



MEKONOMEN GROUP

January – September 2020
November 6, 2020

Q3 2020 – GROWTH, EFFICIENCY – AND A FAVORABLE POSITION FOR THE FUTURE MARKET

Limited effects on our operations from Covid-19

Positive organic growth and improved profitability

Strong cash flow and solid financial position

Well positioned for the future

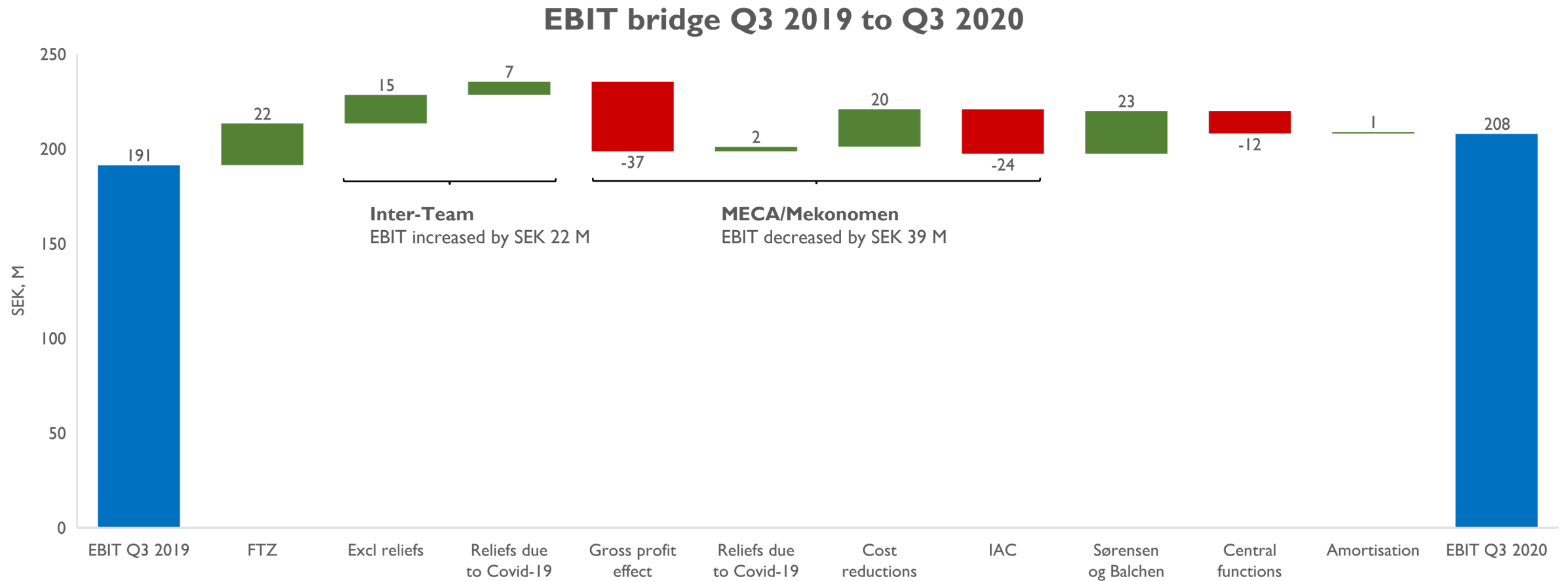
MEKONOMEN GROUP – THIRD QUARTER 2020

SEK M	Q3 2020	Q3 2019	Change	2020 9M	2019 9M	Change
Group, net sales	2,863	2,879	-1%	8,631	8,888	-3%
Adjusted EBIT ¹⁾	270	231	17%	649	724	-10%
EBIT	208	191	9%	478	601	-21%
Earnings per share, SEK	2.18	1.95	12%	4.38	6.34	-31%
Cash flow from operating activities	521	425	23%	1,252	940	33%
Key figures						
- Organic growth ²⁾	3%	2%		-1%	2%	
- Adjusted EBIT margin	9%	8%		7%	8%	
- EBIT margin	7%	7%		5%	7%	

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

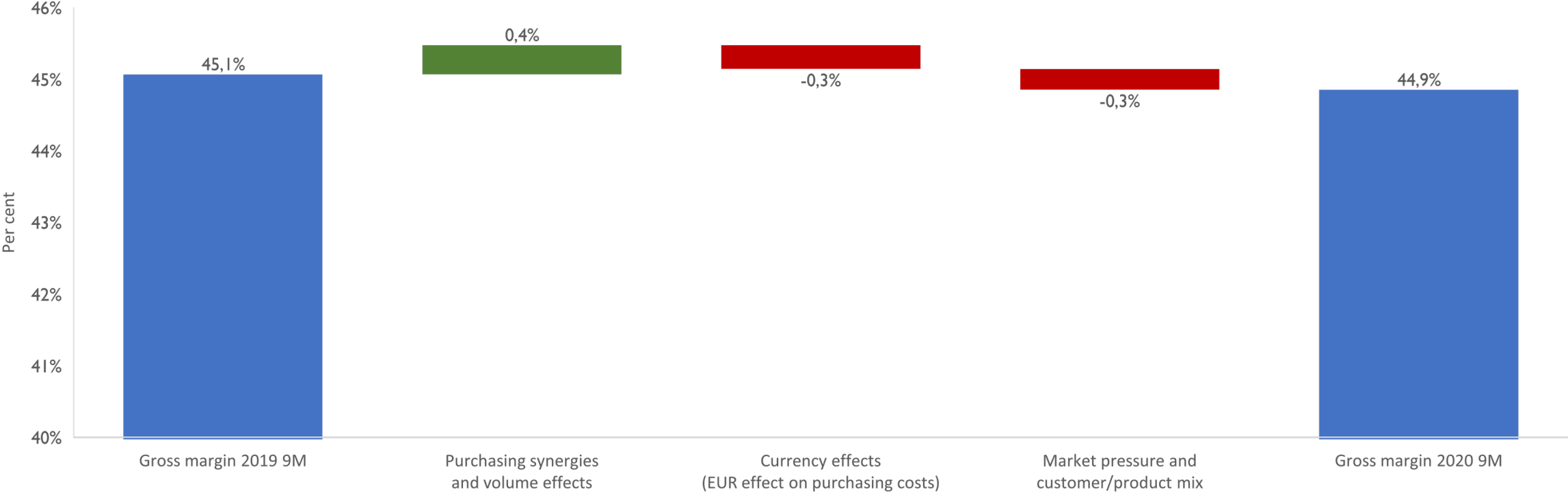
²⁾ Organic growth is change in net sales adjusted for number of workdays, acquisitions/divestments and currency effects.

INCREASED EBIT COMPARED TO LAST YEAR



STABLE GROSS MARGIN AT HIGH LEVEL

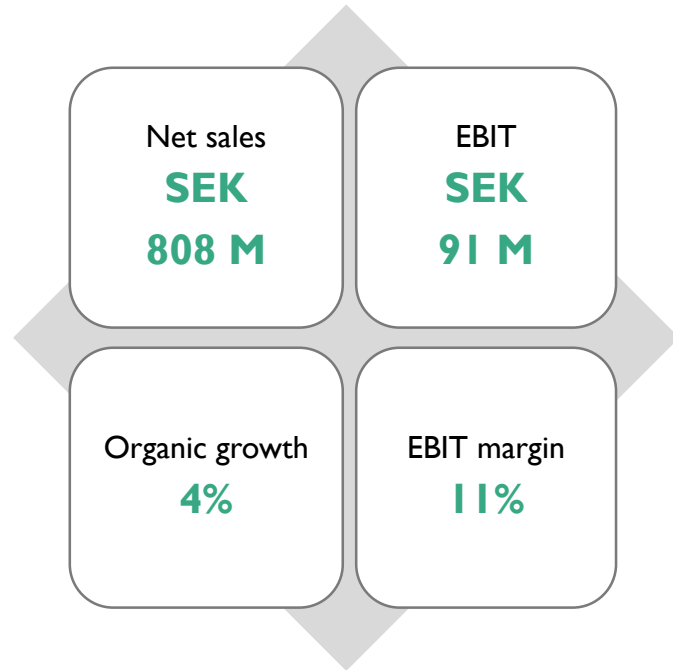
Development gross margin 9M 2020 vs 9M 2019





SALES & RESULT PER BUSINESS AREA Q2 2020

FTZ – IMPROVED PROFITABILITY



Net sales growth of 1 per cent, of which 4 per cent organic. Gradual improvement throughout the quarter

Improved EBIT margin as a result of effective cost reduction initiatives. No governmental reliefs used

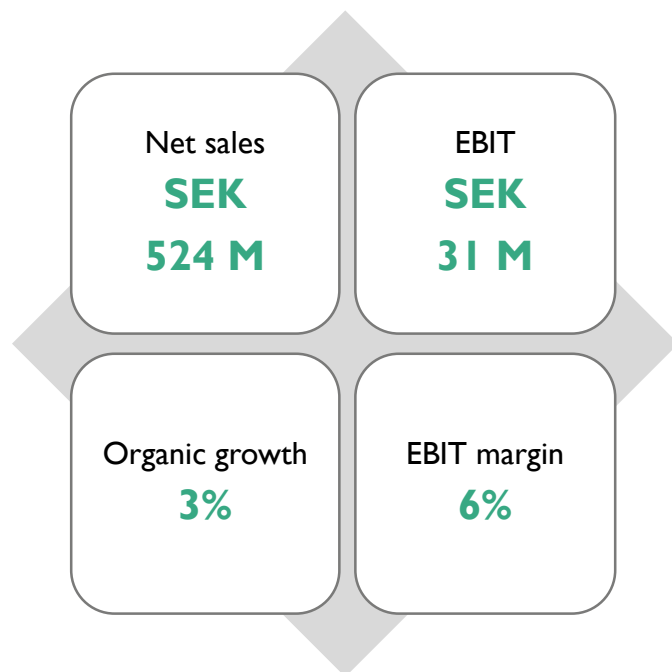
Estimated market share gains in the independent part of the market in Denmark

SEK M	Q3 2020	Q3 2019	Change	2020 9M	2019 9M	Change
Net sales	808	800	1%	2,502	2,496	0%
Adjusted EBIT ¹⁾	91	69	32%	255	249	3%
EBIT	91	69	32%	255	249	3%
Key figures						
- Organic growth ²⁾	4%	-		0%	-	
- EBIT margin	11%	9%		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 OVERALL PERFORMANCE



Organic growth of 3 per cent, driven by strong export sales and a solid recovery in the domestic market

Improved EBIT due to effective cost saving actions and governmental reliefs of SEK 7 M

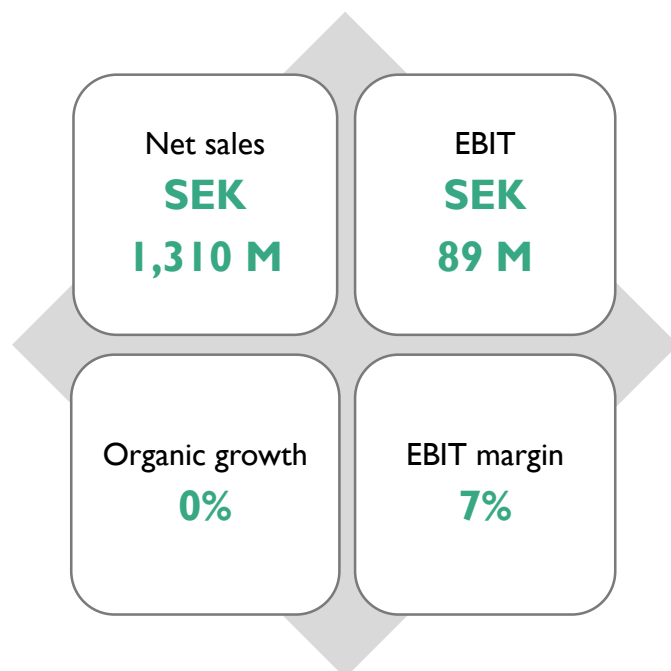
Continued high price pressure and aggressive activities from competitors

SEK M	Q3 2020	Q3 2019	Change	2020 9M	2019 9M	Change
Net sales	524	532	-2%	1,530	1,631	-6%
Adjusted EBIT ¹⁾	31	9	252%	49	23	114%
EBIT	31	9	252%	49	23	114%
Key figures						
- Organic growth ²⁾	3%	-		-5%	-	
- EBIT margin	6%	2%		3%	1%	

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 – GRADUAL IMPROVEMENT



Net sales 3 per cent lower, of which 0 per cent organically.
Increasing activity in a stabilized market

Lower EBIT, mainly to costs related to closure of warehouse, unprofitable branches and workshops of SEK 24 M. Cost saving activities and governmental support of SEK 2 M had positive effect.

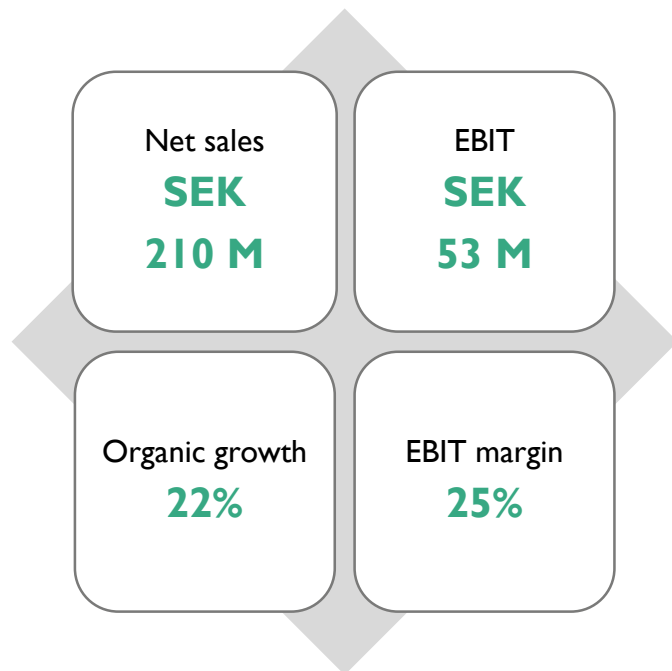
Structural initiatives to improve long-term profitability

SEK M	Q3 2020	Q3 2019	Change	2020 9M	2019 9M	Change
Net sales	1,310	1,349	-3%	3,968	4,158	-5%
- Sweden	770	821	-6%	2,381	2,542	-6%
- Norway	515	513	0%	1,521	1,577	-4%
- Finland	25	14	77%	66	40	65%
Adjusted EBIT ¹⁾	113	128	-11%	249	379	-34%
EBIT	89	128	-30%	194	376	-48%
Key figures						
- Organic growth ²⁾	0%	3%		-3%	3%	
- EBIT margin	7%	9%		5%	9%	

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 10 per cent, of which 22 per cent organic. Strong performance within both B2C and B2B segment

EBIT rose 73 per cent and the margin expanded to 25 per cent, driven by strong growth and effective cost control

Benefited from a positive market development in Norway and estimated gained market shares

SEK M	Q3 2020	Q3 2019	Change	2020 9M	2019 9M	Change
Net sales	210	192	10%	604	582	4%
Adjusted EBIT ¹⁾	53	30	73%	136	92	47%
EBIT	53	30	73%	136	92	47%
Key figures						
- Organic growth ²⁾	22%	-6%		13%	-9%	
- EBIT margin	25%	16%		22%	16%	

¹⁾ Adjusted EBIT excludes items affecting comparability.

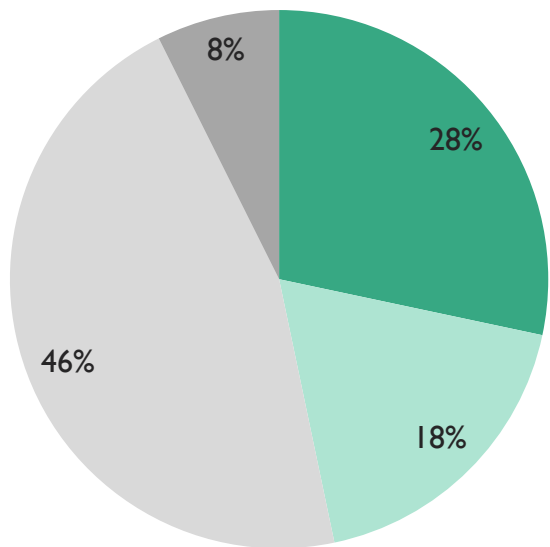
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MARKET & FOOTPRINT

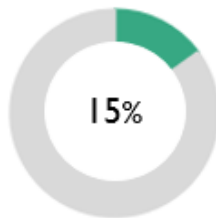
STRONG GROUP FOOTPRINT

Net sales per business area, 2020Q3



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

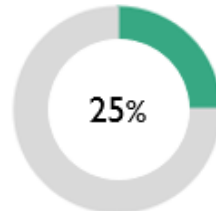
Market shares - main markets



Sweden

Number of branches: **195** (20Q2: 194)

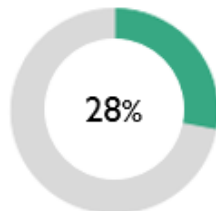
Number of affiliated workshops: **992** (20Q2: 994)



Norway

Number of branches : **132** (20Q2: 132)

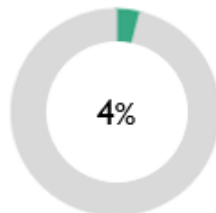
Number of affiliated workshops: **998** (20Q2: 1 000)



Denmark

Number of branches : **51** (20Q2: 51)

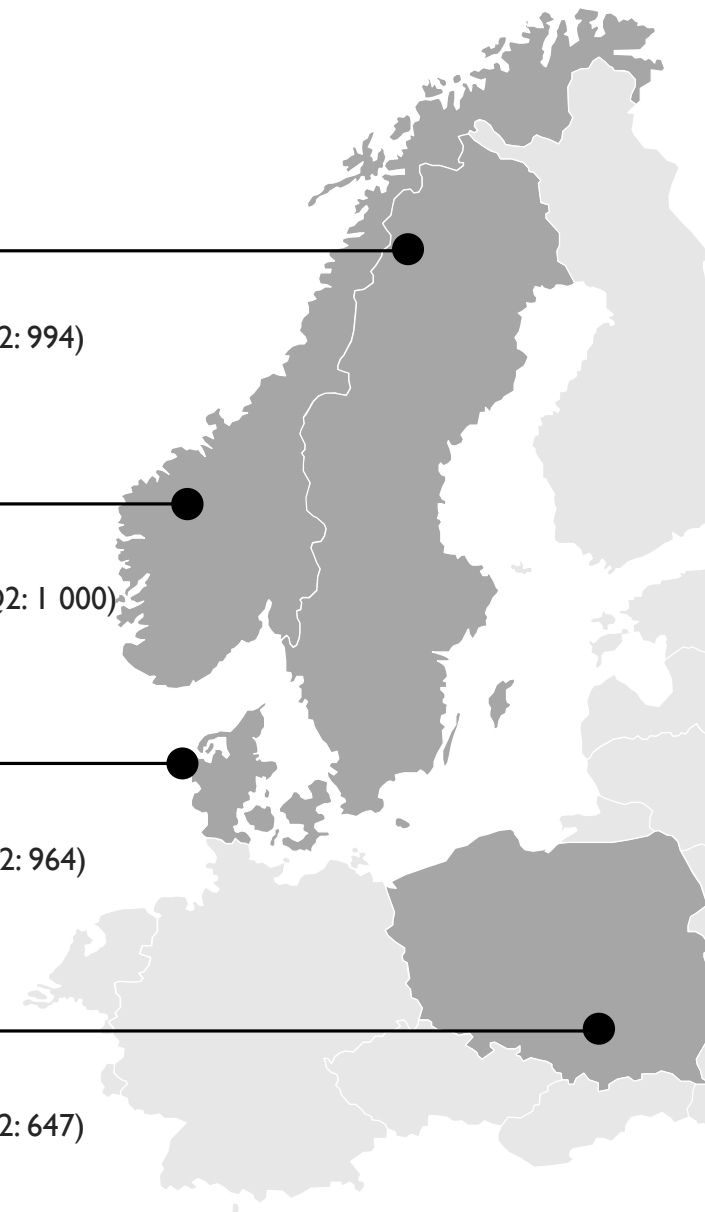
Number of affiliated workshops: **940** (20Q2: 964)



Poland

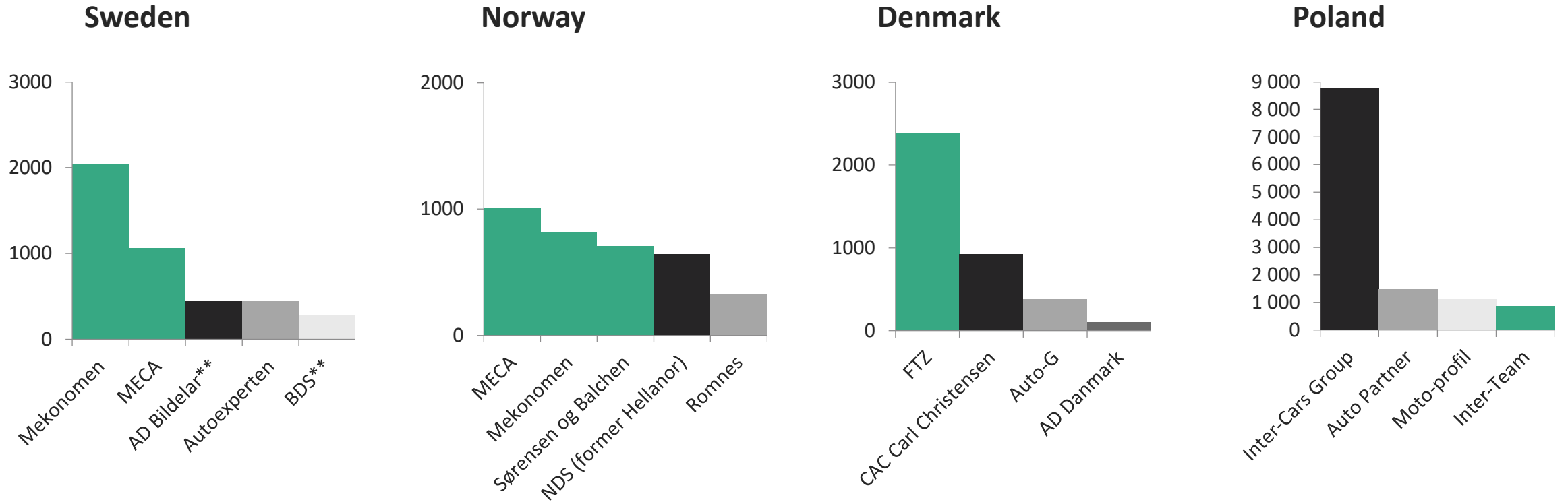
Number of branches : **82** (20Q2: 82)

Number of affiliated workshops: **661** (20Q2: 647)



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



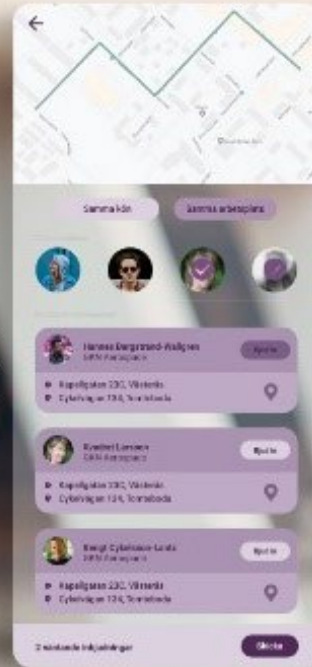
BUSINESS DEVELOPMENT



XPENG - NEW BUSINESS PARTNERS WITHIN ELECTRIC VEHICLES

- Previously communicated dialogue with the car producer Xpeng has resulted in signed agreement. Xpeng has chosen Mekonomen Group as the exclusive wholesale partner for spare parts
- The Group's workshops will also be authorized as service partners for Xpeng's cars
- Xpeng was launched in Norway in early summer 2020 and the first cars will be delivered to Norwegian customers at the end of November
- Producers enter the European market looking for efficient sale channels and established partners with wide networks on the independent aftermarket

LAUNCHE OF NEW CARPOOLING SERVICE WITH AI TECHNOLOGY



- Mekonomen Group invests in a new carpooling service together with the startup company Ezeride
- Ezeride is developing a new carpooling app targeting companies that want to help their employees travel more sustainably
- With the help of AI technology, car drivers will reduce climate impact, traveling costs and offer their colleagues a sustainable alternative for job commuting
- Digitalization of the customer experience are a prioritized focus with the purpose to streamline and simplify for the customers. The Ezeride app is a further complement to our range of digital initiatives



SECURING FUTURE TECHNICAL COMPETENCE

- Continued development of our best-in-class electric and hybrid car courses in all main markets
- Forth location of the Group's upper secondary school starting autumn 2021 in Gothenburg, Sweden
- 90 per cent off the students who graduated from the first upper secondary programs in Stockholm and Malmö/Lund work within the industry today

#1
SWEDEN'S MOST EQUAL
COMPANY 2020

ALLBRIGHT

WE ENABLE MOBILITY

Strong position





APPENDIX

Earnings trend

SUMMARY OF THE GROUP'S EARNINGS TREND SEK M	Jul-Sep 2020			Jul-Sep 2019			Jan-Sep 2020		Jan-Sep 2019		12 months Oct- Sep	Full-year 2019
			Change, %			Change, %						
Net sales	2 863	2 879	-1	8 631	8 888	-3	11 586	11 842				
Adjusted EBIT	270	231	17	649	724	-10	799	874				
EBIT	208	191	9	478	601	-21	582	705				
Profit after financial items	167	147	14	349	478	-27	426	555				
Profit after tax	127	113	13	260	366	-29	315	421				
Earnings per share, SEK	2,18	1,95	12	4,38	6,34	-31	5,38	7,34				
Adjusted EBIT margin, %	9	8		7	8		7	7				
EBIT margin, %	7	7		5	7		5	6				

ADJUSTED EBIT SEK M	Jul-Sep 2020			Jul-Sep 2019			Jan-Sep 2020		Jan-Sep 2019		12 months Oct- Sep	Full-year 2019
			Change, %			Change, %						
EBIT	208	191	9	478	601	-21	582	705				
Costs attributable to restructuring in MECA/Mekonomen	-24			-55			-55					
Costs related to the integration of FTZ and Inter-Team					-5		-10	-14				
Impairment of inventory DAB products ¹⁾							3	3				
<i>Items affecting comparability, total</i>	-24			-55	-5		-61	-12				
<i>"Other items", material acquisition-related items ²⁾</i>	-38	-39		-117	-118		-156	-157				
Adjusted EBIT	270	231	17	649	724	-10	799	874				

¹⁾ Digital Audio Broadcasting.

²⁾ Other items include material acquisition-related items. Current acquisition-related items are amortisation 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	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	12 months Oct- Sep	Full-year 2019
Operating activities						
<i>Cash flow from operating activities before changes in working capital, excluding tax paid</i>	406	358	1 045	1 119	1 341	1 416
Tax paid	-57	-21	-143	-161	-207	-226
Cash flow from operating activities before changes in working capital	348	337	902	958	1 135	1 190
Cash flow from changes in working capital:						
Changes in inventory	-35	16	115	89	33	6
Changes in receivables	-11	-36	-213	-253	-13	-53
Changes in liabilities	218	107	447	147	299	-2
<i>Increase (-)/Decrease (+) working capital</i>	173	88	350	-18	319	-48
Cash-flow from operating activities	521	425	1 252	940	1 454	1 142
Cash flow from investing activities	-36	-40	-138	-164	-172	-199
Cash flow from financing activities	-411	-334	-1 041	-787	-1 052	-798
CASH FLOW FOR THE PERIOD	74	51	73	-11	229	146
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	352	153	355	205	213	205
Exchange-rate difference in cash and cash equivalents	-3	9	-5	19	-19	5
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	423	213	423	213	423	355

Balance sheet

CONDENSED CONSOLIDATED BALANCE SHEET SEK M	30 September 2020	30 September 2019	31 December 2019
ASSETS ¹⁾			
Intangible fixed assets	5 586	5 839	5 697
Tangible fixed assets	448	473	465
Right-of-use assets	1 661	1 862	1 818
Financial fixed assets	100	86	101
Deferred tax assets	-	-	-
Goods for resale	2 653	2 816	2 854
Current receivables	1 821	1 837	1 580
Cash and cash equivalents	423	213	355
TOTAL ASSETS	12 693	13 127	12 870
SHAREHOLDERS' EQUITY AND LIABILITIES ¹⁾			
Shareholders' equity	4 520	4 347	4 335
Long-term liabilities, interest-bearing	3 019	3 608	3 333
Long-term lease liabilities	1 215	1 357	1 323
Deferred tax liabilities	377	443	428
Long-term liabilities, non-interest-bearing	95	20	20
Current liabilities, interest-bearing	405	437	748
Current lease liabilities	436	462	457
Current liabilities, non-interest-bearing	2 627	2 453	2 227
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	12 693	13 127	12 870

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	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	12 months Oct-Sep	Full-year 2019
Net sales	2 863	2 879	8 631	8 888	11 586	11 842
Other operating revenue	36	50	131	134	172	174
Total revenue	2 899	2 929	8 763	9 022	11 758	12 017
Goods for resale	-1 568	-1 576	-4 760	-4 882	-6 413	-6 535
Other external costs	-329	-338	-1 054	-1 015	-1 414	-1 375
Personnel expenses	-581	-616	-1 838	-1 907	-2 507	-2 576
Operating profit before depreciation/ amortisation and impairment of tangible and intangible fixed assets (EBITDA)	421	400	1 111	1 218	1 424	1 531
Depreciation and impairment of tangible fixed assets and right-of-use assets	-155	-154	-461	-457	-615	-611
Operating profit before amortisation and impairment of intangible fixed assets (EBITA)	266	246	650	761	809	920
Amortisation and impairment of intangible fixed assets	-58	-55	-172	-159	-228	-215
EBIT	208	191	478	601	582	705
Interest income	2	3	8	9	11	12
Interest expenses	-35	-39	-102	-117	-137	-151
Other financial items	-7	-8	-34	-16	-29	-11
Profit after financial items	167	147	349	478	426	555
Tax	-40	-34	-90	-112	-111	-134
PROFIT FOR THE PERIOD	127	113	260	366	315	421
Profit for the period attributable to:						
Parent Company's shareholders	123	110	247	357	303	413
Non-controlling interests	4	3	13	9	12	8
PROFIT FOR THE PERIOD	127	113	260	366	315	421
Earnings per share before and after dilution, SEK	2,18	1,95	4,38	6,34	5,38	7,34

Largest owners 2020-09-30

Voting rights and share capitals, %

LKQ Corporation	26,6
Fjärde AP-fonden	8,8
Didner & Gerge Fonder	6,6
Eva Fraim Pålman	3,4
Swedbank Robur Fonder	3,4
AFA Försäkring	3,0
Dimensional Fund Advisors	2,5
Vanguard	2,1
Ing-Marie Fraim	1,8
Avanza Pension	1,6
Total 10 largest shareholders	59,7
Others	40,3
Total	100,0