



Third quarter 2021

Once again higher result than last year for the Service and Car Businesses

Third quarter 2021

- Net turnover amounted to SEK 8,129 M (7,559), an increase of 8 per cent.
- Operational earnings amounted to SEK 482 M (402), an increase of 20 per cent.
- Profit from sales of used cars amounted to SEK 174 M, the highest ever for a single quarter.
- Profit for the period amounted to SEK 325 M (281) and earnings per share to SEK 3.35 (2.80).
- Operating cash flow amounted to SEK 582 M (1,148).
- During the quarter, Bilia completed the acquisitions of Upplands Motor Stockholm AB and BilDahl AB.

Nine months 2021

- Net turnover amounted to SEK 26,875 M (21,786), an increase of 23 per cent.
- Operational earnings amounted to SEK 1,584 M (1,016), an increase of 56 per cent.
- Profit for the period amounted to SEK 1,108 M (661) and earnings per share to SEK 11.30 (6.60).
- Operating cash flow amounted to SEK 1,467 M (2,877).

Events after the balance sheet date

- Since the end of the quarter, Bilia has reached an agreement with Volvo Cars to continue selling new cars at 44 facilities in Sweden and Norway. Binding letters of intent have been signed to sell eight Volvo/Renault facilities in Sweden.

SEK M	Third quarter		Nine months		Oct. 20– Sept. 21	Full year 2020
	2021	2020	2021	2020		
The Group						
Net turnover	8,129	7,559	26,875	21,786	35,257	30,168
Operational earnings ¹⁾	482	402	1,584	1,016	2,161	1,593
Operational margin, %	5.9	5.3	5.9	4.7	6.1	5.3
Operating profit	433	375	1,478	923	1,919	1,364
Operating margin, %	5.3	5.0	5.5	4.2	5.4	4.5
Profit before tax	410	353	1,406	838	1,828	1,260
Net profit for the period	325	281	1,108	661	1,431	984
Earnings per share, SEK ²⁾	3.35	2.80	11.30	6.60	14.55	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

- Strongest result ever for used cars
- Strong result once again in Norway
- Highest order backlog ever for new cars



Higher results for the third quarter

Our operational earnings during the third quarter amounted to SEK 482 M, an improvement of SEK 80 M or 20 per cent compared with last year. Norway continues to report strong results of SEK 171 M, an improvement of SEK 48 M. Result for the Service Business amounted to SEK 257 M which is SEK 20 M higher than last year. Result for the Car Business was SEK 226 M, an improvement of SEK 57 M, mainly attributable to sales of used cars with result of SEK 174 M, the highest ever in a single quarter. The order backlog for new cars was also the highest ever at 19,603 cars. The order backlog was also considerably higher than last year when adjusted for acquired operations.

Agreement in principle on the future with Volvo Cars

Bilia has reached an agreement in principle with Volvo Cars in Sweden and Norway to continue selling new Volvo cars at 44 facilities, 34 in Sweden and 10 in Norway. In Sweden Bilia will continue to be a dealer for new Volvo cars in the city regions of Stockholm, Gothenburg, Malmö and Västerås, while Bilia in Norway will be leaving the Oslo city area. We are very proud and delighted of this continued confidence, and look forward to working with Volvo Cars to drive the transformation process for the car dealers of tomorrow, with a focus on a modern, worry-free customer experience.

As a result of the agreement with Volvo Cars, Bilia has signed binding letters of intent to sell eight facilities, four in Skaraborg and four in Bergslagen, to two Volvo dealers. Bilia will not sell new Volvo cars at three facilities in Sweden, which means that other operations will be conducted there moving forward. Three facilities in Norway will be sold to a Norwegian Volvo dealer, and one facility in Sweden will be sold to a third party. We are delighted that experienced, well-established Volvo dealers will be taking over and managing these facilities, along with our skilled personnel.

Growth through new car brands and business areas

During the third quarter, with the acquisition of Upplands Motor Stockholm AB and BilDahl AB we welcomed nine new facilities in Sweden to the Bilia family. These facilities sell and service mainly Mercedes cars, transport vehicles and trucks, as well as Nissan. Mercedes complements Bilia's current car brand portfolio, and brings Bilia a new and exciting business area – heavy trucks – in which Mercedes is one of the largest and most successful players in Europe. 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. The facilities are located in Umeå, Luleå, Örnsköldsvik and Skellefteå.

We are proud of our strong results during the quarter, generated by both existing and new operations. The lack of access to components in the automotive industry has, however, affected access to new cars during the third quarter. As things stand, we expect the shortage of new cars to persist during the fourth quarter and into early 2022 why the demand for used cars is expected to remain on a high level.

Per Avander, Managing Director and CEO

Group results

Net turnover and earnings

Third quarter 2021

Net turnover amounted to SEK 8,129 M (7,559). For comparable operations and adjusted for exchange rate fluctuations, net turnover decreased by 4 per cent. Exchange rate fluctuations affected net turnover adversely by approximately SEK 30 M.

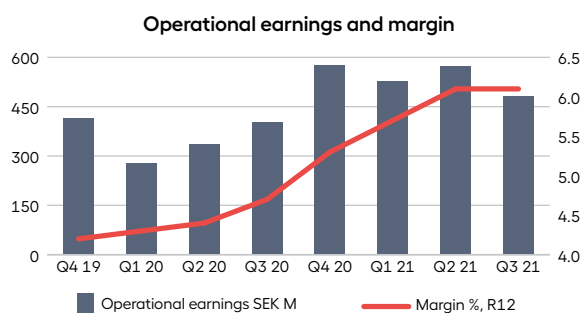
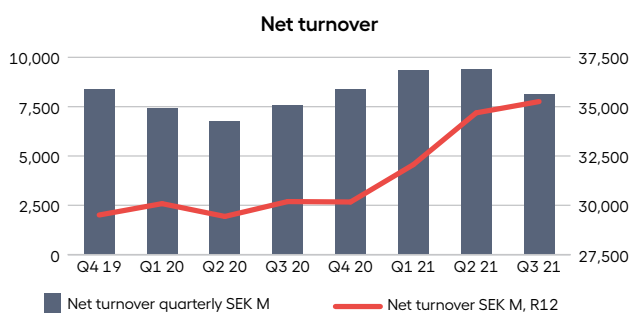
Operating profit amounted to SEK 433 M (375). **Operational earnings** amounted to SEK 482 M (402), and the operational margin was 5.9 per cent (5.3).

The **Service Business** reported a result that was SEK 20 M or 8 per cent higher than last year. The **Car Business** reported a result that was SEK 57 M higher than last year, mainly attributable to sales of used cars. The **Fuel Business** reported a result that was on par with last year.

Profit levels and customer satisfaction during the quarter have resulted in a provision totalling SEK 8 M (7) being made for employee bonuses in Sweden.

The Group's underlying overheads were around 4 per cent higher compared with last year. The cost level in 2020 was low given the cost focus begun in connection with the outbreak of COVID-19. Overheads amounted to 11.5 per cent of net turnover, which was 0.7 percentage points higher than last year.

The operation in **Sweden** reported a result of SEK 300 M (268). The margin was 6.4 per cent (6.1). The operation in **Norway** reported a result of SEK 171 M (123). The margin was 6.7 per cent (6.3). The operation in **Western Europe** reported a result of SEK 20 M (24). The margin was 2.3 per cent (2.0). For Sweden, the higher result was mainly attributable to the Service Business, but the Car Business also reported higher results. For Norway the higher profit was attributable to the Car Business. Operating loss for the **Parent Company** amounted to SEK -11 M (-19), and was positively affected by SEK 15 M compared to last year on revaluation of endowment policies for pensions.



Profit for the period amounted to SEK 325 M (281). Earnings per share amounted to SEK 3.35 (2.80). Exchange rate fluctuations impacted the period's results negatively by SEK 4 M (8) compared to last year.

The **number of employees** increased by 388 during the quarter and totalled 5,245. Adjusted for acquired operations, the number of employees decreased by 22. Compared to last year, the number of employees increased by 683, and adjusted for acquired and divested operations the number decreased by 41.

Nine months 2021

Net turnover amounted to SEK 26,875 M (21,786). For comparable operations and adjusted for exchange rate fluctuations, net turnover increased by approximately 18 per cent. Exchange rate fluctuations affected net turnover positively by approximately SEK 75 M.

Operating profit amounted to SEK 1,478 M (923). **Operational earnings** amounted to SEK 1,584 M (1,016), and the operational margin was 5.9 per cent (4.7).

The **Service Business** reported a result that was SEK 121 M or 15 per cent higher than last year, which is attributable to higher sales. The **Car Business** reported a result that was SEK 488 M higher than last year, attributable to sales of used and new cars. The **Fuel Business** reported a result that was SEK 7 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 first nine months 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 21 M (21) 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 10.8 per cent of net turnover, which was 1.0 percentage point lower than last year.

The operation in **Sweden** reported a result of SEK 993 M (766). The margin was 6.5 per cent (5.8). The operation in **Norway** reported a result of SEK 613 M (268). The margin was 7.2 per cent (4.7). The operation in **Western Europe** reported a result of SEK 56 M (12). The margin was 1.9 per cent (0.4). For all operations, the higher result were mainly attributable to the Car Business, but the Service Business also reported higher results. Operating loss for the **Parent Company** amounted to SEK -80 M (-43), and was negatively affected by SEK 23 M compared to last year on revaluation of endowment policies for pensions.

Profit for the period amounted to SEK 1,108 M (661). Earnings per share amounted to SEK 11.30 (6.60). Exchange rate fluctuations did not have a material impact on profit for the period.

The **number of employees** increased by 599 during the period and amounted to 5,245. Adjusted for acquired operations, the number of employees decreased by 53.

Net turnover by geographic market

SEK M	Third quarter		Nine months		Oct. 20– Sept. 21	Full year 2020
	2021	2020	2021	2020		
Sweden	4,706	4,418	15,377	13,300	20,390	18,313
Norway	2,548	1,945	8,511	5,651	10,873	8,013
Western Europe	869	1,191	2,967	2,817	3,966	3,816
Parent Company, other	6	5	20	18	28	26
Total	8,129	7,559	26,875	21,786	35,257	30,168

Operational earnings by geographic market

SEK M	Third quarter		Nine months		Oct. 20– Sept. 21	Full year 2020
	2021	2020	2021	2020		
Sweden	300	268	993	766	1,405	1,178
Norway	171	123	613	268	789	444
Western Europe	20	24	56	12	85	41
Parent Company, other	-9	-13	-78	-30	-118	-70
Total	482	402	1,584	1,016	2,161	1,593

Margin by geographic market

Per cent	Third quarter		Nine months		Oct. 20– Sept. 21	Full year 2020
	2021	2020	2021	2020		
Sweden	6.4	6.1	6.5	5.8	6.9	6.4
Norway	6.7	6.3	7.2	4.7	7.3	5.5
Western Europe	2.3	2.0	1.9	0.4	2.1	1.1
Parent Company, other	—	—	—	—	—	—
Total	5.9	5.3	5.9	4.7	6.1	5.3

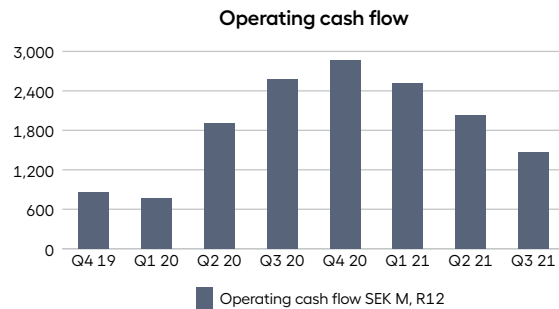
Net financial items and tax

Net financial items for the third quarter amounted to SEK –23 M (–22).

Tax for the third quarter amounted to SEK –85 M (–72), and the effective tax rate was 21 per cent (20).

Operating cash flow

Operating cash flow for the third quarter amounted to SEK 582 M (1,148). After acquisitions and divestments of operations and changes in financial assets, cash flow for the third quarter amounted to SEK 201 M (1,145).



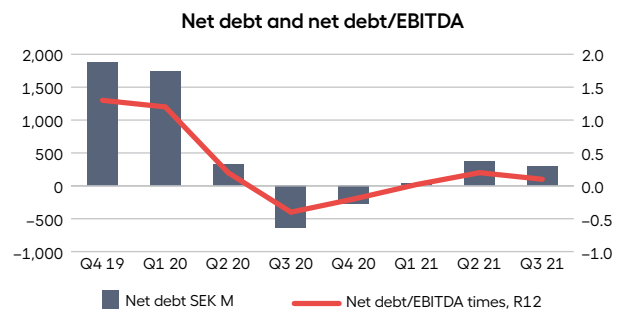
Financial position

The **balance sheet total** increased by SEK 824 M during the year to total SEK 17,240 M. The increase was primarily attributable to acquired operations and higher right-of-use assets related to leased facilities.

Equity increased by SEK 629 M during the year to total SEK 4,597 M. Dividend of SEK 294 M has been paid to shareholders. During the year, 1,780,000 shares were bought back for a total purchase price of SEK 256 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 30 September 2021 was 5,250,451.

The **equity/assets ratio** amounted to 27 (24) per cent.

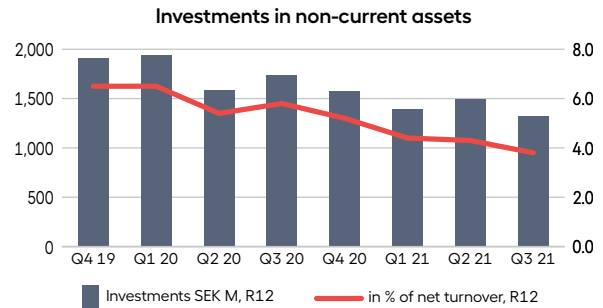
Net debt increased during the year by SEK 1,583 M to total SEK 3,916 M. The increase is primarily explained by higher lease liabilities under IFRS 16, attributable to new rental contracts and acquisitions of operations. Excluding lease liabilities attributable to IFRS 16, net debt amounted to SEK 304 M, an increase of SEK 582 M since December 2020. The ratio of net debt to EBITDA excluding IFRS 16 was 0.1 compared with –0.2 (minus due to positive net debt) at the end of last year.



Liquidity remained good, and at the end of the period a receivable of SEK 814 M (1,954) 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 third quarter amounted to SEK 68 M (34) excluding lease vehicles and SEK 204 M (372) including lease vehicles. Replacement investments represented SEK 25 M (8), expansion investments SEK 25 M (14), environmental investments SEK 3 M (0), investments in new construction and additions to properties SEK 11 M (7), finance leases SEK 4 M (5), and lease vehicles SEK 136 M (338).



Investments in non-current assets by geographic market

SEK M	Third quarter		Nine months		Oct. 20– Sept. 21	Full year 2020
	2021	2020	2021	2020		
Sweden	150	360	761	941	1,126	1,306
Norway	29	12	73	171	61	159
Western Europe	6	-10	28	12	53	37
Parent Company, other	19	10	58	43	85	70
Total	204	372	920	1,167	1,325	1,572

Notable events

Events during the third quarter

- No notable events occurred during the third quarter.

Events during the first half of the year

- 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 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 that Bilia intends to sell or replace with other operation have sold new cars, used cars and conducted service for Volvo and in Sweden partly also for Renault. These facilities have on average over the past three years together reported a net turnover of totally about SEK 6.2 bn and an operating profit of about 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. The sale relates to the facilities in Avesta, Hedemora, Fagersta and Sala. These facilities conduct sales of new cars, used cars and servicing for Volvo and Renault. The transaction is expected to take place on 1 January 2022. The transfer is subject to approval from the Swedish competition authority.
- 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.

Service Business

Acquired operations contributed to growth in the Service Business

Third quarter 2021

- Turnover amounted to SEK 1,764 M (1,558), an increase of 13 per cent.
- Operational earnings amounted to SEK 257 M (237).
- The margin was 14.6 per cent (15.2).

Nine months 2021

- Turnover amounted to SEK 5,555 M (4,976), an increase of 12 per cent.
- Operational earnings amounted to SEK 902 M (781).
- The margin was 16.2 per cent (15.7).

Turnover and earnings

Third quarter 2021

During the quarter, the **reported turnover** for the Service Business in Sweden and Norway increased by approximately 16 per cent compared with last year. The increase was attributable to acquired operations. The adjusted turnover decreased by 4 per cent, mainly due to a lower number of delivered new cars in Sweden, and fewer services for Polestar in Norway, where Polestar was launched during the third quarter of 2020. The number of working days was the same in our operating countries compared with last year.

Growth in the Service Business

Change from last year, per cent	Third quarter			Nine months		
	Sweden	Norway	Total	Sweden	Norway	Total
Reported turnover	17.4	13.5	16.2	9.4	24.3	13.6
Underlying turnover	-4.2	-2.9	-3.8	-0.4	14.4	4.1
Calendar effect	0.0	0.0	0.0	0.0	0.5	0.2
Adjusted turnover	-4.2	-2.9	-3.8	-0.4	14.9	4.3

At the end of the quarter, the number of service subscriptions amounted to 123,000 (120,000 at the turn of 2020) compared with our long-term goal of 130,000. The number of wheels stored on behalf of our customers amounted to 396,000 (387,000 at the turn of 2020) compared with our long-term goal of 600,000.



Operational earnings during the quarter improved by SEK 20 M or 8 per cent compared with last year. The higher result was primarily attributable to acquired operations.

In **Sweden**, operational earnings amounted to SEK 183 M (160), which can be attributed mainly to newly acquired operations. In **Norway**, operational earnings amounted to SEK 61 M (61). In **Western Europe**, operational earnings amounted to SEK 13 M (16), which can be attributed mainly to lower turnover.

Service Business - Turnover by geographic market

SEK M	Third quarter		Nine months		Oct. 20– Sept. 21	Full year 2020
	2021	2020	2021	2020		
Sweden	1,145	975	3,568	3,261	4,805	4,498
Norway	485	428	1,581	1,272	2,171	1,862
Western Europe	134	155	406	443	574	611
Total	1,764	1,558	5,555	4,976	7,550	6,971

Service Business - Operational earnings by geographic market

SEK M	Third quarter		Nine months		Oct. 20– Sept. 21	Full year 2020
	2021	2020	2021	2020		
Sweden	183	160	615	567	879	831
Norway	61	61	246	180	339	273
Western Europe	13	16	41	34	60	53
Total	257	237	902	781	1,278	1,157

Service Business - Margin by geographic market

Per cent	Third quarter		Nine months		Oct. 20– Sept. 21	Full year 2020
	2021	2020	2021	2020		
Sweden	16.0	16.5	17.2	17.4	18.3	18.5
Norway	12.6	14.2	15.6	14.1	15.6	14.6
Western Europe	9.7	10.1	10.1	7.5	10.5	8.6
Total	14.6	15.2	16.2	15.7	16.9	16.6

Car Business

Another new record result for used cars, and the highest order backlog ever for new cars

Third quarter 2021

- Turnover amounted to SEK 6,406 M (6,049), an increase of 6 per cent.
- Operational earnings amounted to SEK 226 M (169).
- The margin was 3.5 per cent (2.8).

Nine months 2021

- Turnover amounted to SEK 21,747 M (16,989), an increase of 28 per cent.
- Operational earnings amounted to SEK 731 M (243).
- The margin was 3.4 per cent (1.4).

Turnover and earnings

Third quarter 2021

The Car Business's **deliveries** of new and used cars, adjusted for comparable operations, were 21 and 4 per cent lower respectively during the quarter compared with last year. The lower deliveries were mainly attributable to Sweden and can be explained by production disruptions among car manufacturers due to shortage of components.

The **order intake** of new cars for the Group was 25 per cent higher than last year. Adjusted for acquired operations, the order intake was 9 per cent higher. The **order backlog** amounted to 19,603 cars, which was the highest result ever and around 5,100 cars more than in the previous year. Adjusted for acquired operations, the order backlog was around 3,300 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

	Third quarter		Deliveries Nine months		Oct. 20– Sept. 21	Full year 2020	Order backlog	
	2021	2020	2021	2020			30 Sept. 2021	30 Sept. 2020
Sweden ¹⁾	5,238	6,873	21,020	20,419	29,666	29,065	10,792	7,900
Norway ²⁾	2,750	1,730	9,674	5,291	12,782	8,399	6,854	4,658
Western Europe ³⁾	1,194	1,947	4,724	4,339	6,229	5,844	1,957	1,934
Total	9,182	10,550	35,418	30,049	48,677	43,308	19,603	14,492

¹⁾ Acquired operations are included in deliveries during the quarter with 664 (—) and during the first nine months with 774 (—) and with 1,555 (—) in order backlog.

²⁾ Acquired operations are included in deliveries during the quarter with 253 (—) and during the first nine months with 555 (—) and with 452 (—) in order backlog.

³⁾ Disposed operations are included in deliveries during the quarter with — (101) and during the first nine months with — (288) and with — (47) in order backlog.

Deliveries of used cars by geographic market

Number of	Third quarter		Nine months		Oct. 20– Sept. 21	Full year 2020
	2021	2020	2021	2020		
Sweden ¹⁾⁴⁾	8,918	8,301	25,835	24,838	32,921	31,924
Norway ²⁾	3,683	3,282	10,196	9,265	12,599	11,668
Western Europe ³⁾	1,205	1,798	4,093	4,038	5,560	5,505
Total	13,806	13,381	40,124	38,141	51,080	49,097

¹⁾ Acquired operations are included during the quarter with 684 (—) and during the first nine months with 778 (—).

²⁾ Acquired operations are included during the quarter with 462 (—) and during the first nine months with 835 (—).

³⁾ Disposed operations are included during the quarter with — (241) and during the first nine months with — (575).

⁴⁾ The previous year has been recalculated.

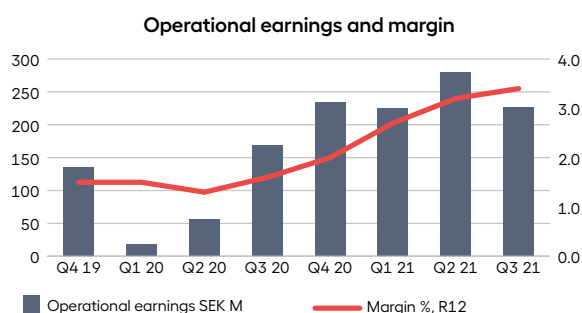
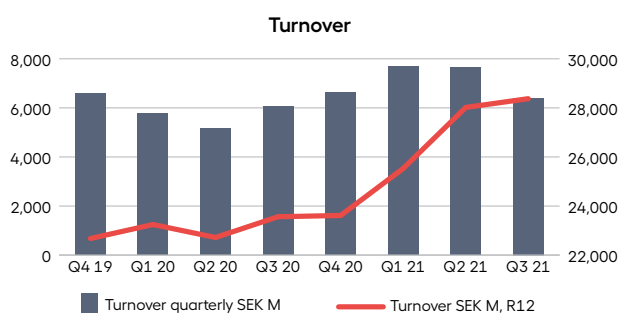
Adjusted for comparable operations and exchange rate fluctuations, **turnover** during the quarter was approximately 6 per cent lower than last year.

Operational earnings from sales of **used** cars amounted to SEK 174 M (137), the highest result ever for a quarter. The higher result was mainly attributable to higher sales and a higher 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. The number of used cars in stock was at a low level. Operational earnings from sales of **new** cars amounted to SEK 52 M (32). The higher profit was primarily attributable to Norway.

Operational earnings for the Car Business in **Sweden** amounted to SEK 109 M (99). The higher result was mainly attributable to sales of used cars, and is explained primarily by a higher turnover and gross profit margin. Result from sales of used cars amounted to SEK 101 M (77). 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 111 M (62). The higher result was mainly attributable to sales of new cars, and is explained by both a higher turnover and gross profit margin. Result from sales of used cars amounted to SEK 65 M (58). 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 6 M (8). The lower result was attributable to sales of new cars and is primarily explained by a lower turnover. Result from sales of used cars amounted to SEK 8 M (2).



Car Business - Turnover by geographic market

SEK M	Third quarter		Nine months		Oct. 20– Sept. 21	Full year 2020
	2021	2020	2021	2020		
Sweden	3,472	3,361	11,770	9,858	15,578	13,666
Norway	2,180	1,625	7,350	4,687	9,306	6,643
Western Europe	754	1,063	2,627	2,444	3,490	3,307
Total	6,406	6,049	21,747	16,989	28,374	23,616

Car Business - Operational earnings by geographic market

SEK M	Third quarter		Nine months		Oct. 20– Sept. 21	Full year 2020
	2021	2020	2021	2020		
Sweden	109	99	349	177	490	318
Norway	111	62	368	88	451	171
Western Europe	6	8	14	-22	24	-12
Total	226	169	731	243	965	477

Car Business - Margin by geographic market

Per cent	Third quarter		Nine months		Oct. 20– Sept. 21	Full year 2020
	2021	2020	2021	2020		
Sweden	3.1	3.0	3.0	1.8	3.1	2.3
Norway	5.1	3.9	5.0	1.9	4.8	2.6
Western Europe	0.8	0.8	0.5	-0.9	0.7	-0.4
Total	3.5	2.8	3.4	1.4	3.4	2.0

Fuel Business

Higher turnover via higher prices

Third quarter 2021

- Turnover amounted to SEK 330 M (287), an increase of 15 per cent.
- Operational earnings amounted to SEK 8 M (9).
- The margin was 2.4 per cent (2.9).

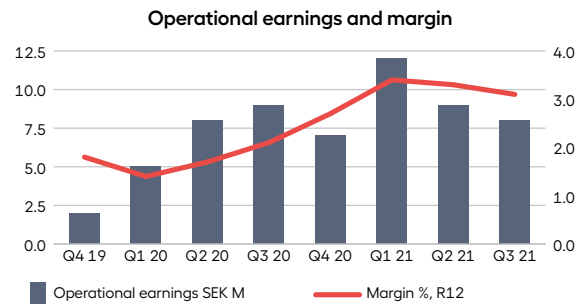
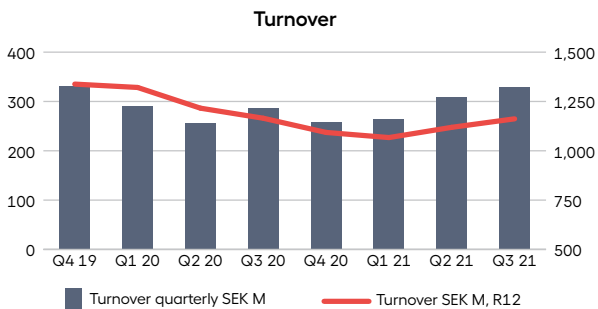
Nine months 2021

- Turnover amounted to SEK 903 M (834), an increase of 8 per cent.
- Operational earnings amounted to SEK 29 M (22).
- The margin was 3.2 per cent (2.6).

Turnover and earnings

Third quarter 2021

The Fuel Business is concentrated in Sweden and result for the quarter amounted to SEK 8 M (9).



Fuel Business - Turnover

SEK M	Third quarter		Nine months		Oct. 20– Sept. 21	Full year 2020
	2021	2020	2021	2020		
Total	330	287	903	834	1,162	1,093

Fuel Business - Operational earnings

SEK M	Third quarter		Nine months		Oct. 20– Sept. 21	Full year 2020
	2021	2020	2021	2020		
Total	8	9	29	22	36	29

Fuel Business - Margin

Per cent	Third quarter		Nine months		Oct. 20– Sept. 21	Full year 2020
	2021	2020	2021	2020		
Total	2.4	2.9	3.2	2.6	3.1	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 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 impact on Bilia's operations if the ongoing vaccination programme is not as effective as hoped, and authorities take measures that restrict the ability to do business.
- 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.

Accounts – Group

Consolidated Statement of Income and Other Comprehensive Income

SEK M	Third quarter		Nine months		Oct. 20– Sept. 21	Full year 2020
	2021	2020	2021	2020		
Net turnover	8,129	7,559	26,875	21,786	35,257	30,168
Costs of goods sold	-6,752	-6,365	-22,497	-18,278	-29,387	-25,168
Gross profit	1,377	1,194	4,378	3,508	5,870	5,000
Other operating income	1	0	3	3	19	19
Selling and administrative expenses	-936	-809	-2,870	-2,557	-3,820	-3,507
Other operating expenses	-9	-10	-33	-31	-150	-148
Operating profit ¹⁾	433	375	1,478	923	1,919	1,364
Financial income	2	1	5	2	6	3
Financial expenses	-40	-36	-118	-118	-153	-153
Profit from shares in associated companies	15	13	41	31	56	46
Profit before tax	410	353	1,406	838	1,828	1,260
Tax	-85	-72	-298	-177	-397	-276
Net profit for the period	325	281	1,108	661	1,431	984
Other comprehensive income/loss						
<i>Items that can be reclassified to profit or loss</i>						
Translation differences attributable to foreign operations	12	-5	53	-67	27	-93
Other comprehensive income/loss after tax	12	-5	53	-67	27	-93
Comprehensive income for the period	337	276	1,161	594	1,458	891
Net profit for the period attributable to:						
Parent Company's shareholders	325	281	1,108	661	1,431	984
Comprehensive income for the period attributable to:						
Parent Company's shareholders	337	276	1,161	594	1,458	891
Weighted average number of shares, '000:						
– before dilution	97,550	100,134	98,029	100,134	98,515	100,090
– after dilution	97,667	100,233	98,075	100,232	98,550	100,190
Basic earnings/loss per share, SEK	3.35	2.80	11.30	6.60	14.55	9.85
Diluted earnings/loss per share, SEK	3.35	2.80	11.30	6.60	14.55	9.85
Weighted average number of own shares, '000	5,250	2,666	4,771	2,666	4,285	2,710
¹⁾ Straight-line amortisation/depreciation by asset class:						
– Intellectual property	-45	-30	-111	-91	-141	-121
– Land and buildings	-19	-15	-54	-47	-73	-66
– Equipment, tools, fixtures and fittings	-35	-29	-93	-85	-123	-115
– Leased vehicles	-92	-94	-285	-286	-385	-386
– Right-of-use assets	-130	-109	-360	-366	-464	-440
Total	-321	-277	-903	-845	-1,186	-1,128

Consolidated Statement of Financial Position, Summary

SEK M	30 September 2021	31 December 2020	30 September 2020
Assets			
Non-current assets			
Intangible assets			
Intellectual property	1,033	557	550
Goodwill	1,193	812	828
	2,226	1,369	1,378
Property, plant and equipment			
Land and buildings	1,017	900	761
Construction in progress	45	48	66
Equipment, tools, fixtures and fittings	611	483	474
Leased vehicles	2,869	2,781	2,934
Right-of-use assets	3,640	2,649	2,660
	8,182	6,861	6,895
Long-term investments			
Financial investments ¹⁾	519	477	462
Long-term receivables ²⁾	—	1	3
	519	478	465
Deferred tax assets	164	131	113
Total non-current assets	11,091	8,839	8,851
Current assets			
Inventories, merchandise	3,425	3,743	3,086
Current receivables			
Other receivables ¹⁾	1,480	1,771	1,330
Cash and cash equivalents ²⁾	1,244	2,063	2,203
Total current assets	6,149	7,577	6,619
TOTAL ASSETS	17,240	16,416	15,470
Equity and liabilities			
Equity			
Share capital	257	257	257
Other contributed capital	167	167	167
Reserves	-15	-69	-43
Retained earnings including net profit for the year	4,188	3,613	3,405
Total equity	4,597	3,968	3,786
Non-current liabilities			
Bond issue ³⁾	1,296	1,292	795
Interest-bearing liabilities ⁴⁾	253	171	181
Lease liabilities ⁴⁾	3,049	2,168	2,230
Other liabilities and provisions	2,716	2,286	2,235
	7,314	5,917	5,441
Current liabilities			
Bond issue ⁴⁾	—	130	500
Interest-bearing liabilities ⁴⁾	505	653	536
Lease liabilities ⁴⁾	563	443	381
Other liabilities and provisions	4,261	5,305	4,826
	5,329	6,531	6,243
TOTAL EQUITY AND LIABILITIES	17,240	16,416	15,470
Assets			
¹⁾ Of which interest-bearing	510	468	454
²⁾ Interest-bearing	1,244	2,064	2,206
Liabilities			
³⁾ Of which interest-bearing	1,300	1,300	800
⁴⁾ Interest-bearing	4,370	3,565	3,828

Statement of Changes in Group Equity, Summary

SEK M	30 September 2021	31 December 2020	30 September 2020
Opening balance	3,968	3,186	3,186
Cash dividend to shareholders	-294	—	—
Use of shares in own custody as payment in business combinations	45	—	—
Incentive programme	2	3	3
Buy-back of own shares	-256	-122	—
Revaluation of put option	-29	10	3
Comprehensive income for the year	1,161	891	594
Equity at end of period	4,597	3,968	3,786

Consolidated Statement of Cash Flows

SEK M	Third quarter		Nine months		Oct. 20– Sept. 21	Full year 2020
	2021	2020	2021	2020		
Operating activities						
Profit before tax	410	353	1,406	838	1,828	1,260
Depreciation and impairment losses	321	282	903	850	1,241	1,188
Other items not affecting cash	-157	-6	-166	-34	-26	106
Tax paid	-57	-64	-278	-140	-359	-221
Change in inventories	506	210	726	1,413	20	707
Change in operating receivables	593	40	589	663	106	180
Change in operating liabilities	-1,026	478	-1,690	-431	-1,324	-65
Cash flow from operating activities	590	1,293	1,490	3,159	1,486	3,155
Investing activities						
Acquisition of non-current assets (intangible and tangible)	-68	-34	-201	-141	-291	-231
Disposal of non-current assets (intangible and tangible)	7	5	46	12	80	46
Acquisition of leased vehicles	-136	-338	-719	-1,026	-1,034	-1,341
Disposal of leased vehicles	189	222	851	873	1,221	1,243
Operating cash flow	582	1,148	1,467	2,877	1,462	2,872
Investment in financial assets	-1	-3	-1	-4	-1	-4
Disposal of financial assets	0	0	1	2	4	5
Acquisition of subsidiary/operation, net	-380	—	-1,072	—	-1,242	-170
Disposal of subsidiary/operation, net	—	—	—	5	7	12
Cash flow from investing activities	-389	-148	-1,095	-279	-1,256	-440
Cash flow after net investments	201	1,145	395	2,880	230	2,715
Financing activities						
Borrowings	140	91	140	596	974	1,430
Repayment of loans	-222	-34	-408	-1,095	-1,024	-1,711
Repayment of lease liabilities	-18	-17	-52	-51	-68	-67
Repayment of lease liabilities IFRS 16	-124	-124	-350	-317	-447	-414
Buy-back of own shares	—	—	-256	—	-378	-122
Dividend paid to the company's shareholders	—	—	-294	—	-294	—
Cash flow from financing activities	-224	-84	-1,220	-867	-1,237	-884
Change in cash and cash equivalents, excl. translation differences	-23	1,061	-825	2,013	-1,007	1,831
Exchange difference in cash and cash equivalents	0	-46	6	-46	48	-4
Change in cash and cash equivalents	-23	1,015	-819	1,967	-959	1,827
Cash and cash equivalents at start of period	1,267	1,188	2,063	236	2,203	236
Cash and cash equivalents at end of period	1,244	2,203	1,244	2,203	1,244	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 a cost of SEK 0.2 M that is matched by a revenue 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

Restructuring costs during 2021 were attributable to staff reductions. Restructuring costs in 2020 could mainly be attributed to Volvo Cars' termination of Bilia's 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 are an initial assessment of the costs for restructuring our operations.

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

SEK M	Third quarter		Nine months		Oct. 20– Sept. 21	Full year 2020
	2021	2020	2021	2020		
The Group						
Operational earnings	482	402	1,584	1,016	2,161	1,593
– Structural costs etc.	0	–5	–3	–24	–115	–136
– Acquisition-related costs and value adjustments	–10	0	–11	0	–11	0
– Amortisation/impairment losses of surplus values	–39	–22	–92	–69	–116	–93
Operating profit	433	375	1,478	923	1,919	1,364

Note 4 Group's operating segments

30 September 2021

SEK M	Service	Car	Fuel	Total	Segment reconciliation	Group
Net turnover						
External sales	4,204	21,747	903	26,854	21	26,875
Internal sales	1,351	—	—	1,351	-1,351	—
Total net turnover	5,555	21,747	903	28,205	-1,330	26,875
Depreciation/amortisation	-329	-518	-4	-851	-52	-903
Operational earnings/Operating profit/loss	902	731	29	1,662	-184	1,478
Interest income						5
Interest expenses						118
Profit from shares in associated companies		41		41		41
Profit before tax						1,406
Tax expense for the period						-298
Net profit for the period						1,108
<i>Revenue and costs that affect comparability:</i>						
- Structural costs etc.	-2	-1	—	-3	—	-3
- Acquisition-related costs and value adjustments	-7	-4	—	-11	—	-11
- Amortisation/impairment losses of surplus values	-47	-45	—	-92	—	-92
Total	-56	-50	—	-106	—	-106
Assets						
Shares in associated companies		510		510		510
Deferred tax assets						164
Other assets						16,566
Total assets						17,240
Investments in non-current assets	92	766	4	862	58	920
Liabilities						
Equity						4,597
Liabilities						12,643
Total liabilities and equity						17,240

SEK M	Service			Car		
	Sweden	Norway	Western Europe	Sweden	Norway	Western Europe
Turnover						
External sales	2,703	1,161	340	11,770	7,350	2,627
Internal sales	865	420	66	—	—	—
Total turnover	3,568	1,581	406	11,770	7,350	2,627
Depreciation/amortisation	-194	-95	-40	-399	-77	-42
Operational earnings	615	246	41	349	368	14
Profit from shares in associated companies				41		
<i>Revenue and costs that affect comparability:</i>						
- Structural costs etc.	-2	—	0	-1	—	0
- Acquisition-related costs and value adjustments	-6	-1	—	-5	—	1
- Amortisation/impairment losses of surplus values	-16	-15	-16	-15	-14	-16
Total	-24	-16	-16	-21	-14	-15
Shares in associated companies				510		
Investments in non-current assets	71	14	7	686	59	21

SEK M	Revenues from external customers	Non-current assets
Geographical segments		
Sweden	15,397	10,075
Norway	8,511	2,452
Germany	583	91
Luxembourg	1,139	567
Belgium	1,245	554
Segment reconciliation	0	-2,812
Total	26,875	10,927

30 September 2020

SEK M	Service	Car	Fuel	Total	Segment reconciliation	Group
Net turnover						
External sales	3,945	16,989	834	21,768	18	21,786
Internal sales	1,031	—	—	1,031	-1,031	—
Total net turnover	4,976	16,989	834	22,799	-1,013	21,786
Depreciation/amortisation	-289	-501	-4	-794	-51	-845
Operational earnings/Operating profit/loss	781	243	22	1,046	-123	923
Interest income						2
Interest expenses						-118
Shares in profits of associated companies		31		31		31
Profit before tax						838
Tax expense for the period						-177
Net profit for the period						661
<i>Revenue and costs that affect comparability:</i>						
- Structural costs etc.	-13	-8	—	-21	-3	-24
- Acquisition-related costs and value adjustments	-1	1	—	0	—	0
- Amortisation of surplus values	-35	-34	—	-69	—	-69
Total	-49	-41	—	-90	-3	-93
Assets						
Interests in associated companies		454		454		454
Deferred tax assets						113
Other assets						14,903
Total assets						15,470
Investments in non-current assets	58	1,059	7	1,124	43	1,167
Liabilities						
Equity						3,786
Liabilities						11,684
Total liabilities and equity						15,470

SEK M	Service			Car		
	Sweden	Norway	Western Europe	Sweden	Norway	Western Europe
Turnover						
External sales	2,608	964	373	9,858	4,687	2,444
Internal sales	653	308	70	—	—	—
Total turnover	3,261	1,272	443	9,858	4,687	2,444
Depreciation/amortisation	-163	-86	-40	-397	-63	-41
Operational earnings	567	180	34	177	88	-22
Shares in profits of associated companies				31		
<i>Revenue and costs that affect comparability:</i>						
- Structural costs etc.	-11	-1	-1	-4	-2	-2
- Acquisition-related costs and value adjustments	-1	—	0	—	—	1
- Amortisation of surplus values	-9	-9	-17	-9	-8	-17
Total	-21	-10	-18	-13	-10	-18
Interests in associated companies				454		
Investments in non-current assets	38	16	4	896	155	8

SEK M	Revenues from external customers	Non-current assets
Geographical segments		
Sweden	13,318	7,212
Norway	5,651	1,806
Germany	721	99
Luxembourg	990	620
Belgium	1,106	606
Segment reconciliation	0	-1,605
Total	21,786	8,738

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 4 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 116 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 first nine months

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	560	574
Property, plant and equipment	1,261	49	1,310
Deferred tax assets	10	—	10
Inventories	352	2	354
Trade receivables and other receivables	291	—	291
Cash and cash equivalents	252	—	252
Interest-bearing liabilities	-700	—	-700
Trade payables and other liabilities	-935	—	-935
Deferred tax liability	-13	-128	-141
Net identifiable assets and liabilities	532	483	1,015
Consolidated goodwill			354
Net identifiable assets and liabilities, including goodwill			1,369
Purchase consideration paid, own shares			-45
Purchase consideration paid and repaid loan, cash			-1,324
Less: Cash and cash equivalents in acquired operation			252
Net effect on cash and cash equivalents			-1,072

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

Specification of interest-bearing net debt/receivable

SEK M	30 September 2021	31 December 2020	30 September 2020
Current interest-bearing liabilities	505	783	1,036
Non-current interest-bearing liabilities	1,553	1,471	981
Lease liabilities IFRS 16	3,612	2,611	2,611
Cash and cash equivalents	-1,244	-2,063	-2,203
Interest-bearing assets	0	-1	-3
Shares in associated companies	-510	-468	-454
Net debt (+)/receivable (-) at end of period/year	3,916	2,333	1,968
Net debt (+)/receivable (-) at end of period/year, excluding IFRS 16	304	-278	-643

The ratio of net debt to EBITDA

SEK M	30 September 2021	31 December 2020	30 September 2020
Operational earnings	1,584	1,593	1,016
Operational earnings, excluding IFRS 16	1,539	1,537	982
Total depreciation/amortisation	903	1,128	845
- amortisation of surplus values	-92	-93	-69
- depreciation of right-of-use assets	-360	-440	-336
- depreciation of leased vehicles with repurchase agreements	-229	-318	-240
Depreciation/amortisation added back	582	717	536
Depreciation/amortisation added back, excluding IFRS 16	222	277	200
EBITDA	2,166	2,310	1,552
EBITDA, excluding IFRS 16	1,761	1,814	1,182
The ratio of net debt to EBITDA rolling 12 months, times	1.3	1.0	0.9
The ratio of net debt to EBITDA rolling 12 months, times, excluding IFRS 16	0.1	-0.2	-0.4

Accounts – Parent Company

Income Statement for Parent Company

SEK M	Third quarter		Nine months		Oct. 20– Sept. 21	Full year 2020
	2021	2020	2021	2020		
Net turnover	163	142	476	418	603	545
Administrative expenses	-174	-161	-556	-461	-716	-621
Operating loss ¹⁾	-11	-19	-80	-43	-113	-76
<i>Result from financial items</i>						
Profit from shares in Group companies	—	—	102	76	25	-1
Interest income from Group companies	9	9	28	44	36	52
Other interest income and similar line items	0	0	2	0	2	0
Interest expenses and similar line items	-7	-7	-24	-33	-37	-46
Loss after financial items	-9	-17	28	44	-87	-71
Appropriations	—	—	—	—	858	858
Profit before tax	-9	-17	28	44	771	787
Tax	-5	11	19	1	-143	-161
Net profit for the year	-14	-6	47	45	628	626
¹⁾ Straight-line amortisation/depreciation by asset class:						
- Intellectual property	0	0	0	0	0	0
- Buildings	-6	-6	-19	-17	-25	-23
- Equipment, tools, fixtures and fittings	0	0	-1	-1	-1	-1
Total	-6	-6	-20	-18	-26	-24

Balance Sheet for Parent Company, Summary

SEK M	30 September 2021	31 December 2020	30 September 2020
Assets			
Non-current assets			
Intangible assets			
Intellectual property	0	0	0
	0	0	0
Property, plant and equipment			
Buildings	175	175	167
Construction in progress	35	39	35
Equipment, tools, fixtures and fittings	11	4	4
	221	218	206
Long-term investments			
Shares in Group companies	2,546	1,528	1,325
Other securities held as non-current assets	1	1	1
Deferred tax asset	80	61	60
	2,627	1,590	1,386
Total non-current assets	2,848	1,808	1,592
Current assets			
Current receivables			
Receivables from Group companies	520	1,429	434
Other receivables	254	123	178
Cash on hand and demand deposits	638	1,833	1,647
Total current assets	1,412	3,385	2,259
TOTAL ASSETS	4,260	5,193	3,851
Equity and liabilities			
Equity			
Restricted equity			
Share capital	257	257	257
Statutory reserve	47	47	47
	304	304	304
Non-restricted equity			
Share premium reserve	167	167	167
Retained earnings including net profit for the year	949	1,404	946
	1,116	1,571	1,113
Total equity	1,420	1,875	1,417
Untaxed reserves	1,016	1,016	863
Provisions			
Deferred tax liability	15	15	14
	15	15	14
Non-current liabilities			
Bond issue	1,296	1,292	795
Other liabilities	174	5	5
	1,470	1,297	800
Current liabilities			
Bond issue	—	130	500
Liabilities to Group companies	58	555	3
Other liabilities	281	305	254
	339	990	757
TOTAL EQUITY AND LIABILITIES	4,260	5,193	3,851

Quarterly review – 8 quarters

The Group

	Q 4 2019	Q 1 2020	Q 2 2020	Q 3 2020	Q 4 2020	Q 1 2021	Q 2 2021	Q 3 2021
Net turnover, SEK M	8,403	7,450	6,777	7,559	8,382	9,344	9,402	8,129
Operational earnings, SEK M	415	279	335	402	577	528	574	482
Operational margin, %	4.9	3.7	5.0	5.3	6.9	5.6	6.1	5.9
Operating profit, SEK M	370	255	293	375	441	504	541	433
Operating margin, %	4.4	3.4	4.3	5.0	5.3	5.4	5.8	5.3
Profit before tax, SEK M	334	219	266	353	422	480	516	410
Profit/loss for the period, SEK M	262	167	213	281	323	377	406	325
The ratio of net debt to EBITDA excl. IFRS 16, times ¹⁾	1.3	1.2	0.2	-0.4	-0.2	0.02	0.2	0.1
Return on capital employed, % ¹⁾	15.8	15.0	15.1	16.2	16.7	19.1	21.4	21.1
Return on equity, % ¹⁾	26.5	26.5	26.1	27.4	27.5	31.6	35.0	34.2
Equity/assets ratio, %	20	22	24	24	24	25	24	27
Data per share (SEK) ²⁾								
Earnings/loss for the period	2.60	1.65	2.15	2.80	3.25	3.85	4.10	3.35
Equity	32	33	35	38	40	44	44	47
Average number of shares, '000	100,586	100,134	100,134	100,134	99,959	98,414	98,117	97,550
Number of shares, '000	100,134	100,134	100,134	100,134	98,914	98,134	97,550	97,550

¹⁾ Rolling 12 months.

Business area – Service Business

	Q 4 2019	Q 1 2020	Q 2 2020	Q 3 2020	Q 4 2020	Q 1 2021	Q 2 2021	Q 3 2021
Turnover, SEK M	2,028	1,796	1,622	1,558	1,995	1,880	1,911	1,764
Operational earnings, SEK M	315	263	281	237	376	319	326	257
Margin, %	15.6	14.7	17.3	15.2	18.8	16.9	17.1	14.6
Adjusted turnover in Sweden and Norway, growth in %	10.9	7.5	-2.0	6.0	5.2	7.8	9.0	-3.8

Business area – Car Business

	Q 4 2019	Q 1 2020	Q 2 2020	Q 3 2020	Q 4 2020	Q 1 2021	Q 2 2021	Q 3 2021
Turnover, SEK M	6,577	5,783	5,157	6,049	6,627	7,698	7,643	6,406
Operational earnings, SEK M	136	18	56	169	234	225	280	226
Margin, %	2.1	0.3	1.1	2.8	3.5	2.9	3.7	3.5
New cars delivered, number	14,398	10,814	8,685	10,550	13,259	13,718	12,518	9,182
Order backlog of new cars, number	11,767	13,579	12,848	14,492	13,458	13,741	13,495	19,603
Used cars delivered, number ¹⁾	11,540	12,416	12,345	13,388	10,948	12,275	14,043	13,806

¹⁾ Previous year has been recalculated.

Business area – Fuel Business

	Q 4 2019	Q 1 2020	Q 2 2020	Q 3 2020	Q 4 2020	Q 1 2021	Q 2 2021	Q 3 2021
Turnover, SEK M	331	290	257	287	259	264	309	330
Operational earnings, SEK M	2	5	8	9	7	12	9	8
Margin, %	0.4	1.9	3.0	2.9	2.9	4.7	2.9	2.4

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/

Review report

To the Board of Directors of Bilias AB
Corp. id. 556112-5690

Introduction

We have reviewed the condensed interim financial information (interim report) of Bilias AB as of 30 September 2021 and the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act. .

Göteborg 26 October 2021

PricewaterhouseCoopers AB

Fredrik Göransson
Authorized Public Accountant

This document is a translation of the Swedish original. In the event of any discrepancies between this translation and the Swedish original, the latter shall prevail.

Additional Bilia disclosures

Press and analyst meeting

On Tuesday, 26 October 2021, 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 13:30 CEST. 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

Full-Year Report 2021:	9 February 2022
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

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, 26 October 2021
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 26 October 2021, at 08:00 AM CEST.



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 has 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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