

# AGENDA

- **Business model**
- **Market and trends**
- **Strategy 2025**
- **Financial goals**
- **Q&A session**

# MEKONOMEN GROUP IN BRIEF

NET SALES 2020  
SEK M

**11 511**

AFFILIATED  
WORKSHOPS

**3 600**

BRANCHES

**470**

MAIN MARKETS

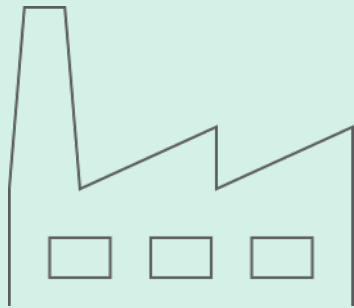
**4** Sweden, Norway,  
Denmark and Poland

EMPLOYEES

**5 500**

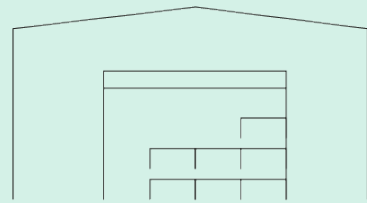
AMBASSADORS

**20 000**



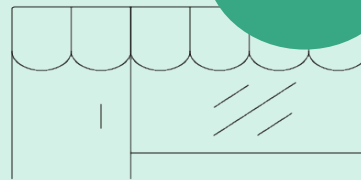
### SUPPLIERS

Europe  
Asia, US



### WHOLESALE

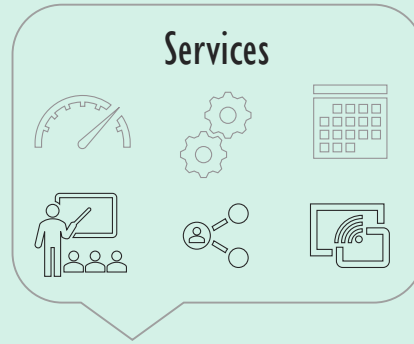
100,000  
articles in stock



90%  
B2B

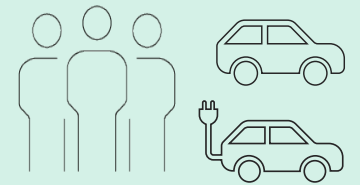
### BRANCHES

470  
branches



### WORKSHOPS

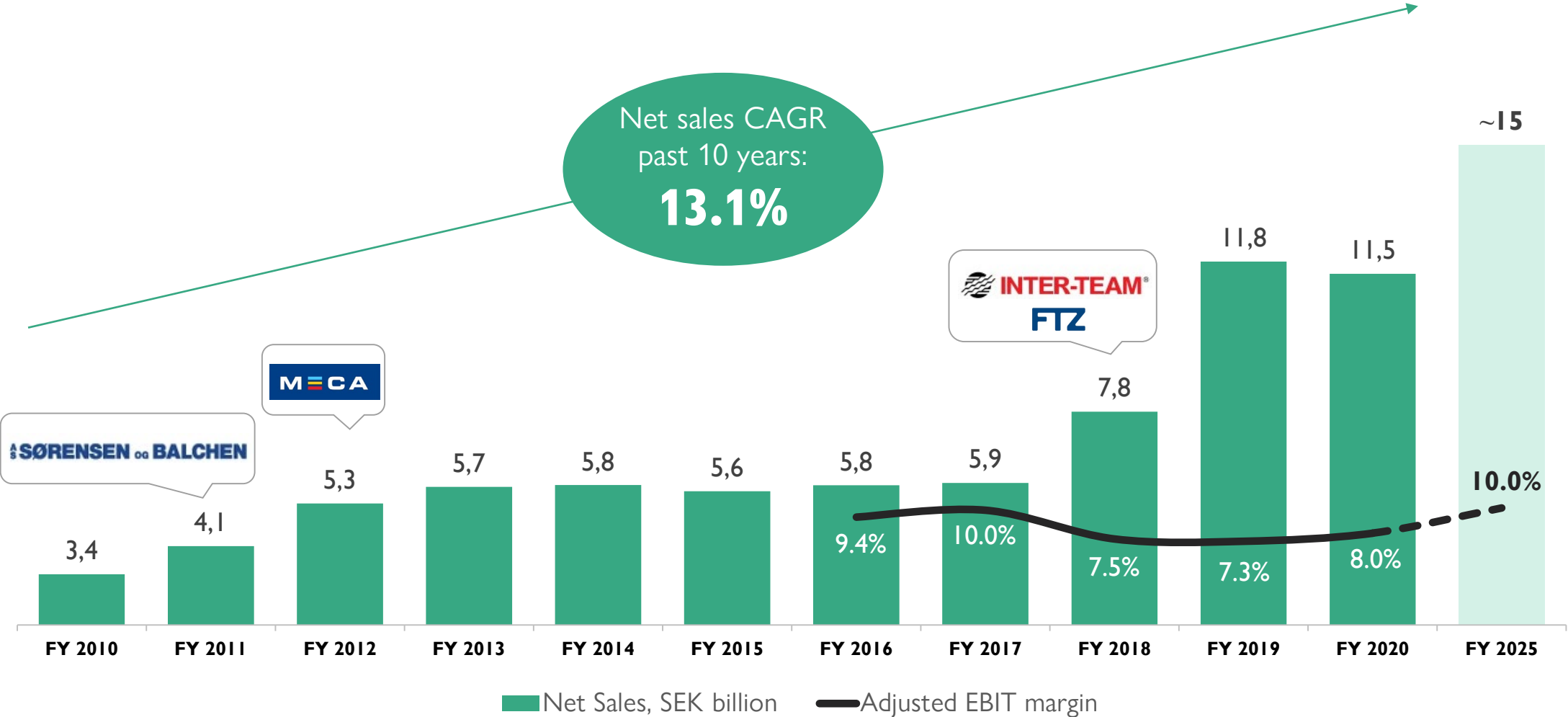
3,600  
workshops



### CAR OWNERS

Private, companies,  
authorities, associations

# HISTORY OF PROFITABLE GROWTH





**We enable mobility  
– today, tomorrow and in the future**





## **ENABLING MOBILITY**

### **- TODAY, TOMORROW AND IN THE FUTURE**

**OPERATIONAL  
EXCELLENCE**

**CONCEPT DEVELOPMENT  
FOR WORKSHOPS**

**CUSTOMER SOLUTIONS  
FOR CAR OWNERS**

**NEW REVENUE  
STREAMS**

## **SUSTAINABILITY**

**People – Planet – Profit**

### SALES GROWTH

Annual sales growth of at least 5 percent, combination of organic growth and smaller acquisitions.

### ADJUSTED EBIT MARGIN

Adjusted EBIT margin of 10 percent.

### NET DEBT/EBITDA

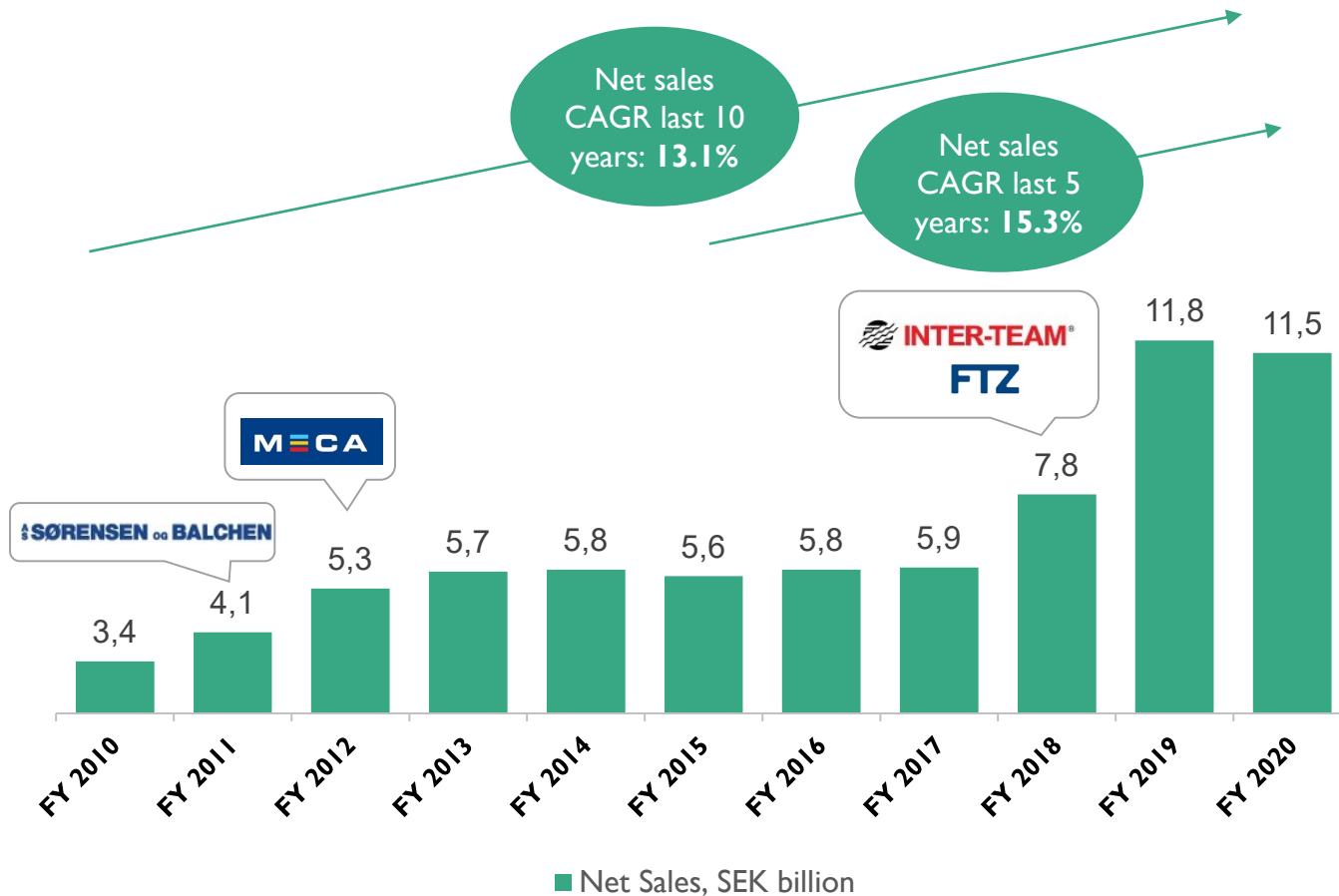
Net debt/ EBITDA shall be in the range 2.0-3.0 times.

### DIVIDEND POLICY

Dividends corresponding to not less than 50 per cent of profit after tax.



# PROVEN TRACK RECORD PAVES WAY FOR CONTINUED GROWTH



- Mekonomen Group net sales CAGR last 5 years of **15.3%**

- Acquired Sørensen og Balchen in 2011 and MECA in 2012

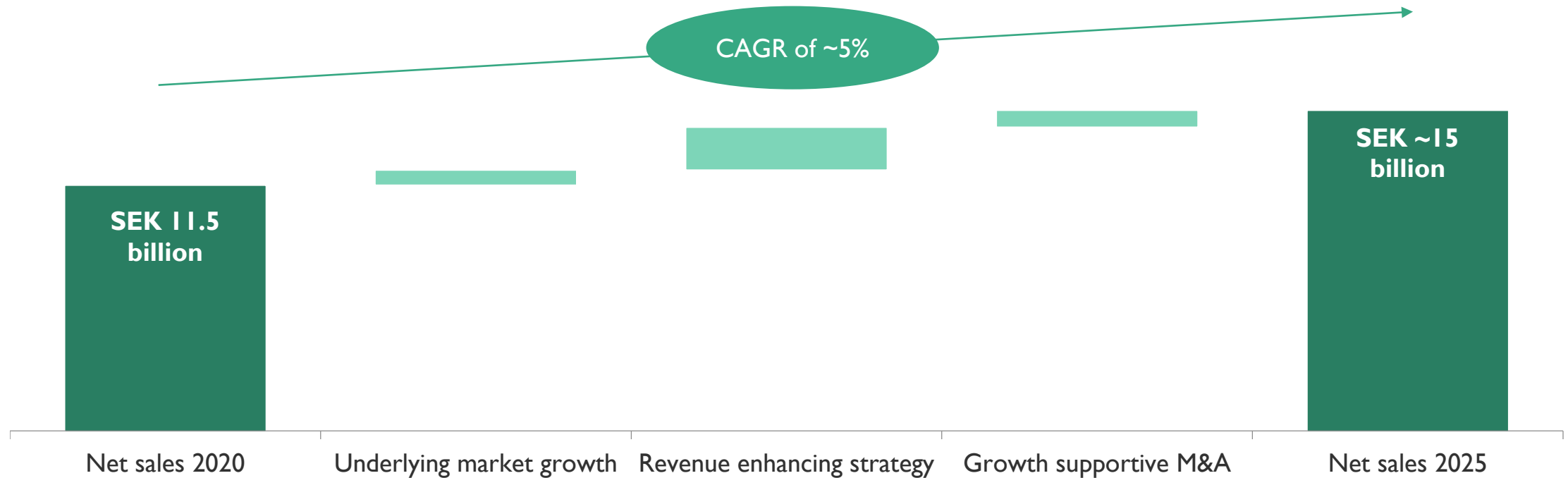
- Acquired FTZ and Inter-Team in 2018

- Mekonomen Group organic CAGR last 5 years of **1.2%**

- Expected market growth for the total automotive aftermarket in Europe at a CAGR of **3.1%** until 2030\*

\* Goldstein Market Intelligence, September 2020

# POSITIONED TO OUTGROW THE MARKET



## Underlying market growth

- Strong position in current footprint
- Underlying market growth expected at between 1-5% within different European markets and verticals

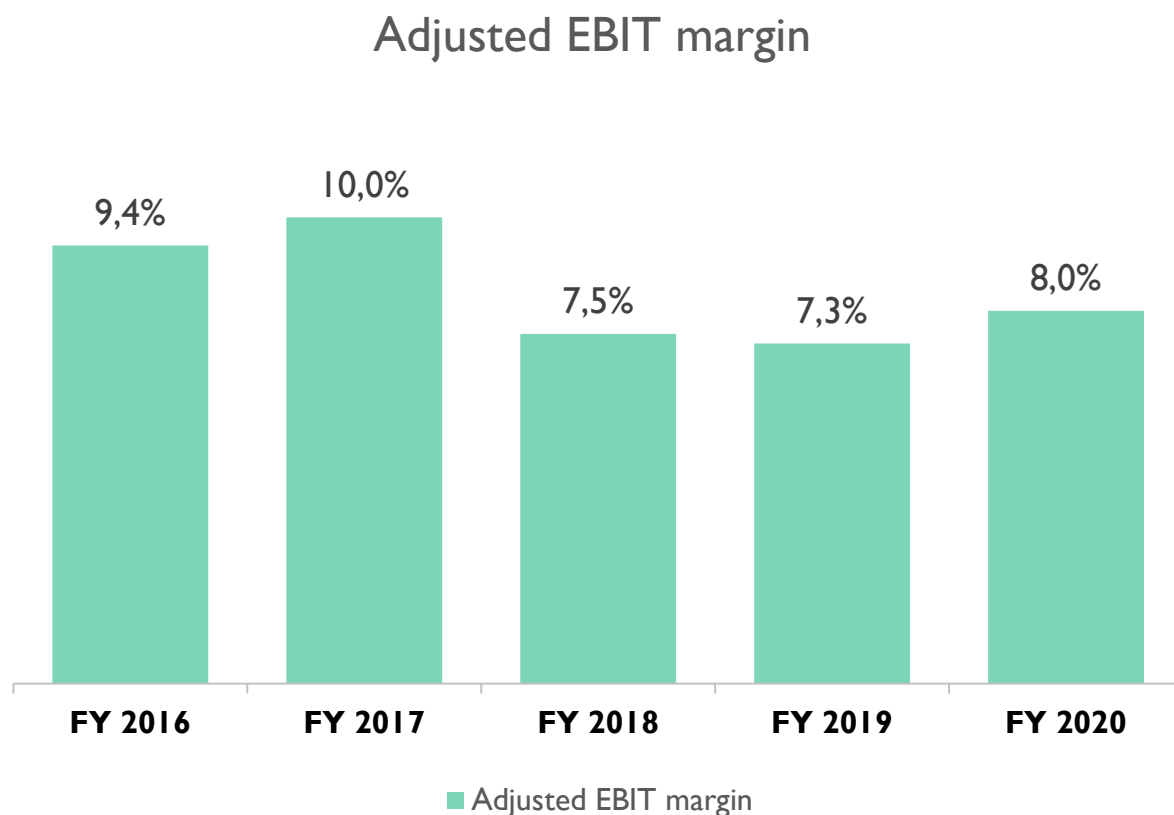
## Revenue enhancing strategy

- Operational excellence
- Concept development
- Create new customer solutions
- New revenue streams

## Growth supportive M&A

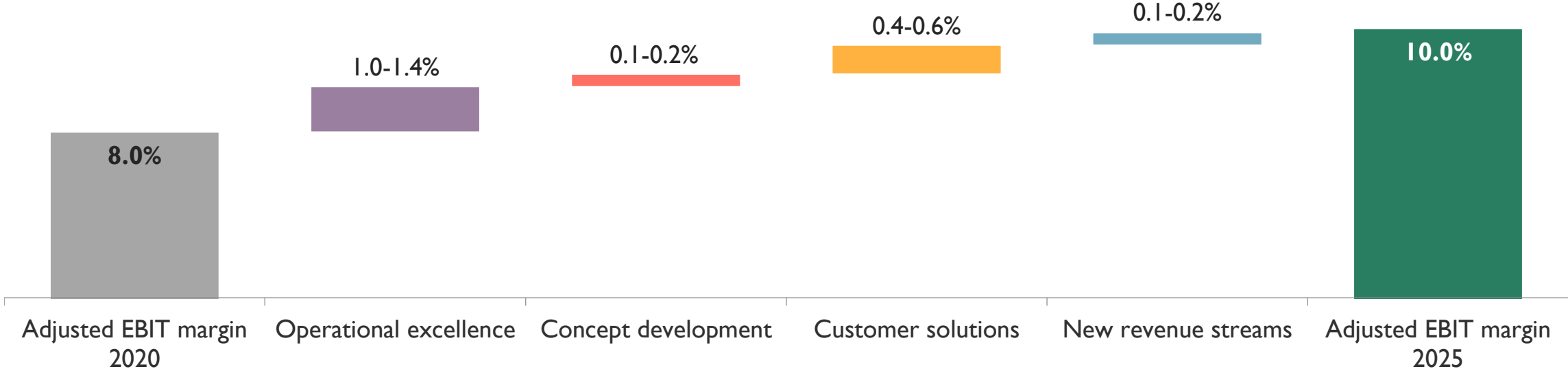
- Strengthening position and availability in current footprint
- Expansion to adjacent verticals on our markets

# IMPROVING MARGIN TREND IN 2020 SUPPORTED BY COST FOCUS



- Mekonomen Group adjusted EBIT margin increased to **8.0%** in 2020
  - Supported by purchasing synergies generated from the earlier acquisition of FTZ and Inter-Team
  - Supported by warehouse consolidation within MECA/Mekonomen
  - Supported by cost-efficiency measures and strategic initiatives in 2020
- Acquisition of FTZ and Inter-Team in 2018 lowered average margin
- Strategy to support further margin improvement

# STRATEGY EXECUTION ENABLES MARGIN JOURNEY



### Operational excellence

- Optimize branch network
- Utilize scale opportunities
- Transform into a fully sales-oriented organization

### Concept development

- Develop business models for affiliated workshops
- Create new concepts
- Automate processes

### Customer solutions

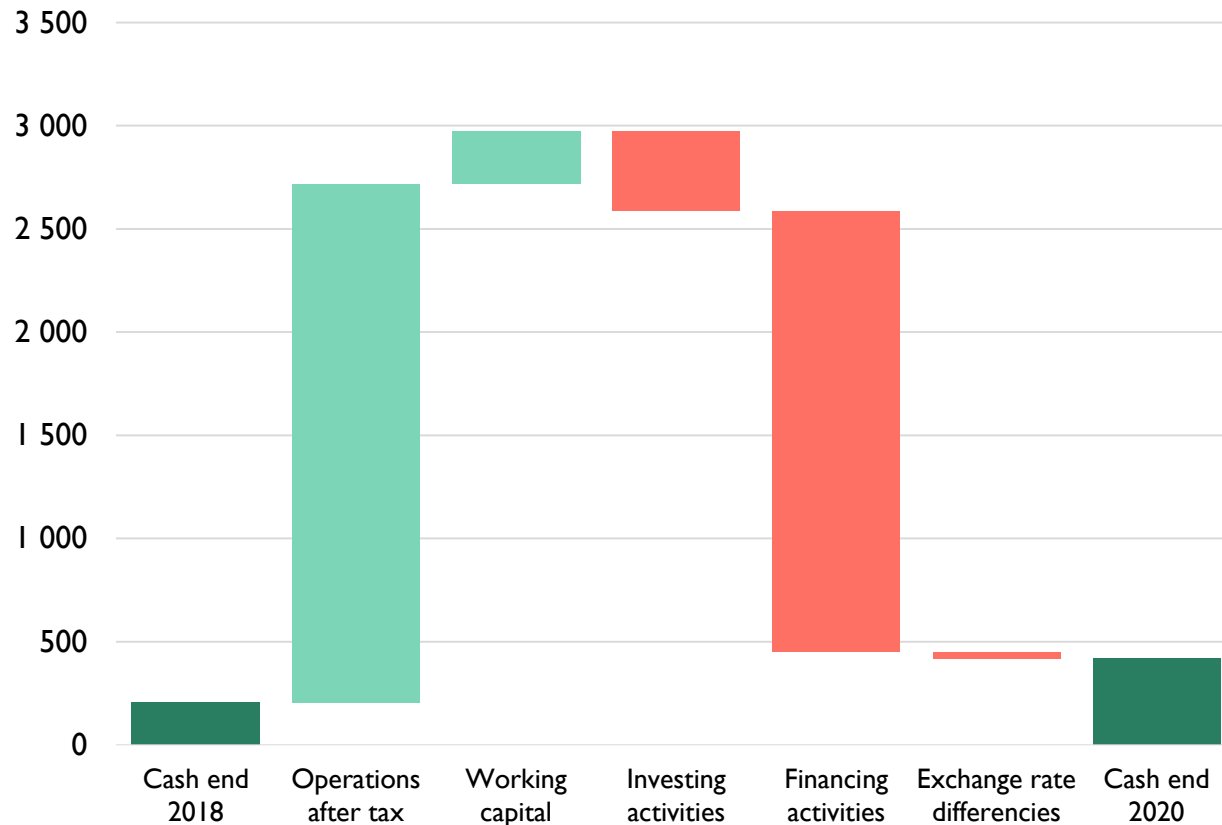
- Automated, scalable and sustainable services
- Digital booking solutions
- Developed fleet offer

### New revenue streams

- Diversify offer and channels
- Services and assortment for new customer groups
- Acquisitions and partner co-operations in verticals

# CASH CONVERSION SUPPORT MIX OF M&A, DIVIDEND AND DEBT REPAYMENT

Summary of cash flows 2019-2020



- High cash flow from operations of **SEK 1,190 M** in 2019 and **SEK 1,324 M** in 2020 after tax
  - Changes in working capital positive by SEK 253 M
  - Investments of SEK 385 M
  - Financing activities of SEK 2,136 M, largely related to deleverage
- Focus on deleverage the last 2 years, with 2020 year-end net debt at **SEK 2,673 M** and net debt/EBITDA at **2.54** times (3.68 at end 2019 and 6.44 at end 2018)
- Cash flow sufficient for future dividend payments, value creative M&A and required investments, while keeping net debt/EBITDA within target range of 2.0-3.0 times



## **ENABLING MOBILITY**

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EXCELLENCE**

**CONCEPT DEVELOPMENT  
FOR WORKSHOPS**

**CUSTOMER SOLUTIONS  
FOR CAR OWNERS**

**NEW REVENUE  
STREAMS**

## **SUSTAINABILITY**

**People – Planet – Profit**

A hand is pointing at a futuristic digital interface. The interface features various icons and data visualizations, including a car, a battery, a satellite, and a bar chart. The background is a dark blue and purple gradient with glowing lines and patterns.

# Operational Excellence







# Private label






# Concept development for workshops



# Strong workshop concepts



# Workshop 365

A man in a blue suit is shaking hands with another person in a dark suit. The man in the blue suit is smiling and looking towards the other person. The background shows a car window and a blurred interior. A semi-transparent green box is overlaid on the image, containing the text.

# Customer solutions for car owners

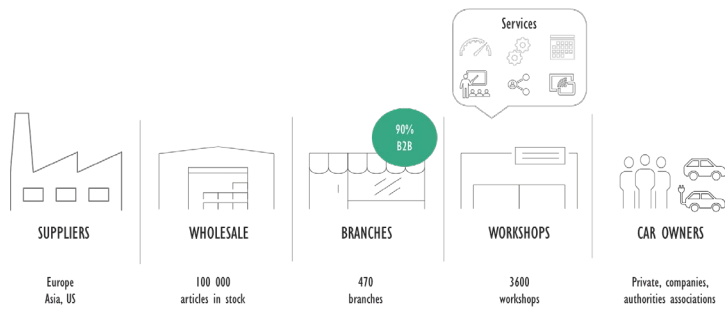


**Online now at  
mekonomen.se**

**Service agreements**

A scenic landscape featuring a road winding through green hills and mountains under a bright blue sky with white clouds. A white car is visible on the right side of the road. A semi-transparent blue rectangle is overlaid in the center, containing the text "New revenue streams" in white.

# New revenue streams



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