



## Second quarter 2020

### Higher profit despite partial business closures in Western Europe

#### Second quarter 2020

- Net turnover amounted to SEK 6,777 M (7,426), a decrease of 9 per cent.
- Operational earnings amounted to SEK 335 M (306).
- The improvement was attributable to the Service Business in Sweden and Norway. Performance in Western Europe was adversely impacted by partial business closures due to COVID-19 restrictions.
- Profit for the period amounted to SEK 213 M (203) and earnings per share to SEK 2.15 (2.05).
- Operating cash flow amounted to SEK 1,471 M (337) and was positively affected by significantly lower stock.

#### First six months 2020

- Net turnover amounted to SEK 14,227 M (14,300).
- Operational earnings amounted to SEK 614 M (544).
- Profit for the period amounted to SEK 380 M (357) and earnings per share to SEK 3.80 (3.55).
- Operating cash flow amounted to SEK 1,729 M (679).

#### Events after the balance sheet date

- Since the end of the quarter, the spread of COVID-19 appears to have slowed somewhat in the countries where we operate, but it does of course remain an uncertainty factor for the second half of the year.

SEK M	Second quarter		First six months		July 19 - June 20	Full year 2019
	2020	2019	2020	2019		
<b>The Group</b>						
Net turnover	6,777	7,426	14,227	14,300	29,435	29,508
Operational earnings <sup>1)</sup>	335	306	614	544	1,309	1,239
Operational margin, %	5.0	4.1	4.3	3.8	4.4	4.2
Operating profit	293	280	548	491	1,182	1,125
Operating margin, %	4.3	3.8	3.9	3.4	4.0	3.8
Profit before tax	266	251	485	443	1,056	1,014
Net profit for the period/year	213	203	380	357	830	807
Earnings per share, SEK <sup>2)</sup>	2.15	2.05	3.80	3.55	8.25	8.00

<sup>1)</sup> For reconciliation of operational earnings with operating profit, see Note 3.

<sup>2)</sup> The number of shares used in the calculation is shown in the Consolidated Statement of Income and Other Comprehensive Income.

## The Managing Director's comments

Higher result than last year despite COVID-19

- Strong profits in the Service Business
- Partial closures in Western Europe
- Focus on costs and liquidity



### Results for the second quarter

We report higher operational earnings than last year, despite partial closures of operations in Western Europe due to COVID-19 restrictions. Operational earnings increased by SEK 29 M to SEK 335 M, including a loss of SEK 2 M in Western Europe compared to a profit of SEK 25 M last year. The improved result was attributable to the Service Business, which reported operational earnings SEK 64 M or 29 per cent higher, amounting to SEK 281 M. Profit from sale of new and used cars was lower than in 2019, which is attributable to lower number of new cars delivered and a lower gross profit margin in sales of used cars. The order intake for new cars was considerably lower than last year. The order backlog for new cars remained high, however, amounting to 12,848 cars, which was around 1,100 cars more than at the year-end and almost 1,300 cars more than in the same period last year. Due to the spread of COVID-19, the focus has been on cost cutting and liquidity. This led to a low cost level and good liquidity at the end of the second quarter.

### Consideration for our customers, employees and business

During the second quarter, the spread of the COVID-19 virus has had a huge impact on our business. We have done our best to run as normal a business as possible, always with the ambition of the best safety for our customers and employees. Our operation was, however, limited by national COVID-19 restrictions, mainly in Western Europe where business was wholly or partially closed for six weeks, but also in Norway where the restrictions were extensive, including school and restaurant closures. The operation was less affected in Sweden, where restrictions did not include closures.

We have taken measures to mitigate the financial effects of the COVID-19 restrictions. The focus has been on cost cutting and liquidity, with measures including a halt on recruitment, purchasing and travel, as well as a review of the workforce's size. At the end of the second quarter we had about 300 employees fewer than at the end of the first quarter. So that we can offer as many of our personnel as possible continued employment, we have made use of the financial support packages available for furloughing, financed fully or partly by the authorities in the countries where we operate. At most, around 750 people were on furlough during the second quarter, mainly in Western Europe and Norway, but also to a lesser extent in Sweden. In Western Europe, furloughs during the second quarter reduced personnel expenses by SEK 13 M, and in Norway the figure was SEK 9 M. For the operation in Sweden, no support for furloughs has been entered as income.

I am proud of Bilia's fine results for the second quarter, generated through our focus on customer and employee safety, along with cost cutting. I hope to see the spread of COVID-19 slowing, and a return to normality for all of us in our everyday lives, and indeed for Bilia's business. We can see signs of some recovery in demand for new cars, mainly in Norway and Western Europe. Circumstances can, however, change quickly, and we are focusing on costs and liquidity to ensure we are well prepared for different future scenarios.

Per Avander, Managing Director and CEO

## Group results

### Net turnover and earnings

#### Second quarter 2020

**Net turnover** amounted to SEK 6,777 M (7,426). For comparable operations and adjusted for exchange rate fluctuations, net turnover decreased by approximately 7 per cent.

**Operating profit** amounted to SEK 293 M (280). Operating profit for the second quarter 2020 includes structural costs of SEK 19 M for personnel reductions. **Operational earnings** amounted to SEK 335 M (306). The operational margin was 5.0 per cent (4.1).

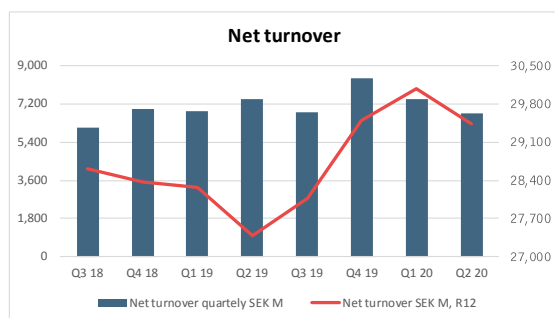
The Service Business reported a profit that was SEK 64 M or 29 per cent higher than last year. Adjusted turnover for the Service Business in Sweden and Norway decreased by 2 per cent, mainly attributable to lower turnover for parts due to considerably lower deliveries of new cars. In Western Europe, adjusted turnover fell by approximately 38 per cent, mainly attributable to whole or partial business closures for six weeks due to the spread of COVID-19. There was one more working day in Sweden and Norway than in the previous year. The Car Business reported profits that were SEK 46 M lower than last year, attributable to sales of both new and used cars. The Fuel Business reported a profit that was SEK 2 M higher than last year, attributable to higher oil prices.

Cost-cutting measures were taken during the second quarter to mitigate the effects of the spread of COVID-19. A halt on recruitment, purchasing and travel has been implemented. Consultants, temporary employees and trial employment have ceased, and at the end of the second quarter there were about 300 fewer employees than at the end of the first quarter. The company utilised the opportunity to furlough employees where business had been adversely affected by the COVID-19 pandemic. During the second quarter, an average of around 400 people were wholly or partially furloughed from their jobs, mainly in Western Europe. Operations in Luxembourg and Belgium were closed for six weeks in line with national restrictions. In Germany the operation was partially closed due to limitations on the size of gatherings. In Norway the operation was burdened during the quarter due to far-reaching restrictions, including school and restaurant closures. In Sweden, national restrictions did not affect business opening, which is why furloughing has not been applied to the same extent here.

The Group's personnel expenses decreased by SEK 22 M due to furloughs; SEK 13 M of this relates to Western Europe and SEK 9 M to Norway. Temporary rules have been introduced for all Swedish companies as regards sick pay and social security contributions, which reduced personnel expenses for the Swedish operation during the second quarter by SEK 11 M compared to last year. The result for the second quarter does not include any financial support for furloughs in Sweden. Support for furloughs has been applied for but not final reported or approved by the authority. Applied support is estimated at SEK 5 M.

As a result of the profit level and customer satisfaction during the quarter, a provision totalling SEK 5 M (6) was made for employee bonuses in Sweden.

The Group's underlying overheads were around 14 per cent lower compared with last year. Employee furloughs and temporary rules for sick pay and social security contributions reduced overheads during the quarter by approximately 2 percentage points. Overheads amounted to 12.0 per cent of net turnover, which was 1.2 percentage points lower than last year.



The operation in Sweden reported a profit of SEK 254 M (220). The margin was 5.9 per cent (4.9). The higher profit was attributable mainly to the Service Business as well as lower costs. The operation in Norway reported a profit of SEK 93 M (80). The margin was 5.2 per cent (4.5). The higher profit was attributable to the Service Business and lower costs. Business in Western Europe reported a loss of SEK 2 M (profit: 25). The margin was -0.2 per cent (+2.2). The poorer performance was related to both the Service Business and the Car Business, and is attributable mainly to whole or partial business closures due to COVID-19 restrictions. Operating loss for the Parent Company in the second quarter amounted to SEK 16 M (loss: 22) and was positively affected by cost cutting.

**Profit for the period** amounted to SEK 213 M (203). Earnings per share amounted to SEK 2.15 (2.05). Exchange rate fluctuations impacted the period's results negatively by SEK 6 M compared to last year.

The **number of employees** decreased by 302 during the second quarter and amounted to 4,620. Compared to last year the number of employees fell by 328, and adjusted for acquired operations the number fell by 302.

## First six months 2020

**Net turnover** amounted to SEK 14,227 M (14,300). For comparable operations and adjusted for exchange rate fluctuations, net turnover was on a par with last year.

**Operating profit** amounted to SEK 548 M (491). Operating profit for the first six months 2020 includes structural costs of SEK 19 M for personnel reductions. **Operational earnings** amounted to SEK 614 M (544). The operational margin was 4.3 per cent (3.8).

The Service Business reported a profit that was SEK 109 M or 25 per cent higher than last year. The underlying turnover for the Service Business overall increased by around 1 per cent. The underlying turnover for the Service Business in Sweden and Norway increased by just under 4 per cent. For Western Europe, the underlying turnover for the Service Business decreased by around 27 per cent. The significantly lower turnover in Western Europe is mainly attributable to fully or partially closed operations over eight weeks during the first six months of 2020, due to the COVID-19 pandemic. There were two working days more in Norway and one more in the other countries compared to last year, which is why the adjusted turnover in Sweden and Norway was just under 3 per cent, and for the Group as a whole it was on a par with last year. The Car Business reported profits that were SEK 52 M lower than last year, attributable to sales of both new and used cars. The Fuel Business reported a profit that was SEK 4 M lower than last year, and this was attributable to lower volumes and lower oil prices.

Cost-cutting measures were taken during the first half-year, and primarily the second quarter, to mitigate the effects of the COVID-19 pandemic. A halt on recruitment, purchasing and travel has been implemented. Consultants, temporary employees and trial employment have ceased, and at the end of the second quarter there were about 330 fewer employees than at the end of last year, adjusted for divested operations. The company utilised the opportunity to furlough employees where business had been adversely affected by the COVID-19 pandemic. During the second quarter, an average of around 400 people were wholly or partially furloughed from their jobs, mainly in Western Europe. Operations in Luxembourg and Belgium were closed for eight weeks in line with national restrictions. In Germany the operation was partially closed due to limitations on the size of gatherings. In Norway the operation was burdened due to far-reaching restrictions, including school and restaurant closures. In Sweden, national restrictions did not affect business opening, which is why furloughing has not been applied to the same extent here.

The Group's personnel expenses decreased by SEK 25 M due to furloughs; SEK 16 M of this relates to Western Europe and SEK 9 M to Norway. Temporary rules have been introduced for all Swedish companies as regards sick pay and social security contributions, which reduced personnel expenses for the Swedish operation by SEK 11 M compared to last year.

As a result of the profit level and customer satisfaction, a provision totalling SEK 14 M (14) was made for employee bonuses in Sweden.

The Group's underlying overheads were around 7 per cent lower compared with last year. Overheads amounted to 12.3 per cent of net turnover, which was 1.1 percentage points lower than last year.

The operation in Sweden reported a profit of SEK 498 M (407). The margin was 5.6 per cent (4.7). The higher profit was attributable mainly to the Service Business, higher demand for workshop services, and lower costs. The operation in Norway reported a profit of SEK 145 M (140). The margin was 3.9 per cent (4.0). The higher profit was mainly attributable to a higher underlying turnover in the Service Business. Business in Western Europe reported a loss of SEK 12 M (profit: 31). The margin was -0.7 per cent (1.4). The poorer performance was related to both the Service Business and the Car Business, and to eight weeks of business closures due to COVID-19 restrictions. Operating loss for the Parent Company in the first half-year amounted to SEK 24 M (loss: 39), and was positively affected by approximately SEK 10 M on revaluation of endowment policies for pensions, as well as by lower costs.

**Profit for the period** amounted to SEK 380 M (357). Earnings per share amounted to SEK 3.80 (3.55). Exchange rate fluctuations impacted the period's results negatively by approximately SEK 8 M.

The **number of employees** increased by 358 to 4,620 during the first six months of the year. Adjusted for acquired operations, the number of employees decreased by 329.

#### Net turnover by geographic market

SEK M	Second quarter		First six months		July 19 -	Full year
	2020	2019	2020	2019	June 20	2019
Sweden	4,268	4,512	8,882	8,637	18,056	17,811
Norway	1,790	1,786	3,706	3,517	7,715	7,526
Western Europe	713	1,122	1,626	2,134	3,638	4,146
Parent Company, other	6	6	13	12	26	25
<b>Total</b>	<b>6,777</b>	<b>7,426</b>	<b>14,227</b>	<b>14,300</b>	<b>29,435</b>	<b>29,508</b>

#### Operational earnings by geographic market

SEK M	Second quarter		First six months		July 19 -	Full year
	2020	2019	2020	2019	June 20	2019
Sweden	254	220	498	407	1,041	950
Norway	93	80	145	140	282	277
Western Europe	-2	25	-12	31	48	91
Parent Company, other	-10	-19	-17	-34	-62	-79
<b>Total</b>	<b>335</b>	<b>306</b>	<b>614</b>	<b>544</b>	<b>1,309</b>	<b>1,239</b>

#### Margin by geographic market

Per cent	Second quarter		First six months		July 19 -	Full year
	2020	2019	2020	2019	June 20	2019
Sweden	5.9	4.9	5.6	4.7	5.8	5.3
Norway	5.2	4.5	3.9	4.0	3.7	3.7
Western Europe	-0.2	2.2	-0.7	1.4	1.3	2.2
Parent Company, other	-	-	-	-	-	-
<b>Total</b>	<b>5.0</b>	<b>4.1</b>	<b>4.3</b>	<b>3.8</b>	<b>4.4</b>	<b>4.2</b>

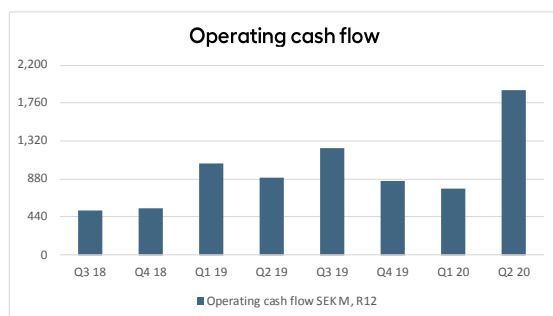
## Net financial items and tax

**Net financial items** for the second quarter amounted to SEK -27 M (-29).

**Tax** for the second quarter amounted to SEK -53 M (-48), and the effective tax rate was 20 per cent (19).

## Operating cash flow

**Operating cash flow** for the second quarter amounted to SEK 1,471 M (337). The strong operating cash flow was mainly attributable to lower inventories. After acquisitions and disposals of operations and changes in financial assets, cash flow for the second quarter amounted to SEK 1,470 M (290).



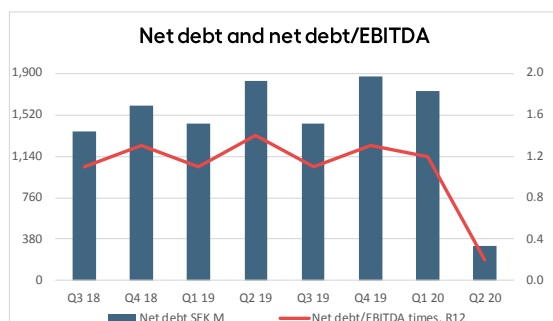
## Financial position

The **balance sheet total** decreased by SEK 1,264 M during the first half of 2020 and amounted to SEK 14,817 M. The decrease was mainly attributable to lower operating assets, mainly inventories.

**Equity** increased by SEK 324 M during the half-year 2020, amounting to SEK 3,510 M.

The **equity/assets ratio** amounted to 24 per cent (19).

**Net debt** decreased by SEK 1,450 M during the half-year 2020 and amounted to SEK 3,043 M. The decrease is primarily attributable to the strong cash flow during the year. Excluding lease liabilities attributable to IFRS 16, net debt amounted to SEK 321 M, a decrease of SEK 1,552 M since December 2019. The ratio of net debt to EBITDA excluding IFRS 16 amounted to 0.2 times compared with 1.4 times in the previous year. The improvement is mainly explained by a withdrawn dividend payment to shareholders, as well as the strong cash flow.



### Excluding IFRS 16

Liquidity remained good, and at the end of June a receivable of SEK 865 M (liability: 195) was reported from the banks (Nordea and DNB). Bilia's combined credit limit with Nordea and DNB amounts to SEK 1,500 M.

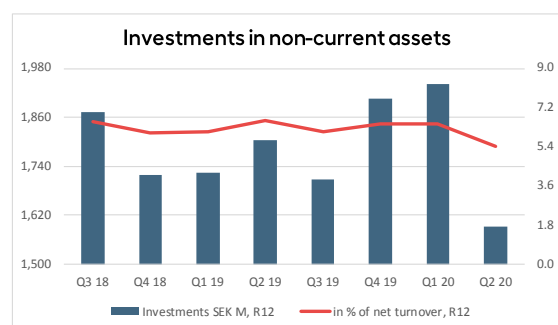


## Investments (excluding right-of-use assets)

**Acquisitions of non-current assets** during the second quarter amounted to SEK 39 M (55) **excluding lease vehicles** and SEK 283 M (635) **including lease vehicles**. Replacement investments represented SEK 5 M (8), expansion investments SEK 13 M (14), environmental investments SEK 0 M (15), investments in new construction and additions to properties SEK 15 M (11), finance leases SEK 6 M (7) and lease vehicles SEK 244 M (580).

### Investments in non-current assets by geographic market

SEK M	Second quarter		First six months		July 19 - June 20	Full year 2019
	2020	2019	2020	2019		
Sweden	247	521	581	797	1,239	1,455
Norway	16	72	159	240	220	301
Western Europe	4	9	22	13	61	52
Parent Company, other	16	33	33	60	71	98
<b>Total</b>	<b>283</b>	<b>635</b>	<b>795</b>	<b>1,110</b>	<b>1,591</b>	<b>1,906</b>



Excluding right-of-use assets

## Notable events

### Events during the second quarter

- Prior to the company's 2020 AGM on 22 June, the Board of Directors of Bilia AB decided to withdraw its previous proposal for an ordinary dividend of SEK 5.25 per share, to be paid on two occasions. The Nominating Committee of Bilia AB revised its previous proposal to the 2020 AGM and proposed unchanged Board fees compared to 2019, with the exception of the fee to the newly formed Property Committee.

### Events during the first quarter

- Bilia's Group Management was expanded by four people to include Elin Delvert, HR Director, Magnus Karlsson, CIO, Mathias Nilsson, MD of Bilia Personbilar AB, Sweden and Anders Rydheimer, Director of Marketing, Communication and Digital. Bilia's Group Management already includes Per Avander, Managing Director and CEO, Stefan Nordström, Deputy Managing Director, Kristina Franzén, CFO, and Frode Hebnes, Managing Director of Bilia Personbil AS, Norway.
- Bilia refinanced its current loan and credit facilities of SEK 1.5 billion, with ordinary maturity during the third quarter 2020. The new credit facilities amount to SEK 1.5 billion, of which SEK 900 M in revolving loans and SEK 600 M in overdraft facilities under essentially unaltered conditions. The revolving loans have a duration of three years with the potential for a one-year extension, plus one year subject to the creditors' approval. DNB and Nordea are the lenders.



- On 24 March 2020 the Board of Bilia AB decided, due to the spread of COVID-19, to postpone the AGM until a later date. The proposal to pay a dividend will be reviewed prior to the meeting. Nine of Bilia's 135 facilities were closed completely in line with government regulations. In Sweden and Norway, all the facilities were open.

### **Events after the balance sheet date**

- Since the end of the second quarter, the spread of the COVID-19 virus appears to be slowing. Even so, the high degree of uncertainty still renders it impossible to estimate the impact on the financial results for 2020 as a whole.
- No other significant events have occurred since the end of the quarter.

Further information about the above-mentioned events along with other press information is available at [bilias.com](http://bilias.com).

## Service Business

Strong demand and focus on costs generated the highest profit and highest margin ever

### Second quarter 2020

- Turnover amounted to SEK 1,622 M (1,750), a decrease of 7 per cent.
- Operational earnings amounted to SEK 281 M (217).
- The margin was 17.3 per cent (12.4).

### First six months 2020

- Turnover amounted to SEK 3,418 M (3,454).
- Operational earnings amounted to SEK 544 M (435).
- The margin was 15.9 per cent (12.6).

## Turnover and earnings

### Second quarter 2020

The underlying turnover for the Service Business in the second quarter in Sweden and Norway was on a par with last year. Growth in service workshop turnover in these two territories remained positive, but growth for the Service Business overall was adversely affected by lower turnover for parts due to a significant drop in deliveries of new cars. Reported turnover for Norway was adversely impacted by exchange rate fluctuations. In Western Europe, the underlying turnover fell by approximately 38 per cent, attributable to whole or partial business closures for six weeks due to COVID-19 restrictions. There was one working day more in Sweden and Norway, compared to last year, while other countries had the same number.

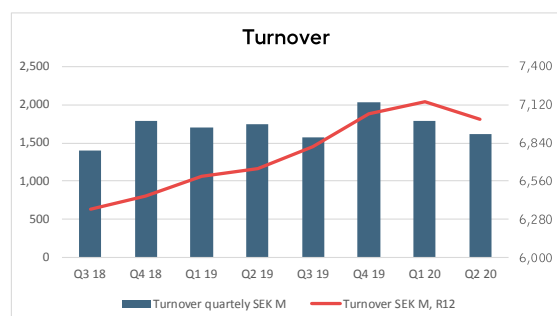
#### Growth in the Service Business

Per cent	Second quarter			First six months		
	Sweden	Norway	Total	Sweden	Norway	Total
<i>Change from last year</i>						
Reported turnover	-0.8	-9.7	-3.3	4.0	-2.7	2.1
Underlying turnover	-1.6	2.8	-0.3	3.5	4.5	3.8
Calendar effect	-1.7	-1.7	-1.7	-0.8	-1.7	-1.1
<b>Adjusted turnover</b>	<b>-3.3</b>	<b>1.1</b>	<b>-2.0</b>	<b>2.7</b>	<b>2.8</b>	<b>2.7</b>

Operational earnings during the second quarter improved by SEK 64 M or 29 per cent compared with last year. The improved profit was mainly attributable to good demand for workshop services and lower costs. The margin also improved from 12.4 per cent to 17.3 per cent, which was the Service Business's highest ever margin for a quarter.

In Sweden operational earnings amounted to SEK 204 M (142), and were positively affected by good demand for workshop services and lower costs. In Norway operational earnings amounted to SEK 65 M (52), and were positively affected by good demand for workshop services and lower relative

costs. In Western Europe operational earnings amounted to SEK 12 M (23), and were negatively affected by whole or partial business closures during parts of the second quarter.



At the end of the second quarter, the number of customers with service subscriptions amounted to just over 116,000 (110,000) compared with our long-term goal of 130,000. The number of wheels stored on behalf of our customers amounted to just over 358,000 (318,000) compared with 600,000, which has been our long-term goal since last year.

#### Turnover by geographic market

SEK M	Second quarter		First six months		July 19 - June 20	Full year 2019
	2020	2019	2020	2019		
Sweden	1,099	1,109	2,286	2,198	4,530	4,442
Norway	396	439	844	868	1,762	1,786
Western Europe	127	202	288	388	724	824
<b>Total</b>	<b>1,622</b>	<b>1,750</b>	<b>3,418</b>	<b>3,454</b>	<b>7,016</b>	<b>7,052</b>

#### Operational earnings by geographic market

SEK M	Second quarter		First six months		July 19 - June 20	Full year 2019
	2020	2019	2020	2019		
Sweden	204	142	407	291	790	674
Norway	65	52	119	108	216	205
Western Europe	12	23	18	36	48	66
<b>Total</b>	<b>281</b>	<b>217</b>	<b>544</b>	<b>435</b>	<b>1,054</b>	<b>945</b>

#### Margin by geographic market

Per cent	Second quarter		First six month		July 19 - June 20	Full year 2019
	2020	2019	2020	2019		
Sweden	18.6	12.8	17.8	13.2	17.4	15.2
Norway	16.4	11.9	14.1	12.5	12.3	11.5
Western Europe	8.7	11.1	6.1	9.2	6.6	8.1
<b>Total</b>	<b>17.3</b>	<b>12.4</b>	<b>15.9</b>	<b>12.6</b>	<b>15.0</b>	<b>13.4</b>

## Car Business

Strong demand for used cars but lower profitability and continued higher order backlog for new cars

### Second quarter 2020

- Turnover amounted to SEK 5,157 M (5,654), a decrease of 9 per cent.
- Operational earnings amounted to SEK 56 M (102).
- The margin was 1.1 per cent (1.8).

### First six months 2020

- Turnover amounted to SEK 10,940 M (10,868).
- Operational earnings amounted to SEK 74 M (126).
- The margin was 0.7 per cent (1.2).

## Turnover and earnings

### Second quarter 2020

The Car Business's deliveries of new cars during the second quarter were 34 per cent lower than last year, while deliveries of used cars were 1 per cent lower. The decline in deliveries of new cars is primarily attributable to factory closures among our car brands, as well as partially closed operations in Western Europe during the second quarter.

The order intake of new cars for the Group, adjusted for comparable operations, was 35 per cent lower than last year. The fall in order intake was mainly attributable to Sweden, although we could discern some signs of improvement there in June. In Norway the order intake was on a par with last year's, following very strong orders in June. The order backlog amounted to 12,848 cars, which was around 1,100 cars more than at the year-end, and just under 1,300 more than in the same period last year.

New cars by geographic market

Number of	Deliveries						Order backlog	
	Second quarter		First six months		July 19 - June 20	Full year 2019	30 June 2020	30 June 2019
	2020	2019	2020	2019				
Sweden	6,112	9,124	13,546	16,573	29,971	32,998	6,901	7,961
Norway	1,537	2,153	3,561	4,433	8,134	9,006	3,660	2,494
Western Europe	1,036	1,801	2,392	3,408	5,650	6,666	2,287	1,124
<b>Total</b>	<b>8,685</b>	<b>13,078</b>	<b>19,499</b>	<b>24,414</b>	<b>43,755</b>	<b>48,670</b>	<b>12,848</b>	<b>11,579</b>

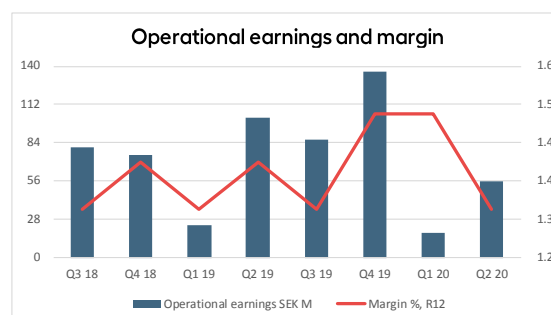
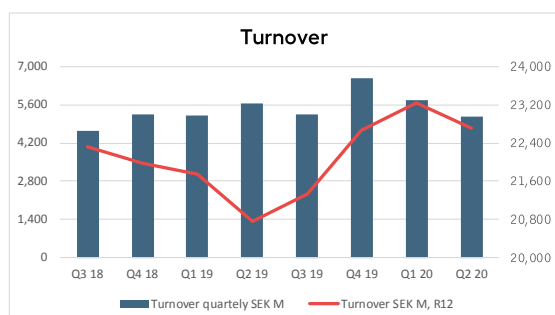
Used cars by geographic market

Number of	Deliveries					
	Second quarter		First six months		July 19 - June 20	Full year 2019
	2020	2019	2020	2019		
Sweden	8,687	8,599	17,942	16,461	35,462	33,981
Norway	3,108	2,746	5,983	5,328	11,293	10,638
Western Europe	993	1,561	2,240	3,073	4,912	5,745
<b>Total</b>	<b>12,788</b>	<b>12,906</b>	<b>26,165</b>	<b>24,862</b>	<b>51,667</b>	<b>50,364</b>

Adjusted for comparable operations and exchange rate fluctuations, turnover during the second quarter was approximately 7 per cent lower than last year. Turnover was positively affected by a higher average selling price, attributable to the mixture of brands and models of the delivered cars.

Operational earnings from sales of used cars amounted to SEK 40 M (61). The lower figure was attributable to a lower gross profit margin compared to last year. The turnover rate of inventories of used cars has remained a priority and was at a high level. Stocks of used cars fell during the second quarter, and were at quite a low level.

Profit from the sale of new cars was SEK 25 M lower than last year, mainly attributable to a lower turnover and gross profit margin. Operational earnings from sales of new cars amounted to SEK 16 M (41) for the second quarter.



Operational earnings for the Car Business in Sweden were SEK 30 M lower, attributable to sales of new and used cars. This decrease can be explained by a lower turnover and gross profit margin from sales of new cars, and a lower gross profit margin from sales of used cars. The profit from sales of used cars amounted to SEK 23 M (44). Demand for used cars increased during the latter part of the second quarter. The number of used cars in stock was at quite a low level at the end of the quarter.

Operational earnings for the Car Business in Norway were on the same level as last year, for sales of new and used cars alike. The profit from sales of used cars amounted to SEK 18 M (16). Demand for used cars increased during the latter part of the second quarter. The number of used cars in stock was at a good level.

Operational earnings for the Car Business in Western Europe were SEK 16 M lower than last year and amounted to SEK -14 M (+2). The lower figure was mainly attributable to lower turnover and gross profit margin from sales of new cars. The lower turnover is mainly attributable to fully or partially closed business for six weeks due to the COVID-19 pandemic. The loss from sales of used cars amounted to SEK 1 M (profit: 1).

#### Turnover by geographic market

SEK M	Second quarter		First six months		July 19 - June	Full year 2019
	2020	2019	2020	2019		
Sweden	3,071	3,266	6,497	6,221	13,328	13,052
Norway	1,481	1,447	3,062	2,857	6,409	6,204
Western Europe	605	941	1,381	1,790	3,013	3,422
<b>Total</b>	<b>5,157</b>	<b>5,654</b>	<b>10,940</b>	<b>10,868</b>	<b>22,750</b>	<b>22,678</b>

#### Operational earnings by geographic market

SEK M	Second quarter		First six months		July 19 - June 20	Full year 2019
	2020	2019	2020	2019		
Sweden	42	72	78	99	230	251
Norway	28	28	26	32	66	72
Western Europe	-14	2	-30	-5	0	25
<b>Total</b>	<b>56</b>	<b>102</b>	<b>74</b>	<b>126</b>	<b>296</b>	<b>348</b>

#### Margin by geographic market

Per cent	Second quarter		First six months		July 19 - June 20	Full year 2019
	2020	2019	2020	2019		
Sweden	1.4	2.2	1.2	1.6	1.7	1.9
Norway	1.9	1.9	0.8	1.1	1.0	1.2
Western Europe	-2.1	0.2	-2.1	-0.3	0.0	0.7
<b>Total</b>	<b>1.1</b>	<b>1.8</b>	<b>0.7</b>	<b>1.2</b>	<b>1.3</b>	<b>1.5</b>

## Fuel Business

### Lower sales volumes but higher oil prices

#### Second quarter 2020

- Turnover amounted to SEK 257 M (362), a decrease of 29 per cent.
- Operational earnings amounted to SEK 8 M (6).
- The margin was 3.0 per cent (1.5).

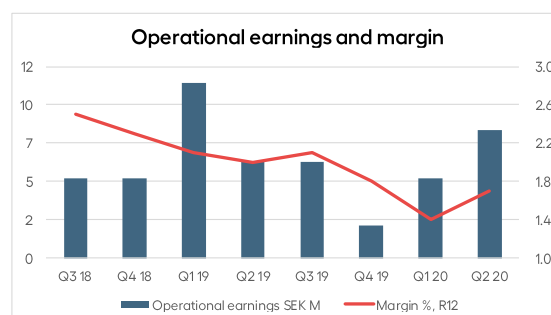
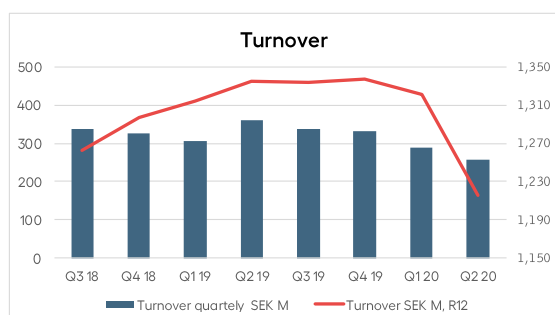
#### First six months 2020

- Turnover amounted to SEK 547 M (669).
- Operational earnings amounted to SEK 13 M (17).
- The margin was 2.4 per cent (2.5).

## Turnover and earnings

#### Second quarter 2020

The Fuel Business is concentrated to Sweden and profit for the second quarter amounted to SEK 8 M (6). Profit during the second quarter was impacted negatively by lower sales volumes, but positively by higher oil prices. In a time when travel by air, rail and public transport is restricted by the COVID-19 pandemic, the car is expected to become an increasingly important mode of transport.



#### Turnover

SEK M	Second quarter		First six months		July 19 - June 20	Full year
	2020	2019	2020	2019		
Total	257	362	547	669	1,216	1,338

#### Operational earnings

SEK M	Second quarter		First six months		July 19 - June 20	Full year
	2020	2019	2020	2019		
Total	8	6	13	17	21	25

#### Margin

Per cent	Second quarter		First six months		July 19 - June 20	Full year
	2020	2019	2020	2019		
Total	3.0	1.5	2.4	2.5	1.7	1.8



## Other information

### Risks and uncertainties

As a result of its operations, the Bilia Group is exposed to both operating risks and financial risks.

The operating risks include:

- Risks related to changes in demand for Bilia's products and services due to changes in the market related to economic conditions, government decisions, the establishment of alternative sales channels, the competitiveness of products and technological development. Events such as natural disasters and pandemics can have significant impacts on Bilia's turnover and profit due to a lack of product availability, economic downturn or effects on in-house production.

The ongoing COVID-19 situation, which was classed by the World Health Organization (WHO) as a pandemic in March 2020, could have a negative impact on business in 2020 as a whole, depending on how it develops. As announced in this interim report, since the outbreak we have seen a severe drop in order intake for new cars, mainly in Sweden and Western Europe. The high degree of uncertainty about the spread of COVID-19 and future actions from customers and/or authorities means that it's not possible to exclude a future significant impact also on other activities such as sales of used cars and the Service Business. The high degree of uncertainty means that it's not possible to estimate the impact on financial results during 2020.

Lower demand for cars could entail risks related to the current stock of cars and cars with guaranteed buy-back values.

- Risks related to dealer/service authorisations, since Bilia is dependent on approval by manufacturers/general agents to conduct, expand and establish new sales of new cars. Authorisation agreements can be terminated by the other party and Bilia's vehicle suppliers could become insolvent, which could entail the risk of disruption in the operation.
- Risks related to alternative sales channels, as Bilia currently conducts its business mainly through its own facilities, and to a limited extent via digital channels. If general agents or manufacturers with which Bilia works were to move to their own sales channels, this would have an adverse impact on Bilia's business.
- Risks related to Bilia not having the capacity and resources to develop its own concepts and services, and of our suppliers not being able to offer competitive products in line with the customers' wishes and requirements.
- Risks related to recruiting and retaining skilled employees, retaining strategic business locations for our operations, acquiring and integrating new operations in a successful manner, which could affect Bilia's potential to expand its operations according to its set financial goals.
- Risks related to non-compliance with regulations, a lack of environmental pollution remediation and a lack of control over IT operation could entail regulatory consequences, financial burdens, operational disruptions and an adverse impact on Bilia's reputation.

The financial risks include liquidity risks, interest rate risks, credit risks and currency risks.



Bilia works continuously with risk identification and risk assessment. For further published information about the risks that affect the Group, please refer to the 2019 annual report.

## Seasonal variations and number of working days

Bilia's operations and operating profit are influenced to a limited extent by seasonal variations. The number of working days during the report periods is influenced by how holidays fall in the different countries in different years. The number of working days in the period influences business operations and profits in the Service Business in particular, but also in the Car Business.

## Related party transactions

For a description of related party transactions, see page 91 of the 2019 annual report.

## Parent Company

Bilia AB is responsible for the Group's management, strategic planning, purchasing, public relations, business development, HR, real estate activities, accounting and financing.

## Accounts - Group

### Consolidated Statement of Income and Other Comprehensive Income

SEK M	Second quarter		First six months		July 19 -	Full year
	2020	2019	2020	2019	June 20	2019
Net turnover	6,777	7,426	14,227	14,300	29,435	29,508
Costs of goods sold	-5,653	-6,169	-11,913	-11,898	-24,603	-24,588
<b>Gross profit</b>	<b>1,124</b>	<b>1,257</b>	<b>2,314</b>	<b>2,402</b>	<b>4,832</b>	<b>4,920</b>
Other operating income	1	5	3	6	21	24
Selling and administrative expenses	-812	-980	-1,748	-1,905	-3,643	-3,800
Other operating expenses	-20	-2	-21	-12	-28	-19
<b>Operating profit <sup>1)</sup></b>	<b>293</b>	<b>280</b>	<b>548</b>	<b>491</b>	<b>1,182</b>	<b>1,125</b>
Financial income	0	1	1	12	1	12
Financial expenses	-37	-40	-82	-78	-168	-164
Profit from shares in associated companies	10	10	18	18	41	41
<b>Profit before tax</b>	<b>266</b>	<b>251</b>	<b>485</b>	<b>443</b>	<b>1,056</b>	<b>1,014</b>
Tax	-53	-48	-105	-86	-226	-207
<b>Net profit for the period</b>	<b>213</b>	<b>203</b>	<b>380</b>	<b>357</b>	<b>830</b>	<b>807</b>
<b>Other comprehensive income/loss</b>						
<i>Items that can be reclassified to profit or loss</i>						
Translation differences attributable to foreign operations	-32	17	-62	55	-86	31
<b>Other comprehensive income/loss after tax</b>	<b>-32</b>	<b>17</b>	<b>-62</b>	<b>55</b>	<b>-86</b>	<b>31</b>
<b>Comprehensive income for the period</b>	<b>181</b>	<b>220</b>	<b>318</b>	<b>412</b>	<b>744</b>	<b>838</b>
<b>Net profit for the period attributable to:</b>						
Parent Company's shareholders	213	203	380	357	830	807
<b>Comprehensive income for the period attributable to:</b>						
Parent Company's shareholders	181	220	318	412	744	838
<b>Weighted average number of shares, '000:</b>						
- before dilution	100,134	100,951	100,134	100,951	100,453	100,859
- after dilution	100,231	101,054	100,231	101,054	100,550	100,957
Basic earnings/loss per share, SEK	2.15	2.05	3.80	3.55	8.25	8.00
Diluted earnings/loss per share, SEK	2.15	2.05	3.80	3.55	8.25	8.00
Weighted average number of own shares, '000	2,666	1,849	2,666	1,849	2,347	1,941
<b>1) Straight-line amortisation/depreciation by asset class:</b>						
- Intellectual property	-30	-31	-61	-61	-122	-122
- Land and buildings	-16	-14	-32	-27	-80	-75
- Equipment, tools, fixtures and fittings	-28	-28	-56	-55	-99	-98
- Leased vehicles	-94	-100	-192	-202	-390	-400
- Right-of-use assets	-113	-113	-227	-225	-453	-451
<b>Total</b>	<b>-281</b>	<b>-286</b>	<b>-568</b>	<b>-570</b>	<b>-1,144</b>	<b>-1,146</b>

## Consolidated Statement of Financial Position, Summary

SEK M	30 June 2020	31 December 2019	30 June 2019
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Intellectual property	575	636	698
Goodwill	828	847	868
	<b>1,403</b>	<b>1,483</b>	<b>1,566</b>
<b>Property, plant and equipment</b>			
Land and buildings	775	779	740
Construction in progress	57	42	101
Equipment, tools, fixtures and fittings	491	518	510
Leased vehicles	2,935	3,130	3,210
Right-of-use assets	2,752	2,682	2,621
	<b>7,010</b>	<b>7,151</b>	<b>7,182</b>
<b>Long-term investments</b>			
Financial investments <sup>1)</sup>	449	441	419
Long-term receivables <sup>2)</sup>	0	1	-
	<b>449</b>	<b>442</b>	<b>419</b>
Deferred tax assets	100	110	96
<b>Total non-current assets</b>	<b>8,962</b>	<b>9,186</b>	<b>9,263</b>
<b>Current assets</b>			
Inventories, merchandise	3,306	4,571	3,692
<b>Current receivables</b>			
Other receivables <sup>1)</sup>	1,361	2,088	1,511
Cash and cash equivalents <sup>2)</sup>	1,188	236	245
<b>Total current assets</b>	<b>5,855</b>	<b>6,895</b>	<b>5,448</b>
<b>TOTAL ASSETS</b>	<b>14,817</b>	<b>16,081</b>	<b>14,711</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	257	257	257
Other contributed capital	167	167	167
Reserves	-38	24	48
Retained earnings including net profit for the year	3,124	2,738	2,370
<b>Total equity</b>	<b>3,510</b>	<b>3,186</b>	<b>2,842</b>
<b>Non-current liabilities</b>			
Bond issue <sup>3)</sup>	792	1,289	1,285
Interest-bearing liabilities <sup>4)</sup>	191	203	227
Lease liabilities <sup>4)</sup>	2,322	2,214	2,107
Other liabilities and provisions	2,250	2,259	2,272
	<b>5,555</b>	<b>5,965</b>	<b>5,891</b>
<b>Current liabilities</b>			
Bond issue <sup>4)</sup>	500	-	-
Interest-bearing liabilities <sup>4)</sup>	459	1,040	959
Lease liabilities <sup>4)</sup>	400	406	415
Other liabilities and provisions	4,393	5,484	4,604
	<b>5,752</b>	<b>6,930</b>	<b>5,978</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>14,817</b>	<b>16,081</b>	<b>14,711</b>
<b>Assets</b>			
<sup>1)</sup> Of which interest-bearing	441	433	449
<sup>2)</sup> Interest-bearing	1,188	237	245
<b>Liabilities</b>			
<sup>3)</sup> Of which interest-bearing	800	1,300	1,000
<sup>4)</sup> Interest-bearing	3,872	3,863	3,708

## Statement of Changes in Group Equity, Summary

SEK M	30 June 2020	31 December 2019	30 June 2019
Opening balance	3,186	2,915	2,915
Cash dividend to shareholders	-	-483	-483
Incentive programme	1	1	0
Buy-back of own shares	-	-79	-
Revaluation of put option	5	-6	-2
Comprehensive income for the year	318	838	412
<b>Equity at end of period</b>	<b>3,510</b>	<b>3,186</b>	<b>2,842</b>

## Consolidated Statement of Cash Flows

SEK M	Second quarter		First six months		July 19 -	Full year
	2020	2019	2020	2019	June 20	2019
<b>Operating activities</b>						
Profit before tax	266	251	485	443	1,056	1,014
Depreciation and impairment losses	281	286	568	570	1,225	1,227
Other items not affecting cash	-14	49	-28	49	-55	22
Tax paid	14	-80	-76	-192	-165	-281
Change in inventories	1,106	279	1,203	428	243	-532
Change in operating receivables	-96	-103	623	-90	148	-565
Change in operating liabilities	-140	-226	-909	-180	-177	552
<b>Cash flow from operating activities</b>	<b>1,417</b>	<b>456</b>	<b>1,866</b>	<b>1,028</b>	<b>2,275</b>	<b>1,437</b>
<b>Investing activities</b>						
Acquisition of non-current assets (intangible and tangible)	-39	-55	-107	-118	-235	-246
Disposal of non-current assets (intangible and tangible)	6	8	7	13	47	53
Acquisition of leased vehicles	-244	-580	-688	-992	-1,356	-1,660
Disposal of leased vehicles	331	508	651	748	1,174	1,271
<i>Operating cash flow</i>	<i>1,471</i>	<i>337</i>	<i>1,729</i>	<i>679</i>	<i>1,905</i>	<i>855</i>
Investment in financial assets	-1	0	-1	-3	-4	-6
Disposal of financial assets	0	2	2	2	5	5
Acquisition of subsidiary/operation, net	0	-49	0	-67	-6	-73
Disposal of subsidiary/operation, net	0	0	5	0	5	0
<b>Cash flow from investing activities</b>	<b>53</b>	<b>-166</b>	<b>-131</b>	<b>-417</b>	<b>-370</b>	<b>-656</b>
<b>Cash flow after net investments</b>	<b>1,470</b>	<b>290</b>	<b>1,735</b>	<b>611</b>	<b>1,905</b>	<b>781</b>
<b>Financing activities</b>						
Borrowings	105	395	505	970	969	1,434
Repayment of loans	-474	-279	-1,061	-900	-1,399	-1,238
Repayment of lease liabilities	-17	-15	-34	-31	-67	-64
Repayment of lease liabilities IFRS 16	-62	-112	-193	-241	-384	-432
Buy-back of own shares	0	0	0	0	-79	-79
Dividend paid to the company's shareholders	0	-483	0	-483	0	-483
<b>Cash flow from financing activities</b>	<b>-448</b>	<b>-494</b>	<b>-783</b>	<b>-685</b>	<b>-960</b>	<b>-862</b>
<b>Change in cash and cash equivalents, excl. translation differences</b>	<b>1,022</b>	<b>-204</b>	<b>952</b>	<b>-74</b>	<b>945</b>	<b>-81</b>
Exchange difference in cash and cash equivalents	-9	2	0	5	-2	3
<b>Change in cash and cash equivalents</b>	<b>1,013</b>	<b>-202</b>	<b>952</b>	<b>-69</b>	<b>943</b>	<b>-78</b>
Cash and cash equivalents at start of period	175	447	236	314	245	314
Cash and cash equivalents at end of period	1,188	245	1,188	245	1,188	236

Figures for last year have been recalculated bearing in mind classification of IFRS 16 transactions.

## Additional disclosures - Group

### Note 1 Accounting principles

This interim report has been prepared in accordance with International Financial Accounting Standards (IFRSs) IAS 34 and applicable provisions of the Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with Chapter 9 of the Annual Accounts Act, "Interim Reports". The same accounting policies and calculation methods have been applied for the Group and the Parent Company as in the most recent annual report.

#### New accounting policies from 1 January 2020

New or revised IFRS to be used in future are not expected to have any material effect on the consolidated financial statements.

When operations have been adversely affected by the pandemic in the first six months of 2020, the Group has utilised the opportunity to furlough employees, in line with the regulations in each country of operation. The financial effect of furloughing employees is recognised as a decrease in personnel expenses. The decrease in personnel expenses is recognised when the application is final and it is deemed that the conditions for utilising furlough have been fully met and the furlough action, based on prevailing regulations, is expected to be approved by the authority in each country.

Disclosures in accordance with IAS 34, paragraph 16, are made not only in the financial statements and related notes, but also in other parts of this interim report.

### Note 2 Fair value of financial instruments

Derivative instruments such as interest rate swaps and forward exchange contracts are used to manage Bilia's interest rate risk. They should only be used to meet the requirements on minimising risk in a cost-effective manner as prescribed by the finance policy. The carrying amount of financial instruments is a reasonable approximation of fair value.

**Fair value is determined on the basis of the following three levels:**

Level 1: according to prices quoted on an active market for the same instrument.

Level 2: based on directly or indirectly observable market inputs other than those included in level 1.

Level 3: according to inputs not based on observable market data.

Currency derivatives are recognised as financial assets and liabilities and are measured at fair value in accordance with Level 2. The value of the currency derivatives is not material and does not constitute a significant item in the Consolidated Statement of Financial Position. Measurement of the currency derivatives at fair value has resulted in a revenue of SEK 1 M that is matched by a cost stemming from revaluation of assets in foreign currencies. The effect on the Group's profit is SEK 0 M.



## Calculation of fair value

The fair value of currency derivatives is determined on the basis of market rates. If such rates are not available, the fair value is calculated by discounting the difference between the contracted forward rate and the forward rate that can be obtained on the balance sheet date for the remaining contract period.

## Note 3 Revenues and costs that affect comparability, and financial support for the effects of COVID-19

Structural costs during 2020 relate to severance solutions of SEK 13 M in Sweden, SEK 3 M in Norway and SEK 3 M in Western Europe. "Gain from sale of property" during 2019 relate to a facility in Sweden which has been used in the Car Business and the Service Business. Structural costs during 2019 relate to expenses for relocation of operations in Sweden and expenses for reducing employees. "Acquisition-related costs and value adjustments" pertain to costs for the acquisition of operations. Amortisation/impairment losses of surplus values in 2019 included a one-off write-down of intangible assets in Germany, Western Europe, which amounted to SEK 20 M.

SEK M	Second quarter		First six months		July 19 - June 20	Full year 2019
	2020	2019	2020	2019		
<b>The Group</b>						
Operational earnings	335	306	614	544	1,309	1,239
- Gain from sale of property	0	0	0	0	8	8
- Structural costs etc.	-19	-2	-19	-4	-19	-4
- Acquisition-related costs and value adjustments	0	0	0	-2	-1	-3
- Amortisation/impairment losses of surplus values	-23	-24	-47	-47	-115	-115
<b>Operating profit</b>	<b>293</b>	<b>280</b>	<b>548</b>	<b>491</b>	<b>1,182</b>	<b>1,125</b>

In the first six months of 2020, the opportunity to furlough employees, in line with the regulations in our countries of operation, has been utilised when operations have been adversely affected by the COVID-19 pandemic. During the second quarter, an average of around 400 people were wholly or partially furloughed from their jobs, mainly in Western Europe where operations have been wholly or partially closed following government decisions.

Lower personnel expenses after furloughing employees are recognised in operational earnings and in operating profit, and amounted to SEK 22 M in the second quarter; SEK 13 M of this related to Western Europe and SEK 9 M to Norway. There was no financial support for furloughing employees recognised in Sweden for the second quarter. Support for furloughs in Sweden has been applied for but not final reported or approved by the authority. Applied support is estimated at SEK 5 M. Temporary rules have been introduced for all Swedish companies as regards sick pay and social security contributions, which reduced personnel expenses for the Swedish operation during the second quarter and the first half-year by SEK 11 M compared to last year. Personnel expenses decreased by SEK 25 M due to furloughs in the first six months of 2020; SEK 16 M of this related to Western Europe and SEK 9 M to Norway.

## Note 4 Group's operating segments

30 June 2020

SEK M	Service	Car	Fuel	Total	Segment reconciliation	Group
<b>Net turnover</b>						
External sales	2,727	10,940	547	14,214	13	14,227
Internal sales	691			691	-691	-
<b>Total net turnover</b>	<b>3,418</b>	<b>10,940</b>	<b>547</b>	<b>14,905</b>	<b>-678</b>	<b>14,227</b>
Depreciation/amortisation	-196	-335	-3	-534	-34	-568
<b>Operational earnings/Operating profit/loss</b>	<b>544</b>	<b>74</b>	<b>13</b>	<b>631</b>	<b>-83</b>	<b>548</b>
Interest income						1
Interest expenses						-82
Profit from shares in associated companies		18		18		18
<b>Profit before tax</b>						<b>485</b>
Tax expense for the period						-105
<b>Net profit for the period</b>						<b>380</b>
<b>Revenue and costs that affect comparability:</b>						
- Profit from sale of property	0	0		0		0
- Structural costs etc.	-10	-6		-16	-3	-19
- Acquisition-related costs and value adjustments	-1	1		0		0
- Amortisation/impairment losses of surplus values	-24	-23		-47		-47
<b>Total</b>	<b>-35</b>	<b>-28</b>	<b>-</b>	<b>-63</b>	<b>-3</b>	<b>-66</b>
<b>Assets</b>						
Shares in associated companies		441		441		441
Deferred tax assets						100
Other assets						14,276
<b>Total assets</b>						<b>14,817</b>
Investments in non-current assets	47	714	1	762	33	795
<b>Liabilities</b>						
Equity						3,510
Liabilities						11,307
<b>Total liabilities and equity</b>						<b>14,817</b>

SEK M	Service			Car		
	Sweden	Norway	Western Europe	Sweden	Norway	Western Europe
<b>Turnover</b>						
External sales	1,838	644	245	6,497	3,062	1,381
Internal sales	448	200	43			
<b>Total turnover</b>	<b>2,286</b>	<b>844</b>	<b>288</b>	<b>6,497</b>	<b>3,062</b>	<b>1,381</b>
Depreciation/amortisation	-110	-58	-28	-265	-42	-28
<b>Operational earnings</b>	<b>407</b>	<b>119</b>	<b>18</b>	<b>78</b>	<b>26</b>	<b>-30</b>
Profit from shares in associated companies				18		
<b>Revenue and costs that affect comparability:</b>						
- Profit from sale of property						
- Structural costs etc.	-8	-1	-1	-2	-2	-2
- Acquisition-related costs and value adjustments	-1		0			1
- Amortisation/impairment losses of surplus values	-6	-6	-12	-6	-6	-11
<b>Total</b>	<b>-15</b>	<b>-7</b>	<b>-13</b>	<b>-8</b>	<b>-8</b>	<b>-12</b>
Shares in associated companies				441		
Investments in non-current assets	30	13	4	550	146	18

SEK M	Revenues from customers	Non-current assets
<b>Geographical segments</b>		
Sweden	8,895	7,207
Norway	3,706	1,911
Germany	406	102
Luxembourg	550	626
Belgium	670	612
Segment reconciliation	0	-1,596
<b>Total</b>	<b>14,227</b>	<b>8,862</b>

### 30 June 2019

SEK M	Service	Car	Fuel	Total	Segment reconciliation	Group
<b>Net turnover</b>						
External sales	2,751	10,868	669	14,288	12	14,300
Internal sales	703			703	-703	-
<b>Total net turnover</b>	<b>3,454</b>	<b>10,868</b>	<b>669</b>	<b>14,991</b>	<b>-691</b>	<b>14,300</b>
Depreciation/amortisation	-186	-355	-2	-543	-27	-570
<b>Operational earnings/Operating profit/loss</b>	<b>435</b>	<b>126</b>	<b>17</b>	<b>578</b>	<b>-87</b>	<b>491</b>
Interest income						12
Interest expenses						-78
Shares in profits of associated companies		18		18		18
<b>Profit before tax</b>						<b>443</b>
Tax expense for the period						-86
<b>Net profit for the period</b>						<b>357</b>
<b>Revenue and costs that affect comparability:</b>						
- Profit from sale of operation, other	0	0		0		0
- Structural costs etc.	-2	-2		-4		-4
- Acquisition-related costs and value adjustments	-1	-1		-2		-2
- Amortisation of surplus values	-24	-23		-47		-47
<b>Total</b>	<b>-27</b>	<b>-26</b>	<b>-</b>	<b>-53</b>	<b>-</b>	<b>-53</b>
<b>Assets</b>						
Interests in associated companies		410		410		410
Deferred tax assets						96
Other assets						14,205
<b>Total assets</b>						<b>14,711</b>
Investments in non-current assets	38	1,010	2	1,050	60	1,110
<b>Liabilities</b>						
Equity						2,842
Liabilities						11,869
<b>Total liabilities and equity</b>						<b>14,711</b>

SEK M	Service			Car		
	Sweden	Norway	Western Europe	Sweden	Norway	Western Europe
<b>Turnover</b>						
External sales	1,750	657	344	6,221	2,857	1,790
Internal sales	448	211	44			
<b>Total turnover</b>	<b>2,198</b>	<b>868</b>	<b>388</b>	<b>6,221</b>	<b>2,857</b>	<b>1,790</b>
Depreciation/amortisation	-108	-49	-29	-273	-54	-28
<b>Operational earnings</b>	<b>291</b>	<b>108</b>	<b>36</b>	<b>99</b>	<b>32</b>	<b>-5</b>
Shares in profits of associated companies				18		
<b>Revenue and costs that affect comparability:</b>						
- Profit from sale of operation, other						
- Structural costs etc.	-2			-2	0	
- Acquisition-related costs and value adjustments	-1					-1
- Amortisation of surplus values	-6	-5	-13	-6	-6	-11
<b>Total</b>	<b>-9</b>	<b>-5</b>	<b>-13</b>	<b>-8</b>	<b>-6</b>	<b>-12</b>
Interests in associated companies				410		
Investments in non-current assets	14	21	3	781	219	10

SEK M	Revenues from customers	Non-current assets
<b>Geographical segments</b>		
Sweden	8,649	7,089
Norway	3,517	2,252
Germany	632	137
Luxembourg	696	638
Belgium	806	651
Segment reconciliation	0	-1,600
<b>Total</b>	<b>14,300</b>	<b>9,167</b>

## Note 5 Acquisitions

No acquisitions have been made in 2020.

## Note 6 Specification of interest-bearing net debt/receivable and EBITDA

### Specification of interest-bearing net debt/receivable

SEK M	30 June 2020	31 December 2019	30 June 2019
Current interest-bearing liabilities	959	1,040	959
Non-current interest-bearing liabilities	991	1,503	1,527
Lease liabilities IFRS 16	2,722	2,620	2,522
Cash and cash equivalents	-1,188	-236	-245
Interest-bearing assets	0	-1	0
Shares in associated companies	-441	-433	-410
<b>Net debt(+)/receivable(-) at end of period/year</b>	<b>3,043</b>	<b>4,493</b>	<b>4,353</b>
<b>Net debt(+)/receivable(-) at end of period/year, excluding IFRS 16</b>	<b>321</b>	<b>1,873</b>	<b>1,831</b>

### The ratio of net debt to EBITDA

SEK M	30 June 2020	31 December 2019	30 June 2019
Operational earnings	614	1,239	544
Operational earnings, excluding IFRS 16	592	1,193	523
Total depreciation/amortisation	568	1,146	570
-amortisation of surplus values	-47	-95	-47
-depreciation of right-of-use assets	-227	-451	-225
-depreciation of leased vehicles with repurchase agreements	-161	-337	-172
Depreciation/amortisation added back	360	714	351
Depreciation/amortisation added back, excluding IFRS 16	133	263	126
<b>EBITDA</b>	<b>974</b>	<b>1,953</b>	<b>895</b>
<b>EBITDA, excluding IFRS 16</b>	<b>725</b>	<b>1,456</b>	<b>649</b>
The ratio of net debt to EBITDA rolling 12 months, times	1.5	2.3	2.8
The ratio of net debt to EBITDA rolling 12 months, times, excluding IFRS 16	0.2	1.3	1.4

# Accounts - Parent Company

## Income Statement for Parent Company

SEK M	Second quarter		First six months		July 19 -	Full year
	2020	2019	2020	2019	June 20	2019
Net turnover	138	130	276	260	546	530
Administrative expenses	-154	-152	-300	-299	-615	-614
<b>Operating loss <sup>1)</sup></b>	<b>-16</b>	<b>-22</b>	<b>-24</b>	<b>-39</b>	<b>-69</b>	<b>-84</b>
<i>Result from financial items</i>						
Profit from shares in Group companies	76	128	76	128	65	117
Interest income from Group companies	14	15	35	30	59	54
Other interest income and similar line items	0	0	0	11	-1	10
Interest expenses to Group companies	0	0	0	0	0	0
Interest expenses and similar line items	-11	-13	-26	-23	-46	-43
<b>Loss after financial items</b>	<b>63</b>	<b>108</b>	<b>61</b>	<b>107</b>	<b>8</b>	<b>54</b>
Appropriations	0	0	0	0	723	723
<b>Profit before tax</b>	<b>63</b>	<b>108</b>	<b>61</b>	<b>107</b>	<b>731</b>	<b>777</b>
Tax	0	4	-10	5	-146	-131
<b>Net profit for the year</b>	<b>63</b>	<b>112</b>	<b>51</b>	<b>112</b>	<b>585</b>	<b>646</b>
<sup>1)</sup> Straight-line amortisation/depreciation by asset class:						
- Intellectual property	0	0	0	0	0	0
- Buildings	-5	-3	-11	-6	-23	-18
- Equipment, tools, fixtures and fittings	-1	0	-1	0	-2	-1
<b>Total</b>	<b>-6</b>	<b>-3</b>	<b>-12</b>	<b>-6</b>	<b>-25</b>	<b>-19</b>

## Balance Sheet for Parent Company, Summary

SEK M	30 June 2020	31 December 2019	30 June 2019
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Intellectual property	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>
<b>Property, plant and equipment</b>			
Buildings	172	163	94
Construction in progress	30	36	100
Equipment, tools, fixtures and fittings	5	5	3
	<b>207</b>	<b>204</b>	<b>197</b>
<b>Long-term investments</b>			
Shares in Group companies	1,325	1,328	1,328
Other securities held as non-current assets	1	1	1
Deferred tax asset	48	58	50
	<b>1,374</b>	<b>1,387</b>	<b>1,379</b>
<b>Total non-current assets</b>	<b>1,581</b>	<b>1,591</b>	<b>1,576</b>
<b>Current assets</b>			
<b>Current receivables</b>			
Receivables from Group companies	437	2,130	445
Other receivables	152	196	174
Cash on hand and demand deposits	1,666	55	973
<b>Total current assets</b>	<b>2,255</b>	<b>2,381</b>	<b>1,592</b>
<b>TOTAL ASSETS</b>	<b>3,836</b>	<b>3,972</b>	<b>3,168</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
<b>Restricted equity</b>			
Share capital	257	257	257
Statutory reserve	47	47	47
	<b>304</b>	<b>304</b>	<b>304</b>
<b>Non-restricted equity</b>			
Share premium reserve	167	167	167
Retained earnings including net profit for the year	949	897	442
	<b>1,116</b>	<b>1,064</b>	<b>609</b>
<b>Total equity</b>	<b>1,420</b>	<b>1,368</b>	<b>913</b>
<b>Untaxed reserves</b>	<b>863</b>	<b>863</b>	<b>727</b>
<b>Provisions</b>			
Deferred tax liability	14	14	5
	<b>14</b>	<b>14</b>	<b>5</b>
<b>Non-current liabilities</b>			
Bond issue	792	1,289	1,285
Other liabilities	5	5	5
	<b>797</b>	<b>1,294</b>	<b>1,290</b>
<b>Current liabilities</b>			
Bond issue	500	-	-
Liabilities to Group companies	3	70	1
Other liabilities	239	363	232
	<b>742</b>	<b>433</b>	<b>233</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,836</b>	<b>3,972</b>	<b>3,168</b>



## Quarterly review - 8 quarters

### The Group

	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
Net turnover, SEK M	6,119	6,956	6,874	7,426	6,805	8,403	7,450	6,777
Operational earnings, SEK M	221	296	238	306	280	415	279	335
Operational margin, %	3.6	4.3	3.5	4.1	4.1	4.9	3.7	5.0
Operating profit, SEK M	201	272	211	280	264	370	255	293
Operating margin, %	3.3	3.9	3.1	3.8	3.9	4.4	3.4	4.3
Profit before tax, SEK M	197	267	192	251	237	334	219	266
Profit/loss for the period, SEK M	158	214	154	203	188	262	167	213
The ratio of net debt to EBITDA excl. IFRS 16, times <sup>1)</sup>	1.1	1.3	1.1	1.4	1.1	1.3	1.2	0.2
Return on capital employed, % <sup>1)</sup>	21.1	20.5	18.3	16.6	16.0	15.8	15.0	15.1
Return on equity, % <sup>1)</sup>	26.6	26.5	26.1	25.7	25.9	26.5	26.5	26.1
Equity/assets ratio, %	25	24	21	19	21	20	22	24
<b>Data per share (SEK) <sup>2)</sup></b>								
Earnings/loss for the period	1.55	2.10	1.50	2.05	1.85	2.60 <sup>3)</sup>	1.65 <sup>4)</sup>	2.15 <sup>4)</sup>
Equity	27	29	31	28	30	32 <sup>4)</sup>	33 <sup>4)</sup>	35 <sup>4)</sup>

<sup>1)</sup> Rolling 12 months.

<sup>2)</sup> Based on number of shares outstanding, 100,950,952.

<sup>3)</sup> Based on weighted average number of shares outstanding during fourth quarter, 100,585,602.

<sup>4)</sup> Based on number of shares outstanding, 100,133,742.

### Business area – Service Business

	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
Turnover, SEK M	1,405	1,790	1,704	1,750	1,570	2,028	1,796	1,622
Operational earnings, SEK M	137	251	218	217	195	315	263	281
Margin, %	9.8	14.0	12.8	12.4	12.4	15.6	14.7	17.3
Adjusted turnover, growth in %	2.1	4.3	6.4	2.0	7.1	10.9	7.5	-2.0

### Business area – Car Business

	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
Turnover, SEK M	4,655	5,238	5,214	5,654	5,233	6,577	5,783	5,157
Operational earnings, SEK M	81	75	24	102	86	136	18	56
Margin, %	1.7	1.4	0.5	1.8	1.6	2.1	0.3	1.1
New cars delivered, number	9,672	12,378	11,336	13,078	9,858	14,398	10,814	8,685
Order backlog of new cars, number	9,880	9,646	12,385	11,579	13,083	11,767	13,579	12,848
Used cars delivered, number	12,358	11,153	11,956	12,906	12,965	12,537	13,377	12,788

### Business area – Fuel Business

	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
Turnover, SEK M	339	327	307	362	338	331	290	257
Operational earnings, SEK M	5	5	11	6	6	2	5	8
Margin, %	1.5	1.4	3.6	1.5	1.9	0.4	1.9	3.0

## Definitions and performance measures

Bilia applies guidelines from ESMA (European Securities and Markets Authority) concerning alternative performance measures (APMs). Even though these performance measures are not defined or specified by IFRSs, Bilia believes that they provide valuable information to investors and Bilia's management as a complement to IFRSs for assessing Bilia's performance.

**Return on equity** Net profit for the year in relation to average equity.

**Return on capital employed** Operating profit plus interest expense included in the business and financial income in relation to average capital employed.

**Amortisation of surplus values** Occurs in connection with acquisitions of operations and is recognised under intangible assets. Normally these surplus values are amortised over a 10-year period.

**EBITDA** Operational earnings plus total depreciation/amortisation less amortisation of surplus values and depreciation of leased vehicles with repurchase agreements.

**Excluding IFRS 16** Information excluding the new accounting standard IFRS 16 Leases which means comparable information with previous years according to IAS 17 Leases.

**Acquisition-related costs and value adjustments** Pertains to costs for legal consultants and other external costs associated directly with an acquisition, and value adjustments regarding acquired inventory assets, which are depreciated over the turnover rate of the asset.

**Adjusted turnover** Net turnover is adjusted for operations that have been acquired or disposed of during one of the periods. Adjustment is also made for exchange rate differences and for calendar effect. Adjusted turnover reported under *Quarterly review – 8 quarters for the Service Business* relates to Sweden and Norway.

**Comparable operations** Financial information and number of units that are adjusted for operations that have been acquired or disposed of during one of the periods.

**Deliveries** Cars that have been physically turned over to the customer and invoiced and are included in reported net turnover.

**Liquidity** Unutilised credit with Nordea and DNB and cash and cash equivalents.

**Net debt** Net debt consists of interest-bearing liabilities less cash and cash equivalents, interest-bearing current and long-term receivables, interests in associated companies and leased vehicles, long-term.

**The ratio of net debt to EBITDA** Net debt in relation to EBITDA.

**Operating cash flow** Cash flow from operating activities plus investments in and disposals of intangible assets and property, plant and equipment.

**Operational margin** Operational earnings in relation to net turnover. For the business areas the operational margin is called “Margin”.

**Operational earnings** Operating profit, excluding revenues and costs that affect comparability between accounting periods and/or operating segments. They include, but are not limited to, acquisition-related expenses, value adjustments, restructurings and amortisation of surplus values. For the business areas operational earnings are the only result measurement.

**Order backlog** New cars ordered by the customer but not yet delivered.

**Gain from sale of operation** Difference between purchase consideration and the operation’s consolidated carrying amount, less selling costs.

**Operating margin** Operating profit in relation to net turnover.

**Equity/assets ratio** Equity in relation to balance sheet total.

**Structural costs** Costs that significantly alter the thrust and/or scope of the operation. Examples of structural costs may be costs for reducing the number of employees and costs for vacating a leased facility before the expiration of the lease.

**Capital employed** Balance sheet total less non-interest-bearing current liabilities and provisions as well as deferred tax liabilities.

**Growth** Increase or decrease of net turnover in relation to the preceding year.

**Underlying values** Values that are adjusted for operations that have been acquired or disposed of during one of the periods. Adjustment is made for exchange rate differences, where applicable.

Reconciliation of performance measures can be found at [biliasite.com/en/investors/financial-information/](https://biliasite.com/en/investors/financial-information/)

## Additional Bilia disclosures

### Press and analyst meeting

On Wednesday, 29 July 2020, Bilia is hosting press and analyst meetings where Managing Director and CEO Per Avander and CFO Kristina Franzén will present the interim report and answer questions. There will be a meeting in Swedish at 09:00 CEST and a meeting in English at 14:00 CEST. These are telephone meetings and the telephone number for phoning in is +46 (0)8 22 90 90, code 674445.

### Contact

#### **For further information please contact:**

Per Avander, Managing Director and CEO, +46 (0)10 497 70 00, [per.avander@bilia.se](mailto:per.avander@bilia.se)  
Kristina Franzén, CFO, +46 (0)10 497 73 40, [kristina.franzen@bilia.se](mailto:kristina.franzen@bilia.se)

### Calendar

Interim report July-September 2020: 28 October 2020  
Year-end report for full year 2020: 11 February 2021  
Interim report January-March 2021: 27 April 2021  
Annual General Meeting: 27 April 2021

### Audit

This report has not been subjected to special examination by the auditors.

### Prospective information

Prospective information in this report is based on management's expectations at the time of the report. Even if the Board of Directors and management find the expectations to be reasonable, there is no guarantee that these expectations are or will turn out to be correct. Consequently, future outcomes may vary considerably compared with those foreseen in the prospective information due to such circumstances as a changed market situation for the Group's services or more generally changed conditions relating to the economy, markets and competition, changes in legal requirements and other political measures, as well as fluctuations in exchange rates. The company does not undertake to update or correct such prospective information other than what is stipulated by law.

## Declaration

This interim report provides a true and fair summary of the Parent Company's and Group's activities, financial position and results of operations while describing significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

Gothenburg, 29 July 2020

Mats Qviberg  
*Chairman*

Jan Pettersson  
*Deputy chairman*

Ingrid Jonasson Blank  
*Board member*

Gunnar Blomkvist  
*Board member*

Anna Engebretsen  
*Board member*

Eva Eriksson  
*Board member*

Mats Holgerson  
*Board member*

Nicklas Paulson  
*Board member*

Jon Risfelt  
*Board member*

Dragan Mitrasinovic  
*Board member appointed  
by employee organisation*

Patrik Nordvall  
*Board member appointed  
by employee organisation*

Per Avander  
*Managing Director*

Gothenburg, 29 July 2020  
Bilia AB (publ)  
Board of Directors and Managing Director

This is information that Bilia AB (publ) is obliged to make public pursuant to the EU's Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out above, on 29 July 2020, at 08:30 CEST.



**Bilia** is one of Europe's largest car dealership chains, with a leading position in servicing and sales of cars and transport vehicles plus supplementary services such as financing and insurance. Bilia has about 140 facilities in Sweden, Norway, Germany, Luxembourg and Belgium plus two online auction sites, one in Sweden and one in Norway.

**Bilia's Service Business** comprises a well-developed range of services and service concepts that are continuously developed to simplify car ownership for the customers. The Service Business comprises workshop services, spare parts, store sales and e-commerce.

**Bilia's Car Business** comprises sales of both new and used cars and transport vehicles, plus supplementary services such as financing and insurance. Bilia sells cars from Volvo, BMW, Toyota, Renault, Lexus, MINI, Dacia and Alpine and transport vehicles from Renault, Toyota and Dacia.

**Bilia's Fuel Business** comprises fuel sales and car washes.



Bilia AB (publ)  
Box 9003, SE-400 91 Gothenburg, Sweden  
Visiting address: Norra Långebergsgatan 3, Västra Frölunda  
Telephone: +46 (0)10 497 70 00  
bilia.com  
Corporate ID No.: 556112-5690