

INTERIM REPORT JANUARY–SEPTEMBER 2017

Third quarter

- **Operating income** amounted to SEK 367 million [383] and organic growth was -4 per cent
- **Operating profit** amounted to SEK 9 million [16], yielding an operating margin of 2.4 per cent [4.2]
- **Profit after tax** amounted to SEK 6 million [12]
- **Earnings per share after dilution** was SEK 0.35 [0.67]

January–September

- **Operating income** amounted to SEK 1,289 million [1,289] and organic growth was 0 per cent
- **Operating profit** amounted to SEK 59 million [63], yielding an operating margin of 4.5 per cent [4.9]
- **Profit after tax** amounted to SEK 44 million [47]
- **Earnings per share after dilution** was SEK 2.45 [2.59]
- **The equity/assets ratio** was 61 per cent [51]

Comment from CEO Markus Granlund:

As previously communicated, the third quarter is weak in terms of earnings due to the vacation period and moreover one fewer working day compared with last year. During the quarter, we continued our move towards a more value-based offering and international deliveries, which provides Semcon with a favourable market position.

Our offering providing digital strategies and developing the next generation of smart, connected products has generated strong interest. During the year, Semcon has been entrusted to deliver digitalisation strategies to new and existing customers in various industries that will result in products that are more attractive and user-friendly. The combination of our strategic excellence and long experience in product development, which we have obtained through collaboration with thousands of customers in a number of industries and countries, makes us an attractive and strategic partner.

Product information is essential for the user experience of a product and for our customers' aftermarket. During the quarter, we expanded collaboration with a customer in the telecom industry that clearly sees the benefit of enhancing the quality, increasing digital distribution and streamlining the production of its product information. We are proud to see that we are a leading international player in respect of optimising our customers' aftermarket business.

Our user-focused product development is continuing to win awards and in August Semcon won the NES Award 2017. The campaign film for smart, connected products was also voted Sweden's second best advertising film of 2017, won the Swedish Design Award and received international acclaim. In September, we also hosted the Born to Drive research project, which shows how cars can be driverlessly transported through the logistics chain. The project is a collaboration between technology companies, authorities, component manufacturers and Volvo Cars. Our customers also demonstrated their appreciation of Semcon as a supplier when Semcon was awarded the Stora Leverantörspriset in October.

Our main aim is to further strengthen margins by becoming an even more attractive employer, by improving productivity and cost-efficiency irrespective of business model and by accelerating our strategic shift with increased sales of Semcon's concept offerings. Even though the fourth quarter also has one fewer working day, compared with last year, we expect a strong finish of 2017 in terms of earnings.

Income and result Third quarter

Operating income amounted to SEK 368 million [383]. Adjusted for currency effects, acquisitions and divestments, income fell by 4 per cent. The quarter included one fewer working day compared with last year, accounting for around 2 per cent of the fall in income. Operating profit amounted to SEK 9 million [16], yielding an operating margin of 2.4 per cent [4.2]. The calendar effect had a negative impact on earnings of about SEK 6 million compared with last year.

Net financial items amounted to SEK - million [-], yielding profit before tax of SEK 9 million [16]. Tax expense for the quarter amounted to SEK -2 million [-4]. Profit after tax amounted to SEK 6 million [12] and earnings per share after dilution totalled SEK 0.35 [0.67].

January–September

Operating income amounted to SEK 1,289 million [1,289] and organic growth was 0 per cent. The period included one fewer working day compared with last year. New business in Product Information, to sectors such as telecommunications, has not been able to fully offset the reduced scope of the partnership with Jaguar Land Rover in the UK. Operating profit amounted to SEK 59 million [63], yielding an operating margin of 4.5 per cent [4.9]. The calendar effect for the period had a negative impact on earnings of about SEK 6 million compared with last year. Engineering Services reported improved earnings while Product Information noted a deterioration. The preceding year included positive non-recurring items of SEK 7 million in Product Information's earnings.

Net financial items amounted to SEK -1 million [-1], yielding profit before tax of SEK 58 million [62]. The tax expense for the period amounted to SEK -14 million [-15]. Profit after tax amounted to SEK 44 million [47] and earnings per share after dilution totalled SEK 2.45 [2.59].

Financial position

January–September

Operating cash flow from current activities was SEK 42 million [8]. Investments in hardware, licenses, office supplies and equipment amounted to SEK 7 million [30]. The Group's cash and cash equivalents amounted to SEK 88 million [56]. In addition, the Group had non-utilised credit of SEK 369 million [257] as of 30 September. Shareholders' equity amounted to SEK 528 million [638] and the equity/assets ratio was 61 per cent [51]. During the second quarter, a dividend of SEK 40 million [22] was paid to shareholders. The Group's net cash [net debt] amounted to SEK 84 million [-133].

Change in operating income

	Jan-Sept 2017	Jan-Dec 2016
Acquisition	-	3%
Currency effects	-	-2%
Organic growth	-	5%
Total	-	6%

Important events during the year

- Semcon divested its German engineering business, which formed the Business Area Engineering Services Germany, to Valmet Automotive on 28 February. The business had 775 employees and income in 2016 amounted to SEK 863 million [901] with an operating loss of SEK -51 million [-49]. Operations are recognised in this report as divested operations. For further information, see Note 1.
- From April 1, the engineering services business areas, Engineering Services Nordic and Engineering Services International, were merged into one business area, Engineering Services.
- Semcon's proprietary innovation, PAW [Proactive Wipers] a software that identifies at an early stage when windscreen wipers need to be activated, was launched in February. PAW is patent pending and there is also a significant potential in solutions for use in autonomous vehicles.
- In April, Semcon launched a mentoring programme in some 30 upper secondary schools across Sweden to encourage women to choose technology programmes at university. The programme includes seminars and mentoring between women engineers at Semcon and students in the classes.
- Olof Christensson, Business Area President of Engineering Services, chose to leave Semcon in April to take up a position in another industry. Semcon's President Markus Granlund will be acting business area president until further notice.
- In May, Karin Russberg was appointed new Director HR and Sustainability of Semcon Group tasked with leading the company's strategic HR and sustainability work. Karin assume her new position on 14 August and reports to the President and is also a member of Semcon's Group management team.
- In the third quarter, several contracts were extended for the Product Information business area, including a three-year contract with one of the largest customers in the business area.
- Several new contracts in the field of connected products were awarded to the Engineering Services business area during the third quarter.

Parent company

Operating income for the Parent Company amounted to SEK 16 million [19] and pertains to payment for intra-Group services. Profit before tax totalled SEK 103 million [-38].

Employees

The head count on 30 September was 2,082 [2,036] and the number of employees in active service was 2,017 [1,914]. In the respective business areas, the head count is as follows: Engineering Services 1,451 [1,455] and Product Information 631 [581].

Ownership structure

On 30 September, JCE Group owned 25.8 per cent [25.8] of shares in Semcon, Nordea Investment Funds 7.9 per cent [5.2], Ålandsbanken 4.9 per cent [5.0], BNYM RE Regents 3.6 per cent [3.4] and DnB Carlson Fonder 3.4 per cent [3.4]. Semcon had 4,513 [4,211] shareholders, of whom 35.3 per cent [26.9] were registered abroad. The number of ordinary shares at the end of the year was 18,112,534 [18,112,534], all with the quotient value of SEK 1 and equal voting rights.

Semcon's holding of own shares on 30 September amounted to 241,675 [242,718]. Semcon is listed on the Nasdaq Stockholm Small Cap list under the SEMC ticker. A summary of the largest shareholders and price trend is available at www.semcon.se.

Incentive scheme

A decision was made at the Annual General Meeting on 26 April 2017 to introduce a long-term performance-based share savings scheme for around 40 senior executives and key personnel in the Semcon Group. This scheme runs for four years starting in July 2017 and covering a maximum of 200,000 shares. The current holding of own ordinary shares held by Semcon is considered to fulfil obligations under the Performance-based Share Savings Schemes 2015 and 2017.

Acquisitions and divestments

Semcon divested its German engineering business, which formed the Business Area Engineering Services Germany, on 28 February. For further information, see Note 1.

Risk and instability factors

The Group and Parent Company's significant risks and uncertainties 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 2016, pages 38-40 and 57-58, include a detailed description of the Group and Parent Company's risk exposure and risk management.

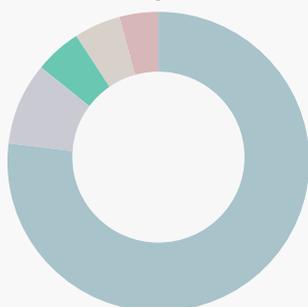
Accounting principles

Semcon follows the IFRS standards adopted by the EU and its interpretations of these [IFRIC]. Starting in the third quarter 2016, Semcon also complies with guidelines published by the European Securities and Markets Authority [ESMA] regarding Alternative Performance Measures. This Interim report has been drawn up in accordance with IAS 34. A number of new standards and IFRIC statements were introduced on 1 January 2017. None of these have had any effect on the Group's accounts over the period. In general, the same accounting policies and methods of calculation have been used in this report as in the latest Annual Report. The new standards IFRS 9 Financial Instruments and IFRS 15 Revenue from contracts with customers, which come into effect on 1 January 2018, are not expected to have any significant effects on the financial statements.

Events after the end of the period

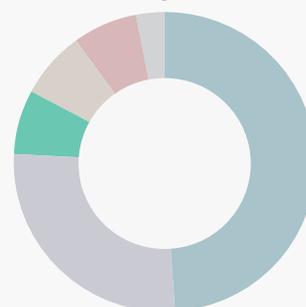
No significant events occurred after the end of the period.

Group income per market
Jan–Sept, 2017



Sweden, 77% [75]
The UK, 9% [13]
Norway, 5% [4]
Brazil, 5% [4]
Others, 4% [4]

Group income per industry
Jan–Sept, 2017



Automotive, 48% [51]
Industry, 27% [23]
Energy, 7% [9]
Life Science, 7% [7]
Telecom, 8% [7]
Other, 3% [3]

BUSINESS AREAS

Engineering Services

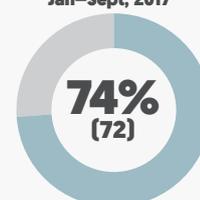
The business area's income amounted to SEK 956 million [949] and organic growth was 0 per cent. A skills shortage in product development, mainly in the Swedish market, impeded growth. Sales to the automotive industry remained good, while demand from energy customers in particular was at a lower level. During the quarter, several new contracts in the field of connected products were received. Operating

profit amounted to SEK 38 million [36], yielding an operating margin of 4.0 per cent [3.8]. Operations in primarily Norway and Brazil reported earnings improvements.

The business area is continuing its efforts to develop a more value-based offering and international deliveries. This shift and associated measures are expected to lead to improved growth and profitability moving forward.

	July-Sept		Jan-Sept		Jan-Dec
	2017	2016	2017	2016	2016
Operating income, mSEK	268.4	279.1	956.0	949.2	1,306.7
Operating profit, mSEK	3.9	10.2	38.3	35.8	65.6
Operating margin, %	1.5	3.7	4.0	3.8	5.0
No. of employees	1,451	1,455	1,451	1,455	1,453

Share of Semcon's total income
Jan-Sept, 2017



Business area in brief

The business area's around 1,500 employees provide services in areas such as product development, plant engineering and production development services. The offer is aimed at requirement and concept studies, design, calculations, construction, embedded systems, testing, simulation, quality control, project management, production and process development and expertise in lean production. Engineering Services has offices in Sweden, Norway, the UK, India and Brazil. Business activities mainly focus on the automotive, industry, energy and life science sectors. Customers include ABB, AB Volvo, Alstom, Aston Martin, AstraZeneca, Autoliv, Bombardier, CEVT, Geely, Fortum, General Electric, Getinge, Husqvarna, Jaguar Land Rover, MAN, McLaren, Metso, Rolls-Royce Marine, Saab, Scania, Siemens, Vattenfall and Volvo Cars.

Product Information

The business area's income amounted to SEK 338 million [369] and organic growth was -8 per cent. New business, to sectors such as telecommunications, has not been able to fully offset the reduced scope of the partnership with Jaguar Land Rover in the UK. Several contracts were extended in the quarter, including a three-year contract with one of the largest customers in the business area.

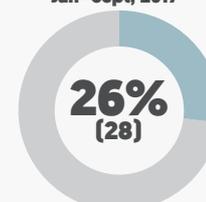
Operating profit amounted to SEK 32 million [37], yielding an operating margin of 9.5 per

cent [10.0]. The preceding year included positive non-recurring items of SEK 7 million in the business area's earnings, of which SEK 5 million in the first quarter and SEK 2 million in the second quarter.

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.

	July-Sept		Jan-Sept		Jan-Dec
	2017	2016	2017	2016	2016
Operating income, mSEK	98.4	109.9	337.5	368.7	489.8
Operating profit, mSEK	6.4	8.7	32.1	36.7	49.2
Operating margin, %	6.5	7.9	9.5	10.0	10.0
No. of employees	631	581	631	581	591

Share of Semcon's total income
Jan-Sept, 2017



Business area in brief

The business area's around 600 employees provide complete information solutions with the primary focus on customers' aftermarket business. The business area's offering supports products and systems throughout the product life cycle: from sales and marketing to installation, maintenance, diagnostics, repairs as well as training service staff. The business area has offices in Sweden, the UK, Hungary, Germany, China and Norway. Customers are mainly in the automotive, telecom and IT, engineering, med-tech and energy sectors. These include ABB, AB Volvo, Baxter, Bombardier, CEVT/Lynk & Co, ESAB, Jaguar Land Rover, Saab, Siemens, London Electric Vehicle Company, UniCarriers and Volvo Cars.

Göteborg October 27, 2017

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

Markus Granlund
President and CEO

This information is information that Semcon AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication at 13.00 CET on 27 October 2017.

Consolidated FINANCIAL, SUMMARY

Income statements

mSEK	July-Sept		Jan-Sept		Jan-Dec
	2017	2016	2017	2016	2016
Continuing operations					
Operating income	367.5	382.7	1,289.1	1,289.4	1,755.9
Purchase of goods and services	-72.1	-83.7	-246.7	-272.7	-365.4
Other external operating expenses	-33.9	-34.2	-110.0	-108.6	-137.7
Staff costs	-250.1	-245.7	-865.5	-836.3	-1,146.0
Operating profit before depreciation	11.4	19.1	66.9	71.8	106.8
Depreciation of tangible fixed assets	-1.9	-2.1	-6.0	-6.3	-8.4
Depreciation of intangible assets	-0.8	-0.8	-2.3	-2.4	-3.3
Operating profit	8.7	16.2	58.6	63.1	95.1
Net financial items	-0.2	-0.4	-0.7	-1.4	-0.2
Profit before tax	8.5	15.8	57.9	61.7	94.9
Tax	-2.1	-3.6	-13.6	-14.8	-26.9
Profit after tax from continuing operations	6.4	12.2	44.3	46.9	68.0
Result from discontinued operations [Note 1]	-	3.9	0.1	8.3	-116.3
Total profit after tax	6.4	16.1	44.4	55.2	-48.3
Profit attributable to:					
Parent company's shareholders	6.4	16.1	44.4	55.2	-48.3
Non-controlling interests	-	-	-	-	-
Total profit after tax	6.4	16.1	44.4	55.2	-48.3
Earnings per share before dilution [SEK]	0.36	0.90	2.48	3.09	-2.70
- of which continuing operations	0.36	0.68	2.48	2.62	3.81
Earnings per share after dilution [SEK]	0.35	0.89	2.45	3.05	-2.67
- of which continuing operations	0.35	0.67	2.45	2.59	3.75
No. of working days in period	65	66	187	188	252

Statement of comprehensive income

mSEK	July-Sept		Jan-Sept		Jan-Dec
	2017	2016	2017	2016	2016
Profit after tax	6.4	16.1	44.4	55.2	-48.3
Items that cannot be reclassified as profit or loss					
Actuarial profits or losses	-	-	-	-	-10.0
Tax	-	-	-	-	2.9
Total	-	-	-	-	-7.1
Items that can be reclassified as profit or loss					
Translation differences for the period	-2.5	6.7	-5.4	14.9	14.8
Hedging of net investments	-	-8.3	-	-18.3	-15.9
Cash flow hedging	-	-	-	0.1	-
Tax attributable to hedging effects of net investments	-	1.8	-	4.0	3.5
Total	-2.5	0.2	-5.4	0.7	2.4
Other comprehensive income	-2.5	0.2	-5.4	0.7	-4.7
Total comprehensive income for the period	3.9	16.3	39.0	55.9	-53.0
Comprehensive income attributable to:					
Parent company's shareholders	3.9	16.3	39.0	55.9	-53.0
Non-controlling interests	-	-	-	-	-
Total	3.9	16.3	39.0	55.9	-53.0

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

mSEK	July-Sept		Jan-Sept		Jan-Dec
	2017	2016	2017	2016	2016
Continuing operations	3.9	12.0	38.9	47.0	68.4
Discontinued operations	-	4.3	0.1	8.9	-121.4
Total	3.9	16.3	39.0	55.9	-53.0

Balance sheets*

mSEK	Sept 30		Dec 31
	2017	2016	2016
Assets			
Intangible assets, goodwill	274.6	477.1	274.7
Other intangible assets	13.8	16.3	14.7
Tangible fixed assets	30.9	68.5	33.0
Financial fixed assets	0.6	-	-
Deferred tax recoverable	3.8	61.4	4.2
Accounts receivable	241.5	272.3	278.9
Accrued non-invoiced income	178.9	237.8	133.7
Other current assets	40.8	68.6	30.4
Cash and cash equivalents	87.8	55.7	39.9
Assets held for sale [note 1]	-	-	379.9
Total assets	872.7	1,257.7	1,189.4
Shareholders' equity and liabilities			
Shareholders' equity	528.5	638.3	529.4
Pensions obligations	3.4	73.1	3.5
Deferred tax liabilities	46.2	35.2	36.8
Interest-bearing short-term liabilities	-	116.0	131.3
Accounts payable	40.8	54.5	45.8
Non-accrued invoiced income	15.1	10.8	11.9
Other non interest-bearing current liabilities	238.7	329.8	250.7
Liabilities held for sale [note 1]	-	-	180.0
Total shareholders' equity and liabilities	872.7	1,257.7	1,189.4

* The balance sheet items of September 30, 2016 includes discontinued operations.

Change in shareholders' equity

mSEK	Sept 30		Dec 31
	2017	2016	2016
Shareholders' equity at the start of the period	529.4	604.5	604.5
Total comprehensive income	39.0	55.9	-53.0
Share-based remuneration	0,3	0,2	0.2
Shareholder dividend	-40,2	-22,3	-22.3
Shareholders' equity at the end of the period	528.5	638.3	529.4

Capital employed

mSEK	Sept 30		Dec 31
	2017	2016	2016
Total assets	872.7	1,257.7	1,189.4
Deferred tax liabilities	-46.2	-35.2	-36.8
Accounts payable	-40.8	-54.5	-45.8
Other non interest-bearing liabilities	-253.8	-340.6	-442.6
Total capital employed	531.9	827.4	664.2
Average capital employed	679.7	850.8	736.6

Cash flow statements*

mSEK	July-Sept		Jan-Sept		Jan-Dec
	2017	2016	2017	2016	2016
Cash flow from current activities					
before change in working capital	9.0	25.6	63.0	83.8	116.3
Change in working capital	-40.0	22.0	-21.4	-75.9	-82.9
Cash flow from current activities	-31.0	47.6	41.6	7.9	33.4
Investments	-1.6	-3.9	-7.1	-30.2	-34.0
Acquisition and divestments of subsidiaries	-	-	161.7	-	-
Sales of fixed assets	-	0.1	-	0.3	0.4
Cash flow from investment activities	-1.6	-3.8	154.6	-29.9	-33.6
Change in interest-bearing liabilities	-28.2	-33.8	-153.9	-26.8	-18.5
Shareholder dividend	-	-	-40.2	-22.3	-22.3
Cash flow from financing activities	-28.2	-33.8	-194.1	-49.1	-40.8
Cash flow for the period	-60.8	10.0	2.1	-71.1	-41.0
Cash and cash equivalents at the start of the period	149.2	46.8	87.8	126.1	126.1
Translation differences	-0.6	-1.1	-2.1	0.7	2.7
Cash and cash equivalents at the end of the period	87.8	55.7	87.8	55.7	87.8

* Including discontinued operations. Cash flow from discontinued operations, note 1.

Change in net cash/net debt [-]

mSEK	July-Sept		Jan-Sept		Jan-Dec
	2017	2016	2017	2016	2016
Opening balance	118.5	-169.7	-126.7	-78.4	-78.4
Cash flow from current activities	-31.0	47.6	41.6	7.9	33.4
Investments	-1.6	-3.8	-7.1	-29.9	-33.6
Acquisitions and divestments of subsidiaries	-	-	216.6	-	-
Shareholder dividend	-	-	-40.2	-22.3	-22.3
Other	-1.5	-7.5	0.2	-10.7	-25.8
Closing balance	84.4	-133.4	84.4	-133.4	-126.7

Net cash/net debt [-]

mSEK	Sept 30		Dec 31
	2017	2016	2016
Cash and cash equivalents	87.8	55.7	87.8
Pensions obligations	-3.4	-73.1	-83.2
Interest-bearing short-term liabilities	-	-116.0	-131.3
Total net cash/net debt	84.4	-133.4	-126.7

Key figures

	Jan-Sept		Jan-Dec
	2017	2016	2016
Growth in sales [%]	-	5.1	6.0
Organic growth in sales [%]	-0.2	4.9	4.8
Operating margin before depreciation [%]	5.2	5.6	6.1
Operating margin [%]	4.5	4.9	5.4
Profit margin [%]	4.5	4.8	5.4
Return on shareholders' equity [%]*	11.8	10.1	12.0
Return on capital employed [%]*	13.7	10.0	13.2
Equity/assets ratio [%]	60.6	50.8	44.5
Debt/equity ratio [multiple]	-	0.2	0.2
Number of employees at the end of the period	2,082	2,036	2,044

Key figures for the Semcon share

	Jan-Sept		Jan-Dec
	2017	2016	2016
Earnings per share before dilution [SEK]	2.48	2.62	3.81
Earnings per share after dilution [SEK]	2.45	2.59	3.75
Shareholders' equity before dilution [SEK]	29.57	35.72	29.63
Shareholders' equity after dilution [SEK]	29.18	35.24	29.23
Share price/Shareholders' equity [times]	1.79	1.33	1.57
Cash flow from current activities [SEK]	2.30	0.44	1.84
Share price at the end of the period [SEK]	52.25	47.00	46.00
Market cap at the end of the period [mSEK]	946	851	833
Number of shares at the end of the period with the quotient value of SEK 1 [000]	18,113	18,113	18,113
Average number of own shares at the end of the period [000]	242	243	243
Average number of shares [000]	18,113	18,113	18,113

* Rolling 12 months.

Definitions

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.

Cash flow per share

Cash flow from current activities divided by the weighted average number of outstanding shares over the period adjusted for the dilution effect on potential shares.

Net cash/net debt

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

Organic growth

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

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 shares outstanding adjusted for the dilution effect of potential shares.

Operating margin

Operating profit as a percentage of operating income.

Operating margin before depreciation/amortisation

Operating profit before depreciation/amortisation as a percentage of operating income.

Debt/equity ratio

Net debt divided by shareholders' equity.

Equity/assets ratio

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

Capital employed

The balance sheet total minus non interest-bearing provisions and liabilities.

Profit margin

Profit before tax as a percentage of operating income.

Quarterly information by Business Area

	2015				2015	2016				2016	2017		
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		Q1	Q2	Q3
Operating income (mSEK)													
Engineering Services	311.1	307.5	247.5	307.5	1,173.6	319.5	350.6	279.1	357.5	1,306.7	359.3	328.3	268.4
Product Information	134.7	124.1	128.5	116.4	503.7	126.4	132.4	109.9	121.1	489.8	124.3	114.8	98.4
Group items/ eliminations	-13.2	-14.6	1.5	5.6	-20.7	-12.3	-9.9	-6.3	-12.1	-40.6	-8.7	3.7	0.6
Total	432.6	417.0	377.5	429.5	1,656.6	433.6	473.1	382.7	466.5	1,755.9	474.9	446.8	367.4
Operating profit (mSEK)													
Engineering Services	15.8	5.2	5.1	10.9	37.0	7.2	18.4	10.2	29.8	65.6	27.3	7.1	3.9
Product Information	12.6	6.7	3.0	6.1	28.4	12.9	15.1	8.7	12.5	49.2	17.6	8.1	6.4
Group items/ eliminations	1.1	-0.2	-0.4	-7.7	-7.2	0.3	-7.0	-2.7	-10.3	-19.7	-4.6	-5.6	-1.6
Total	29.5	11.7	7.7	9.3	58.2	20.4	26.5	16.2	32.0	95.1	40.3	9.6	8.7
Operating margin (%)													
Engineering Services	5.1	1.7	2.1	3.5	3.2	2.3	5.2	3.7	8.3	5.0	7.6	2.2	1.5
Product Information	9.4	5.4	2.3	5.2	5.6	10.2	11.4	7.9	10.3	10.0	14.2	7.1	6.5
Total	6.8	2.8	2.0	2.2	3.5	4.7	5.6	4.2	6.9	5.4	8.5	2.1	2.4
Number of employees													
Engineering Services	1,361	1,334	1,356	1,450	1,450	1,433	1,434	1,455	1,453	1,453	1,465	1,458	1,451
Product Information	562	555	528	529	529	554	589	581	591	591	612	619	631
Total	1,923	1,889	1,884	1,979	1,979	1,987	2,023	2,036	2,044	2,044	2,077	2,077	2,082
Number of working days													
	62	59	66	63	250	61	61	66	64	252	64	58	65

Parent company

FINANCIAL, SUMMARY

Income statements

mSEK	July-Sept		Jan-Sept		Jan-Dec
	2017	2016	2017	2016	2016
Operating income	5.0	6.3	16.3	18.8	26.3
Other external operating expenses	-4.7	-6.5	-20.1	-22.2	-32.0
Staff costs	-6.0	-5.7	-21.2	-20.2	-30.2
Operating profit/loss	-5.7	-5.9	-25.0	-23.6	-35.9
Net financial items*	0.6	-7.2	128.3	-14.2	56.5
Profit/loss after net financial items	-5.1	-13.1	103.3	-37.8	20.6
Appropriations**	-	-	-	-	-6.6
Profit/loss before tax	-5.1	-13.1	103.3	-37.8	14.0
Tax	1.1	2.8	4.1	8.9	-3.6
Profit/loss for the period	-4.0	-10.3	107.4	-28.9	10.4
* of which translation differences	-0.6	-7.7	2.7	-15.5	-14.9
of which group contribution received	-	-	-	-	69.7
of which dividend	-	-	122.0	-	-
** of which group contribution paid	-	-	-	-	-1.4

Statements of comprehensive income

mSEK	July-Sept		Jan-Sept		Jan-Dec
	2017	2016	2017	2016	2016
Profit/loss for the period	-4.0	-10.3	107.4	-28.9	10.4
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-4.0	-10.3	107.4	-28.9	10.4

Balance sheets

mSEK	Sept 30		Dec 31
	2017	2016	2016
Assets			
Financial fixed assets	473.8	462.9	469.7
Current assets	75.8	110.8	130.7
Cash and cash equivalents	46.4	-	-
Total assets	596.0	573.7	600.4
Shareholders' equity and liabilities			
Shareholders' equity	370.7	264.3	303.5
Untaxed reserves	12.3	7.1	12.3
Interest-bearing current liabilities	-	114.9	130.5
Non interest-bearing current liabilities	213.0	187.4	154.1
Total shareholders' equity and liabilities	596.0	573.7	600.4

Note 1

DISCONTINUED OPERATIONS

The engineering operations in Germany were divested to Valmet Automotive on February 28, 2017. Operations are recognised in this report as discontinued operations. Financial information regarding the divested business for the period up until the date of divestment is presented below.

Analysis of earnings

mSEK	July-Sept		Jan-Sept		Jan-Dec
	2017	2016	2017	2016	2016
Income	-	208.7	111.1	667.8	863.2
Costs	-	-199.6	-125.8	-646.1	-837.2
Operating profit/loss before depreciation	-	9.1	-14.7	21.7	26.0
Depreciation	-	-2.7	-1.6	-8.2	-11.0
Write-downs	-	-	-	-	-66.0
Operating profit/loss	-	6.4	-16.3	13.5	-51.0
Net financial items	-	-0.7	-0.2	-1.6	-3.5
Profit/loss before tax	-	5.7	-16.5	11.9	-54.5
Tax	-	-1.8	-0.4	-3.6	-61.8
Earnings from discontinued operations	-	3.9	-16.9	8.3	-116.3
Profit/loss from divestment after tax [see below]	-	-	17.0	-	-
Profit/loss from discontinued operations	-	3.9	0.1	8.3	-116.3

Details about divestment of operations

mSEK	July-Sept		Jan-Sept		Jan-Dec
	2017	2016	2017	2016	2016
Purchase price received after deduction of divestment costs	-	-	161.2	-	-
Carrying amount of divested net assets	-	-	-146.4	-	-
Profit before tax and currency translation differences	-	-	14.7	-	-
Currency translation differences	-	-	2.3	-	-
Tax	-	-	-	-	-
Profit from divestment after tax	-	-	17.0	-	-

Analysis of cash flows

mSEK	July-Sept		Jan-Sept		Jan-Dec
	2017	2016	2017	2016	2016
Cash flow from current activities	-5.1	-	3.9	-	-15.2
Investments	-	-	-1.2	-	-9.9

Assets and liabilities held for sale

mSEK	Sept 30	Dec 31
	2017	2016
Assets held for sale		
Intangible assets, goodwill	-	134.9
Other intangible assets	-	0.5
Tangible fixed assets	-	34.6
Accounts receivable	-	135.2
Other current assets	-	26.8
Cash and cash equivalents	-	47.9
Total assets held for sale	-	379.9
Liabilities held for sale		
Pension obligations	-	79.7
Accounts payable	-	16.7
Non-accrued invoiced income	-	8.0
Non-interested bearing current liabilities	-	75.6
Total liabilities held for sale	-	180.0

AUDITORS' REPORT PERTAINING TO THE REVIEW

Introduction

We have conducted a review of the financial information in summary (interim report) for Semcon AB [publ] as of 30 September 2017 and the nine-month period that ended on that date. The Board of Directors and the President are responsible for preparing and presenting this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express an opinion on this interim report based on our review.

Focus and scope of the review

We have conducted our review in accordance with the Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing [ISA].

The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Opinion

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects, the accompanying interim report has not been prepared for the Group in accordance with IAS 34 and the Annual Accounts Act and for the Parent Company in accordance with the Annual Accounts Act.

Gothenburg, 27 October 2017

Ernst & Young AB

Staffan Landén
Authorised Public
Accountant

Nina Bergman
Authorised Public
Accountant

CALENDAR

Year-end report 2017	8 February 2018
Interim report January-March 2018	25 April 2018
Annual General Meeting 2018	25 April 2018
Interim report January-June 2018	17 July 2018
Interim report January-September 2018	25 October 2018
Year-end report 2018	7 February 2019

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Semcon is an international technology company that develops products based on human needs and behaviours. We strengthen our customers' competitiveness by always starting from the end user, because the person who knows most about the user's needs creates the best products and the clearest benefits to humans.

Semcon collaborates mainly with companies in the automotive, industry, energy, life science and telecom sectors. With more than 2,000 specialised employees, Semcon has the ability to take care of the entire product development cycle. From strategy and technology development to design and product information. Semcon was founded in Sweden in 1980 and has offices in over 30 locations in eight different countries. In 2016, the Group reported annual sales of SEK 1.8 billion. Read more on semcon.se.