

# Mekonomen Group

## Interim report January - March 2022

May 11, 2022

### Strong quarter despite uncertain business environment

#### January 1–March 31, 2022

- Net sales increased 5 percent to SEK 3,155 M (3,001). Organic growth was 0 percent.
- Adjusted EBIT amounted to SEK 225 M (224) and the adjusted EBIT margin was 7 percent (7).
- EBIT totaled SEK 190 M (186) and the EBIT margin was 6 percent (6). EBIT was not impacted by any items affecting comparability during the quarter or during the year-earlier period.
- Earnings per share, before and after dilution, amounted to SEK 2.11 (1.85).
- Cash flow from operating activities amounted to a negative SEK 138 M (pos: 179).
- Net debt was SEK 2,588 M (2,733) at the end of the period, compared with SEK 2,264 M at December 31, 2021.
- Restrictions related to covid-19 impacted the quarter and the comparative period, but to a varying extent in the different business areas.
- The uncertain world situation had no substantial impact on sales during the quarter, but did have a negative effect on cash flow due to the build up of buffer inventory to offset the impact of disruptions in the supply chain.

SUMMARY OF THE GROUP'S EARNINGS TREND SEK M	Jan-Mar 2022	Jan-Mar 2021	Change, %	12 months Apr-Mar	Full-year 2021	Change, %
Net sales	3 155	3 001	5	12 463	12 309	1
Adjusted EBIT	225	224	0	1 032	1 031	0
EBIT	190	186	2	898	894	0
Profit after financial items	163	140	17	783	759	3
Profit after tax	121	108	12	600	587	2
Earnings per share, SEK	2,11	1,85	14	10,47	10,21	3
Adjusted EBIT margin, %	7	7		8	8	
EBIT margin, %	6	6		7	7	

ADJUSTED EBIT SEK M	Jan-Mar 2022	Jan-Mar 2021	Change, %	12 months Apr-Mar	Full-year 2021	Change, %
<b>EBIT</b>	<b>190</b>	<b>186</b>	2	<b>898</b>	<b>894</b>	0
Payment of AGS health insurance				12	12	
Impairment of associates				-8	-8	
Items affecting comparability, total				3	3	
"Other items", material acquisition-related items <sup>1)</sup>	-35	-38		-137	-141	
<b>Adjusted EBIT</b>	<b>225</b>	<b>224</b>	0	<b>1 032</b>	<b>1 031</b>	0

<sup>1)</sup> Other items include material acquisition-related items. Current acquisition-related items pertain to the amortization of acquired intangible assets relating to the acquisitions of FTZ, Inter-Team, MECA and Sørensen og Balchen (Sørensen og Balchen until the end of the second quarter 2021 when its amortization was completed).

### **Strong quarter despite uncertain business environment**

*I am pleased to confirm that Mekonomen Group is standing strong, despite the uncertainties in our business environment. The first three months followed our clear plan toward increased profitability. We have never before presented such a strong result for a first quarter. We achieved this despite the cautious market situation in the wake of covid-19 and the effects of Russia's invasion of Ukraine. Looking ahead, I am optimistic. Mekonomen Group has great opportunities to further strengthen its position through investments to increase availability for our customers. Overall, we expect underlying demand for our products and services to remain favorable.*

### **Aggressive steps in cautious markets**

The first quarter was turbulent in our business environment. January and a large portion of February were marked by generally high sickness rates in society due to the spread of covid-19, which led to a clear but temporary loss of sales and extra costs even for our Group. Russia's invasion of Ukraine in February has resulted in a humanitarian crisis with many other knock-on effects such as problems with sourcing of materials and increased prices. Taken as a whole, this led to a cautious market development in most of our markets during the quarter. In this situation, we acted aggressively and strategically to ensure continued sales growth. Thanks to our significant purchasing power, we effectively built up our inventory in order to secure future availability. Overall, we were able to increase net sales by 5 percent to SEK 3,155 M (3,001). Consequently, we achieved the highest ever first-quarter figures in Mekonomen Group's history. Organic growth for the Group was flat, where Inter-Team in Poland stands out favorably with organic growth of a full 14 percent. Mild weather and covid-19 affected the organic growth in the Nordic countries.

### **Continued positive profitability trend with high gross margin**

We continued to improve profitability despite higher costs for the temporary increase in sickness absence and rising prices for transport and energy. EBIT rose to SEK 190 M (186) and the EBIT margin to 6 percent (6). No items affecting comparability were reported for the quarter. Adjusted EBIT amounted to SEK 225 M (224) and the adjusted EBIT margin was 7 percent (7). It was particularly gratifying that the gross margin rose to 46.1 percent (44.7), largely thanks to previously implemented price adjustments and favorable currency fluctuations. Cost rises from the overall increase in inflationary pressure had a marginal impact. We will continue to carefully monitor developments and will act as needed to defend our margins.

### **Strong financial position enables continued growth and higher market shares**

Our financial position is robust, which provides us with both flexibility and resilience. Net debt amounted to SEK 2,588 M (2,733) and net debt/EBITDA excluding the effects of IFRS 16 to 2.2 times (2.3). This is in the lower part of our target range. Cash flow from operating activities was negative for the quarter, due to our strategic decision to strengthen our inventory levels of attractive components and spare parts of approximately SEK 127 M in the quarter and SEK 381 M since last year. We can see major opportunities to increase sales and market shares going forward through responsible investment in increased availability for our customers.

### **Increased availability for our customers**

We know that availability is important for our customers and therefore for our success. This is not simply a question of having the right things in stock at the right price and location. After the end of the quarter, we acquired 20.5 percent of the Swedish service company Omnichar Holding AB, which offers mobile car service and digital sales of electric cars. Mobile workshop services is a rapidly expanding trend that is appreciated by both companies and private individuals. The offering is currently available in Denmark with expansion planned into Sweden and Norway. Concurrently, one of our greatest strengths is highly efficient logistics. We are continuing our investment in regional warehouses in Poland and a new automated central warehouse in Denmark, in combination with the continued broadening of the range of spare parts for electric cars and heavy vehicles.

### **New name as the journey continues**

49 years have passed since the company was founded, leading to a journey that has now expanded into a northern European Group with operations in Sweden, Norway, Denmark, Finland and Poland. Today, Mekonomen Group has many established brands, covering various wishes and needs. Above all, we are leading in purchasing and logistics, and have a proven ability to extract synergies as we create long-term, sustainable growth and profitability. Our vision is to enable mobility – today and in the future. This successful journey will continue, and the Board has proposed an adjustment to the Group name, in order to clearly reflect the breadth of its operations. This name is Meko. The Meko name is, of course, familiar, and builds on the tradition of the established Mekonomen brand. However, the Meko name also shows that the Group is much more than a single, albeit important, brand. Mekonomen Group is therefore changing name to Meko, if the General Meeting approves the proposal. The other brands will remain, and the journey pushes ahead – toward greater growth and profitability.

Pehr Oscarson  
President and CEO

## THIS IS MEKONOMEN GROUP

### Vision

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

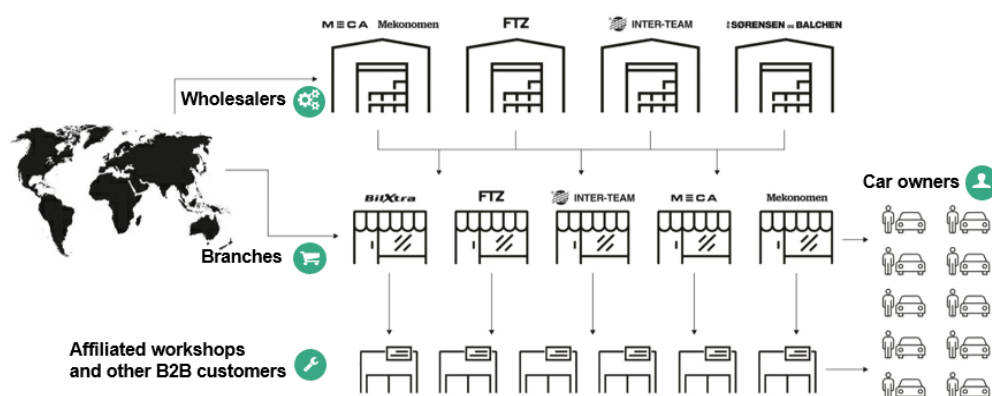
### Business concept

We are an international Group that operates and develops business in the automotive aftermarket. We focus on growth, collaboration, synergies and driving sustainable and digital development in our industry. Our business concept is timeless and is based on enabling mobility – today, tomorrow and in the future – as technology evolves and vehicles are used in new ways.

We satisfy the need for services and products to vehicle workshops and other companies through our market-leading concepts, distribution network and our efficient logistics chain. Our concepts are directed at private and commercial vehicle owners, for whom we meet vehicle service and maintenance needs.

### Business flow

Mekonomen Group has a central purchasing function supporting all four business areas: FTZ, Inter-Team, MECA/Mekonomen and Sørensen og Balchen. The supply of goods is mainly from Europe and Asia via leading European suppliers. The business areas conduct wholesale and logistics operations as well as sales through our branch and workshop concepts in each market. Sales to companies account for over 90 percent of Group sales.



## GROUP REVENUE

TOTAL REVENUE	Jan-Mar	Jan-Mar		12 months	Full-year	
DISTRIBUTION, SEK M	2022	2021	Change, %	Apr-Mar	2021	Change, %
<b>Net sales, external per business area</b>						
FTZ	933	874	7	3 539	3 480	2
Inter-Team	533	451	18	2 174	2 091	4
MECA/Mekonomen	1 474	1 460	1	5 870	5 857	0
Sørensen og Balchen	215	215	0	872	873	0
Central functions	0	1	-69	7	7	-7
<b>Total net sales, Group</b>	<b>3 155</b>	<b>3 001</b>	<b>5</b>	<b>12 463</b>	<b>12 309</b>	<b>1</b>
Other operating revenue	71	57	23	256	243	5
<b>GROUP REVENUE</b>	<b>3 226</b>	<b>3 058</b>	<b>5</b>	<b>12 719</b>	<b>12 552</b>	<b>1</b>

Revenue distribution per country and business area is presented in the table on page 13.

GROWTH NET SALES	FTZ	Inter-Team	MECA/ Mekonomen	Sørensen og Balchen	Group
PERCENT					
January–March 2022					
Organic growth	0,3	14,2	-3,9	-13,2	-0,2
Effect from acquisitions/divestments	1,1	0,0	0,6	4,9	0,9
Currency effects	3,7	2,3	2,7	6,6	2,7
Effect, workdays	1,7	1,9	1,6	1,6	1,7
<b>Growth net sales</b>	<b>6,7</b>	<b>18,3</b>	<b>0,9</b>	<b>-0,2</b>	<b>5,1</b>

### January 1–March 31, 2022

Net sales increased 5 percent to SEK 3,155 M (3,001). The increase in sales was due to positive currency effects, one workday more in all countries and acquired operations. Organic growth was 0 percent.

## **GROUP PERFORMANCE**

### **January 1–March 31, 2022**

#### *Adjusted EBIT*

Adjusted EBIT amounted to SEK 225 M (224) and the adjusted EBIT margin was 7 percent (7). Currency effects in the balance sheet had a positive impact of SEK 3 M (pos: 2) on adjusted EBIT during the quarter. Restrictions related to covid-19 impacted the quarter and the comparative period, but to a varying extent in the different business areas.

#### *EBIT*

EBIT amounted to SEK 190 M (186) and the EBIT margin was 6 percent (6). EBIT was not impacted by items affecting comparability during the quarter or during the year-earlier period. Currency effects in the balance sheet had a positive impact of SEK 3 M (pos: 2) on EBIT. Restrictions related to covid-19 impacted the quarter and the comparative period, but to a varying extent in the different business areas.

#### *Other earnings*

Profit after financial items amounted to SEK 163 M (140). Net interest expense was SEK 24 M (expense: 28) and other financial items amounted to an expense of SEK 2 M (expense: 18). Net financial items for the comparative period also include costs arising from the new financing and early termination of previous financing and interest-rate swap. Profit after tax amounted to SEK 121 M (108). Earnings per share, before and after dilution, amounted to SEK 2.11 (1.85).

## **FINANCIAL POSITION AND CASH FLOW**

Cash flow from operating activities amounted to a negative SEK 138 M (pos: 179) for the first quarter. Tax paid amounted to SEK 136 M (95) for the first quarter. Cash and cash equivalents amounted to SEK 538 M (625). Cash flow was negatively impacted by an increase in inventories due to the build up of buffer inventory to offset disruptions in the supply chain. The equity/assets ratio amounted to 41 percent (37). Long-term interest-bearing liabilities amounted to SEK 4,118 M (4,463) including a long-term lease liability of SEK 1,136 M (1,262). Current interest-bearing liabilities amounted to SEK 680 M (830) including a current lease liability of SEK 481 M (446). During the quarter, covid-related support in the form of deferred VAT, employer contributions and tax payments utilized in Denmark in 2021 were repaid as planned. In total, these support amounted to SEK 57 M as of March 31 compared with SEK 163 M for the year-earlier period and SEK 98 M at year end. These deferred payments will be repaid in forthcoming periods until the first quarter of 2023 and will then have a negative impact on cash flow and the debt/equity ratio.

Net debt amounted to SEK 2,588 M (2,733), representing a decrease of SEK 145 M compared with the preceding year. The changes to net debt during the year were primarily impacted by operating EBIT, change in working capital, investments and currency fluctuations. During the quarter, loan repayments according to plan totaled SEK 52 M. Mekonomen's available cash and unutilized credit facilities totaled approximately SEK 1,650 M at the end of March, compared with SEK 2,004 M at year end. The company fulfills all covenants in the loan agreements as of March 31, 2022.

## **INVESTMENTS**

During the first quarter, investments in fixed assets amounted to SEK 105 M (240) including leases of SEK 71 M (189). The increase in leases is mainly related to rental contracts due to new rental contracts but also extended durations and raised rental charges in existing contracts as well as new car leasing contracts. Other investments mainly relate to workshop profiling, workshop customization, workshop equipment, inventories to branches, warehouses and workshops and IT investments. Depreciation and impairment of tangible fixed assets and right-of-use assets amounted to SEK 150 M (141) for the first quarter.

Company and business combinations amounted to SEK 21 M (3) in the first quarter, of which SEK - M (2) pertained to an estimated supplementary purchase consideration for the first quarter. No supplementary purchase considerations (0) were paid in the quarter. Acquired assets totaled SEK 14 M (1) and assumed liabilities SEK 6 M (0) for the quarter. Aside from goodwill, which amounted to SEK 12 M (0), intangible surplus values of SEK - M (1) were identified pertaining to the quarter. Deferred tax liabilities attributable to acquired intangible fixed assets amounted to SEK - M (-). Acquired non-controlling interests amounted to SEK - M (2) for the first quarter. Divested non-controlling interests amounted to SEK 0 M (-) in the first quarter. Divested businesses amounted to SEK 15 M (-) during the first quarter.

## **ACQUISITIONS AND START-UPS**

### **First quarter**

Sørensen og Balchen acquired AutoHiFi AS, which has operations in multimedia accessories for cars.

### **Number of branches and workshops**

At the end of the period, the total number of branches in the chains was 480 (476), of which 401 (395) were proprietary branches. The number of affiliated workshops totaled 3,952 (3,798). See the distribution in the table on page 15.

## **EMPLOYEES**

During the period, the average number of employees was 5,115 (4,958). See the distribution in the table on page 15.

## PERFORMANCE BY BUSINESS AREA

The Group reports in four business areas: FTZ, Inter-Team, MECA/Mekonomen and Sørensen og Balchen.

### BUSINESS AREA FTZ

FTZ SEK M	Jan-Mar 2022	Jan-Mar 2021	Change, %	12 months Apr-Mar	Full-year 2021	Change, %
Net sales, external	933	874	7	3 539	3 480	2
EBIT	93	96	-3	350	352	-1
EBIT margin, %	10	11		10	10	
No. of branches/of which proprietary	50 / 50	50 / 50		50 / 50	50 / 50	
No. of AutoMester	403	413		403	404	
No. of Hella Service Partner	304	323		304	305	
No. of Din BilPartner	147	151		147	150	
No. of CarPeople	65	55		65	60	

The FTZ business area mainly includes wholesale and branch operations in Denmark.

In the first quarter, net sales rose 7 percent to SEK 933 M (874), positively impacted by currency effects of SEK 32 M. The sales trend was cautious with organic growth of 0 percent, negatively impacted by a mild winter and a high level of sickness absence related to covid-19 in the business's branches. Access to spare parts and accessories was generally good.

EBIT amounted to SEK 93 M (96) and the EBIT margin was 10 percent (11) for the quarter. The slightly weaker earnings was mainly due to higher share of personnel expenses linked to a high level of sickness absence in January and February together with higher transport and energy costs compared with the year-on-year quarter. Gross margin improved slightly compared with the corresponding quarter last year.

In the first quarter, there was one more workday in Denmark compared with the year-earlier quarter.

### BUSINESS AREA INTER-TEAM

INTER-TEAM SEK M	Jan-Mar 2022	Jan-Mar 2021	Change, %	12 months Apr-Mar	Full-year 2021	Change, %
Net sales, external	533	451	18	2 174	2 091	4
EBIT	17	6	177	113	102	11
EBIT margin, %	3	1		5	5	
No. of branches/of which proprietary	85 / 83	82 / 79		85 / 83	85 / 83	
No. of Inter Data Service	577	454		577	546	
No. of O.K. Serwis	250	226		250	245	

The Inter-Team business area mainly includes wholesale and branch operations in Poland and export business.

Net sales increased 18 percent to SEK 533 M (451) in the first quarter. Currency effects had a positive impact on net sales of SEK 10 M. Organic growth was 14 percent, primarily driven by sustained high activity in the Polish market and a weak year-earlier quarter. Export sales performed positively during the quarter as a whole, but were impacted by the prioritization of domestic sales with generally higher margins.

EBIT amounted to SEK 17 M (6) during the quarter and the EBIT margin was 3 percent (1). The earnings trend was largely due to strong growth and a higher gross margin, which more than offset extra costs for energy, transport and personnel compared with the year-on-year quarter.

In the first quarter, there was one more workday in Poland compared with the year-earlier quarter.

## BUSINESS AREA MECA/MEKONOMEN

MECA/MEKONOMEN <sup>1)</sup>	Jan-Mar	Jan-Mar		12 months	Full-year	
SEK M	2022	2021	Change, %	Apr-Mar	2021	Change, %
Net sales, external	1 474	1 460	1	5 870	5 857	0
EBIT	95	89	7	453	447	1
EBIT margin, %	6	6		8	7	
No. of branches/of which proprietary	279 / 229	279 / 229		279 / 229	278 / 229	
No. of Mekonomen Bilverkstad	768	774		768	768	
No. of MECA Car Service	718	716		718	729	
No. of MekoPartners	192	192		192	191	
No. of Speedy	43	42		43	43	
No. of MECA Tungbil	24	10		24	20	
No. of AlltiBil	7	7		7	7	

The MECA/Mekonomen business area mainly includes wholesale, branch, workshop and fleet operations in Sweden, Norway and Finland. The business area comprises MECA and Mekonomen and a number of smaller operations.

Net sales for the first quarter increased 1 percent to SEK 1,474 M (1,460), of which SEK 869 M (878) in the Swedish operations, SEK 571 M (558) in the Norwegian operations and SEK 33 M (25) in the Finnish operations. The currency effect had a positive impact on net sales of SEK 39 M. Organic growth was a negative 4 percent. Activity was cautious in the Swedish and Norwegian markets during the quarter, negatively impacted by a mild winter together with lower activity in workshops and branches due to a higher level of sickness absence related to covid-19 during the first two months of the quarter.

EBIT amounted to SEK 95 M (89) and the EBIT margin was 6 percent (6) for the first quarter. The earnings trend was affected by an improved gross margin which offset for higher costs related to personnel, transport, marketing and energy.

In the first quarter, there was one more workday in Sweden, Norway and Finland compared with the year-earlier quarter.

## BUSINESS AREA SØRENSEN OG BALCHEN

SØRENSEN OG BALCHEN	Jan-Mar	Jan-Mar		12 months	Full-year	
SEK M	2022	2021	Change, %	Apr-Mar	2021	Change, %
Net sales, external	215	215	0	872	873	0
EBIT	37	44	-17	177	185	-4
EBIT margin, %	17	20		20	21	
No. of branches/of which proprietary	66 / 39	65 / 37		66 / 39	66 / 39	
No. of BilXtra workshops	255	253		255	253	

The Sørensen og Balchen business area mainly includes wholesale and branch operations in Norway. Sørensen og Balchen is the business area in the Group with the largest share of direct sales to consumers and is therefore more exposed to the retail trade than the Group as a whole.

Net sales in the first quarter amounted to SEK 215 M (215). Currency effects had a positive impact on net sales of SEK 14 M. Organic growth was a negative 13 percent, where performance for the quarter was largely due to weak sales of winter-related accessories, primarily in the consumer segment, and a strong year-earlier quarter. Operations were impacted by a general decline in consumer purchasing power, due to an increase in inflationary pressure and higher energy and fuel prices.

EBIT amounted to SEK 37 M (44) and the EBIT margin was 17 percent (20) for the quarter. The change in earnings was primarily the result of lower volumes in combination with higher personnel and transport costs as well as higher energy prices. The gross margin improved compared with the year-earlier quarter.

In the first quarter, there was one more workday in Norway compared with the year-earlier quarter.

## NUMBER OF WORKDAYS PER QUARTER AND COUNTRY

Mekonomen Group has limited seasonal effects in its operations. However, the number of workdays affects sales and earnings and extreme summer or winter weather can also impact sales.

WORKDAYS BY COUNTRY	Q1			Q2			Q3			Q4			Full-year		
	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020
Denmark	64	63	64	59	59	59	66	66	66	64	63	63	253	251	252
Finland	63	62	63	61	61	60	66	66	66	63	62	63	253	251	252
Norway	64	63	64	59	59	59	66	66	66	64	64	63	253	252	252
Poland	63	62	63	62	61	62	65	66	66	62	63	63	252	252	254
Sweden	63	62	63	61	61	60	66	66	66	64	64	63	254	253	252

## SIGNIFICANT RISKS AND UNCERTAINTIES

Mekonomen Group is exposed to a number of external, operating and financial risks. All identified risks are monitored continuously and, if necessary, risk-reducing measures are taken to limit the effects. The company conducted a review and assessment of operating and financial risks and uncertainties in accordance with the 2021 Annual Report when we clarified the impact of exceptional macro-environmental factors and risks linked to sustainability and found that no new significant risks have occurred since then. The most relevant risk factors are described in the 2021 Annual Report, page 26 and Note 11. For the effect of exchange-rate fluctuations on profit before tax, refer to page 40 of the 2021 Annual Report.

Mekonomen Group has, through its Risk and Compliance Committee (RCC), which consists of Group Management and the Group's risk manager, a particular focus on identifying critical changes in the area of risk. The risk manager and CFO maintain frequent dialogues with business area managers to limit the risks and prevent these from occurring. This process is conducted with various stakeholders, the Board and the Audit Committee.

## PARENT COMPANY, "CENTRAL FUNCTIONS" AND "OTHER ITEMS"

The Parent Company's operations mainly comprise Group Management. The Parent Company's earnings after net financial items were a negative SEK 60 M (neg: 124) for the first quarter, excluding dividends from subsidiaries of SEK – M (246) during the quarter. The large difference compared with the year-earlier period is mainly due to considerable negative currency effects and costs linked to new financing during the year-earlier period. The average number of employees in the Parent Company was 6 (6). During the first quarter, Mekonomen AB sold goods and services to Group companies for a total of SEK 12 M (10).

"Central functions" comprise Group-wide functions that also include Mekonomen AB. Group-wide functions comprise functions that support the Group's work: finance and controlling, risk management and internal audit, sustainability, legal, business development, communication and market, HR and operations, which comprises purchasing, product range, logistics and IT. The units reported in "Central functions" do not reach the quantitative thresholds for separate reporting, and the benefits of reporting these segments separately are considered limited for users of financial statements. EBIT for "Central functions" was a negative SEK 17 M (neg: 11) for the first quarter.

"Other items" includes acquisition-related items attributable to Mekonomen AB's direct acquisitions. Current acquisition-related items are amortizations of acquired intangible assets pertaining to the acquisitions of MECA, FTZ and Inter-Team amounting to an expense of SEK 35 M (expense: 38) for the first quarter.

## EVENTS DURING THE PERIOD

On February 21, a major initiative was announced that the Group's Danish business area FTZ will build a new high-tech automated central warehouse in Odense in Denmark. The new facility is scheduled to be completed in 2024.

On March 10, an announcement was made of the acquisition of 20.5 percent of the Swedish service company Omnicar Holding AB, which provides mobile vehicle service and digital sales of electric cars. Omnicar's services are currently available in Denmark with expansion planned into Sweden and Norway. The acquisition will be completed in the second quarter.

The Board will propose to the Annual General Meeting on May 20 a dividend of SEK 3.00 (–), corresponding to a total dividend of SEK 168 M (–).

On February 10, 2022, Mekonomen's Nomination Committee announced in a press release that it proposes prior to the Annual General Meeting on May 20, the re-election of the Board members Robert M. Hanser, Eivor Andersson, Kenny Bräck, Joseph M. Holsten, Magnus Håkansson, Helena Skåntorp and Michael Løve. Robert Hanser is proposed to be elected Chairman of the Board.

## **COVID-19 AND ITS IMPACT ON FINANCIAL STATEMENTS IN THE FIRST QUARTER**

During the period, covid-19 had impact in markets where Mekonomen Group conducts business, but to a varying extent in the different business areas. For further information on this, refer to the section “Financial position and cash flow” and the description of developments given by each business area.

Mekonomen Group has continued to carefully monitor the development of covid-19 and any changes to restrictions imposed in the Group’s markets. Further measures in addition to those already taken may therefore be needed. We also have continued focus on the health and safety of our employees, customers and suppliers.

### **Goodwill**

In conjunction with the annual accounts, standard assessments were carried out of the impairment requirement for goodwill and other intangible assets with an indefinite useful life. According to these assessments, there is no indication of impairment for goodwill and other intangible assets with indefinite useful lives as at December 31, 2021. We see no indication of a decrease in value since then.

### **Reduced employer contributions, sick pay support and short-time working support and support for personnel-related costs**

Relief and grants relating to covid-19 had no impact on EBIT for Mekonomen Group during the quarter.

### **Inventories**

As of March 31, the effects of the covid-19 pandemic have not had any significant impact on the valuation of inventories. The inventory value has, however, increased due to the substantial increase in buffer inventory during the period to secure access to spare parts should disruptions remain or deteriorate in logistics flows.

### **Credit losses**

As of March 31, there is no indication of the need to expand credit loss reserves.

### **Financial position**

During the quarter, focus has remained on securing liquidity and cash flow. Liquidity and cash flow during the quarter were impacted by higher inventory levels and continued support in the form of the postponement of VAT and tax payments. During the quarter, no new support was received though earlier support has been repaid. In total, these grants totaled approximately SEK 57 M at the end of the quarter.

## **EVENTS AFTER THE END OF THE PERIOD**

In conjunction with the distribution of the official notification of the Annual General Meeting, the Board presented its proposal for changes to the Articles of Association with respect to the company name. The name is proposed to change from Mekonomen Aktiebolag to Meko AB.

The 2021 Annual Report has been published and is available from Mekonomen’s website.

## **ACCOUNTING POLICIES**

Mekonomen Group applies the International Financial Reporting Standards (IFRS) as adopted by the EU. This interim report was prepared in accordance with the Annual Accounts Act and IAS 34 Interim Financial Reporting. The same accounting policies and measurement methods were applied as in the most recent Annual Report. Interim report consists of pages 1–21 and should be read in its entirety.

The Parent Company prepares its accounts in accordance with the Swedish Annual Accounts Act and RFR 2 and applies the same accounting policies and measurement methods as in the most recent Annual Report.

Totals quoted in tables and statements may not always be the exact sum of the individual items because of rounding differences. The aim is that each line should correspond to its source, and rounding differences may therefore arise.



## **FORTHCOMING FINANCIAL REPORTING DATES**

<b>Information</b>	<b>Period</b>	<b>Date</b>
Interim report	January–June 2022	2022-08-24
Interim report	January–September 2022	2022-11-02
Year-end report	January–December 2022	2023-02-15

## **ANNUAL GENERAL MEETING**

The 2022 Annual General Meeting (AGM) will be held on May 20, 2022 in Stockholm. The Annual Report and other material prior to the AGM is available from Mekonomen's website.

Stockholm May 11, 2022  
Mekonomen AB (publ), Corp. Reg. No. 556392-1971

Pehr Oscarson  
President and CEO

This report has not been subject to review by the company's auditors.

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This information is such information that Mekonomen AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Market Act.

The information was submitted for publication, through the agency of the contact person set out above, at 7:30 a.m CET on May 11, 2022

The interim report is published in Swedish and English. The Swedish version is the original version and has been translated into English.

## CONSOLIDATED FINANCIAL REPORTS

CONDENSED CONSOLIDATED INCOME STATEMENT, SEK M	Jan-Mar 2022	Jan-Mar 2021	12 months Apr-Mar	Full-year 2021
Net sales	3 155	3 001	12 463	12 309
Other operating revenue	71	57	256	243
<b>Total revenue</b>	<b>3 226</b>	<b>3 058</b>	<b>12 719</b>	<b>12 552</b>
Goods for resale	-1 701	-1 660	-6 749	-6 709
Other external costs	-419	-356	-1 553	-1 490
Personnel expenses	-711	-655	-2 708	-2 653
<b>Operating profit before depreciation/ amortization and impairment of tangible and intangible fixed assets and right-of-use assets (EBITDA)</b>	<b>395</b>	<b>386</b>	<b>1 708</b>	<b>1 699</b>
Depreciation and impairment of tangible fixed assets and right-of-use assets	-150	-141	-591	-582
<b>Operating profit before amortization and impairment of intangible fixed assets (EBITA)</b>	<b>245</b>	<b>245</b>	<b>1 117</b>	<b>1 117</b>
Amortization and impairment of intangible fixed assets	-55	-59	-219	-223
<b>EBIT</b>	<b>190</b>	<b>186</b>	<b>898</b>	<b>894</b>
Interest income	2	3	9	9
Interest expenses	-27	-31	-111	-115
Other financial items	-2	-18	-13	-29
<b>Profit after financial items</b>	<b>163</b>	<b>140</b>	<b>783</b>	<b>759</b>
Tax	-42	-32	-183	-172
<b>PROFIT FOR THE PERIOD</b>	<b>121</b>	<b>108</b>	<b>600</b>	<b>587</b>
<b>Profit for the period attributable to:</b>				
Parent Company's shareholders	118	104	587	572
Non-controlling interests	3	4	13	14
<b>PROFIT FOR THE PERIOD</b>	<b>121</b>	<b>108</b>	<b>600</b>	<b>587</b>
Earnings per share before and after dilution, SEK	2,11	1,85	10,47	10,21

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, SEK M	Jan-Mar 2022	Jan-Mar 2021	12 months Apr-Mar	Full-year 2021
<b>Profit for the period</b>	<b>121</b>	<b>108</b>	<b>600</b>	<b>587</b>
<b>Other comprehensive income:</b>				
<i>Components that will not be reclassified to profit/loss for the year:</i>				
– Actuarial gains and losses	-	-	-3	-3
<i>Components that may later be reclassified to profit/loss for the year:</i>				
– Exchange-rate differences from translation of foreign subsidiaries	89	143	100	154
– Hedging of net investments <sup>1)</sup>	-32	-61	-32	-60
– Cash-flow hedges <sup>2)</sup>	12	5	16	9
<b>Other comprehensive income, net after tax</b>	<b>69</b>	<b>87</b>	<b>82</b>	<b>100</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>190</b>	<b>195</b>	<b>682</b>	<b>687</b>
<b>Comprehensive income for the period attributable to:</b>				
Parent Company's shareholders	185	187	666	669
Non-controlling interests	6	8	15	18
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>190</b>	<b>195</b>	<b>682</b>	<b>687</b>

<sup>1)</sup> Loans raised in EUR in conjunction with acquisitions in Denmark hedge the currency risk in the net investment and loans in NOK until the start of the first quarter of 2021 as well as cross-currency swaps entered into in the first quarter of 2021, which hedge net investment in Norway. The currency translation is recognized in accordance with IFRS 9.

<sup>2)</sup> Holding of financial interest-rate derivatives for hedging purposes, according to Level 2 measurements defined in IFRS 13.

CONDENSED CONSOLIDATED BALANCE SHEET SEK M	March 31 2022	March 31 2021	December 31 2021
<b>ASSETS <sup>1)</sup></b>			
Intangible fixed assets	5 418	5 473	5 394
Tangible fixed assets	428	453	436
Right-of-use assets	1 622	1 714	1 651
Financial fixed assets	114	101	94
Deferred tax assets	13	6	3
Goods for resale	3 200	2 740	3 021
Current receivables	1 971	1 742	1 738
Cash and cash equivalents	538	625	892
<b>TOTAL ASSETS</b>	<b>13 304</b>	<b>12 854</b>	<b>13 229</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES <sup>1)</sup></b>			
Shareholders' equity	5 421	4 788	5 229
Long-term liabilities, interest-bearing	2 983	3 201	2 996
Long-term lease liabilities	1 136	1 262	1 181
Deferred tax liabilities	339	332	357
Long-term liabilities, non-interest-bearing	25	17	45
Current liabilities, interest-bearing	199	384	198
Current lease liabilities	481	446	467
Current liabilities, non-interest-bearing	2 720	2 426	2 757
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>13 304</b>	<b>12 854</b>	<b>13 229</b>

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

CONDENSED CONSOLIDATED CHANGES IN SHAREHOLDERS' EQUITY, SEK M	March 31 2022	March 31 2021	December 31 2021
Shareholders' equity at the beginning of the year	5 229	4 595	4 595
Comprehensive income for the period	190	195	687
Share swap	-	-	-20
Acquisition/divestment of non-controlling interests	0	-2	-20
Dividend to shareholders	-	-	-19
Share savings program	2	1	7
<b>SHAREHOLDERS' EQUITY AT THE END OF THE PERIOD</b>	<b>5 421</b>	<b>4 788</b>	<b>5 229</b>
Of which non-controlling interests	60	75	55

CONDENSED CONSOLIDATED CASH-FLOW STATEMENT, SEK M	Jan-Mar 2022	Jan-Mar 2021	12 months Apr-Mar	Full-year 2021
<b>Operating activities</b>				
<i>Cash flow from operating activities before changes in working capital, excluding tax paid</i>	377	358	1 636	1 617
Tax paid	-136	-95	-233	-192
<b>Cash flow from operating activities before changes in working capital</b>	<b>241</b>	<b>263</b>	<b>1 403</b>	<b>1 425</b>
Cash flow from changes in working capital:				
Changes in inventory	-127	18	-381	-236
Changes in receivables	-193	-201	-194	-201
Changes in liabilities	-59	99	82	239
<i>Increase (-)/Decrease (+) working capital</i>	<i>-378</i>	<i>-84</i>	<i>-493</i>	<i>-198</i>
<b>Cash-flow from operating activities</b>	<b>-138</b>	<b>179</b>	<b>910</b>	<b>1 227</b>
<b>Cash flow from investing activities</b>	<b>-44</b>	<b>-58</b>	<b>-186</b>	<b>-201</b>
<b>Cash flow from financing activities</b>	<b>-183</b>	<b>70</b>	<b>-822</b>	<b>-569</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>-365</b>	<b>191</b>	<b>-99</b>	<b>457</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>892</b>	<b>420</b>	<b>625</b>	<b>420</b>
Exchange-rate differences in cash and cash equivalents	11	14	12	15
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>538</b>	<b>625</b>	<b>538</b>	<b>892</b>

**INFORMATION ABOUT FINANCIAL INSTRUMENTS RECOGNIZED AT FAIR VALUE IN THE BALANCE SHEET**

The financial instruments measured at fair value in the balance sheet are shown below. This was carried out by dividing the measurements into three levels, which are described in the 2021 Annual Report, Note 11. All of Mekonomen's financial instruments measured to fair value are included in Level 2, excluding supplementary purchase considerations, which are included in Level 3. However, current supplementary purchase considerations do not represent material amounts.

The main methods and assumptions used to determine the fair value of the financial instruments shown in the table below are described in the 2021 Annual Report, Note 11. The financial instruments contained in the interim report are the same as those in the 2021 annual accounts.

CONSOLIDATED DERIVATIVE INSTRUMENTS MEASURED AT FAIR VALUE IN THE BALANCE SHEET, SEK M	March 31 2022	March 31 2021
<b>FINANCIAL ASSETS</b>		
Derivatives: Cross-currency swaps	-	-
Interest-rate swaps	14	-
<b>TOTAL</b>	<b>14</b>	<b>-</b>
<b>FINANCIAL LIABILITIES</b>		
Derivatives: Cross-currency swaps	35	13
Interest-rate swaps	-	7
<b>TOTAL</b>	<b>35</b>	<b>20</b>

GROUP'S FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT CATEGORY, MARCH 31, 2022 <sup>1)</sup>							
SEK M	Instruments measured at fair value through Income Statement	Financial assets acquired acquisition value	Financial liabilities acquired acquisition value	Total carrying amount	Fair value	Non-monetary assets & liabilities	Total Balance sheet summary
<b>FINANCIAL ASSETS</b>							
Financial fixed assets	-	74	-	74	74	25	99
Derivative instruments <sup>5)</sup>	14	-	-	14	14	-	14
Accounts receivable	-	1 386	-	1 386	1 386	-	1 386
Other current receivables	-	-	-	-	-	585	585
Cash and cash equivalents	-	538	-	538	538	-	538
<b>TOTAL</b>	<b>14</b>	<b>1 998</b>	<b>-</b>	<b>2 012</b>	<b>2 012</b>	<b>611</b>	<b>2 622</b>
<b>FINANCIAL LIABILITIES</b>							
Bond loans	-	-	1 244	1 244	1 223	-	1 244
Long-term liabilities, interest-bearing <sup>2)3)</sup>	-	-	1 704	1 704	1 704	-	1 704
Long-term lease liabilities <sup>4)</sup>	-	-	1 136	1 136	-	-	1 136
Long-term liabilities, non-interest-bearing	-	-	-	-	-	20	20
Derivative instruments <sup>5)</sup>	35	-	-	35	35	-	35
Supplementary purchase considerations, long-term	5	-	-	5	5	-	5
Current liabilities, interest-bearing <sup>6)</sup>	-	-	199	199	199	-	199
Current lease liabilities <sup>4)</sup>	-	-	481	481	-	-	481
Accounts payable	-	-	1 518	1 518	1 518	-	1 518
Other current liabilities	-	-	-	-	-	1 199	1 199
Supplementary purchase considerations, short-term	3	-	-	3	3	-	3
<b>TOTAL</b>	<b>43</b>	<b>-</b>	<b>6 282</b>	<b>6 324</b>	<b>4 686</b>	<b>1 219</b>	<b>7 543</b>

<sup>1)</sup> The carrying amount of the Group's non-market-listed long-term financial instruments measured at amortized cost corresponds in all material respects to fair value, since the interest rate is on par with prevailing market rates. For the market-listed bond, fair value differs from the carrying amount since the market value of the bond has changed since it was issued. The carrying amount of the Group's short-term financial instruments measured at amortized cost corresponds in all material respects to fair value since the discount effect is not material.

<sup>2)</sup> The amount includes a liability related to share swaps of SEK 20 M.

<sup>3)</sup> The carrying amount of the Group's long-term liabilities measured at amortized cost corresponds in all material respects to fair value since the interest rate is on par with prevailing market rates.

<sup>4)</sup> Lease liabilities are recognized at amortized cost and are not assigned a fair value.

<sup>5)</sup> Derivative instruments used for hedging purposes.

<sup>6)</sup> The carrying amount of the Group's current liabilities measured at amortized cost corresponds in all material respects to fair value since the discount effect is not material.

QUARTERLY DATA, BUSINESS AREA	2022		2021					2020					
	Q1		FY	Q4	Q3	Q2	Q1		FY	Q4	Q3	Q2	Q1
<b>NET SALES, SEK M <sup>1)</sup></b>													
FTZ	933		3 480	902	804	900	874		3 369	867	808	841	853
Inter-Team	533		2 091	515	571	555	451		1 988	457	524	490	516
MECA/Mekonomen <sup>2)</sup>	1 474		5 857	1 499	1 382	1 516	1 460		5 363	1 369	1 320	1 342	1 332
Sørensen og Balchen	215		873	207	211	239	215		791	187	210	221	172
Central functions <sup>2) 3)</sup>	0		7	6	1	1	1		1	0	0	0	0
<b>GROUP</b>	<b>3 155</b>		<b>12 309</b>	<b>3 129</b>	<b>2 968</b>	<b>3 210</b>	<b>3 001</b>		<b>11 511</b>	<b>2 879</b>	<b>2 863</b>	<b>2 894</b>	<b>2 874</b>
<b>EBIT, SEK M</b>													
FTZ	93		352	75	89	92	96		331	76	91	80	84
Inter-Team	17		102	31	29	36	6		86	38	31	19	-1
MECA/Mekonomen <sup>2)</sup>	95		447	79	137	141	89		352	160	91	101	0
Sørensen og Balchen	37		185	37	46	57	44		170	34	53	60	23
Central functions <sup>2) 3)</sup>	-17		-51	-16	-11	-13	-11		-46	-9	-19	-10	-7
Other items <sup>4)</sup>	-35		-141	-34	-34	-34	-38		-155	-38	-38	-39	-39
<b>GROUP</b>	<b>190</b>		<b>894</b>	<b>173</b>	<b>255</b>	<b>280</b>	<b>186</b>		<b>738</b>	<b>260</b>	<b>208</b>	<b>211</b>	<b>59</b>
<b>EBIT MARGIN, %</b>													
FTZ	10		10	8	11	10	11		10	9	11	10	10
Inter-Team	3		5	6	5	6	1		4	8	6	4	0
MECA/Mekonomen <sup>2)</sup>	6		7	5	10	9	6		6	11	7	7	0
Sørensen og Balchen	17		21	18	22	24	20		21	18	25	27	13
<b>GROUP</b>	<b>6</b>		<b>7</b>	<b>5</b>	<b>8</b>	<b>9</b>	<b>6</b>		<b>6</b>	<b>9</b>	<b>7</b>	<b>7</b>	<b>2</b>
<b>INVESTMENTS, SEK M <sup>5)</sup></b>													
FTZ	8		38	11	5	6	16		25	8	8	6	3
Inter-Team	5		23	8	3	6	6		18	7	3	1	7
MECA/Mekonomen	17		99	23	17	33	27		101	38	19	20	25
Sørensen og Balchen	2		4	0	1	2	1		6	1	1	1	3
Central functions <sup>3)</sup>	2		7	3	2	1	1		1	1	0	0	0
<b>GROUP</b>	<b>34</b>		<b>173</b>	<b>45</b>	<b>28</b>	<b>49</b>	<b>51</b>		<b>152</b>	<b>55</b>	<b>31</b>	<b>28</b>	<b>38</b>

<sup>1)</sup> Net sales for each business area pertains to external customers.

<sup>2)</sup> External operations in ProMeister Solutions are recognized as of 2021 in MECA/Mekonomen. Comparative figures have been restated.

<sup>3)</sup> Central functions includes Group-wide functions that also include Mekonomen AB.

<sup>4)</sup> "Other items" includes acquisition-related items attributable to Mekonomen AB's direct acquisitions. Current acquisition-related items pertain to amortization of acquired intangible assets relating to the acquisitions of FTZ, Inter-Team and MECA as well as Sørensen og Balchen until the second quarter of 2021.

<sup>5)</sup> Investments do not include company and business combinations and exclude leases according to IFRS 16.

REVENUE DISTRIBUTION PER COUNTRY SEK M	Jan-Mar 2022						Jan-Mar 2021					
	Denmark	Poland	Finland	Norway	Sweden	In total,	Denmark	Poland	Finland	Norway	Sweden	In total,
Revenue distribution per country												
FTZ	933					933	874					874
Inter-Team		533				533	451					451
MECA/Mekonomen			33	571	869	1 474		25	558	878		1 460
Sørensen og Balchen				215		215			215			215
Central functions						0						1
<b>Total net sales, Group</b>						<b>3 155</b>						<b>3 001</b>
Other revenue						71						57
<b>GROUP REVENUE</b>						<b>3 226</b>						<b>3 058</b>

Distribution of revenue per country based on the country that generates revenue for each segment.

QUARTERLY DATA SEK M	2022		2021				2020				
	Q1	FY	Q4	Q3	Q2	Q1	FY	Q4	Q3	Q2	Q1
Revenue	3 226	12 552	3 218	3 013	3 263	3 058	11 763	3 000	2 899	2 947	2 917
EBITDA	395	1 699	377	455	480	386	1 574	463	421	426	265
EBITDA excl. IFRS 16	263	1 197	248	330	354	264	1 052	340	287	289	136
Adjusted EBIT	225	1 031	203	290	314	224	937	287	270	281	98
EBIT	190	894	173	255	280	186	738	260	208	211	59
Net financial items	-27	-134	-21	-30	-37	-46	-141	-13	-41	-17	-71
Profit after financial items	163	759	151	225	243	140	596	247	167	194	-11
Tax	-42	-172	-33	-53	-55	-32	-150	-60	-40	-46	-3
Profit for the period	121	587	118	173	188	108	446	187	127	148	-15
EBITDA margin, %	12	14	12	15	15	13	13	15	15	14	9
Adjusted EBIT margin, %	7	8	6	10	10	7	8	10	9	10	3
EBIT margin, %	6	7	5	8	9	6	6	9	7	7	2
Earnings per share before and after dilution, SEK	2,11	10,21	2,09	3,02	3,24	1,85	7,67	3,29	2,18	2,49	-0,29
Shareholders' equity per share, SEK	95,8	92,4	92,4	89,6	86,7	83,7	80,4	80,4	79,1	77,2	76,7
Cash flow per share, SEK	-2,5	21,9	3,4	8,0	7,2	3,2	28,9	6,6	9,2	11,9	1,1
Return on shareholders' equity, % <sup>1)</sup>	11,7	11,8	11,8	13,6	13,0	12,3	9,8	9,8	7,0	6,8	7,2
Share price at the end of the period	111,2	157,1	157,1	156,0	141,4	129,1	91,1	91,1	93,3	66,0	44,4

1) The key figures for return on shareholders' equity are calculated on a rolling 12-month basis for each quarter.

KEY FIGURES	Jan-Mar	Jan-Mar	12 months	Full-year
	2022	2021	Apr-Mar	2021
Return on shareholders' equity, % <sup>1)</sup>	11,7	12,3	11,7	11,8
Return on total capital, % <sup>1)</sup>	6,8	7,0	6,8	6,8
Return on capital employed, % <sup>1)</sup>	8,9	8,9	8,9	8,8
Equity/assets ratio, %	40,7	37,2	40,7	39,5
Net debt, SEK M	2 588	2 733	2 588	2 264
Net debt/EBITDA excl. IFRS 16 multiple <sup>1)</sup>	2,17	2,32	2,17	1,89
Net debt incl. IFRS 16/EBITDA, multiple <sup>1)</sup>	2,46	2,62	2,46	2,30
Gross margin, %	46,1	44,7	45,8	45,5
EBITDA margin, %	12,2	12,6	13,4	13,5
Adjusted EBIT margin, %	7,0	7,3	8,1	8,2
EBIT margin, %	5,9	6,1	7,1	7,1
Earnings per share before and after dilution, SEK	2,11	1,85	10,47	10,21
Shareholders' equity per share, SEK	95,8	83,7	95,8	92,4
Cash flow per share, SEK	-2,5	3,2	16,2	21,9
Number of outstanding shares at the end of the period <sup>2)</sup>	55 983 372	56 323 372	55 983 372	55 983 372
Average number of shares during the period	55 983 372	56 323 372	56 015 208	56 049 728

<sup>1)</sup> Key figures for return on shareholders' equity/total capital/capital employed and net debt/EBITDA are calculated on a rolling 12-month basis for the period January–March.

<sup>2)</sup> The total number of shares amounts to 56,416,622, of which 93,250 are own shares and 340,000 are secured through equity swap agreements at the end of the period.

NUMBER OF BRANCHES AND WORKSHOPS	FTZ		Inter-Team		MECA/ Mekonomen		Sørensen og Balchen		Group	
	March 31		March 31		March 31		March 31		March 31	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>Number of branches</b>										
Proprietary branches	50	50	83	79	229	229	39	37	401	395
Partner branches	-	-	2	3	50	50	27	28	79	81
<b>Total</b>	<b>50</b>	<b>50</b>	<b>85</b>	<b>82</b>	<b>279</b>	<b>279</b>	<b>66</b>	<b>65</b>	<b>480</b>	<b>476</b>
<b>Number of workshops <sup>1)</sup></b>										
AutoMester	403	413	-	-	-	-	-	-	403	413
Hella Service Partner	304	323	-	-	-	-	-	-	304	323
Din BilPartner	147	151	-	-	-	-	-	-	147	151
CarPeople	65	55	-	-	-	-	-	-	65	55
Inter Data Service	-	-	577	454	-	-	-	-	577	454
O.K. Serwis	-	-	250	226	-	-	-	-	250	226
Mekonomen Bilverkstad	-	-	-	-	768	774	-	-	768	774
MECA Car Service	-	-	-	-	718	716	-	-	718	716
MekoPartner	-	-	-	-	192	192	-	-	192	192
Speedy	-	-	-	-	43	42	-	-	43	42
MECA Tungbil	-	-	-	-	24	10	-	-	24	10
AlltiBil	-	-	-	-	7	7	-	-	7	7
BilXtra	-	-	-	-	-	-	255	253	255	253
White Label	121	96	-	-	78	86	-	-	199	182
<b>Total</b>	<b>1 040</b>	<b>1 038</b>	<b>827</b>	<b>680</b>	<b>1 830</b>	<b>1 827</b>	<b>255</b>	<b>253</b>	<b>3 952</b>	<b>3 798</b>

<sup>1)</sup> White Label was included in the first quarter of 2022, the comparative figures for 2021 have been restated. For more information refer to the section "company-specific terms and definitions."

AVERAGE NUMBER OF EMPLOYEES	Jan-Mar 2022	Jan-Mar 2021
FTZ	1 138	1 123
Inter-Team	1 517	1 422
MECA/Mekonomen	2 146	2 130
Sørensen og Balchen	279	260
Central functions <sup>1)</sup>	35	23
<b>Total</b>	<b>5 115</b>	<b>4 958</b>

<sup>1)</sup> Central functions includes Group-wide functions that also include the Parent Company Mekonomen AB.

## FINANCIAL REPORTS, PARENT COMPANY

CONDENSED INCOME STATEMENT FOR THE PARENT COMPANY, SEK M	Jan-Mar 2022	Jan-Mar 2021	12 months Apr-Mar	Full-year 2021
Operating revenue	18	19	77	78
Operating expenses	-27	-32	-114	-119
<b>EBIT</b>	<b>-9</b>	<b>-13</b>	<b>-37</b>	<b>-41</b>
Net financial items <sup>1)</sup>	-51	135	212	398
<b>Profit after financial items</b>	<b>-60</b>	<b>122</b>	<b>176</b>	<b>357</b>
Appropriations	-	-	250	250
Tax	12	25	-30	-17
<b>PROFIT FOR THE PERIOD</b>	<b>-48</b>	<b>147</b>	<b>396</b>	<b>590</b>

<sup>1)</sup> Net financial items include dividends on participations in subsidiaries totaling SEK - (246) M for the quarter and SEK 530 M for the full-year 2021.

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME, SEK M	Jan-Mar 2022	Jan-Mar 2021	12 months Apr-Mar	Full-year 2021
<b>Profit for the period</b>	<b>-48</b>	<b>147</b>	<b>396</b>	<b>590</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>-48</b>	<b>147</b>	<b>396</b>	<b>590</b>

CONDENSED BALANCE SHEET FOR THE PARENT COMPANY, SEK M	March 31 2022	March 31 2021	December 31 2021
<b>ASSETS</b>			
Fixed assets	9 264	9 181	9 210
Current receivables in Group companies	16	87	252
Other current receivables	42	30	13
Cash and cash equivalents	418	198	425
<b>TOTAL ASSETS</b>	<b>9 740</b>	<b>9 496</b>	<b>9 900</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Shareholders' equity	6 202	5 818	6 248
Untaxed reserves	214	238	214
Provisions	4	3	4
Long-term liabilities	2 980	3 190	2 991
Current liabilities in Group companies	105	24	221
Other current liabilities	236	222	223
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>9 740</b>	<b>9 496</b>	<b>9 900</b>

SUMMARY OF CHANGES IN EQUITY FOR THE PARENT COMPANY, SEK M	March 31 2022	March 31 2021	December 31 2021
Shareholders' equity at the beginning of the year	6 248	5 670	5 670
Comprehensive income for the period	-48	147	590
Share swap	0	-	-20
Share savings program	2	1	7
<b>SHAREHOLDERS' EQUITY AT THE END OF THE PERIOD</b>	<b>6 202</b>	<b>5 818</b>	<b>6 248</b>



## ALTERNATIVE PERFORMANCE MEASURES

Mekonomen Group applies the Guidelines on Alternative Performance Measures issued by ESMA\*. An alternative performance measure is a financial measure of historical or future financial performance, financial position or cash flows that is not defined or specified in IFRS. Mekonomen believes that these measures provide valuable supplementary information to company management, investors and other stakeholders in evaluating the company's performance. These alternative performance measures are not always comparable with the measures used by other companies since not all companies calculate these measures in the same way. These should therefore be seen as a supplement to the measures defined according to IFRS. For definitions of key figures, refer to page 20. For relevant reconciliations of the alternative performance measures that cannot be directly read in or derived from the financial statements, refer to the tables below. For historical reconciliations of alternative performance measures, refer also to supplements to the 2016–2021 Annual Reports on our website: <http://www.mekonomen.com/en/alternative-performance-measures/>.

\*The European Securities and Markets Authority.

## RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

RETURN ON SHAREHOLDERS' EQUITY SEK M	Jan-Mar 2022	Jan-Mar 2021	12 months Apr-Mar	Full-year 2021
Profit for the period (rolling 12-month basis)	600	569	600	587
– Less non-controlling interest of profit for the period (rolling 12 months)	-13	-17	-13	-14
<b>Profit for the period excluding non-controlling interest (rolling 12 months)</b>	<b>587</b>	<b>552</b>	<b>587</b>	<b>572</b>
– Divided by SHAREHOLDERS' EQUITY ATTRIBUTABLE TO PARENT COMPANY'S SHAREHOLDERS, average over the past five quarters <sup>1)</sup>	5 023	4 472	5 023	4 856
<b>RETURN ON SHAREHOLDERS' EQUITY, %</b>	<b>11,7</b>	<b>12,3</b>	<b>11,7</b>	<b>11,8</b>

<sup>1)</sup> SHAREHOLDERS' EQUITY ATTRIBUTABLE TO PARENT COMPANY'S SHAREHOLDERS, SEK M	2022 Q1	2021 Q4	Q3	Q2	2020 Q1	Q4	Q3	Q2	Q1
Shareholders' equity	5 421	5 229	5 071	4 905	4 788	4 595	4 520	4 410	4 375
– Less non-controlling interest of shareholders' equity	-60	-55	-57	-53	-75	-68	-66	-63	-53
<b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO PARENT COMPANY'S SHAREHOLDERS</b>	<b>5 361</b>	<b>5 174</b>	<b>5 014</b>	<b>4 852</b>	<b>4 713</b>	<b>4 527</b>	<b>4 454</b>	<b>4 346</b>	<b>4 322</b>
<b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO PARENT COMPANY'S SHAREHOLDERS, average over the past five quarters</b>	<b>5 023</b>	<b>4 856</b>	<b>4 712</b>	<b>4 578</b>	<b>4 472</b>	<b>4 390</b>	<b>4 348</b>	<b>4 297</b>	<b>4 228</b>

RETURN ON TOTAL CAPITAL SEK M	Jan-Mar 2022	Jan-Mar 2021	12 months Apr-Mar	Full-year 2021
Profit after financial items (rolling 12 months)	783	748	783	759
– Plus interest expenses (rolling 12 months)	111	130	111	115
<b>Profit after financial items plus interest expenses (rolling 12 months)</b>	<b>893</b>	<b>878</b>	<b>893</b>	<b>874</b>
– Divided by TOTAL ASSETS, average over the past five quarters <sup>2)</sup>	13 079	12 613	13 079	12 857
<b>RETURN ON TOTAL CAPITAL, %</b>	<b>6,8</b>	<b>7,0</b>	<b>6,8</b>	<b>6,8</b>

<sup>2)</sup> TOTAL ASSETS SEK M	2022 Q1	2021 Q4	Q3	Q2	2020 Q1	Q4	Q3	Q2	Q1
Total assets	13 304	13 229	13 219	12 787	12 854	12 193	12 693	12 540	12 783
<b>TOTAL ASSETS, average over the past five quarters</b>	<b>13 079</b>	<b>12 857</b>	<b>12 749</b>	<b>12 613</b>	<b>12 613</b>	<b>12 616</b>	<b>12 803</b>	<b>12 888</b>	<b>12 999</b>

RETURN ON CAPITAL EMPLOYED SEK M	Jan-Mar 2022	Jan-Mar 2021	12 months Apr-Mar	Full-year 2021
Profit after financial items (rolling 12 months)	783	748	783	759
– Plus interest expenses (rolling 12 months)	111	130	111	115
<b>Profit after financial items plus interest expenses (rolling 12 months)</b>	<b>893</b>	<b>878</b>	<b>893</b>	<b>874</b>
– Divided by CAPITAL EMPLOYED, average over the past five quarters <sup>3)</sup>	10 056	9 817	10 056	9 922
<b>RETURN ON CAPITAL EMPLOYED, %</b>	<b>8,9</b>	<b>8,9</b>	<b>8,9</b>	<b>8,8</b>

3) CAPITAL EMPLOYED SEK M	2022	2021				2020			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Total assets	13 304	13 229	13 219	12 787	12 854	12 193	12 693	12 540	12 783
– Less deferred tax liabilities	-339	-357	-347	-347	-332	-388	-377	-385	-382
– Less long-term liabilities, non-interest-bearing	-25	-45	-44	-15	-17	-16	-95	-82	-70
– Less current liabilities, non-interest-bearing	-2 720	-2 757	-2 791	-2 551	-2 426	-2 240	-2 627	-2 414	-2 131
<b>CAPITAL EMPLOYED</b>	<b>10 220</b>	<b>10 070</b>	<b>10 037</b>	<b>9 873</b>	<b>10 081</b>	<b>9 549</b>	<b>9 594</b>	<b>9 658</b>	<b>10 201</b>
<b>CAPITAL EMPLOYED, average over the past five quarters</b>	<b>10 056</b>	<b>9 922</b>	<b>9 827</b>	<b>9 751</b>	<b>9 817</b>	<b>9 839</b>	<b>9 972</b>	<b>10 120</b>	<b>10 263</b>

GROSS MARGIN SEK M	Jan-Mar	Jan-Mar	12 months	Full-year
	2022	2021	Apr-Mar	2021
Net sales	3 155	3 001	12 463	12 309
– Less goods for resale	-1 701	-1 660	-6 749	-6 709
<b>Total</b>	<b>1 454</b>	<b>1 340</b>	<b>5 714</b>	<b>5 600</b>
– Divided by net sales	3 155	3 001	12 463	12 309
<b>GROSS MARGIN, %</b>	<b>46,1</b>	<b>44,7</b>	<b>45,8</b>	<b>45,5</b>

EARNINGS PER SHARE SEK M	Jan-Mar	Jan-Mar	12 months	Full-year
	2022	2021	Apr-Mar	2021
Profit for the period	121	108	600	587
– Less non-controlling interests' share	-3	-4	-13	-14
<b>Profit for the period attributable to Parent Company's shareholders</b>	<b>118</b>	<b>104</b>	<b>587</b>	<b>572</b>
– Divided by Average number of shares <sup>4)</sup>	55 983 372	56 323 372	56 015 208	56 049 728
<b>EARNINGS PER SHARE, SEK</b>	<b>2,11</b>	<b>1,85</b>	<b>10,47</b>	<b>10,21</b>

SHAREHOLDERS' EQUITY PER SHARE SEK M	Jan-Mar	Jan-Mar	12 months	Full-year
	2022	2021	Apr-Mar	2021
Shareholders' equity	5 421	4 788	5 421	5 229
– Less non-controlling interest of shareholders' equity	-60	-75	-60	-55
<b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO PARENT COMPANY'S SHAREHOLDERS</b>	<b>5 361</b>	<b>4 713</b>	<b>5 361</b>	<b>5 174</b>
– Divided by number of shares at the end of the period <sup>4)</sup>	55 983 372	56 323 372	55 983 372	55 983 372
<b>SHAREHOLDERS' EQUITY PER SHARE, SEK</b>	<b>95,8</b>	<b>83,7</b>	<b>95,8</b>	<b>92,4</b>

CASH FLOW PER SHARE SEK M	Jan-Mar	Jan-Mar	12 months	Full-year
	2022	2021	Apr-Mar	2021
Cash flow from operating activities	-138	179	910	1 227
– Divided by Average number of shares <sup>4)</sup>	55 983 372	56 323 372	56 015 208	56 049 728
<b>CASH FLOW PER SHARE, SEK</b>	<b>-2,5</b>	<b>3,2</b>	<b>16,2</b>	<b>21,9</b>

4) AVERAGE NUMBER OF SHARES	Jan-Mar 2022	Jan-Mar 2021	12 months Apr-Mar	Full-year 2021
Number of shares at the end of the period	55 983 372	56 323 372	55 983 372	55 983 372
– Multiplied by the number of days that the Number of shares at the end of the period has remained unchanged during the period	90	90	282	192
Number of shares on another date during the period			56 123 372	56 123 372
– Multiplied by the number of days that the Number of shares on another date has existed during the period			83	173
Number of shares on another date during the period				
– Multiplied by the number of days that the Number of shares on another date has existed during the period				
– Total divided by the number of days during the period	90	90	365	365
<b>AVERAGE NUMBER OF SHARES</b>	<b>55 983 372</b>	<b>56 323 372</b>	<b>56 015 208</b>	<b>56 049 728</b>

NET DEBT SEK M	March 31 2022	March 31 2021	December 31 2021
Long-term liabilities, interest-bearing incl. lease liability	4 118	4 463	4 177
– Less interest-bearing long-term liabilities and provisions for pensions, leases, derivatives and similar obligations	-1 192	-1 303	-1 219
Current liabilities, interest-bearing incl. lease liability	680	829	664
– Less interest-bearing current liabilities and provisions for pensions, leases, derivatives and similar obligations	-481	-632	-467
– Less cash and cash equivalents	-538	-625	-892
<b>NET DEBT</b>	<b>2 588</b>	<b>2 733</b>	<b>2 264</b>

NET DEBT INCL. IFRS 16 SEK M	March 31 2022	March 31 2021	December 31 2021
NET DEBT	2 588	2 733	2 264
– Plus long-term lease liabilities according to IFRS 16	1 136	1 262	1 181
– Plus current lease liabilities according to IFRS 16	481	446	467
<b>NET DEBT INCL. IFRS 16</b>	<b>4 205</b>	<b>4 440</b>	<b>3 911</b>

EBITDA EXCL. IFRS 16	Jan-Mar 2022	Jan-Mar 2021	12 months Apr-Mar	Full-year 2021
EBITDA according to income statement	395	386	1 708	1 699
– less change relating to lease expenses in accordance with IFRS 16	-132	-122	-513	-503
<b>EBITDA excluding IFRS 16</b>	<b>263</b>	<b>264</b>	<b>1 195</b>	<b>1 197</b>

## FINANCIAL DEFINITIONS

Return on shareholders' equity	Profit for the period, excluding non-controlling interests, as a percentage of average shareholders' equity attributable to Parent Company's shareholders. Average shareholders' equity attributable to Parent Company's shareholders is calculated as shareholders' equity attributable to Parent Company's shareholders at the end of the period plus the shareholders' equity for the four immediately preceding quarters attributable to Parent Company's shareholders at the end of the periods divided by five.
Return on capital capital	Profit after financial items plus interest expenses as a percentage of average capital employed. Average employed is calculated as capital employed at the end of the period plus the capital employed for the four immediately preceding quarters divided by five.
Return on total capital	Profit after financial items plus interest expenses as a percentage of average total assets. Average total assets is calculated as total assets at the end of the period plus the total assets for the four immediately preceding quarters at the end of the periods divided by five.
Gross margin	Net sales less costs for goods for resale, as a percentage of net sales.
Gross profit	Revenue less cost for goods for resale.
EBIT margin	Operating profit after depreciation/amortization (EBIT) as a percentage of total revenue.
EBITA	Operating profit after depreciation according to plan but before amortization and impairment of intangible fixed assets.
EBITDA	Operating profit before depreciation/amortization and impairment of tangible and intangible fixed assets.
EBITDA excl. IFRS 16	Operating profit before depreciation/amortization and impairment of tangible and intangible fixed assets excl. effects of IFRS 16.
EBITDA margin	EBITDA as a percentage of total revenue.
Shareholders' equity per share	Shareholders' equity excluding non-controlling interests, in relation to the number of shares at the end of the period.
Adjusted EBIT	EBIT adjusted for items affecting comparability (see definition under company-specific terms and definitions) and material acquisition-related items. Current acquisition-related items pertain to the amortization of acquired intangible assets relating to the acquisitions of FTZ, Inter-Team, MECA and Sørensen og Balchen.
Adjusted EBIT margin	Adjusted EBIT as a percentage of total revenue.
Cash flow per share	Cash flow from operating activities in relation to the average number of shares. Average number of shares is calculated as the number of shares at the end of the period multiplied by the number of days that this number existed during the period, plus any other number of shares during the period multiplied by the number of days that this or these numbers existed during the period, divided by the number of days during the period.
Cash and cash equivalents	Cash and cash equivalents comprise cash funds held at financial institutions and current liquid investments with a term from the date of acquisition of less than three months, which are exposed to only an insignificant risk of fluctuations in value. Cash and cash equivalents are recognized at nominal amounts.
Net debt	Short-term and long-term interest-bearing liabilities for borrowing, i.e. excluding short and long-term lease liabilities, pensions, derivatives and similar obligations, less cash and cash equivalents.
Net debt incl. IFRS 16	Short-term and long-term interest-bearing liabilities for borrowing, and long-term and current lease liabilities according to IFRS 16, i.e. excluding pensions, derivatives and similar obligations, less cash and cash equivalents.
Organic sales	Net sales adjusted for the number of workdays, acquisitions/divestments and currency effects.
Organic growth	Change in net sales adjusted for the number of workdays, acquisitions/divestments and currency effects.
Earnings per share	Profit for the period excluding non-controlling interests, in relation to the average number of shares. Average number of shares is calculated as the number of shares at the end of the period multiplied by the number of days that this number existed during the period, plus any other number of shares during the period multiplied by the number of days that this or these numbers existed during the period, divided by the number of days during the period.
Equity/assets ratio	Shareholders' equity including non-controlling interests as a percentage of total assets.
Capital employed	Total assets less non-interest-bearing liabilities and provisions, including deferred tax liabilities.

## COMPANY-SPECIFIC TERMS AND DEFINITIONS

Business area	Reportable segment
Affiliated workshops	Workshops that are not proprietary owned, but conduct business under the Group's brands/workshop concepts or affiliated under a white label.
B2B	Sales of goods and services between companies (business-to-business).
B2C	Sales of goods and services between companies and consumers (business-to-consumer).
DAB products	Car accessories with solutions for receiving digital radio broadcasts. DAB is an abbreviation for Digital Audio Broadcasting.
Proprietary branches	Branches with operations in subsidiaries, directly or indirectly majority-owned by Mekonomen AB.
Proprietary workshops	Workshops with operations in subsidiaries, directly or indirectly majority-owned by Mekonomen AB.
OBP	Proprietary products, such as Mekonomen Group's proprietary products ProMeister, Carwise, Kraft, Sakura, Vehcare and ForumLine.
Fleet operations	Mekonomen Group's offering to business customers comprising service and repairs of cars, sales of spare parts and accessories, and tire storage.
Sales to Customer Group Affiliated workshops	Sales to affiliated workshops and sales to proprietary workshops.
Sales to Customer Group Consumer	Cash sales from proprietary branches to customer groups other than Affiliated Workshops and Other B2B Customers, as well as the Group's e-commerce sales to consumers.
Sales to Customer Group Partner branches	Sales to partner branches.
Sales to Customer Group Other B2B Customers	Sales to business customers that are not affiliated with any of Mekonomen Group's concepts, including sales in Fleet operations.
Items affecting comparability	Events or transactions with significant effects, which are relevant for understanding the financial performance when comparing income for the current period with previous periods, including restructuring programs, expenses relating to major legal disputes, impairments and gains and losses from the acquisitions or disposals of businesses, subsidiaries, associates and joint ventures or items of a similar nature.
Concept workshops	Affiliated workshops.
LTIP	Long-term Incentive Program.
Mobility	The ability to move from A to B is a fundamental freedom and a driving force in society. Demand is timeless, and independent of the type of vehicle used.
ProMeister	Mekonomen Group's proprietary brand for high-quality spare parts with five-year guarantees, and the name of the services we offer affiliated workshops.
Spare parts for cars Partner branches	Parts that are necessary for a car to function. Branches that are not proprietary, but conduct business under the Group's brands/branch concepts.
Accessories for cars	Products that are not necessary for a car to function, but enhance the experience or extend use of the car, such as car-care products, roof boxes, car child seats, etc.
TSR	Total shareholders return
Currency effects in the balance sheet	Impact of currency with respect to realized and unrealized revaluations of foreign current non-interest-bearing receivables and liabilities.
Currency transaction effects	Impact of currency with respect to internal sales from Bileko Car Parts AB, and from MECA CarParts AB to each country.
Currency translation effects	Impact of currency from translation of earnings from foreign subsidiaries to SEK.
White Label	Workshops that are contract customers but do not conduct business under any of the Group's brands.
Other operating revenue	Mainly comprises rental income, marketing subsidies and exchange-rate gains.

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