

2013





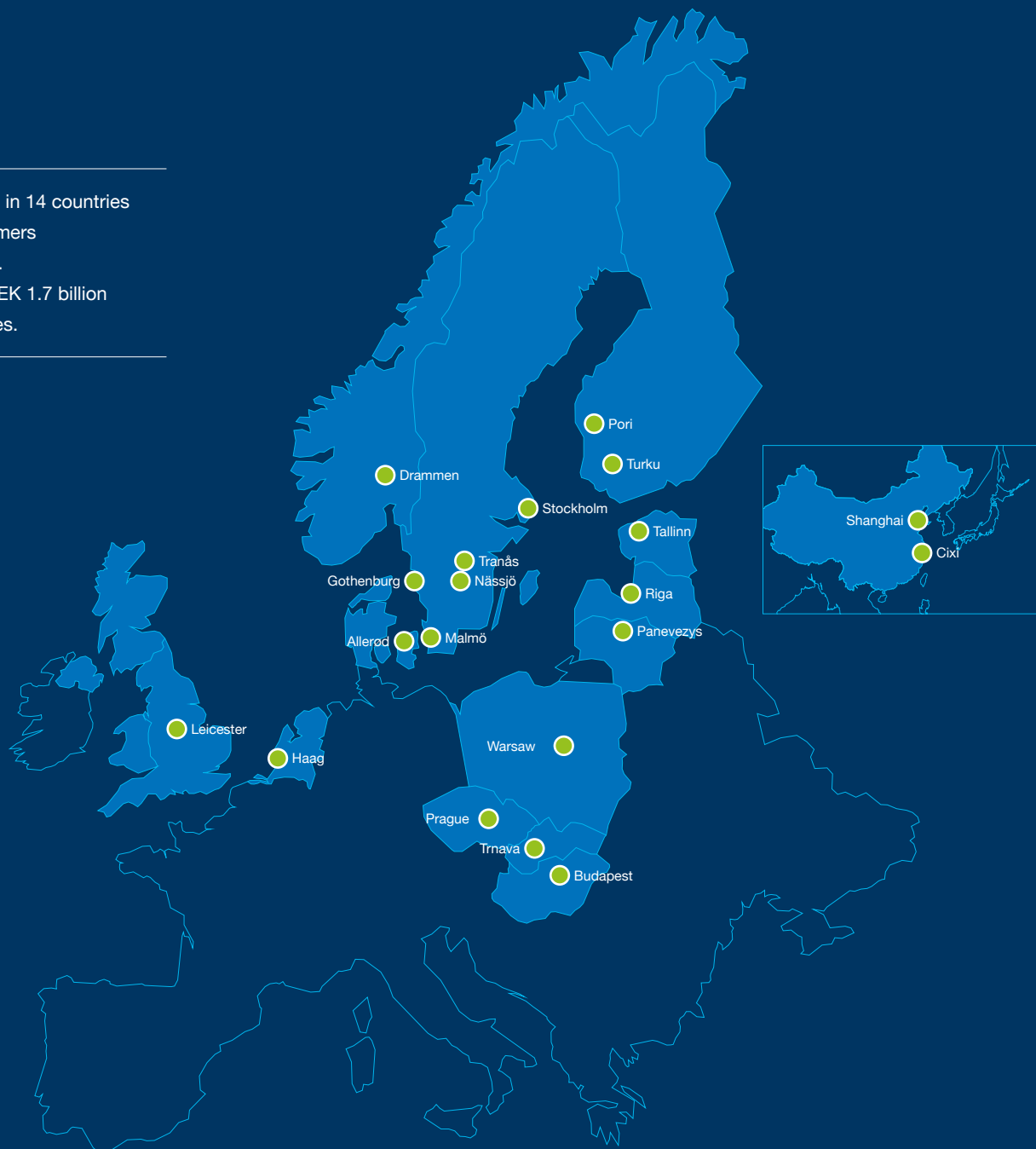
29 operations in 14 countries

20,000 customers

300 suppliers.

Turnover of SEK 1.7 billion

630 employees.



## Contents.

04	Chief Executive's Review.	18	Region Finland and the Baltic States.
06	Vision, business concept, goals and strategies.	20	Region Denmark, Norway, UK and Central Eastern Europe.
08	Value-adding link.	22	Employees.
09	Business model.	24	Quality and the environment.
10	History.	26	Senior Executives.
12	Product areas.	28	The Board and shares.
14	Markets.	30	Key Performance Indicators.
16	Region Sweden.	31	Addresses.

# OEM celebrates 40<sup>th</sup> anniversary.

## From local business to international Group.

For 40 years, OEM's idea has been to serve as a value-adding link 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, the UK and China. *(More about our history on pages 10 and 11.)*

OEM has partnerships with more than 300 leading and specialist manufacturers and drives sales of their products in selected markets.

The range comprises more than 25,000 products in the areas of electrical components, flow technology 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. Recovery was gradual throughout 2013 following months of weak demand in the second half of 2012. This means that for

the year as a whole, sales rose 2 % to SEK 1,668 million (1,631) and profit before tax fell to SEK 157 million (159). 2013 was a year of consolidation.

The process of integrating acquired companies has resulted in the reorganisation of several businesses with changes at management level. OEM heads into 2014 in a strong position and is well prepared for the year ahead, regardless of market trends. The company has the capacity to continue strengthening its portfolio of offerings and increasing its market share.

### Summary.

	2013	2012
Net sales (SEK MILLION)	1668	1,631
Profit before tax (SEK MILLION)	157	159
Profit for the year (SEK MILLION)	121	126
Earnings per share (SEK)	5.24	5.47
Shareholders' equity per share (SEK)	31.28	29.74
Average no. of employees	631	623
Equity/assets ratio (%)	65.9	62.6
Share price at year-end (SEK)	88.75	67.00
Proposed dividend (SEK)	4.00	3.75



# Consolidation puts OEM in a position to seize new opportunities.

## **The market has been making a gradual recovery.**

Generally speaking, the market was cautious in the beginning of 2013. However, the trend was positive in the spring and sales picked up. The positive trend continued throughout the autumn and both third and fourth quarter sales figures exceeded those of the year-ago quarters. Overall, sales rose 2% to SEK 1,668 million, while operating profit fell 2% to SEK 159 million, representing an operating margin of 9.5%. The fall is due to higher costs, which are a result of implemented market investments.

## **Greatest growth outside Scandinavia.**

Sales in China, Poland and the Baltic States rose 35%, 11% and 11% respectively. The UK reported a 10% increase in sales. This is largely attributable to the acquisition of Datasensor at the end of 2012.

Sales for our companies in Sweden and Norway rose 3%, with sales growth in Sweden due to acquisitions. The Danish company reported a 12% decline in sales. This does not reflect the general demand, but is due to two major projects delivered by the company to the processing industry in 2012. Demand in Finland slowed down noticeably in the autumn due to the recession in the Finnish economy. Despite this, sales rose 4% for the year as a whole.

## **Investing in the future.**

After a busy period of acquisitions and expansion in recent years, 2013 was a year of consolidation. The process of integrating acquired companies has resulted in the reorganisation of several Swedish operations, including OEM Electronics AB. This had started to produce positive results in the second half of 2013.

A reorganisation process was implemented in OEM Automatic AB, our largest company, to place greater focus on the core business.

The aim is to stimulate strong growth with a new management structure and dedicated product areas. Similarly, our Finnish organisation implemented a change

programme, which has led to a restructuring of the product areas and has rejuvenated and strengthened leadership.

A plan was developed during the spring for Telfa AB, which specialises in pumps, and a new managing director was appointed with the task of driving a proactive marketing strategy.

During the autumn, we merged the two Swedish battery operations to create a new company – Svenska Batteripoolen AB. By doing so, we are strengthening our portfolio of products and our expertise in this product area. Two companies acquired at the end of 2012, TemFlow Control in Sweden and Datasensor in the UK, were integrated into OEM Automatic in Sweden and OEM Automatic in the UK respectively during the year. This has generated economies of scale and expanded our market potential.

These initiatives have successfully added a new vigour to the companies and we are optimistic that they will have further positive impacts throughout 2014.

## **Marketing activities and partnerships with our manufacturers continue to be the key building blocks for success.**

In our role as the extended arm of the manufacturer in each market, the power of marketing activities is central. Our organisations focus strongly on and work closely with the customers to identify new needs and propose efficient solutions. Local presence continues to be an important part of our strategy. It enables us to come into contact with customers in a way that the manufacturers would not have been able to do on their own.

We have more than 20,000 active customers spread across many different industries. This makes us less sensitive to economic cycles and gives us a unique blend of knowledge and experience about products and applications which ultimately benefit our customers. We have customers of all sizes across our various markets. The largest, for example Tetra Laval, BT-Toyota, Sandvik and Atlas Copco, are important in

many ways, since they represent a relatively large percentage of our sales turnover and they also expect the highest standards. This means we have to deliver a high level of efficiency and service. Our medium-size and small customers are important too as they create volume and contribute to a greater spread of risk.

Through partnerships with our manufacturers, we benefit from their experience and we can shape and influence product development. We see a clear link between strong partnerships and success. During the year, we have therefore prioritised the areas that require increased focus.

## **Appraisal of acquisitions.**

Business acquisitions are central to OEM's strategy for building and developing profitable operations. Our philosophy is to be an active and long-term owner. We produce a development plan for each company that we acquire. This may mean that the business continues to operate as a separate company or is integrated into one of our existing companies. Our ambition is to annually acquire businesses with an aggregate annual turnover of at least SEK 100 million.

In 2013, we strengthened our organisation with a resource whose main task is to work with acquisitions. We evaluated a number of business acquisitions in 2013 but did not close any deals. However, we have made two acquisitions in January 2014 – the majority of the operations of the Finnish company Mytrade, which posted sales of SEK 10 million in 2013, and the Swedish company Nexa Trading, which posted sales of SEK 52 million in 2013.

## **Greater accountability.**

OEM is committed to constantly improving quality along the entire supply chain, contributing to sustainable development by taking social and environmental responsibility and operating to high ethical standards.

A number of steps were taken in 2013 to

develop its Corporate Social Responsibility (CSR) policy. We have established a Code of Conduct for all of the Group's companies. We will use the audit tools that are linked to the Code of Conduct to take greater responsibility in terms of financial viability, business ethics, the environment, employees, customers and suppliers. Greater accountability in these issues is needed to ensure future business success.

**Enhanced customer offering to drive positive development.**

This year OEM celebrates its 40<sup>th</sup> anniversary. It is the perfect opportunity to reflect with pride on our outstanding development. Perhaps more importantly, it is also an opportunity to come together and look ahead.

OEM remains a strong and responsive technology trading group in industrial components and systems. One of our key success factors is our strong corporate culture based on technological knowledge, sales focus and business acumen. In 2013, we implemented various initiatives aimed at enhancing our customer offering so that we can continue to drive our performance in a positive direction.

Our leading position in the market is down to the commitment and dedication of our proficient employees over the past 40 years. I am confident that the next 40 years will be just as successful!

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**Jörgen Zahlin**  
Managing Director and CEO of OEM International AB.





# Vision, business concept, goals and strategies.

Personal meetings are crucial to understanding customer needs and a practical way for OEM to offer its unique expertise.



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## Vision.

OEM shall be a leading technology trading group in industrial components and systems in selected markets in Northern, Central and Eastern Europe.

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## Business concept.

OEM offers an extensive and detailed range of industrial components and systems from leading suppliers. A well-structured local market organisation and efficient logistics make OEM a better alternative to the suppliers' own sales organisations.

OEM provides a high level of expertise and service and markets the product range according to the specific conditions of each market.

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## Strategies.

### Growth.

- *Organic growth* takes place through increased market share and expansion of the product range. OEM's operations are expected to grow above the underlying market growth in those areas where the company is well established. In markets where OEM has yet to achieve a position among the five largest players, our ambition is to achieve considerably higher growth.

- *Geographic expansion* will take place in markets where it is possible to become a prominent player by representing several of OEM's suppliers.

- *Acquisitions.* Growth through acquisition focuses on companies and product ranges that strengthen OEM's market position within current product areas in existing markets as well as companies that introduce a brand-new product area or a new geographic market.

### Product range.

OEM sells a product range consisting of industrial components and systems from leading suppliers. The range of products grows through partnerships with existing and new suppliers. Each product area is tailored to the local markets. OEM's key strategy is to develop its product range and each local marketing organisation is tasked with finding new products that will further enhance the competitive edge of the portfolio.

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## Goals and objectives.

OEM's goal is to sustain stable growth and have a good return on equity with minimal financial risk.

### The financial targets over one business cycle are:

- 15 % annual turnover and profit growth.
- 20 % return on equity.
- Equity/assets ratio must not fall below 35 %.

### Business objectives.

OEM will be one of the largest technology trading companies in its chosen geographic markets. Profitability will be on par with, or better than, that of the largest players in each market.

### Marketing activities.

The company mainly uses personal selling to reach prospects and new customers. Personal meetings are crucial to understanding customer applications and needs, and a practical way for OEM to offer its unique expertise. Personal selling is supported by web-based and printed marketing communication materials.

### Logistics.

OEM develops logistics solutions to create superior customer service and quality and a high level of cost-efficiency. The Group has twelve warehouses. Each warehouse adapts its range to current operations and to opportunities for coordinating stockholdings with other warehouses. Alongside our logistics units we have processing facilities where components are customised and assembled to specific requirements.

### Employees and management.

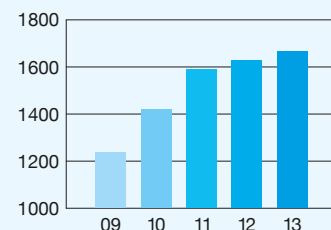
Employees shall be given opportunities to develop within the company taking account of business goals and strategies as well as the employees' ambitions. Recruitment and employee strategies will lead to a significant number of managers being recruited internally.

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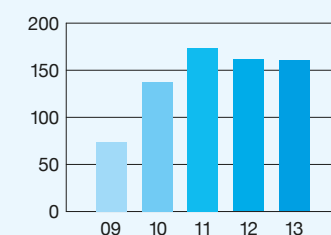
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## Profitable growth and strong financial position.

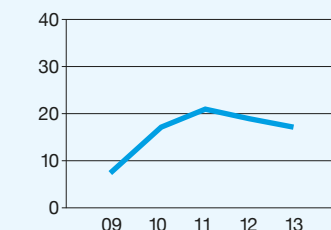
### Sales growth (SEK MILLION):



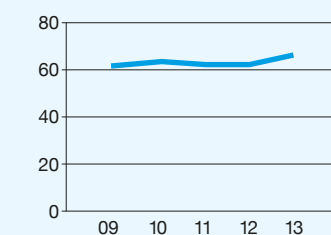
### Earnings growth (EBIT, SEK MILLION):



### Return on equity (%):



### Equity/assets ratio (%):



# Technical expertise and an extensive range.

## OEM creates value for manufacturers and customers.

OEM's very existence is based on the combination of excellent knowledge of the manufacturers' products and an understanding of the customers' needs. As a technology trading group, OEM creates value by offering its customers technical expertise and an extensive range of industrial components and systems.

OEM helps its manufacturers to market and sell their products in selected markets. OEM's strong sales organisations are able to target customers and prospects whom the manufacturers themselves have difficulty reaching. On-going development of product catalogues, both on-line and printed, ensure a long-term stable market position. Loyalty and a long-term approach are essential in the relationships between OEM and the manufacturers. This involves a mutual understanding not to market competing products. OEM aims to always be the best distribution channel for the manufacturers.

OEM markets 25,000 plus products for more than 300 specialist manufacturers. The goal is to make each manufacturer a leader in its market. OEM takes complete responsibility for the customer and serves

as the extended arm of the manufacturer in each market. Customers come to OEM for quality products, help with development projects and to benefit from a more streamlined purchasing process. It is becoming more common for customers to choose OEM as a strategic supplier of components, enabling an increasingly larger amount of their purchases to be coordinated.

OEM has strong, longterm relationships with many of its 20,000 customers. The goal is to sharpen the customers' competitive edge by improving their products. OEM has customers in a wide range of different sectors, which lessens its exposure to economic fluctuations.

### Acquisitions in 2013.

OEM acquires companies to expand its product range and customer base. Its ambition is to annually acquire businesses with an aggregate annual turnover of SEK 100 million. In many cases, OEM integrates the companies to derive most benefit from coordination. In some cases, the businesses continue to operate as separate companies,

with OEM as an active owner.

No business acquisitions were made in 2013 although a number of different companies came up for discussion. The assessment was that they either did not fit into our business model, or the price was too high. A total of eleven businesses were acquired in 2011 and 2012.

### Last year's acquisitions were integrated.

OEM acquired four businesses in 2012. Two of which were completely integrated with other operations. The Swedish company TemFlow Control has been integrated into OEM Automatic and the UK company Datasensor has been integrated into OEM Automatic in the UK. The other two, Finnish Akkupojat and Swedish Vanlid Transmission continue to operate as independent companies.

Together with OEM, the companies have expanded their product portfolios through market investments and organisational developments.



Many customers choose OEM as a strategic supplier of components, enabling an increasingly larger amount of their purchases to be coordinated.



# OEM's business model.

Our business model is based on being a link between manufacturers and customers with the intent of creating value.



## What this means for our manufacturers:

- Assistance with marketing in local markets.
- Can have their products marketed with complementary products.
- Reach markets and customers that are difficult to reach when acting alone.
- Help with product customisation.
- Logistics solutions that meet customer demands.
- Feedback for their own product development.

## What this means for our customers:

- Access to components from more than 300 manufacturers.
- In-depth component knowledge.
- End-to-end solutions with complementary components.
- Possibility to reduce the number of manufacturers.
- Deliveries to the right place at the right time.
- Assurance of high product quality.

The development of our business operations is based on

## Four central processes.



# 40 years of responding to market needs.

## From 1974 to 2014 onwards.

**1974**  
OEM Automatic AB is set up by the Franzén and Svenberg families.

**1982**  
Set up in Norway.

**1986**  
First acquisition Industri AB Reflex.

**1989**  
The first subsidiary outside Scandinavia is set up in the UK.

**1993**  
The A. Karlson Group is acquired.

**1997**  
OEM and Cyncrona merge. Acquisition of Internordic Bearings.

**1981**  
The first overseas subsidiary is established in Finland.

**1983**  
Launch on the Stockholm Stock Exchange Set up in Denmark Sales total approximately SEK 30 million.

**1988**  
Sales exceed SEK 100 million for the first time.

**1991**  
OEM International is formed and becomes the parent company.

**1996**  
Sales exceed SEK 500 million for the first time.

**1998**  
Subsidiary set up in Poland.

### It began in 1974.

1974 was the year when the Swedish press reported on the exposure of IB, a secret Swedish intelligence agency. ABBA received international rave reviews after winning the Eurovision Song Contest with Waterloo, Björn Borg won the French Tennis Open and Ingemar Stenmark won his first World Cup victory in slalom.

That same year, Hans and Siv Franzén and Agne and Inger Svenberg decided to move from Stockholm to Tranås to set up the limited liability company, OEM Automatic. Hans and Agne had experience and contacts in the automation industry, which was a key factor in determining the company's area of operations. They established a number of supplier partnerships and began building a Swedish customer base.

Direct and personal selling were central to the company's marketing strategy from the start. The business idea was to build a product line based on small and medium-sized manufacturers where OEM could become a key partner for the manufacturer and thereby

influence development based on customer needs. Thanks to sound knowledge of the market and good relationships with suppliers and customers, the company's customer base and product range grew steadily.

They decided to set up business in Tranås because it was generally cheaper to operate from a smaller city than Stockholm, and it was about the same distance to the largest industrial regions in Stockholm, Gothenburg and Malmö.

### Geographic expansion.

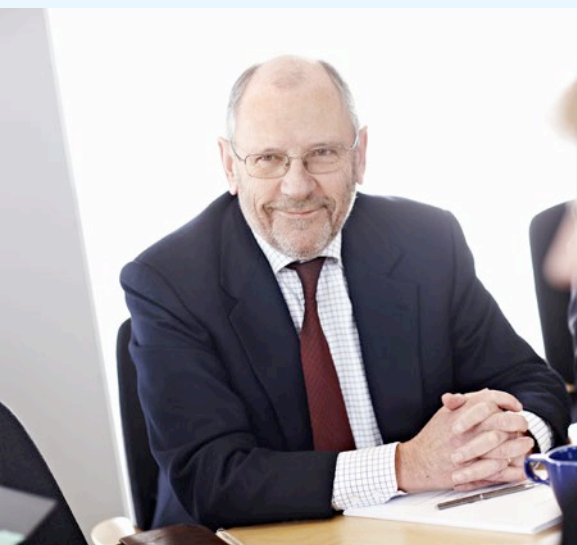
The company gradually developed and became increasingly keen to expand. It established subsidiaries in Finland, Norway and Denmark in the early 80s. The idea was to capitalise on the strong relationships it had built with manufacturers in new geographic markets and to further its partnerships with the manufacturers in order to become a key partner and thereby give the business greater stability.

### Stock market launch.

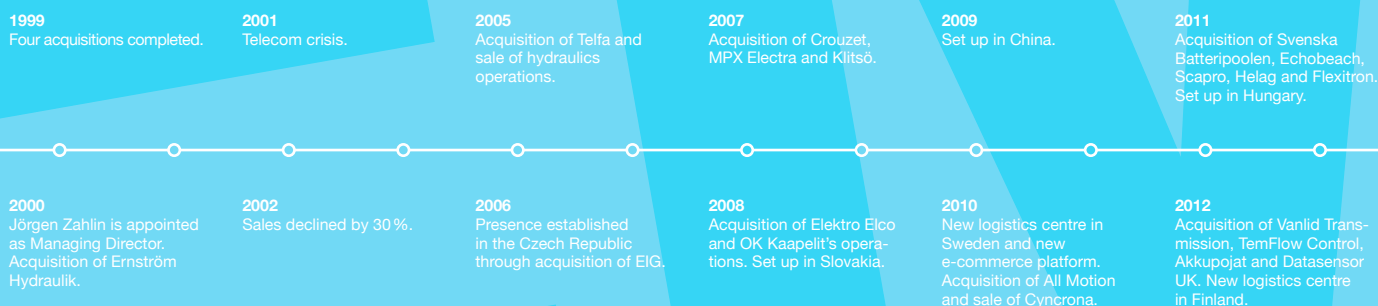
OEM's stock began trading on the OTC market in December 1983. The initial trading price was SEK 125, but after a few weeks passed SEK 400. Small companies were popular at the time and many analysts recommended buying shares on the basis of strong profitability. Anyone who purchased 100 shares for SEK 12,500 at the time of introduction to the stock exchange had a holding of 7,200 shares worth SEK 639,000 on 31 December 2013, which is equivalent to an annual return, including dividends, of about 16%.

### Stepping across the North Sea.

In 1989, OEM and Syrelec, its largest supplier at the time, established OEM Automatic Ltd in the UK. It was felt that the UK market would create new growth potential, which was deemed necessary for future growth. The company grew rapidly in the 90s with massive sales to customers in the telecommunications sector.



OEM's founders Agne Svenberg and Hans Franzén still play active roles in the Group.



### Era of acquisitions.

In 1990, the Group restructured its organisation and the Parent Company, OEM International, was formed to clearly decentralise responsibilities to the operating subsidiaries.

This also meant that the company was well placed to focus more on acquisitions. Industri AB Reflex was the first company to be acquired, in 1986. Twenty or so businesses were acquired in the 1990s, mainly in Sweden. Most of the businesses were in the industrial trading sector serving traditional industries, but the company was also interested in acquisitions in the electronics and telecommunications industries. In 1997, the OEM Group merged with Cyncrona, which resulted in a stronger focus on the rapidly growing IT and telecommunications industries.

### Establishing in growth markets.

The company took an initial step into the growth markets of Central Eastern Europe in 1998 with the establishment

of a subsidiary in Poland. It continued to expand with the acquisition of EIG in the Czech Republic in 2006. This provided the platform for today's business, OEM Automatic companies in both the Czech Republic and Slovakia. OEM Automatic was established in Hungary in 2012.

### Continued growth.

As a result of a restructuring process after the IT and telecommunications crisis in 2000 and 2001, when the Group's sales plummeted by 30 %, the Group gradually shifted its focus back to its initial concept: selling components and systems for automation.

A key mission is to offer our manufacturers the best marketing option in the markets in which we operate and having the best sales organisation is the most important argument. An enormous amount of effort has been made to drive the ongoing development and enhancement of the range and further intensify marketing activities. Investments

in logistics and marketing communication have been necessary to create a modern and future-oriented company.

Acquisitions have continued to be an important part of the development process and the company has acquired 20 businesses over the last twelve years in markets where we are well established. Many of the acquired businesses have been integrated into existing operations, but some of them were acquisitions in new market segments. Elektro Elco is a leading company in the market for LED lighting products for the home and is the company that has most obviously created major growth potential for OEM in a new market segment.

40 years of growth and development have established OEM as one of Europe's strongest technology trading groups. However, we believe that the greatest development is yet to come.

# Leading products.

Signal tower and  
Micro PLC.



## Electrical components

### Examples of products:

Sensors, cables, safety products, batteries.

### Customers:

BT-Toyota, Atlas Copco, Sandvik.

### Areas of application:

Machine constructors and fitters.

### Markets:

All markets.

Pressure gauges and  
flow metres.



## Flow technology

### Examples of products:

Valves, hoses, sensors, pumps.

### Customers:

Bosch Thermoteknik, Volvo, Getinge.

### Areas of application:

Machine constructors.

### Markets:

All markets.

Outdoor façade lighting  
and downlights.



## Lighting

### Examples of products:

Hide-a-lite lighting incorporating LED technology.

### Customers:

Elektroskandia, Ahlsell, Bauhaus.

### Areas of application:

Indoor and outdoor lighting.

### Markets:

Sweden, Finland and Norway.

OEM's product range is divided into six product areas which provides a structured framework for the development within the available ranges.

The electrical range of products is the largest product area and is sold in all markets. The same applies to the Flow components, while main markets for the other product areas are focused to Sweden and Finland.

## Ball bearings and seals

### Examples of products:

Rolling, joint and sliding bearings, seals, lock components.

### Areas of application:

Machine builders and automotive.

### Customers:

Kongsberg, Husqvarna, BT Products.

### Markets:

Sweden and Finland.



Ball bearings and seal.

## Motors and transmissions

### Examples of products:

Drive electronics, motors with gears, belt transmissions, linear products.

### Areas of application:

Machine and equipment builders.

### Customers:

Tetra Pak, Getinge, GE Health Care.

### Markets:

Sweden, Finland, Norway, Denmark, UK, Poland, Czech Republic and Slovakia.



Brushless D/C motor and gear.

## Appliance components

### Examples of products:

Displays, keyboards, LED lighting.

### Areas of application:

Electronics and appliance manufacturers.

### Customers:

Husqvarna, Partnertech, Amica.

### Markets:

Sweden, Finland, Baltic States, Denmark, Czech Republic and Poland.



Keyboards and fans.



# OEM's markets.

**Three geographic regions.**

•*Sweden* is OEM's oldest and largest region. OEM's range is marketed by eleven companies. The Group has a relatively high market share here and is the market leader in many segments. Growth is achieved organically through acquisitions and expansion of the product range. In the Netherlands there is a purchasing company that focuses on purchases and quality assurance in China.

•*Finland and the Baltic States* are OEM's second largest region. A large part of the Group's products are marketed in Finland. Just like in Sweden, the market share is relatively high.

Here too, growth is achieved organically through acquisitions and expansion of the product range. A natural aspect of developments is to look for ways of marketing products that OEM has had success with in Sweden.

In the Baltic States, a large share of the sales is to contract manufacturers. Initiatives are being undertaken to generate sales among OEM customers and end users too.

OEM's presence in China makes it

a strong local partner. It provides its Nordic customers, who have established production facilities in China, with the support and services they need. The company also supplies products to Chinese customers.

•*Denmark, Norway, the UK and Central Eastern Europe* is the region with the greatest potential for expansion. The Danish and Norwegian operations use the Swedish logistics centre and are thus closely linked to the Swedish unit. Here too, the company is a well-established player. OEM has a strong market position, with stable growth and profits, in Poland and the UK too. Its operations in the Czech Republic, Slovakia and Hungary are relatively young and much smaller. A natural aspect of developments is to look for ways of marketing products that OEM has had success with in Sweden and Finland and to look for opportunities to make acquisitions in places where OEM is well established.

**Diversified customer structure.**

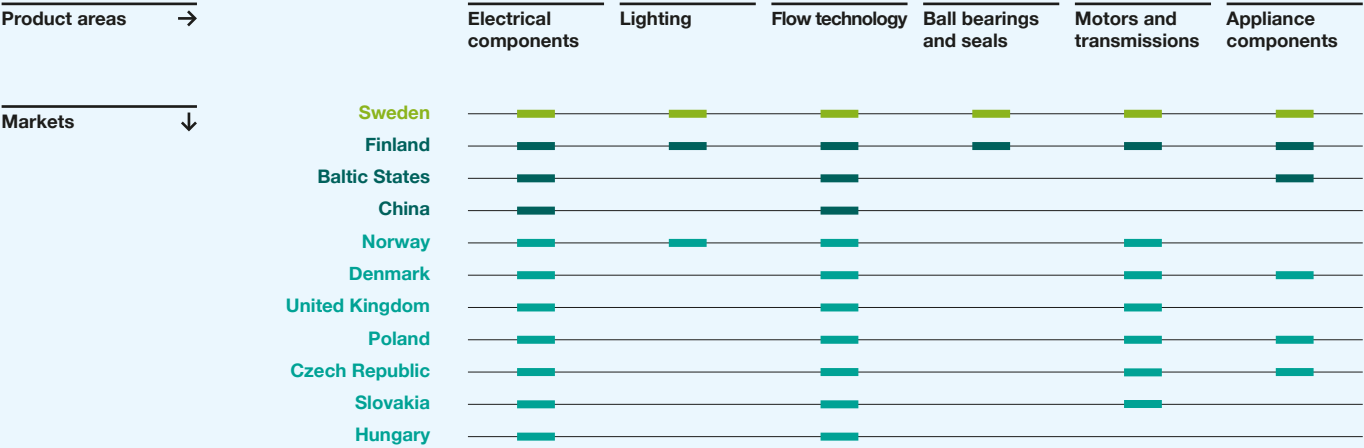
OEM sells products to a large number of customers across various market segments and in several geographic markets. With

such a wide customer base, economic and seasonal fluctuations have less of an impact on the Group's growth.

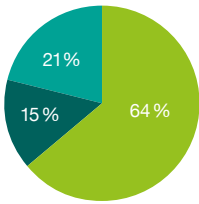
Many customers want to limit the number of subcontractors and link up with companies like OEM for long-term strategic partnerships. Finding new product areas that OEM can deliver to existing customers is a key part of the process of improving and extending our relationships with them. It creates efficiency and stability for both OEM and the customer if the customer can also partner with OEM in several countries, including China.

**Competition.**

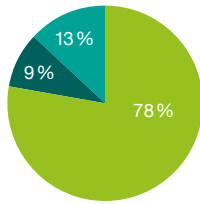
OEM faces competition from many players, including the manufacturers' own subsidiaries. However, there are few competitors that come close to OEM's extensive product range and geographic coverage. A key competitive factor is the company's technical knowledge about the products and an understanding of the customers' situation.



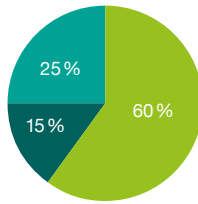
Sales.



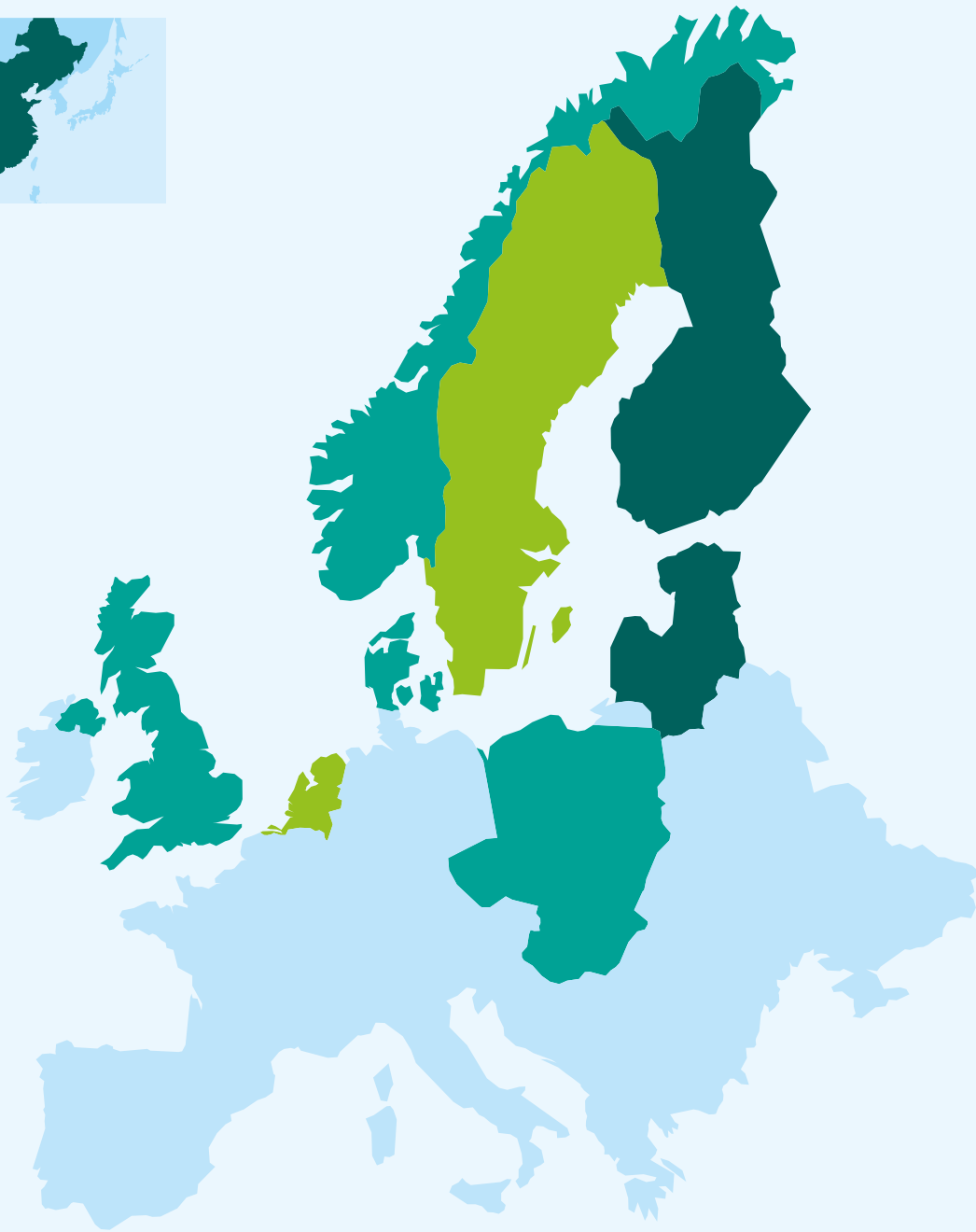
Operating profit.



Employees.



- Sweden.
- Finland and the Baltic States.
- UK, Denmark, Norway and Central Eastern Europe.



# Gradual improvement in demand during the year.

Sales (SEK MILLION):

1072

Operating profit  
(SEK MILLION):

137

Number of employees:

366

Share of Group sales:

64%



## Development in 2013.

### Sales and earnings.

Demand was weak at the start of the year. It gradually improved as the year progressed and sales in total increased by 3% over 2012. Excluding acquisitions, sales for the region are on a par with last year. OEM Motor and Elektro Elco increased their sales by 10% and 5% respectively, while other operations were either on the same level as or slightly below last year.

Operating profit rose 7% to SEK 137 million due to a higher margin and a cautious approach to marketing early in the year.

### Reorganisation for the future.

A reorganisation process was implemented in several of the Swedish operations in 2013. After having acquired the companies Svenska Helag and Flexitron in 2012, work began to coordinate these operations with OEM Electronics. Skills and product areas were transferred between the companies with the aim of building a stronger portfolio of products for our customers and streamlining the organisation.

The Group's largest company, OEM Automatic, underwent a reorganisation in the spring of 2013 in connection with the appointment of a new managing director. The aim was to place greater focus on the core business – sales to machine and cabinet builders.

A structural reorganisation was also undertaken in the battery segment to gain a stronger foothold in the marketplace. A new battery company, Svenska Batteripoolen AB, was formed in the autumn through the merger of the two Swedish battery operations. This creates opportunities for strengthening the product offering and expertise in terms of industrial and starter batteries.

### Ventures.

TemFlow Control was acquired in 2012 and integrated into OEM Automatic in 2013. The integration enables optimal exploitation of synergies with regard to products and customers and a strengthening of the competitive edge for flow components in the Swedish market.

Elektro Elco, with its own Hide-a-lite brand, posted yet another record year. During the year, the company focused on expanding the product range and intensifying its marketing activities to maintain its position as a leading name in the market for LED lighting products for the home. An initiative aimed at the retail level was also carried out to achieve greater exposure in areas such as the construction trade.

Telfa, which operates in the pumps market, underwent a management change with responsibility for driving a more proactive marketing strategy. The range is competitive and investments in sales and marketing should lead to a greater market share.

## Product range and market.

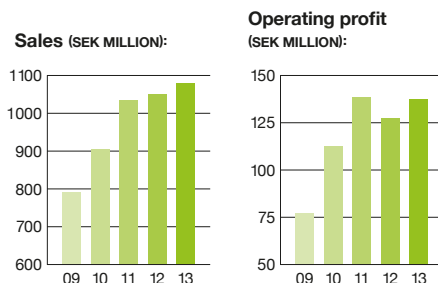
Sweden is the OEM Group's largest market. Three of the eleven companies operating in Sweden bear the OEM name. They have their roots in the original OEM Automatic which was founded 40 years ago. Most acquisitions have been made in Sweden. These have created opportunities to extend the Group's portfolio of products and gradually restructure the operations to give a sharper competitive edge.

OEM's complete range of industrial components and systems and lighting products are marketed in Sweden. OEM works closely alongside its customers and has offices in nine locations across

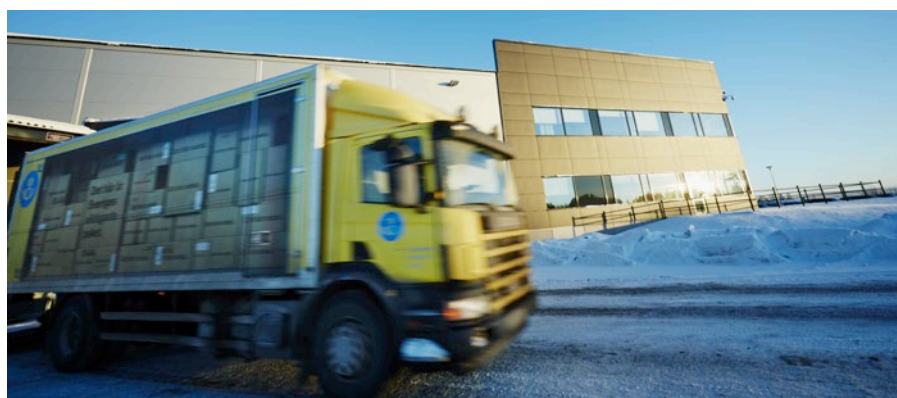


Good working relationships between the companies in the region are essential to future growth.

Pictured here are: Jens Kjellsson, CEO OEM Automatic AB, Sofia Ståhl, Accounting Manager OEM Automatic AB, Fredrik Falkenström, CEO OEM Motor AB and Tony Atlebris, CEO Internordic AB.



Sales are conducted under the names of OEM Automatic, OEM Motor, OEM Electronics, Internordic Bearings, Telfa, Elektro Elco, Nexa Trading, Svenska Batteripoolen, Flexitron, Svenska Helag, Vanlid and Agolux.



OEM's 7,000 m<sup>2</sup> logistics centre in Tranås serves customers in Sweden, Norway and Denmark. This is OEM's largest warehouse and it also acts as a hub for other logistic facilities in the Group.

Automated storage systems ensure that logistics processes are performed efficiently and to the highest quality standards.

the country. With more than 6,000 active customers, OEM has a strong position in many product markets. OEM serves customers across most industries, from small entrepreneurial companies to major, multinational enterprises such as Tetra Laval, ABB and Sandvik. Thanks to Elektro Elco's strong growth, the customer group that has increased the most in recent years

is electrical wholesalers.

E-commerce still accounts for a small but growing percentage of sales. Furthermore, it is apparent that the websites and the product information found there are being increasingly used.

OEM successfully maintains its strong position in the market through intensive marketing activities and ongoing

development of its product range.

OEM's competitors include the subsidiaries of other manufacturers, other technology trading groups such as Indutrade and Add-tech and local agency companies, such as Gycom and international trading companies such as Avnet.

# Refined offering to the market.

Sales (SEK MILLION):

248

Operating profit  
(SEK MILLION):

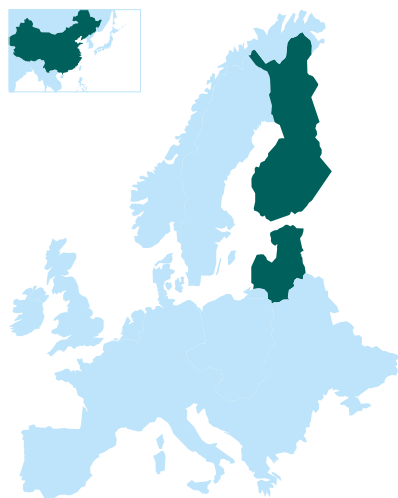
15

Number of employees:

94

Share of Group sales:

15%



## Development in 2013.

### Sales and earnings.

The year began with generally positive developments in the market. Demand slowed after the summer, especially in Finland. Nevertheless, sales rose 6% during the year compared to 2012. This was mainly due to growth in the Baltic States and China and the effects of acquisitions made in 2012.

Overall, sales for the operations in Finland were the same as 2012. Battery and Lighting are the product areas that showed strongest growth. Sales rose 17% and 73% respectively. Sales in China rose 35% to SEK 13 million and sales in the Baltic States rose 11% to SEK 20 million.

Operating profit decreased by 4% to SEK 15.4 million, due to higher costs attributable in part to increased marketing investments.

### Reorganisation and investments in Finland.

In 2013, the Finnish operations carried out a restructuring process at product area level. The aim was to better meet the needs of the market and to rejuvenate and strengthen leadership.

The battery operations, which consist of Akkupojat (acquired in 2012), and OEM Automatic's Battery product area have developed well. The product offering and expertise for both industrial and starter batteries have been enhanced during the year. Two new battery shops have also been opened in Tampere and Helsinki.

Lighting posted a 73% sales increase. This product area sells LED lighting products under the brand name Hide-a-lite. Sales through electrical wholesalers and installers have increased. A successful marketing campaign was conducted targeted at the manufacturing industry, including manufacturers of kitchen, hotel and restaurant fittings.

### Stable demand in the Baltic States.

In the Baltic States we depend greatly on subcontractors to retail customers in Finland and Sweden. Partnerships between the organisations in the Baltic States, Sweden and Finland for logistics and service are therefore a key factor for success. OEM's local presence, skilled staff and access to OEM's complete product portfolio are important to the development of the businesses.

### OEM Automatic in China continues to grow.

The operations in China sell products for industrial automation both to European customers who have moved to China and to local customers. The majority of sales is still business that moved from Sweden and Finland to China. Efficient logistics and service are essential factors for success. OEM's presence with local staff with technical and business expertise becomes more important as these customers establish development departments. We can continue to develop the businesses effectively by having both Nordic and Chinese sales professionals present.

## Product range and market.

Finland is the OEM Group's second largest market with a relatively large market share. Operations are conducted under the names OEM Automatic, OEM Electronics, Akkupojat and Hide-a-lite and began in 1981, making them the Group's oldest company outside Sweden.

Most of OEM's range of industrial components and systems and lighting products are marketed in Finland.

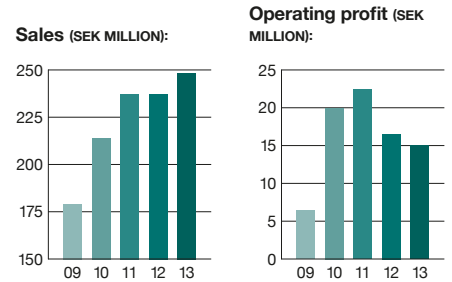
Two markets that are newer for OEM are the Baltic States and China where the





The collaboration between the organisations in Finland and the Baltic States is a key success factor.

Pictured here are: Patrick Nyström, CEO, OEM Finland, Ville Entonen, Manager for Hide-a-lite in Finland, Leena Rautakumpu, CFO and Rein Ottender, CEO, OEM Automatic Baltic.



Sales are conducted under the names of OEM Automatic, OEM Electronics, Hide-a-lite and Akkupojat.



OEM in Finland's property in Turku has expanded during 2012–2013 to 6,300 m<sup>2</sup>.

market share is small. A narrower product range is marketed here, tailored to the needs of each respective market.

With more than 3,000 active customers in Finland, OEM has a strong market position.

The company has customers across most industries, from small entrepreneurial companies to leading engineering companies such as Sandvik Mining, John

Deer Forest and Primapower.

Competitors include the manufacturer's own subsidiaries, for example Omron and Schneider, technology trading companies within, for example, Addtech and Indutrade, and local agency companies such as SKS and Wexon.

# Stronger positions and greater market share.

Sales (SEK MILLION):

**349**

Operating profit  
(SEK MILLION):

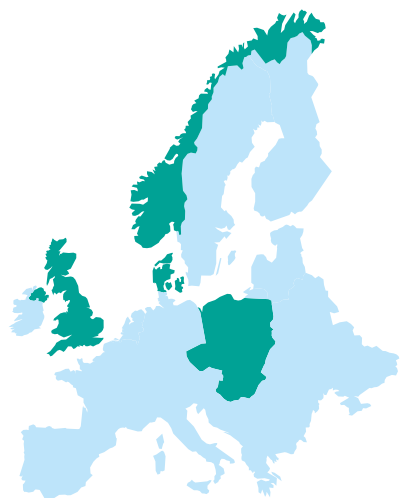
**23**

Number of employees:

**154**

Share of Group sales:

**21%**



## Development in 2013

### Sales and earnings.

Sales for the region were on a par with last year, but the companies' growth varied greatly. The operations in Hungary and Poland posted the largest increase which, thanks to a larger market share, increased sales by 54% and 11% respectively. The UK operations reported a 10% increase in sales. This is largely attributable to the acquisition of Datasensor at the end of 2012. The companies in Norway and the Czech Republic reported sales on a par with last year. Sales in Denmark and Slovakia fell by 12% and 6% respectively. In both cases, this is due to major one-off projects in 2012 which were completed in 2013.

Operating profit for the region decreased by 24%, mainly due to a lower performance level in Denmark and generally lower gross margins.

### Continued growth.

Datasensor UK was acquired in 2012 and was fully integrated with OEM Automatic in the UK in 2013. Datalogic's range of components complements the product portfolio well and creates a stronger offering to the UK market in the area of electrical components.

After a long period of strong growth, the Polish operations needed larger premises. They moved into new premises in Warsaw in the autumn. These premises offer the opportunity for further expansion.

The operations in the Czech Republic are also cramped and work is under way to find larger premises that offer the opportunity for further expansion.

The relatively newly established operations in Hungary are not expanding quite to plan, partly because of a weak economy. However, its customer base grew

by 50% and partnerships with suppliers have been developed during the year. Since it is still a small-scale operation, a higher growth rate is expected.

## Product range and market.

The operations in Denmark, Norway, the UK, Poland, the Czech Republic and Slovakia have been established for some time now. Operations began in Hungary in the autumn of 2011.

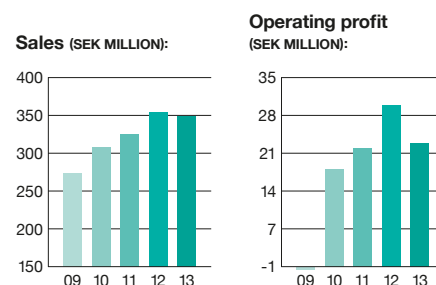
OEM's operations in the UK, Denmark, Norway, Poland and the Czech Republic have a wide range of products in the areas of electrical and flow technology components. Appliance components and motors are sold in some of the markets. Although the range is less extensive in the Slovakian and Hungarian markets, it is gradually growing.

OEM has a relatively strong position in the Danish, Norwegian, British and Polish markets in most of its product areas, while its operations in Slovakia and Hungary are relatively small. The customers in the region operate in most industries, from small entrepreneurial companies to major end consumers and multinational enterprises.

Competitors include the manufacturer's own subsidiaries, companies within other trading groups, such as Indutrade and Addtech, and local agency companies such as Dacpol in Poland and IMO in the UK.



Cross-country cooperation is a vital part of business development. Pictured here are Sue Adkins, CFO OEM Automatic UK, Agnieszka Biskup, CFO OEM Automatic Poland, Richard Armstrong, Managing Director OEM Automatic UK and Mariusz Matejczyk, Managing Director OEM Automatic Poland.



Sales are conducted under the names of OEM Automatic Klitso in Denmark, OEM Automatic and OEM Electronics in Poland and OEM Automatic in other countries. Hide-a-lite's range of products is marketed in Norway.

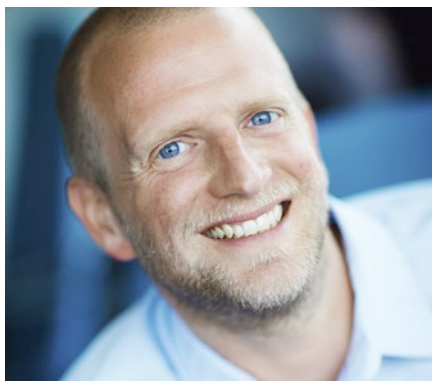


OEM in Poland moved into new premises in the autumn of 2013. They have a floor space of 1,300 m<sup>2</sup> and capacity for further expansion





# Long-term perspective and unity.

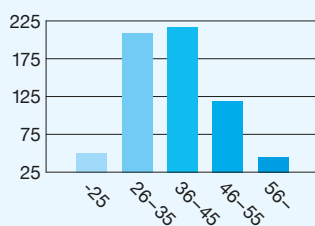


A key aspect of the Group's development process is to build leadership for the future.

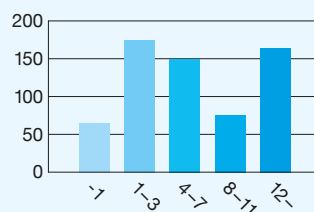


## Qualified employees create a long-term competitive edge for the Group.

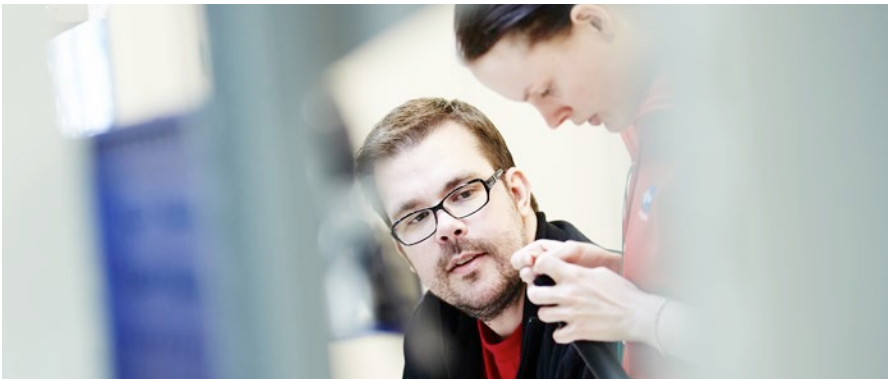
**By age group**  
(NO. /AGE):



**Period of employment**  
(NO. /YEARS):



	2013	2012
Average no. of employees	631	623
Employees at year-end	643	622
No. of women (%)	21	20
Sick leave person/year (DAYS)	6	4
Training costs/employee (rSEK)	4	4
Fitness costs/employee (rSEK)	1	1



OEM's goal is to attract and retain skilled employees and offer them a positive and professional environment in which they can grow and develop.

### **Strong values.**

Outstanding technical expertise and a strong sales focus have made OEM one of Europe's leading technology trading groups. A positive attitude, commitment, tenacity, openness and modesty are OEM's watchwords. The company's culture is underpinned by a long-term, coherent vision which has been central to its success. OEM's goal is to attract and retain qualified and motivated employees and offer them a positive and professional environment in which they can grow and develop.

### **Recruitment over the year.**

OEM regularly recruits employees to ensure growth opportunities in all markets. In 2013, the number of employees rose from 622 to 643. This is a result of investment mainly in the sales and marketing organisations.

### **Skilled employees.**

OEM's long-term competitiveness is based on employee commitment and personal development. We are a learning organisation and encourage our employees to continue to develop their skills throughout their careers with further training in sales, technology, IT and other areas. Our employees have personal development plans that combine individual ambitions with the company's goals and objectives to ensure optimal results.

### **Sales school.**

OEM has a long-standing tradition of employing and developing good sales staff. One of the key factors behind OEM's success is our sales team. Our sales professionals work alongside our customers, identifying applications and suggesting products that will enhance the customers' competitive edge.

A new salesperson joins a training programme which runs over several years. It consists of internal and external courses aimed at promoting personal development and creating an efficient sales methodology.

A solid background in sales also opens doors to other positions at OEM, such as sales manager or business area manager.

### **Excellent career prospects.**

It is not just our sales professionals who move forward at OEM. Everyone is given opportunities to shape their own careers by being interested, creative and goal-oriented. Each employee has an individual development plan and an annual performance appraisal meeting. The company encourages mobility between different operations and countries. The goal is to develop and recruit managers internally. Many employees start as sales reps or product specialists and subsequently develop into managers with personnel and budget responsibilities. Most members of OEM's executive management team have been part of the company for many years.

### **Leadership development.**

A key aspect of the Group's development process is to build leadership for the future. This is implemented centrally and locally. The company analyses existing leadership teams and encourages individuals to develop their skills. It has a process for identifying and building a talent pipeline for future leadership positions. It invests in its current and next generation of leaders by arranging management development programmes that boost the leadership culture.

OEM's leadership culture is based on strong teams and specific targets. Each manager builds his or her team and sets clear individual goals for his or her colleagues.

### **Trainee programmes.**

OEM runs continuous trainee programmes to introduce young, new employees with the ambition and potential to assume managerial responsibility. Those taken on as trainees are interested in business and sales and have a background in technical or economic studies. The two-year programme includes an induction period, project work and hands-

on sales experience. It involves work in both Sweden and other countries.

### **Student partnerships.**

OEM works collaboratively with several educational institutions with the aim of attracting future personnel and as part of its social responsibility programme. For instance, the company participates actively in various post-secondary school training courses in logistics and economics at Tranås Education Centre. It also offers guidance in thesis research projects and work experience for students so that it can develop its skills and meet potential employees.

### **Equal opportunities.**

OEM is committed to promoting equal opportunity and diversity. Selection for positions is based on qualifications for the job, without regard to religion, race, nationality, gender, age, disability or sexual orientation. OEM's sector is traditionally male-dominated, but OEM strives to improve equality in the organisation by seeking to employ more women to male-dominated positions. The establishment of a company-wide Code of Conduct for all of the companies in the Group, with supporting policies on matters such as equal opportunities, will further underpin the importance of this work.

### **Well-being.**

OEM believes that employees are able to perform well and develop personally and professionally if they are healthy in body and mind. The company focuses on a good work environment and encourages and supports a healthy lifestyle through physical exercise and preventive health care. OEM is committed to high standards of health and safety across its business activities. The company is housed in attractive, spacious premises with ergonomically designed work areas.



# Intensified efforts in the areas of quality and environment.

The OEM Group has a leading position in the European industrial components market. Important competitive strengths include ongoing quality improvements along the entire supply chain and a commitment to the environment.



The OEM Group takes a systematic approach to reduce its impact on the environment and to develop quality and efficiency.

The Group implemented a number of steps in 2013 to take this work to the next level. Work commenced on developing a CSR strategy and establishing a Code of Conduct for all of the companies in the Group.

## Code of Conduct.

During the year, management decided to establish a Code of Conduct for all of the Group's companies. The Code is fully in line with the company's culture and the establishment of guidelines will be followed by activities in all companies to identify potential problems or non-conformances.

The idea is that by having this clear responsibility for the Group's impact on society, we will continue to improve our competitive edge and our image as an attractive employer, and also promote a healthy business culture.

The Code is largely based on the UN Global Compact's ten principles in the areas of human rights, labour, the environment and anti-corruption. These principles encompass all essential components of the responsibility that it feels natural to take for all of the Group's companies.

The work will be monitored continuously.

## Ten key principles of the Code of Conduct:

- *Human rights.* OEM supports and respects the protection of internationally proclaimed human rights and is never complicit in human right abuses.
- *Anti-corruption.* OEM represents honesty, integrity and accountability. This means it has a zero tolerance approach to all forms of corruption, including extortion and bribery.
- *Environmental responsibility.* Innovative measures that reduce the impact on the environment are encouraged and OEM under-takes active initiatives to promote greater environmental responsibility.
- *Freedom of association.* In accordance with local law, all employees have the right to form or take part in union activities. OEM respects the right to collective bargaining relating to terms and conditions of employment.
- *Forced labour.* Any use of forced or compulsory labour is prohibited and employees have the right to terminate their employment in accordance with local legislation or employment contract.
- *Child labour.* OEM has a zero-tolerance policy towards any type of child labour. No



OEM's quality process is inspired by Toyota's quality management system and is based on a clear visualisation of results compared to objectives and improvement initiatives from all employees.

#### About CSR.

CSR stands for Corporate Social Responsibility. CSR encompasses the activities a company performs to take responsibility for its environmental impact, work environment and corporate culture. Companies often regulate such efforts by creating a code of conduct. This is the company's own collection of guidelines for its CSR activities.

one under the age of 15 shall be employed and no one under the age of 18 shall be employed to carry out particularly demanding work.

- **Discrimination.** Diversity among OEM's employees is encouraged and no one shall be discriminated against because of their race, skin colour, gender, sexual orientation, national origin, family status, religion, political opinion, race, ethnicity, social background, social status, age, union affiliation or disability. Physical and psychological harassment are strictly prohibited.

- **Preventive measures.** Sustainability is a key priority at OEM. We take a preventive approach to environmental protection, which means we give priority to environmentally friendly solutions and avoid environmentally harmful substances as far as possible.

- **Consumer rights.** OEM always acts in accordance with good business practice. We also ensure that goods and services meet legal requirements.

- **Competition.** OEM complies with local laws and regulations and does not participate in anti-competitive practices.

#### We strive actively to minimise our ecological footprint.

When the Code of Conduct is introduced across the Group companies, we will increase our efforts to minimise the adverse impact of our operations on the environment. The Code encourages environmental responsibility and preventative measures in order to give priority to environmentally-friendly business practices and solutions.

The business activities that have the greatest environmental impact include transport, travel, use of packaging and heating of premises. OEM has always strived to find the best environmental solutions and support development initiatives in these areas.

Another key aspect of environmental responsibility is to offer customers high-quality, climate-friendly components. Our high level of product expertise enables us to help customers make environmentally-sound choices.

#### Quality processes that benefit the customer.

All companies in the OEM Group work in a systematic manner to ensure the continuous improvement of quality and efficiency.

The Group's logistics centre in Tranås has implemented far-reaching initiatives that have produced many positive effects. The quality management process has been packaged into a system of activities, called "OQD – OEM Quality Development". OQD has been inspired by Toyota's quality management system and is based on a clear visualisation of results compared to objectives and improvement initiatives from all employees.

This process has been highly successful and we now have a leading position in logistics quality and have received considerable attention from companies with similar operations to ours. "OQD" has inspired other logistics operations in the Group to adopt a similar approach, including Finland which moved into new premises in 2013.

#### Accredited companies.

In Sweden, OEM Automatic AB, OEM Electronics AB, Internordic Bearings AB, Telfa AB and OEM Motor AB have been awarded ISO 14001 environmental management system certification and ISO 9001 quality management system certification.

# Senior Executives.



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**Sven Rydell**

Born in 1973.

Marketing and Communications Director. Group employee since 2008.

Number of shares: 984  
OEM Class B.



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**Urban Malm**

Born in 1962.

Managing Director of OEM Electronics AB. Group employee since 1983.

Number of shares: 2,800  
OEM Class B.



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**Mikael Thörnkvist**

Born in 1968.

Managing Director of OEM Automatic AB through 31 March 2013. Thereafter VP/Business Development OEM International. Group employee since 1990.

Number of shares: 2,500  
OEM Class B.



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**Jörgen Zahlin**

Born in 1964.

Managing Director of OEM International AB since 1 March 2000. Managing Director and CEO since 1 January 2002. Group employee since 1985.

Number of shares: 39,832  
OEM Class B.



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**Patrick Nyström**

Born in 1958.

Director for the Finland and Baltic States Region. Group employee since 1982.

Number of shares: 22,500  
OEM Class B.



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**Fredrik Simonsson**

Born in 1971.

Managing Director of Elektro Elco AB. Group employee since 1993.

Number of shares: 1,000  
OEM Class B.



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**Jens Kjellsson**

Born in 1968.

Director for the Denmark, Norway, UK and Central Eastern Europe Region through 31 March 2013. Thereafter, Managing Director of OEM Automatic AB. Group employee since 1990.

Number of shares: 11,000  
OEM Class B.



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**Jan Cnattingius**

Born in 1955.

Finance Director. Group employee since 1985.

Number of shares: 11,000  
OEM Class B.



# The Board and shares.



## Agne Svenberg

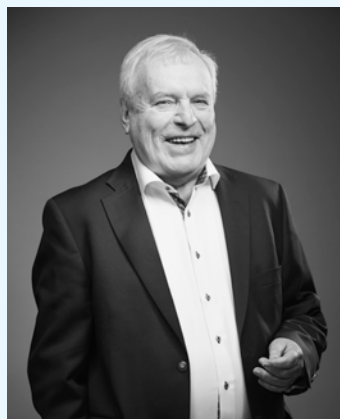
Born in 1941.

Board member since 1974.  
Managing Director until 29 February 2000.

Engineer. Not employed by OEM.

Other appointments: Chairman of the Board, EG's El o Automation AB, Personality Gym AB and ISP AB.

Number of shares: 665,400  
OEM Class A and 219,530  
OEM Class B.



## Hans Franzén

Born in 1940.

Board Chairman 1992-2006.  
Board member since 1974.  
CEO until 31 Dec. 2001.

Engineer. Not employed by OEM.

Other appointments: Chairman of the Board for Tranås Rostfria AB, TR Equipment AB, Opti Fresh AB, Cendio AB and Handelsbanken's local Board in Tranås. Board member of Ovacon AB and IB Medical AB.

Number of shares: 707,376  
OEM Class A and 603,990  
OEM Class B.



## Petter Stillström

Born in 1972.

Board member since 2010.

Master of Economics. Not employed by OEM. CEO and major shareholder in AB Traction.

Other appointments: Chairman of the Board in Nilörngruppen AB and Softronic AB. Board member in PartnerTech AB, AB Traction, BE Group AB, Catella AB and several unlisted companies in Traction's sphere of influence.

Number of shares: 0.



## Jerker Löfgren

Born in 1950.

Board member since 2010.

LLM. Not employed by OEM. Senior Legal Counsel in Carnegie Private Banking.

Other appointments: Chairman of the Board, Orvaus AB and Orvaus Nörvalen AB.

Number of shares: 0.



## Lars-Åke Rydh

Born in 1953.

Board Chairman since 2010 and Board member since 2004.

M.Sc. Engineering. Not employed by OEM.

Other appointments: Chairman of the Board Nefab AB, San Sac AB, Plastprint AB and Schuchardt Maskin AB. Board member of Nolato AB, HL Display AB and Olja economic association.

Number of shares: 12,000 OEM Class B.



## Ulf Barkman

Born in 1957.

Board member since 1997.

MBA. Not employed by OEM.

Number of shares: 42,000 OEM Class B.



## Financial information.

OEM is committed to communicating high-quality information to the market and media. The goal is for the information to facilitate an accurate valuation and liquid trading of the shares. Financial information is published on the Group's website, [www.oem.se](http://www.oem.se).

The Company offers shareholders the opportunity to receive interim reports and other press releases by e-mail, at the same time as they are made public

to the market. Please send an e-mail to: [info@oem.se](mailto:info@oem.se) and state "Corporate Information" and you will be placed on our list for future mailings.

### OEM International on the stock exchange.

OEM's shares were quoted on the Stockholm Stock Exchange's OTC List in December 1983, and since then have displayed a healthy price trend. Anyone who purchased 100 shares in OEM

for SEK 12,500 at the time of introduction to the stock exchange had a holding of 7,200 shares worth SEK 639,000 on 31 December 2013. OEM's shares were transferred to the O List in 2000 and its shares have been trading on the Nasdaq OMX Nordic Small Cap market since 2006. As of 2014, the shares have been transferred to the Nasdaq OMX Nordic Mid Cap market.

## Shareholding structure OEM's largest shareholders on 30 December 2013.

	No. of A Class shares	No. of B Class shares	Percentage share capital	Percentage votes
Orvaus AB	1,627,320	2,802,360	19.2 %	28.9 %
Franzén Hans and Siv	1,280,376	1,313,890	11.2 %	21.4 %
Svenberg Agne and Inger	1,223,400	446,986	7.2 %	19.2 %
AB Traction	636,000	1,252,274	8.2 %	11.5 %
Lannebo equity funds		2,616,345	11.3 %	4.0 %
Nordea Investment Funds		1,956,259	8.5 %	3.0 %
SEB Investment Management		504,356	2.2 %	0.8 %
Fjärde AP Fonden		494,955	2.1 %	0.7 %
Didner & Gerge Aktiefond		310,200	1.3 %	0.5 %
Skandinaviska Enskilda Banken S.A.		291,216	1.3 %	0.4 %
<b>Total 10 shareholders</b>	<b>4,767,096</b>	<b>11,988,841</b>	<b>72.5 %</b>	<b>90.4 %</b>
Other		6,351,525	27.5 %	9.6 %
<b>TOTAL</b>	<b>4,767,096</b>	<b>18,340,366</b>	<b>100,0 %</b>	<b>100,0 %</b>
<b>Votes per share</b>	<b>10</b>	<b>1</b>		

*The company's holding of 61,847 Class B shares is not included in the above break-down.  
The purpose is to provide a clear overview of the various shareholders' interests in the company.*

## Share trends.



## KPIs for the last five years.

OEM Group		2013	2012	2011	2010	2009
Net sales **	SEK million	1,668	1,631	1,590	1,430	1,240
Of which overseas **	%	35.8	36.2	35.3	37.2	37.0
Consolidated profit before tax**	SEK million	157.0	158.7	172.4	136.5	73.2
Consolidated profit for the year	SEK million	121.1	126.4	127.9	95.5	43.0
Return on total capital **	%	15.2	15.8	18.3	15.5	8.6
Return on capital employed **	%	20.3	21.8	25.3	21.0	11.9
Return on equity	%	17.1	18.9	20.6	16.5	7.4
Debt/equity ratio	times	0.15	0.17	0.13	0.14	0.21
Interest coverage ratio **	times	55.7	43.9	50.8	52.4	25.2
EBITDA/net sales **	%	11.9	12.0	12.7	11.6	8.2
Operating margin **	%	9.5	9.9	10.9	9.7	6.0
Profit margin **	%	9.4	9.7	10.8	9.5	5.9
Capital turnover rate	times/yr	1.52	1.48	1.56	1.54	1.46
Net sales/employee**	SEK million	2.6	2.6	2.8	2.8	2.4
Equity/assets ratio	%	65.9	62.6	63.3	63.7	61.8
Operating cash flows	SEK million	133.8	125.7	108.1	115.6	103.5
Quick ratio	%	155	138	153	153	136
Average number of outstanding shares	thousands	23,107	23,107	23,164	23,169	23,169
Earnings per share	SEK	5.24	5.47	5.52	4.12	1.86
Earnings per share **	SEK	5.24	5.47	5.42	4.32	2.19
Average total number of shares	thousands	23,169	23,169	23,169	23,169	23,169
Earnings per share	SEK	5.23	5.46	5.52	4.12	1.86
Earnings per share**	SEK	5.23	5.46	5.42	4.32	2.19
Shareholders' equity per share*	SEK	31.28	29.74	27.95	25.63	24.37
Proposed dividends	SEK	4.00	3.75	3.50	3.00	2.00
Quoted price as per 31 December	SEK	88.75	67.00	55.00	54.50	41.30
P/E ratio	times	17.0	12.3	10.0	13.2	22.3
P/E ratio**	times	17.0	12.3	10.1	12.6	18.8
Direct return	%	4.5	5.6	6.4	5.5	4.8
No. of employees **	No.	631	623	570	504	516
Salaries and remuneration **	SEK million	219	212	199	182	180

\* Shareholders' equity per share = visible equity

\*\* Continuing operations

The five-year summary of key performance indicators for 2009 to 2013 has been adjusted in line with IFRS 5 to exclude discontinued operations so that only continuing operations are reported.

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## Addresses.

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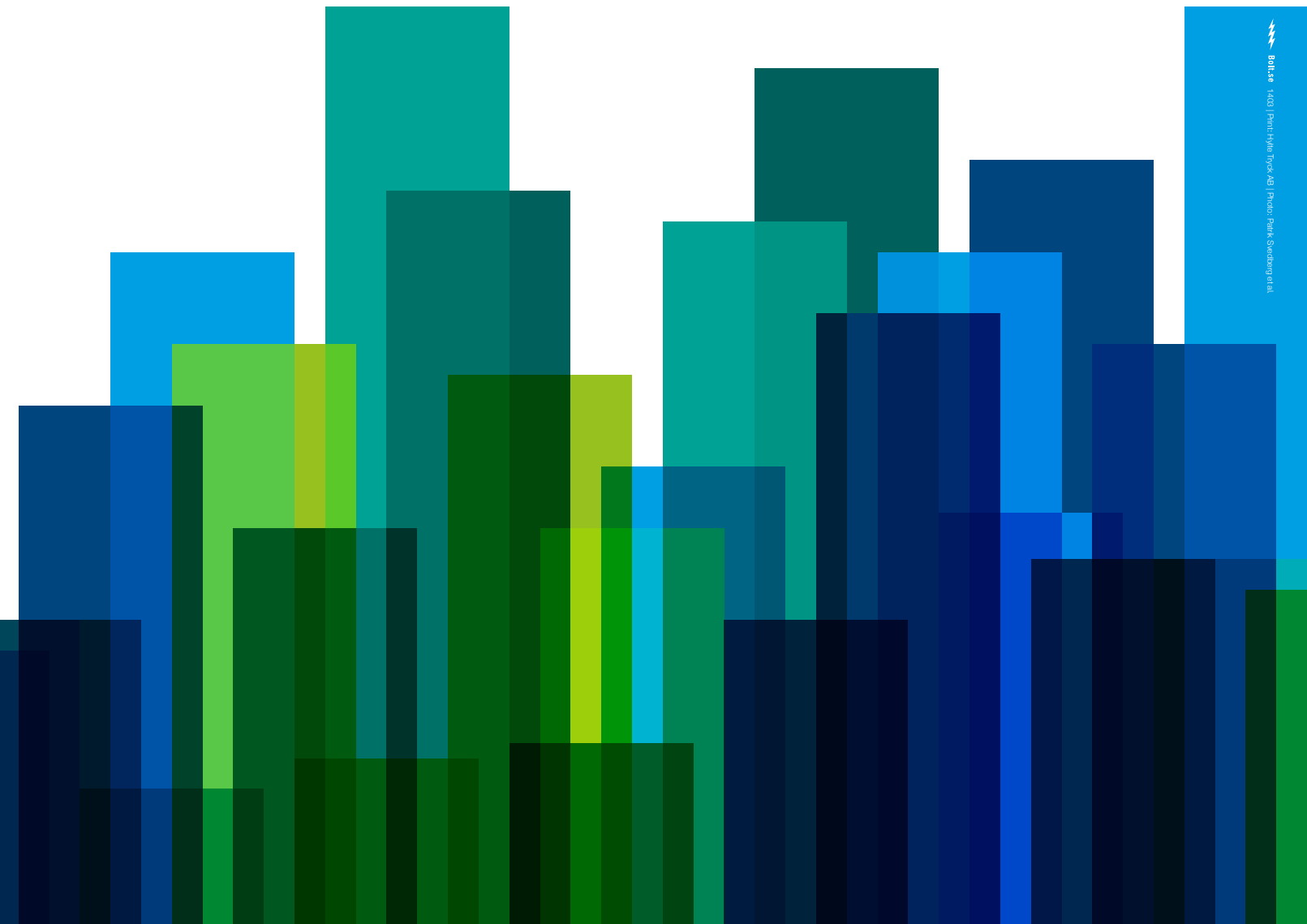
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