



Full-Year Report 1 Jan. – 31 Dec. 2020

Highest results ever for a single quarter and a full year

Fourth quarter 2020

- Net turnover amounted to SEK 8,382 M (8,403), a decrease of 0.2 per cent.
- Operational earnings amounted to SEK 577 M (415), an increase of 39 per cent.
- The improvement in profit was attributable to the Service Business and Car Business. Norway reported an increase in profit of a full SEK 87 M.
- Profit for the period amounted to SEK 323 M (262) and earnings per share to SEK 3.25 (2.60).
- Operating cash flow amounted to SEK -5 M (-297).

Full year 2020

- Net turnover amounted to SEK 30,168 M (29,508), an increase of 2 per cent.
- Operational earnings amounted to SEK 1,593 M (1,239), an increase of 29 per cent.
- Profit for the year amounted to SEK 984 M (807) and earnings per share to SEK 9.85 (8.00).
- Operating cash flow amounted to SEK 2,872 M (855).
- The Board proposes an ordinary dividend of SEK 6.00 (-) per share. Last year's proposed dividend of SEK 5.25 was withdrawn due to COVID-19 rules.

Events after the balance sheet date

- After the close of the quarter, restrictions due to the COVID-19 virus has expanded and are deemed to remain an uncertainty.

SEK M	Fourth quarter		Full-year	
	2020	2019	2020	2019
The Group				
Net turnover	8,382	8,403	30,168	29,508
Operational earnings ¹⁾	577	415	1,593	1,239
Operational margin, %	6.9	4.9	5.3	4.2
Operating profit	441	370	1,364	1,125
Operating margin, %	5.3	4.4	4.5	3.8
Profit before tax	422	334	1,260	1,014
Net profit for the period/year	323	262	984	807
Earnings per share, SEK ²⁾	3.25	2.60	9.85	8.00

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

- New record quarter for Norway
- Strong results for the Service Business
- High order backlog for new cars



Higher operational earnings for the fourth quarter

Our operational earnings improved by SEK 162 M to SEK 577 M, an improvement of a full 39 per cent. The operating margin amounted to 6.9 per cent, a new record for a quarter. Norway reported its best ever quarterly results and accounted for a full SEK 87 M of the Group's improved results. Profit for the Service Business amounted to SEK 376 M, which was SEK 61 M higher than last year. The Car Business's profit amounted to SEK 234 M, an improvement of SEK 98 M. Sales of both new and used cars reported higher profits. Profit from sales of used cars was the second highest ever for a quarter. The order backlog for new cars was the highest ever at year-end at 13,458 cars, approximately 1,700 cars higher than last year.

Ongoing discussions on future collaborations with Volvo

In November, Bilia was notified that Volvo would be terminating the dealer agreements for Volvo in Sweden and Norway. We were surprised as Bilia has had one of the highest levels of customer satisfaction in the Volvo industry for several years, and has been a Best Partner to Volvo for many years. Bilia and Volvo Cars have entered into discussions about the implication of the terminated agreements on future collaboration. Our aim and hope is that forms of collaboration will be identified even after the agreements come to an end at the end of 2022. Car sales are undergoing a global transformation and we believe that Bilia will continue to play an important role for future Volvo owners.

During the fourth quarter, our operating profit of SEK 441 M (370) was negatively affected by restructuring costs of approximately SEK 110 M, which can mainly be attributed to Volvo Cars' termination of Bilia's dealer agreements and the closure of three of a total of seven facilities in Germany. The costs related to Volvo Cars' termination of the agreements are our initial assessment of the costs for restructuring our operations. The discussions with Volvo Cars are in an introductory phase, which is why it is not currently possible to estimate the future financial impact on Bilia's operations. Bilia's sales of new Volvo cars in Sweden and Norway amounted to approximately 20 per cent of the Group's turnover and approximately 5 per cent of the Group's operational earnings in 2020. Bilia will soon apply for, and expects to obtain, renewed authorisation to continue servicing and repair operations for Volvo. The termination does not include the sale of used Volvo cars.

Continued focus on safety for customers and employees

During the fourth quarter, restrictions due to COVID-19 partly restricted our operations, mainly in Belgium and Germany, but also in Sweden to some extent. We are continuing to focus on the safety of our customers and employees so as to help reduce virus transmission based on the restrictions we will probably have to live with for a while to come.

Naturally I am extremely proud of the strong results we have generated together for Bilia in 2020, but first and foremost I am proud of how together we have handled all the changes and questions during the year, and I would like to thank all Bilia employees for their amazing efforts!

Per Avander, Managing Director and CEO

Group results

Net turnover and earnings

Fourth quarter 2020

Net turnover amounted to SEK 8,382 M (8,403). For comparable operations and adjusted for exchange rate fluctuations, net turnover increased by approximately 1 per cent. Exchange rate fluctuations, mainly Norwegian krone, impacted the net turnover negatively by about SEK 250 M.

Operating profit amounted to SEK 441 M (370). Operating profit for the fourth quarter of 2020 includes restructuring costs of SEK 112 M. The restructuring costs can mainly be attributed to Volvo Cars' termination of Bilia's dealer agreements and the closure of three of a total of seven facilities in Germany. The costs related to Volvo Cars' termination of the dealer agreements are an initial assessment of the costs for initial restructuring of our operations. The discussions with Volvo Cars are in an introductory phase, which is why it is not currently possible to estimate the future financial impact on Bilia's operations. Operating profit for the fourth quarter 2019 was negatively affected by a one-off write-down of intangible assets in Germany, Western Europe, which amounted to SEK 20 M.

Operational earnings amounted to SEK 577 M (415), and the operational margin was 6.9 per cent (4.9). Both the reported operational earnings and the margin were the highest ever for a single quarter.

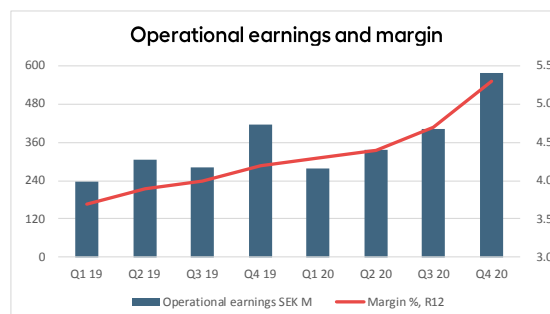
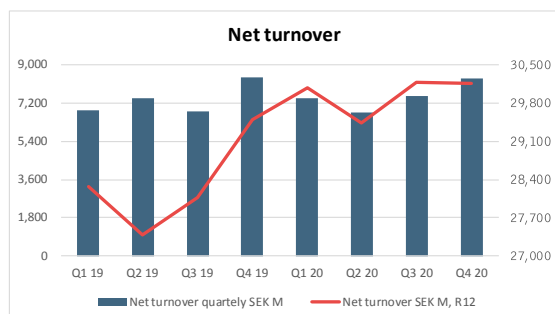
The **Service Business** reported a profit that was SEK 61 M or 19 per cent higher than last year, mainly attributable to higher turnover and lower costs. Adjusted turnover for the Service Business in Sweden and Norway increased by approximately 5 per cent. All in all, adjusted turnover for the Group's Service Business increased by approximately 2 per cent. The **Car Business** reported figures that were SEK 98 M higher than last year, attributable to sales of used and new cars of SEK 40 M and SEK 58 M respectively. The **Fuel Business** reported a profit that was SEK 5 M higher than last year.

During the fourth quarter, the operations were partly limited by restrictions due to COVID-19. In Sweden, demand weakened somewhat following more widespread restrictions on working from home and less travel. Operations in Belgium were partially closed in November, and operations in Germany have been partially closed since 16 December. In other countries, all of the facilities have been open and we have continued operations during the quarter, but with special measures to reduce the risk of further spreading the COVID-19 virus.

The Group's personnel expenses decreased by SEK 1 M during the fourth quarter due to the furloughing of employees. The result for the fourth quarter does not include any financial support for furloughs in Sweden.

As a result of the profit level and customer satisfaction during the quarter, a provision totalling SEK 4 M (5) was made for employee bonuses in Sweden.

The Group's underlying overheads were around 6 per cent lower compared with last year. Overheads amounted to 11.4 per cent of net turnover, which was 1.0 percentage point lower than last year.



The operation in **Sweden** reported a profit of SEK 412 M (320). The margin was 8.2 per cent (6.2). The higher profit was attributable to both the Car Business and the Service Business with SEK 61 M and SEK 26 M respectively. The Fuel Business's profit was SEK 5 M higher than last year. The operation in **Norway** reported a profit of SEK 176 M (89). The margin was 7.5 per cent (4.1). The far higher profit was attributable to both the Car Business and the Service Business with SEK 54 M and SEK 33 M respectively. The operation in **Western Europe** reported a profit of SEK 29 M (44). The margin was 2.8 per cent (4.1). The lower profit was attributable to the Car Business while the Service Business's profit was on a par with last year. The operating loss for the **Parent Company** in the fourth quarter amounted to SEK -33 M (-33).

Profit for the period amounted to SEK 323 M (262). Earnings per share amounted to SEK 3.25 (2.60). Exchange rate fluctuations, mainly attributable to the Norwegian krone, impacted the period's results negatively by approximately SEK 15 M compared to last year.

The **number of employees** increased by 84 during the fourth quarter and amounted to 4,646. Compared to last year the number of employees fell by 332, and adjusted for acquired and divested operations the number fell by 376.

Full year 2020

Net turnover amounted to SEK 30,168 M (29,508). For comparable operations and adjusted for exchange rate fluctuations, net turnover was 3 per cent higher than last year. Exchange rate fluctuations, mainly Norwegian krone, impacted the net turnover negatively by about SEK 770 M.

Operating profit amounted to SEK 1,364 M (1,125). Operating profit for 2020 was negatively affected by restructuring costs of SEK 136 M, which can mainly be attributed to Volvo Cars' termination of Bilia's dealer agreements, the closure of three of a total of seven facilities in Germany, redundancy of personnel and relocation of operation in Sweden. The costs related to Volvo Cars' termination of the dealer agreements are an initial assessment of the costs for initial restructuring of our operations. The discussions with Volvo Cars are in an introductory phase, which is why it is not currently possible to estimate the future financial impact on Bilia's operations. Bilia's sales of new Volvo cars in Sweden and Norway for the full year 2020 amounted to approximately SEK 6,400 M and approximately 20 per cent of the Group's turnover. Operational earnings for the full year 2020 amounted to approximately SEK 80 M and accounted for approximately 5 per cent of the Group's operational earnings. In 2019, operating profit was negatively affected by a one-off write-down of intangible assets in Germany, Western Europe, which amounted to SEK 20 M.

Operational earnings amounted to SEK 1,593 M (1,239). The operational margin was 5.3 per cent (4.2). This was the highest ever operational earnings and margin for a whole year.

The **Service Business** reported a profit that was SEK 212 M or 22 per cent higher than last year attributable to higher gross profit margin and lower costs. Adjusted turnover increased by just under 4 per cent for Sweden and Norway and by just over 1 per cent for the Group as a whole. The **Car Business** reported profits that were SEK 129 M higher than last year, attributable to sales of both new and used cars. The **Fuel Business** reported a profit that was SEK 4 M higher than last year.

Cost-cutting measures were taken during the year to mitigate the effects of the COVID-19 pandemic. Consultancy, temporary employment and trial employment ceased, mainly during the first six months, and at the end of the year there were about 376 fewer employees than at the end of 2019, adjusted for acquired and divested operations.

The company utilised the opportunity to furlough employees where business had been adversely affected by the COVID-19 pandemic, mainly during the period from April to June. The Group's personnel expenses decreased by SEK 31 M due to furloughing employees. Profit for the year does not include any financial support for furloughs in Sweden. Temporary rules have been introduced for all Swedish and Norwegian companies as regards sick pay and/or social security contributions, which reduced personnel expenses for the Swedish and Norwegian operations by SEK 11 M and SEK 6 M respectively compared to last year.

As a result of the profit level and customer satisfaction, a provision totalling SEK 25 M (29) was made for employee bonuses in Sweden.

The Group's underlying overheads were around 5 per cent lower compared with last year. Overheads amounted to 11.7 per cent of net turnover, which was 1.2 percentage points lower than last year.

The operation in **Sweden** reported a profit of SEK 1,178 M (950). The margin was 6.4 per cent (5.3). The higher profit was mainly attributable to a higher gross profit margin and lower costs in the Service Business. The operation in **Norway** reported a profit of SEK 444 M (277). The margin was 5.5 per cent (3.7). The higher result was attributable to both the Service Business and the Car Business and can mainly be explained by a higher underlying turnover.

The operation in **Western Europe** reported a profit of SEK 41 M (91). The margin was 1.1 per cent (2.2). The poorer performance was mainly related to the Car Business and sales of new cars, and can partly be attributed to business closures during the year due to COVID-19 restrictions.

Operating loss for the **Parent Company** for the whole year amounted to SEK -76 M (-84) and was positively affected by lower costs compared with last year.

Profit for the year totalled SEK 984 M (807). Earnings per share amounted to SEK 9.85 (8.00). Exchange rate fluctuations, mainly attributable to the Norwegian krone, impacted the period's results negatively by approximately SEK 30 M.

The **number of employees** decreased by 332 during the year and amounted to 4,646. Adjusted for acquired and divested operations, the number of employees decreased by 376.

Net turnover by geographic market

SEK M	Fourth quarter		Full-year	
	2020	2019	2020	2019
Sweden	5,013	5,114	18,313	17,811
Norway	2,362	2,180	8,013	7,526
Western Europe	999	1,102	3,816	4,146
Parent Company, other	8	7	26	25
Total	8,382	8,403	30,168	29,508

Operational earnings by geographic market

SEK M	Fourth quarter		Full-year	
	2020	2019	2020	2019
Sweden	412	320	1,178	950
Norway	176	89	444	277
Western Europe	29	44	41	91
Parent Company, other	-40	-38	-70	-79
Total	577	415	1,593	1,239

Margin by geographic market

Per cent	Fourth quarter		Full-year	
	2020	2019	2020	2019
Sweden	8.2	6.2	6.4	5.3
Norway	7.5	4.1	5.5	3.7
Western Europe	2.8	4.1	1.1	2.2
Parent Company, other	-	-	-	-
Total	6.9	4.9	5.3	4.2

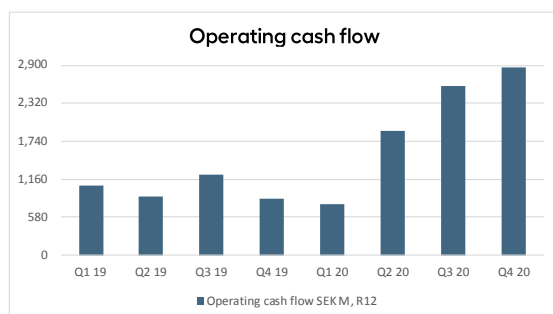
Net financial items and tax

Net financial items for the fourth quarter amounted to SEK -19 M (-36) and were positively affected by low interest expenses and exchange rate fluctuations.

Tax for the fourth quarter amounted to SEK -99 M (-72), and the effective tax rate was 23 per cent (22).

Operating cash flow

Operating cash flow for the fourth quarter amounted to SEK -5 M (-297). During the quarter, SEK 170 M (6) was paid for acquired operations. After acquisitions and disposals of operations and changes in financial assets, cash flow for the fourth quarter amounted to SEK -165 M (-302).



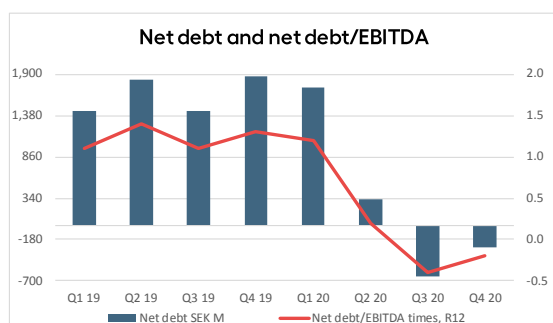
Financial position

The **balance sheet total** increased by SEK 335 M during 2020 and amounted to SEK 16,416 M. The increase was mainly attributable to higher cash and cash equivalents and equity.

Equity increased by SEK 782 M during 2020, amounting to SEK 3,968 M. During the fourth quarter, 1,220,000 of the company's own shares were bought back for a total purchase price of SEK 122 M. Total possession of own shares as of 31 December 2020 amounted to 3,886,210 shares.

The **equity/assets ratio** amounted to 24 per cent (20).

Net debt decreased by SEK 2,160 M during 2020 and amounted to SEK 2,333 M. The decrease is mainly explained by the strong cash flow during the year and the withdrawn dividend payment to shareholders. Excluding lease liabilities attributable to IFRS 16, net debt was positive and amounted to SEK -278 M, a decrease of SEK 2,151 M since December 2019. The ratio of net debt to EBITDA excluding IFRS 16 was -0.2 (minus due to positive net debt) compared with 1.3 in the previous year.



Excluding IFRS 16

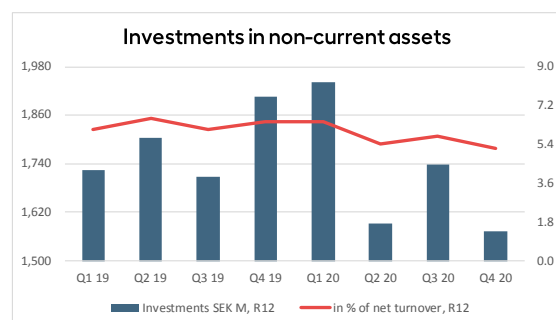
Liquidity remained good, and at the end of the fourth quarter a receivable from the banks (Nordea and DNB) of SEK 1,824 M was reported (receivable: 55) Bilia's combined credit limit with Nordea and DNB amounts to SEK 1,500 M.

Investments (excluding right-of-use assets)

Acquisitions of non-current assets during the fourth quarter amounted to SEK 90 M (74) excluding lease vehicles and SEK 405 M (571) including lease vehicles. Replacement investments represented SEK 23 M (16), expansion investments SEK 27 M (21), environmental investments SEK 2 M (12), investments in new construction and additions to properties SEK 28 M (13), finance leases SEK 10 M (12) and lease vehicles SEK 315 M (497).

Investments in non-current assets by geographic market

SEK M	Fourth quarter		Full-year	
	2020	2019	2020	2019
Sweden	365	474	1,306	1,455
Norway	-12	48	159	301
Western Europe	25	31	37	52
Parent Company, other	27	18	70	98
Total	405	571	1,572	1,906



Excluding right-of-use assets

Notable events

Events during the fourth quarter

- On 1 October, Bilia repurchased SEK 370 M of the SEK 500 M of total outstanding unsecured bond loans with ordinary maturity in March 2021 at a price of 100.9 per cent. At the same time, a new senior unsecured bond loan was issued to a value of SEK 500 M. The new bond loan has a variable interest rate of STIBOR 3-months plus 170 basis points with final maturity in October 2025.
- On 19 November, Bilia was notified that Volvo would be terminating its current dealer agreements for Volvo in Sweden and Norway. The notice period is two years. The termination affects agreements with both the Car Business and the Service Business for Volvo Cars. Business will continue as normal during the notice period. Bilia has initiated discussions about future cooperation with Volvo after the notice period. Bilia's turnover from sales of new Volvo cars in Sweden and Norway amounted to approximately SEK 6,400 M in 2019, with a contribution

margin of approximately SEK 80 M. Bilia intends to continue its servicing and repair operations, and to continue selling used Volvos also after the two-year notice period. Bilia will apply for renewed authorisation for workshop services, which include service and damage operations. Sales of used cars are not covered by the dealer agreements and are therefore not affected by the termination of the agreements.

- On 8 December, Bilia's Board decided to buy back up to 2,000,000 of the company's own shares. Bilia has notified the relevant authorities in Sweden that applications for financial support relating to COVID-19, such as furlough support, have been withdrawn. Support that has already been paid out in Sweden will be paid back. During the fourth quarter, 1,220,000 shares were bought back for a total purchase price of SEK 122 M.

Events during the first nine months

- Bilia's Group Management was expanded by four people to include Elin Delvert, HR Director, Magnus Karlsson, CIO, Mathias Nilsson, MD of Bilia Personbilar AB, Sweden and Anders Rydheimer, Director of Marketing, Communication and Digital. Bilia's Group Management already includes Per Avander, Managing Director and CEO, Stefan Nordström, Deputy Managing Director, Kristina Franzén, CFO, and Frode Hebnes, Managing Director of Bilia Personbil AS, Norway.
- Bilia refinanced its current loan and credit facilities of SEK 1.5 billion, with ordinary maturity during the third quarter of 2020. The new credit facilities amount to SEK 1.5 billion, of which SEK 900 M in revolving loans and SEK 600 M in overdraft facilities under essentially unaltered conditions. The revolving loans have a duration of three years with the potential for a one-year extension, plus one year subject to the creditors' approval. DNB and Nordea are the lenders.
- On 24 March 2020 the Board of Bilia AB decided, due to the spread of COVID-19, to postpone the AGM until a later date. The proposal to pay a dividend will be reviewed prior to the meeting. Nine of Bilia's 135 facilities were closed completely in line with government decisions. In Sweden and Norway, all the facilities were open.
- Prior to the company's 2020 AGM on 22 June, the Board of Directors of Bilia AB decided to withdraw its previous proposal for an ordinary dividend of SEK 5.25 per share, to be paid on two occasions. The Nominating Committee of Bilia AB revised its previous proposal to the 2020 AGM and proposed unchanged Board fees compared to 2019, with the exception of the fee to the newly formed Property Committee.
- On 20 August Bilia concluded an agreement to acquire Jönköpings Bildemontering AB, ECRIS AB and the property company that owns the property in which the two companies' operations are run. In recent years, the acquired operations have reported average turnover of around SEK 140 M and an average operating margin of around 15 per cent. The number of employees amounts to approximately 80. The Bilia Group's capital employed and net debt are expected to increase by around SEK 200 M due to the acquisition, and the property company is estimated to account for around SEK 90 M of this. Bilia is scheduled to take over the operations on 1 November 2020.
- On 1 September it was announced that Bilia's subsidiary, Netbil Begagnat AB, has opened a new facility for sales of used cars in Skövde. Another new facility will open in Västerås in November. These two facilities are part of Bilia's strategic focus on sales of used cars, encompassing a total of seven facilities.

Events after the balance sheet date

- Since the end of the quarter, the spread of the COVID-19 virus has resulted in more widespread restrictions on our operations, which meant that our operations in Norway and Germany have been or are partially closed respectively. The high degree of uncertainty still renders it impossible to estimate the impact on the financial results.
- On January 25, Bilia concluded an agreement to acquire 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 a next step Bilia intends to expand the rim repair business into Sweden.
- 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

Strong demand in Norway and a focus on costs once again contributed to strong results

Fourth quarter 2020

- Turnover amounted to SEK 1,995 M (2,028), a decrease of 2 per cent.
- Operational earnings amounted to SEK 376 M (315).
- The margin was 18.8 per cent (15.6).

Full-year 2020

- Turnover amounted to SEK 6,971 M (7,052), a decrease of 1 per cent.
- Operational earnings amounted to SEK 1,157 M (945).
- The margin was 16.6 per cent (13.4).

Turnover and earnings

Fourth quarter 2020

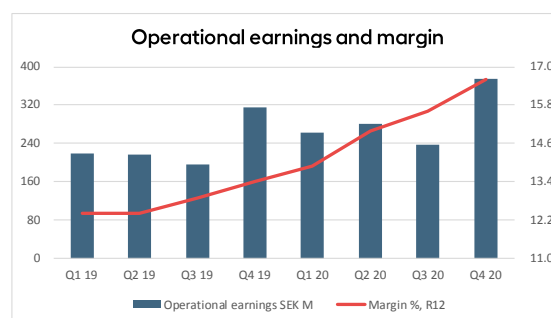
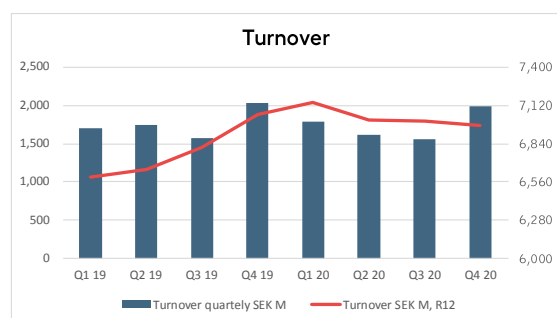
During the fourth quarter, the **adjusted turnover** for the Service Business in Sweden and Norway increased by around 5 per cent compared with last year. The adjusted turnover in Sweden was negatively affected by COVID-19 restrictions regarding working from home and less travel. The strong adjusted turnover in Norway of 27 per cent can also be partly explained by the launch of servicing for Polestar cars during the fourth quarter. In Western Europe, adjusted turnover fell by approximately 31 per cent, mainly due to partial business closures as a result of COVID-19 restrictions, as well as lower sales of spare parts. Adjusted turnover for the Group during the quarter increased by approximately 2 per cent. There was one more working day in Sweden and Norway, two more working days in Germany and Luxembourg, and the same number of working days in Belgium compared with last year.

Growth in the Service Business

Per cent	Fourth quarter			Full-year		
	Sweden	Norway	Total	Sweden	Norway	Total
<i>Change from last year</i>						
Reported turnover	-3.0	16.0	2.4	1.3	4.2	2.1
Underlying turnover	-5.1	29.0	6.8	0.3	14.6	4.8
Calendar effect	-1.6	-1.6	-1.6	-0.8	-1.2	-0.9
Adjusted turnover	-6.7	27.4	5.2	-0.5	13.4	3.9

Operational earnings during the fourth quarter improved by SEK 61 M or 19 per cent compared with last year. The improved result was mainly attributable to a higher gross profit margin and lower costs. The margin improved from 15.6 to 18.8 per cent.

In **Sweden** operational earnings amounted to SEK 264 M (238), which can mainly be attributed to a higher gross profit margin and lower costs. In **Norway** operational earnings amounted to SEK 93 M (60), which can mainly be attributed to higher turnover and lower relative costs. In Norway, adjusted turnover for the fourth quarter increased by as much as 27.4 per cent compared with last year. The increase can partly be explained by the launch of servicing for Polestar cars during the year. In **Western Europe** operational earnings amounted to SEK 19 M (17), which can mainly be attributed to a higher gross profit margin.



At the end of the fourth quarter, the number of customers with service subscriptions amounted to 120,000 (114,000) compared with our long-term goal of 130,000. The number of wheels stored on behalf of our customers amounted to 387,000 (348,000) compared with 600,000, which has been our long-term goal since last year.

Full-year 2020

In 2020, the **adjusted turnover** for the Service Business in Sweden and Norway increased by 4 per cent compared with last year. Reported turnover for Norway was adversely impacted by exchange rate fluctuations. The strong adjusted turnover in Norway of 13 per cent can partly be explained by the launch of servicing for Polestar cars during the year. In Western Europe, adjusted turnover fell by approximately 26 per cent, due to partial business closures as a result of COVID-19 restrictions as well as lower sales of spare parts. Adjusted turnover for the Group for the whole year increased by approximately 1 per cent.

Operational earnings during the year improved by SEK 212 M or 22 per cent compared with last year. The improved result was mainly attributable to a higher gross profit margin and lower costs. The margin improved from 13.4 to 16.6 per cent.

In **Sweden** operational earnings amounted to SEK 831 M (674), which can mainly be attributed to a higher gross profit margin and lower costs. In **Norway** operational earnings amounted to SEK 273 M (205), which can mainly be attributed to higher turnover and lower relative costs. In Norway, adjusted turnover increased by as much as 13.4 per cent compared with last year. The increase can partly be explained by the launch of servicing for Polestar cars during the year. In **Western Europe** operational earnings amounted to SEK 53 M (66), and the lower earnings can mainly be attributed to lower turnover.

Turnover by geographic market

SEK M	Fourth quarter		Full-year	
	2020	2019	2020	2019
Sweden	1,237	1,275	4,498	4,442
Norway	590	508	1,862	1,786
Western Europe	168	245	611	824
Total	1,995	2,028	6,971	7,052

Operational earnings by geographic market

SEK M	Fourth quarter		Full-year	
	2020	2019	2020	2019
Sweden	264	238	831	674
Norway	93	60	273	205
Western Europe	19	17	53	66
Total	376	315	1,157	945

Margin by geographic market

Per cent	Fourth quarter		Full-year	
	2020	2019	2020	2019
Sweden	21.3	18.7	18.5	15.2
Norway	15.7	11.8	14.6	11.5
Western Europe	11.6	7.6	8.6	8.1
Total	18.8	15.6	16.6	13.4

Car Business

Strong profit for used cars and the highest order backlog for new cars at a year-end

Fourth quarter 2020

- Turnover amounted to SEK 6,627 M (6,577), an increase of 0.8 per cent.
- Operational earnings amounted to SEK 234 M (136).
- The margin was 3.5 per cent (2.1).

Full-year 2020

- Turnover amounted to SEK 23,616 M (22,678).
- Operational earnings amounted to SEK 477 M (348).
- The margin was 2.0 per cent (1.5).

Turnover and earnings

Fourth quarter 2020

The Car Business's **deliveries** of new and used cars during the fourth quarter were 8 per cent and 7 per cent lower respectively compared with last year.

The **order intake** of new cars for the Group, adjusted for comparable operations, was 6 per cent lower than last year. Norway's underlying order intake continued to be higher, 23 per cent, compared with last year. The **order backlog** amounted to 13,458 cars, an increase of almost 1,700 cars, which can mainly be attributed to Norway's order backlog, which was twice what it was last year. This is the highest recorded order backlog for the Group at a year-end.

New cars by geographic market

Number of	Deliveries				Order backlog	
	Fourth quarter		Full-year		31 Dec.	31 Dec.
	2020	2019	2020	2019	2020	2019
Sweden	8,646	9,929	29,065	32,998	7,051	8,218
Norway	3,108	2,611	8,399	9,006	4,545	2,231
Western Europe	1,505	1,858	5,844	6,666	1,862	1,318
Total	13,259	14,398	43,308	48,670	13,458	11,767

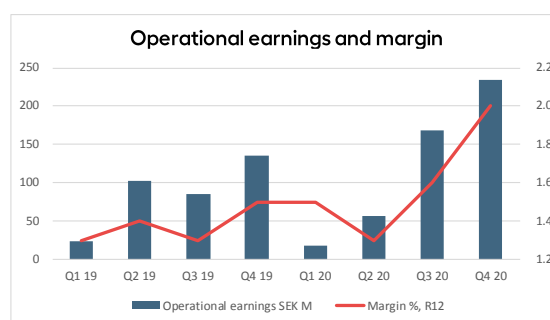
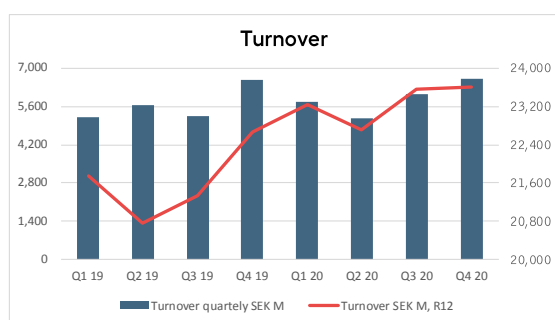
Used cars by geographic market

Number of	Deliveries			
	Fourth quarter		Full-year	
	2020	2019	2020	2019
Sweden	7,815	8,807	34,674	33,981
Norway	2,403	2,445	11,668	10,638
Western Europe	1,467	1,285	5,505	5,745
Total	11,685	12,537	51,847	50,364

Adjusted for comparable operations and exchange rate fluctuations, **turnover** during the fourth quarter was approximately 3 per cent higher than last year. Turnover was positively affected by a higher average selling price attributable to the mixture of brands and models of the delivered cars.

Operational earnings from sales of **used** cars amounted to SEK 96 M (56), the second highest ever operational earnings for a quarter. The higher figure was mainly attributable to 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. Stocks of used cars increased somewhat during the fourth quarter, and were at a good level.

Operational earnings from sales of **new** cars amounted to SEK 138 M (80). The higher figure was mainly attributable to higher turnover and lower costs.



Operational earnings for the Car Business in **Sweden** amounted to SEK 141 M (80). The higher figure was mainly attributable to sales of new cars, and is mainly explained by higher turnover and lower costs. Profit from sales of used cars amounted to SEK 56 M (45). The higher profit was mainly attributable to a higher gross profit margin. 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 83 M (29). The higher figure 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 33 M (11). 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 10 M (27). The lower figure was attributable to sales of new cars, and is mainly explained by lower turnover and gross profit margin. Profit from sales of used cars amounted to SEK 7 M (0).

Full-year 2020

The Car Business's **deliveries** of new and used cars during the whole year were 11 per cent lower and 3 per cent higher respectively compared with last year.

The **order intake** of new cars for the Group, adjusted for comparable operations, was 11 per cent lower than last year, mainly due to Sweden, which had a 20 per cent decrease in its underlying order intake, while Norway's underlying order intake was 17 per cent higher.

Adjusted for comparable operations and exchange rate fluctuations, **turnover** during the whole year was approximately 5 per cent higher than last year. Turnover was positively affected by a higher average selling price attributable to the mixture of brands and models of the delivered cars.

Operational earnings from sales of **used** cars amounted to SEK 297 M (244), the highest ever operational earnings for a whole year. The higher figure was attributable to higher turnover compared to last year. The turnover rate of inventories of used cars has remained a priority and was at a high level.

Operational earnings from sales of **new** cars amounted to SEK 180 M (104). The higher figure was mainly attributable to higher turnover and lower costs.

Operational earnings for the Car Business in **Sweden** amounted to SEK 318 M (251). The higher figure was mainly attributable to sales of new cars, and is mainly explained by higher turnover and lower costs. Profit from sales of used cars amounted to SEK 192 M (196). The strong profit was primarily attributable to higher turnover. Operational earnings for the Car Business in **Norway** amounted to SEK 171 M (72). The higher figure was mainly attributable to sales of used and new cars, and is explained by higher turnover for both car types, and also by a higher gross profit margin for used cars. Profit from sales of used cars amounted to SEK 100 M (44). Operational earnings for the Car Business in **Western Europe** amounted to SEK -12 M (25). The lower figure was attributable to sales of new cars, and is mainly explained by lower turnover and gross profit margin. Profit from sales of used cars amounted to SEK 5 M (3).

Turnover by geographic market

SEK M	Fourth quarter		Full-year	
	2020	2019	2020	2019
Sweden	3,808	3,868	13,666	13,052
Norway	1,956	1,815	6,643	6,204
Western Europe	863	894	3,307	3,422
Total	6,627	6,577	23,616	22,678

Operational earnings by geographic market

SEK M	Fourth quarter		Full-year	
	2020	2019	2020	2019
Sweden	141	80	318	251
Norway	83	29	171	72
Western Europe	10	27	-12	25
Total	234	136	477	348

Margin by geographic market

Per cent	Fourth quarter		Full-year	
	2020	2019	2020	2019
Sweden	3.7	2.1	2.3	1.9
Norway	4.3	1.6	2.6	1.2
Western Europe	1.0	2.9	-0.4	0.7
Total	3.5	2.1	2.0	1.5

Fuel Business

Lower sales volumes but higher gross profit margin

Fourth quarter 2020

- Turnover amounted to SEK 259 M (331), a decrease of 22 per cent.
- Operational earnings amounted to SEK 7 M (2).
- The margin was 2.9 per cent (0.4).

Full-year 2020

- Turnover amounted to SEK 1,093 M (1,338), a decrease of 18 per cent.
- Operational earnings amounted to SEK 29 M (25).
- The margin was 2.7 per cent (1.8).

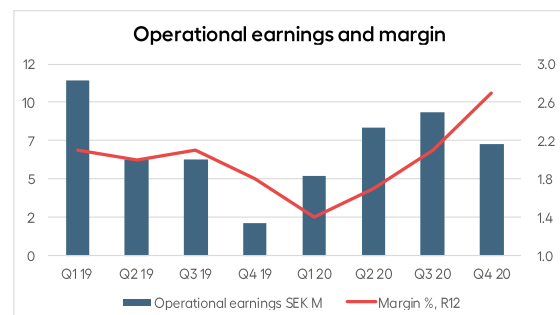
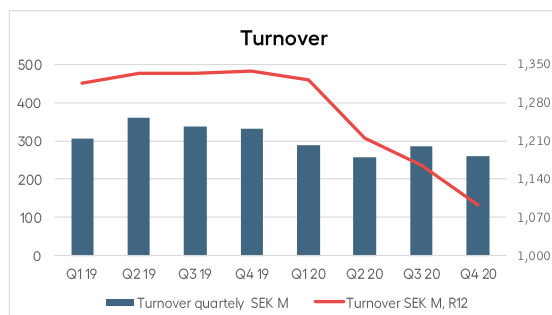
Turnover and earnings

Fourth quarter 2020

The Fuel Business is concentrated mainly to Sweden and profit for the fourth quarter amounted to SEK 7 M (2). Profit during the quarter was impacted negatively by lower sales volumes, but positively by a higher gross profit margin and lower costs.

Full-year 2020

The Fuel Business was concentrated mainly to Sweden and profit for the full year amounted to SEK 29 M (25). Profit during the whole year was impacted negatively by lower sales volumes, but positively by a higher gross profit margin and lower costs.



Turnover				
	Fourth quarter		Full-year	
SEK M	2020	2019	2020	2019
Total	259	331	1,093	1,338

Operational earnings				
	Fourth quarter		Full-year	
SEK M	2020	2019	2020	2019
Total	7	2	29	25

Margin				
	Fourth quarter		Full-year	
Per cent	2020	2019	2020	2019
Total	2.9	0.4	2.7	1.8

Other information

Risks and uncertainties

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

The operating risks include:

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

The ongoing COVID-19 situation, which was classed by the World Health Organization (WHO) as a pandemic in March 2020, could have a negative impact on business, depending on how it continues and on the effectiveness of the ongoing vaccination programmes. The high degree of uncertainty regarding the COVID-19 pandemic, together with future measures from customers and/or authorities, makes it impossible to rule out a future material impact on the other business areas, such as sales of used cars and the Service Business. The high degree of uncertainty renders it impossible to estimate the impact on the financial results.

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

- Risks related to dealer/service authorisations, since Bilia is dependent on approval 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 the fourth quarter, Volvo Cars terminated Bilia's dealer agreements in Sweden and Norway. Initial 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 for Bilia's operation.
- Risks related to alternative sales channels, as Bilia currently conducts its business mainly through its own facilities, and to a limited extent via digital channels. If general agents or manufacturers with which Bilia works were to move to their own sales channels, this would have an adverse impact on Bilia's business. During the 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 a lack of control over IT operation could entail regulatory consequences, financial burdens, operational disruptions and an adverse impact on Bilia's reputation.

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

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

Seasonal variations and number of working days

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

Related party transactions

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

Parent Company

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

Annual General Meeting 2021

The Annual General Meeting will be held on 27 April 2021 in Stockholm. Premises to be announced at a later time. Shareholders who wish to have a matter on the agenda at the AGM should contact Bilia no later than 9 March 2021 in order for the matter to be included in the notice of the meeting.

The annual report for 2020 will be published on Bilia's website on 26 March 2021.

Accounts - Group

Consolidated Statement of Income and Other Comprehensive Income

SEK M	Fourth quarter		Full-year	
	2020	2019	2020	2019
Net turnover	8,382	8,403	30,168	29,508
Costs of goods sold	-6,890	-6,998	-25,168	-24,588
Gross profit	1,492	1,405	5,000	4,920
Other operating income	16	10	19	24
Selling and administrative expenses	-950	-1,038	-3,507	-3,800
Other operating expenses	-117	-7	-148	-19
Operating profit ¹⁾	441	370	1,364	1,125
Financial income	1	-1	3	12
Financial expenses	-35	-48	-153	-164
Profit from shares in associated companies	15	13	46	41
Profit before tax	422	334	1,260	1,014
Tax	-99	-72	-276	-207
Net profit for the period/year	323	262	984	807
Other comprehensive income/loss				
<i>Items that can be reclassified to profit or loss</i>				
Translation differences attributable to foreign operations	-26	-28	-93	31
Other comprehensive income/loss after tax	-26	-28	-93	31
Comprehensive income for the period/year	297	234	891	838
Net profit for the period/year attributable to:				
Parent Company's shareholders	323	262	984	807
Comprehensive income for the period/year attributable to:				
Parent Company's shareholders	297	234	891	838
Weighted average number of shares, '000:				
- before dilution	99,959	100,586	100,090	100,859
- after dilution	100,065	100,684	100,190	100,957
Basic earnings/loss per share, SEK	3.25	2.60	9.85	8.00
Diluted earnings/loss per share, SEK	3.25	2.60	9.85	8.00
Weighted average number of own shares, '000	2,841	2,214	2,710	1,941
1) Straight-line amortisation/depreciation by asset class:				
- Intellectual property	-30	-30	-121	-122
- Land and buildings	-19	-31	-66	-75
- Equipment, tools, fixtures and fittings	-30	-16	-115	-98
- Leased vehicles	-100	-100	-386	-400
- Right-of-use assets	-104	-110	-440	-451
Total	-283	-287	-1,128	-1,146

Consolidated Statement of Financial Position, Summary

SEK M	31 December 2020	31 December 2019
Assets		
Non-current assets		
Intangible assets		
Intellectual property	557	636
Goodwill	812	847
	1,369	1,483
Property, plant and equipment		
Land and buildings	900	779
Construction in progress	48	42
Equipment, tools, fixtures and fittings	483	518
Leased vehicles	2,781	3,130
Right-of-use assets	2,649	2,682
	6,861	7,151
Long-term investments		
Financial investments ¹⁾	477	441
Long-term receivables ²⁾	1	1
	478	442
Deferred tax assets	131	110
Total non-current assets	8,839	9,186
Current assets		
Inventories, merchandise	3,743	4,571
Current receivables		
Other receivables ¹⁾	1,771	2,088
Cash and cash equivalents ²⁾	2,063	236
Total current assets	7,577	6,895
TOTAL ASSETS	16,416	16,081
Equity and liabilities		
Equity		
Share capital	257	257
Other contributed capital	167	167
Reserves	-69	24
Retained earnings including net profit for the year	3,613	2,738
Total equity	3,968	3,186
Non-current liabilities		
Bond issue ³⁾	1,292	1,289
Interest-bearing liabilities ⁴⁾	171	203
Lease liabilities ⁴⁾	2,168	2,214
Other liabilities and provisions	2,286	2,259
	5,917	5,965
Current liabilities		
Bond issue ⁴⁾	130	-
Interest-bearing liabilities ⁴⁾	653	1,040
Lease liabilities ⁴⁾	443	406
Other liabilities and provisions	5,305	5,484
	6,531	6,930
TOTAL EQUITY AND LIABILITIES	16,416	16,081
Assets		
¹⁾ Of which interest-bearing	468	433
²⁾ Interest-bearing	2,064	237
Liabilities		
³⁾ Of which interest-bearing	1,300	1,300
⁴⁾ Interest-bearing	3,565	3,863

Statement of Changes in Group Equity, Summary

SEK M	31 December 2020	31 December 2019
Opening balance	3,186	2,915
Cash dividend to shareholders	-	-483
Incentive programme	3	1
Buy-back of own shares	-122	-79
Revaluation of put option	10	-6
Comprehensive income for the year	891	838
Equity at end of period	3,968	3,186

Consolidated Statement of Cash Flows

SEK M	Fourth quarter		Full-year	
	2020	2019	2020	2019
Operating activities				
Profit before tax	422	334	1,260	1,014
Depreciation and impairment losses	338	368	1,188	1,227
Other items not affecting cash	140	3	106	22
Tax paid	-81	-41	-221	-281
Change in inventories	-706	-954	707	-532
Change in operating receivables	-483	-615	180	-565
Change in operating liabilities	366	754	-65	552
Cash flow from operating activities	-4	-151	3,155	1,437
Investing activities				
Acquisition of non-current assets (intangible and tangible)	-90	-74	-231	-246
Disposal of non-current assets (intangible and tangible)	34	13	46	53
Acquisition of leased vehicles	-315	-497	-1,341	-1,660
Disposal of leased vehicles	370	412	1,243	1,271
<i>Operating cash flow</i>	<i>-5</i>	<i>-297</i>	<i>2,872</i>	<i>855</i>
Investment in financial assets	0	-2	-4	-6
Disposal of financial assets	3	3	5	5
Acquisition of subsidiary/operation, net	-170	-6	-170	-73
Disposal of subsidiary/operation, net	7	0	12	0
Cash flow from investing activities	-161	-151	-440	-656
Cash flow after net investments	-165	-302	2,715	781
Financing activities				
Borrowings	834	317	1,430	1,434
Repayment of loans	-616	-70	-1,711	-1,238
Repayment of lease liabilities	-16	-17	-67	-64
Repayment of lease liabilities IFRS 16	-97	-94	-414	-432
Buy-back of own shares	-122	-79	-122	-79
Dividend paid to the company's shareholders	0	0	0	-483
Cash flow from financing activities	-17	57	-884	-862
Change in cash and cash equivalents, excl. translation differences	-182	-245	1,831	-81
Exchange difference in cash and cash equivalents	42	-4	-4	3
Change in cash and cash equivalents	-140	-249	1,827	-78
Cash and cash equivalents at start of period	2,203	485	236	314
Cash and cash equivalents at end of period	2,063	236	2,063	236

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

Additional disclosures - Group

Note 1 Accounting principles

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

New accounting policies from 1 January 2020

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

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

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

Note 2 Fair value of financial instruments

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

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

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

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

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

Currency derivatives are recognised as financial assets and liabilities and are measured at fair value in accordance with Level 2. The value of the currency derivatives is not material and does not constitute a significant item in the Consolidated Statement of Financial Position. Measurement of the currency derivatives at fair value has resulted in a revenue of SEK 9 M that is matched by a cost stemming from revaluation of assets in foreign currencies. The effect on the Group's profit is SEK 0 M.

Calculation of fair value

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

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

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. The discussions with Volvo Cars are in an introductory phase, which is why it is not currently possible to estimate the future financial impact on Bilia's operations.

Profit from the sale of real estate in 2019 relates to a facility in Sweden that was used by the Car Business and Service Business. Restructuring costs during 2019 relate to costs for relocating an operation in Sweden and for redundancy of personnel.

Acquisition-related expenses and value adjustments relate to costs for acquiring operations. Depreciation, amortisation and impairment of surplus values in 2019 as a whole included a one-off write-down of intangible assets in Germany, Western Europe, which amounted to SEK 20 M.

SEK M	Fourth quarter		Full-year	
	2020	2019	2020	2019
The Group				
Operational earnings	577	415	1,593	1,239
- Gain from sale of property	0	0	0	8
- Structural costs etc.	-112	0	-136	-4
- Acquisition-related costs and value adjustments	0	-1	0	-3
- Amortisation/impairment losses of surplus values	-24	-44	-93	-115
Operating profit	441	370	1,364	1,125

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

Lower personnel expenses after furloughing employees are recognised in operational earnings and in operating profit, and amounted to SEK 1 M in the fourth quarter, relating to Western Europe.



Personnel expenses decreased by SEK 31 M due to furloughs during the year whereof SEK 21 M of this related to Western Europe and SEK 10 M to Norway. Temporary rules were introduced for a period for all Swedish and Norwegian companies as regards sick pay and/or social security contributions, which reduced personnel expenses for the Swedish and Norwegian operations by SEK 11 M and SEK 6 M respectively during the year compared to last year.

There was no financial support for furloughing employees reported in Sweden.

Note 4 Group's operating segments

31 December 2020

SEK M	Service	Car	Fuel	Total	Segment reconciliation	Group
Net turnover						
External sales	5,433	23,616	1,093	30,142	26	30,168
Internal sales	1,538			1,538	-1,538	-
Total net turnover	6,971	23,616	1,093	31,680	-1,512	30,168
Depreciation/amortisation	-389	-655	-5	-1,049	-79	-1,128
Operational earnings/Operating profit/loss	1,157	477	29	1,663	-299	1,364
Interest income						3
Interest expenses						-153
Profit from shares in associated companies		46		46		46
Profit before tax						1,260
Tax expense for the period						-276
Net profit for the period						984
Revenue and costs that affect comparability:						
- Profit from sale of property	0	0		0		0
- Structural costs etc.	-40	-90	-2	-132	-4	-136
- Acquisition-related costs and value adjustments	-1	1		0		0
- Amortisation/impairment losses of surplus values	-46	-47		-93		-93
Total	-87	-136	-2	-225	-4	-229
Assets						
Shares in associated companies		468		468		468
Deferred tax assets						131
Other assets						15,817
Total assets						16,416
Investments in non-current assets	117	1,381	4	1,502	70	1,572
Liabilities						
Equity						3,968
Liabilities						12,448
Total liabilities and equity						16,416

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

SEK M	Revenues from customers	Non-current assets
Geographical segments		
Sweden	18,339	7,525
Norway	8,013	1,716
Germany	1,009	101
Luxembourg	1,332	588
Belgium	1,475	570
Segment reconciliation	0	-1,792
Total	30,168	8,708

31 December 2019

SEK M	Service	Car	Fuel	Total	Segment reconciliation	Group
Net turnover						
External sales	5,467	22,678	1,338	29,483	25	29,508
Internal sales	1,585			1,585	-1,585	-
Total net turnover	7,052	22,678	1,338	31,068	-1,560	29,508
Depreciation/amortisation	-371	-708	-5	-1,084	-62	-1,146
Operational earnings/Operating profit/loss	945	348	25	1,318	-193	1,125
Interest income						12
Interest expenses						-164
Shares in profits of associated companies		41		41		41
Profit before tax						1,014
Tax expense for the period						-207
Net profit for the period						807
Revenue and costs that affect comparability:						
- Profit from sale of operation, other	4	4		8		8
- Structural costs etc.	-1	-3		-4		-4
- Acquisition-related costs and value adjustments	-1	-2		-3		-3
- Amortisation of surplus values	-58	-57		-115		-115
Total	-56	-58	-	-114	-	-114
Assets						
Interests in associated companies		433		433		433
Deferred tax assets						110
Other assets						15,538
Total assets						16,081
Investments in non-current assets	90	1,713	5	1,808	98	1,906
Liabilities						
Equity						3,186
Liabilities						12,895
Total liabilities and equity						16,081

SEK M	Service			Car		
	Sweden	Norway	Western Europe	Sweden	Norway	Western Europe
Turnover						
External sales	3,428	1,315	724	13,052	6,204	3,422
Internal sales	1,014	471	100			
Total turnover	4,442	1,786	824	13,052	6,204	3,422
Depreciation/amortisation	-215	-97	-59	-542	-111	-55
Operational earnings	674	205	66	251	72	25
Shares in profits of associated companies				41		
Revenue and costs that affect comparability:						
- Profit from sale of operation, other	4			4		
- Structural costs etc.	-1	0		-2	0	-1
- Acquisition-related costs and value adjustments	-1			-1	-1	0
- Amortisation of surplus values	-12	-12	-34	-11	-12	-34
Total	-10	-12	-34	-10	-13	-35
Interests in associated companies				433		
Investments in non-current assets	44	37	9	1,406	264	43

SEK M	Revenues from customers	Non-current assets
Geographical segments		
Sweden	17,836	7,225
Norway	7,526	2,106
Germany	1,361	107
Luxembourg	1,312	605
Belgium	1,473	628
Segment reconciliation	0	-1,595
Total	29,508	9,076

Note 5 Acquisitions

On 1 November 2020 Bilia acquired Jönköpings Bildemontering AB, ECRIS AB and the real estate company that owns the property in which the two companies' operations are run. The operations are run from the facility in Jönköping. Jönköpings Bildemontering AB's operation consists of auto salvage and sales of used cars. ECRIS AB's operation comprises sales of renovated and new car parts, and the renovation and storage of electric batteries. The operation has a turnover of approximately SEK 140 M a year, and reports an average operating margin of approximately 15 per cent. The purchase price amounted to SEK 218 M. The whole purchase price was paid in cash. There was no contingent consideration.

The acquisition means that Bilia will continue its sustainability programme by harnessing and reusing car parts in a way that is sustainable both for the business and the environment.

The operation has about 80 employees and will continue to be conducted from the present-day facility.

Acquisition-related expenses amounting to SEK 0.1 M consist of fees to consultants for due diligence.

Effects of the acquisition

The acquisition has the following effect on the Group's assets and liabilities.

Acquiree's preliminary net assets at the acquisition date:

SEK M	Jönköpings Bildemontering AB, ECRIS AB, Riddersbergs Fastighets AB
Intangible assets	49
Property, plant and equipment	131
Long-term investments	1
Inventories	60
Trade receivables and other receivables	24
Cash and cash equivalents	48
Interest-bearing liabilities	34
Trade payables and other liabilities	36
Deferred tax liability	25
Net identifiable assets and liabilities	218
Consolidated goodwill	-
Net identifiable assets and liabilities, including goodwill	218
Purchase consideration paid	218
Less: Cash and cash equivalents in acquired operation	-48
Net effect on cash and cash equivalents	170

Acquired customer relations totalling SEK 48 M are recognised as intangible assets. These customer relations will be amortised over 10 years.

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

Specification of interest-bearing net debt/receivable

SEK M	31 December 2020	31 December 2019
Current interest-bearing liabilities	783	1,040
Non-current interest-bearing liabilities	1,471	1,503
Lease liabilities IFRS 16	2,611	2,620
Cash and cash equivalents	-2,063	-236
Interest-bearing assets	-1	-1
Shares in associated companies	-468	-433
Net debt(+)/receivable(-) at end of period/year	2,333	4,493
Net debt(+)/receivable(-) at end of period/year, excluding IFRS 16	-278	1,873

The ratio of net debt to EBITDA

SEK M	31 December 2020	31 December 2019
Operational earnings	1,593	1,239
Operational earnings, excluding IFRS 16	1,537	1,193
Total depreciation/amortisation	1,128	1,146
-amortisation of surplus values	-93	-95
-depreciation of right-of-use assets	-440	-451
-depreciation of leased vehicles with repurchase agreements	-318	-337
Depreciation/amortisation added back	717	714
Depreciation/amortisation added back, excluding IFRS 16	277	263
EBITDA	2,310	1,953
EBITDA, excluding IFRS 16	1,814	1,456
The ratio of net debt to EBITDA rolling 12 months, times	1.0	2.3
The ratio of net debt to EBITDA rolling 12 months, times, excluding IFRS 16	-0.2	1.3

Accounts - Parent Company

Income Statement for Parent Company

SEK M	Fourth quarter		Full-year	
	2020	2019	2020	2019
Net turnover	127	141	545	530
Administrative expenses	-160	-174	-621	-614
Operating loss ¹⁾	-33	-33	-76	-84
<i>Result from financial items</i>				
Profit from shares in Group companies	-77	-11	-1	117
Interest income from Group companies	8	12	52	54
Other interest income and similar line items	0	-1	0	10
Interest expenses to Group companies	0	0	0	0
Interest expenses and similar line items	-13	-10	-46	-43
Profit/loss after financial items	-115	-43	-71	54
Appropriations	858	723	858	723
Profit before tax	743	680	787	777
Tax	-162	-136	-161	-131
Net profit for the period/year	581	544	626	646
¹⁾ Straight-line amortisation/depreciation by asset class:				
- Intellectual property	0	0	0	0
- Buildings	-6	-7	-23	-18
- Equipment, tools, fixtures and fittings	0	0	-1	-1
Total	-6	-7	-24	-19

Balance Sheet for Parent Company, Summary

SEK M	31 December 2020	31 December 2019
Assets		
Non-current assets		
Intangible assets		
Intellectual property	0	0
	0	0
Property, plant and equipment		
Buildings	175	163
Construction in progress	39	36
Equipment, tools, fixtures and fittings	4	5
	218	204
Long-term investments		
Shares in Group companies	1,528	1,328
Other securities held as non-current assets	1	1
Deferred tax asset	61	58
	1,590	1,387
Total non-current assets	1,808	1,591
Current assets		
Current receivables		
Receivables from Group companies	1,429	2,130
Other receivables	123	196
Cash on hand and demand deposits	1,833	55
Total current assets	3,385	2,381
TOTAL ASSETS	5,193	3,972
Equity and liabilities		
Equity		
Restricted equity		
Share capital	257	257
Statutory reserve	47	47
	304	304
Non-restricted equity		
Share premium reserve	167	167
Retained earnings including net profit for the year	1,404	897
	1,571	1,064
Total equity	1,875	1,368
Untaxed reserves	1,016	863
Provisions		
Deferred tax liability	15	14
	15	14
Non-current liabilities		
Bond issue	1,292	1,289
Other liabilities	5	5
	1,297	1,294
Current liabilities		
Bond issue	130	-
Liabilities to Group companies	555	70
Other liabilities	305	363
	990	433
TOTAL EQUITY AND LIABILITIES	5,193	3,972

Quarterly review - 8 quarters

The Group

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Net turnover, SEK M	6,874	7,426	6,805	8,403	7,450	6,777	7,559	8,382
Operational earnings, SEK M	238	306	280	415	279	335	402	577
Operational margin, %	3.5	4.1	4.1	4.9	3.7	5.0	5.3	6.9
Operating profit, SEK M	211	280	264	370	255	293	375	441
Operating margin, %	3.1	3.8	3.9	4.4	3.4	4.3	5.0	5.3
Profit before tax, SEK M	192	251	237	334	219	266	353	422
Profit/loss for the period, SEK M	154	203	188	262	167	213	281	323
The ratio of net debt to EBITDA excl. IFRS 16, times ¹⁾	1.1	1.4	1.1	1.3	1.2	0.2	-0.4	-0.2
Return on capital employed, % ¹⁾	18.3	16.6	16.0	15.8	15.0	15.1	16.2	16.7
Return on equity, % ¹⁾	26.1	25.7	25.9	26.5	26.5	26.1	27.4	27.5
Equity/assets ratio, %	21	19	21	20	22	24	24	24
Data per share (SEK) ²⁾								
Earnings/loss for the period	1.50	2.05	1.85	2.60 ³⁾	1.65 ⁴⁾	2.15 ⁴⁾	2.80 ⁴⁾	3.25 ⁵⁾
Equity	31	28	30	32 ⁴⁾	33 ⁴⁾	35 ⁴⁾	38 ⁴⁾	40 ⁶⁾

¹⁾ Rolling 12 months.

²⁾ Based on number of shares outstanding, 100,950,952.

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

⁴⁾ Based on number of shares outstanding, 100,133,742.

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

⁶⁾ Based on number of shares outstanding, 98,913,742.

Business area – Service Business

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Turnover, SEK M	1,704	1,750	1,570	2,028	1,796	1,622	1,558	1,995
Operational earnings, SEK M	218	217	195	315	263	281	237	376
Margin, %	12.8	12.4	12.4	15.6	14.7	17.3	15.2	18.8
Adjusted turnover, growth in %	6.4	2.0	7.1	10.9	7.5	-2.0	6.0	5.2

Business area – Car Business

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Turnover, SEK M	5,214	5,654	5,233	6,577	5,783	5,157	6,049	6,627
Operational earnings, SEK M	24	102	86	136	18	56	169	234
Margin, %	0.5	1.8	1.6	2.1	0.3	1.1	2.8	3.5
New cars delivered, number	11,336	13,078	9,858	14,398	10,814	8,685	10,550	13,259
Order backlog of new cars, number	12,385	11,579	13,083	11,767	13,579	12,848	14,492	13,458
Used cars delivered, number	11,956	12,906	12,965	12,537	13,377	12,788	13,997	11,685

Business area – Fuel Business

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Turnover, SEK M	307	362	338	331	290	257	287	259
Operational earnings, SEK M	11	6	6	2	5	8	9	7
Margin, %	3.6	1.5	1.9	0.4	1.9	3.0	2.9	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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Operating margin Operating profit in relation to net turnover.

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

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

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

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

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

Reconciliation of performance measures can be found at bilia.com/en/investors/financial-information/

Additional Bilia disclosures

Press and analyst meeting

On Thursday, 11 February 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 12:30 CET and a meeting in English at 14:30 CET. These are telephone meetings and the telephone number for phoning in is +46 (0)8 22 90 90, code 674445.

Contact

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Calendar

Interim report January-March 2021: 27 April 2021
Annual General Meeting: 27 April 2021
Interim report April-June 2021: 23 July 2021
Interim report July-September 2021: 26 October 2021

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, 11 February 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 11 February 2021, at 10:00 CET.

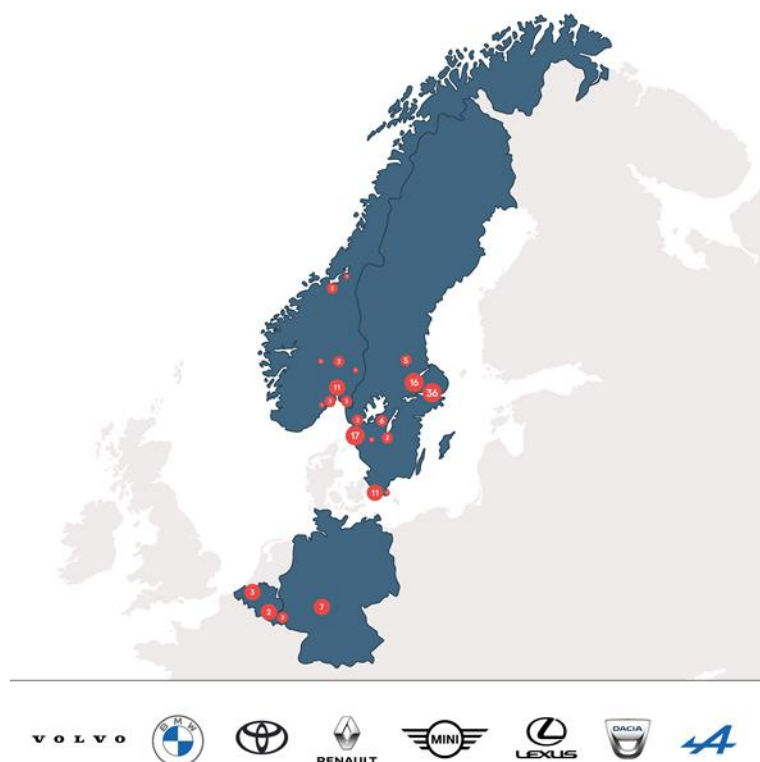


Bilia is one of Europe's largest car dealership chains, with a leading position in servicing and sales of cars and transport vehicles plus supplementary services such as financing and insurance. Bilia has about 140 facilities in Sweden, Norway, Germany, Luxembourg and Belgium plus two online auction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

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

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

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



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