



Mekonomen Group

January – December 2018
14 February 2019

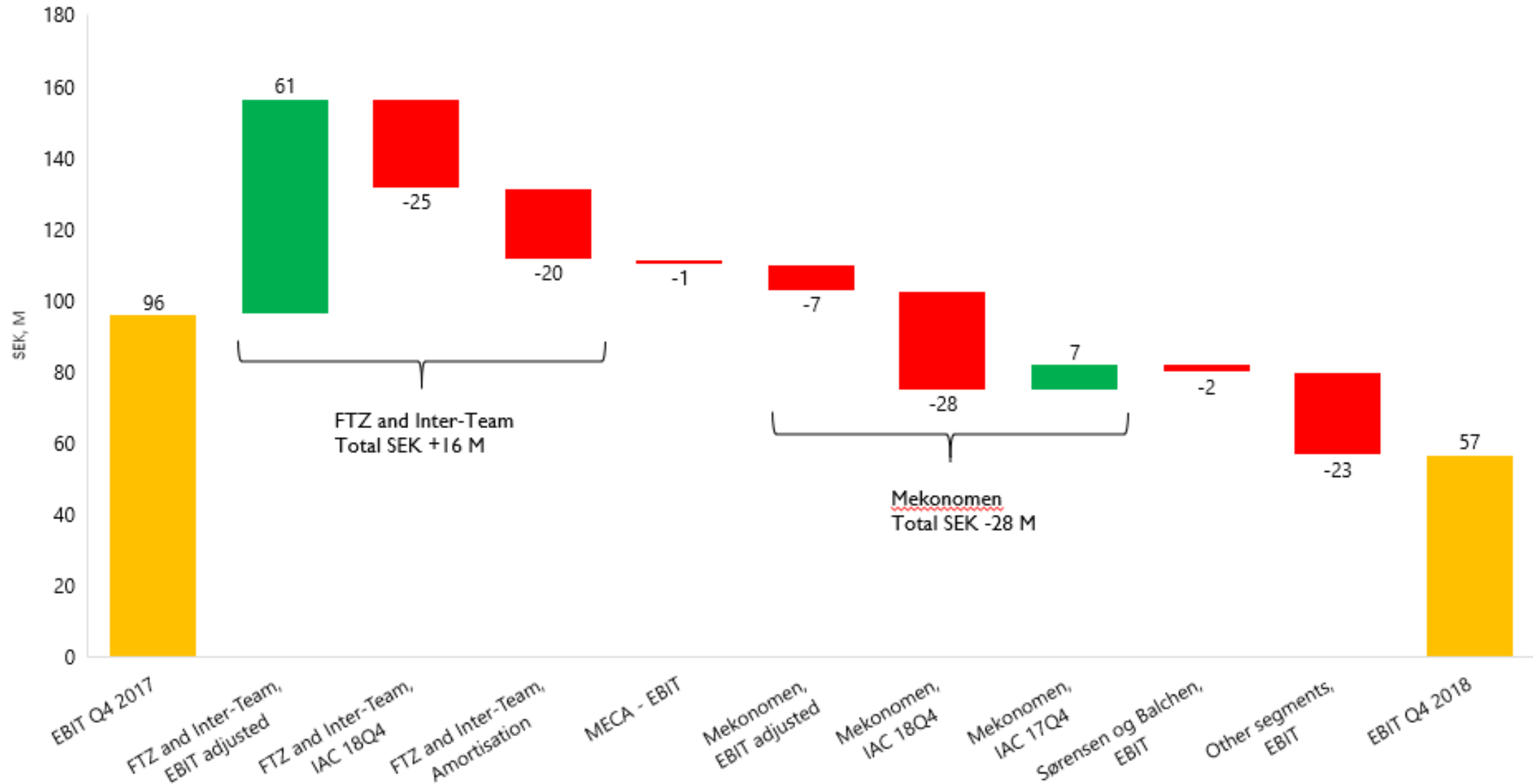
CEO Comments

MEKONOMEN GROUP – FOURTH QUARTER 2018




SEK M	Q4 2018	Q4 2017	change	2018 12M	2017 12M	change
Group revenue	2,922	1,507	94%	7,951	6,000	33%
EBITA	107	134	-21%	553	649	-15%
EBITA, excluding IAC	160	132	21%	642	641	0%
EBIT	57	96	-41%	407	522	-22%
EBIT, excluding IAC	110	103	7%	496	522	-5%
Key figures						
- Underlying sales growth ¹⁾	5%	4%		3%	1%	
- Sales growth in comparable units	-1%	2%		-1%	1%	
- EBIT margin	2%	6%		5%	9%	
- EBIT margin, excluding IAC	4%	7%		6%	9%	

¹⁾ Underlying sales growth in Q4 2018 and 2018 12M excluding acquired FTZ and Inter-Team

DEVELOPMENT – EBIT Q4 2018 vs Q4 2017



PROFITABILITY AND EFFICIENCY 2019

-  Increase efficiency and adjust our cost structure throughout the Group
-  Efficiency and cost saving programme launched
 - Reduce costs by SEK 65 M annually – where of SEK 30 M achieved from 19Q3 and full effect from 19Q4
 - Streamline our organisation and prioritise projects
 - Act on unprofitable businesses
-  Price increases made from the beginning of 2019 to compensate for higher purchasing costs, due to strong EUR. The upcoming synergies will also contribute to increased profitability

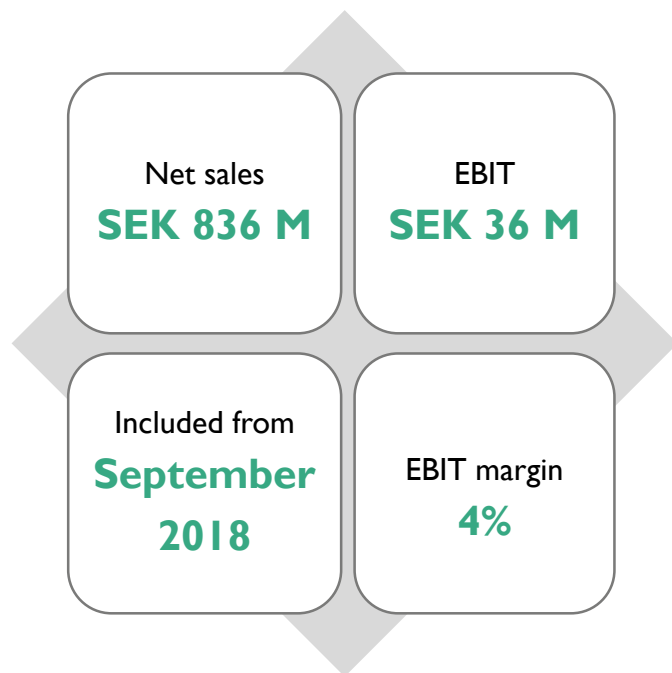
UPDATE – REPORT STANDARDS AND SEGMENT STRUCTURE FROM 1 JANUARY 2019

- IFRS16 effects on Mekonomen Group
 - Primarily affected by leasing contracts pertaining to premises and vehicles
 - Expected right-of-use asset will amount to approx. SEK 2,000 M as per 1 January 2019 and the liability for the leasing commitment approximately SEK 2,000 M
 - Equity will not be affected
 - The Group will not restate the comparative figures
- New segment reporting as of first quarter 2019 - four segments
 - FTZ
 - Inter-Team
 - MECA/Mekonomen
 - Sørensen og Balchen

A man with grey hair and a beard, wearing a blue plaid shirt, is holding a box of ProMeister Cabin Air Filter and showing it to a young couple. The couple consists of a man with a beard wearing a red long-sleeved shirt and a woman with long brown hair wearing a green jacket. They are standing in a car shop or garage with other cars and people in the background. The text "SALES & RESULT - PER SEGMENT" is overlaid in white on the image.

SALES & RESULT - PER SEGMENT

FTZ – FOURTH QUARTER 2018



Included 4 months in the Group

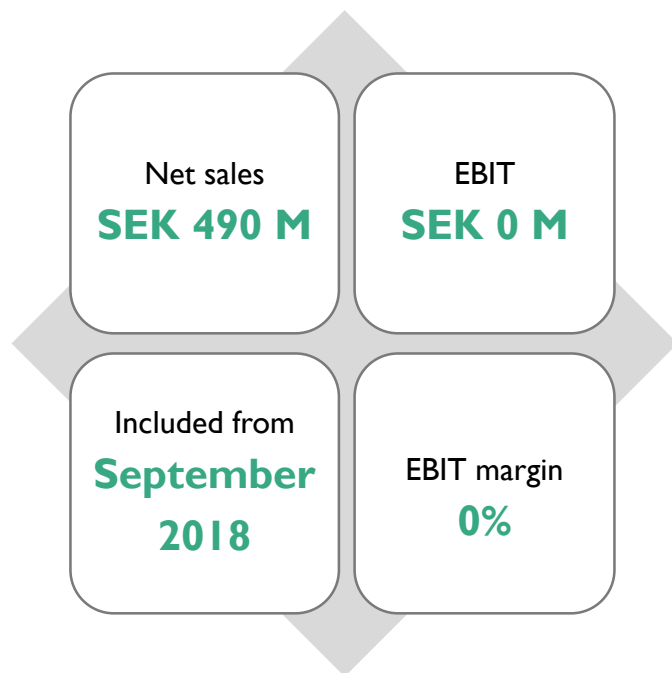
Net sales decreased approximately 1 per cent¹⁾, negatively affected by weak market

EBIT was negatively impacted by items affecting comparability of SEK 18 M related to integration costs

SEK M	Q4 2018	Q4 2017	change	2018 12M	2017 12M	Change
Net sales	836	-	-	1,088	-	-
EBIT	36	-	-	49	-	-
EBIT, adjusted	54	-	-	67	-	-
Key figures - EBIT margin	4%	-	-	5%	-	-

¹⁾ The comparison period 2017Q4 is before the date of acquisition and the 2017Q4 net sales are FTZ's reported net sales for the period October to December 2017.

INTER-TEAM – FOURTH QUARTER 2018



Included 4 months in the Group

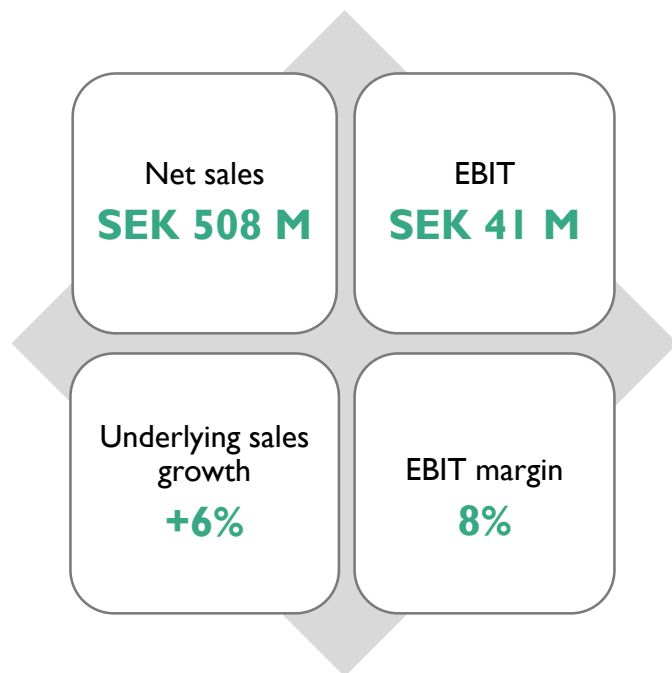
Net sales increased approximately 5 per cent¹⁾

EBIT was negatively impacted by items affecting comparability of SEK 7 M related to integration costs

SEK M	Q4 2018	Q4 2017	change	2018 12M	2017 12M	Change
Net sales	490	-	-	638	-	-
EBIT	0	-	-	-1	-	-
EBIT, adjusted	7	-	-	6	-	-
Key figures - EBIT margin	0%	-	-	0%	-	-

¹⁾ The comparison period 2017Q4 is before the date of acquisition and the 2017Q4 net sales are Inter-Team's reported net sales for the period October to December 2017.

MECA – FOURTH QUARTER 2018

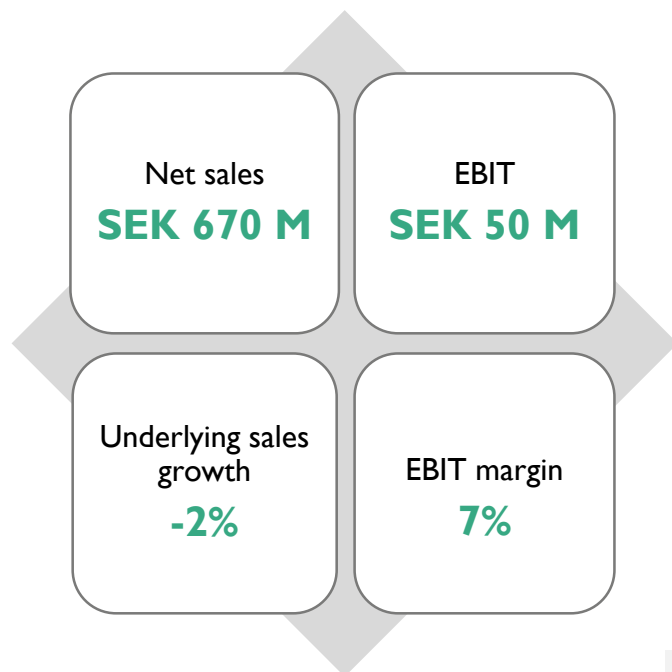


Favorable sales trend despite a weak market, positively affected by several minor acquisitions

EBIT negatively affected by high purchasing costs in Sweden due to weak SEK, and low initial EBIT margins in acquired operations

SEK M	Q4 2018	Q4 2017	change	2018 12M	2017 12M	Change
Net sales	508	477	7%	2,008	1,907	5%
- Sweden	251	249	1%	959	949	1%
- Norway	257	228	13%	1,049	958	9%
EBIT	41	42	-3%	249	265	-6%
Key figures						
- Underlying sales growth	6%	6%		4%	4%	
- EBIT margin	8%	9%		12%	14%	

MEKONOMEN – FOURTH QUARTER 2018

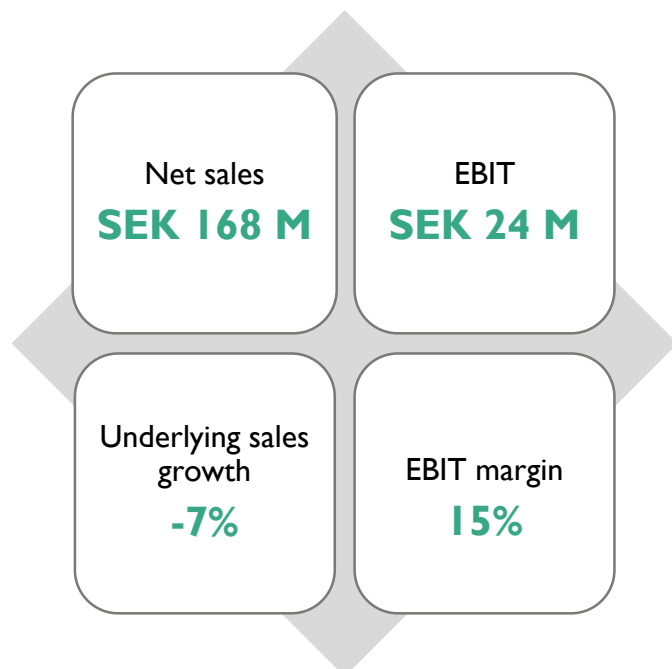


Sales negatively impacted by a weak market, partly offset by strong NOK

EBIT includes items affecting comparability of SEK -28 million, related to historical incorrect treatment of returned spare parts to suppliers for renovation

SEK M	Q4 2018	Q4 2017	change	2018 12M	2017 12M	Change
Net sales	670	679	-1%	2,684	2,683	0%
- Sweden	457	468	-2%	1,800	1,816	-1%
- Norway	214	211	1%	884	867	2%
EBIT	50	79	-36%	290	313	-7%
EBIT, adjusted	78	86	-9%	331	317	5%
Key figures						
- Underlying sales growth	-2%	1%		-1%	-1%	
- EBIT margin	7%	11%		11%	11%	

SØRENSEN OG BALCHEN – FOURTH QUARTER 2018



Sales negatively impacted by a weak market, partly offset by strong NOK

Largest part of Sales to B2C in the Group and more exposed to the weak retail market and decline in sales of DAB products

Efficient cost control

SEK M	Q4 2018	Q4 2017	change	2018 12M	2017 12M	Change
Net sales	168	176	-4%	739	778	-5%
EBIT	24	27	-9%	106 ¹⁾	120	-11%
Key figures						
- Underlying sales growth	-7%	4%		-7%	7%	
- EBIT margin	15%	15%		14%	15%	

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

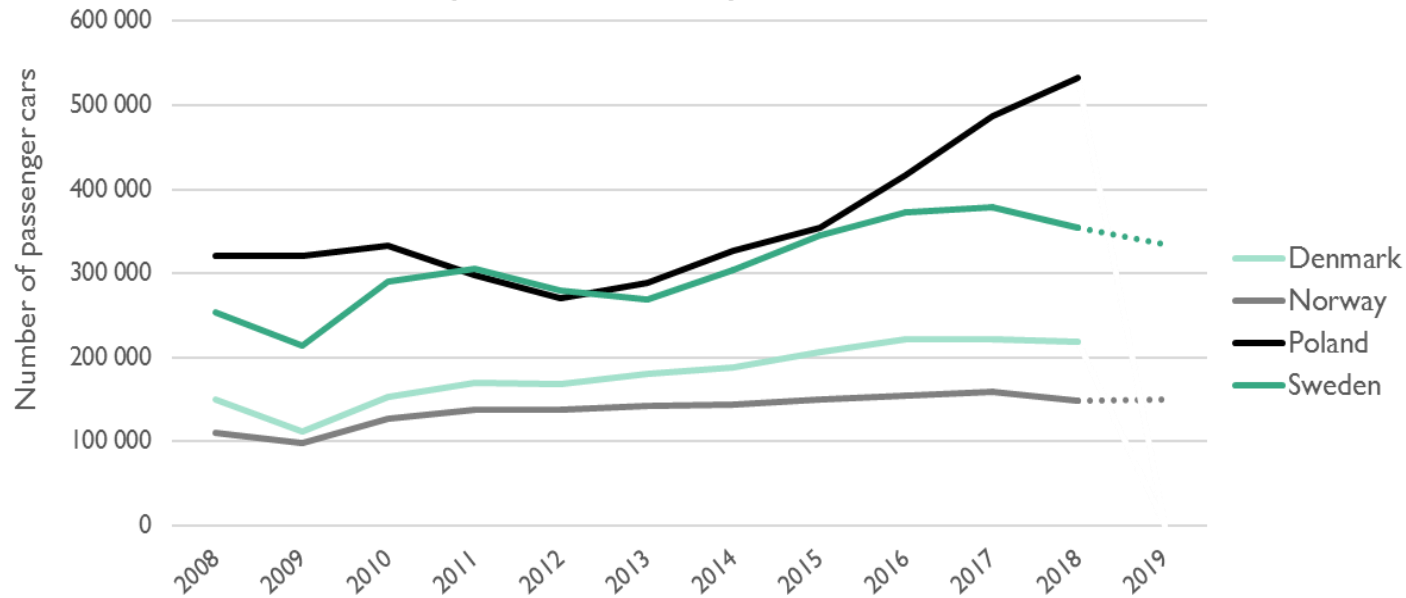
A photograph of a modern automotive repair shop. In the center, a silver SUV is elevated on a two-post lift. Two technicians, a man and a woman, are standing beneath the car, looking up at the engine compartment. The man is holding a flashlight. To the left, another silver SUV is partially visible, and a third technician is working on its rear wheel. In the background, a white car is parked on a lower lift. The shop is well-lit and organized, with various tools and equipment visible. The text "MARKET & GROWTH" is overlaid in large white letters across the center of the image. The lift columns have "AUTOP STENHOJ" written on them.

MARKET & GROWTH

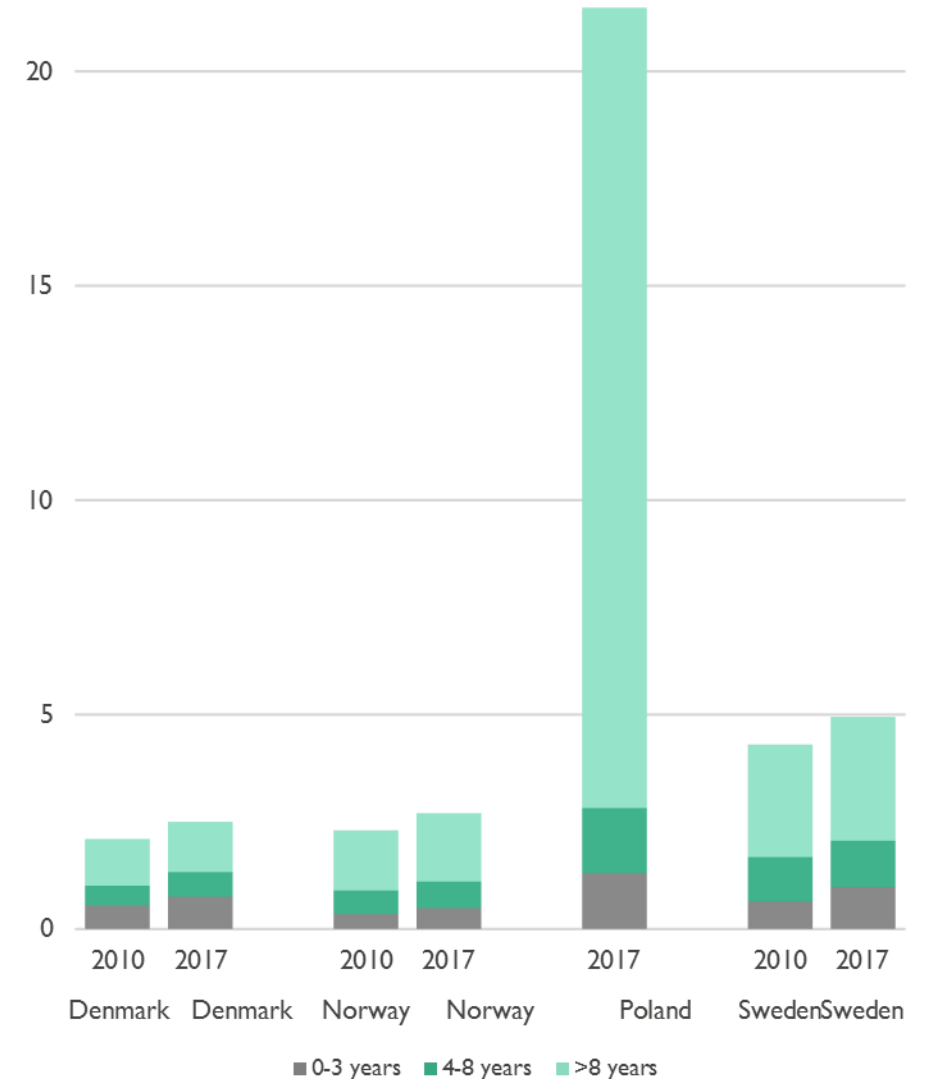
MARKET TRENDS

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

Number of newly registered passenger cars per year
(2019 = estimates)



Car fleet, million cars

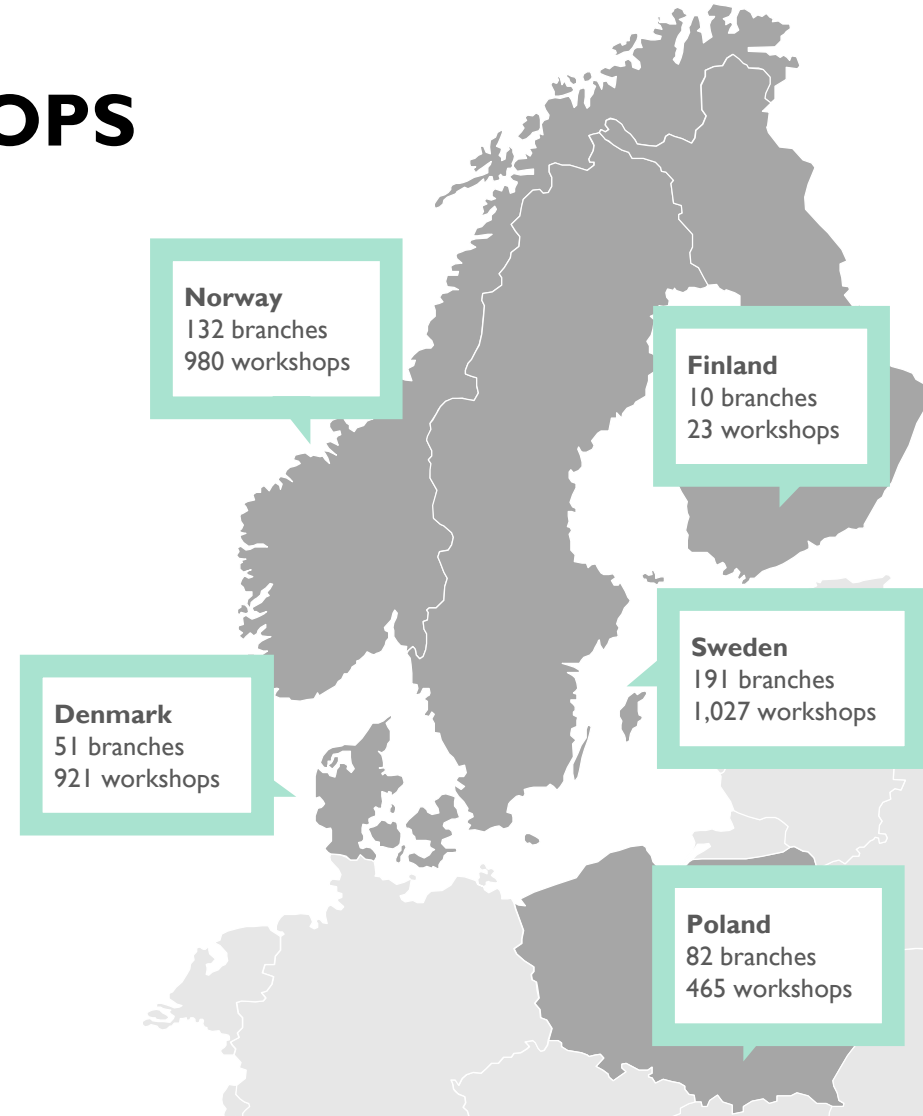
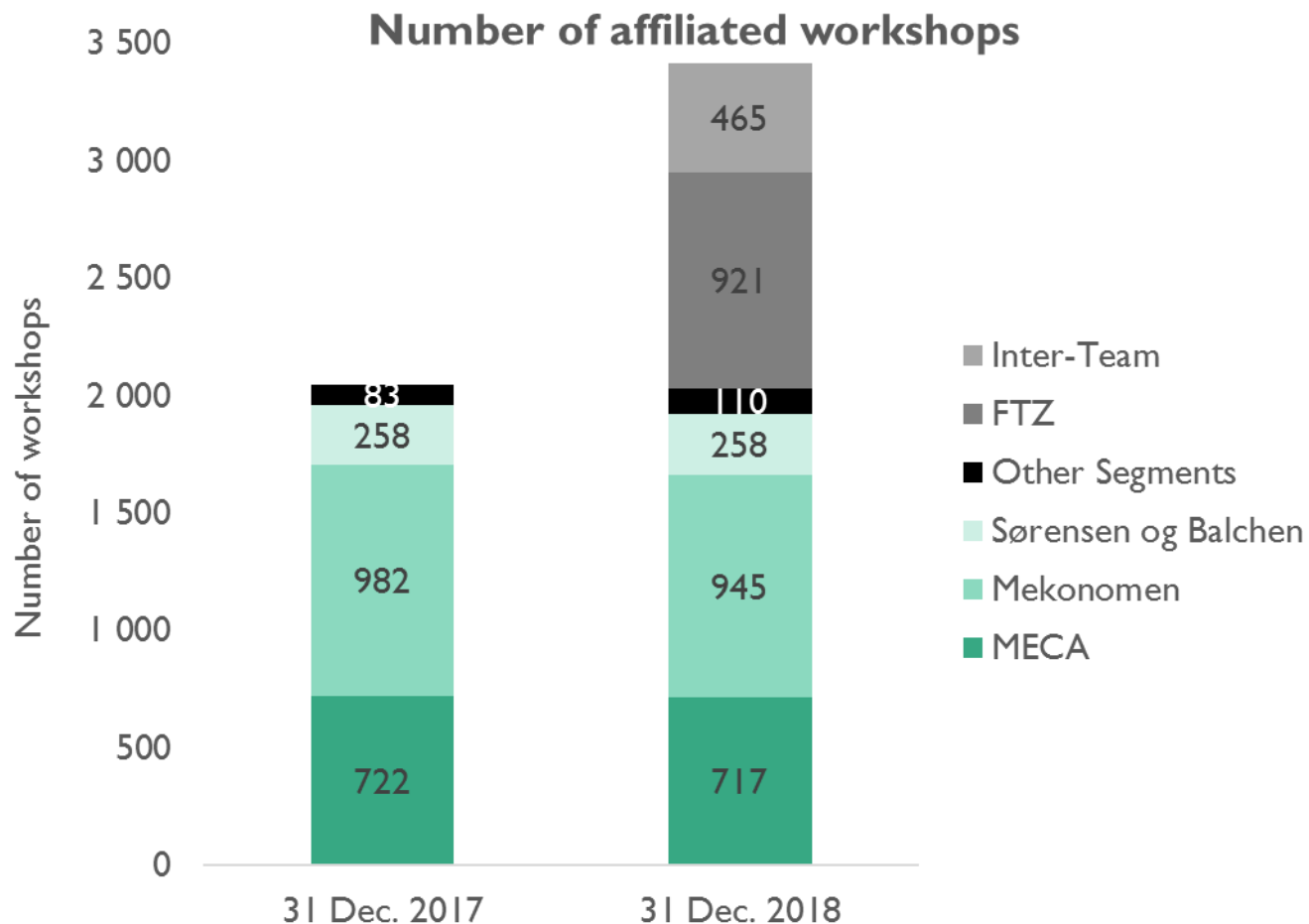


Sources: BilSweden, OFV, PZPM, Statistics Denmark, Statistics Norway, Statistics Poland and Statistics Sweden

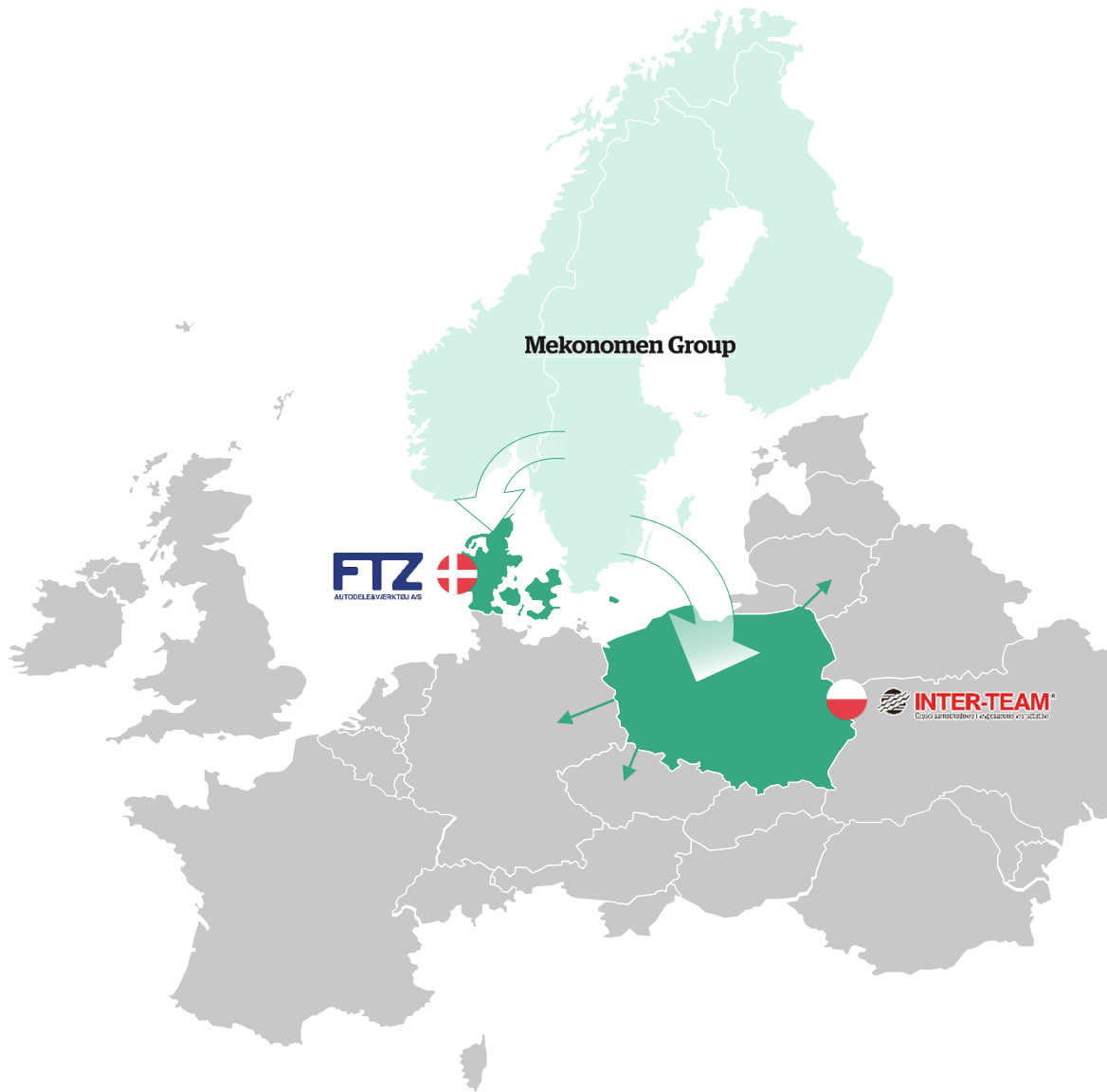
BRANCHES AND AFFILIATED WORKSHOPS

Number of branches, 31 December 2018: **466 (336)**

Number of workshops, 31 December 2018: **3,416 (2,045)**



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



MERGING OF CENTRAL WAREHOUSES IN SWEDEN

- Proceeding according to plan, full cost savings of SEK 50 M will have a full effect on EBIT from 2020
- Picking efficiency improvements in automation is progressing as planned.
- In Q3 2019, a handful of MECA branches will start to receive their supply of goods from the Strängnäs warehouse.



TRENDS IN THE AFTERMARKET OF ELECTRIC CARS

- We aim to reach the same high level of market share within electric/hybrid car fleet as with current car fleet
- Small but noticeable changes in the Norwegian aftermarket, due to the transition towards electric cars
- Largest active transition in the Group's Norwegian companies, but also in our other Nordic companies through
 - Electric/hybrid technician training
 - Gradually expansion of spare parts and accessories range for electric cars, as demand increases
- MECA Norway has implemented an electric car certification, around half of the MECA Car Services in Norway will be certified in Q2 2019



WORKSHOP AND TECHNICIAN DEVELOPMENT

- PKK inspector training Norway:
 - ProMeister Academy the largest training actor in Norway, around 360 of total 420 approved inspectors in 2018, is certified through ProMeister Academy
 - Nearly 600 training days performed in Q4 2018
- Employment guarantee after graduation launched during Q4 2018, for the students in ProMeister Fordon (The Groups' upper secondary school)
- Mekonomen Bilverkstad Mora first Mekonomen Group workshop approved for the Swedish industry standard Godkänd Bilverkstad ("Approved workshop")

FOCUS 2019

Profitability

Improved sales, efficiency and cost control

- Synergies & best practice
- Efficiency and savings programme
- Act on unprofitable businesses

Customer value

Increase customer value & experience

- Overall quality
- Concept & services
- Online booking and e-commerce
- Customer service

Growth

Continue to grow and develop core & venture businesses

- Organic growth
- Leverage on initiated strategic investments (Business systems, Spare part catalogue automated warehouse, acquisitions)



APPENDIX

EARNINGS TREND

SUMMARY OF THE GROUP'S EARNINGS TREND SEK M	Oct-Dec 2018	Oct-Dec 2017	Change, %	Jan-Dec 2018	Jan-Dec 2017	Change, %
Revenue	2 922	1 507	94	7 951	6 000	33
Operating profit before amortisation and impairment of intangible assets (EBITA)	107	134	-21	553	649	-15
EBIT	57	96	-41	407	522	-22
Profit after financial items	17	87	-80	477	475	0
Profit after tax	8	75	-89	268	368	-27
Earnings per share, SEK	0,18	2,07	-91	6,56	10,05	-35
EBITA margin, %	4	9		7	11	
EBIT margin, %	2	6		5	9	

EBIT ADJUSTED FOR ITEMS AFFECTING COMPARABILITY, SEK M	Oct-Dec 2018	Oct-Dec 2017	Change, %	Jan-Dec 2018	Jan-Dec 2017	Change, %
EBIT, excluding items affecting comparability	110	103	7	496	522	-5
Impairment of DAB product stock				-20		
Divestment Marinshopen				-6		
Costs for the acquisition of FTZ and Inter-Team				-23		
Inventory charge spare parts ²⁾	-28			-15		
Costs related to integration of FTZ and Inter-Team	-25			-25		
Items affecting comparability 2017 sum		-7			0	
Items affecting comparability, total	-53	-7	657	-89	0	
EBIT	57	96	-41	407	522	-22

¹⁾ 4,46 is recalculated amount regarding outstanding shares as of 31 December 2018, 56 353 372. The actual dividend paid out was 7 per 35 901 487 shares,

²⁾ Inventory charge spare parts of SEK -28 M, of which SEK -13 M relates to full year 2018 and SEK -15 M relates to full year 2017. Historical periods have not been adjusted for this.

CASH FLOW

CONDENSED CONSOLIDATED CASH-FLOW STATEMENT, SEK M	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Operating activities				
<i>Cash flow from operating activities before changes in working capital, excluding tax paid</i>	141	142	652	675
Tax paid	-54	117	-199	-66
Cash flow from operating activities before changes in working capital	87	259	453	609
Cash flow from changes in working capital:				
Changes in inventory	-271	-51	-336	-127
Changes in receivables	223	43	78	-74
Changes in liabilities	7	-5	135	88
<i>Increase (-)/Decrease (+) working capital</i>	-41	-14	-122	-113
Cash-flow from operating activities	46	246	331	496
Cash flow from investing activities	-82	-61	-4 407	-229
Cash flow from financing activities	-100	-120	4 044	-295
CASH FLOW FOR THE PERIOD	-135	65	-32	-27
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	346	194	254	291
Exchange-rate difference in cash and cash equivalents	-6	-4	-18	-9
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	205	254	205	254

BALANCE SHEET

CONDENSED CONSOLIDATED BALANCE SHEET SEK M	31 december 2018	31 december 2017	31 december 2016
ASSETS ¹⁾			
Intangible fixed assets	5 745	2 686	2 757
Tangible fixed assets	490	254	181
Financial fixed assets	77	62	46
Deferred tax assets	0	93	77
Goods for resale	2 816	1 382	1 279
Current receivables	1 530	823	821
Cash and cash equivalents	205	254	291
TOTAL ASSETS	10 863	5 554	5 452
SHAREHOLDERS' EQUITY AND LIABILITIES ¹⁾			
Shareholders' equity	3 853	2 379	2 324
Long-term liabilities, interest-bearing	3 232	1 453	1 338
Deferred tax liabilities	474	168	163
Long-term liabilities, non-interest-bearing	20	18	24
Current liabilities, interest-bearing	1 081	255	404
Current liabilities, non-interest-bearing	2 203	1 280	1 199
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	10 863	5 554	5 452

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 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Net sales	2 864	1 467	7 779	5 850
Other operating revenue	59	41	172	150
Total revenue	2 922	1 507	7 951	6 000
Goods for resale	-1 604	-658	-3 901	-2 654
Other external costs	-531	-339	-1 581	-1 249
Personnel expenses	-653	-361	-1 832	-1 386
Operating profit before depreciation/ amortisation and impairment of tangible and intangible fixed assets (EBITDA)	134	150	637	710
Depreciation and impairment of tangible fixed assets	-28	-15	-84	-60
Operating profit before amortisation and impairment of intangible fixed assets (EBITA)	107	134	553	649
Amortisation and impairment of intangible fixed assets	-50	-39	-146	-127
EBIT	57	96	407	522
Interest income	3	1	6	4
Interest expenses	-20	-7	-53	-29
Other financial items	-22	-3	117	-23
Profit after financial items	17	87	477	475
Tax	-9	-12	-209	-107
PROFIT FOR THE PERIOD	8	75	268	368
Profit for the period attributable to:				
Parent Company's shareholders	9	74	260	361
Non-controlling interests	-1	1	8	7
PROFIT FOR THE PERIOD	8	75	268	368
Earnings per share before and after dilution, SEK	0,18	2,07	6,56	10,05

LARGEST OWNERS 2018-12-31

	Voting rights and share capitals, %
LKQ Corporation	26,6
Didner & Gerge Fonder	8,8
Fjärde AP-fonden	8,2
Swedbank Robur Fonder	4,4
Eva Fraim Pålman	3,6
Catella Fonder	2,1
Vanguard	1,9
Ing-Marie Fraim	1,8
Kempen Capital Management	1,7
Dimensional Fund Advisors	1,7
Total 10 largest shareholders	60,8
Others	39,2
Total	100,0