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MEKO optimizes operations in Norway for increased efficiency and better service

MEKO, a leader in the independent automotive aftermarket in Northern Europe, is optimizing operations in Norway to increase efficiency, strengthen service, and reduce emissions from transportations. The efforts are estimated to yield annual net savings of at least SEK 66 million with full effect by 2025, which contributes to permanently improving MEKO's profitability. Efficiency measures are also being adopted in Sweden.

MEKO dominates the independent automotive aftermarket in Norway with well-established workshop concepts such as Mekonomen and Meca. The initiative now implemented in Norway is set to strengthen strategically important branches while others are being merged. The total number of units in Norway is being reduced from 51 to 32, but with the effect that customers in both Mekonomen and Meca will have access to more local warehouses than today. Moreover, several additional cost-saving and efficiency initiatives are being implemented to fully extract synergies between Mekonomen and Meca in Norway. At the same time, a smaller part of the distribution network in Sweden will be optimized as well.

The initiative in Norway is expected to yield savings of SEK 43 million in 2024 and annual net savings of at least SEK 66 million from 2025 onwards. As a result, there will be one-off costs affecting comparability totaling SEK 92 million, where SEK 59 million will be booked during the fourth quarter of 2023 and 33 million in 2024.

"This is one of several upcoming steps in our initiative to build a stronger and more profitable MEKO. With full customer focus, we are concentrating our efforts in the right places while reducing transportation emissions by removing many deliveries that currently run in parallel. Our goal is for the level of service to be better than before, where our customers can benefit from a wider product range and the market's fastest deliveries," says Pehr Oscarson, President and CEO of MEKO.

The initiative "Building a stronger MEKO" was announced on November 9, 2023, and aims to strengthen MEKO's leading position in the market. Financially, the initiative is to increase MEKO's operating margin by at least 1 percentage point in 2025. This is to be achieved through a combination of efficiencies, cost reductions, and a focus on stronger partnerships with selected suppliers to achieve more attractive purchase prices.

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