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MEKO sells properties in Finland to a value of 36,5 million euro

MEKO has sold the company's central warehouse properties in Finland to the real estate company AB Sagax. As a part of the agreement, MEKO will rent and use the properties for a period of ten years. The transaction values the properties at EUR 36.5 million on a debt-free basis and provides a capital gain of approximately EUR 10 million. Through the divestment, MEKO strengthens its financial position.

"We are now following through on our previously announced plan to sell a part of the properties that were part of the strategically important acquisition of Koivunen in 2022. The agreement is beneficial to MEKO in several ways and means that we adhere to our principle of not investing in properties as a part of the ongoing operations. The transaction strengthens our financial position and means that we are moving in a clear way, according to plan, in the direction of reaching our debt target towards the end of 2023", says Pehr Oscarson, President and CEO of MEKO.

The six properties being sold are located in Helsinki and mainly consist of warehouse properties and industrial premises. The agreement includes a so-called triple-net lease agreement and means that after the sale, MEKO rents all the areas and uses them as before and under market conditions. The lease period is ten years.

The purchase price of EUR 36.5 million is well in line with the internal property valuation that MEKO carried out prior to the acquisition of Koivunen, and provides a positive cash flow effect of the same amount. The capital gain is approximately EUR 10 million, of which approximately half will be booked in the second quarter of 2023 and the remainder will be distributed over the agreed rental period. The transaction was completed on May 23.

The acquisition of Koivunen was completed in July 2022 and meant that MEKO became the largest company in the independent vehicle aftermarket in Finland, while the company established operations in Estonia, Latvia and Lithuania. Through the acquisition, MEKO thus further strengthened its position as market leader in northern Europe.

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