) is required under the Swedish Securities Market Act. The information was released to the media for publication on 17 February 2015 at 2 p.m.

## The regions' sales and earnings.

### SALES & EARNINGS BY REGION \*

#### Net sales (SEK million) \*

	Jan- dec 2014	Jan- dec 2013	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013
Sweden, external income	1 193	1 072	326	275	293	298	275
Sweden, income from other segments	84	82	20	20	21	22	22
Finland and the Baltic States, external income	284	248	72	69	74	68	62
Finland and the Baltic States, income from other segments	3	3	1	1	1	1	1
Denmark, Norway, the United Kingdom and Central Eastern Europe, external income	411	349	109	104	99	99	91
Denmark, Norway, the United Kingdom and Central Eastern Europe, income from other segments	1	1	0	0	0	0	0
Other operating segments/elimination	-88	-86	-21	-21	-22	-23	-23
	1 887	1 668	507	448	466	466	428

#### Operating profit (SEK million) \*

	Jan- dec 2014	Jan- dec 2013	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013
Sweden	143	137	37	38	33	35	33
Finland and the Baltic States	18	15	3	5	6	4	4
Denmark, Norway, the United Kingdom and Central Eastern Europe	27	23	5	9	6	7	6
	188	175	45	52	45	46	43

#### Consolidated profit/loss (SEK million) \*

	Jan- dec 2014	Jan- dec 2013	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013
Operating profit segment above	188	175	45	52	45	46	43
Group functions	-10	-16	1	-3	-4	-4	-4
Net financial items	-3	-2	-1	-1	-1	-1	0
Pre-tax profit/(loss)	176	157	46	48	40	42	39

## The Group's performance and financial position.

### CONDENSED CONSOLIDATED STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME (SEK MILLION)

	Jan- dec 2014	Jan- dec 2013	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013
Net sales	1 887	1 668	507	448	466	466	428
Other operating income	1	3	0	1	-	-	2
Operating costs ***	-1 667	-1 474	-451	-389	-414	-413	-381
Depreciation of fixed assets	-43	-39	-11	-11	-11	-11	-10
<b>Operating profit</b>	<b>179</b>	<b>159</b>	<b>46</b>	<b>49</b>	<b>41</b>	<b>42</b>	<b>39</b>
Net financial income/expense	-3	-2	-1	-1	-1	-1	0
<b>Pre-tax profit/(loss)</b>	<b>176</b>	<b>157</b>	<b>46</b>	<b>48</b>	<b>40</b>	<b>42</b>	<b>39</b>
Tax	-39	-36	-10	-10	-9	-10	-7
<b>Profit/loss for the period</b>	<b>137</b>	<b>121</b>	<b>36</b>	<b>38</b>	<b>31</b>	<b>32</b>	<b>32</b>
<b>Other comprehensive income</b>							
<b>Periodens resultat</b>	<b>137</b>	<b>121</b>	<b>36</b>	<b>38</b>	<b>31</b>	<b>32</b>	<b>32</b>
<b>Items that have been transferred or may recycled to net income</b>							
Exchange differences for the period on translation of overseas operations	14	4	6	1	6	1	4
<b>Items that can not be recycled to net profit</b>							
Revaluation of defined- benefit pension plans	0	-2	-1	0	2	0	0
<b>Other comprehensive income for the period</b>	<b>14</b>	<b>2</b>	<b>5</b>	<b>1</b>	<b>8</b>	<b>1</b>	<b>4</b>
<b>Comprehensive income for the period</b>	<b>151</b>	<b>123</b>	<b>41</b>	<b>39</b>	<b>39</b>	<b>33</b>	<b>36</b>
Earnings per outstanding share, SEK*	5,92	5,24	1,56	1,65	1,33	1,38	1,38
Earnings per total shares, SEK*	5,90	5,23	1,55	1,65	1,32	1,38	1,38
<b>EBITA**</b>	<b>196</b>	<b>174</b>	<b>50</b>	<b>54</b>	<b>46</b>	<b>47</b>	<b>43</b>

\* Attributable to shareholders of the parent company. There are no dilution effects.

\*\* Definition of EBITA; Operating profit before amortisation of acquisition-related intangible fixed assets.

\*\*\* Costs of SEK 4.9 million relating to a lawsuit judgement have been charged to operating expenses in the January to March 2014 period.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (SEK MILLION)**

	2014-12-31	2013-12-31
<b>Fixed assets</b>		
Goodwill	88	67
Other intangible assets	87	78
<b>Total intangible assets</b>	<b>175</b>	<b>145</b>
Property, plant and equipment	204	211
<b>Total property, plant and equipment</b>	<b>204</b>	<b>211</b>
Financial assets	0	0
<b>Total financial assets</b>	<b>0</b>	<b>0</b>
<b>Total fixed assets</b>	<b>380</b>	<b>356</b>
<b>Deferred tax assets</b>	<b>2</b>	<b>2</b>
<b>Current assets</b>		
Inventories	337	302
Current receivables	325	267
Cash and cash equivalents	80	173
<b>Total current assets</b>	<b>742</b>	<b>742</b>
<b>Total assets</b>	<b>1 123</b>	<b>1 100</b>
<b>Equity</b>	<b>552</b>	<b>725</b>
Non-current interest-bearing liabilities	32	24
Provisions for pensions	3	4
Non-current non-interest-bearing liabilities	12	-
Deferred tax liabilities	70	64
<b>Total non-current liabilities</b>	<b>117</b>	<b>92</b>
Current interest-bearing liabilities	215	88
Current non-interest-bearing liabilities	239	194
<b>Total current liabilities</b>	<b>455</b>	<b>283</b>
<b>Total equity and liabilities</b>	<b>1 123</b>	<b>1 100</b>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SEK MILLION)**

	2014-12-31	2013-12-31
<b>At beginning of year</b>	<b>725</b>	<b>689</b>
<b>Comprehensive income for the period</b>		
Profit/loss for the period	137	121
Other comprehensive income for the period	14	2
<b>Comprehensive income for the period</b>	<b>151</b>	<b>123</b>
Dividends paid	-92	-87
Redemption of shares	-231	-
<b>At the end of the period</b>	<b>552</b>	<b>725</b>

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT (SEK MILLION)**

	Jan- dec 2014	Jan- dec 2013	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013
<b>Operating cash flows</b>							
<b>before movements in working capital</b>	<b>182</b>	158	59	45	33	44	47
Movements in working capital	-31	-24	5	-35	1	-2	12
<b>Operating cash flows</b>	<b>151</b>	134	64	10	35	43	59
Investing cash flows	-43	-44	-10	1	-9	-25	-12
<b>Cash flows after investing activities</b>	<b>108</b>	90	53	11	26	17	47
<b>Financing cash flows</b>							
- Change in financial liabilities	121	-10	-32	-1	147	7	-18
- Dividends paid	-92	-87	-	-	-92	-	-
- Redemption of shares	-231	-	-	-	-231	-	-
<b>Financing cash flow</b>	<b>-203</b>	-97	-32	-1	-176	7	-18
<b>Cash flow for the period</b>	<b>-94</b>	-7	21	10	-150	25	29
Cash and cash equivalents at the beginning of the period	173	181	59	49	198	173	144
Exchange rate difference	2	-1	0	1	1	0	0
<b>Cash and cash equivalents at the end of the period</b>	<b>80</b>	173	80	59	49	198	173

**KEY PERFORMANCE INDICATORS**

	Jan- dec 2014	Jan- dec 2013	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013
Return on equity, %	21,4	17,1	5,1	5,8	6,2	4,3	4,2
Return on capital employed, % **	24,1	21,3	6,0	6,4	6,2	5,5	5,0
Return on total capital % ***	17,8	15,9	4,7	4,5	4,5	4,1	3,7
Equity/assets ratio, %	49,1	65,9					
Earnings per outstanding share, SEK	5,92	5,24	1,56	1,65	1,33	1,38	1,38
Earnings per total shares, SEK	5,90	5,23	1,55	1,65	1,32	1,38	1,38
Equity per total shares, SEK	23,82	31,28					
Average number of outstanding shares (thousands)	23 107	23 107	23 107	23 107	23 107	23 107	23 107
Average total shares (thousands)	23 169	23 169	23 169	23 169	23 169	23 169	23 169
Operating margin, %	9,5	9,5	9,1	10,9	8,9	9,1	9,4
EBITA-margin, % *	10,4	10,5	9,9	11,9	9,9	10,0	10,0

\* Definition of EBITA margin; EBITA divided by net sales.

EBITA = Operating profit before amortisation of acquisition-related intangible fixed assets.

\*\*EBITA plus finance income as a percentage of average capital employed.

\*\*\*EBITA plus finance income as a percentage of average total capital.



## The Parent Company's outcome and financial position

### CONDENSED INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME OF THE PARENT COMPANY (SEK MILLION)

	Jan- dec 2014	Jan- dec 2013	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013
Net sales	39	38	19	7	7	7	21
Operating costs	-42	-43	-10	-10	-11	-11	-11
Depreciation	-7	-6	-2	-2	-2	-2	-2
<b>Operating profit</b>	<b>-10</b>	<b>-11</b>	<b>7</b>	<b>-5</b>	<b>-6</b>	<b>-6</b>	<b>9</b>
Income from investments in Group companies	14	26	20	-	4	-	-4
Net financial income/expense	-1	1	-1	0	0	0	0
<b>Profit/loss after financial items</b>	<b>3</b>	<b>16</b>	<b>26</b>	<b>-5</b>	<b>-3</b>	<b>-5</b>	<b>5</b>
Year-end appropriations	129	107	129	-	-	-	107
<b>Pre-tax profit/(loss)</b>	<b>132</b>	<b>124</b>	<b>126</b>	<b>15</b>	<b>-3</b>	<b>-5</b>	<b>112</b>
Tax	-27	-22	-30	1	1	1	-26
<b>Profit/loss for the period</b>	<b>106</b>	<b>102</b>	<b>96</b>	<b>16</b>	<b>-2</b>	<b>-4</b>	<b>86</b>

Comprehensive income for the period corresponds with the profit/loss for the period.

### CONDENSED BALANCE SHEET OF THE PARENT COMPANY (SEK MILLION)

<b>Assets</b>	<b>2014-12-31</b>	<b>2013-12-31</b>
Intangible fixed assets	20	23
Property, plant and equipment	19	20
Financial assets	371	324
<b>Total fixed assets</b>	<b>410</b>	<b>367</b>
Current receivables	257	237
Cash on hand and demand deposits	0	139
<b>Total current assets</b>	<b>257</b>	<b>376</b>
<b>Total assets</b>	<b>667</b>	<b>743</b>
<b>Equity and liabilities</b>		
<b>Equity</b>	<b>182</b>	<b>400</b>
<b>Untaxed reserves</b>	<b>191</b>	<b>177</b>
<b>Deferred tax liabilities</b>	<b>2</b>	<b>2</b>
Non-current non-interest-bearing liabilities	10	-
<b>Total non-current liabilities</b>	<b>10</b>	<b>-</b>
Current interest-bearing liabilities	110	-
Current non-interest-bearing liabilities	171	164
<b>Total current liabilities</b>	<b>282</b>	<b>164</b>
<b>Total equity and liabilities</b>	<b>667</b>	<b>743</b>
Pledged assets	7,5	7,5
Contingent liabilities	221	192



## **One of Europe's leading technology trading companies with 30 operating entities in 14 countries.**

For 40 years, OEM's idea has been to serve as a link that creates value between customers and manufacturers of industrial components and systems. Over the years, the company has grown from a small, family-owned business in Tranås in southern Sweden into an international technology trading group operating in 14 countries in northern Europe, Central Eastern Europe, the UK and China. OEM has partnerships with more than 300 leading and specialist manufacturers and is responsible for their sales in selected markets. Its range comprises more than 25,000 products in the areas of electrical components, flow components, motors and transmissions, ball bearings and seals, appliance components and lighting. The Group has a customer base of more than 20,000 businesses, primarily in the manufacturing sector. The company's high level of expertise enables it to help customers increase purchasing efficiency and choose the right components.



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