

Q4 2023

Hedin Mobility Group AB (publ)
Year-End Report January 1 – December 31, 2023

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HEDIN MOBILITY GROUP



Year-End Report January 1 – December 31, 2023

HEDIN MOBILITY GROUP AB (PUBL)

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The Group in summary

Key figures

Amounts in MSEK	Fourth quarter		Full year	
	2023	2022	2023	2022
Net sales	23,975	17,447	81,678	52,522
Operational earnings	259	743	1,535	2,106
Margin, %	1,1	4,3	1,9	4,0
Operating profit	139	646	1,693	2,297
Operating margin, %	0,6	3,7	2,1	4,4
Net profit for the period	-10	444	820	1,846
Equity ratio, %			15	17
Equity ratio excluding IFRS 16, %			18	21
Average number of employees			9,370	6,172

Definitions

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

Margin: Operational earnings in relation to net sales.

Equity ratio: Equity in relation to total assets.

Fourth quarter 2023

- **Net sales** increased by 37% to SEK 23,975 million (17,447). Adjusted for acquisitions and exchange rate changes, net sales are unchanged for comparable units.
- **Operational earnings** decreased by SEK 484 million to SEK 259 million (743).
- **Operating profit** amounted to SEK 139 million (646).
- **Profit for the period** amounted to SEK -10 million (444).

Full year 2023

- **Net sales** increased by 56% to SEK 81,678 million (52,522). Adjusted for acquisitions and exchange rate changes, net sales increased by 9% for comparable units.
- **Operational earnings** decreased by SEK 571 million to SEK 1,535 million (2,106).
- **Operating profit** amounted to SEK 1,693 million (2,297).
- **Profit for the period** amounted to SEK 820 million (1,846).

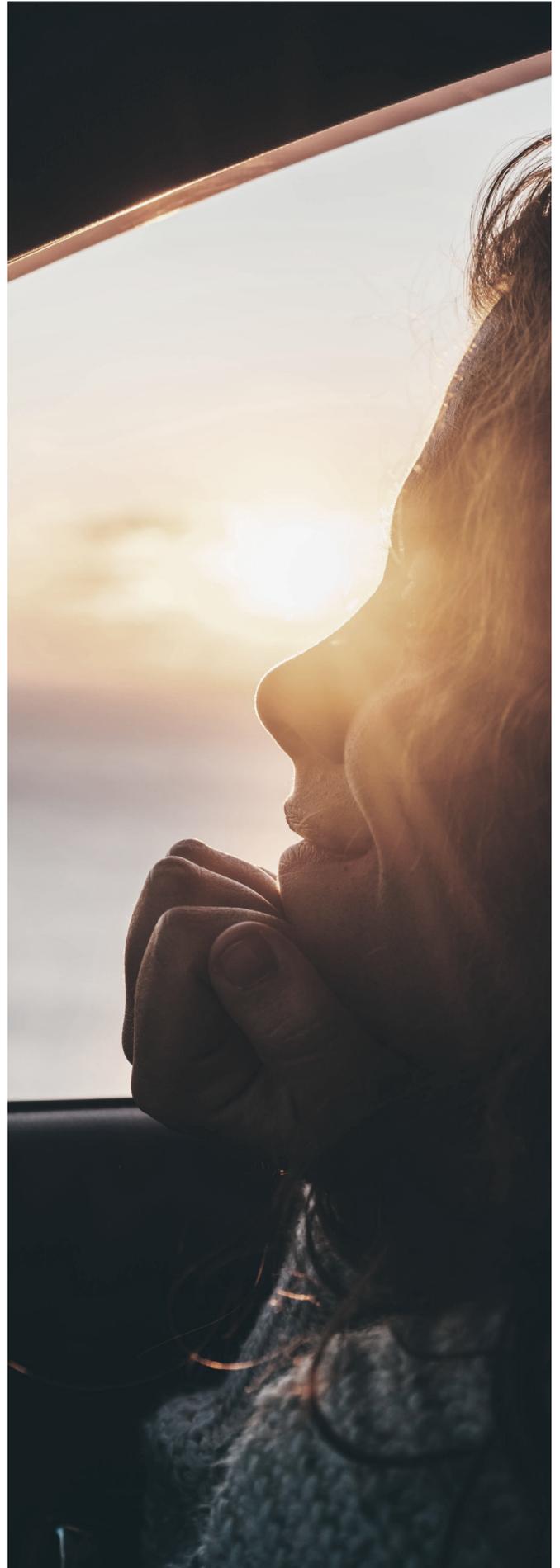
Events of the fourth quarter of 2023

Hedin Automotive B.V. acquired Janssen Kerres Groep B.V. and Janssen Kerres Lease B.V. The acquisitions include the dealer group Janssen Kerres' operations in vehicle sales, leasing, and aftermarket services. Janssen Kerres represents KIA, Renault, Dacia, and Nissan, operating 13 dealerships in the Nordbrabant and Limburg regions. Janssen Kerres also provides authorised workshop services for Peugeot and Citroën. In 2022, Janssen Kerres reported net sales of 200 million euros. A total of 300 individuals are employed in its retail operations. The acquisition was completed on October 4, 2023.

On November 30, 2023, Hedin Automotive Ltd acquired the British specialist in wheel refurbishment, RRT (UK) Ltd. The operation is located in Luton and processes 20,000 wheels annually.

Hedin Mobility Group and Iveco Group signed an agreement regarding the acquisition of Iveco Group's distribution and retail operations in Sweden, Norway, Finland and Denmark, including the acquisition of the IVECO-owned full-service dealerships. The transaction, subject to regulatory approval, is expected to be completed in the first half of 2024.

Hedin Mobility Group and Ford Motor Company have entered into a non-binding memorandum of understanding regarding the acquisition of Ford's national sales company in Finland. Through the intended transaction, expected to be completed in 2024, Hedin Mobility Group will assume responsibility for the import and distribution of Ford passenger cars, commercial vehicles, as well as spare parts and accessories in the Finnish market.



Previously reported events in 2023

- The acquisitions of the BMW retailers Mats Lindholms Bil AB and Molin Bil AB were completed on February 1, 2023.
- Hedin Automotive Belgium AB acquired the Toyota retailer Van Dijck in Brecht, Belgium. Transfer of business completed February 8, 2023.
- Hedin Parts and Logistics AB acquired OnWheels Bildemontering AB. Transfer of business completed February 17, 2023.
- The acquisition of four Mercedes-Benz dealerships in London was completed on April 1, 2023.
- Hedin Automotive BV acquired the Peugeot operations at three Dutch dealerships. Transfer of business completed April 3, 2023.
- Hedin British Car AB acquired Förenade Bil JL in Malmö AB. Transfer of business completed April 28, 2023.
- Hedin Automotive AG acquired BMW retailer H.P. Schmid AG's operations in Switzerland. Transfer of business completed May 15, 2023.
- Hedin Automotive Luxembourg SA acquired the Mazda operations of dealer Garage Pirsch s.à.r.l in Luxembourg, Luxembourg. Transfer of business completed June 2, 2023.
- Hedin Mobility Group was appointed official agent for Lotus in Sweden and the Netherlands, as well as for the car brand smart in Sweden.
- Hedin Mobility Group AB (publ) issued senior unsecured corporate bonds in Swedish kronor of SEK 1,000 millions which since the end of August are listed on the corporate bond list at Nasdaq Stockholm.
- Hedin Mobility Group entered into an agreement with Sagax for the sale of 16 properties located in the Netherlands, Belgium, and Germany.
- Hedin Automotive B.V. acquired BMW dealership Renova Automotive Group B.V. in the Netherlands. The acquisition was completed on August 18, 2023.
- Hedin Automotive Ltd acquired BMW dealership Stephen James Group in the London region. The acquisition was completed on August 25, 2023.
- Hedin Automotive GmbH acquired the German dealership group Torpedo Gruppe, operating 21 dealerships. The acquisition was completed on August 30, 2023.
- Hedin Automotive Oy acquired the Finnish Ford dealership Auto Oy Vesa-Matti. The acquisition was completed on August 31, 2023.
- Hedin Automotive Oy acquired all shares in Delta Auto Oy and the operational business of Delta Motor Group Oy. Delta Auto Oy operates at 13 locations in 12 cities in Finland. The acquisition was completed on September 4, 2023.

Events after the fourth quarter

- On February 12, 2024, Hedin Mobility Group announced the complete divestment of its holdings in the publicly traded company Pendragon PLC, a transaction executed between November 2023 and February 2024.
- On January 4, Hedin Mobility Group was appointed as distributor of MG in Finland. The sales and service network will initially consist of 13 full-service dealerships operated by Hedin Automotive Finland. Sales and customer deliveries are expected to start in the first quarter of 2024.
- Hedin Mobility Group AB has entered an agreement to acquire Mercedes-Benz Försäljnings AB, which includes all of Mercedes-Benz Malmö's activities in vehicles sales and aftermarket services as well as the property where the business is operated. The business employs 137 professionals and sell about 2,200 vehicles per year. Subject to regulatory approval, the transactions is expected to be completed in the second quarter of 2024.

Diversification Creates New Opportunities

Strong Growth in Retail and New Distribution Markets

Over the past few years, we have continued to expand our business both geographically and into new business areas. We have extended partnerships with several major manufacturers in existing geographical markets as well as new ones. With Mercedes-Benz, we have expanded our collaboration by establishing ourselves in Europe's largest car markets, Germany and the United Kingdom. With BMW, we have expanded partnerships in the Netherlands, Sweden, Switzerland and the United Kingdom, and with Kia and Nissan in Finland and the Netherlands.

Additionally, we have launched new car brands in the Swedish and European markets, such as BYD, Hongqi, Ineos Grenadier and Ford F-150. This broadens our geographical presence in Europe, positioning us well to seize the opportunities that tomorrow's mobility business brings. Net sales increased by 56% and exceeded SEK 80 billion. In the short term, both results and capital are burdened by this expansion. Results are further pressured by lower margins due to decreased demand, currency effects, and startup costs in our new distribution operations and market establishments. We are intensively working on various initiatives to integrate operations, increase volumes, and improve profitability.

We Continue to Play an Active Role in the Green Transition

The mobility market continues to evolve, requires us to evolve with it. Over the past few years, several countries have withdrawn subsidies that were previously available for electric cars, leading to a slowdown in the order intake for new electric cars in several markets. By the end of 2023, we could see a clear decrease in the order intake for electric cars. Hedin Mobility Group wants to continue leading in the green transition, and we have decided to expand the charging infrastructure for electric cars by building at least 100 superchargers for the public directly connected to our facilities. By facilitating the daily lives of electric car customers, we also welcome them into our facilities for new ideas.

Throughout the year, we have invested in new business areas by acquiring a car dismantling company, which we have renamed Hedin Recycled. We have also acquired a wheel repair company in the United Kingdom. Both of these business areas create synergies with our existing service business by recycling, repairing, and reselling existing car parts.

Focus on Used Vehicles and Service Business

Our focus on used vehicles continues, and we are actively working to match supply and demand in our various geographical markets. Our primary aim is always to sell a used vehicle in the local market, but by moving cars between our dealerships in different markets, we can increase turn-over while retaining opportunities for service business and future car purchases within the group. To drive this, we are launching the Carstore concept in our various markets with a dedicated organization focusing solely on used vehicles.

The service market is more stable compared to car sales and is growing organically with improved profitability. Increased demand, better processes, and sustainable strategies are different factors behind the development, with the organization having a strong focus on quality, availability, and customer satisfaction.

Pendragon

Towards the end of the year, we reduced our ownership in the British dealership group Pendragon after the company divested its automotive business, and in February 2024, the remaining portion of the investment was sold. The net proceeds for the investment, which has been an associated company since 2021, amount to approximately SEK 1,690 million, generating a total profit during the ownership period of approximately SEK 700 million.

Consolidation to Further Strengthen Our Position

We have now established ourselves in the strategically important markets we intended to enter and will now focus on consolidating companies and markets to take advantage of economies of scale within our various businesses, build a unified group, and strengthen our position as a leading mobility provider in the European market.

Mölnådal in February 2024



Anders Hedin

Financial Summary

OCTOBER – DECEMBER 2023

Net sales increased by 37% to SEK 23,975 million (17,447). Adjusted for acquisitions and currency fluctuations, net sales remained unchanged compared to the previous year for comparable units. Order intake has increased in the Nordic countries compared to earlier in the year. In the rest of Europe, order intake has been relatively stable throughout the year, with a slight decline in the second half. The order backlog at the end of the quarter was approximately 30,000 vehicles.

Operational earnings decreased by SEK 484 million to SEK 259 million (743). The margin amounted to 1.1% (4.3%). Retail decreased operational earnings by SEK 474 million, with the margin decreasing to 0.2% (3.5%). The year has been characterized by a declining market, especially in the Nordic countries, resulting in reduced selling prices and lower margins. This has also affected the market for used vehicles with reduced margins. The previous year 2022 ended strongly after a year of delayed deliveries, while changes in tax regulations in Sweden and Norway contributed to a very strong end to the year. Distribution decreased operational earnings by SEK 48 million and the margin to 4.1% (4.4%), largely due to a weakened Swedish krona and the start up of new brands and markets combined with weaker demand in the private market.

Operating profit decreased by SEK 507 million to SEK 139 million (646). The difference from operating profit consists of depreciation on group surplus values and certain one-time item.

Net sales

Amounts in MSEK	Fourth quarter		Full year	
	2023	2022	2023	2022
Retail	22,307	15,134	73,775	45,233
Distribution	4,140	4,899	14,495	13,274
Segment reconciliation	-2,472	-2,586	-6,592	-5,985
Total	23,975	17,447	81,678	52,522

Operational earnings

Amounts in MSEK	Fourth quarter		Full year	
	2023	2022	2023	2022
Retail	51	525	1,114	1,341
Distribution	169	217	303	757
Segment reconciliation	39	1	118	8
Total	259	743	1,535	2,106

Margin

%	Fourth quarter		Full year	
	2023	2022	2023	2022
Retail	0.2%	3.5%	1.5%	3.0%
Distribution	4.1%	4.4%	2.1%	5.7%
Total	1.1%	4.3%	1.9%	4.0%

Amounts in MSEK	Fourth quarter		Full year	
	2023	2022	2023	2022
Operational earnings	259	743	1,535	2,106
Amortization of surplus values	-64	-42	-209	-110
Negative goodwill	-	-7	-	349
Capital gain real estate	22	-	515	-
Structural costs	-23	-	-53	-
New distribution brands	-13	-	-24	-
Acquisitions & setup	-42	-48	-71	-48
Operating profit	139	646	1,693	2,297

Net financial items amounted to SEK -194 million (-70). Interest expenses increased due to increased borrowing, larger operations, and higher interest rates. This item also includes results from participation in associated companies of SEK 312 million (42), relating to the investment in Pendragon PLC. During the quarter, parts of the investment were divested, meaning the company is no longer an associated company. The entire investment is thus reported as divested, and the remaining investment is reported at market value as securities holdings. The remaining investment was divested after the end of the period.

Cash flow from operating activities amounted to SEK 2,015 million (1,490). Purchase of fixed assets excluding leasing vehicles and right-of-use assets amounted to SEK 350 million (250). Available liquidity including unused overdraft facilities amounts to SEK 2,438 million.

Distribution

Net sales decreased by 15% to SEK 4,140 million (4,899). Sales in Sweden declined compared to the previous year, which ended very strongly after a period of delayed deliveries and ahead of tax changes at the turn of the year. Demand remains weak, especially sales to private customers. Ford and MG have a relatively high share of sales to private customers and are reducing their market shares. BYD was launched in Sweden at the end of 2022 and in Germany during the spring, and sales are increasing, although this brand has been affected by lower demand in consumer sales.

The establishment of Ford F-150 in Europe continues by establishing the network of dealers. Similarly, INEOS

Grenadier is sold through our own retail operations in the markets where we are active.

Sales of spare parts and tires have increased compared to the previous year, partly due to the establishment of more car brands within Distribution.

Operational earnings decreased by SEK 48 million and the margin amounted to 4.1% (4.4%). Imports are affected by higher purchase prices, largely due to the weak Swedish krona. The result is also affected by lower margins and volumes due to weaker demand, establishment costs of new car brands, and restructuring in the spare parts business.

Registered vehicles - Distribution

	Fourth quarter		Full year	
	2023	2022	2023	2022
Ford	3,468	4,808	12,933	17,106
MG	1,154	2,974	6,889	8,456
BYD	2,241	1,088	7,589	1,088
Hongqi	48	-	156	-
INEOS Grenadier	126	-	345	-
Dodge, RAM	944	978	2,978	2,677
Ford F-150	31	-	386	-
Renault, Dacia, Alpine *	8,023	6,348	22,929	14,194
Total	16,035	16,196	54,205	43,521

* Renault, Dacia, 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. Data for Renault, Dacia, Alpine refers to time after the acquisition May 1, 2022.

Retail

Net sales increased by 47% to SEK 22,307 million (15,134). Adjusted for acquired entities and currency fluctuations, net sales increased by 5%. Operational earnings decreased by SEK 474 million to SEK 51 million (525).

In Sweden, net sales excluding acquisitions and effects of private leasing increased by 11%. Sales of new vehicles are at the same level as the previous year, while sales of used vehicles increased by 23% in value and 14% in volume. The total market for new passenger cars decreased by 4% in the quarter. The service market is stable and is increasing both in net sales and profit. Margins are decreasing for both new and used vehicles, which, combined with increased costs for expansion within the Ford network and additional new brands, is reducing profitability.

In Norway, sales of new vehicles are decreasing, especially for more expensive electric cars. Changes in tax regulations resulted in an increase in sales of new vehicles at the end of 2022; however, the total market shows a decrease of 56% in new passenger cars in the fourth quarter. Decreased demand for new vehicles and a changed product mix have also led to declining margins. Sales of used vehicles are increasing, albeit with slightly lower margins.

Sales in Finland, adjusted for acquisitions, increased in the quarter for both new and used vehicles. The market in Finland remains at a very low level. Operational earnings is affected by costs for the implementation of new acquisitions, organizational changes, and sale out of new and used vehicles.

Establishment in the United Kingdom occurred on April 1 through the acquisition of four facilities for sales and service of Mercedes-Benz in London, and in August, the acquisition of five facilities with sales of BMW and Mini in London was completed. Demand and market prices for used vehicles are decreasing, resulting in lower margins. Together with lower sales at the end of the year, this has contributed to the loss in the quarter.

Net sales in Belgium is increasing for both new and used vehicles. The total market remains strong and increased by 21% based on registered new passenger cars, which is still an effect of low activity during the pandemic years. Margins on car sales have improved, and the service market is increasing net sales with maintained margins.

Our sales in the Netherlands, adjusted for acquisitions, show a slight increase for the car trade, while net sales and results in the service market improve compared to the previous year. The measures taken last year to reduce costs have had an effect and also contribute to the improved result.

The acquisition of Torpedo Gruppe in Germany was completed in September. The result is affected by costs related to the restructuring of parts of the business and the launch of the new brand BYD, together with a weaker sales for existing brands. In Switzerland, the total market has increased, and our sales of new vehicles are increasing. Sales of used vehicles are at the same level as the previous year. Margins are decreasing, especially on used vehicles, which, together with establishment costs for new brands, have negatively affected profitability.

In Slovakia, the Czech Republic, and Hungary, demand has continued to be strong during the quarter, and net sales is increasing compared to the corresponding operations the previous year. Net sales in the service market is also increasing. Both profit and margins have improved due to the increased volume.

Net sales - Retail

Amounts in MSEK	Fourth quarter		Full year	
	2023	2022	2023	2022
Sweden	6,683	5,289	23,225	18,943
Norway	1,099	2,155	4,765	6,202
Finland	1,813	1,350	7,036	3,310
UK	1,640	-	3,011	-
Belgium, Luxembourg	2,158	1,641	8,788	5,482
Netherlands	4,331	2,571	14,028	7,722
Germany	1,387	-	1,771	-
Switzerland	1,273	731	4,244	2,177
Slovakia, Czech Republic, Hungary	1,923	1,397	6,907	1,397
Total	22,307	15,134	73,775	45,233

Operational earnings - Retail

Amounts in MSEK	Fourth quarter		Full year	
	2023	2022	2023	2022
Sweden	-44	230	271	716
Norway	-18	162	58	335
Finland	-79	-35	-75	-27
UK	-24	-	2	-
Belgium, Luxembourg	57	84	284	164
Netherlands	102	37	353	109
Germany	-32	-	-17	-
Switzerland	28	3	14	0
Slovakia, Czech Republic, Hungary	61	44	224	44
Total	51	525	1,114	1,341

Margin - Retail

%	Fourth quarter		Full year	
	2023	2022	2023	2022
Sweden	-0.7%	4.3%	1.2%	3.8%
Norway	-1.6%	7.5%	1.2%	5.4%
Finland	-4.4%	0.0%	-1.1%	0.0%
UK	-1.5%	-	0.1%	-
Belgium, Luxembourg	2.6%	5.1%	3.2%	3.0%
Netherlands	2.4%	1.4%	2.5%	1.4%
Germany	-2.3%	-	-1.0%	-
Switzerland	2.0%	0.4%	0.3%	0.0%
Slovakia, Czech Republic, Hungary	3.2%	-	3.2%	-
Total	0.2%	3.5%	1.5%	3.0%

Net sales increased by 56% to SEK 81,678 million (52,522). During the year, several major acquisitions were completed with the establishment of retail in the UK and Germany, as well as continued expansion in Finland and the Netherlands. Adjusted for acquisitions and currency fluctuations, net sales increased by 9% for comparable units. The order intake decreased in several of our markets compared to the previous year. At the beginning of the year, there was a large order backlog built up during the pandemic when several factories faced delivery problems due to component shortages. During the year, deliveries increased, resulting in a decrease in the order backlog. The order backlog amounted to approximately 30,000 vehicles at the end of the period, which is considered a normal level.

Operational earnings decreased by SEK 571 million, equivalent to 27%, to SEK 1,535 million (2,106). The margin amounted to 1.9% (4.0%). Retail decreased operational earnings by SEK 227 million, and the margin amounted to 1.5% (3.0%). This is mainly attributable to the Nordic market, where weaker demand contributed to lower sales prices and margins. Distribution decreased operational earnings by SEK 454 million and the margin to 2.1% (5.7%), largely due to a weakened Swedish krona and the establishment of new brands and markets combined with weaker demand in the private market.

Operating profit decreased by SEK 604 million to SEK 1,693 million (2,297). The result includes a gain on the sale of properties of SEK 515 million. The previous year was positively affected by negative goodwill of SEK 349 million. The result is also burdened by restructuring costs related to changes in our distribution network, establishment of new distribution brands, and costs related to acquisitions and establishment in new markets of SEK 148 million.

The financial net amounted to SEK -813 million (-103). Interest costs are rising due to increased borrowing, larger operations, and higher interest rates. Currency differences amounted to SEK -69 million (+24). The item also includes results from participation in associated companies of SEK 125 million (188), as well as a gain and revaluation of SEK 293 million on the sale of shares in Pen-dragon PLC.

The cash flow from operating activities amounted to SEK 3,165 million (1,861). Purchase of fixed assets excluding leasing vehicles and right-of-use assets amounted to SEK 987 million (590). Available liquidity, including unused overdraft facilities, amounts to SEK 2,438 million.

Distribution

Net sales increased by 9% to SEK 14,495 million (13,274). Vehicle sales were strong at the beginning of the year after a period of delivery delays, gradually decreasing throughout the year as demand in the Swedish market declined. A similar trend is seen in the European market for Dodge and RAM. Sales of our distribution brands in Sweden are at a lower level than the previous year, largely due to reduced demand from the consumer market and for private leasing. The launch of BYD in Sweden and Germany has taken place during the year, and sales are increasing month by month. In Germany, agreements have been signed with external dealers, including the recently acquired business in Torpedo Gruppe, while sales in Sweden are conducted through Hedin Bil and Bavaria Bil. The establishment of Ford F-150 has continued through the establishment of sales networks with dealers in Europe, and sales are gradually

increasing. Similarly, deliveries of INEOS Grenadier to our European customers continue, with sales mainly in Switzerland, Belgium, Luxembourg and Sweden.

Sales of spare parts and tires have increased slightly compared to the previous year, mainly within KW Parts and through our new distribution brands. Operational earnings decreased by SEK 454 million, and the margin amounted to 2.1% (5.7%). In addition to a lower volume, imports are affected by higher purchase prices largely due to the weak Swedish krona, which has negatively impacted the result. The result is also burdened by establishment costs of new car brands in Sweden and Germany and restructuring in the spare parts business.

Retail

Net sales increased by 63% to SEK 73,775 million (45,233). Operational earnings decreased by 17% to SEK 1,114 million (1,341). Adjusted for acquired units and currency fluctuations, net sales increased by 8%. In Sweden, net sales increased by 23%, but adjusted for acquisitions and reduced private leasing, billing increased by 7%. Total markets measured by the number of registered passenger cars increased by 1%. The order intake decreased during the year due to the removal of subsidies for electric cars and the high interest rate environment. Decreased demand results in pressure on sales prices and margins, which are the main reasons for the lower result. We have also invested in more full-service facilities for our distribution brands, which has increased costs in the short term. The service market shows stable demand with maintained margins.

In Norway, the total market decreased by 27% during the year, largely due to changes in subsidies for electric cars. Our sales decreased by 23%, which also negatively affected the result, especially for electric cars in the premium segments.

Sales in Finland, adjusted for acquisitions, are increasing for both new and used vehicles. The market in Finland has grown during the year but is still at a very low level. The operational earnings is affected by costs for the implementation of new acquisitions, changes in organization, and clearance sales of new and used vehicles. The focus on used vehicles continues with the establishment of Carstore, Hedin Certified and Hedin Auction.

In the United Kingdom, demand and market prices for used vehicles have decreased, resulting in lower margins. Together with lower sales at the end of the year, this has contributed to the low result.

In Belgium, sales and order intake have been good, partly affected by changed tax regulations. Together with effects from previous delivery problems from the factories, this resulted in a high order backlog at the beginning of the year. The total market increased by 30% after a weak previous year. Margins on car sales have improved, and the service market shows both higher net sales and margins.

The market in the Netherlands has also been strong, increasing by 18%. Our sales have increased by approximately 25%. The measures taken the previous year to reduce costs have had an effect and contribute to the improved result.

The acquisition of Torpedo Gruppe in Germany was completed in September and is included in the financial statements for four months. The result is affected by costs related to the restructuring of parts of the business and the launch of the new brand BYD, together with an expected weaker sales performance for existing brands.

In Slovakia, the Czech Republic, and Hungary, demand has continued to be strong, and net sales is increasing compared to the corresponding business in the previous year. Net sales in the service market is also increasing. Both results and margins have improved due to the increased volume.

In Switzerland, the total market has increased, and our sales of new vehicles are increasing. Sales of used vehicles are at the same level as the previous year but with slightly lower margins.

Sold vehicles (order take) - Retail

	Fourth quarter		Full year	
	2023	2022	2023	2022
New passenger cars	22,045	20,424	68,387	71,001
New commercial vehicles	5,407	3,889	17,827	14,048
Used passenger cars	22,802	12,422	70,792	47,275
Used commercial vehicles	1,658	1,149	5,485	3,560
Trucks, new and used	205	166	899	651
Motorcycles, new and used	121	113	845	387
Total	52,238	38,163	164,235	136,922

Vehicles sold by country (order take) - Retail

	Fourth quarter		Full year	
	2023	2022	2023	2022
Sweden	18,048	17,121	65,995	76,204
Norway	2,010	1,716	7,328	8,238
Finland	6,726	4,345	19,814	9,894
UK	3,016	-	6,524	-
Belgium, Luxembourg	2,763	4,523	11,100	11,159
Netherlands	13,454	7,549	35,847	26,438
Germany	3,120	-	3,990	-
Switzerland	519	735	3,445	2,815
Slovakia, Czech Republic, Hungary	2,582	2,174	10,192	2,174
Total	52,238	38,163	164,235	136,922



Consolidated income statement and total comprehensive income

Amounts in MSEK	Fourth quarter		Full year	
	2023	2022	2023	2022
Operating income				
Net sales	23,975	17,447	81,678	52,522
Other operating income	164	51	872	708
	24,139	17,498	82,550	53,230
Operating expenses				
Finished products and goods for resale	-19,307	-13,647	-65,488	-40,849
Other external expenses	-1,124	-851	-3,827	-2,595
Employee benefit expenses	-2,257	-1,521	-7,150	-4,547
Profit from participations in operational associated companies	13	7	56	7
Depreciation and amortisation of tangible and intangible fixed assets	-1,222	-707	-4,217	-2,634
Other operating expenses	-103	-131	-231	-315
Operating profit	139	646	1,693	2,297
Profit/loss from financial items				
Profit from participations in associated companies	312	42	437	188
Financial income	11	7	31	27
Financial expenses	-517	-120	-1,281	-317
Profit/loss before tax	-55	576	880	2,194
Tax	45	-132	-60	-348
Net Profit/loss for the period	-10	444	820	1,846
Net profit/loss for the year attributable to:				
Parent company's shareholders	-11	438	800	1,836
Holdings with non-controlling interests	1	6	20	10
Net Profit/loss for the period	-10	444	820	1,846
Comprehensive income				
<i>Items that will not be classified to profit or loss for the period</i>				
Remeasurements of pensions obligations, net after taxes	-41	46	-41	46
Share of other comprehensive income from associated companies	0	0	-44	67
<i>Items that may be reclassified to profit or loss</i>				
Cash flow hedging	-52	-107	-36	-46
Share of other comprehensive income from associated companies	0	0	0	1
Translation differences	-194	73	-139	210
Total comprehensive income for the period	-297	456	560	2,124
Comprehensive income for the period attributable to:				
Parent company's shareholders	-296	462	542	2,114
Holdings with non-controlling interests	-1	-6	18	10
Total comprehensive income for the period	-297	456	560	2,124

Consolidated balance sheet

Amounts in MSEK	12/31/2023	12/31/2022
ASSETS		
Fixed assets		
<i>Intangible fixed assets</i>		
Intangible rights	168	167
Customer relations	1,073	783
Goodwill	2,987	2,174
	4,228	3,124
<i>Tangible fixed assets</i>		
Land and buildings	1,106	1,799
Costs incurred on others' property	793	538
Equipment, tools and installations	1,490	773
Leasing vehicles	13,281	10,871
Right-of-use assets	12,166	8,428
Construction in progress	218	153
	29,054	22,562
Shares in associated companies	300	1,530
Other long-term securities	1,086	37
Deferred tax assets	474	367
Other long-term receivables	33	13
Total fixed assets	35,175	27,633
Current assets		
<i>Inventories</i>		
Finished products and goods for resale	14,305	11,259
Goods in transit	2,984	2,388
	17,289	13,647
<i>Current receivables</i>		
Accounts receivable	4,028	3,483
Receivables from group companies	5	2
Receivables from associated companies	0	6
Tax assets	34	17
Other current receivables	1,247	663
Prepaid expenses and accrued income	1,005	855
	6,319	5,026
<i>Cash and cash equivalents</i>	1,151	790
Total current assets	24,759	19,463
TOTAL ASSETS	59,934	47,096

Consolidated balance sheet

Amounts in MSEK	12/31/2023	12/31/2022
EQUITY AND LIABILITIES		
Equity		
Share capital and other contributed capital	4,103	4,103
Reserves	29	202
Balanced earnings, including profit/loss for the period	4,533	3,818
Equity attributable to the Parent company shareholders	8,665	8,123
Holdings with non-controlling interests	95	77
Total Equity	8,760	8,200
Non-current liabilities		
Provisions for pensions	209	137
Deferred tax liabilities	420	386
Liabilities to Group companies	0	260
Bond loans	993	0
Other liabilities to credit institutions	3,037	1,976
Lease liabilities	10,404	7,190
Other non-current liabilities	6,931	7,103
Total non-current liabilities	21,994	17,052
Current liabilities		
Overdraft facilities	1,928	787
Liabilities to credit institutions	1,707	2,875
Lease liabilities	1,782	1,238
Accounts payable	9,087	7,036
Liabilities to Group companies	7	207
Tax liabilities	307	389
Other current liabilities	11,647	6,597
Accrued expenses and deferred income	2,715	2,715
Total current liabilities	29,180	21,844
TOTAL EQUITY AND LIABILITIES	59,934	47,096

Report on changes in equity in summary

Amounts in MSEK	Equity	Holdings with non-controlling interests	Total Equity
Opening balance 01/01/2022	6,032	26	6,058
Net profit for the period	1,836	10	1,846
Comprehensive income	278	0	278
Change in non-controlling interests	-23	42	19
Dividend to owners with non-controlling influence		-1	-1
Closing balance 12/31/2022	8,123	77	8,200
Opening balance 01/01/2023	8,123	77	8,200
Net profit for the period	800	20	820
Comprehensive income	-258	-2	-260
Closing balance 12/31/2023	8,665	95	8,760



Consolidated cash flow statements

Amounts in MSEK	Fourth quarter		Full year	
	2023	2022	2023	2022
Operating activities				
Profit/loss after financial items	-55	576	880	2,194
Adjustments for non-cash items	873	662	3,203	2,083
Income tax paid	27	-76	-306	-209
Cash flow from operating activities before changes in working capital	845	1,162	3,777	4,068
Cash flow from changes in working capital				
Increase(-)/Decrease(+) in inventories	722	-3,656	-941	-5,615
Increase(-)/Decrease(+) in operating receivables	705	-953	-401	-1,007
Increase(+)/Decrease(-) in operating liabilities	-1,192	4,937	730	4,415
Cash flow from operating activities	1,080	1,490	3,165	1,861
Investing activities				
Acquisition of subsidiaries	-204	-818	-2,448	-2,765
Purchase of intangible and tangible fixed assets	-350	-250	-987	-590
Sale of tangible assets	67	41	1,612	86
Purchase of leasing vehicles	-1,939	-2,096	-6,575	-6,309
Sale of leasing vehicles	1,114	555	2,624	1,396
Changes in financial assets	546	-103	552	-283
Cash flow from investing activities	-766	-2,672	-5,222	-8,465
Financing activities				
Borrowings	158	107	3,315	2,635
Repayment of debt	-825	-408	-2,589	-351
Net change in overdraft facilities and similar credits	425	649	1,134	649
Net change in repurchase liabilities	289	1,121	1,930	3,542
Amortisation of leasing debts	-413	-278	-1,366	-944
Cash flow from financing activities	-366	1,192	2,424	5,531
Cash flow for the period	-52	10	367	-1,073
Cash and cash equivalents at the beginning of the period	1,234	761	790	1,813
Exchange rate differences in cash and cash equivalents	-31	19	-6	50
Cash and cash equivalents at the end of the period	1,151	790	1,151	790

Note 1 Reporting standards

The Year-end 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, with the exception of the change in income recognition on the sale of vehicles with a repurchase agreement. The change means that fictitious interest is no longer calculated, which results in lower net sales and lower interest expenses. The comparative periods in this Year-End Report have been adjusted in accordance with the above change.

Note 2 Operating segments

Retail includes retail sales of new and used vehicles including sales of financing and insurance solutions, as well as aftermarket that includes service, workshop services and 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 and the effects of IFRS 16 are also reported in segment reconciliation.

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

January-December Amounts in MSEK	Retail		Distribution		Segment reconciliation		Group	
	2023	2022	2023	2022	2023	2022	2023	2022
Net sales	73,775	45,233	14,495	13,274	-6,592	-5,985	81,678	52,522
EBITDA	3,543	2,831	469	784	1,531	1,015	5,543	4,630
Depreciation	-2,429	-1,490	-166	-27	-1,413	-1,007	-4,008	-2,524
Operational earnings	1,114	1,341	303	757	118	8	1,535	2,106
Margin	1.5%	3.0%	2.1%	5.7%			1.9%	4.0%
Negative goodwill					0	349	0	349
Capital gain property					515	0	515	0
Structural costs, etc.	-84	0	-36	0	-28	-48	-148	-48
Amortisation of surplus values	-209	-110					-209	-110
Operating profit	821	1,231	267	757	605	309	1,693	2,297
Operating margin	1.1%	2.7%	1.8%	5.7%			2.1%	4.4%
Financial items							-813	-103
Profit before tax							880	2,194
Tax expense							-60	-348
Net profit for the period							820	1,846
Investments in								
- fixed assets	768	521	67	37	152	32	987	590
- leasing vehicles	6,575	6,309					6,575	6,309

Note 3 Acquisitions

The acquisitions of the BMW retailers Mats Lindholms Bil AB and Molin Bil AB announced on December 15, 2022 were completed on February 1, 2023. The transactions include all activities in vehicle sales and aftermarket services at three full-service dealerships.

Hedin Automotive Belgium AB acquired the Toyota retailer Van Dijck in Brecht, Belgium with 10 employees. Transfer of business was on February 8, 2023.

Hedin Parts and Logistics AB acquired OnWheels Bildemontering AB and its parent company OW Förvaltning and Fastighets AB. The operations in car dismantling and recycling of spare parts are now conducted under the name Hedin Recycled Halmstad. Transfer of business was on February 17, 2023.

The acquisition of four Mercedes-Benz locations in south London announced on November 24, 2022 was completed on April 1, 2023. The transaction includes three full-service dealerships and a workshop, employing approximately 360 employees in total.

Hedin Automotive BV acquired the Peugeot operations at three Dutch dealerships. The dealerships employ a total of 56 people in vehicle sales, workshop and spare parts. Transfer of business was on April 3, 2023.

Hedin British Car AB acquired Förenade Bil JL in Malmö AB, exclusive retailer of Jaguar and Land Rover, with an authorised workshop, in the southern Swedish county Skåne. Transfer of business was on April 28, 2023.

Hedin Automotive AG acquired BMW retailer H.P. Schmid AG's operations in Switzerland, with activities in vehicle sales and aftermarket services, including a complete damage repair shop. Transfer of business was on May 15, 2023.

Hedin Automotive Luxembourg SA acquired the Mazda operations of dealer Garage Pirsch s.à.r.l in Luxembourg, Luxembourg. The transaction includes the Mazda's activities in vehicle sales and aftermarket services. Transfer of business was on June 2, 2023.

Hedin Automotive BV acquired Renova Automotive Group BV with 250 employees. The acquisition comprises all the Dutch dealer group's BMW and MINI activities, which includes sales of new and used vehicles as well as aftermarket services and damage repair operations. Renova operates five full-service dealerships for BMW, three of which also represent MINI, and two standalone damage repair shops. In 2022, Renova's market shares for BMW and MINI were both above 9% and the group had sales of around EUR 200 million. Transfer of business was on August 18, 2023.

Hedin Automotive Ltd acquired the BMW and MINI dealer group Stephen James Group's operations in vehicle sales and aftermarket services. Stephen James sells more than 6,000 new and used cars annually and has approximately 400 employees spread over five BMW dealerships, three of which also represent MINI, in the London region. Transfer of business was on August 25, 2023.

Hedin Automotive GmbH acquired a total of eight companies within which all automotive-related activities of the dealer group Torpedo Gruppe are conducted. Torpedo Gruppe provides an end-to-end automotive retail offering with presence at 21 locations in six German federal states. In 2022, the group sold a total of 12,000 new and used vehicles and had net sales of EUR 526 million (agency business included). Approximately 1,260 people are employed in the group. Transfer of business was on August 30, 2023.

Hedin Automotive Oy acquired the Finnish Ford retailer Auto Oy Vesa-Matti, with full-service operations at one dealership. Auto Oy Vesa-Matti has net sales of approx. EUR 10 million and sells some 800 new and used cars annually. Transfer of business was on August 31, 2023.

Hedin Automotive Oy acquired Delta Auto Oy as well as Delta Motor Group Oy's operative business in vehicle sales and aftermarket services. Delta Auto has 315 employees in 13 dealerships across 12 cities and sells approximately 13,000 cars annually. Net sales in 2022 was EUR 322 million. Transfer of business was on September 4, 2023.

Hedin Automotive B.V. acquired Janssen Kerres Groep B.V. and Janssen Kerres Lease B.V. The acquisitions include the dealer group Janssen Kerres' operations in vehicle sales, leasing, and the aftermarket. Janssen Kerres represents KIA, Renault, Dacia, and Nissan, operating 13 dealerships in the Nordbrabant and Limburg regions. Janssen Kerres also provides authorised workshop services for Peugeot and Citroën. In 2022, Janssen Kerres had a net sales of EUR 200 million. A total of 300 individuals are employed in its retail operations. The acquisition was completed on October 4, 2023.

On November 30, 2023, Hedin Automotive Ltd acquired the British specialist in wheel refurbishment, RRT (UK) Ltd. The operation is located in Luton and processes 20,000 wheels annually.

Amounts in MSEK	Full year 2023
Intangible fixed assets	540
Tangible fixed assets	3,435
Financial assets	63
Inventories	2,883
Operating receivables	949
Cash and cash equivalents	116
Operating liabilities	-3,363
Acquired net assets	4,623
Goodwill	891
Provisions	-196
Financial liabilities	-2,754
Purchase price	2,564
Cash and cash equivalents in acquired businesses	-116
Impact on the Group's cash and cash equivalents	2,448

Note 4 Specification of Financial Covenants

EBITDA

Amounts in MSEK	Full year 2023	Full year 2022
Operating profit	1,693	2,297
Depreciation and amortisation of tangible and intangible fixed assets	4,217	2,634
Less depreciation & interest on right-of-use assets	-1,618	-1,035
Less depreciation on leasing vehicles with repurchase agreements	-2,110	-1,269
Result attributable to minority interests	-20	-10
Result from operational associated companies	-56	-7
Profit sale of fixed assets	-515	-
Items affecting comparability	148	-301
Pro-forma adjustment for acquired businesses	272	358
EBITDA *	2,011	2,668

Net debt

Amounts in MSEK	12/31/2023	12/31/2022
Long term liabilities to credit institutions	3,037	1,976
Bond loans	993	0
Utilised overdraft facilities	1,928	787
Short term liabilities to credit institutions	1,707	2,875
Cash & cash equivalents	-1,151	-790
Shares in associated companies	-1,349	-1,530
Market value adjustment on associated companies	0	304
Net interest bearing debt *	5,165	3,622

Net Finance charges

Amounts in MSEK	Full year 2023	Full year 2022
Financial income	31	27
Financial costs	-1,212	-317
Less Financial costs attributable to right-of-use assets	243	99
Net finance charges *	-938	-191

Financial covenants

	12/31/2023	12/31/2022
Net debt to EBITDA	2.57	1.36
Interest coverage ratio *	2.14	13.94

* Terms as defined in the Terms and conditions of Hedin Mobility Group AB (publ) Senior Unsecured Callable floating rate bonds 2023/2026 ISIN: SE0018742033

Income statement - Parent company

Amounts in MSEK	Fourth quarter		Full year	
	2023	2022	2023	2022
Operating income				
Net sales	107	119	407	267
Operating expenses				
Other external expenses	-63	-96	-281	-182
Employee benefit expenses	-54	-38	-179	-125
Depreciation and amortisation of tangible and intangible fixed assets	-3	-1	-9	-3
Operating profit/loss	-13	-16	-62	-43
Profit/loss from financial items				
Dividends from subsidiaries	0	127	0	332
Results from equity investments in affiliated companies	235	0	235	0
Interest income and similar income items	88	136	306	186
Interest expenses and similar income items	-89	-29	-250	-47
Profit after financial items	221	218	229	428
Appropriations	42	354	42	354
Profit before tax	263	572	271	782
Income tax	1	-92	0	-93
Net profit for the period	264	480	271	689



Balance sheet – Parent company

Amounts in MSEK	12/31/2023	12/31/2022
ASSETS		
Fixed assets		
<i>Intangible fixed assets</i>		
Intangible rights	7	8
	7	8
<i>Tangible fixed assets</i>		
Cost incurred on other's property	51	0
Equipment, tools and installations	76	2
Construction in progress	2	11
	129	13
<i>Financial assets</i>		
Shares in Group companies	5,698	5,123
Participations in associated companies	229	1,200
Other long-term securities	649	11
Receivables from Group companies	50	50
	6,626	6,384
Total fixed assets	6,762	6,405
Current assets		
<i>Current receivables</i>		
Receivables from Group companies	6,315	4,097
Receivables from associated companies	0	6
Other receivables	11	2
Prepaid expenses and accrued income	31	10
	6,357	4,115
<i>Cash and cash equivalents</i>	57	2
Total current assets	6,414	4,117
TOTAL ASSETS	13,176	10,522

Balance sheet – Parent company

Amounts in MSEK	12/31/2023	12/31/2022
EQUITY AND LIABILITIES		
Equity		
<i>Restricted equity</i>		
Share capital	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	1,598	909
Profit/loss for the period	271	689
	5,969	5,698
Total Equity	5,972	5,701
Untaxed reserves		
Untaxed reserves	224	266
Total untaxed reserves	224	266
Non-current liabilities		
Bond loans	993	0
Other liabilities to credit institutions	821	1,063
Liabilities to Group companies	0	260
Total long-term liabilities	1,814	1,323
Current liabilities		
Overdraft facilities	1,519	773
Liabilities to credit institutions	834	1,031
Accounts payable	20	31
Liabilities to Group companies	2,673	1,260
Tax liabilities	50	104
Other current liabilities	8	8
Accrued expenses and deferred income	62	25
Total current liabilities	5,166	3,232
TOTAL EQUITY AND LIABILITIES	13,176	10,522

Other information

Auditor review

This Year-End Report has not been subject to review by the Company's auditors.

Risks and uncertainties

For a description of material risks and uncertainties, please see Hedin Mobility Group AB's Annual Report for the financial year 2022, which is available on the Company's website hedinmobilitygroup.com.

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The Board and the CEO assure that the Year-End Report provides a fair overview of the Company's and the Group's operations, position and results and describes material risks and uncertainty factors that the Company and the companies that are part of the Group are facing.

Möln dal on February 27, 2024
Hedin Mobility Group AB (publ)

Jan Litborn
Chairman of the Board

Anders Hedin
CEO
Board member

Björn Hauber
Board member

Hampus Hedin
Board member

Klaus Kibsgaard
Board member

Erik Selin
Board member



Hedin Mobility Group in brief

The story of Hedin Mobility Group begins in 1985 when father and son, Ingemar and Anders Hedin, purchase Philipsons Bil in Borås. I.A. Hedin Bil is founded and sells about 800 vehicles in the first year, generating a turnover of 45 million SEK. Nearly 40 years later, today we are one of Europe's largest mobility providers with a turnover of over 80 billion SEK and 218,000 vehicles sold in 2023.

Our vision is to be a transformative force in the European automotive and mobility industry. Through the import and distribution of high-quality vehicles, sales and workshop services with a strong customer focus, as well as innovative mobility solutions, we create value for our customers, employees, and other stakeholders.



Our business areas



Distribution

We act as an importer and/or distributor for ten vehicle manufacturers in markets across Europe, where we distribute vehicles to both our own and external retailers.

Our distribution operations also include wholesale sales and distribution of spare parts, accessories, tires, and rims, as well as logistics solutions.



Retail

With over 330 owned facilities in twelve countries, offering customers comprehensive solutions for new and used vehicles from more than 45 brands, we are one of Europe's largest automotive retailers.



Mobility solutions

Within Mobility Solutions, we address new user needs and sales models in the automotive industry by providing and developing innovative services.

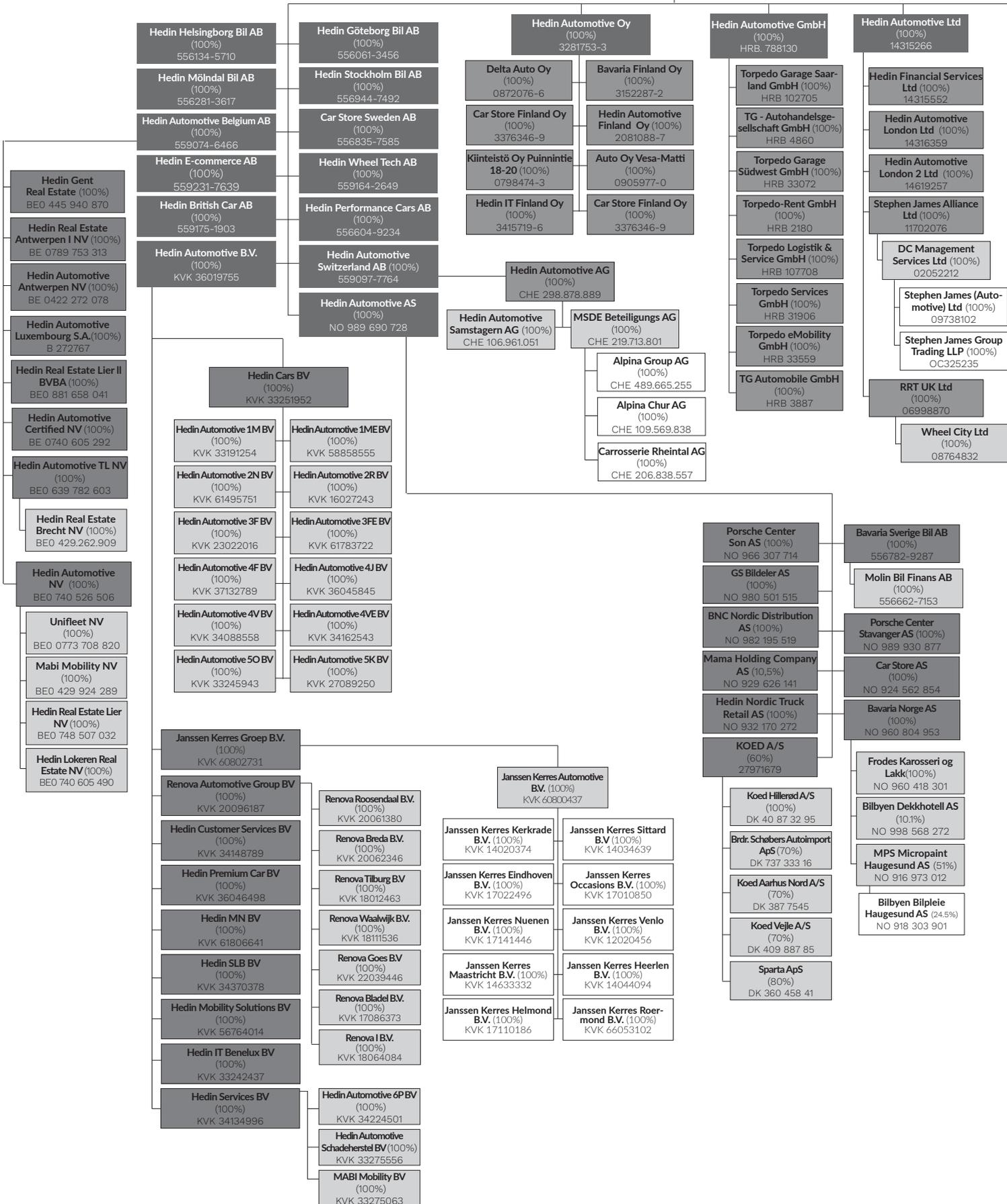
Our business also comprises Hedin IT, which provides the Group with high-end operations, support and digital development, as well as strategic investments in Lasingoo Sverige, Casi (formerly Imove) and Mercedes-Benz Financial Services Slovakia.

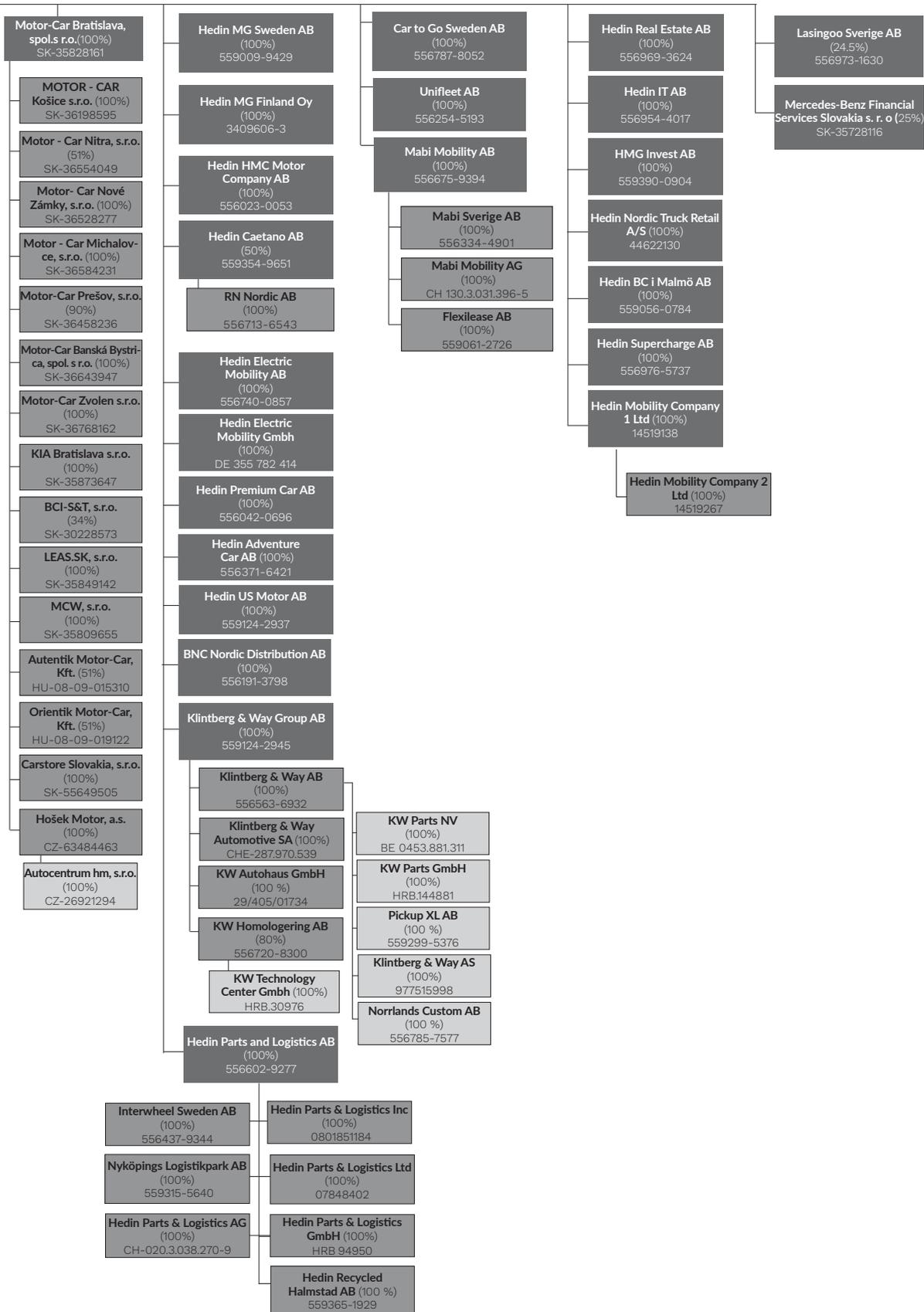


Hedin Mobility Group AB

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Group structure





Board of Directors and senior executives

Jan Litborn

Chairman of the Board

Erik Selin

Board member

Hampus Hedin

Board member

Klaus Kibsgaard

Board member

Anders Hedin

CEO

Board member

Björn Hauber

Board member

HEDIN MOBILITY GROUP

Anders Hedin, President & CEO

Hampus Hedin, Vice President

Per Mårtensson, CFO

Victor Bernander, Finance & Treasury Manager

Marcus Larsson, COO

Raine Wermelin, Business Performance Director

Andréas Joersjö, General Counsel

Charlotte Martinsson, HR Director

Jørn Heiersjø, Real Estate Director

Rasmus Hansen, Procurement Director

Patrick Olsson, CEO Hedin IT

MOBILITY SOLUTIONS

Jakob Werner, COO Carplus & Unifleet

André Schleemann, CEO Mabi Mobility

Erik Aspholmer, CEO Hedin Supercharge

DISTRIBUTION

John Hurtig, CEO Ford Sweden

Jonas Angerdal, CEO Renault & Dacia Sweden

Tomas Ernberg, CEO MG Sweden

Anderz Larqvist, CEO Ford F-150 Europe

Joacim Fredriksson, CEO Dodge & RAM Europe, KW Parts

Victor Liljenberg, CEO BYD Sweden

Marcus Larsson, Acting CEO BYD Germany

Simon Fransson, CEO Hongqi Sweden & Benelux

Adam Hamilton, Project Manager INEOS Grenadier Europe

Nicholas Tengelin, CEO Hedin Parts

Per Håkansson, CEO Hedin Recycled

Sven Skogheim, CEO GS Bildeler

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Johan Stålhammar, CEO Hedin Helsingborg Bil

Morten Westby, CEO Hedin Stockholm Bil

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Johan Kempas, CEO Hedin Mölndal Bil

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Peter Lampret, CEO Carstore

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Hallvard Vikeså, CEO Bavaria Norway

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Eddy Haesendonck, CEO Hedin Automotive Benelux

Henrik Lessèl, CEO Hedin Automotive Benelux

Markus Schwingel, CEO Hedin Automotive Switzerland

Matúš Brecka, CEO Motor-Car

Richard Ennis, CEO Hedin UK

Stephen Trowell, CEO Hedin Automotive London

Marcus Larsson, Acting CEO Hedin Automotive Germany

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HEDIN MOBILITY GROUP

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