

Mekonomen Group

MECA BilXtra Mekonomen

Press release 14 March,

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Mekonomen Group has signed a Letter Of Intent (LOI) with the intention of investing in an automated central warehouse solution in Strängnäs

As a part of streamlining the logistics structure Mekonomen Group intends to centralise the structure of the central warehouses in Sweden. The centralisation would in the long run imply a merger of MECA's and Mekonomen's central warehouses with the intention to enable a common, flexible and cost-efficient supply chain platform in Mekonomen Group.

The plan is that the existing building in Strängnäs will be expanded to include a common automated central warehouse. The estimated size of the investment is SEK 250 million during the period 2016-2018 with full EBIT effect from savings of SEK 50 million annually from 2020. The tied up capital is expected to decrease with SEK 80 million with full effect from 2020. Before a final contract is signed the involved companies in Mekonomen Group will undertake the necessary negotiations with relevant unions.

"Through this investment, we would get the industry's most efficient business flows with a, for our business, optimal infrastructure," says Magnus Johansson, President and CEO of Mekonomen Group.

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