



MEKONOMEN GROUP

January – December 2019
February 7, 2020

Q4 2019 – Stable performance in the fourth quarter

Continued sales growth and stable profitability

Ongoing EBIT enhancing activities according to plan

Improved cash flow generation

The Board proposes a dividend of 0.50 SEK per share

Attractive concepts and brands contribute to increased sales to affiliated workshops

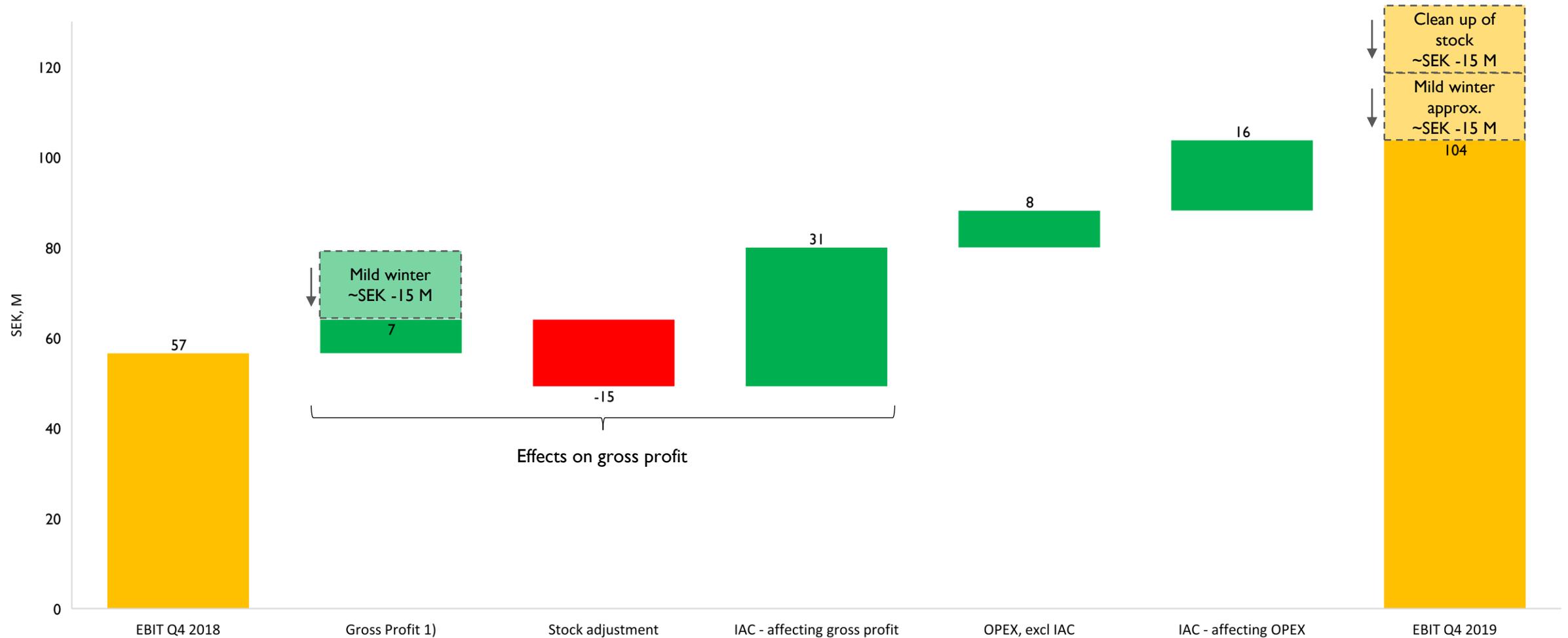
MEKONOMEN GROUP – FOURTH QUARTER 2019

SEK M	Q4 2019	Q4 2018	change	2019 12M	2018 12M	change
Group, net sales	2,954	2,864	3%	11,842	7,779	52%
Adjusted EBIT ¹⁾	149	148	1%	874	599	46%
EBIT	104	57	84%	705	407	73%
Earnings per share, SEK	1.00	0.18	465%	7.34	6.56	12%
Cash flow for the period	156	-135	n.a.	146	-32	n.a.
Key figures						
- Organic growth ²⁾	1%	1%		2%	1%	
- Adjusted EBIT margin	5%	5%		7%	8%	
- EBIT margin	3%	2%		6%	5%	

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

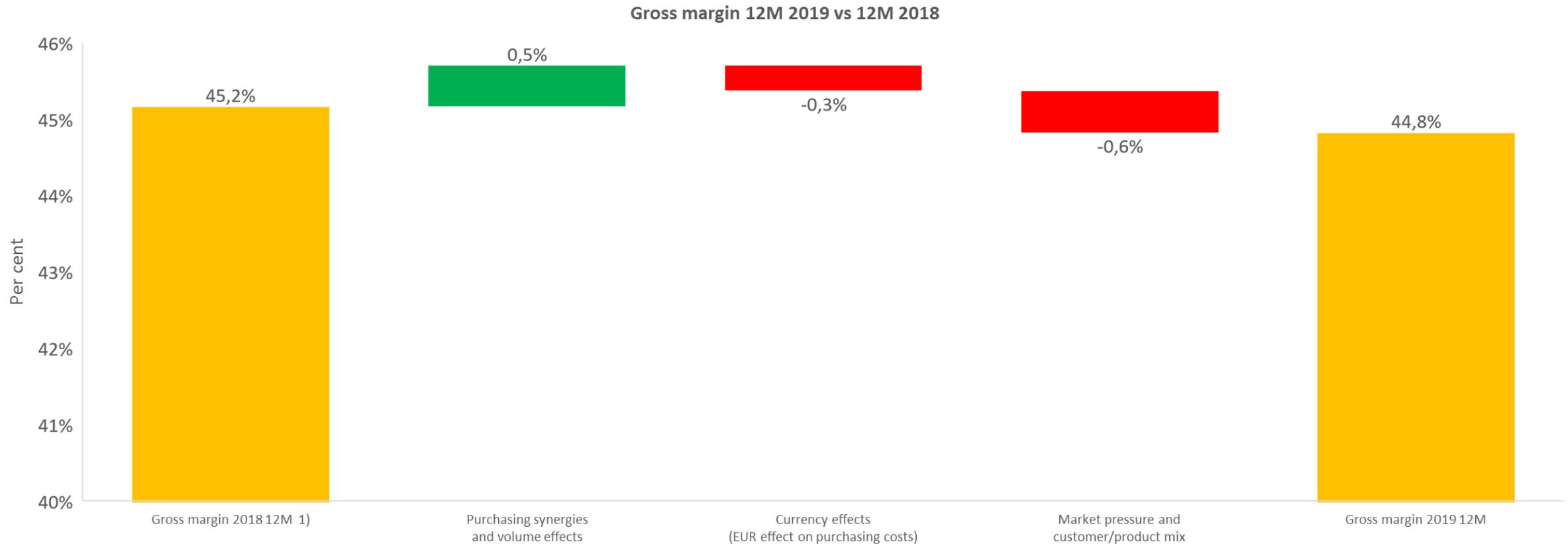
²⁾ Organic growth is change in net sales adjusted for number of workdays, acquisitions/divestments and currency effects.

DEVELOPMENT EBIT Q4 2019 vs Q4 2018



1) Gross Profit, adjusted for clean up of stock and items affecting comparability.

DEVELOPMENT – Gross margin 2019 12M vs 2018 12M

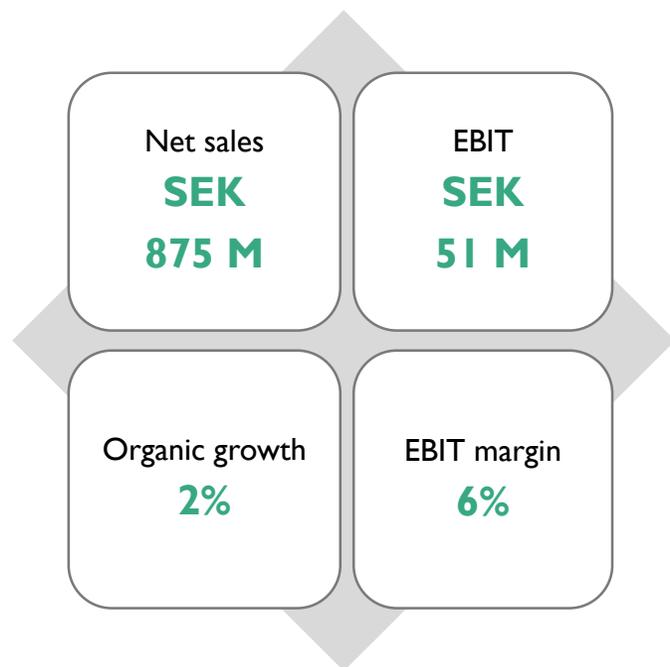


1) Gross margin 2018 12M is an approximation as if FTZ and Inter-Team had been acquired on 1 January 2018.

A man and a woman in a warehouse setting are looking at a laptop computer mounted on a conveyor belt. The woman is smiling and looking at the man, who is pointing at the screen. In the background, another woman is working at a different station. The scene is brightly lit with industrial equipment and a conveyor belt with cardboard boxes.

SALES & RESULT PER BUSINESS AREA

FTZ – FOURTH QUARTER 2019



Net sales growth of 5 per cent, of which 2 per cent organic

Improved EBIT, as a result of purchasing synergies, cost-saving activities and items affecting comparability

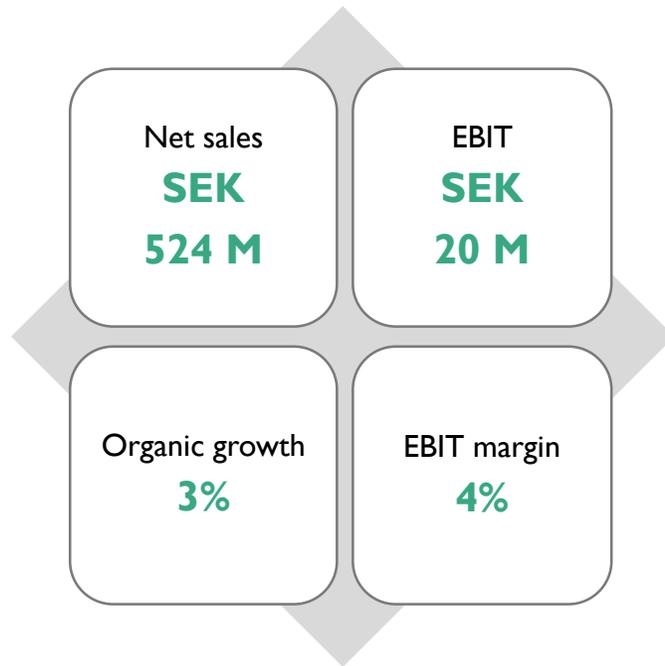
Market share in Denmark estimated to be stable, despite weak market development

SEK M	Q4 2019	Q4 2018	Change	2019 12M	2018 12M ¹⁾	Change ¹⁾
Net sales	875	836	5%	3,371	1,088	210%
Adjusted EBIT ²⁾	60	54	11%	309	67	359%
EBIT	51	36	41%	299	49	507%
Key figures						
- Organic growth	2%	-		1%	-	
- EBIT margin	6%	4%		9%	5%	

¹⁾ FTZ was acquired on 3 September, 2018

²⁾ Adjusted EBIT excludes items affecting comparability.

INTER-TEAM – FOURTH QUARTER 2019



Strong sales growth driven by higher share of domestic sales resulting in estimated market share gains

Improved EBIT, mainly driven by higher sales and purchasing synergies

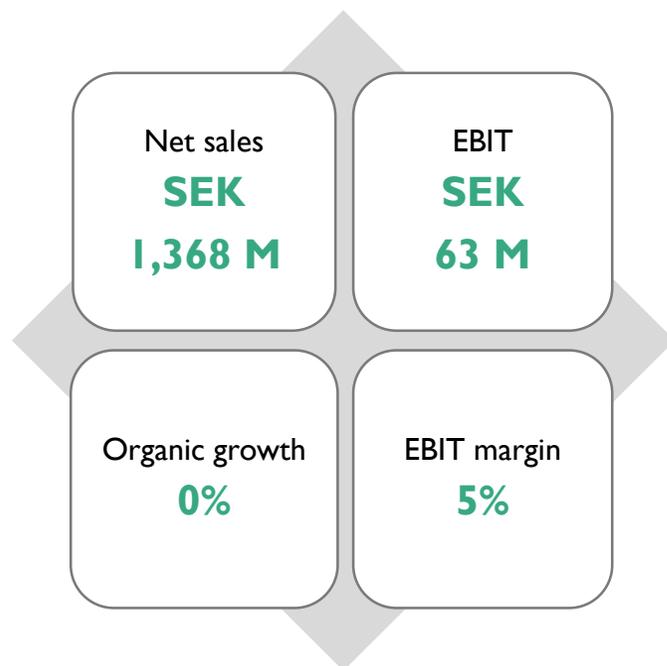
Continued high price pressure and aggressive activities from competitors

SEK M	Q4 2019	Q4 2018	Change	2019 12M	2018 12M ¹⁾	Change ¹⁾
Net sales	524	490	7%	2,155	638	238%
Adjusted EBIT ²⁾	20	7	201%	43	6	573%
EBIT	20	0	n/a	43	-1	n/a
Key figures						
- Organic growth	3%	-		5%	-	
- EBIT margin	4%	0%		2%	0%	

¹⁾ Inter-Team was acquired on 3 September, 2018.

²⁾ Adjusted EBIT excludes items affecting comparability.

MECA/MEKONOMEN – FOURTH QUARTER 2019



Net sales in line with comparable quarter last year, where mild winter season affect growth negatively by around 2 per cent

Higher purchasing costs due to weak SEK and NOK against EUR and changes in customer/product mix

Stable EBIT, where cost saving activities compensated for continued price pressure, customer/product mix changes and inventory write-down

SEK M	Q4 2019	Q4 2018	Change	2019 12M	2018 12M	Change
Net sales	1,368	1,363	0%	5,527	5,301	4%
- Sweden	862	857	1%	3,404	3,240	5%
- Norway	486	494	-2%	2,063	2,015	2%
- Finland	19	12	63%	60	46	30%
Adjusted EBIT ¹⁾	61	82	-25%	441	462	-5%
EBIT	63	54	16%	438	428	2%
Key figures						
- Organic growth	0%	3%		2%	2%	
- EBIT margin	5%	4%		8%	8%	

¹⁾ Adjusted EBIT excludes items affecting comparability.

BilXtra

**Sveriges snabbast
växande butikskedja.
Vill du vara med?**



BilXtra Sweden

- So far 8 branches in the concept, whereof 4 proprietary and 4 franchise (as of 7 February 2020)
- Turnover during 2019 approximately SEK 50 M
- Large interest from branches within competing concepts to join the BilXtra concept

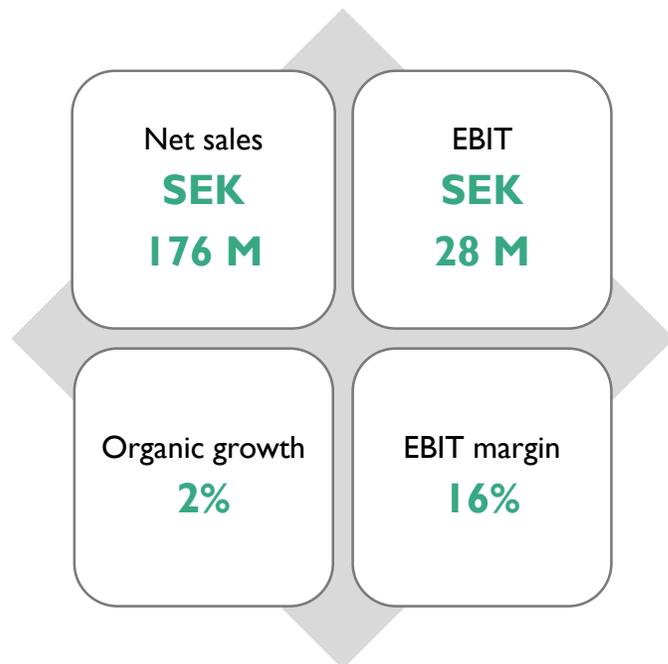
Picture content: BilXtra, Swedens fastest growing branch chain, interested in joining?



MERGING OF CENTRAL WAREHOUSES IN SWEDEN

- The project is proceeding as planned
- Will generate cost saving effects of SEK 50 M annually, with full effect as of the end of 2020
- Successfully concluded pilot where five MECA branches and the regional MECA warehouse in Norway received their supply from Strängnäs
- Next phase to gradually transfer the supply of MECA branches from the warehouse in Eskilstuna to Strängnäs
- Focused process to minimize risk and ensure high service levels towards our customers.

SØRENSEN OG BALCHEN – FOURTH QUARTER 2019



Positive sales development with higher share of sales to affiliated workshops

Higher EBIT as a result of effective cost control

Highest share of B2C sales within the Group and exposure towards the retail market. Actions to increase share of B2B sales is proceeding well

SEK M	Q4 2019	Q4 2018	Change	2019 12M	2018 12M	Change
Net sales	176	168	5%	759	739	3%
Adjusted EBIT ¹⁾	27	24	10%	119	113	5%
EBIT	28	24	16%	121	106	14%
Key figures						
- Organic growth	2%	-7%		-6%	-7%	
- EBIT margin	16%	15%		16%	14%	

¹⁾ Adjusted EBIT excludes items affecting comparability.

A high-angle photograph of a person with long brown hair, wearing a blue long-sleeved shirt and dark pants, working on the front of a white car. The person is leaning over the open hood, and their right hand is holding a small metal part. To the right of the person is a large, open black toolbox filled with various tools, including sockets, wrenches, and screwdrivers. A laptop computer is open on a black mat next to the toolbox, displaying a website or software interface. The scene is set in a well-lit garage or workshop.

MARKET & FOOTPRINT

GROUP MAIN MARKETS AND TRENDS

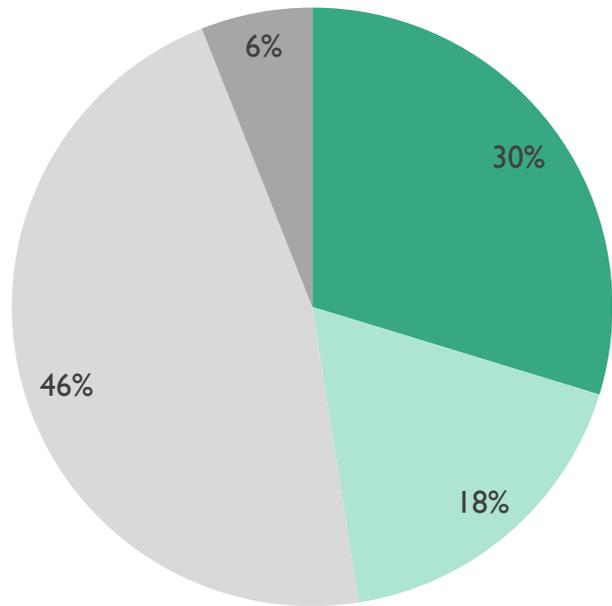
2018	Denmark	Norway	Poland	Sweden
Population	5.8 million	5.3 million	38.4 million	10.2 million
GDP growth	1.4 %	2.2 %	5.1 %	2.3 %
Number of cars	2.5 million	2.8 million	22.5 million	4.8 million
Growth in number of cars	2.6 %	1.1 %	3.9 %	0.5 %
Cars >3 years old	69 %	82 %	93 %	81 %
Pure electric cars	0.3 %	7.1 %	<0.1%	0.3 %
Market structure	High consolidation	High consolidation	Fragmented	High consolidation
Expected long-term growth (%)	1-2 %	1-2 %	4-5 %	1-2 %
Mekonomen Group's B2B share of total sales	100 %	~85 % whereof SogB ~70 %	100 %	~85 %
Mekonomen Group's market share	28 %	25 %	4 %	15 %

Trends

- Change of customer expectations
 - Digitalisation
 - Future car fleet
- Next generation car fleet
 - Pure electric cars
 - Hybride cars
 - Higher share of automation and software in the cars
- Shift in competitiveness
 - Connected cars
 - New actors
 - Consolidation and integration

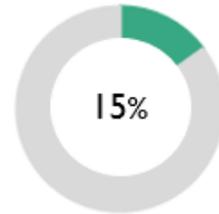
GROUP FOOTPRINT

Net sales per business area, 2019Q4



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

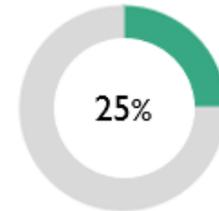
Market shares - main markets



Sweden

Number of branches: **195** (19Q3: 190)

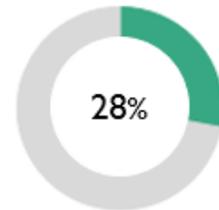
Number of affiliated workshops: **1 002** (19Q3: 1 002)



Norway

Number of branches : **131** (19Q3: 132)

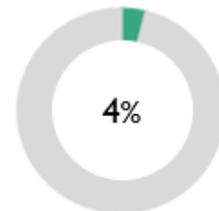
Number of affiliated workshops: **983** (19Q3: 976)



Denmark

Number of branches : **51** (19Q3: 51)

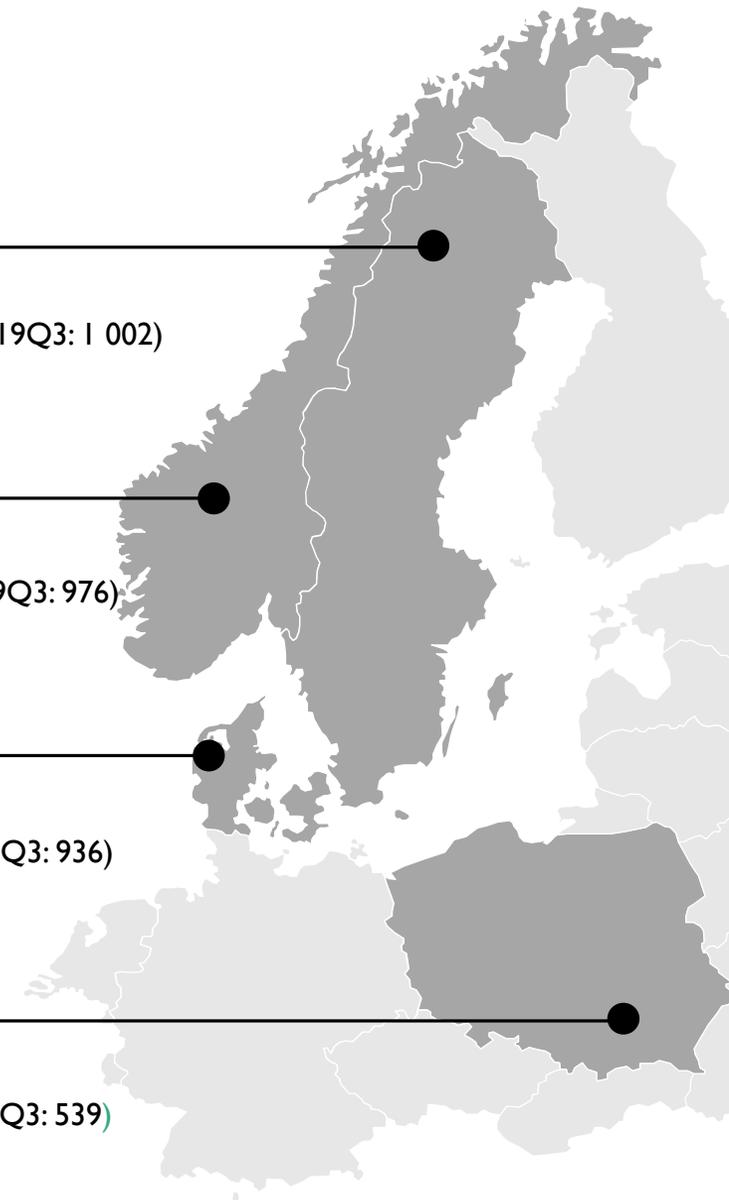
Number of affiliated workshops: **982** (19Q3: 936)



Poland

Number of branches : **82** (19Q3: 83)

Number of affiliated workshops: **603** (19Q3: 539)





DIGITALIZATION



Customer solutions Sweden - upgraded car owner booking portal

- Upgrade of the Groups digital car owner booking solution launched in Mekonomen Sweden in December 2019
- Improved features for instant quote and schedule functions
- Continued roll-out of the solution to further Group concepts during 2020, replacing existing digital booking solutions



Customer solutions Denmark – Drive Clever

- FTZ are in the end stage of developing Drive Clever, a call center and digital portal that provides a one point of contact to everything the vehicle owner need
 - *Leasing / renting / buying cars / pay-per-use / Consulting / subscriptions / service / maintenance*
- A link between vehicle owners and independent workshops that provides the workshops with a stable flow of car owner customers
- Drive Clever is already working for companies and leasing fleets with professionals' invoices and will soon be available to all vehicle owners



ProMeister competency portal (Learning Management System)

- Digital competence platform for workshops
- Including generic competence assessment for the European market. Useful in recruitment processes and to evaluate existing competence level in a workshop. Individual development recommendations linked to exact courses after the assessment
- Booking of courses and training
- Wider support for e-learning, integration with other educational players in the industry with direct access to courses offered exclusively from such a provider
- In Denmark (FTZ), the portal has been supplemented with a technical support module (January 2020). FTZ's workshops have so far provided positive feedback about the solution
- Integrated with customers' business systems, including fully automated invoice management
- Launched in England, Norway, Denmark, Sweden and Ireland during 2019. A customized version launched in Czech Republic (external industry player) in January 2020, upcoming launch in Poland and Ukraine



Petra Bendelin, Director of Business Development and Strategy

- In order to intensify the strategic work, the Group management team is strengthened with Director of Business Development and Strategy
- Petra Bendelin has worked within Mekonomen Group since 2010 in several leading positions, most recently as Managing Director of the Group's subsidiary ProMeister Solutions, which develops and offers workshop services such as training, digital services and customer service
- Petra Bendelin is a member of the Group management team from 7 February 2020

FOCUS 2020

Core growth & profitability

Increased market shares,
Improved sales, best practice
and cost control

Customer value

Develop our concepts to
affiliated workshops, car
owners and other B2B
customers

Business development

Secure future
competitiveness, further
digitalization of our businesses
& leverage on initiated
strategic investments



APPENDIX

IFRS 16 EFFECTS

- Primarily affecting leasing contracts pertaining to premises and vehicles
- Net debt is not affected by IFRS 16, due to our definition is excluding leasing liabilities

IFRS 16 effects in 2019Q4			
SEK M	Including	Excluding	Effect
EBITDA	313	180	133
Adjusted EBIT	149	158	-9
EBIT	104	98	6
Profit after financial items	77	81	-4
Profit after tax	55	58	-3
Right-of-use assets	1 818	0	1 818
Leasing liabilities	1 780	0	1 780
CF from operating activities	202	74	128
CF from financing activities	-11	117	-128
CF for the period	156	156	0
Net debt, including IFRS 16*	5 489	3 709	1 780
Equity/asset ratio, %	33,7	39,3	-5,6

*Mekonomen Group's definition of Net debt is excluding short and long-term leasing liabilities, pensions, derivatives and similar obligations, less cash and cash equivalents.

Earnings trend

SUMMARY OF THE GROUP'S EARNINGS TREND SEK M	Oct-Dec	Oct-Dec	Change, %	Jan-Dec	Jan-Dec	Change, %
	2019	2018		2019	2018	
Net sales	2 954	2 864	3	11 842	7 779	52
Adjusted EBIT	149	148	1	874	599	46
EBIT	104	57	84	705	407	73
Profit after financial items	77	17	350	555	477	16
Profit after tax	55	8	564	421	268	57
Earnings per share, SEK	1,00	0,18	465	7,34	6,56	12
Adjusted EBIT margin, %	5	5		7	8	
EBIT margin, %	3	2		6	5	

ADJUSTED EBIT SEK M	Oct-Dec	Oct-Dec	Change, %	Jan-Dec	Jan-Dec	Change, %
	2019	2018		2019	2018	
EBIT	104	57	84	705	407	73
Costs related to the integration of FTZ and Inter-Team	-9	-25		-14	-25	
Impairment of inventory DAB products ¹⁾	3			3	-20	
Divestment Marinshopen					-6	
Acquisition costs FTZ and Inter-Team					-23	
Handling of refurbished spare parts		-28			-15	
Items affecting comparability, total	-6	-53		-11	-89	
"Other items", material acquisition-related items ²⁾	-39	-39		-157	-103	
Adjusted EBIT	149	148	1	874	599	46

¹⁾ Digital Audio Broadcasting.

²⁾ Other items include material acquisition-related items. Current acquisition-related items are depreciation 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	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
Operating activities				
<i>Cash flow from operating activities before changes in working capital, excluding tax paid ¹⁾²⁾</i>	296	141	1 416	652
Tax paid	-64	-54	-226	-199
Cash flow from operating activities before changes in working capital ¹⁾	232	87	1 190	453
Cash flow from changes in working capital:				
Changes in inventory	-83	-271	6	-336
Changes in receivables	200	223	-53	78
Changes in liabilities	-148	7	-2	135
<i>Increase (-)/Decrease (+) working capital</i>	-30	-41	-48	-122
Cash-flow from operating activities ^{1) 2)}	202	46	1 142	331
Cash flow from investing activities	-34	-82	-199	-4 407
Cash flow from financing activities ^{1) 2)}	-11	-100	-798	4 044
CASH FLOW FOR THE PERIOD	156	-135	146	-32
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	213	346	205	254
Exchange-rate difference in cash and cash equivalents	-14	-6	5	-18
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	355	205	355	205

Balance sheet

CONDENSED BALANCE SHEET FOR THE PARENT COMPANY, SEK M	31 december 2019	31 December 2018
ASSETS		
Fixed assets	9 037	8 055
Current receivables in Group companies	239	1 338
Other current receivables	13	27
Cash and cash equivalents	235	79
TOTAL ASSETS	9 524	9 499
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity	5 164	4 765
Untaxed reserves	211	247
Provisions	3	3
Long-term liabilities	3 314	3 224
Current liabilities in Group companies	70	123
Other current liabilities	762	1 137
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	9 524	9 499

Income statement

CONDENSED CONSOLIDATED INCOME STATEMENT, SEK M	Oct–Dec 2019	Oct–Dec 2018	Jan–Dec 2019	Jan–Dec 2018
Net sales	2 954	2 864	11 842	7 779
Other operating revenue	40	59	174	172
Total revenue	2 995	2 922	12 017	7 951
Goods for resale	-1 652	-1 604	-6 535	-3 901
Other external costs ¹⁾	-360	-531	-1 375	-1 581
Personnel expenses	-669	-653	-2 576	-1 832
Operating profit before depreciation/ amortisation and impairment of tangible and intangible fixed assets (EBITDA)	313	134	1 531	637
Depreciation and impairment of tangible fixed assets and right-of-use assets ²⁾	-154	-28	-611	-84
Operating profit before amortisation and impairment of intangible fixed assets (EBITA)	159	107	920	553
Amortisation and impairment of intangible fixed assets	-56	-50	-215	-146
EBIT	104	57	705	407
Interest income	3	3	12	6
Interest expenses ³⁾	-35	-20	-151	-53
Other financial items	5	-22	-11	117
Profit after financial items	77	17	555	477
Tax	-22	-9	-134	-209
PROFIT FOR THE PERIOD	55	8	421	268
Profit for the period attributable to:				
Parent Company's shareholders	56	9	413	260
Non-controlling interests	-1	-1	8	8
PROFIT FOR THE PERIOD	55	8	421	268
Earnings per share before and after dilution, SEK	1,00	0,18	7,34	6,56

¹⁾ Other external costs were positively impacted by SEK 133 M in the quarter and SEK 523 M for the full-year due to IFRS 16.

²⁾ Depreciation and impairment of tangible fixed assets were negatively impacted by SEK 127 M in the quarter and SEK 503 M for the full-year as a result of IFRS 16.

³⁾ Interest expenses were negatively impacted by SEK 11 M for the quarter and SEK 43 M in the full-year due to IFRS 16.

Largest owners 2019-12-31

	Voting rights and share capitals, %
LKQ Corporation	26,6
Didner & Gerge Fonder	8,9
Fjärde AP-fonden	8,4
Swedbank Robur Fonder	4,0
Eva Fraim Pålman	3,4
AFA Försäkring	3,1
Dimensional Fund Advisors	2,6
Avanza Pension	2,4
Centerstone Investors LLC	2,1
Vanguard	2,0
Total 10 largest shareholders	63,6
Others	36,4
Total	100,0