

MEKO AB

January – December 2022
February 15, 2023



Q4 2022 – STRONG GROWTH AND IMPROVED CASH FLOW

Continued organic growth proves our resilient business model

Strong development in all markets, while challenging market conditions in Denmark

Intensified efforts for increased profitability

Strong cash flow generation enables solid financial position and lower leverage over time

The Board of Directors propose a dividend of 3.30 SEK per share

MEKO – FOURTH QUARTER AND FULL-YEAR 2022

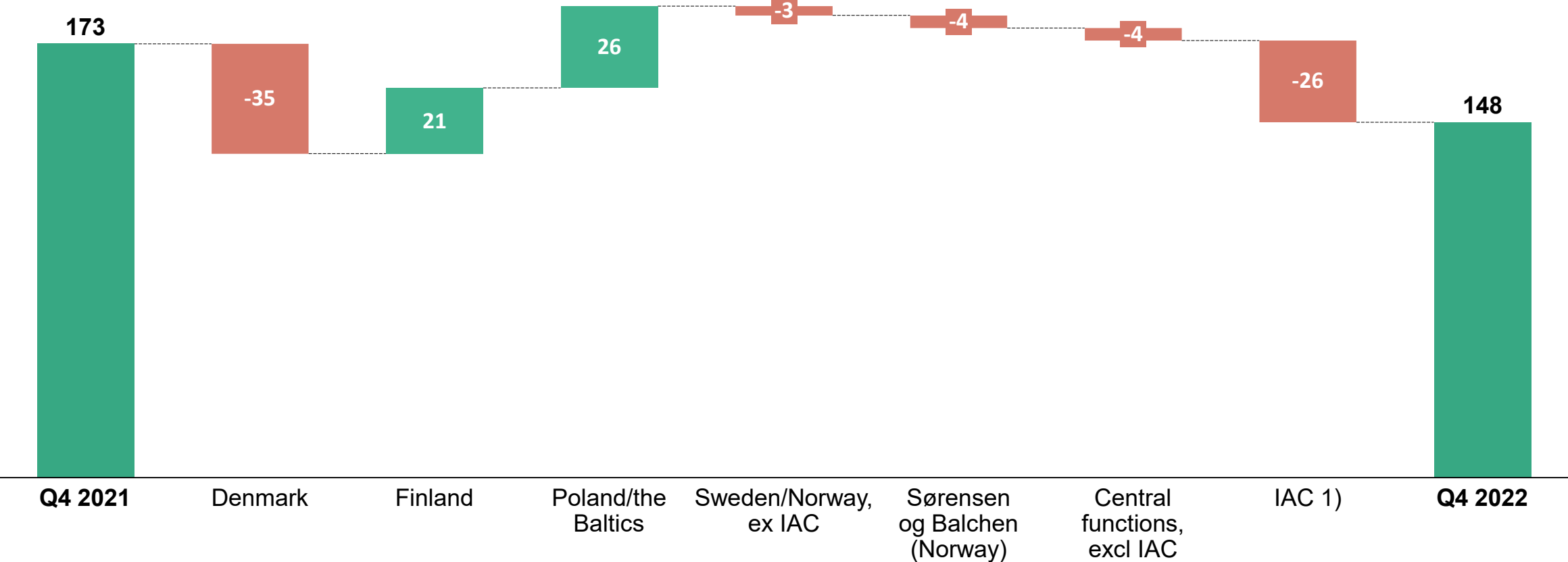
SEK M	Q4 2022	Q4 2021	Change	I2M 2022	I2M 2021	Change
Group, net sales	3 895	3 129	24%	14 067	12 309	14%
EBIT	148	173	-14%	759	894	-15%
Adjusted EBIT ¹⁾	198	203	-2%	945	1 031	-8%
Earnings per share, SEK	2,05	2,09	-2%	8,12	10,21	-20%
Cash flow from operating activities	326	192	70%	1 048	1 227	-15%
Key figures						
- Organic growth ²⁾	5,0%	7,2%		2,6%	8,4%	
- EBIT margin	3,7%	5,4%		5,3%	7,1%	
- Adjusted EBIT margin	5,0%	6,3%		6,6%	8,2%	

¹⁾ Adjusted EBIT is EBIT adjusted for items affecting comparability (IAC) and material acquisition-related items. Current acquisition-related items are amortizations of acquired intangible assets and depreciation of surplus values on buildings pertaining to the acquisitions FTZ, Inter-Team, Koivunen, MECA (included until May 2022) and Sørensen og Balchen (included until April 2021).

²⁾ Organic growth refers to changes in net sales adjusted for the number of workdays, acquisitions/divestments and currency effects.

STABLE UNDERLYING EBIT DEVELOPMENT

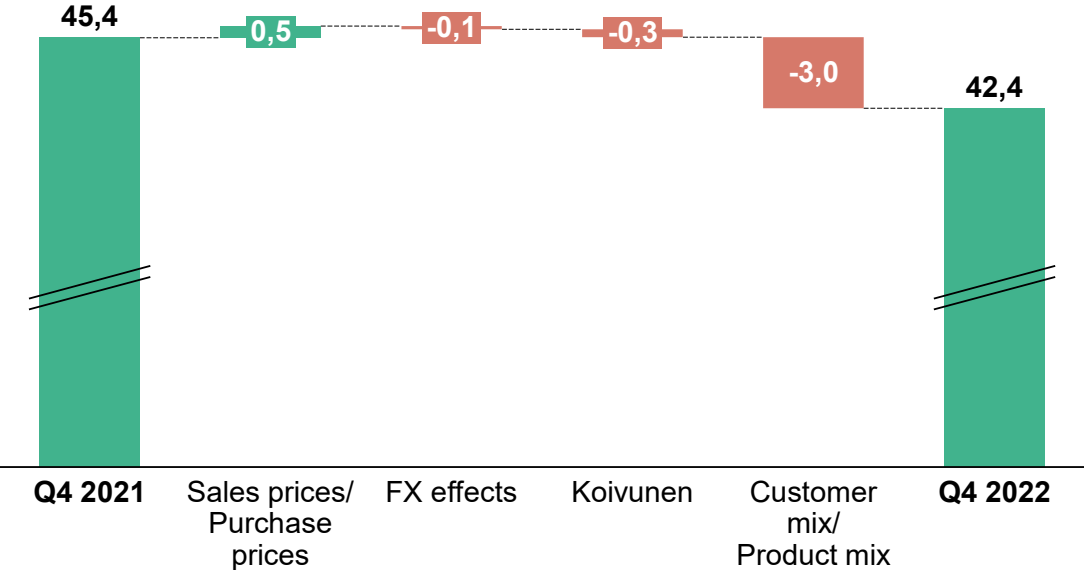
EBIT bridge
Q4 2021 to Q4 2022



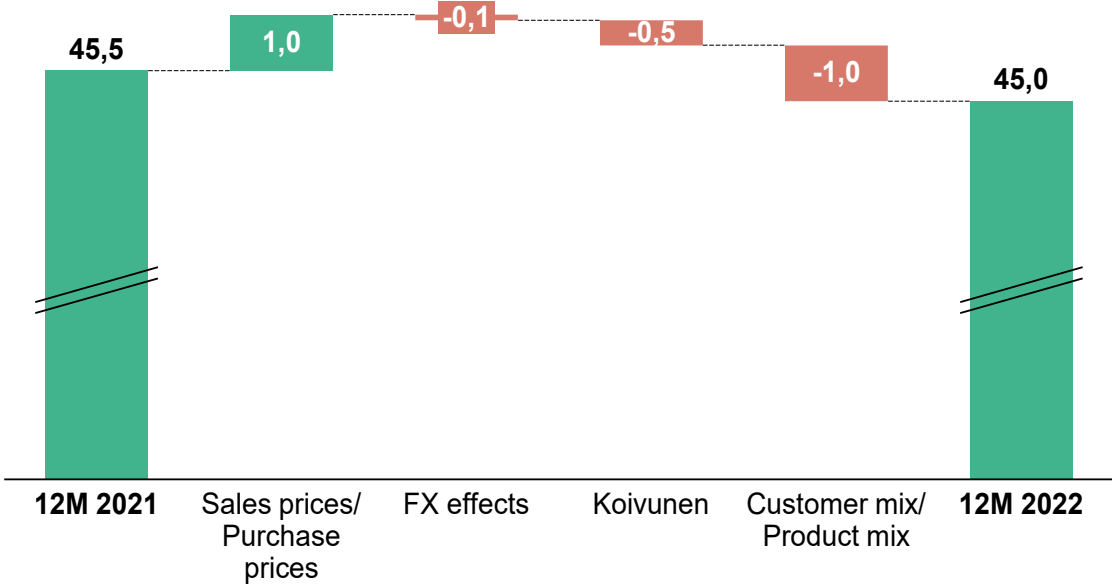
¹⁾ Items affecting comparability (IAC) of total SEK -22 M (+3) related to restructuring costs in Norway within Business Area Sweden/Norway.

SOLID FULL-YEAR GROSS MARGIN DEVELOPMENT

Gross margin bridge
Q4 2021 to Q4 2022



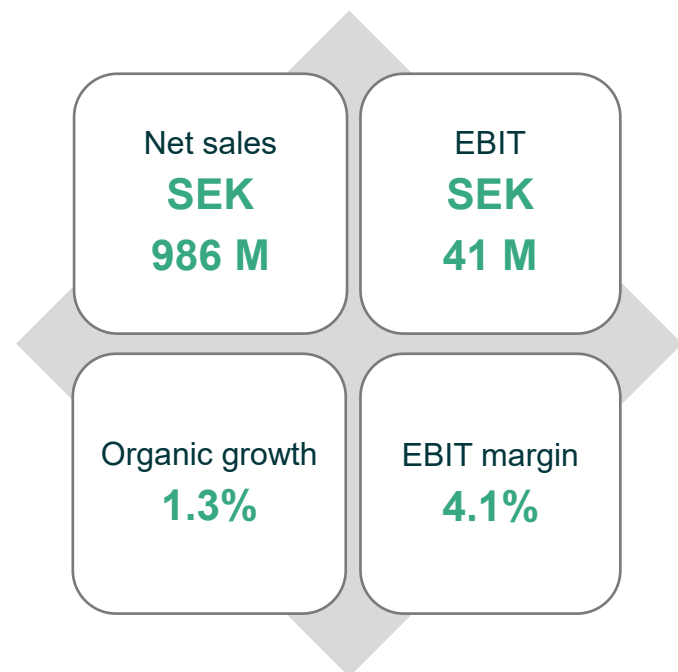
Gross margin bridge
12M 2021 to 12M 2022





SALES & RESULT PER BUSINESS AREA

DENMARK – LEADING POSITION IN A CHALLENGING MARKET



Reported net sales growth of 9 per cent, of which 1 percent organic, impacted by tough competition and a slow market following weak consumer purchasing power

Weak EBIT development mainly due to increased cost inflation and campaigns to defend market shares

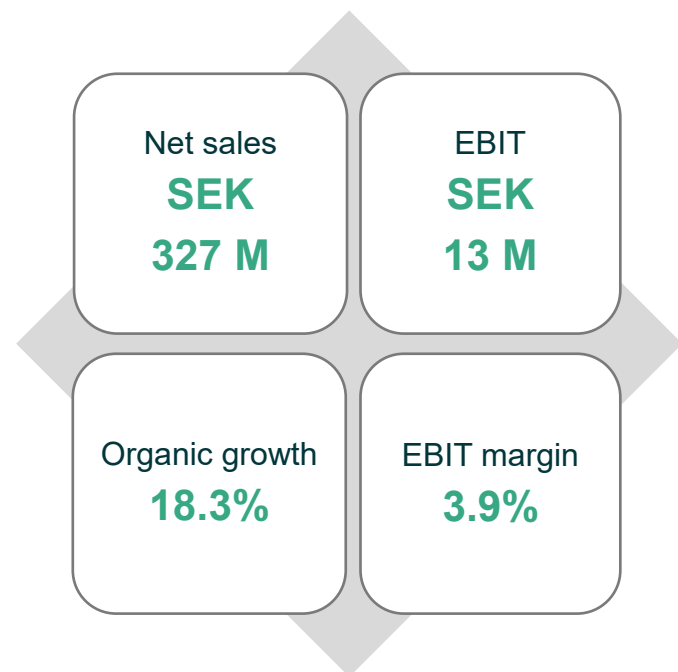
Ongoing actions to improve margins

SEK M	Q4 2022	Q4 2021	Change	I2M 2022	I2M 2021	Change
Net sales	986	902	9%	3 689	3 480	6%
EBIT	41	75	-46%	265	352	-25%
Adjusted EBIT ¹⁾	41	75	-46%	265	352	-25%
Key figures						
- Organic growth ²⁾	1,3%	5,0%		0,2%	6,8%	
- EBIT margin	4,1%	8,3%		7,2%	10,1%	

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.

FINLAND – HEALTHY PERFORMANCE IN PENDING MARKET



Strong organic growth in Mekonomen of 18 percent and positive development in the newly acquired Koivunen

Integration according to plan extracting synergies through purchasing, economies of scale and operational excellence

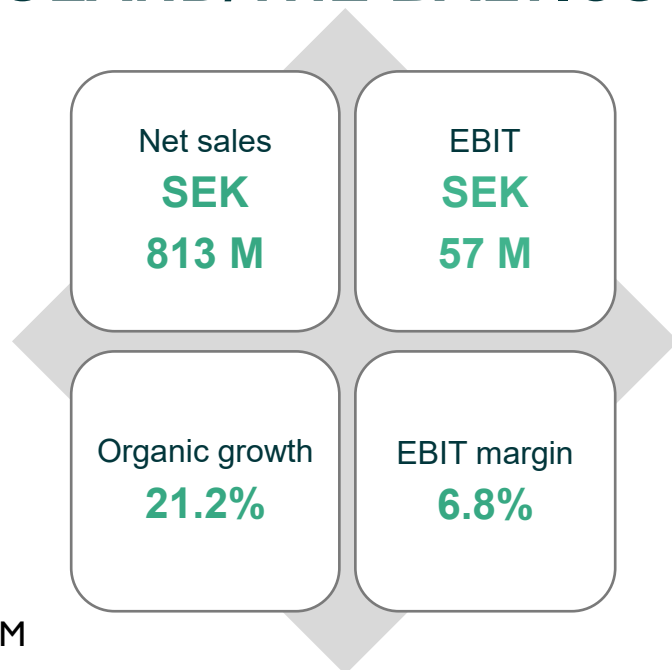
Increasing profitability in Mekonomen through merging of the Finnish warehouses and joint logistic operations

SEK M	Q4 2022	Q4 2021	Change	12M 2022	12M 2021	Change
Net sales	327	30	>500%	728	111	>500%
EBIT	13	-8	272%	22	-29	176%
Adjusted EBIT ¹⁾	13	-8	272%	22	-29	176%
Key figures						
- Organic growth ²⁾	18,3%	-		25,1%	-	
- EBIT margin	3,9%	-24,5%		2,9%	-25,5%	

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. Refers to Mekonomen Finland.

POLAND/THE BALTICS – STRONG PERFORMANCE IN GROWTH MARKETS



Robust organic growth of 21 percent, driven by both domestic and export sales in Poland. Positive development in the newly acquired Baltic operations

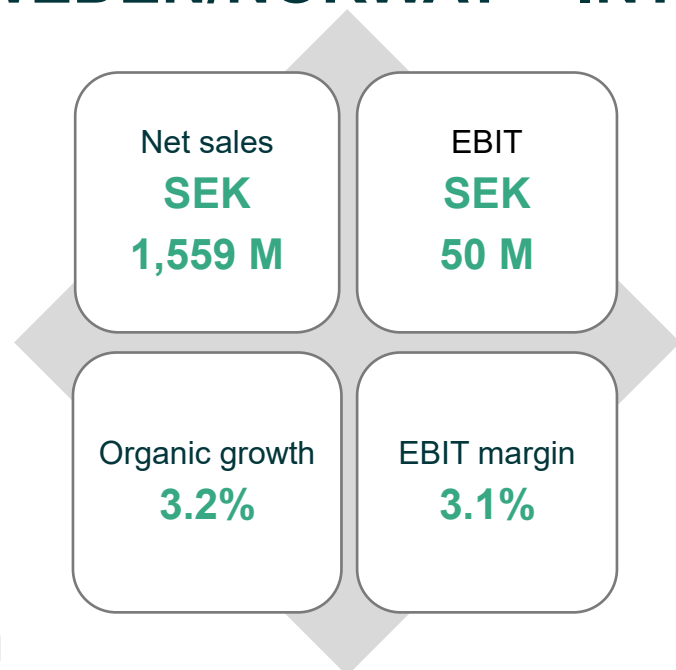
Impressive EBIT development, in line with long-term strategic target to increase profitability

Ongoing synergy extraction according to plan, with full effect in 2024

SEK M	Q4 2022	Q4 2021	Change	12M 2022	12M 2021	Change
Net sales	813	515	58%	2 748	2 091	31%
- Poland	645	515	25%	2 421	2 091	16%
- The Baltics	168	-	-	327	-	-
EBIT	57	31	85%	164	102	61%
Adjusted EBIT ¹⁾	57	31	85%	164	102	61%
Key figures						
- Organic growth ²⁾	21,2%	17,1%		13,4%	12,6%	
- EBIT margin	6,8%	5,8%		5,8%	4,7%	

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. Refers to Poland (former B.A. Inter-Team).

SWEDEN/NORWAY – INTENSIFIED EFFORTS FOR HIGHER PROFITABILITY



Net sales grew 6 per cent, of which 3 per cent organic. Growth driven by solid performance in both Sweden and Norway. Improved market conditions in Norway, notably within B2B

Gross margin and EBIT decreased slightly due to currency headwind and cost inflation. EBIT burdened by one-time costs of 22 MSEK

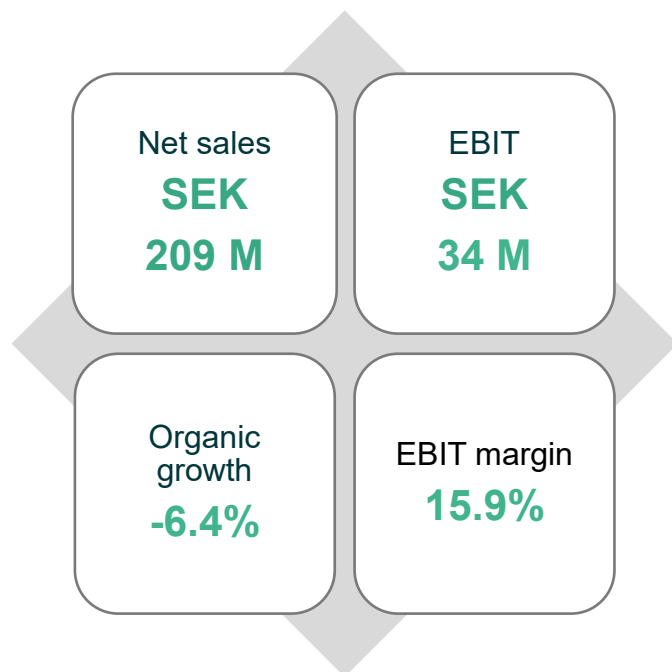
Actions ongoing to further balance costs in Norway and optimize operations in Sweden, to support future profitable growth

SEK M	Q4 2022	Q4 2021	Change	I2M 2022	I2M 2021	Change
Net sales	1 559	1 468	6%	6 020	5 746	5%
- Norway	576	526	10%	2 308	2 182	6%
- Sweden	982	943	4%	3 712	3 564	4%
EBIT	50	87	-42%	383	475	-19%
Adjusted EBIT ¹⁾	72	76	-4%	405	464	-13%
Key figures						
- Organic growth ²⁾	3,2%	4,8%		1,5%	7,4%	
- EBIT margin	3,1%	5,7%		6,2%	8,1%	

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.

SØRENSEN OG BALCHEN (NORWAY) – RELIABLE PERFORMANCE



Net sales growth was 1 per cent, of which -6 percent organic, affected by continued slow retail market. Signs of market recovery

Steady margin development, where good cost control largely balances lower volumes and increased cost pressure

Weak consumer purchasing power has affected retail market development and segment performance in the quarter

SEK M	Q4 2022	Q4 2021	Change	12M 2022	12M 2021	Change
Net sales	209	207	1%	877	873	0%
EBIT	34	37	-10%	160	185	-13%
Adjusted EBIT ¹⁾	34	37	-10%	160	185	-13%
Key figures						
- Organic growth ²⁾	-6,4%	2,7%		-9,5%	8,3%	
- EBIT margin	15,9%	17,6%		18,0%	20,9%	

¹⁾ Adjusted EBIT excludes items affecting comparability.

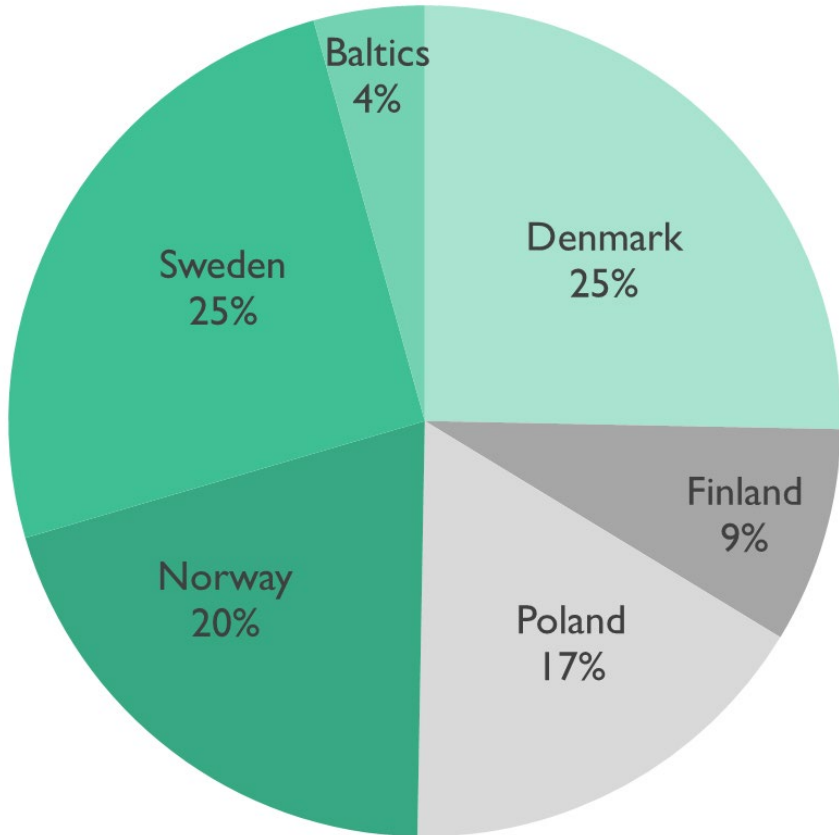
²⁾ Organic growth is change in net sales adjusted for number of workdays, acquisitions/divestments and currency effects.

A side-view mirror of a car, reflecting a road that curves through a dense, lush green forest. The text "MARKET & FOOTPRINT" is overlaid in white, bold, sans-serif font across the center of the reflection.

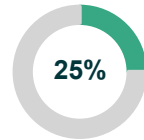
MARKET & FOOTPRINT

STRONG GROUP FOOTPRINT

Net sales per business area, 2022Q4

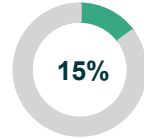


Market shares - main markets



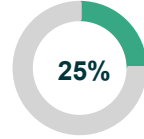
Finland

Number of branches: **170** (22Q3: 170)
 Number of affiliated workshops: **335** (22Q3: 335)



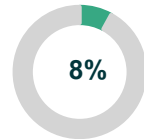
Sweden

Number of branches: **193** (22Q3: 196)
 Number of affiliated workshops: **1005** (22Q3: 996)



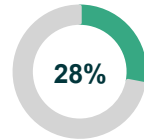
Norway

Number of branches: **129** (22Q3: 129)
 Number of affiliated workshops: **1,033** (22Q3: 1,030)



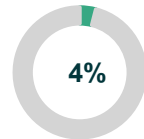
The Baltics

Number of branches: **45** (22Q3: 45)
 Number of affiliated workshops: **33** (22Q3: 33)



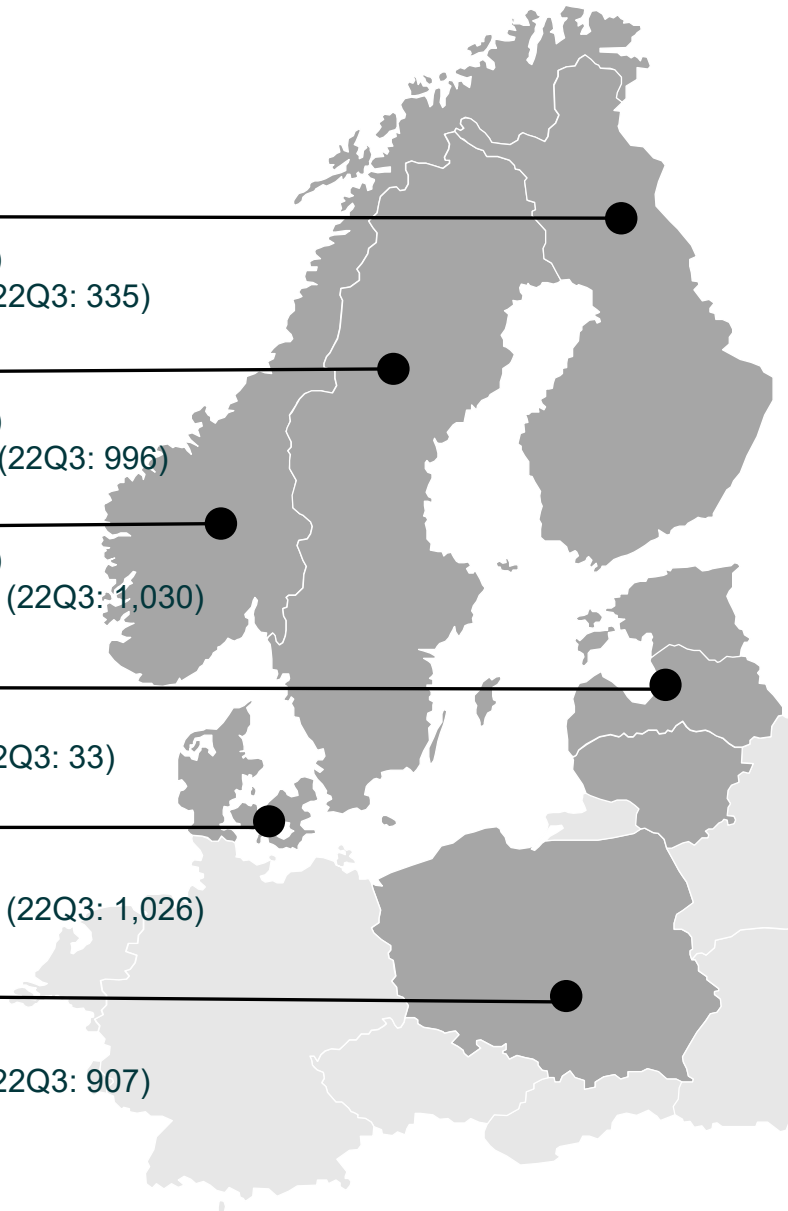
Denmark

Number of branches: **50** (22Q3: 50)
 Number of affiliated workshops: **1,023** (22Q3: 1,026)



Poland

Number of branches: **86** (22Q3: 85)
 Number of affiliated workshops: **931** (22Q3: 907)





MEKO STRENGTHENS ITS POSITION IN DENMARK

- Closing of the acquisition of 70 percent of the leading car accessories company Avant Denmark finalized
- Avant Denmark offers the largest range of car accessories to companies and consumers in Denmark
- Sales channels include online sales via Biludstyr.dk and via retailers across Denmark
- Growing segment with large potential – demand regardless of type of vehicles on the roads



MEKO CONTINUES TO BE ONE OF SWEDENS MOST EQUAL COMPANIES

- Gender distribution in the Group Management Team, equal since 2018
- Dedicated focus on increased diversity in the group



CAPITAL MARKETS DAY
21 MARCH 2023

A scenic road winding through a forest at sunrise or sunset, with a car visible in the distance. The sun is low on the horizon, creating a warm, golden glow and long shadows. The road is flanked by tall, dark evergreen trees. A white car is visible in the distance on the road.

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

APPENDIX

Earnings trend

SUMMARY OF THE GROUP'S EARNINGS TREND SEK M	Oct-Dec 2022	Oct-Dec 2021	Change, %	Jan-Dec 2022	Jan-Dec 2021	Change, %
Net sales	3 895	3 129	24	14 067	12 309	14
Adjusted EBIT	198	203	-2	945	1 031	-8
EBIT	148	173	-14	759	894	-15
Profit after financial items	95	151	-37	581	759	-23
Profit after tax	120	118	1	477	587	-19
Earnings per share, SEK	2,05	2,09	-2	8,12	10,21	-20
Adjusted EBIT margin, %	5,0	6,3		6,6	8,2	
EBIT margin, %	3,7	5,4		5,3	7,1	

ADJUSTED EBIT SEK M	Oct-Dec 2022	Oct-Dec 2021	Change, %	Jan-Dec 2022	Jan-Dec 2021	Change, %
EBIT	148	173	-14	759	894	-15
Transaction costs related to the acquisition of Koivunen	0	0		-26	0	
Transaction tax related to the acquisition of Koivunen	0	0		-22	0	
Restructuring costs, Norway	-22	0		-22	0	
Payment of AGS health insurance	0	12		0	12	
Impairment of associates	0	-8		0	-8	
<i>Items affecting comparability, total</i>	-22	3		-70	3	
<i>"Other items", material acquisition-related items ¹⁾</i>	-28	-34		-116	-141	
Adjusted EBIT	198	203	-2	945	1 031	-8

¹⁾ Other items include material acquisition-related items. Current acquisition-related items pertain to the amortization of surplus values on acquired tangible and intangible assets relating to the acquisitions of FTZ, Inter-Team, Koivunen, MECA and Sørensen og Balchen (Sørensen og Balchen until the end of April 2021 and MECA until May 2022 when this amortization was completed).

Cash flow

CONDENSED CONSOLIDATED CASH-FLOW STATEMENT, SEK M	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Operating activities				
<i>Cash flow from operating activities before changes in working capital, excluding tax paid</i>	360	365	1 484	1 617
Tax paid	5	-4	-240	-192
Cash flow from operating activities before changes in working capital	365	361	1 244	1 425
Cash flow from changes in working capital:				
Changes in inventory	-60	-210	-251	-236
Changes in receivables	185	149	-186	-201
Changes in liabilities	-163	-108	241	239
<i>Increase (-)/Decrease (+) working capital</i>	-39	-169	-196	-198
Cash-flow from operating activities	326	192	1 048	1 227
Cash flow from investing activities	-65	-49	-1 533	-201
Cash flow from financing activities	-174	-180	286	-569
CASH FLOW FOR THE PERIOD	88	-38	-199	457
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	639	924	892	420
Exchange-rate differences in cash and cash equivalents	14	6	49	15
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	741	892	741	892

Balance sheet

CONDENSED CONSOLIDATED BALANCE SHEET SEK M	December 31 2022	December 31 2021	December 31 2020
ASSETS ¹⁾			
Intangible fixed assets	5 933	5 394	5 410
Tangible fixed assets	1 076	436	448
Right-of-use assets	1 526	1 651	1 606
Financial fixed assets	136	94	98
Deferred tax assets	19	3	1
Goods for resale	4 147	3 021	2 704
Current receivables	2 195	1 738	1 506
Cash and cash equivalents	741	892	420
TOTAL ASSETS	15 773	13 229	12 193
SHAREHOLDERS' EQUITY AND LIABILITIES ¹⁾			
Shareholders' equity	5 926	5 229	4 595
Long-term liabilities, interest-bearing	4 372	2 996	2 743
Long-term lease liabilities	1 020	1 181	1 168
Deferred tax liabilities	501	357	388
Long-term liabilities, non-interest-bearing	20	45	16
Current liabilities, interest-bearing	-	198	611
Current lease liabilities	520	467	432
Current liabilities, non-interest-bearing	3 416	2 757	2 240
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	15 773	13 229	12 193

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

Income statement

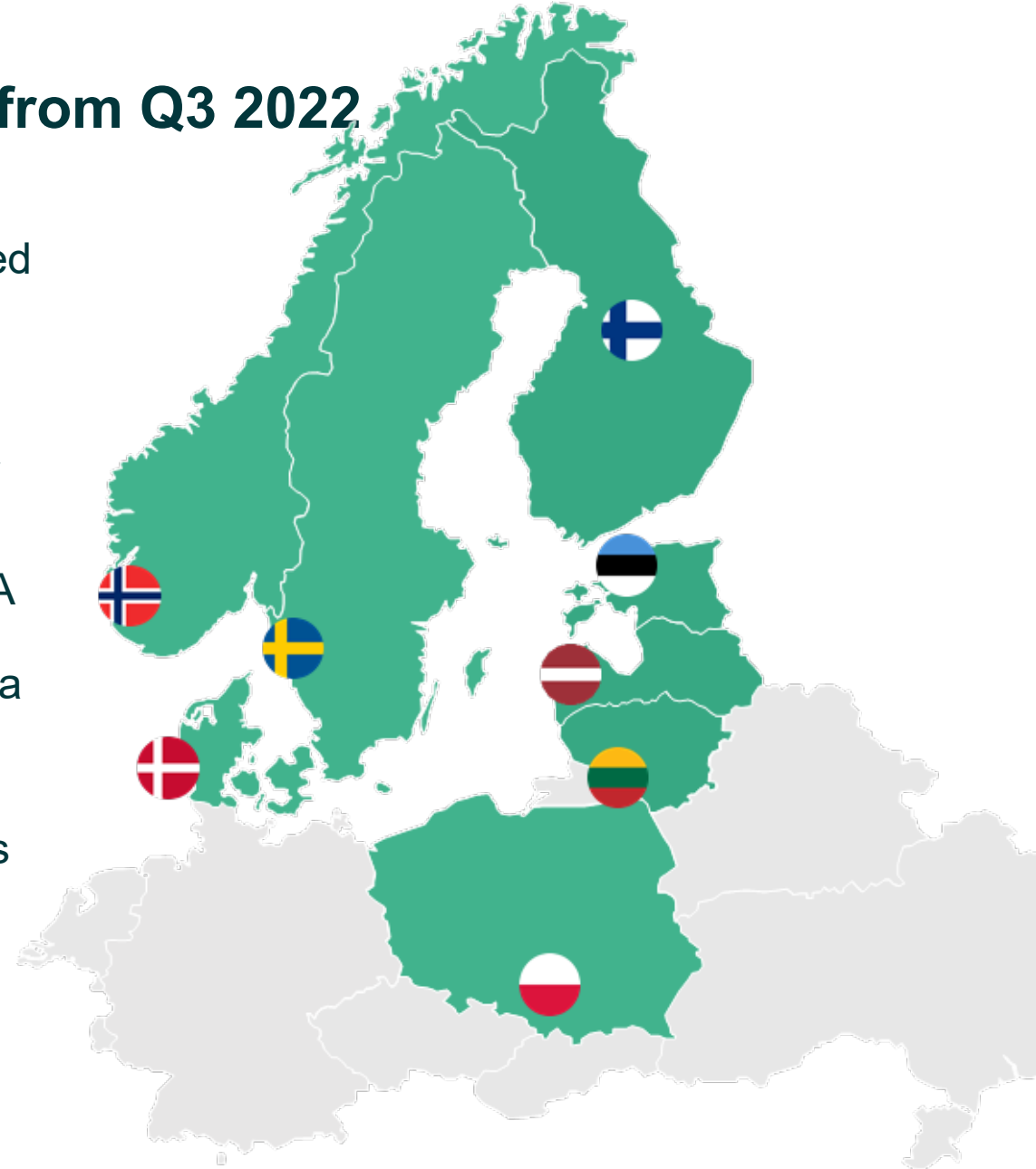
CONDENSED CONSOLIDATED INCOME STATEMENT, SEK M	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Net sales	3 895	3 129	14 067	12 309
Other operating revenue	112	89	324	243
Total revenue	4 007	3 218	14 391	12 552
Goods for resale	-2 230	-1 708	-7 745	-6 709
Other external costs	-552	-430	-1 972	-1 490
Personnel expenses	-839	-703	-3 043	-2 653
Operating profit before depreciation/ amortization and impairment of tangible and intangible fixed assets (EBITDA)	386	377	1 631	1 699
Depreciation and impairment of tangible fixed assets and right-of-use assets	-193	-149	-675	-582
Operating profit before amortization and impairment of intangible fixed assets (EBITA)	193	229	956	1 117
Amortization and impairment of intangible fixed assets	-45	-56	-197	-223
EBIT	148	173	759	894
Interest income	7	2	17	9
Interest expenses	-55	-26	-152	-115
Other financial items	-5	3	-43	-29
Profit after financial items	95	151	581	759
Tax	24	-33	-104	-172
PROFIT FOR THE PERIOD	120	118	477	587
Profit for the period attributable to:				
Parent Company's shareholders	114	117	454	572
Non-controlling interests	5	1	23	14
PROFIT FOR THE PERIOD	120	118	477	587
Earnings per share before and after dilution, SEK	2,05	2,09	8,12	10,21

Largest owners 2022-12-31

Voting rights and share capitals, %	
LKQ Corporation	26,6
Swedbank Robur Funds	11,3
Fourth Swedish National Pension Fund	8,7
Didner & Gerge Funds	6,8
Eva Fraim Pålman	3,2
AFA Insurance	3,0
Nordea Funds	2,7
Dimensional Fund Advisors	2,6
Vanguard	2,4
Ing-Marie Fraim	1,8
Total 10 largest shareholders	69,0
Others	31,0
Total	100,0

UPDATED BUSINESS AREA STRUCTURE from Q3 2022

- **Business Area Denmark;** The business area is unchanged compared with former Business Area FTZ
- **Business area Finland;** From Q3 2022 the BA includes Mekonomen Finland's operations (previously reported within business area MECA/Mekonomen) and the recently acquired Koivunen's operations in Finland
- **Business area Poland/the Baltics;** From Q3 2022 the BA includes former business area Inter-Team as well as the recently acquired operation in Estonia, Latvia and Lithuania
- **Business area Sweden/Norway;** From Q3 2022 the BA includes the former business area MECA/Mekonomen, excluding Mekonomen Finland who is reported in business area Finland
- **Business area Sørensen og Balchen (Norway):** The business area is unchanged compared with former business area Sørensen and Balchen



FINANCIAL TARGETS

SALES GROWTH

Target to achieve an average annual sales growth 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 Meko pay dividends corresponding to not less than 50 per cent of profit after tax.