

Mekonomen Group

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Mekonomen Group withdraw dividend proposal and gives update on effects from the coronavirus

Mekonomen Group believes there is a considerable risk of financial impact during the first half of 2020. The Board of Directors of Mekonomen Group has in the light of this decided to withdraw the previously communicated proposal to the Annual General Meeting regarding a dividend of SEK 0.50 per share.

Mekonomen Group is working diligently to manage the effects of the coronavirus situation, the highest priority being the health and safety of employees and customers. All activities in the company are being carefully evaluated from a cost and risk perspective in order to mitigate the negative financial effects associated with the virus.

As a result of the rapid spread of the coronavirus and its impact in markets where Mekonomen Group has a significant presence and the currencies the company is exposed to, the company believes that the risk of adverse effects has increased significantly.

January and February have developed in line with the corresponding period last year, while recent weeks have shown a significantly lower market activity and demand for workshop services and products. The difference in activity among our markets is considerable, with Norway standing out as very weak. The supply chain is working well in the current situation and the company's branches and warehouses operate at normal levels. The effects of the coronavirus situation will affect Mekonomen Group's sales, earnings and cash flow for the first quarter and for some portion of the rest of the year.

Due to the rapidly changing situation, it is not possible to predict the duration or scope of the impact on the company thereof and therefore the company cannot predict the full potential financial impact.

As a consequence of the uncertainty regarding the market development, the Board of Directors of Mekonomen Group has decided, in order to further strengthen the company's financial position, to withdraw the previous dividend proposal for 2019 to the Annual General Meeting of SEK 0.50 per share.

Mekonomen Group reports the results for the first quarter of 2020 on May 7 and will provide further updates at that time.

Mekonomen Group consists of the leading automotive spare-parts chains in the northern Europe; FTZ, Inter-Team, MECA, Mekonomen and Sørensen og Balchen, with proprietary wholesale operations, over 460 stores and 3,400 workshops operating under the Group brands. We offer a wide and easily accessible range of inexpensive and innovative solutions and products for consumers and companies.

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