



Mekonomen Group

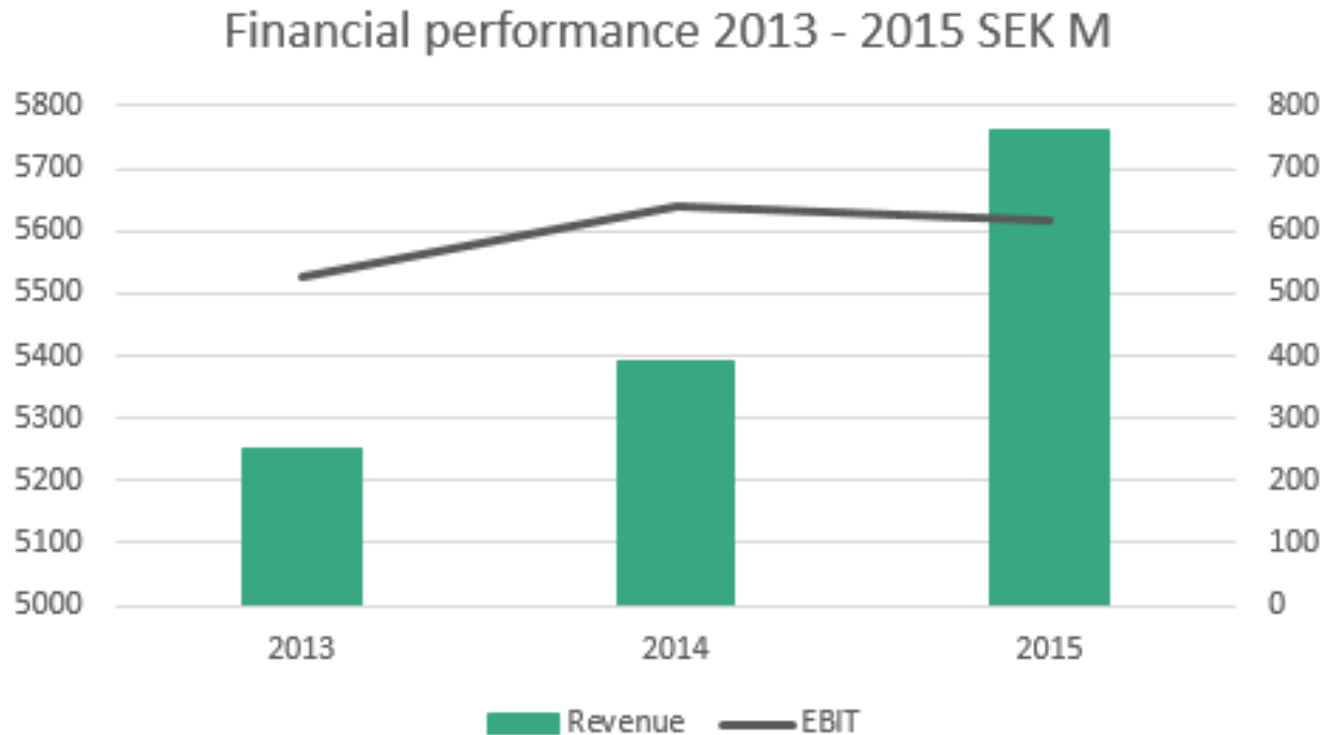
January - December 2015

17 February 2016

Mekonomen Group

MECA BilXtra Mekonomen

Financial performance



Mekonomen Group

MECA BiXtra Mekonomen

Fourth quarter 2015

● Revenue:
SEK 1 447 M (1 373)

● EBITA:
SEK 138 M (184)

● EBITA margin:
10 Per cent (13)

● EBIT:
SEK 109 M (145)

● EBIT margin:
8 per cent (11)

● Revenue rose
5 per cent

● Sales in comparable units
+5 per cent

January - December 2015

● Revenue :
SEK 5 761 M (5 390)

● EBITA:
SEK 726 M (763)

● EBITA margin:
13 per cent (14)

● Proposed dividend
SEK 7 per share

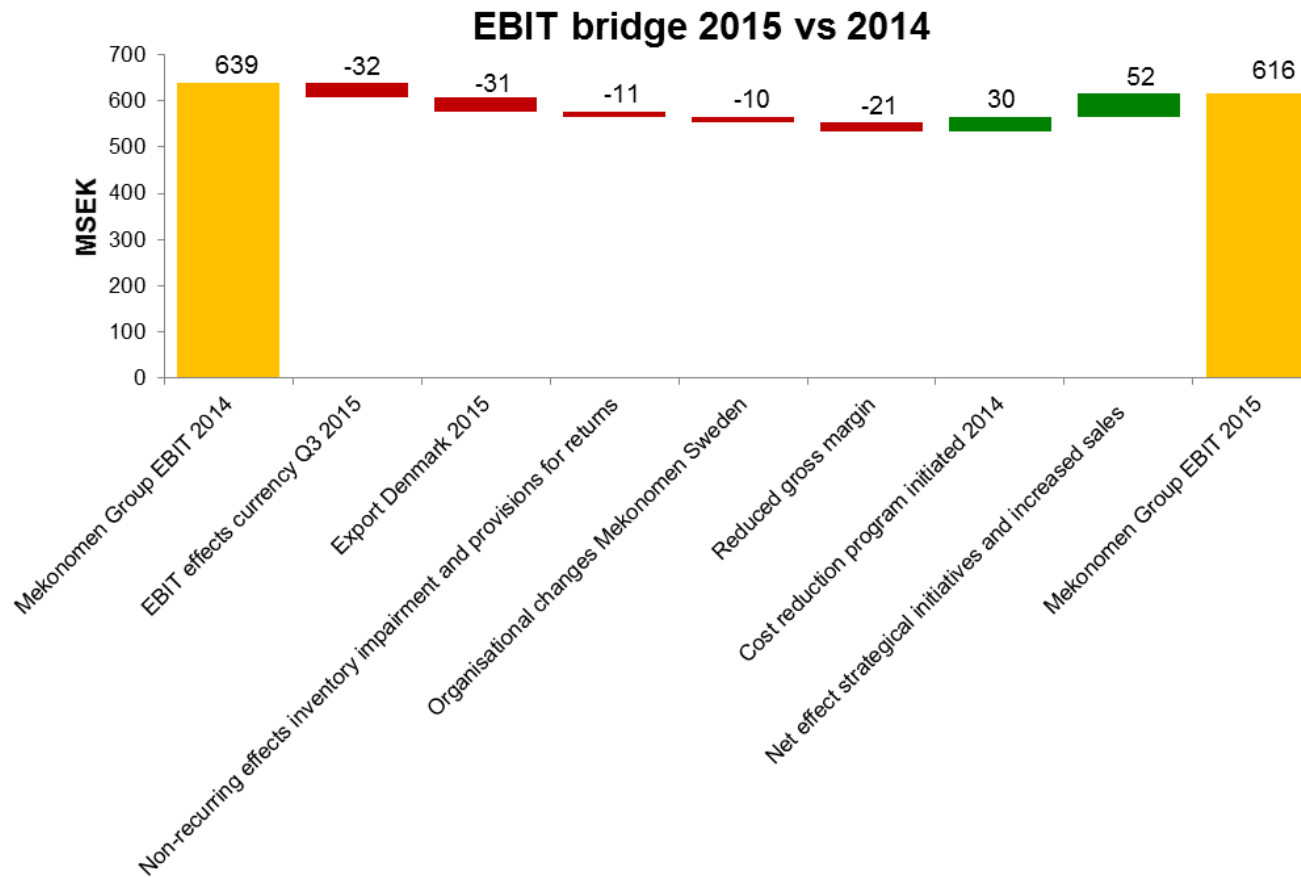
● EBIT:
SEK 616 M (639)

● EBIT margin:
11 per cent (12)

● Revenue rose
7 per cent

● Sales in comparable units
+5 per cent

EBIT development 2015



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The Norwegian krone has weakened



A weakening of SEK / NOK exchange rate by one percentage point, other things being equal, gives a negative impact of SEK 8 M at Mekonomen Group's full-year profit after tax (based on the 2014 financial year). Measures to compensate the impact on gross margin has been taken with effect from the fourth quarter 2015. Exchange rate effects (translation effects) remain.

Source: Riksbanken
(Swedish Central Bank)



Group companies

Mekonomen Group

MECA *BilXtra* Mekonomen

MECA – fourth quarter 2015

- EBIT:
SEK 49 M (57)*
- EBIT margin:
10 per cent (13)
- Underlying net sales:
+15 per cent, affected by
Opus Equipment and Denmark
- Strong sales increase for affiliated
MECA Car Service workshops
- The sales development of ProMeister
contributed to increased volumes
- Opus Equipment has contributed with
SEK 36 M to the revenue and SEK 1 M
on EBIT
- Denmark has weighted down the result
by SEK -11 M. Sales for the Danish
export business was SEK 20 M

* Acquisition-related items attributable to Mekonomen AB's direct acquisition of MECA have been reallocated from the MECA segment to "Other". Comparative figures have been recalculated.

MECA January - December 2015

- EBIT:
245 MSEK (243)*
- MECA excluding Denmark has generated the best EBIT ever
- EBIT margin:
13 per cent (14)
- Underlying net sales:
+13 per cent, affected by Opus Equipment and Denmark
- Strong sales increase for affiliated MECA Car Service workshops
- The sales development of ProMeister contributed to increased volumes
- The cost reduction program implemented in 2014 has had a positive effect on earnings
- Significant marketing and sales efforts in the Danish export business has affected the operating profit by SEK -31 M. Sales for the Danish export business was SEK 54 M, a level which still is too low
- Weaker NOK exchange rate has negatively affected profit

* Acquisition-related items attributable to Mekonomen AB's direct acquisition of MECA have been reallocated from the MECA segment to "Other". Comparative figures have been recalculated.

Mekonomen Nordic – fourth quarter 2015

- EBIT:
SEK 72 M (93)
- EBIT margin:
10 per cent (13)
- Underlying net sales:
+4 per cent
- ProMeister sales and new sales organisation contributed to increased volumes in the segment other workshops
- EBIT was negatively impacted by non-recurring costs mainly in Sweden of SEK 18 M (0) due to restructuring, implementation of sales organisation, provisions for returns and inventory impairments

Mekonomen Sweden

- EBIT:
SEK 51 M (67)
- EBIT margin:
10 per cent (14)
- Quality assurance implemented earlier this year have led to a lower number of affiliated workshops with effect on sales to the customer group

Mekonomen Norway

- EBIT:
SEK 34 M (32)
- EBIT margin:
17 per cent (15)
- Strong sales development to affiliated workshops

Structural changes in Mekonomen Sweden



New sales and customer-oriented organisation, recruitment and introduction of local district managers



Establishment of new field sales force



New store computer system rolled out in 15 stores by the end of 2015



Closure costs regarding two stores and one workshop

Mekonomen Nordic January - December 2015

- EBIT:
SEK 393 M (401)
- EBIT margin:
13 per cent (14)
- Underlying net sales:
+5 per cent
- ProMeister sales contributed to increased volumes in the segment other workshops
- Significant marketing investments
- Weaker NOK exchange rate has negatively affected profit

Mekonomen Sweden

- EBIT:
SEK 259 M (274)
- EBIT margin:
13 per cent (15)

Mekonomen Norway

- EBIT:
SEK 152 M (133)
- EBIT margin:
18 per cent (16)

Sørensen og Balchen – fourth quarter 2015

- EBIT:
SEK 26 M (22)*
- EBIT margin:
16 per cent (12)
- Underlying net sales:
-4 per cent
- Positive sales development
to affiliated BilXtra workshops
- Weaker sales to consumers

* Acquisition-related items attributable to Mekonomen AB's direct acquisition of Sørensen og Balchen have been reallocated from the Sørensen og Balchen segment to "Other". Comparative figures have been recalculated.

Sørensen og Balchen January - December 2015

- EBIT:
SEK 116 M (109)*
- Sørensen og Balchen has generated the best EBIT ever
- EBIT margin:
16 per cent (15)
- Underlying net sales:
+6 per cent
- Weaker NOK exchange rate has negatively affected profit
- Favourable sales development to affiliated BilXtra workshops

* Acquisition-related items attributable to Mekonomen AB's direct acquisition of Sørensen og Balchen have been reallocated from the Sørensen og Balchen segment to "Other". Comparative figures have been recalculated.



Market and growth

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Market trend



The Nordic spare parts market had a stable development in 2015



The new car sales in Sweden is at a historically high level with potential for more older cars in the car-fleet in the long term



Potential for a slightly stronger market in 2016

Growth by customer group for the fourth quarter 2015

– Strong sales growth to workshop customers

Affiliated workshops

Local currency



+10%

Nominal outcome

+6%

Other workshops

Local currency



+11%

Nominal outcome

+7%

Consumers

Local currency



+2%

Nominal outcome

-1%

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Growth by customer group for January - December 2015

– strong growth in all customer groups

Affiliated workshops

Local currency



+11%

Nominal outcome

+9%

Other workshops

Local currency



+9%

Nominal outcome

+7%

Consumers

Local currency



+5%

Nominal outcome

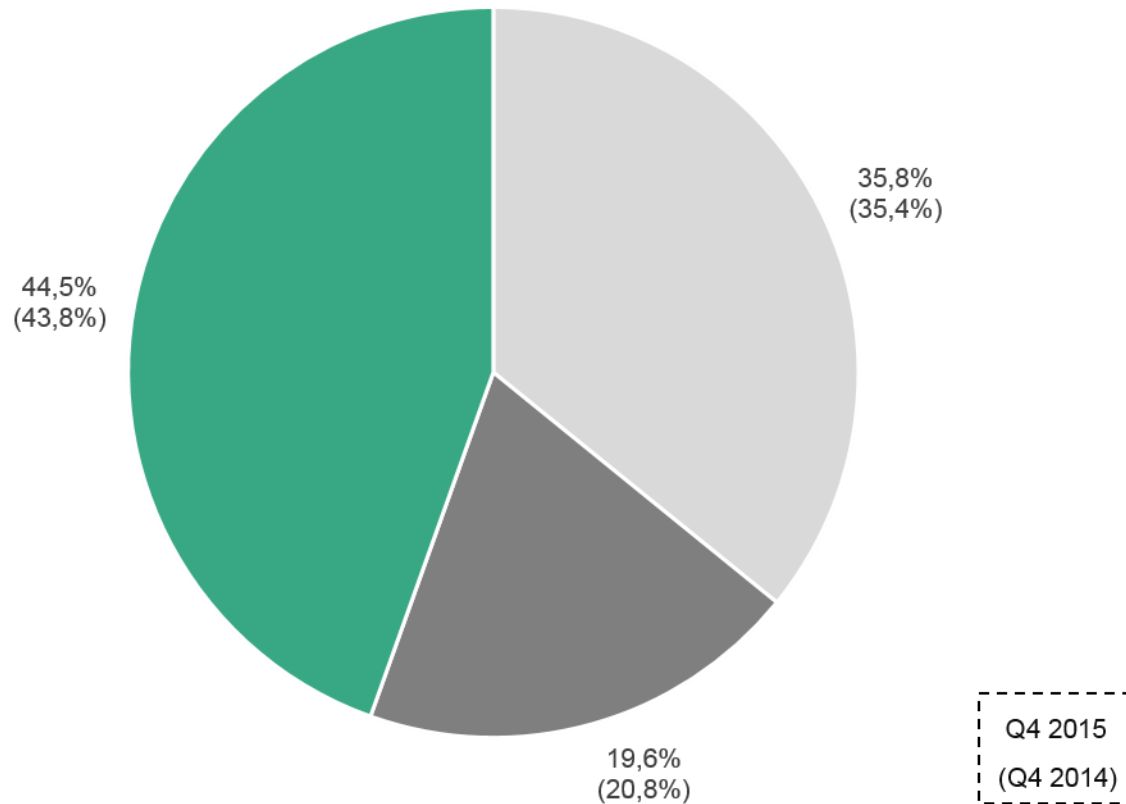
+4%

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Distribution, customer groups

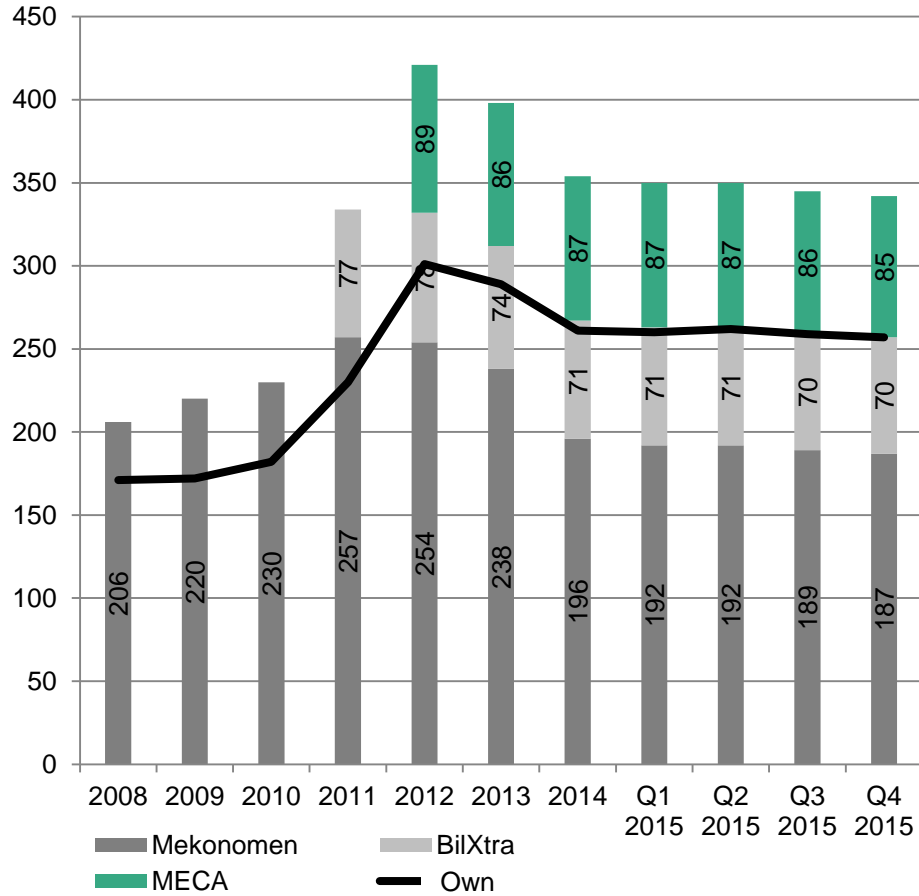
- Consumers via affiliated workshops
- Consumers via stores
- Other workshops



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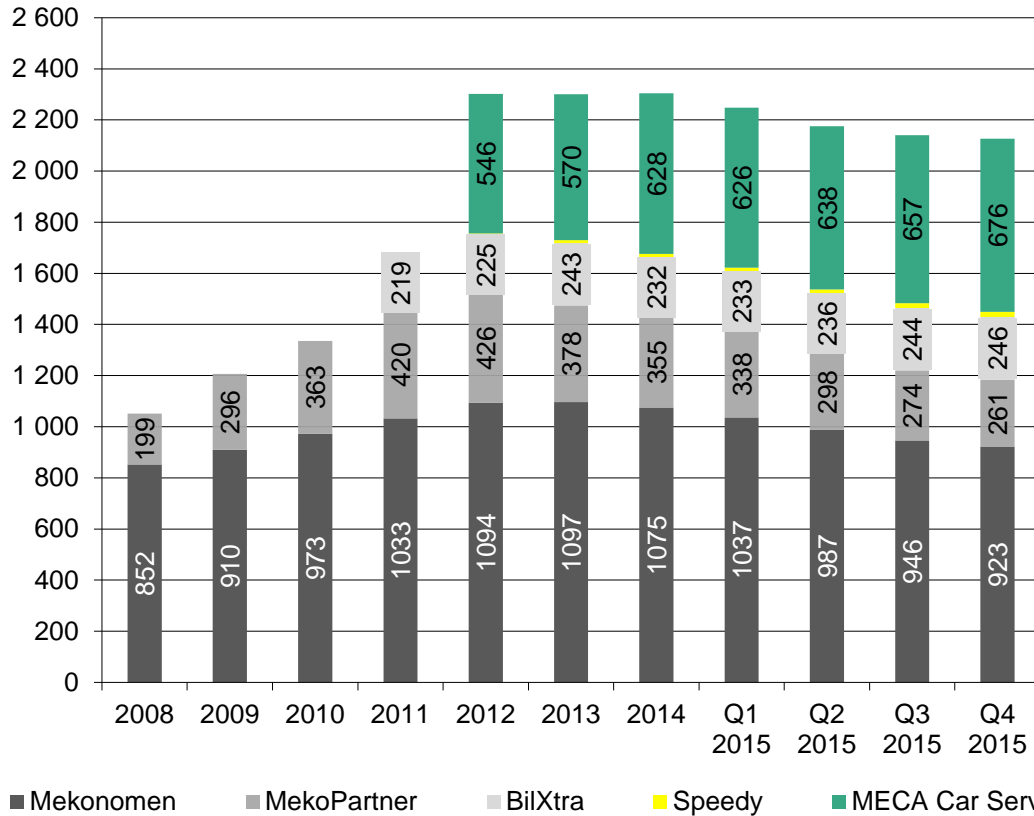
Stores



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Workshops

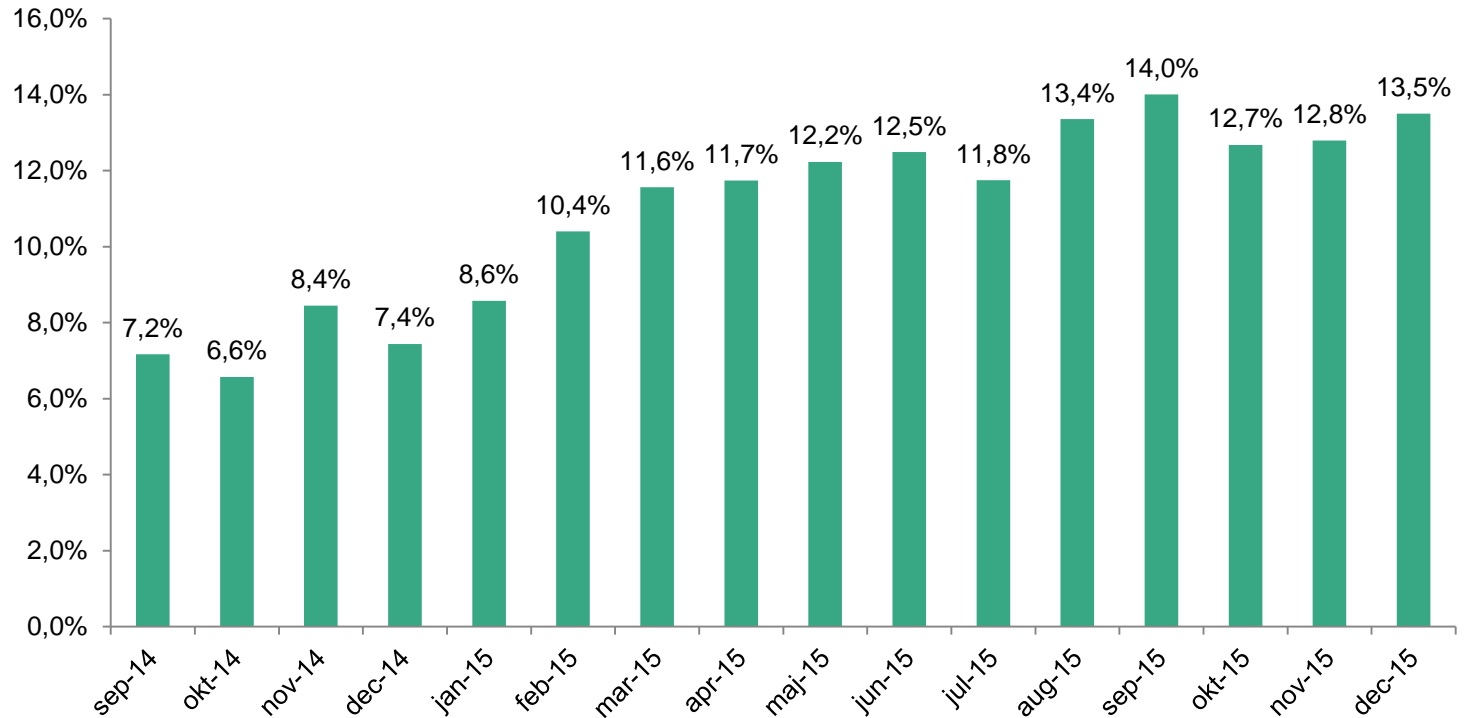


Reduced number of Mekonomen workshops as an effect of the quality assurance which has been implemented as well as of fewer workshops in Denmark. Slightly increase in Speedy. Good development in MECA Car Service.

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ProMeister share of spare parts sale



5 ÅRS GARANTI
YEAR WARRANTY

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Focus

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Focus



Growth and innovation



Continued focus on ProMeister, ProMeister Academy
- Products och training



Strategic projects
– E-commerce platform for B2B and B2C, PIM (launched January 2016)



Group-wide functions
- Purchasing, category, supply chain and IT



Continued quality assurance of workshops and concepts

Own secondary school for mechanics

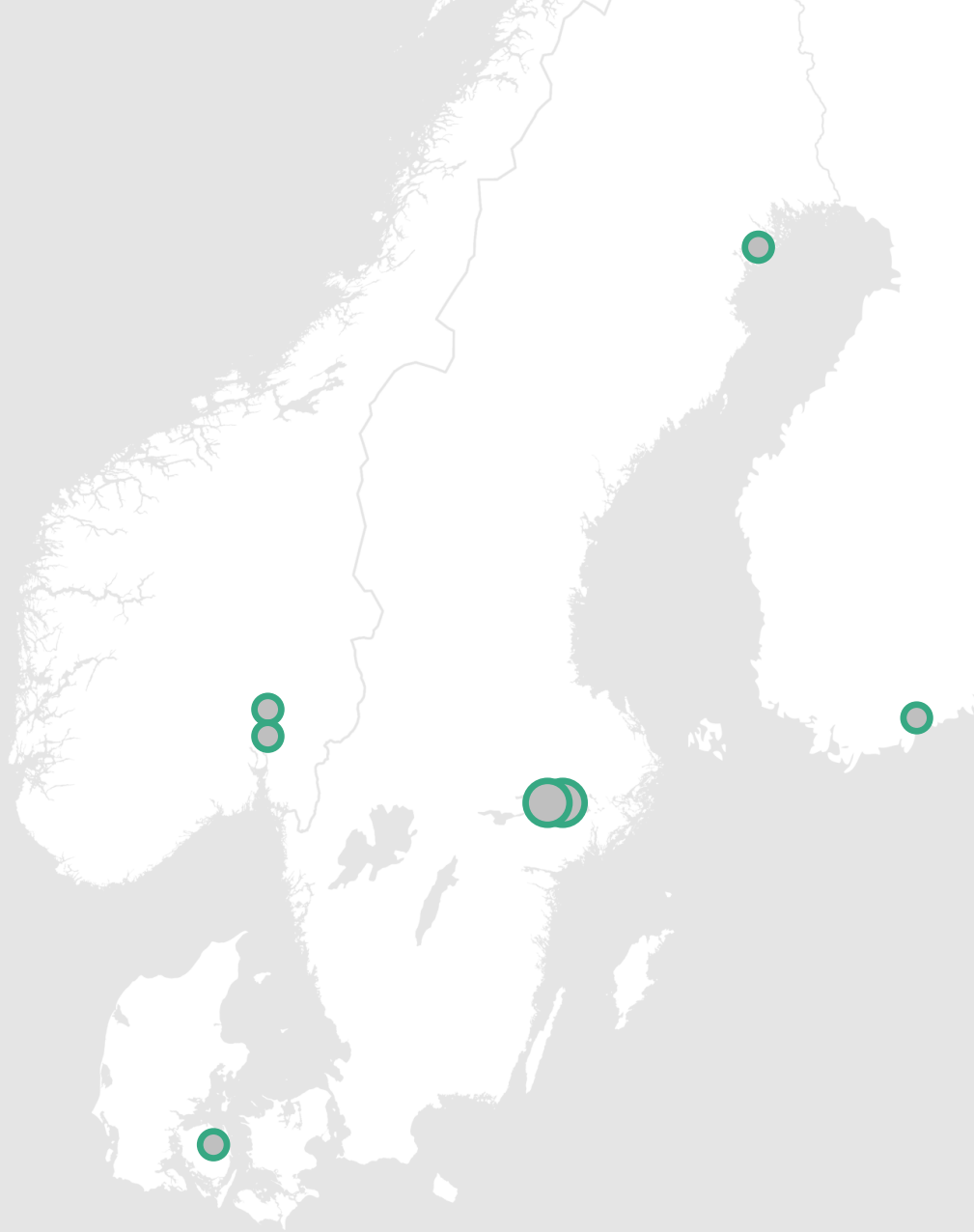
- Start of own secondary school in the autumn 2017 in Stockholm and Lund
- Increase quality of the education, for example by including apprenticeship
- We demand 500 mechanics in the coming years. The school is one of Mekonomen Groups own channels to secure future competence



Synergies Logistics

Logistics structure in addition to stores

- Current situation: Central warehouses in Eskilstuna and Strängnäs. Region warehouses in Gjøvik, Oslo, Odense, Luleå and Helsinki
- New Supply Chain Director from 1 March with responsibility for streamlining the logistics structure



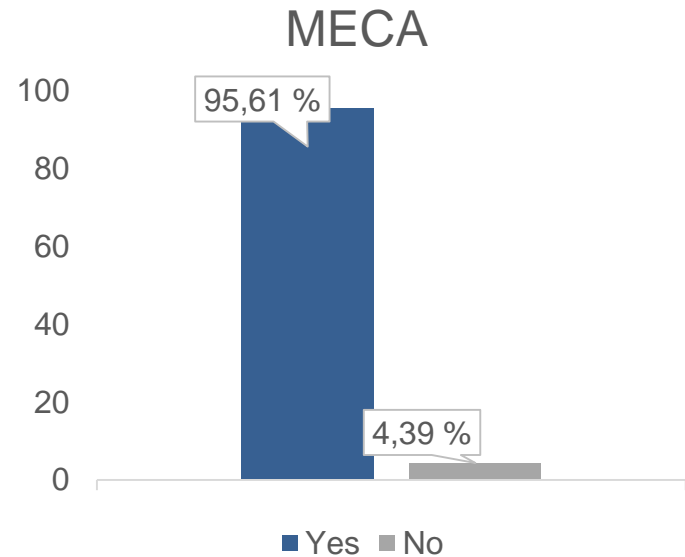
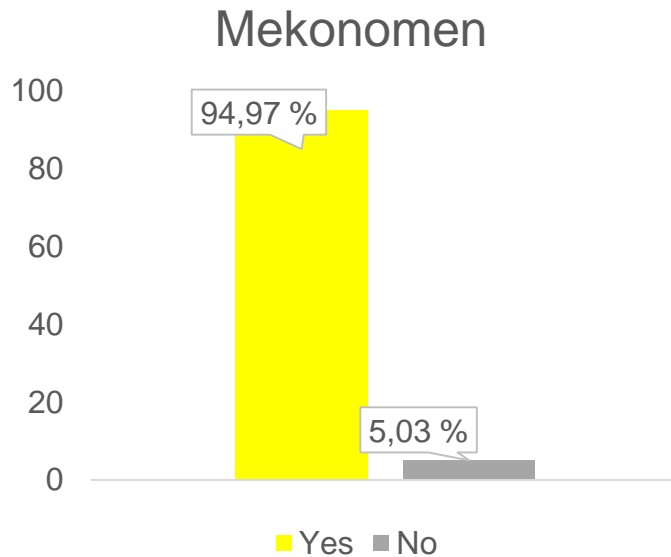
Quality and training in 2015

- All workshops within MECA and Mekonomen affiliated to SFVF
- Introduction of management systems for monitoring quality and fast implementation of new laws and regulations
- Quality assurance of mechanics through ProMeister Academy



Customers as our ambassadors

Would you recommend this workshop to others?



Capital Markets Day on March 14, 2016

☐ March 14 2016, 08.30 – 13.00 CET

☐ MECA Rosersberg
- Norrsundavägen 202-204, 192 72 Rosersberg

Please register by e-mail to kapitalmarknadsdag@mekonomen.se
no later than March 4, 2016.

INBJUDAN TILL

MEKONOMEN
GROUP CAPITAL
MARKNADSDAG
14 MARS 2016
LÖNSAM TILLVÄXT

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MECA *BiXtra* Mekonomen

Mekonomen Group's financial goals

Mekonomen Group's financial goals are:



- to develop with good profitability and thereby create value growth for the shareholders



- to achieve annual sales growth of at least 5 per cent, as a combination of organic and acquired growth



- to annually achieve an operating margin in excess of 10 per cent



- the equity/assets ratio shall not in the long term be less than 40 per cent



- net debt / EBITDA shall not in the long term exceed 2,0



Appendix

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Earnings trend

SUMMARY OF THE GROUP'S EARNINGS TREND SEK M	Oct. - Dec. 2015	Oct. - Dec. 2014	Change, %	Jan. - Dec. 2015	Jan. - Dec. 2014	Change, %
Revenue	1 447	1 373	5	5 761	5 390	7
Operating profit before amortisation and impairment of intangible fixed assets (EBITA)	138	184	-25	726	763	-5
EBIT	109	145	-25	616	639	-4
Profit after financial items	109	142	-23	594	620	-4
Profit after tax, continuing operations	76	102	-25	430	466	-8
Profit after tax, discontinued operations	1	-271	-100	0	-340	-100
Profit after tax	77	-169	-146	430	127	239
Earnings per share, continuing operations, SEK	2,14	2,87	-25	11,77	12,80	-8
Earnings per share, discontinued operations, SEK	0,03	-7,55	-100	0,00	-9,46	-100
Earnings per share, SEK	2,17	-4,68	-146	11,77	3,34	252
EBITA margin, %	10	13		13	14	
EBIT margin, %	8	11		11	12	

The amounts in the table above pertain to continuing operations, except for Profit after tax and Earnings per share. Comparative figures have been recalculated.

Quarterly data

QUARTERLY DATA																
CONTINUING ACTIVITIES,																
SEK M	FY	2015				2014					2013					
		Q4	Q3	Q2	Q1	FY	Q4	Q3	Q2	Q1	FY	Q4	Q3	Q2	Q1	
Revenue	5 761	1 447	1 405	1 527	1 382	5 390	1 373	1 340	1 387	1 290	5 251	1 318	1 269	1 422	1 245	
EBITA	726	138	196	224	169	763	184	214	210	156	683	146	188	207	142	
EBIT	616	109	168	197	142	639	145	186	182	126	527	75	159	178	115	
Net financial items	-22	0	-15	-9	2	-19	-3	-12	-1	-4	-39	-2	-15	-6	-15	
Profit after net financial items	594	109	154	188	144	620	142	174	181	123	489	73	144	172	99	
Tax	-164	-32	-42	-50	-39	-153	-40	-38	-44	-31	-129	-18	-38	-46	-27	
Profit for the period	430	76	111	138	105	466	102	135	137	92	360	55	106	127	72	
EBITA margin, %	13	10	14	15	12	14	13	16	15	12	13	11	15	15	11	
EBIT margin, %	11	8	12	13	10	12	11	14	13	10	10	6	13	13	9	
Earnings per share, continuing operations, SEK	11,77	2,14	3,01	3,74	2,88	12,80	2,87	3,69	3,74	2,50	9,81	1,57	2,84	3,43	1,97	
Earnings per share, discontinued operations, SEK	0,00	0,03	0,00	-0,02	-0,01	-9,46	-7,55	-0,49	-0,75	-0,67	-1,25	-0,69	-0,18	-0,19	-0,20	
Earnings per share, SEK	11,77	2,17	3,01	3,72	2,87	3,34	-4,68	3,20	2,99	1,83	8,56	0,88	2,67	3,24	1,77	
Shareholders' equity per share, SEK	59,7	59,7	58,4	56,9	61,0	57,5	57,5	65,0	60,9	64,6	62,1	62,1	61,4	60,4	64,0	
Cash flow per share, SEK ¹⁾	12,2	5,4	4,3	3,8	-1,3	11,5	5,0	3,2	5,4	-2,0	15,5	4,8	3,0	7,3	0,4	
Return on equity, % ²⁾	20,0	20,0	20,9	21,9	21,3	20,6	20,6	18,3	17,2	16,6	15,7	15,7	-	-	-	

¹⁾ The key figures are calculated including discontinued operations for each quarter.

²⁾ The key figures for return on shareholders' equity are calculated on a rolling 12-month basis for continuing operations for each quarter. Return on shareholders' equity, quarters 1-3 2013 was not recalculated for continuing operations. For further information about discontinued operations, see page 17.

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Cash flow

CONDENSED CONSOLIDATED CASH-FLOW STATEMENT, SEK M	Oct. - Dec. 2015	Oct. - Dec. 2014	Jan. - Dec. 2015	Jan. - Dec. 2014
Operating activities				
<i>Cash flow from operating activities before changes in working capital, excluding tax paid</i>	160	152	782	711
Tax paid	-2	0	-189	-160
Cash flow from operating activities before changes in working capital	158	152	594	552
Cash flow from changes in working capital:				
Changes in inventory	-9	-1	-19	-59
Changes in receivables	72	80	-11	-62
Changes in liabilities	-26	-53	-124	-17
<i>Increase (-)/decrease (+) restricted working capital</i>	37	27	-154	-138
Cash-flow from operating activities	195	178	439	413
Cash flow from investing activities	-49	-30	-146	-121
Cash flow from financing activities	-95	-67	-245	-309
CASH FLOW FOR THE PERIOD	51	82	48	-17
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	256	197	258	279
Exchange-rate difference in cash and cash equivalents	-12	-21	-11	-4
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	295	258	295	258

Compared with the Interim report for January - September 2015, SEK 102 M was reclassified between cash flow from operating activities before changes in working capital and changes in liabilities in the working capital. The reclassification did not have any impact on the total cash flow from operating activities. The reclassification pertains to the discontinued operation in Denmark.

Income statement

CONDENSED CONSOLIDATED INCOME STATEMENT, SEK M	Oct. - Dec. 2015	Oct. - Dec. 2014	Jan. - Dec. 2015	Jan. - Dec. 2014
Continuing operations:				
Net sales	1 415	1 347	5 624	5 262
Other operating revenue	32	26	137	128
Total revenue	1 447	1 373	5 761	5 390
Goods for resale	-648	-592	-2 529	-2 337
Other external costs	-305	-274	-1 167	-1 044
Personnel expenses	-343	-309	-1 282	-1 185
Depreciation and impairment of tangible fixed assets	-13	-14	-57	-61
Operating profit before amortisation and impairment of intangible fixed assets (EBITA)	138	184	726	763
Amortisation and impairment of intangible fixed assets	-28	-39	-110	-124
EBIT	109	145	616	639
Interest income	2	2	6	6
Interest expenses	-8	-9	-33	-41
Other financial items	8	5	5	18
PROFIT AFTER FINANCIAL ITEMS	109	142	594	620
Tax	-32	-40	-164	-153
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	76	102	430	466
Discontinued operations:				
Profit/loss for the period from discontinued operations ¹⁾	1	-271	0	-340
PROFIT/LOSS FOR THE PERIOD	77	-169	430	127
Net profit/loss for the period attributable to:				
Parent Company's shareholders	78	-168	423	120
Minority owners	-1	-1	8	7
PROFIT/LOSS FOR THE PERIOD	77	-169	430	127
Earnings per share before and after dilution, SEK				
- Earnings from continuing operations	2,14	2,87	11,77	12,80
- Loss from discontinued operations	0,03	-7,55	0,00	-9,48
Profit/loss for the period	2,17	-4,68	11,77	3,34

¹⁾ Gains for discontinued operations totalling SEK 1 M in the fourth quarter of 2015 pertains to tax income. The fourth quarter and full-year of 2014 include non-recurring costs resulting from structural changes in Denmark totalling SEK 260 M in the earnings from discontinued operations. For further information about discontinued operations, see page 17.

Mekonomen Group

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Balance sheet

CONDENSED CONSOLIDATED BALANCE SHEET SEK M	31 December 2015	31 December 2014	31 December 2013
ASSETS¹⁾			
Intangible fixed assets	2 734	2 813	2 881
Tangible fixed assets	182	201	249
Financial fixed assets	51	65	75
Deferred tax assets ²⁾	55	55	23
Goods for resale	1 228	1 223	1 213
Current receivables	818	769	724
Cash and cash equivalents	295	258	279
TOTAL ASSETS	5 361	5 384	5 444
SHAREHOLDERS' EQUITY AND LIABILITIES¹⁾			
Shareholders' equity	2 155	2 080	2 240
Long-term liabilities, interest-bearing	1 469	1 404	1 660
Deferred tax liabilities	169	168	211
Long-term liabilities, non-interest-bearing	8	3	1
Current liabilities, interest-bearing	461	495	276
Current liabilities, non-interest-bearing	1 099	1 234	1 056
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	5 361	5 384	5 444

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

²⁾ Deferred tax assets of SEK 54 M (53) pertaining to tax deduction for Denmark will not be realised according to plan in 2016 but has been postponed.

Largest owners as of 2015-12-31

	Voting rights and Share capitals, %
Axel Johnson company	26,5
Handelsbanken Funds	8,7
Lannebo Funds	7,3
Eva Fraim Pålman	5,6
Fourth Swedish National Pension Fund	4,6
Kempen Funds	3,7
Columbia Funds	3,2
Ing-Marie Fraim Sefastsson	2,8
Swedbank Robur Funds	1,8
Catella Funds	1,5
Total 10 largest shareholders	65,7
Others	34,3
Total	100,0