



Full-Year Report 1 Jan – 31 Dec 2021

Strong result for the quarter, record result for the full year

Fourth quarter 2021

- Net turnover amounted to SEK 8,634 M (8,382), an increase of 3 per cent.
- Operational earnings amounted to SEK 588 M (577).
- The result for the Service Business remained strong.
- Operating profit amounted to SEK 447 M (441).
- Profit for the period amounted to SEK 349 M (323) and earnings per share to SEK 3.60 (3.25).
- Operating cash flow amounted to SEK 347 M (–5).

Events after the balance sheet date

- Since the end of the quarter, Bilia has announced the divestment of the four remaining facilities in Germany.

Full year 2021

- Net turnover amounted to SEK 35,509 M (30,168), an increase of 18 per cent.
- Operational earnings amounted to SEK 2,142 M (1,593).
- Operating profit amounted to SEK 1,925 M (1,364).
- Profit for the period amounted to SEK 1,457 M (984) and earnings per share to SEK 14.90 (9.85).
- Operating cash flow amounted to SEK 1,814 M (2,872).
- The Board proposes an ordinary dividend of SEK 8.00 (6.00) to be paid in four instalments of SEK 2.00 per share.

SEK M	Fourth quarter		Full year	
	2021	2020	2021	2020
The Group				
Net turnover	8,634	8,382	35,509	30,168
Operational earnings ¹⁾	558	577	2,142	1,593
Operational margin, %	6.5	6.9	6.0	5.3
Operating profit	447	441	1,925	1,364
Operating margin, %	5.2	5.3	5.4	4.5
Profit before tax	424	422	1,830	1,260
Net profit for the period	349	323	1,457	984
Earnings per share, SEK ²⁾	3.60	3.25	14.90	9.85

¹⁾ For reconciliation of operational earnings with operating profit, see Note 3.

²⁾ 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

- Strong result for the Service Business
- Higher result for used cars
- Highest order backlog ever for new cars



Strong results for the fourth quarter

Operational earnings for the fourth quarter amounted to SEK 558 M, with a margin of 6.5 per cent. The result for the Service Business remained strong and amounted to SEK 377 M, which was on a par with last year. The Car Business's result was lower than last year, primarily due to fewer deliveries of new cars as a result of component shortages. The order backlog for new cars was once again the highest ever at 22,755 cars, which we will deliver in 2022. The result from sales of used cars was pleasingly once again higher than last year, by SEK 26 M, amounting to SEK 122 M.

Strategic focus on used cars

Our strategic initiative focusing on used cars of all brands over three years old, Bilia Outlet, has strengthened our business in used cars. We now have ten stand-alone facilities in Sweden and Norway. For the full year 2021, Bilia's overall result from sale of used cars amounted to SEK 573 M, the highest result ever for a year and an improvement of SEK 276 M on the previous year. We expect the shortage of components in the automotive industry to continue in 2022 and therefore anticipate continued high demand for used cars.

The world is changing – and so are we

To remain successful, we are continuing to make the most of new business opportunities. Through our growth strategy, we are strengthening our profitability and creating long-term value for our customers, shareholders and employees.

We have acquired six companies during the year, thus adding new car brands to the Bilia family: we are delighted to welcome Porsche, Mercedes, Nissan and Smart. Our acquisitions have brought a new business area, heavy trucks, as well as geographic expansion into northern Sweden, which is a region of interest given the investments under way there. We have also added new services in wheels, rims and related storage with the acquisition of Felgteknikk AS and City Däck Öresund AB. During the year, we were delighted to reach an agreement with Volvo Cars regarding future collaboration, which means we can now put the November 2020 termination of the dealer agreements behind us. Moving forward, Bilia will sell and service Volvo cars at 44 facilities in Sweden and Norway, and we look forward to working alongside Volvo to deliver a seamless customer experience.

On 1 February 2022 we divested our remaining four facilities in Germany, following a decision to phase out operations there as profitability goals were not being met. We do however want to continue growing and investing in our business in Western Europe, mainly in Belgium and Luxembourg, which reported an operating margin of 4.0 per cent for the year. Also other countries in Western Europe may be of interest to us moving forward.

We are of course proud and delighted to report Bilia's highest ever annual results in 2021, and wish to express our gratitude to everyone in the Bilia family.

Per Avander, Managing Director and CEO

Group results

Net turnover and earnings

Fourth quarter 2021

Net turnover amounted to SEK 8,634 M (8,382). For comparable operations and adjusted for exchange rate fluctuations, net turnover decreased by 11 per cent. Exchange rate fluctuations did not have a material impact on net turnover for the quarter.

Operating profit amounted to SEK 447 M (441). Operating profit for the fourth quarter of 2021 included structural costs of SEK 37 M, primarily attributable to the divestment of the remaining four facilities in Germany, as well as a write-down of intangible assets in Norway of SEK 35 M. In the fourth quarter of 2020, operating profit was burdened by structural costs of SEK 112 M, which can mainly be attributed to Volvo Cars' termination of Bilia's dealer agreements and the closure of three facilities in Germany.

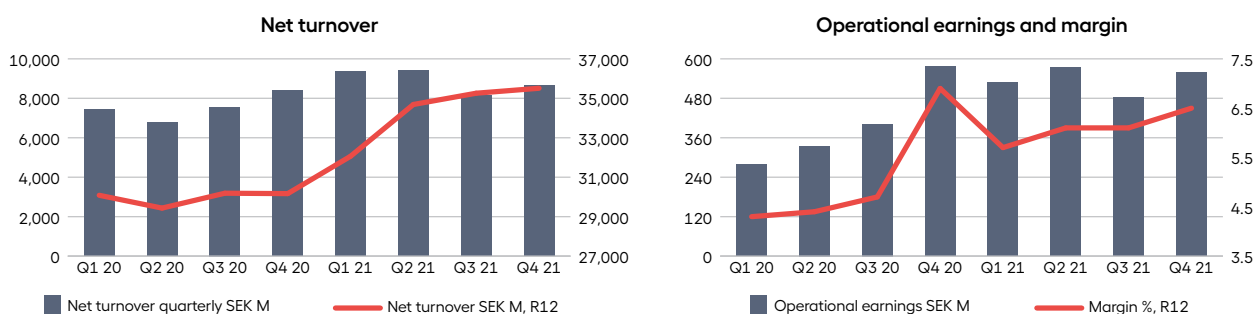
Operational earnings amounted to SEK 558 M (577), and the operational margin was a strong 6.5 per cent (6.9).

The **Service Business** reported a result of SEK 377 M, which was on a par with last year. The **Car Business** reported a result of SEK 207 M, which was SEK 27 M lower than last year, attributable to sales of new cars. The **Fuel Business** reported a result that was on a par with last year.

Profit levels and customer satisfaction during the quarter have resulted in a provision totalling SEK 6 M (8) being made for employee bonuses in Sweden.

The Group's underlying overheads were around 3 per cent higher compared with last year. Overheads amounted to 13.2 per cent of net turnover, which was 1.9 percentage points higher than last year.

The operation in **Sweden** reported a result of SEK 425 M (412). The margin was 8.2 per cent (8.2). The operation in **Norway** reported a result of SEK 144 M (176). The margin was 5.3 per cent (7.5). The operation in **Western Europe** reported a result of SEK 23 M (29). The margin was 3.2 per cent (2.8). For Sweden, the higher result was mainly attributable to the Service Business, while the Car Business reported a lower result. In Norway the lower result was attributable to both the Service Business and the Car Business.



Operating result for the **Parent Company** during the quarter amounted to SEK –33 M (–33).

Profit for the period amounted to SEK 349 M (323). Earnings per share amounted to SEK 3.60 (3.25). Exchange rate fluctuations did not have a material impact on profit for the period compared to last year.

The **number of employees** increased by 86 during the quarter and totalled 5,331.

Full year 2021

Net turnover amounted to SEK 35,509 M (30,168). For comparable operations and adjusted for exchange rate fluctuations, net turnover increased by approximately 10 per cent. Exchange rate fluctuations affected net turnover positively by approximately SEK 75 M.

Operating profit amounted to SEK 1,925 M (1,364). **Operational earnings** amounted to SEK 2,142 M (1,593), and the operational margin was 6.0 per cent (5.3).

The **Service Business** reported a continued strong result that was SEK 1,279 M or 11 per cent higher than last year. The **Car Business** reported a result of SEK 938 M, which was SEK 461 M higher than last year, attributable to sales of used and new cars. The **Fuel Business** reported a result that was SEK 8 M higher than last year.

During the first six months of the year, operations were restricted somewhat due to the COVID-19 pandemic, and we had measures in place to reduce the risk of the spread of COVID-19 at all our facilities. The Group's personnel expenses during the year decreased by SEK 2 M thanks to financial support for furloughs.

Profit levels and customer satisfaction during the period resulted in a provision totalling SEK 27 M (25) being made for employee bonuses in Sweden.

The Group's underlying overheads were around 4 per cent higher compared with last year. Overheads amounted to 11.3 per cent of net turnover, which was 0.3 percentage points lower than last year.

The operation in **Sweden** reported a result of SEK 1,418 M (1,178). The margin was 6.9 per cent (6.4). The operation in **Norway** reported a result of SEK 757 M (444). The margin was 6.7 per cent (5.5). The operation in **Western Europe** reported a result of SEK 79 M (41). The margin was 2.1 per cent (1.1). For all operations, the higher results were mainly attributable to the Car Business, but the Service Business also reported higher results. The operating result for the **Parent Company** amounted to SEK –113 M (–76), and was negatively affected by SEK 23 M compared to last year on revaluation of endowment insurances for pensions.

The result for the period amounted to SEK 1,457 M (984). Earnings per share amounted to SEK 14.90 (9.85). Exchange rate fluctuations did not have a material impact on profit for the period.

The **number of employees** increased by 685 during the year and amounted to 5,331. Adjusted for acquired operations, the number of employees increased by 20.

Net turnover by geographic market

SEK M	Fourth quarter		Full year	
	2021	2020	2021	2020
Sweden	5,165	5,013	20,542	18,313
Norway	2,739	2,362	11,250	8,013
Western Europe	722	999	3,689	3,816
Parent Company, other	8	8	28	26
Total	8,634	8,382	35,509	30,168

Operational earnings by geographic market

SEK M	Fourth quarter		Full year	
	2021	2020	2021	2020
Sweden	425	412	1,418	1,178
Norway	144	176	757	444
Western Europe	23	29	79	41
Parent Company, other	-34	-40	-112	-70
Total	558	577	2,142	1,593

Operational margin by geographic market

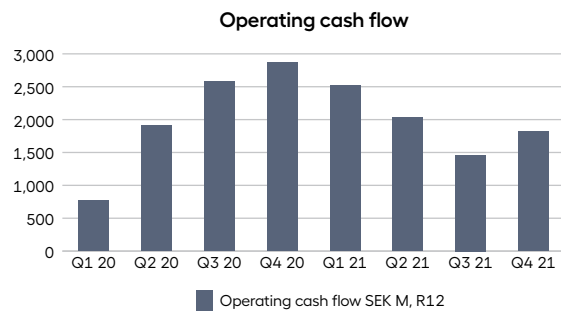
Per cent	Fourth quarter		Full year	
	2021	2020	2021	2020
Sweden	8.2	8.2	6.9	6.4
Norway	5.3	7.5	6.7	5.5
Western Europe	3.2	2.8	2.1	1.1
Parent Company, other	—	—	—	—
Total	6.5	6.9	6.0	5.3

Net financial items and tax

Net financial items for the fourth quarter amounted to SEK -23 M (-19). Tax for the fourth quarter amounted to SEK -75 M (-99), and the effective tax rate was 18 per cent (23).

Operating cash flow

Operating cash flow for the fourth quarter amounted to SEK 347 M (-5). After acquisitions and disposals of operations and changes in financial assets, cash flow for the fourth quarter amounted to SEK 344 M (-165).



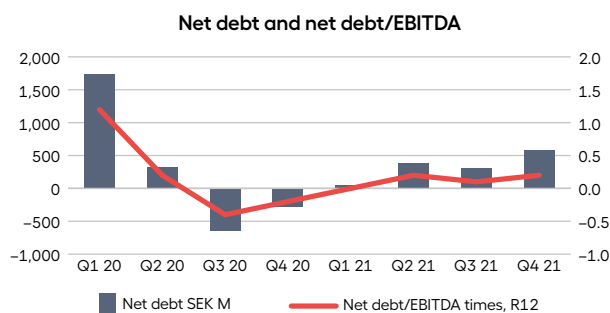
Financial position

The **balance sheet total** increased by SEK 784 M during the year and amounted to SEK 17,200 M. The increase was mainly attributable to acquired operations and higher right-of-use assets related to leased facilities.

Equity increased by SEK 449 M during the year and amounted to SEK 4,417 M. A dividend of SEK 587 M has been paid to shareholders. During the year, 3,552,839 shares were bought back for a total purchase price of SEK 517 M. On acquiring operations, 309,202 own shares valued at SEK 45 M were used in part payment, and 106,557 own shares were distributed to participants in Bilia's share savings programme from 2018. Following the buy-back and utilisation of own shares, the total number of own shares on 31 December 2021 was 7,023,290. These repurchased shares were acquired at an average price of SEK 118 per share.

The **equity/assets ratio** amounted to 26 per cent (24).

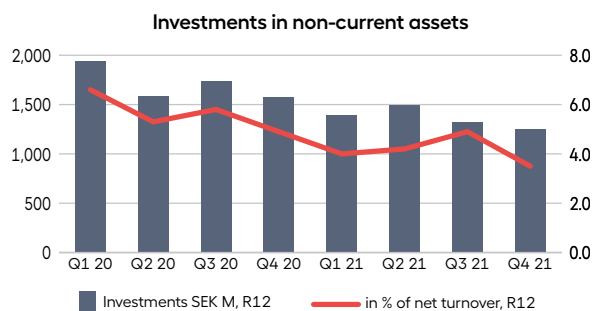
Net debt increased during the year by SEK 1,919 M and amounted to SEK 4,252 M. The increase is primarily explained by higher lease liabilities under IFRS 16, attributable to new rental contracts, acquisitions of operations and the buy-back of shares. Excluding lease liabilities attributable to IFRS 16, net debt amounted to SEK 582 M, an increase of SEK 860 M since December 2020. The ratio of net debt to EBITDA excluding IFRS 16 was 0.2 compared with -0.2 (minus due to positive net debt) at the end of the year.



Liquidity remained good, and at the end of the period a receivable of SEK 550 M (1,824) 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 fourth quarter amounted to SEK 84 M (90) excluding lease vehicles and SEK 337 M (405) including lease vehicles. Replacement investments represented SEK 6 M (23), expansion investments SEK 37 M (27), environmental investments SEK 1 M (2), investments in new construction and additions to properties SEK 23 M (28), finance leases SEK 17 M (10), and lease vehicles SEK 253 M (315).



Investments in non-current assets by geographic market

SEK M	Fourth quarter		Full year	
	2021	2020	2021	2020
Sweden	234	365	995	1,306
Norway	53	-12	126	159
Western Europe	22	25	50	37
Parent Company, other	28	27	86	70
Total	337	405	1,257	1,572

Notable events

Events during the fourth quarter

- On 1 October Bilia reached an agreement in principle with Volvo Car Sverige AB and Volvo Car Norway AS regarding future collaboration and its main conditions. The agreement essentially means that Bilia will be authorised to sell new Volvo cars and conduct service operations at 34 facilities in Sweden and 10 in Norway. As a result of this agreement, Bilia has signed a binding letter of intent to sell four facilities in Skaraborg to Bröderna Brandt Personbilar AB. The transaction is expected to take place on 1 January 2022. The facility in Uppsala will be sold to a third party, and the transaction is expected to take place on 1 July 2022. Negotiations regarding the sale and assessment of alternative operations are under way for four smaller facilities in Bergslagen. Bilia will not be granted authorisation for a further three facilities in Sweden, and Bilia therefore intends to conduct other business at these sites. In Norway, under an agreement with Volvo Car Norway AS, three facilities in the Oslo area will be sold to the newly established company Volvo Car Stor-Oslo AS as of 1 July 2022. The facilities Bilia intends to sell or replace with another operation have conducted sales of new cars, used cars and service operations for Volvo, and in Sweden also partly for Renault. On average over the past three years, these facilities have reported a combined net turnover of SEK 6,200 M and an operating profit of approximately SEK 280 M. All transfers are subject to approval from the Swedish and Norwegian competition authorities.
- On 6 October Bilia, as part of the agreement in principle on future collaboration between Volvo Cars and Bilia on 1 October 2021, signed a binding letter of intent to sell four facilities in Bergslagen to Bilkompaniet i Dalarna AB.
- On 26 October the Board of Bilia AB, backed by the authorisation from the AGM on 27 April 2021, decided to buy back a maximum of 1,000,000 of its own shares. The main aim of the buy-back programme was to afford the company flexibility regarding its equity, and thereby enable it to optimise the company's capital structure.
- On 1 December and as part of its agreement with Volvo Cars dated 1 October 2021, Bilia reached an agreement to sell three facilities in Norway, in the Oslo region, to the newly established company Volvo Car Stor-Oslo AS.
- On 2 December the Board of Bilia AB, backed by the authorisation from the AGM on 27 April 2021, decided to buy back a maximum of 4,000,000 of its own shares. The main aim of the buy-back programme is to optimise the company's capital structure. Once the 4,000,000 shares have been bought back, the AGM's authorisation will have been exercised. The Board intends to propose to the AGM on 7 April 2022 that repurchased shares be cancelled. The Board of Bilia also intends, based on the interim report for the third quarter, to propose to the AGM on 7 April 2022 a dividend totalling SEK 8 per share, to be paid in four instalments of SEK 2 per instalment.
- On 7 December and as part of its agreement with Volvo Cars dated 1 October 2021, Bilia reached an agreement to sell four facilities in Bergslagen, Sweden to Bilkompaniet i Dalarna AB.
- On 13 December and as part of its agreement with Volvo Cars dated 1 October 2021, Bilia reached an agreement to sell a facility in Uppsala, Sweden to Bilbolaget Invest Sundsvall AB.
- On 14 December, Bilia announced that Bilia Outlet will open a further three facilities for sales of used cars in Trollhättan, Akalla, and Värnhem in Malmö. From the beginning of 2022, Bilia will have eight facilities in Sweden, primarily in the city regions of Stockholm, Gothenburg and Malmö, and two facilities in Norway, in Oslo and Trondheim.
- On 20 December, Bilia announced that Bilia AB shares will trade on Nasdaq Large Cap from 3 January 2022.

Events during the first nine months

- On 25 January, Bilia reached an agreement and acquired 80 per cent of the shares in Felgteknikk Norge AS. The company is a small family-run business that recently moved into a new facility with modern production equipment. As its next step, Bilia intends to expand the rim repair business into Sweden.
- On 26 February, Bilia reached an agreement to acquire an authorised Porsche dealer providing sales and servicing operations for Porsche cars at two sites in southern Sweden – Porsche Center Malmö and Porsche Center Helsingborg. The acquisition includes the properties where these activities take place. In 2020, the acquired operations had a total turnover of approximately SEK 980 M and an operating profit of approximately SEK 60 M. The number of employees amounts to approximately 40. The equity in the operation plus agreed surplus value amounted to approximately SEK 320 M. The takeover of the two real estate companies will take place with a value of approximately SEK 130 M. The Bilia Group's capital employed and net debt were expected to increase by around SEK 450 M due to the acquisition. Approximately 10 per cent of the purchase price will consist of Bilia's own shares. The change of ownership was expected to take place on 3 May 2021.
- On 13 April, Bilia reached an agreement to acquire Funnemark AS and Funnemark Sandefjord AS in Norway, which provide sales and servicing operations for Toyota cars in Vestfold, Telemark, and Viken county in Norway. The acquisition concerns five of seven facilities. In 2020, the acquired operations had a total turnover of approximately NOK 1,200 M and an operating profit of approximately NOK 60 M. The number of employees amounts to approximately 150. The equity in the operation plus agreed surplus value amounted to approximately NOK 320 M. The Bilia Group's capital employed and net debt are expected to increase by around SEK 400 M due to the acquisition. The change of ownership was expected to take place on 30 April 2021.
- On 23 April Bilia agreed to acquire an authorised Mercedes dealer, Upplands Motor Stockholm AB, which sells and services Mercedes cars, transport vehicles and heavy trucks at four facilities in the Stockholm area. In 2020, the acquired operation had a turnover of approximately SEK 1,200 M and an operating profit of approximately SEK 48 M. The number of employees amounts to approximately 250. The equity in the operation plus agreed surplus value amounted to approximately SEK 220 M. The Bilia Group's capital employed and net debt were expected to increase by around SEK 350 M due to the acquisition. The change of ownership was expected to take place on 1 July 2021.
- On 18 May the Board of Bilia AB, backed by the authorisation from the AGM on 27 April 2021, decided to buy back a maximum of 1,000,000 of its own shares. The main aim of the buy-back programme was to afford the company flexibility regarding its equity, and thereby enable it to optimise the company's capital structure.
- On 25 May Bilia agreed to acquire BilDahl AB, an authorised dealer with sales and servicing primarily of Mercedes, but also Nissan and Citroën. The operation is run at five facilities in northern Sweden – in Umeå, Luleå, Örnsköldsvik and Skellefteå – and encompasses Mercedes cars, transport vehicles and trucks. In 2020, the acquired operation had a turnover of approximately SEK 570 M and an operating profit of approximately SEK 18 M. The number of employees amounts to approximately 150. The agreed price for the operation was SEK 125 M on a debt- and cash-free basis, which was expected to increase Bilia Group's capital employed and net debt. The change of ownership was expected to take place on 1 July.
- On 10 June Bilia agreed to acquire City Däck Öresund AB, which sells wheels, rims and related wheel services such as wheel fitting, wheel storage, wheel changes, rim repair and wheel balancing. The operation is run at two facilities in Malmö and Vellinge. For the past two years, the acquired operation has reported average turnover of around SEK 55 M and an average operating margin of around 12 per cent. The number of employees amounts to approximately 20. The operation's equity plus agreed surplus value was SEK 55 M, which was expected to increase Bilia Group's capital employed and net debt. The change of ownership took place on the day the agreement was entered into.
- On 16 June, Bilia announced that it held 5,139,998 of its own shares, which equated to 5.0 per cent of the total number of shares and votes in the company.

Events after the balance sheet date

- On 10 January, Bilia announced that an agreement has been reached to sell the remaining four BMW/Mini facilities in Germany to Autohaus Krah + Enders GmbH & Co. KG, a BMW dealer in Germany. The sale is expected to take place on 1 February 2022 and will result in a loss of approximately SEK 30 M, which will be recognised in the fourth quarter of 2021. The business being disposed of in Germany reports turnover in the region of SEK 800 M and an operational loss of approximately SEK 30 M yearly for the past two years. The loss on disposal of the facilities will be recognised outside of operational earnings, but will burden operating profit for the fourth quarter of 2021.
- On 19 January, the Board of Bilia AB, backed by the authorisation from the AGM on 27 April 2021, decided to cancel the ongoing buy-back programme of up to 4,000,000 own shares, under which 918,635 own shares have been bought back to date, and to begin a new buy-back programme for a maximum of 3,000,000 own shares for a total amount of no more than SEK 500 M. Acquisition of own shares shall take place on Nasdaq Stockholm in accordance with the Nasdaq Stockholm Rule Book for Issuers. The buy-back programme will be implemented in accordance with Regulation (EU) No 596/2014 on market abuse (MAR) and Commission Delegated Regulation (EU) No 2016/1052 ('the Safe Harbour regulation'). The reason for the Board's decision is that the new programme is set up in line with the Safe Harbour regulation, which enables the buy-back of own shares during silent periods and when the company has an open log book. The aim of the buy-back programme is to optimise the company's capital structure.

Further information about the above-mentioned events along with other press information is available at bilias.com.

Service Business

Acquired operations contributed to growth in the Service Business

Fourth quarter 2021

- Turnover amounted to SEK 2,257 M (1,995), an increase of 13 per cent.
- Operational earnings amounted to SEK 377 M (376).
- The margin was 16.7 per cent (18.8).

Full year 2021

- Turnover amounted to SEK 7,812 M (6,971), an increase of 12 per cent.
- Operational earnings amounted to SEK 1,279 M (1,157).
- The margin was 16.4 per cent (16.6).

Turnover and earnings

Fourth quarter 2021

During the quarter, the **reported turnover** for the Service Business in Sweden and Norway increased by 15 per cent compared with last year. The increase was attributable to acquired operations. The adjusted turnover decreased by 5 per cent, mainly due to a lower number of delivered new cars in Sweden and fewer services for Polestar cars in Norway. There was the same number of working days in Germany and one more working day in our other countries of operation compared to last year.

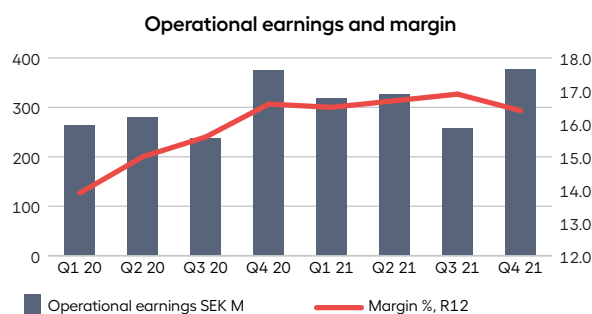
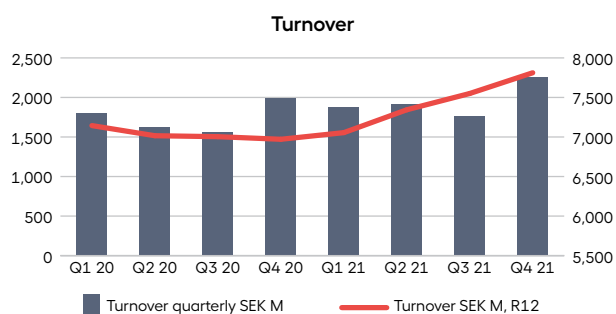
Growth in the Service Business

Change from last year, per cent	Fourth quarter			Full year		
	Sweden	Norway	Total	Sweden	Norway	Total
Reported turnover	22.7	-0.4	15.3	13.1	16.5	14.1
Underlying turnover	2.2	-16.8	-3.1	0.3	4.3	1.5
Calendar effect	-1.6	-1.6	-1.6	-0.4	0.0	-0.3
Adjusted turnover	0.6	-18.4	-4.7	-0.1	4.3	1.2

At the end of the quarter, the number of service subscriptions amounted to 125,000 (120,000 at the end of 2020) compared with our long-term goal of 130,000. The number of wheels stored on behalf of our customers amounted to 406,000 (387,000 at the end of 2020) compared with our long-term goal of 600,000.

Operational earnings during the quarter were on a par with last year.

In **Sweden**, operational earnings amounted to SEK 300 M (264), which can be attributed mainly to newly acquired operations. In **Norway** operational earnings amounted to SEK 64 M (93). A change explained mainly by fewer services for Polestar cars, which were launched during the second half of 2020. In **Western Europe**, operational earnings amounted to SEK 13 M (19).



Full year 2021

During the year, the **reported turnover** for the Service Business in Sweden and Norway increased by 14 per cent compared with last year. The increase was attributable to acquired operations. Adjusted turnover increased by 1 per cent. There were two more working days in Luxembourg, one more in Sweden and Belgium, and the same number of working days in our other countries of operation compared to last year.

Operational earnings during the year improved by SEK 122 M or 11 per cent compared with last year. The higher result was primarily attributable to acquired operations.

In **Sweden**, operational earnings amounted to SEK 915 M (831), which can be attributed mainly to newly acquired operations. In **Norway**, operational earnings amounted to SEK 310 M (273), which can be attributed mainly to more services for Polestar cars. In **Western Europe**, operational earnings amounted to SEK 54 M (53).

Service Business – Turnover by geographic market

SEK M	Fourth quarter		Full year	
	2021	2020	2021	2020
Sweden	1,519	1,237	5,087	4,498
Norway	587	590	2,168	1,862
Western Europe	151	168	557	611
Total	2,257	1,995	7,812	6,971

Service Business – Operational earnings by geographic market

SEK M	Fourth quarter		Full year	
	2021	2020	2021	2020
Sweden	300	264	915	831
Norway	64	93	310	273
Western Europe	13	19	54	53
Total	377	376	1,279	1,157

Service Business – Margin by geographic market

Per cent	Fourth quarter		Full year	
	2021	2020	2021	2020
Sweden	19.7	21.3	18.0	18.5
Norway	10.9	15.7	14.3	14.6
Western Europe	8.6	11.6	9.7	8.6
Total	16.7	18.8	16.4	16.6

Car Business

Higher results for used cars, and the highest order backlog ever for new cars

Fourth quarter 2021

- Turnover amounted to SEK 6,588 (6,627) M, a decrease of 1 per cent.
- Operational earnings amounted to SEK 207 M (234).
- The margin was 3.1 per cent (3.5).

Full year 2021

- Turnover amounted to SEK 28,335 M (23,616), an increase of 20 per cent.
- Operational earnings amounted to SEK 938 M (477).
- The margin was 3.3 per cent (2.0).

Turnover and earnings

Fourth quarter 2021

The Car Business's **deliveries** of new and used cars, adjusted for comparable operations, were 14 and 1 per cent lower respectively during the quarter compared with last year. The lower deliveries were attributable to all our countries of operation and can be explained by production disruptions among car manufacturers due to a shortage of components.

The **order intake** of new cars for the Group was 27 per cent higher than last year. Adjusted for acquired operations, the order intake was 13 per cent higher. The **order backlog** amounted to 22,775 cars, which was the highest backlog ever and around 9,300 cars more than in the previous year. Adjusted for acquired operations, the order backlog was around 7,300 cars higher than last year. The increase is partly explained by fewer incoming cars from car manufacturers, related to production disruptions caused by shortage of components.

New cars by geographic market

Number of	Deliveries				Order backlog	
	Fourth quarter		Full year		31 Dec. 2021	31 Dec. 2020
	2021	2020	2021	2020		
Sweden ¹⁾	8,218	8,646	29,238	29,065	12,451	7,051
Norway ²⁾	3,103	3,108	12,777	8,399	7,836	4,545
Western Europe ³⁾	1,045	1,505	5,769	5,844	2,488	1,862
Total	12,366	13,259	47,784	43,308	22,775	13,458

¹⁾ Acquired operations are included in deliveries during the quarter with 766 (—) and during the full year with 1,417 (—) and with 1,789 (—) in order backlog.

²⁾ Acquired operations are included in deliveries during the quarter with 252 (—) and during the full year with 807 (—) and with 571 (—) in order backlog.

³⁾ Disposed operations are included in deliveries during the quarter with — (76) and during the full year with — (364) and with — (27) in order backlog.

Deliveries of used cars by geographic market

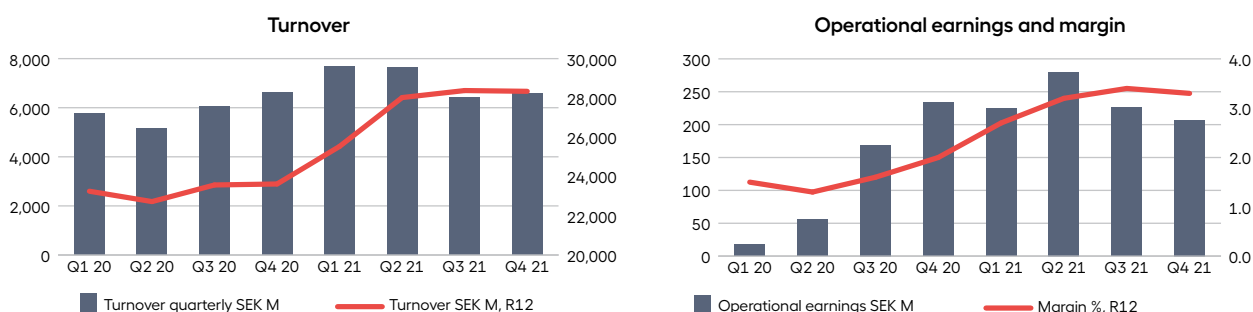
Number of	Fourth quarter		Full year	
	2021	2020	2021	2020
Sweden ^{1) 4)}	7,556	7,013	33,391	31,851
Norway ²⁾	3,071	2,403	13,267	11,668
Western Europe ³⁾	1,055	1,467	5,148	5,505
Total	11,682	10,883	51,806	49,024

¹⁾ Acquired operations are included during the quarter with 663 (—) and during the full year with 1,415 (—).

²⁾ Acquired operations are included during the quarter with 411 (—) and during the full year with 1,246 (—).

³⁾ Disposed operations are included during the quarter with — (201) and during the full year with — (776).

⁴⁾ The previous year has been recalculated.



Adjusted for comparable operations and exchange rate fluctuations, **turnover** during the quarter was approximately 14 per cent lower than last year.

Operational earnings from sales of **used** cars amounted to SEK 122 M (96). The higher result was mainly attributable to higher turnover and a higher gross profit margin compared to last year. The turnover rate of inventories of used cars has been a priority and was at a high level. The number of used cars in stock was at a low level. Operational earnings from sales of **new** cars amounted to SEK 85 M (138). The lower result was mainly attributable to lower turnover.

Operational earnings for the Car Business in **Sweden** amounted to SEK 117 M (141). The lower result was mainly attributable to sales of new cars and is primarily explained by a lower turnover. The result from sales of used cars amounted to SEK 79 M (56). The higher result was primarily attributable to higher turnover and a higher gross profit margin. The number of used cars in stock was at a low level at the end of the quarter.

Operational earnings for the Car Business in **Norway** amounted to SEK 79 M (83). The result from sales of used cars amounted to SEK 32 M (33). The number of used cars in stock was at a good level at the end of the quarter.

Operational earnings for the Car Business in **Western Europe** amounted to SEK 11 M (10). The result from sales of used cars amounted to SEK 11 M (7).

Full year 2021

The Car Business's **deliveries** of new and used cars, adjusted for comparable operations, were 6 and 2 per cent higher respectively during the year compared with last year.

The **order intake** of new cars for the Group was 27 per cent higher than last year. Adjusted for acquired operations, the order intake was 17 per cent higher.

Adjusted for comparable operations and exchange rate fluctuations, **turnover** during the year was approximately 12 per cent lower than last year.

Operational earnings from sales of **used** cars amounted to SEK 573 M (297), by far the highest ever result reported for a full year. The higher result was mainly attributable to higher turnover and a higher gross profit margin compared to last year. The turnover rate of inventories of used cars has been a priority and was at a high level. Operational earnings from sales of **new** cars amounted to SEK 365 M (180). The higher profit was primarily attributable to higher turnover.

Operational earnings for the Car Business in **Sweden** amounted to SEK 466 M (318). The higher result was mainly attributable to sales of used cars, and is explained primarily by higher turnover and gross profit margin. The result from sales of used cars amounted to SEK 344 M (192).

Operational earnings for the Car Business in **Norway** amounted to SEK 447 M (171). The higher result was attributable to sales of new and used cars and is explained by higher turnover and a higher gross profit margin. The result from sales of used cars amounted to SEK 205 M (100).

Operational earnings for the Car Business in **Western Europe** amounted to SEK 25 M (–12). The higher result was attributable to sales of new and used cars and is explained by higher turnover and a higher gross profit margin. The result from sales of used cars amounted to SEK 24 M (5).

Car Business – Turnover by geographic market

SEK M	Fourth quarter		Full year	
	2021	2020	2021	2020
Sweden	3,649	3,808	15,419	13,666
Norway	2,341	1,956	9,691	6,643
Western Europe	598	863	3,225	3,307
Total	6,588	6,627	28,335	23,616

Car Business – Operational earnings by geographic market

SEK M	Fourth quarter		Full year	
	2021	2020	2021	2020
Sweden	117	141	466	318
Norway	79	83	447	171
Western Europe	11	10	25	–12
Total	207	234	938	477

Car Business – Margin by geographic market

Per cent	Fourth quarter		Full year	
	2021	2020	2021	2020
Sweden	3.2	3.7	3.0	2.3
Norway	3.4	4.3	4.6	2.6
Western Europe	1.8	1.0	0.8	–0.4
Total	3.1	3.5	3.3	2.0

Fuel Business

Higher turnover via higher prices

Fourth quarter 2021

- Turnover amounted to SEK 349 M (259), an increase of 35 per cent.
- Operational earnings amounted to SEK 8 M (7).
- The margin was 2.3 per cent (2.9).

Full year 2021

- Turnover amounted to SEK 1,252 M (1,093), an increase of 15 per cent.
- Operational earnings amounted to SEK 37 M (29).
- The margin was 3.0 per cent (2.7).

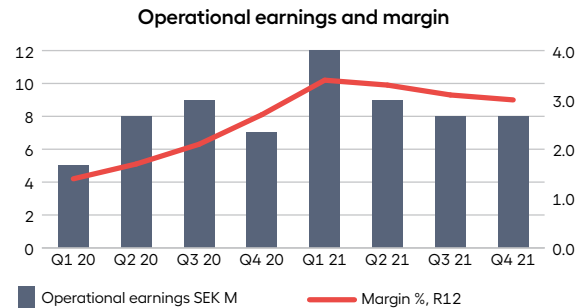
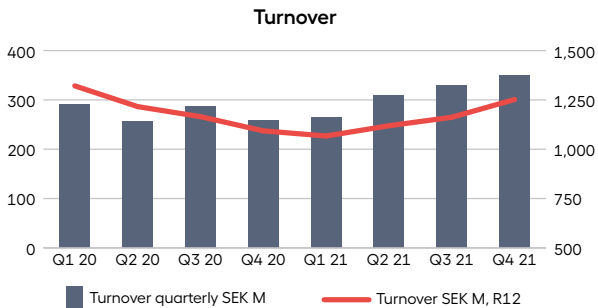
Turnover and earnings

Fourth quarter 2021

The Fuel Business encompasses fuel stations and car washes and is concentrated to Sweden. The result for the quarter amounted to SEK 8 M (7).

Full year 2021

The Fuel Business encompasses fuel stations and car washes and is concentrated to Sweden. The result for the year amounted to SEK 37 M (29).



Fuel Business – Turnover

SEK M	Fourth quarter		Full year	
	2021	2020	2021	2020
Total	349	259	1,252	1,093

Fuel Business – Operational earnings

SEK M	Fourth quarter		Full year	
	2021	2020	2021	2020
Total	8	7	37	29

Fuel Business – Margin

Per cent	Fourth quarter		Full year	
	2021	2020	2021	2020
Total	2.3	2.9	3.0	2.7

Other information

Risks and uncertainties

Through its business operation, Bilia Group is exposed to both operational and financial risks.

Business-related 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 developments. Events such as wars, 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 shortage of components available to car manufacturers may have a negative impact on Bilia's turnover.
- The ongoing COVID-19 pandemic may have a negative effect on Bilia's operations if authorities take measures that restrict the ability to do business. A negative impact may also arise if personnel are absent due to illness to such an extent that business is limited.
- Lower demand for cars could entail risks related to the current stock of cars and cars with guaranteed buy-back values.
- Risks related to authorisation agreements, since Bilia is dependent on approval from car manufacturers/ general agents to operate, expand and establish sales of new cars. If authorisation agreements are terminated by the other party, Bilia will not be allowed to conduct sales of new cars. If Bilia's vehicle suppliers become insolvent, this could entail the risk of disruptions to operations.
- 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. Last year, Volvo Cars completed the acquisition of a dealer in Sweden, through which it intends to operate.
- 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 control over IT operation could entail regulatory consequences, financial burdens, operational disruptions and an adverse impact on Bilia's reputation.
- Risks related to cyber attacks on Bilia as a company could result in operational disruption with a financial impact as a result.

Financial risks include liquidity risks, interest rate risks, credit risks and currency risk.

Bilia works continuously with risk identification and risk assessment. For further published information about the risks that affect the Group, please refer to the 2020 Annual Report.

Seasonal variations and number of working days

Bilia's business and operating profit are affected by seasonal variations to a limited extent. The number of working days for the reporting periods is affected by when national holidays fall in different years. Business and operating profit in mainly the Service Business, but also the Car Business, are affected by the number of working days.

Related party transactions

For a description of related party transactions, see page 91, "Note 32" of the 2020 Annual Report.

Parent Company

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

Annual General Meeting 2022

The Annual General Meeting will be held on 7 April 2022. Shareholders wishing to have a matter discussed at the AGM should contact Bilia by 17 February 2022 to ensure the matter is included on the agenda. The 2021 Annual Report will be published on Bilia's website biliasite.com on 17 March 2022. A notice to attend the AGM will be issued in due course.

The Board proposes a dividend of SEK 8.00 (6.00) per share, to be paid in four instalments of SEK 2.00 per share. The proposed dividend equates to SEK 766 M (587). The proposed dividend is in line with Bilia's policy that the dividend should be at least 50 per cent of the earnings per share.

Accounts – Group

Consolidated Statement of Income and Other Comprehensive Income

SEK M	Fourth quarter		Full year	
	2021	2020	2021	2020
Net turnover	8,634	8,382	35,509	30,168
Costs of goods sold	-7,002	-6,890	-29,499	-25,168
Gross profit	1,632	1,492	6,010	5,000
Other operating income	36	16	39	19
Selling and administrative expenses	-1,190	-950	-4,060	-3,507
Other operating expenses	-31	-117	-64	-148
Operating profit ¹⁾	447	441	1,925	1,364
Financial income	0	1	5	3
Financial expenses	-37	-35	-155	-153
Profit from shares in associated companies	14	15	55	46
Profit before tax	424	422	1,830	1,260
Tax	-75	-99	-373	-276
Net profit for the period	349	323	1,457	984
Other comprehensive income/loss				
<i>Items that can be reclassified to profit or loss</i>				
Translation differences attributable to foreign operations	24	-26	77	-93
Other comprehensive income/loss after tax	24	-26	77	-93
Comprehensive income for the period	373	297	1,534	891
Net profit for the period attributable to:				
Parent Company's shareholders	349	323	1,457	984
Comprehensive income for the period attributable to:				
Parent Company's shareholders	373	297	1,534	891
Weighted average number of shares, '000:				
– before dilution	96,894	99,959	97,743	100,090
– after dilution	97,012	100,065	97,807	100,190
Basic earnings/loss per share, SEK	3.60	3.25	14.90	9.85
Diluted earnings/loss per share, SEK	3.60	3.25	14.90	9.85
Weighted average number of own shares, '000	5,906	2,841	5,057	2,710
¹⁾ Straight-line amortisation/depreciation by asset class:				
– Intellectual property	-44	-30	-155	-121
– Land and buildings	-21	-19	-75	-66
– Equipment, tools, fixtures and fittings	-34	-30	-127	-115
– Leased vehicles	-134	-100	-419	-386
– Right-of-use assets	-134	-104	-494	-440
Total	-367	-283	-1,270	-1,128

Consolidated Statement of Financial Position, Summary

SEK M	31 December 2021	31 December 2020
Assets		
Non-current assets		
Intangible assets		
Intellectual property	1,003	557
Goodwill	1,175	812
	2,178	1,369
Property, plant and equipment		
Land and buildings	1,010	900
Construction in progress	26	48
Equipment, tools, fixtures and fittings	610	483
Leased vehicles	2,851	2,781
Right-of-use assets	3,686	2,649
	8,183	6,861
Long-term investments		
Financial investments ¹⁾	533	477
Long-term receivables ²⁾	—	1
	533	478
Deferred tax assets	171	131
Total non-current assets	11,065	8,839
Current assets		
Inventories, merchandise	3,781	3,743
Current receivables		
Other receivables ¹⁾	1,600	1,771
Cash and cash equivalents ²⁾	754	2,063
Total current assets	6,135	7,577
TOTAL ASSETS	17,200	16,416
Equity and liabilities		
Equity		
Share capital	257	257
Other contributed capital	167	167
Reserves	8	-69
Retained earnings including net profit for the year	3,985	3,613
Total equity	4,417	3,968
Non-current liabilities		
Bond issue ³⁾	1,296	1,292
Interest-bearing liabilities ⁴⁾	194	171
Lease liabilities ⁴⁾	3,104	2,168
Other liabilities and provisions	2,556	2,286
	7,150	5,917
Current liabilities		
Bond issue ⁴⁾	—	130
Interest-bearing liabilities ⁴⁾	366	653
Lease liabilities ⁴⁾	566	443
Other liabilities and provisions	4,701	5,305
	5,633	6,531
TOTAL EQUITY AND LIABILITIES	17,200	16,416
Assets		
¹⁾ Of which interest-bearing	524	468
²⁾ Interest-bearing	754	2,064
Liabilities		
³⁾ Of which interest-bearing	1,300	1,300
⁴⁾ Interest-bearing	4,230	3,565

Statement of Changes in Group Equity, Summary

SEK M	31 December 2021	31 December 2020
Opening balance	3,968	3,186
Cash dividend to shareholders	-587	—
Use of shares in own custody as payment in business combinations	45	—
Incentive programme	4	3
Buy-back of own shares	-517	-122
Revaluation of put option	-30	10
Comprehensive income for the year	1,534	891
Equity at end of period	4,417	3,968

Consolidated Statement of Cash Flows

SEK M	Fourth quarter		Full year	
	2021	2020	2021	2020
Operating activities				
Profit before tax	424	422	1,830	1,260
Depreciation and impairment losses	462	338	1,365	1,188
Other items not affecting cash	-31	140	-197	106
Tax paid	-31	-81	-309	-221
Change in inventories	-348	-706	378	707
Change in operating receivables	-146	-483	443	180
Change in operating liabilities	167	366	-1,523	-65
Cash flow from operating activities	497	-4	1,987	3,155
Investing activities				
Acquisition of non-current assets (intangible and tangible)	-84	-90	-285	-231
Disposal of non-current assets (intangible and tangible)	29	34	75	46
Acquisition of leased vehicles	-253	-315	-972	-1,341
Disposal of leased vehicles	158	370	1,009	1,243
Operating cash flow	347	-5	1,814	2,872
Investment in financial assets	-1	0	-2	-4
Disposal of financial assets	1	3	2	5
Acquisition of subsidiary/operation, net	-3	-170	-1,075	-170
Disposal of subsidiary/operation, net	—	7	—	12
Cash flow from investing activities	-153	-161	-1,248	-440
Cash flow after net investments	344	-165	739	2,715
Financing activities				
Borrowings	107	834	247	1,430
Repayment of loans	-240	-616	-648	-1,711
Repayment of lease liabilities	-17	-16	-69	-67
Repayment of lease liabilities IFRS 16	-124	-97	-474	-414
Buy-back of own shares	-261	-122	-517	-122
Dividend paid to the company's shareholders	-293	—	-587	—
Cash flow from financing activities	-828	-17	-2,048	-884
Change in cash and cash equivalents, excl. translation differences	-484	-182	-1,309	1,831
Exchange difference in cash and cash equivalents	-6	42	0	-4
Change in cash and cash equivalents	-490	-140	-1,309	1,827
Cash and cash equivalents at start of period	1,244	2,203	2,063	236
Cash and cash equivalents at end of period	754	2,063	754	2,063

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 2021

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

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 an income of SEK 1 M that is matched by a revenue stemming from revaluation of assets in foreign currencies. The effect on the Group’s result 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

Restructuring costs during the fourth quarter and the full year 2021 were attributable to costs for the sale of the remaining four facilities in Germany and costs for staff reductions. Structural costs in 2020 is mainly attributed to Volvo Cars' termination of Bilias dealer agreements, the closure of three of a total of seven facilities in Germany, costs for severance solutions in Sweden, Norway and Western Europe, and the relocation of an operation in Sweden. The costs related to Volvo Cars' termination of the dealer agreements was an initial assessment of the costs for restructuring our operations.

Acquisition-related expenses and value adjustments relate to costs for acquiring operations.

Amortisation and impairment losses of surplus values in the fourth quarter and the full year 2021 includes a write-down of intangible assets in Norway amounting to SEK 35 M.

SEK M	Fourth quarter		Full year	
	2021	2020	2021	2020
The Group				
Operational earnings	558	577	2,142	1,593
– Structural costs etc.	–36	–112	–39	–136
– Acquisition-related costs and value adjustments	–1	0	–12	0
– Amortisation/impairment losses of surplus values	–74	–24	–166	–93
Operating profit	447	441	1,925	1,364

Note 4 Group's operating segments

31 December 2021

SEK M	Service	Car	Fuel	Total	Segment reconciliation	Group
Net turnover						
External sales	5,894	28,335	1,252	35,481	28	35,509
Internal sales	1,918	—	—	1,918	-1,918	—
Total net turnover	7,812	28,335	1,252	37,399	-1,890	35,509
Depreciation/amortisation	-457	-740	-5	-1,202	-68	-1,270
Operational earnings/Operating profit/loss	1,279	938	37	2,254	-329	1,925
Interest income						5
Interest expenses						-155
Profit from shares in associated companies		55		55		55
Profit before tax						1,830
Tax expense for the period						-373
Net profit for the period						1,457
<i>Revenue and costs that affect comparability:</i>						
- Structural costs etc.	-26	-10	-2	-38	-1	-39
- Acquisition-related costs and value adjustments	-8	-4	—	-12	—	-12
- Amortisation/impairment losses of surplus values	-83	-83	—	-166	—	-166
Total	-117	-97	—	-216	—	-217
Assets						
Shares in associated companies		524		524		524
Deferred tax assets						171
Other assets						16,505
Total assets						17,200
Investments in non-current assets	124	1,042	5	1,171	86	1,257
Liabilities						
Equity						4,417
Liabilities						12,783
Total liabilities and equity						17,200

31 December 2021

SEK M	Service			Car		
	Sweden	Norway	Western Europe	Sweden	Norway	Western Europe
Net turnover						
External sales	3,871	1,559	464	15,419	9,691	3,225
Internal sales	1,216	609	93	—	—	—
Total turnover	5,087	2,168	557	15,419	9,691	3,225
Depreciation/amortisation	-272	-132	-53	-535	-149	-56
Operational earnings	915	310	54	466	447	25
Profit from shares in associated companies				55		
<i>Revenue and costs that affect comparability:</i>						
- Structural costs etc.	-7	-19	—	61	-37	-34
- Acquisition-related costs and value adjustments	-5	-4	1	-3	-2	1
- Amortisation/impairment losses of surplus values	-26	-35	-22	-25	-35	-23
Total	-38	-58	-21	33	-74	-56
Shares in associated companies				524		
Investments in non-current assets	97	18	9	893	108	41

31 December 2021

SEK M	Revenues from external customers	Non-current assets
Geographical segments		
Sweden	20,570	9,929
Norway	11,250	2,504
Germany	761	62
Luxembourg	1,385	560
Belgium	1,543	546
Segment reconciliation	—	-2,707
Total	35,509	10,894

31 December 2020

SEK M	Service	Car	Fuel	Total	Segment reconciliation	Group
Net turnover						
External sales	5,443	23,616	1,093	30,142	26	30,168
Internal sales	1,538	—	—	1,538	-1,538	—
Total net turnover	6,971	23,616	1,093	31,680	-1,512	30,168
Depreciation/amortisation	-389	-655	-5	-1,049	-79	-1,128
Operational earnings/Operating profit/loss	1,157	477	29	1,663	-299	1,364
Interest income						3
Interest expenses						-153
Shares in profits of associated companies		46		46		46
Profit before tax						1,260
Tax expense for the period						-276
Net profit for the period						984
<i>Revenue and costs that affect comparability:</i>						
- Structural costs etc.	-40	-90	-2	-132	-4	-136
- Acquisition-related costs and value adjustments	-1	1	—	0	—	0
- Amortisation of surplus values	-46	-47	—	-93	—	-93
Total	-87	-136	-2	-225	-4	-229
Assets						
Interests in associated companies		468		468		468
Deferred tax assets						131
Other assets						15,817
Total assets						16,416
Investments in non-current assets	117	1,381	4	1,502	70	1,572
Liabilities						
Equity						3,968
Liabilities						12,448
Total liabilities and equity						16,416

31 December 2020

SEK M	Service			Car		
	Sweden	Norway	Western Europe	Sweden	Norway	Western Europe
Net turnover						
External sales	3,554	1,370	509	13,666	6,643	3,307
Internal sales	944	492	102	—	—	—
Total turnover	4,498	1,862	611	13,666	6,643	3,307
Depreciation/amortisation	-217	-117	-55	-522	-83	-50
Operational earnings	831	273	53	318	171	-12
Shares in profits of associated companies				46		
<i>Revenue and costs that affect comparability:</i>						
- Structural costs etc.	-21	-1	-18	-78	-2	-10
- Acquisition-related costs and value adjustments	-2	—	1	—	—	1
- Amortisation of surplus values	-14	-11	-21	-13	-12	-22
Total	-37	-12	-38	-91	-14	-31
Interests in associated companies				468		
Investments in non-current assets	87	22	8	1,215	137	29

31 December 2020

SEK M	Revenues from external customers	Non-current assets
Geographical segments		
Sweden	18,339	7,525
Norway	8,013	1,716
Germany	1,009	101
Luxembourg	1,332	588
Belgium	1,475	570
Segment reconciliation	—	-1,792
Total	30,168	8,708

Note 5 Acquisitions

Ferdinand Holding Group

On 3 May Bilia acquired Ferdinand Holding AB along with associated operations and two real estate companies. Ferdinand Holding AB is an authorised Porsche dealer that conducts sales and service operations for Porsche cars at two facilities in southern Sweden, Porsche Center Malmö and Porsche Center Helsingborg.

The operations have a turnover of approximately SEK 1,000 M per year and reported an operating margin of approximately 6 per cent for 2020. The purchase consideration amounted to SEK 466 M, of which SEK 421 M was paid in cash and SEK 45 M was paid in the form of Bilia shares in own custody. There is no contingent purchase consideration. The number of employees amounted to approximately 40 people and the business will continue to be conducted from current facilities. Acquisition-related expenses attributable to the acquisition was a small amount related to fees to consultants for due diligence and have been recognised as "Other operating expenses".

The acquisition adds a new car brand to Bilia that complements Bilia's existing car brand portfolio and increases the range of customers in the, for Bilia, important region in southern Sweden.

Acquired customer relations and distribution rights totalling SEK 131 M and SEK 39 M, respectively, are recognised as intangible assets and amortised over 10 and 5 years, respectively.

Funnemark AS and Funnemark Sandefjord AS

On 30 April Bilia acquired Funnemark AS and Funnemark Sandefjord AS in Norway. The companies are authorised Toyota dealers who have conducted sales and service operations for Toyota cars at seven facilities in Vestfold, Telemark and Vikens Fylke in Norway. Bilia will conduct operations in five of the seven facilities. The five facilities that Bilia acquires are located in Porsgrunn, Notodden, Selfjord, Larvik and Sandefjord. The operations previously conducted by Funnemark AS in Kongsberg and Hokksund are divested to Bauda AS in Norway, at the same time as Bilia's acquisition took place. The acquisition does not include the properties where the business is conducted.

The operations taken over by Bilia have a turnover of approximately SEK 1,200 M per year and reported for 2020 an operating margin of approximately 5 per cent. The purchase consideration amounted to SEK 351 M and was paid in cash. There is no contingent purchase consideration. The number of employees amounted to approximately 150 people and the business will continue to be conducted from current facilities. Acquisition-related expenses attributable to the acquisition amounted to SEK 5 M and relating to fees to consultants for due diligence and have been recognised as "Other operating expenses".

The acquisition provides Bilia with additional Toyota facilities in an attractive region and complements Bilia's current Toyota operations in nearby areas. The acquisition is part of Bilia's ambition to be a significant partner for Toyota in Norway.

Acquired customer relations totalling SEK 182 M are recognised as intangible assets and amortised over 10 years.

Upplands Motor Stockholm AB

On 1 July Bilia acquired Upplands Motor Stockholm AB in Sweden. The company is an authorised Mercedes dealer, and offers sales and servicing of cars, transport vehicles and trucks at four facilities in Stockholm, Sweden. The acquisition did not include the properties where the operations take place.

The operation acquired by Bilia has a turnover of approximately SEK 1,200 M per year, and had an operating profit of SEK 48 M in 2020. The purchase price amounted to SEK 259 M and was paid in cash. In connection with the acquisition a loan amounting to SEK 105 M was repaid. There was no contingent consideration. The number of employees totalled approximately 250 people, and operations will be conducted from the current facilities also moving forward. Acquisition-related expenses linked to the acquisition amounted to SEK 4 M and relating to fees to consultants for due diligence and have been recognised as "Other operating expenses".

Mercedes complements Bilia's current car brand portfolio, and the acquisition brings Bilia a new business area – heavy trucks – in which Mercedes is a major player in Europe.

Acquired customer relations of SEK 112 M and distribution rights of SEK 33 M are recognised as intangible assets and are amortised over 10 and 5 years, respectively.

BilDahl AB

On 1 July Bilia acquired BilDahl AB. The company is an authorised dealer mainly of Mercedes, as well as Nissan and Citroën. The company offers sales and servicing of cars, transport vehicles and trucks at five facilities in northern Sweden, located in Umeå, Luleå, Örnsköldsvik and Skellefteå. For Mercedes the operation encompasses cars, transport vehicles and trucks. The acquisition did not include the properties where the operations take place.

The operation acquired by Bilia had a turnover of approximately SEK 570 M in 2020, and reported an operating profit of SEK 18 M. The purchase price amounted to SEK 117 M and was paid in cash. There was no contingent consideration. The number of employees totalled approximately 150 people, and operations will be conducted from the current facilities also moving forward.

The acquisition of BilDahl AB expands Bilia's business in the northern part of Sweden, an increasingly interesting region in terms of growth and new establishment of businesses.

Acquired customer relations of SEK 45 M is recognised as intangible assets and is amortised over 10 years.

Other acquisitions during the year

The acquisitions of Felgteknikk Norge AS and City Däck Öresund AB have not had a significant impact on the Group's financial position.

Effects of the acquisition during the full year

Acquiree's preliminary net assets at the acquisition date:

SEK M	Reported values in acquired operations	Adjustments to fair value	Reported values in the Group
Intangible assets including customer relations and distribution rights	14	559	573
Property, plant and equipment	1,259	49	1,308
Deferred tax assets	10	—	10
Inventories	352	2	354
Trade receivables and other receivables	283	—	283
Cash and cash equivalents	251	—	251
Interest-bearing liabilities	-698	—	-698
Trade payables and other liabilities	-932	—	-932
Deferred tax liability	-13	-128	-141
Net identifiable assets and liabilities	526	482	1,008
Consolidated goodwill			363
Net identifiable assets and liabilities, including goodwill			1,371
Purchase consideration paid, own shares			-45
Purchase consideration paid and repaid loan, cash			-1,326
Less: Cash and cash equivalents in acquired operation			251
Net effect on cash and cash equivalents			-1,075

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

Specification of interest-bearing net debt/receivable

SEK M	31 December 2021	31 December 2020
Current interest-bearing liabilities	366	783
Non-current interest-bearing liabilities	1,494	1,471
Lease liabilities IFRS 16	3,670	2,611
Cash and cash equivalents	-754	-2,063
Interest-bearing assets	0	-1
Shares in associated companies	-524	-468
Net debt (+)/receivable (-) at end of period/year	4,252	2,333
Net debt (+)/receivable (-) at end of period/year, excluding IFRS 16	582	-278

The ratio of net debt to EBITDA

SEK M	31 December 2021	31 December 2020
Operational earnings	2,142	1,593
Operational earnings, excluding IFRS 16	2,081	1,537
Total depreciation/amortisation	1,270	1,128
– amortisation of surplus values	-130	-93
– depreciation of right-of-use assets	-494	-440
– depreciation of leased vehicles with repurchase agreements	-340	-318
Depreciation/amortisation added back	800	717
Depreciation/amortisation added back, excluding IFRS 16	306	277
EBITDA	2,942	2,310
EBITDA, excluding IFRS 16	2,387	1,814
The ratio of net debt to EBITDA rolling 12 months, times	1.4	1.0
The ratio of net debt to EBITDA rolling 12 months, times, excluding IFRS 16	0.2	-0.2

Accounts – Parent Company

Income Statement for Parent Company

SEK M	Fourth quarter		Full year	
	2021	2020	2021	2020
Net turnover	179	127	655	545
Administrative expenses	-212	-160	-768	-621
Operating loss ¹⁾	-33	-33	-113	-76
<i>Result from financial items</i>				
Profit from shares in Group companies	-98	-77	4	-1
Interest income from Group companies	7	8	35	52
Other interest income and similar line items	1	0	3	0
Interest expenses and similar line items	-7	-13	-31	-46
Loss after financial items	-130	-115	-102	-71
Appropriations	1,020	858	1,020	858
Profit before tax	890	743	918	787
Tax	-175	-162	-156	-161
Net profit for the year	715	581	762	626
¹⁾ Straight-line amortisation/depreciation by asset class:				
- Intellectual property	0	0	0	0
- Buildings	-8	-6	-27	-23
- Equipment, tools, fixtures and fittings	-1	0	-2	-1
Total	-9	-6	-29	-24

Balance Sheet for Parent Company, Summary

SEK M	31 December 2021	31 December 2020
Assets		
Non-current assets		
Intangible assets		
Intellectual property	0	0
	0	0
Property, plant and equipment		
Buildings	187	175
Construction in progress	9	39
Equipment, tools, fixtures and fittings	11	4
	207	218
Long-term investments		
Shares in Group companies	2,424	1,528
Other securities held as non-current assets	1	1
Deferred tax asset	84	61
	2,509	1,590
Total non-current assets	2,716	1,808
Current assets		
Current receivables		
Receivables from Group companies	1,480	1,429
Other receivables	157	123
Cash on hand and demand deposits	559	1,833
Total current assets	2,196	3,385
TOTAL ASSETS	4,912	5,193
Equity and liabilities		
Equity		
Restricted equity		
Share capital	257	257
Statutory reserve	47	47
	304	304
Non-restricted equity		
Share premium reserve	167	167
Retained earnings including net profit for the year	1,111	1,404
	1,278	1,571
Total equity	1,582	1,875
Untaxed reserves	1,218	1,016
Provisions		
Deferred tax liability	14	15
	14	15
Non-current liabilities		
Bond issue	1,296	1,292
Other liabilities	165	5
	1,461	1,297
Current liabilities		
Bond issue	—	130
Liabilities to Group companies	376	555
Other liabilities	261	305
	637	990
TOTAL EQUITY AND LIABILITIES	4,912	5,193

Quarterly review – 8 quarters

The Group

	Q 1 2020	Q 2 2020	Q 3 2020	Q 4 2020	Q 1 2021	Q 2 2021	Q 3 2021	Q 4 2021
Net turnover, SEK M	7,450	6,777	7,559	8,382	9,344	9,402	8,129	8,634
Operational earnings, SEK M	279	335	402	577	528	574	482	558
Operational margin, %	3.7	5.0	5.3	6.9	5.6	6.1	5.9	6.5
Operating profit, SEK M	255	293	375	441	504	541	433	447
Operating margin, %	3.4	4.3	5.0	5.3	5.4	5.8	5.3	5.2
Profit before tax, SEK M	219	266	353	422	480	516	410	424
Profit/loss for the period, SEK M	167	213	281	323	377	406	325	349
The ratio of net debt to EBITDA excl. IFRS 16, times ¹⁾	1.2	0.2	-0.4	-0.2	0.0	0.2	0.1	0.2
Return on capital employed, % ¹⁾	15.0	15.1	16.2	16.7	19.1	21.4	21.1	20.5
Return on equity, % ¹⁾	26.5	26.1	27.4	27.5	31.6	35.0	34.2	33.8
Equity/assets ratio, %	22	24	24	24	25	24	27	26
Profit per share, SEK	1.65	2.15	2.80	3.25	3.85	4.10	3.35	3.60
Equity per share, SEK	33	35	38	40	44	44	47	46
Average number of shares, '000	100,134	100,134	100,134	99,959	98,414	98,117	97,550	96,894
Number of shares, '000	100,134	100,134	100,134	98,914	98,134	97,550	97,550	95,777

¹⁾ Rolling 12 months.

Business area – Service Business

	Q 1 2020	Q 2 2020	Q 3 2020	Q 4 2020	Q 1 2021	Q 2 2021	Q 3 2021	Q 4 2021
Turnover, SEK M	1,796	1,622	1,558	1,995	1,880	1,911	1,764	2,257
Operational earnings, SEK M	263	281	237	376	319	326	257	377
Margin, %	14.7	17.3	15.2	18.8	16.9	17.1	14.6	16.7
Reported turnover in Sweden and Norway, growth in %	7.7	-3.3	1.7	2.4	6.6	18.8	16.2	15.3
Adjusted turnover in Sweden and Norway, growth in %	7.5	-2.0	6.0	5.2	7.8	9.0	-3.8	-4.7

Business area – Car Business

	Q 1 2020	Q 2 2020	Q 3 2020	Q 4 2020	Q 1 2021	Q 2 2021	Q 3 2021	Q 4 2021
Turnover, SEK M	5,783	5,157	6,049	6,627	7,698	7,643	6,406	6,588
Operational earnings, SEK M	18	56	169	234	225	280	226	207
Margin, %	0.3	1.1	2.8	3.5	2.9	3.7	3.5	3.1
New cars delivered, number	10,814	8,685	10,550	13,259	13,718	12,518	9,182	12,366
Order backlog of new cars, number	13,579	12,848	14,492	13,458	13,741	13,495	19,603	22,775
Used cars delivered, number ¹⁾	12,416	12,345	13,388	10,948	12,275	14,043	13,806	11,682

¹⁾ Previous year has been recalculated.

Business area – Fuel Business

	Q 1 2020	Q 2 2020	Q 3 2020	Q 4 2020	Q 1 2021	Q 2 2021	Q 3 2021	Q 4 2021
Turnover, SEK M	290	257	287	259	264	309	330	349
Operational earnings, SEK M	5	8	9	7	12	9	8	8
Margin, %	1.9	3.0	2.9	2.9	4.7	2.9	2.4	2.3

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.

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.

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.

Capital employed

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

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.

EBITDA

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

Equity/assets ratio

Equity in relation to balance sheet total.

Excluding IFRS 16

Information excluding the accounting standard IFRS 16 Leases.

Gain from sale of operation

Difference between purchase consideration and the operation's consolidated carrying amount, less selling costs.

Growth

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

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.

Operating cash flow

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

Operating margin

Operating profit in relation to net turnover.

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.

Operational margin

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

Order backlog

New cars ordered by the customer but not yet delivered.

Return on capital employed

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

Return on equity

Net profit for the year in relation to average equity.

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.

The ratio of net debt to EBITDA

Net debt in relation to EBITDA.

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 bilias.com/en/investors/financial-information/

Additional Bilia disclosures

Press and analyst meeting

On Wednesday, 9 February 2022, 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 CET and a meeting in English at 13:30 CET. These are telephone meetings and the telephone number for phoning in is +46 (0)8 22 90 90, code 674445.

Contact

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Calendar

Annual General Meeting:	7 April 2022
Interim Report January - March 2022:	28 April 2022
Interim Report April - June 2022:	22 July 2022
Interim Report July - September 2022:	26 October 2022

Audit

This interim report has not been subject to review 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.

Gothenburg, 9 February 2022
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 9 February 2022, at 08:00 AM CET.

Bilia is one of Europe's largest car dealers, with a leading position in servicing and sales of cars, transport vehicles and trucks plus supplementary services such as financing and insurance. Bilia had in 2021 about 160 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. Bilia offers accessories and spare parts, original services and repairs, tyre hotels, rim repair, car glass repair along with other workshop services, store sales and e-commerce.

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

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



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