

Bilia and Volvo Cars have reached an agreement on future cooperation

Bilia has today reached an agreement in principle with Volvo Car Sverige AB and Volvo Car Norway AS on a future cooperation and its main terms. Bilia is very proud and happy about the continued confidence in selling new Volvo cars and look forward to driving the transformation process towards tomorrow's car dealers together with Volvo Cars, with focus on a modern and worry-free customer experience.

In Sweden, Bilia will continue to be a car dealer for new Volvo cars in the metropolitan areas of Stockholm, Gothenburg, Malmö and Västerås, while Bilia in Norway will leave the metropolitan area of Oslo. All in all the agreement with Volvo Car Sverige AB and Volvo Car Norway AS entails that Bilia will receive authorization to sell new Volvo cars and conduct service operations for 34 facilities in Sweden and for 10 facilities in Norway.

"We are very happy to be able to run Volvo operations also in the future at 44 facilities in Sweden and Norway. We are proud and happy to together with Volvo Cars, deliver on our joint ambitions and in line with expectations of Volvo customers where physical and digital experiences are combined seamlessly", says Per Avander, CEO for the Bilia Group.

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 sale is expected to take place on 1 January 2022. The facility in Uppsala will be sold to a third party, which is expected to take place on 1 July 2022. Negotiation concerning sale and evaluation of alternative operations is ongoing for four smaller facilities in Bergslagen. Bilia will not receive authorization for additionally three facilities in Sweden, why Bilia intends to conduct other operations in these facilities in the future. In Norway, in accordance with the agreement with Volvo Car Norway AS, three facilities located in the Oslo area will be sold to the newly established company Volvo Car Greater-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.

The parties will now begin final contract negotiations, which are expected to be completed in the autumn. All transfers are subject to approval by the Swedish and Norwegian competition authorities.

Mathias Nilsson, MD of Bilia Personbilar AB in Sweden, says:

"Bilia in Sweden are happy and proud to jointly with Volvo create and launch new business models which combine an on-site and digital customer experience in accordance with Volvo customers' expectations. Bilia wants to, and are convinced that we can, contribute to the transformation process that we want to implement together. For Bilia, Volvo is an important and strong partner that is very important for Bilia's continued development."

Frode Hebnes, CEO of Bilia Personbil AS in Norway, says:

“We are happy that our 88 year long and proud history together with Volvo in Norway now is being prolonged into an exciting future, with modernized distribution and customer interaction. We believe this, combined with Volvo’s strong electrification strategy in a highly electrified Norwegian car market, will make us highly competitive also in the future. At Bilia we will have hundreds of highly competent and enthusiastic employees, who are fully dedicated to create a continued success for Volvo in Norway.”

Jessica Span, MD of Volvo Car Sverige AB, says:

“Over the past months we have had constructive dialogue with Bilia about what Volvo Cars expects from a future partner. Moving forward we are pleased that Bilia will work to implement our strategic direction, delivering on the ambition to offer our customers the best possible experience when meeting our brand, regardless if it’s online or in retailer showrooms. By this Volvo Cars will stand strong to launch a changed business model built on online sales and direct relationships, offering a seamless customer experience.”

Rita Kristin Broch, MD of Volvo Car Norway AS, says:

“We are pleased to continue with Bilia as our retail partner. Bilia is a very experienced Volvo retailer, with a staff highly competent in our products and services. Bilia will play an important role in our network going forward, and we are happy to have an agreement in place which fits our new strategic direction.”

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Bilia AB (publ)

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Facts about the Bilia Group

Bilia is one of Europe's largest car dealers with a leading position within service and sales of cars, transport vehicles and trucks. Bilia has about 160 facilities in Sweden, Norway, Germany, Luxembourg and Belgium. Bilia sells cars of the brand Volvo, BMW, Toyota, Mercedes, Renault, Lexus, MINI, Porsche, Nissan, Dacia, Smart and Alpine and transport vehicles of the brand Renault, Toyota, Mercedes, Nissan and Dacia and trucks of the brand Mercedes.

Bilia has today a fully expanded business with sales of new cars, e-commerce, spare parts and store sales, service and repair workshops, tyres and car glass and financing, insurance, car washes, fuel stations and auto salvage under the same roof, which gives a unique offer.

Bilia reported a turnover of about SEK 30 bn in 2020 and had about 4,700 employees.