

Interim report January - March 2024



MEKO



Interim report January – March 2024

Strong growth and further measures to improve profitability

January 1–March 31, 2024

- Net sales increased 9 percent to SEK 4,320 M (3,973). Organic growth was 11 percent. Net sales were positively impacted by 1 percent due to currency effects.
- EBIT amounted to SEK 146 M (200) and the EBIT margin to 3.3 percent (4.9). EBIT was negatively impacted by items affecting comparability of SEK -54 M (-) during the quarter.
- Adjusted EBIT amounted to SEK 224 M (227) and the adjusted EBIT margin to 5.1 percent (5.6).
- Earnings per share, before and after dilution, decreased to SEK 0.92 (1.43).
- Cash flow from operating activities increased to SEK 285 M (27).
- Net debt in relation to EBITDA decreased to 2.7 (3.3) at the end of the period.
- MEKO's Nomination Committee proposes Dominick Zarcone as new Chairman of the Board.
- MEKO grows in car glass offering – initiates two-year partnership with ALD Automotive/LeasePlan in Sweden.

Significant events after the end of the period

- MEKO optimizes operations in Denmark to strengthen its position.
- MEKO automates and streamlines the central warehouse in Finland.
- MEKO strengthens its position in Poland through strategic acquisition of Elit Polska.

SEK M	Jan-Mar			12 months	Full year
	2024	2023	%	Apr-Mar	2023
Net sales	4,320	3,973	9	17,109	16,762
Operating Profit (EBIT)	146	200	-27	819	872
Adjusted EBIT	224	227	-1	961	963
Profit after financial items	75	114	-34	544	582
Profit after tax	59	84	-30	426	451
Earnings per share, SEK	0.92	1.43	-36	6.99	7.50
Cash flow from operating activities	285	27		1,510	1,252
Net debt/EBITDA, multiple	2.7	3.3		2.7	2.7
EBIT margin, %	3.3	4.9		4.6	5.0
Adjusted EBIT margin, %	5.1	5.6		5.5	5.6



Strong growth and further measures to improve profitability

During the year's first quarter, we demonstrated robust growth with stronger cash flow supported by a solid underlying business. In parallel, we are implementing several measures to improve profitability and are now seeing the first effects in the form of lower operating expenses – a concerted effort that is continuing in all of our business areas.

Our aim is to be the most comprehensive partner for everyone who repairs, services and maintains cars in northern Europe. We satisfy our customers' needs through a range of well-established brands in eight markets, and I can confirm that the business continued to grow in all markets during the first quarter.

The market trend was more favorable in our larger business areas and slightly more challenging in Poland/the Baltics. We can also note that the Easter break with closed branches and workshops fell in March this year, unlike the year-earlier quarter. Despite this calendar effect, net sales increased 9 percent.

Strong cash flow and stable adjusted EBIT

The favorable sales performance enabled us to strengthen cash flow from operating activities during the quarter. The Sweden/Norway business area performed well, as Sørensen og Balchen in Norway. We could also see a solid underlying trend for the Denmark business area, which is restructuring operations to improve profitability. In Finland, we are taking further measures to achieve the same level of efficiency as in the other business areas and anticipate gradual improvements in 2024, though this has entailed costs.

Overall, we reported a stable adjusted EBIT but a lower adjusted EBIT margin year on year. EBIT declined, partly due to

planned costs for implementing a new, common business system and an impairment for accounting purposes of the value of our holding in the listed company Omnica, resulting from the market's revaluation of the company and similar start-up companies.

Profitability improvements with positive effects

These activities are part of a larger plan aimed at improving our profitability. We launched this initiative in November 2023, and have since then implemented measures in all parts of the company.

This includes a decision to build a new, automated central warehouse in Norway to raise efficiency and improve service levels for our customers. In addition, we are consolidating our Norwegian distribution network, and in parallel launched a streamlining of operations in Sweden. The restructuring in Denmark involves a new, optimized organization in Denmark to strengthen our logistics and service levels. In Finland, we have decided to automate our central warehouse to raise efficiency, reduce costs and expand our lead as the most accessible partner in the independent auto aftermarket in the country.

The first effects of our activities were visible in this quarter. The measures in Sweden made a clear contribution to the profitability improvements in the Sweden/Norway business

area. We now expect further improvements as work progresses.

Award for our sustainability performance

We have high ambitions for our sustainability work – MEKO is to be a driving force for increased sustainability across our industry. It is therefore gratifying when our efforts bear fruit. During the quarter, our achievements in sustainability were recognized by EcoVadis, one of the world's leading providers of sustainability ratings. Scoring well-above industry averages across all categories, we are in the top 35 percent of assessed companies. This has inspired us to also continue our focused work in this area.

Strategic acquisition in Poland strengthen us

Continuously improving our operations is part of our strategy. Equally important is growing through carefully selected acquisitions. Therefore, I am pleased to announce that on May 10th, we were able to announce that the Polish company Elit Polska is now becoming part of MEKO after reaching an agreement with the seller LKQ Corporation. Elit Polska is a spare parts wholesaler that complements our operations well with its two warehouses, 49 branches, and 485 employees spread across Poland. This makes MEKO the third-largest

company in the Polish automotive aftermarket, where we also see opportunities for significant synergies in the future.



Pehr Oscarson
President and CEO



This is MEKO

Tried-and-tested business concept for timeless demand

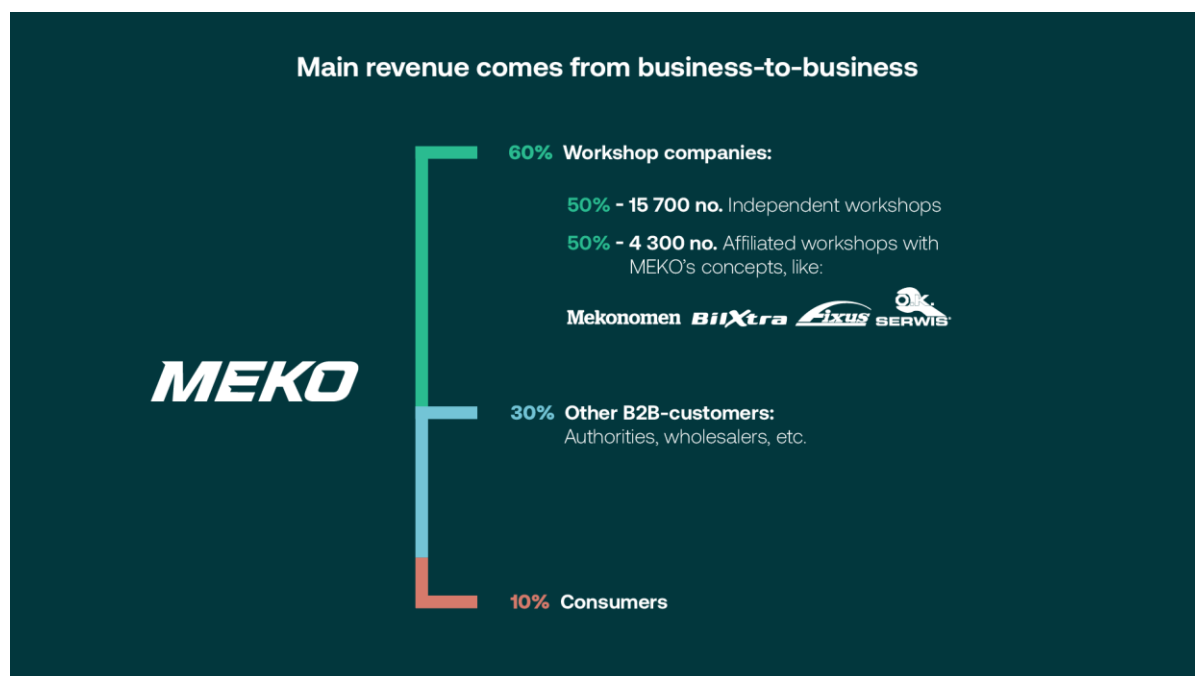
MEKO's vision is to enable mobility – today, tomorrow and in the future. Our business concept is based on constant demand for transportation by car, regardless of the fuels used to power the cars or the technology they contain. Our aim is to be the most complete partner for everyone who drives, maintains, or repairs vehicles.

Through our tried-and-tested business concept and profitable expansion, we have established ourselves as the leading player in the independent automotive aftermarket in northern Europe, serving eight markets.

MEKO conducts business through well-known brands with a strong connection to the local market. Our strategy – to leverage several complementary brands – allows us to reach different customer segments concurrently.

Approximately 90 percent of MEKO's revenue is from B2B customers. A minor share, 10 percent, is from sales to private motorists.

The bulk of revenue is from spare parts sales to workshop companies. We sell both to independent workshops with own concepts and to workshops affiliated with one of MEKO's successful concepts – such as Mekonomen, MECA, Fixus and BilXtra. Another large share of sales is to spare parts wholesalers and companies that engage MEKO to service and maintain their car fleets. One of our clearest strengths is our size, which allows us to conduct purchasing in a centralized and advantageous scale. Our extensive geographic presence also means we can offer the fastest deliveries in the market and the broadest range of products and services in the industry. Above all, we have the strength to lead the industry's transformation toward new, more sustainable mobility where demand for servicing electric cars is steadily growing – while we in parallel develop new services for modern car life. This means that MEKO is well positioned for continued profitable growth.



Group performance

January 1–March 31, 2024

Net sales

Net sales increased 9 percent to SEK 4,320 M (3,973). Organic growth was 11 percent. Net sales were positively impacted by currency effects of SEK 42 M. A lower number of workdays had a negative impact on net sales during the quarter.

Gross profit

During the quarter, gross margin was 42.9 percent (44.7), due to changes in the product and customer mix with a higher share of seasonal products with low margins. Price increases introduced during the quarter more than offset rising purchasing prices resulting from higher inflationary pressure and an unfavorable exchange rate against the EUR.

EBIT

EBIT amounted to SEK 146 M (200) and the EBIT margin to 3.3 percent (4.9). EBIT was negatively impacted by items affecting comparability of SEK -54 M (-), net, during the quarter mainly attributable to ERP project costs of SEK -22 M, restructuring costs in the Sweden/Norway business area of SEK -13 M and impairment of shares in associated companies of SEK -19 M. During the quarter, currency effects in the balance sheet had an impact of SEK -6 M (-17) on EBIT.

Adjusted EBIT

Adjusted EBIT amounted to SEK 224 M (227) and the adjusted EBIT margin was 5.1 percent (5.6). During the quarter, currency effects in the balance sheet had an impact of SEK -6 M (-17) on adjusted EBIT. Adjusted EBIT excludes items affecting comparability and acquisition-related items attributable to MEKO AB's direct acquisitions and are recognized in other items, see also Note 2.

Other earnings

Profit after financial items amounted to SEK 75 M (114). Net interest expense amounted to SEK -66 M (-62) and other financial items amounted to SEK -5 M (-24). Profit after tax totaled SEK 59 M (84). Earnings per share, before and after dilution, amounted to SEK 0.92 (1.43).

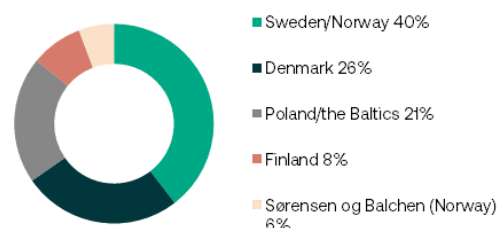
Cash Flow

Cash flow from operating activities in the first quarter increased to SEK 285 M (27), mainly due to improved working capital compared with the year-earlier period. Taxes paid amounted to SEK 70 M (96) for the first quarter.

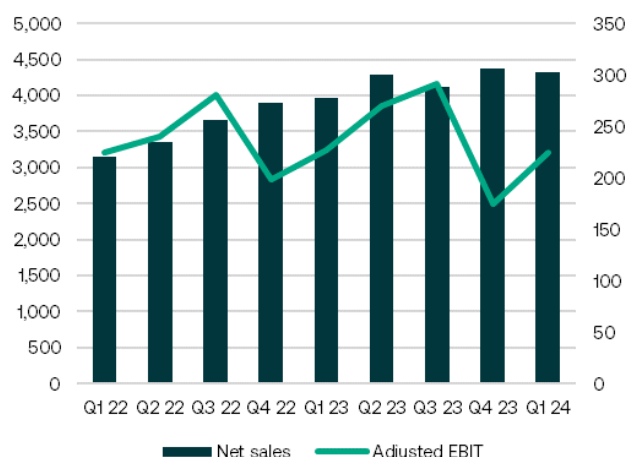
Financial position

Cash and cash equivalents amounted to SEK 692 M compared with SEK 623 M at year end. The equity/assets ratio was 39 percent (39). Long-term interest-bearing liabilities amounted to SEK 5,003 M (5,018) including a long-term lease liability of SEK 1,370 M (1,379). Current interest-bearing liabilities amounted to SEK 584 M (584), including a current lease liability of SEK 583 M (583). Net debt decreased to SEK 2,913 M (2,980), representing a decline of SEK 67 M compared with year end. MEKO's available cash and unutilized credit facilities totaled approximately SEK 1,912 M on March 31, compared with, SEK 1,843 M at year end. MEKO fulfilled all covenants in the loan agreements as of March 31, 2024.

Share of net sales per business area, Q1 2024



Net sales and adjusted EBIT (SEK M)



Investments

During the first quarter, investments in fixed assets amounted to SEK 177 M (396) including leases of SEK 134 M (338) not effecting cashflow. Investments in leases mainly pertained to rental contracts but also extended lease terms, higher rents in existing contracts, and new car leasing contracts. Other investments mainly related to workshop profiling, workshop customization, workshop equipment, inventories to branches, warehouses and workshops and IT investments. Depreciation of tangible fixed assets and right-of-use assets amounted to SEK 189 M (178) for the first quarter.

Acquisitions and establishments

During the quarter, the Sweden/Norway business area conducted an asset-transfer acquisition in heavy workshop equipment.

The purchase consideration with respect to company and business combinations amounted to SEK 4 M (36) in the first quarter, of which SEK 1 M (-) pertained to supplementary purchase considerations entered as a liability. Acquired assets amounted to SEK 1 M (55) and assumed liabilities to SEK - M (10) for the quarter. In addition to goodwill, which amounted to SEK 2 M (15), intangible surplus values of SEK 1 M (12) were identified relating to customer relations. Deferred tax liabilities

attributable to acquired surplus values amounted to SEK 0 M (2). Acquired non-controlling interests amounted to SEK 1 M (5) for the first quarter. Divested businesses amounted to SEK 0 M (-) in the first quarter.

Significant events during the quarter

On February 8, MEKO announced that it had been awarded a bronze medal by EcoVadis for its sustainability performance and achievements. EcoVadis is one of the world's leading providers of sustainability ratings and company monitoring.

On February 19, MEKO's Nomination Committee proposed Dominick Zarcone as new Chairman of the Board of MEKO AB at the 2024 Annual General Meeting. Dominick Zarcone currently serves as the President and CEO of LKQ Corporation, listed on the Nasdaq, and has an extensive background with several senior executive roles in major corporations.

On March 6, MEKO announced a new partnership with ALD Automotive/LeasePlan, the leading leasing firm for company cars in Sweden. The collaboration means that MEKO will become a car glass service partner for more than 45,000 vehicles in Sweden.

On March 18, MEKO's Nomination Committee proposed the re-election of board members Eivor Andersson, Kenny Bräck, Magnus Håkansson, Michael Løve and Helena Skåntorp at the Annual General Meeting of MEKO AB. Furthermore, it was proposed that Robert Reppa be elected as a new Board member. The Nomination Committee also proposed the election of EY as the new auditor.

Events after the end of the period

On April 11, MEKO announced that it is optimizing operations in Denmark, that is expected to result in a lasting positive impact on results of DKK 19 M from 2024.

On April 11, MEKO invited investors, analysts, and media to a Capital Markets Update where company management will give more details on its position, strategy, and ongoing initiative to improve profitability. This will take place on Thursday, May 16 in conjunction with the presentation of results for the first quarter 2024.

On April 12, MEKO announced that as part of strengthening its position in Finland, it is modernizing its central warehouse in Helsinki with new technology and automated inventory management. The renovated warehouse will enhance the efficiency of operations, lead to improved service, and result in sustainably lower costs. The facility is planned to be fully operational in the first half of 2025.

MEKO's branch and workshop concept BilXtra is broadening its footprint in the Swedish market. A new partnership will add an additional five facilities in southern Sweden.

On May 10, MEKO announced that it strengthens its position in Poland through the strategic acquisition of Elit Polska from LKQ Corporation, making it the third largest player in the Polish automotive aftermarket. The merger is expected to generate significant synergies and contribute to MEKO's long-term increased profitability.

Employees

During the period, the average number of employees was 6,300 (6,162).

Number of branches and workshops

At the end of the period, the total number of branches in the chains was 669 (667), of which 422 (430) were proprietary branches. The number of affiliated workshops totaled 4,486 (4,397).

Seasonal variations and number of workdays

MEKO's business operations and EBIT are affected to a limited extent by seasonal variations, though extreme summer or winter weather may have an impact. Business operations and EBIT are also affected by the number of workdays. The number of workdays for the various reporting periods is impacted by when national public holidays occur during different years. Easter occurred during the first quarter of 2024 but in the second quarter of 2023. See the distribution of workdays in the table on page 10.

Parent company

The Parent Company's operations mainly comprise Group Management. The Parent Company's earnings after net financial items were SEK -49 M (-20) for the first quarter. The average number of employees in the Parent Company was 5 (6). MEKO AB sold services to Group companies for a total of SEK 9 M (11) during the first quarter.

Significant risks and uncertainties

MEKO is exposed to a number of external, operating and financial risks. All identified risks are monitored continuously and, if necessary, risk-reducing measures are taken to limit the effects. The most relevant risk factors are described in the 2023 Annual Report, page 26 and Note 11. For the effect of exchange rate fluctuations on profit before tax, refer to page 34 of the 2023 Annual Report and for financial risks see Note 36. Our assessment is that no new significant risk areas have been added.

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

Related party transactions

A description of related party transactions is available on page 73, Note 33 in the 2023 Annual Report. The extent and emphasis have not changed significantly during the period.

The share and shareholders

The Parent Company's share has been listed on Nasdaq Stockholm since May 19, 2000, in the Mid Cap segment. On March 31, 2024, the share price was SEK 120.6 (123.5), which corresponds to a total market capitalization of SEK 6,804 M (6,967).

As of March 31, 2024, MEKO had a total of 11,479 shareholders (11,978). The company's three largest shareholders were: LKQ Corporation with 26.6 percent, Swedbank Robur Fonder with 10.6 percent and Fjärde AP-Fonden with 8.7 percent.

Annual General Meeting

The Annual General Meeting will be held on May 16, 2024, in Stockholm. The Annual Report was published and available on MEKO's website on April 17, 2024.

Review of the business areas

Denmark

SEK M	Jan-Mar			12 months	Full year
	2024	2023	%	Apr-Mar	2023
Net sales	1,111	1,046	6	4,331	4,267
Operating Profit (EBIT)	66	83	-21	285	302
EBIT margin, %	6.0	8.0		6.5	7.0
Adjusted EBIT	67	83	-20	248	264
Adjusted EBIT margin, %	6.0	8.0		5.7	6.2

The Denmark business area mainly comprises wholesale and branch operations in Denmark.

Net sales increased 6 percent to SEK 1,111 M (1,046) in the first quarter. Organic growth was 9 percent, driven by both price adjustments and increased volumes. The sales trend benefited from large volumes of winter-related products in a market that remained characterized by intense competition and by generally weaker consumer purchasing power.

EBIT amounted to SEK 66 M (83) and the EBIT margin was 6.0 percent (8.0) for the quarter. The lower margin was mainly attributable to a weaker gross margin combined with higher wage costs due to indexation and temporary expenses related to staff reductions. The lower gross margin compared with the year-earlier quarter was due to an increased share of seasonal products with lower margins.

In the first quarter, there were three fewer workdays in Denmark compared with the year-earlier quarter.

Finland

SEK M	Jan-Mar			12 months	Full year
	2024	2023	%	Apr-Mar	2023
Net sales	361	335	8	1,488	1,462
Operating Profit (EBIT)	-17	23	-173	17	57
EBIT margin, %	-4.6	6.7		1.1	3.7
Adjusted EBIT	-17	23	-173	-42	-2
Adjusted EBIT margin, %	-4.6	6.7		-2.8	-0.2

The business area mainly comprises wholesale and branch operations in Finland.

Net sales increased 8 percent to SEK 361 M (335) in the first quarter. Organic growth was 9 percent. The trend in the Finnish market was positive during the quarter, driven by generally healthy demand for mainly winter-related products and spare parts.

EBIT amounted to SEK -17 M (23) during the quarter and the EBIT margin was -4.6 percent (6.7). EBIT was adversely impacted by higher electricity costs and inflationary cost increases related to wages and rents compared with the year-earlier quarter. Integration work and synergy gains are progressing as planned, though costs and non-recurring impairment losses related to the merger continued to impact costs in the first quarter. EBIT in the year-earlier quarter was noticeably positively impacted by the transfer to the Group's inventory valuation obsolescence model. The gross margin decreased slightly in the quarter, mainly due to a change to the product mix with a higher proportion of seasonal products with lower margins.

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

Poland/the Baltics

SEK M	Jan-Mar			12 months	Full year
	2024	2023	%	Apr-Mar	2023
Net sales	888	784	13	3,626	3,522
Operating Profit (EBIT)	23	26	-10	156	158
EBIT margin, %	2.5	3.2		4.1	4.3
Adjusted EBIT	24	26	-6	158	159
Adjusted EBIT margin, %	2.7	3.2		4.2	4.3

The Poland/the Baltics business area mainly comprises wholesale and branch operations in Estonia, Latvia, and Lithuania as well as Poland, which also has an export business.

Net sales increased 13 percent to SEK 888 M (784) in the first quarter. Organic growth was 7 percent, mainly driven by a healthy trend in the Baltics and Poland. Demand in markets in Poland and the Baltics remains characterized by intense competition and by generally weaker consumer purchasing power but has stabilized and benefited from healthy sales of winter-related products.

EBIT amounted to SEK 23 M (26) during the quarter and the EBIT margin was 2.5 percent (3.2). The slight fall in earnings was mainly attributable to higher costs driven by high inflation and a strained labor market with increased wage demands, primarily in Poland. Gross margin was somewhat strengthened as price adjustments largely offset higher purchase prices despite a higher proportion of export sales with lower margins, compared with the year-earlier quarter.

In the first quarter, there was one fewer workday in Estonia and Poland and two fewer in Latvia and Lithuania compared with the year-earlier quarter.

Sweden/Norway

SEK M	Jan-Mar			12 months	Full year
	2024	2023	%	Apr-Mar	2023
Net sales	1,710	1,593	7	6,696	6,579
Operating Profit (EBIT)	118	82	44	429	393
EBIT margin, %	6.8	5.1		6.2	5.8
Adjusted EBIT	131	82	60	501	452
Adjusted EBIT margin, %	7.6	5.1		7.3	6.7

Operations in the Sweden/Norway business area are mainly conducted through the MECA and Mekonomen brands. Revenue is primarily from branches, workshops, wholesale sales and companies requiring service and maintenance of their car fleets.

Net sales for the first quarter increased 7 percent to SEK 1,710 M (1,593), of which SEK 1,048 M (958) in the Swedish operations and SEK 661 M (635) in the Norwegian operations. Organic growth was 12 percent. The sales trend was strong both in Sweden and Norway during the quarter, driven by both new customers, and thereby increased volumes, as well as price adjustments.

EBIT increased to SEK 118 M (82) and the EBIT margin was 6.8 percent (5.1) in the first quarter, with a tangible impact from the ongoing efficiency measures. EBIT was negatively impacted in the quarter by items affecting comparability of SEK -13 M (-) relating to efficiency improvements and optimization of the branch network in Norway as well as measures to improve profitability in Sweden. Lower gross margin, combined with higher wage costs due to inflation and indexed rental charges compared with the year-earlier quarter, had a negative impact on the earnings performance. The lower gross margin was attributable to higher purchasing prices due to exchange rates and a change to the product mix with a higher proportion of seasonal products with lower margins.

In the first quarter, there were three fewer workdays in Norway and one fewer in Sweden compared with the year-earlier quarter.

Sørensen og Balchen (Norway)

SEK M	Jan-Mar			12 months	Full year
	2024	2023	%	Apr-Mar	2023
Net sales	247	213	16	958	923
Operating Profit (EBIT)	38	27	41	169	158
EBIT margin, %	15.3	12.6		17.3	16.8
Adjusted EBIT	38	27	41	169	158
Adjusted EBIT margin, %	15.3	12.6		17.3	16.8

The Sørensen og Balchen (Norway) business area mainly focuses on wholesale sales and branch operations through the well-established BilXtra chain. Sørensen og Balchen is the business area in the Group with the largest share of direct sales to consumers.

Net sales increased 16 percent to SEK 247 M (213) in the first quarter. Organic growth was 26 percent. The strong sales performance was driven by new customers and good volume growth in sales to both business customers and consumers.

EBIT increased to SEK 38 M (27) and the EBIT margin was 15.3 percent (12.6) for the quarter. The change in earnings was largely attributable to higher sales, which was offset by a lower gross margin and a noticeable cost inflation compared with the year-earlier quarter. The gross margin weakened as price adjustments could not fully offset negative currency fluctuations and a changed sales mix with a higher share of sales to business customers and a higher proportion of seasonal products with lower margins.

In the first quarter, there were three fewer workdays in Norway compared with the year-earlier quarter.

Central functions

Central functions comprise Group-wide functions that support the Group's work: such as finance and controlling, risk management and internal audit, sustainability, legal, business development, IT, communication and market, HR as well as operations, which comprises purchasing, product range and logistics. The units reported in Central functions do not reach the quantitative thresholds for separate reporting and the benefits are considered limited for users of the financial statements.

EBIT for Central functions was SEK -59 M (-15) for the first quarter. The change in EBIT compared with the year-earlier period is attributable to project costs related to the ERP replacement, impairment of participations in associated companies and higher personnel expenses.

Number of workdays by country

Number of workdays by country	Q 1		Q 2		Q 3		Q 4		Full year	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Denmark	62	65	61	59	66	65	62	63	251	252
Estonia	63	64	63	62	65	65	63	63	254	254
Finland	63	64	62	60	66	65	62	62	253	251
Latvia	63	65	62	59	66	65	61	63	252	252
Lithuania	62	64	62	63	65	63	62	61	251	251
Norway	62	65	60	58	66	65	62	63	250	251
Poland	63	64	61	61	65	64	62	62	251	251
Sweden	63	64	60	59	66	65	62	63	251	251
Average number of working days	63	64	61	60	66	65	62	63	252	252

Forthcoming financial reporting dates

Information	Period	Date
Interim report Q2	January–June 2024	8/22/2024
Interim report Q3	January–September 2024	11/7/2024
Year-end report	January–December 2024	2/13/2025

Stockholm, May 16, 2024

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

Pehr Oscarson
President and CEO

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

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This information is such information that MEKO AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Market Act. The information was submitted for publication, through the agency of the contact person set out above, at 07:30 a.m. CEST on May 16, 2024

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

Consolidated income statement

SEK M	Jan-Mar		12 months	Full year
	2024	2023	Apr-Mar	2023
Net sales	4,320	3,973	17,109	16,762
Other operating revenue	70	79	506	516
Total revenue	4,390	4,052	17,615	17,278
Cost of goods for resale	-2,468	-2,199	-9,769	-9,500
Other external costs	-597	-572	-2,365	-2,340
Personnel expenses	-945	-856	-3,667	-3,578
Depreciation and impairment of tangible fixed assets and right-of-use assets	-189	-179	-806	-797
Amortization and impairment of intangible fixed assets	-45	-47	-188	-190
Operating profit	146	200	819	872
Interest income	10	5	42	38
Interest expenses	-75	-67	-294	-286
Other financial items	-5	-24	-23	-41
Profit after financial items	75	114	544	582
Tax	-16	-30	-118	-132
Profit for the period	59	84	426	451
Profit for the period attributable to:				
Parent Company's shareholders	52	80	391	419
Non-controlling interests	8	5	35	31
Profit for the period	59	84	426	451
Earnings per share before and after dilution, SEK	0.92	1.43	6.99	7.50
Number of shares issued at end of period, before and after dilution	55,988,761	55,793,379	55,988,761	55,988,761
Average number of shares, before and after dilution	55,988,761	55,793,379	55,965,272	55,917,032

Consolidated statement of comprehensive income

SEK M	Jan-Mar		12 months	Full year
	2024	2023	Apr-Mar	2023
Profit for the period	59	84	426	451
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
– Remeasurements of defined benefits pension plans	-	-	-1	-1
Items that have been or may be reclassified to profit or loss				
– Translation differences attributable to foreign operations	228	23	180	-26
operations	2	27	2	27
– Change in fair value of cash flow hedges	4	-6	-15	-25
Other comprehensive income, net after tax	235	44	166	-25
Comprehensive income for the period	294	128	592	426
Comprehensive income for the period attributable to:				
Parent Company's shareholders	282	123	555	396
Non-controlling interests	13	5	37	29
Comprehensive income for the period	294	128	592	426

Condensed consolidated statement of financial position

SEK M	March 31		December 31
	2024	2023	2023
ASSETS			
Intangible fixed assets	5,893	5,934	5,803
Tangible fixed assets	766	1,082	748
Right-of-use assets	1,870	1,707	1,869
Financial and other fixed assets	131	131	159
Deferred tax assets	6	18	0
Total non-current assets	8,667	8,872	8,580
Inventories	4,465	4,270	4,459
Current receivables	2,729	2,461	2,378
Cash and cash equivalents	692	542	623
Total current assets	7,886	7,272	7,460
TOTAL ASSETS	16,553	16,144	16,040
EQUITY AND LIABILITIES			
Shareholders' equity	6,471	6,050	6,175
Total equity	6,471	6,050	6,175
Interest-bearing liabilities	3,632	4,345	3,639
Lease liabilities	1,370	1,186	1,379
Deferred tax liabilities	428	498	426
Other liabilities and provisions	27	20	24
Total non-current liabilities	5,457	6,050	5,468
Interest-bearing liabilities	1	20	1
Lease liabilities	583	529	583
Other liabilities and provisions	4,041	3,495	3,813
Total current liabilities	4,625	4,044	4,396
TOTAL EQUITY AND LIABILITIES	16,553	16,144	16,040

Condensed consolidated statement of changes in equity

SEK M	March 31		December 31
	2024	2023	2023
Equity at the beginning of the year	6,175	5,926	5,926
Comprehensive income for the period	294	128	426
Share based compensation	2	2	14
Dividend to parent company shareholders	-	-	-185
Dividend to non-controlling interests	-	-	-16
Acquisition/disposal of non-controlling interests	-1	-6	-7
Share swap	-	-	18
Equity at end of period	6,471	6,050	6,175
Of which non-controlling interests	159	127	137

Condensed consolidated statement of cash flow

SEK M	Jan-Mar	
	2024	2023
Operating activities		
Profit before tax	75	114
Adjustment for non-cash items	281	255
Income tax paid	-70	-96
Cash flow from operating activities before changes in working capital	286	272
Changes in inventory	102	-114
Changes in receivables	-244	-238
Changes in liabilities	142	107
Cash flow from changes in working capital	-0	-245
Cash flow from operating activities	285	27
Investing activities		
Acquisition of subsidiaries/operations, net cash impact	-3	-36
Acquisition of tangible fixed assets	-43	-38
Acquisition of intangible fixed assets	-6	-21
Acquisition of financial assets	-5	-8
Disposal of tangible fixed assets	2	-
Disposal of financial assets	0	0
Other investment activities	3	0
Cash flow from investing activities	-53	-101
Financing activities		
Acquisition/disposal of non-controlling interests	-1	-13
Borrowings	-	2
Amortization of loans	-0	-
Amortization of leasing debt	-180	-147
Net change in short-term credit facilities	-	7
Cash flow from financing activities	-182	-151
Cash flow for the period	51	-225
Cash and cash equivalents at beginning of period	623	741
Cash flow for the period	51	-225
Exchange difference in cash and cash equivalents	18	25
Cash and cash equivalents at end of period	692	542

Parent Company income statement

SEK M	Jan-Mar		12 months	Full year
	2024	2023	Apr-Mar	2023
Net sales	9	11	41	43
Other operating revenue	4	5	18	18
Total revenue	13	16	59	62
Other external costs	-11	-14	-54	-57
Personnel expenses	-12	-12	-47	-47
Operating profit	-9	-10	-42	-43
Result from participations in Group companies	-	-	484	484
Interest income	35	27	150	141
Interest expenses	-66	-58	-260	-251
Other financial items	-8	21	17	47
Profit after financial items	-49	-20	350	378
Appropriations	-50	-10	-3	37
Profit before tax	-99	-30	347	416
Tax	20	4	28	12
Profit for the period	-78	-26	375	428

Parent Company statement of comprehensive income

SEK M	Jan-Mar		12 months	Full year
	2024	2023	Apr-Mar	2023
Profit for the period	-78	-26	375	428
Other comprehensive income:	-	-	-	-
Comprehensive income for the period	-78	-26	375	428

Condensed Parent Company balance sheet

SEK M	March 31		December 31
	2024	2023	2023
ASSETS			
Fixed assets	10,647	10,264	10,637
Current receivables from Group companies	22	328	181
Other current receivables	66	49	32
Cash and cash equivalents	364	235	284
TOTAL ASSETS	11,099	10,876	11,135
EQUITY AND LIABILITIES			
Shareholders' equity	6,475	6,253	6,551
Untaxed reserves	166	197	166
Provisions	5	4	5
Long-term interest bearing liabilities	3,997	4,342	3,981
Current liabilities to Group companies	386	13	371
Other current liabilities	70	68	60
TOTAL EQUITY AND LIABILITIES	11,099	10,876	11,135

Additional disclosures

Note 1. Accounting policies

MEKO 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. This interim report consists of pages 1–22 and should be read in its entirety.

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.

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

Note 2. Items affecting comparability and other items

Items affecting comparability amounted to SEK -54 M (-) in the first quarter, and was mainly related to ERP project costs of SEK -22 M, restructuring costs in the Sweden/Norway business area of SEK -13 M and impairment of participations in associated companies of SEK -19 M.

SEK M	Jan-Mar		12 months	Full year
	2024	2023	Apr-Mar	2023
EBIT	146	200	819	872
Sale of properties, Finland	-	-	67	67
Transaction costs, sale of properties, Finland	-	-	-7	-7
Sale of property, Denmark	-	-	37	37
Project costs, ERP	-22	-	-50	-28
Electricity subsidies, Sweden	-	-	5	5
Restructuring costs, Sweden/Norway	-13	-	-67	-54
Impairment Omnica	-19	-	-19	-
Items affecting comparability, total	-54	-	-34	20
Other items ¹	-24	-27	-98	-101
Adjusted EBIT	224	227	950	953

1) Other items includes acquisition-related items attributable to MEKO AB's direct acquisitions. Current acquisition-related items pertain to amortization/depreciation of acquired intangible and tangible assets relating to the acquisitions of FTZ, Inter-Team, Koivunen.

Note 3. Investments

SEK M	Jan-Mar		12 months	Full year
	2024	2023	Apr-Mar	2023
Denmark	1	6	23	28
Finland	6	4	31	30
Poland/the Baltics	13	8	50	46
Sweden/Norway	25	35	101	111
Sørensen og Balchen (Norway)	3	2	6	5
Central functions	1	3	10	11
Group	49	58	222	231
Of which, affecting cash flow	49	58	222	231

Investments do not include company and business combinations and exclude leases according to IFRS 16

Note 4. Segment reporting

SEK M	Jan-Mar		12 months	Full year
	2024	2023	Apr-Mar	2023
Net sales				
Denmark	1,111	1,046	4,331	4,267
Finland	361	335	1,488	1,462
Poland/the Baltics	888	784	3,626	3,522
Sweden/Norway	1,710	1,593	6,696	6,579
Sørensen og Balchen (Norway)	247	213	958	923
Central functions ¹	3	2	10	8
Total net sales, Group	4,320	3,973	17,109	16,762
Adjusted EBIT				
Denmark	67	83	248	264
Finland	-17	23	-42	-2
Poland/the Baltics	24	26	158	159
Sweden/Norway	131	82	501	452
Sørensen og Balchen (Norway)	38	27	169	158
Central functions ¹	-20	-15	-73	-68
Adjusted EBIT, Group	224	227	961	963
Reconciliation with profit after financial items				
Items affecting comparability	-54	-	-44	10
Other items ²	-24	-27	-98	-101
EBIT, Group	146	200	819	872
Interest income	10	5	42	38
Interest expenses	-75	-67	-294	-286
Other financial items	-5	-24	-23	-41
Profit after financial items, Group	75	114	544	582

1) Central functions include Group-wide functions and MEKO AB.

2) Other items include acquisition-related items attributable to MEKO AB's direct acquisitions. Current acquisition-related items pertain to amortization/depreciation of acquired intangible and tangible assets relating to the acquisitions of FTZ, Inter-Team and Koivunen.

Note 5. Financial instruments recognized at fair value in the balance sheet

MEKO's financial instruments, mainly consist of account receivables, other receivables, cash, liabilities to credit institutes, derivative instruments, supplementary purchase considerations, accounts payable and deferred liabilities. All MEKO's derivative instruments are measured at fair value and included in Level 2. Supplementary purchase considerations are measured at fair value and included in Level 3. All other financial assets and liabilities are carried at cost and carrying amounts approximates fair value, hence no split into levels according to the valuation hierarchy.

Group's derivative instruments measured at fair value in the balance sheet

Derivatives SEK M	March 31		December 31
	2024	2023	2023
FINANCIAL ASSETS			
Cross-currency swaps	7	-	9
Interest-rate swaps	5	27	4
Currency hedge	5	2	-
TOTAL	17	29	13
FINANCIAL LIABILITIES			
Cross-currency swaps	-	-	-
Interest-rate swaps	4	1	13
Currency hedge	0	-	11
TOTAL	4	1	24

Key ratios

	Jan-Mar		12 months	Full year
	2024	2023	Apr-Mar	2023
Organic growth, %	11	6	9	8
Gross margin, %	42.9	44.7	42.9	43.3
Adjusted EBIT margin, %	5.1	5.6	5.5	5.6
EBIT margin, %	3.3	4.9	4.6	5.0
Net working capital, SEK M ¹	2,552	2,668	2,552	2,451
Net debt, SEK M	2,913	3,778	2,913	2,980
Net debt/EBITDA, multiple ²	2.7	3.3	2.7	2.7
Net debt/EBITDA excl. IFRS 16, multiple ²	2.7	3.5	2.7	2.6
Investments, SEK M	49	58	222	231
Equity/assets ratio, %	39.1	37.5	39.1	38.5
Return on total capital, % ²	5.1	4.9	5.1	5.3
Return on capital employed, % ²	6.9	6.5	6.9	7.1
Earnings per share before and after dilution, SEK	0.92	1.43	6.99	7.50
Shareholders' equity per share, SEK	112.7	106.2	112.7	107.8
Cash flow per share, SEK	5.1	0.5	27.0	22.4
Number of outstanding shares at the end of the period ³	55,988,761	55,793,379	55,988,761	55,988,761
Average number of shares during the period	55,988,761	55,793,379	55,965,272	55,917,032

1) Total inventories, accounts receivable, accounts payable and other current non-interest-bearing receivables and liabilities but excluding tax assets and liabilities as well as provisions.

2) Calculated on a rolling 12-month basis for the April–March period.

3) The total number of shares amounts to 56,416,622, of which 83,861 are own shares and 344,000 are secured through share swaps.

Quarterly information

SEK M	2024	2023				2022			
	Q 1	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Net sales	4,320	4,373	4,124	4,292	3,973	3,895	3,660	3,357	3,155
EBIT	146	68	300	304	200	148	235	185	190
Adjusted EBIT	224	175	292	270	227	198	281	240	225
Profit after financial items	75	20	225	224	114	95	179	143	163
Profit for the period	59	6	183	177	84	120	133	102	121
EBIT margin, %	3.3	1.5	7.1	6.8	4.9	3.7	6.3	5.4	5.9
Adjusted EBIT margin, %	5.1	3.9	6.9	6.1	5.6	5.0	7.5	7.0	7.0
Earnings per share before and after dilution, SEK	0.92	-0.07	3.11	3.03	1.43	2.05	2.23	1.73	2.11

SEK M	2024	2023				2022			
	Q 1	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Net sales, SEK M									
Denmark	1,111	1,148	986	1,087	1,046	986	851	919	933
Finland ¹	361	354	386	387	335	327	336	32	33
Poland/the Baltics	888	916	921	901	784	813	786	615	533
Sweden/Norway ¹	1,710	1,727	1,589	1,670	1,593	1,559	1,467	1,553	1,441
Sørensen og Balchen (Norway)	247	225	240	246	213	209	216	237	215
Central functions ²	3	3	2	2	2	2	3	0	0
Group	4,320	4,373	4,124	4,292	3,973	3,895	3,660	3,357	3,155

Adjusted EBIT, SEK M									
Denmark	67	56	53	72	83	41	58	73	93
Finland ¹	-17	-40	3	12	23	13	21	-7	-6
Poland/the Baltics	24	51	35	47	26	57	52	38	17
Sweden/Norway ¹	131	83	169	118	82	72	130	102	101
Sørensen og Balchen (Norway)	38	42	42	47	27	34	39	50	37
Central functions ²	-20	-17	-10	-26	-15	-19	-19	-16	-17
Group	224	175	292	270	227	198	281	240	225

Adjusted EBIT Margin, %									
Denmark	6.0	4.9	5.2	6.6	8.0	4.1	6.8	7.9	10.0
Finland ¹	-4.6	-11.3	0.7	2.7	6.7	3.9	6.2	-21.3	-16.8
Poland/the Baltics	2.7	5.2	3.7	5.1	3.2	6.8	6.4	6.0	3.0
Sweden/Norway ¹	7.6	4.6	10.3	6.9	5.1	4.5	8.6	6.5	6.8
Sørensen og Balchen (Norway)	15.3	18.1	17.4	18.6	12.6	15.9	17.9	20.9	17.0
Group	5.1	3.9	6.9	6.1	5.6	5.0	7.5	7.0	7.0

1) From the third quarter of 2022, Mekonomen Finland is recognized in the Finland business area rather than the previous Sweden/Norway business area. Comparative figures have been restated.

2) Central functions include Group-wide functions and MEKO AB.

Alternative performance measures

MEKO applies the Guidelines on Alternative Performance Measures issued by ESMA. An alternative performance measure is a financial measure of historical or future financial performance, financial position or cash flows that is not defined or specified in IFRS. The presentation of alternative performance measures is limited as an analysis tool and should not be considered independently or as a substitute for financial metrics prepared in accordance with IFRS.

MEKO believes that these performance measures provide valuable supplementary information to company management, investors and other stakeholders in evaluating the company's performance. These alternative performance measures are not always comparable with performance measures used by other companies since not all companies calculate these performance measures in the same way. These should therefore be seen as a supplement to the performance measures defined according to IFRS. Management uses these alternative performance measures to evaluate operating activities compared with previous results, for internal planning and forecasts and to calculate certain performance-related remuneration. For relevant reconciliations of the alternative performance measures that cannot be directly read in or derived from the financial statements, refer to the tables below. The alternative performance measure items affecting comparability is presented in note 2. For definitions of key figures and historical reconciliations of alternative performance measures, refer the company's website www.meko.com and the 2023 Annual and Sustainability Report.

Organic net sales growth

	Denmark	Finland	Poland/ the Baltics	Sweden/ Norway	Sørensen og Balchen (Norway)	Group
%	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar
Organic growth	9	9	7	12	26	11
Acquisitions/divestments	1	-	-	-	-	0
Currency	1	1	8	-1	-4	1
Workdays	-5	-2	-2	-3	-6	-3
Growth net sales	6	8	13	7	16	9

Average number of shares

	Jan-Mar		12 months	Full year
	2024	2023	Apr-Mar	2023
Number of shares at the end of the period	55,988,761	55,793,379	55,988,761	55,988,761
- Multiplied by the number of days unchanged during the period	91	90	322	231
Number of shares on another date during the period	-	-	55,793,379	55,793,379
- Multiplied by the number of days of new shares during the period	-	-	44	134
- Total divided by the total number of days during the period	91	90	366	365
Average number of shares	55,988,761	55,793,379	55,965,272	55,917,032

Shareholders' equity per share

	Jan-Mar		12 months	Full year
	2024	2023	Apr-Mar	2023
Shareholders' equity	6,471	6,050	6,471	6,175
- Less non-controlling interest share of shareholders' equity	-159	-127	-159	-137
Shareholders' equity attributable to parent company's shareholders	6,312	5,923	6,312	6,038
- Divided by average number of shares	55,988,761	55,793,379	55,965,272	55,917,032
Shareholders' equity per share	112.7	106.2	112.7	107.8

Cash flow per share

	Jan-Mar		12 months	Full year
	2024	2023	Apr-Mar	2023
Cash flow from operating activities	285	27	1,510	1,252
- Divided by average number of shares	55,988,761	55,793,379	55,965,272	55,917,032
Cash flow per share, SEK	5.1	0.5	27.0	22.4

EBITDA excluding IFRS 16

	Jan-Mar		12 months	Full year
	2024	2023	Apr-Mar	2023
EBITDA	380	426	1,813	1,859
- Less lease expenses in accordance with IFRS 16	-170	-147	-722	-699
EBITDA excluding IFRS 16	210	279	1,091	1,160

Net debt

SEK M	March 31		December 31
	2024	2023	2023
Long-term liabilities, interest-bearing incl. lease liability	5,003	5,531	5,018
leases, derivatives and similar obligations	-1,399	-1,231	-1,415
Current liabilities, interest-bearing incl. lease liability	584	549	583
leases, derivatives and similar obligations	-583	-529	-583
– Less cash and cash equivalents	-692	-542	-623
Net debt	2,913	3,778	2,980

Return on total capital

	Jan-Mar		12 months	Full year
	2024	2023	Apr-Mar	2023
Profit after financial items (rolling 12 months)	544	531	544	582
– Plus interest expenses (rolling 12 months)	294	193	294	286
Profit after financial items plus interest expenses (rolling 12 months)	838	724	838	868
– Divided by total assets, average over the past five quarters	16,524	14,866	16,524	16,368
Return on total capital, %	5.1	4.9	5.1	5.3

Return on capital employed

	Jan-Mar		12 months	Full year
	2024	2023	Apr-Mar	2023
Profit after financial items (rolling 12 months)	544	531	544	582
– Plus interest expenses (rolling 12 months)	294	193	294	286
Profit after financial items plus interest expenses (rolling 12 months)	838	724	838	868
– Divided by capital employed, average over the past five quarters	12,208	11,173	12,208	12,164
Return on capital employed, %	6.9	6.5	6.9	7.1

Shareholders' equity attributable to parent company's shareholders

SEK M	2024	2023				2022			
	Q 1	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Shareholders' equity	6,471	6,175	6,376	6,369	6,050	5,926	5,698	5,403	5,421
– Less non-controlling interest share of shareholders' equity	-159	-137	-130	-126	-127	-125	-135	-52	-60
Shareholders' equity attributable to parent company's shareholders	6,312	6,038	6,245	6,243	5,923	5,801	5,564	5,351	5,361
Shareholders' equity attributable to parent company's shareholders, average over the past five quarters	6,152	6,050	5,955	5,776	5,600	5,450	5,293	5,150	5,023

Total assets

SEK M	2024	2023				2022			
	Q 1	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Total assets	16,553	16,040	16,728	17,156	16,144	15,773	15,660	13,448	13,304
Total assets, average over the past five quarters	16,524	16,368	16,292	15,636	14,866	14,283	13,772	13,197	13,079

Capital employed

SEK M	2024	2023				2022			
	Q 1	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Total assets	16,553	16,040	16,728	17,156	16,144	15,773	15,660	13,448	13,304
– Less deferred tax liabilities	-428	-426	-449	-496	-498	-501	-532	-349	-339
– Less long-term liabilities, non-interest-bearing	-27	-24	-22	-31	-20	-20	-19	-23	-25
– Less current liabilities, non-interest-bearing	-4,041	-3,813	-4,028	-3,783	-3,495	-3,416	-3,523	-2,980	-2,720
Capital employed	12,056	11,777	12,229	12,845	12,130	11,837	11,585	10,095	10,220
Capital employed, average over the past five quarters	12,208	12,164	12,125	11,698	11,173	10,761	10,401	10,059	10,056