



Mekonomen Group

January – March 2021
May 7, 2021

Q1 2021 – STRONG ORGANIC GROWTH AND INCREASED PROFITABILITY

Strong organic growth and increased profitability

Solid cash flow and strengthened financial position

Bond issue secures future financing and extends debt maturity structure

Launch of several attractive solutions to secure future growth

Well positioned for the future

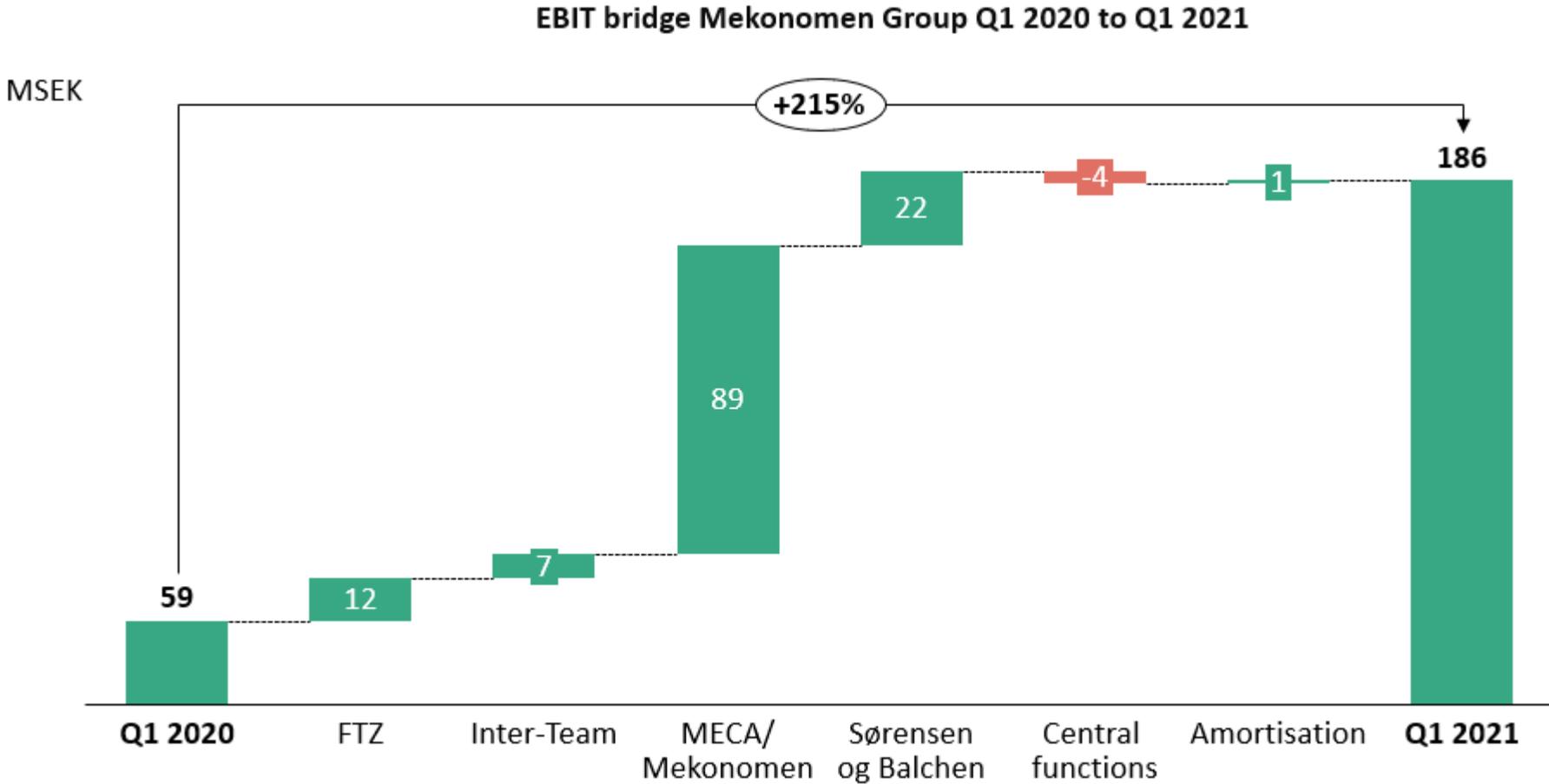
MEKONOMEN GROUP – FIRST QUARTER 2021

SEK M	Q1 2021	Q1 2020	Change	Apr-Mar Rolling 12M	2020 12M	Change
Group, net sales	3,001	2,874	4%	11,638	11,511	1%
Adjusted EBIT ¹⁾	224	98	127%	1,062	937	13%
EBIT	186	59	214%	865	738	17%
Earnings per share, SEK	1.85	-0.29	>500%	9.80	7.67	28%
Cash flow from operating activities	179	62	189%	1,742	1,625	7%
Key figures						
- Organic growth ²⁾	10%	-2%		-	-1%	
- Adjusted EBIT margin	7%	3%		9%	8%	
- EBIT margin	6%	2%		7%	6%	

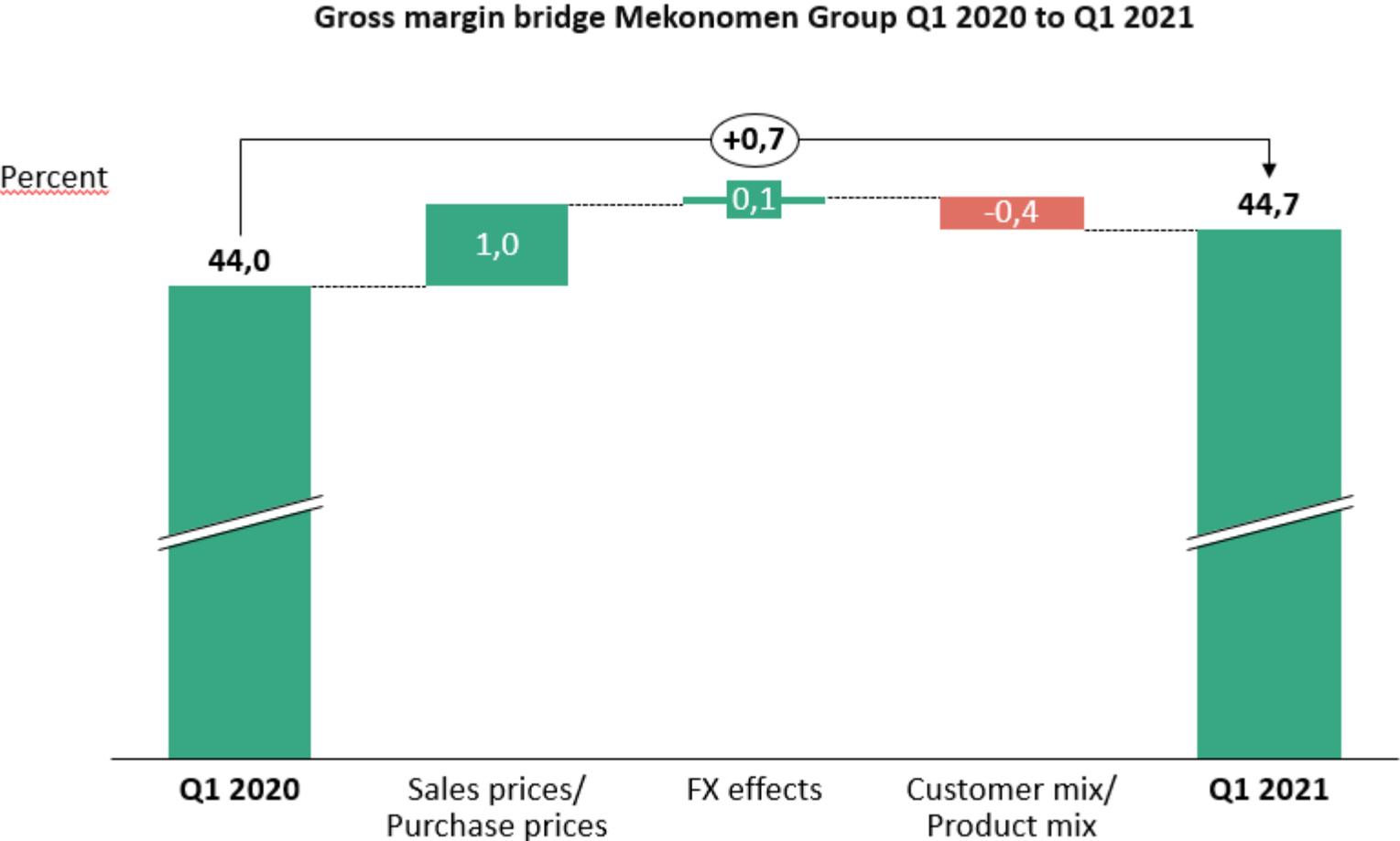
¹⁾ Adjusted EBIT is EBIT adjusted for items affecting comparability and amortisation of acquired intangible assets - FTZ, Inter-Team, MECA and Sørensen og Balchen.

²⁾ Organic growth is change in net sales adjusted for number of workdays, acquisitions/divestments and currency effects.

LARGELY INCREASED EBIT COMPARED TO LAST YEAR



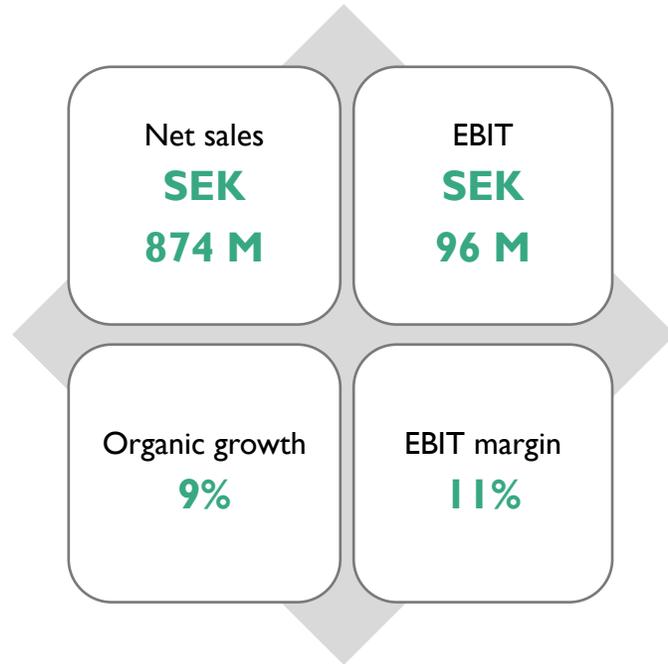
INCREASED GROSS MARGIN FROM HIGH LEVEL





SALES & RESULT PER BUSINESS AREA Q1 2021

FTZ – STRONG ORGANIC GROWTH AND PROFITABILITY



Net sales growth of 2 per cent, of which 9 per cent organic.
Slow market activity throughout the quarter

Improved EBIT margin as a result of volume growth and good cost control

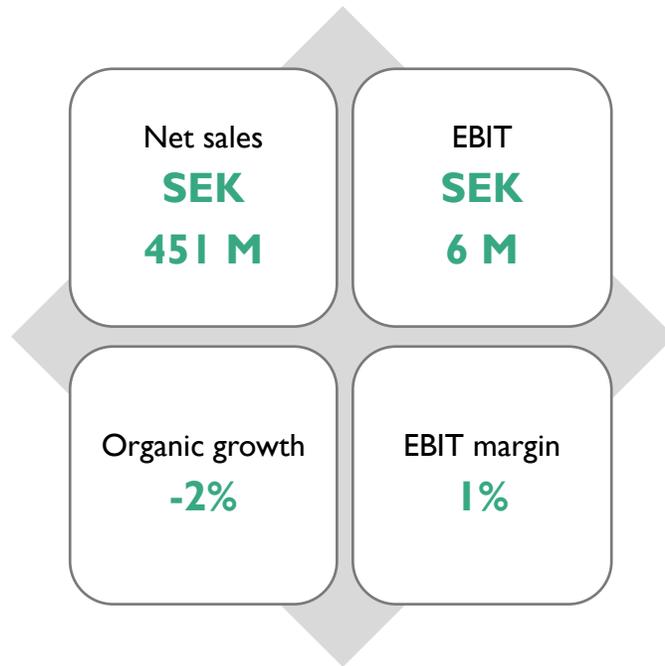
Estimated market share gains in the independent part of the market in Denmark

SEK M	Q1 2021	Q1 2020	Change	Apr-Mar Rolling 12M	2020 12M	Change
Net sales	874	853	2%	3,390	3,369	1%
Adjusted EBIT ¹⁾	96	84	14%	337	325	4%
EBIT	96	84	14%	343	331	4%
Key figures						
- Organic growth ²⁾	9%	-2%		-	0%	
- EBIT margin	11%	10%		10%	10%	

¹⁾ Adjusted EBIT excludes items affecting comparability.

²⁾ Organic growth is change in net sales adjusted for number of workdays, acquisitions/divestments and currency effects.

INTER-TEAM – SLOW MARKET DUE TO THE PANDEMIC



Organic growth of -2 per cent, due to slow domestic market and lower export sales

Positive EBIT, supported by improved gross margin and continued cost saving actions

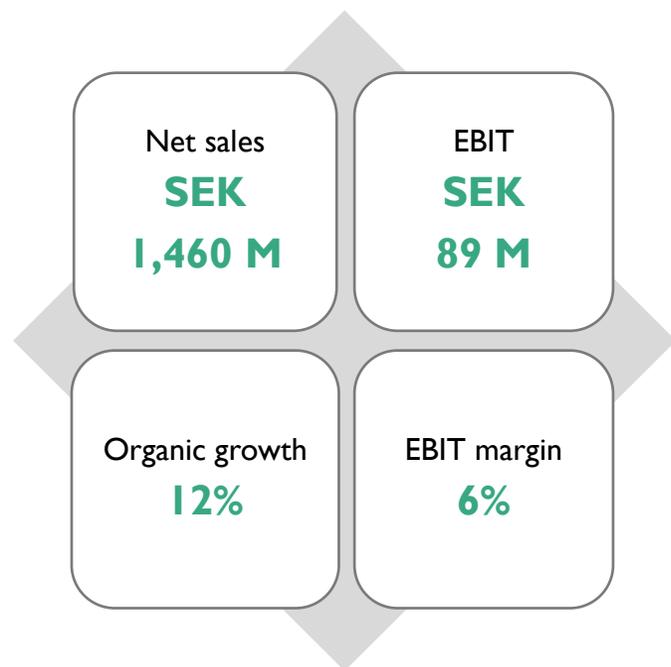
Continued high price pressure and aggressive activities from competitors

SEK M	Q1 2021	Q1 2020	Change	Apr-Mar Rolling 12M	2020 12M	Change
Net sales	451	516	-13%	1,922	1,988	-3%
Adjusted EBIT ¹⁾	6	-1	>500%	93	86	8%
EBIT	6	-1	>500%	93	86	8%
Key figures						
- Organic growth ²⁾	-2%	-2%		-	-5%	
- EBIT margin	1%	0%		5%	4%	

¹⁾ Adjusted EBIT excludes items affecting comparability.

²⁾ Organic growth is change in net sales adjusted for number of workdays, acquisitions/divestments and currency effects.

MECA/MEKONOMEN – STRONG ORGANIC GROWTH



Net sales growth of 10 per cent, of which 12 per cent organic

Higher EBIT, mainly related to increased volumes and earlier implemented cost efficiency measures. Product mix changes had a negative effect on margins

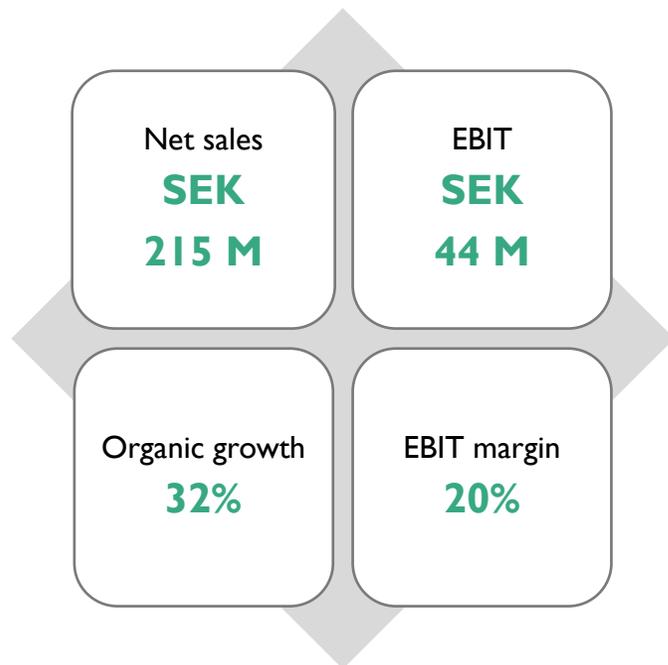
Favorable market activity throughout the quarter

SEK M	Q1 2021	Q1 2020	Change	Apr-Mar Rolling 12M	2020 12M	Change
Net sales	1,460	1,332	10%	5,491	5,363	2%
- Sweden	878	817	7%	3,308	3,247	2%
- Norway	558	498	12%	2,084	2,024	3%
- Finland	25	17	45%	99	91	8%
Adjusted EBIT ¹⁾	89	0	>500%	490	401	22%
EBIT	89	0	>500%	441	352	25%
Key figures						
- Organic growth ²⁾	12%	-2%		-	-2%	
- EBIT margin	6%	0%		8%	6%	

¹⁾ Adjusted EBIT excludes items affecting comparability.

²⁾ Organic growth is change in net sales adjusted for number of workdays, acquisitions/divestments and currency effects.

SØRENSEN OG BALCHEN – OUTPERFORMING THE MARKET



Net sales grew 25 per cent, of which 32 per cent organic. Strong performance within both B2C and B2B segment

EBIT rose 90 per cent and the margin expanded to 20 per cent, driven by strong growth and effective cost control

Benefited from being a sharp niche player in a continued highly active Norwegian market. Estimated market share gains

SEK M	Q1 2021	Q1 2020	Change	Apr-Mar Rolling 12M	2020 12M	Change
Net sales	215	172	25%	834	791	5%
Adjusted EBIT ¹⁾	44	23	90%	191	170	12%
EBIT	44	23	90%	191	170	12%
Key figures						
- Organic growth ²⁾	32%	-3%		-	13%	
- EBIT margin	20%	13%		23%	21%	

¹⁾ Adjusted EBIT excludes items affecting comparability.

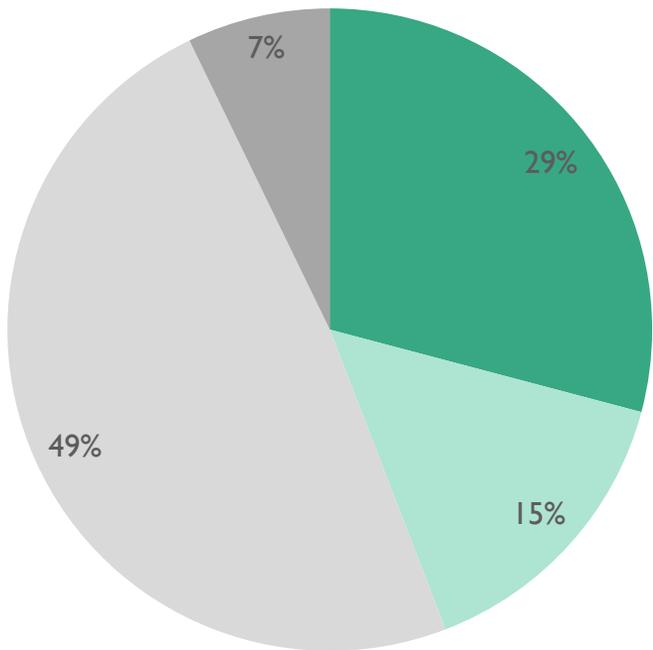
²⁾ Organic growth is change in net sales adjusted for number of workdays, acquisitions/divestments and currency effects.

A close-up photograph of a car's side-view mirror. The mirror's reflection shows a paved road that curves to the right, surrounded by dense, vibrant green trees and foliage. The car's body is visible in the foreground, slightly out of focus. The text 'MARKET & FOOTPRINT' is overlaid in white, bold, sans-serif font across the center of the mirror's reflection.

MARKET & FOOTPRINT

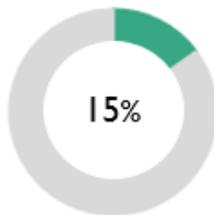
STRONG GROUP FOOTPRINT

Net sales per business area, 2021 Q1



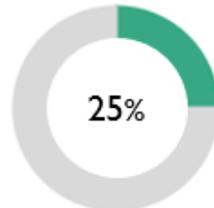
■ FTZ ■ Inter-Team ■ MECA/Mekonomen ■ Sørensen og Balchen

Market shares - main markets



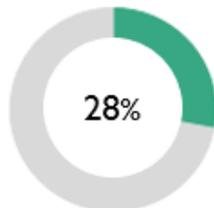
Sweden

Number of branches: **196** (20Q4: 194)
 Number of affiliated workshops: **951** (20Q4: 956)



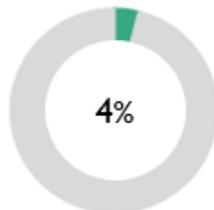
Norway

Number of branches : **132** (20Q4: 132)
 Number of affiliated workshops: **974** (20Q4: 961)



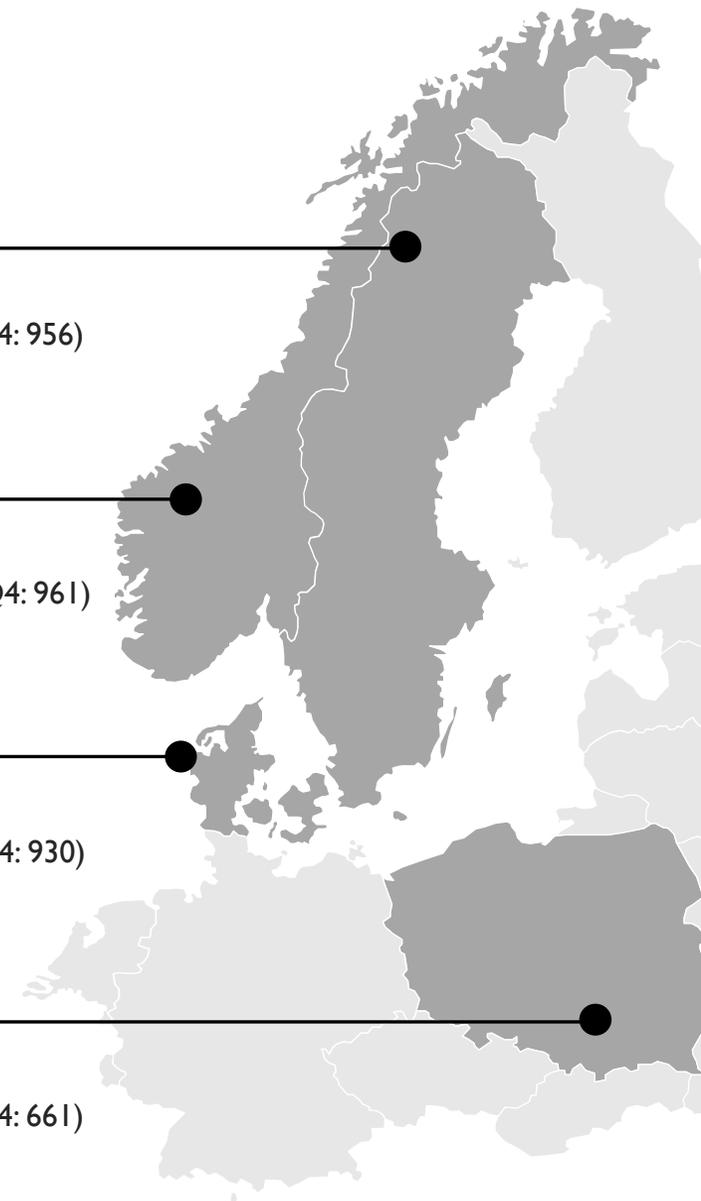
Denmark

Number of branches : **50** (20Q4: 51)
 Number of affiliated workshops: **942** (20Q4: 930)



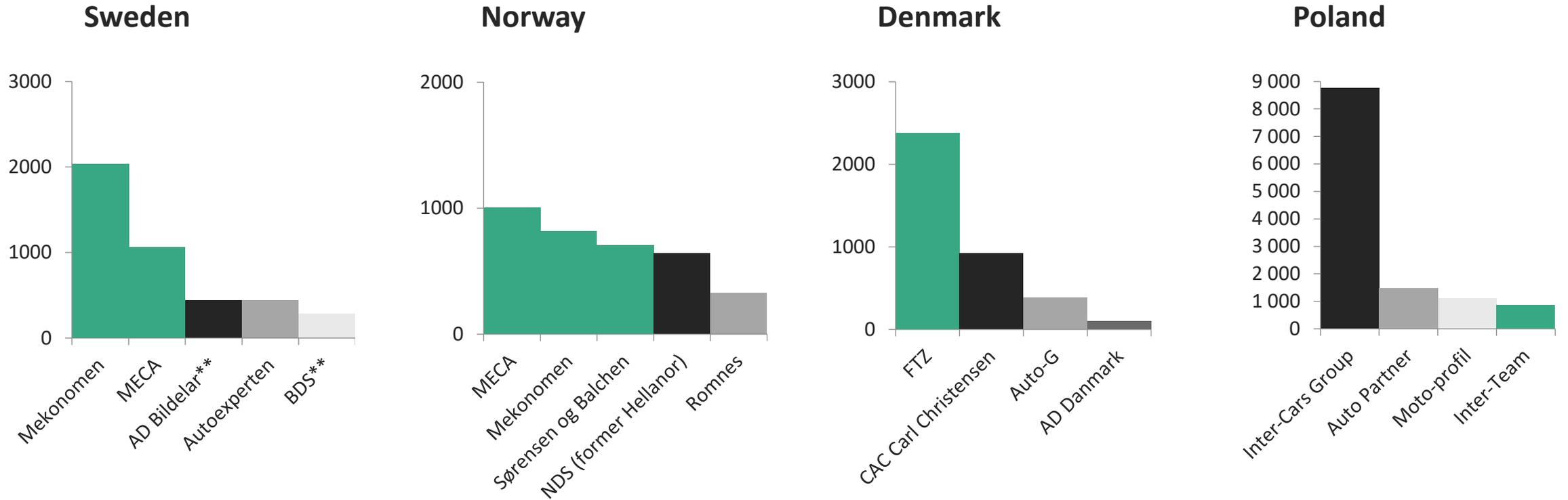
Poland

Number of branches : **82** (20Q4: 82)
 Number of affiliated workshops: **680** (20Q4: 661)



LEADER IN THREE OF FOUR MARKETS

Competition overview, net sales in local currency M*



*The net sales figures are taken from the latest published official numbers

**Net sales in wholesale business

A blurred white car is driving on a road, moving from left to right. The background shows a green field and a blue sky with scattered white clouds. The road has white lane markings, including a large arrow pointing right.

BUSINESS DEVELOPMENT



SERVICE AGREEMENTS FOR SWEDISH CAR OWNERS LAUNCHED

- Transparent and affordable service agreement with Mekonomen at a fixed monthly cost - new alternative to complicated and expensive service agreements
- Offers available on the market are often combined with conditions and hidden costs, such as requirements for the car owner to combine the service agreement with a certain financing solution when buying a new or used car
- Now available with fixed prices at mekonomen.se



TRANSFORMATION TOWARDS ELECTRIC CAR WORKSHOPS

- E+ is Mekonomen Group's standard for electric car service, that guarantees that the workshops have the right skills and equipment to take care of electric cars
- 1,500 electric car workshops will meet the requirements of E+ no later than 2022
- The Group's transition towards electric cars started in 2012, when we launched the first electrical and hybrid training course for our workshops

ELECTRIC VEHICLE MARKET FORECAST 2030

- Personal vehicles in Scandinavia 2030 (figures for 2020 in parenthesis)

EV market in Norway 2030

- 3,5 million (2,9) personal vehicles total
 - 2,0 million (0,3) BEV
 - 1,5 million (2,6) non-BEV

Political target: "Only zero emission vehicles sold from 2025"

EV market in Denmark 2030

- 3,5 million (2,7) personal vehicles total
 - 600 000* (30 000) BEV
 - 2,9 (2,7) million non-BEV

Political target: "775 000 Low emission vehicles (BEV and PHEV) by 2030"

*Based on political target - Market indicators shows the result could be closer to 1 million BEV.

EV market in Sweden 2030

- 5,4 (4,9) million personal vehicles total
 - 1,0 million (60 000) BEV
 - 4,4 million (4,9) non-BEV

Political target: "70% reduction of carbon emissions from the transport sector by 2030, compared to 2010"

- Poland was excluded from the analysis due to currently low volumes.
- Things could change rapidly in all markets in case of political decisions in the country or on an EU level.

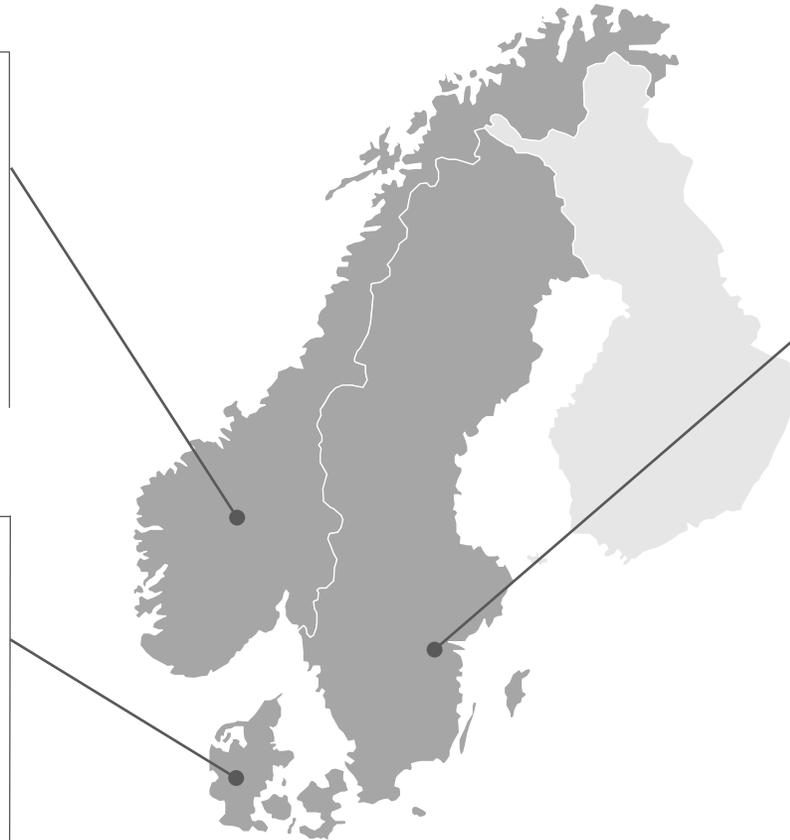
EV: Electric vehicle.

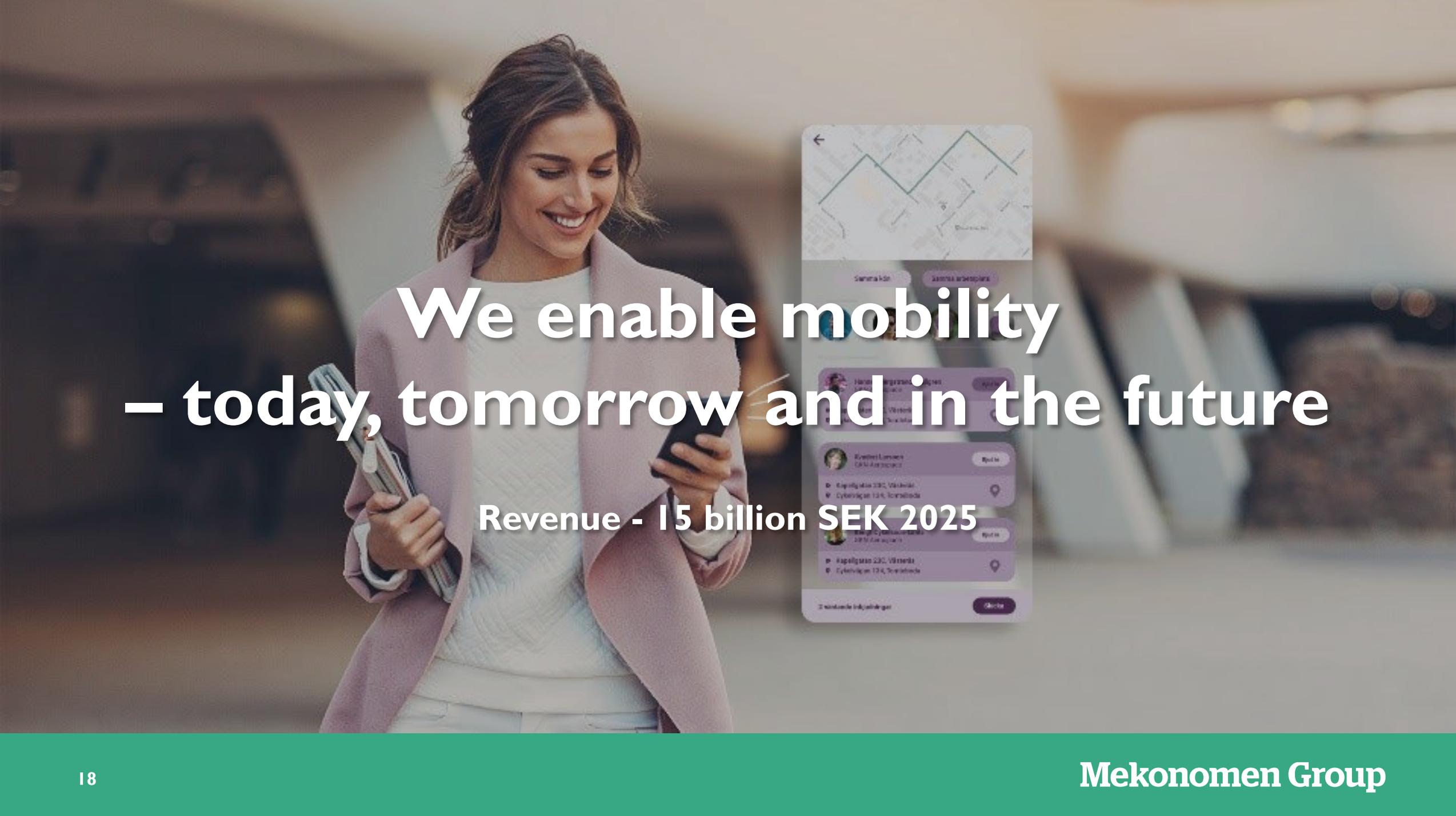
BEV: Battery electric vehicle (fully electric).

PHEV: Plug-in hybrid electric vehicle.

PV: Personal vehicle

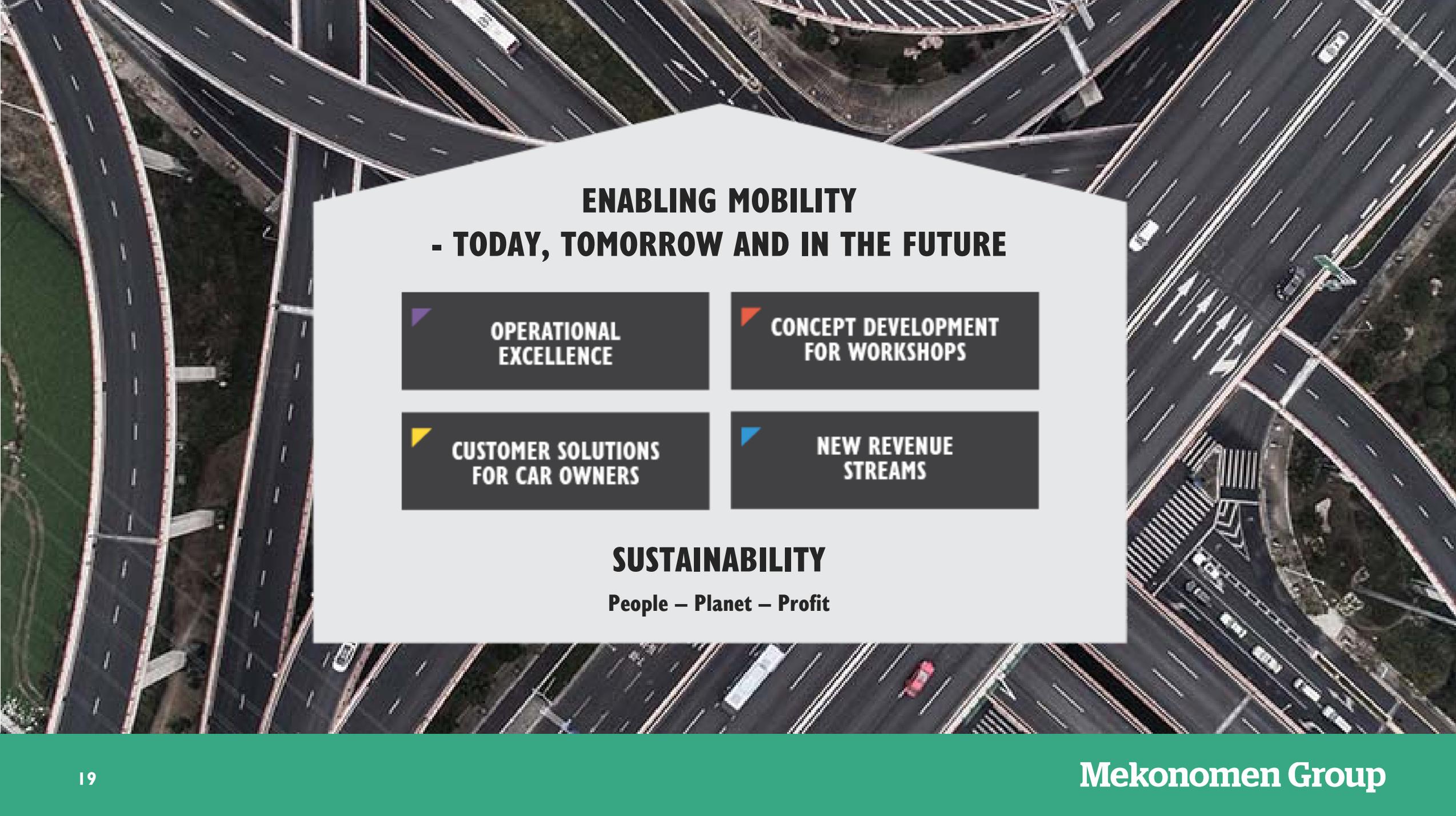
Source: Statistics Sweden, Statistics Denmark, Statistics Norway, Information Council for the Road Traffic Norway, IMF GDP prognosis.





We enable mobility – today, tomorrow and in the future

Revenue - 15 billion SEK 2025



ENABLING MOBILITY

- TODAY, TOMORROW AND IN THE FUTURE

**OPERATIONAL
EXCELLENCE**

**CONCEPT DEVELOPMENT
FOR WORKSHOPS**

**CUSTOMER SOLUTIONS
FOR CAR OWNERS**

**NEW REVENUE
STREAMS**

SUSTAINABILITY

People – Planet – Profit



APPENDIX

Earnings trend

SUMMARY OF THE GROUP'S EARNINGS TREND	Jan-Mar 2021	Jan-Mar 2020	Change, %	12 months Apr-Mar	Full-year 2020	Change, %
SEK M						
Net sales	3 001	2 874	4	11 638	11 511	1
Adjusted EBIT	224	98	127	1 062	937	13
EBIT	186	59	214	865	738	17
Profit after financial items	140	-11	-1317	748	596	25
Profit after tax	108	-15	-831	569	446	28
Earnings per share, SEK	1,85	-0,29	-737	9,80	7,67	28
Adjusted EBIT margin, %	7	3		9	8	
EBIT margin, %	6	2		7	6	

ADJUSTED EBIT	Jan-Mar 2021	Jan-Mar 2020	Change, %	12 months Apr-Mar	Full-year 2020	Change, %
SEK M						
EBIT	186	59	214	865	738	17
Costs attributable to restructuring in business area MECA/Mekonomen				-50	-50	
Gains from sale of property in business area FTZ				6	6	
<i>Items affecting comparability, total</i>				-44	-44	
<i>"Other items", material acquisition-related items ¹⁾</i>	-38	-39		-154	-155	
Adjusted EBIT	224	98	127	1 062	937	13

¹⁾ Other items include material acquisition-related items. Current acquisition-related items are amortization of acquired intangible assets relating to the acquisitions of FTZ, Inter-Team, MECA and Sørensen og Balchen.

Cash flow

CONDENSED CONSOLIDATED CASH-FLOW STATEMENT, SEK M	Jan-Mar 2021	Jan-Mar 2020	12 months Apr-Mar	Full-year 2020
Operating activities				
<i>Cash flow from operating activities before changes in working capital, excluding tax paid</i>	358	202	1 650	1 494
Tax paid	-95	-57	-208	-170
Cash flow from operating activities before changes in working capital	263	145	1 442	1 324
Cash flow from changes in working capital:				
Changes in inventory	18	24	-4	2
Changes in receivables	-201	-43	-143	15
Changes in liabilities	99	-65	447	284
<i>Increase (-)/Decrease (+) working capital</i>	-84	-83	300	301
Cash-flow from operating activities	179	62	1 742	1 625
Cash flow from investing activities	-58	-67	-177	-186
Cash flow from financing activities	70	-161	-1 108	-1 339
CASH FLOW FOR THE PERIOD	191	-166	457	100
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	420	355	207	355
Exchange-rate differences in cash and cash equivalents	14	18	-39	-35
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	625	207	625	420

Balance sheet

CONDENSED CONSOLIDATED BALANCE SHEET SEK M	March 31 2021	March 31 2020	December 31 2020
ASSETS ¹⁾			
Intangible fixed assets	5 473	5 844	5 410
Tangible fixed assets	453	472	448
Right-of-use assets	1 714	1 705	1 606
Financial fixed assets	101	95	98
Deferred tax assets	6	-	1
Goods for resale	2 740	2 814	2 704
Current receivables	1 742	1 646	1 506
Cash and cash equivalents	625	207	420
TOTAL ASSETS	12 854	12 783	12 193
SHAREHOLDERS' EQUITY AND LIABILITIES ¹⁾			
Shareholders' equity	4 788	4 375	4 595
Long-term liabilities, interest-bearing	3 201	3 442	2 743
Long-term lease liabilities	1 262	1 220	1 168
Deferred tax liabilities	332	382	388
Long-term liabilities, non-interest-bearing	17	70	16
Current liabilities, interest-bearing	384	715	611
Current lease liabilities	446	449	432
Current liabilities, non-interest-bearing	2 426	2 131	2 240
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	12 854	12 783	12 193

¹⁾ The carrying amounts of financial assets and liabilities are measured at either fair value or a reasonable approximation of fair value.

Income statement

CONDENSED CONSOLIDATED INCOME STATEMENT, SEK M	Jan-Mar 2021	Jan-Mar 2020	12 months Apr-Mar	Full-year 2020
Net sales	3 001	2 874	11 638	11 511
Other operating revenue	57	42	268	253
Total revenue	3 058	2 917	11 905	11 763
Goods for resale	-1 660	-1 611	-6 368	-6 318
Other external costs	-356	-385	-1 374	-1 403
Personnel expenses	-655	-657	-2 467	-2 469
Operating profit before depreciation/ amortization and impairment of tangible and intangible fixed assets (EBITDA)	386	265	1 696	1 574
Depreciation and impairment of tangible fixed assets and right-of-use assets	-141	-149	-599	-606
Operating profit before amortization and impairment of intangible fixed assets (EBITA)	245	116	1 097	968
Amortization and impairment of intangible fixed assets	-59	-56	-233	-230
EBIT	186	59	865	738
Interest income	3	3	10	10
Interest expenses	-31	-33	-130	-133
Other financial items	-18	-40	3	-19
Profit after financial items	140	-11	748	596
Tax	-32	-3	-178	-150
PROFIT FOR THE PERIOD	108	-15	569	446
Profit for the period attributable to:				
Parent Company's shareholders	104	-16	552	432
Non-controlling interests	4	2	17	15
PROFIT FOR THE PERIOD	108	-15	569	446
Earnings per share before and after dilution, SEK	1,85	-0,29	9,80	7,67

Largest owners 2021-03-31

Voting rights and share capitals, %	
LKQ Corporation	26,6
Fjärde AP-fonden	8,5
Didner & Gerge Fonder	6,9
Swedbank Robur Fonder	3,6
Eva Fraim Pålman	3,2
Dimensional Fund Advisors	2,5
AFA Försäkring	2,4
Avanza Pension	1,9
Ing-Marie Fraim	1,8
Vanguard	1,8
Total 10 largest shareholders	59,2
Others	40,8
Total	100,0

UPDATED FINANCIAL TARGETS

SALES GROWTH

The target is to achieve an average annual sales increase of at least 5 percent, through a combination of organic growth and smaller acquisitions.

ADJUSTED EBIT MARGIN

The target is to reach adjusted EBIT margin of 10 percent.

NET DEBT/EBITDA

The target is that net debt/ EBITDA shall be in the range 2.0-3.0 times.

DIVIDEND POLICY

The Board's intention is that Mekonomen Group will pay dividends corresponding to not less than 50 per cent of profit after tax.