

A scenic landscape featuring a road that curves through a forest of tall, dark evergreen trees. In the distance, a bright sun is low on the horizon, creating a strong lens flare and illuminating the scene with a warm, golden light. A small white car is visible on the road in the distance. The overall mood is serene and natural.

MEKO

January – September 2024
November 7, 2024

Q3 2024 – Improved profitability and strong financial position

Mixed market development – solid organic growth in Sweden and Norway

Sweden/Norway drive gross margin improvement

Robust adjusted EBIT development, while EBIT comparison affected by one-time effects

Strong financial position – leverage well within the target range

Warehouse projects on track and Elit Polska consolidated in August

Approaching intense launch year 2025 – enabling future growth

- Multiple warehouse projects progressing according to plan:
 - Denmark – new central warehouse, automated
 - Norway – new central warehouse, automated
 - Finland – renovated central warehouse, automated
 - Poland – moving to larger central warehouse
- Challenging implementation period
- Laying strategic foundation for continued profitable growth in the future



MEKO's sustainability rating upgraded to the highest level

- For the first time, MEKO receives AAA
- 11 percent of all receive highest rating
- Employer focus one of the reasons
- MEKO's governance "well aligned with investor interests"

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The Mobility Barometer 2024: Strong belief in the car

- A unique report in the Nordics – explores mobility habits and trends
- Highest confidence in cars since the Mobility Barometer was launched in 2022
- 78 % use a car at least once a week
- 90 % think it's important to maximize their car's lifespan through service and repairs

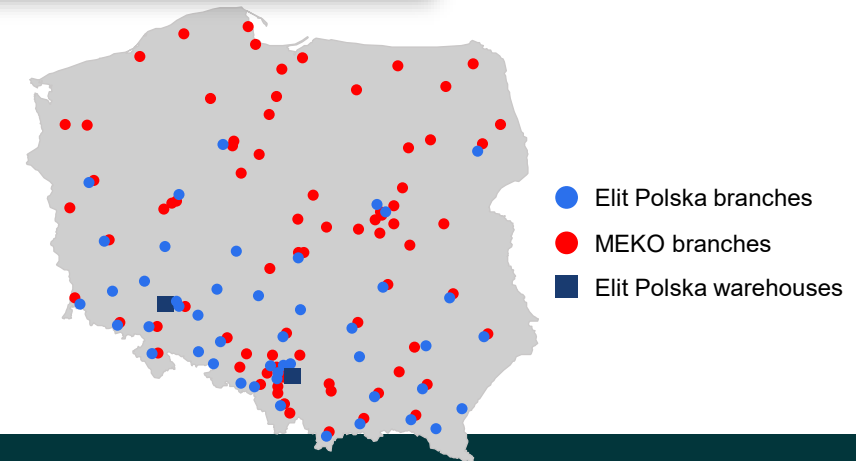


Integration of Elit Polska

- Consolidated from August 1st
- 52 branches, 2 warehouses, 480 employees
- Q3 revenue of ca 220 MSEK (2 months), Inventory of ca 360 MSEK by end of quarter
- Gross margin on par with Inter-Team, but still dilutive to MEKO in total
- Low purchase price due to restructuring need

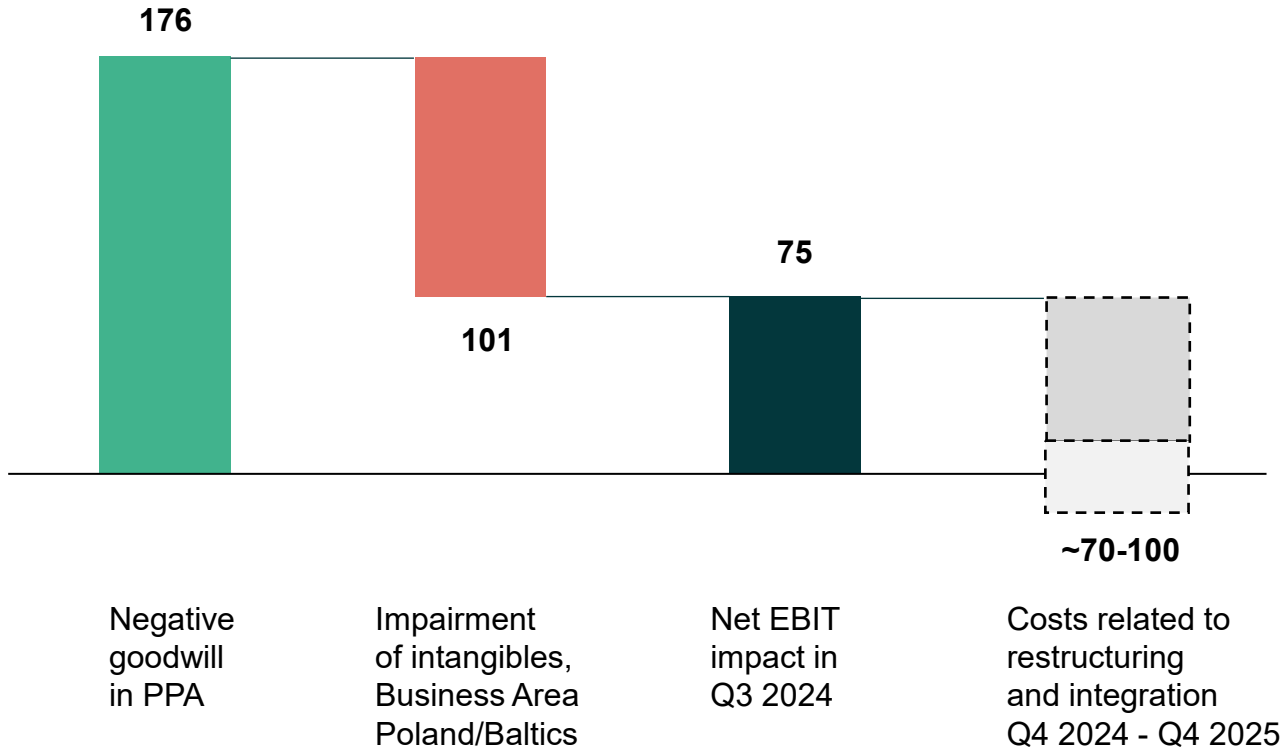


Elit Polska's warehouse in Krakow will play a central role for MEKO in southern Poland.



Financial effects triggered by the acquisition of Elit Polska

MSEK



- Negative goodwill in PPA gives a positive EBIT effect of 176 MSEK
- Impairment of intangibles in Business area Poland/the Baltics resulting in a negative EBIT effect of 101 MSEK
- Positive net EBIT effect of 75 MSEK in the quarter, with no impact on adjusted EBIT
- Estimated future costs related to restructuring and integration until end of 2025 of 70-100 MSEK
 - Not provisioned
 - Partly CAPEX

Elit Polska – strong strategic rationale

- Large untapped potential in Poland
- Support our growth strategy
- Good geographic fit
- Reduces future investment needs



Solid development in the third quarter

- Mixed market development across markets – solid organic growth in Sweden and Norway
- Improved gross margin development, driven by Sweden/Norway
- Robust adjusted EBIT development, while EBIT comparison affected by one-time effects

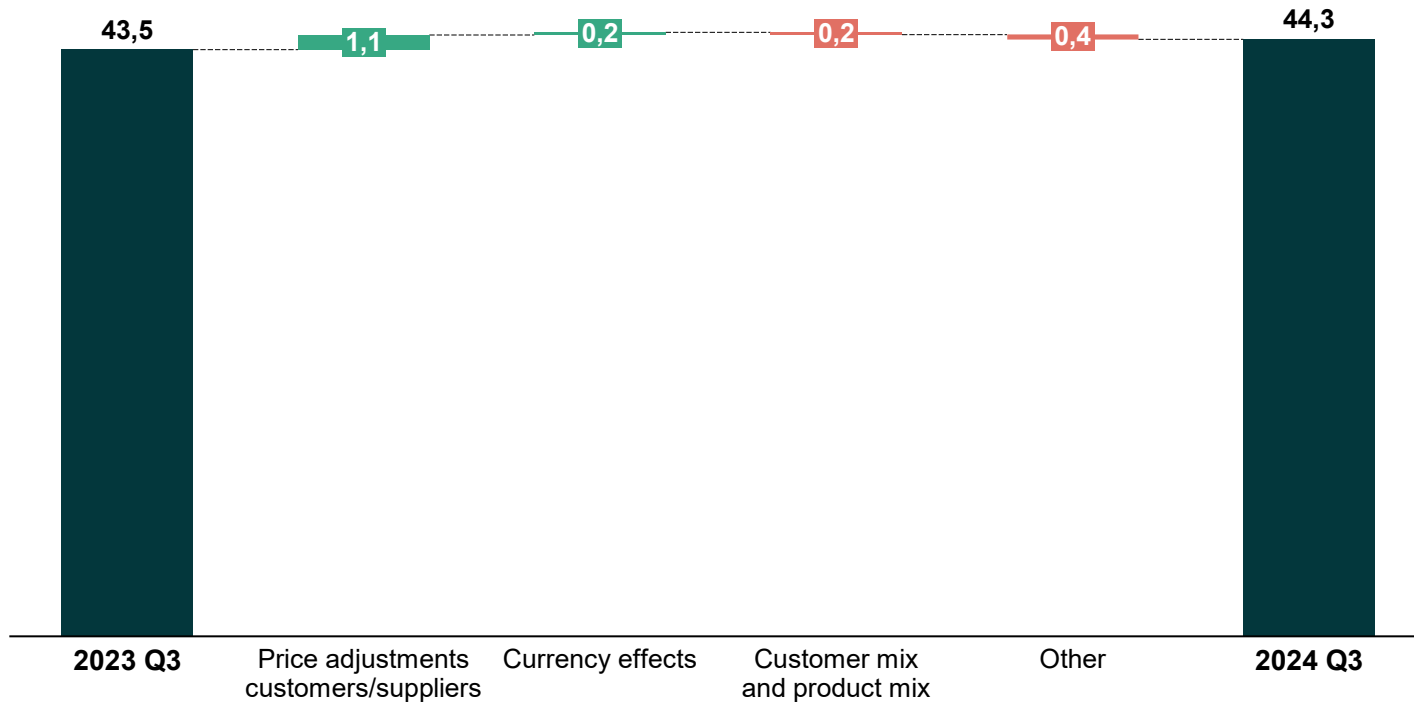
SEK M	Q3 2024	Q3 2023	Change %	9M 2024	9M 2023	Change %	Rolling 12M	2023 12M	Change %
Net sales	4 396	4 123	7	13 396	12 389	8	17 769	16 762	6
Operating Profit (EBIT)	345	300	15	776	804	-3	844	872	-3
Adjusted EBIT ¹⁾	322	292	10	902	788	14	1 077	963	12
Earnings per share, SEK	4,03	3,11	30	7,81	7,57	3	7,74	7,50	3
Cash flow from operating activities	178	600	-70	1 162	1 113	4	1 301	1 252	4
Key figures									
- Organic growth ²⁾ , %	2	8		6	8		7	8	
- EBIT margin, %	7,4	7,1		5,6	6,3		4,6	5,0	
- Adjusted EBIT margin, %	7,2	6,9		6,6	6,2		5,9	5,6	

¹⁾ Adjusted EBIT excludes items affecting comparability and acquisition-related items attributable to MEKO AB's direct acquisitions. Acquisition-related items is amortization/depreciation and impairment of surplus values on acquired tangible and intangible assets and other acquisition related items.

²⁾ Organic growth refers to changes in net sales adjusted for the number of workdays, acquisitions/divestments and currency effects.

Positive gross margin development in the third quarter

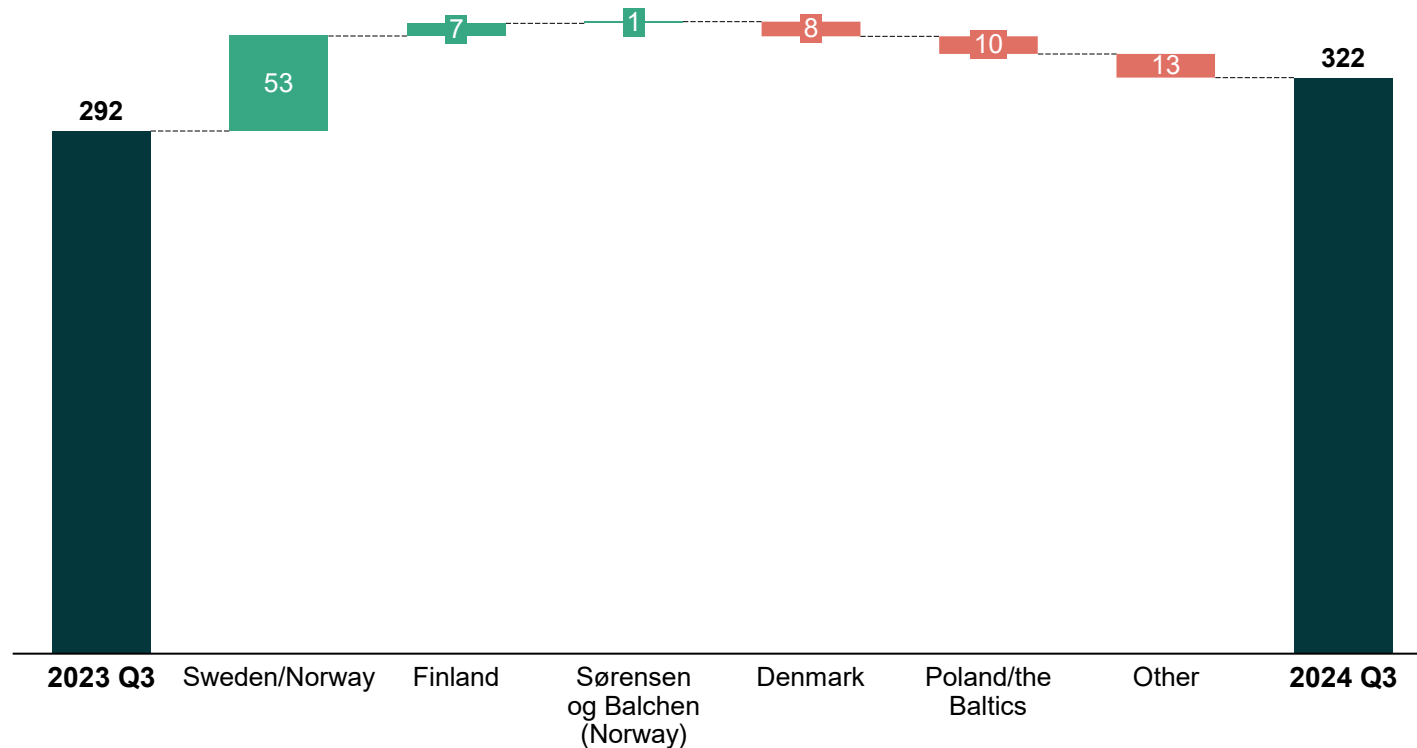
Gross margin (%) bridge 2023 Q3 to 2024 Q3



- Earlier price adjustments and positive currency effects drive gross margin improvement
- Slightly negative customer and product mix
- “Other” mainly relates to the consolidation of Elit Polska burdening Group gross margin by approximately 0.7 ppt in the quarter

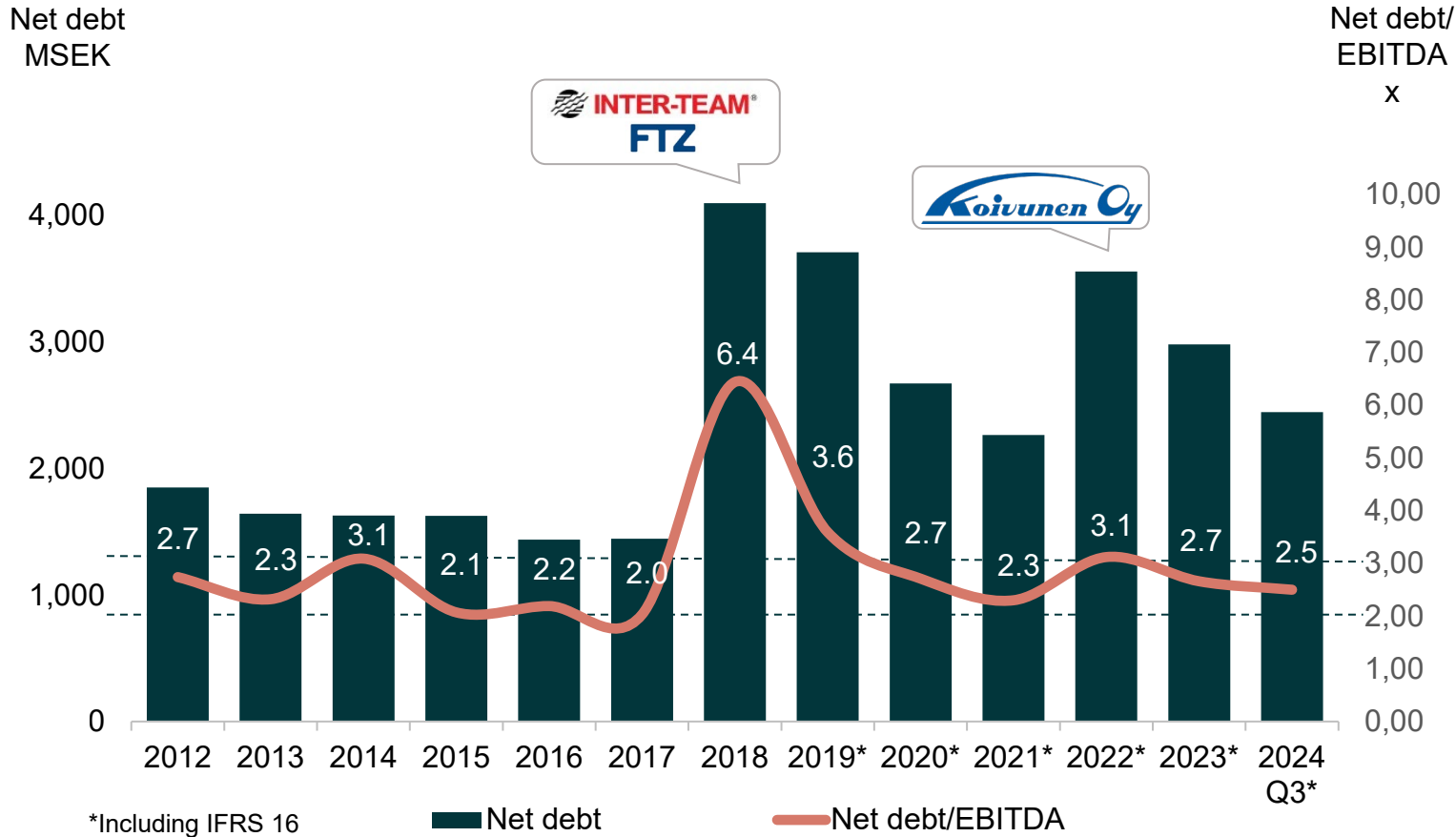
Improved profitability driven by Sweden/Norway

Adjusted EBIT (SEK M) bridge 2023 Q3 to 2024 Q3



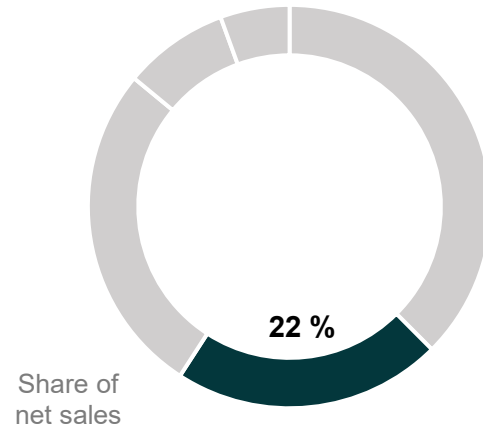
- Strong profitability improvement in Sweden/Norway as a result of successful efficiency measures
- Profitability in Finland slowly improving but negatively affected by synergy enhancing activities and operational merger
- Poland/the Baltics burdened by intense price competition and temporarily by the acquisition of Elit Polska
- Denmark negatively affected by intense price competition

Strong financial position – leverage well within target range



- Net debt at 2,445 (2,875) MSEK
- Leverage of 2.5 times (incl IFRS 16), driven by strong operational cash flow generation in 2024
- Strong historic proof of a long-term sustainable M&A strategy

Denmark – Slow sales development but improved gross margin



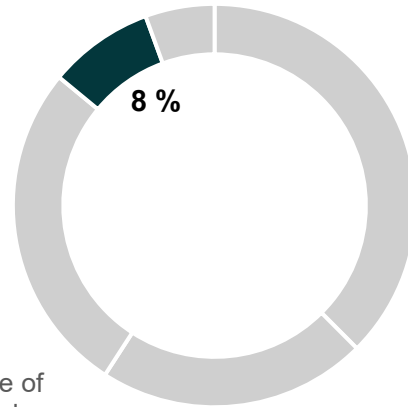
- Reported net sales growth of -4 per cent, of which -2 per cent organic. Sales development suppressed by lower workshop activity and tough competition
- Improved gross margin but adjusted EBIT decreased somewhat due to lower sales volumes and temporary costs related to the upcoming warehouse move. EBIT in the comparable quarter included capital gain from property sale of 37 MSEK
- Initiatives implemented to further improve profitability over time

SEK M	Q3 2024	Q3 2023	Change %	9M 2024	9M 2023	Change %	Rolling 12M	2023 12M	Change %
Net sales	950	986	-4	3 232	3 119	4	4 380	4 267	3
Operating Profit (EBIT)	45	91	-51	194	246	-21	250	302	-17
Adjusted EBIT ¹⁾	45	53	-15	204	209	-2	260	264	-2
Key figures									
- Organic growth ²⁾ , %	-2	3		4	3		-	5	
- EBIT margin, %	4,7	8,8		6,0	7,8		5,7	7,0	
- Adjusted EBIT margin, %	4,7	5,4		6,3	6,7		5,9	6,2	

1) Adjusted EBIT excludes items affecting comparability

2) Organic growth is change in net sales adjusted for number of workdays, acquisitions/divestments and currency effects

Finland – Slow but steady profitability improvement



Share of net sales

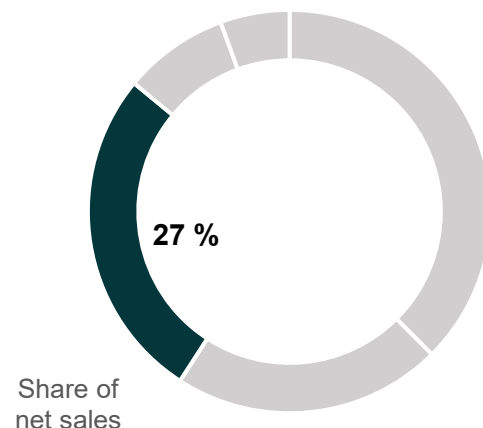
- Reported net sales growth of -4 per cent, of which -2 per cent organic. Growth burdened by pending market development due to a weak macro economy
- Adjusted EBIT improved slightly, both sequentially and compared to last year, due to a higher gross margin and reduced personnel costs
- Ongoing initiatives in organization to optimize customer offering, workflows and number of employees to improve profitability over time

SEK M	Q3 2024	Q3 2023	Change %	9M 2024	9M 2023	Change %	Rolling 12M	2023 12M	Change %
Net sales	371	386	-4	1 130	1 108	2	1 484	1 462	1
Operating Profit (EBIT)	10	3	n.m.	-3	97	-103	-44	57	n.m.
Adjusted EBIT ¹⁾	10	3	n.m.	-3	38	-109	-44	-2	n.m.
Key figures									
- Organic growth ²⁾ , %	-2	7		2	9		-	7	
- EBIT margin, %	2,6	0,9		-0,3	8,2		-2,9	3,7	
- Adjusted EBIT margin, %	2,6	0,7		-0,3	3,4		-2,9	-0,2	

1) Adjusted EBIT excludes items affecting comparability

2) Organic growth is change in net sales adjusted for number of workdays, acquisitions/divestments and currency effects
Organic growth for the period January-June 2023 is only attributed to Mekonomen Finland

Poland/The Baltics – Intense price competition in Poland



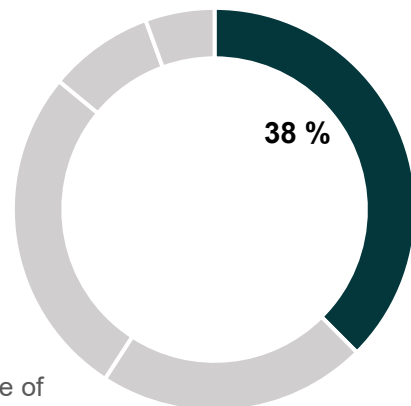
- Reported net sales growth of 28 per cent, mainly driven by the acquisition of Elit Polska. Organic growth of 1 per cent, impacted by tough price competition in the Polish market
- Adjusted EBIT development temporarily burdened by the acquisition of Elit Polska combined with increased personnel costs due to sharply increased regulated minimum wages in Poland
- Ongoing synergy extraction in the Baltics according to plan and integration process of Elit Polska initiated in August

SEK M	Q3 2024	Q3 2023	Change %	9M 2024	9M 2023	Change %	Rolling 12M	2023 12M	Change %
Net sales	1 179	921	28	3 079	2 606	18	3 995	3 522	13
- Poland	978	744	31	2 510	2 079	21	3 240	2 809	15
- The Baltics	201	177	14	570	527	8	755	713	6
Operating Profit (EBIT)	24	35	-30	69	108	-36	119	158	-25
Adjusted EBIT ¹⁾	25	35	-28	85	108	-21	136	159	-14
Key figures									
- Organic growth ²⁾ , %	1	4		5	6		-	5	
- EBIT margin, %	2,0	3,7		2,2	4,0		2,9	4,3	
- Adjusted EBIT margin, %	2,1	3,7		2,7	4,0		3,3	4,3	

1) Adjusted EBIT excludes items affecting comparability

2) Organic growth is change in net sales adjusted for number of workdays, acquisitions/divestments and currency effects
Organic growth for the period January-June 2023 is only attributed to Poland (former B.A. Inter-Team)

Sweden/Norway – Continued strong profitability improvement



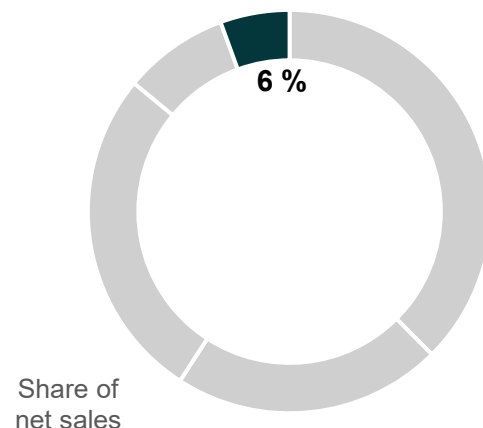
- Reported net sales growth of 4 per cent, of which 5 percent organic. Growth driven by strong sales development in Sweden, while Norway was burdened by a weak currency
- Adjusted EBIT development improved significantly, with clear effects from ongoing efficiency measures. Gross margin higher due to earlier implemented price adjustments
- Warehouse initiative in Norway to further improve profitability over time

SEK M	Q3 2024	Q3 2023	Change %	9M 2024	9M 2023	Change %	Rolling 12M	2023 12M	Change %
Net sales	1 649	1 589	4	5 174	4 852	7	6 902	6 579	5
- Norway	589	610	-3	1 925	1 861	3	2 549	2 485	3
- Sweden	1 059	979	8	3 249	2 991	9	4 352	4 095	6
Operating Profit (EBIT)	216	174	24	548	374	46	567	393	44
Adjusted EBIT ¹⁾	222	169	31	564	369	53	648	452	43
Key figures									
- Organic growth ²⁾ , %	5	11		7	10		-	11	
- EBIT margin, %	12,8	10,6		10,4	7,5		8,0	5,8	
- Adjusted EBIT margin, %	13,2	10,3		10,7	7,4		9,2	6,7	

1) Adjusted EBIT excludes items affecting comparability

2) Organic growth is change in net sales adjusted for number of workdays, acquisitions/divestments and currency effects

Sørensen og Balchen – Robust sales and strong EBIT margin



- Reported net sales growth of 2 per cent, of which 7 per cent organic. Growth driven by earlier implemented price adjustments and higher volumes
- Adjusted EBIT development improved due to higher volumes, while the gross margin was burdened by currency fluctuations and a changed sales mix
- Focus to drive B2B sales, compensating for continued pending retail market development in the quarter

SEK M	Q3 2024	Q3 2023	Change %	9M 2024	9M 2023	Change %	Rolling 12M	2023 12M	Change %
Net sales	244	240	2	773	698	11	998	923	8
Operating Profit (EBIT)	43	42	2	138	116	18	179	158	14
Adjusted EBIT ¹⁾	43	42	2	138	116	18	179	158	14
Key figures									
- Organic growth ²⁾ , %	7	15		14	9		-	11	
- EBIT margin, %	17,6	17,4		17,7	16,4		17,8	16,8	
- Adjusted EBIT margin, %	17,6	17,4		17,7	16,4		17,8	16,8	

1) Adjusted EBIT excludes items affecting comparability

2) Organic growth is change in net sales adjusted for number of workdays, acquisitions/divestments and currency effects

Q3 2024 – Increased profitability and strong financial position

Mixed market development – solid organic growth in Sweden and Norway

Sweden/Norway drive gross margin improvement

Robust adjusted EBIT development, while EBIT comparison affected by one-time effects

Strong financial position – leverage well within the target range

Warehouse projects on track and Elit Polska consolidated in August

Q&A

A scenic road winding through a forest at sunrise or sunset, with a car visible in the distance. The sun is low on the horizon, creating a warm, golden glow and long shadows. The road is flanked by tall trees, and a guardrail is visible on the left side. The overall atmosphere is peaceful and forward-looking.

**WE ENABLE MOBILITY
- TODAY, TOMORROW AND IN THE
FUTURE**

APPENDIX

Strong Group footprint

Net sales per geography, 2024Q3



■ Denmark ■ Sweden ■ Norway ■ Poland ■ Finland ■ Baltics

Market shares per geography

- Denmark**
 Number of branches: **48** (24Q2: 48)
 Number of affiliated workshops: **972** (24Q2: 980)
- Finland**
 Number of branches: **169** (24Q2: 169)
 Number of affiliated workshops: **380** (24Q2: 373)
- Norway**
 Number of branches: **109** (24Q2: 115)
 Number of affiliated workshops: **1,060** (24Q2: 1,065)
- Sweden**
 Number of branches: **196** (24Q2: 192)
 Number of affiliated workshops: **903** (24Q2: 904)
- The Baltics**
 Number of branches: **47** (24Q2: 48)
 Number of affiliated workshops: **47** (24Q2: 34)
- Poland**
 Number of branches: **142** (24Q2: 90)
 Number of affiliated workshops: **1,225** (24Q2: 1,139)

Largest owners 2024-09-30

Voting rights and share capitals, %	
LKQ Corporation	26,6
Swedbank Robur Fonder	9,0
Fjärde AP-fonden	7,9
Nordea Funds	3,6
Unionen	3,4
Carnegie Fonder	3,3
Eva Fraim Pålman	3,1
AFA Försäkring	3,0
Vanguard	2,8
Dimensional Fund Advisors	2,7
Total 10 largest shareholders	65,5
Others	34,5
Total	100,0

Long term financial targets

Sales growth

Annual sales growth of at least 5 percent

- through a combination of organic growth and smaller acquisitions, but excluding selective M&A

Adjusted EBIT growth

Annual adjusted EBIT growth of at least 10 percent.

Net debt/EBITDA

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

Dividend policy

Dividends corresponding to 50 per cent of profit after tax.

- Potential acquisition opportunities, financial position, investment needs and buy-backs taken into consideration.