

# Quarterly report January-September 2014

## Poor demand continues with an uncertain market situation

### Third quarter

- The operating income was SEK 612 million (592) and organic growth was -1%
- The operating profit was SEK 32 million (37), giving an operating margin of 5.2% (6.3)
- The profit after tax was SEK 23 million (26)
- Earnings per share (EPS) after dilution was SEK 1.26 (1.43)

### January-September

- The operating income was SEK 1,995 million (1,854) and organic growth was 5%
- The operating profit was SEK 76 million (103), giving an operating margin of 3.8% (5.5)
- The profit after tax was SEK 53 million (72)
- Earnings per share (EPS) after dilution was SEK 2.93 (3.99)
- The equity/assets ratio was 49% (49)
- Return on shareholders' equity was 11% (20)

### Comment from President and CEO Markus Granlund:

"The weak economic climate in Europe means that Semcon's important Swedish export industry is adopting a wait-and-see attitude to new investments, which is having a negative impact on demand and results. Some offices in Germany are still reporting poor results. The relatively poor profitability has meant an overhaul is necessary to further improve activities' efficiency and customize offers on these markets."

We acquired the activities of ibruk AS in Norway in Q3. This means we now have a good platform on which to boost sales in Norway and I'm looking forward to the new opportunities that this will bring.

We estimate that customers' development needs will remain strong, even though the market situation is difficult to predict."



## Income and result

### Third quarter

Operating income amounted to SEK 612 million (592).

Adjusted for currency fluctuations organic growth was -1%.

Activities in Sweden reported poorer sales, partly due to more holiday entitlement taken out compared with last year.

The operating profit amounted to SEK 32 million (37), giving an operating margin of 5.2% (6.3). The poorer result is mainly due to weak utilization rates and more holiday entitlement being taken out.

Net financial items amounted to SEK -1 million (-2), giving a profit before tax of SEK 31 million (35). Tax costs for the quarter stood at SEK -8 million (-9). The profit after tax was SEK 23 million (26) and EPS after dilution was SEK 1.26 (1.43).

### January-September

Operating income rose by SEK 141 million and amounted to SEK 1,995 million (1,854), giving organic growth of 5%. Sales growth is mainly from increased purchase of goods and services in certain projects.

The operating profit amounted to SEK 76 million (103), giving an operating margin of 3.8% (5.5). The poorer operating profit is partly attributable to poorer utilization rates as a result of completion of a major project, purchase stoppages by one customer in Q2 and also one less workday compared with the same period in 2013.

Net financial items totalled SEK -4 million (-5), giving a profit before tax of SEK 72 million (98). Tax costs for the period stood at SEK -19 million (-25). The profit after tax was SEK 53 million (72) and EPS after dilution was SEK 2.93 (3.99).

### Financial position

The operating cash flow from current activities was SEK -43 million (43). Cash flow this year has, apart from poorer results, 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 20 million (20). The Group's liquid assets amounted to SEK 76 million (80) with additional non-utilized credit of SEK 230 million (245) as at 30 September. Shareholders' equity amounted to SEK 648 million (616) and the equity/assets ratio was 49% (49). A shareholder dividend was paid in Q2 of SEK 45 million (36). The Group's net debt amounted to SEK 110 million (74) with a debt/equity ratio of 0.2 times (0.1) and an interest coverage ratio of 21 times (28).

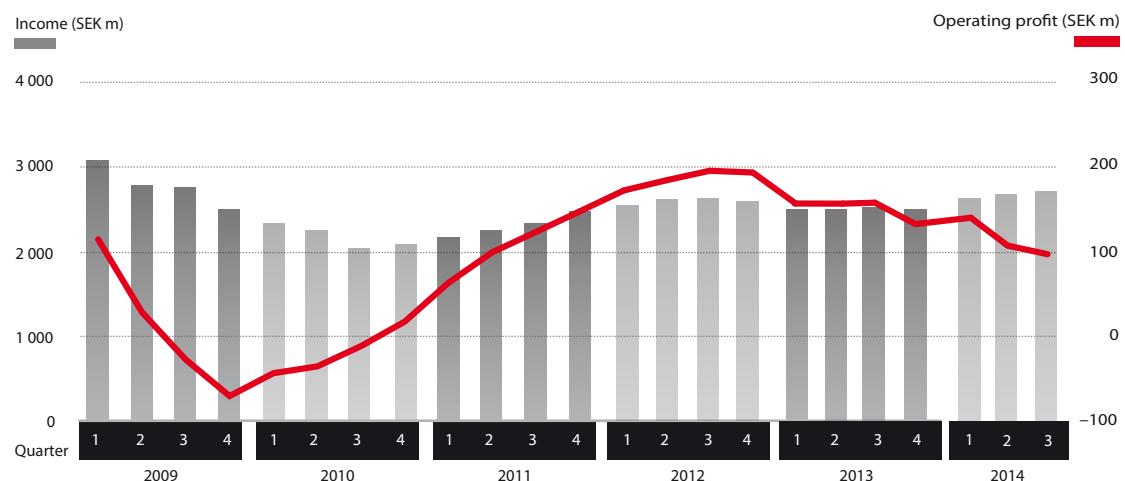
### Staff and organisation

The headcount on 30 September was 3,050 (3,011). The number of employees in active service was 2,940 (2,895). In the respective business areas the headcount is as follows: Engineering Services Nordic 1,071 (1,076), Engineering Services Germany 1,069 (1,086), Engineering Services International 359 (318) and Product Information 551 (531).

### Important events during the period

- 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 activities in ibruk AS in Norway, a company active in the field of product information. The acquisition also now gives Semcon a platform in Norway from which to sell its extensive range of services to the Norwegian market

## Income and operating profit



Result of each quarter for four consecutive quarters, excluding one-off items.

## Ownership structure

As of 30 September, the JCE Group owns 22.2% (30.5) of Semcon's shares, Swedbank Robur fonder 8.4% (8.4), Handelsbanken Fonder 6.7% (5.0), Nordea Investments Funds 6.3% (6.0), and Andra AP-fonden 5.3% (5.3). Foreign ownership was 27.0% (24.3) and the number of shareholders was 3,602 (3,856). 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 30 September. 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 11.

## Acquisitions

Activities in ibruk AS, based in Kongsberg, Norway, were acquired in Q3. Further information about the acquisition can be found on page 5, Product Information business area. No specific additional information has been given in the notes, as the acquisition is not considered tangible. Apart from this no further acquisitions of activities have taken place over the year.

## 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 report as in the latest annual report.

## Events after the end of the period

No significant events took place after the end of the period

## 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, will 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.

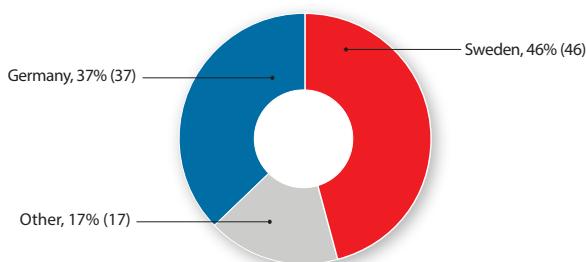
## Outlook

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

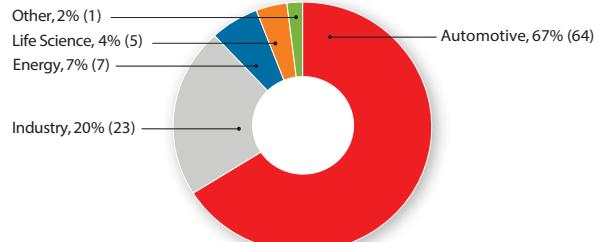
Göteborg 21 October 2014  
Markus Granlund  
President and CEO

SEMC CON AB (PUBL)  
Co. reg.no 556539-9549

## Earnings per market Jan-September 2014



## Group sales per industry Jan-September 2014



## Business areas

### Engineering Services Nordic

The Swedish export industry has generally adopted a wait-and-see attitude to new investments, which has affected demand for new development projects. Q3 included more holiday entitlement compared with last year, which, together with the completion of a major global project in mid Q2 and purchase stoppages by another customer, also negatively affected the business area. Overall sales amounted to SEK 744 million (757) with organic growth of -1%. The operating profit amounted to SEK 24 million (27), giving an operating margin of 3.2% (3.5).

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.

New projects have partly compensated for the completed project in Q2. The business area has, among other things, signed a deal for the facelift of an existing car model for a global auto manufacturer.

Engineering Services Nordic	July-Sept		Jan-Sept		Jan-Dec 2013
	2014	2013	2014	2013	
Operating income, SEK m	209.7	221.5	744.2	756.6	1,024.3
Operating profit/loss, SEK m	5.2	6.6	23.7	26.7	33.8
Operating margin, %	2.5	3.0	3.2	3.5	3.3
No. of employees at period's end	1,071	1,076	1,071	1,076	1,083

### About Engineering Services Nordic

The business area's 1,100 or so 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

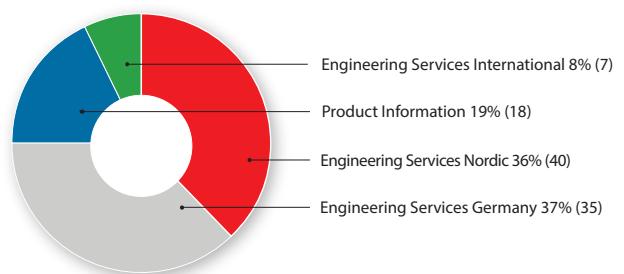
The business area reported increased sales on last year, even though demand differs between customers and between the different offices. Sales overall amounted to SEK 758 million (679), giving sales growth in local currencies of 6%. This growth is mainly attributable to an increased share of purchased goods and services in a number of projects. The operating profit amounted to SEK 16.6 million (28.5), giving an operating margin of 2.2% (4.2). A number of offices continue to report lacklustre profits. In Q2 the business area took measures that affected profits by SEK 2 million.

Engineering Services Germany	July-Sept		Jan-Sept		Jan-Dec 2013
	2014	2013	2014	2013	
Operating income, SEK m	242.9	232.3	757.9	678.9	923.0
Operating profit/loss, SEK m	10.7	13.6	16.6	28.5	29.5
Operating margin, %	4.4	5.9	2.2	4.2	3.2
No. of employees at period's end	1,069	1,086	1,069	1,086	1,078

### About Engineering Services Germany

The business area's 1,100 or so 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 sale, %



## Engineering Services International

The business area, with business activities mainly in the UK, Brazil and India, reported growth. Sales amounted to SEK 156 million (139), giving sales growth in local currencies of 9%. The operating profit amounted to SEK 2.5 million (3.7).

Activities in the UK and Brazil both reported sales growth and improved results. In Brazil and India one-off costs impacted on Q2 by SEK 1 million. Business activities in India reported weaker demand from European customers, which negatively affected sales and results.

Engineering Services International	July-Sept		Jan-Sept		Jan-Dec	
	2014	2013	2014	2013	2013	2013
Operating income, SEK m	53.7	48.1	156.1	139.0	189.8	
Operating profit/loss, SEK m	2.4	2.7	2.5	3.7	4.9	
Operating margin, %	4.5	5.6	1.6	2.7	2.6	
No. of employees at period's end	359	318	359	318	331	

### About Engineering Services International

The business area's 350 or so 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 379 million (343), giving sales growth in local currencies of 6%. New business opportunities to new and existing customers meant that overall sales improved. The operating profit amounted to SEK 32 million (40) with an operating margin of 8.3% (11.6). Restructuring costs in Q2 negatively impacted profits by SEK 3 million.

Semcon acquired ibruk AS, based in Kongsberg, Norway, on 1 September with business 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 activity employs around 20 individuals and suppliers and in 2013 reported sales of NOK 24 million.

Product Information	July-Sept		Jan-Sept		Jan-Dec	
	2014	2013	2014	2013	2013	2013
Operating income, SEK m	124.2	109.2	378.6	343.4	463.3	
Operating profit/loss, SEK m	12.9	13.0	31.6	40.0	54.2	
Operating margin, %	10.4	11.9	8.3	11.6	11.7	
No. of employees at period's end	551	531	551	531	509	

### About Product Information

The business area's 550 or so employees provide complete information services in online market communication and after-market information. The business area supports customers' products throughout the entire product lifecycle, from marketing and sales to installation, maintenance, training and repair. Product Information currently has offices in Sweden, the UK, Germany, Hungary, Norway and China. Customers are mainly found in the automotive, engineering, telecoms and IT, energy and med-tech sectors. Customers include ABB, AB Volvo, Bombardier, Ericsson, Gambio, Jaguar Land Rover, Qoros Auto, Saab, SAP, Siemens, Unicarrier and Volvo Cars.

# Consolidated Financial, summary

## Income Statements

SEK m	July-Sept 2014	2013	Jan-Sept 2014	2013	Jan-Dec 2013
Operating income	612.2	591.9	1,994.8	1,854.4	2,508.4
Purchase of goods and services	-128.0	-121.4	-440.6	-339.9	-461.8
Other external operating expenses	-57.8	-60.1	-180.1	-170.4	-231.5
Staff costs	-388.8	-368.0	-1,281.1	-1,225.3	-1,668.6
<b>Operating profit/loss before depreciation</b>	<b>37.6</b>	<b>42.4</b>	<b>93.0</b>	<b>118.8</b>	<b>146.5</b>
Depreciation of tangible fixed assets	-4.3	-3.7	-12.3	-11.1	-15.1
Depreciation of intangible assets	-1.7	-1.7	-4.9	-4.8	-6.6
<b>Operating profit/loss</b>	<b>31.6</b>	<b>37.0</b>	<b>75.8</b>	<b>102.9</b>	<b>124.8</b>
Net financial items	-0.8	-2.0	-4.2	-5.2	-7.0
<b>Profit/loss before tax</b>	<b>30.8</b>	<b>35.0</b>	<b>71.6</b>	<b>97.7</b>	<b>117.8</b>
Tax	-8.0	-9.1	-18.6	-25.4	-29.7
<b>Profit/loss after tax*</b>	<b>22.8</b>	<b>25.9</b>	<b>53.0</b>	<b>72.3</b>	<b>88.1</b>
EPS SEK	1.28	1.45	2.95	4.03	4.90
EPS after dilution, SEK	1.26	1.43	2.93	3.99	4.86
*Of which parent company shareholders	22.8	25.9	53.0	72.3	88.1
Number of days in period	66	66	186	187	249

## Statement of comprehensive income

SEK m	July-Sept 2014	2013	Jan-Sept 2014	2013	Jan-Dec 2013
Profit/loss after tax	22.8	25.9	53.0	72.3	88.1
Items that cannot be reclassified as profit or loss					
Actuarial profits and losses	-	-	-	1.1	-2.8
Tax	-	-	-	-0.2	0.6
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.9</b>	<b>-2.2</b>
Items that cannot be reclassified as profit or loss					
Translation differences for the period	0.5	-4.7	15.4	-1.8	9.7
Hedging of net investments	-1.7	1.6	-10.9	3.8	-3.1
Cash flow hedging	-	1.7	-	-2.3	-5.0
Tax attributable to hedging effects of net investments and cash flow hedges	0.4	-0.7	2.4	-0.3	1.8
<b>Total</b>	<b>-0.8</b>	<b>-2.1</b>	<b>6.9</b>	<b>-0.6</b>	<b>3.4</b>
<b>Other comprehensive income</b>	<b>-0.8</b>	<b>-2.1</b>	<b>6.9</b>	<b>0.3</b>	<b>1.2</b>
<b>Total comprehensive income for the period*</b>	<b>22.0</b>	<b>23.8</b>	<b>59.9</b>	<b>72.6</b>	<b>89.3</b>

\*Of which parent company shareholders 22.0 23.8 59.9 72.6 89.3

**Quarterly information by business area**

	2012				2013				2014				
	Q1	Q2	Q3	Q4	2012	Q1	Q2	Q3	Q4	2013	Q1	Q2	Q3
<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
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
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
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
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
<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>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
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
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
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
Elimination of group transactions	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
<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>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
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
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
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
<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>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
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
Engineering Services International	325	322	312	313	313	287	300	318	331	331	343	357	359
Product Information	448	468	499	527	527	524	539	531	509	509	526	535	551
<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>
Number of working days	64	58	65	62	249	62	59	66	62	249	62	58	66

## Balance sheets

SEK m	30 Sept 2014	30 Sept 2013	31 Dec 2013
<b>Assets</b>			
Intangible assets, goodwill	449.5	434.5	440.3
Other intangible assets	17.3	18.1	16.6
Tangible fixed assets	43.5	38.6	39.2
Financial fixed assets	17.2	19.5	18.8
Deferred tax recoverable	41.0	40.9	44.5
Accounts receivable	356.3	262.8	371.3
Accrued non-invoiced income	261.2	293.3	172.7
Current assets	67.0	69.9	48.9
Cash and bank assets	76.2	79.5	153.3
<b>Total assets</b>	<b>1,329.2</b>	<b>1,257.1</b>	<b>1,305.6</b>
<b>Shareholders equity and liabilities</b>			
Shareholders equity	648.4	615.8	633.4
Pensions obligations	53.2	47.5	51.4
Deferred tax liabilities	33.0	48.7	27.1
Interest-bearing short-term liabilities	132.9	105.9	94.7
Accounts payable	83.1	64.4	87.0
Non interest bearing current liabilities	378.6	374.8	412.0
<b>Total shareholders equity and liabilities</b>	<b>1,329.2</b>	<b>1,257.1</b>	<b>1,305.6</b>

## Change in shareholders equity

SEK m	30 Sept 2014	30 Sept 2013	31 Dec 2013
Shareholders equity at start of the period	633.4	579.1	579.1
Effect of change of accounting principles	-	-	0.9
Total comprehensive income	59.9	72.6	89.3
Shareholder dividend	-44.9	-35.9	-35.9
<b>Shareholders equity at period's end</b>	<b>648.4</b>	<b>615.8</b>	<b>633.4</b>

## Cash flow statements

SEK m	July-Sept		Jan-Sept		Jan-Dec
	2014	2013	2014	2013	2013
Cash flow from current activities before					
change in working capital	36.2	41.2	73.4	108.1	130.5
Change in working capital	-26.6	15.6	-116.3	-65.1	4.5
<b>Cash flow from current liabilities</b>	<b>9.6</b>	<b>56.8</b>	<b>-42.9</b>	<b>43.0</b>	<b>135.0</b>
Net investments	-7.9	-8.7	-20.4	-20.0	-24.1
Aquisition	-2.2	-	-2.2	-	-
Sales of fixed assets	-	0.1	-	0.2	0.2
<b>Cash flow from investment activities</b>	<b>-10.1</b>	<b>-8.6</b>	<b>-22.6</b>	<b>-19.8</b>	<b>-23.9</b>
Change in interest-bearing liabilities	10.8	-38.0	25.9	-22.6	-42.6
Shareholder dividend	-	-	-44.9	-35.9	-35.9
<b>Cash flow from financing activities</b>	<b>10.8</b>	<b>-38.0</b>	<b>-19.0</b>	<b>-58.5</b>	<b>-78.5</b>
<b>Cash flow for the period</b>	<b>10.3</b>	<b>10.2</b>	<b>-84.5</b>	<b>-35.3</b>	<b>32.6</b>
Cash and bank at the start of the period	61.4	70.2	153.3	115.6	115.6
Translation difference	4.5	-0.9	7.4	-0.8	5.1
<b>Cash and bank at the end of the period</b>	<b>76.2</b>	<b>79.5</b>	<b>76.2</b>	<b>79.5</b>	<b>153.3</b>

## Key figures

	2014	Jan-Sept 2013	Jan-Dec 2013
Growth in sales (%)	7.6	-4.5	-2.4
Organic growth in sales (%)	4.8	-2.7	-1.0
Operating margin before depreciation (%)	4.7	6.5	5.8
Operating margin (%)	3.8	5.5	5.0
Profit margin (%)	3.6	5.4	4.7
Return on shareholders equity (%)*	10.8	20.4	14.6
Return on capital employed (%)*	12.2	20.6	16.1
Equity/asset ratio (%)	48.8	49.0	48.5
Debt/equity ratio (multiple)	0.2	0.1	-
Interest cover ratio (multiple)	20.9	28.4	22.0
Investments in fixed assets (SEK m)	20.4	20.0	24.1
Number of employees at period's end	3,050	3,011	3,001

## Key figures for shares

	2014	Jan-Sept 2013	Jan-Dec 2013
EPS after tax (SEK)	2.95	4.03	4.90
EPS after dilution (SEK)	2.93	3.99	4.86
Shareholders equity before dilution (SEK)	36.08	34.27	35.25
Shareholders equity after dilution (SEK)	35.80	34.00	34.97
Share price/shareholders equity per share (times)	1.45	2.01	1.73
Cash flow from current activities (SEK)	-2.37	2.37	7.45
Share price at the end of the period (SEK)	51.75	68.25	60.50
Market price at the end of the period (SEK m)	937	1,236	1,096
Number of shares at the end of the period (ooo)	18,113	18,113	18,113
Number of own shares at the end of the period (ooo)	143	143	143
Average number of shares (ooo)	18,113	18,113	18,113

\* Rolling 12 months

## Definitions

### Capital employed

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

### Cash flow per share

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

### Debt/equity ratio

Net borrowings divided by shareholders' equity including minority interests.

### EPS after dilution

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

### EPS before dilution

Profit/loss after tax attributable to the parent company's owners divided by the average number of outstanding ordinary shares excluding bought back 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 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 period end, excluding shares bought back held as own shares by the parent company.

### Shareholders' equity per share after dilution

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

# Parent company Financial, summary

## Income statements

SEK m	July-Sept		Jan-Sept		Jan-Dec 2013
	2014	2013	2014	2013	
Operating income	5.5	5.9	18.4	19.5	26.3
Other external operating expenses	-4.6	-6.2	-16.5	-16.4	-21.2
Staff costs	-5.7	-4.1	-17.7	-14.6	-21.6
<b>Operating profit/loss before depreciation</b>	<b>-4.8</b>	<b>-4.4</b>	<b>-15.8</b>	<b>-11.5</b>	<b>-16.5</b>
Depreciation of tangible fixed asset	-	-0.1	-0.2	-0.3	-0.3
<b>Operating profit/loss after depreciation</b>	<b>-4.8</b>	<b>-4.5</b>	<b>-16.0</b>	<b>-11.8</b>	<b>-16.8</b>
Net financial items *	-0.3	5.3	-2.6	30.0	80.3
<b>Profit/loss after net financial items</b>	<b>-5.1</b>	<b>0.8</b>	<b>-18.6</b>	<b>18.2</b>	<b>63.5</b>
Appropriations **	-	-	-	-	3.5
<b>Profit/loss before tax</b>	<b>-5.1</b>	<b>0.8</b>	<b>-18.6</b>	<b>18.2</b>	<b>67.0</b>
Tax	1.1	-0.2	4.1	-4.0	-14.9
<b>Profit/loss after tax</b>	<b>-4.0</b>	<b>0.6</b>	<b>-14.5</b>	<b>14.2</b>	<b>52.1</b>
* Of which translation differencies	-1.2	3.6	-6.5	24.3	16.0
Of which group contribution received	-	-	-	-	57.0
** Of which group contribution paid	-	-	-	-	-5.5

## Statements of comprehensive income

SEK m	July-Sept		Jan-Sept		Jan-Dec 2013
	2014	2013	2014	2013	
Profit/loss for the period	-4.0	0.6	-14.5	14.2	52.1
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-4.0</b>	<b>0.6</b>	<b>-14.5</b>	<b>14.2</b>	<b>52.1</b>

## Balance sheets

SEK m	30 Sept		31 Dec	
	2014	2013	2013	2013
<b>Assets</b>				
Tangible fixed assets	-	0.3	0.2	
Financial fixed assets	458.1	453.3	454.0	
Current assets	159.1	156.7	154.8	
Cash and bank	-	-	-	
<b>Total assets</b>	<b>617.2</b>	<b>610.3</b>	<b>609.0</b>	
<b>Shareholders equity and liabilities</b>				
Shareholders equity	335.4	356.8	394.8	
Untaxed reserves	0.2	9.3	0.2	
Interest-bearing long-term liabilities	-	93.6	-	
Interest-bearing current liabilities	87.0	19.1	98.9	
Non interest-bearing current liabilities	194.6	131.5	115.1	
<b>Total shareholders equity and liabilities</b>	<b>617.2</b>	<b>610.3</b>	<b>609.0</b>	

## Semcon's largest holdings, 30 Sept 2014

Name	No. of shares	Votes, %
JCE Group	4,026,271	22.2
Swedbank Robur fonder	1,521,764	8.4
Nordea Investments Funds	1,211,363	6.7
Handelsbanken fonder	1,141,196	6.3
Andra AP-fonden	961,998	5.3
JPM Chase	577,844	3.2
Fjärde AP-fonden	546,720	3.0
Avanza Pension	456,399	2.5
AMF	442,400	2.4
Europea i Malmö AB	290,000	1.6
<b>Total</b>	<b>11,175,955</b>	<b>61.6</b>
Own shares	142,718	0.8
Others	6,793,861	37.6
<b>Total</b>	<b>18,112,534</b>	<b>100.0</b>

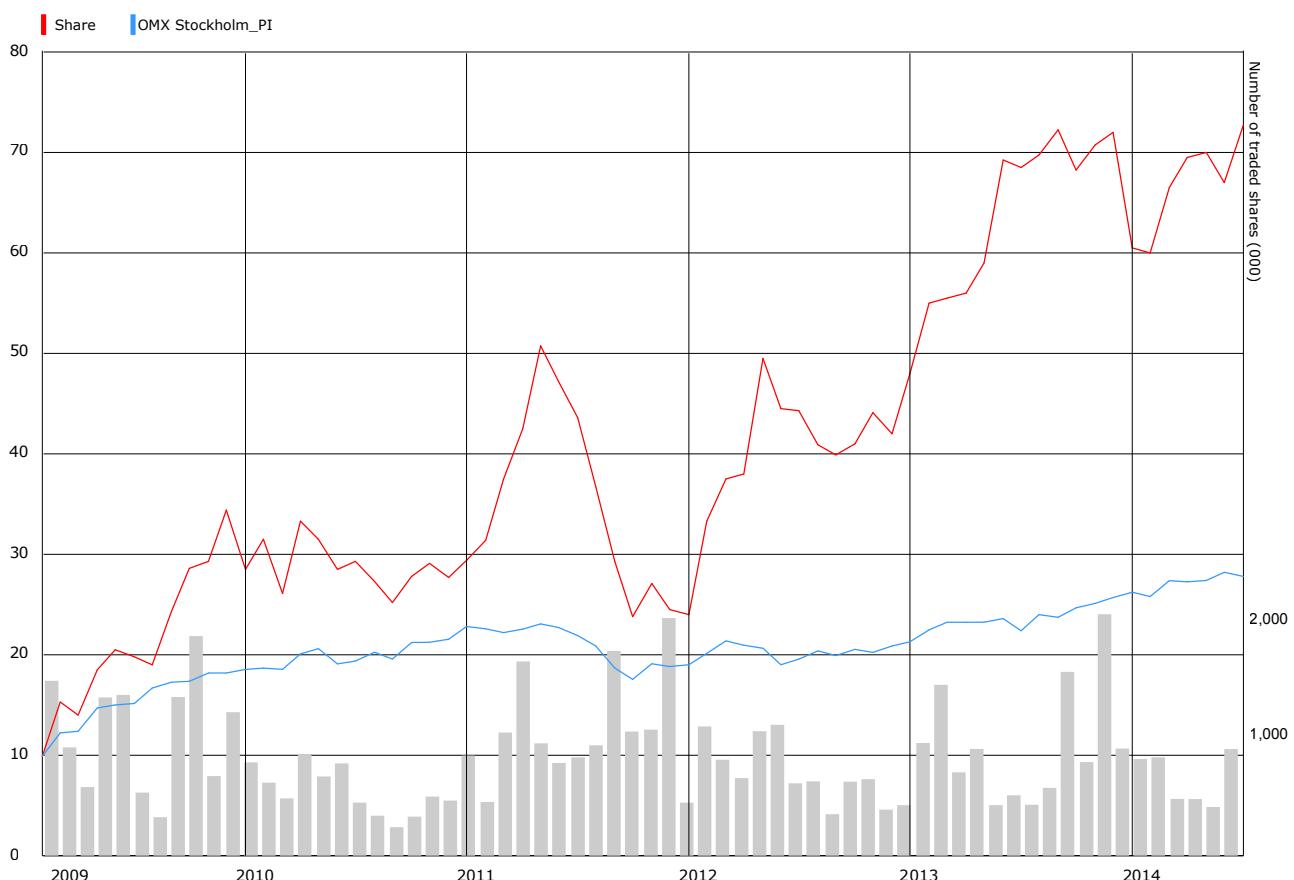
Source: Euroclear Sweden AB register of shareholders on 30 Sept 2014.

## Ownership structure, 30 Sept 2014

	No. of shareholders	No. of shares	Proportion %	Marketvalue SEK (ooo)
1-500	2,477	468,383	2.6	24,239
501-1,000	564	473,400	2.6	24,498
1,001-10,000	549	1,594,700	8.8	82,526
10,001-100,000	77	2,344,625	12.9	121,334
100,001 -	24	13,088,708	72.3	677,340
Own shares	1	142,718	0.8	7,386
<b>Total</b>	<b>3,692</b>	<b>18,112,534</b>	<b>100.0</b>	<b>937,323</b>

Source: Euroclear Sweden AB register of shareholders on 30 Sept 2014.

## Price Trend



Source: NASDAQ Stockholm on 30 Sept 2014.

# Auditor's review report

## Introduction

We have reviewed this interim report for Semcon AB (556539-9549) for the period 1 January 2014 to 30 September 2014. The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

## Review report's emphasis and scope

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review consists of making enquiries, 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 Standards on Auditing in Sweden, RS, and other generally accepted auditing practices. The pro

cedures 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. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

## Conclusion

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

Göteborg, 21 October 2014  
DELOITTE AB

Hans Warén  
Authorized public accountant

### Reporting

Financial statement 2014: 5 February 2015  
Quarterly report Jan-March: 28 April 2015  
AGM 2014: 28 April 2015  
Interim report Jan-June: 16 July 2015  
Quarterly report Jan-Sept: 22 October 2015  
Financial statement 2015: 11 February 2016

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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 21 October 2014.

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 2.5 billion in 2013 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)