



MEKO

January – June 2024
August 22, 2024



Pehr Oscarson
CEO



Christer Johansson
CFO

Q2 2024 – WE CONTINUE TO BUILD A STRONGER MEKO

Solid organic growth in all markets

Robust adjusted EBIT development, while EBIT comparison affected by one-time effects

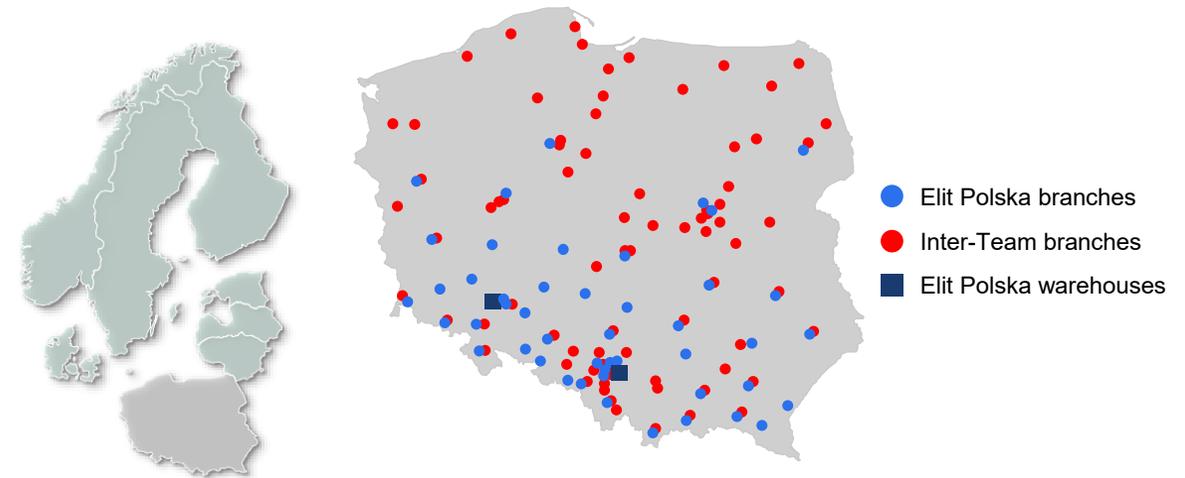
Strong operating cash flow generation

Improved financial position – leverage well within the target range

Strengthened position in Poland – acquisition of Elit Polska finalized

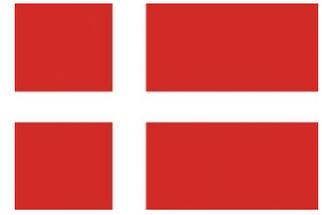
ELIT POLSKA – A PERFECT STRATEGIC FIT

- Large untapped potential in Poland for MEKO
- Support our growth strategy
- Growing market share from 5% to 8%
- Highly complementary business
- Reduces future investment needs
- No significant impact on MEKO's debt level or cash flow
- Initial costs to enable annual synergies
- Short-term dilutive margin effect



REORGANIZATIONS 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

MODERNIZED AND AUTOMATED WAREHOUSE IN FINLAND

- Improved order handling and service level
- Improved efficiency and reduced costs
- Reformed and optimized organisation
- Strong platform for further growth in Finland



Fully operational in 2025

CAPITAL MARKETS UPDATE WITH FOCUS ON OUR OPTIMIZATIONS

- Detailed review of the initiative "Building a Stronger MEKO"
- Elaborations on investments in logistics and goods handling
- Focus on optimization and efficiency gains across the group
- Financial review: MEKO on track to reach financial targets



EXPANSION IN ESTONIA THROUGH ACQUISITION OF AUTOMEISTER

- Well established wholesaler in Estonia
- Acquisition includes Estonia's leading workshop concept Carstop
- 14 affiliated workshops across the country
- Strengthens MEKO's position and opens for synergies in the Baltics
- Announced in July



carstop

AVALEHT

ESINDUSED

TEENUSED

UUDISED JA
KAMPAANIAD

VABAD
TÖÖKOHAD



STRONG PERFORMANCE IN THE SECOND QUARTER

- Solid sales growth across markets
- Robust adjusted EBIT development, while EBIT comparison affected by one-time effects
- Strong cash flow from operations, due to improved underlying performance and lower working capital

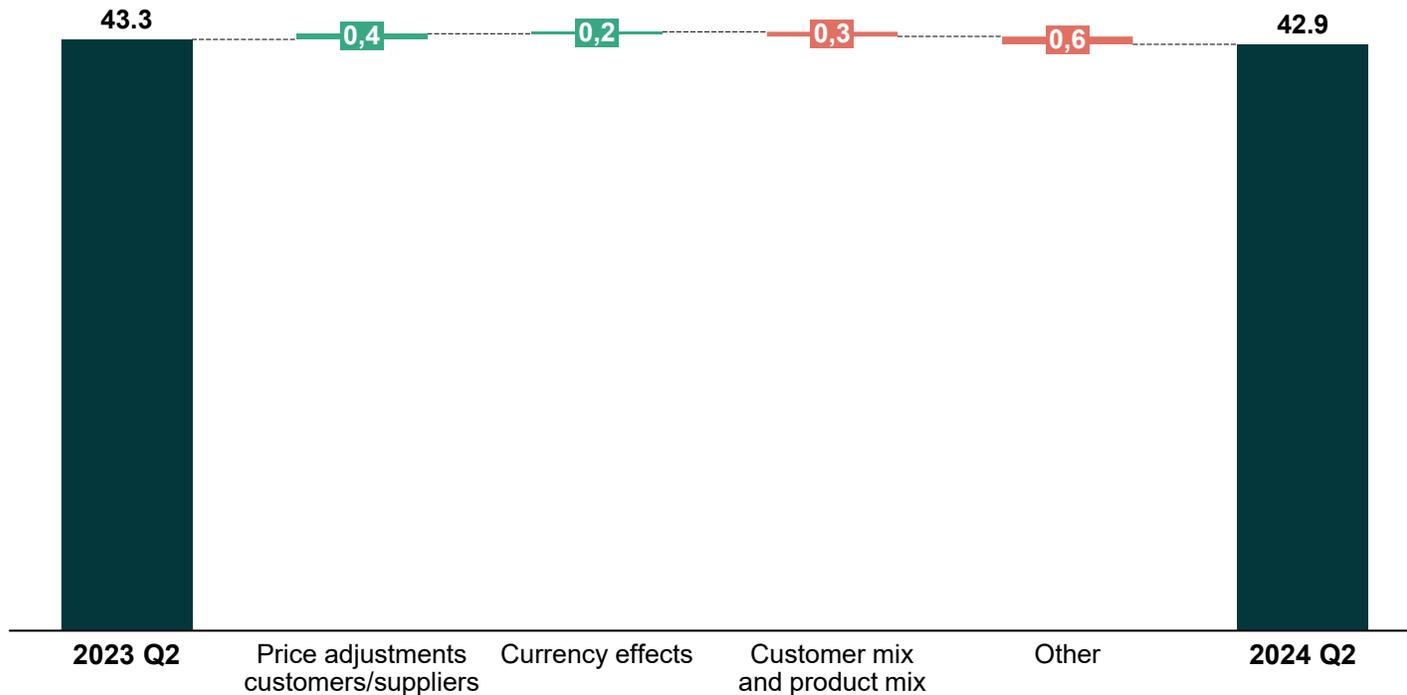
SEK M	Q2 2024	Q2 2023	Change %	6M 2024	6M 2023	Change %	Rolling 12M	2023 12M	Change %
Net sales	4 680	4 292	9	9 000	8 265	9	17 496	16 762	4
Operating Profit (EBIT)	284	304	-6	431	503	-14	799	872	-8
Adjusted EBIT ¹⁾	357	270	32	581	497	17	1 047	963	9
Earnings per share, SEK	2,86	3,03	-6	3,78	4,46	-15	6,82	7,50	-9
Cash flow from operating activities	698	486	44	984	513	92	1 722	1 252	38
Key figures									
- Organic growth ²⁾ , %	5	9		8	7		8	8	
- EBIT margin, %	6,0	6,8		4,7	5,9		4,5	5,0	
- Adjusted EBIT margin, %	7,5	6,2		6,4	5,9		5,9	5,6	

¹⁾ EBIT adjusted for items affecting comparability (IAC) and material acquisition-related items. Current acquisition-related items pertain to the amortization/depreciation of surplus values on acquired tangible and intangible assets relating to the acquisitions of FTZ, Inter-Team and Koivunen.

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

GROSS MARGIN DEVELOPMENT IN THE SECOND QUARTER

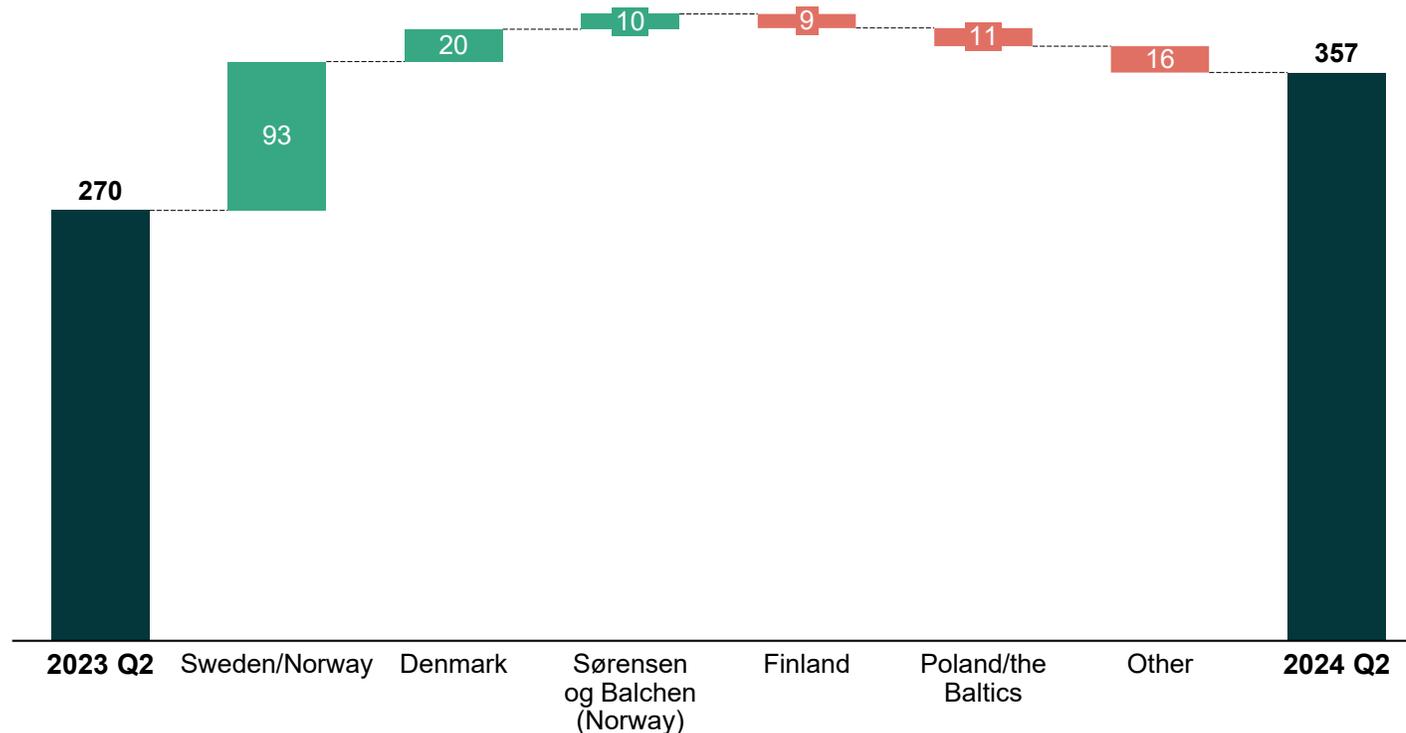
Gross margin (%) bridge 2023 Q2 to 2024 Q2



- Stable overall development
- Earlier price adjustments and positive currency effects offset by sales mix effects
- “Other” mainly relates to effect from transfer to the Group’s inventory valuation obsolescence model in Finland last year

IMPROVED PROFITABILITY DRIVEN BY SCANDINAVIAN MARKETS

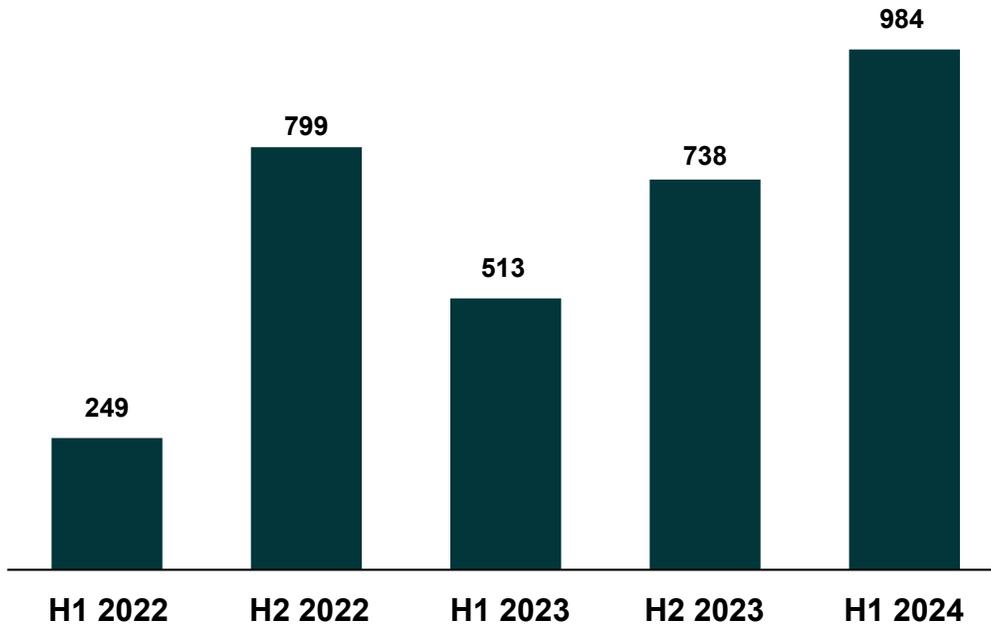
Adjusted EBIT (SEK M) bridge 2023 Q2 to 2024 Q2



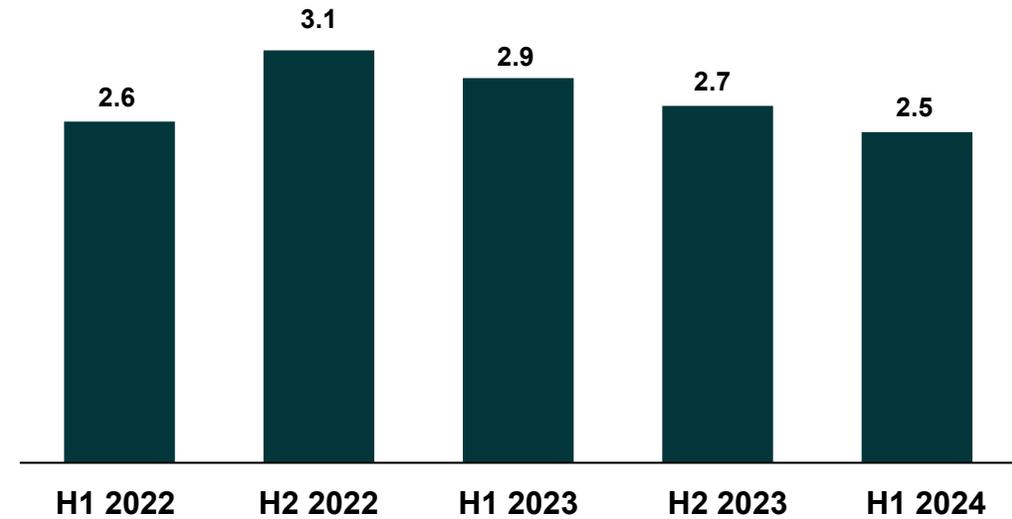
- Strong profitability improvement in Sweden/Norway as a result of successful efficiency measures
- Improved profitability in Denmark due to higher growth and enhanced gross margin
- Finland profitability negatively affected by synergy enhancing activities and operational merger
- Poland/the Baltics negatively affected by weaker market development

IMPROVED OPERATING CASH FLOW CATER FOR LOWER LEVERAGE

Operating cash flow H1 2022 to H1 2024 (MSEK)

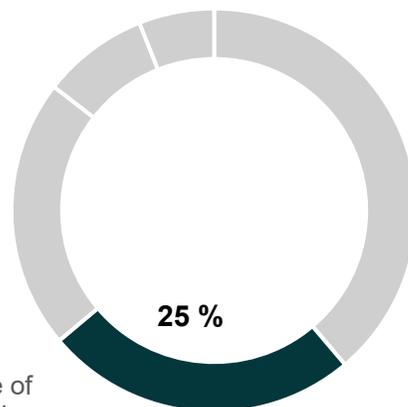


Net debt/EBITDA H1 2022 to H1 2024 (multiple)



- Solid operating cash flow allow for investments, deleveraging and dividends

DENMARK – IMPROVED PROFITABILITY AND STRONGER SALES



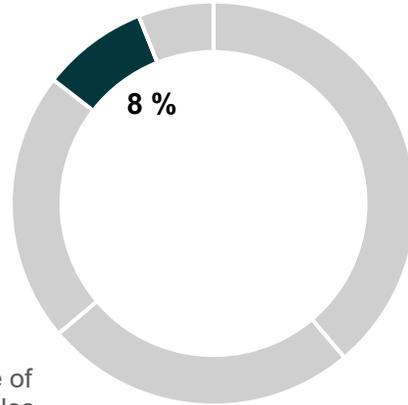
- Reported net sales growth of 8 per cent, of which 4 percent organic. Growth driven by higher workshop activity and earlier price adjustments, but development still impacted by tough competition
- Improved adjusted EBIT development improved due to higher sales and a strengthened gross margin. Gross margin higher as a result of improved purchasing prices
- Additional initiatives implemented to further improve profitability over time

SEK M	Q2 2024	Q2 2023	Change %	6M 2024	6M 2023	Change %	Rolling 12M	2023 12M	Change %
Net sales	1 171	1 087	8	2 282	2 133	7	4 416	4 267	3
Operating Profit (EBIT)	83	72	15	149	155	-4	295	302	-2
Adjusted EBIT ¹⁾	92	72	28	159	155	3	268	264	1
Key figures									
- Organic growth ²⁾ , %	4	5		7	3		-	5	
- EBIT margin, %	7,0	6,6		6,5	7,3		6,6	7,0	
- Adjusted EBIT margin, %	7,9	6,6		7,0	7,3		6,1	6,2	

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 – FURTHER INITIATIVES TO IMPROVE PROFITABILITY



Share of net sales

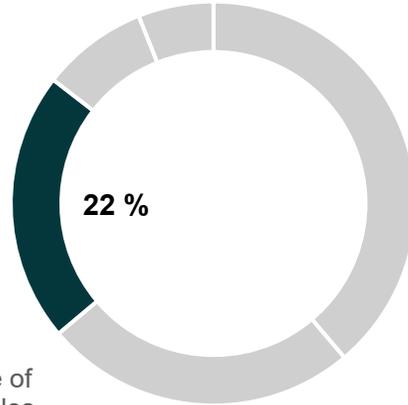
- Reported net sales growth of 3 per cent, of which 1 percent organic. Growth burdened by slower market development
- Adjusted EBIT lower as a result of lower gross margin, costs related to integration work and a higher cost base due to property sale last year. Comparable quarter positively impacted by transition to Group obsolescence model for inventory valuation
- Ongoing initiatives in organization to optimize customer offering, workflows and number of employees to improve profitability over time

SEK M	Q2 2024	Q2 2023	Change %	6M 2024	6M 2023	Change %	Rolling 12M	2023 12M	Change %
Net sales	397	387	3	758	722	5	1 498	1 462	2
Operating Profit (EBIT)	4	71	-95	-13	94	-114	-50	57	-188
Adjusted EBIT ¹⁾	4	12	-71	-13	35	-137	-51	-2	n.m.
Key figures									
- Organic growth ²⁾ , %	1	34		4	23		-	7	
- EBIT margin, %	0,9	15,5		-1,7	11,8		-3,3	3,7	
- Adjusted EBIT margin, %	0,9	3,1		-1,7	4,8		-3,4	-0,2	

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
Organic growth for the period January-June 2023 is only attributed to Mekonomen Finland

POLAND/THE BALTICS – SOLID GROWTH IN A COMPETITIVE MARKET



Share of net sales

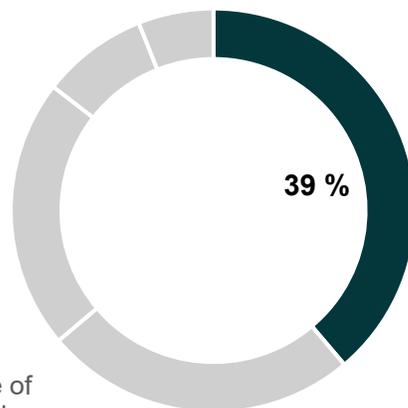
- Reported net sales growth of 12 per cent, of which 7 percent organic. Growth impacted by tough price competition and a weaker economy
- Adjusted EBIT development burdened by a lower gross margin and higher costs driven by inflation and increased personnel costs due to sharply increased regulated minimum wages in Poland
- Ongoing synergy extraction in the Baltics according to plan and integration process of Elit Polska initiated in August

SEK M	Q2 2024	Q2 2023	Change %	6M 2024	6M 2023	Change %	Rolling 12M	2023 12M	Change %
Net sales	1 013	901	12	1 900	1 685	13	3 737	3 522	6
- Poland	816	712	14	1 532	1 335	15	3 006	2 809	7
- The Baltics	197	189	4	369	350	5	731	713	3
Operating Profit (EBIT)	22	47	-54	45	73	-39	130	158	-18
Adjusted EBIT ¹⁾	36	47	-24	60	73	-18	146	159	-8
Key figures									
- Organic growth ²⁾ , %	7	6		7	7		-	5	
- EBIT margin, %	2,1	5,1		2,3	4,2		3,3	4,3	
- Adjusted EBIT margin, %	3,5	5,1		3,1	4,2		3,8	4,3	

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
Organic growth for the period January-June 2023 is only attributed to Poland (former B.A. Inter-Team)

SWEDEN/NORWAY – OPTIMIZATION DRIVE HIGHER PROFITABILITY



Share of net sales

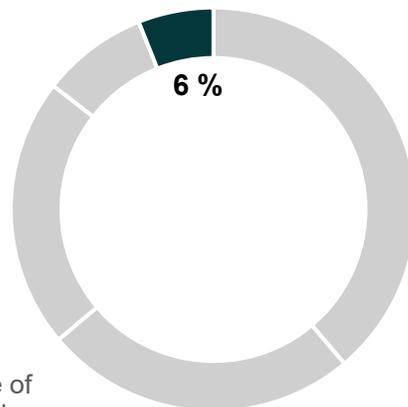
- Reported net sales growth of 9 per cent, of which 6 percent organic. Growth driven by both new customers, and thus higher volumes as well as earlier price adjustments and more working days
- Adjusted EBIT development improved significantly, with clear effects from ongoing efficiency measures. Gross margin slightly lower due to currency effects and thus higher purchase prices
- Ongoing initiatives to further improve profitability over time

SEK M	Q2 2024	Q2 2023	Change %	6M 2024	6M 2023	Change %	Rolling 12M	2023 12M	Change %
Net sales	1 816	1 670	9	3 525	3 263	8	6 842	6 579	4
- Norway	674	616	9	1 336	1 251	7	2 569	2 485	3
- Sweden	1 141	1 054	8	2 190	2 012	9	4 272	4 095	4
Operating Profit (EBIT)	214	118	81	332	200	66	525	393	33
Adjusted EBIT ¹⁾	211	118	79	343	200	71	595	452	31
Key figures									
- Organic growth ²⁾ , %	6	11		9	10		-	11	
- EBIT margin, %	11,5	6,9		9,2	6,0		7,5	5,8	
- Adjusted EBIT margin, %	11,4	6,9		9,5	6,0		8,5	6,7	

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 – STRONG SALES AND HIGH MARGINS



Share of net sales

- Reported net sales growth of 14 per cent, of which 10 percent organic. Growth driven by new customer contracts and higher volumes as well as earlier price adjustments and more working days
- Adjusted EBIT development improved due to strong sales development and operational scalability, while gross margin was burdened by currency fluctuations and a changed sales mix
- Improved retail market development in the quarter

SEK M	Q2 2024	Q2 2023	Change %	6M 2024	6M 2023	Change %	Rolling 12M	2023 12M	Change %
Net sales	281	246	14	529	458	15	993	923	8
Operating Profit (EBIT)	56	47	20	94	74	28	178	158	13
Adjusted EBIT ¹⁾	56	47	20	94	74	28	178	158	13
Key figures									
- Organic growth ²⁾ , %	10	12		18	6		-	11	
- EBIT margin, %	19,8	18,6		17,7	15,8		17,7	16,8	
- Adjusted EBIT margin, %	19,8	18,6		17,7	15,8		17,7	16,8	

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

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Q&A

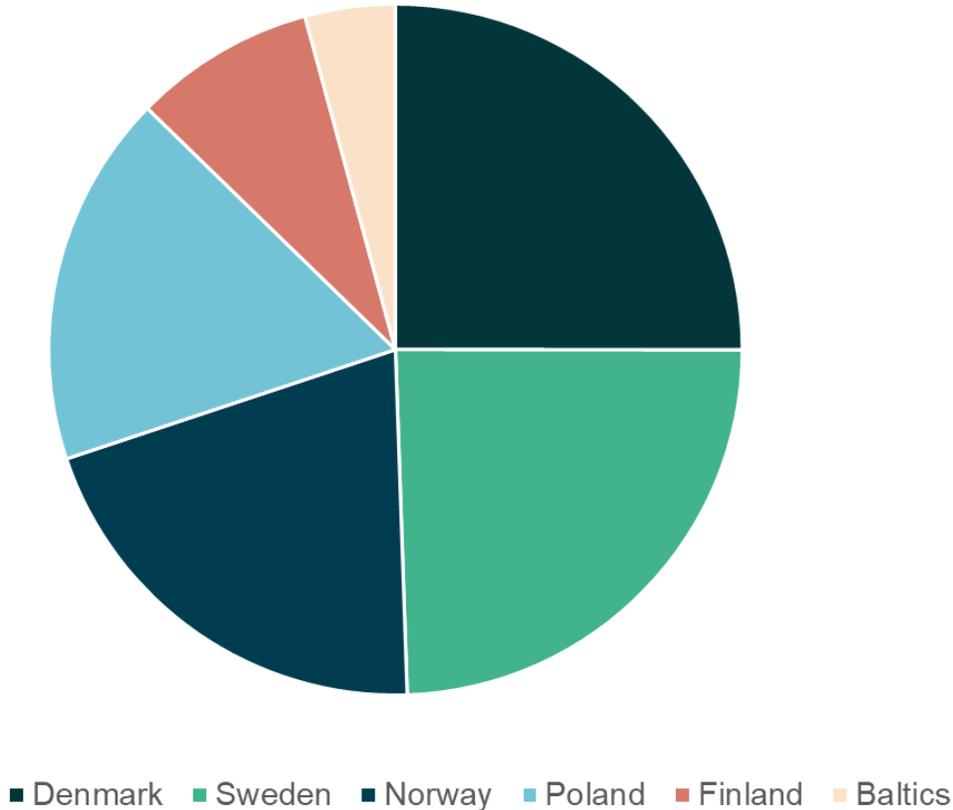
A scenic road winding through a forest at sunrise or sunset, with a car visible in the distance. The sun is low on the horizon, creating a warm, golden glow and long shadows. The road is flanked by tall, dark evergreen trees. A white car is visible in the distance on the road.

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

APPENDIX

STRONG GROUP FOOTPRINT

Net sales per geography, 2024Q2



Market shares per geography



Denmark

Number of branches: **48** (24Q1: 48)
Number of affiliated workshops: **980** (24Q1: 999)



Finland

Number of branches: **169** (24Q1: 168)
Number of affiliated workshops: **373** (24Q1: 371)



Norway

Number of branches: **115** (24Q1: 128)
Number of affiliated workshops: **1,065** (24Q1: 1,067)



Sweden

Number of branches: **192** (24Q1: 188)
Number of affiliated workshops: **904** (24Q1: 931)



The Baltics

Number of branches: **48** (24Q1: 47)
Number of affiliated workshops: **34** (24Q1: 34)



Poland

Number of branches: **90** (24Q1: 90)
Number of affiliated workshops: **1,172** (24Q1: 1,084)

LARGEST OWNERS 2024-06-30

Voting rights and share capitals, %	
LKQ Corporation	26,6
Swedbank Robur Fonder	10,6
Fjärde AP-fonden	8,7
Unionen	3,5
Eva Fraim Pålman	3,1
Nordea Funds	3,0
AFA Försäkring	3,0
Didner & Gerge Fonder	2,8
Dimensional Fund Advisors	2,7
Vanguard	2,7
Total 10 largest shareholders	66,6
Others	33,4
Total	100,0

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.