

Q2 2024

Hedin Mobility Group AB (publ)
Half-Year Report January 1 – June 30, 2024



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HEDIN MOBILITY GROUP

Half-Year Report January 1 – June 30, 2024

HEDIN MOBILITY GROUP AB (PUBL)

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The Group in summary

Key figures

Amounts in MSEK	Second quarter		January 1 - June 30		Full year
	2024	2023	2024	2023	2023
Net sales	23,218	19,615	46,803	37,453	81,678
Operational earnings	62	402	234	785	1,535
Margin, %	0.3	2.1	0.5	2.1	1.9
Operating profit	-214	326	-208	917	1,693
Operating margin, %	-0.9	1.7	-0.4	2.4	2.1
Net profit/loss for the period	-487	160	-718	552	820
Equity ratio, %			14	17	15
Equity ratio excluding IFRS 16, %			18	20	18
Average number of employees			11,390	8,130	9,370

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.

Second quarter 2024

- **Net sales** increased by 18% to MSEK 23,218 (19,615). Adjusted for acquisitions and exchange rate changes, net sales decreased by 2% compared to the previous year for comparable units.
- **Operational earnings** decreased to MSEK 62 (402).
- **Operating profit** amounted to MSEK -214 (326).
- **Profit/loss for the period** amounted to MSEK -487 (160).

First six months 2024

- **Net sales** increased by 25% to MSEK 46,803 (37,453). Adjusted for acquisitions and exchange rate changes, net sales decreased by 1% compared to the previous year for comparable units.
- **Operational earnings** decreased to MSEK 234 (785).
- **Operating profit** amounted to MSEK -208 (917).
- **Profit/loss for the period** amounted to MSEK -718 (552).

Events during the second quarter 2024

- On April 4, it was announced that Hedin Mobility Group has been appointed as the official distributor of the sports car brand Corvette in Sweden, Norway and Finland. As the official distributor, Hedin Mobility Group will oversee sales, service, and customer experience for Corvette in these countries.
- On April 18, it was announced that Hedin Mobility Group's subsidiary, Hedin Automotive N.V., is appointed retailer of XPENG in Belgium and Luxembourg. The collaboration includes the sale of vehicles, aftermarket services, and spare parts.
- On April 19, Hedin Automotive Netherlands entered into an agreement to acquire BMW and MINI dealer Dubbelsteyn which operates two dealerships near Rotterdam. In 2023, Dubbelsteyn generated a revenue which exceeded € 140 Million, sold more than 3,000 vehicles and had approximately 100 employees.
- On May 2, it was announced that Hedin Mobility Group consolidates its retail division under the brand name Hedin Automotive. The Group's dealership network spans over 12 countries, until now each country has operated under local brands, but during 2024 and beginning of 2025, all operations will be unified under the common brand name Hedin Automotive. The Carstore brand will continue to operate alongside Hedin Automotive in all markets as a specialist in used vehicles.
- On May 3, Hedin Mobility Group completed the acquisition of Mercedes-Benz Försäljnings AB. The acquisition includes all of Mercedes-Benz Malmö's activities in vehicle sales and after-sales services as well as the property where the business is operated. The business employs 137 employees and sells approximately 2 200 vehicles per year.
- On June 5, it was announced that MABI Mobility AB, part of Hedin Mobility Group, has completed the acquisition of the prominent Finnish rental car company Scredo Oy, operating under the brand Scandia Rent. Through this strategic deal, MABI will expand its station network and offer mobility solutions also on the Finnish car rental market.

Previously reported events in 2024

- On February 12, it was announced that Hedin Mobility Group during the period November 2023 to February 2024 has divested its entire holding in the listed company Pendragon PLC.
- On January 4, Hedin Mobility Group was appointed distributor for the car brand MG in the Finnish market. The sales and service network will initially consist of 13 full-service dealerships operated by the dealer group Hedin Automotive Finland. Sales and customer deliveries begin in the second quarter of 2024.
- Hedin Mobility Group AB has entered into an agreement to acquire Mercedes-Benz Försäljnings AB.

Events after the second quarter 2024

- On July 4, Hedin Automotive Netherlands entered the acquisition of Dubbelsteyn B.V., which was announced on April 19. The acquisition relates to the BMW and MINI dealership activities including sales, aftermarket services, and spare-parts sales.
- On August 23, Hedin Mobility Group announced, through its wholly owned subsidiary Hedin Sports Car AB, that the Group has been appointed as the official distributor of Corvette in continental Europe by General Motors, with immediate effect.
- On August 30, it was announced that Hedin Mobility Group, and BYD Automotive GmbH, have entered into an agreement for the sale of the subsidiary Hedin Electric Mobility GmbH, the appointed Dealer+ of BYD vehicles and spare parts in the German market. The transaction also includes a business transfer of the two pioneer stores in Stuttgart and Frankfurt which are operated by Hedin Mobility Group's German retail division. Following the transaction, Hedin Automotive eMobility GmbH will remain an authorized retailer of BYD in Germany. Hedin Mobility Group will also continue to act as Dealer+ and retailer in the Swedish market as part of its long term partnership with BYD. The transaction is subject to regulatory approval and closing is expected to take place in the fourth quarter of 2024.

Continued market challenges sharpen cost focus

The Group's net sales increased by 18% to MSEK 23 218. Adjusted for acquisitions and exchange rate changes, net sales decreased by 2% compared to the previous year for comparable units. Operational earnings decreased to MSEK 62, and the operating margin decreased to 0.3%.

Challenging market drives cost savings

The market has continued to be characterised by caution during the second quarter. We see weaker demand in most of our markets, particularly in electric vehicles, where the European market is complex, and significant price adjustments on electric cars have impacted our result with substantial write-downs and losses. The effect is that we see a decline in revenue within both Retail and Distribution, especially in new car sales. At the same time, the comparative figures are strongly influenced by events that have characterised the market in recent years. Last year, revenue was positively impacted by vehicle deliveries following changes in climate support for electric vehicles. Additionally, deliveries from the order backlog, which had built up over a couple of years due to significant delays caused by component shortages and disruptions in the transport sector, also contributed to this positive effect.

To address the lower sales and adapt to the current market conditions, a cost-saving programme is underway, affecting all parts of our business. The programme is starting to yield results in the second half of 2024. We expect to save around SEK 1 billion per year when completed, which is anticipated to happen in 2025. The efficiency improvements are also a way to implement the economies of scales and synergies that the high acquisition rate in previous years has brought. It is our assessment that the market reached a stabilisation point during the second quarter, and we believe in better margins going forward, in combination with a decreasing cost base.

Strengthening our offering

We continue to expand our offering in sports car and are now taking the next step in the already established partnership with General Motors. Since April, Hedin Mobility Group is the official distributor of Corvette in Sweden, Norway and Finland. Through the newly formed company Hedin Sports Car, we were appointed by General Motors as the official distributor of Corvette in continental Europe during the summer, with immediate effect.

Our long-term strategy of building a large fleet with our own brands in Europe has proven successful for our aftermarket and spare parts operations, which are showing strength and improved momentum. Through Hedin Parts and KW Parts, we

provide vehicle parts supply for car importers, dealers, and workshops across Europe. During the first half of the year, we have allocated all operations in KW Parts to our existing central warehouse in Nyköping, resulting in an expanded product range and improved service levels.

Hedin Mobility Group aims to remain a leader in the green transition. As a part of this effort, Hedin Supercharge has been building public high-speed charging stations at a number of locations in Sweden since 2023. The vision is to become one of Sweden's leading charging operators for electric vehicles. Over the past year, we have established 15 new facilities for fast charging (DC) and currently offer a total of 104 charging points in Sweden. Later this year, through our charging station in Linköping, we will be one of the first players on the market to provide 1,2 Megawatts of power, with the aim of offering fast charging for heavy trucks as well. The long-term goal is a continued expansion of Hedin Supercharge in our other markets.

We previously made the decision to consolidate our entire retail operations under the common brand Hedin Automotive. The brand is already established in several markets and work is now in full swing to fully implement the change this fall, replacing all other existing brands.

Focus on organic growth and consolidation

We see a continued positive development in sales compared with the previous year. By the end of August, the Swedish Riksbank decided to lower the key interest rate. With expectations of further interest rate cuts combined with lower inflation forecasts, we are optimistic about a gradual improvement in the economy and demand during the second half of the year.

Our long-term strategy remains unchanged. We are established in the markets we have identified as strategic. After a period of fast expansion and high acquisition activity, we are now in a consolidation phase. We will focus on organic growth, capitalising on economies of scale, building a cohesive group and strengthening our position as a leading mobility provider in the European market.

Möln dal in August 2024

Anders Hedin

Financial summary

APRIL – JUNE 2024

Net sales increased by 18% to MSEK 23,218 (19,615). Adjusted for acquisitions and exchange rate changes, net sales decreased by 2% compared to the previous year for comparable units. Demand has decreased in most of our markets, in particular electric vehicles, resulting in reduced sales in both Retail and Distribution. Previous year's sales were positively impacted by deliveries of vehicles due to changes in subsidies for electric vehicles, as well as deliveries of the order backlog that had been built up over several years due to delivery delays caused by component shortages and disruptions in the transport sector that existed during this time.

Operational earnings decreased to MSEK 62 (402). The margin amounted to 0.3% (2.1%). Retail decreased the operational earnings by MSEK 468, with the margin decreasing to -0.3% (2.3%). The demand on both new and used electric vehicles has declined and over the past year, the manufacturers have lowered their prices for new electric vehicles, negatively impacting margins on inventory as well as repurchase agreements on private leasing. The main reason for the decline in result is attributable to sale of used vehicles, in particular used electric vehicles. The market for used petrol and diesel vehicles is stronger, with more stable pricing. The after-market remains stable and shows increased profitability. Despite the decrease in sales, Distribution increased its operational earnings by MSEK 51, with the margin rising to 3.2% (1.3%). The spare parts business, including KW Parts and GS Bildeler, has shown improvement, as well as parts of the vehicle import operations.

To meet the lower sales and adapt to the current market conditions, a comprehensive cost-saving program is ongoing across all areas of our business. The program is expected to show results in the second half of the year, with an estimated annual saving of approximately BSEK 1 once it reaches full impact by 2025.

Operating profit decreased to MSEK -214 (326). The difference from operational earnings consists of amortisation of group surplus values and non-recurring items. These includes the market efforts for Ford F-150 in Europe and BYD in Germany, which both have taken longer and has become more costly than planned in the current climate of the European automotive markets. This has also led to substantial write-downs of the inventory value related to Ford F-150. In our spare part business, we are undertaking a strategic transformation to enhance profitability, which includes write-downs of both systems and equipment. Additionally, there are costs associated with the expansion and reorganisation of our dealership network, as well as expenses related to staff reductions.

Amounts in MSEK	Second quarter		January 1 – June 30	
	2024	2023	2024	2023
Operational earnings	62	402	234	785
Amortisation of surplus values	-62	-48	-124	-91
Capital gain real estate	-	-	-	257
Structural costs	-67	-	-77	-
New distribution brands	-146	-12	-235	-12
Acquisitions & setup	-1	-16	-6	-22
Operating profit	-214	326	-208	917

Net financial items excluding profit from associated companies amounted to MSEK -372 (-224). Interest expenses increased due to increased borrowing and larger operations.

Cash flow from operating activities amounted to MSEK 403 (2,047). Investment in assets, excluding leasing vehicles and right-of-use assets, amounted to MSEK 256 (243). Available liquidity including unused overdraft facilities and revolving credit facilities amounts to MSEK 2,462.



Net sales	Second quarter		January 1 - June 30		Full year
Amounts in MSEK	2024	2023	2024	2023	2023
Retail	21,106	17,588	42,792	33,331	73,775
Distribution	2,876	3,111	5,869	6,951	14,495
Segment reconciliation	-765	-1,084	-1,858	-2,829	-6,592
Total	23,218	19,615	46,803	37,453	81,678

Operational earnings	Second quarter		January 1 - June 30		Full year
Amounts in MSEK	2024	2023	2024	2023	2023
Retail	-68	400	-66	718	1,114
Distribution	91	40	221	103	303
Segment reconciliation	39	-38	79	-36	118
Total	62	402	234	785	1,535

Margin	Second quarter		January 1 - June 30		Full year
%	2024	2023	2024	2023	2023
Retail	-0.3%	2.3%	-0.2%	2.2%	1.5%
Distribution	3.2%	1.3%	3.8%	1.5%	2.1%
Total	0.3%	2.1%	0.5%	2.1%	1.9%



Distribution

Net sales decreased by 8% to MSEK 2,876 (3,111). Operational earnings increased by MSEK 51 and the margin amounted to 3.2% (1.3%), despite a decrease in the volume.

Due to the decreasing demand, sales of vehicles in Sweden are declining compared to previous year, in particular electric vehicles to private customers. During the spring, we have established MG distribution in Finland, with the first vehicles being delivered to end customers in the second quarter.

In Europe, sales of RAM are increasing as we have captured marked shares from competitors. Establishment of

Ford F-150 continues with more dealerships and markets. However, this process has been slower than planned, resulting in excessive inventory levels and a need for price reductions. In conjunction with price reductions, we have made a substantial write-down on the inventory, which is reported under items affecting comparability.

Sales of spare parts and tires, in particular within KW Parts and GS Bildeler, have shown positive growth compared to the previous year. At the same time, we have costs for restructuring and implementation of new car brands in the spare part management within Hedin Parts & Logistics.

Registered vehicles - Distribution	Second quarter		January 1 - June 30		Full year
	2024	2023	2024	2023	2023
Ford	3,075	3,591	6,177	6,559	12,933
MG	833	1,887	1,450	3,536	6,889
BYD	1,091	679	1,701	950	7,589
Hongqi	85	21	131	71	156
Ineos Grenadier	92	109	188	109	345
Dodge, RAM	890	527	1,659	1,417	2,978
Ford F-150	164	95	379	95	386
Renault, Dacia, Alpine *	7,085	6,008	11,949	10,970	22,929
Total	13,315	12,917	23,634	23,707	54,205

* 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.

Retail

Net sales increased by 20% to MSEK 21,106 (17,588). Adjusted for acquisitions and exchange rate changes, net sales decreased by 2%. Operational earnings decreased to MSEK -68 (400). The decline in earnings is mainly due to a lower demand in most of our markets, which has affected the margins negatively. The most significant impact has been on sale of used vehicles, in particular used electric vehicles. Over the past year, the manufacturers have lowered their prices for new electric vehicles, negatively impacting margins on inventory as well as repurchase agreements on private leasing. The after market remains stable and has improved compared to the previous year, both in terms of sales and profitability. Operational earnings for the first half of the year is shown in the table below.



In Sweden, sale of used vehicles increased by 10%, while new vehicle sales have decreased by 16%. Several manufacturers have sharply reduced the prices on new electric vehicles which has led to lower market value of used, demo- and sold vehicles with a repurchase commitment. Compared to previous year, margin have decreased, but they showed some improvements in the second quarter compared to the beginning of the year. The after market has shown a slight increase in profitability due to higher volumes.

In Norway, the decline is primarily driven by a reduced sales volume of new vehicles, where the net sales decreased by 15%. New vehicles sales have dropped sharply following tax changes that came into effect at the beginning of 2023. Previous year, many vehicles ordered before the change were delivered. Sale of used vehicles remain at roughly the same level as previous year, with improved margins toward the end of the period.

In Finland, the total market is declining from already low comparative figures. Our new vehicle sales are following the market trend, along with lower margins. Our focus on used vehicles has resulted in increased volume, albeit at the expense of lower margins. The operations in Finland are also impacted by costs associated with integrating businesses acquired in 2023. The service market remains stable with satisfactory profitability.

In Netherlands, Belgium and Luxembourg, sales adjusted for acquisitions are decreasing. The acquisitions made in the Netherlands during 2023 have contributed positively to profitability and have resulted in an improved mix of car brands along with increased volume. In general, margins are declining for both new and used vehicles, offset by increased volume. Belgium showed good sales and results during the previous year with large deliveries from the order backlog at the beginning of the year. Sales have decreased this year, which also leads to lower results.

In Switzerland, sales of new vehicles are increasing with maintained margins, and the results are improving both in terms of new vehicles and the after market. However, the results are impacted by the sale of used vehicles, which leads to a negative outcome. Several measures are being implemented to improve profitability in the business, including integrating acquisitions, organisational changes, and appointed a new CEO for the entire operation, effective in May.

In Slovakia, the Czech Republic and Hungary, demand is decreasing, and new vehicle sales have declined. Margins on new vehicles have been squeezed for most brands. Sales of used vehicles are increasing but with reduced margins. The after market is growing in workshops with maintained profitability.

Germany has been part of the group since August 2023. Activity in the German market is low, and sales are lower than expected. Mercedes Benz changed its sales model to an agency model during 2023, and sales in the business have since dropped significantly. A major restructuring is underway, which also includes cost savings to improve and streamline operations.

The business in the UK has now been running for a year. Profitability is lower than desired, and efforts are underway to improve it, including creating a unified organisation for the entire operation of the two acquisitions made last year. The overall market in the UK is at a historically low level. However, our brands BMW and Mercedes-Benz are increasing their market shares, and we have a positive outlook for future development.

Net sales – Retail	Second quarter		January 1 - June 30		Full year
Amounts in MSEK	2024	2023	2024	2023	2023
Sweden	5,973	5,920	11,566	11,013	23,225
Norway	1,101	1,232	2,001	2,612	4,765
Finland	2,557	1,635	5,062	3,059	7,036
UK	1,407	511	3,328	511	3,011
Belgium, Luxembourg	2,122	2,320	4,708	4,533	8,788
Netherlands	4,052	3,311	8,596	6,426	14,028
Germany	1,085	-	2,214	-	1,771
Switzerland	1,137	994	2,125	1,907	4,244
Slovakia, Czech Republic, Hungary	1,671	1,665	3,193	3,270	6,907
Total	21,106	17,588	42,792	33,331	73,775

Operational earnings - Retail	Second quarter		January 1 - June 30		Full year
Amounts in MSEK	2024	2023	2024	2023	2023
Sweden	-104	134	-204	225	271
Norway	7	14	1	61	58
Finland	-38	15	-94	2	-75
UK	4	0	36	0	2
Belgium, Luxembourg	32	92	100	163	284
Netherlands	79	75	171	165	353
Germany	-42	-	-49	-	-17
Switzerland	-21	10	-54	-13	14
Slovakia, Czech Republic, Hungary	15	60	27	115	224
Total	-68	400	-66	718	1,114

Margin - Retail	Second quarter		January 1 - June 30		Full year
	2024	2023	2024	2023	2023
Sweden	-1.7%	2.3%	-1.8%	2.0%	1.2%
Norway	0.7%	1.1%	0.0%	2.3%	1.2%
Finland	-1.5%	0.9%	-1.8%	0.1%	-1.1%
UK	0.3%	0.0%	1.1%	-	0.1%
Belgium, Luxembourg	1.5%	4.0%	2.1%	3.6%	3.2%
Netherlands	1.9%	2.3%	2.0%	2.6%	2.5%
Germany	-3.9%	-	-2.2%	-	-1.0%
Switzerland	-1.9%	1.0%	-2.6%	-0.7%	0.3%
Slovakia, Czech Republic, Hungary	0.9%	3.6%	0.9%	3.5%	3.2%
Total	-0.3%	2.3%	-0.2%	2.2%	1.5%

Delivered vehicles by category	Second quarter		January 1 - June 30		Full year
	2024	2023	2024	2023	2023
New passenger cars	21,548	19,698	42,763	37,611	83,178
New commercial vehicles	5,814	5,221	11,364	9,670	20,217
Used passenger cars	25,388	17,222	50,995	32,312	73,758
Used commercial vehicles	1,574	1,315	3,210	2,572	5,508
Trucks, new and used	279	354	605	639	1,459
Motorcycles, new and used	374	379	542	569	974
Total	54,977	44,189	109,479	83,373	185,094

Delivered vehicles by country	Second quarter		January 1 - June 30		Full year
	2024	2023	2024	2023	2023
Sweden	18,758	18,269	36,025	34,169	72,278
Norway	2,355	2,495	4,312	4,805	9,370
Finland	7,445	4,747	14,592	8,793	21,840
UK	3,550	1,603	7,357	1,603	6,891
Belgium, Luxembourg	3,838	3,930	8,125	7,846	14,591
Netherlands	12,133	8,737	25,319	17,650	38,102
Germany	2,214	0	4,805	0	4,394
Switzerland	1,803	1,444	3,414	2,691	5,996
Slovakia, Czech Republic, Hungary	2,881	2,964	5,530	5,816	11,632
Total	54,977	44,189	109,479	83,373	185,094

Order take - Retail	Second quarter		January 1 - June 30		Full year
	2024	2023	2024	2023	2023
New passenger cars	20,346	15,766	41,371	28,891	68,387
New commercial vehicles	5,485	4,438	11,511	8,391	17,827
Used passenger cars	25,111	16,919	50,218	30,885	70,792
Used commercial vehicles	1,579	1,529	3,279	2,550	5,485
Trucks, new and used	270	213	451	467	899
Motorcycles, new and used	272	464	490	507	845
Total	53,063	39,329	107,320	71,691	164,235

Order take - Retail	Second quarter		January 1 - June 30		Full year
	2024	2023	2024	2023	2023
Sweden	18,191	17,152	35,258	30,453	65,995
Norway	2,183	2,137	4,468	3,464	7,328
Finland	7,027	4,004	14,583	7,747	19,814
UK	3,520	1,528	7,637	1,528	6,524
Belgium, Luxembourg	3,426	3,438	7,074	6,569	11,100
Netherlands	12,925	7,762	25,578	14,905	35,847
Germany	2,243	0	5,650	0	3,990
Switzerland	900	972	1,826	1,939	3,445
Slovakia, Czech Republic, Hungary	2,648	2,336	5,246	5,086	10,192
Total	53,063	39,329	107,320	71,691	164,235



JANUARY - JUNE 2024

Net sales increased by 25% to MSEK 46,803 (37,453). Adjusted for acquisitions and exchange rate changes, net sales decreased by 1% compared to the previous year for comparable units. Demand has decreased in most of our markets, in particular electric vehicles, resulting in reduced sales in both Retail and Distribution. Previous year's sales were positively impacted by deliveries of vehicles due to changes in subsidies for electric vehicles, as well as deliveries of the order backlog that had been built up over several years due to delivery delays caused by component shortages and disruptions in the transport sector that existed during this time. The order stock is stable and remains at the same level as year end.

Operational earnings decreased to MSEK 234 (785). The margin amounted to 0.5% (2.1%). Retail decreased the operational earnings to MSEK -66 (718), with the margin decreasing to -0.2% (2.2%). The demand on both new and used electric vehicles has declined and over the past year, the manufacturers have lowered their prices for new electric vehicles, negatively impacting margins on inventory as well as repurchase agreements on private leasing. The market for used petrol and diesel vehicles is stronger, with more stable pricing. There has also been an active reduction in the stock of used vehicles to reduce tied-up capital and to get a better structure in the inventory. The aftermarket remains stable and shows increased profitability. Despite the decrease in sales, Distribution increased its operational earnings by MSEK 118, with the margin rising to 3.8% (1.5%). The spare parts business, including KW Parts and GS Bildeler, has shown improvement, as well as parts of the vehicle import operations.

To meet the lower sales and adapt to the current market conditions, a comprehensive cost-saving program has been implemented across all areas of our business. The program is expected to show results in the second half of the year, with an estimated annual saving of approximately BSEK 1 once it reaches full impact by 2025.

Operating profit decreased to MSEK -208 (917). The difference from operational earnings consists of amortisation of group surplus values and non-recurring items. These includes the market efforts for Ford F-150 in Europe and BYD in Germany, which both have taken longer and has become more costly than planned in the current climate in the European automotive markets. This has also led to substantial write-downs of the inventory value related to Ford F-150. In our spare part business, we are undertaking a strategic transformation to enhance profitability, which includes write-downs of both systems and equipment. Additionally, there are costs associated with the expansion and reorganisation of our dealership network, as well as expenses related to staff reductions. Previous year, a capital gain of MSEK 257 was also realized from the sale of a property.

Net financial items excluding profit from associated companies amounted to MSEK -656 (-423). Interest expenses increased due to increased borrowing and larger operations.

Cash flow from operating activities amounted to MSEK 1,168 (3,194). Purchase of fixed assets excluding leasing vehicles and right-of-use assets amounted to MSEK 732 (514). Available liquidity including unused overdraft facilities and revolving credit facilities amounts to MSEK 2,462.



Distribution

Net sales decreased by 16% to MSEK 5,869 (6,951). Operational earnings increased by MSEK 118 and the margin amounted to 3.8% (1.5%), despite a decrease in the volume.

Due to the decreasing demand, sales of vehicles in Sweden are declining compared to previous year, in particular electric vehicles to private customers. The comparison is also affected by many deliveries at the beginning of the previous year related to orders with historical delivery delays.

During the first six months, we have established MG distribution in Finland, with the first vehicles being delivered to end customers in the second quarter.

In Europe, sales of RAM are increasing as we have captured marked shares from competitors. Establishment of Ford F-150 continues with establishment at more dealerships and markets. However, this process has been slower than anticipated, resulting in excessive inventory levels and a need for price reductions. In conjunction with price reductions, we have made a substantial write-down on the inventory, which is reported under items affecting comparability.

Sales of spare parts and tires, in particular within KW Parts and GS Bildeler, have shown positive growth compared to the previous year. At the same time, we have costs for restructuring and implementation of new car brands in the spare part management within Hedin Parts & Logistics.

Retail

Net sales increased by 28% to MSEK 42,792 (33,331). Adjusted for acquired entities and exchange rate changes, net sales increased by 1%. Operational earnings decreased to MSEK -66 (718). The decline in earnings is mainly due to a lower demand in most of our markets, which has affected the margins negatively. The most significant impact has been on sale of used vehicles, in particular used electric vehicles. The after market remains stable and has improved compared to the previous year, both in terms of sales and profitability.

In Sweden, sale of used vehicles are increasing, while new vehicle sales are declining. Several manufacturers have sharply reduced the price on new electric vehicles which has led to lower market value of used, demo- and sold vehicles with a repurchase commitment. We have reduced our inventory of used vehicles, but to lower margins. This is counteracted by a continued good aftermarket that increased earnings slightly through increased sales.

In Norway, the decline is primarily driven by a reduced sales volume of new vehicles. New vehicles sales have

dropped sharply following tax changes that came into effect at the beginning of 2023. Previous year, many vehicles ordered before the change were delivered. Sale of used vehicles remain at roughly the same level as previous year, with improved margins toward the end of the period.

In Finland, the total market is declining from already low comparative figures. Our new vehicle sales are following the market trend, along with lower margins. Our focus on used vehicles has resulted in increased volume, albeit at the expense of lower margins. The operations in Finland are also impacted by costs associated with integrating businesses acquired in 2023. The service market remains stable with satisfactory profitability.

In Netherlands, Belgium and Luxembourg, sales are increasing through acquisitions. The acquisitions made in the Netherlands during 2023 have contributed positively to profitability and have resulted in an improved mix of car brands along with increased volume. In general, margins are declining for both new and used vehicles, offset by the increased volume. Belgium showed good sales and results during the previous year with large deliveries from the order backlog at the beginning of the year. Sales have decreased this year, which also leads to lower results.

In Switzerland, sales of new vehicles are increasing with maintained margins, and the results are improving both in terms of new vehicles and the after market. However, the results are impacted by the sale of used vehicles, which leads to a negative outcome. Several measures are being implemented to improve profitability in the business, including integrating acquisitions, organisational changes, and a new CEO for the entire operation, effective in May.

In Slovakia, the Czech Republic, and Hungary, demand is decreasing, and new vehicle sales have declined. Margins on new vehicles have been squeezed for most brands. Sales of used vehicles are increasing but with reduced margins. The after market is growing in workshops with maintained profitability.

Germany has been part of the group since August 2023. Activity in the German market is low, and sales are lower than expected. Mercedes-Benz changed its sales model to an agency model during 2023, and sales in the business have since dropped significantly. A major restructuring is underway, which also includes cost savings to improve and streamline operations.

The business in the UK has now been running for a year. Profitability is lower than desired, and efforts are underway to improve it, including creating a unified organisation for the entire operation of the two acquisitions made last year. The overall market in the UK is at a historically low level. However, our brands BMW and Mercedes-Benz are increasing their market shares, and we have a positive outlook for future development.

Consolidated income statement and total comprehensive income

Amounts in MSEK	Second quarter		January 1 - June 30		Full year
	2024	2023	2024	2023	2023
Operating income					
Net sales	23,218	19,615	46,803	37,453	81,678
Other operating income	129	35	302	345	872
	23,347	19,650	47,105	37,798	82,550
Operating expenses					
Finished products and goods for resale	-18,885	-15,733	-38,160	-29,963	-65,488
Other external expenses	-1,189	-861	-2,360	-1,696	-3,827
Employee benefit expenses	-2,320	-1,680	-4,466	-3,203	-7,150
Profit from participations in operational associated companies	25	14	29	33	56
Depreciation and amortisation of tangible and intangible fixed assets	-1,096	-1,023	-2,147	-1,979	-4,217
Other operating expenses	-96	-41	-209	-73	-231
Operating profit/loss	-214	326	-208	917	1,693
Profit/loss from financial items					
Profit from participations in associated companies	0	67	0	93	437
Financial income	11	15	118	19	31
Financial expenses	-383	-239	-774	-442	-1,281
Profit/loss before tax	-586	169	-864	587	880
Taxes	99	-9	146	-35	-60
Net profit/loss for the period	-487	160	-718	552	820
Net profit/loss for the year attributable to:					
Parent company's shareholders	-492	146	-726	542	800
Holdings with non-controlling interests	5	14	8	10	20
Net profit/loss for the period	-487	160	-718	552	820
Comprehensive income					
Items that will not be classified to profit or loss for the period					
Remeasurements of pensions obligations, net after taxes	0	0	0	0	-41
Share of other comprehensive income from associated companies	0	-1	0	-38	-44
Items that may be reclassified to profit or loss					
Cash flow hedging	-23	18	38	11	-36
Translation differences	-10	179	50	149	-139
Total comprehensive income for the period	-520	356	-630	674	560
Comprehensive income for the period attributable to:					
Parent company's shareholders	-525	342	-637	658	542
Holdings with non-controlling interests	5	14	7	16	18
Total comprehensive income for the period	-520	356	-630	674	560

Consolidated balance sheet

Amounts in MSEK	06/30/2024	06/30/2023	12/31/2023
ASSETS			
Fixed assets			
<i>Intangible fixed assets</i>			
Intangible rights	167	150	168
Customer relations	977	837	1,073
Goodwill	3,121	2,429	2,987
	4,265	3,416	4,228
<i>Tangible fixed assets</i>			
Land and buildings	1,467	1,756	1,106
Costs incurred on others' property	917	708	793
Equipment, tools and installations	1,317	993	1,490
Leasing vehicles	12,454	12,049	13,281
Right-of-use assets	12,265	9,412	12,166
Construction in progress	175	143	218
	28,595	25,061	29,054
Shares in associated companies	330	1,710	300
Other long-term securities	37	37	1,086
Deferred tax assets	626	390	474
Other long-term receivables	36	17	33
Total fixed assets	33,889	30,631	35,175
Current assets			
<i>Inventories</i>			
Finished products and goods for resale	13,107	12,354	14,305
Goods in transit	2,805	3,732	2,984
	15,912	16,086	17,289
<i>Current receivables</i>			
Accounts receivable	3,824	4,045	4,028
Receivables from Group companies	6	3	5
Receivables from associated companies	53	7	0
Tax assets	227	9	34
Other current receivables	1,082	765	1,247
Prepaid expenses and accrued income	1,127	918	1,005
	6,319	5,747	6,319
<i>Cash and cash equivalents</i>	854	605	1,151
Total current assets	23,085	22,438	24,759
TOTAL ASSETS	56,974	53,069	59,934

Consolidated balance sheet

Amounts in MSEK	06/30/2024	06/30/2023	12/31/2023
EQUITY AND LIABILITIES			
Share capital and other contributed capital	4,103	4,103	4,103
Reserves	118	356	29
Balanced earnings, including profit/loss for the period	3,807	4,322	4,533
Equity attributable to the Parent company shareholders	8,028	8,781	8,665
Holdings with non-controlling interests	102	93	95
Total Equity	8,130	8,874	8,760
Non-current liabilities			
Provisions for pensions	209	143	209
Deferred tax liabilities	383	353	420
Liabilities to Group companies	0	131	0
Bond loans	995	0	993
Other liabilities to credit institutions	2,887	2,775	3,037
Lease liabilities	10,543	8,060	10,404
Other non-current liabilities	6,500	6,687	6,931
Total non-current liabilities	21,517	18,149	21,994
Current liabilities			
Overdraft facilities	2,122	1,583	1,928
Liabilities to credit institutions	1,578	2,348	1,707
Lease liabilities	1,789	1,384	1,782
Accounts payable	8,046	7,550	9,087
Liabilities to Group companies	25	31	7
Tax liabilities	24	189	307
Other current liabilities	10,663	10,246	11,647
Accrued expenses and deferred income	3,080	2,715	2,715
Total current liabilities	27,327	26,046	29,180
TOTAL EQUITY AND LIABILITIES	56,974	53,069	59,934

Report on changes in equity in summary

Amounts in MSEK	Equity	Holdings with non-controlling interests	Total Equity
Opening balance 01/01/2023	8,123	77	8,200
Net profit/loss for the period	542	10	552
Comprehensive income	116	6	122
Closing balance 06/30/2023	8,781	93	8,874
Opening balance 01/01/2024	8,665	95	8,760
Net profit/loss for the period	-726	8	-718
Comprehensive income	89	-1	88
Closing balance 06/30/2024	8,028	102	8,130

Consolidated cash flow statements

Amounts in MSEK	Second quarter		January 1 - June 30		Full year
	2024	2023	2024	2023	2023
Operating activities					
Profit/loss after financial items	-586	169	-864	587	880
Adjustments for non-cash items	1,172	940	2,141	1,592	3,203
Income tax paid	-122	-154	-439	-258	-306
Cash flow from operating activities before changes in working capital	464	955	838	1,921	3,777
Cash flow from changes in working capital					
Increase(-)/Decrease(+) in inventories	974	-958	1,893	-1,782	-941
Increase(-)/Decrease(+) in operating receivables	167	-326	317	-452	-401
Increase(+)/Decrease(-) in operating liabilities	-1,202	2,376	-1,880	3,507	730
Cash flow from operating activities	403	2,047	1,168	3,194	3,165
Investing activities					
Acquisition of subsidiaries	-23	-581	-23	-734	-2,448
Purchase of intangible and tangible fixed assets	-256	-243	-732	-514	-987
Sale of tangible assets	6	2	14	404	1,612
Purchase of leasing vehicles	-1,346	-1,214	-2,556	-2,727	-6,575
Sale of leasing vehicles	980	586	2,472	1,102	2,624
Acquisitions of financial assets	0	-1	0	-3	0
Sales of financial assets	0	0	1,141	0	552
Cash flow from investing activities	-639	-1,451	316	-2,472	-5,222
Financing activities					
Borrowings	0	404	248	1,356	3,315
Repayment of debt	-120	-130	-240	-1,404	-2,589
Net change in overdraft facilities and similar credits	588	-140	-196	547	1,134
Net change in repurchase liabilities	-120	-499	-821	-854	1,930
Repayment of lease liability	-416	-303	-792	-591	-1,366
Cash flow from financing activities	-68	-668	-1,801	-946	2,424
Cash flow for the period	-304	-72	-317	-224	367
Cash and cash equivalents at the beginning of the period	1,167	643	1,151	790	790
Exchange rate differences in cash and cash equivalents	-9	34	20	39	-6
Cash and cash equivalents at the end of the period	854	605	854	605	1,151

Note 1 Reporting standards

The Half-Year 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 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 vehicle accessories.

Segment reconciliation includes 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-June	Retail		Distribution		Segment reconciliation		Group	
Amounts in MSEK	2024	2023	2024	2023	2024	2023	2024	2023
Net sales	42,792	33,331	5,869	6,951	-1,858	-2,829	46,803	37,453
EBITDA	1,084	1,882	237	171	936	620	2,257	2,673
Depreciation	-1,150	-1,164	-16	-68	-857	-656	-2,023	-1,888
Operational earnings	-66	718	221	103	79	-36	234	785
Margin	-0.2%	2.2%	3.8%	1.5%			0.5%	2.1%
Capital gain property					0	257	0	257
Structural costs, etc.	-60	-17	-247	-9	-11	-8	-318	-34
Amortisation of surplus values	-124	-91					-124	-91
Operating profit/loss	-250	610	-26	94	68	214	-208	917
Operating margin	-0.6%	1.8%	-0.4%	1.4%			-0.4%	2.4%
Financial items							-656	-330
Profit before tax							-864	587
Taxes							146	-35
Net profit/loss for the period							-718	552
Investments in								
- fixed assets	683	421	17	20	32	73	732	514
- leasing vehicles	2,556	2,727					2,556	2,727

Note 3 Specification of Financial Covenants

EBITDA		
Amounts in MSEK	July 2023 - June 2024	Full year 2023
Operating profit	568	1,693
Depreciation and amortisation of tangible and intangible fixed assets	4,385	4,217
- Less depreciation & interest on right-of-use assets	-1,920	-1,618
- Less depreciation on leasing vehicles with repurchase agreements	-1,973	-2,110
Result attributable to non-controlling interests	-18	-20
Result from participations in operational associated companies	-52	-56
Profit sale of fixed assets	-252	-515
Other items affecting comparability	427	148
Adjustment items affecting comparability max 10% of EBITDA	-347	0
Pro-forma adjustment for acquired businesses	62	272
EBITDA *	880	2,011
Net interest bearing debt		
Amounts in MSEK	06/30/2024	12/31/2023
Long term liabilities to credit institutions	2,887	3,037
Bond loans	995	993
Utilised overdraft facilities	2,122	1,928
Short term liabilities to credit institutions	1,578	1,707
Cash & cash equivalents	-854	-1,151
Shares in associated companies and Pendragon PLC	-330	-1,349
Net interest bearing debt *	6,398	5,165
Net Finance charges		
Amounts in MSEK	July 2023 - June 2024	Full year 2023
Financial income	38	31
Financial costs	-1,612	-1,212
- Less Financial costs attributable to right-of-use assets	319	243
Exchange rate differences	69	0
Net finance charges *	-1,186	-938
Financial covenants		
	06/30/2024	12/31/2023
Net interest bearing debt to EBITDA	7.27	2.57
Interest coverage ratio *	0.74	2.14

* 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	Second quarter		January 1 - June 30		Full year
	2024	2023	2024	2023	2023
Operating income					
Net sales	115	120	240	194	407
Other operating income	0	1	0	1	0
	115	121	240	195	407
Operating expenses					
Other external expenses	-68	-103	-140	-144	-281
Employee benefit expenses	-55	-47	-107	-86	-179
Depreciation and amortisation of tangible and intangible fixed assets	-3	-2	-7	-3	-9
Operating profit/loss	-11	-31	-14	-38	-62
Profit/loss from financial items					
Dividends from subsidiaries	300	0	300	0	0
Results from participations in associated companies	0	0	0	0	235
Results from sale of securities	0	0	503	0	0
Interest income and similar items	221	6	428	126	306
Interest expenses and similar items	-179	30	-340	-84	-250
Profit after financial items	331	5	877	4	229
Appropriations	0	0	0	0	42
Profit before tax	331	5	877	4	271
Taxes	-15	-1	-15	-1	0
Net profit for the period	316	4	862	3	271

Balance sheet – Parent company

Amounts in MSEK	06/30/2024	06/30/2023	12/31/2023
ASSETS			
Fixed assets			
<i>Intangible fixed assets</i>			
Intangible rights	13	7	7
	13	7	7
<i>Tangible fixed assets</i>			
Cost incurred on other's property	50	0	51
Equipment, tools and installations	78	74	77
	128	74	129
<i>Financial assets</i>			
Shares in Group companies	5,867	5,280	5,698
Shares in associated companies	230	1,200	229
Other long-term securities	11	11	649
Receivables from Group companies	50	50	50
	6,158	6,541	6,626
Total fixed assets	6,299	6,622	6,762
Current assets			
<i>Current receivables</i>			
Receivables from Group companies	6,730	5,062	6,315
Receivables from associated companies	0	6	0
Tax assets	12	0	0
Other receivables	3	1	11
Prepaid expenses and accrued income	35	20	31
	6,780	5,089	6,357
<i>Cash and cash equivalents</i>	0	0	57
Total current assets	6,780	5,089	6,414
TOTAL ASSETS	13,079	11,712	13,176

Balance sheet – Parent company

Amounts in MSEK	06/30/2024	06/30/2023	12/31/2023
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital	3	3	3
Statutory reserve	0	0	0
	3	3	3
<i>Non-restricted equity</i>			
Share premium reserve	4,100	4,100	4,100
Profit/loss brought forward	1,869	1,598	1,598
Profit/loss for the period	862	3	271
	6,831	5,701	5,969
Total Equity	6,834	5,704	5,972
Untaxed reserves			
Untaxed reserves	224	266	224
Total untaxed reserves	224	266	224
Non-current liabilities			
Bond loans	995	0	993
Other liabilities to credit institutions	727	995	821
Liabilities to Group companies	0	131	0
Total long-term liabilities	1,722	1,126	1,814
Current liabilities			
Overdraft facilities	1,531	1,227	1,519
Liabilities to credit institutions	640	1,077	834
Accounts payable	15	11	20
Liabilities to Group companies	2,040	2,185	2,673
Tax liabilities	0	50	50
Other current liabilities	7	14	8
Accrued expenses and deferred income	66	52	62
Total current liabilities	4,299	4,616	5,166
TOTAL EQUITY AND LIABILITIES	13,079	11,712	13,176

Other information

Auditor review

This Half-Year 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 2023, which is available on the Company's website hedinmobilitygroup.com.

Contact

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The Board and the CEO assure that the Half-Year 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 August 30, 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 history of Hedin Mobility Group dates back to 1985 when father and son Ingemar and Anders Hedin acquired Philipsons Bil in Borås. I.A. Hedin Bil was founded and in the first year the company sold some 800 vehicles with net sales of SEK 45 million. Almost 40 years later we are now one of Europe's largest mobility providers, with more than BSEK 80 in net sales and more than 218,000 vehicles sold in the past year.

Our vision is to be a transformative force in the European automotive and mobility industry. By importing and distributing high-quality vehicles and providing retailing and workshop services with a high level of customer focus as well as innovative mobility solutions, we create value for our customers, employees and other stakeholders.

330+
Dealerships

40+
Brands

14
Countries

12 500+
Employees

Our business areas



Distribution

We act as an importer and/or distributor for 13 vehicle manufacturers in markets all around Europe, where we distribute vehicles both to our own as well as external retailers. Our distribution activities also include wholesale and distribution of spare parts, accessories, tyres and rims, as well as logistics solutions.



Retail

With more than 330 own dealerships in twelve countries, which offer customers end-to-end solutions for new and used vehicles and more than 40 brands, we are one of Europe's largest automotive retailers.



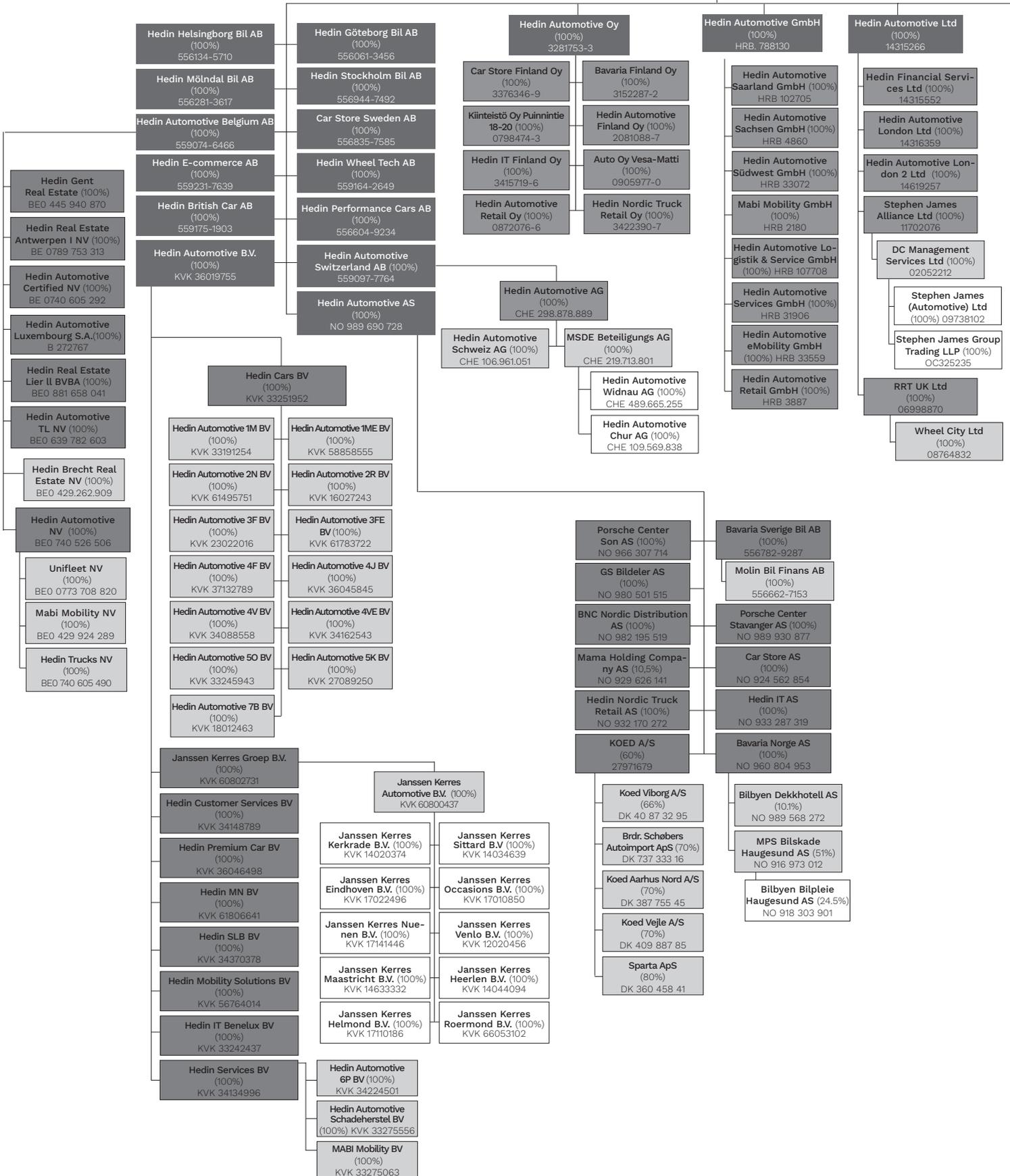
Mobility solutions

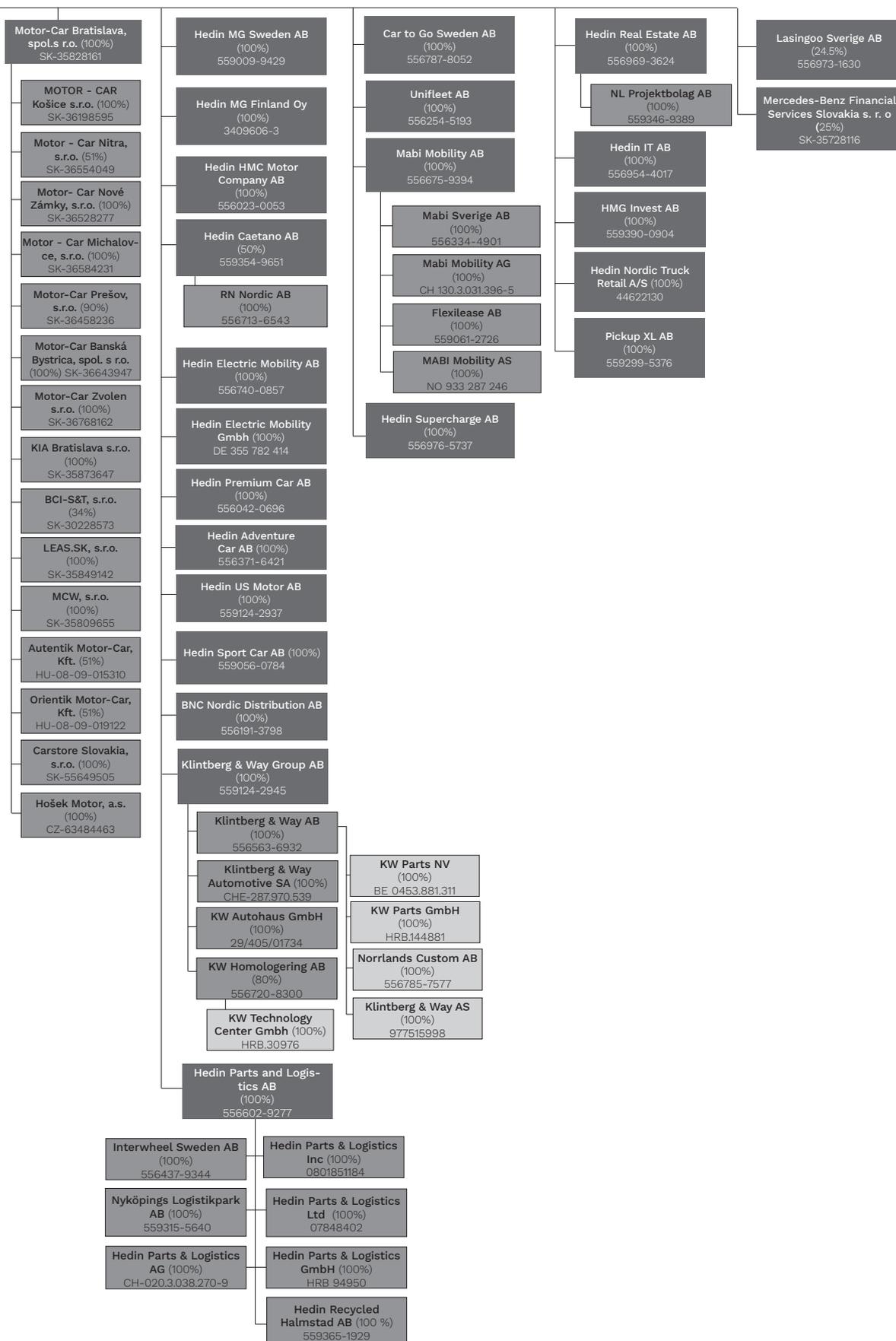
Within Mobility solutions we address new user needs and sales models in the automotive industry by providing and developing innovative services.

Our business also includes Hedin IT, which provides the Group with advanced operation, support and digital development, as well as strategic investments in Lasingoo Sweden, Casi (formerly Imove) and Mercedes-Benz Financial Services Slovakia.

Group structure

Hedin Mobility Group AB
(71.5%)
556065-4070





Board of Directors and senior executives

Jan Litborn

Chairman of the Board

Erik Selin

Board member

Anders Hedin

CEO

Board member

Klaus Kibsgaard

Board member

Hampus Hedin

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

Andréas Joersjö, General Counsel

Fredrik Hjelm, Group Business Controller

Charlotte Martinsson, Global HR Director

Jørn Heiersjø, Real Estate Director

Kristina Wärmare, Global Communications Director

Rasmus Hansen, Procurement Director

Patrick Olsson, CEO Hedin IT

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