



## Second quarter 2021

Higher result than last year for both the Car Business and Service Business

### Second quarter 2021

- Net turnover amounted to SEK 9,402 M (6,777), an increase of 39 per cent.
- Operational earnings amounted to SEK 574 M (335), an increase of 71 per cent.
- The result improved on all geographical markets, but especially Norway with an increase of SEK 143 M, from SEK 93 M in 2020 to SEK 236 M this year.
- During the quarter, Bilia completed the acquisitions of Porsche Center in Malmö and Helsingborg, Funnemarkbolagen in Norway and City Däck Öresund AB.
- Profit for the period amounted to SEK 406 M (213) and earnings per share to SEK 4.10 (2.15).
- Operating cash flow amounted to SEK 986 M (1,471).

### First six months 2021

- Net turnover amounted to SEK 18,746 M (14,227), an increase of 32 per cent.
- Operational earnings amounted to SEK 1,102 M (614), an increase of 79 per cent.
- Profit for the period amounted to SEK 783 M (380) and earnings per share to SEK 7.95 (3.80).
- Operating cash flow amounted to SEK 885 M (1,729).

### Events after the balance sheet date

- After the end of the quarter, Bilia completed the acquisitions of two Mercedes dealers in Sweden.
- The development of the COVID-19 pandemic is still considered a factor of uncertainty for Bilia.

SEK M	Second quarter		First six months		July 20– June 21	Full year 2020
	2021	2020	2021	2020		
The Group						
Net turnover	9,402	6,777	18,746	14,227	34,687	30,168
Operational earnings <sup>1)</sup>	574	335	1,102	614	2,081	1,593
Operational margin, %	6.1	5.0	5.9	4.3	6.0	5.3
Operating profit	541	293	1,045	548	1,861	1,364
Operating margin, %	5.8	4.3	5.6	3.9	5.4	4.5
Profit before tax	516	266	996	485	1,771	1,260
Net profit for the period/year	406	213	783	380	1,387	984
Earnings per share, SEK <sup>2)</sup>	4.10	2.15	7.95	3.80	14.00	9.85

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

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

## The Managing Director's comments

- New record result for used cars
- Improved profits in Norway once again
- Considerably more car deliveries



### Higher operational earnings for the second quarter

Our operational earnings during the second quarter amounted to SEK 574 M, an improvement of SEK 239 M or 71 per cent compared with last year. Norway continues to report fantastic profits; SEK 236 M, an improvement of a full SEK 143 M on last year. Profit for the Service Business amounted to SEK 326 M, which was SEK 45 M higher than last year. The Car Business's profit amounted to SEK 280 M, an improvement of SEK 224 M, attributable to sales of both new and used cars. Profit from sales of used cars was the highest ever for a quarter at SEK 154 M. The order backlog for new cars remains at a high level of 13,495 cars, which was on a par with the turn of the year.

### Growth through new operations and ongoing discussions with Volvo

We are proud and delighted to introduce two new car brands to the Bilia family in the first half of 2021. Porsche, currently with operations in Malmö and Helsingborg, is a brand we aim to expand in southern Sweden, alongside Porsche Sweden. 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. We continued our growth and expansion during the second quarter through acquisitions of operations.

In May we reached an agreement to acquire a further Mercedes dealer, BilDahl AB, with five facilities in northern Sweden and a turnover in 2020 of approximately SEK 570 M. The acquisition of BilDahl AB expands Bilia's business in the northern part of Sweden, an increasingly interesting region in terms of growth and establishing enterprises. BilDahl is located in Luleå, Umeå, Skellefteå and Örnsköldsvik. On 1 July Bilia took over the two Mercedes dealers: Upplands Motor Stockholm AB and BilDahl AB. We now have a total of nine facilities as an authorised dealer, selling and servicing mainly Mercedes cars, transport vehicles and trucks, as well as Nissan to a lesser extent.

In June we agreed to acquire City Däck Öresund AB, which sells wheels, rims and related services such as wheel fitting, wheel storage, wheel changes, rim repair and wheel balancing. The company had a turnover of approximately SEK 55 M in 2020. This acquisition enables us to expand the important wheel business into what is, for Bilia, a new and broader customer segment, and moving forward we will be able to take care of all wheel business for all car brands. City Däck Öresund AB will be part of a new business area, initially focusing on wheels, tyres and rim repair.

In November 2020, Volvo terminated Bilia's dealer agreement with the purpose to create a future dealer network which is more balanced and with a more even sizing distribution. Given these conditions constructive discussions are held between Bilia and Volvo about the possibilities for continued cooperation, in some form, also after the end of the notice period in November 2022.

I am very proud of our strong second quarter results, and I look forward to working with our existing and newly acquired operations to further develop Bilia.

Per Avander, Managing Director and CEO

## Group results

### Net turnover and earnings

#### Second quarter 2021

**Net turnover** amounted to SEK 9,402 M (6,777). For comparable operations and adjusted for exchange rate fluctuations, net turnover increased by approximately 31 per cent. Exchange rate fluctuations, primarily the Norwegian krone, affected net turnover positively by approximately SEK 60 M.

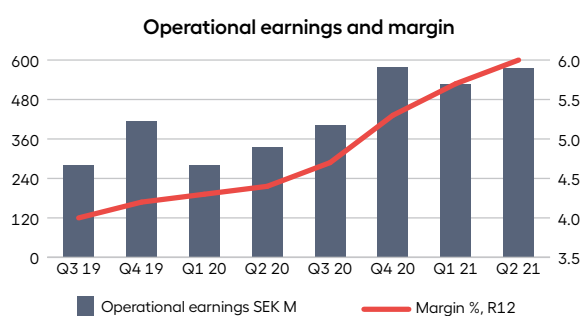
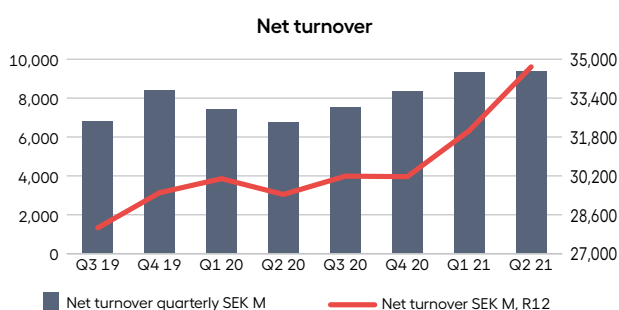
**Operating profit** amounted to SEK 541 M (293). **Operational earnings** amounted to SEK 574 M (335), and the operational margin was 6.1 per cent (5.0).

The **Service Business** reported a profit that was SEK 45 M or 16 per cent higher than last year. The **Car Business** reported figures that were SEK 224 M higher than last year, attributable equally to sales of used and new cars. The **Fuel Business** reported a profit that was SEK 1 M higher than last year.

During the second quarter, and especially at the beginning, operations were partly limited by restrictions due to COVID-19. We have continued to work at all our facilities to implement special measures to reduce the risk of further spreading the coronavirus. The Group's personnel expenses were not affected during the quarter thanks to financial support for furloughs.

Profit levels and customer satisfaction during the quarter resulted in the creation of a provision totalling SEK 7 M (7) for employee bonuses in Sweden.

The Group's underlying overheads were around 16 per cent higher compared with last year. The cost level in 2020 was low given the focus on costs initiated with the outbreak of COVID-19. Overheads amounted to 10.7 per cent of net turnover, which was 1.3 percentage points lower than last year.



The operation in **Sweden** reported a profit of SEK 358 M (254). The margin was 6.8 per cent (5.9). The operation in **Norway** reported a profit of SEK 236 M (93). The margin was 7.7 per cent (5.2). The operation in **Western Europe** reported a profit of SEK 21 M (-2). The margin was 1.9 per cent (-0.2). For all operations, the higher figures were mainly attributable to the Car Business, but the Service Business also reported stronger results. Operating loss for the **Parent Company** during the quarter amounted to SEK -40 M (-16), and was negatively affected by SEK 18 M on revaluation of endowment policies for pensions compared to last year.

**Profit for the period** amounted to SEK 406 M (213). Earnings per share amounted to SEK 4.10 (2.15). Exchange rate fluctuations, mainly attributable to the Norwegian krone, had a positive impact on the profit for the period of approximately SEK 4 M (-6) compared to last year.

The **number of employees** increased by 170 during the quarter and totalled 4,857. Adjusted for acquired operations, the number of employees decreased by 54. Compared to last year, the number of employees rose by 237, and adjusted for acquired and divested operations the number fell by 66.

## First six months 2021

**Net turnover** amounted to SEK 18,746 M (14,227). For comparable operations and adjusted for exchange rate fluctuations, net turnover increased by approximately 29 per cent. Exchange rate fluctuations, primarily the Euro, adversely affected net turnover by approximately SEK 110 M.

**Operating profit** amounted to SEK 1,045 M (548). **Operational earnings** amounted to SEK 1,102 M (614), and the operational margin was 5.9 per cent (4.3).

The **Service Business** reported a profit that was SEK 101 M or 18 per cent higher than last year, which is attributable to higher turnover. The **Car Business** reported a profit that were SEK 431 M higher than last year, attributable equally to sales of used and new cars. The **Fuel Business** reported a profit that was SEK 8 M higher than last year.

In the first half-year, operations were somewhat limited by restrictions due to COVID-19. We have continued to work at all our facilities to implement special measures to reduce the risk of further spreading the COVID-19 virus. The Group's personnel expenses during the first half-year decreased by SEK 2 M thanks to financial support for furloughs.

Profit levels and customer satisfaction during the quarter resulted in the creation of a provision totalling SEK 13 M (14) for employee bonuses in Sweden.

The Group's underlying overheads were around 7 per cent higher compared with last year. Overheads amounted to 10.3 per cent of net turnover, which was 2.0 percentage points lower than last year.

The operation in **Sweden** reported a profit of SEK 693 M (498). The margin was 6.5 per cent (5.6). The operation in **Norway** reported a profit of SEK 442 M (145). The margin was 7.4 per cent (3.9). The operation in **Western Europe** reported a profit of SEK 36 M (-12). The margin was 1.7 per cent (-0.7). For all operations, the higher profit were mainly attributable to the Car Business, but the Service Business also reported stronger results. Operating loss for the **Parent Company** during the half-year amounted to SEK -69 M (-24), and was negatively affected by SEK 38 M on revaluation of endowment policies for pensions compared to last year.

**Profit for the period** amounted to SEK 783 M (380). Earnings per share amounted to SEK 7.95 (3.80). Exchange rate fluctuations did not have a material impact on profit for the period compared to a negative effect of SEK 8 M last year.

The **number of employees** increased by 211 to 4,857 during the first six months of the year. Adjusted for acquired operations, the number of employees decreased by 21.

#### Net turnover by geographic market

SEK M	Second quarter		First six months		July 20– June 21	Full year 2020
	2021	2020	2021	2020		
Sweden	5,255	4,268	10,671	8,882	20,102	18,313
Norway	3,047	1,790	5,963	3,706	10,270	8,013
Western Europe	1,093	713	2,098	1,626	4,288	3,816
Parent Company, other	7	6	14	13	27	26
<b>Total</b>	<b>9,402</b>	<b>6,777</b>	<b>18,746</b>	<b>14,227</b>	<b>34,687</b>	<b>30,168</b>

#### Operational earnings by geographic market

SEK M	Second quarter		First six months		July 20– June 21	Full year 2020
	2021	2020	2021	2020		
Sweden	358	254	693	498	1,373	1,178
Norway	236	93	442	145	741	444
Western Europe	21	-2	36	-12	89	41
Parent Company, other	-41	-10	-69	-17	-122	-70
<b>Total</b>	<b>574</b>	<b>335</b>	<b>1,102</b>	<b>614</b>	<b>2,081</b>	<b>1,593</b>

#### Margin by geographic market

Per cent	Second quarter		First six months		July 20– June 21	Full year 2020
	2021	2020	2021	2020		
Sweden	6.8	5.9	6.5	5.6	6.8	6.4
Norway	7.7	5.2	7.4	3.9	7.2	5.5
Western Europe	1.9	-0.2	1.7	-0.7	2.1	1.1
Parent Company, other	—	—	—	—	—	—
<b>Total</b>	<b>6.1</b>	<b>5.0</b>	<b>5.9</b>	<b>4.3</b>	<b>6.0</b>	<b>5.3</b>

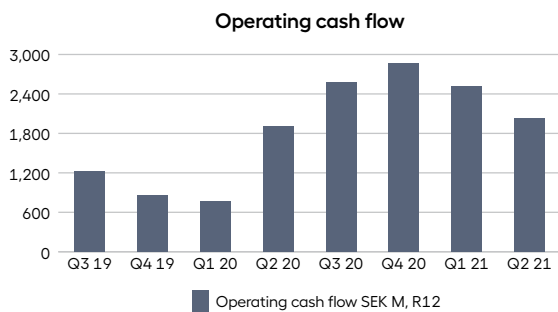
## Net financial items and tax

Net financial items for the second quarter amounted to SEK –25 M (–27) and were positively affected by an increase in profits from participations in associated companies.

Tax for the second quarter amounted to SEK –110 M (–53), and the effective tax rate was 21 per cent (20).

## Operating cash flow

Operating cash flow for the second quarter amounted to SEK 986 M (1,471). After acquisitions and disposals of operations and changes in financial assets, cash flow for the second quarter amounted to SEK 310 M (1,470).



## Financial position

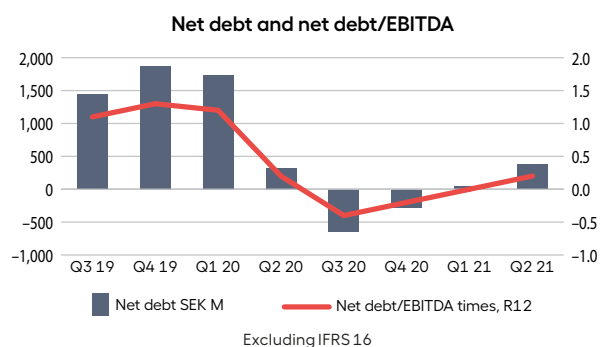
The **balance sheet total** increased by SEK 1,218 M during the year to total SEK 17,634 M. The increase was primarily attributable to acquired operations and higher right-of-use assets related to leased facilities.

**Equity** increased by SEK 291 M during the year to total SEK 4,259 M. A dividend of SEK 294 M was paid to the shareholders during the second quarter. During the second quarter and first six months 1,000,000 and 1,780,000, of the company's own shares were bought back respectively. The total purchase prices were SEK 170 M and SEK 256 M respectively.

Bilia shares held by the company itself were utilised during the second quarter as partial payment for acquiring operations and for allocation in the Bilia share savings programme from 2018. 309,202 shares were valued at SEK 45 M on acquiring companies, and 106,557 shares were allocated to participants in the share savings programme. Following the buy-back and utilisation of own shares, the total number of own shares on 30 June 2021 was 5,250,451.

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

**Net debt** increased during the year by SEK 1,378 M to total SEK 3,711 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 380 M, an increase of SEK 658 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 year-end.



Liquidity remained good, and at the end of the second quarter a receivable from the banks (Nordea and DNB) of SEK 845 M (865) was reported. Bilia's combined credit limit with Nordea and DNB amounts to SEK 1,500 M.

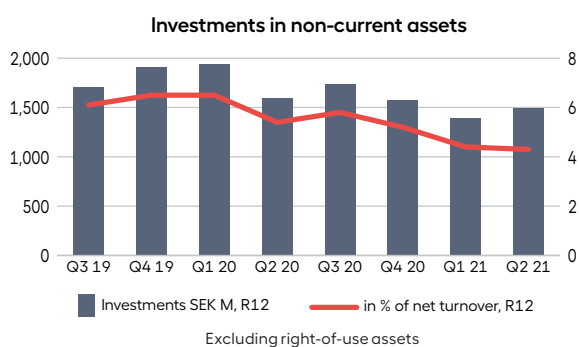
## Investments (excluding right-of-use assets)

**Acquisitions of non-current assets** during the second quarter amounted to SEK 62 M (39) excluding lease vehicles and SEK 381 M (283) including lease vehicles. Replacement investments represented SEK 14 M (5), expansion investments SEK 26 M (13), environmental investments SEK 0 M (0), investments in new construction and additions to properties SEK 12 M (15), finance leases SEK 10 M (6), and lease vehicles SEK 319 M (244).

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

SEK M	Second quarter		First six months		July 20– June 21	Full year 2020
	2021	2020	2021	2020		
Sweden <sup>1)</sup>	335	247	611	581	1,336	1,306
Norway	20	16	44	159	44	159
Western Europe	11	4	22	22	37	37
Parent Company, other	15	16	39	33	76	70
<b>Total</b>	<b>381</b>	<b>283</b>	<b>716</b>	<b>795</b>	<b>1,493</b>	<b>1,572</b>

<sup>1)</sup> The previous year has been recalculated.



## Notable events

### Events during the second quarter

- 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 amounts 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, Sweden. In 2020, the acquired operation had a total 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 total 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, tyre hotel, 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 during the first quarter

- 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.

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

- On 1 July Bilia completed the acquisitions of Upplands Motor Stockholm AB and BilDahl AB.
- Since the end of the quarter, the spread of the COVID-19 virus has decreased, with lighter restrictions for our operations. There does however remain some uncertainty as to the spread of the virus moving forward with regard to the efficacy of ongoing vaccinations, which could have an impact on the financial results.
- 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 [bilial.com](http://bilial.com).

## Service Business

Strong growth in turnover on all geographical markets

### Second quarter 2021

- Turnover amounted to SEK 1,911 M (1,622), an increase of 18 per cent.
- Operational earnings amounted to SEK 326 M (281).
- The margin was 17.1 per cent (17.3).

### First six months 2021

- Turnover amounted to SEK 3,791 M (3,418), an increase of 11 per cent.
- Operational earnings amounted to SEK 645 M (544).
- The margin was 17.0 per cent (15.9).

## Turnover and earnings

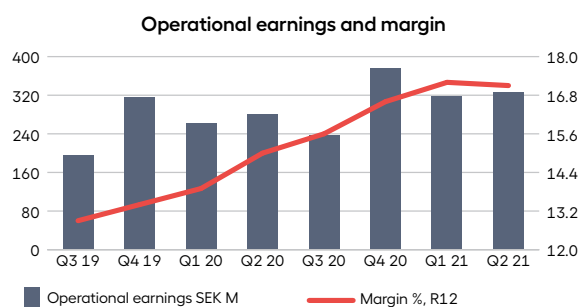
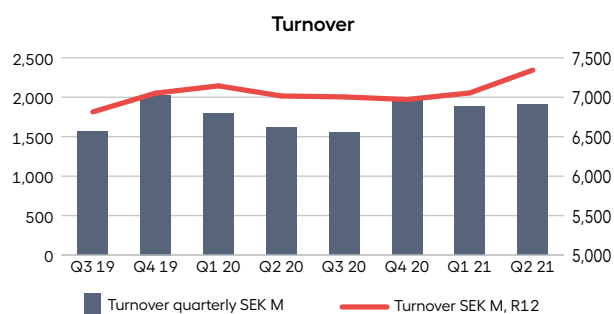
### Second quarter 2021

During the quarter, the **adjusted turnover** for the Service Business in Sweden and Norway increased by approximately 9 per cent compared with last year. In Norway demand remained very strong, due mainly to more deliveries of new cars. In Western Europe, adjusted turnover rose by approximately 9 per cent mainly due to lighter COVID-19 restrictions compared to last year. Adjusted turnover for the Group during the quarter increased by approximately 9 per cent. There was one more working day in Sweden, Germany and Belgium, two more working days in Luxembourg and the same number of working days in Norway compared with last year.

### Growth in the Service Business

Change from last year, per cent	Second quarter			First six months		
	Sweden	Norway	Total	Sweden	Norway	Total
Reported turnover	10.9%	40.8%	18.8%	6.0%	29.8%	12.4%
Underlying turnover	5.0%	22.5%	10.2%	1.2%	23.3%	8.0%
Calendar effect	-1.7%	0.0%	-1.2%	0.0%	0.8%	0.2%
<b>Adjusted turnover</b>	<b>3.3%</b>	<b>22.5%</b>	<b>9.0%</b>	<b>1.2%</b>	<b>24.1%</b>	<b>8.2%</b>

At the end of the quarter, the number of customers with service subscriptions amounted to 124,000 (120,000 at the turn of the year 2020) compared with our long-term goal of 130,000. The number of wheels stored on behalf of our customers amounted to 384,000 (387,000 at the turn of the year 2020) compared with our long-term goal of 600,000.



**Operational earnings** during the quarter improved by SEK 45 M or 16 per cent compared with last year. The improved profit was primarily attributable to higher turnover.

In **Sweden**, operational earnings amounted to SEK 216 M (204), which can be attributed mainly to newly acquired operations. In **Norway**, operational earnings amounted to SEK 92 M (65), which can be attributed mainly to higher turnover. In **Western Europe**, operational earnings amounted to SEK 18 M (12), which can be attributed mainly to higher turnover.

#### Turnover by geographic market

SEK M	Second quarter		First six months		July 20– June 21	Full year 2020
	2021	2020	2021	2020		
Sweden	1,218	1,099	2,423	2,286	4,635	4,498
Norway	558	396	1,096	844	2,114	1,862
Western Europe	135	127	272	288	595	611
<b>Total</b>	<b>1,911</b>	<b>1,622</b>	<b>3,791</b>	<b>3,418</b>	<b>7,344</b>	<b>6,971</b>

#### Operational earnings by geographic market

SEK M	Second quarter		First six months		July 20– June 21	Full year 2020
	2021	2020	2021	2020		
Sweden	216	204	432	407	856	831
Norway	92	65	185	119	339	273
Western Europe	18	12	28	18	63	53
<b>Total</b>	<b>326</b>	<b>281</b>	<b>645</b>	<b>544</b>	<b>1,258</b>	<b>1,157</b>

#### Margin by geographic market

Per cent	Second quarter		First six months		July 20– June 21	Full year 2020
	2021	2020	2021	2020		
Sweden	17.7	18.6	17.8	17.8	18.5	18.5
Norway	16.5	16.4	16.9	14.1	16.0	14.6
Western Europe	13.3	8.7	10.3	6.1	10.6	8.6
<b>Total</b>	<b>17.1</b>	<b>17.3</b>	<b>17.0</b>	<b>15.9</b>	<b>17.1</b>	<b>16.6</b>

## Car Business

Highest ever quarterly result for used cars and significantly more deliveries of new cars

### Second quarter 2021

- Turnover amounted to SEK 7,643 M (5,157), an increase of 48 per cent.
- Operational earnings amounted to SEK 280 M (56).
- The margin was 3.7 per cent (1.1).

### First six months 2021

- Turnover amounted to SEK 15,341 M (10,940), an increase of 40 per cent.
- Operational earnings amounted to SEK 505 M (74).
- The margin was 3.3 per cent (0.7).

## Turnover and earnings

### Second quarter 2021

The Car Business's **deliveries** of new and used cars, adjusted for comparable operations, during the quarter were 41 per cent and 10 per cent higher respectively compared with last year. Deliveries in Norway were doubled from last year.

The **order intake** of new cars for the Group, adjusted for comparable operations, was 40 per cent higher than last year. The **order backlog** amounted to 13,495 cars, which was on a par with the turn of the year and around 650 more than in the previous year. Adjusted for acquired companies, the order backlog was approximately 810 cars lower compared to the year-end and last year.

### New cars by geographic market

	Deliveries				Order backlog			
	Second quarter		First six months		July 20– June 21	Full year 2020	30 June 2021	30 June 2020
Number of	2021	2020	2021	2020				
Sweden <sup>1)</sup>	7,326	6,112	15,782	13,546	31,301	29,065	6,259	6,901
Norway <sup>2)</sup>	3,376	1,537	6,924	3,561	11,762	8,399	5,179	3,660
Western Europe <sup>3)</sup>	1,816	1,036	3,530	2,392	6,982	5,844	2,057	2,287
<b>Total</b>	<b>12,518</b>	<b>8,685</b>	<b>26,236</b>	<b>19,499</b>	<b>50,045</b>	<b>43,308</b>	<b>13,495</b>	<b>12,848</b>

<sup>1)</sup> Bilia Ferdinand Syd AB is included in deliveries during the quarter with 110 (—) and during the first six months with 110 (—) and with 254 (—) in order backlog.

<sup>2)</sup> For Funnemark AS och Funnemark i Sandefjord AS are included in deliveries during the quarter with 302 (—) and during the first six months with 302 (—) and with 556 (—) in order backlog.

<sup>3)</sup> Motorcycles in Luxemburg are included in deliveries during the quarter with — (74) and during the first six months with — (142) and with — (22) in order backlog.

## Used cars by geographic market

Number of	Second quarter		First six months		July 20– June 21	Full year 2020
	2021	2020	2021	2020		
Sweden <sup>1) 4)</sup>	8,989	8,243	16,917	16,537	32,304	31,924
Norway <sup>2)</sup>	3,536	3,108	6,513	5,983	12,198	11,668
Western Europe <sup>3)</sup>	1,518	993	2,888	2,240	6,153	5,505
<b>Total</b>	<b>14,043</b>	<b>12,344</b>	<b>26,318</b>	<b>24,760</b>	<b>50,655</b>	<b>49,097</b>

<sup>1)</sup> Bilia Ferdinand Syd AB is included during the quarter with 94 (—) and during the first six months with 94 (—).

<sup>2)</sup> Funnemark AS och Funnemark i Sandefjord AS are included during the quarter with 373 (—) and during the first six months with 373 (—).

<sup>3)</sup> Motorcycles in Luxemburg are included during the quarter with—(26) and during the first six months with —(53).

<sup>4)</sup> The previous year has been recalculated.

Adjusted for comparable operations and exchange rate fluctuations, **turnover** during the quarter was approximately 39 per cent higher than last year.

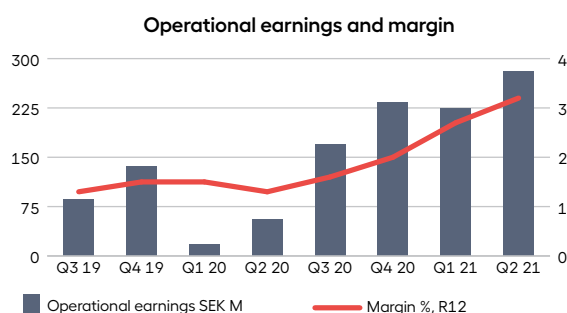
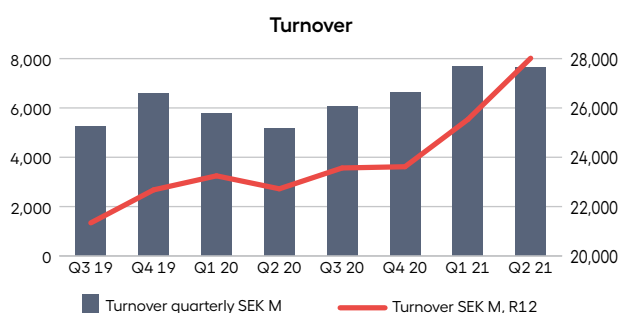
Operational earnings from sales of **used** cars amounted to SEK 154 M (40), the highest ever operational earnings for a quarter. The higher earnings was mainly attributable to higher sales and a higher gross profit margin compared to last year. The turnover rate of inventories of used cars has remained a priority and was at a high level. The number of used cars in stock was at a good level.

Operational earnings from sales of **new** cars amounted to SEK 126 M (16). The higher profit was primarily attributable to higher turnover.

Operational earnings for the Car Business in **Sweden** amounted to SEK 133 M (42). The higher earnings was mainly attributable to sales of used cars, and is explained primarily by a higher turnover and gross profit margin. Profit from sales of used cars amounted to SEK 100 M (23). 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 **Norway** amounted to SEK 144 M (28). The higher earnings was attributable to sales of new and used cars and is mainly explained by higher turnover and a higher gross profit margin. Profit from sales of used cars amounted to SEK 53 M (18). 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 3 M (–14). The higher earnings was attributable to sales of new cars and is primarily explained by a higher turnover. Profit from sales of used cars amounted to SEK 1 M (–1).



### Turnover by geographic market

SEK M	Second quarter		First six months		July 20– June 21	Full year 2020
	2021	2020	2021	2020		
Sweden	4,025	3,071	8,298	6,497	15,467	13,666
Norway	2,636	1,481	5,170	3,062	8,751	6,643
Western Europe	982	605	1,873	1,381	3,799	3,307
<b>Total</b>	<b>7,643</b>	<b>5,157</b>	<b>15,341</b>	<b>10,940</b>	<b>28,017</b>	<b>23,616</b>

### Operational earnings by geographic market

SEK M	Second quarter		First six months		July 20– June 21	Full year 2020
	2021	2020	2021	2020		
Sweden	133	42	240	78	480	318
Norway	144	28	257	26	402	171
Western Europe	3	-14	8	-30	26	-12
<b>Total</b>	<b>280</b>	<b>56</b>	<b>505</b>	<b>74</b>	<b>908</b>	<b>477</b>

### Margin by geographic market

Per cent	Second quarter		First six months		July 20– June 21	Full year 2020
	2021	2020	2021	2020		
Sweden	3.3	1.4	2.9	1.2	3.1	2.3
Norway	5.5	1.9	5.0	0.8	4.6	2.6
Western Europe	0.3	-2.1	0.4	-2.1	0.7	-0.4
<b>Total</b>	<b>3.7</b>	<b>1.1</b>	<b>3.3</b>	<b>0.7</b>	<b>3.2</b>	<b>2.0</b>

# Fuel Business

## Strong result for the first quarter

### Second quarter 2021

- Turnover amounted to SEK 309 M (257), an increase of 20 per cent.
- Operational earnings amounted to SEK 9 M (8).
- The margin was 2.9 per cent (3.0).

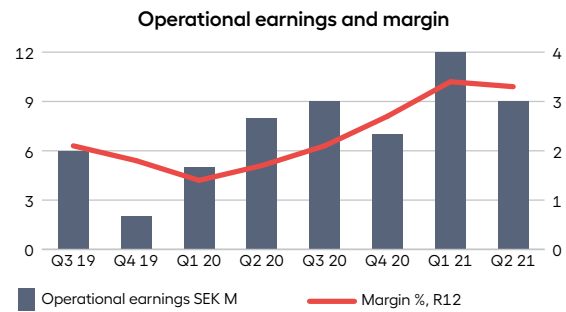
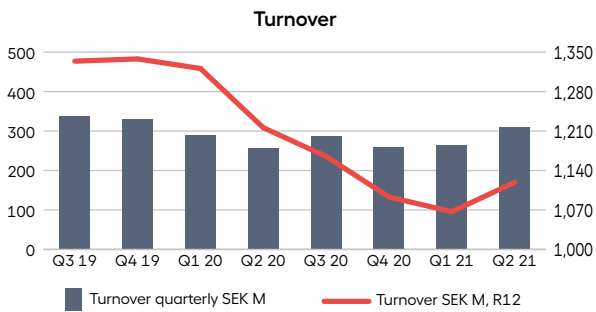
### First six months 2021

- Turnover amounted to SEK 573 M (547), an increase of 5 per cent.
- Operational earnings amounted to SEK 21 M (13).
- The margin was 3.7 per cent (2.4).

## Turnover and earnings

### Second quarter 2021

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



### Turnover

SEK M	Second quarter		First six months		July 20– June 21	Full year 2020
	2021	2020	2021	2020		
<b>Total</b>	<b>309</b>	<b>257</b>	<b>573</b>	<b>547</b>	<b>1,119</b>	<b>1,093</b>

### Operational earnings

SEK M	Second quarter		First six months		July 20– June 21	Full year 2020
	2021	2020	2021	2020		
<b>Total</b>	<b>9</b>	<b>8</b>	<b>21</b>	<b>13</b>	<b>37</b>	<b>29</b>

### Margin

Per cent	Second quarter		First six months		July 20– June 21	Full year 2020
	2021	2020	2021	2020		
<b>Total</b>	<b>2.9</b>	<b>3.0</b>	<b>3.7</b>	<b>2.4</b>	<b>3.3</b>	<b>2.7</b>

## 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 COVID-19 pandemic could have a future negative impact on the business, if the efficacy of ongoing vaccination is lower than desired. Any future measures from customers and/or authorities make it impossible to rule out a future material impact also on the other business areas, such as sales of used cars and the Service 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 manufacturers/general agents to operate, expand and establish new sales of new cars. Authorisation agreements can be terminated by the other party and Bilia's vehicle suppliers could become insolvent, which could entail the risk of disruptions in the operations. During 2020, Volvo Cars terminated Bilia's dealer agreements in Sweden and Norway. Discussions are in progress about collaboration after the agreements come to an end, but it is not currently possible to estimate the financial consequences of these discussions on Bilia's business.
- 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	Second quarter		First six months		July 20– June 21	Full year 2020
	2021	2020	2021	2020		
Net turnover	9,402	6,777	18,746	14,227	34,687	30,168
Costs of goods sold	-7,834	-5,653	-15,745	-11,913	-29,000	-25,168
<b>Gross profit</b>	<b>1,568</b>	<b>1,124</b>	<b>3,001</b>	<b>2,314</b>	<b>5,687</b>	<b>5,000</b>
Other operating income	1	1	2	3	18	19
Selling and administrative expenses	-1,006	-812	-1,934	-1,748	-3,693	-3,507
Other operating expenses	-22	-20	-24	-21	-151	-148
<b>Operating profit <sup>1)</sup></b>	<b>541</b>	<b>293</b>	<b>1,045</b>	<b>548</b>	<b>1,861</b>	<b>1,364</b>
Financial income	2	0	3	1	5	3
Financial expenses	-41	-37	-78	-82	-149	-153
Profit from shares in associated companies	14	10	26	18	54	46
<b>Profit before tax</b>	<b>516</b>	<b>266</b>	<b>996</b>	<b>485</b>	<b>1,771</b>	<b>1,260</b>
Tax	-110	-53	-213	-105	-384	-276
<b>Net profit for the period</b>	<b>406</b>	<b>213</b>	<b>783</b>	<b>380</b>	<b>1,387</b>	<b>984</b>
<b>Other comprehensive income/loss</b>						
<i>Items that can be reclassified to profit or loss</i>						
Translation differences attributable to foreign operations	-32	-32	41	-62	10	-93
<b>Other comprehensive income/loss after tax</b>	<b>-32</b>	<b>-32</b>	<b>41</b>	<b>-62</b>	<b>10</b>	<b>-93</b>
<b>Comprehensive income for the period</b>	<b>374</b>	<b>181</b>	<b>824</b>	<b>318</b>	<b>1,397</b>	<b>891</b>
<b>Net profit for the period attributable to:</b>						
Parent Company's shareholders	406	213	783	380	1,387	984
<b>Comprehensive income for the period attributable to:</b>						
Parent Company's shareholders	374	181	824	318	1,397	891
<b>Weighted average number of shares, '000:</b>						
– before dilution	98,117	100,134	98,273	100,134	98,273	100,090
– after dilution	98,174	100,231	98,354	100,231	99,259	100,190
Basic earnings/loss per share, SEK	4.10	2.15	7.95	3.80	14.00	9.85
Diluted earnings/loss per share, SEK	4.10	2.15	7.95	3.80	14.00	9.85
Weighted average number of own shares, '000	4,735	2,666	4,527	2,666	3,633	2,710
<sup>1)</sup> Straight-line amortisation/depreciation by asset class:						
– Intellectual property	-37	-30	-66	-61	-126	-121
– Land and buildings	-19	-16	-35	-32	-69	-66
– Equipment, tools, fixtures and fittings	-30	-28	-58	-56	-117	-115
– Leased vehicles	-97	-94	-193	-192	-387	-386
– Right-of-use assets	-114	-113	-230	-227	-443	-440
<b>Total</b>	<b>-297</b>	<b>-281</b>	<b>-582</b>	<b>-568</b>	<b>-1,142</b>	<b>-1,128</b>

## Consolidated Statement of Financial Position, Summary

SEK M	30 June 2021	31 December 2020	30 June 2020
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Intellectual property	877	557	575
Goodwill	1,087	812	828
	<b>1,964</b>	<b>1,369</b>	<b>1,403</b>
<b>Property, plant and equipment</b>			
Land and buildings	1,022	900	775
Construction in progress	46	48	57
Equipment, tools, fixtures and fittings	567	483	491
Leased vehicles	3,008	2,781	2,935
Right-of-use assets	3,365	2,649	2,752
	<b>8,008</b>	<b>6,861</b>	<b>7,010</b>
<b>Long-term investments</b>			
Financial investments <sup>1)</sup>	504	477	449
Long-term receivables <sup>2)</sup>	—	1	0
	<b>504</b>	<b>478</b>	<b>449</b>
Deferred tax assets	169	131	100
<b>Total non-current assets</b>	<b>10,645</b>	<b>8,839</b>	<b>8,962</b>
<b>Current assets</b>			
Inventories, merchandise	3,765	3,743	3,306
<b>Current receivables</b>			
Other receivables <sup>1)</sup>	1,957	1,771	1,361
Cash and cash equivalents <sup>2)</sup>	1,267	2,063	1,188
<b>Total current assets</b>	<b>6,989</b>	<b>7,577</b>	<b>5,855</b>
<b>TOTAL ASSETS</b>	<b>17,634</b>	<b>16,416</b>	<b>14,817</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	257	257	257
Other contributed capital	167	167	167
Reserves	-28	-69	-38
Retained earnings including net profit for the year	3,863	3,613	3,124
<b>Total equity</b>	<b>4,259</b>	<b>3,968</b>	<b>3,510</b>
<b>Non-current liabilities</b>			
Bond issue <sup>3)</sup>	1,296	1,292	792
Interest-bearing liabilities <sup>4)</sup>	268	171	191
Lease liabilities <sup>4)</sup>	2,811	2,168	2,322
Other liabilities and provisions	2,863	2,286	2,250
	<b>7,238</b>	<b>5,917</b>	<b>5,555</b>
<b>Current liabilities</b>			
Bond issue <sup>4)</sup>	—	130	500
Interest-bearing liabilities <sup>4)</sup>	574	653	459
Lease liabilities <sup>4)</sup>	520	443	400
Other liabilities and provisions	5,043	5,305	4,393
	<b>6,137</b>	<b>6,531</b>	<b>5,752</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>17,634</b>	<b>16,416</b>	<b>14,817</b>
<b>Assets</b>			
<sup>1)</sup> Of which interest-bearing	495	468	441
<sup>2)</sup> Interest-bearing	1,267	2,064	1,188
<b>Liabilities</b>			
<sup>3)</sup> Of which interest-bearing	1,300	1,300	800
<sup>4)</sup> Interest-bearing	4,173	3,565	3,872

## Statement of Changes in Group Equity, Summary

SEK M	30 June 2021	31 December 2020	30 June 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	0	3	1
Buy-back of own shares	-256	-122	—
Revaluation of put option	-28	10	5
Comprehensive income for the year	824	891	318
<b>Equity at end of period</b>	<b>4,259</b>	<b>3,968</b>	<b>3,510</b>

## Consolidated Statement of Cash Flows

SEK M	Second quarter		First six months		July 20– June 21	Full year 2020
	2021	2020	2021	2020		
<b>Operating activities</b>						
Profit before tax	516	266	996	485	1,771	1,260
Depreciation and impairment losses	297	281	582	568	1,202	1,188
Other items not affecting cash	-5	-14	-9	-28	125	106
Tax paid	-94	14	-221	-76	-366	-221
Change in inventories	338	1,106	220	1,203	-276	707
Change in operating receivables	168	-96	-4	623	-447	180
Change in operating liabilities	-190	-140	-664	-909	180	-65
<b>Cash flow from operating activities</b>	<b>1,030</b>	<b>1,417</b>	<b>900</b>	<b>1,866</b>	<b>2,189</b>	<b>3,155</b>
<b>Investing activities</b>						
Acquisition of non-current assets (intangible and tangible)	-62	-39	-133	-107	-257	-231
Disposal of non-current assets (intangible and tangible)	39	6	39	7	78	46
Acquisition of leased vehicles	-319	-244	-583	-688	-1,236	-1,341
Disposal of leased vehicles	298	331	662	651	1,254	1,243
<b>Operating cash flow</b>	<b>986</b>	<b>1,471</b>	<b>885</b>	<b>1,729</b>	<b>2,028</b>	<b>2,872</b>
Investment in financial assets	0	-1	0	-1	-3	-4
Disposal of financial assets	1	0	1	2	4	5
Acquisition of subsidiary/operation, net	-677	—	-692	—	-862	-170
Disposal of subsidiary/operation, net	—	—	—	5	7	12
<b>Cash flow from investing activities</b>	<b>-720</b>	<b>53</b>	<b>-706</b>	<b>-131</b>	<b>-1,015</b>	<b>-440</b>
<b>Cash flow after net investments</b>	<b>310</b>	<b>1,470</b>	<b>194</b>	<b>1,735</b>	<b>1,174</b>	<b>2,715</b>
<b>Financing activities</b>						
Borrowings	—	105	—	505	925	1,430
Repayment of loans	-56	-474	-186	-1,061	-836	-1,711
Repayment of lease liabilities	-18	-17	-34	-34	-67	-67
Repayment of lease liabilities IFRS 16	-102	-62	-226	-193	-447	-414
Buy-back of own shares	-170	—	-256	—	-378	-122
Dividend paid to the company's shareholders	-294	—	-294	—	-294	—
<b>Cash flow from financing activities</b>	<b>-640</b>	<b>-448</b>	<b>-996</b>	<b>-783</b>	<b>-1,097</b>	<b>-884</b>
<b>Change in cash and cash equivalents, excl. translation differences</b>	<b>-330</b>	<b>1,022</b>	<b>-802</b>	<b>952</b>	<b>77</b>	<b>1,831</b>
Exchange difference in cash and cash equivalents	-23	-9	6	0	2	-4
<b>Change in cash and cash equivalents</b>	<b>-353</b>	<b>1,013</b>	<b>-796</b>	<b>952</b>	<b>79</b>	<b>1,827</b>
Cash and cash equivalents at start of period	1,620	175	2,063	236	1,188	236
Cash and cash equivalents at end of period	1,267	1,188	1,267	1,188	1,267	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 0.1 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 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 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	Second quarter		First six months		July 20– June 21	Full year 2020
	2021	2020	2021	2020		
<b>The Group</b>						
Operational earnings	574	335	1,102	614	2,081	1,593
– Structural costs etc.	–2	–19	–3	–19	–120	–136
– Acquisition-related costs and value adjustments	–1	0	–1	0	–1	0
– Amortisation/impairment losses of surplus values	–30	–23	–53	–47	–99	–93
<b>Operating profit</b>	<b>541</b>	<b>293</b>	<b>1,045</b>	<b>548</b>	<b>1,861</b>	<b>1,364</b>

## Note 4 Group's operating segments

30 June 2021

SEK M	Service	Car	Fuel	Total	Segment reconciliation	Group
<b>Net turnover</b>						
External sales	2,818	15,341	573	18,732	14	18,746
Internal sales	973			973	-973	—
<b>Total net turnover</b>	<b>3,791</b>	<b>15,341</b>	<b>573</b>	<b>19,705</b>	<b>-959</b>	<b>18,746</b>
Depreciation/amortisation	-207	-338	-2	-547	-35	-582
<b>Operational earnings/Operating profit/loss</b>	<b>645</b>	<b>505</b>	<b>21</b>	<b>1,171</b>	<b>-126</b>	<b>1,045</b>
Interest income						3
Interest expenses						-78
Profit from shares in associated companies		26		26		26
<b>Profit before tax</b>						<b>996</b>
Tax expense for the period						-213
<b>Net profit for the period</b>						<b>783</b>
<i>Revenue and costs that affect comparability:</i>						
- Structural costs etc.	-2	-1		-3		-3
- Acquisition-related costs and value adjustments	-2	1		-1		-1
- Amortisation/impairment losses of surplus values	-27	-26		-53		-53
<b>Total</b>	<b>-31</b>	<b>-26</b>	<b>—</b>	<b>-57</b>	<b>—</b>	<b>-57</b>
<b>Assets</b>						
Shares in associated companies		495		495		495
Deferred tax assets						169
Other assets						16,970
<b>Total assets</b>						<b>17,634</b>
Investments in non-current assets	63	614		677	39	716
<b>Liabilities</b>						
Equity						4,259
Liabilities						13,375
<b>Total liabilities and equity</b>						<b>17,634</b>

SEK M	Service			Car		
	Sweden	Norway	Western Europe	Sweden	Norway	Western Europe
<b>Turnover</b>						
External sales	1,800	793	225	8,298	5,170	1,873
Internal sales	623	303	47			
<b>Total turnover</b>	<b>2,423</b>	<b>1,096</b>	<b>272</b>	<b>8,298</b>	<b>5,170</b>	<b>1,873</b>
Depreciation/amortisation	-119	-61	-27	-255	-50	-33
<b>Operational earnings</b>	<b>432</b>	<b>185</b>	<b>28</b>	<b>240</b>	<b>257</b>	<b>8</b>
Profit from shares in associated companies				26		
<i>Revenue and costs that affect comparability:</i>						
- Structural costs etc.	-2			-1		
- Acquisition-related costs and value adjustments	-1	-1				1
- Amortisation/impairment losses of surplus values	-8	-8	-11	-8	-7	-11
<b>Total</b>	<b>-11</b>	<b>-9</b>	<b>-11</b>	<b>-9</b>	<b>-7</b>	<b>-10</b>
Shares in associated companies				495		
Investments in non-current assets	48	9	6	563	35	16



SEK M	Revenues from customers	Non-current assets
<b>Geographical segments</b>		
Sweden	10,685	9,074
Norway	5,963	2,471
Germany	406	93
Luxembourg	807	575
Belgium	885	443
Segment reconciliation	0	-2,180
<b>Total</b>	<b>18,746</b>	<b>10,476</b>

### 30 June 2020

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

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

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

## 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 401 M was paid in cash, SEK 20 M will be 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.

### Effects of the acquisition

The acquisition has the following effects on the Group's assets and liabilities:

#### Acquiree's preliminary net assets at the acquisition date:

SEK M	Ferdinand Holding Group
Intangible assets (customer relations and distribution rights)	170
Property, plant and equipment	135
Long-term investments	0
Inventories	52
Trade receivables and other receivables	49
Cash and cash equivalents	78
Interest-bearing liabilities	69
Trade payables and other liabilities	66
Deferred tax liability	52
<b>Net identifiable assets and liabilities</b>	<b>297</b>
Consolidated goodwill	169
<b>Net identifiable assets and liabilities, including goodwill</b>	<b>466</b>
Purchase consideration paid, own shares	45
Final purchase consideration to be paid, cash	20
Purchase consideration paid, cash	401
<b>Total purchase consideration</b>	<b>466</b>
Purchase consideration paid, cash	401
Less: Cash and cash equivalents in acquired operation	-78
<b>Net effect on cash and cash equivalents</b>	<b>323</b>

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 April 30, 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.

### Effects of the acquisition

The acquisition has the following effects on the Group's assets and liabilities:

#### Acquiree's preliminary net assets at the acquisition date:

SEK M	Funnemark AS and Funnemark Sandefjord AS
Intangible assets (customer relations)	182
Property, plant and equipment	660
Long-term investments	0
Deferred tax asset	10
Inventories	106
Trade receivables and other receivables	63
Cash and cash equivalents	51
Interest-bearing liabilities	167
Trade payables and other liabilities	618
Deferred tax liability	40
<b>Net identifiable assets and liabilities</b>	<b>247</b>
Consolidated goodwill	104
<b>Net identifiable assets and liabilities, including goodwill</b>	<b>351</b>
Purchase consideration paid	351
Less: Cash and cash equivalents in acquired operation	-51
<b>Net effect on cash and cash equivalents</b>	<b>300</b>

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

### Other acquisitions during the year

The acquisition of Felgteknikk Norge AS and City Däck Öresund AB has not had a significant impact on the Group's financial position, which is why an acquisition analysis is not reported.

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

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

SEK M	30 June 2021	31 December 2020	30 June 2020
Current interest-bearing liabilities	574	783	959
Non-current interest-bearing liabilities	1,568	1,471	991
Lease liabilities IFRS 16	3,331	2,611	2,722
Cash and cash equivalents	-1,267	-2,063	-1,188
Interest-bearing assets	0	-1	0
Shares in associated companies	-495	-468	-441
<b>Net debt (+)/receivable (-) at end of period/year</b>	<b>3,711</b>	<b>2,333</b>	<b>3,043</b>
<b>Net debt (+)/receivable (-) at end of period/year, excluding IFRS 16</b>	<b>380</b>	<b>-278</b>	<b>321</b>

### The ratio of net debt to EBITDA

SEK M	30 June 2021	31 December 2020	30 June 2020
Operational earnings	1,102	1,593	614
Operational earnings, excluding IFRS 16	1,073	1,537	592
Total depreciation/amortisation	582	1,128	568
- amortisation of surplus values	-53	-93	-47
- depreciation of right-of-use assets	-230	-440	-227
- depreciation of leased vehicles with repurchase agreements	-156	-318	-161
Depreciation/amortisation added back	373	717	360
Depreciation/amortisation added back, excluding IFRS 16	143	277	133
<b>EBITDA</b>	<b>1,475</b>	<b>2,310</b>	<b>974</b>
<b>EBITDA, excluding IFRS 16</b>	<b>1,216</b>	<b>1,814</b>	<b>725</b>
The ratio of net debt to EBITDA rolling 12 months, times	1.3	1.0	1.5
The ratio of net debt to EBITDA rolling 12 months, times, excluding IFRS 16	0.2	-0.2	0.2

## Accounts – Parent Company

### Income Statement for Parent Company

SEK M	Second quarter		First six months		July 20– June 21	Full year 2020
	2021	2020	2021	2020		
Net turnover	163	138	313	276	582	545
Administrative expenses	-203	-154	-382	-300	-703	-621
<b>Operating loss <sup>1)</sup></b>	<b>-40</b>	<b>-16</b>	<b>-69</b>	<b>-24</b>	<b>-121</b>	<b>-76</b>
<i>Result from financial items</i>						
Profit from shares in Group companies	102	76	102	76	25	-1
Interest income from Group companies	10	14	19	35	36	52
Other interest income and similar line items	2	0	2	0	2	0
Interest expenses to Group companies	0	0	0	0	0	0
Interest expenses and similar line items	-9	-11	-17	-26	-37	-46
<b>Loss after financial items</b>	<b>65</b>	<b>63</b>	<b>37</b>	<b>61</b>	<b>-95</b>	<b>-71</b>
Appropriations	—	—	—	—	858	858
<b>Profit before tax</b>	<b>65</b>	<b>63</b>	<b>37</b>	<b>61</b>	<b>763</b>	<b>787</b>
Tax	14	0	24	-10	-127	-161
<b>Net profit for the year</b>	<b>79</b>	<b>63</b>	<b>61</b>	<b>51</b>	<b>636</b>	<b>626</b>
<sup>1)</sup> Straight-line amortisation/depreciation by asset class:						
- Intellectual property	0	0	0	0	0	0
- Buildings	-7	-5	-13	-11	-25	-23
- Equipment, tools, fixtures and fittings	-1	-1	-1	-1	-1	-1
<b>Total</b>	<b>-8</b>	<b>-6</b>	<b>-14</b>	<b>-12</b>	<b>-26</b>	<b>-24</b>

## Balance Sheet for Parent Company, Summary

SEK M	30 June 2021	31 December 2020	30 June 2020
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Intellectual property	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>
<b>Property, plant and equipment</b>			
Buildings	182	175	172
Construction in progress	33	39	30
Equipment, tools, fixtures and fittings	4	4	5
	<b>219</b>	<b>218</b>	<b>207</b>
<b>Long-term investments</b>			
Shares in Group companies	2,031	1,528	1,325
Other securities held as non-current assets	1	1	1
Deferred tax asset	85	61	48
	<b>2,117</b>	<b>1,590</b>	<b>1,374</b>
<b>Total non-current assets</b>	<b>2,336</b>	<b>1,808</b>	<b>1,581</b>
<b>Current assets</b>			
<b>Current receivables</b>			
Receivables from Group companies	423	1,429	437
Other receivables	211	123	152
Cash on hand and demand deposits	1,225	1,833	1,666
<b>Total current assets</b>	<b>1,859</b>	<b>3,385</b>	<b>2,255</b>
<b>TOTAL ASSETS</b>	<b>4,195</b>	<b>5,193</b>	<b>3,836</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
<b>Restricted equity</b>			
Share capital	257	257	257
Statutory reserve	47	47	47
	<b>304</b>	<b>304</b>	<b>304</b>
<b>Non-restricted equity</b>			
Share premium reserve	167	167	167
Retained earnings including net profit for the year	962	1,404	949
	<b>1,129</b>	<b>1,571</b>	<b>1,116</b>
<b>Total equity</b>	<b>1,433</b>	<b>1,875</b>	<b>1,420</b>
<b>Untaxed reserves</b>	<b>1,016</b>	<b>1,016</b>	<b>863</b>
<b>Provisions</b>			
Deferred tax liability	15	15	14
	<b>15</b>	<b>15</b>	<b>14</b>
<b>Non-current liabilities</b>			
Bond issue	1,296	1,292	792
Other long-term liabilities	169	—	—
Other liabilities	5	5	5
	<b>1,470</b>	<b>1,297</b>	<b>797</b>
<b>Current liabilities</b>			
Bond issue	—	130	500
Liabilities to Group companies	57	555	3
Other liabilities	204	305	239
	<b>261</b>	<b>990</b>	<b>742</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,195</b>	<b>5,193</b>	<b>3,836</b>

## Quarterly review – 8 quarters

### The Group

	Q 3 2019	Q 4 2019	Q 1 2020	Q 2 2020	Q 3 2020	Q 4 2020	Q 1 2021	Q 2 2021
Net turnover, SEK M	6,805	8,403	7,450	6,777	7,559	8,382	9,344	9,402
Operational earnings, SEK M	280	415	279	335	402	577	528	574
Operational margin, %	4.1	4.9	3.7	5.0	5.3	6.9	5.6	6.1
Operating profit, SEK M	264	370	255	293	375	441	504	541
Operating margin, %	3.9	4.4	3.4	4.3	5.0	5.3	5.4	5.8
Profit before tax, SEK M	237	334	219	266	353	422	480	516
Profit/loss for the period, SEK M	188	262	167	213	281	323	377	406
The ratio of net debt to EBITDA excl. IFRS 16, times <sup>1)</sup>	1.1	1.3	1.2	0.2	-0.4	-0.2	0.02	0.2
Return on capital employed, % <sup>1)</sup>	16.0	15.8	15.0	15.1	16.2	16.7	19.1	21.4
Return on equity, % <sup>1)</sup>	25.9	26.5	26.5	26.1	27.4	27.5	31.6	35.0
Equity/assets ratio, %	21	20	22	24	24	24	25	24
Data per share (SEK) <sup>2)</sup>								
Earnings/loss for the period	1.85	2.60 <sup>3)</sup>	1.65 <sup>4)</sup>	2.15 <sup>4)</sup>	2.80 <sup>4)</sup>	3.25 <sup>5)</sup>	3.85 <sup>7)</sup>	4.10 <sup>9)</sup>
Equity	30	32 <sup>4)</sup>	33 <sup>4)</sup>	35 <sup>4)</sup>	38 <sup>4)</sup>	40 <sup>6)</sup>	44 <sup>8)</sup>	44 <sup>10)</sup>

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

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

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

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

<sup>5)</sup> Based on weighted average number of shares outstanding during fourth quarter, 99,958,525.

<sup>6)</sup> Based on number of shares outstanding, 98,913,742.

<sup>7)</sup> Based on weighted average number of shares outstanding during first quarter, 98,414,175.

<sup>8)</sup> Based on number of shares outstanding, 98,133,742.

<sup>9)</sup> Based on weighted average number of shares outstanding during second quarter, 98,117,138.

<sup>10)</sup> Based on number of shares outstanding, 97,549,501.

### Business area – Service Business

	Q 3 2019	Q 4 2019	Q 1 2020	Q 2 2020	Q 3 2020	Q 4 2020	Q 1 2021	Q 2 2021
Turnover, SEK M	1,570	2,028	1,796	1,622	1,558	1,995	1,880	1,911
Operational earnings, SEK M	195	315	263	281	237	376	319	326
Margin, %	12.4	15.6	14.7	17.3	15.2	18.8	16.9	17.1
Adjusted turnover in Sweden and Norway, growth in %	7.1	10.9	7.5	-2.0	6.0	5.2	7.8	9.0

### Business area – Car Business

	Q 3 2019	Q 4 2019	Q 1 2020	Q 2 2020	Q 3 2020	Q 4 2020	Q 1 2021	Q 2 2021
Turnover, SEK M	5,233	6,577	5,783	5,157	6,049	6,627	7,698	7,643
Operational earnings, SEK M	86	136	18	56	169	234	225	280
Margin, %	1.6	2.1	0.3	1.1	2.8	3.5	2.9	3.7
New cars delivered, number	9,858	14,398	10,814	8,685	10,550	13,259	13,718	12,518
Order backlog of new cars, number	13,083	11,767	13,579	12,848	14,492	13,458	13,741	13,495
Used cars delivered, number <sup>1)</sup>	12,272	11,540	12,416	12,345	13,388	10,948	12,275	14,043

<sup>1)</sup> Previous year has been recalculated.

### Business area – Fuel Business

	Q 3 2019	Q 4 2019	Q 1 2020	Q 2 2020	Q 3 2020	Q 4 2020	Q 1 2021	Q 2 2021
Turnover, SEK M	338	331	290	257	287	259	264	309
Operational earnings, SEK M	6	2	5	8	9	7	12	9
Margin, %	1.9	0.4	1.9	3.0	2.9	2.9	4.7	2.9



## 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/](https://bilias.com/en/investors/financial-information/)

## Additional Bilia disclosures

### Press and analyst meeting

On Friday, 23 July 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

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

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Kristina Franzén, CFO, +46 (0)10 497 73 40, kristina.franzen@bilias.se

### Calendar

Interim report July-September 2021: 26 October 2021

### 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.

## Declaration

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

Gothenburg, 23 July 2021

Mats Qviberg  
*Chairman*

Jan Pettersson  
*Deputy chairman*

Ingrid Jonasson Blank  
*Board member*

Gunnar Blomkvist  
*Board member*

Anna Engebretsen  
*Board member*

Eva Eriksson  
*Board member*

Mats Holgersson  
*Board member*

Nicklas Paulson  
*Board member*

Jon Risfelt  
*Board member*

Dragan Mitrasinovic  
*Board member appointed  
by employee organisation*

Patrik Nordvall  
*Board member appointed  
by employee organisation*

Per Avander  
*Managing Director*

Gothenburg, 23 July 2021  
Bilia AB (publ)  
Board of Directors and Managing Director

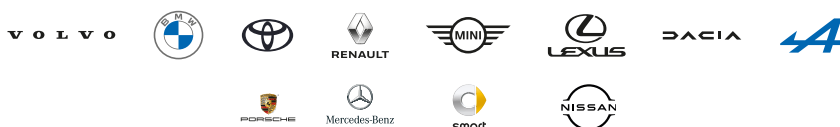
This is information that Bilia AB (publ) is obliged to make public pursuant to the EU's Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out above, on 23 July 2021, at 08:00 AM CEST.

**Bilia** is one of Europe's largest car dealers, with a leading position in servicing and sales of cars and transport vehicles 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.



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