

Mekonomen Group

January - September 2015
11 November 2015

Mekonomen Group

MECA BilXtra Mekonomen

Summary third quarter

- Favourable growth
- Result affected by significant negative currency effects
- Several initiatives are underway to secure growth

Third quarter 2015

● Revenue:
SEK 1 405 M (1 340)

● EBITA:
SEK 196 M (214)

● EBITA margin:
14 Per cent (16)

● EBIT:
SEK 168 M (186)

● EBIT margin:
12 per cent (14)

● Revenue rose
5 per cent

● Sales in comparable units
+4 per cent

January - September 2015

● Revenue :
SEK 4 314 M (4 016)

● EBITA:
SEK 589 M (580)

● EBITA margin:
14 per cent (14)

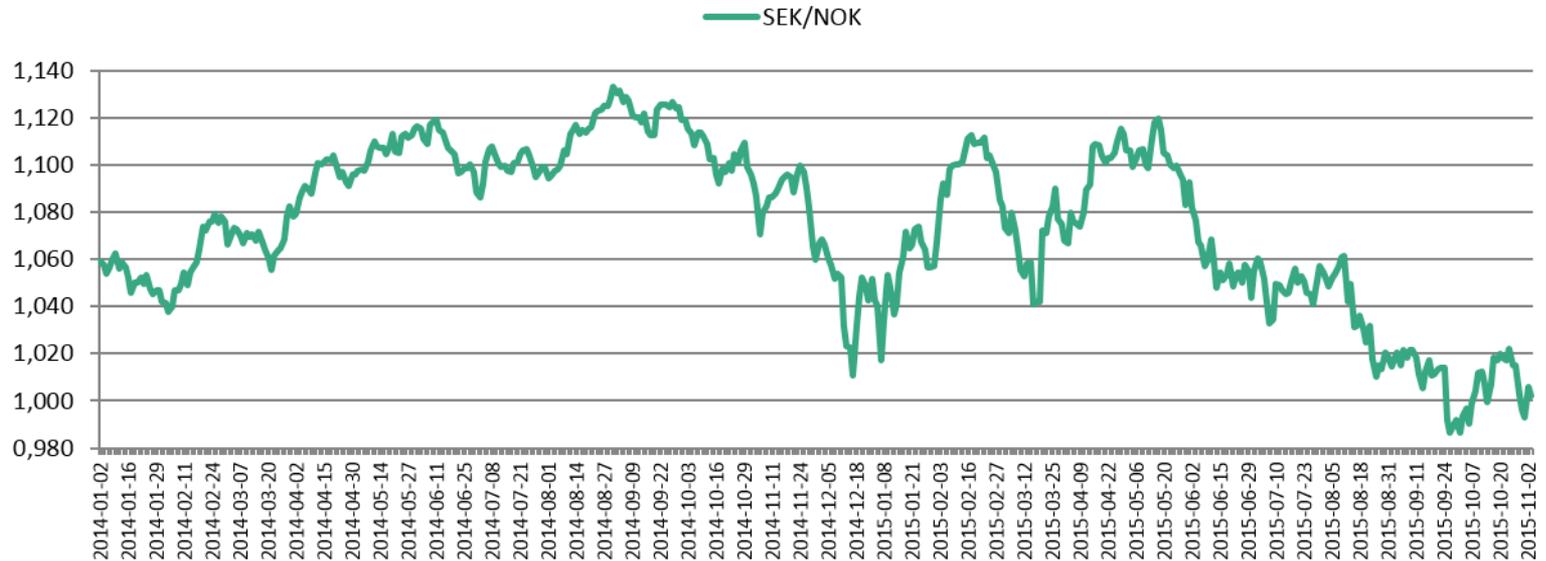
● EBIT:
SEK 507 M (494)

● EBIT margin:
12 per cent (12)

● Revenue rose
7 per cent

● Sales in comparable units
+6 per cent

The Norwegian krone has weakened



A weakening of SEK / NOK exchange rate by one percentage point, other things being equal, gives a negative impact of SEK 8 M at Mekonomen Group's full-year profit after tax (based on the 2014 financial year). Measures to compensate the impact on gross margin has been taken with effect from the fourth quarter 2015. Exchange rate effects (translation effects) remain.

Source: Riksbanken
(Swedish Central Bank)

Mekonomen Group

M E C A BilXtra Mekonomen



Group companies

Mekonomen Group

MECA *BilXtra* Mekonomen

MECA – third quarter 2015

- EBIT:
SEK 51 M (69)*
- EBIT margin:
11 per cent (17)
- Underlying net sales:
+16 per cent, affected by
Opus Equipment and
Denmark
- Strong sales increase for
affiliated MECA Car Service
workshops
- The sales development of
ProMeister contributed to
increased volumes
- Opus Equipment has contributed
with SEK 30 M to the revenue
and SEK 2 M on EBIT
- MECA's export business to
Denmark has weighed down the
result by SEK 9 M. Sales for the
Danish export business was SEK
15 M
- Weaker NOK exchange rate has
negatively affected profit

* Acquisition-related items attributable to Mekonomen AB's direct acquisition of MECA have been reallocated from the MECA segment to "Other". Comparative figures have been recalculated.

MECA January - September 2015

- EBIT:
195 MSEK (186)*
- EBIT margin:
14 per cent (15)
- Underlying net sales:
+12 per cent, affected by
Opus Equipment and
Denmark
- Strong sales increase for
affiliated MECA Car Service
workshops
- The sales development of ProMeister
contributed to increased volumes
- The cost reduction program
implemented in 2014 has had a
positive effect on earnings
- Significant marketing and sales
efforts in the Danish export business
has affected the operating profit by
SEK -21 M. Sales for the Danish
export business was SEK 34 M
- Weaker NOK exchange rate has
negatively affected profit

* Acquisition-related items attributable to Mekonomen AB's direct acquisition of MECA have been reallocated from the MECA segment to "Other". Comparative figures have been recalculated.

Mekonomen Nordic – third quarter 2015

- EBIT:
SEK 115 M (117)
- EBIT margin:
16 per cent (17)
- Underlying net sales:
+4 per cent
- ProMeister sales contributed to increased volumes in the segment other workshops
- Increased sales to consumers primarily as a result of campaigns, which has affected the gross margin
- Weaker NOK exchange rate has negatively affected profit

Mekonomen Sweden

- EBIT:
SEK 69 M (76)
- EBIT margin:
15 per cent (17)
- Quality assurance implemented earlier this year have led to a lower number of affiliated workshops with effect on sales to the customer group

Mekonomen Norway

- EBIT:
SEK 36 M (34)
- EBIT margin:
19 per cent (17)
- Strong sales development to affiliated workshops

Mekonomen Nordic January - September 2015

- EBIT:
SEK 321 M (309)
- EBIT margin:
15 per cent (15)
- Underlying net sales:
+6 per cent
- ProMeister sales contributed to increased volumes in the segment other workshops
- Weaker NOK exchange rate has negatively affected profit

Mekonomen Sweden

- EBIT:
SEK 208 M (207)
- EBIT margin:
14 per cent (16)

Mekonomen Norway

- EBIT:
SEK 118 M (101)
- EBIT margin:
19 per cent (17)

Sørensen og Balchen – third quarter 2015

- EBIT:
SEK 30 M (29)*
- EBIT margin:
16 per cent (16)
- Underlying net sales:
+9 per cent
- Positive sales development to affiliated BilXtra workshops
- Weaker NOK exchange rate has negatively affected profit

* Acquisition-related items attributable to Mekonomen AB's direct acquisition of Sørensen og Balchen have been reallocated from the Sørensen og Balchen segment to "Other". Comparative figures have been recalculated.

Sørensen og Balchen January - September 2015

- EBIT:
SEK 90 M (87)*
- EBIT margin:
16 per cent (16)
- Underlying net sales:
+9 per cent
- Weaker NOK exchange rate, has negatively affected profit
- Favourable sales development to affiliated BilXtra workshops during the nine-month period

* Acquisition-related items attributable to Mekonomen AB's direct acquisition of Sørensen og Balchen have been reallocated from the Sørensen og Balchen segment to "Other". Comparative figures have been recalculated.



Market and growth

Mekonomen Group

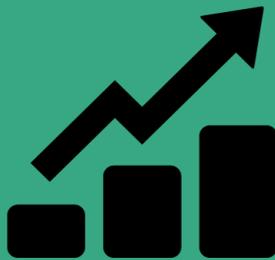
MECA *BilXtra* Mekonomen

Growth by customer group for the third quarter 2015

– strong growth in all customer groups

Affiliated workshops

Local currency



+8%

Nominal outcome

+5%

Other workshops

Local currency



+8%

Nominal outcome

+4%

Consumers

Local currency



+11%

Nominal outcome

+8%

Mekonomen Group

MECA *BiXtra* Mekonomen

Growth by customer group for January - September 2015

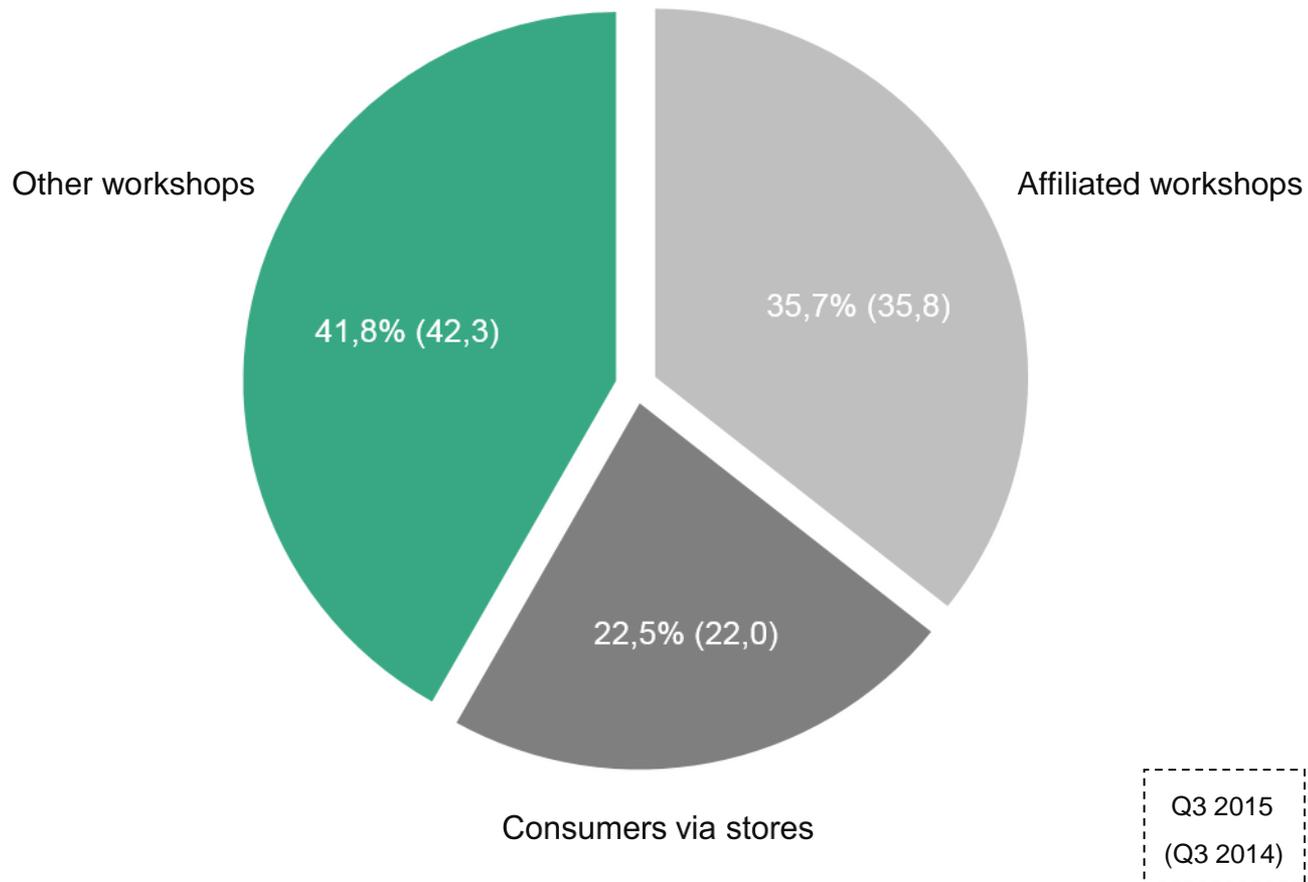
- strong growth in all customer groups



Mekonomen Group

MECA *BiXtra* Mekonomen

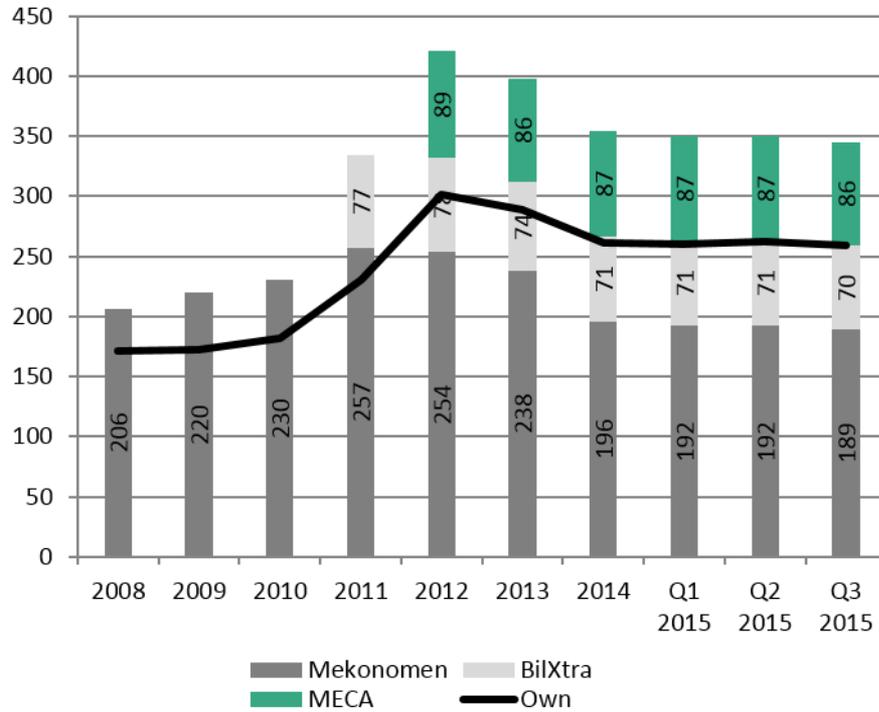
Distribution, customer groups



Mekonomen Group

MECA BiXtra Mekonomen

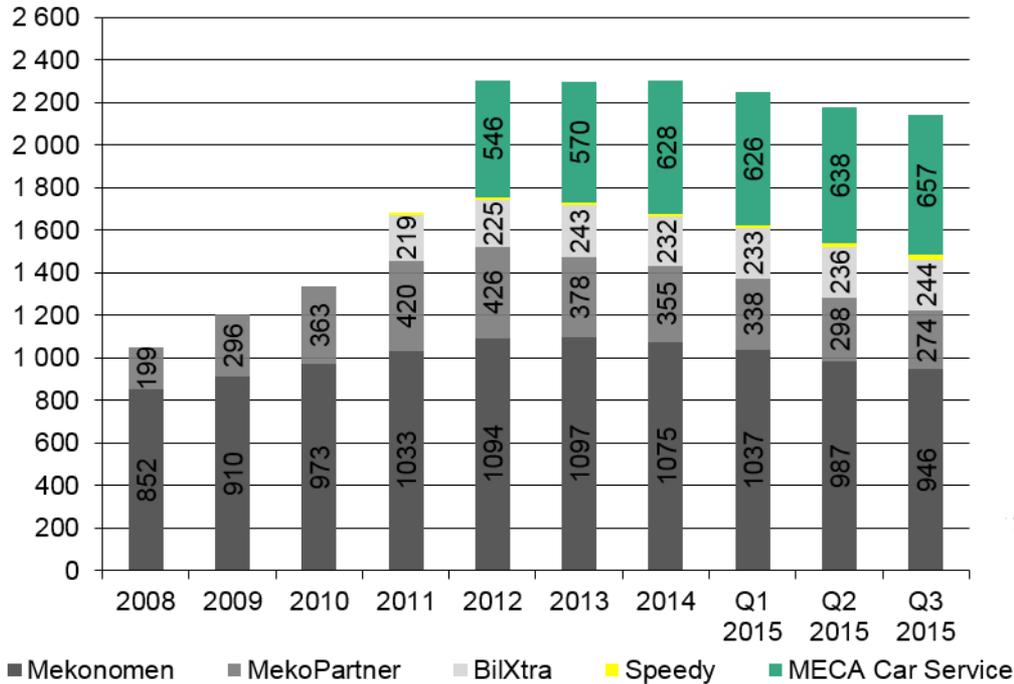
Stores



Mekonomen Group

MECA BilXtra Mekonomen

Workshops



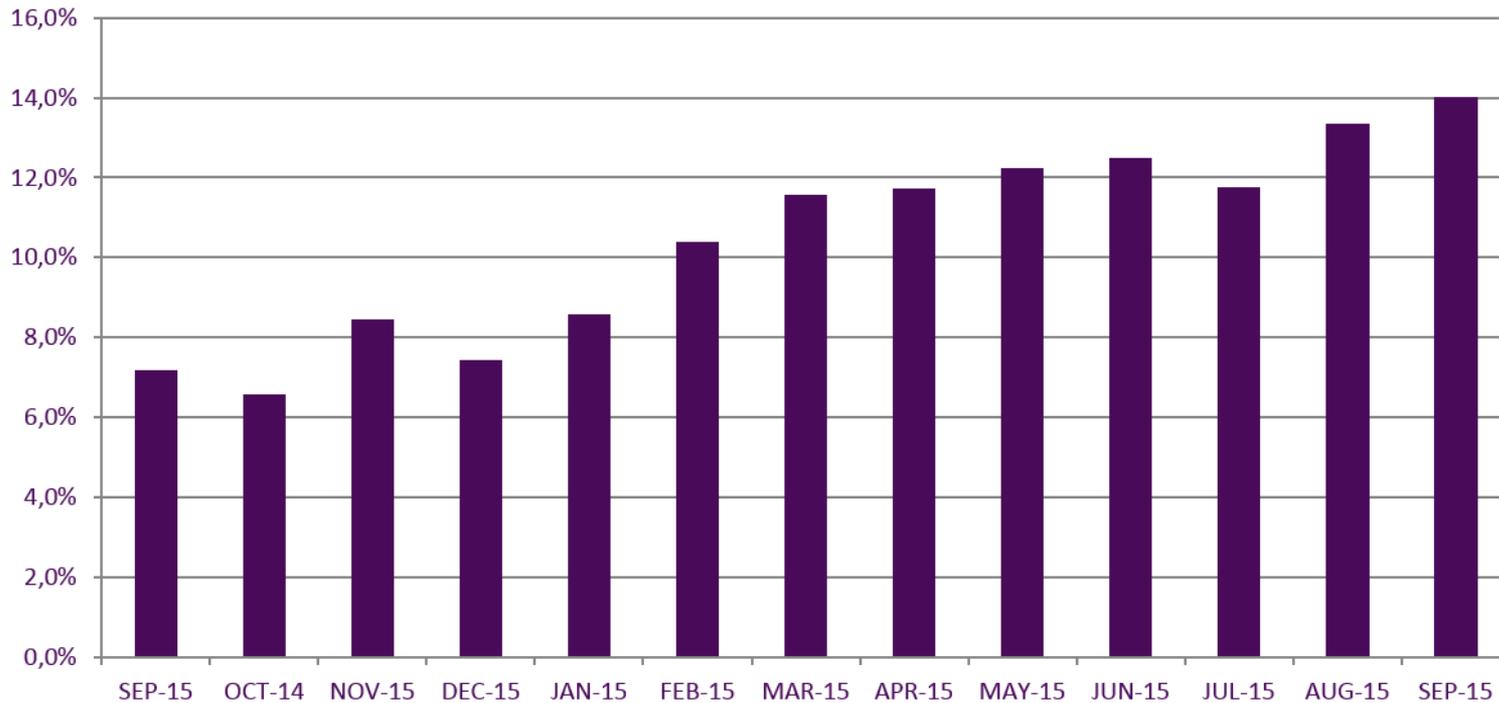
Reduced number of Mekonomen workshops as an effect of the quality assurance which has been implemented as well as of fewer workshops in Denmark. Increase in Speedy. Good development in MECA Car Service.

Mekonomen Group

MECA BilXtra Mekonomen

ProMeister

ProMeister share of spare parts sales



5 ÅRS GARANTI
YEAR WARRANTY

Mekonomen Group

MECA *BilXtra* Mekonomen

Market – Vehicle inspection

- Transportstyrelsen (the Swedish Transport Agency) proposes fewer vehicle inspections, with inspection every two years for cars and light trucks
- Transition to the new inspection intervals is proposed to start 4 February 2018 and will end in 2022
- Mekonomen Group's sales in Sweden, from repairs being performed after vehicle inspection, would only be marginally affected by this change



Focus

Mekonomen Group

MECA *BilXtra* Mekonomen

Focus



Growth and innovation



Continued focus on ProMeister, ProMeister Academy
- Products och training



Strategic projects
– E-commerce platform for B2B and B2C, PIM



Group-wide functions
- Purchasing & category, supply chain and IT



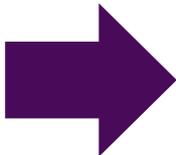
Continued quality assurance of workshops and concepts

Structural changes starting 1 January 2016



Group Management level Mekonomen Nordic is removed

- The sales companies Mekonomen Sweden, Norway and Finland will be operated directly under Mekonomen Group
- Employees within the legal company Mekonomen Norden AB will work in Group wide functions



Cost-savings by 15 MSEK

- Effect from 2016, savings fully realized after the first half year 2017

Mekonomen Group

MECA *BilXtra* Mekonomen

Quality and training

- All workshops within MECA och Mekonomen are members of SFVF
- Review of quality och equipment level in every workshop
- Increased training in ProMeister Academy



Mechanics



Successful pilot project "Win Win Win" in cooperation with Arbetsförmedlingen (the Swedish Public Employment Service)



Over 50 % of the participants employable immediately



Ambition to find many of the 500 mechanics needed in the coming years, in this channel



Mekonomen Group

MECA BiXtra Mekonomen

Mekonomen Share Car and MECA+



Mekonomen Share Car

- Will be launched in
week 47



Premium concept MECA +

- Rollout of the concept
started

Mekonomen Group

MECA BiXtra Mekonomen

Strongest brand

Mekonomen

– Strongest brand in the industry
for the second year running



Mekonomen Group

MECA *BiXtra* Mekonomen



Appendix

Mekonomen Group

MECA *BilXtra* Mekonomen

Earnings trend

| SUMMARY OF THE GROUP'S EARNINGS TREND SEK M | Jul - Sep 2015 | Jul - Sep 2014 | Change | Jan - Sep 2015 | Jan - Sep 2014 | Change | 12 months Oct - Sep | Full-year 2014 |
|--|----------------|----------------|--------|----------------|----------------|--------|---------------------|----------------|
| | Revenue | 1405 | | 1340 | 5 | | 4 314 | 4 016 |
| Operating profit before amortisation and impairment of intangible fixed assets (EBITA) | 196 | 214 | -8 | 589 | 580 | 2 | 773 | 763 |
| EBIT | 168 | 186 | -9 | 507 | 494 | 3 | 652 | 639 |
| Profit after financial items | 154 | 174 | -12 | 485 | 478 | 2 | 627 | 620 |
| Profit after tax, continuing operations | 111 | 135 | -18 | 354 | 364 | -3 | 456 | 466 |
| Profit after tax, discontinued operations | 0 | -18 | -100 | -1 | -69 | -99 | -272 | -340 |
| Profit after tax | 111 | 118 | -6 | 353 | 296 | 19 | 184 | 127 |
| Earnings per share, continuing operations, SEK | 3,01 | 3,69 | -19 | 9,63 | 9,93 | -3 | 12,50 | 12,80 |
| Earnings per share, discontinued operations, SEK | 0,00 | -0,49 | -100 | -0,03 | -1,91 | -99 | -7,57 | -9,46 |
| Earnings per share, SEK | 3,01 | 3,20 | -6 | 9,60 | 8,02 | 20 | 4,92 | 3,34 |
| EBITA margin, % | 14 | 16 | | 14 | 14 | | 14 | 14 |
| EBIT margin, % | 12 | 14 | | 12 | 12 | | 11 | 12 |

The amounts in the table above pertain to continuing operations, except for Profit after tax and Earnings per share. Comparative figures have been recalculated.

Quarterly data

| QUARTERLY DATA, CONTINUING OPERATIONS, SEK M | 2015 | | | | 2014 | | | | 2013 | | | | |
|--|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | Q3 | Q2 | Q1 | FY | Q4 | Q3 | Q2 | Q1 | FY | Q4 | Q3 | Q2 | Q1 |
| Revenue | 1405 | 1527 | 1382 | 5 390 | 1373 | 1340 | 1387 | 1290 | 5 251 | 1318 | 1269 | 1422 | 1245 |
| EBITA | 196 | 224 | 169 | 763 | 184 | 214 | 210 | 156 | 683 | 146 | 188 | 207 | 142 |
| EBIT | 168 | 197 | 142 | 639 | 145 | 186 | 182 | 126 | 527 | 75 | 159 | 178 | 115 |
| Net financial items | -15 | -9 | 2 | -19 | -3 | -12 | -1 | -4 | -39 | -2 | -15 | -6 | -15 |
| Profit after financial items | 154 | 188 | 144 | 620 | 142 | 174 | 181 | 123 | 489 | 73 | 144 | 172 | 99 |
| Tax | -42 | -50 | -39 | -153 | -40 | -38 | -44 | -31 | -129 | -18 | -38 | -46 | -27 |
| Profit for the period | 111 | 138 | 105 | 466 | 102 | 135 | 137 | 92 | 360 | 55 | 106 | 127 | 72 |
| EBITA margin, % | 14 | 15 | 12 | 14 | 13 | 16 | 15 | 12 | 13 | 11 | 15 | 15 | 11 |
| EBIT margin, % | 12 | 13 | 10 | 12 | 11 | 14 | 13 | 10 | 10 | 6 | 13 | 13 | 9 |
| Earnings per share, continuing operations, SEK | 3,01 | 3,74 | 2,88 | 12,80 | 2,87 | 3,69 | 3,74 | 2,50 | 9,81 | 1,57 | 2,84 | 3,43 | 1,97 |
| Earnings per share, discontinued operations, SEK | 0,00 | -0,02 | -0,01 | -9,46 | -7,55 | -0,49 | -0,75 | -0,67 | -1,25 | -0,69 | -0,18 | -0,19 | -0,20 |
| Earnings per share, SEK | 3,01 | 3,72 | 2,87 | 3,34 | -4,68 | 3,20 | 2,99 | 1,83 | 8,56 | 0,88 | 2,67 | 3,24 | 1,77 |
| Shareholders' equity per share, SEK | 58,4 | 56,9 | 61,0 | 57,5 | 57,5 | 65,0 | 60,9 | 64,6 | 62,1 | 62,1 | 61,4 | 60,4 | 64,0 |
| Cash flow per share, SEK ¹⁾ | 6,8 | 3,8 | -1,3 | 11,5 | 5,0 | 3,2 | 5,4 | -2,0 | 15,5 | 4,8 | 3,0 | 7,3 | 0,4 |
| Return on equity, % ²⁾ | 20,9 | 21,9 | 21,3 | 20,6 | 20,6 | 18,3 | 17,2 | 16,6 | 15,7 | 15,7 | - | - | - |

¹⁾ The key figures are calculated including discontinued operations for each quarter.

²⁾ The key figures for return on shareholders' equity are calculated on a rolling 12-month basis for continuing operations for each quarter. Return on shareholders' equity, quarters 1-3, 2013 was not recalculated for continuing operations.

Cash flow

| CONDENSED CONSOLIDATED CASH-FLOW STATEMENT, SEK M | Jul - Sep 2015 | Jul - Sep 2014 | Jan - Sep 2015 | Jan - Sep 2014 | 12 months Oct - Sep | Full-year 2014 |
|--|-------------------|-------------------|-------------------|-------------------|------------------------|-------------------|
| Operating activities | | | | | | |
| <i>Cash flow from operating activities before changes in working capital, excluding tax paid</i> | 185 | 205 | 520 | 560 | 671 | 711 |
| Tax paid | -33 | -33 | -186 | -159 | -187 | -160 |
| Cash flow from operating activities before changes in working capital | 152 | 172 | 333 | 400 | 484 | 552 |
| Cash flow from changes in working capital: | | | | | | |
| Changes in inventory | -39 | -54 | -10 | -58 | -11 | -59 |
| Changes in receivables | -9 | -44 | -83 | -142 | -3 | -62 |
| Changes in liabilities | 51 | 40 | 4 | 35 | -48 | -17 |
| <i>Increase (-)/decrease (+) restricted working capital</i> | 3 | -59 | -89 | -165 | -62 | -138 |
| Cash-flow from operating activities | 155 | 113 | 244 | 235 | 422 | 413 |
| Cash flow from investing activities | -53 | -31 | -97 | -91 | -126 | -121 |
| Cash flow from financing activities | -98 | -164 | -150 | -243 | -217 | -309 |
| CASH FLOW FOR THE PERIOD | 4 | -82 | -3 | -98 | 79 | -17 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | 259 | 272 | 258 | 279 | 197 | 279 |
| Exchange-rate difference in cash and cash equivalents | -6 | 7 | 1 | 17 | -20 | -4 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | 256 | 197 | 256 | 197 | 256 | 258 |

Income statement

| CONDENSED CONSOLIDATED INCOME STATEMENT, SEK M | Jul - Sep 2015 | Jul - Sep 2014 | Jan - Sep 2015 | Jan - Sep 2014 | 12 months Oct - Sep | Full-year 2014 |
|---|----------------|----------------|----------------|----------------|---------------------|----------------|
| Continuing operations: | | | | | | |
| Net sales | 1374 | 1306 | 4 209 | 3 915 | 5 556 | 5 262 |
| Other operating revenue | 31 | 34 | 106 | 102 | 132 | 128 |
| Total revenue | 1 405 | 1 340 | 4 314 | 4 016 | 5 688 | 5 390 |
| Goods for resale | -607 | -582 | -1881 | -1745 | -2 473 | -2 337 |
| Other external costs | -284 | -246 | -862 | -770 | -1 136 | -1044 |
| Personnel expenses | -304 | -284 | -939 | -875 | -1248 | -1 185 |
| Depreciation and impairment of tangible fixed assets | -14 | -14 | -44 | -46 | -58 | -61 |
| Operating profit before amortisation and impairment of intangible fixed assets (EBITA) | 196 | 214 | 589 | 580 | 773 | 763 |
| Amortisation and impairment of intangible fixed assets | -27 | -28 | -82 | -85 | -121 | -124 |
| EBIT | 168 | 186 | 507 | 494 | 652 | 639 |
| Interest income | 1 | 1 | 4 | 4 | 6 | 6 |
| Interest expenses | -8 | -10 | -25 | -31 | -35 | -41 |
| Other financial items | -8 | -3 | 0 | 10 | 5 | 16 |
| Profit after financial items | 154 | 174 | 485 | 478 | 627 | 620 |
| Tax | -42 | -38 | -131 | -113 | -172 | -153 |
| PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS | 111 | 135 | 354 | 364 | 456 | 466 |
| Discontinued operations: | | | | | | |
| Loss for the period from discontinued operations ¹⁾ | 0 | -18 | -1 | -69 | -272 | -340 |
| PROFIT FOR THE PERIOD | 111 | 118 | 353 | 296 | 184 | 127 |
| Net profit for the period attributable to: | | | | | | |
| Parent Company shareholders | 108 | 115 | 345 | 288 | 177 | 120 |
| Minority owners | 3 | 3 | 8 | 8 | 7 | 7 |
| PROFIT FOR THE PERIOD | 111 | 118 | 353 | 296 | 184 | 127 |
| Earnings per share before and after dilution, SEK | | | | | | |
| - Earnings from continuing operations | 3,01 | 3,69 | 9,63 | 9,93 | 12,50 | 12,80 |
| - Loss from discontinued operations | 0,00 | -0,49 | -0,03 | -1,91 | -7,57 | -9,46 |
| Profit for the period | 3,01 | 3,20 | 9,60 | 8,02 | 4,92 | 3,34 |

¹⁾ The loss from discontinued operations of SEK 1M in the nine-month period of 2015 pertained to tax expenses. The full-year 2014 includes non-recurring costs resulting from structural changes in Denmark totalling SEK 280 M in the earnings from discontinued operations.

Balance sheet

| CONDENSED CONSOLIDATED BALANCE SHEET SEK M | 30 September 2015 | 30 September 2014 | 31 December 2014 |
|---|----------------------|----------------------|---------------------|
| ASSETS ¹⁾ | | | |
| Intangible fixed assets | 2 759 | 2 892 | 2 813 |
| Tangible fixed assets | 178 | 231 | 201 |
| Financial fixed assets | 51 | 85 | 65 |
| Deferred tax assets ²⁾ | 54 | 23 | 55 |
| Goods for resale | 1235 | 1312 | 1223 |
| Current receivables | 894 | 891 | 769 |
| Cash and cash equivalents | 256 | 197 | 258 |
| TOTAL ASSETS | 5 426 | 5 631 | 5 384 |
| SHAREHOLDERS' EQUITY AND LIABILITIES ¹⁾ | | | |
| Shareholders' equity | 2 111 | 2 344 | 2 080 |
| Long-term liabilities, interest-bearing | 1510 | 1502 | 1404 |
| Deferred tax liabilities | 149 | 189 | 168 |
| Long-term liabilities, non-interest-bearing | 4 | 1 | 3 |
| Current liabilities, interest-bearing | 522 | 466 | 495 |
| Current liabilities, non-interest-bearing | 1131 | 1129 | 1234 |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | 5 426 | 5 631 | 5 384 |

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

²⁾ Deferred tax assets of SEK 53 M as of 30 September 2015 pertaining to tax deduction for Denmark will not be realised according to plan in 2016 but has been postponed.

Largest owners as of 2015-09-30

| | Voting rights and Share capitals, % |
|---|-------------------------------------|
| Ax:son Johnson Antonia company | 26,5 |
| SHB Funds | 8,8 |
| Lannebo Funds | 6,4 |
| Fraim-Påhlman Eva | 5,6 |
| Swedbank Robur Funds | 3,4 |
| Columbia Funds | 3,2 |
| Fourth Swedish National Pension Fund | 3,2 |
| Fraim-Sefastsson Ing-Marie | 2,8 |
| Skandia Life Insurance Company Ltd | 2,0 |
| Catella Funds | 1,2 |
| Total 10 largest shareholders | 63,1 |
| Others | 36,9 |
| Total | 100,0 |