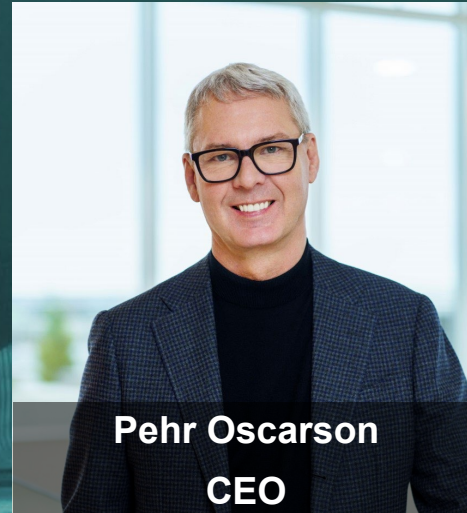


# MEKO AB

January – December 2023  
February 14, 2023



## Q4 2023 – STRONG GROWTH AND ADDITIONAL INITIATIVES TO IMPROVE PROFITABILITY

Strong organic growth and performance in key markets

EBIT development affected by one-time effects

Solid financial position – leverage well within target range

Additional initiatives to improve profitability – intensified focus on Sweden

Christer Johansson appointed as new CFO – Management Team complete

The Board proposes a dividend of SEK 3:70 per share (3:30)

# SOLID PERFORMANCE IN THE FOURTH QUARTER

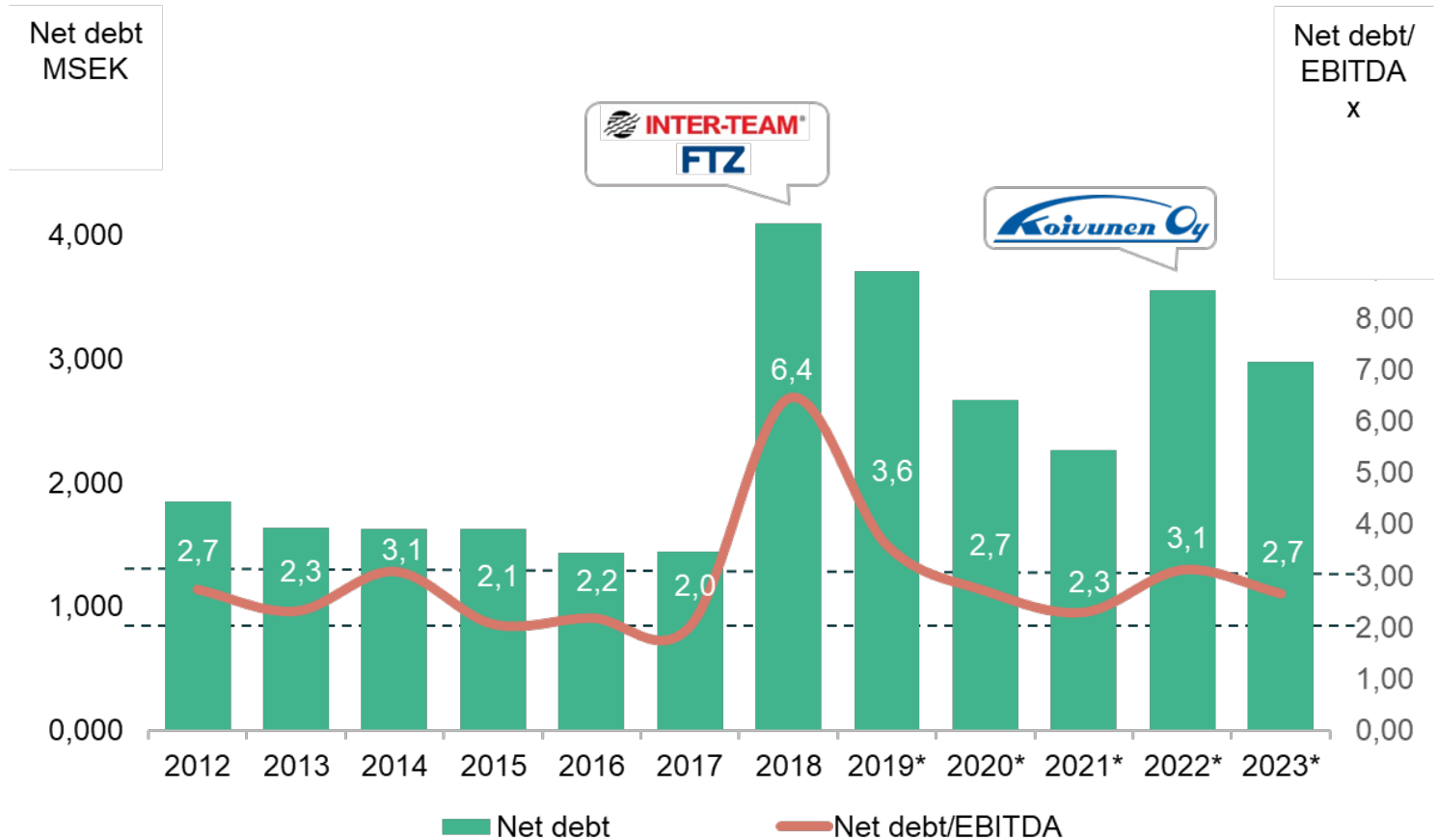
- Strong organic growth, driven by Denmark, Norway and Sweden
- EBIT development burdened by one-time effects, intensified focus on increasing efficiency
- Q4 cash flow affected by seasonal inventory build-up – FY improvement by 19%

SEK M	Q4 2023	Q4 2022	Change %	12M 2023	12M 2022	Change %
Group, net sales	4 373	3 895	12	16 762	14 067	19
EBIT	68	148	-54	872	759	15
Adjusted EBIT <sup>1)</sup>	175	198	-12	963	945	2
Earnings per share, SEK	-0,07	2,05	-103	7,50	8,12	-8
Cash flow from operating activities	139	326	-57	1 252	1 048	19
Key figures						
- Organic growth <sup>2)</sup> , %	10,2	5,0		8,2	2,6	
- EBIT margin, %	1,5	3,7		5,0	5,3	
- Adjusted EBIT margin, %	3,9	5,0		5,6	6,6	

<sup>1)</sup> 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, Koivunen and MECA (MECA until May 2022).

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

# STRENGTHENED FINANCIAL POSITION – LEVERAGE WITHIN TARGET RANGE

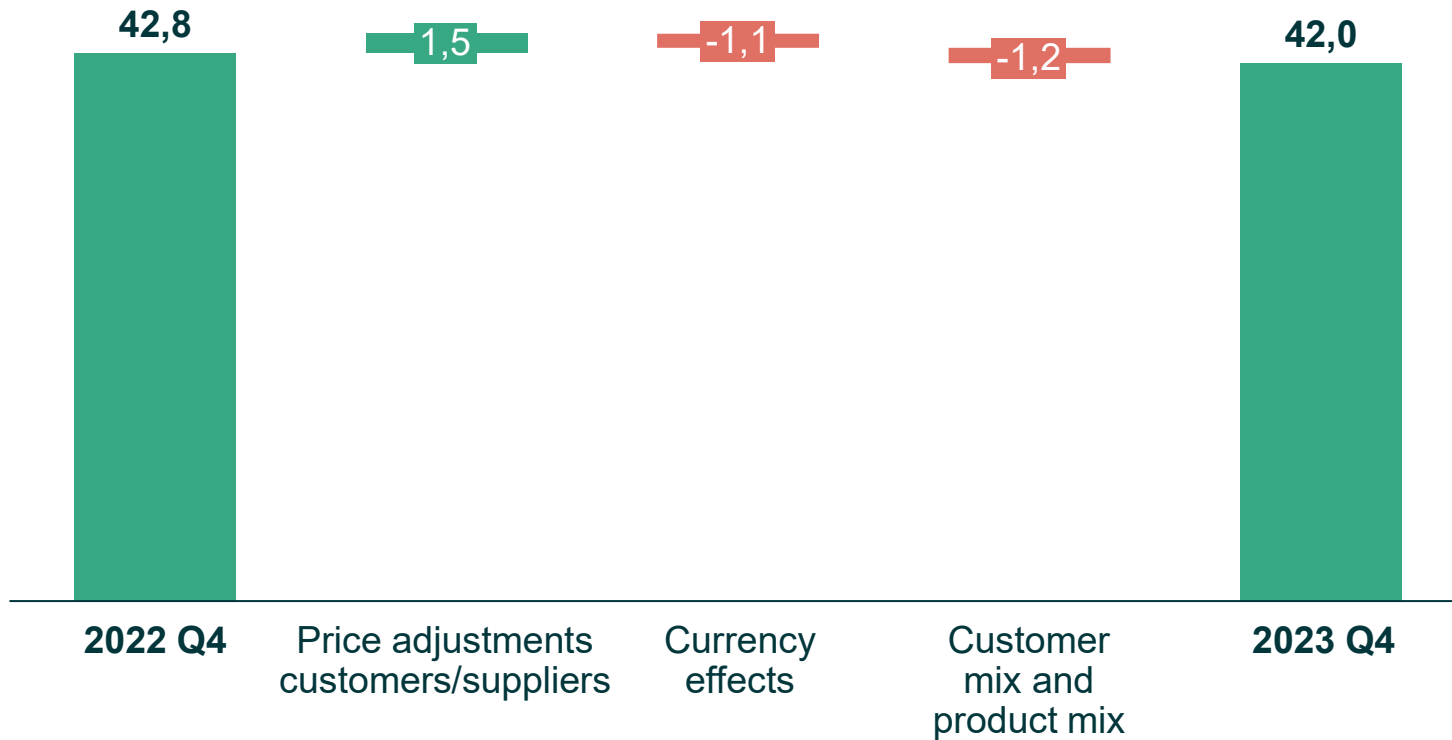


- Leverage of 2.7 times (incl IFRS 16), driven by strong operational cash flow generation and property sale in 2023
- Net debt at 2,980 (3,558) MSEK
- Strong historic proof of a long-term sustainable M&A strategy

\*Including IFRS 16

# GROSS MARGIN DEVELOPMENT IN THE FOURTH QUARTER

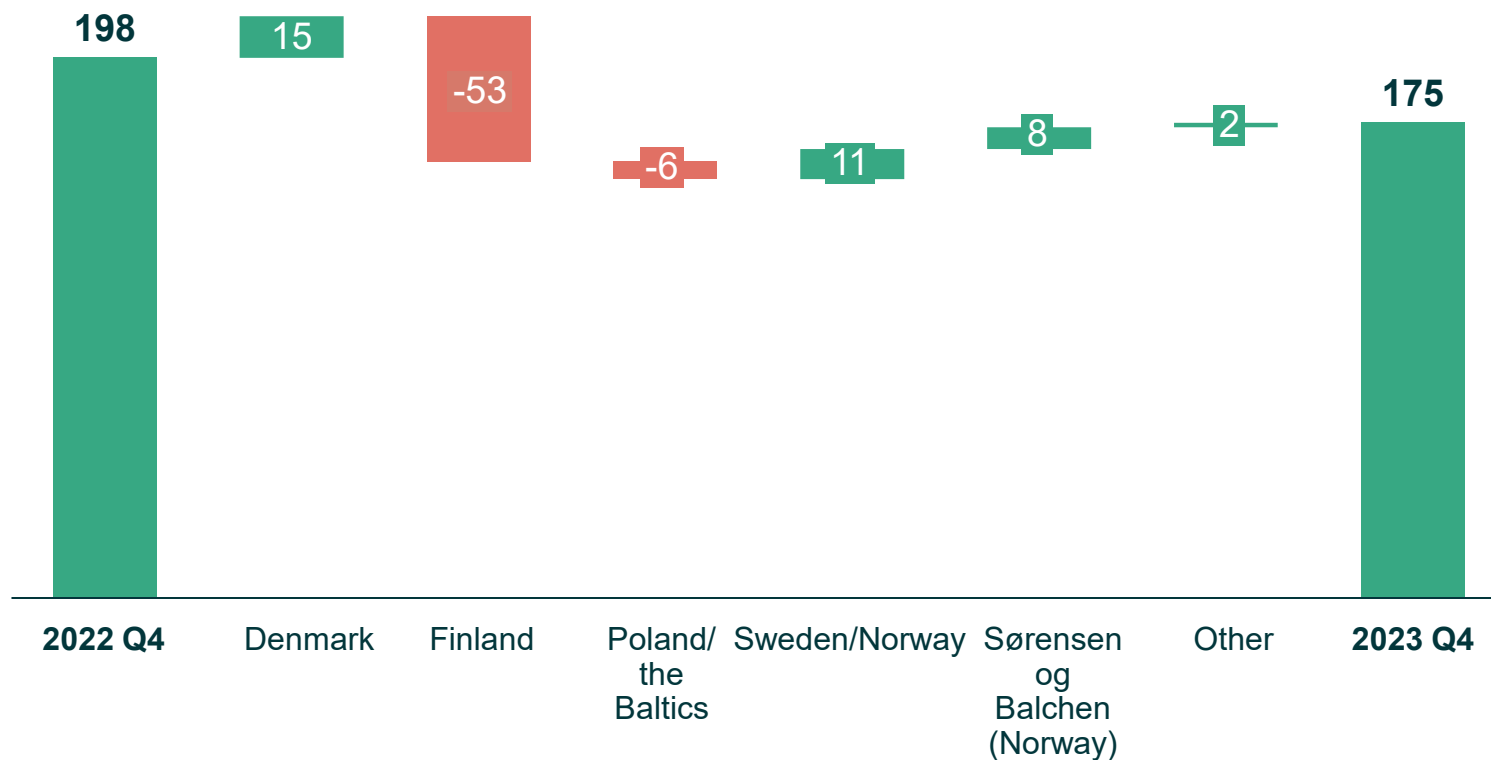
Gross margin (%) bridge 2022 Q4 to 2023 Q4



- Price adjustments compensating for negative currency fluctuations and inflation
- Higher share of low margin seasonal sales have a negative margin impact

# ADJUSTED EBIT DEVELOPMENT THE FOURTH QUARTER

## Adjusted EBIT (SEK M) bridge 2022 Q4 to 2023 Q4



- Finland profitability negatively affected by synergy enhancing activities and warehouse merger
- Poland/the Baltics experiencing a weaker economy with a slower domestic Polish market and strong comparative figures



# ADDITIONAL EFFORTS TO IMPROVE PROFITABILITY – FOCUS ON SWEDEN

- Company-wide initiative to improve profitability - "Building a stronger MEKO"
- Will improve EBIT of at least 15 percent with full effect 2025
- Extensive optimization activities in Norway during Q4
- Next step: Intensified focus on Sweden
  - Cost reductions
  - Optimization
  - Expected positive effect of 50 MSEK during 2024



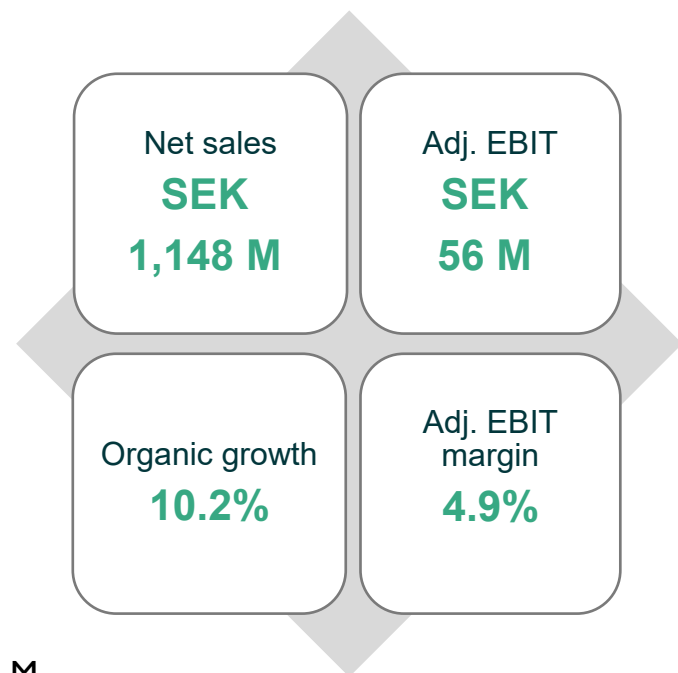


An aerial photograph showing a winding road on the right side, a dense forest of evergreen trees on the right, and a grassy field with a stream on the left. The text 'SALES & RESULT PER BUSINESS AREA' is overlaid in the center in white, bold, sans-serif font.

# SALES & RESULT PER BUSINESS AREA



# DENMARK – STRONG ORGANIC GROWTH IN A COMPETITIVE MARKET



Reported net sales growth of 16 per cent, of which 10 percent organic. Growth impacted by tough competition

Adjusted EBIT development improved, where comparative quarter was burdened by large campaign volumes. Gross margin lower due to higher purchase prizes and a changed product mix

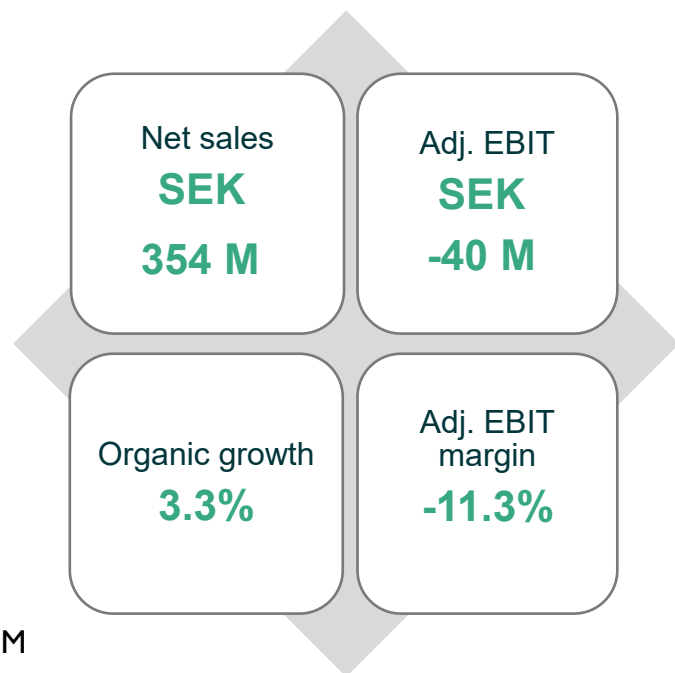
Continued focus to increase profitability over time

SEK M	Q4 2023	Q4 2022	Change %	12M 2023	12M 2022	Change %
Net sales	1 148	986	17	4 267	3 689	16
EBIT	56	41	37	302	265	14
Adjusted EBIT <sup>1)</sup>	56	41	37	264	265	0
Key figures						
- Organic growth <sup>2)</sup> , %	10,2	1,3		5,2	0,2	
- EBIT margin, %	4,9	4,1		7,0	7,2	
- Adjusted EBIT margin, %	4,9	4,1		6,1	7,2	

<sup>1)</sup> Adjusted EBIT excludes items affecting comparability.

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

# FINLAND – COST-HEAVY QUARTER TO ENABLE FUTURE SYNERGY EXTRACTION



Reported net sales growth of 8 per cent, of which 3 per cent organic. Challenging market but stable underlying demand

Costs related to warehouse consolidation and actions linked to new organization weighted on EBIT, but will enable future synergy extraction and thus improved profitability

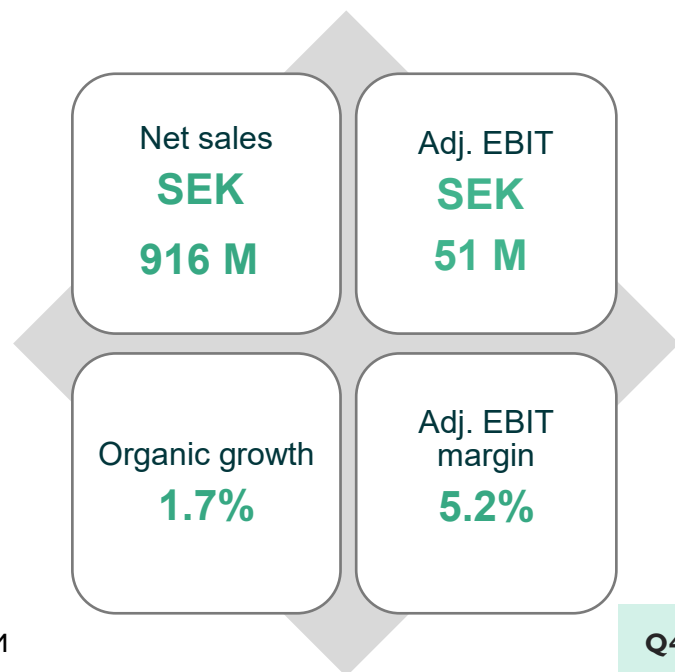
Integration process and synergy extraction in progress

SEK M	Q4 2023	Q4 2022	Change %	I2M 2023	I2M 2022	Change %
Net sales	354	327	8	1 462	728	101
EBIT	-40	13	-410	57	22	161
Adjusted EBIT <sup>1)</sup>	-40	13	-410	-2	22	-111
Key figures						
- Organic growth <sup>2)</sup> , %	3,3	18,3		6,7	25,1	
- EBIT margin, %	-11,3	3,9		3,7	2,9	
- Adjusted EBIT margin, %	-11,3	3,9		-0,2	2,9	

<sup>1)</sup> Adjusted EBIT excludes items affecting comparability.

<sup>2)</sup> Organic growth is change in net sales adjusted for number of workdays, acquisitions/divestments and currency effects. Organic growth in comparison periods and for the period January-June 2023 is only attributed to Mekonomen Finland.

# POLAND/THE BALTICS – DOMESTIC DEMAND AFFECTED BY WEAKER ECONOMY



Reported net sales growth of 13 per cent, of which 2 per cent organic. Export sales driving sales growth while domestic demand affected by weaker economy in Poland and Estonia

EBIT development affected by slower growth in domestic markets, high inflation and currency fluctuations

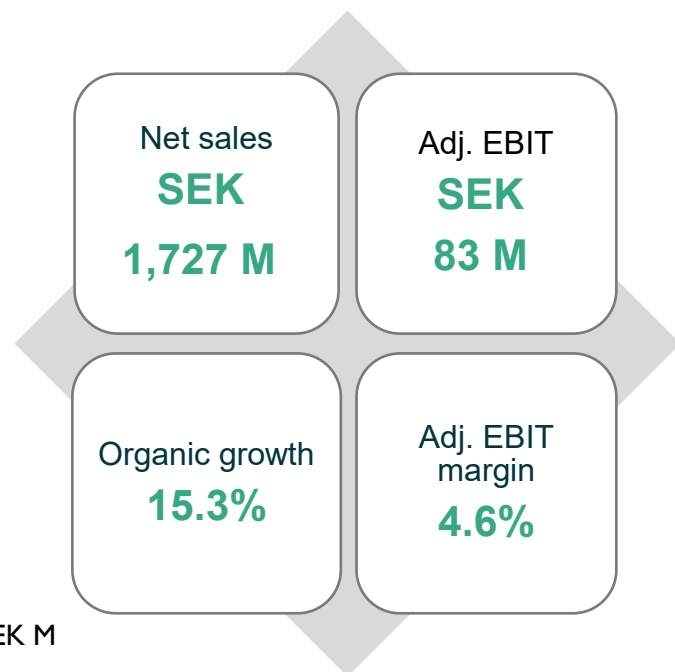
Ongoing synergy extraction in the Baltics according to plan, with full effect expected in 2024

SEK M	Q4 2023	Q4 2022	Change %	12M 2023	12M 2022	Change %
Net sales	916	813	13	3 522	2 748	28
- Poland	730	645	13	2 809	2 421	16
- The Baltics	186	168	11	713	327	118
EBIT	50	57	-13	158	164	-4
Adjusted EBIT <sup>1)</sup>	51	57	-11	159	164	-3
Key figures						
- Organic growth <sup>2)</sup> , %	1,7	21,2		4,6	13,4	
- EBIT margin, %	5,2	6,8		4,3	5,8	
- Adjusted EBIT margin, %	5,2	6,8		4,3	5,8	

<sup>1)</sup> Adjusted EBIT excludes items affecting comparability. <sup>2)</sup> Organic growth is change in net sales adjusted for number of workdays, acquisitions/divestments and currency effects. Organic growth in comparison periods and for the period January-June 2023 is only attributed to Poland (former B.A. Inter-Team).



# SWEDEN/NORWAY – STRONG GROWTH AND RAISED FOCUS ON PROFITABILITY



Net sales grew 11 per cent, of which 15 per cent organic. Growth driven by solid performance in both Sweden and Norway

Adjusted EBIT increased slightly, while reported EBIT was burdened by restructuring costs related to optimization and efficiency measures of SEK 64 M in the quarter

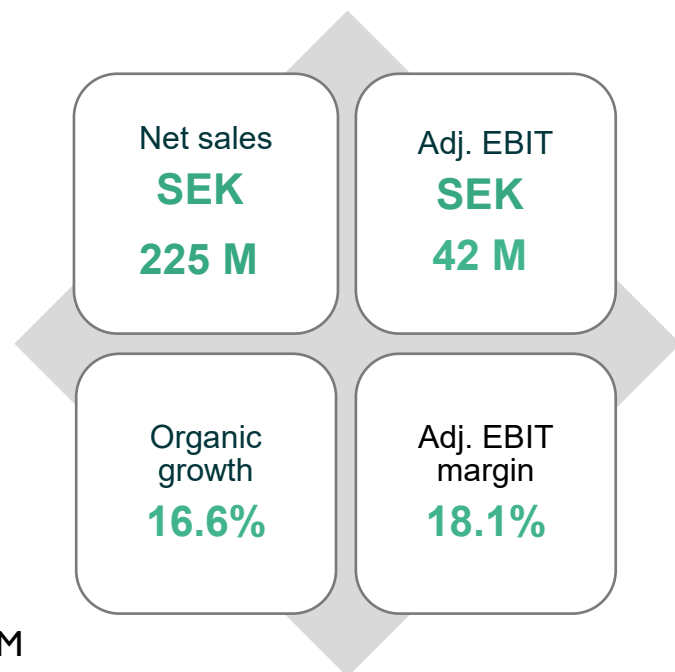
Focus on higher profitability to also include additional initiatives in the Swedish operations, generating a further SEK 50 M in 2024

SEK M	Q4 2023	Q4 2022	Change %	12M 2023	12M 2022	Change %
Net sales	1 727	1 559	11	6 579	6 020	9
- Norway	624	576	8	2 485	2 308	8
- Sweden	1 103	982	12	4 095	3 712	10
EBIT	19	50	-62	393	383	3
Adjusted EBIT <sup>1)</sup>	83	72	15	452	405	12
Key figures						
- Organic growth <sup>2)</sup> , %	15,3	3,2		11,5	1,5	
- EBIT margin, %	1,1	3,1		5,8	6,2	
- Adjusted EBIT margin, %	4,6	4,5		6,7	6,6	

<sup>1)</sup> Adjusted EBIT excludes items affecting comparability.

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

# SØRENSEN OG BALCHEN – HIGHER B2B SALES DRIVING GROWTH



Net sales growth was 8 per cent, of which 17 percent organic. Strong performance driven by increased sales to B2B segment

Robust EBIT margin development, driven by higher volumes but negatively affected by lower gross margin due to currency effects and higher share of B2B sales

Continued weak retail market development in the quarter, continued focus to drive B2B business

SEK M	Q4 2023	Q4 2022	Change %	12M 2023	12M 2022	Change %
Net sales	225	209	7	923	877	5
EBIT	42	34	24	158	160	-1
Adjusted EBIT <sup>1)</sup>	42	34	24	158	160	-1
Key figures						
- Organic growth <sup>2)</sup> , %	16,6	-6,4		11,0	-9,5	
- EBIT margin, %	18,1	15,9		16,8	18,0	
- Adjusted EBIT margin, %	18,1	15,9		16,8	18,0	

<sup>1)</sup> Adjusted EBIT excludes items affecting comparability.

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

# HIGHLIGHTS IN Q4

An aerial photograph of a wind farm in a rural landscape during sunset. The sky is filled with soft, golden light and scattered clouds. In the foreground, a multi-lane highway with traffic stretches across the frame. The middle ground is dominated by a series of wind turbines standing in a line across a field of green and yellow crops. The background shows rolling hills and a distant town under the twilight sky.



# NEW HIGH-TECH WAREHOUSES INCREASES EFFICIENCY

- Decision in Q4 to consolidate logistics activities in Norway
- Will lower costs and increase efficiency
- Improved service level, better availability and shorter delivery times
- The building of a similar new facility in Denmark is proceeding according to plan



# STRATEGIC PARTNERSHIPS WITH ELECTRIC CAR MANUFACTURERS

- Our network and competence attractive for new EV brands entering Europe
- Strategic partnerships in Q4 with:
  - ZEEKR
  - HiPhi
- Adding to previous partnerships with:
  - Fisker
  - VOYAH



# STRENGTHENED MANAGEMENT TEAM IN MEKO

- Christer Johansson appointed Chief Financial Officer
  - Solid track record within finance and controlling
  - Starting February 19, 2024
- Anders Oxelström appointed Director of Communication
  - Extensive experience within media and communication
  - Started December 18, 2023



Christer Johansson



Anders Oxelström



## Q4 2023 – STRONG GROWTH AND ADDITIONAL INITIATIVES TO IMPROVE PROFITABILITY

Strong organic growth and performance in key markets

EBIT development affected by one-time effects

Solid financial position – leverage well within target range

Additional initiatives to improve profitability – intensified focus on Sweden

Christer Johansson appointed as new CFO – Management Team complete

The Board proposes a dividend of SEK 3:70 per share (3:30)

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 guardrail runs along the left side of the road. A small white car is visible in the distance on the right side of the road.

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

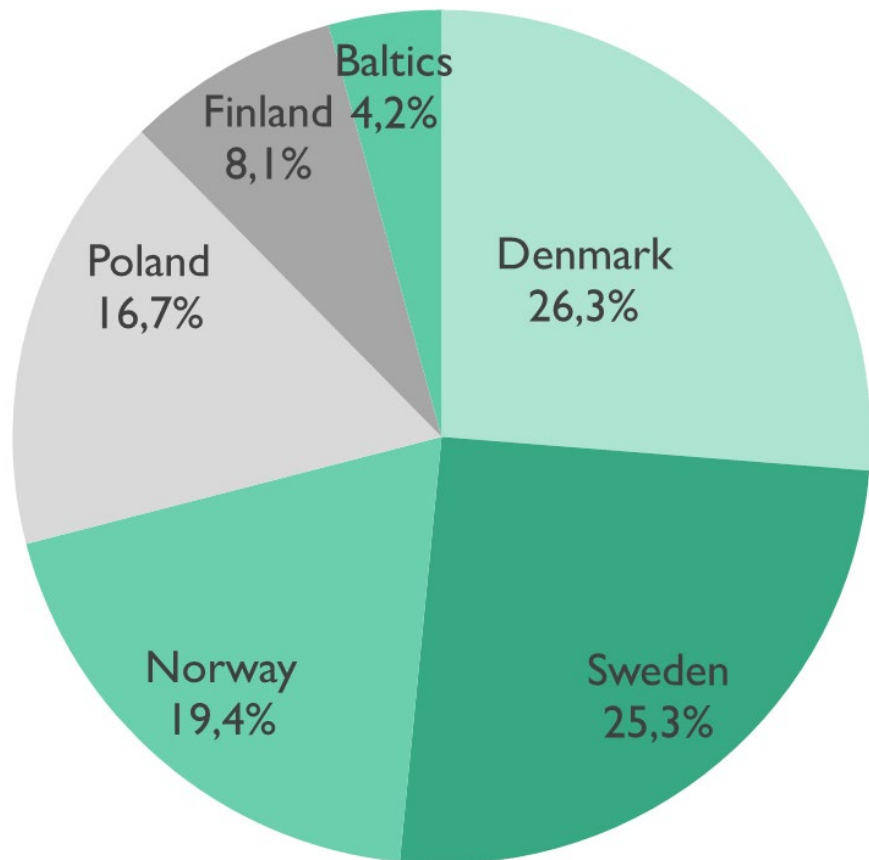




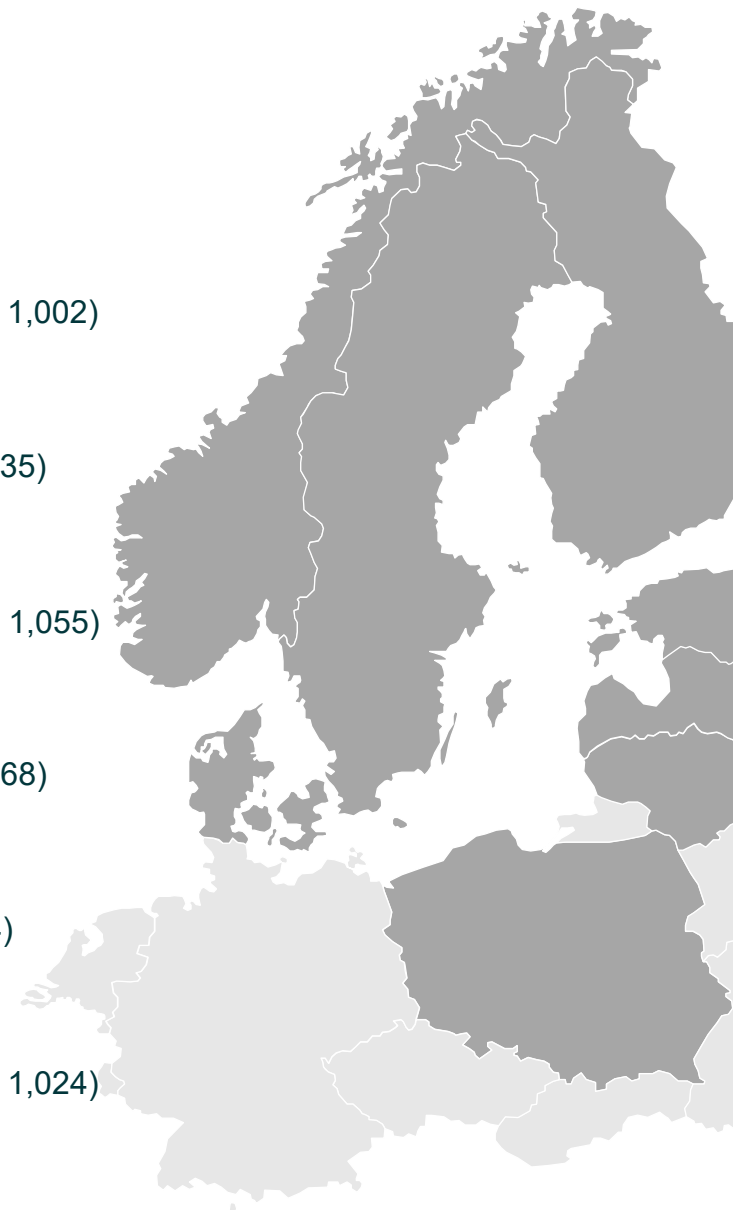
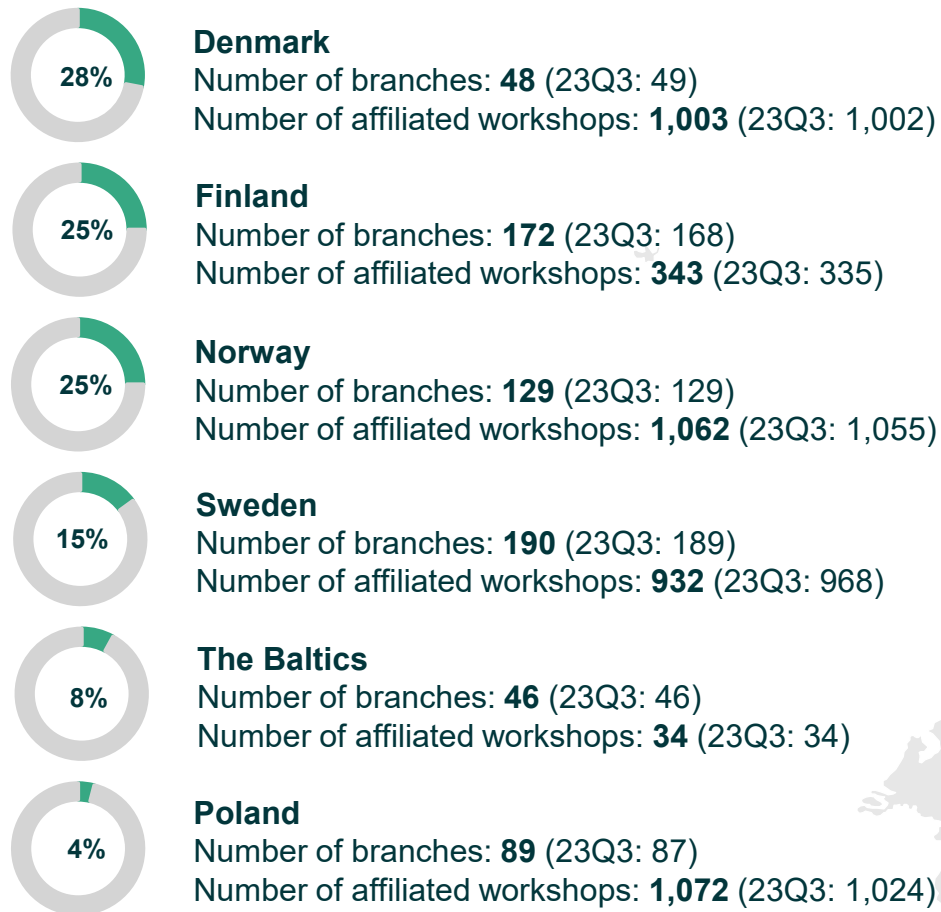
# APPENDIX

# STRONG GROUP FOOTPRINT

Net sales per geography, 2023Q4



Market shares per geography





# EARNINGS TREND

SUMMARY OF THE GROUP'S EARNINGS TREND SEK M	Oct-Dec	Oct-Dec	Change, %	Jan-Dec	Jan-Dec	Change, %
	2023	2022		2023	2022	
Net sales	4 373	3 895	12	16 762	14 067	19
EBIT	68	148	-54	872	759	15
Adjusted EBIT	175	198	-12	963	945	2
Profit after financial items	20	95	-79	582	581	0
Profit after tax	6	120	-95	451	477	-5
Earnings per share, SEK	-0,07	2,05	-103	7,50	8,12	-8
EBIT margin, %	1,5	3,7		5,0	5,3	
Adjusted EBIT margin, %	3,9	5,0		5,6	6,6	

ADJUSTED EBIT SEK M	Oct-Dec	Oct-Dec	Change, %	Jan-Dec	Jan-Dec	Change, %
	2023	2022		2023	2022	
<b>EBIT</b>	<b>68</b>	<b>148</b>	<b>-54</b>	<b>872</b>	<b>759</b>	<b>15</b>
Transaction costs, acquisition of Koivunen	-	0		-	-26	
Transaction tax, acquisition of Koivunen	-	-		-	-22	
Sale of properties, Finland	0	-		67	-	
Transaction costs, sale of properties, Finland	0	-		-7	-	
Sale of property, Denmark	0	-		37	-	
Project costs, ERP	-18	-		-28	-	
Electricity subsidies, Sweden	-	-		5	-	
Restructuring costs, Norway	-54	-22		-54	-22	
Restructuring costs, Sweden	-10	-		-10	-	
<i>Items affecting comparability, total</i>	<i>-82</i>	<i>-22</i>		<i>10</i>	<i>-70</i>	
<i>Other items<sup>1)</sup></i>	<i>-24</i>	<i>-28</i>		<i>-101</i>	<i>-116</i>	
<b>Adjusted EBIT</b>	<b>175</b>	<b>198</b>	<b>-12</b>	<b>963</b>	<b>945</b>	<b>2</b>

<sup>1)</sup> Other items include 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, Koivunen and MECA (MECA until the end of May 2022 when this amortization ended).

# CASH FLOW

CONDENSED CONSOLIDATED CASH-FLOW, SEK M	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
<b>Operating activities</b>				
<i>Cash flow from operating activities before changes in working capital, excluding</i>				
<i>taxes paid</i>	303	360	1 539	1 484
Taxes paid	72	5	-168	-240
<b>Cash flow from operating activities before changes in working capital</b>	<b>375</b>	<b>365</b>	<b>1 372</b>	<b>1 244</b>
Cash flow from changes in working capital:				
Changes in inventory	-252	-60	-296	-251
Changes in receivables	250	185	-219	-186
Changes in liabilities	-234	-163	396	241
<i>Increase (-)/ Decrease (+) working capital</i>	-237	-39	-120	-196
<b>Cash-flow from operating activities</b>	<b>139</b>	<b>326</b>	<b>1 252</b>	<b>1 048</b>
<b>Cash flow from investing activities</b>	<b>-42</b>	<b>-65</b>	<b>213</b>	<b>-1 533</b>
<b>Cash flow from financing activities</b>	<b>-393</b>	<b>-174</b>	<b>-1 595</b>	<b>286</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>-296</b>	<b>88</b>	<b>-130</b>	<b>-199</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>947</b>	<b>639</b>	<b>741</b>	<b>892</b>
Exchange-rate differences in cash and cash equivalents	-28	14	12	49
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>623</b>	<b>741</b>	<b>623</b>	<b>741</b>

# BALANCE SHEET

CONDENSED CONSOLIDATED BALANCE SHEET	December 31	December 31	December 31
SEK M	2023	2022	2021
<b>ASSETS<sup>1)</sup></b>			
Intangible assets	5 803	5 933	5 394
Tangible fixed assets	748	1 076	436
Right-of-use assets	1 869	1 526	1 651
Financial and other fixed assets	159	136	94
Deferred tax assets	0	19	3
Goods for resale	4 459	4 147	3 021
Current receivables	2 378	2 195	1 738
Cash and cash equivalents	623	741	892
<b>TOTAL ASSETS</b>	<b>16 040</b>	<b>15 773</b>	<b>13 229</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES<sup>1)</sup></b>			
Shareholders' equity	6 175	5 926	5 229
Long-term liabilities, interest-bearing	3 639	4 372	2 996
Long-term lease liabilities	1 379	1 020	1 181
Deferred tax liabilities	426	501	357
Long-term liabilities, non-interest-bearing	24	20	45
Current liabilities, interest-bearing	1	-	198
Current lease liabilities	583	520	467
Current liabilities, non-interest-bearing	3 813	3 416	2 757
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>16 040</b>	<b>15 773</b>	<b>13 229</b>

<sup>1)</sup> The carrying amounts of financial assets and liabilities are measured at either fair value or an estimation of fair value.

# INCOME STATEMENT

CONDENSED CONSOLIDATED INCOME STATEMENT, SEK M	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Net sales	4 373	3 895	16 762	14 067
Other operating revenue	144	112	516	324
<b>Total revenue</b>	<b>4 517</b>	<b>4 007</b>	<b>17 278</b>	<b>14 391</b>
Goods for resale	-2 537	-2 230	-9 500	-7 745
Other external costs	-665	-552	-2 340	-1 972
Personnel expenses	-956	-839	-3 578	-3 043
<b>Operating profit before depreciation/ amortization and impairment of tangible and intangible fixed assets and right-of-use assets (EBITDA)</b>	<b>359</b>	<b>386</b>	<b>1 859</b>	<b>1 631</b>
Depreciation and impairment of tangible fixed assets and right-of-use assets	-243	-193	-797	-675
<b>Operating profit before amortization and impairment of intangible fixed assets (EBITA)</b>	<b>116</b>	<b>193</b>	<b>1 062</b>	<b>956</b>
Amortization and impairment of intangible assets	-48	-45	-190	-197
<b>EBIT</b>	<b>68</b>	<b>148</b>	<b>872</b>	<b>759</b>
Interest income	17	7	38	17
Interest expenses	-66	-55	-286	-152
Other financial items	1	-5	-41	-43
<b>Profit after financial items</b>	<b>20</b>	<b>95</b>	<b>582</b>	<b>581</b>
Tax	-14	24	-132	-104
<b>PROFIT FOR THE PERIOD</b>	<b>6</b>	<b>120</b>	<b>451</b>	<b>477</b>
<b>Profit for the period attributable to:</b>				
Parent Company's shareholders	-4	114	419	454
Non-controlling interests	10	5	31	23
<b>PROFIT FOR THE PERIOD</b>	<b>6</b>	<b>120</b>	<b>451</b>	<b>477</b>
Earnings per share before and after dilution, SEK	-0,07	2,05	7,50	8,12



# LARGEST OWNERS 2023-12-31

Voting rights and share capitals, %	
LKQ Corporation	26,6
Swedbank Robur Funds	10,6
Fourth Swedish National Pension Fund	8,7
Didner & Gerge Funds	3,6
Eva Fraim Pålman	3,1
AFA Insurance	2,9
Nordea Funds	2,8
Unionen	2,7
Dimensional Fund Advisors	2,7
Vanguard	2,6
<b>Total 10 largest shareholders</b>	<b>66,2</b>
Others	33,8
<b>Total</b>	<b>100,0</b>

# 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



# UPDATED LONG TERM FINANCIAL TARGETS

## Sales growth

Rephrased

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

Updated

Annual adjusted EBIT growth of at least 10 percent.

## Net debt/EBITDA

Unchanged

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

## Dividend policy

Updated

Dividends corresponding to 50 per cent of profit after tax.

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