

# Mekonomen Group

## Year-end Report January-December 2014

12 February 2015

### 1 October - 31 December 2014

- Revenues for the quarter increased 2 per cent to SEK 1,481 M (1,450). Adjusted for currency effects and calculated on a comparable number of working days, revenues rose 2 per cent.
- During the quarter a decision on restructuring in Denmark has been made which has affected EBITA negatively with non-recurring costs of SEK 241 M and EBIT SEK 280 M.
- Excluding total non-recurring effects, EBITA amounted to SEK 150 M (129). Including non-recurring effects, EBITA amounted to negative SEK 91 M (pos: 124).
- Excluding total non-recurring effects, EBIT amounted to SEK 122 M (102). Including non-recurring effects, EBIT amounted to negative SEK 158 M (pos: 52).
- Gross margin amounted to 49.4 per cent (54.6). Excluding total non-recurring effects, gross margin amounted to 54.6 per cent (54.5).
- EBIT excluding Denmark (pro forma) amounted to SEK 145 M (75).
- Earnings per share before and after dilution amounted to negative SEK 4.68 (pos: 0.88).
- Cash flow from operating activities totalled SEK 178 M (173).

### 1 January - 31 December 2014

- Revenue for the full year increased 1 per cent to SEK 5,924 M (5,863). Adjusted for currency effects and calculated on a comparable number of working days, revenues rose 1 per cent.
- EBITA was negatively impacted by total non-recurring effects of SEK 264 M (16) and amounted to SEK 427 M (626).
- EBIT was negatively impacted by total non-recurring effects of SEK 303 M (61) and amounted to SEK 274 M (469).
- EBIT excluding Denmark (pro forma) amounted to SEK 639 M (527).
- Earnings per share before and after dilution amounted to SEK 3.34 (8.56).
- Net debt amounted to SEK 1,629 M (1,642).
- Cash flow from operating activities totalled SEK 413 M (557).
- The Board of Directors proposes a share dividend of SEK 7.00 (7.00).

| SUMMARY OF THE GROUP'S EARNINGS TREND  |                  |       |           |                  |       |           |
|--|------------------|-------|-----------|------------------|-------|-----------|
| SEK M  | October-December |       |           | January-December |       |           |
|  | 2014             | 2013  | Change, % | 2014             | 2013  | Change, % |
| Revenues   | 1 481            | 1 450 | 2         | 5 924            | 5 863 | 1         |
| Operating profit before amortisation and impairment of intangible fixed assets (EBITA) | -91              | 124   | -173      | 427              | 626   | -32       |
| EBIT   | -158             | 52    | -404      | 274              | 469   | -42       |
| Profit after financial items   | -162             | 49    | -431      | 250              | 429   | -42       |
| Profit/loss after tax  | -169             | 31    | -645      | 127              | 315   | -60       |
| Earnings per share, SEK  | -4.68            | 0.88  | -630      | 3.34             | 8.56  | -61       |
| EBITA margin, %  | -6               | 9     |           | 7                | 11    |           |
| EBIT margin, %   | -11              | 4     |           | 5                | 8     |           |

### Mekonomen Group excluding Denmark (pro forma)

| PRO FORMA ACCOUNTS EXCLUDING DENMARK |                  |       |           |                  |       |           |
|--------------------------------------|------------------|-------|-----------|------------------|-------|-----------|
| SEK M                                | October-December |       |           | January-December |       |           |
|                                      | 2014             | 2013  | Change, % | 2014             | 2013  | Change, % |
| Revenues                             | 1 373            | 1 318 | 4         | 5 390            | 5 251 | 3         |
| EBITA                                | 184              | 146   | 25        | 763              | 683   | 12        |
| EBIT                                 | 145              | 75    | 92        | 639              | 527   | 21        |
| EBITA margin, %                      | 13               | 11    |           | 14               | 13    |           |
| EBIT margin, %                       | 11               | 6     |           | 12               | 10    |           |

<sup>1)</sup> See further information on the pro forma accounts on pages 4 and 16.

## CEO's comments

### **Improved sales and increased operating profit excluding Denmark**

**Mekonomen Group, excluding Denmark, experienced strong growth, improved operating profit and increased market share in both the quarter and full-year 2014. The restructuring effort in Denmark has affected EBIT with non-recurring costs of SEK 280 M in the fourth quarter.**

Excluding Denmark, the Group's revenues rose 4 per cent in the fourth quarter. Including Denmark, revenues rose 2 per cent to SEK 1,481 M (1,450). Excluding non-recurring costs, operating profit increased to SEK 122 M (102). The restructuring effort in Denmark had a negative impact on operating profit of SEK 280 M during the fourth quarter.

Mekonomen Group's revenue for full-year 2014, excluding Denmark, rose 3 per cent. Including Denmark, revenues rose 1 per cent and operating profit, excluding non-recurring costs, increased to SEK 577 M (530). EBITA excluding non-recurring costs increased to SEK 691 M (642).

Our assessment ahead of 2014 was that there would be no major change in the overall market and we can now see that 2014 was a year of steady market growth. The Nordic market showed some increase in the fourth quarter and our expectations for 2015 are for a somewhat stronger market, driven by such factors as lower fuel prices.

#### **Improved profitability in all Group companies, excluding Denmark**

Increased growth combined with effective cost control led to improved profitability for the full-year 2014 in all Group companies. During the year, we had strong growth in our affiliated workshops. Quality work in our affiliated workshops is a key factor behind this growth. The investment in ProMeister is our other growth engine. In the ProMeister venture, we are benefitting from our purchasing office in Hong Kong, which was strengthened during the year. At the same time, continuous efficiency enhancements are being implemented, for example, in the coordination of central functions, which was in focus in 2014.

#### **Restructuring of the Danish operation**

Comprehensive structural changes and repositioning were implemented in the Group's Danish operation to secure profitability in Denmark. All of the stores, which are also local and regional warehouses, and the head office for Denmark are being closed. The franchise workshops are retained and these now receive their deliveries of spare parts directly from the central warehouse in Sweden, meaning that we achieve efficient logistics without intermediaries in the distribution chain. This enables a long-term presence in the Danish market through our franchise workshops and will contribute positively to Mekonomen Group's profitability and development.

#### **Innovation**

The basis for our long-term growth is innovation, which involves both products and services as well as the way in which we can ease the way for our customers through smart services. In 2014, our focus has been on ProMeister, our training venture ProMeister Academy and Lasingoo, the car portal that we own jointly with other industry players.

#### **Focus 2015**

In 2015, the focus will be on continued initiatives in our affiliated workshops and the development of the workshop concepts, an increased share of ProMeister sales and the expansion of ProMeister Academy. Coordination of central functions, with further efficiency enhancement, is also a focus area.

Excluding the Danish operation, we have had a favourable fourth quarter, with growth in all customer segments. Through the strength we have in our concepts, with our able and committed employees and with a somewhat stronger market, Mekonomen Group has good prospects for growth during 2015.

Håkan Lundstedt  
President and CEO

## GROUP REVENUE

| TOTAL REVENUE<br>DISTRIBUTION, SEK M | October-December |              |           | January-December |              |           |
|--------------------------------------|------------------|--------------|-----------|------------------|--------------|-----------|
|                                      | 2014             | 2013         | Change, % | 2014             | 2013         | Change, % |
| MECA                                 | 539              | 535          | 1         | 2 205            | 2 211        | 0         |
| Mekonomen Nordic                     | 685              | 673          | 2         | 2 692            | 2 656        | 1         |
| Sørensen og Balchen                  | 176              | 159          | 11        | 712              | 701          | 2         |
| Other                                | 50               | 45           | 11        | 180              | 172          | 5         |
| <b>Total net sales</b>               | <b>1 451</b>     | <b>1 412</b> | <b>3</b>  | <b>5 789</b>     | <b>5 740</b> | <b>1</b>  |
| Other operating revenue              | 31               | 38           | -18       | 135              | 123          | 10        |
| <b>GROUP REVENUE</b>                 | <b>1 481</b>     | <b>1 450</b> | <b>2</b>  | <b>5 924</b>     | <b>5 863</b> | <b>1</b>  |

| GROWTH<br>PER CENT      | October-December 2014 |                  |                     |            | January-December 2014 |                  |                     |            |
|-------------------------|-----------------------|------------------|---------------------|------------|-----------------------|------------------|---------------------|------------|
|                         | MECA                  | Mekonomen Nordic | Sørensen og Balchen | Group      | MECA                  | Mekonomen Nordic | Sørensen og Balchen | Group      |
| Underlying increase     | -0,3                  | 1,7              | 10,3                | 1,6        | -0,9                  | 2,1              | 3,0                 | 1,3        |
| Currency effects        | 1,1                   | 0,1              | 0,6                 | 0,5        | 0,5                   | -0,6             | -1,9                | -0,3       |
| Effect, workdays        | 0,0                   | 0,0              | 0,0                 | 0,0        | 0,1                   | -0,2             | 0,5                 | 0,0        |
| <b>Nominal increase</b> | <b>0,8</b>            | <b>1,8</b>       | <b>10,9</b>         | <b>2,2</b> | <b>-0,3</b>           | <b>1,3</b>       | <b>1,6</b>          | <b>1,0</b> |

### 1 October - 31 December

Revenues increased 2 per cent to SEK 1,481 M (1,450). Adjusted for positive currency effects of SEK 8 M, revenues increased 2 per cent during the fourth quarter. Excluding Denmark, revenues increased 4 per cent. The number of workdays during the fourth quarter was unchanged in Sweden, Norway and Denmark, with one more day in Finland compared with the year-earlier period. Calculated on comparable workdays and adjusted for currency effects, revenues increased 2 per cent. Sales in comparable units rose 3 per cent.

### 1 January-31 December 2014

Revenues rose 1 per cent to SEK 5,924 M (5,863). Adjusted for negative currency effects of SEK 18 M, revenues increased 1 per cent during the full year. Excluding Denmark, revenues increased 4 per cent. The number of working days over the full year was one day less in Sweden, unchanged in Finland and one day more in Norway and Denmark, compared with the preceding year. Calculated on comparable workdays and adjusted for currency effects, revenues increased 1 per cent. Sales in comparable units rose 3 per cent.

## GROUP PERFORMANCE

### 1 October - 31 December

*Operating profit before amortisation and impairment of intangible fixed assets, EBITA*

EBITA was negative in an amount of SEK 91 (pos: 124) and the EBITA margin was negative 6 per cent (pos: 9). Earnings were negatively impacted by non-recurring effects in Denmark of SEK 241 M (5). Excluding non-recurring effects, EBITA amounted to SEK 150 M (129) and the EBITA margin to 10 per cent (9). Currency effects had a negative impact on earnings of SEK 14 M (10).

### *EBIT*

EBIT amounted to negative SEK 158 M (pos: 52) and the EBIT margin amounted to negative 11 per cent (pos: 4). Earnings were negatively impacted by non-recurring effects in Denmark of SEK 280 M (5), as well as depreciation of IT systems in the preceding year of SEK 45 M. Excluding non-recurring effects, EBIT totalled SEK 122 M (102) and the EBIT margin was 8 per cent (7). Currency effects had a negative impact on earnings of SEK 14 M (10).

### *Other earnings*

Loss after net financial items amounted to SEK 162 M (profit: 49). Net interest expense totalled SEK 9 M (expense: 8) and other financial items amounted to SEK 5 M (6). Loss after tax amounted to SEK 169 M (profit: 31). Tax expense for 2014 has been negatively impacted as the loss pertaining to the Danish business only partly is expected to be utilised for tax purposes. Estimated deductible tax pertaining to Denmark amounts to SEK 53 M, of which SEK 31 M had a positive effect on the tax expense for the quarter. The part of the loss not expected to be utilised amounts to SEK 33 M for the quarter. Earnings per share, before and after dilution, were negative SEK 4.68 (pos: 0.88).

### 1 January-31 December 2014

*Operating profit before amortisation and impairment of intangible fixed assets, EBITA*

EBITA, amounted to SEK 427 M (626) and the EBITA margin was 7 (11) per cent. Earnings were negatively impacted by non-recurring effects of SEK 264 M (16), of which Denmark accounted for SEK 254 M (16). Currency effects had a negative impact on earnings of SEK 9 M (16).

### EBIT

EBIT amounted to SEK 274 M (469) and the EBIT margin was 5 per cent (8). Earnings were negatively impacted by non-recurring effects of SEK 303 M (61), of which Denmark accounted for SEK 293 M (16). Currency effects had a negative impact on earnings of SEK 9 M (16).

### Other earnings

Profit after net financial items amounted to SEK 250 M (429). Net interest expense improved to SEK 40 M (expense: 43) and other financial items to SEK 16 M (4). Other financial items were positively impacted of non-recurring effects of SEK 10 M (0). Profit after tax amounted to SEK 127 M (315). Tax expense for 2014 has been negatively impacted as the loss pertaining to the Danish business only partly is expected to be utilised for tax purposes. Estimated deductible tax pertaining to Denmark amounts to SEK 53 M, of which SEK 31 M had a positive effect on the tax expense for the full year. The part of the loss not expected to be utilised amounts to SEK 48 M for the full year. Earnings per share, before and after dilution amounted to SEK 3.34 (8.56).

### MEKONOMEN GROUP EXCLUDING DENMARK (PRO FORMA)

A decision on a comprehensive restructuring of Mekonomen Group's operations in Denmark was made in December 2014. Mekonomen will retain its franchise workshops and invest in efficient logistics without intermediaries in the distribution chain. All 28 stores, which are also local and regional warehouses, and the head office in Denmark are being closed.

As a result of the decision on structural change, operating profit was charged with non-recurring costs of SEK 280 M in the fourth quarter. The restructuring costs mainly pertain to leasing commitments of SEK 41 M, personnel-related costs of SEK 67 M, impairment of intangible fixed assets of SEK 39 M, impairment of tangible fixed assets of SEK 22 M, impairment of financial fixed assets of SEK 12 M, impairment of inventory of SEK 75 M, impairment of receivables of SEK 12 M and other costs totalling SEK 13 M. EBIT was negatively impacted in an amount of SEK 280 M, EBITA was negatively impacted in an amount of SEK 241 M and EBITDA was negatively impacted in an amount of SEK 219 M.

Mekonomen Group's income statement pro forma, excluding operations in Denmark in 2014 and 2013 is presented below. For a description of the conditions and assumptions applied in compiling the pro forma accounts, see page 16.

| PRO FORMA STATEMENT EXCLUDING DENMARK, SEK M           | October-December |              | January-December |              |
|--|------------------|--------------|------------------|--------------|
|  | 2014             | 2013         | 2014             | 2013         |
| Net sales  | 1 347            | 1 280        | 5 262            | 5 129        |
| Other operating revenue                                | 26               | 38           | 128              | 122          |
| <b>Total revenue</b>                                   | <b>1 373</b>     | <b>1 318</b> | <b>5 390</b>     | <b>5 251</b> |
| Goods for resale                                       | -592             | -569         | -2 337           | -2 275       |
| Other external costs                                   | -274             | -288         | -1 044           | -1 072       |
| Personnel costs  | -309             | -295         | -1 185           | -1 154       |
| Depreciation and impairment of tangible fixed assets   | -14              | -19          | -61              | -67          |
| Amortisation and impairment of intangible fixed assets | -39              | -71          | -124             | -156         |
| <b>EBIT</b>  | <b>145</b>       | <b>75</b>    | <b>639</b>       | <b>527</b>   |

### FINANCIAL POSITION AND CASH FLOW

Cash flow from operating activities amounted to SEK 178 M (173) for the fourth quarter and to SEK 413 M (557) for the full year. Tax paid amounted to SEK 0 M (12) for the fourth quarter and to SEK 160 M (139) for the full year. Cash and cash equivalents amounted to SEK 258 M (279) at the end of the year. The equity/assets ratio was 39 per cent (41). Long-term interest-bearing liabilities amounted to SEK 1,404 M (1,660). Current interest-bearing liabilities amounted to SEK 495 M (276).

Net debt amounted to SEK 1,629 (1,642) at the end of the year, which entailed a reduction of SEK 13 M since the beginning of the year and a reduction of SEK 134 M in the fourth quarter. A dividend of SEK 262 M was paid during the year. In the fourth quarter, loans were amortized by SEK 104 M and by SEK 272 M during the full year. In conjunction with refinancing of SEK 1,100 M during the second quarter, the loans were increased by SEK 12 M. Net indebtedness was calculated in accordance with a new definition, from the first quarter of 2014, as interest-bearing liabilities for borrowing, less cash and cash equivalents. Accordingly, net debt does not include pensions, leasing, derivatives and similar obligations. The new definition entails only a marginal impact on the net debt calculation. The comparative figures have been recalculated for earlier periods.

## INVESTMENTS

During the fourth quarter, investments in fixed assets amounted to SEK 27 M (13) and to SEK 75 M (63) for the full year. Depreciation and impairment of tangible fixed assets amounted to SEK 39 M (23) for the fourth quarter and SEK 100 M (83) for the full year. During the quarter, company and business acquisitions amounted to SEK 17 M (1) MSEK and to SEK 65 M (11) for the full year. Acquired assets totalled SEK 21 M (4) and acquired liabilities SEK 8 M (0) for the full year. In addition to goodwill, which amounted to SEK 35 M (4), surplus values on intangible fixed assets of SEK 4 M (0) were identified pertaining to brands, SEK 1 M (0) pertaining to IT systems, and SEK 13 M (2) pertaining to customer relations. Deferred tax liabilities attributable to acquired intangible fixed assets amounted to SEK 1 M (0). Acquired minority shares amounted to SEK 3 M (0) for the fourth quarter and SEK 6 M (8) for the full year and divested minority shares amounted to SEK 3 M (0) for the fourth quarter and SEK 3 M (0) for the full year.

## ACQUISITIONS AND START-UPS

### Fourth quarter

Mekonomen Nordic acquired minority shares in two stores for a small amount. In Sweden, one store and a share in a workshop in Valdemarsvik were acquired, as well as a partner store in Ängelholm.

### Earlier in the year

Mekonomen Nordic acquired minority shares in five stores for a minor amount. In Sweden, acquisitions were also made of a store in Torsby, a partner store in Löddeköpinge and a partner store in Strömstad, as well as the establishment of a store in Töcksfors. In Norway, a partner store was acquired in Larvik.

Sørensen og Balchen acquired a company in Østerås, Norway. In Sweden, MECA acquired stores in Mora and Leksand, Vällingby in Stockholm and a partner store in Hässleholm. Meko Service Nordic acquired three workshops in Sweden. The impact of the acquisitions on consolidated sales and earnings was marginal.

### Number of stores and workshops

The total number of stores in the chains at the end of the year was 355 (399), of which 261 (289) were proprietary stores. The number of affiliated workshops totalled 2,304 (2,300). See distribution in the table on page 14.

## EMPLOYEES

The total number of employees at the end of the year was 2,235 (2,541) and the average number of employees during the year was 2,504 (2,535). See distribution in the table on page 14. The number of employees at year-end fell, mainly due to the structural changes in Denmark decided in the fourth quarter.

## PERFORMANCE BY SEGMENT

### SEGMENT MECA

| MECA<br>MSEK   | October-December |      |           | January-December |           |           |
|--|------------------|------|-----------|------------------|-----------|-----------|
|  | 2014             | 2013 | Change, % | 2014             | 2013      | Change, % |
| Net sales, external  | 539              | 535  | 1         | 2 205            | 2 211     | 0         |
| Operating profit before amortisation and impairment of intangible fixed assets (EBITA) | -203             | 20   | -1115     | -68              | 156       | -144      |
| EBIT   | -261             | 1    | -26200    | -182             | 84        | -318      |
| EBITA margin, %  | -37              | 4    |           | -3               | 7         |           |
| EBIT margin, %   | -48              | 0    |           | -8               | 4         |           |
| Number of stores / of which own  |                  |      |           | 91 / 75          | 131 / 108 |           |
| Number of Mekonomen Service Centres  |                  |      |           | 195              | 212       |           |
| Number of Mekopartner  |                  |      |           | 153              | 190       |           |
| Number of MECA Car Service   |                  |      |           | 628              | 570       |           |

The underlying net sales was unchanged in the fourth quarter. MECA reported an operating loss of SEK 261 M (gain: 1). EBITA and EBIT were negatively impacted by non-recurring costs of SEK 241 M and SEK 280 M pertaining to the restructuring in Denmark. EBIT for the fourth quarter were charged with total non-recurring effects of SEK 280 M (5) and SEK 302 M (16) for the full year.

MECA Denmark's operating loss for the fourth quarter was SEK 303 M (loss: 24) and SEK 365 M (loss: 58) for the full year. Net sales for the fourth quarter amounted to SEK 104 M (134) and SEK 527 M (612) for the full year.

The currency effect on net sales against the DKK were positive and amounted to SEK 5 M for the fourth quarter and SEK 26 M for the full year. The underlying net sales in MECA Denmark declined 26 per cent for the fourth quarter and 19 per cent for the full year. Non-recurring effects in MECA Denmark were charged to earnings in an amount of SEK 280 M (5) in the fourth quarter and SEK 293 M (16) for the full year.

| MECA, excluding Denmark<br>SEK M   | October-December |      |           | January-December |       |           |
|--|------------------|------|-----------|------------------|-------|-----------|
|  | 2014             | 2013 | Change, % | 2014             | 2013  | Change, % |
| Net sales, external  | 435              | 401  | 8         | 1 679            | 1 599 | 5         |
| Operating profit before amortisation and impairment of intangible fixed assets (EBITA) | 72               | 42   | 70        | 268              | 213   | 26        |
| EBIT   | 42               | 25   | 71        | 183              | 142   | 29        |
| EBITA margin, %  | 16               | 11   |           | 16               | 13    |           |
| EBIT margin, %   | 9                | 6    |           | 11               | 9     |           |

EBIT for MECA, excluding Denmark, was negatively impacted by non-recurring costs of SEK 9 M (0) for the full year, none in the fourth quarter. EBIT was also charged with amortisation of intangible fixed assets totalling SEK 15 M (15) in the fourth quarter identified in connection with the acquisition and SEK 60 M (60) over the full year. The currency effect in net sales against the NOK was positive SEK 1 M in the fourth quarter and negative SEK 15 M for the full year. The underlying net sales rose 8 per cent in the fourth quarter and rose 6 per cent for the full year.

### SEGMENT MEKONOMEN NORDIC

| MEKONOMEN NORDIC<br>SEK M  | October-December |      |           | January-December |           |           |
|--|------------------|------|-----------|------------------|-----------|-----------|
|  | 2014             | 2013 | Change, % | 2014             | 2013      | Change, % |
| Net sales, external  | 685              | 673  | 2         | 2 692            | 2 656     | 1         |
| Operating profit before amortisation and impairment of intangible fixed assets (EBITA) | 97               | 80   | 21        | 422              | 390       | 8         |
| EBIT   | 93               | 31   | 203       | 401              | 323       | 24        |
| EBITA margin, %  | 14               | 12   |           | 15               | 14        |           |
| EBIT margin, %   | 13               | 5    |           | 14               | 12        |           |
| Number of stores/of which own  |                  |      |           | 192 / 151        | 193 / 146 |           |
| Number of Mekonomen Service Centres  |                  |      |           | 863              | 871       |           |
| Number of MekoPartner  |                  |      |           | 202              | 188       |           |

Mekonomen BilLivet and Speedy that were previously included in Mekonomen Nordic, are included in Meko Service Nordic in "Other" as of 1 January 2014. Comparative figures are recalculated

The underlying net sales rose 2 per cent in the fourth quarter and 2 per cent for the full year. The currency effect in net sales against the NOK was positive SEK 1 M in the fourth quarter and negative SEK 15 M for the full year. EBIT was negatively impacted by non-recurring costs of SEK 0 M (45) for the fourth quarter and SEK 1 M (45) for the full year. Mekonomen Sweden's EBIT margin for the fourth quarter amounted to 14 per cent (15). EBIT for the fourth quarter amounted to SEK 67 M (70) and SEK 274 M (288) for the full year, while net sales for the fourth quarter amounted to SEK 451 M (447) and SEK 1,746 M (1,741) for the full year. Mekonomen Norway's EBIT margin for the fourth quarter was 15 per cent (11). EBIT for the fourth quarter amounted to SEK 32 M (21) and SEK 133 M (120) for the full year, while net sales for the fourth quarter amounted to SEK 197 M (188) and SEK 791 M (774) for the full year. The sales trend for ProMeister contributed to increased volumes to other workshops in the fourth quarter.

### SEGMENT SØRENSEN OG BALCHEN

| SØRENSEN OG BALCHEN<br>SEK M   | October-December |      |           | January-December |         |           |
|--|------------------|------|-----------|------------------|---------|-----------|
|  | 2014             | 2013 | Change, % | 2014             | 2013    | Change, % |
| Net sales, external  | 176              | 159  | 11        | 712              | 701     | 2         |
| Operating profit before amortisation and impairment of intangible fixed assets (EBITA) | 22               | 24   | -6        | 109              | 99      | 10        |
| EBIT   | 18               | 19   | -8        | 92               | 81      | 12        |
| EBITA margin, %  | 12               | 15   |           | 15               | 14      |           |
| EBIT margin, %   | 10               | 12   |           | 13               | 11      |           |
| Number of stores / of which own  |                  |      |           | 71 / 34          | 74 / 34 |           |
| Number of BilXtra  |                  |      |           | 232              | 243     |           |

EBITA amounted to SEK 22 M (24) for the fourth quarter. Increased efficiency in stores contributed to improved EBIT for the full year. EBIT was also charged with the amortisation of intangible fixed assets totalling SEK 4 M (4) in the fourth quarter identified in connection with the acquisition and SEK 18 M (18) for the full year. The underlying net sales rose 10 per cent for the the fourth quarter and increased 3 per cent for the full year. Sørensen og Balchen reported a favourable trend in consumer business. The currency effect in net sales against the NOK was positive SEK 1 M in the fourth quarter and negative SEK 13 M for the full year.

## SALES GROWTH PER CUSTOMER GROUP

| GROWTH PER CUSTOMER GROUP<br>PER CENT | October-December 2014 |           |          | January-December 2014 |           |          |
|---------------------------------------|-----------------------|-----------|----------|-----------------------|-----------|----------|
|                                       | Affiliated            | Consumers | Other    | Affiliated            | Consumers | Other    |
|                                       | workshops             |           | workshop | workshops             |           | workshop |
| Nominal growth                        | 6.5                   | 3.7       | 1.2      | 5.8                   | -0.5      | -1.9     |
| Currency adjusted growth              | 5.7                   | 3.3       | 0.3      | 5.8                   | 0.0       | -2.2     |

Excluding Denmark, the local currency trend in the fourth quarter for affiliated workshops was 7.7 per cent, 4.6 percent for consumers and 5.5 per cent for other workshops, and for the full year, 6.9 per cent for affiliated workshops, 1.7 per cent for consumers, and 2.2 per cent for other workshops.

## NUMBER OF WORKDAYS PER QUARTER AND COUNTRY

Mekonomen has no actual seasonal effects in its operations. However, the number of workdays affects sales and profits.

| WORKDAYS<br>BY COUNTRY | Q1   |      |      | Q2   |      |      | Q3   |      |      | Q4   |      |      | Full-year |      |      |
|------------------------|------|------|------|------|------|------|------|------|------|------|------|------|-----------|------|------|
|                        | 2014 | 2013 | 2012 | 2014 | 2013 | 2012 | 2014 | 2013 | 2012 | 2014 | 2013 | 2012 | 2014      | 2013 | 2012 |
| Sweden                 | 62   | 62   | 64   | 59   | 60   | 59   | 66   | 66   | 65   | 62   | 62   | 62   | 249       | 250  | 250  |
| Norway                 | 63   | 61   | 65   | 59   | 60   | 59   | 66   | 66   | 65   | 62   | 62   | 62   | 250       | 249  | 251  |
| Denmark                | 63   | 61   | 65   | 59   | 60   | 58   | 66   | 66   | 65   | 62   | 62   | 62   | 250       | 249  | 250  |
| Finland                | 62   | 62   | 64   | 60   | 61   | 60   | 66   | 66   | 65   | 62   | 61   | 61   | 250       | 250  | 250  |

## SIGNIFICANT RISKS AND UNCERTAINTIES

The company conducted a review and assessment of operating and financial risks and uncertainties in accordance with the description in the 2013 Annual Report and found that no significant risks have occurred since then. For the complete report, refer to the 2013 Annual Report for the risks that affect the Group.

## PARENT COMPANY AND "OTHER"

The Parent Company's operations comprise mainly Group Management and finance management. The Parent Company's profit after net financial items amounted to an expense of SEK 5 M (expense: 4) for the fourth quarter and an expense of SEK 37 M (expense: 41) for the full year, excluding impairment of shares in subsidiaries during the quarter and full year totalling SEK 486 M (0) and excluding dividends from subsidiaries of SEK 888 M (114) for the full year. The average number of employees was 15 (13). During the full year, Mekonomen AB sold goods and services to Group companies for a total of SEK 42 M (45).

"Other" comprises Mekonomen AB, M by Mekonomen, the purchasing company in Hong Kong, Meko Service Nordic, the joint venture in Polen as well as Group-wide functions and eliminations. Meko Service Nordic is a new unit within the Mekonomen Group, which operates proprietary workshops under the Mekonomen Service Centre and Speedy concepts. Mekonomen BilLivet AB and Speedy were therefore moved from the Mekonomen Nordic segment to Meko Service Nordic from 1 January 2014. The comparative figures have been recalculated. EBIT for "Other" for the quarter amounted to a loss of SEK 8 M (0) and a loss of SEK 36 M (loss: 19) for the full year.

## EVENTS AFTER THE END OF THE PERIOD

A decision was made on changes to the Group Management team. As of 12 February 2015, the Group Management team comprises the following individuals:

Håkan Lundstedt, President and CEO, Mekonomen AB  
 Marcus Larsson, Executive Vice President, Mekonomen AB  
 Morten Birkeland, CEO, Sørensen og Balchen  
 Per Hedblom, CFO, Mekonomen AB  
 Magnus Johansson, CEO, Mekonomen Nordic  
 Pehr Oscarson, CEO, MECA  
 Gunilla Spongh, International Business Director, Mekonomen AB

## ACCOUNTING POLICES

Mekonomen 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.

The Group is applying a number of new standards and interpretations with effect from 1 January 2014, which comprise primarily pertaining to consolidation (including: IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities, IAS 27 Separate Financial Statements and IAS 28 Investments in Associates and Joint Ventures). None of the new standards and interpretations applied by Mekonomen Group as of 1 January 2014 has had any significant impact on the consolidated financial statements.

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

#### **FORTHCOMING FINANCIAL REPORTING DATES**

| <b>Information</b> | <b>Period</b>            | <b>Date</b>      |
|--------------------|--------------------------|------------------|
| Interim report     | January - March 2015     | 13 May 2015      |
| Interim report     | January - June 2015      | 26 August 2015   |
| Interim report     | January - September 2015 | 11 November 2015 |
| Year-end report    | January - December 2015  | 17 February 2016 |

#### **ANNUAL GENERAL MEETING**

The 2014 Annual General Meeting will be held on 14 April 2015 in Stockholm. The Annual Report will be published and available on Mekonomen's website not later than 24 March 2015.

#### **SHARE DIVIDEND**

The Board of Directors proposes a share dividend of SEK 7.00 (7.00). The Board has proposed 16 April 2015 as the record date for the dividend. Providing the Annual General Meeting resolves in favour of the dividend, it is expected to be paid on 21 April 2015.

#### **NOMINATION COMMITTEE**

In accordance with the guidelines established at the Annual General Meeting on 8 April 2014, Mekonomen has established a Nomination Committee. The Nomination Committee shall prepare and submit proposals to the Annual General Meeting on 14 April 2015 pertaining to the election of the Chairman at the Annual General Meeting, the number of Board members and deputy members, the election of Chairman of the Board and other members to the Board of Directors of the company, Board fees, as well as any remuneration for committee work, the election of and fees to be paid to the auditors, and guidelines for appointment of the Nomination Committee.

Prior to the 2015 Annual General Meeting, the Nomination Committee consists of Alexandra Mörner representing the Axel Johnson AB Group, Annika Andersson, representing Swedbank Robur funds, Anna Ohlsson-Leijon, representing SEB funds and Arne Lööv, representing the Fourth Swedish National Pension Fund. Alexandra Mörner has been appointed Chairman of the Nomination Committee. Mekonomen's Chairman, Fredrik Persson, has been co-opted to the Nomination Committee.

#### **MEKONOMEN GROUP IN BRIEF**

Mekonomen makes CarLife easier, through a broad and easily accessible range of affordable and innovative solutions and products for consumers and companies. We are the leading car service chain in the Nordic region, with proprietary wholesale operations with approximately 350 stores and more than 2,300 affiliated workshops under the Mekonomen Group brands.

#### **BUSINESS CONCEPT**

With clear and innovative concepts, high quality and an efficient logistics chain, the Mekonomen Group offers solutions to consumers and companies for an easier and more affordable CarLife.



## Business flow

Approximately 160 suppliers account for 80 per cent of the supply of goods. The three Group companies are responsible for their individual wholesale operations. The approximately 350 stores deliver to more than 2,300 affiliated workshops and to other workshops and consumers. The Group also has more than 20 proprietary workshops.



Stockholm, 12 February 2015

Mekonomen AB (publ), Corp. Reg. No. 556392-1971

Håkan Lundstedt  
President and CEO

This year-end report has not been audited.

For further information, please contact:

Håkan Lundstedt, President and CEO Mekonomen AB, Tel: +46 (0)8-464 00 00

Per Hedblom, CFO Mekonomen AB, Tel: +46 (0)8-464 00 00

Gunilla Spongh, International Business Director, Mekonomen AB, Tel: +46 (0)8-464 00 00

The information in this interim report is such that Mekonomen AB (publ) is obligated to publish in accordance with the Securities Market Act.

The information was submitted for publication on 12 February 2015 at 7:30 a.m.

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

## CONSOLIDATED FINANCIAL REPORTS

| CONDENSED CONSOLIDATED INCOME<br>STATEMENT, SEK M <sup>1)</sup> | October-December |              | January-December |              |
|---|------------------|--------------|------------------|--------------|
|   | 2014             | 2013         | 2014             | 2013         |
| Net sales   | 1 451            | 1 412        | 5 789            | 5 740        |
| Other operating revenue   | 31               | 38           | 135              | 123          |
| <b>Total revenue</b>  | <b>1 481</b>     | <b>1 450</b> | <b>5 924</b>     | <b>5 863</b> |
| Goods for resale  | -734             | -641         | -2 706           | -2 632       |
| Other external costs  | -388             | -315         | -1 264           | -1 187       |
| Personnel expenses  | -411             | -347         | -1 427           | -1 336       |
| Depreciation and impairment of tangible fixed assets            | -39              | -23          | -100             | -83          |
| <b>EBITA</b> <sup>2)</sup>                                      | <b>-91</b>       | <b>124</b>   | <b>427</b>       | <b>626</b>   |
| Amortisation and impairment of intangible fixed assets          | -67              | -72          | -152             | -157         |
| <b>EBIT</b> <sup>3)</sup>                                       | <b>-158</b>      | <b>52</b>    | <b>274</b>       | <b>469</b>   |
| Interest income   | 2                | 3            | 5                | 9            |
| Interest expense  | -11              | -11          | -45              | -52          |
| Other financial items   | 5                | 6            | 16               | 4            |
| <b>PROFIT AFTER FINANCIAL ITEMS</b>                             | <b>-162</b>      | <b>49</b>    | <b>250</b>       | <b>429</b>   |
| Tax <sup>4)</sup>   | -7               | -19          | -123             | -114         |
| <b>PROFIT FOR THE PERIOD</b>                                    | <b>-169</b>      | <b>31</b>    | <b>127</b>       | <b>315</b>   |
| <b>Net profit for the period attributable to:</b>               |                  |              |                  |              |
| Parent Company's shareholders                                   | -168             | 31           | 120              | 307          |
| Minority owners   | -1               | 0            | 7                | 8            |
| <b>PROFIT FOR THE PERIOD</b>                                    | <b>-169</b>      | <b>31</b>    | <b>127</b>       | <b>315</b>   |
| Earnings per share before and after dilution, SEK               | -4.68            | 0.88         | 3.34             | 8.56         |

<sup>1)</sup> The consolidated income statement for the quarter and the full year 2014 includes non-recurring costs attributable to the decision on structural change in Denmark of SEK 280 M distributed among the earnings rows, Goods for resale SEK 75 M, Other external costs SEK 78 M, Personnel expenses SEK 67 M, Depreciation and impairment of tangible fixed assets SEK 22 M and Amortisation and impairment of intangible fixed assets SEK 39 M. For more information on the restructuring costs, see page 4.

<sup>2)</sup> EBITA was impacted negatively by non-recurring costs of SEK 241 M for restructuring in Denmark during the quarter and the full year 2014.

<sup>3)</sup> EBIT was negatively impacted by non-recurring costs of SEK 280 M for restructuring in Denmark during the quarter and the full year 2014.

<sup>4)</sup> Tax expense for 2014 has been negatively impacted as the loss pertaining to the Danish business only partly is expected to be utilised for tax purposes. Estimated deductible tax pertaining to Denmark amounts to SEK 53 M, of which SEK 31 M had a positive effect on the tax expense for the full year. The part of the loss not expected to be utilised amounts to SEK 33 M for the quarter and SEK 48 M for the full year.

| CONSOLIDATED STATEMENT OF<br>COMPREHENSIVE INCOME, SEK M                   | October-December |           | January-December |             |
|--|------------------|-----------|------------------|-------------|
|  | 2014             | 2013      | 2014             | 2013        |
| <b>PROFIT FOR THE PERIOD</b>   | <b>-169</b>      | <b>31</b> | <b>127</b>       | <b>315</b>  |
| <b>Other comprehensive income:</b>   |                  |           |                  |             |
| <i>Components that will not be reclassified as earnings for the year:</i>  |                  |           |                  |             |
| - Actuarial profits and losses   | -7               | 5         | -7               | 5           |
| <i>Components that may later be reclassified as earnings for the year:</i> |                  |           |                  |             |
| - Exchange-rate differences from translation of foreign subsidiaries       | -93              | -9        | -20              | -128        |
| - Cash-flow hedging <sup>1)</sup>  | 1                | -3        | 0                | -1          |
| <b>Other comprehensive income, net after tax</b>                           | <b>-99</b>       | <b>-7</b> | <b>-27</b>       | <b>-124</b> |
| <b>COMPREHENSIVE INCOME FOR THE PERIOD</b>                                 | <b>-268</b>      | <b>24</b> | <b>100</b>       | <b>191</b>  |
| <b>Comprehensive income for the period attributable to:</b>                |                  |           |                  |             |
| Parent Company's shareholders  | -267             | 24        | 93               | 183         |
| Minority owners  | -1               | 0         | 7                | 8           |
| <b>COMPREHENSIVE INCOME FOR THE PERIOD</b>                                 | <b>-268</b>      | <b>24</b> | <b>100</b>       | <b>191</b>  |

<sup>1)</sup> Holding of financial interest rate derivatives for hedging purposes, valued according to level 2 defined in IFRS 13.

| <b>CONDENSED CONSOLIDATED BALANCE SHEET</b>               | <b>31 December</b> | <b>31 December</b> | <b>31 December</b> |
|---|--------------------|--------------------|--------------------|
| <b>SEK M</b>  | <b>2014</b>        | <b>2013</b>        | <b>2012</b>        |
| <b>ASSETS <sup>1)</sup></b>                               |                    |                    |                    |
| Intangible fixed assets                                   | 2 813              | 2 881              | 3 086              |
| Tangible fixed assets                                     | 201                | 249                | 287                |
| Financial fixed assets                                    | 65                 | 75                 | 94                 |
| Deferred tax assets                                       | 55                 | 23                 | -                  |
| Goods for resale  | 1 223              | 1 213              | 1 203              |
| Current receivables                                       | 769                | 724                | 797                |
| Cash and cash equivalents                                 | 258                | 279                | 241                |
| <b>TOTAL ASSETS</b>                                       | <b>5 384</b>       | <b>5 444</b>       | <b>5 708</b>       |
|   |                    |                    |                    |
| <b>SHAREHOLDERS' EQUITY AND LIABILITIES <sup>1)</sup></b> |                    |                    |                    |
| Shareholders' equity                                      | 2 080              | 2 240              | 2 316              |
| Long-term liabilities, interest-bearing                   | 1 404              | 1 660              | 1 809              |
| Deferred tax liabilities                                  | 168                | 211                | 230                |
| Long-term liabilities, non-interest-bearing               | 3                  | 1                  | 20                 |
| Current liabilities, interest-bearing                     | 495                | 276                | 296                |
| Current liabilities, non-interest-bearing                 | 1 234              | 1 056              | 1 037              |
| <b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>         | <b>5 384</b>       | <b>5 444</b>       | <b>5 708</b>       |

<sup>1)</sup> The carrying amounts for financial assets and liabilities are either valued at fair value or represent a good approximation of fair value.

| <b>CONDENSED CONSOLIDATED CHANGES IN</b>           | <b>31 December</b> | <b>31 December</b> | <b>31 December</b> |
|--|--------------------|--------------------|--------------------|
| <b>SHAREHOLDERS' EQUITY, SEK M</b>                 | <b>2014</b>        | <b>2013</b>        | <b>2012</b>        |
| Shareholders' equity at beginning of year          | 2 240              | 2 316              | 1 556              |
| Comprehensive income for the period                | 100                | 191                | 380                |
| Acquisition/divestment of non-controlling interest | 2                  | -8                 | -4                 |
| Dividend to shareholders                           | -262               | -259               | -275               |
| New share issue                                    | -                  | -                  | 659                |
| <b>SHAREHOLDERS' EQUITY AT END OF PERIOD</b>       | <b>2 080</b>       | <b>2 240</b>       | <b>2 316</b>       |
| Of which, non-controlling interests                | 14                 | 12                 | 13                 |

| <b>CONDENSED CONSOLIDATED CASH-FLOW</b>   | <b>October-December</b> |             | <b>January-December</b> |             |
|---|-------------------------|-------------|-------------------------|-------------|
| <b>STATEMENT, SEK M</b>   | <b>2014</b>             | <b>2013</b> | <b>2014</b>             | <b>2013</b> |
| <b>OPERATING ACTIVITIES</b>   |                         |             |                         |             |
| <i>Cash flow from operating activities before changes in working capital, excluding</i> |                         |             |                         |             |
| <i>Tax paid</i>   | 152                     | 141         | 711                     | 664         |
| Tax paid  | 0                       | -12         | -160                    | -139        |
| <b>Cash flow from operating activities before changes in working capital</b>            | <b>152</b>              | <b>129</b>  | <b>552</b>              | <b>525</b>  |
| Cash flow from changes in working capital:  |                         |             |                         |             |
| Changes in inventory  | -1                      | -77         | -59                     | -43         |
| Changes in receivables  | 80                      | 94          | -62                     | 10          |
| Changes in liabilities  | -53                     | 27          | -17                     | 65          |
| <i>Increase (-)/decrease (+) restricted working capital</i>                             | 27                      | 44          | -138                    | 32          |
| <b>Cash flow from operating activities</b>  | <b>178</b>              | <b>173</b>  | <b>413</b>              | <b>557</b>  |
| <b>Cash flow from investing activities</b>  | <b>-30</b>              | <b>-10</b>  | <b>-121</b>             | <b>-54</b>  |
| <b>Cash flow from financing activities</b>  | <b>-67</b>              | <b>-42</b>  | <b>-309</b>             | <b>-442</b> |
| <b>CASH FLOW FOR THE PERIOD</b>   | <b>82</b>               | <b>121</b>  | <b>-17</b>              | <b>61</b>   |
|   |                         |             |                         |             |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>                         | <b>197</b>              | <b>162</b>  | <b>279</b>              | <b>241</b>  |
| Exchange-rate difference in cash and cash equivalents                                   | -21                     | -4          | -4                      | -23         |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>                                   | <b>258</b>              | <b>279</b>  | <b>258</b>              | <b>279</b>  |

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

The financial instruments that were measured at fair value in the balance sheet are shown below. This was done by dividing the values in three levels, which are described in the 2013 Annual Report, Note 10. All of Mekonomen's financial instruments are included in Level 2.

The methods and assumptions mostly used to establish the fair value of the financial instruments shown in the table below are described in the 2013 Annual Report, Note 10. The same types of financial instruments are in the interim report as in the 2013 Annual Report.

| <b>CONSOLIDATED DERIVATIVE INSTRUMENTS</b>                |                         |                         |
|---|-------------------------|-------------------------|
| <b>MEASURED AT FAIR VALUE IN THE BALANCE SHEET, SEK M</b> | <b>31 December 2014</b> | <b>31 December 2013</b> |
| <b>FINANCIAL ASSETS</b>                                   |                         |                         |
| Derivatives: Currency swaps                               | -                       | -                       |
| Interest rate swaps                                       | -                       | -                       |
| <b>TOTAL</b>  | <b>-</b>                | <b>-</b>                |
| <b>FINANCIAL LIABILITIES</b>                              |                         |                         |
| Derivatives: Currency swaps                               | 1                       | 3                       |
| Interest rate swaps                                       | 2                       | 2                       |
| <b>TOTAL</b>  | <b>2</b>                | <b>5</b>                |

| <b>CONSOLIDATED FINANCIAL ASSETS AND LIABILITIES PER MEASUREMENT CATEGORY, 31 DECEMBER 2014</b> |                      |                            |                             |                       |              |                                    | <b>TOTAL</b>          |
|---|----------------------|----------------------------|-----------------------------|-----------------------|--------------|------------------------------------|-----------------------|
| <b>MSEK</b>   | Derivate instruments | Loan & accounts receivable | Other financial liabilities | Total carrying amount | Fair value   | Non-financial assets & liabilities | balance sheet summary |
| <b>FINANCIAL ASSETS</b>   |                      |                            |                             |                       |              |                                    |                       |
| Financial fixed assets  | -                    | 62                         | -                           | 62                    | 62           | 3                                  | 65                    |
| Accounts receivables  | -                    | 450                        | -                           | 450                   | 450          | -                                  | 450                   |
| Other current receivables   | -                    | -                          | -                           | -                     | -            | 319                                | 319                   |
| Cash and cash equivalents   | -                    | 258                        | -                           | 258                   | 258          | -                                  | 258                   |
| <b>TOTAL</b>  | <b>-</b>             | <b>770</b>                 | <b>-</b>                    | <b>770</b>            | <b>770</b>   | <b>322</b>                         | <b>1 092</b>          |
| <b>FINANCIAL LIABILITIES</b>  |                      |                            |                             |                       |              |                                    |                       |
| Long-term liabilities, interest-bearing   | -                    | -                          | 1 404                       | 1 404                 | 1 404        | -                                  | 1 404                 |
| Current liabilities, interest-bearing   | 2                    | -                          | 493                         | 495                   | 495          | -                                  | 495                   |
| Accounts payable  | -                    | -                          | 558                         | 558                   | 558          | -                                  | 558                   |
| Other current liabilities   | -                    | -                          | -                           | -                     | -            | 676                                | 676                   |
| <b>TOTAL</b>  | <b>2</b>             | <b>-</b>                   | <b>2 455</b>                | <b>2 458</b>          | <b>2 458</b> | <b>676</b>                         | <b>3 133</b>          |

| QUARTERLY DATA<br>SEGMENT               | 2014         |              |              |              |              | 2013         |              |              |              |              |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|   | FY           | Q4           | Q3           | Q2           | Q1           | FY           | Q4           | Q3           | Q2           | Q1           |
| <b>NET SALES, SEK M <sup>1)</sup></b>   |              |              |              |              |              |              |              |              |              |              |
| MECA                                    | 2 205        | 539          | 540          | 564          | 562          | 2 211        | 535          | 529          | 593          | 554          |
| Mekonomen Nordic <sup>2)</sup>          | 2 692        | 685          | 671          | 700          | 634          | 2 656        | 673          | 645          | 728          | 609          |
| Sørensen og Balchen                     | 712          | 176          | 176          | 188          | 171          | 701          | 159          | 174          | 195          | 174          |
| Other <sup>3)</sup>                     | 180          | 50           | 45           | 47           | 39           | 172          | 45           | 42           | 48           | 38           |
| <b>GROUP</b>                            | <b>5 789</b> | <b>1 451</b> | <b>1 432</b> | <b>1 499</b> | <b>1 406</b> | <b>5 740</b> | <b>1 412</b> | <b>1 390</b> | <b>1 564</b> | <b>1 375</b> |
| <b>EBITA, SEK M</b>                     |              |              |              |              |              |              |              |              |              |              |
| MECA                                    | -68          | -203         | 60           | 51           | 24           | 156          | 20           | 47           | 51           | 38           |
| Mekonomen Nordic <sup>2)</sup>          | 422          | 97           | 121          | 108          | 95           | 390          | 80           | 107          | 119          | 83           |
| Sørensen og Balchen                     | 109          | 22           | 29           | 34           | 24           | 99           | 24           | 27           | 30           | 19           |
| Other <sup>3)</sup>                     | -36          | -8           | -10          | -9           | -10          | -19          | 0            | -3           | -5           | -11          |
| <b>GROUP</b>                            | <b>427</b>   | <b>-91</b>   | <b>200</b>   | <b>184</b>   | <b>133</b>   | <b>626</b>   | <b>124</b>   | <b>178</b>   | <b>195</b>   | <b>129</b>   |
| <b>EBIT, SEK M</b>                      |              |              |              |              |              |              |              |              |              |              |
| MECA                                    | -182         | -261         | 41           | 32           | 5            | 84           | 1            | 29           | 33           | 21           |
| Mekonomen Nordic <sup>2)</sup>          | 401          | 93           | 117          | 104          | 88           | 323          | 31           | 101          | 112          | 79           |
| Sørensen og Balchen                     | 92           | 18           | 25           | 29           | 20           | 81           | 19           | 22           | 25           | 15           |
| Other <sup>3)</sup>                     | -36          | -8           | -10          | -8           | -10          | -19          | 0            | -3           | -4           | -12          |
| <b>GROUP</b>                            | <b>274</b>   | <b>-158</b>  | <b>172</b>   | <b>157</b>   | <b>103</b>   | <b>469</b>   | <b>52</b>    | <b>149</b>   | <b>166</b>   | <b>103</b>   |
| <b>INVESTMENTS, SEK M <sup>4)</sup></b> |              |              |              |              |              |              |              |              |              |              |
| MECA                                    | 25           | 5            | 7            | 9            | 4            | 30           | 9            | 4            | 12           | 5            |
| Mekonomen Nordic <sup>2)</sup>          | 44           | 20           | 6            | 11           | 7            | 28           | 3            | 4            | 12           | 9            |
| Sørensen og Balchen                     | 4            | 1            | 0            | 1            | 1            | 2            | 0            | -            | 1            | 1            |
| Other <sup>3)</sup>                     | 2            | 0            | 1            | 0            | 1            | 3            | 1            | -            | 2            | 0            |
| <b>GROUP</b>                            | <b>75</b>    | <b>27</b>    | <b>15</b>    | <b>21</b>    | <b>13</b>    | <b>63</b>    | <b>13</b>    | <b>8</b>     | <b>27</b>    | <b>15</b>    |
| <b>EBITA MARGIN, %</b>                  |              |              |              |              |              |              |              |              |              |              |
| MECA                                    | -3           | -37          | 11           | 9            | 4            | 7            | 4            | 9            | 9            | 7            |
| Mekonomen Nordic <sup>2)</sup>          | 15           | 14           | 17           | 15           | 14           | 14           | 12           | 17           | 16           | 14           |
| Sørensen og Balchen                     | 15           | 12           | 16           | 18           | 14           | 14           | 15           | 15           | 15           | 11           |
| <b>GROUP</b>                            | <b>7</b>     | <b>-6</b>    | <b>14</b>    | <b>12</b>    | <b>9</b>     | <b>11</b>    | <b>9</b>     | <b>13</b>    | <b>12</b>    | <b>9</b>     |
| <b>EBIT MARGIN, %</b>                   |              |              |              |              |              |              |              |              |              |              |
| MECA                                    | -8           | -48          | 7            | 6            | 1            | 4            | 0            | 6            | 6            | 4            |
| Mekonomen Nordic <sup>2)</sup>          | 14           | 13           | 17           | 14           | 13           | 12           | 5            | 15           | 15           | 13           |
| Sørensen og Balchen                     | 13           | 10           | 14           | 15           | 11           | 11           | 12           | 13           | 13           | 8            |
| <b>GROUP</b>                            | <b>4</b>     | <b>-11</b>   | <b>12</b>    | <b>10</b>    | <b>7</b>     | <b>8</b>     | <b>4</b>     | <b>10</b>    | <b>10</b>    | <b>7</b>     |

<sup>1)</sup> Net sales for each segment are from external customers.

<sup>2)</sup> The Mekonomen Nordic segment includes Mekonomen Sweden, Mekonomen Norway, Mekonomen Fleet, Marinshopen, Mekonomen Finland, Mekonomen Services, as well as Mekonomen Norden AB. From 2014, Mekonomen BilLivet and Speedy are included in Meko Service Nordic in "Other," comparison figures have been recalculated.

<sup>3)</sup> "Other" comprises the Parent Company Mekonomen AB (publ), M by Mekonomen, the purchasing company in Hong Kong, Meko Service Nordic, as well as Group-wide functions and eliminations. Mekonomen AB's operations mainly comprise Group Management and finance management. On 1 January, 2014, Meko Service Nordic was formed within "Other" and took over management of BilLivet and Speedy operations from Mekonomen Nordic. The comparison figures have been recalculated between "Other" and the Mekonomen Nordic segment.

<sup>4)</sup> Investments do not include company and business acquisitions.

| QUARTERLY DATA<br>SEK M           | 2014  |       |       |       |       | 2013  |       |       |       |       | 2012  |       |       |       |       |
|-----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|                                   | FY    | Q4    | Q3    | Q2    | Q1    | FY    | Q4    | Q3    | Q2    | Q1    | FY    | Q4    | Q3    | Q2    | Q1    |
| Total revenue                     | 5 924 | 1 481 | 1 467 | 1 534 | 1 441 | 5 863 | 1 450 | 1 417 | 1 591 | 1 405 | 5 426 | 1 556 | 1 433 | 1 341 | 1 096 |
| EBITA                             | 427   | -91   | 200   | 184   | 133   | 626   | 124   | 178   | 195   | 129   | 602   | 152   | 176   | 155   | 119   |
| EBIT                              | 274   | -158  | 172   | 157   | 103   | 469   | 52    | 149   | 166   | 103   | 528   | 125   | 151   | 141   | 111   |
| Net financial items               | -24   | -4    | -13   | -3    | -4    | -39   | -2    | -16   | -5    | -16   | -54   | -16   | -24   | -8    | -4    |
| Profit aft. financial items       | 250   | -162  | 159   | 154   | 99    | 429   | 49    | 133   | 160   | 87    | 474   | 109   | 127   | 132   | 106   |
| Tax                               | -123  | -7    | -41   | -44   | -31   | -114  | -19   | -34   | -40   | -22   | -92   | 12    | -36   | -39   | -29   |
| Net profit for the period         | 127   | -169  | 118   | 110   | 68    | 315   | 31    | 99    | 120   | 65    | 382   | 121   | 91    | 93    | 77    |
| EBITA margin, %                   | 7     | -6    | 14    | 12    | 9     | 11    | 9     | 13    | 12    | 9     | 11    | 10    | 12    | 12    | 11    |
| EBIT margin, %                    | 5     | -11   | 12    | 10    | 7     | 8     | 4     | 10    | 10    | 7     | 10    | 8     | 11    | 11    | 10    |
| Earnings p. share, SEK            | 3.34  | -4.68 | 3.20  | 2.99  | 1.83  | 8.56  | 0.88  | 2.67  | 3.24  | 1.77  | 10.80 | 3.36  | 2.46  | 2.65  | 2.29  |
| Equity per share, SEK             | 57.5  | 57.5  | 65.0  | 60.9  | 64.6  | 62.1  | 62.1  | 61.4  | 60.4  | 64.0  | 64.2  | 64.2  | 60.3  | 58.6  | 49.4  |
| Cash flow p. share, SEK           | 11.5  | 5.0   | 3.2   | 5.4   | -2.0  | 15.5  | 4.8   | 3.0   | 7.3   | 0.4   | 14.9  | 6.2   | 4.6   | 3.5   | 0.3   |
| Return on equity, % <sup>1)</sup> | 5.4   | 5.4   | 14.2  | 13.5  | 13.8  | 13.7  | 13.7  | 17.8  | 17.6  | 17.3  | 19.3  | 19.3  | 18.2  | 21.6  | 25.2  |

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

| KEY FIGURES                                | October-December |            | January-December |            |
|--|------------------|------------|------------------|------------|
|  | 2014             | 2013       | 2014             | 2013       |
| Return on equity, %                        | -                | -          | 5.4              | 13.7       |
| Return on total capital, %                 | -                | -          | 5.3              | 8.7        |
| Return on capital employed, %              | -                | -          | 7.0              | 11.3       |
| Equity/assets ratio, %                     | -                | -          | 38.6             | 41.2       |
| Gross margin, % <sup>1)</sup>              | 49.4             | 54.6       | 53.3             | 54.1       |
| EBITA margin, %                            | -6.2             | 8.5        | 7.2              | 10.7       |
| EBIT margin, %                             | -10.7            | 3.6        | 4.6              | 8.0        |
| EBITDA, SEK M                              | -52              | 147        | 526              | 709        |
| EBITA margin, %                            | -3.5             | 10.1       | 8.9              | 12.1       |
| Earnings per share, SEK                    | -4.68            | 0.88       | 3.34             | 8.56       |
| Shareholders' equity per share, SEK        | -                | -          | 57.5             | 62.1       |
| Cash flow per share, SEK                   | 5.0              | 4.8        | 11.5             | 15.5       |
| Number of shares at the end of the period  | 35 901 487       | 35 901 487 | 35 901 487       | 35 901 487 |
| Average number of shares during the period | 35 901 487       | 35 901 487 | 35 901 487       | 35 901 487 |

<sup>1)</sup> Gross margin excluding total non-recurring effects amounted to 54.6 per cent (54.5) for the quarter and 54.5 per cent (54.2) for the full year.

| NUMBER OF STORES AND<br>WORKSHOPS       | MECA        |            | Mekonomen Nordic <sup>1)</sup> |              | Sørensen og Balchen |            | Other <sup>1)</sup> |           | Group total  |              |
|---|-------------|------------|--------------------------------|--------------|---------------------|------------|---------------------|-----------|--------------|--------------|
|   | 31 December |            | 31 December                    |              | 31 December         |            | 31 December         |           | 31 December  |              |
|   | 2014        | 2013       | 2014                           | 2013         | 2014                | 2013       | 2014                | 2013      | 2014         | 2013         |
| <b>Number of stores</b>                 |             |            |                                |              |                     |            |                     |           |              |              |
| Proprietary stores                      | 75          | 108        | 151                            | 146          | 34                  | 34         | 1                   | 1         | 261          | 289          |
| Partner stores                          | 16          | 23         | 41                             | 47           | 37                  | 40         | -                   | -         | 94           | 110          |
| <b>Total</b>                            | <b>91</b>   | <b>131</b> | <b>192</b>                     | <b>193</b>   | <b>71</b>           | <b>74</b>  | <b>1</b>            | <b>1</b>  | <b>355</b>   | <b>399</b>   |
| <b>Number of workshops<sup>1)</sup></b> |             |            |                                |              |                     |            |                     |           |              |              |
| Mekonomen Service Centres               | 195         | 212        | 863                            | 871          | -                   | -          | 17                  | 14        | 1 075        | 1 097        |
| MekoPartner                             | 153         | 190        | 202                            | 188          | -                   | -          | -                   | -         | 355          | 378          |
| Speedy                                  | -           | -          | -                              | -            | -                   | -          | 14                  | 12        | 14           | 12           |
| BilXtra                                 | -           | -          | -                              | -            | 232                 | 243        | -                   | -         | 232          | 243          |
| MECA Car Service                        | 628         | 570        | -                              | -            | -                   | -          | -                   | -         | 628          | 570          |
| <b>Total</b>                            | <b>976</b>  | <b>972</b> | <b>1 065</b>                   | <b>1 059</b> | <b>232</b>          | <b>243</b> | <b>31</b>           | <b>26</b> | <b>2 304</b> | <b>2 300</b> |

<sup>1)</sup> A new unit, Meko Service Nordic, was formed within "Other" on 1 January 2014 and taken over the BilLivet and Speedy operations from Mekonomen Nordic, comparison figures have been recalculated.

| AVERAGE NUMBER OF EMPLOYEES | January-December |              |
|-----------------------------|------------------|--------------|
|                             | 2014             | 2013         |
| MECA                        | 987              | 1 000        |
| Mekonomen Nordic            | 1 089            | 1 122        |
| Sørensen og Balchen         | 252              | 259          |
| Other <sup>1)</sup>         | 176              | 154          |
| <b>Total</b>                | <b>2 504</b>     | <b>2 535</b> |

<sup>1)</sup> "Other" comprises Mekonomen AB, M by Mekonomen, the purchasing company in Hong Kong, Meko Service Nordic, as well as Group-wide functions and eliminations. Meko Service Nordic is a new unit within the Mekonomen Group, which operates proprietary workshops under the Mekonomen Service Centre and Speedy concepts and have therefore moved from the Mekonomen Nordic segment to Meko Service Nordic from 1 January 2014; the comparable figures have been recalculated.

## FINANCIAL REPORTS, PARENT COMPANY

| PARENT COMPANY'S INCOME<br>STATEMENT, CONDENSED, SEK M | October-December |            | January-December |            |
|--|------------------|------------|------------------|------------|
|  | 2014             | 2013       | 2014             | 2013       |
| Operating profit                                       | 64               | 32         | 95               | 98         |
| Operating expenses                                     | -70              | -32        | -124             | -111       |
| <b>EBIT</b>  | <b>-6</b>        | <b>0</b>   | <b>-29</b>       | <b>-13</b> |
| Net financial items <sup>1)</sup>                      | -485             | -4         | 394              | 86         |
| <b>PROFIT AFTER FINANCIAL ITEMS</b>                    | <b>-491</b>      | <b>-4</b>  | <b>365</b>       | <b>73</b>  |
| Appropriations   | 396              | 270        | 396              | 270        |
| Tax  | -33              | -43        | -27              | -51        |
| <b>PROFIT FOR THE PERIOD</b>                           | <b>-128</b>      | <b>223</b> | <b>734</b>       | <b>292</b> |

<sup>1)</sup> Net financial items include impairment of participation in subsidiaries of SEK 486 M (0) for the quarter and SEK 486 M (0) for the full year and dividends from shares in subsidiaries of SEK 0 M (0) for the quarter and SEK 888 M (114) for the full year.

| STATEMENT OF COMPREHENSIVE INCOME<br>FOR THE PARENT COMPANY, SEK M         | October-December |            | January-December |            |
|--|------------------|------------|------------------|------------|
|  | 2014             | 2013       | 2014             | 2013       |
| <b>Profit for the period</b>   | <b>-128</b>      | <b>223</b> | <b>734</b>       | <b>292</b> |
| <b>Other comprehensive income:</b>   |                  |            |                  |            |
| <i>Components that may later be reclassified as earnings for the year:</i> |                  |            |                  |            |
| - Exchange-rate difference, net investment in foreign operations           | 1                | 1          | 3                | 1          |
| <b>Other comprehensive income, net after tax</b>                           | <b>1</b>         | <b>1</b>   | <b>3</b>         | <b>1</b>   |
| <b>COMPREHENSIVE INCOME FOR THE PERIOD</b>                                 | <b>-127</b>      | <b>224</b> | <b>737</b>       | <b>293</b> |

| CONDENSED BALANCE SHEET FOR THE PARENT COMPANY<br>SEK M | 31 December  | 31 December  |
|---|--------------|--------------|
|   | 2014         | 2013         |
| <b>ASSETS</b>   |              |              |
| Fixed assets  | 3 140        | 3 196        |
| Current receivables in Group companies <sup>1)</sup>    | 1 207        | 651          |
| Other current receivables                               | 28           | 53           |
| Cash and cash equivalents <sup>1)</sup>                 | 162          | 181          |
| <b>TOTAL ASSETS</b>                                     | <b>4 537</b> | <b>4 081</b> |
| <b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>             |              |              |
| Shareholders' equity                                    | 2 437        | 1 951        |
| Untaxed reserves  | 114          | 160          |
| Provisions  | 0            | 1            |
| Long-term liabilities                                   | 1 396        | 1 656        |
| Current liabilities in Group companies                  | 67           | 31           |
| Other current liabilities <sup>1)</sup>                 | 523          | 282          |
| <b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>       | <b>4 537</b> | <b>4 081</b> |

<sup>1)</sup> A reclassification was made in the balance sheet regarding shared Group bank accounts. Comparative figures have been recalculated.

| CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR<br>THE PARENT COMPANY, SEK M | 31 December  | 31 December  |
|--|--------------|--------------|
|  | 2014         | 2013         |
| Shareholders' equity at the beginning of the year  | 1 951        | 1 910        |
| Comprehensive income for the period  | 737          | 293          |
| Dividend to shareholders   | -251         | -251         |
| <b>SHAREHOLDERS' EQUITY AT THE END OF THE PERIOD</b>                                       | <b>2 437</b> | <b>1 951</b> |

## DEFINITIONS OF KEY DATA

|                                |  |
|--------------------------------|--|
| Return on shareholders' equity | Profit for the period, excluding minority share, as a percentage of average shareholders' equity excluding minority interest.  |
| Return on total capital        | Profit after net financial items plus financial costs as a percentage of the average total assets.   |
| Capital employed               | Total assets less non-interest-bearing liabilities and provisions including deferred tax.  |
| Return on capital employed     | Profit after net financial items plus interest expenses as a percentage of average capital employed.   |
| Equity/assets ratio            | Shareholders' equity including non-controlling interest as a percentage of total assets.   |
| Gross margin                   | Net sales less costs for goods for resale, as a percentage of net sales.   |
| EBIT margin                    | EBIT after depreciation as a percentage of total revenues.   |
| EBITA                          | EBITA after planned depreciation/amortisation but before amortisation and impairment of intangible assets.   |
| EBITA margin                   | EBITA as a percentage of total revenue.  |
| EBITDA                         | Operating profit before depreciation/amortisation and impairment of tangible and intangible fixed assets   |
| EBITDA margin                  | EBITDA as a percentage of total revenue.   |
| Earnings per share             | Net profit for the period excluding minority shares, in relation to the average number of shares.  |
| Equity per share               | Shareholders' equity excluding minority share, in relation to the number of shares at the end of the period.   |
| Cash flow per share            | Cash flow from operating activities in relation to the average number of shares.   |
| Net indebtedness               | Current and long-term interest-bearing liabilities for borrowing less cash and cash equivalents, meaning excluding pensions, leasing, derivatives and similar obligations. |

## COMPANY-SPECIFIC TERMINOLOGY

|                           |  |
|---------------------------|--|
| Group company             | The MECA, Mekonomen Nordic and Sørensen og Balchen segments.   |
| Proprietary stores        | Stores with operations in subsidiaries, directly or indirectly majority owned, by Mekonomen AB.  |
| Partner stores            | Stores that are not proprietary, but conduct business under the Group's brands/store concepts.   |
| Proprietary workshops     | Workshops with operations in subsidiaries, directly or indirectly majority owned, by Mekonomen AB.   |
| Affiliated workshops      | Workshops that are not proprietary owned, but conduct business under the Group's brands/workshop concept (Mekonomen Bilverkstad, MekoPartner, MECA Car Service, BilXtra och Speedy). |
| Concept workshops         | Partner · Affiliated workshops   |
| Sales to customer group   | Sales to affiliated workshops and sales to proprietary workshops.  |
| Affiliated workshops      |  |
| Sales to customer group   | Sales to company customers that are not affiliated to any of the Mekonomen Group's concepts, including sales in Fleet operation  |
| Other workshops           |  |
| Sales to customer group   | Cash sales from proprietary stores to other customer groups than the above, and the Group's e-commerce sales to consumers.   |
| Consumers                 |  |
| Underlying net sales      | Sales adjusted for the number of comparable working days and currency effects.   |
| Comparable units          | Stores, majority-owned workshops and Internet sales that have been in operation for the past 12-month period and throughout the previous comparable period.                          |
| Sales in comparable units | Sales in comparable units comprise external sales in majority-owned stores, wholesale sales to partner stores, external sales in majority-owned workshops and Internet sales.        |
| ProMeister                | Mekonomen Group's proprietary brand for high quality spare parts with five years' guarantee.   |

## PURPOSE AND STRUCTURE OF PRO FORMA ACCOUNTS

The decision to make structural changes in Denmark was made in December 2014. The operation in Denmark is included in the Mekonomen Group's results for the full-year 2014 and for the comparison year 2013.

The pro forma accounts were prepared based on the accounting policies applied by Mekonomen AB (publ). The income statement "Pro forma excluding Denmark" on page 4 of this report shows and income statement at EBIT level for Mekonomen Group in which all revenues and expenses for MECA Denmark were removed row by row in the income statement. Pro forma figures from this income statement pertaining to EBITA, EBIT, EBITA margin and EBIT margin are also shown in a table on page 1 of this report.

The pro forma accounts were prepared only with the purpose of informing, highlighting facts and hypothetically recording how Mekonomen Group's income statement, excluding Denmark, would have appeared for the fourth quarter and full-year 2014 with comparative figures for the quarter and full-year 2013. The pro forma accounts are intended to describe a hypothetical situation and were only prepared for the illustrative purpose of informing and highlighting facts. The pro forma accounts are not intended to show the Group's results for a future period.

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