



Mekonomen group

January – September 2018
8 November 2018

Mekonomen Group

Successful acquisition of FTZ and Inter-Team resulting in record sales



FTZ and Inter-Team acquisition was completed in early September and the associated rights issue was oversubscribed



Sales growth +33 per cent, FTZ and Inter-Team included from September



“Old” Mekonomen Group – Increased sales and earnings broadly in line with last year



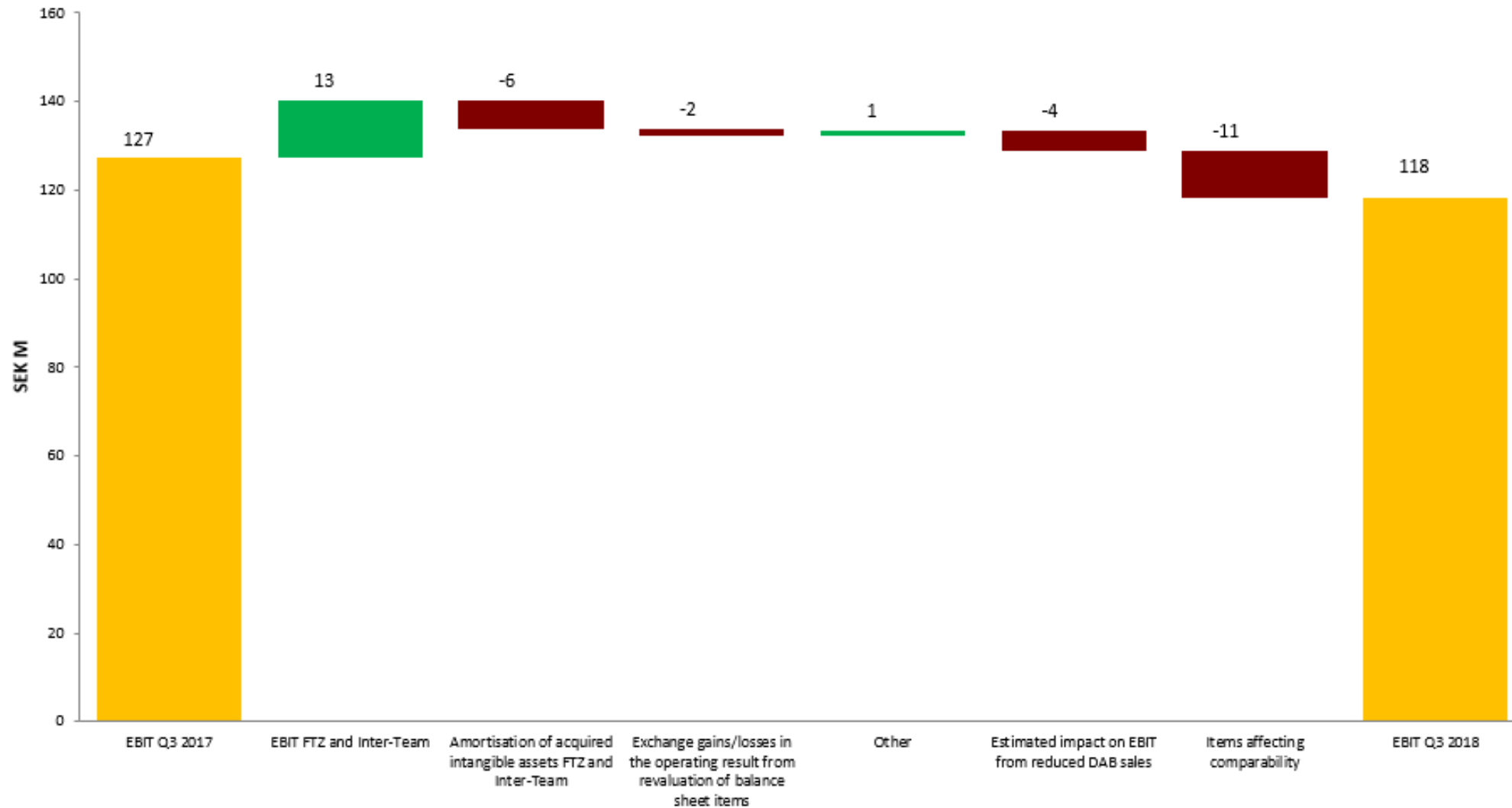
Unusual warm summer, increased number of proprietary workshops and currency effects affected EBIT negatively

MEKONOMEN GROUP – THIRD QUARTER 2018

SEK M	Q3 2018	Q3 2017	change	2018 9M	2017 9M	change
Group revenue	1,887	1,414	33%	5,028	4,492	12%
EBIT	118	127	-7%	351	427	-18%
EBIT, excluding FTZ, Inter-Team and IAC	116	120	-4%	393	420	-6%
Key figures						
- Underlying sales growth ¹⁾	2%	0%		2%	0%	
- EBIT margin	6%	9%		7%	9%	

¹⁾ Growth Q3 2018 and 2018 9M excluding FTZ and Inter-Team

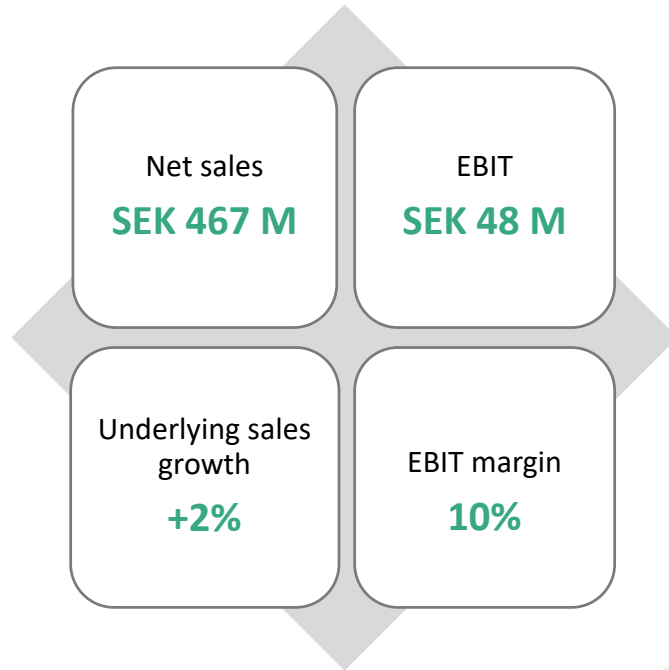
DEVELOPMENT – EBIT Q3 2018 vs Q3 2017



SALES & RESULT – PER SEGMENT



MECA – THIRD QUARTER 2018



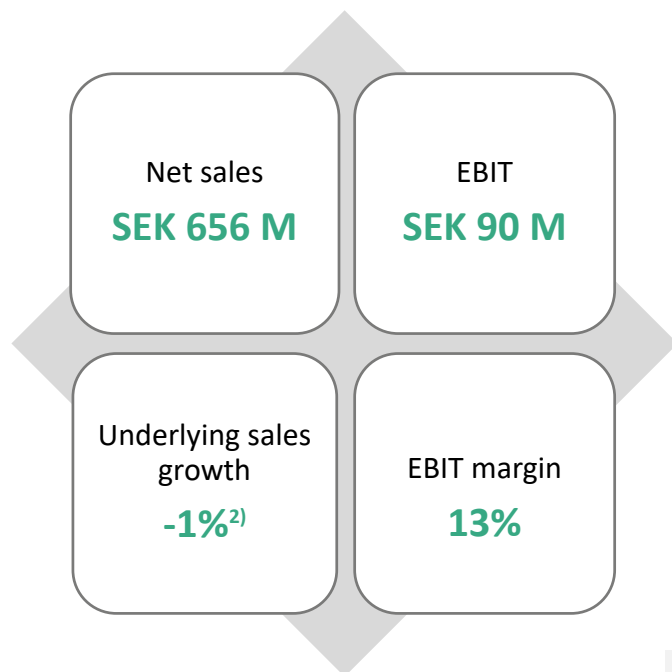
Increased sales to MECA Car Service workshops and other larger customers

Sales positively affected by strong NOK, but offset by unusual warm summer

Increased number of proprietary workshops contribute positive to Sales, but also increased costs

SEK M	Q3 2018	Q3 2017	Change	2018 9M	2017 9M	Change
Net sales	467	442	6%	1,500	1,431	5%
- Sweden	214	216	-1%	707	700	1%
- Norway	253	227	11%	792	731	8%
EBIT	48	56	-15%	208	222	-6%
Key figures						
- Underlying sales growth	2%	4%		4%	3%	
- EBIT margin	10%	13%		14%	15%	

MEKONOMEN – THIRD QUARTER 2018



Increased sales to affiliated workshops

Sales positively impacted by strong NOK, but negatively affected by extremely hot summer

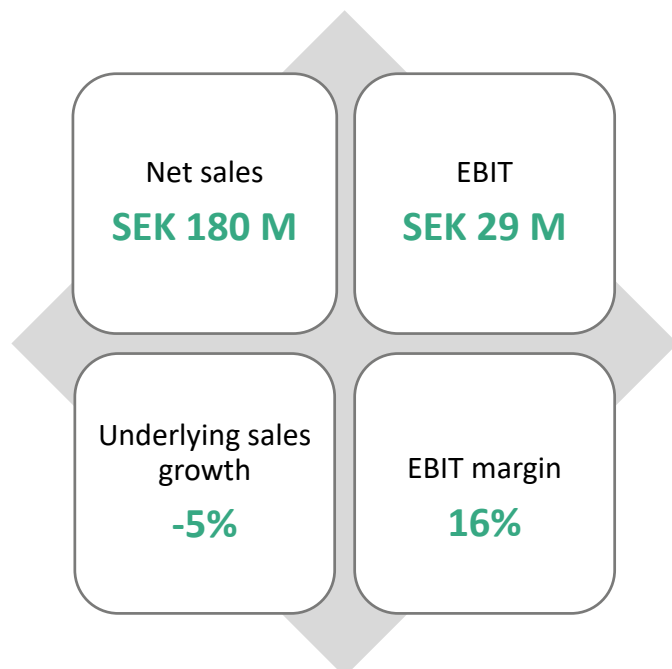
Efficient cost control in Sweden

SEK M	Q3 2018	Q3 2017	change	2018 9M	2017 9M	Change
Net sales	656	650	1%	2,014	2,004	1%
- Sweden	433	439	-1% ²⁾	1,343	1,348	0% ²⁾
- Norway	223	210	6%	671	656	2%
EBIT	90	79	15%	240 ¹⁾	234	3%
Key figures						
- Underlying sales growth	-1% ²⁾	0%		0% ²⁾	-3%	
- EBIT margin	13%	12%		12%	11%	

¹⁾ Includes an impairment of DAB products in Q1 2018 of SEK 13 M

²⁾ Based on sales including Marinshopen in 2017. Adjusted for Marinshopen underlying sales growth was unchanged in Q3 2018 and +1% in 2018 9M

SØRENSEN OG BALCHEN – THIRD QUARTER 2018



Sales positively affected by strong NOK, while unusual warm summer had adverse impact

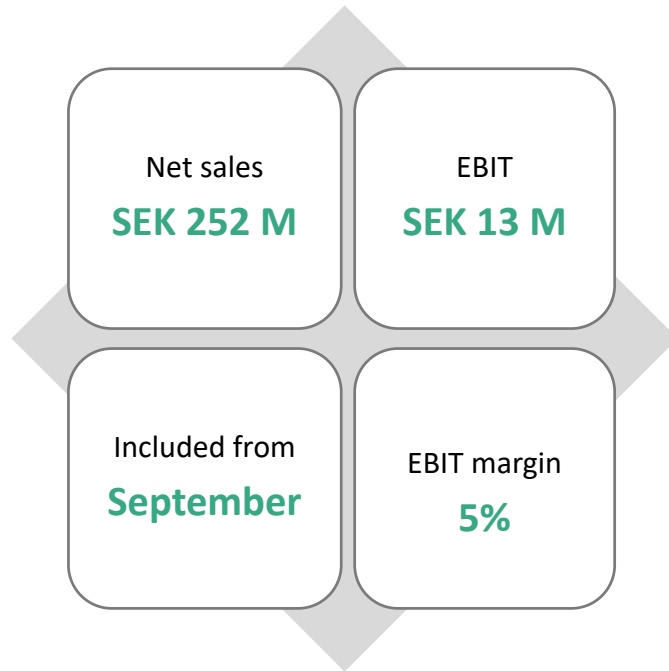
Underlying sales negatively affected by lower sales of DAB products on Sales and EBIT

Efficient cost control

SEK M	Q3 2018	Q3 2017	change	2018 9M	2017 9M	Change
Net sales	180	178	1%	571	603	-5%
EBIT	29	27	8%	82 ¹⁾	93	-12%
Key figures						
- Underlying sales growth	-5%	1%		-7%	7%	
- EBIT margin	16%	15%		14%	15%	

¹⁾ Includes an impairment of DAB products in Q1 2018 of SEK 7 M

FTZ – THIRD QUARTER 2018



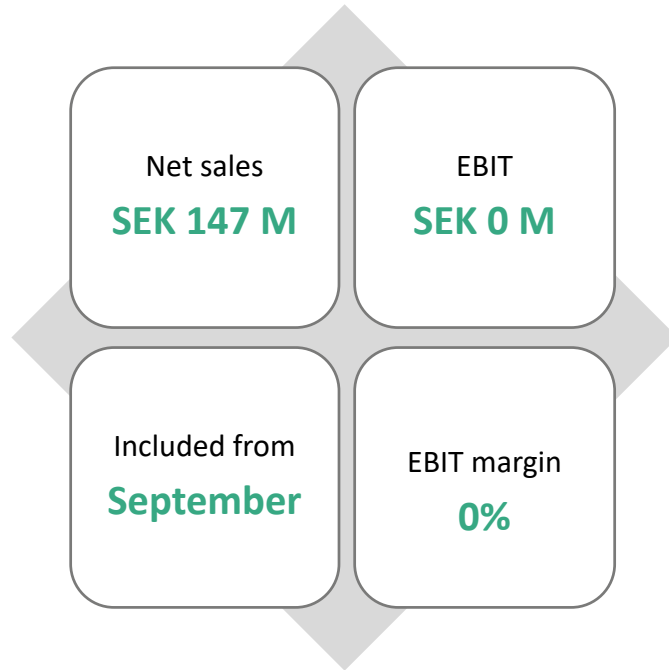
Sales and EBIT in line with last year

Included 1 month in the Group

Management intact and committed

SEK M	Q3 2018	Q3 2017	change	2018 9M	2017 9M	Change
Net sales	252	-	-	252	-	-
EBIT	13	-	-	13	-	-
Key figures - EBIT margin	5%	-	-	5%	-	-

INTER-TEAM – THIRD QUARTER 2018



Sales and EBIT in line with last year

Included 1 month in the Group

Management intact and committed

SEK M	Q3 2018	Q3 2017	change	2018 9M	2017 9M	Change
Net sales	147	-	-	147	-	-
EBIT	0	-	-	0	-	-
Key figures - EBIT margin	0%	-	-	0%	-	-

THE NEW GROUP - SYNERGIES



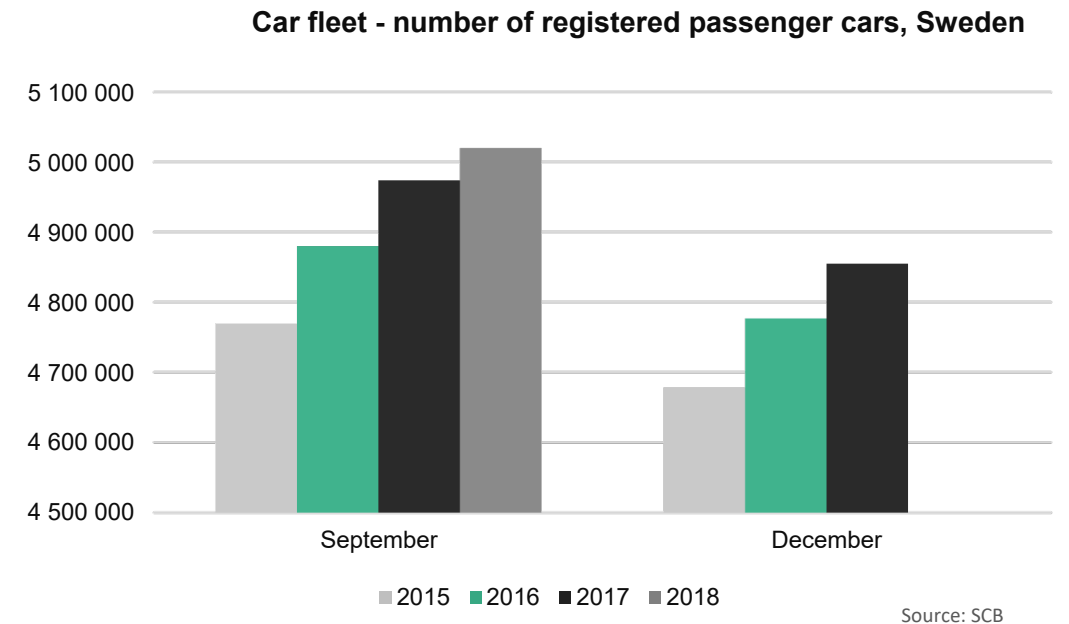
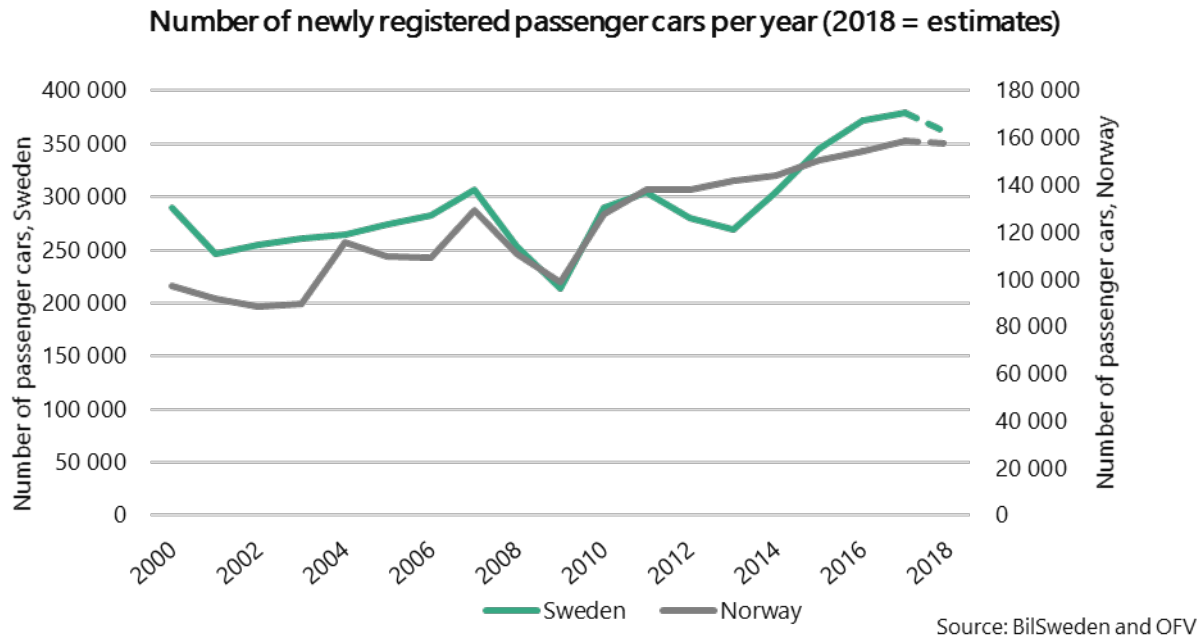
- Majority of the synergies from the acquisition consists of purchasing synergies
- Through the acquisition, the Group becomes an even more relevant player with high purchasing force in Northern Europe
- Large focus and commitment from all parts of the Group

MARKET & GROWTH



MARKET TRENDS

- Provided that scrapping or export of cars do not increase from the current level we see potential for an increasing overall market

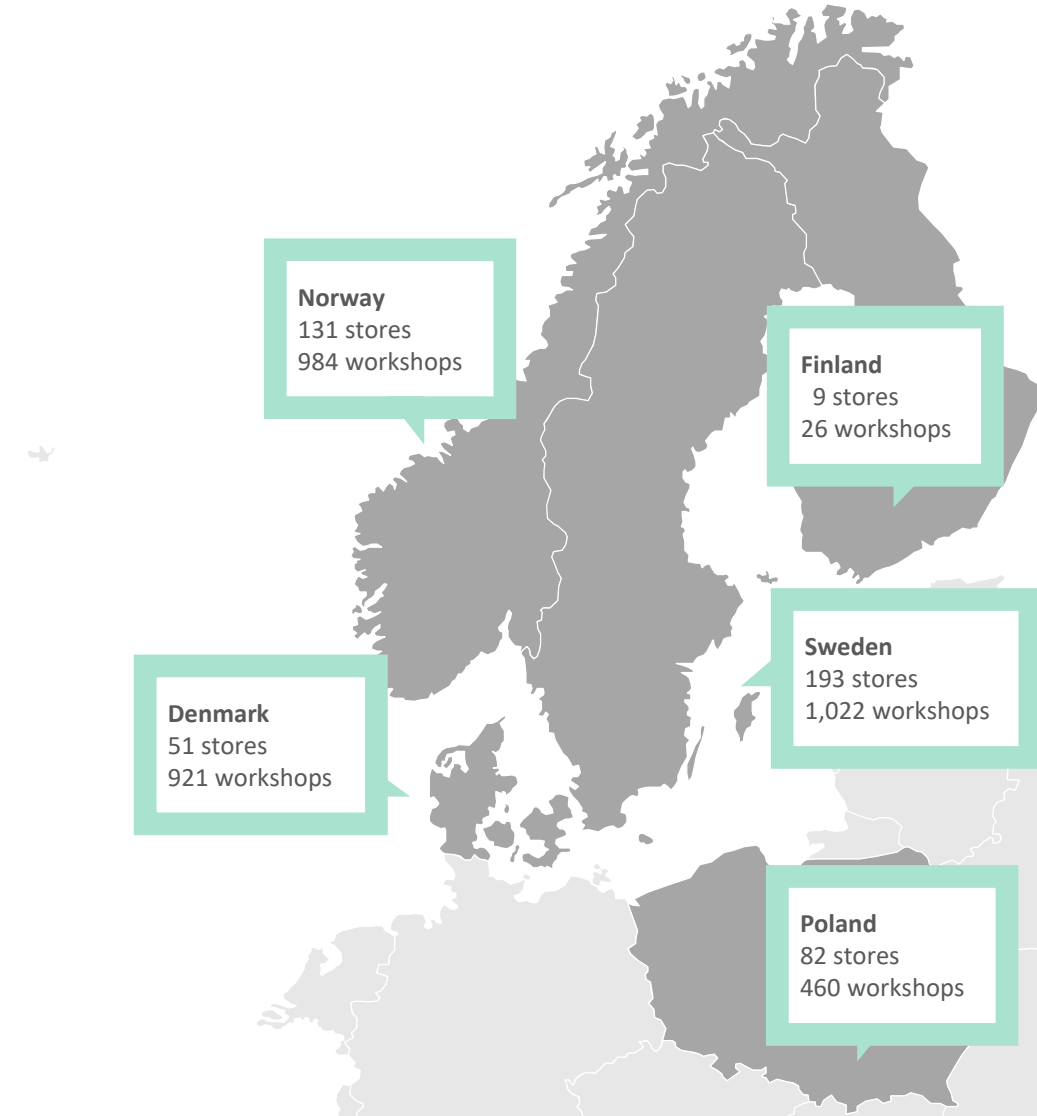
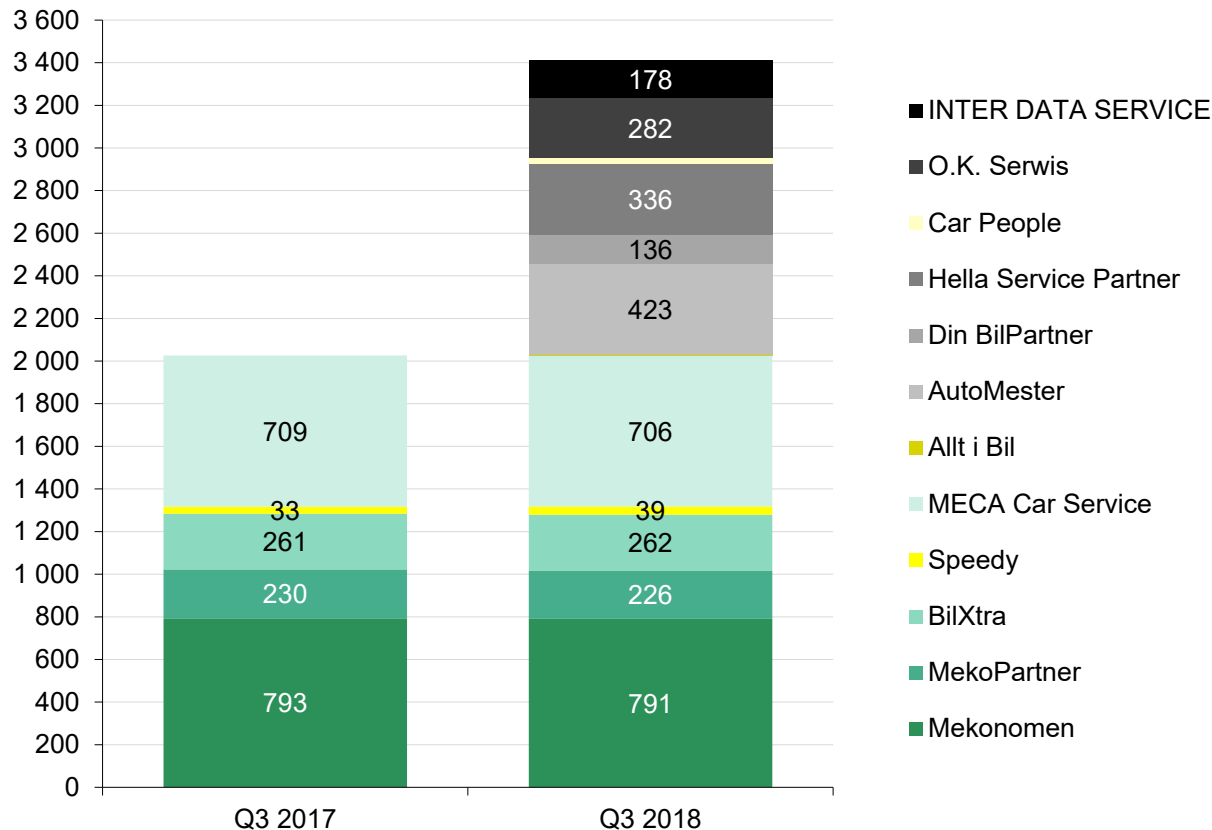


STORES AND AFFILIATED WORKSHOPS

Number of stores Q3 18: **466 (345)**

Number of workshops Q3 18: **3,413 (2,026)**

Number of affiliated workshops



From...



MERGING OF CENTRAL WAREHOUSES IN SWEDEN

- Proceeding according to plan, where cost savings of SEK 50 M will have a full effect on EBIT from 2020
- Tests with low volumes of the new automation during the summer period went well
- Started the gradual ramp-up and approx. 65 per cent of the daily order-lines are currently picked in the automation solution
- Rebranding the wholesale business to Bileko Car Parts

To...





NEXT GENERATION TRAINING AND COMPETENCE CENTER

- The second class of ProMeister Education started in August 2018 in Stockholm and Lund/Malmö (Mekonomen Group's own upper secondary school)
 - Total 64 students in year 1 & 2
 - Among the highest admission grades in Sweden
- New facilities in Malmö - next generation training and competence center
 - Workshop (Mekonomen car service)
 - ProMeister Education (Upper secondary school)
 - ProMeister Academy
 - Technical support

7 FINALISTS AT “MOTORGALAN” (SWEDISH INDUSTRY GALA)

- First annual Swedish industry gala where winners are selected in 12 categories on 8 November 2018
- Mekonomen Group’s seven finalists:
 - Mohanad Mahmood, Mekonomen (Mechanic of the year)
 - ProMeister Solutions, upper secondary School (Product or service of the year)
 - Petra Bendelin, Managing Director ProMeister Solutions (Leader of the year)
 - MECA Getängs Bilservice, Borås (Workshop of the year)
 - Speedy Bilservice, in Örebro (Workshop of the year)
 - MECA, Skellefteå (Store of the year)
 - Iaa Holmstrand, MECA Halmstad (spare part person of the year)



FOCUS 2018

Strategic projects

Spare parts catalogue in Sweden and Norway

Merging of central warehouses in Sweden

Workshop quality

Continued focus on our own brand ProMeister (Products and workshop services)

Approved workshop (Godkänd Bilverkstad)

Recruitment and education – Mechanics

Growth and innovation

Increase organic growth in our core business through improved customer offerings

Retain and develop entrepreneurship in the Group

Continued focus on new businesses and our acquisition ambition

A grayscale photograph of a woman with long blonde hair in a ponytail, wearing a dark t-shirt and jeans. She is standing in profile, facing right, and holding an open notebook. Behind her is a white car with its hood open. The background is a blurred outdoor setting.

APPENDIX

EARNINGS TREND

SUMMARY OF THE GROUP'S EARNINGS TREND SEK M	Jul-Sep 2018	Jul-Sep 2017	Chg. %	Jan-Sep 2018	Jan-Sep 2017	Chg. %	12 months Oct-Sep	Full-year 2017
Revenue	1 887	1 414	33	5 028	4 492	12	6 536	6 000
Operating profit before amortisation and impairment of intangible fixed assets (EBITA)	155	157	-1	446	515	-13	581	649
EBIT	118	127	-7	351	427	-18	447	522
Profit after financial items	233	119	95	460	388	18	547	475
Profit after tax	85	89	-4	260	293	-11	335	368
Earnings per share, SEK	2,30	2,43	-5	6,99	7,98	-12	9,06	10,05
EBITA margin, %	8	11		9	11		9	11
EBIT margin, %	6	9		7	9		7	9

EBIT ADJUSTED FOR ITEMS AFFECTING COMPARABILITY, SEK M	Jul-Sep 2018	Jul-Sep 2017	Change, %	Jan-Sep 2018	Jan-Sep 2017	Change, %	12 months Oct-Sep	Full-year 2017
EBIT, excluding items affecting comparability	122	120	2	400	420	-5	503	515
Items affecting comparability	-4	7	n/a	-49	7	n/a	-56	7
EBIT	118	127	-7	351	427	-18	447	522

CASH FLOW

CONDENSED CONSOLIDATED CASH-FLOW STATEMENT, SEK M	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	12 months Oct-Sep	Full-year 2017
Operating activities						
<i>Cash flow from operating activities before changes in working capital, excluding tax paid</i>	290	166	643	532	785	675
Tax paid	-18	-29	-145	-183	-28	-66
Cash flow from operating activities before changes in working capital	272	137	498	350	757	609
Cash flow from changes in working capital:						
Changes in inventory	-104	-76	-65	-76	-115	-127
Changes in receivables	-57	-55	-145	-116	-103	-74
Changes in liabilities	65	72	128	94	123	88
<i>Increase (-)/Decrease (+) working capital</i>	-96	-58	-81	-99	-95	-113
Cash-flow from operating activities	176	79	417	250	662	496
Cash flow from investing activities	-4 134	-83	-4 325	-167	-4 386	-229
Cash flow from financing activities	4 106	-66	4 012	-175	3 892	-295
CASH FLOW FOR THE PERIOD	148	-70	104	-92	168	-27
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	213	268	254	291	194	291
Exchange-rate difference in cash and cash equivalents	-15	-4	-12	-5	-17	-9
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	346	194	346	194	346	254

BALANCE SHEET

SUMMARY CONSOLIDATED BALANCE SHEET SEK M	30 September 2018	30 September 2017	31 December 2017
ASSETS ¹⁾			
Intangible fixed assets	5 858	2 717	2 686
Tangible fixed assets	480	248	254
Financial fixed assets	85	42	62
Deferred tax assets	0	77	93
Goods for resale	2 595	1 339	1 382
Current receivables	1 747	973	823
Cash and cash equivalents	346	194	254
TOTAL ASSETS	11 111	5 590	5 554
SHAREHOLDERS' EQUITY AND LIABILITIES ¹⁾			
Shareholders' equity	2 340	2 323	2 379
Long-term liabilities, interest-bearing	3 482	1 459	1 453
Deferred tax liabilities	449	142	168
Long-term liabilities, non-interest-bearing	13	35	18
Current liabilities, interest-bearing	2 494	371	255
Current liabilities, non-interest-bearing	2 334	1 259	1 280
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	11 111	5 590	5 554

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 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	12 months Oct-Sep	Full-year 2017
Net sales	1 850	1 372	4 915	4 383	6 382	5 850
Other operating revenue	37	42	113	109	154	150
Total revenue	1 887	1 414	5 028	4 492	6 536	6 000
Goods for resale	-900	-626	-2 297	-1 997	-2 955	-2 654
Other external costs	-365	-284	-1 050	-910	-1 389	-1 249
Personnel expenses	-444	-332	-1 179	-1 025	-1 540	-1 386
Operating profit before depreciation/ amortisation and impairment of tangible and intangible fixed assets (EBITDA)	177	172	502	560	652	710
Depreciation and impairment of tangible fixed assets	-23	-15	-56	-45	-71	-60
Operating profit before amortisation and impairment of intangible fixed assets (EBITA)	155	157	446	515	581	649
Amortisation and impairment of intangible fixed assets	-37	-30	-96	-88	-134	-127
EBIT	118	127	351	427	447	522
Interest income	2	1	3	3	4	4
Interest expenses	-18	-8	-33	-21	-41	-29
Other financial items	131	-1	139	-20	136	-23
Profit after financial items	233	119	460	388	547	475
Tax	-147	-30	-200	-95	-212	-107
PROFIT FOR THE PERIOD	85	89	260	293	335	368
Profit for the period attributable to:						
Parent Company's shareholders	83	87	251	286	325	361
Non-controlling interests	3	2	9	7	10	7
PROFIT FOR THE PERIOD	85	89	260	293	335	368
Earnings per share before and after dilution, SEK	2,30	2,43	6,99	7,98	9,06	10,05

LARGEST OWNERS 2018-09-30

	Voting rights and share capitals, %
LKQ Corporation	26,5
Didner & Gerge Fonder	8,2
Fjärde AP-fonden	8,2
Eva Fraim Pålman	5,6
Swedbank Robur Fonder	4,4
Ing-Marie Fraim	2,8
Catella Fonder	2,5
Vanguard	1,9
Kempen Capital Management	1,8
Dimensional Fund Advisors	1,7
Total 10 largest shareholders	63,6
Others	36,4
Total	100,0