

ON THE WAY TO BUILDING A STRONGER MEKO

Capital Markets Update

May 16, 2024

MEKO



- **Our vision** is to enable mobility – today, tomorrow and in the future.
- **Our aim** is to be the best and most complete partner for all who drive, repair and maintain cars.



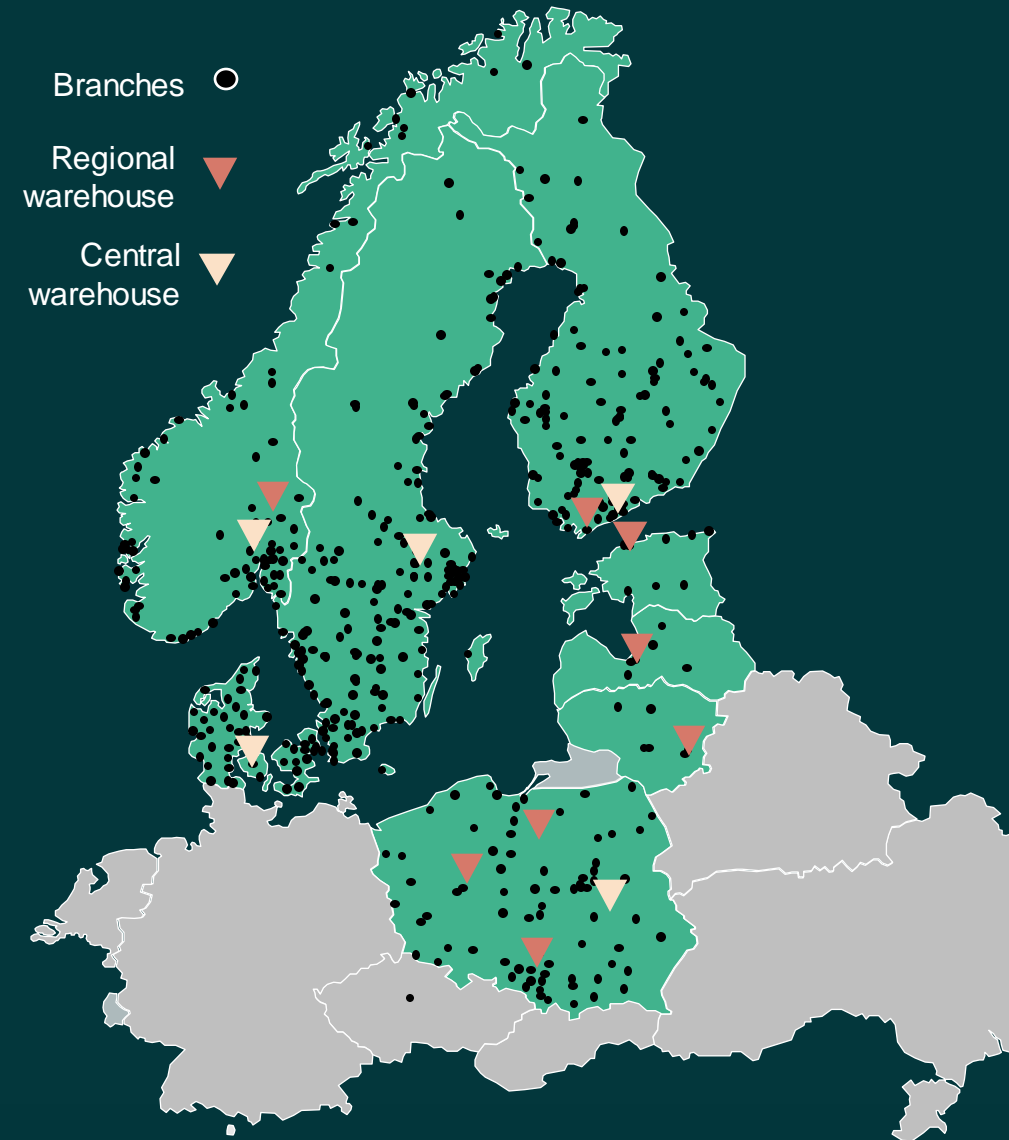
Capital markets day a year ago

- Focus on efforts to strengthen our position as market leader
- Examples of our four focus areas
- Efforts to grow in new segments close to our core business
- Goal to increase share of exclusive brands
- Goal to enter new partnerships with electric car manufacturers

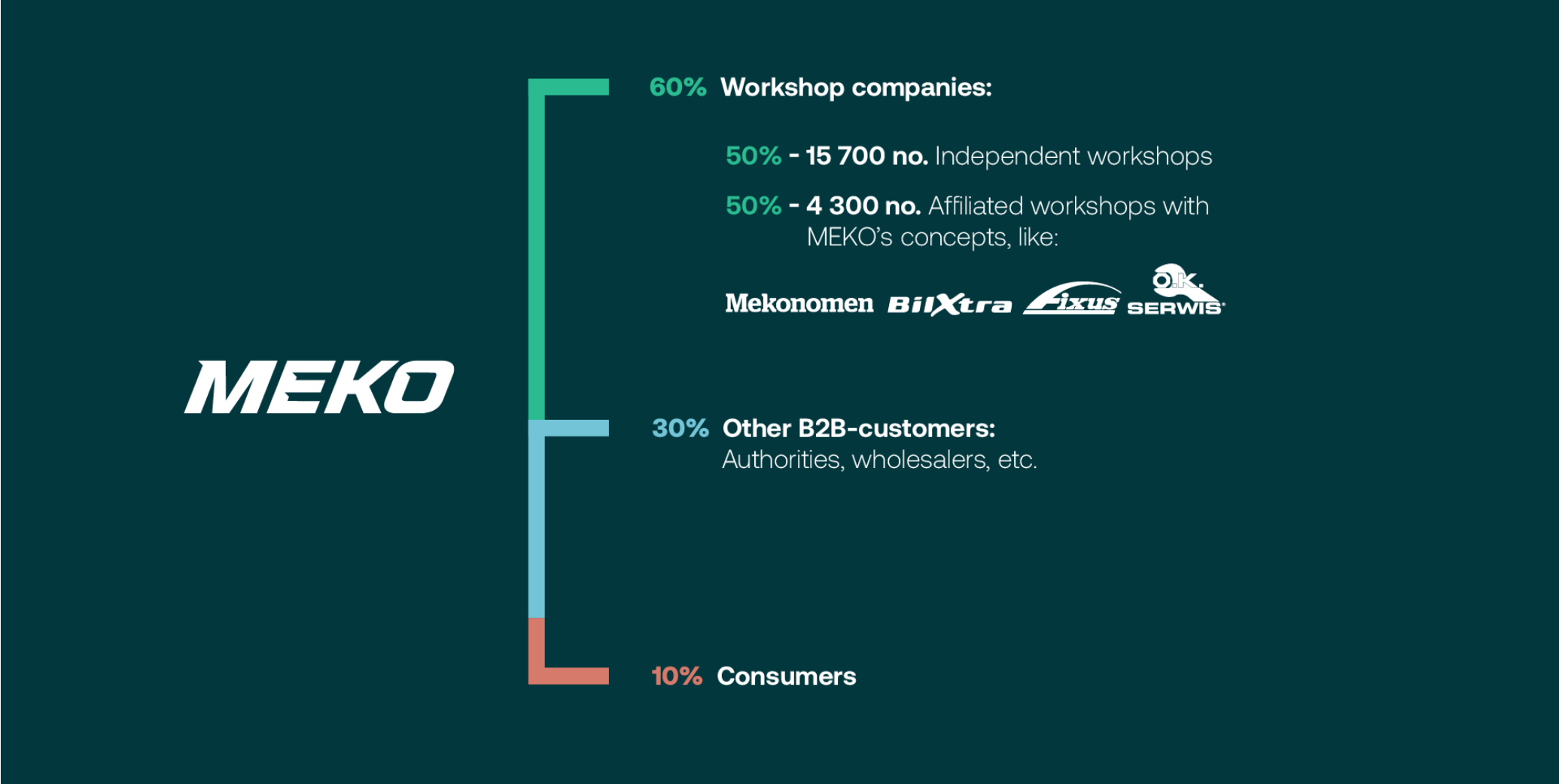
MEKO is the market leader in Northern Europe

- Dominant in spare parts and car service
- Outstanding availability and presence
- Strong brands and concepts attracting a broad range of customer groups

Examples:



Our main revenues comes from business-to-business



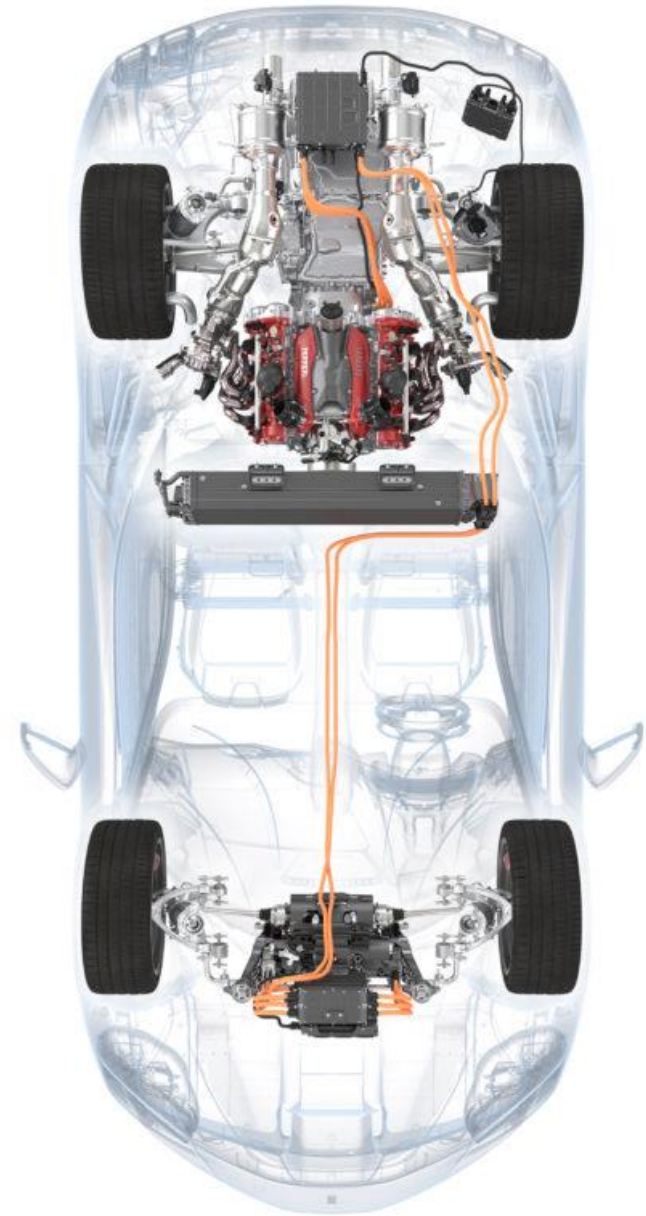
A robust and proven business model

- Timeless need for transportation
- Always strong underlying demand for service and repair
- Electric cars a promising opportunity – MEKO in the forefront

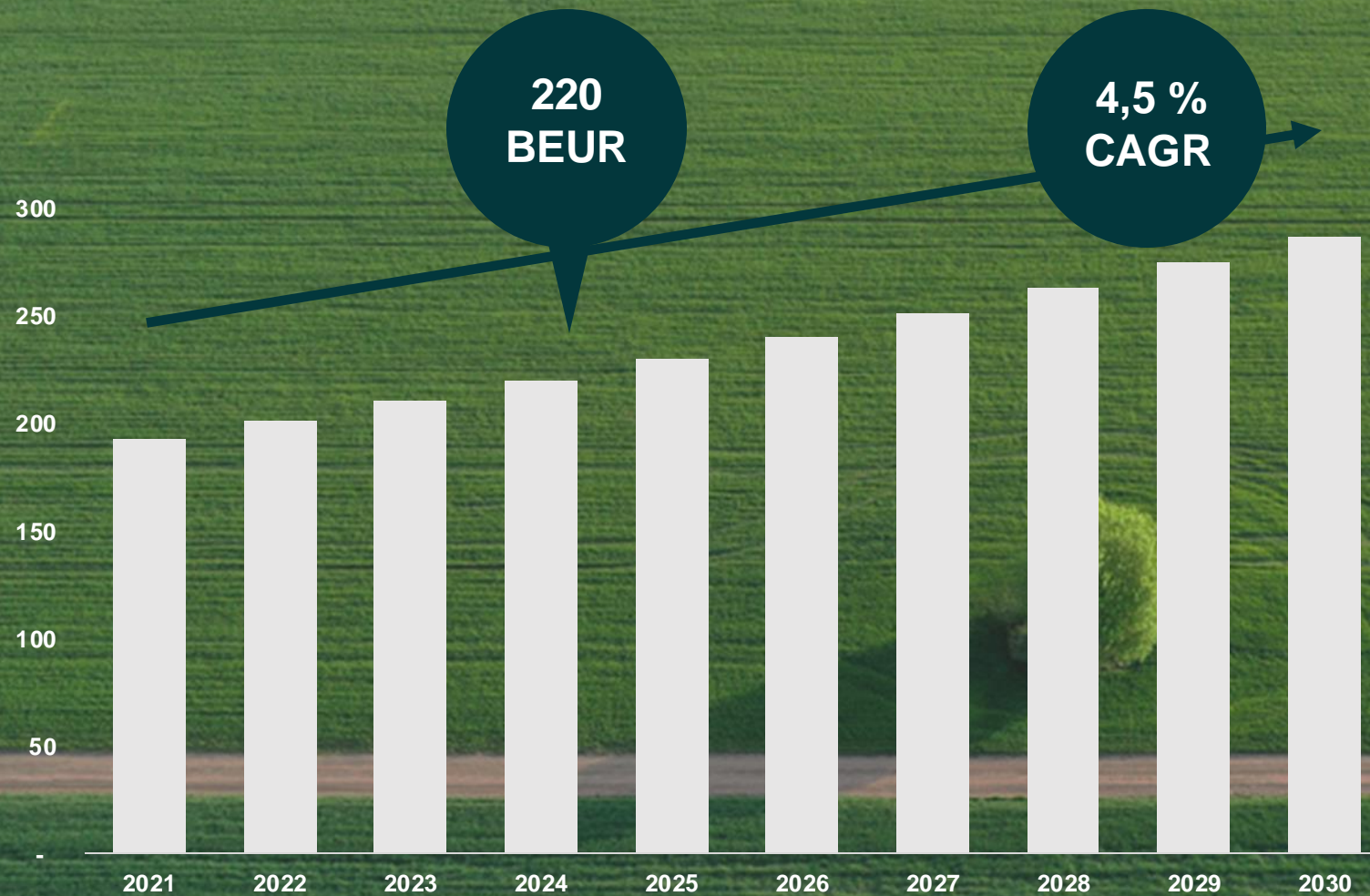


Electric cars need more advanced service

- Less spare parts but more sophisticated technology
- Complex service and repair – to a higher cost
- Brakes and tires wears more
- At least equivalent life span service and repair costs compared to traditional cars
- Important that all electric cars will be repairable – according to EU regulations



Large and growing European automotive after market



*Total market size valued as average of three market data sources (Presedence Research, Market Data Forecast, Graphical Research).

A proven strategy with four focus areas

**We enable mobility
today, tomorrow and in the future**



Better
operations



Better
workshops



Better
mobility

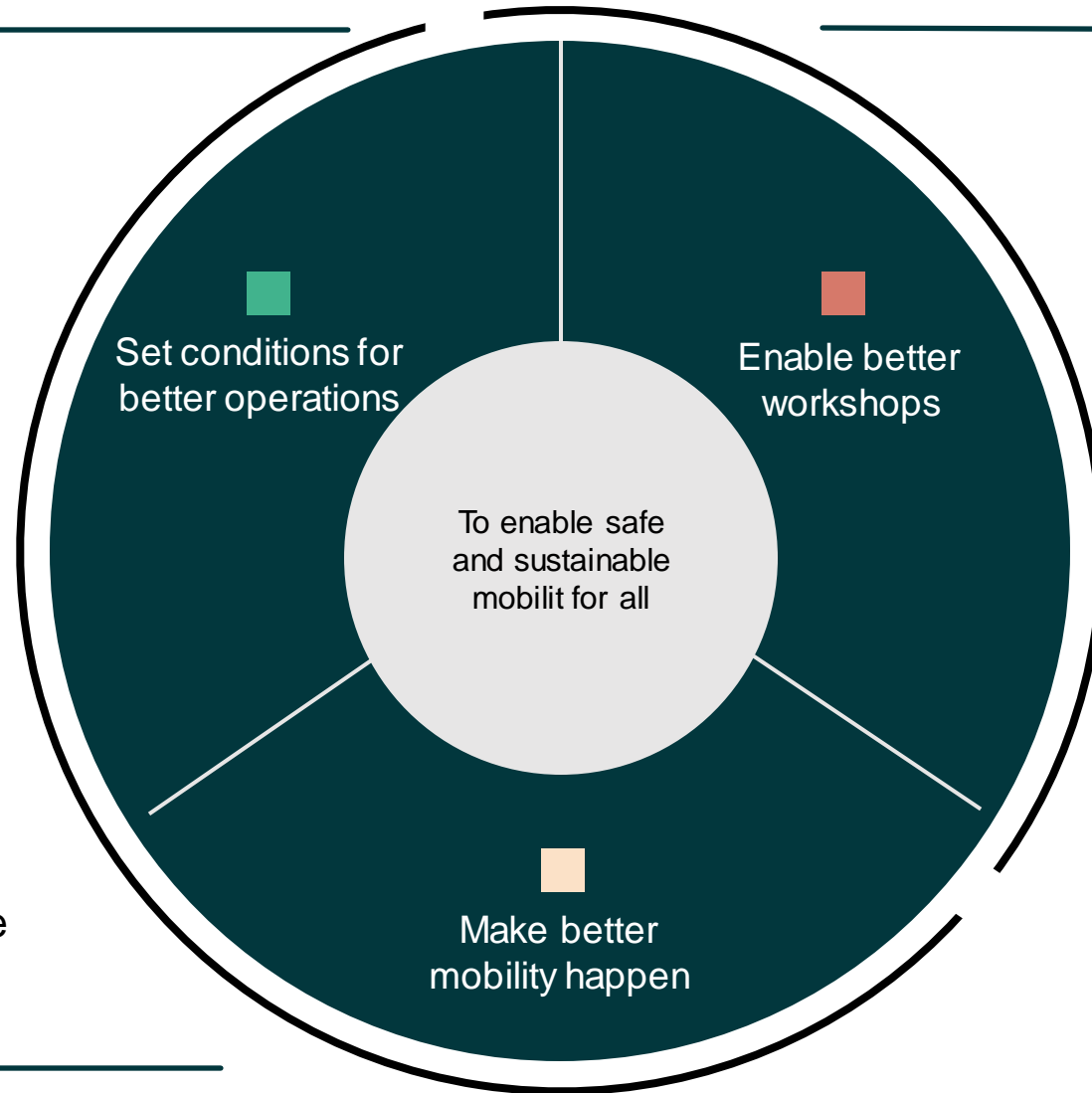


Sustainable
growth

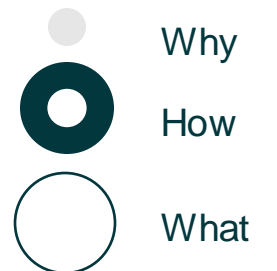
We enable sustainable mobility

- Climate policy in place
- Attractive employer
- Develop sustainable and circular products
- Responsible sourcing

- Ensure service to all low emission customers
- Innovate for safe, sustainable and circular usage of vehicles
- Nudge customers towards sustainable solutions and products



- Reduce environmental impact
- Lead competence development in all workshops
- Equal, inclusive and safe workplace



Increased efforts within sustainability

- Existing bank loans linked to sustainability targets.
- Opens for developed and sharpened sustainability targets over time.
- Bronze medal from EcoVadis, leading provider of sustainability ratings
- MEKO top 35 % of assessed companies
- Intensified work at all levels



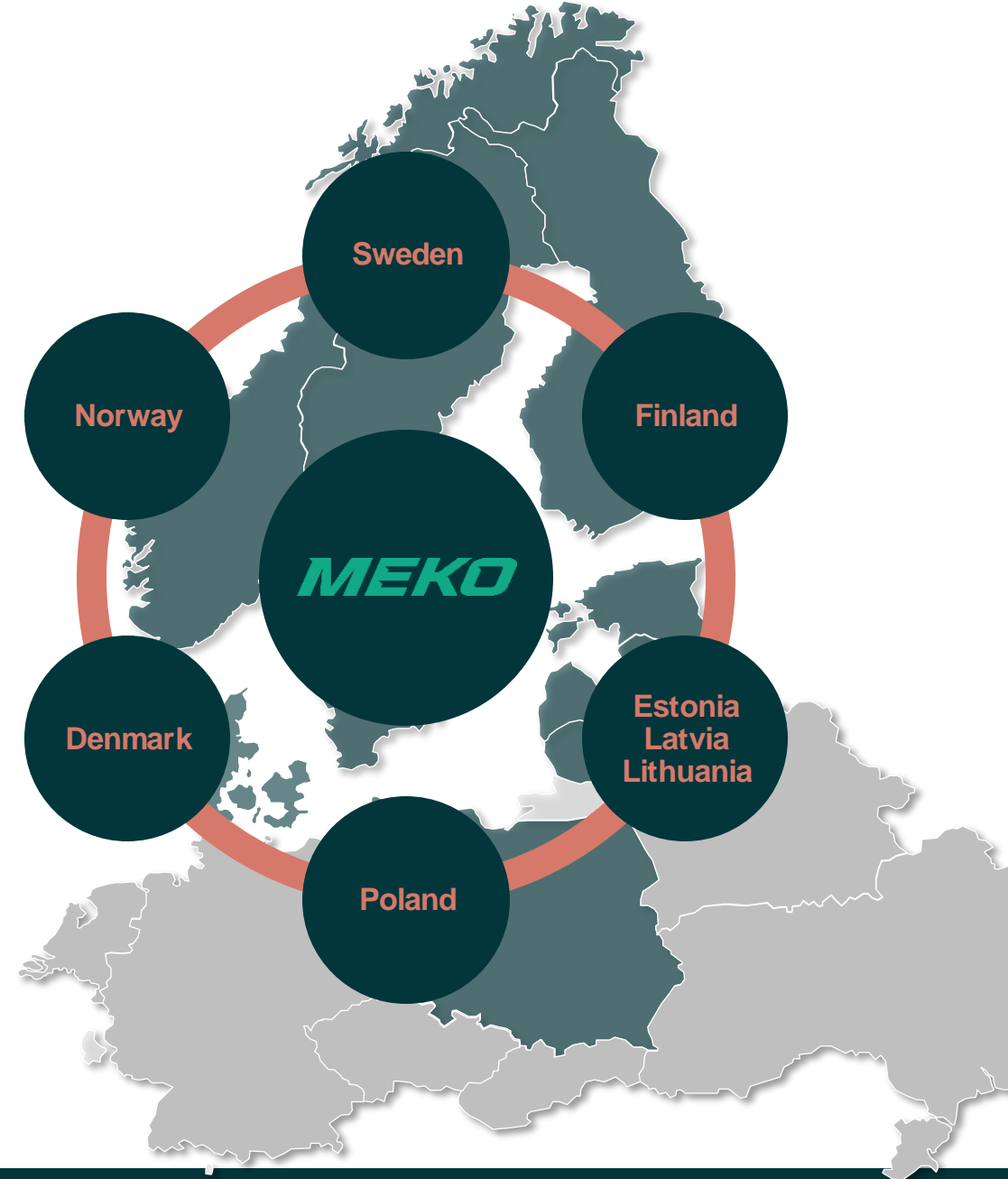
A scenic view of a road winding through a forest at sunrise or sunset. The sun is low on the horizon, creating a warm, golden glow and long shadows. The road is paved and has a white guardrail on the left side. A car is visible in the distance on the road. The trees are dark and silhouetted against the bright sky.

PETRA BENDELIN
CHIEF OPERATING OFFICER

Building a stronger MEKO

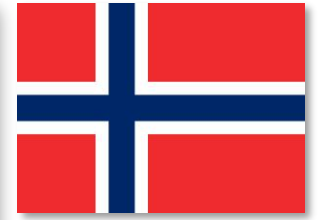
- Cost reduction and efficiency
 - Streamlining operations and optimizing network
- Supplier optimization
 - Stronger partnerships with preferred suppliers
 - Higher share of exclusive brands products
- New business system
 - Increased efficiency and wider assortment
 - Revenue synergies

Expected EBIT improvement of at least 15 per cent – full effect expected during 2025



1. New high-tech warehouse in Norway

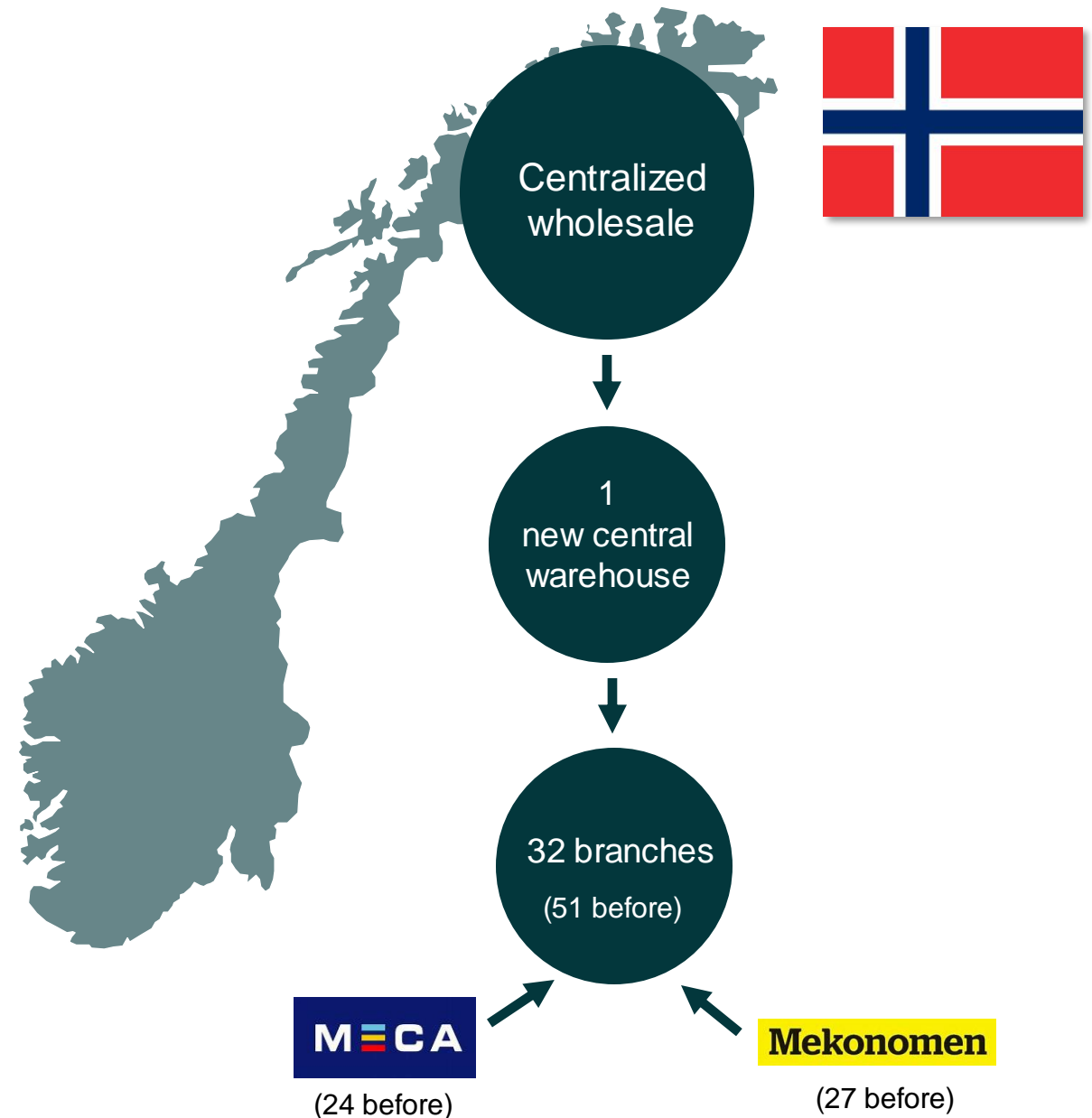
- Consolidating logistics activities in Norway to one common facility
- Will lower costs and increase efficiency
- Improved service level, better availability and shorter delivery times
- New premises also in Denmark and previous in Sweden



Fully
operational
by end of
2025

2. Consolidation of Meca and Mekonomen in Norway

- Centralized wholesale operations
- Consolidation of Meca and Mekonomen branch network
- Improved service level for both Meca and Mekonomen customers
- Fewer transportations – lower emissions
- Focusing on B2B with higher margins – closing Mekonomen B2C stores



3. Modernized and automated warehouse in Finland

- Renovated central warehouse in Helsinki
- Improved order handling and service level
- Improved efficiency and reduced costs
- Strong platform for further growth in Finland



Fully operational in 2025

4. Cost optimizations in Sweden

- Reductions in central functions
- Streamlined operations
- Optimizations in branch network
- Increased focus on identifying more potential for efficiencies



Full effect in 2024

5. Reorganization and cost reductions in Denmark

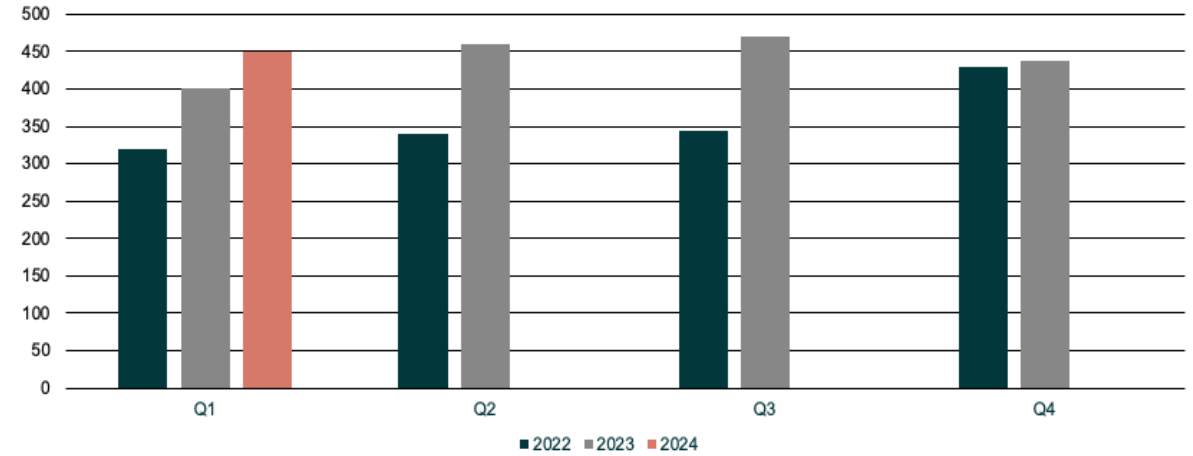
- Increased focus on sales and logistics – separate organizations
- Improved service level
- Increased efficiency with reduced costs
- Strong platform in combination with new central warehouse 2025



Fully
operational
in 2025

6. Higher share of exclusive brands

- Clear trend with accelerated growth
 - Promeister established as a premium brand
 - Roll-out in all of MEKO's markets
- Consolidating own labels
 - Automec new price fighter



MEKO's long term financial targets

Sales growth

Annual sales growth of at least 5 percent

- through a combination of organic growth and smaller acquisitions, but excluding selective M&A

Adjusted EBIT growth

Annual adjusted EBIT growth of at least 10 percent.

Net debt/EBITDA

Net debt/EBITDA shall be in the range of 2.0-3.0 times.

Dividend policy

Dividends corresponding to 50 per cent of profit after tax.

- Potential acquisition opportunities, financial position, investment needs and buy-backs taken into consideration.

MEKO's long term financial targets

Sales growth

Annual sales growth of at least 5 percent

- through a combination of organic growth and smaller acquisitions, but excluding selective M&A

Adjusted EBIT growth

Annual adjusted EBIT growth of at least 10 percent.

Net debt/EBITDA

Net debt/EBITDA shall be in the range of 2.0-3.0 times.

Dividend policy



Dividends corresponding to 50 per cent of profit after tax.

- Potential acquisition opportunities, financial position, investment needs and buy-backs taken into consideration.

MEKO's long term financial targets

Sales growth

Annual sales growth of at least 5 percent

- through a combination of organic growth and smaller acquisitions, but excluding selective M&A

Adjusted EBIT growth

Annual adjusted EBIT growth of at least 10 percent.

Net debt/EBITDA

Net debt/EBITDA shall be in the range of 2.0-3.0 times.

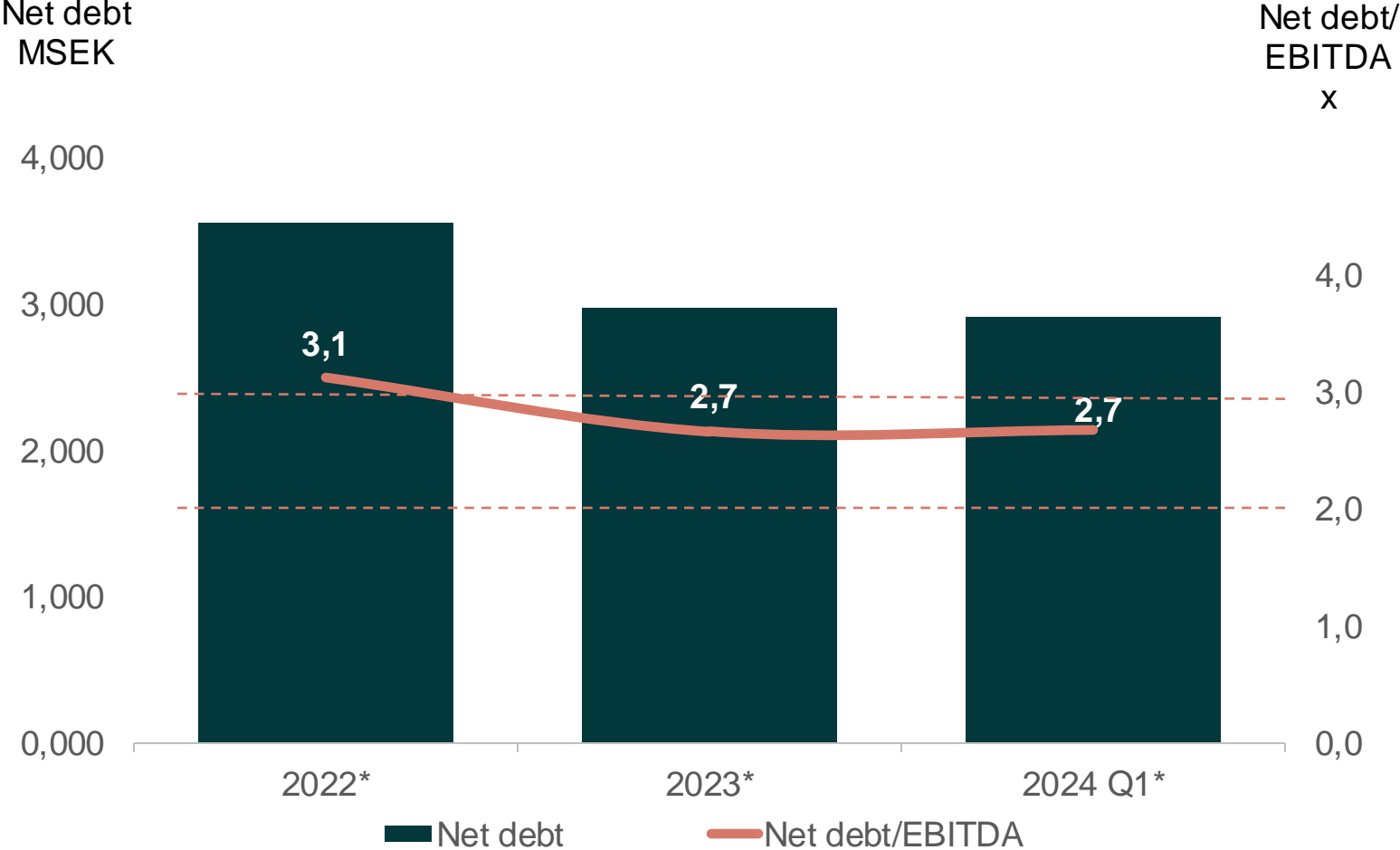
Dividend policy



Dividends corresponding to 50 per cent of profit after tax.

- Potential acquisition opportunities, financial position, investment needs and buy-backs taken into consideration.

Leverage brought back into target range



- Strong operational cash flow used to bring net debt down
- Net debt now at 2,913 (3,778) MSEK, with leverage at 2.7 times*
- Limited pro-forma impact from expected Q3 '24 completion of Elite Polska acquisition

*Including IFRS 16

MEKO's long term financial targets

Sales growth

Annual sales growth of at least 5 percent

- through a combination of organic growth and smaller acquisitions, but excluding selective M&A

Adjusted EBIT growth

Annual adjusted EBIT growth of at least 10 percent.

Net debt/EBITDA

Net debt/EBITDA shall be in the range of 2.0-3.0 times.



Dividend policy

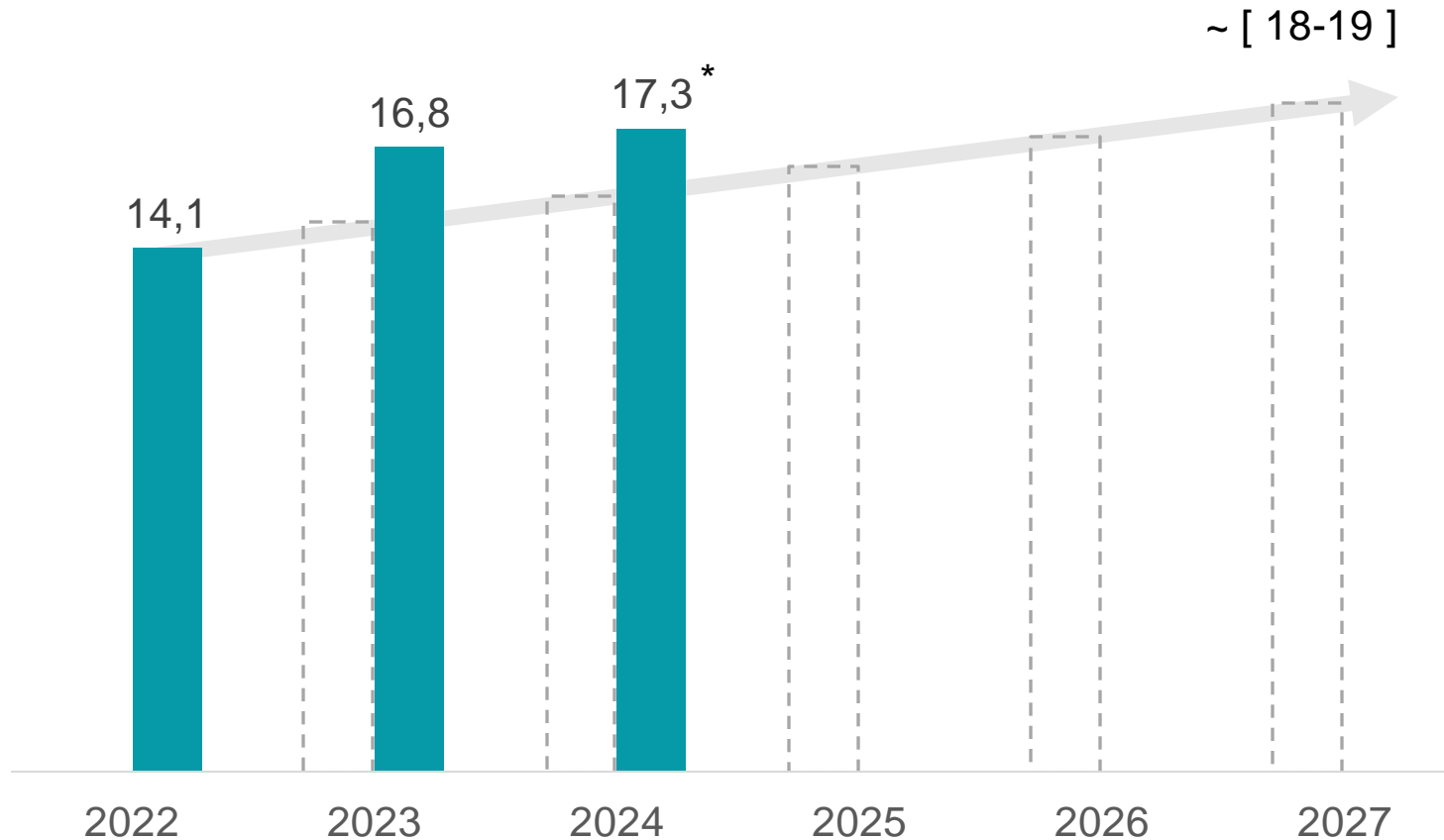
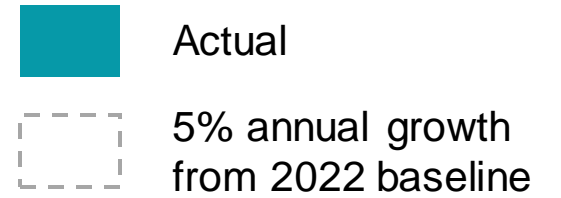
Dividends corresponding to 50 per cent of profit after tax.

- Potential acquisition opportunities, financial position, investment needs and buy-backs taken into consideration.



Sales growth ahead of plan

Net Sales, SEK billion



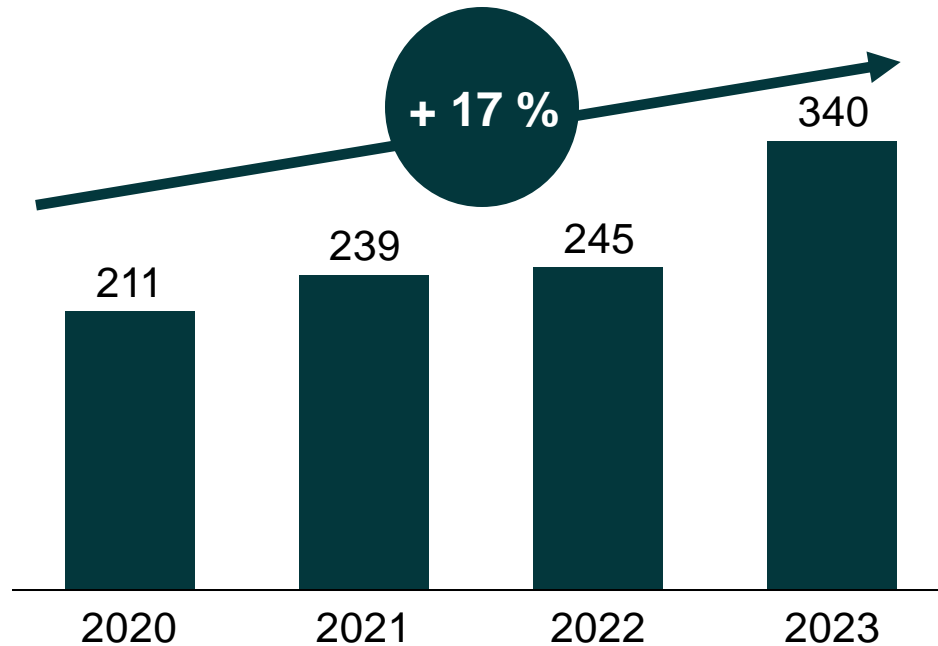
- Solid demand across core markets
- Boost from price increases on the back of weak FX and inflation
- Initiatives to drive fundamental top-line growth
- Opportunities for selective M&A on top

* Q1 2024 run-rate annualized

Example: Strong growth in the Fleet segment

Revenue from Fleet sales

SEK millions



- Growth from all active markets: Sweden, Denmark, Norway and Poland
- Prioritized market segment where we expect continued growth
- Our growth target is to outpace underlying market (est. 6% per year)
- Expanding fleet offer into Finland

MEKO's long term financial targets

Sales growth

Annual sales growth of at least 5 percent

- through a combination of organic growth and smaller acquisitions, but excluding selective M&A



Adjusted EBIT growth

Annual adjusted EBIT growth of at least 10 percent.

Net debt/EBITDA

Net debt/EBITDA shall be in the range of 2.0-3.0 times.



Dividend policy

Dividends corresponding to 50 per cent of profit after tax.

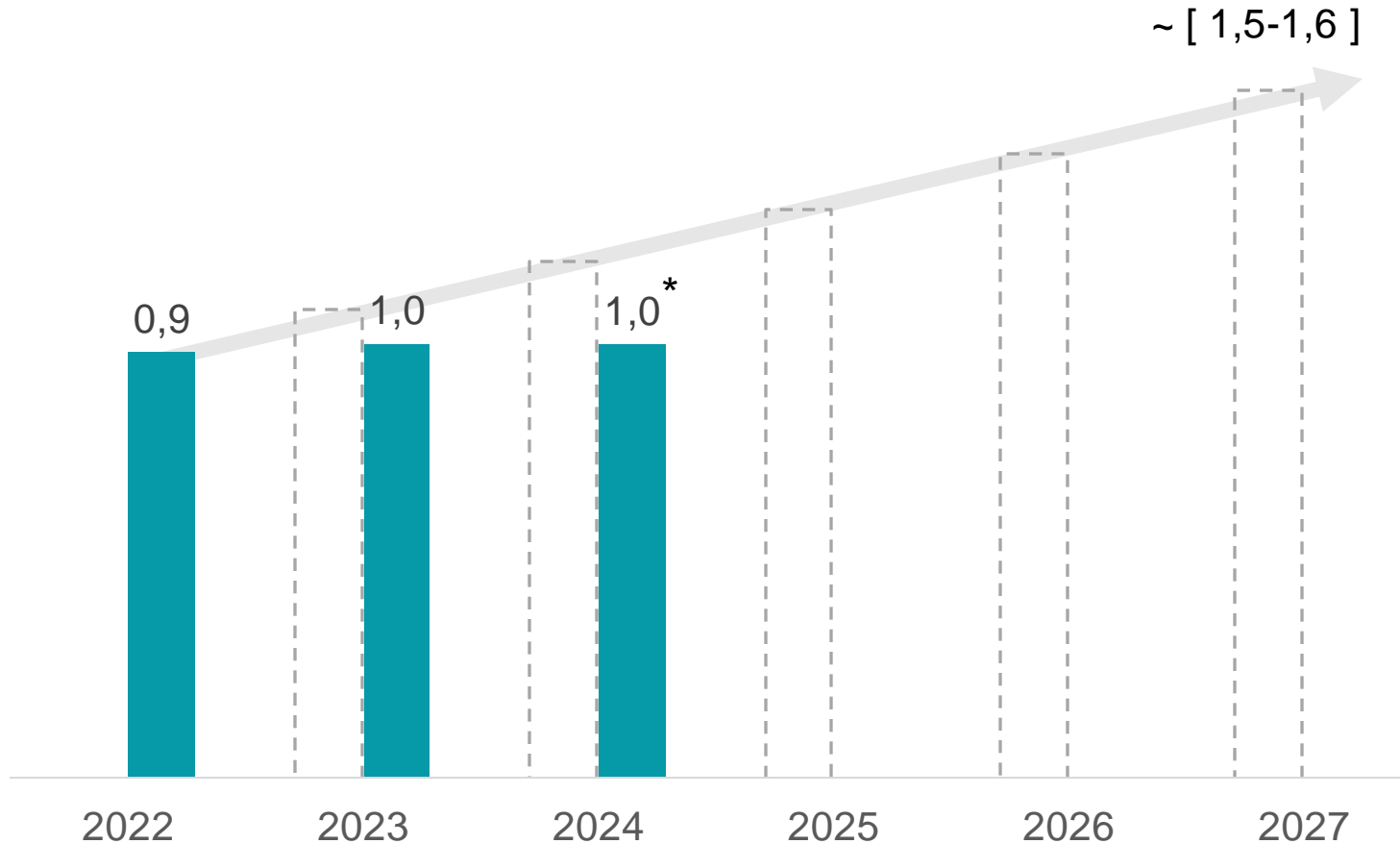
- Potential acquisition opportunities, financial position, investment needs and buy-backs taken into consideration.



Decisive actions to catch up on adjusted EBIT

Adjusted EBIT, SEK billion

■ Actual
▭ 10% annual growth from 2022 baseline

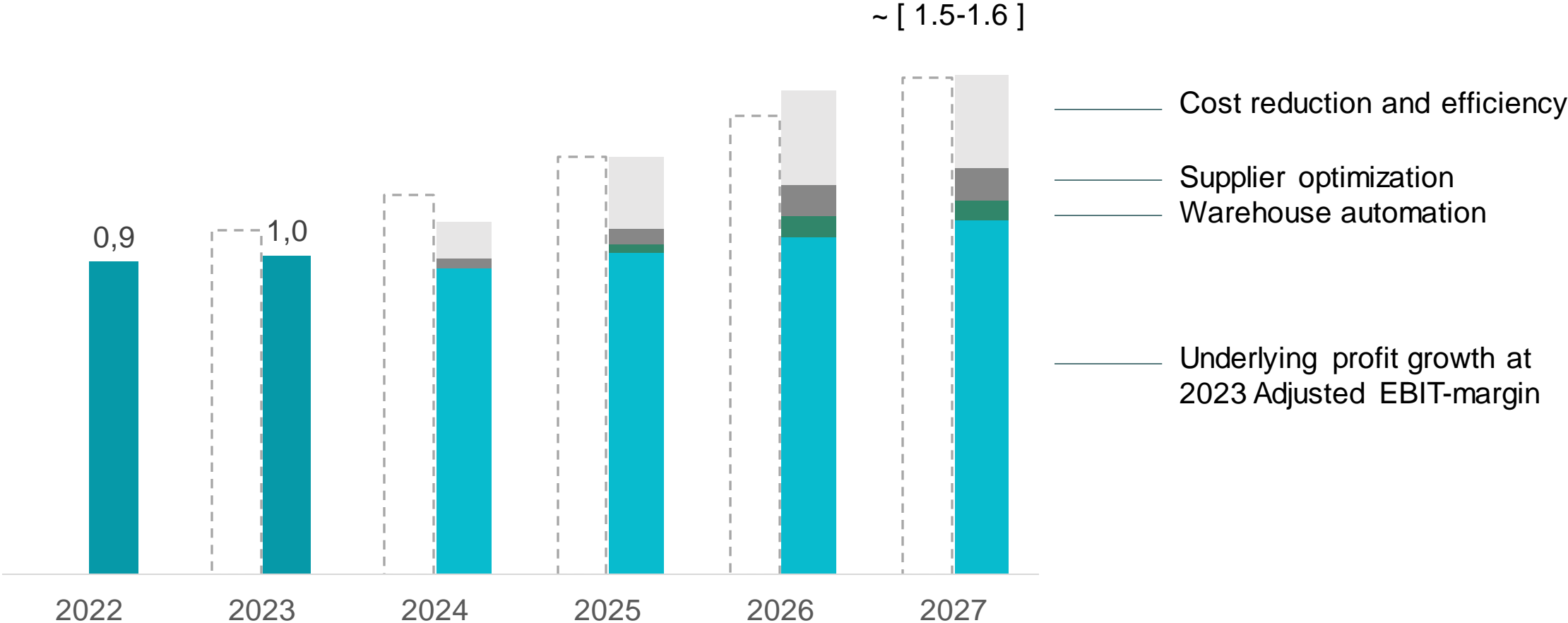


- Decisive actions well under way – Building a stronger MEKO
 - *Warehouse automation*
 - *Supplier optimization*
 - *Cost reduction and efficiency*
 - *Business system upgrade*
- Already incurred implementation cost to date (Q1 2024) SEK 150 M
- Additional SEK 100-150 M during 2024, and approx SEK 100 M during 2025 where the largest part is for Business System

* LTM Q1 2024

On track to reach financial targets

Adjusted EBIT, SEK billion



MEKO's long term financial targets

Sales growth

Annual sales growth of at least 5 percent

- through a combination of organic growth and smaller acquisitions, but excluding selective M&A



Adjusted EBIT growth

Annual adjusted EBIT growth of at least 10 percent.



Net debt/EBITDA

Net debt/EBITDA shall be in the range of 2.0-3.0 times.



Dividend policy

Dividends corresponding to 50 per cent of profit after tax.

- Potential acquisition opportunities, financial position, investment needs and buy-backs taken into consideration.



Summary

Robust business model – leader in Northern Europe

Several activities to improve profitability

Investments in high-tech warehouses in several markets

Optimizations and efficiency gains across the group

On track to reach financial targets

**A stronger
and more
profitable
MEKO**

Q&A



An aerial photograph of a two-lane asphalt road with white dashed lines, curving through a dense forest. To the right of the road is a calm lake that reflects the sky and the surrounding trees. The sky is a mix of soft pinks, oranges, and blues, suggesting a sunset or sunrise. The overall mood is serene and natural.

ENABLING MOBILITY

TODAY, TOMORROW – AND IN THE FUTURE