



Mekonomen Group

January – March 2022
May 11, 2022

Q1 2022 – STRONG QUARTER DESPITE UNCERTAIN ENVIRONMENT

Challenging market environment

Continued stable development – resilient business model

Investments to increase availability

Strong position enables continued growth and increased market shares

Target to be best in class on electric cars

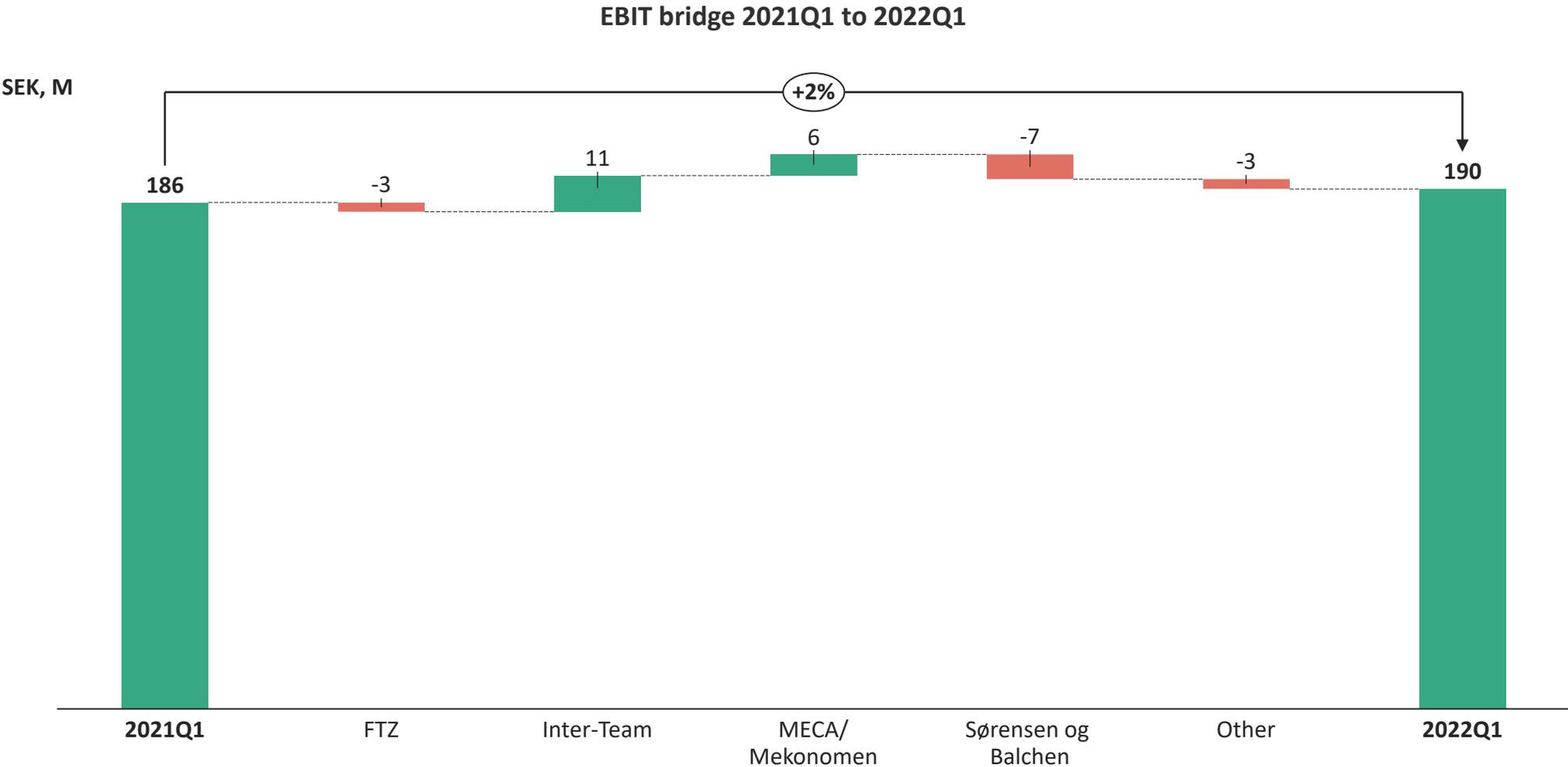
MEKONOMEN GROUP – FIRST QUARTER

SEK M	Q1 2022	Q1 2021	Change	Rolling 12M	2021 12M	Change
Group, net sales	3 155	3 001	5%	12 463	12 309	1%
Adjusted EBIT ¹⁾	225	224	0%	1 032	1 031	0%
EBIT	190	186	2%	898	894	0%
Earnings per share, SEK	2,11	1,85	14%	10,47	10,21	3%
Cash flow from operating activities	-138	179	-177%	910	1 227	-26%
Key figures						
- Organic growth ²⁾	0%	10%		-	8%	
- Adjusted EBIT margin	7%	7%		8%	8%	
- EBIT margin	6%	6%		7%	7%	

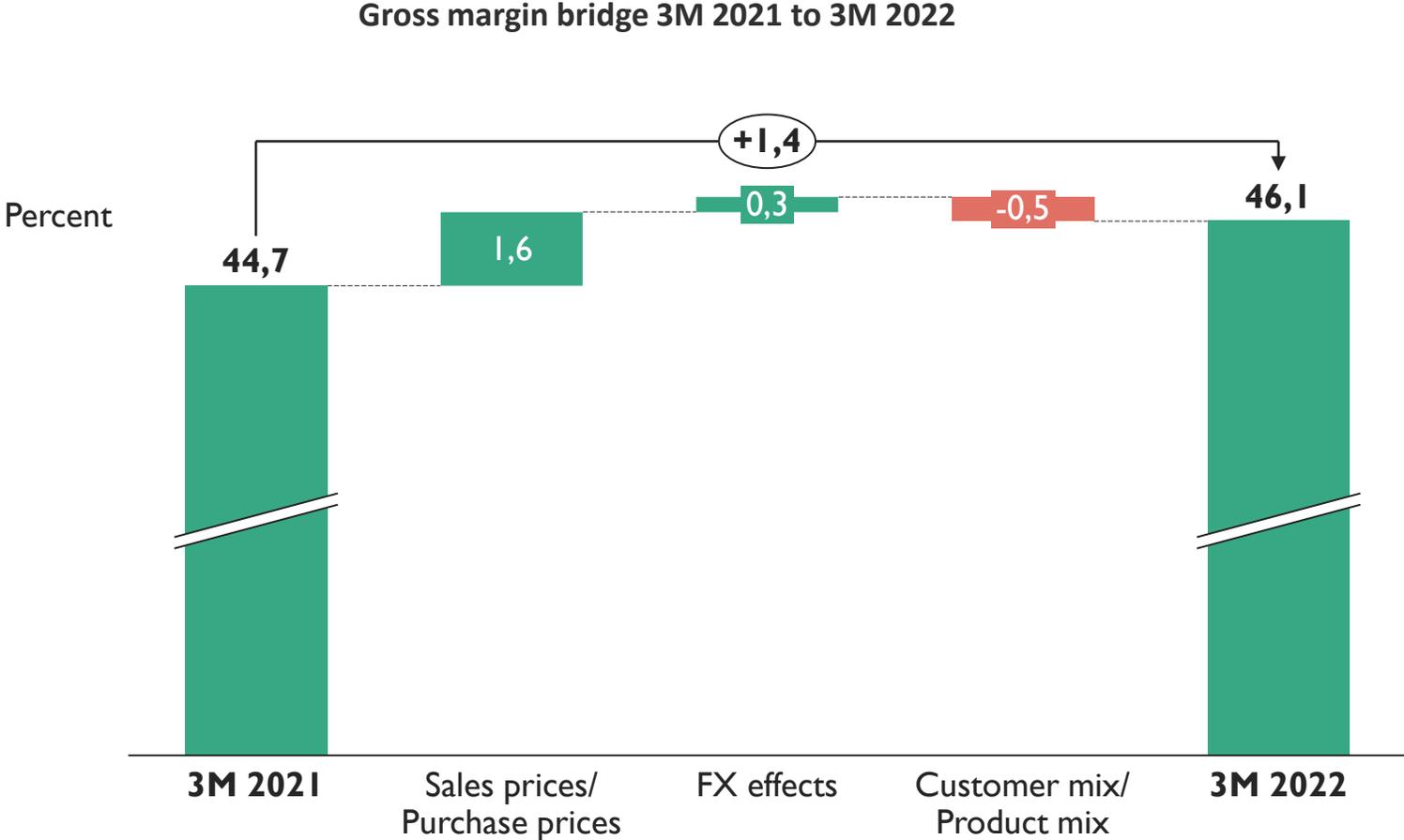
¹⁾ Adjusted EBIT is EBIT adjusted for items affecting comparability and amortisation of acquired intangible assets - FTZ, Inter-Team and MECA (including Sørensen og Balchen until April 2021).

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

SOLID UNDERLYING EBIT DEVELOPMENT



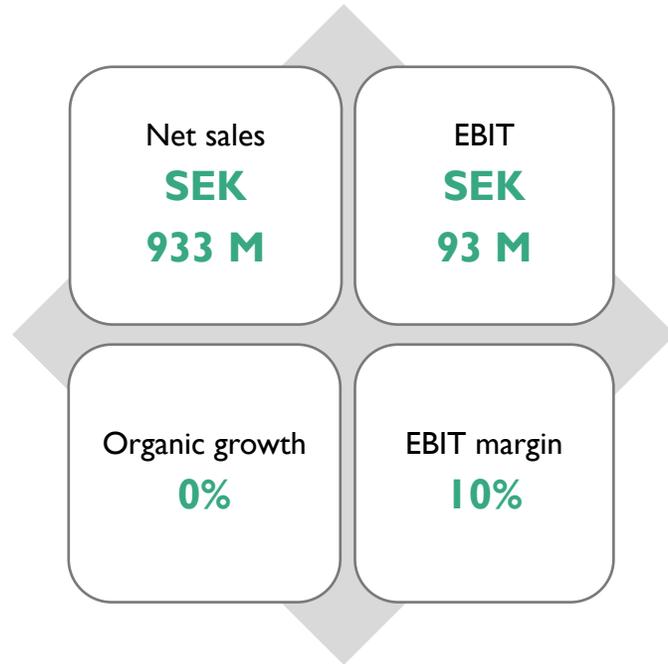
INCREASED GROSS MARGIN IN THE FIRST QUARTER





SALES & RESULT PER BUSINESS AREA

FTZ – STABLE DEVELOPMENT IN DEMANDING MARKET



Reported net sales growth of 7 per cent, of which 0 per cent organic

Stable EBIT development, burdened by temporarily higher costs related to personnel, transportation and energy

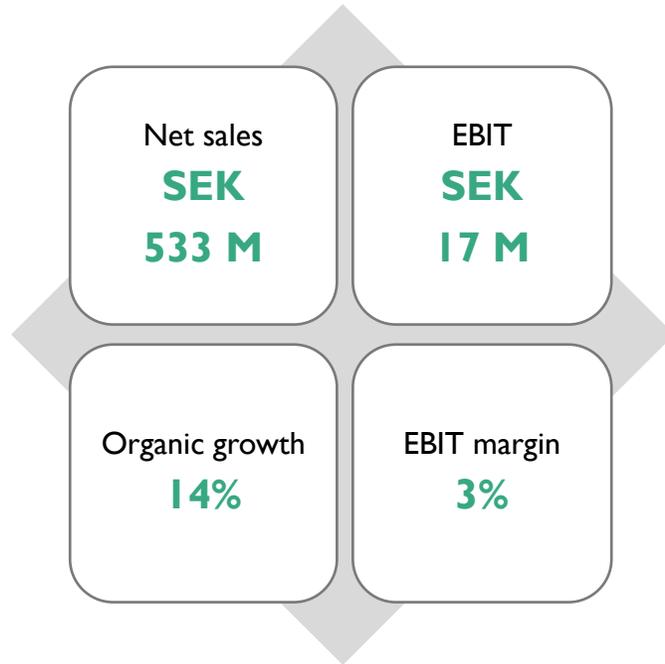
Slow market activity, where restrictions related to covid-19 and the mild winter has had an affect on both market development and segment performance in the quarter

SEK M	Q I 2022	Q I 2021	Change	Rolling 12M	2021 12M	Change
Net sales	933	874	7%	3 539	3 480	2%
Adjusted EBIT ¹⁾	93	96	-3%	350	352	-1%
EBIT	93	96	-3%	350	352	-1%
Key figures						
- Organic growth ²⁾	0%	9%		-	7%	
- EBIT margin	10%	11%		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 – STRONG DOMESTIC ORGANIC GROWTH



Strong organic growth of 14 per cent, driven by high activity in the prioritized domestic market.

Robust profitability development, supported by higher volumes, customer mix and price adjustments

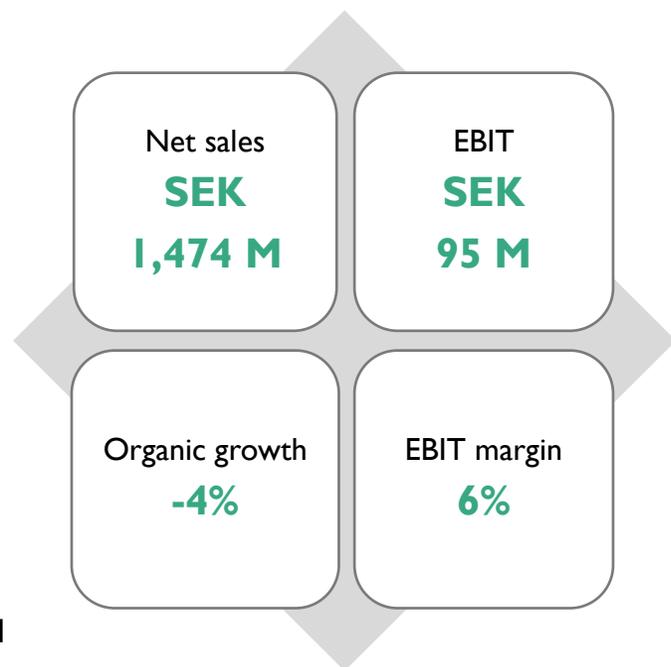
Limited effects on the domestic market development related to covid-19 and the outbreak of war in Ukraine

SEK M	Q1 2022	Q1 2021	Change	Rolling 12M	2021 12M	Change
Net sales	533	451	18%	2 174	2 091	4%
Adjusted EBIT ¹⁾	17	6	177%	113	102	11%
EBIT	17	6	177%	113	102	11%
Key figures						
- Organic growth ²⁾	14%	-2%		-	13%	
- EBIT margin	3%	1%		5%	5%	

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 – SLOW MARKET IN THE QUARTER



Net sales grew 1 per cent, of which -4 per cent organic, affected by slow market development in the Nordics

Slightly improved EBIT as a higher gross margin compensated for temporary cost increases related to personnel (sick leave), transportation and energy

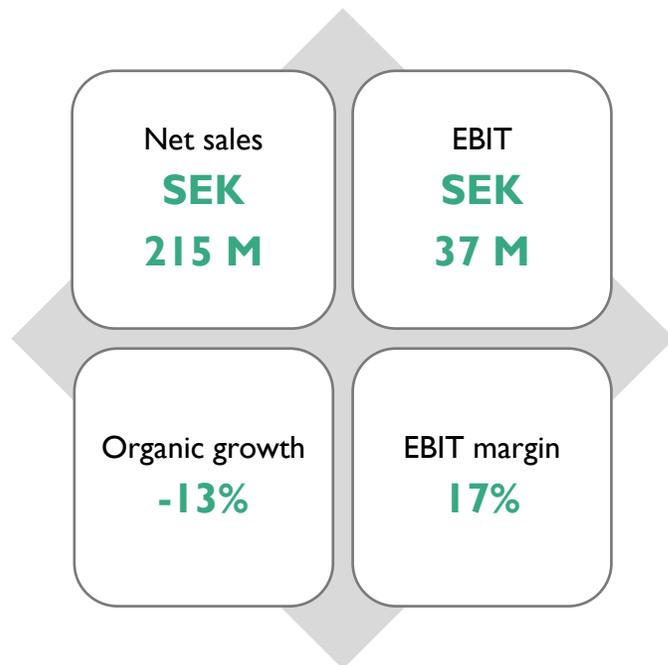
Restrictions related to covid-19 and the mild winter has had an affect on both market development and segment performance in the quarter

SEK M	Q I 2022	Q I 2021	Change	Rolling 12M	2021 12M	Change
Net sales	1 474	1 460	1%	5 870	5 857	0%
- Sweden	869	878	-1%	3 555	3 564	0%
- Norway	571	558	2%	2 196	2 182	1%
- Finland	33	25	35%	119	111	8%
Adjusted EBIT ¹⁾	95	89	7%	441	435	1%
EBIT	95	89	7%	453	447	1%
Key figures						
- Organic growth ²⁾	-4%	12%		-	8%	
- EBIT margin	6%	6%		8%	7%	

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 – DEMANDING MARKET



Net sales was flat, of which -13 per cent organic, affected by slow market development and a strong comparable quarter

Continued strong margins, but EBIT decreased compared to the comparable quarter due to lower volumes and temporary higher costs

Restrictions related to covid-19 and reduced consumer purchasing power has had an affect on market development and segment performance in the quarter

SEK M	Q1 2022	Q1 2021	Change	Rolling 12M	2021 12M	Change
Net sales	215	215	0%	872	873	0%
Adjusted EBIT ¹⁾	37	44	-17%	177	185	-4%
EBIT	37	44	-17%	177	185	-4%
Key figures						
- Organic growth ²⁾	-13%	32%		-	8%	
- EBIT margin	17%	20%		20%	21%	

¹⁾ Adjusted EBIT excludes items affecting comparability.

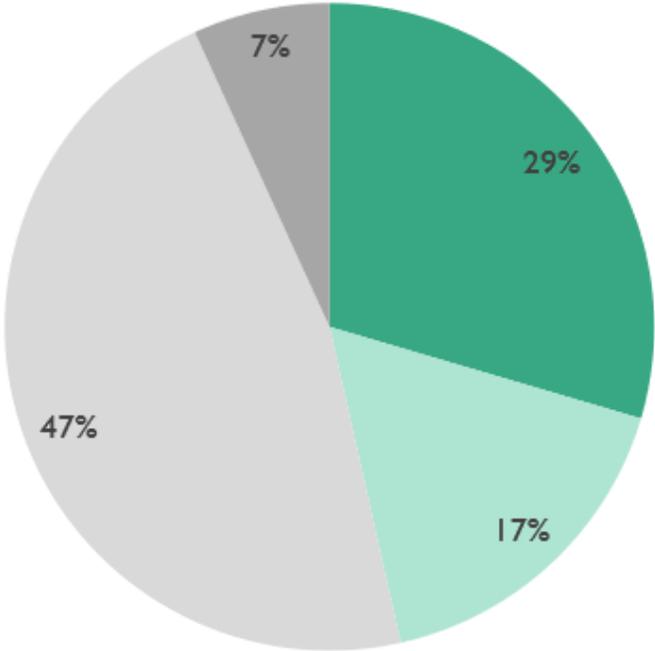
²⁾ Organic growth is change in net sales adjusted for number of workdays, acquisitions/divestments and currency effects.

A close-up view 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

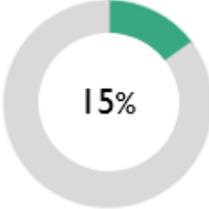
STRONG GROUP FOOTPRINT

Net sales per business area, 2022Q1

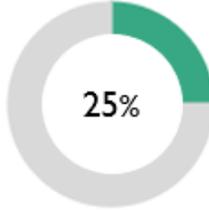


■ FTZ ■ Inter-Team
■ MECA/Mekonomen ■ Sørensen og Balchen

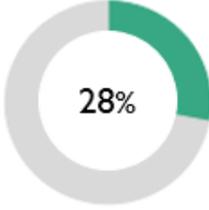
Market shares - main markets



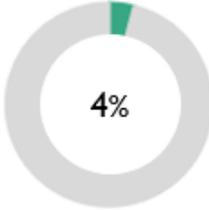
Sweden
 Number of branches: **197** (21Q4: 196)
 Number of affiliated workshops: **986** (21Q4: 991)



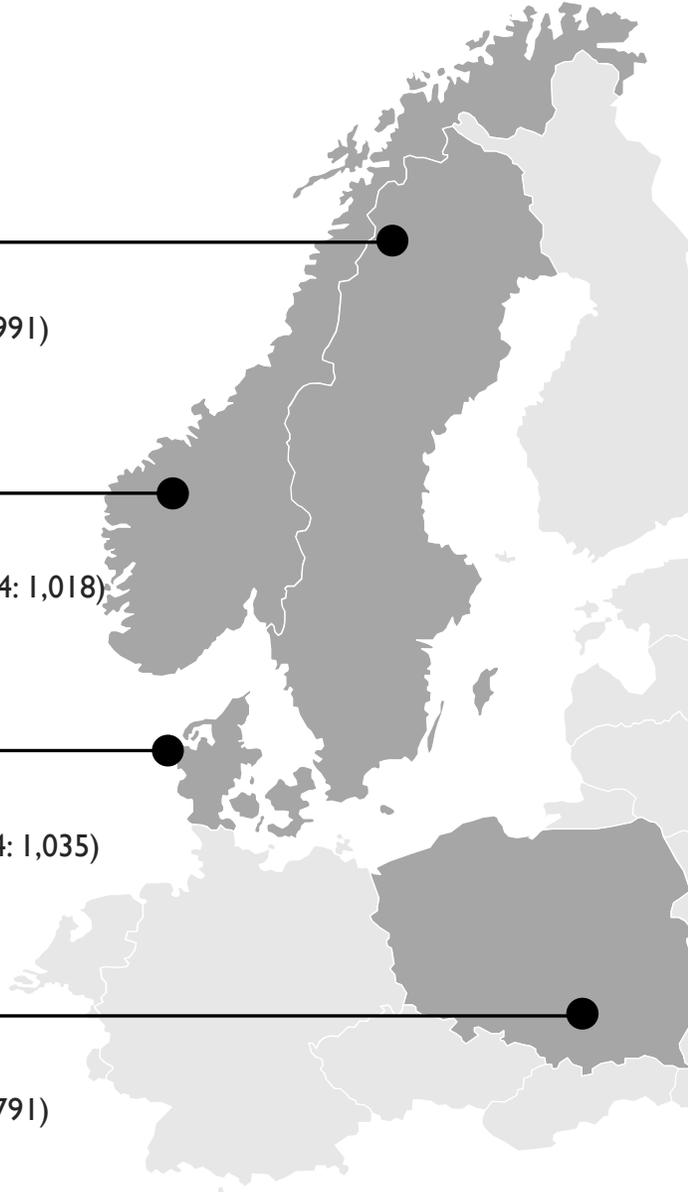
Norway
 Number of branches: **129** (21Q4: 129)
 Number of affiliated workshops: **1,016** (21Q4: 1,018)



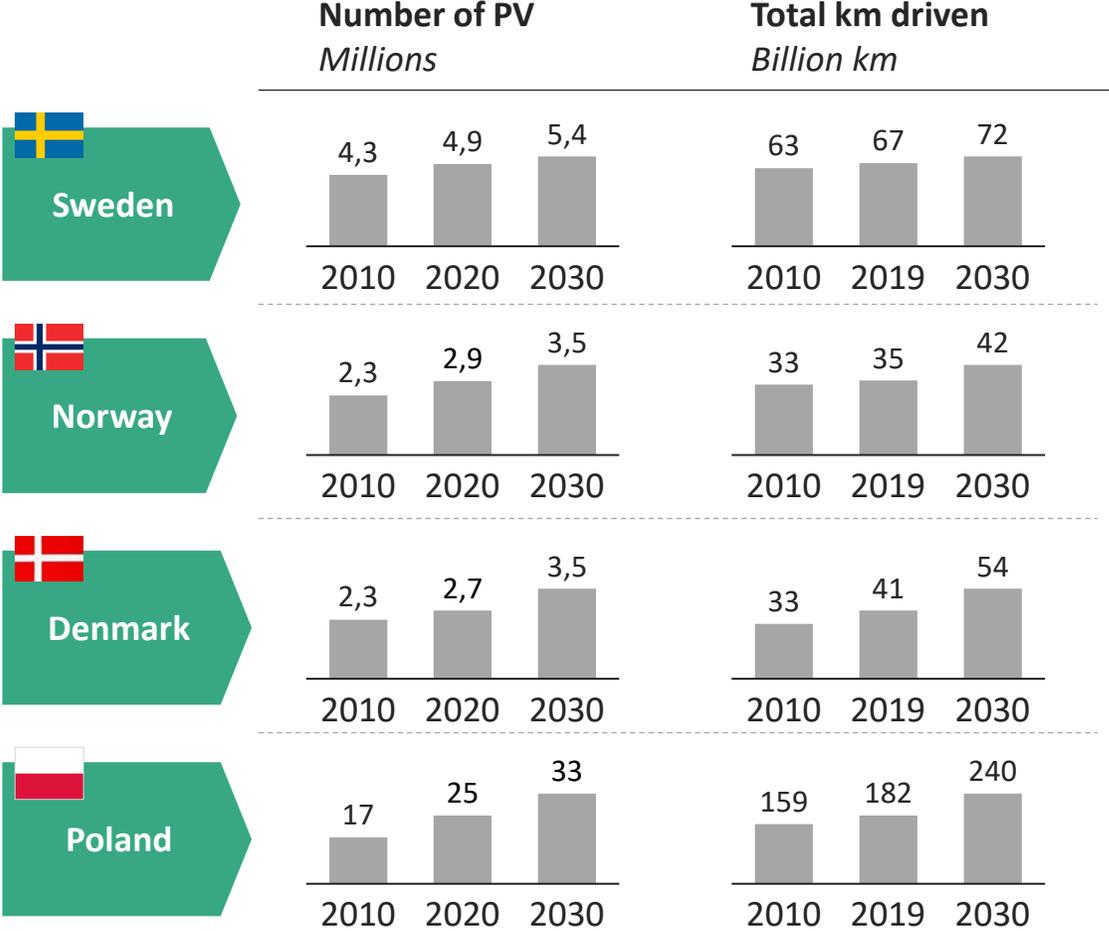
Denmark
 Number of branches: **50** (21Q4: 50)
 Number of affiliated workshops: **1,040** (21Q4: 1,035)



Poland
 Number of branches: **85** (21Q4: 85)
 Number of affiliated workshops: **827** (21Q4: 791)



LONG-TERM PROGNOSIS – UNDERLYING FACTORS FOR MARKET GROWTH



- The total number of personal vehicles (PV) is expected to continue increasing in all markets
- Km per car is decreasing but total km driven is expected to increase
- Prognosis do not include effects from the pandemic

Source: Public records, Mekonomen Group analysis



The image features a dark-colored car parked in a forest. The windshield and hood of the car are the primary focus, with several white and red icons overlaid. At the top left is a location pin icon. In the center is a thermometer icon with the text "20°C" next to it. Below the thermometer is a large white text overlay that reads "BUSINESS DEVELOPMENT". To the left of this text is a faint "ECO" logo with a leaf. Below the "BUSINESS DEVELOPMENT" text is a white fan icon. To the right of the fan icon is a red outline icon of an oil pan.

BUSINESS DEVELOPMENT

ECO





Creating the optimal portfolio of diagnostic equipment

- Next Generation Vehicle diagnostics event – Norway
- Leading suppliers invited by Mekonomen Group and LKQ
- Target: evaluate future partners in to create the optimal portfolio of diagnostic equipment for our affiliated workshops to meet the needs of the growing electric vehicle fleet



Number one to-go-to for electric car owners

- Coverage of spare parts on new electric cars in line with coverage of corresponding combustion engine cars
- Large increase past six months, prompted by targeted efforts since beginning of 2021



Project to develop future business model for EV batteries

- Collaboration with LKQ and PEM Aachen University in Germany to increase the technical competence around EV batteries
- Ambition to develop the business model for the future to ensure available maintenance of batteries for EV owners



High-tech automated central warehouse project in Denmark

- Central warehouse, regional warehouse, administration and training academy in a joint high-tech facility outside Odense in Denmark
- Increased availability of spare parts for the customers during 2024
- Solid competence within the area in Mekonomen Group



Rising trend - mobile services

- Purchase of 20,5 percent of the Swedish service company Omnicar
- Offered mobile services since 2020 in Denmark
- Wide customer base - companies as well as private individuals
- Expansion plans to Sweden and Norway



Tools for sustainable optimization for Danish workshops

- Collaboration with the Danish environment company ABAS, specialized in the car aftermarket
- Aim: ensure workshop compliance on requirements within climate and work environment
- Management system, support and updates on latest regulations



Proposed new name for the corporate Group - MEKO

- Ahead of the AGM on May 20, suggested that the corporate part of the Group change name to MEKO AB (previously Mekonomen AB).
- To more clearly reflect the breadth of the operation with many established brands and concepts covering various markets and customer needs
- A name change does not affect existing concepts and brands within the business areas, including Mekonomen in Sweden, Norway and Finland



**WE ENABLE MOBILITY
– TODAY, TOMORROW AND IN THE
FUTURE**



APPENDIX

Earnings trend

SUMMARY OF THE GROUP'S EARNINGS TREND SEK M	Jan-Mar 2022	Jan-Mar 2021	Change, %	12 months Apr-Mar	Full-year 2021	Change, %
Net sales	3 155	3 001	5	12 463	12 309	1
Adjusted EBIT	225	224	0	1 032	1 031	0
EBIT	190	186	2	898	894	0
Profit after financial items	163	140	17	783	759	3
Profit after tax	121	108	12	600	587	2
Earnings per share, SEK	2,11	1,85	14	10,47	10,21	3
Adjusted EBIT margin, %	7	7		8	8	
EBIT margin, %	6	6		7	7	

ADJUSTED EBIT SEK M	Jan-Mar 2022	Jan-Mar 2021	Change, %	12 months Apr-Mar	Full-year 2021	Change, %
EBIT	190	186	2	898	894	0
Payment of AGS health insurance				12	12	
Impairment of associates				-8	-8	
Items affecting comparability, total				3	3	
"Other items", material acquisition-related items ¹⁾	-35	-38		-137	-141	
Adjusted EBIT	225	224	0	1 032	1 031	0

¹⁾ Other items include material acquisition-related items. Current acquisition-related items pertain to the amortization of acquired intangible assets relating to the acquisitions of FTZ, Inter-Team, MECA and Sørensen og Balchen (Sørensen og Balchen until the end of the second quarter 2021 when its amortization was completed).

Cash flow

CONDENSED CONSOLIDATED CASH-FLOW STATEMENT, SEK M	Jan-Mar 2022	Jan-Mar 2021	12 months Apr-Mar	Full-year 2021
Operating activities				
<i>Cash flow from operating activities before changes in working capital, excluding tax paid</i>	377	358	1 636	1 617
Tax paid	-136	-95	-233	-192
Cash flow from operating activities before changes in working capital	241	263	1 403	1 425
Cash flow from changes in working capital:				
Changes in inventory	-127	18	-381	-236
Changes in receivables	-193	-201	-194	-201
Changes in liabilities	-59	99	82	239
<i>Increase (-)/Decrease (+) working capital</i>	-378	-84	-493	-198
Cash-flow from operating activities	-138	179	910	1 227
Cash flow from investing activities	-44	-58	-186	-201
Cash flow from financing activities	-183	70	-822	-569
CASH FLOW FOR THE PERIOD	-365	191	-99	457
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	892	420	625	420
Exchange-rate differences in cash and cash equivalents	11	14	12	15
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	538	625	538	892

Balance sheet

CONDENSED CONSOLIDATED BALANCE SHEET SEK M	March 31 2022	March 31 2021	December 31 2021
ASSETS ¹⁾			
Intangible fixed assets	5 418	5 473	5 394
Tangible fixed assets	428	453	436
Right-of-use assets	1 622	1 714	1 651
Financial fixed assets	114	101	94
Deferred tax assets	13	6	3
Goods for resale	3 200	2 740	3 021
Current receivables	1 971	1 742	1 738
Cash and cash equivalents	538	625	892
TOTAL ASSETS	13 304	12 854	13 229
SHAREHOLDERS' EQUITY AND LIABILITIES ¹⁾			
Shareholders' equity	5 421	4 788	5 229
Long-term liabilities, interest-bearing	2 983	3 201	2 996
Long-term lease liabilities	1 136	1 262	1 181
Deferred tax liabilities	339	332	357
Long-term liabilities, non-interest-bearing	25	17	45
Current liabilities, interest-bearing	199	384	198
Current lease liabilities	481	446	467
Current liabilities, non-interest-bearing	2 720	2 426	2 757
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	13 304	12 854	13 229

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 2022	Jan-Mar 2021	12 months Apr-Mar	Full-year 2021
Net sales	3 155	3 001	12 463	12 309
Other operating revenue	71	57	256	243
Total revenue	3 226	3 058	12 719	12 552
Goods for resale	-1 701	-1 660	-6 749	-6 709
Other external costs	-419	-356	-1 553	-1 490
Personnel expenses	-711	-655	-2 708	-2 653
Operating profit before depreciation/ amortization and impairment of tangible and intangible fixed assets and right-of-use assets (EBITDA)	395	386	1 708	1 699
Depreciation and impairment of tangible fixed assets and right-of-use assets	-150	-141	-591	-582
Operating profit before amortization and impairment of intangible fixed assets (EBITA)	245	245	1 117	1 117
Amortization and impairment of intangible fixed assets	-55	-59	-219	-223
EBIT	190	186	898	894
Interest income	2	3	9	9
Interest expenses	-27	-31	-111	-115
Other financial items	-2	-18	-13	-29
Profit after financial items	163	140	783	759
Tax	-42	-32	-183	-172
PROFIT FOR THE PERIOD	121	108	600	587
Profit for the period attributable to:				
Parent Company's shareholders	118	104	587	572
Non-controlling interests	3	4	13	14
PROFIT FOR THE PERIOD	121	108	600	587
Earnings per share before and after dilution, SEK	2,11	1,85	10,47	10,21

Largest owners 2022-03-31

Voting rights and share capitals, %

LKQ Corporation	26,6
Swedbank Robur Fonder	9,8
Fjärde AP-fonden	8,7
Didner & Gerge Fonder	6,5
Eva Fraim Pahlman	3,2
AFA Försäkring	3,0
Nordea Fonder	2,8
Dimensional Fund Advisors	2,6
Vanguard	2,3
Ing-Marie Fraim	1,8
Total 10 largest shareholders	67,3
Others	32,7
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 percent of profit after tax.