

Q4 2022

Hedin Mobility Group AB (publ) | Year-End Report January 1 – December 31, 2022



Year-End Report January 1 – December 31, 2022

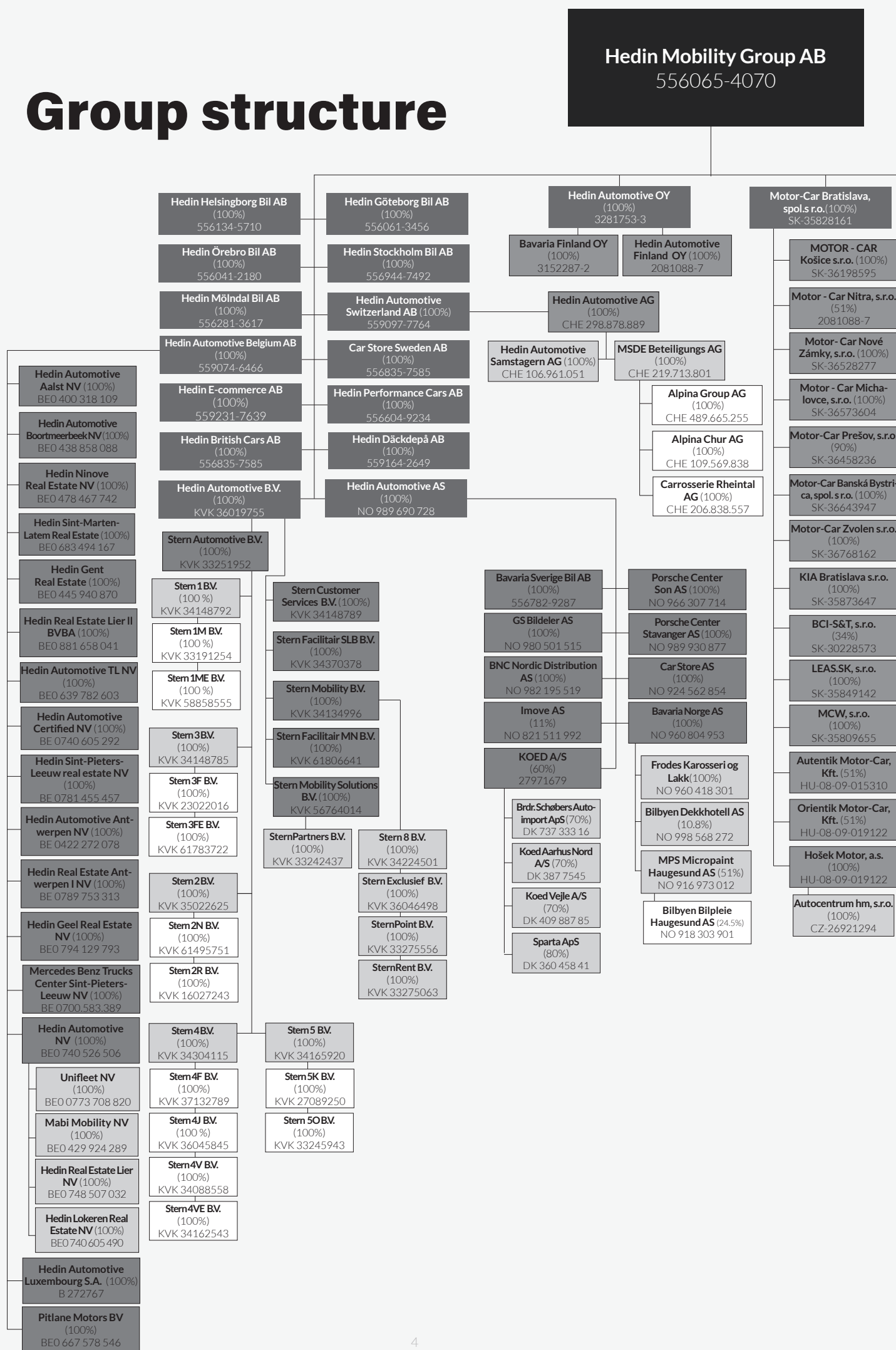
HEDIN MOBILITY GROUP AB (PUBL)

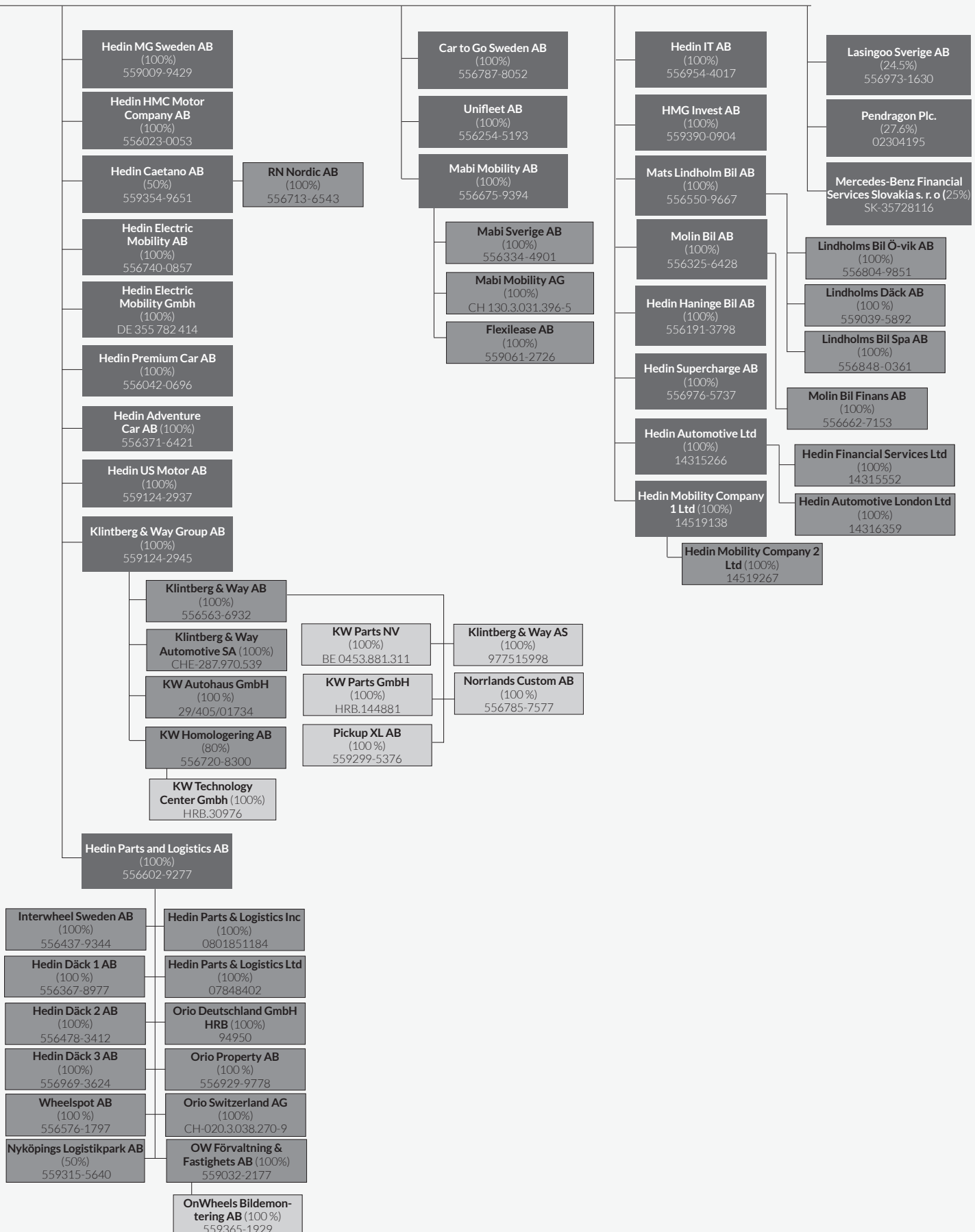
556065-4070

Content

Group structure.....	4
The Group in summary.....	6
CEO comment.....	9
Financial summary.....	10
Financial statements.....	15

Group structure





Fourth quarter 2022

- Net sales increased by 101% to MSEK 17,529 (8,739). Adjusted for acquisitions and other items*, Net sales increased 29% for comparable units.
- Operational earnings increased by MSEK 382 to MSEK 777 (395).
- Operating profit amounted to MSEK 729 (375).
- Profit for the period increased to MSEK 444 (228).

Full year 2022

- Net sales increased by 87% to MSEK 52,721 (28,191). Adjusted for acquisitions and other items*, Net sales increased 15% for comparable units.
- Operational earnings increased by MSEK 1,111 to MSEK 2,257 (1,146).
- Operating profit amounted to MSEK 2,496 (1,069).
- Net profit for the year increased to MSEK 1,846 (644).

*Refers to transferred operations from other parts of Hedin Group AB during autumn 2021, acquisitions, increase in private leasing, and currency effects

Key figures

Amounts in MSEK	Fourth quarter		Full year	
	2022	2021	2022	2021
Net Sales	17,529	8,739	52,721	28,191
Operational earnings	777	395	2,257	1,146
Margin, %	4.4	4.5	4.3	4.1
Operating profit	729	375	2,496	1,069
Operating margin, %	4.2	4.3	4.7	3.8
Net profit	444	228	1,846	644
Equity ratio, %			17	26
Equity ratio, %, excluding IFRS 16			21	33
Average number of employees			6,172	3,569

Definitions

Equity ratio: Equity including subordinated shareholder loans in relation to total assets

Margin: Operational earnings in relation to net sales

Operational earnings: Operating profit excluding items affecting comparability and amortisation of consolidated surplus values

Events in the fourth quarter 2022

- The acquisition of Motor-Car Group from Wiesenthal Autohandels AG, announced on May 19, 2022, was completed on October 5. Motor-Car is a leading automotive retailer in Eastern Central Europe with 17 dealerships and an extensive after-market business in Slovakia, Hungary and the Czech Republic. In 2021, Motor-Car employed 1,100 people, sold 11,257 vehicles and had total Net sales of approximately MEUR 453.8. On October 6, it was announced that the acquisition of 25 % of the shares in Mercedes-Benz Financial Services Slovakia, announced on May 25, 2022, had also been completed.
- Hedin Automotive AG's acquisition of Alpina Group, announced in September 2022, was completed on October 20. Alpina Group is the largest dealer group of BMW and MINI in Eastern Switzerland and employs approximately 140 people across three full-service dealerships, and had sales in 2021 of approximately MEUR 117.5.
- Hedin Mobility Group and the world-leading electric vehicle manufacturer BYD took the next step in their cooperation in Germany by establishing a nationwide network of dealers. Six leading dealer groups will sell and service BYD electric cars in the important German market.
- In November, Hedin Mobility Group entered an agreement to acquire four Mercedes-Benz dealerships in South London from Mercedes-Benz Retail Group UK Ltd. The transaction comprises four attractive locations – Brooklands, Dartford, Croydon and West Bromley – with a combined broad portfolio of passenger cars, commercial vehicles and aftermarket services. The four sites employ a total of approximately 360 people.

The acquisition marks Hedin Mobility Group's first wholly-owned operation in the UK – Europe's second largest car market in terms of registered passenger cars where Mercedes-Benz is a leading brand in the luxury segment.

- In December, Hedin Mobility Group announced that, given the challenging market conditions and uncertain economic outlook, it had decided not to make an offer for the UK car dealer group Pendragon PLC. Hedin Mobility Group remains the largest shareholder in Pendragon.
- Hedin Mobility Group signed an agreement in December to acquire BMW dealerships Mats Lindholms Bil AB and Molin Bil AB. The transactions include all activities related to the sale of new and used passenger cars as well as a wide range of after-market services in both companies, which are conducted at three full-service dealerships in Northern Sweden. The three dealerships employ a total of approximately 80 people and sold a total of over 2,200 new and used cars in 2021.
- Hedin Automotive Belgium AB acquired Mercedes-Benz Trucks Center in Sint-Pieters-Leeuw, which employs about 40 people and in 2021 sold 348 vehicles, including 167 trucks and 181 commercial vehicles, with Net sales of MEUR 26.9. Transfer of business was on December 16.
- Hedin Performance Cars acquired the remaining shareholding in Porsche Center Son, in which Hedin Performance Cars previously owned 91%, thereby consolidating its position as a significant representative of the leading sports car brand in Scandinavia.

Events after the fourth quarter

- The acquisitions of Mats Lindholms Bil AB and Molin Bil AB (see "Events in the fourth quarter 2022") were completed on February 1, 2023.
- Hedin Automotive Belgium AB continued to grow with Toyota through the acquisition of the Toyota dealer Van Dijk in Brecht with 10 employees. With this acquisition, Hedin Automotive strengthens its geographical presence in the province of Antwerp and the Kempen region – and with a total of 26 locations, the company is now Belgium's largest retailer. Transfer of business was on February 8, 2023.
- Hedin Parts and Logistics AB acquired OnWheels Bildemontering AB and its parent company OW Förvaltning och Fastighets AB. OnWheels Bildemontering is a state-of-the-art 3,200 square metre facility that is at the forefront of dismantling cars and recycling parts in a sustainable way, including the latest technology for environmentally friendly and safe handling of liquids. The facility, which currently employs six people, opened in autumn 2020 and is located in Getinge, Halland. Transfer of business was on February 17, 2023.
- Hedin Automotive AG entered into an agreement to acquire the BMW dealer H.P. Schmid AG's operations located north of Zürich, Switzerland. H.P. Schmid is a family-owned and operated dealership that offers a wide selection of new and pre-owned BMW, as well as service, parts and accessories for BMW and MINI cars. Additionally, H.P. Schmid has a full body and paint workshop. The acquisition of H.P. Schmid's operations further strengthens Hedin Automotive's position as the second largest BMW and MINI dealer group in Switzerland – and Hedin Mobility Group's position as one of Europe's largest BMW dealers.
- Hedin Automotive B.V. reached an agreement with Emil Frey to acquire the Peugeot activities of three Dutch dealers. The acquisition concerns three Peugeot branches of Nefkens, part of Emil Frey, in Assen, Groningen and Veendam. The dealerships employ a total of 56 people in car sales, workshop and parts. After the takeover, all current staff will be employed by Hedin Automotive. Through the acquisition, Hedin Automotive expands its dealer network in the north of the Netherlands and thereby strengthens its position on the Dutch automotive market.



Comment from CEO Anders Hedin

A strong finish to the best year in the history of our Group

The best quarter and the best year in the Group's almost 40-year-old history. As we sum up the fourth quarter and the full year 2022, the figures clearly show that we are now one of Europe's absolutely largest mobility providers:

- Net sales for the fourth quarter amounted to MSEK 17,529, an increase of 101% year-on-year.
- For the full year, we break the SEK 50 billion barrier and report Net sales of MSEK 52,721, an increase of 87% year-on-year – more than four times what the Group's sales were in 2017.
- Approximately 137,000 ordered vehicles in the retail business.
- Approximately 43,500 delivered vehicles in the distribution business.
- 12,250 users signed up to Carplus and Unifleet in 2022 – also a record year.
- Mabi sums up a fantastic year with almost one million sold rental days, an increase of 23% year-on-year.

Despite continued supply chain disruptions, we are growing organically by 29% in the fourth quarter and by 15% for the full year 2022. We are delivering an operating margin of 4.7% for the full year despite taking significant integration costs linked to our acquisitions over the past year.

This success is driven by our skilled employees – now almost 8,000 people in 13 countries. Both "old" and "new" Hedin employees have done a fantastic job of navigating a sometimes challenging 2022 with dedication and flexibility to serve our customers, drive collaborations with our partners and in other ways support and develop the Group's various functions and businesses.

Over 550 sales points in Europe

2022 was the year when we not only grew as a retailer but also significantly strengthened our presence in the value chain, from import and distribution to aftermarket and spare parts. At the beginning of this year, we also expanded our business at the end of the car's life cycle by acquiring a state-of-the-art car dismantling facility in Western Sweden. We see demand for used parts increasing going forward for both cost and sustainability reasons.

During the year, we welcomed more than ten new brands to the Group. We now represent 45 brands and have more than 550 sales points across Europe. For some of our brands, we are Europe's largest retailer and partner in terms of sales points.

Mixed market development

Supply of new cars and customer deliveries increased slightly in the fourth quarter in some of our markets, mainly driven by changes in tax regulations that came into force at the turn of the year. But the vehicle shortage was and remains tangible, which means that the delivery times on new cars will be long also in 2023. Order intake during the quarter was boosted by changing market conditions in some countries, not least in Sweden where the state subsidy for electric cars was removed in early November.

However, in late 2022 and in the beginning of this year, we see a clear slowdown in demand in several markets due to the current economic situation. At the same time, some markets are doing better: Hedin Automotive in the Netherlands showed good order intake and in Slovakia, the Czech Republic and Hungary our new business, Motor-Car, performed very strongly in the last quarter of the year.

Equipped to face a difficult-to-forecast 2023

Limited vehicle deliveries combined with the economic situation and a generally uncertain situation in Europe make the market development in 2023 difficult to forecast. However, we are strongly positioned to both meet challenges and respond to new opportunities. The electrification continues and people and businesses need cars, commercial vehicles and trucks regardless of the economic environment. We also still have a record order book, which at the beginning of the year stands at just over 48,000 vehicles, to deliver to customers.

Backed by our broad business and driven people, we aim to make 2023 another record year and continue to create value for customers, employees, and society.

Mölnådal in February 2023



Anders Hedin

FINANCIAL SUMMARY

OCTOBER – DECEMBER 2022

Net sales in the fourth quarter increased by 101% to MSEK 17,529 (8,739). Sales were strong at the end of the year due to both a better supply of vehicles and changes in tax regulations in several markets from January 1, 2023. Several acquisitions were completed during the quarter, including the addition of three more markets through the acquisition of Motor-Car Bratislava s.r.o. with operations in Slovakia, the Czech Republic and Hungary. In addition, there were acquisitions of dealerships in Belgium and Switzerland. Earlier in the year, the Group expanded into new markets such as the Netherlands and Finland and also expanded operations in Sweden and Belgium. Organic growth amounted to 29% adjusted for currency effects and items affecting comparability.

We see a decline in orders within Retail at the end of the year. The order book is still at a very high level and amounts to more than 48,000 vehicles. Adjusted for acquisitions, the backlog decreased by about 5% in the last quarter.

Operational earnings increased by MSEK 382, or 97%, to MSEK 777. The margin was 4.4% (4.5%). Retail increased operational earnings by MSEK 296, with the margin decreasing to 4.0% (4.3%). This is mainly due to the expansion outside Scandinavia, where margins are lower. Distribution increased the operational earnings by MSEK 93 due to an increase in vehicle imports and a reduction in operating costs.

Operating profit increased by 94% to MSEK 729 (375).

Net financial items amounted to MSEK -153 (-66). The item includes profit from participations in associated companies of MSEK 42, which relates to the holding in Pendragon PLC. The earnings are reported with a delay of one quarter and thus refers to the third quarter 2022. Financial expenses increased due to a combination of increased activity and interest rate increases in all markets.

Cash flow from operating activities amounted to MSEK 391 (700). Investments in fixed assets, excluding leasing vehicles and right-of-use assets, amounted to MSEK 250 (82). Available liquidity, including unused overdraft facilities, amounted to MSEK 1,995.

Net Sales	Fourth quarter		Full year	
Amounts in MSEK	2022	2021	2022	2021
Retail	15,216	7,274	45,432	26,392
Distribution	4,899	2,473	13,274	2,807
Other	-2,586	-1,008	-5,985	-1,008
Total	17,529	8,739	52,721	28,191

Operational earnings	Fourth quarter		Full year	
Amounts in MSEK	2022	2021	2022	2021
Retail	607	311	1,540	1,003
Distribution	217	124	757	154
Other	-47	-40	-40	-11
Total	777	395	2,257	1,146

Margin	Fourth quarter		Full year	
	2022	2021	2022	2021
Retail	4.0%	4.3%	3.4%	3.8%
Distribution	4.4%	5.0%	5.7%	5.5%
Total	4.4%	4.5%	4.3%	4.1%

Retail

Net sales increased by 109% to MSEK 15,216 (7,274). Sales of new and used vehicles increased by 37% and 2% respectively. In Sweden, Net sales increased 19%. Adjusted for acquisitions and vehicles sold with repurchase agreements (private leasing), invoicing increased 17% for comparable units. The total market for passenger cars, measured in terms of registered vehicles, increased by 22% over the same period and by 31% for commercial vehicles. The large increase is due in part to changes in the regulatory framework for the climate bonus on electric cars and delays in deliveries earlier in the year. Sales in Norway increased by 58%. Also in Norway, tax regulations for electric cars changed, resulting in that car manufacturers have prioritised supply and availability of vehicles. The total market grew by 58%. Net sales in the Finnish operations amounted to MSEK 1,350 during the quarter. The total market has declined during the end of the year, both for new and used vehicles.

In Belgium, sales increased 83%. Adjusted for acquisitions and currency effects, sales increased 40%, with the total market up 22%. Sales have increased of both new and used vehicles. In Belgium, tax regulations changed from January 1, 2023, resulting in increased sales and a higher order intake at the end of the year, leading to a very high order backlog at the year-end. The operations in the Netherlands had sales of MSEK 2,571 during the quarter. Compared to the corresponding operations last year, this is an increase of 17%. The total market increased by 1% compared to last year.

In Switzerland, sales increased by 46%. In October, three additional dealerships were acquired and adjusted for acquisitions and exchange rates sales decreased by 23%. The total market grew by 8% over the period. The main reason for the decline is availability to cars. The operations in Slovakia, the Czech Republic and Hungary were added in October. Sales amounted to MSEK 1,397 in the fourth quarter. Sales were strong at the end of the year as we received large deliveries of vehicles.

Operational earnings increased by MSEK 296, or 95%, to MSEK 607 (311). The margin decreased to 4.0% (4.3%). In Sweden, operational earnings increased by MSEK 87, and the margin increased to 5.6% (4.7%), the main reason being the high volume of vehicle deliveries. In Norway, operational earnings increased to MSEK 64 and the margin to 7.7% (7.5%), the main reason being the high volume of deliveries that took place at the end of the year. Belgium improved its operational earnings by MSEK 66 and the efforts to improve the profitability of used vehicles have led to an increased margin of 5.1% (2.0%). In the Netherlands, operational earnings amounted to MSEK 37, with a margin of 1.4%, an improvement compared to the corresponding activity last year. In Switzerland, operational earnings amounted to MSEK 13, with a margin of 1.8%. Efforts to reduce operating costs have had an impact, but the shortage of vehicles is limiting sales. Slovakia, the Czech Republic and Hungary are included from October and show operational earnings of MSEK 44, with a margin of 3.1%, after a strong end to the year.

<i>Net Sales – Retail</i>	<i>Fourth quarter</i>		<i>Full year</i>	
<i>Amounts in MSEK</i>	2022	2021	2022	2021
Sweden	5,357	4,502	19,107	16,635
Norway	2,159	1,369	6,210	4,806
Finland	1,350	-	3,310	-
Belgium	1,641	896	5,482	4,444
Netherlands	2,571	-	7,722	-
Switzerland	741	507	2,204	507
Slovakia, Czech Republic, Hungary	1,397	-	1,397	-
Total	15,216	7,274	45,432	26,392

<i>Operational earnings – Retail</i>	<i>Fourth quarter</i>		<i>Full year</i>	
<i>Amounts in MSEK</i>	2022	2021	2022	2021
Sweden	298	211	880	665
Norway	166	102	343	284
Finland	-35	-	-27	-
Belgium	84	18	164	74
Netherlands	37	-	109	-
Switzerland	13	-20	27	-20
Slovakia, Czech Republic, Hungary	44	-	44	-
Total	607	311	1,540	1,003

Margin – Retail	Fourth quarter		Full year	
	2022	2021	2022	2021
Sweden	5.6%	4.7%	4.6%	4.0%
Norway	7.7%	7.5%	5.5%	5.9%
Finland	-2.6%	-	-0.8%	-
Belgium	5.1%	2.0%	3.0%	1.7%
Netherlands	1.4%	-	1.4%	-
Switzerland	1.8%	-3.9%	1.2%	-3.8%
Slovakia, Czech Republic, Hungary	3.1%	-	3.1%	-
Total	4.0%	4.3%	3.4%	3.8%

Distribution

Net sales increased by 98% to MSEK 4,899 (2,473). Vehicle imports were affected by delays in deliveries during the year, and the sales were volatile during the year. The main cause has been the global shortage of semiconductors, but transports have also been affected by the war in Ukraine and unrest in the rest of the world. This is reflected in the higher volume of vehicle deliveries in the last quarter. The changes in tax regulations that took place in Sweden through the reduction of the climate bonus at the turn of the year also led to a sharp increase in deliveries at the end of the year. In Sweden this is evident with a lot of deliveries of MG. During the quarter we also launched BYD as a new electric vehicle brand in Sweden and Germany. European imports of Dodge and RAM have also received a lot of deliveries in the quarter and contributed to the increase in sales.

Distribution of Renault, Dacia and Alpine is carried out in RN Nordic AB, where Hedin Mobility Group owns 50%. The holding is reported as an associated company according to the equity method.

Sales of spare parts and tires increased by 23% compared to the previous year. The increase comes from the acquisition of Orio AB in June. Adjusted for acquisitions and exchange rates, net sales are unchanged.

Operational earnings amounted to MSEK 217 (124). The improvement is mainly due to increased distribution volumes.

JANUARY - DECEMBER 2022

Net sales increased by 87% to MSEK 52,721 (28,191). The restructuring in the autumn of 2021, where activities were transferred from other parts of the Hedin Group, has added sales of MSEK 5,910. During the fourth quarter, operations in Slovakia, the Czech Republic and Hungary were added, and operations in Switzerland and Belgium were expanded. Earlier in the year, additional new markets such as the Netherlands and Finland were added and the operations in Sweden and Belgium were expanded. Organic growth amounted to 15% adjusted for currency effects and items affecting comparability.

Operational earnings increased by MSEK 1,111 to MSEK 2,257 (1,146). The margin increased to 4.3% (4.1%). Retail increased operational earnings by MSEK 537, through both increased volume and profitability in the existing operations as well as through additional acquisitions. The margin decreased to 3.4% (3.8%) due to relatively lower profitability in the acquired businesses. Distribution increased operational earnings by MSEK 603 through increased volume in existing operations and new import brands.

Operating profit increased to MSEK 2,496 (1,069). The difference to the operational earnings consists of negative goodwill of MSEK 349 (0) and amortisation of surplus values of MSEK 110 (77).

Net financial items amounted to MSEK -302 (-229). The item includes profit from participations in associated companies of MSEK 188, which refers to the holding in Pendragon PLC.

Cash flow from operating activities amounted to MSEK 1,861 (2,209). Investments in fixed assets, excluding leasing vehicles and right-of-use assets, amounted to MSEK 590 (189). Available liquidity, including unused overdraft facilities, amounted to MSEK 1,995.

Retail

Net sales increased by 72% to MSEK 45,432 (26,392). Sales of new and used vehicles increased by 20% and 8% respectively. In Sweden, sales increased by 15%. Including cars sold with repurchase agreements (private leasing) and excluding acquisitions, invoicing increased by 14% for comparable units, with growth in both new and used vehicles. The total passenger car market, measured in registered vehicles, decreased by 4% over the same period. Sales in Norway were up 29%, where the sales of new vehicles were very strong. The total market decreased by 1%. Operations in Finland are included from June 2022 and sales amounted to MSEK 3,310 for seven months of operations. The total market in Finland has been at a historically low level in 2022.

In Belgium, sales increased by 23%. Adjusted for acquisitions, sales were up 6%, with the total market down 4%. Sales of new vehicles increased by 13%, while sales of used vehicles decreased slightly. Operations in the Netherlands were added during the year and sales amounted to MSEK 7,722 for ten months of operations. Sales increased 7% compared to the previous year, while the total market decreased 3%.

Switzerland is part of the group since October 2021. Compared to the full year 2021, sales have increased by 12%. Adjusted for acquisitions and exchange rates, sales decreased by 13%, with the availability of cars being a major factor in the decline. The total market has decreased by 5%. The operations in Slovakia, the Czech Republic and Hungary were added in October. Sales amounted to MSEK 1,397 in the fourth quarter. Sales were strong at the end of the year when we received large deliveries of vehicles.

Operational earnings increased by MSEK 537, corresponding to an increase of 54%, to MSEK 1,540 (1,003). The margin decreased slightly to 3.4% (3.8%). Both Sweden and Norway experienced a very positive development with large deliveries of vehicles, which gained further momentum at the end of the year in view of changes in tax legislation in both countries. Finland reported a negative result partly due to a weak market, but also due to one-off costs related to efficiency improvements and changes in the business. Belgium also reports an improved result due to, among other things, our focus on used vehicles and rental car activities. The Netherlands shows a relatively good result, burdened by some one-off costs related to efficiency improvements and changes in the business. Switzerland shows an improved result due to the efficiency improvements and cost savings started in 2021. Slovakia, the Czech Republic and Hungary are included from October and shows a result of MSEK 44, after a strong end of the year.

Distribution

Net sales increased to MSEK 13,274 (2,807). Vehicle imports have been affected by delays in deliveries, mainly due to the global shortage of semiconductors, but the war in Ukraine and the lock-down in China due to the pandemic have also impacted shipments. Adjusted for the Group's restructuring in 2021, Net sales increased 56%. The electric vehicle brands MG and BYD, launched in 2021 and November 2022 respectively, have contributed to the increase but traditional brands such as Ford and Dodge/RAM are also growing during the year. In Sweden, the total passenger car market was down 4% compared to the previous year. Ford increased during the period sales of passenger cars 12% and MG increased 88%. For commercial vehicles, the market was down 5% while Ford sales were unchanged.

Distribution of Renault, Dacia and Alpine is carried out in RN Nordic AB, where Hedin Mobility Group owns 50%. The holding is reported as an associated company according to the equity method.

Net sales of spare parts and tires increased by 25%. In June, Orio AB was acquired, with sales of MSEK 207 in seven months. Orio AB stocks and distributes spare parts for Saab on the global market. To mark the change of ownership and the fact that the company is now a central part of our spare parts distribution, the company is now called Hedin Parts and Logistics AB. Adjusted for acquisitions, sales increased 9%.

Operational earnings amounted to MSEK 757 (154), largely due to increased import activities.

Order take

Sold vehicles (order take) – Retail	Fourth quarter		Full year	
	2022	2021	2022	2021
New cars	20,525	18,578	71,295	56,151
New light commercial vehicles	3,889	2,951	14,048	9,407
New heavy trucks	103	134	409	491
Used cars	12,434	7,846	47,368	32,701
Used light commercial vehicles	1,149	486	3,560	2,270
Used heavy trucks	63	45	242	203
Total	38,163	30,040	136,922	101,223

Sold vehicles (order take) by country – Retail	Fourth quarter		Full year	
	2022	2021	2022	2021
Sweden	17,121	23,041	76,204	77,789
Norway	1,716	3,699	8,238	12,710
Belgium	4,523	2,606	11,159	10,030
Netherlands	7,549	-	26,438	-
Switzerland	735	694	2,815	694
Finland	4,345	-	9,894	-
Slovakia, Czech Republic, Hungary	2,174	-	2,174	-
Total	38,163	30,040	136,922	101,223

Registered vehicles

Registered vehicles Distribution	Fourth quarter		Full year	
	2022	2021	2022	2021
Ford	4,808	5,141	17,106	15,986
MG	2,974	1,120	8,456	4,508
BYD	1,088	-	1,088	-
Dodge, RAM	978	318	2,677	1,684
Renault, Dacia, Alpine *	6,348	-	14,194	-
Total	16,196	6,579	43,521	22,178

* Renault, Dacia and Alpine are distributed by RN Nordic AB, where Hedin Mobility Group owns 50%.
The holding is reported as an associated company according to the equity method.

* The figures for Renault, Dacia, Alpine represents the time after the acquisition on May 1, 2022.

Consolidated income statement and total comprehensive income

	Fourth quarter		Full year	
Amounts in MSEK	2022	2021	2022	2021
Operating income				
Net Sales	17,529	8,739	52,721	28,191
Other operating income	51	14	708	34
	17,580	8,753	53,429	28,225
Operating expenses				
Goods for resale	-13,647	-6,595	-40,849	-21,951
Other external costs	-983	-456	-2,910	-1,325
Employee benefit expenses	-1,521	-793	-4,547	-2,387
Profit from participations in operational associated companies	7	0	7	0
Depreciation and amortisation of tangible and intangible fixed assets	-707	-534	-2,634	-1,493
Operating profit	729	375	2,496	1,069
Profit/loss from financial items				
Financial income	7	20	27	38
Financial expenses	-202	-86	-517	-268
Profit from participations in associated companies	42	0	188	0
Profit/loss before tax	576	309	2,194	839
Taxes	-132	-81	-348	-195
Net profit/loss for the period	444	228	1,846	644
Net profit/loss for the year attributable to:				
Parent company's shareholders	438	226	1,836	634
Holdings with non-controlling interests	6	2	10	10
Net profit/loss for the period	444	228	1,846	644
Other comprehensive income				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurements of pensions obligations, net after taxes	46	41	46	41
Share of other comprehensive income from associated companies	0	0	67	0
<i>Items that may be reclassified to profit or loss</i>				
Cash flow hedging	-107	39	-46	39
Share of other comprehensive income from associated companies	0	0	1	0
Translation differences	74	34	210	97
Total comprehensive income for the period	457	342	2,124	821
Comprehensive income for the period attributable to:				
Parent company's shareholders	451	340	2,114	809
Holdings with non-controlling interests	6	2	10	12
Comprehensive income for the period	457	342	2,124	821

Consolidated Balance sheet

Amounts in MSEK	12/31/2022	12/31/2021
ASSETS		
Fixed assets		
<i>Intangible assets</i>		
Intangible rights	167	82
Customer relations	783	304
Goodwill	2,174	1,723
	3,124	2,109
<i>Tangible assets</i>		
Land and buildings	1,799	559
Cost incurred on another's property	691	295
Equipment, tools and installations	773	335
Leasing vehicles	10,871	6,406
Right-of-use assets	8,428	5,081
	22,562	12,676
<i>Financial assets</i>		
Shares in associated companies	1,530	923
Other securities held as non-current assets	37	35
Deferred tax assets	367	119
Other long-term receivables	13	9
	1,947	1,086
Total fixed assets	27,633	15,871
Current assets		
<i>Inventories etc</i>	13,647	4,363
<i>Current receivables</i>		
Accounts receivables	3,483	1,534
Receivables from Group companies	2	1
Tax assets	17	0
Other receivables	669	279
Prepaid expenses and accrued income	855	486
	5,026	2,300
<i>Cash and cash equivalents</i>	790	1,813
Total current assets	19,463	8,476
TOTAL ASSETS	47,096	24,347

Consolidated Balance sheet

Amounts in MSEK	12/31/2022	12/31/2021
EQUITY AND LIABILITIES		
Equity		
Share capital and other contributed capital	4,103	4,103
Reserves	202	38
Balanced earnings, including profit for the period	3,818	1,891
Equity attributable to the parent company shareholders	8,123	6,032
Holdings with non-controlling interests	77	26
Total Equity	8,200	6,058
Non-current liabilities		
Provisions for pensions	137	162
Deferred tax liabilities	386	205
Liabilities to Group companies	260	350
Other liabilities to credit institutions	1,976	461
Lease liabilities	7,190	4,363
Other non-current liabilities	7,103	4,536
Total non-current liabilities	17,052	10,077
Current liabilities		
Overdraft facilities	787	0
Liabilities to credit institutions	3,390	346
Lease liabilities	1,238	636
Accounts payable	7,036	2,556
Liabilities to Group companies	207	311
Tax liabilities	389	193
Other liabilities	6,082	2,904
Accrued expenses and deferred income	2,715	1,266
Total current liabilities	21,844	8,212
TOTAL EQUITY AND LIABILITIES	47,096	24,347

Group report on changes in equity capital - summary

<i>Amounts in MSEK</i>	<i>Equity</i>	<i>Holdings with non-controlling interests</i>	<i>Total Equity</i>
Opening balance 1/1/2021	1,161	36	1,197
Profit for the period	634	10	644
Comprehensive income for the period	175	2	177
New share issue	4,102	0	4,102
Changes in non-controlling interests	-40	-19	-59
Dividends to minority shareholders		-3	-3
Closing balance 12/31/2021	6,032	26	6,058
Opening balance 1/1/2022	6,032	26	6,058
Profit for the period	1,836	10	1,846
Comprehensive income for the period	278	0	278
Changes in non-controlling interests	-23	42	19
Dividends to minority shareholders		-1	-1
Closing balance 12/31/2022	8,123	77	8,200

Consolidated Cash flow statements

Amounts in MSEK	Fourth quarter		Full year	
	2022	2021	2022	2021
Operating activities				
Profit/loss before tax	576	310	2,194	839
Adjustments for non-cash items	662	532	2,083	1,492
Income tax paid	-76	-84	-209	-152
Cash flow from operating activities before changes in working capital	1,162	758	4,068	2,179
<i>Cash flow from changes in working capital</i>				
Increase(-)/Decrease(+) in inventories	-3,656	-1,055	-5,615	-663
Increase(-)/Decrease(+) in receivables	-953	-283	-1,007	-73
Increase(+)/Decrease(-) in payables	3,838	1,280	4,415	766
Cash flow from operating activities	391	700	1,861	2,209
Investing activities				
Acquisition of subsidiaries	-818	278	-2 765	116
Purchase of intangible and tangible fixed assets	-250	-82	-590	-189
Sale of tangible assets	41	16	86	28
Purchase of leasing vehicles	-1,970	-1,396	-6,183	-4,698
Sale of leasing vehicles	428	238	1,270	633
Changes in financial assets	-103	-886	-283	-899
Cash flow from investing activities	-2,672	-1,832	-8,465	-5,009
Financing activities				
Borrowings	2,762	621	6,826	3,205
Repayment of debt	-193	-1,673	-351	-2,197
Repayment of lease liability	-278	-221	-944	-637
New share issue	0	4,102	0	4,102
Cash flow from financing activities	2,291	2,829	5,531	4,473
Cash flow for the year	10	1,697	-1,073	1,673
Cash and cash equivalents at the beginning of the year	761	111	1,813	132
Exchange rate differences in cash	19	5	50	8
Cash and cash equivalents at the end of period	790	1,813	790	1,813

Note 1 Reporting standards

The Interim report for the Group has been prepared according to IAS 34 Interim Financial Reporting. The same accounting policies and calculation methods have been applied as in the most recent annual report.

Note 2 Operating segments

Retail includes retail sales of new and pre-owned vehicles including commission income from finance and insurance, as well as after-market that includes service, workshop services and workshop products, as well as spare parts.

Distribution includes the import and distribution of vehicles, tires, spare parts, and other car accessories.

Segment reconciliation include the rental car business, leasing services and the IT business. Certain group-wide functions in the Parent Company, as well as the effects of IFRS16, are also reported in Segment reconciliation.

Operational earnings refer to operating profit excluding items affecting comparability and amortisation of consolidated surplus values.

	Retail		Distribution		Segment reconciliation		Group	
Amounts in MSEK	2022	2021	2022	2021	2022	2021	2022	2021
Net Sales	45,432	26,392	13,274	2,807	-5,985	-1,008	52,721	28,191
EBITDA	3,030	1,788	784	167	967	607	4,781	2,562
Depreciation	-1,490	-785	-27	-13	-1,007	-618	-2,524	-1,416
Operational earnings	1,540	1,003	757	154	-40	-11	2,257	1,146
Margin	3.4%	3.8%	5.7%	5.5%	-	-	4.3%	4.1%
Negative goodwill	-	-	-	-	349	-	349	-
Amortisation of surplus values	-110	-77	-	-	-	-	-110	-77
Operating profit	1,430	926	757	154	309	-11	2,496	1,069
Operating margin	3.1%	3.5%	5.7%	5.5%	-	-	4.7%	3.8%
Financial items	-	-	-	-	-	-	-302	-230
Profit before tax	-	-	-	-	-	-	2,194	839
Tax expense	-	-	-	-	-	-	-348	-195
Profit of the period	-	-	-	-	-	-	1,846	644
Investments in								
- fixed assets	521	174	37	8	32	7	590	189
- leasing vehicles	6,183	4,698	-	-	-	-	6,183	4,698

Note 3 Acquisitions

On January 6, the acquisition of Toyota de Laat in Belgium was completed. On January 7, the Toyota and Lexus dealer Klaasen & Co, located in Turnhout, Belgium, was acquired. On January 13, the Toyota dealer Trullemans, located in Dilbeek, Belgium, was acquired.

On March 16, the acquisition of all shares in Stern Facilitair BV from the listed retailer Stern Group N.V. in the Netherlands was completed. The acquisition includes all parts of Stern's core business in the areas of retail, aftermarket, rental car, and leasing operations. Stern is one of the largest car dealers in the Netherlands, representing some 25 brands. The business is now operating under the name Hedin Automotive.

A total of six Ford dealerships in Sweden, which altogether employ over 90 people in car sales, workshop services and car parts, were acquired during the first half of the year.

During the second quarter, Hedin Mobility Group entered the Finnish market for the first time through the acquisition of the renowned Laakkonen Group's automotive business. Laakkonen represents eight brands and is one of the largest car dealers in Finland, operating in 21 dealerships in 15 cities. Transfer of business was on May 31. The business is now operating under the names Hedin Automotive and Bavaria Finland.

On June 9, the company acquired all shares in Orio AB. Orio is a logistics company whose roots lie in the Swedish car industry, and it is the exclusive global supplier of Saab Original spare parts through a global network in Europe, North America, Asia, and Australia. The company's head office and logistics and distribution centre, including a central warehouse of 57,000 sq.m. with a high degree of automation tailored to spare parts operations, are in Nyköping, Sweden. In early 2023 the company name was changed to Hedin Parts and Logistics AB.

On September 15, the acquisition of MB Antwerpen NV from the Mercedes-Benz Group was completed. MB Antwerpen NV operates four full-service Mercedes-Benz dealerships in Antwerp, Belgium.

The acquisition of Motor-Car Group from Wiesenthal Autohandels AG, announced on May 19, 2022, was completed on October 5. Motor-Car is a leading automotive retailer in Eastern Central Europe with 17 dealerships and an extensive aftermarket business in Slovakia, Hungary and the Czech Republic. In 2021, Motor-Car employed 1,100 people, sold 11,257 vehicles and had total net sales of approximately MEUR 453.8.

Hedin Automotive AG's acquisition of Alpina Group, announced in September 2022, was completed on October 20. Alpina Group is the largest BMW and MINI dealer group in eastern Switzerland and employs approximately 140 people across three full-service locations, with 2021 sales of approximately MEUR 117.5.

Hedin Automotive Belgium AB acquired Mercedes-Benz Trucks Center in Sint-Pieters-Leeuw, which employs about 40 people and in 2021 sold 348 vehicles, including 167 trucks and 181 commercial vehicles, with net sales of MEUR 26.9. Transfer of business was on December 16.

<i>Amounts in MSEK</i>	<i>Full year 2022</i>
Intangible fixed assets	620
Tangible fixed assets	5,214
Financial fixed assets	220
Inventories	3,414
Operating receivables	1,611
Cash and cash equivalents	653
Operating liabilities	-3,759
Acquired net assets	7,973
Goodwill	363
Negative goodwill	-359
Minority interests	-18
Provisions	-230
Financial liabilities	-4,311
Purchase price	3,418
Liquid funds in acquired businesses	-653
Impact on the Group's cash and cash equivalents	2,765



Income statement - Parent company

	Fourth quarter		Full year	
Amounts in MSEK	2022	2021	2022	2021
Operating income				
Net Sales	119	38	266	163
Other operating income	0	1	1	1
	119	39	267	164
Operating expenses				
Other external costs	-96	-25	-182	-98
Employee benefit expenses	-38	-22	-125	-80
Depreciation and amortisation of tangible and intangible fixed assets	-1	-1	-3	-2
Operating profit/loss	-16	-9	-43	-16
Profit/loss from financial items				
Dividends from subsidiaries	127	60	332	60
Interest income and similar income items	136	9	186	36
Interest expenses and similar income items	-29	-20	-47	-67
Profit/loss after financial items	218	40	428	13
Appropriations	354	292	354	292
Profit/loss before tax	572	332	782	305
Income tax	-92	-56	-93	-51
Net profit/loss for the period	480	276	689	255

Balance sheet - Parent company

Amounts in MSEK	12/31/2022	12/31/2021
ASSETS		
Fixed assets		
<i>Intangible fixed assets</i>		
Intangible rights	8	7
	8	7
<i>Tangible fixed assets</i>		
Cost incurred on another's property	0	1
Equipment, tools and installations	13	2
	13	3
<i>Financial fixed assets</i>		
Shares in Group companies	5,123	2,346
Shares in associated companies	1,200	923
Other securities held as non-current assets	11	11
Receivables from Group companies	50	354
	6,384	3,634
Total fixed assets	6,405	3,644
Current assets		
<i>Current receivables</i>		
Receivables from Group companies	4,097	1,843
Receivables from associated companies	6	0
Other receivables	2	0
Prepaid expenses and accrued income	10	3
	4,115	1,846
<i>Cash and cash equivalents</i>	2	1,573
Total current assets	4,117	3,419
TOTAL ASSETS	10,522	7,063

Balance sheet - Parent company

Amounts in MSEK	12/31/2022	12/31/2021
EQUITY AND LIABILITIES		
Equity		
Restricted equity		
Share capital, 2,564 (1,000) shares	3	3
Statutory reserve	0	0
	3	3
<i>Non-restricted equity</i>		
Share premium reserve	4,100	4,100
Profit and loss brought forward	909	655
Profit for the year	689	255
	5,698	5,010
Total Equity	5,701	5,012
Untaxed reserves		
Untaxed reserves	266	132
Total Untaxed reserves	266	132
Non-current liabilities		
Other liabilities to credit institutions	1,063	29
Liabilities to Group companies	260	386
Total non-current liabilities	1,323	415
Current liabilities		
Overdraft facilities	773	0
Liabilities to credit institutions	1,031	75
Accounts payable	31	6
Liabilities to Group companies	1,260	1,363
Tax liabilities	104	37
Other liabilities	8	7
Accrued expenses and deferred income	25	16
Total current liabilities	3,232	1,504
TOTAL EQUITY AND LIABILITIES	10,522	7,063

Board of Directors and Group management

Jan Litborn

Chairman of the Board

Anders Hedin

CEO and Board member

Hampus Hedin

Board member

Erik Selin

Board member

Klaus Kibsgaard

Board member

Björn Hauber

Board member

HEDIN MOBILITY GROUP

Anders Hedin, President and CEO

Hampus Hedin, Vice President

Per Mårtensson, CFO

Victor Bernander, Finance & Treasury Manager

Andréas Joersjö, General Counsel

Charlotte Martinsson, HR Director

Jørn Heiersjø, Real Estate Director

Rasmus Hansen, Procurement Director

Magnus Matsson, PR and Communication Manager

MOBILITY SOLUTIONS

Jakob Werner, COO Car to Go Sweden AB and Unifleet AB

André Schleemann, CEO Mabi Mobility AB

DISTRIBUTION

John Hurtig, CEO Hedin HMC Motor Company AB

Jonas Angerdal, CEO RN Nordic AB

Tomas Ernberg, CEO Hedin MG Sweden AB

Anderz Larqvist, CEO Hedin US Motor AB

Thomas Bennet, CEO Klintberg & Way Group AB

Sven Skogheim, CEO GS Bildeler

Victor Liljenberg, CEO Hedin Electric Mobility AB

Lars Pauly, CEO Hedin Electric Mobility GmbH

Simon Fransson, CEO Hedin Premium Car AB

Nicholas Tengelin, CEO Hedin Parts and Logistics AB

RETAIL

Alexander Orméus, COO Hedin Bil

Markus Östlund, CEO Hedin Göteborg Bil AB

Johan Stålhammar, CEO Hedin Helsingborg Bil AB

Morten Westby, CEO Hedin Stockholm Bil AB

Pär Björkholm, CEO Hedin Örebro Bil AB

Rikard Alm, CEO Hedin British Cars AB

Anderz Larqvist, CEO Hedin Mölndal Bil AB

Rickard Magnusson, CEO Hedin Performance Cars AB

Henrik Lessèl, CEO Hedin Automotive Belgium AB

Marcus Larsson, CEO Hedin Automotive AS

Markus Schwingel, CEO Hedin Automotive AG

Johan Frisk, CEO Bavaria Sverige AB

Hallvard Vikeså, CEO Bavaria Norge

Eddy Haesendonck, CEO Hedin Automotive B.V.

Peter Lampret, CEO Car Store Sweden AB

Mikko Mykrä, CEO Hedin Automotive Oy

Matúš Brecka, CEO Motor-Car Bratislava spol.s r.o.

IT

Patrick Olsson, CEO Hedin IT AB

HEAD OFFICE (SEAT)

Hedin Mobility Group AB

Box 2114, 431 02 Mölndal, Sweden

031-790 00 00

hedinmobilitygroup.com

CORPORATE GOVERNANCE Anders Hedin

EDITOR Per Mårtensson

ART DIRECTOR Susanna Ander

PRESS Stema Specialtryck AB, Borås

DISTRIBUTION The Interim report is sent in printed form on request.

The digital version is available on hedinmobilitygroup.com

